

# TAM's Response to TRAI Consultation paper

18<sup>th</sup> April 2008



## TAM and the role it plays in the TV industry – A Summary:

TV Audience Measurement is a specialist arena that is globally practiced by Broadcast industries and implemented by professional Audience Research organizations. Over the years, the Audience Research function has worked in tandem to help the Broadcast Media & Advertising industry to grow, through the insights about Audience behavior while watching Television.

There are very few global Research organizations that provide the service in the arena of TV Audience behavior. The Nielsen Company is one of them. Nielsen Media Research along with its joint venture partner, Kantar Media Research, has been providing the TV Audience Measurement service to the Broadcast TV Media & Advertising industry users in over 40 countries globally as a completely independent body. India too happens to be one of the countries where the two partners have been operating the TAM system for the last 10 years.

In India, 10 years back, TAM started with the initiation of the Broadcast TV Media and Advertising industries wanting a currency to help understand audience preferences as well as in trading (buying & selling) air-time. So in 1998, when the TV industry Advertising pie was just hovering around Rs. 1500 Crores, TAM kick started the service with a panel of 1800 meters in 9 cities. The vision of the industry body governing TAM was obviously to scale the panel to a larger coverage over time.

The information from the TV Audience behavior data have had an implicit impact not only on the growth of Advertising Spends on TV, but also in bringing in new channel launches in different Genres of Programming, leading to an overall growth of the Broadcast TV industry. During all these years, industry body was the only supervising body of the measurement system and it played its role in augmenting the growth of the system.

Today, along with the growth in TV Advertising spends to Rs. 7000 Crores, the TAM TV Audience panel has also grown to cover 145 cities and by end of 2008, it could have enlarged its coverage to 160 cities. The PeopleMeters in use has already grown to 7200 meters and will be 8000 meters by end of 2008.

The volume of information from TAM available to the industry users has grown from just Audience Viewing data to Evaluating Return on

Investment (ROI). The Broadcast TV industry users can actually study the impact of Marketing/On-Air Promotions, Distribution and Content preferences in one single database, helping them to take more effective business decisions.

TAM, apart from providing information on TV Audience behavior for the industry, has also helped playing a very active role in the arena of Education. TAM started a unit called TAM Educate, to help the industry by regularly conducting Education exercises to not only industry users, but also potential industry candidates via tie-ups with various Educational institutes.

TAM, in its attempt to be as transparent as possible, have documented its workings including Methodology, Sampling process, Sample sizes, Panel Security process etc (all worked out together with the Industry Body Technical Committee) and is available on its website for industry users reading. Every step TAM has taken to expand its panel to represent the Universe of TV viewers, it has documented the process under the name “India PeopleMeter Update” and released it to the industry for reading.

TAM already has stringent internal audit that complies with international Nielsen Gold Standards. The results have been shared with the industry committee in the past. Besides this, TAM is already interacting with International Measurement Survey professionals for external audits too in its quest for greater transparency.

TAM, because of its parentage – Nielsen & Kantar, and singularly focused towards Media Measurement, has the requisite People, Knowledge, Experience as well as the Technology expertise to handle variety of market requirements enabling measurement of audience behavior. This obviously is the reason for TAM to operate across 40+ countries across the globe.

TAM continues to upgrade measurement technologies in tandem with the changes in TV viewing platforms evolving in the market place. In January 2007, TAM already put in place the Digital PeopleMeters to enable measurement of Digital TV viewing on platforms like Direct-to-Home TV and Digital Cable (CAS). Simultaneously, TAM conducted Baseline (Universe) study to understand and check the penetration of Digital platforms to enable soon reporting of Digital viewing data to the industry.

The way we at TAM see TV Audience measurement in India taking shape in future, is only through an intense partnership exercise between the Industry users and a Knowledgeable, Experienced research partner. The better TAM is able to understand the user's needs for grappling with Audience behavior through feedbacks & interactions, the more effective we will be in providing the users with Effective measurement solutions.

