

#Experience_Next

Technology is changing the
Indian events and activation
industry

September 2017



Foreword



India@70.

It's great to be in India. The land where opportunity abounds and creativity knows no bounds. And belief runs high. Here limitless is unlimited.

The world's largest democracy has looked at 'challenge' in the eye and has responded with the exuberance of youth, the power to invest in economies across the world and an economy that is bolstering its fundamentals.

Demonetization and the implementation of the GST regime were expected to shake the economy. Shake it did, but it was a minor tremor. Consumerism and the Indian will to surmount all challenges has come to the fore and beaten the odds.

Make in India, Start Up India and other government-initiated programs have found echo in the efforts of the private sector and global corporates.

A digital framework is already in place and its penetration and all-encompassing network is changing the paradigm across television, digital screens, films and content creation. Sporting events are integrating entertainment stars and vice versa.

Comedy, the three-minute film and a quiz show's Play Along are changing the engagement matrix.

New heroes have been born. Kabaddi stars, football newbies, and India's conquering women cricketers are the new superstars.

Event management is morphing into Experience Creation. In the new experience-economy, multi-disciplinary teams are taking centre stage. Street performers are combining with engineers, choreographers, designers and staging gurus to create spellbinding experiences.

Bizarre is now regular. Disruption has become the key to immortality. And the globe is not enough. Our next event could be on the moon or coming soon to a space station light years away.

Welcome to India. We are ready to inspire the world.

Sabbas Joseph

President

Event and Entertainment Management Association of India



It gives us great pleasure to present the third report on the events and activations industry in India.

The industry has faced challenges – demonetization being the largest – but this dynamic industry continues to grow at a rate faster than most of the other sub-sectors of the media and entertainment industry.

The report is a culmination of extensive research involving detailed discussions with EEMA members as well as marketers across the country. The report captures the trends based on these discussions, the risks faced and the opportunities ahead for this industry.

We hope you find this report useful and insightful. We are grateful to the stakeholders and industry players who provided us their valuable inputs, without which this report would not have been possible.

Farokh Balsara
Media & Entertainment Sector Leader
Ernst & Young LLP

Ashish Pherwani
Media & Entertainment Advisory Leader
Ernst & Young LLP



An aerial night photograph of a city, likely New York City, showing a dense grid of skyscrapers and a major highway interchange. The image is characterized by long-exposure light trails from cars on the roads, creating streaks of orange and white. The buildings are brightly lit, with many windows glowing. A prominent yellow horizontal bar is overlaid on the right side of the image, containing the word 'Contents' in a large, dark, sans-serif font. A thin yellow vertical bar is also present on the left side of the yellow bar.

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Disclaimer: This report has been developed by conducting primary and secondary research, discussions with several events and activation companies and other event industry stakeholders, and cross referencing of available data points. To the extent possible, the data has been verified and validated. Use of this report is at the discretion of the reader, and neither EEMA nor EY take any responsibility for the same. Please obtain professional guidance prior to using the information provided in this report for any decision making. There is no tax or other business advice provided in this report.



1

Executive Summary



The Indian events and activations industry is poised for exponential growth

Digital events

Digital events are poised to grow at 20% over the next few years, given that 90% of marketers believed it to be important to them.

IPs

IP will continue to provide disproportionate revenue and over 80% of respondents planned to launch 1 or more IPs during the next 2 years.

Sports

- ▶ Will grow at 18% over next 5 years
- ▶ Over 10 new national leagues planned
- ▶ India is just 1% of the global sports market

CAGR

INR 5,631 cr
2016-17

New launches by clients

Industries like auto, mobile handsets, media and entertainment, FMCG and durables will drive growth through new product launches.

Entrepreneurship

Over 85% of survey respondents plan to launch new products or properties, and expand to new markets.

Sources:
EY Marketers Survey 2017
EY-EEMA Survey 2017
"The Growth Paradigm", 2016



Personal events

Rising number of rich and super-rich is creating a huge market for weddings, parties, etc.



Client speak

93% of marketers surveyed expected their BTL spends to grow during the next 2 years, with 43% expecting growth to be over 10% per annum.



Government

Government spending on events is estimated to increase from INR 900 cr in 2016 to INR 1,520 cr by 2020, at a growth rate of 14%.



More metros and mini-metros

Surat and Jaipur are expected to become metros by 2018. By 2020, another 10 cities are expected to become mini-metros. This would give a boost to activations.



Young India

By 2020, more than 60% of India's population will be below 35 years. This will bode well for experiences, including concerts, travel, sports, adventure, etc.



Rural marketing

95% of the survey respondents agreed that rural events and activations would gain increased importance over next 2-3 years, given the next 300 million consumers are expected to come from non-urban areas.



16%

INR 10,000+ cr
2020-21





2

Current state of the industry

This section is based on a survey of over 60 EEMA members. It discusses the industry size, components, growth, issues and analyses various segments and services.



Current state

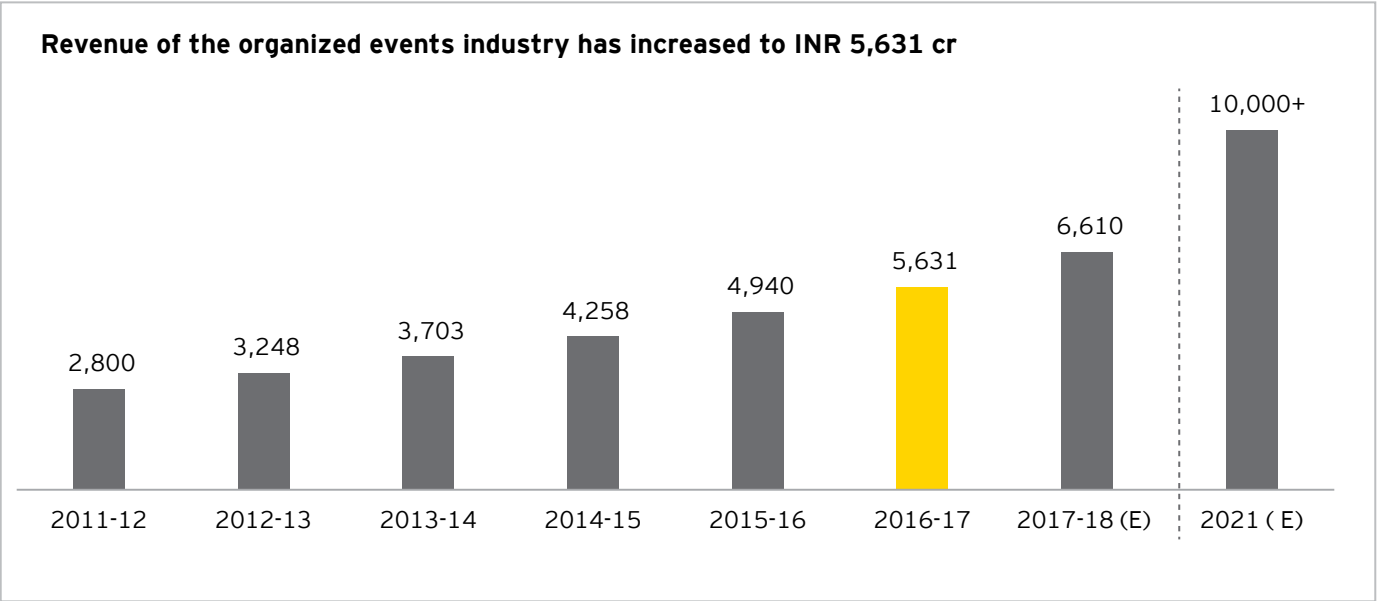
Revenue of the organized events industry has increased to INR 5,631 cr

- (i) Industry has been growing at 15% CAGR for the last five years
- (ii) This is slightly faster than the 11-13% CAGR of the Indian M&E industry
- (iii) The industry is on track to reach USD1bn by 2017-18
- (iv) The expected growth rate of the industry will be 16% over the next few years, which can therefore take the size to over INR 10,000 cr by 2021

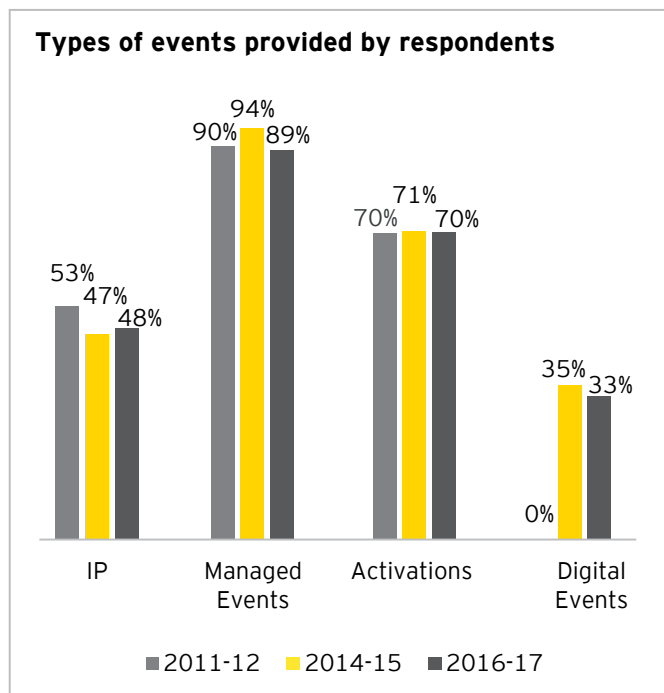
This value represents the revenue of 'organized' events and activation agencies and does not include the multitude of 'unorganized' event companies spread across the country. The size estimate also does not include the value of telecast rights of events (unless owned by an events and activation management company) the value of meetings, incentives,

conferencing and exhibitions (MICE) conducted by pure travel companies, value of IP not owned by event companies and properties managed by in-house activation teams of advertisers, and the unorganized events segment.

Survey respondents felt on average that just 50% of the Indian Events & Activations industry was organized (which is the portion this report tracks), but expected this organized segment to reach 60% within two to three years.

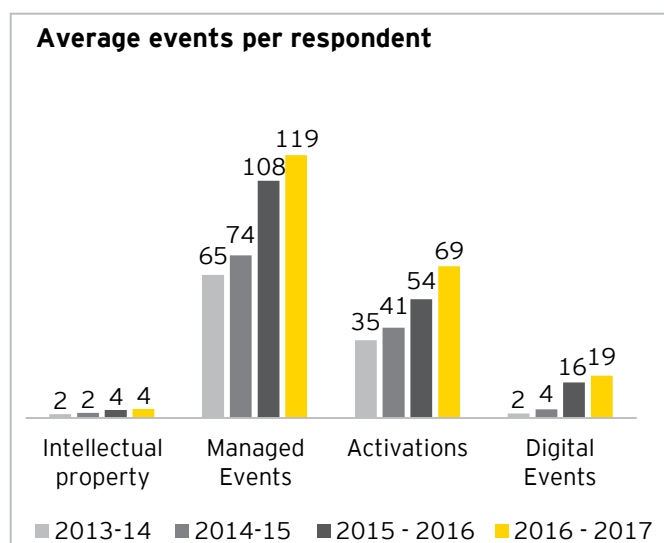


Most event agencies provide managed events



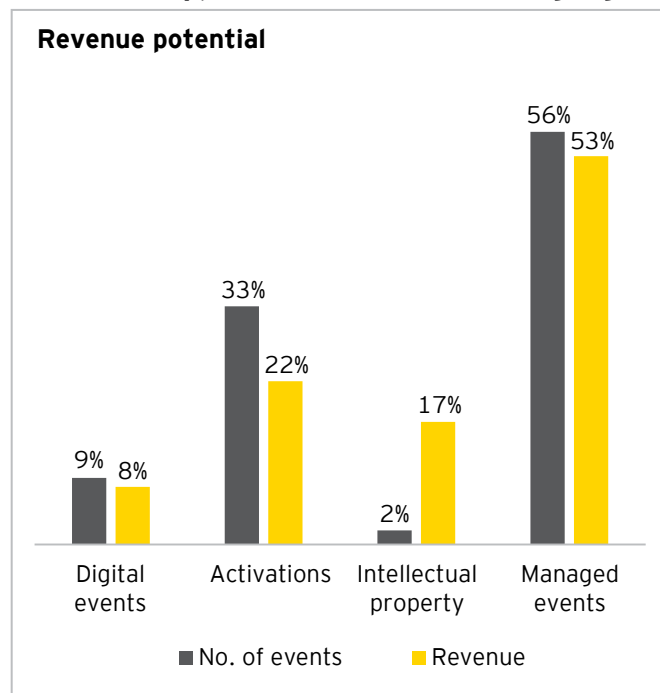
- (i) Managed events is still the largest segment, with around 90% of respondents providing these events
- (ii) Around half the respondents are doing IP work, and 70% providing activation services.
- (iii) Since the first survey in 2012, the key change is that now around a third of respondents are providing digital events

Average number of events per respondent are increasing across all formats



- (i) Across respondents, there was a 17% growth in the number of events during the last year
- (ii) However, average IPs and activations per respondent have doubled since 2013-14, while average digital events per respondent have shown a 9x growth since 2013-14.

