

Turner-Miditech's Planned Launch of 'Real' Channel in India: Will it Succeed?

"The category has been growing at a steady pace...and it is sizeable for multiple players to be in it. But it's also a high-risk, high-gain category... You need deep pockets to survive."¹

– Keertan Adhyanthaya, Executive Vice President, STAR Plus

"Real's focus with the 'Neo-Indians' enables it to offer fresh choice to Indian viewers, with programming which is a dynamic blend of reality and fiction. It's clean, vibrant packaging, and uncluttered presentation is a reflection of its international quality. Real's circular green logo depicts friendliness and approachability. It's the beginning of a new year and it will begin with India's biggest reality show ever, only on Real."²

– Sunil Lulla, Director, Real Global Broadcasting

"Our reason for expanding it now is the future. It is not about now and the difficult times the media and the economy and the world is facing. But, it's more about a very bright future that we see in India."³

– Steve Marcopoto, President of Turner Broadcasting System Asia Pacific

On January 21st 2009, Real Global Broadcasting (RGB), a 50:50 joint venture between Alva Brothers' Miditech and Turner International announced the launch of a new Hindi General Entertainment Channel (GEC) – Real. To be launched in March 2009, Real is positioned as a smart, fresh and distinctive entertainment channel targeting the 'neo Indians'. While its distinct positioning coupled with Miditech's media clout and Turner International's global presence would help Real make a successful entry, analysts and industry experts remain skeptical about the timing of the launch, given the economic recession and stagnant GEC viewership growth. Moreover, they also question the probability of its success as a subscription-based channel by staying away from saas-bahu serials and mythological shows that actually drive television rating points. Will it succeed in winning the Indian viewers who already got hooked to established channels?

Indian Media and Entertainment: An Overview

Entertainment and Media (E&M) industry evolved to become one of the fastest growing sectors of the Indian economy. A plethora of factors like sustainable increase in disposable income of the Indian population and the resultant rise in consumer spending, new delivery platforms, technological breakthroughs, favourable regulatory environment, low media penetration in lower socio-economic classes and lower ad spends provided immense opportunities not only for the industry to grow but also to generate new revenue flows.

¹ Gupta Das Surajeet and Bansal Shuchi, "Getting Real", <http://www.business-standard.com/india/news/getting-real/00/24/347763/>, February 3rd 2009

² "Turner & Miditech's new GEC Real to launch in March", <http://businessofcinema.com/news.php?newsid=11632>, January 21st 2009

³ "Unfazed by slowdown, new TV channel Real launches in March", http://www.moneycontrol.com/mccode/news/article/news_article.php?autono=381803, January 24th 2009

This case study was written by Sai Prasanna Ragu, under the direction of R Muthukumar, IBSCDC. It is intended to be used as the basis for class discussion rather than to illustrate either effective or ineffective handling of a management situation. The case was compiled from published sources.

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The period 2000–2006, witnessed several developments in E&M that redefined the industry dynamics. For instance, traditional media companies diversified into other industry segments – TV news channels set up GECs, TV broadcasters entered radio and film segments, film companies got into radio and print media companies stepped into radio and TV.

Such diversifications and growth through mergers and acquisitions continued even in 2007. Pyramid Saimira, a leading film company forayed into animation and gaming by acquiring Auroa Technologies, while NDTV group⁴ extended its television presence by launching three additional channels in the entertainment category. It includes NDTV Good Times (India's first lifestyle channel in brand tie-up with Kingfisher brand of the UB group), Hindi GEC NDTV Imagine and a city-central channel, NDTV Metronation.

Likewise, STAR group⁵ forayed into film entertainment, while UTV⁶ completed financial closure for majority stake in Indiagames⁷. UTV also launched three new channels – a youth-oriented one under the Bindass brand, UTV Movies in the Hindi movie category and UTV World as an English movie channel. It also forayed into regional (Telugu) film entertainment by acquiring film distribution rights. Walt Disney's increased stake in UTV to 32.1% added to UTV's media clout in India. Thus, favourable FDI regulations encouraged foreign participation that led to the emergence of media conglomerates in the industry – like Network18's⁸ expanded presence through joint ventures with Viacom International⁹ and Jagran Prakashan.

Thus, the industry quickly transformed from a consolidated industry with few dominant segments into a highly fragmented one to include everything from television, film entertainment and print media to radio, animation, gaming, online advertising, music, sports, Out-Of-Home (OOH) media and live entertainment.

Growth of the Indian E&M industry was highly visible from the success of TV and film entertainment. Growth in the TV sector that projects industry and economic growth as well was fuelled by technological advancements, convergence of media, increase in the number of channels and categories, increased fragmentation of audience, growing presence of regional programming, growing demand for content and low barriers to content creation.

Film entertainment, on the other hand, has leapt forward in every aspect right from the film technology to movie themes, exhibition and distribution, finance and marketing, etc. This growth was triggered by factors like corporatisation, international co-productions, increase in the film marketing spend, rise in the number of multiplexes and growing presence of digital cinema. Above all, new revenue streams beyond the traditional box office – selling home video rights to companies like Moser Baer, T-Series and Shemaroo, television rights to television broadcasters and distributors, online rights for full movie downloads to Internet service providers and obtaining remaking rights – brought significant changes in film entertainment. Further, selling movie merchandise like accessories, apparel, stationery, toys, etc., also brought additional revenues to the film producers. Thus, on an overall basis, Indian film entertainment accounted for a cumulative growth of 17% during 2004–2007.

Many other segments followed suit. Print media made its mark away from the traditional newspapers and magazines. Initiatives like launching new magazine titles, new newspaper editions, alliances and digitisation initiatives led to its impressive growth. Likewise, launch of many private FM radio channels gave a revolutionary turn for the radio segment.

Apart from these conventional media, new and emerging segments have successfully contributed to industry growth. Online advertising quickly gained momentum with growing literacy levels, increased use of PCs and rise in Internet penetration levels in the country. Beginning with Internet as a tool to source information, online services progressed towards offering utility services like bill payments, ticketing and banking. Gradually, introduction of online games and video downloads made online services a significant mode of entertainment. Collaboration of film producers with gaming companies and other international companies to produce animated movies and games gave a boost to animation and gaming segments too. Other areas like OOH advertising, live entertainment and sports also had their share of contribution to the Indian E&M industry.

⁴ New Delhi Television Limited is a private television production house founded in 1988 by a journalist, Prannoy Roy and operates a variety of channels including general and business news, Hindi GEC, Lifestyle channel, etc.

⁵ Launched in 1991 as a pioneer of satellite television in Asia, STAR group broadcasts a wide array of channels across different genres.

⁶ India's first integrated global media and entertainment company that creates, aggregates and disseminates content of different genres across varied distribution platforms.

⁷ Indiagames is India's mobile and online games company and a leading global mobile game publisher. It is engaged in publishing and developing games across all major technology platforms including online and mobile and are distributed through partnerships with mobile operators in over 75 countries.

⁸ One of India's leading media conglomerates with interests in television, Internet, filmed entertainment, mobile content and allied businesses.

⁹ The world's leading entertainment content company, consisting of BET Networks, MTV Networks and Paramount Pictures. It engages audience across different platforms from television to motion pictures and digital platforms with approximately 145 channels and 300 online properties in 160 countries and territories.

