

May 23, 2013

Mr. Rajkumar Upadhyay
Advisor (B&CS)
Telecom Regulatory Authority of India
Mahanagar Doorsanchar Bhawan
Jawahar Lal Nehru Marg
New Delhi - 110 002

E-mail: traicable@yahoo.co.in; rkupadhyay@traai.gov.in

Re: Consultation Paper on Guidelines/Accreditation Mechanism for Television Rating Agencies in India

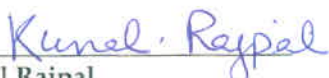
Dear Sir,

Viacom18 Media Private Limited ("Viacom18") welcomes the initiative taken by the Ministry of Information & Broadcasting ("MIB") and the Telecom Regulatory Authority of India ("TRAI") for releasing the consultation paper no. 4/2013 dated April 17, 2013 on Guidelines/Accreditation Mechanism for Television Rating Agencies in India ("Consultation Paper") and seeking views of the stakeholders on issues raised therein.

At the outset we submit that IBF has established the Broadcast Audience Research Council ("BARC"), as a Joint Industry body in 2012 as a Section 25 (not for profit) company with the specific purpose of designing, commissioning, supervising and owning India's television audience research measurement. The entire spectrum of stakeholders in broadcasting finds due representation in the BARC constitution. BARC has already initiated all necessary steps to set up a robust rating mechanism in the country involving all stakeholders so as to ensure that flawless and uninterrupted access to television audience measurement are provided to user groups across India. Having regard to this, we would humbly like to submit that any regulations for Television ratings at this stage will be pre-mature.

However, we have also tried to present our views on the Consultation Paper issued by TRAI and our response on each of the issues is discussed in brief in the following pages.

For Viacom18 Media Private Limited


Kunal Rajpal
AVP - Legal & Secretarial

Viacom18 Media Pvt. Ltd. (A Viacom and Network18 Joint Venture)

Zion Biz World, Subhash Road 'A', Vile Parle (E), Mumbai 400 057 | T 91 22 4258 1818 | F 91 22 4258 1890/91 | www.viacom18.com

Responses on the Consultation Paper on Guidelines/Accreditation Mechanism for Television Rating Agencies in India

- Q1. Which of the model described in para 4.4 should be followed for regulating television rating services in India? Please elaborate your response with justifications.
- R1. We are of the view that the *Self Regulation* model would be the best mechanism to address the issues currently faced by the industry. Thus, we are of the view that an industry body consisting of the concerned industry representatives from broadcasters, advertisers & advertising agencies (such as BARC) should be recognized for carrying out the rating work and publishing the ratings. This will ensure that no individual section of the industry would have total control on decisions as these would be collective and would address the concern of all sections of the industry. Further, as the Consultation Paper itself suggests, the Self Regulation Model works smoothly in most of the countries which further merits its adoption in the Indian context.
- Q2. Please give your comments on the eligibility conditions for rating agencies discussed in para 4.7.
- R2. We agree with TRAI's view on the eligibility conditions for rating agencies as outlined in the Consultation Paper.
- Q3. Please give your comments on the guidelines for methodology for audience measurement, as discussed in para 4.19, for television rating systems. Please elaborate your response with justifications.
- R3. We agree with TRAI's view that the methodology for audience measurement should be robust to ensure reliability of the ratings. Consequently we agree with TRAI's views on the various issues relating to:
- selection of the households;
 - panel size;
 - secrecy of panel homes; and
 - privacy.
- In addition to the above, we would also recommend increased granularity of reporting to include analogue, digital cable, DTH, DVR, VoD and IPTV subs. At some stage in future, rating agencies should also cover online media.
- Q4. What should be the minimum panel size (in terms of numbers of households) that may be mandated in order to ensure statistical accuracy and adequate coverage representing various genre, regions, demographics etc. for robust television rating system? Should the desired panel size be achieved immediately or in a phased manner? In case of implementing the desired panel size in phased manner, what should be the quantum of increase and periodicity of such increase in size?
- R4. We agree with TRAI's view that the panel size should be progressively increased from its current level of 8150 panel homes in order to align with international benchmarks (0.016% to 0.059% of the TV households). However we also believe that merely increasing the panel size will not automatically solve the issues faced currently as the required panel size is totally dependent on the granularity of reporting that may be required by the users. Thus, we would recommend that the panel size should be increased in a manner so as to ensure adequate sample size (≥ 50) for all standard target groups across markets, age, economic class, gender

