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BOOSTING MARKET SHARE OF DTH IN NORTH BENGAL:
A CASE STUDY OF GLOBAL SKY LIMITED
SRABANTI MUKHERJEE¹, ARCHANA SHARMA²

ABSTRACT

Global Sky Limited was trailing much behind the Direct-to-Home
giants Airtel and Dish TV in the North Bengal Region. Most of
existing dealers and distributors were tied up with either of the two
and the new dealers were yet to be approached. Moreover, non
availability of easy recharge options in all sub bases, low focus in
institutional sales, rigidity in minimum recharge value were some of
the key problem areas. Given this situation, the Area Sales
Manager(North Bengal) of Global Sky Limited wanted to develop a
comprehensive marketing plan to increase the rate of market
penetration of Global Sky in North Bengal.

Keywords: Direct-To-Home, Recharge, Institutional Sales,
Packages, Distributor, Average-Activation per Day-Target (APD-
TGT).

Introduction

On the morning of the 15th November, 2010, Mr. Pritish Nandy, the Area Manager
(North Bengal, India) of Global Sky Limited was in a foul mood while entering his
office. He was anxious about the Special Sales Meeting that he had to attend in the
coming week at New Delhi.

Pritish had left his previous organization, Airtel Ltd three months back after
working there in direct sales for about seven years. He had an excellent sales
record. He had been appointed as the Area Sales Manager of Global Sky Limited
and was made responsible for the complete North Bengal region. North Bengal
refers to the northern part of West Bengal, comprising of Darjeeling, Jalpaiguri,
Cooch Behar, North and South Dinajpur and Malda districts. However, in case of
Global Sky the Area Manager of North Bengal has to look after the State of Sikkim
too. The company had tall expectations from him. The interview panel had
explicitly pointed out that he was being conscripted because of his comprehension
of the industry and his accomplishment rate at Airtel.
Pritish was therefore, feeling concerned and trying to devise some concrete plans which would facilitate him in escalating Global Sky’s market share in North Bengal, thereby moving towards fulfilling the company’s expectations.

They had already missed a great opportunity in the form of the FIFA World Cup 2010 and Pritish recognized that with the football fans of North Bengal, it had been a make or break opportunity which they had failed to tap with the prearranged organizational resources.

Sales Organisation

The Global Sky Sales & Marketing Department had been organized along geographical as well as functional lines. There were four Zonal General Managers headed by Vice President - Sales and Marketing at the national level. Two Area Sales Managers (North & South) report to the east zone head. In turn, the Area Sales Manager was reported to by Assistant Manager - New Business Development, Assistant Manager - Corporate Sales and Assistant Manager - Customer Relations. Each one of them is further responsible for managing a team of salespersons working under them (Refer Exhibit 5).

Pritish had consequently, called a meeting of his distributors as well as the sales team to converse the opportunities as well as the challenges that they were facing in intensifying the market of North Bengal.

![Map of North Bengal](https://jetbm.imtnagpur.ac.in/journal/vol2/iss1/2)

**Figure 1: The Area of North Bengal**
The DTH Market in India and their Marketing Strategies

India's population has crossed the one billion mark; therefore it is no surprise that satellite operators and programmers world-wide have set their sights on the world's largest open market for DTH satellite TV services. The growing popularity of TV has resulted in the TV media sectors undergoing a revolution. In a couple of years with Multipoint Microwave Distribution System and Net Television the whole digital domain is about to herald like a bat out of hell. DTH can help in narrower targeting of satellite delivered services, rather than a single regional service, allowing programming to be more directly geared to the interests, language and culture of the particular audience, as well as providing a medium that assimilate and proffer locally produced and local language options.

The main DTH service providers in India are:

1. Doordarshan Direct Plus

Doordarshan was the first media player to introduce DTH services in India. Its transmission is free of cost but comes with a restraint of smaller number of channels. Doordarshan being a public sector organization neither did nor resort to any aggressive promotional strategy and thereby was not that visible in North Bengal in both urban and rural arenas.

2. Dish TV

Dish TV was the first private player in DTH industry to provide amusement services. It broadcasts around 180 digital channels straight from the satellite to our homes. It has a very aggressive pricing strategy. For promotion, it uses Shahrukh Khan as a brand ambassador. This celebrity endorsement has helped it make inroads into the pan-Indian market.

