COUNTRY REPORT

MAPPING DIGITAL MEDIA:
INDIA

OPEN SOCIETY
FOUNDATIONS

Mapping Digital Media: India

A REPORT BY THE OPEN SOCIETY FOUNDATIONS

WRITTEN BY

Vibodh Parthasarathi and Alam Srinivas (lead reporters)

Archna Shukla, Supriya Chotani, Anja Kovacs, Anuradha Raman, Siddharth Narain (reporters)

With thanks to Devi Leena Bose, Snehashish Ghosh, Janani Rangarajan, Sunil Abraham, Biswajit Das and colleagues at the Centre for Culture, Media & Governance, Jamia Millia Islamia, New Delhi

EDITED BY

Marius Dragomir and Mark Thompson (Open Society Media Program editors)
Graham Watts (regional editor)

EDITORIAL COMMISSION

Yuen-Ying Chan, Christian S. Nissen, Dušan Reljić, Russell Southwood, Michael Starks, Damian Tambini

The Editorial Commission is an advisory body. Its members are not responsible for the information or assessments contained in the Mapping Digital Media texts

OPEN SOCIETY MEDIA PROGRAM TEAM

Meijinder Kaur, program assistant; Morris Lipson, senior legal advisor; and Gordana Jankovic, director

OPEN SOCIETY INFORMATION PROGRAM TEAM

Vera Franz, senior program manager; Darius Cuplinskas, director

15 December 2012

6. Digital Business

6.1 Ownership

6.1.1 Legal Developments in Media Ownership

There are no separate media ownership laws in India, nor is there any overarching regulatory framework for broadcasting. Policy is conducted mostly through ordinances, guidelines, and rules, with each having statutes and clauses pertaining to ownership.

The first significant regulatory development in news media ownership was to allow 26 percent foreign direct investment (FDI) in newspapers and news channels in 2002. This was relaxed in 2005 to allow foreign institutional investors (FIIs), non-resident Indians (NRIs), and persons of Indian origin within this limit. The regulatory framework stipulated that at least 51 percent of the paid-up equity of the news venture should be held by an Indian entity. This has frustrated global companies such as News Corporation and Pearson Plc. The former, for instance, was obliged to hive off its television news channel Star News, launched in 1998, and house it under a joint venture, called MCCS, with the Kolkata-based media house Anand Bazar Patrika (ABP) Group in 2003—a JV from which Newscorp exited nine years later, in 2012. Likewise, Pearson, which wanted to launch its business daily *Financial Times* independently in India, had to be content with a content-cum-minority shareholding partnership with Business Standard, publishers of business dailies in English and Hindi, an arrangement that ended in 2008. Another was that between the *Wall Street Journal* and *Mint*, the business daily of one of the country's largest media companies, HT Media Ltd. Indian partners in such deals are not allowed to carry more than 20 percent content from their foreign partners.

In 2009, the government allowed 100 percent FDI in facsimile editions[338] of foreign newspapers, and 26 percent in the Indian editions of foreign news and current affairs magazines. The same year the ABP Group signed a deal with Time Inc. to launch the Indian edition of *Fortune*, while the news broadcaster Television Eighteen India (TV18, owned by Network18 Group) joined forces with Forbes Inc. to launch the Indian edition of *Forbes* for the domestic market.

While the 26 percent cap on FDI applies to domestic television news channels, foreign news channels such as CNN, CNBC, and BBC News are allowed to downlink in India after setting up a registered office in the

338. When the overseas publication editions of titles such as *Time* are printed in India without any editorial alterations and additions.

country; but they are not allowed to adapt content or advertising for the market. As with print, several Indian news broadcasters have forged branding and content partnerships with their better-known, and commercially larger, foreign counterparts. TV18 has a branding and content tie-up for its business news channels with CNBC, while its English news channel CNN-IBN has a similar relationship with CNN.

The revision in the uplinking and downlinking policies announced in 2000 was another significant development. These guidelines spell out the eligibility conditions for those wanting to run broadcast operations in India. In December 2011, the government mandated that a company wanting to downlink a channel in India should have a minimum net worth of Rs50 million (US$ 900,000) the first time, and at least Rs25 million (US$ 45,000) for each subsequent downlink. Companies registered abroad will have to pay a permission fee of Rs1 million (US$ 18,000) to downlink their channels in India. For uplinking, the permission fee is Rs2 million (US$ 36,000) per teleport a year. The net-worth norms were the same to uplink the first non-news and non-current affairs television channel and subsequent ones. For news and current affairs channels, a company will have to have a net worth of Rs 200 million (US$3.6 million) to uplink its first channel and Rs50 million (US$ 900,000) for each subsequent launch.

Also in December 2011, the Union Ministry of Information and Broadcasting (MIB) raised its minimum net-worth criteria for entities wanting to set up broadcast networks in India. The limit was set higher for news channels as there seemed to be a massive rush for the genre. As of January 2012, the MIB had given out licenses for 825 channels, of which more than 40 percent were news channels.

There are no restrictions on cross-media holdings, except in television. The License Agreement for DTH service providers introduced in 2001 by the MIB bars broadcasters and cable distributors from holding more than 20 percent of the paid-up equity of a DTH company, and vice versa. Yet there are instances of one corporate house owning a broadcast network, cable service, and DTH business, such as the Mumbai-based Essel Group (owners of the Zee TV network) and Chennai-based Sun TV Group, who do this via different legal entities connected through a maze of affiliate, sister and proxy companies. In its recommendations on media ownership in 2009, TRAI said, "legally, this (the general practice of proxy and indirect holdings) doesn't violate the DTH license condition but defeats the basic intent of this restriction."[339]

The absence of coherent and effective frameworks for cross-sector holding has led to peculiarities in ownership patterns. While DTH services have a cap of 49 percent foreign investment, including a 20 percent FDI cap within this limit as specified in the order issued by the MIB on 15 March 2001, telecoms companies, which have a 74 percent foreign investment cap, are allowed to launch DTH services. This has forced telecoms to house DTH businesses either under a different company, or to reduce the level of FDI. The Finance Minister approved a proposal on 18 December 2011 to peg the limit at 74 percent across cable, DTH, and the telecoms sector. In September 2012, the Cabinet approved the hike on FDI caps in cable distribution and DTH from 51 percent to 74 percent.

---

339. TRAI, *Recommendations on Media Ownership*, TRAI, Government of India, New Delhi, 25 February 2009, Chapter 2, point 2.7.

There are no market share restrictions for Indian media companies, save in the case of private FM Radio stations—which are not allowed to air news—where a company is barred from owning more than 15 percent of the total stations allotted across the country.

