3.1 CONCEPT OF PAY T.V.

Evolution of satellite T.V. (cable and DTH service) is the symbol of paradigm shift in home entertainment arena. When we reflect on the status of T.V. industry in pre-liberalization era, it is observed that this sector was fully dominated by public sector broadcasting service. In Indian context the government owned Doordarshan was the only service provider, hence the viewers were having no other option satisfy their entertainment needs except through the National channel which was the only channel present at that time. The transmission was simple and terrestrial. Production, distribution and transmission of programmes were fully controlled by Government. The period witnessed single channel which was free to air.¹

With the opening of the economy in 1991, the government control mechanism was slackened and the concept of inviting foreign technology, investment and de-regulation of domestic business emerged. The entertainment industry also witnessed the entry of foreign channels like-Star, CNN, BBC MTV. These channels with their advanced technology, quality broadcasting, and low cost enabled them to enter in the country’s entertainment arena, attained tremendous growth within a short period of time. Their penetration into the Indian society leads to the tremendous competition among the domestic and international channels.

The government controlled Doordarshan was also affected as its TRP declined continuously. In 1992 with the introduction of cable T.V. in India a revolution in
entertainment industry was observed. There was tremendous increase in the customer base of Indian viewers, whose perception changed with the introduction of Cable Network services. Cable operators provided a number of entertainments, educational and news channels in both, national and regional languages which helped them to penetrate in the urban and rural society in an effective manner. During that period hardly any domestic channel transmitted programs round the clock and only on weekends, a few more hours were added to the weekly schedule. As far as program structure was concerned, film based programs dominated the television. In 1980’s, the television industry transformed itself, due to increasing expectations level of viewers. During that period T.V. was freely available to its viewers. With the passage of time it has been observed that only one or two channels were not able to satisfy the requirements and expectations of viewers. The elite class of society had more option for entertainment then the middle and less privilege sections of the society because certain other entertainment means were there such as-Video cassette Recorder and Video cassette Player were available for this class. Apart from this, the situation was much better in metros where cable services were offered to the people at certain price. Hence this was the first example of pay T.V. concept in India. Although cable service operators were confined only to major metros, large towns and upper strata of society due to the availability of infrastructure and large customer base. It is rightly said that cable services give birth to pay T.V. concept in India. Thus in the Indian context cable services can be mentioned as the base on which DTH services has emerged.

3.2. EVOLUTION OF PAY T.V. IN INDIA

Due to the rapid change in the technology in almost each sector of economy, the entertainment industry was also affected. The rapid change has directly and indirectly affected the socio-economic structure of Indian society. With the increasing number of cable service provider who provided number of entertainment channels for all class of society, there was a mushroom growth of customers across all classes of society who never hesitated to avail these services.
In the last decade of the previous century the entertainment industry witnessed large technological development in the area of T.V. broadcasting due to which a large number of channels came on the scene catering to the needs of various segments of the society. The increasing demand of various latest features related to entertainment has compelled the cable and foreign channels to bring out new products, so that Indian society can avail entertainment at low cost with high class technological features on Television. Thus it can be said that above mentioned reasons have prepared the platform for the DTH in India. DTH stands for Direct-To-Home television. DTH is defined as the reception of satellite programs with a personal dish at an individual home. DTH does away with the need for the local cable operator and puts the broadcaster directly in touch with the consumer. Cable operators can only receive satellite programmes and then distribute them to individual homes. DTH is a fast evolving substitute against the traditional cable network system. Presently subscribers are ready to pay only for the services they require. This shows change in their mindset. With the introduction of cable T.V. and DTH service, the monopoly of Government owned Doordarshan has declined. There are large numbers of options available to Indian viewers with paid and free services. Indian audiences are not as option less as before for now they are availing various paid service (Value based services) for their entertainment and infotainment. At present there are three pay T.V. services available for Indian viewers viz. cable Network (it also includes Conditional Access System), Direct To home services and Internet protocol T.V. With the passage of time India will be witnessing a large number of services in various forms of pay T.V., which will create fierce competition in entertainment sector, and subscribers will get more and more options for fulfillment of entertainment and other needs.

