



Nielsen
Media Research

Appendix I Relevant General Press and Trade Articles

4/14/04	The Wall Street Journal: News Corp.'s Nielsen Beef Looks Like a Red Herring
4/18/04	New York Newsday: In all fairness and accuracy
4/19/04	Television Week: Agencies Speak Off Record on LPM
5/24/04	Multichannel News: Black Nets Back LPMs
6/14/04	The New York Times: The Odd Couple vs. Nielsen
6/16/04	El Diario La Prensa: Nielsen and Latino television viewers
7/7/04	Media Life: In Boston, good words for the LPM; Bumpy start but a better way to do business

News Corp.'s Nielsen Beef Looks Like a Red Herring

By JOE FLINT
April 13, 2004

Imagine running a business in which the amount of money you made depended on accurately canvassing consumer opinion. You would want your information-gathering technique to be accurate, right?

Now imagine that for a business involving millions of New York City consumers, you sent surveys to 500 customers and only half were returned. Would you want to use that sketchy information to make million-dollar decisions? Probably not, but for more than 50 years Nielsen Media Research has measured local television ratings in this way.

For years, both television-industry executives and advertisers who buy commercial time based on those numbers have been clamoring for more reliable information about local markets. In a long overdue move, Nielsen is trying to fix the problem by replacing its old "diary" system used to measure local ratings, in which viewers write down from memory what they watch, with a more sophisticated electronic "people meter" system. People meters, which have been used to gather ratings at the national level since 1987, automatically record what programs are being viewed and feed the data back to Nielsen. Although far from perfect, they are much more dependable than diaries.

One of the problems of relying on voluntary viewer diaries is that Nielsen only gathers demographic information about television audiences three times a year, during the so-called sweeps months of November, February and May. At those times, Nielsen, a unit of VNU NV, measures not just how many people are watching television in a given city, but who those viewers are.

Local people meters would provide television stations and advertisers who buy Nielsen data with daily demographic input, doing away with the need for the sweeps frenzy, and, with it, the incentive for local stations to run news stories about hooker housewives and dirty restaurants, and for the networks to rearrange schedules and immediately pre-empt shows that don't get great ratings.

A Media Giant Objects

So what's wrong with people meters? In the view of one big corporation, a lot, apparently. The effort to launch the updated ratings-gathering method in New York has been delayed through an aggressive and over-the-top campaign orchestrated by Rupert Murdoch's News Corp., the parent of the Fox network as well as the owner of several affiliates of the United Paramount Network, including WWOR New York.

News Corp. complained that the new meters might be undercounting minority viewers who watch UPN and Fox. Calling the system "seriously flawed," News Corp. recruited local activists and national politicians to pressure Nielsen into rethinking its introduction in New York. Even Sen. Hillary Clinton, long a nemesis of the News Corp.-owned New York Post, got involved, criticizing Nielsen for potentially ignoring the viewing habits of African-American and Hispanic audiences.

And in fact, the trial runs of local people meters in New York did show that ratings for some programs catering to African-American viewers fell using electronic measurements. For example, in March, an episode of UPN sitcom "All of Us" scored a diary rating of 6.3 but a meter rating of only 3.2, a 49% decline.

But shows aimed at African-Americans weren't the only ones to yield sharply different readings. ABC spy drama "Alias" saw its ratings fall by 46% under the new system. Conversely, ABC's "My Wife and Kids" gained 8% and "The Practice" rose 2%. Cable networks including VH1 and Cartoon Network, both of which offer programming targeting black audiences, have shown gains in New York using people meters.

To be sure, the numbers being generated using people meters differ enough from viewer diaries to warrant a second look. But the contention that Nielsen's meters are undercounting minority viewers is false.

What the people-meter numbers do show is that minority viewers in New York, like all viewers across the U.S., are watching less broadcast television. And that scares the heck out of News Corp.

The problem with voluntary diaries is that they favor programs, and channels, that are well-established. Viewers are more likely to record having seen a show on a network channel that advertises heavily elsewhere in the media than a syndicated version of the same show. By force of habit, viewers might note that they were watching one of the big networks rather than a cable channel that didn't exist a few years ago.

For example, under the existing diary system, black viewership of cable in New York accounted for 44% of African-Americans' total TV viewing hours. But when measured by meters, it jumped to 50.8%. A similar picture emerged for Hispanic viewers, whose share of cable viewing went from 35.8% to 43.7%. That trend, by the way, is reflected among all viewers.

As for charge that the existing Nielsen sample doesn't accurately reflect the black and Hispanic populations in New York -- well, News Corp. and advocacy groups are right -- they are overrepresented in the Nielsen sample. Although blacks comprise 17.3% of New York City television homes, they make up 21.27% of all homes Nielsen measures in the metropolitan area. Latino viewers make up 16.8% of the Nielsen sample, compared with 16.1% of television households.

