



India TV Summit: Perspectives on Assessing the Promise of Digital TV



India: World's Third Largest TV Market

The rapid growth of the domestic TV industry in India can be characterized by a combination of entrepreneurship, creativity and a rapidly expanding economy. The India Television Summit 2005, co-hosted by Indian Television Dot Com and Media Partners Asia Ltd. along with the government's Ministry of Information and Broadcasting, was held in Mumbai at the end of September. This summit was the first such meeting ever held in India. It was attended by more than 300 domestic and international delegates. Panels of leading industry executives, including Sue Taylor, VP and General Manager NDS Asia Pacific, and guest speakers explored the strategic themes in both a domestic and global context.

The summit was significant because India is the third largest TV market in the world. According research estimates from Media Partners Asia, India has 109 million television homes and 61 million cable TV homes. It is also the fastest growing cable TV market in Asia with industry turnover growing at an average annual rate of 18 percent. This approached \$3 billion in 2004.

Unlike many of its regional counterparts, the availability of and investment in pay-TV programming is substantial. However, the development of delivery infrastructure, particularly in terms of digital-led addressability, has been slow, relative to the region and the rest of the world. This could dramatically change in the future as approximately \$800 million is being invested in the distribution of digital pay TV channels and interactive services over DTH satellite.

Against this background, implementation of cable and telephone infrastructure is being led by major groups such as Reliance, Tatas, News Corp., Zee Telefilms, ASC Enterprises, Sun Media, Prasar Baharati, Atlas, the Rahejas and Hinduja TMT.

PVR: Global trend

"With competition to be based on price and consumer subsidies, the costs of customer acquisition will be high," Sue Taylor, Vice President and General

Manager, NDS Asia Pacific told the summit. As a result, "interactivity helps in that it provides for greater subscriber retention, lowers churn and is an indirect boost to ARPU," she said. "The PVR is also a nice differentiator. It is a global trend and will eventually come to India. Growing competition in pay-TV distribution in India is good development," she continued. "In Korea we've seen how competition from digital DTH unified the cable industry into upgrading infrastructure and taking a leap forward to digital broadcasting," she said. "Telcos in Korea are now joining the game. India could take the same route."

Government regulation

Summit speakers included executives from the TV industry: Prakash Bajpai, President of Reliance, Infocomm; K. Jayaraman, CEO of Hathway Cable and Datakom; Vikram Kaushik, CEO of Tata Sky; Sunil Khanna, CEO of Dish TV; and Ashok Manuskani, executive director of IndusInd Media and Communications.

Government regulation was a major point of discussion.

The opening address was given by S.K. Arora, Secretary, Indian Ministry of Information and Broadcasting, who said that DTH will provide the answer to many of the issues affecting the industry today. He suggested that the Indian government does not want to over-regulate DTH, preferring to leave it to market forces.

Presenting the view of operators, Vikram Kaushik, representing the Tata Sky network, said that the introduction of DTH will be an attempt at a structured change in the Indian media environment and will benefit the industry overall -- both business and consumer. He suggested that rather than finding a niche, operators need to provide better entertainment at better costs to a mass audience.

The keynote speaker was Kathleen Q. Abernathy, commissioner of the US Federal Communications Commission (FCC). Her address, "A Regulatory Framework for Convergence and Competition," will appear in a future edition of **World Vision**.