



JioCinema

**Business Case Study
of
JIOCINEMA OTT, THE NEW EMPEROR
of INDIAN MEDIA**

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Source: Think School

Disney Merger with Reliance

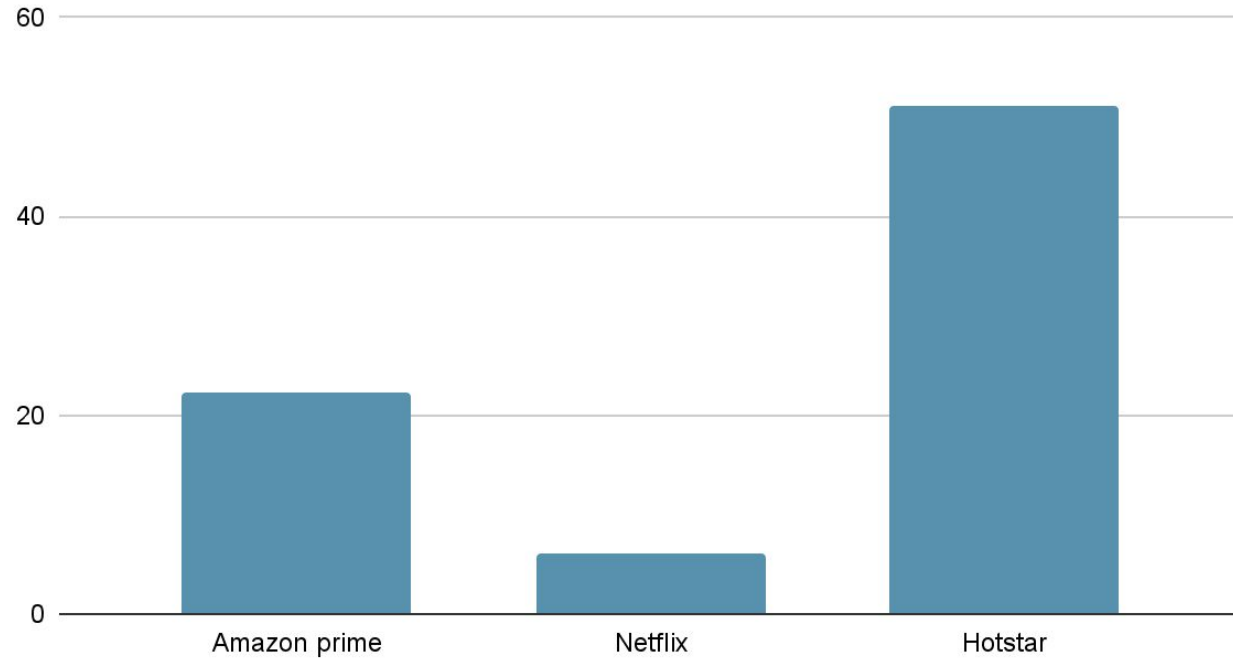
- Disney Hotstar merged with Reliance.
- Mukesh Ambani became the king of Indian OTT.
- 35% of entire OTT market in India, more than 120 TV channels.
- 30000+ content assets of Disney.
- Combined revenue of 25000 Crore Rs.
- Reliance will control 63.16% in the merged entity.
- Disney own only 36.84%.

2021 Comparison

- In 2021, Amazon prime had 22.3 million viewers.
- Netflix had 6.1 million viewers.
- Hotstar had 51 million viewers.

Market Share

India 2021 OTT Viewers in Million



Media Company Valuation

- Intellectual Property (IP) shows
- Brand Value
- Future Cash Flows
- Net Present Value (Assets - Liabilities)
- The Summation value of all these parameters.

Holding Value of All Players

- From 2021-22 to 2024, Disney valuation dropped from 5.4 billion USD to 3.9 billion.
- Holding Value:

Viacom 18 (\$ 4 billion, 46.82%)

Disney Star (\$3.1 billion, 36.84%)

Mukesh Ambani (\$1.4 billion, 16.34%)

Media Company Valuation Merger of Reliance and Disney



THE JOINT VENTURE

(in %)



History of Disney

- 2004 → Disney independently started operations in India.
- 2012 → Disney takes over UTV, enter film making game.
- 2016 → Disney shuts down film production UTV
- 2017 → Disney's \$71.3 billion deal, acquire 21st century FOX and their golden goose, Star India network.

