

B-EYE Research and Analytics [P] Limited response to the Consultation Paper on "Review of Television Audience Measurement and Ratings in India" issued by the Telecom Regulatory Authority of India on 3rd December 2018.

At the outset, we wish to commend TRAI for reviewing the current Television Audience Measurement (TAM) and rating system in India and seeking inputs from stakeholders. Given the importance of these ratings to drive important investment decisions in marketing strategy by the companies as well as in influencing the viewership decisions, it becomes imperative that the process is credible, independent, transparent and free from any manipulations and biases.

B-EYE has been offering big data analytics services and statistical reporting on television viewers' content consumption patterns. This leading reporting service is currently in its 3rd generation of deployment and is available to television operators, market research companies, media buyers, advertisers, content owners and television channels on SaaS (Software-as-a-Service) basis.

We are happy to submit our following comments for your consideration.

“Audience measurement implies measurement of what is being viewed. 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. Advertising expenditures are typically guided by audience measurement and also cost of reaching various audience segments, advertisement placements and programme schedules.”

- *We firmly believe that television rating system also serves the basis for important investment decisions in marketing strategy by the companies as well as play an important role in influencing the viewership decisions. As per some estimates, the ratings decide the fate of the Rupees 22,000 crore spending on TV advertising. With such large money at stake, it becomes imperative that the television rating continue to be credible, independent, transparent and free from any manipulations and biases.*

“After an exhaustive consultation process, TRAI gave its recommendations on “Guidelines/Accreditation Mechanism for Television Rating Agencies in India” to the Ministry of Information & Broadcasting on 13th September 2013. The Authority supported self-regulation of television ratings through an industry-led body like BARC. TRAI recommended comprehensive guidelines for registration of television rating agencies approach of self-regulation through setting up of an industry-led body, the Broadcast Audience Research Council (BARC)”.

- *However this objectivity was compromised, as the task of television audience measurement is entrusted to Broadcast Audience Research Council (BARC), a body promoted by the Indian Broadcasting Foundation (IBF) which is primarily formed to protect and promote interests of pay TV Broadcasters; along with the Indian Society of Advertisers (ISA) and the Advertising Agencies Association of India (AAAI), IBF holds majority i.e. 60% equity in BARC.*

- *The BARC Board of Directors is comprised of the CEOs and MDs of Star India Pvt. Ltd, Viacom 18 Media Pvt. Ltd, Multiscreen Media Pvt. Ltd, Zee Entertainment, Eenadu TV, Procter & Gamble, Godrej Consumer Products and others. Further, BARC has a Technical Committee and Sub Committees each for TV and Digital which too are predominantly comprised of the likes of Star India Pvt. Ltd and its subsidiaries. It is difficult to imagine that the country's television measurement system is being controlled by select TV broadcasters, advertising agencies, pay TV channel aggregators and large FMCG companies - all having a direct stake in the outcomes and hence a strong motive to manipulate the ratings to their advantage. The fact that Star India sits on the Board of Directors while its' channel, Star Plus, has been rated No. 1 in Hindi GEC for over more than a decade, does merit investigation and inspection into the methodology and the working of BARC. That however, was never conducted where this issue demanded urgent attention to preserve the sanctity of the rating system and restore people's faith so that the television rating continued to be credible, independent, transparent and free from any manipulation and biases.*

"MIB accepted TRAI recommendations and notified Policy Guidelines for Television Rating Agencies in India on 10th January 2014. Under these guidelines, the industry-led body BARC was accredited by MIB on 28th July 2015, to carry out the television ratings in India. TAM Media Research did not register itself with MIB and discontinued its operations."

"BARC commenced its operations in 2015 and since then it is the sole provider of TV rating services on commercial basis."

- *The manipulation of TAM data has been reported all over in the media and few News Broadcasters even approached the Hon'ble Court and TRAI had been entrusted the task of investigating the matter. As these few pay TV broadcasters, controlling the only Television audience measurement system in place in the country are also vertically integrated, hence these News broadcasters were forced to withdraw their petitions made in the Hon'ble Court. Therefore it is the right time for the government to review the rating system in the country, however it also becomes imperative for ordering an independent Inspection/ audit of BARC working and methodology to investigate and establish how these manipulations were actually being made and who all were / are the beneficiaries.*

Summary of issues for consultation with response of B-EYE Research and Analytics [P] Ltd on the same:

Q1. Whether BARC has been able to accomplish the purpose with transparency and without any bias for which it has been established? Please elaborate your response with justifications. Also, suggest measures to enhance the effectiveness of BARC to give TV ratings with transparency and without bias.