Persuading someone to agree even for one week to keep track of all his television viewing habits, which is how the diary system works, isn't easy. A Nielsen spokesman says that on average, only 50% of the diaries Nielsen issues to measure local ratings actually can be used. Many participants either don't bother to fill them in, or do so incorrectly. This occurs nationwide across all demographic groups. The Nielsen viewers who do fill in diaries often do so by memory at the end of the week. Can you remember everything you watched seven days later?

Meters, by contrast, are much easier to use. A viewer simply turns on the meter when turning on the television and pushes a button on the meter's remote to indicate who is watching. In other words, Mom has a button; Dad has a button, and so do the kids. If adopted across the board, more viewers would likely be willing to participate in the Nielsen sample audience.

Growing Market Share

Advertisers and cable companies think News Corp. is trying to create a smokescreen to distract the industry from the fact that the declines of broadcast television are even greater than suspected. Merrill Lynch analyst Jessica Reif projects that as local people meters roll out to more big cities over the next several years, cable's share of local advertising could jump by more than 20%.

"This is far superior to diary information, and everyone knows it," says Jonathan Sims, vice president of research at Comcast Corp., the cable giant, which has systems that serve the New York City area. In Boston, where local people meters were launched two years ago, Comcast saw big viewership gains and was able to dramatically improve its ad sales.

"Individual television stations are resistant to it because their ratings tend to be lower, which is what we saw in Boston," says Nina Kanter, director of communications analysis for Havas MPG, a firm that buys advertising time. While she acknowledges that local people meters are far from perfect, they are "a lot better than what we currently have."

Far be it for me to defend Nielsen. Its samples, both national and local, seem too small to determine what is a hit and what is a flop. It has no competitors in the ratings game, and gets prickly when it is challenged. But in this case, it is trying to put in place a system that could provide more accurate research. None of the other big networks have sided with News Corp. David Poltrack, the well-regarded head of research for Viacom Inc.'s CBS, which also owns UPN, says claims have been made during this spat that can't be substantiated, and that his network continues to support the use of people meters in local markets.

The controversy, which became fodder for the New York tabloids and local stations, has many fearing that future Nielsen samples will be tainted. "What they did was a great disservice to research," says Comcast's Mr. Sims.

Because of the pressure, Nielsen has agreed to delay the official rollout of local people meters in New York until June, after the crucial May sweeps, which stations will use to set ad rates for the next six months. There is nothing wrong with making sure there are no kinks in the system. But if no problems are discovered, News Corp. should stop blaming the messenger and focus on creating programming that might stop its viewers from fleeing to other sources of entertainment.

Newsday

In all fairness and accuracy

MARVIN KITMAN

April 18, 2004

I have been watching with growing fascination the ratings dispute in the New York market caused by the Nielsen decision to replace so-called paper diaries with the high-tech Local People Meters (LPM) in the name of increasing "the preciseness and accuracy" of local ratings.

Under a barrage of full-page ads and the pressure from politicians demanding that Nielsen stay the planned April 8 rollout, Nielsen caved in moderately, postponing the LPM starting date to June 3.

While nobody has been more anti-Nielsen - in general, Nielsen ratings are the most destructive thing to happen to the art of TV programming since the invention of the commercial - I say Nielsen is right in this case. If you believe in precise and accurate ratings. Some people and institutions do not want precise and accurate information about who is watching what. They are happy with the current numbers, which, presumably, Nielsen is conceding are imprecise and inaccurate.

The protest groups argue that with the LPMs - black, paperback-size boxes placed on or near each TV set - African-American and Latino programs will get lower ratings. This may well be. In preliminary tryouts of the LPMs in February, for example, the audience for "The Parkers" on UPN was down 56 percent.

How could this be?

The way ratings work for the country at large: 5,000 families are selected as representatives of the 99 million TV households. This means that if one Nielsen family goes out to Aunt Tessie's for a baked ziti dinner Friday night, 19,800 families are going to their Aunt Tessie's.

But the people meter is rocket science compared to diary science.

Paper diaries are sent at random to sample homes during the so-called sweeps months in local markets. Lucky households are instructed to write down what they watch and who is watching every quarter hour every day for one week. For this important labor, they are paid from \$2 to \$5 a week.

What happens when the diaries are filled in?

The idea is that people chosen as our representatives are going to faithfully record everything they watch with precision and accuracy. This may have been possible back when there were seven channels in our local market, but now, it not only strains credulity but gives it a hernia in the age of 212 channels or 1,000 options with satellite.