3. Sun Direct

Sun Direct is another DTH player in India that mainly caters to the entertainment needs of southern India. It offers variety of packages based upon languages like Tamil package, Telegu package and Kannada package. It has carried out a deliberate strategy of focusing on the Southern market because the entertainment needs of the Southern India are different from the rest of the country.
4. Big TV

Big TV is a DTH service from Reliance group of companies (Anil Ambani). Big TV created a revolution for DTH viewing in India. They were using the latest MPEG 4 technology to transmit digital signals across India. This DTII service did not seem to be a significant player in the North Bengal market.

5. Airtel Digital TV

Airtel was the pioneer of DTH services in North Bengal. Because of the first mover advantage, it was able to capture a significant chunk of the market. They extended their DTH services across 62 cities in India. Airtel Digital TV was alone using MPEG 4 technology for transmission of digital signals. They were at that time offering two packages to subscribers namely the Gold package and the South Platinum package. Due to the high recall value of the brand “Airtel”, the company did not face much resistance from prospective customers. The company also used celebrity endorsing through Saif Ali Khan and Kareena Kapoor. The combination of the above mentioned factors helped to catapulted Airtel to the market leader’s position in the North Bengal market.

6. Global Sky

Global group launched their DTH services under the brand name of Global Sky. They offer highly innovative service packages and their effective customer services has made them very popular among DTH subscribers in a very short span of time.

Another player to recently join the bandwagon of DTH industry in India is Videocon.

For the moment, players were taking a maverick stand. Salil Kapoor, CEO of Dish TV, said the industry should be more cautious while offering such antagonistic price points. "We are already operating on a self-subsidized model. Also, the price that has been announced doesn't include any content bundle. We at Dish TV charge ₹ 1,390 for two months. If ₹ 450 is deducted from this for content, we will also land up in the same price range," Kapoor said.

Umesh Rao, senior VP of Reliance Big TV, took an even more insistent stand. "Reliance Big TV has always enjoyed a premium pricing over its competitors on
the basis of product superiority and the largest bouquet of channels. We will continue to maintain our premium tag while being price competitive." A Reliance Big TV connection is obtainable at ₹1,390. There are over 25 million households’ pledges to DTH services, which is around 30 per cent of the cable and satellite homes. It is predictable to tap 33 million by the year-end. Dish TV is, nonetheless, the market leader with a 30-35 per cent market shares.

**Competitive Scenario of DTH market in North Bengal**

The market scenario of DTH in North Bengal is the movie of lopsided market share by Airtel. The study shows that almost 44% of the DTH market is being absorbed by Airtel and its market is expanding at lightening speed. Dish is the second important player in terms of market share in North Bengal. They absorb almost 23% of North Bengal DTH market. Global Sky, being quite a big brand having the brand equity of Global group is trailing much behind with just 17% of the market share till the first sales quarter of 2010 (Refer Exhibit 1). It needs to be mentioned that cable operators still dominate 80% of the market share, wherein DTH operates in only 17-18% share in total television communication market. Airtel, nonetheless, is in rapid pace converting the cable operators to DTH operators.

It is not that Global Sky is not at all growing, but the growth pace is too sluggish. April-September the first half of the sales year 2010 experienced an overall growth of Global Sky from 14% to 25% (refer Exhibit 2). However, at the time of FIFA Cup, there was an immense opportunity to boost up sales, which Airtel fully capitalized in April-May. Global Sky failed to capture this opportunity. Their sales in first two months were almost one-fifth of Airtel’s Sales. (Refer Exhibit 3).

**About Global Sky Ltd**

It is a joint venture between the Global Group, that owns 80% and Fortune Group that owns a 20% stake. Global Sky was incorporated in 2004 but was launched only in 2006. It currently offers close to 264 channels (as of August 2010) and some interactive ones; this count includes some numbers of HD channels offered by Global Sky (as Global Sky - HD) and interactive services also.

In March 2009, Global Sky became the first Indian direct-to-home (DTH) service provider to be awarded the ISO 27001:2005 accreditation, the benchmark for information security. ISO 27001 : 2005 is an international standard that provides specifications and guidance for the establishment and proper maintenance of an
Information Security Management System (ISMS). The assessment for the certification was conducted by Intertek Systems Certification, the management systems business unit of Intertek Group. This certification confirms that every transaction carried out through Global Sky’s IT systems is highly secure.

