



TELECOM REGULATORY AUTHORITY OF INDIA



Recommendations

On

Guidelines for Television Rating Agencies

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Introduction

1. Television is integral to modern living. Since its advent, television has been recognised as a source of entertainment, relaxation, education and information. Technological advances have enabled the availability of multiple channels, providing viewers with greater choice in terms of viewing options and the ease of switching between channels.
2. Audience Measurement (AM) is a means of quantitatively assessing what is being viewed. AM is essential since a significant source of funds for broadcasting is advertising and programme sponsorship. The popularity of a channel or a programme as assessed by AM assists advertisers and advertising agencies in selecting the appropriate medium, the channel, and the time to reach a target audience. AM provides broadcasters a feedback on how their channel is rated by the viewing audience: this impacts resource allocation by the broadcasters. A major impetus for audience measurement is advertising. AM directly impacts the channel-wise direction of advertising expenditures. Such flows are guided by AM and the cost of reaching various audience segments, advertisement placements and programme schedules.
3. With an increasing number of channels, there is intense competition for viewership i.e. garnering audience share. Newspapers and other print media receive feedback about their readership from the number of copies they sell. This is not the case with radio and television, where a different form of AM is required. Programmes are sometimes produced and transmitted at high cost, and often to far and wide areas, in the belief that there is an audience for them. With the growth in the number of channels and increasing variety of programmes available,

the task of both broadcasters and advertisers in allocating resources based on audience preferences becomes increasingly challenging.

4. On the basis of AM data, ratings are assigned to various programmes on television. Television ratings obviously influence content and programmes produced for viewers. Good ratings signal audience approval of a programme while poor ratings signal the opposite. The correctness of the ratings is, therefore, extremely important, as it directly impacts resources allocated by broadcasters for producing content. Clearly, inaccurate ratings will lead to production of content which may not be really popular while good content and programmes are given the go-by. Incorrect, false and misleading ratings, therefore, affect not only broadcasters and advertisers but, most importantly, the viewing public.
5. In India, television audience measurement is presently being done by only one rating agency. A spate of articles have appeared in the media highlighting the problems with the present rating system. Some of the issues that have been raised in the context of the television rating system include small panel size, inappropriate geographical representation, disproportionate weightage being given to viewership pattern, lack of transparency in the method adopted for selection of households, lack of confidentiality regarding panel households, the absence of validation and audit, and potential conflict of interest arising out of cross-holdings.
6. A flawed television rating system can hamper the growth of the TV industry as financial decisions, production of content and its scheduling, are significantly influenced by television ratings. Hence, it

is important that a credible, transparent and representative television audience measurement system is put in place.

7. In 2008, the Ministry of Information & Broadcasting (MIB) had sought TRAI's recommendations on various issues relating to Television Audience Measurement (TAM)/ Television Rating Points (TRP) and the policy guidelines to be adopted for rating agencies. After an exhaustive consultation process, TRAI gave its recommendations to MIB on 19th August 2008 covering various aspects including the need for the Government to regulate the system of television ratings. TRAI had, inter-alia, recommended the approach of self-regulation through the establishing of an industry-led body, the Broadcast Audience Research Council (BARC).
8. Subsequently, through its letter dated 9th December 2009, MIB informed TRAI that self-regulation through BARC, as recommended by TRAI, had not become operational and requested TRAI to suggest a further course of action. In its response of 4th May 2010, TRAI suggested that, in the event of BARC not becoming operational, the Government may consider entrusting the work of laying down guidelines and accreditation of suitable agencies to carry out measurement of television audience to the Indian Institute of Mass Communication, New Delhi. It was further stated that in case this too is not found feasible, the Government may consider entrusting this work to TRAI appropriately under section 11 (1) (d) of the TRAI Act.
9. MIB had appointed a Committee headed by Dr. Amit Mitra, the then Secretary-General FICCI, which made recommendations in November 2010, in line with those of TRAI. The Committee gave its recommendations on issues covering sample size, transparency and

reliability, viewership across diverse platforms, shareholding pattern of rating agencies, general operational and disclosure norms of rating agencies, tampering and manipulation, frequency of television rating announcements, guidelines for BARC etc. BARC, however, has not been able to put in place a rating system even after the elapse of considerable time.

10. TRAI received a reference from MIB on 31st August 2012 (Annexure I). Through this reference, MIB made the following observations: -

a) The television rating measurement system in India suffers from several deficiencies and urgent action needs to be taken to put in place a credible and transparent television rating system.

b) A self-regulated television rating system has failed to take off as BARC has not been able to take any credible action on the recommendations made by TRAI and the Dr. Mitra Committee. With constant persuasion and follow-up by the Ministry, BARC was finally registered in July 2010. However, no significant progress has been made till date by BARC to set up a transparent television rating mechanism in the country.

c) Cross-holdings exist in TAM Media Research (India). The presence of cross-holdings in TAM Media Research (India) raises doubts about the credibility of the data being generated by TAM Media Research.

11. Through its letter of 9th October, 2012 (Annexure II), TRAI sought clarifications, as to whether MIB intends to seek the recommendations of TRAI under section 11(1) (a) on comprehensive guidelines/accreditation mechanism for accreditation of television rating agencies in India or intends to entrust the function of accrediting television rating agencies to TRAI under Sec. 11(1) (d) of the TRAI Act,

1997. In its clarification dated 16th November, 2012 (Annexure III), MIB requested TRAI to provide its recommendations under Section 11 (1)(a) of TRAI Act, 1997 for laying down comprehensive guidelines/ accreditation mechanism for accreditation of television rating agencies in India. It has been further stated that in case the accreditation mechanism fails to address the maladies of the current system then there would be a need for entrusting the accreditation mechanism to TRAI under section 11(1) (d).

12. The Authority issued a consultation paper on 17th April 2013, bringing out the various issues on Guidelines/Accreditation Mechanism for Television Rating Agencies in India. Written comments and counter-comments on the consultation paper were invited from the stakeholders by 23rd May, 2013 and 30th May 2013 respectively. All comments received were posted on TRAI's website. Subsequently, an Open House Discussion (OHD) was held in Delhi on 1st July 2013. Based on the discussions in the OHD, stakeholders were given time till 8th July 2013 to forward additional comments, if any. Meetings were also held with representatives of BARC on 5th and 8th July 2013.
13. After carefully examining various issues emanating from the written submissions of the stakeholders, the Open House Discussion, the meetings with BARC and international practices, the Authority has arrived at its conclusions. Chapter-I presents an overview of the television rating services in India. Various issues related to television audience measurement and ratings are discussed in Chapter-II. A summary of the recommendations and concluding remarks are available in Chapter-III. International experience related to TV audience measurement and ratings is discussed in the Appendix.

Chapter I

Television rating services in India

- 1.1 Television Audience Measurement (TAM)/ Television Rating Points (TRPs) have been in existence in India since 1993. Initially, the only data available and followed was Doordarshan Audience Ratings (DART), collected by Doordarshan's audience research unit through its 40 Kendras and 100 All India Radio stations. The main use of the audience research was to provide research support for the programming on Doordarshan's (DD's) network. Starting with general viewing surveys up to 1988, panel diaries were introduced by DD in 1989 and continued up to 2001. They were later revived in 2004 covering 3600 TV homes in rural and 1600 TV homes in urban India.

- 1.2 In 1994 ORG-MARG's INTAM (Indian National Television Audience Measurement) was established. INTAM's panel size was minuscule and restricted to major cities. While INTAM was in operation, a second rating agency, TAM, was formed in 1998. In 2001, both INTAM and TAM were formally merged. In 2004 another rating agency, Audience Measurement and Analytics Ltd. (aMap), started operations in India. Its commercial operations however, commenced only in February, 2007. The operations of both these agencies were limited to a few large cities having population above one lakh and neither of the two agencies covered the state of Jammu & Kashmir (J&K). Within big cities too, their panel size of households for audience measurement was limited to about 7000 (TAM) and 6000 (aMAP) metered homes. In 2011, aMAP discontinued its services.

1.3 Television rating service on a commercial basis is presently provided by only one agency i.e. TAM Media Research. As per information available from TAM Media Research, it is appointed by the joint industry stakeholders of ISA (Indian Society of Advertisers), IBF (Indian Broadcast Foundation) and AAAI (Advertising Agencies Association of India). It provides media and consumer insights to various stakeholders of the Indian media and entertainment industry – advertisers & marketers, media owners, media agencies and academia. It has been reporting TV viewership data for terrestrial TV homes and cable & satellite TV homes.

1.4 Many issues have been raised about the credibility of the present rating system. As highlighted in TRAI's consultation paper, the present television rating system in India has certain deficiencies, many of which have been pointed out by different stakeholders at various forums. Some of the shortcomings in the present rating system are highlighted below:

- a) In any rating system the methodology adopted in arriving at the rating of different channels or programmes is very important. It is equally important that the details of the methodology adopted should be in the public domain and known to all the stakeholders. The current system does not explicitly detail the methodology adopted in arriving at the ratings.
- b) An adequate panel size, with a representative demographic profile of viewers across the country, all delivery platforms, full geographical coverage (both urban and rural markets), is required for statistical accuracy of the ratings. The current television rating

system uses a panel size of 8150¹ which is simply inadequate to represent a population of 15.5 crore diverse TV households in India. Its coverage is also not satisfactory; it does not cover rural India and some of the States e.g. J&K and the North East.

- c) The secrecy of the selected panel households has to be maintained to ensure that the ratings cannot be manipulated. However, some broadcasters have pointed out that the distributors - MSOs/cable operators – are aware of the location of the panel household (people meter) and demand a higher carriage fee for carrying the channels in that area.
- d) To render the rating process more transparent and credible, it is essential that the methodology and procedures adopted should be audited through an independent auditor and the results of such audit published. Such a practice does not exist today.
- e) Cross-holdings between the rating agencies and the broadcasters, advertisers and the advertising agencies may result in biased ratings. In its reference, MIB has informed the Authority that cross-holdings have continued to exist in TAM Media Research (India), the only operating television rating agency in India.
- f) A well laid-out mechanism to deal with complaints from stakeholders which may include users of the ratings, consumer organizations, and the general public at large is essential to ensure transparency of the operations. There is no publicly available procedure for this purpose that exists today.

¹http://www.tamindia.com/tamindia/Company_Profile.htm accessed on 26.8.2013. However, TAM Media Research has informed TRAI that they are covering 225 towns, comprising 9100 homes & 40,000+ individuals from January 2013.

g) Disclosures by rating agencies and well established practices relating to sale and use of ratings, helps to improve the credibility of the rating system. The current system is found wanting in this regard.

1.5 These issues can be effectively addressed by stipulating appropriate guidelines for rating agencies and putting in place a proper regulatory framework for television rating agencies. Adherence to a set of guidelines by any potential rating agency will ensure quality standards and enable the rating system to become robust. The regulatory framework will ensure compliance with good practices.

1.6 Various aspects related to the setting up of a credible and transparent television rating system in India were highlighted in the consultation paper. The stakeholders' comments and a detailed analysis of the major issues is dealt with in the next chapter.

Chapter II

Issues related to Television Audience Measurement and Rating

- 2.1 The issues raised in the consultation paper can broadly be categorized into two groups:
- a. The framework for regulating the television rating system
 - b. The guidelines for rating agencies

A. The framework for regulating the television rating system

- 2.2 The consultation paper discussed different models for provision of rating services. These models mainly fall in two categories – self-regulation by an industry-led body and rating by an independent agency. In the case of self-regulation, the industry-led body either undertakes the work of the rating service itself or engages an agency for this purpose. In the other case, rating services are provided by independent rating agencies. These rating agencies work under the aegis of the regulator or the Government.

Stakeholder comments

- 2.3 In response, most stakeholders have favoured self-regulation. Some stakeholders have mentioned that since BARC has already been constituted with nominated representatives from IBF, ISA and AAI, it is the appropriate body to undertake television audience measurement in India.
- 2.4 Some other stakeholders have argued that self-regulation by the industry has simply not worked as evidenced by the non-functionality of BARC; they, therefore, argue that rating services

need to be regulated by the Regulator. These stakeholders reason that self-regulation is an ideal solution only in mature markets and may not be suitable for a country like India where television audience measurement is still in a nascent stage. In this view, the role of a regulator becomes important in our specific market. As regards accreditation by the Government, some stakeholders are of the opinion that regulation by Government may not be the best option as Government “operates” channels like Doordarshan and can have a vested interest in the rating process; hence, it would be inappropriate for the Government to exercise control over the rating service.