In the old days, maybe, we had appointment viewing: You could set your clocks by what programs we watched on what nights. But now, programs are moved around like checker pieces.

The problems of accuracy in recording are compounded by the tendency to graze. Since there is not enough on TV to occupy the human mind, some of us get our thrills by going around the dial.

Who is keeping score?

If Nielsen is lucky, there may be a member of the family who is a stickler for jotting down every press of the remote-control gizmo for every member of the family.

There are some nights, though, when special impediments may come up. Like a party. While six packs of brewskis or glasses of martoonis are going down, while charades is being played, the TV set is on.

Amid the frivolity, who is marking up which family member is watching which channel? Is there a designated diary writer? Suppose a diary keeper had a grudge, say, against Fox for canceling "Wonderfalls" or didn't approve of "American Idol" balloting? Or a diary keeper subconsciously still resented CBS for canceling "Dr. Quinn"?

Are diary people chosen because they are the most honest and responsible people in the community who understand the obligation to tell the truth, attesting to the accuracy of their reporting by swearing on a stack of TV Guides?

The worst problem is the all too-human tendency not to keep the diary up to date, filling in the diary at the end of the day or week. Doing it at the last minute, like homework.

In fact, what people often do is write in the kind of programming they want to see on the air rather than what they actually watched. Some people, for example, are ashamed to reveal their taste for trashy programming. They might list all the documentaries, PBS-quality dramas, interrupted only by the nightly viewing of "The Jim Lehrer News Hour," when in truth they watched "Wheel of Fortune," but only to check Vanna White's spelling.

Likewise, people who are in favor of more African-American and Latino shows could simply write in that they watch every one, thus inflating their Nielsen ratings.

And that's the way it goes. That's the way it has always been since Nielsen started using diaries in the 1950's.

I think Nielsen should be hailed for its courage now. What Nielsen is finally admitting after all these years, in effect, is that paper diaries are not as accurate and precise as Nielsen implied the last half century. It is now spending millions to install technology to correct this shortcoming.

This should be some consolation for all the fine programs that were canceled because of inaccurate diary ratings.

To all the protest groups, I say don't shoot the messengers. The real villain is not Nielsen and its new, improved ratings, but the station executives who have been using the numbers whether they were accurate or not. There is no reason "Girlfriends" or "My Wife and Kids" shouldn't be on regardless of the LPM numbers. Nielsens should be one tool in a station manager's decision-making, not the whole tool belt.



Agencies Speak Off Record on LPM

Ad Execs Avoid Heat of N.Y. Dispute but Privately Lament Rollout Delay, Say Meters Are Better Methodology

By JOE MANDESE

During the weeks leading up to Nielsen's decision to delay the rollout of Local People Meters as the official TV ratings system for the New York market, broadcast TV executives, minority group organizers and advocacy groups and some of the most influential political leaders made their views known.

But Madison Avenue—which will depend on People Meters for placing more than \$1 billion in local TV advertising buys in the market—was strangely silent during the political struggle that ultimately pressured Nielsen to postpone the local New York People Meters to June 3 from April 8.

While agency executives have long been public in their support of the move to People Meters, many say the New York debate became too politically charged for them to step in, especially after some pressure groups began making more of an issue about the representation of Hispanic and African Americans than about the best research methodology.

Off the record, Madison Avenue insiders said that the former was a nonissue, and if anything, the People Meter sample was more representative of minority groups than the existing set-meter/diary system.

"If the political people had talked to any one of the agency people, they would have heard that this is a step forward, not a step backward. Is it perfect? No. But it's better and we like better," said the top research executive of one of the top media buying shops, who asked to remain anonymous. "We'd love some issues to come to the head, but the race issue is not one of them. It's just not something we want to be out in front of."

The executive went on to point out that the Media Rating Council was already conducting an audit of Nielsen's New York People Meter system, and that if there were any problems with its representation, it would have been made clear by that.

"The MRC will pore over this with a fine-toothed comb. It should be the last word on the subject," the executive said.

Ironically, the MRC issued a rare public statement about the advocacy marketing campaign that was lodged against Nielsen, particularly a direct-mail campaign targeted at minority households in the New York area.

The MRC statement, which was followed by a similar statement from the National Association of Broadcasters, asserted that such efforts could actually corrupt the process they were seeking to fix to improve the representation of Hispanics and African Americans.

Nielsen executives have argued that the direct-mail effort constitutes sample tampering and that they are exploring legal action. Jonathan Sims, VP of research at Comcast Spotlight, said the company is also watching the situation closely and said the local cable sales organization would take whatever steps necessary to protect its business interests.

Ironically, the delay of the New York People Meters will hurt the representation of minorities in yet another way. Nielsen plans to use the rollout of Local People Meters in the major markets to expand its national TV ratings sample from 5,500 currently to an effective sample of 10,000 in 2006.

