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## Why the future of telecom industry is Bollywood

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Why do some telecommunication companies continue to struggle with losses, while others succeed and increase their subscription numbers quarter after quarter? To try and understand how the broad area of telecommunication is evolving in India, these are important questions that need to be answered.

For this, we need to consider the sweeping changes that continue to disrupt the telecom space, and the edifice on which the telecommunication industry is being built.

As a general rule, marketing and promotion of any product and service is a battle for eyeballs, and firms have to strike the right combination of the two. Any company that does not listen to the market requirements of its customers is unlikely to succeed. Telecom companies are no different.

But what are these market requirements and how should telecom firms change their offerings? In today's world, they have to combine their traditional strengths as carriers along with providing the right forms of content.

The success of telecommunication companies depends upon their ability to marry voice and data to content. Such content typically includes providing both information and entertainment – or infotainment – to their respective markets.

It could also be done by enabling e-commerce transactions, such as basic banking services. The key question that needs to be answered is how telecom companies can obtain such content. Is there only one way to do it, or are there multiple routes to this end?

There are two broad approaches that telecom firms can use. One is to get content from outside. For example, in the US market, AT&T is acquiring one of the jewels in the crown of Hollywood—Time Warner Inc. Here in India, Reliance Jio has entered into a partnership with Roy Kapoor Films to launch “First on Jio feature films”. The second option, of course, is to generate their own content. That is easier said than done!

In early 2004, when Takaloa, a 16-year-old schoolgirl from Tonga, a remote island nation in the Pacific Ocean, asked me if I could lend her some Bollywood songs and clips to download on her phone, I saw the writing on the wall for both Indian films and the telecom industries.

I wrote in India Today International about telecom operators' historic opportunity to transform

into infotainment providers and own the world's largest treasure chest of content. India, with the diversity of movies and songs it produces, offers the opportunity to carry rich content as no other country can do.

In spite of Indian telecom and film industries not developing a value-added partnership in all these years, Indian film content has reached the global market, through wireless telecommunication network. This is in part because India produces the largest number of films in the world – around 2,000 motion pictures per year compared to less than 1,000 in Hollywood.

Ever wondered why the Board of Cricket Control of India (BCCI) became one of the richest and most powerful sport administrative bodies in the world? It is because India has a population of 1.3 billion, and hence 1.3 billion pairs of potential eyeballs for watching cricket on television.

We are the largest cricket-watching market segment in the world, and the BCCI, owning the content broadcasting rights to 1.3 billion pairs of eyeballs, will always call the shots on how the game's shows are run in the world. Of course, it helps that we play good cricket. But even when our playing prowess was below par compared to nations such as England, the BCCI was still the most powerful governing body among all cricket-playing countries. This is the power of eyeballs.

In an interconnected wireless world without boundaries, any content can be transmitted to any part of the world where there is internet access. Telecommunication companies have finally woken up and are scrambling for quality content that will differentiate them from their competitors, and more importantly, help them make money from the bottom of the pyramid market.

Remember the days when shampoo bottles endorsed by film stars were affordable only to the elite high-income earners on the top end of the pyramid? Then, the late Prof CK Prahlad taught Indian consumer goods manufacturing companies about the power of the lower end of the pyramid, where there is a much larger market.

Shampoo and other fast-moving consumer goods, such as packaged foods, started arriving in smaller quantities in Rs-5 satchels, and everyone from coolies on the street to the richest in the society could use the same product – either from the Rs-5 satchel or the Rs-500 full bottle.

So how can telecommunication companies partner with film production houses and emulate the consumer revolution unleashed by the likes of the shampoo-and-biscuit-manufacturing Unilever?

Like the satchel strategy of the shampoo companies, a film product, typically a content with 120-minute duration (2-hour film), can be condensed down to, say, 20-minute satchels, and sold to consumers for viewing on a smartphone. The 120-minute content product called a motion picture

can come in different sizes to fit on a smartphone, laptop, TV screen or in the box office film theatre, with all the bells and whistles of audio and video effects fully loaded.

Will the 20-minute smartphone satchel contain the same story and narrative as the 120-minute box office content? Well, here is where the creative possibilities of storytelling take charge, with options of condensing the story without losing the magic and uniqueness of the film.

It could be narrated in 40 minutes, or two satchels of 20 minutes each. The telecommunication company turned content distributor could also transmit the content in six 20-minute satchels, delivering the entire 120-minute product, modified to maximise the visual and audio experience on a smartphone, a television, or on a laptop screen.

As legendary consultant and author Prof Peter Ducker said "Marketing and innovation are the only two entities in a business that add any value, everything else is cost", the innovation through telecom-film industry partnership could make India the superpower of the world market of content, since we already have the richest, the most diverse and the most colorful cultural fabric on the planet.

This diversity of 22-odd languages and 720 dialects, with their folklores, myths and the consequent rich content for the interconnected world market, cannot be matched by any other country.

For product innovation in content, India has already become the "go-to place" for film producers across the world, in technology-driven areas such as computer graphics, animations, virtual reality contents for films and interactive film story-based game products.

Many of the ancillary content products of a film, such as the Batman game, have shelf life beyond the box office days of the film, and through continuous innovation, these products could well become a bigger product than the original film itself.

For too long, telecommunication companies have been run by traditionalists who extorted a lot of money from customers for making mobile phone calls. These satraps resisted changes, refused to listen to the Takaloas of the world crying for content from India, and prevented the transformation of telecommunication companies into infotainment companies.

The Indian film industry in all languages also has its fair share of panic merchants, drama queens and film stars who manage to control the entire system - from what type of story should be developed to suit them to who should direct the film, and who else should be cast in the film and even which film theatres should get the screening rights.

These film industry satraps too have resisted change and stifled the innovation and creativity of the new generation of film makers for too long, by dictating terms and controlling the entire value chain from story development to distribution and screening of the films.

With India having one of the lowest film screen density in the world - around 10 screen per million people compared to United States America's 124 and China's 90 film screens per million people, the so-called stars could manipulate and control the value chain structure.

But technology-driven innovation cannot stop re-alignment and disruption of the film industry and the new generation filmmakers of India have a billion pair of eyeballs in India alone to sell their content.

The mother of all disruptions is about to take place in both the conventional film industry and the telecommunication industry. The new India belongs to young innovators and dreamers, and disruption is the norm in any growth industry.

The panic merchants will be replaced by dream merchants and good storytellers will be propelled into the world market with various forms of India's rich content. The traditional custodians of the telecom and film content industries need to de-familiarise themselves with the comfort zone of their respective industry symmetry.

This will melt any pessimistic outlook of a rancorous miasma of dysfunction, giving rise to ingenuity and innovation that will make India the super power in the world content market.

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