Answer 1. *We strongly believe that the objectivity and neutrality has been compromised since the task of television audience measurement is entrusted to Broadcast Audience Research Council (BARC) -- a body promoted by the Indian Broadcasting Foundation (IBF) which is primarily formed to protect and promote interests of pay TV Broadcasters; along with the Indian Society of Advertisers (ISA) and the Advertising Agencies Association of India (AAAI), IBF holds majority i.e. 60% equity in BARC.*

The BARC Board of Directors is comprised of the CEOs and MDs of Star India Pvt. Ltd, Viacom 18 Media Pvt. Ltd, Multiscreen Media Pvt. Ltd, Zee Entertainment, Eenadu TV, Procter & Gamble, Godrej Consumer Products and others. Further, BARC has a Technical Committee and Sub Committees each for TV and Digital which too are predominantly comprised of the likes of Star India Pvt. Ltd and its subsidiaries.

It is difficult to imagine that the country's television measurement system is being controlled by select TV broadcasters, advertising agencies, pay TV channel aggregators and large FMCG companies - all having a direct stake in the outcomes and hence a strong motive to manipulate the ratings to their advantage. The fact that Star India sits on the Board of Directors while its' channel, Star Plus, has been rated No. 1 in Hindi GEC for over more than a decade, does merit investigation into the methodology and the working of BARC.

BARC, the only TAM system in the country, has failed to accomplish the purpose for which it was established. This would have been evident if an audit would have been carried out during the past 5 years. The TRAI policy guidelines has the following provision:

13: INSPECTION

13.1 The Government of India, Ministry of Information & Broadcasting or TRAI or its authorized representative(s) shall have the right to inspect premises of rating agencies where ratings are generated, as well as panel houses. No prior permission /intimation shall be required to exercise the right of Government or TRAI or its authorized representative to carry out the inspection. The company will, if required by the Government or TRAI or its authorized representative(s), provide necessary facilities for continuous monitoring for any aspect of the company's activities and operations.

13.2 The Government of India, Ministry of Information & Broadcasting or TRAI or its authorized representative(s) will ordinarily carry out the inspection after reasonable notice except in circumstances where giving such a notice will defeat the very purpose of the inspection.

Q2. Do you feel that present shareholding/ownership pattern of BARC ensures adequate representation of all stakeholders to maintain its neutrality and transparent TV ratings? How its credibility and neutrality can be enhanced further? Please elaborate your response with justification.

Answer 2. *The current TAM system is closed and controlled by those who has direct stake in the outcomes. There is a clear conflict of interest. The BARC Board of Directors is comprised of the CEOs and MDs of Star India Pvt. Ltd, Viacom 18 Media Pvt. Ltd, Multiscreen Media Pvt. Ltd, Zee Entertainment, Eenadu TV, Procter & Gamble, Godrej Consumer Products and others. Further, BARC has a Technical Committee and Sub Committees each for TV and Digital which too are predominantly comprised of the likes of Star India Pvt. Ltd and its subsidiaries. It is difficult to imagine that the country's television measurement system is being controlled by select TV broadcasters, advertising agencies, pay TV channel aggregators and large FMCG companies -- all having direct stake in the outcomes and hence a strong motive to manipulate the ratings to their advantage. As mentioned, the fact that Star India which sits on the Board of Directors has its' channel, Star Plus, rated No. 1 in Hindi GEC for over a decade, does deserve attention.*

We strongly feel that the TAM system should be independently managed by a neutral entity(s) that has no relationship whatsoever, direct or indirect, with TV Broadcasters, advertising agencies and advertisers as otherwise there will be strong motive to manipulate the ratings to their own advantage.

