



# Pricing *Philosophy* : Broadcasters

2019-20



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# The Cess/ Base Price Model - details

- Flat cess (as a % of net TV advertising billing) to be charged to Broadcasters OR Base Price – whichever is higher
- **Formula (w.e.f 1<sup>st</sup> April 2019) : 0.8% of net TV advertising billing**  
**OR Rs. 15 Lacs per Channel per annum – whichever is higher**
- Payment of all services to be done quarterly in advance; In case of Full Year Advance Payment (within 15 days of the date of Invoice) broadcaster will be provided a discount of 8% on the annual fee





# The Cess/ Base Price Model

## **FEW EXAMPLES**



# The Cess/ Base Price Model – Scenario 1

Network A with 2 channels with a combined net advertising revenue of 50 CRs will have an annual subscription fee of 40 lacs (at 0.8 %)

Particulars	SOW
No Of Days	365
No. of Channels	2
Channel Price (pro-rated)-- A1	₹ 30,00,000
Previous Channel Count	0
Previous Channel Price (pro-rated) --A2	0
Total Channel Price A=A1+A2	₹ 30,00,000
Revenue -- B1	₹ 50,00,00,000
Old Revenue -- B2	0
Total Revenue B=B1+B2	₹ 50,00,00,000
0.8% of B	₹ 40,00,000
<b>Base License Fee -- C = Greater of A &amp; B</b>	<b>₹ 40,00,000</b>



# The Cess/ Base Price Model – Scenario 2

Network B with 2 channels with a combined net advertising revenue of 5 CRs will have an annual subscription fee of 30 lacs (2 channels X 15 lacs per channel pa = 30 lacs).

Note that at 0.8 % of net advertising revenue the amount would have been 4 lacs only but the minimum fee per channel is 15 lacs pa.

Particulars	SOW
No Of Days	365
No. of Channels	2
Channel Price (pro-rated)-- A1	₹ 30,00,000
Previous Channel Count	0
Previous Channel Price (pro-rated) --A2	0
Total Channel Price A=A1+A2	₹ 30,00,000
Revenue -- B1	₹ 5,00,00,000
Old Revenue -- B2	0
Total Revenue B=B1+B2	₹ 5,00,00,000
0.8% of B	₹ 4,00,000
<b>Base License Fee -- C = Greater of A &amp; B</b>	<b>₹ 30,00,000</b>



# The Cess/ Base Price Model – Scenario 3

Network C with 2 channels with a combined net advertising revenue of Rs. 12 Cr will have annual subscription fee of 30 lacs (at a minimum of Rs.15 lacs per annum)

On 1<sup>st</sup> October 2017 the network launches a new channel with a projected revenue of 2 Cr. For the same financial year, then the billing for the Network for the Financial Year will be a total of 37.5 lacs

(2 channels annual = 30 lacs + 1 channel for 6 months = 7.5 lacs; resulting in a total of ~ 37.48 lacs.).

In this case the 0.8% of total revenue (of 14 Cr) would have been 11.2 lacs, lower than the 15 lacs per channel pa policy

Particulars	SOW	Addendum
No Of Days	365	182
No. of Channels	2	1
Channel Price (pro-rated)-- A1	₹ 30,00,000	₹ 7,47,945
Previous Channel Count		2
Previous Channel Price (pro-rated) --A2		₹ 30,00,000
Total Channel Price A=A1+A2	₹ 30,00,000	₹ 37,47,945
Revenue -- B1	₹ 12,00,00,000	₹ 2,00,00,000
Old Revenue -- B2		₹ 12,00,00,000
Total Revenue B=B1+B2	₹ 12,00,00,000	₹ 14,00,00,000
0.8% of B	₹ 9,60,000	₹ 11,20,000
<b>Base License Fee -- C = Greater of A &amp; B</b>	<b>₹ 30,00,000</b>	<b>₹ 37,47,945</b>



# The Cess/ Base Price Model – Scenario 4

Network D has 2 channels with a combined net advertising revenue of 50 CRs and launched 2 channels on 1<sup>st</sup> October 2017 with no incremental revenue, then the initial billing of Rs.40 lacs (at 0.8% of the advertising revenue) will be revised to ~ Rs.44.96 lacs based on Rs. 15 lacs per channel pa calculation.

