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DTH: The Digitization of Viewing is Here to Stay

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ABSTRACT: *Digitization is the new buzz in the media and entertainment industry. This new era in entertainment is changing the working and viewing patterns of entertainment industry. With government making the digitization of television network compulsory the Direct - To - Home technology (DTH) market is becoming the one of the fastest growing segments. Though, this phenomenon has caught up well with urban users this is not letting rural areas behind. As per Media Partners Asia report, 2011, India is the second-largest digitized market in the world with 48 million digital homes, still only around 30 percent of total TV households in the country. This means that, there is a vast scope for growth and expansion of DTH services in Indian sub – continent. The potential market is not only urban in case of DTH it is rural also as strongly and as equally possible. When the market is so vast to expand it is also necessary to see how not only urban but rural is taking into this new wave. How did they learn about the services, why did they opt for the DTH services over the cable TV? This paper tries to analyse the above stated issues.*

Keywords: *DTH, Digitization, Cable TV, TRAI*

I. INTRODUCTION

Digitization is the new buzz in the media and entertainment industry. This new era in entertainment is changing the working and viewing patterns of entertainment industry including television, music, publishing and film industries. While we are gradually shifting to 'on demand' mode for television and movies, the books, newspapers, magazines and other print forms are reinventing themselves in this age of phones, tables and phablets. With government making the digitization of television network compulsory the Direct - To - Home technology (DTH) market is becoming the one of the fastest growing segments. Though, this phenomenon has caught up well with urban users this is not letting rural areas behind. With new technology the TV is reaching the corners of the country where there were geographical barriers and hence were devoid of cable connection. As per the Telecom Regulatory authority of India (TRAI, 2014) India has 793 private registered satellite TV channels and has 64.82 Million DTH subscribers. Internationally, countries have taken into digital conversion and have worked a stipulated time frame to get the goal digitization realized. The below table chalks out countries and their time frame for total digitization. India also is moving towards this with two dead lines being extended for total digitization.

Table 1: Countries and Time taken for Conversion

Market	Legislation	Launch	Conversion
Brazil	2002	2006	Not determined
China	2000	2003	2015
Hong Kong	2000, 2004	2001	2012
Germany	2002	2010	2010
Japan	1998	2011	2011
Korea	2000	2010	2010
Taiwan	1998	2002	2008
U.K.	1999	1998	2006 – 2012
U.S.	1996	1998	2009

Source: TRAI, Consultation Paper on Digitalization of Cable Television, 2005

Currently, DTH penetrates 30 percent of India's 148 million television households. With DTH being easy to access and affordable, its entry to rural markets is swift. As per Media Partners Asia report, 2011, India is the second-largest digitized market in the world with 48 million digital homes, still only around 30 percent of total TV households in the country. This means that, there is a vast scope for growth and expansion of DTH services in Indian sub –continent. India has a attractive FDI policy also and thus makes the DTH market more lucrative. Under the Broadcasting Carriage Service's investment policy, 74 % FDI is permissible for Teleports, Direct – to – home (DTH), Cable Networks {Multi System operators (MSOs) operating at National or State or District level and undertaking upgradation of networks towards digitalization and addressability}, Mobile TV & Headend-in-the Sky Broadcasting Services (HITS). There is automatic route upto 49% investment and government route beyond 49% and upto 74% (Invest India, 2012). When the market is so vast to expand it is also necessary to see how not only urban but rural is taking into this new wave. How did they learn about the services, why did they opt for the DTH services over the cable TV?

II. METHODOLOGY

This is an empirical study conducted in rural areas of Hubli –Dharwad region. The research adopts a case study method. Case studies emphasize detailed contextual analysis of a limited number of events or conditions and their relationships. Robert K. Yin defines the case study research method as an empirical inquiry that investigates a contemporary phenomenon within its real-life context (Yin, 1984, p. 23). The study uses a non – probability judgement while selecting case study areas . Through this research method, researchers often believe that they can obtain a representative sample by using a sound judgment (Black, 2010). The survey method was used to collect the data. For the purpose of the study a survey through a structured questionnaire was carried on among the 400 respondents. The questionnaire was structured and the age of respondents lie between 18 – 70 years and thus excluding children and adolescents from the study.

