KPMG

# Media ecosystems: The walls fall down

**KPMG in India's Media and Entertainment report 2018**

A snapshot

September 2018

kpmg.com/in

# Media ecosystems: The walls fall down

**KPMG in India's Media and Entertainment report 2018**

A snapshot

We would like to thank all those who have contributed and shared their valuable domain insights in helping us put this report together.

Image courtesy

Makuta VFX

Prime Focus Ltd

Reliance Animation

Sony Pictures Network India

Toonz Animation

Viacom 18 Media Pvt Ltd

Yash Raj Films

Zee Entertainment Enterprises Ltd

# Foreword

The Indian Media and Entertainment industry ('M&E') industry faced some head winds in FY18 due to the adverse impact on ad spend following the lingering impact of demonetization and teething issues with the Goods and Services Tax (GST) rollout. This was reflected in an industry growth of 10.9 per cent in FY18 on the back of advertising growth of 11.5 per cent. However, the industry has bounced back from these challenges, and its long term outlook remains strong.

The global economy showed signs of recovery with real GDP growth rising from 3.2 per cent in 2016 to 3.8 per cent in 2017 — driven by faster growth in Europe, Japan, China and the U.S.[1] On the other hand, India experienced a decline in the growth rate from 7.1 per cent in 2016 to 6.7 per cent in 2017, primarily on account of demonetisation and implementation of GST.[2] Despite this slowdown, the economy is on its way to recovery with the real GDP expected to grow by 7.4 per cent in 2018 and 7.8 per cent in 2019.[3]

GST rollout, residual effects of demonetization, and RERA resulted in the holdback of ad spends by advertisers across sectors, and, particularly, affected local advertising by smaller businesses. The resultant lower ad spends, coupled with the middling growth in the overall economy, adversely impacted growth rates across advertising dependent sectors such as television, print, radio and Out of Home (OOH).

Digital access and consumption has seen a rapid growth over the last 24 months following the rollout of 4G, aided by falling data costs and rapid growth in smartphone penetration. As a result, digital usage has become more democratised and widespread. This had a significant positive impact across multiple sectors with the a direct impact being noticed in digital advertising and mobile gaming — both of which witnessed growth rates in excess of 30 per cent in FY18. Additionally, growing demand for digital content had a positive impact on films and music segments as well as animation and VFX segments. On the flip side, growing digital consumption has started placing significant pressure on traditional print players, particularly in the English language segment, which is seeing a migration of both readers and advertisers towards digital.

1. World Economic Outlook, International Monetary Fund, April 2018
2. Real GDP Growth, International Monetary Fund, accessed on 27 July 2018
3. Real GDP Growth, International Monetary Fund, accessed on 27 July 2018

Another key growth driver has been the growing demand from rural and regional markets, which is attracting the attention of both advertisers and content platforms. The growing rural media consumption has been highlighted by measurement providers such as Broadcast Audience Research Council (BARC) in TV and Indian Readership Survey (IRS) in print. Growing media penetration in these markets across TV, print, radio and digital has been supplemented by increased focus on mass and regional content aimed at increasing the monetisation of the audience. In the long term, these markets are expected to provide significant support for growth of the Indian M&E industry.

However, in FY18, the Indian M&E industry witnessed the beginnings of a major structural shift as lines between various players across the value chain started blurring with the Technology, Media and Telecom (TMT) convergence starting to become a reality. This convergence has begun to give rise to the media ecosystems, particularly with telecom and technology players realising the importance of M&E as a key driver, to engage with and monetise their consumers. While, these changes are providing multiple opportunities to media organisations in the short term, they also have the potential to fundamentally change how media is created, distributed and consumed, and, therefore, completely disrupt the existing media value chain.

Looking ahead, the future of the M&E industry may therefore revolve around TMT convergence. Media companies will need to proactively look at their strategies and business models to operate and thrive in this new paradigm.


**Mritunjay Kapur**

**National Head - Markets and Strategy**
Head - Technology, Media and Telecom



**Girish Menon**

**Partner and Head**
Media and Entertaintment

# Introduction

The global economy has been gaining momentum, with the real Gross Domestic Product (GDP) growth rising from 3.2 per cent in 2016 to 3.8 per cent in 2017 — driven by faster growth in European region, Japan, China and the U.S.[1] Growing trade, investments and manufacturing activity have powered the global upswing since mid-2016.[2] However, in the long term, a marginal decline to around 3.7 per cent Compounded Annual Growth Rate (CAGR) is expected following risks from growing protectionist measures, fallout from Brexit, ageing workforce and rise in borrowing costs.[3]

In contrast with the global economy, India's real GDP growth rate declined from 7.1 per cent in 2016 to 6.7 per cent in 2017 — some of the reasons for which are demonetisation and implementation of the Goods and Services Tax (GST).[4] However, the Indian economy is already on its way to recovery as the negative impact of these two measures is fading, overall investment sentiment is improving, construction is recovering and the farm sector is witnessing growth.[5] India's real GDP is expected to grow by 7.4 per cent in 2018 and 7.8 per cent in 2019.[6] Moreover, unlike the expected decline in global economy, Indian economy is expected to further strengthen with around 8 per cent y-o-y growth during 2020–23.[7]

Strong and consistent economic growth fuelled by rise in consumption and growth in digitisation has boded well for the Indian Media and Entertainment (M&E) industry which has grown at a CAGR of approximately 11 per cent over FY14-18 to reach INR INR1.43 trillion in FY18.[8] However, in recent years, the sector was adversely impacted by major regulatory interventions by the government around demonetisation and Goods and Services Tax (GST). These initiatives had a temporary adverse impact on both consumption and advertising spend, resulting in a slower than expected growth rate of 10.9 per cent during FY18.[9] However, the industry is now well on the road to recovery and aided by a buoyant Indian economy, strong domestic (particularly rural) demand and growing digital access and consumption, the sector is expected to grow at a CAGR of 13.1 per cent during FY18–23 to reach INR2.66 trillion.[10]

1. World Economic Outlook, International Monetary Fund, April 2018
2. World Economic Outlook, International Monetary Fund, April 2018
3. Global economic growth has peaked, says World Bank, Financial Times, 10 January 2018
4. Real GDP Growth, International Monetary Fund, accessed on 27 July 2018
5. Press Note on Provisional Estimates of Annual National Income, 2017-18 and Quarterly Estimates of Gross Domestic Product For the Fourth Quarter (Q4) of 2017-18, MOSPI, 31 May 2018
6. Real GDP Growth, International Monetary Fund, accessed on 27 July 2018
7. Real GDP Growth, International Monetary Fund, accessed on 27 July 2018
8. KPMG in India's analysis and estimates, 2018-19
9. KPMG in India's analysis and estimates, 2018-19
10. KPMG in India's analysis and estimates, 2018-19

