Chapter: 1

Media Industry – An Overview

1. Introduction

The world economy nowadays is increasingly characterized as a service economy. This is primarily due to the increasing importance and share of the service sector in the economies of most developed and developing countries. In fact, the growth of the service sector has long been considered as indicative of a country’s economic progress. Economic history tells us that all developing nations have invariably experienced a shift from agriculture to industry and then to the service sector as the mainstay of the economy. This shift has also brought about a change in the definition of goods and services themselves. No longer are goods considered separate from services. Rather, services now increasingly represent an integral part of the product and this interconnectedness of goods and services is represented on a goods-services continuum.

The growth in service sector has been observed across the globe (Rashmi, 2005). This exponential growth in the service sectors has made it difficult for firms to consistently create, share, and sustain memorable customer service experiences (Oakton, 2011). Customers are becoming knowledgeable and selective in terms of buying and consuming services (Juan et al., 2012). Today the service-oriented products are acknowledged as ‘experiences’ where everyone in a service system has to create and share value for the customers (Vargo and Lusch, 2004). This view recognizes the significant role of customer feedback in order to improve the quality of services offered. The service providers must have a clear understanding of perceived as well as expected quality of service offered so to create and deliver value for the customers (Nazimet al., 2011). The customer satisfaction in service products is usually derived from a combination of technical quality as well as functional quality. However, functional quality is considered important as most customers do not have expertise to evaluate the technical quality (Nandan, and Geetika, 2010). When customers are satisfied with the service quality, they tend to be loyal with the service organization (Siddiqi, 2011). Loyal customers become the referents in order to attract more customers (Mersha et al., 2012). Hence, achievement of service 172
quality is regarded as a critical success factor for service organizations. Despite a handful of research to unearth service quality, the quest for excellence in service delivery is continued and researchers recommend further studies that highlight different cultural contexts (Frimpong and Wilson, 2013). Watching the Television is a common phenomenon all across the globe. People living in Europe, on average, spend 226 minutes watching the TV in a day, while in U.S it is 297 minutes per day (IP Germany, 2005). In many other countries, people spend most of the time in watching television and it is also evident that in some countries working time and TV watching time is spent equal (Christine and Bruno et al., 2010). Especially after the introduction of cable TV operators, television viewership has been increased exponentially with viewers having more choices and freedom to switch the channel more frequently (Christine et al., 2010). The freedom of choice amongst the broadcasted TV channels and an increase in TV watching hours signals viewers’ enjoyment with this activity. A large number of people in Pakistan watch TV daily, living in urban and the rural areas. TV viewership has been increased significantly in Pakistan with 63 million viewers in the year 2004 to 86 million in the year 2009 (Gallup, 2010). Eighty five private channels have been working in Pakistan and continuous growth of subscribers is expected in coming years (PEMRA annual report 2010). Due to socio-political unrest, most of the TV channels lie under the category of ‘news channels’ where news related to current affairs are shared with general public. Interestingly, almost 95 percent of audience likes to watch news channels in Pakistan (Gallup, 2010). Television viewing has multiple effects on individual consumers as well as on society. All the age groups especially the children are highly influenced by watching TV, even in developing countries (Kashif et al., 2012). TV viewing has been criticized over the years due to; creating unrealistic expectations about marriage (Segrin and Nabi, 2002); affecting food disorders amongst children through advertising targeted at younger children (McGinnis et al., 2006); and promotion of a ‘material culture’ where human values are almost ignored (Burroughs et al., 2002). However, on the other side, TV viewership is encouraged due to its significant advantage in De-marketing obesity amongst younger population (Wansink and Huckabee, 2005). Watching a TV has also been beneficial in consumer education especially for children about various products and services, ultimately making them more informed and knowledgeable consumers (Mehta et al., 2010). TV viewing has been found to affect social perceptions, beliefs, and self-perceptions (Eisend and Moller, 2007). It solely depends upon the quality of programs
broadcasted in order to influence the general public. Given this exponential growth in TV viewership, it’s significant impact on people from all walks of life, and the need to broadcast the programs which promote individual and societal well-being by channel owners, there is lack of evidence on the extent of service quality offered by TV channels. The studies pertaining to service quality of TV channels in developed as well as developing world are absent. This is where current Observatorio (OBS*) Journal, (2014) Muhammad Mursaleen, Mubashir Ijaz and Muhammad Kashif 173 study contributes significantly to the literature. It is true that service quality has some features which are universal in nature (Sangeetha & Mahalingam, 2011) however, customer expectations and perceptions are cultural phenomenon (Bick et al., 2010). The gaps model has been employed to measure the extent of service quality (difference between expected and perceived quality) delivered by these channels. Pakistani media channels have been under scrutiny by the media experts who criticize these channels of not reflecting a ‘family-oriented’ culture (Tribune, 2012). There are five perspectives to delineate the quality of TV channels namely; producer view, manager view, curator view, regulator view, and consumer view (Murroni and Irvine, 1997).

1.1 Media and Entertainment Industry

The Indian 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 Indian M&E sector is on the cusp of a strong phase of growth, backed by rising consumer payments and advertising revenues across all sectors. 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. Recent statistics and developments pertaining to the sector are discussed hereafter.

