

A Study On The Impact Of DTH (Direct To Home) On The Local Cable Operator's Business Network

Dr. Pooja H. Ramchandani,

Assoc. Prof. (Department of Commerce) and Vice Principal.

H.R. College of Commerce and Economics

Abstract:

Television industry opened market which started with one channel i.e., Doordarshan. Today, the number has increased close to 800+ channels and still counting. There is drastic loss of tax revenue to the government which outcome is of unaccounted or under-reported subscribers in cable distribution, particularly with the growing demand for cable from subscribers. To combat leakage, the TRAI issued a mandate in 2012 to digitise the entire Indian cable TV distribution in phases. which outcome is, set-top boxes were introduced in order to digitise the cable market. The research paper attempts to analyse the impact of DTH cables can take over the businesses of Digital Cables in near future and to analyze the distinguish between DTH and Digital Cables.

Keywords: Local cable operators, Digital Cable, Direct to Home (DTH) network.

• **INTRODUCTION :** Direct to Home (DTH) television distribution players were strengthening as a competitor to cable players. In terms of the Indian television industry, the digitization process will hold local cable operators more accountable, as opposed to the current practise of under-declaring subscriber numbers and profiting at the expense of broadcasters. It will also lead to industry consolidation because small-scale cable operators may lack the funds to purchase the equipment required to beam digital cable signals. It not only provides another option for Indian consumers, but it also leads to cable operators becoming a more organised business rather than an unorganised one. Multi-System Operators already exist. i.e. Large cable operators, such as DEN Networks and Hathway, have absorbed most smaller operators, resulting in business consolidation. A more organised cable industry also means more tax revenue for the government. The process of digitization will be divided into four phases, beginning in 2012 March with four major digitization metros: Mumbai, Delhi, Kolkata, and Chennai. The second phase aims to cover the remainder by

December 31, 2014. This means that people must now use a (STB) in conjunction with their television to access channels, as the former analogue cable networks will be phased out beginning with the top four metro cities. This could take two forms: an STB linked to the dish antenna of a DTH operator or an STB linked to existing cable wires by a digital cable operator.

• OBJECTIVES OF STUDY :

- 1 . To analyse the impact of DTH cables can take over the businesses of Digital Cables in near future.
- 2 . To compare DTH and Digital Cables connected to existing cable wires by a digital cable operator.

• HYPOTHESIS OF THE STUDY:

H1: DTH service is superior to local digital cables in terms of service..

• RESEARCH METHODOLOGY :

This is using secondary data from various online sites in order to study the possibilities that DTH cables might be in future as well as to understand the major distinguish between the two.

REVIEW OF LITERATURE :

Confederation of Indian Industry (CII) - PricewaterhouseCoopers report on India's media and entertainment sector, published on September 20th, 2014, a gradual acceleration in pay TV (television) penetration will drive major growth for the television sector in five years, aided digitization TV cable in India. TV penetration in India is 60%, significantly lower than in countries which is developed where it is more than 90%. As a result, there is considerable scope for increasing the number of TV households in India. In time of 5 years, pay TV penetration among TV-owning households rise steadily, driving growth in the television industry. In 2013, there were 129 million TV-owning households in India, with 64 million subscribers, 30 million digital cable subscribers, and DTH subscribers. According to the CII PwC report, DTH subscribers will grow from 56 million in 2017 to 64 million. Add to that the massive amount of back-end work required by cable operators to put the process in place, which will take a long time. DTH providers have a large customer base and a strong presence in India. In terms of services, we already offer high definition (HD) channels to our viewers. In addition, we offer additional services such as a job

portal and a financial portal. In addition, local events such as Satsang sessions, exhibitions, and festival coverage such as Ganesh 4 Chaturthi and Janmashtami in Mumbai will be available. Furthermore, local operators can provide up to 1,000 channels if necessary, but DTH operators are currently nowhere near that number.

• ARE DIGITAL CABLES BETTER THAN DTH CABLES?

The table below highlights some of the key differences between Digital Cables and DTH Cable services.

SR. NO	DIGITAL CABLE SERVICE	DTH CABLE SERVICE
1	Prompt service once a complaint is lodged.	Service can take from 1 to 7 days.
2	Fixed price of membership.	Flexible membership options.
3	Transmission remains same all year.	Transmission problems during rainy season.
4	Can offer localized content.	Localized content not available.
5	No dish antenna required.	Dish antenna installation required.
6	Direct interaction with operator available.	Have to contact customer care.
7	Mode of payment not flexible.	Flexible mode of payment available.