The revenue generating capacity of different types of events is changing

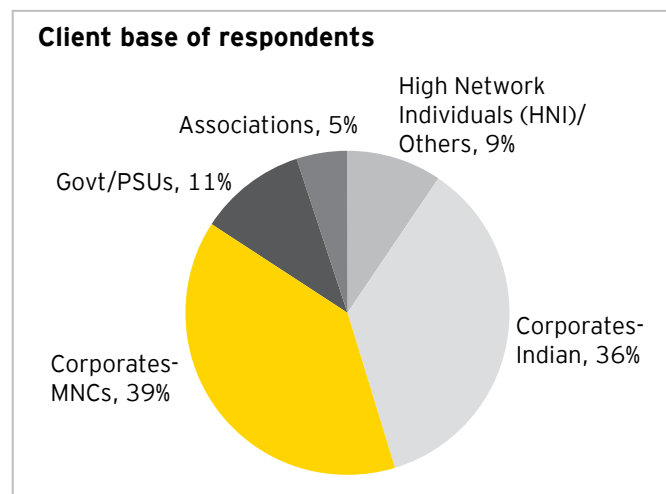


- (i) IPs continue to generate a disproportionate share of revenue for respondents. Over 80% of respondents planned to launch one or more IPs during the next two years.
- (ii) Digital events, which were less than 1% of total revenues two years ago, now command an 8% revenue share.
- (iii) There is a fall in proportionate revenue generated by activations from 31% in 2015 to 22% in 2017, showing that there is a distinct move to digital activations.

More respondents are providing services internationally

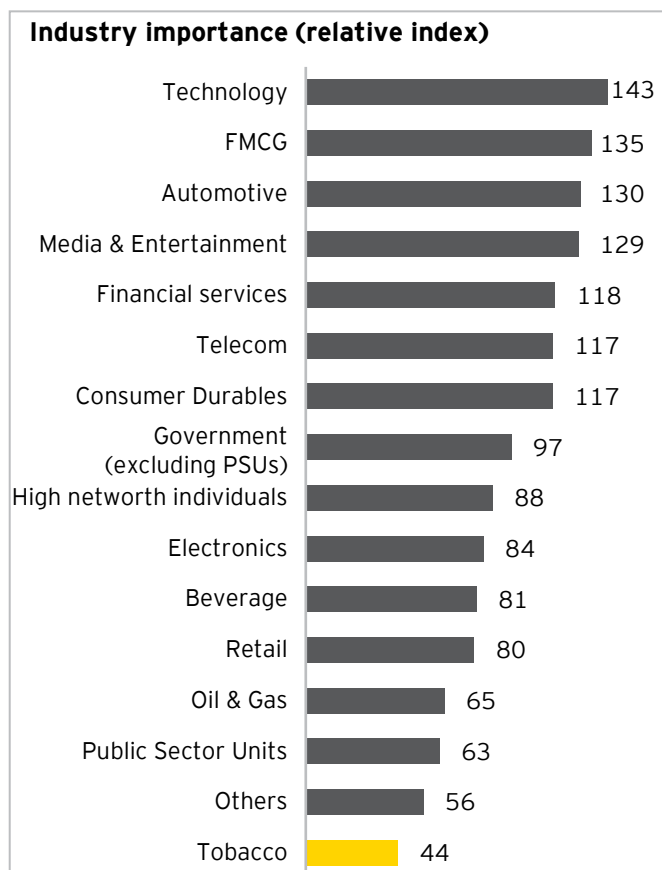
More respondents are providing services internationally - up sharply from 8% in 2011 to 56% in 2017. 25% of respondents had offices abroad. This reflects the fall in costs of international travel and stay, and India's booming outbound travel growth.

Corporates continue to be the industry's largest customer base



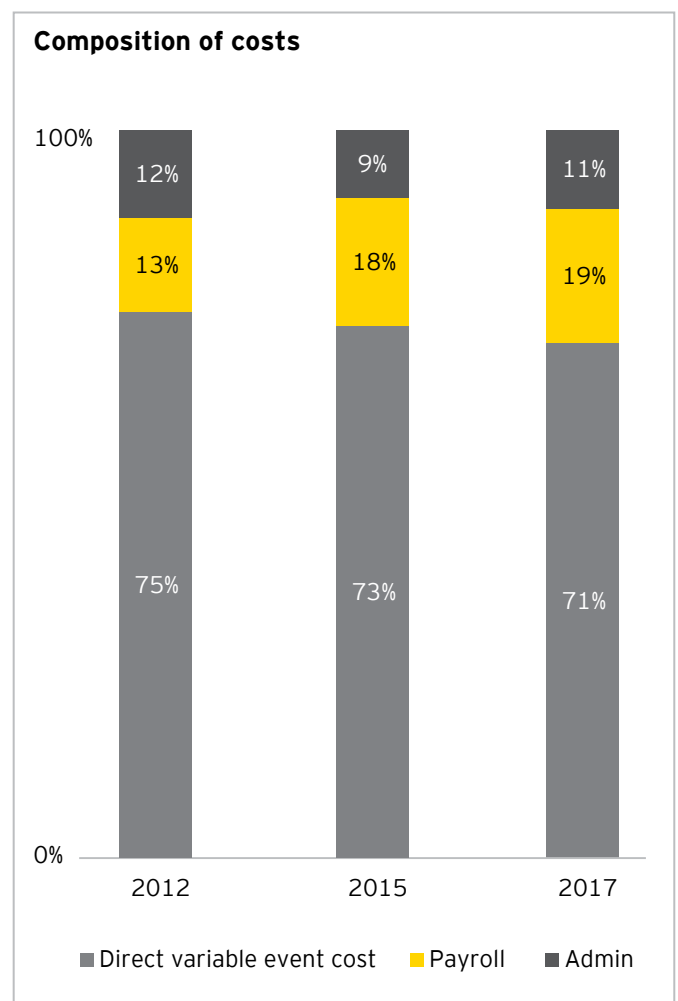
- (i) Around 75% of all respondents' clients were corporates, equally split between domestic and international companies
- (ii) Government and public sector units comprised 11% of the client base. Do refer our section on government events opportunity.
- (iii) The growth in personal events is reflected by high network individuals, who comprise 9% of the client base.

Client mix is led by new product launches



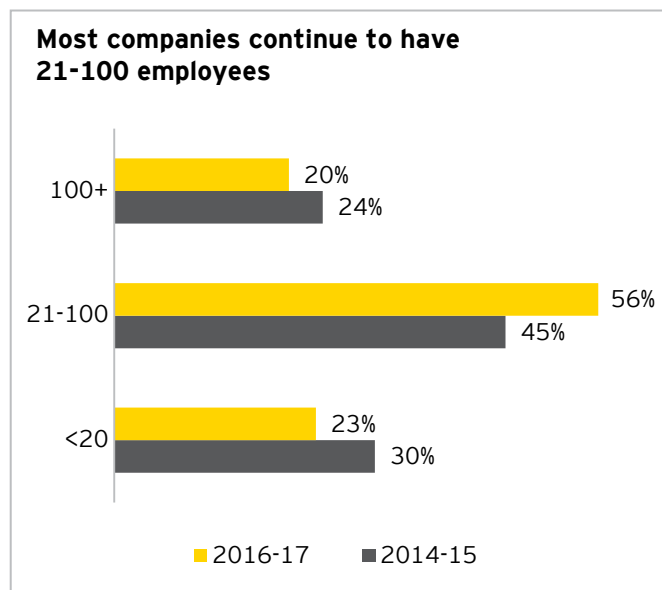
- (i) Technology, FMCG, auto, media and entertainment and telecom are the largest users of the Events & Activations industry. These sectors have all been launching a slew of new products and services, which has led to high demand for events and activations. Event agencies who have started specializing on certain industries are in a position to understand their seasonality and proposed launches and ideate along with marketers on the same, picking up a higher share of revenues.
- (ii) Government spend on events, both at centre and at state has grown significantly since 2014
- (iii) There is opportunity to grow revenues from PSUs, beverage and tobacco companies, etc, given that they are not always permitted to spend heavily on mass media.

Payroll costs continue to rise



- (i) Payroll costs are increasing and have reached 19% of total costs. This is higher than many other parts of the media industry, and reflects the lack of available talent.
- (ii) The slight fall in direct variable event costs could be due to increasing digital events, which are less expensive to produce.
- (iii) Respondents believed that costs would continue to increase at around 14% each year.

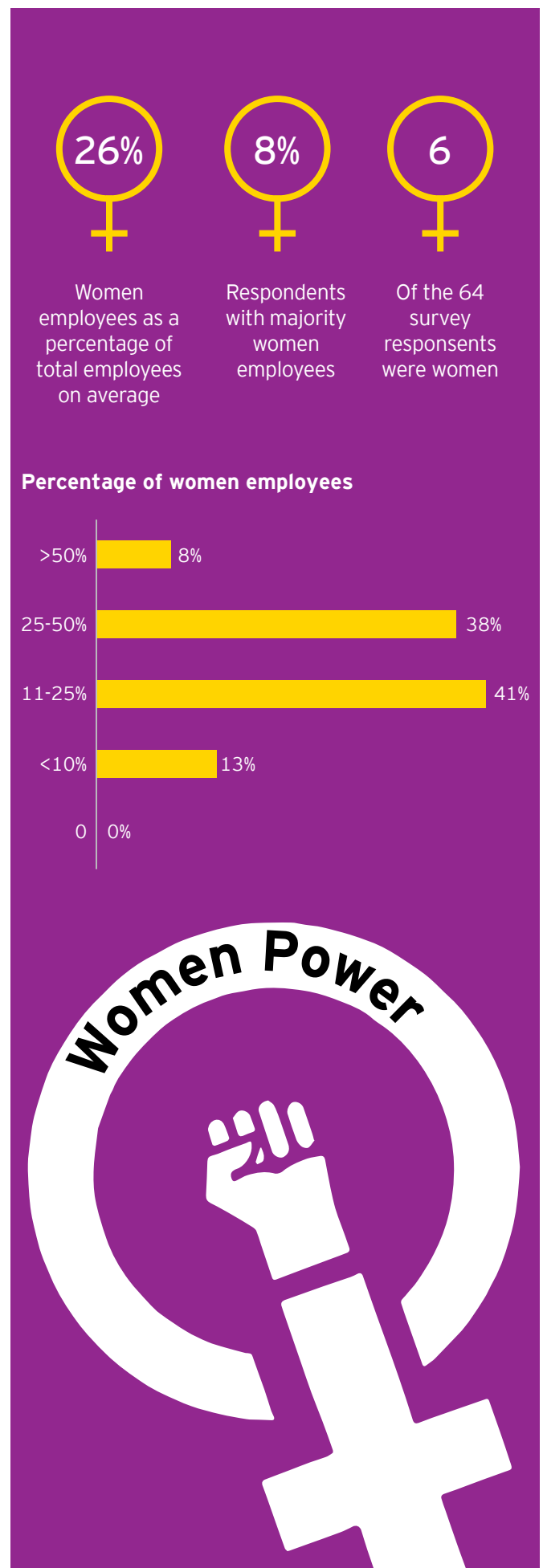
Quality of human resources requires improvement



- (i) Most companies continue to have 21-100 employees
- (ii) The absolute number of companies with over 100 employees has increased by over 50%, in support of the growth numbers being seen. In addition, most respondents expected their employee strengths to grow during the next two years
- (iii) Attrition rate stayed between 10 and 15% per year, and most respondents expected it to stay at that level in the near future
- (iv) However, at 83%, more respondents than ever before felt that the talent entering the industry was inadequate or could be better
- (v) Less than half the respondents had a defined health and safety policy for employees

Almost all respondents were profitable

- (i) Survey respondents had profitability of around 8-10% on average.
- (ii) A majority of respondents covered in our survey have indicated profitability to continue for the next two to three years with EBIDTA to be around 14% and PAT expectation to be in the range of 5%-10% or higher



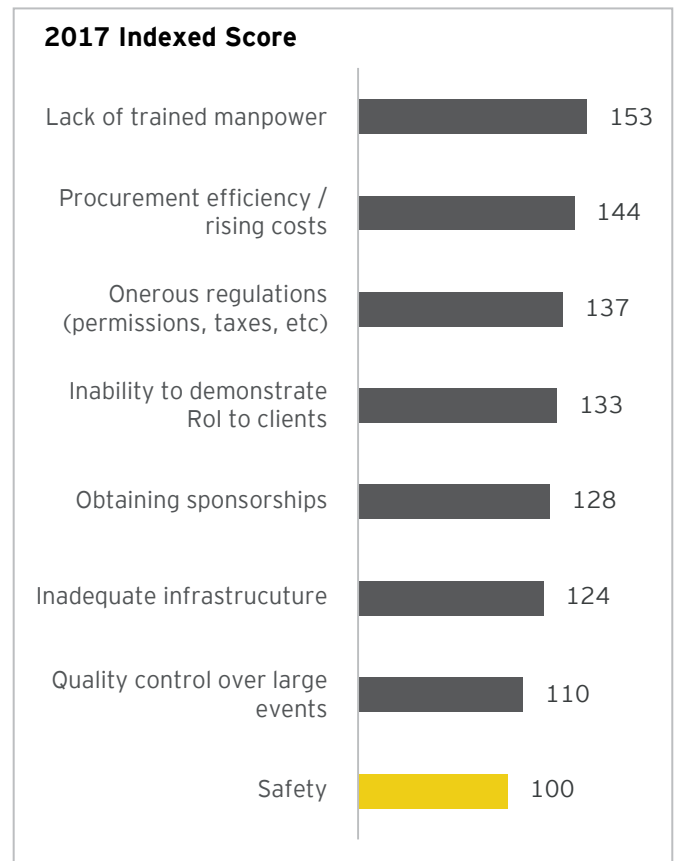
Key strengths of the industry

- (i) When it comes to strengths, the top four strengths have not changed across three surveys conducted by us:

Strengths	Rank		
	2011-12	2014-15	2016-17
Ability to "get things done" under any circumstances	1	1	1
Ideation and creativity	2	2	2
Efficient cost base / efficiency	3	3	3
Strong vendor base for production	4	4	4
Ability to create IP and monetise it successfully over time	5	6	5
Availability of talent	6	5	6
Reputation for transparency and credibiity	7	7	7

- (ii) Clearly, respondents believe in their "ability to get things done", and this is also something that marketers believe. Events is a risky business with many variables, and managing all the individual parts to create a magnificent whole is both challenging and stressful
- (iii) Also in alignment with marketers' thought process are the next few strengths of creativity and cost efficiency
- (iv) Transparency needs to be improved, and given the increased focus of corporate governance in India, can enable faster growth of the industry

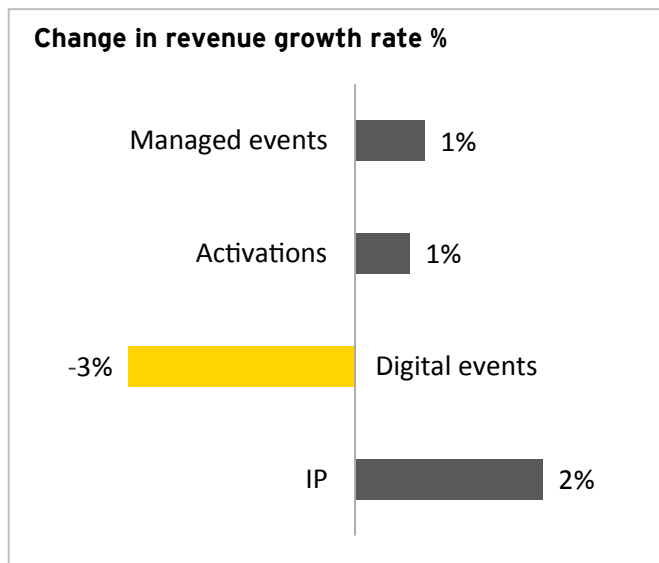
Key challenges



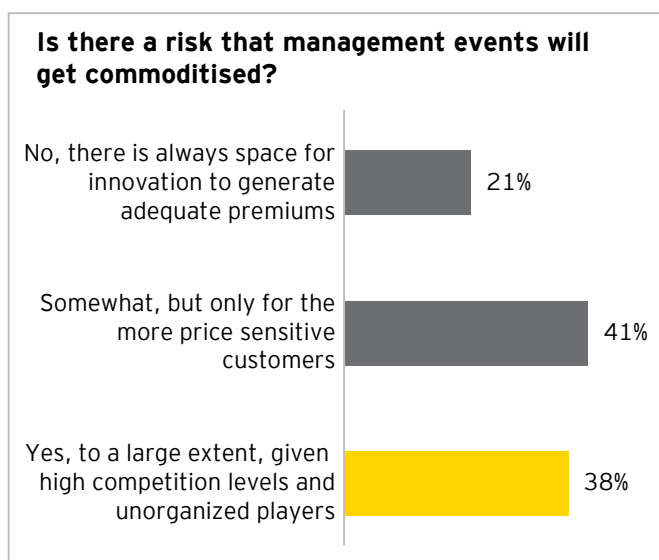
- (i) Lack of trained manpower continued to be the biggest challenge for the industry
- (ii) The challenge posed by rising costs was the second highest rated. Interestingly, this challenge was ranked seventh in the first survey we did, rose to the fourth position during the second survey, and has now become the second highest rated challenge for the industry
- (iii) The impact of onerous regulations has risen from the sixth position during our last survey, probably on the back of GST implementation
- (iv) While marketers feel safety is a key aspect for them, event and activation agencies believe they are adequately monitoring the same, and for the second survey in a row, safety comes as the lowest ranked challenge

Looking ahead

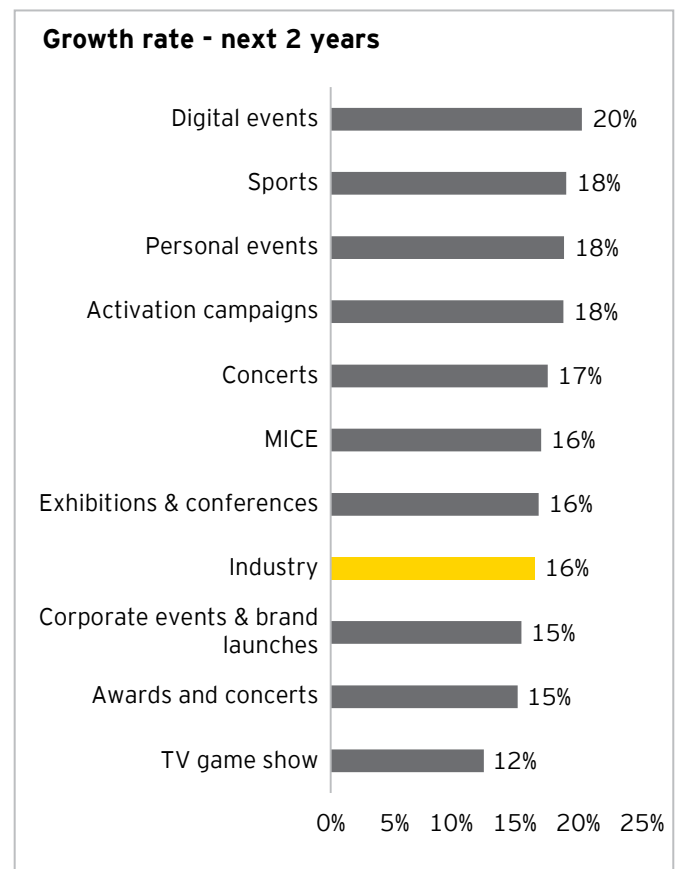
Most event types will grow faster



- (i) Survey respondents felt that by and large, all event types would grow faster than before, on the back of fragmentation of ATL media, and increased overall interest from marketers (this is corroborated by the findings of our marketer survey)
- (ii) The revenue growth fall associated with digital events reflects the change in the nature of activation viz, digital activation can be provided at a fraction of the cost of in-person activation, and while the number of digital activations will increase significantly, the value of each will reduce
- (iii) 38% of respondents felt that managed events run the risk of getting commoditised, though a majority felt that with innovation and creativity, the risk was not significant



Sports, personal events and activations will drive growth



Digital is driving growth, as respondents felt that marketers spends on digital events would grow at 20% over the next two years

- (i) Driven by numerous sports leagues, as well as grassroots activities, and spurred by mandated social spends for profitable Indian corporates, respondents also felt that sports would significantly grow at 18%
- (ii) Rounding-off the growth drivers were personal events, activations and concerts, on the back of increased disposable incomes and growing spends on ticketed events, which are expected to cross INR 650 crore in 2017-18. Most respondents expected ticketed events to witness a moderate level of growth in the next 2-3 years

Rural opportunity

- (i) With the government's clear focus on rural development, along with implementation of multiple grassroots schemes, tax relief and cash component advantages available, rural BTL / activations will have continued focus. 95% of the survey respondents agreed that rural events and activations would gain increased importance over next 2-3 years

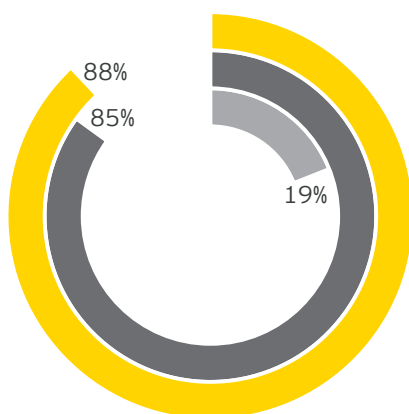
- (ii) With better infrastructure and connectivity between India and Bharat, the next 300 million middle-income customers for most organisations are expected to come from this part of the country. More connected, evolved and aspiring rural population is the natural progression for any organisation. With the government trying to bring rural India under the ambit of digital network, rural advertising should see an increase.

Many new products or properties will be launched, across more markets

Over 85% of respondents plan to launch new products or properties in the next two years, and almost a fifth of respondents will launch 3 or more products

- (i) 88% of respondents planned to expand into new markets. Some reasons cited included activations, rural marketing and focus on regional and national multi-city events
- (ii) Over 80% of respondents plan to launch one or more IPs during the next two years

New markets and products



- Plan to launch 3 or more new products
- Plan to launch new products
- Plan to enter new markets

Regulatory change required for growth

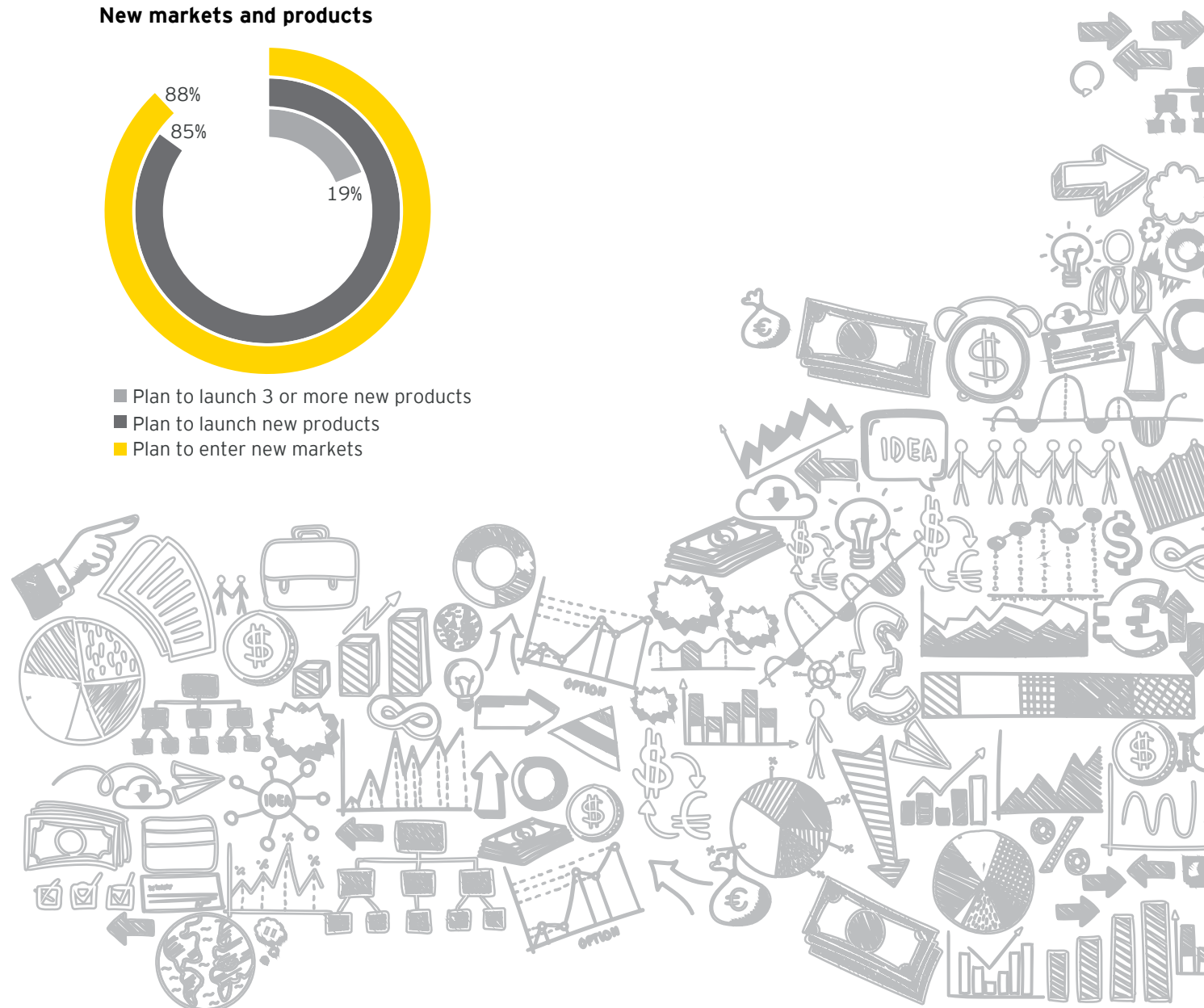
Respondents identified the following four areas which they believed could positively impact the Events & Activations industry:

Rationalisation of entertainment tax / local body tax - certain states are planning to levy local body taxes, which can be detrimental to events and activations

Availability of credit - Credit is difficult to obtain for event companies, mainly as the segment does not have industry status

Easing out permissions - a single window for event permissions is still a dream in many states

Venue development incentives - Inadequate venues - when compared to global cities - significantly limit India's ability to host international events and conferences





A person is standing on a rocky, moss-covered mountain ridge, looking out over a vast landscape. The foreground is a rugged, rocky path. The middle ground is filled with a thick layer of white clouds, creating a sea of clouds effect. In the background, dark, jagged mountain peaks rise above the clouds. The sky is a mix of soft orange, yellow, and grey, suggesting a sunset or sunrise. The overall mood is serene and expansive.

3

Marketer speak

Every year, EY conducts an anonymous survey of marketers on their BTL spends. In this year's survey, 30 marketers responded. The summary of their responses is presented in this section.

