



Telecom Regulatory Authority of India



Consultation Paper

On

**Guidelines/Accreditation Mechanism for Television
Rating Agencies in India**

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Written comments on the consultation paper are invited from the stakeholders by 9th May, 2013. Counter comments, if any, may be submitted by 16th May 2013. Comments and counter comments will be posted on TRAI's website www.trai.gov.in. The comments and counter comments may be sent, preferably in electronic form to Mr. Rajkumar Upadhyay, Advisor (B&CS), Telecom Regulatory Authority of India, on the e-mail: rkupadhyay@trai.gov.in or traicable@yahoo.co.in. For any clarification / information, Shri Rajkumar Upadhyay, Advisor (B&CS) may be contacted at Tel. No.: +91-11-23220020, Fax: +91-11-23211998.

Content

Introduction.....	1
Chapter I Industry snapshot.....	4
Chapter II Television Audience Measurement in India: Current Position	8
Chapter III Audience Measurement and International Experience.....	13
Chapter IV Issues related to Television Audience Measurement and Rating	17
Chapter V Summary of issues for consultation	37
Glossary.....	39
Appendix International Experience in Television Rating Service	40
Annexure I Summary of TRAI’s recommendations in 2008.....	53
Annexure II Summary of Dr. Amit Mitra committee’s recommendations	61
Annexure III MIB’s letter dated 31 st August 2012.....	64
Annexure IV TRAI’s letter dated 9 th October 2012	67
Annexure V MIB’s letter dated 16 th November 2012	68

Introduction

1. Television is the largest medium for media delivery in India in terms of revenue, representing around 42 percent of the total media industry.¹ The TV industry continues to have scope for further growth as television penetration in India is still at approximately 60 percent of total households. 828 TV channels have been permitted by the Ministry of Information and Broadcasting (MIB)², of which 650 TV channels are operational and are available for viewing.
2. The television industry is in the midst of a technological and economic change. Audiences are becoming increasingly fragmented across a growing range of delivery platforms. Web-based delivery of television programmes, mobile devices, and tablets are increasing rapidly, alongside other platforms such as on-demand video systems, Digital Video Recorders (DVRs), and, of course, traditional broadcast/cable/satellite delivery. High bandwidth and diminished barriers to entry associated with many of these mechanisms for delivering video programmes mean that the range of content options available to the viewer has increased dramatically as well.
3. Television is integral to modern living. It plays an important role in shaping our intellectual and physical consumption. In order to understand its impact, it is necessary to appreciate and measure how people interact with the medium. Since its advent, television has been identified as a source of entertainment, relaxation, education and information. Availability of multiple channels and technological advancements allow viewers to take advantage of additional viewing options and the increased ease of switching between them. The variable use of television makes audience measurement an especially difficult task.
4. Audience measurement implies measurement of what is being viewed. Audience measurement is essential since a significant source of funds for broadcasting is advertising and programme sponsorship. It indicates the popularity of a channel or a programme and assists advertisers, broadcasters and advertising agencies in selecting the right media at the right time to reach the target audience. The major impetus for audience measurement is advertising. Advertising expenditures are typically guided

¹ CII Report: India Entertainment and Media Outlook 2012

² <http://mib.nic.in/ShowContent.aspx?uid1=2&uid2=84&uid3=0&uid4=0&uid5=0&uid6=0&uid7=0> accessed on 2nd April 2013.

by audience measurement and also cost of reaching various audience segments, advertisement placements and programme schedules.

5. With the increasing number of channels, there is intense competition for viewership. Newspapers and other print media receive feedback regarding their audience from the number of copies they sell. This is not the case with radio and television, where a different form of audience measurement is required. Programmes are sometimes produced and transmitted at high cost, and often to wide areas, merely with the belief that there is an audience for them. With the growth in the number of channels and increasing variety of programmes available, the task of both broadcasters and advertisers in allocating resources becomes increasingly difficult. Market segmentation and targeting have become vital in such a scenario.
6. On the basis of audience measurement data, ratings are assigned to various programmes on television. Television ratings in turn influence content and programmes produced for the viewers. Better ratings would promote a programme while poor ratings will discourage a programme or content. Incorrect ratings will lead to production of content which may not be really popular while good content and programmes may be left out. False and misleading ratings, therefore, can affect not only broadcasters and advertisers but also the viewing public as well. Therefore, there is a need to have accurate measurement and representative television ratings for the programmes.
7. To address the issues related to television rating system in India, the Telecom Regulatory Authority of India (TRAI) after an exhaustive consultation process, gave its recommendations to MIB on 19th August 2008 covering various aspects including the need for the Government to regulate the system of television ratings. TRAI had, inter-alia, recommended the approach of self regulation through setting up of an industry-led body, the Broadcast Audience Research Council (BARC). Subsequently, a committee was constituted by MIB under chairmanship of Dr. Amit Mitra, the then Secretary General, Federation of Indian Chambers of Commerce and Industry (FICCI), which also made extensive recommendations towards setting up of a transparent and credible self regulatory mechanism for television rating system by BARC. The self regulation mechanism, as envisaged through BARC, has not been implemented till date by the industry.

8. MIB has recently sought recommendations of TRAI under section 11 (1) (a) of TRAI Act for laying down comprehensive guidelines/accreditation mechanism for Television Rating agencies in India to ensure transparency and accountability in the rating system.
9. This paper seeks the comments/views of stakeholders on the issues related to laying down comprehensive guidelines/ accreditation mechanism for television rating agencies in India. Chapter I present the industry snapshot and Chapter II discusses the current scenario of television audience measurement in India. Chapter III provides a brief of television audience measurement technologies and International practices. Chapter IV discusses various issues related to accreditation and guidelines for television rating agencies in India. Chapter V summarises the issues for consultation.

Chapter I

Industry snapshot

Overview of Indian Entertainment & Media (E&M) Industry

1.1 Currently, India is the 14th largest E&M market in the world with E&M industry revenues contributing about 1% of its GDP. Globally, the Indian E&M industry (which broadly comprises four segments i.e. Television, Print, Radio and other media (such as Internet Access, Film, Out of Home Advertising (OOH), Music, Gaming and Internet Advertising)), is one of the fastest growing, followed by countries such as China, Russia and Brazil. As per the industry estimates, the global E&M market size, in the year 2011, was around US \$ 1.6 trillion, growing by 4.9% from year 2010. The Compounded Annual Growth Rate (CAGR) of the industry for the period 2011-2016 is projected to be 17%.³

Industry revenue

1.2 As per industry estimates, the Indian E&M industry, with revenues of about Rs. 80,500 crore (US\$ 17.2 billion) in 2011, is set to grow robustly over the next few years on the back of steady macro-economic growth, rising spending power and positive demographic indicators. The industry revenues are expected to reach Rs. 1,76,400 crore (US\$ 37.6 billion) by 2016. The segment wise revenue contribution is shown in Table 1.1³

³CII Report: India Entertainment and Media Outlook 2012

Segment	Revenue- 2010 (Rs. in Crore)	Revenue- 2011 (Rs. in Crore)	Y-O-Y growth (%)	Contribution to the Industry (%)
Television	29400	34000	15.7	42
Print	17800	19000	7.2	24
Internet access	7400	11600	57.2	14
Film	8800	9600	9.4	12
OOH	1400	1600	10.7	1.9
Radio	1300	1400	10.8	1.7
Music	1000	1200	25	1.5
Gaming	800	1100	32.6	1.4
Internet advertising	800	1000	30.9	1.3
Total	68500	80500	17.5	

Table 1.1: Segment wise revenue contribution

Advertising revenue

1.3 The advertising spend in the industry was estimated at Rs. 27,900 crore in 2011, contributing approximately 35% of total E&M revenues. The revenue from advertising is expected to grow at a CAGR of 13.4% to reach Rs 52,500 crore in 2016. Television and print dominate the advertising segment in India, with 85% share of advertisement revenue (Figure 1.1) and are expected to remain the primary contributors, accounting for 84% of the total advertising revenue in 2016⁴.

⁴ CII Report: India Entertainment and Media Outlook 2012

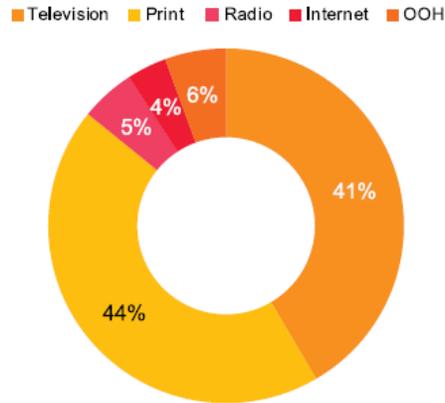


Figure 1.1: Advertisement revenue: segment wise contribution (2011)

Overview of Indian Television Sector

- 1.4 The television service sector in the country mainly comprises of cable TV services, Direct to Home (DTH) services, Internet Protocol Television (IPTV) services, free to air DTH services as well as terrestrial TV services provided by Doordarshan, the public broadcaster. Digitisation with addressability will play a key role in driving future growth, plugging subscription revenue leakage, provision of much wider choice of content and services as well as enabling high-quality delivery of content to the consumer. The TV channels offered have been categorised by TRAI, through its Interconnection Regulation dated 14th May 2012, under different genres namely news, general entertainment, sports, music, movie, kids, infotainment, lifestyle and devotional. There has been a spurt of growth in regional channels over the last few years.
- 1.5 Doordarshan is the world’s largest terrestrial broadcaster with over 1400 terrestrial TV transmitters covering 88% of India’s geographical areas and these transmitters provide coverage to about 92% population of the country. In India, terrestrial TV broadcasting has so far not been opened to private players. While DTH and IPTV are addressable and digital platforms, the legacy cable distribution, which is non-addressable analog platform, is presently undergoing a major transformation in terms of technology, from an analog system to a digital addressable system. As per an industry report, total TV households in India were estimated to be 15.5 crore at the end of year 2012⁵. There are around 9.4 crore cable TV

⁵ MPA Asia Pacific Pay TV and Broadband market 2012

subscribers and around 5.45 crore registered DTH subscribers. There are 6 private DTH operators in the country providing pay TV services while the public broadcaster Doordarshan is providing free to air DTH services. The Government has also issued policy guidelines on Headend-in-the sky (HITS).

Revenue from Television Industry

- 1.6 The Indian television industry in 2011 was estimated at Rs. 34,000 crore, with a year-on year increase of 15.7% from 2010 to 2011, driven by growth in advertising as well as subscription revenue⁶. Revenue for broadcasters is generated from advertisement and subscription.
- 1.7 The television audience in the country has been on a high growth path, enabling advertisers to reach out to a larger segment of the Indian population. As a result, advertising budget allocation has slowly shifted its focus from other advertising mechanisms to this platform. Advertising revenues in television have increased by 14.3% to Rs. 11,600 crore in the year 2011, driven by the launch of new channels, increased viewership and growth in advertisements. However, growth in subscription revenue has surpassed the growth of advertising revenue, with a growth rate 16.5% to reach Rs. 22,400 crore, led by a sharp rise in DTH subscribers.

⁶ CII Report: India Entertainment and Media Outlook 2012

Chapter II

Television Audience Measurement in India: Current Position

- 2.1 Television Audience Measurement (TAM)/ Television Rating Points (TRPs) have been in existence in India since 1993. Initially, the only data available and followed was Doordarshan Audience Ratings (DART), collected by DD's audience research unit through its 40 Kendras and 100 All India Radio stations. The main function of the audience research was to provide research support for the programming on Doordarshan network. Starting with general viewing surveys up to 1988, panel diaries were introduced by DD in 1989 and continued up to 2001. They were later revived in 2004 covering 3600 TV homes in rural and 1600 TV homes in Urban India.

- 2.2 In 1994 ORG-MARG's INTAM (Indian National Television Audience Measurement) was established. INTAM's sample size was miniscule and restricted to major cities. While INTAM was in operation, a second rating agency TAM was formed in 1998. In 2001, both INTAM and TAM were formally merged. In 2004 another rating agency, Audience Measurement and Analytics Ltd. (aMap), started operations in India. Its commercial operations however, started only in February, 2007. However, the operations of both these agencies were limited to a few large cities having population above one lakh and neither of the two agencies covered the state of J&K. Within big cities too, their panel size of households for audience measurement was limited to about 7000 (TAM) and 6000 (aMAP) metered homes.

