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REVIEW ARTICLE

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A Study of the Business Strategies of the Top Players in the Hindi GEC Flock

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This study aims at developing an understanding of the business strategies of the top five players in the Hindi General Entertainment Channel (GEC) genre. It also puts effort in studying their programming strategies, along with the expected changes that the genre might have to make, considering the evolution of newer media platforms. This genre is currently 27.1% of the total television size, which is the largest share. The total size of advertising industry for Hindi GECs is 3500 crore, out of the total 240 billion.

With the growth of the Indian television industry by almost ten times in past two decades, it has been proven that one of the biggest and most crucial drivers to this growth is advertisers' money. The TV business has grown from a few lakhs to 420 billion rupees. While different kinds of products and services have different sets of audiences and hence different genres of programming channels designed and available for them, there is one genre that fits all, to some extent. One of the most dynamic and multi user genre is that of the Hindi General Entertainment Channels (Hindi GEC as we call it).

The Hindi GEC genre caters to the audience in the Hindi speaking markets with main focus on the states like Delhi, Haryana, Uttarakhand, Uttar Pradesh, Gujarat, Madhya Pradesh, Bihar, Maharashtra and Rajasthan. Though the TV channels target the age group of four and above, it is often considered that the Hindi GECs' products are more skewed towards targeting women above the age of 15 years.

Men and children are however, mainly considered as passive viewers of the genre, other than reality and crime shows. While the genre has always taken the blame of having content more skewed to cater to the taste of women, reality television, along with comedy, crime and horror has helped the Hindi GECs to grab a considerable share of male audiences.

The genre poses as an attractive and lucrative bait for most of the advertisers' and audience in the past two decades. With increased time spent on these channels, these are getting more demanding in terms of audience' time, with increasing genres of

programming on these channels, right from fiction, reality, horror, comedy and now the latest peep shows. While growing from a specific GEC time slot on a single state-owned channel to a panel of over 12 national Hindi GECs, the genre has grown like a baby in her teens right now. These contribute to about 30% of the total viewership of television.

With no exception to the nature of businesses and entrepreneurship across all fields and verticals, the television business also has to face problems. GECs has also dealt with many problems through these years of growing and most of them gripped the channels in last five years. Though most of these are policy decision which has posed greater problems for the channels, more with the Hindi GEC segment. The biggest earner is always the most hurt business whenever there is a slack down. So whenever there was a slowdown in the country, be it 2008 or 2011, the marketers pulled back their monies and most of the Hindi GEC share.

Just like most of the genres in the Indian television space, Hindi GECs too earn most of the money through advertising. Telecasting advertisements amidst programming is the main source of revenue for the TV channels.

The channels in the genre ran advertising for about 17-19 minutes per hour. The GEC players felt the troubled waters when the process of digitization was delayed in the country and then, the implementation of 10+2 ad cap. The digitization of the TV connections was expected to be completed by the end of 2014 initially, however, after much delay and hue and cry about the same, it is not expected to get over by December 2016. Most of the channels were shocked to get the results of their viewership numbers after digitization was getting implemented.

The other source of revenue for the channels is subscription monies which the audience pay for subscribing the channel. Digitization was expected to help the channels earn a better subscription pie. The overall expectation of the industry was an increase in the viewership of the channels, especially GECs

since these are more widely accepted and watched channels.

The viewership of most of the players in this genre dropped exponentially, hence, all these hopes fell in its face, for the first few months after digitization. The reason was simple, the audience were taking time to get accustomed and stable with the new system. Here, the channels were stable on their channel numbers, they were not moving as they did on a cable connection; there was equally good visibility and audio across all channels, irrespective of the placement.

Other than the delay in digitization, the genre's most important revenue stream -advertising - was hit hard by another policy. This big blow for the GECs, as much as to the other TV channels was in the guise of 10+2 ad cap. As per the rule, no Indian television channel can telecast advertising for more than 12 minutes in each clock hour. These 12 minutes were divided into 10 minutes of commercial advertising and two minutes of in-house promos for the channels. As for the Hindi general entertainment channels, the players in the genre used to telecast advertising for about 16 minutes on an average.

Everyone knew and understood that the increasing dependence of the channels on advertising will prove to be dangerous in the longer run. But this extremely high dependence of the television channels including Hindi GECs on the advertising revenue is dangerously true. Considering the top five channels in the genre, advertising rates for a single 10 seconds slot range between Rs 1.25 lakhs and 50,000 for the evening primetime. As per the new rule, the channels had to compromise of about 16 minutes of advertising on an average. For every minute of lesser advertising, the channel had compromised on about Rs 3 lakh to 7.5 lakh.

