

DTH Services in India – An Managerial Overview

***Kannan**

****Dr. S. Pandian**

*PhD Research Scholar, Department of Business Administration, Annamalai University

**Assistant Professor, Department of Business Administration, Annamalai University

Abstract

DTH market in India is one of the fastest growing segments of the Segmented Pay TV industry and is witnessing significant growth on account of rising per capita income and Government mandate of complete digitization. The market is estimated to be worth INR 104 bn in 2012. Increasing role of the government to support FDI in India and technological innovation will also drive the industry. This paper has dealt with the consequence of DTH services in India.

Introduction

DTH stands for Direct to Home. The signals are dispatched from a satellite directly to the homes of viewers. In its simplest form, TV Channels would be broadcast from a satellite to small dish antenna mounted on a window or rooftop of the viewer's home. In today's scenario of cable TV where, the cable operator or/and the Multi System Operator (M.S.O.) work as middlemen or distributors of satellite signals, this method of transmission directly to customer's premises does away with the middlemen. Currently the cable operators receive the satellite TV Signals first and then retransmit the same through cables to their subscriber's home for which they collect monthly subscriptions from the customers.

Need of DTH Services

DTH gives better quality picture than conventional cable TV because cable TV in India is analog. Even if the cable might receive the signal through a digital receiver, the transmission in his cable is still analog. Analog as we all know is subject to various disturbances and degradations during transmission on cable.

DTH can give stereophonic sound effects which is not the case in Indian cable TV scenario today. The cable operator may receive the audio in his control room in stereo but when it comes to re-transmission on cable he uses mono (One audio track) modulators. Enjoying movies or music with accompanying stereo sound is a good experience which DTH can easily offer.

Evolution of DTH Services

As part of this initiative Government of India launched the Direct To Home (DTH) service in North-Eastern states in 2004. The service DD DIRECT+ is a free to air Directto-Home service with no subscription fee. The service today offers about 50 channels which comprise of DD as well as private channels programmes but all of which are free to air (FTA). A survey was conducted by Indian Institute of mass Communication on behalf of the Ministry of Information and Broadcasting in Mizoram, to assess the performance of DTH based DD service in the North-Eastern region. Mizoram is one of the 'Seven Sister' states in north-eastern India bordering Myanmar and Bangladesh. DD Direct (DTH) service was started in Mizoram in January 2008. In past one year the government distributed a total of 826 DD DTH sets in different parts of the state. The advent of DTH technology has opened up possibilities of making available a number of quality programmes and variety of channels directly as per the choice of the viewers. The use of DTH technology by

Doordarshan to reach out to television audiences in the north-eastern states is an effort to provide quality television transmission directly along with other multiple services like radio, email and Internet etc. Competition from other DTH platforms and proximity to border areas in the region required an assessment of the DD Direct Plus' as a television programme service with access to quality and choice of programmes in the north eastern region. Hence, the present study explored factors which would determine the expansion of digital technology based television services in the region and fulfill expectations of the viewers in terms of choice of channels, preference for types of programme and the choice of language.

Marketing Scope of DTH

The report begins with the market overview section that offers an insight into the Pay TV industry, its market size and segments. This is followed by a brief history of the DTH segment and an explanation regarding the DTH functioning process. The overview of the DTH market including its market size and growth as well as the market share of major players is listed. A brief description about the DTH subscriber base and its average revenue per unit follows next. The revenue model and a value chain analysis have been provided to highlight the major source of revenue and its distribution. Furthermore, a Porter's five forces model is provided to understand the competitive scenario prevailing in the DTH market.

