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FREE TV CHALLENGES PAY TV ON TRANSPARENCY

The commercial television networks today added their support to the growing number of industry analysts and media commentators calling for greater transparency from pay TV in the way it reports its ratings.

"Advertisers deserve better than the smoke and mirrors act dished up by pay TV," says Julie Flynn, CEO of Free TV Australia.

"What matters most to an advertiser is: who saw my ad? Unless you've bought every spot on every pay TV channel, their aggregated share and weekly reach figures are meaningless.

"It's no wonder they're reluctant to follow the free to air networks in being measured by AC Nielsen AdEx; the majority of commercial spots on pay TV would rate a **zero**.

"Meanwhile, we're still waiting for **any** substantiation of their oft-banded claims of 'superior viewer engagement' or 'quality of audience'.

"We call on the pay TV industry to provide advertisers and industry commentators the same level of detail and transparency when reporting their program and channel performance as the free to air networks do."

Please refer attached for pay's Rating Myths.

For media enquiries and interviews please contact Free TV Australia – (02) 8968 7100.

PAY TV'S RATING MYTHS

- Only 1 in 4 Australian households has pay TV. Pay TV often chooses to report figures within subscription homes only – this does not provide an accurate view of the entire viewing population.
- Pay rarely reports an individual channel's – let alone program's – share but regularly compares the aggregated share of all pay TV channels (100+ channels) with just one Free TV network. Unless, as an advertiser, you have bought a spot on every pay TV channel available, this is irrelevant.

For example, the best performing channel on pay TV in Survey 1 was TV1 with a share of 1.0%, well behind Seven on 23.3%, Nine 20.4%, Ten 16.7%, ABC 11.8% and SBS 3.4% (Source: OzTAM; 5 City Metro; 2am to 2am, Survey 1, 2007)

Another example from last week: the highest rating program in Sydney was Dancing with the Stars with 480 thousand viewers. The highest rating program on pay TV was Australia's Next Top Model with 34 thousand viewers. (Source: OzTAM; Sydney Market; Week 14, 2007)

- Pay TV also includes in its share numbers the channels that don't carry any advertising. Again, irrelevant from an advertiser's point of view, but pay includes them to inflate their numbers.
- Pay TV often quotes weekly reach figures – the cumulative number of people who watched a given program over an entire week. This practice is becoming so commonplace from pay TV they are at risk of confusing the market with the key measure – average audience.
- Pay reports program performance figures that include their time-shifted channels.
- The subscription database measures regional as well as metro viewing. Pay TV compares their national figures with Free TV's metro only (5 cap cities) figures - which is not a like for like comparison.

Note to editors: Recent criticism of how pay TV presents its ratings has appeared in crikey.com.au and from Fusion Strategy.