Global Sky was selected as a SUPER BRAND for the year 2009 - 2010 by an independent and voluntary council of experts known as Super brands Council. It is the only Indian DTH to have won this distinction.

**Product**: Global sky itself as a DTH service provider requires dish, a set top box and a network access card per TV. Later, variants like community dish for the entire building were launched. Latest, the Global Sky Plus with personal Video Recording technology has also been launched.

Various services provided by Global Sky include:

- Active services
  - Active working
  - Active stories
  - Active newsroom
  - Active darshan
  - Active wizkids
  - Active sports
  - Active learning
  - Active games
  - Active astrology
- Parental control
- Search and surf banner
- Guide (including Hindi Display)
- Customer Service- 24×7 support in 11 languages.

**Price**: Global Sky presentd the customers with a variety of channel packages. Global Sky had assured it had taken the right trail and its pricing strategy isn’t something that it has espoused for the first time. "We were the early bird to come up with breaking the cliché ₹100 price barrier in packaging; first to initiate HD service at an incredible price point and now, the first to provide a world-class quality DTH service at a reasonably priced point. Our service will now be inexpensive for consumers across all layers of the society," says Chetan Mehra, Chief Marketing officer, Global Sky. The company asserted to have a subscriber base of 5.5 million,
making it the third largest DTH player in India.

Global Sky’s pricing policy tried to offer customers with a wide variety of choices. The pricing was done in two parts; one for purchase of set-top box as well as installation charges and the other for recharge, which became a recurring cost for the customers. Customers could subscribe to the Annual Mega Pack or decide on one of the popular packages and then choose any or all the Optional packages they wanted. They, therefore, paid only for what they wanted to watch. Movies on Showcase could be ordered with the Annual Mega Pack or any of the Global Sky Popular packages.

The channels available on the Mega Pack included the channels available on South Jumbo Pack + Fun Learning Pack + Lifestyle Gold Pack + Cosmo Pack + Sports Gold Pack + Sports Platinum Pack + Marathi Pack + HD Gold Pack + All a la carte channels (except Topper) & the added benefit of free Showcase Movies (for details see Exhibit 4)

**Distribution**: The customers were supposed to contact the dealers in their premises. Dealers normally collected the first subscription and the equipment installation cost. Dealers would place the requisition for equipments to Global Sky call centers. The call centre would communicate this to the company’s logistics division and the installation equipments are sent to the dealers based on orders received. The installation part was normally done by the dealer himself. Then a request was placed to the customer contact centre of Global Sky via mobile short messaging service regarding the activation of services at the customer premises and remit the first subscription paid by the customers. The activation was done from customer centre. Thereafter all complaints or requests would be directly made to the customer centers. Therefore, Global Sky's existing distribution system follows the schema of Figure 2.

![Figure 2: Schema of Distribution](image-url)
Promotion: Global Sky owned the 2 million connections mark in a period of 20 months, thus retaining its position as a fastest growing Direct-to-Home service provider in India. The promotional budget that Global Sky began operations with was a flat 15% of the total sales volume. This included around 5% for advertisements, 7% for discounts and sales promotions and 1% in the form of sponsorships.

The Promotion strategy was basically divided into two major parts - promotion of the brand “Global Sky” and promotion of the various product (i.e. package) offerings which it made to customers. For the brand promotion, the Company had roped in a leading Bollywood star as its Brand Ambassador. He featured in all Global Sky’s brand communications including advertisements in T.V., print and radio.

In fact, Pritish had often wondered whether this was a really good idea, considering the fact that Global Sky was trying to penetrate the semi-urban and the rural market. He thought whether it would not be a better idea to use the services of a local celebrity like Bengali film star. Surely this would create a better brand association with the customers. Global Sky planned tie-ups with Sony Pictures, Fox History for Content- pay per view service for exclusive events. Tie-ups had also been envisaged with 24x7 guru.com to provide content for active learning. The Company had adopted a 360 degree marketing campaign approach that encapsulates TV, print, outdoor and radio along with on-ground activities and marketing on the digital platform.

