

## **Telecom Regulatory Authority of India**

### **Engagement of Consultant for conducting a market survey of consumers of Cable and Television services**

#### **Terms of Reference (TOR)**

#### **1 Background**

1.1 A Consumer Survey was commissioned in May-July 2004 through IMRB, Delhi. The survey was limited to only 10 cities. While some issues in that survey required one-time inputs, a number of other issues were such that they required periodical inputs. The survey broadly covered :

- i) Ascertainment of monthly cable TV rates at prespecified dates
- ii) Revenue sharing arrangements between broadcasters, MSOs and Cable Operators.
- iii) Consumer perception on certain price related issues concerning CAS, on advertisement etc.
- iv) Consumer satisfaction on availability of content, quality of transmission and service provided by cable operators.

1.2 On 1.10.2004 TRAI sent its detailed recommendations on various issues relating to Broadcasting and Distribution of TV Channels. The detailed recommendations are available in TRAI's website [www.traai.gov.in](http://www.traai.gov.in) . The detailed findings and results of the earlier Consumer Survey was also available on the website along with the above recommendations. A Tariff Order was also issued on 1.10.2004 providing a framework for regulating cable charges payable by different groups of Stakeholders in the distribution chain and subsequently amendments were made to give effect to adjustment for inflation, for covering commercial cable subscribers etc. Further, TRAI also issued Regulations on Interconnection interalia providing for sharing of content on non-discriminatory basis, Regulations on Register of Interconnect Agreements. The tariff orders and regulations are available on the website indicated above.

#### **2 Telecom Regulatory Authority of India's Decision to engage an Agency for conducting a survey of consumers and local cable operators.**

- 2.1 Since the last survey is almost two years old there is a need for another market survey. The scope of the survey is being expanded to cover 20 major cities (Annexure I).
- 2.2 In view of the above TRAI wishes to engage a reputed firm (Hereafter referred to as consultant) to carry out a survey of consumers and provide estimate on the parameters indicated in para 3.

#### **3. Responsibilities of the Consultant and time schedule for completion of project**

- 3.1 The consultant shall collect, compile and analyze data and furnish a detailed report on the issues identified in para 3.2 below.

- 3.2 The issues and broad parameters identified under the issues for the market survey are as under:

### **Issues and parameters for market survey**

#### **A. Pricing Related Issues**

- i) Prevailing range of cable bills of end consumers as of 1<sup>st</sup> Oct 2004, 1<sup>st</sup> Jan 2005, 1<sup>st</sup> July 2005, 1<sup>st</sup> Jan 2006 and at the time of survey along with the average number of pay channels and FTA channels watched on these dates
- ii) Maximum monthly total amount willing to be spent on cable TV
- iii) Maximum amount willing to be spent for a channel of each of the major genre of channels.
- iv) Ranking of Willingness to pay cable charges even at higher level vis a vis existing level for better value to be received in terms of:
  - a) Better quality of transmission
  - b) Wider range of availability of content in terms of larger variety of genre.
  - c) More number of channels in a given genre
  - d) Improvements in quality of service such as better and quicker response to complaints, transparency in billing etc
  - e) Facility of choice through CAS or other means to select an individual channel of choice
- v) Offer of Bouquet Vs ala- carte price
  - Preference to pay for a bouquet option resulting in lower average price per channel paid in the bouquet of channels irrespective of whether all channels in the bouquet are regularly watched or not
  - Preference to maximize the value for services paid for by opting to pay for only those individual channels which are regularly watched.

#### **B. Competition Related Issues**

- i) Availability of number of channels of similar or same genre over a period of two years on cable platform as on the dates to be specified.
- ii) Existence of competitiveness as per the perception of consumers in the quality of programme in content of channels of similar genre from amongst the channels offered by broadcasters operating in the cable platform.
- iii) Readiness to exercise preference for a particular channel from amongst channels of same genre belonging to different broadcasters delivered through cable platform, if given a facility to choose any particular channels, on the basis of perception of quality of content irrespective of the price of the individual channel.
- iv) Average number of local cable operators in operation for a consumer to choose from in a locality.
- v) Frequency of shifting of local cable operator.
- vi) Availability and willingness to shift to alternative platform like DTH/IPTV
- vii) Major considerations and their ranking in the perception of consumers that would make them exercise preference between platforms:
  - Availability or non-availability of same channel in the alternative platforms.
  - Range of choice made available of not only within a genre and competitiveness

- in the quality of programme in content offered
- Facility to choose any individual pay channel and pay only for the channel chosen.
- Monthly pay outs for similar content in terms of quality and quantity.
- Level of transmission Quality
- Services including follow up facility provided by the operators
- Availability of value added services.
- Any other factor or consideration.

