

**Response to
Draft Recommendations
On
Policy and Operational issues for Television Audience
Measurement (TAM)/ Television Rating Points (TRP)**



Section I. Executive Summary

The TRAI draft recommendation (TDR) on Television Audience Measurement is a comprehensive analysis of several viewpoints. There are many positives in the recommendations. Importantly, there is recognition that running a Peoplemeter panel is indeed a complex activity requiring specialized skills.

The UN Covenant of Civil and Political Rights in Article 19 safeguards the freedom for market researchers to seek, receive and impart information: "Everyone shall have the right to freedom of expression; this right shall include freedom to seek, receive and impart information and ideas of all kinds...". Any restrictions, therefore, on the conduct of market research which is not to protect public order, public health or morals, could be considered as an infringement of basic rights protected under the UN charter.

There are some points where further clarity is required. For example, while the TDR suggests that the government play only a facilitating role under an industry self-regulatory framework, the details appear to suggest that the involvement of the government will span the entire range of ratings activity - from agency selection to auditing. We maintain that it is the industry body of subscribers that can best define the scope and coverage of television audience measurement.

We feel Prasar Bharati has a significant role to play in this process. Having a dual role as a public broadcaster and member of the industry, they can contribute positively in shaping the system. This becomes significant when we speak of extending coverage to rural India. We would welcome Prasar Bharati's active participation in the industry body.

The TDR makes recommendations with regard to the ownership pattern of rating agencies. These guidelines will tend to have the effect of reducing the level of competition rather than achieving the avowed objectives of the Authority of promoting competition in the industry. The focal point of the draft recommendations and policy appears to be to monitor and introduce measures in an industry which has a limited number of players and cannot be regarded as a policy for the public at large. The Authority has sought to build a link between promoting competition and regulating content. However, while increased competition in the broadcast industry can help in providing options in content, the link with competition in the ratings industry is not clear.

We are concerned that certain misconceptions of the ratings system have found mention. Some of these have been clarified here in this document.

We hope that the Authority will consider the points in this document and review its proposed guidelines and draft recommendation in light of the comments provided herein.

Section II. General observations

We are happy to note that the TRAI draft recommendation (TDR) on Policy and Operational Issues for Television Audience Measurement (TAM) / Television Rating Points (TRP) recognizes that running a Peoplemeter panel is a complex exercise requiring expertise and experience.

We appreciate that some progressive recommendations have been proposed, which inter alia propose:

- 1) That the government should assist the rating agency in making data such as that of the Census or the Electoral rolls more accessible to ensure better sampling
- 2) That panels should be audited by professionals having the necessary skill-sets
- 3) That educational activities are an important component of the ratings activity
- 4) That it is important to protect confidentiality of the identity of panel members

Internationally, industry bodies are an effective way of ensuring that a reliable system is in place. Also, the freedom of market researchers is safeguarded in article 19 of the UN Covenant of Civil and Political Rights, two of the main ideas being:

- a) Everyone shall have the right to hold opinions without interference.
- b) Everyone shall have the right to freedom of expression; this right shall include freedom to seek, receive and impart information and ideas of all kinds, regardless of frontiers, either orally, in writing or in print, in the form of art, or through any other media of his choice.

We also understand that nuances and practicalities of measurement have found mention:

"[...] the sample needs to be increased by a factor of four in order to double the accuracy and there is always a trade-off between demographic, geographic and platform reporting needs and the costs of sample increases." (p. 53)

There is also significant discussion on the use of set-top boxes as a measuring device which shows that the Authority is forward-looking.

We are also happy that our efforts have gained a measure of recognition and that the Authority has welcomed comments to the drafted recommendations to the

policy considering that the present system is itself a product of industry-rating-agency interaction.

"The Authority also noted the recent measures taken by the incumbent rating agency in improving the system of television audience measurement" (p. 44)

As:

"It may be recalled that TAM Media Research works in partnership with the Joint Industry Body comprising representatives from the Indian Society of Advertisers (ISA), Indian Broadcasting Foundation (IBF) and Advertising Agencies Association of India (AAAI)." (p. 43)

The final recommendation says:

"The Authority has concluded that for the present, self regulation may work best and a framework laying specific guidelines including certain reporting requirements would effectively address the shortcomings." (point 7 of the press release)

The aforesaid indicates the positive initiative taken by the Authority and the government willing to play the role of a facilitator.

Section III: Comments on specific guidelines

1) Government's role

On perusing the draft recommendations in greater detail and more particularly the following, contrary to the belief that the government's role is only of a facilitator, one finds that the government's role is extended and not limited to only being a facilitator:

- i) *"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."* (p. 46)...bullets added

- ii) *"...their [the Government nominees] affirmative vote will be a prerequisite on the issue of TRP agency selection methodology."* (p. 45)

The above unfortunately suggests that the authority has doubts about the measurement system management capabilities of the industry and the rating agency together. Since the industry finally uses the data in planning their commercial operations, it is recommended that the industry must be the final judge on deciding elements such as eligibility norms or performance obligations. BARC includes representation from all segments subscribing to the rating service. This system of checks and balances, where no single player has a disproportionate control over the scope and coverage of the ratings system, ensures a fair, transparent and reliable system.

