



## TEACHING NOTE

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# Turner-Miditech's Planned Launch of 'Real' Channel in India: Will It Succeed?

### Prerequisite Conceptual Understanding

- Dynamics of the Indian Entertainment and Media industry
  - “The Indian Entertainment and Media Industry – Unravelling the potential”, FICCI-Frames 2006, FICCI-PricewaterhouseCoopers’ Report, [http://www.pwc.com/extweb/pwcpublications.nsf/docid/be7e56c3ff8e90a6ca2571850be7e56c3ff8e90a6ca257185006a3275/\\$file/frames.pdf](http://www.pwc.com/extweb/pwcpublications.nsf/docid/be7e56c3ff8e90a6ca2571850be7e56c3ff8e90a6ca257185006a3275/$file/frames.pdf), March 2006
  - “The Indian Entertainment and Media Industry A Growth Story Unfolds”, FICCI-Frames 2006, FICCI-PricewaterhouseCoopers’ Report, [http://www.pwc.com/extweb/pwcpublications.nsf/docid/7CBA381E2AD53D85CA2572F000290722/\\$file/FICCIPwCReport2007ExecutiveSummary.pdf](http://www.pwc.com/extweb/pwcpublications.nsf/docid/7CBA381E2AD53D85CA2572F000290722/$file/FICCIPwCReport2007ExecutiveSummary.pdf), March 2007
  - “Indian Entertainment & Media Industry – Sustaining Growth”, FICCI-Frames 2008, FICCI-PricewaterhouseCoopers’ Report, [http://www.pwc.com/extweb/pwcpublications.nsf/docid/BF27519CD3178AAACA2574210026EFAC/\\$file/ExecutiveSummary1.pdf](http://www.pwc.com/extweb/pwcpublications.nsf/docid/BF27519CD3178AAACA2574210026EFAC/$file/ExecutiveSummary1.pdf), March 2008.

### Synopsis of the Case Study

In the backdrop of Indian entertainment and media (E&M) industry, the case study presents the emergence and growth of general entertainment channels (GECs) on television. Dealing with the market entry, positioning, distribution and competitive strategies of various players, it highlights the entry of yet another player, Real, into the cluttered Hindi GEC market. While Real’s distinct positioning coupled with media clout and global experience of Miditech and Turner International would offer significant competitive edge, analysts remain skeptical on its success, pointing out issues – like timing of the launch amid economic recession and stagnant GEC market growth, staying away from *saas-bahu* serials and mythological shows that actually drive television rating points, launching as a subscription-based channel, rising cost pressures,

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This teaching note was written by Sai Prasanna Ragu under the direction of R Muthukumar, IBSCDC. It is only an illustrative orchestration of the case study ‘Turner-Miditech’s Planned Launch of ‘Real’ Channel in India: Will It Succeed?’. It is never meant to limit the learning outcomes.

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reliance on reality shows and above all doubts over its ability to breakthrough the competitive clutter and win viewers who were already accustomed to watching established channels.

### Pedagogical Objectives

- To examine the nature of business for a GEC and identify its critical success factors
- To discuss the need for a unique value proposition and right Segmentation, Targeting and Positioning (STP) strategies to win over entrenched players in the GEC market
- To examine Real's launch in the GEC market and its strategies to compete with established players as well as new entrants
- To compare and contrast Real's positioning and marketing strategies with those of other GECs in the Indian entertainment and media industry
- To debate on the possibilities of success for Real in the cluttered Hindi GEC market and to identify the challenges ahead.

### Assignment Questions

- I. Critically examine the changing dynamics of the Indian entertainment and media industry and their impact on various segments operating therein. Also discuss the growth, expansion and diversification strategies that fuelled their success.
- II. Highlighting the role of television in the Indian entertainment and media industry, examine its nature of business and critical success factors – particularly the GEC genre.
- III. Discuss Real's distinctive positioning in the cluttered Hindi GEC genre targeting the urban 'neo Indians' and examine how it clearly differentiates itself from established as well as emerging rivals.
- IV. Debate on the possibility of Real's success amid various challenges – like staying clear of *saas-bahu* serials and mythological shows, launching as a subscription-based channel, the timing of the launch and above all, competition from entrenched as well as emerging players.

### Teaching Plan

**Both Structured Assignment and Teaching Note follow a specific Teaching Plan [Annexure (TN)-I].**

I begin the case discussion by asking my students a string of general questions:

- What is their favourite pass time?
- Do they watch TV? If so, how many hours a day?
- Which channel do they watch?
- What programmes and at what time?
- What about other family members?
- Do they watch any of the TV programmes with the rest of the family?
- What is their most preferred programme and on which channel? Why?

