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CS-23-005
March 2023

Tata Sky case B: Experimentation and adoption

Harit Nagpal and his team at Tata Sky* had spent a whole year working on Raspberry Pi. Harit said:

“We kept going for about four months and engineers kept telling me, ‘We can do it, we can do it, we can do it. One day I raised my hand and said, ‘Guys – forget it. I’m not going with this. It’s been 12 months. You would have cracked it by now if it was possible. And if we don’t abandon this device, we’ll never try hard to find another. Let’s move on.’”

Tata had invested between \$1 and \$2 million on the hardware development, software design and trials. The system hadn’t gone into mass production yet, but the team were despondent and felt they had lost a year. They knew that the Android box was getting closer to release but was not available in the market yet, plus Amazon had the Fire TV Stick on the market already, priced at \$50 plus. Harit said:

“At that point, after Raspberry Pi had failed, I thought, let me go to Amazon and buy the stick in bulk for \$40, subsidise the \$40 (or eat it), and make \$2-3 profit on every month’s subscription. If I keep this guy as a customer, I recover my money in about a year and by the end of the second year I’m making money. The only problem there was how to stop the customer taking the free Amazon stick from me, stopping my subscription and starting to watch his own Netflix and Amazon Prime without my services. Then, not only do I lose the stick, I lose the customer and can’t get them to subscribe again.”

Then, early in 2019 Harit got a call from his assistant to tell him that someone from Amazon had arrived to meet the commercial director, who happened to be out of town. Initially Harit was reluctant:

“Why would I meet with someone from Amazon? What do we have to discuss? But then I thought, maybe I should just have a coffee and talk to her about my crazy idea to buy a large quantity of Fire TV Sticks, provided they were willing to customise them to my network and reach my customers that way?”

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