'The agencies and media owners will have to walk hand-in-hand'

Sanjay Manchanda, business head, MagiKwand, has over two decades of diverse experience in service and hospitality industries including the railways. He has been associated with many new challenges in the railways and has worked on innovations in the Out-of-Home media segment in Delhi. In an exclusive interview with
network2media's Neha Nagpal
, Manchanda talk about his company, its journey so far and the future ahead. Excerpts:

Tell us about your company, about its background, its promoters. How did the journey begin for MagiKwand?

It started three years back. MagiKwand media is an innovative alternative to traditional advertising and gives advertisers a way to connect directly with their target markets. It is a Valuable Out media venture and a part of UFO moviez, that provides first-of-its-kind outdoor media avenues with car parking media in 57 strategic parking zones in Delhi.

How is MagiKwand related to UFO Moviez? UFO Moviez is a highly technology oriented company, is there any interplay between UFO Moviez and MagiKwand in terms of leveraging the knowledge and expertise?

Technology in the UFO moviez business is unique. What we do is compress full length movies and transmit them through satellites to the theatres. The hardware and software installed in these theatres are from UFO Moviez. Hence, the advantage of the UFO moviez technology is that there is no space for piracy. The print quality is the same for all prints. Also, one does not have to carry the bulky film reels physically.
As far as technology is concerned, it is hardly related to outdoors. The company came up with an innovative idea of setting up media in markets. This was a new idea. The markets included all main markets and high streets in the city. MagiKwand came up with idea of putting up flag signs, public utilities etc. For some reasons, the project did not taken off beyond the flag signs in these markets. However, we do have plans to use technology in the outdoor advertising domain. These are at conceptual stages now and it would not be appropriate to share the details at this time.

How has MagiKwand fared in 2010 and what are the forecasts for 2011?

2010 was the year when we broke even despite the revision of the license fees. Till date, MagiKwand is a media owning company and does not work like an agency. We have recently got an approval from DAVP, now we want to concentrate on advertisements from public sector and government undertakings. We also want to expand our inventories. Presently, we have got around 350 flag signs and we are targeting to increase this to about 1000 by this year end. We also deal in unipoles, however, as far as expansion of inventory is concerned, we are only looking at increasing the number of flag signs.

Tier II and III markets are becoming increasingly important for brand owners. To what

scale MagiKwand has presence in these markets? Do you have plans to establish strong presence in these markets?

As of now, we are concentrating on the expansion of UFO Moviez and our inventory in the metro markets. Once we achieve the objectives in these segments, we will surely look to establish our presence in tier II and tier III cities and smaller markets.

The Indian outdoor industry is highly fragmented and disorganised, MagiKwand came from a structured corporate background. What were the challenges faced to establish and ensure growth of MagiKwand?

As far as our business is concerned, we faced competition from market associations, local associations and from each and every corner. There were also challenges in interacting with public bodies such as PWD, MCD etc. There were conflicts of interest on ownership of the parking lots. There were also some issues with designing of the media. But we managed, progressed and solved the problems and kept on moving.

As far as the outdoor industry in India is concerned, I believe it is evolving. The corporates like JCDecaux, Times, BIG Street etc have come in. They are big players and have brought in the corporate culture. I feel that the time has changed and 5 -10 years down the line, things will evolve at the faster pace. Even the existing owner driven companies are now transforming themselves and adopting the corporate culture.

IOAA and DOAA have been active in terms of taking steps to streamline the outdoor business. You are also actively involved in this. How much you think has been achieved? And what are the issues pending issues that need to be addressed in order to achieve more?

A beginning has been made. And well begun is half done. Although not 50 percent, we have archived significantly. But time and again the same issues crops up like knocking the doors of agencies to issue PO's and release payments in time. The things have started getting streamlined. I do not see any reason why these cannot be streamlined in years to come. This is the only industry that I have seen where people go and offer media and even do not get POs in time. Lack of unity between media owners was a setback for the industry. However, DOAA is becoming active with the help of Mukesh Gupta, Sudhir Hariyal, Naresh Vasudeva and other key members of the association. So to streamline things, the agencies and the media owners will have to walk hand-in-hand. It should be win-win situation for both media owners and agencies. The agencies should not encourage late payments by clients. The agencies should also not cite late payments from clients as an excuse to delay payments to the media owners.

A lot has been said about digital OOH. This medium has grown phenomenally in the western countries? What is your view on Digital OOH?

Digital OOH has good future in India. We have to wait and watch.

IOS has played an active role in developing a uniform measurement tool for the OOH advertising industry. Do you think that the industry has accepted it? If not then how should the OOH industry plan to demonstrate ROI?

It has got some acceptability and I do not see any reason of not accepting it. In other media like print and TV, there are universally acceptable measurement tools and metrics. And sooner or later, the OOH industry will start accepting IOS at a faster pace.

What are the big changes that you would like to see in the Indian OOH landscape in the next few years?

The quality of media has to be improved, clustering has to go and innovative products in the

form of street furniture has to be taken to the next level. The way it is been presented in western countries like Paris, New York, London etc. And this street furniture concept has to trickle down to the tier II and tier III cities. Why should we not get a mention when it comes to quality? Why should we only talk about the west?
With globalisation, quality will be thrust upon us if we do not improve ourselves. For an example, JCDecaux has came and then Laqshya, Graphisads, Pioneer joined them. So there is no escape, today if I will not do it, somebody else will do it. In this globalised world, everybody has access to knowledge, information and know how. Hence things will surely change and change for the better.

You can contact Sanjay Manchanda here