



**Consultation Paper
On
RADIO Audience Measurement in India Submitted by GfK**

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**GfK India
10th Floor, Vatika City Point,
Sector 25, M.G. Road, Gurgaon
Haryana – 122002
www.gfk.com**

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

GfK: The Radio Audience Measurement is – by definition – a currency, i.e. the common accepted unit for any exchange in the Radio industry. Like any currencies, it needs to be recognized by all parties.

The more it is trusted, reliable and commonly accepted, the more value the currency will deliver.

To assess its credibility it is important that the currency is recognized by all stakeholders; ideally: Broadcasters, Advertisers, Media Agencies, as well as the Government. For this reason in most of the countries the radio measurement and the rating services are regulated although it varies from country to country.

It is not always possible to have everyone on board. In some countries, Advertisers and Media Owners do not participate. In others, the Government is not involved. The kind of possible regulation is specific to each market.

Overall, the more agreement and involvement of different stakeholder groups there is regarding the media measurement, the better is for the prosperity of the radio industry, which can take advantage of a low level of conflict to provide indisputable results, which are at the basis of the exchange.

Whenever the currency is disputed, doubts raised about correctness of data, fairness of the rating agencies and honesty of the different stakeholders, this can be counter-productive and harm the industry as a whole

When the radio industry is affected by those doubts, Advertisers lose confidence in the effectiveness of the medium and move their investments to other better regulated media.

On the other hand, a well-regulated Industry allows it to present itself in a united and professional manner when selling airtime. It also allows the radio industry to be compared with other well regulated media such as TV and Print, ultimately giving media agencies and their clients the confidence to purchase radio and know exactly what they are buying.

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.

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.

GfK: The most common model – not only for Radio, but also for most of the other media, especially TV, is the Joint Industry Committee (JIC). The JIC is a body composed of Media Owners, Advertisers and Media Agencies, which are represented at a very high level. This is an “industry led body”.

Of course, the more parties participate, the more intricate and complex is the functioning of the organisation. In a country where the Media Owners and the Advertisers are able to find common ground to set up a JIC, it can be considered not always necessary to include the Government, which can burden the process with additional bureaucracy. Whenever – on the other hand - there is a strong conflict between the two main stakeholders (and possibly also with the Media Agencies), the presence of the Government may act as a referee neutral party.

In saying that even where the Government do not participate directly in the JIC, it can provide guidelines and supervise the functioning of the body.

The different components of the JIC have conflicting interests, but a common goal: the stability of the rating system. The fact that they have interests in conflict normally ensures that the system is properly regulated, provided that the governance of the JIC is well balanced among the different parties.

Whenever a JIC is possible, this is the best solution, the Government should agree on the principles about how to regulate the industry, but its active presence is normally not necessary.

Instead of a JIC , it is also possible to have a MOC: Media Owners Committee, which does not include Advertisers and Media Agencies and which can be considered as a “lower level” regulator. This happens whenever the Advertisers/Media Agencies refuse to participate to a common organisation with the Broadcasters or when the Broadcasters refuse to have them in it, because of some disagreement in the governance, in the survey or in the general vision about RAM, while in the meantime the Media Owners do not want to be without a rating system.

A MOC is normally less effective than a JIC in regulating the system, but it is better than the total absence of regulation as it witnesses at least a common vision by the Broadcasters. In some countries, it ensures a good level of stability, even if not fully recognized by the market.

In some countries there are no JICs nor MOCs, but only agencies (sometimes more than one) offering radio ratings and clients (Media Owners) purchasing the data; the system is somehow self-regulated. Those cases may work for a short time, but a better regulated regime is always advisable.

A reliable agency can contribute a lot to the credibility of the system, even when the system itself is not fully regulated.

GfK has cumulated experiences dealing with all different conditions: JIC, MOC, absence of governance and is comfortable in working in any of these scenarios. If



given a choice, GfK would prefer to work in JIC environment as the feeling is that this is the best solution for the entire industry.

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.

GfK broadly agrees with the conditions set out in this clause.

It is crucial that the agency has the necessary experience in RAM, gained in varied geographies and this is a core part of their media measurement business.

It is also important that they have adequate resources in the country to execute a project of this scale and importance. Linked to this they must have the financial capability to set up such a service.

