

NOTICE OF INTENT

Retirement of the Monthly Unique Browser Metric November 2012

KEY POINTS

1. Monthly Unique Browsers (UBs) in the Australian market now total over 90 million, outnumbering the actual (human) Australian online population by a factor of 5+.
2. The proliferation of devices and browsers in use by consumers will accelerate this misrepresentative disparity between browsers and actual people.
3. The IAB endorsement of Nielsen Online Ratings (NOR) provides a people-based metric – Unique Audience (UA) – that has now been in use for over one year.
4. The IAB Measurement Council, including representation from the MFA, recommended to the IAB Board to retire monthly UBs in Nielsen’s Market Intelligence product, effective 1 Feb 2013. It is also recommended this metric is not used as an audience proxy from other traffic analytics systems.
5. Alternative online audience measurement provisions have been put in place and will continue to be developed by Nielsen for sites not reported within the NOR hybrid data, details below.
6. To coincide with the retirement of Monthly UBs, Nielsen will be releasing device and operating system information on properties that are reported within the Market Intelligence product.

FREQUENTLY ASKED QUESTIONS: MONTHLY UNIQUE BROWSER METRIC REVIEW

1. Why is the Monthly Unique Browser metric being reviewed?

The Domestic Monthly Unique Browser is a cookie-based metric that has been used in the Australian market for more than 15 years as a proxy for Monthly Visitors to websites. It is consistent with other internal website analytics metrics.

However, the IAB, with the support of the MFA and AANA, is endorsing the retirement of Monthly Unique Browsers from Nielsen’s Market Intelligence product as it has outlived its usefulness as a proxy for monthly visitation to websites.

2. Why was this decision arrived at?

The following graph (Graph 1.) illustrates the problem.



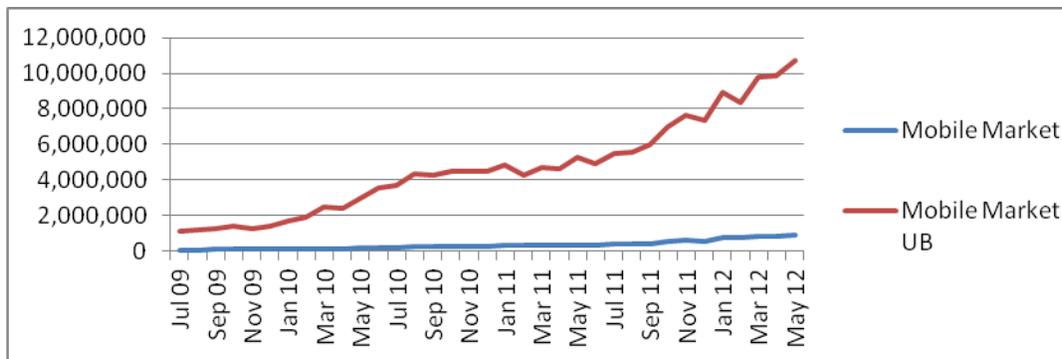
Graph 1. Market Intelligence- Market Aggregate Monthly UB vs Ave Daily UB

The graph shows the growth since 2005 in the Market Aggregate for both the Monthly Unique Browsers (the green line) and the Average Daily Unique Browsers (the red line) as reported in Nielsen’s Market Intelligence (MI).

The first thing to note is the massive growth in Monthly Unique Browsers from just over 25 million in 2005 to 90 million in 2012. Clearly such a ‘user level’ is not possible in a country with a total population of just over 22 million people and with recent estimates of the Australian Active Online Universe being just over 16 million. However, pleasingly it can be noted that the Average Daily Unique Browsers is both at a level below that of the population and reflecting a plausible growth.

While the Monthly Unique Browsers inflation is most noticeable at a Market Aggregate level it is also salient to note that top five Publishers in MI often have a greater number of Monthly Unique Browsers than total Australian Active Online universe of 16.1 million people – again, an impossible amount.

But why have the Monthly Unique Browsers dropped from their peak of just under 120 million in May 2011? In July 2009 Nielsen launched Mobile Market Intelligence, but it wasn’t until the start of 2011 that sites started splitting out their m. sites, which was about the same time that smartphones became mainstream. This is reflected in the Mobile Market Intelligence data with Mobile Monthly Unique Browsers now over 10 million (Graph 2.). The same pattern of inflated growth is seen in Mobile Monthly Unique Browsers compared to Average Daily Unique Browsers as the usage of mobile devices for browsing grows.



Graph 2. Mobile Market Intelligence- Market Aggregate Monthly UB vs Ave Daily UB

But when we look at the active online population from the Nielsen Online Ratings Hybrid data (Graph 3.) we see it is much more aligned with the trend shown by the Average Daily Unique Browser numbers.



