

₹130 CR SPENT IN CREATING PREMIUM CONTENT

Birla's Applause is Ready to Begin the Show Now

Gaurav.Laghat
@timesgroup.com

Mumbai: Kumar Mangalam Birla seems to have finally cracked the business model for his production company Applause Entertainment with a unique business-to-business (B2B) approach of investing in premium content for web platforms.

Helmed by veteran TV executive Sameer Nair, Applause Entertainment has, over the past one-and-a-half years, spent close to ₹130 crore on creating a bank of high-quality premium drama series.

"We will soon be completing 15 shows," said Nair, CEO, Applause Entertainment. "We've got another 15 in development, and another 15-20 in writing at an early incubation state. So currently, we are in a zone of operating in about 40-50 shows."

From the ready series, Applause has already sold four to Hotstar, the over-the-top (OTT) service of Star India, and is in talks with Eros Now, MX Player, Viu and ZEE5 for deals.

"We first decided to create content and then start showing to interested parties. And I must say that we're having very encouraging conversation. We have done our first deal with Hotstar for four shows and more are expected to be signed. These deals are a vindication to our business model," Nair said.

Setting the Stage

15 shows to be completed soon

15 under development

15-20 in early stages

4 shows already sold to Hotstar



But it was not a cakewalk for Applause. Initially there were sceptics and many producers were not keen on working with a third party. "Many people did say that they can directly work with the platforms. But we were very clear from the beginning on our business model. We took all the risks and invested in content from end-to-end. Now there is the proof of the pudding," said Nair.

The company claims to have worked with a transparent model, where it charges premium on the base cost. If a platform wants to buy the rights of the content outright, the premium is much higher; if they want to licence it for certain duration, the premium comes down. However, Applause retains the rights to produce subsequent seasons of the series.

"We are bringing in transparency and asking for a premium,

which is our right," Nair said.

After 40-50 shows, Applause, he said, will also be open to partnering with international players to create much bigger shows.

Interestingly, the idea of Applause had germinated out of a conversation between Birla and Nair.

"We were discussing that there are going to be a lot of consumer touch points on digital, including telecom, broadcasters-owned, independent players as well as the big foreign majors like Netflix, Amazon, etc. So, in 2017, we realised that this is going to be a pretty vibrant market. And while everyone will set up platforms and build the B2C business — because that's the big business, that's where the bigger fight is — we knew that all of these B2C businesses are going to be driven by content," said Nair.

Incidentally, the Indian viewer has not experienced premium Indian drama and once the whole sas-bahu saga started on TV, which became so successful, Indian TV never managed to get out of it.

But TV experts believe that now after 20 years, and a full generation later, with the whole OTT explosion and a lot more of individual viewing, premium drama is possible. India has been known to leapfrog and unlike in the West, where it went from one TV to multiple TVs, India instead has already moved from one TV in the living room to four devices.