CONSULTATION PAPER ON "REVIEW OF TELEVISION AUDIENCE MEASUREMENT AND RATINGS IN INDIA" ISSUED BY THE TELECOM REGULATORY AUTHORITY OF INDIA DATED DECEMBER 03, 2018

TO
THE TELECOM REGULATORY AUTHORITY OF INDIA

COMMENTS OF
SONY PICTURES NETWORKS INDIA PVT. LTD.

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➢ **INTRODUCTION**

India with its immense cultural, ethnic and linguistic diversities, a population of 1.35 billion and over 195 million TV households (expected to reach 209 million TV households by FY 2023[1]) represents a huge challenge for any countrywide television audience measurement system.

Adding to this complexity, India's channel distribution business is witnessing a paradigm shift. The implementation of the Telecommunications (Broadcasting & Cable) Services Interconnection (Addressable Systems) Regulations, 2017, The Telecommunication (Broadcasting and Cable) Services (Eighth) (Addressable Systems) Tariff Order, 2017 and the Telecommunication (Broadcasting and Cable) Services Standards of Quality of Service and Consumer Protection (Addressable Systems) Regulations, 2017, has ushered in a new tariff and inter-connect regulatory regime with broadcasters now having to compulsorily price their channels to the end consumer (collectively "**New Regime")**. Consequently, the viewership patterns of consumers are likely to witness a sea-change with consumers becoming more choosy in their choice channels whether a la carte or in bouquets, making virtually every household a unique viewer. This makes it imperative to have a more accurate measurement of audience viewership that represents the entire television viewing universe and derive television rating points (TRP) for channels therefrom. TRPs impact the expenditure decisions of advertising agencies since advertisers have several broadcast platforms to choose from and depend on the ratings released by the Broadcast Audience Research Council (BARC), which reflect the popularity of shows and channels. TRPs also provide insights into viewership patterns and thus have an indirect influence on the creation of content, scheduling of programmes, as well as pricing of channels. Inaccurate ratings will impact not only broadcasters and advertisers but also the choices of the viewing public. The veracity and reliability of TRPs therefore becomes extremely significant.

TRAI has appropriately issued the Consultation Paper on Review of Television Audience Measurement and Ratings on December 03, 2018 ("**CP")**.

With the aforementioned in the backdrop, we have provided our detailed responses on the issues raised by TRAI on the CP herein below.

➢ **ISSUES**

Query 1:

Whether BARC has been able to accomplish the purpose with transparency and without any bias for which it has been established? Please elaborate your response with justifications. Also, suggest measures to enhance the effectiveness of BARC to give TV ratings with transparency and without bias.

Response 1:

Before BARC, rating services were provided by TAM Media Research and Audience Measurement and Analytics Ltd. ("TAM") on a commercial basis. Various concerns had been raised at that time of the 'credibility', 'transparency' and the sample size aspects of the TAM methodology. The Dr. Amit Mitra Committee made its recommendation to the MIB regarding establishment of transparent and

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[1] https://www.statista.com/statistics/694806/india-tv-households/

credible self-regulatory mechanism for television rating system and so also did TRAI. After following a consultation process and obtaining views of all stakeholders, TRAI issued its recommendations on "Guidelines/Accreditation Mechanism for Television Rating Agencies in India" to MIB in September, 2013 which supported self-regulation of television ratings through an industry-led body like BARC. MIB accepted TRAI's recommendations and notified the said guidelines in January, 2014 which led to the establishment of BARC as an autonomous 'not for profit' body duly registered under the Companies Act, 2013.

The very intent of revamping the erstwhile TAM rating system was to have self-regulation through an industry led body that would ensure neutrality and transparency. BARC was constituted comprising representatives from all relevant industry associations being Indian Broadcasting Foundation (IBF), Indian Society of Advertisers (ISA) and Advertising Agencies Association of India (AAAI). This three-way alliance has taken on the onerous task of running the initiative with a robust, transparent, credible, autonomous and accountable governance framework with its measurement framework and methodology agreed to by all stakeholders.