## The size of the Indian Media and Entertainment industry

**Industry performance — Historical**

| Overall industry size (INR billion) | FY14 | FY15 | FY16 | FY17 | FY18 | Growth in FY18 over FY17 |
|---|---|---|---|---|---|---|
| TV | 433.7 | 489.9 | 551.7 | 595.3 | 651.9 | 9.5% |
| Print | 248.2 | 268.4 | 288.4 | 308.4 | 318.9 | 3.4% |
| Films | 126.4 | 126.9 | 137.1 | 145.0 | 158.9 | 9.6% |
| Digital advertising | 32.5 | 47.0 | 64.9 | 86.2 | 116.3 | 35.0% |
| Animation and VFX | 41.0 | 46.5 | 53.2 | 62.3 | 73.9 | 18.6% |
| Gaming | 20.3 | 24.3 | 27.6 | 32.4 | 43.8 | 35.1% |
| OOH | 19.9 | 22.3 | 25.5 | 28.6 | 32.0 | 11.9% |
| Radio | 17.2 | 19.8 | 22.7 | 24.0 | 25.9 | 7.9% |
| Music | 8.5 | 10.2 | 11.2 | 12.6 | 14.4 | 14.7% |
| **Total** | **947.6** | **1,055.1** | **1,182.3** | **1,294.7** | **1,436.0** | **10.9%** |

**Source:** KPMG in India analysis, 2018 based on primary and secondary research

| Industry advertising revenues (INR billion) | FY14 | FY15 | FY16 | FY17 | FY18 | Growth in FY18 over FY17 |
|---|---|---|---|---|---|---|
| TV | 138.4 | 160.0 | 183.7 | 202.6 | 223.5 | 10.3% |
| Print | 166.0 | 179.6 | 192.3 | 204.4 | 210.6 | 3.1% |
| Digital advertising | 32.5 | 47.0 | 64.9 | 86.2 | 116.3 | 35.0% |
| OOH | 19.9 | 22.3 | 25.5 | 28.6 | 32.0 | 11.9% |
| Radio | 17.2 | 19.8 | 22.7 | 24.0 | 25.9 | 7.9% |
| **Total** | **374.0** | **428.7** | **489.1** | **545.7** | **608.3** | **11.5%** |

**Source:** KPMG in India analysis, 2018 based on primary and secondary research

The M&E sector grew by 10.9 per cent in FY18 to reach INR1,436 billion primarily on the back of rapid penetration and growth in the digital user base which had a significant positive impact on demand across multiple M&E sectors such as films, digital advertising, animation and VFX, gaming, and music. Further, growing penetration into and strong demand from rural and regional markets also provided support to ad revenue generation in television and print

However, on an overall basis, there were significant adverse effects on advertising revenues due to lingering effects of demonetisation in the early part of 2018 followed by fallout of GST and Real Estate (Regulation and Development) Act (RERA) implementation, particularly on local ad spends. Further, while print continued to face pressure from digital platforms, the radio segment was affected by oversupply of inventory due to the launch of new radio stations.

**Industry performance — Projected**

| Overall industry size (INR billion) | FY19 | FY20 | FY21 | FY22 | FY23 | FY18-23 CAGR% |
|---|---|---|---|---|---|---|
| TV | 746.4 | 855.3 | 959.1 | 1,066.6 | 1,179.6 | 12.6% |
| Print | 338.5 | 357.8 | 378.6 | 400.8 | 424.9 | 5.9% |
| Films | 171.7 | 185.4 | 199.3 | 213.9 | 228.8 | 7.6% |
| Digital advertising | 154.7 | 202.6 | 263.4 | 339.8 | 435.0 | 30.2% |
| Animation and VFX | 86.7 | 100.9 | 116.8 | 133.5 | 151.8 | 15.5% |
| Gaming | 55.4 | 70.9 | 84.7 | 103.3 | 118.8 | 22.1% |
| OOH | 35.7 | 38.6 | 42.0 | 45.7 | 49.7 | 9.2% |
| Radio | 28.3 | 31.8 | 34.8 | 38.8 | 42.1 | 10.2% |
| Music | 16.6 | 19.1 | 22.1 | 25.6 | 29.6 | 15.5% |
| **Total** | **1,633.9** | **1,862.5** | **2,100.7** | **2,368.0** | **2,660.2** | **13.1%** |

**Source:** KPMG in India analysis, 2018 based on primary and secondary research

| Industry advertising revenues (INR billion) | FY19 | FY20 | FY21 | FY22 | FY23 | FY18-23 CAGR% |
|---|---|---|---|---|---|---|
| TV | 255.0 | 291.5 | 330.1 | 373.0 | 425.3 | 13.7% |
| Print | 223.7 | 236.4 | 250.1 | 264.7 | 280.7 | 5.9% |
| Digital advertising | 154.7 | 202.6 | 263.4 | 339.8 | 435.0 | 30.2% |
| OOH | 35.7 | 38.6 | 42.0 | 45.7 | 49.7 | 9.2% |
| Radio | 28.3 | 31.8 | 34.8 | 38.8 | 42.1 | 10.2% |
| **Total** | **697.4** | **800.9** | **920.4** | **1,062.0** | **1,232.7** | **15.2%** |

**Source:** KPMG in India analysis, 2018 based on primary and secondary research

The M&E industry is expected to witness stronger growth going forward with a CAGR of 13.1 per cent to reach INR2,660.2 billion by FY23 on the back of:

- Continued rapid growth and deepening of digital user base and digital usage
- Growing domestic consumption supported by strong GDP growth
- Growing penetration into non-urban and regional user base across sectors
- Strong rural demand and
- Major ad spends triggering events such as two cricket world cups and a general election in the next five years.

# M&E segments

## Television — Firmly entrenched

| Industry performance (INR billion) | FY2017 | FY2018 | % growth (FY17–FY18) | FY2019P | FY2020P | FY2021P | FY2022P | FY2023P | FY18–23 CAGR% |
|---|---|---|---|---|---|---|---|---|---|
| Advertising revenues | 203 | 224 | 10.3% | 255 | 291 | 330 | 373 | 425 | 13.7% |
| Distribution revenues | 393 | 428 | 9.1% | 491 | 564 | 629 | 694 | 754 | 12.0% |
| **Total TV revenues** | **595** | **652** | **9.5%** | **746** | **855** | **959** | **1,067** | **1,180** | **12.6%** |

**Source:** KPMG in India analysis, 2018 based on primary and secondary research

### Key themes

**Regional languages driving growth —** Launch of new channels and a wave of popular reality shows being adapted for regional audiences led to a 32 per cent increase in language viewership in 2017[13]

**Sports broadcasting** Star India and Sony redrawing sports rights' battle lines

**TRAI tariff order —** Expected to bring in transparency across the value chain

**Strong TV viewership on digital platforms —** Catch-up TV one of the most watched on OTT platforms

**Advertising impact on the industry due to GST and RERA** Temporary blip on account of compliance issues likely to wane away

**The Free To Air (FTA) genre and DD FreeDish** FTAs contributed 31 per cent to TV viewership in 2017[14], which has helped DD FreeDish become one of the largest DTH players in India

**Kids' channels —** Important genre for broadcasters as age group two–14 accounted for 20 per cent[15] of all TV impressions in 2017. Kids' channels focus on local animated stories and content to widen their appeal.

The television industry had a relatively subdued year in FY18, with advertisement revenues facing headwinds due to the implementation of GST and middling growth in the overall economy. At the same time, subscription revenue growth was lower than expected as the DD FreeDish subscriber base soared to 30 million[11] and Direct To Home (DTH) ARPUs declined with increase in competitive intensity.

The number of TV households increased to 188 million in FY18 with the Cable & Satellite (C&S) subscriber base reaching 183 million. While cable and DTH aggregated 91 million and 62 million households respectively, FreeDish has gained a substantial user base and emerged as an alternative entertainment platform, especially in the DAS Phase III and IV markets[12].