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However, music was one segment that has been on a declining trend owing to factors like changing customer preferences and their inclination towards radio music than the regular music on CDs and DVDs. However, revenue from digital music is considered a relief from the overall declining trend. Thus, growth in the Indian E&M industry was remarkable with TV contributing a significant portion to the overall industry revenues.

Growing Presence of the GECs in the Indian TV Segment

TV emerged to the forefront of Indian E&M industry with the introduction of colour TV by the state-owned television broadcaster, Doordarshan (DD) during 1982 and liberalisation of Indian broadcasting market during 1990s.

A series of economic and social reforms launched during 1991 allowed private and foreign participation in satellite TV broadcasting. Thus, as the government opened market to cable television, foreign payers like CNN¹⁰ and STAR Group and local players like Zee Telefilms and Sun Network¹¹ aired many satellite channels. By 1994, DD's Doordarshan Audience Research Team (DART) lost its monopoly in audience measurement metrics to private organisations like Television Audience Measurement Media Research (TAM) and Audience Measurement and Analytics Ltd. (aMap). Away from DD's dull and non-commercial programming content that focused on education and socio-economic development rather than entertainment, introduction of programmes like *Hum Log*, *Ramayan* and *Mahabharat* glued millions of viewers to their television sets. Thus, the segment grew from just 2 channels in 1991 to 50 channels in 1996.

This led to increase in the number of cable networks to nearly 60,000 with subscriber base ranging from 50 to 1,000. However, constrained by heavy investments, Indian cable operators could relay only 6 to 14 channels. This put them in a disadvantage over foreign players who set up Multiple System Operators (MSOs – operators of multiple cable television systems) and either bought up local operators or franchised cable TV. But low ad revenues coupled with aggressive retaliation from local cable operators who consolidated their operations to form local MSOs discouraged foreign entities to expand further. As a result, the foreign entities either aborted or restricted their operations and expansion plans and converted their services into subscription-based by charging carriage fee.

Gradually, by the dawn of the new millennium, programming content on Indian television included everything from fiction and mythology to reality shows, music and movies and gave birth to a new and most popular genre, general entertainment. For instance, STAR Plus climbed to No. 1 position in the Hindi GEC category in 2000 just with one single show, *Kaun Banega Crorepati*, hosted by the legendary actor, Amitabh Bachchan.

Concurrently, implementation of Conditional Access System (CAS)¹² initially in four Indian metro cities provided solution to many problems facing the Indian television market – like poor reception of certain channels, arbitrary pricing and increase in prices, channel bundling, poor service delivery by local cable operators, etc. However, the system being unprofitable for broadcasters, channels like STAR Group, Zee, and ETV expanded across the nation by setting up regional channels in Telugu, Marathi, Punjabi, Gujarati, Bengali, etc. Further, business tycoons like LN Mittal, Kishore Lulla and Gokul Binani set up two Bollywood entertainment channels, B4U Music and B4U Movies, while one of the leading print media house, *India Today*, launched a Hindi news channel, *Aaj Tak*.

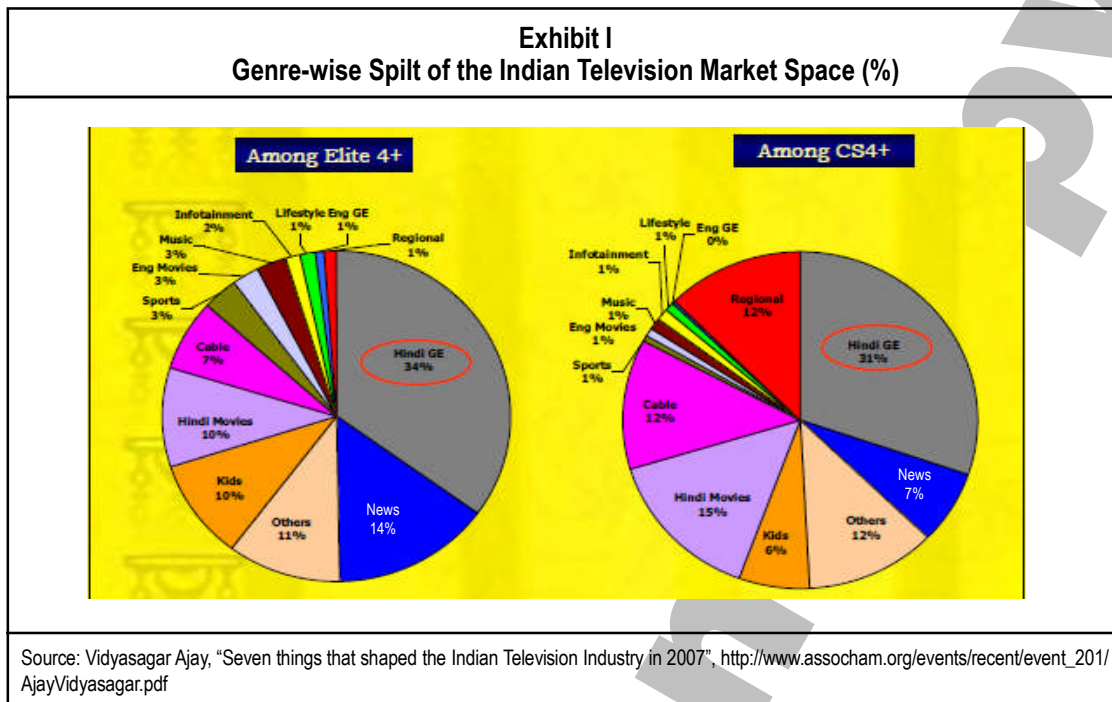
By the end of 2007, Hindi GECs accounted for majority share at 34% among the elite 4+ market (covers elite viewers above four years of age) and 31% among the CS4+ market (covers cable and satellite market with viewers above 4 years of age) (Exhibit I).

With only few established players like Zee TV and Sony, Hindi GEC market had grown to include many new and emerging players with each one vying for more viewers, more ad revenues and more market share.

¹⁰ Cable News Network, owned by the US-based Time Warner group, offers 24-hour television news coverage.

¹¹ Established in 1993, this Indian cable television network based in Chennai, broadcasts a number of channels in all the four regional languages of South India – Tamil, Telugu, Kannada and Malayalam.

¹² A digital mode of transmitting TV channels through a set-up box, with which consumers get the option to choose the channels they want to pay for and view, rather than receiving the whole set of channels that the cable operator makes available to them. Cable operators in turn pay the subscription fee to the broadcasters only for the actual number of viewers who opt for the channel, rather than for all those who have cable access.



Zee Entertainment Enterprises (earlier Zee Telefilms), was initially set up in October 1992 as a content supplier to the first Hindi satellite channel, Zee TV. Promoted by Subhash Chandra, one of the leading Indian entrepreneurs, Zee encompassed every component of the E&M value chain and took the lead in many aspects like content aggregation and distribution across different platforms like satellite, cable and Internet. It also strengthened its presence by broadcasting channels across different genres like general entertainment, news, movies, sports and music in English, Hindi and other regional languages.

STAR Group's termination of its business ties with Zee TV and subsequent acquisition of STAR Plus by News Corporation led to the relaunch of STAR Plus as a 24-hour Hindi GEC. Until then, STAR remained as an entertainment channel telecasting international content from US, UK and Australia while Zee TV dominated the Hindi speaking markets. Successful shows like *Kaun Banega Crorepati* and *Nach Baliye*, and family dramas like *Kyunki Saas Bhi Kabhi Bahu Thi* and *Kahani Ghar Ghar Ki* made STAR Plus India's most watched and No.1 television channel since 2001.

