



Institute for Development of Freedom of Information

# Georgian TV Audience Ratings- Challenges Facing Georgian Media Sector

April, 2014

*"It is important for media organizations to understand their audience because they are the ones to sell this information to advertisers."<sup>1</sup>*

**Author: Ucha Seturi, IDFI Expert**

This research was developed in the framework of Media Advocacy Coalition Strengthening Project with the financial support of the **Open Society Georgia Foundation**.



The responsibility for the content of this research lies with the Institute for the Development of Freedom of Information (IDFI). It does not necessarily reflect the opinion of the Open Society Georgia Foundation.

---

<sup>1</sup>Electronic Media: Then, Now, and Later. [Norman Medoff, Barbara K. Kaye](#). Taylor & Francis, Mar 20, 2013

## Content

1. Introduction.....	3
2. International Principles to Evaluate Audience.....	5
3. Brief Overview of the Georgian Media Market.....	7
4. Importance of Internet Platform Content Audience and Problems.....	13
5. TV MR Georgia.....	16
6. Digital Broadcasting and Audience Measurement Problems.....	18
7. Founders of TVMR Georgia and Corporate History.....	20
8. Means of Assessment of Various Media Platforms' Audience .....	21
9. Means of Evaluation of Audience of Alternative Platforms .....	24
10. Optimal Organizational and Legal Form.....	26
11. Major Problems and Challenges .....	27

# 1. Introduction

For the Georgian media market actors and advertising companies, March 2014 is associated with the so-called people meter problems related to TV viewing rankings. TV audience measurement is critical in all countries and there hardly can be found a country where all market players are satisfied with rating measurement results; though in Georgia this issue is not only related to competition between advertising business and media actors but is directly linked to media control issues.

Heated speculations caused by the so-called people meters once again confirmed importance of this issue. It is important to disregard any political context and look at those essential challenges and impediments that TV ratings measured by a Georgia-based company may have. The most problematic issue is that this situation has a direct impact on diversity and viability of the Georgian media market.

Currently, only eleven Georgian TV companies participate in TV rating measurement, though to get a broad and maximally accurate picture the panel should include a maximally large part of populated area of a country. In addition, it is crucial to include radio listeners, internet media, and internet webpage visitors and to assess and analyze online TV streaming traffic, in other words, ratings of the content that is alternative to the television. This approach will minimize any distrust to ratings and increase a fair competition on the Georgian media market, especially in the context of approaching digital broadcasting switchover and challenges associated with the transfer to a new platform.

The main purpose of audience research is to provide assistance and support to advertisers and broadcasters to exactly determine a category and number of viewers/listeners of certain TV/radio broadcaster or program. The term used for measurement of these results- advertising market share- reflects a share of the certain media in the total revenue of advertising market; the people meters should help to correctly and adequately define the share and the viewership of audience during a concrete period of broadcasting to evaluate popularity of a concrete show, TV series or other programs.

The below chart provides (Figure N1) quantitative data of TV and other technological platform transmitted broadcasting. The existing TV ratings include only several contractor channels (Rustavi 2, Maestro, Imedi, GDS, Comedy Channel, Music Box, Tabula, TV 11, and TV 3, GPB) The broadcasters in the cities not included in the panel are not captured within this category. The below chart shows that their number is much higher.

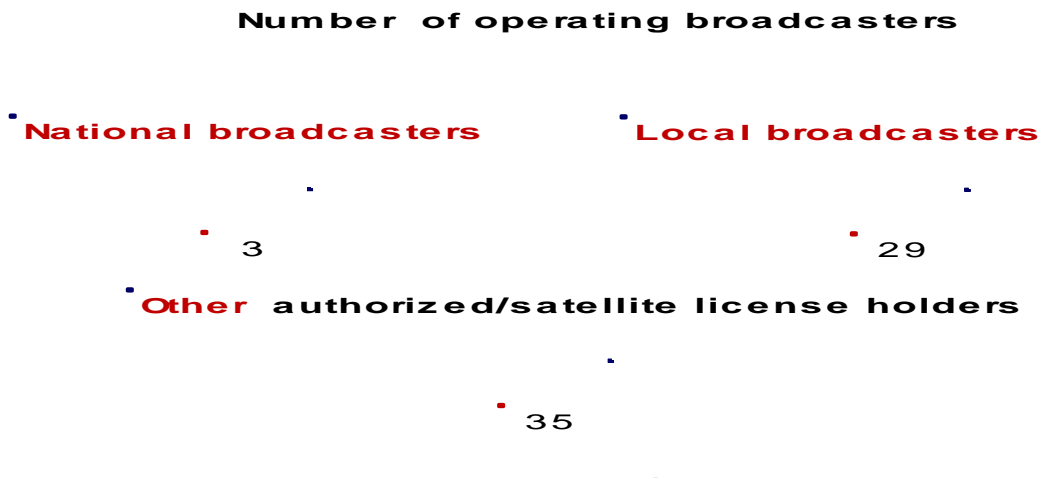


Figure1.GNCC-b Data as of March, 2014

Currently, the rating is viewed as common world currency on the media market.<sup>2</sup>The media planners and buyers examine the offered alternative programs to better meet advertising purposes, whilst broadcasters evaluate popularity of a program or station and determine a price at which they should sell advertisements to be broadcasted in a certain program or channel.

In case if a channel is fully or partially funded by public funds, the ratings should be considered as one of the forms of accountability.

The most realistic and reliable ratings have a direct impact on strength and survival of regional and low-income media. This challenge becomes more important in the context of digital switchover when a transmission of the signal in a short-term period becomes more expensive and competition is not restricted by exhaustive frequency resources.

Inclusion of small broadcasters in the presented chain is possible only if the whole territory is covered. The current ratings do not represent Georgia's ratings but rather TV ratings of concrete cities, though they are perceived as Georgia's ratings.

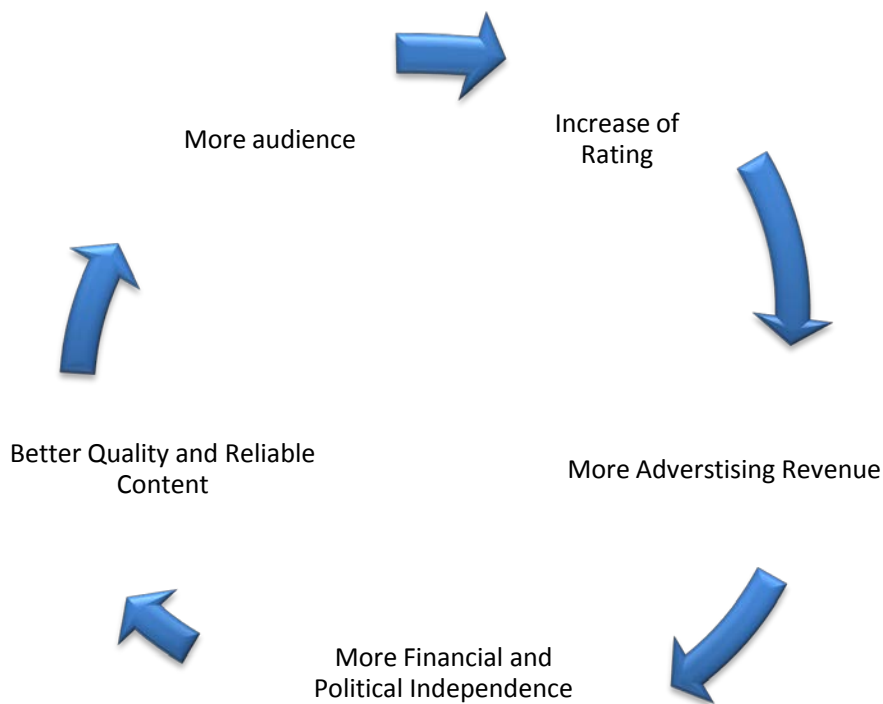


Figure 2. Media Market value chain

The issue is problematic as the number of devices installed in Tbilisi is 16% higher than in other cities all together. The panel in the amount of 330 households is distributed as follows:190 households in Tbilisi and 140 households in regional cities (Kutaisi, Batumi, Rustavi, Gori , Zugdidi and Poti).<sup>3</sup>

<sup>2</sup> <http://www.nielsen.com/us/en/nielsen-solutions/nielsen-measurement/nielsen-tv-measurement.html>

<sup>3</sup> [http://www.tvmr.ge/ka#!ka/tam\\_panel](http://www.tvmr.ge/ka#!ka/tam_panel)

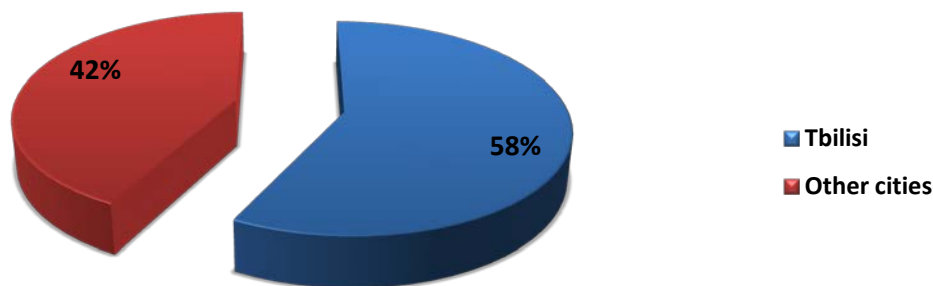


Figure 3. TV MR Georgia Internet Page Data

## 2. International Principles to Evaluate Audience

There are different methods to measure audience including the telephone interview method of twenties, the audio meter method of thirties that gathers certain information by connecting a measurement device to radio, the so-called method of diaries that are completed by listeners and viewers and periodically submitted to the interested party, and other popular and credible methods that provided media with ratings of certain quality and accuracy.

