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Strategic Analysis of the Reliance-Disney Joint Venture Formation of Jio Star and India's Media Consolidation: A Case Study in Joint Venture Strategy, Platform Economics, and Media Market Consolidation

Preksha Singhvi
prekshasinghvi30@gmail.com

ARTICLE INFO	ABSTRACT
Received: 15 Apr 2026 Revised: 02 June 2026 Accepted: 15 June 2026	This paper aims to provide a strategic, financial, and regulatory analysis of the merger between Reliance Industries Limited (RIL) and Disney's media assets in India, resulting in the creation of JioStar, the biggest media and entertainment business in India. Initiated on February 28, 2024, and closed on November 14, 2024, the deal involved a post-money valuation of USD 8.5 billion for the newly formed joint venture company. This paper analyzes the pre-merger environment that forced both RIL and Disney to come to such a solution: operational losses of Disney, loss of customers for Disney+Hotstar due to loss of IPL digital broadcasting rights, and emergence of Reliance's Viacom18 as a competing player in the market. This research looks into the structure of the deal and ownership distribution (Reliance/Viacom18: 63.16%, Disney: 36.84%), its rationale, and drivers of synergy by applying scenario-based enterprise valuations (based on three scenarios of IPL rights renewing in 2027), calculating HHI, applying game theory perspective, and assessing Porter's Five Forces. SWOT analysis is included in Appendix A as an additional material. From the post-merger performance figures, the rate at which JioStar monetized its business model is quite impressive. The firm recorded one hundred million paid subscribers on the OTT platform within five weeks of its launch. It also captured thirty-four percent market share in linear TV viewing and had an EBITDA of USD 196 million with a margin of 24.0% in the second quarter of 2026 financial year. From the scenario valuation, a spread of USD 21.6 billion exists between the two extreme points - all attributed to the rights acquisition for the Indian Premier League in 2027. This paper, therefore, shows that this merger is quite a unique multi-faceted case study. **Keywords:** Joint venture, mergers and acquisitions, media consolidation, scenario-based enterprise valuation, Herfindahl-

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Hirschman Index, game theory, sports rights economics, platform convergence, Indian Premier League, Reliance Industries, Disney, JioStar.

Chapter 1: Introduction

The Indian M&E industry finds itself at an important turning point. With more than 820 million internet users, 1.4 billion smartphone owners, and an OTT video industry valued at USD 4.4 billion in 2024, rising to an expected USD 9.2 billion in 2028, and growing from USD 1.5 billion to USD 3.2 billion in the subscription-only OTT segment by 2030 (see Figure 1), India has positioned itself as one of the most strategically valuable M&E markets in the world. The sport of cricket, the national pastime in India, holds pride of place in the center of all of this, delivering viewership numbers that equal the Super Bowl at a fraction of the cost.

In this context, the announcement made on February 28, 2024, that The Walt Disney Company would integrate Star India and Disney+ Hotstar, which were its subsidiaries, with Viacom18 and JioCinema from Reliance Industries Limited to create a joint venture for a sum of USD 8.5 billion left ripples in the Indian media sector. The transaction results in the creation of an entity which controls over 100 television channels, two streaming platforms that would now be known as JioHotstar, over 30,000 hours of annual content production, exclusive broadcasting rights for India's popular cricket leagues, and coverage of over 760 million users monthly. The reason why this merger has significant academic interest attached to it is that it encompasses several layers of issues ranging from exit of a multinational media company from its difficult operations, an Indian conglomerate's decade-long attempt to build a media empire, issues related to competition law and consumer benefits, and the significance of sports rights as platform moats. All of these aspects explored in this paper would be based on publicly available information.

This paper contributes in four ways to the current body of literature. First, the paper develops the first game-theoretic analysis of the pre-merger competitive dynamic for sports rights bidding by Star India and Viacom18, presenting the 2022 IPL auction as a prisoner's dilemma and the formation of the JV as its cooperative solution. Second, the paper applies a traditional HHI merger control analysis to the new converged market structure in India where traditional broadcast services have been combined with internet streaming services using a market definition aligned with the CCI’s own regulation but previously lacking from the academic literature. Third, the paper presents a unique forward-looking scenario-based enterprise value analysis for JioStar based on the 2027 sports rights renewal as a single pivotal variable. Fourth, the paper discusses the transaction under the springboard foreign MNEs and asset seeking FDI theories.

Chapter 2: Literature Review

2.1 Mergers and Acquisitions: Theoretical Foundations

Today's M&A research is far more sophisticated, taking into account platform effects, behavioral finance, and digital markets. With respect to synergies, Alexandridis et al. (2017) offer new evidence for a sample of large acquisitions, showing how the creation of value from M&A activity has been shifting towards complementarities between asset bases rather than their overlap, an observation that is immediately relevant to the Reliance/Disney deal involving the combining of Jio's distribution platform with Star India's intellectual property. The authors' finding of greater efficiency in realizing synergies after 2000, attributable to increased due diligence and strategic integration planning, sheds light on the swift rise in EBITDA for JioStar since closing.

The behavioral aspect of M&A activity is investigated by Aktas et al. (2016), focusing on CEO narcissism during all stages of the process, including its inception in private negotiations and subsequent closing of deals. This research is directly applicable to the case of Disney's Indian acquisition experience; specifically, the sense of urgency created through competition in the Fox takeover process, enhanced by CEO-level narcissism, resulted in an overvalued victory that the India business could never justify.

The market power concept in the digital world is elaborated by Shapiro (2019) in the most contemporary manner, suggesting that the mergers involving platforms must be looked at in an entirely new light,

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distinct from horizontal mergers since competitive concern in such cases comes from attention-based economies, data gathering, and ecosystem lock-in as opposed to pricing mechanisms. Here, the author mentions sports and content rights as forms of market power which cannot be captured through standard revenue share HHI calculations - precisely the phenomenon involved in JioStar's dominance in the world of cricket and why CCI found it hard to measure this market power through standard methods. The final literature piece here comes from Jacobides et al. (2018), who bring us the industrial ecosystems view through their theory explaining why Reliance's goal was to build a vertical stack in its Jio ecosystem.

2.2 Joint Venture Theory: Why Not a Full Acquisition?

The selection of the form of joint venture as opposed to outright acquisition is significant from a theoretical perspective. Nippa and Reuer (2019) review forty years of JV studies and highlight three fundamental motivations for structuring a joint venture, namely, complementarities, risk-sharing, and regulatory concerns. Complementarities are evident since both organizations have complementary resources, which include global content/IP in the case of Disney and telecommunications distribution network in the case of Reliance. With Reliance having significant dominance in its domestic markets, an outright acquisition would have likely resulted in greater scrutiny by CCI.

Chi et al. (2019) discuss real options theory from an international business perspective, illustrating that a JV model generates asymmetric option value, where one firm maintains operational control yet has an opportunity to boost its equity position should the joint venture be successful, while the other firm can take an exit option should its value improve. Reliance's 63.16% equity share and board chairmanship illustrate the dynamics of a dominant partner precisely in line with Chi et al.'s discussion, whereas Disney's minority equity position of 36.84% represents an exit-enabling real option.

In Lumineau (2017), which investigates the relationship between formal contracts and inter-firm trust, it is revealed that contractual governance in detail decreases the likelihood of opportunism, yet also signifies distrust of partners at the same time - both aspects being apparent in the JioStar contractual structure. Three CEO roles (Entertainment, Digital, Sports) and content licensing rather than selling the intellectual property altogether constitute examples of contract-based governance aimed at mitigating the distrust existing in the relationship between former competing firms, who only recently were bidding against each other for cricket rights.

2.3 Platform Economics and Two-Sided Markets

The concept which is most relevant to the understanding of JioStar's business model is multi-sided platform theory. Hagiu & Wright (2015) offer the most complete explanation, in which a multi-sided platform facilitates direct interaction between two different customer segments and provides infrastructure valuable to both sides of the equation. In the case of JioStar, the customers on the three sides of the equation are viewers, subscribers, and advertisers. Importantly, Hagiu & Wright differentiate between platforms that charge separately on both sides (the pure platform approach), and those where there is vertical integration and the demand side of one of the customer segments is internalized. JioStar falls under the integrated platform approach because Jio's telecom earnings cover the cost of subsidizing the viewer segment.

Parker et al., (2016) expand the theory of two-sidedness to develop a practice-based approach for developing a platform strategy, where platforms need to put their monetization capabilities in second place when creating an ecosystem before switching to exploitation. JioStar's situation fits this perfectly, as the 65% rate at which paying subscribers acquire the bundle package is a form of subsidy on the side of viewers, while the monetization side focuses on advertising on the side of the company that has 500 million cricket viewers.

As per Evans & Schmalensee (2016), the presence of indirect network effects for media platforms (i.e., more viewers mean more advertising, which provides money to invest in acquiring more content, which then attracts even more viewers) usually results in winner-takes-most situations as opposed to winner-takes-all scenarios due to the presence of heterogeneous content preferences, which do not enable platform monopolies. This is the exact reason behind the dominance of JioStar across the country despite 57 other OTT platforms operating in India. Rietveld and Schilling (2021), while conducting a systematic review of existing literature on platform competition, have found sports rights and live

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events to be a unique category of platform assets where indirect network effect becomes a direct moat for the platform.

2.4 Media Industry Consolidation

Pickard (2020) represents the current normative perspective through which the impact of media power consolidation on welfare may be understood, by showing that, in addition to economic costs due to advertising price concentration, media consolidation within markets has consequences for democracy in terms of editorial plurality loss. Although the main focus of Pickard's analysis relates to media ownership in the United States, the logic that conglomerates tend to optimise media content commercially rather than in the public interest may apply to the issues raised by the CCI with regards to JioStar's combined TV and online media dominance within one particular media category.

