




MAHASAMVIT MEDIA AND ENTERTAINMENT PVT. LTD.

A. The main objects to be pursued by the Company on its incorporation are:

1. To carry on the business of engaged in originating, developing and producing commercial feature films, broadcasting, telecasting, relaying, transmitting, content developing, animation / graphics / sound effects, distributing, Release or running any video, audio, voice, over television, radio, internet, telecom or any other media, Video on Demand or any other services. And carry on the business of identification of script (script analysis) Project planning (Pre-Production) Execution of Production and Post Production activities or deals with all kinds of services.
2. To carry on the business of print, publish, sell and market newspapers, magazines and any other print/digital form of content publication in regional languages and to deal in establishing, maintaining and managing studios, television channels and film production



equipment and facilities, and also to carry on business as channel operators, publishers, advertisers in India and abroad.

3. To carry on the business of providing Support Services whether information technology enabled or otherwise, including but not limited to providing back-office services, enterprise content and data services, business analysis, business intelligence, advertising, public relations, business, commercial and administrative services in India and abroad.
4. To produce, distribute and exhibit motion pictures of all kinds. In any languages Indian and foreign including feature films, commercials, advertisements, commercial ads jingly and sports documentaries. Educational pictures and audiovisual pictures, and slides in all branches and fields through all professions that may be discovered or offered from time to time resulting in cinematographic films, Television films, cartoon films, silent or talking, sound producing, synchronized, stereophonic, coloured and bioscope film and computer animation and related productions.
5. To carry on the business of cine developer and printer, reduction and blow-up services of all varieties of film and undertake all cine laboratory services including motion picture editing, titling, recording and dubbing, sound processing, printing and duplicating in all sizes, including digital techniques.
6. To educate, train employ, bring up, enter into agreement with films directors, technicians, engineers, sound experts, cameraman, musicians, art directors, actors, actresses and other persons for the purpose of production, exhibition, display of films, dramatic or other performances of all kinds or otherwise.
7. Create OTT PLATFORM.
8. Entering into contracts with technicians, actors, artists, authors for production of films and with manufacturers and dealers of machines and equipment.
9. To act as manufacturer's representatives, distributors, dealers, agents, canvassers for the distribution and exhibition of films produced by others and also for those produced by the Company.
- 10. To acquire the rights of distribution and exhibition of films of all kinds, feature-films, commercial and educational films, advertisement, documents and to acquire and maintain theatre for the purpose.**
11. To obtain copyrights on novels, stories, plays and play lets, lyrics, songs, musical compositions, sound recordings and visual reproduction films and other literary and artistic works necessary for making of films.



12. To constitute Agencies of the Company in India or abroad.
13. To form the film clubs, film institutes any where in India or abroad.
14. To publish magazines in any language or languages.
15. Financing the production of films of all kinds and to enter into partnership or other arrangement or agreement with others for production, multiplication, distribution and exhibition of films.
16. To carry on the business of proprietors, agents, managers, lessees, heirs, partners of studios, theatres, places of amusements or entertainment, music halls, cinemas, picture places and concert halls.
17. To carry on the business of advertising agents, advertising contractors and designers or advertisements in all their branches.
18. To carry on the business of printers engravers, publishers, book and print sellers, book binders or journalists, machinery agents, stationers, manufacturers and distributors of and dealers in engraving prints, pictures, drawings, paintings, journals, magazine and any written engraved painted and printed productions in all their branches and aspects.
19. To manufacture, purchase, acquire, import or deal in various apparatus, machinery equipment, appliances, raw films, chemicals, compressors, furniture, electrical, electronic photographic and optical goods, scene equipment and other materials necessary or requisite for the production and for the presentation of cinema films both silent and talkie or studio plays or other pictures or entertainment.
20. To carry on business as owners and/or lessees of film theatres / multiplexes / studios with recreation centers, amusements parks, shopping arcades, Video game centres, Bowling Allys, recording theatres, preview theatres including providing facilities in all its branches of entertainment and to create and develop infrastructure facilities, erecting and running of theatres / multiplexes / studios for exhibiting films and for musical performances and to give such studios or theatres or theatres either on lease or on rent, either alone or in partnership with individuals with and/or bodies.
21. To carry on business as film publicity agents, designers, engraves for film publicity materials and as printers for film publicity and photography and to act as Call Centres, Ticket Booking Centres, Restaurants, Food Courts , Canteen Sales Centres and to deal in all Sales and / or Marketing activities undertaken by Cinema Theatres, Cine Complexes, Entertainment Parks and other Entertainment / Amusement Institutions / Companies.



We will invest rs 5 cr first then 150 cr and finally 1500 cr to do all those,

Cinema is a powerful medium of communication and it derives its strength from us i.e. the audience. The moving pictures that we see on celluloid are not just images but a creative outlet through which one can speak their innermost thoughts and feelings. We are going to produce content that will not just entertain but also give you a reality check alongside a strong social message. Talking about responsible cinema, let us look at the best films that tried to break the mold.

SO

EMPHASISING

- 1) MAKING FILM OR SERIES ABOUT STRONG SOCIAL MESSAGES.
- 2) MAKING FILM OR SERIES REGARDING ACTUAL HISTORICAL BASED SPECIALLY THE HINDU GLORIOUS DYNASTY.
- 3) COMEDY BASED SERIES AND TELEVISION SERIES OF POLITICAL SATIRE AND OTHER CLEAN COMEDY.
- 4) CARTOON FILM WITH FULL ENTERTAINMENT OF CHILDREN.
- 5) REGULAR TV PROGRAMME ABOUT NEW BUSINESS PROJECTS, INNOVATIVE BUSINESSES, EMERGING BUSINESS POTENTIALITY
- 6) REGULAR TV PROGRAM ABOUT MARKET ANALYSIS AND HOW TO MAKE MONEY FROM MARKETS WITH INNOVATIVE MONEY-MAKING STRATEGY.
- 7) REGULAR TV PROGRAM THROUGH OUR CHANNEL ABOUT NEW EMPLOYMENT AND JOB OPPORTUNITY.

THANK YOU.



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ROBUST DEMAND

- *According to a report published by IAMA and Kantar Research, India internet users are expected to reach 900 million by 2025, from ~622 million internet users in 2020, increasing at a CAGR of 45% until 2025.
- *The country's entertainment and media industry is expected to see a growth of 9.7% annually in revenues to reach US\$ 73.6 billion by 2027.
- *The advertising-based video on demand (AVoD) segment is expected to rise at a CAGR of 24% to reach US\$ 2.6 billion by 2025.



ATTRACTIVE OPPORTUNITIES

- *Revenue of the Indian video OTT market that is dominated by players such as Amazon Prime Video, Netflix and Disney+ Hotstar is set to double from US\$ 1.8 billion in 2022 to US\$ 3.5 billion by 2027.
- *According to a FICCI-EY report, within the M&E sector, TV is expected to remain the largest segment and likely to post a CAGR of 7% to Rs. 847 billion (US\$ 12.01 billion) by 2023.
- *The Indian mobile gaming market is poised to reach US\$ 7 billion, in value, by 2025.



POLICY SUPPORT

- *The Government of India has increased the FDI limit from 74% to 100%.
- *In November 2021, the government announced that it is working towards creating a National Centre of Excellence for AVGC (animation, visual effects, gaming and comics).



HIGHER INVESTMENTS

- *FDI inflows in the information and broadcasting sector (including print media) stood at US\$ 10.87 billion between April 2000-September 2023.
- *The rapid growth of OTT channels, increased emphasis on animated intellectual property (IP) content and larger investments in VFX by studios has provided animation and VFX studios with opportunities in both domestic and international markets.

MEDIA AND ENTERTAINMENT INDUSTRY REPORT

Dec, 2023

INTRODUCTION

The Indian Media and Entertainment (M&E) industry is a sunrise sector for the economy and is making significant strides. The increasing availability of fast and cheap internet, rising incomes, and increasing purchases of consumer durables have significantly aided the industry. India's media and entertainment industry are unique as compared to other markets. The industry is well known for its extremely high volumes and rising Average Revenue Per User (ARPU).

This significantly aided the country's industry and made India leading in terms of digital adoption and provided companies with uninterrupted rich data to understand their customers better. India has also experienced growing opportunities in the VFX sector as the focus shifted globally to India as a preferred content creator.

Proving its resilience to the world, Indian M&E industry is on the cusp of a strong phase of growth, backed by rising consumer demand and improving advertising revenue. According to a FICCI-EY report, the advertising to GDP ratio is expected to reach 0.4% by 2025 from 0.38% in 2019.



MARKET DYNAMICS

As per the latest report by the EY, India's Media and entertainment Industry is expected to reach Rs. 2.34 trillion (US\$ 29.2 billion), then grow at a CAGR of 10% to reach Rs. 2.83 trillion (US\$ 35.4 billion) by 2025. Advertising revenue in India is projected to reach Rs. 394 billion (US\$ 5.42 billion) by 2024. The share of traditional media (television, print, filmed entertainment, OOH, music, radio) stood at 58% of the media and entertainment sector revenues in 2022.

The country's entertainment and media industry is expected to see a growth of 9.7% annually in revenues to reach US\$ 73.6 billion by 2027.

Revenue of the Indian video OTT market that is dominated by players such as Amazon Prime Video, Netflix and Disney+ Hotstar is set to double from US\$ 1.8 billion in 2022 to US\$ 3.5 billion by 2027.

The Indian media and entertainment sector posted a robust 19.9% growth in 2022 and crossed the Rs. 2 trillion (US\$ 24 billion) mark in annual revenue for the first time led by a sharp jump in the digital advertising mop-up.

