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Media hype or scandal: Exploring participation TV best practice

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Abstract

This paper looks at the current scandals in television surrounding phone in competitions and their long-term effects on consumer trust. It argues for new best practice guidelines which will evolve in line with new technologies.

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Introduction

Household television names as trusted as Blue Peter, GMTV, Saturday Kitchen and the popular daytime television programme, Richard & Judy, were — if the media are to be believed — enveloped in scandal a couple of months ago. Eckoh UK Ltd, the company behind the latter's 'You say, We Pay' phone-in competition has now been fined a record £150,000 by ICSTIS 'for choosing competition winners while presenters Richard and Judy were still urging viewers to call in and win a cash prize', says ITN and Yahoo News on 6 July 2007.

In the Richard & Judy case 47 per cent of calls were received after the shortlist of winners had already been chosen. The viewers had to pay £1 each time they called to enter the competition. ICSTIS chairman Sir Alistair Graham says 'The size of the fine reflects the very serious nature of the breach of our Code of Practice'.

ITV is also reporting that revenue for its late night Make Your Play competition fell by 20 per cent. This is as a result of the media coverage of the controversies on ITV and on the other channels. ITV's own phone-in interactive quiz show channels subsequently lost 67 per cent of their revenue due to the scandals, says Nic Fildes in his report for *The Independent* on 5 July 2007.

The series of events reversed the fortunes of the organisation, which before the appointment of Michael Grade as executive chairman had been hit by a drop in ratings. Television advertising revenues have also dropped, perhaps as more people turn to new media. The channel is seeing a recovery in commercial fortunes in some business areas. Yet GMTV, which was implicated, has seen its year-on-year advertising revenues (2006–2007) rise by 24 per cent to £122m. It will nevertheless be interesting to see how much the 'scandals' have impacted on its next set of financial results.

More recently, GMTV has seen a couple of high-level resignations, further to the scandals. The franchisee's managing director, Paul Corley, left amidst accusations that television phone-on competition participants, its viewers, had been conned out of millions of pounds (about £10m according to a damaging but revelatory BBC Panorama investigation). His departure was followed only a couple of days later by that of its controller of 14 years, Kate Fleming. The BBC flagship current affairs programme pointed the finger at Opera Interactive Technology, regarding its role in the scandals.

Penalties imposed

The BBC does not escape censure though. C21Media.net says that Comic Relief and Children In Need admitted choosing faked winners to their competitions. Blue Peter was also fined a historic £50,000 for the programme's role in a similar incident last year. This included a £45,000 fine, says The Guardian's media section on 9 July 2007, for 'for using a studio guest to pose as the winner of a viewer telephone competition in the live broadcast of an edition of Blue Peter on BBC1'.

A further £5,000 penalty was given for repeating the programme completely, including the falsified competition. An article by Julian Glover, The Guardian, 20 July 2007, says that trust in the BBC has plummeted as a result of the scandals. The newspaper conducted an ICM poll, which showed that only 37 per cent of the respondent's opinions remained unchanged. This was regardless of the admissions made by the BBC. Of the over 65 age group, 67 per cent said they trusted the corporation much less than they did previously. BBC Trust chairman, Sir Michael Lyons, expects the organisation to turn this around within a year's time; restoring its reputation for independent, impartial and honest programme-making.

Media hype?

But is it all just media hype? Well it is serious enough for the new Prime Minister, Gordon Brown, to get involved. Mark Sweeney writes in The Guardian on 25 July 2007 that he is to hold talks with Ofcom and the Department for Culture, Media and Sport. Brown recently made a pledge in parliament. He wishes to restore public confidence in the UK's broadcasters. ITV and the BBC have also been accused of misrepresenting facts in the promotional footage of some documentaries. One BBC1 documentary, for example, made it look as if the Queen was storming out of a photographic sitting with Annie Leibovitz, when this was not actually the case. She was in fact coming into the room. Effectively, this further undermines the BBC's credibility.

