Chapter-3

An Overview of the Mass Media Scenario in India

3.1. Introduction

From Hickey’s Journal to INR 820 billion empire, Indian media and entertainment industry has travelled a long way and grown into a leading media market of the world. Given over 1.2 billion population of the country, every big player of the media sector worldwide is ready to put money in India. Including television, film, radio, and telecommunication every sector of media industry in India is on a boom in recent times. A section of the report by KPMG 2013 says, “the Indian media and entertainment industry grew from INR 728 billion in 2011 to INR 820 billion in 2012, registering an overall growth of 12.6%.....Given the impetus introduced by digitalization, continued growth of regional media, continued strength in the film sector and fast increasing new media business, the sector is projected to grow at a healthy Compound Annual Growth Rate (CAGR) of 15.2% to reach INR 1661 billion by 2017.”

Apart from becoming the largest producer of films, India is the third largest user of Internet in the world after China and US. With 823 channels aired in different languages, television continues to be the dominant segment. However, there is a strong growth in the new media sectors and animation/ VFX, radio is anticipated to see a spurt in growth at a CAGR of 16.6% over the period of 2012-17, post the rollout of phase III licensing.

Total advertising spent across media was INR 327.4 billion in 2012. In light of continued economic slowdown, advertising revenues saw a growth of 9% in 2012 as of 13% in 2011. Print continues to be the largest beneficiary accounting for 46% of the advertising pie at INR 150 billion.

Achieving 77% digitalization of the screens, and aiming 100% in times to come, the film sector had made a comeback. This development resulted in investment in

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1 KPMG. (2013). Indian Media and Entertainment Industry to achieve growth of 11.8% in 2013 and touch INR 917 billion. New Delhi: KPMG.
2 Ibid
3 Ibid
differentiated contents of the films, marketing and wider releases contributing to
greater audience engagement and unprecedented box office success across small and
big budget movies alike. Over all the digital technology is expected to drive the media
and entertainment sector’s growth. The rapid increase in mobile and wireless
connections continues to drive the growth of the internet penetration in India. With
better access, through cheaper and smarter devices, audiences (especially the youth)
are consuming more and are getting increasingly engaged. Key beneficiaries are
emerging new media segments, which include internet advertising, online classifieds,
and gaming, all of which are on a rapid growth path.

India remains a growth market in the traditional media evidenced by the growth last
year in TV audiences, radio listenership, and footfalls in theaters. India is an outlier
country where print is still a growth market. There is a growing overseas demand for
quality Indian animation/VFX work at affordable pricing.

Overview of every sector of media in India is discussed below with recent statistics
and prospects.

3.2. Print media

Print media of India is still on the growth path despite the introduction of newer,
faster, and cheaper sources of news dissemination. According to the annual report of
RNI 2013, the total number of registered publications, as on 31st March, 2013 was
94,067 in which total number of newspapers registered was 12,511 and total number
of periodicals registered was 81,556. The year 2012-13 marked a steady growth in the
number of registered publications with 8.43% over the previous year. The total
number of new publications registered during the year 2012-13 was 7,337. When we
analyze the language-wise publication of the country the largest number of
publication was of Hindi language (37,891), followed by English with a number of
12,634. Uttar Pradesh having 14,336 publications was on top of the state wise
publication list, followed by Maharashtra with 12,466 publications.

Circulation of publication in India also increased and reached to number of
40,50,37,930 during the year 2012-13. Hindi publications were the most circulated
with the number of 2,21,64,175 followed by English publications which was
5,63,85,998. Publications in the language of Urdu reached up to the number of 3, 00, 59, 618.

Anand Bazar Patrika, the Bengali daily published from Kolkata was the largest circulated publication in India during the year 2012-13 with a circulation of 12,44,048 copies. The second largest circulated Daily was the Times of India; English language daily published from New Delhi, with recorded circulation of 11, 19,088 copies.

The largest circulated Hindi Daily was Punjab Kesari, published from Jalandhar with 6,50,705 copies. The Times of India was the largest circulated multi-edition daily in English (21 editions) with 46,40,374 copies whereas Dainik Jagran became the second largest multi-edition daily, recording a number of 31,50,478 copies during the year 2012-13.