The Global Guidelines for Television Audience Measurement(GGTAM) developed by EBU<sup>4</sup> in collaboration with Audience Research Methods (ARM) Group provide basic principles for TV audience measurement.<sup>5</sup>

The group comprises representatives from nine international organizations: ARF (USA); <sup>6</sup> Canadian ARF; EAAA (now EACA)<sup>7</sup>; EGTA; <sup>8</sup> EMRO;<sup>9</sup>ESOMAR;<sup>10</sup>and other organizations.<sup>11</sup>

Under the auspices of EBU special operational recommendations were developed in line with Canadian, European and US practices and environment. These recommendations cover all main requirements to be considered in measurement of ratings (factors to be considered and information to be submitted for measurement. It is recommended to closely meet recommendations to ensure recipients of ratings inside and outside of Georgia that measurement data is credible, correct and compatible with these recommendations.

<sup>4</sup> <http://www3.ebu.ch/home>

<sup>5</sup> <http://www.advans.hr/ggtam/>

<sup>6</sup> <http://thearf.org/>

<sup>7</sup> <http://www.eaca.eu/>

<sup>8</sup> <http://www.egta.com/>

<sup>9</sup> <http://www.emro.org/>

<sup>10</sup> <http://www.esomar.org/>

<sup>11</sup> GEAR; PETR; WFA

The GGTAM operational guidelines are based on 10 basic principles:

### **1.Meeting Total Marketplace Needs**

The television audience measurement system needs to be designed to cover the total TV marketplace of the country or market in question. It should set out to meet the needs of all categories of users of such information.

### **2. Effective Industry Consultation**

Full consultation should at all times take place between the research company/ies and all users of TV audience information. In countries where joint industry bodies manage the system, consultation is inherent to the structure. In other markets specific steps are required to ensure that consultation with the user community is systematic and effective. Whatever the organizational structure in a particular market, joint industry technical advisory bodies can and should exist, to ensure an ongoing collective dialogue with clients.

### **3. Full Disclosure**

The full detail of methodological procedures be openly available to all subscribers. The user is then able to understand and make allowances for whatever compromises have been necessary in a particular market, where the system falls short of the ideal.

### **4. Optimal Resource Allocation**

Research resources should be deployed effectively to take into account the balance between requirements of the advertising market and editorial management decisions, which in its turn should be based upon the comprehensive and reliable information provided.

### **5. Scientific Method**

The research methods need to be tested and scientifically justified. It is important to strive for system validity and reliability. The main goal of selecting the probe-tested and trusted methodology is to bring to minimum any questions and distrust towards the validity and reliability of the results.

By system validity we mean that it actually measures what it purports to measure, responds to the questions and meets the objectives of the system..

By reliability we, in the first place, mean that it would yield very similar findings if independently carried out a number of times.

### **6. Best Research Practices**

Panel recruitment, most elements of data collection and reporting should be based on the best practices where possible to optimize its price and quality. Deviation from the ideal model usually involves qualitative compromises, that might be

acceptable after undergoing certain procedures. In all circumstances the principle of Full Disclosure needs to be rigorously observed.<sup>12</sup>

## 7. Quality Control

Rigorous and systematic quality control procedures need to be deployed for each element of fieldwork, data collection, editing and reporting. Audience measurement systems would normally be expected to conform to all relevant international codes of conduct (e.g. for Europe, the ESOMAR Code of Conduct that is drafted in collaboration with ICC - International Chamber of Commerce).<sup>13</sup>

## 8. Maximising Response

The burden placed on respondents should be minimised. It is necessary not only to decrease personal factor but to raise the involvement and response rates and scale down inaccuracy, as well as to expand towards the valid and reliable information. **Equally, the respondent's right to privacy and confidentiality shall be respected at all times.**

## 9. Equal Access

It is in the interest of fair trading that all user groups share the same conditions and a fair price for access to audience data.

## 10. Methodological Experimentation and Innovation

Research organizations are encouraged to be innovative, and in particular, to conduct carefully controlled alternative procedures. In particular, they need to conduct regular systematic investigations of the implications of no-response and response error to their systems. Their methodologies and outcomes shall be fully documented and publicly available to all user groups.<sup>14</sup>

## 3. Brief Overview of the Georgian Media Market

For proper management of the process it is necessary to define factors that need to be considered in TV audience measurement and analysis. There are certain patterns that need to be taken into account. Each TV viewer has a time "budget" to spend on watching TV. The time span depends on viewer's employment, nature of work, place of residence, whether it is a city or a town, downtown or suburbs. It is important to properly determine the category of audience observed. Ideally, audience is to be measured countrywide<sup>15</sup>, in all cities and big settlements, however this implies additional initial costs and full coverage of territory is expensive and labor intensive.

---

<sup>12</sup>Note: In our opinion, the panel was selected due to this compromise; although it is highly recommended to geographically expand it.

<sup>13</sup> ICC/ESOMAR INTERNATIONAL CODE ON MARKET AND SOCIAL RESEARCH. 2007.

[http://www.esomar.org/uploads/public/knowledge-and-standards/codes-and-guidelines/ICCESOMAR\\_Code\\_English\\_.pdf](http://www.esomar.org/uploads/public/knowledge-and-standards/codes-and-guidelines/ICCESOMAR_Code_English_.pdf)

<sup>14</sup>Ten Principles of GGTAM.

<sup>15</sup>O. Ermolaev, Director "media Comitet", 2005

To have a full picture of TV audience measurement it is recommended to measure ratings not only in cities but in large settlements as well, as a big portion of population and viewers of free to air broadcasting live in the regions.

#### Concentration of Viewers in Regions by Technologies Used

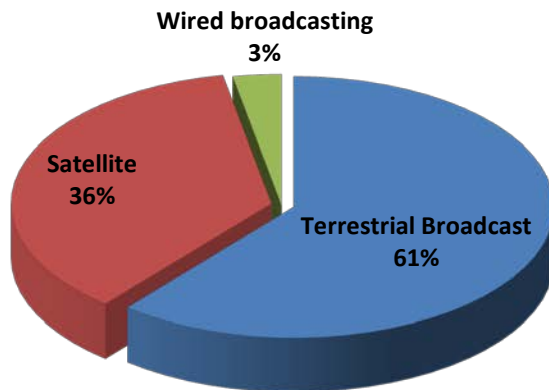


Figure 4 IDFI source

All market actors and interested parties such as advertisers and advertising agencies, broadcasters and transit broadcasters should be engaged in an effort to spread measurement devices across the country as this process requires a lot of costs.

The best international practices show that 0.5- 5% of advertising market revenue is spent on audience measurement.

As of 2012, the Georgian advertising market volume (TV advertisements) is approximately GEL 55 mln. Correspondingly, the amount that may be spent on audience measurement is approximately GEL 250,000- 2,5 mln. It is also necessary to take into consideration the fact that about 500 people meters are not being used by the Georgian National Communications Commission and stored in a warehouse. Some broadcasters and other interested parties are not able to separately fund this process as it requires a lot of funds. It is worth mentioning that valid and reliable ratings are in everybody's interest. The regulator itself develops broadcasting ratings once every two years that include ratings data based on interviews not people meters.

In a selection of the right model it is important to consider regional indicators that, in the first place, include economic development indicators of the regions. For example, in a formation of the rating panel and development of the relevant parameters it is necessary to consider all social-demographic parameters and specifics that exist in Georgia as women and men, employed and unemployed and etc. differently watch TV. Sex, age, employment level and indicators, income level should be evaluated and the relevant decision made on the concrete optimal points for audience measurement in regions.

The audience is generally measured in households where TV is usually together watched by majority of family members, especially in the regions where TV concentration is low. No common definition of all categories of household exists in the world as different countries have different traditions and approaches in this regard. In Western countries where residence in certain cities and districts depends on a level of income, distribution of population is relevant. In Georgia and in particular, Tbilisi similar processes are in place; even if there is some migration to the suburbs, it does not impact the panel specifications. In central districts of Tbilisi high-income and low-income households may live in the same apartment building. The style of living also depends on a level of income. This should be interesting to advertisers to properly determine their consumers, product price and respective advertising.



The audience measurement should be carried out in the cities as well as the regions on a regular basis without interruption because the programming is different every day, competing programs coincide in airtime, the news provide diverse context and resonance.

It is important to clarify how the audience is measured. The most optimal method is a people meter that is connected to TV set in households. All categories of households should be incorporated including ethnic minorities. The necessary statistical data on households may be obtained from GeoStat (sex, age, number of members, education, concentration of TV sets and other devices, Internet and other network indicators, employment data, social status, population distribution in settlements and geographic area and other related indicators).<sup>16</sup>

The part of information, which was initially used to define measurement panel, should be updated through annual interviews. It is important to consider the number of TV sets in a household. During digital broadcasting switchover the process will be significantly simplified by examination of social allowances database. It is recommended to reflect these changes and information in the panel. All channels that can be received in a concrete zone should be installed and activated. Each member of a household should be assigned a unique number and button on the measurement device for registration upon switch on of TV set.

The number of users of cable and satellite platforms is high in regions, whilst in cities and especially in Tbilisi the number of households receiving digital paid services is high. The European practice shows that despite 50 new digital channels in their TV sets, majority of population is still watching only limited number of favorite channels. There is another worldwide tendency that state and public channels are gradually losing their audience, however it is impossible to predict what happens after digital switchover.

In the audience measurement it is important to consider such factors as audience fragmentation and the habit of watching TV outside of the households. As to the audience fragmentation, it needs to be taken into account that the 'active' part of the population has limited time to watch TV and viewers' interests differ by age, sex, education, habits and other parameters.<sup>17</sup> The channels were traditionally oriented for audience of all ages and types. Today this approach has changed. In recent years new specialized sports and entertainment channels have appeared in Georgia offering similar content to its viewers.

In Europe the indicator that measures number of people watching TV outside of their households (in offices and public places) has increased. The European researches show this audience is big and growing as well as commercially appealing.<sup>18</sup>

One more challenge is to measure radio ratings. The radio audience is evaluated by ratings and share evaluation methodology. A number of radio listeners of a certain program is compared to a total number of radio listeners for measurement of ratings. In terms of measurement of share their number is compared with a number of listeners that listen to radio during a measurement process.

According to the Georgian Communications National Commission, in 2012, the revenues generated from TV broadcasting amounted to GEL 82.7 GEL<sup>19</sup>. There is GEL 2.9 mln increase (3.6%) compared to 2011. The major part of the revenue was generated from advertising, which in 2010-2012 amounted to GEL 55-56 mln. per annum. The revenue from radio broadcasting was GEL 9.6 mln in 2012, which is 3% less compared to 2011.