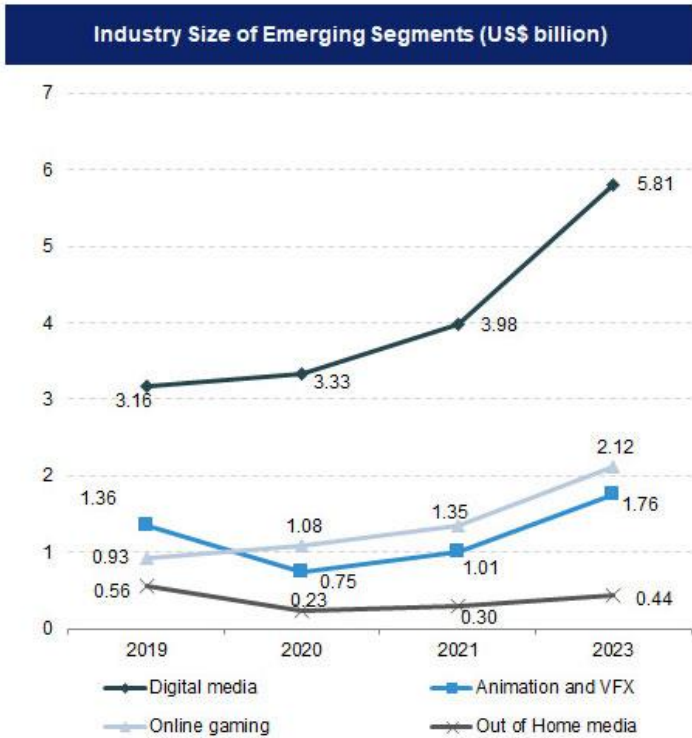


Indian digital industry is expected to grow at 29% to reach a market size of Rs. 35,809 crore (US\$ 4.35 billion) by the end of 2023. It is expected to contribute 38% to the overall advertising industry in India, on par with television.

The OTT segment is likely to grow at a remarkable CAGR of 14.1% to reach Rs. 21,032 crore (US\$ 2.55 billion) in 2026. Subscription services, which accounted for 90.5% of revenue in 2021, are projected to account for 95% of revenue by 2026.



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Within the M&E sector, Animation, Visual Effects, Gaming and Comic (AVGC) sector is growing at a rate of ~29%, while the audio-visual sector and services is rising at the rate ~25%; is recognised as one of the champion sectors by the Government of India. The AVGC sector is estimated to grow at ~9% to reach ~Rs. 3 lakh crore (US\$ 43.93 billion) by 2024, stated Union Minister of Commerce & Industry, Consumer Affairs & Food & Public Distribution and Textiles, Mr. Piyush Goyal.

2022 recorded US\$ 3.6 billion in PE/VC investments in the media and entertainment sector, a 24% decline y-o-y.

In Q3 of CY23, eight deals were recorded in the media and entertainment sector of India at US\$ 269 million. FDI inflows in the information and broadcasting sector (including print media) stood at US\$ 10.87 billion between April 2000-September 2023.

Indian Over-The-Top (OTT) platforms have demonstrated significant growth in the global market, witnessing a 194% increase in revenue from international viewers over the last two years.



According to CRISIL, print media's revenue is anticipated to increase by 13-15% this year as a result of increased government and corporate advertising spending. In FY24, the revenue of print media is predicted to reach Rs. 30,000 crore (US\$ 3.63 billion).

The Indian OTT audience universe currently stands at 424 million people, according to The Ormax OTT Audience Sizing Report 2022. Of these, 119 million are active paid OTT subscriptions in India.

India's Direct-To-Home (DTH) Services market is expected to expand to US\$ 7.59 billion in 2029 from US\$ 6.48 billion in 2023, growing at a CAGR of 2.8%.

India's SVOD subscriptions reached 130.2 million in 2022 compared to 110.5 million in 2021.

As per GroupM's TINY report 2023, India was ranked 8th by global ad spend, and will continue as the fastestgrowing market among the top 10 ad markets in 2023.

Advertising revenue in India is projected to reach Rs. 394 billion (US\$ 5.42 billion) by 2024. India's subscription revenue is projected to grow at a CAGR of 2% and reach Rs. 432 billion (US\$ 4.94 billion).

Key growth drivers included rising demand for content among users and affordable subscription packages.

India's media and entertainment industry is the fifth largest market globally and is growing at the rate of 20% annually, according to Union Information and Broadcasting Minister Mr. Anurag Thakur.

The Indian mobile gaming market is growing at a pace in tandem with the global trend and is expected to reach US\$ 7 billion in 2025. The online gaming market in India is projected to reach US\$ 2.81 billion by 2025, from Rs. 76 billion (US\$ 1.08 billion) in 2020, due to rapid increase in consumption.

The music industry is expected to reach US\$ 400 million by 2025 from US\$ 199 million in 2019. According to a study conducted by Kantar and VTION, an audience measurement and analytics company, Gaana, the streaming service owned by Times Internet Ltd., had 30% market share, followed by JioSaavn (24%), Wynk Music (15%), Spotify (15%), Google Play Music (10%), and others (6%) in 2020.

The Ficci EY media and entertainment report 2023 said that in 2022, music streaming in India had an audience of approximately 208 million of which the paid subscriber base was just around 4-5 million.

About 1 million music streams were played every 3 minutes in FY23, totalling 460 million streams per day, according to a report by Redseer Strategy Consultants. Spotify led India's music and audio streaming market in FY23 with a 26% share, as compared to just 11% share in FY20.



Growth of the sector is attributable to the trend of platform such as YouTube that continues to offer recent and video content-linked music for free, which is expected to drive the paid OTT music sector reaching ~5 million end-users by 2023, generating revenue of ~Rs. 2 billion (US\$ 27 million).

By 2025, the number of connected smart televisions are expected to reach ~40-50 million. 30% of the content viewed on these screens will be gaming, social media, short video and content items produced exclusively for this audience by television, print and radio brands. In the third quarter of 2022, smart TV shipments from India increased by 38% YoY, due to rising expansion activities adopted by original equipment manufacturers (OEMs) for their smart TV portfolios. By 2025, ~600-650 million Indians, will consume short-form videos, with active users spending up to 55 to 60 minutes per day.

According to the FICCI-EY media and entertainment industry survey, those who watch online videos through bundled packages (online video services bundled with mobile and broadband connections) will account for half of all online video viewers (399 million) by 2023, up from 284 million in 2020.

As of 2022, India registered ~527 million online video viewers, including streaming services and videos on free platforms such as YouTube. Mobile video viewers stood at 356 million in 2020, driven by rising number of users preferring video content over the last few years.

OTT video services market (video-on-demand and live) in India is likely to post a CAGR of 29.52% to reach US\$ 5.12 billion by FY26, driven by rapid developments in online platforms and increased demand for quality content among users.

RECENT DEVELOPMENT/INVESTMENTS

Recent Developments in the Media and Entertainment Industry are

- In August 2023, Netflix inked a “first-of-its-kind” deal with Jio Platforms to bundle the streaming service with the carrier’s two pay-as-you-go plans as the American giant pushes to expand its subscriber base in the key Asian market.
- In June 2023, India, for the first time participated at the Annecy International Animation Festival in France and showcased the strength its creative economy holds.
- In May 2023, Viacom18-owned streaming service JioCinema inked a multi-year content deal with NBCUniversal (NBCU) to bolster its premium content library. As part of the partnership, JioCinema will get access to thousands of hours of NBCU films and TV series in India.
- According to CRISIL, print media’s revenue is anticipated to increase by 13-15% this year as a result of increased government and corporate advertising spending. In FY24, the revenue of print media is predicted to reach Rs. 30,000 crore (US\$ 3.63 billion).

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- Media company Shemaroo Entertainment is planning to spend Rs. 75 crore (US\$ 9.1 million) in FY24 to bolster its broadcast and over-the-top (OTT) businesses.
 - Newly merged multiplex giant PVR Inox is ready with a plan to add up to 175 new screens and retrofit a host of existing ones at an investment of Rs. 700 crore (US\$ 85.1 million) during FY24.
 - In April 2023, Prime Minister Mr. Narendra Modi commissioned Low Power FM Transmitters of capacity of 100 watt at 91 locations. These transmitters have been installed in 84 districts of 20 states. With this, the network of transmitters with All India Radio has increased from 524 to 615. The addition will further boost the coverage of AIR to 73.5% of the population of the country.
 - A partnership was announced in April, 2023 between the Ministry of Information & Broadcasting and Amazon India in the field of media, entertainment, and public awareness.
 - The online gaming segment grew 35% in 2022 to reach Rs. 135 billion (US\$ 1.64 billion). It is the fourth largest segment of the Indian M&E sector.
 - Music from South Indian languages such as Kannada, Malayalam, Tamil, and Telugu has witnessed the fastest growth in the vernacular in the last four years in FY23. The highest contributor to OTTA with the non-film genre was Punjabi music (39%) across all states.
 - In June 2022, the exclusive rights for the television broadcast of the Indian Premier League (IPL) from 2023-2027 was acquired by DisneyStar.
 - In March 2022, Pocket FM in India raised US\$ 65 million and has plans to expand in new regional languages.
 - In March 2022, Krafton infused US\$ 19.5 million in Indian audio content platform Kuku FM.
 - In November 2021, media consulting firm Ormax Media, launched an OTT Brand Health Tracking Tool called Ormax Brand Monitor (OBM). The tool is based on syndicated research conducted every month among SVOD & AVOD audiences across India, to track the performance of 16 OTT platforms on key brand measures.
 - In November 2021, social gaming platform WinZO, with Kalaari Capital announced a new investment initiative, 'Gaming Lab', to encourage and support India's gaming ecosystem.