In spite of the participation television scandals, is it necessary to implicate the whole of the industry as a result of the misdemeanours of a few bad eggs? Perhaps not, but bad practice as we see from these cases is expensive in terms of costliness and brand-damage. It should be about building relationships with customers, looking after their interests, while also instilling trust in the brand through the competitions and polls. This paper therefore examines what is considered to be best practice, whether it was just media hype, and how media companies can avoid malpractices.

Views on the 'scandals'

Nick Fuller, Chairman of the Direct Marketing Association's Mobile Marketing Council thinks the media hyped up the events, which were caused by human error. 'The fact is that thousands of these campaigns run every day and are perfectly, fairly operated', he says before adding, 'Personally in a nutshell, the media has gone hysterical over a couple of human errors'.

Keith Dibble, the media business manager at Opal Media also believes that '...Every broadcaster has had issues, and they have therefore had to review their procedures and processes to make their services compliant'. After all it is in the interest of everyone within the participation industry to be conscientious, customer-centric and transparent.

'The exception rather than the rule'

'What happened with Opera and GMTV is the exception rather than the rule', says Fuller. He accuses the press of adding two and two together, only to come up with a derisory and inaccurate five. Mark Fitzgerald wrote a letter to New Media Age in March 2007, which seems to agree with this viewpoint. His letter argues that the 'Participation TV service providers [are] not to blame'. He stresses that the premium rate telephone regulator, ICSTIS, only receives a small number of complaints in proportion to the 'vast size of the participation TV market'.

Human errors like this can indeed cost the consumer, and eventually the brands involved. Marketers therefore need to take care of them as customers. That is why it is important to raise and deal with the issues. Only then can best practices be either applied or enforced. Industry commentators also think it is neither fair nor right to taint or depict an entire industry as scandalous and out to rip viewers off. The majority of phone and text-in competitions and polls endeavour to operate within the law, and 'are, in the main, professionally operated...they provide a satisfactory and transparent consumer experience', comments Fitzgerald.

Those that deliberately try to pull the wool over the viewing public should without doubt be reprimanded. Where errors have been unwittingly made, the media outlets just need to ensure that those who have been over charged are compensated and receive an adequate apology. Any review process should consider what went wrong, where was best practice not followed, what needs to be improved and how. As Nic Howells, deputy and features editor, said at the IDM Interactive Marketing seminar in April 2007, there is also the question of 'Who does what, and where does the responsibility lie?' Does it lie with the broadcasters, programme-makers or the service providers; those that provide the technology behind the programmes? Where does the buck stop?

Responsibility

Most of the shows acted swiftly to prevent further problems occurring once the issues were publicised. There is more to be gained than lost, by applying what was learnt, regardless of whether the media hyped it all up or not. But it is true that the press often has a tendency to do just that. Even so, this did not stop Michael Grade from taking a swipe at the industry, writes Steve Clarke in *Variety* magazine on 3 July 2007, while declaring zero tolerance to deceit.

There are some success stories, one of which is pointed out by EADT,¹ an online newspaper for Suffolk and Essex. It reports on the

Transparency and accountability

successive winnings gained by Tom Defty, who is described as a ‘weatherman’ by trade. He is a regular participant, and his winnings are said to come into tens of thousands of pounds. His prizes have ranged from just £25 to £5,000. The first win came after watching 94 shows. He donates much of the money to charity.

Establish best practice

Even though it had been on the regulatory agenda beforehand, the ‘scandals’ led to calls for more transparency and accountability within the industry. The incidents also made the companies involved in the supply chain quite nervous. Lambasting the broadcasters and programme-makers was not likely to curry favour with the clients of the suppliers involved with providing solutions to this market (eg mobile marketing platforms to control premium rate text-in aspects of the television competitions or polls). Some of them were embroiled in it all, while others feared a backlash.

