**How audience research impacts on media businesses: Examples from the field**

Good morning. I’d like to give you a few examples of our experiences of how audience research impacts on news businesses in developing markets.

First to give some context, MDIF is a mission-driven, not-for-profit investment fund for independent news media in countries where there is limited access to free information. We provide low-cost loan and equity capital to help news businesses develop their financial sustainability so they can protect their editorial independence, and stay free from political parties and oligarchs.

SLIDE

Our financing enables news companies to invest in new equipment, new products or working capital. We support all our investments with management advice and assistance: training and consultancy on everything from ad sales to digital strategy. We are very much a business partner to our clients and today I’m approaching audience measurement and research very much from a business point of view. While it is important in making content decisions, we see audience measurement as an important tool in helping to commercialise content and making news businesses viable.

I’d like to give a few examples of the experiences some of our clients have in various markets. I spoke to a number of clients and our business analysts who work closely with them to get a picture of how audience research impacts on their businesses. This is all anecdotal – what I’m going to say wouldn’t pass any rigorous methodological examination – but I think it’s useful to get a view of what we see on the ground.

SLIDE KBR68H, Indonesia

Let’s start with radio. In Indonesia, we work with KBR68H, a network of more than 1,000 stations across the country, many of which provide the main, or in some cases, only source of independent news and information. KBR acts as a hub for the network and provides independently produced news and information programming on issues like health, religious tolerance and agriculture for members, which generally don’t have access to any other source of this kind of programming.

KBR sells advertising across the network, sharing ad revenues with member stations.

In Indonesia, when it comes to audience research, there’s really only one game in town. Unfortunately for KBR, they only do research in 8 or so major cities across the country.

KBR’s network mainly reaches populations outside of those urban centres, which is great if your goal is to extend information access to populations otherwise not served or poorly served (as KBRs mission is), but the lack of data about the reach of their programming in these places makes it an unattractive proposition for major brands.

Even in the cities that are included in the research, KBR may have a station member of its network but this is unlikely to be one of the most popular stations – KBR stations aren’t state broadcasters and typically provide mainly news and information, so rarely have ratings comparable with the leading entertainment stations – so their members don’t feature high in the national ratings.

This explains in part why KBR has tended to focus on NGOs and government agencies as sales targets, mainly because they often want to target populations beyond the main towns.

KBR have commissioned their own research, which shows that their member stations reach more than 20 million people, but it’s not a demographic that’s in great demand and their research doesn’t carry the weight of the national research.

SLIDE Malaysiakini.com, Malaysia

Staying in the same part of the world, but a much more developed media market, we work with the political news website, Malaysiakini.com.

It was founded 15 years ago and during the 2008 elections it became the country’s most popular news website. Malaysiakini now has 2 million regular unique readers in four languages and more than 40 million page views each month.

In recent years, Malaysiakini has seen ad revenue grow strongly. This is essentially due to the growing number of users, but importantly, they are now able to turn a growing audience into revenue because they now have independent data to show this. In 2011, Malaysiakini began working with the other major online players in the market and the major ad agencies to create a standard audience measurement tool.

SLIDE Malaysiakini.com chart

Soon after putting the measurement system in place, there was an advertising surge at MKini. I have to be careful to say that this was not the sole reason for the ad growth, but we and they do believe it was a major factor, and they think it was important in getting international agencies comfortable with MK's reach and audience engagement.

SLIDE Tula

Another example of digital audience research having a positive impact is in Russia, where Tula Novosti, a small news portal several hundred kilometres outside Moscow, used independent research to benchmark its competitors and calculate the number of viewers they needed to attract to their online TV. Once they reached the same number as the leading player, they knew they were competitive and could use the research and their own Analytics data to show advertisers that they could deliver the audience.

Unfortunately that’s the end of my good news. In Russia, we work with close to a dozen independent media companies in the regions, but many view the leading national research companies as having connections to the government, so have no desire to be part of national research. Another deterrent is the political climate: most independent media don’t want to attract attention to the fact that they have a significant audience as it can make you a target for pressure and outweigh the benefit of having research data.

Montenegro – Vijesti TV

Finally, Montenegro. You might be surprised to learn that Montenegro sits at number 114 in RSF’s press freedom index, just below Nigeria and just above Takijistan.

In what is a first as far as I know, a government has used audience research to try to force an independent media company out of business. Independent research consistently found that TV Vijesti, the country’s only independent news and information station, had by some way the most-watched programmes, the largest audience share and the most trusted media brand. Until April 2013, all major stations had an agreement to run industry-wide research, with agreed dates and methodology.

Then in May, the audience research company was approached informally by people linked to the government to carry out the research in a way which that would present Vijesti in a worse light. They refused to do so, saying that the methodology was clear transparent and professionally conducted.

So the government started to pressurise ad agencies and advertisers. They started a smear campaign against independent media and held a conference in which critical media were portrayed as enemies of the state. Last December, RTCG, the state broadcaster, commissioned independent research for one specific week for what it called internal branding purposes. The week was low season, with Vijesti TV and the other private operator PRVA showing reruns to save on low ad budgets.

SLIDE Audience share chart

However, during the week of research, RTCG was showing the finals of the European Handball Championships in which Montenegro was playing. Another station that openly supports the government, Pink TV, was showing the finale of its biggest entertainment show as well as launching a new hit series from Turkey. So, little surprise that the ratings for both PINK and Public went up and Vijesti and PRVA went down.

That December research, which was supposed to be for internal branding for state TV, was made public and shown to advertisers as proof that previous research was wrong. There has been no agreement in the industry to carry out new research since then, so the misleading December 2013 findings are now used by advertisers – who are under pressure from government – to make decisions.

The impact on Vijesti TV revenue has been devastating.

In the numbers, it is clearly visible when the pressure on IPSOS and advertisers started in May/June 2013. At that time, revenues were growing compared to 2012. A trend that was quickly reversed. The culmination of pressure is clearly visible in Jan-March 2014.

Frankly, this fall in revenue makes has created a huge threat to the future of TV Vijesti.

I think we can say that one thing that the situation in Montenegro does show is the power of audience research and measurement – for good or bad.

Thank you.