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May 23, 2013

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

Dear Sir,

**Re: Consultation Paper on Guidelines/Accreditation Mechanism
for Television Rating Agencies in India (Consultation Paper
No. 4/2013) dated April 17, 2013**

The NBA Board has considered the attached response by the Indian Broadcasting Foundation (IBF) and fully supports and endorses the stand taken by the IBF in the above Consultation.

Thanking you,

Yours faithfully,

Annie Joseph
Secretary General

Encl: As above



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

Broadcast Audience Research Council (BARC) has been conceptualized and created post the TRAI's earlier consultation paper on TRP mechanism. The recommendations made by TRAI led the Ministry of Information & Broadcasting to constitute a Committee under the chairmanship of Dr. Amit Mitra, the erstwhile Secretary General of FICCI and other eminent members. BARC owes its existence primarily to the recommendations made by this Committee.

India is both demographically and linguistically a diverse country where the dialect changes every five kms. This poses a unique challenge both to the audiences of the country who are left bemused by the number of channels and the broadcasters who have to make their entities commercially viable by operating in a very challenging environment.

To evolve a credible and robust mechanism to gauge the television audience is a mammoth task, so as to say. Audience Research in many countries outside India, presents a relatively homogenous picture, as most of these countries are not as linguistically or culturally diverse as India.

Indian Broadcasting Foundation, an apex group of broadcasters decided to take the challenge head on. A team of IBF members visited BARB (Broadcasters' Audience Research Board), UK and picked up the best practices suited to the Indian diversity, demography and multiplicity of linguistic channels cutting across the length and breadth of the country.

BARC has been set up as a Joint Industry body in 2012 as a Section 25 (not for profit) company with the specific purpose of designing, commissioning, supervising and owning India's television audience research measurement. The entire spectrum of stakeholders in broadcasting finds due representation in the BARC constitution. The three-way alliance not only represents the entire spectrum of the Industry but has taken on the onerous task of running the initiative with a robust, transparent, credible and accountable governance framework. Stakeholders have so far ensured and will ensure that flawless and uninterrupted access to television audience measurement be provided to user groups across India.

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One of the biggest problems with the existing rating agency was the complete neglect of the public service broadcaster as far as the current audience measurement is concerned. To mitigate this, BARC has also taken Prasar Bharati on board. Considering the complex environ in which the rating process has to be analyzed and adjudicated, BARC has constituted a technical committee to look into specifics of the various components like establishment survey, Television metering technology, blue printing the research design, initiating and overseeing vendors selection etc. Since DAVP is the biggest government advertising agency, BARC also inducted DAVP's nominee on the Technical Committee amongst other industry veterans.

Not to forget, the end user or the consumer who decides what content and what shape of content is to be shown on Television is represented through eminent citizens of the country in the form of BAHT (BARC Advisory High Table). The finest minds and people of impeccable repute have been included in BAHT to create and foster an ongoing dialogue between BARC and the civil society.

BARC not only seeks to bring seminal change to the redundant and outdated system currently practiced but also marks a paradigm departure from the existing model where the commissioning and analysis is done by the vendor himself thereby creating a system with no oversight or transparency and very few checks and balances. BARC has through its RFI (Request For Information) sought to dispel the existing opacity in television audience measurement by disaggregating the system into multiple components, potentially awarded to multiple vendors to maintain the highest standards of transparency and integrity.

BARC has already entrusted the responsibility of conducting the establishment survey to a vendor post deliberations on the responses received for RFIs. The primary objective of the establishment survey is to determine the pattern of socio-economic, attitudinal and behavioral variables shown over a period of time and goes on to determine the dispersion of the 'People Meter' Panel that will be tracked continuously for monitoring television viewing behaviour of Indian audiences. The establishment survey will have a respondent size of about 2.35 lakhs covering all states and union territories. It has been envisaged to cover more than 95 cities having a population of more than 5 lakh plus. The questionnaire would be of 30 minutes duration and would use transparent methodology and process and real tracking of interviewers for better quality.

The second part would include Television Meter Paneling which would be entrusted to a different vendor. The RFPs (Requests for Proposal) have been finalized and would be issued shortly. This would help the BARC in deciding upon the number of technologies at varying stages of development that promise non-intrusive or minimally intrusive viewer ship measurement.