Analysis and recommendations

- 2.5 In countries like Australia, Canada, France, Ireland, South Africa, UK and USA, the television rating system is managed through a self-regulatory model. In the self-regulation model, the onus for credibility and accuracy of ratings vests in the concerned stakeholders - the broadcasters, advertisers and advertising agencies - whose business is mainly affected by the television ratings. A proper self-regulatory model having adequate representation from all concerned stakeholders, could help in ensuring that no individual section of the industry has majority control (and hence influence) on decisions as these would be collective. This could be a way of mitigating the conflict of inherent issues that arise when the rating agency is dominated by one particular group.
- 2.6 The Mitra Committee had also concluded that self-regulation by the industry was the best way to go forward. The Committee felt that there should be self-regulation of a credible nature which should

provide continuous improvement in quality and methodology of the rating system, to provide accurate, up-to-date and relevant findings. The Committee had made extensive recommendations towards setting up of a transparent and credible self-regulatory mechanism for television ratings by BARC.

2.7 The Authority supports the idea of self-regulation through an industry-led body like BARC.

2.8 Currently, there are no restrictions on the number of firms to provide rating services. In effect, however, it is being done by only one rating agency i.e. TAM Media Research. The question at hand is that once BARC is functional and if it starts providing rating services, whether other rating agencies should be allowed or not? It is for the users of TRP ratings to decide whether to utilise the services of such rating agencies even after ratings by BARC become available. The Authority is of the view that it would not be desirable to block the emergence of other rating agencies. Market forces will determine the survival or continuance of such rating agencies.

2.9 The television rating could be done either by the industry-led body (BARC) or any independent rating agency. The shortcomings in the present rating system have been discussed in the previous chapter. These shortcomings will have to be rectified irrespective of whether the rating is undertaken by either BARC or by an independent rating agency. In the absence of a framework, a rating agency could continue to operate without addressing the shortcomings; hence, it is desirable that necessary guidelines – to maintain quality standards - are followed by the rating agency so as to mitigate the deficiencies observed in the current rating system. For instance, in

the financial sector, SEBI frames the rules that need to be complied by credit rating agencies.

- 2.10 Accordingly, the Authority is of the view that a framework for functioning and monitoring of television rating agencies is required to be put in place immediately to ensure that the ratings generated are credible and transparent. The framework should be in the form of guidelines to be notified by MIB. The guidelines shall mandatorily cover registration, eligibility norms, cross-holdings, methodology, complaint redressal, sale & use of ratings, audit, disclosure, reporting requirements and penal provisions for rating agencies.
- 2.11 The guidelines will be made applicable to all television rating agencies including BARC. Should the industry-led body, BARC, opt to itself provide rating services then it too will have to comply with the guidelines applicable to all rating agencies. In case, the industry body engages an agency for carrying out the rating work and publishing the ratings, the agency will have to register itself with MIB and meet the guidelines.
- 2.12 **The Authority recommends that:**
- a. Television rating agencies shall be regulated through a framework in the form of guidelines.**
 - b. Guidelines for the rating agencies be notified by MIB, preferably within two months. These guidelines shall be applicable to all rating agencies providing television rating services in India.**
 - c. Guidelines shall mandatorily cover registration, eligibility norms, cross-holding, methodology of rating, complaint redressal, sale & use of ratings, audit, disclosure, reporting requirements and penal provisions.**

2.13 The details of the guidelines for television rating agencies are discussed below.

B. The Guidelines for television rating agencies

2.14 Adherence to certain minimum requirements will pave the way for generating credible, transparent and representative ratings. In this context some of the parameters/guidelines discussed in the consultation paper include:

- a. Registration and eligibility norms;
- b. Methodology for Audience Measurement;
 - i. Selection of the households
 - ii. Panel size
 - iii. Adopted Methodology
 - iv. Secrecy of panel homes
 - v. Privacy
- c. Cross-holdings;
- d. Complaint redressal;
- e. Sale and use of ratings;
- f. Audit;
- g. Disclosure;
- h. Reporting requirements;
- i. Penal provisions.

These are discussed in the following paragraphs.

Registration

2.15 In order to monitor the rating agencies publishing television ratings, it will be necessary that such agencies register with MIB. The procedure for application and grant of registration could be published by MIB. The agencies meeting the eligibility conditions shall be registered by MIB. The guidelines will have to be complied by the rating agency as long as it is in the business of publishing television rating.

- 2.16 **The Authority recommends that:**
- a. All rating agencies, including the existing rating agency (TAM Media Research), to obtain a registration from MIB.**
 - b. Rating agencies shall be granted registration subject to their meeting the eligibility norms. MIB to publish the procedure for application and grant of registration.**
 - c. Continuance of the registration subject to compliance with the guidelines.**

Eligibility Norms

- 2.17 In the consultation paper certain conditions pertaining to eligibility were discussed which include – registering the company under the Companies Act, specifying rating activity in the Memorandum of Association (MoA) as one of its main objectives, net worth, professional competence, financial soundness, and cross-holding requirements. In the case of the self-regulation model, where the industry-led body (BARC) itself undertakes the rating, the condition of minimum net worth and cross-holdings may not be applicable.

Stakeholder comments

- 2.18 While most stakeholders agreed to the eligibility conditions discussed in the consultation paper, some have suggested certain modifications.
- 2.19 One suggestion is to have market research instead of rating activity as an objective in the MoA. Another suggestion is that the rating agency should not have in its MoA any activity like consultancy or any such advisory role that can lead to a potential conflict of interest with its main objective of rating. Further, to ensure that there is no conflict of interest arising from the nature and structure of the rating agency, members of the Board of Directors governing the TV rating company should not be in the business of broadcasting, advertising and

advertising agency. On minimum net worth requirements for the rating agency, stakeholders have suggested that it should be in the range of Rs. 20-50 crores.

Analysis and recommendations

- 2.20 Television rating services are very specialized and capital intensive. In addition, the rating process requires a high degree of technical and professional skills and integrity. It is evident that rating should be conducted only by qualified agencies and, in order to discourage non-serious and inexperienced players, it is essential that certain eligibility criteria are specified.
- 2.21 Regarding specifying market research instead of rating activity as an objective in the MoA, the Authority is of the view that television rating services are also a kind of market research. Hence, by specifying market research in the MoA more firms would become eligible to carry out television rating.
- 2.22 In order to discourage non-serious players it is necessary to stipulate net worth requirements in the eligibility criteria such that the agency is in a position to meet the capital requirements of the rating business. For credit rating agencies, SEBI has prescribed a net worth of Rs.5 crore. In the case of television rating agencies, a large amount of capital investment will have to be made for installing necessary audience measurement equipment like people meters for measuring the viewing behaviour of TV households. A very high net worth requirement may rule out smaller market research companies while a low net worth may not be desirable in view of the large capital investment requirement.

Taking a balanced view, the Authority feels that a minimum net worth of Rs. 20 crore may be stipulated for rating agencies.

2.23 In the case of the self-regulation model, the industry body undertaking the work of rating will comprise nominees from the relevant industry segments viz. broadcasting, advertising and advertising agencies. Hence, it would not be possible for such an industry body to comply with the cross-holding requirement. The Board of Directors of an industry-led body would also be drawn from the industry. Therefore, the requirement of any member on the Board of Directors not being in the business of broadcasting, advertising or advertising agency cannot be made applicable in the case of the industry-led body. Similarly, since the industry body is funded by the industry, there may not be any need for specifying the net worth requirement for such a body. However, in case the industry body engages an agency for carrying out the rating work the agency will have to meet all these conditions viz. cross holding and net worth requirements.

2.24 The comments on the issue of competence and financial soundness are general and varied. Some suggest experience in research and survey, while others give importance to experience in audience measurement. While rating agencies are required to have professional competence, financial capabilities, integrity etc. the Authority is of the view that no detailed conditions on these parameters need be specified at this stage.

2.25 **The Authority recommends that the eligibility conditions for the rating agencies shall include:**

- a. **The Rating Agency shall be set up and registered as a company under the Companies Act, 1956.**

- b. **The Rating Agency shall have, in its Memorandum of Association (MoA), specified rating services or market research, as one of its main objects.**
- c. **The Rating Agency's MoA shall not include any activity like consultancy or any such advisory role, which would lead to a potential conflict of interest with its main objective of rating.**
- d. **Any member of the Board of Directors of the television rating company shall not be in the business of broadcasting/ advertising/advertising agency.**
- e. **The rating agency shall have a minimum net worth of Rs.20 crore.**
- f. **The rating agency shall meet the prescribed cross-holdings requirements. (see para-2.60)**

The conditions mentioned at d, e & f will not be applicable in the self-regulation model where the industry-led body (BARC) itself provides the rating.

Methodology for Audience Measurement

2.26 Methodology is critical in ensuring that the ratings generated by the television rating agencies are reliable. The rating agency should have in place a rating process/methodology that conforms to the conditions / standards / norms prescribed for the rating process. Possible guidelines to arrive at a robust methodology for a television rating system that were mentioned in the consultation paper, include the following:

- a. An appropriate combination of measurement techniques i.e. surveys, people meters or a combination thereof to be used.*
- b. All weighting or data adjustment procedures utilized by a rating agency in the process of converting basic raw data to rating*

- reports need to be based on systematic, logical procedures, consistently applied by the rating agency and defensible by empirical analysis.*
- c. Ratings are required to be technology neutral and capture data across multiple viewing platforms viz. cable TV, DTH, Terrestrial TV etc. On line platforms to be covered wherever feasible.*
 - d. Rating agency should submit detailed methodology to the accrediting agency and also publish the same on its website.*
 - e. In the event that a rating agency identifies an attempt to bias measurement results by a respondent's submission of fabricated information, it should eliminate such cases from analysis. In the event that such cases have been included in published data, the agency may be required to assess the effect on results and notify the users about the same along with indication of its practical significance.*
 - f. Any shortcomings, deficiencies, limitations in the rating system needs to be clearly disclosed in the rating reports and also brought to the notice of users of the rating system.*
 - g. The procedure adopted for selection of the panel households and the rotation of the panel households should be made transparent.*
 - h. Geographic representation should be provided in proportion to the TV viewing population. The panel should be based on distribution of target viewership for a particular segment like age group, socio-economic class, gender, working status, multiple delivery platforms, all states and urban & rural markets. It should be updated once in 6 months to reflect the developments taking place in the delivery platforms, growth in viewership etc.*
 - i. A minimum panel size (say 15,000) for providing the rating results may be mandated, which can progressively be increased*

in steps (say 5000 increase every year) to the desired panel size (say to 30000).

- j. For selecting the sample homes a large scale establishment survey will be carried out. The household sample covered through this survey should be large enough (say 10 times of the desired panel size) to remain representative of all television households in the country. The establishment survey should be carried out periodically (say annually) to reflect changes in growth of TV homes, changes in demographics, growth in new delivery platforms like internet, variations of growth across markets, etc.*
- k. A certain percentage (say 25%) of the panel homes should be rotated every year. The rotation should be in such a manner that older panel homes are removed first while maintaining the representativeness of the sample.*
- l. Rating agency should not include any office, employee or any other member, of broadcasters, advertisers and advertising agencies, in audience measurement sample.*
- m. Secrecy of the panel households should be maintained.*
- n. Privacy of panel households should be maintained.*

2.27 In response, stakeholders have stated that they generally agree with the proposed guidelines. However, some stakeholders have suggested modifications to the proposed guidelines on methodology.

Measurement Methods

Stakeholder comments

2.28 Some stakeholders have suggested that people meters are currently the best suited measurement tools. One stakeholder has advocated that

the present people meter system needs to be balanced by cross-checking results with an alternate method of measurement like survey. A few stakeholders have advocated the use of smartphone-based portable people meters for audience measurement.

- 2.29 Regarding the use of integrated Set Top Boxes (STBs) with people meters, some stakeholders have mentioned that the system of deriving ratings through integrated boxes is a major limitation in that they provide household-level data only i.e. they reflect only details of which channel is being watched but not who in the household is watching.

Analysis and recommendations

- 2.30 Since the market will employ appropriate measurement techniques and the most efficient technology keeping all factors in mind, the Authority does not wish to mandate or specify any technique/technology to be used for audience measurement. However, it is expected that the rating agency will use an appropriate combination of measurement techniques i.e. surveys and people meters. Also, emerging technologies like smartphone-based portable people meters and integrated STBs will be considered progressively by the rating agency.