In their analysis of platform power in converging television markets, Evens and Donders (2016) reveal a form of market power resulting from the vertical integration of broadcasting and streaming assets held by the same entity that is impossible to address with traditional regulatory policies aimed at either TV or internet markets. The problems identified by Evens and Donders (2016) illustrate precisely the difficulties faced by CCI in conducting the review of JioStar.

As noted by Lotz (2022), the global media sector is divided into one camp of global SVOD platforms that are in competition for producing their own content and another camp of regional media companies that compete on local sports and cultural specifics. The development of JioStar can be understood as an example of dual positioning of such a company - the phenomenon that is not widespread in the global industry. This phenomenon can be explained by the approach of Flew and Waisbord (2015) regarding emerging markets where they observe the so-called platform pre-emption strategy: companies dominate structurally in the nascent media industry as opposed to protecting the current market share.

2.5 Sports Rights Economics and the Premium Content Moat

The Hutchins et al. study (2019) is perhaps the most recent and most immediately relevant study on the topic of the OTT market in relation to sports streaming. It analyzes the way in which live rights for sporting events became the number one factor in determining subscriber acquisition and subscriber retention within the OTT sector worldwide. The work by Hutchins et al. (2019), in its discussion of structural changes in the sports rights market due to broadcasting and streaming becoming increasingly intertwined, provides insight into the BCCI's 2022 decision to divide TV and digital rights, creating a competitive imbalance resulting in the merger.

The non-linear and highly asymmetric association between exclusive rights and audience acquisition has been identified by Nalbantis and Pawlowski (2016) via the lens of a demand-based analysis of live sports viewing. When a channel loses its dominant sports franchise, it does not just see a proportional loss in viewers but also loses the position of must-watch channel altogether, with all other subscribing users turning their focus to the one with access to the sports content. Such an effect, termed as “anchoring,” helps explain why a 37 percent subscriber base loss experienced by Disney+ Hotstar was due solely to the IPL rights change, not other content losses, and how Disney’s bargaining power had been greatly weakened prior to the 2023 merger negotiations.

2.6 Competition Policy in Digital Media Markets

As per Wu (2018), the conventional approach to merger review in terms of revenue concentration measures like the HHI index is prone to underestimate the negative impact of mergers in "attention economies" due to the fact that revenue concentration is computed based on clear-cut product markets, whereas competition in platforms revolves around capturing audience attention, data network effects, and must-carry content instead of pricing products. Following up from the above discussion, Picker (2019) argues that the right approach for measuring media market power lies in calculating the share of must-carry content, instead of revenues, held by media firms. Hence, the must-carry market power of JioStar after the merger with regard to cricket coverage will be approximately equal to 500-600 million people who watch cricket in India, a number that goes unnoticed in the revenue-concentration-based HHI measure of Section 6.2.

Crémer et al. (2019) in their commissioned report to the European Commission pointed out that there are "tipping risks" involved in platform mergers whereby although there are insignificant static market share impacts involved, they bring about a tipping effect whereby the market moves closer to a winner-

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take-all situation because of network effects, data dominance, and content exclusivity. JioStar merger involves two parties whose connection brings a very typical example of the tipping risks discussed by Crémer et al. These include a 460 million subscriber distribution network from Jio, and the other part is the monopoly position of the cricket telecast right holders. The Organisation for Economic Co-operation and Development (OECD) (2020) has established a tipping analysis framework for analyzing media mergers.

2.7 Cross-Border M&A in Emerging Markets

As per the revised general theory on springboard MNEs by Luo & Tung (2018), the Reliance-Disney JV is considered as one example where emerging economy firms engage in domestic mergers and acquisitions that help build them up in size and competitive capability in order to move out into other international markets. While the immediate aim of the Reliance DISNEY JV may seem to be an internal merger, the licensing deal for the transfer of Disney's intellectual property like Marvel, Star Wars and 30,000+ assets together with the reputation gained in dealing with a globally recognized media firm may offer Reliance the possibility of operating as an international content distributor.

As per Ramamurti's (2016) leverage-domestic strength theory, there exists a tendency among many firms operating in developing countries to use their domestic competitive advantages as platforms to take their competencies to other international markets instead of competing with foreign firms in their home country.

The criteria set by Meyer (2015) to identify FDI for strategic asset seeking provides a background for the discussion of Disney. The first purchase of Star India by Disney under the Fox deal is purely an example of strategic asset acquiring since the acquisition provided Disney with the Indian cricket rights and subscribers while international expansion via streaming was Disney's main strategic concern.

2.8 Gaps in the Existing Literature

There are four significant research gaps that the current study aims to fill. Firstly, even though South Asia presents itself as an attractive market opportunity, the literature on M&A deals related to media consolidation fails to provide enough emphasis to this region. Secondly, even though there is an abundance of topics covered by the platform economics literature, one topic that was overlooked until now is the examination of the co-owned Jio and JioStar platforms. Thirdly, even though theoretical game theory predicts that independent bidders will be involved in the process of bidding for the media rights, the effect of the conversion of Reliance and Disney into a monopsony and their effect on pricing for media rights after 2027 have not been examined yet.

Chapter 3: Research Methodology

In this chapter, details are presented on the research design, data sources, analytical methods, and boundaries of the case studied. Since the present paper analyzes a particular case of one major corporate deal, a qualitative single case study methodology is used, which is appropriate in the same way as suggested by Yin (2018). In fact, complex and dependent phenomena that involve a situation whereby the phenomenon is impossible to isolate from its surrounding environment should be analyzed through a qualitative case study. It is evident that the case at hand is such.

Methodologically, the epistemological framework adopted here is that of critical realism (Bhaskar, 1978; Yin, 2018), which assumes that the strategic and competitive dynamics that inform the merger are both real and knowable, although access to them must be limited in nature due to the use of public secondary data. All the analytical tools used (scenario-based enterprise valuation, HHI, game theory, Porter's Five Forces, and additional SWOT) are understood as lenses through which various facets of an otherwise complex reality are examined. The rationale for using a single-case study approach is that of Flyvbjerg's (2006) concept of a "critical case," a case that is inherently rich in information just by virtue of straddling different theoretical fields (platform economics, M&A in emerging markets, sports rights economics, and competition policy) where current theory makes contradictory predictions.

3.1 Research Design

It makes use of an explanatory case study design, which aims at answering how and why the merger took place, what the strategies for both parties were, and what the results following the merger are. This

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is different from a descriptive design, which is concerned with the mere recitation of events, or an exploratory design, which creates hypotheses. The explanatory perspective is applied using the following four main analytical perspectives (enterprise scenario valuation analysis, HHI analysis, game theory analysis, and Porter's Five Forces framework analysis), each dealing with one aspect of strategic and competitive relevance of the merger, with a descriptive SWOT analysis provided in Appendix A.

3.2 Data Sources and Collection

Secondary sources of information are used for the research, specifically, publicly available data from four sources.

Primary sources include regulatory and company announcements; that is, the approval order of the Competition Commission of India (October 2024) containing 48 pages; quarterly earning statements (Q1-Q3 FY2026) of Reliance Industries Limited; Walt Disney Company Annual Report and Form 10-K (FY2024); and two joint press releases released by RIL and Disney on February 28 and November 14, 2024. Secondary industry-related sources include: Media Partners Asia's JioStar Velocity Impact report (2025); FICCI-EY Media and Entertainment Report (2025); and PricewaterhouseCoopers India Entertainment and Media Outlook 2024-2028.

Financial/Market Data: Viewership ratings of BARC India; estimates made by the analysts at CLSA and MPA concerning subscribers and revenue splits; and valuation estimates made by investment banks reported in financial media (Variety, Outlook Business, Economic Times).

Academic Literature: Peer-reviewed articles published from 2015 through 2025 that focus on mergers and acquisitions (M&As), joint ventures, platform economics, economics of sports rights acquisition, and competition policy. The lower boundary of 2015 is relevant due to the digital-era context of the analysis. Exceptions: Porter's (1980) Five Forces model and game theory foundation by Dixit and Nalebuff (1991) are fundamental tools predating the digital era and are used as analytical methods, not literature pertaining to the case study.

3.3 Analytical Frameworks

The following five analytical techniques are employed throughout the research process. The first four are quantitative and theoretical techniques while the last one is a descriptive technique and is offered as supporting material in Appendix A:

Scenario-based Enterprise Valuation (Subsection 5.3.1): A three-scenario approach (bear case, base case, and bull case) based on the outcome of the 2027 IPL rights renewal, assuming Q1-Q3 FY2026 actual numbers as the base case and a WACC of 11.5%. The technique measures the value of the sports rights moat and provides an answer to the third contribution made in Ch1.

Herfindahl-Hirschman Index (Subsection 5.3.2): Computation of HHI on the combined television broadcasting and online streaming market in India based on the convergence approach adopted by CCI. Calculated based on market share estimated from BARC linear TV viewership numbers and MPA OTT subscriber numbers for FY2024. HHI is calculated both pre-merger and post-merger, and the difference is used to determine the concentration created through the merger.

Game-Theoretic Analysis (Section 5.3.3): Pre-merger competition is conceptualized using a prisoner's dilemma model in the auctioning of sports broadcasting rights. Ordinal values are employed in the pay-off matrix because there are no specific figures available regarding the profits associated with each of the bidding activities. The Nash Bargaining Solution is applied to the terms of the transaction; post-merger deterrence is considered within the context of Stackelberg Leadership. Porter's Five Forces Model (Section 5.3.4): This is applied to the competitive scenario prevailing in the Indian broadcasting and streaming space, and measures are taken to determine the overall level of competitiveness based on all five of these factors after the merger.