---

<sup>16</sup> <http://www.forbes.com/sites/bradadgate/2014/03/14/2014-the-year-of-cross-platform-measurement/>

<sup>17</sup> <http://www.broadbandtvnews.com/2014/01/28/second-screen-becoming-permanent-part-of-viewing-experience/>

<sup>18</sup> [http://www.broadcasting.ru/articles2/econandmen/izmeren\\_TV\\_auditor](http://www.broadcasting.ru/articles2/econandmen/izmeren_TV_auditor)

<sup>19</sup> [http://www.gncc.ge/files/3100\\_2949\\_681569\\_ANNUAL%20REPORT%202012.pdf](http://www.gncc.ge/files/3100_2949_681569_ANNUAL%20REPORT%202012.pdf)

## Distribution of Revenues Generated from TV Advertisements in 2012

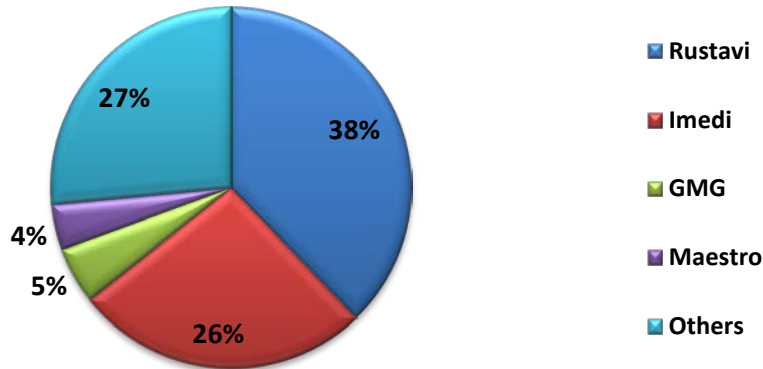


Figure 5 GNCC source

In line with the 2012 data, Rustavi 2 was No. 1 with 37.1 % followed by Imedi with 25.9%, Global Media Group (GMG) with 5.4%, and Maestro with 4.1%. As to radio broadcasting, the biggest share was held by Radio Sakartvelo (44.8%), Radio Imedi with 15.6%, and Media Center for Abkhazeti with 11.5%.<sup>20</sup>

The advertising revenues have insignificantly decreased in recent years and this is not only a problem of the Georgian market. The recent world economic crisis has caused decrease of revenues generated by advertising business.

It is interesting to compare advertising markets of the US, China, and UK by revenues generated from advertising.

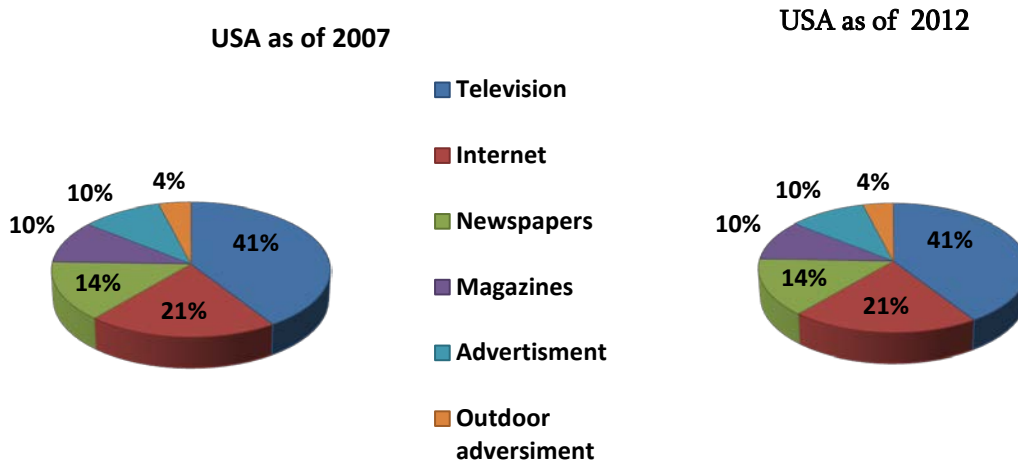


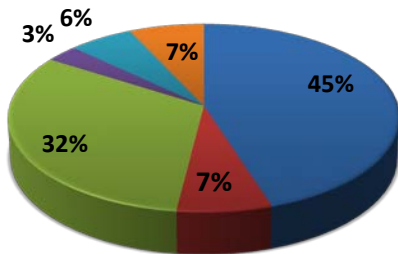
Figure 6 AA/Warc source

<sup>20</sup>The 2012 Report of Georgian National Communications Commission.

[http://www.gncc.ge/files/3100\\_2949\\_681569\\_ANNUAL%20REPORT%202012.pdf](http://www.gncc.ge/files/3100_2949_681569_ANNUAL%20REPORT%202012.pdf)

During the last 5 years a budget for TV and internet advertisements has increased, whilst that for radio and print media has decreased. In 2007 total revenue amounted to USD 168 billion and in 2012- USD 147 billion. China's advertising market is relatively small: in 2007 it was 14 billion and in 2012 – more than 28 billion.

**China as of 2007**



**China as of 2012**

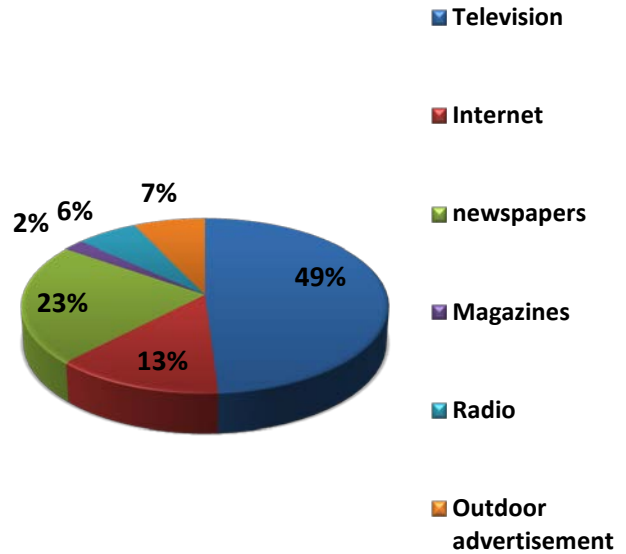


Figure 7 AA/Warc source

The UK case in accordance to segments was not significantly different from the US data in 2012:

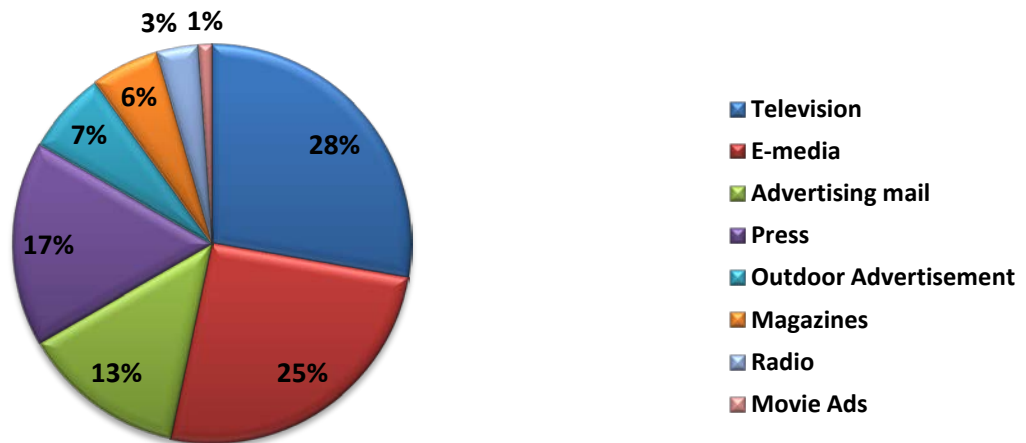


Figure 8 IAB source

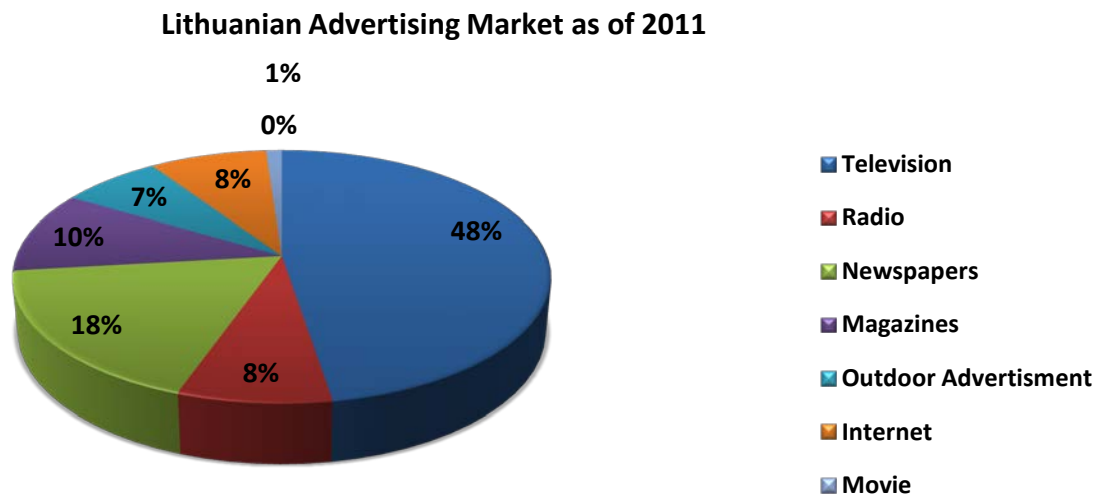
This indicator was increased by 2.7% in 2013 and a 5% increase is forecasted in 2014.<sup>21</sup>

<sup>21</sup> IAB's Tim Elkington's insights on understanding the new Advertising Association / WARC advertising spend figures.

In UK the advertising market volume exceeded 17 billion pounds in accordance with the 2012 data. If we compare these data with the 2011 data, there was an increase by 2.3 %.<sup>22</sup>This indicator was also achieved in 2007 (£17,364 billion).