Although DTH is new entrant in the Indian home entertainment market, it has already made an inroad in entertainment market of most developed countries (in U.K.1989) where consumers are highly demanding, choosy, and quality conscious. DTH services were proposed to be launched in India in the year 1996. Due to various security reasons, red-tapism, administrative and legislative bottlenecks it could be started from the
year 2000 only. In Indian country’s first private DTH license was awarded to Dish T.V. India in 2003, which had started its operations in the year 2004.

3.3. HARDWARE

Every DTH system necessarily has a broadcasting center, satellite encoders, multiplexes, modulator and, DTH receiver. With the help of encoder the audio-video and data signals are converted into digital format, which is then mixed by the multiplexes. These mixed signals are decoded at the user end by the Set Top Box. DTH is based on Digital technology as distinguished from a cable network, which is based on analog technique.

DTH Receiving Equipment – The various DTH receiving components are as follows:

A small satellite dish, a digital set-top receiver, LNBF and a remote control for the STB.

DD Direct Plus (Government owned DTH service) offers following hardware with its service:

1. Ku Band Antenna
2. LNBF
3. Coaxial cable (LNBF to Receiver)
4. Digital satellite Receiver

3.4. FEATURES OF DTH

DTH has revolutionized the home entertainment services for both, end-subscriber (audience, viewers,) and service providers. Prior to DTH services, cable network was available to competing with the government owned Doordarshan but still these are far behind from new and advanced device of entertainment known as DTH.

[23]
DTH services are very advanced and unique by nature and due to advanced technology subscriber can enjoy the world class broadcasting. Apart from high class video and audio technology, DTH services comprise many more services like interactive features Movie, On-Demand, Game on-Demand. In present conditions DTH is become a means to operate various other functions which were not possible prior to emergence of DTH. With the increasing competition among various service providers it is necessary to introduce new and innovative features in DTH service. The features of DTH can be broadly classified as follows:

3.4.1 Own Satellite Dish

This is one of primary feature of DTH service which provide separate dish to its subscriber. This dish allows subscribers to receive transmission directly from satellite by eliminating cable and analog receiver which was being used for cable network. Separate dish received transmission from satellite directly and then send it to set top box, kept at place near T.V. set. Through set top box we enjoy digital quality broadcasting of programme. Own satellite dish made possible is one of major hardware of whole accessories of DTH system.

3.4.2 Set Top Box

Set top box is the basic hardware used in Direct-To-Home service. By installing a set-top-box with television set, viewers can get better and uninterrupted signals through satellite and by using set-top-box viewers can receive complete assurance that they are getting quality of images. Set-top-Boxes contain video and audio output which provides better quality of video and audio to the viewers. Set-Top-Box is the basic component of whole DTH system, which provides much better quality in comparison to cable network. With the rapid growth of technology and increase in customer base of DTH, this industry is facing cut-throat competition among all DTH service providers. Hence it’s also necessary for them to adopt new and advanced technology for their hardware and other accessories to provide much superior quality broadcasting with certain extra features and
obviously Set Top Box is the main device to update the broadcasting technology. Keeping this thing in mind all DTH service providers are updating their Set-Top Box with advance technology to facilitate their subscribers in a better manner. These technological developments in a Set Top Box can be enumerated with the introducing by HD technology (which requires a separate type of set top box) where this standard format, STB will not work.

The quality or version of Set-Top-Box is determined by ‘Moving Pictures Experts Group (MPEG)’, which is a body authorized for establishing the standards worldwide, which lays down certain technical standard from time to time to make technology more relevant, useful, and compatible for users. Apart from above technical importance STB also has economic significance as well. Presently STB is subject to import (mainly from South Korea) and heavy import duty is levied on it, which increases the cost of STB. The experts are of the opinion that STB is the main cause in decreasing ARPU (Average Revenue per User) due to heavy burden of various taxes. Currently almost all DTH service providers are incurring loss on STB.