Therefore, TAM does not see any role for the government to intervene in any form into this industry exercise nor does it foresee any requirement of any form of governmental regulation to oversee a TV Ratings service. The industry bodies are well capable and have been performing a professional task of ensuring that they govern the TV Ratings service as per the needs of its users.

In the following pages, TAM has tried to address each of the concerns/apprehensions raised by TRAI in a factual manner.

[Addressing the key concerns of TRAI stated in the consultation paper](#)

(A) TRAI concern

“Program Scheduling & even Programs available to the public are all affected by the ratings based on a small sample.”

TAM Clarifies

- India has one of the largest representations of the TV Homes across any TV panel ratings system in the world. For the 35 Million TV homes it represents, there are 206 PeopleMeters per Million TV homes in India compared to 182 PeopleMeters in UK and just 91 PeopleMeters in USA.

	No. of TV sets represented by the panel (In Millions)	No. of People Meters	No. of PeopleMeters to represent One Mn TV
<b>India</b>	<b>35</b>	<b>7200*</b>	<b>206</b>
USA	110	10000	91
UK	28	5100	182

\*Only TAM panel strength

- Presently sample size only represents Urban India (Class I towns having population of more than One Lakh):- 145 towns have been selected to represent approx. 388 towns. TAM explicitly states this in all forums & communications.
- All TAM users while using the system have full knowledge that the data/information is only representing the Urban Class I towns of 35 million TV homes.
- Sample distribution takes care of variables that effect TV viewing habits.
  - Geographics : Socio Cultural Regions in a State, MC/UA residence within a town broken down by Nodes/Municipal Wards
  - Demographics : Age, Gender, SEC, Household Size

- TV habits : Time Spent viewing, Preferred Language of TV viewing, Type of TV set, Remote control ownership, Digital viewing
- Sample size defined in the context to provide viewing data for the defined Universe of population (35 million TV homes).
- Program creators have options to look at other research outputs too (besides ratings).....which are discontinuous studies and very expensive compared to a panel based approach...but directions of the outputs have been similar in the past.
- Through a continuous ratings system, we are able to study programs popular among the masses (Movies, Serials) vis-à-vis programs popular only among a segment of the population (Spiritual, Cartoons).

**Therefore...**

**Sample size is determined by**

- Who you want to Measure
- How much you want to Measure

**Not just ratings, but all research outputs gets affected by it**

**Hence ratings alone does not decide the Program Content & Program Scheduling**

(B) TRAI concern

“Viewer’s likes and dislikes and interests largely remain unaddressed.”

TAM Clarifies

- Programming is primarily to grab audience interest and lack of good content drives audience away. This is best demonstrated by the ratings data where ‘Reach of a Program’ denotes ‘Trials’ generated by the Program Promotion/Content and ‘Time Spent’ denotes ‘Stickiness’ to the Program Content.

Example:

	Program Duration	Reach (%)	Average Time Spent
Program A	30 mins	7%	6 mins
<b>Program B</b>	<b>30 mins</b>	<b>5%</b>	<b>14 mins</b>
Program C	30 mins	10%	4 mins

- In the above example, Program B with high Time Spent has been able to retain audiences while Program A & C have lost audiences inspite of having higher walk-ins (samplers for the program).
- Today, the Indian TV viewers have a plethora of choices on their TV sets (over 100 channels) leading to enough choice to watch likeable content.
- Power of technology has enabled 85% of the Cable & Satellite TV homes in Urban Class I towns to surf channels to catch likeable content by using the Remote Control effectively.

No longer are the old days of access to limited content hold fort in an open, competitive environment.

The Viewer is the King and the choice with him is enormous today to decide his preference set of programs. Ratings data do not play any role in influencing his choice of content.

(C) TRAI concern

“Internationally, countries have come up with not-for-profit institutions drawing membership from advertisers & broadcasters that are responsible for.....audience measurement services.”

TAM Clarifies

- In India too, the formation and initial running of the ratings service was via a Joint Industry Body (JIB), now changed to BARC. It is an industry body and they prescribe the norms as

well as monitor the ratings service continuously. Government has no role to play in this exercise.

