



**Telecom Regulatory Authority of India
(TRAI)**

**Consultation paper
on**

**Policy Guidelines for Television Audience Measurement (TAM)/
Television Rating Points (TRP)**

28th March 2008

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Preface

Television Audience Measurement (TAM)/ Television Rating Points (TRPs) have been in existence in India since 1993. Largely of interest to advertisers, broadcasters and media agencies who invest substantial amounts based on the ratings services; they have come up for greater public scrutiny only now; although concerns about their reliability had been expressed earlier as well. The advertisers' decisions, programme scheduling and even programs available to the public are all affected by the ratings based on a small sample. Viewer's likes and dislikes and interests largely remain unaddressed. Given the implications on scope, schedule and even content of programmes, the larger perspective of audience cannot be ignored. The impact of the visual media and its ever increasing reach and significant amounts riding on it, has necessitated a re-look at the issues like reliability, comprehensiveness and accountability of ratings. A reference has been received from the Ministry of Information and Broadcasting seeking recommendations of the Telecom Regulatory Authority of India (TRAI) on the several issues related to TRP Ratings and policy guidelines to be adopted for ratings agencies. Accordingly, a consultation process has been initiated to obtain views of the stakeholders on the various issues. **Quality benchmarks measuring audience impact are not part of this consultation.**

Television ownership is growing fast. From 88 million homes with televisions in 2000, there were 112 million households in the country at the end of April 2006 as per National Readership survey (NRS) 2006. While the number of channels has exceeded 300, the coverage of rural areas is only 55% of the total TV homes. The number of TV channels is expected to increase to 465 by the end of the 11th five-year plan.

Reliability of audience measurement reports both from the perspective of viewers and competitive relations between broadcasters have been of concern to the Regulators in most countries. Internationally, countries have largely come up with self-governing, not-for-profit institutions drawing membership from both advertisers and broadcasters that are responsible for, inter- alia, administering a reliable system of accreditation for broadcast audience measurement services. Ratings agencies are not allowed to be members of such bodies. Should this model be followed in our country as well; should

there be an oversight body or should the TRP ratings and rating agencies be governed by some Standards prescribed and monitored by the regulating bodies? This consultation paper raises these issues and others relating to policy framework surrounding the TRP ratings and ratings agencies.

The Telecom Regulatory Authority of India (TRAI) solicits the views of all stakeholders on the issues raised in the consultation paper. Based on these inputs, TRAI would give its recommendations to the Ministry of Information & Broadcasting for efficient conduct of the ratings market. This paper is also available on TRAI's Web Site www.traigov.in

The stakeholders are requested to send their comments and views preferably in the electronic form on the various issues mentioned in the paper by 21st April 2008. In case of any clarification / information, please contact Smt. Sadhana Dikshit, Pr. Advisor (FA & IFA), Tel.No.+91-11-23221856, Fax: +91-11-23235249 or e-mail at sadhanadikshit@traigov.in or shekharjao@gmail.com

28th March, 2008

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Chapter- 1: Introduction

1.0 Background

1.1 The Ministry of Information & Broadcasting, Government of India, has sought recommendations of TRAI on the system of Television Audience Measurement (TAM)/ Television Rating Points (TRPs) and the policy guidelines to be adopted for Rating Agencies. A copy of their letter is at Annexure-A. TRPs are used by Advertisers, Broadcasters and Production houses. Broadcasters and Media agencies are constantly competing with each other as well as amongst themselves for higher TRPs, for on these rides the ad spend and programme scheduling, and very often the content too gets determined by the TRPs, taking TRPs as an indication of the viewers likes and dislikes. Ratings often also influence pricing of channels. With the impact of the visual media on the social fabric through content creation and programme scheduling, issues of accountability, transparency and objectivity in ratings cannot be completely ignored. False and misleading ratings therefore can hurt not only the broadcasters and the advertisers but also the viewing public as well.

1.1.1 TRAI is examining this reference under Section 11 (1) (a) (iv) and (vii) of the TRAI Act 1997. This consultation paper is being issued by TRAI to have the benefit of the views of the stakeholders before it gives its recommendations to the Government.

1.2 An overview of the Indian Television

1.2.1 Television in India has been in existence for nearly five decades now. The first telecast in India was started by Doordarshan (DD), the National Television Network of India, on September 15, 1959 in New Delhi. In the first 17 years, its spread was slow but steady and transmission was in black & white. Sales of TV sets, as reflected by licenses issued to buyers were just 676,615 until 1977.

