THE WAY WE WATCH
By James Surowiecki

In the next few weeks, Trista the bachelorette will finally choose her man, Joe Millionaire will come clean, Demi Moore will play an ex-babysitter on "Will & Grace," and "Dateline NBC" will devote a full, solemn hour to the medical marvel that is Michael Jackson's face. And to what do TV viewers owe such munificence? To the advertisers' hunger for information about who watches what, a hunger that manifests itself, four times a year, in a monthlong viewer-data harvest known as "sweeps."

When advertisers are deciding which shows to buy time on, they want to know not just how many people are watching but what kinds of people, too. So Nielsen Media Research has wired five thousand American homes with electronic "people meters," which enable it to collect national ratings and demographic information on behalf of the major networks. The networks, in turn, use that information to sell national advertising.

Not all the ads you see are national, though. A sizable percentage are tailored to local markets-think Fudgie the Whale or Wiz Bucks, in New York-and local advertisers also need demographic information. The problem is that Nielsen doesn't have people meters in each of America's two hundred and ten television markets. So those people meters don't tell local advertisers what local folks are watching.

This is where sweeps come in. The sweeps system, which originated in radio, has been around for almost fifty years, and it shows. Every February, May, July, and November, Nielsen sends out 2.5 million paper "diaries" to randomly selected people in almost every TV market in the country and asks them to record, for a week, what programs they watch. The networks' local stations-the affiliates and local advertisers then use the information from those diaries to negotiate ad rates for the months ahead. Each year, sweeps determine how more than twenty billion dollars in ad money gets spent.

There are three important things to know about sweeps. The first is that they are deeply flawed, and of little use, in the end, to the networks, the advertisers, and the viewers. The second is that everyone in television knows this. The third is that no one has done anything about it. "They're just an unwelcome phenomenon we have to deal with every three months," David Poltrack, the head of research at CBS, says. "I don't know anyone who thinks they're good for the business. But, for now, we're stuck with them."

What's wrong with them? To begin with, they force the networks to rely on "stunt" programming-to pack their schedules with outrageous specials, celebrity appearances, and expensive movies. The more juicy stuff the networks pack into sweeps months, the less they can afford to put on during the rest of the year.

Advertisers, for their part, wind up paying for ratings that often reflect only this stunt programming. "Because the networks and the local stations are so savvy at hyping the ratings, sweeps are a sham, a subterfuge," Allen Banks, executive media director at Saatchi & Saatchi, North America, says. "The picture they give you is anything but typical of what's going on the rest of the year." The diaries are faulty, too: only a third of those which Nielsen distributes get filled out, which raises the problem of what's known as "cooperator bias" – the kinds of people who are likely to fill them out may watch different shows than the rest of us do. Also, people often fill them out days later, and who remembers what they watched last Thursday? (Um ...

"E.R."?) The diaries are also no good at chronicling the restless viewing habits of channel surfers. For advertisers, though, flimsy data beats no data at all.

The obvious alternative would be those Nielsen people meters, which require no longhand and no memory and track in real time what people are watching. So why doesn't the TV industry switch over? The impediment is what the late economist Mancur Olson called the problem of collective action, a phenomenon familiar to anyone who has ever tried to get neighbors to pitch in on building a fence. Almost all the players in the TV business would be better off if they got rid of sweeps, but people meters are expensive, and no single player would benefit enough to justify spending the money it would take to set them up nationwide. Everyone waits for someone else to take care of it, holding out for a free ride. So nothing gets done.

There is one constituency that still likes sweeps: the affiliates, who wield an inordinate amount of power in the TV world. The diary system favors recognizable names and networks. "The affiliates' ratings are likely higher under the current system than they would be under a different system," Poltrack says, "so they have no incentive to change." Indeed, whenever people meters have been introduced, the affiliates have wound up with worse ratings.

And so we have the curious spectacle of multinational media conglomerates like Viacom and Disney bowing to the needs of little stations in Fort Wayne and Sioux Falls. Such local influence recalls the automobile business. Auto dealers like to have full lots, so the big automakers have to carry months of inventory. The dealers don't like competition, so the automakers are prevented by law, in most states, from selling to customers directly. As a result, the automakers have had a hard time adopting just-in-time or buildto-order manufacturing; their way of making and selling cars has scarcely changed since the days of Henry Ford. Similarly, the TV networks are stuck in an arrangement that dates back to Milton Berle. "In an ideal world, we'd have one rating that measures what people all over the country are really watching," Banks says. "Quite frankly, it'll never happen." The television will not be revolutionized.

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