GOVERNMENT INITIATIVES

The Telecom Regulatory Authority of India (TRAI) is set to approach the Ministry of Information and Broadcasting, Government of India, with a request to Fastrack the recommendations on broadcasting, in an attempt to boost reforms in the broadcasting sector. The Government of India has agreed to set up National Centre of Excellence for Animation, Gaming, Visual Effects and Comics industry in Mumbai. The Indian and Canadian Government have signed an audio-visual co-production deal to enable producers from both the countries exchange and explore their culture and creativity, respectively.



In October 2021, Prasar Bharati decided to auction its archives with the hope of monetising the content through sale to television and OTT platforms.

In June 2021, the Union Ministry of Information and Broadcasting notified the Cable Television Network (Amendment) Rules, 2021, which aims to establish a three-layer statutory mechanism for citizens to raise grievances with respect to broadcasted content.

As part of the expansion to include all digital platforms and digital (OTT) players under a single roof, in May 2021, the Indian Broadcasting Foundation (IBF) announced the move to be renamed as the Indian Broadcasting and Digital Foundation (IBDF).

As per the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021, IBDF would also form a self-regulatory body (SRB) soon.

To ease filming in railways, the Film Facilitation Office (FFO) set up in the National Film Development Corporation (NFDC) collaborated with the Ministry of Railways to develop an integrated single window filming mechanism to streamline the permission process for filming across railway premises.

In November 2021, the government announced that it is working towards creating a National Centre of Excellence for AVGC (animation, visual effects, gaming and comics).

On February 25, 2021, the government outlined the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules 2021 to establish a progressive institutional mechanism and a three-tier grievance redressal framework for news publishers and OTT platforms on the digital media.

In February 2021, the digital entertainment committee of the Internet and Mobile Association of India (IAMAI) finalised a code of conduct to form the basis for self-regulation code for OTT content. The code has been endorsed by 17 OTT platforms including Netflix, Amazon Prime Video, Disney+ Hotstar, ZEE5 and Voot.

In February 2021, Prasar Bharati (India) and PSM (the official State Media of Maldives) inked an agreement to facilitate collaboration and capacity building in the field of broadcasting.

Digital audio–visual content including films and web shows on over-the-top (OTT) streaming platforms, as well as news and current affairs on online platforms, have been brought under the Ministry of Information and Broadcasting in November 2020.

ROAD AHEAD

The Indian M&E industry is on an impressive growth path. The industry is expected to grow at a much faster rate than the global average rate. This can be majorly credited to rising incomes, increasing internet penetration and a growing push toward digital adoption.



In the long run, growth in the M&E industry is expected in retail advertisement on the back of several players entering the food and beverages segment, E-commerce gaining more popularity in the country, and domestic companies testing out the waters. India's rural regions are expected to be the next regions for growth. India has also gotten on board with 5G and is already planning for 6G well ahead of the future. This push towards digital adoption especially in the rural regions will provide advertisers and publishers with an immense opportunity to capture untapped markets and help grow India's media and entertainment industry forward.

Note: Conversion rate used for November 2023 is Rs. 1 = US\$ 0.012

References: Media Reports, Press Releases, Press Information Bureau, Department for Promotion of Industry and Internal Trade (DPIIT), Crisil report, EY FICCI Report



MEDIA AND ENTERTAINMENT INDUSTRY REPORT

Dec, 2023

Media and Entertainment India







SUMMARY

India's media and entertainment industries have always been an important part of our national story. As a young nation born in an era where film and radio were in their infancy, we have seen our triumphs and tribulations reflected in the mass media from the very start. These industries have also become important contributors

to Indian economic prosperity. In recognition of their importance, the Union government officially designated audiovisual services as one of 12 'champion service sectors' in 2018.

The sector is witnessing change at breakneck speed – developments in technology, notably the internet and over the top (OTT) content have indelibly changed the creation, distribution and consumption of content. The growing OTT ecosystem offers flexibility to creators and consumers, expands choice, and lowers distribution and search costs. Other developments such as strides

in artificial intelligence, virtual reality and augmented reality, are opening up new possibilities in entertainment, creating entirely new categories of products. In its response to these changes, India could potentially propel the sector to new heights and make the country a global leader in entertainment.

To frame a suitable response, it is important to imagine what the future of entertainment will be. How will storytelling, which is at the heart of entertainment, change with developments in technology? While stories take many forms – from the oral epics of ancient bards to slick modern video games – their narration and consumption form a central pillar of human existence. Storytelling has evolved with technology, with the flexibility of oral tales yielding to the standardization of print. Today we are on the cusp of another transformation:

from linear storytelling in the printed word, television and film, to a more dynamic and non-linear mode. Artificial intelligence, virtual reality and augmented reality offer new and immersive ways for people to engage with stories. In the future that emerges from current trends, entertainment will become a more dynamic, non-linear and immersive process, highly personalized to fit consumer desires and needs.



We examine the factors that can make India a dominant force in this landscape. The country has three innate strengths we must leverage. Its cultural heritage is ancient and diverse, and remains underrepresented

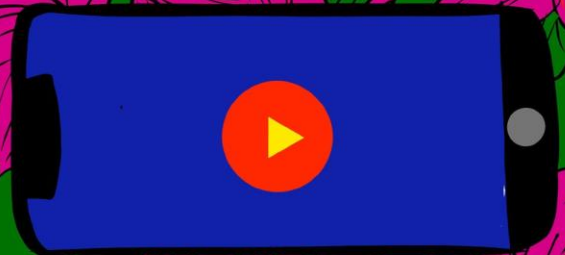
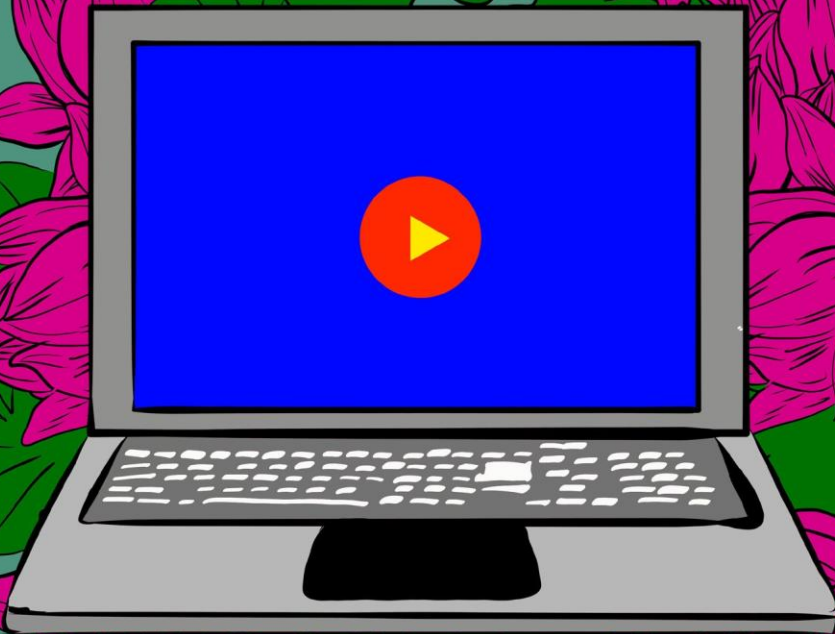
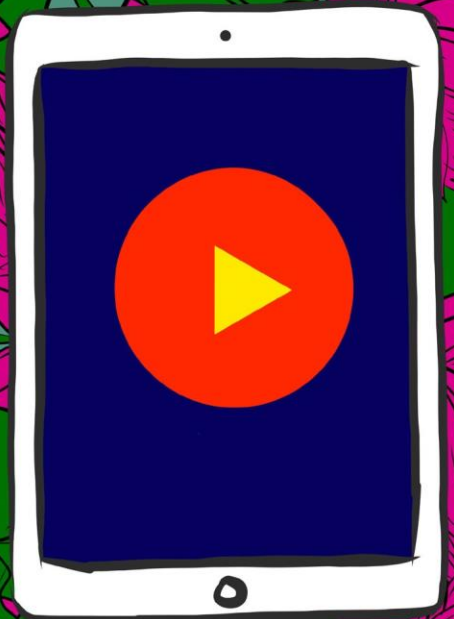
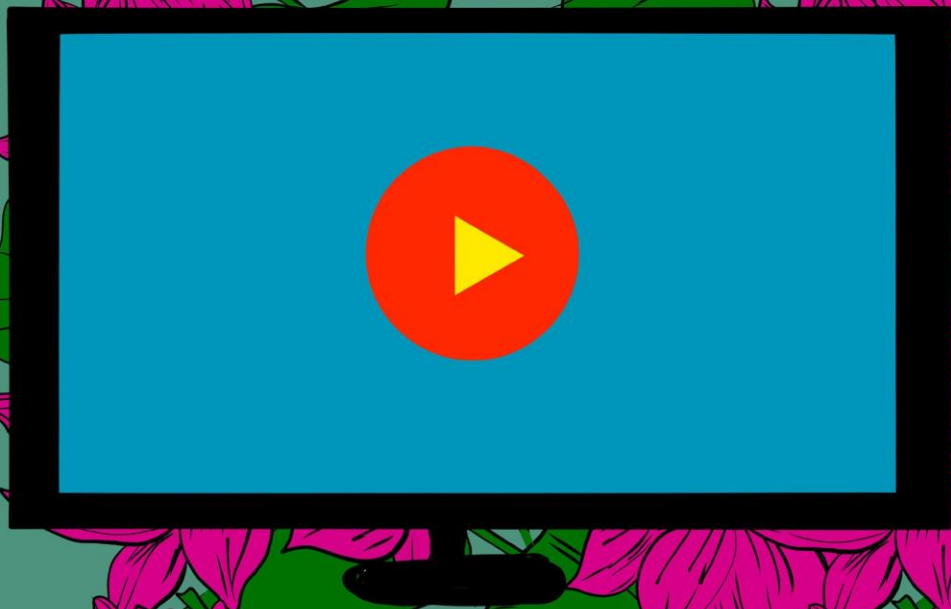
on the world stage. It is also well suited to the non-linear entertainment of the future, as it contains many traditions of oral storytelling that yield multiple threads from a common recognisable narrative. Third, India is

one of the world's largest consumers of data, with thriving creative industries. Our creators are prolific in terms of output, but lag behind in commercializing their works to generate greater economic value. To achieve this, India can learn from the experience of countries like South Korea, which has emerged as a global entertainment hub.