Q3. Is there a need to promote competition in television rating services to ensure transparency, neutrality and fairness to give TAM rating? What regulatory initiatives/measures can be taken to make TV rating services more accurate and widely acceptable? Please elaborate your response with justifications.

Answer 3 *TAM ratings demand that the process ensures transparency, neutrality and fairness to preserve the relevance and sanctity of the rating altogether. In a monopolistic arrangement, due to lack of competition, there is absolutely no driver for BARC to improve, invest and upgrade the process with the changing demand of times.*

Competition will not only ensure that the rating agency/ies are not taking the process for granted; but also empowers the users to make better decisions since there would be other TAM insights available. That will also push BARC to introduce neutrality and fairness since manipulation in ratings will be easy to detect

However, since India has a vast range of demographic and viewership pattern and preferences due to 22 major spoken languages; and a population of over 1 billion; the entire length and breadth of the country may not get adequately covered by any single rating agency. Adequate sample size is critical for accurate results. Hence dividing country into 4 or 5 zones can help improve the rating process significantly. Competition should always be promoted, even in the zonal approach. Rating agencies may decide to cover all 4 or 5 zones or pick select zones.

TAM rating in the country, immediately demands for having adequate competition in television rating services to ensure utmost transparency, neutrality and fairness.

Q4. Is the current audience measurement technique used by BARC appropriate? Suggest some methods, if any, to improve the current measurement techniques.

Answer 4 *To the best of our knowledge there has not been a single inspection conducted on BARC to verify its measurement techniques and the sanctity of the same. Further all these years there has been lack of transparency in BARC's affairs. There have been allegations of manipulation by BARC reported in the media (January 2018) -- "**Bengaluru cybercrime police making arrests of five people for tampering BARC panel homes**"*

Technologies such as Hybrid Set-top boxes, smart phones and other connected devices have the requisite capability and can immensely improve the television audience measurement techniques.

Q5. Does broadcasting programmes that are out of their category or in different language for some time during the telecast affect the TAM rating? If so, what measures should be adopted to curb it?

Answer 5 *The influence on TAM rating of broadcasting programmes that are out of their category or in different language for some time during the telecast depends on the methodology used to categorize the genre and broadcasting programmes in different languages. It's been experienced that just Audio watermarking is not a foolproof technique or solution to these issues faced specially for a country like India. We again reiterate here, that not even once an inspection has been conducted on BARC to ascertain and establish these shortcomings in their adopted methodology.*

Q6. Can TV rating truly based on limited panel homes be termed as representative?

Answer 6 *A limited panel home of about 30,000 – 45,000 can be termed as representative for a much less populated country that has 3-5 spoken languages and about 100- 150 broadcasting programmes. However, for a highly populated country like India, having more than 22 spoken languages and more than 850 broadcasting programmes (Permitted TV Channels) the sample size should be at least 10% spread across all TV households based on demographics, socio economic stature, language and most important the actual consumption of broadcasted programmes where number of different people or households exposed, at least once, to the medium in a given period*

Reach may be defined in terms of:

- *either as an absolute number, or as a percentage (%) of a given population where 'Population' could be for example (audience persona):*
 - o *'TV households',*
 - o *'men' or women*
 - o *'men aged 25–35'*

Q7 What should be done to reduce impact of manipulation of panel home data on overall TV ratings? Give your comments with justification.

Answer 7 *Television rating system serves as the basis for important investment decisions in marketing strategy by the companies as well as play an important role in influencing the viewership decisions. As per some estimates, the ratings decide the fate of more than Rupees 22,000 crore spending on TV advertising.*

- *Advertisement costs are traditionally determined by audience sizes*
- *Advertisement time is priced based on number of viewers*
- *When buying advertisement time, the key metrics include:*
 - o *Rating (General Rating Points, Targeted Rating Points)*
 - o *Share*
 - o *Reach*
 - o *Frequency*

With such large money at stake, it becomes imperative that the television rating continue to be credible, independent, transparent and free from any manipulations and biases. This can only be achieved with bringing in adequate competition in TAM rating system in the country as well as entrust the process with neutral organisations.

Q8. What should be the panel size both in urban and rural India to give true representation of audience?