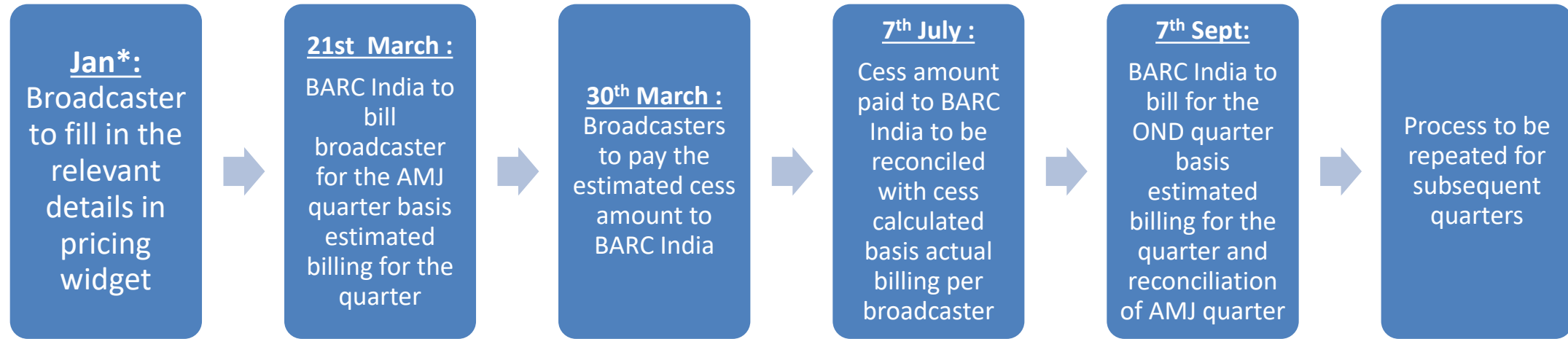
Particulars	SOW	Addendum
No Of Days	365	182
No. of Channels	2	2
Channel Price (pro-rated)-- A1	₹ 30,00,000	₹ 14,95,890
Previous Channel Count		2
Previous Channel Price (pro-rated) --A2		₹ 30,00,000
Total Channel Price A=A1+A2	₹ 30,00,000	₹ 44,95,890
Revenue -- B1	₹ 50,00,00,000	₹ 0
Old Revenue -- B2		₹ 50,00,00,000
Total Revenue B=B1+B2	₹ 50,00,00,000	₹ 50,00,00,000
0.8% of B	₹ 40,00,000	₹ 40,00,000
<b>Base License Fee -- C = Greater of A &amp; B</b>	<b>₹ 40,00,000</b>	<b>₹ 44,95,890</b>



# How will it work



- BARC India to invoice broadcasters before the quarter basis estimated cess. The brief process for one quarter (April-June) is defined below:



- The amount to be paid within 15 days from the invoice date.
- Reconciliation of actual billing vs estimated billing at the end of the quarter and adjustment, if any, to be done in the subsequent quarters.



# Subscription Process Flow – SOW renewal/submission



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# Pricing Widget Preview



BARC LOGIN

Username

Password

LOGIN

[Forgot Password?](#)

[new user? Create an account](#)