Certain transformations are urgently required to achieve this outcome. We need to promote creative freedom, which can be done through industry-led standards, as

is the practice in countries around the world. This will require active and continued engagement by the industry, as well as recognition and support from the state. Second, we must focus on building our hardware capabilities. The bundling of content with devices is already ubiquitous.

And finally, we need to move to a principles-based approach to regulation, which would ensure consistency of purpose across the expanding range of technologies in the media ecosystem.





THE NEW MEDIA

OTT refers to the distribution of media content ‘over the top’ of traditional telecom or broadcasting infrastructure, and is now synonymous with content distribution over the internet. Our exploration of OTT is limited to its applications for the entertainment industry.

With the Covid-19 pandemic, the ascendancy of OTT platforms became clearer than ever before. As businesses almost everywhere slowed or came to a halt, Netflix added a staggering 15.8 million paid subscribers in the first quarter of 2020.¹ In India, with theatres closed due to fear of the disease, production houses released feature films on online platforms, a significant change in industry practice.²

The OTT market in India is predicted to grow at 21.8% CAGR, from INR 4,464 crore to INR 11,976 crore between 2018 and 2023.³ A number of homegrown entrants have also blossomed here, and Indian platforms now far outnumber foreign ones. Moreover, several traditional media producers (broadcasters) are playing a critical role in the new digital ecosystem.

Changes can be seen not only in the distribution method and scale of OTT media, but in the content itself.

The expansion of internet access has broadened our understanding of the term ‘media’. No more restricted to print, film and TV, the media is now a vast category with various forms – such as user generated content (UGC), podcasts, and online games among others. Even food delivery services have ventured into the space –

Zomato plays short-form content on its app to keep users entertained while they wait for their delivery.

Currently, OTT in India enjoys a higher level of creative freedom than television or film, primarily because such content doesn’t need to be certified before release. This freedom has helped creators push the envelope. Rapid technological developments have also enhanced the consumer experience – innovations in augmented reality and virtual reality will further enhance the creative edge enjoyed by OTT media.

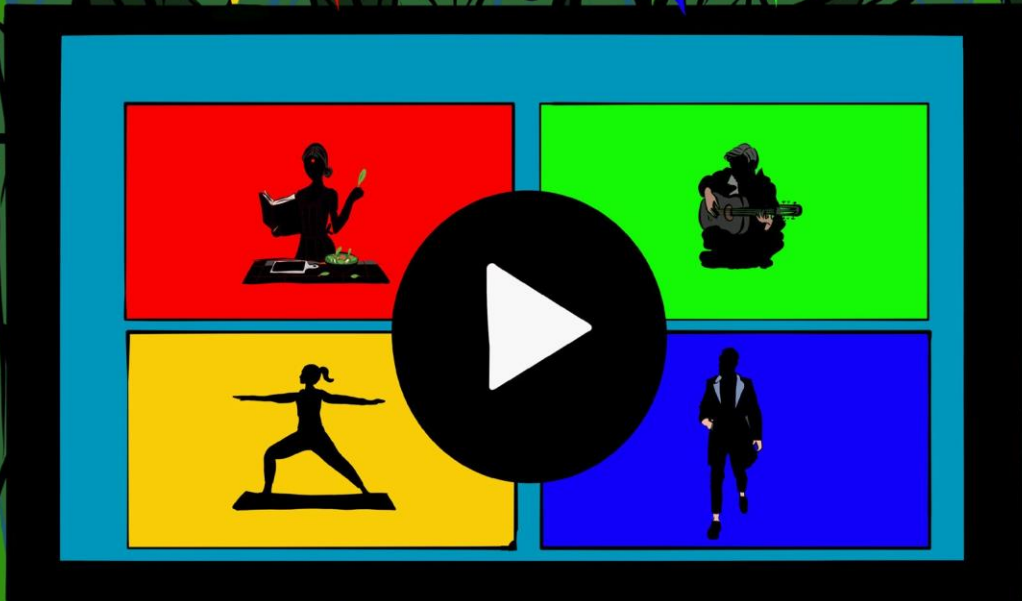
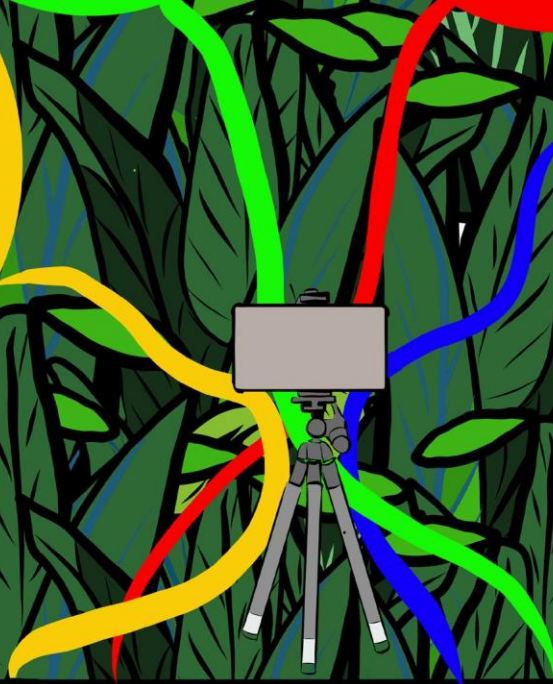
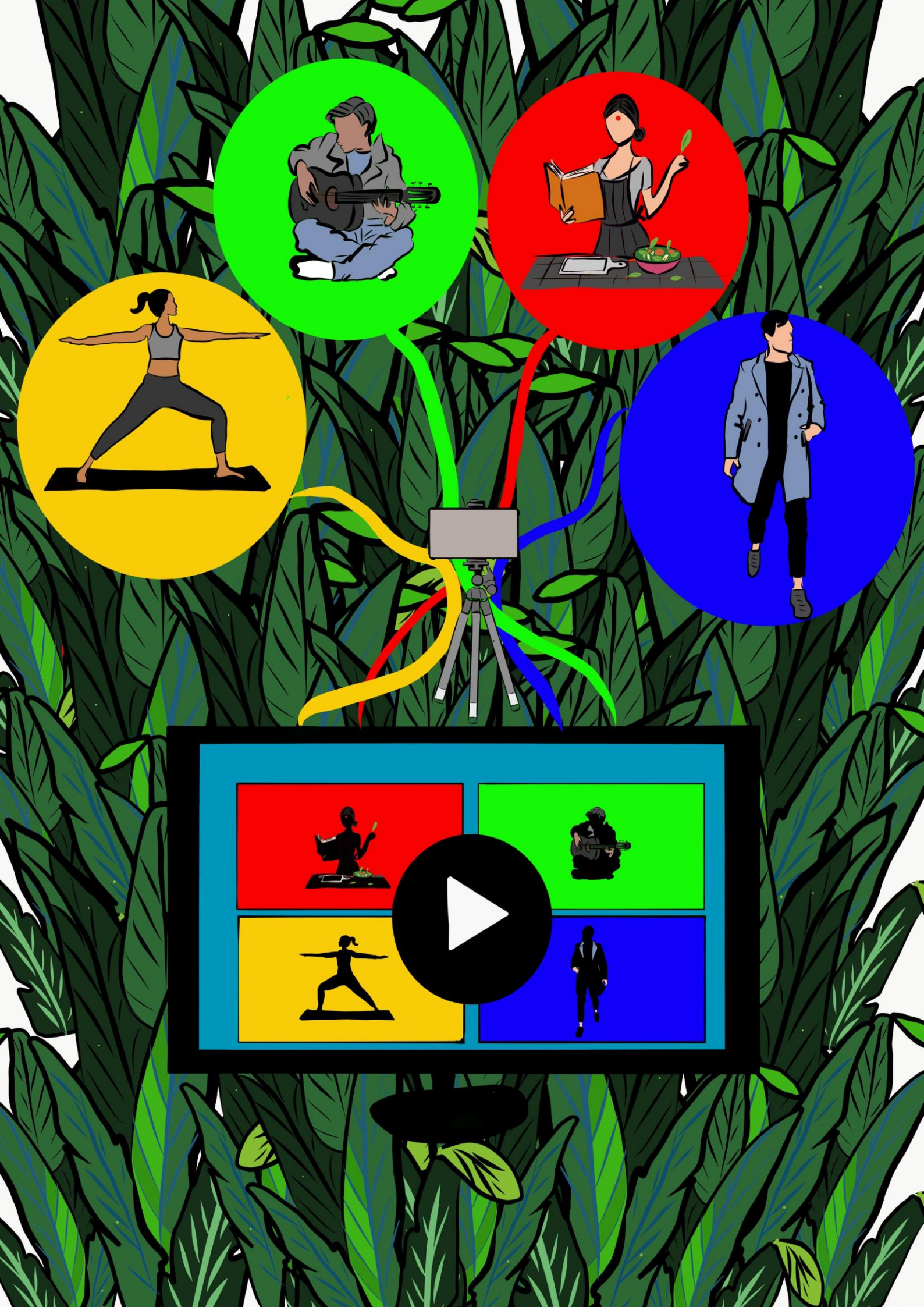
This paper seeks to examine the changes, trends, and future potential of OTT based media and entertainment, and suggest strategies to ensure that India does not miss the bus on the revolutionary changes underway in the world of entertainment.



