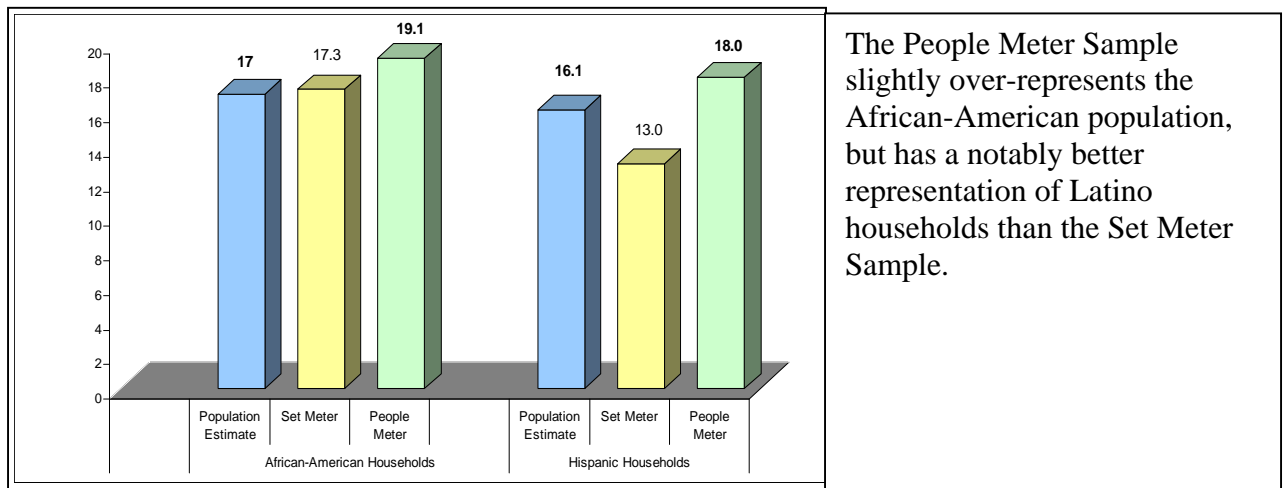


## Questions on Local People Meters in New York

### **Do Nielsen's People Meters Undercount African-Americans and Latinos in New York?**

Absolutely not. To the contrary, the People Meter Sample slightly over-represents the African American population (19.1% of the People Meter Sample versus 17% of the population estimate); the percentage of Latinos in the People Meter Sample is also higher than that in the population estimate (18% versus 16.1%).

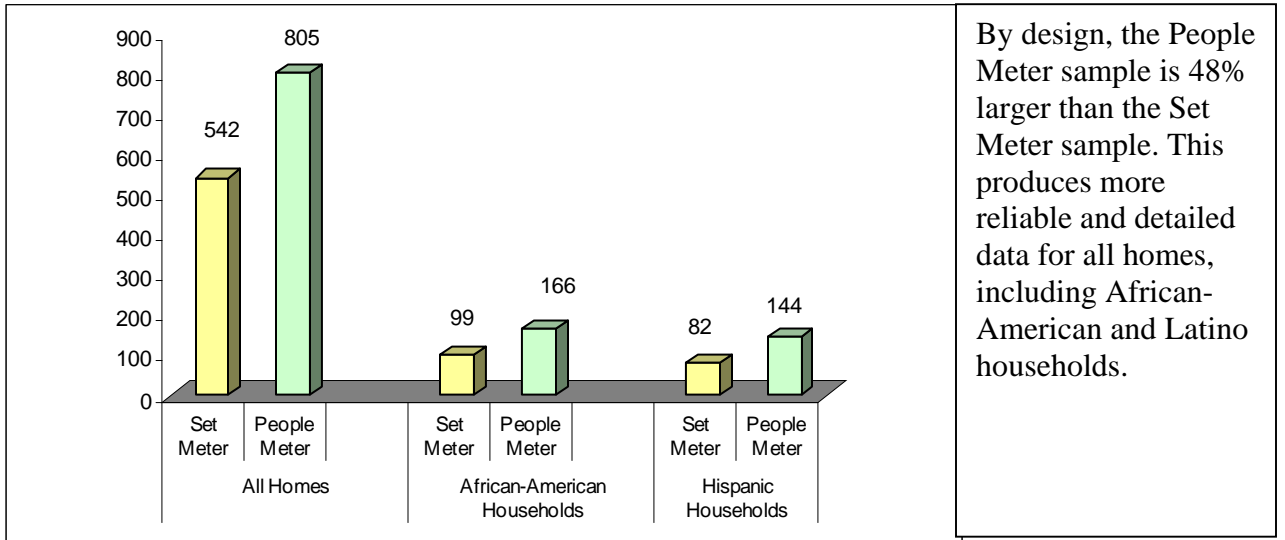
#### *African-American and Latino representation*



