

According to a report by PricewaterhouseCoopers and the Confederation of Indian Industry, the Indian media and entertainment industry generated Rs 1,124 billion in revenue in 2013, marking an increase of 19 per cent over the previous year. While television continued to be the largest segment, a growing shift towards the digital medium led to the internet overtaking print as the second largest segment. The report estimates that the industry will reach Rs 2,272 billion by 2018, growing at a compound annual growth rate of 15 per cent.

The figures show that media and entertainment is one of the fastest growing industries in the country. The key factors driving the growth of this industry are changing consumption patterns, the increasing number of middle-income households and the propensity of consumers to spend on leisure and entertainment. With the digitisation of content and platforms, delivery of content in multiple formats, increase in the uptake of smart devices and next-generation technologies, the media and entertainment industry can gain from the opportunities these offer. Many service providers are offering innovative solutions to help companies keep pace with these digital and cultural changes, and engage consumers through targeted content, delivered across traditional and digital channels.

One noticeable technology trend in the industry is the adoption of cloud computing solutions. The cloud is an effective way of delivering content-rich services to multiple devices because it offers enormous bandwidth and storage capacity. It also enables media companies to cater to the demand for different video formats. While large enterprises might have the necessary expertise, for most small providers, offering such support can be a daunting task. The cloud can also be instrumental in analysing customer preferences and adding data capacity during peak workloads.

Another key trend among these companies is the increasing use of big data analytics. The media and entertainment industry has moved to digital recording, production and delivery in the past few years. Consequently, an enormous amount of data is being generated through almost every online user activity. Moreover, as all other industries connect their products and services to the networks of media and entertainment companies, it further complicates data management. Big data analytics enables a deep understanding of the end-user, which makes the automation of a range of valuable business activities simpler and simultaneously improves customer experience vastly. Since better consumer targeting results in revenue growth for an enterprise, the need for collecting and analysing data is driving the adoption of this technology across the industry.

In the Indian context, the move towards greater IT adoption by the media and entertainment industry has also been driven by the mandatory digitisation of content and platforms. With the

Telecom Regulatory Authority of India mandating the use of a conditional access system, commonly known as the set-top box, for viewing cable TV channels in Tier I and Tier II cities, media companies have been quick to offer services on the new platform. According to industry experts, mandatory digitisation has helped broadcasters realise better revenues, and is expected to continue doing so in the future.

The other key trends that the industry has witnessed include the growing adoption of mobility services due to the explosion of connected devices, the increasing usage of managed services to focus on core business areas, and a transformation from physical to digital infrastructure. Further, with the increasing uptake of smartphones and tablets, gaming and online content consumption is emerging as a promising source of revenue for the media and entertainment industry.

However, an important prerequisite for leveraging these possibilities is a robust IT and telecom infrastructure. The success of the media and entertainment industry depends on this factor. Companies are stepping up their investments to upgrade their telecom infrastructure, which will translate into lower downtime, better productivity and increased efficiency. The challenge before them is to maintain stable telecom connectivity while gearing up for rapid network transformation.

tele.net surveyed various companies in the media and entertainment segment to assess their telecom requirements and solutions, the challenges faced by them and future plans. The following questions were asked in the survey:

- What are the organisation's key technology requirements?
- What mix of service providers and vendors is used?
- What are the biggest concerns with respect to telecom infrastructure?
- Which are some of the mobility and enterprise applications implemented by the organisation?

- Which network security tools are used?
- Which redundancy tools are being used?
- Which new product or service is relevant for the company?

### Key trends

For the media and entertainment companies included in the survey, the primary motivation for increased IT adoption is the need to deliver content more efficiently across multiple platforms. Most of the companies have upgraded their legacy systems and established a robust telecom infrastructure. For connectivity, technologies such as IP-VPN, MPLS and VSATs are being used widely, alongside the traditional DSL and ADSL technologies. It is also observed that many companies are increasingly deploying or planning to deploy optic fibre cable and wireless connectivity for enabling last mile connectivity.

Almost all media enterprises have VSAT connections for the delivery of content to remote locations. For instance, Radio City has a number of VSAT connections across its areas of operations, which ensure that it is able to serve otherwise inaccessible locations. Radio City has an online music portal called PlanetRadiocity, web radio stations that offer 24-hour uninterrupted internet radio streaming, and mobile applications that allow users to access PlanetRadiocity on their smartphones. Such services can be efficiently delivered only through robust telecommunications infrastructure. Similarly, Odisha-based Eastern Media Limited, which has multiple delivery channels including a regional newspaper, a daily news channel, an FM radio channel and a film producing unit, has VSAT connections and MPLS nodes sourced from domestic service providers as its data transfer technology.

