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Audiovisual Industry and Digital Platforms in India: a Contribution from Political Economy of Communication

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Abstract

This article examines the role played by digital platforms in the transformation of the audiovisual industry in India. Are video-on-demand platforms contributing to India's growing dependence on global players or are they asserting the diversification of domestic players and the progress of Indian capitalism in the cultural and digital industries? To answer, we analyze the strategies of competition and collaboration between historical audiovisual players versus communication players, the dynamics of foreign ownership and the content localisation strategies of global players. We conclude that the study of digital platforms offers an important insight into new forms of economic and cultural hegemony in the cultural industries.

Keywords

India, Audiovisual Industry, Digital Platform, Coopetition, Transnational Players, Political Economy of Communication.

Introduction

Over the past decade, a growing body of literature has been exploring how the deployment of digital platforms has occurred in different national audiovisual contexts. The rapid expansion of a small number of powerful platforms operators, mostly developed and run by Americans (YouTube, Netflix, Amazon Prime Video etc.), across geographies has been presented as reinforcing the domination of large transnational companies on local audiovisual industries. However, in contrast with the idea of steamroller effect, a certain number of researchers have emphasized the way national particularities have continued to prevail (Lobato, 2019 ; Mohan and Punathambekar, 2019). One of the most emblematic examples of this tendency, one that is often discussed, is the case of Netflix. Its arrival in more than 190 countries since the early 2010s has had diverse consequences that have depended on the development of the national audiovisual industry, the degree of historical penetration of American content, and the resistance offered by audiovisual public policies (McDonald and Smith-Rowsey, 2016; Lobato, 2019; Albornoz and García Leiva, 2019).

In addition to those debates, there has been particular interest in the link between digital platforms and new forms of hegemony (Jin, 2013; Athique, 2016; Lotz, 2017; Fitzgerald, 2019; Lobato, 2019). Scholars have raised the question of the state's relationship with communication and cultural industries since the 1990s, the expression of "anxiety" over market power and possible forms of competition distortion by national or transnational players, and the need for regulation. Other researchers have addressed the issue of the "hegemony of the distribution", leading to debates on cultural homogenization and preservation of national culture (Mohan and Punathambekar, 2019). Importantly, Adrian Athique (2016) differentiates between forms of control over the infrastructure and the data ("media imperialism") and the influence of foreign content in particular markets ("cultural imperialism"). We will take a closer look at the case of Subscription Video-on-Demand (SVoD) platforms to better understand if and to what extent they pave the way to such dynamics. It seems that SVoD is demonstrating the importance of combining these two dimensions, with increasing importance given to control over infrastructure and data.

This article proposes to contribute to the debate on transnational platform operators reshaping local audiovisual industries and related power relations through the perspective of the political economy of communication (PEC). India is an important case study: as one of the largest world film industries and economies, it focuses on industrial strategies and foreign ownership in this sector and content localisation. We argue that the PEC framework enables researchers to interrogate the unilateral domination of the North American players, the weight of their assets, and the links between economic and financial hegemony and cultural hegemony; this framework further enables researchers to balance their relative importance. The objective of this study is both to underline the relevance of this analytical framework in the comprehension of the current audiovisual dynamics, but also to underline the way in which digital platforms invite us to rethink some of the founding works of PEC.

Political Economy of Communication: Legacy and Contribution to the Reading of the Audiovisual Power Shift in the Age of Digital

While researchers (Mosco, 2009; Wasko et *al*., 2011) have done substantial synthesis on the intellectual development of PEC, we return to elements that appear significant to a critical

approach to audiovisual platforms' global dynamics, especially the relevance of understanding the logics of capitalism.

PEC gathers a heterogeneous body of research work that has been developed since the 1970s. The central focus of its founding works is the study of the relationship between capitalism and the culture and media industries. This central topic has been analysed through three questions more or less highlighted in the work of "classic" PEC researchers. A first question concerns the role of the social regulation of the media and cultural industries. Herbert Schiller more specifically studied the role of cultural and media industries in the construction of ideological beliefs underpinning the social order and legitimizing power relations and inequalities (Schiller, 1969). A second question concerns the system formed by the world-economy (*économie-monde*) of culture and communication and more specifically, the strong inequalities between a "center" of the world-economy, namely the U.S., and the "peripheries" in a model of concentric circles eventually moving to the countries then known as the Third-World. The notion of cultural hegemony played a central role in these reflections. Herbert Schiller (1976) and Armand Mattelart (1979; 1994) have more particularly emphasized the role of local elites as relays for foreign hegemony. These questions were directly inspired by Fernand Braudel and Immanuel Wallerstein. As summarized by Scott Fitzgerald (2020: 44), "according to Braudel, capitalism is a world, or rather worlds, of monopolies". Braudel (1967; 1977) distinguishes between the market economy on the one hand and capitalism on the other. The market economy is regulated by the law of supply and demand and by competition. Capitalism is conceived as the superior sphere of the economy, a restricted sphere, the sphere in which power—the ability to define major orientations and also profits—are concentrated. Wallerstein (1991) took up this perspective to think about the history of economic relations between formerly "Third-World" countries and "industrialized" countries. A third question relates to the economic models of the cultural and media industries and the issue they raise (Garnham, 1990). This approach aims at contrasting with the Frankfurt School approach. Its objective is to understand what these industries have in common (how culture is an industry), but also what differentiates them. Different models of the industrialization of culture have thus been proposed, especially by Bernard Miège (1984).