The expansion of the national sample will increase the representation of both Hispanics and African Americans in the national People Meter sample, enabling Spanish-language networks to be measured in the same sample alongside Anglo networks and boosting the sample size of African Americans enough to enable media planners to create extremely discrete demographic analyses for even relatively low-rated shows viewed by blacks.

"It's a double whammy," said another agency researcher. "It's not only about New York. It's now going to affect the rollout of NTI, which we were looking forward to being completed by the end of 2006. The bottom line is that anything that delays a substantially proven and better measurement is a great tragedy."

To date, Nielsen has maintained that the New York People Meter delay, assuming it isn't extended beyond June 3, won't appreciably impact the expansion of its national TV ratings sample. Don't Count Us Out, the advocacy group that has been targeting the New York People Meters, continues to run advertising to generate awareness of the issue.

In an effort to counterbalance those attacks, Nielsen is readying its own campaign with ads planned for the major minority newspapers in the New York region.

But while the advocacy group and Nielsen continue to battle over the New York People Meters, the issues are not so black and white within advertising agencies.

While the media research groups are unanimously in favor of the Local People Meter rollout, local TV buying groups are a bit more torn, for a variety of reasons, not the least of which is the fact that the meters will create more work for local TV buyers, who are already struggling with workload issues.

For the moment planners seem to be caught somewhere between the researchers on the one end and the buying groups on the other. The research groups are charged with evaluating the validity of research and setting policy for how it is used by others in the agency, including planners and

buyers. But buyers say that despite the endorsement of their research teams, they are contractually obligated to continue using diary-based demographic ratings data until Nielsen officially makes the switch.

"For us, at the moment, everything remains business as usual," said Phyllis Maguire, executive VP, managing director, and head of the local TV buying operations at media agency MPG. "We have no choice in the matter, because we are contractually committed to use the official ratings data."

As messy as that might seem, Ms. Maguire said it is further complicated by the fact that some of the buys agencies are negotiating in April and May will have to be posted off of the diary data on which they were negotiated, even if portions of those buys extend past June 3 when People Meters become the official ratings system. "For a while, we will be working with two sets of books," she noted.

Beyond that, she said, People Meters will create more work for local TV buying groups on an ongoing basis, because instead of creating posts and cost-per-point analyses based on quarterly Nielsen sweeps data, local buying groups will have to do it on a monthly basis.

Agency researchers don't agree. "We all know that People Meters are better than diaries. We've been using People Meters nationally for 15 years and we've been relying on an inferior method for spot for the past 15 years," said Rob Frydlewicz, VP of research at Carat Insight, the research division of media agency Carat. "We know that nirvana is within our reach. It's only two months away in New York."



Black Nets Back LPMs

BY LINDA MOSS

May 24, 2004

In an interesting twist to an ongoing brouhaha, Black Entertainment Television and TV One — both of which target African-Americans — have publicly come out in support of the controversial rollout of Local People Meters, which have drawn an outcry from minority groups and criticism from broadcasters like News Corp.

In fact, the two networks are the first cable programmers to take a vocal stance backing Nielsen Media Research and its LPMs, which some analysts say will boost cable's local ratings and multiply ad revenue.

“Quite frankly, we don't understand why some broadcasters would oppose any method of truthfully tracking what viewers are and are not watching, regardless of their ethnic background,” BET president Debra Lee said in a prepared statement issued early last week. “Networks like BET could certainly benefit from information that depicts the true viewing patterns of African-American consumers.” A few days after BET's announcement, the startup TV One joined in the defense of LPMs.

In fact, TV One lauded BET for being first to publicly back Nielsen.

“All credit goes to BET for stepping up and raising the issue publicly from the cable point of view,” TV One president and CEO Johnathan Rodgers said. “Clearly the results from the People Meter tests show that more people — in our case, more African-Americans — are watching ad-supported cable than was previously reported.”

Rodgers added that he has raised the LPM issue with the Rev. Jesse Jackson.

TV One is partially owned by Comcast Corp., which has been an outspoken proponent of the LPMs. Time Warner Cable and the Cabletelevision Advertising Bureau are also supporting the meters.

But few programmers have taken a stance in favor of Nielsen in the current brouhaha.

While NBC Universal's outlets in New York City — WNBC-TV and Telemundo's WNJU-TV — have come out supporting the LPMs, there has been no sweeping statement either way from Spanish-language Telemundo's corporate headquarters. Neither Telemundo nor Univision officials could be reached for comment last week.

BET and TV One offered their endorsements as the flap over the meters continues, with Nielsen retaining several public-relations firms — including high-powered Robinson Lerer & Montgomery — and becoming more proactive in taking its case to the public and media.