Sony Entertainment Television (SET) was set up in October 1995 as a Hindi GEC and was owned by Multi Screen Media Pvt. Ltd. (MSM). MSM has a diversified presence in the Indian television market with channels across different genres like SET Max, SET Pix, AXN, Animax and SAB TV. Popular reality shows like *Indian Idol*, *Bigg Boss 1*, *Boogie Woogie*, *Das ka Dum* and fiction like *Jassi Jaissi Koi Nahin* placed Sony among the top three channels in the Hindi GEC genre.

By the end of 2007, changing consumer tastes, demographics and lifestyles coupled with low barriers to content creation led to drastic increase in the number of channels not only in the GEC category but also in other genres from 161 channels in 2002 to 343 in 2007 (Exhibits II (a) and II (b)).

In response to the growing competition in the Indian television market, many broadcasters either introduced new programmes or launched new channels. Reality shows primarily revolving around singing and dancing talent hunts, all within the Indian context began to gain momentum and every GEC had at least one or two reality shows. Apart from providing the thrill and excitement of live, unedited content, these shows involved audience participation through SMS voting or telephone calls. Roping in celebrities and film personalities – like Amitabh Bachchan, Shah Rukh Khan, Shatrugan Sinha, Salman Khan, Ajay Devgan, Jeetendra, Hema Malini, etc. – added to their popularity.

Exhibit II (a)
Growing Number of Channels in the Indian Television Broadcasting Market

Genres	GEC	Music	Films	News	Spiritual	Business	Lifestyle	Travel	City	Sports
Languages										
HINDI	✓	✓	✓	✓	✓	✓				
TAMIL	✓	✓	✓	✓						
TELUGU	✓	✓	✓	✓						
BANGLA	✓	✓	✓	✓						
MARATHI	✓	✓	✓	✓						
MALAYALAM	✓	✓	✓	✓						
ENGLISH	✓	✓	✓	✓			✓	✓	✓	✓
PUNJABI	✓	✓	✓	✓						
GUJARATI	✓	✓	✓	✓						
BHOJPURI										
KANNADA	✓	✓	✓	✓						

How to read this chart
 1) ✓ denotes the presence of one or more players in this category
 2) ✓ denotes that the category is either overcrowded or has more than 3-4 players.
 3) An empty cell denotes that there is either no offering in that category or there is an insignificant one

Source: Khli-Khandekar Vanita, "Why a Bhojpuri TV channel was long overdue", *Business Standard*, October 30th 2008, page 10

Exhibit II (b)
New Channels across Different Genres in the Indian Television Market

Channel	Genre	Year of Launch	Promoters	Programming content	Target Group
Sahara One	Hindi GEC	Originally launched in March 2000 and renamed twice in April 2003 and October 2004	Sahara India Pariwar	Good entertainment-based drama and shows	Primarily married women at home
STAR Utsav	Hindi GEC	June 2004	News Corporation's STAR TV network	Reruns the best programmes from the popular STAR Plus channel	Primarily married women in rural areas who did not have access to STAR Plus before 2004
STAR One	Hindi GEC	November 2004	News Corporation's STAR TV network	Youth-focused drama and reality shows	Urban, upwardly mobile Indian audience
Filmy	Movie-based	February 2006	Sahara India Pariwar	Hindi movies	All age groups in the Hindi speaking markets
NDTV Good Times	First lifestyle channel on Indian satellite television	September 2007	Market leader in news sector, NDTV and has a brand tie-up with United Breweries' Kingfisher brands.	Lifestyle-based shows	Predominantly cosmopolitan and socially progressive young and affluent audience, who strive for a better living
Bindass	Youth-oriented channel	September 2007	UTV	Youth-focused shows	Young Indian audience
9x	Hindi GEC	November 2007	Indrani Mukerjea, the founder and CEO of INX Media and Peter Mukerjea, chairperson of INX News	Family dramas and reality shows	Primarily married women at home
Zee Next	Youth-oriented channel	December 2007	Zee Entertainment Enterprises promoted by Essel Group	Refreshing content aimed at bridging the generation gap	Entire spectrum of television audience

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Siddhartha Basu, chairman and managing director of Synergy Adlabs, who has successful shows like *Kaun Banega Crorepati* to his credit, points out, "When the battle for eyeballs is as hot as it is right now, stars become the most coveted nukes in the arsenal of broadcasters. They help create the buzz, heat up the hype, bring in buyers and ensure sampling."¹³ Albert Almeida, executive vice president and business head, SET also asserts, "Television is going to grow bigger than cinema and the gap between the two has reduced considerably. The reach and the repetitiveness of the medium make it attractive for stars."¹⁴

However, the five major GECs – DD, STAR, Zee, SET and Sahara – accounted for only 35% of the annual TV advertising, while regional channels claimed 25%. All other genres to include everything from sports and wild life to lifestyle were left with the remaining 40%.¹⁵ This offered huge potential for the niche channels to thrive on, all at the cost of declining overall television viewership for GECs (Exhibit III). A Synovate (global market research company) study conducted for UTV also revealed that 30% of the selected group aged 15–34 years moved away from GECs towards news, lifestyle, Hindi movies and children's channels. As a result, GEC's share of television viewership population fell drastically from 48% during early 2000s to 28% by the end of 2007.¹⁶

Genre	2004	2005	2006	2007
Business News	0.1	0.5	0.6	0.6
Cable	14.4	13.3	11.8	12.4
English Entertainment	0.8	0.6	0.4	0.3
English Movies	1.5	1.2	1.0	0.9
English News	0.3	0.3	0.5	0.6
Hindi GEC	36.0	35.9	34.8	33.1
Hindi Movies	14.7	14.9	15.6	15.2
Hindi News	5.5	6.4	6.9	7.4
Infotainment	1.5	1.3	1.2	1.2
Kids	3.4	5.0	6.9	6.3
Music	2.3	2.3	2.6	2.9
Regional GEC	10.6	10.5	9.8	10.5
Regional Movies	0.1	0.0	0.1	0.3
Regional Music	0.7	0.9	0.9	0.8
Regional News	0.3	0.5	0.9	1.5
Religious	1.0	1.2	1.1	1.2
Sports	5.9	4.7	4.4	3.8
Others	0.9	0.5	0.5	0.8

Note: Television rating measures the popularity of a programme or ad by comparing the number of target audience viewers against the total available. One TVR is equivalent to 1% of a target audience.

Source: Roy Abneesh, et al., "Media Times", http://www.valuenotes.com/Edelweiss/edel_media_23Sep08.pdf, September 22nd 2008

¹³ Subramanian Anusha, "Tinseltown in your living room", http://businesstoday.digitaltoday.in/index.php?option=com_content&task=view&id=5619&issueid=42, June 11th 2008

¹⁴ Ibid.

¹⁵ Sangameshwaran Prasad, "How niche TV channels compete with giants", <http://www.rediff.com/money/2007/oct/30spec.htm>, October 30th 2007

¹⁶ Patel Sheetal, "2008: Year of Hindi General Entertainment Channels", <http://www.televisionpoint.com/news2008/newsfullstory.php?id=1200742577>, January 19th 2008

Turner-Miditech's Planned Launch of 'Real' Channel in India: Will it Succeed?

