



## EMERGING TRENDS IN ADVERTISING MEDIA CONSUMPTION: A SOURCE OF BUSINESS PROMOTION

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### ABSTRACT

In Today's world businesses are experiencing a dramatic shift in the way product are designed, produce and delivered to the customer as compared to traditional way of mass production and mass marketing. Business has modified their product offering according to individual need of customer, in continuation with the same strategy marketer's are searching for the new venues for promoting their product offering. Promotion encompass a no of alternative right from public relation to advertising. Advertising management has evolved itself be it in terms of content or media. This paper is a conceptual paper based on the secondary data, by this we would explore how advertising management had advanced itself over the period of time and how business organization can benefited by this changes.

**Keywords:** Advertising, Promotion, product, Media, TV, Print, Radio, Cinema.

### 1. INTRODUCTION

#### Role of Advertising management in Promotions mix

Advertising being part of promotional mix, is one of the most important out of four pillars of marketing (along with product, place, and price), promotion covers the variety of techniques which a advertiser uses to communicate with current and potential customer. There are several things which guide the promotional effort of a company. There are many tools available to communicate a brand message to potential consumers, including ads on television and radio, print ads in newspapers and magazines, on the World Wide Web, outdoors on billboards and bus shelters, as well as in store promotions, coupons, direct mail, and many others. In addition, different products, at different stages of the product life cycle, require different promotional strategies to achieve different objectives. Originality is important, since countless other marketing messages are bombarding the same potential consumer each day. There are five general categories of promotion: Advertising, Personal selling, Sales promotion, Public relations and publicity and Direct selling.

#### State of Global Advertising

Advertising spend data gathered from every global media and entertainment sector, from print publishing to digital advertising, from video games to the box office. Spending on media continues to shift from traditional to digital products and services at a rapid pace. By 2019, we believe digital spending will account for more than 50 percent of overall media spend. Within this, digital video spending will overtake physical spending by 2018, two years earlier

than we had previously forecast. Digital, consisting of Internet and mobile advertising, will become the largest advertising category by 2017, surpassing TV one year earlier than forecast, and mobile will more than double its share of the digital ad market.

Category	2009	2010	2011	2012	2013	2014	2009-2014p CAGR	2015	2016	2017	2018	2019	2014-2019 CAGR
Digital	60336	70756	81544	94065	109686	127345	16.1	146,617	168538	190822	211955	231442	12.7
Television	136792	152824	159985	168749	173314	183501	6.1	189445	202511	208960	223099	233876	5.0
Audio	27961	29831	30273	30739	30946	31043	2.1	31102	31271	31396	31541	31674	0.4
Cinema	1719	1892	1991	2112	2119	2141	4.5	2236	2389	2588	2821	3077	7.5
Out-of-home	24817	27044	27816	29150	30627	31747	5.0	33220	34824	36468	38337	40334	4.9
Consumer magazines	24925	25584	25974	25155	24148	23232	-1.4	22501	21903	21382	20923	20549	-2.4
Newspaper	84160	84618	83901	80256	76046	73100	-2.8	71382	70389	7088	70281	70825	-0.6
Video Games	1423	1665	1912	2184	2784	3411	19.1	4142	4906	5614	6281	6910	15.2
Total	351521	381397	398206	414833	429342	452059	5.2	473582	505642	532057	565446	594254	5.6

At 2014 Average exchange rates.

Note: Television, audio, newspaper and consumer magazine digital advertising as well as Video games advertising are included in their respective segments and also in the digital advertising segment but once in the overall total.

Source : Mckinsey & company, Wilktsky Gruen Associates

### State of Advertising in India

The Indian media and advertising industry is BOOMING, like never before. In 2015, the advertising industry grew by 17.6%, close on the heels of LY growth of 16.5%. This growth is 4 percentage points higher than our mid-year projections of 13.8%. It is interesting to note that it took five years (2008 to 2013) for the industry to add Rs 10,586 crore, moving up from Rs 21,520 crore to Rs 32,106 crore, but only two years (2013-15) to add Rs 11,885 crore to reach Rs 43,991 crore. With this growth, India finally earned the distinction of being the fastest growing advertising market in the world. In terms of absolute numbers, the Indian advertising industry has increased by Rs 6,586 crore to touch Rs 43,991 crore in 2015.