In UK as well as in Georgia majority of magazines and newspapers in parallel to print operation are moving to Internet. This is a growing trend. Traditional broadcaster content is now accessible in different format and quality on the Internet or as video on demand. Migration of advertisers in this direction is also noticeable.<sup>23</sup>

The Lithuanian advertising market is twice bigger than Georgia’s irrespective of the fact that its population is 30% less (2.9 mln)<sup>24</sup>. Its advertising market volume was EURO 98.7 mln. The biggest increase was in internet advertising, 12% increase compared to the 2010 data.<sup>25</sup>



In Lithuanian case, a low indicator of outside advertisements is related to law election activity.

Slovenia’s advertising market revenue amounted to EURO 522 mln in 2008, which is 15% more than it was in 2007.<sup>26</sup>The Slovenian population is a bit more than 2 mln.<sup>27</sup>

<sup>22</sup> <http://expenditurereport.warc.com/>

<sup>23</sup> <http://www.iabuk.net/about/press/archive/uk-adspend-hits-17bn-in-2012-the-first-time-since-2007#Xd2RbCpZQLj3wuZU.99>

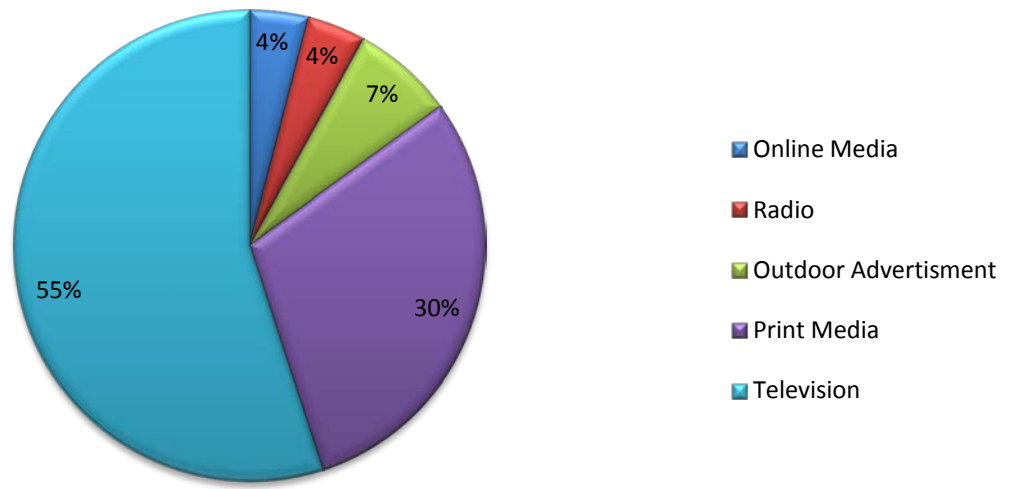
<sup>24</sup> <http://www.populationmatters.org/?gclid=CMDikqaB4r0CFe6WtAodOTEAZg>

<sup>25</sup> <http://www.balticmedianews.eu/lithuania-media-advertising-market-has-increased-by-5-percent>

<sup>26</sup> [http://ejc.net/media\\_landscapes/slovenia](http://ejc.net/media_landscapes/slovenia)

<sup>27</sup> <https://www.google.ge/search?newwindow=1&q=slovenia+population&stick=H4sIAAAAAAAAAAG0ovnz8BQMDgzMHnxCHfq6-gVmJRZmWaXaylX5OfnJiSWZ-nn5xCZAuLslMTsyJL0pNBwpZFeQXIOaAZePL84tyUuKTEvOy2aRPMvn0ym1cHbVUbeeDZanPO68EAgDrlJDIYAAAAA&sa=X&ei=ovNMU9vqK6mw7QakrIGgBg&ved=0CO0BEJsTKAIwHA&biw=1366&bih=624>

## Slovenian Advertising Market as of 2008



According to IRI research, for 97 % of respondents TV is the primary source for political news. Personal contacts are main information source for 29%. Internet comes third with 29% followed by press (23%) and radio (11%). Only 9% of respondents got news from the Facebook. Kviris Palitra is a leader among newspapers..16% of respondents regularly read this newspaper and 12% trust its information. The second is Asaval-Dasavali regularly read by 9% of respondents and trusted by 5%. It is followed by Alia with 2% and 1%.The interesting fact is that 77% of respondents does not read newspapers and 80% does not trust press at all. There are some changes on a TV market. In accordance with IRI researches, 88% of respondents regularly watch Imedi. In this category Rustavi 2 falls behind only by 1% (87%); though 34% of respondents trust Rustavi 2 and 30% -Imedi. The third is Maestro with the respective 49% and 21 %. The fourth in this list is Public Broadcaster regularly watched by 36 % of respondents and trusted only by 3 %. As to news programs, Courier is a leader watched by 38 % of respondents. It is followed by Kronika with 32% and Maestro news with 20%. According to ratings, Moambe is the fourth with 3%. Courier is mostly trusted. In terms of talk shows, Inga Grigolia's show is a leader. It is watched by majority of respondents (31%). It is followed by Nino Shubladze's show Pozitsia (Position) – 28 %, and the third is Subiekturi Azri (Subjective Opinion) with 10%.<sup>28</sup>

## 4. Importance of Internet Platform Content Audience and Problems

Today, it is rather difficult to compare ratings of internet pages and to calculate total budget of advertisement on the Internet. In absence of full picture it is hard to make comparison with conventional advertising revenues. However, this market is growing in every country. The experience of some countries shows that internet advertising market share is even bigger than TV advertising.

<sup>28</sup> <http://www.newposts.ge/?=G&id=35216-IRI-%E1%83%A1%20%E1%83%99%E1%83%95%E1%83%9A%E1%83%94%E1%83%95%E1%83%94%E1%83%91%E1%83%98%E1%83%97,%20%E1%83%9B%E1%83%94%E1%83%93%E1%83%98%E1%83%90,%20%E1%83%A0%E1%83%94%E1%83%98%E1%83%A2%E1%83%98%E1%83%9C%E1%83%92%E1%83%98>

Over the period of 5-10 years, with the proper attention from the state, broadband Internet penetration to the regions will increase internet concentration indicator and change media dissemination picture. The volume of Internet users will definitely cause migration of advertising funds to this platform. In our opinion, this issue should become a subject of discussion and taken into consideration in development of measurement policy and respectively, its adjustment.

Age of facebook users may serve as one of the indicators to determine Internet dependence, which should be analyzed in terms of laptops and iPad users as well.<sup>29</sup>:

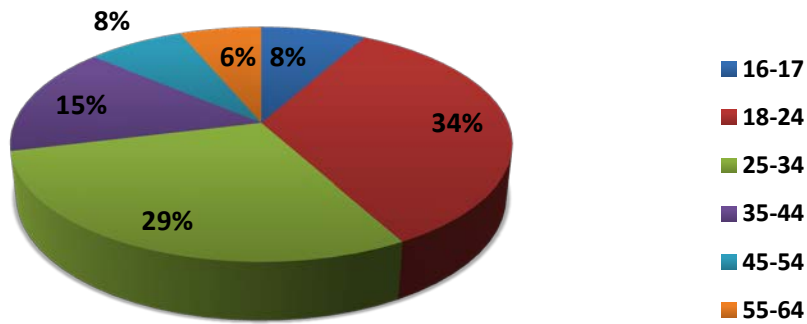


Figure 9socialbaker source

If we rely on the rating data by the Georgian internet page [www.top.ge](http://www.top.ge),<sup>30</sup> video portal [www.myvideo.ge](http://www.myvideo.ge) has the largest number of unique visitors, around 161,000 internet users, i.e. 4% of Georgia’s population not to mention the time spent on the site, volume of information exchange, i.e. volume of traffic.

Statistics on webpage’s unique visitors, downloads and viewership can be processed by operators, although the data is less likely to be trusted as it is not developed by a neutral party. Irrespective of the fact that the data is a subject to regular change between the end user and network service provider, unlike terrestrial and satellite platforms, there are still plenty of problems on the Internet platform.

Number of users of internet based TV service has increased in cities as well as the number of off-air broadcasting users.

**Pay TV Subscribers according to Technologies (January, 2014)**

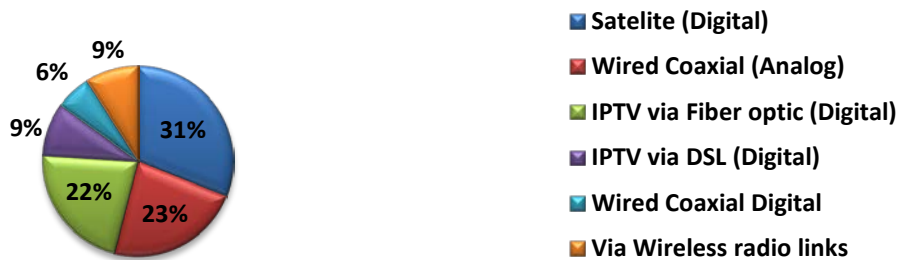


Figure 10. Georgian National Communications Commission Data as of 2014

<sup>29</sup> <http://www.socialbakers.com/facebook-statistics/>

<sup>30</sup> <http://www.top.ge/>

It should be indicated that the share of iptv transmitted to users by optical cable has significantly increased..