I gradually narrow down the discussion to an in-depth analysis on the Indian entertainment and media

industry in general and GECs in particular.

## Case Analysis

The instructor can hand over the case study to the students few hours before the discussion session so that they come prepared for the analysis.

### I. Dynamics of Indian entertainment and media industry

To begin with, I ask my students to summarise the changing dynamics of the Indian entertainment and media (E&M) industry:

- Expansion of traditional media into new markets and formats
- Target group to include not only married women aged 25–45 years and above but also male and young population
- Emergence of new delivery platforms
- Increase in variety of the content and programming categories
- Expansion of consumer needs beyond mass media and all media channels focused on consumers – making them the top of their value creation hierarchy. Thus, aspects like content and channels of media and advertising business, which were earlier considered as the ends have become the means to schedule consumer leisure and social time around converged media experiences
- With highly diversified consumer preferences, media providers gained significant competitive edge by acquiring knowledge of consumer activity than relying on exclusive ownership of content and distribution. Thus, those media companies that track and measure consumer choices would win over those who do not
- Advancements in audience measurement technology that captures and analyses consumer activity data across digital platforms
- Collaboration with partners across the value chain – through partnerships, alliances and joint ventures, which helped media players to
  - Access new distribution platforms
  - Implement latest technology
  - Expand existing portfolio of services and
  - Earn incremental revenues
- Convergence of technology that changed the face of the Indian media and entertainment industry
- Liberation of the FDI policy in the Indian E&M industry, low media penetration in lower socio-economic classes and low ad spends acted as significant growth drivers of the industry.

Thus, E&M industry continued to evolve with changing consumer choices, technological advancements and above all convergence of traditional and new media. Various segments like television, film entertainment, print media, radio, online advertising, out-of-home (OOH) media, sports, music, animation and live entertainment thrived on these industry dynamics for exploring significant growth prospects

However, given the low barriers to content creation and increase in the number of distribution platforms,

media players constantly faced the challenge of balancing unlimited content with the limited consumer time. Television, one of these segments, was highly influenced by these industry dynamics and challenges. So, now I draw my students' attention to Indian television and the growing presence of GECs therein.

## II. TV entertainment market in India, particularly GECs, their nature of business, critical success factors and segmentation

Understanding the market dynamics of the Indian television segment would help students in better analysis of GECs:

- State monopoly of Indian television broadcasting with Doordarshan (DD)
- Liberalisation of Indian television broadcasting market during 1990s through a series of economic and social reforms
- Entry of private and foreign players – international players like CNN and Star Group and domestic players like Zee Telefilms and Sun Network
- Private participation even in audience measurement metrics – Television Audience Measurement Media Research (TAM) and Audience Measurement and Analytics Ltd. (aMap)
- Shift from DD's non-commercial infotainment and socio-economic development based programming content to commercial entertainment on private channels
- Increase in the number of channels, therefore cable operators, therefore viewership
- Emergence of foreign Multiple System Operators (MSOs) and consolidation of local cable operators to form domestic MSOs
- Rise of GECs with a wide variety of content – ranging from fiction and mythology to music, movies and reality shows
- Implementation of Conditional Access System (CAS) initially in four metro cities.

Now I ask my students to brief on the nature of business and critical success factors of a GEC in the Indian television market.

Success of a GEC predominantly depends on a number of factors like:

- Content variety
- Quality of the content
- Pricing of advertisers and price paid to the distributors
- Effective distribution
- Efficient marketing and public relations initiatives
- Right value proposition and right STP strategies.

**Content:** In the Indian television broadcasting market, 'Content is the King'. To win over cluttered competition and gain consumers' attention within their limited leisure time, a GEC must focus on delivering high quality, differentiated content. It may include everything from fiction, mythology, reality shows and other game shows to comedy, films and music. All other factors like pricing, distribution and marketing would be of no use, if the GEC lacks in its content and it would definitely lose to its competitors in attracting viewers.

**Distribution:** Given the increase in the number of distribution platforms, GECs must make the right choice

of distribution outlets to reach the right target group. GECs can air their content across various modes of distribution like satellite, local cable network, DTH and one's own distribution network, to reach Indian population in the urban as well as rural areas. Again, pricing is an important factor to be considered. Carriage fee and placement fee paid to the cable operators form a substantial part of a GEC's distribution costs. Such costs can be recovered through effective pricing for advertisers. Ad revenues not only form significant part of the GEC revenues but also an important means of consumer reach for advertisers, particularly in the case of FMCG products. Therefore, in order to demand higher price from the advertisers, GECs have to create confidence in media planners and advertisers about their wider reach to consumers.