- 1.2.2 The last two decades have seen Television come to the forefront with an impressive development in the numbers, channels and delivery platforms, drawing support from technological innovations and new policies. The 1982 Asian Games hosted by India brought with it colour TV introduced by state-owned broadcaster Doordarshan. DD then proceeded to install transmitters nationwide rapidly for terrestrial broadcasting. In this period no private enterprise was allowed to set up TV stations or to transmit TV signals. Then in the early nineties came the broadcast of satellite TV by foreign Channels like CNN followed by Star TV and a little later by domestic channels such as Zee TV and Sun TV into Indian homes.
- 1.2.3 Over the last few years, the number of channels being offered on cable television has also rapidly increased. From two channels prior to 1991, Indian viewers were exposed to more than 50 channels by 1996, and are at 313 as on 16-01-2008 as per information available through uplinking and downlinking guidelines. The number of channels is expected to reach 465 by the end of the 11th Plan. The current phase of development of digital broadcasting will further increase the number and nature of TV services offered.
- 1.2.4 As per National Readership Survey (NRS), 2006 there were 112 mn homes owning television (industry estimates presently 120 million TV homes), 55% of which were rural. Homes with cable and satellite have increased by 12% from 61 million to 68 million with 29 million being rural. Cable and satellite (C&S) has now penetrated 57% of all TV homes over the previous year. Of the 44 million Terrestrial TV homes, 11 million are Urban and 33 million rural. Homes with colour TV have increased from 58 million to 64 million in 2006. The increment of 10.4% runs parallel to the growth in C&S.

1.3 Delivery Platforms

- 1.3.1 Apart from the terrestrial network of Doordarshan and the newly emerging technologies like IPTV, Mobile TV etc, there are at present basically two delivery platforms available for distribution of TV channels to the

subscribers, namely, the cable TV distribution network and the Direct to Home (DTH) service. DTH and IPTV are addressable and digital platforms, whereas the cable distribution is mostly un-addressable analogue platform, except in the notified areas for Conditional Access System (CAS). CAS has been rolled out in Chennai and in CAS notified pockets of Delhi, Mumbai and Kolkata. Voluntary CAS is also being offered at a few places in the country. A new licensing framework for Headend-in-the sky (HITS) another digital platform is also in the process of being notified. Convergence of technologies is redefining TV viewing. Technological upgradations are therefore constantly required in the measurement devices and through sampling designs to take care of these developments.

1.4 Rating Services in India

1.4.1 Initially, the only data available and followed was Doordarshan Audience Ratings (DART), collected by DD's audience research unit through its 40 Kendras and 100 All - India Radio stations. In 1994 ORG-MARG's INTAM (Indian National Television Audience Measurement) was established. INTAM's sample size was miniscule and restricted to major cities. While INTAM was in operation, a second rating agency TAM was formed in 1998. A Joint Industry Body (JIB) comprising representatives from the Indian Society of Advertisers (ISA), Indian Broadcasting Foundation (IBF) and Advertising Agencies Association of India (AAAI) worked closely with TAM in technical matters.

1.4.2 In 2001, both INTAM and TAM were formally merged. It was only in 2004 that another rating agency, Audience Measurement and Analytics Ltd. (aMap), started operations in India.

1.4.3 TV ratings on a commercial basis are now being done by the two agencies; TAM and aMap. However, their operations are limited to a few large cities with a population above one lakh and none of the two agencies covers the state of J&K. Within big cities too, their sample size is limited to about 7000 (TAM) and 6000 (aMAP) metered homes. Roughly, 30,000 respondents from large urban centres represent 120 million viewers,

assuming five members per household. As such the rural areas and towns with a population less than a lakh, which constitute over half the population having access to Cable & Satellite channels and three-fourths of those getting DD channels, do not get measured at all

1.4.4 While the issues relating to the rating services are valid in themselves, the core issue sought to be discussed in this consultation paper is whether there is a need for some kind of Governmental regulation for such television rating agencies, or whether such rating exercises are best left to the industry initiatives. In case a need is felt for the Governmental regulation, then the scope of such regulation would need to be clearly identified, i.e. whether it should be a light touch or a heavy handed regulation etc. There is much to be said both for and against such Governmental regulation. For example, those who are for some form of regulation may point out that city centric ratings may lead to programming with distinct urban biases, ignoring the likes and dislikes of a substantial rural population. On the other hand, those who are against such regulation may argue that advertisers and broadcasters, who put in thousands of crores of Rupees each year into advertising and programming, are the best judges of the credibility of rating services, and they are in a better position to ensure that rating agencies do a good job. They would, therefore, argue that the responsibility of ensuring credibility and reliability for the rating services is best left to be tackled through industry initiative. Indeed, there has been some forward movement in this regard.

1.4.5 The recently formed Broadcast Audience Research Council (BARC) is a voluntary effort of leading industry associations of the broadcasters, media and advertising sector to oversee and control the TV audience measurement system in India. BARC will be a not-for-profit body under section 25 of the Companies Act, 1956 with an equal representation (four members each) from Indian Society of Advertisers (ISA), Indian Broadcasting Foundation (IBF) and Advertising Agencies Association of India (AAAI).

1.4.6 The objective of BARC is to provide accurate, up-to-date and relevant research relating to television (to begin with) and other audio/video media in a completely transparent and objective manner and at a reasonable cost to users. The basic thrust of BARC for rating research, is that it should be truly representative, robust and transparent.

1.4.7 BARC is planning to adopt the Broadcasters' Audience Research Board (BARB) model of UK. At present it is conducting baseline study to know the size of TV viewer's universe. After completion of baseline study, it plans to conduct rating research for its members, by awarding contract to rating agencies as is done by the BARB in UK.