English language periodical ‘The Hindu Weekly’ published from Chennai became the largest circulated periodical for the year 2012-13 circulating 13, 15,612 copies. Among the Hindi periodicals, ‘Rishi Parsad’ published from Ahemdabad became the largest circulated periodical with 12, 13,094 copies.4

Overall industry size of print media in the year 2013 reached to INR 241.1 billion which was INR 224.1 billion in the previous year.5

3.3. Radio

The FM radio sector has shown a remarkable growth in the recent years. According to TRAI annual report of 2013, there were 242 private FM radio stations operational by March 2013, besides the public service broadcaster- All India Radio (AIR) having a network of 277 stations and 432 broadcast transmitters [148 are MW (Medium Wave), 236 FM (Frequency Modulation) and 48 SW (Short Wave)]. The coverage of AIR is 91.85% of the geographical area of the country, serving 99.18% of the population. Further, as on March 2013, out of the 189 licenses issued for the setup of community radio stations, 148 community radio stations were operational. The radio industry, which is entirely dependent on advertisement revenues, registered a growth of around 11% during the year 2012. The industry showed advertisement revenue of

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5 KPMG. (2013). Indian Media and Entertainment Industry to achieve growth of 11.8%in 2013 and touch INR 917 billion. New Delhi: KPMG.
Rs.1, 270 crore in the year 2012 compared to Rs.1,150 crore in year 2011. Local advertising continued to remain a strong contributor to industry revenues, accounting for around 50.3% of advertisement revenues for the industry whereas for tier-II and tier-III cities, the share of local advertising is close to 75%.\(^6\)

The industry is estimated to achieve a growth rate of 11.8% in 2013 to touch INR 917 billion. The sector is projected to grow at a healthy CAGR of 15.2 percent to reach INR 1661 billion by 2017.

**Table -4: Listenership pattern of Radio in India\(^7\)**

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Percentage of Listenership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 20 yrs</td>
<td>27%</td>
</tr>
<tr>
<td>20-40 yrs</td>
<td>48%</td>
</tr>
<tr>
<td>&gt;40 yrs</td>
<td>26%</td>
</tr>
</tbody>
</table>

**Table -5: Revenues earned by the Radio Industry in recent years\(^8\)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Industry revenue in billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>7.4</td>
</tr>
<tr>
<td>2008</td>
<td>8.4</td>
</tr>
<tr>
<td>2009</td>
<td>8.3</td>
</tr>
<tr>
<td>2010</td>
<td>10.0</td>
</tr>
<tr>
<td>2011</td>
<td>11.5</td>
</tr>
<tr>
<td>2012</td>
<td>12.3</td>
</tr>
</tbody>
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\(^8\) ibid
A steep rise in the revenue pattern of the radio industry could be marked by a glance over table-5. Starting from 7.4 billion in 2007 the revenue reached to 12.3 billion in 2012.

3.4. Television

Television in India has a vast reach in the country with over 823 channels of which 184 are pay, airing wide spectrum of programs from entertainment to news, travel & living, food, sports and spirituality in different languages. This is the most dominant segment in the media industry of India with the industry size of INR 419.9 billion in 2013 which was INR 370.1 billion in 2012.⁹ According to TAM report of January 2014, total TV population of India was 89% which counts up to 277 million while 11% of the total population in India still comes under the category of non-TV population which counts up to 35 million. There are a total of 234 million households in India, in which TV owning households are 153 millions. Cable and satellite penetration in the country was in 145 million households with the growth rate of 4% from the previous year. Due to the fast pace of digitalization drive, 78 million Indian households access their TV as digital subscribers accounting a growth rate of 8%. ¹⁰

The KPMG report reveals that 71 million of the 80 million urban households own TV whereas 82 million of the 154 million rural households own television. Cable and satellite penetration is in 69 million households of urban areas and 77 million of the rural areas. 39 million urban households access TV on a digital platform while 38 million in rural areas are doing so.¹¹

The shift from a controlled economy to a free market economy introduced in 1991 opened the flood gates of foreign players in the Indian market, which eventually led to an explosion in the Indian cable TV industry. The entry of transnational broadcasters like Rupert Murdoch’s Star TV Network, MTV and others changed the landscape of television in India. The public service broadcasting model was replaced by a mixed system having dual goals of public service and profit prioritization. The monopoly of

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⁹ KPMG. (2013). *Indian Media and Entertainment Industry to achieve growth of 11.8% in 2013 and touch INR 917 billion.* New Delhi: KPMG.


¹¹ ibid
state controlled broadcaster ‘Doordarshan’ was broken with the introduction of five major television channels in to the Indian broadcasting space by Star TV Network: MTV, STAR Plus, Star Movies, BBC, and Prime Sports. Soon, India saw the launch of Zee TV, the first privately owned Indian channel to broadcast over cable, followed by Asia Television Network (ATN). A few years later CNN, Discovery Channel and National Geographic Channel made their foray into India.

By 2001, international channels like HBO and History Channel started providing service to the Indian viewers. Starting in 2003, there has been an explosion of news channels in various languages; the most prominent among them are NDTV, CNN IBN and Aaj Tak. The most recent channels in the Indian broadcasting industry include UTV Movies, UTV Bindass, Zoom, Colours, 9X and 9XM.

