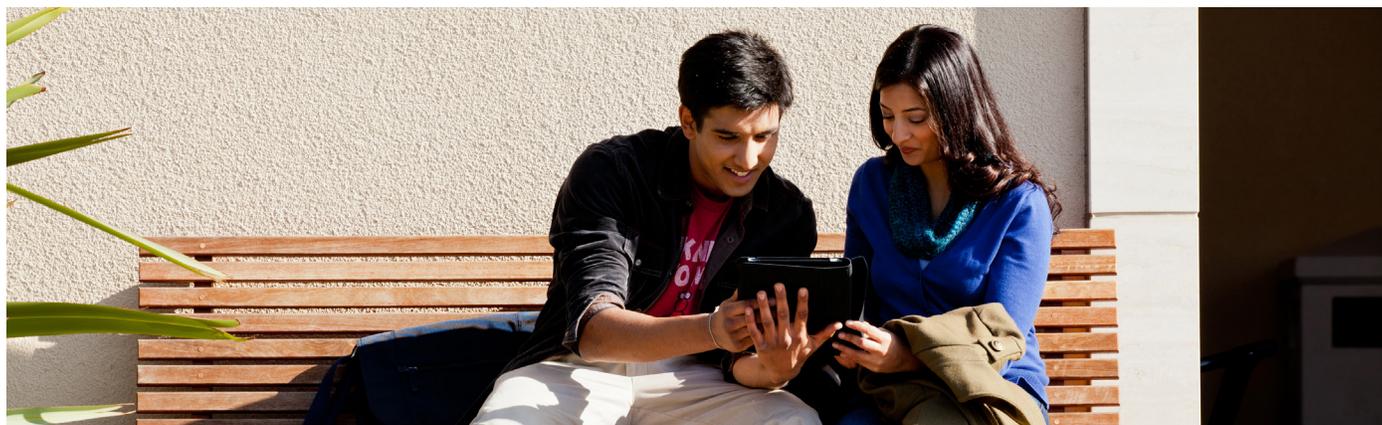


# Leading Direct-to-Home Service Provider Transforms Indian Pay TV Market

Customer Case Study



Tata Sky uses Cisco video solutions to build subscriber loyalty and increase revenues.

## EXECUTIVE SUMMARY

### Tata Sky

- DTH pay TV service provider
- Mumbai, India
- More than 10 million subscribers

### Business Challenges

- Differentiate from incumbent cable and earlier established DTH competitors
- Grow per-subscriber revenues
- Increase subscriber loyalty

### Network Solution

- Deliver new multiscreen video experiences using Cisco conditional access and electronic programming guide (EPG) software, Cisco set-top box (STB) software, and Cisco certified STB

### Business Results

- Grew from launch to 10 million subscribers in seven years
- Achieved highest average revenue per user in pay TV industry
- Became Indian market leader in HD video and value-added TV services

## Business Challenges

When Tata Sky launched its direct-to home (DTH) satellite TV service in 2006, the company had a clear purpose: to set the standard for “premium” TV experiences in India. Indian pay-TV customers overwhelmingly subscribed to analogue cable, which was often characterized by unreliable quality, middling customer service, and a very basic TV experience without an electronic programming guide (EPG).

“We wanted to take a premium position in the market and differentiate our service,” says Vinati Malik, vice president of interactive services for Tata Sky. “We wanted complete clarity in the customer’s mind that Tata Sky was not cable.”

The challenge: under Indian pay-TV regulations, service providers cannot offer exclusive linear TV content. Any channel Tata Sky offered could be offered by its competitors.

“We realized that the one way we would be able to differentiate ourselves in this market would be to offer interactive services,” says Malik.

At the time Tata Sky launched, India had relatively low Internet and home computer penetration. By offering interactive gaming, music, and video, the company hoped to provide experiences that customers were not getting anywhere else.

Tata Sky also sought to set the standard for pay-TV quality in India, offering a better set-top box, high-definition TV services, digital video recorder (DVR) capabilities, and a more advanced TV interface. With these inducements, the company’s leaders hoped to build long-lasting loyalty to the Tata Sky brand, and ultimately increase average revenue per user.



“The end-to-end, leading-edge digital solutions coupled with our focused go-to-market strategy have played an imperative role in our success story. We look forward to continued support from Cisco in our journey to leadership.”