### The road ahead

Growing TV penetration, strong advertising demand on the back of domestic consumption and major events (two cricket world cups and a general election in the next five years) and better distribution realisations due to operationalisation of TV digitisation is likely to result in strong TV growth in the years to come. Lastly, while consumption of TV content on digital platforms is expected to grow further, television is likely to remain the dominant mode of media consumption in India.

11. Based on industry discussions
12. KPMG in India analysis, 2018 based on primary and secondary research
13. Broadcast Audience Research Council
14. Broadcast Audience Research Council
15. Broadcast Audience Research Council

## Print — Hanging on

| Industry performance (INR billion) | FY2017 | FY2018 | % growth (FY17–FY18) | FY2019P | FY2020P | FY2021P | FY2022P | FY2023P | FY18-23 CAGR% |
|---|---|---|---|---|---|---|---|---|---|
| Advertising revenues | 204.4 | 210.6 | 6.1% | 223.7 | 236.4 | 250.0 | 264.7 | 280.7 | 5.9% |
| Circulation revenues | 104.0 | 108.2 | 7.1% | 114.8 | 121.5 | 128.5 | 136 | 144.2 | 5.9% |
| **Total print revenues** | **308.4** | **318.8** | **6.6%** | **338.5** | **357.8** | **378.6** | **400.8** | **424.9** | **5.9%** |

**Source:** KPMG in India analysis, 2018 based on primary and secondary research

### Key themes

**Healthy readership growth —** Unlike global markets, newspaper readership has grown across age groups and demographics, particularly among the youth and New Consumer Classification System (NCCS) C, D and E categories

**Language newspapers dominate —** While growth of English newspapers has been sluggish and Hindi newspapers are seeing pressure on growth rates, other regional language newspapers continue to demonstrate strong growth

**Deepening local ad spend —** Growing share of local advertisement spend in Hindi and other language newspapers augurs well for the future but had significant adverse impact due to GST and RERA in FY18

**Digital news is on the rise —** Growing digital consumption supported by higher investments including greater focus by Hindi and other regional language players

**Rising newsprint prices —** Significant pressure on economics following an approximately 40-50 per cent increase in newsprint prices[17].

The print sector witnessed a significant adverse impact due to the after effects of demonetisation, coupled with a weak advertising demand due to implementation of GST and RERA. This resulted in a growth rate of 3.4 per cent during FY18, which was the lowest in a decade. Hindi and regional newspapers fared comparatively better (4.6 per cent and 4.2 per cent respectively), while English newspapers struggled, registering a growth of 1.5 per cent during this period[16].

Circulation growth from FY15 to FY18 has been healthier as compared to the global trend of de-growth. Hindi and regional language newspapers continued to drive the growth while English newspapers struggled, though Hindi newspapers are losing their share to other regional language newspapers as they gain more traction in tier II, tier III cities and rural areas. On the back of mobile connectivity and the emergent internet penetration, the current print media landscape is showing a gradual movement towards digital.

### The road ahead

Print is expected to continue to see muted growth as sluggish growth in English newspapers — due to pressure from digital platforms — will be offset by strong growth in language newspapers. Hindi newspapers — though continuing to grow — are also starting to witness pressure on growth rates. The industry continues to invest in digital properties, and there is huge opportunity for growth of mobile users with the increasing use of internet and smartphones.

16. KPMG in India analysis, 2018

17. Based on industry discussions and secondary research

## Films — On a comeback trail

| Industry performance (INR billion) | FY2017 | FY2018 | % growth (FY17 - FY18) | FY2019P | FY2020P | FY2021P | FY2022P | FY2023P | FY18-23 CAGR% |
|---|---|---|---|---|---|---|---|---|---|
| Domestic theatrical | 101.4 | 108.9 | 7.3% | 115.3 | 122.1 | 129.1 | 135.9 | 142.6 | 5.6% |
| Overseas theatrical | 12.3 | 14.8 | 20.6% | 16.4 | 18.1 | 20.0 | 22.1 | 24.3 | 10.3% |
| Cable and satellite rights | 15.5 | 16.1 | 3.5% | 16.8 | 17.6 | 18.4 | 19.2 | 20.0 | 4.4% |
| Ancillary revenue streams | 15.7 | 19.1 | 21.9% | 23.1 | 27.5 | 31.7 | 36.7 | 41.9 | 17.0% |
| **Total film revenues** | **145.0** | **158.9** | **9.6%** | **171.7** | **185.4** | **199.3** | **213.9** | **228.8** | **7.6%** |

**Source:** KPMG in India analysis, 2018 based on primary and secondary research

### Key themes

**Bollywood box office —** Continues to be dependent on performance of high profile movies

**Regional film industry —** Gaining prominence in recent years with a share of 45-50 per cent contribution to revenues[19]

**Hollywood —** Experiencing growth on the back of franchise movies

**Digital rights revenues —** One of the fastest growing revenue streams driven by rise in Over-the-top (OTT) consumption

**Overseas theatricals** Opening of China market has expanded overseas opportunities

**GST rollout —** Allowance of additional taxes on entertainment levied by local government has resulted in dual taxation.

**Exhibition infrastructure —** Growth continues to be slow with India being a highly under penetrated exhibition market

The Indian film industry is seeing a resurgence over the last couple of years on the back of strong domestic box office performances, coupled with growing overseas contributions particularly through entry into new markets like China. Additionally, growing revenues from digital rights is supporting the overall growth.

While the performance of Bollywood movies at the box office has remained nearly constant over FY16 to FY18 , the regional film industry has been gaining prominence in recent years with a share of 45-50 per cent[18] (in terms of box office revenues) in FY18 with Tamil, Telugu and Malayalam being the major contributors. However, growth of exhibition infrastructure remains sluggish and is a key limiting factor.

### The road ahead

The films' segment is expected to remain resilient on the back of strong demand from digital platforms and growing overseas revenues. However, innovative models are required to improve exhibition infrastructure to grow domestic theatrical revenues.

18. Based on industry discussions and KPMG in India analysis, 2018

19. Based on industry discussions

## Digital advertising — Supercharged growth

| Industry performance (INR billion) | FY2017 | FY2018 | % growth (FY17–FY18) | FY2019P | FY2020P | FY2021P | FY2022P | FY2023P | FY18–23 CAGR% |
|---|---|---|---|---|---|---|---|---|---|
| Advertising revenues | 86.2 | 116.3 | 35% | 154.7 | 202.6 | 263.4 | 339.8 | 434.9 | 30.2% |

**Source:** KPMG in India analysis, 2018 based on primary and secondary research

### Key themes

**Growth in digital user base**

- Digital infrastructure becomes deeper and cheaper — Launch of 4G services and declining tariffs of mobile broadband
- Mobile and smartphone growth — Accessibility and availability of cheaper handsets

**Digital user behaviour**

- Regional and non-urban users driving growth — Growth in regional content and the gap between affordability and accessibility reducing
- Digital time spent is growing rapidly — Communication of more value, availability of more personalised content and convenience on digital mediums
- Rise of voice search — More language support and increase in accuracy of digital assistants
- Non linear content consumption — Digital disrupting conventional consumer journeys
- Growing privacy concerns — Gap between data growth and data security increasing

**Marketer behaviour**

- Mobile advertising spend — Increasing due to mobile being the centre of the digital ecosystem
- Marketers continue to allocate a larger share of their budget to video — Consumers continue to prefer videos to static communication
- E-commerce leads digital ad spends — Increase in competition to acquire and retain a customer on the digital platform
- Value discovery through sequential programmatic models — Technology unlocking more value for the brand, advertiser and the user.

