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Press Release

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KCC Announces Calculation Results of "2012 Media Exchange Rates and Audience Shares of Broadcasting Business Operators"

The Korea Communications Commission (Chairman Kyung-jae Lee) revealed that it reviewed on August 21 the "2012 Media Exchange Rates" and "2012 Calculation Results of Audience Shares of Broadcasting Business Operators" pursuant to Article 35(4) (Media Diversity Committee) and Article 69(2) of the Broadcasting Act and decided as follows:

For the media exchange rate -- which reflects the relative difference in influences of television broadcasting and daily newspapers -- KCC has decided that the 2012 media exchange rate of a daily newspaper is 0.45 against 1 for a television broadcasting station. The exchange rate is used to convert newspaper readership into TV viewership.

Meanwhile, the 2012 TV audience shares have been calculated for 369 TV channels run by 234 broadcasting business operators (corporations).

The announcement of the 2012 audience shares is the third annual event following the amendment of the Broadcasting Act in 2009 to stipulate the maximum audience share of a TV broadcasting business operator -- 30% -- in an effort to boost the diversity of public opinions.

In reality, however, the audience share of a broadcasting business operator is calculated by adding such to the audience shares of broadcasting business operators run by its special interest groups and the shares of other broadcasting business operators where the business operator has equity or stakes.

Furthermore, if the broadcasting business operator runs newspapers or holds equity or stakes in newspapers, the readership of the papers will be converted into TV viewership according to the media exchange rate mentioned above and subsequently added to the operator's broadcasting audience share.

An audience share of a broadcasting business operator is its portion of the country's total TV viewing time.

The final 2012 audience shares of television broadcasting business operators, however, are a combination of the results of audience shares surveyed by market research firm TNmS on behalf of KCC, the current state of shareholders submitted by broadcasting business operators, data on advertising revenues of broadcasting business operators and daily papers, and certified results of Korea ABC (Audit Bureau of Circulations) regarding the number of paid daily newspaper subscriber households.

The 2012 audience shares of broadcasting business operators show that no operator has exceeded the 30% limit except KBS, which recorded a 36.163% audience share. As stipulated by Article 69(2).1, however, a broadcasting business operator fully invested in by the government, like KBS, is an exception to the rule.

The 2012 audience shares for major broadcasting business operators are as follows: 36.163% for KBS, 16.022% for MBC, 11.408% for SBS, 9.384% for CJ E&M (CJ subsidiary), 8.785% for TV Chosun, 7.878% for JTBC, 5.874% for Channel A, and 3.310% for MBN.

Other broadcasting business operators recorded less than 3% audience shares: 2.822% for Champ Vision (T-broad subsidiary), 1.960% for CU Media (C&M subsidiary), 1.935% for EBS, 1.776% for YTN, 1.630% for KNN, 0.777% for Yonhap News TV, 0.660% for Hyundai Media (HCN subsidiary), and 0.257% for CMB Holdings (CMB subsidiary).

The audience shares of broadcasting business operators are measured every year. According to Article 69(2).4, the shares are reflected on diverse processes such as licensing & approval, approval for changes, and relicensing of broadcasting business operators in 2013.

With regard to future plans to improve ways of surveying audience shares, KCC has announced that, in addition to the surveys by a market research firm commissioned by KCC, it will consider using surveys conducted through smart media such as smartphones, tablet PCs, etc., and viewing data recorded in set-top boxes installed in households by CATV, satellite, and IPTV operating businesses.