

60SECOND BRIEFING

Why Nielsen Has the Networks Quaking



For eons, Nielsen Media Research has monitored our TV viewing habits to produce its famed ratings—while largely ignoring the viewership of the commercials that pay for the shows. That's about to change.

1 Nielsen could have measured commercials before. Why start now?

Two reasons: digital video recorders and the Internet. DVRs have enabled vidiots to “time-shift,” a fancy word for skipping the commercials. The success of pay-per-clicks online has shown advertisers a world where they know exactly who sees what.

2 So advertisers asked for this change?

Technically, the broadcasters did—under pressure. Call it a preemptive strike. They can see the day when all ads can be measured. So beginning this fall, Nielsen will start supplying average audience size for all the commercials in a given program, both live and for up to seven days on DVRs.

3 What if nobody's watching?

Then network revenues would plummet, and that's precisely what is keeping TV execs up at night. They claim the data will show that viewers watch good ads—like, say, the Geico gecko spots—even on their DVRs. We'll see: TiVo also plans to count who's watching ads on its service.

4 How are the networks reacting?

By spinning and stalling. Behind closed doors, says marketing consultant Peter Sealey, “the networks are scared as hell.” Soon more advanced technology will allow all TV content to be tracked second by second. Meanwhile the networks are scrambling to find new metrics they can live with.



BY ADAM LASHINSKY