The planned deployment of the LPMs — already operating in Boston — in New York, Los Angeles and Chicago, has created a firestorm, with the loudest critics including News Corp., numerous Hispanic organizations, the National Association of Broadcasters, the National Association for the Advancement of Colored People, a coalition of black and Hispanic groups called Don't Count Us Out, and a variety of politicians, including U.S. Sen. Hillary Clinton (D.-N.Y.).

SHARPTON'S VIEW

Last week, the Rev. Al Sharpton showed up at Nielsen's Manhattan headquarters to stage a protest.

BET, owned by Viacom Inc., defended the LPM methodology as providing more accurate ratings.

“We have always been concerned that the paper diary system for gathering local ratings was vulnerable to substantial inaccuracies; and that African-American households were under represented in Nielsen's paper diary sample,” Lee said. “Nielsen already measures

national ratings via the use of the People Meter technology. It makes sense to use modern methodology like LPMs to accurately measure viewership at the local level.”

Nielsen spokeswoman Anne Elliot called BET’s support of LPMs “wonderful.”

Hispanic groups and broadcasters claim that the LPMs under-represent blacks and Latino audiences, citing data that ratings for some broadcast shows popular with minorities have lost viewership when measured by the new meters. But Lee said that drop-off reflects the fact that in reality, some of this viewership is going to cable networks like BET.

In a white paper issued May 11, Nielsen compared March data from diaries and the new LPM system in New York. The data registered no difference in overall viewing levels by Latinos and African-Americans, but demonstrated that people of color are watching “a more diverse array of cable networks” with “significant increases for networks targeted toward African-American and Latino audiences, like BET, Telemundo and Telefutera, access cable channels and 85 other channels that report higher minority viewing levels,” Nielsen said.

BIG BET GAINS

For BET, total-day viewing for persons 18 and older increased from a 0.05 with metered diaries to a 0.14, up 180%, with LPMs, according to Nielsen.

At a press conference in early April with U.S. Rep. Charles Rangel, Nielsen announced plans to form a task force on audience measurement of people of color, and to delay its LPM launch in New York from April to June 3. But a debate ensued about who was supposed to be recruiting task force members — Nielsen or Rangel.

The issue, “sort of a misunderstanding,” was resolved after Rangel and Nielsen CEO Susan Whiting met, according to Elliot.

LPMs: More Diverse than Diaries No. of stations viewed in March by persons 18-plus

	Meter Diary	People Meter
All Homes	45	64
African-American Homes	40	62
Hispanic Homes	33	52

Source:

Nielsen Media Research, “Analysis of Local People Meter Usage in New York — March 2004,” report issued May 11.

The New York Times

ON THE WEB

ADVERTISING

The Odd Couple vs. Nielsen

By RAYMOND HERNANDEZ and STUART ELLIOTT

June 14, 2004

WASHINGTON, June 13 - The battle over Nielsen Media Research's plans to modernize the way it measures local television viewership has become far more than the typical industry dispute.

It has become a tale of political expedience, uniting a group of longtime Clinton advisers and Democratic politicians with the money of a political rival, Rupert Murdoch, and his News Corporation.

But more than that, the fight over whether Nielsen's new ratings system will severely undercount black and Hispanic viewers has brought the rapid-fire tactics of political campaigning to what began as a business spat. The News Corporation, some of whose media properties are known for conservative views, and its allies - including people who advised or worked for President Bill Clinton and Senator Hillary Rodham Clinton - have built a sophisticated political campaign to mobilize public opinion against Nielsen's plan. In tight coordination with its Democratic advisers, Mr. Murdoch's company has spent nearly \$2 million organizing news conferences and demonstrations, employing phone banks and buying advertisements in major newspapers and television stations around the nation, according to people who are closely involved in the campaign.

They also helped bring together an assortment of black and Hispanic civic leaders and groups who had long protested Nielsen's plans but who had not been all that organized. These black and Hispanic leaders, in turn, displayed the discipline of politicians in adopting a single message, one that is summed up by the name of the umbrella group they formed under the direction of the News Corporation and its political allies: "Don't Count Us Out."

In a matter of a few months, this broad-based campaign seems to have overwhelmed executives at Nielsen, whose long-running disputes with its media company clients have previously been kept internal and relatively civil. At one point, Nielsen was deluged with so many complaints provoked by the anti-Nielsen forces that its phone lines were jammed.

"What's unprecedented about this is the appeal through Washington lobbyists and community organizations," said Susan D. Whiting, president and chief executive of Nielsen Media Research in New York, owned by VNU. "It has turned into a very active, aggressive political campaign" that is seeking to present what is actually "a commercial dispute as an issue of unrepresented minorities in television ratings measurement."

