



The Transformation of Media Measurement

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WBD | Ad Sales

The business of media needs to evolve in order to keep up with the consumption of media.

THE LANDSCAPE

The media landscape has changed tremendously over the last decade, and there is more content available now than ever before.

Last year, Nielsen cataloged an estimated 817,000 available titles across traditional television and streaming, a 26 percent increase from two years prior. In addition to increased content, there are also more ways to access that content, whether it be broadcast, cable or streaming. The number of streaming devices that can be connected to a TV in a single household – set-top-boxes, Roku, Apple TV, and Amazon Fire TV – adds further complexity and fragmentation to the media ecosystem. That fragmentation is further compounded by the increase in the types of screens on which to view content, including TVs, computers, cell phones, and tablets.

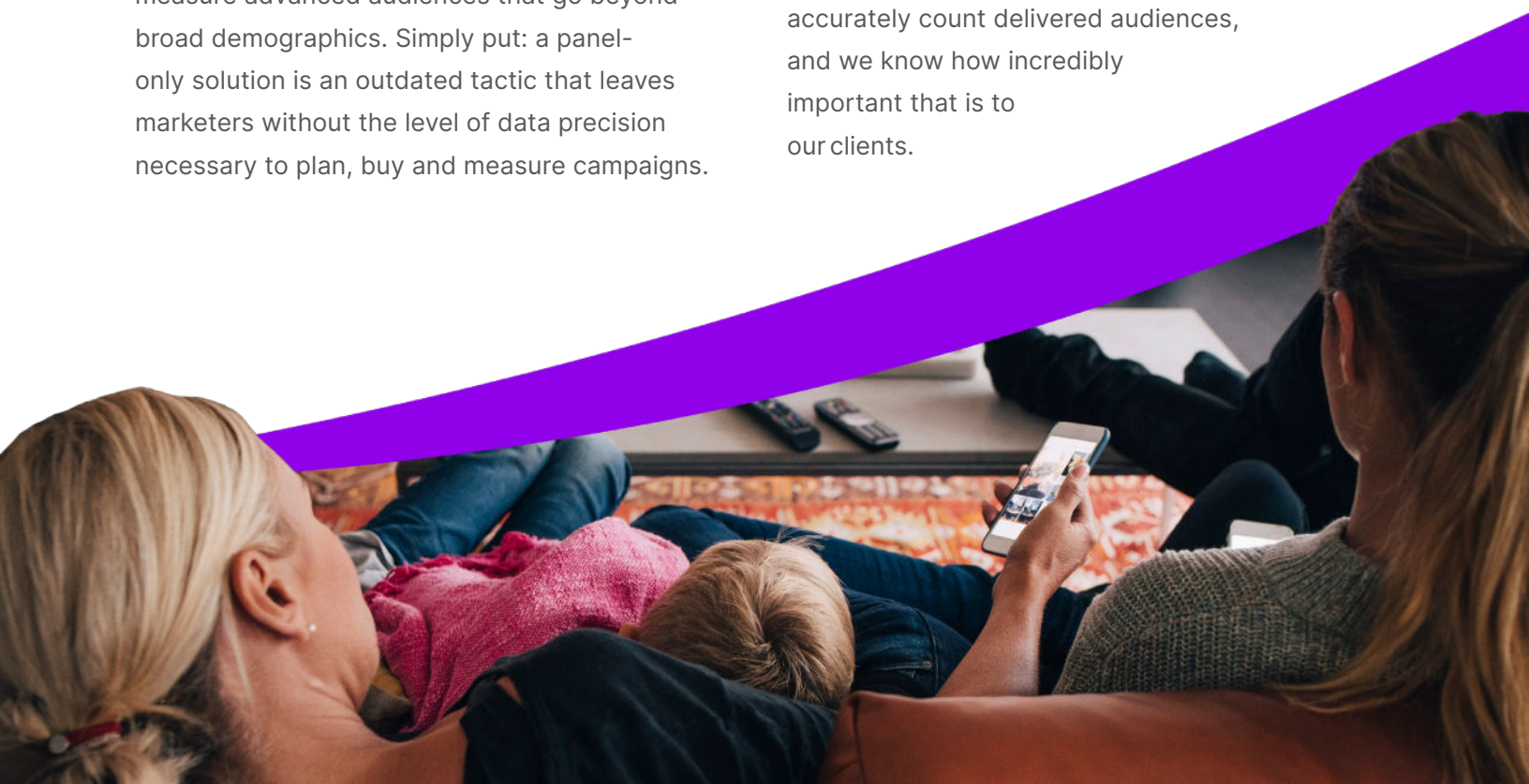
With more ways to access content and more screens to view content, there is increased complication around how businesses can measure audiences. The fragmented video ecosystem has made it difficult for advertisers to know, with accuracy, who they're reaching. The business of media needs to evolve in order to keep up with the consumption of media.

