

# Technology changes will only fuel TV's ratings game

**M**uch has been made of the changes sweeping the television ratings landscape. While it is true they have caught some in the industry off guard, inaccurate claims of a flawed ratings panel and suggestions of dramatically declining audiences fuelled unnecessary confusion.

The validity of OzTAM's ratings panel is fundamental to our business. Our industry will never allow the integrity of this data to be compromised. Ratings remain the best quantitative measure of viewing habits and we welcome any information which gives us deeper audience insights.

"Time-shifted" ratings are the latest improvement for measuring what people watch. It involves programs recorded on Personal Video Recorders and watched up to seven days after broadcast.



Claims about the use of PVRs for ad-skipping are exaggerated. Put into context, once time-shifted viewing is included in the mix, "live" viewing still accounts for 95 per cent of all television watched.

Confusion arises partly because the mechanics of adding PVR-enabled households to the panel are not well understood. Adjusting the panel involved significant investment by OzTAM and the removal and replacement of about 800 survey homes, or 27 per cent of the panel.

PVR-enabled homes have unique profiles. Typically they are younger than traditional viewing households. They are also more likely to have digital television, be pay-TV subscribers, own more than one TV and watch more TV than others.

Suggestions that fewer people watch television in this new landscape are incorrect. The year started slowly because big shows were not scheduled until after the Winter Olympics. But, as expected, audiences bounced back. The total television audience has grown year on year. At the end of survey week 25, total audiences are up 3 per cent across primetime and 3.3 per cent across the entire day. More significantly, viewing of the elusive 18-34 demographic is up 9.2 per cent in primetime.

Given all this, it's no wonder an important part of the equation has

been overlooked. Over the past two years, and after a lifetime of living with five free channels, viewers have been given more choice on six new free-to-air digital channels. With about 400,000 viewers watching these digital channels every night, it's not unexpected that we've seen some audience movement away from the primary channels. What's more, the changes we've seen this year are likely to accelerate, particularly as more digital channels are added and more families switch to digital television.

What does this mean for advertisers? In simple supply and demand terms, as audiences fragment across even more free-to-air channels high-rating programs such as *MasterChef* will become even more valuable and more expensive for clients. This scenario is even more pronounced in a buoyant ad market.

For media buyers and their clients this means more targeted advertising opportunities. Savvy agencies are already spreading across a broader number of channels, delivering more targeted audiences.

In the context of these developments, discussion of commercial break ratings and new campaign tolerance levels are not what is needed. What is needed is a re-education of the market factoring in the cumulative effect of the changing panel, the impact of time-shifted ratings data and the explosion of choice offered by digital channels – all overlaid against the economic climate. Only then should the industry evaluate the best way to work in this evolving environment.

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