"In our company's history, we've never had an attack orchestrated this way," Ms. Whiting added. "We were not ready for this."

As long as there have been TV ratings, which help determine where advertisers place commercials (more than \$47 billion worth this year), there have been complaints about the accuracy and validity of the Nielsen data. When cable networks began to proliferate, the broadcast networks complained that the data overstated cable viewership. Now the flash point is how reflective Nielsen samples are of an increasingly multicultural American population.

This latest controversy centers on Nielsen's plan to measure ratings in big urban markets with the electronic devices known as people meters, which it has used since 1987 to gather its national ratings data. The people meters would replace less technically advanced set-top boxes and the paper diaries that Nielsen began providing in 1950. And they would allow local ratings to be gathered daily, rather than only during four-month periods known as sweeps, thus giving advertisers more detailed information on who is watching which television programs.

Nielsen's critics claim that its sample audience under the people meter system undercounts black and Hispanic viewers. As a result, they said, the new system will discourage networks from developing and showing programs aimed at those viewers and will discourage marketers from advertising on existing programs geared to them.

These concerns, and the possible loss of tens of millions of dollars in ad revenue, stirred Mr. Murdoch and his executives. The Fox Television Stations Group, a division of the News Corporation, owns local stations in Chicago, Los Angeles and New York that are part of the Fox and UPN networks, which have significant numbers of black and Hispanic viewers. During the winter, tests of the local people meters in New York showed steep declines in ratings for series on UPN that are favored by black viewers, like "One on One" and "The Parkers," and an increase in the ratings of programs on stations not owned by the Fox stations group.

Nielsen executives said the problem was not that people meters underestimate audiences for the programs in question, but that the diaries had long overestimated the audiences for these programs and others that air on broadcast television networks. Nielsen says that it intends to follow through with its plan to switch Chicago, Los Angeles, New York and San Francisco to people meters for local television programs this year as part of a plan to have the meters in the 10 largest markets by next year.

"We use people meters to measure Fox networks and stations nationally using the technology we've used since 1987," Ms. Whiting of Nielsen said. "We measure Fox Sports and Fox Sports en Español and Fox News. What is it about this that's different?" But other broadcasters have joined the News Corporation campaign. For example, [Univision Communications](#), the largest Spanish-language broadcaster in the United States, sued Nielsen last week to block the changes in Los Angeles.

The feud between Nielsen and the News Corporation goes back several months. In early March, News Corporation executives asked to meet with their counterparts at Nielsen to discuss the results of the New York people meter test.

What happened at the meeting is in dispute. Ms. Whiting met with Peter Chernin, president of the News Corporation, and Lachlan Murdoch, who is the son of Rupert Murdoch and chief executive of the Fox stations group. Ms. Whiting said she was told that "if you go ahead, we will do everything possible to discredit you and the company in Washington and legally, and we will start a competitor."

"I have never been threatened like that before," she said. "So we knew it was serious."

News Corporation executives deny making the threat, saying the meeting was held so that Mr. Chernin and Mr. Murdoch could ask Nielsen to delay the introduction of the local people meters in New York until questions about the sample's representation of black and Hispanic viewers could be addressed.

That meeting led to the involvement of the Clinton camp. The News Corporation turned to the Glover Park Group, a media consulting firm whose partners include Joe Lockhart, who was a press secretary under President Bill Clinton; Michael Feldman, who was a senior adviser to Vice President Al Gore; and Howard Wolfson, who was Hillary Rodham Clinton's chief spokesman during her United States Senate campaign in 2000. The introduction was made by Gary Ginsberg, a former adviser to President Clinton who is now the News Corporation's executive vice president, according to people involved in the discussions.

Glover Park, in turn, hired former Clinton operatives on the West Coast to handle the anti-Nielsen campaign there, chiefly Mark D. Fabiani, a former Clinton White House special counsel who worked on the Whitewater inquiry; and Christopher S. Lehane, who was also a counsel in the Clinton White House. Both men also went on to work for Mr. Gore's presidential campaign in 2000.

The Glover Park Group has been at the center of some of the biggest policy debates in New York City in recent years. Partners from the firm have been involved in helping organize campaigns against two projects favored by Michael R. Bloomberg, the city's Republican mayor: revamping the city charter and building a stadium for the New York Jets on the West Side of Manhattan.

The corporation and its political advisers wasted little time in making their case to the public. They placed full-page newspaper advertisements around the country, aiming quick and simple messages at the public in general and at black and Hispanic communities in particular, where the issue of voter disenfranchisement has great political resonance.

"If Nielsen is the ballot box for viewers, then shouldn't every vote count?" asked one advertisement.