Digital advertisements have been growing rapidly in India, and the trend continued in FY18, driven by developments in digital infrastructure, increased inclusion and adoption of regional non-urban users, increase in penetration of mobile phones and increase in maturity in the digital ecosystem driven by public and private investments.

### The road ahead

Digital advertising would continue to see strong growth on the back of continued deepening of digital adoption and usage particularly from regional markets, providing advertisers with the opportunity to offer customised advertising to wider demographics.

Search and display advertising has become relatively mature, and is expected to grow slowly while social and video advertisements are expected to grow fast. The consumer journey has become increasingly non-linear and dynamic, and how marketers capture their customers by delivering engaging content at each interaction point is key. Further, with growing privacy concerns, maintaining user trust will become increasingly important in the future.

## Animation, VFX and post-production — Redefining storytelling

| Industry performance (INR billion) | FY17 | FY18 | % growth (FY17–FY18) | FY19P | FY20P | FY21P | FY22P | FY23P | FY18–23 CAGR% |
|---|---|---|---|---|---|---|---|---|---|
| Animation | 15.4 | 17.1 | 10.9% | 18.9 | 21.0 | 23.1 | 25.3 | 27.7 | 10.2% |
| VFX and post-production | 46.9 | 56.8 | 21.1% | 67.7 | 79.9 | 93.7 | 108.2 | 124.1 | 16.9% |
| **Total animation and VFX industry** | **62.3** | **73.9** | **18.6%** | **86.7** | **100.9** | **116.8** | **133.5** | **151.8** | **15.5%** |

**Source:** KPMG in India analysis, 2018 based on primary and secondary research

### Key themes

**Moving up the value chain enabling VFX and animation services growth —** Indian studios working on complex, high-quality outsourcing projects

**Increasing focus on IP and portfolio development —** Banking on content investments with a potential for perpetual returns

**Regional animation demand on the rise —** Broadcasters focussing on adding audio feeds in new languages

**Digital driving animation demand —** Players turning to internet to offer content beyond plain catch-up of their shows

**Talent gap a key challenge —** The scale and complexity of jobs necessitates highly skilled professionals

**Need of government support —** Funding and benefits such as tax credits and rebates critical for incentivising content production.

As Indian VFX players are moving up the value chain, the VFX industry in India is seeing strong traction. While Indian VFX houses have made successful forays in foreign markets, contributing to major blockbusters, the demand of VFX in domestic films and TV shows has also shot up markedly.

The Indian animation industry has also continued its growth momentum. While the linear TV broadcast demand for animation, led by new kids' channel launches, has driven the industry, digital has provided a major impetus with a number of Video-on-Demand (VOD) platforms launching kids' properties. Further, the services segment, with a contribution of 57.6 per cent in FY18, has continued to dominate animation revenues on the back of demand from TV and film production, which cumulatively held a share of 87 per cent of animation services revenue during the same period.[20]

### The road ahead

The animation and VFX industry is expected to show strong growth on the back of strong digital demand, increasing production values and technology changes. Skill gaps are, however, a key challenge and need to be addressed urgently.

20. KPMG in India's analysis and estimates, 2018-19

## Gaming — Ready to play

| Industry performance (INR billion) | FY2017 | FY2018 | % growth (FY17–FY18) | FY2019P | FY2020P | FY2021P | FY2022P | FY2023P | FY18–23 CAGR% |
|---|---|---|---|---|---|---|---|---|---|
| Online gaming | 32.4 | 43.8 | 35.1% | 55.4 | 70.9 | 84.7 | 103.3 | 118.8 | 22.1% |

**Source:** KPMG in India analysis, 2018 based on primary and secondary research

Growing digital and smartphone penetration have significantly deepened the gaming user base with a mobile-first model driving user behaviour. Launch of lower priced Chinese smartphones in the Indian market, falling cost of data, and rising disposable incomes, alongside acceptance of digital payments, have resulted in the dramatic migration of online gamers to mobile phones. Mobile gaming contributed to 89 per cent of all gaming revenues in India in FY 18 with nearly 90 per cent of online gamers[21] using smartphones and tablets to play their favourite games online. The interplay of these factors has led to the doubling of the gaming market in five years, from INR 20.3 billion in FY14 to an estimated INR 43.8 billion in FY18[22].

### Key themes

**Mobile gaming —** Leading from the front with nearly 89 per cent of all gaming revenue in India generated by mobile games in 2017[23]

**Business models —** Freemium models dominate in India, with customers preferring a free product up front with access to a full set of features once they are convinced of its attractiveness

**Monetisation —** Online gaming currently under monetised, with mobile gaming ARPUs in India around USD2, as compared to USD11-12[24] for countries like Indonesia and Vietnam

**Online card games —** Seeing profitable growth, with three versions of teen patti and one version of rummy and poker each are among the top grossing games on Google Play Store charts as on May 26, 2018.

### The road ahead

With a growth rate of 22 per cent over the next five years, the gaming in India is expected to touch INR118.8 billion by FY23 on the back of continued smartphone penetration[25], growing gaming user base and improved monetisation supported by increased localisation and technology innovations around data and analytics, augmented reality/virtual reality.

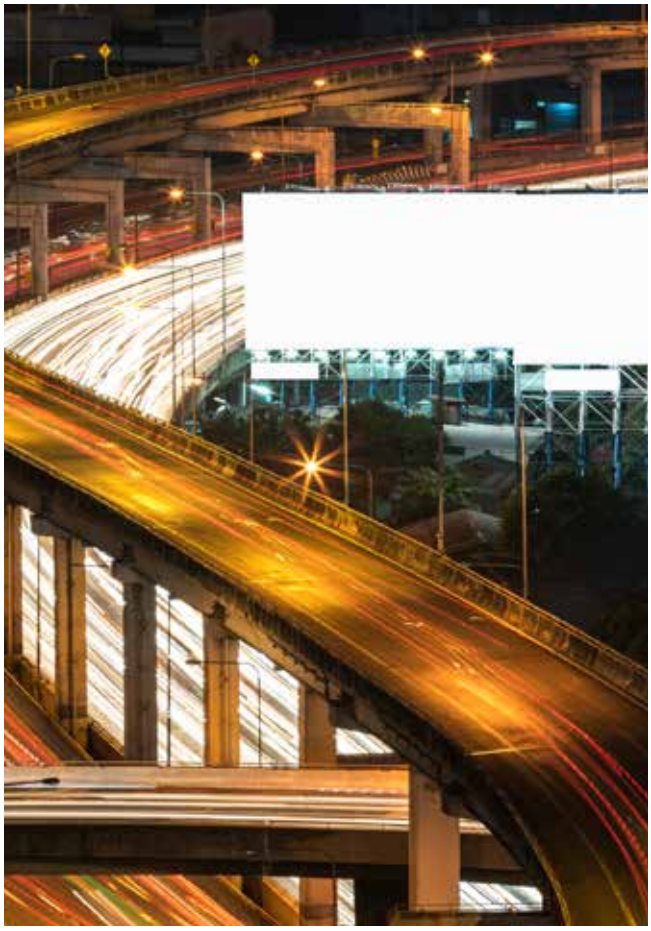
21. Online gaming in India, Reaching a new pinnacle, KPMG -Google, May 2017
22. KPMG in India's analysis 2018 based on primary and secondary research
23. The India Opportunity: Tapping into One-Tenth of the World's Gamers, Newzoo, April 2018
24. Statista data; accessed as on May 26, 2018
25. KPMG in India's analysis 2018 based on primary and secondary research

