

**MANAGING CHALLENGES IN TV INDUSTRY: THE CASE OF
WORKPOINT ENTERTAINMENT PLC**



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.....
Mr. Tanapol Yoonaisil
Candidate

.....
Simon Zaby,
Ph.D.
Advisor

.....
Asst. Prof. Astrid Kainzbauer,
Ph.D.
Chairperson

.....
Duangporn Arbhasil,
Ph.D.
Dean
College of Management
Mahidol University

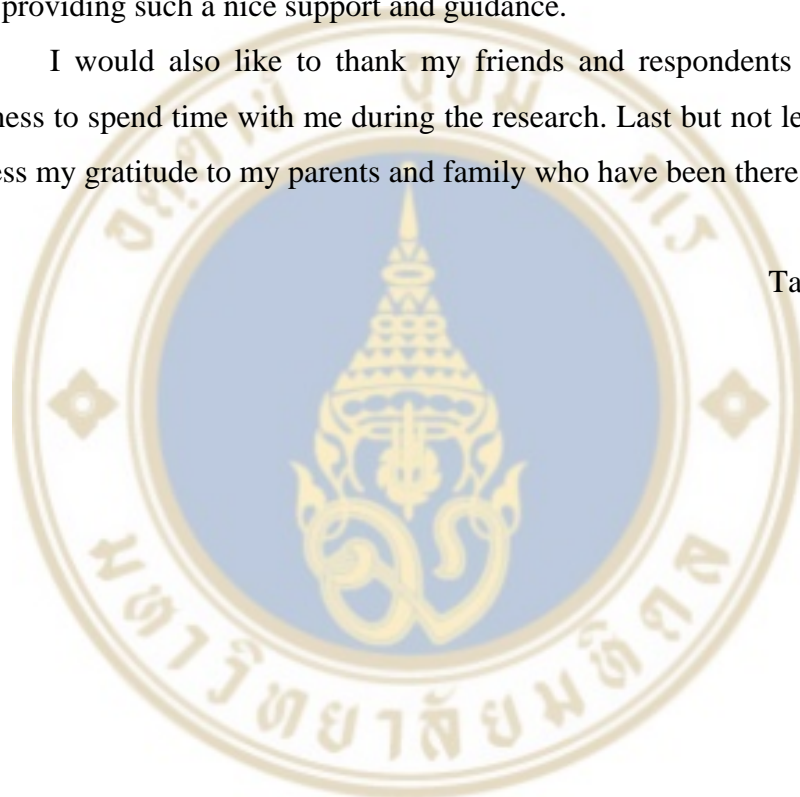
.....
Asst. Prof. Pornkasem Kantamara,
Ed.D
Committee member

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Tanapol Yoonaisil



MANAGING CHALLENGES IN TV INDUSTRY: THE CASE OF WORKPOINT ENTERTAINMENT PLC

TANAPOL YOON AISIL 5849213

M.M. (MARKETING AND MANAGEMENT)

THEMATIC PAPER ADVISORY COMMITTEE: ASST. PROF. ASTRID KAINZBAUER, Ph.D., SIMON ZABY, Ph.D., ASST. PROF. PORNKASEM KANTAMARA, Ed.D.

ABSTRACT

One of the most important things is to do the right thing at the right time with the right method. The TV business domain had been extremely dynamic for the past decade. With the explosion of the technological advancement led to the economic development. With significant growth in the telecommunication sector led to the need for government intervention. The once simple advertising business model is no longer sustainable. The media industry had undergone a series of crisis over the past decade. Moreover, the understanding of the consumer behavior is crucial to derive the optimize business model to even survive! This research yields the strategic antidote for the challenges faced in operating TV business.

KEY WORDS: Challenges in TV industry/ Management Strategy/ Digital Television/ Television industry

42 pages

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CHAPTER I

INTRODUCTION

This research highlights TV as a media industry and exemplify the operation of Workpoint Entertainment Public company limited through financial ratio. The challenges of TV operation of Workpoint Entertainment plc can be identified through the financial performance. It is crucial, to be able to identify the challenges of the TV business in order to accurately execute the business plan. Workpoint company have entered the digital TV business in the past decade and can be classified as a new entrant for the TV industry.

Workpoint Entertainment plc operates its business in the TV industry. Their main activities include production, film making, event management, animation, publishing, event marketing and it had recently expanded into the field of TV channel. The company started to broadcast their digital TV channel during the year 2014. Prior to 2014, the company was broadcasting on Satellite channel. They can be considered a new entrant for the TV industry. They are a good example to discuss in terms of addressing the challenges in the TV business for the new entrant. Moreover, they had not been dominating the market for the past few decades hence they did not have the first mover advantage. Therefore, they do not have the leverage like the dominating channels that have operated for the past four decade such as channel 3. The reason for picking the Workpoint Entertainment plc is that they are a new entrant for digital TV, hence if they are able to have a good financial performance then it is possible that the other new entrants will have a chance at succeeding too. This eliminates the dominance factor as a competitive advantage. On the other hand, Bangkok Post plc is selected to be the benchmarking business against Workpoint Entertainment plc. The reason behind is that, to be able to identify the challenge precisely, there is a need to observe the trends of the media industry in Thailand. Bangkok Post plc is selected for the benchmarking because prior to 2013, it had a very strong financial performance with a similar range on return on equity and cash conversion cycle as well as sales figure compared to Workpoint Entertainment

plc. Bangkok Post plc is Thailand's oldest newspaper as well as print media in any language. Established in 1946, the company currently publishes 110,000 in daily circulation. The company made huge loss over the past few years of operation according to Rojanaphruk (2017). With similar financial performance to Workpoint Entertainment plc, Bangkok Post plc is a suitable choice to be used as a reference for addressing financial challenges of Workpoint. Benchmark company will validate the change in financial performance of Workpoint Entertainment plc that is not an isolated incident and financial challenges had indeed affected the media industry. Over the past few years, media industry had been affected by the political crisis, technological evolution which fostered the new consumer behavior towards media. To clearly identify and validate the challenges, financial ratio is used to point out the main challenges of the TV industry as well as demonstrating the same effect it had on print media.

The challenges of media industry include, new broadband service which allows people to alternatively watch TV and reach new media on their mobile, the political instability during the year 2013-2015, which affected the economy and etc. Moreover, during the past three years, the National Broadcasting Telecommunication Commission, NBTC have imposed a fee to operate digital TV which will affect the operation of the digital TV. This research will illustrate how this fee is absorbed by Workpoint Entertainment plc over the past three years.

One of the methods to manage the challenges for Workpoint Entertainment plc is to boost the rating in order to raise the eyeballs number which will increase the value of the air time. The justification for this is that every TV channel will have twenty-four hour of airtime as resource, hence one of the ways to gain competitive advantage would be to increase the value of the twenty-four-hour airtime. In order to boost the rating of Workpoint Entertainment channel, the business operators must understand the consumer behavior of the audience and the motivation for them to watch new TV channels.

The second part of the research addresses the challenge by identifying the motivation for the consumers to watch new TV channels from factor analysis. By understanding the audience's motivation to watch new TV channel, Workpoint Entertainment plc can develop their unique positioning of their new TV channel in order to cater for the needs of the audiences. The research develops questionnaire, which

accounted for various motivation factors that can potentially influence the audience's motivation in watching new TV channel. These factors are represented in questionnaire using Likert scales and distributed to over a hundred respondents. The purpose was to identify how important was each of the potential factors to the respondent in choosing a new TV channel. The research findings will include the factor analysis uses correlation to include or eliminate the irrelevant factors. The final result will point out the important factors that are significant and influential for the consumers in choosing to watch a new TV channel. The result is then processed using linear regression to illustrate the relationship function of the audience motivation in watching new TV channel.

The output of this research is especially useful for Workpoint Entertainment plc, those who are interested in operating TV channels in Thailand as well as those who are seeking a career in TV business. The research will give the insights to the readers such as important elements in the perceptual map in positioning the new channels. The perceptual map can be further applied in the formation of strategic positioning of the new TV. The factors do not guarantee the success of TV business operations, since there are other uncontrollable factors but it is bound to increase the odds of success for those swimming in this tough water.

CHAPTER II

LITERATURE REVIEW

An overview of TV industry and its challenges

According to Biggins (2008) from 1955, Thailand's TV industry was controlled and regulated by the Thai government. Initially, national TV were recruited from the military government to promote pro-government agenda as well as serving as a propaganda tools for whoever is the government at that point in time. According to Ramasoota (2013), it was not until the year 1997 that the people had access to freedom of expression and commencement of the telecommunication frequencies for public interest. This was due to the fact that there was a redrafting of the constitution, which passed in the house of representative in that year and was fueled by the political and media reform, which began in 1992 known as the Black May crisis. Instead of being regulated by the government, it was regulated by the independent regulators. This resulted from new constitution that was enacted and passed by the house of senate in the year 1997. The job of this independent broadcasting was to monitor the broadcasting for the purpose of state security, culture and fair competition. During the year 2004, the National Telecommunications Commission (NTC) was established to allocate radio frequency spectrum as well as monitoring the telecommunication sector. However, during the period, there was the requirement to also set up the National Broadcasting Commission board but failed to form, hence the TV industry was still kept under state's control. The 1997 constitution was abolished during the 2006 military coup hence the TV business was in the gray with no official regulator apart from the NTC. It was not until the year 2010 when the National Broadcasting Telecommunication Commission, NBTC was established. The establishment of the NBTC served as the highlighter for the digital TV implantation, which also established another platform for competition in the TV industry. According to Sukonrat (2010), cable TV and satellite TV channels quadrupled from 2006 to 2010. According to Association for digital multichannel TV, CASBAA, there is an exponential growth in satellite TV, which was largely contributed by the fact that the satellite dish

was becoming cheaper than ever before. The growth was curbed by the shortage of satellite transponder capacity in Thailand (Lin and Oranop, 2016). Another factor that contributed to the growth of audience in such amount of time was the political turmoil that made more and more people tune into the political channels which is broadcast through satellite TV (Thai Media Policy Center, 2010).

According to the NBTC (2013), TV is the most powerful media in Thailand compared to print media, radio and etc. There is a ninety percent penetration rate in the total household number in Thailand. The TV industry also accounts for a large portion of the advertising budget in the country. Much of the penetration is through satellite of 45%, free to air with 35%, cable consists of 11% and 9% through various other setup boxes. Before, Thai people had access to just six national channels. There are currently more than 24 channels of digital TV according to National Statistical Office (2013). However, things are not as good as it seems, in 2014 the NBTC has commenced the implementation of digital in the media television industry. They have immensely increased the operating cost of the business by imposing the license fee that allowed the TV business operator to bid for the TV operating license which was costing more than one billion baht for some licenses. This will have a lasting effect on the TV business domain that will forever change the face of the competition.