These founding works were brought to new attention in the 1990s and 2000s following the liberalization movements of transnational trade in goods and services and in capital, as well as sectoral liberalizations, in particular in telecommunications and audiovisual sectors, across numerous countries. Against a backdrop of globalization, the links between culture and Information and Communication Technologies (ICT) are developing[1]. On the one hand, some historical players in the cultural industries became even bigger and transnationalized (e.g., AOL Time Warner or Vivendi Universal). On the other hand, new ICT companies were created (e.g., Google or Amazon) and started entering the economy of culture by distributing cultural products and occupying dominant positions (e.g., Apple in music distribution). The rivalry between cultural industries and communication industries is therefore industrial, but also financial. In fact, since the 2000s, the communication industries have become a strong focus for contemporary capitalism, and the process of financialization has weighed in favour of actors of the communication industries (Bouquillion, 2008 ; Fitzgerald, 2011).

Today, certain limits appear to the classic PEC approach, especially regarding the question of the evolution of hegemony between "centers" and "peripheries". Therefore, conversely to the conclusions of the founding authors of the PEC, this article examines the domination of North-American players in a context where "modes of competition have complicated earlier western-centric narratives" (Aouragh and Chakravartty, 2016).

Nevertheless, the conceptual framework provided by PEC appears to be useful to understanding the audiovisual changes and power shift of the past decade, first, because it raises the question of the growing influence of communication companies in audiovisual industries with the deployment of SVoD. Furthermore, it allows us to question the very nature of hegemony and the interdependency between economic sectors in the context of platform capitalism (Athique and Parthasarathi, 2019). As Athique and Parthasarathi explain in the case of media business, there are "overlapping" or "multiple markets operating simultaneously" (*ibid*, 2019). Such structure also applies in the case of video-on-demand business integrating audiovisual markets with conventional content activities and 'external' markets associated with sources of capital coming from outside of the audiovisual industry (especially from tech or electronic goods markets). Secondly, the PEC framework allows the researcher to question who the beneficiaries of the financial sphere are and who the players are. We will attempt to understand the specificities of Indian capitalism, even when it does not correspond to the models of Braudel or Wallerstein (Fitzgerald, 2020).

India is highly relevant to this research. With approximately 480 million Internet users representing only 36 percent of its total population, India represents a clearly important demographic and offers digital potential for SVoD transnational players. However, it is also a highly segmented market, both economically and linguistically (Athique and Parthasarathi, 2019). With 80 percent of the audiovisual content consumed in Indian languages—in Hindi (40 percent) and other regional languages (FICCI-EY, 2018), transnational players are required to invest in strategies to adapt their content. As we will see, numerous Indian players have also entered the SVoD market, including historical broadcasters, film industry companies, and telecommunication operators. Platforms specializing in regional content and languages are emerging, companies such as Hoichoi (Bengali) or Movietone (Assamese). While this article does not pretend to cover the immense diversity of regional dynamics, it aims at providing several elements of analysis to describe the increasing complexity in audiovisual content production and distribution in India as well as its articulation with "external" markets, both in the national and global sphere.

Our research questions can be addressed as follows: to what extent is this deployment of SVoD in India, and especially the arrival of transnational SVoD operators, leading to India's growing dependence on global players and content? On the other hand, are domestic players asserting themselves and diversifying the industry and allowing for the progress of Indian capitalism in the cultural and digital industries? We will defend the hypothesis that a complex and ever-evolving game of collaboration and competition is occurring, both at the industrial level (between historical audiovisual players and players from other sectors) and across several scales (between national and global players). In this regard, the emphasis is not only on the dependency or autonomy of the Indian audiovisual industry, but also on processes of channelling and monetizing resources by global players on the one hand and of the rich cultural and economic resources offered by the Indian audiovisual industry on the other.

Our methodological approach associates document analysis (annual reports of the industrial players, articles from the financial and professional press, and documents produced by the government of India and independent regulatory authorities) and qualitative interviews conducted in India between 2018 and 2019. We conducted about 30 semi-structured interviews with different players from the audiovisual industries, telecommunication and digital industries, artists, content producers, and key policy makers in Delhi and Mumbai.

Contextualizing Digital Platforms in India: Economic Liberalization and Audiovisual Transformation

The topic of the audiovisual sector dynamics in India since the economic liberalization of the 1990s has already been thoroughly described—especially from the point of view of ownership and media globalization (Sundaram, 2005; Thussu, 2013; Thomas, 2014), technological remediation and market configuration (Thomas, 2010; Athique et *al*. 2017), and the kinship and production cultures of Bollywood (Ganti, 2012; Punathambekar, 2013). Therefore the purpose of this article is not to provide a synthesis of this rich body of literature, but rather to highlight some aspects of the historical structuring of this sector in respect to the growth of Indian players and the entry of major foreign companies, in order to evaluate the changes brought by the rise of digital platforms. We will also analyze the evolution in the position of the Indian government on audiovisual regulation as it enters into a market economy and competition with global players.