## Out of home media — Technology comes out to play

| Industry performance (INR billion) | FY2017 | FY2018 | % growth (FY17–FY18) | FY2019P | FY2020P | FY2021P | FY2022P | FY2023P | FY18–23 CAGR% |
|---|---|---|---|---|---|---|---|---|---|
| Advertising revenues | 28.6 | 32.0 | 11.9% | 35.7 | 38.6 | 42.0 | 45.7 | 49.7 | 9.2% |

**Source:** KPMG in India analysis, 2018 based on primary and secondary research

The Out Of Home (OOH) industry shows signs of a promising year ahead after a slow start in the first half of FY 2018. The bounce back was aided by advertisement expenditures from State and Central Governments, e-commerce and technology players, with important contributions from automotive, fast moving consumer goods (FMCG) and financial services sectors staying secular. Upcoming state and general elections are expected to sustain this momentum. The controlled environment of the airport segment continued to be one of the significant contributors to OOH growth, with the segment also witnessing traction from smaller airports situated in tier 2 and tier 3 cities.



### Key themes

**Controlled environments, particularly airports are driving growth —** Advertisers are keen for controlled environments due to increased assurance on campaigns

**Industry fragmentation is a major limiting factor —** Local players run the show with state- or city- based offerings

**Digital OOH though high on promise, has a long way to go —** Digital OOH restricted to controlled environments

**Measurement and transparency is the need of the hour —** Advertisers raise concerns on OOH measurability and return on investment (ROI) of OOH campaigns

**Technology to script the next innings of the OOH gameplay —** Technology required to plan, monitor and evaluate OOH spends.

### The road ahead

The stage is set for OOH to ride the next level of growth with the Indian government's smart cities' campaign, promotion of public welfare schemes and expansion of airport network. A nation-wide policy, single-window clearances, city-wise exclusive licences on a long-term basis as well as an ROI-driven measurement metric are critical for sustainable growth.

## Radio — Going local

| Industry performance (INR billion) | FY2017 | FY2018 | % growth (FY17–FY18) | FY2019P | FY2020P | FY2021P | FY2022P | FY2023P | FY18–23 CAGR% |
|---|---|---|---|---|---|---|---|---|---|
| Advertising revenues | 24.0 | 25.9 | 7.9% | 28.3 | 31.8 | 34.8 | 38.8 | 42.1 | 10.2% |

**Source:** KPMG in India analysis, 2018 based on primary and secondary research

The radio industry witnessed muted growth in FY18 on the back of the GST rollout as local ad spends were significantly reduced. Over supply from launch of new radio stations also resulted in pressure on ad rates which stayed flat. While small players, especially newly launched ones in non-metro cities, reduced their ad rates to attract local businesses, bigger broadcasters increased their ad rates to drop advertisers that do not fit in with their brand image.

### Key themes

**Inventory utilisation has been under pressure —** Launch of new stations has increased ad inventory besides putting pressure on ad rates

**FM auctions are witnessing tepid interest** Phase III auctions are seeing weak uptake and continue to be delayed

**Embracing digital —** Radio players are going online to increase their reach

**Consolidation trends likely to continue —** Large radio operators are exploring Mergers & Acquisitions (M&A) to grow inorganically

**Centralised network programming to leverage network effects —** Large broadcasters are creating content centrally to use economies of scale

**Lack of strong measurement system continues to hurt the industry —** High quality advertisers continue to stay away from radio due to the lack of visibility.

### The road ahead

The radio segment is expected to see comparatively lower growth given the oversupply from new stations and the resultant pressure on ad rates, coupled with delays in Phase III auctions. However, streamlining of tax laws, lowering of licence fee for operating in smaller cities, and a better Foreign Direct Investment (FDI) regime may encourage more investments, which can boost the long-term growth of the industry.

## Music — Streaming the future

| Industry performance (INR billion) | FY2017 | FY2018 | % growth (FY17–FY18) | FY2019P | FY2020P | FY2021P | FY2022P | FY2023P | FY18–23 CAGR% |
|---|---|---|---|---|---|---|---|---|---|
| Total music revenues | 12.6 | 14.4 | 14.7% | 16.6 | 19.1 | 22.1 | 25.6 | 29.6 | 15.5% |

**Source:** KPMG in India analysis, 2018 based on primary and secondary research

The Indian music industry continues to see a resurgence in recent years primarily on the back of rapidly expanding digital consumption and distribution, particularly since the rollout of 4G. Data penetration and increased use of smartphones are two key contributors towards the growing consumption of music on digital.

### Key themes

- Rapid growth in digital base and consumption owing to technological advancements and scaling reach
- Emergence of music on streaming platforms though advertising dependency is a challenge
- Major landscape changes with telcos and streaming platforms looking to build sizeable music businesses
- Regional music and niche genres are seeing a revival
- Physical formats seeing engagement
- Piracy continues to be a roadblock.

### The road ahead

As digital access and consumption continues to grow, the music industry is expected to be a major beneficiary. Given the growing listenership base and innovation in the pipeline, there lies a huge opportunity in converting the advertisement-based subscription ecosystem into consumer paid streaming — all that awaits is an optimum revenue model. The industry is witnessing a differentiation in the form of content curation, packaging and presentation of the acquired content, as well as original content creation with independent artistes.

# Industry themes

## Technology, Media and Telecom (TMT) convergence — Building ecosystems

As data usage becomes ubiquitous, media consumption habits of consumers are witnessing a seismic shift. Telecom and technology companies across the world sense this as an opportunity to cater to this burgeoning digital subscriber base by building a footprint across the content part of the value chain. Traditional media companies have started to realise how important this direct access to the digital first customer is, and as a result, have started to build direct-to-consumer platforms. As a result, the TMT sector is witnessing a convergence in business models across the globe.

The launch of 4G services by Reliance Jio in September 2016 at disruptive prices, resulted in commoditisation of voice services with realisations per minute dropping by more than 30 per cent post Q2 FY17 for incumbent operators[26]. On the other hand, data consumption has emerged as the primary source of revenue growth for telcos as data costs have reduced by approximately 90 per cent since then[27].

To drive data consumption, telecom operators are increasingly looking at content as a differentiator, both in terms of customer acquisition and retention. While operators like Airtel, Idea and Vodafone have looked to aggregate content across traditional television and video OTT apps, Reliance Jio is pursuing a two-pronged strategy of both aggregating content and investing in original and exclusive content through alliances with media companies across the value chain.

Technology has also enabled content creators and TV broadcasters to transform from a predominantly B2B business into B2C business. At the same time, technology companies have become an integral part of the media ecosystem due to their ability to reach the customers directly. YouTube and Facebook account for around 60-70 per cent of the total online video consumption in India, and YouTube is the largest digital video platform in the country with 225 million Monthly Active Users (MAUs)[28].

This convergence playing out in the industry has raised concerns that that traditional ways of making monies may no longer continue to be optimum.