Answer 8 Ideally the panel size for a truly representative audience viewership rating in a large country like ours would be at least 10% of the population for each population segment– urban, semi urban and rural. This however is a paramount task and it can only be achieved if there are more players doing TAM rating in the country, besides of course other advantages i.e. driving transparency, credibility and fairness in the rating process.

Rating is a measure of ‘total eyeballs’ determined by total viewing audience in the market.

Rating = % of total potential viewing audience, tuned into a program:

Example:

- Total viewing audience = 10M households with access to One television each;
- If 100,000 households watch a specific program,
- The Rating for the program = 1%

Q9. What method/technology would help to rapidly increase the panel size for television audience measurement in India? What will be the commercial challenge in implementing such solutions?

Answer 9. In last few years India has witnessed a growth in start-ups with innovative ideas. The TAM rating process should be made more inclusive than what it currently is (since the MIB guidelines are drafted with the objective of keeping out competition). Opening the TAM rating area to a broad set of players including the start-ups shall help take the TAM system in India many levels up. Startups can undertake this enormous task by collecting and using raw data made available from various sources including the DPOs and with use of an analytics engine can easily implement a robust, transparent and fair solution to provide and share accurate data on the “share” of any broadcast programme.

‘Share’ is the success a program has in attracting viewers, out of all active viewers during that time. So;

Share = % of the total current viewing audience tuned into a specific program

Example:

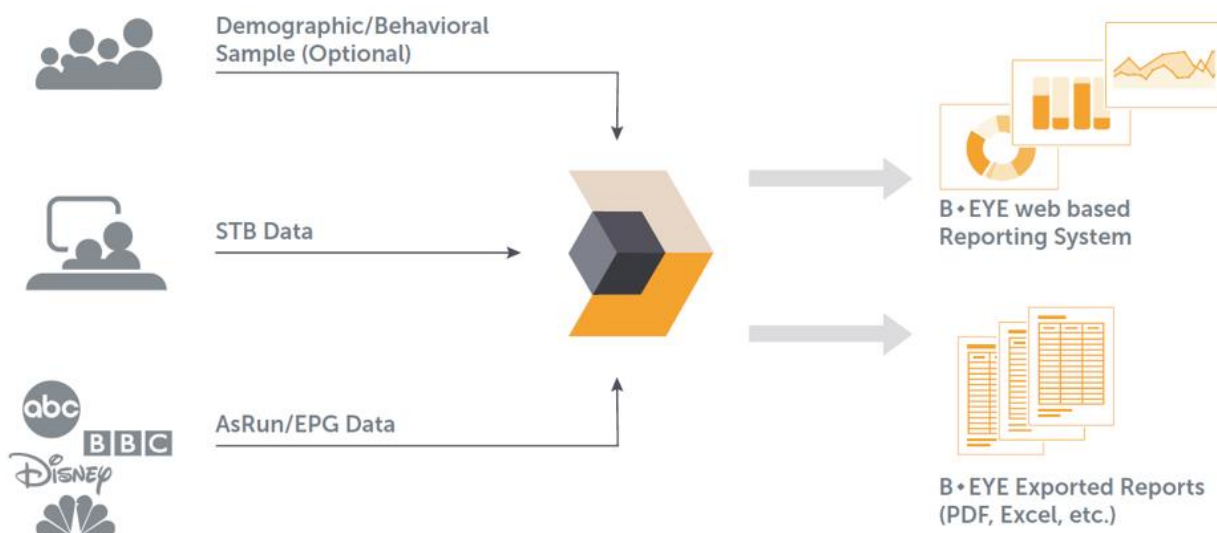
- 1M households watching TV at a given time,
- 100,000 are watching a specific broadcasting program at that given time,
- that program’s share is 10%

Q10. Should DPOs be mandated to facilitate collection of viewership data electronically subject to consent of subscribers to increase data collection points for better TRP ratings? Give suggestion with justification.

Answer 10 If the DPOs are mandated to facilitate collection of viewership data electronically, it will facilitate collection of raw data on viewership and increase data collection points for a better and more accurate TRP ratings. Many DPOs are now moving to deployment of Hybrid STBs and making provisions for IPTV that has inherent RPD (Return Path Data).