The third aspect critical to BARC is to deal with Design and Quality Management. The work is in progress on this front as well. Subsequently

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Request for Proposals (RFPs) would be issued to prospective vendors/parties.

The timeline for all the above is mentioned below:-

Establishment Study: Already finalized and commissioned. The Reports would be ready by the end of November 2013. The Establishment Study goes into continuous sampling mode by end of January 2014. BARC has to finalize the design by February 2014.

Television Meter Panel: RFPs to be issued in May 2013. The evaluation and award of contract will take place by August 2013. The vendor then procures technological components and the panel recruitment training and installation commences by March 2014.

Quality and Design: RFPs to be issued in June 2013. Evaluation and award of contract will be done by August 2013. The prospective vendor would start overseeing the Establishment Study. The first design for television meter panel would be designed and placed for discussion with BARC by January, 2014.

Given the above timelines, BARC would start report television audience measurement data by July, 2014.

Q1. Which of the model described in para 4.4 should be followed for regulating television rating services in India? Please elaborate your response with justifications.

We strongly believe that the responsibility of carrying out the rating work and their publishing should be driven solely by an industry driven body under the umbrella of self-regulation, which role is already being shouldered by BARC. As the rating is done directly by the industry body, we see no need for accreditation of any other agency for this purpose.

The best model for regulating Television rating services in India should be a joint Industry body comprising of representatives from broadcasters, advertisers and advertising agencies. Since none of the individual section of the industry would have monopolistic control over this hence the cross-check mechanism on the process would ensure that none of the individual entities benefit solely out of it. The decisions would be collective and transparent. Such a joint industry body has to be a not-for-profit entity.

As far point 4.4 c & d is concerned, wherein the accreditation by the Regulator or by the Government is discussed, we wish to state that this is presumptuous. The paper has not been able to establish any case for an 'accreditation' system until this point. A particular audience measurement system will succeed or fail based upon whether it delivers reliably for its user constituencies. Simple market forces are enough to 'regulate' the system with proven evidence. As an example, had DART gained acceptance amongst its users, it would have played the role of Doordarshan's currency measurement

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system. Given that BARC has already been constituted with nominated representatives from Indian Broadcasting Foundation, Indian Society of Advertisers, Advertising Agencies Association of India, we believe that BARC is appropriate body to oversee and conduct television audience measurement system in India.

Q2. Please give your comments on the eligibility conditions for rating agencies discussed in para 4.7 above. You are welcome to suggest modifications. Please elaborate your response with justifications.

We wish to state that there should not be any other guideline/eligibility condition earmarked that serves as a deterrent or that disqualifies any prospective entity. An entity wishing to participate in the audience measurement infrastructure needn't necessarily be from the market research world at all. Start-ups with interesting signal encoding and retrieval solutions could be very pertinent for a solution. Any artificial bounds such as these will be anti-competitive by serving to exclude numerous potential participants.

Given the nature of specialized services provided by the television audience measurement providers, it may be difficult for industry association or government bodies to set up accreditation and eligibility criteria. Therefore, television audience measurement providers should be asked to demonstrate their credentials during the tender process as part of their bidding requirements for the television audience measurement contract issued by the industry body. These stipulations would form a part of the contract executed between the selected television audience measurement providers who would then be held accountable through the terms of the contract and associated quality check and auditing process.

Q 3. Please give your comments on the guidelines for methodology for audience measurement, as discussed in para 4.19 above, for television rating systems. You are welcome to suggest modifications. Please elaborate your response with justifications.

Our comments to the guidelines proposed for methodology for a robust audience measurement and rating system is as under:

- A combination of both surveys and People meters is an appropriate measurement technique.
- All conversion techniques used to convert raw data into rating reports must necessarily be based on systematic, logical and empirical analysis and must be applied consistently by the rating agency.
- Ratings have to be tech-neutral and should be capable of capturing data across multiple platforms, including online.
- As we do not support the need for an accrediting agency, we submit that the rating methodology need not be submitted to any third party but can be made available on the rating agency's website.