Until 1991, India had only one, national television channel, *Doordarshan.* The development of private cable and satellite (C&S) transmissions in the mid-1990s and the deregulation of broadcast news led to a vast multi-channel television landscape (about 900 channels) with a large number of regional, national, and transnational entities entering this territory (Parthasarathi and Chotani, 2015). The arrival of Star TV, owned by News Corporation, is an interesting case study of the transnationalization of Western media players in Asia (Shields and Muppidi, 1996; Parthasarathi, 2012). The early process of regionalization of News Corporation's channel, which relied on the importation of Hollywood-based programming in India, failed because of the small English-speaking audience. Thus, the group 'Indianized' and then localized their programming to suit the diversity of linguistic and cultural tastes of the Indian market (Thussu, 2007: 595). *Kaun Banega Carorepati*, the Indian version of the international game show *Who Wants to Be a Millionaire?* was among the first successful adaptations. Hence, if the importation of American content failed, the experiment was an overall success. This trend continued with the arrival of other transnational media corporations in India, such as Viacom-Paramount (CBS News); Disney (ABC News); and the former AOL-Time-Warner (CNN), all attracted by the growing purchasing power and lifestyle aspirations of the expanding Indian middle class.

Another pillar of the audiovisual industry is the prolific cinema industry, led by Bollywood film production. India is producing between 1,500 and 2,000 films every year in more than 20 languages (FICCI–EY, 2018). However, several specificities regarding the infrastructure and distribution of this content need to be highlighted. Exhibition infrastructure remains poor with a screen penetration of 6 per million, versus 23 per million in China and 126 per million in the US (Deloitte, 2016). As opposed to Hollywood, Bollywood has remained a relatively vertically disintegrated industry (Lorenzen and Täube, 2008), leading to the production of many films which will never be screened. There are also hardly any avenues to screen alternative content like art-house films and world cinema (MIB, 2012). This situation has opened opportunities for a new distribution system, especially with the development of SVoD.

The economic and financial liberalization measures taken since the 1990s have been facilitating both privatization and openness to foreign capital in various economic sectors, including the cultural, telecommunication and IT industries. Through this policy, the Indian government aimed at achieving "a balance between preservation of its […] culture while

offering a wider choice of services to the consumer through liberalization and increased privatization" (Mukharjee, 2002: 20). The question of the protection of domestic industries from foreign competition, especially from American content, has been marginalized to some extent in the Indian national debate, at least compared to other countries. Indeed, there are very few measures concerning minimum quotas for domestic programmes, a situation that can be explained by the clear domination of the audiovisual market by Indian content, both in Hindi and other regional languages. Only at the regional level have several states been taking the initiative to promote their regional film industry. On the contrary, the Indian government made a clear choice to attract foreign funding in the industry, as the decision of March 2002 to allow 100 percent FDI in film production and distribution desmonstrates[2]. With this policy of facilitating business opportunities for foreign players, India achieved its aim to position itself as a destination for employment opportunities in manufacturing and services. However, the cultural industries (information-broadcasting, including print media) is only the fifteenth sector concerned with foreign investments: investments in 2018-2019 in this field amounted to $8.38 billion, or 2 percent of FDI (IBEF, 2019). In parallel, India also liberalized the Indian telecom sector, initially constrained by external economic pressures. Over two decades, government legislation led to the increase of the role of private operators in the emerging mobile telecom market and "resulted in a most recent phase into a competitive and internationalized market with the growth of a handful of Indian telecom giants with large overseas operations" (Agur, 2018: 66).

The role of the Indian government has been envisioned as a 'facilitator,' initiating regulatory reforms to promote the growth and development of the audiovisual sector (Mukharjee, 2002) and to ensure orderly growth in the sector with a diversity of players. India encouraged a self-regulatory model that has been in favour of transnational players. However, this policy of openness is now challenged in various ways. Gradually, a rivalry between foreign and Indian capitalism emerged and weighs on public action. In sum, five trends have been identified: the proliferation of a range of television services very fragmented by territory and also by cultural and linguistic areas, the importance of film production and the difficulties encountered in distributing its films in cinemas, the pre-eminence of Indian language content, the wide openness to foreign direct investment, and the weak and uneven economic regulation of the sector by the public authorities. In this regard, the deployment of digital platforms represents a continuity rather than a break. Foreign players continue to be attracted by the Indian market, while offers by domestic players are developing and becoming more structured. Because of these realities, new and closer relationships between audiovisual and communications industries are being forged.

Complex Relationships between Indian and Foreign Platform Operators

At the end of 2019, more than 30 Video-on-Demand platforms were operating in India (KPMG-Eros, 2019). As recent studies have highlighted (Lotz, 2017; Fitzgerald, 2019), internet-distributed video services have become a "multifaceted field" relying on different industrial strategies. There are several types of VoD platforms in India. SVoD platforms have a monthly or annual paid subscription and rely on professionally generated content (production of originals or content licencing). They differ from Ad-supported Video-on-Demand (AVoD) such as YouTube, which offers free content with advertising and mainly utilizes user-generated content. A third hybrid model called "Freemium" offers both free content with advertisement and other content accessible only with a paid subscription. While

YouTube remains the highest-consumed platform for video content in India (MICA, 2019), SVoD and Freemium represent the largest number of platforms existing. As Lotz, Lobato, and Thomas (2018) underlines, those services are both complementary and competitive with highly variable "competitive fields", from competing for advertising to niche market or content licensing. They also emphasize that some internet video services are the components of larger screen industry enterprises (ibid, 2018: 39). This situation also occurs in India, where SVoD players coexist in a very complex way. Their relationships are both industrial and financial. Behind the same VoD model, different industrial logics are deployed, as we will describe.

