



Bharat V. Patel  
**April 21, 2008**

To:

Shri Nripendra Misra,  
Chairman, TRAI.

Dear Sir,

**Comments on TRAI Consultation Paper  
on need for Policy Guidelines for Television  
Audience Measurement/Television Rating Points (TRP)**

We thank you for inviting comments on the consultation paper issued by the TRAI on the subject. As the body whose members, inter alia, fund a significant proportion of the cost of producing television programmes, through the purchase of commercial time, we should be recognized as the community which would be most affected by the manner in which television programme audiences are measured since robustness and precision in such measurements are critical in determining the efficiency of the advertising expenditures made by our members. Faulty measurements will result in inefficient dissemination of information to consumers, resulting in an adverse impact on consumer prices. As such, it is in our members' and the consumers' interest that we remain the key drivers of media audience measurement. This determining role has been played by the advertiser community all over the world, including large developing economies like China & Brazil, and will continue to be played till such time as advertisers deploy such media, at a price, to communicate with consumers of our products and services. Our comments on the various points set forth in your consultation paper in section 5 are as follows:

**5.1 Need for the Government to regulate the system of Television Rating Points:**

We do not see any need for the Government to intervene in, what we believe, is a tool for democratically determining the demand-supply based market prices for television advertising inventory. The two key participants in determining the prices of such commodities must be the buyers and the sellers, in open market situations, especially where no monopolies exist. With the multitude of channels ( and hence inventories ) and multiplicity of buyers there is no case for any Government intervention in the tools by which prices are determined in this market.

This does not, of course, preclude the Government from carrying out, any consumer research on what kind or genres of programmes the Indian consumer wishes to see and/or regulate the 'content' of such programmes through a set of guidelines for programme content.

To the extent that Audience Measurement is a tool to arrive at appropriate and true pricing of commercial time in a TV programme, it must be left to the buyers and sellers of such commodities to determine the most accurate methods of such measurements. By setting up the Broadcast Audience Research Council (BARC) we have ensured that global best practices are adopted and employed in India to measure Television Audiences.

India has a tremendous reputation across the globe as a country which ensures the freedom of the media and we must ensure that this is not tarnished in any way.

## **5.2 Manner and Extent of Regulation, if required:**

No regulation by Government is required in this field. The industry body BARC should be the regulatory body. This body comprises of all the concerned constituents of the free market, buyers (Advertisers), sellers (TV Channels) and intermediaries (Advertising and Media Agencies) and there are no monopolistic adversities possible here.

## **5.3 Framework for industry initiative and Role of Government:**

The Industry initiative is fully enunciated in the Memorandum of Understanding and Articles of Association being framed by the BARC. These may kindly be referred to. The BARC has, as its constituents, the Indian Broadcasting Foundation (IBF) representing Television channels; the Advertising Agencies Association of India (AAAI) representing large, medium and small advertising and media agencies who represent 80% of all television time purchases; and the Indian Society of Advertisers (ISA) whose widespread membership purchases two-thirds of all TV advertising time in the country.

We believe that BARC is fully equipped to represent the interests of all stakeholders who use TV audience ratings and no Government intervention is called for.

## **5.4 Suggestions to encourage competition in rating services:**

The real competitors in this market are the TV channels who are offering their products (commercial time) to the customers (advertisers) who purchase the commodity. These competitors, along with the intermediaries, have set up the BARC to implement the tools to arrive at a rational and market oriented determination of prices. All global and Indian research providers are free to bid for the job of providing the various researches required. As such it is a fully free and competitive scenario, even where rating research services are concerned. The buyers, sellers and intermediaries all participate in the decision making to ensure that there are no biases in the process.

#### **5.5 Suggestions for making ratings more representative, transparent and reliable:**

The BARC, which represents all the concerned parties will get such suggestions from all the parties to ensure that the best techniques and technologies are harnessed to eliminate any biases. Each constituent will protect its own interests. All its processes will be open for audit, and hence will have complete transparency, for all concerned parties.

A continuous assessment process, with access to global best practices, will ensure that state-of-the-art reliability of the measurement is constantly provided.

We hope that the TRAI will duly consider our comments on the subject and no unnecessary regulations are imposed on what is clearly a free market environment, with all concerned parties satisfied with the measurement processes which determine prices of the commodity.

Director General