

1. Associations for Radio Operators for India (AROI)

Summary of issues of consultation

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

Ans. Yes there is need to regulate the radio audience measurement and rating system. The media business works through out audience measurement system which are transparent and acceptable to both media and advertising industries. For this an acceptable regulatory mechanism is essential, and we propose a self regulatory mechanism involving all stakeholders.

It is important to note that the current RAM is successfully serving the interests of different stakeholders, i.e. advertisers and advertising agencies and broadcasters since its inception. Due to expansion in existing and new markets and innovation in technology, the scope of improvement is being felt. The listenership of FM radio on mobile phones should be added while measuring data. In addition to existing 4 towns, the measurement need to be followed in all cities , specially the smaller towns.

With the expansion of market size there are certain challenges and need to be addressed by more robust technology and measurement process including sample size.

To regulate Radio Audience Measurement, industry bodies of different stakeholders should be encouraged to devise a mechanism of self-regulation.

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.

Ans.

We recommend one of the two models:

- a. Self regulation by the industry + Industry led body + Industry led body does the rating itself
- b. Regulated by the Regulator/Government + Designated agency/Industry led body approved under guidelines of the Government + designated agency/ industry led body does the rating itself + monitoring of compliance and reporting requirement by designated industry led body.

Option a. is preferred over Option b.

The FM radio industry is already has an industry led body, AROI (Association of Radio Operators for India) , which has all private FM radio stations as its members. This Industry led body could be used to set up a rating system over a finite time frame. An appropriate time frame would be 12 months for commencement of measurement.

Should the industry not do so within the stipulated time frame, Government should move to option b.

Justifications for this recommendation

2j1. Size of radio advertising business is a fraction of TV advertising business. Therefore, volumes will not permit multiple rating agencies to be viable. Even TV advertising business, which is several times the size of radio advertising business could not sustain multiple rating agencies.

2j2. Globally, most countries have a single rating agency for RAM.

2j3. Option a. has worked well for TAM with BARC having been set up by the industry with government blessings and Regulator guidance and support.

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.

Ans. We agree that industry led body should regulate the radio system. Since AROI is the industry of body which represent all the private FM operators, it could lead this project. AROI could intern use quality agencies for carrying out the rating process.

Broad contours described in para 4.4 are agreeable except the following:

Crossholding of rating agency by broadcasters should certainly not be permitted. Advertisers or advertising agencies have no vested interest in influencing ratings of one station or another. Therefore, crossholdings by advertisers and advertising agencies may be permitted.

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

Ans. This could be discussed in the general body of industry led body which can then define parameters for the qualification of carrying out radio process. The suggested eligibility conditios look reasonable . However costs are also important and in a small town of say 1 lac population, it may be necessary to relax parameters,

Condition b. in 4..5.3.2 should be modified to read as:

“ The rating agency should have, in its Memorandum of Association, specified survey research or market research as one of its objects”

Justification

There are very few rating agencies in India. Indeed skills required for a rating agency in any other domain such as financial domain are very different form a rating agency for RAM.

All self-respecting market research agencies possess the skill to do RAM ratings.

Therefore, as along as a company's Memorandum of Association mentions survey research or market research as on of its objects, it should be considered eligible to be a rating agency.

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

Ans. We generally agree to the suggested guideline 4.5.4.3 with following additional comments.

Smaller cities should first be covered on for trial instead of A+ city. A+ city already have a measurement system in place which is working well and can be brought under current guidelines.

Methodology of audience measurement should be evolved by the rating agency and approved by the industry body. Should the industry body conduct the rating itself, it should form a Technical Committee of qualified research practitioners and users from different stakeholders and this Technical Committee should decide and approve the methodology.

Any attempt to specify guidelines by the Regulator will be an infringement in the role of Technical Committee and will put unnecessary pre-conditions.

Methodology should indeed be arrived at in response to detailed RFP floated by the Industry body. Since the RFP is not in place, putting guidelines now will be like putting the cart before the horse.

In the countries like Australia, Canada, South Africa, Malaysia and UK either paper diary method or a mix of paper diary and portable people meter are successful in radio measurement. Keeping in view country's radio habits coupled with individuals technological awareness, we feel paper diary is most suited option.

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?

Ans. This could be decided by the industry led body depending on the specific of the city and the costs. A statistically derived sample of say 1 percent is good.

Details such as panel size should be left to industry body since it has a direct bearing on the cost of RAM service. The industry body should deliberate different options of sample size and corresponding sampling error levels to make the best trade-off between the sampling error of the system and the perceived value of ratings data to different stakeholders in their respective businesses.

