

An outlook towards the future of Television

As 2006 comes to an end, some of us, who had embarked on a new journey of creating a new thought within our industry, feel vindicated. The key changes that we had envisaged, envisioned and expected are taking place rapidly within our media & entertainment (M&E) environment. These changes are in terms of distribution platforms, newer business models, interactivity, new content formats and experimentation. This piece looks at the change catalysts and an outlook on how things would continue to develop within our space.

End of distribution platform insulation

Before we look at the current and future, a quick glance at the past. The history of TV's popularity among consumers can be gauged from the amount of advertising on satellite TV chasing consumers. As veteran industry folk would recall, the early 90s was all about DD when only experimental advertising monies would come onto satellite channels.



In the mid-90s substantial chunks of budgets were diverted into satellite channels. By the late 90s and early 2000s, the satellite TV environment had reached a level of stability and maturity. Here's where the story takes an interesting u-turn. The legislation changed and allowed newer distribution technologies on the scene. These new technologies ended the technology insulation that persisted in India vis-à-vis other Asian markets like Hong Kong, Korea and Japan.

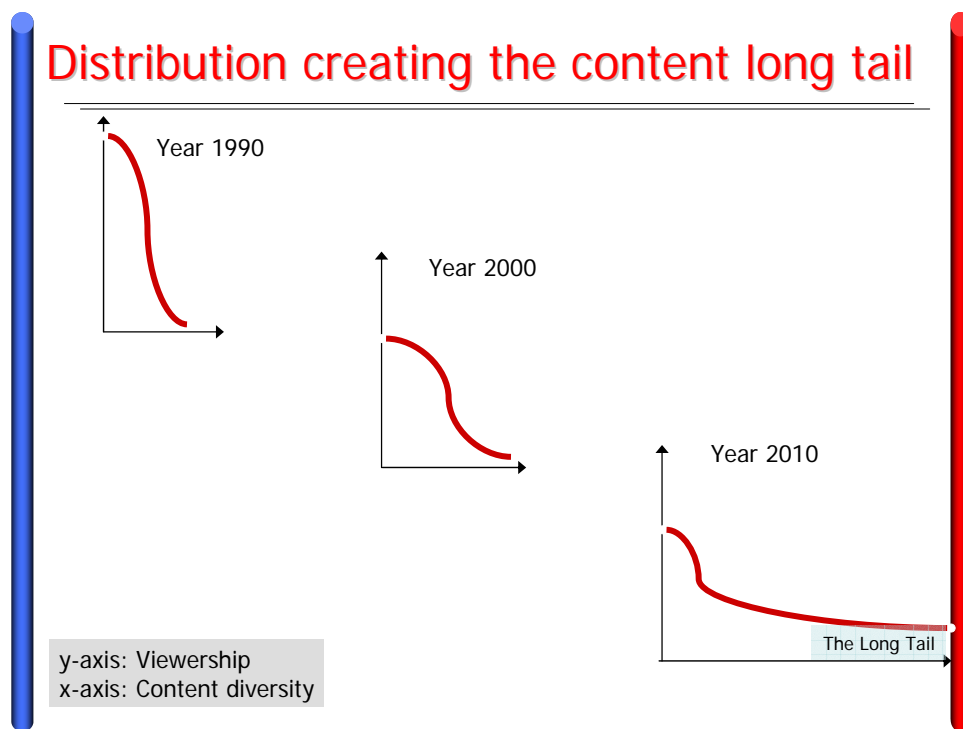
Distribution: set to change the ground rules



Globally, whenever distribution channels explode, it sets off a chain reaction in terms of market segmentation, newer revenue opportunities, newer pricing models. The hectic activities since early 2000 to present day on laying cables, dishes, optical fiber, upgrading cable facilities, are today creating competition among satellite TV platforms such as DTH, HITS, IPTV, CAS, Traditional Cable and even.

Creating the 'Long Tail'

For those who have read Chris Anderson's book *The Long Tail: Why the Future of Business is Selling Less of More* (2006) would immediately associate that phenomenon with what's happening with our television today. The Long Tail phenomenon occurs when distribution platforms become very large helping the smaller products collectively gain market share rivaling that of market leaders!



