

EY & FICCI REPORT 2021 TELEVISION SECTOR

TELEVISION CHANNELS REACH

- ❖ The number of channels increased marginally between December 2019 and March 2020, but had declined by December 2020 as a result of channel shut-downs, led by the English entertainment genre
- ❖ News channels comprised 43% of total registered channels in India, up from 42% in 2019
- ❖ 64% of channels were free-to-air as compared to 63% in 2019

TELEVISION SEGMENT

- ❖ Television advertising declined by 21.5% in 2020, though ad volumes fell just 3%
- ❖ Subscription de-growth of 7% was mainly due to reduction in ARPU and a reduction of two million pay TV homes
- ❖ We expect television segment revenues to exceed 2019 levels by 2022
- ❖ While television households will continue to grow at over 5% till 2025, we expect growth to be driven by connected TVs which could cross 40 million by 2025 and free television which could cross 50 million, thereby making core television a more massified product

ADVERTISING

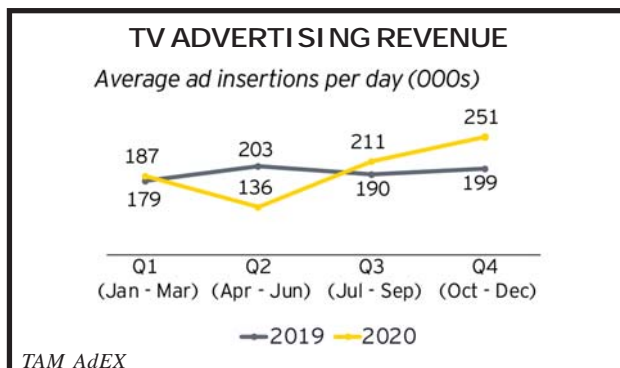
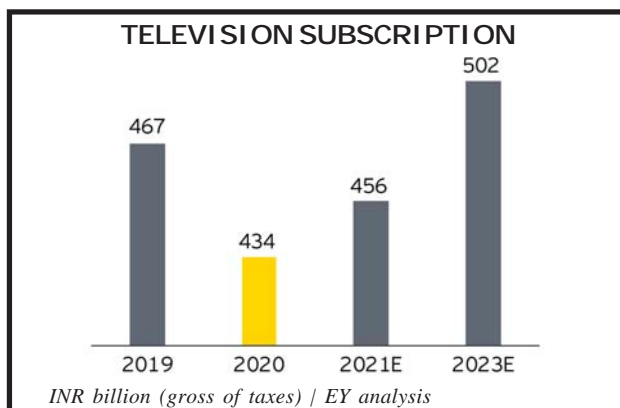
- ❖ Though ad insertions fell 30% YoY in Q2 2020, they recovered quickly
- ❖ Ad volumes in Q4 2020 exceeded those of the previous year
- ❖ As per BARC estimates, ad volumes fell 3% in 2020 as compared to 2019
- ❖ While there was an 18% volume reduction in the first half of 2020, there was a sharp volume growth of 12% in the second half of the year
- ❖ Due to the ongoing impact of the COVID-19 pandemic, approximately 1,200 advertisers put a complete halt on their television ad spends during the April to June quarter, while many large advertisers cut their ad spends considerably during the year

TELEVISION CHANNELS REACH		
	2019	2020
News	386	388
Non-news	532	521
Total channels	918	909

Source: MIB website; TRAI

TELEVISION REVENUE				
	2019	2020	2021E	2023E
Advertising	320	251	304	345
Distribution	468	434	456	502
Total	787	685	760	847

Source: INR billion (gross of taxes) | EY analysis



REPORT : EY & FICCI

- ❖ This inevitably led to rate discounting across genres by many broadcasters, which we estimate at an average of 19% compared to the prior year
- ❖ IPL Season 13 in 2020 surpassed the viewership of IPL Season 12 by 23% with a total of 400 billion viewing minutes as compared to 326 billion viewing minutes for the 2019 edition and generated 112 hours of commercial ad volumes
- ❖ 9,225 advertisers used television in 2020 as compared to 10,105 in 2019
- ❖ Of these, 4,802 advertisers used only television as a medium for advertising and were not present in print and radio
- ❖ The top five genres which saw the highest increase in new advertisers were all from regional language markets
- ❖ We estimate the channels would have generated INR3-4 billion of incremental advertising revenues in 2020 which could increase to INR10 billion in 2021
- ❖ The news genre led with 31% share of ad volumes followed by the GEC genre with 27% share
- ❖ Hindi movies remained the top language genre for ad volumes and grew its share of ad volumes to 11%
- ❖ Regional channels (666 hours/channel) received 27% more ad volumes than national channels (526 hours/channel) in 2020; in 2019 regional channels had received 13% more volumes

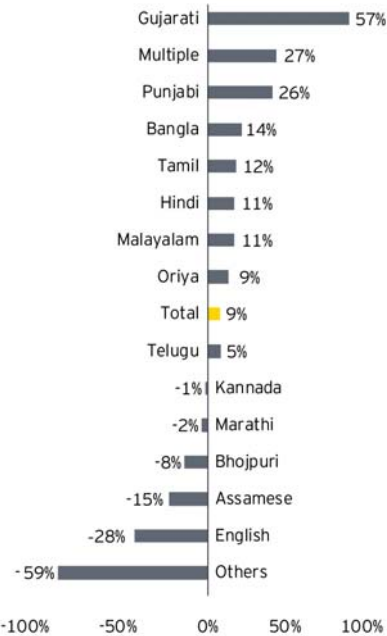
DISTRIBUTION

- ❖ Television subscription revenues in India decreased 7% in 2020, mainly due to a fall in ARPUs and reduction in the paid subscriber base by around two million television homes
- ❖ While 2020 was impacted by COVID-19, we expect the subscription base for traditional unidirectional television services (cable, DTH, HITS) to keep growing as penetration levels increase over the next few years

VIEWERSHIP

- ❖ Hindi and Tamil, the two largest languages by viewership, saw a rise in their total minutes of viewing by over 10%
- ❖ Gujarati, Punjabi and Bangla were the top gainers in viewership share during 2020
- ❖ English was the most impacted with a fall of 28% followed by Assamese and Bhojpuris

TELEVISION CHANNEL LANGUAGE GROWTH



BARC | Change in AMA 2020 vs 2019

TELEVISION CHANNEL LANGUAGE GROWTH

Rank	2019		2020	
	Channel language genre	% Share	Channel language genre	% Share
1	Hindi movies	10%	Hindi movies	11%
2	Hindi news	6%	Hindi news	6%
3	Hindi GEC	5%	Hindi GEC	6%
4	Music	5%	Tamil GEC	4%
5	Tamil GEC	4%	Music	4%
6	Bengali GEC	4%	Hindi regional news	4%
7	Bengali news	3%	Bengali news	3%
8	Hindi regional news	3%	Bengali GEC	3%
9	Malayalam GEC	3%	Malayalam GEC	3%
10	Telugu GEC	3%	Telugu news	3%
Others (68)		54%	Others (69) 53%	

BARC | Change in AMA 2020 vs 2019

Source: EY FICCI M&E Report 2021