

Q1. Do you agree that flexibility available to broadcasters to give discount on sum of a-la-carte channels forming part of bouquets has been misused to push their channels to consumers? Please suggest remedial measures.

- . Ans : Yes , broadcasters have not taken holistic view and did chose not to implement NTO in entirety since they were opposing NTO. This is basically because of the tilt in the revenue model in favour of advertising which is still much higher than subscriptions.
- . Despite lower active subscribers across all platforms broadcasters have managed to handsomely grow their subscription revenues (via price discovery model which is true for all platforms).
- . TRAI Should disallow forming of bouquets by DPOs.
- . This has led to most of the confusion added by lack of training and awareness at the consumer level by DPOs except few market regions where subscribers have made their choice of ‘my plans ‘ and have made choices from broadcasters plans and also cases of hybrid choices. By doing so they have benefitted in getting their television monthly bills lowered or as per their budgets. This was possible only if subscriber vide awareness picked choices of his own.
- . Lets review another scenario in which the same consumer never gets a choice of two or more competing brands/ products bundled by distribution intermediaries. Be it fast moving consumer goods, fast moving durables or that of any category, no two or more products, services or to say brands are bundled and attractive offers made to consumer by

intermediary (in this case DPO).

- . It only happens if the brands or the owner of brands are same. Distribution intermediary doesn't offer a Samsung Tv bundled with Sony Tv or for similar examples Pepsi doesn't get bundled with Coca-cola or not even Rin with Tide and Cadbury with Nestle chocolates. Or for that matter Hotstar & Netflix do not get bundled .
- . In a DPO pack, all broadcaster plans are bundled keeping the price point HIGHER and this time with less no of channels (which is due to broadcaster pricing), hoodwinking the subscriber in the backdrop of NTO . Earlier Unlimited Thali was now served as Unlimited Thali with limited servings.
- . Showcasing it as easy to choose for the customer and comparing with previous scenario where all was being delivered. This time from an unlimited thali it came back with unlimited thali at higher prices and reduced serving.
- . This was the rampant practice in the cable sector with local cable operator & DPO not doing enough on creating consumer awareness and pushing DPO bundles plans, specially when there were blackouts being experienced (switching off services and holding the subscriber at ransom to make immediate choice)
- . The solution lies in applying the principles of “ dismantling “ Media Pro at the DPO level. TRAI should revisit the case of dismantling of Media Pro and the same principles in the current NTO context should be applied (as Media Pro was a distributor of combined services exercising unrealistic market power) and similar situation exists at the DPO level with new consumer prices. This will largely reduce the ‘ market power ‘ at the DPO end and subscribers will get more transparency

is making choices.

- . Once DPO is disallowed from making bouquets out of broadcasters bouquets, subscribers will make choices from broadcasters ala-carte offerings and broadcasters bouquets and depending on rates and offers will make their choice and not be forced by unreal attraction of DPO bouquets where all is available and broadcasters make unreal discounts to be part of it so that one price fits all DPO bouquet continues.
- . This will also lead to prices/rates offered by broadcasters dropping and the adjustments happening to be part of DPO bouquet will stop except , marketing fees (for promotion) & placement fees .
- . Each DPO & broadcaster should be asked to submit enough evidence on creating consumer awareness for the next migration offered to subscribers and switch off should be limited to 10 – 15 % of subscribers who do not confirm their choices as approved by TRAI.

. **Q2. Do you feel that some broadcasters by indulging in heavy discounting of bouquets by taking advantage of non- implementation of 15% cap on discount, have created a non-level field vis-a-vis other broadcasters?**

- . Yes. The big four (namely Star + Disney , Zee , Sony & Icast) who dominate the distribution revenue market share and has direct implications on viewership leading to the larger pie of advertising market . This can stop only if pay channels stop carrying advertisements and DPO bouquets are with drawn . Until then, it would be difficult as cross –subsidy would continue and also the stream of placement fee would be a

determining factor.

Q3. Is there a need to reintroduce a cap on discount on sum of a-la-carte channels forming part of bouquets while forming bouquets by broadcasters? If so, what should be appropriate methodology to work out the permissible discount? What should be value of such discount?

. In my opinion the broadcaster should be allowed to freely price their channels as they deem fit and they are already governed by a cap introduced in NTO . They should have the freedom to bundle in the manner to meet their business needs and pricing should be market driven determined by demand /popularity. With TRAI being able to disallow bundling of multi-broadcaster by DPO, should allow freedom to broadcaster to price ala-carte and bundle their own channels.