Q11. What percentage of STB supports transferring viewership data through establishing a reverse path/connection from STB? What will be the additional cost if existing STBs without return path are upgraded? Give your suggestions with justifications.

Answer 11 *The Hybrid STBs (Connected STBs) are all supporting transferring of viewership data, otherwise provisions can be made at DVB -C and DVB-S STB manufacturers level to incorporate a low cost telco GSM return module or a Wi-Fi connection, that can be used to make a RPD for transferring to the various TAM systems and that would work on the following B-EYE methodology :*

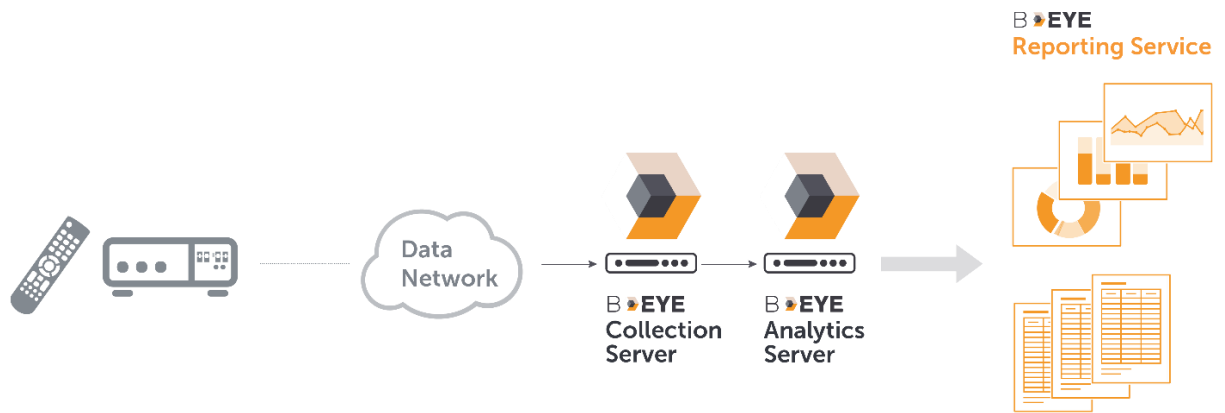


Q12. What method should be adopted for privacy of individual information and to keep the individual information anonymous?

Answer 12 *Through Non-disclosure agreements and with adopting to applicable and prevalent GDPR rules and periodically making inspections and audits to check their compliances.*

Q13. What should be the level/granularity of information retrieved by the television audience measurement agency from the panel homes so that it does not violate principles of privacy?

Answer 13 *Under the new regulatory regime prescribed for Television services, (Eight TO and associated regulations of 2017 that have finally been enforced on 29.12.2018, subscribers are giving their choice of Channels they wish to subscribe from their respective DPOs, i.e. (Cable TV, DTH, HITS and IPTV). The information that is retrieved by the TAM agency from the panel homes is the duration or time spent on the subscribed channel(s). This does not violate the principles of privacy if it is carried out under Non-Disclosure and individual information is not divulged/ disclosed to any third party. The identity of the panel homes should be kept anonymous. The analytics of Big Data for reporting of viewership's behavior can be automated.*



Q14. What measures need to be taken to address the issue of panel tampering/infiltration? Please elaborate your response with justifications.

Answer 14 *With more TAM agency(s) getting involved and stipulating operating guidelines to be adhered by all would ensure enough checks to address any issues of malfeasance and tampering to manipulate viewership data. However applicable penalty for indulgence in manipulation shall be deterrent.*

Q15. Should BARC be permitted to provide raw level data to broadcasters? If yes, how secrecy of households, where the people meters are placed, can be maintained?

Answer 15 *As stated above, it is difficult to imagine that country's television measurement system is controlled by select TV broadcasters, advertising agencies, pay TV channel aggregators and large FMCG companies (under BARC) - all having a direct stake in the outcomes and hence a strong motive to manipulate the ratings to their advantage. BARC should not provide raw data to broadcasters. It's been regularly reported in media how the entire TAM system has been manipulated numerous times and still no inspection or audit ever conducted on BARC*

Q16. Will provisioning of raw level data to broadcasters, in any manner, either directly or indirectly contravene the policy guidelines for television rating agencies prescribed by MIB?