The Indian advertising industry in 2016 grew by almost Rs 5500 crore, adding another 12.5% to Adex to reach Rs 49,480 crore, but narrowly missed crossing the Rs 50,000 crore mark, thanks to the 'tsunami' that hit it in the form of demonetization that took even economists by surprise. If not for demonetization, growth would have been 16.2% and Adex would have crossed the Rs 50,000 mark. Demonetization knocked off Rs 1650 crore from Adex. Despite demonetization, the growth in Adex at 12.5% is close to our mid-year projection of 13.2%. Growth came mainly on the back of spends in Digital which grew by 40%+. It now stands at Rs 7,315 crore, having grown by as much as Rs 2200 crore on the back of growth of Google, Facebook

## 2. OBJECTIVES OF THE STUDY

To study current role of Advertising Management in India.

To analysis future trends Advertising Management.

To identify factors leading to change in Advertising Management.

## 3. REVIEW OF LITERATURE

Logambal, R. (2016) in his article on "*Emerging Trends In Advertising*" discussed that Advertising using powerful media to control peoples' choices. We also have power, the

power to choose, the power to think for ourselves, and the power to influence others. How we use that power is central to the creation of good and healthy society. Emerging Advertisement can inform people about different products and services, their utilities, cost and other requirements, and help us in making better purchases. And these Advertisements create a brand name for the product being promoted. People can recognize the products from the catchy advertisements they see and thus sales are also improved. A good advertisement must have certain qualities. First, it should be based on human – psychology & Attractive. People do not like to waste their time on things which do not concern them. So to be successful, advertisement must be brief. So, which company produces an innovative & emerging advertisement? At was the company is earning a more profit.

**Gowri Harish, Manu Jain, & Nikita Pande (2015-16).** “*Recent Trends in Depiction of Women in Advertisements*” Research suggested that Today the advertisements are expected to be more educative, ethical and informative. Women should not only be projected as the product-user but also as a product-maker to encourage their place in the society. Women too need to be shown as empowered individuals with confidence, positivity and authority.

Also concluded that Portraying women in a positive light also increases the advertising effectiveness because women play a major role in making consumption decisions almost in every culture; and are an important target of these advertisers. If women are displeased after viewing an advertisement then that will automatically create a negative brand image and the effectiveness of the advertisement would reduce. However if the advertisement had portrayed women in positive light then the situation would have been reversed. Therefore in conclusion the recent trends in portrayal of women in advertisements has been positive because it depicts the new modern empowered women. Such advertisements are not only good for the brand image but also boosts the image of women in the world.

**Usha rani Narayana (2007).** In her article on “*Trends in Indian Advertising*” Communication Today: Bilingual Media Quarterly concluded that in the post economic liberalization era, modern Ads are both creative and credible. Ads look, sound and read every inch Indian and eastern. Ads are informative as well as entertaining. Further they have more young talent to choose from. Indian market is bombarded with advertising owing to proliferation of TVsets and explosion of TV commercials. There is Abundant opportunities for global brands. Advertising which is urban centric will expand to untapped virgin rural market. Media battle to raise credible brand mindshare. There is Stress on credibility over creativity. TAM Rating War between TV Channels. Brand warfare. Indian advertiser continues to deliver quality commercials. It’s a fine blend of creativity and commercialism. Indian advertising is not lagging in terms of ideas and technology.

#### **4. METHODOLOGY**

Paper is Conceptual and Exploratory in nature. It is based on the secondary data collect from various sources like research paper, journals, KPMG repots, Delloite report, Mckenisy, Advertising industry.

#### **Finding of the study**

**1. Television Advertising:** Television grew by 9% to reach close to the Rs 19,000 crore mark, and is 2 percentage points lower than our mid-year projection of 11% growth. This is the lowest growth TV has witnessed in the last three years. Television de-grew in November-December 2016 by as much as 21%, compared to last year on account of demonetization,

losing an estimated Rs 850 crore. Yet, with 38% share, Television continues to be the largest contributor to the advertising pie.