Panel Selection

The panel selection is a two stage process. First, an establishment survey is done which results in a representative pool of households. The second step would be selection of panel homes from this pool. Panel homes are the households in which AM equipment is installed to record television viewing behaviour of the members of the house. Panel size indicates the number of such homes used for collecting the viewership data to generate television ratings.

Establishment Survey

- 2.31 The establishment survey is a large-scale, face-to-face questionnaire survey, designed to define the characteristics of the population to be represented. The data gathered during the establishment survey provides with the social and demographic features of the population, the penetration and characteristics of the television equipment ownership in each home, amongst other variables. This information is then used to define the characteristics of the households to be recruited into the television audience measurement panel. The size of the establishment survey is related to the size of the universe to be measured and the size of the panel to be installed. The establishment survey results in the selection of a pool of households which is around 10 to 15 times the number of desired panel homes. The households selected through establishment survey serve as a pool from which the panel of homes is then selected for television audience measurement.
- 2.32 Most stakeholders agree with the need for an establishment survey because of the heterogeneity in the TV viewing population. The Authority is of the view that in order to prepare a panel of homes for statistical analysis, the panel needs to be representative of the universe of TV viewing households. Given the large variations in terms of demographics, type of channels offered including niche channels, tastes etc. a large-scale establishment survey will be required.
- 2.33 A linked issue pertains to the frequency with which the establishment survey has to be carried out. The establishment survey has to be carried out periodically in order to account for changing demographic profile, shifts in viewing platforms, and changes in household characteristics. These changes need to be taken into account so that the pool of homes remains truly representative of the viewing universe.

While some stakeholders have advocated an annual update for the establishment survey, others have suggested more regular establishment surveys in case there are fast-moving changes in the television environment.

- 2.34 The Authority is of the view that in the initial stages an annual update for the establishment survey should be conducted. However, major changes like the Digital Addressable System (DAS) implementation may warrant more intermediate surveys to account for the changes in the TV viewing universe. Further, the sampling frame for the establishment survey must be the latest census. The selection process of the households for the measurement purposes should be random viz. every household in a particular area should have an equal chance of being chosen.

Panel size

- 2.35 As discussed earlier, the panel homes for audience measurement are drawn from the pool of households arrived at through an establishment survey. Selection of panel homes from the pool is done through a “multi-stage, stratified and un-clustered” sample design to ensure that the panel is fully representative of television viewing population. In the consultation paper stakeholders were asked to provide their comments on the following specific issues on panel size:

“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?”

Stakeholder comments

2.36 There have been varied responses on the minimum panel size which should be implemented to start with as well as maximum panel size that needs to be achieved over a period of time. The majority of the stakeholders have specified a minimum panel size ranging from 10,000 to 30,000. BARC has stated that it intends to start with 20,000 panel homes. Two stakeholders have suggested that the minimum panel size should be 50,000. The ultimate panel size to be achieved as indicated by the majority of the stakeholders falls in the range of 20,000 to 50,000; further, the panel size should be increased by 5,000 to 10,000 per year to reach the ultimate panel size. One stakeholder has suggested that the ultimate panel size should be 1 lakh while another has suggested 5 lakhs.

2.37 One of the suggestion received is that the panel size should be determined separately for each area i.e. a panel size of 5,000 for a metro city, 2,500 for a Class-I city and 1,000 for semi urban/rural area. Another opinion is that the optimal panel size can only be determined after due statistical and, most importantly, financial analysis is done.

Analysis and recommendations

2.38 The size of a panel is a critical parameter that determines the accuracy of any statistical exercise. The panel size should be truly representative of the viewing universe and should properly reflect-demographic profiles, socio-economic classes, age, diverse delivery platforms

(Cable/DTH/Terrestrial), and geographical coverage (both urban & rural markets). An adequate panel size is critical to ensure that the ratings are truly representative of the TV viewing population of the country. Internationally, the panel size falls in the range of 0.016% to 0.059% of the number of TV households². The panel size in some countries is indicated in Table 2.1.

² Please refer table 2.1

Table 2.1 - Panel size in some countries

S.No.	Country	TV households (in million)	Panel homes	Panel size as % of TV household
1	Australia ³	8.3	3500	0.059%
			2135	0.026%
2.	Canada ³	11.8	4300	0.036%
3.	Finland	2.4 ⁴	1100 ⁵	0.046%
4.	France ³	26.3	4300	0.016%
5.	Malaysia	6.3 ⁶	1000 ⁷	0.016%
6.	Switzerland	3.2 ⁸	1870 ⁹	0.058%
7.	UK ³	26	5100	0.02%
8.	India	155	8150	0.005%

2.39 As per M/s TAM Media Research, they have 8150¹⁰ panel homes; with 155 million TV households in India, this comes to less than 0.005% of all TV households.

2.40 The Mitra Committee had recommended an increase in panel size, coverage of rural areas, and addressing the need to cover multiple

³ Please refer Appendix

⁴ http://www.ivf-video.org/new/public/media/Finland_2012.pdf

⁵ <http://www.finnpanel.fi/en/tv.php>

⁶ <http://www.casbaa.com/advertising/countries/malaysia>

⁷ <http://www.agbnielsen.com>

⁸ <http://www.swissmediatool.ch/files/researchDB/604.pdf>

⁹ <http://www.kantarmedia-audiences.com/news--resources/press-releases/matthias-hartl-to-lead-kantar-media-audiences-new-offices-in-bern.aspx>

¹⁰ http://www.tamindia.com/tamindia/Company_Profile.htm accessed on 26.8..2013. However, TAM Media Research has informed TRAI that they are covering 225 towns, comprising 9100 homes & 40,000+ individuals from January 2013.

delivery platforms. The Committee recommended that the panel size be increased from 8,000 to approximately 30,000 over a period of 5 years.

2.41 A key principle of scientific sampling is to remove bias (or error) as far as possible so that the sample selected is representative of the whole universe. However, there can be some differences between the characteristics of the sample and those of the universe (the TV viewing population) from which it was drawn. The magnitude and likelihood of the bias (or error) can be minimized by increasing the sample size in a manner that it meets the statistical requirement of the analysis. However, increasing sample size (panel size) has cost implications. Therefore, determining an optimal panel size requires one to set off the increased cost against the benefits produced through results that are more reliable.

2.42 India is a large and diverse country with several socio-economic categories and regions. The panel size will obviously depend on the coverage and level of reporting. For example, if reporting is to be done on a national basis we could combine data from all panel homes for analytical purposes. In case reporting is to be done State-wise, then an adequate panel size will vary across States as they differ in various parameters. The panel size required for analysis separately for each State will be higher compared to an analysis required at a national level. Similarly, a State could be further broken down in terms of urban, rural, class of city etc. In case analysis is required at city level then the panel size for the city should be such that it is representative of the city population. The level of analysis can be further decomposed in terms of viewing platform, socio economic class, gender, age group, language, household size, type of channel etc. A minimum of 50 respondents from panel homes would be required for reporting viewing

behaviour of the segment chosen. Clearly, as we go deeper down on the level of reporting requirements, the total panel size required for the country increases.

2.43 The total panel size also increases based on coverage. If some States or some areas in a State, like rural areas, are not included in the panel, which is the case with the current rating agency, the panel will not be representative of the overall TV viewing universe. If all States, including rural areas, are to be covered panel size will have to increase.

2.44 On the premise that data is required for viewing platforms, socio-economic classes, age group, gender, urban/rural areas for each State and a minimum of 50 respondents are required for each level of analysis, the required panel size ought to cover :

- a - 3 Viewing platforms
(Terrestrial, Cable (analog), Digital Platforms (DAS, IPTV & DTH))
- b - 4 Socio-economic classes
- c - 4 Age groups
- d - 2 Gender
- e - 2 Area types
(Urban & rural)
- f - 28 States
- g - 50 respondents (at each level)

2.45 Covering the above parameters, the sample size is 2,68,800 ($a \times b \times c \times d \times e \times f \times g$). Assuming average number of television viewing persons per household as 4, the number of panel homes (panel size) required for audience measurement will be around 67,200. This figure will increase if the analysis is required based on type of city, language, urban/sub-urban, mobile/internet platform etc.

2.46 The Authority is of the view that a panel size of 50,000 would serve the purpose. Keeping in mind the costs and on-the-ground implementation issues, a panel size of 20,000 should be implemented immediately and, thereafter, 10,000 panel homes may be added every year until a panel size of 50,000 is reached.

Secrecy

2.47 Maintaining secrecy about the panel homes is an important issue. Secrecy has to be maintained to ensure that results cannot be manipulated by exercise of influence through inducements or otherwise to doctor the opinion of the panel homes. In the consultation paper it was proposed that 25% of the panel homes be rotated every year as rotation could help in ensuring secrecy of panel households to some extent.

Stakeholder comments

2.48 Some stakeholders have advocated that the panel list be made available only to a small control group. Other stakeholders have suggested that there should be periodic 'refreshing' of the panel. On rotation of panel homes, one stakeholder has said that 25% rotation should be done in a staggered manner spread over 12 months. A linked suggestion is that TV homes that do not show any viewing activity and homes that are suspected of manipulation in viewing behaviour should be changed first.

2.49 Another suggestion is to have separate agencies for different stages of the rating process i.e. panel provision, panel management design and deployment and the resulting measurement, analysis and ratings, are with different organizations.

2.50 One stakeholder has advocated the inclusion of 20% dummies in the panel. The actual households used in the computation for a given period can be taken through random sample from the overall metered households.

2.51 TAM Media Research, the existing rating agency, has sought help from industry bodies to frame self-regulation for its members with penalties for any breaches in secrecy. It has also argued that institutions like TRAI should frame stringent rules/regulations to deal with such breaches.

Analysis and recommendations

2.52 Rating agencies must ensure that secrecy of the panel homes is maintained. The Authority is of the view that by employing expanded panel homes (panel size plus additional homes) and then sampling the panel homes required for actual computation (panel size) from this expanded panel will reduce the problem of 'doctored' feedback to a certain extent. Another way could be to deploy algorithms to detect unusual viewing behaviour of certain respondents and discarding the data of such panel homes from analysis. The Authority is of the opinion that both these approaches could be employed. Keeping costs in mind, there could be at least 10% more panel homes deployed than required for computation purpose. The Authority is also of the view that the industry body should issue a voluntary code of conduct to be followed, including penal provisions for breach of the code. The cases of breach of secrecy can be reported and placed on the website of the rating agency. The Government or the Regulator would have the right to

intervene and invoke penal provisions in case it is felt that the 'voluntary code of conduct' is not complied by the industry.

Privacy

2.53 It is vitally important that privacy of panel households is maintained. This is at two levels. Firstly, personally identifiable information of panel homes should not be used by rating agencies to advertise, promote or market third-party goods or services. Also personal data like names, addresses or phone numbers of panel members should not be revealed to any third party for promotion of their business. Secondly, the results of audience measurement should not be disclosed on an individual basis. The rating agency should release measurement results only on an aggregate basis; for example, the results could be released on a demographic basis. In most countries, individual households and viewers are kept anonymous in the rating data and only demographic profile data is released. Rating agencies should ensure that the privacy of the panel home is maintained. The voluntary code of conduct should include this privacy dimension.

