

TRAI released their draft recommendations on the much debated 'Television Rating Points' measurement system on 24 July 2008. In the open house discussions earlier, the industry was divided over the control and management of the system. The Indian Broadcasting Foundation (IBF), Indian Society of Advertisers (ISA) and Advertising Agencies Association of India (AAAI) prefer to have a joint industry body to look after the matter without any government intervention where as Consumer bodies, Cable Operators Associations and MSOs feel the government control to some extent is necessary. Television Rating Points (TRPs) have been subject of much debate over issues on lack of transparency, inadequate sample size in terms of numbers as well as coverage in respect of platforms, some of the states and rural areas not getting any representation at all; leakage of panel homes which could lead to manipulated ratings, inadequate competition in rating services, and channels replicating content in their chase for higher TRPs to garner higher ad revenues. The viewer therefore, also becomes an important stakeholder in this business of ratings. There is thus a strong case for review of the present ratings system in India, both from the perspective of consumer welfare as well as to bring in greater transparency and its impact on competition in the market.

Television Audience Measurement/Television ratings are widely accepted as the currency for both buyers and sellers of television advertising; Television industry which has estimated Rs. 22,600 Crores as its annual revenues in India (2007), of which 35% (approx. Rs 8000 crore) comes from advertising. Television ratings primarily meant to guide the Broadcasters, the Media agencies and the Advertisers, to determine their programme scheduling, ad spend and the placement of the ads have often also influenced the content and scheduling of programmes, as well as pricing of channels. There are close to 360 broadcasting channels, and these are expected to reach 465 by the end of 11th Plan. With the proliferation of new channels fragmentation of audience is taking place. Digitalization, new technologies such as video-on-demand, digital video recorders, internet viewing are changing the traditional methods of television viewing. All these are throwing up new challenges for the ratings services. Audience Measurement systems have also to adapt to these changes.

Initially undertaken by the Public Broadcaster Doordarshan, through Diary system in 1989, currently two more agencies are carrying out the Television Audience Measurement in this country, namely TAM and aMap. In an effort to streamline the television rating point (TRP) business and to firm up accuracy of audience research measurement in the country the Telecom Regulatory Authority of India (TRAI) was given the task of studying the the system and giving their recommendations. After analyzing the issues taking into account the comments received from the stakeholders and international practices TRAI has released the draft recommendations for the stake holders to comment upon before the recommendations are finalized.

The Authority took note of the industry initiative to set up a joint industry body "Broadcasters Audience Research Council, (BARC), purportedly much on the lines of the United Kingdom, Broadcasters Audience Research Board (BARB) model to govern the rating system in India; and the increase in the coverage with entry of a second rating agency.

The Authority has concluded that for the present self regulation may work best and a framework laying specific guidelines including certain reporting requirements would effectively address the shortcomings. The draft recommendations broadly reflect the expectations of consumers, broadcasters, advertisers and ad agencies. The Authority has also taken the guidance from the members of the Standing Committee on IT.

However, one view that emerged from the consultation process suggested

that a larger role should be entrusted to TRAI in monitoring the working of Television Audience Measurement. With increased convergence there has been a blurring of boundaries between Carriage and Content. Since promoting competition and sustaining it in Telecom services including Broadcasting, is within the domain of TRAI Act, there is a natural link between promoting competition and regulating content. There is therefore a need to look into this aspect from functional efficiency whether a clear mandate could be given to the Authority for content regulation by redefining their powers. This is in line with the global practice prevalent in other countries. The Authority then would be able to enforce oversight regulatory mechanism for the TRP agencies.

Considering all aspects, the Authority has recommended Self-regulation through the Industry led body, with Government exercising oversight through its nominees in the industry led body and guidelines covering organisation, functions and methodology to be adopted for ratings by the Industry led body. Such industry led body should be a not-for-profit body registered under the Companies Act, 1956.

The Salient features of the Recommendations are:-

Self-regulation should aim to achieve the following objectives.

- Continuous improvement in quality and method of the rating system, to provide accurate, up to date and relevant findings.
- To maintain the highest possible standards of integrity and to ensure that its findings are not misused / manipulated by any one to convey a wrong impression To promote, maintain and uphold fair, ethical and healthy practices relating to ratings and its use.
- Discourage unfair or deceptive practices employed in connection with the sale or use of ratings;
- Observe and enforce the conditions / standards / norms prescribed by the Government for the ratings process.
- Framework for the Industry led body.
- Initiation of activities by BARC by January 2009.
- Two nominees of the Ministry of Information & Broadcasting on the Board of Directors of BARC.
- The Technical Committee within BARC to guide and supervise the various processes of Ratings and to include nominees from the Ministry of Statistics and Programme Implementation, National Council of Applied Economic Research (NCAER) and Indian Statistical Institute (ISI), Kolkata.
- BARC not to undertake audience measurement directly and to resort to an open, transparent bidding process for the various stages involved in the rating process. The Ministry of I & B to provide the key eligibility norms for the selection of rating agencies and their performance obligation norms.
- BARC to provide such information and reports as may be asked for by the Ministry from time to time.
- The addresses and location of homes where people meter are installed to be kept totally confidential.
- BARC shall have in place a Complaints Redressal Mechanism.
- BARC to sign MoU with the Ministry of Information and Broadcasting for its

organizational structure, functions and methodology (including eligibility conditions for selection of rating agencies).

- BARC shall display the rate card for the various reports and discounts offered thereon on its website. Conditions for rating agencies
- The Request for Proposal inviting bids from the rating agencies to be finalized by BARC after duly considering the eligibility conditions and performance obligations as provided by the Ministry of Information and Broadcasting from time to time.

Sample Size

1. BARC's Technical Committee to decide the sample size. The sample should however cover different platforms, including terrestrial /Prasar Bharati channels, cable and satellite platforms, rural and urban areas, and all the states.

Technology

- Use of technology capable of capturing data over different platforms.

Cross-holding

1. No single company/ legal person, either directly or through its associates shall have substantial equity (more than 10%) holding in more than one Rating agency.
2. A promoter company/ Legal person/ Directors of rating agency cannot have stakes in Broadcaster, Advertiser and Advertising agency either directly or through its associates. Similarly, a Broadcaster, Advertiser or Advertising agency shall also not have any stake in rating agencies.

Mandatory Audit

- Comprehensive mandatory audit of the rating system carried out by independent qualified auditing firms having experience -of TV ratings audit, conducted at least once in three years.

Competition in rating services

- Selection of at least two bidders for each stage of the activity in the rating process.

Others

- BARC and the rating agencies should invest in programs to educate the general public about the work of audience measurement at regular intervals in various parts of the country and through detailed information available on their websites.

Although, the Authority has given time only till 29 July for the stake holders to comment on the draft, the Industry members may seek more time and send a representation in four weeks time to the regulator to reconsider aspects of the recommendation.

The members feel too much power has been conceded to the ministry of information and broadcasting (I & B) even though TRAI calls it self regulation. The suggestion to depute two ministry nominees on the board of directors of BARC has not been taken lightly by the members. While the government nominees will not have voting rights on any resolution, their affirmative vote will be a pre-requisite on the issue of TRP agency selection methodology. Business shall be transacted at any board meeting only when one government nominee is present. A section of

industry fears that since the recommendation will have to be approved by the I & B Ministry, this clause can be modified to grant veto power to the ministry representatives.