

**Viacom18 Media Pvt. Ltd.** is one of India's fastest growing entertainment networks and a house of iconic brands that offers multi-platform, multi-generational and multicultural brand experiences. A joint venture of TV18, which owns 51%, and Viacom Inc., with a 49% stake, Viacom18 defines entertainment in India by touching the lives of people through its properties on air, online, on ground, in shop and through cinema.



**Viacom 18 Media Pvt. Limited** founded in November 2007 is a 50/50 joint venture operation in India between Viacom and the Network 18 Group (owned by Reliance Industries) based in Mumbai. Viacom 18 owns and operates various channels of the Viacom group for the Indian viewers, as well as various consumer products in India. In July 2008, Colors was launched.

In January 2010, Viacom 18 went international with the launch of Colors in the US. The channel is called "Aapka Colors". In July 2010, it got into 50/50 distribution joint venture with Sun Network and Sun 18 was formed. Viacom 18 also launched the channel Nickelodeon Sonic in December 2011, targeting young adults. On 23 January 2012, Viacom 18 launched Comedy Central. On 3 September 2012, Viacom 18 launched Rishtey. On 31 July 2015, it launched Colors Infinity and its HD version. Viacom 18 launched Nick HD+ on December 2015, the first HD kids channel in the country. Viacom 18 also owns Viacom 18 Motion Pictures.

The company reports results via two major operating units: Media Networks and Filmed Entertainment. The former group comprised 73% of companywide revenues in 2014, while the latter delivered the balance through theatrical, home theater, and television licensing business.

## SWOT Analysis of Viacom18

### Strength:

Viacom boasts a wide array of network and film titles that cater to a variety of demographics. MTV and *Comedy Central* seem tailor-made for today's social media-integrated digital media world, while *Nickelodeon* and *BET* are two longstanding brands with high loyalty amongst their target audiences. While it has struggled to market and capitalize its content amidst shifting consumer preferences, it has a leg up on upstarts trying to become the next mass media conglomerate.

### Weaknesses:

Like many of its industry counterparts, Viacom has been confronted with challenges in its cable programming segment. Viewers, especially in younger demographics, are migrating to cost-effective options like **Netflix** and Hulu to get their programming fix, while new media platforms like YouTube, owned by **Google**, continue to pressure the old guard media companies to adjust their strategies. But Viacom, whose Media Networks business makes up for an outsized portion of companywide business, appears to be the hardest hit in recent months. It announced a \$785 million write-down associated with weak ratings for many of its syndicated programs, including "Entourage" and "CSI", which led to unspecified employee layoffs.

### Opportunities:

As the domestic pay-TV landscape continues to be upended by technology, major growth potential exists in international markets. Viacom management has reiterated its belief that an increased global presence will support top-line growth for years. While the burgeoning media markets of India and Africa have been identified as target long-term growth opportunities, the United Kingdom is the ostensible centerpiece of the company's international expansion.

## Threats:

In 2015, companies on all sides of the pay-TV market have been forced to grapple with poor ratings. The beginning of the year saw many executives in the industry reiterating their belief that any widespread migration remained years away. But, following a series of disappointing earnings reports, most of those in the industry were compelled to reconsider this stance.

## Current status of Viacom18

Entertainment network Viacom18 is set to enter the largest regional market - Tamil - with its regional entertainment channel Colors Tamil on February 19.

It will be Viacom18's first foray into the Tamil market, which is dominated by Sun TV Network. Viacom18 already operates general entertainment channels in five regional languages - Kannada, Marathi, Gujarati, Bengali and Odia - apart from Hindi and English.

Colors Tamil will be available on all leading cable networks, catering to an estimated 11 million homes in rest of Tamil Nadu through Tamil Nadu Arasu Corporation, and 3.5 million homes in Greater Chennai through SCV, TCCL among others. The channel will also be available on all DTH platforms - Sun Direct, Tata Sky, Airtel Digital TV, DishTv and Videocon D2h - reaching out to 5.5 million households.

"After spreading our wings across 7 languages, Colors is entering the lucrative, fast growing and discerning Tamil entertainment market - in line with our stated strategy to drive regional growth aggressively," said Sudhanshu Vats, Group CEO at Viacom18. ([ET Magazines](#))

Tamil Nadu, the country's 6th most populous state is one of the largest TV content consuming markets, with a per capita daily viewership of 3 hours, which is more than that of the Hindi speaking markets .

"With an estimated base of 1,150 advertisers, Tamil Nadu is one of the more lucrative broadcast entertainment markets in India. Our biggest drive is to deliver new and never before seen content to the Tamil audience. We have invested big in conceptualising programs that are inspiring, innovative, experimental and technically sound. With 22 hours of original content at launch, we are more than confident of Colors Tamil becoming a blockbuster hit here," said Ravish Kumar, Head - Regional Entertainment, Viacom18. ([Economic Times Interview](#))

## **Conclusion:**

In all, the next few years will likely bring some change at Viacom. The long-term earnings picture will hinge on the company's ability to adjust its operations to better fit into the digital media landscape. While it has made strides in recent months, such a transformation takes several years and millions of dollars to execute. Additionally, flourishing up-and-comers like Netflix and services from the tech sector, like **Amazon's** streaming service, will continue to put pressure on the company as it vies to grow its subscriber base across several platforms.

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