Q4. Is there a need to review the cap on discount permissible to DPOs while forming the bouquet? If so, what should be appropriate methodology to work out the permissible discount? What should be value of such discount?

. Any discount in relationship to Broadcaster –DPO-Subscriber and between ala-carte and bundle rates should be market driven and best be left to negotiations between respective stakeholders based on NTO guidelines.

Q5. What other measures may be taken to ensure that unwanted channels are not pushed to the consumers?

. TRAI needs to closely observe two parts to the problem : 1. Undesirable market power

exercised by DPOs in the DPO plans leading to higher price discovery at the consumer end and unwanted channels being part of it (Across the supply chain , revenue and margin targets which are key business indicators have been largely met even with lower active subscriber nos) 2. Low level of awareness at the consumer levels with the ‘unlimited thali ‘ concept continuing by hoodwinking the subscribers .

6. Do you think the number of bouquets being offered by broadcasters and DPOs to subscribers is too large? If so, should the limit on number of bouquets be prescribed on the basis of state, region, target market?

- . This should be left to be completely under the prerogative of respective broadcasters for them to decide on ‘how they should meet their own business needs. If DPO is disallowed to make bouquets , it will reduce choices at subscriber level and what will be available to choose will be only from what broadcaster has to offer . Indirectly even broadcaster will reduce number of choices .

Q7. What should be the methodology to limit number of bouquets which can be offered by broadcasters and DPOs?

- . Leave it to the prerogative of broadcasters, as even currently DPOs are depended on broadcasters to make DPO bouquets and vice –versa. If what suggested above is implemented will see new set of dynamics bringing , new price points and less no of bouquets by broadcasters .

Do you agree that price of individual channels in a bouquet get hedged while opting for a bouquet by subscribers? If so, what corrective

measures do you suggest?

It does get hedged, however that should be left to the broadcaster how they choose to promote their products with consumers.

Q.9 Does the ceiling of Rs. 19/- on MRP of a a-la-carte channel to be part of a bouquet need to be reviewed? If so, what should be the ceiling for the same and why?

Should be allowed to be the way it is. TRAI should allow broadcaster to be within the current price regulations/cap except the 15 % which has been struck down by CHC and any discounting will attract the “positioning of arbitrariness “ by stakeholders attracting legal hurdles leading to lot of uncertainty and a case of overregulation and delay in sorting out the current issues .

Q.10 How well the consumer interests have been served by the provisions in the new regime which allows the Broadcasters/Distributors to offer bouquets to the subscribers?

Partly yes, where subscriber has been able to make own choices, mostly while exercising their choice of ‘my plans’ from broadcaster bouquets and not from DPO bouquets. Since , it gave subscriber make choice between Star , Zee , Sony & Colors and not all .

Q.11 How this provision has affected the ability and freedom of the subscribers to choose TV

channels of their choice?

- . Do not have exact facts and figures, the general opinion is that DPOs (specially cable) did little to create awareness and by switching off services, created blue wave (false) demand and pushed DPO bouquets higher to their last monthly pay out giving almost no choice scenario and then “ life continues” blaming TRAI & braoadcasters as the need for popular channels have been met in the bouquets with the earlier model (older experience of subscribers) .

Q.12 Do you feel the provision permitting the broadcasters/Distributors to offer bouquets to subscribers be reviewed and how will that impact subscriber choice?

- . The provision offering bouquets by DPOs should be reviewed and in real terms be disallowed and this initiative will solve most of the problems observed by TRAI or in other terms faced at the subscriber level .

Q.13 How whole process of selection of channels by consumers can be simplified to facilitate easy, informed choice?

- . DPOs should be disallowed to make bouquets and DPOs should be closely monitored by TRAI to “ create enough awareness “ at the consumer level and switch off during such period shoudn’t be allowed (except on payment conditions) and seamless experience to make choices should be available to subscribers .
- . TRAI can review till the 85 -90 % of migration takes place and for the balance tail, switch off mat take place as need so arises (this will be effective only if subscribers have to move

from DPO bouquets to broadcaster bouquets as suggested above)

connections in a home in multi-TV scenario? If yes, what should be the cap? Please provide your suggestions with justification.

Q14. Q15.

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Q16. Whether broadcasters may also be allowed to offer different MRP for a multi-home TV connection? If yes, is it technically feasible for broadcaster to identify multi TV connection home?

