

Ep #8 | WTF is Going on in the World of Content | w/ Nikhil, Ajay...

Long Summary

The key idea of the video is that the content industry in India is evolving and there is a need for creativity, commerce, and collaboration to solidify business models and create a sustainable and transparent entertainment industry.

[00:00](#) □ The heads of India's largest multiplex, streaming, and talent companies discuss the importance of creativity and commerce in content, sharing their personal journeys and experiences in the entertainment industry.

- ○ The head of the largest multiplex company, the largest streaming company, and the largest talent company in India meet for the first time and discuss the importance of creativity and commerce in content, while sharing how they met each other through common friends.
- The speaker discusses his family's traditional business, his journey from the trucking company to the cinema business, and the growth of multiplexes through private equity investments.
- The speaker discusses the impact of COVID-19 on their career and personal life, their introduction to the entertainment industry through managing a band, and their involvement in sports management.
- The speaker discusses their middle-class background, their experience studying abroad, and how their parents' sacrifice shaped their sense of responsibility.
- The speaker discusses their experience working in the tech industry, specifically at Google, opening an office in Malaysia, and the importance of finding and hiring great people.
- The speaker initially hesitated to work on Google Pay in India due to lack of banking knowledge, but eventually took on the challenge and started from scratch.

[21:39](#) □ The content industry in India has evolved over time, with a focus on script foundation, organized content creation, and the need for the evolution of talent commerce, in a market estimated to be worth \$14 billion.

- ○ The speaker discusses their imposter syndrome and how they initially felt unqualified for their role at Disney plus hotstar, but have since realized the opportunity to learn from others and grow in their position.
- Entering the glamorous world of Bollywood, the speaker's friend chose to stay away from it and maintain a more objective perspective, recognizing the mistake of getting carried away by the industry.
- The creative field of content creation prioritizes the foundation of a script before considering financial success, and the concept of creating impact within the system is a new concept in the Indian entertainment industry that has evolved over time.
- Mark was one of the first pioneers in the content business, and his deals with Sachin and Volatile marked the beginning of a more organized and streamlined approach to content creation, with the studio system bringing in discipline in terms of budget and film production.
- The video discusses the need for the evolution of the commerce of talent in the content industry and aims to provide entrepreneurs with a reference point on how to build a business in this industry.
- The Indian content market, including streaming, television, and social media, is estimated to be worth around \$14 billion, with the

OTT business being relatively small compared to the reach of television.

[35:50](#) □ The opportunity for content creators and platforms to reach a billion people worldwide is significant, with the need for more regional content and the importance of theatrical releases for revenue generation.

- - The opportunity for content creators and platforms to reach a billion people worldwide is significant, with the potential for higher spending in markets outside of America, and the need for more vernacular and regional content to cater to the growing demand.
 - Short form content, ranging from 30 seconds to two minutes, is predominantly consumed by males in tier two cities and below in India, and in order to democratize access to smartphones and increase female viewership, it is important to create content that appeals to women and ensure that they have ownership of their own devices.
 - The Indian film industry has approximately 9,000 screens, with multiplexes accounting for about 3,500 screens and single screens making up the rest, and the majority of revenues come from multiplexes due to higher ticket prices, while smaller cities and villages face challenges in establishing theaters due to compliance, regulation, and limited population.
 - In the Indian cinema market, women play a significant role in deciding which cinema to go to based on factors such as the cleanliness of the toilets, and Indian cinemas aim to create a larger-than-life and colorful experience unlike the more simplistic approach in the West.
 - The revenue in the Indian film industry is split between producers and exhibitors based on box office performance, with a sliding scale system in place, and the total revenue from box office, advertising, and FNB is estimated to be around a couple of billion dollars, which is a small fraction of the global box office revenue of 42 billion dollars.
 - Theatrical release before streaming is important for movies to recoup their production costs and generate revenue, as big event movies can attract audiences to theaters and provide an immersive experience that streaming services cannot replicate.

