Chapter IV

Broadcasting Industry in India: Economics, Law and Technology

Introduction

The simultaneous transmission of the same message to multiple recipients is known as over-the-air broadcasting. Such broadcasting is traditionally done through radio and television. These two can safely be said to the most popular mediums of public broadcast, as they reach the widest possible spectrum of population in India. Over the years, these sectors have grown steadily. Going forward, these two sectors are expected to notch up growth at double-digit rates, thanks to rising penetration into smaller markets. It is ever more recognized that broadcasting has an important role to play in development—as a widespread tool of information transfer, as a method to improve governance, as an important economic sector in its own right and as a potential access point to new ICT. Reform of the broadcast sector can have a significant development impact (Carter Eltzroth & Charles Kenny: 2003). The industry has been largely driven by increasing digitisation and higher internet usage over the last decade. Internet has almost become a mainstream media for entertainment for most of the people. The Media and Entertainment (M&E) industry is a sunrise sector for the economy and is making high growth strides. Proving its resilience to the world, the M&E industry is on the cusp of a strong phase of growth, backed
by rising consumer demand and improving advertising revenues (see diagram below).

**Figure 1**

![Size of media industry segments 2014](image)

Source: KPMG\(^1\) Report 2015 pp30

India’s M&E industry is expected to grow steadily over the next five years. The industry revenues are likely to exceed US$ 32.7 billion by 2019 from US$17 billion in 2014, growing at compound annual growth rate (Compound Annual Growth Rate (CAGR): 2015) of 14.0 per cent between 2015 and 2020 (IBEF: 2015). In 2014, the overall Media and Entertainment industry was estimated at US$17 billion and grew by 0.7 per cent over the previous year. The largest segment, India’s television industry, continued its strong growth momentum led by subscription revenues, representing a year-on-year growth of about 13.8 per cent. Digital Advertising has been the fastest growing segment with annual growth rate of 44.5 per cent (IBEF: 2015).

\(^1\)One of the leading providers of risk, financial and business advisory, established in 1993.
direct investment (FDI) inflows in the information and broadcasting (I&B) sector (including print media) in the period April 2000 – June 2015 stood at US$ 4,050.58 million, as per data released by Department of Industrial Policy and Promotion (DIPP: 2015).

As already stated, broadcasting refers to transmission of content carrying signals through air and this includes radio and television broadcasting. In our study we will be focusing on television broadcasting.

4.1 ECONOMICS OF TELEVISION BROADCASTING IN INDIA

India follows at the third position of global TV market after China and US. Television, which reaches 65% of households in the country, or 168 million in 2014, represents an integral part of the Indian M&E industry (CRISIL Research: 2014). The medium is also popular with advertisers, representing 44.5% of the overall Indian ad market share. Hindi regional general entertainment channels (GECs) dominate the TV broadcasting industry. They make up 52% of total viewership (Hindi GECs inch ahead of southern counterparts, Mint: 2009). International broadcasters have long been present in this segment thanks to conducive regulatory norms. Every year, new TV channels sprout across genres, including entertainment, news and movies, besides niche genres, such as lifestyle, kids and infotainment.
As of July 2014, 798 TV channels were on air, including 397 news channels. (I&B: 2014). This growth in channels, chiefly in the General Entertainment Channels (GEC) and news genres, and thanks to low entry barriers, is widening the audience fragmentation. The intense competition among these channels is resulting in investments coming into differentiated content and diversification into niche and regional channels.
India’s $3.5 billion broadcast industry remains in a sweet spot. The dual revenue stream of advertising and subscription is expected to benefit from a resurgent economy as well as improved structural dynamics helped anchor steady growth in the number of TV households (TVHH) and higher digital pay-TV penetration.

At 60% TVHH penetration, India continues to add seven million new TV homes each year. In other words, at an average family size of 4.5 members, TV is gaining more than 30 million potential viewers each year. Television will continue to offer the highest reach to advertisers, relative to other media. As a result,
advertisements will remain the major revenue stream for broadcasters, while an increase in affiliate sales will help stabilise the business and drive profitability (Media Partners Asia: 2015).

Since its inception, the DTH sector has made cumulative investments of Rs 275 billion and has been primarily responsible for driving penetration of digital pay-TV. With a base of more than 41 million active subscribers, DTH is poised to benefit from greater economies of scale. In 2014, the DTH industry reported an average EBITDA of Rs 38 per sub per month, with margins at 16 per cent. Moreover, two of the leading operators, Dish TV and Airtel Digital, have already started generating positive free cash flow (FCF). (Media Partners Asia: 2015).

