



Broadcast Ratings System in Sri Lanka: Issues and Implications

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1 INTRODUCTION

The media is one of the faster growing industries in the world today. People today can access varied media content anytime and from a multitude of platforms such as radio and TV sets, Smartphones, computers etc. Having more pathways available to more users than ever before has drawn a greater number of advertisers, marketing professionals, brand managers and media buying companies to the industry. Way (2014) notes that these professionals need media consumption details to understand the audience behavior patterns. Once they understand audience behavior and preferences through the ratings, media owners, managers and content creators can optimize their programming and also sell advertising space/time more efficiently.

The ratings data is used by media buyers, managers, journalists/producers, marketing and promotion officers and advertisers for their own purposes. They all want to remain relevant, focused and effective in how programming content and advertising content are positioned and delivered. This is a legitimate business activity in today's market based media industry. Broadcast ratings data is the trusted solution worldwide to understand media consumers' preferences and engagement with TV, radio, digital, mobile, out-of-home and social media content according to Way (2014).

As far as Sri Lankan Media industry is concerned, there are more than 60 radio

channels, 20 television channels and 200 newspapers in all three languages. Two market research companies only operate audience rating systems on radio and television broadcasting in Sri Lanka, namely, Lanka Market Research Bureau (Pvt) Limited (LMRB), and Survey Research Lanka (Pvt) Limited (SRL). The ratings data has a disproportionately high level of control over the economic viability of broadcast stations, as well as on their programme scheduling decisions and content creation action.

The ratings are used by corporate advertisers to determine much of their advertising spending in the broadcast media. Naturally, all advertisers like to be associated with programming belts and content types that attract a greater audience as evidenced by the ratings. Meanwhile, broadcasters use ratings data to judge their individual performance against their competitive stations. In addition, they too may commission customized market research to better understand how their audiences behave. Yet the ratings systems operating in Sri Lanka have generally lacked transparency in terms of their methodology and process. Apart from giving basic descriptions on their corporate websites, neither ratings company discloses details about their surveying methodologies in public. In the absence of details, the methodology has been questioned and even challenged by some broadcasters in recent years (Sri Lanka. Secretariat for Media Reforms, 2016).

In other words, some key players in the



Lankan broadcast industry raised a credibility issue and questioned the authenticity of the ratings data provided by the ratings companies, arguing that these do not necessarily reflect the public's real viewing or listening habits. In this context, few questions can be identified: Why does the Lankan broadcast industry not satisfied with the current broadcast ratings system in Sri Lanka? What are the issues in current broadcast ratings system and how to overcome these issues? Therefore, the purpose of this study is to identify the issues in contemporary broadcast ratings system in Sri Lanka with a view to recommend solutions to overcome these issues.

2 METHODOLOGY

Qualitative approach was used to collect the data of this study. Mainly in-depth interviews were conducted with broadcasters, advertisers, advertising companies, and rating companies within a specific 3 week period. It is important to interview these key players in the broadcast industry to identify the issues in the ratings system in Sri Lanka. Semi-structured questions were prepared and formal interviews were personally conducted with the resource persons.

There are 40 registered institutions for Radio and TV licenses in Sri Lanka (Rebuilding Public Trust 2016). Therefore, all the broadcasters in Sri Lanka were invited for the interviews, but only 10 broadcasters were presented at the interviews (IWS Holdings (Art TV) ,The Buddhist TV ,Sri Lanka Rupavahini Corporation (SLRC), Telshan Networks (Pvt) Limited (TNL) , EAP Broadcasting Company (EBC) – Radio , MTV Channel (Pvt) Limited MBC Networks (Pvt) Ltd (popularly known as Sirasa Media Group), EAP Broadcasting Company Limited (Swarnawahini) Power House Ltd, TV Derana and FM Derana and ITN). Two rating companies were interviewed (Lanka Market Research Bureau (LMRB)

Survey Research Lanka Ltd). Top 5 advertisers and advertising agencies were invited to identify the issues in broadcast ratings in Sri Lanka, but a few participated, they are: Advertising agencies - Association of Accredited Advertising Agencies (4As), Group M PHD Sri Lanka, PhD Sri Lanka and Advertisers - Ceylon Biscuits Ltd and Sri Lanka Telecom.

3 RESULTS AND DISCUSSION

The purpose was achieved according to the results/ findings of the study. Therefore, the data were analyzed in order to identify the issues in broadcast ratings system in Sri Lanka. Based on the findings, some significant issues can be identified as follows:

Impact on programme content, format and scheduling:

Broadcast managers emphasized that they use rating reports to decide on the placing of advertisements as well as the scheduling of programmes. The input of resources for various programmes is decided accordingly. Therefore, the rating reports have a direct impact on the content, format and scheduling of programmes on radio and TV. This is an imperfect approach. Even the most rigorously produced ratings system can only provide relative rankings for broadcast timeslots and programme types that are favoured by more listeners or viewers, in other words, an indication of popularity.