Business models are likely to converge eventually, potentially leading to a TV broadcaster focusing on OTT subscription revenues, or a technology company looking to realise revenues from content syndication. The boundaries between traditional and digital are likely to blur sooner than we could imagine.

Various stakeholders stand to benefit from converging business models. While media content creators can have access to wider distribution through technology companies and telcos, as well as greater avenues for content monetisation, telecom and technology companies can increase monetisation on their platforms and create differentiation in their services through content offerings.

As technology becomes pervasive in everyday life, organisations that are able to smoothly merge the traditional business models, and ensure customer stickiness on their ecosystems are likely to emerge as winners in this war of ecosystems.

26. KPMG in India analysis, 2018 based on secondary research on Annual Filings of listed telecom operators in India
27. Performance indicator reports, Telecom regulatory authority of India (TRAI)
28. KPMG in India analysis, 2018 based on primary research

## Over the Top (OTT) video consumption — Reaching a tipping point

There has been a noticeable change in the consumption of media content in recent years with increase in both the number of online video viewing audience and the time being spent on digital media by the audiences. The number of online video viewing audience in India is estimated to be around 225 million in FY18, and is projected to reach 550 million by FY23[29].

### Pillar No 1 — Content

Catch-up TV, movies and sports form a large portion of the content available across OTT platforms backed by traditional TV broadcasters as this helps them avoid incurring additional costs for digital-only content. However, there is an increasing focus towards creating original content for 'digital first audience'. While catch-up TV content is typically monetised through the advertisement video on demand (AVOD) model, original content warrants the subscription video on demand (SVOD) model to recover content investments. FY17 and FY18 have also seen an increased focus on regional language content with established OTT players increasing their regional content library along with an advent of 'regional-only' local OTT players in the industry.

### Pillar No 2 — Distribution

The OTT distribution landscape also saw a change in approach with telecom operators (telcos) being seen as an alternate, and important, mode of distribution to reach a wider audience base. This trend is expected to accelerate with telcos seeing usage of videos on their networks as a key driver of increased data consumption. Bundling of services through telcos at a more affordable price may also be more likely to attract viewers over subscribing to multiple individual platforms in addition to data costs.

### Pillar No 3 — Monetisation

The Indian OTT industry is currently driven by the AVOD or freemium model with SVOD still at a nascent stage with 2–2.4 million subscribers[30] having directly subscribed to OTT platforms, in addition to ones which are considered as paid subscribers through telco-based access. While such telco-based subscription has increased in the last year, advertisement revenues have faced challenges with falling cost per thousand impressions (CPM) rates on account of increasing ad inventory and lack of a standardised, third party validated, digital measurement tool.

Sustainable success of OTT will be driven by engagement through quality content, resolution of standardisation of measurement and effectiveness of distribution. While the industry may experience a focus on regional language content in the near future, there is a possibility of the digital video content mirroring TV content in the long term future. As far as distribution is concerned, collaboration between OTT players and telcos is expected to be a key success factor. Lastly, monetisation is likely to pick up in the medium term, through a mix of advertising- and subscription-led models.


29. Based on industry discussions and KPMG in India analysis, 2018

30. Based on industry discussions and KPMG in India analysis, 2018

## Rural consumption — The next frontier

Rural India and tier II and tier III cities are is asserting their power over the M&E sector in recent years. Print players have consistently seen strong readership and demand from these markets, and with the maturity of urban markets, non-urban demand is driving growth in Hindi and regional language newspapers. While television broadcasters have launched a number of free-to-air (FTA) channels to tap rural and semi-urban markets, radio too has moved beyond metro cities. Listenership for non-metro areas has seen a multi-fold increase, at times even more than metro cities, attracting more brands to target rural markets. Availability of data at affordable rates increased the reach of digital platforms into the rural areas driving a significant growth in digital usage and changing the demographics of digital consumption from niche to mass.

**Rural to propel the next phase of growth, driven by macro-economic and sector specific factors**

**Macro-economic drivers**

- Rise in income levels
- Growing literacy rates
- Government investment



**Sector-specific factors**

- Digitalisation of television combined with strong FTA offerings
- Phase III expansion of FM into tier II and tier III cities
- Growing print readership with hyper localisation of content
- Digital inclusivity leading to rapid expansion of digital user base beyond urban markets
- Inclusion of rural areas under measurement metrics.

The Indian M&E industry has entered into a mature phase, and the growth is expected to come from untapped rural markets. The growth in the sector will largely be driven by demographic and habitual shift of the consumer, where the rural population will have a pivotal role to play.

## Social media — Driving meaningful conversations

The importance and value proposition of social media as a platform is increasing rapidly, and barriers to connectivity such as cost of access and awareness are being resolved at a fast pace. Mobility continues to be one of the primary drivers for social media usage in India with increasing smart phone penetration leading to an estimated 300 million[31] social media users in the country, estimated to be spending two hours and 26 minutes[32] across social media platforms on a daily basis. Given the scale of engagement, marketers are increasingly trying to engage with users on such platforms by increasing their allocation of digital ad spends on social media with an increased focus on regional markets.

To increase engagement levels, social media platforms are expanding their value proposition — from only a means to connect with friends, such platforms are being used for multiple purposes like entertainment, commerce and gaming. Through communities, social media platforms are able to attract individuals with similar interest or beliefs, and are becoming increasingly popular among marketers to connect with specific target groups. The focus of marketers is shifting from gaining basic reach to enabling more meaningful conversations to reducing the divide between the brand and target customer, unlocking value for both parties. Furthermore, content is changing from static feeds to more interactive stories driven by digital tools and technologies with the power shifting from the content creator to the user.

While social media platforms have evolved, data security and privacy are key challenges to be addressed.

Building trust through privacy management and data security may be critical in the future, and the key would be how the equation of value to the user versus the brand is managed.

31. https://forecasts-na1.emarketer.com/5ab41471a2835e0fe88f6068/5a6a4c4e00e-a9b-064048c03f, accessed on June 22, 2018

32. Digital in 2018 report, https://digitalreport.wearesocial.com/download, accessed on June 22, 2018

## Data and analytics — Every detail counts

With advent of digital disruption, the Media and Entertainment (M&E) industry has gone through a seismic shift in the way content is created, distributed, consumed and analysed. The massive explosion of data is generating new sensitivities across the media value chain (content creators, aggregators, distributors, marketers, advertisers, consumers and so on). It is thus becoming imperative for M&E organisations to grab the opportunities enclosed within data with competent analytics capabilities.

The industry is investing heavily on analytics-driven content recommendation, adaptive streaming, video and image analytics, data-driven journalism and consumer analytics. For media distributors and aggregators, data-driven decisions on content acquisition is getting increasingly contextual. Advertising agencies are also leveraging analytics techniques to find association of audience micro segments with different content genres and themes.

A smooth amalgamation between digital and analytical solutions is transforming the sector via active audience engagement, digital experience enhancement, content personalisation, contextual marketing campaigns, resolution of customer issues and customer life time value enhancement. Organisations are using predictive models to measure the contribution of a platform (traditional versus digital) in success of any programme, and accordingly promoting it via the most suitable medium.

While quality content and consumer preferences will drive sustainable growth, a clear strategy and competent analytics capabilities will help media organisations gain significant competitive advantage.