[59:34](#) □ Movie theaters and streaming platforms must coexist for a healthy content industry, with smaller producers monetizing through streaming during COVID-19; sports, especially cricket, is crucial for streaming revenue, but retaining viewers beyond cricket content is a challenge; integrating live fantasy competition in theaters for community viewing of cricket matches is discussed; profitability in the movie industry is questioned, suggesting the need for changes in economics and pricing; artists and platforms have the opportunity to collaborate and create a new content creation model, focusing on financing, transparency, and celebrity earnings; Pritam's music is essential for celebrations in India.

- - Movie theaters and streaming platforms need to coexist in order to create a healthy ecosystem for the content industry, as demonstrated by the increase in occupancy rates and the ability for smaller producers to monetize their content through streaming platforms during the COVID-19 pandemic.
 - Sports is a critical part of a streaming platform's revenue, with cricket being a major driver, but the challenge lies in retaining viewers beyond the cricket content and ensuring discoverability and consumption of other content.
 - The speaker discusses the value attributed to price and the potential for integrating live fantasy competition in theaters for a community viewing experience of cricket matches.
 - The speaker discusses the issue of profitability in the movie industry and questions whether the current ecosystem is flawed due to a large portion of the budget being spent on a few

individuals, suggesting the need for changes in the economics and pricing structure.

- The business of content creation is at a crucial point where artists and platforms have the opportunity to collaborate and create a new model, with discussions revolving around financing, transparency, and the ability of celebrities to make money.
- Pritam's music is essential for celebrations in India, as removing his playlist from a DJ's Sangeet would result in the party not lasting more than two hours.

[01:15:26](#) □ The content industry needs to explore new models and prioritize creators to solidify business models, with an emphasis on better storytelling and fair business practices, while musicians in India struggle due to the lack of music royalty rights and the flawed IP system.

- ◦ The fundamental problem in the content industry is that platforms are not making as much money as they could be, and there is a need to explore new models and consider the importance of creators in order to solidify the business models.
- The speaker discusses the importance of better storytelling in the film industry and how the pandemic has created opportunities for content creators to resonate with a broader audience.
- Stardom can come from various platforms, such as social media, and there is a need to groom and be creative in order to succeed, while also emphasizing the importance of fair business practices and sharing profits.
- Musicians in India struggle to make money from their music due to the lack of music royalty rights and the flawed IP system, which prevents them from benefiting as creators, unlike in other countries where musicians earn from video rights and syndication.
- Sometimes actors refuse to lower their fees even if their previous movies have not performed well, which can make a film unviable for producers, but having a star in a movie can be important for attracting an audience.
- Platforms need to focus on developing a larger and more deliberate pool of content creators to cater to the increasing number of people joining the digital world.

[01:27:38](#) □ The content industry needs to focus on finding and supporting new talented writers, incentivizing writing as a career, and creating platforms for scriptwriters to connect and collaborate, while also addressing the lack of transparency and data in the industry.

- ◦ The key to creating successful content lies in having a strong story, regardless of the actors involved, and the industry needs to focus on finding and supporting new talented writers.
- India needs a talent hunt to discover and support creatively vulnerable people in the entertainment industry, and entrepreneurs should consider investing in the writing industry to revolutionize it.
- Starting a content business is not easy due to the high barrier to entry and the difficulty in assessing the quality of scripts, but there may be potential solutions such as creating a platform for scriptwriters to rate each other and retaining ownership through a recorded chain of credit.
- The speaker discusses the need to incentivize writing as a career and suggests creating a platform for scriptwriters to connect and collaborate, emphasizing the importance of having a wide variety of stories and actors in order for the industry to scale and predicting that actor salaries will remain relatively stable in the future.
- The speaker discusses the lack of transparency and data in the content industry, particularly in terms of talent fees and valuing content rights, and emphasizes the need for accountability and models to benefit actors, producers, and influencers.
- Will social media influencers become more popular than traditional celebrities in the future, and are they currently growing the industry rather than taking away from it?