(D) TRAI concern

“Technological up-gradations are therefore constantly required in the measurement devices and through sampling designs.....”

TAM Clarifies

- Till 2006, TAM used the Frequency monitoring based analog metering technology. From Jan 2007, in order to measure the digital TV viewing, TAM started increased usage of TVM5 digital meters. Today, 50% of the homes are measured using digital TVM5 meters, the latest in technology used world-wide.
- TAM demonstrated the new technology to Broadcasters body (IBF) in Jan 2007 as we began implementation.
- To incorporate digital TV viewing in a representative manner, TAM conducted baseline studies for
  - DTH penetration & profiles in March 2006 & Aug 2007
  - CAS penetration & profiles in Feb 2007 & July 2007
- Using the above...
  - TAM aligned the panel to ensure also representation of the Digital Universe
  - Draw out weights to help in projecting the data to the Universe
  - Matching profiles within the panel & the Universe
  - Reporting digital data separately to users end April/May 2008
  - Before release of data, TAM will be releasing the White paper on digital measurement soon

(E) TRAI concern

“The whole system is based on the list of metered Homes being confidential...these have also come in for sharp criticism as to their confidentiality.”

TAM Clarifies

- The Joint Industry Body (JIB) & TAM together laid down a series of security norms on the ground level as well as at the central processing level which are being followed by TAM. These are also



documented in the 1st India PeopleMeter update (attached as an annexure).

- Security norms have helped us to get continuous MIS from the ground on any kind of intrusion which TAM used to report to the industry body (JIB) chairperson for further action.
- While TAM conducts continuous internal audits, it is also open to independent professional external auditors too to help us further tighten our norms.

(F) TRAI concern

“Irrespective of whether ratings are government regulated or industry regulated, one view could be that certain standards/norms...are followed.”

TAM Clarifies

- The TAM norms have been worked out by the Joint Industry Body (JIB) & TAM has followed that in all aspects while implementing the same...
  - Panel Security
  - Town selection based on variables defined by JIB
  - Home selection based on variables defined by JIB
  - Confidentiality norms
  - Meter installation & Home Counseling as prescribed by Nielsen
  - Data Validation & Processing norms as prescribed by Nielsen
  - Panel data reporting based on variables defined by JIB
- These are already available on the TAM Website ([www.tamindia.com](http://www.tamindia.com)) in form of India PeopleMeter updates for industry reference.

(G) TRAI concern

“As with any industry, the monopoly player is bound to reap undue profits...and will attempt to create entry barriers using unfair & anticompetitive measures to distort the competition.”

TAM Clarifies

- An audience measurement service is unlike other industry services where the output is used as a trading currency for air-time. Hence the need for a singular service is essential.

- However, ever since TAM has existed from 1998, all through the 10 years with the exception of 2 intervening years (2002, 2003) there has always been one other competing organization providing Television Ratings service.
- TAM has never preached anticompetitive stance and it is up to the industry to use a currency that caters to the needs/demands of the user members.
- TAM has always worked with the industry body from the initial stages and it is the industry body guidelines that it has followed in every step over time. TAM also welcomes any deeper involvement of the industry body with TAM to understand our functioning.

[TAM has been responsive as much as possible to help the industry gain knowledge on areas like....](#)

- Impact of CAS introduction in the 3 cities
- Impact of On-Air Program Promotion on viewing
- DTH penetration studies, Product Placement studies,...etc
- Regular Newsletters and Education exercises for industry new comers are additional exercises carried out by TAM

(H) [TRAI concern](#)

“There may be chances of biased ratings on account of the presence in the ownership of the interested parties in the ratings agency.”

[TAM Clarifies](#)

- TAM clearly states that there is no ownership of the organization by any Broadcasting unit.
- TAM is purely a JV of Nielsen Media Research & IMRB/KMR (both involved in market research functions across the globe) which belong to the group company WPP (involved largely with Advertising & Media agency business).
- TAM’s parent companies, both Nielsen & WPP run TV audience measurement services across 40+ countries and in almost all countries, they work with the local industry body. There is no government involvement.

