



Nielsen
Media Research

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Dear Client:

I am writing to update you on events surrounding the planned introduction this year of People Meter services into New York, Los Angeles, Chicago and San Francisco.

As you know, on April 6, Nielsen Media Research announced that we were rescheduling the Local People Meter (LPM) launch in New York until June 3rd. We determined that we needed to take this time to communicate the benefits of People Meters to local community leaders and elected officials who had voiced concerns about the impact of the service on their communities.

We also are continuing to work with you, our clients, to ensure that you are fully aware of the differences between measurements produced by the People Meter methodology and those obtained through the current Meter/Diary system. As these meetings take place, Congressman Charles Rangel is in the process of establishing a task force of respected industry and community leaders that will work with Nielsen on an ongoing basis to ensure that our ratings remain fair and reliable for all viewers, including African-Americans and Latinos.

Evaluating People Meter Results

In an effort to address questions that were raised about this matter, we recently conducted an analysis of March data from Local People Meters already in use in the New York sample. This analysis is available on our web site at <http://www.nielsenmedia.com> and I have used the findings to answer some of the most commonly asked questions that we have received regarding our LPM service (see attached.)

The comprehensive analysis compares results of Nielsen's Local People Meter service in New York to our current Meter/Diary system and reaffirms earlier conclusions regarding African American and Latino viewers. Among the findings:

- The People Meter sample is larger and more representative than our Meter/Diary sample. We have nearly doubled the number of African American and Latino households sampled in New York. Accordingly, the People Meter sample more closely reflects population estimates of audiences of color with respect to the presence of children and cable access in the home.
- Because a greater percentage of the public is willing to participate in People Meter research than in either Set Meter or Diary research, the New York LPM sample also has a higher response rate.



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- Analysis of the March data shows that, while the overall amount of viewing among African Americans and Latinos has remained constant, they – like all viewers – are watching a more diverse array of content. One result is that some popular broadcast shows with African American themes have experienced ratings changes when measured by Local People Meters, as have some programs primarily geared to general audiences.
- This shift in viewing patterns is benefiting smaller broadcast and cable networks, some of which are owned and operated by people of color.

Efforts to Thwart Local People Meters

Despite these conclusions, some individuals and organizations continue in their efforts to halt the introduction of People Meters in local markets. For example, the coalition Don't Count Us Out, which is supported by News Corp., has been protesting against the use of People Meters for some time. In past meetings with Nielsen, News Corp. threatened to take belligerent actions – from discrediting the company to instigating political action in Washington – if we did not back down from our LPM launch in New York.

While we tried to work with News Corp., as we do with all of our clients, to address their concerns, we consistently stood by the accuracy of LPM measurements. News Corp. has subsequently made good on some of its threats, as cited by several news sources around the nation:

- Reuters and *New York Daily News* both reported that News Corp. hired lobbyists and communications consultants to induce elected officials in New York City, Albany and Washington, D.C. to oppose the LPM launch on the basis of its claims that People Meters under-represent African American and Latino viewers.
- According to the Capitol Hill newspaper, *Roll Call*, News Corp. also helped organize Don't Count Us Out, which ran newspaper advertisements in Capitol Hill publications. Since then, the coalition has sponsored a number of additional ads in *The New York Times*, *The Washington Post* and other mainstream and minority media.
- The *Daily News* also noted that Don't Count Us Out, with the help of News Corp.'s paid consultants, created a Web site and "ginned up a 'grassroots' telephone campaign that flooded the switchboard in Whiting's office, along with an E-mail campaign that clogged the CEO's computer."

Other sources, such as *The Wall Street Journal*, *The Washington Post*, *Newsday*, *Chicago Sun Times*, *Variety* and the online *Media Daily News* also have cited News Corp.'s behind-the-scenes role in generating opposition to the People Meter service. I have enclosed clips from these and other publications for your review. Moreover, as you are aware, the NAB's committees on local TV and radio audience measurement have criticized attempts to discourage the public from participating in legitimate audience research surveys.



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How Nielsen Media Research is Responding

In an effort to correct the record and communicate the benefits of People Meter technology to key audiences, Nielsen has vigorously reached out to community leaders and elected officials at both the local and national levels. These efforts have included:

- Meeting with the staffs of New York Senators Clinton and Schumer, as well as with numerous members of Congress and staff of telecommunications subcommittees.
- Briefing the staffs of the Congressional Black Caucus and the Congressional Hispanic Caucus.
- Holding conversations with New York State and City leaders, including Senate Minority Leader David Paterson, Mayor Bloomberg's deputies, City Council Speaker Gifford Miller, and key City Council members.
- Meeting and briefing leaders from organizations such as the NAACP, the Hispanic Federation, the 100 Black Men.
- Testifying before New York City Council Consumer Affairs Committee.
- Adding staff and retaining public relations and community relations support in New York, Los Angeles and Chicago.
- Producing a consumer-friendly DVD that explains People Meters and Nielsen's mission.

Explaining The Facts

As we prepare to introduce the LPM services in Los Angeles and Chicago, we also are meeting with community leaders and legislators in both cities and their respective states. In every instance, we have provided solid evidence that People Meters provide the most accurate measurement of audiences of color.

Moreover, despite claims by News Corp. that lower ratings for certain Fox and UPN shows demonstrate People Meters undercount people of color, the same March data show that African American and Latino viewers are not being undercounted. The truth is, they are just watching different programming from what was previously recorded. For example:

- Overall, LPM viewership among Latino viewers increased for 80 networks and decreased for 17 in March. Among African American audiences, viewership increased for 90 networks and decreased for 19.



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- Among African American viewers, total day viewing for BET, is up 180% under LPMs. African American viewing also has increased more than 100% for a number of other networks, such as ESPN, Lifetime Movie Network, Telefutera, Pax and Starz.
- Among Latino viewers, Telemundo and Telefutera, ratings are up three-quarters and half a rating point respectively under LPMs, while cable access channel and the HBO Zone pay channel are both up over 100%.

It is apparent that viewership for some programs and networks are down when recorded by People Meters. Yet many more networks and programs have seen their viewership go up. That is to be expected when a different, more precise measurement tool is introduced.

Furthermore, for years Nielsen has run a national Latino People Meter sample that has been audited annually by Ernst & Young and accredited by the Media Rating Council. Nielsen maintains and has committed significant resources to establishing a bi-lingual field force to ensure appropriate levels of cooperation among Latino households.

By continually delivering accurate estimates, People Meter service enables advertisers to perform deeper and more complete analysis of viewership at the local level. And having ready access to the latest demographic data enables stations to adjust their program schedules to ensure they are effectively reaching key audiences.

Nielsen Media Research will continue to work with all clients to deliver the most reliable and timely audience measurements. Just as important, we remain committed to the introduction of Local People Meters in New York on June 3rd, and we hope we can count on your support in this area.

Sincerely,

Attachments:

Questions on Local People Meters in New York

Media Coverage on People Meters and Nielsen Media Research