THE CHALLENGE

Despite the advancements on the consumer side, the business side of media has remained relatively unchanged. There has been one predominant measurement partner since the 1970s, and campaigns have been measured through age/gender GRPs (Gross Rating Points) and TRPs (Target Rating Points). The predominant linear measurement product is based on a panel-only methodology and while there are attempts to integrate big-data, the panel continues to be the primary source of viewing information. This methodology effectively measures viewing in broad strokes across a handful of networks. The process breaks down when trying to measure hundreds of networks across a variety of endpoints. The result is increasing volatility, making it more difficult to forecast and leading to an undercounting of audiences, especially on niche networks. Smaller data sets also make it more challenging to confidently plan and measure advanced audiences that go beyond broad demographics. Simply put: a panel-only solution is an outdated tactic that leaves marketers without the level of data precision necessary to plan, buy and measure campaigns.

In late 2021, Nielsen lost its MRC accreditation for national and local TV measurement. This major development sent shockwaves through the industry. The door opened for new entrants to challenge the ways of the past.

Those new to the measurement space prioritize practices centered around innovation and big data, using set-top box (STB) data and smart TV data (ACR) as the foundation for measurement. Equipped with robust and diverse data sets, they offer publishers higher fidelity solutions that enable accurate counting of all viewers with a greater sense of confidence. This data provides marketers with campaign-level incrementality for cross-platform media buys that aim to reach advanced audiences. That means advertisers can get a clearer picture of who they're reaching, what platform they're using, how they're accessing content and more. This level of granularity gives a company like ours the assurance that we can accurately count delivered audiences, and we know how incredibly important that is to our clients.



RIGOROUS EVALUATION

We knew we'd need to identify potential partners to move into the future with and rigorously test those potential partners' capabilities. Our test-and-learn approach was designed to evaluate the short-term opportunity, while future-proofing measurement and currency.

There was a clear business objective: identify reliable and more precise measurement products that can become currency to fuel our linear business and power our digital future pertaining to cross-platform executions and reaching advanced audiences. We sought reliability, higher fidelity, and of course, accurate analysis and counting of our inventory so there is less variance for forecasting and better support for marketers to reach desired audiences.

As we go through this evaluation of media measurement, it's important to remember that different doesn't always mean wrong. In fact, new metrics bolstered by sound methodologies and reliable data is a welcome outcome. Optionality is key.

Warner Bros. Discovery conducted a comprehensive methodology review of vendors offering audience measurement products that could be used for currency in the future. We carefully designed a test with comparable data to evaluate differences and the drivers of those differences. We selected three partners – Comscore, iSpot and VideoAmp – with viable products to participate in a test-and-learn Proof of Concept (POC). Our POC aimed to develop learnings to share with the marketplace, embrace optionality, operationalize a path to currency and evaluate vendor stewardship.

As a part of our POC, we tested partners' measurement capabilities for 27 cross-platform campaigns across Warner Bros. Discovery's ecosystem. These live cross-platform campaigns measured broad demos and advanced audiences. To achieve a more accurate measurement, we sent linear as-run logs to replace what measurement partners used to identify spot counts and had vendors provide an analysis on variance between what they used vs. as-run logs. There were five key areas of focus: methodology, reporting, activation, service/stewardship, and campaign findings.

Partners Evaluated



iSpot.tv



The Five Key Areas of Evaluation

We focused on five key areas in our evaluation. The results were transparency and progress toward future improvements for each vendor.

<i>Methodology</i>	<i>Reporting</i>	<i>Activation</i>	<i>Stewardship</i>	<i>Campaign Findings</i>
Viewership & demo data sources (including scale)	Available metrics (e.g., C3, LSD, L9, ECR, IR)	Tagging process & timing	Dedicated team	Comparison of impressions, R/F, only/only/both
Personification (co-view, VPVH)	Timing & data lag (demo vs. audience)	As-run log share (process & linear/digital mapping)	Timeliness of response	Consistencies/inconsistencies across vendors & compared to benchmark
R/F & identity	Granularity of reporting (e.g., network-level, limited demos)	Segment onboarding (process, fees, etc.)	Quality of response	Demo & audience reads
Weighting & calibration	User interface (e.g., ease of use, available metrics)	OpenAP & Experian interoperability	Level of knowledge	
Universe estimates		Privacy enhancing technologies (e.g., clean rooms)		
Time qualifiers				
Playback & time-shifted viewing				
OOH				
Digital outages				