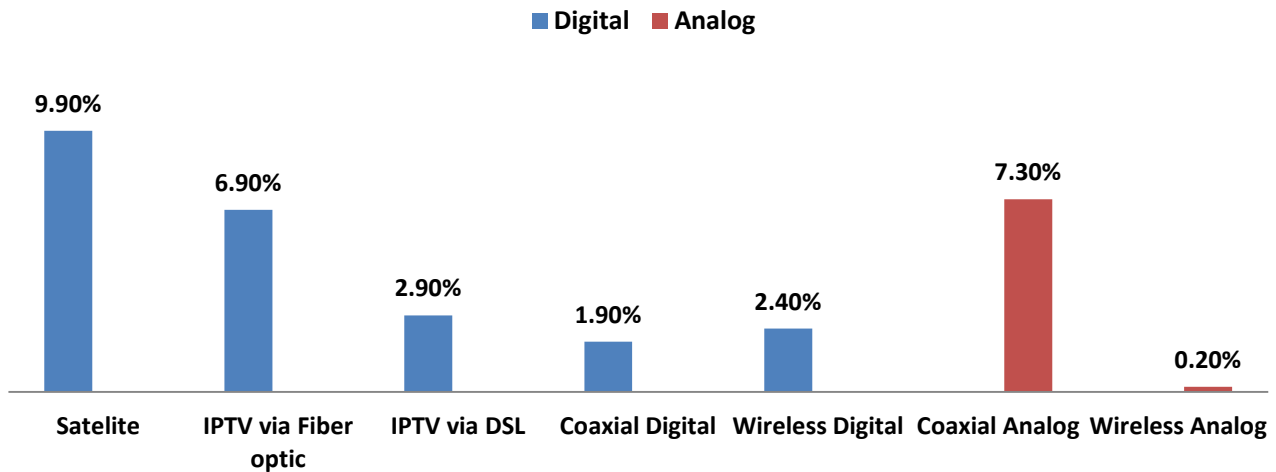


Figure 11, "Pay TV" Penetration of digital and analog platforms in terms of subscribers (January 2014)

To address the issue of trust it is necessary to develop a common standard for Georgia based on EBU operational guideline, which implies methodology for consolidating and categorizing data. Some international standards calculate only number of visitors, others – visitors from unique IP addresses. There is no precise tool to verify and compare data.

A number of visitors is registered upon each visit on concrete internet webpage. The service operators also provide information on terminals and users linked to its network and this may be carried out on a commercial basis. The internet page may be opened several times due to technological problems and internet speed. The so-called Push programs are also registered at concrete sites, but the user does not see this activity. The visitors that click on a banner are glistered at a certain measurement device as a site visitor. The site operator is able to modify the data. All these problems and circumstances may cause invalidity and incostincency of the data.

For evaluation of internet advertising it is important to analyze procurement category. The time spent by each visitor online is important, but it is more interesting to know the activities carried out by the visitors during that time. There are many cases when popular TV series, movies and shows are watched in laptops and ipads and not on TV. The share of pirated movies online is high. In addition, viewership methods such as Netflix, Hulu და Amazon are becoming more popular; TV sets are being used for game panels,X-Box, Nintendo, Playstation, and it is necessary to consider them.<sup>31</sup>

<sup>31</sup>By [Chloe Pantazi](http://flavorwire.com/372616/tv-critics-explain-what-nielsens-new-streaming-ratings-mean-for-our-favorite-shows/) on Feb 22, 2013 11:00am. <http://flavorwire.com/372616/tv-critics-explain-what-nielsens-new-streaming-ratings-mean-for-our-favorite-shows/>

## 5. TV MR Georgia

TV MR Georgia, a company using Nielsen's television audience measurement methodology, was founded in 2004 and starting from 1 January 2005 has been providing the Georgian media market players with the results of the Georgian TV market survey. The main area of the company activities is measurement of the television audience. By the webpage data, the system of the television audience measurement is **transparent** with each system component being understandable and acceptable for the internationally qualified audit.<sup>32</sup>

On AGB Nielsen webpage TV MR is mentioned<sup>33</sup> as an official licensee and Georgia is listed among licensed countries.<sup>34</sup>

In 2005, when the company TV MR Georgia started the television audience measurement, **a survey panel** included 150 families in Tbilisi. From July 1 of the same year the survey panel and the area under survey were expanded. The survey covered Georgian cities with population of 45,000 and more (excluding the territories of Abkhazia and South Ossetia). Within this geographical area 300 households were selected for the survey of which 180 households in Tbilisi, and 120 households in regional cities (Kutaisi, Batumi, Rustavi, Gori, Zugdidi and Poti).

In 2010, further expansion of the study areal resulted in the increase of the measurement panel size. The study started to probe towns with population of 20,000 people and more. The **TAM panel** of 330 families was distributed among 190 households in Tbilisi and 140 households in regional cities (Kutaisi, Batumi, Rustavi, Gori, Zugdidi, Poti and Marneuli, Telavi, Khashuri, Samtredia, Zestafoni, Senaki). The study results did not reveal different peculiarities in behavior of the TV audiences in the cities with population of 45,000 people and more. As a result, in 2010, pursuant joint decision of the TV market, the study areal reverted back to the old study scope.

From 1 January 2011 to present date, television audience **survey panel includes 330** households of which 190 households are selected in Tbilisi and 140 households – in regional cities Kutaisi, Batumi, Rustavi, Gori, Zugdidi, Poti).

In total, television audience survey panel covers population of the cities from 4 years of age, who live in the household and have at least one TV set.

Activities of TV MR Georgia were four times made subject of examination and evaluation by an international independent certified audit: KPMG in **June 2005** (Tbilisi basic survey results and panel recruiting audit). KPMG Audit Company - in **November 2005** (regional cities basic survey results and panel recruiting audit). International licensed television audience survey auditor, prof. Ugul Chaghli (Turkey) - **August 2005** (Audit of the basic survey results for Tbilisi and regional cities; Panel recruiting and data production quality control audit). The audit was invited and financed by consumers of the Georgian television channels of the TV MR Georgia. The British audit company Helen Harrison & Company – **February-May 2013** (the basic survey full results and selection audit; panel recruiting and data production, weighting, quality control audit; data delivery audit). The auditor was hired by the USAID-funded IREX G-MEDIA program.

By the data represented on the company webpage, all the four international audit reports positively assess the high quality of following the methodology in course of the survey, the basic survey and the quality of panel recruiting, and recognize that the survey „**fully meets the internationally accepted survey standards and is therefore reliable** “. The audit conducted

---

<sup>32</sup><http://www.tvmr.ge/ka#!ka/company>

<sup>33</sup> NOTE: In the first edition of the research it was said that “organization's website states that a company is a Nielsen's official representative, however, Georgia is not mentioned on the Nielsen's website”. We would like to explain that researchers used Nielsen's, and not AGB Nielsen's data. This is why the following record was added to the text.

<sup>34</sup><http://agbnielsen.com/whereweare/whereweare.asp>



by Helen Harrison & Company has once again proved that the methodology used by TVMR Georgia is in full compliance with the best international practice and GGTAM (Global Guidelines for Television Audience Measurement), and at the same time TVMR Georgia carries out television audience measurement in accordance with the declared international methodology.

**According to the data represented on the site of the organization, the basic survey is conducted using the method of interviewing, existing population characteristics are studied and the survey panel households are identified.** As a result of the basic survey, social and demographic information, as well as concentration of the TV sets, technical means of receiving television signals and situation with the local media environment are identified. Using the data, characteristics of the households to be placed within the survey panel are specified, comprising also the household database for further recruitment of the panel. By the organization data, the first basic **survey** on which to build a survey panel of the television audience measurements includes the principle of selecting a panel out of the amount ten times the size of that panel.

**A survey panel is a corresponding number of households selected to receive statistical information.** A survey panel is a number of corresponding households selected for a general uniformity survey that agree to have the people meters installed on all TV sets in their houses. Television audience measurement outcomes are based on abstraction of the statistical information obtained from the **survey panel of households**. Results of individual viewing by household members or guests are received from the survey panel. Using a special remote control, a database of viewership by each individual is created.

**According to the data of ltd "TV MR Georgia" site, survey panel** size is defined depending on the joint decision of the company and its clients,<sup>35</sup> in order to create the most efficient size panel to receive the television audience measurement outcomes that are needed by the local market.

Relying on the basic survey results, each interviewed household is classified in a special matrix, by household members, number of TV sets and the television signal receiver, and also by particular characteristics existing on the local marketplace that may influence televiewing. Design of the **survey panel is based on the received matrix results**. TVMR Georgia technician visits all those families that agree to participation in the survey and installs a people meter on every TV set available. TVMR Georgia uses the Nielsens **people meters** that are being continuously upgraded **and improved**, based on the many year experience gained at various local markets.

According to the organization data, the rating panel comprises of two types of people meters:

**1. People meter TVM2**, which is installed on top of a TV set in order to detect and register in its memory block the following actions of the survey panel of household members:

- TV turn on/off time;
- Registration of the selected televiewing device (TV, VCR (videocassette recorder), cable receiver, etc.
- Selected TV channel;
- Identity of a viewing household member;
- Beginning and end time of televiewing by the survey panel of household members ;
- Registration of the sex and age of the survey panel of household guests;
- Beginning and end time of televiewing by the survey panel of household guests;
- Family going on vacation;
- Assessment of the television program (giving voice on the meter by lightening a corresponding report);

---

<sup>35</sup>Note: Despite the requirement of rating from the regional broadcasters, as well as from the non-contractual broadcasters, the interests of these broadcasters are unsecured because of the low coverage indicators in one case and low confidence in the other.

- Registration of up to 12 members of the survey panel of households, who watch about 130 channels on each TV set, maximum 6 TV sets per household;
- Registration of maximum 8 guests of the survey panel of household at once.

**2. People meter TVM5** a new generation device, which is installed on top of a TV set and has a number of advantages as compared to the previous generation meters (TVM2): compact and state-of-the-art; low installation and service costs; fast, reliable and easily adaptable measurements; efficient digital measurements.

According to the webpage data of Ltd "TVMR Georgia", the people meters are installed on top of every TV set of the survey panel families. Each device can fix and store information on televiewing of a separate survey panel family every second, during 24 hours, 365 days of a year. The meter communicates information to the production center via ordinary telephone (internet) or GSM telephone line. At the next stage, the data are fixed – every night the data of the people meters are received and stored by means of specialized software Pollux<sup>36</sup> (Program is produced by the Nielsens company).