Answer 16 *We strongly believe that the existing policy guidelines prescribed by MIB are flawed. The said policy has fallen short of bringing objectivity into the process. The existing rating system has compromised on principle of fair competition, transparency and lack of accountability to the prescribed guidelines. Although the guidelines have provisions for acting in case of non-compliance, there is no information if the rating agency is being regularly monitored to ensure compliance. The guidelines stipulate disclosure requirements on the rating agencies whereby the agency should place on its website, detailed rating methodology, coverage in terms of geographical and other socio-economic representation, possible sources of conflict of interest, quality control procedures audit reports, complaint redressal mechanism including toll free call center, comments/viewpoints of the users of the rating data etc. We were unable to find any such information by BARC placed in the public domain.*

Furthermore, as per the policy, a minimum panel size of 20,000 was to be implemented within 6 months of the guidelines. Thereafter, the panel size was to be increased by 10,000 every year until it reaches the figure of 50,000. By early- 2017, the panel size should have been 40,000

which is not the case. Although this is a clear case of non-compliance no action has been taken against the rating agency.

Q17. Is the current disclosure and reporting requirements in the present guidelines sufficient? If no, what additional disclosure and reporting requirements should be added?

Answer 17 *Please refer to our Answer 16 above .*

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

Answer 18 *Ministry of Information and Broadcasting, Government of India (GoI), vide its order No. 9/135/ 2013-BP&L dated 16 January 2014, has approved ‘Policy Guidelines for Television Rating Agencies in India’ on the basis of the recommendations made by the Authority TRAI, that are applicable to the only agency providing television rating services in India as of now. While we support TRAI efforts to streamline the rating system by issuing this consultation paper for Review of Television Audience Measurement and Ratings in India, we are also of the view that these recommendations now again made, do not fall short of fulfilling the present Government’s vision of fostering fairness and transparency with honesty and also are not completely disconnected with GoI’s initiatives such as “Start-up India” and “Make in India”, among others.*

The current policy guidelines contain clauses that discourage competition, making one question the fairness of the process and if the guidelines were framed to intentionally protect interests of select few. Some of such criteria are mentioned below:

- As per the eligibility criteria 1.6., the company shall have a minimum net worth of Rs 20 crores.*
- While the promoter company/member of the board of directors of the rating agency cannot have stakes in any broadcaster/ advertiser/advertising agency, the self-regulation model where the industry-led body, such as, Broadcast Audience Research Council (BARC) itself provides the rating, are exempt from this as well as many other eligibility criteria.*
- Registration Fee of Rs 10 Lakh is payable by any company desiring to enter into television audience measurement*
- The eligible company needs to furnish two separate Bank Guarantees of Rs 25 lakhs and Rs.75 lakhs before the issuance of registration.*

It is interesting to note that while TRAI had not mentioned anything about the Bank Guarantee in its recommendations, the policy guidelines issued by MIB imposes the requirement. Further, while TRAI recommendations prescribes a penalty ranging from Rs. 10 lakh to Rs 100 lakh for first three instance, MIB has stipulated penalty for two instances of violation as Rs 25 Lakh and Rs. 75 Lakh respectively. Clearly there are several indications that attempt has been made to keep any kind of competition out for so many years.

It is needless to say that as India moves on a growth trajectory with start-ups having huge potential therein, the television audience rating can be an area where such entities can step in and contribute. However the above mentioned eligibility criteria applicable to any other rating agency in India can seldom be met by smaller/ start-up entities even though they may have the

technical capability and the know-how for managing analytics. The criteria in the guidelines appear to be framed keeping in mind the larger entities with the sole intent of keeping away any form of competition. This definitely is not in country's interest and the same have been established with TRAI issuing a Consultation Paper on "Review of Television Audience Measurement and Ratings in India". only after Manipulation of TAM data has been reported all over in the media and few News Broadcasters even approached the Hon'ble Court and TRAI had been entrusted the task of investigating the matter. As these few pay TV broadcasters, controlling the only Television audience measurement system in the country are also vertically integrated, hence these broadcasters were forced to withdraw their petitions. Therefore it is the right time for the present government to review the television rating system in the country.

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