Moreover, the Authority's recommendation that the presence of government nominees is compulsory to transact business in the BARC board meetings is contrary to usual business practice requiring a quorum for conduct of its meetings.

Lastly, we see a significant role for Prasar Bharati in the industry body. Being a public broadcaster, Prasar Bharati can help shape the scope and coverage of the system especially the coverage of rural India.

2) Ownership pattern of ratings agencies

The Authority has made recommendations with regard to the ownership pattern of rating agencies. We believe that the recommendations, as they currently stand, will tend to restrict the level of competition in the ratings business. This conflicts with the avowed objective of the Authority to

promote competition. We would recommend that there is full and complete disclosure of the ownership patterns of ratings businesses so that subscribers of the ratings services are aware of the implications of subscribing to one or the other service provider (the principle of *caveat emptor*). Full-disclosure will help uncover 'phantom owners' behind the rating businesses.

3) **Content and measurement**

Without commenting on the issue of content regulation, in the present context we believe that attempts at content regulation need to be separated from the issue of measurement. After all, one could always have 'misleading/offensive' content even without ratings. The science behind the ratings process is content neutral.

Content and measurement regulations/recommendations seem to be restricted to the television medium. Print, for example, also has a measurement system associated with it and the medium itself has a powerful influential effect. It is not clear why the television medium alone should be singled out.

4) **Freedom of research**

Article 19 of the UN Covenant of Civil and Political Rights that safeguards the rights of market researchers has already been referred to. The market research industry has its own codes viz. the MRSI Code of Conduct and the ICC/ESOMAR International Code on Market and Social Research. In addition we also have the industry body overseeing the ratings service. With all this, it is difficult to see why government oversight/regulation is necessary.

5) **Panel security**

"It is the prime responsibility of the ratings agencies to keep such information secret and ensure that it is not violated in any manner. It will be the responsibility of the Industry led body to ensure that the secrecy has indeed been maintained." (p. 67)

While we appreciate the concern in this regard and welcome the recommendation, the above is not correct in entirety. The responsibility to maintain secrecy lies with each of the industry constituents in ensuring that none of their personnel is engaged, directly or indirectly, in trying to compromise panel security. There are vested interests that wish to compromise the confidentiality of the panel. We, at TAM Media Research Private Limited (TMRPL), have introduced measures in keeping these issues at bay. A stringent law needs to be in place to strongly deter such elements.

6) **Complaint Redressal mechanism**

The mechanism, as suggested, is restricted to complaints against the ratings system. It must be recognized that the ratings organization itself needs its complaints addressed in a formal fashion. These could be resolved through a committee comprising senior industry users.

7) **Duties and levies on Peoplemeter equipment**

There is at least one other specific area where the government can help – in facilitating larger sample sizes by reducing customs duties and levies. It is everyone's desire that the sample size should increase and wider coverage attained. One good option would be to reduce duties and levies on Peoplemeter equipment, currently at over 50%, in order to drastically increase sample sizes. We would be happy if these could be included as part of the final recommendations of the Authority.

Section IV: Clarifications on aspects of the ratings system

1) TMRPL and Digital measurement

Equipment and technology used till recently by TAM Media Research was not DTH and CAS compatible. (p. 16)

TMRPL was ready for digital as soon as it was introduced. Digital penetration has picked up in the last 1.5 years necessitating a greater thrust on digital metering – currently done by TMRPL by way of state-of-the-art TVM5 meters. As far back as 2003, AAI and TMRPL jointly released a paper on CAS and its measurement implications.¹ These have been followed by other releases from TMRPL. For example, a technology demonstration to the IBF in January 2007, a client conference on digital in April 2007. These and other aspects of measuring digital have been pointed out in a separate point in our response to the Authority's consultation paper.

2) TMRPL and JIB

"The JIB has largely remained non functional." (p. 15)

On the contrary, there was a great deal of interaction with the JIB – mainly through its Technical Committee. Documentary evidence of this can be seen in the form of the early India Peoplemeter Updates – a total of five updates over seven years, attached as annexures to our response to the consultation paper - which summarizes the joint decisions.

The Technical Committee itself had working groups. One of these was the Research Design sub-committee, in close-coordination with which all the panel expansions were planned and research aspects such as sample design decided.

3) TMRPL and Meter Pricing

"TAM Media Research has informed the Authority that each people meter is costing around Rs. 75,000 to 1,00,000 ." (p. 54)

The above quoted costs are for digital meters. The nature of the measuring device determines its price. Digital meters are definitely more expensive than the ones that measure only analog signals.

¹ India Peoplemeter Update III – FAQs on CAS , August 2003 - one of the annexures submitted to the authority in our response to the consultation paper

The price-range of analog meters ranges from Rs. 25,000 to Rs. 40,000. When rating service providers suggest that meters are available at Rs. 30,000 – Rs. 40,000, it must be clarified whether reference is to analog/frequency meters or digital meters.

As stated earlier, the government can play a significant role in reducing the costs of landed metering equipment by rationalizing customs duties and levies.