**Table 1: Growth% Spending and Yearly spending for TV**

Year	2013	2014	2015	2016	2017
Yearly spending	12419	14158	17261	18831	21296
% growth	8.2	14	21.9	9	13
Source: PITCH MADISON AD REPORT 2017					

**Table 2: TV Advertising category contribution**

Category Contribution & Category Growth% in TV in 2016					
TV 2016	Category Contribution		Category Growth %	Contribution to Growth	
Product Category	In Rs. Cr.	In %	2016/15	In Rs. Cr.	In %
FMCG	9691	5%	8%	692	44%
Telecom	2271	12%	26%	475	30%
Auto	1426	8%	6%	70	5%
HH Durables	817	4%	5%	40	3%
E-Commerce	812	4%	-34%	-412	-26%
Real Estate & Home improvement	569	3%	3%	17	1%
Clothing Fashion jewellery	513	3%	-11%	-65	-4%
BFSI	392	2%	0%	1	0%
Corporate	285	2%	13%	33	2%
Alcoholic Beverages	236	1%	30%	55	3%
Travel and Tourism	229	1%	-12%	-32	-2%
Education	208	1%	37%	56	4%
retail	170	1%	39%	47	3%
others	1212	6%	93%	584	37%
Total	18831	100%	9%	1570	100%
Source: PITCH MADISON AD REPORT 2017					

In terms of absolute numbers, TV advertising has grown by Rs 1,570 crore. The main categories that have fuelled the overall growth of Rs 1,570 crore in 2016 are FMCG (Rs 692 crore) and Telecom (Rs 475 crore). E-commerce category dropped dramatically by 34% to come down to Rs 812 crore dropping share from 7% to 4%. FMCG, however, continues to rule the roost contributing 51% share of total TV spends (52% in 2016), followed by Telecom 12% (10% in 2016) and Auto 8% (8% in 2016). Hindi GEC (general entertainment channels) contributed nearly 27% of the overall TV revenue and continues to remain the leader of the pack. In terms of growth, Hindi GEC, Hindi Movies, Sports and South regional have shown substantial increase. The increase in FCT (Free commercial time) has also been a big contributing factor to the overall increase of 9% in the TV Advertising Market. Despite demonetization, because of which a lot of advertisers pulled back advertising, the overall FCT demand has increased by 5%. Of course, the frequency channels and new channel launches in 2016 played a big role in this FCT growth. However if we compare like to like channels, then the total FCT in 2016 level has degrown by 3%. In terms of FCT growth, Hindi Movies, Sports, Infotainment and regional genres show substantial Increase.

## 2. Print Advertising

Print grew by a mere 7% (compared to our forecast of 10%) to cross the Rs 18,000 crore mark. It continues to be the second highest contributor after TV to the total advertising pie,

with a share close to 37%. While dailies increased by 8%, magazines as a medium failed to gain advertiser interest for the second year in a row and saw negative growth.

**Table 3: Growth% Spending and Yearly spending for print**

Year	2013	2014	2015	2016	2017projected
Yearly spending	13167	15274	16935	18151	19869
% growth	10	16	10.9	7	9.5
<b>Source: PITCH MADISON AD REPORT 2017</b>					

With consumers postponing their purchases post demonetization, leading Print users like FMCG, Auto, Durables and Education did not spend to the usual extent during the last quarter of the year. Print de-grew in November-December on the back of demonetization, and lost almost Rs 580 crore in terms of absolute numbers. However, like TV, if we compare the period January to October, Print grew by 10% (at par with our projections). Nearly 50% of Print's growth of Rs 1,216 crore is accounted for by four categories - FMCG, Auto, Education and BFSI. In terms of category contribution, FMCG is the largest contributor to the Print pie, with a contribution of 15%. Automobiles are the second largest contributor at 14%, followed by Education (10%). Contribution of e-commerce comes way down with just 3%. The e-commerce category has dropped significantly by 15% to come down to Rs 621 crore in 2016.

**Table 4: Print Advertising category contribution**

<b>Category Contribution &amp; Category Growth% in Print in 2016</b>					
<b>Print 2016</b>	<b>Category Contribution</b>		<b>Category Growth%</b>	<b>Contribution to Growth</b>	
	<b>In Rs. Cr.</b>	<b>In %</b>	<b>2016/15</b>	<b>In Rs. Cr.</b>	<b>In %</b>
<b>Product Category</b>					
FMCG	2641	15%	7%	1711	14%
Auto	2480	14%	14%	306	25%
Education	1727	10%	4%	66	5%
Real Estate & Home improvement	1115	6%	-6%	-76	-6%
Retail	976	5%	3%	24	2%
Clothing Fashion jewellery	892	5%	-12%	-126	-10%
BFSI	867	5%	9%	70	6%
HH Durables	817	5%	4%	33	3%
E-Commerce	621	3%	-15%	108	-9%
Telecom	587	3%	-8%	-53	-4%
Travel and Tourism	353	2%	9%	30	2%
Corporate	220	1%	1%	2	0%
Media	151	1%	-12%	-20	-2%
Alcoholic Beverages	12	0	13%	1	0%
others	4693	26%	24%	896	74%
<b>Total</b>	<b>18151</b>	<b>100%</b>	<b>7%</b>	<b>1216</b>	<b>100%</b>
<b>Source: PITCH MADISON AD REPORT 2017</b>					

While only four categories account for 75% of Television advertising, it takes as many as 14 categories to contribute the same percentage to Print advertising, demonstrating once again that Print is less vulnerable to any category de-growth.