One of the biggest problems with the previous rating agency was the focus on urban households and the neglect of the public service broadcaster as far as the audience measurement was concerned. To mitigate this, BARC has also taken Prasar Bharati on board[2]. Considering the complex environment in which the rating process has to be analyzed and adjudicated, BARC constituted a Technical Committee to look into specifics of the various components like establishment survey, television metering technology, blue printing the research design, initiating and overseeing vendor selection, etc. Since the Directorate of Advertising and Visual Publicity (DAVP) is the biggest government advertising agency, BARC also inducted DAVP's nominee on the Technical Committee, amongst other industry veterans[3]. Further, prior to BARC becoming fully operational, a team of IBF members visited BARB (Broadcasters' Audience Research Board), UK to pick up their "best practices" as suited to the Indian diversity, demography and multiplicity of linguistic channels[4]. Unlike TAM BARC is a non-profit organization akin to TEM Ireland and Numeris in Canada.

Regarding panel households, they are selected on the basis of a transparent methodology which provides for rotation of the panel households. Also, a particular geographic representation is proportionate of the TV viewing population and several factors such as age, demographics, gender, economic status, etc. are considered as part of the rating methodology. Sufficient checks and balances are in place to ensure that employees or officers or any representative of broadcasters, advertisers, advertising agencies, BARC itself are not part of the sample. Hence, in selection of panel size as well, BARC has ensured maximum transparency.

Having said that, with the onset of the New Regime, the need for a census based measurement in lieu of a sample based model gains greater relevance. With audiences now being encouraged to pick and choose the channels they wish to watch, a sample based measurement may not any longer be the correct indicator of viewership. In order to ensure further enhancement in operations of BARC, for the purposes of BARC ratings, we would suggest census based measurement should be considered rather than a sample based model. Census based measurement is already being introduced globally for instance by Auditel, Italy. Census based measurement could eventually be

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[2] https://barcindia.co.in/BoardofDirectors.aspx
[3] https://www.barcindia.co.in/TechnicalCommittee.aspx

[4] IBF Submission on TRAI Consultation Paper on Guidelines/Accreditation Mechanism for Television Rating Agencies in India dated 17 April 2013

achieved by progressive increases in the sample size. Census based measurement will help minimalize and eventually eradicate malpractices like panel tampering.

Query 2:

Do you feel that present shareholding/ownership pattern of BARC ensures adequate representation of all stakeholders to maintain its neutrality and transparent TV ratings? How its credibility and neutrality can be enhanced further? Please elaborate your response with justification.

Response 2:

We have already responded to this in our Response 1 above. To reiterate, BARC was launched with an objective of carrying out market research and providing results in the field of television audience measurement. Being an industry led body, BARC has adequate Industry representation and funding through IBF, ISA and AAAI. It is therefore the appropriate body to undertake television audience measurement in India. While IBF holds 60% shareholding in BARC, the ISA and AAAI hold 20% each in BARC. It is important to bear in mind that it is the stakeholders who provide the funding for BARC's operations. Hence, any change in shareholding pattern may have a significant impact on shareholder's ability to infuse proportionate funds into BARC.

Query 3:

Is there a need to promote competition in television rating services to ensure transparency, neutrality and fairness to give TAM rating? What regulatory initiatives/measures can be taken to make TV rating services more accurate and widely acceptable? Please elaborate your response with justifications.

Response 3:

The weekly audience measurement released by BARC are widely accepted. With the increasing number of channels, multiple broadcast platforms and increased number of television sets, a technical and scientific approach to audience measurement is a necessity. We believe for any television rating system to be effective, there should be one audience measurement currency that is recognized as the official data source. Having more than one rating service would mean data flowing from multiple competing television rating providers which will lead to skewing of the results to the convenience of few stakeholders. Apart from the costs involved in setting up different systems, it is likely to create confusion amongst stakeholders including viewers.

