

INDIAN PAY-TELEVISION- A TIGER ECONOMY

Asian pay-broadcaster ESPN Star Sports recently claimed that it was on the verge of a "golden era". Indian pay-television is booming, and sports broadcasters are riding the wave. **Ritesh Gupta** reports.

"IN INDIA, the pay TV market has been witnessing a tremendous expansion," says Prasana Krishnan, COO at pay sports broadcaster Neo Sports. "The market currently has six DTH operators and the industry is seeing an addition of half a million subscribers each month. IPTV and other digital platforms are expanding and the cable industry is also likely to initiate digitalisation/upgradation in the near future."

Sports broadcasters like pan-Asian company ESPN Star Sports (ESS) and Neo Sports are bullish about their prospects. Neo Sports is available in over 90 per cent of cable and satellite homes, reaching over 77 million households.

ESS's channels - ESPN, STAR Sports and STAR cricket reach approximately 85 per cent of total cable and satellite households. "Our networks continue to garner record ratings across demographics and markets in India," says ESS Managing Director Manu Sawhney, "and some of the record-breaking milestones that demonstrate the depth of penetration include the rating of 28.8 that during inaugural edition of ICC World T20 - a reach of 66.5 per cent."

Krishnan says that, this year, the value of TV advertising around the sports genre is expected to be R13-14 billion, and the value of subscriptions R7-7.5 billion. The broader TV industry in India is estimated to have reached R241 billion in 2008, up 14.2 per cent on 2007, according to a study released earlier this year by The Federation of Indian Chambers of Commerce and Industry and KPMG. The industry is projected to grow at a rate of 14.5 per cent over the period 2009-13, to reach a size of R473 billion.

DTH is the main pay-platform and sports broadcasters have capitalised on its rise to create

a subscriber base of 17.5 million. But it is no longer the only option for Indian viewers.

Growing penetration of digital TV technology and fragmentation in the satellite segment have been the main trends in India's TV industry in the last year. Broadcasters, especially sports broadcasters are counting on a steady increase in ARPU through digital distribution platforms.

"Sports allow for such new technologies to be used extensively," says Sawhney. "Coverage of events through different angles and perspectives... multiple coverage of matches concurrently on the same screen... All this would not only allow for an enhanced user experience but also help affiliates increase ARPU's."

Krishnan says the growing range of distribution platforms allows broadcasters to cater for niche audiences that view different kinds of sports. "There is a significant upside in subscription revenue across platforms and this provides an impetus for the broadcaster to acquire rights for all kinds of sports," he says.

Sawhney says that, over the years, "we have seen a change in consumption patterns and behaviour. In a cricket loving nation like India, we're seeing the emergence of multi-sport fans and the fans are maturing faster with an increasing acceptance for other sports."

Live India international cricket is still the ultimate subscription driver in the country, but football, golf, motor sports and tennis have developed followings. Going forward, Krishnan believes that the sports channel with "a good portion of India international cricket and a healthy mix of sports rights will tend to be the leader in the sports genre in terms of subscription numbers."

Indian consumers' thirst for TV sports is growing - Getty Sport Images



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