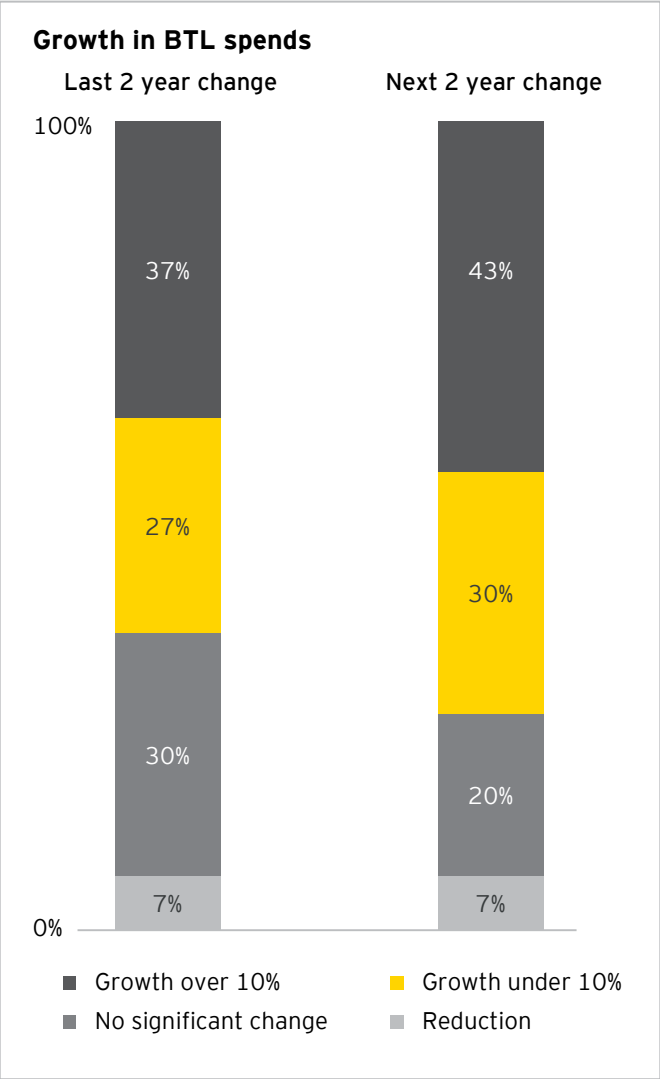


Marketers are spending more on BTL

We noted that 60% of marketers had BTL spends of 20% or more of their total marketing spends.

Of the marketers surveyed, 64% said that their BTL spends have grown over the last two years. The increase in spend appears to be a combination of various factors, including higher quality expectations, a wider geographic reach and inflation.

Even more heartening is the fact that 73% of marketers expected their BTL spends to grow during the next two years, with 43% expecting growth to be over 10% per annum.



Digital integration has become extremely important

Digital integration was either important or very important for the events of 90% of marketers. The main reason cited was the reduction in the average cost per person reached by their event, enabled by digital amplification.

The recent season of the TV game show Kaun Banega Crorepati is a great example of digital integration. In the first week itself, the play-along game – available to viewers on their smartphones – averaged between 2 million and 3 million participants per day, and led to app downloads of several million.

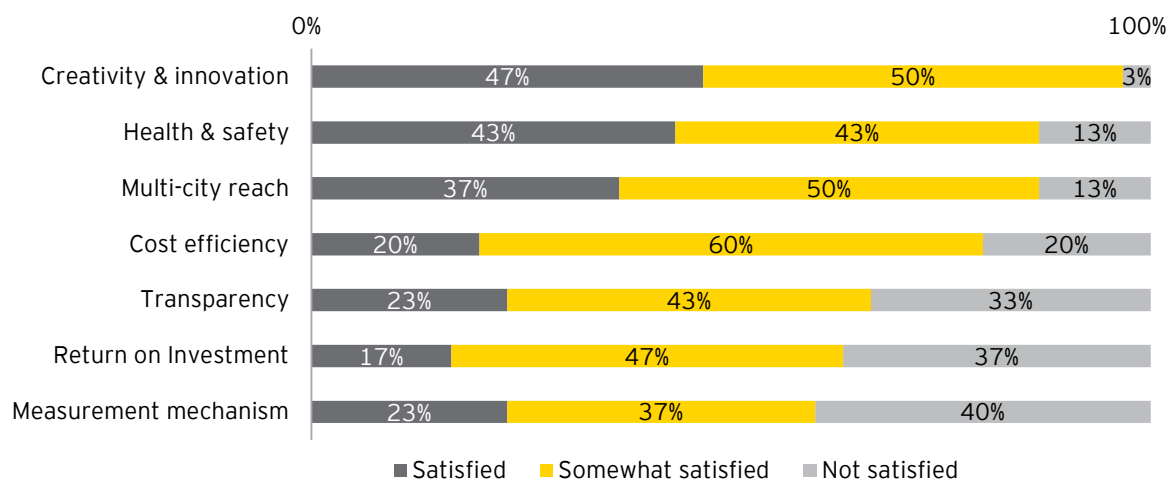
Marketers have put a premium on innovation and creativity

In 2015, cost efficiency was rated the highest by marketers, i.e, they believed the core strength of their event management companies was conducting events in an efficient manner. In 2017, creativity and innovation have taken the first place, showing a paradigm shift in how marketers perceive their event companies. They are seeing them more as innovation partners who can help them achieve their business objectives. This change can also be attributable to the increase in the number of IPs, several of which are unique not just to India but also globally, such as Make in India, Kabbadi and Jaipur Literature Festival.

Health and safety standards are clearly improving, and marketers are satisfied with the processes and controls being implemented in this area. This seems to be a key factor going forward, given that many large Indian and multinational companies are themselves assessing risk across the board, including at services outsourced to their vendors. It is a good time for the industry to implement a process of certifying vendors, and setting down minimum standards of execution.

Return on investment (RoI), measurement and transparency, however, continue to remain the areas with the lowest satisfaction scores among marketers. The industry still does not have defined standard measurement metrics for various marketer objectives, nor does it have the mechanism and method to measure performance against the standards. Multiplicity of RoI calculations tends to reduce confidence in marketers.

How satisfied are you with your event company across the factors mentioned below?



Rajiv Dubey
General Manager-Media ,
Dabur India

The Events Industry has multi-level benefits and it has a very symbiotic relationship between its organizers, technicians, artists, advertisers, media, F&B industry and finally the clients.



Anubhav Chaturvedi
Manager-Consumer Activation
ITC Foods

Change is the only constant. Speed is the need of the hour. I think these two statements sum up how challenging yet evolving the industry is.



Sunita Bangard
President - Marketing , Idea
Cellular Ltd.

The event industry in India is increasingly embracing and introducing new technology which is transforming event experiences in an amazing way. Also the use of digital media along with events is helping amplify the experience beyond the audiences at the event itself.

An aerial photograph of New York City, showing the dense urban landscape of Manhattan and the surrounding harbor. The sun is setting, casting a warm, golden glow over the city and the water. The skyline is filled with numerous skyscrapers, and the harbor is dotted with ships and boats. The overall scene is a vibrant and detailed representation of the city's architecture and natural beauty.

4

The sports opportunity

In this section, Sundar Raman - CEO Reliance Sports discusses the opportunities that the sports industry presents.





Sundar Raman
CEO Reliance Sports

Current landscape

What makes the sports business so different from others?

From a marketer's perspective, associating with sport delivers rapid awareness and high recall and, more importantly, it has the power to tug at emotions and help build a strong and loyal bond like very few other platforms can. From a consumer's perspective, the adrenaline rush that comes with watching your favorite sport or team or athlete succeed is an inexplicable high and a testament to the sheer drama and excitement the industry has to offer.

Sports is a competitive-cooperative landscape and not a zero sum game. While competitors aim to gain the highest revenues and viewership, it is well recognized that it is in everyone's interest to increase the overall pie to help generate more interest, more awareness, more visibility and more participation as well as better results for the nation at international competitions.

The journey of the sports industry started with the launch of the Indian Premier League (IPL) in 2008. The IPL fostered the creation of a new dimension to the sports industry – high quality sporting action in the middle laced with a dose of entertainment – resulting in a widened sports audience, including more women, more children and more families. Additionally, it made the private sector look at sports as a strategic marketing platform with the ability to form an instant, direct connect with the match-viewing audience.

On the back of the IPL, we have witnessed the emergence of over 10 sporting leagues, all of which leverage the winning combination, to varying degrees of success, of sports and entertainment to attract audiences of all ages. With increasing viewership numbers in multiple sporting events and a gradual improvement in India's performance in international sporting events beyond cricket, India is increasingly being seen by the world as a nation with multi-sport potential, some of which is getting realized.

The exciting news is that we have only just started scratching the surface. The Indian sports market accounts only for <1%¹ of the global sports market² (estimated to be INR6,087.8 billion in 2017). With factors such as favorable demographics, the explosive growth of data and technology, and increased government and private sector interest, the potential for the industry is immense.

Growth trends shaping the future of sports in India

I. Growth of multiple sports

Since 2014, the sports industry in India has changed from being cricket-focused to including several new sporting leagues in football, kabaddi, wrestling, hockey, badminton, table tennis and other sports.

Sports viewership has also undergone a transformation, with sports other than cricket contributing to over 20% in 2016.³ The unprecedented increase in viewership for the Rio Olympics 2016 (from 90 million for the London Olympics 2012 to 191 million)⁴ as well as for leagues such as the Pro Kabaddi League and the Indian Super League is testament to this changing outlook of the Indian audience. Correspondingly, sports sponsorship is increasing, too, with Vivo's five-year deal estimated at INR300 crore and Hero's three-year INR 160 crore for title sponsorship of Pro Kabaddi League and Indian Super League respectively. Proliferation of these city-based franchise leagues has helped in reaching out to a larger audience, thereby offering opportunities for regional investments in sports.

Additionally, the past two years have seen an emergence of women in sports, with notable performances in cricket, golf, badminton, tennis, gymnastics and athletics. Viewership numbers have been encouraging, with Hotstar recording 1.9 million concurrent viewers for the ICC Womens Cricket World Cup Final⁵ and PV Sindhu's Rio Olympics final match garnering over 17.2 million impressions on TV and over 5 million views on Hotstar.⁶

Global leagues, federations, clubs and sports companies clearly recognize India's potential and have been investing in various initiatives, with a few such as the La Liga even opening offices here.

1. FICCI, Indian Media & Entertainment Industry Report, 2017
2. FICCI, Indian Media & Entertainment Industry Report, 2017
3. BARC India - Rise of Indian Sports Leagues
4. BARC India
5. Hotstar
6. Star India

II. Impact of digital evolution

With the increasing internet and mobile penetration, the digital ecosystem is evolving rapidly and so is the sports audience. Sports federations, teams, athletes, leagues, broadcasters and sponsors are leveraging the power of digital to drive fan engagement. Additionally, 40-50 million Indians are actively consuming sports content on digital⁷, indicating that viewers are realizing the flexibility and ease of access that digital mediums provide.

Going ahead, digital will play a significant role in bringing the fans even closer to the action. Global leagues such as the National Basketball Association (NBA) and Major League Baseball (MLB) are already using big data tools such as SportVU and Statcast for match analysis, enabling fans to further deepen their understanding of the game. Wimbledon 2017 saw IBM's Cognitive Highlights technology using artificial intelligence to create two-minute highlights of the matches.

Optimization of the in-stadia fan experience adds another layer to the fan engagement aspect. At the Levis Stadium of the San Francisco 49ers team, beacons and proximity marketing have helped in packaging the entire stadium experience into a mobile app, which allows fans to receive customized services at their seats. Although India is yet to catch up in this space, the day is not too far when sports fans will be able to avail such personalized service in the stadiums across the country.

III. Grassroots development

For India to be truly called a sporting nation, it is vital to get more children to play sport. Grassroots sports activities serve the dual purpose of spreading the sport among the masses and helping the country build a robust pipeline of young talent.

It is encouraging to see that the sports fraternity is increasing its focus on the grassroots development of sports. At present, JSW Sports, Reliance Industries Limited, Tata Steel, RP-Sanjiv Goenka Group and Unilazer Sports are some of the private sector entities that have invested in the grassroots development of sports, but more involvement is needed.

There are multiple challenges to be overcome in this endeavor, not the least of which is the availability of adequate infrastructure. A case in example is the fact that 40% educational institutions in India, both private and government, have no outdoor sports facilities.⁸

Private sector investment again is crucial to laying the foundation of and nurturing the talent pipeline until they become professional athletes. Although grassroots sports has a lot of potential as a corporate social responsibility activity, it still lags in priority relative to other CSR areas. Only INR57 crore was reserved for sports among the INR8,185 crore spent by companies on CSR in 2015-16.⁹ This number is likely to grow in the future with the private sector realizing the power of sports marketing and the brand awareness generated by investing in a sector that has an instant, emotional connect with the community.

7. Sony Pictures Networks India

8. Pan India Survey by District Information System for Education

9. Confederation of Indian Industry's Annual CSR Tracker

10. BARC India - Rise of Indian Sports Leagues

11. BARC India

IV. Widening definition of the sports audience

Sports is no longer a dominion of male fans. Younger fans, families, female and rural audiences are tuning in to watch sports in large numbers. Broadcasters, teams, athletes and league owners recognize this shift and have started customizing their offerings to cater to this audience.