The Industrial Games between the Operators of the Platforms: a New Logic of "Coopetition"

Socio-economic players involved in audiovisual platforms are very different in size, and they each have a particular agenda linked to their specific sector. Offering SVoD services is a long-term imperative for these players, although for the moment, this market is not profitable. There are several reasons for this situation. The costs of acquiring content are high and constantly increasing, as content, especially original content, is rare. In addition, because of the fragmentation of markets based on linguistic and cultural factors, there is not one large Indian market, but different markets, which each require a specific offer, while each generates limited income. Besides, as Vivan Sharan from Koan Advisory Group explains, the income collected is also limited due to the "low propensity of Indian households to pay for this type of offer in a traditionally ad-driven audiovisuel market" (Interview, February 2018, Delhi).

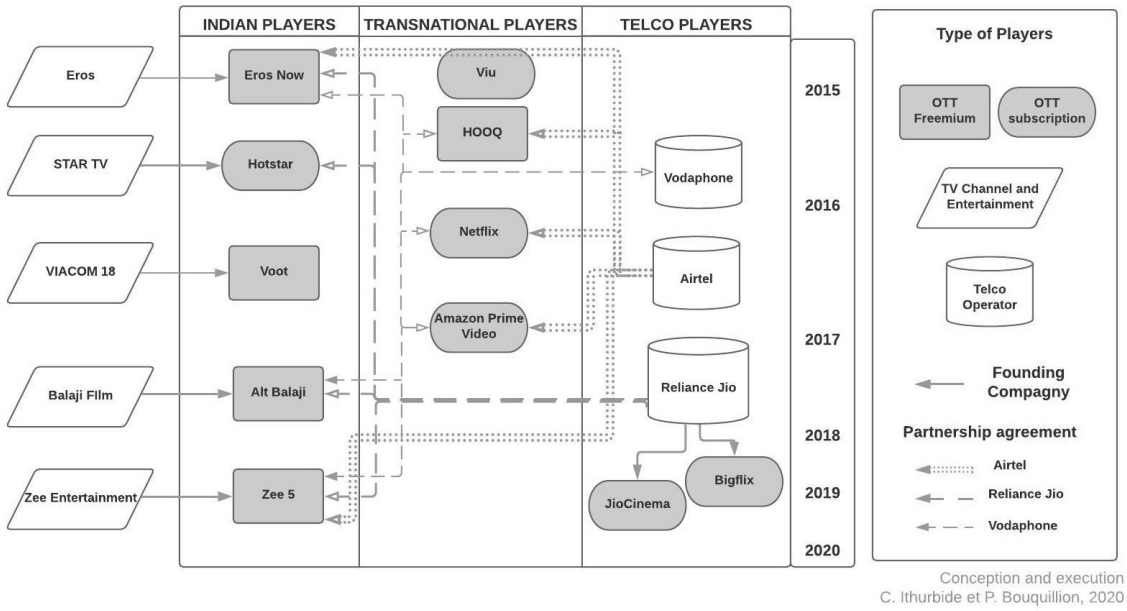
Video-on-demand service operators belong to four predominant categories: the historical Indian audiovisual players, the global SVoD players, the global CE and IT industry players, and Indian telecommunication operators. To begin with, many of the historical content players, broadcasters or film producers, have developed SVoD offers. Among the first movers were Eros International (a major Indian player in film and audiovisual production and distribution) and its digital platforms Eros Now, Star TV (now owned by Disney since the Fox-Disney fusion) with Hotstar, Viacom18 (owned by the US entertainment group Viacom) with Voot, and Balaji Telefilms (Indian producer and distributor of television content and motion pictures) with Alt Balaji, Zee Entertainment (Indian group active in various cultural and media industries) with Zee5. These historical players rely on their vast catalogue of content and their experience with producing original content, either TV shows or long-feature films. As explained by Siddhart Jain, Chief Storyteller and Producer, they also "have the advantage of already collaborating with lots of regional content producers, whereas Amazon or Netflix still try to get the right regional team" (Interview, February 2019, Mumbai). Their aim is to master the new digital forms of content offerings and to continue to control access to end consumers. The challenge for them is to find acceptable pricing conditions that allow them to make the content they produce more profitable.

Second, new global SVoD players such as Netflix and Disney+ have been active in India respectively since December 2016 and April 2020. Their challenge is to monetize transnational content offering in India at an acceptable price, given Indians' low inclination to pay for digital content. Netflix has been subtitling and dubbing contents from its catalogue, but has also started commissioning original content in India, as we will see further.

Third, transnational players from the communication industries are trying to distinguish their main offer from that of their competitors by also focusing on collecting consumer data. “Digital entertainment is becoming huge, so video is a way to root larger consumers into e-commerce” explains a Public Policy Manager for Amazon (Interview February 2018, Delhi). Consequently, content for these players is considered as a “joined-product”. This term means that they may offer content for free or as part of a bundle offer, already downloaded in their device for consumer electronics such as Apple, or associated with an e-commerce offer in the case of Amazon. This allows them to apply lower tariff levels than players with a “content-first” offering.