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- Any fabricated information unearthed by the agency must be necessarily removed/excluded from the analysis and the same must be brought to the notice of the users of the data, signifying its impact as well. Similar treatment should also be applied when shortcomings and deficiencies in the system are identified.
- Panel households have to be selected on the basis of a transparent methodology which also provides for rotation of the panel households.
- We agree that geographic representation should be proportionate to the TV viewing population and several factors such as age, demographics, gender, economic status etc as proposed by the Authority under this section must be considered as part of the rating methodology.
- A minimum panel size has to be arrived at, which can then be progressively increased. The present rating system in the country has been found deficient on this major ground of inadequacy of panel size that is not truly representative of the TV universe, a fact that is extremely significant to have a true and fair rating mechanism.
- Secrecy and privacy of panel households must be given paramount attention.
- There should be no employee or officer or any representative of broadcasters/advertisers/advertising agencies in the sample.
- We agree with the guidelines proposed by the authority on the conduct of a large scale establishment survey for selection of sample homes and the concept of rotation amongst panel homes in such a way that the older homes are replaced by newer ones without disturbing the representative nature of the sample.

We are not averse to explore any new, innovative and more reliable technology that may be concomitant with the audience measurement.

Although, India's current television audience measurement service necessarily started out with relatively modest coverage, it has grown substantially over the years. Given that the current television audience measurement service is funded by commercial broadcasters, advertisers and media agencies, it is inevitable that the priority focus is on major urban areas as these urban areas represent the bulk of the advertisers' target markets. Therefore, it is imperative that financial constraints and funding elements are taken into consideration to enable television audience measurement service providers to extend their reach to rural areas. TV penetration is rapidly increasing in India. Many of the urban and semi urban households are not only Single TV homes but there are many Double or Triple TV homes etc. An appropriate representation of this changing market dynamics is required to be captured accurately.

Q4. What should be the minimum panel size (in terms of numbers of households) that may be mandated in order to ensure statistical accuracy and adequate coverage representing various genre, regions, demographics etc. for robust television rating system? Should the desired panel size be achieved immediately or in a phased manner? In case of implementing the desired panel size in phased manner, what should be the quantum of increase and periodicity of such increase in size?

The minimum size cannot be quantified immediately looking at the sizeable investments that the Joint Industry Body has to incur on technologies to be used nor does BARC subscribe to the viewpoint that greater size would lead to greater accuracy of the results and that, to guard against sampling error, a smaller panel size can result in more limited data available which compromises the utility of the data by the subscribers. However, BARC holds the viewpoint, as reiterated earlier, in the answer that it would be difficult to arrive at an optimal panel size. For e.g. doubling panel size does not halve the sampling error.

TRAI has in the Consultation Paper recommended that the sample size should be increased by almost 4 times from 8000 approximately to 30,000 households. However, no statistical basis for this recommendation has been shared by TRAI. We believe, the optimal panel size can only be determined after due statistical, logistical and most importantly financial analysis is done. The panel size cannot be pre determined as suggested by TRAI but if the panel size needs to be increased, and the situation warrants that an increase is inevitable to justify accurate measurement data, BARC would do the needful. But it will be pre-emptory and presumptuous to actually put a number to the panel size.

TRAI has in the Consultation Paper quoted that 8,150 panel homes cannot represent a population of 155m households. However, we believe this is a very simplistic approach taken by the TRAI as the required panel size is totally dependent on the granularity of reporting that may be required by the users. Panel size is always a trade-off between a number of factors, including market and platform coverage, reporting granularity, statistical reliability and cost.

It should be noted that the structure and composition of a panel is just as important as its overall size. Any discussion of panel size has to be linked with the parameters on which the panel is to be recruited and controlled moving forwards. These panel controls – usually termed primary and secondary control variables – may include age, gender, SEC but there could also be others, such as household size, presence of children, type of television reception etc. It is not possible to state upfront what the optimal panel size should be without involving experts in this field, and also having their input on panel structure and control variables.

Lastly, on the question of an immediate or phased change, we believe that that would entirely depend on factors both extraneous and internal whether a

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competitive tender (in which case it could be part and parcel of the new measurement service), or if it's something imposed on the incumbent, TAM India (which would suggest a phased implementation).

Q5. Please give your suggestions/ views on as to how secrecy of panel homes can be ensured?