According to McGrail and Roberts (2005), there are two main factors that significantly affect the TV business, they are the rise of internet, the experience competitors. In other research such as the OECD (2013) added that other challenges of TV business include the rising cost of the TV content and the social trends leaning towards internet TV.

One of the significant changes that results from the technological infrastructure improvement of broadband services that impact the TV industry is the allowance for consumers to receive and decode the video services across a variety of fixed and mobile devices. In another word, the modern television content does not have to depend solely on the network operator or television operator. The broadband infrastructure has strongly disrupted the industry as it allows the content to be from network, users, and even among themselves.

According to Thompson (2012), there will soon be the shift in the business operation of the TV business as the smaller providers can merge and channels will cut

cost and save themselves from the fierce competition. There is still a moderate and not a sharp rise in the switching to what is known as the cord cutters or the over-the-Internet video such Netflix and Apple TV Thompson (2012). The over-internet video can soon be a mainstream for the consumer choice but at the moment there is still a stronghold in the consumption of the conventional cable and satellite TV Thompson (2012).

The usual advertising revenue model might not be enough to keep the business sustainable. There are more and more competitors since the technological factor have lowered the barrier of entry to television business. As the result, there are more and more people who are start-up for television channels on various platform. Another challenge is the rising operating cost. Not only the license cost implemented by the NBTC on digital TV operators. However, there is a challenge in the rising cost of entertainment which is costing more and more to produce each year since they are labor intensive and will not be leveraged by the industrial revolution Thompson (2012). The NFL for example cost 73% more each for Monday Night Football. In Thailand, the costs are rising as the result of the imposing of digital TV operation by the NBTC. It costs over one billion baht for a fifteen-year digital TV operating license.

Another serious factor that affecting the TV industry was the social factor. According to the OECD (2013), the way that consumers access audio and visual content is changing due to the effect of the dynamic convergence of the communication technology. With the shifting of the consumer behavior have led to the increasing difficulty in business planning as it has increase the level off uncertainty. The convergence is changing the way consumers acquire content. For example, the network in the past will be the ones to transmit the data but now data is transmitted over internet protocol. This is resulting from the significant improvement in the internet broadband platform.

It also allows the customers to switch suppliers more easily. Despite the fact that there is increasingly fiercer competition with the increasing technological advantage, due to a lower barrier of entry in terms of operation but there also increasingly challenging factors from the government policy, the presences of dominant broadcasters, access to content and changing consumer behavior.

Another challenge for TV industry is the dominance of the existing player in the industry. Dominance players as well as the changing consumer behavior making it intensely challenging for the new entrant to enter the market. For decades, True Vision

was the monopoly in national cable pay TV operator. Currently, there are several pay TV operator. Moreover, the new technology was also affecting TV industry. According to Tribbey (2014), smart phones and tablets had transformed the TV viewing since it allowed the users to connect to the internet content such as video online via Youtube.com for example. The technological development also directly affected the domains of the TV business competition as the extent of barrier to entry. On the other hand, the barrier of entry has considerably been lowered as it provided the new entrant with an easier mean to reach the eyeballs. Over the past decades, television sector has been undergoing significant technological and structural changes and have at the same time opened up new channels of media through a variety of communications and media services. There are competitive advantage and the challenges in operating the TV as media.

There is an opportunity to explore the investment worthiness of new television channels as well as the strategy the TV operator should use in implementing the television business.

According to Forster (2015), the success factors of TV business and media brand can arguably be discussed from managerial and audience perspective. According to Thompson (2012), TV hasn't gone into the exit where the music and newspaper went in the Age of Internet. Since HD video is much costlier to transport than music files or article page hence it might not disappear just like the music and newspaper did. On the other hand, there is a lack of research in the comparison between the new TV channel as a media versus the other media such as print media.

According to the McGrath (2013), Television business operators need a new business model. The dominance of TV is long over since there are several alternatives for entertainment and education (McGrath, 2013).

The broadcasters are in the National Association's annual meeting reached an agreement that the TV business need new strategy to counteract with the technological change and competitive pressure from the other medias.

Even the New York times have pointed out that the TV profits is under a serious threat. Several research such as Harvard Business Review also discussed about the TV business and mentioned about the tough situations of the TV business in the USA (McGrath, 2013). The customer will no longer pay for the whole bundle for one or two channels that they really want to watch in the case of pay TV model. As the business

models with bundle channels begins to erode, customers will be directed towards the model where they will be buying only what they want. According to the Thompson (2012), to judge the future of TV, the analytics should focus on the actual eyeballs not the guides and trends of TV expansion. One of the best way to manage the challenge from the audience perspective is to understand the consumer attitudes. This research deploys factor analysis which is the method of processing data collected from Likert scale in the attitude measure of motivation to watch new TV channel through factor analysis.

The research will utilize the use of factor analysis and analyze the correlation of data sets that will characterize the audience behavior in the research. However, prior to analyzing the data, the research will indicate the amount factors are present in the constructs and which items are in correlation to which. According to Worthington and Whittaker (2006), factor analysis is used to identify and confirm a smaller numbers of construct from the data collections observing several variables. According to Worthington and Whittaker (2006), factor analysis approach can be effectively done by performing the structural equation modelling. Structural equation modelling was presented by Fassinger (1987). According to Fassinger (1987), there are several procedures that can be done using the structural equation modelling. They include the multiple linear regression, factor analysis, path analysis. The research paper will use structural equation modelling in identifying the validity of the construct when measuring the motivation for people to watch TV channel. According to Worthington and Whittaker (2006), the first step is to define the construct clearly. In this case the construct is motivation to watch new TV channels. Schreiber et al. (2006) noted that structural equation technique modelling is a statistical technique that the research can use to reduce the number of observed variables by examining the correlation among the observed variable. Ullman (1996) pointed out that structural equation modelling, SEM, combines the exploratory factor analysis and multiple regression. Schreiber et al. (2006) concluded that structural equation modelling estimates the degree to which a hypothesized model fits the data. Hence the output of the data will include the magnitude of the beta coefficient. In this case, the output of the data will include the magnitude of factors that affect motivation to watch new TV channel.

Since Likert (1932) introduced the rating scale known as the Likert-type scale, there has been a debate about the optimum number that should be used in creating a response option that will maximize reliability. Chang (1994) pointed out that the number of scale options affect the reliability of the research. However, according to Bendig (1954), the best rating with the highest reliability was highest with 4 category scale. There are much academic debates about the suitable number of scale categories to be used in a survey. A possible study may investigate into the varying respond condition and best number of scale points in enabling the respondent to express their attitude in conjunction with their scaling items (Chang, 1994). This research uses the 4 categories scales to measure the extent to which the respondent agrees to a factors that affect their motivation to watch new TV channel. As the respondent answer the survey question, they will respond to the items in such a way that will reflect the strength of the factor in relation to his/her positioning to the construct being measured (Torgerson, 1958). Hence the respondent attitude will be reflected on a Likert-type scale as it will be reflected in the correlation to the motivation for them to watch new TV channel.

The core objective of this research is to illustrate the challenges of Workpoint Entertainment plc from the financial perspective. The research addresses the challenge by developing the insight of the consumers to see the underlying factor that affects the choice of people in watching TV. The research is especially useful for those seeking a career in TV business and for academics looking to pursue further study in this area.

CHAPTER III

RESEARCH METHODOLOGY

The research consists of two main phrases.

- Workpoint Entertainment plc financial data analysis in comparison with Bangkok Post plc financial ratios during the same period of time. To compare Workpoint Entertainment plc with other media business as benchmark this will illustrate the challenges of the TV industry and can help validate the environmental factor that the TV industry is facing. By benchmarking with Bangkok Post, it confirms the challenges Workpoint Entertainment plc is facing and that is not an isolated event. If any factor claims to impact the media industry, it will affect both Workpoint Entertainment plc and Bangkok Post plc.

- Factors influencing the consumer behavior of TV channel choices. In order to address the challenges in the TV industry, the research utilizes the structural equation modelling to illustrate the critical success factors of TV channel business using structural equation modelling. This is especially useful for the strategic positioning of the business and it will definitely help to increase the odd of success.

3.1 Financial Perspective Methodology

- The data is collected from the SETTRADE or the website of the stock exchange of Thailand.

- The data is then analyzed using the financial ratio analysis.

1. The financial ration analysis looks at
2. Investment and Asset Returns
3. Liquidity Risk
4. Solvency Risk
5. Valuation

To be able to distill a good working business model, the research investigated into the Workpoint Entertainment plc financial performance. The research looked at the financial indicator on the return on asset and equity as well as the regression modelling for the past financial performance of the television channel company. The research chose the new performing company finding and compare with the other type of media, in this case print media.

The financial approach would allow the research to accurately identify the challenge of the business. The financial data is the scientific approach in locating as well as helps explaining the challenge of the TV business. According to secondary data research, one of the main challenges of the TV industry was the increasing cost of TV operation. The financial investigation will show whether there is indeed a significant rising cost that affect the bottom line of the company.

The reason for such analysis is because there are several dimensions that can be looked at when investigating about the challenge of a firm and one of them is by looking at the financial statement. An example to justify the reason for having many aspects of the financial ratio analysis is because a firm can be solvent but illiquid. If a firm have a prosperous sales figures and profit but if the firm is granting a long term credit to those sales, the firm could be illiquid since it is need to finance its operating cost. The reason for selecting Workpoint Entertainment plc is because unlike many other TV channels, Workpoint have recently entered the digital TV market and is faced with the challenges from the dominant competitor TV stations who have exist for more than 3-4 decades each. If Workpoint can demonstrate a strong financial performance through its financial ratio, it is highly likely that any new entrant in the TV industry should have the same opportunity. The financial result is also compared to Bangkok Post plc, if the challenges of the TV business are factors that affect the media industry, it should be reflected in the Bangkok Post plc financial statement as well.

Consumer Behavior Methodology

The second phase of the research is to understand the consumer behavior of the people who watches new TV channel. The research performs factor analysis to identify the factors, which are important to Workpoint Entertainment as it explains the consumer behavior of the people who watch TV. Hence the research is focusing on the

preference of the audiences who watches TV and what are the motivations for them to watch TV.

The second part of the data collection involves surveying of respondent using the Likert scale to determine the variables that are most like to affect the motivation of the people who watch TV these days whether they are motivated by content, convenience, interactivity, awareness and peer influences. This is to help understand the TV business on the consumer level on how they can be motivated to watch a new TV program or are the dominant TV channels the only ones that can have maintained a good market share. The research will highlight the opportunity for new entrant like Workpoint Entertainment plc.

The purpose of this analysis is to analyze customer preference from a market survey to capture the motivation of the customer when selecting a TV. This will help identify whether the strength of the TV firm that is in focus is in alignment with the consumer behavior of the customer. The quantitative technique is used to test a construct. In this case the construct would mean the motivation to select a TV channel. The reason for selecting this method is because a construct can be defined using multiple variable and can help the research to comprehensively understand that true reason that motivates a consumer to prefer one channel over the other.