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**Harit Nagpal**

Managing Director and CEO  
Tata Sky

“Even at the top end of the market, our customers are very cost-conscious,” says Malik. “They may want to pay extra for a more advanced cable box, but would expect all the bells and whistles. They expect to get more with every technology product. We want to meet that demand by staying at the cutting edge of technology.”

## Network Solution

As Tata Sky’s leaders looked to set the standard for premium pay-TV, they turned to NDS (now part of Cisco), and today Tata Sky and Cisco work together to release a new generation of TV experiences in India.

Tata Sky’s linear TV offering is based on Cisco VideoGuard® conditional access, Cisco MediaHighway™ STB software, and Cisco® certified STB and DVR hardware. The company also worked with Cisco to create a custom, multilingual EPG and a suite of interactive applications. Today, Tata Sky’s interactive lineup under the “Active” brand includes:

- Active English, which provides conversational English education
- Active Fun Learn, which offers learning games, arts and crafts for children
- Active Music, which provides 10 channels of music day and night
- Active Games, which users can play with the TV remote
- Active Cooking with recipes and cooking tips from master chefs across India
- Showcase, which offers pay-per-view movies

“We have several interactive services under our Active brand, including an educational channel for children, interactive gaming, cooking, English lessons, music, and pay-per-view movies,” says Malik. “We’ve been able to capture a unique position in the subscriber’s mind, where they know that Tata Sky means more than just TV. And over the years, we’ve been able to monetize these services.”

As Tata Sky has grown, the company has continued to work with Cisco to deploy video-on-demand (VoD), HD video, and new HD personal video recording services with Cisco Videoscape™ XTV enabled DVRs. Tata Sky also recently launched an “Everywhere TV” offering that brings linear TV channels and VoD content to subscribers’ smartphones and tablets, based on Cisco Videoscape Video Everywhere.

“We needed a strong partner,” says Malik. “We were looking for someone who had done this before, who had a ready-made solution and an end-to-end perspective, and who understood the Tata Sky head-end technology. Cisco was the natural choice.”

Tata Sky is now working with Cisco to develop the company’s next-generation HD DVR solution. The new platform will include integrated transcoding capabilities to enable “side-loading,” allowing subscribers to transfer video content stored on their DVRs directly to their smartphones and personal media devices. Tata Sky is also working with Cisco to extend its Everywhere TV offering to personal computers.

## Business Results

With the right combination of premium video and value-added interactive services powered by Cisco technology, Tata Sky has attained unprecedented growth. Today, Tata Sky is the market leader in HD TV and value-added TV services in India. The company's interactive services and state-of-the-art TV experiences have kept customers loyal to the brand, and helped it achieve the highest average revenue per user in the industry.

"Tata Sky has been the industry leader in value share and is significantly contributing to the Indian digital pay-TV market with more than 10 million connections acquired in less than seven years," says Harit Nagpal, managing director and chief executive officer of Tata Sky. "The end-to-end, leading-edge digital solutions coupled with our focused go-to-market strategy have played an imperative role in our success story. We look forward to continued support from Cisco in our journey to leadership."

Being the fastest growing providers of DTH satellite pay-TV services in India, Tata Sky enjoys several firsts in the industry:

- First to launch Hindi language EPG
- First to launch DVRs
- First to introduce revolutionary Auto Standby Technology to save electricity on STBs
- First to launch HD STBs
- First to launch India's most advanced, feature-packed Tata Sky+ HD service (HD DVR)

Tata Sky continues to generate recurring revenues from services such as its Active interactive offerings, HD video, VoD, and now Everywhere TV, especially among premium subscribers. Even among its wider subscriber base, Tata Sky has solidified its reputation as an innovator that offers experiences beyond the TV.

"We want to keep providing new features, keep figuring out the next big leap we can offer to help us stay on top, and we look to Cisco to help us bring it to our subscribers," says Malik. "In the long run, these features do increase revenue per user. But more importantly, they help us to stay on top in the customer's mind map. We are an aspirational brand. If someone is going to buy an HD TV, we don't even want them to think about another brand, because there's so much more Tata Sky can offer."

## For More Information

To find out more about Cisco Videoscape, visit <http://www.cisco.com/go/videoscape>.

## Product List

### Video

- Cisco VideoGuard Conditional Access
- Cisco MediaHighway STB Software
- Cisco Videoscape XTV DVR



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