

Star-Wars of Indian Television Channels

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Abstract

Star Plus has been Number 1 Hindi channel amongst the Indian television channels from 2000 to 2008. It had a phenomenal lead over its competitors. However from year 2006 onwards it started losing viewership has been decreasing at a steady state. The ad revenues have also decreased substantially. On the face of it the content cost is increasing. Its competitor Zee has made impressive progress in the same period. This case study stimulates readers to find out answers to following questions: What reasons led to decrease in the viewership? What strategies Star Plus could have adopted to avoid the down-fall and how it can prepare for the future considering the changes in the customer habits?

Sabir Rai, Star Plus programming head is a worried man. A glance at the sunset across the huge windowpane of his office had further accentuated his anxiety. The widely covered news of Zee TV closing on the gap in viewership with Star TV's leading channel Star Plus has been perturbing him for quite some time. This narrowing of gap had been going on for last two years. This has seriously impacted Star Plus' advertisement revenues. TAM Media Research (which keeps a track on Gross Rating Position, a measure of viewer ship of all programmes broadcasted by a particular channel) reported that Star Plus is now running neck-to-neck with Zee TV. The latest TAM weekly figures (Feb'08) showed that Star Plus was having 291 GRPs as compared to 287 GRPs of Zee TV. This can have long-term implications for Star TV's advertisement revenues. Star Plus must act smart and fast.

Background of Star TV in India

Liberalization drove growth 1991-1999: With the liberalization of Indian television in the 1990s, the number of channels multiplied from a single television channel in 1991 (government owned Doordarshan channel), to over 100 by 2001 and over 300 by 2005. By 1998, most of the leading transnational media

companies (eg. Star TV, BBC, Discovery, MTV, Sony, CNN, Disney and CNBC) were operating in India through cable and satellite networks. Star TV, which started operations in India in 1991, realized by 1993 that its US originated programming was reaching only a fraction of Indian viewers and to reach a larger audience, it would have to modify its content. It began by subtitling Hollywood films broadcast on its 24-hour channel in Hindi, followed this by dubbing popular US soaps in Hindi and in 2003 went into exclusive Hindi programming for its flagship channel Star Plus. Star offered Star Plus, Prime Sports, Channel V, and BBC World Service to the Indian market, showing all the programmes on these channels in English. It has also leased a channel to Zee TV for broadcasting its programmes for the Indian market since Oct, 1992. Star TV signed a partnership agreement with Zee Telefilms on 17th Sept, 1994 for their operation in the Indian market. As a part of agreement Star TV purchased 49.9% in Zee Telefilms. This move added three Hindi channels Zee TV, Zee News, Zee Cinema to Star TV's Indian initiative. However the relationship turned sour when Star started offering some Hindi based programmes on Star Plus. The relationship between two partners ended in 1999. Since then, Star TV went full gear into increasing Hindi programmes on its own and it soon scored a runaway success. The move to localize content saw Star Plus reaching 9 million viewers in 2000,

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which doubled to 18 million viewers by 2005. Today in 2008, Star Plus reaches more than 50 million viewers.

The Early Success in India (1999-2001)

The launch of Kaun Banega Crorepati (acronym used as KBC, the Indian version of a successful game show “Who Wants To Be A Millionaire” in UK & US) on Star Plus in July 2000 brought unprecedented success for the channel. Aired four days a week, this program with a prize money of Rs 1 crore (10 million) and Indian cinema’s legendary superstar Amitabh Bacchan to anchor it, has swept the country of its feet. This program was the only program after the mythological epics; Ramayana & Mahabharata (both telecasted on state run television channel Doordarshan), to hold such a sway all over the country. KBC had singularly demolished the ad revenue of all the major channels for prime time between 9 p.m. and 10 p.m. Not only it was a crowd puller, it also paved the way for success story of family soap operas like “Kyunki Saas Bhi Kabhi Bahu Thi” and “Kahani Ghar Ghar Ki”, which were heavily advertised during KBC broadcast. Competitors Zee TV & Sony Entertainment also launched their own game shows but they could not match the charisma of Amitabh Bacchan and strength of KBC format. Prior to launch of KBC, Star Plus was a distant third player after Zee & Sony; however the TV Ratings for it jumped three times within 20 days of launch of KBC.

