The televote price dilemma

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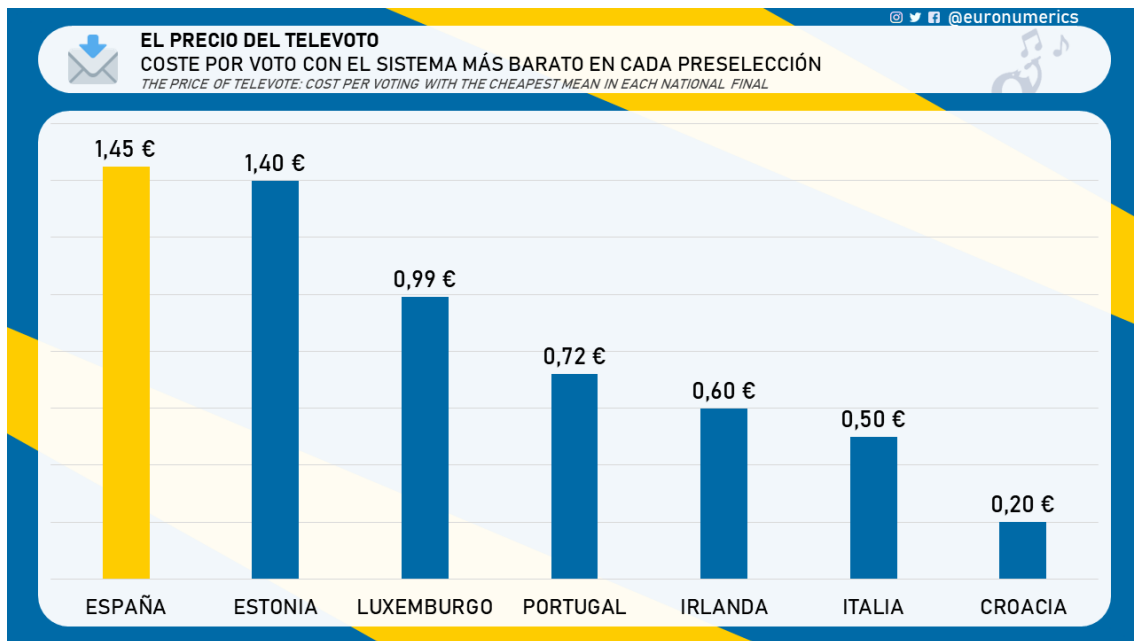
Much has been said about the price of televoting during BenirdormFest and the low levels of participation. For this blog we use economic concepts to understand the impact of price on televoting. What is the price in other countries? What happens if the price changes? And more importantly, what is optimal? That's rich!

THE PRICE OF TELEVOTING IN SPAIN AND THE REST OF EUROPE

The price of televoting at BenidormFest has remained constant in its 3 editions: €1.45 for SMS and calls at €1.45 from a fixed network and €2 from a mobile network, all of these prices including taxes. If we take inflation into account, 5.8 in January 2023 and 3.4 in January 2024; the tax collectors have not wanted to recover purchasing power by raising the price in accordance with inflation. Regarding consumers, given the increase in salaries, it has become more accessible to vote, but as inflation has increased the rest of the prices in a greater proportion, our savings have been reduced as well as spending on a *luxury good* such as voting at the BenidormFest.

Regarding the number of votes received, in the 2022 final the contest debuted with around 192,000 votes (of which around 130,000 were for Tanxugueiras), while in 2023 there were around 35,000. This year its decline has continued and has not even reached 26,000. That is to say, on the price side, not having raised them according to inflation has not encouraged the consumption of votes. They have also decreased compared to 2023 despite the increase in viewership.

To make a comparison at a European level I have taken a bath of preselections to locate the cost of voting in some of them. Surely you can include some more. The following graph shows this compilation of 7 European preselections, such as *Sanremo* or *Eestilaul*. In each case the cost of the cheapest means is shown, which in all the examples has been by SMS and in the cases where I have been able to assume it, with taxes included.