Amid this declining growth for Hindi GECs, shift in advertisers' investments to other channels of 'unique content' was a serious blow. Instead of laying out huge sums on advertising in more number of channels, advertisers aimed to reach target-specific audience through niche channels. Punitha Arumugam, group CEO, Madison Media, says, "For advertisers, increased competition is a double-edged sword. As the space gets more competitive, ad rates on individual channels go down as there is intense competition to get an advertiser on board. However, because there is fragmentation of audience, we have to advertise on more channels and the effective cost of a campaign goes up. The cost per 10-second spot goes down, but the cost per rating point and the cost of reaching a person goes up."¹⁷

During this time, Alva Brothers' Miditech¹⁸ and Turner International¹⁹ entered into a joint venture to form RGB and planned to launch GECs in Hindi and other regional languages targeting the urban Indian audience. Turner also acquired minority stake in Miditech, including the shares previously held by ICICI Ventures.

The fierce battle for viewership and ad revenues further intensified with the launch of NDTV Imagine into the Hindi GEC category in January 2008. Led by Sameer Nair, one of India's most creative and successful media personalities, the channel set out to 'Entertain and Delight' audience with a whole new world of entertainment – from mythology and family drama to music, movies and reality shows.

Unlike Mukerjea, who signed a non-competent deal with STAR India for 9x, Sameer Nair had cleverly pulled out professional talent from his earlier organisation, STAR India. It included Shailja Kejriwal, vice president for Content (earlier creative director of STAR India), Harsh Krishna Rohatgi, executive vice president, Revenue Management & New Ventures (earlier general manager for Content and Communication, STAR India), Gaurav Gandhi, executive vice president, Business Operations & Ancillary Revenues (earlier head of Commercial, Business Planning and Content Syndication, STAR India), Manoj Vidwans, executive vice president, Research, Marketing & Communication (earlier head of Research & Presentation at STAR India) and Kuljeet Singh, executive vice president, Broadcast Services & Facilities (earlier head of STAR network's Broadcast Operations).

In mid-2008, launch of Colors by Viacom18 – a 50:50 joint venture between Network18 and Viacom International – revolutionised the Hindi GEC market. Led by Rajesh Kamat²⁰, the channel made a colourful entry on July 21st 2008 with the tagline, *Jasbaat Ke Rang* – meaning spectrum of emotions. The channel was promoted using a combination of highly popular reality shows and huge investments in marketing campaigns to create the buzz and targeted not only the married housewives aged 25–45 years but also youth and male Indian population.

The key to Colors' success is in its focus on content quality and programme scheduling according to the expectations of the audience and their viewership patterns. It therefore adopted differentiated content and disruptive scheduling for making viewers simply try out the channel (Exhibit IV).

With a good value proposition along with right positioning and distribution strategies, Colors escalated from 9th position to 3rd within 3 weeks of its launch. From then on, the leadership ladder in the Hindi GEC market underwent a makeover as Colors was all set to emerge as a serious contender for the top slot. During the week, September 21st 2008–September 28th 2008, Colors replaced Zee TV in the second place and continued to gain rating points in the following week ending October 4th 2008, with a market share of 20%, just 2% below STAR Plus.

However, it was too early to pop up the champagne as all GECs including Colors suffered a set back when in October 2008, TV workers union – Federation of Western India Cine Employees (FWICE – the parent body of almost 22 workers unions) differed with TV producers associations regarding compensation issues. The seven major broadcasting companies – STAR, Zee Entertainment Enterprises, SET, Sahara One, Viacom18, INX Media and NDTV issued an ultimatum to the two parties to resolve their differences by November 9th 2008. As the disparities continued, all seven of them stopped telecasting fresh episodes of the programmes. As TV content producers refused to accept

¹⁷ K.K. Sruthijith, "New bill of fare for TV viewers", <http://www.livemint.com/2008/05/12003613/New-bill-of-fare-for-TV-viewer.html>, May 12th 2008

¹⁸ One of Asia's leading independent production companies that creates a wide variety of content ranging from documentaries and social development films to entertainment, education, reality shows and other events for all broadcasters as well as corporate clients.

¹⁹ Turner Broadcasting System, Inc. (TBS, Inc.), a Time Warner company, creates and programmes branded news, entertainment, animation and young adult media environments on television and other platforms for consumers around the world.

²⁰ Rajesh Kamat is a media personality, who worked as senior vice president and executive committee member of STAR India during 2000–2005 and joined Endemol India, as its managing director in 2006. Endemol is a television production company based in Netherlands, with subsidiaries and joint ventures in 23 countries, including India. He quit Endemol in November 2007 to head Colors.

Exhibit IV Colors' Success Strategies

Differentiated Content Disruptive Scheduling

- Creating the buzz during the launch with reality shows like *Fear Factor –Khatron Ke Khiladi (KKK)* hosted by Bollywood action hero Akshay Kumar
- Creating the habit of watching Colors through fiction shows like *Bandhan Saat Janamon Kaa* and *Jeevan Saathi Humsafar Zindagi Ke*
- Conveying social message through dramas like *Balika Vadhu*
- Mythology through *Jai Shri Krishna*
- Massive public relation campaigns through *Bigg Boss 2*
- A combination of young and experienced production houses for the channel content
- While all other channels' reality shows are based on music and dance, Colors had made a difference with shows like *Ek Khiladi Ek Haseena* that depicts the other side of Indian cricketers and the yet-to-be launched *Dancing Queen*, with popular celebrities competing for the title and a prize money of INR 25 lakhs
- Airing reality shows like *Fear Factor – Khatron Ke Khiladi* and *Bigg Boss 2* on weekdays as against others which air fiction-based programmes during weekdays and reality shows on weekends
- Scheduling the programmes based on viewership patterns across rural and urban India; 7 p.m.–9 p.m. – smaller towns; 9 p.m.–10 p.m. – overlap of rural areas with metros and 10 p.m. onwards – metros
- Few hours of original programming with content quality as against others that air a number of shows
- Highly focused promotion by publicising only on one or two shows as against others like 9x which publicised all its fiction during its launch
- Brought a shift in GEC's focus from targeting married housewives aged 25–45 towards including youth as well as male Indian population; intelligently segmented the target group and focused on early adaptors and initiators.

Compiled by the author

FWICE demands of – higher and timely wages, better work conditions and more breaks between shoots – worker unions disrupted shooting and stopped working from November 10th 2008, broadcasters were forced to air repeat telecasts of their old episodes.

Though all players in the Indian television market were affected by the strike, broadcasters were the hardest hit. There was an average drop of primetime Gross Rating Points (GRPs)²¹ at 35%–55% during the strike period (Exhibit V).