FIGURE 1: OTT (VIDEO) PLATFORMS IN INDIA



SOURCE: COMPILED USING MEDIA REPORTS AND FINANCIAL STATEMENTS OF RESPECTIVE COMPANIES





OTT – A MEANS AND NOT AN END

The internet has revolutionized entertainment. This is starkly visible during the Covid-19 pandemic. Here we highlight some key changes driven by technology to better understand the transformation.

I. THE OTT EFFECT

Digitization has lowered the cost of content distribution to near zero in the case of user generated platforms. Conversely, a broadcaster must pay 20 paise per subscriber per month to broadcast an SD channel, and 40 paise for HD.⁴ They may also need

to pay a distribution fee, in addition to the net worth requirements and bank guarantees necessary for a broadcasting licence.⁵ The low cost of online

distribution removes a significant entry barrier in the entertainment market, permitting the creation and distribution of content at an unprecedented pace.

Low distribution costs have ushered in three sets of changes. First, they are a boon for the creative freedom of artists, writers, filmmakers and other professionals.


Second, consumers can now watch diverse content at their own convenience. And third, consumer expectations and technological change are in the

process of making entertainment a hyper-personalized experience, as platforms deploy sophisticated computing to package and present their content.

II. UNLEASHING CREATIVE EXPRESSION

OTT lets anyone with internet access publish content. This has led to an explosion of creative expression, both in terms of UGC and curated content.

(a) Empowering smaller creators: For smaller creators, OTT does away with the traditional barriers that would keep them from reaching a larger audience. Reach is increasingly dependent on the virality or quality of



content, and not the publisher's discretion. Creators no longer need rely on content that appeals to a large audience base to justify the costs, and are free to make diverse and niche content that can still reach a large audience.

For instance, YouTube's highest earning content creator for 2018 and 2019 was Ryan Kaji, an eight-year-old

who made USD 26 million in 2019, up from USD 22 million the year prior.⁶ Kaji began his YouTube career by unboxing and reviewing toys, and today has over 26 million subscribers on his channel. Content that would have been impossible to monetize in the past, can now rake in millions.

(b) Private viewing and censorship: Another change lies in the more personalized nature of OTT viewing, which gives audiences more control over what to watch and when. This is due to the 'pull' nature of OTT content, where the user selects what to consume, in contrast to the 'push' nature of traditional film and television. The availability of content across laptops,

smart TV sets, tablets and mobile phones further expands this control. For example, primetime on TV is 9 PM, whereas for Netflix, a popular OTT service, it is 5 PM, a common time to commute.⁸

In India the personalized nature of OTT media also affects censorship. Under the Cinematograph Act of 1952, ex ante censorship of films intended for theatrical release is premised on the 'public exhibition' of such films.⁹ Similarly, state regulation of broadcast content is premised on the notion of spectrum scarcity – that the airwaves used to broadcast TV signals are a scarce public good, and therefore subject to regulation for the public benefit.¹⁰ Since neither rationale applies to OTT, it has remained relatively free of content restrictions.

This allows content that could not be pitched to a TV channel, say, to be created and attain success. A case in point is *Sacred Games*, the Netflix series adapted from a bestselling novel by Vikram Chandra, with its magical realism imbued depiction of the Mumbai underworld. The series' second season was nominated in the Best

Drama category at the 2019 International Emmy Awards.

TABLE 1: EARNINGS AND REACH OF YOUTUBE CREATORS

| NAME | EARNINGS PER VIDEO (IN THOUSAND DOLLARS) | EARNINGS MONTHLY - UPPER CAP (IN THOUSAND DOLLARS) | SUBSCRIBERS (IN MILLIONS) | AVERAGE VIEWS (IN MILLIONS) FOR LAST 30 VIDEOS |
|----------------------------------|------------------------------------------|----------------------------------------------------|---------------------------|------------------------------------------------|
| INDEPENDENT CREATORS | | | | |
| Carry Minati | 103.07 | 34.46 | 25.1 | 29.05 |
| Amit Bhadana | 108.21 | 16.11 | 21.2 | 25.12 |
| Ashish Chanchalani | 128.14 | 47.03 | 20.3 | 30.48 |
| Average for Independent Creators | 113.14 | 32.53 | 22.17 | 28.22 |
| INSTITUTIONAL CREATORS | | | | |
| T-Series | 1.12 | 1580 | 152 | 1.35 |
| Set India | 83.51 | 1040 | 81.3 | 0.01607 |
| Zee Music Company | 482.31 | 345.72 | 61 | 0.2628 |
| Average | 188.98 | 988.57 | 97.67 | 0.54 |

SOURCE: AUTHOR'S COMPILATION, NOXINFULENCER.COM⁷

III. EXPANSION OF CHOICE

With more freedom for creators, comes more choice for consumers. Creative freedom is also facilitated by the pull nature of OTT content, as well as the degree of control it gives viewers over the experience.

is typically monetized through advertising revenue. OTT media viewers have more choice and control than ever before, and will expect more in future.¹²

can access infinitely more content than traditional media can offer – 500 hours of video are uploaded every single minute to YouTube,¹¹ which is only one of many platforms for user generated content. Moreover, a large proportion of this content is available online for free, as it

(a) **Near infinite content:** The average online viewer



(b) Dynamic competitive landscape: The proliferation of OTT services has prompted a change in business models. This can be seen in the increasing fluidity of models across sectors, with content producers, broadcasters and telecom companies developing their own OTT apps and content services (Table 3). Publishers have moved into information services, and ad agencies have stepped into content creation.¹³ This

competition will only increase further as more players enter the market to challenge existing leaders like Netflix, Disney+Hotstar or Amazon Prime.¹⁴



TABLE 2: TECHNOLOGICAL CONTROLS AVAILABLE ON OTT

| FEATURE | DESCRIPTION |
|---------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|
| Filter Search | Filter by artist, genre, category of media - movies, series, etc. |
| User Profiles | Create a profile for different users on the same account for customized recommendations, view history, watch lists |
| Language | Play audio and view subtitles in different languages |
| Subtitles | Customize subtitle appearance (font size, colour, etc.) |
| Parental Control / Viewership restrictions | Restrict viewership by use of customised PIN |
| Playback | Play the next available video automatically when turned on |
| Payment method | Change payment method to automatic debit or ask before payment |
| Kids Profile | Only show age-appropriate content when children are using a device |
| Gift | Share your account for free with people using a specific link |

SOURCE: AUTHORS' COMPILATION



TABLE 3: TRADITIONAL COMPANIES WITH INVESTMENTS IN OTT

| COMPANY | PRIMARY | OTHER PLATFORMS |
|-------------------|---------------------------------|--------------------------------------------|
| Airtel | Telecom, TV distribution | Airtel XStream, Wynk |
| Idea | Telecom | Idea Movies and TV |
| Reliance | Telecom | Jio Saavn, Jio TV, Jio Cinema, Voot |
| Sony | TV entertainment | Sony Liv |
| Star India | TV entertainment | Disney+ Hotstar |
| Sun TV | TV entertainment | Sun Nxt |
| Tata Sky | TV distribution | Tata Sky App |
| Vodafone | Telecom | Vodafone Play |

SOURCE: AUTHORS' COMPILATION



IV. HYPER-PERSONALIZED ENTERTAINMENT

With the use of data analytics and algorithms, personalized and customized entertainment products have become standard industry practice. Viewers are provided with personal recommendations based on their consumption history and patterns, together with other data points, helping them discover suitable content. This reduces the time and effort spent searching for content, driving up consumption.

As the competition for eyeballs heats up, the effectiveness of a particular platform's personalization features may


be the factor that makes consumers pick it over the other. For example, Spotify's recommendation engine is widely regarded as among the most effective music recommendation algorithm solutions on market, and it has driven usage of the music streaming service.¹⁵ This engine uses three different kinds of models –

collaborative filtering to analyze users with similar tastes, natural language processing to analyze text such as track name, genres and adjectives used to describe songs, and audio models that analyze the raw audio itself.¹⁶ These models combine to create custom playlists specific to each user. As AI capabilities continue to evolve, such recommendation engines are likely to become even more sophisticated and refined.

V. OPPORTUNITIES FOR FUTURE GROWTH

The OTT transformation is ongoing. Some opportunities for future growth in this segment are:

- **Reaggregation** (or rebundling) of streaming offerings – the approach pioneered by providers like Amazon and Roku. Content providers can now offer highly customized packages, that in addition to video, could include streaming music and games, as well as the option for consumers to accept ad-supported video content – advertising in exchange for 'free' or non-subscription content. The high degree of flexibility in packaging allows for a variety of business models, in a departure from the TV market in India where bundling is restricted by regulation. The OTT ecosystem lets markets find



their own balance. It also gives the rights owners of older content the opportunity to consolidate their catalogues and venture into OTT.

- **Content acquisition** will become more common as consumers gain mobility across platforms. Consumers can rent a film to stream just once on Apple TV or YouTube, at almost the same price as a cinema ticket. They can also buy monthly subscriptions to various platforms and discontinue these whenever they want. This has intensified the competition for user attention between OTT entities, and between new and traditional businesses. Consequently, there are two trends in mergers and acquisitions in the media industry. First there is horizontal consolidation among content producers, with recent mergers involving some of the largest global media conglomerates. Second, distributors are trying to acquire content – Table 3 shows how every telecom company in India has invested in acquiring OTT content to enhance user engagement. The rush to acquire has driven up content costs, even in a cost competitive market such as India, making consolidation likely.