Finally, Indian telecommunication operators (telcos) play a particularly interesting role. Their SVoD offers, which can be included in the data package, are even more important, as they reach tens of millions of mobile subscribers. The dominant player, Reliance Jio, founded its own OTT subsidiary, with its own offering and production structure (Jio Studios). In addition, telcos are at the heart of the various strategic partnerships that have been created between the SVoD players. The table presented below (Figure 1) maps the most important of these agreements.

Figure 1. Audiovisual digital platforms player system in India (2020)



The various SVoD players are connected by relationships of collaboration and competition, or “coopetition”, and these relationships continue to be established. A situation of “coopetition” continues to be established. Coopetition is not new, but it has found a new development with “platformatisation”. The relationships between players are not only based, at least in all probability not primarily, on market competition, but instead result from agreements that are either explicit (contractual) or implicit. The games between these different players are complex, and these relationships can be unstable. The more implicit agreements are regarding their editorial strategies or their pricing strategies in order to limit and de-emphasize frontal competition, especially between players whose core businesses are different, such as content

producers, broadcasters, and telecommunication operators. The explicit agreements deal with rights of access to content, easier access to broadband networks, and access to subscribers. Players of very different sizes are involved in these competitions/collaborations. Content players, such as the producer Eros International, for instance, may appear small in terms of their turnover or market capitalization compared to others, including the communication industry's players, but they can stay in the game.

Thus, a particular model of oligopoly with fringes has been set up in the SVoD industry in India. Its specificity lies in the fact that the oligopoly not only associates players of the audiovisual sector, but all the players whose core businesses are very different. In India, these coopetition relationships take a specific turn, notably due to some of the specific characteristics of the Indian market: the still partial coverage in broadband networks in India, the huge pool of subscribers of the Indian telecom operators, and the centrality of mobile tools in the consumption of SVoD platforms. According to Mukherjee (2019), companies such as Netflix and Amazon have actually benefitted from the rivalry between Indian telcos Airtel and Jio, which have made cheap data streaming a reality in several places in India and enabled their services to be more accessible on mobile internet than before.

Nevertheless, telecommunication operators are at the heart of these networks and not the global players of SVoD, Netflix and Amazon, although they participate. In fact, at the end of the 2010s, three coopetition networks around telcos are in place in a more or less stable and non-exclusive way. The most important and the first to be formed is the network centered on Reliance Jio, in association with Eros Now, HotStar, and AltBalaji and Zee5. The second network is built around Airtel with Eros Now, Hooq, Zee5 and also the two global SVoD players, Netflix and Amazon Prime Video. The third set combines Vodafone with Amazon Prime Video and Netflix, as well as with Eros Now, AltBalaji, Hooq and Zee5. Whatever the importance of the role of telcos may be, SVoD platform operators have also signed agreements with other types of players including smart TV manufacturers such as Android TV or Samsung and streaming devices such as AppleTV or Chromecast. It is difficult to know all aspects of these agreements because of industrial opacity. However, Ernst & Young's experts (2019: 120) have given an estimate of the total numbers paid by telcos for content of all types to which they allow access: "The amount telcos paid for syndication was around INR3.5 to 4 billion in 2018 […] Telco content deals were both fixed-fee / minimum guarantee deals as well as cost-per-stream deals". Reliance Jio has many assets in hand to conclude such agreements. The owner of Reliance Jio who is the world's sixth largest businessman, is very powerful financially. The company's industrial agreements can thus be coupled with a capitalistic partnership, one reinforcing the other, as with Balaji Telefilms and Eros, for instance. The importance of Reliance Jio, which appears as the Indian national champion, raises the question of the place of foreign ownership in the SVoD industry.

Transnationalization via Foreign Ownership and Capitalist Relationship More Than Content

Transnationalization operates more in terms of industrial and financial structures than in the circulation of content. Two phenomena can be noted: on the one hand, the massive presence of foreign players on the SVoD market and on the other hand, the rivalry between foreign capitalism and Indian capitalism in the context of a rather strong asymmetry of financial power and of regulatory obligations—as we will discuss below.

Foreign players have taken advantage of the opening of the Indian economy since 1991 and

have established subsidiaries, sometimes for a long time, in India. Thus, the deployment of digital audiovisual platforms is continuing this previously initiated movement. The presence of American players is important, but not exclusive. Asian foreign interests are also present, with players from Hong Kong, Singapore, and Japan. Contrary to what can be observed in Europe, Netflix has not become the dominant offer. In 2019, the number one SVoD service, both in terms of number of downloads and in terms of active users per month (MAU) is Hotstar, the SVoD subsidiary of Star India, owned by The Walt Disney Company (Ernst&Young, 2019: 113). Some of those foreign players are among the most financially powerful. On April 18, 2020, the market capitalization of those companies was as follows: Amazon's $T1.182, The Walt Disney Company $B192.514, and Netflix $B185.598. In comparison, the players active in SVoD market and whose shareholding is mainly Indian have a much lower financial performance: Zee Entertainment B$1.76 and Eros International (which has merged with STX in April 2020 and became Eros STX Global Corporation) $M401.764.