Graph 3. Nielsen Hybrid Active Online Universe and Market Aggregate Ave Daily UB

So, clearly a Monthly Unique Browser no longer equals a person, meaning that the Monthly Unique Browser metric is not an acceptable proxy for people-based audience metrics, and therefore should no longer be used. The opinion of the IAB Measurement Council is that the Average Daily Unique Browser metric currently remains an acceptable proxy for daily audience data, so it will be retained. However, with continued proliferation of devices, fragmentation of the market, and technology changes, there may be a time that it also becomes an unacceptable proxy for audience measurement.

3. What factors caused this impact on the Monthly Unique Browser metric?

In 2000, the main locations for accessing the internet were home and/or work using a PC or laptop. People typically used one browser on each machine so if a person accessed from home and from work they would generate 2 browsers cookies.

In 2012, we now have on average 1.4 laptops per household and 1.7 desktops. 90% of people have accessed the internet from home, with 57% of people having accessed from work. However, now in addition to home and work we also see that 55% of the online population have accessed from a mobile, 20% from a tablet, 18% from a games console and 11% from a TV. (Sources: ownership from Nielsen CMV, usage from Nielsen online consumer report)

Further to this, a user typically doesn't generate just one cookie per device. Instead they often generate multiple cookies, particularly as users now tend to have more than one browser and are tending to clear out their browsers more frequently which generates new cookies.

The nett effect is that a single user now typically generates many cookies across multiple devices and browsers, and the longer the time period the more the cookie duplication happens (which is why Monthly Unique Browsers are affected more than Average Daily Unique Browsers).

There are many other (smaller) factors to consider which make the problem even more complex:

- there is increased prominence of "In Private Browsing" in popular browsers like Internet Explorer, Firefox and Chrome, with such sessions not generating cookies
- workplace environments often clear cookies after each session, resulting in multiple cookies per person per month being repeatedly generated
- third-party security software installed in homes can either block or regularly erase cookies
- devices like iPhones and iPads have Safari browsers with the default set to block cookies



So, while Nielsen takes many measures to account for these phenomena it becomes increasingly complicated to do so as we have some devices over-counting while other devices or browsers are under-counting. Clearly we can see that the Unique Browser metric is becoming increasingly inaccurate, less useful and even misleading - especially over longer durations such as a month.

4. Ensuring that only the most accurate metrics are endorsed for release to the market.

Accordingly, the IAB – with the support of the MFA – has endorsed the removal of the Monthly Unique Browser Metric from market reporting in Nielsen’s Market Intelligence product. Recognising that there needs to be a transition period the IAB and Nielsen have devised the following reporting options for a six-month transition period:

Market Intelligence

- Average Daily Unique Browsers will continue to be the ranking metric within Market Intelligence as it continues to trend closely to Nielsen Online Ratings.
- Monthly data for User Sessions and Page Impressions in Market Intelligence will continue to be available for cumulative and inventory reporting.
- Monthly UBs will continue to be reported in Market Intelligence till the end of **January 2013** to give all clients time to plan for this retirement. From **February 1st** the Monthly UB metric will no longer be reported in the Market Intelligence interface.
- On request Nielsen clients can receive Monthly UB data in an Excel file until the end of **July 2013**, which is for 6 months after the metric ceases to be reported in the Market Intelligence interface. This data is for internal purposes only to assist in any trend analysis and set KPIs for FY13 – it is not for external use.
- Removal of the Monthly Unique Browser data will also mean the removal of the Unique Browser Frequency Metric.
- Please note that Monthly Unique Browser data will still be available in Nielsen’s Site Census product and other website analytics software – it will just not be available at a market level.

Nielsen Online Ratings

- Nielsen Online Ratings will continue to produce Monthly Unique Audience data.
- Release of this data in the monthly data base will be subject to a minimum active sample requirement (to be reviewed in conjunction with the IAB Measurement Council).
- For websites that fail to meet the minimum active sample requirement or that display unacceptable volatility in the Monthly Unique Audience data due to small sample size, in lieu Nielsen will produce a rolling-three-month Average Monthly Unique Audience figure for all Parents, Brands and Channels. This data will not be cumulative data but the average of the previous three months. It will be delivered in Excel format via the Nielsen website.

Other Data Sources

- Any Publisher that continues to report Monthly Unique Browser data generated using internal website analytics software after the retirement of Monthly Unique Browsers must also provide a Source and clearly label the data as such, and may not present the data to give the false impression that Monthly Unique Browsers equates to a people-based number.
- Weekly Unique Browser numbers from internal website analytics software should also be referenced as per Monthly Unique Browser data. Although the inflation for this metric is not as great as the monthly data it should not be reported as a people-based number.

Extra Data Being Made Available To the Market

- To coincide with the retirement of Monthly UBs, Nielsen will be releasing device and operating system information on properties that are reported within the Market Intelligence product. This data will provide rich insights to the market on the types of platforms Australian consumers are viewing website content.

For more information please contact:

Gai Le Roy

IAB Director of Research

Email: gai.leroy@iabaustralia.com.au

Tel: 02 9248 7915