BARC itself will publish the ratings. Any vendor will be only a data provider to the system. This system removes many of the infirmities identified in this section of the consultation paper. In general, cross holdings can be also managed by a sensible governance structure that builds the right checks and balances or the legal bindings into the measurement and reporting system. BARC also recommends guidelines for secrecy of panel homes to be arrived at after a due consultative process between the stakeholders. This is a high priority area for BARC.

Q6. Please give your comments on the cross holding restrictions for rating agencies as discussed in para 4.23. You are welcome to suggest modifications. Please elaborate your response with justifications.

The current vendor has tried to give this impression that it is governed by the Joint Industry Body which is not the case. The apex industry bodies do not have any control over this private vendor which operates its service without any industry-level control or oversight.

Since BARC is joint venture between the three apex industry bodies, hence the question of cross holding does not arise.

Q7. Please give your comments on the complaint redressal mechanism discussed in para 4.25. You are welcome to suggest modifications. Please elaborate your response with justifications.

We agree with TRAI recommendation that a robust and effective complaint redressal mechanism should be introduced. To use the ratings in an impartial manner, each rating report should include statements about all omissions, errors and biases known to the rating agencies which may exert a significant effect on the findings of the report. We also agree that each rating report should point out changes in or deviations from, the standard operating procedures. BARC structure will provide for the complaint grievances redressal mechanism.

There is no need whatsoever to have an appellate authority either in the form of an accrediting agency or the Regulator to review such cases and impose penalties on the agency. The self-regulatory approach adopted by the industry body would be capable to address the situation.

Q8. Whether the rate card for sale and use of ratings should be published in the public domain by the rating agencies? Please elaborate your response with justifications.

BARC has been constituted mainly with the purpose of bringing about transparency hitherto missing from the present regime.

Therefore, we concur with the TRAI's premise of ushering in transparency with regard to rate card/cost structure. Just as importantly, there needs to be a fair and agreed funding mechanism for the television audience measurement service, e.g. related to the subscriber's revenues, number of channels or other metrics.

BARC will publish the ratings themselves. Hence this issue is obviated.

Q9. Whether other users apart from broadcasters, advertisers and advertisement agencies be allowed to obtain the rating data from the rating agencies? If yes, who all should be allowed to obtain and use the data from the rating agencies? What restrictions should be imposed on use of the rating data by users?

In principle, we believe other paying users apart from broadcasters, advertisers and advertisement agencies should be allowed to buy data or reports from the rating agencies, provided this additional revenue ultimately helps to subsidize the cost of the television audience measurement service provided for the principle subscribers.

For example the data could be used by the content creator as they would like to know audience response and viewership numbers for their programmes and how they are fairing vis-à-vis competition or to gauge the feasibility and acceptance of any programming format available in past which they wish to produce.

BARC will design the commercial arrangements to maximize access to the measurement products. BARC is a not-for-profit entity.

Q10. Whether the user should be allowed to share the data provided by the rating agency with third parties or publically accessed media. Please elaborate your response with justifications.

We believe the disclosure of data by the user should be dealt keeping with the contract between the television audience measurement service provider and the subscribers/users of the data. Databases cannot be shared with third parties, but individual analysis and presentations based on this data can be used to convey relevant performance information and/or promotion of the business activities.

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The whole television-advertising ecosystem depends on sharing of this common ratings currency between broadcasters, advertising agencies and advertisers. More public use of the data - in press releases, advertisements, articles etc. – may require prior screening by the measurement service provider to ensure accuracy, and this can be covered within the scope of individual subscription agreements.

Guidelines and norms can be mentioned in the Subscription agreement between Rating Agencies and Broadcasters / Content providers / Advertisers / Advertising agencies.

Q11. Please give your comments with regard to the parameters/procedures, as suggested in para 4.34, pertaining to mandatory disclosures for ensuring transparency and compliance of the prescribed accreditation guidelines by rating agencies. You are welcome to suggest modifications. Please elaborate your response with justifications.

We believe the recommendations suggested by TRAI are good.

Amongst the suggested parameters of disclosure to ensure compliance and transparency, we are of the view that there should be no scope allowed for conflict of interest to creep into and impact the fairness and accuracy of the data. Therefore the option to make a disclosure of the same should not be made available and steps must be taken to always ensure unbiased provision of data and immediate corrective steps on the discovery of any such aberration. Mere disclosure of conflict will not suffice.

