

**GOVERNMENT OF INDIA
INFORMATION AND BROADCASTING
LOK SABHA**

UNSTARRED QUESTION NO:1029

ANSWERED ON:01.03.2011

TRP SYSTEM

Ananth Kumar Shri ;Dubey Shri Nishikant ;Paranjpe Shri Anand Prakash

Will the Minister of INFORMATION AND BROADCASTING be pleased to state:

- (a) whether the Government has constituted a committee to examine various issues concerning the Television Rating Points (TRP) and to ensure an effective mechanism for a transparent system in the country;
- (b) if so, the details thereof and the composition of the said committee;
- (c) whether the said committee has submitted its report to the Government;
- (d) if so, the details of recommendations made therein alongwith the action taken thereon;
- (e) whether based on one of the recommendations of the committee, the Government has asked the broadcasters and advertising agencies to pay a certain percentage of their turnover on annual basis for expanding the TRP system; and
- (f) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF INFORMATION & BROADCASTING (SHRI C.M. JATUA)

(a) and (b): Yes, Sir. The Government had constituted a Committee to examine several crucial issues concerning Television Rating Points (TRP) in India. The composition of the Committee was as below:

1. Dr. Amit Mitra, Secretary General, FICCI - Chairman.
2. Shri Rajiv Mehrotra, Managing Trustee, - Member.
Public Service Broadcasting Trust (PSBT)
3. Ms. Neeraja Choudhary, Eminent Journalist - Member.
4. Prof. S.K. Barua, Director, Indian Institute of - Member.
Management, Ahmedabad
5. Prof. Ashis Sen Gupta, Indian Statistical Institute, Kolkata - Member.
6. Shri D.S. Mathur, Retired Secretary to - Member.
Government of India
7. Joint Secretary (Broadcasting) Ministry of - Member Secretary.
Information and Broadcasting

(c) and (d): Yes, Sir. The Committee has submitted its report to the Ministry on 25th of November, 2010. Major recommendations of the Committee are given in the Annexure. The Report is also available on the Ministry's website www.mib.nic.in.

As most of the recommendations of the Committee relate to Indian Broadcasting Foundation (IBF), the report has been sent by the Ministry to them for taking necessary action.

(e) to (f): No, Sir. The recommendation of the Committee is that the broadcasters, advertisers and advertising agencies should pay a

certain percentage of their relevant turnover to the Broadcast Audience Research Council (BARC) on an annual basis to fund the inclusive expansion of sample size for generation of TRP.

Annexure

ANNEXURE AS REFERED TO IN REPLY OF PARTS (c) & (d) OF LOK SABHA UNSTARRED QUESTION NO. 1029 FOR ANSWER ON 01.03.2011

Major recommendations of the TRP Committee's Report submitted on 25.11.2010.

The Committee has taken note of the fact that an industry-led initiative of broadcasters, advertisers and advertising agencies called Broadcast Audience Research Council (BARC) has been formed and duly registered in July 2010 as a Not for Profit Body under Section 25 of the Companies Act. The committee feels that the self regulation of TRPs by the Industry is the best way to move forward.

The Committee has suggested to broaden the constitution of the Board of BARC to make it more inclusive. The company structure of BARC should have representation from broadcasters, advertisers, and advertising agencies including Public Service Broadcasters. The Committee has recommended that there should be a 12 member Board in BARC constituting 7 members from broadcasters including the Public Service Broadcaster, 3 members from advertisers and 2 members from advertising agencies including Directorate of Advertising and Visual Publicity (DAVP).

The Committee has recommended constitution of a High Powered Committee within BARC to guide BARC in the area of research, design and analysis. The representatives of the committee would be eminent members from different fields. The composition of the High Powered Committee would include a statistician of national repute, measurement technology expert, a renowned individual from Civil Society or Judiciary, a demographer, a sociologist, an economist, a business management expert from one of the IIMs, nominee of an eminent institution, a leading woman of national stature and three special invitees from BARC.

The recommendations of the High Powered Committee would be binding on BARC. The committee further recommends that BARC should consider suitable provisions in their articles of Association and Memorandum of Articles in this regard.

The Committee has taken a serious view of the small sample size used by the two existing Rating Agencies in India. The Committee has also observed that the rural areas have been left out from the current system of TRP measurement. The Committee has recommended an increase in the sample size from 8000 (Eight Thousand) people meter homes to 15,000 urban & rural households, over a period of two years, and then to 30,000 (Thirty Thousand) over the next three years covering urban areas, rural areas and small towns, J&K, North east thereby providing a complete geographical coverage of the country.

The committee has suggested that broadcasters, advertisers and advertising agencies should pay a certain percentage of their relevant turnovers to BARC on an annual basis to fund the expansion of sample size for TRP measurement. The total cost of expansion of TRP measurement system over 5 years would be around 660 Crores which is approximately 0.32% per year of the total TV industry size in India. The committee feels that this level of expenditure should not be very difficult for the industry to meet.

In order to provide a wider coverage of people meters, the Committee has suggested that efforts should be taken by BARC to reduce the manufacturing cost of People meters by exploring innovation and local manufacturing with indigenization to overcome financial limitations which are hampering the increase in sample size. The committee further recommends that BARC should work in close association with the Industry and aid the development of an indigenous market for the manufacturers by ensuring that rating agencies define the specifications of people meters and guarantee a certain demand. The committee has recommended that as a long term measure, rating agencies should consider manufacturing/assembling people meters in India itself to bring down the cost.

The committee also took note of the fact that people meters attract 50% import duty which makes them expensive. The committee suggests that as an immediate short term measure reduction in the import duty should be considered.

The Committee has also expressed concern about the lack of transparency in the methodology of conducting the TRP measurement. The Committee has recommended that the selection process of rating agency as well as the TRP measurement process should be carried out in a credible, transparent and statistically robust manner, which should be subjected to Financial and Process Audit. The details of these should be disclosed on the website of BARC by making it available in public domain.

The Committee has recommended that the rating system should be made compatible with emerging technologies to capture data over different platforms corresponding to penetration levels of respective platforms in TV viewing population, to ensure a holistic picture of the viewers' preference.

The Committee has recommended that there should not be any cross-holding between the rating agencies and the broadcasters, advertisers and the advertising agencies to avoid conflict of interest.

The Committee has recommended that the TRP measurement process should consist of four stages in which the first stage should be designing of survey and quality control research, followed by commissioning and establishment survey. The third stage should be data analysis and report generation followed by Audit. Each one of these stages should be separately commissioned to distinct agencies to achieve unbiased and reliable results.

The Committee has also felt that at present there is a lot of secrecy exercised by the rating agencies in disclosing the data and methodology used through the process of the entire rating measurement. The Committee has recommended that the guidelines set out in the TRAI Report of 2008 on the key eligibility conditions of rating agencies, general operational, ethical and disclosure norms and standards should be followed.

The Committee has taken cognizance of the fact that TRP announcements at very short intervals may lead to distortion in broadcasting behavior. The Committee has, therefore, recommended that the TRP generation and announcement by the rating agencies particularly for the news channels should be done once a week with the possibility to increase the periodicity to a fortnight.

The Committee has also recommended that BARC should set up a Complaint Redressal Mechanism on the lines of the model being followed by Advertising Standards Council of India (ASCI).

The Committee has recommended that BARC should initiate changes within its Board and appoint the High Powered Committee by June 2011. The Committee has further recommended that if BARC fails to do so, it may invoke Government action through appropriate legislation such as taking over the regulation of TRP measurement either by asking TRAI to step in or by creating other mechanisms.