2.54 **The Authority recommends the following to arrive at a robust methodology for a television rating system:**

Viewing Platform

- a. **Ratings ought to be technology neutral and shall capture data across multiple viewing platforms viz. cable TV, DTH, Terrestrial TV etc.; online platforms to be covered wherever feasible.**

Panel selection

- b. **The panel homes for audience measurement to be drawn from the pool of households selected through an establishment survey.**
- c. **For selecting the pool of households, a large scale establishment survey shall be carried out. The household pool created through this survey shall be at least ten times the number of panel homes required for audience measurement.**
- d. **The establishment survey shall be carried out annually to reflect changes in growth of TV homes, changes in demographics, growth in new delivery platforms like internet, variations of growth across markets etc.**
- e. **The selection of panel homes, from the household pool created through establishment survey, shall be based on distribution of target viewership for a particular segment like age group, socio-economic class, gender, working status, multiple delivery platforms, all States and urban & rural markets.**
- f. **A minimum panel size of 20,000 to be implemented within 6 months of the guidelines coming into force. Thereafter, the panel size shall be increased by 10,000 every year until it reaches the figure of 50,000. The panel of homes has to remain representative of all television households in the country.**
- g. **Geographic representation shall be provided in proportion to the TV viewing population.**
- h. **The rating agency shall not include any officer, employee or any other member, of broadcasters, advertisers and advertising agencies, in the audience measurement panel.**

- i. **The panel homes shall be updated periodically to reflect the developments taking place in the delivery platforms, growth in viewership etc.**

Secrecy and privacy

- j. **Secrecy and privacy of the panel homes must be maintained. In this context the industry body will issue a voluntary code of conduct to be followed by all stakeholders, including penal provisions for breach of the code.**
- k. **10% additional panel homes beyond the required panel size shall be deployed. The actual panel homes required for computation shall be randomly sampled from the total panel homes deployed. The rating agency will use necessary algorithms to detect outliers having unusual viewing behaviour and discard such data.**
- l. **25% of the panel homes shall be rotated every year. The rotation shall be in such a manner that older panel homes are removed first while maintaining the representativeness of the panel. Such rotation will be achieved in a staggered manner by rotating panel homes every month.**

Data Analysis

- m. **All weighting or data adjustment procedures utilized by the rating agency in the process of converting basic raw measurement data to rating reports shall be based on systematic and logical procedure and applied consistently.**
- n. **Any shortcomings, deficiencies, limitations in the rating system shall be clearly disclosed in the rating reports and also brought to the notice of users of the rating system.**

- o. In the event that a rating agency identifies an attempt to bias measurement results by a respondent's submission of fabricated information, it shall eliminate such cases from analysis. In the event that such cases have been included in published data, the agency shall be required to assess the effect on results and notify users about the same along with indication of its practical significance.**

Transparency

- p. The procedure adopted for selection of panel homes and the rotation of the panel homes shall be made transparent.**
- q. The Rating agency shall submit the detailed methodology it uses to the Government and also publish it on its website.**

Cross-holdings

2.55 Ratings should be independent, neutral and ought not to be influenced by broadcasters, advertisers or advertising agencies. Cross-holdings between rating agencies and their users may result in biased ratings and open up the possibility of distortions in the system. In the consultation paper it was proposed that there should be no cross-holdings between the rating agencies and broadcasters, advertisers, media agencies and advertising agencies and the cross-holding was defined as having substantial equity of 10% or more.

Stakeholder comments

2.56 Most stakeholders agree that there should be no cross-holding between the rating agencies and broadcasters, advertisers and advertising agencies. A few stakeholders have said that this rule may be waived for the industry-led body undertaking rating services.

2.57 On the issue of what constitutes substantial equity for determining cross-holding, some stakeholders have suggested that there should be a complete prohibition on broadcasting companies having any interest whatsoever in rating agencies to ensure independent, unbiased and credible ratings. Another view put forth is that the definition of 'Group' used in the Competition Act should be used to determine cross-holdings restrictions. One stakeholder has opined that the definition of substantial equity should be reduced to 5%.

Analysis and Recommendations

2.58 The Authority in its earlier recommendations dated 19th August 2008 had recommended that there should be no cross-holding between the rating agencies and broadcasters, advertisers and the advertising agencies. Cross-holding was defined in terms of substantial equity holding. Substantial equity of 10% or more was considered as having cross-holding. The Mitra Committee also opined in line with the Authority's view for restrictions on cross-holdings.

2.59 The Authority is of the view that cross-holdings in rating agencies are not desirable and necessary restrictions have to be imposed to ensure that agencies provide independent ratings without any conflict of interest. Any conflict of interest may lead to biased ratings. If the industry body publishes the ratings itself, the cross-holding requirements will not apply to it since the industry body is a consortium of all the relevant stakeholders. However, if the industry-led body entrusts the rating to a rating agency, the cross-holding restrictions will apply to such an entity. As regards substantial equity the Authority is of the view that broadcasters/advertisers/advertising agencies should not be allowed to have substantial stake in the rating

agencies or vice versa; a substantial stake is defined as 10% or more of equity. Having a substantial stake will constitute as cross-holding.

2.60 **The Authority recommends that for cross-holdings:**

- a. **Substantial equity shall mean equity of 10% or more of paid-up equity. Having a substantial equity holding in companies shall constitute a cross-holding.**
- b. **No single company/legal entity, either directly or through its associates or inter-connected undertakings, shall have substantial equity holding in both rating agencies and broadcasters/advertisers/ advertising agencies.**
- c. **No single company/legal entity, either directly or through its associates or inter-connected undertakings, shall have substantial equity holding in more than one rating agency operating in the same area.**
- d. **The cross-holdings restriction will also be applicable in respect of individual promoters besides being applicable to legal entities.**
- e. **A promoter company/member of the board of directors of the rating agency cannot have stakes in any broadcaster/ advertiser/advertising agency either directly or through its associates or inter-connected undertakings.**

Complaint Redressal

2.61 There could be a situation where a user or any other stakeholder is not satisfied with some aspect of the rating process. The proposal mooted in the consultation paper was that it would be desirable that the complainant first approaches the rating agency for resolution of his complaint. In case the complainant is not satisfied with the response

provided by the rating agency, he should be able to approach the accrediting agency for redressal of his complaint.

Stakeholder comments

- 2.62 Most stakeholders concur that a proper and effective complaint redressal mechanism should be introduced. One stakeholder has suggested that a complaint redressal body comprising representatives from the industry should be appointed to oversee the redressal mechanism. Another stakeholder has suggested that the complaint redressal mechanism should be handled by the regulator.
- 2.63 As regards the mechanism for escalation of complaints, some stakeholders have mentioned that there is no need to have an appellate authority either in the form of the accrediting agency or the regulator to review such cases. Another stakeholder has opined that while technical complaints (pertaining to rating procedures, ratings of different channels, data related to ratings) could be directly addressed to the rating agency, general complaints (pertaining to irregularities, perceived deficiencies, misconduct etc.) depending on their nature could be sent directly to the regulator or the rating agency. Some stakeholders have suggested the establishment of an independent ombudsman and policing mechanism to investigate all complaints and imposition of penalties wherever required.
- 2.64 On the issue of timelines for resolution of complaints, most stakeholders have opined that complaints should be resolved in a fixed time frame. It has been further suggested that if the rating agency is not able to address the concerns within 5-7 days then the issue should be referred to the next level.

2.65 As regards placing the complaints and their disposal in the public domain, some of the suggestions made by the stakeholders are: all complaints concerning data reliability must be made public through the website of the rating agency, an SMS integrated system should be put in place wherein as soon as a complaint is registered the details are sent to each concerned official, there should be a feedback mechanism, etc.

Analysis and Recommendations

2.66 The Authority is of the view that an effective complaint redressal system needs to be established for handling complaints, shortcomings and deficiencies in the rating system. The complainant should have options to file his complaint with the rating agency through the rating agency's website, email or post etc. Details regarding this should be available on the rating agency's website.

2.67 In case any complainant is not satisfied with the response of the rating agency, the complainant should have the option to escalate his grievance to the next level. The Authority is of the view that the rating agency should establish an Appellate Authority to dispose off appeals. It is also important that complaints are addressed in a time bound manner.

2.68 Details about the procedure to lodge complaints/appeal, members of the appellate authority, timeframe for resolution of complaints, etc. should be available on the rating agency's website. The details of the complaint and its disposal should also be placed on the agency's website to ensure transparency.

2.69 **The Authority recommends that:**

- a. **The rating agency shall have an effective complaint redressal system in place.**
- b. **The rating agency shall provide the options for registration of complaints online, by email, by post etc. and provide details pertaining to the same on its website. The rating agency shall ensure that complaints are addressed in a time-bound manner.**
- c. **The rating agency shall establish an Appellate Authority. The procedure for filing an appeal shall be available on the rating agency's website. Any complaint not addressed within the scheduled timeframe shall be automatically escalated to the Appellate Authority.**
- d. **Details of the complaints and their disposal shall be displayed on the website of the rating agency.**

Sale & Use of ratings

2.70 Issues pertaining to the sale and use of ratings that were raised in the consultation paper relate to publishing of the rate card on the website, access and use of data by users other than broadcasters, advertisers and advertisement agencies, and sharing of data with third parties or publicly accessed media.

Stakeholder comments

2.71 Most stakeholders are in favour of publishing of a standardized rate card in the public domain in order to ensure that rates are non-discriminatory and transparent. Other stakeholders have said: the subscription charges for broadcasters and advertising agencies must be left to the market forces, the basis for arriving at the rates as well as

the cost structure for providing the rating services should also be published.

2.72 On the access to and use of the ratings by entities other than broadcasters, advertisers and advertising agencies, most stakeholders agree that such usage ought to be permitted. Some stakeholders stated that access by other users will provide an additional revenue stream and, therefore, add to the ability of the rating agency to increase panel homes, provide more supervision, etc. Some of the other views that have been expressed are: the ratings data could be made available only to persons with a direct interest in rating; more people should be encouraged to have access to the rating data; however, its use should be limited to non-commercial purposes; the use of data should be subject to certain terms and conditions.

2.73 On the issue of sharing of data provided by the rating agency with third parties or publicly accessed media, most stakeholders have stated that users may be allowed to share the individual analysis and presentations of the data with their clients to convey relevant performance information and/or promotion of the business activities but should not provide the full data base to any third party. Some stakeholders are of the opinion that any disclosure or non-disclosure by users to a third party should be governed by the terms of contract between the rating agency and the users subscribing to the rating data. Some other views expressed are: the data reported on publicly accessed media should be transparent with no intent of hiding facts. A few stakeholders are not in favour of sharing the data provided by the rating agency with a third party or publicly accessed media.

Analysis and Recommendations

- 2.74 The rating agency will be selling rating data to different users in the ecosystem. Depending upon their requirements different users will need data to different extents. It is desirable that the rates are non-discriminatory and transparent. It is also desirable that a rate card for rating data/reports is placed on the website of the rating agency to ensure transparency and non-discrimination. For example in UK, Broadcasters' Audience Research Board (BARB) publishes the rate card on its website.
- 2.75 **The Authority recommends that the rates for rating data/reports shall be non-discriminatory and transparent and the rate card for rating data/reports shall be published in the public domain by the rating agency.**
- 2.76 The Authority is of the view that rating data should be made available to users other than broadcasters, advertisers and advertising agencies. Other users like students, research agencies, institutions, press etc. may wish to use the data for various purposes. The data/reports by the rating agency should be made available to all interested stakeholders in a transparent and equitable manner. However, the Authority agrees that the use of such data will be governed by the terms and conditions specified by the agency providing the rating data. The rating agency should publish the categories of data/reports which can be accessed by the users along with terms and conditions on its website. As the rating agency will have to make substantial investment in processes and systems, the Authority agrees that such access to data will be on a paid basis, in a transparent and equitable manner, and the revenues generated should be deployed for improving the rating services.

- 2.77 **The Authority recommends that:**
- a) **The data generated by the rating agency be made available, on paid basis, to all interested stakeholders in a transparent and equitable manner.**
 - b) **Use of such data to be governed by the terms and conditions specified by the rating agency providing the rating data.**
 - c) **The rating agency shall publish the categories of data/reports available for use along with the terms and conditions on its website.**

2.78 Users may need to share the rating reports/data in terms of individual analysis and presentation to their clients for business reasons. For instance, broadcasters with higher ratings may wish to beam this information publicly to promote their business. The Authority is of the view that the report/data could be shared for business or academic purposes, as long as the data is projected in a transparent manner and there is no bias in the reported analysis. The rating agency should publish a fair usage policy. Further, the reporting of such report/data should conform to the terms and conditions and fair usage policy of the rating agency. Any misreporting of report/data by the user should be dealt with through the complaint redressal mechanism.

2.79 **The Authority recommends that sharing of the data/reports with a third party or in public domain be allowed subject to the fair usage policy of the rating agency. Such fair usage policy shall be provided on the website of the rating agency.**

Disclosure

2.80 The consultation paper proposed that certain aspects should be mandatorily disclosed by the rating agency, on its website, in the interest of transparency and compliance. Some important parameters proposed for disclosure were detailed rating methodology, coverage details, possible sources of conflict of interests, comments/viewpoints of the users of the rating data, quality control procedures, rate card, ownership pattern, etc.