1.2 Current scenario and growth potential of print and electronic media

The following sections are a discussion of the current scenario, trends observed and the growth potential of the print and electronic media which are the vital components of the media and entertainment sector.
1.2.1 Print and publishing

While in rest of world, the print media is facing a decline, the scenario is completely different in India with the industry growing at a steady pace. According to data from Ernst and Young, the newspaper market in India has grown at 13 per cent (CAGR) during 2005-2010 to US$ 3.9 billion in 2010. The industry is expected to grow at a CAGR of 12 per cent between 2010 and 2013 to reach US$ 5.9 billion in 2013.

The low penetration, growing affluence and increase in literacy levels as reported in the latest Census data and growth in readership, augur well for the growth of the industry. According to data released by the National Readership Studies Council, India has roughly 200 million magazine readers, is the second-largest newspaper market in the world, behind China; and the number of Indians ages 12 and up who read daily newspapers and magazines has risen from 216 million to 222 million over the last three years. The survey also found the country's literacy rate rose from 69.9 percent to 71.1 percent over the last year. Enthused by the growth opportunities offered by the Indian market as compared to the saturation in home market demand, many foreign publishing companies have set up shop in India including Playboy, Maxim, Cosmopolitan, Golf Digest, Good Housekeeping, the Harvard Business Review, Men's Health, CIO, Marie Claire, PC World and the Journal of Neurology.

1.2.2 Film industry

The Indian film industry is the largest in the world in terms of number of movies produced. The industry is quite old with the first commercially successful film produced in the year 1913. The Indian film industry produces more than 1,000 films every year in 52 languages and over 3.7 billion tickets are sold annually. There are over 400 production houses in the country with 32 corporate houses in the business of film production. The film industry provides employment to over 60 lakh people and its current turnover is crossed Rs.12,000 crores for the year 2010. The turning point for the industry came in the year 2001, when the government according industry status for the film industry. The sector was earlier dependent on private film financiers who used to charge exorbitant rates of interest and there were also concerns regarding money laundering with many of the anti social elements getting
involved in film financing. The granting of the industry status facilitated securing of finances from financial institutions at affordable rates and brought in the much needed transparency in the industry. Individual investors were the leading contributors to non-traditional film financing accounting for 64% of the corpus, followed by IPO's which accounted for 16% of finance. A new source of film finance is the TV broadcaster becoming an equity investor by buying TV rights in perpetuity from the film producer.

An interesting trend in the Indian film industry is the growing success of Indian movies abroad. Jodha Akbar released in the year 2008, was hugely successful in the overseas markets with collection of $1.35 million in the opening weekend itself. Om Shanti Om collected over Rs.20 million in global revenues. In contrast to the scenario at the start of the century when majority of the movies that were released in India being foreign moves, now Indian movies are finding ready acceptance in foreign countries. Bollywood movies such as Dilwale Dulhaniya Le Jayenge and Kal Ho Naa Ho dealing with overseas culture have been a hit in India while movies produced by Indian film makers with the western audience in mind such as Bride and Prejudice, Monsoon Wedding, and Fire, Earth and Water have been successful in the Indian and Western markets. With the growing interest in Indian culture, spirituality, family system, etc., movies showcasing Indian festivals, rituals and customs are increasingly finding acceptance in the global markets. According to PwC, the industry is projected to grow at a CAGR of 12.4 per cent, reaching US$ 3.65 billion in 2014 from US$ 2.03 billion in 2009.

1.2.3 Market Dynamics

India’s entertainment and media sector is expected to grow steadily over the next five years as per CII-PwC’s report, titled ‘India Entertainment & Media Outlook 2014’. The industry is expected to exceed Rs 227,000 crore (US$ 36.49 billion) by 2018, growing at compound annual growth rate (CAGR) of 15 per cent between 2013 and 2018.

In 2013, the overall entertainment and media industry was estimated at Rs 112,044 crore (US$ 18.01 billion) and grew by 19 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 15 per cent. Internet access and
internet advertising have been the fastest growing segments with annual growth rates of 47 per cent and 26 per cent, respectively.

Significantly, with the increased penetration of smartphones and expansion of 3G network in India, the country is likely to see around nine billion mobile application (apps) downloads during 2015, which is five times more than 1.56 billion in 2012, as per Deloitte's India Technology, Media & Entertainment and Telecom (TMT) Predictions. This uptick in app-downloads is also expected to increase the revenue from paid apps to an estimated over Rs 15 billion (US$ 241.16 million) as against Rs 9 billion (US$ 144.7 million) in 2014, Deloitte said.

Additionally, industry estimates reveal that video games industry grew at a record 16 per cent in 2013 over 2012; wherein its net worth rose to US$ 277 million. Another report by Research and Markets stated that the Indian animation industry was valued at US$ 247 million in 2013 and is forecasted to grow at 15-20 per cent per annum.

The foreign direct investment (FDI) inflows in the information and broadcasting (I&B) sector (including print media) in the period April 2000 – January 2015 stood at US$ 3,890.94 million, as per data released by Department of Industrial Policy and Promotion (DIPP).