Star has audience of 700 million people among generations.

- 2020 → Disney+ and Hotstar merge to ride India's OTT wave.

History of Disney

- Disney + Hotstar has already captured 30% of the market share.
- Along with, Star+Disney+HBO ecosystem content.
- Marvel Cinematic Universe & Game of Thrones.

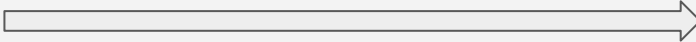
Magic Superpowers of Disney+Hotstar

- Star India gave Disney the insane act of local content.
- IPL stream \$2.6 billion deal for five years.
- IPL 2022, 720 million view in hotstar.

Magic Superpowers of Disney+Hotstar

- Disney+ have both Advertising Video on Demand Model & Subscription Video on Demand Model.
- Netflix, Amazon follows Subscription Video on Demand Model.

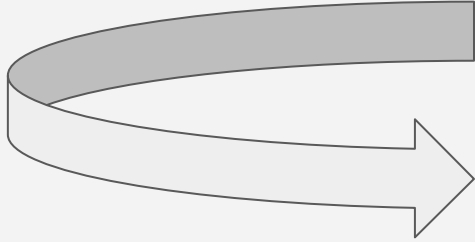
Make money from subscribers

Platform  Subscribers

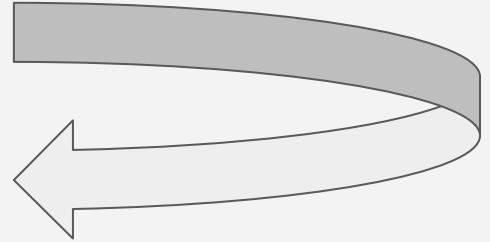
Subscription only content access

Magic Superpowers of Disney+Hotstar

Advertising Model on Demand



Platform Ads (Earn from ad content)



Audience (Watches for free)

Partnership

- Amazon → Jio, Airtel.
- Netflix → Vodafone.
- Disney → Jio, Airtel, Vodafone.

Indian Telecommunication Brands



Downfall of Disney+

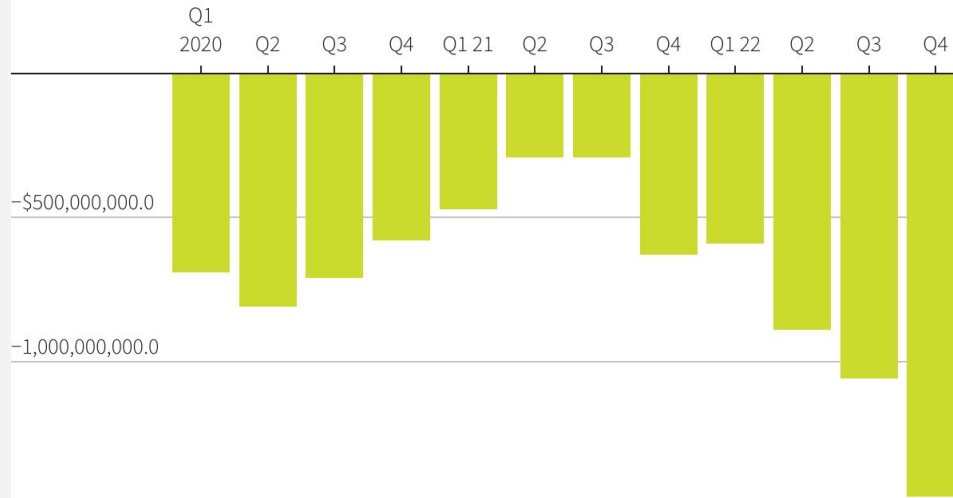
- Even since its launch in 2019, Disney+ has been in losses throughout the world.
- 5 year license of IPL got expired.
- June 2022, Mukesh Ambani outbid Disney for the online streaming rights for IPL 2023-27 for \$2.89 billion.
- Jio streamed the IPL 2023 for free.
- Between October 2022 to September 2023, Disney+Hotstar suffered total loss of 23.8 million subscribers.