The Free to Air (FTA) TV market in India can be safely described as multi-faceted. The Government-led public service broadcaster Doordashan, offers over 21 channels and broadcasts in 11 different Indian languages. However, it is more popular in the rural and semi-rural areas. Compared to this, the most popular FTA channels are those offered by the three biggest media houses of India: STAR India (offering 48 channels in eight languages), Zee Entertainment Enterprises (33 channels in eight languages) and Viacom18 Media Pvt Ltd (15 channels). The commercial channels offer the three most popular content genres in India: fictional entertainment, Bollywood movies and reality shows. India also exports TV programming to neighbouring countries with large subcontinental diaspora (Broadcast & Cablecast: 2015).
The consumption of digital content in the country is at an inflection point. Although internet penetration is low, the launch of 4G services recently is expected to usher in a “late surge” in wireless-based broadband adoption. In view of India’s massive mobile phone user base – over 750 million subscribers – the scale and impact of potential digital content consumption is indeed huge. And M&E companies that understand and adapt to these dynamics, and invest in tailor-made content and services, stand to gain enormously (Kelly: 2012).
Following deregulation of the broadcasting sector, the growth of TV gathered pace in the 1990s. Regulatory norms currently permit 100% FDI in broadcasting carriage (I&B: 2015). Deregulation led to the launch of non-government-led channels, and the roll-out of cable and satellite TV networks. Soon, pay-TV services were launched in the country, which saw foreign broadcasters, such as Rupert Murdoch’s STAR TV Network, MTV, and BBC gaining a foothold in the potentially huge Indian market. Currently, over 2,000 channels are slogging it out in the Indian TV market through cable and satellite platforms (FICCI-KMG, Media and Entertainment Report: 2913).

Source: BCG-CII report sees massive potential for Indian media industry 2015.
4.1.2 Foreign Direct Investment in Broadcasting Sector

FDI has been a main vector of globalisation in the past and has possibly grown in importance over the past decade (Jones: 2005). The multinational corporations (MNCs) from developed countries, where most FDI originates, have provided a massive infusion of capital, technology, marketing connections that, under certain conditions, have played a major role in the economic transformation and growth that many developing countries have experienced over the past two decades. In the present liberalised global economic environment where economies of various countries are closely inter-linked and inter-dependent, foreign investments play a vital role. FDI is not only a large and growing source of equity investment for developing economies, but also brings with it considerable benefits through transfer of technology, stronger infrastructure, higher productivity, fostering enhanced competitiveness and generating new employment opportunities. FDI inflows in the information and broadcasting sector (including print media) in the period in April 2000 – June 2015 stood at US$4.05 billion, as per data released by Department of Industrial Policy and Promotion (DIPP: 2015), Govt. of India.

Currently, the FDI limit in carriage services is set at 100%, of which 49% can be brought in through the automatic route and beyond 49% has to go through the Government route. New Sectoral Caps & Entry Routes in Broadcasting Sector FDI policy has also been amended in November 2015 as given under:

Table.2
<table>
<thead>
<tr>
<th>Sector/Activity</th>
<th>New Cap and Route (2015)</th>
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<tr>
<td>(1) Teleports (setting up of up-linking HUBs/Teleports);</td>
<td>100%</td>
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<tr>
<td></td>
<td>(Up to 49% - Automatic route Beyond 49% - under Government route)</td>
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<td>(2) Direct to Home (DTH);</td>
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<tr>
<td>(3) Cable Networks (Multi System operators (MSOs) operating at National or State or District level and undertaking upgradation of networks towards digitalization and addressability); (4) Mobile TV;</td>
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<td>(5) Headend-in-the Sky Broadcasting Service (HITS)</td>
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<tr>
<td>Cable Networks (Other MSOs not undertaking upgradation of networks towards digitalization and addressability and Local Cable Operators (LCOs))</td>
<td>100%</td>
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<td></td>
<td>(Up to 49% - Automatic route Beyond 49% - under Government route)</td>
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<tr>
<td>Broadcasting Content Services</td>
<td>100%</td>
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<td></td>
<td>(Up to 49% - Automatic route Beyond 49% - under Government route)</td>
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<tr>
<td>Terrestrial Broadcasting FM (FM Radio),</td>
<td>49% - Up-linking of ‘News &amp; Government route</td>
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<tr>
<td>Up-linking of ‘News &amp; Government route Current Affairs’ TV Channels</td>
<td>49% - Up-linking of ‘News &amp; Government route</td>
</tr>
<tr>
<td>Up-linking of Non-‘News &amp; Current Affairs’ TV Channels</td>
<td>100% Automatic route</td>
</tr>
<tr>
<td>Down-linking of TV Channels</td>
<td>100% Automatic route</td>
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Source: Ministry of Information and Broadcasting, Govt. of India
Multinational Broadcasting Companies

