



## Advertising Media in India: At a Glance

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**Abstract:** Advertising and promotion industry is growing rapidly and it has got bright future and can promote development of Indian economy. Various advertising agencies have been opened in India –small and large. Increased income level, change in lifestyle, rise in use of smart phones, online shopping, brand awareness, availability of products, better economic policies of Indian Government are some of the factors because of them the future of advertising industry is bright. In this research article, the author has highlighted such factors.

**Keywords:** Advertising, Promotion, Economy, Industry.

### I. INTRODUCTION

Advertising agencies has great potential as a business. It is becoming stronger and bigger day by day. Agencies in the advertising industry prepare advertisements for other firms or companies and organizations and design campaigns to promote the interests and image of their clients. Advertising industry includes media representative firms that prepare and sell advertising space for publications, radio, television, and the Internet; display advertisers-businesses engaged in creating and designing public display ads for use in shopping malls, on billboards, or in similar media; and direct mail advertisers. A firm that buys advertising time or space from media outlets, later reselling it to advertising agencies or individual companies directly, is considered a media buying agency. Most advertising firms specialize in a particular market niche. Some companies produce and solicit outdoor advertising, such as billboards and electric displays. Others place ads in buses, subways, taxis, airports, and bus terminals. A small number of firms produce aerial advertising, while others distribute circulars, handbills, and free samples. Groups within agencies have been created to serve their clients' electronic advertising needs on the Internet. Online advertisements link users to a company or product's Web site, where information such as new product announcements, contests, and product catalogue appears. The Indian advertising industry is a very upcoming and promising sector. However there is severe competition and there is survival for the fittest and the best. In this sector what matters the most is knowledge and experience of the work and the industry and its functioning. The more the knowledge you have the better the productivity you give to your clients.

Having increased brand awareness amongst the Indian people and purchasing power of the upper class in cities, spending by Indian consumers is estimated to grow four times to US\$ 4.2 trillion by 2020, as per a joint study by YES Bank and a leading industry body, the Indian luxury market is expected to be worth US\$ 18 billion by 2020 from the current level of US\$ 14 billion with unprecedented growth in luxury categories including fashion, automobiles and fine dining. Such high growth potential in consumer spending will attracts huge interest in different marketing and strategy initiatives.

### II. GOVERNMENT'S ROLE IN AGENCY:

The government of India has given marvelous support to the advertising and promotion industry. Advertising & Promotion expenditure is likely to increase in the financial sector, driven by Reserve Bank of India (RBI) policies which could result in a more favorable business environment. Also, proposed licences for new banks and better market sentiments provide the advertising and promotion industry in India a fruitful space. The India and Canada have also signed an audio-visual co-production deal which provides producers from both countries to connect their collective artistic, technical, financial and marketing resources, and encourage exchange of culture and art between the two countries. The agreement is also going to lead to better promotion of Indian local shooting movies. The agreement will also lead to the transparent funding of film production and boost export of Indian films into the Canadian market, according to the agreement. India and Poland are looking for to enhance cooperation in the digitization and restoration of film archives. This was decided in a meeting between Mr Bimal Julka, Secretary of Information and Broadcasting, India, and a delegation from Poland led by Ms Malgorzata Omilanowska, Secretary of State. The two countries will form a joint working group that will help improve cooperation in fields such as student exchange programmes, animation, films and digitisation, among others.

### III. MARKET SIZE

The luxury market expected to grow at over 20% year on year, investments in the luxury segment are expected to grow and support the increased size of the Indian luxury market. High internet availability across cities along with high disposable income



shall lead to about 80 million transactions on the internet by 2025. Consequently, the luxury consumption is increasing manifold in the country. It is estimated that by 2020 the luxury market in India will be responsible for recruiting more than 1.8 million people. This will not only help in preserving traditional craft skills and heritage, but will also support communities, create employment. The online advertising market in India will reach Rs 3,575 crore by December 2015, a 30% rise from Rs 2,750 crore in March 2014, as per a joint study by the Internet and Mobile Association of India (IAMAI) and IMRB International. Of the current Rs 2,750 crore (US\$ 444.59 million) digital advertisement market, search and display contribute the most - search advertisements constitute 38% of total advertisement spends followed by display advertisement at 29%, according to the study. The share of internet in total advertising revenue is likely to grow twofold from 8% in 2013 to 16 % in 2020, according to a joint report by Confederation of Indian Industry (CII) and PricewaterhouseCoopers (PwC). Online advertising, which was estimated at Rs 2,900 crore in 2013, could go up threefold to Rs 10,000 crore in five years, increasing at a compound annual rate of 28%. Also, as per the report, Indians paid Rs 25,200 crore to access the Internet in 2013, amount is greater than the Rs 22,300 crore the print media garnered in subscription and advertising.

#### IV. POTENTIAL OF ADVERTISING AGENCIES

The advertising and promotion industry in India is expected to grow in better way. Growth is expected in retail advertisement, on the back of factors such as several players entering the food and beverages segment, e-commerce gaining more popularity in the country, and domestic companies testing out the waters. The rural region is a potentially profitable target. For example, in the automobiles sector, the focus of two-wheelers in rural areas could mean more launches and more advertising spends. The telecom sector could see growth as well, driven by better smart phone penetration and service providers reducing prices. India offers great business potential for online advertising industry with increasing population, growing income level of people with changing lifestyle. With the growing number of literate people and migration to urban from rural areas, raised adoption in Internet and online advertising is being witnessed. In spite of the growth, many challenges continue to curse the advertising industry such as lack of developed infrastructure and lack of faith of advertisers and audiences both.