Many below-the-line promotions were also used by Global Sky to wean away customers from the cable networks as well as other DTH services providers, but Pritish thought that the promotional strategies required a complete overhaul if they intended to succeed in their objective of market growth.

Comparison of Marketing Strategies of Global Sky vis-à-vis its competitors: Pritish observed that the main competitors of Global Sky in North Bengal are Dish and Airtel. The other companies mentioned in the earlier sub-sections were not visible in his territory. In this regard, he had jotted down the comparative marketing strategies of Global Sky vis-à-vis its main competitors. Pritish thought that, may be, these were the crux areas leading to success of Airtel and Dish and the failure of Global Sky.
Table 1. Comparison of Marketing Strategies of Global Sky vis-à-vis its competitors

<table>
<thead>
<tr>
<th>Marketing Strategies</th>
<th>Airtel</th>
<th>Dish</th>
<th>Global Sky</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Positioning Strategy</strong></td>
<td>Airtel focused on the best picture quality</td>
<td>Wide variety of multi purpose programmes catering to all the age groups in the family</td>
<td>The prospective customers were not very clear about the distinctive positioning stand.</td>
</tr>
<tr>
<td><strong>Product Strategy</strong></td>
<td>The company offered large packages which covered wide variety of programmes; nonetheless, customization was lacking</td>
<td>The company offered large packages which covered wide variety of programmes; nonetheless, customization was lacking</td>
<td>The product strategy of the company was very innovative due to high level of customization in packages</td>
</tr>
<tr>
<td><strong>Pricing Strategy</strong></td>
<td>As they were pioneers they were able to implement market skimming strategy. Now as the competition was increasing, they were gradually lowering their price and thereby, generating a notion amongst the customers that they were providing “more value for money.”</td>
<td>They were mostly following Airtel’s price-leadership</td>
<td>Global Sky was trying to implement market penetration strategy which might have given the customer a notion that the quality was not that good as Airtel.</td>
</tr>
<tr>
<td><strong>Promotion Strategy</strong></td>
<td>Extensive use of celebrity to break the clutter of the advertisements and the promotion stands in sync with positioning strategy</td>
<td>Extensive use of celebrity to break the clutter of the advertisements and the promotion stands in sync with positioning strategy</td>
<td>As the positioning strategy was ambiguous, the celebrity used could not create any significant impact on the prospects</td>
</tr>
</tbody>
</table>

Challenges to Growth

A series of meetings with the distributors and sales teams had thrown up some interesting facts about the DTH business in North Bengal, especially in reference to the Global Sky’s market share and that of its closest competitor, Airtel Ltd. The meetings also unveiled some hefty challenges for diffusion in the North Bengal market in particular. That evening, Prithish sat in his office thinking about the challenges placed before him. He jotted down the following points:

- There was an urgent requirement of new distributors when compared to the sales figure of Airtel and other competitors in the same sales quarter.
- Payment options were very cumbersome. Most Global Sky dealers helped to recharge the account. They could either hand over Recharge Vouchers to the clients to make payments through a simple pinless and paperless transaction. But the dealers were very less in number for Global Sky. They were mostly attached to Airtel and Dish, not even willing to listen about Global Sky, as reported by the sales people.
- In case of cheque payments normally the drop box method was being used. But the number of drop boxes was highly inadequate in small towns. Furthermore, cheque could only be deposited above ₹ 1500.
Another payment option was e-charging, but rural areas and suburbs having low penetration of internet were unable to use this option.

For paying in mobile option, handsets needed to support JAVA MIDP 2.1 and telecom connection needed to be GPRS activated. Connection error in GPRS, no network, incorrect PIN, incorrect Global Sky subscriber id, wrong card details, etc. could lead to transaction failure.

Very few large institutional purchases were present in North Bengal. Those that were there were already enrolled with Airtel and Dish TV and quite satisfied with the service.

Many new hotels and resorts were coming up in North Bengal, which were yet to be approached by Global Sky.

In fact, just last week one of Pritish' friends had said that all DTH services were very expensive and therefore not targeted at the middle class population in India but this made him think that if the mobile market could appeal to mass market why not DTH? Till now the company had just concentrated towards marketing efforts towards the urban, high-middle class and upper class niche. But it was quite clear that the major chunk of revenues /profits lay at the "Bottom of the Pyramid" as envisaged by Dr. C. K. Prahlad.

