

INTERNATIONAL INDIA PVT. LTD.

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23 May, 2013

To,

Mr. Rajkumar Upadhyay,  
Advisor (B&CS),  
**Telecom Regulatory Authority of India,**  
Mahanagar Doorsanchar Bhawan,  
Jawahar Lal Nehru Marg,  
New Delhi - 110 002.

Dear Sir,

**Subj: Consultation Paper No. 4/2013 dated 17 April, 2013 (Consultation Paper)**

This is in reference to the Consultation Paper issued by the Telecom Regulatory Authority of India (TRAI) on "Guidelines/Accreditation Mechanism For Television Rating Agencies in India".

We thank TRAI to give us an opportunity to present our views on the Consultation Paper. Please find enclosed our response, which we request TRAI to take on record. If you require any further information/clarification, please do not hesitate to contact us.

Yours faithfully,

**Turner International India Private Limited**

Siddharth Jain  
Managing Director  
Encl: As stated above



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**TURNER'S RESPONSE TO THE CONSULTATION PAPER ISSUED BY THE TELECOM REGULATORY  
AUTHORITY OF INDIA ON "GUIDELINES/ACCREDITATION MECHANISM FOR TELEVISION RATINGS  
AGENCIES IN INDIA DATED APRIL 17, 2013**

**1. INTRODUCTION**

- 1.1 We thank the Telecom Regulatory Authority of India (TRAI) to give us an opportunity to present our views on the consultation paper (Consultation Paper) introduced by the TRAI on April 17, 2013 on guidelines/accreditation mechanism for television ratings agencies in India.
- 1.2 As rightly brought out by the TRAI in the Consultation Paper, Television Rating Points have a huge impact on advertising expenditure decisions, as advertisers have several broadcast platforms to choose from and their decisions are based on the ratings released by the rating agencies, which reflect the ranking of popular television programs on different channels. Since television rating points reflect the viewership patterns and are taken as an indication of viewers' likes and dislikes, they have an indirect influence on content, scheduling of programmes, as well as pricing of channels. Thus, false, misleading or inaccurate ratings affect not only broadcasters and advertisers but also the choices of the viewing public. The veracity and reliability of the rating agencies and television rating point's, therefore, becomes very significant.
- 1.3 With the increasing number of channels, multiple broadcast platforms and increased number of television sets, the demand for a technical and scientific approach to audience measurement has become a necessity. We believe for a television rating system to be effective, the television rating system should be the sole measurement currency, one that all users of the data recognize as the official source. Having, data flowing from multiple competing television rating providers would lead to skewing of the results to the convenience of few stakeholders and create confusion in the minds of the stakeholders including viewers.
- 1.4. We believe an ideal approach would be self-regulation model, where an industry led body appoints a research company or companies to provide services for a fixed term thorough a competitive tender process. Further, competition could be encouraged for a particular single service, e.g. with one company made responsible for panel recruitment and management, and another company for data collection and processing. This is the case in the United Kingdom where suppliers bid to win individual elements of the overall television audience measurement contract.

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1 | Turner's response to the Consultation Paper No. 4/2013 dated 17 April, 2013 issued by TRAI on regulations for television rating agencies in India.

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**2. KEY ISSUES RAISED IN THE CONSULTATION PAPER**

The key issues raised by the TRAI in the Consultation Paper are the following:

- 2.1 Models for regulating television rating system.
- 2.2 Eligibility norms for accreditation rating agency.
- 2.3 Methodology for audience measurement.
- 2.4 Cross Holding.
- 2.5 Complaint Redressal System.
- 2.6 Sale and Usage of Ratings.
- 2.7 Mandatory Disclosures.
- 2.8 Reporting Requirement.
- 2.9 Audit.
- 2.10 Competition in rating services.
- 2.11 Applicability of Rules for rating agencies.
- 2.12 Other issues for Consultation.

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### **3. TURNER'S COMMENTS AND CONCERNS**

Turner International India Private Limited (Turner) would like to provide the following recommendations and also take this opportunity to raise its concerns in connection with the current television rating system prevalent in India:

#### **3.1 Models for regulating television rating system.**

**Q1. Which of the model described in para 4.4 should be followed for regulating television rating services in India? Please elaborate your response with justifications.**

(a) We appreciate that while formulating the Consultation Paper, TRAI has taken into consideration the international practices and regulations prevailing in a few major international markets. However, we believe there could be four (4) business models which are prevalent internationally for regulating television rating system.