The TV business has been growing a long tail as niche content offerings are getting acceptance in small pockets. Take the example of Television News. Already, the Kids channels are going the same way as the News channels. Animated, Non-Animated, Teens, Tweens, Pre-teens! The good news – each of the niche segments that have been launched has shown Viewership.

The *Long Tail* of Television News

- Current specialist News Channels
 - National News
 - International News
 - Regional News
 - English News
 - Local Language News
 - English Business News
 - Hindi Business News
 - Views 'n' News
- Future specialist standalone News channels
 - Weather
 - Community
 - Sports
 - Celebrity News

If the current trend continues and if distribution platforms get more and more addressable, one can imagine channels aimed at extremely niche communities. Surgeon's channel, Lawyers channel, Chartered Accountants channel to Weather News channel, Celeb News channel to even a Mumbai Traffic channel! Considering that some of these formats exist in other economies expecting that in our environment seems fairly reasonable.

Specialization to Segmentation

The specialization in this industry is already segmenting the market. Groups of consumers who are watching specialist programming are extending the long tail of content. The specialist content has an impact on TV programmers and the TV production houses as resistance to experimentation could lead to certain death or marginalization. This impact should mostly be felt immediately post the universe adjustments of the TV ratings panels to latest estimates.



Applications, on-demand

Our environment is also critically poised to propel demand for applications that satiate this new consumer thirst for content which is typically instant and on-demand. Considering that for a bulk of Indian consumers, TV-watching emerges in the Top-5 daily activities, it's not impossible to imagine the lengths to which consumers could go to better that experience. Gadgets like Digital Video Recorders (DVRs), Video on Demand (VoD), Personal Video Recorders (PVRs) can do exactly this if the pricing gets it right.

Content mobility, malleability

The consumer need for on-demand content in other Asian markets has made content both mobile and malleable. Content mobility is to do with being able to record and transfer content off Television onto your phone, laptop or desktop. The last few months I have been an amazed, animated user of Bluetooth and the possibilities that emerge from being able to transfer data, music, and video from one device to another. Content malleability is something that TV, music and film companies would have to learn else the consumer is going to teach them a thing or two!



Newer contact points via localization



The Newspaper business in the last 3 years has been growing faster on ad revenues than Television. It's done so on the back of distribution changes and reform that has resulted into micro editions. That has in turn propelled localized advertising through a slew of first time advertisers on print. The same is bound to happen to Television.

The only question is the timeframe. Local Pizza stores, Restaurants, Banks, Grocery and Electronic Retail, Multiplexes would all jump in if micro-reach was possible via TV. It's not as if all that is not possible today via local cable and regional stations. It's possible and it's happening. But while Regional channels still score, there are questions on quality and popularity of local cable advertising.

Branded Entertainment: winds blow stronger

The Branded Entertainment Awards 2006 held in Mumbai have demonstrated a new industry-wide vision in this space. The promise that this specialist stream holds is that in a perpetually fragmenting media scene, TV could be used via innovation, integration and multimedia support. Activation is the powerful new word in this area and it's expected to be initiated by Regional channels. Activation would derive tremendous strength either from channels promising Micro-Reach or distribution platforms undertaking sampling/ contact programs. One of my recent favorites is a DTH company distributing sample set-top boxes to school children preloaded with education channels!

Distant possibilities

What seems to be now distant in our market but is very prevalent in the West and some parts of Asia is CGM or Consumer Generated Media (such as Blogs, and home or personal videos). This is a current rage even in the US if one is to see the popularity of sites such as YouTube. Low penetration of capture devices in India would typically see this as fairly futuristic. Having said that we are seeing News channels in India currently test this through Viewer reported stories.



Finally in conclusion – expect key changes in Television that's bound to affect all stakeholders. These changes are expected to alter business models, revenue models as well as content formats.

And the creatures aren't too far away from us now. Stop! I hear the door creaking open. Wait! I can hear them growl...