In another, a white man in a suit in stands in a living room of a black family watching television. The headline reads: "Nielsen has control over what you watch. So shouldn't somebody be watching Nielsen?"

One person involved in putting together the advertising campaign said that such advertisements had particular meaning given the 2000 election debacle in Florida, where a disproportionate number of ballots cast by black voters were thrown out.

The attacks were relentless. In the span of two days earlier this month, the anti-Nielsen forces ran about 100 television advertisements against the people meters, according to both sides.

The anti-Nielsen camp's success at waging a political campaign in a business dispute has caught the eye of political strategists who were not involved in the fight. "These were absolutely smart political campaign tactics," said Hank Sheinkopf, a Democratic consultant in New York. "They identified the opposition's weakness and then exploited it in a short-term tactical adventure. It was all about constantly pounding away with a single message."

The involvement of its outside advisers has not always been made clear by the coalition. For instance, on June 3, Alex Nogales, the president of the National Hispanic Media Coalition, an organization that is part of the Don't Count Us Out Coalition, discussed, in a conference call with reporters, the possibility of the coalition taking legal action against Nielsen.

The woman who arranged the call identified herself only as a representative of the coalition; e-mail messages alerting reporters to the call showed her name followed by an "@verizon.net" address. Only after questioning did the woman disclose she worked for Fabiani & Lehane.

Somewhat surprisingly, News Corporation had a network of Democratic allies that it was able to enlist when it decided to wage war on Nielsen. In recent years, the company has sought to cultivate relationships with Democrats, particularly among minority groups. The most obvious example of this was when the company's Fox News Channel agreed to televise the Democratic presidential debate that the Congressional Black Caucus sponsored last September in Baltimore.

But Glover Park played a role in recruiting Democratic politicians who might otherwise have had misgivings about working alongside a media company like News Corporation, among them Hillary Rodham Clinton, the junior senator from New York.

In fact, Mrs. Clinton has been a favorite target of Mr. Murdoch's New York Post, a tabloid that has long made her political advisers uneasy by publishing articles like a front-page article headlined "Shame on Hillary" that it ran during her Senate bid in 2000 after she embraced Suha Arafat, the wife of the Palestinian leader.

Mr. Wolfson, a partner in Glover Park who worked for Mrs. Clinton, played down the strange-bedfellow aspect of the fight. "This is an issue of fundamental fairness that cuts across the spectrum uniting lawmakers from both parties and dozens of civic organizations around the country," he said.

But some Democratic activists who joined the campaign against Nielsen acknowledged that they were uneasy about Mr. Murdoch's involvement.

Mr. Nogales, the president of the National Hispanic Media Coalition, said he found some of the content of Mr. Murdoch's news outlets to be loathsome.

"But more troubling to us is the Nielsen ratings system because everything starts there," he said. "If, in fact, there are Latinos who are not being recorded, then there is incentive for the networks to hire Latinos or do Latino-themed programming. We are invisible."

Raymond Hernandez reported for this article from Washington and Stuart Elliott from New York.



Nielsen and Latino television viewers

June 16, 2004

Nielsen Media Research has introduced a new way of measuring how many people are watching television. It is called a People Meter. Rather than the old method, which depends on people remembering to keep a diary of the programs they watch, the People Meter functions like a remote control that automatically keeps track of the shows people are viewing.

Welcome to the 21st Century. That's progress, right? So why is everyone from media mogul Rupert Murdoch and Fox television, the network he owns, to a coalition of Hispanic and Black community groups, complaining? And why did Spanish language television giant Univision file suit last week to stop the use of the People Meters in Los Angeles?

It's all about the ratings. Or, to be more accurate, it's all about the money, since television decides what it can charge advertisers based on how high or low the ratings are. Billions of dollars change hands based on the Nielsen numbers. Television programs get cancelled while others run for 10 years, making a lot of people very rich. Under the new system, the ratings for some television programs, including those on Fox and Univision, went down, while others, including those on BET, Telemundo, and 80 cable channels, went up.

Cable television and the remote control have changed the way we view TV. Once upon a time you put the television on a particular program and it stayed there. Nowadays, we use the remote to flip from channel to channel, often watching segments of programs but not the whole show, or watching more than one program at a time. The old diaries depend on a person actually writing all of that down. The new People Meters record it automatically.

Nielsen has traditionally held an inordinate amount of power in a very lucrative media market. People of every background, not just Blacks and Latinos, often wonder exactly how Nielsen figures out who's watching what. In an editorial board meeting with EL DIARIO/LA PRENSA, Nielsen President Susan Whiting said with the new technology the company has increased the number of sample homes in New York from 500 to 800 and seeks to increase the number of young Latino families in its sample.