Ltd. TVMR Georgia services are purchased by the following broadcasters: Rustavi 2, Maestro, Imedi, GDS, Comedy Channel, MusicBox, Tabula, TV11, TV3, advertising companies and media sellers and also the Parliament of Georgia.<sup>37</sup>

## 6. Digital Broadcasting and Audience Measurement Problems

Launching of the new generation digital broadcasting changed the challenges of audience measurement existing at the time of the similar broadcasting.<sup>38</sup> For this technological platform, by the data of the site of Ltd. TVMR Georgia, TVM5 people meter is presented. This device has a whole number of technical innovations. Namely, no cooperation is needed with digital broadcasters in order to measure digital channels; it uses radio waves for communication, adjustable to any environment, does not cause any interference and uses various methods of identification and setting of channels for various broadcasting platforms. At the current stage, in 197 sets of the last generation TVM5 people meters are installed in the households under survey and the company also has a certain stock placed in the office. The referred TVM5 devices can measure all types of digital broadcasting.<sup>39</sup> At this stage of the study families TVM5 piplmetrebis installed the latest generation of 197 sets, and the company also owns some stock in the office. The TVM5 devices measure all types of digital broadcasting.<sup>40</sup>

---

<sup>36</sup>**Polux** is the Nielsens patented production program. The program and its safety is fully managed by the Nielsens corporate support center. The program can store all historical production data. It stores information on all communications performed by TVMR Georgia with each survey panel household. **Polux** functions include survey panel recruiting and management, collection of data from the people meters, data validation, production and creation of a database. At each production stage, there is a possibility of comprehensive and exhaustive reporting on the quality control. Each stage of the television audience measurements system corresponds to a particular module in Pollux, starting with selection of households for the basic survey and up to production of the data.

<sup>37</sup><http://www.tvmr.ge/ka#!ka/others>

<sup>38</sup>**The International Handbook of Market Research Techniques**, edited by Robin J. Birn, Robin Birn

<sup>39</sup>Information provided by Ltd "TVMR Georgia" Director, Ms Nino Gogoladze.

<sup>40</sup> NOTE: In accordance Ltd. "TV MR Georgia" Director - Ms. Nina Gogoladze information we corrected some errors, which said that the latest generation of TVM5 measurement devices have been installed in the measure panel.

Médiamat measures television audience in France. Measurements are done for the national broadcasters: TF1, France 2, France 3, Canal+ uncoded, France 5, W9, TMC, Gulli, France 4, Direct8, NT1 et NRJ12. Médiamat also provides rating of the profile of each viewer and its viewing habits, as well as other category of services.

Médiamat panel covers the households equipped with one or more TV sets and does the measurement by their primary place of dwelling. When forming a panel, both socio-demographic and other characteristics are taken into account. Television proposal service covers digital on-air platform, and also cable and satellite and internet platforms. Médiamat panel covers 4,300 households, approximately 10,500 people above 4 years of age.<sup>41</sup>

In every house, which is part of Médiamat panel, one or several media meters (Médiamétrie) are installed on which remote control system is fixed that continuously records for all purposes the data of viewing TV set or TV sets, indicators of popular channels, alternative ways of use of a TV set, viewing habits of all viewers (including a certain number of guests). It also measures information on viewing "live" and recorded telecasts.

The data are available 365 days a year; reports are available at 9:00 AM and include over twenty-four standard targets and additional specified services. The company covers traditional and free digital channels. Average, full and partial audience rating is enabled.<sup>42</sup>

The data presented below is pertaining one rating company GFK methodology that has been optimized for a digital platform and is operating in Germany and several European countries.<sup>43</sup>

#### Digital and similar broadcasting audience measurement specifications by GFK-b methodology

### Similar Broadcasting

A channel is identified by means of the so-called Plug-in technology;

A channel is received through a measurement device attaching a separate sign to each channel.

A sign of the viewed channel is identified on the video output or by means of sensors

### Digital Broadcasting

The organization uses "dreambox" decoder

The device fixes ID channel:

Network ID, transport ID, program ID.

Data are downloaded and processed from the screen menu (screen interface processing)

<sup>41</sup><http://www.mediametrie.com/television/solutions/mediamat.php?id=5>

<sup>42</sup><http://www.mediametrie.com/television/solutions/mediamat.php?id=5>

<sup>43</sup><http://www.gfk.com/Pages/default.aspx>

## 7. Founders of TVMR Georgia and Corporate History

There are certain questions around TV MR Georgia, and so we think it is reasonable to present information incorporated in the Register of Entrepreneurs.

Ltd. TVMR Georgia was registered at the court in September 2004 under the title of Ltd. AGB Georgia, the founder of the company is Gocha Tskitishvili. A change was made to the register in 2006, when Nana Morbedadze (Personal N 01008016887) was identified as owner of 5% of shares and with 95% shares Ltd. TVMR Switzerland "(TV MR Switzerland AG, which purchased the share from Tea Kankava, and Tea Kankava in her turn purchased it from Gocha Tskitishvili (personal N01005003068) in January 2005).<sup>44</sup> Director of the organization is appointed in 2008 - Nino Gogoladze (Personal N 11001003886). In 8 September 2008, on the basis of the warrant issued by the Swiss party (principal Werner Wild) authorizes Ketevan Kvaratskhelia to represent organization at „TV MR Georgia “. By this warrant, the principal also authorizes the agent to represent the organization together with a physical entity - Gocha Tskitishvili at jointly founded Ltd IPM Monitoring, within 50% share. The warrant was effective up to 31 December 2010.

The founder of Ltd. Public Opinion Survey and Marketing Institute holding (IPM) 100% of shares, according to the 2004 data of the Register of Entrepreneurs, is Gocha Tskitishvili. In December 2007, 100% share was transferred to Victor Mnatsakanian (DOB: 25.06.77), a citizen of Armenia living in Erevan. By data of the Register, in account of the sold share, Gocha Tskitishvili was to receive a sum of up to 2.7 million. The same contract sets forth that Gocha Tskitishvili will work as the company director for the term of minimum 5 years. Since December 30, 2011, according to the extract from the Register, the owner of 100% of the company shares is Ltd "Chemexim International" registered on the offshore territory (Marshall Islands),<sup>45</sup> and the company director is Gocha Tskitishvili.

This company won a tender announced by the Georgian National Communications Commission (on the basis of the contract concluded between the Commission and Ltd. Public Opinion Survey and Marketing Institute on 5 June 2013) to procure public survey in order to set priorities in the tele-radio broadcasting. The company had a responsibility to present analysis of the opinion survey per each broadcasting zone (Geo 261, Geo 259, Geo 257, Geo 258, Geo 256, Geo 255, Geo 253, Geo 252, Geo 250) set forth by Regulation №10 as of 5 December 2006 of the Georgian National Communications Commission „On Local Broadcasting Zonal Division”, and for the national broadcasting on the entire territory of Georgia (excluding occupied territories).<sup>46</sup> Along with other issues the 2013 survey was aimed to identify public preferences for “telecast categories” i.e. programming.

By data of the Register of Entrepreneurs, Director of television company Pirveli Stereo Zviad Amiridze is a representative of “Chemexim International” in Georgia - a company created in the offshore zone of Marshall Islands. A partner of this company is a parliament member David Bezhuashvili, as indicated in his declaration completed in 2012. Chemexim International“ is the owner of the holding Georgian Industrial Group Ltd. Before a change was made to the legislation and the offshore companies were prohibited to own broadcasters, Holding Georgian Industrial Group was the owner of three TV companies „Rustavi 2“, „Mze“ and „First Stereo“.<sup>47</sup> Today Chemexim International, apart from Holding Georgian Industrial Group owns the following companies: Ltd. “Poliplastic”, Ltd. Georgian Business Week, which issues a newspaper under the same title. In addition, Ltd. „Technonet“, Ltd. Media Holding of Georgia, Ltd. Public Opinion Survey and Marketing Institute (Survey company IPM), ( Its share is 100%).<sup>48</sup>

---

<sup>44</sup>The organization was founded under the court order in Switzerland, in 2005.

<sup>45</sup>[https://enreg.reestri.gov.ge/main.php?c=mortgage&m=get\\_output\\_by\\_id&scandoc\\_id=364467&app\\_id=420715](https://enreg.reestri.gov.ge/main.php?c=mortgage&m=get_output_by_id&scandoc_id=364467&app_id=420715)

<sup>46</sup>[http://gncc.ge/index.php?lang\\_id=GEO&sec\\_id=7070&info\\_id=114627](http://gncc.ge/index.php?lang_id=GEO&sec_id=7070&info_id=114627)

<sup>47</sup> Note: Only **Imedi** and public television had a general national coverage license.

<sup>48</sup><http://www.media.ge/ge/portal/articles/300119/>

Ltd. TV MR Georgia (Ltd. TVRM Georgian founders are Nana Morbedadze (01008016887), holding 5% of shares<sup>49</sup> and Swiss company TV MR Switzerland AG. – holding 95% of shares) <sup>50</sup> and Gocha Tskitishvili in 2008 founded Ltd. IPM<sup>51</sup> Monitoring<sup>52</sup> with 50%share participation.<sup>53</sup> Director of the company is Nino Gogoladze, the same as in the TV MR Georgia.

Measurement of the ratings of the Georgian televisions (Public Broadcaster, Rustavi 2) were conducted by Ltd. TVMR Georgia (the former ABG) and BCG. In addition, both Sakartvelo and<sup>54</sup> Imedi were the BCG contractors. It is notable that after the BCG participated in the tender announced by the Georgian National Communications Commission in 20 March 2007, private televisions Rustavi 2" and Imedi concluded a contract with the company. In March 2007, Georgian National Communications Commission announced a tender for the procurement of 500 people meters (with software). **Swiss** made people meters were procured by the **Regulator** and passed to BCG through competition.

### 8. Means of Assessment of Various Media Platforms’ Audience

Rating services are provided after the example of the world leading countries by the following companies:

Country	Television	Radio	Digital Platform	Press
Australia	OzTAM, Regional TAM, Nielsen Media Research Australia			
Argentina	Ibope and Infortecnica	Ibope and Infortecnica		
Belgium	GfK Audimetrie MediaXim Centrum voor Informatie over de Media (CIM).			
Bosnia Herzegovina	Mareco Index Bosnia	Mareco Index Bosnia		
Brazil	IBOPE			
Bulgaria	Taylor Nelson Sofres			
Canada	BBM Canada	BBM Canada		
Columbia	IBOPE and Nielsen	ECAR		
Finland	Finnpanel	Finnpanel		

<sup>49</sup> Note: Nana Morbedadze by our anecdotal evidence is related to TNS Georgia. [http://irex.ge/wp-content/uploads/Market-Intelligence-Caucasus-release GEO July-2013.pdf](http://irex.ge/wp-content/uploads/Market-Intelligence-Caucasus-release_GEO_July-2013.pdf)

<sup>50</sup> [https://enreg.reestri.gov.ge/main.php?m=new\\_index&state=search](https://enreg.reestri.gov.ge/main.php?m=new_index&state=search)

<sup>51</sup> NOTE: The study is incorrectly recorded in the record "IPM Georgia" as amended "IPM monitoring." The name of the business register does not exist on 15 April 2014.

