

# The Anatomy of Rebuilding & Recovery

A CEO LOUNGE INITIATIVE

## The Show Must Go On

*In conversation with*



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# The Show Must Go On



*While the global pandemic hit the reset button for some, pause for many and shut down a few industries, the media and entertainment industry found itself in a tricky situation. It had billions of people at home, ready to consume any form of content made for them. But this definite viewership did not translate into monetary value, with advertising revenues running dry and shootings coming to a standstill. Stalwarts from the M&E industry take us through this changing world of glitz, glamour and showbiz.*

Words by Divya Sista

Consumer attention is hard to capture today. Ironically, audience appetite seems insatiable. Digital media, shifting user behaviour and technology disruptions were already rocking the media and entertainment (M&E) ship even before the Covid-19 iceberg hit. The ship was also navigating choppy waters of disposable viewership. Despite everything, the

Indian M&E sector showed promise with almost unlimited internet access getting cheaper and slowly replacing mainstream media as we knew it (TV, radio, et al). Strong market dynamics, robust growth trends in digital advertising, subscription bases, and a burgeoning online video market — all pitched the M&E sector for a ground-breaking double-digit CAGR during 2019-2024.<sup>1</sup>

## SHAKEN, NOT STIRRED — THE INDUSTRY ROUNDUP

Traditional entertainment has been facing threats from virtual reality, augmented reality, closet gamers and e-sports, AI and blockchain for some time now. But over the past few years, the M&E industry witnessed an exponential growth in OTT (over-the-top) viewership. The streaming media consumer base has quadrupled over the last four years, marking dramatic changes in consumer behaviour.

“For a long time, the power of the remote was with the homemaker, since the Indian population was largely a single-TV household. When OTT came in along with the access to cheap data and mobile phones, it was like going down a rabbit hole of sorts that kept springing happy surprises. This is also giving us on the other side, an interesting consumer,” says Neeraj Roy, Founder and CEO, Hungama Digital Media Entertainment.

That said, cinema, TV soaps and news are still the most popular form of

entertainment in India, despite reports of consumer time spent on traditional media is in decline. There is innovation like never before, and the pandemic has catapulted innovation to a phenomenon beyond the buzzword. Agile businesses have recognised the change and are looking for opportunities amidst this crisis. “Nothing can substitute the big screen experience. It is this magical melting pot of emotions where people come together, enjoy and relax,” says Alok Tandon, CEO, INOX Leisure Limited. “Covid-19 has got us looking beyond our usual line of sight. Post Covid-19, we are looking at different things like promoting private screening, curating customised offerings to guests, and collaborating with movie studios so that content is engaging and inviting. We are also venturing into edutainment on the big screen, where we show educational content for children and students, live screening of concerts and sports, all of which take the cinema experience a notch higher,” he adds.



*“Nothing is an ‘or world’, it is an ‘and world’. In the world of content, more only means more content. This whole thing of one at the cost of the other is a myth”*

**Punit Misra**  
CEO – Domestic Broadcast Business, Zee Entertainment Enterprises





*“OTT platforms are more democratic in the sense of giving an opportunity to all forms of creators. Today, they can take the risk of telling a story they have never told before”*

**Tanuja Chandra**  
Film director & writer

### A GAME OF ROULETTE — NUMBERS SPEAK LOUDER

“This is the first time since the great depression that the world has seen a double-digit decline in both demand and supply. There is a considerable drop of 40-95 per cent in advertising revenue. Our estimates at EY tell us that industry as a whole could have negative growth of anywhere between 16-22 per cent. It is a period of gloom and doom, but the show must go on,” explains Ashish Pherwani, Partner, Media & Entertainment Advisory, EY.

Advertising was once an exciting, creative industry where brand flavour and personality had to be communicated to a set audience within seconds. Faced with digital disruption on a scale unforeseen by anyone, it is more of data analytics and AI-driven algorithms that choose advertisements for the consumer now. So, is this a shift of emphasis to performance advertising? The world earlier was all about products and consumption. The consumer has heightened expectations and wants to engage differently with businesses now.

“The last best experience of anything you have in life becomes the minimum experience for the next time. The demand

always dictates supply,” answers Punit Misra, CEO - Domestic Broadcast Business, Zee Entertainment Enterprises. “The retailer is focusing on the supply side of the equation, given the uncertainty he is thrown in. We will witness a surge in advertising around the festive season owing to the supply side being sorted, the innovation in advertising, and a growing agrarian sector,” he adds. Though agriculture contributes to a little more than just 15 per cent of the country’s GDP, it is one of the very few sectors that recorded a positive growth this financial year. Added to that is the fact that money coming into rural areas translates the fastest into consumption.

### THE WORLD ISN'T ENOUGH — THE SUBSCRIPTION ECONOMY

With the subscription economy increasingly announcing its presence, the way everyone does business has fundamentally changed. Industry estimates put its potential at \$79 trillion worth of opportunity waiting to be unlocked globally. This is anything and everything from driving connected cars to streaming songs and sharing

files over the cloud. The consumer is the central point of focus here and his experiences are a string of aha moments, with customised, exclusive products and content. For the business, this means a guaranteed recurring revenue stream.

"Viewing on OTT platforms is a personal experience. It is also liberating for creators to create content and use a platform to cater to a niche audience. This is a win-win in entertainment for both the consumer and the creator," informs Roy.

Tanuja Chandra, a film director and writer, agrees. "Storytelling cannot follow a formula, and rightly should not. A theatre gives a place to watch a film, the producer a setting and funder pumps in money. The thing that gives joy to the viewer is the storytelling and stars who bring it to life. Digital content gives an entirely different landscape, tracks of characters that cannot be expressed in a single film bloom better on this platform. There is just so much opportunity. All the creator has to do is take the risk, and give the consumer a story he has never told before," she opines.