- 2.3 Television rating services on a commercial basis are presently provided by only one agency i.e. TAM Media Research, aMAP has since discontinued its services in 2011. As per information available from TAM Media Research, it is appointed by the Joint Industry stakeholders of ISA (Indian Society of Advertisers), IBF (Indian Broadcast Foundation) and AAI (Advertising Agencies Association of India). It provides media and consumer insights to the various stakeholders of the Indian Media and Entertainment Industry - Advertisers & Marketers, Media Owners, Media Agencies and the Academia. It has been reporting TV viewership data for terrestrial TV homes and cable & satellite TV homes. For this, TAM Media

Research uses the digital TVM5 people meter. Their panel size of households for audience measurement spreads to 8150 homes⁷.

- 2.4 Issues have been raised regarding the credibility of the rating system in India. In this regard, MIB had sought TRAI's recommendations on various issues relating to the Television Audience Measurement (TAM)/ Television Rating Points (TRP) and the policy guidelines to be adopted for Rating Agencies in 2008. TRAI gave its recommendations to MIB in August 2008 covering various aspects. The summary of TRAI's abovementioned recommendations is enclosed as Annexure I.
- 2.5 Subsequently, vide its letter dated 9th December 2009, MIB informed TRAI, inter-alia, that the self regulation through BARC, as recommended by TRAI, has not become operational and requested TRAI to suggest further course of action. TRAI vide its response dated 4th May 2010 suggested that in the event of BARC not becoming operational, Government may consider entrusting work of laying down guidelines and accreditation of suitable agencies to carry out measurement of television audience to the Indian Institute of Mass Communication, New Delhi. It was further stated that in case this is also not found feasible, Government may consider entrusting this work to TRAI appropriately under section 11 (1) (d) of the TRAI Act, 1997.
- 2.6 The Committee headed by Dr. Amit Mitra, the then Secretary General FICCI, had also made recommendations in November 2010, in line with the recommendations of TRAI, for setting up television rating system through BARC. The key recommendations of the Committee are enclosed at Annexure II. The Committee gave its recommendations on the issues covering sample size, transparency & reliability, viewership across diverse platforms, shareholding pattern of rating agencies, general operational & disclosure norms of rating agencies, tampering & manipulation, frequency of television rating announcement, guidelines for BARC etc. BARC has not set up any rating system till date.

⁷ http://www.tamindia.com/tamindia/Company_Profile.htm accessed on 21.3.2013. However, TAM Media Research has informed TRAI that they are covering 225 towns, comprising 9100 homes & 40,000+ individuals from January 2013.

Reference from MIB

- 2.7 TRAI received a reference from MIB on 31st August 2012 (Annexure III). Through this reference MIB has made the following observations:
- a) Television rating measurement system in India suffers from several deficiencies and urgent action needs to be taken to put in place a credible and transparent television rating generation system.
 - b) Self-regulation of television rating system in India has failed to take off as BARC has not been able to take any credible action on the recommendations made by TRAI and by Dr. Mitra's Committee. With constant persuasion and follow up by the Ministry, BARC was finally registered in July 2010. However, no significant progress has been made till today by BARC to set up a transparent television rating mechanism in the country.
 - c) The cross holdings exist in TAM Media Research (India). The presence of cross holdings in TAM Media Research (India) raises doubts about the credibility of the data being generated by TAM Media Research.
- 2.8 Further MIB requested TRAI to recommend comprehensive guidelines/accreditation mechanism with TRAI as accrediting agency for television rating agencies in India to ensure fair competition, better standards and quality of services by television rating agencies.
- 2.9 TRAI sought clarifications, through its letter dated 9th October 2012 (Annexure IV), as to whether the MIB intends to seek the recommendations of TRAI under section 11(1) (a) on comprehensive guidelines/accreditation mechanism for accreditation of television rating agencies in India or intends to entrust the function of accrediting television rating agencies in India to TRAI under Sec. 11(1) (d) of the TRAI Act, 1997.
- 2.10 In its clarification dated 16th November, 2012 (Annexure V), MIB requested TRAI to provide its recommendations under Section 11 (1)(a) of TRAI Act, 1997 for laying down comprehensive guidelines/ accreditation mechanism for accreditation of Television rating agencies in India. MIB has further mentioned that in case the accreditation mechanism fails to address the maladies of the current system then there would be a need

for entrusting the accreditation mechanism to TRAI under Section 11(1) (d). TRAI may, therefore consider this aspect also.

Need for Guidelines/Accreditation for Television Rating in India

2.11 Presently television ratings in India are being done by M/s TAM Media Research and have certain deficiencies, many of which have been pointed out by different stakeholders at various forums. Some of these shortcomings in the present rating system are highlighted below:

- a) In any rating system the methodology adopted in arriving at the rating of different channels or programmes is very important. Also it is equally important that the details of the methodology adopted should be in the public domain and known to all the stakeholders. Apparently this is non-existent in the case of television ratings in India today.
- b) Adequate sample size, representing - complete demographic profile of the country, all delivery platforms, full geographical coverage (both urban and rural markets), is required for statistical accuracy of the ratings. Present television rating system uses a sample size of 8150 which is not adequate to represent the population of 15.5 crore TV households in India. It also does not satisfactorily cover the entire demographic profile of the country e.g. it does not cover rural India and some of the states of India (J&K & North East).
- c) The secrecy of the selected panel households is to be maintained to ensure that the ratings are not manipulated. However, today some broadcasters have pointed out that the distributors i.e. MSOs/Cable operators know the location of the panel household (people meter) and demand higher carriage fee for carrying the channels in that area.
- d) For making the entire process more transparent and credible it is essential that the methodology and the processes should be audited through an independent auditor and the results of such audits published. Such a practice does not exist today.

- e) Another important issue is of crossholding. Cross holding between the rating agencies and the Broadcasters, Advertisers and the Advertising agencies may result in biased ratings. MIB in its reference has informed the Authority that the cross holdings have continued to exist in TAM Media Research (India), the only operating television rating agency in India.
- f) Any system of this nature should have a well laid out mechanism to handle complaints from the stakeholders which may include users of the ratings, consumer organizations and the general public. There is no published procedure that exists today.
- g) The disclosures by the rating agencies and well laid out practices related to sale and use of ratings, helps to improve the credibility of the rating system. These again are not so apparent in the present system.
- h) Today ratings are done by only one agency and it needs to be explored whether more agencies can be brought in to provide competition in the business, which will also result in enhancing the credibility of ratings.

2.12 These issues could be effectively addressed by bringing out appropriate guidelines for the rating agencies and for putting in place an accreditation mechanism for the rating agencies.

Chapter III

Audience Measurement and International Experience

3.1 Television audience measurement and ratings are prevalent in several international markets. The technologies for television audience measurement and provisions related to rating framework in Australia, Canada, Ireland, Italy, France, South Africa, UK and USA have been studied.

A. Audience Measurement Technologies

3.2 Television audience measurement technology has changed considerably since its inception. These technologies primarily relied on advances in data collection methods, processing technologies, and statistical methods to improve analysis of information so collected.

3.3 There are many ways to measure the audience. The initial measurement technique was based on using a diary method but currently electronic and software based methods are more commonly used. In many countries a combination of the above are also used.

Diaries

3.4 Diaries are booklets in which selected sample viewers record their television viewing during a measurement period. It relies on individuals for providing and submitting personal records to a collecting agency/agent. The selected sample viewer records the desired data like radio stations or TV stations they listen to or see during each day of the survey period. They record the time of day, the location, and start and stop times of each programme. Diaries are distributed and then collected from the sample audience for a week and during the weekend the viewership data is tabulated, analysed and reported. This method is relatively cheap but cumbersome, when compared to other methods of television audience measurement.

Surveys

3.5 In this method, surveys through personal meeting or telephone calls are undertaken for collecting audience measurement data. Such methods are employed in some international markets.

People meter

- 3.6 With the increasing number of channels, multiple broadcasting platforms, multiple TV sets in a household and remote controls, electronic and software methods are now commonly used to measure audiences. People meter is an audience measurement device used for television audience measurement. It is a 'box', about the size of a paperback book. The People meter automatically records the channel viewed by matching the corresponding digital signature stored in its memory. In addition the home is provided with a special remote to record who is viewing the channel. Each time someone changes a channel, the sensors attached to the TV from the People meter senses the channel change as well as identifies the new channel being viewed. The data is stored in encrypted form in the People meter and is transmitted to the Data centre through the Transmission Unit using telephone lines.

Portable people meter systems⁸

- 3.7 The Portable People Meter (PPM), is a pager-sized device that is carried by a representative panel of television viewers and radio listeners. It automatically detects inaudible codes that broadcasters embed in the audio portion of their programming using encoders. At the end of each day, the survey participants place the meters into base stations that recharge the devices and send the collected codes to the data center for tabulation. PPM can measure exposure to any electronic media, which has audio that has been encoded - television, radio and even cinema advertising. PPM system consists of the following four components:
- **Encoder**, which is installed at the programming or distribution source to insert an inaudible identification code into the audio stream. The audio encoding system provides an extremely reliable means of identifying signal source, and works equally well with all existing electronic media delivery systems: analog, digital, live and recorded broadcasts. The embedded codes can even be picked up in transmissions delivered via the Internet.
 - **Portable People Meter**, which is worn by a consumer to detect and record the inaudible codes in the programming that the consumer is exposed to. The Portable people meter is a "pager-sized" 65 cubic

⁸ <http://www.bbm.ca/en/>

centimeters and 75 grams device. It consists of a specially sensitive audio transducer, digital signal processing (DSP) circuitry to analyze input for code detection, extensive memory accommodating at least one day of event codes, and a rechargeable battery. PPM is also equipped with a motion detector, which is linked to a small green light that is visible to the survey participant. The motion detector is a key component to track whether the survey participant is carrying the meter throughout the day.

- **Base Station**, where each survey participant places the meter at the end of the day to recharge the battery. The base station extracts data - both the collected identification codes and the motion data from the motion detector - from the PPM and sends collected codes to a household collection device known as a "hub";
- **Household Hub** collects codes from all the base stations in the survey household and transmits them to a central computer system via the telephone line during overnight hours.

3.8 In France⁹, watermarking technology is used which is similar to the portable people meter and involves inserting a mark inaudible to the human ear into programmes. This mark contains the identification of the channel which broadcasts the programme and the regular broadcast time markers. The audimeters installed in panellists' homes can then recognise this information i.e. it automatically detects the inaudible code that are embedded in the programme.

Other developments: Set Top Box (STB) with integrated people meter

3.9 In India, Cable TV networks are undergoing a major transformation from analog to digital addressable systems. DTH and Digital Addressable Cable TV system are fully digital. Trends show that the people meter could be integrated into the Set Top Box which may provide exact viewing pattern of the subscriber without any manual intervention. With increase in choice, it is likely that in the near future such a system could become more reliable and provide real time authentic ratings.

⁹ <http://www.mediametrie.fr/>

B. Television Rating Framework

3.10 International markets have prescribed different provisions, for establishing a credible rating framework, depending on the requirement of the particular country or market. The provisions related to Setup & Framework, Eligibility norms, Methodology, Panel size, Privacy, Sale & use of ratings, Reporting requirements, Disclosure and Quality & Audit in the major international markets have been studied. Details of these provisions for TV audience measurement and ratings in identified international markets are discussed in the Appendix.

Models for regulating television rating system

3.11 From the discussion in the Appendix on the rating agencies in different countries it emerges that three different models exist for regulating the rating services. In the first model, the joint industry body, with an equal representation of all stakeholders, does the rating itself. Such an approach is followed in Australia, Canada, France, Ireland, South Africa and UK. In the second model, the joint industry body does the accreditation of the rating agency which does the rating. Such an approach is followed in USA. In the third model, the sector regulator regulates the rating agency. Such an approach is followed in Italy.

3.12 Irrespective of the model followed, certain minimum requirements/standards exist for rating services.

Chapter IV

Issues related to Television Audience Measurement and Rating

- 4.1 The importance and need for a credible, transparent and representative television audience measurement system is recognized the world over. Continuance with an inadequate television rating system will hamper the growth of TV industry as financial decisions, production of content and its scheduling are largely influenced by television ratings. The effect of error in ratings will get perpetuated in the eco system affecting different stakeholders. Incorrect ratings will lead to selection of programmes by broadcasters which are not sought after and consequently advertisers will end up allocating resources to programmes which will miss the desired target audience. The consumers will also not receive the desired content. It is therefore felt that a credible and transparent system to generate television ratings should be put in place.
- 4.2 Television audience measurement is akin to movie reviews, exit polls & credit rating done by credit rating agencies (like CRISIL, Fitch Ratings, ICRA, CARE, Brickwork Ratings & SMERA). Movie reviews are not regulated at all. Though exit polls are not regulated, some restrictions are in place e.g. the results of the exit polls cannot be declared till all phases of voting are over. Credit rating agencies are regulated by the Securities and Exchange Board of India (SEBI), as people invest their hard-earned money based on such credit ratings. Television ratings, to a large extent, influence media consumption and consequently the consumer spend, as well as the investments made by advertisers. Therefore, one may opine that the importance of regulation of television audience measurement falls somewhere between that of exit polls and credit ratings done by credit rating agencies.

