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Tata Sky case A: Responding to a disruptive technology

The plane reached cruising height; the seat belt sign went off. Harit Nagpal, Managing Director and CEO of Tata Sky Ltd*, the largest satellite TV distribution platform in India, asked for a bourbon on the rocks, took a long first sip and started typing on his laptop.

He was returning from the Consumer Electronics Show 2017 in Las Vegas, a trek he undertook every January. The two days of travel from India and back were worth the short yet hectic three days of watching and absorbing technology and consumer trends in the industry.

Harit had watched some new trends build piecemeal over the years; yet what he saw this year was more of a tsunami – strong enough to make him question the viability of the business he headed. With five hours before the plane landed at JFK airport, en route to Mumbai, he started writing a note to his leadership team:

Dear All,

After three days at CES, I believe it is time to reinvent our business, once again.

I heard the term 'Cord Cutting' more often than I've heard before. Almost all our traditional TV partners were displaying new offerings for delivering content via broadband. Most anti-piracy vendors have switched to OTT [over-the-top] instead of TV networks. I also watched a full 3-hour movie being downloaded in under a minute over mobile broadband.

I don't want to believe that the end is near for TV and we'll become another Nokia. Having said that, I also don't want to stick my head in the sand, pretending that this, too, shall pass.

My analysis (which I will share with you) provokes me to ask some important questions:

- 1) Will TV be replaced by OTT over the coming years, or will TV and OTT coexist, just as bicycles, motorcycles and cars have?*
- 2) Do we continue to play only in the TV delivery industry, treating OTT as our competitors, to be delivered directly by content producers and telecom platforms?*
- 3) Is there scope for differentiation (based on our learning from distribution of TV content) so we can become a profitable OTT content distribution platform, too?*

Let us kick off this debate in the coming week and see where it takes us.

Harit

* Tata Sky was rebranded Tata Play Ltd in 2022; at the time the case is set it was known as Tata Sky.