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.

- a. *An appropriate combination of measurement techniques i.e. paper diaries, surveys, People meters or a combination thereof be used.*

GfK: Agreed. Our advice is that, if this will be possible, in the next RFP/RFQ, to clearly indicate if there is a preference towards a specific method or combination, especially referring to CATI or Diary (within the traditional approaches). This is because different approaches leads to very different implications in terms of sample size, distribution, infrastructure, costs, etc. and therefore, if the request is not properly designed, there is the risk to spend a lot of time and efforts in describing/analysing methodological solutions that are out of scope or not desired.

- b. *All weighting or data adjustment procedures utilized by a rating agency in the process of converting basic raw data to rating reports need to be based on systematic, logical procedures, applied consistently by the rating agency and remain defensible by empirical analysis.*

GfK: Agreed. Furthermore, weighting and data adjustment should be based on official sources (e.g. census, Government Statistics) or commonly accepted sources.

- c. *Rating agency should submit detailed methodology to the accrediting agency and also publish the same on its website.*

GfK: Agreed. Website publishing should occur after the project is awarded and the contract has been signed to provide clarity and transparency on the methodology

- d. *In the event that a rating agency identifies an attempt to bias measurement results by a respondent's submission of fabricated information, it should eliminate such cases from analysis. In the event that such cases have been included in published data, the agency may be required to assess the effect on results and notify the users about the same along with indication of its practical significance.*

GfK: Agreed. More in general, any kind of attempt on the integrity of the panel and of the correctness of the results should be immediately reported to the Technical Committee or a similar organisation.

- e. *Any shortcomings, deficiencies, limitations in the radio rating system needs to be clearly disclosed in the rating reports and also brought to the notice of users of the rating system.*

GfK: Agreed.

- f. *The procedure adopted for selection of the panel individuals/households and the rotation of the individuals in the panel /households should be made transparent.*

GfK: Agreed.

- g. *Geographic representation should be provided in proportion to the radio listenership. The panel should be based on distribution of target listenership*

for a particular segment like age group, socio-economic class, gender, working status, urban & rural markets.

GfK: An alternative solution is to consider the universe not the radio listeners, but the Indian, i.e. the entire population. This is obviously the case for CATI, but it is also common with the Diary and with Meter approach. In this way, it is possible to avoid very complex issues, like for example:

- Radio is a mass medium, and most Indians can be exposed to it, even if in the establishment survey or in the recruitment phase some of them state not to be a listener.
- How to define a listener? Any definition is arbitrary (at least 15 minutes in last week? Or in an “average week”? Or one minute yesterday?). There is not a standard definition.
- Also because in reality often who is labelled as “non-listener” turns out to be a listener. This has been the case in the past for both Diaries and Meters. The consequence of this is that – according to the “listener approach”, the listening events result to be less than the ones computed according to the “population approach”, negatively affecting the metrics.

Using the “population approach” instead of the “listening approach” makes also easier and less disputable the sample stratification and the definitions of the quotas, as they come from official sources like the census.

- h. Rating agency may, consider introducing a phased roll out of radio ratings in the country depending upon the categories of cities as notified in the FM policy guidelines. The timelines for the roll out of radio ratings for each phase to cover cities across entire country need to be worked out. The immediacy of radio ratings may be more relevant in A+ and A category cities while in the remaining categories of cities, introduction of radio ratings may not be an immediate requirement due to the nascent state of FM markets. However, in future, the introduction of radio ratings may be necessitated once the markets in remaining city categories have gained sufficient maturity. While a reasonable time line for A+ and A cities may be two years, the stakeholders may suggest appropriate timeline for introduction of radio ratings in the remaining city categories and also suggest a reasonable time limit for complete roll out of radio ratings in the country.*

GfK: This can be definitely accepted. However, it will be important to define what will be the universe to which the results are to be “projected to”.

This is common in other markets where the main metros are covered first and there is a phased roll out as the market and coverage extends. The key is to cover what is most relevant to the industry rather than just fulfilling a general wishlist of the industry.

The balance between coverage, cost and ultimate benefit to the industry must always be considered.

These elements should be regularly reviewed with the Technical Committee.