Telecoms operators are significant rivals and the strongest partners for foreign operators, and among these operators, one of them, Reliance Jio, stands out for three reasons. First, Reliance Jio has benefited from the support of public authorities in a variety of ways, a support that has been essential to defend Reliance Jio's position in the SVoD market and beyond, in terms of its position in all digital industries. Public and “independent” authorities have allowed the consolidation of the telecommunications sector, which has favoured the deployment of SVoD offers. Indeed, Reliance Jio developed a new strategy since it entered the telecom market in 2016, involving a drastic reduction in connection rates and offers of low-cost smartphones and subscription bundles, including both the connection and free/lower offers of OTT content. The number of operators on the market has diminished from eight to four, or even three, if we exclude the public operator Bharat Sanchar Nigam Limited (BSNL), whose main objective is to serve unprofitable areas for private supply. Reliance Jio took advantage of the strategy that it initiated and quickly took the leadership of the mobile broadband market. Likewise, reflections on the definition of the OTT, Net Neutrality, or interoperability rules are another example of the political support enjoyed by this operator in order to build Reliance Jio as the Indian champion of digital. Indeed, the objective of those reflections was to remove certain taxes or regulatory advantages enjoyed by non-Indian players in the digital economy. Recently, Reliance Jio has also led a regulatory strategy that has contributed to the adoption of the decision to locate in India data produced by Indian businesses and households. This has occurred in parallel with regulatory projects in e-commerce that require local infrastructures. But as scholars have explained (Gupta, 2017; Fitzgerald, 2020), the conglomerate Reliance has not been particularly innovative on the industrial or technological levels, but its leaders have been able to develop relations through connivance or even cronyism and corruption with political circles as well with regulatory authorities.

Second, only telecom operators, and especially Reliance Jio, are of significant financial size and are likely to pose any challenge to global US players, especially if they lower cost compared to these global counterparts. The parent company of Reliance Jio, the conglomerate Reliance Industries, had a market capitalization of $B101.42 on April 18, 2020. This player is the most financially powerful one, but only parts of its activities are related to telecommunication and the media. In comparison, the market capitalization of Bharti Airtel (predominantly owned by Indian stakeholders) and Vodaphone (partly owned by British stakeholders) are respectively 38,30M$ and 3,26M$. In 2020, significant shares (around 30%) of Jio's capital have been sold to diverse industrial or financial players, including Facebook and American and Arab investors, bringing total new investment in Jio Platforms Ltd. to $15.2 billion since April (Sanjai, 2020). Thus, without losing control of management, Jio has been

able to obtain the means to finance the deployment of 5G networks as well as invest in the various activities at the heart of the digital transition and thus acquire a central position in India in that field.

Third, various judicious industrial alliances have been formed between telcos and foreign partners. Here again, Jio plays a special role. For instance, thanks to its agreement concluded with Microsoft, Reliance Jio aims at building data centers across India that will be hosted on Microsoft's Azure Cloud. In fact, investments in VoD services makes sense in relation to an overall strategy of Reliance Jio which is to control infrastructures and data in order to position itself as a dominant player in various digital markets, including e-commerce. Similarly, a commercial agreement has been signed associating Whatsapp (Facebook) and its online payment solution with Jio Platforms. Paradoxically, the role of Reliance Jio as a national champion is reinforced by partnerships with foreign players, even when it comes to selling part of the capital of this telco to foreigners. The development of foreign ownership brings issues with it, but it also has its advantages which it brings to both Indian and foreign players in terms of the transnational dynamics which are deployed via foreign ownership.

Content Localisation Strategies for Transnational SVoD Players

This last section focuses on another important dimension of transnational platforms strategies in national markets: their content localisation strategies. More precisely, we will look at the different steps undertaken by two major Amercian SvoD players, Netflix and Amazon and the extent to which they contribute to the dynamics of the Indian audiovisual sector as they replace or strengthen local production systems. Two main aspects of the localisation strategies will be scrutinized: the acquisition of an Indian catalogue through contracts with major Indian production companies and the collaboration with domestic producers who are mandated to produce original series and films. These processes are supplemented upstream by the recruitment of managers well-established or connected in the Indian audiovisual market or digital business and downstream by major advertising campaigns on various media and in public space. If we recognize a number of similarities with Star’s steps of “indigenization” in the 2000s (Thussu, 2007), the main difference probably lies in the commissioning and outsourcing strategy of the production of originals as well as the cultural and economic issues that it raises.

Building an Indian catalogue as an economic opportunity for the local film-right holders

Indian platforms quickly found themselves in competition with two major international players, Netflix and Amazon, which, since 2016, have sought to position themselves in this very promising market with budgets significantly higher than those of Indian platforms, as confirmed during interviews. For these two US-based players, the creation of a catalogue with audiovisual content, both international and local, was an essential step in their regionalization process. On the one hand, in a country where more than 80 percent of the audiovisual content consumed is in Hindi and regional languages, their catalogue of foreign films, mainly American, only affects a small part of the population (FICCI-EY, 2018). On the other hand, the linguistic diversity of the country means that the “local content” must not only address a Hindi-speaking audience, the largest language segment, but also take into account regional language speakers with regional TV and film stars.

In terms of international content, Amazon and Netflix have a clear advantage. They have been pioneers in the global licensing of programming that allows them to launch a film or an entire series in all regions of the world simultaneously. This strategy benefits India because the country receives international content at the same time as other parts of the world and can broadcast original content produced in India with Indian directors and actors more quickly on a global scale.