### 3. Digit Advertising

The Digital advertising market had an impressive growth of 43% in 2016. It has been growing at 30%+ every year for the last five years. In fact, Digital is the only medium that

has grown more than our earlier projections and the only one that was not really affected by demonetization.

**Table 5: Growth% Spending and Yearly spending for Digital**

Year	2013	2014	2015	2016	2017projected
Yearly spending	3050	3970	5120	7315	9144
% growth	32	30	29	43	25
<b>Source: PITCH MADISON AD REPORT 2017</b>					

The Digital advertising market now crosses the Rs 7,300 crore mark. Though the absolute spends on Search have increased, its share of the digital pie has been stagnant at 36% due to exponential increase in video consumption. Consumption of Digital video content and hence spends on online video advertising have skyrocketed in 2016. Mobile displays have also grown at a faster rate than last year as the mobile platform is becoming the primary choice today to consume content. The continued growth of Digital is fuelled by mobile, online video and social media, which are increasingly attracting more advertising investment.

#### 4. Radio Advertising

Radio has grown by 13% in 2016 to become a Rs 1,750 crore market and has maintained its share of the total Advertising pie at 3.5%. In terms of absolute numbers, Radio advertising has grown by Rs 200 crore. BFSI and Media advertisers have emerged as one of the main contributors to the growth in Radio advertising, followed by the Automobile category.

**Table 6: Growth% Spending and Yearly spending for Radio**

Year	2013	2014	2015	2016	2017projected
Yearly spending	1097	1285	1545	1749	2008
% growth	18	17	20	13	15
<b>Source: PITCH MADISON AD REPORT 2017</b>					

**Table 7: Radio Advertising category contribution**

Category Contribution & Category Growth% in Radio in 2016					
Radio 2016	Category Contribution		Category Growth%	Contribution to Growth	
Product Category	In Rs. Cr.	In %	2016/15	In Rs. Cr.	In %
Real Estate & Home improvement	168	10%	8%	13	6%
FMCG	160	9%	05	0	0%
BFSI	126	7%	20%	21	10%
Auto	124	7%	17%	18	9%
Media	108	6%	24%	21	10%
Telecom	103	6%	-4%	-4	-2%
E-Commerce	89	5%	-1%	-1	-1%
Retail	82	5%	-14%	10	5%
Travel and Tourism	79	5%	20%	13	6%
Clothing Fashion jewellery	59	5%	-155	-11	-5%
Education	53	3%	14%	7	3%
HH Durables	48	3%	-4%	-2	-1%
Corporate	39	2%	42%	11	6%
Alcoholic Beverages	2	0%	-48%	-2	-1%
Others	508	26%	28%	110	54%
<b>Total</b>	<b>1749</b>	<b>100%</b>	<b>13%</b>	<b>204</b>	<b>100%</b>
<b>Source: PITCH MADISON AD REPORT 2017</b>					

In terms of category contribution, Real Estate (10%) & FMCG (9%) sector continue to lead the pack followed by Auto sector (7%). E-Commerce & Telecom categories have maintained their investment in Radio. On account of demonetization, Radio de-grew by 15% in November-December, 2016. In terms of absolute numbers, advertisers put a hold on their campaigns worth approximately Rs 42 crore. However, if we look at the period January to October 2016, the Radio industry has grown by a whopping 20% (higher than our projections).

### Out of Homes Advertising

The Out of Home (OOH) market has grown by 9% in 2016. Transit media too grew by 9%. In terms of absolute numbers, OOH advertising is now a respectable nearly Rs 3,000 crore market.

Conventional Outdoor, against the projected 12.5% growth, grew by 9.5% including Digital OOH and malls. The lower actual growth rate was on account of regulatory litigations and demonetization. Transit Media grew by 8.5% as against the projected growth of 14%, bringing down the overall Outdoor growth to 9.2%.