**Marketing and public relations:** They too form an important part of the success strategies of a GEC. Promoting the channel before its launch by creating buzz about the channel using well-known film stars and other celebrities would definitely gain consumers' attention. By publicising the channel across different media channels like print, Internet, radio and other channels of television, GECs can make consumers try out the new content.

**Right value proposition:** Choosing the right value proposition, i.e., communicating to the consumers, what exactly the channel stands for and the content that it delivers, wins their loyalty. This involves ensuring that the channel's profile matches with the target audience.

**Right STP strategy:** Before discussing about the STP of a GEC, I would like to pose a question to my students.

#### What is the basis for segmenting the television audience?

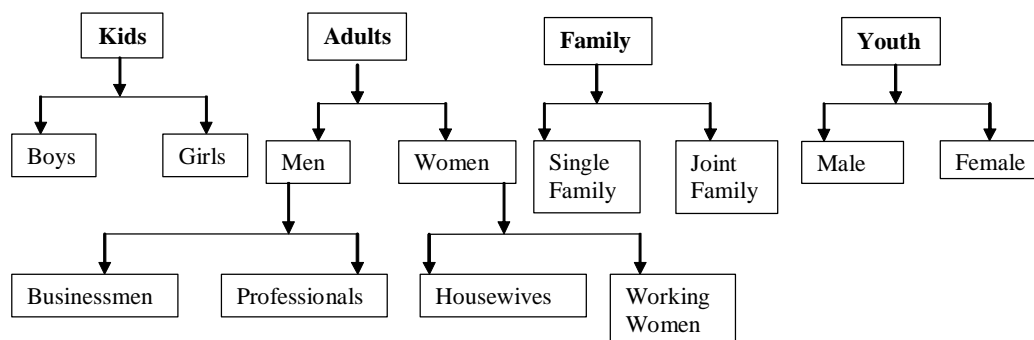
Few intelligent students may say that it can be in any of the four forms:

- Demographics
- Psychographics
- Geography and
- Content.

Generally, segmentation and target positioning for television audience is done on the basis of demographics – like age and gender.

For instance, demographic-based segmentation can be:

Based on this segmentation, a number of channels sprang up in the Indian television broadcasting market



under various genres that cater to the varied needs of the segmented viewers – GECs, news, Cartoon/other kids’ programmes, lifestyle, music, movies, spiritual, infotainment and education, sports and business, etc. **(Exhibit IX of the case study).**

Apart from all the above, factors like language reach and increase in GRPs also form part of a GEC’s success. The ability to air programmes across India in different languages means reaching greater consumer base. In India, particularly in the western and southern parts, regional languages dominate the national language (Hindi) and therefore, it becomes essential to reach that consumer base by setting up regional channels in regional languages.

What about GRPs? I ask my students to elaborate on the importance and sanctity of GRPs for a television channel in general and GECs in particular?

GRP is the sum of all the television ratings of individual programmes calculated on the basis of reach and the time spent by viewers in watching them.

I illustrate the calculation of GRPs with the help of an example:

Let us consider, there are 10 homes in the universe, each house representing 10% of the universe. Every time a particular programme is aired, the channel would gain a 10 rating for the programme.

House	Number of days a particular programme is viewed during a week
1	Monday, Tuesday, Wednesday and Thursday
2	Monday and Tuesday
3	Monday, Tuesday, Wednesday
4	Thursday, Friday, Saturday and Sunday
5	–
6	Friday, Saturday and Sunday
7	Thursday, Friday, Saturday and Sunday
8	–
9	–
10	–

Now, let us calculate the GRPs for the programme in a particular channel

Monday – 30; Tuesday – 30; Wednesday – 20; Thursday – 30; Friday – 30; Saturday – 30; Sunday – 30 and the total GRPs – 200.

Thus, gaining higher GRPs becomes essential for monetising the success of growing viewership base. These rating points act as an important measure for media planners as well as advertisers. Advertisers, for instance, gain confidence about the rise in viewership base, only with the help of GRP points. Therefore, a rise in GRPs means more ad revenues and in contrast, a decline in GRPs means low ad revenues.

Likewise, GRPs also reflect the popularity of different shows on different television channels. Higher GRPs means more popularity, more viewership and as a result, more revenues. On the other end, lower GRPs means less popularity, less viewership and therefore, less revenues. After all, the battle among different channels is only to earn revenues to cover their costs and GRPs are crucial for gaining revenues.