Models for regulating television rating system

- 4.3 The model of a television rating system has two components, the accreditation of the rating agencies and the rating by the accredited agency. Regarding rating process, one view could be that since the television ratings mainly affect the business decisions of broadcasters, advertisers and advertising agencies, it should be free of any government/regulator intervention. Another view could be that since television ratings directly affect audiences and commercial interests of

different stakeholders, it is desirable that some effective accreditation framework is in place to ensure that the measurements carried out by rating agencies are free from any bias, and represent true and correct picture of TV audience information.

4.4 As discussed in the previous chapter and based on the study of international practices, the following possible models (Figure 4.1) emerge for a television rating system in India:

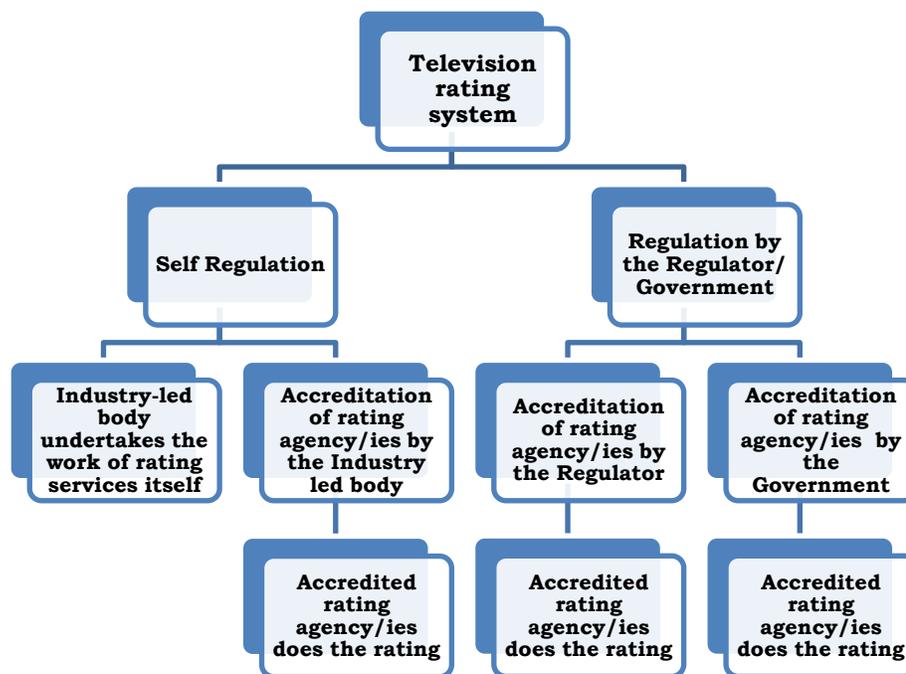


Figure 4.1: Regulating television rating system – different models

- a) *Self Regulation*: In this model, industry sets up a body consisting of the concerned industry representatives from broadcasters, advertisers & advertising agencies, which is responsible for carrying out the rating work and publishing the ratings. Here no individual section of the industry would have total control on decisions as these would be collective. The work of data collection or research could be outsourced. In this model, as the rating is directly done by the industry body, there is no need for accreditation of any other agency.
- b) *Accreditation system by industry*: In this model, industry sets up a body consisting of concerned industry representatives to establish minimum requirements/standards for rating agencies and accredits rating agencies following these requirements/standards. This body

also monitors the compliance of its standards by the rating agencies for continuation or otherwise of their accreditation.

- c) *Accreditation by the Regulator*: In this model the regulator accredits the rating agency and ensures the compliance of prescribed standards and reporting requirements.
- d) *Accreditation by the Government*: In this model the Government accredits the rating agency by itself or through its designated agency. The rating agencies are required to comply with prescribed standards and reporting requirements set by the Government.

Issue for Consultation

Q1. Which of the model described in para 4.4 should be followed for regulating television rating services in India? Please elaborate your response with justifications.

Guidelines for accreditation of rating agency

4.5 Irrespective of the model followed for accreditation of the agency for rating services, certain minimum standards/guidelines will have to be laid down for the agencies providing rating services. These accreditation guidelines should be such that they address shortcomings of the current television rating system and ensures that the rating data generated by the rating agency is credible, transparent and representative. Some of the parameters in this regard may include eligibility norms, methodology to be adopted including the panel size, criteria for sale & use of ratings, disclosures, reporting requirement, complaint redressal mechanism, crossholding, privacy, secrecy of panel households and audit of rating services. These are discussed in the following paragraphs.

Eligibility norms

4.6 One of the main issues for consideration is the eligibility criteria for the rating agencies. The ratings process requires a high degree of professional skill and integrity. It is therefore, essential, that certain eligibility criteria may be specified in order to discourage non-serious and inexperienced players. It is necessary that the ratings should be carried out by qualified agencies. In USA, MRC has prescribed certain minimum

standards for the rating agencies to become eligible for accreditation. In India also, SEBI has prescribed eligibility norms for credit rating agencies, through its regulation.

- 4.7 The essential eligibility conditions for the rating agencies, amongst others, may include the following:
- a. The rating agency should be set up and registered as a company under the Companies Act, 1956.
 - b. The Rating Agency should have, in its Memorandum of Association, specified rating activity as one of its main objects.
 - c. The rating agency should have a minimum net worth (say rupees five crore).
 - d. The rating agency should have professional competence, financial soundness and general reputation of fairness and integrity in business transactions, to the satisfaction of the Government.
 - e. Rating agency should meet the prescribed cross holding requirements.
- 4.8 In case of self regulation model, where the industry body does the rating itself, the condition of minimum networth and cross holding mentioned in preceding para may not be applicable.

Issue for consultation

Q2. Please give your comments on the eligibility conditions for rating agencies discussed in para 4.7 above. You are welcome to suggest modifications. Please elaborate your response with justifications.

Methodology for Audience Measurement

- 4.9 Methodology plays an important role in audience measurement. A robust methodology would ensure the reliability of the ratings provided by the rating agencies whereas a poor methodology would distort the measurement results, adversely affecting the sector as a whole. Therefore, a rating agency should have in place a rating process/methodology that conforms to the conditions / standards / norms prescribed for the ratings process and reflects consistent and internationally accepted rating standards. It should work towards continuous improvement in quality and method of the rating system, to provide accurate, up to date and relevant findings. In this regard, the key

issues pertain to selection of the households, panel size & secrecy of panel homes. The same are discussed in the subsequent paragraphs.

Selection of the households

- 4.10 Sample households are generally selected through a large-scale establishment survey that defines the population to be represented and its characteristics. The establishment survey is conducted in such a manner which remains representative of all television households across the country. It encompasses the full range of demographic and TV reception variations, amongst other variables, that are found across the country and in different regions. The selection process of the sample households for the measurement purposes should be random and every household in a particular area should have an equal chance of being chosen. The establishment survey results in selection of household samples which is around 10 times of the desired panel homes. This approach exists in some countries like Australia & UK. This survey is required to be carried out continuously in order to account for changing demographic profile, shifts in viewing platforms and changes in household characteristics. These changes need to be accounted for in order that the sample reflects true representation of the viewing universe. This will ensure that any changes in household characteristics are reflected in the selected sample. The panel homes are drawn for audience measurement from the representative sample determined by the establishment survey. Selection of panel homes is done through a 'multi-stage, stratified and un-clustered' sample design to ensure that the panel is fully representative of all television households. The maximum period of time that a household may stay on the panel also needs to be clearly defined (say four years).
- 4.11 There is a need to select households for rating measurement in a transparent manner. The issue of lack of transparency in method adopted for selection of the households by the rating agencies in India has often been raised in the past. In order to ensure transparency in selection of panel homes, the rating agency should provide details pertaining to methodology, establishment survey size, periodicity of the establishment survey, method used to select panel homes from household samples arrived through establishment survey, etc. on its website and also report the same to the accrediting agency at a defined frequency. This data, should also be published on the websites of the

rating agencies and the accrediting agency. Such an approach exists in Italy. Auditing of the process will also facilitate in ensuring transparency in selection of panel homes.

Panel size

- 4.12 Panel size is the number of panel homes, drawn from samples collected during establishment survey, where the audience measurement device is placed. It is an important parameter that determines the accuracy of statistical exercise. The panel size should be representative of age, socio-economic class, gender, working status, delivery platforms and geographical coverage (both urban & rural markets). Generally, larger the panel size the greater would be the accuracy of the results. Smaller panel size results in limited data for analysis and therefore is not truly representative, which compromises the accuracy of the findings.
- 4.13 Inadequate panel size has serious limitations of not adequately reflecting regions, rural and small towns, demographic profiles, socio-economic classes, plurality of platforms etc. However, increasing the panel size has cost implications especially for taking audience measurement through People meters. So the panel size should be such as to optimize the tradeoff between increased cost and more reliable results.
- 4.14 M/s TAM Media Research has informed TRAI that TAM measures in-home minute to minute TV viewing for all the TV platforms viz. terrestrial, cable (both analog and digital) and satellite in all states except J&K and North East. As per M/s TAM Media Research, their panel households are spread over 8150 home¹⁰. With 15.5 crore TV households in India, this corresponds to less than 0.005% of TV households. Internationally, the panel size is in the range of 0.016% to 0.059% of the TV households¹¹. It is important to note here that India is a large and diverse country stratified into several socio-economic categories and regions. Therefore in our case the panel size needs to be large enough to adequately capture the diversity in demographic profile, cultures, languages etc. Further, M/s TAM Media Research measures in-home TV consumption across urban Indian markets and do not cover rural India

¹⁰ http://www.tamindia.com/tamindia/Company_Profile.htm accessed on 21.3.2013. However, TAM Media Research has informed TRAI that they are covering 225 towns, comprising 9100 homes & 40,000+ individuals from January 2013.

¹¹ Please refer Appendix.

as yet. Therefore, limited panel size and inadequate rural & geographic coverage are some of the main shortcomings of the present television rating system in India as it gives disproportionate weightage to viewership pattern of a small sample of viewers. Doordarshan being one of the major providers in the rural areas does not get adequate representation in the panel.

- 4.15 The Amit Mitra Committee, constituted by the MIB to review the existing Television Rating System in India, also recommended an increase in sample size (panel size or number of panel homes being measured) in terms of number of sample households, coverage of rural areas and addressing the need to cover multiple delivery platforms. The committee recommended that the sample size should be increased by almost 4 times from 8000 approximately to 30,000 households over a period of 5 years. To support the funds required for additional 'People meters', the committee suggested that BARC should involve the industry to pay an agreed upon annual fee depending on their size and the number of channels they beam. The committee further mentioned that steps like local manufacturing with indigenization and reduction in import duties may be considered for bringing down the cost of People meter.

Secrecy of panel homes

- 4.16 In the past, issues relating to secrecy of the panel homes have also been raised. Availability of the entire list of panel households with the broadcasters had also made news in the past. Accessibility of panel homes would mean that the outcome can be manipulated. To avoid any manipulation at household level, the rating agencies should have proper systems in place to safeguard the secrecy of the panel homes. Rotation of panel homes may also help in ensuring secrecy of panel households.
- 4.17 Some stakeholders had earlier opined that the rating agencies should be made responsible for any violation with regard to maintaining of secrecy of the panel homes. They were of the view that manipulation of the data / TV ratings is a serious offence and should carry appropriate penalties for the agency involved, similar to market manipulation and insider trading in stock market and a suitable legislative mechanism should also be put in place for the same.

Privacy

- 4.18 It is important that the privacy of panel households be maintained. Privacy is to be maintained at two levels. Firstly, personally identifiable information of panel homes should not be used by rating agencies to advertise, promote or market third-party goods or services. Also personal data like names, addresses or phone numbers of panel members should not be revealed to any third parties for promotion of their business. Secondly, the results of the measurement should not be disclosed on an individual basis. The rating agency should release the measurement results only on aggregate basis, for example the results could be released on demographic basis. In most countries, individual households and viewers are kept anonymous in the rating data and only demographic profile data is released.
- 4.19 Taking into account the discussion above, some of possible guidelines to arrive at a robust methodology for a television rating system could include the following:
- a. An appropriate combination of measurement techniques i.e. surveys, People meters or a combination thereof to be used.
 - 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, consistently applied by the rating agency and defensible by empirical analysis.
 - c. Ratings are required to be technology neutral and capture data across multiple viewing platforms viz. cable TV, DTH, Terrestrial TV etc. On line platforms to be covered wherever feasible.
 - d. Rating agency should submit detailed methodology to the accrediting agency and also publish the same on its website.
 - e. 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.
 - f. Any shortcomings, deficiencies, limitations in the rating system needs to be clearly disclosed in the rating reports and also brought to the notice of users of the rating system.

