

Information Note to the Press (Press Release No. 91/2016)

For immediate release

TELECOM REGULATORY AUTHORITY OF INDIA

TRAI releases Recommendations on “Issues related to Radio Audience Measurement and ratings in India”

New Delhi, 15th September 2016- The Telecom Regulatory Authority of India (TRAI) has today released its recommendations on “Issues related to Radio Audience Measurement and ratings in India”.

2. Audience research has occupied the centre stage within a rapidly evolving mass communication scenario. Radio audience measurement means measurement of listenership of a radio station. Audience measurement is essential since advertising is the sole source of revenue for FM radio operators and the advertisement revenue of the radio broadcasting sector is directly linked to listenership of a radio channels. Therefore, the advertisers and advertising agencies require radio audience measurement which indicates the popularity of a channel or a program and assists them in selecting the right channel or program at the right time to reach the target audience.

3. The number of people listening to radio is expected to grow further after completion of Phase-III of the FM radio expansion activity. This will further enhance the reach of advertiser to even larger segments of our population. As a result, the advertisements on radio are likely to increase. This will not only boost the growth of radio industry but will also lay enhanced emphasis on listenership measurements as substantial expenditure on advertisements will depend on it.



4. The present system of radio ratings in India appears to have certain deficiencies that have been highlighted by stakeholders at various forums. Continuance with an inadequate radio rating system is likely to hamper the growth of radio industry as financial decisions are largely influenced by radio ratings. False and misplaced radio ratings can thus not only end up affecting broadcasters and advertisers but also adversely impacting the quality of the programs being produced and aired to the public. Therefore, a need was felt to prescribe a transparent, credible and acceptable framework for the radio audience measurement.

5. In order to address the concerns of the stakeholders the Telecom Regulatory Authority of India (TRAI) has *suo-motu* issued a consultation paper on "Issues related to Radio Audience Measurement and ratings in India" on 15th March 2016. Written comments and counter comments on the consultation paper were invited from the stakeholders by 11th April, 2016 and 25th April, 2016. All the comments received were posted on TRAI's website. Subsequently, an Open House Discussion was also held in Delhi on 18th May 2016. The Authority after carefully examining various issues emanating from the written submissions of the stakeholders and Open House Discussions has arrived at its recommendations.

6. The Authority has adopted a light touch approach and recommended a regulatory framework for radio rating system in India that is conducive to growth, forward looking, and addresses the concerns of the stakeholders while protecting the interests of the consumers. Under this framework, guidelines for functioning and monitoring of the radio rating agencies will be notified by the MIB based on the recommendations of TRAI. All the rating agencies including industry led body have to adhere to these guidelines for providing rating services.

7. The salient features of the recommendations are:

- (i) Guidelines for rating system to be notified by MIB.



- (ii) Any agency meeting the eligibility conditions can apply and get registered with MIB for doing the rating work. No cap on number of rating agencies has been prescribed.
- (iii) All rating agencies including industry led body are required to comply with the guidelines.
- (iv) Guidelines to cover registration, eligibility norms, cross-holding, methodology for conducting rating, complaint redressal, sale & use of ratings, audit, disclosure, reporting requirements and penal provisions.
- (v) Voluntary code of conduct by the industry for maintaining secrecy and privacy of the listeners included in the rating process.
- (vi) Restrictions on 'substantial equity holding of 10% or more' between rating agencies and broadcasters/advertisers/advertising agencies have been prescribed.
- (vii) The rating agency to set up an effective complaint redressal system.
- (viii) Data/reports generated by the rating agency to be made available to all interested stakeholders in a transparent and equitable manner.
- (ix) The rating agency to get its entire methodology/processes audited internally on quarterly basis and through an independent auditor annually. All audit reports to be put on the website of the rating agency.
- (x) Penal provisions for non-compliance of guidelines.
- (xi) Twelve months time given to the existing rating agency to comply with the guidelines.

8. The full text of the recommendations is available on TRAI's website www.trai.gov.in.


(Sudhir Gupta)
Secretary, TRAI