- **Cloud gaming** refers to a new business model where the processing power required to run high-quality video games is housed on servers, with the gameplay streamed to the player. This lets consumers play the latest games without investing in expensive equipment. Major companies in the gaming market have launched cloud gaming services, such as Microsoft (Project xCloud), Sony (PlayStation Now), Nvidia (GeForce Now), and even Google (Stadia). While the technology is still in its infancy, the underlying concept – being able to play any video game without expensive equipment – is revolutionary. It has special potential in India, a market that has displayed immense interest in gaming products on mobile platforms, but where the cost of consoles is prohibitive. However, cloud gaming requires fast internet speeds and low latency (or lag), and India would need to augment bandwidth availability and the quality of broadband. Currently, fixed broadband speeds in India are ranked 75th in the world, with an average download speed of 40.45 mbps, or less than half the global average of 81.46 mbps.¹⁷



- **The 5G phase** is likely to bring with it new entertainment applications. The transition to this technology is expected to generate a windfall for network, infrastructure and equipment vendors. The online content streaming experience will become seamless, achieving download speeds of up to 1 gigabit per second. 5G will also impact live entertainment, including sports, with viewers able to get real-time data from the field (such as the speed of a ball in a cricket match, or its spin rate) fed directly from recording equipment to their devices.¹⁸

OTT represents the future of entertainment, and will redefine how content is created, distributed and consumed. This will change the art of storytelling, putting new tools in the hands of creators and giving them new ways to use technology to tell stories.





THE FUTURE OF STORYTELLING

Stories have always been linked to the human need for understanding, and the art of storytelling, intersecting with the highly social nature of human beings,

evolved out of this need. The quest for definition and understanding became a social pursuit, with stories acting as a medium for the flow of ideas, values and beliefs within social groups and beyond them. According to Yuval Noah Harari, the ability to communicate in stories or verbal fictions may set humans apart from other species with complex societies. Human institutions such as religions are rooted in common religious myths, and nations in common national myths, allowing people who have never met to share common values and ideas, and work together towards certain shared ends. Storytelling can drive rapid, significant shifts in society and culture, as stories have immense power over us.


When our grandmothers told us stories, they left a lot to the imagination. Instead of showing us pictures of Kumbhakaran or Mulla Nasruddin, they built vivid descriptions to fire off our young imaginations.

Compared with reading from a printed script, oral storytelling permits far greater embellishment and variation, and each narrator's characteristic style or eccentricities make each retelling of a story unique.

Diverse oral traditions exist in India of folk tales, mythology, religion, humour. Versions of these stories have been told across vast distances of geography and time, each with its own local flavour. The 'same' story may include different characters, episodes, and even endings

– Indians are intimately familiar with this nonlinear and dynamic form of storytelling. These cultural strengths are explored further here.

The dynamism of oral stories doesn't always translate to the written word, more so when manuscripts gave way to the printing press. Mass production was accompanied by standardization, and it is now commonplace for thousands of copies of a story to be told exactly the same way. Of course the reader's imagination still plays a vital part – but while readers of the Harry Potter books all imagined the boy wizard slightly differently in their



mind's eye, when the first movie came out it left no scope for imagining what Harry Potter looked like anymore.

The cinematic medium had given a lot more definition to the character and his world than the books ever would.

In this way technology has made storytelling a more literal process, akin to giving a story, fully defined to the consumer. That is not to say films cannot be interpreted or viewed imaginatively, but to distinguish between the degrees of definition offered by these media – oral stories, the written word, and film. As technology opens up new possibilities, however, this trend – of greater definition and reduced imagination – has reversed.

Advances in artificial intelligence (AI), gaming, augmented reality (AR) and virtual reality (VR) have ushered in an era of immersive storytelling, where the audience is transported into the story world, as an active participant. Here, while elements of the story are given definition in ways similar to film, the narrative itself depends on the actions and decisions of the consumer. In such media our

imagination is no longer limited to picture-making, but plays a vital role in directing the story itself. To understand this better it is important

to understand the technologies driving this change: AI, gaming, AR and VR.

I. ARTIFICIAL INTELLIGENCE

AI allows machines to better mimic human intelligence and learning, and perform more complex cognitive tasks. In the media its most prominent use is in the recommendation engines built into OTT platforms.

These engines collect data about an individual user's preferences, such as the shows they watch, or how often they stream a certain song. This information is used to recommend similar content from the platform's catalogue to the user, reducing the time and effort spent looking for new content suited to one's taste, and driving up content consumption. It also means that one person's experience of a platform, such as Netflix or Spotify, will be entirely different from another's.



AI can also be used to tweak other aspects of the entertainment experience. For instance, Netflix uses artwork personalization to show different promotional posters or scenes from the same content, based on

the themes and perspectives you are most likely to be interested in. As Netflix puts it, “Someone who has watched many romantic movies may be interested in Good Will Hunting if we show the artwork containing Matt Damon and Minnie Driver, whereas a member who has watched many comedies might be drawn to the movie if we use the artwork containing Robin Williams, a well-known comedian.”¹⁹

AI based analytics have also created exhaustive and detailed systems of collecting viewer data. In contrast to the sampling done for data on television viewership, OTT platforms collect granular information from each individual consumer. Such fine-grained tracking of behaviours, tastes and preferences helps platforms take

informed business decisions. Data analytics are also useful

also for targeted advertising – showing users only those advertisements that are relevant or of interest to them. This opens up the possibility of ad-supported business models where viewers do not have to pay for content, which is monetized instead through enhanced revenues from targeted advertising.

Finally, developments in AI will soon lead to the creation of smart content, which is dynamic and attuned to the consumer watching, reading or listening to it. A sneak peek into this future is offered by the prevalence of AI generated news items produced without human input.

As modular elements of the content, such as the music, lighting or camera angle become atomized, they can be manipulated based on varying rules. Content itself is likely to become more an iterative, configurable process than a readymade static product.²⁰ To use a culinary analogy, instead of ordering a dish off the menu, each user will get a custom made dish based on ingredients chosen specially for them.

TABLE 4: NEW DATA CAPABILITIES OF OTT

| METRIC | OTT | TV |
|-----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Identifying target audience | Can use metadata and cross-platform activity to identify users’ tastes and preferences. These can be combined with information about demographics, economic status etc. | Survey-based understanding of the demographic group that watches programs in a specific language, genre, or at a particular time (e.g. children watch cartoons after school hours) |
| Consumer feedback | Can track video completion rates and cursor activity, collect user ratings on the quality of service, conduct experiments to strategize (e.g. A/B testing) | Tracking limited to TRPs, which are calculated using a limited sample of households and are available on a weekly basis |



SOURCE: AUTHORS' COMPILATION

CREATION TOOLS AND USER GENERATED CONTENT

User generated content plays a prominent role in today's media landscape – as seen in the popularity of online video platforms like YouTube, where thousands of creators have made their mark (and fortunes), or in the growing role of UGC in the gaming ecosystem. While some games allowed for user-created modifications (or mods) since the early days of gaming, the phenomenon is set to grow from niche to mainstream as more user friendly creation tools become available. One such tool is Dreams, on the PlayStation platform. Dreams is a content creation tool which people can use on their PlayStation to create works of art or even full fledged games. These can then be hosted on the Dreams platform for user generated content, and shared with millions of users around the world. Such tools unleash user creativity, allowing for the creation of nearly infinite content. But they come with tricky legal issues – Dreams has been called both a creative triumph and a legal nightmare.²¹ At present there is no way for creators to monetize their creations, and the application of fair use protections for UGC remains unclear. More such platforms are likely to come up in future, offering users the tools to create and share their work. There is a need to update intellectual property frameworks to account for the changing axis of content production – as user generated content becomes more prominent, the rights of such creators will need to be adequately defined and protected.

II. GAMING

In an age of high-speed internet and 24x7 connectivity, the gaming industry is competing for a larger chunk

of the total entertainment pie. Online games such as Fortnite have innovated with content and business models to become platforms themselves. Fortnite has over 350 million players who spent a total of 3.2 billion hours playing the game in April 2020 alone.²² While users don't have to pay to play, they can choose to buy bonus content such as costumes for their in-game avatar, which is the primary driver of revenue. This approach to

monetization, along with constant innovations, has made Fortnite a formidable presence in the entertainment market. In a 2019 letter to shareholders, Netflix named Fortnite a bigger rival to its operations than HBO.²³

And gameplay apart, Fortnite has a social space within the game that acts like a theme park for

players to visit with friends to participate in various activities. Players have even attended massive virtual concerts by big name musicians such as Travis Scott and Diplo within the Fortnite universe, and commentators say that for such immersive online experiences this is only the beginning, more so after the blow to live events dealt by Covid-19.²⁴

The gaming industry has also pioneered immersive storytelling through open world games, both online and offline. These are essentially virtual playgrounds where gamers are set free to use their own imagination in combination with elements from the game. This

is a feature of a number of open world games – in Middle Earth: Shadow of War, for instance, the player



is transported to the world of J.R.R. Tolkien's creation, and given a character to play with certain abilities. As the game progresses, players can choose to tackle it in many different ways – deciding which adversary to target, how to approach a particular adventure, what abilities to upgrade and which tools to use. Various enemy Orcs remember the last time you crossed paths with them and evolve their own memories of your actions – leaving them afraid of you, say, or seething for revenge. This gives each player a unique experience of the game, including unique relationships with the characters depending on the exact approach you took.

Another instance is the Witcher series, created by the Czech studio CDProjektRed and based on a

popular Czech fantasy novel series. This developer is also working on the upcoming game Cyberpunk 2077, where players are transported to a futuristic metropolis known as NightCity, complete with various districts and activities, a corporate dominated world, and a criminal underbelly.

These games create an immersive world and put you right in the middle, letting you explore and interact with it as you please.

These are just some of the ways modern entertainment is redefining storytelling, by immersing consumers in the story as they play out a part and watch the world respond. This sort of open world, combined with an online model similar to Fortnite's, is likely to be immensely influential in the next phase of entertainment.