A comparison has been made in the CP with multiple credit rating agencies operating in the country (like CRISIL, ICRA, CARE, ONICRA and SMERA) and a corollary has been drawn for having similar mechanism for television ratings measurement. It is pertinent to note that the two markets i.e. financial products and services market and the television market are inherently different and hence the principles applicable for determining the ratings for financial products will not apply to the television industry. An audience measurement agency only provides facts about viewership whereas a credit rating agency provides an opinion on facts and the financials that it reviews. Hence, it is best that the "facts" on TV measurement are provided by a single agency. World over audience measurement has evolved to a stage where is only one agency that provides this service,

for e.g. BARB in the UK and Auditel in Italy a point TRAI acknowledges in the CP itself. Hence we see no reason for there to be more than one measurement agency.

From a regulatory stand point, there are sufficient checks and balances in place in the form of 'reporting requirements' and 'audit requirements' specified under the 'Policy Guidelines for Television Rating Agencies in India' issued by the MIB (**"Policy"**). It is important to note that the MIB and TRAI have reserved the right to audit the systems, procedures, mechanisms of the rating agency, should such a need arise. This ensures sufficient safeguards in terms of accuracy of ratings.

Additionally, expanding the scope of measurement from 'sample based model' to 'census based model' gradually through use of secure and optimally priced technology would prove to be more effective in enhancing accuracy of the ratings especially in light of the New Regime.

Query 4:

Is the current audience measurement technique used by BARC apposite? Suggest some methods, if any, to improve the current measurement techniques.

Response 4:

BARC is operating on New Consumer Classification System (NCCS) methodology which while working satisfactorily has certain lacunae that need to be addressed:

➢ **Improvising of NCCS classification:** In a country the size of India with its geographic and cultural diversity and its urban-rural divide, segmenting audiences based on NCCS classification does not adequately capture the diversity in our audiences and their viewership preferences. BARC has been consistently working to make the representation truly pan-Indian.

➢ **Increase in sample size:** The current sample based measurement needs to be reviewed. The present 33,000 household sample size, which will increase to 50,000 in the next couple of years. Increasing the sample size is unlikely to improve the quality of the measurement. Ideally a move towards census based methodology would result in reduction in relative error and improve accuracy in audience segmentation.

➢ **Hybrid STBs/Reverse Path Data (RPD)/apps in mobiles:**

In order to increase sample size, hybrid STBs capable of transferring viewership data as proposed by TRAI should be mandated. This transfer of data can be done by establishing a return path/connection from STB to the remote servers of the television audience measurement agency by way a SIM inserted in the STB or via an external device consisting of a SIM which could be installed into existing STB.

Another method for rapid panel expansion could be to mandate the DPOs to electronically send viewership data to the television measurement agency for statistically analysis of data. However, the return path technology should not be through DPOs since that may leave room for manipulation. Instead the data should be transmitted to BARC directly. Alternatively, if data is to return through DPOs servers, secure technologies should be deployed to ensure that DPOs servers act as 'pass-through' only and are incapable of data access, analysis or manipulation.

BARC has reportedly tied up with DEN Networks, Siti Cable and Airtel Digital TV for measuring TV viewership using RPD through STBs.[5]

The implementation of such technology mentioned above would require replacement or upgrading of the existing STBs (that support the technology). STB derived ratings services are becoming commonplace in a number of foreign markets. Another alternative could be to have apps on mobile phones capable of wider reach and data extraction.

Implementation of the aforementioned mechanism(s) would help substantially expand panel home size. The large pool of panel households would also help address the issue of panel home tampering that plagues the television industry in India.

Query 5:

Does broadcasting programmes that are out of their category or in different language for some time during the telecast affect the TAM rating? If so, what measures should be adopted to curb it?

Response 5:

Under the BARC methodology, only if the channel content holds the viewer's interest for at least a clock minute does it get logged in the measurement system. Stickiness of the viewer on a channel is determined by the viewer's interest in the channel's content. Only if the content is to the viewer's taste and sensibilities, will she stay on the channel and not flip to another.