The Golden Period (2001-04)

This period was the golden period for Star Plus; it dominated other channels by huge margin. The K’s from Star Plus; Kyunki Saas Bhi Kabhi Bahu Thi, Kahani Ghar Ghar Ki and Kasauti Zindagi Kay continuously dominated top ten program slot week after week, barring live cricket telecast. The re-launch of KBC-2 in July, 2005 further strengthen its position as numero uno channel of India. The ad rates for KBC-2 were phenomenal at Rs 5.5-6 lakhs per 10 seconds. The ad rates during peak period of family soaps like Kyunki Saas Bhi Kabhi Bahu Thi, Kahani Ghar Ghar Ki and Kasauti Zindagi Kay were 2.5 -3 lakhs per 10 seconds. These programs were amply supported by new launches. However the TV Ratings have started decreasing for all the family soaps by the end of 2005.

The Phase of Inaction and Stagnation (2005-2007)

For the first time in June’2006 the top ranking program Kyunki Saas Bhi Kabhi Bahu Thi had TV Rating below 10 and in coming months it kept on decreasing. All the family soaps were running for quite sometime and the audience had started losing their charm for them. Star TV started losing ground because it got into a comfort zone of sticking to its tried and tested content. There was a feeling of invincibility within the Star TV India. The new launched soaps also lacked freshness of ideas which might be attributed to overdependence of Star Plus on Balaji Telefilms for content development. In 2006 Star Plus saw its ad revenues going down for the first time in last five years (Table 2). The ad rates have been also declined over years (Table1).

The problem was aggravated due to power struggle, which split the organization into two units. In mid-2006 CEO of the Star Group was given responsibility for all the corporate functions and new businesses, while CEO of Star Entertainment looked after day-to-day operations that included programming and ad sales. This organisational restructuring created a conflict between these two units of Star Plus.

Channels & Customer Segments

Star TV India is broadcasting 18 channels at present (Plz refer exhibit). Star Plus is in general entertainment category; while Star One is targeting urban upwardly mobile youth; similarly Channel V is targeted at youth, offering the latest chart-topping music videos; Star Sports & ESPN are sports channel while Star Cricket is targeting the cricket lovers; History channel, National Geographic & Nat Geo Adventure are targeted at niche audience; Star News is the Hindi news channel; Star World offers soaps, talk shows & other programs in English, Star Gold & Star Movies are offering movies in Hindi and English respectively; then there are channels like Star Vijay, Star Ananda, Star Majha offering programmes in regional languages. However Star Plus is the revenue puller for Star TV India and it attracts 70% of the ad revenue generated by Star India.

Competition and Challenges

Since 2006 Zee TV has been consistently improving its performance on back of family soaps like 'Banoo Mein Teri Dulhan'; 'Saat Phere'; 'Betian : Ghar Ki Lakshmi'. The launch of musical contest 'Sa Re Ga Ma Pa' saw a program from Zee TV's stable featuring in top ten program for the first time in last five years. Star Plus launched its own musical reality show but it could not match the success of Zee. In last two years Zee has improved its GRPs at the expense of Star Plus. This has resulted in substantial dip in ad revenues for Star Plus (Table 1) as Zee offers a better bouquet of channels with some very good regional channels. Star's bouquet of channels is mainly targeted at Hindi & English speaking customers. It has a few regional channels but their GRP is quite poor.