(I) [TRAI concern](#)

“...technology that can transmit information on real-time basis reducing chances of tampering.”

### TAM Clarifies

- All data retrieval systems used by TAM [50% On-line Polling and 50% via Data modules] are in encrypted form. There is no way for anyone to break open into these coded databases. These files reach the central location for processing and only the output can be quality checked and validated by experts before delivering the final data to users.
- Data on real-time basis also involves gathering/accumulation of data, processing & validation time before the final data is pushed to users multiple times in a day. The cost of this exercise vis-à-vis user affordability needs to be worked out.

### (J) TRAI concern

“...requirement to provide a detail disclosure of the measurement methodologies (by research organization) is likely to improve reliability of audience measurement reports.”

### TAM Clarifies

- TAM has been consistent in providing the industry with complete openness in sharing the methodologies for sampling via regular documents called ‘India PeopleMeter updates’ (like the one attached by TRAI in its own annexure) across years, Impact of CAS on the panel in 2006 and now with a white paper on Impact of Digital Viewing on measurement. These are also uploaded on our website for reading by the industry members and suggestions, if any, to improve measurement reliability are also considered.

### (K) TRAI concern

“In the broadcast sector, merely meeting the viewers current demand is not sufficient to maximize social welfare.”

### TAM Clarifies

- TV is primarily an Entertainment medium and as it draws huge audiences, it gives content creators an opportunity to package social welfare communication in an entertaining way.

- Quite a few programs in the past has successfully done this format and attracted audiences. The ratings system has also reflected the success of such shows too.
- Beyond the above, an expanded ratings system will still not be able to influence content creators in packaging more social welfare content. It will always be vice-versa.

(L) TRAI concern

“The inadequacies of the present (ratings) system results in disproportionate weight-age being given to viewership pattern of a small sample of viewers.”

TAM Clarifies

- The TAM sample selection is a stratified random sample. Ultimately, everyone has an equal chance for selection and among the sample selected based on fulfillment of profiles, all channels received have an equal chance of being viewed or not viewed. This removes any pre-disposed skewness to viewing a channel.
- TAM also ensures that for every user analysis, minimum samples of 50 individuals are required to deliver outputs.

(M) TRAI concern

“TAM ratings are based on PeopleMeter installed in only 100 to 150 cities only.”

TAM Clarifies

- The TAM sample is spread across 145 towns in Urban Class I strata (of the total 388 towns) that it represents. This proportion of sampled towns is one of the largest in the world.
- The town selection is clearly outlined in the India PeopleMeter Update document of TAM and is based on the parameters to represent
  - Socio Cultural Region in each state
  - Cable & Satellite penetration
  - Only Terrestrial reception penetration
- Selected towns in each SCR regions are agglomerated at 2 population strata levels to represent the state
  - 1million+ towns
  - 0.1 to 1 million towns

(N) TRAI concern

“The Panel excludes Lower Middle & Top Income Bracket Households.”

TAM Clarifies

- The TAM sample home selection in each town is not based on Household Income at all. It is based on Socio Economic Classification (SEC) that takes into account the Chief Wage Earner (CWE) Education & Occupation.
  - It has homes with CWE being a Businessman with more than 10 employee and also Professionals with Post Graduate degrees to represent SEC A.
  - While it also has homes with CWE being a unskilled worker with an education of School pass to represent SEC D/E.
- To help in deeper analysis by the user for the top end segment (SEC A1), TAM created a special Elite Panel via boosting the sample, thereby representing top end homes even better.

(O) TRAI concern

“It can be reasonably expected that wider coverage would mean increased number of meters resulting in economies of scale lowering the costs.”

