Future of Television in India

Key trends
The Indian television industry is undergoing a seismic shift. The pace of technological change is accelerating so quickly that finding the right balance between addressing today’s daily operational challenges and planning for the next big thing can be a struggle. Many executives are so focussed on the critical issues that they need to address today that looking forward is nearly impossible. And yet, looking forward is what executives need to do if they want to innovate, prosper and survive.
Unbundling of content will drive new revenue models

Technology will enable omniplatform consumption

“On-tap” content will lead to time-shifted bingeing

Increased materialism will move TV consumption from the living room to the bedroom

Increased broadband will result in increased piracy

Increased content cost will shift power to the content producer

Digitization will increase importance of niche channels

Transparency will lead to per-viewer carriage models

Unicasting will lead to result-based ad models

Social dynamics will lead to more real-time feedback
Here are ten emerging trends that we see as having the biggest impact on the future of television in India

<table>
<thead>
<tr>
<th>Trend</th>
<th>Implications</th>
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| **1. Unbundling of content will drive new revenue models** | 1. Need for sachet pricing models - Pricing by episode, series, day, etc will be required  
2. Loss of traditional subscription revenues  
3. Threat that high individual pricing could be hampered by piracy |
| **2. Technology will enable omniplatform consumption** | 1. Content will need to move seamlessly across devices and locales; story-telling will need to evolve  
2. Measurement of viewership will be individualized, and be based on large volumes of actual data  
3. Increased adoption of digital supply chain to reduce cost and time |
| **3. “On-tap” content will lead to time-shifted bingeing** | 1. Digital asset management would need to be strengthened to enable subscription revenues  
2. New pricing and packaging models would emerge  
3. Growth of Multi Channel Networks |
| **4. Increased materialism will move TV consumption from the living room to the bedroom** | 1. Lower share for GECs and increased importance of niche channels  
2. Ability for advertisers to target audiences one-on-one |
| **5. Increased broadband will result in increased piracy** | 1. Need for industry-level initiatives to curb piracy  
2. Flexible & fair content pricing models |

As seen in both music and books, with the advent of good-quality broadband and increasing per-capita income, TV content will get unbundled. There will be a shift from channel loyalty and TV loyalty to program loyalty and device disloyalty.

Consumption will move from one location to many, as viewers’ desire to be entertained across locations will become possible with the aid of technology like wifi. They will consume content across various formats and devices.

As there is no need for immediacy of viewing (except in sports and breaking news), viewers will access most content at their ease, and indulge in bingeing (consuming many episodes at once).

Increased materialism and lower TV, broadband and PC costs will enable families to split their viewing patterns from the “common” or living room, to the “individual” or bedroom.

Broadband growth = Piracy growth. Specially when broadband rates reduce and come on par with cable rates.
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| Increased content cost will shift power to the content producer | 1. New models of content licensing  
2. Need for robust content use monitoring systems  
3. Premium artists start to share the risk |
| Digitization will increase importance of niche channels | 1. Increased revenues for niche channels  
2. Fragmentation of the “GEC” into “sub-GECs” with focused target audiences  
3. Possibility of massive viewership measurement at the household level  
4. Marketing will need to support Phase III viewership |
| Transparency will lead to per-viewer carriage models | 1. Per-viewer carriage models will come into being; split across 50 large and medium distributors |
| Unicasting will lead to result-based ad models | 1. Advertisers will begin to pay per ad served and viewed, and increased measurement will be the norm  
2. Value of a served customer vs. a mass customer will be determined  
3. Use of return path (where possible) to drive interactivity |
| Social dynamics will lead to more real-time feedback | 1. Need to implement social media crawlers and big data analytics  
2. Content supply chain needs to be flexible |
The future of TV will have implications for every component of a media company

We believe tomorrow’s “TV broadcaster” will transform into “omniplatform content company”. We expect the business to look like:

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<th>Strategy and monetization</th>
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<tr>
<td><strong>Front office</strong></td>
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<tr>
<td>&gt; Customer experience management</td>
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<tr>
<td>&gt; Customer and channel segmentation</td>
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<tr>
<td>&gt; Digital IP: products and services</td>
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<tr>
<td>&gt; Pricing and bundling</td>
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<tr>
<td>&gt; Sales, service and marketing transformation</td>
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<td>&gt; Social media strategy</td>
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<th>Business intelligence and advanced analytics</th>
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<tr>
<td>Organizational design, change management and governance</td>
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<tr>
<td>Technology selection and program management</td>
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<td>Privacy, security and risk management</td>
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What’s next?

A new reality
M&E companies need to do more than react to today’s trends – they need to be able to see emerging trends that will dictate the future of television and how it will impact established business models.

The B2C front-end
At a foundation level, the trends we have described will require M&E companies and content providers to develop much richer relationships with viewers. To cultivate these relationships, affected M&E players will need to invest in the technologies that will enable them to analyse audience data, deliver deeper engagement with advertising and prove incremental value to brands.

The digital backend
Most importantly, they will need to offer deeper engagement with the content experience itself in such a way that viewers will choose to directly pay for content streaming services or ownership. They will also need to plan and execute strategies that adapt their supply chains, customer experiences, and analytics platforms to address these trends.

The mantra for success
Ultimately, we see the future of television as a carefully crafted omniscreen experience that combines great content with equally compelling social and gamification techniques tailored to individual viewer’s stated and implicit preferences. This, we believe, is the key to winning the future of television in a world where consumers are in control.

M&E companies preparing today for the television experience of the future should ask the following questions:

- Which trends dictating the future of television will have the greatest impact on my company?
- Do I have the systems, processes, and organisational structure to meet these trends head on? Have I thought through the supply chain, customer experience, and data needs?
- How will they disrupt the well-established business models?
- What will I need to adapt my strategies to prepare for a media consumption future that doesn’t look anything like the models of the past?
- How do I reimagine a viewing experience where the television complements the tablet experience, and not vice-versa?
- What tools or technologies do I need to measure engagement in an omniplatform, multiscreen environment?
- What will it take to drive relationships with content franchises and deliver value to advertisers that are DVR-proof?
- How do I measure bingeing? How do I monetise it? How do I use it to boost the value I can deliver to advertisers?
- What is my risk tolerance when it comes to creative innovation?
How EY’s Media & Entertainment Practice can help your business

EY India has a dedicated M&E practice of more than 250 professionals across 15 key segments of the media industry. We provide services to 7 of the top 10 M&E companies in each segment of the media industry - across people, processes, IT, assurance, tax and M&A.

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