Experts also point out to the fact that Star Plus has relied too long on old war horses like 'Kahani Ghar Ghar ki' and this has given Zee a chance to attract viewers by offering new family soaps which offer some freshness to the audience. The lack of fresh ideas is the biggest problem facing all the channels. The moment one format gets favour from the viewers all other channels try to copy it. However in most of the cases the first mover had an advantage over others as it has been able to devote sufficient time for content development and its execution. So the key to success might be to move out of the league and offer the kind of a programme which no other channel has offered in last two years or so; it has been amply demonstrated by NDTV-Imagine whose launch of mythological epic Ramayana has been gaining good TV Rating. Normally the success of family soaps is built around an anchor show (as Kyunki Saas Bhi Kabhi bahu Thi was built around KBC-1 and Saath Phere was built around Sa Re Ga Ma Pa). But of late Star Plus has not been able to come with show which can act as an anchor for family soaps.

Future Ahead

The recent launch of new channels in GEC has increased competition. NDTV-Imagine enjoy very impressive GRPs for a new channel. More new channels are expected in this category which will definitely lead to fragmentation of audience. All of these channels are also trying to attract the best content providers which are pushing the content cost upwards. The global financial crisis is not going to do

any good to the advertising revenues as industry is very cautious about future. Increasingly marketers are realizing the clutter on TV and they are looking for alternative promotional tools. Of late marketers are showing lot of interest in out of house (OOH) and online advertising. All these factors pose challenges to a player like Star Plus which depends to a great extent on advertisements for its revenues.

However Star Plus has two very big programs up its sleeves; 'Kya Aap Panchavi Pass Se Tez Hai' and 'Mahabharata' to be launched in mid of 2008. The former program will be hosted by Hindi Cinema's superstar Shah Rukh Khan. Star is not leaving any stone unturned to promote it. It is estimated that this show will attract revenue of Rs 150 crore from presenting sponsor and associate sponsors. Similarly Mahabharta has been made using latest technology which has the potential to engage its viewers. The question remains whether these two programs are enough to turnaround this downward trend for Star Plus?

Indian Television Industry 2008-2016

Indian television industry has evolved very rapidly during 2008-2016 in tune with a fast growing economy. One estimate puts total number of television channels at end of 2016 as more than 800. This period has also seen penetration of second television amongst many houses. Joint families (where married adults stay with their parents) have seen entry of second television also. A major trend amongst youngsters has been use of internet for their entertainment needs and they tend to use their smart-phones for entertainment rather than television. Many of youngsters are expected to view television programmes on internet.

Teaching Notes

Star Plus needed to understand its customers better to come out of this precarious situation. They need to understand the prime-time television watching habits of an Indian family. They need to understand whether the television viewing habits of bigger cities differ from smaller cities in Northern India. Are the young couples different as compared middle aged couples in their preferences of serials, promotional channels? What leads viewers to regularly watch a new program? So far most of

the decisions in this industry have been taken on gut feeling; however following questions need to be addressed objectively:

1. To understand the role of anchor program in television viewing and product life cycle (PLC) of an anchor program.
2. To understand the impact of socio-culture habits of a society and its impact on devising new anchor programs.
3. To understand the changes in customer habits.

(a) Role of anchor program in TELEVISION viewing and product life cycle (PLC) of an anchor program.

It is important to understand that any television channel needs a judicious mix of an anchor program and other good programs. An anchor program is one that has the capability to create lot of excitement amongst customers and it is able to attract large viewership of a program. As discussed in case 'Kaun Banega Crorepati (acronym used as KBC, the Indian version of a successful game show "Who Wants To Be A Millionaire" in UK & US) hosted by a very popular movie star has turned-out to be an anchor program. This anchor program has also helped success of other programs that were telecasted immediately after KBC. The succeeding programs were heavily advertised during the telecast of anchor program, this helps in creating curiosity amongst viewers leading to many viewers continue watching the channel's succeeding programs. Also, due to large viewership the television is able to charge a premium for advertisements leading to an increase in revenues for the television channel.