From no Television to DTH

Digital broadcasting cater to 5 platforms basically which means that each of these segments needs digital technology for transmission. The five areas are; Digital Cable TV, DTH, IPTV, Mobile TV, Digitasl Radio. The major reasons for growth of Digital services can be traced to; emerging middle class and rising disposable income, increase in television and radio penetration, compulsory digitization of TV services and increase in sale of TVs which is due to increase in income. To tap the huge market DTH service providers are running ad campaigns advising consumers to do enough groundwork before choosing their service provider. These campaigns not only are trying to create awareness about the digitization program but are also inducing the idea among its consumer to not to negotiate for the quality of transmission. DTH players are also highlighting the advantages of DTH connection over cable including high-quality Customer Relation Management, billing solutions, good-quality service infrastructure, high-quality interactive services, choice of Set Top Box (STBs) HD, SD, or HD-DVR, value for money, feed in multiple languages, niche content, flexible packages, and availability of customer support in various regional languages. The DTH players are not letting any stone unturned to grab as many costumer base as possible within their ambit. DTH players have been gearing up well on all counts -by ensuring enough number of STBs in place, increasing workforce and training them for installation of STBs, and strengthening the back-end so that they can make most of the situation.

As per the TRAI the growth of India's pay-TV distribution market is on the cusp of a highgrowth value phase similar to North America between 1998 and 2003, Korea during 2003-07, and Taiwan during 2005-10. Valuations for these companies in these markets during the high-growth value stage typically averaged 12–16x one year forward EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization), versus the current trading average of 9-10x for India's listed cable/pay-TV entities. We assume similar or higher valuations for companies in India subject to successful execution. Most investors, especially strategic companies, will likely take a wait-and-see approach, potentially making their bets after Phase I is completed.

The potential market is not only urban in case of DTH it is rural also as strongly and as equally possible. This is also because of various geographical barriers that the cable TV never penetrated the countryside and DTH being easily accessible the rural folks are opening their eyes for a wide variety of programmes broadcasted to them with the help of a dish through DTH. Then it become interesting to see how did they learn about the services and why did they choose DTH, the reasons for it and does education bear any influence in the way they perceive the services? This paper looks into these questions within the case study area and tries to analyse the rationale behind them.

The classification of respondents by their gender is depicted in Table-2. Accordingly, 58.0 percent of the respondents are male and remaining 42.0 percent are female respondents.

Table-2: Gender representation of respondents under study

Gender	% of respondents
Male	58.0
Female	42.0
Total	**100.0**

Base = 400

Looking at the age group of respondents it is clearly evident from Table-3 that in four class intervals of age group defined viz., 18 to 25, 25 to 35, 35 to 45 and 45 and above respectively. Accordingly, 32.3 percent of respondents are in the age group of 18 to 25 years and 32.0 percent of respondents in the age group of 25 to 35 years. Similarly, 21.3 percent of them are in the age group of 35 to 45 years and 14.3 percent greater than 45years of age. The survey has tried to get representation from all age groups so as to get viewing habits, choices and perceptions under its preview.

Table-3: Age group of respondents under study

Age-group	Percent
18-25	32.3
25 -35	32.0
35-45	21.3
45 and above	14.3
Total	100.0

Base = 400

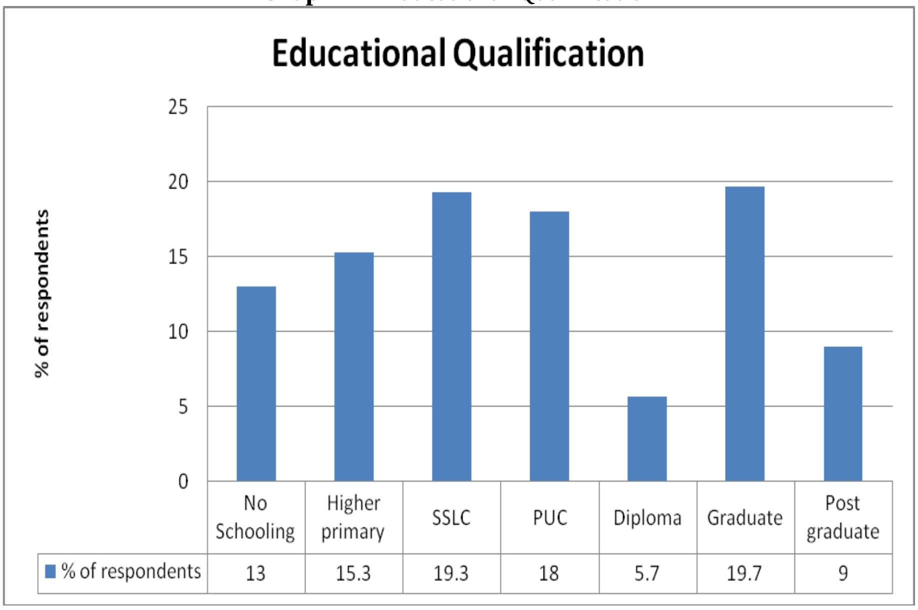
Furthermore, on the academic aspect, it is observed from Table-4 that 19.7 percent of the respondents have completed their graduation – which is the highest percentage of respondents and followed by SSLC with 19.3 percent. 9.0 percent during the time of study were pursing their post graduation or had just finished it. As far technical qualification, it is observed that 5.7 percent of respondents have a Diploma. On the other, a cumulative of 18.0 percent of respondents were able to obtain PUC education and 15.3 percent had schooling years till Higher primary. Of the total respondents it has come to the light of the researcher that 13.0 percent had no formal schooling at all. It is through the field study researcher can concluded that, the 13 percent of which most belong to age group 45 and above never had formal schooling. But, they are making sure that their children are going to school and getting educated. It can be said that, the awareness of being educated is slowly making its inroads to the rural structures of the society thereby, stabilizing our villages who are famously known as the 'backbone 'of our country.

