Nielsen Will Split Into Two Companies Following Strategic Review

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The media measurement company Nielsen will spin off its market research and analytics business from its global media measurement business, the firm announced Thursday.

The split, which is expected to take anywhere between 9 and 12 months, will split Nielsen into two publicly traded businesses. Nielsen Global Media will focus on providing measurement metrics, including television ratings, to media and advertising clients. Nielsen Global Connect, the spun-off portion, will offer consumer packaged goods manufacturers and retailers data and analytics about market share and performance.

“Following an extensive review process, which included an in-depth analysis of our businesses, strategies and market opportunities, the Board concluded that separating into two independent, publicly traded companies is the best path to position each business for long-term success and maximize value creation,” said James Attwood, who led the strategic review as chairman of Nielsen’s Board of Directors.

As independent companies both businesses “will enjoy added flexibility and further strengthen their paths toward a new phase of growth, productivity and industry leadership.”

David Kenny, Nielsen’s current CEO, will remain at the company as CEO of Nielsen Global Media. The company is on the hunt for

a chief executive to lead Global Connect. Nielsen shareholders will receive shares in the new Nielsen Global Connect business once the transaction is complete.

In a press call Thursday, Kenny said the two businesses had little in common, and that the split would allow both companies to invest where they needed to continue growing.

“They’re both really strong multibillion-dollar global businesses, but they’re quite different—they have different investment profiles, they have different cultures and different talent, and I think different margin structures,” Kenny said. “It’s pretty clear that you get better shareholder value from trading those as two stocks versus one, and there’s very little synergy between the two, other than they started within the same name decades ago.”

Nielsen also announced Thursday that it would decrease dividends to shareholders and instead invest more heavily in building out measurement tools that account for cross-platform video viewership.

“We are investing to really deliver that vision we have of total audience measurement and get that to the point where there is enough credibility and adoption that it can be used as currency,” Kenny told Adweek. “We’re seeing demand from both the advertisers and agencies and from the publishers to see that happen. I think that advertisers have long wanted it, and as publishers get more focused on their DTC business, and more focused on their streaming business, they’re pulling that together.”

Nielsen Global Media will also focus on building out more attribution tools for other industry sectors outside of the CPG space and on pushing into international media markets, Kenny said.

The decision to split the company comes after Nielsen faced pressure from the hedge fund Elliott Management, which is one

of Nielsen’s largest shareholders. The activist investor, which last year pushed the company to consider selling itself, said it was supportive of the split.

“Separating into two companies represents the best path forward for Nielsen’s business and its shareholders, and we believe it will lead to substantial value creation,” Elliott partner Jesse Cohn said in a statement.

The move would make Nielsen “better able to position both its media and retail measurement franchises for long-term success with differential investment, profitability, capital return and strategic frameworks.”

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