The average cost of STB is Rs. 3,500-4000 but due to stiff competition and keeping futures growth potential in their mind DTH service providers are providing it at Rs. 1,250-1,450 only, incurring minimum 25-35 % loss on a STB.
Following exhibit can help us to understand the development of STB in terms of technology:

**Exhibit no. 3.4.1**

**DEVELOPMENT OF STB**

<table>
<thead>
<tr>
<th>DTH Service Providers</th>
<th>Available Features</th>
<th>New Features</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dish TV</td>
<td>Format-TV, PC, Automobile, MPEG-2</td>
<td>Now offering HD Content</td>
</tr>
<tr>
<td>Tata Sky</td>
<td>Format-MPEG-2, TV, DVD like picture and CD quality sound</td>
<td>Tata sky is offering remote recording via mobile phone and web, video-On-demand stand by features, HD content is proposed.</td>
</tr>
<tr>
<td>D2h</td>
<td>MPEG-G, DBS Technology,</td>
<td>Without external STB subscriber can watch D2h through an in-built STB</td>
</tr>
</tbody>
</table>

MPEG-3 is the designation for a group of audio and video coding standards agreed upon by the Moving Picture Experts Group (MPEG) designed to handle HDTV signals at 1080p in the range of 20 to 40 megabits per second. MPEG-4 is a video compression technology developed by MPEG. It belongs to the MPEG-4 ISO/IEC standards. It is a discrete cosine transform compression standard, similar to previous standards such as MPEG-1 Part 2 and H.262/MPEG-2 Part 2. Several popular codec’s including DivX, Xvid and Nero Digital implement this standard.
3.4.2 Digital Video Recorder

With the rapid growth in information and communication technology, entertainment sector is reaching new horizon by implementing advance technology. In case of DTH service it has been observed that technology plays an important role either it may be the STB, interactive services or any other technology is behind almost every innovation. Digital Video recorder is a new kind of innovation in DTH service. Digital video recorder allows DTH subscribers to view live TV as well as record, playback, rewind and fast forward according to their continence. Through by this technique subscriber can manage their work schedule and entertainment according to their priorities. Tata Sky and Digital TV of Airtel are providing this feature with their connection presently.

The following comparison can help us to understand Digital Video recorder more clearly:

Table 3.4.2
DIGITAL VIDEO RECORDER

<table>
<thead>
<tr>
<th>DTH Service Provider</th>
<th>Price</th>
<th>Features</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tata sky</td>
<td></td>
<td></td>
</tr>
<tr>
<td>For new subscriber-Rs. 5,999</td>
<td>160 Gb or 100 hour</td>
<td></td>
</tr>
<tr>
<td>For existing subscribers-Rs. 5999+500 credit to account.</td>
<td>Audio-Video output</td>
<td></td>
</tr>
<tr>
<td>Rs. 5999+500 credit to account</td>
<td>160 Gb or 100 hour</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Audio-Video output 2x usb.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Easy to set and delete</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Easy to use</td>
</tr>
<tr>
<td>Digital TV</td>
<td></td>
<td></td>
</tr>
<tr>
<td>For new subscribers 6990, For existing Rs. 6990+1000 credit to account.</td>
<td>100 hours, 160 GB, HDMI,</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ethernet, universal remote,</td>
</tr>
<tr>
<td></td>
<td></td>
<td>recording facility through mobile</td>
</tr>
<tr>
<td></td>
<td></td>
<td>phone audio-video 2 x usb</td>
</tr>
</tbody>
</table>
Apart from above mentioned DTH service providers one cable service provider, Hatchway, is also rendering this service to its subscribers. With the updating of technology and increase in subscriber’s expectations, DTH service providers are trying to provide quality service. Tata Sky and Digital TV had launched this service for their subscribers recently.

Although in India Digital video recording facility is in its nascent stage but in future with the passage of time it will be able to adopt the latest technology.