- i. A minimum panel size for providing the rating results may be mandated for each city category (A+, A, B, C, D, Others) which can progressively be increased incrementally to the desired panel size.*

GfK: Agreed.

- j. For selecting the sample of the individuals, a large scale establishment survey will need to be carried out. The sample covered through this survey*

should be large enough (say 10 times of the desired panel size) to remain representative of all radio listeners in the country. The establishment survey should be carried out periodically (say annually) to reflect changes in growth of radio listeners, changes in demographics, variations of growth across markets and other factors.

GfK: Should the “population approach” be adopted instead of the “listening approach”, an establishment survey may not be useful unless it is used:

- For recruitment.
- To collect stratification information that are not available in the already existing sources and that are considered important to define the radio listening. To make an example: in some countries we have scientifically measured of a strong correlation between radio listening and ownership/usage of the car. In those cases it may be advisable to take this variable into consideration when recruiting, so that some waves have overrepresented or underrepresented car owners. If no reliable sources are available, a survey can provide the right figures.

- k. A certain percentage (say 25%) of the individuals should be rotated every year. The rotation should be in a manner such that individuals selected first are removed first while maintaining the representativeness of the sample.*

GfK: Agreed if the panel is intended to last for (at least) one year. It is however possible that the panel (or at least the period of participation) lasts for a shorter period of time: from 1 to 4 weeks (see below Q6). In this case other mechanisms are to be put in place.

- l. Rating agency should not include any employee or any other member of radio broadcasters, advertisers and advertising agencies, in the audience measurement sample.*

GfK: Agreed.

- m. Confidentiality of the individuals/households included in the panel should be maintained.*

GfK: Agreed. This is extremely important to avoid any possible pressure on the panelists to modify their statements or behaviour. Agreed controls will need to be agreed to minimise this possibility.

- n. Privacy of the individuals/households included in the panel should be maintained.*

GfK: Agreed. Especially when talking about electronic measurement, it must be clear that:

- The meter is not collecting any personal information, like conversations, position of the panelist, etc.
- Any information collected is considered as confidential.

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?

GfK: Defining the sample size for a survey is always a matter of finding a balance between accuracy of the estimates and costs.

The above mentioned trade-off is present at any level of the research design. It is therefore difficult to suggest the best compromise without knowing in more detail additional information.

This may include, for example, the number of the radio stations to be monitored per city, some data about their penetration (reach), the number of “readable” sampling cells (e.g. sex by age by city by quarter of hour), the frequency of the delivery as well as the available budget for the survey (at least the magnitude).

Probably the best way to proceed is to start from the budget (magnitude) and, after have made some assumptions, to define the best sample size to cope with the currency’s requirements.

However, clarity in the RFP will allow work on a huge number of hypotheses, like CATI vs Panel, Diary vs Meter, only cities vs cities and rural, different number of cities, etc. to be avoided.

Another important direction to be given in setting the RFPs’ requirements can refer to the kind of sampling (in case of panel): rolling sample vs constant, i.e. a big number of respondents engaged for a short time vs a smaller amount participating for a long period. In statistics, this can be conceptually translated into a trade-off between “sampling error” and “measurement error”.

To better explain this concept with an example, let’s consider the following:

- Talking about panels (and therefore: Diary or Meter), we may achieve the same number of monitored days with 30 people participating for 100 days or with 100 people participating for 30 days.
- In the first case the measurement error is smaller and the sampling error is bigger than in the second case.
- We may assume that requiring to participate for more than one month (or even one week) does not significantly improve the number and the quality of information collected from one panelist, and therefore a period longer than this threshold is a waste of efforts. This is particularly true for Radio and for advertising purposes. Radio normally shows more stable listening habits than TV, and normally the currency for radio is mainly focused on advertising planning than on contents (so, it is less important than for TV to know exactly how many people have been listening to a specific program *yesterday from 8:30 to 8:43*). In Radio the advertising metrics refer to an average period of time: Average Quarter of Hour, Average Daily Reach, etc., while in TV there is also a strong interest on specific days or specific events. Therefore, while in the TV context it is common to have a constant panel to minimize the measurement error, Radio, which often has also to deal with a high number of small channels, may decide to have a relatively bigger sample size, so to minimize the sample error.
- If this were our judgement, we would prefer to have several waves of participants for a limited amount of time than to have a smaller number of panelists engaged for a long period.
- Obviously, this decision has consequences in terms of operations, efforts, costs. In the “100 people for 30 days” option, the recruitment costs are

higher and the costs for incentive are lower than in the “30 people for 100 days” option. In case of electronic measurement, this first option also minimizes the cost for the hardware, since a limited amount of meters can be used several times with the different waves of panelists. However, moving the meter from one panelist to the other, from wave to wave, is also expensive.

