

MONETIZATION IS IN ZEEL'S DNA

Monetization of the newer digital platforms, creating newer categories, niche genres and rural contribution to the overall entertainment pie will help us achieve the \$100 billion mark, says **Punit Goenka**, MD & CEO, Zee Entertainment Enterprises Limited (ZEEL)

Do you see visible change in ease of business environment in the new government under Prime Minister Narendra Modi?

In the 100 days span of the new government, decision-making has certainly improved in many areas and key issues have been tackled head-on.

Very little has happened to the M&E sector in terms of regulatory decisions from the NDA government. Are you optimistic?

Yes, I'm definitely optimistic about the new government. Though the deadlines for Phase III and IV of digitization have been extended, timely implementation would greatly benefit the industry. Moreover, the proposed move to scrap the 10+2 ad-cap for FTA channels is a step in the right direction.

ZEE Corporate Brand has achieved a global media stature. What are your thoughts on the corporate brand's aspirations on a global front?

Over the years, we have evolved from being a broadcaster to being a content creator, aggregator and provider. In line with this strategy, we have expanded from being a primarily South-Asian content provider to entertaining audiences in South-East Asia, the Middle East, and Russia, re-purposing the Hindi content by dubbing and subtitling it in the local languages along with select local productions. Over the next five to ten years, our aim is to be an audio-visual conglomerate operating in Broadcasting, Digital, Film Production, TV Production, Music Pub-

lishing, Radio, Events and Sports eventually becoming a part of the top 100 of the league table. With this in mind, we want to go out and target mainstream in these countries and expand our footprint.

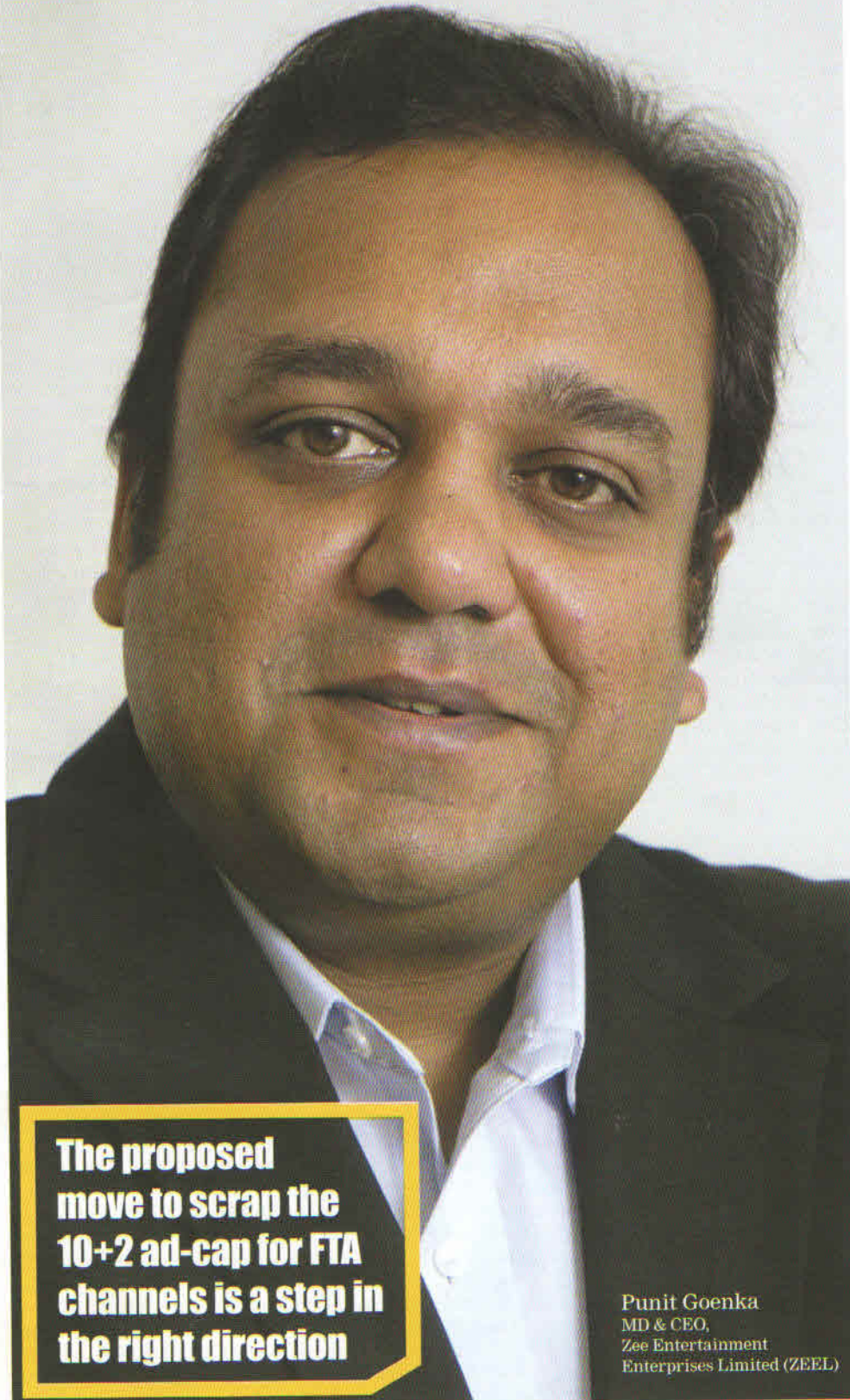
What will be your three prescriptions to reach the goal of \$100 billion Indian media and entertainment industry by the end of this decade?