(b) The four (4) business models are:

**(i) Joint Industry Committee (JIC)**

We believe that under the JIC model, the JIC supplies the ratings service, and may hold the copyright to the data, but outsources the actual running of the service to private television audience measurement providers such as Nielsen and Kantar Media. The Broadcasters' Audience Research Board (BARB) in United Kingdom could be considered as an example of such a model.

**(ii) Media Owner Committee (MEC)**

We believe that under the MEC model, one or more media owners enter into a contract with the data supplier, e.g. OzTAM in Australia, which is controlled by the free to air channels, and has a contract with Nielsen to run the ratings service.

**(iii) Tripartite Research Company Contract (TRC)**

In the TRC Contract model the research company providing the ratings service is owned by media owners, advertisers and media buyers, e.g. Mediametrie in France.

**(iv) Own Service**

The Own Service model is the one we see in India, where the research supplier owns the copyright to the data and has multiple contracts directly with subscribers such as broadcasters, advertisers, agencies etc.

- (c) Based on the study of international practices by TRAI, the TRAI has recommended few possible models for a television rating system in India, which would broadly fall within (a) Self Regulation Model, wherein the industry body plays a lead role and (b) Regulatory/Government Model, wherein the government/regulator plays a lead role. We believe that Self-Regulation Model (on the lines of BARB in United Kingdom) would be a preferred and an effective model than the Regulatory/Government Model. The Self-Regulation Model (on the lines of BARB in United Kingdom) could be taken into consideration by TRAI.
- (d) Whilst it would be highly unusual for the industry-led body to undertake the work itself, the industry led body, under this model, could appoint specialist television audience measurement companies like Nielsen, Kantar Media and other research providers for a fixed term through a competitive tender process. Competition could be encouraged within a single service, e.g. with one company made responsible for panel recruitment and management, and another company for data collection and processing. Further, the industry body should be responsible to set the parameters of the service and ensures it is audited.
- (e) Broadcast Audience Research Council (BARC) has been launched in March 2014 with an objective of involving in market research and providing results in the field of television audience ratings. Given that BARC is already formed with nominated representatives from all relevant industry associate namely Indian Broadcasting Foundation, Advertising Agencies Association of India, India Society of Advertisers, we believe BARC is the appropriate body to oversee a joint-industry television audience measurement system in India.

### **3.2 Eligibility norms for accreditation rating agency.**

**Q2. *Please give your comments on the eligibility conditions for rating agencies discussed in para 4.7 above. You are welcome to suggest modifications. Please elaborate your response with justifications.***

- (a) The services provided by research companies are very specialized and capital intensive. There are very few companies in the world capable of establishing and delivering a world-class television audience measurement service in a country, the size of India. A proven ability to do the job, and an excellent track record should be the prerequisites for appointment of an accreditation rating agency. Care should be taken that the eligibility criteria do not rule out the few companies that have the expertise and experience of providing major television audience measurement services.
- (b) Given the nature of specialized services provided by the television audience measurement providers, it may be difficult for industry association or government bodies to set up accreditation and eligibility criteria. Therefore, television audience measurement providers should be asked to demonstrate their credentials during the tender process as part of their bidding requirements for the television audience measurement contract promulgated by the industry associate/government body. These accreditation should form a part of the contract executed between the selected television audience measurement providers and then be held accountable through the terms of the contract and associated quality check and auditing process.

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4 | Turner's response to the Consultation Paper No. 4/2013 dated 17 April, 2013 issued by TRAI on regulations for television rating agencies in India.

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### **3.3 Methodology for audience measurement.**

**Q3. Please give your comments on the guidelines for methodology for audience measurement, as discussed in para 4.19 above, for television rating systems. You are welcome to suggest modifications. Please elaborate your response with justifications.**