EL PRECIO DEL TELEVOTO
COSTE POR VOTO CON EL SISTEMA MÁS BARATO EN CADA PRESELECCIÓN
THE PRICE OF TELEVOTE: COST PER VOTING WITH THE CHEAPEST MEAN IN EACH NATIONAL FINAL

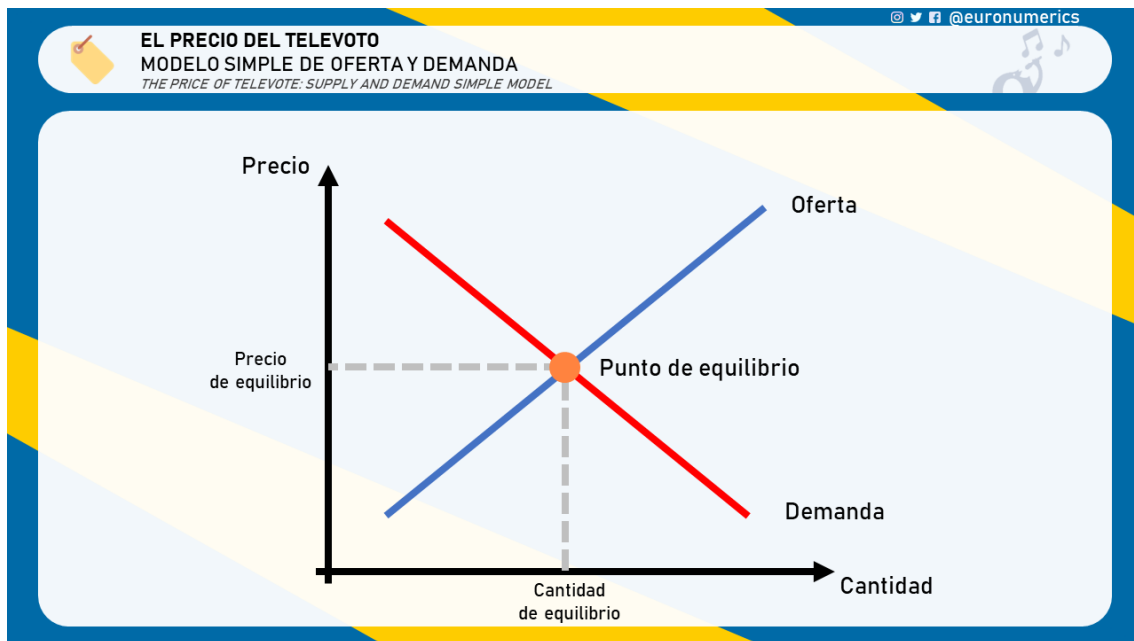| ESPAÑA	ESTONIA	LUXEMBURGO	PORTUGAL	IRLANDA	ITALIA	CROACIA
1,45 €	1,40 €	0,99 €	0,72 €	0,60 €	0,50 €	0,20 €

The cost of voting has a wide range, from 0.20 cents at the Croatian Dora to the BenidormFest and its €1.45. That is, voting in Spain is 7 times more expensive than voting in Croatia. It is true that for a more rigorous analysis we should take into account variables such as the wealth of each country, the audience or the financing of the TVs themselves.

However, it is striking that the cost of voting in the Portuguese *Festival da Cançao* is half that in Spain or a third in the Italian *Sanremo*, these countries being more similar to ours.

THE EQUILIBRIUM POINT: SUPPLY AND DEMAND

In the capitalist world in which we live, prices are decided in markets, understood as the place where supply and demand meet. Supply is what producers are willing to offer according to prices and is largely defined by their costs. Demand, on the other hand, is what consumers are willing to consume according to prices and is given by tastes and preferences, among others.