As per BARC, the IPL 2017 (41%), Indian Super League (44%), Pro Kabaddi league (44%) and Rio Olympics (42%)¹⁰ are some of the leagues enjoying increased female viewership. Sponsors should look at capitalizing on this trend and leveraging their association to cater to the female audience. Globally, "Thank You Mom" – P&G's most successful campaign in 175 years as a part of its association with the Olympics – showed how industries that are distant from the sports domain can also engage their core audience effectively through sports.

According to BARC's rural India data, the television viewership numbers have been high, specifically for sports such as kabaddi and wrestling, which the rural audience can connect with. In 2016, an average 45% of the weekly sports viewership was accounted for by rural India.¹¹ On ground, the VIVO IPL Fanparks have been expanded to 36 cities in the last two years from 16 in 2015, seeking to take cricket to audiences besides the metros.

Additionally, media networks and broadcasters are realizing the growing power of the Indian language market. Previously, Sony Pictures Network India and Star India had launched multi-language feeds for the IPL, ICC World Cup and Indian Super League. Now, in 2017, Star India launched the first-ever language sports channel with Star Sports 1 Tamil, which broadcasted the ICC Champions Trophy, Pro Kabaddi League and Indian Super League.

V. Role of government, federations and the private sector

If India is to become a successful sporting nation, it is important to have a proactive government and sports governance structure.

The Government of India has taken strong steps in this direction through initiatives such as Mission XI Million and Khelo India. The Government's planning division, NITI Aayog, has developed a comprehensive Olympics Action Plan aimed at improving the performance of Indian athletes on the world stage.

Even with proactive government support, sports can only grow through investments by the private sector. The opportunities for these investments are many, whether it is through sponsorships of leagues, athletes, teams, or events, purchase of sports teams, media investments or creation of IPs and content.

For this to happen, the private sector needs to realize that in the sports industry, value gained is a function of the time spent. Investment in sports is a strategic and high-impact play the benefits of which may not be visible in the short term, but which earn a tangible return on investment in the long term.

Impact on the events and activation industry

As the sports industry in India evolves, so will the associated sectors, primarily the entertainment and events and activation industries. With the launch of several sports leagues, and a number of national and local events emerging as a result of this, the growth and strengthening of the organized event sector is now more important than ever.

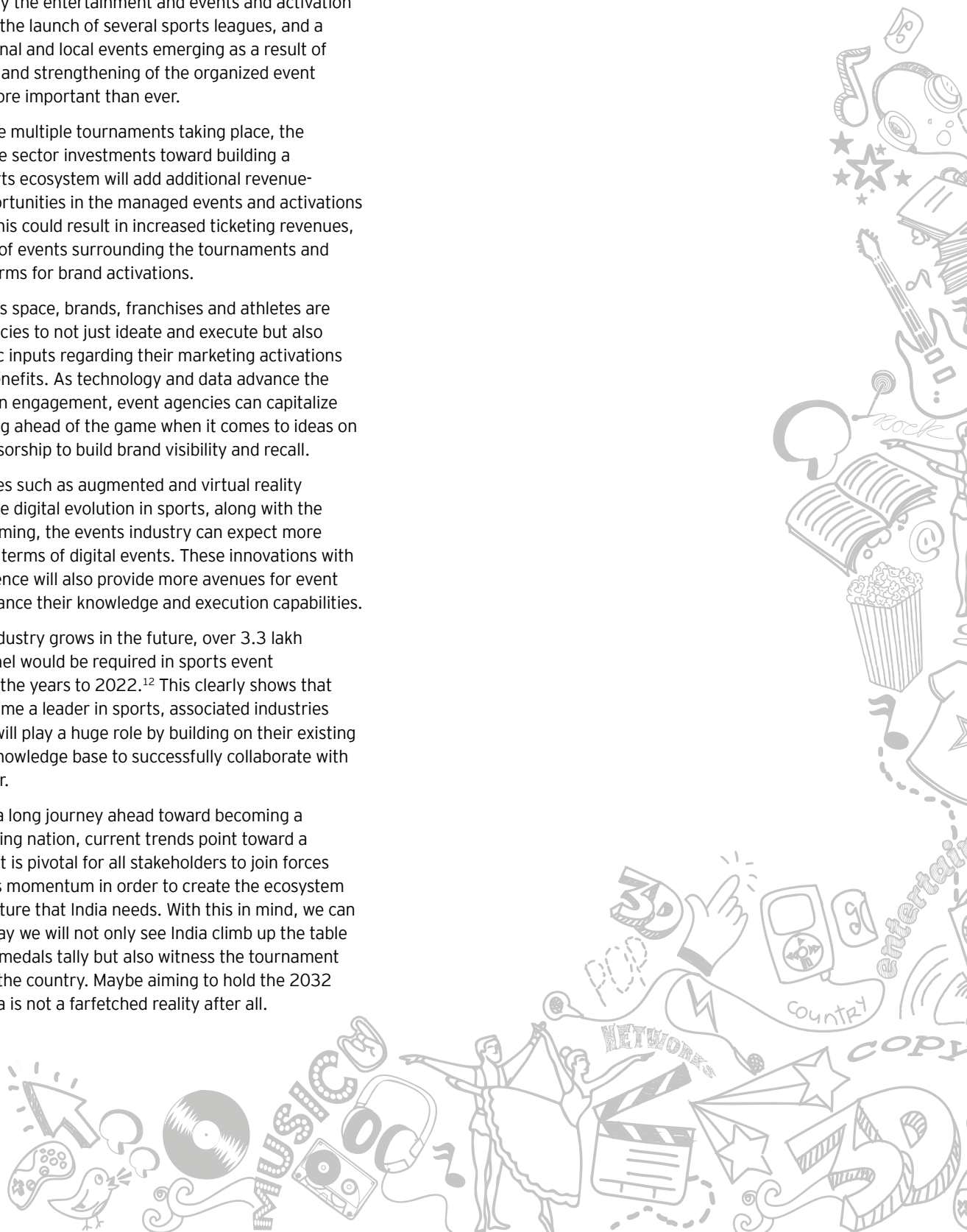
In addition to the multiple tournaments taking place, the increased private sector investments toward building a sustainable sports ecosystem will add additional revenue-generation opportunities in the managed events and activations service areas. This could result in increased ticketing revenues, widening scope of events surrounding the tournaments and increased platforms for brand activations.

In the activations space, brands, franchises and athletes are looking for agencies to not just ideate and execute but also provide strategic inputs regarding their marketing activations for long-term benefits. As technology and data advance the landscape for fan engagement, event agencies can capitalize on this by staying ahead of the game when it comes to ideas on leveraging sponsorship to build brand visibility and recall.

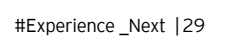
With technologies such as augmented and virtual reality spearheading the digital evolution in sports, along with the rise of online gaming, the events industry can expect more opportunities in terms of digital events. These innovations with in-stadia experience will also provide more avenues for event agencies to enhance their knowledge and execution capabilities.

As the sports industry grows in the future, over 3.3 lakh support personnel would be required in sports event management in the years to 2022.¹² This clearly shows that for India to become a leader in sports, associated industries such as events will play a huge role by building on their existing strengths and knowledge base to successfully collaborate with the sports sector.

While India has a long journey ahead toward becoming a successful sporting nation, current trends point toward a positive future. It is pivotal for all stakeholders to join forces and build on this momentum in order to create the ecosystem and sporting culture that India needs. With this in mind, we can hope that one day we will not only see India climb up the table in the Olympics medals tally but also witness the tournament being hosted in the country. Maybe aiming to hold the 2032 Olympics in India is not a farfetched reality after all.



12. 2014 Vision Document, FICCI,2012





5

The Government Opportunity

The government at both the centre and the state has increased the number and scale of its events and outreach programs. This section delves into this exciting growth opportunity.



The government will soon spend over INR 1,000 cr on events and activations

The government has become a large patron of both Events & Activations over the last few years. Government spending on events is estimated to increase from INR 900 cr in 2016 to INR 1,520 cr by 2020, at a growth rate of 14%.

Government spends are being driven by several initiatives both at a central and state level.

Central government initiatives

The central government has, since it took power in 2014, implemented over 50 schemes for the development of the country and to address its issues. They are announcing and propagating these initiatives through large marquee events, as well as multi-city activations. The key genres of events include investment into India, building the manufacturing base, tourism, skill development, digital projects, social themes like women employment, girl child education, cleanliness, etc.

Marquee events of the central government	Large multi-city activation programs of the central government
<ul style="list-style-type: none"> ▶ International Day of Yoga ▶ Make in India ▶ Japan Plus ▶ Smart City ▶ Invest India: guiding your investment ▶ Start up India 	<ul style="list-style-type: none"> ▶ Digital India ▶ Beti Bachao, Beti Padhao ▶ Swachh Bharat Abhiyan ▶ Pradhan Mantri Jan-Dhan Yojana ▶ Skill India ▶ Bal Swachhta Abhiyan ▶ Mission Indradhanush

However, despite this spending, the budget allocated to events remains unutilized¹³

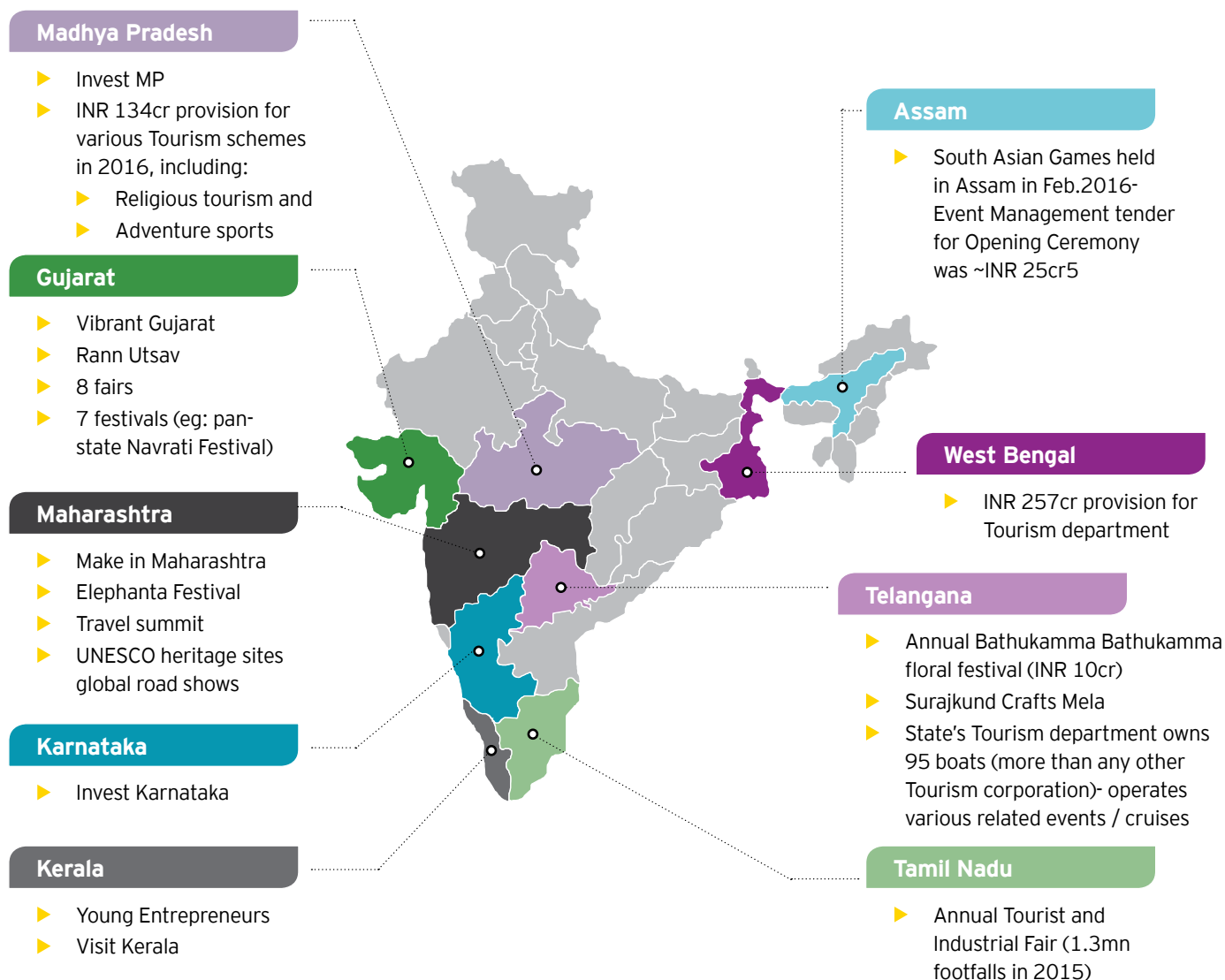
Key ministries are spending more; yet unutilized budgets remain

Central Ministry Spend	FY10	FY14	FY15	FY16	CAGR %FY10-14	CAGR %FY14-16
Ministry of Tourism	1003	886	943	932	-3%	3%
Information & Publicity	297	297	284	307	0%	2%
Ministry of Information & Broadcasting	2070	2827	3136	3589	8%	13%
Field Publicity	42	48	54	54	4%	6%
Ministry of Culture	1175	1989	2064	2131	14%	4%
Ministry of External Affairs	3270	4420	4952	5874	8%	15%
Ministry of Finance: Directorate of Publicity	25	74	47	58	31%	-12%
Ministry of Youth Affairs & Sports	3670	1123	1121	1371	-26%	11%

13. Industry Discussions, Government of India Union Budgets 2010-

State government spends are significant

State government spending has also risen significantly over the past few years, on the back of increased autonomy to states, creation of new states and districts, increased competition for investments from abroad, support to central government schemes and initiatives and to tap into the fast growing domestic and international tourism boom which makes India one of the fastest growing tourism markets in the world.