*SOURCE - <http://techcircle.vccircle.com/2011/11/11/digital-cable-tv-versus-dth-which-one-to-go-for-why/>

Apart from the aspects mentioned in the table above, certain other factors that help to differentiate between Digital Cables and DTH cable services are:

1 . Economical :

a) Set Top Box :

5 The majority of the leading DTH companies' cost around Rs 1600/- including installation fees, whereas cable TV cost between Rs 800/- and Rs 1000/- including installation fees.

b) Packages:

Most DTH providers offer base packages starting at Rs One hundred fifty for packs of South Indian and Rs 200 for the rest of India, which doesn't added total channels. Prior to Conditional Access System, cable operators charged only Rs One hundred for their cheapest base packs, but now they charge a nominal rate of Rs 200 to Rs 250 for all channels, which differ on location.

2 . Disruptions :

The comparison of DTH vs. Digital Cable TV would be incomplete if the issues that cause disruptions were not addressed. The various issues causing disruptions are as follows: a) Due to inclement weather:

Most DTH providers offer base packages that begin at Rs One Hundred Fifty for South Indian packs and Rs 200 for the rest of India, but doesn't include total channels. Prior to Conditional Access System, cable operators charged only Rs One Hundred for their cheapest base packs, but now they charge a nominal rate of Rs Two hundred to Rs 250 for all channels, which differ by location.

b) Due to power cut-off :

In the case of DTH services, even if power is cut off in a specific area, people can still watch TV if they have a personal generator or inverter because pictures Twenty four hours a day, 7 days a week. In contrast, power outage in a specific area, the images on Cable TV usually fade out. Differing depending on where you live.

3 . Management of Packages :

Providers have 24-hour customer service and their own websites, which show the six customers the package rates and channels included. Customers with DTH can also manage their own accounts. Aside from that, they can always remove, add, or change a channel or package. Cable TV providers, do not have this robust infrastructure. Most cable companies do not even have a customer service line or a website.

4 . Quality :

Another unavoidable point and DTH cable services is quality.

a) DTH set-top box: It have a one-year warranty and excellent firmware and hardware quality. Cable TV operators' set-top boxes have a one-year warranty as well, but they are not as good as DTH service providers'.

b) Video/Audio: The sound and picture quality of DTH and Digital Cable TV are comparable. DTH, is slightly ahead of the competition.

5 . Service :

Most quick service and respond to customer problems and complaints. They provide 24-hour customer service to their customers at all hours of the day and night, and most problems are resolved within 24 hours of filing a complaint. However, service quality and effectiveness, as well as response time, differ from one DTH provider to the next. Cable TV operators, on the other hand, do not provide 24-hour customer service and thus operate in a chaotic system. Service quality and response time vary by location for cable operators.

6 . Portability :

If a person decides to move, they will not need to buy a new set-top box or any other DTH accessories. Very helpful feature, especially for people who have transferable skills. However, cable TV providers do not provide such services, and customers may be required to purchase a new set-top box for their new location.

7 . Payment :

Because DTH is a prepaid service, customers can choose not to recharge their accounts while on the road. This is another useful feature for people who must relocate house frequently for work or other reasons. Cable TV subscribers, on the other hand, must pay whether they are at home or elsewhere.

8. Regional channels :

DTH has far fewer regional channels than cable television. You can, however, watch their regional channels even if you do not live in their state. Those who live away from home will find this feature useful. Cable TV providers, provide significantly more regional channels. However, if a person does not live in their home country, they will not unable receive many of their own regional channels because cable operators primarily beam local regional channels.

9 . Pause/ Record/ Rewind live TV :

Subscribers with free live TV pause, record, and rewind services. All that is required is the purchase of a slightly more expensive set-top box with storage capacity than a standard one. Cable television companies, have yet to offer such services. the government's STB Seeding Status of Phase II, DTH players in India could only capture about 30% of the market share, with the rest going to cable MSOs. As a outcome, DTH adoption rates in India are slow. As a result, while DTH services have numerous advantages over Digital Cable TV, it is highly unlikely that DTH service providers will be able to outperform Digital Cable TV in the Indian television industry.

FINDINGS:

The following are the major research findings based on the study that prove the hypothesis that DTH service providers provide better services than digital or local cable operators:

- a) DTH set-top boxes are more expensive, but there are deals for lower-cost packages.
- b) DTH services are not more frequently disrupted due to power outages and weather conditions.
- c) DTH service providers offer 24-hour customer support.
- d) DTH service providers' audio/video quality is far superior to that of local cable operators.
- e) DTH operators provide portability within a country, allow gap recharge of packages, saving the consumer money, and beam a variety of regional channels.
- f) DTH set-top boxes offer features such as pause/recording and rewinding favourite programmes.

• RECOMMENDATIONS :

While Multi-System Operators are busy expanding their customer base and increasing their market share, they must also find ways to increase their ARPU and profits. Cable Multi-System Operators can:

1. Analyze customer consumption patterns and tailor offers and packages to their preferences.

2. Target high-value customers and offer them personalised offers and plans tailored to their specific needs.

3. In order to increase consumption in rural markets, provide small bundles and various appealing top-up offers.

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