## Audience measurement — Need of the hour

Media owners and agencies are increasingly emphasising the need for adequate, accurate, reliable and relevant data to justify and plan media spends. Research agencies, even with improved methodologies and quality checks, have struggled to meet expectations. Especially for traditional media, the core problems are operational challenges in sample selection and data collection, along with inadequate industry funding and backing to study and report a vast socio-culturally diverse market like India.

Amongst traditional media, television has been at the forefront of increasing the reach and accuracy of audience measurement through deepening of coverage and measurement metrics by Broadcast Audience Research Council (BARC).

Indian Readership Survey (IRS), the lone readership study for print readership in India, released its latest report in 2018 after a gap of four years. The industry's mixed reactions on IRS 2013 results pushed for complete overhaul in the IRS methodology. This led to a data-dark period of three years, which affected planning and decision-making ability in print medium.

The radio industry is in need of a concrete audience research and measurement agency as the current methodology of TAM's Radio Audience Measurement (RAM) follows the manual diary method, and is limited to the four metro cities, Delhi, Mumbai, Bengaluru, Kolkata. The same holds true for OOH advertising owing to its inherent challenges in measuring the audience and lack of an independent industry-accepted monitoring body. On the other hand, digital medium has seen an increase in its share of media spends by offering advertisers easy ways of targeting and measuring audience real-time, though there is absence of a standardised, third party validated, digital measurement tool.

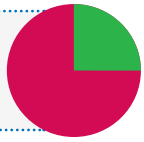
Riding on the advancement in technology, media measurement has moved beyond measuring just the viewing impressions. Advertisers are looking to study and analyse the media consumption habits and patterns of viewers across platforms to better understand consumer behaviour. In line with this, deeper coverage, consistent methodology, transparent approach and cross platform audience measurement tools are critical for meeting the needs of the industry.

# Tech trends

## Cutting the TV Cord — Harmonious coexistence

**Digital video** — A complimentary medium to TV

Near to medium term impact on TV — **Minimal**



### Key themes

**TV remains under penetrated —** Television at 64 per cent penetration still has significant headroom to grow[34]

**TV's value for money proposition —** TV retains its value for money proposition with average costs of USD3-4 per month[35]

**TV viewership on the rise —** TV viewership continues to increase across age groups with a 22 per cent average growth in 2017[36]

**TV retains the largest share of media pie —** TV retains the largest share of media consumption time at 131 minutes per day[37]

**Fixed line infrastructure remains weak —** Wired infrastructure with only 21.3 million connections as on FY18, and comparatively low internet speeds[38]

**TV viewership on Digital —** Digital emerging as a complimentary screen by enabling latent individual viewing

**Content on TV —** Large volume of fresh content on TV supported by significant investments from broadcast networks.

The U.S. has witnessed an increase in cord cutting over the years, and the number of 'cord cutters' is expected to reach a base of 40.1 million by 2021 from 16.7 million in 2016.[33] Key underlying factors driving this trend are the vast difference in the subscription fees of cable and OTT services, and the availability and ubiquity of high speed wireline internet.

In India, digital video consumption has seen rapid growth, especially over the last 18-24 months with strong traction noted in both the digital user base and time spent on viewing digital content. However, digital consumption in India appears to be largely complimentary in nature and there does not appear to be any adverse trends around TV viewership. The Indian media ecosystem operates differently as compared to global patterns, and some of the key triggers for cord cutting in the west don't appear to be present in a similar manner in India

### The road ahead

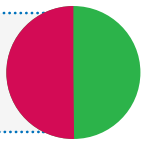
The rapid increase in digital consumption seen over 2017 is likely to continue going ahead. However, with the strong proposition that TV offers, both in terms of price and content, coupled with challenges of monetisation of digital and wireline infrastructure, the cord in India seems relatively secure in the near to medium term.

33. eMarketer Lowers US TV Ad Spend Estimate as Cord-Cutting Accelerates, eMarketer, accessed on June 13, 2018
34. KPMG in India analysis, 2018, based on primary and secondary research
35. KPMG in India analysis, 2018
36. Broadcast Audience Research Council Data
37. eMarketer
38. Telecom Regulatory Authority of India, Performance Indicator reports

## Augmented Reality (AR) and Virtual Reality (VR) — Reality reimagined

**Significant disruptive impact on content creation and consumption**

**Hardware and content constraints result in moderate impact**



AR and VR have significant disruption potential across multiple sectors with applications currently ranging across entertainment, experiential zones, marketing/sales, and training, learning and simulation. Globally, the AR/VR software market for the M&E sector (comprising video games, live events and video entertainment) is estimated to be valued at approximately USD18.9 billion by 2025.[39]

In India, AR and VR are still in their infancy with limited adoption across sectors. In 2018, the AR/VR market in India driven by M&E was estimated to be valued at INR3.8 billion (with hardware accounting for about 74 per cent of the total revenue), and is expected to grow at approximately 34.8 per cent CAGR during 2018–23 to reach INR16.9 billion by 2023.[40]

### Key themes

**Demand from the enterprise segment** Consumer adoption to remain minimal; enterprise adoption to drive AR/VR in the near future

**Supply from a budding start up ecosystem** — India among top five countries by number of VR start-ups, primarily owing to content and software development players[41]

**Hardware constraints** — Unaffordable and bulky devices hindering mass adoption

**Dearth of content** — Leading players holding back on content development owing to a small consumer base

**Skill gaps** Developer ecosystem to mature as market ripens.

**Funding constraints coupled with lack of clarity on ROI** Unlike the global scenario, Indian start-ups are still struggling to raise funding, as an immature ecosystem lacks clarity on ROI

### The road ahead

While usage of AR/VR is likely to increase among both consumers and businesses, it may still not become essential in the near future. As a result, though AR/VR has significant disruptive potential in the way media and entertainment content is consumed, presence of multiple constraints means there is unlikely to be a significant short to medium term impact.

39. Virtual & Augmented Reality: Understanding the race for the next computing platform, Goldman Sachs, January 2016

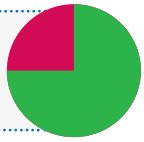
40. KPMG in India's analysis and estimates, 2018-19