1.3 Challenges facing the Media and Entertainment Industry:

Development of the Indian film industry sector hinges on addressing the following issues:

1.3.1 High Incidence of Taxes:

The indirect tax structure for the entertainment sector is distorted. The incidence of indirect taxes is debilitating high with the entertainment taxes varying from 40% to 70% of gross box office collections. Out of the earnings, after payment of taxes, 40% goes to exhibitors and the balance is shared between the distributor and the producer. Illustratively, a Rs.10 crore financing cost with a 50% entertainment tax needs a box office collection of Rs.50 crore for breakeven and Rs.60 crore for securing a 20% rate of return on capital. This
cascading tax structure, discourages investment, enhances risks and leads to large scale evasion of taxes.

1.3.2 Piracy - The Killer Disease

Piracy is the killer disease of the entertainment industry. Piracy levels are estimated to be around 40% to 50% of the film trade and the film industry is losing Rs.300 to Rs.400 crore a year due to piracy. While piracy is a non-bailable cognizable offence under the Copyright Act, its enforcement leaves a lot to be desired, emboldening the criminals involved in the trade.

1.3.3 Low Screen Penetration

<table>
<thead>
<tr>
<th>Country</th>
<th>Number of screens per million population</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>121</td>
</tr>
<tr>
<td>Europe</td>
<td>81</td>
</tr>
<tr>
<td>India</td>
<td>13</td>
</tr>
</tbody>
</table>

India has a low screen penetration as brought out in the above table.

According to a UNESCO study on cinema in India, there is a requirement of at least 20,000 screens as against the current figure of 12,548.

1.3.4 Service Tax Burden

Entertainment software production companies have been brought into the service tax net in the current budget and would have to pay 10% service tax. With the imposition of service tax, the industry was hoping that there would be some relief in the customs duty front on equipment required for digital production. But their hopes were belied i.e a false impression.

1.3.5 The Blueprint for Growth

Addressing the above issues by undertaking the following measures will ensure the sustained growth of the film industry.
1.3.6 Transparent financing at reasonable rates

Though there has been some marginal activity by IDBI in film financing, the financial sector in India has not shown the required interest in film financing. Considering the industry's huge requirements of finance and the future growth prospects, this is one sector which the financial sector cannot afford to ignore. Suitable models need to be developed to appraise the risk element and the financial system should devise ways and means of increasing exposure to the entertainment sector in a phased and safe manner. Access to finance at reasonable rates is sure to act as a growth catalyst.

1.3.7 Professionally managed VC fund

Since film financing is a risky venture, the government can sponsor a VC fund that would invest in the Indian entertainment sector with professionals managing operations. The experience of countries like UK, USA, France and Australia which have provided subsidized financing to their country's entertainment sector is worth looking into.

1.3.8 Rationalization of Taxes

To curb tax evasion, taxes need to be brought down to around 15% to 20% from the current high rates. This would definitely reduce the incentive to manipulate revenues and ensure transparent functioning. Lowering of taxes would improve revenue realization through increased compliance and would definitely impart a growth momentum to the industry.

1.3.9 Curbing Piracy

Effective enforcement of the Copyright Act through strong anti-piracy measures is the need of the hour. Exemplary punishment should be meted out to violators so that it would act as a deterrent against any future tendency of deviant behaviour. The fact that piracy can be curbed to a great extent and fear instilled in the minds of the violators through strong legal measures and effective enforcement of regulations is proved by the recent experience in Tamil Nadu. Heeding to the appeals from the TN film industry, the government imposed stringent penalties for violators and swooped down on piracy establishments bringing the
violators to book. This resulted in losses due to piracy coming down to a great extent and the public returning to theatres, setting the cash registers ringing.

1.3.10 Investment in theatres and multiplexes

Multiplexes are just emerging in India and there is a great opportunity for investing in theatres and multiplexes. The government's move of allowing 100% FDI on the automatic approval route and extension of tax benefits has provided the required impetus to increase the theatre/multiplex penetration. For instance, PVR cinemas which currently have 142 screens plans to add another 100 screens in 2011-12, Cinemax is planning to expand its screens to 135 from the current 100. $567.6 million by 2014 according to PWC estimates. The rapid increase in mobile penetration with Indian being the second fastest growing mobile phone market in the world, next only to China and the emergence of new technologies such as 2G and 3G has further increased the growth potential of the industry. Sensing the opportunity, Nokia and Saregama have launched their mobile stores in few centres in India and plan to expand them on a national scale. Apart from Nokia many players are set to open music stores.

1.4 RADIO

The annual growth of the radio industry is estimated at 28%. The size of the Indian radio industry was at $171.38 million with 250 stations in the year 2009 and is expected to reach a size of $360.32 million with over 700 stations by 2014. With regard to FM radio, 248 Channels were operational in the year 2010 and revenues to the government were to the tune of $11.23 million dollars. In the satellite radio space, Worldspace India Private Ltd, a wholly owned subsidiary of Worldspace Asia Pvt. Singapore is in operation.

As far as community radio is concerned, after the liberalization of the sector in 2008, voluntary organizations have entered the sector which was hitherto reserved for the educational sector and currently 29 community radio stations are in operation. The Pitch Madison Media Advertising Outlook 2011 has estimated that the radio advertising industry would grow at a CAGR of 12.2 per cent during 2010-14, reaching US$ 342.7 million in 2014 from the present US$ 192.8 million in 2009.
1.5 ANIMATION

Animation is another area in the entertainment sphere where India has already made a visible impact. While the media and entertainment industry has been growing at a CAGR of 20 to 25 per cent, the animation industry has been growing at a CAGR of 30 to 35 per cent.