Table - 4: Educational qualification

Educational Status	% of respondents
No Schooling	13.0
Higher primary	15.3
SSLC	19.3
PUC	18.0
Diploma	5.7
Graduate	19.7
Post graduate	9.0
Overall	**100**

Base = 400

Graph 1 – Educational Qualification



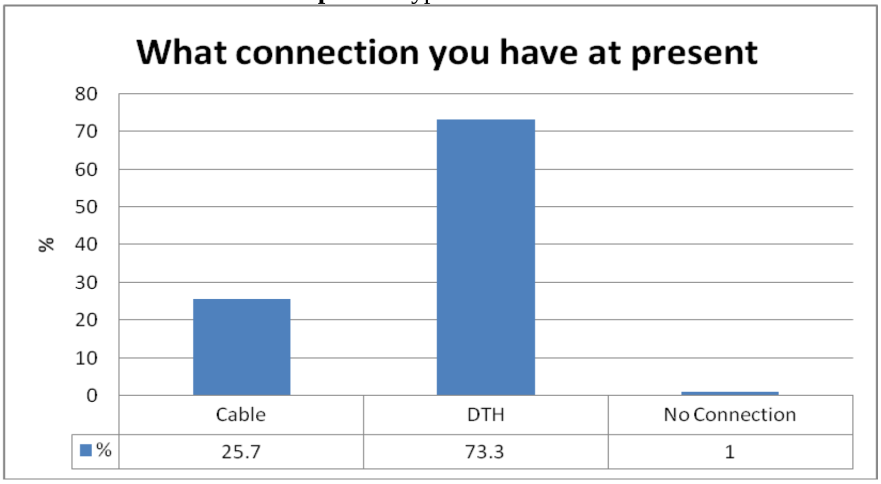
The primary objective of this paper is to know the perception of respondents towards DTH. When asked the kind of connectivity at their respective homes, it is observed from Table 5, that 25.7 percent of them acknowledging that they have cable connection which is nearly one third of respondents and 73.3 of respondents have DTH connection at their homes. Surprisingly, about one percent of respondents have neither cable nor DTH connections, thus depending on DD channels for watching programmes. This shows that, the impact of satellite television post liberalization has caught on and is still going strong by entering all the nook and corners of the Indian sub continent. These statistics also point at the fact that, the reliance on DD as primary source of channel for entertainment have decreased over the years and private channels through means of cable and more recently DTH have taken the prominence. Through field study one thing that researcher noticed was that, there is a shift from cable to DTH i.e. the homes which had cable connection prior are shifting towards DTH.

Table-8: What connection you have presently at your home?

Mode of Connectivity	**%**
Cable	25.7
DTH	73.3
No cable connection	1.0
No DTH connection	-
Overall	100.0

Base = 400

Graph 2 – Type of Connection



When asked them the source of information to get to know about the concept of DTH service, it emerged that 42.2 percent of respondents (see Table -9) say that they got to know about DTH services through friends and another 28.3 percent of respondents got to known through their relatives. Nearly, one-fourth of respondents (22.1 percent) respondents and another 7.5 percent of respondents disclosed that the source of information with regard to availability of DTH facilities was through local advertisement and cable operators. In many a cases the respondents who have gone to the city would have come across the advertisement and there by prompted for the connection. Through research it was understood that, for many respondents the DTH connection came as an offer when they acquired new television. The television itself is a new phenomenon and their introduction to private channels was through DTH itself. It is also seen that, due to geographical barriers at times the local cable operator himself has suggested the option of DTH. But, the word of mouth has been the biggest publicity for DTH. Where, a suggestion from neighbour or a person you know is valued and trusted than a advertisement in newspaper or on television.

