

New Trends in the Indian Media and Advertising Industry

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ABSTRACT

It is anticipated that India's advertising industry will do well. In the coming years, the Indian advertising market is anticipated to experience the fastest growth in Asia due to a number of favorable factors, including the country's rapid smartphone and internet penetration, its expanding population, and favorable government policies that promote the use of digital advertising. This research paper examines various advertising media segments, including television, print, radio, the internet, mobile devices, and outdoor advertising. Investors, media analysts, corporate consultants, creators of marketing strategies, media planners, marketers, radio and TV broadcasters, and researchers will find this study paper to be a very useful resource.

Keywords: growth, advertising, media segments, marketing, financial report

I. INTRODUCTION

Ancient Egypt is where the earliest instance of utilizing advertising as a tool was recorded. Researchers have discovered steel sculptures that are claimed to be the earliest examples of advertising. Since then, people have continuously created new methods of distributing their commodities to a market that is spoiled for choice.

When Johannes Gutenberg created the printing press in the 1500s, advertising as we know it today underwent a radical change. Then came television, and the entire sector underwent a radical transformation. Now that digital publications have become more common, it's possible that the entire advertising sector will need to quickly adjust.



We will divide advertising into three distinct phases in order to chart the changes that have occurred since independence.

- Phase 1 (late 1970s until post-independence)
- Phase 2 (1981-1989)
- Phase 3 (since 1991)

Phase 1

When India gained its independence in 1947, Britons owned the majority of the advertising agencies that were in business. Many of these businesses were either shut down after the shift of power or bought by Indians. However, many of these organizations continued to collaborate with their British counterparts because of the distinguished label attached to them. One explanation for this is that many pieces of equipment, such as printing presses, were manufactured elsewhere, and their import costs were frequently fairly high. To cut costs, people frequently pretended to be British companies' international operations abroad and took advantage of legal loopholes.

The nation was still adjusting to developments at this time. Even though Mr. B. Dattaram founded Mumbai's first advertising agency back in 1905, Mr. J. Walter Thomson is credited with founding a firm that could effectively compete with foreign marketing companies.

Indians were beginning to accept the idea that watching television would provide them with more information than daily newspaper reading. Please keep in mind that India at this time had a poor level of literacy, and many people relied on postmasters even to read the letters they were receiving.

In 1967, radio began to be marketed during this time, and radio advertisements quickly rose in popularity. Radios were universally popular, even in villages, unlike television, which was not the case. The radio was used to transmit anything, including cricket matches and general news.

Amul Butter ran one of the most recognizable advertising campaigns of the time. We will all always hold the term "utterly buttery delicious" in our hearts. This campaign was the idea of Rahul daCunha. Rahul had full control over the promotion of his company because he had inherited Amul from his father. The astute businessman advertised his product through all available channels, including radio advertisements, newspaper articles, and television commercials. All of his efforts paid off because it is now one of India's most recognizable brands.

Phase 2

In the 1980s, lots of people were purchasing televisions. Previously, the TV was thought of as a luxury item, but around this time, many Indians from the middle class were purchasing televisions, even if they were only available in black and white.

By this time, Indian businesses had realized the benefits of advertising and were working with agencies to boost their brand recognition and sales. Many advertising companies were established to serve the needs of businesses.

During this period, television commercials ruled the airwaves. The commercialization of the Door Darshan channel is the primary cause of this trend. The level of available programs significantly improved. Quickly seizing this opportunity, savvy advertisers began aggressively marketing their goods.

The vast Indian middle class was the primary market for the majority of the goods offered at this time. Everything from a Bajaj scooter to Parle G biscuits was available to the average person.

Additionally, Doordarshan broadcast programming tailored exclusively for farmers, which significantly increased viewership. Offering something for everyone turned out to be quite advantageous for the new channel. This pattern persisted through the late 1980s, but after 1991, everything changed.

Phase 3

There was frenzy after Mr. Manmohan Singh liberalized the Indian economy in 1991. The Indian subcontinent was eager to welcome foreign businesses. The Indian advertising scene saw a very sophisticated alteration as a result. Advertising companies swiftly reacted to the change and were attentive to the requirements of their new clients.

Indian advertising companies caught up to their overseas rivals in sophistication in the early 1990s and early 2000s. It became more important to keep innovating as the competition increased. Advertisers used to focus on a specific market and clientele, but now they must meet the requirements of millions of people.

The Internet had only recently begun to spread its wings, despite the fact that print, television, and radio were the three most popular means of advertising at the time. The Internet ushered in a brand-new era of advertising.

In fact, digital marketing has exploded since the early 2000s. As you can see, almost all major and medium-sized businesses now have an internet presence. The power of digital marketing cannot be undervalued given the rapid growth of the internet.