OUR LEARNINGS

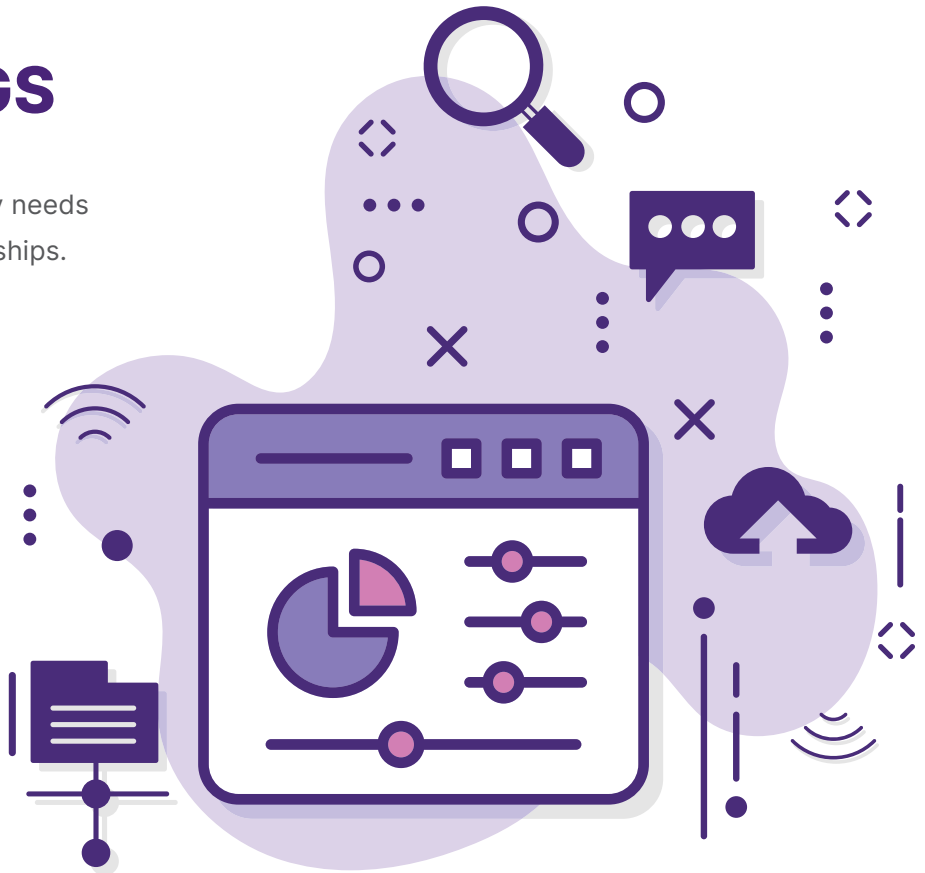
Learnings from our proof-of-concept evaluation indicate there are four key needs for successful measurement partnerships.

1. Standardization

The lack of standardization today yields inconsistent results that will impede market adoption for any new currency measurement.

The industry needs currency measurement partners to align on consistent definitions and building blocks. In our POC, we saw a lack of standardization when it comes to how measurement partners define universe estimates, time qualifiers for an impression and time-shifted metrics impacted reported delivery. This unfortunate reality makes it virtually impossible to compare across measurement partners. For example, with one measurement partner, virtual MVPDs were excluded from the TV universe estimate, making the UE smaller than that of the other measurement partners. Reach percentage is the campaign reach divided by the UE. Due to the

smaller denominator (UE) the reach percentage calculated was higher compared to other partners, despite reporting lower campaign reach. As another example, time qualifiers that define an impression varied across all measurement partners. This led to differences in impression counts. In order to truly understand delivery and qualify accurate metrics, we must agree upon standard definitions for measurement and transaction.



2. Personification

To fully understand the value of a campaign, we need to know who is in front of the TV set exposed to an ad, not simply who lives in the household. Personification (moving from household-level to person-level viewing) is not market ready. Some partners are only able to report on “presence of” household-level metrics with separate timelines for when personification will be available on linear vs. digital. Even for the one partner that reported on person-level measurement, we saw demo reads that were highly variable. During the POC, the majority of the partners were testing the use of a small panel that was not demographically representative. We believe small panels for viewer assignment are insufficient for personification. We know larger panels are cost-prohibitive. In addition, use of different panels contributes to variances in what partners report. That’s why we believe a single shared representative panel is needed for calibration, validation and to fill in gaps for missing and/or underreported groups. A single panel utilized by multiple measurement partners allows the cost burden of a large panel to be shared and for greater standardization.