1.5 Importance of the Ratings

1.5.1 With the growth in the number of channels and the growth of regional, kids and news channels, the task of both broadcasters and advertisers in retaining viewers has become increasingly difficult. According to some estimates, nearly Rs.6,600 crore of air-time buying and selling is done by big media and corporate entities on the basis of TAM ratings. TRPs are used by media buyers, broadcasters, media users. Somewhere the viewer who is the prime stakeholder is lost sight of. What is of interest to a small number determines what people really get to watch.

1.5.2 Advertisers want to be associated with programs which attract audiences and which fit their image and marketing objectives. Programmers want to purchase and commission such programs to sell time to the advertisers. Schedulers want to arrange programs such that they maximize these selling opportunities. Although television broadcasting as a medium is most expensive, it reaches out most extensively to viewers who are also potential customers. In India, TV Advertisement Revenue constituted 41% of total ad revenue of Rs 163 billion in 2006¹ showing a growth of 22% over 2005.

¹ Source: Industry Estimates compiled by ADEX India, division of TAM Media Research.

1.5.3 Another issue that needs to be looked into is the technology that can transmit information on real-time basis reducing chances of tampering. The requirement to provide a detailed disclosure of the measurement methodologies is likely to have the effect of improving the reliability of audience measurement reports.

1.5.4 Television content is a highly differentiated product class covering many genres. Viewer tastes are heterogeneous, with preferences differing across individuals and each viewer typically enjoying many genres. Diversity is also important to provide expression of plurality of opinions and culture. With each channel vying to target the same genre seeking to maximize its advertising funding, less popular genres tend to be left unserved while popular ones get duplicated. The importance of ratings in determining viewer preferences therefore becomes extremely important. With advertising funded television, the programmers concern is not on how strongly the viewers like a programme but only on how many of them watch it.

1.5.5 In the broadcast sector, merely meeting the viewers' current demands is not sufficient to maximize social welfare. A number of arguments for intervention in broadcasting arise from externalities associated with television viewing. If large numbers of people watch certain kinds of programmes, this affects the wider population.

1.5.6 According to one view, there are shortcomings in the present system of Television Rating Points (TRP). The inadequacies of the present system results in disproportionate weight-age being given to viewer-ship pattern of a small sample of viewers. The perceived ill effects of such skewed ratings are:-

- (a) The broadcasters focus more on producing content which is popular in their perception. The perception of broadcasters is based on the Television Rating Points (TRP). However, if the ratings are skewed, then such a system would promote production of content which may not really be popular.

- (b) The broadcasters fix the rates for advertisement spots for different programmes based on the popularity of such programmes as reflected by Television Rating Points (TRP). A non representative rating system will result in advertisement rates for more popular programmes being less than the advertisement rates for less popular programmes.
- (c) The advertisers devise their media strategies based on the Television Rating points (TRP). If the ratings do not reflect the viewer-ship pattern accurately, then there is a likelihood of the advertising campaign missing its target viewers.

1.5.7 The Television Rating Points (TRP) are somewhat similar to exit polls done by psephologists, credit rating done by credit rating agencies (like CRISIL and ICRA) and reviews of various movies written by different columnists in print media. The exit polls are not regulated in the country although there are some restrictions on disseminating the results till all phases of voting are over. The reviews of various movies written by different columnists are not regulated at all. The same movie may get rave reviews in one publication and may get trashed by another. As against this, the credit rating agencies are regulated by the Securities and Exchange Board of India (SEBI). SEBI has issued “The Securities and Exchange Board of India (Credit Rating Agencies) Regulations, 1999” dated July 7, 1999 for regulation of credit rating agencies (<http://www.sebi.gov.in/acts/CreditRatingAgencies.pdf>). However, evidently, the credit rating agencies carry a far greater responsibility because ordinary people invest their hard-earned money based on such credit ratings. This is not at all the case with television ratings.

1.6 Some of the Issues raised in the context of the present ratings system

- **Limitations of sample size:** Inadequate representation of the plurality of the platforms, regions, rural and small towns to reflect correctly the viewership.
- **Reliability of the ratings:** A lack of transparency in the method adopted for selection of the households and confidentiality of the names of the panel households so as to exclude all possibilities of 'induced' viewership as well as tampering with the data.
- **Lack of Validations:** The ratings are not subjected to any validity tests. There is no independent audit carried out on the methodology adopted by the rating agencies for determining the sample and the procedures followed for arriving at the final results.
- **Measurement methods:** Inadequacy of the measurement methods to capture viewing across different platforms and availability of real time ratings through unobtrusive means rather than weekly.
- **Inadequate competition:** There is little or no competition in the rating services. Although the sector is unregulated, it could only bring in the second agency in 2004 which brought in a higher coverage.
- **Ownership issues:** Biased ratings on account of the presence of the interested parties in the ownership of rating agencies.