### **Is Nielsen Reducing the Number of African-Americans and Latinos it Includes in Its Surveys?**

No. To the contrary, Nielsen has almost doubled the number of African American and Latino households participating in the New York People Meter Sample, as compared to the current Meter/Diary Sample. To produce more reliable, detailed and accurate audience estimates, Nielsen designed the People Meter Sample in New York to be 48% larger than the current Meter/Diary system.

*Sample Sizes*

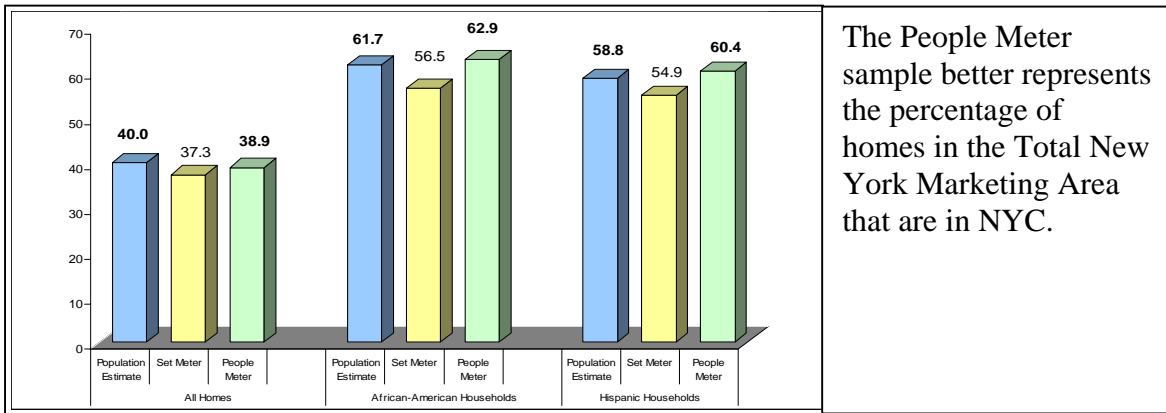


By design, the People Meter sample is 48% larger than the Set Meter sample. This produces more reliable and detailed data for all homes, including African-American and Latino households.

**Is Nielsen’s People Meter Sample Adequate for Today’s Large, Diverse Urban Markets Like New York?**

The People Meter Sample, which is nearly 60% larger than the sample for the Meter/Diary system, better represents the percentage of homes in the Total New York Marketing Area that are in NYC.