<table>
<thead>
<tr>
<th>Table 1.2.1</th>
<th>Cost Structure of Animation Industry</th>
</tr>
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<tbody>
<tr>
<td><strong>Type of Cost</strong></td>
<td><strong>Proportion of Cost</strong></td>
</tr>
<tr>
<td>Manpower</td>
<td>50 to 55%</td>
</tr>
<tr>
<td>IT Infrastructure</td>
<td>25 to 30%</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>Table 1.2.2</th>
<th>Billing rates per minute</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type of work</strong></td>
<td><strong>Rate/minute</strong></td>
</tr>
<tr>
<td>2D Animation work</td>
<td>$2000 to 5250</td>
</tr>
<tr>
<td>3D Animation work</td>
<td>$4500 to 7000</td>
</tr>
<tr>
<td>Complex 3D Animation</td>
<td>$12,000</td>
</tr>
</tbody>
</table>

The country is increasingly becoming an attractive destination for 3D animation content especially outsourced content. An half hour 3D CGI animation TV episode which would cost $1, 70,000 to 2, 50,000 would cost only $50,000 to $70,000 in India. Since manpower costs constitute the major cost of the animation section and they are considerably low in India, the country has emerged as an important destination. The following tables depict the manpower cost and the billing rates per minute.

In 2009 alone 11 new animation TV series projects have come to India, 9 from US and 2 from Europe. DQ Entertainment, Toonz animation, Paprikaas animation and Crest Communications have all received jobs from abroad for producing 3D animation films. Currently DQ Entertainment is the largest animation service provider in Asia with more than four thousand employees working for them.

The opportunities for Indian animation include feature films, ads, gaming etc. In fact, ad films having relatively smaller base grew at a rate higher than 300%. The major competitors to India are China, Philippines, Korea, Taiwan and some East European countries. Another distinct area of opportunity is visual effects. The size of the domestic VFX market for both feature and ad films is Rs.1,000 millions and VFX for TV programs would be around Rs.50 to 100 million. An emerging opportunity in this area would be digital restoration and
coloring. A shining example is the 1960’s Mughal - E - Azam which was re-coloured by Chennai based firm, Iris Interactive. Due to the increased inflow of outsourced animation production services projects to India around 40 to 60 new studios have been set up between 2007 and 2010.

An interesting trend that is witnessed in the animation space is that foreign companies which were outsourcing their projects to India have set up subsidiaries in the country enthused by the high quality talent and the low cost of production. Sony has set up Image works in Chennai and the company works on visual effects and character animation. DreamWorks Animation has formed a strategic alliance with Technicolour and Turner International is scouting for sites for setting up shop. The greatest challenge facing the industry and which is set to accentuate further is the dearth in quality and qualified talent. The government and corporate need to set up more animation training institutes to ensure assured flow of talented professional to drive the growth of the industry.

According to a study by Andersen Consulting, India's animation industry (domestic and exports) will touch USD 2 billion and create employment for around 3 lakh professionals including content developers and animators by 2008. Today we have only 15,000 trained professionals. India has the largest number of technologists in the world today and also the highest number of trained entertainment technologists. If their skills are combined, then the opportunity to capture the market and generate employment is enormous.

1.6 Recent development/Investments

- Cinepolis India Pvt. Ltd, the Indian movie exhibition arm of Mexican chain Cinepolis, is planning to add 60 screens to take its total count to over 250 screens by the end of 2015.

- Turner International India has announced the expansion of its television bouquet for children with the launch of Toonami, a channel dedicated to animated action. This is the American company’s third children’s channel in India after Cartoon Network and POGO. Toonami joins an assortment of over 15 channels in the kids’ genre, which attracts close to Rs 500 crore (US$ 80.38 million) in advertising.
• Twitter Inc. plans to set up a research and design (R&D) centre in Bengaluru to grow faster in emerging markets. This will be the San Francisco-based company’s first such facility outside the US. Twitter plans to use Bengaluru-based mobile marketing and Analytics Company ZipDial Mobile Solutions Pvt. Ltd’s team to build this new R&D facility.

• STAR India, a unit of 21st Century Fox, has acquired the entire broadcast business of MAA Television Network Ltd for an undisclosed amount.

• Carnival Films Pvt. Ltd, supported by commodity trader Shrikant Bhasi, has agreed to buy multiplex company Stargaze Entertainment Pvt. Ltd from a unit of Mukesh Ambani-controlled Network18 Media and Investments Ltd.

• SRS Cinemas, the multiplex chain of the Rs 5,000 crore (US$ 803.87 million) SRS Group, is currently in an expansion mode and has earmarked a huge corpus to add more screens to its current portfolio of 48 screens to take the total number to close to 100 by the end of 2015.

• Television and film production company, Balaji Telefilms Ltd has announced that it is entering the American television market by signing an American television series production deal with Indus Media, the firm said in filing to BSE. The deal will see Balaji secure rights to the TV series ‘Brown Nation’, a satirical comedy based on the lives of Indian Americans, the firm said.

• Television and film production company Balaji Telefilms Ltd has entered into a strategic alliance with Kolkata-based Chhayabani Pvt Ltd to create distinctive and contemporary television content.