Lack of Transparency:

A clear majority of stakeholders mentioned that there is insufficient openness of the methodology followed by the two ratings service providers with regard to key factors like sample size, data collection, analyzing and delivering process. In the absence of transparency, there is room for omissions, errors and biases. Some smaller broadcasters completely ignore the ratings, and use



alternative methods for generating advertising or sponsorship revenue. How do broadcast channels get listed and covered in the broadcast ratings? This process is also not clear. Do they seek to be added and, in return, do they need to subscribe to the services? Is there any correlation between a station being a subscriber to ratings reports and its channels being included in the ratings coverage? These questions were raised by some broadcasters. Reacting to these concerns, LMRB says that some broadcasters seem to follow a “policy of using ratings only when they are favourable” and that “ratings provider is used as scapegoat to cover up (broadcasters’ own) deficiencies”.

Methodology and Sampling issues:

LMRB uses a type of People Meter (known as Rapid Meter system) to determine the ratings for each TV channel in Sri Lanka. About 600 People Meters were installed all over the country and a sample size of 2,200 individual viewers is covered. Therefore, there is no mechanism to cover island wide population by this method. Both LMRB and SRL use the diary system to measure radio audience preferences. The diary method has several inherent limitations: it does not reflect shorter listening periods, and the diary is not likely to reflect tuning when no listening occurs, some sample members may not be able to provide the level of detail, or use the concepts that the researcher is interested in and etc.

Market Domination:

As mentioned earlier, there is a duopoly in the rating industry. Broadcasters, advertisers and any other users have a simple choice between LMRB and SRL. Of them, LMRB is owned by an international market research group, while SRL is fully locally owned. Both companies have their niche products and niche services. Also, their scope of activities is significantly broader than

producing broadcast ratings.

High equipment costs:

Ratings companies in many countries have been automating the capturing of audience behaviour by investing in modern technology. The technical equipment that measures the audience quantitatively are sophisticated and also expensive. Therefore, it is not easy for ratings service providers to make much profit. One way to reduce capital and operating costs is to manufacture the equipment in Sri Lanka. SRL says it once explored the possibility of producing people meters locally by collaborating with the University of Moratuwa. So far, however, such local manufacturing has not happened. LMRB has also explored this possibility, but says it “could not find any local party with the necessary technical knowledge and manufacturing capability”.

4 CONCLUSIONS AND RECOMMENDATIONS

As per the purpose of the study, research questions were answered according to the findings /results. In other words, Lankan broadcast industry is not satisfied with the current broadcast ratings system in Sri Lanka due to above issues and reasons. Therefore, the following conclusions and recommendations can be suggested to overcome these issues. Broadcast ratings are inherently contentious because they rank competitive broadcasters, who in return determine advertising revenue that impacts their economic viability. The big challenge is to ensure the ratings have a high level of integrity and credibility. It is clear from stakeholder interviews that there is considerable distrust and tension between broadcasters and the ratings service providers in Sri Lanka. There should be an independent monitoring body with multi-stakeholder participation (i.e. with suitable representation from the Media Ministry, state and private



broadcast companies, advertising industry and broadcast rating service providers, along with eminent researchers or academics). Such a body needs to be independent of the state, as well as of the ratings service providers and their subscribers. The scope and functions of such a body needs to be defined carefully. The overall mandate would be to: monitor and validate the existing and future rating systems; provide some technical oversight on ratings methodologies; carry out periodical audits of the ratings results; serve as a dispute resolution body and complaints investigation mechanism; and carry out audits on unethical promotions and attempted manipulations by broadcasters and report on findings.

It is important to strengthen the current ratings service providers. This is to be pursued through a more rigorous methodology leading to more credible and acceptable results; use of a sample more representative of the diverse and multicultural audience; and better serving the needs of advertisers as well as of broadcasters. Some other specific recommendations can be also identified. There is a clear need for increasing the sample size to represent the adequate numbers, geographical distribution and diversity of television viewers in Sri Lanka. The sample size should go up from the current 2,200 viewers to at least 8,800. Sample distribution of households with People Meters should be expanded based on a good sample frame. More efforts should be made to enhance the transparency of the TV rating methodology and outcomes without compromising the necessary confidentiality of the system. The independent monitoring body with multi-stakeholder participation can provide this. Viewership should be averaged not daily or monthly, as currently done, but once every three months as well as on an annual basis. If the People Meter is so expensive for LMRB to afford more units, the government should provide duty free concessions for importing these meters.

Alternatively, the frequency could be increased installing People Meters every three months' time to another randomly selected 6,000 households (on rotation basis). The rating system should be audited and validated from time to time by an independent body outside the ratings service providers and their subscribers. There should be regular audience surveys by market research companies and/or mass media researchers to better understand the qualitative aspects – the likes, dislikes, unmet needs and behaviour patterns of audiences.

It is also important to understand the requirements of niche audiences, as well as nationally significant broadcast content that do not fall within the popular demand categories. Ways must be found to accommodate these special interests. Measuring English and Tamil audiences and various genres independently may provide a better picture of the minority tastes. This will also help the advertisers to make specific and targeted placement decisions. The quality of radio and TV programming should also be assessed on a regular basis. For this, it is suggested that the Media Ministry sets up a review panel that uses a transparent qualitative method to assess and benchmark programming on an annual basis. Such a process should be driven by a public service broadcasting perspective. There needs to be a code of ethics for broadcast channel and programme promotion. This should ideally emerge from the broadcast industry itself, but media savvy civil society groups and media researchers can also play a role in drafting one.

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