Chapter IV

GROWTH OF PRINT AND ELECTRONIC ADVERTISING IN INDIA

In an advertising campaign, media takes up bulk of the costs. Media costs constitute about 80-85% of the total ad budget. The developments of the last two decades have brought the mass media advertising at the centrestage. Print and electronic media (mainly television) form the two major advertising media in India. The advertising spend on print and television has been increasing for the last two decades. In 1991, total advertising expenditure was Rs 16,924 million increasing up to Rs 96110 and Rs 304612 million in 2000 and 2008 respectively. Out of which print advertising grew from 10,690 million to Rs 15,3750 million and television advertising graduated from 3900 to 119,521 from 1991 to 2008. Television has become the leader in advertising pie of late. The advertising revenue w.r.t. to the Indian media and entertainment landscape was Rs 153.75 billion in print and 127.57 billion rupees in television in 2008. The dominance of the newspapers and television advertising remained intact even in recent times.

![Fig. 6.1: Total percentage share of various advertising media in 2011](source: AdexTAM India)
4.1 GROWTH OF PRINT ADVERTISING IN INDIA

In the words of Vinita. k. Kandekar ‘Indian print business is in the best years of its evolution’. FDI in print media opened up the sector to both national and foreign media players alike. In the last five years, from 2007 onwards, there has been flurry of newspaper launches both in language and English press. National Readership Survey postulated that the continuing growth of print media can be attributed to the demographic changes and the literacy rate (66% in 2005). The average number of members per household have gained the ability to read and write creating more space for newspapers in their homes. It has been noted that there exists direct relationship between growth of gross domestic product (GDP) and the advertising revenue. The latter runs the newspapers and other publications as circulation (paid or through subscription) does not contribute to more that 15% of the revenue for English language and 30-45% for language press.

![Fig. 6.2: Share of advertising revenue of English and Vernacular press](image)

*Source: AdEx*
Even though circulation of vernacular publication is far more than English readership, the advertising rate of an English publication is three times\(^1\) the rate bagged by a Hindi or a regional newspaper or magazine. Hence, print advertising in English publications play a large role in the whole cost revenue relationship. Within print advertising, newspapers are more favoured by advertisers than the magazines. In 2004 magazines had almost 10% share in the print ad pie. It has come down to 3.5% in 2011. The yearly spend on print advertising from 2007 to 2011 has moved up from 8470 Cr to 10,791 Cr. According to TAM Adex, a daily newspaper on an average consumed 4.5 lakh cc in 2011 for advertising. In India, the print industry grew by 8.4 percent from 2010 to 2011 i.e. from Rs. 193 billion it grew to Rs. 209 billion (FICCI-KPMG India Media and Entertainment Industry Report 2012). The report further points out that Advertising revenue grew 8.7 percent while the circulation revenue grew 3.7 percent, clearly reinforcing the importance of advertising media. Thus, unlike many global markets, India continues to show a growth in the newspaper industry every year. With literacy levels going up and more people being added to the target audience of newspapers, this healthy growth is expected to continue another five to ten years.

\[\text{Fig. 7: Increase in print advertising with increase in no. of brands}\]

\[\text{Source : AdEx India.}\]

\[\text{1 Source : www.agencyfaqs.com}\]
As the print media spread out at the geo-demographical level, there was plethora of opportunities for the advertisers to use it for its various products. On one hand, newspapers provided options in the categories of classifieds, classified displays, display advertising and reading notices, magazines provided choices and editorial environment for customised messages.

![Fig 8.1: Growth in the number of advertisers w.r.t print from 2000-2009](source: AdEx India)

The incline curve indicates an upward movement of advertisers investing in the print media. It shows a six times increase in the number of advertisers in print during Jan-Sep 2009 over 2000.

![Fig. 8.2: Increase in the number of brands for print advertising from 2000-2009](source: AdEx India)

The graph clearly shows that there has been 4-5 times growth in the total number of brands advertised in print media during Jan-Sep 2009 over 2000.
Newspaper advertising is bagging more advertisers every year emerging as the top advertising form, followed closely by television.

4.1.2 Trends showcasing product –print advertising from 2000-2010

- Six times increase in number of advertisers in print during Jan-Sep ‘09 over 2000.
- The number of exclusive advertisers in print has increased by 7 times during the last ten years.
- 4.5 times growth in number of brands advertised in print during Jan-Sep’09 over 2000.
- ‘Banking/Finance/Investment’ has maintained its rank in the Top 10 list of sectors of 2000 and Jan-Sep’09 in print whereas experimented with alternative media or new media options.
- Public Service Advertisements (PSA) have emerged as the top category in print lately in sharp contrast to the year 2000.
- LG Electronics India Ltd and Samsung India Electronics were only two common advertisers in the top 10 list of advertisers in Print of 2000 and Jan-Sep ’09. It indicates the consistent reliance of consumer appliances brands on newspaper advertising.
- Print innovative ad layouts increased by 4 times during Jan-Sep ’09 compared to 2005.
- Education sector was the top sector in Print advertising in 2010. Maximum advertising for educational institutions category in Print during H1 ‘2010.