Chapter – 2

Television Rating Points (TRPs)

- 2.1 TRP is the acronym for Television Rating Points that has a tremendous impact on advertising expenditure. Within each market, advertisers have many channels and programme to choose from and the allocation of their budgets is largely determined by television audience estimates provided by rating companies. Therefore, the integrity of the work by the rating companies is extremely important.
- 2.2 Unlike a newspaper or a magazine, where the publisher can count how many copies are sold, there is no direct way to know exactly how many people are watching any given programme. Hence, indirect measuring techniques based on the statistical sampling theory, called Television Audience Measurement (TAM) are used.
- 2.3 TRP is the criterion that indicates the popularity of a channel or programme. Television ratings provide information about the TV watching habits of viewers from different socio-economic background of the audience. Basically this is the ranking list of popular TV programs released periodically by various rating agencies. This helps advertisers and corporate media planners in selecting the right media at the right time to reach the target audience.
- 2.4 Generally, when used for the broadcast medium, one rating point equals 1 per cent of the given population group. When used for the broadcast of a program, the average rating across the duration of the show is typically given. Ratings points are often used for specific demographics rather than just households. For example a ratings point among the key 18-49 year olds demographic is equivalent to 1% of all 18-49 year olds in the country.
- 2.5 Gross Rating Points (GRPs) are chiefly used to measure the performance of TV-based advertising campaigns, and are the sum of the TVRs of each commercial spot within the campaign. An ad campaign might require a

certain number of GRPs among a particular demographic across the duration of the campaign. The GRP of a campaign is equal to the percentage of people who saw any of the spots, multiplied by the average number of spots that these viewers saw.

2.6 With large sums of money spent annually on producing TV programmes and commercials, reliable TV audience information is required to evaluate and maximize the effectiveness of this investment. This has led to the ever-increasing desire by broadcasters, advertisers and advertising agencies to have accurate, consistent and detailed information about TV audiences. These ratings, if reliable and valid, become 'common currency' for the market's commercial airtime. Media planners and buyers evaluate the alternative programmes offered to best achieve their advertising goals, broadcasters evaluate programmes or a channel's popularity and how much to charge advertisers for commercials during a programme or on a given channel.

2.7 There are many ways to measure the audiences. One is through random telephone calls. Another is by using TV diaries; booklets in which selected sample viewer's record their television viewing during a measurement week. However, with the increasing number of channels, multiple broadcasting platforms and increased numbers of TV sets and remote controls per family, electronic gadgets called people meters are used to measure audiences. The people meter, about the size of a paperback book, is placed on each TV set in the sample home. The box has buttons, and remotes are assigned to each person who lives in the household (with additional buttons for guests). Each meter is capable of monitoring every second, 24 hours a day, 365 days a year, what is being viewed on each TV set and by whom. The meter stores this data. The data is then periodically transmitted by means of the family's telephone line, or a dedicated cellular telephone line to a central computer for analysis. These are released weekly and have progressively moved towards overnight releases. In actual practice, all the three methods are used either alone or in combination, for increasing the accuracy and for crosschecking.

However, sometimes these could also lead to contradictory results. New devices are getting introduced to capture TV viewing across various platforms.

2.8 As with any sampling, TRP ratings could be off the mark due to sampling errors like inadequate coverage of the TV owning population. In India, for example, TAM ratings are based on people meters installed in only 100-150 cities only. Also, the panel households exclude lower middle and top income bracket households. The whole system is based on the list of metered households being confidential so that their viewing habit is not unduly influenced. However, these have also come in for sharp criticism as to their confidentiality.

2.9 Audience Measurement methods followed in India

2.9.1 Diaries

The diary was the first and only method of recording information. This has been used by Doordarshan as its own ratings system known as DART (Doordarshan Audience Ratings). The diary system was introduced in 1989 and was continued up to 2001. It was later revived in 2004. Diaries are in the form of a booklet with questionnaires asking selected viewers to record daily the programmes they have watched. The sample is about 3600 rural TV homes and 1600 urban TV homes.

2.9.2 Electronic

Through "People Meters" installed in sample homes. Information from the people meters is combined with set tuning information and relayed to the rating agency.

2.10 The two rating agencies TAM Media Research and Audience Measurement & Analytics Limited both use electronic rating method.

i) **TAM Media Research** is a joint venture company between AC Nielsen & Kantar Media Research / IMRB. TAM Measures minute-to-minute TV viewing

for TV owning households in urban India in towns having population more than one lakh. Sample is collected across 148 towns comprising 6917 TV homes excluding J & K, North East, Assam, Bihar and Jharkhand through people meter. Responses from more than 30,000 individuals is taken into account every minute about what they watch and the viewing is monitored for 300 plus channels to arrive at TRP Ratings. These ratings are released on a weekly basis. The rating methodology adopted by TAM is provided in 'Annexure B'.

ii) Audience Measurement & Analytics Limited² (a-Map) has meters/devices installed in 87 towns of population exceeding 1 lakh and include the states of Bihar, Jharkhand and Assam. a-Map collects viewer-ship data using Telecontrol VIII data collection units that are connected to the television receivers which automatically registers and stores the information about the channel to which the TV set is currently tuned. These are released overnight. Coverage of aMap is 87 Towns and 6 Metros with 1 lakh plus population after an establishment Survey of 1,05,000 persons. The metered homes are 6000 with 2415 homes in Metros. The rating methodology adopted by aMap is provided in 'Annexure C'.