• Jagran Prakashan Limited (JPL), which publishes 12 newspapers including its flagship brand Dainik Jagran, is set to enter the radio space with the acquisition of Media Broadcast Private Limited (MBPL)’s Radio City 91.1 FM.
1.7 Government Initiatives

The Government of India has supported this sector's growth by taking various initiatives such as digitising the cable distribution sector to attract greater institutional funding, increasing FDI limit from 74 per cent to 100 per cent in cable and DTH satellite platforms, and granting industry status to the film industry for easy access to institutional finance.

Recently, the Indian and Canadian governments have signed an audio-visual co-production deal that would help producers from both countries to explore their technical, creative, artistic, financial and marketing resources for co-productions and, subsequently, lead to exchange of culture and art amongst them.

Furthermore, the Centre has given the go-ahead for licences to 45 new news and entertainment channels in India. Among those who have secured the licenses include established names such as Star, Sony, Viacom and Zee. Presently, there are 350 broadcasters which cater to 780 channels. “We want more competition and we wanted to open it up for the public. So far, we have approved the licences of 45 new channels. It’s a mix of both news and non-news channels,” said Mr Bimal Julka, Secretary, Ministry of I&B, Government of India.

1.8 Future of Media and Entertainment Industry

The Indian M&E industry is on an impressive growth path. According to the CII-PwC study, the revenue from advertising is expected to grow at a CAGR of 13 per cent and will exceed Rs 60,000 crore (US$ 9.64 billion) in 2018 from Rs 35,000 crore (US$ 5.62 billion) in 2013. Internet access has surpassed the print segment as the second-largest segment contributing to the overall pie of M&E sector revenues.

Television and print are expected to remain the largest contributors to the advertising pie in 2018 as well. Internet advertising will emerge as the third-largest segment, with a share of about 16 per cent in the total M&E advertising pie. The film segment estimated at Rs 12,600 crore (US$ 2.02 billion) in 2013 is projected to grow steadily at a CAGR of 12 per cent on the back of higher domestic and overseas box-office collections as well as cable and satellite rights.
Digital advertising is expected to lead the CAGR with 27.7 per cent, followed by radio with 18.1 per cent. Gaming and television are expected to register a CAGR of 16.2 per cent each, followed by growth rates of animation and VFX (15.9 per cent), music (13.2 per cent), films (11.9 per cent) and OOH with 9.2 per cent expected CAGR. Within TV, subscription revenues are expected to be three times more than advertising revenues, by 2018. Growth in the regional reach of print and radio shall provide opportunities to further improve the advertisement revenue.

1.9 About News Channel

Over the past decade television has emerged as the most powerful channel news and entertainment. It has displaced radio and newspapers relatively to become the country’s main source of reliable information. The 2011 Nielsen Media and Demographic survey found that 84% of urban households and 43% of rural households in Bangladesh owned a television set. The same surveys that 74% of Bangladeshis aged 15 and over watch television at least once every seven to 10 days. The rise of television has been stimulated by a boom in private TV channels, and now Channel 24 is one of the growing commercial TV stations that received a license in 2011. Channel 24 has maintained a strong hold on viewers in both rural and town. The 2011 Nielsen survey showed that 83% of TV owners in urban areas have access to private TV channels via satellite dishes. As every TV channels Channel 24 is charged the highest rates for advertising between 19.00 and 23.00, suggesting that is also the peak viewing period. As Channel 24 is operating their program 24 hours that’s why it is reached to the every kind of viewers. Channel 24 now broadcasts at least one talk show per day and these programmes cause considerable debate nationally. Channel 24 broadcast a mix of news, talk shows, reality shows, music shows, dramas, movies and other forms of entertainment. It is also broadcasting some Islamic program which is creating the religious values and opens the door for the discussion.

Rising incomes and the emergence of a large middle class have meanwhile made commercial television, based on the sale of advertising, extremely profitable. Individual programmes of Channel 24 on may have higher ratings at certain times of day. Live shows are creating great values in nationally/internationally. All of this creating the national and international network likes a strong web.
1.9.1 Performance of NEWS Channel in INDIA:

The two channels which I like for their news and coverage of current affairs are:

1) Lok Sabha TV
2) Rajya Sabha TV

Now these are not exactly news channels, since they also show the proceedings of the two houses of Parliament when Parliament is in session (which as we all know, is pretty less considering the fact that most sessions and sittings are a washout and without any meaning). Then why do I like these channels?

If you remove this coverage, what you see are excellent shows talking on important bills and issue, from the Food Security Bill to the issue of black money, from the Right to Education bill and its implementation across states to the issue of police reforms, from the performance of the government in social sectors like education, health and in its social welfare schemes like MNREGA, to the performance of sports bodies in India.

The best part is that these two channels barely have any pro-Congress or pro-government coverage, except in the case of a few exceptions. In fact, many shows turn out to actually criticize the UPA government or even put it on the mat in many cases, such as how it handled the whole issue of FDI in multi-brand retail.

Because of low public/middle-class viewership and better functioning of the shows, we see far less shouting among participants, more discipline and courtesy in allowing each other to speak, and most importantly, more light than heat (i.e. more knowledge than just shouting and melodrama) in the discussions.

There is more hard core journalism in the kind of documentaries shown on various issues on the two channels. Actual attempts are made to know what the district authorities have to say on any issue vis-a-vis the actual situation prevalent on the ground.