Other factors driving IT adoption in the segment is the need to transfer data to a secure platform, deploy network security policies and keep abreast of the latest developments in technology. These companies are increasingly spending on cutting-edge technologies such as cloud computing and big data analytics.

Cloud computing and big data analytics are increasingly being adopted by these companies, given the profusion of smart devices and surge in demand for online content. In the face of growing digitisation, traditional media channels such as print, TV and radio, are being forced to reinvent their business models. Digitisation has resulted in huge volumes of data being generated and collected by media and entertainment companies. Also, with the adoption of high-definition (HD) content, the size of standard video and picture files has increased significantly. This has resulted in increased bandwidth and storage requirements. Enterprises are now looking to adopt hybrid cloud services to meet their storage demands. Most of the companies that were surveyed are either already using cloud computing solutions or are planning to adopt them in the near future. However, concerns regarding the security of content on the cloud and lack of high-bandwidth connectivity are seen as major roadblocks in exploring this technology in its entirety.

The management of the large amount of unstructured and structured data that is being generated with the explosion of social networking sites and mobile computing is a big challenge for media companies. Enterprises are increasingly turning to big data analytics for market segmentation and understanding market growth and customer behaviour patterns. Enterprises, particularly those offering streaming services, are relying on big data analytics to improve user discoverability.

### Service providers and vendors

Based on their requirements, companies avail of IT and telecom services from various service providers and vendors such as Bharat Sanchar Nigam Limited, Tata Communications, Bharti Airtel, Mahanagar Telephone Nigam Limited, Reliance Communications, Tech Mahindra, IBM, Cisco, Google, SAP SE, Amazon, and Hughes Communications India Limited. While the choice of network provider depends on parameters such as network availability and uptime, resolution time, and disaster recovery, the choice of partner for providing application services is dependent on factors such as level of experience and post-deployment training and support.

Many enterprises are adopting unified communications solutions for enhanced operational efficiency. The most popular providers of these solutions continue to be Cisco and Avaya. However, many telecom providers are now entering this space with innovative offerings. Though there are complexity and interoperability issues in rolling out unified communications within an enterprise, these services are gaining traction in the industry with media companies such as the Times Group, Music Broadcast and Prime Focus turning to domestic telecom

providers for services such as integrated voice and video services.

### Mobile and enterprise applications

The companies surveyed are using a number of enterprise applications, the most common among them being enterprise resource planning and SAP. These companies have to constantly come up with innovations in order to stay ahead in this intensely competitive space. Given that consumers are demanding more and more digital content, companies have to find ways to generate sustainable revenue streams from the digital platform. This is being enabled by the use of the applications mentioned before. Further, applications such as customer relationship management are being deployed increasingly for better customer targeting and improved business processes.

Given the mobile nature of the business processes of media companies, enterprises are implementing mobility applications such as field force automation and sales automation in their business processes. These solutions help firms in real-time data collection and reporting from mobile workers while reducing administration time and expenses.

### Network redundancy and security

Most media and entertainment companies use firewalls, security operation control centres, leased lines and archiving for data backup and recovery. Securing their communication networks is also a priority for most respondents. Some commonly used platforms in this regard are firewalls, built-in server security, antivirus software and password protection. Further, to collect and disseminate content rapidly across multiple channels, while ensuring adequate network back-up, is a priority for such companies.

### Key issues and concerns

Besides downtime and latency, rapidly changing technology is a major challenge for organisations in this sector. While companies sometimes hold back investments till a new technology gains significant acceptance, often it becomes imperative to invest in current

technologies to cope with the growing competition and meet business requirements. Further, the integration of multiple technologies, timely upgradation of systems, increasing cost of technology and redundant legacy infrastructure are cited as concerns by many media and entertainment companies.

### The way forward

These companies are increasingly adopting IT solutions, with most respondents planning to expand or upgrade their IT infrastructure by investing in hardware and software applications. Many organisations have expanded their number of desktops and laptops and others plan to add to them in the near future. Most of the enterprises surveyed are spending 3-4 per cent of their total revenues on IT infrastructure. They are likely to step up their spending significantly as the digitisation trend becomes more pronounced.

In a related development, the telecom industry is witnessing an increased uptake of 3G services, as well as the launch of 4G networks. These trends are expected to enable greater uptake of services such as live TV, HD video and audio streaming, real-time online gaming, and high speed data downloads and uploads. This will drive enterprises in the media and entertainment business to innovate continuously with regard to their products and services, as well as towards increasing digitisation. Going forward, the need for better content delivery and operational efficiency within enterprises will drive IT deployment in this sector.

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