In the upcoming years, digital advertising will predominate over all other forms of advertising. There is no model that works for everyone in India, though, and that is something we must take into account. To properly advertise, all media must be combined.

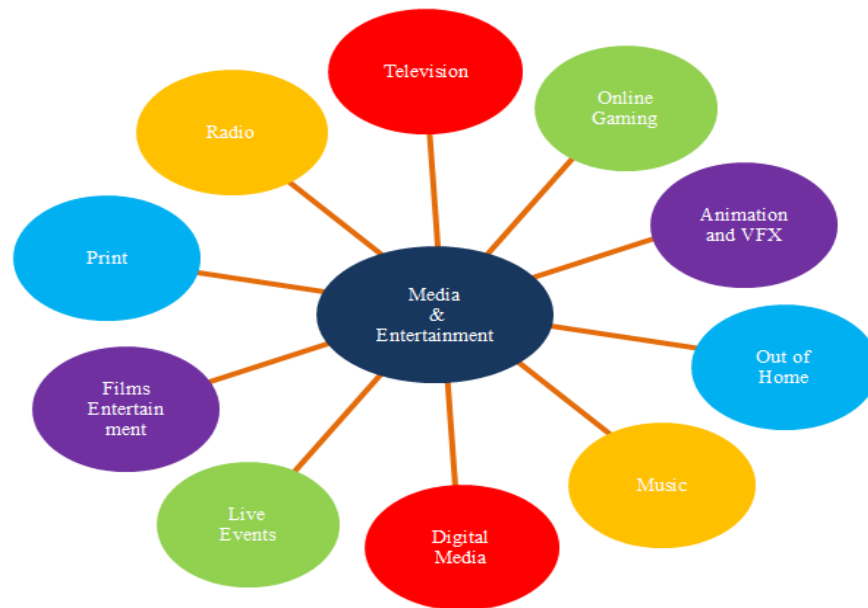
This article shows how far we've come since becoming independent. In every circumstance, the Indian advertising industry has evolved, adjusted, and excelled. The Indian advertising community will continue to lead the way, even though the road ahead may be a little bumpy.

India's expanding economy provides a number of opportunities for advertisers to market their services and goods through the region's expanding media outlets. A major chunk of the population's purchasing power has increased as a result of the economic expansion, generating a wealthy consumer base that is brand-conscious. As a result, the businesses are concentrating on building a solid brand image for themselves through widespread advertising. Although the COVID-19 pandemic has had a negative impact on business, the Indian government has provided the advertising and marketing sector with outstanding support. Financial industry advertising spending is projected to rise as a result of Reserve Bank of India (RBI) regulations, which may create a more favorable business environment. Additionally, new bank license proposals and improved market mood make India's marketing, advertising, and marketing industries fruitful.

1.1 Scenario of Indian Media for Advertising

In India, unlike in developed nations, illiteracy and a rural outlook are barriers to effective media selection. Even then, radio broadcasts, movie slides, and outdoor advertising signs or banners all play important roles. Television has undoubtedly grown in importance as a platform for commercial ads as well as social or political messages in recent years, not just in urban and suburban areas but also in rural ones. When choosing a specific newspaper or magazine, one must take into account factors like readership, price, usage, regularity, and language. The lower middle class in India frequently reads regional vernacular newspapers and magazines because of the country's low literacy rate.

In India, choosing an advertisement medium can be challenging because there aren't any clear guidelines. Therefore, a lot of marketplaces rely on their own knowledge, discretion, demographics, and location. Companies occasionally vary between mediums in order to showcase the quality of their items and change their advertising copy. Advertising companies now advise watching television instead since it provides a visual representation of new product designs. Media planners must have a thorough understanding of the advantages and disadvantages of the main media options. The media sector is dynamic since there are always new possibilities for advertising. Digital and social media are altering how customers get product information as well as how they use the media. There are 10 different media and advertising sectors in India.

