

MEDIA AND ENTERTAINMENT INDUSTRY

INTRODUCTION

The Indian media and entertainment (M&E) is entering a phase of accelerated growth backed by rising consumer demand and improving advertising revenues. Internet has almost become a mainstream media for entertainment for most of the people. The Indian advertising industry is projected to be the second fastest growing advertising market in Asia after China. At present, advertising revenue accounts for around 0.38 per cent of India's gross domestic product.

KEY PLAYERS

Some of the key players in the Indian M&E industry are Doordarshan, STAR TV (Satellite Television Asia Network), Zee Television, United Television, CNN, Sony Television, ATN (Asia Television Network), BBC World and SUN TV amongst others.

KEY SEGMENTS

The key segments in the Indian M&E industry are television, print, films, digital media, animation and VFX, live events, online gaming, out of home media, radio and music. Of these the television industry is the largest with a market value of ₹740 billion in 2018. While, the print industry is static, online gaming is the fastest growing segment.

MARKET SIZE

India has a large broadcasting and distribution industry, comprising approximately 900 satellite TV channels, 6000 Multi-system operators, around 60,000 local cable operators, 7 DTH operators and few IPTV service providers. India has 114,820 registered publications (newspapers and periodicals), close to 2,500 multiplexes and more than 400 mn Internet users – second largest base after China, and is expected to reach out to 640 mn by 2019.

According to a FICCI-EY report, the Indian M&E industry reached INR1.67 trillion (US\$23.9 billion) in 2018, a growth of 13.4% over 2017. With its current trajectory, the M&E sector in India is expected to cross INR2.35 trillion (US\$33.6 billion) by 2021, at a CAGR of 11.6%. The sector continues to grow at a rate faster than the GDP. The industry has been largely driven by increasing digitization, increasing disposable income, population, content consumption across the formats and higher internet usage over the last decade. The Foreign Direct Investment (FDI) inflows in the Information and Broadcasting (I&B) sector (including Print Media) in the period April 2000 – March 2019 stood at US\$ 8.38 billion, as per data released by Department for Promotion of Industry and Internal Trade (DPIIT). The industry provides employment to 3.5-4 million people, including both direct and indirect employment in CY 2017.

RECENT DEVELOPMENTS

- Dailyhunt, a regional language news aggregator run by Verse Innovation Pvt Ltd, will receive investment of US\$ 60 million in a new funding round led by Goldman Sachs Investment Partners.
- Twitter announced video content collaboration with 12 Indian partners for video highlights and live streaming of sports, entertainment and news.
- PVR Ltd acquired SPI Cinema for US\$94.42 million.

- After bagging media rights of Indian Premier League (IPL), Star India has also won broadcast and digital rights for New Zealand Cricket upto April 2020.

GOVERNMENT INITIATIVES

The Government of India has agreed to set up the National Centre of Excellence for Animation, Gaming, Visual Effects and Comics industry in Mumbai. The Indian and Canadian Government have signed an audio visual co-production deal to enable producers from both the countries exchange and explore their culture and creativity, respectively. The Government of India has supported Media and Entertainment industry's growth by taking various initiatives such as digitizing the cable distribution sector to attract greater institutional funding, increasing FDI limit from 74 per cent to 100 per cent in cable, mobile TV and DTH satellite platforms, and granting industry status to the film industry for easy access to institutional finance.

FUTURE OUTLOOK

While television is the largest segment, growth is expected to come from digital which will overtake filmed entertainment in 2019 and print by 2021. Telco bundling will drive consumption for a majority of Indian Over-the-top, for example Netflix, (OTT) audience. There is a large shift in consumer behavior from mass-produced content to specific content defined to audience segments. The sector has an opportunity to serve a billion screens in India and globally.

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