Thus, Hindi GECs quickly gained momentum and established players like Star Plus, Zee TV and SET became highly successful by offering viewers a combination of fiction and reality shows. Low barriers to content coupled with new distribution platforms resulted in the emergence of many new players and from then on, Hindi GEC market became highly cluttered with each channel fighting for its share of the viewership (**Exhibits II (a) and II (b) of the case study**).

#### **Do Hindi GECs continue to dominate the Indian television broadcasting?**

Not really! With changing consumer preferences and their lifestyle, changing demographics and other such factors, new genres like lifestyle and music channels and those offering film-based content snapped away Hindi GECs' viewership base (**Exhibit III of the case study**). Such decline in Hindi GECs' viewership share was primarily due to their inability to adapt to the changing consumer psyche. Despite consumers' changing preferences, Hindi GECs continued to focus on typical family-based soaps that consumers lost interest in. Even reality shows failed to attract consumers' attention because most of the shows were revolving around either music or dance – *Nach Baliye*, *Sa Re Ga Ma Pa Challenge*, *Indian Idol*, *Boogie Woogie*, etc.

Leveraging on this consumer fatigue towards Hindi GECs, new genres like lifestyle and youth-centric channels quickly gained momentum. They include lifestyle channels like NDTV Good Times and youth-centric channels like UTV's Bindass. Even new players with their fresh and differentiated content offered stiff competition to entrenched players. Further, advertisers reduced their ad investments in GECs and turned towards more focused channels that were offering unique content to specific target groups.

Competition in the industry further intensified with the launch of new channels like 9x, NDTV Imagine and Colors and posed significant threat to established players like STAR Plus and Zee TV. For instance, NDTV Imagine's Sameer Nair cleverly roped in executives of STAR Plus, while Colors made a colourful entry into the Hindi GEC market with differentiated content and disruptive scheduling (**Exhibit IV of the case study**).

#### **But how did overall economic recession, worker unions strike and 26/11 Mumbai attacks impact GECs' performance?**

- Blocked telecast of fresh episodes and airing repeat shows adversely affected GECs' viewership (**Exhibit V of the case study**)
- Shift in viewership towards news channels during 26/11 Mumbai attacks (**Exhibit VI of the case study**)
- For the first time in its history, STAR Plus lost its supremacy to Colors and Zee TV for the week ended November 29<sup>th</sup> 2008
- Drastic fall in GRPs for all GECs.

However, GECs bounced back with fresh content in December 2008, channel shares got redistributed and STAR Plus regained its No. 1 position (**Exhibits VII and VIII of the case study**). Amid this competitive clutter, Turner-Miditech's Real is all set to be launched in March 2009.

### **III. Turner-Miditech's Real – The Market Entry and Positioning Strategies**

Here, I ask my students to critically examine the market entry and positioning strategies of Real and to identify the factors that serve as competitive edge for it to break through the competitive clutter:

#### **Market entry and positioning strategies**

- Positioning as 'smart, fresh and distinctive' entertainment channel – Real People, Real Stories and Real Entertainment
- Target group – young urban, outward-looking and ambitious 'neo Indians'

- Staying clear of *saas-bahu* serials and mythological shows that viewers lost interest in
- Content variety – a combination of fiction and reality that are meant to be joyful, aspirational and close to reality
- Unveiled four shows to be aired in March 2009 (**Exhibit XI of the case study**).

Factors that serve as competitive edge

- Leveraging on knowledge, experience and financial clout of Turner International
- Established presence of Alva Brothers' Miditech in the domestic media and entertainment industry (**Exhibit XII of the case study**)
- Leveraging on Alva Brothers' and Sunil Lulla's (**Exhibit X of the case study**) media experience
- Leveraging on distribution support from Turner's domestic joint venture – Zee Turner
- Promotion of Real through Miditech's established presence in the Indian E&M industry.