4) TMRPL and audits

“At present there is no system of independent audit to conduct any kind of verification of the various steps involved in the rating process.” (p. 69)

We would like to highlight that TMRPL has commissioned independent reviews and audits of the system. This has also been pointed out in our response to the consultation note (p. 15).

On methodology, while the JIB itself acted as an independent body to vet procedures used, these are currently reviewed/audited by a reputed professional, whose recommendations are incorporated into our workings. The process audit (that includes panel security) is currently being conducted by an Indian auditing firm.

5) TMRPL and panel rotation

“...such information on TAM Media Research is not available” (p. 67)

This information is readily available and in fact it also forms part of relevant client proposals that TMRPL sends out. Panel turnover indices are tracked weekly as part of the quality control procedures in TMRPL and have been declared at JIB Technical Committee meetings in the past. Our panel turnover percentage has also been declared at meetings where representatives of the Authority have been present.

6) Proprietary methods

“However, where the Government is of the opinion that it is necessary or expedient to disclose the information / reports in public interest, it may, for reasons to be recorded in writing, do so” (p. 47)

Proprietary methods are critical to research and form a basic part of its Intellectual Property Rights. Based on a subjective opinion, making

proprietary information/reports public effectively destroys the agencies' competitiveness and is a deterrent to transparency.

7) **TMRPL and sample sizes**

"TAM Media Research, proposes to increase its 7200 People meters to 8000 meters by end of 2008. However, they would still remain inadequate" (p. 54)

The size of the panel is large when compared to international panel sizes, especially when one sees that we have a significantly larger average household size. We are unclear on how the generalization on the inadequacy of sample size is arrived at. Larger sample sizes are also dependent on the support that the industry is ready to provide. The current sample sizes were decided in consultation with the industry body.

8) **TMRPL and Methodology**

It is unfortunate that some conclusions such as the following have been drawn and are based on wrong/misleading data. They portray a grey view of the measurement system and reinforce prejudices.

"All this highlights inadequacy of rating methodology presently being followed" (p. 16)

The lines preceding the above statement in the TDR state the information on which this conclusion is drawn: (The one on digital measurement has been covered in point 1 above)

i) *"Ratings are currently based on cable homes. Since there is large scale under reporting of cable homes, 7000 people meters are grossly inadequate." (p. 16)*

Ratings in no way are based on cable homes alone. TMRPL covers all platforms including Terrestrial. In fact, 'availability of terrestrial signal of DD News' is a parameter in sample town selection.

On the issue of sample size and "under-reporting of cable homes": the estimate of cable homes is based on an independent establishment survey (NRS) projected to census data. This estimate is not influenced by any other under-reporting that may occur and thus does not impact the sample size, in the sense used here.

...

- ii) *“Also, since nearly 60 per cent of television sets are old black and white ones, reliability of accuracy of sensing device of people meter is doubtful in capturing the viewership.”* (p. 16)

It unclear as to what the type of TV set has to do with accuracy of the sensing device. Our Peoplemeter equipment has been tested extensively in 30+ countries around the world where we operate. In India itself, we have worked for over a decade and have had no problems measuring any type of TV set accurately.

- iii) *As a result, channels having more viewership in rural or among certain sections are disadvantaged in the ratings.* (p. 20)

TMRPL does not leave out any demographic segment within its universe definition. It was suggested that:

“Rating does not reflect all sections of the society as it works by getting the cooperation of a few active households belonging to certain sections of the society” (p. 2)

However, our sampling scheme goes right down to recruiting households from Socio-Economic-Classification E (those at the bottom of the SEC pyramid). To say that we leave out certain segments within our universe definition is not true.

- iv) *“Operations are limited to a few large cities with a population above one lakh”* (p. 16)

The number of cities TMRPL covers (145) amounts to 40% of the total towns in the universe it represents - a very large proportion covered under any sampling scheme.

We are concerned that it is these misconceptions that have led the Authority to make the following conclusions:

The deficiencies pointed out by I & B Ministry in the existing scheme of television rating, have more or less been confirmed from the feedback obtained during the consultation process initiated by the Authority. (p. 35)

Signs of market failure are self evident (p. 36)

Self-regulation in present form by the rating agencies themselves has not worked well (p. 43)

Section V. Conclusion

The government's role of a facilitator in the ratings business is welcome. However, the role of overseeing/regulating is best left to the industry subscribers which need to perform this function in its own interest. An industry-based oversight system will have an inherent system of checks and balances to ensure reliability. In this context, we would welcome active participation of the public broadcaster, Prasar Bharati, in the industry body.

We strongly advocate full-disclosure of the ownership patterns of ratings agencies so the industry is fully aware of the implications of buying into such a service. However, shrinking the industry by preventing a reputed agency, especially one that has a proven track record, from participating in the research process seems unfair.

Myths and misconceptions about the ratings system prevail. One reason for this is that it is a highly specialized field, having its own technology, methodology etc. The task of decoding it must be left to professionals within subscriber companies .

We do hope that the Authority considers our arguments put forth in this document and review the concerned draft recommendations. If any further clarifications are required, we welcome an opportunity to discuss this.