Till the last decade of the 20th century, the national waves were controlled by the government.

As a result, the broadcaster’s signals covered the whole country. Thus, there was strong national and territorial bias. (Brochand: 1994). Foreign broadcasters were kept out of the country. Moves to allow them to operate in the country were negated, citing breach of national security and sovereignty. Since the 1990s, there have been two developments in the TV segment, which has recalibrated its relationship with the state. First, decentralisation played yeoman’s role in the development of TV at an infra-national level. Globally, complex local and regional TV broadcasting systems have come into being. The development of regional TV networks has always resulted in political underpinnings (Mateo: 1997). These networks emerged out of the existing national – and public – broadcasting structures. This evolution has many facades to it, including the expansion of the international TV trade and the growth of transnational media corporations (Thussu: 2000).

The first cross-border TV channels were launched in the 1980s in Europe. From then it caught on speed. And twenty years later, there are over a 100 transnational channels operating across Europe. And, of these, about 80 hold a licence from the British Independent Television Commission (ITC, 2001). European cross-border TV largely consists of ethnic channels that service a specific diaspora. These include SAT-7, an Arab Christian channel based in Oxfordshire; TVBS, broadcasting Chinese news and entertainment; ZEE TV, providing Indian news,
movies and entertainment, and Sima TV, providing Persian news and culture. Ethnic channels are mostly multinational in nature because they rarely have pan-European coverage. In most cases, they have a strong distribution in the countries where the diaspora lives and do not market themselves elsewhere.

In the process, Star pumped in more than $1 billion in the sports broadcasting business in order to make big-ticket acquisitions. These included BCCI, ECB ($200 million), and EPL ($145 million) rights. Including the older acquisitions in Champions League T20 ($975 million) and ICC rights ($1.1 billion), Star is way ahead of competitors to be the biggest investor in sports. For Star, regionalisation is one of its key strategies that helps increase sports consumption among TV viewers. It has successfully experimented with dual feed for cricket in India, that is, having a simulcast in English and Hindi. Buoyed by this success, it is now eyeing to replicate the success with EPL by carrying a Hindi feed of the club championship on Star Sports.

4.1.3 Competition issues

Despite the entry of private broadcasters in the TV and broadcasting space, it continues to remain an emerging sector. New regulations are being put in place to address the changing markets and multiple regulators are governing different aspects. The three main competition issues in this area are (i) scarcity of spectrum, (ii) abuse of dominance in TV viewership ratings and (iii) information asymmetry in the subscriber base in the analogue mode (Competition issues in Television and Broadcasting; 2013).
In January 2010, the government temporarily stopped granting permission to set up new channels in India on the grounds of reviewing the transmission and net worth of existing channels, and checking availability of spectrum. TRAI was tasked with giving recommendations on whether the number of TV channels in India should be capped because of the surge in the number of players. TRAI recommended that there should not be any cap on the number of satellite-based channels, but the eligibility criteria for registration should be revised. In May 2011, the MIB cleared 75 new channels from among 150 applications received. The net worth criteria for uplinking of non-news and current affairs and downlinking of foreign channels was revised to Rs. 5 crore (US$0.9 million) from Rs 1.5 crore (US$0.3 million) for the first channel and Rs. 2.5 crore (US$0.5 million) for each additional channel. For news and current affairs channels, it was increased to Rs. 20 crore (US$3.7 million) from Rs. 3 crore (US$0.6 million) for the first channel and Rs. 5 crore (US$0.9 million) for each additional channel. While this policy seems to have been adopted to make good use of the limited spectrum, it may restrict the entry of new players (Economic Times: 2012).

