



**BROADCAST
AUDIENCE
RESEARCH
COUNCIL
INDIA**

11th April, 2016

To,
Prof M. Kasim, Advisor (B&CS)-III,
Telecom Regulatory Authority of India,
Mahanagar Doorsanchar Bhawan
Jawahar Lal Nehru Marg
New Delhi-110002

SUBJECT: BARC India's comments on TRAI Consultation Paper on Issues related to
Radio Audience Measurement and Ratings in India

Dear Sir,

Please find enclosed our responses to the questions raised in the above
consultation paper. We would be happy to meet you in person to clarify our
position on the subject.

Regards,

Partho Dasgupta
Chief Executive Officer
BARC India



Comments of Broadcast Audience Research Council, India on
Consultation Paper on Issues related to Radio Audience
Measurement and Ratings in India.

Q1. Is there a need to regulate the radio audience measurement and rating services? Please elaborate your response with justifications.

Radio in India pervades the length and breadth of the country, geographically, socio-economic-culturally. More than 99% of the Indian population has access to Radio. This medium, therefore, has potential of highest impact on vast majority of Indian population. A robust measure of what India listens to will help in creating more relevant programming as well as work as a currency to facilitate pricing of and trading in radio advertising inventory.

Global experience/best practices with respect to radio listenership measurement, and success of TRAI mandated TV viewership measurement system in India tell us that this is best ensured by an industry-led body that operates under the self-regulation model.

At the same time, and as has been validated by experience of TV sector, the radio industry's needs on this front would be best served by establishment of a set of guidelines and eligibility norms for radio rating agencies.

Starting from 2000, when Radio Broadcasting was opened up to the private sector and 21 private FM channels became operational, to 2015, when Phase III auctions of 966 channels across 333 cities will spread coverage of private FM to 85% of India (geographically), radio as a medium has matured considerably.

However the sector is marked by a wide and disparate range of services, content, transmission modes and reception platforms, and a listenership base that is highly varied in terms of age, socio-economic-cultural and linguistic profiles. This is expected to intensify as private FM radio penetrates further into the country.

Despite this, today, there exists no credible and verified mechanism to measure WHAT INDIA LISTENS TO, i.e., capture and measure radio listenership across various regions / markets of the country.

The two existing radio audience measurement systems have their own inadequacies - one measures only FM radio in 4 metros, with a very small sample size, while the other measures listenership of AIR only. Both use a reporting method (diary system) that is neither robust nor future proof. And neither ratings are validated by independent audits.

Measurability thus continues to be one of the biggest challenges for the radio industry with advertisers and sponsors feeling the lack of an acceptable, robust, credible and timely ratings currency to justify their ROI. There is thus an urgent need to establish a system that will generate an industry-wide single currency, a universally accepted metric that would ensure further growth and development of the sector.

Credibility of the radio listenership measurement system will hinge on acceptability of published ratings by all stakeholders in the business. And this would be possible within a regulatory framework that ensures a truly representative sample, deep coverage, secure, future proof methodology and transparency.

As in India, there are a number of international markets where both commercial and public broadcasters have agreed on a single ratings methodology and currency (as is the case with the Indian TV market). The success of such systems demonstrates the need and universal acceptance for a unified approach, as opposed to multiple measurement tracks as is the case now. RAJAR in the UK is the most notable example, where both constituents contribute to the future direction of radio listenership measurement via the JIB mode. Similar profiles are seen across Scandinavia, where along with private sector, the public broadcaster has a strong nationwide presence, and Canada where Numeris does a combined TV and Radio measurement.

A credible and robust ratings service would of course help the sector grow manifold, as what gets measured gets monetized: when a proven currency, published by an agency that has the right experience, expertise and credentials is introduced to advertisers and agencies, revenues tend



to follow. This was the case in Northern Europe following replacement of diary system by PPM. Advertisers, for the first time, felt comfortable allocating increased budgets to the medium and this led to an increase in radio revenues. While FICCI-KPMG report projects growth in radio broadcasting sector revenues at a CAGR of 18% to reach Rs 3950 crore by 2019, we believe that number could be significantly enhanced by

introduction of future proof ratings system that generates a single currency for the sector.

- Q2. Which of the models described in para 4.3 should be followed for regulating radio rating services in India? Please elaborate your response with justifications. Stakeholders may also suggest any other suitable model with pros and cons along with justification.

We believe that the needs of the industry would be best served by a self-regulation model that has sufficient checks and balances within itself to ensure compliance with the regulatory framework. Under broad considerations an independent Joint Industry Body would be able to meet this need best.

Ultimately, the success of the model will have to be viewed in the context of wide-ranging acceptance of listenership data by all stakeholders, which would include advertisers, agencies, private radio stations and All India Radio.

Therefore an industry-led body that publishes ratings within the guidelines and regulatory framework would best meet needs of the sector. As with the Television sector, the JIB could be guided by a Technical cum Advisory Council which would have adequate representation of all stakeholders, large and small.