But to position themselves in the Indian market, these two players have had to make important investments to build an Indian catalogue. They did it first through the purchase of Indian film rights for India and internationally and then through original content production, mainly movies and series. The first step in this strategy led to a strong competition to sign partnerships with the most powerful Indian production houses. Amazon has signed long-term contracts with Yash Raj Films, Excel Entertainment, Dharma Productions, and an exclusive content deal with Bollywood star Salman Khan. Netflix signed a deal with Viacom 18 Media Pvt Ltd, Colour Yellow Productions and partnered with apex Bollywood stars like Aamir Khan (Aamir Khan Production) and Shahrukh Khan (Red Chillies Entertainment). These partnerships with US entertainment giants have helped to revitalize a struggling Bollywood industry in a context where revenue streams from the sale of K7 and DVDs had severely declined and one in which satellite TV rights sales had fallen by 40 percent in 2016 (Jha, 2017). Indian film producers also benefited from this system, being able to sell digital and satellite rights separately for their films.

Thus, the entry of American digital platforms has been driven more by the development of local partnerships rather than the promotion of content already in their catalogue, with a dual strategy of purchasing film rights already produced, but also purchasing upcoming film rights for exclusive distribution on their platforms. The second structural aspect of this localisation strategy is the commissioning of exclusive and original content from producers of local content.

“Originals” and New Dynamics with Local Content Producers: The Case of Amazon Prime Video and OML

At the launch of their SVoD platform in India, Amazon Prime Video's Director for India, Nitesh Kripalani, declared that India was the only international market where 18 Amazon originals had been announced from the start, representing the largest number of originals launched at the same time for a market outside the United States (Choudhari, 2016). In this dynamic of regionalization of content, it is important to emphasize that even if Amazon embarks on the production of originals, the company is not a true ‘content producer’, but goes through a process of commissioning and subcontracting with a variety of Indian content producers. Most often, these local producers are large Indian film production companies such as Abundantia Entertainment, Phantom Films, or Excel Entertainment, to whom international platforms may have already acquired film rights (as explained earlier). Amazon will directly negotiate with well-known Bollywood or independent filmmakers along the same lines as has been done in the United States. “This may be a real opportunity for well-known Indian filmmakers who want to experiment with other formats”, as Rasika Tyagi, Chief Creative Officer at Only Much Louder (OML) noted (Interview, July 2018, Mumbai).

However, another aspect of Amazon's localisation strategy in India has been to partner to a new generation of content makers, less specialized in film production than in the discovery and management of new creative talent. This is the case of the partnership started with OML

in 2016. Founded in Mumbai in the early 2000s, OML was neither specialized in film production nor in Bollywood content, but its activity focused on the discovery and production of independent musicians (i.e. non-Bollywood) and more recently, on stand-up comedians. “In January 2017, Amazon Prime Video contacted OML and signed a long-term agreement that included the production of 14 comedy shows and six series, content that would be broadcast exclusively on Amazon's streaming service in India and in the world” as Dhruv Jagasia, head of content business at OML, explains (Interview, July 2018, Mumbai). To achieve these six series, OML drew on its talented team and used the popularity of their comedians. Six OML comedians were invited to produce an exclusive web series for Amazon. They were accompanied by more experienced filmmakers contacted by OML, whose team then managed the production of the script. The cast, production, post-production, and music are managed by a small team at OML (four to five people), which works with many freelancers, up to 20 in the case of productions like exclusive series.

Besides fostering new modes of production, digital platforms contributed to a wider diversity of high-quality audiovisual content produced in India. Rasika Tyagi who has been working in the audiovisual industry since the end of the 1990s, explains:

> Until the arrival of the digital platforms, all the audiovisual content produced in India was constrained by two formats, either the Bollywood film codes or TV series…. When I worked for TV channels, I received plenty of original script proposals for series, but they were systematically refused if they did not fit into the ‘formula’ of TV channels. In other words, if you did not propose a story that could make 3,000 episodes a year and address 60 million people, there was no place for you. This TV package has discouraged many creative people. That's why digital platforms have suddenly opened the space of storytelling and made a dramatic change with new formats and stories to tell. It has not only allowed new talent to emerge, but it has also offered the opportunity for known filmmakers to get out of the logic of producing Bollywood blockbusters and experiment with other formats and stories. (Interview, July 2018, Mumbai).

Amazon has two types of content commissioning with OML: original content with a budget of about 3 to 5 crore indian rupees (about US$ 400,000 to 700,000), allowing famous actors to be involved, and exclusive content for which the directors receive about 20 lakh indian rupees per episode (about US$ 28,000)— much more than the typical budget of a TV show, which is between 7 and 15 lakh—and in which the directors and actors are not Bollywood celebrities. This brief analysis demonstrates a field of audiovisual production that is renewed by talent, not from traditional backgrounds in Bollywood cinema, but coming, in part, from a generation of popular YouTubers and in which OML players contribute to this new process. More broadly, it seems that the arrival of transnational platforms did not replace, but instead reinforced the dynamics of the local audiovisual industry. The budgets allocated, although lower than those in the US, allow new content to be created and local talent to demonstrate their creative potential in an environment free from the constraints of TV series and Bollywood blockbusters.