Nonetheless, the rural market is on the verge of change. As per the studies of some research agencies, the rural market in North Bengal has been growing at 4-5% per annum, and presently constitutes to 45% in terms of consumption of durables and FMCGs. As per the Research report claims, the number of middle and high income households in rural North Bengal are expected to grow from 1.2 million to 2.3 million by 2012. In urban North Bengal, the same is expected to grow from 4.5 million to 5.2 million.

The study on ownership of goods indicates the same trend. It segments durables under three groups - (1) necessary products - Transistors, wristwatch and bicycle, (2) Emerging products - B&W TV and cassette recorder, (3) Lifestyle products - CTV with cable connection/ DTH connection and refrigerators. The research trend shows that as compared to meager increase for the first two categories, the growth trajectory of the lifestyle products is raising high due to their comparatively low base. It now constitutes about 6.2% share in overall consumption expenditure. Marketers have to depend on the lifestyle products as rural North Bengal shows the trend to be significant over next five years.

On the contrary, Pritish understood from the data given to him that the company
had mainly focused on the Siliguri market, which was a city and big cosmopolitan business centre. That boosted their sales partially in Darjeeling district, but in all other districts of North Bengal, the situation was not at all encouraging. Pritish made a note of the fact that the rural and semi urban markets were yet to be touched upon by any of the players.

These thoughts fleeting through his mind, Pritish finally sat down to prepare a comprehensive marketing plan to address all the challenges and thereby come up with a strategy to boost the APD-TGT 2010-2011 from 22,956 to 32,234. [This is a real life case due to request of the protagonist, the name of the protagonist and the company has been masked.]

References

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3. DTH services in India; accessed from ekikrat in/DTH-Services-India
EXHIBITS

Exhibit I: Overall North Bengal Market in terms of Activation in first Sales Quarter (April-June), 2010

Exhibit II: Market Share Trend of Global Sky Ltd

Exhibit III: Comparison of Airtel Vs. Global Sky Ltd in terms of Activation in April-May 2010
Exhibit IV: Available packages of Global Sky

<table>
<thead>
<tr>
<th>Packages</th>
<th>Channels</th>
<th>Subscription</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cosmo Pack</td>
<td>9 channels</td>
<td>Annual ₹ 459, monthly ₹ 49</td>
</tr>
<tr>
<td>Fun Learning Pack</td>
<td>4 channels</td>
<td>Annual ₹ 305, monthly ₹ 32</td>
</tr>
<tr>
<td>Lifestyle Gold Pack</td>
<td>15 channels</td>
<td>Annual ₹ 455, monthly ₹ 46</td>
</tr>
<tr>
<td>Lifestyle Bronze Pack</td>
<td>4 channels</td>
<td>₹ 155 annually, monthly ₹ 19</td>
</tr>
<tr>
<td>Sports Gold Pack</td>
<td>2 channels</td>
<td>monthly ₹ 45</td>
</tr>
<tr>
<td>Sports Platinum Pack</td>
<td>3 channels</td>
<td>monthly ₹ 60</td>
</tr>
<tr>
<td>ESPN &amp; STAR Sports Pack</td>
<td>2 channels</td>
<td>monthly ₹ 45</td>
</tr>
<tr>
<td>Sports Bonanza Pack</td>
<td>6 channels</td>
<td>annual ₹ 1340</td>
</tr>
<tr>
<td>Marathi Pack</td>
<td>2 channels</td>
<td>monthly ₹ 25, annual ₹ 220</td>
</tr>
<tr>
<td>Active Games Pack</td>
<td>1 channel</td>
<td>monthly ₹ 45, annual ₹ 420</td>
</tr>
<tr>
<td>HD Gold pack</td>
<td>3 channels</td>
<td>monthly ₹ 30</td>
</tr>
</tbody>
</table>

Exhibit V: Sales Organisation

Sales Manager

- General Manager (Sales and Marketing)
- General Manager (Sales and Marketing)
- General Manager (Sales and Marketing)
- General Manager (Sales and Marketing)

Area Manager Sales (North Bengal)

Area Manager Sales (South Bengal)

- Assistant Manager (New Business)
- Assistant Manager (Corporate Sales)
- Assistant Manager (Customer Relations)

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