- g. The procedure adopted for selection of the panel households and the rotation of the panel households should be made transparent.
- h. Geographic representation should be provided in proportion to the TV viewing population. The panel should be based on distribution of target viewership for a particular segment like age group, socio-economic class, gender, working status, multiple delivery platforms, all states and urban & rural markets. It should be updated once in 6 months to reflect the developments taking place in the delivery platforms, growth in viewership etc.
- i. A minimum panel size (say 15,000) for providing the rating results may be mandated, which can progressively be increased in steps (say 5000 increase every year) to the desired panel size (say to 30000).
- j. For selecting the sample homes a large scale establishment survey will be carried out. The household sample covered through this survey should be large enough (say 10 times of the desired panel size) to remain representative of all television households in the country. The establishment survey should be carried out periodically (say annually) to reflect changes in growth of TV homes, changes in demographics, growth in new delivery platforms like internet, variations of growth across markets, etc.
- k. A certain percentage (say 25%) of the panel homes should be rotated every year. The rotation should be in such a manner that older panel homes are removed first while maintaining the representativeness of the sample.
- l. Rating agency should not include any office, employee or any other member, of broadcasters, advertisers and advertising agencies, in audience measurement sample.
- m. Secrecy of the panel households should be maintained.
- n. Privacy of panel households should be maintained.

Issues for consultation

Q3. Please give your comments on the guidelines for methodology for audience measurement, as discussed in para 4.19 above, for television rating systems. You are welcome to suggest modifications. Please elaborate your response with justifications.

Q4. What should be the minimum panel size (in terms of numbers of households) that may be mandated in order to ensure statistical accuracy and adequate coverage representing various genre, regions,

demographics etc. for robust television rating system? Should the desired panel size be achieved immediately or in a phased manner? In case of implementing the desired panel size in phased manner, what should be the quantum of increase and periodicity of such increase in size?

Q5. Please give your suggestions/ views on as to how secrecy of panel homes can be ensured?

Crossholding

4.20 Cross holding between rating agencies and their users may result in biased ratings. The ratings not only affect the business decisions of broadcasters, advertising agencies and advertisers but also the content that is created for viewers across the country. Broadcasters may have stakes in the rating agencies or own rating agencies and may bias and influence ratings in a manner so as to promote their vested interests while generating business revenues for themselves. Ratings should provide fair, correct, balanced, representative, transparent and neutral information to the broadcasters, advertiser and advertising agencies. Therefore, there should be no cross holdings between the rating agencies and broadcasters, advertisers and advertising agencies.

4.21 The Authority in its earlier recommendations dated 19th August 2008 had also recommended that there should be no cross holding between the rating agencies and broadcasters, advertisers and the advertising agencies. The Authority further recommended that this cross-holding restriction should also be applicable in respect of individual promoters besides being applicable to legal entities. No single company/ legal person, either directly or through its associates, shall have substantial equity holding in more than one rating agency. 'Substantial equity' herein will mean equity of 10% or more'. A promoter company/ legal person/ directors of the rating agency cannot have stakes in broadcaster, advertiser and advertising agency either directly or through its associates. Similarly, a broadcaster, advertiser or advertising agency should also not have any stake in rating agencies. The Amit Mitra Committee constituted to review the existing television rating system in India had also opined in line with the Authority's view for restrictions on cross-holdings.

- 4.22 Currently only TAM Media Research is operating in the market as a monopoly in India. MIB in its reference (Annexure III) has stated that cross holdings have continued to exist in TAM Media Research. The presence of cross holdings in the rating agency raises doubts about the credibility of the ratings being generated.
- 4.23 It is clear that adequate restrictions may have to be imposed on cross holdings in the rating agencies to ensure that the agencies provide independent ratings without any conflict of interest. Some of the possible guidelines in this regard could include the following:
- a. There should be no cross holding between the rating agencies and broadcasters, advertisers, media agencies and advertising agencies.
 - b. This cross-holding restriction should also be applicable in respect of individual promoters besides being applicable to legal entities.
 - c. No single company/ legal person, either directly or through its associates or inter-connected undertakings, shall have substantial equity holding in more than one rating agency. Similarly no single company/ legal person, either directly or through its associates or inter-connected undertakings, shall have substantial equity in both rating agencies and broadcasters/advertisers/ media agencies/advertising agencies. Substantial equity could be defined as certain percentage (say 10% or more) of paid equity.
 - d. A promoter company/ legal person/ directors of the rating agency cannot have stakes in any broadcaster, advertiser and advertising agency either directly or through its associates or inter-connected undertakings.

Issue for Consultation

Q6. Please give your comments on the cross holding restrictions for rating agencies as discussed in para 4.23. You are welcome to suggest modifications. Please elaborate your response with justifications.

Complaint Redressal

- 4.24 There could be a situation where a user or any other stakeholder, such as a user of ratings, a consumer organisation or any member of the general public, is not satisfied with some aspect of the ratings process. In

such a case, a proper complaint redressal mechanism will be required for handling of complaints received. Such a system should ensure that the complaints are handled in a time bound manner. To ensure this, a complaint redressal mechanism should be put in place by the television rating agencies. To facilitate transparency, such complaints and their resolution could be placed on the website of rating agency.

- 4.25 It would be desirable that the complainant first approaches the rating agency for resolution of his complaint. If the complainant is not satisfied with the solution provided by the rating agency, he should be able to approach the accrediting agency for redressal of his complaint. The accrediting agency, as the appellate authority, should have power to issue directions to the rating agency and impose penalty. In Italy, for example, such issues are resolved by the Regulator AGCOM and penalties are also imposed.

Issue for Consultation

Q7. Please give your comments on the complaint redressal mechanism discussed in para 4.25. You are welcome to suggest modifications. Please elaborate your response with justifications.

Sale & Use of ratings

- 4.26 The rating agencies are required to maintain the highest possible standards of integrity and to ensure that their findings are not misused / manipulated. Unfair or deceptive practices related to the sale or use of ratings need to be discouraged.
- 4.27 The rating agencies may also be required to follow certain norms related to sale & use of ratings in order to ensure that this does not bias the views of the stakeholders. It may be desirable that the rating agencies or any of their employees may be barred from rendering, directly or indirectly, any advertisement or advertisement related advice about any channel or channel related programme in publicly accessed media. Rating agencies may also be required to ensure that there is no misuse of any privileged information.
- 4.28 In order to use the ratings in an effective manner, each rating report should include statements about all omissions, errors and biases known

to the rating agencies which may exert a significant effect on the findings of the report. Also each rating report should point out changes in or deviations from, the standard operating procedures which may exert a significant effect on the reported results along with an indication of the estimated magnitude of the effect.

- 4.29 Since the rating agency will be selling the data to different users in the ecosystem, it will be desirable that the rates are non discriminatory and transparent. It will also be desirable that such a rate card for different reports is placed on the website of the rating agency to ensure transparency and non-discrimination. For example in UK, BARB publishes the rate card on its website.
- 4.30 The reports by the rating agency may be required to be made available in a transparent and equitable manner. Apart from the regular users like broadcasters, advertisers and advertising agencies, other users for example institutions, students, press, etc may also like to access the data. However, it is desirable that such an access may be permitted for the limited use of the user in a manner that does not impact the stakeholders of the rating system.
- 4.31 Another issue is whether the data from the reports purchased from the rating agency can be repackaged and sold by the user. Similarly, should the user be allowed to share the data available in the report with the third parties or publish it in publically accessed media for promoting its own business. Therefore, certain restrictions will have to be imposed on users of the data.
- 4.32 In light of the discussions in para 4.26 to 4.31 the consultation issues are:

Issues for Consultation

- Q8. Whether the rate card for sale and use of ratings should be published in the public domain by the rating agencies? Please elaborate your response with justifications.**
- Q9. Whether other users apart from broadcasters, advertisers and advertisement agencies be allowed to obtain the rating data from the rating agencies? If yes, who all should be allowed to obtain and**

use the data from the rating agencies? What restrictions should be imposed on use of the rating data by users?

Q10. Whether the user should be allowed to share the data provided by the rating agency with third parties or publically accessed media. Please elaborate your response with justifications.

Disclosure

4.33 In order to have credible ratings it is important that the rating system is transparent. One of the most effective tools to achieve transparency is to establish a well defined system of mandatory disclosures by the rating agencies wherein these agencies disclose all the relevant details that may affect the ratings. The disclosures will also facilitate in ensuring that rating agencies are complying with all the terms and conditions stipulated in the accreditation guidelines.

4.34 Following parameters may be mandated to be disclosed by the rating agency on its website for achieving transparency and compliance:

- a. Detailed Rating methodology in clear terms.
- b. Details about the coverage in terms of geographical and other socio-economic representation.
- c. Disclose, wherever necessary, possible sources of conflict of interests, which could impair its ability to make fair, objective and unbiased ratings
- d. Comments/viewpoints of the users of the rating data.
- e. Quality control procedures with respect to all external and internal operations which may reasonably be assumed to exert significant effects on the final results.
- f. Rate card for the various reports and discounts offered thereon.
- g. Ownership pattern of the ratings agency, including foreign investment / Joint Venture / Associates in the Agency.

Issue for Consultation

Q11. Please give your comments with regard to the parameters/procedures, as suggested in para 4.34, pertaining to mandatory disclosures for ensuring transparency and compliance of the prescribed accreditation guidelines by rating agencies. You are

welcome to suggest modifications. Please elaborate your response with justifications.

Reporting requirement

- 4.35 For ensuring that the rating agencies are complying with all the terms and conditions stipulated in the accreditation guidelines it is important to ensure that the same should be easily monitorable and enforceable. In this regard it is pertinent to establish a well defined system of periodic mandatory reporting by the rating agencies. Therefore, it would be desirable to have a regulatory framework of periodic reporting as a mechanism for monitoring and enforcing compliance of accreditation guidelines for rating agencies.
- 4.36 In Italy, the Regulator AGCOM has mandated that Auditel must communicate periodically to AGCOM statements on various parameters which include data on methodology, viewers panel, audience measurement system, measurement period, costs the broadcasters must bear to access to the audience data and corporate & shareholders' data.
- 4.37 Following parameters may facilitate monitoring and enforcing compliance of accreditation guidelines for rating agencies and the rating agency may be mandated to report to the Government on periodical basis (say annually) :
- a. The rating agency's equity structure, shareholding pattern including foreign investment / Joint Venture / Associates in the Agency. Any changes during the reporting period, if any, should be reported immediately.
 - b. Details of Key executives and Board of Directors.
 - c. Interests of rating agency in other rating agencies/ broadcasters/ media agencies/ advertisers / advertising agencies.
 - d. Coverage details.
 - e. Subscription and Revenue details.
 - f. Any other information and reports as may be asked for by MIB or the regulator from time to time.

Issue for Consultation

Q12. Please give your comments with regard to the parameters/procedures, as suggested in para 4.37, pertaining to reporting requirement for ensuring effective monitoring and compliance of the prescribed accreditation guidelines by rating agencies. You are welcome to suggest modifications. Please elaborate your response with justifications.

Audit

4.38 Audits are required to make the process more transparent & credible. Accuracy of the ratings and procedures adopted can be ensured through self-discipline in the adoption of procedures and independent audit. Many a time the knowledge that rating agency's work may be reviewed in audits, facilitates provision of better & fair services. Rating agencies should be subjected to independent audit of the methodology adopted by them for determining the sample and also of the procedures followed by them for arriving at the final results.

4.39 Internationally also the rating agencies are subjected to independent audit in many countries. For example in USA, Media Rating Council (MRC) is an industry-funded organization to review and accredit audience rating services. The activities of the MRC include auditing through independent Certified Public Accounting (CPA) firms, of the activities of the rating services. These audits determine whether a rating service merits accreditation or continued accreditation, provide the MRC with the results of detailed examinations which become the basis for quality improvements in the service, either by voluntary action or mandated by MRC as a condition for accreditation, and also provide a highly beneficial psychological effect on rating service performance. Audit reports include detailed testing and findings for sample design, sample composition by demographic group, data collection and fieldwork, metering, diary or interviewing accuracy, editing and tabulation procedures, data processing, ratings calculations & assessment of rating service disclosures of methodology and survey performance. Rating services awarded MRC accreditation are given permission to display the MRC's logo on the audited research product indicating compliance with MRC's standards. In Italy, the regulator AGCOM entered into an agreement with ISTAT (the National Institute of

Statistics) to certify the audience research quality and the audience data correctness.