### 3.4.4 DVD Like Sound and Picture Quality

Moving Picture Experts Group (M.P.E.G) is a body which determine certain quality standard for technology to make devices, technology more update and quality one (audio and video quality of any devices). DTH technology follows the norms and standard of MPEG to maintain such standard and adoption of standards. Enables video quality which is for better than analog technique which is being used in cable network .In case of DTH sources, audiences get Digital technology for video and audio which provides a great new experience of T.V. viewing . Digital technology audio and video technique is one of prime feature of DTH service which is mainly behind the popularity of DTH service.

### 3.4.5 Interactive T.V.

One of the important features of DTH service is the interactive services along with entertainment. With the increasing competition various cable service operator provides different entertainment channels, in order to enter more market area there was need to provide such services along with the entertainment which can be useful to the subscribers. With the growing technology it was seen that the various facets of Indian society who are looking for others advanced services like-banking, Travel, shopping live darshna can be catered through DTH medium. This service not only provides large consumer base but also provide low cost services at their doorstep. The interactive
services can be studied in two contexts, external and internal. The external interactive services are related to outsourcing of services banking, Insurance, traveling-purchasing-book, traffic-up-date. through an agreement between the concern organizations. The internal interactive services relates to the availability of services like-movie-On-Demand, Video-On –Demand, Game-On-Demand, sports active by paying requisite fee. An interactive service not only provides information and entertainment to the subscribers but enables them to analyze their information according to their requirements. Hence TV viewing is not just channel surfing business now, a days and interactive service is the benchmark of DTH service.

3.4.6 Quality Transmission

Quality transmission is another important feature of DTH service. DTH service is known for its audio quality and video technology. The transmission can only mention the use of latest technology, which could be used in all Indian condition. Due to various geographical and climatic variations, it is essential to incorporate such technology which could be integrated to cope up with these conditions.

3.4.7 Entertainment With Information

Another prominent feature of DTH is, that it not only provides entertainment but at the same time provides information on various aspect like –political, economy, culture, science etc. on National and International issue in both, national and regional ,languages. This not only helps to in build a knowledgeable society but at the same time make efforts to integrate the Indian society in protecting unity and diversity of India.

DTH service providers are providing various services which are not only meant for entertainment but also for information and educational motives. News analysis, share market, sports, politics, everything is in subscriber’s hand although these things are also available on cable network but DTH also provides facility to watch various channel on same screen at same time. This makes it possible for analysis of any news, event or issue.
Apart from these there are various other forms of entertainments available in form of various interactive services, active facilities and collaborating with various programme providers as- Airtel offering Panchtantra (ancient classic stories) on its Digital T.V. Tata sky is offering English learning program through its active service. The list is not confined to just one or two service providers but all DTH service providers are offering such services. Hence DTH is not only for entertainment but also for infotainment. Besides these services DTH helps in protecting the values in Indian culture and civilization through regional channel in all languages in order to build ethical society.

3.4.8 Healthy Way to Get Entertainment

Man is a social animal. Entertainment is required to remove tiredness and fatigue of person to break monotony. It has been commonly observed that the some cable network operators provide implicit material on their channel through compact disc or cassette in form of ‘C’ grade movie and video program. This has a negatively affect on subscribers and make them morally week and sometime give births to crime in society. The problems are much severe due to improper record of cable T.V. operators and unavailability of adequate law provides immunity to cable operators from any legal action. Through this function cable T.V. is directly or indirectly destroying our moral and social values which ultimately affect our culture.

DTH is ruled through various law available for this purpose and all DTH operators are registered with appropriate body, Hence DTH operators are not able to broadcast any such material which is explicit and illegal in nature.

Both the rapid change in the purchasing power of Indian customer the technology is also changing. The growing relevance of e-banking-commerce-commerce, Teleshopping etc has made shopping easy and convenient. The DTH service providers are updating their technology to incorporate these features in order to provide services to their subscriber. The increasing volume of such business has provided importance to DTH services. In T-mall you can go for virtual visit to T-mall (virtual mall) where
various products, services are available with their detail information regarding price, weight, size etc. One can customize one’s choices by using your DTH. Thus it can be said that DTH is providing easy and cost effective way of shopping.