TABLE 5: GROWTH RATES OF SEGMENTS OF INDIAN ENTERTAINMENT ECOSYSTEM

| SEGMENT | 2019 | 2020E | 2022E |
|---------------------------------------------|-------------|-------------|--------------|
| Online Gaming | 41.3% | 40.0% | 105.5% |
| Digital /OTT Media | 30.8% | 26.2% | 48.4% |
| Animation and VFX | 20.3% | 17.9% | 39.3% |
| Live Events | 10.7% | 13.3% | 29.8% |
| Films | 9.1% | 8.4% | 17.9% |
| Music | 7.1% | 13.3% | 17.6% |
| Television | 6.4% | 0.4% | 11.6% |
| Out of Home media | 5.4% | 5.1% | 12.2% |
| Print | -3.0% | 1.7% | 2.7% |
| Radio | -8.8% | 6.5% | 9.1% |
| Total Media and Entertainment Sector | 8.8% | 7.8% | 23.0% |

SOURCE: CALCULATED USING DATA FROM FICCI-EY (2020).25


Video games have impacted the entertainment landscape in other ways. The success of streamers for instance

– streamers are players who broadcast themselves playing games, often with added commentary, on services such as YouTube or Twitch. Streamers draw millions of viewers, and are some of the most watched content creators on YouTube. Twitch, a dedicated game streaming platform, has grown by 60% since 2017, drawing a total of 3.2 billion users.²⁶ Another instance is eSports, or competitive gaming, where tournaments are held to crown champions of various video games.

Deloitte’s most recent Digital Media Trends Survey revealed that professional gaming events have gained serious traction, with 40% of gamers watching eSports events at least once a week. The global eSports market is expected to generate USD 1.5 billion

in annual revenues, primarily from sponsorships and advertising to an estimated global audience of 600 million fans. Marketers bestowed more than 600 brand sponsorships on eSport titles and

events in 2017 alone. Finally, in addition to competing with the likes of Netflix and similar platforms, video games have changed the way we tell stories. Borrowing the interactive element from video games, a number of platforms are looking to create interactive content, where the viewer has greater control over outcomes in the narrative. In 2019 Netflix released Black Mirror: Bandersnatch, a film length episode of the



popular anthology series, where viewers were prompted to make choices for the protagonist at various points in the story, affecting the plot.²⁷ Similarly DC announced an interactive animated movie based on the Batman: Death in the Family comic story arc.²⁸

III. VIRTUAL AND AUGMENTED REALITY

VR is the use of technology to create a simulated environment – it places users inside an immersive experience. Instead of viewing a screen, users can interact with seemingly three-dimensional worlds via headsets and eyewear. AR on the other hand adds digitized elements to a live view – for instance a teacher might superimpose a digital model of a human brain in a classroom for students to observe and interact with. Both AR and VR can be used together with the technologies described above to expand the range of consumer options. Both technologies are already commercially deployed, with VR products such as Oculus Rift and PlayStation VR, and the AR based mobile game Pokémon Go achieving success.

These technologies are likely to become more common in future. In 2019, over USD 4.1 billion were invested in AR



and VR, with the highest volume of investment going to entertainment and education.²⁹ Google revealed in May 2019 that an estimated 400 million mobile devices around the world were now enabled with ARCore, its platform for building AR experiences.³⁰

In the world of media and entertainment, AR/VR solutions will likely be used to provide interactive alternatives to entertainment interfaces such as keyboards or remotes, letting users control their experience

through gestures. They will also help companies create educational programs that make learning interactive, and immersive experiences that let the audience participate in the action. Finally, AR/VR solutions can be used to enhance visitors' experience at museums, art galleries and amusement parks, or even help them experience such

visits from the comfort of home. Much like the other technologies discussed in this chapter, AR and VR serve to make entertainment more interactive, where viewers can play an active role.

In sum, these technologies are changing the way stories are told, putting the individual consuming the content front and centre. The storytelling of the future will likely be highly interactive and customized, providing a bespoke experience to each individual consumer. It

is only right that the first step in preparing India to become a global leader in the creative field is an exercise in imagination – picturing what entertainment will look like 10 or 20 years from now, and thinking of what we need to do to excel at it.





LEVERAGING OUR STRENGTHS

India is uniquely poised to become a world leader in the future of entertainment. Our cultures are ancient and diverse and our stories traditionally follow nonlinear narrative structures, well suited to the storytelling techniques of the unfolding century. Our people represent the largest emerging market in the world, and India is

the focus of many technology investments. Our creative industries are among the largest content producers

in the world. These advantages should not result in complacency, however – we need to make strategic efforts to nurture and leverage these strengths.

L. OUR CULTURE

India is a country of vast diversity, with a rich cultural heritage that remains underrepresented on the global stage. The ongoing transformation of media and entertainment provides an opportunity to propel our cultural products to the forefront of world culture.


(a) **Telling our own stories**

Indian cinema has been one of our foremost cultural exports, contributing immeasurably to the country's soft power. Works by filmmakers such as Satyajit Ray, Shyam Benegal and Mira Nair have earned critical acclaim throughout the world. Bollywood hits starring Amitabh Bacchan or Shahrukh Khan enjoy widespread popularity in Latin America and the Middle East, and Aamir Khan's 2016 film *Dangal* performed remarkably well in China, surpassing

the gross earnings in that country of Hollywood blockbusters such as *Captain America: Civil War*.³⁴

Indian stories and values are also at the forefront of successful adaptations in foreign film. *Slumdog Millionaire* by British director Danny Boyle, based on the novel *Q&A* by Vikas Swarup, was released in 2008 with a cast of Indian actors and based on an Indian story. The film did phenomenally well, winning eight Oscars, including Best Film and Best Director. In 2009 the James Cameron blockbuster *Avatar* contained a number of themes derived from ancient Indian thought, including the film's name

and basic premise.³⁵ These instances demonstrate the



ability of Indian stories to resonate with audiences worldwide.

1600 hours of original OTT content were produced in India in 2019, 33% higher than the previous year.³⁶ Created by Indians in regional languages, these stories' high production value, savvy packaging and delivery have had an impact on audiences at home and abroad. The success of Chhota Bheem in other countries illustrates how valuable this opportunity can be.³⁷ As discussed previously, OTT makes the proposition easier in terms of distribution and reaching a larger audience. Indian creators must rise to the occasion and translate our rich cultural legacies into world leading media and entertainment products.

(b) Many ways to tell a tale

Another cultural advantage India possesses is our familiarity with nonlinear tales, which as discussed will be a primary characteristic of future storytelling. Oral traditions, as crystallised in epics such as the Mahabharata

and the Ramayana, are characterized by layer upon layer of subplots, side characters and plot variations – in the subcontinent and in southeast Asia are told hundreds of versions of the Ramayana that differ from one another, often to a remarkable extent, but with a recognisable common theme. Over the centuries, audiences have been enthralled by this rich tapestry drawn of diverse threads. This heritage is particularly well suited to the storytelling conventions of the future, as it lets consumers experience different aspects and facets of a narrative.

Some pioneering creators, such as Nodding Head Studios of Pune, are already at work translating Indian stories into next generation entertainment products. They are currently developing their first gaming title, Raji: An Ancient Epic,³⁸ an action- adventure video game set in ancient India that tells the story of a young girl, Raji, destined to face the demon lord Mahabalasura. Games such as Raji can draw from our rich heritage for their aesthetics, feel and sound to breathe new life into our popular cultural creations.



II. OUR PEOPLE

One of India’s biggest strengths is its demography. The country is home to the ‘next billion’ – people who will come online for the first time, significantly boosting the global online population.

From consumers to drivers

Indians are already the largest consumers of data in the world, consuming an average of 12 GB/month in 2019, which may rise to 25 GB/month by 2025.³⁹ As things stand however, very little of this massive data consumption goes into Indian products or services. The value derived

from this consumption is captured by Euro-American or Chinese media platforms – a failure on our part to harness the potential of this massive internet market. As the table below shows, only 8.8% of websites requested by users in south Asia are hosted here, a low proportion compared with regions such as east Asia (42%) and US- Canada (74.2%).

India’s thriving domestic market has reacted positively to local content created by global platforms, representing significant underutilised strength. There is a need to address this gap between potential and reality, by creating Indian platforms and content that can benefit from the country’s high data consumption.

TABLE 6: SHARE OF WEBSITE HOSTING LOCATIONS FOR EVERY REQUESTING LOCATION

SOURCE: MUELLER AND GRINDAL (2018)⁴⁰

III. OUR CREATIVE INDUSTRIES

India's creative industries are another source of strength. The country has always been a nation of cinema lovers, creating film industries not only in Mumbai, home of Bollywood, but a number of smaller industries producing films in the country's many languages. These are deep reservoirs of talent and experience, and a backbone of future endeavour. Television content too is produced in multiple languages countrywide, with media clusters having come up in various places.

(a) Commercialization and monetization

Despite their prolific output and widespread popularity and acclaim, India's creative industries remain outdated.

Notably, India lags behind in commercializing and monetizing intellectual property. While the country produces more feature films than the US and China put together, it generates the lowest revenue of the three. Indian entertainment needs to be monetized more effectively, by unbundling its intellectual property through other sources of revenue such as merchandising, adaptations into formats such as comic books, game tie-ins, and amusement parks, and other venues for live entertainment. A ready example is the film market in the United States, where revenue from blockbuster film series such as the Avengers is not limited to the films themselves,

and the intellectual property is monetized through various licensing deals. Most recently an Avengers video game was launched for PC and consoles, where consumers can play the role of their superhero favourites.