<sup>52</sup> Note: Because of a technical error, instead of IPM monitoring the survey erroneously referred to IPM Georgia. As of 15 April 2014, no entry under this title was made in the Register of Entrepreneurs.

<sup>53</sup> [https://enreg.reestri.gov.ge/main.php?c=mortgage&m=get\\_output\\_by\\_id&scandoc\\_id=6064&app\\_id=12362](https://enreg.reestri.gov.ge/main.php?c=mortgage&m=get_output_by_id&scandoc_id=6064&app_id=12362)

<sup>54</sup> <http://www.kvirispalitra.ge/politic/822-rogor-gakhda-sakhelmtsifo-kerdzo-biznesis-konkurenti.html>

Czech Republic	Mediaresearch			
Denmark	TNS Gallup			
France	Médiamétrie.	Médiamétrie.		
Germany	Gesellschaft für Konsumforschung (GfK)			
India <sup>55</sup>	TAM Media Research Audience Measurement Analytics Limited			
Japan	Japan Video Research Ltd.	Japan Video Research Ltd.		
Kazakhstan	TNS			
Lithuania	TNS Gallup	TNS Gallup		
Holland	By order of Intomart GfK MediaXim Stichting KijkOnderzoek (SKO) <sup>56</sup>			
Pakistan	Gallup BRB & Medialogic Pakistan			
Philippines <sup>57</sup>	Kantar Media Philippines AGB Nielsen Media Research Philippines	AGB Nielsen, Kapisanan ng mga Brodkaster ng Pilipinas - Radio Research Council (KBP-RRC) <sup>58</sup> The Philippine Survey and Research Center (PSRC).		
Portugal	GfK			
Poland	Nielsen Audience Measurement			
New Zealand	Nielsen Audience Measurement			
Russia	TNS Gallup	TNS Gallup	TNS Gallup	TNS Gallup

<sup>55</sup>In India, television ratings are collected by two main organizations - (aMap). Audience Measurement and Analytics Ltd. (aMap) entered the market in 2005, with more coverage and latest technology from Telecontrol-Switzerland. Audience Measurement and Analytics Ltd. (aMap) polls the meters (6000 households) using GSM network and provides ratings overnight. TAM India collects data manually (physical visits) and releases data weekly. Audience Measurement and Analytics Ltd. (aMap) also has a stand-alone digital panel (aMapDigital) to measure TV viewing and Interactive engagement in direct-broadcast satellite (DBS) homes.

<sup>56</sup> <https://kijkonderzoek.nl/about-sko>

<sup>57</sup> In Philippines, television ratings are measured by Kantar Media Philippines and AGB Nielsen Media Research Philippines. Kantar Media uses the national panel, including 2,609 households, which provides 100% coverage of the population on the territory. AGB Nielsen includes 1,980 households, covering cities and 57% of the population. Kantar Media covers 15.135 million families or 75 million individuals while AGB only covers 7.260 million families or 34.4 million individuals.

<sup>58</sup>Note: This company works in cooperation with TV ratings measurement company Kantar Media Philippines

Slovakia	TNS			
Spain	Infortecnica	Infortecnica	aiTech	
Sweden	MMS — MediamätningSkandinavien			
Turkey	AGB Nielsen	IPSOS-KMG		
UK	Broadcasters' Audience Research Board	RAJAR		The NRS (National Readership Survey)
USA	Nielsen Media Research	Arbitron	TruMedia , CognoVision, Stratacache	
Vietnam	Kantar Media			

GfK - telecontrol – the first measurements in German and Switzerland. Identifies both when TV is turned on and who is watching it.

Another interesting case is that of Ukraine, where the audience is measured by GfK with its panel including up to 2500 points:

### Structure of the television panel by regions



Kiev 212, North 270, East 925, South 383, Center 288, West 462

Although the below table contains certain data on the rating companies, it should be noted that Kantar Media network (including TNS) measures television, radio and internet audience ratings in 40 countries, and by 2012 AGB Nielsen Media Research data, ratings were measured using people meters in 27 countries.

Within the post-soviet space, the longest history has a company registered in Russia, and namely the audience measurement is done by TNS Gallup Media – the only company that carries out audience measurement throughout the country. By 2007 ratings have been measured in 2270 households.<sup>59</sup>

## 9. Means of Evaluation of Audience of Alternative Platforms

It is interesting to analyze problems existing on the American market. Television ratings measurement company tries to release new services, such as new types of multiplatform services measurement that will consider multiplatform viewing and assessment of its indicators.<sup>60</sup>

It is to be noted that the US media market actors claim that Nielsen – a leader in television measurement, did not take into account viewing by VOD and mobile appliances in their assessments. “They say that they have nothing to do with all this, but everybody is well aware that they are monopolysts and they can manipulate with these issues” says NBC Broadcasting chairman Ted Harbert<sup>61</sup>.

According to the market actors, to solve this problem the Nielsen should present ratings assessment of the television content disseminated via various platforms, thus making undoubtedly a significant step forward. Yet, a number of questions will remain. These steps will certainly not suffice to satisfy all the claims against the company ratings, but may probably respond to most of the questions arising during distribution of the content, and likewise of the commercials, by digital platforms.

The first problem is the lack of satisfactory and generally recognized means and programs for harmonization of the TV viewable video content and commercials data on TV, online, mobile and other platforms. The other problem is that platforms such as Netflix, Amazon and Google endeavor not to disclose their rating data, but to secure them instead, since they perceive them to be their strategic advantage and seek to use them accordingly.

However, in the short run, all claims in the United States are presented against Nielsen. “Networks crave for commercials they can place within their space and offer them to the audience not only on TV, but on all available and popular platforms” says Eric Solomon, Nielsen’s Senior Vice-President in the World Audience Measurement. “I think changes should start towards those narratives that people do not watch TV shows. This is what people do watch not only by TV, but also by other various platforms.”

Colleen Fahey Rush, the chief Viacom media network researcher, discusses expectations of further enhancement and improvement of the Nielsen’s methodology. “They have enough information and opportunities”. He compares Nielsen’s methodology and the current state of affairs to the situation, when the ratings measurement company behaves “as a bad husband, whom you are unable to divorce because he is the only one”.

---

<sup>59</sup>[Magazine "Broadcasting, Television and Radio" #2, 2007](#)

<sup>60</sup>COVER STORY: Can Nielsen Innovation Finally Outpace Industry Frustration? *Todd Spangler*. NY Digital Editor [@xpangler](mailto:xpangler). *September 24, 2013*. <http://variety.com/2013/biz/news/nielsen-innovation-outpace-industry-frustration-1200665880/>

<sup>61</sup>Chairman, NBC Broadcasting (New York): NBCUniversal Domestic TV Distribution, NBCUniversal, NBC Entertainment



In fall 2013, the Nielsen's US office announced launching of the program that will not only have the television audience measurement outcomes included in the list of national ratings, but will as well present unified and comparable and also correlative rating information to the interested parties.

This means that streaming of the television content via such platforms as ABC, Watch ABC, iPad video applications data, video applications of cable operators, may be counted. "We seek to carry out program integration into the Nielsen's services so as to cover all platforms" underlines Solomon. The Niensens US representative office launches a pilot program to measure online delivery of the television content. Within this program framework, they will cooperate with ABC, CBS, Fox, NBC, A&E, CW, Discovery, Univision and AOL.

The Nielsen's program – digital programs rating database – uses the same methodology as the Nielsen's online company rating service program relying on 50% population panel data used for installation of the people meters (up to 10 000 households, who have also agreed to get involved to the online measurement process). For the age and gender data, the Niensens have used Facebook data, which has 179 million active users in the United States.

Are the actions taken by Nielsen enough to gain a relevant outcome? Project-related actors refer to it as a step made in the right direction, but note that it is not panacea for them. "The fact that (taking account of the viewing in the mobile devices) the steps are made forward with a certain delay is not acceptable for the market players and users," notes David Cohen, media expert from Universal McCann Agency. In respond to the complaints about protracting the process and deferring incorporation of the innovations outcomes by the Niensens, Solomon says that this process may not develop fast and solely by „Niensens“ unilateral decision for the national television ratings yield billions of dollars from the commercials that are sold on the basis of these data. "Any change in this process should be well reasoned out and projected, and this is why the process seems to be protracted".

There is only estimated and anecdotal information about how high is demand for other alternative e-platforms of TV commercials. Development of these platforms in Georgia is quite apparent, and all the more so in the cities, but no comprehensive and reliable information regarding their distribution is available. However, similar problems exist all over the world.

The Nielsen's methodology – Blueprint – is a test version today that is still to be trusted and approved by the players in this area. At present, the US market has no alternative multiplatform rating program other than the Blueprint project, says Jane Clarke, Managing Director from the Innovative Media Measurements Coalition.<sup>62</sup> The author notes that the market players are concerned about the fact that the problem has remained unaddressed for more than four years now and forecast its partial resolution through this program.

Another problem comes from market players like Netflix, Google and Amazon, as major content distributors.

Certain data is also disseminated through Apple's iTunes, access to which as to the similar services, is problematic for the rating companies, and this is a somewhat black hole in this area. Another factor creating a problem is that Netflix is not going to declare what its 30 million users in the United States prefer to view. This position of the company is accounted by the risk of reducing compatibility. A real reason may be that should the rating of the most viewed content be defined, the owner of this content might perhaps claim an additional compensation. However, according to Ted Sarandos - the General Director of the Organization Content Management, transparency of this information may produce certain pressure on the business that would be highly undesirable. He does not specify what might be the basis for such pressure

---

<sup>62</sup> Corporation CIMM was founded in 2009 to include over 20 media operators, advertising agencies and distributors, since its founders thought that Nielsen did not endeavor to introduce innovations to the market and was not ready for the new challenges.

though. By information of the same company, this data may even present a certain barrier for a new emerging content so that Netflix may lose its content provider or have to pay money for this content.