3.2 Methodology

- Define the construct
- Brainstorm for the ideas the concept that helps understands the motivation to select a TV channel using mind mapping technique.
- Develop a survey using Likert scale to derive the questions for the survey measuring each factor that is chosen to define the construct.
- Survey 70-100 respondents
- Collect the result and clean up the incomplete data.
- Analyze using the scree plot and cumulative variance to see the optimum number of attributes.
 1. Only consider the ones with eigenvalue higher than or equal to 1.
 2. Use factor analysis to do data reduction.

3. Identifying items in the questionnaire that group together.

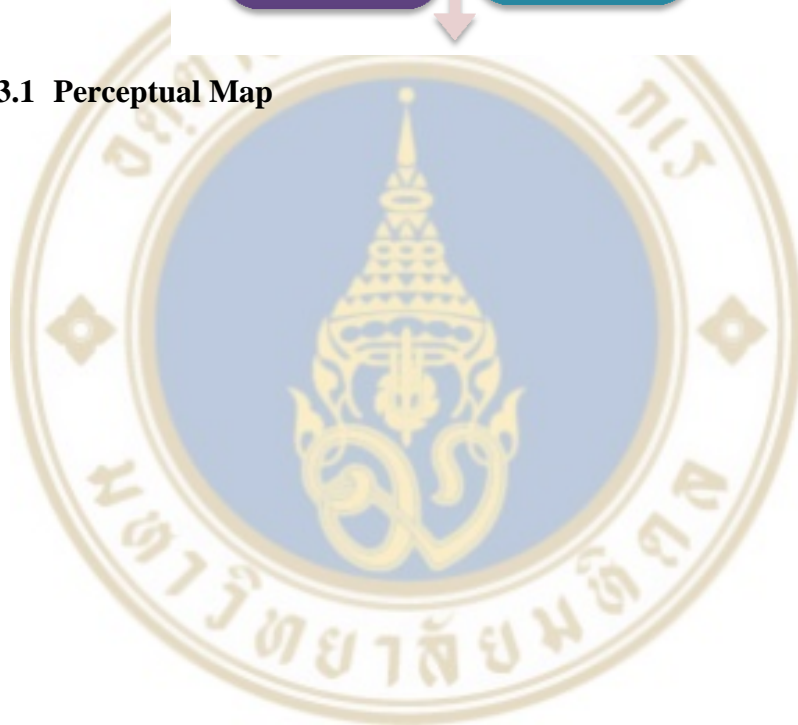
- Using Regression to determine what features are the most important when classifying a group of data.

The reason for selecting factor analysis to explain consumer behavior is because factor analysis allows the research to explore abstract topics, in this case the motivation for selecting a TV channel. Factor analysis helps determine the most important factors when classifying a group of items. Factor analysis also helps to see whether the constructs has successfully measured what was intended to measure. In another word, factor analysis is a tool to identify the correlation among a set of variable. Factor analysis help illustrate the significance and relationship. If the items are belonged together, they will stick together with higher correlation. Correlation is especially useful when measuring a linear relationship between two variables. The factor that are eliminated are the ones with low factors loading, cross-loading and mismatch meaning. Low factor loading means it has a loading lower than 0.4 and can hardly be used to explain the construct. Cross-loading is when the numbers show up to be in two or more factors. The mismatch meaning means that the questions are no related to each other or don't belong to the same group. From the data collection, the research illustrates the correlation between each factors as well as provide structural modelling equation as the final output.

The structure equation modelling is useful for the managers who are creating a new TV channel and program. It will provide a strategic insight to the perceptual mapping of the program and the TV channel. The managers will know the exact position of the channels and programs and will be able to avoid the unnecessary high investment or unworthy time consumption. By using the structural equation modelling, the research will distill the critical success factor of the TV business.



Figure 3.1 Perceptual Map



CHAPTER IV

DATA ANALYSIS

The financial data of Workpoint Entertainment plc was gathered from settrade.com, a database of stock exchange of Thailand, to analyze according to the financial analysis method. The financial ratios of Workpoint Entertainment plc and Bangkok Post plc during the past five years were analyzed accordingly from 2012-2016. It is also worth mentioning that some financial ratios such as return on asset require the average amount of two consecutive years to calculate hence with five years of financial data, the research is able to compute four years of financial ratio.

4.1 Financial Analysis overview

- Return Ratio
 1. Return on Asset
 2. Return on Equity
 3. Gross Profit Margin
 4. Operating Profit Margin
 5. Total Asset Turnover
 6. Account Receivable Turnover
 7. Inventory Turnover
 8. Account Payable Turnover
 9. Fixed Asset Turnover
 10. Total Comprehensive income to earnings before interest and tax
 11. Leverage
- Liquidity Risk
 1. Current Ratio
 2. Quick Ratio
 3. Receivables Collection Period

4. Inventory Conversion Period
 5. Payables Deferral Period
 6. Cash Conversion Cycle
- Solvency Risk
1. Debt to Equity Ratio
 2. Debt to Total Asset Ratio
 3. Interest Coverage Ratio

4.2 Results

Table 4.1 Workpoint Entertainment plc financial ratio

Workpoint Entertainment	2016	2015	2014	2013	2012
Return on Asset	6.67%	6.28%	1.78%	16.68%	-
Total Asset Turnover	47.73%	43.83%	58.42%	105.95%	-
Account Receivable Turnover	5.90	5.79	4.00	3.64	-
Inventory Turnover	35.58	23.40	19.94	25.64	-
Fix Asset Turnover	1.58	1.32	1.70	2.21	-
Account Payable Turnover	3.97	2.71	3.95	5.18	-
Return on Equity	6.98%	7.18%	1.35%	16.80%	-
TCI-EBIT	55.20%	48.04%	32.76%	72.39%	-
Leverage	1.90	2.38	2.31	1.39	-
Current Ratio	186.06%	187.99%	127.83%	160.90%	329.38%
Quick Ratio	129.72%	134.83%	81.08%	42.59%	-
CCC	-19.75	-55.86	16.97	44.04	-
Debt to Equity	81.56%	98.54%	201.81%	49.68%	27.64%
Debt to Total Asset	44.92%	49.63%	66.87%	33.19%	21.66%
Interest Coverage	3.26	2.58	1.67	33.75	247.77
Gross Profit Margin	43.19%	42.53%	30.58%	38.15%	47.24%
Operating Profit Margin	13.97%	14.34%	3.05%	15.74%	25.70%

Table 4.2 Bangkok Post plc financial ratio

Bangkok Post					
	2016	2015	2014	2013	2012
Return on Asset	-6.56%	-7.84%	-6.43%	8.99%	-
Total Asset Turnover	0.64	82.60%	105.82%	120.41%	-
Account Receivable Turnover	2.93	3.08	3.47	3.73	-
Inventory Turnover	26.28	25.87	25.10	27.35	-
Fix Asset Turnover	0.81	1.04	1.55	1.78	-
Account Payable Turnover	5.09	4.84	4.93	5.79	-
Return on Equity	-24.64%	-30.37%	-23.08%	14.12%	-
TCI-EBIT	117.34%	117.01%	122.89%	65.70%	-
Leverage	3.20	3.31	2.92	2.39	-
Current Ratio	56.22%	67.95%	73.10%	91.61%	114.44%
Quick Ratio	42.43%	53.84%	58.85%	73.24%	-
CCC	66.84	57.06	45.74	48.16	-
Debt to Equity	230.41%	212.15%	261.79%	142.99%	134.72%
Debt to Total Asset	69.73%	67.96%	72.36%	58.85%	57.40%
Interest Coverage	-3.23	-4.81	-4.83	7.30	7.43
Gross Profit Margin	17.04%	20.36%	22.97%	30.92%	30.25%
Operating Profit Margin	-10.27%	-9.49%	-6.08%	7.47%	8.21%

The result from each year is collected and illustrated to represent a five years' period of the firm's financial performance to yield the challenges that the company might be facing. The company that was the choice of the analysis consisted of Workpoint Entertainment plc and the Bangkok Newspaper. Both company are in the media company and the research aims to research about the media industry. Since the analysis of this research aims to identify the challenges that are faced in the media industry, having just financial ratio of one TV Company might not be valid enough since it is difficult to explain challenges of the whole media industry with financial performance of one type media.

According to research, the economic, technological and political aspects were one of the main external influencers of the media industry for the past decade. To identify the competitiveness of the TV industry, the research pointed toward a new TV channel that was launched in during the past decade. Since Thailand had television channels for several decades. It would be quite bias to choose a TV business which already had the dominance in the market. On the contrary for the benchmark company, Bangkok Post plc was selected since it had been in the market for a long period of time and would have a strong competitive advantage. Bangkok Post plc is the longest operating print media in Thailand in any language hence it will serve as a good benchmark for a new TV business entrant to challenge it financial performance. Bangkok Post plc would have the advantage of dominance of print media and have the higher leverage

of customer and supplier relationships that Workpoint Entertainment plc does not have as a new entrant. It would be a challenge for the TV business firm to be analyzed with respect to one of the main players of the print media industry. The result has yielded a significant difference in the terms of the pattern that both companies of the media industry had been impacted by the political instability as well as the trend of the media firms that had been affected by the technological advancement of the broadband service that had exploded over the last five years. The significant increase of the usage of smartphones which have significantly impacted the way consumers interact with the media industry.