Channels like Sony and Life OK too had to compromise on close to Rs 12-15 lakhs in mere evening prime time slot, set aside the complete day, courtesy 10+2 ad cap. While a lot of experts had predicted that the inventory will go down by about 25% for Hindi GECs, the ad rates might increase by 10-20% which was not to accommodate the revenues. Hence, the ad revenues were expected to go down by 10%, which meant close to Rs 1400 crore.

Losses in the advertising revenue was just one side of the ad-cap policy, the other side of this coin was the increased cost of programming. For every minute of reduced advertising, it had to be compensated with increased minute of programming. The fiction programming was still manageable at about Rs 5-10 lakh per 22 minute episode, but the reality shows were a blow to the channels. In addition to this, the time for promo telecast also got restricted.

The genre manages to earn about Rs 3600 crore annually. In order to produce a revenue of such magnitude, the Hindi GECs have to spend huge

monies too. The biggest expenditure stream of these channels is the cost of production of the programming. Each of these channels telecast about 4-6 hours of original content every day, a mix of fictional and reality programming. The fictional programmer costs anywhere between Rs 5-10 lakh per 22 minutes of content, while for a reality show, a single one hour episode can cost anywhere between Rs 50 lakh to 1 crore. Despite the fact that most of the programmes running on any of the Hindi GECs are fiction, a single reality show in the prime time costs huge amounts to the channel.

Second major expenditure stream of these channels is marketing. Initially, marketing was restricted to the launch of new TV shows and a fusion of various shots from the TV show were patched together to bring out a promo. These were telecast on the channel and that was all about marketing. After many gradual changes, marketing is now done for each twist and turn in the TV show, including the presence of any film stars on the shows. The reality TV has also boost the need for marketing as there are Hindi GEC audience which return to the genre only for reality TV.

Other than programming and marketing, the channel has to also continuously keep investing in distribution. of the channel on various platforms like cable, DTH and MSOs. This also takes up a huge share of investment of any channel. On an average, a channel to be present nationally in the Hindi Speaking markets, it has to shell out anywhere between Rs 10-15 crore a month and that burns a substantial hole in the channel's pocket. This amount is expected to decrease after the cable TV digitization is completely implemented in the country.

To announce the launch and special events in the reality shows to the visiting audience, it became necessary for the channels to move to other media platforms like newspaper, out of home, digital, radio and other such options. The channels have come a long way as far as marketing of the shows is concerned. At present, the channel shoots special promos and that too for each major event in the storyline, like, marriages and break ups, births and deaths, entry of new characters or change of an actor.

Operational costs of the channel are the last substantial expenditure. In the early years when satellite TV kicked off with Zee TV, so did the career of Ekta Kapoor, the queen of daily soaps and fiction dramas in the country. Kapoor has many firsts to her name, be the kind of twists and turns or the specially shot promos.

The single player scenario of the television measurement system hurt the Hindi GECs in a big way. As for the television measurement system, which continuously showed results of decrease in viewership, the industry finally took a strong stance

to stop TAM's monopoly. TAM was the only body measuring television viewership in India. However, with a strong push from the broadcasters and media agencies together, the jammed wheel of BARC (broadcast audience research council) - another audience measurement system - was set rolling. The BARC was initially registered in July 2010, but thereafter, the wheel got jammed.

Meanwhile, the programming of the channels was going as strong as ever and had been evolving gradually. The types of programmes, the boldness of content and the newer initiatives by the channel and programming heads have refreshed the content line up of Hindi GECs.

While the genre has come a long way, there are gradual changes to all types of GEC programs. Take a look:

Family Drama: Humlog to Diya aur Baati Hum

Gradually, the plots have moved on from families and their problems to couples and their compatibilities, love stories.

Women Centric: Tara to Udaan

While all the soap operas are revolving around women, there are some specific women centric plots. that too has come a long way from an independent Tara to a girl child Chakor who is struggling to get her basic education.

Horror: From Zee Horror Show to Fear Files

The genre has evolved from the gross looking ghosts to original ghost and spirit stories of common people.

Crime Awareness: India's Most Wanted to COde Red

The awareness has moved from showing the pictures of the criminal and reporting it to police, to dramatising real time crime stories and telling people how it can be avoided.

Reality TV: Antakshari to Bigg Boss

The genre that started from a modest homely game show antakshari has moved on to the most vibrant and talked about show on television, Bigg Boss.

Mythology: Ramanand Sagar' Ramayana to Mahadev

Both the shows changed the face of mythology on Indian television.

The sub genres of programming on the Hindi GECs are here to stay and to stay for long, continuously evolving and re-inventing them.

Travelling through the thick and thin of it all, the Hindi GECs have sailed for over two decades and the experts say that the audience wants much more from it and that the ship will still be sailing long.