Stakeholder comments

2.81 Stakeholders are generally in agreement with the proposed mandatory disclosure requirements. It has also been stated that the disclosures will reveal any possible source of conflict of interest and immediate corrective steps would be required on the discovery of any such aberration to ensure fairness of the system and accuracy of the data. Some stakeholders have also suggested certain additional aspects that should be included in the disclosure list which include range of error for any viewership data that the rating agency presents, quarterly audit reports and complaint redressal statistics. On disclosure of the ownership pattern of the rating agency, a few stakeholders have said that issues of cross-holdings, patterns of ownership, investment, etc., will not be necessary in a self-regulation driven joint industry body.

Analysis and recommendations

2.82 In order to have credible ratings, it is important that the rating system is transparent and one of the most effective tools to achieve transparency is to establish a well-defined system of mandatory disclosures by the rating agencies wherein these agencies disclose all relevant details that impinge on the ratings.

- 2.83 In many countries the rating agencies disclose on their website information which aids in achieving greater transparency and credibility of the system. For example, BARB in UK provides details pertaining to methodology, establishment survey, ownership, services available, BARB rate card, terms and conditions of use for users, etc. In USA, Media Rating Council (MRC) mandates the rating agency to disclose methodology and performance measures. Some of these parameters include details about source of sample frame, selection method, respondents by demographic group versus population, response rates, existence of special survey treatments for difficult to recruit respondent groups such as young or ethnic persons, editing procedures, minimum reporting requirements for media, ascription and data adjustment procedures employed, errors noted in published reports, data reissue standards and reissue instances etc.
- 2.84 In India, SEBI has also mandated certain disclosure requirements for credit rating agencies. SEBI's regulation requires that: a credit rating agency shall, wherever necessary, disclose to the clients, possible sources of conflict of duties and interests, which could impair its ability to make fair, objective and unbiased ratings. A credit rating agency shall disclose its rating methodology to clients, users and the public. Further, every credit rating agency shall make available to the general public, information relating to the rationale of the ratings, which shall cover an analysis of the various factors justifying a favourable assessment, as well as factors constituting a risk.
- 2.85 The Authority is of the view that mandatory disclosures by the rating agencies wherein these agencies disclose all relevant details that may affect the ratings, not only ensures transparency in the system but also helps in ensuring that rating agencies are complying with all the terms

and conditions stipulated in the guidelines. Disclosure by the rating agency on its website will allow the public at large to have the opportunity to review and satisfy themselves about the reliability of the rating data. Thus, disclosure by the rating agency will enable early detection of deviations and quicker corrective action.

2.86 As regards doing away with the requirement of disclosure of ownership pattern by the joint industry body undertaking rating, the Authority is of the view that as this industry body will be working as a 'not for profit' organization, it should provide all investment details, revenue details, cost details, equity structure, share of each stakeholder in the equity etc. on its website for larger public interest.

2.87 **The Authority recommends that the following information shall be disclosed by the rating agency on its website:**

- a. **Detailed rating methodology in clear terms including possible sources of errors.**
- b. **Details about the coverage in terms of geographical and other socio-economic representation.**
- c. **Possible sources of conflict of interest, which could impair its ability to make fair, objective and unbiased ratings.**
- d. **Quality control procedures with respect to all external and internal operations which may reasonably be assumed to exert significant effects on the final results.**
- e. **Rate card for the various reports and discounts offered thereon.**
- f. **Ownership pattern of the rating agency, including foreign investment / joint venture / associates in the agency.**
- g. **Quarterly/Annual audit reports.**
- h. **Complaint redressal statistics.**
- i. **Comments/viewpoints of the users of the rating data.**

Reporting requirement

2.88 The consultation paper proposed that certain information should be reported by the rating agency to the Government on an annual basis, to facilitate monitoring and enforcing compliance of the guidelines for rating agencies. Some of the important information proposed to be reported was: equity structure, shareholding pattern, details of key executives and the Board of Directors, interests of rating agency in other rating agencies/ broadcasters/ advertisers / advertising agencies, coverage, subscription and revenue details, etc.

Stakeholder comments

2.89 Stakeholders are generally in agreement with the proposed reporting requirements. Some stakeholders have suggested that reporting requirements should also include any investigations, cases, complaints or any adverse observations by any Government or statutory agency. A few stakeholders have opined that for a joint industry body like BARC the proposed parameters/procedures should not be mandated and it should be left to be monitored by the industry body.

Analysis and recommendations

2.90 In India, SEBI has also mandated certain reporting requirements for the credit rating agencies. SEBI's regulation requires that: every credit rating agency shall, at the close of each accounting period, furnish to SEBI copies of its balance sheet and profit and loss account; every credit rating agency is also mandated to file a copy of the rating process with SEBI for record and also file with the SEBI any modifications or additions made therein from time to time; every credit rating agency shall inform the Board about new rating instruments or symbols introduced by it.

Further, credit rating agencies are mandated to furnish any information called for by SEBI within a period specified by SEBI.

- 2.91 In Italy also, the Regulator AGCOM has mandated that Auditel, the rating agency, must communicate periodically to AGCOM statements on various parameters which include data on methodology, viewers panel, audience measurement system, measurement period, costs the broadcasters must bear to access to the audience data and corporate & shareholders' data.
- 2.92 The Authority is of the view that a system of periodic reporting should be instituted as a mechanism for monitoring and enforcing compliance of guidelines for rating agencies. Even though rating agencies will have disclosure obligations it may not be desirable/feasible for rating agencies to disclose some of the information in the public domain. Such information, however, may be important from the perspective of ensuring that the rating agency is meeting all the desired requirements and complying with the guidelines.
- 2.93 **The Authority recommends that the rating agency shall annually report to the Government on:**
- a. **Equity structure, share-holding pattern including foreign investment/joint venture/associates in the rating agency. Any changes during the reporting period, if any, shall be reported immediately.**
 - b. **Details of key executives and Board of Directors.**
 - c. **Interests of the rating agency in other rating agencies/ broadcasters /advertisers / advertising agencies.**
 - d. **Details of coverage of rating services.**
 - e. **Subscription and revenue details.**

- f. **Any other information and reports as may be asked for by MIB or TRAI, from time to time.**

Audit

- 2.94 The consultation paper discussed the requirement for audit of the rating agency. The audit requirements included documentation of operation and process changes, security of data, internal and external audit. In addition, views of stakeholders regarding the eligibility criteria for auditors were also solicited.

Stakeholder comments

- 2.95 Most stakeholders have concurred with the audit requirement to enhance the credibility of the rating service. They have also opined that it should be mandatory for rating agencies to get an independent audit done through a third party and the auditors of the rating agency 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. The other views expressed by stakeholders include: the regulator should appoint an independent auditor and cost audit should also be carried out in case the rating services are managed through a not-for-profit industry body.
- 2.96 On the issue of the eligibility of the firms for conducting the audit, the stakeholders are of the opinion that the audit should be conducted by an independent, experienced and credible auditing firm of good repute. Another view expressed is that audits should be carried out by professionally managed firms chosen from amongst the top five in India. A few stakeholders have also suggested that the audit committee should consist of qualified chartered accountants, software engineers,

statisticians, market research experts, media experts and legal professionals.

Analysis and recommendations

- 2.97 Audits help in ensuring that a credible and transparent rating process is followed by the rating agency. At present there is no system of independent audit to conduct any kind of verification for various processes followed in the rating system. Regular audits would bring in transparency in the entire process and assurance for compliance of set rules, procedures and guidelines that have been put in place. In order to check and verify whether the processes/guidelines are being followed it is necessary that a mandatory audit is carried out independently through a third party.
- 2.98 Internationally, rating agencies are subjected to independent audit in many countries. For example in USA, the Media Rating Council (MRC) carries out audit of the activity of the rating agency through independent Certified Public Accounting (CPA) firms. These audits become the basis for quality improvements in the service, either by voluntary action or mandated by MRC and provide a beneficial psychological effect on rating service performance. Audit reports include detailed testing and findings for sample design, sample composition by demographic group, data collection and fieldwork, metering, diary or interviewing accuracy, editing and tabulation procedures, data processing, ratings calculations and assessment of rating service disclosures of methodology and survey performance. In Italy, the regulator AGCOM has entered into an agreement with ISTAT (the National Institute of Statistics) to certify the audience research quality and the audience data correctness.

2.99 The Authority is of the view that independent audits are required to render the rating process more transparent and credible. Audit will not only verify that proper processes and procedure are being followed, but also help in improving the efficiency of the system by revisiting certain processes, if required. The rating agency should take proper care in documenting the processes and should have its own internal audit mechanism. In addition, there will be a need of an external audit. The Authority is of the view that the rating agency should have the freedom to appoint auditors.

2.100 **The Authority recommends that:**

- a. **The rating agency shall set up an internal audit mechanism for ensuring that its internal processes and guidelines issued by the Government are being followed. This shall be conducted quarterly and the report placed on its website.**
- b. **The rating agency shall get their rating process/system audited annually by a qualified independent auditor. The auditors of rating agency shall state in their report whether proper mechanisms and procedures exist for credible rating system. The report of the independent auditor shall be placed on the website of rating agency.**
- c. **The cost of audit shall be borne by the concerned television rating agency.**
- d. **The Government or TRAI reserves the right to audit the systems/procedures/ mechanisms of the rating agency, should such a need arise.**

Penal provisions

2.101 To make the rating process more credible and reliable, it is necessary that the guidelines are complied with by the rating agencies.

Therefore, it is necessary that the guidelines are enforced. Disclosures, reporting requirements and audit will demonstrate, to a great extent, whether the rating agencies are complying with the guidelines or not. Any breach of the guidelines should attract penal provisions. The guidelines cover a whole range of issues. Some of the issues such as cross-holding, methodology, secrecy, privacy, audit, public disclosure and reporting to Government/Regulator have a direct bearing on the integrity of the rating system ; they are, therefore utterly important. While in most of the issues the rating agency would be responsible for the compliance, on issues such as secrecy and privacy, any of the stakeholders in the value chain viz. broadcaster or distributor could also be responsible. Non-compliance of any of these guidelines should attract a strict penalty. It should be a financial penalty of Rs.1 crore in the first instance and, in the second instance, should lead to cancellation of registration.

2.102 As regards the guidelines on remaining issues, such as complaint redressal, sale & use of ratings etc., an approach of graded penal provisions should be followed for non-compliance. The first three instances of non-compliance should have financial penalties ranging from Rs.10 lakhs to Rs.1 crore. The fourth instance of non-compliance should lead to cancellation of registration.

2.103 Before imposition of any penalty, sufficient opportunity should be given to the rating agency (or to any other party on whom it is proposed to levy a penalty) to offer their views/ comments.

2.104 **The Authority recommends that any breach of prescribed guidelines shall attract penal provisions. Non-compliance of guidelines on cross-holding, methodology, secrecy, privacy,**

audit, public disclosure and reporting requirements shall lead to a penalty of Rs.1 crore in the first instance, and, in the second instance shall lead to cancellation of registration. For other guidelines, the penal provisions shall be a graduated financial penalty of Rs.10 lakh to Rs.1 crore for the first three instances of non-compliance and, for the fourth instance, cancellation of registration. Suitable opportunity to be given to the party before invoking penal provisions.

2.105 Once guidelines for rating agencies discussed above are issued by MIB, these will have to be equally complied by all rating agencies including new entrants as well as by the existing rating agency. The existing rating agency may require some time for complying with the guidelines in case it is not in compliance on the date of issue of the guidelines. The Authority is of the view that reasonable time needs to be given to an existing agency to comply with the guidelines, especially in meeting the cross-holding and panel size requirements. Therefore, a time limit of 6 months may be given to an existing rating agency for complying with the guidelines.

2.106 **The Authority recommends that six months time, from the date of the guidelines coming into force, shall be provided to the existing rating agency to comply with the guidelines prescribed by the Government.**

Chapter III

Summary of Recommendations and Concluding Remarks

A. Recommendations

The Authority recommends following Framework and Guidelines for Television Rating Agencies in India:

3.1 The framework for regulating television rating system

- a. Television rating agencies shall be regulated through a framework in the form of guidelines.**
- b. Guidelines for the rating agencies be notified by MIB, preferably within two months. These guidelines shall be applicable to all rating agencies providing television rating services in India.**
- c. Guidelines shall mandatorily cover registration, eligibility norms, cross-holding, methodology of rating, complaint redressal, sale & use of ratings, audit, disclosure, reporting requirements and penal provisions.**

3.2 The Guidelines for television rating agencies

I Registration

- a. All rating agencies, including the existing rating agency (TAM Media Research), to obtain a registration from MIB.**
- b. Rating agencies shall be granted registration subject to their meeting the eligibility norms. MIB to publish the procedure for application and grant of registration.**
- c. Continuance of the registration subject to compliance with the guidelines.**

II. Eligibility norms

- a. The Rating Agency shall be set up and registered as a company under the Companies Act, 1956.**
- b. The Rating Agency shall have, in its Memorandum of Association (MoA), specified rating services or market research, as one of its main objects.**
- c. The Rating Agency's MoA shall not include any activity like consultancy or any such advisory role, which would lead to a potential conflict of interest with its main objective of rating.**
- d. Any member of the Board of Directors of the television rating company shall not be in the business of broadcasting/ advertising/ advertising agency.**
- e. The rating agency shall have a minimum net worth of Rs.20 crore.**
- f. The rating agency shall meet the prescribed cross-holdings requirements. (See sub-section IV below)**

The conditions mentioned at d, e & f will not be applicable in the self-regulation model where the industry-led body (BARC) itself provides the rating.