The online advertising is increasing rapidly in the country but a reduction in advertising revenues have been noticed during 2009 due to the global economy slowdown, while overall advertising industry in the country registered 21.00% and 11.04% growth in 2008 & 2009 respectively. The total advertising spending declined 6.80% from 2009 level due to its dependency over other industries and country's economy. Year 2010 has shown a recovery period and advertising spending increased by 19.27% from 2009. In 2010, demand for online advertising grew 34.14% and surpassed growth rate of other advertising media like Television, print and audio-visuals. The facets that helped the growth of the industry were, increased internet accessibility, e-commerce, usage of social networking sites and ultimate population growth. Display advertising remained leading category in the online advertising market. In 2010, display advertising accounted for 48.25% of the online advertising; and 22% growth over 2009 was registered by display advertising. The Indian advertising industry has several competitive advantages:

- India has a rich pool of strategic media planning, creativity and other planning services personnel. Indian advertising industry has been exporting senior-level talent to many foreign countries, mainly to the Gulf Countries, China, South-East Asia, US, and the UK.
- Other than India, no country has access to so many professional management graduates who can provide strategic efforts for branding and media planning.
- The people of India are multicultural and hence, we learn minimum two languages and that gives us a head start in understanding cultural diversity.
- Most branded advertising agencies in India have a global media partner for getting immediate accessibility to foreign market.
- In India media production standards in Television and print media have improved.

#### V. INVESTMENTS IN THE INDUSTRY

- Google is all set to help India implement Prime Minister Mr Narendra Modi's "Digital India" initiative, and the government has a well laid out plan to realise it, said Google's Chief Internet Evangelist Vinton G. Cerf. Digital India is a Rs 1.13 trillion (US\$ 18.27 billion) government initiative that seeks to transform the country into a connected economy, attract investment in electronics manufacturing, and create millions of jobs and support trade.
- As companies look for better productivity and increasing efficiencies in a tough market environment, market research firm Nielsen has launched its first consumer neuroscience lab in India at its Mumbai headquarters. The neuroscience lab will augment the company's research capabilities in packaging and research, improving their effectiveness.
- MPS North America Llc, the US subsidiary of Bengaluru-based publishing solutions provider MPS Ltd, has acquired Electronic Publishing Services Inc. (EPS), a New York-based firm with interests in content creation, art rendering, design and production. The deal will allow MPS to strengthen its foothold in North America.
- Jaipur-based Ginnar Software Pvt Ltd that owns and operates the website CarDekho.com has announced that it has raised US\$ 50 million in its second round of funding. The funding was led by Hillhouse Capital with participation from Tybourne Capital and Sequoia Capital. With this investment, Ginnar Software is now valued at US\$ 300 million.



The company is looking to use the funds to improve its technology and services with increased focus on brand building and marketing initiatives.

- ZipDial has become the first Indian technology product startup to be bought by Twitter in what is the third such deal led by a global corporation following the acquisitions by Facebook and Yahoo. The ZipDial deal is expected to cost Twitter US\$ 34-35 million. This feature is expected to help Twitter reach people who will come online for the first time in countries such as Brazil, India and Indonesia, mostly using a mobile device.
- Telecom major Axiata's subsidiary, Axiata Digital Advertising (ADA) has formed a joint venture with US-based advertising tech firm Adknowledge to get into the US\$ 47 billion digital ad market in the Asia Pacific region and has identified India as a 'key' market.

According to an estimation of GroupM, the growth advertising agencies in 2014 to Rs 13,490 crores, is being attributed to an increase in spending due to elections, as well as advertising from categories like e-commerce and Television. Penetration of smart phones coupled with the fame of online video is making FMCG spend more on digital. Another trend is the emergence of categories like e-Commerce and the increased competition in Telecom both of which are aiding the growth of traditional media channels including Print and Television apart from Digital.”

India's entertainment and media industry is expected to grow gradually over the next five years as per CII-PwC's report, titled 'India Entertainment & Media Outlook 2014'. The industry is expected to surpass Rs 227,000 crore by 2018, growing at compound annual growth rate (CAGR) of 15% between 2013 and 2018. Considerably, with the increased penetration of smart phones and availability of 3G/4G network in India, the country is likely to see around nine billion mobile application (apps) downloads during 2015, which is five times more than 1.56 billion in 2012, as per Deloitte's India Technology, Media & Entertainment and Telecom (TMT) expectations. This increase in app-downloads is also expected to increase the revenue from paid apps to an expected over Rs 15 billion as against Rs 9 billion in 2014, Deloitte said. Moreover, industry estimates reveal that video games industry grew at a record 16 % in 2013 over 2012; while its net worth rose to US\$ 277 million.

## VI. CONCLUSION

Advertising is one of the key activities for potential business and is equally important as producing something using raw material, or as capital, manpower, planning, organizing etc. products or services. Publicizing that the business offers to the targeted customers is called advertising which forms the integral part of marketing, and an essential precondition for selling. Advertising is done with vast population and requires organizing and applying human skill and talent and technology backed media.

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