Downfall of Disney+

Disney's streaming losses mount in the last 3 years

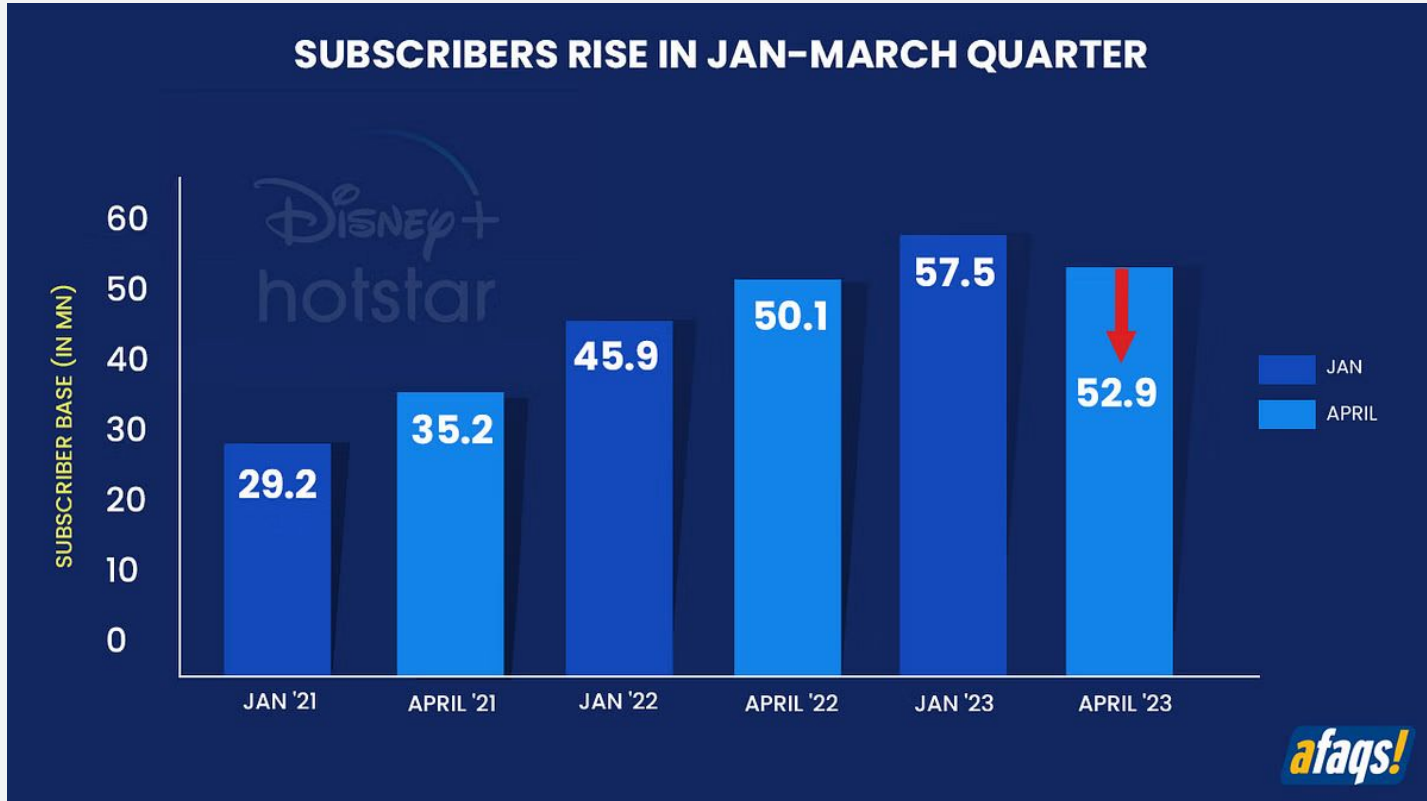
Executives said losses peaked in the fourth quarter of fiscal 2022

● Operating Loss



Source: Company Releases

Downfall of Disney+



Downfall of Disney+

- First 9 months of FY23, Star Sports reported operating loss of \$444 million.
- Disney failed with Star, Hotstar & global operations.
- Disney's stock reduced to \$82.47, lowest in 9 years.