#### IV. Possibility of Real's success in the highly cluttered GEC market

Finally, I ask my students to identify various challenges to Real's success in the highly competitive GEC market:

- Overall economic recession and its impact on the Indian E&M industry and therefore GECs
- The timing of the launch as fourth in succession after 9x, NDTV Imagine and Colors
- Possibility of gaining viewership by avoiding most popular *saas-bahu* serials and mythological shows
- Possibility of gaining initial ratings by launching as a subscription-based channel
- Intensifying competition in the Hindi GEC market between established players like STAR Plus and Zee TV and new entrants like Colors and NDTV Imagine [**Exhibit (TN)-III**]
- Competition from channels of 'unique content' – lifestyle channel, NDTV Good Times and youth-oriented channel – UTV Bindass
- Competition from other genres like news, movies and music and the resultant decline in overall GEC market share
- Niche positioning does not work in GEC market because advertisers do not buy the positioning but the GRPs
- Stagnant market growth
- Adverse impact of externalities like economic recession, workers' strike and 26/11 Mumbai attacks
- Rising cost pressures – programming costs and carriage fee amid reduced rates for high-budget programmes
- Despite positioning and targeting a distinct group of customers all GECs ultimately target women (**page 21, para 3 of the case study**)
- With increase in the number of GECs, there will not be any growth options and GRPs only get redistributed
- Competition from new channels with new shows backed by film personalities (Shah Rukh Khan's Red Chillies Idiot Box) or global business entities (**page 22, para 1 of the case study**)

- Leveraging totally on reality shows (4 shows that are unveiled are reality shows) that involve high programming costs and short shelf life.

### **Final Thoughts**

I end the session saying that GEC market is a high-risk and high-gain category and Real can survive not just with deep pockets but with central focus on Indian viewers' preferences, right value proposition and right distribution strategies. Above all, 'content is the king' and Real can break through the competitive clutter if it can lure customers with differentiated content.

Exhibit (TN)-II Competition in the Hindi GEC Market											
GEC	Viewership based Ranking	Year of Est.	Promoters	CEO	Market Share (%)	Target Group	Scheduling Pattern	Use of Celebrities	Variety of programmes	Marketing	Distribution
Star Plus	1	1995	Hong Kong-based STAR group – wholly-owned subsidiary of News Corporation	Uday Shankar	25.5	Primarily home makers	Serials during prime time on weekdays and reality shows and movies during weekends	<ul style="list-style-type: none"> <li>Amitabh Bachchan</li> <li>Shah Rukh Khan</li> <li>Farah Khan</li> <li>Karishma Kapoor</li> <li>Ajun Rampal</li> <li>Kiran Bedi</li> </ul>	Predominantly fiction, family-based 'Saas-Bahu' serials	<ul style="list-style-type: none"> <li>Focus on smaller towns by organising ground events</li> <li>Cricket-centric programmes</li> <li>Sponsorships</li> <li>SMS voting based reality shows, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Subscription-based channel available through:</li> <li>Satellite</li> <li>Local cable operators</li> <li>DTH operators like Tata Sky, Big TV, Airtel</li> <li>Digital TV, Dish TV and Sun Direct.</li> </ul>
Colors	2	July 2008	Viacome 18 – 50:50 joint venture between Viacom and Network 18	Rajesh Kamat	25	15-34; including not only women but also youth and men	According to the viewership pattern	<ul style="list-style-type: none"> <li>Akshay Kumar</li> <li>Hema Malini</li> <li>Jeetendra</li> <li>Rahul Mahajan</li> </ul>	A combination of fiction with reality	<ul style="list-style-type: none"> <li>Cross-promotion of Colors with network 18's array of news networks</li> <li>Using Akshay Kumar as brand ambassador without having to actually rope him in that role</li> </ul>	<ul style="list-style-type: none"> <li>Self-distribution</li> <li>MTV's network</li> <li>Network 18's Digital Entertainment Network</li> </ul>
Zee TV	3	1992	Subhash Chandra of Essel group of companies	Punit Goenka, to be succeeded by Sandeep Goyal in June 2009	19.2	Primarily married women at home	Serials during primetime on weekdays and reality shows and movies during weekends	<ul style="list-style-type: none"> <li>Ajay Devgan, Kajol and Tanuja</li> <li>Himesh Reshammiya</li> <li>Shankar Mahadevan</li> </ul>	Predominantly fiction, family-based 'Saas-Bahu' serials	<ul style="list-style-type: none"> <li>Increased production and promotion budgets</li> <li>Roped in film stars and other celebrities</li> <li>Shifted focus from family drama to reality shows and movies.</li> </ul>	<ul style="list-style-type: none"> <li>Satellite</li> <li>Local cable operators</li> <li>DTH – the Dish TV</li> </ul>

Contd...