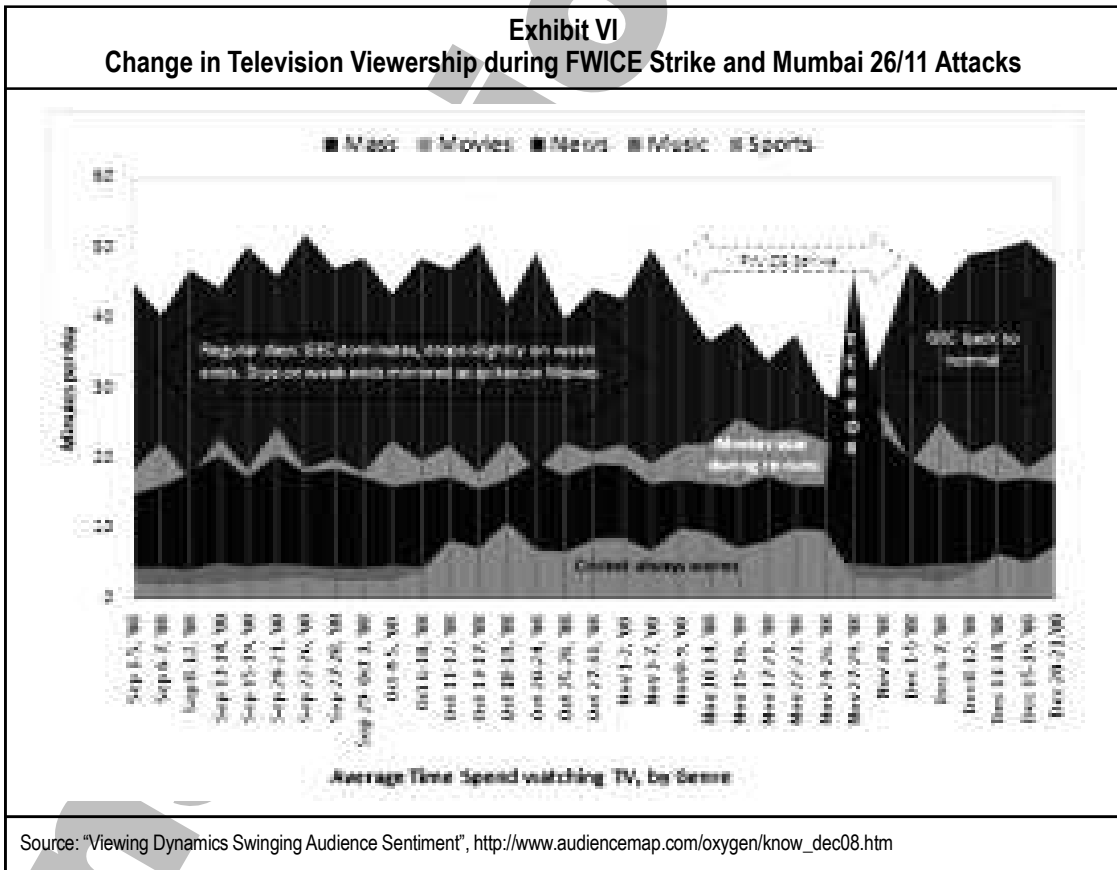
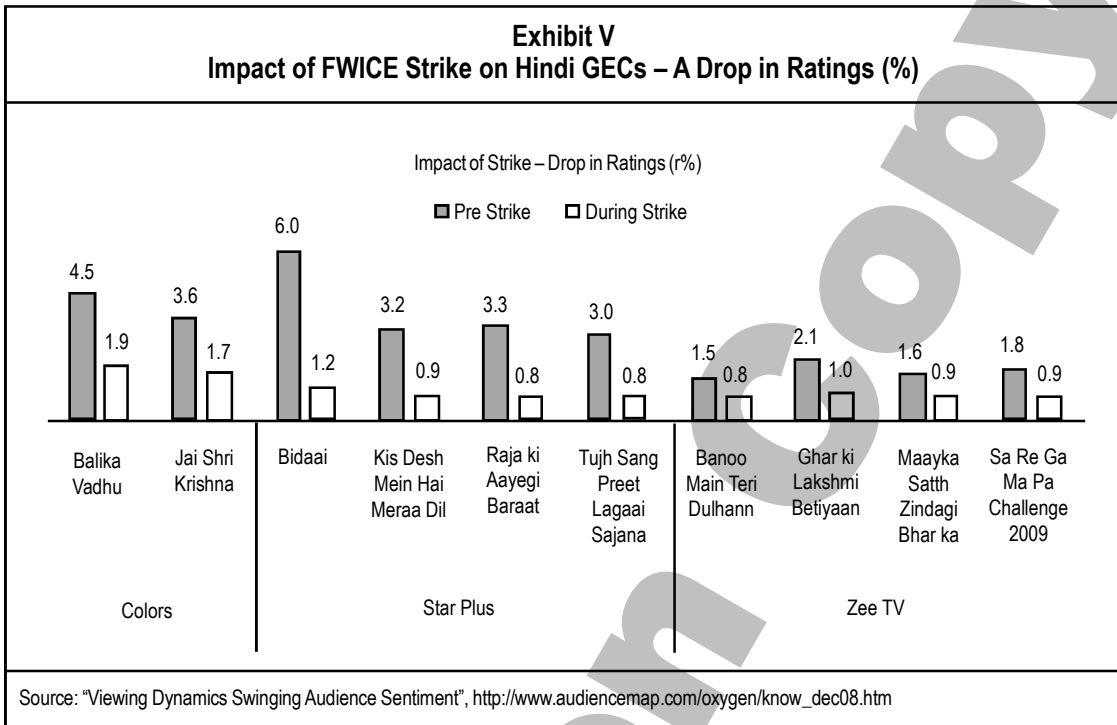
Finally, the 10-day strike had been called off on November 19th 2008 with the content producers' proposal to raise cost of the content by an aggregate 10%–15%. Amid such circumstances, Mumbai terror attacks on November 26th 2008 added to GECs' existing woes (Exhibit VI). For the first time ever, STAR Plus lost its supremacy to Colors and Zee TV, as its GRPs fell by 12.5% to 98 during the week ended November 29th 2008 as against 112 the previous week. Colors topped the Hindi GEC slot with 124 GRPs and Zee in the second place at 102 GRPs.²²

However, Hindi GECs bounced back on December 1st 2008 with all new shows and fresh episodes (Exhibit VII). As the market recouped, STAR Plus regained its No. 1 position gaining 263 GRPs for the week ended December 6th 2008 and Colors got back to second position with 213 GRPs and Zee remained third with 189 GRPs. The following week, Zee TV shared the No. 2 position with Colors increasing its channel share from 17% to 20%. By the end of January 2009, Colors inched close to STAR Plus with a channel share difference of 0.5% (Exhibit VIII).