- Q3. Do you agree with the broad contours described in para 4.4 for an industry led body proposed to be formed for regulating the radio rating system? You may also suggest any additions or alteration, if so required. Please elaborate your response with justifications.

As elaborated in our response to Q2, we are in agreement with an industry led body as mentioned in the consultation paper. The success of such a JIB in publishing credible TV viewership data for almost a year underlines our confidence in a similar model for radio as well.

- Q4. Please give your comments on the suggested eligibility conditions for rating agencies discussed under para 4.5.3.2. You are also welcome to suggest modifications. Please elaborate your response with justifications.

Eligibility conditions suggested by TRAI:

- a. Rating agency set up and registered as company under Companies Act, 2013.
- b. Should have specified the rating activity as one of its main objects.
- c. Should have a minimum net worth (say rupees five crore).
- d. Adequate professional competence, financial soundness and reputation of fairness and integrity, to satisfaction of Government;
- e. Rating agency should meet prescribed cross-holding requirements.

(NOTE: If rating is done by industry-led body, condition of minimum net worth and cross-holding may not be relevant)

We are in agreement with Eligibility Conditions as mentioned in TRAI Consultation Paper. We also submit that the eligibility conditions for radio ratings agencies would be made more effective by further stipulating that the entity under consideration must have proven experience in measuring broadcast audiences.



- Q5. Please give your comments on the suggested guidelines for methodology for radio ratings, as discussed under para 4.5.4.13, for radio rating systems. You are also welcome to suggest modifications. Please elaborate your response with justifications.

We are in agreement with guidelines for methodology suggested in the consultation paper under para 4.5.4.13. Based on our successful track record in the domain of measuring TV viewership, we believe we are uniquely positioned to ensure development and deployment of a robust methodology for measuring radio audiences as well.

- Q6. What should be the panel size (in terms of numbers of individuals) for different categories of cities that may be mandated in order to ensure statistical accuracy and adequate coverage representing various genres, regions, demographics etc. for a robust radio rating system?

The ideal panel size to faithfully measure “What India Listens To” for different category of cities/markets should be arrived at after a suitable All-India ground-level establishment survey. Such a survey would help design of an adequate panel, with representative demographic profile of listeners across the country, all delivery platforms and full geographical coverage (both urban and rural markets).

The final number would also have to be arrived at based on requirement and affordability by the industry, and market factors.

- Q7. Should the desired panel size be achieved immediately or in a phased manner? In case of implementing the desired panel size in a phased manner, what should be the minimum initial panel size, quantum of increase and periodicity of such an increase in the panel size for different categories of cities?

Since we contend that an industry-led ratings agency would best meet needs of all stakeholders, question of an immediate versus phased

deployment of the desired panel would, in large measure, depend on the funding capacity of stakeholders.

Having said that, and with the experience of managing the largest television viewership measurement panel in the world, we believe deployment in radio too should be in a phased manner. With private FM rolled out in India in a phased manner, various markets are at different levels of maturity. FM stations at major markets (particularly metros, and state capitals) have been operationalized, branded and may possess sufficient revenues and audiences for subscription purposes. This however may not be the case for new entrants, and it may take some time for Phase III broadcasters to actually go on air and build an audience. The number of radio stations available to audiences in a particular market would be an added consideration.

Launching the service with a smaller sample size, and scaling it up in a phased manner will therefore accommodate the needs, as well as funding capacity of the industry.

Initial panel size, quantum and periodicity of increase should be aligned with the sample design that would be arrived at on the basis of an establishment survey.

- Q8. What should be the rollout framework for introducing radio rating system across all the cities for FM services? Should all cities be covered in a phased manner? If so, what should be the number of phases, number of cities covered in each phase and timeline for completion of each phase? You may also suggest an alternate approach with justification.

As private FM has been rolled out in a phased manner in the country, and even the public broadcaster has rolled out (and continues to roll out) its FM services in phases, it would be appropriate to roll out coverage of radio ratings system in a phased manner, based on level of maturity of market, and extent of competition within each market/coverage area.





A phased approach also allows efficient deployment of resources, in line with the needs and capacity of the industry. Markets that have established multi-player presence would require continued availability of ratings from day one of the new guidelines coming into force. But since Phase-III license holders are yet to establish their identity, branding or audience, a sufficient time should be allowed to elapse before conducting initial measurement in these hitherto uncovered markets. Also, if a market sees entry of new/additional radio stations, it would again be prudent to wait a similar period of time to elapse for new entrant(s) to operationalize their facility.

The precise rollout framework with timelines would be best arrived at after establishment survey as outlined earlier.

Q9. Please give your suggestions/ views as to how the confidentiality of individuals/households included in the panel can be ensured?

The confidentiality of the panel can be maintained by deploying proper technology in place which is not penetrable and traceable and ensuring that sufficient encryptions are put in place so that no one individual or system will have the access to all data at any point of time

Q10. Please give your comments on the complaint redressal mechanism discussed in para 4.5.5. Please elaborate your response with justifications.