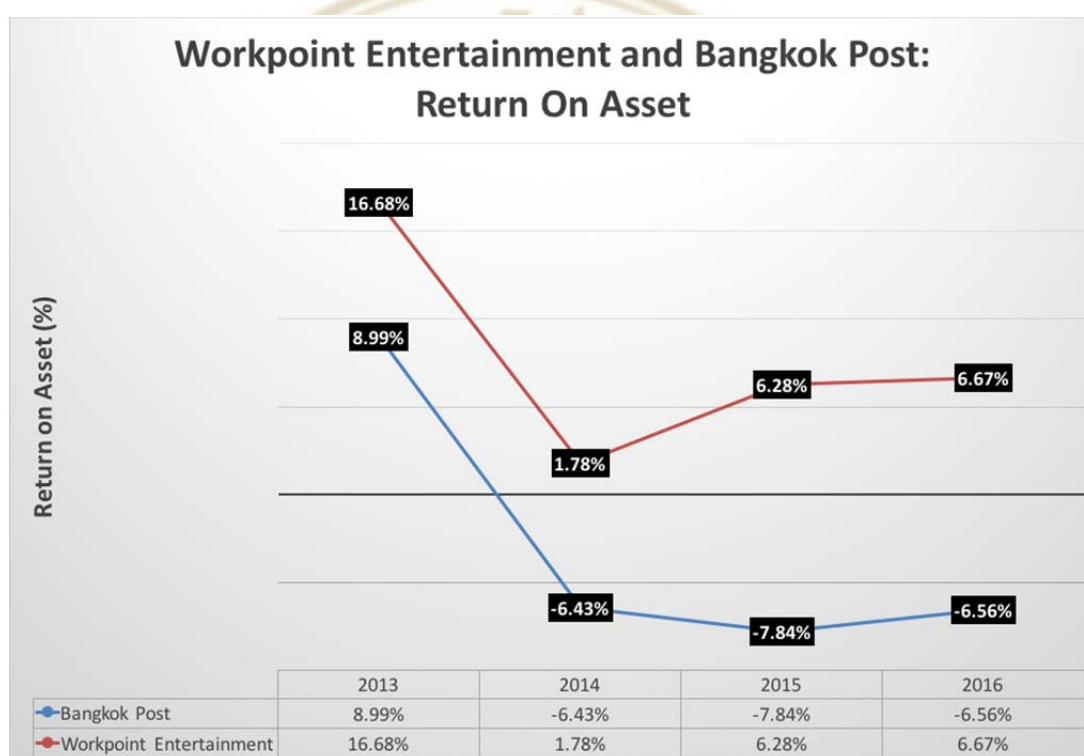


Figure 4.1 Workpoint Entertainment plc and Bangkok Post plc: Return on Asset

In the graph shows the return on asset for both Bangkok Post plc and Workpoint Entertainment plc. Both companies had been affected and have experienced a sharp drop in the return on asset in 2014. There are two main political reasons for such sharp drop in the number. Firstly, there was a coup de tat in Thailand during May 2014. The military government had clamped down the media for over two months and significantly caused the TV channels in Thailand to face a long period of media darkness. Secondly, the National Broadcast and telecommunication commission have introduced the digital

television platform, which allow television business operator to bid for the rights to broadcast in the platform. This license significantly increased the operating cost of the television channels and caused several TV channels such as TV Pool to shut down due to the hike of the operation cost. Return on asset gives one angle of perspective on the efficiency of which a company is able to utilize its asset with respective to sales hence to be able to analyze the challenge of Workpoint Entertainment plc, there is a need to analyze the return on equity.

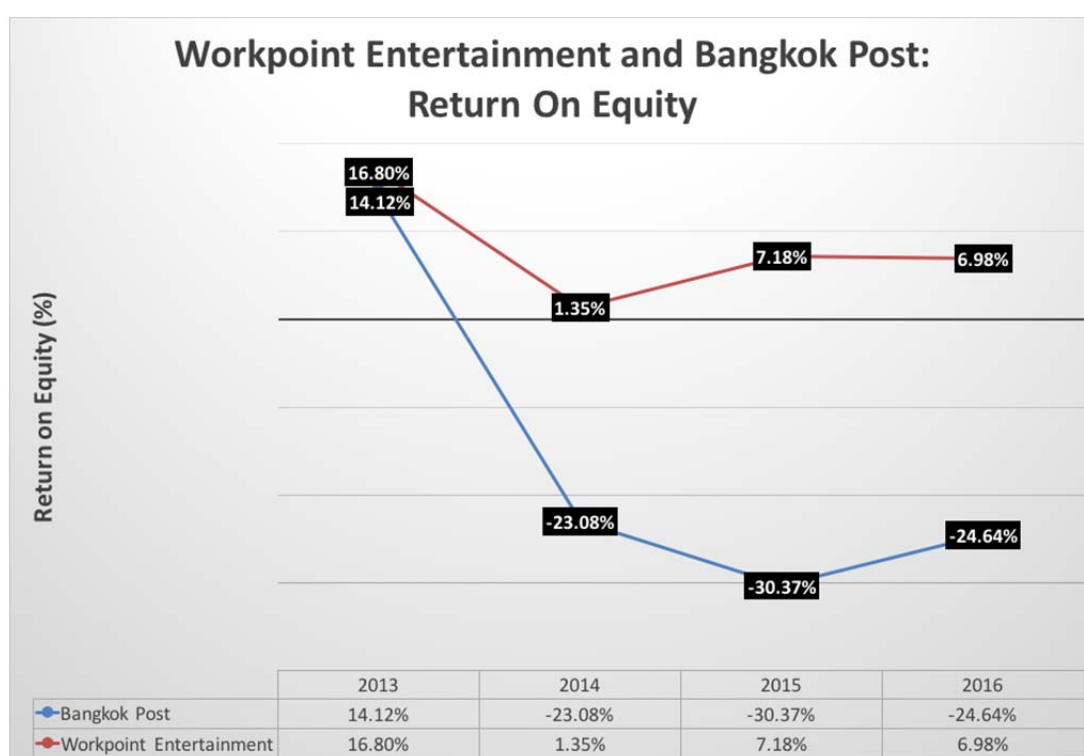


Figure 4.2 Workpoint Entertainment plc and Bangkok Post plc: Return on Equity

The second graph shows a pattern in the return of equity. Before the political instability, both companies in the media industry were generously yielding 14-16% of return on equity. After the political instability, Workpoint Entertainment plc's return on equity plunged to a low one percent. Things were much worse for the Bangkok Post plc company. The return on equity were -23.08%. The number was far worse in the following year and fell to -30%. While Workpoint Entertainment plc managed to rebound to 7.18% in 2015, which shows vital recovery sign of Workpoint Entertainment plc. The other explanation for the continue drop of print media is the growth in digital

media over the past few years was bound to set the print media readers in the changing social trend of reaching media through their smartphone and slowing unsubscribing for the print media of Bangkok Post plc. With the clear picture on the fact that Workpoint Entertainment plc is able to rebound from the political crisis and economic slowdown in 2014 but not for Bangkok Post who were performing as well as Workpoint Entertainment plc prior to 2014 and face a continuous declined after 2014.

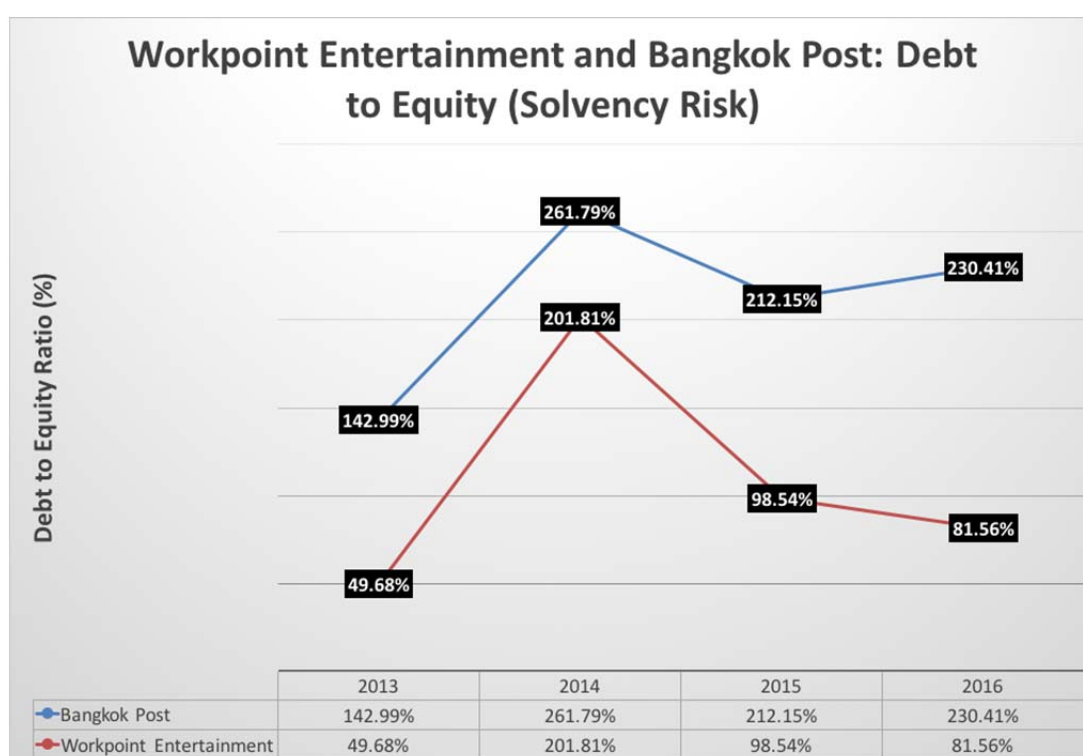


Figure 4.3 Workpoint Entertainment plc and Bangkok Post plc: Debt to Equity (Solvency Risk)

There is no doubt that with such great loss in revenue for Bangkok Post plc, the debt to equity ratio would spiked. As for the Workpoint Entertainment plc who still managed to remain positive for the profit margin who had to significant invest in the digital TV license that was introduce by the National Broadcasting and Communication Commission, NBTC, also experience a spike in the debt to equity ratio. Both company seems to have improved in the following year but unlike Workpoint Entertainment plc, Bangkok Post plc was still in the red zone for its net profit margin until present, hence the debt to equity ratio was not subsiding. As for Workpoint Entertainment plc, the debt

to equity ratio gradually decreased from 201.81% to a little over 80%. It is anticipated that during 2014, Workpoint Entertainment will increase as they had to pay for the license fee of digital TV to NBTC but the debt to equity ratio have subsided. At this point of analysis, the challenge of Workpoint Entertainment can be hypothesized as the license fee of digital TV. Nevertheless, the research will require more financial ratio to validate the risk.

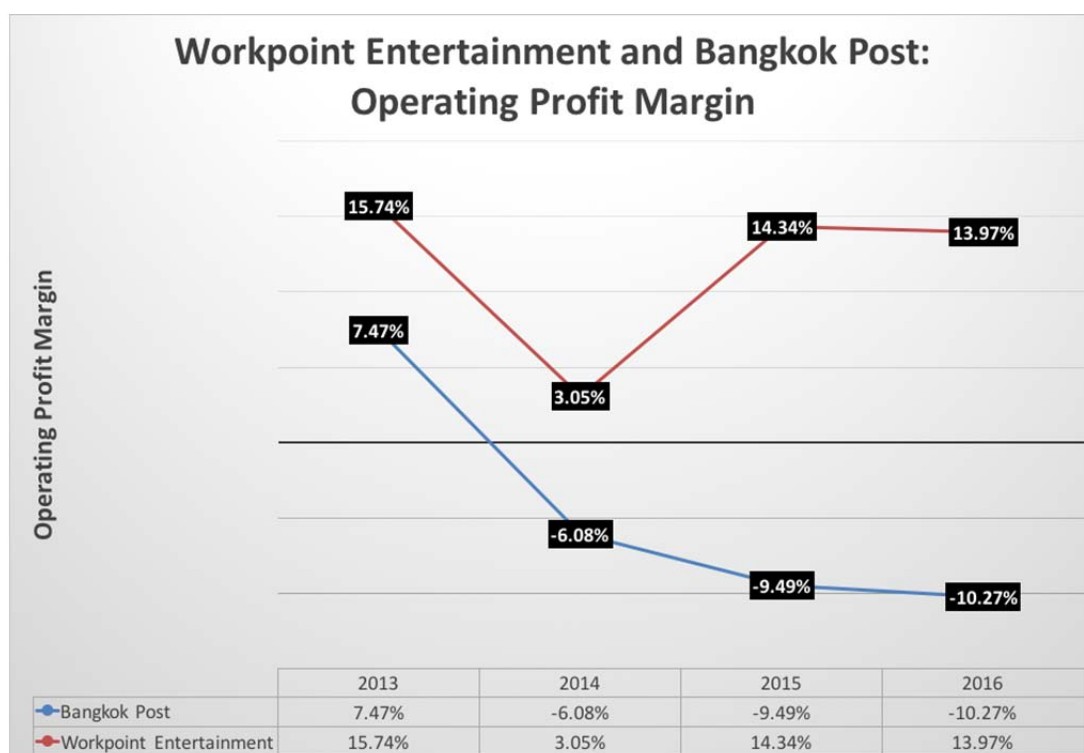


Figure 4.4 Workpoint Entertainment plc and Bangkok Post plc: Operating Profit Margin

