

Information Note to the Press (Press Release No. 66 / 2008)

TELECOM REGULATORY AUTHORITY OF INDIA

Tele No.: 011 – 23221856

Fax No.: 011 – 23235249

E-mail: sadhanadikshit@traai.gov.in

Website: www.traai.gov.in

TRAI releases draft Recommendation on the “Policy Guidelines and Operational issues for Television Audience Measurement/ Television Rating Points (TRPs)”

New Delhi, 24th July, 2008. Telecom Regulatory Authority of India has today issued draft Recommendations on the “Policy Guidelines and Operational issues for Television Audience Measurement / Television Rating Points (TRPs)”.

2. The Ministry of Information & Broadcasting has sought recommendations of TRAI on the system and framework of Television Ratings and the policy guidelines to be adopted for rating agencies. The letter has broadly indicated the need for an appropriate framework which ensures transparency, independence of rating agencies and increased coverage reflecting the plurality of regions and viewership.

3. The Authority released a Consultation Paper on 28th March 2008. This was followed by an Open House Discussion (OHD) held in Delhi, on 15th May 2008. The Authority deliberated on various issues emanating from the written submissions of the stakeholders, Open House Discussions, meetings with the Industry Associations, and International practices. The Authority after carefully examining all the responses received from the various stakeholders, and the developments that have taken place, has arrived at these draft recommendations.

4. Presently, two private agencies namely TAM Media Research and Audience Measurement and Analytics Ltd. (aMap) are carrying out TV ratings on a commercial basis. Their operations are limited to a few large cities with a population above one lakh. Within big cities too, their sample

size is limited to a total of about 7000 (TAM) and 6000 (aMAP) metered homes. All states except J&K, N.E, Bihar and Jharkhand are covered by TAM Media Research, whilst aMap sample covers all states except J&K and N.E. but includes Jammu and Guwahati.

5. Television industry in India has estimated Rs. 22,600 Crores as its annual revenues (2007). Of this 35%, approx. Rs 8000 crore comes from Television advertising. Television ratings primarily meant to guide the Broadcasters, the Media agencies and the Advertisers, to determine their programme scheduling, ad spend and the placement of the advertisement have often also influenced the content as well as pricing of channels.

6. With increased convergence and the blurring of boundaries between carriage and content, and the significant influence exercised by content on the society, the Authority strongly recommends that regulation of content should also be transferred to TRAI.

7. The Authority has concluded that for the present, self regulation may work best and a framework laying specific guidelines including certain reporting requirements would effectively address the shortcomings. As in other countries, the industry led body can be recognized to perform specified functions. The industry initiative – Broadcast Audience Research Council (BARC), can be recognized as the institutional framework. Once BARC starts functioning, the inadequacies of the present system will have to be effectively addressed in close and coordinated manner with the Ministry of Information & Broadcasting. The Authority is of the view that any form of Governmental intervention in the form of an enactment is not desirable at this stage. Therefore, Self- regulation through the Industry led, not- for-profit body BARC, has been recommended with Government Guidelines covering, BARC's Organizational Structure, Functioning and Methodology.

8. The salient features of the Recommendations are:

I. Framework for the Industry led body

- Initiation of activities by BARC by January 2009.

- Two nominees of the Ministry of Information & Broadcasting on the Board of Directors of BARC.
- The Technical Committee within BARC to guide and supervise the various processes of Ratings and to include nominees from the Ministry of Statistics and Programme Implementation, National Council of Applied Economic Research (NCAER) and Indian Statistical Institute (ISI), Kolkata.
- BARC not to undertake audience measurement directly and to resort to an open, transparent bidding process for the various stages involved in the rating process;
- The Ministry of I & B to provide the key eligibility norms for the selection of rating agencies and their performance obligation norms.
- BARC to provide such information and reports as may be asked for by the Ministry from time to time.
- The addresses and location of homes where people meter are installed to be kept totally confidential.
- BARC shall have in place a Complaints Redressal Mechanism.
- BARC to sign MoU with the Ministry of Information and Broadcasting for its organizational structure, functions and methodology (including eligibility conditions for selection of rating agencies).
- BARC shall display the rate card for the various reports and discounts offered thereon on its website.

II. Conditions for rating agencies

- The Request for Proposal inviting bids from the rating agencies to be finalized by BARC after duly considering the eligibility conditions and performance obligations as provided by the Ministry of Information and Broadcasting from time to time.

III. Sample Size

- BARC's Technical Committee to decide the sample size. The sample should however cover different platforms, including terrestrial /

Prasar Bharati channels, cable and satellite platforms, rural and urban areas, and all the states.

IV. Technology

- Use of technology capable of capturing data over different platforms.

V Cross-holding

- No single company/ legal person, either directly or through its associates shall have substantial equity (more than 10%) holding in more than one Rating agency.
- A promoter company/ Legal person/ Directors of rating agency cannot have stakes in Broadcaster, Advertiser and Advertising agency either directly or through its associates. Similarly, a Broadcaster, Advertiser or Advertising agency shall also not have any stake in rating agencies.

VI. Mandatory Audit

- Comprehensive mandatory audit of the rating system carried out by independent qualified auditing firms having experience of TV ratings audit, conducted at least once in three years.

VII. Competition in rating services

- Selection of at least two bidders for each stage of the activity in the rating process.

VIII. Others

- BARC and the rating agencies should invest in programs to educate the general public about the work of audience measurement at regular intervals in various parts of the country and through detailed information available on their websites.

The recommendations broadly reflect the expectations of stakeholders. With these recommendations the Authority has tried to achieve the following objectives:

- Continuous improvement in quality and method of the rating system, to provide accurate, up to date and relevant findings;

- To maintain the highest possible standards of integrity and to ensure that its findings are not misused / manipulated by any one to convey a wrong impression;
- To promote, maintain and uphold fair, ethical and healthy practices relating to ratings and its use;
- Discourage unfair or deceptive practices employed in connection with the sale or use of ratings; and
- Observe and enforce the conditions / standards / norms prescribed by the Government for the ratings process.

Detailed draft recommendations are available on TRAI's website www.trai.gov.in. Stakeholders are requested to provide their comments on these draft recommendations to the undersigned, on or before 29th July, 2008, preferably in electronic format.

Contact details in case of any clarification:

Smt. Sadhana Dikshit,
Pr.Advisor (FA & IFA).
Telecom Regulatory Authority of India,
Mahanagar Doorsanchar Bhawan,
Jawaharlal Nehru Marg,
New Delhi- 110 002

Tele.No. 011 – 23221856, Fax No. 011 – 23235249

E-mail : sadhanadikshit@trai.gov.in

Authorised to issue:
Pr.Advisor (FA & IFA)