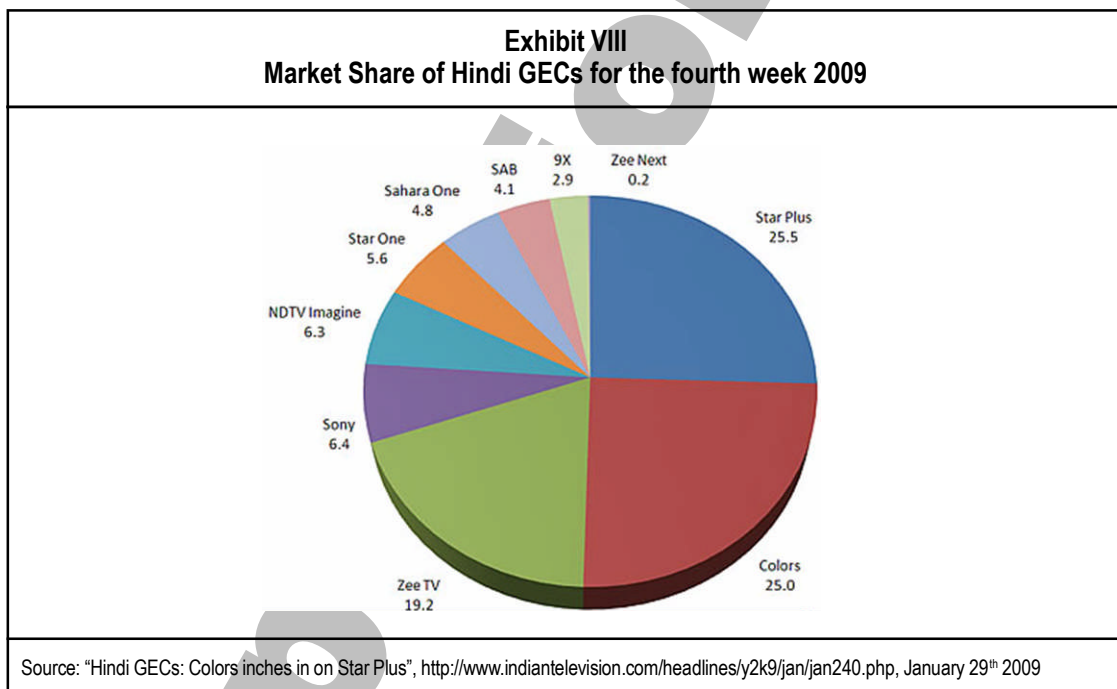
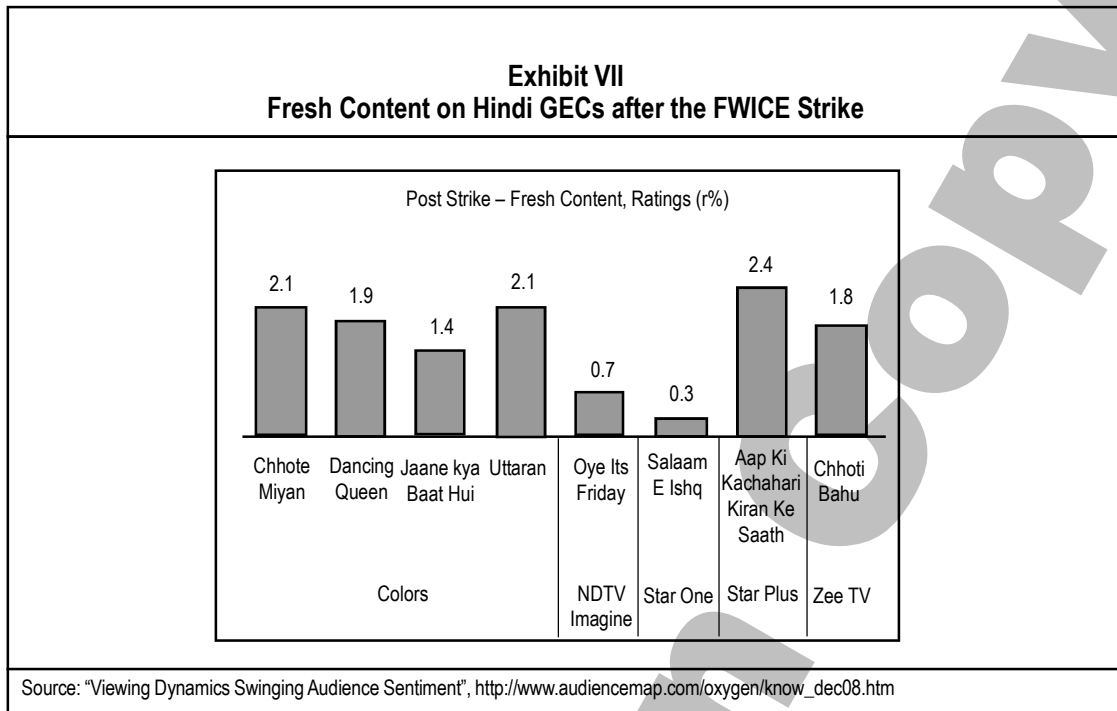
²¹ Gross Rating Points – A sum of the television ratings of individual programmes calculated on the basis of reach and the time spent by viewers.

²² "Entertainment channel ratings hit on terror", <http://tvtoday.wordpress.com/category/hindi/>, December 5th 2008

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Above all, with increased fragmentation and overall decline in television viewership share, one or two shows no longer capture viewers' attention and broadcasters face the challenge of offering unlimited content in limited time (Exhibit IX). Amid this competitive scenario, on January 21st 2009, RGB announced the proposed launch of a new GEC, Real.

Exhibit IX Increase in the Content Variety across Different Genres on Indian Television					
GEC		Youth	Movies		Music
Hindi	English		Hindi	English	
<ul style="list-style-type: none"> • DD • Zee TV • STAR Plus • Sony • Sahara One • STAR One • Sab • STAR Utsav • 9X 	<ul style="list-style-type: none"> • Zee Café • STAR World • AXN • BBC Entertainment • Hallmark 	<ul style="list-style-type: none"> • UTV Bindass • Zee Next 	<ul style="list-style-type: none"> • Zee Movies • STAR Gold • SET MAX • UTV Movies • B4U Movies • UTV Bindass Movies • Sahara Filmy • Zee Action • Zee Classic • Zee Premier 	<ul style="list-style-type: none"> • Zee Studio • STAR Movies • Sony Pix • HBO • UTV World Movies • NDTV Lumiere 	<ul style="list-style-type: none"> • Zee Music • MTV • V • B4U Music • ETC • 9XM • Vh1
Lifestyle	Spiritual	Cartoon/ Animation	Infotainment/ Education	Sports	
<ul style="list-style-type: none"> • NDTV Good Times 	<ul style="list-style-type: none"> • Aastha • Sanskar 	<ul style="list-style-type: none"> • Cartoon Network • Jetix • Disney Channel • Disney Movies • Pogo • Nick • Hungama • Boomerang • Cbeebies BBC 	<ul style="list-style-type: none"> • Discovery • Travel & Living • History • National Geographic Channel • Animal Planet • Animax • Gyan Darshan • Nat Geo Adventure 	<ul style="list-style-type: none"> • DD Sports • Zee Sports • STAR Sports • STAR Cricket • Neo Sports • Neo Cricket • ESPN • Ten Sports 	
News					
General		Business	Entertainment		
<ul style="list-style-type: none"> • DD News • Zee News • STAR News • Aaj Tak • NDTV India • IBN 7 • Times Now • CNN IBN • Headlines Today • NDTV 24x7 		<ul style="list-style-type: none"> • Zee Business • CNBC Awaaz • NDTV Profit • CNBC TV18 	<ul style="list-style-type: none"> • Zoom • Imagine • ShowBiz 		
Compiled by the author					

Getting 'Real' in the Cluttered GEC Market – The Challenges

Led by Sunil Lulla (Lulla) (Exhibit X), director of RGB, the channel is all set to pitch in as a 'smart, fresh and distinctive' entertainment channel tailor-made for the young urban, ambitious and outward-looking 'neo Indians'. In his words, "Our channel is targeted at the neo Indians: the urbane, upwardly mobile and aware consumer of 15 to 34 years who speaks Hindi."²³ He adds, "Real is being really different, with its focus on the 'urbane' Indian and not the traditional GEC bastion of women who like to see *saas-bahu* serials. She might be in Indore, 27 years old, and with a child, but she is not traditional and has a say in her life. We want to offer HER a fresh alternative."²⁴

Exhibit X Sunil Lulla's Media Experience

Sunil Lulla is an accomplished professional in the media industry and has been involved with significant start-ups and turnarounds in the media and entertainment sector. With 25 years of experience in media management, Sunil's leadership has acted as catalyst for Television channels such as MTV, Sony and TIMES NOW in the recent past.