² www.audiencemap.com

Chapter - 3

International Practices

3.0 The television ratings business can broadly be classified into three major forms of organizations. These are:

1. Own Service (OS)
2. Media Owner Contract (MOC) and
3. Joint Industry Committee (JIC).

3.1 **Own Service (OS):** Own Service systems are services, which are set up on an entrepreneurial basis and wholly owned and managed by a research supplier. The advantages of this type of organization are primarily those of:

1. Speed in terms of both set up and ongoing changes and improvements.
2. There is no long term cost commitment by users since they simply buy the data they require.

3.2 **Media Owner Contract (MOC):** This is where one or more broadcasters (and occasionally an agency or advertiser) commission research from a research supplier. The commissioners own the data and they make all the decisions, although there is usually a technical committee, which represents other users.

3.3 **Joint Industry Committees (JIC):** A JIC is where the research is commissioned by a committee representing all interested parties: broadcasters, advertisers and media agencies. The committee owns all the data and makes all the decisions regarding it. Members' views are expressed through sub-committees.

3.4 The Table below captures the different forms of organizations in different parts of the globe³

	JIC	MOC	OS
“Europe”	Finland Italy UK	Czech Rep Germany Netherlands Norway France	Hungary Russia Spain
“North America”	-	Canada (BBM)	USA
“Latin America”	-	-	Brazil Colombia Mexico Venezuela
“Asia Pacific”	New Zealand	Australia Hong Kong	India Japan Thailand
Africa	South Africa	-	-

3.5 There is no fixed structure about the method which audience ratings organizations follow and the choices have been made to suit country specific measurement issues and needs. Largely these are not regulated through Government bodies. Practices in some countries are mentioned below:

³ Source: aMap

3.6

United Kingdom⁴

- 3.6.1 The Broadcasters' Audience Research Board (BARB) is responsible for providing estimates of the number of people watching television. BARB provides television audience data on a minute-by-minute basis for channels received within the UK.
- 3.6.2 BARB was set up in 1981 to provide the industry standard audience measurement service for television broadcasters and the advertising industry. BARB is a non-profit making limited company owned by BBC, ITV, Channel 4, five, BSkyB and the Institute of Practitioners in Advertising. BARB does not undertake audience measurement directly; instead contractors produce audience ratings on its behalf.
- 3.6.3 Viewing estimates are obtained from panels of television owning households representing the viewing behaviour. Panel homes are selected via a 'multi-stage, stratified and unclustered' sample design to ensure that the panel is fully representative of all television households across the whole of the UK.
- 3.6.4 The BARB Establishment Survey is carried out on a continuous basis and involves some 52,000 interviews per year. It is a random probability survey, which means that any household within the UK has an equal likelihood of being selected for interview. The survey ensures that any changes taking place in the population can be identified so that the panel can be updated and adjusted to ensure that the panel continues to reflect the television-owning population.
- 3.6.5 Once a panel member agrees to join the panel, their home will then have all their television sets, videocassette recorders etc. electronically monitored by a meter which automatically identifies and collects information about the programme and channel that the panel member is viewing.

⁴ www.barb.co.uk/

3.7

United States of America⁵

3.7.1 In the early 1960's a U.S. Congressional Committee held hearings on the purpose and accuracy of audience research and considered regulation related to the TV and Radio industries. These public hearings are commonly referred to as the "Harris Committee Hearings on Broadcast Ratings." After investigation and extensive testimony, the Committee determined that Industry self-regulation, including independent audits of rating services was preferable to government intervention. The Harris Committee hearings resulted in the formation of an Industry-funded organization to review and accredit audience rating services called the Broadcast Rating Council; now known as the Media Rating Council (MRC).

3.7.2 The activities of the MRC include:

- The establishment and administration of Minimum Standards for rating operations. MRC Minimum Standards for Media Rating Research and relate to: (a) ethics and operations, (b) disclosures and (c) Electronic Delivery. Measurement services accredited by the MRC are authorized to display the MRC logo on accredited products.
- The accreditation of rating services on the basis of information submitted by such services; and
- Auditing, through independent CPA (Certified Public Accountants) firms, of the activities of the rating services. Resulting audit reports are very detailed containing many methodological and proprietary details of the rating service and illumination of the primary strengths and weaknesses of its operations. The reports are confidential among the MRC members,

⁵ <http://www.mediaratingcouncil.org/>

independent CPA firm, and the rating service. Audit reports include detailed testing and findings for:

- Sample design, selection, and recruitment
- Sample composition by demographic group
- Data collection and fieldwork
- Metering, diary or interviewing accuracy
- Editing and tabulation procedures
- Data processing
- Ratings calculations

3.7.3 MRC Membership

Membership is open to any media organization that relies on or uses media research, and each member company is entitled to a seat on the MRC Board of Directors. Media ratings organizations are not allowed to be its members. Currently there are approximately 95 Board members representing TV and Radio Broadcasting, Cable, Print, Internet and Advertising Agency organizations as well as Advertisers and Trade Associations.