The legal developments have had a limited impact on the diversity of ownership in a country with an already diverse media market, with more than 70,000 registered publications and currently some 825 television channels.

6.1.2 New Entrants in the News Market

According to the Annual Report of the MIB for 2010–2011, 50 percent of the 626 C&S TV channels licensed at that time fell under the genre of news and current affairs.

Table 28.

Genre Share* of various C&S TV channels (%), 2006–2010

Genre	2006	2007	2008	2009	2010
Hindi entertainment	23.0	22.6	23.2	26.9	29.6
Regional entertainment	26.6	25.6	24.8	24.3	22.9
Hindi movies	10.5	10.5	11.6	11.7	11.4
Cable[340]	9.9	10.6	8.7	7.6	6.5
News (all languages)	7.1	8.5	8.8	7.9	7.6
Kids	5.8	5.9	5.4	5.8	6.3
Regional movies	5.2	4.7	4.6	3.9	3.4
Infotainment	1.0	1.0	0.8	1.1	1.2
Music	1.8	2.1	2.5	2.2	2.5
English movies	1.0	1.0	0.8	0.7	0.7
Religion	0.8	0.9	0.8	0.6	0.6
English entertainment	0.4	0.3	0.2	0.2	0.1
Sports	3.8	3.2	3.3	2.8	2.9
Others	0.6	1	0.5	1.3	1.4

Notes: * Genre share is the combined viewership of all channels in a particular genre (in this case, viewership of all news channels) as a percentage of the total viewership of all genres. Viewership is the size of the audience watching a particular program (in this case, news) as a percentage of the total size of the audience watching TV in the particular market (in this case, all homes with Peoplemeters).[341]

Source: TAM

340. Channels owned and operated by cable service providers as against those owned by broadcast networks.

341. The following caveats on the methodology of measurement apply:
- Viewership figures are gathered by placing meters in sample locations chosen by the ratings measurement agency, TAM, a joint venture between Nielsen and its Indian partner Kantar Media Research;
- These data cannot be (cross-)verified due to the absence of multiple measuring agencies, the limits on the availability and reliability of the raw data, and other limitations inherent in statistical surveys;
- Despite the annotation of "all India" in the source, TAM TV viewership data represent, by their own admission, only those cities and towns of India with a population of more than 100,000, and hence they are not representative of rural audiences.

Qualitatively, the three most prominent trends in broadcast news entrants over the last five years have been the heightened involvement of politicians (or their family members and friends) and political parties and real-estate developers, and the initiatives of foreign broadcasters. Table 29 lists the channels owned by politicians, their associates, and political parties: several media reports have noted that most were launched to further the political interests of the entities involved.[342]

Table 29.

C&S TV news channels owned by leading politicians, their immediate family, and political parties

Channel	Market	Promoter(s)
Jai Hind TV	Kerala	The Congress State Party
Kairali TV	Kerala	The Communist Party of India (Marxist)
Mega TV	Tamil Nadu	K.V. Thengabaalu, a Congress leader
Sun News	Tamil Nadu	Kalanithi Maran, son of a former Union minister and brother of former Union telecoms minister, Dayanidhi Maran
Kalaignar TV	Tamil Nadu	The family of Tamil Nadu chief minister M. Karunanidhi; his daughter Kanimozhi and wife Dayalu Ammal are majority stakeholders
Kasturi TV	Karnataka	Anitha Kumaraswamy, chairman and MD, is the wife of H.D. Kumaraswamy, former state chief minister and son of former Prime Minister Deve Gowda
Sakshi TV	Andhra Pradesh	Jagan Mohan, son of late chief minister Y.S. Rajasekhara Reddy
Sakaal TV	Maharashtra	Abhijith Pawar , nephew of Union agricultural minister Sharad Pawar
Sambad TV	Orissa	Soumya Ranjan Patnaik, former Congress leader and son-in-law of former chief minister, J.B. Patnaik
NE TV	North-eastern states	Promoter Matang Sinh was a prominent Congress leader and Union minister of state for parliamentary affairs
Total TV	Haryana	Managing Director Vinod Mehta was media advisor to former Haryana chief minister Om Prakash Chautala

Note: This is not an exhaustive list of all C&S TV news channels owned by politicians, their immediate family, and political parties. Rather, it mentions some of the leading ones that may not have found mention elsewhere in this Report.

Source: Research conducted for this study

An equally significant trend in 2008 and 2009 was the entry of real-estate companies in the television news business. But this was not completely out of the blue, as in the immediately preceding years, there had been a significant rise in advertising on television channels by real-estate players.

342. Archna Shukla and K.K. Sruthijith, "Congress Gears Up For Polls, Launches Media Blitz," *Mint*, New Delhi, 24 April 2008; Anuradha Raman and Madhavi Tata, "Their Master's Image," *Outlook,* New Delhi, 14 March 2011; Amitabh Srivastava, "Channels of Profit," *India Today*, New Delhi, 22 April 2011; Archna Shukla, "TV Channels Storm Arena in Kerala's Political Battle," *The Indian Express,* New Delhi, 2 May 2011.

Table 30.

Rising count of property and real-estate advertisers on TV, 2005–2008

Year	Property and real-estate advertisers
January–August 2005	100
January–August 2006	117
January–August 2007	206
January–August 2008	218

Source: AdEx India (a division of TAM Media Research)

Launching channels was the next logical step for the real-estate developers, which was, according to Sanjay Salil, founder of MediaGuru, specializing in setting up television channels and providing other turn-key services, aided by low launch costs. A new regional news channel costs around Rs 100–250 million, and a national news channel around Rs 400–500 million. Salil finds that "technological advancements in the past few years, besides the availability of equipment and services within the country, have brought down the costs of launching news networks by 20–30 percent in the past 10 years."[343] In 2008–2009, at least 10 news channels launched were promoted and owned by real-estate developers: for example, VoI, launched by Triveni Infrastructure & Development Company; P7, owned by the Pearl Group, which has varied businesses including in the real-estate sector; and CNEB, whose promoters run an extensive dairy, educational, and real-estate business. It is likely that real-estate operators, who thrived during the boom between 2005 and 2007, subsequently wanted social respectability and political influence.[344]

As far as the trans-national dynamics are concerned, in 2009, Bloomberg Television picked up a 15 percent stake in media, and the entertainment entrepreneur Ronnie Screwvala promoted the English business news channel UTVi. Following this, the channel was re-branded Bloomberg UTV. In December 2011, Reliance Capital, the financial services arm of the Reliance ADAG owned by Anil Dhirubhai Ambani, increased its stake in "re-re-branded Bloomberg India" to 18 percent.