Viewers make their choice of channels by looking at the genre and the content of a particular channel. A channel in a particular genre is therefore more likely to offer most of its content in that genre not only to attract but also sustain viewership. Its programming DNA will also reflect the target audience it wishes to attract. Advertising outlays for TV channels are also determined at genre level. Hence, maintaining genre sanctity becomes a hygiene factor for any broadcaster.

The New Regime specifies 9 (nine) genres. It is left to the broadcaster to decide on the nature of content that should be aired in a particular genre. This flexibility is necessary. Otherwise genres can become much too prescriptive. We do not therefore recommend any changes to the present system. However, TRAI may consider an appropriate methodology for placement of channels within their respective genres and the relative viewership of a channel should account for its placement rather than leaving this to the arbitrary decision of the DPO.

Query 6:

Can TV rating truly based on limited panel homes be termed as representative?

Response 6:

TV rating based on limited panel homes will not be representative of the entire audience universe. As rightly pointed in the CP, smaller panel size results in limited data for analysis and therefore is not truly representative of the overall universe and to that extent is not wholly accurate. On the

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[5] https://en.wikipedia.org/wiki/Broadcast_Audience_Research_Council

contrary, a larger panel size would certainly improve robustness and give more weightage/value to measurement rating. Small sample size poses real difficulty in prediction/establishment of true measurement data, especially in our diverse country of 1.35 billion people. This requires identifying an optimal technology (in terms of design and cost) which addresses these requirements. We believe a panel size of 50,000 ought to be sufficient even for a diverse population like ours. However, in light of the New Regime, accuracy of data basis variety of viewing patterns becomes important. Hence, we should look towards moving to a 'census-based model' which may be achieved by significantly increasing the sample size. Also, viewing patterns need to be considered while determining the sample size. Samples should consist of adequate representation of all genres being consumed by variety of consumers.

Query 7:

What should be done to reduce impact of manipulation of panel home data on overall TV ratings? Give your comments with justification.

Response 7:

Increase in sample size through various means (hybrid boxes/RDPs/applications on mobiles) would definitely reduce impact of select tampering. Further, in order to deter tampering, it should be made a penal offence by way of requisite amendments in our criminal laws as well as the MIB guidelines governing media sector and audience measurement. Perpetrators should be punished with heavy fines, cancellation of licenses (for repeat offenders persons), suspension of measurement of such manipulated channels, removal of HHs indulging in influenced viewing from measurement, etc.

Query 8:

What should be the panel size both in urban and rural India to give true representation of audience?

Response 8:

As mentioned in our previous responses, we should move towards 'census based measurement''. In order to achieve the same, emphasis should be placed on a constant enhancement in sample size on a constant basis. Eventually we should aim to achieve a census based measurement system which would be more accurate and effective even if at the cost of greater investment.

Query 9:

What method/technology would help to rapidly increase the panel size for television audience measurement in India? What will be the commercial challenge in implementing such solutions?

Response 9:

The possible methodologies that could be adopted for rapid expansion in panel size of television audience measurement in India have been discussed in our responses above.

The potential challenges for implementing these solutions could potentially be:

- **Investment in technology upgradation** - Manufacturing of hybrid STBs, capable of transferring viewership data through establishing a path/connection from STB to the remote servers of the television audience measurement agency (either by way of a SIM inserted in the STB or via an external device consisting of a SIM which could be installed into existing STBs) would have a substantial cost implication. The implementation of such technology would entail upgradation or replacement of existing STBs and bring in further transparency. The Government/TRAI should aim at making adoption of such technologies cost-effective by offering suitable incentives. The other alternative provided in the CP for rapid expansion could be by mandating DPOs to electronically send viewership data to the television measurement agency for statistical analysis of data. This mechanism though has room for manipulation at DPOs end and is best avoided unless DPOs act as 'pure pass-through' with no ability for data interception. This would again entail having efficient technologies in place which in turn would require investment by the DPOs.