EL PRECIO DEL TELEVOTO
MODELO SIMPLE DE OFERTA Y DEMANDA
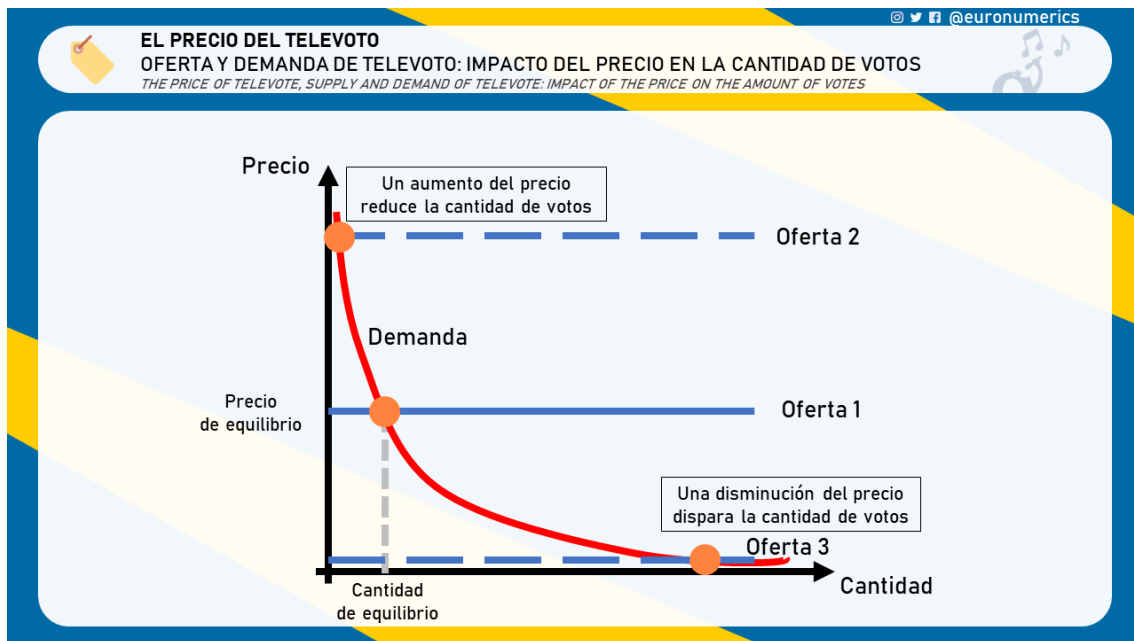*THE PRICE OF TELEVOTE: SUPPLY AND DEMAND SIMPLE MODEL*

Where supply and demand intersect is called the equilibrium point. This is the point at which, as if it were a negotiation, supply and demand agree on a price and quantity. This is how the price of all types of goods such as your mobile phone, your morning coffee or Eurovision tickets is set.

This is what is represented in the previous image and is the basis of multiple, much more complex economic models.

THE TELEVOTING MARKET: A SENSITIVE DEMAND

The previous model is a simplification. But what is supply and demand like in the televoting market? The offer, in the short term, is actually the price that the organization establishes. No matter how many messages and calls can be received, the price is the same in any case.

Therefore, we can represent this offer as a straight horizontal line: the price is the same no matter how many votes are sent.

EL PRECIO DEL TELEVOTO
OFERTA Y DEMANDA DE TELEVOTO: IMPACTO DEL PRECIO EN LA CANTIDAD DE VOTOS
THE PRICE OF TELEVOTE, SUPPLY AND DEMAND OF TELEVOTE: IMPACT OF THE PRICE ON THE AMOUNT OF VOTES

The demand is much more elaborate. Demand is an aggregation of all users and their conditions. Without a doubt one of the most important elements will be the level of wealth of all the plaintiffs. In Spain, the middle class is the most common, 55% according to OECD data. Therefore, the demand curve describes the shape seen in the image below, convex at the origin.

This form of demand implies that a price variation greatly affects supply when it includes or excludes these middle classes. The more affordable the price becomes, the more the number of votes received will skyrocket, but this increase will be greater when it reaches the majority of the population.

In this sense, the price acts as a bias in the economic level and excludes the less well-off classes from being able to participate in televoting.

Obviously there are more factors that can influence demand, such as interest in the contest or the perception of the usefulness of televoting, which is one of the aspects that is also questioned today.