In the Indian market, TV viewership ratings are published by TAM Media. All TV channels are working towards obtaining high ratings so as to boost their ad revenues, as these ratings are then used by media planners to devise advertising strategies. The broadcasters are frequently monitored and rated. Ad revenues depend on these ratings. This has resulted in severe competition between these broadcasters. Accountability, transparency and objectivity of the
ratings are vital, since false or misleading ratings can harm the broadcasters, viewers and advertisers. There are only two rating agencies in the country. Hence, there is limited competition in TV ratings, thereby giving rise to the chances of abuse of dominance and biased ratings. Also, opaqueness surrounds the actual numbers of India’s TV subscriber base. This is due to lack of reliable information. There are more number of analog mode subscribers in the country, because of which the distribution is skewed in their favour. The analog mode has low channel-carrying capacity and little addressability. About 78.5 per cent of subscribers are connected through analog cable. This has resulted in near-monopoly vis-a-vis last mile connectivity (FICCI-KPMG Report: 2014) for analog cable operators. Moreover, the frequent under-declaration of the subscriber base in the analog segment affects the revenue mobilised per channel, per consumer. As a result, a tug-of-war exists between the content aggregator and the Multi System Operators (MSO) on the one hand and between the MSO and the Local Cable Operators (LCO) on the other. Typically, LCOs do not reveal the number of households they service as they cater directly to the consumers and enjoy the last mile advantage. This has given rise to many disputes between pay channels, MSOs and LCOs. Digitisation of this space will lead to a more transparent and accurate assessment of the subscriber base. As a result of this improved transparency, broadcasters and MSOs could enjoy have greater bargaining power over LCOs, and earn higher subscription revenues. In many areas LCOs and small MCOs enjoy an unwarranted local monopoly leading to non-standard pricing for the consumers (Television Post: 2014).
4.2 BROADCASTING: THE LEGAL FRAMEWORK

In India, with rapidly changing technologies, and increasing investments, the broadcast sector has become the site of contention between various interests – broadcast companies, the government and public. An important aspect of this tussle is the legal regulation of both existing and emerging technologies. This part attempts to examine the existing regulatory institutions and legal framework that applies to various broadcast technologies that are currently in use.

Regulatory Institutions

Currently, broadcasting regulations in India entail significant government control. Multiple agencies govern different aspects of drafting, implementing and enforcing these policies and legislations. Ministry of Information & Broadcasting (MIB) is the apex body responsible for forming and administering the rules, regulations and laws relating to information and broadcasting. The MIB governs mass communication channels - radio, TV, films, the press, publications, advertising and traditional modes of dance and drama. It plays an important part in helping the people gain access to free flow of information. It also caters to the dissemination of knowledge and entertainment across sections of society, striking a balance between public interest and commercial needs. MIB is the nodal agency responsible for international co-operation in the field of mass media, films and broadcasting. It interacts with its foreign counterparts on behalf of the Government of India. In case of any violations of the programme and advertisement codes, an Inter-Ministerial Committee
(IMC) constituted by the MIB looks into the complaints. Ministry of Communications & Information Technology (MCIT) is responsible for licensing, transmission equipment, satellites, and Internet Protocol Television (IPTV).

Telecom Regulatory Authority of India (TRAI) was established under the Telecom Regulatory Authority of India Act, 1997. This body regulates telecom services, including fixing/revising tariffs for telecom services, all of which were earlier vested in the Central Government. One of the main objectives of TRAI is to provide a fair and transparent policy environment. From January 2004, broadcasting and cable services were brought under the ambit of telecommunication services as per Section 2(k) of the TRAI Act. TRAI is also mandated to make recommendations regarding terms and conditions on which the “Addressable Systems” shall be provided to customers and the parameters for regulating the maximum time permitted for advertisements in pay and other channels. TRAI periodically reviews the tariff structure of television channels, including analog and digital cable TV services, DTH services, IPTV services and HITS. Telecom Disputes Settlement & Appellate Tribunal (TDSAT) adjudicates disputes arising from TRAI’s orders, and disposes of appeals in order to protect the interests of service providers and consumers and to promote/ensure orderly growth of the sector. Competition Commission of India (CCI) established by the Competition Act, 2002 is mandated with ensuring fair and healthy competition in India’s TV and broadcasting markets. It also aims to develop and nurture effective relations and interactions with sectoral regulators to enable
easy alignment of sectoral regulatory laws in tandem with the competition law.

