



THINK GLOBALLY, ACT LOCALLY

If you are looking to enter the Indian market, **Amitabh Srivastava** could be your man. Well connected and with inside knowledge of different sectors of the Indian radio and TV industry, he has handled distribution and marketing for top media brands. As director of solutions company **I-Media International** he is now helping foreign media set up base in India and South Asia. What does a newcomer need to know?

[REDACTED] have worked with Radio Netherlands Worldwide over the last five years to establish their brand in the Indian market and build radio partnerships. As FM stations in India are not allowed to carry news and current affairs I had no option but to approach All India Radio, the largest radio broadcasting company in the world. I was keen to work with them on a continuing basis and I highlighted to them the benefits they would derive from entering into partnership with RNW, a well-known international brand. They would get quality content and partnership on many levels, e.g. logistical support for their correspondents or - more long term - input on disaster management. This is what my pitch was – rather than discuss one programme or one-off co-production with them I looked at the macro level, and this clicked with them.

Usually when foreign

broadcasters look at India, they see the large numbers. But to forge successful partnerships they need to look at how the other party is going to benefit apart from the programming. In India, if you talk association you need to talk about what is helpful to your potential partner.

Radio has more reach than TV but the radio industry is fragmented and highly regulated with over 240 private radio stations throughout India. Indian Readership Survey (IRS) has been reporting stagnant listenership for radio across cities. Industry players, however, feel differently on the subject. India is the fastest growing wireless market and 40% of mobile phones have in-built FM radio and car sales have been growing. In terms of revenue, FM radio is dependent on advertising from retailers in a 100km radius.[#]

Content plays a big role. 'Indianising' the content is important, making sure that ►

sensitivities are well taken care of and adapting international formats to Indian tastes. And you need a strategic approach to be a trend setter so that others will follow.

What's in store for radio?

The embargo on private FM carrying news and current affairs is expected to be lifted shortly. When that happens the floodgates to a lot of other innovations will open. Talk radio will become a reality and good radio programming is going to get developed. And that is when I see a lot of growth to come.

This year the radio industry will see major regulatory changes as a result of Phase III licensing. One of the major changes will be the introduction of multiple licences and with that you can experiment with genre-specific programming – one channel dedicated to music, one to talk radio, a third to specific themes such as women's or kids. Of course it will have to be commercially viable as well. If a station serves a 100km radius and there are 20 other players, they all depend on local retail marketing for their advertising income. And it will be increasingly hard to get a share of the pie as new FM radio licences will be granted to commercial stations, bringing the number to almost 850 FM channels in just under 300 cities.

All these changes will also require specific professional training which is not needed with the present music-based programming. Once stations start dedicated target-based programming I expect a lot of professionals to come to the programming side.

Is to act locally the key to success?

Regional programming is key. Radio is local, broadcasting to a 100km radius. In South India in order to have success you have to broadcast in Tamil rather than run programming in Hindi. The local language reflects the local taste and sensitivities and also from an advertising point of view attracts the right target group. The second



important point is to use all distribution channels - radio, web or social media. Each radio station that I am in touch with in India right now has its dedicated page on Twitter and on Facebook. Radio companies are using the social media platform to get more interactive, particularly among the younger audience segment of 18-25. That is also a good example of localisation.

TV represents approx. 45% of the total Indian media industry. TV penetration is around 60% of total households. C&S penetration of TV households is close to 80%. There has been a significant increase in demand for satellite bandwidth, with the introduction of HD channels, DTH expansion, and new channel launches. As average TV viewing time is still comparatively low, there is potential for growth both in terms of penetration and viewing time.[#]

What is happening with radio in the mobile space?

In India, most people listen to radio on the move. Mobile is the new radio in every pocket – at present there are 650m handset users and 150m new users are added every year. Not all of those of course have smartphones, but even if you take a fraction of that it is a big number.

Look at how the other party is going to benefit apart from the programming

And even companies like RIM see the need for radio and have come up with a BlackBerry with built-in FM radio.

The international broadcasters serving Indian audiences are also relying more on the mobile. With RNW we launched a multimedia website called 'Love matters' which deals with sexual education. We found that people who are interested in seeking information on these matters liked using their mobile to access the site as the mobile is such a personal instrument. We have worked on this with a couple of telecoms and the huge response from users has prompted us to exploit the service from a revenue point as well.

How difficult has it been talking to operators?

I had to do a lot of spadework before I started approaching. Mobile companies don't work with the content owner directly, they work with the integrator, and each company has a couple of integrators. Each company has 200-400m subscribers and they all have their own ideology.

How is the TV sector changing?

Right now India has 625 TV channels approved by the Ministry of Information and Broadcasting,



► Far left
Televised cricket always draws a crowd in India
Left Bollywood actress Katrina Kaif launching a new BlackBerry with FM radio

with approval pending for a further 300 channels. I believe India is the third largest TV market after USA and China and yet TV penetration is only close to 60% of total households, so there is plenty of scope for exponential growth.

While mobile TV is yet to pick up in India on a large scale, broadcasters and telecom service providers have already launched TV-on-the-go services in larger mobile markets. MTNL has launched mobile TV services for its 2G and 3G subscribers in Mumbai and Delhi; Zee New Media launched India's first OTT TV distribution platform, Ditto TV, with TV content and VOD to mobile phones, laptops and tablets; and The Times Group's BoxTV.com will enable viewers to watch movies and TV shows online.[#]

The larger cable operators here are distributing about 500+ channels though they can take up to 800 channels. There are a number of international companies launching but most of these channels are regional and local players. What is happening right now is that news is going very regional. In fact on the national network you also see regional slots which are aiming to launch their own regional channel. So it is not

broadcasting but more narrowcasting which broadcasters are doing right now.

India is unusual in that it has a greater number of DTH players compared to Western markets. DTH subscriber numbers are crossing the 40m mark and showing significant growth but at no point I would say it is cutting into the cable homes – cable and DTH are complementing each other.

How much do people engage with content on the second screen?

People are buying handsets and tablets but the cost of subscribing to the value added services (VAS) is a huge barrier. Costs are coming down, but we are still in the nascent stage. Of 650m handset users only 10m+ are using the mobile for other services.

Are the rural poor taking part in the technological evolution?

Not yet. Interestingly though, TV is not showing metro specific programming but highlighting issues which are related to the rural India even though C & S penetration in rural India is quite low. The storylines of soaps on TV all revolve around this. For the rural India to use the second screen though, that will take some more time. Importantly, the Indian

Mobile is the new radio in every pocket

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Source FICCI-KPMG Report 2012 India



Government is pushing the second screen concept by subsidising the cost of tablets for the younger generation of students so in the next few years this will spread to the rural India as well.

What's the outlook?

I personally feel that the dust of digitalisation will soon settle. When 95m cable homes need to go digital it cannot happen overnight. The channels are pushing for digitalisation because it will get transparency into the system – the problem of under-declaration will go away and you will know how many boxes are receiving how many channels. The projections for DTH are very good – there are 625 channels, cable operators on average show 300-400 channels, and DTH companies are already showing 140-150 channels. The average Indian consumer probably doesn't watch more than ten channels but is now gaining access to different kinds of programming including National Geographic and Discovery.

For foreign entrants, the main mantra to be present in India is to 'think globally and act locally'. If you follow that, you are bound to get success.

Amitabh Srivastava, thank you.

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