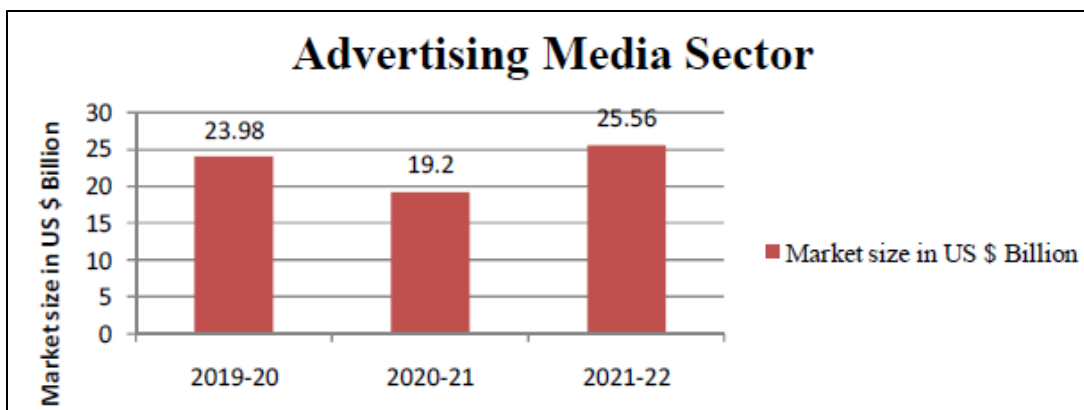


All ten of the aforementioned segments support the advertising media industry, which has enormous potential for growth overall due to rising incomes and changing lifestyles. Audiences of all ages and demographics consume media through a variety of channels, including television, movies, out-of-home (OOH), radio, animation, and visual effects (VFX), as well as music, video games, digital advertising, and print.

II. MEDIA ADVERTISING GROWTH

The two areas that offer encouragement are India's ongoing economic expansion and the widespread acceleration of digital adoption with the help of utilizing customers across geographies. India may have a billion digital users by 2028 as

opposed to the earlier forecast of 2030. Due to the prolonged lockdown, slowdown in media investment, and supply chain of content, the sorts of outdoor entertainment have had a significant impact on the advertising media sector.



According to the graph, it is predicted that the advertising media sector will shrink by 20 percentage points in FY 2021, with print, film, and television all facing significant decreases. However, prolonged lockdowns increased the amount of data used and consumed. User penetration and engagement levels are rapidly increasing in sectors like gaming and digital. The gaming and digital sectors are expected to expand the quickest in the advertising media sector in FY 2022.

III. TRENDS BY ADVERTISING MEDIA SEGMENT

3.1 Important Signs for 2019

According to the table, the most acceptable advertising medium is the online gaming platform, which has grown by 39.8%. Digital media followed, growing at a rate of 30.9%. Only print and radio advertising mediums exhibit negative growth, with respective percentages of -3.2% and -7.5%.

Table 1: Trends in Advertising Media in 2019 (%)

SN	Advertising Media	2019 (%)
1	Radio	-7.5
2	Print	-3.2
3	Out of Home	5
4	Television	6.4
5	Music	8.3
6	Media & Entertainment Sector	8.9
7	Films Entertainment	9.5
8	Live Event	10.2
9	Animation & VFX	20.3
10	Digital Media	30.9
11	Online Gaming	39.8

On the strength of transaction-based games, online gaming, particularly fantasy sports, continued to be the fastest-growing area, with a 31 percent increase in online gamers. Digital advertising accounted for the largest part of incremental and performance-driven advertising expenditures made by advertisers, increasing by 24 percent in 2019 to hold a record-high share of 24 percent of overall expenditures.

Digital subscriptions increased by over 100% in 2019 and now make up 13% of all digital segment sales as premium video content and sports moved behind pay walls and telecoms paid more to package content with their data bundles. The animation and VFX industries benefited from increased demand from domestic content companies that produced over 1,600 hours of original OTT content, 1,800+ movies, and over 200,000 hours of entertainment television, as well as foreign content companies that produced ever-increasing amounts of content for both established and developing markets. India was nevertheless entertained by live events in 2019 thanks to an increase in the number of event IPs launched, the introduction of foreign formats, the development of ticketed events, and digital activation. The domestic theatrical revenue for

the filmed entertainment segment reached its highest level ever, and the value of digital rights increased, but international revenue somewhat fell.

Due to the advent of numerous audio streaming platforms in 2019 and the enhanced execution of performance rights collection procedures, music sales climbed to over 200 million on the back of digital streamers. Broadly speaking, events like the ICC World Cup and the general elections contributed to a 5 percent increase in television advertising in 2019, while the final elections contributed to a 7.5 percent increase in subscriptions.

Advertising in airports, purchasing name rights for metro stations, and Indian Railways' efforts to boost non-fare earnings all contributed to the out-of-home (OOH) sector's rise in 2019.

Print readership declined slightly in 2019, along with a 3 percent dip in sales. Ad revenue fell by 5 percent, while subscription revenue rose by 2 percent. The radio segment saw a revenue decline of 7.5 percent in the second half of 2019 as a result of the slowdown in economic activity, which also affected retail advertisers' ad spending. However, we anticipate revenue growth once economic growth picks up again.

3.2 Percentage of the Major Advertising Media Segments

The shares of the key advertising media industry segments in 2020 and 2022 are depicted in the following statistics: The TV sector will account for a sizable portion of all market sectors in 2020, at 44.4 percent. Print media dominated at 17.5%. 12.5 percent of all media is interactive or over-the-top, with movies accounting for 10.5 percent and the remaining sectors for less than 10 percent.