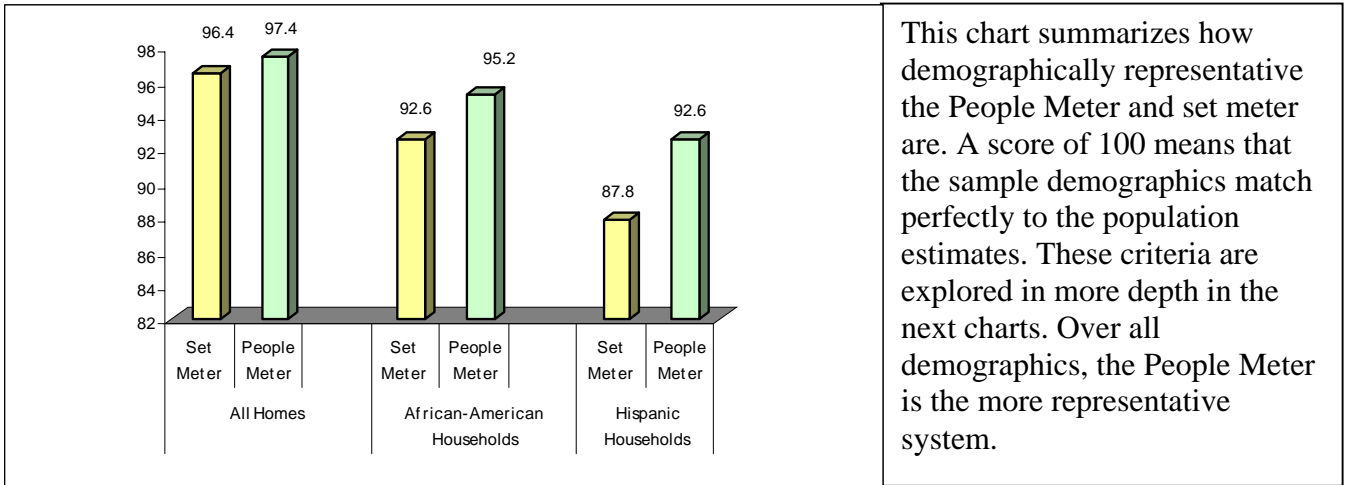
*Geographical Representation*



The People Meter sample better represents the percentage of homes in the Total New York Marketing Area that are in NYC.

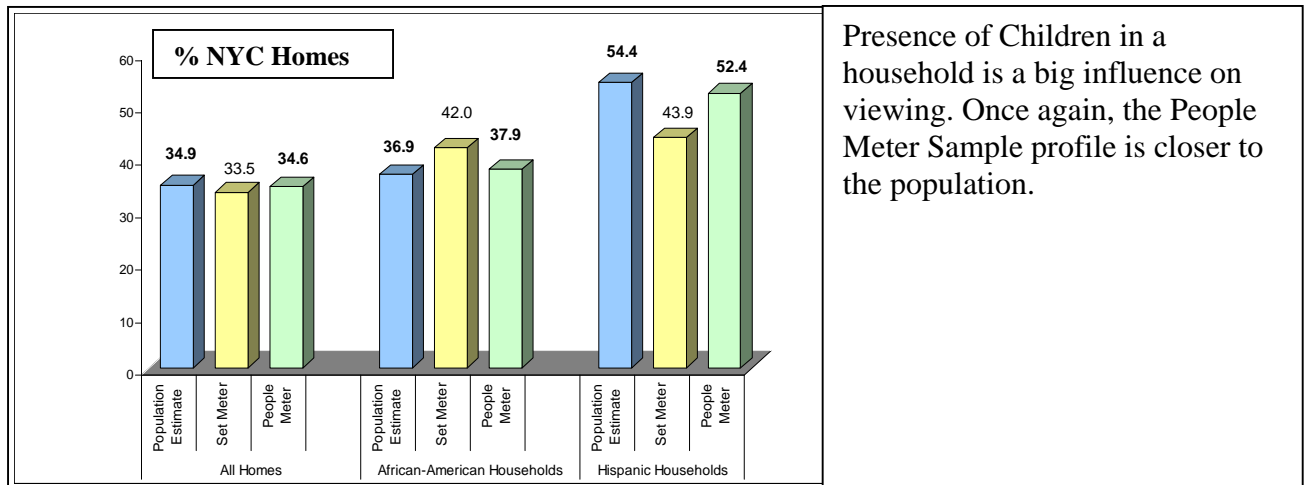
Not surprisingly, the New York People Meter Sample is more representative of the population with respect to all demographics than the sample using the current Meter/Diary System.

*Representing the Population – an index of Demographic Representation*



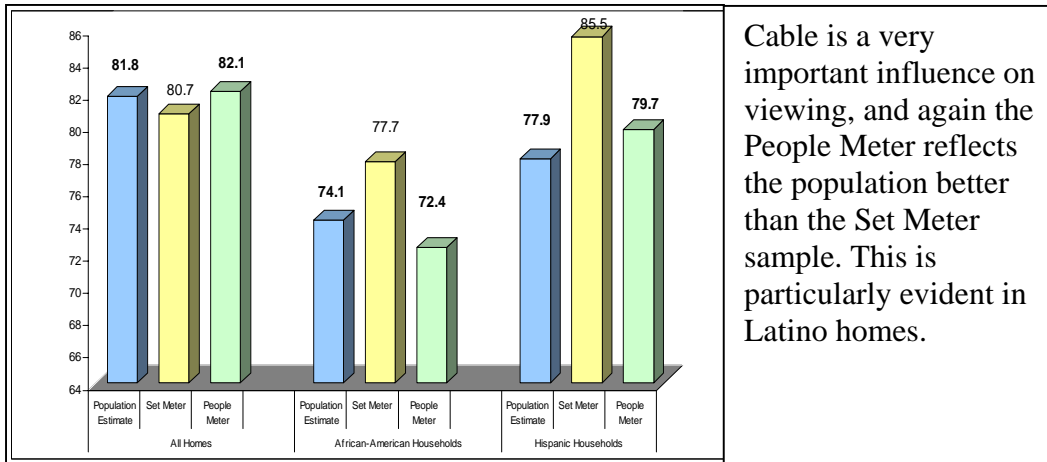
With respect to both African Americans and Latinos, the People Meter Sample is closer to the population estimates with respect to the presence of children in the household.