3.4 Scope and Limitations of Methodology

There are some limitations related to research methods that need to be mentioned. Firstly, the calculations of the market share for HHI were obtained from second-party sources and are approximate. The definition of the TV+streaming market cannot be empirically confirmed, and different definitions would lead to various HHI results. Secondly, the payoffs in the scenario analysis were based on estimation of market factors (WACC, terminal multiples, CAGR), but not on the audited

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forecast of the company. The bear/base/bull framework is illustrative in its nature. Thirdly, the payoffs in the game theory are ordinal payoffs since the financial payoffs of the decision in 2022 are not available. Lastly, there is no enough observation period after the merger to estimate structural profitability changes.

Chapter 4: Industry Context and Pre-Merger Conditions

4.1 The Structural Transformation of Indian Media

India's M&E industry, worth US$30 billion in 2024, is forecast to grow to US$48 billion by 2030 (CAGR 9.8%). While television continues to be the largest segment, its hold is increasingly threatened by digital streaming. Low-cost mobile data, Reliance Jio's launch in 2016 revolutionised the data business, reducing the price per gigabyte by more than 95 percent, opened up content viewing for hundreds of millions of consumers across India's cities and countryside.

There are currently around 57 OTT players operating in India to serve a base of roughly 500 million subscribers. Disney+ Hotstar, JioCinema, Amazon Prime Video, Netflix, SonyLIV, Zee5 represent the front rank of Indian OTTs, fighting each other based on the duopoly of expensive sports rights and original content production. However, the landscape also offers fertile ground for consolidation due to increasing costs associated with content: IPL media rights alone fetched US$6.2 billion for the period 2023-2027, while ICC rights cost another US$3 billion.

4.2 The Role of Cricket as a Strategic Asset

No other sport plays such a critical role in the life of a nation as cricket in the case of India. The Indian Premier League, set up in 2008, has become a USD 10+ billion ecosystem of franchises and provides the best TV ratings in all programming segments. As many as 59 million people tuned in digitally for the ICC Men's Cricket World Cup final in 2023. This backdrop must be considered to understand why every decision taken by Disney and Reliance since then was crucial.

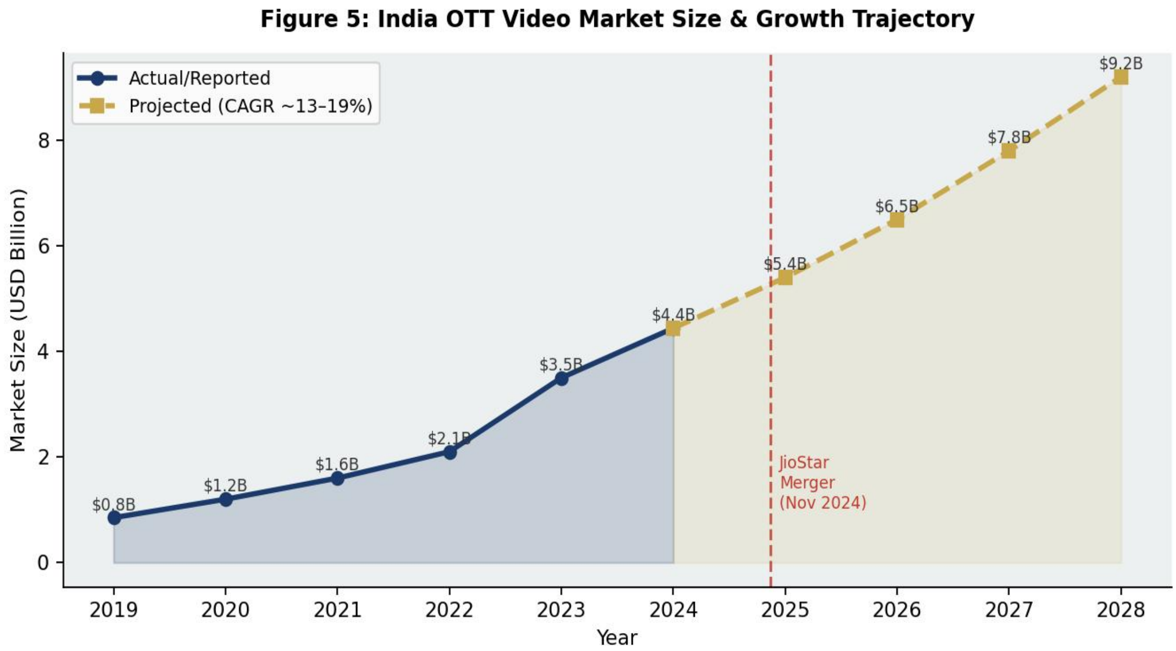

Figure 1: India OTT Video Market Size & Growth Trajectory (2019-2028E). Sources: PWC, Statista, IMARC, Research & Markets.

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4.3 Disney in India: A Downward Spiral

4.3.1 The Fox Acquisition Heritage

The Indian operations of Disney came into existence after Disney's record-breaking purchase of 21st Century Fox for USD 71.3 billion in 2019. Among other assets transferred to Disney in the acquisition is Star India Private Limited (SIPL), which is a vast media empire comprising more than 70 television networks and the Star India streamer service (which was later rebranded as Disney+ Hotstar). When Disney acquired 21st Century Fox, the estimated value of SIPL stood at USD 14-15 billion, owing to its lucrative broadcasting deals for IPL and its streaming subscribers that reached 61.3 million at its peak in Q4 FY2022.

4.3.2 The IPL Rights Catastrophe

Disney's India story has been punctuated by certain inflection points, including the IPL media rights auction held in June 2022. For the very first time, BCCI bifurcated the rights for TV and digital. While Disney's (through Star India) retained TV broadcast rights at USD 3.0 billion until 2027, it received flak from all quarters as a result, with people arguing that the move had costed them too much money. But then, even bigger news emerged about the digital streaming rights, where a relatively newer entrant, Viacom18, managed to bag them for USD 2.9 billion. As soon as Viacom18 won them, they offered IPL on JioCinema for free, setting off what Media Partners Asia called a "subscriber exodus" from Hotstar.

And the numbers speak for themselves. Whereas, at its peak, Disney+ Hotstar had 61.3 million subscribers in Q4 FY2022, this figure plunged to 38.3 million for Q1 FY2024, registering a decline of 23 million or 37% in less than two years. According to CLSA, Disney+ Hotstar lost as many as 15 million subscribers in FY2023 alone because of the IPL rights transfer.

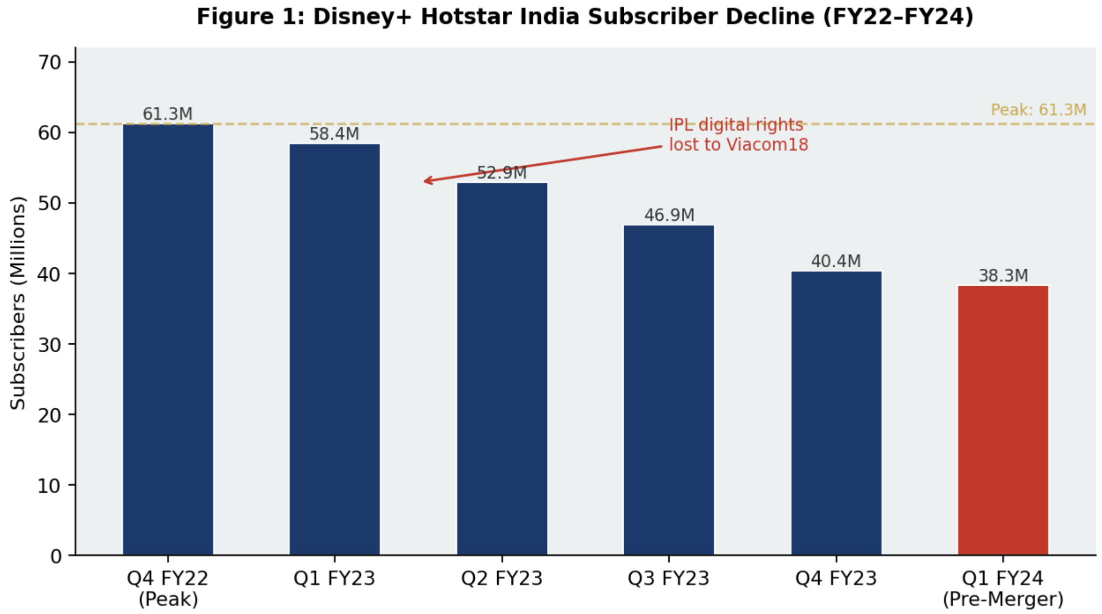

Figure 2: Disney+ Hotstar India Subscriber Decline (FY2022-FY2024). Source: Company filings, CLSA, MPA estimates.

4.3.3 Financial Deterioration

Financial results of Star India had suffered significantly on multiple fronts, as the company's revenue fell over 6% to INR 18,587 crore in FY2024 (from INR 19,812 crore). Ad revenues were down 4%, while subscription revenue was down 1%. Operating loss in the segment rose to USD 315 million in FY2023, growing 144% year on year due to expense on ICC World Cup broadcast rights. Subsequently, Walt Disney reported a standalone net loss of INR 12,548 crore in FY2024, owing primarily to a INR 12,319 crore onerous contract provision pertaining to the USD 3 billion ICC media rights contract, contracts

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which did not meet revenue expectations after the collapse of Zee Entertainment's merger plans with Sony.