- 4.40 In case of Quality of Service (QoS) of telecom service, the regulator (TRAI) appoints auditors for auditing the same. For auditing of billing and metering in telecom services, TRAI notifies a panel of auditors and the telecom service providers have to get their systems audited annually by one of the empanelled auditors. The auditing expenses are to be borne by the telecom service providers.
- 4.41 One option could be to mandate the rating agencies to get independent audits done through a third party and the auditors of rating agency should state in their report that proper mechanisms and procedures, as disclosed publicly by the rating agency, exist for various processes involved in the audience measurement and ratings. The other option could be that in addition to the third party audit, rating agencies are mandated to offer their systems/procedures/mechanisms for auditing by the accrediting agency or any of its authorized agencies.
- 4.42 To facilitate proper audits to ensure a credible and transparent rating process is followed by the rating agency, the following requirements may be brought into the guidelines for accreditation of rating agencies:
 - a. The operations to be performed by the computer system, right from receiving of People meter or survey data till the rating output is generated, shall be documented in sufficient detail
 - b. The rating related data shall be protected using adequate security features.
 - c. Any process change related to rating system should be documented and intimated to the concerned users.
 - d. The rating agency should get their rating process/system audited by a qualified independent auditor. The auditors of rating agency should state in their report that proper mechanisms and procedures exists for credible rating system.
 - e. The rating agency should also offer its systems/procedures/mechanisms for auditing by an Auditor appointed by the accrediting agency or any of its authorized agency.
 - f. Cost of audit is to be borne by the concerned television rating agency.

Issues for consultation

Q13. Please give your comments on the audit requirements for rating agencies as discussed in para 4.42. You are welcome to suggest modifications. Please elaborate your response with justifications.

Q14. Who should be eligible to audit the rating process/system?

Competition in rating services

- 4.43 Currently only one agency is providing the rating services in India and it is not covering all states and rural areas. India is a large and diverse country stratified into several socio-economic categories and regions and a single agency may not be able to capture the enormity and complexity of the country as far as media consumption and viewership preferences are concerned. Further, inadequate competition may raise concerns related to monopolistic behaviour due to presence of only a single rating agency, whereas increased competition leads to better quality of service and reduced costs. Therefore competition is desirable in the rating services.
- 4.44 One way of limiting monopoly markets could be by having different rating agencies for different regions/states. The country could be divided into different zones for the purpose. However, such an approach would not result in greater competition in a particular area. Another alternative could be to have separate rating agencies for different stages involved in the rating process i.e establishment survey, preparing panel of households for measurement and analysis of the data to arrive at the ratings. For example, in the UK different agencies are appointed for each of these stages. A third option could be to have different agencies for different delivery platforms.
- 4.45 It is also pertinent to note that representative, credible and transparent rating services require substantial capital investments. Therefore certainty of a business for a period of time is also required to ensure reasonable return on investments. One may opine that multiple rating agencies in the same region may lead to duplication of efforts, disputes on credibility/reliability and wastage of resources, therefore, initially more focus could be given on increasing coverage.

4.46 Although there is no restriction on the number of firms entering into rating services in India, as on date television audience measurement is being done by only one rating agency i.e. TAM Media Research. One may opine on this basis that sufficient market for multiple television rating agencies does not exist in India. However, it is pertinent to note that in case of credit rating services there are six rating agencies at present which have been registered by SEBI. India is a large country with over one billion population and more than 15.5 crore TV households, therefore, it may be argued that a market exists. The main issue for consideration is as to what initiatives are required to encourage effective competition in television rating services, so that rating services also may reap the benefits of competition.

Issue for Consultation

Q15. What regulatory initiatives are required to promote competition in rating services? Please elaborate your response with justifications.

Applicability of Rules for rating agencies

4.47 This consultation paper discusses various issues related to evolving a fair and credible television rating system in India. Once accreditation guidelines are issued and implemented by MIB, these rules will have to be complied by new entrants into the sector as well as by existing players.

4.48 As far as applicability of the rules to TAM Media Research, the only rating agency currently operative in rating services, is concerned, in case they do not comply with the accreditation guidelines as on the date of applicability of the said guidelines, a reasonable amount of time may have to be granted to ensure a smooth implementation for transitioning to compliance with the new regime.

Issue for Consultation

Q16. 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 rating services sector, which are not in compliance with the guidelines? Please elaborate your response with justifications.

Other Issues

4.49 The various audience measurement technologies are discussed in chapter III. The future trends indicate that the People meter could be integrated into the Set Top Boxes. This may provide exact viewing pattern of the subscriber without any manual intervention. Such systems may probably take care of many shortcomings of the present rating systems and could provide real time authentic ratings.

Issues for Consultation

Q17. Do you think integrating people meter with set top boxes is a good solution? If yes, how to encourage such systems?

Q18. Stakeholders may also provide their comments on any other issue relevant to the present consultation.

Chapter V

Summary of issues for consultation

Wherever comments have been solicited on certain proposals, you are welcome to suggest modifications. Also, please elaborate all your responses with justification.

- Q1. Which of the model described in para 4.4 should be followed for regulating television rating services in India?**
- Q2. Please give your comments on the eligibility conditions for rating agencies discussed in para 4.7.**
- Q3. Please give your comments on the guidelines for methodology for audience measurement, as discussed in para 4.19, for television rating systems.**
- Q4. What should be the minimum panel size (in terms of numbers of households) that may be mandated in order to ensure statistical accuracy and adequate coverage representing various genre, regions, demographics etc. for robust television rating system? Should the desired panel size be achieved immediately or in a phased manner? In case of implementing the desired panel size in phased manner, what should be the quantum of increase and periodicity of such increase in size?**
- Q5. Please give your suggestions/ views on as to how secrecy of panel homes can be ensured?**
- Q6. Please give your comments on the cross holding restrictions for rating agencies as discussed in para 4.23.**
- Q7. Please give your comments on the complaint redressal mechanism discussed in para 4.25.**
- Q8. Whether the rate card for sale and use of ratings should be published in the public domain by the rating agencies?**

- Q9. Whether other users apart from broadcasters, advertisers and advertisement agencies be allowed to obtain the rating data from the rating agencies? If yes, who all should be allowed to obtain and use the data from the rating agencies? What restrictions should be imposed on use of the rating data by users?**
- Q10. Whether the user should be allowed to share the data provided by the rating agency with third parties or publically accessed media.**
- Q11. Please give your comments with regard to the parameters/procedures, as suggested in para 4.34, pertaining to mandatory disclosures for ensuring transparency and compliance of the prescribed accreditation guidelines by rating agencies.**
- Q12. Please give your comments with regard to the parameters/procedures, as suggested in para 4.37, pertaining to reporting requirement for ensuring effective monitoring and compliance of the prescribed accreditation guidelines by rating agencies.**
- Q13. Please give your comments on the audit requirements for rating agencies as discussed in para 4.42.**
- Q14. Who should be eligible to audit the rating process/system?**
- Q15. What regulatory initiatives are required to promote competition in rating services?**
- Q16. 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 rating services sector, which are not in compliance with the guidelines?**
- Q17. Do you think integrating people meter with set top boxes is a good solution? If yes, how to encourage such systems?**
- Q18. Stakeholders may also provide their comments on any other issue relevant to the present consultation.**

Glossary

Abbreviation	Description
AAAI	Advertising Agencies Association of India
BARB	Broadcasters' Audience Research Board
BARC	Broadcast Audience Research Council
CAGR	Compounded Annual Growth Rate
CPA	Certified Public Accounting
DART	Doordarshan Audience Ratings
DTH	Direct to Home
DVR	Digital Video Recorder
E&M	Entertainment & Media
FICCI	Federation of Indian Chambers of Commerce and Industry
HITS	Headend-in-the sky
IBF	Indian Broadcast Foundation
ISA	Indian Society of Advertisers
MIB	Ministry of Information and Broadcasting
MRC	Media Rating Council
OOH	Out of Home Advertising
PPM	Portable People Meter
QoS	Quality of Service
RFI	Request For Information
SAARF	South African Advertising Research Foundation's
SEBI	Securities and Exchange Board of India
STB	Set Top Box
TAM	Television Audience Measurement
TRAI	Telecom Regulatory Authority of India
TRP	Television Rating Points

International Experience in Television Rating Service

The provisions in the major international markets can be placed in following broad categories:

- a) Setup & Framework
- b) Eligibility norms
- c) Methodology
- d) Panel size
- e) Privacy
- f) Sale and use of ratings
- g) Reporting requirements
- h) Disclosure
- i) Quality and Audit

a) Setup & Framework

Australia¹²

- Television ratings in Australia are provided by two agencies OzTAM and Regional TAM in different geographical areas.
- OzTAM is an independent company owned by Australia's major commercial television broadcasters (Seven Network, Nine Network and Network Ten) and is the official source of television audience measurement in the five metropolitan cities (Sydney, Melbourne, Brisbane, Adelaide and Perth) and nationally for subscription television.
- Regional TAM Pty Limited is a joint venture comprising the five free to air (FTA) regional commercial networks - NBN Limited, Prime Television Pty Ltd, Seven Queensland, Southern Cross Austereo and WIN Corporation Pty Ltd. Regional TAM data is the official source of free to air and subscription television measurement in the five east coast aggregated regional markets including its 19 component sub-markets and the regional Western Australian market.
- Both OzTAM and Regional TAM have agreement with Nielsen TAM for collecting and producing ratings data on their behalf.

¹² www.oztam.com.au, www.regionaltam.com.au, www.agbnielsen.net

Canada¹³

- BBM Canada is responsible for television audiences measurement, which is a not-for-profit, broadcast research company jointly established in 1944 as a tripartite cooperative by the Canadian Association of Broadcasters and the Association of Canadian Advertisers.
- Their membership includes television and radio stations and networks, major advertising agencies, and national advertisers.

France¹⁴

- Measurement of television audiences in France is conducted by an independent company, Médiamétrie consisting of representatives of radio, television, advertisers, advertising agencies and media brokers without any of them having a majority holding to take a decision alone.

Ireland¹⁵

- TAM Ireland (Television Audience Measurement Ireland Ltd), a not-for-profit company limited by guarantee, was set up in 2007 to provide the industry-standard television audience measurement service for broadcasters and the advertising industry. TAM Ireland is owned by RTÉ, TG4, TV3, Channel 4, UTV, Sky, Viacom and Setanta. All of the major media buying agencies in Ireland are also members of TAM Ireland.
- TAM Ireland has contract with Nielsen Television Audience Measurement to provide research services on its behalf, including the production of audience viewing figures.

Italy¹⁶

- Television ratings in Italy are provided by Auditel, which is a Joint Industry Committee (JIC) consisting of investors of advertising, Agencies & media centers and target companies.

¹³ <http://www.bbm.ca/en/>

¹⁴ <http://www.mediametrie.fr>

¹⁵ <http://www.tamireland.ie/>

¹⁶ <http://translate.google.co.in/translate?hl=en&sl=it&u=http://www.auditel.it/&prev=/search%3Fq%3Dauditel%2BItalia%26hl%3Den%26biw%3D1366%26bih%3D643&sa=X&ei=5-clUc6vAYOsrAfw2IDgDw&ved=0CDUQ7gEwAA> , <http://www.mondaq.com/x/40806/Film+Television/Audience+Measurement+Battle+In+Italian+Television+Market+Is+Satellite+Misrepresented+By+Auditel>

South Africa¹⁷

- South African Advertising Research Foundation's (SAARF) has the responsibility to measure the audiences of all traditional media such as newspapers, magazines, radio, television and cinema. SAARF's Board of Directors represents the marketing, media and advertising industries through their respective industry bodies. SAARF is financed through a fixed amount contributed by print media owners and through an industry levy on other media owners (television, radio, etc.).
- Major research surveys conducted by SAARF are All Media and Products Survey (AMPS), Radio Audience Measurement Survey (RAMS) and Television Audience Measurement Survey (TAMS).

UK¹⁸

- In UK official ratings for television audiences are provided by the Broadcasters' Audience Research Board (BARB). BARB is a not-for-profit limited company, funded by the major players in the industry it supports. It is owned by BBC, ITV, Channel 4, Channel 5, BSkyB and the IPA (Institute of Practitioners in Advertising).