- **Privacy rights of household:** Installation of measurement devices in a panel home is an intrusion of their privacy and requires a significant obligation of informed consent and of anonymising an individual's identity so that her right to privacy is never compromised. Further, for transfer of viewership data electronically from panels to the servers, express and informed consent of the panel households should be obtained. Secrecy and privacy of panel households should be given paramount importance.

- **Information technology architecture:** Choosing the appropriate IT architecture to be able to handle the requirements of such a large volume of widely dispersed data. Evaluating use of machine learning and AI technologies to look at both linear and non-linear viewership.

Query 10:

Should DPOs be mandated to facilitate collection of viewership data electronically subject to consent of subscribers to increase data collection points for better TRP ratings? Give suggestion with justification.

Response 10:

In order for the data collection process to be fair, neutral and immune from any bias, all interested parties including DPOs should be kept outside the process. However, if DPOs are mandated to roll out hybrid STBs or RPD technology to capture viewership data for greater reach resulting the data should directly reach BARC or else there could be scope for manipulation as discussed above (DPO to act as a pure pass-through). Hence, stringent technology and security checks should be deployed to ensure that the data is not manipulated. Also, considering cross-holding by some media houses across multiple media platforms, the framework should safeguard against conflict of interest. Confidential data collected from households should be subject to stringent measures to avoid any leakages/misuse.

Query 11:

What percentage of STB supports transferring viewership data through establishing a reverse path/connection from STB? What will be the additional cost if existing STBs without return path are upgraded? Give your suggestions with justifications.

Response 11:

We would not be in a position to verify the percentage of STBs that support transferring viewership data through establishing a reverse path/connection from STBs. Further, we are not entirely sure of the exact costs involved if existing STBs without return path are upgraded however, costs imposed should be incentivised by way of targeted subsidies.

Query 12:

What method should be adopted for privacy of individual information and to keep the individual information anonymous?

Response 12:

The draft Personal Data Protection Bill 2018 ("**Bill")** proposed by the Justice Srikrishna Committee lays down various regulations for ensuring privacy of individual information and keeping the individual information anonymous. It is expected to be legislated into law in the forthcoming Parliament session. Accordingly, the provisions prescribed under the Bill should be complied with while gathering information from individuals/households, storage and circulation of such information. Depending upon the nature of data gathered, the same should be classified as 'Personal Data' and/or 'Sensitive Personal Data' as provided under the Bill. Unauthorised disclosure of panel data or failure to ensure adequate security safeguards, should attract stiff penalties.

Query 13:

What should be the level/granularity of information retrieved by the television audience measurement agency from the panel homes so that it does not violate principles of privacy?

Response 13:

As long as the individual information and viewership data retrieved from the panel homes is adequately anonymised to avoid identification of the data subject, the level of granularity does not really matter. Further the current process in this regard ensures sufficient safeguard by masking of identities and providing data based on cohorts rather than at individual level (for instance: data provided should be in the format of particular genre being consumed by females in the x-y age range and should not contain any specific information pertaining to the individuals per se).

Query 14:

What measures need to be taken to address the issue of panel tampering/infiltration? Please elaborate your response with justifications.

Response 14:

Panel tampering/ infiltration remains a legacy issue for television audience measurement in India. In panel tampering, incentives are provided to people in the panel homes for watching a particular channel and that would have its impact on audience measurement. Panel infiltration has a significant impact when the panel size is small. With the increase in panel size, infiltration of panel

homes of a sufficient number to materially impact audience measurement is significantly challenging and its impact may not be that severe.

In addition to the above, masking of identities and providing data based on cohorts rather than at individual level could be ways in which privacy and confidentiality of data are not compromised.

Further, punitive actions as specified in our response in 7 above need to be implemented.

Query 15:

Should BARC be permitted to provide raw level data to broadcasters? If yes, how secrecy of households, where the people meters are placed, can be maintained?