Further, Walt Disney took a USD 2.05 billion non-cash goodwill impairment on Star India in Q2 FY2024, when it entered into binding merger talks. It went further to take an additional impairment charge of USD 1.5 billion on its holdings when it classified Star India's assets as 'held for sale'. Overall, this amounted to an impairment of roughly USD 10-11 billion against the implied value from the Fox acquisition.

The plan for the sale or joint venture of its Indian operations became apparent in mid-2023 when Disney brought in external advisers to look into the matter. The situation for Disney in the Indian market could not have been much clearer than it was: lose money or find a partner to help fix things.

4.4 Viacom18: The Ascendant Challenger

4.4.1 Origins and Evolution

Viacom18 Media Private Limited began as a joint venture between Viacom (later Paramount Global) and Network18 (backed by Reliance). By 2022, it had grown into a multi-genre broadcast player with approximately 38 TV channels including Colors, MTV India, Nick, and Comedy Central. However, it was neither the dominant TV player (Star India held that position) nor a significant streaming platform.

4.4.2 The Strategic Transformation

The conversion of Viacom18 into a weapon for Reliance began in 2022 through three crucial steps. First, Bodhi Tree Systems, an investment fund co-founded by Uday Shankar (ex-President of Star India and Disney APAC) and James Murdoch, pumped in $1.78 billion into Viacom18, thus providing it not only with funds but also with strategic weight in terms of India's two topmost media professionals.

Second, IPL digital rights win of June 2022 turned JioCinema, which up till then could be regarded as just another streaming service provider, into the official Indian broadcaster of cricket, almost overnight. The move to make IPL free-to-stream was nothing short of genius: it was using the existing customer base of 460+ million people from Jio's telecom services, thereby automatically acquiring millions more customers for JioCinema, without any additional costs.

Finally, the current restructuring of Paramount Global opened a window of opportunity for Reliance to purchase the company's 13.01% shareholding in Viacom18 for about $507 million in a side deal accompanying Disney JV.

4.4.3 Strategic Limitation: The Scale Gap

While it won the battle for the IPL, the firm still had one problem: it did not have the extensive content catalogue, the strong brand portfolio in various Indian languages, as well as the experience in broadcasting sports events like Star India. It means that bidding for the IPL TV rights once again in 2027 without possessing such resources would cost Viacom18 too much money.

4.5 The Negotiating Table: Alignment of Incentives

By late 2023, both the parties were in an odd race wherein game theory could explain their predicament as that of a coordination problem where there existed a cooperative solution. It was clear that Disney required an exit from a subsidiary which was eating into their profits; Reliance required a company which would provide it the requisite size and content. Both the companies competing for the next round of cricket rights in 2027 would require billions. By joining hands, they would not only overcome wastage but have sufficient size to bargain with advertisers.

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Chapter 5: Deal Structure, Strategic Analysis and Regulatory Response

5.1 Deal Structure and Transaction Mechanics

5.1.1 Announcement and Timeline

Date	Event
Feb 28, 2024	Binding definitive agreements signed between RIL, Viacom18, and Disney
May 2024	Disney records USD 2.05B goodwill impairment on Star India upon signing
Aug 28, 2024	CCI approves merger subject to voluntary modifications
Oct 22, 2024	CCI publishes detailed 48-page approval order with conditions
Nov 14, 2024	Merger becomes effective; JioStar formally incorporated after NCLT Mumbai approval
Feb 14, 2025	JioCinema and Disney+ Hotstar unified into single platform: JioHotstar

Table 1: Key Transaction Milestones

5.1.2 Ownership Structure and Control

JV is formed via an arrangement plan sanctioned by the court wherein the media and JioCinema businesses of Viacom18 got integrated into SIPL (Star India Private Limited). Subsequently, RIL infused fresh capital amounting to INR 11,500 crore (USD 1.4 billion). Ownership Structure:

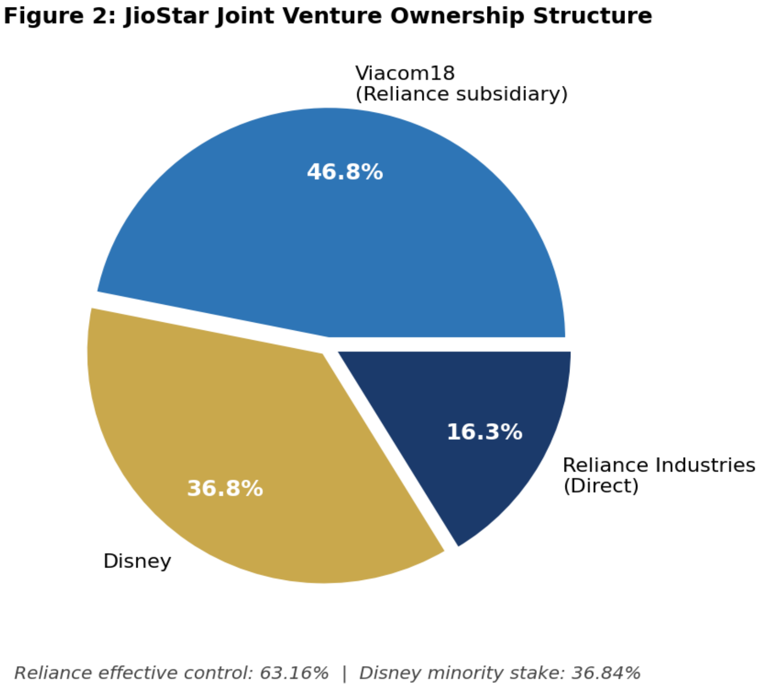

Figure 3: JioStar Joint Venture - Ownership Structure. Source: RIL-Disney Joint Press Release, November 2024.

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Although the Disney has 36.84% equity in the partnership, the control remains with the Reliance group. Nita M. Ambani (a director of the Reliance group) sits on the chairmanship of the JV; Mr. Uday Shankar occupies the post of the Vice Chairman; and Mr. Kevin Vaz (Entertainment), Kiran Mani (Digital) and Mr. Sanjog Gupta (Sports) head each respective vertical as Chief Executives. Here too, the role of the Disney is limited to being a minority shareholder and content licenser only.

This ownership split gives rise to the traditional principal-agent conflicts found in literature on Joint Ventures' governance. Disney as the 36.84% minority partner will experience information asymmetry relative to Reliance when it comes to decisions regarding operations as well as content investment priorities. In addition, Disney's perpetual content licence to JioStar adds another element of complexity because Disney now gets licence fee income stream which means there would be no motivation to exercise the right of exiting this JV despite low profits on equity. The public filings do not reveal whether or not there exists put/call arrangements for the Disney shareholding and under what circumstances the content licence will be impacted due to Disney's stake.

5.1.3 Valuation Analysis

The JV's pre-money valuation stood at INR 70,352 crore (USD 8.5 billion), without considering any synergies. The aforementioned valuation came after the infusion of growth capital worth USD 1.4 billion by Reliance Industries. Assets contributed by Disney in the form of Star India (television operations and content portfolio) and Disney+ Hotstar (streaming service) were implied to have been worth USD 3-3.5 billion, representing a steep 75-78% discount from their value of around USD 14-15 billion at the time of the Fox acquisition in 2019.

Metric	Value	Context
JV Post-Money Valuation	USD 8.5B / INR 70,352 Cr	Excluding synergies
RIL Fresh Capital Injection	USD 1.4B / INR 11,500 Cr	Growth capital
Disney's Implied India Asset Value	~USD 3-3.5B	vs. ~USD 14B at Fox acquisition
Combined Pro-Forma Revenue (FY24)	USD 3.1B / INR 26,000 Cr	FY ended March 2024
Reliance + Paramount Stake Buyout	~USD 507M	Acquiring Paramount's 13.01% in Viacom18
Total Reliance Outlay	~USD 1.9B	Fresh capital + stake buyout

Table 2: Transaction Valuation Summary. Sources: RIL press release, Disney SEC filings, analyst estimates.

5.1.4 Content Licence and IP Arrangement

A unique feature about the deal is the content licensing model adopted by the company. In essence, the JV obtained a perpetual license from Disney for using more than 30,000 pieces of Disney content such as animated content, Marvel, Star Wars franchise content, and film content in India. The licensing model adopted ensures that Disney can own and manage its intellectual property worldwide while using it in India via a royalty/licensing fee model while minimizing any India-specific risks for the company.

5.2 Strategic Rationale: What Each Party Sought

5.2.1 Disney's Strategic Logic

For Disney, the joint venture could be considered a defensive strategy due to the organization being in a structurally vulnerable position. For some time already, the main goal of the organization became ensuring profitability of its streaming business globally. Since his return to the role of Disney's CEO,

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Bob Iger decided to concentrate on cost optimization and efficiency improvements. In India, where Disney was losing subscribers to Hotstar but had the rights to lucrative cricket worth of USD 6 billion, Bob Iger was presented with an ideal problem.

The option to divest itself of such a business was unacceptable since doing so would highlight the already terrible failure resulting from the acquisition of Fox. Within the joint venture structure, Disney successfully accomplished the goal of getting the best possible outcome - recovering value (USD ~3B), obtaining upside potential through holding equity (36.84%), securing revenue streams through licensing content and minimizing the costs associated with running Hotstar while remaining relevant in the Indian market. Disney stands to gain from a successful launch of JioStar.

