FROM EYES TO STOMACHS

PUBLIC DATA’S INFLUENCE IN THE PRIVATE SECTOR
AGENDA

• A brief introduction to Nielsen
• Public data as the foundation
• Public data’s life-cycle and influence on
  • Business
  • Consumer
WHAT WE DO

Sell “insights”

- TV Audience Measurement
- Audio, Digital Audience Measurement
- Consumer Behavior
THE FOUNDATION

It all starts with public data

• Consumer Activation (Claritas) Estimates
• Dependent Upon Public Data
  • Decennial Census
  • Population Estimates
  • American Community Survey (ACS)
  • Current Population Survey (CPS)
  • US Postal Service
THE DEVELOPMENT OF A TV RATING

At all stages, public data help Nielsen ensure that data are representative

- Public data on geographic boundaries and demographic estimates drive:
  - Household Sampling Frame
  - TV Household/Person (“Universe”) Estimates
    - County-Level estimates are pivotal for Designated Market Areas (DMAs)
  - TV Panel Target Characteristics
  - TV Viewing Household and Person Weights
Based on live viewing data of around 11,000 TV homes, weighted to a number of geographic, head of household, and person weighting controls.

Note: Univision reportedly paid $325 million to air the 2010 and 2014 World Cups (www.businessweek.com)
TRADITIONAL PUBLIC DATA IN THE AGE OF “BIG DATA”
Online Campaign Ratings

Traditional public data still play a fundamental role in Digital ratings (despite the momentum behind “big data”)

Constant need for calibration and correction

- Biases
- Incomplete data

Site “Census” + Nielsen Calibration = Online Rating
LESONS OF THE PAST, VISIONS FOR THE FUTURE

Leveraging strengths

- 1936 Presidential Election
  - Literary Digest polls **8 Million** readers, predicts **Alf Landon** as next president
  - Gallup poll of **50,000** respondents predicts **Franklin D. Roosevelt**

- A challenge going forward lies in leveraging the strengths of “big data”, traditional samples, and population controls
OUR (VOCAL) CLIENTS

- Clients depend on timely, accurate, (and hopefully high) estimates for advertising revenue.

“[Express News] attributes the population growth... to the increase of job opportunities, low housing prices as well as our boom in the oil and gas industry... I predict [San Antonio] will move up at least one DMA position in September with the possibility of moving up further in the next two years.”

“If our levels... are low then we are costing them millions... Unless we can explain why we are falling... they will not believe us... [and we] will deal with this for a very long time.”
MONEY AT STAKE

• Ratings and projections influence how much advertising revenue can be made

• Broadcast and Internet advertising alone accounted for $80 billion in 2013*

Sources: Interactive Advertising Bureau
MONEY AT STAKE

• Ratings and projections influence how much advertising revenue can be made

• Broadcast and Internet advertising alone accounted for $80 billion in 2013*
  • Can buy enough Subway sandwiches to wrap around the Earth 100 times

Sources: Interactive Advertising Bureau, Subway $5 foot-long deals and personal calculation
BUYING WHAT YOU WANT

Nielsen Spectra, etc.

Nielsen helps retailers and manufacturers serve the needs of a given market

Do you like...

• Organic Produce?
• Frozen pizza?
• Empanadas?

Public data help to inform what you see in the grocery store
SUMMARY: FROM EYES TO STOMACHS

Public data’s influence in the private sector

- Public data is profoundly influential in the business world
- A core driver of Nielsen’s business (and beyond)
  - Influences the revenue that can be generated by a Media source
  - Facilitates the relationship between the consumer and producer
- A core driver of a consumer’s options
  - Eyes: What Media one gets exposed to
  - Stomachs: What products are available