This is unlike most channels like Times Now, CNN-IBN or NDTV as well which either take a stand towards or against any one political party, do more of shouting than shedding
light on a topic which only leads to rage but nothing more, and have less in-depth journalistic stories where issues are probed in a deeper way. Even in the urban areas, these channels can do good journalism on many issues like urban poverty/malnutrition/hunger, state of education in public vis-a-vis private schools, ghettoization of Muslims and Hindus in certain areas in various cities, urban pollution, and terrorism. But they don't do any such thing.

1.9.2 NDTV Success Story

There are many aspects of India's media that make us proud. We have among the most vibrant and free media in the world - full of energy, creativity and diversity. No other developing country has a media sector that comes anywhere close to ours in India. In fact, our media is in many ways freer and more creative than the media in most advanced nations. Your company is honoured to be one of the leaders at the forefront of creating the media revolution in India. From the days of "The World This Week", to the first ever privately produced daily news show "The News Tonight", to launching India's first 24 hour news channel, NDTV has always been seen as the pioneer. Even now your company has tried to maintain these high standards and is today widely seen as India's most credible and non-sensational television news broadcasters. We are proud of this legacy and are very grateful to you for your constant support and encouragement. Because in the final analysis, quality and integrity will be the most successful and the brand that you have helped us create will triumph over all others who seek short term gains through tabloid news and dumbing down content to gain eyeballs at any cost. In the cluttered, over-competitive world today the single most important factor that survives, stands out and succeeds is the brand you create. Your brand, NDTV, is widely reported to be the finest brand in Indian media. We will of course have to face short term challenges. Nevertheless, we are determined to stay firmly with our commitment to the finest journalism and the highest levels of quality reporting. Our path to the future is to keep yours and the Indian viewers' trust and faith. We will fight unswervingly for what is right in our country and launch campaigns to ensure any deep malaise in our system is highlighted and corrected. We are proud of our campaigns on schooling, fitness, water, saving the tiger and of course our Greenathon for improving our environment. In addition to good journalism, making a difference with a positive impact on our society is in NDTV's DNA. We exist for these objectives. Once again thank you for your amazing loyalty and support to our vision of NDTV. We are deeply grateful and promise you that we will do
everything in our ability to make your partnership with the NDTV brand an experience that is both fruitful as well as one that makes you proud too.

1.9.3 AAJ TAK News channel

AAJ TAK was launched in December 2000 as a 24-hour Hindi news channel, which covers India with insight, courage and plenty of local flavor. Within six months of its launch, AAJ TAK emerged as India’s number one news channel. And within eleven months, it was awarded by the Indian Television Academy. Two years on, it bagged the Indian Television Academy's Award for being the “Best News Channel” again, and added the RAPA Award for “Best Advertising Campaign”. Beginning with an impressive connectivity of 5.2 million homes at the time of launch, AAJ TAK today boasts of a reach of over 30 million homes and a channel share of more than 55% among the news channels. Aaj Tak received the award for 'Best Distribution'. Its unique style of passionate storytelling and live coverage has become its hallmark. Telecast on the terrestrial network, it enjoyed a strong nationwide viewership. There's more, Aaj Tak is the only media brand in the Brand Derby 2002 study. The Year 2003 began for Aaj Tak with another feather in its cap -- ORG survey rating as the top news channel in the country.

1.9.4 ABP News channel

ANN – ABP News Network Pvt Ltd, ANN is a well recognized name in the industry and is regarded as number one network in News Industry to provide quality News to the Television viewers about India to the world.

Coming from the stable of ANN, ABP News is a popular Hindi News Channel that has always been at the forefront of empowering its viewers through information, by exposing evils in the society with an objective of cautioning people and as a social crusade for a better society.

ABP News made its debut as STAR News in March 2004 and was rebranded to ABP News from 1st June 2012. The vision of this channel has always been “‘Aapko Rakhe Aagey’—the promise of keeping each individual ahead and informed. ABP News is best defined as a
responsible channel with a fair and balanced approach that combines prompt reporting with insightful analysis of news and current affairs.

The core value of ABP News is to present news from the viewer's perspective, analyzing an issue and accordingly predicting its future results. With prompt reporting, insightful analysis of current affairs, ABP News maintains the repute of being a people’s channel. Its cutting edge formats, state-of-the-art newsrooms commands attention of 48 million Indians weekly.

Table 1.3

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Aaj Tak scored high on news bulletins, Reviews/reports & Action/Thrillers. India TV performing on Religious & devotional programmes.
1.9.5 Indian NEWS Channel History:

In the past decade, broadcast journalism has come of age. We have channels that are dedicated solely to news. The viewer today does not have to wait for ‘that half hour of news’ sandwiched between the soaps of an entertainment channel. Instead, he could just switch to an NDTV 24X7 or a Star News for some fresh, up-to-date news about the happenings around the world. This transformation did not happen overnight. It started with the collaboration of Rupert Murdoch’s Star Television Network with Dr. Prannoy Roy’s New Delhi Television Limited (popularly known as NDTV). Theirs was the first-ever independent satellite news channel to hit the small screen, popularly known as Star News. Hence was started the Television News Industry in India. And like any other industry, there’s competition in this one too. The number of news channels is growing by the day and so is the audience. In the race to be at the top, channels are resorting to all sorts of tactics ranging from ‘any news is breaking news’ to sensationalism to the recent sleazy ,but nevertheless popular ‘sting operation’. However, in this ever changing and unpredictable scenario, there are some superstars who have kept the essence of the term ‘news’ intact, by keeping the viewer informed in the true sense of the term. Here’s presenting the top 5 television journalists of India:

➢ **Barkha Dutt**

Speak of NDTV and you cannot forget to mention this name. Having done her Bachelors in English Literature from St. Stephens in New Delhi and Masters in Mass Communication from Jamia Milia Islamiya University, Barkha Dutt went on to obtain a Masters degree in Journalism from Columbia University Graduate School of Journalism. Her excellence in journalism was proven for the umpteenth time when in 1997, she won the Inlaks Scholarship to do graduate work abroad.