CATI is the extreme example of the “lot of people for a short time” approach: it is relatively easy to reach 100,000 people or more by phone, each of them engaged for few minutes only (and reporting their radio listening for just yesterday, or – with less accuracy - just the week before).

“100 people for 30 days” is obviously one of the possible several research design. “200 people for 14 days” is another. In some Countries the typical Radio advertising campaign lasts between 2 and 3 weeks, so the JICs there do not consider it useful to expand the time of participation to more than 2 weeks or than 1 month.

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?

GfK: In case of CATI, it would be advisable to have a data collection that is deployed during the whole year, so to avoid seasonal phenomena and to keep Indian radio listening constantly under control. Deliveries can be done on a monthly or on a quarterly basis, cumulating all the interviews carried out over that period. More frequent deliveries are possible, but they normally make the survey more expensive, not adding significant information.

In case of Panel (Diary and/or Meter), with the rolling sample a roll out similar to the CATI one can be designed, and deliverables can include the data collected in the different waves over the month/quarter.

In both cases of CATI and of rolling samples, it is always possible to adopt rolling average deliverables, which normally ensure a higher robustness of the results. This is often advisable for local/small radios that can count only on a smaller number of interviews/panelists living in limited areas.

In case of constant sample (e.g. 6 months or 1 year panel) a phased manner can be a reasonable solution to start reading the first results before achieving the final sample size.

As mentioned a recommendation on sufficient sample size can be provided at the RFP stage of the process.

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.

GfK: It depends on the sample size and of the effectiveness of the fieldwork/recruitment network. Alternative approaches (CATI and panel rolling sample) have been suggested at Q7.

As mentioned earlier it will also depend on the needs of the industry. If the vast majority of spend on radio advertising is occurring in particular cities then it makes sense.

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

GfK: In addition to all the necessary measures to ensure confidentiality, it worth to state that big samples and frequently rotated samples are more difficult to be biased by third parties intervention aiming at prevailing on the proper functioning of the survey.

Moreover, a correct sampling selection – e.g. less depending on the recruiter's judgement and more depending on automatic mechanisms – can help in this.

Within GfK, only certain individuals will have access to the panelists personal data. In all other cases the panellist will only be identified by a panel identification number which will not be able to identify the individual. Any third parties involved in the measurement will have to sign strict non-disclosure agreements.

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

GfK: some ideas regarding this:

- Our view is that there should be a culture in place to bring up any complaints and deal with them in a transparent way. It is also important that there are clear processes in place for complaint management.
- The presence of a project and of a methodology shared with all the stakeholders normally reduces the complaints. The procedures should be public, so that no misunderstanding can raise among them.
- The presence of an independent Audit should reduce the protests and should make it easier to answer to possible complaints.
- An internal committee (e.g. the Technical Committee) should be responsible for continuously supervising the survey processes and to check and intervene in case of punctual criticisms.
- Within the JIC (or whatever agreed organisation) it is advisable to foresee a person or a team in charge of receiving and managing the complaints coming from the clients or other parties.
- It is possible to split the deliverables into two different categories: one published and addressed to everyone and one limited to the broadcasters.
- The possibility to share and publish the details of complaints and of their solution can be a way to transfer transparency, but on the other hand would also make it public the complaints (sometimes just specious or with no meaning) and increase the risk to attract a big amount of undesired and self-generated criticisms. We would rather suggest treating this matter more confidentially.

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.

GfK: The main goal of a currency is to provide data to the broadcasters, to the Media Owners and to the Advertisers for media planning goals and for content decisions. Generally speaking, the more the currencies data are spread and used, the best is for the industry.

