



PRESS RELEASE

MRUC and MRSI Announce New Socio-Economic Classification System

- New system will replace previous one crafted in the mid -1980s
- New SEC system will be more accurate, in keeping with the changed economic outlook and fast-evolving consumer preferences in India
- IRS database used as the key foundation of the new SEC system

Mumbai, 3 May 2011: In a bid to keep pace with the fast-evolving economic outlook, consumer attitudes and preferences in the country, the Media Research Users' Council (MRUC) and the Market Research Society of India (MRSI) today unveiled a new Socio-Economic Classification (SEC) system, under which all Indian households will be classified. The decision to revisit the SEC grading system was initiated over five years ago by MRUC and MRSI, in order to give more relevance to the system—especially given that the earlier SEC system was put in place in the mid-1980s and was dated.

The New Socio-Economic Classification System was formally launched by **Mr. Lloyd Mathias, Chairman of MRUC (also President, Corporate Monitoring, Tata Teleservices Limited)**, and **Mr. J Rajaretnam, President of the MRSI**, in the presence of members of MRUC's board and MRSI's Managing Committee. Senior members of the marketing, advertising, research and media industry were also present.

“In 2006, extensive research and inputs from industry experts had thrown up a burning need to revisit the classification system, given that the market environment, as also consumer profiles, preferences and attitudes had undergone a sea-change over the last three decades.” **Mr. Mathias** said. “It was these findings that led us to set up a core team to work on putting together a new SEC system that would be a true reflection of the actual standing of Indian households. I thank this core team for doing a great job over the last five years, and putting together the new SEC norms,” he added.

A committee representing both MRUC and MRSI had identified some key requirements for the development of a new SEC System:

- The new SEC system needed to be more discriminating, with sharper identification of the upper-most segment of the society;
- The new system needed to continue to be easy to administer; and
- There needed to be a common classification for urban and rural India

While presenting the New SEC to the audience, **Mr. Ashutosh Sinha** explained that the new system classifies Indian households by using two parameters—*Educational Qualifications* of the chief wage owner in the household; and the *Number of Assets Owned* (out of a pre-specified list of 11 assets). Based on these two parameters, each household will be classified in one of 12 SEC groups—A1, A2, A3, B1, B2, C1, C2, D1, D2, E1, E2 and E3. These 12 groups are applicable to both urban and rural India.

Mr. Thomas Puliyeel, President of IMRB International, said: “The new Socio-Economic Classification system is the culmination of many years of hard work by some of the best brains in the industry. With the growth of the economy and of small towns and rural, it has become imperative to look at a single system for both urban and rural India.”

The top-most new SEC class A1 comprises of 0.5% of all Indian households. Nearly 2% of urban households and less than 0.1% of rural households belong to the new SEC A1. More than half of all SEC A1 households reside in the top six Indian cities—Delhi, Mumbai, Kolkata, Chennai, Bengaluru and Hyderabad.

At the other end of the spectrum, the bottom-most new SEC class E3 comprises of 10% of all Indian households. Only 2% of urban households and 13% of rural households belong to new SEC E3. Nearly 93% of all SEC E3 households are in rural India.

Added **Mr. Praveen Tripathi**, who has been involved with the development of the new system “Given that the new SEC system classifies households on parameters different from the old system, it will not be proper to compare the old SEC classes with their equivalent ones from the new SEC—even if the two carry the same alphanumeric tags - as in class A1 of the new SEC system should not be confused with class A1 of the old system. Indeed, New SEC A1 is more homogenous, owns more assets, and is more affluent than old SEC A1”.

The formulation of the new SEC system has largely been done using the Indian Readership Survey (IRS) database. The developmental work has also used IMRB’s ‘Household Panel’ data.

IRS is the largest survey of Indian households with a sample size of over 260,000—of this, roughly 175,000 are from urban India while around 85,000 hail from rural India. It was the sampling rigor and spread that led to the IRS being identified as the most appropriate database for the development of the new SEC Classification system.

Amongst those who played a key role in the development of the new SEC are **Mr. Satish Belani, Mr. Ashok Das, Mr. Vikrant Dogra, Mr. Ganesh Kanhere, Mr. Himanshu Kumar, Mr. Paul Mathew, Ms. Roda Mehta, Mr. Sanjeev Mishra, Mr. Suresh Nimbalkar, Dr. Avinash Paranjape, Mr. BV Pradeep, Mr. Thomas Puliyel, Mr. Andrey Purushottam, Mr. Prashant Raikuni, Ms. Swati Satam, Mr. NP Satyamurthy, Mr. Sharan Sharma, Mr. Ajit Singh, Mr. Ashutosh Sinha, Ms. Sabina Solomon and Mr. Praveen Tripathi.**

On behalf of MRSI, the effort was initially led by **Mr. BV Pradeep**, who subsequently handed over the mantle to **Mr. Thomas Puliyel**. On behalf of MRUC, the effort was led by **Ms. Roda Mehta** and later by **Mr. Praveen Tripathi**.

About MRSI:

Market Research Society of India is a body of market research users and practitioners. MRSI was responsible for creating the first Socio-Economic Classification system of India – the SEC system which was based on Education and Occupation of Chief Wage Earner of a household.

About MRUC

Media Research Users Council (MRUC) is India's premier industry body created with the purpose of providing its members with credible and consistent research enabling critical marketing and business decisions. Formed in 1995, the Council has over 220 members, drawn from marketing, broadcasting, publishing and advertising industries. MRUC conducts the **Indian Readership Survey (IRS)** - the world's largest continuous survey of media usage, product consumption and ownership. The IRS is conducted across all urban and rural markets and samples over 260,000 consumers.

For detailed presentations on the new SEC system, please visit www.mruc.net and www.mrsi.in

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