Meyer's (2015) model for FDI where the aim is to acquire strategic assets fits Disney's situation like a glove. Overvalued assets, acquired as a result of Fox's purchase, make Disney's joint venture the way to exit the company's failure in acquiring the strategic assets while still owning the eternal content license and thus recouping some value from the initial investment made in such a venture. Disney does not have to stretch itself out of its skin since it retains control over its venture and does not face risks of managing the unsuccessful platform as pointed out by Meyer.

5.2.2 Reliance's Strategic Logic

"Building of the Ambani media stack" that included telecom services (Jio), device (Jio Phone), broadband services (Jio Fiber), and content (Jio Star) was crucial. Controlling India's largest M&E company (JV) would be an important step to complete the Ambani media stack. With its Jio media platform that includes more than 460 million subscribers, it becomes difficult to beat its unparalleled reach capabilities as every customer of its telecom business automatically turns into a customer of Jio Hotstar owing to its unique single-sign-on capability. Apart from reach capabilities, Reliance has monopolized the whole sports rights landscape in India.

In addition to reach capabilities, Reliance has monopolized India's whole sports rights landscape. It owns IPL TV rights worth USD 3B under Star India, IPL digital rights worth USD 2.9B under JioCinema/Viacom18, ICC TV and digital rights worth USD 3B under Star India, and ultimately all domestic rights of Board of Cricket for India (BCCI). In effect, it becomes monopoly broadcaster for cricketing events in India since cricket makes up 60-70% of sports advertisements revenues in India.

The acquisition of majority stake in the premium content platform by Reliance perfectly qualifies for what Luo & Tung (2018) refer to as springboard MNE, whereby "an emerging-market firm conducts an interplatform transaction in order to access the necessary resources for upgrading its competitiveness at home." It is important to note that in this case, no internationalization outside the country is involved. On the contrary, it is a springboard into its most crucial domestic market.

5.2.3 Shared Strategic Value

Both sides have gained by getting rid of the very costly and destructive duopoly that existed between them in respect of cricket rights. Through combining forces, they have been able to form a sole bidder for future rights cycles, ending up with a rational and sustainable competition scenario for both of them.

5.3 Strategic Analysis

5.3.1 Scenario-Based Enterprise Valuation

JioStar's enterprise value is highly contingent on the outcome of the 2027-28 IPL and ICC digital rights renewal. Three scenarios are modelled (bear, base, bull) over a five-year horizon (FY2027-FY2031), using Q1-Q3 FY2026 reported figures as the baseline All EBITDA figures are pre-amortization. The scenario analysis utilizes the EBITDA exit multiple method, which is in line with comparable transactions in the media space.

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WACC Derivation:

Parameter	Value	Basis
Risk-free rate (10-yr G-Sec)	7.20%	RBI, March 2025
Equity risk premium	7.50%	Damodaran India ERP
Beta (Reliance Industries)	0.70	5-yr monthly returns, BSE
Cost of equity [Ke = Rf + β × ERP]	12.45%	7.20 + 0.70 × 7.50
Pre-tax cost of debt	7.70%	RIL FY24 avg. borrowing rate
Post-tax cost of debt [Kd × (1-t)]	5.78%	Tax rate 25%
Debt / equity weights	40% / 60%	RIL capital structure
WACC [= Ke×We + Kd×Wd]	11.50%	Applied throughout

Table A: WACC Derivation

FY2026 Baseline (from reported quarters):

Period	Revenue (USD M)	EBITDA (USD M)	Margin
Nov'24-Mar'25 (Partial)	1,240	87	7.0%
Q1 FY26 (Apr-Jun'25)	1,000	107	10.7%
Q2 FY26 (Jul-Sep'25)	815	196	24.0%
Q3 FY26 (Oct-Dec'25)	883	144	16.3%
FY26 Annualised Baseline	~3,500	~595	~17.0%

Table B: FY2026 Baseline Normalisation. Sources: RIL quarterly earnings.

Assumptions underlying each of the scenarios are tied to transaction multiples: Skydance-Paramount (2024) ~7-8x EBITDA for a distressed broadcasting platform; Discovery-Warner Bros (2022) ~10-12x EBITDA for a bundled streaming and broadcast platform; NBCUniversal-Peacock (2023 internal valuation) ~14-16x EBITDA with sports IP moat. Terminal.

Parameter	Bear	Base	Bull
2027 rights outcome	JioStar loses digital rights	Shared TV + digital (status quo)	Unified rights, favourable pricing
Key driver	Loss of premium digital inventory	Platform + distribution synergies	Monopsony pricing power
Revenue CAGR (FY27-31)	8%	15%	22%

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Normalised EBITDA margin	12%	20%	25%
Terminal EBITDA multiple	8x	12x	15x

Table C: Scenario Assumptions

Year	Bear Rev.	Bear EBITDA	Base Rev.	Base EBITDA	Bull Rev.	Bull EBITDA
FY2027	3,780	454	4,025	805	4,270	1,068
FY2028	4,082	490	4,629	926	5,209	1,302
FY2029	4,409	529	5,323	1,065	6,355	1,589
FY2030	4,762	571	6,121	1,224	7,753	1,938
FY2031	5,143	617	7,040	1,408	9,459	2,365

Table D: Five-Year Projections (USD M). Revenue = prior year × (1 + CAGR); EBITDA = revenue × normalised margin.

	Bear	Base	Bull
FY2031 EBITDA (USD M)	617	1,408	2,365
Terminal multiple	8x	12x	15x
Terminal EV (USD M)	4,936	16,896	35,475
PV of terminal EV @ 11.5% [÷1.115^5]	2,863	9,800	20,578
PV of EBITDA stream (USD M)	1,910	3,844	5,777
Implied Enterprise Value (USD M)	~4,800	~13,700	~26,400

Table E: Enterprise Value Derivation. PV of EBITDA stream = sum of annual EBITDA discounted at 11.5% over five years.

Sensitivity analysis on the base case (USD M) - varying WACC and terminal multiple:

Terminal Multiple \ WACC	11.0%	11.5%	12.0%
11x	13,100	12,800	12,600
12x (base)	13,900	13,700	13,400
13x	14,800	14,500	14,200

Table F: Base Case EV Sensitivity (USD M). Central estimate highlighted.

The difference of USD 21.6 billion between the bear and bull case scenarios, which is caused primarily by one parameter alone, can be considered the most direct quantification of the argument put forward in this paper regarding the sports rights moat thesis. Even when considering the base case scenario, the

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enterprise value of USD 13.7 billion is a significant premium of USD 5.2 billion against the deal value of USD 8.5 billion, thus underlining the strategic rationale behind the transaction for both parties involved. However, even a sensitivity analysis proves that the base case scenario is valid, as throughout the entire tested range of WACC and multiples, the EV of the base case scenario stays above USD 12.6 billion.

5.3.2 Herfindahl-Hirschman Index (HHI) Analysis

The HHI is the key metric adopted internationally by antitrust agencies to evaluate market power concentration. It is calculated as the sum of squares of market share (in percentages) of all companies in the market. A value lower than 1,500 represents an unconcentrated market; between 1,500-2,500, moderate concentration; above 2,500, high concentration; and above 4,000, monopoly status. A rise in HHI by more than 200 points following a merger is often regarded as a cause for concern.

To analyze the potential merger, this study adopts the definition of the relevant market as the market comprising of broadcast television and streaming media services in India, consistent with the CCI approach that views television and digital as substitutes. The market shares are calculated on the basis of linear TV viewing statistics (BARC), OTT subscribers from publicly disclosed documents and MPA reports, and analysts' predictions for the FY2024. As depicted in Figure 4, the pre-merger shares of individual firms included: 34% for Star India, 18% for Viacom18/JioCinema, 14% for Sony/SonyLIV, 14% for Zee/Zee5, and 20% for others.

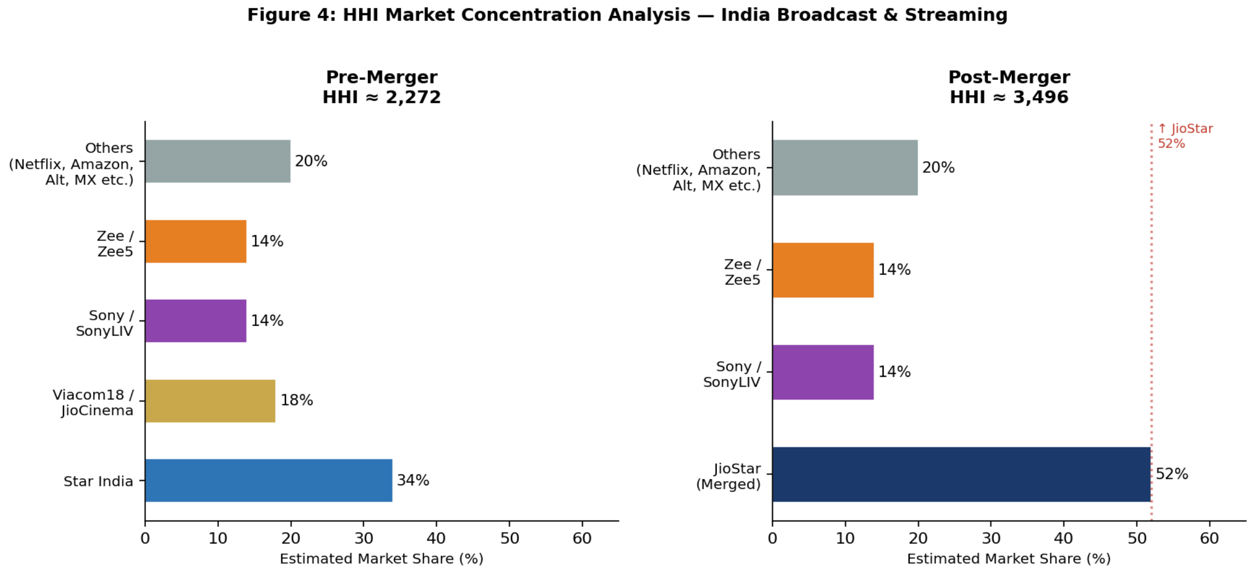

Figure 4: HHI Market Concentration — Pre vs. Post Merger, India Broadcast & Streaming Market.