There is no sure-shot formula. However, digitization will play a crucial role. Similarly, monetization of the newer digital platforms, creating newer categories, niche genres and rural contribution to the overall entertainment pie will help us achieve the \$100 billion mark.

As a broadcaster, do you see monetization benefits accrued from digitization?

Phase I and II of digitization led to the industry maturing considerably in the last financial year. In terms of advertising revenue (10-11%), the year was not encouraging for the industry. However, ZEE's advertising revenue grew by 21%. In the next 2-3 years, I believe the market will certainly improve, with a CAGR of 12-14%.

In case of subscription revenues, the DTH ARPU's have shown a positive trend. While digitisation has brought multiple niche channels for the viewers, it hasn't resulted in a dramatic shift in the viewing preferences with the GECs maintaining the same share of viewing over the niche channels. The timely roll out of Phase III and IV of digitization will positively affect the growth trend for subscription revenues.



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MD & CEO,
Zee Entertainment
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What are the markets that excite you now in the world territories and how does ZEE look into expanding its global footprint?

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Right now, we are looking to expand our international operations and with this in mind, we recently entered into Indonesia and Thailand with Zee Bioskop and Zee Nung. Both these regions are doing well and our focus is now on other geographies within Southeast Asia, Vietnam being next on the cards. Moreover, ZEE already has a strong presence in the Middle East and we are looking to consolidate in this market. We are also planning to explore more countries in Africa this year.

Ditto TV is close to three years in operation. How do you look at over-the-top television?

We feel that the OTT category has tremendous potential for growth and is a natural extension of ZEE's business model. Ditto TV has been designed to bring cutting-edge wireless broadband digital services to customers across the world. It is growing consistently and with 3.5 million downloads and over 200,000 active subscribers, I strongly believe that it will transform the way content is consumed and monetized.

ZEE has been a major innovator for driving new business initiatives. You have Ditto TV platform, but still you have collaborated with Eros Now for world-wide rights of TV shows. Does ZEE clearly believe in platform agnostic medium?

Our premium television content is enjoyed by a large global audience across diverse platforms, with a definitive surge in younger viewers who are more accustomed to consuming entertainment via digital platforms. It is therefore, a logical extension for us to make our popular programs available on leading online providers such as ErosNow. By partnering with ErosNow, we hope to enthrall viewers from around the world with the best shows from ZEE's library thus living up to our corporate brand philosophy of 'Vasudhaiva Kutumbakam - The World Is My Family.'

The present and future is clearly mobile. Smart phone penetration has increased. On the other hand, the advertising medium hasn't been able to connect brands and consumers effectively in the digital world. Where are we heading?

Currently, the exorbitant bandwidth cost and miniscule penetration of smartphones have been major challenges for the advertisers. However, with over 900 million mobile phone subscribers, there

is a huge market to be tapped. It will depend on how the mobile phone ecosystem evolves in the future.

Zee TV is ranked 37 in the top 100 YouTube channels this July and has grown over 100% in the last one year. This is a clear trend that ZEE's content aggregation works in its global expansion. How do you see this medium?

Digital media platforms like YouTube, Facebook and Twitter provide an excellent opportunity to increase our channel reach amongst the global audiences, apart from being a great marketing tool to attract audiences to the official channel sites and programme microsites like Dance India Dance and Sa Re Ga Ma Pa.

ZEEL's entry in the music space has a major impact in the industry? How do you see its prospects? How would you want to build the library catalogue for the future?

ZEEL has always been a leader in the media and entertainment space, be it films or television, and branching out into the music label space gives us an opportunity to widen our business. The music industry is a large playing field and there is scope for us to explore the opportunity in this market. Technology has also emerged as a key transformer of the music industry and digital revenues are driving growth in the market. Since we are a content company, it is essential to own intellectual property as content is the king. Regarding our catalogue, we had the music rights for 'Holiday' as well as 'Humshakals'. Recently, we signed a 14-film deal with Viacom 18 that includes 'Mary Kom', the Akshay Kumar starrer 'Gabbar' and 'Manjunath'. Our deal with Fox Star Studios gives us the rights to the Hrithik Roshan and Katrina Kaif starrer 'Bang Bang' as well as one of the most anticipated releases of the year - 'Bombay Velvet' starring Ranbir Kapoor and Anushka Sharma.