

India's Broadcasting Promise – Find Masses, Margins Will Follow

Economist Joan Robinson once said, *“The frustrating thing about India is that whatever you can rightly say about India, the opposite is also true.”* This also applies to India's complex media markets, which require experienced partners who understand India's complicated landscape.

Broadcasting in India can be a study in contradiction. India is where large multinational broadcasters plan multi-channel, multi-genre, and multi-lingual strategies to monetize their standard- and high-definition investments. On the other end of the spectrum, India is also where small two-channel bouquets of niche content scale so quickly within a few years that they start planning global 4K/UHD feeds. And even with strong growth projections, India is where direct-to-home behemoths with multi-billion subscription revenue streams talk consolidation despite having the backing of the country's largest industrial houses. India is also where a free-to-air platform with carriage fee as its only source of revenue becomes the leading contributor to the public broadcaster's income. What is a broadcaster to do in this environment and how can they reach the masses?

The Role of Broadcast Infrastructure

Be it terrestrial, cable, satellite or (now) cellular networks that carry video content, the common theme for broadcast infrastructure in India has always been the same – the pipe is either too small or too thinly spread for the masses to prefer any one medium exclusively. Thus, of the nearly 900 channels licensed by the ministry of information and broadcasting, only 500-odd channels are carried

by the largest DTH platforms. Per Federation of Indian Chambers of Commerce and Industry (FICCI) and KPMG, cable and satellite reach only about 85 percent of the 170+ million TV households of the country, leaving room for both technologies to expand into the rural hinterlands. Meanwhile, Reliance Jio, less than 3 months into service, already claims over 16 million subscribers and sports 360+ TV channels on its OTT platform signalling tremendous latent demand. Clearly, if India was watching its daily soaps on a pay-TV connection at home, it also wants to catch the news on its App over a 4G connection.

The Promise of Margins

Despite volumes, Indian broadcasting infrastructure continues to operate at amongst the lowest per capita revenue figures in the world. Viewers demand HD sports, entertainment, and news even as competition prevents subscription from rising enough to match advertising as a revenue stream. Thus, DTH ARPUs struggle to cross USD 5 per subscriber even after 10+ years of operations with cable ARPUs being half that figure. HD subscriber base remains less than a fifth of the total with many trying once, but not buying regularly thereafter. Broadcasters compete to pay top dollar for rights to premium content, but with regulated pricing find recovery a challenge. Advertising priorities, currently targeting rural audiences, tend to drive the shape of content with the hope that the growing economy, incomes, and consumption will result in everyone going home happy. The promise India holds lies in its young population with sky-high aspirations. Hopefully, by the time the market matures, the margins will have grown steadily and given enough



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returns to those that have survived the growing pains.

Choosing the Right Broadcast Partner

With a complicated landscape that requires patience to build and maintain the customer base needed to profit from small margins, Indian broadcasters would be well served by those who have committed long-term investments to the country; built successful partnerships with leading local players; and innovate to provide new services.

With 20 years' experience serving DTH players, teleport operators and channel operators, and now partnered with Planetcast (formerly Essel Shyam), MEASAT is an ideal partner for India's satellite broadcasting needs. From its multi-satellite hot slot at 91.5 East, the operator continues to add new services for its Ku-band DTH platforms and build its C-band video neighbourhood. Its footprint advantage across more than 100 countries can help target Indian diaspora, and is already serving approximately 150 HD, 700 SD, and multiple 4K/UHD channels to international audiences. As SD channels turn HD; as DTH platforms go from 500 to 1000 channels; and as rural TV audiences start streaming Netflix over satellite broadband, MEASAT with its fleet of satellites is ready to play a key role. ■