**Regulations**

The statutory basis of government monopoly of the broadcast sector, which was widespread until the emergence of satellite television in the 1990s, can be traced to the 123-year-old Indian Telegraph Act of 1885 (Vikram Raghavan: 2007). The Act states that the Central Government has the exclusive privilege of establishing, maintaining, and working telegraphs within India (Sec 4(1)). The Act and its subsequent amendments define telegraph broadly to include most modern communication devices irrespective of their underlying technology. Most of the important international and domestic legislations related to broadcasting including “Indian Copyright Act 1957” are addressed in Chapter III. However, this part is giving brief introductions on other domestic legislations.

**PrasarBharati (Broadcasting Corporation of India) Act, 1990:** The Bill was introduced in Parliament in May 1979. It was the direct result of the recommendations of the B. G. Verghese Committee set up in 1977 after the Emergency. The Bill was allowed to lapse after the Janata Party government came into power following the end of Emergency. The victory of the National Front government in 1989 saw the revival of the PrasarBharati Bill in a modified form. It was passed by Parliament and received presidential assent on September 12, 1990. The PrasarBharati Act envisages formation of an autonomous Broadcasting Corporation that would manage Doordarshan and AIR,
in the process discharging all powers previously held by the Information and Broadcasting Ministry. The primary duty of this corporation would be to organise and conduct public broadcasting services to inform, educate, and entertain the public and to ensure ‘balanced development’ of broadcasting through radio and TV.

The Cable Networks Act, 1995: The principal purpose of the Cable Networks Act was to introduce firm regulations in the cable market. The statement of objects and reasons declared that cable TV constituted a ‘cultural invasion’ as cable programmes were predominantly Western and alien to Indian culture and way of life. It declared that the lack of regulation had resulted in undesirable programmes and advertisements being shown to Indian viewers without any censorship.

This was followed by the enactment of the Information Technology Act in 2000. It aimed at dealing with various issues that arose from the rising use of Internet in commercial transactions, and to bring this new technology under the scope of the law. The Act was not aimed at regulating the broadcast sector. However, it will bear an impact on the content of broadcast service providers who use the Internet to broadcast material. Also, with a rising number of broadcasters using websites to telecast material (webcasting), the Information Technology Act has become relevant to the broadcast sector. The provision in the IT Act that would be most relevant to broadcasters is Section 67, which deals with “publishing of information which is obscene in electronic form” (VikramRaghavan: 2007).
The government then envisaged setting up a single regulatory authority – the Communications Commission of India – through the Communications Convergence Bill, 2000. This would result in the repeal of the Indian Telegraph Act 1885, the Indian Wireless Telegraphy Act 1933, the Telegraph Wire Unlawful Possession Act, 1950, and the Telecom Regulatory Authority of India Act, 1997. The government’s recognition that traditional media and communication laws did not adequately deal with advancements in information technology its decision to open the telecom sector led to the proposal to create a single regulatory authority.

4.3 BROADCASTING TECHNOLOGY IN INDIA

The broadcasting sector has been undergoing significant technological and structural changes, which have given consumers access to a great variety of communications and media services. Convergence is changing the way in which consumers use communication services and consume content, as it is available on new platforms and on various wireless portable devices. A fundamental change affecting traditional broadcasting stems from the migration of networks. The penetration of new technologies and the dynamic effects of convergence are changing the way that consumers access and view audiovisual content. Nowadays, it can be provided via multiple platforms: analogue or digital terrestrial broadcasts, satellite, cable or Internet Protocol (IP) and Over-the-Top (OTT) television. Technological developments affect the conditions of competition as they alter: the range and quality of services; the underlying costs; the
extent of barriers to entry (new technologies provide new means by which the market is contested); the ability of customers to switch suppliers; and pricing mechanisms (technological developments allow for provision of pay per view services). This changes preventing the domestic broadcasting companies from widening their dominance in India. Obivously, media MNCs came with all the technological advantages (Business Standard: 2014).

The Indian broadcasting industry has demonstrated its receptiveness to accommodate latest technologies. Its corporate economic power and the influence of media MNCs propelled the Indian media industry forward and kept it at par with that of the developed world. Clearly, a transnational media order is now in the making. This will remap the media space, ushering in new media practices, flows and products globally. India, a comparatively strong soft power with rich cultural legacy, has an increasing number of media companies having even overseas presence. Transnational TV channels have grown in volume and diversity over the past 10 years. It includes some most innovative and influential channels. For instance, India’s TV market witnessed exponential growth, attracted by the large and rising affluent urban middle classes. It even attracted media MNCs into the country. The success of news and sports channels in India is attributed to tech-driven strategies, such as those of Star network (Thussu, D.K. (2005).