3.4.9 Other Prominent Features

The other prominent features are as follows:

Exhibit no. 3.4.3

OTHER PROMINENT FEATURES

<table>
<thead>
<tr>
<th>Features</th>
<th>DTH</th>
</tr>
</thead>
<tbody>
<tr>
<td>TV Reception</td>
<td>Direct From service provider</td>
</tr>
<tr>
<td>Free-To-AIR channels</td>
<td>Available while subscription is active</td>
</tr>
<tr>
<td>Value added service</td>
<td>Usually chargeable</td>
</tr>
<tr>
<td>Installation/equipment</td>
<td>One time</td>
</tr>
<tr>
<td>Payment</td>
<td></td>
</tr>
<tr>
<td>Number of channels</td>
<td>Depends upon the package purchased</td>
</tr>
<tr>
<td>Downtime</td>
<td>Usually only when affected by rain;</td>
</tr>
<tr>
<td></td>
<td>technical problem are rare</td>
</tr>
<tr>
<td>Transfer of Residence</td>
<td>Possible at nominal charge</td>
</tr>
</tbody>
</table>

3.5 GUIDELINES FOR OBTAINING LICENSE FOR PROVIDING DIRECT-TO-HOME BROADCASTING SERVICES IN INDIA

1. Applicant Company to be an Indian company registered under Indian Companies Act, 1956

2. Total foreign equity holding FDI/NRI/OCB/FII in the applicant company not to exceed 74 %
3. Within the foreign equity the FDI component not to exceed 20%

4. The quantum represented by that proportion of the paid up equity share capital to the total issued equity capital of the Indian promoter company, held or controlled by the foreign investors through FDI/NRI/OCB investments, shall form part of the above said FDI limit of 20%.

5. The applicant company must have Indian management control with majority representatives on the board as well as the chief executive of the company being a resident Indian.

6. Broadcasting companies or cable network companies shall not be eligible to collectively own more than 20% of the total equity of Applicant Company at anytime during the license period. Similarly, Applicant Company not to have more than 20% equity shares in a broadcasting or cable network company.

7. The license shall be required to submit the equity distribution of the company in the prescribed Performa once within one month of start of every financial year.

3.6 COMPARISON BETWEEN DTH AND CABLE NETWORK SYSTEM

Direct to home could be termed as an advanced version of cable TV network. This advancement could be due to the incorporation of new technology which improved the broadcasting quality by which we can get superior quality of sound and video which was never before. Apart from this basic feature latest technology also provides various other allied services in form of interactive services and value-based service. From the beginning the cable television has crossed a long distance by crossing many hurdles. The hurdles that could be seen the mushrooming growth of channels catering to the various sectors of society irrespective of socio-economic boundaries. These channels covered the entire age group of young and old.
Beside this the entry of foreign channels due to the LPG (liberalization, privatization and globalization) era adopted in this sector had made the entertainment industry much more organized and technology based. The entry of foreign channels brought about latest technology both in audio and video feature catering to the requirements of the all Indian class. According to the survey conducted by ‘TAM MEDIA’ it was observed that out of one hundred forty one million Television sets installed in India one hundred sixteen million are connected through cable network that accounts more than seventy five percent of the viewers accessing cable network. This indicates the penetration of cable network through the length and breadth of country.

It also indicates that the cable network is growing at average rate of twelve (12%) percent annually. With the passage of time due to the advancement in information and communication technology and digitalized system the cable network transformed itself towards a new concept of broadcasting called Conditional Access System (CAS). In this latest version a CAS involves a separate receiver installed with the Television set, this receives signals transmitted by multiple system operators providing better quality transmission than before.