*Homes With Children*



The People Meter Sample more closely reflects the population estimates with respect to the Presence of Cable in the Home. This is true for African American households, and is especially true for Latino households.

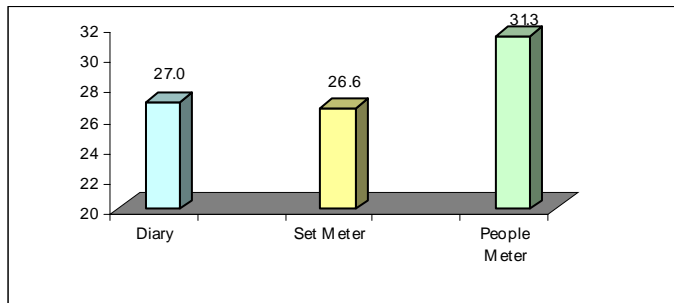
*Cable Homes*



**Are fewer people willing to participate in the People Meter sample?**

No. To the contrary, a higher percentage of the public is willing to take part in People Meter research than in either Set Meter or Diary research.

*Response Rates*



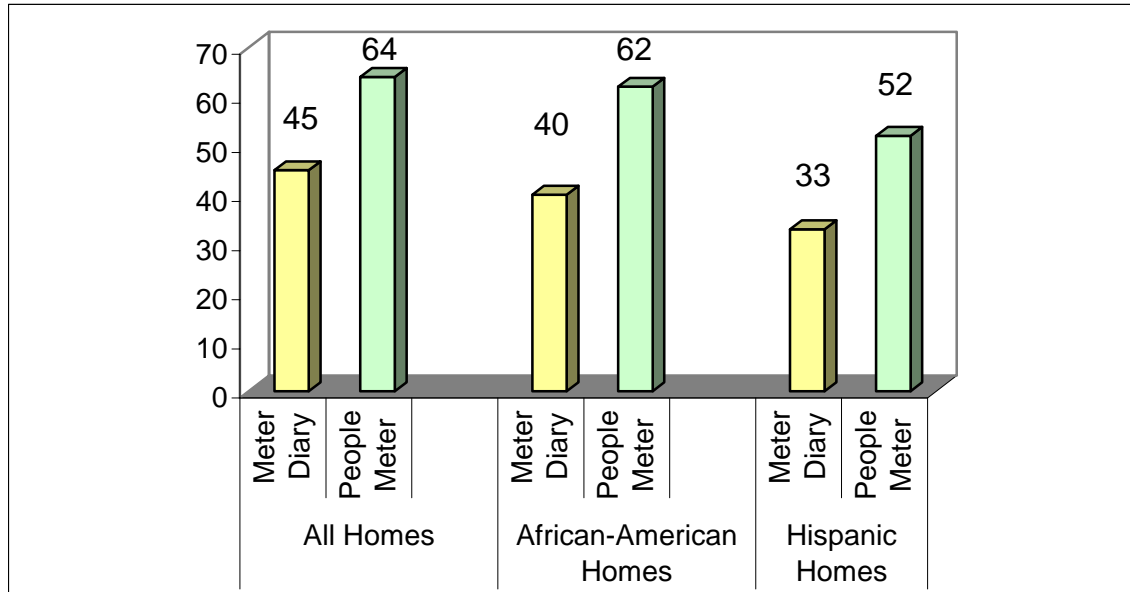
In short, the New York People Meter sample has more African American and Latino households, better sample representation and higher response rates – the key measures of sample quality – than the current Meter/Diary system.

**How Does Nielsen Explain the Large Drops in Reported Viewing of Some of the Top Rated African American-Themed Shows in New York?**

The answer, very simply, is that some viewing – the “drops” in some broadcast network programming isn’t really dropped at all – the People Meter more accurately shows that this viewing still takes place, but it is found to be viewing of programming on cable and other smaller programming sources, not viewing of broadcast network programming. The People Meter panel reveals a diversity of viewing to smaller channels that the less sensitive Meter/Diary system cannot report. The following chart compares the number of

stations viewed in March by Persons 18+ as measured by the Meter/Diary system and by People Meters.

