

## '850 schools use Tata Sky Active Education'

by [Salma George](#) on August 10th 2010 and filled under [Media & entertainment](#)



Tata Sky has added a new lingo to our everyday conversation-isko laga dala toh life jhingatala. Launched in August 2006, the country's second-largest DTH service provider has already crossed the 5.5 million subscriber mark. Beaming over 200 channels, the DTH major has five call centres, which take calls in 11 languages. Vikram Kaushik, MD & CEO of Tata Sky, spoke to ET on a range of issues faced by the DTH industry. Excerpts:

Soon cable operators will have to shift to the digital system. Do you see any threat to DTH from alternative technologies such as digital cable and IPTV? In a large geographical country like India, DTH is the most preferred and affordable proposition as compared to IPTV and cable. It can reach any geographical location with the same picture quality and sound and at the same price. IPTV has other challenges relating to the last-mile connectivity and the overall cost of access for average consumers. This will take some time to become feasible. If digital cable is to expand, then the consumer proposition has to be competitive versus DTH, both in terms of price, line-up, VAS as well as customer service.

TRAI has said that all addressable systems including DTH will have to offer television channels a-la-carte to the consumers...

It's a tall order. It has not been tried in any other country. The change will require huge re-engineering of back-end systems and large investments too. We will try to meet the requirement, but it's extremely challenging. The multiplicity of choice will also have implications for bandwidth.

When will DTH industry start making profit?

It's very difficult to forecast. It all depends on a player's customer acquisition cost and its subscriber base. If the license fee gets reduced and the GST is implemented, it will reduce the industry's taxation burden and can help the DTH industry immensely. I believe any DTH player requires at least 6-7 years of operation to become profitable.

How significant is value-added services (VAS) as a source of revenue for DTH service providers?

The consumer is willing to pay for VAS, and Tata Sky has kept them inexpensive. This has allowed us to monetise these services. Over a million Tata Sky homes spend more than Rs 30 every month on buying services such as Active English, Active Learning and Active Wizkids. Our teaching methods have been so popular that more than 850 leading schools across the country are using the Tata Sky Active Education services to teach children and have made it a part of their curriculum. In the future, we would look at launching and monetising more such interactive services.

DTH firms have been very aggressive in launching hi-definition (HD) set-top-boxes. How soon can

HD overtake standard definition (SD) boxes?&nbsp;

HD will grow only if there is a large number of channels available in that format. Even more importantly, there has to be enough transponder capacity available with the DTH industry to switch from SD to HD as the latter consumes three to four times more bandwidth.