It is also important to note that an anchor program has a PLC. For the first time when an anchor program is telecasted it is an augmented product for the audience (or consumers). However when the program is telecasted in second season it tends to become more of an expected product. Some new creative ideas may create some interest amongst the customers in second and subsequent seasons; however, the program loses its ability to continue as an anchor program. Star Plus needed to discover more programs that can be telecasted as anchor programs post 2006 once they recognized that their channel was losing heat. However the complacency due to success in past and power struggle at the top created a major problem resulting in an inability to come up with new programs.

(b) Analyze the impact of SOCIO-CULTURE HABITS of a society and its impact on DEVISING new anchor programs.

There could be possibly two ways to discover new anchor programs: (1) Investigation of the socio-cultural environment of a society to understand their means of entertainment and celebrations (2) Anchor programs telecasted in other countries that can be suitable for the country in question.

Investigation of Indian socio-cultural environment informs that Indians have traditionally a strong liking for music and dance. In fact, it is said that Indians across its vast populace love three things: dance, music and cricket. Celebrations such as marriage, birth of a child in family are incomplete without dance and music. Even the movies made in India have sufficient time allocated to dance and music. Therefore, there was lot of potential for Star Plus to devise new anchor programs around dance and music. As a matter of fact its competitor Zee Television utilized a competition show on music that catapulted the viewership for it. However, it is important to note that new anchor programs are able to hold customer interest for a limited period of time. This time period for which it can hold the interest of customers is likely to decline over years.

(c) Understand the changes in customer HABITS.

It is important for marketers to continuously monitor the changes amongst their customers. The changes in television viewers can be explored along following issues:

- Are customers becoming too diverse and large enough in numbers to give rise to possibility of a new product (a new channel in this case)? Do customers in different age group show different likings for different type of programs? E.G. emergence of nuclear families may result in a demand for different types of programs amongst young married couples where the stories revolve around love and other relevant issues. Even other youngsters who are not married but are in a relationship may prefer stories that revolve around love and issues involved in lives of youngsters. Therefore, Star India needed to keep itself open to such a possibility where it can offer a new channel for youngsters to telecast programs that cater to their needs.

- To understand the watching habits in important slots of afternoon & prime time. Afternoon hours could be devoted to programs that cater to needs of middle-aged housewives while prime-time could be devoted to programs that could be enjoyed by whole family.

Ad Rates for 10 SECONDS Offered by Star PLUS During Top Family SOAPS (For 10 SECONDS)

Table 1

June'2005	2.5-3.0 Lakhs
Jan' 2006	2.2-2.4 Lakhs
Jan' 2007	1.7-1.8 Lakhs
Jan' 2008	1.5-1.6 Lakhs

Source: Compiled by author on the basis of news in various financial papers published in India

Ad Revenue for VARIOUS CHANNELS (All Figures in Crores)

Table 2

	Star Plus	ZEE TV*	SONY
2005	830	656	310
2006	700	706	260
2007	605 (estimated)		

* Includes all its channels, Zee figure 2005 means April'05- March'06

Source: Compiled by author on the basis of news in various financial papers published in India

Weekly Gross Rating POSITION for Zee and Star Plus (weekdays for all day)