To further explain the cause of the increase in debt to equity ratio of Bangkok Post plc, the operating profit margin graph clearly shows the decreasing trend from 2013 to 2016. The company faced a crisis period ever since the year 2014 and had not managed to recover. Workpoint Entertainment plc however managed to regain control the following year with the operating profit margin right back to a similar level of before the political and economic instability. Workpoint Entertainment plc managed to maintain the operating profit margin in the small range of 13.5%-14.5% after the recovery. One of the explanations for this is that Bangkok Post might have lost its competitive advantage hence it didn't

have the negotiating power to increase the profit margin, another explanation may be the increasing competition from digital print media that have substitute the print media hence there is a decline in the operating margin of print media. It is worth noting that the operating profit for Workpoint Entertainment is stable at 14% despite the high growth in sales. This could mean that there is an increase in the operation cost or there is a large increase in sales. Since operating profit margin is found by the revenue subtracting the cost of goods sold and operating cost divided by the revenue. The research needs to extensively look into sales revenue to validate this hypothesis.

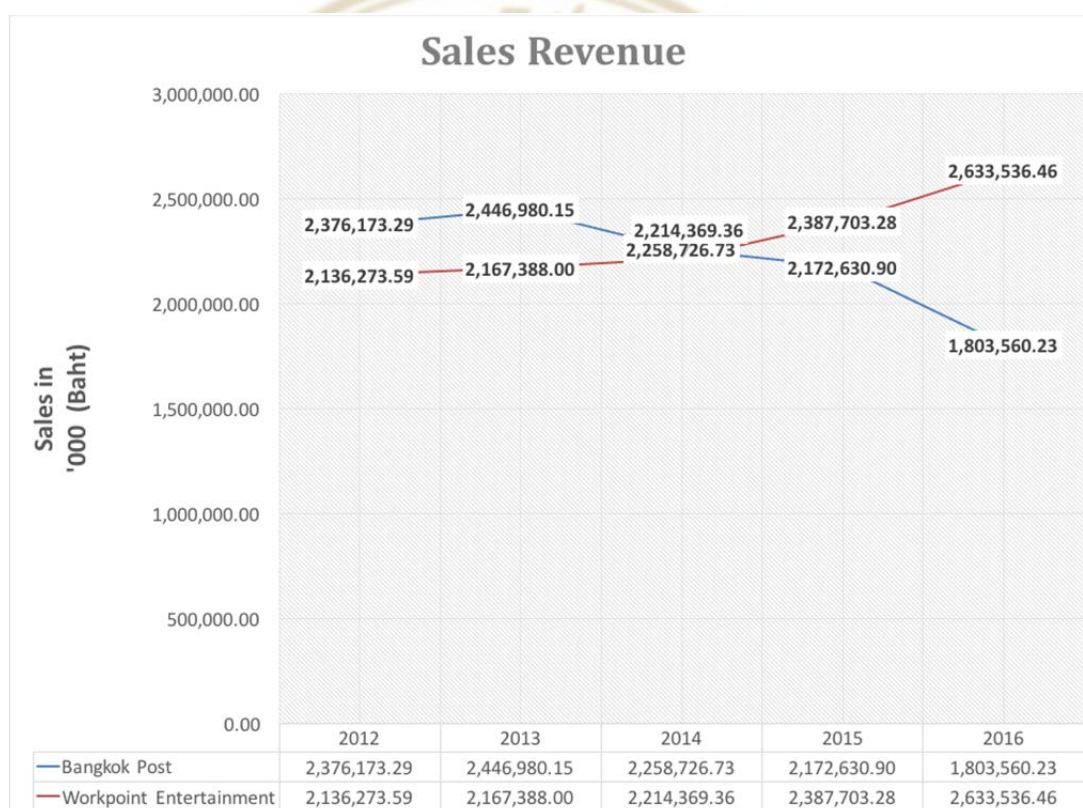


Figure 4.5 Sales Revenue

The sales figure of both company is the best illustration of the number. Workpoint Entertainment plc have managed to continuously increased its sales revenue for the whole period from 2012 to 2016. While Bangkok Post plc have lost its grip since 2014 due to the political and economic instability. It was clear that after the political crisis, Workpoint Entertainment plc was able to recover the sale number. On the other hand, Bangkok Post plc lost its competitiveness and sustainability. The sales figures

continue to plunge down since 2014 and never regain ground like Workpoint Entertainment plc. Some of the reasons to explain is that Workpoint Entertainment plc may just have been on the expansion phase of the business and conversely Bangkok Post plc are on the contraction side of the business cycle.

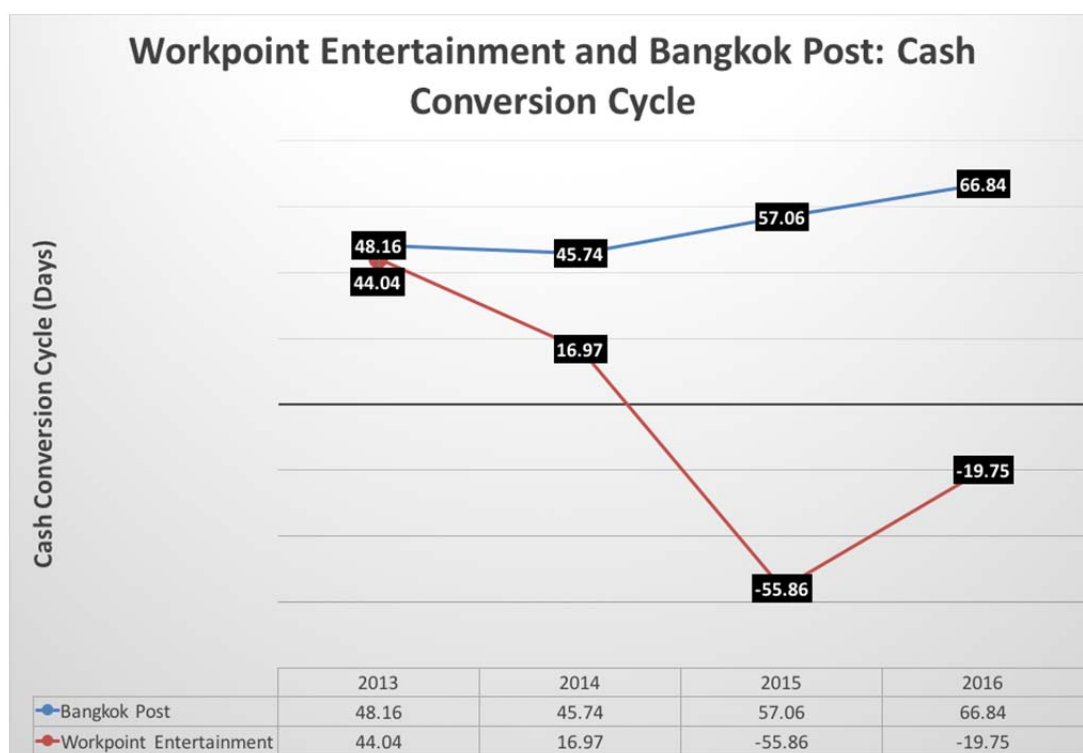


Figure 4.6 Workpoint Entertainment plc and Bangkok Post plc: Cash Conversion Cycle

To further magnify the situation, the cash conversion cycle of Workpoint Entertainment plc had significantly decrease while on the other hand, the Bangkok Post plc's cash conversion cycle was increasing. Both company started off in 2012 with cash conversion cycle of the 10% range of each other in 2012 but they diverged after that. The Workpoint Entertainment plc managed to increased its efficiency in its inventory, decreased the account receivable at the same time significantly increased its payable deferral period. Another reason for the explanation for such an extreme difference is that the Workpoint Entertainment is gaining more competitive advantage and therefore it stood to gain bargaining power from the customer to pay faster and towards to supplier to pay slow. On the other hand, Bangkok Post might be losing the competitive advantage

and less negotiating power towards their suppliers and customers. It is also worth mentioning that while the Workpoint Entertainment plc decrease its account receivable period with its customer, it was able to increase its gross margin. Meaning they were making more profit from the revenue and the cost of goods sold. This is a challenge for the company since usually, the number would not have an inverse relationship. In another word, usually a company should make less profit if it wants to collect the money earlier or decreasing the receivable period. Since it should take into account the time value of money.

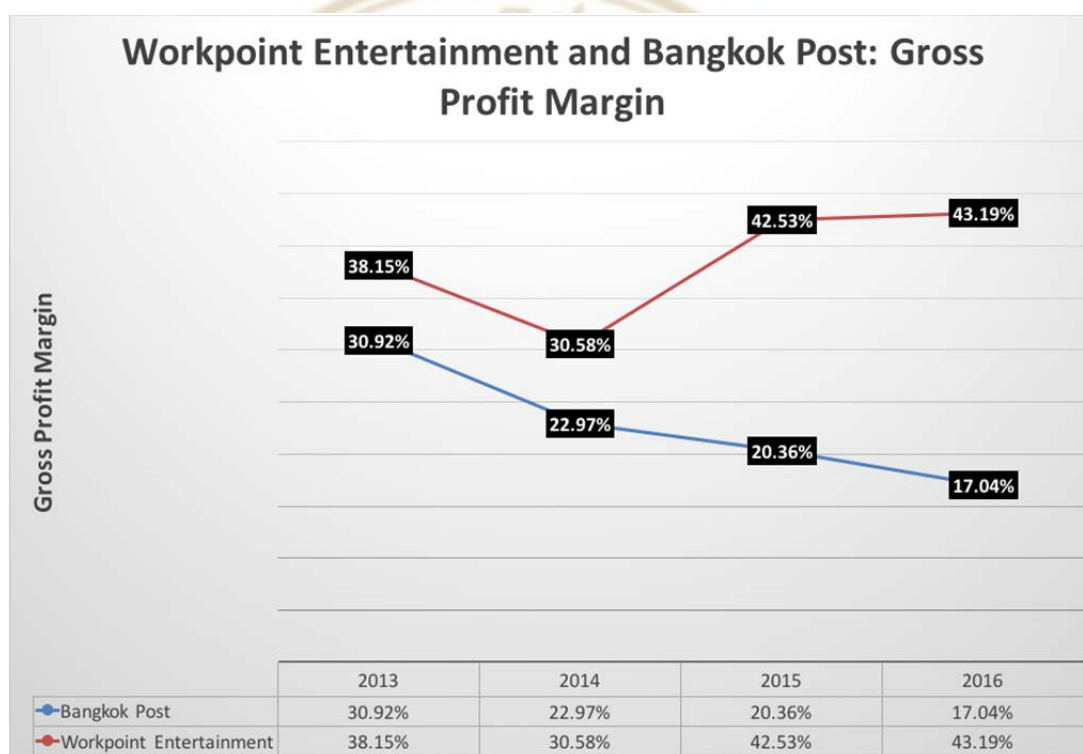


Figure 4.7 Workpoint Entertainment plc and Bangkok Post plc: Gross Profit Margin

One of the explanations might be because the company might have stronger bargaining power towards the customer. In another word, as a supplier they were able to gain back the cost of credit from the customer. So there is no doubt that there is also an increase the gross profit margin for Workpoint Entertainment, they are able to increase the gross profit at the same time increase its sales. To this point, it seems that Workpoint Entertainment plc, is doing well compared to Bangkok Post plc despite the political

crisis of 2014. The next part of the analysis will illustrate the challenges, which is faced by Workpoint Entertainment plc.