- (a) Presently, the television audience methodology employed by TAM Media Research Private Limited (TAM India) in India is similar to the peoplometer-based television audience measurement services provided world over. We believe electronic peoplometer-based measurements are more reliable than other means of measurement. Using old systems for data collection and dissemination of data would be a retrograde step, and would lack the credibility that the electronic peoplometer-based measurements can achieve.
- (b) Most television audience measurement systems world over have certain limitations in terms of geography and the degree to which they can cover rural areas. This is either due to the practical difficulties in covering an entire country or due to economic constraints or both. Therefore, geographical and urban/rural coverage should be determined in phase manner and should depend on the needs of the industry, demand and financial means of the television audience measurement service providers.
- (c) Although, India's current television audience measurement service necessarily started out with relatively modest coverage, it has grown substantially over the years. Given that the current television audience measurement service is funded by commercial broadcasters and media agencies, it is inevitable that the priority focus is on major urban areas as these urban areas represent the bulk of the advertisers' target markets. Therefore, it is imperative that financial constraints and funding elements are taken into consideration to enable television audience measurement service providers to extend their reach to rural areas.
- (d) We believe the interval period to conduct establishment survey stated in para 4.19 (i) contradicts the period stated in para 4.19 (j). The interval period to conduct establishment survey stated in para 4.19 (i) states six (6) months while the interval period to conduct establishment survey stated in para 4.19 (j) states annually. Although, establishment surveys are typically carried out annually, the rate at which the technology is advancing, conducting an establishment survey on annual basis would be too infrequent for some aspects of television technology. It would be very difficult to conduct the establishment survey on "continuous" basis and therefore, we recommend that a more regular (i.e. quarterly) survey of fast-moving variables like digital television reception be conducted.
- (e) On the TRAI recommendation in para 4.19 (k) regarding the percentage of the panel homes that should be rotated every year, we believe the experts and specialist in the television audience measurement industry would be better equipped to provide recommendation to the TRAI. This is because there are significant cost implications in recruiting and installing a proportion of panel homes every year coupled with the need to draw sound parameters for recommending the percent panel turnover rate,

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e.g. the optimal rate to ensure overall panel quality, or the best practice adopted internationally. It could even be that the turnover rate varies for certain types of harder-to-recruit homes.

**Q4. What should be the minimum panel size (in terms of numbers of households) that may be mandated in order to ensure statistical accuracy and adequate coverage representing various genre, regions, demographics etc. for robust television rating system? Should the desired panel size be achieved immediately or in a phased manner? In case of implementing the desired panel size in phased manner, what should be the quantum of increase and periodicity of such increase in size?**

- (a) We agree with TRAI views that larger the panel size the greater would be the accuracy of the results and and that, to guard against sampling error, a smaller panel size can result in more limited data available which compromises the utility of the data by the subscribers. However, we believe it is very difficult to arrive at an optimal panel size. For e.g. doubling panel size does not halve the sampling error.
- (b) TRAI has in the Consultation Paper recommended that the sample size should be increased by almost 4 times from 8000 approximately to 30,000 households. However, no statistical basis for this recommendation has been shared by TRAI. We believe, the optimal panel size can only be determined after due statistical, logistical and financial analyses are done. The cost implications are huge, and the improvements in accuracy/representation may not justify such a massive panel increase. Therefore, it is imperative that advice of television audience measurements experts is taken before arriving at a minimum panel size, but only once the industry has agreed on required geographic and other reporting requirements. E.g. if weekly or monthly data aggregated at a state-level would be acceptable for rural reporting, then the panel size and structure would be quite different from that required if daily reporting at the sub-state level was the goal.
- (c) TRAI has in the Consultation Paper quoted that 8,150 panel homes cannot represent a population of 155m households. However, we believe this is a very simplistic approach taken by the TRAI as the required panel size is totally dependent on the granularity of reporting that may be required by the users. Currently, TAM India in India releases minute-by-minute, day-by-day data for all channels. This is too detailed for many niche, low-reach channels, which are reported as having zero viewing for large parts of the day. Panel size is always a trade-off between a number of factors, including market and platform coverage, reporting granularity, statistical reliability and cost.
- (d) TRAI has on page 25 in para 4.14 of the Consultation Paper quoted that according to TAM India, their panel households are spread over 8150 home. TRAI has further opined that with 15.5 crore TV households in India, this corresponds to less than 0.005% of TV households and that internationally, the panel size is in the range of 0.016% to 0.059% of the TV households. While we acknowledge the value of the international comparisons put forward by TRAI, we would recommend extending these comparisons to include a number of additional marketse.g. United States of America, China,



- (e) It should be noted that the structure and composition of a panel is just as important as its overall size. Any discussion of panel size has to be linked with the parameters on which the panel is to be recruited and controlled moving forwards. These panel controls – usually termed primary and secondary control variables – may include age, gender, SEC but there could also be others, such as household size, presence of children, type of television reception etc. We believe it is not possible to state upfront what the optimal panel size should be without involving experts in this field, and also having their input on panel structure and control variables.
- (f) Lastly, on the question of an immediate or phased change, we believe that that would entirely depend on whether it is a competitive tender (in which case it could be part and parcel of the new measurement service), or if it's something imposed on the incumbent, TAM India (which would suggest a phased implementation).

**Q5. *Please give your suggestions/ views on as to how secrecy of panel homes can be ensured?***

It is recommended that this be arrived in joint consultation between television audience measurement service providers and the users of the data such as broadcasters, advertisers etc. For e.g. in the case of a joint industry-administered ratings contract with one or more research suppliers, the industry contract could cover severe penalties and immediate remedy for any breach of security that compromises the integrity of the panel data.