Disclaimer: The above is a select representation of events conducted by various states

The operating model and critical success factors

It is looking towards entities who can implement large and complex projects within the framework of the government, and its various departments.

Accordingly, the role of an event agency is, for them, not just conducting the event, but delivering on defined objectives. In effect, they expect not an event management company, but a nodal agency, who can liaise between the government and the various vendors required for each project such as marketing agencies, digital agencies, PR agencies, advertising agencies, etc

and provide a validated statement of the objectives delivered by each event.

To make this transformation, it will be imperative for the event agency to understand the Government's projects and the agenda it drives through them. It will be equally important to know who the key people who drive these projects are. This would require investments in manpower across ministries and states.

Agencies will also have to bear in mind the procurement processes followed by the government, and the evaluation parameters set out for appointing an agency for each project, which could be significantly different even across similar projects. Usually, multi-city reach is an important factor, as is credentials. One aspect that is gaining importance is the use of technology and digital, both to increase reach and reduce costs, and innovative ideas around these could provide a higher technical evaluation score.



6

Consolidation

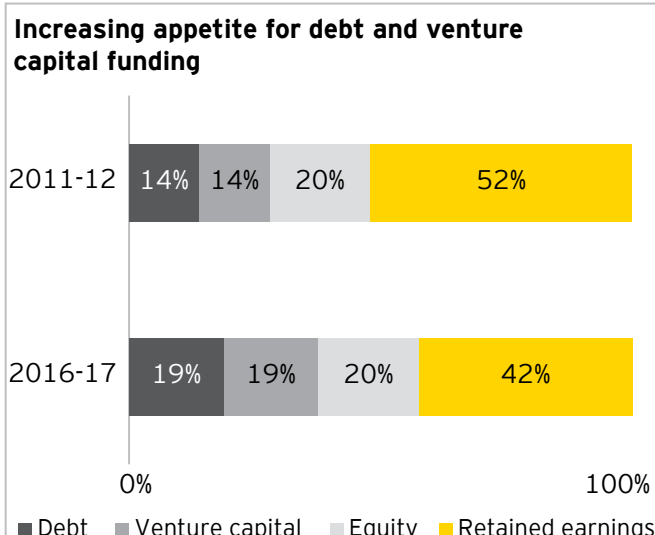
The industry has seen several acquisitions and partnerships over the last two years. This section takes a look at key factors driving consolidation.



The M&A Landscape

The Indian Events & Activation industry continues to witness consistent M&A activity, primarily in the digital and activation segment. This has largely been led by the global advertising agencies such as Dentsu Aegis Network, which alone accounted for nearly 50% of the transactions in this space over the past couple of years.

Our survey, too, showed that there is a clear increase in the number of respondents looking at debt and venture capital funding. Further, two-thirds of respondents were looking to buy or merge with other companies, up from just half the respondents from our previous survey two years ago.



Indicative list of M&A Transactions in Event Management industry (2015-2017)

Date	Target	Investor	Industry	Deal Type
July-17	Sokrati	Dentsu Aegis Network	Performance Marketing	Inbound
Apr-17	SVG Media Group	Dentsu Aegis Network	Performance Marketing/ Consulting	Inbound
Jan-17	Mediacom India	Group M	Activation	Inbound
Dec-16	Fractal Ink Design Studio	Dentsu Aegis Network	Experiential Design Studio	Inbound
Oct-16	Happy Creative Services India	Dentsu Aegis Network	Marketing Agency	Inbound
Oct-16	Perfect Relations	Dentsu Aegis Network	Public Relations	Inbound
Sep-16	Seventh Plane	MCH Swiss Exhibitions (Basel)	Events/ Exhibition	Inbound
Nov-15	ABEC Exhibitions & Conferences	ITE Group	Events/ Exhibition	Inbound
Oct-15	Fountainhead Entertainment	Dentsu Aegis Network	Events/ Activation	Inbound
Oct-15	SportzVillage	Gaja Capital	Events	Private Equity
Sep-15	Six Degrees	Cohn & Wolfe	Talent Management	Inbound
Sep-15	Twisted Entertainment	Universal Music	Concerts	Domestic
Feb-15	Eventifier	BookmyShow	Events	Domestic
Jan-15	WATConsult	Dentsu Aegis Network	Activation/ Database Marketing	Inbound

Evolving M&A opportunities

Events: Creating differentiation

While digital and BTL activation have grown at a faster rate, Events continue to remain the largest service offering with this industry. With rapid urbanization (~35% of the population to reside in urban areas by 2020), favorable demographics (60%+ of the population will be below the age of 35 years by 2020) and increase in discretionary spends, the demand for outdoor leisure & entertainment services is expected to remain strong, and this in turn bodes well for Events / Activation companies. Large scale, organized events companies are further benefiting from the consumers' willingness to spend more on ticketed events, large addressable market outside the metros, launch of sports leagues and huge increase in government spends (Make in India, etc).

However, the Events space is beginning to get commoditized, and players will look to create a strong differentiation in terms of ideation, efficiency and IPs. Others such as Only Much Louder are creating an end-to-end presence across synergistic platforms such as artist management, ticketing and digital content creation, thereby offering a 360 degree solution to brands & advertisers, reaching out to a highly attractive TG. We expect such event companies with complementing digital properties and live event IPs will be extremely attractive investment opportunities for the global events / ad agencies in the coming few years.

Digital marketing agencies

Digital innovation is reshaping the typical Indian consumer's behaviour and consumption patterns. Almost all the industries are in the midst of a technology led disruption with the availability and affordability of a better digital infrastructure and ecosystem paving the way. This has in turn led to a tidal shift in the way mainstream brands and advertisers are planning their marketing budget - over 10% of the marketing budget of such brands is currently being spent on digital and this is expected to go further up at a fast pace, in line with the increase in the digital audience base.

Going ahead, we expect event companies to acquire talent or specialised digital marketing companies which will enable them to provide a holistic year-round engagement opportunity with a specific target audience - in effect, amplifying a traditional "event" into a yearlong "curated interaction". The global advertising agencies will continue to acquire niche players with differentiated and innovative digital solutions with a strong clientele, and Indian Events & Activation companies will need to match their offerings.

Event technology

Globally, over the past 5 years, the top marketing agencies have increasingly started to acquire niche, data-driven technology players. This is primarily since all of them believe that greater understanding of the consumer is the key. We are seeing initial signs of this trend being replicated in India as well and believe that this segment will at the forerunner in driving the next wave of M&A activity in this space.

Expect to see acquisitions of start-ups catering to paperless ticketing, fan engagement, event amplification, event streaming, sports data management, augmented reality systems and cashless transaction systems around events. This will again help in building event communities and increasing the width and depth of audience engagement and monetization.

The Road ahead

The Events & Activation industry players are now expected to offer a complete 360 degree, multi-platform service experience to their clients, right from ideation to promotion, marketing and on-ground execution, backed by data-driven consumer insights/ analytics with new age technologies such as AI and augmented reality embedded into their offerings.

Accordingly, we expect specialist events agencies to be acquired by full-service ad agencies to complete their marketing portfolio. We also expect to see investments in event technology companies, particularly around digital audience engagement, digital activation, sports data management and event amplification.

An aerial night photograph of a city, showing a dense grid of streets and illuminated buildings. A yellow square with a white number '7' is overlaid on the left side of the image.

7

GST implications

The introduction of the Goods & Services Tax legislation (GST) has been referred to as the biggest tax reform in the country since independence. This section discusses some of the key impacts it will have on the events and activations industry.



GST

With the introduction of the GST legislation from 1 July 2017, the indirect tax legislation in India has undergone a paradigm shift. Multiple taxes in the nature of value added tax (VAT), service tax, excise duty, state level entertainment tax, entry tax etc. have been subsumed into the GST legislation. However, Customs Duty collected by the Central Government on import of goods into India and entertainment tax levied by local bodies (such as panchayats and municipalities) continue to remain outside the ambit of the GST legislation and shall be applicable as separate levies, over and above GST.

The levy

GST is applicable on supply of goods and services in India. While the majority of the supply of goods and services falls within the purview of GST, supply of alcoholic liquor for human consumption and petroleum has been specifically excluded from the levy of GST and continues to be subject to state excise duty and state VAT.

Supplies under the GST legislation have been broadly classified into two categories:

- i. Intra-state supplies
- ii. Inter-state supplies

While intra-state supplies attract Central GST (CGST) and State GST (SGST), inter-state supplies are liable to Integrated GST (IGST).

Rate of GST

Goods and services under the GST legislation have been classified into various rate baskets ranging from 5% to 28%. The median rate of GST applicable on supply of goods and services has been fixed by the Government at 18% (9% CGST + 9% SGST / 18% IGST).

Admission to events has been classified as a supply of service under the GST legislation and entry to entertainment events and amusement facilities is liable to GST at the highest rate of 28%. A lower rate of 18% GST has been prescribed for admission to other events including circus, Indian classical dance including folk dance, theatrical performance and drama.

Credit eligibility

One of the key objectives of the GST legislation was to ease the indirect tax inflationary pressures in the supply chain caused by the non-fungibility of multiple indirect taxes levied at each leg in the supply chain under the erstwhile indirect tax legislation.

With the introduction of the GST legislation, GST levied at each leg in the supply chain shall be eligible for set off to the assessee against the output GST liability subject to certain conditions and restrictions imposed under the GST legislation. This shall reduce the overall cascading impact of indirect taxes otherwise prevalent under the erstwhile indirect tax legislation.

However, the flow of GST credit in the supply chain of the events industry may not be a smooth affair under the GST legislation. This is due to the following reasons:

- i. Sponsorships, which form a significant chunk of the revenue generated by the event industry, continue to be subject to GST under the reverse charge mechanism. Accordingly, event organizers providing sponsorship services shall be required to reverse as much input tax credit as is allocable toward provision of sponsorship services.
- ii. Credit of GST levied on supplies of food and beverages and outdoor catering, beauty treatment services and rent-a-cab is specifically disallowed under the GST legislation, eventually resulting in cost inflation for event organizers.
- iii. Location-specific expenses incurred by event organizers shall be available to the event organizer only if the event organizer has obtained GST registration in the state where such expenses have been incurred.

Compliances

Under the GST legislation, every supplier shall be required to register under the GST legislation in the state from where the supplies are made. Accordingly, where events are conducted pan India, event organizers may be required to register in each state where such events are conducted.

Where event organizers do not have presence in the event state, the GST rules prescribe for a temporary registration to be obtained. However, such registration entails prepayment of adequate GST on an estimated basis.

Registration in each state would entail additional compliances, which involve filing of monthly and annual returns and payment of monthly GST liability. There is a need for a uniform tax structure for events to ease these issues.

GST Checklist

- ▶ Register under GST and enable / assist key vendors to also register, so they can avail input credits and keep costs lower
- ▶ Update accounting systems to enable purchase invoice entry and sales invoice processing such that credit blockages can be immediately identified and blocked
- ▶ Revise formats of all documents such as invoices, goods transfer notes and reimbursement slips to accurately capture GST elements and amounts
- ▶ Evaluate each event being conducted across different states to determine the need for local GST registration, local sourcing and / or change in agreement terms with clients or vendors
- ▶ Explain to potential clients the benefits of sourcing from event companies rather than directly sourcing elements of each event, e.g., venue cost and stage setup
- ▶ Maintain a high GST compliance rating on the GST Network. This could become an important factor for marketers when selecting event and activation vendors
- ▶ Ensure vendors are updating their sales transactions in a timely manner and paying taxes on the transactions within the stipulated timelines

Local body entertainment tax (LBET)

Under the erstwhile indirect tax legislation, entertainment tax was a state levy on various activities such as film exhibition, entertainment events, sports activities and cable / DTH operations. With the introduction of the GST legislation, entertainment tax levied by the states has been subsumed into the GST legislation. However, entertainment tax to the extent levied and collected by local bodies such as panchayats and municipalities has been kept outside the purview of GST.

Therefore, LBET shall continue to apply as a supplementary tax over and above GST. The concept of LBET is similar to the entertainment tax levied by states in the erstwhile indirect tax legislation. However, only the administrative power to levy and collect entertainment tax has been given to the local authorities.

In fact, a few states in India such as Maharashtra, Tamil Nadu, Madhya Pradesh and Gujarat have already introduced and passed bills in the state legislative assemblies to amend the existing state entertainment tax legislation in order to pass on the power to the local authorities to levy and collect entertainment tax.

The rate of LBET proposed to be levied by the local authorities is not yet clear, but it appears that erstwhile entertainment tax rates applicable under the state entertainment tax acts would continue to apply under the LBET legislations as well.

The following is a generic comparison of the entertainment tax rates applicable to the events industry under the erstwhile legislation:

State	Entertainment tax rate (%)
Bihar	50
Uttar Pradesh	25
Maharashtra	25
Andhra Pradesh	20
Goa	15

LBET shall be levied on amounts charged for allowing entry into the place where the entertainment event is being held. Ticket collection for events is a major revenue contributor for organizers and event owners. Here, it is pertinent to note that for the purpose of GST, the value on which GST is to be computed shall include the LBET component. This would eventually result in a cascading effect of taxes and overall cost inflation in the supply chain of the events industry.