Sony	4	October 1995	Multi Screen Media Private Ltd.	Kunal Dasgupta	6.4	A varied target segment including women – both working and housewives, kids, male and youth	Serials during primetime on weekdays and reality shows and movies during weekends	<ul style="list-style-type: none"> <li>• Saliman Khan</li> <li>• Sonali Bendre</li> <li>• Anu Malik</li> <li>• Javed Akhtar</li> </ul>	A combination of drama, reality, humour, lifestyle and movies	<ul style="list-style-type: none"> <li>• 360-degree marketing campaigns involving print, radio, TV, internet, outdoors, direct marketing and consumer connect activities</li> <li>• Promoting Indian cricket</li> </ul>	Subscription-based channel available through diverse distribution platforms
Star One	5	November 2004	Hong Kong-based STAR group – wholly-owned subsidiary of News Corporation	Uday Shankar	5.6	Urban, upwardly mobile Indian audiences	Includes comedy, drama, action / thriller, youth, lifestyle and game shows	<ul style="list-style-type: none"> <li>• Shastrughan Sinha</li> <li>• Navjot Singh Sidhu</li> </ul>	Diverse mix of programming	<ul style="list-style-type: none"> <li>• Shift in focus from mass media towards consumer interaction in the form of on-ground, road shows and mega events across 16–20 cities in India</li> </ul>	<ul style="list-style-type: none"> <li>• Satellite</li> <li>• Local cable operators</li> <li>• DTH – Tata Sky, Airtel Digital TV, Dish TV, Sun Direct and Big TV</li> </ul>
NDTV Imagine	6	January 2008	NDTV group and brand tie-up with UB Group's Kingfisher brand	Sameer Nair	6.3	Includes males, females and youth	Serials during primetime on weekdays and reality shows and movies during weekends	<ul style="list-style-type: none"> <li>• Saroj Khan</li> <li>• Shah Rukh Khan</li> </ul> production – based show	A combination of fiction with reality	<ul style="list-style-type: none"> <li>• Focus on on-ground activities</li> <li>• Print media</li> <li>• Free video sharing with YouTube</li> </ul>	<ul style="list-style-type: none"> <li>• Satellite</li> <li>• Local cable Operators</li> <li>• DTH – Tata Sky and Dish TV</li> </ul>
Sahara One	7	March 2000 as Sahara TV and repositioned in October 2004	Sahara One Media and Entertainment Limited	Seemanto Roy	4.8	Includes males, females, kids and youth	Serials during primetime on weekdays and reality shows during weekends	<ul style="list-style-type: none"> <li>• Sunil Shetty</li> </ul>	Diverse mix of programming to include drama, comedy, mythology, horror, glamour and lifestyle, kids, game and reality shows, movies, etc.	<ul style="list-style-type: none"> <li>• Live outdoor screenings</li> <li>• Initiatives via print, outdoor and radio</li> <li>• Internet with contests, games and blog sites.</li> </ul>	Varied platforms

Contd...

9x		8	November 2007	INX Media Network	Indrani Mukerjee	2.9	Primarily women at home	Serials during primetime on weekdays and reality shows during weekends	• Pakistani's cross-dressing diva Begum Nawazish Ali-Raveena Tandon	Predominantly fiction, family dramas	• 360-degree communication strategy – TV stations, radio screens and newspapers. • Promotion of India-Pakistan Cricket series	• Satellite-Local Cable operators • DTH – Tata Sky
SAB TV		9	April 2000	Multi Screen Media Private Ltd.	Kunal Dasgupta	4.1	Youth	Fiction during primetime on weekdays and reality shows during weekends	• Sachin Pilgaonkar and Perizaad Zorabian	Predominantly humourous fiction	• Ads aired on billboards of strategic locations in metro cities • SMS-based contests on mobiles	• Satellite • Local Cable operators • DTH
DD (National)		10	1950s	Prasar Bharti – Government of India	B.S. Lalli	NA	Primarily aimed at Indian population as a whole	No focus on a single programme variety during primetime; movies on weekends	-	A variety of programmes on music, drama, sports and infotainment	• Creating programme awareness by airing promos • Market research for better consumer understanding.	• Satellite • Local Cable operators • DTH – DD Direct Plus
Star Utsav		11	Jun-04	Hong Kong-based STAR group – wholly-owned subsidiary of News Corporation	Uday Shankar	NA	Rural masses who did not have access to Star Plus programmes until June 2004	Fiction-based programmes throughout	-	Return of popular Star Plus shows	• Focus on smaller towns and rural areas through ground level activities • Direct mailers to cable operators and advertisers.	• Free-to-air channel • Satellite • Local cable operators • DTH – tata Sky, Airtel Digital TV, Dish TV, Sun Direct, Big TV and DD Direct Plus
Zee Next		12	December 2007	Subhash Chandra of Essel group of companies	Punit Goenka	0.2	Youth	Fiction-based programmes and reality shows during weekends	• A combination of fiction and reality shows	A combination of fiction and reality shows	• Innovative on-ground activities	• Satellite • Local cable operators • DTH – the Dish TV