Based on the experience of OML as an emerging content producer for transnational SVoD platforms, the question that arises is to what extent does this situation lead to the development of a powerful and independent Indian audiovisual industry? Indeed, if Amazon's subcontractors such as OML claim to have greater freedom in terms of content, format, and production, they remain dependent on Amazon in terms of budget and distribution. Moreover, they do not have any data or statistics concerning the audience reach of their own series as Jagasia confirms (Interview, ibid.). A person in a highly responsible position at OML is

clairvoyant on this subject. “Today, we share power, and we bring a lot of content and talent to Amazon. Today, we are talking on an equal footing, but soon we will be entirely economically dependent on OTT players, and they will have the power of distribution,” he concluded (Interview, June 2018, Mumbai). Despite a thriving content producer market enabled by audiovisual platforms, numerous difficulties remain. For example, India needs more writing talent. “In the US, they have 3700 writers for TV show. In India, we have only 200,” notes Tyagi (Interview, ibid.). Similarly, the actual conditions of remuneration of the various stakeholders, and in particular of the creators, in these production processes deserve to be examined further.

More broadly, this section has allowed us to question several implications related to transnational platforms content strategies. On the one hand, the massive purchase of film rights has benefited Indian producers and opened new sources of income for the Bollywood industry. Amazon and Netflix have also contributed to change the way of producing Indian content, as confirmed Siddhart Jain. “Because of them, TV and film have more pressure to produce high quality content” (Interview, ibid.). On the other hand, the political economy approach enabled to better understand how the opportunities provided for various local content creators and talents are also serving objectives well beyond the reinforcement of the local audiovisual fabric. Even if the cost of producing and acquiring content spent by transnational platforms is not covered up by the number of subscriptions, thus making the business unprofitable for many transnational platforms, their interests lies elsewhere. For a player like Amazon Prime Video, the aim is first and foremost to drive audience to its e-commerce platform, which is the real source of its profits. In the case of Netflix, the important budget investment for content meeting international standards allows the Indian content to be exploitable on a global scale, and to attract an international audience, in particular a large Indian diaspora. The aim is rather to strengthen its position of global leader and thus to increase “market valuations in platform capitalism” (Kumar, 2020:56).

Conclusion

The deployment of SVoD platforms in the Indian audiovisual industry, as a topic of study, has enabled us to observe the deepening of several trends initiated since the liberalization of the Indian economy: the wide openness to foreign investment, the strategic nature of mastering Indian content produced in various Indian languages, and the weak and uneven economic regulation of the sector by the public authorities. Moreover, there is an increasing presence of foreign players. While financially powerful, foreign players do not dominate the game and need to develop content localisation strategies and local partnerships. The ancient alliance strategy between foreign broadcasters and Indian producers is spreading to platform operators, while players from communication industries, especially telecommunication operators, are entering the market. Collaborative relationships, more than frontal competition, are forged between a diverse group of players active in this market, which is still poorly solvent and very fragmented. The foreign players' strategies of massive rights acquisition of Indian content and their investment into original content commission has constituted an opportunity for various Indian actors in audiovisual production, while strengthening their global agenda.

Hence, the proposed approach in terms of PEC provides a heuristic framework to analyze the balance of power between actors and the various forms of hegemony that are developing within the framework of globalization, whether these issues are related to content, data and infrastructure, or finance. It also makes it possible to analyze the adaptations and

compromises that take place in the face of these relations of domination between stakeholders and transnational and national partners. Considering the articulations between industrial and financial strategies, geopolitical questions, and cultural issues, this framewoks leads us to develop more nuanced understandings or to revise some of the conclusions of its founding works. More precisely, we have observed that the domination of the players of the center of the "world-economy" is not unilateral in the Indian case. A polycentric vision of the world-economy is more suitable. In addition, as highlighted in the introduction, distinction between media imperialism and cultural imperialism needs to be made. The issues of domination and hegemony must be thought of by distinguishing industrial and financial aspects from cultural aspects and avoiding any deterministic and mechanical relationship. In doing so, the dependency / autonomy dialectic widely discussed in the scientific literature is deeply renewed. With digital platforms, new opportunities for channelling and monetizing the creative resources of Indian space are opening for these different players, a process which helps to explain that they prefer coopetition relationships to frontal competition. It has become clear that with digital platforms, cultural content creation and industries are increasingly serving digital economy players' strategies.

Finally, the proposed approach delineates and explains the power shift towards telecom providers and the concentration of infrastructure ownership. Indeed, despite a free enterprise logic widely accepted by all players, it appears that the Indian authorities favour a national industrial champion, the telecommunication operator, Reliance Jio. Numerous causes, including political considerations of support for the ruling party, are entangled in complex ways to explain this support. Thus, the SVoD case makes it possible to observe confrontations/collaboration between Indian and American capitalism and also, although to a lesser extent, capitalism from other Asian powers, and in the same way, these geopolitical considerations can be subordinated to the requirements of the Indian political games.

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Notes

1. Historically it is telecommunications and CE industries that have been the most powerful sectoral force shaping the cultural industries. IT industries are the latest to have joined this group. However, over the last 15 years, it has been the IT and telecoms sectors, rather than CE companies, that have driven the change and in the process, IT and telecom companies have entered into CE markets (see Hesmondhalgh, 2013).
2. One hundred per cent FDI is allowed in film, advertising, TV broadcasting (except news), and cable networks; investment in DHT by broadcasters continues to be capped at 20 percent (FICCI-EY, 2018).

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