III Methodology for Audience Measurement

Viewing Platform

- a. Ratings ought to be technology neutral and shall capture data across multiple viewing platforms viz. cable TV, DTH, Terrestrial TV etc.; online platforms to be covered wherever feasible.**

Panel selection

- b. The panel homes for audience measurement to be drawn from the pool of households selected through an establishment survey.**
- c. For selecting the pool of households, a large scale establishment survey shall be carried out. The household pool created through this survey shall be at least ten times the number of panel homes required for audience measurement.**
- d. The establishment survey shall be carried out annually to reflect changes in growth of TV homes, changes in demographics, growth in new delivery platforms like internet, variations of growth across markets etc.**
- e. The selection of panel homes, from the household pool created through establishment survey, shall be based on distribution of target viewership for a particular segment like age group, socio-economic class, gender, working status, multiple delivery platforms, all States and urban & rural markets.**
- f. A minimum panel size of 20,000 to be implemented within 6 months of the guidelines coming into force. Thereafter, the panel size shall be increased by 10,000 every year until it reaches the figure of 50,000. The panel of homes has to remain representative of all television households in the country.**
- g. Geographic representation shall be provided in proportion to the TV viewing population.**
- h. The rating agency shall not include any officer, employee or any other member, of broadcasters, advertisers and advertising agencies, in the audience measurement panel.**

- i. The panel homes shall be updated periodically to reflect the developments taking place in the delivery platforms, growth in viewership etc.**

Secrecy and privacy

- j. Secrecy and privacy of the panel homes must be maintained. In this context the industry body will issue a voluntary code of conduct to be followed by all stakeholders, including penal provisions for breach of the code.**
- k. 10% additional panel homes beyond the required panel size shall be deployed. The actual panel homes required for computation shall be randomly sampled from the total panel homes deployed. The rating agency will use necessary algorithms to detect outliers having unusual viewing behaviour and discard such data.**
- l. 25% of the panel homes shall be rotated every year. The rotation shall be in such a manner that older panel homes are removed first while maintaining the representativeness of the panel. Such rotation will be achieved in a staggered manner by rotating panel homes every month.**

Data Analysis

- m. All weighting or data adjustment procedures utilized by the rating agency in the process of converting basic raw measurement data to rating reports shall be based on systematic and logical procedure and applied consistently.**
- n. Any shortcomings, deficiencies, limitations in the rating system shall be clearly disclosed in the rating reports and also brought to the notice of users of the rating system.**

- o. In the event that a rating agency identifies an attempt to bias measurement results by a respondent's submission of fabricated information, it shall eliminate such cases from analysis. In the event that such cases have been included in published data, the agency shall be required to assess the effect on results and notify users about the same along with indication of its practical significance.**

Transparency

- p. The procedure adopted for selection of panel homes and the rotation of the panel homes shall be made transparent.**
- q. The Rating agency shall submit the detailed methodology it uses to the Government and also publish it on its website.**

IV Cross-holdings

- a. Substantial equity shall mean equity of 10% or more of paid-up equity. Having a substantial equity holding in companies shall constitute a cross-holding.**
- b. No single company/ legal entity, either directly or through its associates or inter-connected undertakings, shall have substantial equity holding in both rating agencies and broadcasters/advertisers/ advertising agencies.**
- c. No single company/legal entity, either directly or through its associates or inter-connected undertakings, shall have substantial equity holding in more than one rating agency operating in the same area.**
- d. The cross-holdings restriction will also be applicable in respect of individual promoters besides being applicable to legal entities.**

- e. **A promoter company/ member of the Board of Directors of the rating agency cannot have stakes in any broadcaster/ advertiser/advertising agency either directly or through its associates or inter-connected undertakings.**

V. Complaint Redressal

- a. **The rating agency shall have an effective complaint redressal system in place.**
- b. **The rating agency shall provide the options for registration of complaints online, by email, by post etc. and provide details pertaining to the same on its website. The rating agency shall ensure that complaints are addressed in a time-bound manner.**
- c. **The rating agency shall establish an Appellate Authority. The procedure for filing an appeal shall be available on the rating agency's website. Any complaint not addressed within the scheduled timeframe shall be automatically escalated to the Appellate Authority.**
- d. **Details of the complaints and their disposal shall be displayed on the website of the rating agency.**

VI Sale & Use of ratings

- a. **The rates for rating data/reports shall be non-discriminatory and transparent and the rate card for rating data/reports shall be published in the public domain by the rating agency.**
- b. **The data generated by the rating agency be made available, on paid basis, to all interested stakeholders in a transparent and equitable manner.**
- c. **Use of such data to be governed by the terms and conditions specified by the rating agency providing the rating data.**

- d. The rating agency shall publish the categories of data/reports available for use along with the terms and conditions on its website.**
- e. Sharing of the data/reports with a third party or in public domain be allowed subject to the fair usage policy of the rating agency. Such fair usage policy shall be provided on the website of the rating agency.**

VII Disclosure

The following information shall be disclosed by the rating agency on its website:

- a. Detailed rating methodology in clear terms including possible sources of errors.**
- b. Details about the coverage in terms of geographical and other socio-economic representation.**
- c. Possible sources of conflict of interest, which could impair its ability to make fair, objective and unbiased ratings.**
- d. Quality control procedures with respect to all external and internal operations which may reasonably be assumed to exert significant effects on the final results.**
- e. Rate card for the various reports and discounts offered thereon.**
- f. Ownership pattern of the rating agency, including foreign investment/joint venture/associates in the agency.**
- g. Quarterly/Annual audit reports.**
- h. Complaint redressal statistics.**
- i. Comments/viewpoints of the users of the rating data.**

VIII Reporting requirement

The rating agency shall annually report to the Government on:

- a. **Equity structure, share-holding pattern including foreign investment/joint venture/associates in the rating agency. Any changes during the reporting period, if any, shall be reported immediately.**
- b. **Details of key executives and Board of Directors.**
- c. **Interests of the rating agency in other rating agencies/ broadcasters / advertisers / advertising agencies.**
- d. **Details of coverage of rating services.**
- e. **Subscription and revenue details.**
- f. **Any other information and reports as may be asked for by MIB or TRAI, from time to time.**

IX Audit

- a. **The rating agency shall set up an internal audit mechanism for ensuring that its internal processes and guidelines issued by the Government are being followed. This shall be conducted quarterly and the report placed on its website.**
- b. **The rating agency shall get their rating process/system audited annually by a qualified independent auditor. The auditors of rating agency shall state in their report whether proper mechanisms and procedures exist for credible rating system. The report of the independent auditor shall be placed on the website of rating agency.**
- c. **The cost of audit shall be borne by the concerned television rating agency.**
- d. **The Government or TRAI reserves the right to audit the systems/procedures/ mechanisms of the rating agency, should such a need arise.**

X Penal provisions

Any breach of prescribed guidelines shall attract penal provisions. Non-compliance of guidelines on cross-holding,

methodology, secrecy, privacy, audit, public disclosure and reporting requirements shall lead to a penalty of Rs.1 crore in the first instance, and, in the second instance shall lead to cancellation of registration. For other guidelines, the penal provisions shall be a graduated financial penalty of Rs.10 lakh to Rs.1 crore for the first three instances of non-compliance and, for the fourth instance, cancellation of registration. Suitable opportunity to be given to the party before invoking penal provisions.

3.3 Time frame for compliance to the existing rating agency

Six months time, from the date of the guidelines coming into force, shall be provided to the existing rating agency to comply with the guidelines prescribed by the Government.

B. Concluding Remarks

- a. The problems surrounding television rating system were first raised with the Authority by MIB in January, 2008. At that time, a formal reference was made to the Authority listing numerous problems in the existing system and seeking the Authority's recommendations on the system of television ratings and guidelines to be adopted for the rating agencies. The issues raised in the 2008 reference pertained to the registration system, sample size, methodology to be adopted, coverage (both platforms and areas), releasing of data and ratings etc. In its report on 19th August, 2008, the Authority recommended the adoption of self-regulation through the industry led body- the Broadcast Audience Research Council**

(BARC) - with Government oversight; the Authority also made comprehensive recommendations on all other matters referred to it.

- b. For over four years little to no progress has been made in implementing the Authority's recommendations or, for that matter, in devising and instituting a reliable and transparent television rating system. Part of the responsibility for this prolonged inaction reposes in the industry itself. However, the MIB too bears some of the load: in the four years that have elapsed there has been little by way of effort to compel the adoption of guidelines clearly recommended by the Authority.**
- c. In 2012, the MIB has once again referred the matter of TAM/TRP back to TRAI citing the very same problems that dogged the rating system when the reference was made in 2008. While making the recommendations in 2008, the Authority had considered remedial measures in the event of BARC's failure to correctly adopt the framework for self-regulation. In this context, the Authority quoted an extract from the Harris Committee Report on Broadcast Ratings:**

“Should, however, the industry program of self-regulation, upon continued examination be found at a later date to be substantially deficient and therefore, incapable of achieving the objectives sought to be reached by that program, enactment of appropriate legislation providing for Government regulation of rating operations may prove to be only resource”.

- d. Since the past track record is not especially confidence-inspiring, there is, therefore, the lurking doubt whether effective action will be taken to implement the recommendations now being made to institutionalize a credible and transparent rating system. Nevertheless, the Authority has decided to persevere with and repose its faith in the approach of self-regulation. However, such faith cannot be blind. It is in this context that the quote from the Harris Committee Report has been cited.**
- e. The time frame for implementation has become a critical factor: for too long policy intent has simply not been translated into action. Guidelines are designed to correct the aberrations in the existing system and to prevent any further deterioration. Implementation is, therefore, an imperative. As the sector regulator responsible for overall development of the sector, the Authority cannot be a mute spectator to continued inaction: this matter has been hanging fire since 2008. Therefore, if necessary, the Authority may suo motu intervene in the larger public interest.**

Glossary

Abbreviation	Description
AAAI	Advertising Agencies Association of India
AM	Audience Measurement
BARB	Broadcasters' Audience Research Board
BARC	Broadcast Audience Research Council
CPA	Certified Public Accounting
DART	Doordarshan Audience Ratings
DD	Doordarshan
DTH	Direct to Home
FICCI	Federation of Indian Chambers of Commerce and Industry
FTA	Free to air
IBF	Indian Broadcast Foundation
ISA	Indian Society of Advertisers
MIB	Ministry of Information and Broadcasting
MoA	Memorandum of Association
MRC	Media Rating Council
OHD	Open House Discussion
PPM	Portable People Meter
SAARF	South African Advertising Research Foundation's
SEBI	Securities and Exchange Board of India
STB	Set Top Box
TAM	Television Audience Measurement
TRAI	Telecom Regulatory Authority of India
TRP	Television Rating Points

International Experience in Television Rating Service

The provisions in the major international markets can be placed in following broad categories:

- a) Setup & Framework
- b) Eligibility norms
- c) Methodology
- d) Panel size
- e) Privacy
- f) Sale and use of ratings
- g) Reporting requirements
- h) Disclosure
- i) Quality and Audit

a) Setup & Framework

Australia¹¹

- Television ratings in Australia are provided by two agencies OzTAM and Regional TAM in different geographical areas.
- OzTAM is an independent company owned by Australia's major commercial television broadcasters (Seven Network, Nine Network and Network Ten) and is the official source of television audience measurement in the five metropolitan cities (Sydney, Melbourne, Brisbane, Adelaide and Perth) and nationally for subscription television.
- Regional TAM Pty Limited is a joint venture comprising the five free to air (FTA) regional commercial networks - NBN Limited, Prime Television Pty Ltd, Seven Queensland, Southern Cross Austereo and WIN Corporation Pty Ltd. Regional TAM data is the official source of free to air and subscription television measurement in the five east coast aggregated regional markets including its 19 component sub-markets and the regional Western Australian market.