Another notable entrant in 2010 was the Qatar-based Al Jazeera. The channel's Managing Director, Al Anstey, admitted that it took the channel around four years to clear "several misperceptions" and get a license. Business channels, a small part of the television news pie with only 0.3 percent share of viewership in 2010, have seen international tie-ups in the past seven or eight years, like that of TV18 with CNBC and CNN. In 2009, Reuters entered into a content arrangement with ET Now, the sister channel of the English news channel Times Now—both part of the country's largest media company, BCCL.

Besides these, television and print have seen the entry of large Indian companies. The country's largest corporate house, Reliance Industries Ltd (RIL), in January 2012 announced a complex financial deal with

343. Interview with Sanjay Salil, founder of MediaGuru, New Delhi, March 2011.

344. Archna Shukla, "News, Uninterrupted," *The Indian Express*, New Delhi, 8 November 2009. Even industry reports do not mince their words by stating that the entry of players in this space has been guided by, inter alia, political ambition and driving public opinion; FICCI-KPMG, 2011, p. 27.

Network18 group. In May 2012, Kumar Mangalam Birla, Chairman of the diversified Aditya Birla Group, picked up a 27.5 percent stake in Living Media Group, which owns a newspaper (*Mail Today*), several successful magazines (including *India Today* and *Business Today*), and TV News Network—anchored by the top ranked Hindi news channel Aaj Tak—under a listed entity, TV Today Network Ltd.

Then there are foreign private equity (PE) firms who, from the mid-2000s, have invested in regional news outlets, beginning with Warburg Pincus India Pvt Ltd in Dainik Bhaskar (2004), D.E. Shaw Group in Amar Ujala (2006), Blackstone Advisors India Private Limited in Dainik Jagran (2010), and SAIF Partners in TV9 (2010). There have been similar forays in the distribution segment; in fact, Apollo Global Management's US$ 100 million investment in Dish TV, amounting to 11 percent, was the largest PE deal in the media industry in 2009.[345]

6.1.3 Ownership Consolidation

Restrictions in the television distribution segment, mentioned earlier, seek to prevent the possibility of broadcasters with majority stakes in distribution companies gaining an unfair advantage. Yet some corporate groups run all three (i.e. broadcasting, cable, and DTH) under different companies and management.

The lack of restrictions on cross-media holdings led to large media conglomerates with fingers in all major segments of the media pie. A striking example is India's largest news media company, BCCL, which already had a diversified print portfolio comprising *The Times of India* and *The Economic Times*, market leaders in the English daily and English business daily segments. BCCL entered the television news and entertainment segments in 2006 with the launch of Times Now, and in 2009 it launched the English business news channel ET Now; it also has a significant radio and internet presence, and has dabbled in film production. The much more diversified Essel Group has several news, entertainment, and film/music channels under the Zee brand in Hindi and over 10 regional languages, a strong television distribution business in the cable, DTH, and HITS[346] segments, film production entities, and a small exposure in newspapers. All are housed under different corporate entities to avoid legal violations.

In the past five years, diversified conglomerates owning telecoms companies have entered the media and entertainment space. Reliance ADAG, for instance, which owned a leading telecoms service provider, also subsequently moved into producing and distributing films, owning film studios and a chain of multiplexes in India and abroad, and has also amassed a number of broadcast interests (FM radio stations, a DTH service, entertainment channels in partnership with CBS Studios Center, and a cable distribution company). Through its mutual funds under Reliance Capital, the group has financial, though not controlling or influencing, stakes in news media ventures such as Bloomberg India.

345. FICCI-KPMG, 2011, p. 147.

346. Acronym for "headend in the sky," an alternative/competing broadcast signal distribution technology.

Table 31.

Presence of big integrated media companies across different segments, as of 15 December 2012

Segment group	Print	TV (C&S)	Radio (FM)	Film production	Internet content	Mobile telecoms	Cable	DTH	Largest revenue segment
BCCL	✓	✓	✓	✓	✓				Print
HT Media	✓		✓		✓				Print
Essel Group	✓	✓	✓	✓	✓		✓	✓	TV
Star India		✓		✓	✓		✓	✓	TV
Reliance ADAG		✓	✓	✓	✓	✓		✓	Telecoms
Bharti Airtel					✓	✓		✓	Telecoms
Sun TV	✓	✓	✓	✓	✓	✓	✓	✓	TV

Note: Annex 1 lists sector-specific details of these companies

Source: Research conducted for this study

So far, there has been no meaningful consolidation in broadcast news. If the RIL–Network18 deal reaches a logical conclusion, then it will be the first instance of a news broadcaster (Network18 Group) having consolidated its presence across English, Hindi, and regional languages. The expansion by the national media companies into new markets and genres has not yet affected plurality much because of the sheer number of players in the space nationally and regionally. A significant number of small and stand-alone news operators (the broadcasters which do not have non-news interests) continue to thrive, catering to their small audience. Even at the national level there are operators such as the NDTV Group, whose majority revenues come from news operations—NDTV 24x7, NDTV India, and NDTV Profit; despite being a small player and having no vertical or horizontal affiliations, it has remained a powerful voice editorially, often offering content distinct from its rivals.

Large networks with deep pockets are known to flex their muscles to pressure advertisers and news and content providers for exclusive deals. Big media outlets with a presence across television, print, and internet have asked for exclusive interviews/information in return for broad coverage across their platforms. Likewise, market leaders have pressured their sources to speak exclusively to them or face a blackout on their platform.

Neither do public- and private-sector advertisers shy away from pulling strings to mediate news content in return for their investment. For instance, a major corporate house and major advertiser withheld its ad spends on three leading mainstream publications after they published a series of unflattering reports. The entire industry knew it, yet no other media raised the issue anywhere, for fear of meeting the same fate.[347] In another

347. This has been shared on conditions of anonymity, though opinion makers and media people in India will know which actors are being referred to.

instance, Tata Group promoters asked its group companies to “re-evaluate their engagements” with media that had carried out “biased reporting.”[348] While access to information for these publications and television channels was curtailed, it was not established whether advertising was also pulled out by the Tata Group.[349]

A seamless presence across a gamut of platforms has also helped outlets to swing attractive advertising deals. Companies such as BCCL are able to command steep advertising rates because of their large cumulative reach, i.e. their ability to provide advertisers with audiences across languages and platforms.