USA¹⁹

- Media Rating Council (MRC) is an Industry funded organization to review and accredit audience rating services in US. Currently MRC has approximately 95 Board members representing TV and Radio Broadcasting, Cable, Print, Internet and Advertising Agency organizations as well as Advertisers and Trade Associations. Organizations such as Nielsen or Arbitron that provide media ratings are not allowed to be members.
- The activities of the MRC include:
 - The establishment and administration of Minimum Standards for rating operations;
 - The accreditation of rating services on the basis of information submitted by such services; and

¹⁷ <http://saarf.co.za/>

¹⁸ www.barb.co.uk

¹⁹ mediaratingcouncil.org

- Auditing, through independent Certified Public Accounting (CPA) firms, of the activities of the rating services.

b) Eligibility norms

Italy

- The Italian regulator Autorità per le Garanzie nelle Comunicazioni (AGCOM) in 2006 issued following guidelines regarding governance of Auditel:
 - i. the corporate structures (including shares ownership and directors) must represent all existing TV markets (digital terrestrial television – DTT, satellite, cable);
 - ii. the technical committee must be independent. AGCOM may decide to designate its own representative members in this committee;

USA

- According to MRC adherence to the following minimum standards is necessary to meet the basic objectives of valid, reliable and effective media audience measurement research:

a. Ethical and Operational Standards

These standards govern the quality and integrity of the entire process by which ratings are produced.

b. Disclosure Standards

These standards specify the detailed information about a rating service, which must be made available to users, MRC and its audit agent, as well as the form in which the information should be made available.

c. Electronic Delivery and Third Party Processor Supplementary Standards

These standards reflect additional requirements for rating services that deliver audience data electronically and for third party processors that apply for accreditation.

- Acceptance of MRC's minimum standards by a rating service is one of the conditions of accreditation by the MRC. These are intended to be

minimum standards and neither they, nor anything in MRC procedures, shall prevent any rating service from following higher standards in its operations.

c) Methodology

Australia

- People meters are installed on every TV set in the home included in the panel, which is formed based on a large-scale, face-to-face questionnaire survey (the establishment survey). Each meter monitors and stores individual panel member viewing on each TV set - every second, 24 hours a day, 365 days a year. The data stored in the memory of the online People meter is retrieved, known as polling, daily between 0200 hrs and 0600 hrs via the home's fixed telephone line or a GSM modem installed in the meter's transmission unit.
- The data captured from the panel homes is matched with a reference library of all available TV broadcast channels within each market, to measure viewing to individual channels, whether the viewing is Live (i.e., as the programme actually went to air), As Live (paused or recorded programming played back before 2am on the same day of the original broadcast) or Time Shift (recorded broadcast content played back after the same Research Day and within seven days of the original broadcast). The production system collates, processes, analyses, validates, weighs the data and produces a final report of each household's viewing. Once the production processes have been completed, the television programme schedules provided by the TV networks and ratings are integrated. All data undergoes rigorous quality control both electronically and manually.

Canada

- BBM uses several different methods of collecting the ratings data. Twice a year they conduct surveys, contacting thousands of people across Canada. They send them paper diaries to fill out and keep track of their viewing or listening. They also use electronic meters in a carefully selected panel of homes.

a) Survey Diary

BBM Canada uses the diary measurement technique for the Audience measurement for the seven major markets (Halifax, Quebec, Montreal Anglo, Ottawa/Gatineau, Kitchener/London, Winnipeg and

Edmonton) and 29 minor markets. This is done twice in the year (in fall and in spring). Viewed TV programmes are recorded by each member of the household in the diary and mailed to BBM Canada immediately after the survey week is over.

b) Portable People Meter (PPM)

BBM Canada also uses PPM (Portable people meter), installed in a carefully selected panel of homes. The PPM automatically identifies the TV stations by picking up a special 'encoded' signal sent on the air by each station.

France

- The panel of households equipped with one or more TV sets in their main residence is known as the Médiamat. It has been constructed to represent both the socio-demographic characteristics of households in metropolitan cities and also the characteristics of the television offer available.
- In each home which is part of the Médiamat panel, Médiamétrie installs one or more - depending on how many pieces of equipment they have - audimeters fitted with a remote control with individual keys, which constantly records all uses of the television set(s) in the household:
 - When the television set is switched on and off
 - How the different channels are watched
 - The other ways in which the television set is used.

Ireland

- Panel homes are selected based on the Establishment Survey carried out by TAM Ireland. The survey involves approximately 6,000 interviews per year. It is a random-probability survey which means that every private residential household within Ireland has a chance of being selected for interview. The TAM Ireland Establishment Survey also generates potential recruits from which panel member homes are selected.
- When a household agrees to join the panel their television sets, PVRs, VCRs etc. are electronically monitored by a meter. The meter automatically identifies and collects information about the channel that the panel member is viewing. Every night between 3am and 6am

the data processing centre automatically downloads the data from panel homes.

- Since September 2010 VCR, PVR playback and "catch-up" VOD services have also been reported if it takes place within 7 days of the original broadcast. This time-shifted viewing is added to the live data to produce the final, minute-by-minute consolidated audience, available 8 days after the original transmission date. This consolidated data is the 'TAM Gold Standard' used by the industry to report and trade on.

Italy

- Applying a rigorous statistical methodology, Auditel has built a representative sample of the Italian population which includes all individuals over the age of 4 years, residing in the national territory.
- The families of the panel are equipped with People meter that automatically detects every day, minute by minute, listening to all channels of any TV that is running in the house. The information collected every day, between 2 AM and 5 AM, is processed by the central computer and released by 10 AM on the next morning.
- The Italian Regulator, AGCOM has also laid down following rules regarding measurement:
 - i. the meters (measurement device) must be able to operate on every platform; the audience panel must reflect the rate of penetration of the several platforms;
 - ii. the frequency of the audience panel rotation and the margin of statistically acceptable error must take into account the differences among platforms.

South Africa

- SAARF installs people meter in a representative sample homes to measure second-by-second television audiences. The people meters automatically register everything that occurs on one or more TV sets in the home as well as other equipment, such as PVR's, VCR's, DVD players, etc. which may be attached to them in metered homes.
- By pressing appropriate buttons on a remote control device, members of the household, as well as their visitors, can log in when they start viewing and log out at the end of a session, thus giving viewing and

demographic information. The data is automatically transferred from panel homes all over the country to a central computer in Johannesburg every 24-hours.

- The broadcasting day ends at 02:00 in the morning and the data is gathered during the rest of the night to enable SAARF to publish the data the next day. The data is released daily except over weekends. The data for Friday, Saturday and Sunday is published on Monday.

UK

- In order to estimate viewing patterns across all TV households, a carefully selected panel of TV homes is chosen. The methodology for establishment survey, to arrive at household sample is designed by RSMB²⁰. Designing ensures that panel homes remain representative of all television households across the UK.
- Another firm Ipsos MORI conducts the BARB establishment survey. The survey is done on a continuous basis to measure changes in UK household characteristics and includes some 53,000 interviews per year. BARB establishment survey respondents also provide the pool of households from which BARB panel homes are recruited by Kantar Media.
- In every panel household, all television viewing is monitored automatically by metering equipment installed by Kantar Media. Timeshift viewing (recorded programmes that are watched within seven days of the original broadcast) is also included in this process. The meter records all viewing by every person in the household aged 4+, adding individual demographic information to the overall viewing data. This information is uploaded automatically to BARB every morning between 2 AM and 6 AM where it is processed to apply various statistical adjustments.
- Each day at 9.30 AM the data is released to the TV industry as overnight viewing figures. Eight days later, consolidated audience figures are released, incorporating any timeshift viewing from the previous seven days.

²⁰ RSMB is contracted by BARB for methodology, statistical design and quality control for the overall service for BARB.

d) Panel size

Australia

- There are approximately 8.3 million TV household²¹ in Australia.
- The OzTAM panel consists of 3,500 metro panel homes and 1,413 homes in the national subscription TV (STV) service.
- The Regional TAM panel comprises a total of 2135 homes representing a potential audience of 7,432,000 individuals.
- OzTAM & Regional TAM panel amounts to 0.059% & 0.026% respectively of total TV households.

Canada

- There are approximately 11.8 million TV household in Canada²².
- BBM's national PPM panel has approximately 4,300 households across Canada, which amounts to 0.036% of total TV households in Canada.

France

- There are approximately 26.3 TV million households²³ in France.
- The Médiamat panel is made up of nearly 4,300 households covering around 10,500 individuals aged 4 and over. This amounts to 0.016% of total TV households in France.

UK

- There are approximately 26 million TV households in UK.
- The BARB reporting panel consists of 5100 homes, which are located across the UK and represent the viewing of all the individuals aged 4 and above within the households (plus their guests). This amounts to 0.02% of total TV households.
- In general, panel members are recruited to be on the panel for as long as they wish. There is no maximum length of membership. Panel members are not paid for participating on the BARB panel. Instead they are thanked for taking part with a choice of gift vouchers from a variety of outlets that appeals to all ages. They also receive a regular

²¹As per ACMA report on Television sets in Australian households 2011, there were approximately 18.7 million television sets in 8.4 million Australian households, with an average of 2.2 in each home. There was no working television set in about 100,000 households.

http://www.acma.gov.au/webwr/_assets/main/lib310665/Television_sets_in_Australian_households.pdf

²²As per CRTC annual report on the state of the Canadian communications industry, September 4, 2012, the number of Canadian households that subscribe to basic television service increased by 2.2% to 11.8 million, equivalent to 89.6% of all households. <http://www.crtc.gc.ca/eng/com100/2012/r120904.htm>

²³http://www.ivf-video.org/new/public/media/France_2012.pdf

panel newsletter that includes competitions and opportunities to enter free prize draws.

e) Privacy

Australia

- In the rating data individual households and viewers are kept anonymous; only demographic profile data is released.

Canada

- BBM combine TV viewing, Radio listening and household information of a panel member with that of other panel members to produce ratings about groups of people only, not individuals. BBM promises not to disclose names, addresses or phone numbers of panel members.

f) Sale and use of ratings

Australia

- Both OzTAM and Regional TAM provide ratings data through subscription.
- OzTAM supplies data on commercial terms to any party who requests it, subject to conditions that preserve the integrity and reputation of OzTAM services, including:
 - Users of OzTAM data must acknowledge that all intellectual property rights in OzTAM data are and at all times will remain the property of OzTAM
 - Anyone publishing OzTAM data must note in any reports that the data is copyright to OzTAM and may not be reproduced, published or communicated (electronically or in hard copy) without OzTAM's prior written consent.
- Regional TAM data is available for sale for the full year, by survey period, by all markets, by aggregated market or by sub-market.

Canada

- In order to download survey databases via secure http, one must be a BBM Member. BBM Canada has several different membership categories depending on the type of organization and the required entitlements. To become a full, voting member, one must be a radio or

television broadcaster, an advertiser, advertising agency, or media buying house. Associate (non-voting) memberships are available to other interested parties, such as industry associations, consultants, government organizations, and U.S. broadcasters.

- BBM Canada also grants a nonexclusive license to members of the media who write about television or radio. This license allows them to use and publish a limited, newsworthy amount of copyrighted data with certain restrictions.

South Africa

- SAARF TAMS® data is available in the form of an electronic database and the daily data is also reported weekly in PDF format on the SAARF website.

UK

- BARB rating data sets can be purchased directly from BARB by subscribing on BARB's website. BARB itself does not provide audience analysis to subscribers. Dedicated software is required by users to analyse these data sets.
- The other option is to purchase data from one of the data processing bureaux via an end user licence – limited usage. These data processing bureaux have developed user-friendly software products for their clients to extract and analyse the data with ease.
- If the data is obtained through an end user licence, limited usage is allowed only for internal purposes. If the data is required for external purposes, for example reselling of BARB related services or sharing with third parties, or publishing in any form (electronic or otherwise) a BARB licence is required.

g) Reporting requirements

Italy

- Auditel is required to provide a statement containing following information to AGCOM every year, on December 31:
 - i. corporate and shareholders' data;
 - ii. data on methodology, viewers panel, audience measurement system, rate of wrong for each category, measurement period, costs the broadcasters must bear to access to the audience data, etc;

iii. data on entities controlling Auditel.

- The above data is published on AGCOM website.

USA

- Measurement Services that submit to MRC Accreditation must agree to:
 - Supply complete information to the MRC
 - Comply with MRC minimum standards
 - Conduct the service as represented to the client
 - Submit to annual audits
 - Pay for the audit costs (internal & external)

h) Disclosure

USA

- MRC mandates rating services to disclose many methodology and performance measures, which would be otherwise unknown, for example:
 - Source of sample frame
 - Selection method
 - Respondents by demographic group versus population
 - Response rates
 - Existence of special survey treatments for difficult to recruit respondent groups such as young or ethnic persons
 - Editing procedures
 - Minimum reporting requirements for media
 - Ascription and data adjustment procedures employed
 - Errors noted in published reports
 - Data reissue standards and reissue instances

i) Quality and Audit

Australia

- The Regional TAM ratings data is independently audited by an independent agency.