Table 2: Share of major industry segments Financial Year 2020

SN	Advertising Media	2020 (%)
1	Radio	14
2	Print	17.5
3	Out of Home	1.8
4	Television	44.4
5	Films Entertainment	10.5
6	Animation & VFX	5.8
7	Digital Media	12.5
8	Online Gaming	5.1

Table 3: Share of major industry segments Financial Year 2022

SN	Advertising Media	2022 (%)
1	Radio	0.9
2	Print	15.9
3	Out of Home	1.5
4	Television	41.2
7	Films Entertainment	9.7
9	Animation & VFX	4.1
10	Digital Media	18.1
11	Online Gaming	7.7

In the fiscal year 2020, revenues from TV, print, digital, and OTT platforms totaled Rs. 778 billion (US\$ 10.66 billion), Rs. 306 billion (US\$ 4.19 billion), and Rs. 218 billion (US\$ 2.99 billion), respectively. By the fiscal year 2022, they are projected to reach Rs. 769 billion (US\$ 10.53 billion), Rs. 296 billion (US\$ 4.05 billion), and Rs. 338 billion (US\$ 4.63 billion), respectively. The Indian digital market expanded by 35% in the 2020 fiscal year as a result of an increase in the number of paying users across all OTT channels.

3.3 Television, One of the most Popular and Rapidly Expanding Segments

According to projections, the television market would grow from its 2020 value of Rs. 778 billion (US\$ 10.66 billion) to Rs. 769 billion (US\$ 10.53 billion) by 2022. TV broadcasters saw an increase in annual revenues of 13% to Rs. 420 billion (US \$5.75 billion) in the fiscal year 2020.

The proportion of subscription income in overall revenue for broadcasters increased from 32.4% in the fiscal year 2019 to 37.7% in the fiscal year 2020. In the fiscal year 2020, subscription revenue increased by 11.4% to Rs. 516 billion (US\$7.07 billion).

3.4 Digital Advertising and Gaming both in a Strong Growth Phase

Gaming and digital advertising are emerging as the industries with the quickest growth rates. Digital advertising (20.6%), animation and visual effects (-13.1%), gaming (25.5%), and out-of-home (-5.4%) are the segments predicted to expand at the slowest rates during fiscal years 2020 and 2022. India's gaming market is anticipated to surpass Rs. 143 billion (\$1.96 billion) by the fiscal year 2022 due to the country's significant increase in consumption. With a user base of more than 365 million by March 2020, the online gaming industry estimated a 45% gain in income for the financial year 2020. Real money games (RMG), both card-based and fantasy-based, are seeing significant growth. In-app monetization in casual gaming saw growth in the financial year 2020 and recorded high consumption adoption.

3.5 Notable Trends in the Advertising Media Sector

- a) Direct-to-home (DTH) television transmission, which now has 37% of all Indian television subscribers, is expected to generate Rs. 220 billion (\$3 billion) in revenue in fiscal year 2021. In India, the DTH sector led TV penetration, which was at 69 percent in the fiscal year 2020. In the financial year 2020, DTH recorded a market share of 37% of the entire TV market, up from 34% in the financial year 2019.
- b) New players in the cloud gaming industry Reliance Jio is perhaps one of the top pioneers in the Indian cloud gaming market. By the end of 2020, the company plans to introduce Projectx Online, a cloud gaming service, in India thanks to a partnership with Microsoft. In November 2019, Google unveiled Stadia, a cloud-based game streaming service, and promised that by 2020, games would also be streamed over 4G and 5G mobile connectivity.
- c) Online and digital video the digital segment reported a 26 percent increase in the financial year 2020, with digital and OTT advertising expanding by 24 percent, thanks to strong growth in digital infrastructure and content supply despite the economy's slowdown. The combined effects of OTT video companies raising their package rates and the sales impact of a slowing economy resulted in a continuous decline in digital subscriptions.
- d) Digital and out-of-home advertising the OOH sector has benefited the entertainment industry as a whole and will experience significant growth in the years to come. The demand for OOH entertainment was Rs. 31 billion (US\$420 million) in the 2020 fiscal year.

IV. CONCLUSION

The development of the middle class, expanding urbanization, and shifting lifestyles will all help to broaden the consumer base, in addition to the influence of rising income. An increase in consumer spending propensity will continue to be advantageous for the advertising and media sectors. Evidence from empirical studies shows that more discretionary spending on media and advertising results from a declining dependency ratio. In the past, advertising has been the only major source of income for the advertising media industry, but more recently, subscription fees and value-added services have made substantial contributions as well. The subscription market will be crucial in the post-digital era because customers are prepared to pay for content and supplemental services.

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