One powerful instrument devised to exploit a news outlet’s seamless presence is that of “private treaties.” Among the pioneers was BCCL, which launched private treaties around 2004–2005. These are long-term advertising-cum-branding deals with cash-strapped companies unable to splurge on advertising, or small, freshly listed companies wanting exposure to more investors. Instead of cash payment for advertisements, BCCL picked up stakes ranging from 1 percent to 20 percent in these companies, and in return not only advertises them across its platforms but also carries news stories about them.[350] Such stakes are often sold later as the valuation of the company goes up in part due to its substantive performance, but in part also due to a string of positive reportages. Newspapers have reported that BCCL journalists were advised not to write “negative” stories on private-treaty clients.[351] News outlets such as TV18, NDTV, and HT Media have also entered the private treaty or barter deal business.[352]

Although the mushrooming of new outlets has been the defining trend in the television news space in the past decade, and despite talk of imminent consolidation since as early as 2003,[353] so far there have been no indications of a major shake-up.

6.1.4 Telecoms Business and the Media

In the past three to five years telecoms operators have experimented with the idea of using their vast distribution networks to give more services to their customers, such as broadcast; 3G is likely to give this a boost.

Leading mobile telecoms service providers such as Reliance ADAG, Tata Group, and Bharti Airtel have launched DTH services, with much success, given their strong presence and brands. Moreover, the sudden and rapid growth in DTH connections has contributed to lowering the companies’ cost of acquiring a subscriber—from as high as Rs 6,000 (US$ 108) initially, they have now reached a plateau of between

348. See http://www.livemint.com/Companies/qismDhH34RlM48KLPfgiAK/Tata-group-to-avoid-some-media-outlets.html (accessed 23 September 2012).

349. Government ministries and departments also use the lever, or bait, of advertising to garner positive reportage, as explained in section *7.2*.

350. In most cases, there are no immediate financial transactions involved in private-treaty deals. This happens when BCCL cashes in the equity. For BCCL, such income is not treated as revenue but long-term capital gains, and hence attracts lower taxes compared with what it has to pay on advertising revenues.

351. Sucheta Dalal, “Private Treaties,” *MoneyLife*, 9 January 2008; Archna Shukla, “Should Private Treaties Be Made Public to Newspaper Readers,” *Mint*, 15 January 2008.

352. See http://www.medianama.com/2008/08/223-q1-09-call-ht-media-rs-100-crores-internet-biz-in-15-years-matrimonial-portal-in-q3-real-estate-in-q1-2010/ (accessed 23 September 2012).

353. Archna Shukla, “News Channels Making News,” *The Economic Times*, 4 May 2003.

Rs 3,000–4,000 (US$54–72).[354] This is likely to fall due to price wars between these cash-rich mobile operators turned DTH vendors and lower STB costs. This incremental expansion of DTH led by telecoms operators, which to date accounts for less than a quarter of television homes,[355] has pushed local cable operators (LCOs, or last-mile distributors) in large and lucrative markets to forge ties with MSOs to more urgently digitize their cable wires. However, LCOs and MSOs risk losing viewers to telecoms-owned DTH operators.

The DTH License Agreement carries clear stipulations on service providers not discriminating against, or in favor of, any television channel, and providing all broadcasters with uniform access to their distribution platform. Likewise, broadcasters must share their signals with distributors on a non-discriminatory basis. To ensure a level playing field among distributors and broadcast networks, DTH operators are not allowed to strike exclusive deals with broadcasters, and TRAI regulates the pricing of channels available on DTH platforms.

Mobile television has yet to take off in a meaningful way, with 3G mobile services just about getting rolled out in India. And it will be the telecoms operators rather than the broadcasters who will be keen to get access to content.

6.1.5 Transparency of Media Ownership

The Cable Television Act, the Downlinking and Uplinking Guidelines, and the Press and Registration of Books Act require companies wanting to set up a media business to reveal their ownership structures. The foreign investment guidelines require news companies to reveal the details of their foreign investors. Details of domestic and foreign ownership of listed media firms are available publicly, downloadable free of cost from the site of the stock market regulator, the Securities and Exchange Board of India (SEBI).[356] While the data therein are largely in usable formats, there are inconsistencies in the way firms categorize or disaggregate various types and sources of equity, making such numbers unusable for in-depth analyses. Ownership details of privately owned media firms are opaque: they may be given to concerned government authorities, again in varying formats of organizational and financial disclosure, but are not compelled to be placed, or shared, in the public domain.

Details of equity, along with the annual accounts, names of directors of listed news media companies, etc., are available on the website of SEBI. Similar details of unlisted companies are also available online (for a nominal fee) from the Registrar of Companies (RoC), under the Union Ministry of Corporate Affairs, where all firms operating in India must annually file such data. Regulations do not require unlisted companies to divulge their secondary owners, financiers, or big lenders. A case in point is RIL's investment in the Eenadu Group, a large but privately held company: RIL did not publicly disclose its shareholding until it announced in January 2012 that it was divesting part of it to Network18 Group.

354. FICCI-KPMG, 2011, p. 16.

355. Of the 138 million TV households in India, 113 million are serviced by cable operators, while 28 million avail themselves of DTH services; FICCI-KPMG, 2011.

356. See http://www.sebi.gov.in/sebiweb/home/list/3/15/0/1/Public-Issues (accessed 3 December 2012).

The practice of real owners using fronts with proxy stakes to lead their companies is also rampant elsewhere in India, especially in sectors such as real estate. "Ownership structures can be ascertained on paper, but *benami* (proxy) ownership and control is difficult to determine, requires greater investigation, and is frankly a matter of corporate governance, not regulations or digitization," says Suhaan C. Mukerji, a partner at Amarchand & Mangaldas & Suresh A. Shroff & Co., a New Delhi-based law firm.[357]

6.2 Media Funding

6.2.1 Public and Private Funding

Except for the short spell of the economic slowdown in 2009, Indian media companies have grown at a healthy pace in the past four years. According to a report on the media and entertainment industry commissioned by a leading trade body between 2006 and 2010, television and print industries registered a compound annual growth rate (CAGR) of 12 percent and 6 percent, respectively.[358]

Table 32.