Consumer confidence could tumble, and fines could still be dealt out. While consumer trust did drop, some organisations were fined, and some competitions were taken off air, either permanently or temporarily, most of the shows still continue to operate. The viewing public has not quite spurned them. But the events increased the urgency for an internal and external industry review of its practices. ICSTIS and Ofcom are determined to get to the bottom of what happened (please see the latter’s pre-consultation paper, ‘Participation TV: how should it be regulated?’ for details). As industry regulators, they are required to protect the viewing public of such shows as these.

Ironically, an industry consultation and parliamentary select committee process was in full swing at the beginning of 2007. The brief set out to examine and review participation television, premium rate phone and text-in competition and polling practices. One task was to define whether such shows constitute gambling (because of the slim odds associated with them), advertising or whether they should be treated in the same way as the teleshopping channels. Other questions included: which laws and regulations apply? Should the service providers or broadcasters pay a licence fee to run the competitions? Everything points to the need to apply, clarify and establish best practices. Dibble suggests some of these below.

Best practice tips

- Ensure compliance within your organisation
- Work with your telco or service provider with a compliance officer who is there for your business
- Seek prior permission for new services
- Review existing services frequently
- Be proactive, appoint an independent auditor and audit regularly
- Communicate with your customers/viewers — let them know what’s happening
- Review pricing, do special offers and 0871 drop charges are available
- Review technology frequently, because if you have dedicated user groups traditional messaging might not be the only solution.

Source: An interview with Keith Dibble, Media Business Manager, Opal Media, June 2007

Best practice is not static

Best practice is not something that is static. As marketers it is in our interest to adapt to the changing environment; to consider market trends (some of which Jupiter Research illustrates overleaf). Marketers should always protect and nurture their customers; this develops brand loyalty and trust. It did not happen in these cases.

Nevertheless, it is good to hear Defty's comments. Changes in policy and practice have apparently been made. Much has still to be done to restore consumer trust, but the revisions and corrections have helped. They are in fact still ongoing. Many of the programme-makers, for example, now display how many callers there are. The number of entries per person is limited too. So he does not call until someone hangs up, allowing him to develop a winning strategy.

Audience interaction 'here to stay'

Lee Bowden, a director of mobile marketing solutions provider Piri, says 'Audience interaction has been a huge success from a consumer point of view, and it is here to stay'. Success partly comes from allocating responsibilities within the production team. So long as the viewers are told when a competition or poll has closed, confidence will quickly be restored — as appears to have been the case — because they will know that they are being run legitimately with their interests in mind.

This is all good news, but earlier in the year there were calls for the changes to go a step further: An article by Outlaw.com in January 2007 says that ICSTIS wants callers to be told the odds of winning. The regulator also feels that the participants should be informed about how much they have spent (if the viewer spends more than £10). The aim is to prevent the participants from feeling exploited. The commission found evidence, not so much of unlawful practices as the time, but of a need for providing consumers with more information.

Due diligence

Even so mistakes can still be made. We are only human after all. Each of us learns by making mistakes. Organisations do too. So the challenge is not only to apply best practice as it is currently defined, but to evolve it where necessary with the interests of the consumer at the heart of best practice development. In fact, everyone within the participation television supply and value chain has a role to play in so far as due diligence is concerned, making sure that the code of practice of ICSTIS and Ofcom are applied.

This includes the technology companies who enable the television viewers to interact with the game shows and polls. As Fitzgerald suggests they can make sure that their technical connections are not misused. They can work closely with the broadcasters and production companies, helping them to comply with the law and industry regulations.

Training for best practice

More training might be required into how to effectively use the solutions used to manage the campaigns, like mobile marketing or the more general campaign dashboards. What should the companies do if the software crashes during a competition? How should it be managed? How do you set the campaign to stop and start in such a way that it

Training

prevents viewers from being charged when the competition or poll has closed? 'The systems themselves are as robust as their configurations', says Nick Fuller before emphasising that 'They close at a specified hour, and unless it is changed by a human being in effect it should work'.