**Table 8: Growth% Spending and Yearly spending for OOH**

Year	2013	2014	2015	2016	2017projected
Yearly spending	2027	2333	2665	2910	3234
% growth	8.8	15.1	14.2	9	11

Source: PITCH MADISON AD REPORT 2017

**Table 9: OOH Advertising category contribution**

Category Contribution & Category Growth% in OOH in 2016					
OOH 2016	Category Contribution		Category Growth%	Contribution to Growth	
Product Category	In Rs. Cr.	In %	2016/15	In Rs. Cr.	In %
Organized Retail	447	15%	20%	76	31%
Hospitals Restaurants & Education	421	14%	16%	57	23%
Real Estate	405	14%	17%	58	24%
Financial Services	238	8%	9%	20	-28%
FMCG	231	8%	22%	42	44%
Telecom	221	8%	-12%	-31	-13%
Auto	210	7%	-25%	-69	8%
Media	136	5%	36%	12	17%
E-Commerce	110	4%	-36%	-62	-25%
Electronic Durables	78	3%	18%	12	15%
Pharmacy	28	1%	117%	15	5%
Petrol/lubricants	21	1%	-41%	-15	-6%
Energy	2	0%	-23%	-1	6%
others	362%	12%	42%	107	0%
<b>Total</b>	<b>2910</b>	<b>100%</b>	<b>9%</b>	<b>245</b>	<b>100%</b>

Source: PITCH MADISON AD REPORT 2017

Airports and Metro branding media were the front-runners. Retail, Hospitals, Restaurants, Education and Real Estate are the top three categories in terms of contribution to OOH's growth. The highest growth was recorded in Retail category (20%). The top three categories contributed to more than 40% of the overall growth.

Mumbai continues its lead as a major contributor (15%) followed by Delhi (12%) and Bangalore (9%). The impact of demonetization has been pronounced on OOH. We estimate an OOH loss of Rs 110 crore in November-December on the back of demonetization. However, in 2016, OOH maintained its contribution to the total media pie at 6%.

### 5. Cinema Advertising

Cinema advertising continues to be a marginal player in Adex at approximately 12.5% with total revenue close to Rs 525 crore in 2016. It has registered a growth rate lower than the overall Adex growth rate, despite its miniscule size.

**Table 10: Growth% Spending and Yearly spending for Radio**

Year	2013	2014	2015	2016	2017projected
Yearly spending	347	385	465	523	601
% growth	11.1	11.1	20.8	12.5	15
<b>Source: PITCH MADISON AD REPORT 2017</b>					

### 6. FACTORS LEADING TO CHANGE IN ADVERTISING

i. Growth in digital Customer: Rapid digital shift is being driven in part by the growing number of connected consumers, the expansion of mobile telephony, and elevated mobile broadband adoption. As it continues, it will not only expand the digital share of the media wallet, but have a structural effect on almost all media sub-sectors, redefining business models.

ii. We expect TV growth to moderate as a result, with the rise of over-the-top (OTT) online options influencing consumer preferences and ultimately leading to cord-cutting—subscribers dropping their pay TV services altogether—and a higher degree of cord-shaving—subscribers signing up for smaller, cheaper self-selected bundles of services.

iii. The print newspaper market is an excellent example in developed markets will see a sharp decline in print advertising spend over the next few years, despite stabilizing consumer spend, many developing markets can anticipate growth in print newspaper publishing—driven largely by advertising. It continues to be the second highest contributor after TV to the total advertising pie.

iv. Radio has been growing faster than all other traditional media for the last four to five years. With new radio stations after winning bids in the recently held phase III auctions and auction rounds coming, the reach of radio as a retail medium will increase

v. Ads Spend in cinema as a medium are also expected to go up due to improved infrastructure in existing theaters and advent of multiplexes in small cities and towns.

### 7. CONCLUSION

As digital media gain ground, advertisers are increasingly accepting the validity and persuasiveness of advertising on these media, moving away from the typically high cost-per-thousand (CPM) traditional media to less expensive, low-CPM Internet and mobile advertising—further accelerating the shift of analog dollars to digital. Despite emphasis on the shift to digital as a primary theme, however, it should not be forget that traditional media remain a considerable factor. While analysts and advertisers increasingly focus on digital entertainment, traditional TV still dominates, bringing in a projected major chunk of advertising spend worldwide, the largest advertising share.



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