Italy

- The regulator, AGCOM has entered into an agreement with ISTAT (the National Institute of Statistics) to certify the audience research quality and the audience data correctness.

UK

- Quality control procedures are carried out on a continuous basis to ensure that the panel members are following the correct procedures. Telephone checks are made to panel homes to verify that excessive viewing of one particular channel or nil viewing is genuine viewing behavior.

USA

- The central element in the monitoring activity of the MRC is its system of annual external audits of rating service operations performed by a specialized team of independent CPA auditors.
- Resulting audit reports are very detailed containing many methodological and proprietary details of the rating service and illumination of the primary strengths and weaknesses of its operations. The reports are confidential among the MRC members, independent CPA firm, and the rating service. Audit reports include detailed testing and findings for:
 - Sample design, selection, and recruitment
 - Sample composition by demographic group
 - Data collection and fieldwork
 - Metering, diary or interviewing accuracy
 - Editing and tabulation procedures
 - Data processing
 - Ratings calculations
 - Assessment of rating service disclosures of methodology and survey performance

Summary of TRAI's recommendations in 2008

5.1 Need for the Government to regulate the system of Television Rating Points (TRP)

- The manner, extent and nature of Regulation.

Recommendation

The Authority recommends 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. The continuance of Government nominees on BARC's board may be reviewed after five years. Such industry led body should be a not-for-profit body registered under the Companies Act, 1956.

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; and
- Observe and enforce the conditions / standards / norms prescribed by the Government for the ratings process.

The Government guidelines to BARC should cover the following:

(I) Organizational Structure

- a) BARC shall have equal representation with equal voting rights from the three Associations namely; AAI, ISA and IBF. It is expected that these Associations will be truly representative of their segments and that membership rules will be applied in a completely transparent manner by the respective Associations.
- b) In addition to 12 Board members proposed in the Articles of Association of BARC, there shall be two nominees of the Ministry of Information and Broadcasting on the Board of Directors of BARC. The Government nominees will not have

voting rights on any resolution. Any dissent of the Government nominees shall be recorded in the minutes of the Board Meetings, if so desired by the nominee. The sitting fees for the Government nominees shall be regulated in terms of GoI instructions issued from time to time (Presently Government nominees are not entitled for any sitting fees).

- c) There shall be a Technical Committee within BARC which shall guide and supervise the various processes. The Technical Committee shall inter-alia include one nominee each from the Ministry of Statistics and Programme Implementation, National Council of Applied Economic Research (NCAER) and Indian Statistical Institute (ISI), Kolkata. The nominated members of the Technical Committee shall be entitled to remuneration in line with the remuneration of other members of the Committee, if permitted by the rules & regulations of their parent organisation.
- d) For specific assignments contracted by BARC to any of the organisations represented through the nominees in the Technical Committee; the terms & conditions and fee shall be governed through mutual negotiation.

(II) Functions

BARC shall not undertake audience measurement directly and shall resort to an open, transparent and competitive bidding process for the various stages involved in the rating process; including (a) establishment survey (b) panel design and quality control (c) recruiting and metering, data collection and processing and (d) Audit.

(III) Methodology

The Ministry of Information & Broadcasting shall provide the key eligibility norms for the selection of rating agencies and also provide performance obligation norms including scope of work in the Request for Proposal (RFP) issued by BARC for appointment of rating agencies. These will be duly considered by the Technical Committee while finalizing the relevant BARC documents.

(IV) Reporting Requirements

- a) BARC shall provide such information and reports as may

be asked for by the Ministry of Information and Broadcasting from time to time. The Ministry shall maintain confidentiality of the information thus provided, if so desired by BARC. However, the addresses and location of homes where people meter are installed shall not be reported to the Ministry.

- b) The reports shall be made available in a transparent and equitable manner. BARC shall display the rate card for the various reports and discounts offered thereon on its website.

(V) Complaint Redressal mechanism

- a) BARC shall have in place a complaints Redressal mechanism, which shall be responsible for handling complaints, shortcomings and deficiencies in the rating system brought to notice by Board of Directors, consumer organisations, users of ratings and the general public. BARC may consider the model followed by Advertising Standards Council of India (ASCI).
- b) Till BARC is fully functional in terms of selection of Rating Agencies, BARC shall engage constructively with the existing rating agencies for resolution of any complaints received in respect of the rating services.

BARC shall formalize MoU with the Ministry of Information and Broadcasting to reflect the above features and the eligibility conditions for selection of rating agencies.

Timeframe for Implementation - The Authority expects that the Government will be able to complete processing the Recommendations in four weeks and the MoU can be signed between BARC and the Ministry within two weeks thereafter. BARC should become fully functional within eight weeks of signing the MOU. Setting up of functional norms by BARC may take another four weeks and initiation of activity by BARC should get started by January 2009.

The Authority further recommends that if BARC fails to meet with the objectives or is found deficient in its functioning, the Government shall then consider regulation of rating system through TRAI by way of legislative enactment or any other institutional framework.

In view of the significant influence exercised by content on the society, the Authority strongly recommends that regulation of content should also be transferred to TRAI.

5.2 Eligibility criteria for registration of rating agencies.

Recommendation

With the setting up of BARC, the Authority considers that there is no need for registration of rating agencies with the Government. The RFP inviting bids for getting the rating work done shall, however, 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. The indicative guidelines / standards are attached as *Annexure III*. The key features of the eligibility conditions, general, operational & ethical and disclosure standards are given below:

Essential eligibility conditions for rating agencies

1. The Rating Agency is set up and registered as a company under the Companies Act, 1956.
2. The Rating Agency has, in its Memorandum of Association, specified rating activity as one of its main objects.
3. The rating agency has, in its employment, persons having adequate professional and other relevant experience.
4. No single company/ legal person, either directly or through its associates, shall have substantial equity holding in more than one Rating agency. 'Substantial equity' herein will mean equity of 10% or more'.
5. 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.

General Standards

6. A rating agency shall, wherever necessary, disclose to the clients, possible sources of conflict of duties and interests, which could impair its ability to make fair, objective and unbiased ratings.
7. A rating agency or any of its employees shall not render directly or indirectly any advertisement / advertisement related advice about any channel/channel related programme in the publicly accessible media.

Operational and Ethical Standards

8. Appropriate quality control procedures shall be maintained with respect to all external and internal operations which may reasonably be

- assumed to exert significant effects on the final results.
9. Rating has to be technology neutral. Viewership shall be assessed and rating given irrespective of the source of the viewing platform viz. cable TV, DTH, IP TV etc.. The Measurement devices must be able to operate on every platform.
 10. The anonymity of all personnel in any way concerned with sample respondents or households shall be preserved.
 11. All weighting or data adjustment procedures utilized by a rating agency in the process of converting basic raw data to rating reports shall be based on systematic, logical procedures, consistently applied by the rating agency and defensible by empirical analysis.

Disclosure Standards

12. Each report shall include statements calling attention to all omissions, errors and biases known to the rating service which may exert a significant effect on the findings shown in the report.
13. Each rating report shall point out changes in or deviations from, the standard operating procedures of the rating service which may exert a significant effect on the reported results. This notification shall indicate the estimated magnitude of the effect.
14. Each rating report shall contain standard error data relevant to the audience estimates contained therein. Such data shall be presented whether or not effective sample sizes are shown. The method used to develop standard error estimates as well as the formulas used to compute the standard errors shall be fully disclosed.
15. The rating agency besides publishing the methodology/process in detail shall also publish the comments/viewpoints of the users of the rating data on their website.

5.3 The minimum sample size, and minimum coverage required a) over different platforms, b) rural and urban, c) All states including North-East and J&K, d) Prasar Bharti channels;

The Authority recommends that the sample should be determined in such a manner so as to cover different platforms, including terrestrial / Prasar Bharati channels, cable and satellite platforms, rural and urban areas, and all the states. The sample should be regularly updated so as to reflect the developments taking place in the delivery platforms, growth in viewership etc.

The Authority further recommends that the sample size shall be decided by the Technical Committee of BARC.

The Technical Committee should have as members, one nominee each from the Ministry of Statistics and Programme Implementation, NCAER and Indian Statistical Institute, Kolkata in addition to the members nominated in the Technical Committee by the Industry Associations.

To bring in transparency, the Authority recommends that BARC should disclose on their website the methodology of sample selection, the sample size, the frequency of the audience panel rotation and margin of statistically acceptable error.

The Authority further recommends that while keeping the above-mentioned recommendation for determination of panel size, the following may also be taken into account by BARC:

- Removal of demographic disproportionality. The design of the panel should be in proportion to the urban rural spread of TV Households.
- Improved geographic representation in proportion to the TV viewing population.
- The recruited panel should inter alia be representative of age, social class, sex, working status, life stage, and number of people in the household.
- A detailed weighting scheme to introduce a greater level of representativeness of the reporting sample.
- The establishment survey must provide robust estimates, particularly by platform.

5.4 *Type of equipment to be used to address the different delivery platforms and Whether technology adopted should be real time system for generation of reports:*

Recommendation

The Authority recommends use of technology capable of capturing data over different platforms and constant up-gradations of the technology would be required in the measurement devices. Where electronic meters are used, the system should be capable of providing overnight ratings through unobtrusive means. Diaries, interviews, people meters may have to co-exist in order to address the special needs of specific areas and to augment the sample size. Periodicity of reporting should however be left to BARC to decide.

5.5 Restrictions on crossholding / interests between the Rating Agencies and their clients.

Recommendation

The Authority recommends that there should be no cross holding between the rating agencies and the Broadcasters, Advertisers and the Advertising agencies. This cross-holding restriction is also applicable in respect of individual promoters besides its applicability to legal entities. The Ownership pattern of the ratings agency, including foreign investment / Joint Venture / Associates in the Agency should be reported to the Government on an annual basis and changes, if any should be reported immediately.

5.6 Safeguards to ensure secrecy of sampled families

Recommendation

The Authority recommends that BARC and the rating agencies should have proper systems in place to safeguard the secrecy of the sampled panel homes. The systems should be subjected to independent audits and the auditors should state in their report that proper mechanisms and procedures exist to ensure the secrecy of the sample homes. The aspect of secrecy should be specifically mentioned in the RFP floated by BARC. The Authority further recommends that at least one fifth of the sample homes should be rotated every year.

5.7 Standards / norms to be followed by the rating agency

Recommendation

The Authority recommends that while following the best practices, minimum standards / norms relating to operations, governance, crossholdings and ethics be followed by the rating agencies as issued by BARC from time to time. Indicative standards / norms are at *Annexure III*.

5.8 Mandatory audits of rating agencies, qualification of auditor, scope of such audit and reporting.

Recommendation

The Authority recommends that:

- There should be comprehensive mandatory audit of the rating system carried out by independent qualified auditing firms having experience of TV ratings audit.
- The Audit team should comprise of technical experts, statistician, media expert, chartered accountant and legal professional.

- The audit should be conducted at least once in three years. A copy of the Audit report should be submitted to the Government.

5.9 Competition in rating services

Recommendation

The Authority recommends that BARC will follow an open, transparent and competitive bidding process for each stage of the activity in the rating process [(refer para 4.2.3.3 (II)].

5.10 Other suggestions for making ratings more representative, transparent and reliable including –

- *FDI related issues*
- *Net-worth of the Rating Agency*
- *Responsibility of Agencies to educate listeners and viewers of the methodology adopted*

Recommendation

The Authority makes the following recommendations:

- Government shall make efforts to ensure that the concerned agencies are adequately sensitized to make available data relating to Census at reasonable cost.
- No limits on FDI / Net-worth requirement are suggested for rating agencies as registration for rating agencies is not recommended.
- 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.
- With the emergence of digital platforms, every programme of a channel and advertisement delivered to a set-top box gets logged. Therefore, capturing of data by using addressability features of CAS, DTH, IPTV etc. would enhance the results of the rating system.
- The industry should invest in research for upgrading the set top boxes so as to make them compatible for audience measurement.
- Government should examine making digital watermarks mandatory for channels.

Summary of Dr. Amit Mitra committee's recommendations

CHAPTER V

EXECUTIVE SUMMARY & CONCLUSION

The Committee has taken serious view of the small sample size used by the two rating agencies in India. Further people meters are installed in select urban households leaving out rural households. The committee also found other lacunae in the current TRP measurement systems. The committee is also convinced that the changes in the content, viewership and delivery platforms need to be more effectively measured. This can be remedied by increasing the sample size and having a more scientific approach towards research.