#### **3.4 Cross Holding.**

**Q6. *Please give your comments on the cross holding restrictions for rating agencies as discussed in para 4.23. You are welcome to suggest modifications. Please elaborate your response with justifications.***

- (a) It appears from the Consultation Paper that TAM India has informed TRAI that TAM India is appointed by the Joint Industry stakeholders of ISA (Indian Society of Advertisers), IBF (Indian Broadcast Foundation) and AAAI (Advertising Agencies Association of India). Although, TAM India may be endorsed or recognized in some way by the members of the above industry body, our understanding is that there is no direct contract between the above industry body and TAM India, and that TAM India operates its service without any industry-level control or oversight.
- (b) TAM India is a private establishment which is a joint venture between Nielsen and Kantar Media. Kantar Media is owned by WPP, which also owns media agencies, such as Group M. Although this isn't ideal, it's not unique to India; given that Kantar Media is a leading television audience measurement provider in a range of countries around the world. The fact that it's a joint venture between Kantar Media and Nielsen arguably makes the cross-holding issue less of a concern than in other markets of the world where Kantar Media enjoys a monopoly as the ratings services provider. However, we submit that ideally there should be no cross-holding especially if it's between a broadcaster and the ratings company.
- (c) Having said that, care should be taken that the eligibility criteria do not rule out the few companies that have the expertise and experience of providing major television

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audience measurements services. Depending on the specified cross-holding requirements, this could disqualify Kantar Media from the start given that Kantar Media owned by WPP, which also owns media agencies, such as Group M.

### **3.5 Complaint Redressal System.**

**Q7. *Please give your comments on the complaint redressal mechanism discussed in para 4.25. You are welcome to suggest modifications. Please elaborate your response with justifications.***

- (a) We agree with TRAI recommendation that a complaint redressal mechanism should be introduced and in order to use the ratings in an effective manner, each rating report should include statements about all omissions, errors and biases known to the rating agencies which may exert a significant effect on the findings of the report. We also agree that each rating report should point out changes in or deviations from, the standard operating procedures which may exert a significant effect on the reported results along with an indication of the estimated magnitude of the effect.
- (b) However, we believe there would be practical difficulties in implementations of the recommendation as most ratings analysis is done through software tools and exported to Excel or other formats. Moreover, typically, it's a case of caveat emptor, as television audience measurement services providers then would tend to deny all responsibility on the manner the data is used/ misused, largely because they cannot control it. Having said that, it is recommended that television audience measurement service providers are mandated to at least publish a set of sampling error tables to indicate the degree of accuracy of the most commonly used metrics.

### **3.6 Sale and Usage of Ratings.**

**Q8. *Whether the rate card for sale and use of ratings should be published in the public domain by the rating agencies? Please elaborate your response with justifications.***

- (a) Presently, the television audience measurement service providers being a monopoly in the business of providing television rating points which is being relied upon by the broadcasters, the advertisers and the statutory bodies, charge heavy fees from the broadcasters for providing such reports to the broadcasters.
- (b) Therefore, we agree that full transparency is required in ratecard/cost structure. Just as importantly, there needs to be a fair and agreed funding mechanism for the television audience measurement service, e.g. related to the subscriber's revenues, number of channels or other metrics.

**Q9. *Whether other users apart from broadcasters, advertisers and advertisement agencies be allowed to obtain the rating data from the rating agencies? If yes, who all should be allowed to obtain and use the data from the rating agencies? What restrictions should be imposed on use of the rating data by users?***

- (a) We believe that this would totally depend on who is the copyright owner of the data, which in turn depends on the television audience measurement service model

adopted i.e. whether the television audience measurement service is delivered through a JIC or a MOC, or the current scenario of research company owner.

- (b) In principle, we believe other paying users apart from broadcasters, advertisers and advertisement agencies should be allowed to buy data or reports from the rating agencies, provided this additional revenue ultimately helps to subsidize the cost of the television audience measurement service provided for the principle subscribers.

**Q10. *Whether the user should be allowed to share the data provided by the rating agency with third parties or publically accessed media. Please elaborate your response with justifications.***

We believe the disclosure of data by the user should be dealt with in the contract between the television audience measurement service provider and the subscribers/users of the data. Databases cannot be shared with third parties, but individual analyses and presentations subscribers may be allowed to be shared with third parties. The whole television advertising ecosystem depends on sharing of this common ratings currency between broadcasters, agencies and advertisers. More public use of the data - in press releases, advertisements, articles etc. – may require prior screening by the measurement service provider to ensure accuracy, and this can be covered within the individual subscription agreements.