An analysis of the drivers and challenges explains the factors leading to the growth of the industry. Huge market potential has been one of the key factors augmenting the demand for DTH transmission. In addition, emergence of middle class and increase in discretionary spending also promotes the growth of set top boxes. Increasing television penetration accompanied with attractive offers and price war has also been driving the market. Advantage for DTH players over traditional cable operators add on to the potential for the growth of the DTH market. Complete Digitization of TV services, growing rural market and increasing advertising revenues also play a major role in driving the popularity of the DTH segment. Threat from substitutes and the demand and supply gap for transponders adversely affect the growth of this market. Strict regulations and cap on foreign investments also act as a hurdle for the growing industry. Partnerships with movie distributors, combined retail of LCDs and DTH connection along with technological innovations have been emerging trends in this market. Focus towards exclusive value added services by DTH players have also been a significant uptrend in the market.

The competition section starts with a price, feature and service comparison across different DTH players. This is followed by a bubble chart where the relative positions of the players are depicted with respect to their revenue, net profit and market capitalization/ total asset. It also includes profiles of the major players in the market along with their financials. Key ratios and list of important contact persons are also listed. Key geographic areas and major business segments are included as well. The recommendation section provides insights into the future outlook of the market as well as proposes actionable insights expected to lead to a growth in the market.

Future role of DTH

DTH, as a technology is going to play a major role in the New World of convergence. If India has to catch up with the world and become a super power, DTH can play a very important and deciding role. DTH is a direct link to an individual's home via satellite. It can become a major source of high speed Internet delivery to an individual's home. Currently Internet is mainly accessed through telephone lines. A very high percentage of internet users are fed up with the quality of service (QOS)

offered by telephone companies. The data transfer speeds also are very low and the service bothersome at times.

The satellite can download Internet at very high speeds to the home user's dish. The uplink will be through a telephone line to the local telephone exchange and onward to the network control which will uplink the reply to satellite for downlinking to the individual's home via a DTH platform. Any current user of Internet, if he spends 2 hours per day on Internet, his telephone bill on a monthly basis comes to about Rs 1500/-. If the same service were offered to him on a DTH platform it would not only be faster and satisfying but also time saving. Such a customer may gladly give out Rs.1000/- per month for such a service.

Today the major sale of computers is taking place in the home segment. The maximum numbers of users of Internet do it from the comfort of their home. DTH based Internet access would be a boon for this category. The other high categories of Internet users do it from cyber cafes. These cyber cafes would also love to provide high speeds of access to Internet to their clients, DTH based internet again would find a steady base of customers among cyber cafe users. Satellite radio is a new concept in entertainment today. World space, a company based in USA offers this service. DTH can be a very good platform to deliver latest Hindi, English & regional songs, news and other features in digital, stereo mode to their subscribers.

E-commerce, which is in an undeveloped stage in India, can use the DTH Platform to directly reach those users who are financially rich and who own computers. The business prospects for E-commerce automatically goes up because the users of DTH would have money power as DTH service in itself is going to be costly. DTH can also be used to give number of value added services like-fax, voice, Internet, teleshopping, ecommerce etc. The list is huge and only imagination of the DTH Company would be the barrier in tapping this extra ordinary communication tool.

Conclusion

This paper described the needs that demand continued development of DTH, and explains some background on who is involved and what is currently happening in bringing DTH world DTH has made the hopes of the people of rural areas to come true. In near future, launch of DTH internet service is expected in our country. It provide the wide thinking of rural people which helps to develop the culture of society DTH connects to every part of the country and provides desire information communication, education and entertainment to next level with just a click of a button.

References

- [1] "Bharti Airtel launches DTH service". The Financial Express. 7 October 2008. Retrieved 12 August 2010.
- [2] "Dish TV India — First DTH TV, Satellite TV, Digital Picture and DTH Services in India". Dishtv.in. Retrieved 2010-07-16.
- [3] "About Us". Bigtv.co.in. Retrieved 2008-11-11
- [4] "Tata Sky on Insat 4A". LyngSat. Retrieved 2008-08-10
- [5] Raychaudhuri, Dipankar, et al. "An HDTV compression system." U.S. Patent No. 5,122,875. 16 Jun. 1992.
- [6] Benzie, Philip, et al. "A survey of 3DTV displays: techniques and technologies."Circuits and Systems for Video Technology, IEEE Transactions on 17.11 (2007): 1647-1658.