Prepared by the author

<b>Annexure (TN)-I Teaching Plan</b>		
<b>Turner-Miditech's Planned Launch of 'Real' Channel in India: Will It Succeed?</b>		
Case Structure	Teaching Note Structure	What I want to analyse?
<p><b>I. Introduction</b></p> <p><b>II. Indian Media and Entertainment – An Overview</b></p> <ul style="list-style-type: none"> <li>• Emergence and growth of the industry</li> <li>• Extent of penetration</li> <li>• Growth of different segments in the industry like:                             <ul style="list-style-type: none"> <li>– Films</li> <li>– Print media</li> <li>– Internet</li> <li>– Live entertainment</li> <li>– Radio</li> <li>– Music</li> <li>– Television</li> </ul> </li> <li>• Growing momentum of television's share in the industry</li> </ul> <p><b>III. Indian Television Market – Growing Presence of the General Entertainment Channels</b></p> <ul style="list-style-type: none"> <li>• General entertainment on television</li> <li>• Segmentation of the TV entertainment market into various genres and the number of channels in each of these categories:                             <ul style="list-style-type: none"> <li>– News</li> <li>– Cartoon</li> <li>– Music</li> <li>– Films</li> <li>– Spiritual</li> <li>– Travel and Lifestyle</li> <li>– Education</li> <li>– Sports</li> <li>– Business and</li> <li>– General Entertainment.</li> </ul> </li> <li>• Increasing presence of general entertainment on television</li> <li>• Growing number of channels in the GEC segment                             <ul style="list-style-type: none"> <li>– Doordarshan's DD</li> </ul> </li> </ul>	<p><b>Prerequisite Conceptual Understanding:</b></p> <ul style="list-style-type: none"> <li>• Dynamics of the Indian Entertainment and Media industry</li> <li>– “The Indian Entertainment and Media Industry – Unravelling the potential”, FICCI-Frames 2006, FICCI-PricewaterhouseCoopers' Report, <a href="http://www.pwc.com/extweb/pwcpublications.nsf/docid/be7e56c3f8e90a6ca2571850">http://www.pwc.com/extweb/pwcpublications.nsf/docid/be7e56c3f8e90a6ca2571850</a></li> <li>– “The Indian Entertainment and Media Industry: A Growth Story Unfolds”, FICCI-Frames 2006, FICCI-PricewaterhouseCoopers' Report, <a href="http://www.pwc.com/extweb/pwcpublications.nsf/docid/7CBA381E2AD53D85CA2572F000290722.\$file/FICCI-PWCReport2007ExecutiveSummary.pdf">http://www.pwc.com/extweb/pwcpublications.nsf/docid/7CBA381E2AD53D85CA2572F000290722.\$file/FICCI-PWCReport2007ExecutiveSummary.pdf</a>, March 2007</li> <li>– “Indian Entertainment &amp; Media Industry – Sustaining Growth”, FICCI-Frames 2008, FICCI-PricewaterhouseCoopers' Report, <a href="http://www.pwc.com/extweb/pwcpublications.nsf/docid/BF27519CD3178AAACA2574210026EFAAC.\$file/ExecutiveSummary1.pdf">http://www.pwc.com/extweb/pwcpublications.nsf/docid/BF27519CD3178AAACA2574210026EFAAC.\$file/ExecutiveSummary1.pdf</a>, March 2008.</li> </ul>	<ul style="list-style-type: none"> <li>• Critical success factors of TV entertainment like content, pricing for distributors, marketing, quality, etc.</li> <li>• Examine TV entertainment's nature of business                             <ul style="list-style-type: none"> <li>– Demographics</li> <li>– Psychographics</li> <li>– Geography</li> <li>– Content, etc.</li> </ul> </li> <li>• What are the ways to segment TV audience?                             <ul style="list-style-type: none"> <li>– What are the various genres of TV entertainment?</li> </ul> </li> <li>• Critically examine the emergence and growth of different GECs in India</li> <li>• Compare and contrast these GECs with each other on various aspects like number of programmes, variety of programmes and their scheduling, distribution, marketing and promotion, segmenting, targeting and positioning and other competitive strategies.</li> <li>• Discuss the importance and sanctity of Gross Rating Points (GRPs) for a GEC?</li> <li>• In what way, a higher or a lower GRP would affect a GEC's revenues?</li> </ul> <ul style="list-style-type: none"> <li>• Critically examine the relationship between popularity of TV shows and the revenues of GECs                             <ul style="list-style-type: none"> <li>– Popularity of shows leads to high GRPs and ad revenues; thereby increased revenues for GECs</li> </ul> </li> </ul>