The rising penetration in broadcasting industry is being driven by digitisation in the TV industry. The process of digitisation will not
only lead to the rise of more TV channels, but it will also minimise the capacity constraints on the analog cable TV distribution platform. It goes without saying that digitisation will also improve the quality of viewing, besides helping put in place more transparent revenue-sharing models.

In the broadcasting arena, the market structure varies from being highly-competitive in content creation to being concentrated in content aggregation. Television in India is on the threshold of a major transformation as the country embarks on an ambitious project to completely replace the current analogue cable networks with a digital addressable system. The Cable Television Networks (Regulation) Amendment Act of 2011 made it mandatory for analogue Cable TV networks in India to switch over to a new Digital Addressable System (DAS) by December 2014. But the process is still continuing.

**Figure 6**

![Indian Television Landscape 2014](image)

Source: Economic Times: 2014
The current phase of cable digitisation is set for completion by end-2016. There is the worry that India might not be able to implement the change-over by the end of the decade as the terrestrial platform remains largely analog. True, India has a high proportion of pay-TV customers. Yet, many homes continue to receive cable TV via illegal transmission. The satellite platform is beset with similar piracy problems. In this space too, about 15% of reported satellite subscribers receive signals illegally. Cable, which serves nearly 50% of households owning TV sets in 2014, is the largest TV platform in the country.

Digitisation of cable infrastructure in India is a significant exercise in view of the size and complexity of the market. There are over 60,000 local cable operators and 6,000 multiple cable system operators. Through digitisation of the cable platform, the government chiefly aims to increase tax revenues by gaining greater accuracy vis-à-vis the number of paying cable subscribers.

**Figure.7**

![Subscription Category (Million)](image)

Source: FICCI-KPMG Indian Media and Entertainment Report 2015
4.3.1 Types of Broadcasting Services

Broadcasting services in India can be broadly grouped into two – (i) carriage services, and (ii) content services. Carriage services provide the medium for carriage of content/information. Broadly, this category refers to cable TV services, terrestrial TV services, DTH services, Headend in the Sky (HITS) services, mobile TV services, IPTV services and teleport services. Technically, cable TV networks can also provide voice telephony and broadband. Also, modern telecom networks are capable of triple play, i.e. voice, video and data services. The terms and conditions of the Unified Access Service License (UASL) agreement and of the Cellular Mobile Telephone Service (CMTS) license agreement permit the provision of such triple services. Thanks to the convergence of telecom and broadcasting technologies, telecom and broadcasting networks can be used to provide broadcasting carriage services.

Content services involve creating and packaging of content. Broadcasters fall in this category (content service providers). TV broadcasters are primarily content providers. And this content is delivered to the end user by a carriage service provider. Conversely, FM radio services combine both content and carriage services since they create their own content and also deliver the same to the listeners directly.
Figure 8
The schemata of television transmission through these three modes can be represented as follows

Source: FICCI-KPMG Indian media and entertainment report 2015

4.3.2 Digital media and Broadcasting

Broadcasters are using digital media to foster greater engagement with young audiences who are increasingly online and multi-tasking while watching TV. These young audiences are increasingly looking for an online experience that compliments normal TV programming. This includes video and gaming content and social media that they can enjoy at their leisure. About 40% of active Indian internet users consume TV content online, although that is mostly limited to highlights of shows. Going forward, increased
availability of bandwidth will allow broadcasters and distributors to deliver full-length catch-up TV and leverage the interactivity of the online medium to create greater engagement with audiences.

Broadcasters are using text messages and interactive voice response (IVR) on mobile phones to increase the engagement with audiences during gaming and reality TV shows. Around 45 million urban Indians send text messages during reality TV shows. These messages are charged at premium rates, generating the majority of broadcasters’ digital revenue. Broadcasters have also launched online versions of reality TV shows targeted at the young audience. Streamed mobile TV services are very popular among Indian audiences. The recent Cricket World Cup and Indian Premier League helped stoke this interest. Indians are 64% more likely to consume mobile TV than the global average. The government has announced plans to allocate a dedicated spectrum for mobile TV broadcast services on the Digital Video Broadcasting–Handheld (DVB-H) platform. This will allow digital TV broadcast signals to be beamed to DVB-H-enabled mobile phones, which will improve video quality and drive its further growth in India (M&E Quarterly: 2010).