Pre-merger HHI (estimate): ~2,272. Post-merger HHI (estimate): ~3,496. This merger has seen an increase in HHI of about 1,224 points, which would definitely be a cause for concern for regulators based on the U.S. DOJ/FTC (2010) threshold of a 200-point HHI increase in a highly concentrated market. These statistics go a long way in explaining the initial negative reaction from the CCI. The newly merged company holding about 52% of total TV and digital market share crosses the critical mark of 50%, associated with market power exercised by dominant firms.

These numbers are in line with the CCI's expressed concern about the dominance of the merged firm over most cricket broadcasting rights in both TV and online media, which will significantly impair the ability of advertisers in exercising their freedom against price dominance. The decision by the CCI to force the merged companies to divest some channels and prevent bundling of ad-slots in cricket is clearly aimed at lowering the HHI in certain sub-sectors.

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5.3.3 Game-Theoretic Analysis

5.3.3.1 The Pre-Merger Duopoly: A Prisoner's Dilemma in Sports Rights

In the pre-merger scenario, there was a prisoners' dilemma situation existing between Star India (Disney) and Viacom18 (Reliance) with regard to bidding on the rights of cricket. Taking into consideration the following payoff matrix depicting the bids during the 2022 IPL digital rights auctions:

	Viacom18: Bid Aggressively	Viacom18: Bid Conservatively
Disney: Bid Aggressively	Both overpay; rights costs destroy margin for both. (Bad, Bad)	Disney wins rights at high price; Viacom18 withholds. (Disney: moderate, Viacom18: low)
Disney: Bid Conservatively	Viacom18 wins digital at ~USD 2.9B; Disney loses streaming subscribers. (Disney: low, Viacom18: high)	Rights stay cheap; both preserve margin. (Good, Good - but unstable)

Table 4: Simplified Payoff Matrix - 2022 IPL Rights Auction (Disney vs. Viacom18)

The Nash equilibrium of the above-given game, wherein each actor acts rationally in their own interest, is likely to be located at the cell (Aggressively, Aggressively) - that is, both players bid aggressively, while the BCCI extracts the maximum value. This is clearly not a desirable outcome for either broadcaster, since Disney lost the digital rights and 23 million subscribers, while Viacom18 had to make the JioCinema platform viable despite the heavy cost of the right. The prisoners' dilemma formulation justifies the superiority of the merger strategy over a strategy of competition.

5.3.3.2 Bargaining Theory: Asymmetric Negotiation Power

The bargaining process involved features typical to Nash Bargaining Theory. For Disney, the best alternative to agreement would be either sustaining the operating losses, the complete write-off of Star India, or selling off at a reduced price to another player. For Reliance, the alternative was growing JioCinema gradually on its own without external investment. It explains why Reliance managed to get a valuation discount from Disney. The deal values Disney India's portfolio at USD 3 billion versus a Fox era market price benchmark of USD 14-15 billion - Disney conceded up to 75-80% due to having an inferior outside option compared to that of Reliance.

5.3.3.3 Post-Merger Signalling and Deterrence

JioStar is placed in a dominant position by the very nature of the market situation. Having the right to control the TV and Internet streaming rights of cricket, the biggest crowd puller in India, it can always credibly threaten any competitor with rendering their premium content worthless. For Netflix and Amazon, their inability to offer the popular live cricket matches on their platform means that they cannot grow to more subscribers than their current market share in India. Similar asymmetry applies to Sony and Zee who are the second largest media broadcasters in the market.

5.3.4 Porter's Five Forces Analysis (Post-Merger)

Force	Intensity	Assessment
Threat of New Entrants	**LOW**	Cricket rights cost (USD 6B+/cycle) and existing subscriber lock-in create near-insurmountable barriers to entry in the premium segment.
Threat of Substitutes	**MODERATE**	YouTube (AVOD) attracts 700M+ Indian users but doesn't replicate live sports. Short-form (Instagram Reels) competes for attention, not for premium content.

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Bargaining Power of Buyers (Advertisers)	**LOW-MOD.**	JioStar controls ~70%+ of cricket advertising inventory in India - the most effective reach medium. Advertisers have limited leverage but CCI conditions cap extreme pricing.
Bargaining Power of Suppliers (Content/Rights)	**MODERATE**	BCCI and ICC are powerful rights holders who can extract high prices. However, with JioStar as effectively the only credible mass-broadcast bidder, the balance may shift toward JioStar after 2027.
Competitive Rivalry	**MODERATE**	Netflix, Amazon, Sony, Zee remain significant rivals. Netflix's investment in Indian original content is accelerating. However, the lack of cricket on rival platforms structurally limits rivalry in the premium segment.

Table 5: Porter's Five Forces Analysis - JioStar Post-Merger

5.4 Regulatory Framework and Antitrust Scrutiny

5.4.1 CCI Review Process

The Competition Commission of India (CCI) reviewed the merger under the provisions of the Competition Act, 2002. Compulsory notifications are required for mergers and acquisitions above certain thresholds for assets and turnovers. The CCI has the authority to approve, approve conditionally, or reject any combination having an AAEC (Appreciable Adverse Effect on Competition) on Indian market conditions.

The analysis carried out by the CCI in this merger was highly detailed. The CCI issued approximately 100 queries to the parties involved, indicating a highly substantive investigation. The preliminary conclusions arrived at by the CCI in this matter, revealed privately in August 2024, were that this merger would be anti-competitive, particularly with respect to the broadcasting rights for cricket matches. The concerns of the CCI included: the combined entity's near-monopoly over cricket advertising inventory across TV and digital; resulting pricing power over advertisers; and scale in regional GEC markets.

5.4.2 Approved Conditions (Voluntary Modifications)

On August 28, 2024, the CCI approved the merger subject to voluntary modifications. A detailed 48-page order published on October 22, 2024 specified:

• Disposal of seven TV channels, such as Star Jalsha Movies, Colors Marathi, Hungama, and several others covering Bengali, Marathi, Kannada, and kids' genres, over a specified period.

• No bundling of advertising time slots of IPL, ICC, and BCCI broadcasts on TV or OTT platforms during the remainder of their rights validity (up to ~2027). Separate marketing packages for each cricket right should be disposed of separately.

• Noreasonable hiking of rates for advertising cricket matches online.

• Reasonable subscription fees for online streaming services.

• Independence of divestiture buyers from RIL, Disney, Zee, Sony, or Sun TV and the necessary capabilities to compete in the market.

The above requirements provide useful lessons. The CCI addressed the specific markets where anti-competitive effects were more pronounced (regional general entertainment channels and cricket advertising) while approving the merger in other areas. Disposal of some channels is aimed at addressing HHI concentration in some languages. Restriction on bundling helps address the threat of market tying related to cricket rights. Significantly, no requirement was made about disposal of cricket rights, which is explained by their already long-term commitment until 2027.

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5.4.3 Critical Assessment of the Regulatory Response

The requirements set by the CCI constitute a reasonable but possibly inadequate answer to the issues raised regarding competition. Various legal and economic experts have mentioned that the requirement of no bundling ends at the end of this rights cycle, and that JioStar will bid in the future rights cycles for IPL/ICC starting from 2027, which will put JioStar in a position where there is essentially no competition for them anymore due to their market power at that time. The high HHI score of 3,496 in the analysis section 5.3.2 shows that the merger would result in a high concentration scenario.

Chapter 6: Post-Merger Performance, Findings and Discussion

6.1 Financial Performance

The post-merger financial performance of JioStar has been even better than anticipated, both in relation to its size of revenue and EBITDA growth trajectory. The table below provides a summary of reported financial metrics for all reporting periods following the merger, starting from the effective date of the merger, which was November 14, 2024.

Period	Gross Revenue	EBITDA	PAT	EBITDA Margin
Nov'24-Mar'25 (Partial)	USD 1.24B	USD 87M	N/A	8.1%
Q1 FY26 (Apr-Jun '25)	USD ~1.0B	USD ~107M	N/A	~11%
Q2 FY26 (Jul-Sep '25)	USD 815M	USD 196M	USD 149M	24.0%
Q3 FY26 (Oct-Dec '25)	USD 883M	USD 144M	N/A	~16.3%
H1 FY26 (Full Half-Year)	USD 2.08B	USD 310M	N/A	17.5%

Table 6: JioStar Post-Merger Financial Summary. Sources: RIL quarterly earnings, Variety, Outlook Business.