Size by turnover of various sectors of the media industry (Rs billion), 2007–2011

Sector	2007	2008	2009	2010	CAGR 2007–2010 (%)	2011
Television	211	241	257	297	12.0	329
Print	160	172	175	193	6.0	209
Film	93	104	89	83	–0.3	93
Radio	7	8	8	10	11.0	11
Music	7	7	8	9	5.0	9
Out-of-home	14	16	14	17	6.0	18
Animation	14	17	20	24	18.0	31
Gaming	4	7	8	10	32.0	13
Digital[359]	4	6	8	10	39.0	15
Total	516	579	587	652	8.0	728

Note: Sectoral figures, which constitute total business generated from all sources of revenue, are rounded off to the nearest integer and may not add up exactly to column sums

Sources: FICCI-KPMG, 2011; FICCI-KPMG, 2012

Print and broadcast businesses accounted for over 75 percent of the Rs 652 billion (US$11.8 billion) media industry in 2010. Media diversification has primarily been led by private enterprise. Public broadcasters DD and AIR are the only state-supported media vehicles with a significant reach; for both, advertising is the only external revenue resource.

357. Interview with Suhaan C. Mukerji, Partner at Amarchand & Mangaldas & Suresh A. Shroff & Co., New Delhi, March 2011.

358. FICCI-KPMG, 2011.

359. Includes internet and mobile phones.

Based on industry estimates, advertising revenues contribute 80–85 percent to the revenues of English-language dailies and 60–75 percent to those of national news broadcasters.[360] Liberalization of international trade, and the consequent entry of global products and brands, has seen the advertising market flourish over the past two decades. Spending grew between 2007 and 2010, with a marginal dip in the rate in 2009 due to the economic slowdown, which saw annual advertising spends decline by 0.4 percent.[361] Print, followed by television, continues to win the overwhelming share of total advertising spend.

Table 33.

Advertising revenue of media sectors (Rs billion), 2007–2011

Sector	2007	2008	2009	2010	2011
TV (public and private)	71	83	88	103	116
Print	100	108	110	126	139
Radio	7	8	8	10	11
Digital (internet and mobile phone)	4	6	8	10	15

Notes: Sectoral figures are rounded off to the nearest integer.

KPMG, which prepared the report from which these data have been sourced, said these figures were gathered from media buyers (agencies that buy and sell ad spots for their clients) and are based on market rates. There is no official or universal formula for discounting, as some organizations do not discount at all while some offer up to 90 percent discounts

Source: FICCI-KPMG, 2011

Within the broadcasting sector, the share of advertising aimed at news channels as a percentage of total television advertising spend has grown from around 8–10 percent in 2005 to around 15–17 percent in 2010. Hindi news has the largest share despite lower advertising rates compared with English news channels. Again, this is because of the much larger number of Hindi news channels than those in English. In terms of share of total viewership, Hindi news commands over 10 times that of English news; yet its share of total advertising revenue is only double that of English news.[362] This indicates that the economic stratum found to be consuming English news is a far bigger consumer, and hence probably far better off financially, than that consuming Hindi news.

Table 34.

Comparing share of total viewership and share of total advertising revenues, 2011

News sub-genre	Viewership (%)	Revenues (%)
English general news channels	0.40	3.56
English business news channels	0.19	1.51
Hindi news channels	4.07	8.51
All other regional news channels	5.01	3.63

Source: FICCI-KPMG, 2011

360. Gathered first-hand by the authors from media owners, media buyers, and advertisers.

361. FICCI-KPMG, 2011.

362. FICCI-KPMG, 2011, p. 20.

Language is an important factor as to how advertising rates get determined among print and broadcast platforms. English publications and news channels, despite a smaller readership and viewership compared with Hindi, and even some vernacular counterparts, command higher rates because of the higher socio-economic profile of their audiences. According to media buyers, a 10-second prime time ad spot on a Hindi news channel costs anywhere between Rs 1,000 (US$18) and Rs 4,000 (US$72), compared with between Rs 2,000 (US$36) and Rs 10,000 (US$90) on English channels. "English channels are mostly watched in metros or at best, top 10–12 towns. The consumption profile of viewers in these markets is superior to the consumers in the rest of the country, and advertisers are ready to pay a premium to reach them," says Punitha Arumugam, CEO of Madison Communications Pvt Ltd, a leading media buying agency.[363] According to estimates gathered from the advertising sales teams of at least eight leading national English newspapers,[364] subscription revenues (the revenues generated from sales to readers, mostly in their homes) contribute only around 15–20 percent of their total revenues. Hindi and regional publications get more of their revenues—around 30–60 percent—from subscriptions.

Another important source of revenue for print and television platforms is the government, which contributes anywhere between 20 percent and 40 percent to the advertising kitty. The Union government's advertising spend is managed by the Directorate of Audio Visual Publicity (DAVP), whereas state governments' advertising is managed by their own agencies, making it difficult to collate data from each state. Executives in advertising sales teams of leading vernacular dailies such as *Dainik Jagran* (in Hindi), *Lokmat* (in Marathi), and *Bartaman* (in Bengali) suggest state government advertising, which has its own massive budget, contributes between 20 percent and 40 percent to the total advertising revenues of large vernacular publications, and between 30 percent and 60 percent to smaller publications—though the quantum of money involved in the latter may be far less than in the former.[365] Some 80–90 percent of the DAVP's advertising budget goes to print and television organizations, and the rest to outdoor advertising and internet, says A.P. Frank Noronha, the Director General of DAVP.[366]

Table 35.

Union government advertising spend, 2007–2011

Year	Spend (Rs billion)
2007–2008	3.80
2008–2009	5.15
2009–2010	6.00
2010–2011	6.25

Source: Office of the Director General of the Directorate of Audio Visual Publicity

363. Interview with Punitha Arumugam, CEO, Madison Communications Pvt Ltd, January 2011, New Delhi.

364. Based on interviews between December and March in New Delhi in person and over the telephone.

365. Percentage figures hide levels of dependence. For instance, a large national or regional daily may get only 2 percent of its advertising from the government but this amounts to a large sum of money—compared with smaller, vernacular dailies in the states, who may get a far smaller sum of advertising money from the government, though this could constitute a very large, sometimes determining, proportion of its total advertising, and perhaps even circulation, income. This makes smaller newspapers more dependent on government advertising, as explained in section *7.2*.

366. Interview with A.P. Frank Noronha, Director General of Directorate of Audio Visual Publicity, Government of India, New Delhi, April 2011. He said that DAVP does not maintain accounts of how the budget gets split between news and non-news platforms.

Relying too much on advertising is a big problem for the independence of media organizations. Some have made concerted efforts to find other revenue sources. One consequence is the rise and spread of "paid news"—essentially the practice of private and government advertisers buying up media space in return for favorable reportage[367] in both print and broadcasting (see section *4.4.1)*.[368] The other instrument to augment conventional advertising revenue is "private treaties" (see section *6.1.3*).