Mukesh Ambani Strategy

- July 2017, Reliance bought 25% stake in Balaji Telefilms.
- March 2018, JioMusic merged with a music platform.
- In 2018, JioCinema merged with Viacom18 platform. 9 languages, 38 channels, OTT streaming VOOT.
- Mukesh ambani bought the HBO content in India.
- Multiyear deal with NBCU to get another thousand hours of films and TV shows.
- Mukesh Ambani broke Disney's OTT business step by step.

Why Reliance took over Disney?

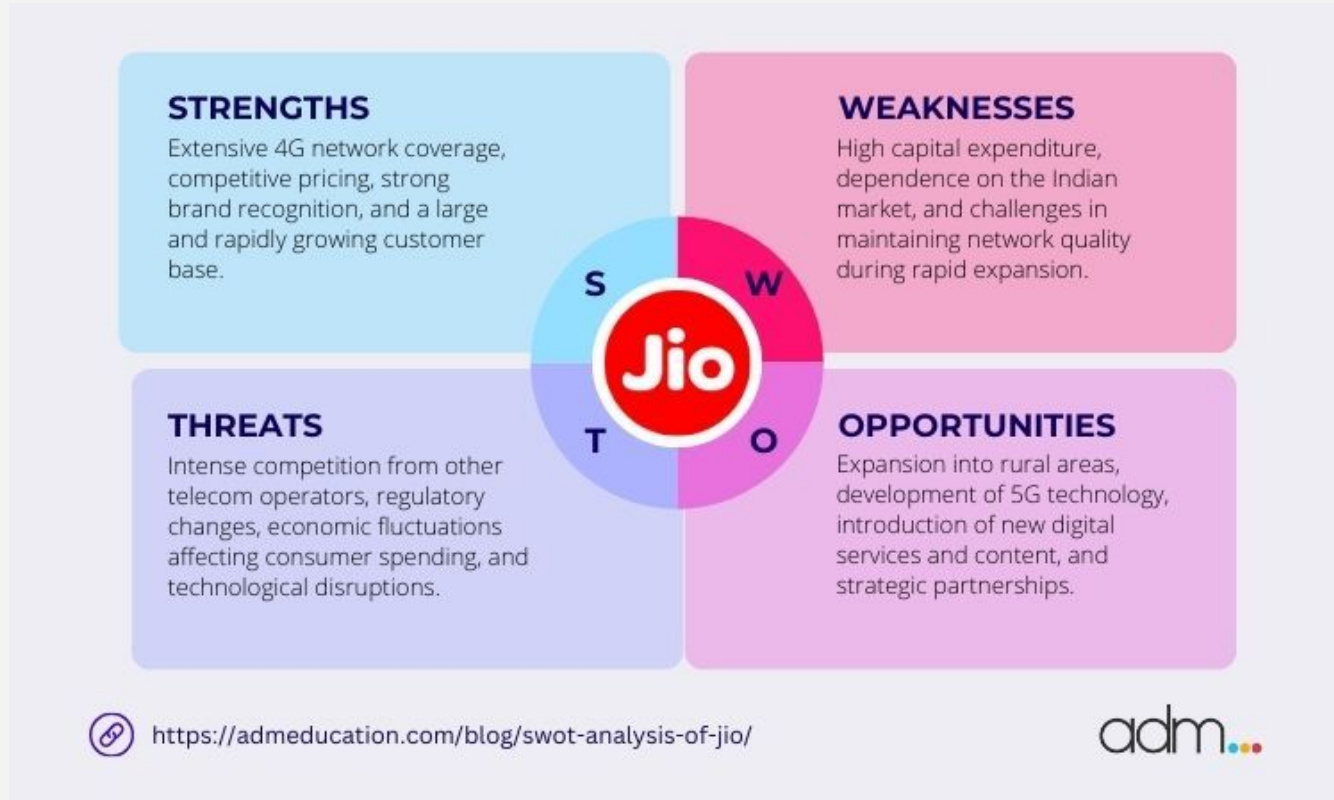
- Instead of just relying on third party platforms, Reliance also has a large pool of data and channels to advertise their own brands.
- Ambani practically controls both TV and digital rights of IPL.
- If anyone wants to advertise in IPL, they can increase the prices of advertising using monopoly, bigger benefit.
- Jio's opportunity to snatch nearly \$18 billion in revenue from Airtel with so much content available in Jio service.