41. Market Pulse Report AR & VR — India, GrowthEnabler, November 2017

## Artificial intelligence (AI) — Blending science and creativity

**Significant impact across the value chain**

**Accelerated adoption expected**



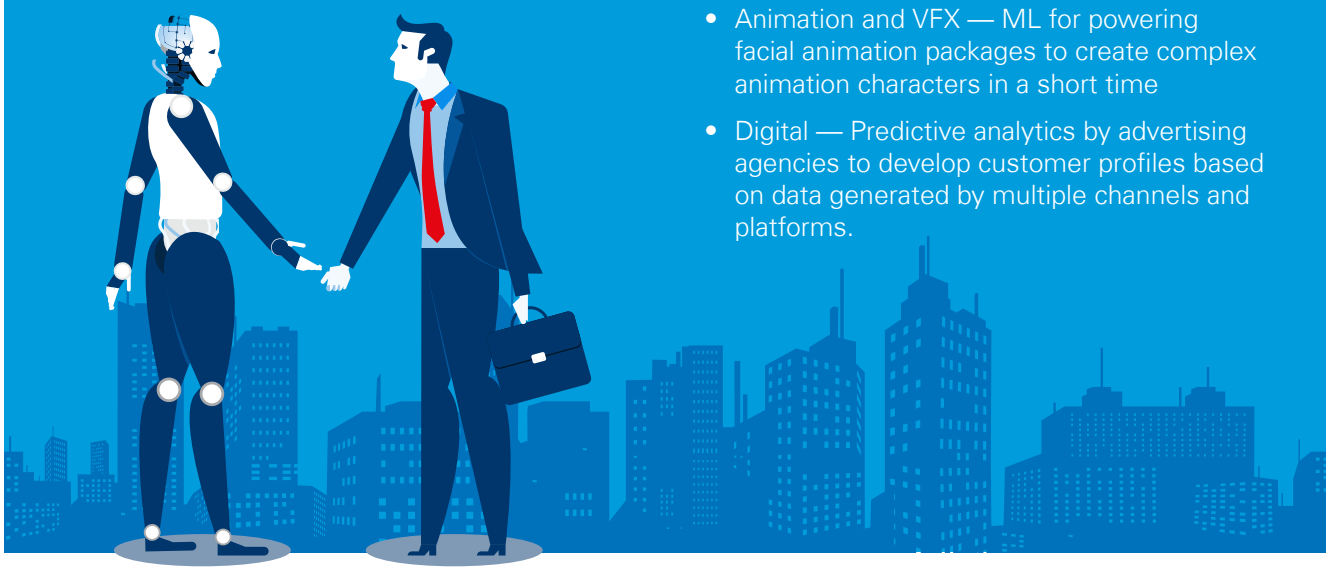
Massive amounts of unstructured data around video, audio, user behaviour, scripts, social media posts are driving the adoption of emerging and disruptive technologies like artificial intelligence in the media and entertainment industry. As media organisations evolve from B2B businesses to B2C models, understanding and anticipating user behaviour and proactively driving user engagement both through content and distribution becomes critical. AI has a significant role to play in this evolution.

**Core AI elements for customer engagement**

- Neural networks and meta data
- Natural language processing
- Virtual assistants
- Macro and micro trends through algorithm-based systems
- Bandwidth management
- Localisation through deep learning.

**Sample current segment wise applications**

- Television — Machine Learning (ML)-powered recommendation engine to automatically align the content with the tastes and preferences of the user
- Radio — Natural language processing to launch 'voice on demand' in order to widen outreach
- Films — Predictive analytics to facilitate release date selection
- Animation and VFX — ML for powering facial animation packages to create complex animation characters in a short time
- Digital — Predictive analytics by advertising agencies to develop customer profiles based on data generated by multiple channels and platforms.

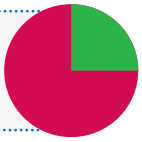


There are numerous applications of AI in the media industry but few players have adopted the technology to leverage its full potential. The Indian M&E industry is yet to explore the vast benefits from AI, and, therefore, has a promising future through its quick adoption.

## Blockchain — Hype or disruptor

**Transformative potential across the M&E value chain**

**Currently in infancy**



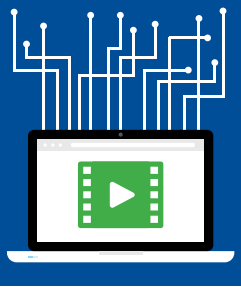
Blockchain technology works on the principle of the distributed ledger which is secured using cryptography. It can be described as a distributed database of records or public ledger monitored by every node of the Blockchain network but ultimately controlled by none.

### Potential applications of Blockchain in Media

There are multiple aspects within the media and entertainment which can be disrupted by Blockchain technology. All of these primarily revolve around the ability of Blockchain to provide transparency to elements of the media and entertainment supply chain.

### Prevalent use cases in M&E

- Royalty management — Copyright contracts on Blockchain can help identify copyright of the content and define how royalties should be split among various stakeholders
- Content distribution and payments — Disrupt the existing value chain by hosting the content on a public distributed ledger accessible by secured login by authorised nodes thereby theoretically eliminating the need for broadcasters and distributors
- Curbing Piracy — Music or video content created by the source is tagged to a unique codec which, requires a particular player to play the content. Illegal downloads will be logged in Blockchain alerting every participant about the possible violation.



The use of Blockchain as a technology, however, has been facing resistance due to lack of speed and standardisation over the past couple of years. Most of the transformative applications that have been launched till now have been start-up-led and largely at the proof of concept stage.

### The road ahead

While some applications of Blockchain technology may seem farfetched and require further technological advancements, payment-focussed use cases are starting to find acceptance. Parts of the media value chain are therefore already impacted by new Blockchain-based payment and contract options. These can fundamentally reset pricing, advertising, revenue sharing, and royalty payment processes.

Blockchain has the potential to create a value chain where, there are no broadcasters and distributors. This is a phenomenon that industry cannot turn a blind eye to. Large media conglomerates have also embarked on their Blockchain journey by collaborating and investing in start-ups. Near real-time, cost-effective monitoring of consumption of content and payment of royalties pose a threat to disrupt intermediaries in the value-chain.

# Acknowledgements


## Content

- Abhishek Gupta
- Ankit Govil
- Ankit Setia
- Arghya Mukhopadhyay
- Arvind Vedavit
- Kalpana B
- Bharat Rajamani
- Bhavyasree Nair
- Dev Khandwala
- Divya Narula
- Harshdeep Chowdhary
- Janu Raju
- Jitesh Gera
- Karan Dasaor
- Kushagra Ladha
- Lekha Satish
- Lokesh Meghwal
- Mandeep Singh
- Manraj Gujral
- Maulik Shah
- Mikhil Shah
- Narendra Ganesh
- Neha Mahanot
- Neha Pevekar
- Paul Mathew
- Pranav Kaushik
- Radhika Goel
- Ramachander Sangeetha
- Sai Kiran J
- Shivani Sanwal
- Somnath De
- Sonica Bajaj
- Sriprasant V
- Suman Mendiratta
- Sutirth Dasgupta
- Ustati Gujral
- Vaibhav Gupta
- Vibhor Gauba

## Brand and design

- Anupriya Rajput
- Darshini Shah
- Nisha Fernandes
- Rahil Uppal
- Rasesh Gajjar
- Reema Pawa
- Rishabh Rane
- Sharon Dsilva
- Shilpa Bhoir
- Shveta Pednekar
- Venkatesh R

# KPMG in India contacts:


**Mritunjay Kapur**
**National Head – Markets and Strategy**
Head – Technology, Media and Telecom
**T:** +91 124 307 4797
**E:** mritunjay@kpmg.com

**Girish Menon**
**Partner and Head**
Media and Entertainment
**T:** +91 22 6134 9200
**E:** gmenon@kpmg.com

**Arvind Gupta**
**Partner and Head**
Management Consulting
**T:** +91 124 336 9463
**E:** arvindgupta1@kpmg.com

**Himanshu Parekh**
**Partner and Head**
International Tax
**T:** +91 22 3989 6000
**E:** himanshuparekh@kpmg.com

**K.G Purushothaman**
**Partner**
Risk Consulting, Telecom Media Technology
**T:** +91 22 6134 9525
**E:** purushothaman@kpmg.com

**Bharat Rajamani**
**Partner**
Governance, risk and compliance services
**T:** +91 22 3090 2550
**E:** bharatrajamani@kpmg.com


**KPMG.com/in**

**Follow us on:**
**kpmg.com/in/socialmedia**




Printed in India. (020_THL0718)