

Three Forces needed to create a vibrant M&E Ecosystem

The Indian M&E industry is just beginning to make a mark. Recent reports suggest a CAGR of around 20 per cent between 2006 and 2010, to take the industry up from around Rs. 435 billion to Rs. 1 Trillion. If one looks at media-led advertising, which accounts for about 35 per cent of the current M&E pie, China and India were comparable in the mid-90's. In 1995, as per WARC numbers, China at 1989 mn \$ was the 15th biggest ad market in the world and India at 1203 mn \$ was at number 26. In 10 years, China shot up to become the third largest ad market while India moved up just four places. The growth rates being talked about for the next three years, across the various sub-sectors of M&E, look promising. While it is difficult to predict where India will rank in the global ad market, there sure is optimism.

Some of the more obvious enablers for this growth are a) the increasing penetration levels of existing media b) the increasing advertiser base c) the emergence of new media platforms and customer contact points d) more capital flowing into the sector e) improved infrastructure and better delivery mechanisms f) better measurement and tracking systems and g) more proactive and farsighted government policy. Very often, we tend to assume that each one works in isolation. We don't give enough importance to the interaction between the various stakeholders in the game.

For greater value creation, as an industry we must think and talk a lot more about the Ecosystem as a whole, and not just as individual parts. Moore (who first introduced the concept of a Business Ecosystem in the [Harvard Business Review](#) in May/June of 1993) defines it as: "An economic community supported by a foundation of interacting organizations and individuals - the organisms of the business world. This economic community produces goods and services of value to customers, who are themselves members of the ecosystem. The member organizations also include suppliers, lead producers, competitors, and other stakeholders. Over time, they co-evolve their capabilities and roles, and tend to align themselves with the directions set by one or more central companies."

Let us look at some of the new forces in our market, which, if harnessed, can build a vibrant Ecosystem. The first force is a new breed of entrepreneurs that are silently emerging. This breed resides at the intersection set of Consumer, Brand, Media and Technology. This is emerging as a powerful force in India, not just because of the digital revolution, but because India is home to a very large base of technologists. Many of them are inspired by companies like Google, Youtube and Focus Media – the way they built value by monetizing ideas in the consumer space. They are also seeing a huge opportunity with sectors like Retail, Telecom, Tourism, Entertainment, where mass media solutions are losing effectiveness. With big ideas, big bucks and a big vision, they are hungry to create value. Thanks to them, we could see several interesting platforms that are not just Mobile, Web and Out-of-home, but also a combination of these. TV, Print, Film and Radio content could have many more ways of reaching the consumer. Out-of-Home could become more interactive. 'Media convergence', which till now was just a buzzword, could soon become a reality. While the impact to the business may not be much initially, some

of them have the potential to create exciting companies that could act as change agents as far as the industry is concerned. Most importantly, they will bring together content creators, advertisers, media owners and research specialists. There could be several variations of this force - be it in Training, HR, Brand Consulting, Content Adaptation, etc. The more entrepreneurs we have, the stronger our Ecosystem becomes.

Where there are entrepreneurs, there is normally a lot of intellectual property that gets created, carefully guarded, and of course, monetized. I am calling this the force of 'Indi-genization' in this article. This is not just about creating local solutions for local clients, but is something more. It is a mindset that is capable of creating the most original solution by leveraging existing technology and looking at customer need-gaps. These could complement or supplement the offerings of existing players. Most importantly, such original solutions unlock value, big time. For example, given the impending Retail boom, one can imagine the flood of solutions that will enter this country from abroad. Everything, from in-store digital signage to real time consumer promo mechanisms is available in the international market. But the Indian shopper is very different from the one in Australia or USA. Moreover, the heterogeneous nature of our market makes in-store solutions take a much more complex shape here. Responsible stakeholders in this business should encourage the creation of an indigenous solution, which is more relevant to our market. I am sure India has the talent to create such solutions. You just need an Ecosystem mindset to accept this.

And finally, the one binding force that we will need in great measure is the force of "Collaboration". In a world full of super-specialists, no matter what the claims are, the sum of parts is often less than the whole. There are various kinds of collaboration needed to ensure value multiplication in our industry. As the media and advertising world gets divided into the 'digital-age types' and the 'non-digital-age types', collaboration is needed between these two types. If technology is going to drive new media solutions, the people who create these solutions need to collaborate with those who understand the world of communication and media. Traditional media companies need to collaborate with new media companies so that they don't become redundant over time. Advertisers will need to collaborate more with creators of new media in order to find breakthrough solutions. Media agencies will have to collaborate with Creative agencies and vice versa. The industry and Government need to collaborate much more.

As the Indian M&E sector marches forward, the forces of Entrepreneurship, Indigenization and Collaboration will play a much greater role. These forces are inter-twined and we are already seeing them around us. None of these need to be alien forces that only a few specialists can bring in. On the contrary, these forces can be generated by the existing stakeholders. When we start looking at our industry as one big Ecosystem, anything seems possible!



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