Disney SWOT Analysis

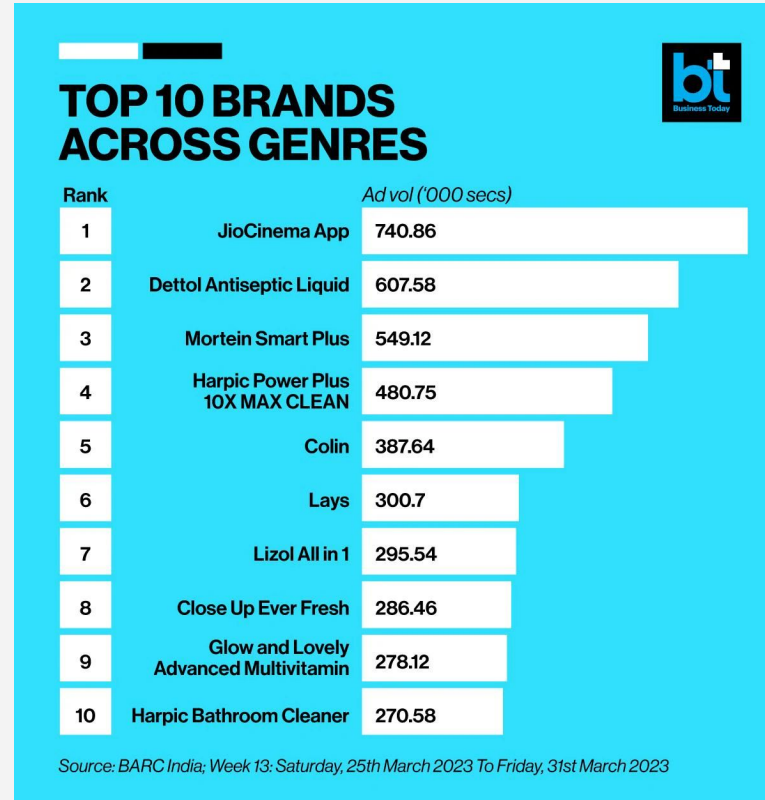
SWOT ANALYSIS OF Disney



Jio SWOT Analysis



IPL Effect on JioCinema



IPL Effect on JioCinema at April

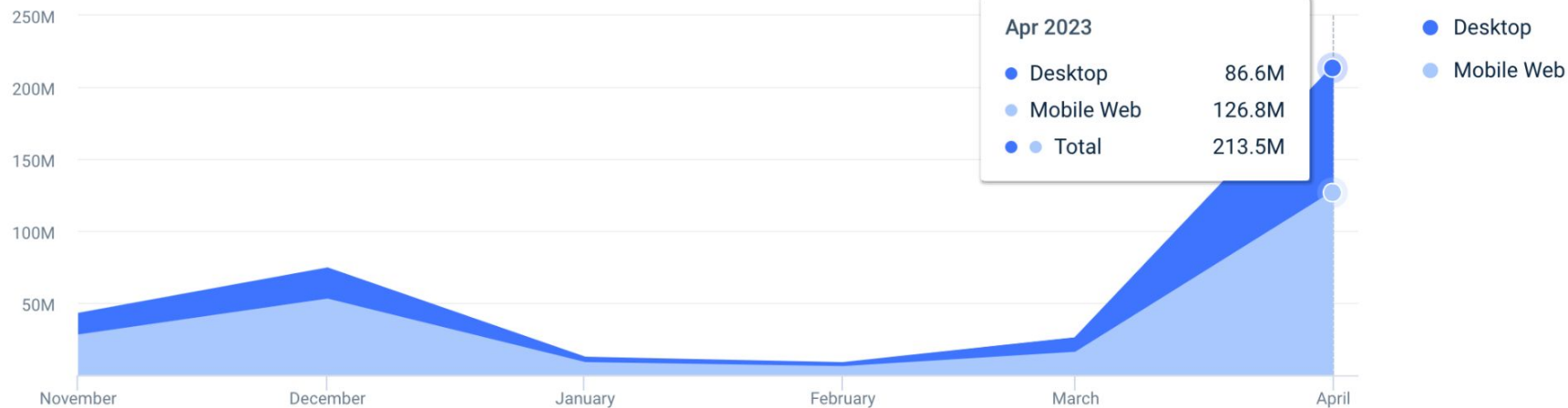
Monthly Visits Over Time ⓘ

☒ Month-to-date

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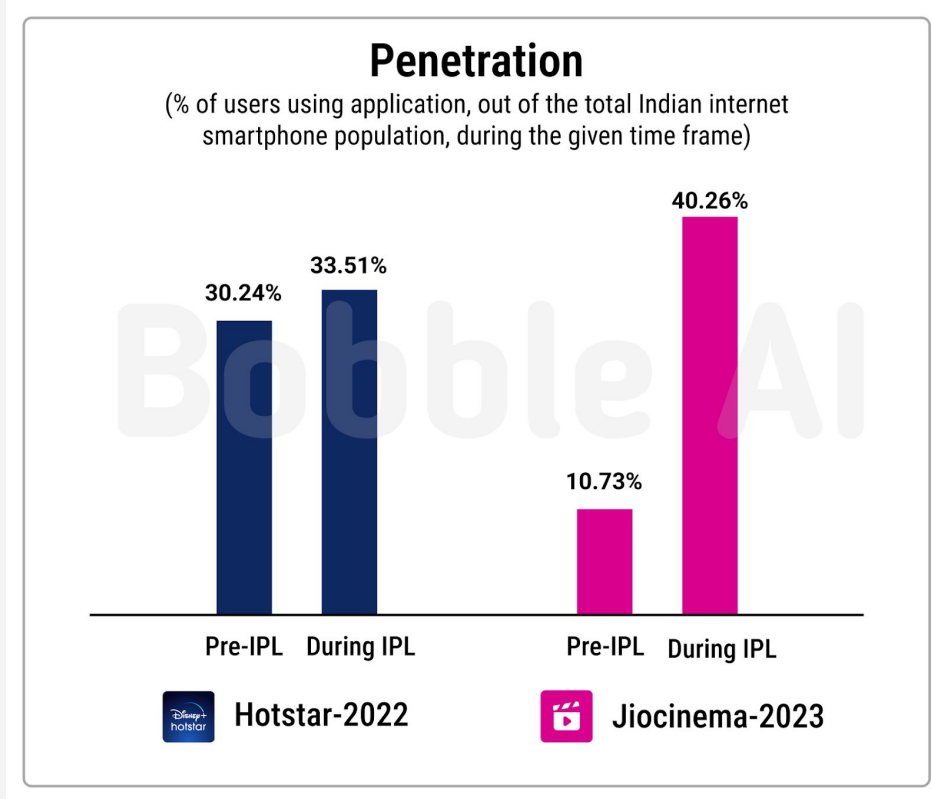
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IPL Effect on JioCinema at April



IPL Effect on JioCinema at April



Business Lessons

- No matter how much you scale, ultimately the most important superpower always be profit.
- Unless you build a barrier to entry that can not be replicated with money, any big player with deep pockets can just dismantle your company.
- Ecosystem is always powerful than a stand alone product.