Addressing the challenges of Workpoint Entertainment from a Consumer Behavior Perspective

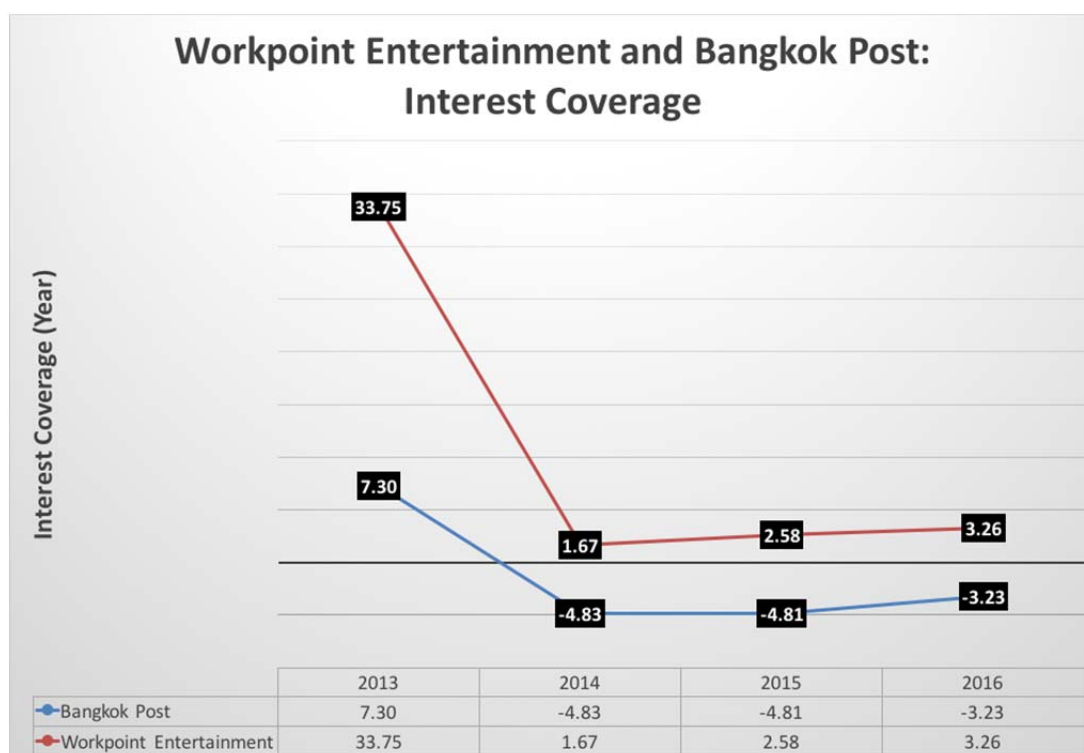


Figure 4.8 Workpoint Entertainment plc and Bangkok Post plc: Interest Coverage

While the situation might look clear on the Workpoint Entertainment plc aspect compared to a print media newspaper like the Bangkok Post plc. There are several alarming factor that poses as a challenge for Workpoint Entertainment plc. The interest coverage period for Workpoint Entertainment plc have significantly decreased by 10 times. This is an alarming drop since the company before 2014 had the potential to pay off its interest debt for the next three decades. But after the year 2014 when the company had to invest in the digital TV platform, the company had the significant increase in the debt. The interest cost would also increase significantly. The same amount of cost is leveraged the challenge in operating a TV channel if decided to invest in the digital TV platform.

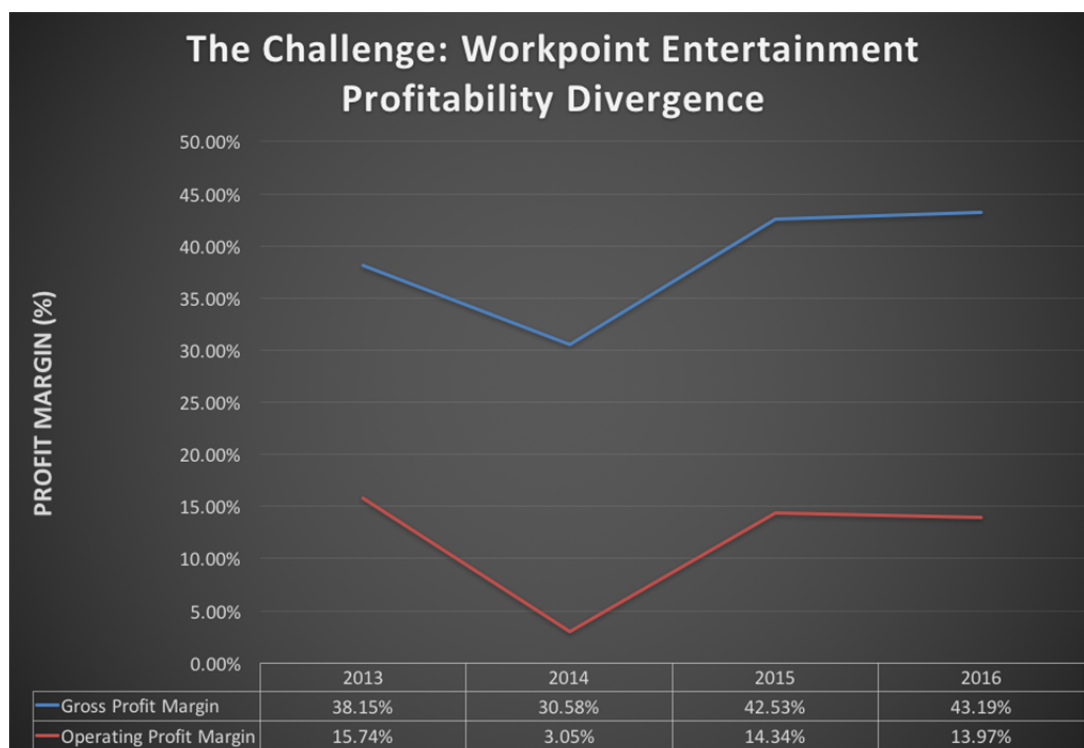


Figure 4.9 The Challenge: Workpoint Entertainment plc Profitability Divergence

Workpoint Entertainment plc had a better performing overall figures compared to the Bangkok Post plc but there is a challenge for Workpoint as well in term of the increasing operating cost. The TV media as whole is still an attractive business comparing to the Bangkok Post's newspaper business. But the industry is now more heavily regulated by the NBTC. The operating cost is higher than ever. This is a big challenge to any TV business operator who wishes to enter the TV industry in Thailand.

The increase in the operating cost of Workpoint Entertainment plc have cause its operating profit margin and its gross profit margin to diverge. If this pattern continues over the years, it could be a threat to the sustainability of Workpoint Entertainment plc. There are several ways to solve this problem. One of the most widely used method to measure the success of television channel is the rating system. The company AGB Nielsen is a popular research company that collect the TV rating data. They used the TV audience measurement service to measure the household consumer behavior in watching TV. The sample size is 2400 household nationwide with television and they will release the monthly result for the rating of each television channel. So far Workpoint have been rank the top 5 channels with the increasing rating over the past three years.

This might be one of the explanation for the increasing amount of revenue for Workpoint Entertainment plc. In general, the TV with higher rating would be have a higher bargaining power when selling airtime which is the mainstream of revenue for the TV business.

The rating is determined by the eyeballs that is on the TV. With the higher amount of audience and high amount of time each audience spend on a TV channel, the channel will have a higher rating. With this in mind, one of the critical success of the television channel is the rating and understanding consumer behavior.

This research goes further to tackling the challenge by conducting a consumer behavior research. The research is done through survey of 100 respondents who are resident of Thailand. To be able to address the challenge of TV in Thailand who all have the increasing cost of digital TV platform imposed by the NBTC, the TV business operator should understand the consumer behavior of how Thai people are motivated to watch a TV. There are several factors why people to watch a TV but they are not all equally important. In order to know which factor is more important than the other.

In this part of the consumer behavior research, the survey will be sent to 100 respondents to analyze the factors which induce people to watch new television channels or programs. By knowing studying this consumer behavior information, it allows the TV business operator to strategically position their TV channels to the demand of the consumer. This positioning of the TV channel will develop into a competitive advantage of the business as the audience become a regular audience of the program and eventually the channel. The whole idea is not to be the only channel that the audience watches but to be one of the favorite channels that the audience will watch or to be the first channels that the audience tune in each day. To operate with the maximum profit by selling as much as advertising or airtime is good but in practice, most consumers will turn away from the channels that advertise the whole day. As the channel loses the viewing base, they also lose the rating and eventually they will lose the bargaining power with the customer when they are selling the airtime. Conversely, if the audience tune into the channel more often the channel will gain more audience and will increase in rating as well as the bargaining power when selling airtime to advertisers. The key idea is to understand the consumer behavior when they watch TV.

The research aims to identify the factors of which induces or drive away the audience. The factors were brainstormed and converted into survey question and

were asked using the Likert scale. There were five main factors that was chosen to be conducted to show the motivation to watch TV in the survey. They are content richness, interactive TV, convenience in watching, family and friend influence, and awareness of the channel.