Table - 9: How did you get to know about DTH service

	%
Friends	42.2
Relatives	28.3
Local Advertisements	22.1
Through Cable operator	7.5
Total	100

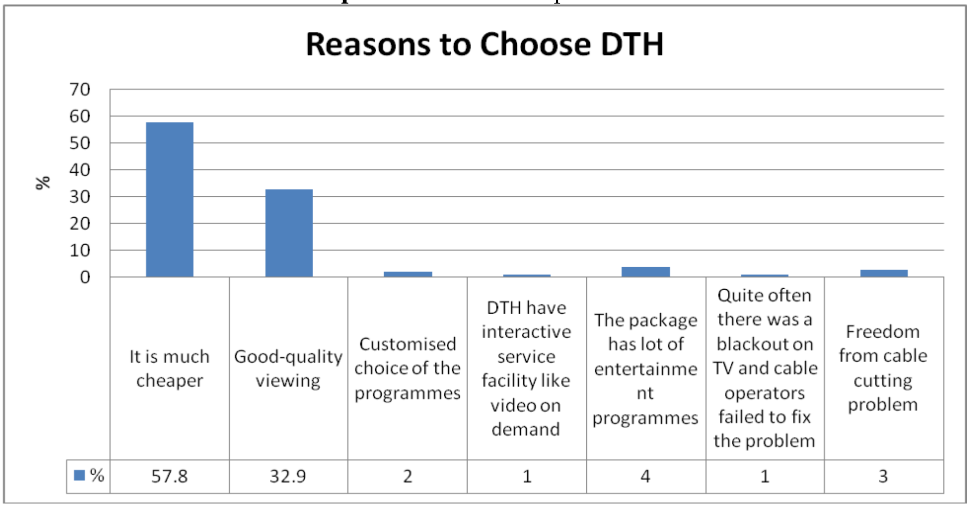
Base = 400

Table -10: Reasons for choosing DTH facility by the respondents

It is much cheaper	57.8
Good-quality viewing	32.9
Customised choice of the programmes	2.0
DTH have interactive service facility like video on demand	1.0
The package has lot of entertainment programmes	4.0
Quite often there was a blackout on TV and cable operators failed to fix the problem	1.0
Freedom from cable cutting problem	3.0
	100

Base = 400

Graph 3 – Reasons to opt for DTH



Answering to the query on the reasons that made them avail the DTH facility, about 58 percent of respondents (see Table -10) said that it is much cheaper in monetary terms in the long run. Similarly, 32.9 percent of respondents informed that because of good quality viewing, they opted for DTH services. Many respondents also felt liberty as there won't be cable operator at their doors every month end to collect the fee. The DTH provided option to have the set up and recharge whenever they had money. Unlike, cable where the operator will take away the set up if monthly remuneration is not paid. Samples also feel that, DTH have clear quality of picture as opposed to cable where picture quality is jeopardised by tapping here and there. Respondents are of opinion that, the DTH platform gives more liberty in choice of channels as opposed to cable where the choice of channels is at operators wish. The one problem that a lot of them spoke was about cable cutting. The respondents feel that, in rural areas there will be power cut for 6-8 hours and in this time there won't be any transmission and finally when there is power in respondents place, there might not be power elsewhere and hence access to programmes again is disturbed, in DTH this not so. Surprisingly, few spoke about interactive services as an option which made them shift from cable to DTH platform. Interestingly, few also find redressal more quicker and faster in DTH as compared to cable network.

III. CONCLUSION

The Indian Media and Entertainment (M&E) industry is a sunrise sector for the economy and is making high growth strides. The Indian M&E industry is a mix of growth that is backed by rising consumer demand and growing ad revenues. As per the Indian Brand Equity Foundation, the Indian Media and Entertainment industry is on an impressive growth path. The revenue from advertising is expected to grow at a CAGR of 13 per cent and will exceed Rs 81,600 crore (US$ 12.09 billion) in 2019 from Rs 41,400 crore (US$ 6.14 billion) in 2014. The study reveals that, there is a rapid growth of DTH in rural areas where, for many DTH itself means television. Television itself is a decade old phenomenon and many respondents claim to fame came from the fact that they bought a television set and with that came DTH connection thus opening a new panorama in front of them. The digital era is here to stay and in this cut throat competition to capture market the DTH services providers should use innovative ways to create awareness and in their regional language so that the message is delivered effectively. In fact, if implemented correctly, digitisation could prove to be a win-win situation for customers, operators as well as the government.

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