[01:48:02](#) □ The value of content is increasing as people consume new forms of entertainment, influencer marketing is growing, news consumption is shifting towards individual journalists and short-form video content, and technology like deep fake and AI has potential but raises concerns.

- - Consumers have limited time to consume content, so the value of content is increasing as people add new forms of entertainment without necessarily substituting existing ones, and influencer marketing is growing at the expense of something else.
 - Consumption of media and entertainment has become more disaggregated and platforms like YouTube have contributed to the shift in advertising budgets from traditional media to digital media, resulting in increased consumption of video content on smartphones and a trend of content consumers leaning towards fragmented distribution.
 - The future of news consumption is moving towards individual journalists and short-form video content, as digital natives prefer to follow specific creators rather than traditional news channels.
 - The speaker discusses the shift towards singular creators in the world of content, the decreasing amount of money spent on promoting on traditional platforms compared to online platforms, the increasing popularity of gaming as a form of entertainment, and the importance of telling great stories to capture and retain audience attention.
 - The speaker discusses the potential of using technology, such as deep fake and AI, to create shows and movies more efficiently, but also raises concerns about the impact on actors and the debate surrounding original content creation.
 - Creativity and commerce should go hand in hand in the world of content, and breaking into the industry can be challenging, but platforms like under 25 and business are trying to create opportunities for aspiring actors and actresses to showcase their talent.

[02:05:30](#) □ The speaker emphasizes commitment and uniqueness in the content industry, discusses investment options, praises Ajay Bijli and Sajith's resilience, and encourages audience participation in charity initiatives.

- - Are you here for the money or for a purpose? The speaker emphasizes the importance of commitment and uniqueness in the content industry.
 - The speaker discusses the difficulty of recommending a specific company for investment, but mentions that they can provide their own view on the matter.
 - Ajay Bijli's ability to remain resilient during the pandemic and Sajith's objective transition from a financial to an entertainment company are commendable, and the speaker is excited about their partnership with Vijay.
 - The speaker discusses a charity initiative where the audience chooses which charity to donate to, and emphasizes the importance of making giving and community participation cool.
 - The speaker plans to donate 25 lakhs to a charitable trust that provides education, healthcare, and medical treatment to children, and encourages others to contribute as well.
 - The speaker encourages the audience to choose a charity for the money raised in a democratic exercise, and asks for their feedback on the episode.

Key Insights

Financial Challenges and Opportunities in the Content Industry

- □ Ajay Bijli faced personal tragedy with the passing of his father at a young age, which led him to temporarily leave the cinema business and return to the trucking company.
- □ The session aims to provide entrepreneurs in the content industry with valuable insights and direction on building a successful business in this evolving field.
- □ The Indian video media business, including TV, streaming, and movie studios, was estimated to be worth \$12 to \$14 billion in 2022.
- □ The global box office was worth 42 billion pre-pandemic, with half going to producers and half to exhibition (200,000 screens globally), highlighting the significant size of the industry.
- □ While streaming services have gained popularity for TV shows and different types of content, there is still a belief that movies have a special place in theaters, with people considering theaters as the kingdom for movie content.
- □ The combination of OTT (over-the-top) streaming platforms and theaters is crucial for a healthy ecosystem in the entertainment industry, as it supports employment and encourages the production of movies.
- □ "When Cricket becomes exceedingly more important than movies, there is an opportunity for someone to build around it and integrate live fantasy competition in a theater setting."
- □ The success of business models in the content industry relies heavily on a solid creator system, as the raw material of content is crucial for any platform or production firm.
- □ The importance of telling better stories in Bollywood, as better films lead to better economies and benefit actors.
- □ The star power of actors is crucial in attracting audiences to theaters or streaming platforms, as the presence of a well-known actor like Akshay Kumar on a movie thumbnail is likely to increase the likelihood of people clicking on it compared to an unknown person.
- □ Ajay Bijli's ability to remain resilient during the pandemic and negotiate the debt of PVR is incredible, making him an exceptional leader.

