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# BIG PUSH TO IMPRESSIONS FOR LOCAL TV IS (FINALLY) REACHING CRITICAL MASS

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**As an NBC affiliate researcher years ago, nothing disappointed me more than opening up a local market sweeps book and seeing hash marks instead of ratings. That meant that the ratings performance fell below minimum reporting standards. But we all knew there were some impressions that could be reported — if we had reported on impressions.**

Local TV has traditionally relied on ratings for transactions, even though that reliance obscured some of the valuable, yet smaller audiences delivered in certain markets. This is why I'm happy to report that, finally, there is a cogent industry movement afoot to change the transactional measurement from ratings to impressions in local TV. The TVB recently announced its commitment to the cause, along with support and advocacy from Nielsen.

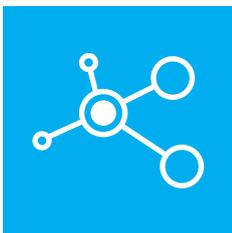
For Catherine Herkovic, executive vice president and managing director, local TV, for Nielsen, this movement to impressions-based transactions is not only common sense, but also part of Nielsen's value as a measurement company. "Nielsen has always done impressions-based measurement," she says. "Impressions are the foundation of all of the calculations of everything we do."



## WHY SHIFT FROM RATINGS TO IMPRESSIONS

While national TV and digital advertisers have always transacted based on impressions, why hasn't local? "It's because ratings percentages provide a relative understanding of performance across different size markets. And that will still be used for planning purposes," Herkovic explains. "Ratings won't disappear, but impressions will be used for transactions." Yet local TV is one of the few still using ratings. Local radio is another.

A move to impressions will facilitate the easy inclusion of local TV into multiplatform buys and offer proof of performance. "Given the fragmentation of audiences, when you round ratings, you are losing audience; impressions allow us to capture the total audience," Herkovic says. "Advertisers and agencies want to buy engagement with people — not households, not devices," says David Hohman, executive vice president, demand-side media, at Nielsen. "Even though the measurement exists, it is up to the buyers and sellers to agree on what the transaction currency is going to be. Nielsen can develop it and make it available, but the industry has to adopt it."

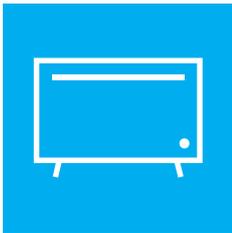


## AGENCIES' POSITION ON MEASUREMENT

Many agencies are already using impressions-based measurement for local TV. Kathy Doyle, Magna Global's executive vice president, investment, has been doing so since 2015. Doyle says she and her team "buy all of our local television and radio [based on] impressions." She adds that Magna has been ahead of other agencies in this effort. "This has been our baby."

It is not just the larger agencies moving in this direction. Other early movers include Jenifer Weldon, owner and president of Fat Free Media. "We've utilized impressions in planning and buying for our client Morgan & Morgan for 15 years," Weldon says. And Jennifer Hungerbuhler, executive vice president and managing director, local video and audio investment, for Dentsu Aegis Network (DAN), switched over to impressions-based advertising in January 2017. "We primarily use it for buying and research," she notes.

Spark Foundry is “preparing to move to impressions as buying currency for local broadcast TV,” says Kevin Gallagher, the agency’s executive vice president and managing director, local investment. “Impressions are the common currency in every [media] channel except local TV and radio right now.” His team is working on capturing four quarters of impressions data before they make the switch. And he says, “Truth be told, we already use impressions and CPM when buying OTT locally.”



## ADVANTAGES AND DISADVANTAGES OF LOCAL TV IMPRESSIONS

When asked about the pros and cons of moving to impressions, the general response was that it was advantageous to do so. “I really do not see any disadvantages at all [in moving to impressions],” says Magna Global’s Doyle, noting, however, that some areas of the country don’t currently deliver ratings. “There are impressions that we can buy that help with reach and pricing,” she says, adding, *entre nous*, “if nobody else is buying on impressions, we can buy it and nobody else can.”

But the main reason Doyle pushed for impressions was that she saw the need early on to adapt to a cross-platform media world. She wanted her buyers to “get used to the vernacular of buying [based on] impressions, rather than ratings — getting to a world where we are buying video, audio, cross-device, and screen,” she explains.

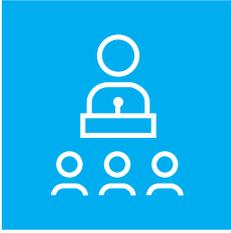
An advantage for Gallagher is that “it puts spot TV and radio on a common currency with all of the other media channels. It will be easier from a planning standpoint and in aggregating all audiences across channels.” But, he adds, “the downside is the conversion process moving from traditional pricing benchmarks for our planning teams and clients. Right now, those benchmarks are on a cost-per-point basis.”

For Weldon, the main advantage is the ability to compare costs across all media based on cost-per-thousand (CPM). “All media is brought to a level playing field for cost analysis,” she says, noting that “GRP-based planning and buying [needs] to adapt and adjust to impression-level buying,” which is a challenge. One reason: “Broadcast television impressions are not the same as digital impressions,” she explained.

Weldon warns that agencies shouldn’t be lulled — based on complacency, lack of understanding, or urgency — into thinking they are the same. “It could be a disservice to clients if agency acceptance of impression-based buying leads to a lack of understanding of what type of impressions are being purchased, where those impressions will run, and the guarantees against those impressions,” she says.

“I certainly see far more advantages than I see disadvantages,” DAN’s Hungerbuhler says. “Impressions give us a common currency that allows us to take a more holistic approach to tracking audiences within a market across screens, allowing for easier cross-platform executions. Impressions also give better insight into the actual number of people viewing, instead of a percentage of people viewing — and, in this day and age of fragmentation, every eyeball counts.”

Hungerbuhler points out that capturing more viewers leads to an increase in inventory, which also increases the likelihood that rates will decline. “Impressions make it easier for local buyers to combine multiple markets into one buy, such as an unwired regional buy, or to report metrics across multiple markets,” she explains. “Impressions are added up with simple addition, as opposed to ratings that are weighted by audience populations and are not easily comparable to each other.”



## FACILITATING THE CONVERSION

All of these experts agree that Nielsen should play a major role in navigating the industry towards impressions-based transactions. Spark Foundry's Gallagher thinks Nielsen can serve as an advocate "to anyone in this ecosystem that uses Nielsen ratings to make the move into impressions."

Nielsen must get involved, Weldon asserts, working closely with agencies to provide education, support, and training for the transition from GRP to impressions. Nielsen should also encourage relevant software providers to offer guides and other training tools. Hungerbuhler echoed this sentiment: "Nielsen can send out thought leadership, educating clients, planners, and buyers [by] explaining the difference between ratings and impressions, the benefits of cross-platform, and what more precise measurement can mean to advertisers."

The overall feeling was that the move to impressions could reach critical mass at the agencies sooner than later, perhaps by 2021. But the most important action Nielsen can take is to "keep the conversation going among clients," Doyle suggests. "And I think there is some work that can be done to show the benefit and stability [of using impressions]."

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