Professionally, Barkha boasts of a career full of milestones. From on-site news coverage to in-studio shows, this lady has been there and done it all. Her excellent coverage of the Kargil War in 1999 won her appreciation and love from the entire nation. Her most recent milestone was the coverage of the Tsunami Disaster in South India.
Her in-studio work includes the daily NewsHour and the weekly ‘We the People’. Her simplistic approach and sensitive yet sensible interaction with the masses have made her the most viewer-friendly journalist today.

➢ Rajdeep Sardesai

“Journalists are odd people. They become journalists for the oddest reasons!”’ was his remark at a recent media convention hosted by CNBC TV18. Rajdeep graduated from St. Xaviers College in Mumbai and later studied at Oxford University as a Rhodes scholar. Prior to television, he worked with the Times Group at various levels. He has been awarded time and again for excellence in media journalism.

When Rajdeep Sardesai was a part of the NDTV group, he was described as one of Dr. Prannoy Roy’s Angels. And rightly so. His skillfully handled debates in the award winning show, ‘The Big Fight’, and his on-site news reporting speak volumes about his brilliance. When he quit NDTV recently, the news industry was in a state of shock.

He has now decided to go solo and plans to start his own news channel, ‘Broadcast News’, which will be funded by Raghav Bahl of CNBC TV18.

➢ Vikram Chandra

Yet another rather good-looking NDTV product, Vikram Chandra has over a decade’s experience in television journalism. He did his Bachelor’s in Economics from St. Stephen’s College in Delhi and went on to study at Oxford on an Inlaks Scholarship. He honed his media skills at Stanford University where he did a course in Mass Media.

Vikram Chandra’s simple and lucid style of delivering news immediately struck a chord with the Indian audiences. Today, he heads the editorial team at NDTV and is also the CEO of NDTV.com. He has currently taken over as the host of ‘The Big Fight’ to fill in for former colleague Rajdeep Sardesai. One also spots him often on NDTV Profit’s ‘Gadget Guru’. His exemplary work has won him laurels not just in India but all over the world. This was significantly proven, when, at the World Economic Forum at Davos, he was named ‘Global
leader for Tomorrow’. From covering war zones to uncovering the latest gizmos, this man has done it all!

➢ Shireen Bhan

“If anyone can please tell me more about Miss Shireen Bhan...i mean i totally and absolutely think that i watch CNBC because of her...” – a blogger on IndianTelevision.com

Well, that’s the kind of effect Shereen Bhan has on the audiences! This young lady graduated from St.Stephen’s College (that’s right, it’s Stephen’s again!) and went on to obtain a Master’s in Film and Television from Pune. Prior to CNBC TV18, Shireen was an associate producer with UTV. She joined CNBC TV18 five years ago and practically redefined the term ‘anchoring’. She is frequently seen on shows such as India Business Hour, Power Turks, Young Turks and The Good Life Show. She was recently named ‘FICCI Woman of the Year 2005’. Her effortless deliverance of news and features alike as well as her cheerful disposition has made her a favorite in thousands of Indian homes.

➢ Udayan Mukherjee

For traders in the stock market, Udayan Mukherjee is a Godsend. This Bengali anchor is a trained economist. After graduating in Economics from Presidency College, Kolkata, he went on to obtain a Master’s in Economics from JNU in Delhi. He began his career with a 4-year stint at UTV and later joined CNBC Asia as a markets correspondent. Today, he not only hosts shows such as ‘Taking Stock’ and ‘Markets Today’, but also heads the CNBC Research team. His live market updates have helped countless investors in making profitable investment decisions. Well, CNBC’s punchline ‘Profit from it’ definitely holds good for Udayan Mukherjee!

1.9.6 The glory and the blemishes of the Indian news media

One of the great achievements of India is our free and vibrant press. This is an accomplishment of direct relevance to the working of democracy. Authoritarianism flourishes not only by stifling opposition, but also by systematically suppressing information. The
survival and flowering of Indian democracy owes a great deal to the freedom and vigour of our press. There are so many occasions when, sitting even in Europe or in America, I have wished for something like the vigour and many-sided balance of the Indian press to confront the vilification of chosen targets.

One longstanding example of some moment is the organised mischaracterisation in the USA of the British National Health Service and similar public health arrangements in most of Europe. Despite the fact that America has some superb newspapers, such as The New York Times, the information industry has managed to undermine thoroughly the understanding of the great accomplishments of public health care in Europe, and its contribution to enhancing health security, life expectancy, and the quality of life. Rather, the National Health Service and other such medical arrangements are often seen as some kind of a “health lock-up,” generating a widespread horror of what is called “socialised medicine” (I have heard of a rumour that American children are persuaded to eat broccoli by threatening them with “socialised medicine” as a dreaded alternative).

