



TELCOS ADS TO BE SHORTER SAYS TRAI

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The Telecom Regulatory Authority of India ("TRAI") has recently recommended the restriction on the number of minutes telecom companies will be allowed to advertise on television. According to media reports, the regulator intends to limit minutes of advertisement to 12 minutes an hour. In this light, media companies feel that broadcasters would find it difficult to justify high rates for advertisements vis-à-vis the lower volumes that will be enforced due to the TRAI's announcements.

PSA view – It is detrimental to the broadcasting industry and there could be a slippage of 3-5% of overall broadcasting revenue slipping to another medium. We believe there will be a huge change in advertising that would now happen between genres. Clearly, at least the general news channels were carrying a very heavy inventory in terms of volumes of minutes on a per hour basis and their advertising was volume and it might shift to other channels or other genres. It will be very difficult for the broadcasters to immediately get those significant rate hikes to make good the losses in the volumes of minutes here.

Standards of Quality of Service in Television Channels

Following complaints from subscribers on the increasing duration and distracting formats of TV ads which has affected the TV viewing experience TRAI released the "Standards of Quality of Service (Duration of Advertisements in Television Channels) Regulations, 2012. TRAI had previously circulated consultation paper to seek views from the interested parties. Now with an intention to strike balance between providing a good TV viewing experience to consumers and protecting the commercial interests of TV broadcasters, TRAI has released these regulations regarding the duration of advertisements carried in TV channels. The highlights of the new regulations are: (a) TRAI has mandated that the duration of advertisements in the TV channels should be limited to 12 minutes per clock hour and the leftover advertisement duration (if any) in any clock hour will not be carried over to the next hour; (b) In case of live broadcast of sporting events, the advertisements should be carried out by the broadcaster only during the breaks in the sporting action e.g. lunch/drinks break or change of overs in cricket matches; (c) The minimum time gap between any two consecutive advertisement breaks i.e. the end of one advertisement session and the start of the next advertisement session during a program should not be less than 15 minutes; (d) TRAI mandated that there would be only full screen advertisements, and part screen advertisements or drop down advertisements will not be allowed; and (e) The broadcasters should ensure that the audio level of advertisements should not be higher than the audio level of the programs.

PSA view – There is little justification for pay channels to show advertisements since they are already paid subscription fees for the pay channels. The above would certainly come as a blow to broadcasters particularly, the sports live telecasts wherein they sell screen overlays as part of ad inventory. In order to earn revenues, the broadcasters would not be able to promote their own shows/events through overlays anymore.

SC directions to TRAI on issuing SIM cards

SC on April 28, 2012 directed TRAI to set up an expert panel to recommend the procedure within three months for telecom firms for properly identifying customers before issuing new SIM cards to them so that they are not misused by anti-social elements. The Committee consist two experts from TRAI and two experts from Department of Telecommunications and Information Technology.

PSA view – SC has passed this direction to TRAI as there were no proper guidelines available in the Country for issuance of new SIM cards. This is highly welcomed as it will give a proper frame work and guidelines to the service providers to note all the details of the customer and in case a particular SIM card has been used by any anti-social elements, the proposed policy will be more effective to find them easily. SC's intention is to strengthen the procedure of collecting information of a customer buying a SIM card of any service provider so that it will be easier to locate the customer in case of any illegal usage of a SIM card by that customer.

By:

Neeraj Dubey

Ashutosh Chandola

S. Aravindan