Further, the legislations governing the entertainment tax law shall differ in all states and may also differ from one local body to another within the state. Thus, the applicability of entertainment tax on events conducted in a state shall differ, leading to difficulties in complying with the appropriate laws. Entertainment tax rates on events also differ from state to state, which adds to the degree of complexity in ensuring compliance and pricing for events with a multi-state spread.

Applicability of entertainment tax on business exhibitions

While entertainment tax is applicable on entertainment, under the erstwhile state entertainment tax laws certain legislators extended the applicability of such tax to business exhibitions and fairs carried out in those states. This is expected to continue under the LBET legislation.

This aspect lacks clarity and the event organizers / owners of such business exhibitions may be liable to pay entertainment tax on the collections from these events.

Customs Duty

Customs Duty is levied on import of goods into India. Events such as exhibitions and musical shows entail import of various goods into India. While all imports are liable to Customs Duty at a generic rate of 30.15%, the rate of Customs Duty depends on the description of the product and its classification under the internationally accepted classification nomenclatures. Furthermore, certain benefits such as exemptions, duty drawback and concessional rate of duty could be explored for temporary import of such goods. Moreover, international custom arrangements such as ATA Carnet allow temporary import of equipment for use at exhibitions and fairs without the payment of Customs Duty.



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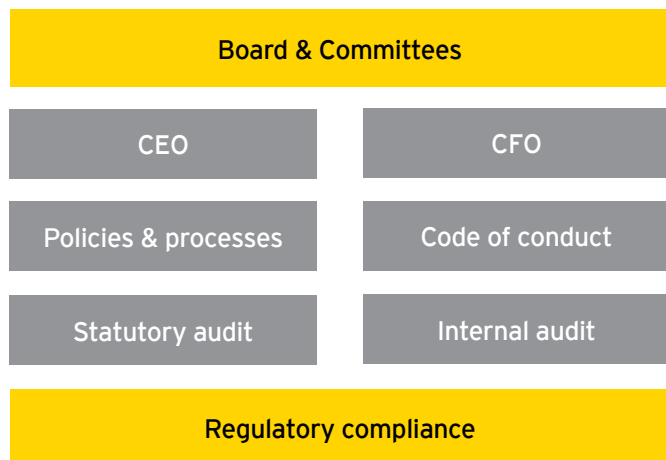
Governance

As the events and activations industry is maturing, there is a need for a robust governance framework. This section discusses a possible framework which the industry can incorporate.



Governance framework

The broad corporate governance framework proposed for the industry is as follows:



Board and committees

The board lays down the business objectives, approves budgets and business plans, reviews larger projects and ensure there is adequate management and talent for operations to function. The board is also responsible for reviewing that adequate rigor has been put into accounting and reporting, management of regulatory compliances, health and safety and other key risks. IT would approve all proposed business ventures, mergers, acquisitions and large projects. IT would approve of policies, processes and code of conduct.

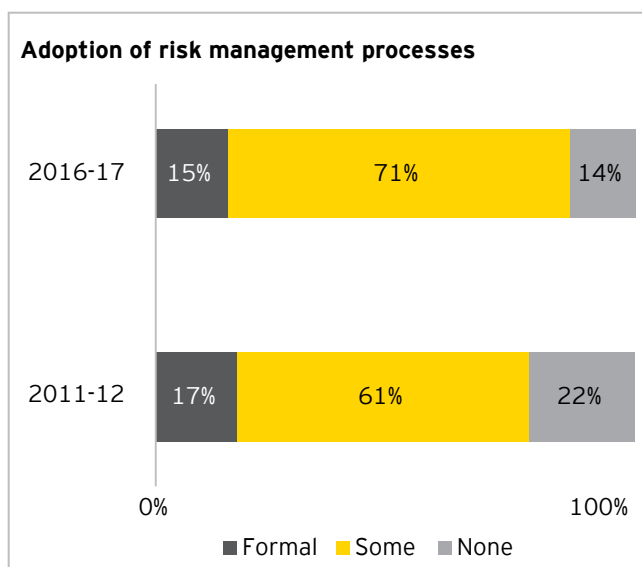
CEO and CFO

The CEO would report to the board from a business operations perspective and achievement of business goals. The CFO would present independently on the financials of the business, corporate governance aspects, audit findings and actions taken on the same. Over 60% of our survey respondents had a formal MIS reporting system over key revenue and cost line items.

Policies, processes and code of conduct

The CEO and CFO would run the business in compliance with the approved policies, processes and code of conduct. Over 50% of our survey respondents has some policies and processes defined. These would need to be communicated to all employees - permanent or temporary - and larger vendors or partners as well.

Since our 1st report in 2012, the percentage of respondents who do some level of risk assessment increased from 78% to 86%. However, most (around 85%) still don't have formal risk management procedures in place. Most continue to perform risk management only for some key large or marquee events.

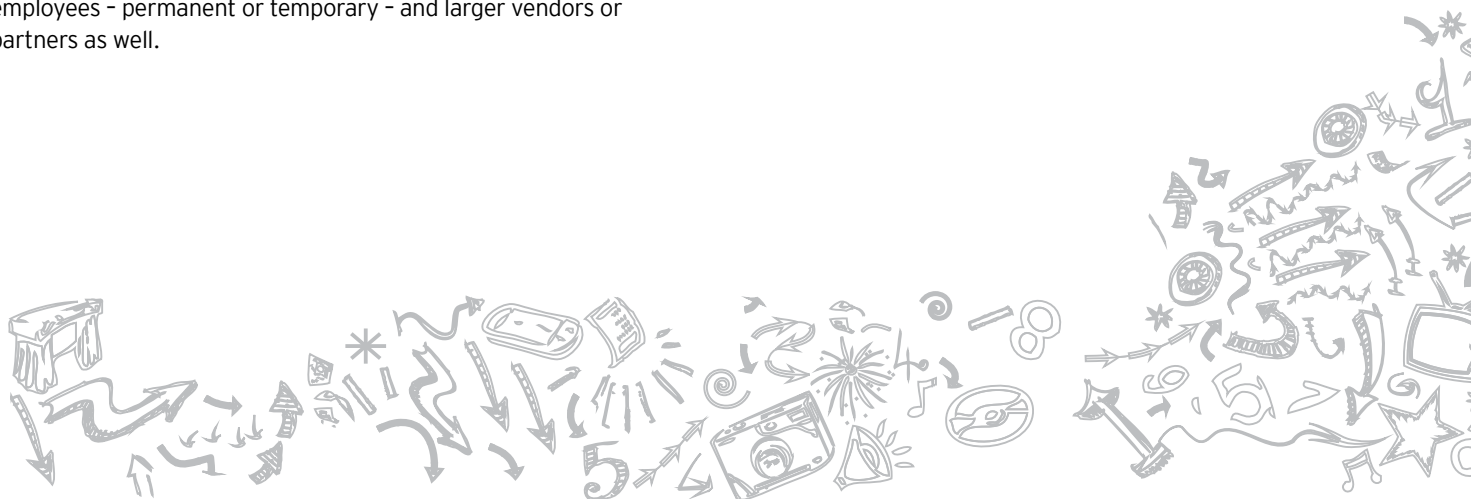


Audit

The auditors - both statutory and internal - would need to be ratified by the board. They would need to present all findings to the CEO and CFO, and then, after taking their feedback, report independently to the board (or an audit committee appointed by the board). Scope of the internal audit would need to cover key revenues, costs and projects each year. 55% of our survey respondents had some form of internal audit system implemented.

Regulatory compliance

Every events entity requires a mechanism for compliance, across various central and state laws. The mechanism would need to identify all laws applicable to the entity, and appoint responsibility to specific persons to ensure compliance. Compliance reports would need to be presented to the management and the board.







9

Vision 2030 - Ready to Transform

Sabbas Joseph - President, EEMA

Sudhanshu Vats - Group CEO, Viacom 18 and

Alan Ridgeway - President, International & Emerging Markets, Live Nation detail their vision for the Indian events and activations industry



As we look around us, the world is changing.



Sabbas Joseph
President
Event and Entertainment Management
Association of India

We are in India, a country that has rich traditions and everlasting vibrant culture. Traditions that embrace health, wealth, spirituality, holistic living, dance, music, drama and governance. Yes we are also the world's largest democracy.

Together, we can look at the world...as bystanders watching decades and centuries go by and at the same time be a part of history. We can watch it change, or be a part of the change or simply continue to pretend that we haven't changed.

Why am I focussing on change?

It is because change affects the world of events and experiential marketing. The external world affects us more than we can possibly affect or influence it. I've listed down some of the key changes that I believe will impact the Indian Events & Activation industry.

Digital is the new normal

Digital penetration is changing India faster than we can understand. Look at the penetration of the smart phone, video content accessibility, video calls, social media activation as very simple indicators of the digital impact across the urban and rural habitats. One can see India residing on a digital framework with artificial intelligence systems mapping every move that consumers make.

Smartphone penetration is expected to go from 14% in 2015 to 66% by 2017. In 2016, India surpassed the USA to become the country with the second highest number of internet subscribers.

Consumption of data is moving from one location to many, as viewers' desire to be entertained across locations will become possible with the aid of technology like Wi-Fi, hotspots and interconnectivity between operators.

Event companies can support this change by catering to creation of more niche content. The possibility for digital only content for some target groups is emerging, which has created the need for more analytics to understand the consumer and deliver better. Content will need to move seamlessly across devices and locales for which investment in IT Infrastructure as well as personnel will be required. Event companies will be able to exploit multiple rights and monetise the content created.

OTT, television

The digital opportunity to see will change patterns around prime time across platforms. Measurement of viewership will be more difficult, and will need to be based on data samples across different platforms and devices.

Look at what's happening to television...viewership patterns are changing rapidly with the OTT opportunity growing. With Indian and major international platforms being launched over the last year Youtube, Amazon Prime, Hotstar, Voot, Netflix, Viu, etc. are defying all traditional paradigms.

7-11 prime time will soon be history. Prime time will be the viewer's time to decide when he wants to watch, what he wants to watch and where he wants to watch. If Content is king, the viewer is the emperor.

This will change viewership paradigms, open investment opportunities and also put pressure on advertisers....they will find it difficult to reach the viewer through television alone.

This opens out opportunities for the event management industry to create content that combines digital and experiential.

The digital threat

Apps, websites, social media groups, etc. all present an opportunity for us to stay connected and build an effective, economical platform to communicate among ourselves in groups and also to target the perfect audience.

At the same time, digital also poses a threat. Can someone develop an app / solution whereby the need for an event manager disappears and an EventBot provides clients all the answers and solutions that they need.

Digital changed the music industry; it has changed health care; service centres that required huge manpower have been replaced by bots. Predicting the impact of technology is a huge challenge. Could we have predicted that the rule of Nokia or Blackberry would end. Or could anyone have predicted the impact that one faulty Samsung device would have on its entire portfolio or the all-conquering path of Apple.

The challenge of youth

Youth are an opportunity, only if you understand them. Hence the need for analytics, real time human insights and engagement with youth at all levels.

Yes, youth are the future. More important, they are the fastest adaptors of new technology and new services and with their new buying power youth have become the most important target for marketers across categories. With more than 60% of India soon to be in the youth segment, understanding and delivering on youth marketing is key.

Women Empowerment

Women are the new force and the change makers.

Multi-tasking, creativity, sensitivity, better adaptability and flexibility are making women in the work force a fantastic asset. Yet, in our industry, just about a quarter of employees are women which is far lower than some other segments of the entertainment industry. It is up to us to change this.

Equality in the work place and safety of women are key issues. Social media, fresh legislation and the media glare are making organisations and leaders in charge accountable. Organisations need to respond with responsibility.

Talent development, Education and Skills Development

MBA programs will need to include event management and experiential marketing for them to be more relevant and provide quality talent to the industry.

Leaders of the event industry need to begin to teach at the best institutes and help develop the next generation of manpower and leaders - there is a need to reduce the learning and training period.

Talent development for the events and experiential industry must be pursued aggressively within event management companies; across the educational institutes and management programs.

Disruption is the new norm - We should expect it

Earthquakes, cyclones, floods, natural disasters, new technologies, stock market collapse; demonetization, etc. are going to be constant and we should expect them and be prepared for the same every six months.

Global warming presents to us multiple environment challenges at an alarming pace threatening outdoor festivals; the fight for energy and water are issues that are going to face us continuously; pollution and environmental damage are going to cost humankind dramatically and will continuously alter the conduct of business.

Our event industry will need to be environmentally conscious and at the same time be conscious of the external environment.

While environmental challenges push us to work indoors, terrorism, inter-country unrest and the rise of fanaticism challenges indoor events as seen in a recent concert. Increasingly, event managers are looking to create experiences using technology and creativity to engage audiences live, in their homes and offices.

Immersive Experiences and the rise of virtual reality

Some brands have used technology to showcase their offering successfully. End consumer experience has become very important. The brand, activity and interaction need to fit together seamlessly for the right message to be communicated.

Virtual reality, 3-D, 360 are the emerging content formats. As these 'experience-technologies' progress, they will give us a live experience irrespective of our location. All our senses including sight, hearing, touch and smell will be activated for us to be transported to the event through an event bot.

With this in mind, more brands are thinking creatively about how they implement these immersive experiences, while using the best technology available. Event agencies must take the leadership in driving this agenda.

Creating Branded Experiences

The future is not about logos in sponsorships or mega events, but about brands becoming active participants in the content. There's a need to understand the brand and the consumer, and engage the consumer in a rare and special experience integrating the brand seamlessly.