### **3.7 Mandatory Disclosures.**

**Q11. *Please give your comments with regard to the parameters/procedures, as suggested in para 4.34, pertaining to mandatory disclosures for ensuring transparency and compliance of the prescribed accreditation guidelines by rating agencies. You are welcome to suggest modifications. Please elaborate your response with justifications.***

We believe the recommendations suggested by TRAI are good. However, we believe they would be more effective if supported with regular scrutiny through a technical committee and/or user group. E.g. the television audience measurement service provider is required to supply quality check reports to regulator or the industry association monitoring at regular intervals, whereupon the regulator or the industry association raises concerns and seeks remedy, e.g. if panel composition commences to drift away from agreed values.

### **3.8 Reporting Requirement.**

**Q12. *Please give your comments with regard to the parameters/procedures, as suggested in para 4.37, pertaining to reporting requirement for ensuring effective monitoring and compliance of the prescribed accreditation guidelines by rating agencies. You are welcome to suggest modifications. Please elaborate your response with justifications.***

We believe the recommendations suggested by TRAI are good. However, we recommend that a regular scrutiny through a technical committee and/or user group, as described in the answer to the question 11 above, as well as appropriate

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committees, possibly with the regular involvement of an outside television audience measurement consultant, would make the reporting requirements more effective.

### **3.9 Audit.**

**Q13. Please give your comments on the audit requirements for rating agencies as discussed in para 4.42. You are welcome to suggest modifications. Please elaborate your response with justifications.**

**Q14. Who should be eligible to audit the rating process/system?**

We suggest turning to internationally experienced third party auditors, at least initially. There are a number of highly experienced consultants who have undertaken television audience monitoring systems audits in many international markets. This broad-based international experience can help ensure that the Indian television audience monitoring systems conforms to worldwide standards and norms.

### **3.10 Competition in rating services.**

**Q15. What regulatory initiatives are required to promote competition in rating services? Please elaborate your response with justifications.**

As mentioned earlier, competition is to be encouraged, but not if it results in multiple ratings currencies. The industry needs a single, trusted currency. Given the mammoth task involved in setting up and delivering a television audience measurement service, particularly in India, it would appear prudent to award contracts for individual elements of the overall service to best-in-class providers in their particular fields. Further, having separate providers by region is undesirable.

### **3.11 Applicability of Rules for rating agencies.**

**Q16. In case guidelines/ rules for rating agency are laid down in the country, how much time should be given for complying with the prescribed rules to existing entities in the rating services sector, which are not in compliance with the guidelines? Please elaborate your response with justifications.**

Once the business model for the television measurement service providers is finalized and the process for implementation of the television audience measurement service providers is streamlined, it would be prudent that the regulator/industry association service notices to the television measurement service providers in India that it intends to go to competitive tender for a multi-year television audience measurement service. E.g. 12 months from the announcement/notice, and give all/any interested parties ample time to study the industry's requirements and rules, prior to giving credentials presentations and ultimately submitting their proposals.

### **3.12 Other issues for Consultation.**

**Q17. Do you think integrating people meter with set top boxes is a good solution? If yes, how to encourage such systems?**

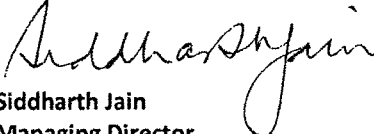
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- (a) Set-top-box derived ratings services , often called RPD services (return path data) – are becoming commonplace in a number of markets. However, these are almost always owned and funded by the respective pay-television platform, e.g. BSkyB in the UK, Foxtel in Australia. Tata Sky is believed to be developing such a service with Kantar Media. They tend to be used by the operator to optimize channel packages, reduce churn etc., and have not so far become alternative ratings currencies.
- (b) Further, they have a major limitation, in that they provide household-level data only i.e. they reflect only details of which channel is being watched but not who in the household is watching, although some research companies involved in this field have developed algorithms to predict which individuals are viewing.
- (c) A separate issue is whether genuine peplemeter technology can be built into the firmware of set-top-boxes. This obviously has its advantages, but would make it difficult to switch television audience measurement service providers if their code is embedded in set-top-boxes and digital television sets.

**4. CONCLUSION**

Turner takes this opportunity to propose that an ideal approach would be a self-regulation model, where an industry led body commission a research company or companies to provide services for a fixed term thorough a competitive tender process. Given that BARC is already formed with representatives from all relevant stakeholders, we believe BARC is the appropriate body to oversee a joint-industry television audience measurement system in India.

Yours faithfully,  
**Turner International India Private Limited**

  
**Siddharth Jain**  
**Managing Director**

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