In many cases, data are published in the public domain directly by the rating agencies and made it available for anyone, especially Media Agencies.

In a free-media-planning tool regime (i.e. any software house can embed currencies data in their media planning tool) data should be distributed in a format accessible by the media planning tools.

The rating agency may also be appointed for reporting tools/proprietary media planning tools. GfK has this capability.

The rating agency can be requested to:

- Carry out additional analyses on the data on top of what is defined by the standard deliveries.
- Provide data to other parties, not included in the original list of users.

These cases should be regulated in advance by the contract that should define the agencies duties and operations.

Our experience is that the ratecard for the ratings is normally not in the public domain and that fees are agreed within the JIC or other formal organisation. However some elements could be made public if the industry agrees.

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.

GfK: Agree. In some cases, the rating agency is prevented by having additional business with the stakeholders (or thresholds are indicated).

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.

GfK: We agree on all the parameters listed, with the possible exception of “d.: Comments/viewpoints of the users of the radio rating data”.

Similarly to what we discussed when talking about complaining management (Q10), it would be advisable to be prudent in opening too much the possibility to publically criticize the survey.

Should those comments be made publically available – e.g. on a web site – we would allow anyone, and also not qualified people, to judge any detail of the survey (also speciously) and this would require a lot of effort to reply to every single comment.

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.

GfK: Agree, but probably an annually frequency is even too demanding.

With reference to f.: “Any other information and reports as may be asked for by MIB or the regulator from time-to-time”, it would be advisable to define in advance the list of possible questions/criteria, in order to avoid that additional request be raised speciously to attack the agency or the rating service.

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.

GfK: Two comments:

1. It should be distinguished between auditing the rating agency and auditing the survey procedures. The listed points refer to the second concept.
2. GfK agrees on all the listed points with the exception of point f: "Cost of audit is to be borne by the concerned radio rating agency".

The agency should not be in the condition to directly pay the auditor. In this case, actually, the agency would have a power on the auditor (e.g. it can threat not to pay), and this could jeopardize the auditing activity if not managed carefully.

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

GfK: It is important that the auditor have the trust of all stakeholders. So ideally it should be an acknowledged party:

- Possibly with international experience.
- Possibly with previous experience in the Industry
- Possibly the same auditing carried out with other currencies

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

GfK: It is obviously positive to have a competition among the candidates for the rating: this pushes everyone to provide the best value for money service.

However, once assigned the survey, the presence of several agencies working on the same project can turn into an operating condition that is not necessarily positive.

Having one agency ensures a better consistency and a higher “internal” control on all phases of the survey.

Efficiency may also be higher, since the data flow occurs among branches that are fine-tuned to work together.

Furthermore, in case of doubts or complaints, there is only one party that has the whole responsibility and to ask for clarifications.

On the other hand, the presence of different agencies allows better “external” controls, because of crossing double checks. Anyway, should this be the chosen approach, we would not advise to involve more than few agencies (2 is probably enough), otherwise the lack of efficiency would probably overtake the benefits.

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

This would depend on the methodology and the amount of adjustment required by the agency. We feel a reasonable time would be 6 months for reasonable requests.

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

GfK comment 1: At 4.5.4.2 the whole discussion is about household selection.

Our comment on this is that radio consumption is mainly an individual activity and therefore any aspects of the survey should use the individual (and not the family) as “measurement unit”.

Therefore, we would advise to select people (and not families) and to measure their radio listening behaviours.

GfK comment 2: Since the current measurement system is based on a Diary, we would suggest to use this as a starting point for future measurements, enlargement or improvement.

This means that the other traditional approach, which is CATI, is probably less suitable for the Indian needs, as it will be disruptive without adding the advantages of the electronic measurement.

We would be happy to provide a CATI proposal as well, upon request, but in our experience, the natural development of a Paper Diary measurement is an Electronic Diary running on PC (eDiary) and a Mobile Diary running on smartphones and tablets (mDiary), which represent an improvement in the accuracy of data collection and in data transfer.

This may also easily lead to an integration with a Meter approach (eRAM), which – differently from CATI – is based on panel as well.

GfK has developed, tested and deployed all the above system in different countries, and will be glad to share its global experience with the Indian clients.