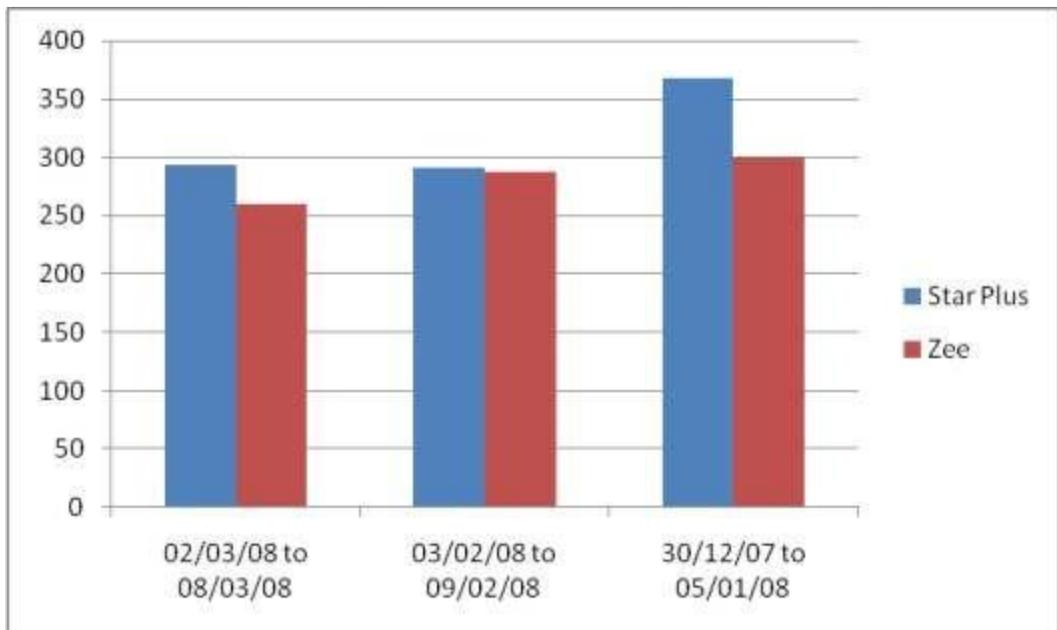


EXHIBIT 1. MONTH-WISE market SHARE for General Entertainment Category (Jul'07 to December'2007)

Relative channel SHARE						
Channel	Jul	Aug	Sep	Oct	Nov	Dec
Star	36	36	36	39	39	38
Zee	29	29	32	32	30	29
Sony	14	15	14	11	11	11
Star One	7	7	7	6	6	7
Sahara	9	9	9	8	8	8
Sab	5	4	3	3	4	3
9X	0	0	0	0	2	4

Source: Tam (c&s 4+, HSM)

Exhibit 2

GRP January 2008, week days - all day		
Channel	Week 1	Week 2
Star Plus	368.16	344.83
Zee	273.7	271.84
Sony	90.46	77.17
Star One	72.71	75.51
Sahara	64.49	66.45
Sab	25.11	29.08
9X	40.17	37.75

Source: Tam (c&s 4+, HSM)

Exhibit 3.

GRP January 2008, weekdays - Prime Time (8pm to 10 pm)		
Channel	Week 1	Week 2
Star Plus	226.65	192.42
Zee	169.04	170.84
Sony	52.51	46.77
Star One	37.05	41.93
Sahara	27.13	27.74
Sab	12.08	12.59
9X	15.47	17.02

Source: Tam (c&s 4+, HSM)

The Successful Soap Operas of Star Plus (for 2000-2008)

1. Kyunki Saas Bhi Kabhi Bahu Thi :

	<p>Highlights of Kyunki Saas Bhi Kabhi Bahu Thi:</p> <ul style="list-style-type: none"> • Created by Balaji Telefilms • Second longest running serial in Indian television history. • No. of episodes Total 1830 • Original run July 3, 2000 – November 6, 2008
<p>(Source: http://en.wikipedia.org/wiki/Kyunki_Saas_Bhi_Kabhi_Bahu_Thi)</p>	

2. Kahani Ghar-Ghar Kii :

	<p>Highlights of Kahani Ghar-Ghar Kii:</p> <ul style="list-style-type: none"> • Created by Balaji Telefilms. • This show is ranked number 2 in the list of Star Plus top 10 shows of all time. • No. of episodes 1700. • Original run October 16, 2000 – October 9, 2008)
<p>(Source: http://en.wikipedia.org/wiki/Kahaani_Ghar_Ghar_Kii)</p>	

3. KASAUTI Zindagi Kay :

	<p>Highlights of Kasauti Zindagi Kay:</p> <ul style="list-style-type: none"> • Created by Balaji Telefilms. • This show is ranked number 3 on the list of Star Plus top 10 shows of all time. • No. of episodes Total 1400 • Original run October 29, 2001 – February 28, 2008.
<p>(Source: http://en.wikipedia.org/wiki/Kasauti_Zindagi_Kay)</p>	