

Growth of Cable TV Infrastructure and Regulatory Developments Make Home Multi Play Market in India Very Attractive

Summary

With two million TV sets being sold every month, the need for connectivity to TVs is growing at the rate of 20 % per annum. This adds up to 130 million cable homes by 2010. Govt is introducing regulations to corporatize the cable industry, eg, digitalization and addressability of TV, 74 % foreign direct investment, revenue share for pay TV channels, itemized billing by MSOs and Local Cable Operators (LCOs), DTH, CAS, IPTV and HITS services licenses. India's cable TV industry is run by 60,000 LCOs and 5000 MSOs. Both MSOs and LCOs are now threatened that they would lose their TV market share to DTH operators. To counter, they want to offer home multi play service of voice, broad band, TV, VoD, music, photos, games, lottery and fixed mobile convergence exploiting their last mile HFC infrastructure on which they offer only analogue TV today. It is time for Comcasts, Time Warners, Coxs of the world to strike partnership with telcos/CMSPs/MSOs to tap into \$ 14 Billion market.

Analysis

Home multi play service opens up a huge opportunity for India to become the world's largest fixed broad band country in shortest time and at least cost.

Telcos, CMSPs and big MSOs having their fiber deeper into semi urban and rural areas can generate and carry multi play signals to the distribution points where LCOs interconnect their last mile HFC network to deliver the services to homes. Major players involved would be telcos/CMSPs/MSOs, content owners, broadcasters, content enablement platform providers, equipment vendors, CAS suppliers, STB producers and LCOs. MSOs would have to seek license for voice service.

This paves the way to introduce fixed mobile convergence service for voice and data there by enabling mobile subscribers to continue/make calls from homes paying lower fixed line tariffs. Family and group calling can be virtually free as incremental capex for introducing this service would be much too low.

This is a big opportunity for world's top MSOs and telcos to strike deals and partnerships with Indian telcos/CMPS/MSOs to enter into this B2B2C business as a chain with LCOs and end consumers.