

## Current Scenario Of Revenue Structure Of Indian Media: An Overview

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### ABSTRACT

The Indian media and entertainment (M & E) industries are unique in the world, as is the Indian film industry. As India's media business has seen dramatic and transformational change over the past two decades, as evidenced by the increase of both channels and audiences. It has a massive income structure, which is aided by technological advancements and the internet. As per ongoing evaluations, the nation has in excess of 100 news channels that reach 161 million families, around 94,067 papers, and in excess of 200 million Internet clients. According to ongoing evaluations, the country is home to more than 100 news channels that reach over 161 million families, around 94,067 newspapers, and more than 200 million Internet users, in addition to other things. Following these changes, a new body of discourse has emerged that highlights the expansion and vitality of the Indian media. As a result, the purpose of this study is to analyse the revenue structure present and forecast for the past several years.

**Key Words:** Indian Media, Media Economics, Media Revenue Structure, Media Market

### INTRODUCTION

The Indian media is one of the oldest media in the world (Kandoth & Shekhar2021). The communication landscape consists of a wide range of media, including radio, television, film, newspapers and periodicals, as well as Internet-based websites and portals (Kumar, 2020). The Indian media has been dynamic since the late eighteenth century and has been free and autonomous for most of its set of experiences. The Indian media business represents a new

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dawn for the country's economy, and it is taking important steps forward. Because of its high revenue-to-low-cost ratio, India already has the ability to significantly alter people's media consumption tastes and behaviours (Mairuru et al. 2019). The media business, which is demonstrating its strength to the rest of the world, is on the verge of entering a phase of sustained growth, which will be supported by increased consumer interest and further increasing advertising revenue (Dwivedi et al. 2020). According to recent trends, the Indian media business grew by 25% in 2021 and is expected to develop more in upcoming years (India Brand Equity Foundation Report, 2021). The print circulation revenues increased by 2% to INR 90 billion, with price escalations in some newspaper markets.

Buckling to global trends, print media in India has continued to grow and has become the second-largest share of the Indian media sector. On the verge of internet and mobile users, the digital media sector is already exploding. Mobile subscribers increased immensely, reaching 1,180 million at the end of June-2021 with a monthly growth rate of 0.34%. (Trai Press Release No. 37/2021). Also, it is estimated that mobile media platforms will touch 1420 billion by 2024, with 80% using 4G technology. Digitally-driven industries such as internet advertising will lead the way in increasing expenditures in India by 20.4% (CAGR Report 2020). The fastest-growing segment will be Internet advertising. According to research by the FICCI-EY partnership, the proportion of promoting to GDP would increase to 0.4% by 2025 from 0.38 % in 2019. An analysis by EY found that the Indian media and entertainment (M & E) sector was valued at Rs. 1.38 trillion in 2020 (US \$18 billion) and is expected to grow to Rs. 1.79 trillion in 2021 (US \$24 billion). Looking at the volume and spread of media business, one might conclude that India is in a very happy state for its media industry. In this article, we discussed contextual literature on economic practice, revenue statistics, and market size of media, along with a comparison of different modes of media and their revenue forecast.

### **Research Objectives**

The purpose of this study is to determine the present income structure of the Indian media business through a review of previously published literature. The first goal is to have a thorough understanding of the revenue models used by Indian media to generate income, as well as the proportion of revenue generated by each model. The second goal is to determine the future stream of income for the Indian media industry. This is the first type of study of its kind.

### **Research Methodology**

We conducted a comprehensive review of the literature addressing the existing media revenue structure. The data comprised information from press releases, governmental agency reports, corporate reports, and articles published on platforms that showed the most recent media income and diverse business models. The research methods were included the article which consists quantitative, qualitative data and in-depth analysis.

## Results

### Revenue Structure of Indian Media

In a business model, "revenue structure" refers to the methods by which income is generated and the sources of that income. Advertisement and subscriptions are the main sources of revenue generation for the Indian media (Sen & Nielsen, 2016). Generally speaking, media firms generate their revenue by direct methods such as subscriptions to newspapers and other publications and via indirect payments such as advertisements and sponsorships. Media companies utilise their platforms to display advertisements and accept payments from other businesses in exchange for placing advertisements among their content aimed at attracting customers. In order for news organisations to make money, they use a range of tactics, or "revenue models." The most common revenue structures are discussed in the following sections.

### Subscription Revenue

A subscription is a strong choice for media formats that are updated often, such as a daily newspaper, a monthly magazine, or cable TV. Media firms want subscriptions because they give a consistent income over time. It doesn't function with material that is deemed a commodity—something you can receive for free or at a very low cost from other providers. You can receive the same information for free online, so paying for a membership to a news website implies that the site will offer something special in addition to what you'd get from free news sources. Subscription income in India is expected to rise from Rs. 631 billion in 2020 to Rs. 940 billion in 2023, according to projections (Figure 1b). According to EY-Parthenon research, India's publishing industry will reach Rs. 80,000 crore (US \$10.74 billion) by 2024. Rising customer demand for content and affordable subscription options were two factors driving the industry's growth. Over the course of the year, the number of Indians who accessed news online surpassed 300 million for the first time (India Brand Equity Foundation Report, 2021). The majority of significant print enterprises have a clear digital operation, with two exceeding INR1 billion in digital sales. While the digital subscription market is still in its infancy, the number of publications charging for access to their digital content has grown. By 2020, the OTT subscription market is expected to account for around 10% of total TV subscriptions (without taking data prices into account) (India Brand Equity Foundation Report, 2021). The subscription survey shows the percentage of people who likely pay, somewhat pay, and don't pay for the subscription (Figure 1c).