Sports broadcasting also witnessed drastic change with the launch of Prime sports owned by Star India in 1991 which provided 24 hour sports content for the first time to Indian viewers. Later it became Star Sports. In 1995, US based global cable and satellite television channel named ESPN (Entertainment and Sports Programming Network) entered the Indian terrain with its innovative style of telecasting and programming. It won the hearts of the Indian sports lovers by beaming programme like Sports Center, which was full entertainment package for sports fans. Prasar Bharati, the public service broadcaster of India, launched DD Sports in 1998 for six hours a day, primarily focusing on the Indian sports like kabaddi and kho-kho. Later, it became 12 hours and finally, in the year 2000, it transformed in to 24 hour sports channel. Another global sports broadcaster, UAE based Taj Television launched Ten Sports in the year 2002. With the exclusive rights to broadcast World Wrestling Entertainment (WWE) and FIFA world cup of 2002 it became one of the favorite sports channels of Indian viewers. In the year 2006, Mumbai based Nimbus Communications Limited won 4 year global media rights with BCCI and started beaming team India’s matches with the channel name NEO Cricket. Later in 2008 it was re-launched as Neo Prime. Owned and operated by Multi Screen Media, Sony Six launched in 2012 is the latest in the list of sports channels in India. It is the official broadcaster of IPL which is telecast on SET Max and Sony Six.
3.5. Films

2012 was the year in which the Indian film industry marked and celebrated its hundred years. The celebration was also special as Indian cinema has moved ahead to establish itself as the world's largest producer of films. According to the official statistics published in the Central Board of Film Certification (CBFC) annual report of 2012, as many as 1602 films were produced in the country during the year 2012, recording an impressive increase from the previous year’s figure of 1255 films. Tamil film industry clinched the top slot in number of films produced with the figure of 262 films surpassing Telugu film industry with a figure of 256 films. Hindi film industry popularly known as Bollywood was down to third position having produced 221 films in the year 2012.\(^\text{12}\)

Though the Indian film industry has every reason to celebrate for its top slot in the world in terms of number of films produced, there remain some grey areas. According to Film Federation of India (FFI) secretary general Supran Sen, "Only 10% of the films produced can be described as real hits bringing in revenue. The others sink without a trace". That means, though a large number of films are produced in India which are certified by CBFC, 1602 films in 35 languages, quite a few of them do not even get released.\(^\text{13}\)

The toppers in the list for 2012 include: Tamil (262 films), Telugu (256), Hindi (221), Malayalam (185), Kannada (128), Bengali (123), Marathi (123), Bhojpuri (87), and Gujarati (72). During the year 2011 the toppers include: Hindi (206), Telugu (192), Tamil (185), Kannada (138), Bengali (122), Marathi (107), Malayalam (95), Bhojpuri (74) and Gujarati (59).\(^\text{14}\)

Despite the movies that are produced not fetching returns, producers stay put in the film industry to make more films. Quoting Supran Sen “It is said you have to look for your money where you have lost it. That is the reason why producers are not deterred


by flops and continue to make films in the hope that their next movie will click at the box-office.”

However the industry size in the year 2013 adds up to INR 122.4 which was 112.4 in the year 2012.

The South Indian Film Chamber of Commerce (SIFCC) Honorary Secretary L. Suresh attributes the increase in production of films to the ‘experimental films' that brings good success at the box-office. These films are made on a low budget with a strong storyline and without big stars, act as an encouragement for others also to make films. Quoting L. Suresh, “more than anything else, film making is intoxication. It is hard to get out of it once you have got into it.”

3.6. Internet

The internet subscriber base (excluding internet access by wireless phone subscribers) in the country as on 31st March 2013 stood at 21.61 million (216,06,681) as compared to 19.51 million (195,05,916) as on 31st March 2012, registering an annual growth rate of about 10.77%. The total broadband subscriber base has reached 15.05 million (150,50,023) as on 31st March 2013 as compared to 13.81 million (138,10,362) as on 31st March 2012, thereby registering a net addition of 1.24 million broadband subscribers during the financial year 2012-13 with growth of 8.98%.

Internet users in India are growing exponentially making it third largest internet user country after U.S. and China. According to the Telecom Regulatory Authority of India (TRAI) the number of internet subscribers in India is 164.81 million as of March 31, 2013, with seven out of eight accessing the internet from their mobile phones. India has bypassed Japan to hold the seat, and its users are significantly younger than those of other emerging economies.