The print media is increasingly looking at a subscription model, which promises quality content, given that news and

media have battles of their own to fight.

"They can co-opt with other OTT services in the market, and create an interesting opportunity. In the next 4-5 years, there could be 100 million people who are willing to allot ₹100 a month for a bouquet of services. That right there, is ₹75,000 crore, almost equal to the Indian TV market in value," Roy affirms. India's strength lies in numbers. Everything accessible has the potential to exponentially rise here. "Even the smallest numbers in India are equal to some whole country's number," quips Pherwani.

### QUANTUM OF SOLACE — PLENTY FOR EVERYBODY

To some degree, the subscription model poses a strategic challenge to traditional M&E players, despite their innovation and efforts to reach out. However, if repositioned right, it is a wonderful opportunity. The only rule set in stone — in this world of digital-first media ecosystem, the landscape is remixed, and anyone who captures the consumers' attention will reign. Does that spell wind-up for traditional cinema houses, and in the days ahead, for TV channels as well?



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**Alok Tandon**  
CEO, INOX Leisure

“Nothing is an ‘or world’, it is an ‘and world’,” Misra affirms, stressing upon the fact that the pie just got bigger, and there is enough for everyone. “Going to a movie theatre is an amazing experience and people will go back once they are open. In the world of content, more only means more content. This whole thing of one at the cost of the other is a myth,” Misra adds.

All is not hunky-dory just with a great digital media idea. Take Quibi, for instance. Based on the idea that people are ready to consume quality Hollywood content in bite-sized nuggets on the go, they had almost everything in place on paper. Bad timing or bad economics, one can never be sure but Quibi shut shop within six months of launch despite having the biggest Hollywood names creating exclusive content for it.

“New media is coming into play every moment — short form, long form, digital, gaming, esports, customised shows. Things can be great, or go wrong,” conveys Pherwani.

There are detailed media models that can help choose standing. From content maximisers, to makers, and modules to mash-ups, the M&E industry just got a chic makeover. It is exciting how the digital media ecosystem is this big equalising force, bringing together creators,

consumers and everyone in between.

“OTT platforms are more democratic in the sense of giving an opportunity to all forms of creators. Twenty-two years ago, I was told female protagonist films won’t work. But now, I have the choice of showing it to an identified set who want to watch exactly what I create,” Chandra says. The roaring successes of unconventional web series or Indie cinema that found their voice on a streaming platform are testimony to Chandra’s insights.

What we could see in the coming few years is unthinkable innovations in the field of M&E. Netflix’s own *Black Mirror Bandersnatch* is a fine example of this. Interactive cinema, choosing your own customised storyline, and watching it come alive on screen is a thrill unparalleled.

“People are slowly shifting to value-based content over star-based content,” observes Pherwani.

The pandemic has been a behaviour-building exercise. It could leave permanent changes in behaviours and consumption patterns.

“We are looking at seismic shifts. The evolution of the consumer and their choices will dictate everything. People will put the consumer first and

then search for a platform that can air content,” predicts Misra.

### SKYFALL — LEGAL & REGULATORY HURDLES

With theatrical releases on hold worldwide, OTT platforms are reaching out to air upcoming big-ticket Bollywood and regional cinema. Movie theatres are facing the heat and fighting back. Multiplex and single-screen owners had repeatedly urged the government to reopen theatres and share detailed guidelines and SOPs to ensure safety and hygiene at theatres. In October 2020, as part of the Unlock Phase 5, theatres and cinema halls were given the go-ahead to reopen after seven months of closure.

Will people flock theatres to experience life once again on the big screen with pent up demand, or will there be uncertainty owing to health concerns and put the cinema experience on hold?

Industry reports foresee the closure of close to 40 television channels during and post-pandemic in India. Whether this is the result of the New Tariff Order (NTO 2.0) or another pandemic blow is

debatable. There have been welcome changes through policy support like the FDI increase in the M&E space from 74 to 100 per cent, and the National Digital Communications policy whose impact we are yet to notice.

Legal and regulatory compliances being a hindrance to innovation in the global theatrical value chain is an aspect worth exploring. “I would love to show a web series all through the day for people on the big screen. But it would need an entirely different set of adherences and permissions,” Tandon states.

### TOMORROW NEVER DIES — IT’S A LONG WAY AHEAD

Showbiz is a wonderful place. If it has taught us anything, it is that the show must go on. From works of art, thought-provoking renditions and everything in between it has so much more to offer. The future is here, it is just not evenly distributed? — yet. The M&E industry has been on a transformational cusp, and Covid-19 has accelerated the pace. As Chandra rightly mentions, “At the end of the day, all everyone needs is a great story.”



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<sup>1</sup> <https://www.ibef.org/industry/media-entertainment-india.aspx>

<sup>2</sup> W Gibson, quoted in S Rosenberg, “Virtual Reality Check Digital Daydreams, Cyberspace Nightmares,” San Francisco Examiner, April 19, 1992

## TAKEAWAYS

#### Content is king

Undisputed and infallible. Good content and a great experience will always have takers.

#### More only means more content

The pie just got bigger. It is not a zero-sum game. The same consumer could have all needs and if given the right opportunity, he will gladly take all three. The options got better, and scope wider.

#### The digital space is mercurial

The digital space is continuously evolving and at breakneck speed. There will be hits and misses.

#### Sticking to basics + innovation

While it may look like one, this is no formula. There is simply no formula for generating the right content.



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