(b) Skills

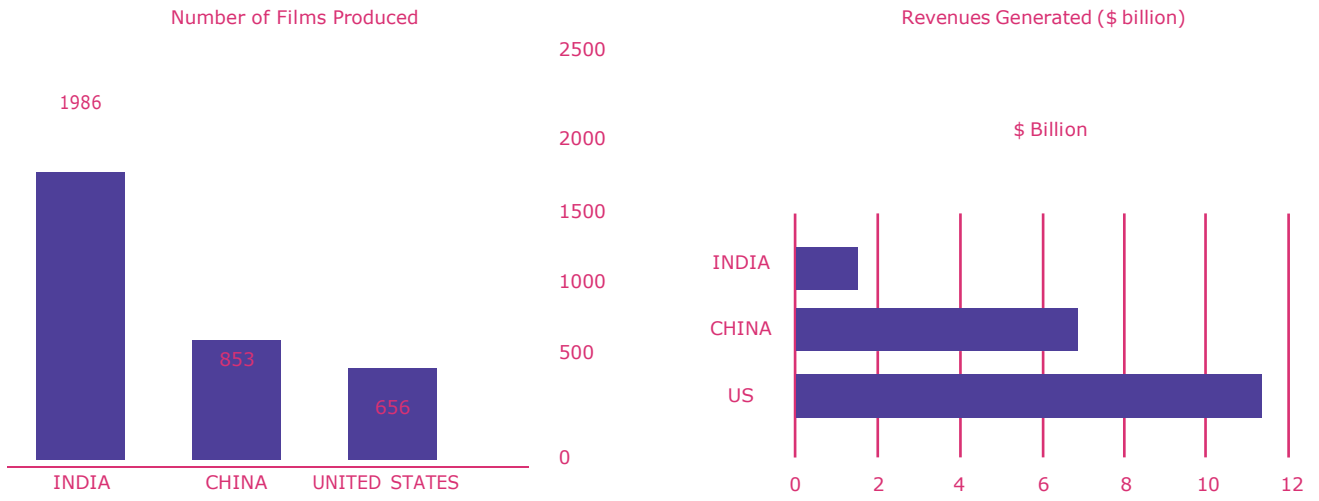
Notwithstanding the rapid evolution of automation and artificial intelligence, creativity remains the domain of human beings, making the creative industries especially important for employment in the 21st century. With a number of jobs predicted to be automated in the ongoing Fourth Industrial Revolution, creative industries offer an important

opportunity for states to create resilient employment for citizens. According to a study on the threat of automation in creative jobs, 86% of highly creative jobs in the USA and 87% of such jobs in the UK were found to be at low or zero risk of automation.⁴²


In order to effectively ride the wave of transformation underway in the creative economy, an upskilling of the creative workforce needs

to be prioritized. The sector – comprising film, television, digital media and gaming – faces a skill deficit in many job roles. As internet penetration grows deeper into tier II and III cities, demand is growing for quality content, particularly in regional languages. The increasing adoption of information and communication technologies is also changing the nature of jobs in the industry.

FIGURE 3: NUMBER OF FILMS PRODUCED AND REVENUE GENERATED (2016)



SOURCE: UNESCO INSTITUTE FOR STATISTICS⁴¹



It is clear that as entertainment providers move toward employing new techniques such as AR and VR, they will require workers who can develop content for their platforms using sophisticated technological tools. Job roles allied to content creation may also become more dependent on new technology. Such trends are already visible in the evolving media industry, where distribution and content creation account for only 17% of job roles, whereas analytics and big data, and digital and social media management account for 40% of job roles.⁴³

Due to the unorganized nature of the industry, robust skill training and certification through bodies such as the Media and Entertainment Skills

Council will be beneficial across the ecosystem. More professional institutions should be set up to train artists and filmmakers in the cutting edge of world cinema, with an aim to incorporate these learnings into the Indian creative industry.

Such conscious upskilling is essential to ensure that India is not relegated to the position of a back office for global production to which minor value additions are outsourced. Instead the country should be able

to create media products that capture value both domestically and abroad. This would also provide

an opportunity for India to bolster its employment numbers, by training young people in the new skills required by the creative economy.

(c) Exports

Our creative industries should seek to produce content that also finds favour with the larger international audience. India should learn from countries such as South Korea that have managed to leverage their media and entertainment industries as a dual path to prosperity and soft power.

South Korea is a media and entertainment powerhouse, with a thriving industry that dishes out Korean TV dramas, pop music and other media products consumed across the globe. As a result, the

world has become more familiar with Korean culture

– an example of how cultural products can become instruments of soft power. This is the outcome of a concerted government effort to transform the South Korean media and entertainment industries through facilitative policies that encourage growth. The most popular K-pop band, BTS alone contributed USD 3.6 billion to the country's GDP last year. India too has the potential to familiarize the world with its culture through entertainment media. These can be used as vehicles for the proliferation of Indian art forms, cuisines, stories and other components of soft power.



TABLE 7: EXPORTS OF AUDIOVISUAL SERVICES BY EAST ASIAN ECONOMIES AND INDIA

| COUNTRY | AAGR OF EXPORTS (2005-19) (%) | EXPORTS OF AV SERVICES IN 2018 (USD MILLION) | EXPORTS OF AV SERVICES IN 2019 (USD MILLION) | TRADE BALANCE (2018) (USD MILLION) | TRADE BALANCE (2019) (USD MILLION) |
|--------------------|--------------------------------------|-----------------------------------------------------|-----------------------------------------------------|-------------------------------------------|-------------------------------------------|
| South Korea | 15.29 | 770 | 878 | 321 | 355 |
| India | 35 | 620 | 772 | 317 | 342 |
| Japan | 14 | 349 | 545 | 132 | 15 |
| Singapore | 2 | 292 | 294 | 51 | 34 |

SOURCE: WTO (NOTE: AAGR FOR INDIA PERTAINS TO 2010-2019)

BANNED

CENSORED

FREEDOM





ENABLING ESSENTIAL TRANSFORMATIONS

In preceding sections, we have discussed the technological transformation of the entertainment industry through the advent of OTT media and other new developments. We have also examined the strengths that make India uniquely positioned to leverage this transformation

and emerge as a global leader in the field. To achieve the desired outcomes for India's creative sector, the

country needs to effect three important transformations: promoting creative freedom, digital products and devices, and levelling the playing field at all levels of the creative supply chain.

I. CREATIVE FREEDOM

In the simplest of terms, creative freedom refers to individuals' ability to express themselves without censorship or interference. A corollary of creative freedom is diversity of thought and expression, as people are bound to express themselves in different ways. In the entertainment context therefore, freedom refers to the ability of creators to tell the stories they wish to tell, in whatever manner they wish, resulting in an ecosystem with great diversity of content. Creative freedom also correlates positively with the overall quality of content

– it lets artists take risks and experiment, instead of sticking to tried and tested formulas. The global success of Hollywood, which remains the most influential and prosperous film industry in the world, is attributable in part to the high degree of creative freedom enjoyed by artists in the United States.

Thus, the first important transformation India should undertake is to usher in creative freedom, by encouraging industry standards to help provide viewers with information about content, allowing them to make their own viewing choices. In the context of OTT, the industry should be encouraged to come together and standardize, to ensure consumers have all the information and technological controls they need, for making informed decisions about the content they consume. Such measures should seek to protect children from inappropriate materials, inform viewers about the themes of any particular content, and provide tools such as parental controls to ensure that parents can effectively regulate the content viewed by young children.

II. UNLEASHING VALUE THROUGH HARDWARE LOCALISATION

Another area which requires focus is India's capacity to manufacture hardware. 'Devices as platforms' is a phenomenon that occurs when the content ecosystem for a particular device is controlled by the device manufacturer. The most prominent examples are the

content ecosystems for gaming consoles like Microsoft's Xbox series and Sony's PlayStation. Such companies make revenue from every product sold for use on their device or platform as a percentage charged from third-party developers. This illustrates the value of creating devices that could go on to become platforms. There is a need for



policies in this regard to push the Indian hardware and manufacturing sector out of stagnation.

India can also leverage digital products, competing with the global industry on an equal footing. As the entertainment industry evolves and content becomes

more interactive, India could explore non-tariff barriers, such as local language requirements, to enable domestic manufacture. Locally designed and manufactured hardware is likely to integrate nuances of cultural design, with products being designed with the realities of Indian consumers in mind. An instance of such innovative design thinking can be seen in the Saregama Carvaan, a product that took an existing asset – a catalogue of old Bollywood music – and packaged it as a unique device that took the market by storm.

III. PRINCIPLE BASED REGULATION: LEVELLING THE PLAYING FIELD BETWEEN CREATIVE INDUSTRIES

To truly unleash the potential of creative industries, there is a need for a level playing field at each stage of the creative supply chain. In other words, when it comes to competition between platforms and technologies,

old and new business models, states should not pick winners and losers through policy or regulation. Free and fair competition between various players will ensure maximum efficiency in the market. Both consumers and

industry will benefit from diversity and innovation in the marketplace, as a result of a competitive landscape.

A level playing field can be engendered by identifying robust first-principles to guide the goals of media policies and regulation. These could serve as useful guides during the decision-making process, and help clarify the concepts and values to be prioritized when developing services or technologies. For instance, if ‘control and consent’ was adopted as a guiding principle for informed viewing, rules and standards dealing with different technologies or media would all be based on users’ ability to access information and make an informed choice.

Similarly, a principle against ‘extremist content’ might be useful as a basis for countering such content across media platforms.

Canada’s Digital Charter is an instructive example of such an exercise. It presents a statewide approach to digitization, and aims to ensure that citizens can trust new technologies and that their privacy is secured.



The Digital Charter lays a foundation for modernizing Canada's technology laws, and serves as a fitting example of a principles-based

approach that can be adopted in the context of India's media ecosystem.

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