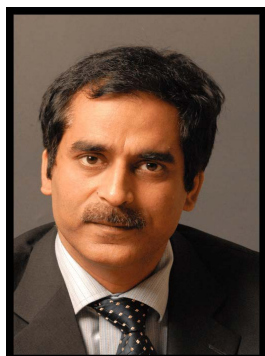# Reimagining digital content in the Indian market!

by Atul Madan, Head of Digital Services at Mahindra Comviva

With content becoming really important, the pattern of digital media consumption has also changed and providing localized content now holds the big key to staying relevant and delivering the right experience that users strive for.

Atul Madan Senior Vice President Digital Services Atul has over 20 years of experience and has held a variety of senior executive roles in the software and telecom domains. At Mahindra Comviva, Atul heads the Digital Services business unit which focuses on leveraging the mobile to develop world-class lifestyle solutions spanning music, video and content and digital services for diverse geographies - Middle East, Africa, Europe, Latin America and South Asia. With an emphasis on driving product innovation while balancing business imperatives, Atul has helped grow Comviva's digital services business, which contributes 35% to Mahindra Comviva's business. Previously, Atul was responsible for growing Mahindra Comviva's footprint in Africa. In his role as VP Airtel Africa, Atul helped expand Comviva's presence in 17 new countries and was responsible for growing Comviva's Managed Services and Mobile Financial Services business. Prior to that, Atul was instrumental in developing and growing Mahindra Comviva's Mobile Advertising and Digital Services infrastructure solutions spanning Messaging, Call Management and Roaming. Before joining Mahindra Comviva, Atul worked with Daewoo Telecom, India, where he developed and delivered telecom and datacom products. Atul has wide experience of PSTN, 3G, CDMA and ATM Switching Systems and has been responsible for developing products in the areas of IP Switching, Routing and X.25.

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With content becoming really important, the pattern of digital media consumption has also changed and providing localized content now holds the big key to staying relevant and delivering the right experience that users strive for.

As a nation, India's Internet traffic originating from mobile devices such as smartphones, tablets, phablets, etc has already taken over the desktop internet traffic. The total number of internet users crossed 254 million in September 2014, out of which 235 million Internet users accessed the web using their mobile devices.

Most importantly, the growth of Internet is happening in urban as well as rural India. Internet users in rural India reached 138 million by June 2015, while urban India has 216 million internet users.

Coupled with a vast availability of low cost internet enabled devices such as smartphones as well as network expansion by telecom operators – India's internet user base is growing at a rapid rate with most of these users belonging to the age group of less than 35 years.

India's online music user base is expected to reach 273 million by the year 2020. Digital video subscription market alone is estimated to be around INR 35-40 billion by 2020.

Online music users in India are expected to touch 273 million and digital music industry revenues are expected to cross INR 31 billion by FY20, according to a report titled Digital Media: Rise of On-demand Content by Deloitte in India.

Smartphone shipments to India grew 15% annually during the October-December (Q4) period of 2015, taking the smartphone user base to 220 million, according to new data from Counterpoint Research.

In August 2015, IDC had predicted that India's smartphone market will overtake the US market by 2017. In 2015 alone, over 100 million smartphones were shipped to India, which is over 23% more than the previous year, according to Counterpoint Research.

Smartphones fuel digital media consumption

According to the report titled, "Future of Digital Content Consumption in India" by Ernst & Young, the smartphone penetration in India is expected to grow to 520 mn by 2020, making the country as one of the fastest growing smart phone economies in the world. The report further states that the broadband penetration will increase from 14% today to 40% by 2020.

The rapid up-take of connected devices and the consequential increase in availability of broadband connectivity will be instrumental in increased digital media consumption.

Rapid rise in digital content adoption

When it comes to usage - social media and entertainment in the form of music and video are the two major activities on which the Indian mobile internet users spend most of their time. This is followed by games, general search, and email activities.

Taking a cue from the above opportunity, there is a whole set of on-demand entertainment services led by audio and video content that are making their footing in the Indian market.

And there is a whole ecosystem around such services which is fast coming up - this ecosystem includes content providers / content aggregators, Technology Enabling Platforms, Advertising Platforms, distribution channels, Payment Channels and marketing channels. However, there are certain concerns and challenges that need to be addressed in order to realize this unique opportunity in the near future.