3.8 CANADA⁶

3.8.1 BBM (Bureau of Broadcast Measurement) Canada is a not-for-profit, broadcast research company that was jointly established in 1944 as a tripartite cooperative by the Canadian Association of Broadcasters and the Association of Canadian Advertisers. It conducts surveys of television viewing and radio listening to produce audience ratings information. BBM is owned by TV stations, radio stations, advertisers and their agencies. BBM's surveys provide audience information that helps TV broadcasters deliver the programs that audience want to see.

⁶ www.bbm.ca

3.8.2 BBM does surveys for television stations across the country, as well as advertising agencies and advertisers, three times a year. These surveys are done by mail after selecting sample homes randomly from telephone listings. They ask household members to record their television viewing during a one-week period in a paper diary. The household receives a diary for each TV set and everyone is asked to record their TV viewing in each diary. BBM ask one person to act as BBM's contact, helping to ensure that everyone records their viewing and that the diaries are returned to BBM. These data are then compiled and used to produce audience reports, which are released to its members, several times a year.

3.9 AUSTRALIA⁷

3.9.1 Australia Television Audience Measurement (OzTAM) is the source of television audience measurement (TAM), covering the five city metropolitan areas and nationally for Subscription TV. OzTAM is owned by the three metropolitan commercial television networks Seven, Nine and Ten. Network ABC, Media Federation of Australia (MFA), Advertising Federation of Australia (AFA), Australian Association of National Advertisers (AANA) and Australian Subscription Television & Radio Association (ASTRA) have observer status at OzTAM board meetings.

3.9.2 The media industry uses OzTAM data to assist in program development, advertising planning and to show how television programs and networks perform. It is used by organisations such as television networks, advertisers, advertising agencies, media buyers and program suppliers. They use the data to assist them in assessing program and network performance and to understand viewer behaviour.

3.9.3 For panel selection; households are recruited to OzTAM's panel via a large-scale establishment Survey. The Establishment Survey defines the population to be represented and its characteristics. The Establishment Survey is conducted via telephone interviews throughout the year. Once a household has been recruited, all television sets are monitored by the

⁷ www.oztam.com.au/

meter system. The meter records and stores time, date, television set on/off, channel to which each television set is tuned, capturing all broadcast viewing. All residents and guests register their television usage using a remote control. Every night the data is retrieved automatically via modem telephone software (silent phone call). The production system performs the collection, processing, validation, weighting and final production of each household's data.

3.9.4 Once the production processes have been completed, the television program information and ratings are integrated. All data undergoes rigorous quality control both electronically and manually. All results are released the following morning and the data is made available to its subscribers via a secure website.

3.10

SOUTH AFRICA⁸

3.10.1 The South African Advertising Research Foundation (SAARF) is a non-profit making organization that was founded in 1974 to provide on an ongoing basis comprehensive, unbiased, valid, reliable and credible media audience and product consumption measures. It is a tripartite organization consisting of marketers, advertising agencies and media owners. SAARF is financed through a fixed amount by print media owners and through an industry levy by other media owners (television, radio, etc.)

3.10.2 It is a single source survey, because information on media usage, product consumption and demographics are collected from the same respondent. The SAARF TAMS Panel provides television viewing information, minute by minute, using people meters. The results are reported weekly.

⁸ www.saarf.co.za/

3.11

ITALY⁹

3.11.1 Auditel is a company established in 1984 to circulate objective and official data of television audience. The data collection officially started on 7th December 1986 and since then AGB Italia has been assigned to produce the television audience data on Auditel's behalf. Auditel is the "impartial" company, which retrieves the television national and regional audience data in Italy. According to European guidelines, Auditel is a "tripartite" body. Each of its three major members holds 33%, i.e. national public television (RAI), national private and local networks, advertisers (UPA) with Agencies and Media Centres (ASSAP, OTEP, ASSOMEDIA).

3.11.2 AGCOM (the Italian Communications Independent Authority) on May 16, 2006 has come out with guidelines on television (as well as radio and press) audience measurement.

3.11.3 The AGCOM's Guidelines for the Auditel Reform

Governance:

- The corporate structures (including shares ownership and directors) must represent all existing TV markets (digital terrestrial television – DTT, satellite, cable);
- The technical committee must be independent. AGCOM may decide to designate its own representative members in this committee;

Methodological rules on measurement

- The meters (measurement device) must be able to operate on every platform; the audience panel must reflect the rate of penetration of the several platforms;

⁹ www.agcom.it/eng

- The frequency of the audience panel rotation and the margin of statistically acceptable error must take into account the differences among platforms;

Transparency and communications to AGCOM:

Auditel (Rating agency) must communicate to AGCOM:

- Corporate and shareholders' data;
- Data on methodology, viewers panel, audience measurement system, rate of wrong for each category, measurement period, costs the broadcasters must bear to access to the audience data, etc;
- Data on entities controlling Auditel. These data, including the website where the document on the aggregate measurement methodology is available, is published on AGCOM website.