Although developing a healthy subscription market is an important step toward more independent news media, cut-throat competition in an overcrowded market has deterred outlets from demanding from customers a legitimate value for their services and products (most of whose newspapers and channels sell at a huge discount). The cost of producing a 24-page newspaper that uses imported newsprint ranges from Rs8 to Rs15 (US$0.14–US$0.27), whereas the sale price ranges from Rs3.50 to 5.00 (US$0.06–US$0.09). Such sales are aimed at building large readerships who, in turn, attract advertisers.

Executives in news broadcast companies and cable operators say that competition from more entertainment-driven channels has forced most news channels, except business news, to keep their channels free-to-air (FTA) to retain viewership numbers.

Industry estimates suggest that there are 50,000–60,000 cable operators in India, more than 90 percent of which run on analog systems. Broadcasters, especially those with pay channels, contend that cable operators under-declare the number of households serviced, and thus siphon off about 80 percent of the over Rs 200,000 million (US$ 3,600 million) collected by them.

Table 36.

Television revenue (Rs billion), 2006–2011

Stream	2006	2007	2008	2009	2010	2011
Advertising	61	71	82	88	103	116
Subscription	122	140	158	169	194	214
Total	183	211	241	257	297	329

Source: FICCI-KPMG, 2012, p. 37

Enhancing the returns from the subscription market is the prime reasons why government and broadcasters have steamrollered cable digitization: to bring a semblance of governance, including financial transparency translating into higher tax collections, in a segment congenitally reflecting elements of the wild west; while simultaneously boosting broadcasters' revenues, both to stem their sagging bottom lines, especially of news channels, and, rather optimistically, to plough back resources to improve or enhance programming, including quality news content (see section *7.4*). Furthermore, since analog does not allow cable operators to relay more

367. P. Sainath, "Is the Era of Ashok a New Era for 'New,'" *The Hindu*, 29 November 2009.

368. Archna Shukla, "News Sponsored" and "Commercial Break," *The Indian Express*, 6 and 13 December 2010 respectively.

than 100–150 channels, with the number of channels rising, distributors have been demanding steep carriage fees. These factors have massively compromised broadcasters' ability to shore up subscription revenues.

6.2.2 Other Sources of Funding

As far as subscriptions go, broadcasters hope that digitization will help them realize their legitimate dues. Broadcasters feel that new technologies and distribution platforms, such as IPTV and mobile television, will help them penetrate deeper and expand their subscriber bases. The advent of 3G telecoms services is also expected to bring in wider revenues.[369]

At the same time, many media companies, especially news broadcasters, have rushed to create additional digital properties—namely, additional channels, niche channels, portals, niche websites, etc. This was aimed at harnessing synergies from shared costs, bundling opportunities to advertisers and, most importantly, separately enhancing the commercial valuations of these companies.[370] However, over the last five years many such investments did not yield proportional dividends. The Network18 Group, which rapidly expanded into portals, e-newspapers, and additional television channels to emerge as one of the largest diversified media entities by 2010 is an apt example, as it has experienced losses across almost all of its entities. Its television news channels, such as CNN-IBN, IBN Lokmat, and IBN7, launched or acquired quickly between 2005 and 2008, were funded mostly through public money and/or bank finance; since virtually nothing was bankrolled through internal accruals, this raised doubts about the inherent viability of the businesses.[371]

In addition, attempts have been made to garner additional revenues from smaller, but slightly unrelated areas, such as organizing events, which are monetized in several innovative ways. News channels organizing such events air them, thereby deriving free content and guaranteed advertising from sponsors. They also raise ground sponsorships from such events, charge entry fees, and get hefty fees from the companies on whose request they may have organized them.

Branded content (advertiser-funded programs), which until around five years ago was limited to entertainment channels, has emerged on news channels. Producing exclusive shows for brands or companies, in-broadcast advertising, displaying brand logos on the screen or laptops used by anchors, airing shows intertwined with an ongoing marketing campaign of a brand, and interviews or profiles of executives or company promoters have fast proliferated as programming innovations to increase advertising revenues.[372]

Finally, there are the revenues that come from viewer SMS messages. News anchors ask viewers questions every day to be answered in a "yes" or "no" text message, which are priced steeply from around Rs5–10 (or ten

---

369. FICCI-KPMG, 2011.

370. Debashis Basu, "Reality Show," *MoneyLife*, at http://www.moneylife.in/article/reality-show/1422.html (accessed 9 January 2012).

371. "Network18 group companies are mostly sick," 25 January 2010, at http://www.suchetadalal.com/?id=53310306-ae0b-f635-4b5d77c91b5f&base=sections&f (accessed 9 January 2012).

372. Archna Shukla, "Commercial Break," *The Indian Express*, 13 December 2009.

times the regular SMS price)—depending on a viewer's mobile phone tariff plan. While the mobile service operators keep almost 75 percent of such revenues, the rest is shared with the channels.

One needs to conclude this section by reiterating the controversial, unethical, and sometimes illegal ways by which media organizations come to mundanely fund themselves. The first is the practice of paid news whereby news outlets shore up their income from political parties or specific politicians by carrying blatantly favorable content in the form of legitimate news (see section *4.4.1)*—as opposed to "advertorials" or supplements sponsored by individual politicians and government public relation departments, where the reader is made aware that these are non-news items. The second is the more structural mechanism of private treaties, where news outlets carry regular and positive news about a company in exchange for a stake in the latter (see section *6.1.3*). Lastly, and reported most rarely, media organizations have allegedly blackmailed companies by asking for advertisements in exchange for blocking out negative news from their media properties, as evident in the Zee-Jindal case (see section *4.1.2*).

6.3 Media Business Models

6.3.1 Changes in Media Business Models

Forward-looking media companies are making strategic investments in building strong websites, providing valued-added content, such as news capsules and videos, and customizing content for emerging platforms such as iPads and other tablets. Network18 Group is one entity that has been focussed on internet-based offerings since the late 1990s. It has a wide portfolio of internet platforms such as Moneycontrol.com, which offers market and personal finance news and analysis; Burrp.com, a platform for lifestyle-oriented information; In.com, an entertainment platform; Tech2, a platform for news about technology and tech products; and Firstpost.com, a pure-play news portal—unlike generic portals like Rediff.com and Indiatimes.com—projected as an alternative to regular newspapers through an aggressive advertising campaign. Firstpost.com has a dedicated team (its biggest cost), but its biggest advantage is the absence of distribution costs. The strong portfolio of digital products notwithstanding, their contribution to the group's total revenue is less than 15 percent.