### Advertising/ Sponsorships Revenue

Advertising is the most prevalent income model in both conventional and digital media. To attract a large audience, television shows, newspapers, and websites give their information away for free or at a minimal cost (Seetharaman, 2020). Media firms may monetize material in three ways: by selling per-instance rights-to-use or recurring subscriptions; by selling advertisements next to the content, or by selling consumer data. Advertisers seeking to promote their products pay media sources, who then insert advertisements within their

content for the public to see. The vast majority of media outlets chose to collaborate with brands rather than engage in the highly cyclical industry of selling impressions and clicks to the digital advertising community through their websites and YouTube channels (Wilding et al. 2018). The Indian media revenue was 596 billion rupees in the year 2020, which is projected to increase to 915 billion rupees by 2023 (Figure 1d). Television media broadcasting is the largest earner of advertisements in 2020 and 2021 and is also expected till 2025 (Yadav & Srivastava, 2020). It got about 65% of its revenue from advertising. The digital advertising revenues increased to 24 % of overall advertising expenditure of any format in 2021. In financial year 2022, the advertisement revenue for TV broadcasters will be back to as much as 97% of pre-Covid. The Indian media industry is projected to grow by 38% in 2023, after accounting for 12% in 2015, 19% in 2021, 9% in 2016, and 8% in 2021 (India Brand Equity Foundation).

### **Earning by YouTube**

YouTube monetizes videos using a variety of advertising formats, including pre-roll, display, and other forms of display advertising. Advertisers are compensated according to the number of clicks and impressions received. YouTube distributes 55% of the money to content creators while keeping the remaining 45% for themselves (Waseem, 2018). On the cusp of internet and mobile users, media outlets post their content on YouTube, alongside live channels. At least 35 big news media channels and more than 1,000 small individual media channels are currently running their news on YouTube. These media channels have millions of subscribers (Figure 2), and these channels get paid on the basis of viewership according to the YouTube policy. There is no such data available, but it could be calculated on average views.

### **Market Dynamics**

In 2019, advanced media overtook recorded entertainment to become the third-largest sector of the media market, while TV and print stayed in their second-largest positions. As a result of the ascent of membership-based plans of action, as well as India's engaging quality as a site for content creation and after-creation activities, the business keeps on developing at a quicker rate than the economy all in all. Consumers may now consume information on-demand and from any place at any time of day, thanks to the rapid spread of mobile connectivity. With a population of 1.3 billion individuals, a high tele-thickness of around 89% of families, 688 million web endorsers, and almost 400 million cell phone clients, India's broadcast communications industry is ready to turn into the essential stage for content dispersion and utilization before long (Shankar et al. 2020). The Indian media market is forecast to be 40% dominated by television by 2024, followed by print (13%) and digital (12%) advertising, cinema (9%), and OTT and gaming (3% each). (8 percent).

By 2025, it is expected that the quantity of connected smart TVs will reach 40–50 million units. Gaming, online media, brief videos, and content specifically created for this age by TV, print, and radio organizations will represent 30% of all material watched on screens. Smart

TV sends out from India moved by 65% year-on-year in the second quarter of 2021, attributable to expanded development endeavours attempted by original equipment makers (OEMs) for their smart TV item portfolios in the period. According to estimates (Gray, 2019; India Brand Equity Foundation Report, 2021), by 2025, approximately 600–650 million Indians will be watching short-form videos, with active users spending up to 55–60 minutes per day on the internet (Gray, 2019; India Brand Equity Foundation Report, 2021).

By 2025, we anticipate that over 40 million connected TVs will be in use, providing significant potential for content developers to engage family customers. The increase in bandwidth will encourage the use of huge screens. By 2025, there will be 750 million smart phone displays, which will increase the need for local, user-generated, and short content, which will lead to the creation of a short video ecosystem that could lead to a lot of jobs.

### **Discussion**

Every media organisation must have an innovative attitude to attain and retain sustainability. India's media and entertainment businesses are booming due to its huge population and internet availability. Besides this, the emergence of smart phones and smart TVs paved the way for massive media income production (Dovleac, 2015). The industry should develop substantially faster than the world average. The market is forecast to grow by 17% between 2020 and 2025. (CAGR Report 2019). Digital and online income contributed 26 billion rupees to the M&E industry in FY20, a growth of 16 percent compared to FY19. Indian newspapers and magazines are published in dozens of languages. Although they sell over 240 million copies altogether (India Brand Equity Foundation Report, 2021).