**C. Awareness on Regulatory Initiatives taken by TRAI (both end consumers and local cable operators)**

- i) Awareness of the provisions of the Tariff Order of 1.10.2004 and its amendments of 1.12.2004.
- ii) Recommendations of TRAI on consumer choice, promotion of competition through alternative platforms of delivery, mandatory sharing of content on a non discriminatory basis
- iii) Extent of awareness about disputes between service providers and the knowledge of redressal forums for remedial measures due to disconnection.

**D. Quality of Services**

**I. With reference to subscribers (End User)**

- i) Availability of content on a regular and continuous basis.
- ii) Service provided by cable operator (Time to repair, monthly bill, detailed break up in bills, furnishing of receipts, publicity on type of channels etc)
- iii) Frequency of Change of channels and prior intimation thereof
- iv) Changes in positioning of channels.
- v) Disconnections due to causes not directly responsible for.
- vi) Reasons, which prompts for shifting from one cable operator to another (if applicable)
- vii) Quality of transmission

**Sampling method, size and geographical coverage**

- 3.3 The assessment of issues relating to price, competition, awareness, and quality of service will be based on sample collected from twenty cities. The sample shall be stratified in such a manner that there is proper representation of affluent areas and other less affluent areas. The sample size of each of the city shall be proportional to the population of that city. The sample size proposed to be collected should be indicated during the presentation required to be done as part of the procedure for evaluation of proposals.
- 3.4 The questionnaire to be prepared for collection of sampling data shall be got approved by the Authority.
- 3.5 The consultant shall use appropriate statistical techniques to estimate various parameters based on the collected samples.
- 3.6 The detailed report should contain:
  - a. the techniques and methodology used for estimates on the parameters

- identified in para 3.2 for a market survey
- b. the results of findings in respect of individual cities on the parameters laid down in para 3.2 the summarization of results along with level of errors in estimation
- c. the trends reflected by the results of findings
- d. the analysis of the trends to bring out the cohesiveness of findings under different parameters by linking the findings under various parameters or where there are contradictions the same should be reflected.

The detailed report shall be submitted to the Authority within 90 days of the date of the commencement of work.

#### **4 Submission of expression of interest**

- 4.1 You are invited to submit your complete proposals in print form with all the enclosures to Shri P.K Ravi, Deputy Advisor (B&CS), Trikoot Bhavan-1, 2nd Floor, Bhikaji Cama Place, and New Delhi -110029 latest by 5 PM **19.7.2006** (Telephone No 011-26713303, FAX No 011-26713442, Email: [raviofftrai@yahoo.co.in](mailto:raviofftrai@yahoo.co.in) (for sending electronic copy of EOI). Bids shall be submitted in two parts - technical and financial – both sealed in separate covers. Together with the expression of interest, the following details are also to be submitted:
- 4.2 Details of the consultants who will be handling the proposed issue, their status in the organisation, and their curriculum vitae. This should clearly bring out General Education and Training, Length of experience, positions held, experience in developing countries, experience in specific sector, field, subject and relevance of experience to this particular assignment, and knowledge of the administrative system, organization and culture at the local and regional level.
- 4.3 Details of assignments of similar nature successfully completed
- 4.4 The financial bid should contain a quote fee for the assignment preferably in Indian rupees. The fees quoted should be all inclusive i.e inclusive of traveling, boarding, and lodging. Taxes payable in India should be indicated separately, which will be borne by TRAI.

#### **5 Procedure of Evaluation and Selection.**

- 5.1 TRAI reserves the sole right to accept or reject any or all proposals of Expression of Interest which is incomplete or has been received after the appointed time and date, without assigning any reasons therefore.
- 5.2 The proposal which are not otherwise rejected for the reasons indicated in 5.1 above will be evaluated both on the basis of quality as well as cost. The evaluators of the technical proposal shall not have access to the financial proposals till technical evaluation is completed.
- 5.3 Immediately after the last date of receiving proposals for Expression of Interest as

indicated in para 4.1 above, the proposals which have not been rejected for the reasons indicated in 5.1 above, containing technical bids, shall be opened by a Technical Evaluation Committee (TEC) constituted for the purpose. The technical evaluation of eligible bids shall be done keeping in view the following parameters and weightage:

Table 1

Factors to be reckoned	Weightage (Marks)
i. Company's /Firms / Individual Consultant's credentials	20
ii Area of specialization in the field for which tenders were called and similar projects handled	20
iii Work Plan and Methodology Proposed	20
iv. Time Frame & Man days and or any other aspect relevant to the project	10
Total	70