*Number of Stations Viewed in March 2004 – Persons 18+*



\* Stations viewed at a rating of .1 or higher.

**Why are the declines so significant for certain programs – namely, programs that feature talent of color or are popular among African Americans?**

The programs shown in the table below are the programs that have been consistently cited as examples of the ten most significant declines for programs with talent predominantly of color.

*LPM vs MD Selected Programs*

Table 1	March - NY	Households				Persons 18+			
		LPM	MD	Diff	% Diff	LPM	MD	Diff	% Diff
<b>LPM vs MD Selected Programs</b>									
Parkers	M-F 7P-7:30P	2.3	2.8	-0.5	-17.9%	1.2	1.5	-0.3	-20.0%
Parkers B	M-F 7:30P-8P	2.6	3.2	-0.6	-18.8%	1.2	1.7	-0.5	-29.4%
Parkers-UPN	Mon 8-8:30P	3.5	4.5	-1.0	-22.2%	1.7	2.8	-1.1	-39.3%
Eve	Mon 8:30-9P	3.9	4.8	-0.9	-18.8%	1.9	2.8	-0.9	-32.1%
Girlfriends	Mon 9P-9:30P	3.7	4.4	-0.7	-15.9%	1.8	2.6	-0.8	-30.8%
Half & Half	Mon 9:30-10P	3.5	4.3	-0.8	-18.6%	1.7	2.6	-0.9	-34.6%
One on One	Tue 8-8:30P	2.6	4.5	-1.9	-42.2%	1.0	2.7	-1.7	-63.0%
All of Us	Tue 8:30-9P	2.9	5.3	-2.4	-45.3%	1.2	3.2	-2.0	-62.5%
My Wife & Kids	Wed 8-8:30P	7.5	7.9	-0.4	-5.1%	4.3	4.7	-0.4	-8.5%
My Wife & Kids	Wed 8:30-9P	6.1	7.7	-1.6	-20.8%	3.2	4.4	-1.2	-27.3%
Average		3.9	4.9	-1.1	<b>-22.6</b>	1.9	2.9	-1.0	<b>-34.8</b>

The People Meter reports that those audiences are viewing other programs, especially on cable and pay cable. Cable and pay cable are the kinds of sources that are often underrepresented in the diary because they are viewed less regularly and therefore are harder to recall when completing the diary.

**But programs that do not predominantly feature talent of color do not show similar declines . . . or do they?**

They do. The declines have nothing to do with talent of color or white talent. The table below shows the ten most significant and comparable declines for programs that do not feature talent of color.

*LPM vs. MD Selected Programs*

Table2 LPM vs MD Selected Programs	March - NY	Households				Persons 18+			
		LPM	MD	Diff	% Diff	LPM	MD	Diff	% Diff
Alias	Sun 9P - 10P	3.0	6.5	-3.5	-53.8%	2.1	4.3	-2.2	-51.2%
American Model 2	Tue 9P - 10P	7.1	7.8	-0.7	-9.0%	3.7	5.4	-1.7	-31.5%
Joan of Arcadia	Fri 8P - 9P	5.1	7.6	-2.5	-32.9%	3.6	5.3	-1.7	-32.1%
District	Sat 10P - 11P	4.9	6.0	-1.1	-18.3%	2.8	4.2	-1.4	-33.3%
Simpsons	Sun 830P - 9P	6.2	7.4	-1.2	-16.2%	3.6	5.0	-1.4	-28.0%
Extreme Home MakeOver	Sat 8P - 9P	4.8	5.3	-0.5	-9.4%	2.9	4.1	-1.2	-29.3%
Jag	Fri 9P - 10P	5.5	8.0	-2.5	-31.3%	3.9	5.0	-1.1	-22.0%
Simpsons	Sat 8P - 830P	6.2	7.4	-1.2	-16.2%	3.4	4.4	-1.0	-22.7%
Extreme Home MakeOver	Thu 9P - 10P	4.8	4.8	0.0	0.0%	2.3	3.3	-1.0	-30.3%
Happy Family	Tue 830P - 9P	5.2	5.4	-0.2	-3.7%	2.9	3.9	-1.0	-25.6%
<b>Average</b>		<b>5.3</b>	<b>6.6</b>	<b>-1.3</b>	<b>-19.1%</b>	<b>3.1</b>	<b>4.5</b>	<b>-1.4</b>	<b>-30.6%</b>

Together, these two tables show the same thing is happening: viewing to larger network programs – regardless of the race or ethnicity of on-air talent – tends to decline when changing from a Meter/Diary system to a People Meter system.