At the same time Google service - Google Analytics provides useful data. However, Google does not give details necessary to define ratings by the Niensens. Jon Mandel, the General Director of Precision Demand explains that his company analyzes set-top-boxes, i.e. receiver data that is focused on the ratings of TV shows, but the received data and results leave much to be desired. As explained by Mandel, in television ratings the Niensens system works well in the United States, but unless it is adjusted to address new challenges, their business may no longer exist in the near future.

At the beginning of 2013, the Swiss party announced an advanced system to measure not only television ratings, but also the parameters of the content distributed via internet.<sup>63</sup> To measure ratings, small measuring devices connected to a TV set inside the households are connected to Mediapulse TV panel. 5000 series people meters from Kantar Media have been used since 2013, in 25 countries across the world.

## 10. Optimal Organizational and Legal Form

TVMR company is currently operating on the Georgian market as a profit-making limited liability company.

A pattern that would consolidate the interested parties into a non-profit-making legal entity could be considered the best pattern. In this process, maximum involvement of all interested parties will reduce the costs of each company. It is important that low-income media companies are not left beyond the process. The fact that operation processes are relatively time-consuming due to the large number of the interested parties may be the only negative aspect of this process.<sup>64</sup>

In case of Canada, it is interesting that the Canadian Broadcast Standards Council (CBSC) is an independent NGO founded by the Canadian Association of Broadcasters (CAB), which incorporates over 790 private sector actors broadcasting in different languages.<sup>65</sup>

Financing is one of the key issues. Prior to the decision to establish a joint venture it is desirable that all participants agree to and sign a document on co-financing for a term of no less than 5 years. It should be decided by agreement how the funding responsibility is distributed among the organization members. For TV audience measurement service media agencies (and frequently distributors of the commercials) may undertake certain small portion of overall funding. The broadcasters could pay around 85% and advertising agencies - 15%. How financing will be allocated among the broadcasters themselves is no less important, and this may depend not exclusively on the amount of proceeds from advertising, but a fixed price may be defined for every member.. Apart from proceeds from advertising, the amount of yearly benefits may also depend on the rating, technical penetration, operating area, or the share of money received through other sources of income.

---

<sup>63</sup><http://www.wfanet.org/en/global-news/switzerland-announces-new-tv-panel-research>

<sup>64</sup> THE WFA/EACA GUIDE TO THE ORGANISATION OF TELEVISION AUDIENCE. WFA Media Committee Chairman : Bernard Glock, Procter & Gamble EACA Media Agencies Council Chairman : Steve Harrison, OMD Published January 2001. RESEARCH [http://www.wfanet.org/pdf/med\\_documents/Guide.pdf](http://www.wfanet.org/pdf/med_documents/Guide.pdf)

<sup>65</sup><http://www.cbcs.ca/english/index.php>

The referred organization should announce a tender to select a particular company to measure television ratings. Members of the organization should participate as members of the selection commission. Selection criteria need to be defined jointly, either in advance or soon after the launch of the organization.

In case of Canada, Communications and Media Regulatory Commission was involved in the process. Canadian Media Research Inc. (CMRI) was approached by the Regulatory Commission - Canadian Radio-Television and Telecommunications Commission (CRTC), to consider various models and approaches presented by broadcasters and other interested parties to see how “success of the audience” would be measured<sup>66</sup> by Canadian Television Fund (CTF)<sup>67</sup>. The Fund is financed by the actors of this area and covers activities targeted at convergence and innovations. At the session of the Regulatory Commission held in 2008 to hear the report of the Canadian Television Fund, the Chairman of the Commission noted that the methodology of measuring broadcaster’s rating as well as remuneration is a subject of discussion and study. The Canadian case is also interesting because the television audience is split into two main parts – French and English speaking audience.

## 11. Major Problems and Challenges

One of the problems with the Georgian television ratings measurement is that televisions operating in cities, and quite many of them, whose content is not at all distributed in the cities under measurement, fall out of this process. Isolation from this process is proportional to their proceeds, and with minor exceptions, their development is hampered too.

The following may be defined as the current television audience measurement problems and major challenges:

Incomplete coverage of the market and territory (viewers) - about 55% of the population does not live in small and big cities.<sup>68</sup> It is remarkable that maximum coverage of the territory is also recommended by the European Broadcasting Association. While the ratings of urban viewers define the situation with the regional and local media, this data is as minimum unreliable and to this end it is advisable to take into account at least the case of Ukraine.

It is necessary to get the internet, radio and printed media involved in this process.

Transparency of the panel selection methodology needs to be ensured, as well as formation of the trust group that would enjoy a full-fledged mandate from all market players and would supervise recruiting.

For evaluation of the panel selection methodology, to consider the interests of all actors in this area, and through involvement of the National Communications Commission in this process, their consolidation into a single non-profit legal entity or another form to establish “the rules of the game”, to announce competition on these conditions and to select a provider of the best service pattern.

---

<sup>66</sup> <http://www.cmf-fmc.ca/>

<sup>67</sup> Note: From 2010, the organization is called "Canadian Media Fund"

<sup>68</sup> Note: This data was analyzed by the organization in course of development of the Digital Broadcasting Strategy Project.

No more than 600 people meters are involved in the measurement that by the data of 6 large cities give an idea of the national audience, including those regions,<sup>69</sup> which are ethnically and financially multifaceted with different qualitative features. It is necessary to evaluate also the needs of population living in regions, along with the rating of the regions inhabited with ethnically non-Georgian population;

According to the disclosed data, only home televiewing is made subject to measurement, while the largest part of income-earning population, spends little time watching TV and considers the internet platform to be the key source of information and means of entertainment (leisure), and prefers the content of internet to the television. We think that measurement of the internet and internet platform based audience is equally important and the program should undoubtedly regard this part of population;

Small media companies that are probably unable to play a key role on the advertising market appear to be beyond the measurement, while without ratings their inclusion into the referred cycle is impossible, making them vulnerable to the political and financial influence. The key problem is that television ratings of the Georgian media are measured in 5 cities alone. Rustavi 2, Imedi, Public Broadcaster channel 1 have national coverage, and the coverage of local televisions such as Maestro and Caucasia is limited to Tbilisi city. In other words, ratings are calculated using the parameter of not only Tbilisi, but of the entire territory of Georgia as up to 55% of the Georgian population does not live in the cities.

---

<sup>69</sup>Note: The ratings produce a picture of the situation in Tbilisi city, where 30-35% of the population is concentrated and many local broadcasters creating competitive content are operating. We think this factor should not remain unrated.

## Statement of the “Institute for Development of Freedom of Information” (IDFI) in Response to Comments and Remarks of the TV MR Georgia LLC

May 08, 2014

On April 17, 2014, the Institute for Development of Freedom of Information (IDFI) with the assistance of Media Advocacy Coalition published a survey “Georgian TV Audience Rating – Challenges for Media Sector of Georgia.”

The goal of the survey, its presentation and the discussion thereto was to review internationally recognized TV rating measurement standards, to compare practices of several countries, to overview positive and negative practices in Georgia and to develop recommendations through participation of involved and interested in the issue parties. Presentation and a discussion were planned in a format of the work meeting. This is why media was not invited to make coverage of the event.

Unfortunately, the issue was politicized and wrongfully interpreted without substantial review and study of findings of the survey; we think that it will once again hinder resolution of problems surrounding TV ratings.

It shall be noted that with the purpose of presenting issues, the TV MR Georgia Director Ms. Nino Gogoladze commented on technical inaccuracies in the text. A more detailed list of inaccuracies was submitted to IDFI in writing.

It shall also be noted that researchers used information published on TV MR Website as recommended by Ms. Nino Gogoladze before commencement of the research.

The Institute had studied proposals and comments and deems necessary to correct several errors and include relevant records in the research, namely:

- ✓ In the first edition of the research it was said that “organization’s website states that a company is a Nielsen’s official representative, however, Georgia is not mentioned on the Nielsen’s website”. We would like to explain that researchers used Nielsen’s, and not AGB Nielsen’s data. This is why the following record was added to the text in clarification: “AGB Nielsen webpage, the TV MR is mentioned as an official licensee, and Georgia is listed among licensed countries”
- ✓ Initial edition of the research noted that “number of devices installed in Tbilisi is twice as more than devices installed in other places”. This technical discrepancy was corrected in a following manner: The issue is problematic as the number of households indicated in the evaluation pane exceeds total number of households from various regions by 16%”;
- ✓ Presentation on April 17, 2014 mentioned IPM Georgia LLC instead of IPM Monitoring LLC;
- ✓ A record in the report: “according to information obtained by us, terminals of this category are not currently installed in networks” was made based on information provided by TV MR Georgia and it has been clarified as follows: “according to TV MR Georgia, currently 197 sets of the last TVM5 generation were installed in studied households and in addition, the Company has a certain reserve, placed in the office. Those TVM5 devices measure all types of digital broadcasting”.

As to other inaccuracies indicated by TV MR Georgia, authors of the survey think that they represent expert opinion rather than factual errors. In addition, the presented changes do not change or anyhow alter conclusions and recommendations of the research.

We would like to separately speak about the link between TV MT Georgia LLC, IPM Monitoring LLC, Institute for Public Opinion and Marketing (IPM) and “Chimexim International”. We would like to stress that our research does not discuss and does not provide opinion on relationship of TV MR Georgia and corporate links of TV companies. The research speaks about mistrust towards TV MR Georgia, which might be caused by corporate connection of the TV MR Georgia founding partner with the Chemexim International, which possessed share in three TV companies by means of Holding Industrial Group of Georgia before becoming a 100% holder of IMP shares.

We would like to thank TV MR Georgia and its Director Ms. Nino Gogoladze for her comments and remarks and hope that cooperation will continue to improve TV ratings assessment process.