3.11.4 The communications above shall be given (a) immediately after the AGCOM's decision, within 60 days, and (b) then, within 60 days from the event triggering a duty of communication. In any event, every year, on December 31, a statement containing this information must be transmitted to AGCOM. AGCOM entered into an agreement with ISTAT (the National Institute of Statistics) to certify the audience research quality and the audience data correctness. AGCOM, besides, may decide to arrange directly for audience measurement in case of failure to correctly adopt the guidelines and if subsequent monitoring by AGCOM should reveal that the viewers' panel is not adequate.

Chapter – 4

Analysis of the issues relating to present system of Television Rating Points (TRP)

- 4.0 It may be argued that ratings affect the business decisions of broadcasters, advertising agencies and advertisers. Therefore, business decisions are affected by any distortions or inaccuracies in the ratings. Such distortions in the Television Rating Points (TRP) ultimately affect the content that is created for viewers across the country. One view can be that viewers are affected by the ratings. With each channel vying to target the same genre seeking to maximize its advertising funding, less popular genres tend to be left unserved while popular ones get duplicated. The importance of ratings in determining viewer preferences therefore becomes extremely important.
- 4.1 Another view can be that viewers are not affected by the distortions in the ratings since sufficient choice is available to the viewers by way of a number of channels in each genre. Therefore, there is no need to regulate Television Rating Points (TRP) system.
- 4.2 It may be seen that in most countries there are industry led Oversight bodies which regulate and monitor the rating system. As these bodies comprise the stakeholders (Broadcasters, Media agencies and Advertisers), they are probably in a better position to ensure correctness, independence and technological neutrality of the ratings. They may be the best judges about the need to improve the actual survey system, accuracy of the sampling system with respect to the population as well as the new broadcasting technologies.
- 4.3 Irrespective of whether ratings are Government regulated or industry regulated, one view could be that certain standards / norms relating to governance, operations and disclosure are followed. These should also be available on the website of rating agencies and the oversight body. Some suggested areas where these norms should apply could be ownership of the company, methodology used for sampling, survey period etc.

4.4 The present system may result in disproportionate weight-age being given to viewer-ship pattern of a small sample of viewers. Since presently there are two agencies in India and their sample size is limited to about 7000 (TAM) and 6000 (aMAP) metered homes, roughly 30,000 respondents from large urban centres represent about 120 million viewers assuming 5 members per household. As such the rural areas and towns with a population less than a lakh, which constitute over half the population having access to Cable & Satellite channels and three-fourths of those getting DD channels, do not get measured at all. The effects of such ratings can be:-

- (a) The broadcasters focus more on producing content which is popular in their perception. The perception of broadcasters is based on the Television Rating Points (TRP). However, if the ratings are biased towards urban areas, then such a system would promote production of content which may not necessarily be popular across different regions.
- (b) The broadcasters fix the rates for advertisement spots for different programmes based on the popularity of such programmes as reflected by Television Rating Points (TRP). A non representative rating system may result in advertisement rates for more popular programmes being less than the advertisement rates for less popular programmes.
- (c) The advertisers devise their media strategies based on the Television Rating points (TRP). If the ratings do not reflect the viewer-ship pattern accurately, then there is a likelihood of the advertising campaign missing its target viewers.

4.5 From the statistical theories, the larger the sample size nearing to the population, the greater would be the accuracy of the information / data

generated. However, increasing the sample size has implications on the cost. The people meter is stated to be costing around Rs. One Lakh. Nonetheless, the small sample has serious limitations of not reflecting the plurality of the platforms, regions, rural and small towns etc. So the sample size should be such which should setoff the increased cost by the benefits it will produce through results that are more reliable. It can be reasonably expected that wider coverage would mean increased number of meters resulting in economies of scale lowering the costs.

4.6 The pattern of selecting television channels, viewing programmes, timings, etc are measured with the help of a "people meter" installed in select TV households. A lack of transparency in method adopted for selection of the households and confidentiality of the names of the panel households so as to exclude all possibilities of 'induced' viewership as well as tampering with the data have often been questioned. While the confidentiality of the names of the panel households needs to be maintained; the procedure adopted for selection of the panel households, the rotation of the sample households in may require to be more transparent.

4.7 Considering the importance of the TRP for the various stakeholders, it becomes more important to ensure that the ratings are accurate; the procedures adopted are free from shortcomings and human errors. The requirement to provide a detailed disclosure of the measurement methodologies is likely to have the effect of improving the reliability of audience measurement reports. The ratings also need to be subjected to validity tests. An independent audit carried out on the methodology adopted by the ratings agency for arriving at the sample size and the procedures followed for arriving at the final results will improve the credibility. Another method of ensuring the accuracy in the ratings and procedures could be through self discipline in the adoption of the procedures and activities properly disclosed to all stakeholders.