**Are there any increases in viewing to channels for people of color?**

There are. The table below illustrates one cable source – BET – whose total day viewing by Persons 18+ increases from a .05 in the Meter Diary system to .14, or a 180%, increase.

**March**

Persons 18+ BET	Meter Diary	LPM	% DIFF
Syndication (M-F 7P-8P)	.21	.27	+29%
Prime	.17	.17	–
Total Day	.05	.14	+180%

The following table further illustrates the types of channels where People Meters report significantly higher audiences. These increases are illustrative of what happens to smaller broadcast channels, cable and access channels when we measure television electronically rather than through a diary. They are illustrative because among African Americans 18+, some 27 networks increase their ratings by more than .1 over the total day. While .1 is small in absolute terms, it means doubling the size of the audience for many networks and this significantly increases the likelihood that they can compete. Among Latinos 18+, 21 networks increase their audience by .1 or more.

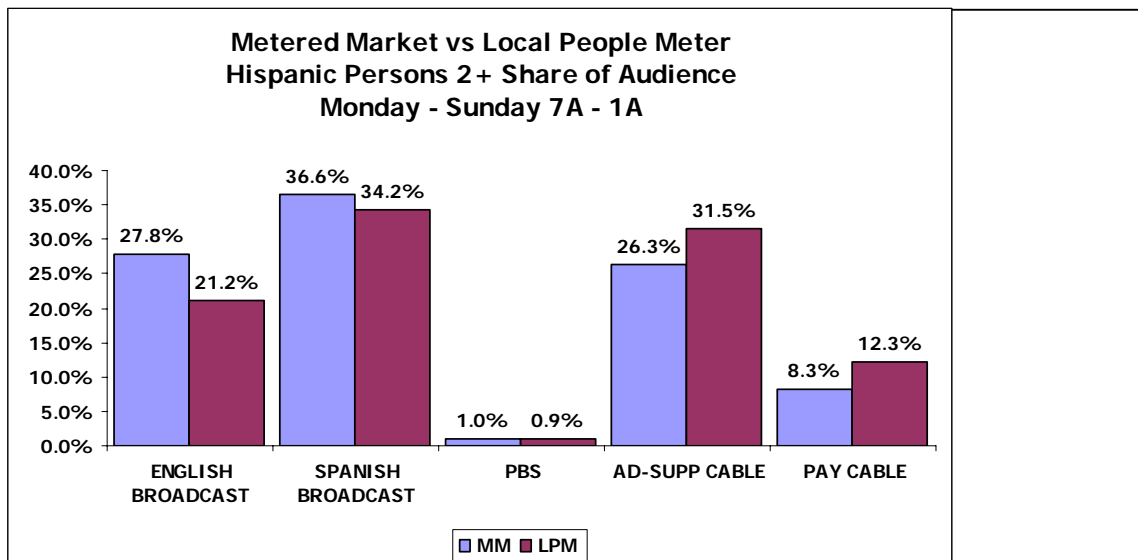
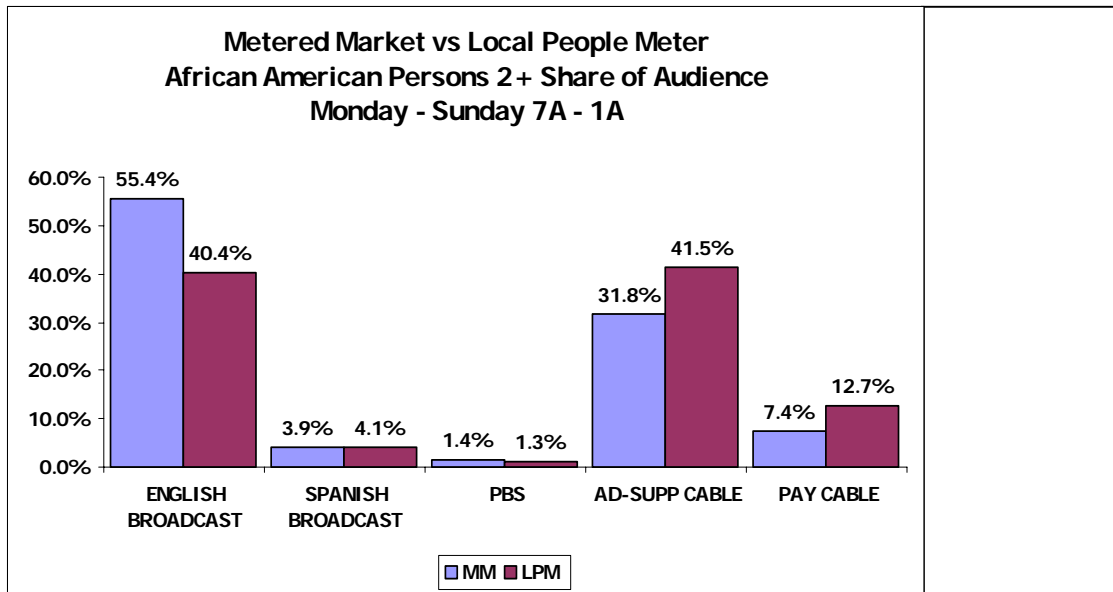
More important, the networks shown here reflect a diversity of viewing patterns that include minority on-air talent, smaller broadcast networks (both Spanish and English), leased access and pay television. Furthermore, these are only 5 of 80 or 90 networks for which People Meters report an increase among minority viewers.