¹¹ www.oztam.com.au, www.regionaltam.com.au, www.agbnielsen.net

- Both OzTAM and Regional TAM have agreement with Nielsen TAM for collecting and producing ratings data on their behalf.

Canada¹²

- BBM Canada is responsible for television audiences measurement, which is a not-for-profit, broadcast research company jointly established in 1944 as a tripartite cooperative by the Canadian Association of Broadcasters and the Association of Canadian Advertisers.
- Their membership includes television and radio stations and networks, major advertising agencies, and national advertisers.

France¹³

- Measurement of television audiences in France is conducted by an independent company, Médiamétrie consisting of representatives of radio, television, advertisers, advertising agencies and media brokers without any of them having a majority holding to take a decision alone.

Ireland¹⁴

- TAM Ireland (Television Audience Measurement Ireland Ltd), a not-for-profit company limited by guarantee, was set up in 2007 to provide the industry-standard television audience measurement service for broadcasters and the advertising industry. TAM Ireland is owned by RTÉ, TG4, TV3, Channel 4, UTV, Sky, Viacom and Setanta. All of the major media buying agencies in Ireland are also members of TAM Ireland.
- TAM Ireland has contract with Nielsen Television Audience Measurement to provide research services on its behalf, including the production of audience viewing figures.

Italy¹⁵

¹² <http://www.bbm.ca/en/>

¹³ <http://www.mediametrie.fr>

¹⁴ <http://www.tamireland.ie/>

¹⁵ <http://translate.google.co.in/translate?hl=en&sl=it&u=http://www.auditel.it/&prev=/search%3Fq%3Dauditel%2BItalia%26hl%3Den%26biw%3D1366%26bih%3D643&sa=X&ei=5-clUc6vAYOsrAfw2IDgDw&ved=0CDUQ7gEwAA> ,

- Television ratings in Italy are provided by Auditel, which is a Joint Industry Committee (JIC) consisting of investors of advertising, Agencies & media centers and target companies.

South Africa¹⁶

- South African Advertising Research Foundation's (SAARF) has the responsibility to measure the audiences of all traditional media such as newspapers, magazines, radio, television and cinema. SAARF's Board of Directors represents the marketing, media and advertising industries through their respective industry bodies. SAARF is financed through a fixed amount contributed by print media owners and through an industry levy on other media owners (television, radio, etc.).
- Major research surveys conducted by SAARF are All Media and Products Survey (AMPS), Radio Audience Measurement Survey (RAMS) and Television Audience Measurement Survey (TAMS).

UK¹⁷

- In UK official ratings for television audiences are provided by the Broadcasters' Audience Research Board (BARB). BARB is a not-for-profit limited company, funded by the major players in the industry it supports. It is owned by BBC, ITV, Channel 4, Channel 5, BSkyB and the IPA (Institute of Practitioners in Advertising).

USA¹⁸

- Media Rating Council (MRC) is an Industry funded organization to review and accredit audience rating services in US. Currently MRC has approximately 95 Board members representing TV and Radio Broadcasting, Cable, Print, Internet and Advertising Agency organizations as well as Advertisers and Trade Associations. Organizations such as Nielsen or Arbitron that provide media ratings are not allowed to be members.
- The activities of the MRC include:

<http://www.mondaq.com/x/40806/Film+Television/Audience+Measurement+Battle+In+Italian+Television+Marketing+Is+Satellite+Misrepresented+By+Auditel>

¹⁶ <http://saarf.co.za/>

¹⁷ www.barb.co.uk

¹⁸ mediaratingcouncil.org

- The establishment and administration of Minimum Standards for rating operations;
- The accreditation of rating services on the basis of information submitted by such services; and
- Auditing, through independent Certified Public Accounting (CPA) firms, of the activities of the rating services.

b) Eligibility norms

Italy

- The Italian regulator Autorità per le Garanzie nelle Comunicazioni (AGCOM) in 2006 issued following guidelines regarding governance of Auditel:
 - i. the corporate structures (including shares ownership and directors) must represent all existing TV markets (digital terrestrial television – DTT, satellite, cable);
 - ii. the technical committee must be independent. AGCOM may decide to designate its own representative members in this committee;

USA

- According to MRC adherence to the following minimum standards is necessary to meet the basic objectives of valid, reliable and effective media audience measurement research:
 - a. Ethical and Operational Standards
These standards govern the quality and integrity of the entire process by which ratings are produced.
 - b. Disclosure Standards
These standards specify the detailed information about a rating service, which must be made available to users, MRC and its audit agent, as well as the form in which the information should be made available.
 - c. Electronic Delivery and Third Party Processor Supplementary Standards
These standards reflect additional requirements for rating services that deliver audience data electronically and for third party processors that apply for accreditation.
- Acceptance of MRC's minimum standards by a rating service is one of the conditions of accreditation by the MRC. These are intended to be minimum standards and neither they, nor anything in MRC

procedures, shall prevent any rating service from following higher standards in its operations.

c) Methodology

Australia

- People meters are installed on every TV set in the home included in the panel, which is formed based on a large-scale, face-to-face questionnaire survey (the establishment survey). Each meter monitors and stores individual panel member viewing on each TV set - every second, 24 hours a day, 365 days a year. The data stored in the memory of the online People meter is retrieved, known as polling, daily between 0200 hrs and 0600 hrs via the home's fixed telephone line or a GSM modem installed in the meter's transmission unit.
- The data captured from the panel homes is matched with a reference library of all available TV broadcast channels within each market, to measure viewing to individual channels, whether the viewing is Live (i.e., as the programme actually went to air), As Live (paused or recorded programming played back before 2am on the same day of the original broadcast) or Time Shift (recorded broadcast content played back after the same Research Day and within seven days of the original broadcast). The production system collates, processes, analyses, validates, weighs the data and produces a final report of each household's viewing. Once the production processes have been completed, the television programme schedules provided by the TV networks and ratings are integrated. All data undergoes rigorous quality control both electronically and manually.

Canada

- BBM uses several different methods of collecting the ratings data. Twice a year they conduct surveys, contacting thousands of people across Canada. They send them paper diaries to fill out and keep track of their viewing or listening. They also use electronic meters in a carefully selected panel of homes.

a) Survey Diary

BBM Canada uses the diary measurement technique for the Audience measurement for the seven major markets (Halifax, Quebec, Montreal Anglo, Ottawa/Gatineau, Kitchener/London,

Winnipeg and Edmonton) and 29 minor markets. This is done twice in the year (in fall and in spring). Viewed TV programmes are recorded by each member of the household in the diary and mailed to BBM Canada immediately after the survey week is over.

b) Portable People Meter (PPM)

BBM Canada also uses PPM (Portable people meter), installed in a carefully selected panel of homes. The PPM automatically identifies the TV stations by picking up a special 'encoded' signal sent on the air by each station.

France

- The panel of households equipped with one or more TV sets in their main residence is known as the Médiamat. It has been constructed to represent both the socio-demographic characteristics of households in metropolitan cities and also the characteristics of the television offer available.
- In each home which is part of the Médiamat panel, Médiamétrie installs one or more - depending on how many pieces of equipment they have - audimeters fitted with a remote control with individual keys, which constantly records all uses of the television set(s) in the household:
 - When the television set is switched on and off
 - How the different channels are watched
 - The other ways in which the television set is used.

Ireland

- Panel homes are selected based on the Establishment Survey carried out by TAM Ireland. The survey involves approximately 6,000 interviews per year. It is a random-probability survey which means that every private residential household within Ireland has a chance of being selected for interview. The TAM Ireland Establishment Survey also generates potential recruits from which panel member homes are selected.
- When a household agrees to join the panel their television sets, PVRs, VCRs etc. are electronically monitored by a meter. The meter automatically identifies and collects information about the channel that the panel member is viewing. Every night between 3am and 6am the data processing centre automatically downloads the data from panel homes.

- Since September 2010 VCR, PVR playback and "catch-up" VOD services have also been reported if it takes place within 7 days of the original broadcast. This time-shifted viewing is added to the live data to produce the final, minute-by-minute consolidated audience, available 8 days after the original transmission date. This consolidated data is the 'TAM Gold Standard' used by the industry to report and trade on.

Italy

- Applying a rigorous statistical methodology, Auditel has built a representative sample of the Italian population which includes all individuals over the age of 4 years, residing in the national territory.
- The families of the panel are equipped with People meter that automatically detects every day, minute by minute, listening to all channels of any TV that is running in the house. The information collected every day, between 2 AM and 5 AM, is processed by the central computer and released by 10 AM on the next morning.
- The Italian Regulator, AGCOM has also laid down following rules regarding measurement:
 - i. 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;
 - ii. the frequency of the audience panel rotation and the margin of statistically acceptable error must take into account the differences among platforms.

South Africa

- SAARF installs people meter in a representative sample homes to measure second-by-second television audiences. The people meters automatically register everything that occurs on one or more TV sets in the home as well as other equipment, such as PVR's, VCR's, DVD players, etc. which may be attached to them in metered homes.
- By pressing appropriate buttons on a remote control device, members of the household, as well as their visitors, can log in when they start viewing and log out at the end of a session, thus giving viewing and demographic information. The data is

automatically transferred from panel homes all over the country to a central computer in Johannesburg every 24-hours.

- The broadcasting day ends at 02:00 in the morning and the data is gathered during the rest of the night to enable SAARF to publish the data the next day. The data is released daily except over weekends. The data for Friday, Saturday and Sunday is published on Monday.

UK

- In order to estimate viewing patterns across all TV households, a carefully selected panel of TV homes is chosen. The methodology for establishment survey, to arrive at household sample is designed by RSMB¹⁹. Designing ensures that panel homes remain representative of all television households across the UK.
- Another firm Ipsos MORI conducts the BARB establishment survey. The survey is done on a continuous basis to measure changes in UK household characteristics and includes some 53,000 interviews per year. BARB establishment survey respondents also provide the pool of households from which BARB panel homes are recruited by Kantar Media.
- In every panel household, all television viewing is monitored automatically by metering equipment installed by Kantar Media. Timeshift viewing (recorded programmes that are watched within seven days of the original broadcast) is also included in this process. The meter records all viewing by every person in the household aged 4+, adding individual demographic information to the overall viewing data. This information is uploaded automatically to BARB every morning between 2 AM and 6 AM where it is processed to apply various statistical adjustments.
- Each day at 9.30 AM the data is released to the TV industry as overnight viewing figures. Eight days later, consolidated audience figures are released, incorporating any timeshift viewing from the previous seven days.

¹⁹RSMB is contracted by BARB for methodology, statistical design and quality control for the overall service for BARB.

d) Panel size

Australia

- There are approximately 8.3 million TV household²⁰ in Australia.
- The OzTAM panel consists of 3,500 metro panel homes and 1,413 homes in the national subscription TV (STV) service.
- The Regional TAM panel comprises a total of 2135 homes representing a potential audience of 7,432,000 individuals.
- OzTAM& Regional TAM panel amounts to 0.059% & 0.026% respectively of total TV households.

Canada

- There are approximately 11.8 million TV household in Canada²¹.
- BBM's national PPM panel has approximately 4,300 households across Canada, which amounts to 0.036% of total TV households in Canada.

France

- There are approximately 26.3 TV million households²² in France.
- The Médiamat panel is made up of nearly 4,300 households covering around 10,500 individuals aged 4 and over. This amounts to 0.016% of total TV households in France.

UK

- There are approximately 26 million TV households in UK.
- The BARB reporting panel consists of 5100 homes, which are located across the UK and represent the viewing of all the individuals aged 4 and above within the households (plus their guests). This amounts to 0.02% of total TV households.
- In general, panel members are recruited to be on the panel for as long as they wish. There is no maximum length of membership. Panel members are not paid for participating on the BARB panel. Instead they are thanked for taking part with a choice of gift

²⁰As per ACMA report on Television sets in Australian households 2011, there were approximately 18.7 million television sets in 8.4 million Australian households, with an average of 2.2 in each home. There was no working television set in about 100,000 households.http://www.acma.gov.au/webwr/_assets/main/lib310665/Television_sets_in_Australian_households.pdf

²¹As per CRTC annual report on the state of the Canadian communications industry, September 4, 2012, the number of Canadian households that subscribe to basic television service increased by 2.2% to 11.8 million, equivalent to 89.6% of all households. <http://www.crtc.gc.ca/eng/com100/2012/r120904.htm>

²²http://www.ivf-video.org/new/public/media/France_2012.pdf

vouchers from a variety of outlets that appeals to all ages. They also receive a regular panel newsletter that includes competitions and opportunities to enter free prize draws.

e) Privacy

Australia

- In the rating data individual households and viewers are kept anonymous; only demographic profile data is released.