He introduced MTV to India, blending it to Indian tastes and building its dominant position; drove the turnaround of Sony Picture Entertainment General Entertainment TV channel SET; built along with News Corp, indya.com and was involved with the turnaround of Sa Re Ga Ma (earlier known as HMV), India's premier music label. In addition, he has worked with Diageo and JWT in senior positions in India, China and Taiwan. He helped Bennett & Coleman in their foray into 24-hour news channel and brought TIMES NOW to numero uno position in a matter of a year.

Sunil is also the Group chief executive officer of Alva Brothers Entertainment Pvt. Ltd. and serves on the Board of Alva Brothers Entertainment Pvt. Ltd., Real Global Broadcasting Pvt. Ltd. and Miditech Pvt. Ltd. He has a Master's degree in Management Studies and as a member of various industry associations has made valuable contributions towards the entertainment industry's growth in India.

Source: "Sunil Lulla Profile", <http://www.realtelevision.in/media.html>

Staying clear of *saas-bahu* serials and mythological shows, Lulla wants it to be clearly differentiated from established as well as new competitors. Promising a distinctive fare for couch potatoes, he asserts, "How about a channel without any *saas-bahu* serials" and advises entertainment channels: "get labels, specify if you are for the rural audiences, the masses or the premium consumer." He further adds, "You don't have to be a 100-tonne gorilla in the broadcasting business. You can be nifty, interesting and still be in a good position."²⁵

Positioned as 'Real People, Real Stories and Real Entertainment', the channel offers a combination of fiction and reality shows that are meant to be joyful, aspirational and close to reality. The core concept of the channel was well-depicted in its circular green logo epitomising a vibrant feel, friendliness and approachability. The channel has unveiled four shows to be aired from March 2009 – *Poker Face*, *Vicky Ki Taxi*, *Hindi Hai Hum* and *Sarkaar Ki Duniya* (Exhibit XI).

Along with its distinct positioning, Real would capitalise on Miditech's media clout (Exhibit XII) and Turner International's global presence. Nikhil Alva, chairman of Alva Brothers Entertainment says, "Our long, insightful experience and success in developing content for the Indian Viewer provides us an ideal springboard to embark on this venture. Along with Turner, which brings to Real, global best practices in broadcast businesses; we are building a platform for distinctive brands and contemporary content. Together we hope to provide a distinct GEC channel which will be dramatically differentiated, yet relevant and aspiring to Indian viewers."²⁶

²³ "Getting Real", op.cit.

²⁴ Ibid.

²⁵ Bansal Shuchi, "Entertaining encounter", <http://business-standard.com/india/news/entertaining-encounter/03/35/338826/>, November 1st 2008

²⁶ "Turner & Miditech's new GEC Real to launch in March", op.cit.

Exhibit XI Programmes on Real Channel to be Aired from March 2009
POKER FACE
A Quiz Show? – A Game of Bluff? – Or, Both?
Poker Face the internationally successful quiz-game show is now in India. Poker Face tests the contestant's nerves and not just their knowledge. For the first time in India, One Indian will take away Rs 1 Crore in just 1 week. Every night 6 'Poker Faces' keep their nerve and play the game. The ones to crack under pressure go home. In the finale, the best of the week compete for the grand prize. No wonder they say, 'Dil Saccha, Chehra Jhoota, its all about keeping a Poker Face.
VICKY KI TAXI
Unusual stories unfold in the unique setting of a taxi with Taxi Driver, Vicky, playing the part of a reluctant messiah. Vicky and his beloved Jaaneman, witness the problems, hopes, aspirations of their passengers. Vicky is touched by the stories his passengers recount – eventually forcing him to lend a helping hand. A definite story in every journey. An ordinary passenger. An extraordinary story.
Vicky Ki Taxi – Meter chalu. Story chalu.
HINDI HAI HUM
North v/s South – Local v/s International – Provincial v/s Urban – Namaste v/s Handshake – Bhaasha v/s English
The list of differences in our homeland, India, is sometimes endless. But Young India is striding confidently into the future, throwing out the baggage and changing the old order. Youthful India through the eyes of 'Bubbly' and the many diverse characters, in the wittily scripted drama, Hindi Hai Hum – unashamed, unabashed they love being Desi (Indians) and the madness that goes with it. This is a story that brings the underlying theme of unity to the forefront even while North is different to the South, as East is different to West, not to mention many other such twists as India goes global.
Proud to be Indian – Hindi Hai Hum!
SARKAAR KI DUNIYA
A remote island – An autocratic 'Sarkaar' – 18 Strangers – A set of rules
India's biggest reality show only on REAL.
For the 1 st time, 18 ordinary people, will live on a natural picturesque island for more than 100 days and transform it to be habitable for mankind. Under the watchful gaze of its eccentric 'owner' Sarkaar, 18 contestants, from diverse parts of India, mirror real life and set out to earn a livelihood. Each island improvement task helps them earn money. Ultimately, the most resourceful and successful contestant is rewarded with a grand prize.
A mega show format, designed in India, Sarkaar Ki Duniya is India's biggest reality show.
Source: "Coming Soon On REAL", http://www.realtelevision.in/coming-soon.html

Turner-Miditech's Planned Launch of 'Real' Channel in India: Will it Succeed?

Exhibit XII Miditech's Media Clout in India	
Programming Content	Channels
Documentaries	<ul style="list-style-type: none"> • National Geographic channel • Discovery Channel • Adventure One • Films like <i>A Call Within A Call</i> on Mother Teresa's beatification and <i>Santosh Revisited</i>, a documentary on the status of the girl child in Rajasthan.
Education	<ul style="list-style-type: none"> • The Maths Show on Topper.
Entertainment	<ul style="list-style-type: none"> • Various programmes on channels like SAB TV, Zoom, Pogo, MTV and STAR World.
International Format	<ul style="list-style-type: none"> • <i>Indian Idol</i>, <i>Naya Roop Nayi Zindagi</i> and <i>Fame Gurukul</i> on Sony • <i>Galli Galli Sim Sim</i> on Cartoon Network.
Fiction	<ul style="list-style-type: none"> • <i>Kyunki... Jeena Isi Ka Naam Hai</i> on DD1 • <i>Chhoona Hai Aasmaan</i> on STAR One • <i>Detective Doll</i>, <i>Hum 2 Hain Na</i> and <i>Kabhi Biwi Kabhi Jasoos</i> on Sony • <i>Parrivaar</i> on Zee TV • <i>Saara Akaash</i>, <i>Kahani Jurm Ki</i> and <i>Avinash IPS</i> on STAR Plus.
Lifestyle and Infotainment	<ul style="list-style-type: none"> • <i>Limited Edition</i> on NDTV Good Times • <i>Wheels and The Real India Travel Show</i> on BBC • <i>Milan Fashion Week</i>, <i>Style</i> and <i>Top Drive</i> on STAR World • <i>The Great Escape</i> and <i>Living on the Edge</i> on STAR Plus • <i>Science of India</i> on DD India.
Reality Shows	<ul style="list-style-type: none"> • <i>Lead India</i> on STAR One • <i>Airtel Scholar Hunt</i> on NDTV 24x7 • <i>Indian Idol</i>, <i>Fame Gurukul</i>, <i>Naya Roop Nayi Zindagi</i> and <i>Dance Dance</i> on Sony • <i>Cricket Star</i> on Zee Sports/DD • <i>Hotel by the bay</i> on Discovery Travel & Living • <i>Hospital</i>, <i>Call Centre</i>, and <i>Commando!</i> on BBC World • <i>R.A.A.A.H</i> and <i>Kaarvan Kismat Ka</i> on Zee TV • <i>Bum Mein Dum</i> and <i>Roadies</i> on MTV • <i>India's Child Genius – Curtain Raiser</i> on STAR World • <i>Ponds Femina Miss India 2005</i>.
Kids	<ul style="list-style-type: none"> • <i>Galli Galli Sim Sim</i> on Cartoon Network • <i>India's Child Genius – Curtain Raiser</i> on STAR World • <i>M.A.D. (Music Art Dance)</i> on Pogo • <i>Playhouse Disney</i> on Disney • <i>Hum 2 Hain Na</i> on Sony
Contd...	

