

INTERVIEW BALA MALLADI, CEO, ACT TELEVISION

# 'IPTV makes idiot box an obedient box and opens up the world'

Bangalore-based Atria Convergence Technologies Television has been testing its IPTV (Internet protocol television) services in the IT capital of India for the past six months. Happy with the customer response, the company is poised to launch the services commercially in 45 days. "There is a wow factor for the product," says **Bala Malladi**, CEO, ACT Television. "It's truly one of those liberating convergence technologies, with which you can watch whatever you want—from the Internet, video-on-demand, TV shows and so forth—on your TV set or computer," he says. But the technology is still at a nascent stage, especially in India, and there are challenges like low broadband penetration and a lack of awareness. The possibilities are endless though as Malladi explains to FE's Sudipta Datta. Excerpts:

## Why hasn't IPTV's potential translated into subscribers?

It's one of the few futuristic technologies one couldn't have dreamt of even a few years ago. Currently, the world review of IPTV is around \$6.7 billion and is growing at a CAGR of 30%. The world estimates that the industry will grow to \$17 billion by 2012. In India, the subscriber base is low with only a handful of companies like BSNL, Reliance and Bharti getting into it. It will take a while before IPTV gets its due. There are 19 million cable and satellite homes in India. Even if IPTV reaches out to 1% of that number, the subscriber base should touch a million in the next two-three years.

## Why should we be excited about IPTV?

Well, it liberates a customer. With this technology, you can sit in your couch and watch the latest video on YouTube or demand your own



video or TV show. In short, IPTV makes the idiot box an obedient box and opens up the world through a compact set top box. It's truly interactive and you can watch whatever you want to at your convenience.

## But India hasn't set a blistering pace on IPTV so far...

It's in a nascent stage but it's developing pretty fast and rapidly. The subscriber base is low

partly because of the low broadband penetration and partly because of lack of advertising & marketing of the technology. Actually, it's critical to master the technical infrastructure before thinking about volumes. We must remember that broadband services are not going to be limited to watching television, browsing interactive rich content and download. Video-on-demand, voice over IP, collaborative learning and home networking are few of the other applications. For example, students of a remote village in India can have an interactive learning session with the help of this technology. India will soon witness convergence in full form, and we want to be there when that happens.

## Do you plan to launch your services outside Bangalore?

We certainly won't limit ourselves to Bangalore, but we are in the process of mastering the technology. Every entrant in the sector will have a learning curve. Once we master Bangalore in a year, we can copy paste it elsewhere. It's important to reach customer satisfaction before targeting numbers. The Indian customer is discerning and we must provide value. We are clear that the baseline offering has to be affordable.

## So, prices are high at the moment if you compare it to cable and DTH?

We have all kinds of packages, starting from a base package (Rs 200-300 a month) to a value-added one and the prices vary accordingly. It's imperative to underprice as an awareness drive. IPTV players must understand that there won't be profit for a few more years, but once we reach the threshold, the demand will skyrocket.