



Nielsen
Media Research

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To our clients:

I have been very gratified by the response of our clients to the initiatives we have undertaken to improve client service in this rapidly changing television environment. Your supportive responses have convinced us that we're on the right track.

Clients have also told us that they would like a better way of getting information about the industry, including measurement changes. As many of you know, we will launch an entirely new nielsenmedia.com website in May as part of our commitment to deliver more value to clients. This new, easy-to-navigate site will make it much easier for our clients to access and download key research information.

When I wrote to you last month about our new client initiatives, I said that I would provide you with regular updates on our activities. I'm happy to report that we are making solid progress in putting together our own internal action plans and we expect to meet the deadlines I outlined in my letter. Among the specific steps we have taken to advance these initiatives are:

- **Research & Development Fund** – The client response to this new R&D Fund was overwhelmingly positive and we have had numerous clients volunteer to be on its steering committee. We have hired Richard Zackon, a respected media research consultant with expertise in program facilitation, to accelerate the launch of this program. In the next few weeks, Richard will address fundamental program structures such as: how the steering committee will be selected, the roles and responsibilities of the members, and the process for selecting R&D projects. We plan to have the full steering committee selected and the first meeting date set by the end of May.
- **MRC Commitment** – We have publicly reiterated our commitment to the MRC process, most recently in our response to the recommendations provided by the Task Force on Television Measurement, and we plan to continue meeting with the MRC to further improve the process.
- **Video On Demand** – We understand the importance of measuring VOD in our syndicated panels and are on track to provide the industry with a plan for VOD measurement by our 90-day deadline. In addition, we will re-evaluate the scheduled deployment of our A/P Meter to best measure VOD and other new technologies. That schedule will be part of our evaluation.



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- **DVR Plan** – We continue to meet our internal deadlines for the implementation of this initiative and we remain on schedule to include DVR households in the Metered Market samples in April, and in the Local People Meter and National samples by January 2006.
- **NPOWER** –We remain on schedule for releasing the new NPOWER system in July. Subscribers to NPOWER will continue to receive details about the new system on a regular basis.
- **Pricing for National Respondent Level Data** – Beginning in April, we will meet with clients to discuss possible pricing structures that reflect the different ways clients use our data.
- **Diary Market Sample Quality** – The Local service is proceeding with the implementation of increased diary oversampling for households where the Head of Household is under 35, African-American or Hispanic. The first increases will occur as part of the May 2005 survey period and will raise the minimum sample to universe ratio up to 75% for under 35, and to 90% for African-American and Hispanic. Then in November, the under 35 sample will be increased further to 80%. This initiative will greatly improve sample representation for these groups.
- **LPM and Metered Market Quality** - We have increased permanent field staff in each LPM market and have increased the number of membership representatives in Metered Markets by four in 2004, and have committed to increasing these Membership Reps by an additional ten in 2005. In April, we will be sharing with our clients and the MRC a plan for accelerated implementation of personal coaching and performance-based incentives in LPM markets, as well as additional testing to fine-tune the procedure.
- **Galaxy Navigator** – I am happy to report Navigator’s response time was greatly improved in February. We have heard from many clients that they are much more pleased with the accelerated rate at which information is now available from Navigator. Looking ahead, we will add a newer, higher-speed processor in April that should further enhance the system’s responsiveness.
- **Advertiser Advisory Council** – We have made some initial decisions regarding the composition and responsibilities of this Council. This Advisory Council should be comprised of six very senior executives representing major advertising categories. The Council will meet twice a year and consult with us on broad trends in advertiser-related research. As with the steering committee for the R&D Fund, a number of clients have already volunteered to serve on this Council. We expect to begin inviting potential members to join it over the next several weeks.

In all our other initiatives, we continue to make steady progress toward our objectives. I will continue to update you on these initiatives on an ongoing basis.



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Again, all of us at Nielsen appreciate the positive comments about these initiatives that we have heard from clients over the past month. We remain committed to providing you and all our clients the best measurement service possible.

As always, please feel free to call us with any questions you may have.

Sincerely,