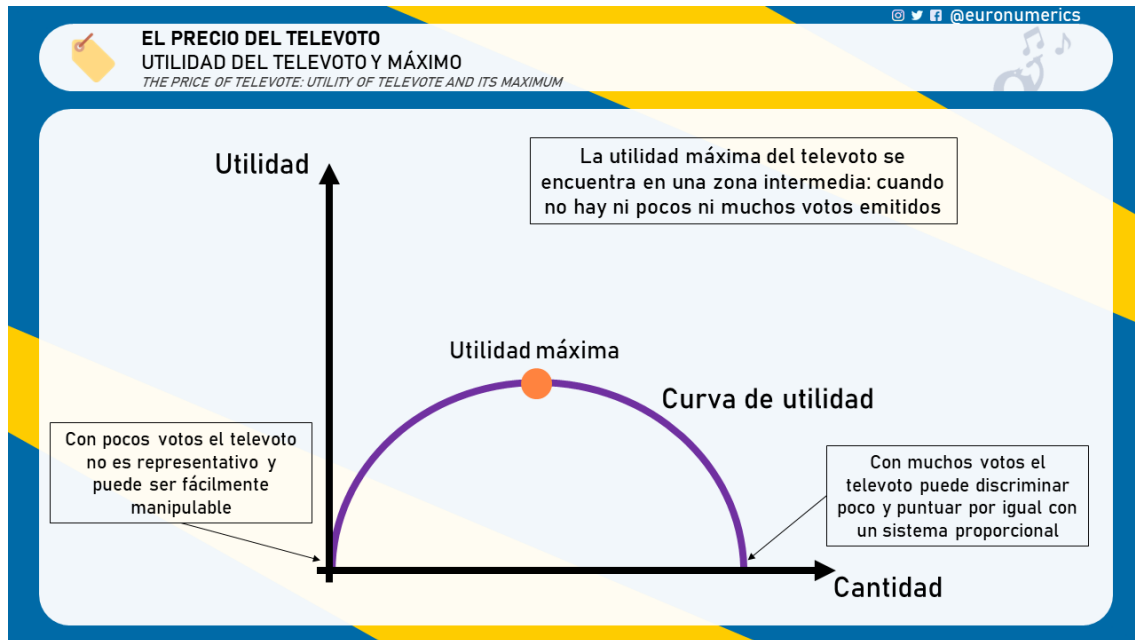TO KNOW MORE... THE IMPACT ON EUROVISION

This ESCInsight article from 2023 Estonia's Expensive Televote And How It Changes The Contest looks at the impact of the high price of televoting in Estonia, compared to the rest of Europe, and the effect on the songs Estonians vote for in Eurovision.

THE DILEMMA OF TELEVOTING: THE UTILITY

Another concept widely used in economic theory is utility. Imagine that you have just finished running a marathon and you are thirsty. The first drink of water will give you enormous satisfaction and the next one will surely do the same. But from a certain point you will begin to

be satiated and drinking something else will not bring you much benefit, to the point that if you continued drinking it could make you feel bad.

In the following graph we have represented the utility and quantity of a consumed good, such as the votes cast at the BenidormFest. Let's study what the inverted U shape of this utility function implies.

EL PRECIO DEL TELEVOTO
UTILIDAD DEL TELEVOTO Y MÁXIMO
THE PRICE OF TELEVOTE: UTILITY OF TELEVOTE AND ITS MAXIMUM

Utilidad

La utilidad máxima del televoto se encuentra en una zona intermedia: cuando no hay ni pocos ni muchos votos emitidos

Utilidad máxima

Curva de utilidad

Con pocos votos el televoto no es representativo y puede ser fácilmente manipulable