Besides roll-out of 4G, broadcasters hope greater use of broadband to spur the demand for TV content portals and streaming content online. Broadcasters are also mulling destination sites for users. These will come with multiple content and services, and result in multiple revenue streams. Going forward, broadcasters may partner to aggregate popular shows and channels besides investing in
services that allow catch-up TV, even as they share revenues, risks and costs.

Government-mandated digitisation and fierce competition have raised pressure on DTH and digital cable operators to roll out premium services, such as HD, 3D and triple-play. The introduction of 4G is expected to drive greater product innovation and hasten the introduction of VoD, peer-to-peer gaming and content portability. This could help digital cable operators bridge the last mile gap via partnerships with 4G providers and make possible the delivery of video, voice and data services to cable-dark areas. Availability of broadband could also kick-start the growth of IPTV and web TV (Financial Express: 2010).

4.3.3 Impact of Digital media on sports

Digital media provides a novel platform for India’s sports fraternity to reach, engage and monetise audiences during the course of live matches. Internet usage in India is dominated by male audiences aged 15 years and older, providing a strong medium for sports teams to target their fan base and enhance their brand value. Males of 15 years and over make up 60% of Indian cricket’s TV viewership (TAM Media Research: 2011) and 83% of Indian soccer viewership. Because of its strong following, the IPL has been particularly effective at leveraging digital media to license digital content, develop its brand presence and provide additional value to its sponsors.
Indian sports teams are engaging directly with fans through online platforms, such as blogs and social networks. Some IPL teams have over a million registered fans on their Facebook pages (Indiavision: 2011). Mobile apps and games: Sports teams are partnering with developers to create games and mobile apps. These innovations provide an additional touch point for fans to interact with their favourite teams and for team sponsors to engage with audiences. Cricket on mobile devices are very popular - more than 50% of the 15 million mobile apps and games downloaded in India during the first quarter of 2011 were cricket-related (Financial Express: 2011). Online and live mobile streaming: Despite internet bandwidth constraints, online and mobile streaming of live cricket games is widespread in India. YouTube, the online broadcast partner for IPL-III, recorded 50 million page views in 2010 (Business Standard: 2011). Licensing fees for online and mobile broadcast rights for cricket tournaments also bring in hefty revenues to organisers. Rights holders help enrich the online viewing experience through use of interactive features, such as scores, match schedules and statistics.

4.4 CRICKET BROADCASTING: A CASE STUDY

Cricket holds the *numerouno* position in India as far as popularity and revenue generation are concerned (PTI: 2014). And this cricket mania is equally distributed through the length and breadth of the country - a phenomenon that leave any onlooker dumbfounded. From the swankiest residential areas to sleepy hamlets in the hinterlands of India, one can find boys swinging cricket bats in
the evenings. One of the reasons for this great interest is the many cricketing stars that this love for the game has resulted. In its 68-year history after independence, one of the biggest international successes for India has been the World Cup victory in 1983, which Indians still hold dear to heart. Subsequent appreciable performances in other World Cups and international tournaments have added greatly to the game’s popularity in India.

Cricket in India is governed by the BCCI. This national governing body was formed in December 1928 as a society, and registered under the Tamil Nadu Societies Registration Act. It is a consortium of state cricket associations. These associations get together to select their representatives who in turn elect the BCCI officials.

Brief history

The British brought the game of cricket to India. Initially only the Parsi community living in western India, and who were rather close to British Officials, started playing the game. Over time, the game found favour with the Indian royalty. Some of the Indian Maharajahs even gained favour with the British for their cricketing merits. Post-independence in 1947, though the British left India, the legacy remained and continued to grow. It did not take long for Indians to make it to the international arena. Today, cricket plays the role of an adhesive in this land of contrasts and contradiction.

Cricket is played in almost all states of India. Quite a few first class tournaments are played at the domestic level. The middle-class
Indian children of today dream of taking up cricket as a career. The government encourages the sport with infrastructural and other support. And cricket mania in India has turned the sport into a massive industry. Much money spins around the sport. And its benefits rub off on the national economy too. Sometimes even the Stock Exchange index rises and falls depending on the sentiment surrounding cricket. Elections too are known to have been won and lost on cricket-led sentiments. Top corporate organizations launch products during the course of the Indian market season. Many corporates vie with each other to sponsor cricket teams, especially the national team.