Firstly, it is quite logical that content should be a main part of the consideration. If a TV channel have good content, it should have a higher number of audience and rating. Conversely, if the TV channel have nothing but boring content all the time, it is bound to drive away the audience and the rating should fall. The convenience to locate the channel should also be another obvious motivation. Since if the channel is extremely difficult to locate or the audience had to undergo a long process of acquiring or watching the channel then they might give up or just forget about the channel regardless of whether content is interesting or not. Thirdly, the interactive TV is one of the popular model for past decade and have been widely implemented. There is a going trend that the social factor had been attracted to TV programs and channel that have interactivity and allow the audience to participate in. Some of the programs allow texting or voting mechanism through mobile phone. This have significantly increased in the audience in some of the program involving celebrities and singer worldwide hence it is worth considering that interactivity will contribute to the success in motivating the audience to watch a new program. Another aspect that might motivate the audience might be the peer and family influence. If a TV program is extremely popular and the talk of the town, it would have the potential to attract more audience for becoming viral. Viral is a factor that might contribute to the motivation of the audience when watching TV as well. The last factor is awareness. If the audience is aware of the program, it can induce the audience to watch. If there is lower awareness of the TV channel or program, then there might be less motivation to watch the new TV channels.

The factors were selected and drafted into 26 different questions that measured the importance of each factors. The questions were mixed to purposely not reveal the intention of the survey by asking about each factor in sequence. The answer was such as agree, disagreeing, strongly agree and strongly disagree.

- If a TV new program is popular in the news, I will watch it.
- I am more likely to watch TV program because it is talk of the town.
- I find that my friends and family influence my choice of TV programs.

- If a TV channel is popular in the social media, I will watch it
- If a new TV channel is having interesting content, I will watch it.
- I watch TV program because it is available in the live feed.
- I like watching new TV programs if I am aware of them.
- I watch TV program because it is convenient to find.
- I always watch TV programs where I can text or call the station
- If I can interact with the TV station, the content is not a top priority.
- Sometime I watch a TV program if the channel allows me to play games or telephone in.
- I am more likely to watch TV where I can interact with the station
- If my family recommend a TV new program, I will watch it.
- If my friend recommends a TV new program, I will watch it.
- If the TV channel that I usually watch is having boring content, I will stop watching it.
- If a TV channel has good content, I will regularly tune into that channel.
- I rarely watch TV channel if I have to put it extra effort to locate the channel
- I only watch a TV program if it is easy for me to locate the channel
- If a TV channel I like is difficult to watch, I will stop watching it.
- If a TV Channel is easy to find, I am more likely to watch it.
- If another TV channel is more interesting than the one I usually watch, I will switch.
- I find that if live program is more interesting than taped program
- If a TV channel has too many advertising, I will stop watching it.
- I like to explore other new TV channels to search for new TV programs
- I don't usually watch new TV program, if I am not aware of them.
- I only watch a TV channel because the program is interesting.

The survey was conducted with a sample size of 100 respondents using the Likert scale. The result was collected on each individual and analyzed using SPSS to explore the relationship what a factor have with each other. Factor analysis method was used to see the correlation that the respond had with each other to form a factor.

From the consumer behavior findings, initially, there were more than 8 factors, which contributed to the 69% of the variance. The number is can be reduce from eight to less than five according to scree plot analysis which converged in less than five factors. Meaning that the factor analysis will allow the factors number to be reduced to five or less without significantly reducing the total variance. Moreover, the components, which had eigenvalue less than one will is not significant so it is neglected. The purpose of factor analysis is to optimize and efficiently allow the TV channel positioning to be more accurate.

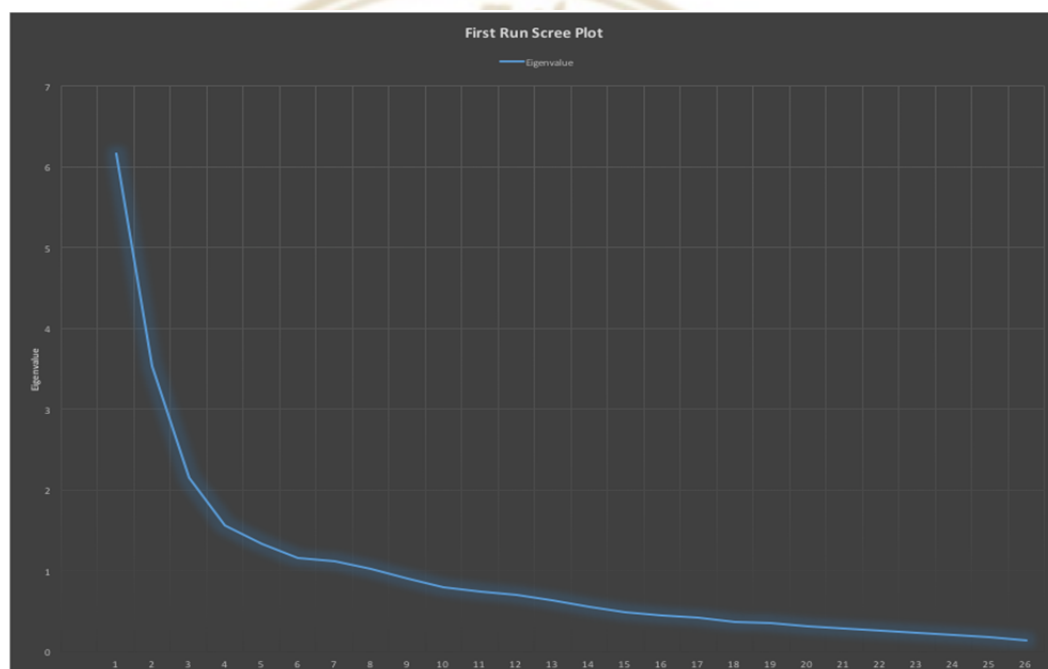


Figure 4.10 Scree Plot before factor analysis

In the scree plot of the first run result of the factor analysis, the graph converge at 5 factors hence the next process is to eliminate the factors and not hugely reduce the variance.

There are three criteria used when eliminating the questions. If they had a factor loading of 0.4 or less, they are eliminated. If the questions were not corresponding to the other questions in the same category, the factor is reduced since the number randomly correlate and it is hardly related to each other. If they are cross loading, the factor is also reduced. For example, the question “I am more likely to watch TV where I can interact with the station” was eliminated since it was cross loading with component 2 and 8.

Table 4.3 Rotated Component Matrix before factor analysis

Rotated Component Matrix ^a								
	Component							
	1	2	3	4	5	6	7	8
If a TV new program is popular in the news, I will watch it.	0.822							
I am more likely to watch TV program because it is talk of the town.	0.724							
I find that my friends and family influence my choice of TV programs.	0.651							
If a TV channel is popular in the social media, I will watch it	0.618							
If a new TV channel is having interesting content, I will watch it.	0.474							
I watch TV program because it is available in the live feed.	0.401							
I like watching new TV programs if I am aware of them.								
I watch TV program because it is convenient to find.								
I always watch TV programs where I can text or call the station		0.841						
If I can interact with the TV station, the content is not a top priority.		0.798						
Sometime I watch a TV program if the channel allows me to play games or telephone in.		0.739						
I am more likely to watch TV where I can interact with the station		0.556						0.530
If my family recommend a TV new program, I will watch it.			0.767					
If my friend recommend a TV new program, I will watch it.			0.703					
If the TV channel that I usually watch is having boring content, I will stop watching it.			0.598					
If a TV channel has good content, I will regularly tune into that channel.			0.439		0.421			
I rarely watch TV channel if I have to put it extra effort to locate the channel				0.839				
I only watch a TV program if it is easy for me to locate the channel				0.789				
If a TV channel I like is difficult to watch, I will stop watching it.			0.424	0.639				
If a TV Channel is easy to find, I am more likely to watch it.					0.753			
If another TV channel is more interesting that the one I usually watch, I will switch.					0.678			
I find that if live program is more interesting than taped program		0.433				0.667		
If a TV channel has to many advertising, I will stop watching it.						0.631		
I like to explore other new TV channels to search for new TV programs							0.791	
I don't usually watch new TV program, if I am not aware of them.							-0.755	
I only watch a TV channel because the program is interesting.								-0.740

In total, there were 11 factors that were eliminated and the total variance was sustained above 60%. In the table below shows that there are four components, which will explain for 60.6% of the variance. This is still an acceptable range. Hence the research reduced the factor number to 4 in order to explain for the motivation of the audience to watch new TV. In table 15 shows a concise table with only 4 components that will explain the motivation to watch TV with no cross loading.

Table 4.4 Total Variance after factor analysis

Total Variance Explained						
Component Number	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Eigenvalue	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.030	26.868	26.868	3.676	24.505	24.505
2	2.440	16.267	43.135	2.290	15.267	39.772
3	1.460	9.733	52.867	1.629	10.858	50.630
4	1.158	7.719	60.587	1.493	9.957	60.587
5	0.937	6.250	66.837			
6	0.872	5.812	72.649			
7	0.748	4.984	77.632			
8	0.646	4.309	81.941			
9	0.596	3.971	85.913			
10	0.543	3.623	89.535			
11	0.449	2.991	92.527			
12	0.342	2.277	94.804			
13	0.304	2.024	96.828			
14	0.275	1.832	98.660			
15	0.201	1.340	100.000			
Extraction Method: Principal Component Analysis.						

Table 4.5 Rotated Component Matrix after factor analysis

Rotated Component Matrix ^a				
	Component			
	1	2	3	4
If a TV new program is popular in the news, I will watch it.	0.823			
If my friend recommend a TV new program, I will watch it.	0.764			
If a TV channel is popular in the social media, I will watch it	0.700			
If my family recommend a TV new program, I will watch it.	0.679			
I am more likely to watch TV program because it is talk of the town.	0.655			
I find that my friends and family influence my choice of TV programs.	0.640			
If another TV channel is more interesting that the one I usually watch, I will switch.	0.602			
I always watch TV programs where I can text or call the station		0.858		
Sometime I watch a TV program if the channel allows me to play games or telephone in.		0.822		
If I can interact with the TV station, the content is not a top priority.		0.800		
I rarely watch TV channel if I have to put it extra effort to locate the channel			0.814	
If a TV channel I like is difficult to watch, I will stop watching it.			0.740	
I like to explore other new TV channels to search for new TV programs				0.748
I watch TV program because it is convenient to find.				0.624
I watch TV program because it is available in the live feed.				0.593
Extraction Method: Principal Component Analysis.				
a. Rotation converged in 6 iterations.				

There are a total of 4 components that was represented with the remaining 15 factors. They were having correlation with each other and it was logical since these question was representing the 4 categories that was a good representation of the motivation of the consumer who watch TV. These factors were grouped into the relevant categories as follow.