Brands want to be part of the 'cultural moment' and see exponential value in the virality and eventful magic of the brand becoming a star.

Social issues...need social innovation!

Agencies that are environment-friendly, represent causes that concern society, are women friendly, etc. will have a more likely place at the marketer's table. The CSR law has helped raise consciousness across the board rooms of corporates and brands.

Rural....the growth of the small cities

The event industry continues to have a concentrated play in some of the major metros. Growth of consumerism across the B-towns and the rural hinterland are pushing FMCG, telecom, mobile handsets, electronic goods and TV channels to increase marketing spends focused on these regions.

Agencies with ability to reach out to these audiences along with a clear accountability matrix for deliverables can have a strong play. With 100 smart cities as the government's target, a spread of event management services, infrastructure and resources are going to be needed in India.

Sports: what's the play here?

Sports is the new experiential playground. We have the richest cricket tournament in the world that has cannibalised the first quarter of the marketing year. The birth of multiple sports leagues, has given marketers and brands an opportunity to engage with consumers in an intimate way. Brands on players apparel, with naming rights and television integrations, contests, etc. have become part of the content.

Sportainment, management of logistics of the teams and tournaments, creation of brand world for the city teams are new opportunities that young event companies are profiting from.

The need to create and own Intellectual Properties

IPs must be built to last the test of time; developed to differentiate and elevate. IPs must be media-worthy, content worthy, must be desirable for their target audience, and should be sustainable and must distinguish the owners/creators from competing companies.

IPs are badges...you must be able to wear them proudly.

Protecting what we do

As we push the boundaries of creativity, as bizarre becomes a reality and glamour and pizzazz take centre stage, health and safety issues will emerge. Safety of people, manpower, equipment and venue must be above all else. Every mishap invites more regulation and government administration. Self-regulation, ownership and responsibility is the best way forward.

As laws and regulations emerge with regard to safety, pollution, traffic management and copyright, it is extremely important to function within the purview of the law. Deviations risk the interests of our clients and their brands and ultimately are a risk for our own business and the industry as a whole.

Indian companies can go global

Understand your brand. Build your stamp on everything that you do....and then get the world to recognize you.

As Indian corporates go global and make their mark on the world, an opportunity opens for Indian event companies too. Also as one works across the world, one can see that the western event managers do not have the adaptability, flexibility, creativity and the all-in-one approach that the Indian event companies possess.

It's most likely that the wedding planning and social events companies will go global first. Their opportunity has already emerged at every picturesque location of the world.

It's time for Indian event companies to go global.

Integrated solutions

Across the marketing and communication ecosystem there's a need for Integrated Marketing and Communication Services: Brand activation, experiential marketing, sports marketing, advertising, digital activation, media buying, creative and marketing strategy, PR, social media, branded content, etc. all will need to come under one roof, so that the client is not left as the sole brand custodian. This can be achieved through strategic alliances, equity investments and buyouts which I believe will continue to increase.

Many global advertising majors will see opportunity and swoop on the event companies to merge them into their offering. However, it is my belief that there will be event companies too that will acquire advertising agencies and multi-service companies. The day is not too far.

2017:10 years of EEMA

While we celebrate, it's time to reboot, reconsider....and revise our plans.

Our climb to a new peak has only just begun!

Much more than experiential marketing; into the new world of live events



Sudhanshu Vats
Group CEO, Viacom18

India has traditionally been a nation that believes in events, and that too at scale. From religious magnanimities such as the Kumbh Mela to high-on-bling fashion events such as Lakme Fashion Week, we love celebrations and engaging with a like-minded community. Archaeologists have even discovered remnants of what seem to be public gathering spaces during Indus Valley Civilization. Through the ages, events have been a source of experiential entertainment for the Indian populace. Therefore, it comes as no surprise that live events have formally been integrated as a part of the media & entertainment industry.

Live entertainment IP events witnessed a 100%* increase in the year 2016 over the previous year. This quantum leap in the number of live events in the country is a testament to the fact that this segment is growing leaps and bounds and is here for the long haul.

With 65% of India's population being under the age of 35, the youth present an opportunity for multi-fold increase in the live events space for music, literature, dance events, etc. Consumer spending capacities have increased substantially and this is likely to fuel demand for experiential entertainment. The diversity in content themes of live events, ranging from Comic Con to VH1 Supersonic, caters to a gamut of audiences and therefore, each such IP is creating a niche for itself.

Putting India on the Global Map

The growth story of India's Live Events segment has not gone unnoticed on the global stage. In the past few years India has hosted some of the world's most popular artists and international IPs such as the Global Citizen Festival, Electric Daisy Carnival, etc.

While Indian audiences have been experiencing popular international IP events, homegrown events have taken India to the world. A case in point is IIFA, an annual film awards event, that is held at key locations across the globe. While promoting the talent and scale of Bollywood, IIFA has consistently been opening doors for business collaboration between India and the host country through platforms such as the FICCI- IIFA Global Business Forum.

Economics of events and allied industries

While IP events is still in its growth phase in India, its impact on the larger ecosystem is already evident. A case in point could be the Make in India week. The collective spends on media and event management for the week-long event is estimated to be INR 1000 Million*. Such huge investments create a ripple effect on the growth of allied industries such as travel & tourism and infrastructure development.

At a global stage, the impact of live events on the economy has been proven time and again. For instance, the UK economy saw £9.9bn boost in trade and investment from hosting the 2012 London Olympic and Paralympic Games and it is also estimated that the games would have benefited the UK by as much as £40bn.

Closer home, events such as Common Wealth Games, Ziro Festival, Rann Utsav, etc. have had significant impact on the economy of their respective host states. The Tier 2 and Tier 3 cities have seen significant growth in infrastructure development as well as improvement of services and skilled labour.

Financial sustainability of Live Events

The future of every business initiative depends on the its financial sustainability. Consumer brands have realized the importance of experiential marketing and the opportunities that live events bring to them. In fact, as per some estimates, many brands today have 25- 30%* of their annual advertising budgets dedicated to sponsoring/ creating live events.

To capture a greater share of the advertising budgets, live events will need to show greater Return on Investment. With IoT, RFID, Wearables and social media, Live Events today provide an opportunity for targeted marketing as per TG's gender, age, city, spending power, spent at which performance- which drink they consumed, what their mood was- who their friends are, what they said and so on.

For instance, in IPL 2017 consumer brands such as Vodafone, Pepsi, etc. launched experiential marketing campaigns that allows users to touch, feel and sample the products. This leads high levels of customer engagement and brand- recall, making live events a lucrative enough opportunity to invest in.

With adoption of digitization across different stages, be it ticketing or Virtual Reality (VR), live events have been brought to life even before the audience has actually attended the event. Engagement on social media has also added to the overall experience of the event. Live streaming/ broadcasting of events leads to creating content around content and is a lucrative business for media & entertainment networks. This is especially true for blockchains on the content value chain.

VR brings an opportunity to create immersive experience in HD, 4K, 8K, so on. With telcos offering blazing speeds at affordable prices, VR is a trend to capitalise on. Live events being such an old, primal, irreplaceable medium; VR replicates some of these qualities for those who aren't physically present at the event.

The live entertainment industry is at the cusp of experiencing the next level of growth in India. This growth can be brought in by support from the Govt., both at state and central levels, effective taxation policies and availability of skilled labour. Newer segments of live events such as food festivals, literature festivals and comedy festivals are also likely to see growth. Single window, e-enabled and time bound clearance will go a long way in exponentially growing this segment of Media and Entertainment, capable of creating millions of jobs in the coming decade.

The author is a Media and Entertainment industry captain, heading various policy organizations like BARC, CII and IBF in addition to his day job as Group CEO, Viacom18. The views expressed here are personal. He can be reached at @Sudhanshu_Vats on Twitter.

EEMA 10th Anniversary Report

Alan Ridgeway
Live Nation President International & Emerging Markets

The global live music industry has seen unprecedented growth over the last few years with Pollstar reporting record ticket sales in 2016 and that growth has continued into the first half of 2017. It wasn't that long ago that industry commentators were predicting a supply problem for the industry due to the increasing age of major touring acts. Fortunately, these commentators have been proved wrong as we now see an industry that is healthier than ever with young acts like Adele, Ed Sheeran and Taylor Swift filling stadia around the globe.

This growth in the live industry has not just been driven by the established markets of North America and Europe, but also by the emergence of new touring markets around the world - especially in Asia. In the past, the economics of touring Asia meant if a Western artist came to the region then it would usually just be Tokyo, and possibly Hong Kong and Singapore, on their way to or from Australia. Other markets would only be viable if they could secure significant sponsorship to underwrite the tour. With the growth in disposable incomes across Asia, ticket prices have been able to rise (in some cases now exceeding Western markets) and we are seeing more and more international tours visiting 10 or more cities across Asia, with many of them no longer relying on sponsorship.

Live Nation has been operating in China for 10 years and in the early days we would be lucky to secure 2 or 3 shows per year, with the artist usually just playing Shanghai. 10 years on there is now a demand for acts to play multiple markets in China. Ariana Grande has just completed a 3 city tour of China and in recent years artists like Backstreet Boys, Linkin Park and Mariah Carey played 5 cities and Avril Lavigne played 8 cities. There are still challenges in playing China and some of the other emerging Asian markets but I am confident that these markets will continue to go from strength to strength and contribute to future growth in the global live industry.

India has often been compared to China when assessing the opportunity for the live music industry in Asia. On paper it always seemed that India should be a stronger market for international touring than China but so far India has continued to lag behind China and still isn't a regular fixture on the touring circuit. This has largely been due to low ticket prices and the continued reliance on sponsorship being available at the right time to make touring viable. It also hasn't helped that there has been a lack of indoor venues with many shows having to take place in open air sites.

These challenges in promoting Western artists in India has meant that there have been very few dedicated promoters with most of them promoting concerts as a side line to their main business of corporate events. Whilst understandable, this has meant that there have been very few promoters working to build the market in India - Only Much Louder being the exception.

The genre of music that has been very successful in India for a number of years is electronic music. This has been mainly driven by festivals like Sunburn, Super Sonic and EDC, which came to India for the first time last November. There has also been a much higher volume of tours by electronic music acts than rock and pop acts, which has often been limited to more adventurous acts, like Bryan Adams, who are keen to play new markets. However, over the last year it seems that India may have finally turned the corner with Ed Sheeran and Justin Bieber both playing Mumbai this year and of course Coldplay, Jay-Z and many other acts playing at Global Citizen in Mumbai last year. As the infrastructure improves across India and ticket prices start to rise then I can see that more and more Western acts will start to tour India, and like China they will soon be playing multiple markets rather than just Mumbai. No doubt there will be some bumps along the road as the market develops but at some point an English speaking market of a billion people has got to become an important player in the live music market.

All of my comments above concern the evolution of Western artist touring in Asia, but of course this is only a small part of the overall live touring business in Asia. In most Asian markets, domestic artists dominate the business, with them representing 80-90% of the market in some countries like Japan. The domestic touring business in Japan has been successful for a long time, although very few of these acts have broken outside of Japan. K-Pop has been the phenomenon of the last few years with acts like Big Bang being as successful outside of Korea as they are in their home market. The domestic market in China to date has been dominated by Taiwanese and Hong Kong acts, but Mainland Chinese acts are starting to come through and will go from strength to strength providing a major boost to the live business in China.

I am sure that an even bigger opportunity exists in India for the development of the domestic pop and rock scene outside of the already successful movie related music, such as Bollywood. Both this and the development of Western artist touring is going to require more promoters to be focussed on building the live music industry and not just promoting one-off shows when they have a sponsor. As people see the success of concerts with the likes of Justin Bieber and Ed Sheeran, then I'm sure this will encourage more promoters to emerge in India and equally as other Western acts see this success then they are going to want to come to India. I look forward to seeing the market continue to evolve over the coming years and hope that Live Nation can play an important part in making this another must-play market on global tours.



Acknowledgements

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Midas Next (I)	Deepak Pundalik Pawar

44
years

Average
age of
respondents

70%

Respondents
have provided
services for
over 10 years

84%

Respondents
are constituted
as private
limited
companies

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Have over
one office in
India



Respondents
with offices
outside India



Respondents
with over 5
offices

Our Events Team



EY has has a dedicated events practice since 1999. We have been involved in conceptualising, operating and/or validating over 350 events, activations, contests, TV game shows, talent hunts, etc.

Our sports practice provides league development and monetization services along with player and team auction validation, and revenue and cost assurance.



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EEMA

The Event and Entertainment Management Association (EEMA) is an autonomous and non-profit registered body of companies, institutions and professionals operating within the Events and Experiential Marketing industry of India.

The Industry has grown exponentially over the last two decades with over 1000 entities operating in this space, in various segments and levels across 100+ cities in India.

EEMA seeks to bring together the country's leading Event Management, Sports Management and Brand Activation companies, MICE and Wedding Planners, Experiential Marketers, Entertainment Professionals, Artist Management Companies and International counterparts on the same platform.

EEMA today is the only national association with a unified voice that leads dialogue within its members and with government, Statutory Bodies, Taxation Authorities, Private and Municipal Licensing Bodies, Corporate Industry, Vendors and Artists.

EEMA is setting Industry Standards that guide its members and has prescribed a Code of Conduct for its members and their employees.

Since its incorporation in 2008, EEMA has rapidly grown in membership to include all significant organised players across the length and breadth of the country, and it is estimated that close to 80% of the organized revenue in this space, is represented through EEMA members.