<b>Top 5 Network Increases</b>				
<b>Mon – Sun 7A – 1A Persons 18+ March 2004</b>	<i>Meter</i>			<i>%</i>
	<i>Diary</i>	<i>LPM</i>	<i>DIFF</i>	<i>DIFF</i>
<b>African American</b>				
<b>ESPN – Ad Cable</b>	0.31	0.65	0.34	110%
<b>LMN – Ad Cable</b>	0.00	0.23	0.22	200+%
<b>Telefutura - Spanish</b>	0.00	0.23	0.22	200+%
<b>Pax – Broadcast</b>	0.13	0.34	0.21	162%
<b>Starz – Pay</b>	0.15	0.34	0.19	127%
<b>Latino</b>				
<b>Telemundo – Spanish</b>	3.35	4.09	0.74	22%
<b>Telefutura – Spanish</b>	0.66	1.21	0.55	83%
<b>Access Cable</b>	0.23	0.59	0.36	157%
<b>WPIX – Broadcast</b>	0.76	1.11	0.35	46%
<b>HBZ – Pay</b>	0.26	0.52	0.26	100%

### **What is it about the People Meter that creates changes in program ratings?**

As the following charts demonstrate, People Meters pick up smaller tuning and viewing events, which are often forgotten by diary-keepers. Tuning to cable channels is often for shorter durations and less regular.

Latinos and African Americans show similar patterns in which a People Meter reports viewing to many more sources. This pattern is not related to race or ethnicity but occurs for all panelists.



**Why Hasn't Nielsen Introduced LPM's on the Schedule It Originally Announced?**

Our efforts to bring the improved, more accurate LPM methodology to local markets have been undermined by a campaign to block the introduction of People Meter service in major markets across the country. This campaign has been orchestrated and funded by News Corp. and its subsidiary The Fox Television Group.

Originally, Fox had supported People Meter services in local measurement – long before any ratings data had been produced in New York, Los Angeles and Chicago. Even now, Fox frequently runs ads touting ratings generated by our national People Meter sample

for Fox network programs. But when senior News Corp. executives saw Fox's local ratings under the soon-to-be-introduced People Meter services in those markets, those executives expressed displeasure with the system. In numerous meetings with Nielsen, they threatened to take aggressive steps – ranging from political action in Washington to efforts to discredit Nielsen to filing lawsuits to stop the service – if Nielsen did not halt our People Meter launches in these markets.

We tried to work with News Corp., as we do with all of our clients, to address its concerns. But we have consistently stood by the accuracy of People Meter measurements. We still do. We know that clients have questions related to the service and we have provided them with answers – including hundreds of analyses – in response to their questions. However, once we were satisfied with the accuracy of our samples in New York, we announced plans to proceed with the introduction in New York on April 8. At the same time, we rescheduled the launch in Los Angeles until July 8 and Chicago until August 5 in order to complete the development of our samples in accordance with our own quality standards.

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