It has increased the Foreign Direct Investment (FDI) restriction from 74 percent to 100 percent in cable and direct-to-home satellite systems, and granted the media business industrial status to facilitate access to institutional finance. Between April 2020 and June 2021, FDI into the information and broadcasting sectors totalled \$9.6 billion (Raj & Aithal, 2018; India Brand Equity Foundation Report, 2021). The Union Budget 2021 boosted the economic growth engines. A total of Rs 4,071.23 crore (\$562.80 million) was allocated to the Ministry of Information and Broadcasting in the Union Budget for 2021. Prasar Bharati received Rs 2,640.11 crore (\$364.96 million). Additionally, the IIM and FTII received budgets of Rs. 65 crores, Rs. 58.58 crores, and Rs. 20 crores, respectively. The social service budget for broadcasting was Rs. 2,921.11 crore (India Brand Equity Foundation Report, 2021).

To cover production expenses and make a profit, the media relies on a mix of consumer and advertisement revenue. Media items are usually printed, broadcast, or online. So, the majority of media costs are associated with the initial copy or transmission. Total manufacturing expenses include distribution, promotion, and government taxes. Digital manufacturing and distribution reduce capital costs like printing machines and television towers. Inexpensive software creates and edits material that the public can copy and share.

Together, the smartphone and low-cost mobile internet connection have altered society, culture, politics, commerce, and the media environment globally, and particularly in India. Smartphones were used by 68% of respondents to obtain internet news (Reuters India Digital News study). Surprisingly, 31% of respondents solely utilised mobile devices to get internet news. The younger generation has embraced 'digital' outlets for news and entertainment, bypassing television and even theatres. For every TV in a middle-class home, there are four mobile phones devouring high-speed data. This fact alone explains the rise in mobile news and entertainment consumption and the decline in "family viewing." In less than a decade, India has become a mobile-first, platform-dominated media economy, bringing in substantial revenues for the media business.

Thus, these social media platforms are "absolutely crucial to online news distribution" in India and wield a brute strength unseen in the nation's history.

## CONCLUSION

Indian media have three main ways to make money, and this study found out which ones they are (subscription, advertising and YouTube earning). As a result, the conceptual framework used in this study can be used to help future researchers and projectors look at how the media market will change in the future, as well as how to locate context-dependent strategic issues and success factors in this sector.

## Future Perspectives

This study will contribute to the understanding of media income structure in the following year and will assist in setting the trend. It will also assist marketing managers in setting up and measuring their marketing operations on media platforms in an efficient manner.

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**Figures**

**Figure. 1 The dynamics of Media Market. 1a (Total media and entertainment market, 1b (Media Industry revenue in 2020 and 2023), 1c (Forecast of Paid subscription in India), 1d (Share of major industry segment).**

Figure 1a

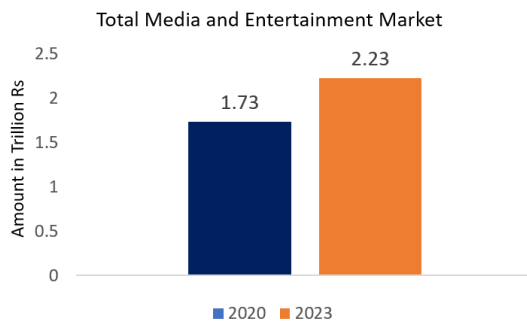


Figure 1b

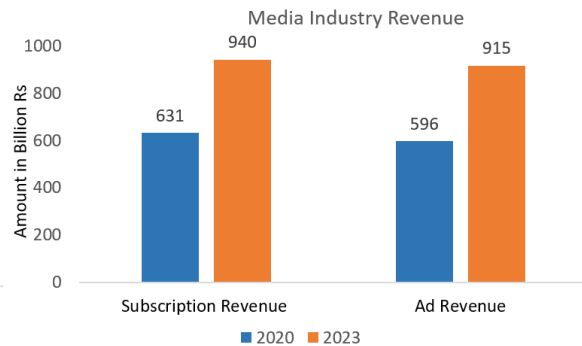


Figure 1c

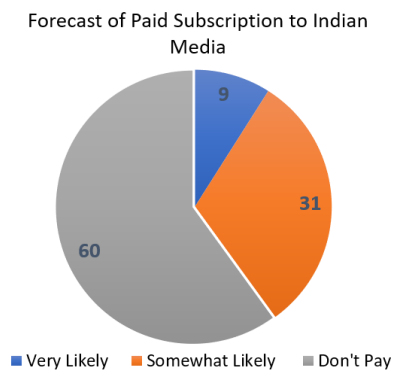


Figure 1d

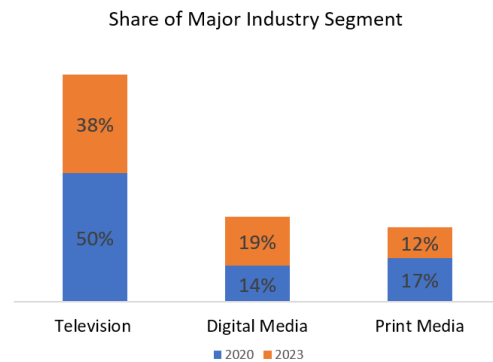




Figure. 2 YouTube subscriber of Different Media Channels