The Importance of Fairness and Distribution of Revenue in the Content Industry

- □ One of the speakers shares a personal story about their parents mortgaging their house to pay for their education, highlighting the sacrifices parents make for their children's future.
- □ The economics of the movie industry need to be reevaluated, with a focus on creating a system where everyone involved, including studios, producers, and artists, can make money and benefit from the success of a film.
- □ The current business model in the entertainment industry leaves the end creator with only a salary, while the majority of the profits go to those who invest the money, highlighting the need for a fairer distribution of revenue.

The Role of Celebrities and Artistic Integrity in the Entertainment Industry

- □ "Why is it wrong for a celebrity to make money? Why is it an issue?" - Ajay Bijli challenges the notion that celebrities shouldn't profit from their work in the content industry.
- □ Celebrities face criticism for their ability to make money and their involvement in commercial-led conversations, highlighting the tension between artistic integrity and financial success in the entertainment industry.

Q&A

What are the challenges faced by smaller cities and villages in establishing theaters for the Indian film industry?

Smaller cities and villages in India face several challenges in establishing theaters for the Indian film industry. Compliance, regulation, and limited population are the main obstacles that hinder the establishment of theaters in these areas. Compliance refers to the adherence to legal and regulatory requirements imposed by local authorities, which can be complex and time-consuming for smaller cities and villages. Regulatory challenges include obtaining necessary licenses, permits, and clearances, which may involve navigating bureaucratic processes that are often more streamlined in larger cities.

Additionally, the limited population of smaller cities and villages poses a challenge for establishing theaters. The viability of running a theater relies heavily on the local population's demand for cinema and their willingness to pay for movie tickets. In smaller areas, the population may not be large enough to support a theater financially, making it less attractive for theater operators to invest in such locations. Moreover, the cost of establishing and maintaining a theater infrastructure, such as constructing suitable venues, installing necessary equipment, and ensuring operational efficiency, may outweigh the potential revenue in these areas.

These challenges contribute to the concentration of theaters in larger cities, where economic and demographic factors create a more favorable environment for the film industry. As a result, residents of smaller cities and villages often have limited access to theaters and have to rely on alternative means, such as streaming platforms or television, to consume films.

How can the content industry incentivize writing as a career and benefit actors, producers, and influencers through transparency and accountability?

To incentivize writing as a career and benefit actors, producers, and influencers through transparency and accountability, the content industry can adopt several strategies:

1. Creating platforms for scriptwriters: The industry should establish platforms that connect and facilitate collaboration among scriptwriters. These platforms can provide opportunities for emerging writers to showcase their talent and receive feedback from industry professionals.
2. Incentivizing writing: The industry should prioritize incentivizing writing as a career. This can be done by offering competitive salaries and benefits, recognizing and rewarding outstanding scripts, and providing mentorship and training programs to nurture writing talent.
3. Promoting fair business practices: There is a need for transparency in talent fees, valuing content rights, and revenue distribution. By implementing fair and accountable business practices, the industry can ensure that writers, actors, producers, and influencers receive their due share of profits.
4. Engaging in data-driven decision-making: The content industry should embrace data and analytics to evaluate the success of content and make informed decisions. This will enable a better understanding of audience preferences and allow for the creation of content that resonates with viewers, ultimately benefiting all stakeholders involved.
5. Sharing profits: The industry should consider models that allow for equitable distribution of revenue. By ensuring that creators receive a fair share of the profits from their work, the content industry can incentivize writing and motivate actors, producers, and influencers to

incentivize writing and motivate actors, producers, and influencers to collaborate and deliver their best performances.

6. Developing transparent contract systems: Establishing clear and transparent contract systems can help protect the rights of writers, actors, and other creative individuals, ensuring they are properly compensated for their work.