- 5.4 As the assignment depends critically on the performance of key staff, the technical proposal shall be evaluated on the qualifications of individuals proposed to be appointed using the following sub criteria in respect of the reckoning factor indicated in Table 1 at (i)

Sub Criteria for Company/Firms/individual Consultants credential	Weightage (Max Mark 20)
i. General Qualifications	10
ii Adequacy for Assignment	5
iii Regional Experience	5

- 5.5 All eligible technical bids shall be graded on a scale of 1-70 with the highest technical bidder getting maximum marks of 70. The minimum qualifying marks will be 53 out of 70 marks for the technical bid. If the number of eligible applicants securing the minimum qualifying marks and above is more than 5 a maximum of five parties arrayed in descending order of marks secured for technical bids may be short listed by the TEC with the approval of the Authority. The short listed parties will be required to make a presentation, of their credentials and of the proposals before the TEC in the 2<sup>nd</sup> floor conference room, Trikoot Bhavan-1, Bhikaji Cama Place, New Delhi. The tentative dates for presentation will be around 7.8.2006. The precise place, dates and time of the presentation will be intimated to the shortlisted parties later separately.
- 5.6 Immediately after the conclusion of presentation by all the short listed successful applicants on the basis of scores awarded for technical bids, the financial bids of such successful applicants invited for making a presentation will be opened in the presence of their representatives who desired to be present during the opening of the financial bids. However, the absence of representative of all or any of the short listed applicants shall not prejudice the opening of the financial bids.
- 5.7 The financial bids shall be read loud and recorded in the minutes of the opening of the financial bids. The financial bids if received in foreign currency shall be converted to

single local currency using the uniform selling (exchange) rates as announced by RBI on the date of opening of the financial bids.

- 5.8 All opened financial bids shall be graded on a scale of 1-30 with the lowest financial bidder getting the maximum marks of 30. The marks for the financial bids of other shortlisted applicants are to be calculated as a proportion of maximum marks, the amount of financial bid for which the marks is to be calculated bears to the financial bid of the lowest bidder. For example if three bids of the amount x, y and z have been received and x is the lowest bid. The marks to be given to the other bids would be : marks of y =  $30 * \frac{x}{y}$  and marks of z =  $30 * \frac{x}{z}$ .
- 5.9 The composite score shall be obtained by adding the marks scored for technical and financial bids. In the financial bid taxes will be excluded and for purposes of evaluation only the price payable to the Consultant, net of taxes, shall be taken into account. If the bidder scores 69 marks in technical bid and 25 marks in the financial bid, the composite score shall be 94.
- 5.10 A panel of 3 applicants in the descending order of weighted composite score secured shall be prepared as L1, L2 and L3 provided there were 3 or more successful applicants for the technical bids as may be decided by the TEC.
- 5.11 The Authority may appoint a negotiating committee or authorize TEC to enter into negotiations on financial bids. Financial negotiations can be for any aspect of financial proposal including the unit rates for staff months, contingency amounts, lump sum reimbursement of travel and living expenses and payment terms.
- 5.12 No amendments to the technical or financial proposals shall be accepted after the deadline except before the negotiating committee referred in para in Section 5.11 of this document
- 5.13 The financial bids of those applicants whose proposals were rejected as indicated in 5.1 or of those applicants who did not secure the minimum qualifying marks specified in para 5.5 for their technical bids or of those applicants who though secured the minimum qualifying marks but were not shortlisted for making a presentation as per the criterion laid down in para 5.5 shall be returned unopened after the completion of selection process.
- 5.14 The final selection of the consultant shall be made by the Authority based on the recommendations of the TEC.
- 5.15 The successful applicant approved for appointment as consultant for the assignment shall be required to enter into a contract for carrying out the assignments on the terms and conditions of the model contract enclosed herewith.

**Annexure - 1**

**List of Cities wherein market survey proposed to be done**

<b>S.No</b>	<b>Cities</b>	<b>State</b>
1	Ahmedabad	Gujarat
2	Bangalore	Karnataka
3	Bhopal	Madhya Pradesh
4	Chennai	Tamil Nadu
5	Chandigarh	Punjab
6	Coimbatore	Tamil Nadu
7	Delhi	Delhi
8	Guwahati	Assam
9	Hyderabad	Andhra Pradesh
10	Jamshedpur	Jharkhand
11	Jaipur	Rajasthan
12	Kolkata	West Bengal
13	Kanpur	Uttar Pradesh
14	Kochi (Cochin)	Kerala
15	Lucknow	Uttar Pradesh
16	Mumbai	Maharashtra
17	Nagpur	Maharashtra
18	Patna	Bihar
19	Vadodara	Gujarat
20	Varanasi	Uttar Pradesh