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<p>other GECs</p> <ul style="list-style-type: none"> <li>• Other expansion plans like launching a new English channel in India in association with Warner Brothers</li> </ul> <p>V. <b>Success of Real in the Hindi GEC Market – The Challenges</b></p> <ul style="list-style-type: none"> <li>• Predominantly relying on reality shows</li> <li>• Aggressive retaliation from entrenched players like Star Plus, Zee and Sony as well as new players like Colors, NDTV Imagine and 9x</li> <li>• Competition from new channels which differentiate themselves from GECs – like youth-oriented Bindass and lifestyle channels like NDTV Good Times</li> <li>• Possibility of success in an already cluttered GEC market</li> <li>• Few two-television homes in India – to target only a particular segment</li> <li>• No such thing as niche in the Hindi GEC market</li> <li>• Advertising largely depends on gross rating points not on differentiation or positioning</li> <li>• Flat market growth</li> <li>• Rising cost pressures – carriage fee</li> <li>• Need for strong financial clout to support cumulative investments</li> <li>• Declining reliance of advertisers on GECs and rising programming costs</li> <li>• Possibility of its success by launching Real as a subscription-based channel while all others like Colors started as a free channel.</li> </ul>	<p style="text-align: center;"><b>Teaching Note Flow</b></p> <p>V. Dynamics of Indian entertainment and media industry</p> <p>VI. TV entertainment market in India, particularly GECs, their nature of business, critical success factors and segmentation</p> <p>VII. Real's Market Entry – market entry and positioning strategies</p> <p>VIII. Possibility of Real's success in the highly cluttered GEC market.</p> <p><b>Course:</b> Strategic and Marketing Management</p> <p><b>Concept:</b> Competitive and Marketing Strategies</p> <p><b>Industry:</b> Entertainment and Media (India)</p> <p><b>Key Focus:</b> Positioning and market strategies to win over entrenched as well as new players.</p>	<ul style="list-style-type: none"> <li>• The need to rope in celebrities in different shows to increase popularity.</li> <li>• Critically examine the success possibilities for Real's reality shows like <i>Sarkar Ki Duniya</i>, <i>Vicky Ki Taxi</i>, <i>Poker Face</i> and <i>Hindi Hai Hum</i>.</li> </ul>
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Pedagogical Objectives	Deliverables
<p>To examine the nature of business for a GEC and identify its critical success factors</p> <p>To discuss the need for a unique value proposition and right STP strategies to win over entrenched players in the GEC market</p> <p>To examine Real’s launch in the GEC market and its strategies to compete with established players as well as new entrants</p> <p>To compare and contrast Real’s positioning and marketing strategies with those of other GECs in the Indian entertainment and media industry</p> <p>To debate on the possibilities of success for Real in the cluttered Hindi GEC market and to identify the challenges ahead.</p>	<ul style="list-style-type: none"> <li>• Importance of quality of content, production, marketing and distribution, pricing for the distributor, etc.</li> <li>• Importance and sanctity of Gross Rating Points for a GEC</li> <li>• Impact of higher or lower GRPs on GEC revenues</li> <li>• Relevance of popularity of shows and increase or decrease in GRPs on GEC revenues.</li> <li>• Diverse viewer preferences</li> <li>• Need to segment the audience on the basis of – content, demographics, psychographics, geography, etc.</li> <li>• Identifying the right target group and positioning the channel and the programmes accordingly</li> <li>• Need for the right scheduling and the right mix of the various content – like fiction, mythology, films, reality, etc.</li> <li>• Proposed launch of Real into the Hindi GEC market in March</li> <li>• Leveraging on Miditech’s media experience with Turner International’s global presence and expertise in the industry</li> <li>• Its target market and positioning strategies</li> <li>• Its differentiated programmes.</li> <li>• Focus on reality shows as against <i>Saas Bahu</i> serials of other channels</li> <li>• New and refreshing content.</li> <li>• Success amid flat market growth</li> <li>• Declining advertisers’ preference for GECs</li> <li>• Niche markets do not work in GEC markets</li> <li>• Growing competition</li> <li>• Lack of Saas Bahu sagas – a paradigm shift or a disadvantage?</li> </ul>
<p>Prepared by the author</p>	