Canada

- BBM combine TV viewing, Radio listening and household information of a panel member with that of other panel members to produce ratings about groups of people only, not individuals. BBM promises not to disclose names, addresses or phone numbers of panel members.

f) Sale and use of ratings

Australia

- Both OzTAM and Regional TAM provide ratings data through subscription.
- OzTAM supplies data on commercial terms to any party who requests it, subject to conditions that preserve the integrity and reputation of OzTAM services, including:
 - Users of OzTAM data must acknowledge that all intellectual property rights in OzTAM data are and at all times will remain the property of OzTAM
 - Anyone publishing OzTAM data must note in any reports that the data is copyright to OzTAM and may not be reproduced, published or communicated (electronically or in hard copy) without OzTAM's prior written consent.
- Regional TAM data is available for sale for the full year, by survey period, by all markets, by aggregated market or by sub-market.

Canada

- In order to download survey databases via secure http, one must be a BBM Member. BBM Canada has several different membership categories depending on the type of organization and the required

- entitlements. To become a full, voting member, one must be a radio or television broadcaster, an advertiser, advertising agency, or media buying house. Associate (non-voting) memberships are available to other interested parties, such as industry associations, consultants, government organizations, and U.S. broadcasters.
- BBM Canada also grants a nonexclusive license to members of the media who write about television or radio. This license allows them to use and publish a limited, newsworthy amount of copyrighted data with certain restrictions.

South Africa

- SAARF TAMS® data is available in the form of an electronic database and the daily data is also reported weekly in PDF format on the SAARF website.

UK

- BARB rating data sets can be purchased directly from BARB by subscribing on BARB's website. BARB itself does not provide audience analysis to subscribers. Dedicated software is required by users to analyse these data sets.
- The other option is to purchase data from one of the data processing bureaux via an end user licence – limited usage. These data processing bureaux have developed user-friendly software products for their clients to extract and analyse the data with ease.
- If the data is obtained through an end user licence, limited usage is allowed only for internal purposes. If the data is required for external purposes, for example reselling of BARB related services or sharing with third parties, or publishing in any form (electronic or otherwise) a BARB licence is required.

g) Reporting requirements

Italy

- Auditel is required to provide a statement containing following information to AGCOM every year, on December 31:
 - i. corporate and shareholders' data;
 - ii. 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;

iii. data on entities controlling Auditel.

- The above data is published on AGCOM website.

USA

- Measurement Services that submit to MRC Accreditation must agree to:
 - Supply complete information to the MRC
 - Comply with MRC minimum standards
 - Conduct the service as represented to the client
 - Submit to annual audits
 - Pay for the audit costs (internal & external)

h) Disclosure

USA

- MRC mandates rating services to disclose many methodology and performance measures, which would be otherwise unknown, for example:
 - Source of sample frame
 - Selection method
 - Respondents by demographic group versus population
 - Response rates
 - Existence of special survey treatments for difficult to recruit respondent groups such as young or ethnic persons
 - Editing procedures
 - Minimum reporting requirements for media
 - Ascription and data adjustment procedures employed
 - Errors noted in published reports
 - Data reissue standards and reissue instances

i) Quality and Audit

Australia

- The Regional TAM ratings data is independently audited by an independent agency.

Italy

- The regulator, AGCOM has entered into an agreement with ISTAT (the National Institute of Statistics) to certify the audience research quality and the audience data correctness.

UK

- Quality control procedures are carried out on a continuous basis to ensure that the panel members are following the correct procedures. Telephone checks are made to panel homes to verify that excessive viewing of one particular channel or nil viewing is genuine viewing behavior.

USA

- The central element in the monitoring activity of the MRC is its system of annual external audits of rating service operations performed by a specialized team of independent CPA auditors.
- 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, 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
 - Assessment of rating service disclosures of methodology and survey performance

Annexure I

MIB's letter dated 31st August 2012

उदय कुमार वर्मा
सचिव
UDAY KUMAR VARMA
SECRETARY
Tel: 011-23382639
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भारत सरकार
सूचना और प्रसारण मंत्रालय
नई दिल्ली-110115
GOVERNMENT OF INDIA
MINISTRY OF INFORMATION & BROADCASTING
NEW DELHI-110115

D.O. No.3105/3/2008-BC-III(Pt.II)

31st August, 2012

Dear Dr. Khullar,

As you are aware the TV Viewership Measurement System in India has been under the constant review of the Government. The Standing Committee of the Parliament on Information Technology in its 67th Report (2008-2009), "Television Audience Measurement in India" had made extensive recommendations for improving the TRP Measurement System in India. TRAI in its Report on 'Policy Guidelines and operational issues for Television Audience Measurement/ Television Rating Points 2008' had recommended self-regulation of TRPs through an industry body i.e. the Broadcast Audience Research Council (BARC). Subsequently, on the initiative of the Minister of Information and Broadcasting a committee was constituted under the Chairmanship of the then Secretary General, FICCI, Dr. Amit Mitra, which also made extensive recommendations towards setting up of a transparent and credible self-regulatory mechanism for TRPS by BARC

2. Ministry has been constantly reviewing the progress made towards setting up of BARC. After constant persuasion and follow up by the Ministry, BARC was finally registered in July 2010. Several meetings were held subsequently with BARC representatives to ensure that the recommendations made by TRAI and Dr. Mitra Committee were implemented. However, it is disappointing to note that till today no significant progress has been made by BARC to set up a transparent TRP mechanism in the country.

3. Moreover, TRAI in its report on TRPs had also made the following recommendation with regard to Cross holdings;

"There should be no cross holding between the rating agencies and the broadcasters, advertisers and the advertising agencies. This cross holding restriction is also applicable in respect of individual promoters besides its applicability to legal entities. The ownership pattern of the rating agency, including foreign investment/joint venture/associates in the agency should be reported to the Government on an annual basis and changes, if any should be reported immediately".

4. The Amit Mitra Committee constituted to review the existing Television Rating System in India also mentioned that ' This committee is in consonance with the TRAI report 2008 that there should be no cross holding between the rating agency and the broadcasters, advertisers and the advertising agencies, to avoid conflict of interest '.

5. However, in spite of these recommendations the cross holdings have continued to exist in TAM Media research (India) as the self regulating mechanism recommended by TRAI and Dr Amit Mitra Committee has not taken shape. The presence of cross holdings in TAM Media Research (India) raises doubts about the credibility of the data being generated by TAM. TRAI is, therefore, requested to recommend specific guidelines for regulating cross holdings in those companies which are involved in the generation of Television viewership measurement data in India.

6. We are concerned about the spate of articles that have appeared recently in Media subsequent to the filing of a law suit by NDTV against the parent company of TAM Media Research (India) i.e., Nielsen. Most of these articles have highlighted the deficiencies and inadequacy of the present TV Viewership Measurement System. As pointed out earlier, the self-regulation of TRP system in India has failed to take off as BARC has not been able to take any credible action on the recommendations made by TRAI and by Dr Mitra's committee. Meanwhile the TRP measurement system in India continues to suffer from several deficiencies. It is therefore felt that urgent action needs to be taken to put in place a credible and transparent TRP generation system.

7. It is pointed out that TRAI in its report on TRPs had recommended that if BARC fails to meet with the objectives or is found deficient in its functioning, the Government shall then consider regulation of rating system through TRAI by way of legislative enactment or any other institutional framework. Further in response to a letter dated 9th December 2009, from the Ministry, TRAI had also mentioned that in the event of BARC not becoming operational, Government may consider entrusting the work of laying down guidelines and accredit suitable agencies to carry out measurements of television audience to IIMC. TRAI had further mentioned that in case this is also not found feasible Government may consider entrusting this work to TRAI. ✓

8. In view of above, TRAI is requested to recommend comprehensive guidelines/accreditation mechanism with TRAI as accrediting agency for TRP rating agencies in India to ensure fair competition, better standards and quality of services by TRP rating agencies. A comprehensive accreditation system inter-alia should have the following;

1. Well represented and statistically valid sample size of TV homes giving adequate representation to both urban and rural areas.
 2. Coverage of all states in the country
 3. Third party audit of the data
 4. Transparency in the selection of people metre homes
 5. Secrecy of people metre homes on the panel
 6. Public grievance redressal mechanism
9. The accreditation process will ensure that the data so generated by the accredited agencies is representative, credible and transparent.
10. TRAI is therefore requested to make recommendations on the issues raised above under section 11(1) (a) (iv) and 11(1) (d) of the TRAI Act, 1997.

Regards,

Yours sincerely,

Uday Kumar Varma

(Uday Kumar Varma)

Shri Rahul Khullar
Chairman
Telecom Regulatory Authority of India
Mahanagar Doorsanchar Bhawan
Jawahar Lal Nehru Marg,
NEW DELHI 110 002.

Annexure II

TRAI's letter dated 9th October 2012

Dr. Rahul Khullar



अध्यक्ष
भारतीय दूरसंचार
विनियामक प्राधिकरण
CHAIRMAN
TELECOM REGULATORY
AUTHORITY OF INDIA

D.O.No. 23-04/2009-B&CS
October 9, 2012

Dear Sir,

Please refer to your letter DO No. 3105/3/2008-BC-III(Pt. II) dated 31st Aug 2012.

2. As you are aware, TRAI has been entrusted with the functions of making recommendations to the Government under section 11(1) (a) of the TRAI Act, 1997. However, under section 11(1)(d) of the Act, TRAI performs other functions including such administrative and financial functions as may be entrusted to it by the Central Government or as may be necessary to carry out the provisions of the TRAI Act.

3. It is not clear from your letter whether the Ministry of Information and Broadcasting intends to seek the recommendations of TRAI under Sec 11(1)(a) on comprehensive guidelines/accreditation mechanism for accreditation of TRP rating agencies in India or intends to entrust the function of accrediting TRP rating agencies in India to TRAI under Sec. 11(1)(d) of the TRAI Act, 1997. In the later case, it needs to be done through a formal Government notification in which case TRAI would do the same as per the provisions of the TRAI Act, 1997 and decide upon the comprehensive modus-operandi for the same.

4. I would be grateful if you could expressly convey the intent of the Ministry in this regard.

Regards,

Yours sincerely


(Rahul Khullar)

Shri Uday Kumar Varma
Secretary,
Ministry of Information and Broadcasting,
Government of India,
Shastri Bhawan,
New Delhi – 110 001.

Annexure III

MIB's letter dated 16th November 2012

उदय कुमार वर्मा
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GOVERNMENT OF INDIA
MINISTRY OF INFORMATION & BROADCASTING
SHASTRI BHAWAN, NEW DELHI-110001

D.O. No.3105/3/2008-BC-III(Pt.II)

16th November, 2012

Dear Dr. Khullar,

This is with reference to your D.O. letter No. 23-04/2009-B&CS dated 9th October, 2012.

2. Ministry intends to seek the recommendations of TRAI under Section 11(1)(a) of TRAI Act, 1997 for laying down comprehensive guidelines/accreditation mechanism for accreditation of TRP rating agencies in India. It is felt that this mechanism will bring transparency and accountability in the system as it will ensure that only those agencies enter into the business of TRP measurement which have the capacity to comply with the TRAI recommended accreditation mechanism. Laying down comprehensive guidelines/accreditation mechanism for TRP rating agencies in India will also provide a level playing field for all agencies which will help in curbing monopolistic practices. The mechanism would also help to ensure a balanced and true representation of urban and rural areas in TRP rating mechanism. I, therefore, request you to kindly provide your recommendations under Section 11(1)(a) of TRAI Act, 1997.

3. It is felt that in case the accreditation mechanism fails to address the maladies of the current system then there would be a need for entrusting the accreditation mechanism to TRAI under Section 11(1)(d). TRAI may, therefore, consider this aspect also.

Regards,

Yours sincerely,

Uday Kumar Varma
(Uday Kumar Varma)

Shri Rahul Khullar
Chairman
Telecom Regulatory Authority of India
Mahanagar Doorsanchar Bhawan
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