1.9.7 Professionalism and accuracy

Despite the limitations of the Indian news media, some of which I will discuss presently, we have every reason to applaud our free media, including our largely unfettered press, as a hugely important asset for democratic India. And yet the celebration of the Indian media can go only so far — and no further. There are at least two huge barriers to quality that are very worth discussing: one is concerned with the internal discipline of the media and the other relates to the relation between the media and society. The first problem is that of some real laxity in professionalism in achieving accuracy, which can be harmed even without any deliberate intention to mislead or misinform. The second is the bias — often implicit — in the choice of what news to cover and what to ignore, and the way this bias relates particularly to class divisions in India.
1.9.8 About News Channel and Customer Satisfaction:

Customer satisfaction remains a worthy pursuit among the consumer marketing community (Oliver, 1999). Certainly, customer satisfaction is a critical focus for effective marketing programs. However, the various definitions that appear in the literature tend to diverge from one another (Szymanski & Henard, 2001). Among the more popular measures, two widely employed approaches are transaction-specific and cumulative or overall satisfaction. The transaction-specific approach defines customer satisfaction as an emotional response by the consumer to the most recent transactional experience with an organization (Oliver, 1993). The associated response occurs at a specific time following consumption, after the choice process has been completed. The affective response varies in intensity depending upon the situational variables that are present. On the other hand, the overall satisfaction perspective views customer satisfaction in a cumulative evaluation fashion that requires summing the satisfaction associated with specific products and various facets of the firm. Some researchers (Cronin & Taylor, 1992; Parasuraman, Zeithaml, & Berry, 1988) consider overall satisfaction to be primarily a function of perceived service quality. Compared to transactional-specific satisfaction, overall satisfaction reflects customers’ cumulative impression of a firm’s service performance. In turn, it may serve as a better predictor of customer loyalty. In the setting of online services, customer satisfaction can be explained by traditional models and two additional conceptual paradigms. The first is the technology adoption model, which proposes that customer intention to adopt a new information technology is primarily determined by the ease of use and the usefulness of the technology (Davis, 1989; Davis, Bagozzi, & Warshaw, 1989). The Internet is, of course, a relatively new form of information technology. If the ease and usefulness of information and communication through the Internet does not outweigh customer losses occasioned by factors such as impersonal experiences, technical difficulties, and learning effort, then customers may simply revert their patronage back to traditional channels. This being the case, the usefulness and ease of use of Internet transactions play a pivotal role in customer satisfaction with online services. The second additional conceptual paradigm is the transaction-cost approach (TCA) (Williamson, 1975, 1987). Based on two major assumptions regarding human behavior-bounded rationality and opportunism, TCA focuses on transaction uncertainty, asset specificity, and frequency. Devaraj, Fan, and Kohli (2002) have applied TCA to the Internet channel and found that the efficiency of retail transactions was a function
of three aspects of transaction costs. These were perceived ease of use, time efficiency, and price saving. A combination of these two models helps in explaining a large portion of customer satisfaction with Internet-based services (Devaraj et al., 2002). In this study, customer loyalty was attitudinally measured by customers’ behavioral intention to continuously or increasingly conduct business with their present company, and their inclination to recommend the company to other persons. This measure has proven to be useful in previous research (Zeithaml, Berry, & Parasuraman, 1996). Satisfied customers tend to have a higher usage level of a service than those who are not satisfied (Bolton & Lemon, 1999; Ram & Jung, 1991). They are more likely to possess a stronger repurchase intention and to recommend the product/service to their acquaintances (Zeithaml et al., 1996). Numerous studies have revealed that customer satisfaction positively affects loyalty (Bloemer, de Ruyter, & Wetzels, 1999; Oliver, 1999; Zeithaml et al., 1996). This relationship would seem to be applicable to Internet e-commerce (Reichheld, Markey, & Hopton, 2000). Therefore, the following hypothesis is advanced:

The choice of Al Jazeera is based on the fact that its coverage has deeply challenged the Pentagon's version of the whole issue, as shown on CNN and other US and Western television stations. In this context, El-Ibiyary examines the inherently volatile concept of power and its various interpretations and applications. By consulting the abovementioned power relations through thematic content and discourse analysis, the study attempts to determine the role played by instant television, particularly Al Jazeera and CNN, concerning both the audience and military of both sides of the conflict. It also looks at the extent to which their communicated imagery and perspective reflect this role. The impact of the Pentagon-led propaganda and censorship measures on the visual representation of the "war on terror" has also been analysed in this study. This thesis demonstrates the decisive impact of military power on televisual knowledge as well as its limitations in fulfilling strategic military goals. The evident power exercised by the aggressors' media-military mechanism on its televisual representation seems to have been deeply resisted, and even challenged, by Al Jazeera's abundant supply of controversial imagery as well as speeches and viewpoints of official figures from the invaded country. The perceived power of Al Jazeera's imagery and its accompanying discourse, vis- à-vis CNN, was strikingly indicated in the comparative content and discourse analyses, where the "collateral" language and imagery of Al Jazeera seems to be the forerunner.
REFERENCES