Table 4.6 Factors influencing motivation to watch new TV

Trendy	If a TV new program is popular in the news, I will watch it. If my friend recommend a TV new program, I will watch it. If a TV channel is popular in the social media, I will watch it If my family recommend a TV new program, I will watch it. I am more likely to watch TV program because it is talk of the town. I find that my friends and family influence my choice of TV programs. If another TV channel is more interesting that the one I usually watch, I will switch.
Interactivity	I always watch TV programs where I can text or call the station Sometime I watch a TV program if the channel allows me to play games or If I can interact with the TV station, the content is not a top priority.
Distribution	I rarely watch TV channel if I have to put it extra effort to locate the channel If a TV channel I like is difficult to watch, I will stop watching it.
Availability	I like to explore other new TV channels to search for new TV programs I watch TV program because it is convenient to find. I watch TV program because it is available in the live feed.

The result of the analysis was grouped into four variables. The variables were then generated to as independent variable. The dependent variable was the motivation to watch TV.

The function of motivation to watch new TV channel is governed by the trendy content, interactivity, distribution and availability. Motivation to watch new TV channel is a dependent factor and the variables are trendy program, interactivity of the program, distribution of the channels, and availability of the channels.

$$\text{Motivation to watch new TV channel} = f(\text{Trendy, Interactivity, Distribution, Availability})$$

The result was then computed to yield the regression

Table 4.7 R Square change regression of motivation to watch new TV

Regression					
Model Summary					
Model	Change Statistics				
	R Square Change	F Change	df1	df2	Sig. F Change
1	.197 ^a	5.276	4	86	0.001
a. Predictors: (Constant), Availability, Distribution, Trendy, Interactivity					

The R Square is moderate at 19.7% which means that the result can explain 19.7% of the motivation that consumers in Thailand watches TV.

Table 4.8 Function regression of motivation to watch new TV

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.309	0.372		0.830	0.409
	Interactivity	0.090	0.034	0.279	2.635	0.010
	Trendy	0.195	0.108	0.186	1.816	0.073
	Distribution	-0.066	0.086	-0.077	-0.766	0.446
	Availability	0.159	0.104	0.165	1.520	0.132

The distribution was statistically significant and hence the factor was eliminated. The Interactivity and Trendy factor was then compute again against the motivation to watch TV. Since the linear regression of the function which included availability and distribution was not statistically significant, the research reiterate the linear regression including just the trendy factor and interactivity.

$$\text{Motivation to watch new TV channel} = f(\text{Trendy, Interactivity})$$

Table 4.9 R Square change regression of motivation to watch new TV

Regression						
Model Summary		Change Statistics				
Model		R Square Change	F Change	df1	df2	Sig. F Change
1		.172 ^a	9.146	2	88	0.000
a. Predictors: (Constant), Trendy, Interactivity						

The adjusted R square was only little lower at 17.2% meaning that the function was explaining for 17.2% of the motivation of the audience in watching new TV.

Table 4.10 Function regression of motivation to watch new TV

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.411	0.308		1.338	0.185
	Interactivity	0.107	0.032	0.330	3.356	0.001
	Trendy	0.212	0.104	0.201	2.042	0.044

The new result was statistically significant for interactivity and trendy yielding this equation below.

$$\text{Motivation to watch new TV channel/Program} = 0.33 \text{ Interactivity} + 0.201 \text{ Trendy}$$

This means that by increasing 2 unit of interactivity with be equal to increasing the trendiness of the TV by 3 units. In another words, for the TV business to be successful, it will be worthwhile to consider investing the resource in positioning the TV channels or programs to broadcast trendy program as well as having interactivity. In order to boost the ratings as the result from increasing the motivation of the new audiences to watch new TV channel/programs. Therefore, the strategic positioning of the new TV channel should make emphasis on trendy content as well as offering interactivity in the TV programs/channels.

CHAPTER V

CONCLUSION

The research found out that there is still an opportunity in the TV business industry, which was represented by the case of Workpoint Entertainment plc. The Bangkok Post plc, the longest print media have yet to recover from the political crisis which was occurring in the 2014. On the other hand, Workpoint Entertainment plc had recovered.

The research compare two company with the media industry but from a different sector of the industry. Both of the companies were affected by the political crisis depression of Thailand in 2014. The TV channel company found itself to recover faster than a print company. Some of the reasons may be that, the losses of TV company might be finance through debt. The business can then be recovered after the political crisis which clamped down the TV media. However, the situation was not as easy for the newspaper and print business of Bangkok Post plc. The company had certainly face a slash in the advertising revenue due to business contraction over the past two years since the political crisis. It was directly affected by the economic and technological. The economic was not shining as bright as before, while consumer are heading towards the smartphone usage when it comes to reading the news. This resulted in the declining revenue for Bangkok Post plc.

Another challenge for Workpoint Entertainment plc was the government intervention of the TV business. In 2013-2014 period, the NBTC have commence the implementation of digital TV and have as the TV operator that were interested in the digital TV business. The operator had to bid for the license to operate the digital TV cost. This cost had been reflected in the operating cost of Workpoint Entertainment plc. The company had faced a challenging increase in the operating cost which didn't exist before 2014. The cost was so great in magnitude that the gross profit margin and operating profit margin of Workpoint Entertainment plc. This proved to be one of the challenging factor for Workpoint Entertainment plc. The television business operators were all facing the increment of operation cost since 2014. This challenges the whole industry as to how to manage this challenge.

One of the strategy that the research had recommended to resolve this problem was from derived from the angle of consumer behavior perspective. This means that if the TV business operator was able to understand and assess the motivation of the audience in selecting a new TV channel. It would then be able to raise its rating. With a higher rating the firm would have a higher bargaining power with its advertisers and eventually raise its airtime valuation which ultimately raise the revenue and the operating profit margin. This will increase the competitiveness of the TV channel. Regardless of income of the audience since most national TV channel will have a mixed group of audience and it does not constitute for one specific type of program for a specific type of segment since most of the program is classified by the NBTC that they are suitable for all group of audience in terms of censorship.

The factors that was selected to run the model was the awareness of new program, interactivity, convenience to watch, peer influence and quality of content. From more than 100 respondents, there was a strong correlation between the peer influence and interactivity. With adjusted R square of almost 20%, means that the research would be able to moderately explain the consumer behavior of the people who decides to watch TV.

The regression analysis was deployed to identify that the peer influence meaning the trendy content was the most important people when it comes to selecting a new TV channel or exploring a new TV program. Second, the interactivity TV which have been introduced in the last decade is another motivation factor that the consumer looks at when selecting a new TV channel.

The usefulness of this output is that the information would help the TV business operator align integrate this information into the strategy of the company in the product positioning. The consumers are more attract to the consumers that their peers and family are more attracted to means that the content must be trendy and up to date. This means that if the TV channel can create a program that is the talk of the town, it would exponentially increase the number of users. Since the effect of the peer influence would mean that the TV channel will receive much more audience in the short amount of time since the peer influence will spread and people will start watching and the news will spread even more. This can become a domino effect. The domino effect will help the TV channel thrive in the industry. Further study should be made on the factor to investigate whether people will start talking to other people once they watch something that they like.

This will help to know whether the extend of exponential growth. For example, if one person watches the TV channel they like, they talk to their peer. According to the regression, their peer will watch the TV but the big question is that will their peer further spread the word or does it stops there. Another further study that should be made is the effect of the sphere of influence in the aspect of how long it would last. Meaning that the popularity of the program will come and go. The result can be utilized to make a perceptual map that gives useful insight for Workpoint Entertainment in comparison with its competitors. As shown in the perceptual map, most of the national TV channels have not adopted the positioning of the interactivity TV yet and there are just two of them who have explored the aspect of trendy content. There is a lack of trendy and interactive TV program, which is a good strategic positioning for Workpoint Entertainment plc. An example for such TV program may be game show that allows participants at home to text into the program where the audience at home can appear on TV screens as avatar and the responds from the viewers at home will be shown on TV and quiz and game show can incorporate the celebrity as well as net idols who are the talk of the town at the moment. According to the research, this type of strategic positioning programs will increase the motivation of audience to watch and will generate higher rating points resulting in higher competitive advantage for Workpoint Entertainment plc.

Extended research could be made to see the duration of harvesting the opportunity of the growth. This will lead to maximization of profit as well as the sustainability factor of the company. For example, a TV program is successful and have become popular, the importance is to know how long it will stay popular and when will the luster fade. This also depends on whether the popularity includes the interactivity or not. The TV program that allows interactivity can also help to predict the lasting of the sphere of influence from the magnitude of the interactivity. If the interactivity is falling, it certainly means that the eyeballs and the interest is in the decline stage.

The interactivity TV can be created using technology of mobile phone and application. It can include but not limited to texting, call-in as well as the application services. This can also be another revenue stream of the business. If the TV operator integrate it effectively, it can be used in also influence their peers and family to watch the channel and program more often.

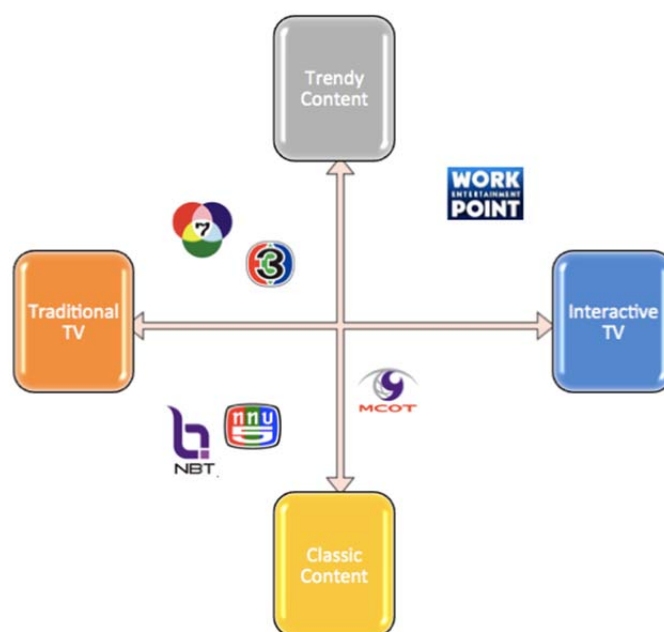


Figure 5.1 Perceptual Map for Workpoint Entertainment plc

The integration of the factors that affect the television channels is a ladder up to the step of success in operating a TV business. Of course the TV business operator needs to stay vigilant and anticipate for the change. The TV business should also invest in increasing their core competencies. After all, the worst investment is to not invest at all.

Although the research has reached its aims, there were some unavoidable limitations. Firstly, the research had limitation related to the scope of companies chosen. To study the TV industry, the research picked Workpoint Entertainment plc to represent the attractiveness of the TV industry for the new entrant. With the lack of access to data, it was an advantage to choose a public listed company due to easy access to the financial statement. Secondly, the research and the dependency of the small sample size of the quantitative data. There were over a hundred respondents mostly in Bangkok. The questionnaire was designed to measure the audience's motivation towards watching new TV channel, it didn't account for the different demographic groups as it assumes that the new TV channel would be a variety type of TV channel suitable for all ages. Since most of the new TV channels have different programs running at different time, the research assumes the channel to be suitable for all age as they run different programs at different time.

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