Viacom18 Media Pvt. Ltd. (A Viacom and Network18 Joint Venture)

Zion Biz World, Subhash Road 'A', Vile Parle (E), Mumbai 400 057 | T 91 22 4258 1818 | F 91 22 4258 1890/91 | www.viacom18.com

and delivery platforms. The increase in the panel size can be done in the existing markets first in order of priority of size of these markets. Subsequently, uncovered markets (urban followed by rural) should be covered to get a pan-India distribution.

- Q5. Please give your suggestions/ views on as to how secrecy of panel homes can be ensured?
- R5. We agree with the possible guidelines laid down by TRAI in order to ensure secrecy of panel homes. Alternatively, secrecy of panel homes can also be achieved if separate rating agencies are involved for different stages of the rating process i.e. establishment survey, preparing panel of households for measurement and analysis of the data to arrive at the ratings.
- Q6. Please give your comments on the cross holding restrictions for rating agencies as discussed in para 4.23. Please elaborate your response with justifications.
- R6. We agree with TRAI's view that cross holding between rating agencies and their users may result in biased ratings. Therefore, we would recommend that there is no cross holdings in the rating agencies to ensure that the agencies provide independent ratings without any conflict of interest.

It is also interesting to note that if the Self Regulation Model for rating services is adopted, the issue of cross holding will not arise as the industry body will comprise of nominees from the entire industry and not individual companies.

However, all the vendors engaged by industry body must meet cross-holdings criteria, and for the purpose of ascertaining cross holding requirements, definition of 'Group' used in Competition Act should be used so that cross-holdings requirements are achieved in spirit and not just in letters.

- Q7. Please give your comments on the complaint redressal mechanism discussed in para 4.25. Please elaborate your response with justifications.
- R7. We agree with TRAI's views that a proper complaint redressal mechanism is required for handling of complaints and their effective redressal in a transparent manner. We are of the view that with the Self Regulation Model in place, the self regulating body should set up an independent ombudsman as part of its structure to hear complaints and take necessary actions for redressal thereof.
- Q8. Whether the rate card for sale and use of ratings should be published in the public domain by the rating agencies? Please elaborate your response with justifications.
- R8. We do believe that the rate card for sale and use of ratings should be published in the public domain by the rating agencies so as to ensure that the rates are non discriminatory and transparent.
- Q9. Whether other users apart from broadcasters, advertisers and advertisement agencies be allowed to obtain the rating data from the rating agencies? If yes, who all should be allowed to obtain and use the data from the rating agencies? What restrictions should be imposed on use of the rating data by users?
- R9. We are of the view that the reports by the rating agency should be made available, in a transparent and equitable manner (including charging of the necessary fees), to other users of such data for example institutions, students, press, etc, apart from the regular users like broadcasters, advertisers and advertising agencies. However, it is desirable that such an

Viacom18 Media Pvt. Ltd. (A Viacom and Network18 Joint Venture)

Zion Biz World, Subhash Road 'A', Vile Parle (E), Mumbai 400 057 | T 91 22 4258 1818 | F 91 22 4258 1890/91 | www.viacom18.com

access may be permitted for the limited use of the user in a manner that does not impact the stakeholders of the rating system.