Con muchos votos el televoto puede discriminar poco y puntuar por igual con un sistema proporcional
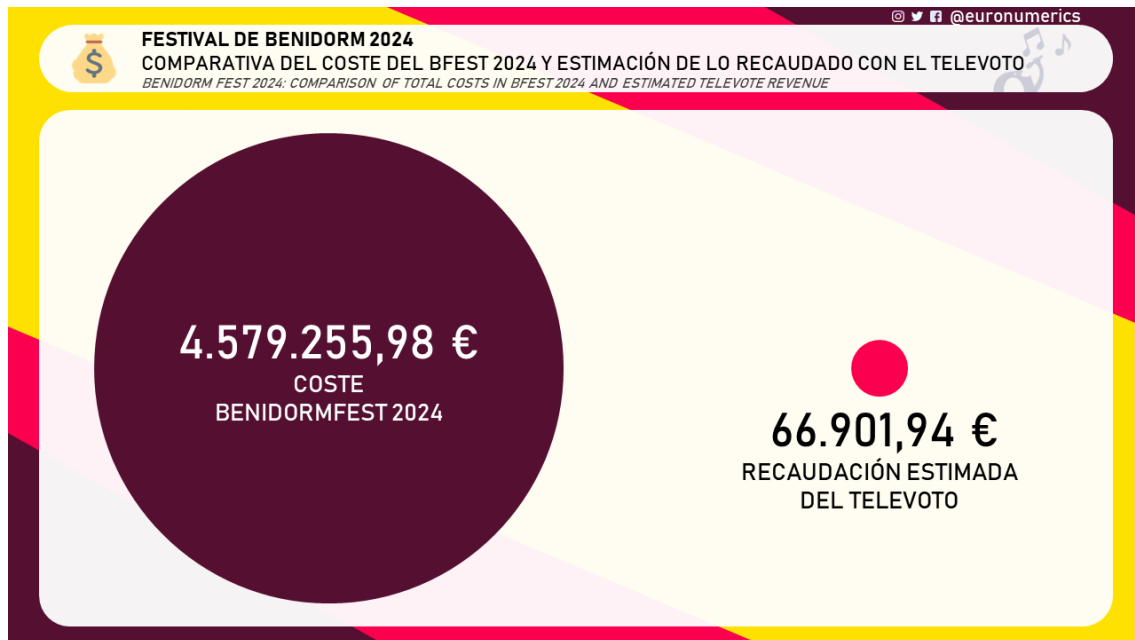
Cantidad

If only one person voted, televoting would be useless, it would not represent Spanish society. This is what could happen if the price of televoting is very high and only 3 or 4 rich people vote (the economic bias that we mentioned before). Furthermore, the marginal effect of each vote is greater the smaller the total number of votes. This means that a single vote can change the percentages more, the fewer votes there are, promoting corruption. In short, a scenario with very few votes is undesirable, and the more we move away from it the more votes we receive.

On the other hand, a huge number of votes received can also be problematic. If televoting were free, there is a risk that forums or mafias will be organized to massively and fraudulently support a candidate and the real vote will be diluted. In Spain we already know about these things. The lack of discrimination of televoting is another consequence of mass televoting. Examples of this are the online televoting for Junior Eurovision or the Melodifestivalen a few years ago. Their proportional points distribution systems barely allowed televoting to have an impact on the result because the percentages were very similar between all the candidates. At Melodifestivalen this was solved by creating age groups. Finally, a high number of votes can discourage voting when it is perceived that it will not be of any use as it will be difficult to change something (minimal marginal effect).

In short, a nice dilemma.

AND WHAT IS OPTIMAL?

As we have seen, a very expensive televote only generates inconveniences, even for the organization itself if it fails to achieve the desired fundraising. A free or very cheap televoting has the advantage of being an absolute democracy, which does not exclude the less wealthy economic sectors, but which can attract other vices that corrupt the result.

FESTIVAL DE BENIDORM 2024
COMPARATIVA DEL COSTE DEL BFEST 2024 Y ESTIMACIÓN DE LO RECAUDADO CON EL TELEVOTO
BENIDORM FEST 2024: COMPARISON OF TOTAL COSTS IN BFEST 2024 AND ESTIMATED TELEVOTE REVENUE

4.579.255,98 €
COSTE
BENIDORMFEST 2024

66.901,94 €
RECAUDACIÓN ESTIMADA
DEL TELEVOTO

Finding an optimum in this situation is as difficult as knowing what is optimal. Like when we were talking about voting systems: there is no perfect system, but some are more perfect than others.

The optimum seems to be an intermediate point or an incentivized price, for example, if a higher value is given in the contest, if the funds are allocated to a social purpose, as is the case of the Melodifestivalen, or if access to the vote is easier, via application. You can also play with quantities: such as limiting the number of votes per person, although effective implementation would require more expensive means.

Price is important, but not the only tool to achieve the audience participation that we consider socially acceptable.

I wanted to make a blog like this, without so many numbers and leaving space for thinking and theory. It seemed to me an excellent opportunity to introduce some economic terms that may be interesting to broaden the study. As usual, in this blog we do not reach closed conclusions but rather leave the debate open. Will we see any changes for BenidormFest 2025? How could the result of televoting be optimized? If you liked this blog, don't forget to leave your comment and share it!