

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 Amer-

ica 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 300million smartphones on which Indians watch video today outnumber India’s 200million 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 pro-

## BUSINESS HOTSTAR WARS

# Netflix, Amazon, Disney fight for India's online audience

The streaming giants are having trouble getting Indians to pay for content

grammes 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 \$1million 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).

However, in the US \$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 US streaming giant has

just 1million subscribers in India out of its 139million subscribers worldwide.

To boost that count it recently introduced half-price mobile-only offers for ₹250 (\$3.65) per month.

That may not be cheap enough. Amazon charges just ₹999 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 a year.

Gupta says he hopes to spend close to \$300m on original programming within a year. He would love to convert some of the 150million 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 100million or more subscribers, not just 5million or 10million, he says. Stay tuned for a sequel to Jio’s price war.

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