Choice be left to broadcaster. It is possible to identify multi tv connection and not in the parent child situation. Just to be tagged as multi tv (on or many and DPO/LCO can raise invoice accordingly)

Q17. Whether Distributors should be mandated to provide choice of channels for each TV separately in Multi TV connection home?

There should be choice given by broadcaster for multi tv scenario. NTO gives that opportunity to the subscriber to be aware of rates of channels. So be it in multi tv scenario .

DPO should not be allowed. Choice should be with broadcasters

Q.18 How should a long term subscription be defined?

Broadcasters can be allowed to do as per their business needs. There can be different frequencies (monthly, bi monthly,

quarterly , half yearly , yearly) of subscriptions and accordingly rates be offered to subscribers . This purely a broadcaster choice.

- . **Q.19 Is there a need to allow DPO to offer discounts on Long term subscriptions? If yes, should it be limited to NCF only or it could be on DRP also? Should any cap be prescribed while giving discount on long term subscriptions?**

As mentioned above , DPO may announce different discounts as co-promotion with broadcasters as primarily price is that of the broadcaster . If at all, the mechanism may be worked out between broadcaster and DPO and proportion awareness be created accordingly .

- . **Q.20 Whether Broadcasters also be allowed to offer discount on MRP for long term subscriptions?**

Yes, they should be allowed to offer discounts on long term subscriptions on MRP

- . **Is the freedom of placement of channels on EPG available to DPOs being misused to ask for placement fees? If so, how this problem can be addressed particularly by regulating placement of**

It gets hedged with the discounts being traded between broadcaster and DPO and will continue to be there.

Q23 Whether distributors should also be permitted to offer promotional schemes on NCF, DRP of the channels and bouquet of the channels?

NCF at full rates, discounted rates or even no NCF charged should be left purely to market dynamics for single or multi tv scenario.

To make it consumer friendly TRAI should reduce NCF to Rs 100 including GST and leave it to platforms for making additional offers by the platforms for single & multi tv. Any further reduction can lead to platforms raising hue and cry and hijacking of TRAI agenda .

Q 24 In case distributors are to be permitted, what should be the maximum time period of such schemes? How much frequency should be allowed in a calendar year?

DPOs should be allowed to offer schemes on NCF and if the broadcaster and DPO work on joint promotions which may include price. Period should be “ kept open “ to meet the business needs of both.

Q 25. What safeguards should be provided so that consumers are not trapped under such schemes and their interests are protected?

There should be enough awareness, and before doing so, they should inform TRAI and seek approval as TRAI will look into the fairness of such schemes and the awareness plans. Broadcaster and DPO should make this information available on their official website under notification to TRAI.

Q 26 Whether DPOs should be allowed to have variable NCF for different regions? How the regions should be categorised for the purpose of NCF?

This should be purely left to DPOs to exercise till such time they are maintaining the upper limits. However, there large reported cases in the cable sector that the LCOs are charging higher NCF in the camouflage of service fee. TRAI should release more awareness so that consumers do not pay the arbitrary demands of cable operators.

Also ,TRAI should seek detailed reports with evidience from DPOs creating awareness on ncf , prices of bouquets and the break ups .

Q 27 In view of the fact that DPOs are offering more FTA channels without any additional NCF, should the limit of one hundred channels in the prescribed NCF of Rs. 130/- to be increased? If so, how many channels should be permitted in the NCF cap of Rs 130/-?

Response as above .100 or more be driven by the inventory carrying capacity of DPO , market needs and competitive scenario.

Q 28 Whether 25 DD mandatory channels be over and above the One hundred channels permitted in the NCF of Rs. 130/-?

Inclusive in 100 channels as permitted .

Q 29

In case of Recommendations to be made to the MIB in this regard, what recommendations should be made for mandatory 25 channels so that purpose of the Government to ensure reachability of these channels to masses is also served without any additional burden on the consumers?

As mentioned above

Any Other Issues

Q 30 Stakeholders may also provide their comments on any other issue relevant to the present consultation.

TRAI should initiate consultation process on whether a 'pay channel' should be allowed to air advertisements .

1. My response in Q1 is fundamental to the issue being faced while and post implementation of NTO(dis allow bouquets by DPO)

2. Continued awareness (max efforts and not minimum efforts) with regulated switch off is the second important factor to achieve the NTO goals

3. Do not tinker broadcasters now since they are on price cap on ala-carte rates . If 1 & 2 are done implemented properly , TRAI's objectives would be largely fulfilled for industry to move on.