Growth in Broadcasting Rights

The report starts with a thorough listing and examination of commercial data in cricket. A comprehensive list of sponsorship deals for every governing body and professional club side globally is presented and analysed. The findings show that the leading industry sector investing in cricket is financial services.

The key revenue driver for major professional sport is now television and, in many respects, this applies to cricket more than most major sports. The media has highlighted some of the very large broadcast rights deals for football (soccer) in recent years in particular. It should, however, be borne in mind that the television income for most major European football clubs represents less than half of their turnover and typically the amount is around 30-40%. Such clubs have other highly lucrative revenue streams, particularly from gate receipts
but sponsorship, merchandising/licensing and hospitality can all contribute millions of euros per year. The picture is slightly different for football’s governing bodies, which have fewer matches to host and rely more heavily on broadcast income. Cricket has relied more heavily on broadcast revenues than most other major sports in terms of the proportion of revenues brought into the professional sport. The ECB’s latest £300m deal with Sky Sports followed an earlier £220m from the broadcaster. Given that its primary sponsors, Power and Vodafone, were paying an estimated combined total of £8m per year, the value of television income is clear to see.

The revenue landscape has changed even more dramatically with $1bn deals for the Indian Premier League (IPL) and the Champions League for Twenty20 cricket. Sports media rights have been rising globally. BCCI gets a majority of its money through that (Rohit Gupta: 2015). The gross income of BCCI is Rs. 849,1017,1139 and 1266 during the period of 2011 to 2015. The income received from the broadcasting rights during this period is Rs. 438,774,419 and 389 respectively during these years.
Indian Premier League (IPL)

The recently formed Indian Premier League (IPL) is already one of the most valuable sporting brands in the world, currently valued at US$3.7 billion. Interest in other sports has increased since India hosted the 2010 Commonwealth Games, challenging the notion that it is a single-sport country. This momentum, combined with a young population and a rising propensity to spend on leisure, presents the sports industry with a number of growth opportunities (Economic Survey 2010-11).
The IPL is the largest commercial sports franchise in India. The league generates revenue from broadcasting, sponsorships, licensing and merchandising and ticketing. This revenue is shared with teams, which earn additional revenue from their own sponsorships, prize money and player trading. The IPL uses a shortened, innovative game format to increase entertainment for audiences, which is also well suited for TV consumption. The league has also monetized other media through the sale of rights for mobile TV, online streaming and video, gaming and theatrical exhibition.

The gross income from IPL is Rs. 956,892 and 1194 during the period of 2011 to 2014. The income received from the broadcasting rights during this period is Rs. 533,556 and 844.

**Figure.10**

Income from IPL (Rs.in Cr.)

Key players in India

In India sports broadcast genre is currently a three-horse race dominated by Star Sports, ZEEL-owned Taj Television and Multi Screen Media’s (MSM) Sony Six, while Neo Sports Broadcast is at the bottom of the heap (JavedFarooqi: 2013). The rise of Star India to the top of the league has come amid its game-changing moves in the last one year. Marking its entry into the sports broadcasting space, Rupert Murdoch-promoted News Corp’s Indian subsidiary acquired the BCCI’s media rights for a whopping Rs 38.51 billion. The BCCI rights acquisition was a sign of bigger things to come. In June 2012, News Corp bought out ESPN’s stake in the equal joint venture company ESPN Star Sports (ESS), for $335 million. Following the acquisition, the Indian arm of the sportscaster, ESPN Software India (ESI), became a part of Star India.

A transnational media order is coming into being. It is remapping media spaces bringing new media practices, flows and products across the world. India, a comparatively strong soft power with rich cultural legacy, has an increasing number of media companies having even overseas presence. Transnational TV channels have multiplied and grown in diversity over the past 10 years to include some of the most innovative and influential channels. For instance, Indian television market witnessed exponential growth, attracted by the large and increasingly affluent urban middle classes and even attracted multinational broadcasting conglomerates into India. The success of news and sports channels in India is attributed
to market driven strategies, which include the skilful localization of content, and aggressive business practices. This also includes litigations invoking provisions in Indian copyright and neighbouring rights laws (Thussu, D.K. (2005).

In the next chapter we will be examine how judiciary has resisted the corporatisation of Indian broadcasting by analysing its rulings in disputes related to cricket.