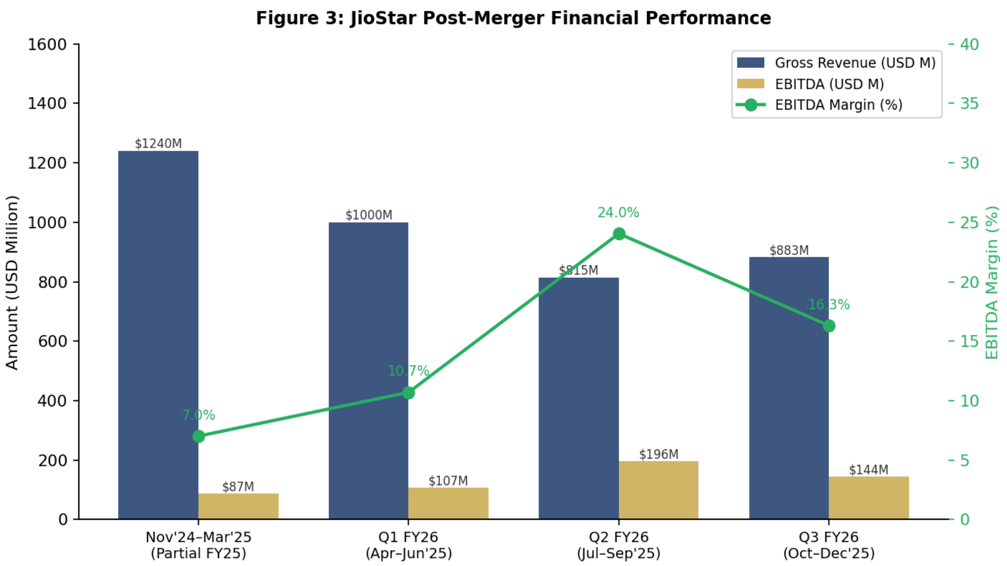

Figure 5: JioStar Post-Merger Financial Performance — Revenue, EBITDA, and Margin Trajectory.

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It is notable that the margin improvement from 7.0% in the partial first period to 24.0% in Q2 FY26 has been due to a mix of reasons: (a) IPL season-related margins for Q1 advertising revenue, (b) cost efficiencies related to consolidating platforms and reducing headcount, and (c) operating leverage from combining content costs. Q2 FY26 margin at 24.0%, despite being non-IPL, is a good indication of efficiency beyond cricket seasons, while the drop to 16.3% in Q3 FY26 indicates that calendar-related issues are still relevant.

6.2 Streaming Performance: JioHotstar

The integration of JioCinema and Disney+ Hotstar to create JioHotstar in February 14, 2025 was one of the fastest subscription expansion cases for any global streaming player. In less than five weeks from its launch, JioHotstar achieved 100 million paying subscribers. The platform reported 503 million monthly active users (MAU) by March 2025. At Q2 2025-26, despite IPL coming to an end, MAUs stood at 400 million. By Q3 2025-26, MAUs had expanded to 450 million similar to IPL level.

According to Media Partners Asia, JioStar was India's top SVOD service with about 250 million paying subscribers mid-2025, out of which 35% were direct subscribers, 65% through telco bundles (mainly Jio). While the percentage of 65% bundle represents strength of the Jio distribution stack, the same percentage also indicates that ARPU from bundled customers is lower than direct customers. MPA forecasted 300 million paying subscribers in May 2025 with active paying engaged customers estimated at 150 million - the commercially important metric since bundled customers could be inactive.

6.3 Sports Broadcasting: IPL 2025 as a Proof of Concept

The IPL 2025 was the first mega-event trial run for the JioStar's integrated TV and digital platform, and the performance proved the integration story completely. IPL 2025 witnessed its largest ever opening weekend with 1.4 billion digital impressions (35% YoY growth), 253 million TV reach (14% growth), and 49.6 billion minutes of viewing time through TV and digital (33% growth). The first week of IPL on Jio Hotstar saw a 38% viewership growth, 47% growth in TV video views, and 46% growth in viewing time.

ICC Champions Trophy 2025 witnessed a concurrent viewership record of 61.2 million viewers, which was 23% more than the ICC ODI World Cup 2023 and set a record high for any multi-nation cricket event in India. According to estimates by Media Partners Asia, IPL 2025 generated advertising revenue of USD 600 million, a staggering 50%+ jump from the previous year backed by the 500 million TV-Digital audience.

6.4 Television Network Performance

JioStar's linear television network of over 100 channels held a market share of 34%-34.6% in terms of India's TV entertainment viewing in FY2025-26, maintaining an average of 30 basis points above its previous fiscal year and nearly matching the combined market share of the next three broadcasting companies. Star Plus remained the leader of the Hindi GEC segment with 6 out of 10 popular shows, while the regional GECs continued their strong performance from South India and Bengali languages segments.

6.5 Economic and Market Impact

6.5.1 Advertising Market Restructuring

JioStar's creation has dramatically changed the dynamics of the Indian advertising market, which currently stands at around INR 1.1 Trillion (USD 13+ billion) in size per annum. The company holds an estimated 30-35% market share of overall TV and digital ad spends in the country, giving it significant bargaining power with regard to advertisers. The 50%+ increase in IPL 2025 advertising revenues (to USD 600 million) is a perfect example of this. Although the no bundling provision of CCI has been complied with in form, advertisers have remarked that the ability to reach 500 million cricket fans via a single point remains inherently powerful.

6.5.2 Content Economy and Employment

JioStar's size creates an immense multiplier effect for India's content production industry. This business entity creates more than 30,000 hours of its own TV content each year, creating India's largest network of production studios, directors, actors, set designers, and broadcast professionals. The annual revenue of about USD 3.1 billion supports a supply chain that employs hundreds of thousands of people

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in cities like Mumbai, Hyderabad, Chennai, and beyond. Indicators such as the creation of artificial intelligence-based original content series ("Mahabharat: Ek Dharmayudh") show that JioStar continues investing in content development.

6.5.3 Investment Signal for India's Digital Economy

The USD 8.5 billion deal represents one of the biggest mergers and acquisitions within the global media industry to happen in an emerging market. It has created a buzz among media corporations around the world, demonstrating India's strategic importance as an emerging market. For the foreign media company, the deal is a clear example of the potential and structure of doing business in this market.

6.5.4 Impact on OTT Competition

The coming together of JioStar has completely changed the competitive landscape of the OTT space in India. Before the merger, the industry was not just fragmented but highly competitive as well, with Hotstar having 38M subscribers, JioCinema with millions of free subscribers, Netflix and Amazon making their way, and Sony/Zee being serious contenders. After the merger, however, JioStar has been able to amass an overwhelming number of subscribers in comparison with its rivals. This has put immense pressure on Netflix and Amazon to invest heavily in India originals - thus pumping more money into Indian content. The unfortunate victims have been small and niche companies struggling to compete with JioHotstar for premium subscribers.

6.6 Synergies: Planned and Realised

6.6.1 Revenue Synergies

The primary revenue synergy is the consolidation of the sales effort for advertisements between TV and digital platforms. Before the merger, if any advertiser wanted to target all the cricket viewers in India, then they would have had to individually negotiate with both Star India (TV) and Viacom18/JioCinema (Digital). Each one having different rate cards, sales team, and limited bundling capacity. But after the merger, through a consolidated sales organisation at JioStar, advertisers can now target 500 million cricket viewers via one single business deal. It may prove convenient but less negotiable for the buyers. The 50%+ growth in IPL advertising revenue in 2025 is the clear indicator of the achievement of this synergy.

Content Cross-Licensing is the second revenue synergy. The 30,000+ Disney content titles licensed to the JV enhance the offerings from JioHotstar during non-cricket season. The MAU retention in Q2 FY26 at 400 million for non-cricket time shows its effectiveness as a retention driver.

6.6.2 Cost Synergies

The most substantial synergy is the elimination of competitive bidding. As discussed before, the merger eliminated Reliance's Viacom18 and Disney's Star India as rival bidders for the same content rights. This will result in an alleviation of content cost inflation in the balance sheets of JioStar and, after 2028, give the newly merged business some control over content costs that won't escalate at the rate seen between 2018-2022.

The consolidation of platform technologies onto a single JioHotstar technology stack brings about IT infrastructure efficiencies, CDN cost reduction, and even product development efficiencies. The growth of the EBITDA margin from 7.0% to 24.0% over four reporting periods suggests that these efficiencies have been realized.

6.6.3 Distribution Synergies

The Jio telecoms ecosystem is the most durable and hardest-to-replicate distribution synergy that JioStar benefits from. By integrating JioHotstar into its telecom offering, Jio has ensured that Jio Hotstar comes bundled with its data plans. Hence, the customer acquisition cost (CAC) of JioStar is lower compared to pure play OTT players. This explains why 65% of JioStar paying customers use it through telco bundles.

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6.7 Risks and Forward-Looking Challenges

6.7.1 Cricket Rights Renewal Risk

The current rights cycle for IPL ends in 2027. However, at this point, JioStar will participate again in the bidding process in the capacity of a competitor, which does not compete against itself. However, the question may arise as to whether BCCI would try to include several potential bidders, like in 2022, when the approach proved successful. Hence, there could be another competitive auction despite the clear dominance of JioStar. Furthermore, the CCI made it known that it plans to pay close attention to what happens in post-2027 IPL rights cycles.

6.7.2 Integration and Governance Risk

Combining two companies of such considerable size with different corporate culture, technology platform, and leadership philosophy is an operationally complicated process. However, one way of reducing the potential problems is having three CEOs for Entertainment, Digital, and Sports departments. In turn, having Disney with its 36.84% ownership poses another problem related to corporate governance. As a minority shareholder, Disney's interests are limited to receiving dividends and licence fees; they are not necessarily aligned with the strategies and goals of Reliance.

6.7.3 Profitability Sustainability

The 24.0% EBITDA margin posted in Q2 FY26 was in a quarter when there were Wimbledon tournament, ICC Women's World Cup, Premier League, and Pro Kabaddi League - an extremely heavy schedule of sports action. Disney shows an equity loss from theJVof about USD 300 million for FY25, on account of purchase-accounting amortization of the rights. Profitability beyond EBITDA and its full absorption by amortization of the base valued at USD 8.5 billion is likely to be a long-term process. The main finance-related concern is whether JioStar can maintain a similar level of margins in lower sports volumes, even after spending on original content production in a way that would allow it to compete against Netflix.