Nielsen is vulnerable now because Latinos and Blacks have always questioned the validity of the numbers. Indeed, there have been decades of activism on this issue. Although Rupert Murdoch and Fox Television have not been friends to Latinos and Blacks, they have been able to capitalize on this longstanding concern to garner the support of people in our communities.

Both sides have hired Latino consultants to put forth their respective points of view. The "Don't Count Us Out" campaign says the Nielsen people have refused to delay use of the People Meters. In fact, Nielsen was set to start using the new technology in March and delayed until June. In New York they have been in use since June 3. Nielsen has also agreed to use both the old diary method and the People Meters for the next three months while it continues to address people's concerns. Of course, this causes other problems: media executives and advertisers must wrangle with two different sets of numbers.

The Latino community should continue to demand accountability from the Nielsen people and pressure them to ensure that Latinos are better represented among their sample homes. At the same time, Latinos should demand accountability from large media conglomerates that historically have ignored us and our issues and are seeking the community's support only now, when they, the media companies, have a great deal to lose. And Latinos should seize the opportunity to also talk about ongoing concerns regarding stereotypical representations of Latinos and the dearth of Latino actors, directors, writers and producers.

In the fray of TV media companies and consultants, let's make sure that what emerges is a better way to measure Latino viewership and spending power, and better representation of Latinos in this powerful medium. Let's force them to take our best interests into account, not just their own.

In Boston, good words for the LPM; Bumpy start but a better way to do business

By DIEGO VASQUEZ and MARISA HOHEB
July 7, 2004

Come tomorrow, Nielsen Media Research, having beaten back a challenge by Univision, will roll out its local people meter in Los Angeles, the third city to convert over from paper diaries.

What can Los Angeles buyers expect in the transition to the LPM? How will their lives, and how they do business, be different?

To find an answer to those questions, Media Life turned to Boston, where the LPM has been in place since 2002.

The answer? A better life in many ways, once the new system is fully in place.

Boston buyers Media Life talked to say there were some initial bumps but they largely laud the LPM as superior to the old paper diary system.

Further, while the system is barely a month old in New York, we're hearing largely favorable reports from there as well. As of now, the LPM is running alongside the old diary system, but in September the diaries will be phased out entirely.

Buyers in Boston are especially pleased that the LPM provides overnight demographic ratings - numbers the old system produced only during quarterly sweeps periods.

"You can pretty much look at ratings on a daily basis if you want to," says Carol Cleveland, principal of Cleveland Communications.

That means buyers can react more quickly to a show that's foundering in the ratings, for example.

"It really allows us to get our money's worth," says Karen Agresti, senior vice president and director of local broadcast at Hill Holliday.

But Agresti says the increased availability of ratings information ultimately benefits not just buyers but stations and networks as well.

"Stations are able to track the performance of shows quickly, allowing them to more carefully fine-tune their programming."

And what about the concern among some networks that the LPM data is less accurate, leading to a vast shift in ratings for shows and networks?

Completely unfounded, says Agresti.

"It's true that the numbers aren't as big now for the biggest shows," she says. "But No. 1 shows are still No. 1 shows, just with less inflated ratings. It's not like the top shows are dropping to No. 20 or anything."

None of which is to say the transition to the LPM in Boston, where the system began as a test early in 2001 before going live in April 2002, has been flawless.

If that market serves as any example, buyers in Los Angeles and Chicago can expect a few hitches at the beginning.

But one of the biggest problems Boston buyers faced, a moratorium on the use of LPM data during its first year of existence, won't affect either market.

That's because Boston served as the first and only test market for the new system.

"Nielsen's official policy was that we weren't allowed to use LPM data to help with negotiations during the testing period," says Lydia Mello, director of broadcast media for Allied Advertising.

"Until the system went live, Nielsen was providing us with LPM numbers just so we could get a better idea of how the system worked."

This meant that buyers were stuck using data from the old system despite clear differences between those numbers and the ones produced by the LPM.

Another headache for Boston buyers was the broadcast networks' initial refusal to subscribe to the LPM.

According to Patti McCarron of Yellin/McCarron Inc., "Local Boston stations didn't feel the new methodology was correct

because cable numbers went up and broadcast numbers went down."

But despite this opposition, by early 2003 Nielsen had managed to sign Boston-area ABC and NBC affiliates to the service.

A third buyer complaint, that of inconsistent ratings data, still exists in Boston and will likely be present in LA and Chicago.

"For a while the numbers fluctuated wildly, so they didn't seem reliable," says Mello.

"We still don't see many solid trends in the numbers because they come constantly instead of just during sweeps now, which makes life more difficult for buyers."

But, according to Mello, it has gradually become easier to discern and understand ratings trends from the LPM.

"It's a matter of adjusting to the system and allowing it time to stabilize," she says.