This type of transmission involves large number of channels catering to the various segments of entertainment, information, culture and religious. The introduction of Direct-To-Home service has been due to the more advanced version of entertainment technology like digital transmission of signals making it more clear and quality wise in broadcasting. The various issues on which the Direct –To-Home and cable network could be differentiating are analyzed below. The area on which the distinction could be analyzed is transmission, reception, price, and number of channels, accessories, interactive services, top-up-packages and others.
Exhibit no. 3.6.1
COMPARISON BETWEEN DTH AND CABLE NETWORK SYSTEM

<table>
<thead>
<tr>
<th>Basis</th>
<th>DTH Service</th>
<th>Cable Network and CAS</th>
</tr>
</thead>
<tbody>
<tr>
<td>TV reception</td>
<td>Direct from service provider through satellite</td>
<td>Comes through local cable operator</td>
</tr>
<tr>
<td>Price</td>
<td>Common to all subscribers in packages similar</td>
<td>Varies from area to area</td>
</tr>
<tr>
<td>Free to air channel</td>
<td>Available while subscription is active</td>
<td>Available for a normal price</td>
</tr>
<tr>
<td>Down Time</td>
<td>Usually affected by rain; technical problems are rare</td>
<td>Depends upon the operator can go down at any time in case of power failure.</td>
</tr>
<tr>
<td>Installation and equipment payment</td>
<td>One time</td>
<td>One time – rental options possibly available.</td>
</tr>
<tr>
<td>Transfer of residence</td>
<td>Possible at nominal charge</td>
<td>Not possible unless you are moving within the operator’s service area</td>
</tr>
<tr>
<td>Number of channels</td>
<td>Depends on the package purchased</td>
<td>Usually one price for all channels</td>
</tr>
<tr>
<td>Value added services</td>
<td>Usually chargeable</td>
<td>Less availability – possibly pirated</td>
</tr>
<tr>
<td>Internet</td>
<td>Soon to be implemented by some DTH service providers</td>
<td>Provided by some operators</td>
</tr>
<tr>
<td>Size of dish antenna</td>
<td>Ku-band signals require a very small dish antenna of just 12 to 18 inch diameter.</td>
<td>C-band is receive by large dish antenna of 2.4-4.9 meter (8 - 16 feet)</td>
</tr>
<tr>
<td>Number of TV per connection</td>
<td>One, with additional charges for extra TV and STB</td>
<td>One but also depends upon the negotiations with operator</td>
</tr>
</tbody>
</table>

The basic criterion on which Direct-To-Home overrules the cable network is mainly the quality of transmission, number of channels, and interactive services. The parameters on which Direct-To-Home services supersede the cable network is its digital technology and at the same time at low cost. In spite of the cable network penetration covering both urban and rural market the, Direct-To-Home services has consistently improving its penetration in Indian households basically due to its distinctive features.

[34]
3.7 DTH: PRESENT AND FUTURE

The journey of Direct to home service began in the year 2000, when Government gave approval to DTH services in the country. Dish TV was the first private player beside government owned DD direct plus which is the only public sector company providing DTH service. At that time there were new policy guidelines which allowed DTH transmission in India on satisfaction of certain norms such requiring the operators to set up earth station in India within a time period of twelve months of getting DTH license. Presently there are seven DTH operators in the Indian market, one Government owned DD Direct plus and six private players, with a combined subscriber base of around 41 million and nearly seven-eight lakhs new subscriber signing up every month. The brief profile of DTH Service providers presently operating is as follows:

DD Direct Plus

I. launched in the year 2000
II. Subscriber Base- Around seven million
III. DD Direct plus is the only Government owned DTH service provider in India.
IV. Primarily focused on informative and educational programmed.

➢ Dish TV

I. Launched in the year 2004
II. Background: Broadcasting
III. Subscriber base: More than 13.5 million.
IV. Only DTH service operator of India which captured 1/3 market share of total DTH market.
V. Launched many interactive and value based services.
VI. MPEG -2 technology based.
➢ **Tata sky**

I. Launched in Aug 2006,
II. Background telecom,
III. Subscriber base more than 8 million.
IV. Tata sky had launched various interactive services.

➢ **Sun Direct TV**

I. Launched in December 2007,
II. Background broadcasting,
III. Subscriber base 6 million.
IV. Mainly focus in southern region of country.