6.7.4 Regulatory Overhang

Currently, the "no bundling" rule of the CCI is applicable only for the existing rights cycle until the end of 2027. Once IPL, ICC, and BCCI rights are bundled post-2027, along with the corresponding pricing of advertisement slots, theCIImay become much more aggressive in enforcing its "no bundling" rule. The main issue - whether the competition laws of India are up to the task of regulating the "attention economy" monopolies - is yet unanswered everywhere around the world.

Chapter 7: Conclusion, Limitations, and Future Scope

7.1 Conclusion

The creation of JioStar from the consolidation of Viacom18 (of Reliance Industries) and JioCinema with Star India and Disney+ Hotstar (Disney) constitutes one of the most impactful and intricate media deals in the emerging markets era. This is not only a classic distressed asset sale (Disney), but also a classic conglomerate platform play (Reliance), the conversion of duopoly into monopoly in the realm of premium sport broadcasting, and an indicator of the structural change taking place within India's $30 billion media and entertainment industry.

The set of circumstances leading up to the deal - the failure to win IPL broadcast rights, subscriber attrition on Hotstar, and Disney's decision to focus on capital discipline worldwide, among others - together with Reliance's systematic buildup of a media stack supported by its distribution infrastructure, constituted the necessary prerequisites for the transaction. The transaction's design as a joint venture instead of an outright sale proved to be the innovation which enabled Disney to retain residual value, while providing Reliance access at a submarket price point.

The strategic analysis clearly shows that the merger created significant competitive advantages for JioStar - an unreplicable cricket rights moat, a unique telecom-distribution flywheel in streaming globally, and a single platform that could garner premium fees from India's expanding advertiser population. The scenario-based enterprise valuation (in Section 5.3.1) highlights the stakes involved, where the range between the bear case valuation (USD 4.8 billion) and the bull case valuation (assuming

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loss of rights in 2027 and favorable rights pricing respectively) is USD 21.6 billion, attributable to one single variable only. This reflects the sports rights moat hypothesis in its purest form. The HHI analysis (Section 5.3.2) supports the increase in market concentration levels from approximately 2,272 to 3,496, representing an increase of 1,224 points, thereby confirming the need for further regulation. The game theoretic framework makes clear that the merger is the inevitable solution to a prisoner's dilemma, where the bargaining powers of Reliance were far superior to Star India, and had a strong BATNA. The post-merger performance of the firm through 2026 has been encouraging, with base case enterprise valuation of USD 13.7 billion.

The fundamental challenge ahead is the evolution from a model of scale dominated by cricket to real content diversification leadership; that has been the journey taken by Netflix and that which Disney tried before retreating. How JioStar manages to maintain high margin performance, improve ARPU despite its focus on bundles, and renew future cricket rights while avoiding regulatory friction will be the determining factors behind whether this JV is seen as a landmark value creation event or an effort to consolidate and fortify its cricket-driven moat.

In terms of strategic theory, corporate finance, and media economics, there are few business events more intriguing than the JV between Reliance and Disney - a case study of game theory, antitrust economics, international M&A, and platform competition rolled into one at the dawn of what promises to be the most competitive media market in the world.

7.2 Limitations of the Study

There are four types of limitations that limit the study and should be kept in mind while analyzing the results of the analysis.

Data limitation: The analysis makes use of data obtained from external sources and is purely based on publicly available information. Deal related documents, internal agreement details, content licensing fee details, and financial forecasts are not publicly available. Market share based on the HHI index, ARPU estimates, and synergy estimates are based on secondary industry studies and hence may contain errors and inaccuracies. Figures mentioned in the case for JioStar's profitability refer to gross profit numbers, where the relationship between gross profit and net profit is not available.

Period limitation: Analysis of post-merger data has been limited to four quarters (Nov 2024-Dec 2025), where only one IPL season and unification of platforms have taken place. Therefore, it will not be possible to determine whether the benefits witnessed by JioSports are permanent or not.

Single-case design: Being a case of a single firm, the results will not be statistically applicable to other media company mergers or M&A deals in the emerging markets. The Reliance-Disney joint venture stands out for being sui generis in terms of size of the distribution ecosystem, prominence of cricket in the media market, and unique regulation regime of the CCI.

Framework constraints: The scenario valuation model depends on three assumed inputs (revenue CAGR, EBITDA margin, terminal multiple) that vary across the three scenarios; it should be read as a sensitivity analysis of the rights-renewal variable rather than as a precise valuation. The HHI framework systematically underestimates competitive harm in attention-economy platforms where market power derives from audience attention and must-have content rather than price effects (Wu, 2018; Shapiro, 2019). The game-theoretic analysis uses ordinal payoffs; a cardinal analysis with actual bid valuations would yield more precise conclusions about pre-merger value loss. The SWOT analysis reflects conditions as of late 2025 and will require updating as the competitive landscape evolves.

7.3 Future Research Directions

There are four specific areas that the paper highlights for future empirical research, each related to an identified gap in Section 2.8.

ARPU dynamics of bundle-dominated emerging-market streaming service: The percentage of bundled users at JioStar is estimated to be around 65% with ARPU lower compared to directly subscribed accounts. Future research should analyze the ARPU dynamics over time as the share of bundles increases, using as a precedent the case of the Telkom Indonesia's IndiHome-Vidio bundle and Claro Video in Mexico. The critical question is how JioStar will manage to convert their bundles into more valuable direct accounts.

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Monopsony dynamics post-2027 cricket rights cycle: After 2027-2028, there will be the first major cricket rights auction cycle where JioStar would participate. Future research should model the bargaining dynamics between JioStar and the BCCI when buying cricket rights against the background of buyer concentration, as well as strategic reaction choices of the BCCI to protect its bargaining power (rights separation for digital TV, inviting third bidders, government-sponsored broadcaster).

The Jio-JioStar co-owned telecom-media vertical integration as a platform: This type of vertical integration does not have an existing analog in the literature related to developed countries' markets. Future research should compare the Jio-JioStar vertical integration platform with other similar platforms in other developing countries (India's Airtel-Airtel TV vertical integration, Showmax-Safaricom of East African nations, Vivo-Globoplay of Brazil) to form a more universal theory on vertical competition for telecom-based media platforms.

Sustainability of long-term EBITDA margin growth: There are four periods in the current document in which margins grow from 7.0% to 24.0%. Future research should test the sustainability of such a margin trajectory during the entire business cycle by applying an event study approach to quarterly financial information as additional data becomes available.

Despite the particular case under investigation, this study makes three contributions to the broader literature. First, the idea of prisoner's dilemma in bilateral sports rights auction leads to an understanding that value creation via rights pooling or changes in auctions' format could be another means for resolving this problem. Vertical integration is not the only solution for avoiding inefficiency in a concentrated market with bilateral sports rights auctions. Secondly, the fact that there exists such a high variance of valuation from the base case of USD 8.4 billion in the scenario analysis - the gap being USD 21.6 billion between the most pessimistic and optimistic outcomes - underscores the significance of having the one indispensable piece of content in an attention economy-based media market: this will have a bearing on the conduct of regulatory review before a merger occurs in markets dominated by sports media rights. Third, the Jio-JioStar vertical integration strategy represents a novel organizational structure in media markets whereby the userbase of a telecom company becomes the main distribution network for the media platform. A key policy consequence is that licensing authorities may need to consider downstream media effects in evaluating licensing decisions for spectrum use and telecom services regulation where the licensees happen to operate at both the media platform and telecommunications infrastructure levels - something that the Indian telecom regulator TRAI, Indonesian, Brazilian, and Nigerian regulators will eventually have to confront.

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Appendix A: SWOT Analysis

Table A1 presents the full SWOT analysis of JioStar as a combined entity, reflecting conditions as of Q3 FY2026. The analysis is provided as supplementary reference material; the strategic dimensions identified here are discussed analytically in Sections 5.2 and 5.3.

STRENGTHS	WEAKNESSES
Dominant scale: 760M+ monthly viewers; 34% linear TV market share	Heavy dependence on cricket — content diversification risk
Cricket rights monopoly: IPL TV + digital, ICC, BCCI rights combined	Integration complexity: merging two large organisations with distinct cultures
Jio telecom distribution ecosystem (460M+ subscribers as built-in funnel)	Ongoing purchase-accounting amortisation dragging near-term profitability
Deep content library: 30,000+ Disney-licensed assets + 320K+ hours original Indian content	Disney as minority partner introduces principal-agent friction in governance
Unified advertising platform unlocking premium sports ad rates	Legacy Star India debt and cricket rights cost overhangs
Strong brand equity: Star Plus, Colors, Star Sports, Disney, Hotstar	
OPPORTUNITIES	**THREATS**
India OTT market projected to double to USD 3.2B+ by 2030	Netflix and Amazon Prime Video scaling original Indian content investment

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Connected TV (CTV) household penetration growing rapidly; 50M by end-2025	YouTube dominance in AVOD (38% of India's OTT revenue in FY25)
Women's sports monetisation (ICC Women's World Cup: 99M digital viewers)	CCI's ongoing scrutiny of cricket rights bundling and pricing
AI-driven personalisation and multi-language content (Mahabharat AI series)	Price sensitivity of Indian market constraining subscription ARPU growth
5G deployment enabling richer, higher-quality streaming experiences	Global macro headwinds compressing advertising spend
Bundled Jio telecom + JioHotstar subscription packages driving ARPU	Risk of regulatory intervention if cricket rights bundling post-2027 is challenged

Table 3: SWOT Analysis - JioStar Joint Venture