3. Identity Resolution

Identity resolution, the process of linking devices and touchpoints to a single profile or household, is necessary to get a true cross-platform understanding of campaign delivery and a key component to persons-identification. Unfortunately, there are errors in the identity landscape. All measurement partners were using only one identity partner to resolve identifiers which decreases the overall accuracy of demographic assignment. To further elaborate, an identity partner that incorrectly maps an identifier such as an IP address to a person's household (single, female, 44 years old) vs. their cousin's household (married, male, 25 years old, spouse is female and 24 years old) will get a very different read on who is in front of the screen. Measurement partners that onboard multiple identity partners can improve both accuracy and coverage (more identifiers resolved into identities). This is especially important as persistent identifiers continue to become less widely available.

4. Transaction Capability

To move from measurement to currency, we need our measurement partners to integrate with systems and workflows that enable transaction on the buy and sell side for both linear and digital. This is easier said than done and some measurement partners are better set up to do this than others. This requires interoperability with the transaction vendors, whether it be Lake 5, Mediaocean, Star Media, etc. It requires interoperability with the advanced audience suppliers (OpenAP, Experian, LiveRamp) to onboard audiences for measurement. And lastly, clean rooms. Clean rooms, enabling tagless measurement, are the future. A tagless measurement approach involves attributing ad views to specific users through overlap analysis, without using tracking pixels or cookies. Clean rooms provide a secure plan for the pending phase-out of cookies and MAIDs while reducing the weight from tags. Integration with platforms like Snowflake benefit the measurement process as they allow for analysis of as-run logs, exposure files and audience segments without burdening the ad load.

OUR FUTURE

Our industry now possesses the capabilities to move toward opportunity and away from a single-source currency. As an industry, we can architect a new currency based on multi-dimensional measurement, built utilizing multiple data sources. Breeding progress and innovation, this new era of measurement will bring optionality for clients and advertisers based on their individual campaign needs, allowing the industry to leave outdated and inaccurate metrics in the past. For the first time, the possibility of media transactions happening across multiple currencies is real.

We at Warner Bros. Discovery are confident that the golden age of content will lead to the golden age of measurement. In fact, it has arrived, and we are committed to collaborating with partners across the industry so value can be shared.



CONCLUSION

With our rigorous assessment complete, we encourage the marketplace to lean into Comscore and VideoAmp. We have full confidence in selecting Comscore and VideoAmp as our chosen alternative currency partners and are excited they are a part of our present and future. Comscore has been in measurement for a long time and with that heritage comes learnings and experience in the marketplace. They were the originators of using big data for measurement. The wealth of quality STB data they have access to brings much needed scale to media measurement. They start at the local level and build up to national measurement. Comscore is also already interoperable with various systems, allowing for transactions between buyers and sellers to take place at scale. VideoAmp is utilizing a commingled data set with both ACR and STB data feeding into their measurement. Their integrations with clean rooms allow for tag-less measurement, which we believe is the future. In terms of integrations with systems and workflows, we are

As we work towards being able to operationalize against multiple currencies at scale, we are testing our linear (broad demo) and data-driven linear (advanced audience) workflow in the first half of this year with Comscore and VideoAmp.

transaction capable today with Comscore and our integrations with VideoAmp are almost complete.

At Warner Bros. Discovery, we are continuing our test-and-learn approach with a shift from focusing on measurement to currency. As we work towards being able to operationalize against multiple currencies at scale, we are testing our linear (broad demo) and data-driven linear (advanced audience) workflow in the first half of this year with Comscore and VideoAmp.



We have a couple of non-negotiables for our measurement partners as we make this transition:

- Currency-ready
- Ability to report on broad demos and advanced audiences on networks both big and small
- Demonstrate delivery cross-platform, including unduplicated reach across linear and streaming

While we are moving forward with Comscore and VideoAmp as alternative currency partners, on the measurement side, we are going to continue working with Comscore, VideoAmp and iSpot to understand campaign-level differences for linear networks and digital platforms across broad demos and advanced audiences. We will examine these differences across 25 live, cross-platform campaigns. We look forward to having discussions with Nielsen on possibly including Nielsen One in future evaluations.

As an industry, we need to rally around standardization, personification, identity resolution and building out the pipes to make these new partners transaction capable. We believe these 4 pillars are key to enabling market adoption at scale. We look forward to learning alongside the industry and have appreciated the learnings shared by others in this space. We need perspectives incorporated from both the buy and sell side to build a sustainable system for the future. While we at Warner Bros. Discovery are learning, for the sake of confidence we also want to make sure we move with the industry.

We're excited to operationalize against multiple currencies and will be transaction-capable by the 2023/2024 Upfront.