➢ **Big TV**

I. Launched in Aug 2008,
II. Background broadcasting and telecom,
III. Subscriber base 3.6 million.

➢ **Digital TV**

I. Launched in October 2008,
II. Background telecom,
III. Subscriber Base: 6.0 million.

➢ **D2h TV**

I. Launched in July 2009,
II. Background consumer durables manufacturing company,
III. Subscriber base 3.0 million.

[www.indiantelevision.com/index/2012.html]

According to Entertainment industry estimates India’s TV viewership is the second largest in the world, with the country adding 14 million new TV sets a year. Of the 141 million TV households Indian already has 116 million cable and satellite homes and growing at 25-30% annually. The DTH player’s together boost a market share of 33 million and subscribers and the subscriber base is likely to swell to 40 million by 2012 and 50 million by 2020.

**Table 3.7.1**

**PROJECTED GROWTH OF TV, PAY TV, CABLE TV, AND DTH HOUSEHOLDS**

<table>
<thead>
<tr>
<th>Year</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013(P)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subscriber</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Base (in</td>
<td>1.0</td>
<td>3.0</td>
<td>4.0</td>
<td>10.0</td>
<td>16</td>
<td>20</td>
<td>27</td>
<td>36.5</td>
<td>44.5</td>
</tr>
<tr>
<td>million)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

[KPMG analysis –Marketing White Book of Business World -2010-2011]

The alone estimates suggested that the DTH subscriber base may reach around 43-44 million by 2013, powered by the entry of even more new players, which may make the market intensely competitive and force players to market themselves aggressively and keep the price points low.
3.8 FUTURE’S MARKET OF DTH

It is wrong to state that there is a saturation level attained by Direct –To-Home service providers operating in urban areas but the information provided by various research agencies indicates that Direct –To-Home service providers are aggressively promoting their services in rural and semi urban areas for the view that there is larger market still untapped. The rural areas have ample scope due to their emerging development in both, social and economic, aspects.

Due to the rapid growth in information and communication technology the rural areas are adopting newer means for their Information and entertainment purposes. Keeping this in mind the Direct-To-Home service providers are promoting their business through advertising, public relation, channel packages, prices and adopting various market strategies in order to penetrate into rural markets. Some of the leading service providers are experiencing that it is the rural area which will provide the future survival of DTH market.

Following tables are showing the TV and cable and ownership status in India:

**Table 3.8.1**

<table>
<thead>
<tr>
<th>Rural India</th>
<th>2000 (22.2)</th>
<th>2005 (29.6)</th>
<th>2008 (32.5)</th>
<th>2010 (52.23)</th>
</tr>
</thead>
<tbody>
<tr>
<td>North</td>
<td>26.7</td>
<td>30.4</td>
<td>30.9</td>
<td>31.3</td>
</tr>
<tr>
<td>South</td>
<td>27.8</td>
<td>42.5</td>
<td>49.2</td>
<td>51.7</td>
</tr>
<tr>
<td>East</td>
<td>12.1</td>
<td>17.4</td>
<td>19.9</td>
<td>20.5</td>
</tr>
<tr>
<td>West</td>
<td>22.8</td>
<td>30.7</td>
<td>33.0</td>
<td>34.2</td>
</tr>
</tbody>
</table>

**Source:** [IRS conducted jointly by MRUC and Hansa research]

[thehoot.org/web/TELEVISION/5846-1-1-37-true.html](thehoot.org/web/TELEVISION/5846-1-1-37-true.html)
Table 3.8.2
CABLE AND SATELLITE OWNERSHIP (IN %)

<table>
<thead>
<tr>
<th>Rural India</th>
<th>2000 (6.9)</th>
<th>2005 (11.5)</th>
<th>2008 (15.9)</th>
<th>2010 (20.4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>North</td>
<td>2.5</td>
<td>3.9</td>
<td>8.1</td>
<td>13.4</td>
</tr>
<tr>
<td>South</td>
<td>15.7</td>
<td>32.2</td>
<td>39.9</td>
<td>46.7</td>
</tr>
<tr>
<td>East</td>
<td>2.7</td>
<td>4.3</td>
<td>6.6</td>
<td>8.3</td>
</tr>
<tr>
<td>West</td>
<td>5.9</td>
<td>7.2</td>
<td>11.5</td>
<td>16.8</td>
</tr>
</tbody>
</table>

Source: IRS conducted jointly by MRUC and Hansa research.