In any case, sample size and measurement methodology are inter-related and both impact the cost of measurement. Measurement methodology and sample size should be debated by the Industry body and its Technical committee and, wherever necessary, advice should be sought from experts.

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?

Ans. This could be decided by the industry led body depending on the specific of the city and the costs involved.

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.

Ans. This could be decided by the industry led body depending on the specific of the city and the costs involved

Justification

This indeed is dependent upon the estimated revenue size across markets over time, and Industry body comprising of different stakeholders would be the best forum for this decision. It is suggested initially it should be extended to towns having 4 and more frequencies.

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

Ans. Proper agreements should be framed for all involved to ensure confidentiality.

The best way to ensure this will be by separating the three tasks among three organizations:

1. Fieldwork agency,
2. Sampling frame creation agency, which may or may not be the Establishment survey agency
3. Design and Quality Control agency

This is the practice being followed by BARC in India and BARB in UK and it has worked successfully

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

Ans. We generally agree with the mechanism proposed in para 4.5.5 with the following additional comments.

First port of call for complaint redressal should be the Industry body's operating management should it be conducting the RAM rating measurement.

Industry body should identify different types of complaints and set a time limit for redressal of these complaints. Unresolved complaints after the expiry of specified period is exceeded by certain margin should be tabled in the next technical Committee meeting.

In case the Technical Committee too is not able to resolve the complaints, a panel of Ombudsmen should be put in place which should

meet at a pre-specified frequency to hear all the dispute not resolve by the Industry body and Technical Committee.

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.

Ans. Yes.

A transparent pricing of different levels of rating service subscriptions should be decided by the Industry body after consulting all stakeholders and it should be published in public domain.

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.

Ans

Crossholding of rating agency by broadcasters should certainly not be permitted. Advertisers or advertising agencies have no vested interest in influencing ratings of one station or another. Therefore, crossholdings by advertisers and advertising agencies may be permitted, since they have no commercial motive to report higher or lower ratings for a specific station. Indeed, advertising agencies and broadcasters have a self-interest in measuring accurate ratings of different stations, or, at the very minimum accurate relative ratings of each of the stations.

Q13. Please give your comments with regard to the parameters/ procedures, as suggested in 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.

Ans.

All mandatory disclosures as outlined in 4.5.8.2 should be put in place except point b.

Justification

Any details of sample, including number of sample cities (if sample cities are a subset of the universe being measured) could compromise confidentiality of the panel.

Instead universe of RAM measurement should be declared and NOT the sample.

Q14. Please give your comments with regard to the parameters/ procedures, as suggested in 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.

Ans. We agree to suggestions as per para 4.5.9.2

Should the regulation be needed, then parameters suggested in 4.5.9.2 should be reported to the Regulator, perhaps once every year or every two years.

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

Ans.

4.5.10.5 may be followed as specified except point f. which states that Cost of audit is to be borne by the concerned radio rating agency.

Auditee should not be paying for the Audit. Auditor should be appointed and, therefore, paid by the Industry body and NOT the rating agency.

Should the Industry body be the rating agency, the auditor should be appointed by the Technical Committee or an independent Ombudsman.

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

Ans. The audit may be carried out by reputed quality assurance and/or quality audit company.

Auditors of RAM rating should have the experience of:

1. Designing large scale media measurement studies
 2. Conducting audits of IRS and TAM
 3. Should be seen to be fair, independent and technically competent
- Should be led by persons of exceptional fairness, research skills and industry reputation for intellectual competence and integrity

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

Ans. At this moment considering the cost and the state of radio measurement we don't see the scope for much competition. This issue can be addressed later.

Most countries with much large radio advertising revenue base have single RAM rating service. India, with a relatively small base of radio advertising revenue base should first aim to have ONE measurement service with Pan India footprint, which is Not the case now.

Instead of having multiple rating services, we should target the suggestion made in 4.5.11.2 by having multiple agencies to do:

- establishment survey
- sampling frame creation, which may or may NOT be combined with establishment survey
- Design, Quality control and Analytics agency

in addition to an independent auditor.

Q18. In case guidelines rules for rating agency are laid down in the country, how much how much time should be given for complying with the prescribed rules to existing entities in the radio rating services which

may not be in compliance with the guidelines? Please elaborate your response with justifications?

Ans.

At least twelve months should be given to current rating agency to comply with the new guidelines.

However, a more appropriate timeframe will depend on the final set of guidelines proposed.

For example, if the guideline proposes formation of an industry body, the onus of doing so will be on the respective industry associations of different stakeholders and NOT on the current rating agency. Until that happens, it will not be proper to dismantle the current rating system, even if it is seen to be inadequate to meet industry needs.

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