Response 15:

As rightly mentioned in the CP, raw level data can be a powerful planning tool by broadcasters and for optimization of advertising spends by media agencies. For advertisers, analysis of raw data improves efficiency of resource allocation as far as advertising expenditure on TV channels are concerned. For Broadcasters, access to raw data gives sharper insights into viewership behavior which in turn would help improve targeting of viewers with appropriate programmes. Secrecy of households can be maintained by masking identities and allowing for information to be available based on queries and at a cohort level rather than providing information at individual level and subsequently allowing users to make cohorts out of them. Secrecy of panel homes can further be ensured by BARC if raw data has a secured and limited release only.

Query 16:

Will provisioning of raw level data to broadcasters, in any manner, either directly or indirectly contravene the policy guidelines for television rating agencies prescribed by MIB?

Response 16:

Furnishing raw level data would not be in contravention of the policy guidelines prescribed by the MIB if individual level information is masked and data is provided at the level of cohorts and not at individual level.

Query 17:

Is the current disclosure and reporting requirements in the present guidelines sufficient? If no, what additional disclosure and reporting requirements should be added?

Response 17:

The disclosure and reporting requirements prescribed under the Policy Guidelines for Televisions Rating Agencies in India by the MIB appear to be sufficient. We do not see a need for any change in the same.

Query 18:

Stakeholders may also provide their comments on any other issue relevant to the present consultation.

Response 18:

Viewership on digital media/non-linear content – In the past few years, the consumption of content on digital medias *viz* mobile and internet have drastically grown. Further, content is being consumer in non-linear forms such as catch-up, VOD, etc. across platforms. BARC presently considers linear viewing of content on television platform only. This is not the true representative of the actual universe of audience considering a significant portion of the population is consuming content on other platforms and/or on a non-linear basis which is left outside the scope of the sample size. For instance: a sporting event may have greater consumption on digital platforms but since the same is not taken into consideration by BARC, the audience measurement for the particular sports channels may not be an accurate representation of the viewership. Hence, a larger issue to be considered which is touched upon in the CP pertains to consumption of non-linear content and consumption of content on digital platforms, the audiences for which should also be taken into consideration while determining measurement by BARC.

Globally, the pattern seems to move towards common viewership currency across platforms. As mentioned in the CP, if we take the example of Canada, VAM (Video Audience Measurement) is a solution currently being designed by Numeris to help deliver an audited standard unit of measurement originating from one neutral, credible and transparent organisation, for all video distributed across all platforms and devices. Its purpose is to characterise the value of digital video in the media space, and to provide a deeper understanding of who is watching. Through the VAM solution, Numeris would be working to extend the measurement of Canadian viewing to include as much of the digital video landscape as possible. Numeris is working to provide measures of pureplay (services such as YouTube and Google), OTT and other related viewing behaviours as part of their intended service.

Further, in Italy, 'The Super Panel' is a project that Auditel has been working on since 2014, and became a currency as of July 31, 2017. The project was created as an answer to the fragmentation observed in various TV markets across the world, and particularly in Italy where, out of more than 200 TV channels, only 32 TV channels were measured on a daily basis back in 2006. This number was up to 219 in 2016. Fragmentation was also observed in devices capacity to measure TV and video content. To tackle this, Auditel increased its basis from 32 million traditional TV sets to 130 million total viewing devices including OTTs, smartphones and tablets where people are able to stream video and TV content.

BARC has already taken a significant step towards integrating TV and digital services by launching EKAM. The EKAM suite of products would enable comprehensive video measurement, i.e., all video (ads and content) played across TV and digital platforms. With EKAM, the industry would be able to transact on a common currency with transparency. The EKAM range of products, proposed to be launched in a phased manner, would also address the issue of view ability and ad fraud. In order to meet the needs and challenges of digital measurement, BARC has been guided by its Digital Technical Committee which has representation from all major players in the sector including

Google, Facebook, Hotstar, Voot, Ditto, P&G, HUL, Group M, IPG and Omnicom Media Group. The model is more inclusive rather than exclusive as has happened in most parts of the world.[6]

In line with global trends and initiative taken by BARC, TRAI should recommend implementation of an independent credible measurement index for videos distributed across different platforms.

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[6] https://www.barcindia.co.in/AnnouncementDetails.aspx?ID=107