

When movies met streaming video

The creative and commercial fit between the film and streaming video business is almost perfect but so are the problems of scale and monetisation



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This Sunday saw the release of the third season of *The Crown*, an award-winning original series from Netflix. Olivia Colman takes on the mantle of Queen Elizabeth II played brilliantly by Claire Foy in the first two seasons. The journey of UK's reigning monarch begins with the young Elizabeth who stands her ground when it comes to marrying

the man she loves but stumbles in her first few encounters as queen. As she learns to handle prime ministers like Winston Churchill or oversee the Suez crisis, the toll that being queen takes on her marriage and her relationship with her sister is upsetting. "The crown" comes first no matter what her personal beliefs and compunctions.

The Crown is a visual and intellectual treat. It is a lesson in history, human nature and most importantly in good filmmaking. Each 10-episode season takes almost 24 months to make. The research, writing, sets, production quality and performances ensure it could equally be released on the big screen. And that brings me to the point of this column. The creative and commercial fit of films with over-the-top or OTT is perfect; but just like films, scaling up is a big issue.

Take the creative bit. The demand for content on streaming video, across the world is going through the roof. In

India from barely 20 hours in 2016, original content on the top 10 OTTs went to about 400 hours in 2018, says Media Partners Asia (MPA), a Singapore-based consulting firm. It estimates this will go to over 1,000 hours of fresh, long-form content by the end of 2019. That is about 300-500 new films or just under \$500 million worth of film-quality content.

At over 1,600 films, India is the largest filmmaking country in the world but adding another 500 high-quality films is a tough ask. "We (Indians) are very good at making films but it takes a year to make one. In OTT, we need six of them in a year," says Vijay Venkataramanan, director of post-production for international originals, India, Netflix. Sameer Nair, CEO, Applause Entertainment, which has six shows online and many others in production reckons that it takes 12-24 months to make shows like *Criminal Justice*. While this has come

down to 15 months over time, it shouldn't go below 12 if the quality of writing and production are to be maintained, says Nair.

The need is to scale up talent and skills fast without losing the creative idiom or robustness that the Indian creative industry is identified with. Incidentally, three Indian shows — *Sacred Games 1*, *Lust Stories*, *The Remix* — were nominated for the International Emmy Awards this year.

In October this year, Netflix hosted a four-day post-production training programme in Mumbai in collaboration with Amsterdam-based APostLab. There were sessions on visual and special effects, sound, music, workflow among other topics. More than 30 working professionals took part in it. But you need dozens of efforts like this if India's \$1.2 billion film industry is to become a large-scale creator of shows and films.

On the commercial side, advertis-

ing is two-third of the ₹8,000 crore that streaming video is expected to make in revenues this year. However, subscription that brings the remaining one-third, funds the originals and brings in the margins since ad rates for every thousand viewers reached are pathetic. The Disney+ launch this month created high excitement but to my mind neutral aggregators such as Netflix are best placed to leverage the streaming market. Unlike say YouTube, Hotstar or Zee5 nothing subsidises Netflix and it has no existing business to protect. It is totally dependent on commissioning or licensing the best content possible so that people keep renewing their subscription.

The parallel with film is evident. Films are not subsidised or protected through any import quotas on foreign films. Indian films have survived and thrived because people vote for them with their wallets. Therefore, the fact that almost all OTT brands in India have a fast growing subscription element is good news. Even better is the fact that this doubled in 2019 over 2018.

Here is hoping that Indian OTTs hit the sweet spot that combines scale, quality and profitability.

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