Quoting Nilotpal Chakravarti, spokesperson of the Internet and Mobile Association of India “Mobile phone based Internet usage is a key component of Indian Internet usage, and I’d say the recent growth is being driven by mobile Internet usage”. In

15Supra note
16KPMG. (2013). Indian Media and Entertainment Industry to achieve growth of 11.8% in 2013 and touch INR 917 billion. New Delhi: KPMG.
addition, many users were using dongles to access the internet. Mobile internet accounts for 59.36% of the total internet usage in India, as of December 2012, while desktop internet accounted for 40.64% of the total internet usage in India. Globally, mobile internet accounts for 13.95% of the internet traffic as of December 2012, while desktop internet accounts for 86.05% of the total internet traffic.\footnote{Hindu, T. (2013). \textit{India is now world’s third largest Internet user after U.S., China}. Retrieved May 4, 2014, from The Hindu Web site: http://www.thehindu.com/sci-tech/technology/internet/india-is-now-worlds-third-largest-internet-user-after-us-china/article5053115.ece}

The locus of online dominance has moved steadily towards Asia, which now accounts for 41% of all internet users; from having 66% of all users in 1996, the United States now accounts for just 13%. China has the world’s biggest online presence; its internet users outnumber Indians by a ratio of 5:1. Brazil’s internet presence grew faster than India’s over the last year.

### 3.7. Mobile

India has emerged as one of the fastest evolving telecommunication networks in the world. Telecommunications in the country has witnessed a transformation over the past decades, owing to the extensive reforms and policies of various governments. The number of mobile users in India has swollen from 10 million in 2002 to surpass the 900 million mark in early 2012. But according to latest reports of TRAI, the overall telecom subscriber base in 2013 was 898.2 million. The Telecom Sector witnessed a decline in the number of subscribers during the year 2012-13.\footnote{TRAI. (2013). \textit{Annual Report}. New Delhi: Telecom Regulatory Authority of India.} While GSM technology still dominates the mobile market, CDMA has claimed around 25% market share. India has 44 million Smartphone subscribers as of Q4 2012, recording a 52% growth. However, only 4% of the total subscribers account for Smartphone. The highest number of Smartphone subscribers worldwide is in China with 270 million subscribers.\footnote{Meeker, M. (2013). \textit{Media Nama}. Retrieved May 1, 2014, from Medianama Web site: http://www.medianama.com/2012/12/223-india-has-137-million-internet-users-44-million-smartphone-subscribers-report/}

The revolutionary success of India’s mobile industry is well known. What is not as well articulated is how the mobile ecosystem is driving internet penetration in India. The following facts present a glimpse of that phenomenon:

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India has more than 160 million internet users, of which 86 million access internet using their mobile devices. In the last 3-4 years, the number of users who access the internet through a 3G connection has grown to round 22 million. To put things in perspective, compare this with the 15 million fixed-line broadband connections accrued over the last 17 years, there are over 36 million Smartphone users as against 60 million PC users. 9% of overall internet page views in India come from mobile devices. Over 40% of searches on Google originate from mobile devices. 30% of Facebook users in India are mobile-only internet users and 30% of new registrations are coming through mobile. LinkedIn ranks India among its top 4 growth markets for mobile usage.\(^{22}\)

Besides using internet, gaming on mobile is becoming viral among the Indian mobile subscribers. The research company KPMG-FICCI predicted that the mobile gaming segment size in Indian market will become INR 1,800 crore by the year 2017.\(^{23}\) The primary reason for exponential growth of gaming in India could be attributed to increasing number of mobile phones and a deep penetration of internet on them, which opened the gates for Massive Multiplayer Online Role playing Games (MMORPG) such as Candy Crush and Farm Ville, popular on Facebook. Games like Temple Run and Angry Birds are becoming a rage among mobile users of India.

### 3.8 Social media

Three-fourths of India’s online population is under 35, as against just over half worldwide, which reflects India’s improving literacy rates. Men under 35 and women between 35 and 44 are heavier users. India records far low sex ratio in internet usage compared worldwide as only 40% of the users are women. Indian users spend quite a good amount of time on social media, which accounts for 25% and spend 23% of online time on emails. While Google sites have the most unique visitors, internet users spend most of the time on Facebook, with over 100 million users, India has the

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Facebook comes at second place as far as unique visitors are concerned. Yahoo, Microsoft and Wikimedia sites follow in unique visitor numbers. Among social media sites, Linkedin (45 million) and Twitter (15 million) are the next most popular, while Orkut is in decline. Google is by far the most popular search engine, accounting for 90 per cent of all searches in India.\footnote{Hindu, T. (2013). \textit{India is now world’s third largest Internet user after U.S., China}. Retrieved May 4, 2014, from The Hindu Web site: http://www.thehindu.com/sci-tech/technology/internet/india-is-now-worlds-third-largest-internet-user-after-us-china/article5053115.ece}