

April 22, 2008

To:

Shri Nripendra Misra  
Chairman  
TRAI  
NEW DELHI

Dear Sir,

Re: **Our views on TRAI Consultation Paper on Television Rating Points (TRP)**

Thank you for inviting comments on the consultation paper issued by the TRAI on Television Rating Points.

The Advertising Agencies Association of India (AAAI) is a premier Association that has 80 Advertising Agency members along with their Media Agencies and who we believe purchase almost 80% of commercial advertising time on behalf of their Advertiser-Clients.

Advertising Agencies pay for television time to Broadcasters based on their assessment of TRPs that a television programme will generate. As such the subject matter of TRPs is of great importance to us and our members.

It is because of the importance of TRPs that our Association took the lead in formation of Broadcast Audience Research Council (BARC) alongwith representative Associations of Advertisers – Indian Society of Advertisers (ISA) and representative Association of Broadcasters - Indian Broadcasting Foundation (IBF).

We are pleased to give our response to the various points raised in your consultation paper in section 5.

**5.1 Need for the Government to regulate the system of Television Rating Points:**

We do not see the need for government intervention in the system of Television Rating Points (TRPs). TRPs are a matter of interest only to Broadcasters, Advertising Agencies and Advertisers. TRPs essentially are an estimate of the number of people who watch a TV programme and this number is of interest essentially to Broadcasters because it helps them

establish a benchmark or a guideline to determine the price that they should charge for advertising on various programmes in different time bands and it also helps Media Agencies decide the price they should pay Broadcasters for programmes on channels. It will thus be seen that TRPs are essentially a commercial tool to establish and / or guide pricing for advertising time on television.

**5.2 Manner and Extent of Regulation, if required:**

The AAAI is of the strong view that government intervention is not required in this field.

**5.3 Framework for industry initiative and Role of Government:**

As indicated in the opening paragraph, in view of the importance of TRPs to the Advertising Industry, the Advertising Agencies Association of India (AAAI) along with the Indian Broadcasting Foundation (IBF) representing the TV channels and Indian Society of Advertisers (ISA) have come together to form the Broadcast Audience Research Council (BARC). It is significant to note that the three Associations fully represent the entire industry segment they serve. It is also significant to note that each of the three members irrespective of the funding pattern has an equal voice in the administration of BARC and the study.

**5.4 Suggestions to encourage competition in rating services:**

The AAAI believes that currently it would be wise to have a single rating system as that would help establish it as the currency based on which advertising time is bought and sold. It is the intention of BARC to break-up the entire study into several parts and each part would be assigned to a different expert organization based on a global tendering process to ensure that the best, latest and most appropriate technology is used at a reasonable price.

**5.5 Suggestions for making ratings more representative, transparent and reliable:**

The finding of any sample survey will depend on the constitution of the sample. With a view to making ratings more representative, BARC will initially conduct an establishment survey to establish the width, depth and intensity of TV sets and viewership habits and based on this establishment survey the actual sample size and its constitution will be determined so that



the ratings arrived at are fully representative of the Universe it attempts to represent.

Since all 3 industry segments affected by the ratings, i.e. the Advertisers, Agencies and Broadcasters will be represented on BARC and each will have an equal voice, transparency will be ensured.

We do hope that TRAI will give due weightage to our comments on the subject.

Thanking you,

Yours faithfully,  
For Advertising Agencies Association of India

Chairman – Media Committee