- Q10.** Whether the user should be allowed to share the data provided by the rating agency with third parties or publically accessed media. Please elaborate your response with justifications.
- R10.** We are of the view that the user should not be allowed to share the data provided by the rating agency with third parties or publically accessed media. However, the user may share individual analysis and presentations based on the data.
- Q11.** Please give your comments with regard to the parameters/procedures, as suggested in para 4.34, pertaining to mandatory disclosures for ensuring transparency and compliance of the prescribed accreditation guidelines by rating agencies.
- R11.** We agree with TRAI's views that in order to have credible ratings, it is important that the rating system is transparent. In this regard we agree with the parameters for mandatory disclosures as outlined in the Consultation Paper.
- Q12.** Please give your comments with regard to the parameters/procedures, as suggested in para 4.37, pertaining to reporting requirement for ensuring effective monitoring and compliance of the prescribed accreditation guidelines by rating agencies. You are welcome to suggest modifications. Please elaborate your response with justifications.
- R12.** We are of the view that under the Self Regulation Model, the self regulating body should be entrusted with the rating work and it should not be made incumbent upon it to adhere to periodic reporting requirements. The self regulating body in any case would follow mandatory RFP disclosure requirements and other governance requirements.
- Q13.** Please give your comments on the audit requirements for rating agencies as discussed in para 4.42. Please elaborate your response with justifications.
- R13.** We agree with TRAI's views that mandatory audit requirements should be put in place in order to make the process more transparent & credible.
- Q14.** Who should be eligible to audit the rating process/system?
- R14.** We are of the view that in the Self Regulation Model, the self regulating body should mandate an independent audit done through third party auditors and the auditors should state in their report that proper mechanisms and procedures, as disclosed publicly by the rating agency, exist for various processes involved in the audience measurement and ratings.
- Q15.** What regulatory initiatives are required to promote competition in rating services? Please elaborate your response with justifications.
- R15.** We believe that the Indian TV ratings services currently need scaling up and strengthening through additional investments and necessary checks and balances. Having multiple competing rating agencies would fragment or duplicate the investments and hence restrict the ability to scale up, a challenge already faced by the existing TV ratings agency. However, we do agree with TRAI's view that monopolistic practices in the ratings services should be kept in check. This can be ensured by having the Self Regulated industry body conduct the ratings and keeping the necessary checks and balances on the rating process by:
- a. Not having a single vendor responsible for all the steps in conducting the ratings

Viacom18 Media Pvt. Ltd. (A Viacom and Network18 Joint Venture)

Zion Biz World, Subhash Road 'A', Vile Parle (E), Mumbai 400 057. | T 91 22 4258 1818 | F 91 22 4258 1890/91 | www.viacom18.com


- (including, establishment survey, people meter placements and data analytics);
- b. Establishing a rigorous vendor audit process; and
 - c. Not allowing cross-media holdings in any ratings agency/vendor.

In addition to the above, we are also of the view that having separate providers by region is undesirable. In the self regulating model, we believe that the above can be achieved by the self regulating body without any intervention by the regulator.

- Q16.** In case guidelines/ rules for rating agency are laid down in the country, how much time should be given for complying with the prescribed rules to existing entities in the rating services sector, which are not in compliance with the guidelines? Please elaborate your response with justifications.
- R16.** We are of the view that a period of nine to twelve months will be a reasonable time frame for the existing entities in the rating services sector for complying with the prescribed rules.
- Q17.** Do you think integrating people meter with set top boxes is a good solution? If yes, how to encourage such systems?
- R.17.** Integration of people meters with set top boxes has two key implementation pre-requisites:
1. Additional investments at the currently installed STBs for people meter integration;
 2. Reliable broadband connectivity to offer a return path for retrieving the viewership data.

Each of the above are serious challenges in the current Indian ecosystem and unless an economically viable solution exists, it would be difficult for us to comment on the feasibility of this integration. Even if this is feasible at some future stage, there needs to be an appropriate mechanism for proper collation, aggregation and sharing of the viewership data by the distribution companies to ensure consistent and fair interpretation of ratings by all the stakeholders.

For Viacom18 Media Private Limited


Kunal Rajpal
AVP - Legal & Secretarial

Viacom18 Media Pvt. Ltd. (A Viacom and Network18 Joint Venture)

Zion Biz World, Subhash Road 'A', Vile Parle (E), Mumbai 400 057 | T 91 22 4258 1818 | F 91 22 4258 1890/91 | www.viacom18.com