Revenue models for television and print may change more as digitization offers the flexibility to launch multiple news products targeting niche audiences. An example is city-specific television channels that form niche offerings of large networks, such as Delhi Aaj Tak, the sister channel of top Hindi news channel Aaj Tak (TV Today Group).

In December 2011, the government passed the Cable Television Networks (Regulation) Amendment Act 2011, which required all cable operators to digitize their relays according to a phased plan and register with a government-specified authority, and defined a pay channel as one that may be transmitted by a cable operator after obtaining consent, including financial payment, from the broadcaster. The Act made it mandatory for such pay channels to be transmitted through a digital, addressable system, ensuring every viewing household gets counted. Furthering the interconnection agreements in the erstwhile C&S pockets of some cities, digital cable is expected to radically alter the revenue model of broadcasters, pay news channels included, as it will provide the technological basis to ensure a fuller, steady flow of subscription revenues.[373] Hitherto, most broadcasters only got around 15–20 percent of subscription revenues, or nothing if their unencrypted signals are illegitimately relayed by cable operators; their share could rise to 40–50 percent in the digitized regime, depending on the revenue-sharing arrangement worked out among broadcasters, cable operators, MSOs, and the government. Broadcasters will not be required to pay a hefty carriage fee, as digital distribution systems will be able to carry more channels; nevertheless, placement fees may continue to pose barriers to small or niche broadcasters.

The first timeline of the mandatory cable digitization, as per the Cable Television Networks (Regulation) Amendment Act 2011, specified 30 June 2012 as the date when operators in the four largest cities of Mumbai, New Delhi, Kolkata, and Chennai were to switch over. Due to various lobbies and constraints in the supply of digital STBs, in the very last week of June the MIB was forced to revise the deadline to 31 October.

From late June onward, a concerted effort was begun by broadcasters and the MIB to urge households to install digital STBs. While many channels started running scrolls emphasizing the revised deadline of 31 October, the MIB started sending SMS messages saying much the same thing. Keen to grab a share of households going digital, DTH vendors also started sending such bulk SMS messages. By October, the MIB was on overdrive with almost weekly SMS messages to people in New Delhi—an intensity of messaging not demonstrated by any government body for, say, year-end tax deadlines, traffic warnings, or potential epidemics. On 30 and 31 October, when there was a barrage of SMS messages from MIB and DTH vendors, some 100,000 STBs were installed across the four metros.[374]

Thus, the MIB managed to push through the switch-over in New Delhi smoothly. In Mumbai, it went through despite opposition from a cable operators' association patronized by opposition parties,[375] and only partially in Kolkata due to the defiance of the state government. In Chennai, the matter went to court.

On the eve of the deadline, the chief minister of West Bengal, whose capital is Kolkata, was ready for another round of confrontation with the MIB. Uniquely, the chief minister has maintained that STBs cannot be forced upon audiences and MSOs must be given the option of providing analog signals.[376] The deadline was first pushed on to 27 December, as per a negotiated revised order by the MIB, and then again to 15 January, unilaterally by the state government. By contrast, in Chennai local cable operators moved the

---

373. In the erstwhile Conditional Access System (CAS) pockets of Delhi and Mumbai, from 2003 broadcasters were accorded 45 percent of pay channel subscriptions and 55 percent was shared between MSO and LCOs; TRAI (2011), "Issues related to Implementation of Digital Addressable Cable TV Systems," Consultation Paper No. 8/2011, New Delhi, 2 December, p. 21.

374. See http://www.medianama.com/2012/11/223-madras-hc-extends-cable-tv-digitization-deadline-bombay-hc-rejects-similar-petition (accessed 8 January 2013).

375. "Mumbai cable operators to move SC for 2-month extension," *Firstpost*, 2 November 2012, at http://www.firstpost.com/mumbai/mumbai-cable-operators-to-move-sc-for-2-month-extension-512995.html (accessed 8 January 2013).

376. Ajanta Chakraborty, "Mamata government defers cable TV digitization date yet again," TNN, 8 January 2013, 11.59 AM IST, at http://timesofindia.indiatimes.com/city/kolkata/Mamata-government-defers-cable-tv-digitization-date-yet-again/articleshow/17936957.cms (accessed 8 January 2013).

Madras High Court to further extend the deadline, citing non-availability of STBs. Arguments led to the court granting two further extensions.[377] Underlying these administrative legalities was the curious case of the state government-owned MSO, Arasu Cable, waiting to receive its digital license from the MIB (see section *7.2.3*). If the switch-over in Chennai were to proceed as per the initial or several revised deadlines, Arasu Cable's business would lose out to SCV—which is not only the dominant MSO in the city and state but one owned by rival political interests, currently in the opposition.[378] It is this that seems to have fueled LCOs in Chennai to use the state's High Court to repeatedly postpone the digitization deadline.[379]

The next, second phase of the switch-over schedule may prove to be more challenging, perhaps involving a wider array of vested interests, since it involves 38 cities, across 15 states, with the ambitious deadline of 31 March 2013.

Perhaps DTH services may play an important role during the subsequent phases. There are seven DTH operators in India—six private (Bharti Airtel Ltd, Videocon Industries Ltd, Reliance ADAG, Tata Sky Ltd, Dish TV India Ltd, Sun Direct Pvt. Ltd) and the public broadcaster's free service, DD Direct. DTH should reach 70 million households by 2015, from 28 million in 2010, as operators will be able to make investments. Significantly, the penetration of digital platforms is already higher than 40 percent in cities slotted for the fourth and last phase of switch-over (deadlined at 31 December 2014), driven by increasing DTH penetration in the rural areas where it is near impossible, and hardly lucrative, to extend cable relays.[380] With guidelines such aas must-carry and "must-available" (all channels must make themselves available to all carriers/distributors and cannot strike exclusive distribution deals) thrust on the half dozen distributors, it seems likely—given compliance to norms is enforced uniformly—that there will be no monopolies in the DTH business in the near future.

The global economic crisis of 2008 forced most media companies to take stringent steps to contain the immediate damage, caused principally by advertisers slashing advertising spends. Media firms cut jobs and salaries, and put expansion plans on hold. Some even shut down newly launched or non-profit-making projects. NDTV Ltd and Network18 Group laid-off 250–300 people each between the end of 2008 and 2009. BCCL cut employees' increments (6–40 percent) across editorial and marketing departments in 2008–2009. Most publications cut the number of news pages, some shut down supplements, and publications such as *Business Standard* withheld their regional diversification drive. Many media firms used the crisis as an opportunity to trim accumulated flab after an over-estimated sense of growth earlier in the decade—without substantial changes in their business models.