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2 Facts and analysis compiled from AdEx India, HTML version of http://www.tamindia.com/tamindia/ accessed on 1st October, 2010
Tata Motors Ltd leads in Print advertising during H1 ‘2010.

Print advertising skewed towards Newspapers during H1 ‘2010.

A comparative analysis of product categories spending on print advertising shows that FMCG (Household items, Impulse and personal care items), education, telecommunication etc. have been increasing steadily. Media products too have shown increase in advertising volumes in the last year. In 2007, FMCG personal care has increased its ad volume from 3.8 % to 5.5 % in 2011. In 2010, 9.8% of the print advertising revenue has come from the automobile sector. Sanjay Gupta, CEO, Jagran Group and Editor, Dainik Jagraan thinks “print will go till 17-18% percent growth in advertising spends”. The continued rise in print advertising can be attributed to the inherent nature and scope of the print media as a medium of advertising. Newspapers are the primary reason for people’s preference for print. The expansion of newspaper industry has created abundant options for the advertisers cutting across product class and type. Newspapers have been categorised largely by the frequency of delivery, physical size and audience. On the basis of frequency newspapers are of two types: the daily newspapers and the weekly newspapers. On the basis of physical shape we have broadsheets and tabloids, audience based newspapers can be shopping newspapers or special Sunday newspaper of the morningers. There are daily newspapers in English, Hindi and other regional languages along with their supplements, both local and specialised. Newspaper advertising has been traditionally classified as display advertising, classified and classified display ads, public notices and pre printed inserts. In addition to varied formats, the quality of reproduction has improved considerably making it as attractive as a magazine for the readers and the advertisers. Some of the features that make newspaper advertising maintain a commanding position are:
1) **Timeliness**: Newspapers arrive everyday at the readers doorstep, allowing the advertiser the opportunity to reach the audience immediately i.e. the advertisement can appear very quickly sometimes in just one day series of advertisements are published to elicit desired response.

2) **Editorial support**: The editorial content is vital to the audience creating an environment for the advertising content.

3) **Broad based yet selective**: Modern day newspapers have both reach and penetration on their side. The national newspapers reach is widespread whereas the supplements and allied insertions are niche; target oriented creating a favourable mix of consumers for the advertiser. It covers a wide geographical area with zoned editions for specific neighbourhood or communities.

4) **Comprehensive in scope**: Newspapers cover an extraordinary range of topics and issues making it suitable for all kinds of local, regional and national brands.

5) **Credibility**: The trustworthiness of the printed word makes newspapers as the most believable medium of advertising amongst all.

6) **Creative flexibility**: An ad’s physical size and shape can be modifies to suit the requirements of theme, concept or campaign objectives. Last minute changes in design and layout can also be accommodated. Besides, new information can be added without particularly creating a new ad.

7) **An active medium**: Here the audience is not passive. The reader turns the pages; sort through the content and above all control the exposure unlike TV and Radio.
8) **Permanent medium**: In contrast to electronic media, newspapers are a medium of reference both for news and non-news content, direct response advertising and sales promotion offers in advertising is often saved by the people for future use.

9) **Advertiser friendly**: Not only creatively flexible, all kinds of advertisers with low, medium or high budgets can use newspaper advertising.

10) **Frequency**: Daily newspapers arrive every morning with pages for all. Since newspaper arrives every day, advertisers can communicate their messages resulting in continuous impressions.

11) **Can direct the customers to stores**: Local advertising in newspapers is directly proportional to retail visits for most products.

The success of newspaper advertising in India lies in its strong hold over four basic concepts namely: reach, frequency, impact and continuity.