Also while allowing comments/viewpoints of other users of the data care must be taken to ensure that such a leeway does not become a platform of abuse or criticism by competition.

Again, we believe that issues of cross holdings, patterns of ownership, investment, etc., will not be necessary in a self-regulation driven joint industry body.

Q12. Please give your comments with regard to the parameters/procedures, as suggested in para 4.37, pertaining to reporting requirement for ensuring effective monitoring and compliance of the prescribed accreditation guidelines by rating agencies. You are welcome to suggest modifications. Please elaborate your response with justifications.

BARC will secure all these data as a part of basic RFP disclosures and other governance requirements. As far as the commercial arrangements are concerned, there will be a simple vendor-client relationship between all service providers and BARC. That renders all the commercial apprehensions raised here entirely moot.

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TRAI is presumptuous in assuming that it is the 'regulator' of the audience measurement system without any executive or legislative decision or support therefore. However, BARC will consider and process every request for information on merit. It cannot be a mandate.

Q13. Please give your comments on the audit requirements for rating agencies as discussed in para 4.42. You are welcome to suggest modifications. Please elaborate your response with justifications.

Auditor's report can vouch for proper mechanisms and procedures that have been put in place and enhance credibility in the stake holders about the system at the same time can internally improve its efficiency by revisiting certain processes (if any) as recommended by audit. Audit of processes would make the system more robust.

Q 14. Who should be eligible to audit the rating process/system?

BARC is conscious of the need to institute robust oversight and audit mechanisms and these will be a part of overall system architecture.

The industry body may voluntarily engage the services of an independent auditing agency to conduct periodic audits of its processes and methodology adopted for measurement. The selected auditing firm should preferably have experience in having done similar audits of media and data security processes.

Q15. What regulatory initiatives are required to promote competition in rating services? Please elaborate your response with justifications.

The industry needs a single, trusted currency. Given the mammoth task involved in setting up and delivering a television audience measurement service, particularly in India, it would appear prudent to award contracts for individual elements of the overall service to best-in-class providers in their particular fields. Further, having separate providers by region is undesirable.

BARC is qualified to design, implement and oversee the audience measurement system and such level of prescriptive detail is not just redundant, it actually circumscribes and limits BARC's ability to perform its role as an effective Joint Industry Body. There is no scope and need for a regulatory body to make an intervention.

Q16. In case guidelines/ rules for rating agency are laid down in the country, how much time should be given for complying with the prescribed rules to existing entities in the rating services sector, which are not in compliance with the guidelines? Please elaborate your response with justifications.

Once the business model for the television measurement service providers is finalized and the process for implementation of the television audience measurement service providers is streamlined, it would be prudent that the regulator/industry association service notices to the television measurement service providers in India that it intends to go to competitive tender for a multi-year television audience measurement service.

Q17. Do you think integrating people meter with set top boxes is a good solution? If yes, how to encourage such systems?

Set-top-box derived ratings services, often called RPD services (return path data) – are becoming commonplace in a number of markets. However, these are almost always owned and funded by the respective pay-television platform, e.g. BSkyB in the UK, Foxtel in Australia. Tata Sky is believed to be developing such a service with Kantar Media. They tend to be used by the operator to optimize channel packages, reduce churn etc., and have not so far become alternative ratings currencies.

Further, they have 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, although some research companies involved in this field have developed algorithms to predict which individuals are viewing.

A separate issue is whether genuine television meter panel technology can be built into the firmware of set-top-boxes. This obviously has its advantages, but would make it difficult to switch television audience measurement service providers if their code is embedded in set-top-boxes and digital television sets.

While integration of People meters with STBs may be considered, care should be taken to ensure that such a step does not open up newer security risks, as the accessibility to panel homes would increase with this integration and thereby jeopardize security of panel homes. This will in turn affect data and its reliability.

Q18. Stakeholders may also provide their comments on any other issue relevant to the present consultation.

There is a need for a rating system which is transparent, credible, futuristic, adequately representing geographic, rural & urban and cultural spread of India and also which reflects changing TV viewing patterns and behaviors of consumers. We in the industry welcome all such moves and steps taken in this regard. BARC has provided specific timelines to the concerned authorities to accomplish this.