1. Sample size

The Committee strongly recommends an increase in sample size in terms of number of sample households, coverage of rural areas (which is practically missing today!) and addressing the need to cover multiple delivery platforms. The sample size should be increased by almost 4 times from the current 8000 approx. (TAM) to 30,000 households over a period of 5 years for television households of INR 129 million in India, as of 2009. An added cost of approximately INR 660 crore is required to install the 22,000 additional people meters. To support the funds required for such high numbers of additional peplemeters, the committee suggests that BARC should involve the industry to pay an agreed upon annual fee depending on their size and the number of channels they beam. It is suggested that this expansion in the TRP measurement system should be carried out over a period of 5 years.

It is expected that wider coverage would mean installation of more meters resulting in economies of scale, reducing the cost per meter. This could be aided further by exploring innovation and local manufacturing with indigenization, to reduce the manufacturing cost of people-meters and also help to avoid import duties. The import duties are a deterrent in increasing the sample size and it should be explored if these duties can be brought down, if not waived off completely.

2. Transparency & Reliability

The rating agencies should make the process more transparent. The research methodology should be disclosed and be subjected to financial and process audits. BARC should disclose on its website relevant information pertaining to the research process. The Committee believes that transparency of methodology and data can be achieved by putting it in the public domain and making it available to statisticians & researchers for review. The methodology should be clearly elaborated on the website of BARC and the ratings should be made available after an appropriate time lag of report generation and seek their suggestions for better research processes and evaluation.

Tampering & Manipulation

It is absolutely essential to ensure that there is no tampering or manipulation at the time of data generation and collection and the Committee is convinced that an increase in sample size could act as a deterrent to any fraudulent manipulation. This concern partly arises from reports that certain 'agencies' have been gifting separate TV sets for viewing to residents of people-meter homes and manipulating the people meter based TV sets in favour of specific channels who have appointed the

agency'. By raising the number of people meter homes to 30,000, such practices would become more difficult.

3. Viewership across diverse platforms

There is a pressing need for making the rating systems compatible with the emerging technologies and capable of capturing data over different platforms including cable, terrestrial, DTH, IPTV and others. A regular updation in samples shall be required to reflect the developments taking place in viewership on a variety of delivery platforms.

TRAI has also opined that new technologies such as portable people meters and Return Path Data should be used to used by rating agencies to ensure that the emerging technologies/delivery platforms being made available for television viewing are also measured. The rating systems should keep pace with the emerging new technologies to cover viewers through different platforms.

4. Frequency of TRP Announcement

The Committee recommends that all rating agencies follow the practice of releasing the ratings on a weekly basis, particularly for the NEWS channels. It is upto the discretion of BARC to reduce the periodicity further to a fortnight.

5. Shareholding pattern of rating agencies

To avoid conflict of interest there should not be any crossholding between rating agencies, broadcasters, advertisers and advertising agencies.

6. Guidelines for BARC

The Committee has made recommendations on the guidelines for BARC's functioning.

- (a) **Board composition:** BARC should have representation from Broadcasters, advertisers, and advertising agencies and have a 12 member Board constituting 7 members from broadcasters (6 private broadcasters, 1 public sector broadcaster), 3 members from advertisers and 2 members from advertising agencies (1 private sector agency and 1 from Directorate of Advertising & Visual Publicity, DAVP)
- (b) **High Powered Committee:** BARC will be guided by a High Powered Committee of a broad based nature constituting of twelve members including a Statistician of national repute from among the top institutions of the country such as Indian Statistical Institute (ISI), National Council of Applied Economic Research (NCAER), Measurement technology expert, a renowned individual from civil society or judiciary, a demographer, a sociologist, an economist, a business management expert from one of the IIMs, nominee of an eminent institution/individual engaged in media research, a leading woman of national stature and 3 special invitees from BARC to guide and supervise the various processes. The primary intent is to broaden the participation of different types of experts including eminent members from civil society, who would guide BARC to ensure greater accuracy, total transparency and appropriate representation of viewer stratification and diversity.

- (c) High Powered Committee will also provide the key eligibility norms for selecting the agencies.
- (d) The agencies should be engaged through an open, transparent and competitive bidding process.
- (e) BARC should have a complaint redressal mechanism in place to handle complaints, shortcomings and deficiencies in a time bound manner.
- (f) To break the Duopoly of TAM and aMAP in the TRP metering market, BARC must invite more players to come into the field and call for competitive tendering for best pricing without compromising on quality.

CONCLUSION

The Committee has arrived at the conclusion that self-regulation by the industry is the best way to move this important initiative forward. The committee clearly feels that there should be self regulation of a credible nature which should provide continuous improvement in quality and methodology of the rating system, to provide accurate, up to date and relevant findings.

It is our emphatic preference that all the stakeholders collectively create institutions and corrective mechanisms to improve the accuracy of television audience measurement. The media as a key pillar of democracy must remain independent and free. However, after studying the judicial concerns, concerns raised by the TRAI report, the report of the standing committee of the Parliament, perspectives of the industry and civil society, the Committee also fears that in case significant progress is not made within defined timelines, the Government may be left with no option but to step in, primarily because of the nature of public concerns that have been raised and debated across many platforms.

MIB's letter dated 31st August 2012

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D.O. No.3105/3/2008-BC-III(Pt.II)

31st August, 2012

Dear Dr. Khullar,

As you are aware the TV Viewership Measurement System in India has been under the constant review of the Government. The Standing Committee of the Parliament on Information Technology in its 67th Report (2008-2009), "Television Audience Measurement in India" had made extensive recommendations for improving the TRP Measurement System in India. TRAI in its Report on 'Policy Guidelines and operational issues for Television Audience Measurement/ Television Rating Points 2008' had recommended self-regulation of TRPs through an industry body i.e. the Broadcast Audience Research Council (BARC). Subsequently, on the initiative of the Minister of Information and Broadcasting a committee was constituted under the Chairmanship of the then Secretary General, FICCI, Dr. Amit Mitra, which also made extensive recommendations towards setting up of a transparent and credible self-regulatory mechanism for TRPS by BARC

2. Ministry has been constantly reviewing the progress made towards setting up of BARC. After constant persuasion and follow up by the Ministry, BARC was finally registered in July 2010. Several meetings were held subsequently with BARC representatives to ensure that the recommendations made by TRAI and Dr. Mitra Committee were implemented. However, it is disappointing to note that till today no significant progress has been made by BARC to set up a transparent TRP mechanism in the country.

3. Moreover, TRAI in its report on TRPs had also made the following recommendation with regard to Cross holdings:

"There should be no cross holding between the rating agencies and the broadcasters, advertisers and the advertising agencies. This cross holding restriction is also applicable in respect of individual promoters besides its applicability to legal entities. The ownership pattern of the rating agency, including foreign investment/joint venture/associates in the agency should be reported to the Government on an annual basis and changes, if any should be reported immediately".

4. The Amit Mitra Committee constituted to review the existing Television Rating System in India also mentioned that ' This committee is in consonance with the TRAI report 2008 that there should be no cross holding between the rating agency and the broadcasters, advertisers and the advertising agencies, to avoid conflict of interest '.

5. However, in spite of these recommendations the cross holdings have continued to exist in TAM Media research (India) as the self regulating mechanism recommended by TRAI and Dr Amit Mitra Committee has not taken shape. The presence of cross holdings in TAM Media Research (India) raises doubts about the credibility of the data being generated by TAM. TRAI is, therefore, requested to recommend specific guidelines for regulating cross holdings in those companies which are involved in the generation of Television viewership measurement data in India.

6. We are concerned about the spate of articles that have appeared recently in Media subsequent to the filing of a law suit by NDTV against the parent company of TAM Media Research (India) i.e., Nielsen. Most of these articles have highlighted the deficiencies and inadequacy of the present TV Viewership Measurement System. As pointed out earlier, the self-regulation of TRP system in India has failed to take off as BARC has not been able to take any credible action on the recommendations made by TRAI and by Dr Mitra's committee. Meanwhile the TRP measurement system in India continues to suffer from several deficiencies. It is therefore felt that urgent action needs to be taken to put in place a credible and transparent TRP generation system.

7. It is pointed out that TRAI in its report on TRPs had recommended that if BARC fails to meet with the objectives or is found deficient in its functioning, the Government shall then consider regulation of rating system through TRAI by way of legislative enactment or any other institutional framework. Further in response to a letter dated 9th December 2009, from the Ministry, TRAI had also mentioned that in the event of BARC not becoming operational, Government may consider entrusting the work of laying down guidelines and accredit suitable agencies to carry out measurements of television audience to IIMC. TRAI had further mentioned that in case this is also not found feasible Government may consider entrusting this work to TRAI. ✓

8. In view of above, TRAI is requested to recommend comprehensive guidelines/accreditation mechanism with TRAI as accrediting agency for TRP rating agencies in India to ensure fair competition, better standards and quality of services by TRP rating agencies. A comprehensive accreditation system inter-alia should have the following;

1. Well represented and statistically valid sample size of TV homes giving adequate representation to both urban and rural areas.
 2. Coverage of all states in the country
 3. Third party audit of the data
 4. Transparency in the selection of people metre homes
 5. Secrecy of people metre homes on the panel
 6. Public grievance redressal mechanism
9. The accreditation process will ensure that the data so generated by the accredited agencies is representative, credible and transparent.
10. TRAI is therefore requested to make recommendations on the issues raised above under section 11(1) (a) (iv) and 11(1) (d) of the TRAI Act, 1997.

Regards,

Yours sincerely,

Uday Kumar Varma
(Uday Kumar Varma)

Shri Rahul Khulliar
Chairman
Telecom Regulatory Authority of India
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TRAI's letter dated 9th October 2012

Dr. Rahul Khullar



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भारतीय दूरसंचार
विनियामक प्राधिकरण
CHAIRMAN
TELECOM REGULATORY
AUTHORITY OF INDIA

D.O.No. 23-04/2009-B&CS
October 9, 2012

Dear Sir,

Please refer to your letter DO No. 3105/3/2008-BC-III(Pt. II) dated 31st Aug 2012.

2. AS you are aware, TRAI has been entrusted with the functions of making recommendations to the Government under section 11(1) (a) of the TRAI Act, 1997. However, under section 11(1)(d) of the Act, TRAI performs other functions including such administrative and financial functions as may be entrusted to it by the Central Government or as may be necessary to carry out the provisions of the TRAI Act.

3. It is not clear from your letter whether the Ministry of Information and Broadcasting intends to seek the recommendations of TRAI under Sec 11(1)(a) on comprehensive guidelines/accreditation mechanism for accreditation of TRP rating agencies in India or intends to entrust the function of accrediting TRP rating agencies in India to TRAI under Sec. 11(1)(d) of the TRAI Act, 1997. In the later case, it needs to be done through a formal Government notification in which case TRAI would do the same as per the provisions of the TRAI Act, 1997 and decide upon the comprehensive modus-operandi for the same.

4. I would be grateful if you could expressly convey the intent of the Ministry in this regard.

Regards,

Yours sincerely

(Rahul Khullar)

Shri Uday Kumar Varma
Secretary,
Ministry of Information and Broadcasting,
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MIB's letter dated 16th November 2012

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D.O. No.3105/3/2008-BC-III(Pt.II)

16th November, 2012

Dear Dr. Khullar,

This is with reference to your D.O. letter No. 23-04/2009-B&CS dated 9th October, 2012.

2. Ministry intends to seek the recommendations of TRAI under Section 11(1)(a) of TRAI Act, 1997 for laying down comprehensive guidelines/accreditation mechanism for accreditation of TRP rating agencies in India. It is felt that this mechanism will bring transparency and accountability in the system as it will ensure that only those agencies enter into the business of TRP measurement which have the capacity to comply with the TRAI recommended accreditation mechanism. Laying down comprehensive guidelines/accreditation mechanism for TRP rating agencies in India will also provide a level playing field for all agencies which will help in curbing monopolistic practices. The mechanism would also help to ensure a balanced and true representation of urban and rural areas in TRP rating mechanism. I, therefore, request you to kindly provide your recommendations under Section 11(1)(a) of TRAI Act, 1997.

3. It is felt that in case the accreditation mechanism fails to address the maladies of the current system then there would be a need for entrusting the accreditation mechanism to TRAI under Section 11(1)(d). TRAI may, therefore, consider this aspect also.

Regards,

Yours sincerely,

Uday Kumar Varma
(Uday Kumar Varma)

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