It is fair to assume that stakeholders, or even those outside the sector may have questions with respect to radio ratings and related matters, to respond to which there should be a query/complaint redressal mechanism. In our view it should be a tiered system with the initial registration and escalation points being within the ratings agency, as it would be best equipped to handle queries related to data reports published by it. It should also have a final appellate authority which is adequately empowered and knowledgeable to respond to queries. The decision of the appellate authority must be accepted as final and binding on all.



Q11. Whether the rate card for sale and use of ratings data should be published in the public domain by the rating agencies? Please elaborate your response with justifications.

In the interest of transparency and in keeping with the status of an industry led body, the ratings agency should place its pricing philosophy in the public domain. It goes without saying that such “rate-cards” would reflect the rates of its base products, and any special or a-la-carte pricing would also be made available basis specific queries/requests.

Q12. Please give your comments on the cross-holding restrictions for rating agencies as discussed in para 4.5.7. You are also welcome to suggest modifications. Please elaborate your response with justifications.

Cross-holdings pose a special challenge for organisation involved in measurement of ratings. Ratings data after all have a direct and almost immediate impact on selection of content, commercial viability of broadcasters and accountability of advertising spends, and therefore should be (and also must be perceived to be) fair, accurate and high on fidelity. Any structural consideration that impedes the agency’s capability to deliver on those goals must be guarded against. To that extent we believe that cross holding in rating agencies would not serve the best interests of industry. We thus believe that a joint industry body (as successfully adopted by the TV sector) would be best placed to deliver fair, correct, balanced, representative, transparent and neutral information to radio broadcasters, advertiser and advertising agencies.

Q13. Please give your comments with regard to the parameters/procedures, as suggested under para 4.5.8.2, pertaining to mandatory disclosures for ensuring transparency and compliance of the prescribed accreditation guidelines by rating agencies. You are also welcome to suggest modifications. Please elaborate your response with justifications.

We fully agree with the parameters/procedures suggested in para 4.5.8.2 in order to ensure transparency and compliance



Q14. Please give your comments with regard to the parameters/procedures, as suggested under para 4.5.9.2, pertaining to reporting requirements for ensuring effective monitoring and compliance of the prescribed accreditation guidelines by rating agencies. You are also welcome to suggest modifications. Please elaborate your response with justifications.

With regard to the parameters suggested in para 4.5.9.2 to facilitate monitoring and enforcing compliance of accreditation guidelines by Regulator / Government, we believe that while such measures would enhance transparency and ensure adherence to relevant guidelines, the reporting should be on specific instances and queries and the requirement may not be fixed on a calendar basis.

Q15. Please give your comments on the audit requirements for rating agencies as discussed under para 4.5.10.5. You are also welcome to suggest modifications. Please elaborate your response with justifications.

We are in agreement with the need for rating agencies to be open to independent audit for methodology adopted and processes followed in arriving at final ratings reports results. As per practice in the area of TV ratings, the ratings agencies should ensure independent audits are done through a third party, who would certify that proper mechanisms and procedures, as disclosed publicly by the rating agency, exist for various processes involved in the audience measurement and ratings.

Q16. Who should be eligible to audit the rating process/system?

In order to ensure a credible and transparent rating process is being followed by the ratings agency, audits should be conducted through independent firms of global repute who must necessarily possess skilled personnel with specialization and experience in the area.

Q17. What regulatory initiatives are required to promote competition in radio rating services? Please elaborate your response with justifications.

A handwritten signature in purple ink, consisting of stylized, overlapping loops and lines.



Due to the nature of business, and the scale of operations required to maintain a sample of suitable size, global experience is to have a single ratings agency in a market. Multiplicity of operators (and therefore currencies) has several counterproductive fallouts such as confusion and ambiguity in determination of advertising and programme pricing, disputes and questions over credibility of each agency.

In fact competition can well be encouraged within a single ratings agency paradigm by engaging various/separate vendors for specific important processes within the measurement system. These vendors may be selected by inviting bids global from credible agencies for each specific large process.

Q18. 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 radio rating services sector which may not be in compliance with the guidelines? Please elaborate your response with justifications.

Existing entities not in compliance with guidelines should be de-registered immediately on the day the guidelines come into force. They should be given a suitable window (which may be evolved in discussions with stakeholder bodies) to align themselves with the requirements of the guidelines. In the 'transition period', in the interest of preventing disruption in the industry, and in order to allow it to continue to transact business, it may be necessary to allow existing agencies to publish data.

However, immediately on the availability of ratings from the agency that adheres to guidelines, incumbents failing to comply with the same must not be permitted to publish, sell, distribute or disseminate their data in any form. If this is not stipulated, it would serve as disincentive for new players to enter the business, or for existing ones to comply with guidelines.

Q19. Stakeholders may also provide their comments on any other issue relevant to the present consultation.

None at the current stage of consultation.