At present, the India's music industry is undergoing an evolution towards embracing digital delivery platforms and digital consumption habits.

The number of online music listeners is expected to grow to 273 million by March 2020, mostly driven by the youth and also increased demand for regional content.

As digital media intake is increasing, according to a recent report by Ernst & Young, the Indian digital media sector is expected to create disruption with growth to reach INR 200 billion (INR 20000 crores) by 2020 with digital ad spend expected to grow at 23-28%.

Most importantly, today India has a large and growing millennial population – which includes young, tech-savvy consumers with rising earnings potential and disposable income. India, therefore is a market which is ripe for digital media investments. The report further adds that the demographics are all stacked in India's favor for digital consumption in the coming years.

Challenges for digital content providers

With the rise in digital content consumption, there is a growing need for various digital content providers to drive ahead with personalized and relevant content that can engage with their customers in a better manner.

Additionally, there is an ambiguity in finding, distributing, and measuring quality digital content. From social monitoring tools and publishing platforms to analytic tools, there's a need for technology to play a major role in terms of easing out the complexity, confusion, and pain of content producers as well as content consumers.

In such a scenario, content providers need to develop a robust platform from where they can source and monetize localized content and thereby strengthen local content ecosystems. For a country like India, this make huge sense as there are so many diversified regions within this nation.

The artist monetization problem

In today's scenario, individual content producers don't know how to monetize their content. And the existing manual system of payments is very time consuming and complicated not only to the content producers but also the content users – i.e., application providers, operators and media houses.

This needs to be made a lot more simple in order to realize its full potential. And monetization can fasten when and only when the issue of localization is addressed.

The piracy problem

Lack of organized IPR monitoring system means content distributors do not have any means for auditing content and ownership, which leads to piracy issues and loss of revenue for original content creators. Meanwhile, rampant piracy still reigns. In India, the piracy problem took a turn for the worse when it was included in the international Piracy Watch list by the US in 2014 along with four other countries.

KPMG notes that just 1%-2% of music is consumed by way of legal purchase in India, whereas 99% of the music consumption is still illegal. The music sector piracy alone accounts for US$4 billion.

As more and more people become open to consuming digital content, piracy of digital content is a big problem for India's media and entertainment industry, resulting in losses of about US$4 billion every year due to copyright infringement. Despite piracy, a PwC report suggested that India's domestic music market is expected to grow to US$590 million by 2014.

What's the future for digital content?

As a nation, India is moving well in terms of consuming digital content, however, unlocking the full potential of such content in future will depend upon a realizing the full potential of producing, accessing, managing and delivering such digital content through the information highways.

Innovative services localized content offerings and unique business propositions will drive better growth prospects for greater digital content adoption in India.

And most importantly, next generation digital content will be built not just on next generation network infrastructure, but on new-age technological advancements like consolidating all digital content at one location. Digital Content will go a long way in addressing the various painpoints in content existing in today's' highly dispersed systems. It brings the entire ecosystem of content providers, application providers and distribution channels on a single platform and leverages multiple channels of content distribution like Web, APP, Text, and IVR for seamless distribution-Reimagining new digital content for the country.
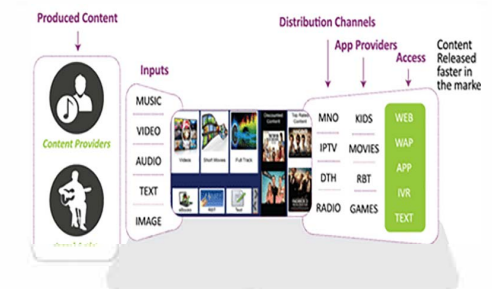
Digital content store will works as gate way for local content providers to monetize their content not only with in their respective countries across multiple platforms but also provide them access for their content monetization cross countries globally. This content store would also address the pain point of content provider by offer them single window for reconciliation, invoicing & payments for their content monetization happening on multiple platforms & in multiple Regions & Geographies.

Digital content store becomes a complete content platform that enables Telecom Operators, Media houses, IPTV players, DTH Players, Application Providers to buy rights for variety of content.