By implementing these measures, the content industry can create a more inclusive and sustainable ecosystem that incentivizes writing as a career and ensures the fair treatment and financial benefit of all stakeholders involved.

What is the future of news consumption and how is it moving towards individual journalists and short-form video content?

The future of news consumption is moving towards individual journalists and short-form video content, according to the discussions in the document. Digital natives prefer to follow specific creators rather than traditional news channels, leading to a shift in news consumption habits. Platforms like YouTube have contributed to this trend, as they allow consumers to access news through individual journalists and short-form video content. This shift is driven by the preference for personalized and easily digestible news content. As individuals seek out news from trusted sources or journalists they resonate with, the role of traditional news channels may be diminished in the future, with the popularity of singular creators and short-form video content on the rise.

How is the trend of consumption of video content on smartphones shaping the world of content and advertising budgets?

The trend of consumption of video content on smartphones is significantly shaping the world of content and advertising budgets. As mentioned in the document, consumption of media and entertainment has become more disaggregated, with platforms like YouTube contributing to the shift in advertising budgets from traditional media to digital media. This shift has resulted in increased consumption of video content on smartphones. People are adding new forms of entertainment without necessarily substituting existing ones, leading to an increase in the value of content as consumers have limited time to consume it. Additionally, the consumption of video content on smartphones has led to a trend of content consumers leaning towards fragmented distribution.

Furthermore, the document highlights the growing popularity of influencer marketing at the expense of other forms of advertising, as seen in the document. This change in advertising strategy can be attributed to the rise in short-form video content and the preference of digital natives to follow specific creators rather than traditional news channels, as mentioned in the document.

Overall, the trend of consuming video content on smartphones has transformed the content industry and has necessitated a shift in advertising budgets towards digital media platforms. This shift has allowed for increased consumption of video content on smartphones and the rise of influencer marketing as a key advertising strategy.

Here is the question and answer without citations:

What opportunities exist for content creators and platforms to capture and retain audience attention, especially when it comes to creating vernacular and regional content to cater to growing demand?

Opportunities exist for content creators and platforms to capture and

opportunities exist for content creators and platforms to capture and retain audience attention by focusing on creating vernacular and regional content to cater to the growing demand. One key insight highlighted is the significance of regional content in the Indian market, which is estimated to be worth around \$14 billion. To successfully capture and retain audience attention, content creators should consider the following:

1. Catering to diverse linguistic preferences: India is a country with diverse languages and cultures. By creating content in regional languages, content creators can tap into specific regional markets and target audiences who prefer consuming content in their native language. This approach can help build a strong connection with the audience and increase engagement.
2. Addressing the needs and interests of regional audiences: Understanding the unique characteristics and preferences of regional audiences can help content creators tailor their content accordingly. By focusing on region-specific themes, traditions, and storytelling techniques, creators can deliver content that resonates deeply with the audience, increasing their chances of capturing and retaining attention.
3. Leveraging digital platforms: Digital platforms, such as streaming services, have provided a medium for content creators to reach a wider audience. By utilizing these platforms, content creators can capture the attention of audiences beyond their immediate geographical boundaries. These platforms also offer opportunities for content discovery and distribution, enabling creators to reach niche audiences interested in vernacular and regional content.
4. Collaborating with local talent: Collaborating with local talent and regional influencers can help content creators establish a connection with the target audience. Local influencers often have a deeper understanding of the regional culture and can act as bridges between creators and audiences, improving the chances of capturing and retaining attention.
5. Emphasizing storytelling and quality content: Regardless of the language or region, strong storytelling remains a crucial element in capturing and retaining audience attention. By focusing on creating high-quality content with compelling narratives, content creators can engage and captivate audiences, regardless of their linguistic or regional preferences.

In summary, content creators and platforms have opportunities to capture and retain audience attention by creating vernacular and regional content. By understanding the preferences of regional audiences, leveraging digital platforms, collaborating with local talent, and emphasizing storytelling, creators can effectively cater to the growing demand for regional content in India.

Note

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