



Rewind Readies Next Phase Of Growth

Debut offering, classic TV channel Hits, remains key, but other ideas also taking shape.

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Singapore-based pay-TV start-up Rewind Networks is off to a promising start, securing distribution with major platforms in Malaysia (Astro), Indonesia (Indovision), the Philippines (SkyCable) and Singapore (Singtel and StarHub), after unveiling its first offering, an English entertainment channel called Hits, at the end of 2013.

Plenty more remains to be done. By the end of this year, Rewind's CEO Avi Himatsinghani wants to see Hits in more markets, including Hong Kong, Taiwan and Thailand, as well as on more platforms, extending the channel's presence to 10 million homes from about 6 million today.

Meanwhile, Himatsinghani is planning to talk to operators in the second half of the year about some new ideas he has been working on, as part of longer-term plans to broaden Rewind's product offering.

"We cannot drop the ball on getting Hits, the maiden venture, the core brand, into all the markets that we want," Himatsinghani tells Media Business Asia.

"That focus stays, but there are many opportunities," he adds. "I am a big fan of branded curated destinations and services, where we believe there are still gaps in the market. We are exploring those gaps. We don't ever want to do a me-too service."

The path to market will be the same one followed by Hits, sharing the vision and strategy for new services with operators, while sounding out interest and possible price points at the same time.

"There are a lot of aggregators out there, there is a lot of curation happening, what else is missing?" Himatsinghani says. "That's the conversation we need to have."

With Rewind – a still young company targeting breakeven in about 18-24 months' time – Himatsinghani has placed a two-way bet on future growth and profitability.

One is the ability of him and his team to deliver differentiated services that can help shore up pay-TV's core value proposition. At the same time, Himatsinghani is also banking on the pay-TV industry as a whole being able to retain that value, while co-opting new technologies and viewing behavior.

"The problem comes with a lot of me-toos not understanding how to make the offering stronger," Himatsinghani says. "That's where the challenge comes in."



Hits, which programs and packages classic US content for Asian audiences, underscores pay-TV's promise of greater choice, Himatsinghani says, while stoking interest in first-run shows on other English entertainment channels that operators are carrying.

The channel has reached a stage where it can start exploring advertising opportunities, although affiliate fees will remain its core source of revenue.

"We should be a must-have," he contends. "We are going head-to-head for shelf-space but we are unique compared to the rest."

MASS AUDIENCES, DIFFERENT TASTES

Rewind has invested upfront in HD and multiscreen support for Hits, to enhance demand and interest among modern audiences, but sustained success hinges on how well Rewind executives can program and market Hits to a broad demographic, aged 25 to 65, across different countries.

This includes viewers who remember shows the first time they were on air, as well as those experiencing them for the first time.

The channel is rating well in markets such as Malaysia and Singapore, but getting the programming mix right is trickier as it expands into more markets, further complicated by the timing of carriage deals.

"We are happy with the launches and partnerships but some of those happened a little later than originally planned, and we haven't yet gone into some markets that we originally planned," Himatsinghani says.

"It gets challenging from a programming perspective, because every time we launch in a new market, we want to give them an experience of how Hits looked from day one, but then we have established audiences who have already seen those shows."

The lineup continues to change, with earlier seasons of series that are still airing elsewhere added to pique the interest of younger viewers, while operators feed back on which shows are working better than others.

It's getting harder to launch new channels in general, Himatsinghani notes, with shelf-space on the broad tiers that Hits is angling for in short supply, while rights-holders look for longer-term commitments on content.

"The market is very challenging," he says. "It is not as easy to launch a new service as it was two to three years ago."

Fledgling SVOD services, offering an alternative way for consumers to discover evergreen dramas and comedies, also pose a possible challenge in the future, although the long-term success and uptake of these services has yet to be tested, while inflation is likely to focus on more recent shows.

Rewind doesn't own SVOD rights at present, but Himatsinghani would be open to doing so, should a platform partner see value in them.

"We are very clear about evolving market dynamics," he says. "We definitely don't want to make silly bets."

"There are a lot of players out there wanting to buy SVOD rights, while we co-exist because we buy the pay-TV rights. We are playing within the pay-TV ecosystem."

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