

Renewed ZEEL

Within a decade of joining the TV business that his father set up, Punit Goenka has quietly and emphatically taken it to the next level. His new challenge – the global market, says **Vanita Kohli-Khandekar**

Punit Goenka is happy. His phone has stopped working, leaving him in that peaceful zone where no one can reach him. This incognito existence is a treat for the 37-year-old man who runs the ₹3,699-crore Zee Entertainment Enterprises (ZEEL), the flagship firm of India's second-largest media conglomerate, the ₹6,350-crore Zee Group. So, it is an unusually relaxed Goenka who greets me and ensures that I have my black coffee.

The managing director and CEO of ZEEL, which offers 34 channels such as Zee TV and Zee Marathi, has had a tumultuous 2013. In July last year, it adopted a new philosophy and tagline – *Vasudhaiva Kutumbakam*. This extract from the Upanishads says, "That is you, This is I, is the way of the narrow minded. For those of evolved thought, the world is one family." It comes in the wake of a strategic shift the company made in 2012 when it declared its aim to be a global media firm reaching out to a billion viewers by 2020. By then, it also hopes to get just over a third of its unstated revenues from markets outside of India.

The overseas market, however, is not just the US or the UK. It is a multitude of countries, sensibilities and market dynamics that could stretch resources at the best of companies. For instance, Turner, a part of Time-Warner, is struggling in several Asian markets. News Corporation's Star India took more than a decade before it saw light in India, while China has eluded it even after 20 years. After more than 15 years of being at it, Zee reaches 700 million people in 169 countries and gets roughly 11 per cent of its top line from markets outside of India. The overseas business is a very profitable part of ZEEL's portfolio but doesn't the billion number put pressure on a company that is such a dominating force in India?

"It does put pressure but we need to expand. We can't be just a South Asian broadcaster," says Goenka. After a pause he adds, "It is not as if we will launch a network in the United States, we are starting with baby steps," says he.

Goenka should know about those. He took several of them before attempting the big changes at Zee; a firm with which his father and chairman Subhash Chandra is strongly identified. Goenka joined Zee TV as a business head in 2004 after a longish stint at ASC Enterprises (now Dish TV). Zee TV was famous at that time for losing a CEO every year. No one it seems could work with Chandra, a strong personality and a visionary who has set up an array of businesses long before anyone saw any potential in them — broadcasting, leisure parks, online lotteries, DTH and flexi-packaging among others.

Goenka joined at a time when Pradeep Guha, an old Times Group hand, was doing a good job of turning around the company, which was down in the dumps then. One didn't hear and see much of Goenka. In 2006, after the turnaround, I met him for the first time. It was a difficult interview full of laconic one-line answers. Most interviews since have been clear and articulate. This is a man who knows where ZEEL is headed. The move from the awkward young man to the confident CEO has been gradual.

Goenka became the CEO in 2008, after Guha quit. He says he ended up at Zee because, Anil Kapoor, the head of Draft FCB-Ulka and a friend of Chandra, suggested it. The thinking was that no CEO could really take and implement decisions with Chandra around. Does it make it easier to be CEO if you are Chandra's son or more difficult? Goenka smiles broadly and throws an old Urdu figure of speech at me, "*Ek Mayaan mein do talwarein nahin rah sakti*" (two swords cannot stay in one sheath). It is

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ILLUSTRATION: BINAY SINHA

ing a leading role, through industry bodies, in tackling the structural issues that hold back growth. In 2011, in a move that seemed almost blasphemous, he joined hands with rival Star India to form Media Pro for distribution of TV channels. For those who don't know, Star entered India through a joint venture with Zee in the nineties. Their bitter divorce led to a settlement that saw Zee paying out \$322 million to buy its stake back. The bad blood between them was almost legendary.

And yet, the joint venture happened because it made business sense for ZEEL. Goenka has shown the same "let's cut the c**p" spirit by joining hands with other broadcasters and pushing digitisation through the Indian Broadcasting Federation. He picked up the gauntlet to run BARC or Broadcast Audience Research Council, the body formed to re-haul TV ratings, in its initial phase. BARC ratings should be out in the next six months or so, says Goenka. Digitisation will help push through pay revenues; robust ratings better ad revenues. These, however, were moves that the ₹40,000-crore television industry looked incapable of making over the last decade. None of the big guys, it seems, could get together to lobby for and work towards the big stuff.

In the last three years Goenka, along Uday Shankar (CEO, Star), Man Jit Singh (CEO, MSM) and other broadcasters have taken a leadership role in pushing to resolve issues. As the ecosystem falls into place what is the big challenge for ZEEL? "I believe we have to be masters of content. As a content company we need to create assets on a global scale," says Goenka. There it comes, the whole preoccupation with the global business. Will it take Zee's eyes off the ball in India, the world's second-largest television market?

Goenka reckons that the domestic business is stable. There are only two things needed to build market share in India. One, serving more content to smaller and more focussed demographic clusters. So Zee Anmol, its last big launch, is a library channel targeted at small-town India. Two, a strong new media play is critical, "given the way smart devices are proliferating," says he. This is what prompted the launch of Ditto TV in late 2012.

Ditto TV is an over-the-top or OTT operator. Think of it as an aggregator that puts together (currently) over 60 channels such as Sony, Zee TV and Colors for subscribers wanting to watch TV on the mobile, tablet, laptop or any other device. Within a year of its launch Ditto TV had 292,000 active users. Goenka is looking at getting 10 per cent of ZEEL's 2020 top line from new media.

Building content, going global, mastering new media — with a dashboard so full of things to do, there is no way Goenka can stay incognito for long.

tougher because we are related, there is the father-son angle, especially because he is so successful." Before I can react,

Goenka adds, "I am more into implementation, I don't get visions (the way my dad gets)," he says.

True enough. But Goenka has been quietly and emphatically building the business to the next level. At the same time he is play-