Turner-Miditech's Planned Launch of 'Real' Channel in India: Will it Succeed?

Business Shows	<ul style="list-style-type: none"> • <i>Take off</i> on BBC World.
Events	<ul style="list-style-type: none"> • <i>Indian Idol Grand Finale, Dhol Baaje, Kudiyaan Bemisaal and Gladrags Megamodel and Manhunt 2005</i> on Sony.
Regional Programmes	<ul style="list-style-type: none"> • <i>Airtel Naane Rajkumar</i> on ETV Kannada • <i>Gunagaana, Sa Ri Ga Ma Pa Little Champs, Srimathi Karnataka, Sa Ri Ga Ma Pa</i> and <i>Spandana</i> on Zee Kannada • <i>Bhoomi</i> on DD • <i>Sadda Campus</i> on Zee Punjabi.
Corporate Films	<ul style="list-style-type: none"> • Corporate films for clients in automobile sector – like Maruti Suzuki, Hyundai, Lancer, HP Turbo Jet and the special Smooth Ride series – helped create a buzz amongst the client's target audience.
Social Development Films	<ul style="list-style-type: none"> • Partnered with UNICEF to create a series of TV commercials, documentaries and training films.
Compiled by the author	

Steve Marcopoto (Marcopoto), president of Turner Broadcasting System Asia Pacific, also felt that it is an exciting time to enter the Hindi GEC genre. In his words, "Given the market's strong growth, extremely young population, penchant for media consumption and improving distribution delivery systems, India is one of our biggest growth opportunities." He further adds, "Having established many successful Turner brands and ventures in the last 18 years, including our production partnership with Miditech, we're now excited to take our next step with Alva Brothers Entertainment with the launch of REAL."²⁷

Anshuman Misra, managing director of Turner International India Pvt. Ltd., also asserts, "Turner International has a history of making smart, successful collaborations that enhance the viewing experience of our discerning Indian audiences and is confident that Real will deliver quality programming to Indian audiences. Turner's proven understanding and experience in television broadcasting in India will add value to the partnership."²⁸ Further, Turner's distribution joint venture in India, Zee Turner, would offer strong distribution support for Real that hopes to begin with 10 million homes.

However, given the economic downturn and declining market growth for Hindi GECs, many industry experts and media analysts remain skeptical about Real's success. In fact, they question whether it is the right time to launch another Hindi GEC, fourth in succession after 9x, NDTV Imagine and Colors. Lulla elicits a firm reply saying that it is 100% right time because entertainment does best in a recession market. Not deterred by the economic downturn, even Turner is all set to launch a new English entertainment channel in India in association with Warner Brothers that would broadcast Hollywood movies and soaps.

Shashi Sinha, CEO, Lodestar Universal²⁹, asserts, "I think from a distribution standpoint it may be a good time because this is when all the contracts expire so for the channel to be placed maybe that's a good proposition. From the content point of view, anytime is a good time because when there is a bit of a slowdown you get better quality content. Advertising, definitely there's pressure as certain categories have been affected."³⁰

But analysts still remain cynical about the success of its programming content devoid of *saas-bahu* serials and mythology that actually drive Television Rating Points (TRPs). CEO of a competing GEC says, "Soaps and saas-bahu serials are the daal and roti of Hindi GECs. You can of course always package it differently, but you cannot ignore them."³¹

²⁷ Eaton Matt, "Turner unveils 'Real' Indian venture", <http://marketing-interactive.com/news/10597>, January 23rd 2009

²⁸ "Real Global Broadcasting announces the launch of 'REAL', A New Hindi Entertainment TV Channel", http://www.realtelevision.in/pdf/REAL_launch_press_release.pdf, January 21st 2009

²⁹ A global consultancy that offers solutions regarding marketing, customer maximisation, sales, teaming and other mission critical activities and are experts in communication such as investor relations, raising venture money, executive coaching and presentation skills.

³⁰ "Unfazed by slowdown, new TV channel Real launches in March", *op.cit.*

³¹ "Getting Real", *op.cit.*

Turner-Miditech's Planned Launch of 'Real' Channel in India: Will it Succeed?

Moreover, despite its distinct positioning, Real would face the challenge of getting the core audience between 25–40 years who already got accustomed to watching other established channels. Further, all GECs ultimately end up wooing the same target group – women even though they were initially positioned with different target groups (9x – women between 25–35 years, STAR One – younger audience, STAR Plus – Married housewives, Zee – slightly older group, NDTV Imagine – family audience, etc).

Additionally, niche does not work in a Hindi GEC. The channel may be positioned as an upscale one; advertisers do not buy the positioning, but the GRPs. For ads aimed at specific target groups, advertisers may as well prefer channels of unique content instead of GECs. Marketing director of a telecom service provider asserts, "As an advertiser, we are not looking at what new genre you are creating in the Hindi GEC space. We don't look for differentiation."³² Further, with very few two-television homes in India, experts do not expect younger audience to hold the remote during prime time.

Analysts also estimate that growth in the Hindi GEC viewership would not be more than 9%–10% and with increase in the number of players, GRPs only get redistributed. While growth would predominantly depend on content and marketing, GECs consistently contend with rising cost pressures like programming costs and carriage fee. With increased fragmentation, even the sponsors have reduced rates on high budget programmes, since the amount gets distributed among many such programmes unlike earlier single big shows like *Kaun Banega Crorepati*. In fact, broadcasters are even offering 10%–30% discount to companies that buy bulk time.

While Lulla understands the Indian eye balls and the advertising game, launching a new GEC in an existing cluttered market as a paid or subscription-based channel also raises questions. In addition, competition would get tougher as channels like NDTV Imagine announced the proposed launch of a new programme, *Ghar Ki Baat Hai*, of Bollywood's Shah Rukh Khan production – Red Chillies Idiot Box. Aiming to bring 'cinematic value' on the small screen, Shah Rukh Khan, asserts, "There is no specific cache of programmes which we are planning on television. I have been a film producer for the last eight to nine years and have experience of acting for the last 20 years. I think I can bring a difference to television in terms of presentation of content. I will try to bring cinematic value to television." He adds, "Light content was commercially viable. I am strangely connected with television. I made my debut in acting with television working with Saeed Mirza, Kundan Shah and Aziz Mirza and now Aziz, NDTV Imagine CEO Sameer Nair have persuaded me to be back on television."³³

Amid this scenario, can Real succeed in breaking the competitive clutter in the Hindi GEC genre? If so, how? Will the Indian viewers who are already accustomed to watching existing channels try out Real as a paid channel? Will it succeed by doing away with *saas-bahu* serials and Hindu mythological shows?

³² "Getting Real", op.cit.

³³ "SRK plans to bring cinematic value on television", <http://www.business-standard.com/india/news/srk-plans-to-bring-cinematic-value-television/16/52/53752/on>, January 28th 2009