---

377. "Cable digitisation deadline in Chennai extends by 10 days," 9 November 2012, at http://www.firstpost.com/india/cable-digitisation-deadline-in-chennai-extends-by-10-days-521154.html (accessed 8 January 2013).

378. "Jayalalithaa writes to PM on cable digitization," Livemint.com, 17 December 2012, at http://www.livemint.com/Politics/lbZONh1NlFd85Jd-NhTGHfO/Jayalalithaa-writes-to-PM-on-cable-digitization.html?facet=print (accessed 10 January 2013).

379. "Cable TV digitization: New deadline for Chennai is now March 31, 2013, court hearing on Dec 24," 7 December 2012, at http://truthdive.com/2012/12/07/cable-tv-digitization-new-deadline-for-chennai-is-now-march-31-2013-court-hearing-on-dec-24.html (accessed 10 January 2013).

380. FICCI-KPMG, 2012, p. 15.

National news and non-news media were more affected by declining advertising spends in 2009 due to their overdependence on ads. Regional media were not seriously impacted, due to their continued access to local advertisers, who have little exposure to global commercial dynamics. "Local advertisers who have thousands of small, retail and classified advertisers, are completely insulated from global volatility," says Sanjay Gupta, CEO of Jagran Prakashan Ltd, which publishes the country's most read daily, *Dainik Jagran.*[381]

However, the business models of the media companies did not change radically, mainly because the Indian economy recovered within a year, growing over 8 percent in 2009–2010 and 2010–2011. So there was a general optimism within all sectors, including the media, about the future. By mid-2010, advertising spends were back on track. According to the FICCI study, in 2010, advertising revenues of the media industry, including print and television across news and non-news, grew 17 percent in 2010 against a decline of 0.4 percent in 2009. Moreover, the number of active channels grew from 461 in 2009 to over 550 in 2010 and by the end of 2012 stood at more than 800. As Mr Gupta summed up, "The year 2010 was good for the media industry. Advertising grew not only in terms of volumes but also rates."[382]

In retrospect, the bullishness, especially among television channel owners, was misplaced. As the data below show, the profitability of national news channels has dropped, or losses have increased over the past four years or so. Only national and regional newspapers (*HT Media* and *Jagran Prakashan*) recorded huge jumps in profits after a dip in 2008–2009. Such financial trends only deepened for news broadcasters, and reversed for print media, in 2011–2012, when the Indian economy grew by only 6.5 percent. As most experts have predicted an even lower growth rate in 2012–2013, this year could be worse for most media firms and is the most likely explanation for recent changes in ownership models. The RIL-Network18, Aditya Birla-India Today, and Reliance ADAG-UTV deals point to this trend.

Table 37.

Revenues of listed news media companies before and after the financial crisis, 2007–2011

Company	Total income (Rs million)				Net profit (Rs million)			
	2007–2008	2008–2009	2009–2010	2010–2011	2007–2008	2008–2009	2009–2010	2010–2011
NDTV Ltd*	3,185	3,417	3,061	3,519	42.8	(731)	(205)	(986)
TV18 Broadcast Ltd*	1,351	1,848	2,631	2,527	(69)	(682)	(821)	(492)
Zee News Ltd	3,595	5,249	5,261	2,442	373	446	440	98
TV Today Network Ltd	2,514	2,742	3,079	3,028	435	335	309	124
HT Media Ltd	12,269	13,577	12,991	12,558	1445	852	1,248	1,776
Jagran Prakashan Ltd	7,711	8,461	9,761	11,385	981	916	1,759	2,058

Notes: * Indicates stand-alone operators. Total income = total revenues from sales and other sources; Net profit measures profit after tax

Source: Bombay Stock Exchange

381. Interview with Sanjay Gupta, CEO, Jagran Prakashan Ltd, January 2011.

382. Interview with Sanjay Gupta, CEO, Jagran Prakashan Ltd, January 2011.

6.4 Assessments

Digitization of cable, a nascent phenomenon struggling to completely unfold even in the four major cities, has had no fundamental impact on media structures, as of now. There has been some consolidation, limited to the distribution segment. Hitherto, distribution has been dominated by the long-tailed segment of local and/or independent cable operators, unaccountable to broadcasters (for their share of subscription revenues, see section *5.3.2*), non-transparent to government (under-declaration of subscriptions causing lower tax submissions), and also unaccountable to viewers (poor signal quality and no competition in last-mile networks). Within this milieu, the advent of wireless distributors (DTH) has affected the dominance of local/independent wired distributors (cable operators), as viewers now have a comparable option.

As for media ownership by politicians, digitization has not made any difference so far—apart from digital transponders having made it cheaper to run news channels. Transparency in ownership is, anyway, a factor of corporate structures that may be easily fabricated to shield the real owner's identity. In the past, political or corporate rivalries and media investigations have exposed the true owners.

Thus, while the practice and protocols of transparency have not strengthened in the past five years, a combination of crisis and exposés on specific segments of the media industries (rather than altered laws) have tended to lay bare investors and interests behind television channels.

Digitization has had little impact on print and broadcasting news outlets, so far limited to distribution. It is too early to draw conclusions about the effect of ownership on the independence of news content, the performance of news media and affiliated outlets, or even on the broad, market structure of the television industry.

Advertising remains the mainstay (or a crucial) revenue source for mass media worldwide, with India being no exception. Mass media platforms may not always have only publicly relevant news content. In India, news content has a liberal mix of cricket, entertainment, celebrities, and crime. Advertisers and broadcasters, indeed, have a different definition for publicly relevant content. Whatever attracts wide audiences is publicly relevant for owners and advertisers.

Fragmentation of audiences and advertisers in the news market is being fought with segmentation, in particular to tap the local markets, as reflected in the rise of city-specific television news channels. However, such local channels tend to cover local renditions of the standard fare of news themes—scandal, conflict, and elections.

Advertising promises to remain the primary source of sustenance for most mass media organizations; even digital platforms such as Facebook and Twitter are living off advertisers solely. Government grants are limited to public broadcast platforms such as DD, Lok Sabha TV, and Rajya Sabha TV. The government also provides support to private media through advertising. Still, both are a great source of financial succor for private and public platforms.

The government and advertisers are prone to wield influence on content. But it is the fact that media are regarded entirely as business that has had the most negative impact on content; however, that is something neither advertisers nor the government can be blamed for. When promoters run media platforms as entities that must be fully monetized, the nature of the platforms changes. This phenomenon has had a negative effect on the quality of journalism in India.