BARC SUBSCRIPTION

## PLEASE UPDATE YOUR PROFILE

Company Name	<input type="text" value="Asean Channel"/>	Email	<input type="text" value="milind.sattur@gmail.com"/>
Contact Name	<input type="text" value="MS"/>	Mobile	<input type="text" value="9876543210"/>
Country	<input type="text" value="India"/>	State	<input type="text" value="Gujarat"/>
Address line 1	<input type="text" value="abcpqr"/>	Address line 2	<input type="text"/>
City	<input type="text" value="xyz"/>	Pincode	<input type="text" value="400016"/>
PAN	<input type="text" value="zzzCR3580Q"/>	Please attach your PAN document here	<input type="button" value="Choose File"/> No file chosen
TAN	<input type="text" value="PTER02242C"/>	Please attach your TAN document here	<input type="button" value="Choose File"/> No file chosen
GST	<input type="text"/>	Please attach your GST document here	<input type="button" value="Choose File"/> No file chosen
Service Tax Number	<input type="text" value="PQRCR3580PST001"/>		

START DATE : (mm/dd/yyyy)

PLEASE SELECT THE WATERMARKED CHANNELS YOU RUN

[Test Broadcaster1](#)



# Periodic Review



- Cess % to be reviewed at the end of six months.
- With every change in the base cost due to change in sample size etc, the cess % will be revised accordingly.

# Prime Package



## AudView

- Timeband
  - Daypart analysis
  - Continuous , Discontinuous, Trend
- Program
  - Ranking & highlights, Trends, Average
  - Top : Ascending / descending
  - Break ratings
- Promos
  - Tracking
- Flexible Reporting

## AdView

- Viewership analysis across
  - Sectors
  - Categories
  - Brands
- Micro level reporting
  - Sub brand
  - Variant
- Campaign Tracking
  - Spot listing
  - GRPs
  - Reach & Frequency

## PlanView

- Campaign planning
- Planning Vs actual analysis



# Supreme Package



## AudView

- Switching Grid
  - In, Out, In & Out analysis
- Individual Analysis
  - SMH, Duplication etc
- Behavioral Target

## PlanView

- Campaign optimiser at:
  - GRP
  - Reach & Frequency
- Multi-target optimisation



# Other offerings

- Teleview
- SpotTrek (Commercial)
- SpotTrek (Commercial + Promo)
- Spot Monitoring without viewership
- Broadcast India
- Bio News
- Bio Music



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# Summary of offerings

## Prime Package

- AudView
  - Time band
  - Program
  - Promos
- AdView
  - Ad spots
- PlanView
  - Plan builder

## Supreme Package

- AudView
  - Switching Grid
  - Individual Analysis
  - Behavioural Targeting
- PlanView
  - Optimiser

## Other Offerings

- Televue
- SpotTrek (Commercial)
- SpotTrek (Commercial + Promo)
- Broadcast India
- Spot Monitoring without viewership
- Broadcast India
- Bio News
- Bio Music

- Only Prime Package and Supreme Package for Broadcasters is part of fees.



# User License Fees - Costing



Annual Revenue Band (Figs in INR Crs)	No of Individual users <u>bundled</u> in fees
0-100	10
100-200	15
200-500	25
500-1000	30
1000-2000	50
2000-3000	75
3000-5000	100
5000+	150

*Incremental User cost of Rs. 60,000 per user per annum over the above free users*



# Recap



- Pricing computation will be as follows :  
Broadcasters : 0.8% on Net advertisement billing OR Rs.15 Lacs per Channel per annum – whichever is higher
- Fees include both Prime Package and Supreme Package (AudView + PlanView).
- Fixed no. of user licenses bundled in fees. Incremental cost for extra licenses.
- “Other Offerings” are not part of the Prime Package and Supreme Package.

# Recap: EULA



- Please note that every new SOW and Addendum needs to be signed by all broadcasters
- A signed EULA will remain applicable for its 3 year tenure
- BARC will confirm to subscribers as and when they need to sign a new EULA

# Stamp Duty



- Article 5(h-A)(iv) enumerates Stamp duty on an agreement creating an obligation, right or interest and having value but not covered under any other article.

## Stamp Duty payable as per the above article is an under -

- If the amount agreed does not exceed Rs.10 lakhs – 0.1% of the total value of the contract/agreement
- In any other case – 0.2% of the total value of the contract/agreement