4.8 With the emergence of newer technologies / delivery platforms, television programmes can be made available to the viewers through different platforms. Inadequacy of the measurement methods to capture new television

viewing such as digital TV, HDTV, interactive television and Digital Video Recorders could distort the TRPs. Consequently, the measurement methods used for rating purposes need to be compatible with the emerging technologies. The data regarding the viewership is presently collected weekly. Availability of real time ratings through unobtrusive means is also of interest.

4.9 As with any industry, the monopoly player is bound to reap undue profits and advantages and will attempt to create the entry barriers and use various unfair and anticompetitive measures to distort the competition. If there is inadequate competition in the Television rating points, concerns of monopolistic behavior are bound to arise. Although the sector is unregulated, it could only bring in the second rating agency in 2004 which brought about a higher coverage. Increased competition improves the quality, reduces costs, provides additional services and better customer care etc. India is a large and diverse country stratified into several socio-economic categories and regions. Competition is required because one system may not be able to capture the enormity and complexity of the country. The main advantage of the increased competition and level playing field would be the increased coverage, better pricing and free play of the market forces.

4.10 There may be chances of biased ratings on account of the presence in the ownership of the interested parties in the rating agency. One view can be that the presence of the interested parties in the ownership structure / control of the companies could distort the results in favour of related parties. It may be advisable that the ownership structure should be independent of the related parties. Provisions contained in the Companies Act, 1956 and Accounting Standard 18 issued by the Institute of Chartered Accountants of India dealing with transactions with related parties appears to be based on similar apprehensions. Certain disclosures are also mandated under AS 18. However, as per the provision 27(1) of Chapter IV of SEBI's Regulation for Credit Rating Agencies, 1999, Credit rating agencies are restricted on rating the securities of certain entities connected with promoter, or rating agency viz. subsidiary of its promoter, borrower of its promoter etc.

Chapter - 5

Issues for Consultation

The Ministry of Information & Broadcasting, Government of India has sought recommendations of the Authority on the system of Television Rating Points (TRP) and the policy guidelines to be adopted for rating agencies (enclosed as Annexure A).

5.1 Looking at the impact of Television Rating Points (TRP) on broadcasters, advertising agencies and advertisers, the first and foremost issue that arises for consultation is whether there is at all a need for the Government to regulate the system of Television Rating Points (TRP), or whether this should be left to be decided by industry initiative for the growth of the rating services? Please give reasons in support of your reply.

5.2 If it is felt that Governmental regulation is necessary, what should be the manner and extent of such regulation i.e. whether the rating agencies and or Oversight Bodies be subjected to light supervision or should they be brought under compulsory reporting obligations? Should it be a simple registration or any other mechanism? Please give suggestions on following issues, among others:

5.2.1 The eligibility criterion for registration in terms of technical capability/experience,

5.2.2 The minimum sample size (in terms of numbers) adequately representing various genre, regions, platforms, stratum etc. ensuring robust television viewing estimate;

5.2.3 Type of equipment to be used to address the different delivery platforms.

5.2.4 Whether technology adopted should be real time system for generation of reports;

- 5.2.5 Minimum coverage required a) over different platforms, b) rural and urban, c) All states including North-East and J&K, d) Prasar Bharati channels;**
- 5.2.6 What are your views on restrictions on crossholding / interests between the Ratings Agencies and their clients?**
- 5.2.7 What safeguards should be provided to ensure secrecy of sampled families? Please give your suggestions.**
- 5.2.8 Whether some standards/norms be prescribed for the rating agencies that should be followed for their operations? If so, what should be those standards/norms?**
- 5.2.9 What are your views on mandatory audits to be performed by independent auditors for validation of ratings provided by rating agencies? What should be their qualifications? What should be the scope of such audit, and who should the auditors report to?**
- 5.3 If it is felt that this should be left to be decided by industry initiative, what should be the framework for such arrangement and the role of the Government with reference to the issues narrated from 5.2.1 to 5.2.9.**
- 5.4 What are your suggestions to encourage competition in rating services?**
- 5.5 Do you have any other suggestions for making ratings more representative, transparent and reliable?**

Abbreviation

AAAI	:	Advertising Agencies Association of India
aMap	:	Audience Measurement and Analytics
BARB	:	The Broadcasters' Audience Research Board
BARC	:	Broadcast Audience Research Council
BBM	:	Bureau of Broadcast Measurement
C&S	:	Cable & Satellite
CAS	:	Conditional Access System
CPA	:	Certified Public Accountants
DTH	:	Direct to Home
DART	:	Doordarshan Audience Ratings
DD	:	Doordarshan
GRPs	:	Gross Rating Points
HITS	:	Headend-in-the sky
IBF	:	Indian Broadcasting Foundation
ISA	:	Indian Society of Advertisers
JIB	:	Joint Industry Body
JIC	:	Joint Industry Committee
MOC	:	Media Owner Contract
MRC	:	Media Rating Council
MSOs	:	Multi-System Operators
OS	:	Own Service
SEBI	:	Securities And Exchange Board of India
TAM	:	Television Audience Measurement
TRAI	:	Telecom Regulatory Authority of India
TRP	:	Television Rating Points
TV	:	Television
TVR	:	Television Ratings