

Mobile video-streaming

Hotstar wars

MUMBAI

Hollywood meets Bollywood as the global streaming wars reach India

ON A TYPICAL night in India the family television set might be tuned to one of countless dowdy soap operas. The dramas play out over hundreds of episodes; strict broadcast standards on sex and violence mean they rarely sizzle. It is either that, or reality TV and game shows. "Mind-numbing" is how one entertainment executive describes it.

Flipping channels is no longer Indian TV-lovers' only option, however. Hundreds of millions watch videos on their phones, on crowded commutes, at home in the evening, or (whisper it) at work—often free of charge. Netflix, Amazon and Disney, as well as local streaming rivals, now want to get Indians to pay to watch shows that look a lot like those in America and Europe—edgier, sexier, funnier.

Until 2016 widespread mobile streaming seemed as outlandish as a Bollywood script. No one but the wealthiest Indians could afford that much mobile data. Then Reliance Jio, an upstart telecoms firm, started a price war, which rages on. The 300m smartphones on which Indians watch video today outnumber India's 200m TV-owning households. As Sanjay Gupta, who runs Disney's direct-to-consumer operations in India puts it, "there's a second and third TV in every home."

The boom in cheap mobile broadband has fuelled another in Hollywood-style programming. Netflix, Amazon and Disney (which owns Hotstar, India's leading streaming platform) are investing hundreds of millions of dollars. Production budgets have swelled, luring Bollywood stars, as well as consultants from Hollywood, Tel Aviv and other entertainment hubs. Hotstar is putting out Indian reprises of hit British programmes such as "Criminal Justice" and "The Office" at an estimated production cost of \$100,000-300,000 an hour, compared with less than \$30,000 for those dowdy soaps. Netflix, which last year released its first Indian original show, "Sacred Games", and Amazon have splurged closer to \$1m for an hour.

India's allure is understandable. Besides being populous and fast-growing, it lacks quality home-grown cable television like HBO or Showtime against which new content providers must compete. "We never made our 'Sopranos,'" says Sameer Nair, boss of Applause Entertainment, which produces "The Office" and "Criminal Justice" (scheduled to debut on April 5th).

Digital literature

Yearning to be touched

TORONTO

An online reading room wants to get into the printing business

WHEN WATTPAD opened its online reading room in 2006, its catalogue contained chiefly public-domain tear-jerkers like "Sense and Sensibility". It also invited budding Jane Austens to post their own oeuvres. Readers, particularly young women, flocked to the site. It now draws 70m monthly active users. Include poems, novellas and serial chapters, and its virtual shelves buckle under 565m texts in over 50 languages. Now it wants to turn some of them into print.

Online book-reading spaces are proliferating. They include Tor (for science fiction and fantasy), Tapas (comics) and Radish (serialised novels). Wattpad has cornered romance—with an estimated \$1bn in annual book sales in America alone not counting self-published ones, as much as sci-fi and crime combined, a popular genre. Along the way, says Porter Anderson, editor of *Publishing Perspectives*, an online trade journal, it has also

tried to solve an age-old problem in the publishing business: how to foretell hits.

Books are costly to promote and, in print, to distribute. Publishers try to predict which manuscripts will succeed. For every bestseller, they still plug plenty of duds. This is especially true for debut novels by unknown authors. Wattpad's algorithm skims its uploads, as well as user comments and other data, to work out what appeals to readers. The site lets authors and fans interact—and writers fine-tune their work to please the audience. High-scoring page-turners get promoted to advertisers (who pay some authors to weave brands into their narrative) and publishers. "After", a book which was viewed 1.5bn times on the site, was snapped up by Simon & Schuster and made the *New York Times* bestseller list. In 2018 Netflix released "The Kissing Booth", based on a Wattpad book by an American author who wrote it when she was 15. It is planning a sequel.

Wattpad, which makes most texts available free of charge, takes a cut of any book or film deal struck, as a literary agent does. It wants to emulate traditional publishers, too. It is toying with paywalls, and in January said it will churn out print runs of its algorithm's top picks. Nearly three in four Americans aged 18 to 29 say they read a print book in the previous year; only two-thirds of their grandparents did. And a physical book is a "trophy" for readers who helped craft the narrative, says Ashleigh Gardner, Wattpad's head of publishing.

Last year Wattpad raised \$51m from venture capitalists, reportedly valuing it at \$400m. Its boss recently insisted revenues were "growing nicely". The firm will not say if it is spilling red ink. Rapt investors are hoping for a happy ending.



Wattpad classics

However, in America \$10 a month for Netflix is a steal next to an \$80 monthly cable bill. India, where households can already enjoy 300 TV channels for \$3-4 a month, is the other way around. Netflix costs twice as much. Media Partners Asia, a research firm, estimates the American streaming giant has just 1m subscribers in India out of its 139m subscribers worldwide. To boost that count it recently introduced half-price mobile-only offers for 250 rupees (\$3.65) per month.

That may not be cheap enough. Amazon charges just 999 rupees a year for its Prime subscriptions, which include free shipping

for purchases with the e-commerce behemoth as well as films and TV shows. Hotstar VIP, Disney's new service which bundles sports and programmes like "Criminal Justice", costs 365 rupees a year. Mr Gupta says he hopes to spend close to \$300m on original programming within a year. He would love to convert some of the 150m monthly viewers who tune in to such fare as big cricket matches, which Jio throws in with its mobile service at no additional cost, into fully fledged subscribers. Hotstar is eyeing 100m or more subscribers, not just 5m or 10m, he says. Stay tuned for a sequel to Jio's price war. ■