Training should educate broadcaster and production company employees about why the regulations are important. They need to know what they are to be able to apply them. Staff would not be able to apply the law and the regulations if they do not have adequate knowledge of them; or for that matter the right skills to manage participation television campaigns.

Jupiter research: Participation television trends

- SMS voting is not new. It started about five years ago when reality television programmes like Big Brother and Loft Story first came onto our screens, produced by Endemol.
- SMS is now ubiquitous as there is an 80 per cent adoption rate in Europe. So any television viewer can participate in the polls and quizzes.
- The majority though are 'tweens', teenagers and young adults, Jupiter Research says that 40 per cent of 15–24 year olds send more than ten SMS messages per day.
- Jupiter's studies have also found that 24–35 year olds are participating significantly in interactive television shows, including polls and competitions.
- In the UK, 7 and 11 per cent respectively of 15–24 and 24–35 year olds have 'Used a mobile SMS short code to participate in a TV or radio programme' in the last three months.
- The market was valued at 260m euros towards the end of 2006.
- Regulation is a key issue. Some unscrupulous players tried to cash in on this lucrative business.
- Mobile live television is said to be another story. Will it catch on?

Source: Thomas Husson, Senior Analyst, European Mobile, Jupiter Research, July 2007.

Dibble agrees that training is a 'huge issue'. But he also feels 'that less staff involved, the less chance there is for human error'. Although he says that the companies should employ compliance officers, he thinks that automation using technology can provide the answers. 'Automated processes can deliver the right results at the right time day in, day out', but 'broadcasters need to have reliable and well trained staff to maintain compliance'. The technology should provide auditing functionalities to ensure ongoing compliance.

Contingency plan vital

The monitoring of staff activities, training, processes, changes in the law and regulations, and how the technology is performing (ie enabling compliance), therefore plays a crucial role in ensuring compliance. But it is the human element that will usually make the difference between compliance and noncompliance. So even if technology is used to automate the processes and procedure involved, it is only as good as the person utilising it, or as good as its software programmer makes it. Best practice therefore includes having a contingency plan for when things go wrong, and having regular staff training reviews to establish any training requirements.

Address ICSTIS's concerns

A letter headed 'Participation TV: restoring consumer trust and confidence', published online in March 2007 and written by ICSTIS chairman Sir Alistair Graham, details other issues: for example

- there were concerns about network congestion, delaying vote counting for IVR and SMS
- problems emerged regarding peak traffic overflow arrangements, which need to match potential demand
- votes may have not been counted in time for live announcements and this leads to assumptions being made as consequence of having inadequate data
- some entries were not considered, even when they were made before the closing time and date of the competition or poll
- terms and conditions were ‘not comprehensive, unclear, ambiguous, or out of date’, while on other occasions they were changed mid-way without being communicated properly
- the process were said to not exist, which would prevent rigging
- fulfilment arrangements for paying prizes were/are not in place
- and there were concerns about the availability of pricing information, the defectiveness of data capture regarding participants, controls over opening and closing times (and their communication to the viewers), as well as value chain responsibilities.

Transparency is the way forward

In effect, participation best practice involves addressing many of these issues, and I am sure that many of the programme-makers and production companies have gone to lengths to meet them. By proactively working with the regulators, and applying best practices they will continue to restore consumer confidence in their shows, and if they are going to build loyalty into their brands. Transparency is and has to be the way forward. The other keyword is collaboration: the industry needs to work together, and no one should get involved with passing the buck.

As Dibble and Bowden emphasise there is no excuse for getting it wrong. Although the responsibility for the data lies with the broadcaster, the key is still to work together, to get it right. Then there will not be any scandals for the media or any hype talk about. Lastly, viewers are very savvy about interactive services; so the more honest the broadcaster, the higher the response rates they will receive. These can be seen in real time by using, for example, a mobile marketing dashboard.²

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