TAM Clarifies

- Even at high numbers for PeopleMeter production, the overall cost per PeopleMeter can't expect to tumble down dramatically as the sophisticated equipments are sourced from different manufacturers globally who by themselves are limited & unique to deliver solutions.
- The additional government duties on import of the PeopleMeter take up the final landed cost even higher.
- Higher deployment of PeopleMeter also mean increase in regular operations cost like Meter maintenance cost, Data download cost etc.
- TAM will be ever eager to add more Meters, but the moot point is also can the industry afford to maintain & run a large panel continuously?

## [To Sum up TAM's viewpoint on TRAI Consultancy paper:](#)

To answer the question - "Should Government intervene into a Industry created TV Ratings system?"

The answer is an emphatic: "No"

a) Like world over, Syndicated TV Audience Measurement service in India too is purely for Industry usage. All one needs is a strong industry body that mandates Broadcast & Advertising Industry's Vision and Funding processes for a futuristic continuous measurement.

- The Indian Industry body (called BARC) formed by the alliance of Broadcaster's body (IBF), Advertisers body (ISA) and Advertising Agencies body (AAAI) is well capable of running a robust Audience Measurement system efficiently, effectively and preserve its integrity for the industry users.
- The industry body had set norms in the past with respect to the running of the panel which TAM continues to follow it to today.
- TAM's independent global parentage as well as its 10 years of operations in a transparent manner in Indian market along with the widespread acceptance in the market place is a testimony to its capability, credibility & integrity.

b) TAM has been proactively transparent in all it's functioning of the Measurement system. Every aspect of its Methodology, Sampling, Sample Size, Technology, Panel Home Security etc has been documented and it is available for reading on the TAM website. Most of the information has been captured in a series of documents called "India PeopleMeter Updates". There are 5 key

updates which are attached as part of this response note. These transparency initiatives will continue to happen from TAM in future too.

- c) TAM already has stringent internal audits that comply with international Nielsen Gold Standards. Besides this, TAM is already interacting with international professionals for external audits. TAM welcomes any external audit that can help in making the system more robust as well as creating confidence on the system in industry & government circles.
  
- d) Though TAM was Digital-Ready with digital TVM5 PeopleMeters (TAM demonstrated the latest technology to measure Digital TV platforms to the industry body way back in Jan 2007), due to low digital penetration, we combined the reporting of Digital viewing with regular Cable & Satellite TV homes. Now, with penetration stabilizing, this data will be reported separately in the coming months.
  
- e) TAM is ever ready to expand the TV Audience Measurement Panel to Rural markets and uncovered markets like J&K, North East & Bihar if the industry body also feels the necessity and have the resources to fund the process of measurement.
  
- f) Minimum Sample Sizes & Minimum Coverage that the Measurement System should have is completely based on the Industry Users needs on Depth & Width of the Audience Behavior information requirement. At the same time, resources available to manage & run the system play a very important role too.
  
- g) To maintain integrity of the information from a TV Audience Measurement system, it is important & necessary that the organization has no holdings from any Broadcast organization. TAM affirms that TAM and its two owners - Nielsen Media Research & Kantar Media Research (represented locally by IMRB International) – are primarily involved in market research functions across the globe. Nielsen Media Research belongs to the group Nielsen Company based in USA while Kantar Media Research & IMRB International belongs to the group company

WPP (involved largely with Advertising & Media agency business).

- TAM's parent companies, both Nielsen & WPP run TV Audience Measurement services across 40+ countries and in almost all countries, they work with the local industry body. There is no government involvement.

h) While the Industry body like BARC having knowledgeable industry captains can oversee the future of TV Audience Measurement, the Government can simply act as an enabler and aid TV Ratings Industry by offering help in areas such as

- Relaxation of Custom duty tariff for PeopleMeter imports.
- Easy access of Census Maps at District & Town levels and Electoral rolls at town level
- Enforcing stricter laws to ensure & govern confidentiality of the Panel homes.



[Annexure attached](#)

- (1) India PeopleMeter Update I
- (2) India PeopleMeter Update II
- (3) India PeopleMeter Update III
- (4) India PeopleMeter Update IV
- (5) India PeopleMeter Update V