On the basis of above tables, it has been observed by the researcher through the analysis secondary data that rural India has registered phenomenon growth in DTH use by 16 % in comparison to just 7% in case of urban areas. This indicates a rosy picture for future prospectus of DTH in rural area. The other reasons that can be attributed for the penetration in rural areas are decreasing rate of average revenue per user (ARPU), various entertainment and other taxes and at the same time the addition of new subscriber at to more business there by generating more profit. Some other reasons which can be outlined for the expansion of DTH services in rural areas are as follows:

3.8.1 Cut Throat Competition in Urban DTH Market

Presently the Indian DTH market is more competitive than any other country of the world. All seven service providers are trying to pull more and more customer with new and attractive strategies. Due to cut throat competition in urban areas DTH service providers are moving towards rural India.
3.8.2 Cable Dry and Cable Frustrated Area

It has been observed that penetration of cable services are very low in comparison to urban area. Non-availability of cable network in these areas provides ample scope for more business opportunities for DTH operators.

3.8.3 Geographical Reason

One of the major reasons which can provide an advantage of DTH over cable network is the dispersal of homes in rural areas which increases the infrastructural cost of cable network. So DTH may be a better option for these areas.

3.8.4 Increase in Income

It is a well-known fact that Government is providing various assistances in order to increase the employment in rural areas by launching various welfare schemes. Due to these schemes income level of rural people residing in rural areas are increasing and now these people are spending enough amounts on entertainment. This is helping DTH service providers to penetrate new market which is very vast and yet untapped.

Thus due to above reasons it can be expect that rural and semi-urban India will be witness of the rapid growth of DTH.

3.8.5 DTH Industry During Recession

The last couple of years had witnessed the biggest recession of this decade. As far as DTH industry is of concern, it is a striking to note that before the period of recession the industry was adding about three lakhs subscriber per month with four players namely, Dish TV, TATA Sky, Sun Direct and DD Direct Plus but during main phase of recession it was adding 6-7 lakhs subscriber per month with two new entrants, Digital TV and BIG TV. Through these welfare schemes the income of the rural people increasing. There by raising their standard of living. Thus their expenditure on entertainment tends to rise.
This compelled the DTH service providers to penetrate the rural market which has large scope.

Hence it can be said that DTH is attracting masses by its developed technology, interactive services, plenty of channel packages at affordable price that’s why we see the growth of DTH subscribers in the worst period of economy.

3.9 SCOPE OF DTH

We are living in technology driven era where technology is providing better way of handling various services.

In this regard it has been observed by the researcher that due to its interactive features and satellite based technology DTH services can serve the society in a much broader perspective and more effectively. One of the major aspects of DTH services could be the application of DTH in areas of education, health, agriculture, disaster management, natural calamities, and weather forecasting.

The rapid growth of information and communication technology has made life easy in both, urban and rural areas and now people are preferring innovations. The penetration of information and communication technology in rural and remote areas has made the information accessible through television and internet. The E-governance, E-Chaupal and other E-platform have made it possible for people residing in these areas to be self-dependent, well equipped with update information.

The DTH system can provide more impetuous in these area by bringing information which could be beneficial for the farmers, students, small entrepreneur to grow, develop themselves by incorporating the latest technology of production and marketing.

The farmers could benefit by seeking information’s related to irrigation, price of food-grains, and weather forecasting. The concept of Tele-medicine could bring about
better health facilities which is not possible right now due to lack of proper and adequate infrastructure. It is a well known fact that one-third part of population is illiterate. The DTH may be an effective tool to launch distance learning-learning programs in these areas to bring them in mainstream of development. Rapid pace of increase in urbanization provides ample scope for the DTH services. At the same time the mushrooming growth of upper and middle class is a better target for this sector.

Hence, the growth of DTH services is the future of home entertainment and it is appreciated by each and every class of society.
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