**4.2 GROWTH OF TELEVISION ADVERTISING IN INDIA**

Television ushered in a creative revolution across the globe by wrapping a creative idea in multiple variations of sight, sound and spoken word. Claims have been made about the invention of electronic television: Who marketed and developed this medium in order for it to succeed? Who was involved in setting the universal standards for television? It is documented that J.L. Baird was the first person to record a mechanical television production. In India, SITE (Satellite Instructional Television Experiment) was conducted in 1975-76. It was an attempt to use sophisticated technology of satellite broadcasting for social education. Early eighties saw the

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introduction of regular satellite links between Delhi and other transmitters and the launch of national programmes. In 1982, television went colour. Soon there were host of foreign channels beaming their content in India. It was the beginning of a new India. Media and related industries like advertising underwent profound changes with the invention of television. With the new economic reforms the Indian government followed a liberal policy in permitting the transmission or reception of foreign satellite channels. This led to an inflow of programmes with varied themes, stories and presentation formats. The programmes dealt with issues sometimes related to our socio cultural fabric and sometimes completely new to our value system. The cornucopia of channels and programmes on each channel has created a hold on everyone: audiences, investors and advertisers. Now, commercial broadcasting was heavily dependent on advertising for its survival. It did not take long for the national advertisers to discover the power of television advertising to reach mass audience quickly and frequently.

Advertising spend on TV has climbed up from 3,950 million in 1991 to Rs 119,521 million in 2008. Advertisers see a lot of potential in television, ad revenue from TV in India is a moderate $ 2096 in comparison to $ 57470 billion in USA and $6350 in UK. The advertisers feel Indian broadcasting scene is highly optimistic and offers variety of innovative possibilities for advertising and promotion. Amongst all channels, Hindi general entertainment channels have been getting maximum viewership consistently, followed by film based channels and news channels. English and other vernacular channels have been growing though not at the same rate (Fig.9).
There has been a significant rise in television advertising over the last five years. From 10-30 second spots to long television ad campaigns, most advertisers include television as a necessary component in their media plans.

**Fig. 9: The share of viewership of various television channels in India**

*Source: TAM Index*

**Fig. 10: Growth of television advertising from 2006-2011**

*Source: TAM Index*
Trends also show that all types of products are now using television advertising. Edible items, daily use commodities, household products, appliances and the services sector in particular have increased their advertising budget manifold in the last five years. New products have increased television advertising considerably (Fig.11).

**Fig.11: Increase in number of brands using television advertising from 2000-2009.**

*Source: TAM Index*

### 4.2.2 Trends showcasing product - television advertising from 2000-2010

Given below are some of the salient developments in television advertising in the last three decades.

In 2011, a mixed bag of brands contributed most to the TV ad share. Cellular operators, edible packed food like complain, Colgate along with other FMCG’s like shampoos, detergents and bathing soaps dominated the share. 7.6% of the TV’s ad revenue have come from automobile sector. Tata Nano and Hero Motocorp being the top spenders in recent times.

- 74% growth in number of advertisers on television from 2000 to 2009.
- Compared to 2000, 52% increase in number of exclusive advertisers on television in the last ten years.

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66% rise in count of brands on TV during Jan-Sep’09 over 2000.

F&B and Personal Care/Personal Hygiene the top two sectors have maintained their ranks over the ten year period.

Cellular Phone Services and PSA were among the top 3 position in the Top 10 list of categories on TV of Jan-Sep ’09, which were not even present in the top 10 list of 2000.

Hindustan Lever Limited maintained its top position as a brand umbrella on TV during 2000 and Jan-Sep ’09.

Bollywood garnered high share of celebrity endorsements on TV during 2003 and Jan-Sep ’09. During 2003, 66% share was gathered by the hindi film Actors and Actress together on TV.

Airtel Cellular Phone Service was the top brand present on TV since 2000.

During Jan-Sep ‘09, five out of Top 10 categories belonged to FMCG sector and two were from Automobile sector.

Compared to 2000, five new categories in the top 10 list of Jan-Sep ’09 on TV viz. Cellular Phone Service, Social Advertisements, Two Wheelers, DTH Service Providers’ and Milk Beverages.

Five common categories in the Top 10 list of 2000 and Jan-Sep ’09 were Toilet Soaps, Aerated Soft Drinks, Shampoos’, Tooth Paste, Cars & Jeeps.

Compared to 2000, 5 of the advertisers have moved up in its rank to be among the top 10 list of Jan-Sep ’09 on TV viz. Cadburys India Ltd, Smithkline Beecham, Bharti Airtel Ltd’, ITC Lt’ and Colgate Palmolive India Ltd.

Reckitt Benckiser (India) Ltd at the 10 position in 2000, secured its position among the top 3 list of advertisers of Jan-Sep ’09 on TV.
HUL, Reckitt Benckiser (India) Ltd, Coca Cola India Ltd, Pepsi Co’ and Procter & Gamble have been the common advertisers among the top 10 advertisers list on TV of 2000 and Jan-Sep ’09 indicating the popularity of television advertising across time zones. The trends in the next four years (2009-2013) project more performance for TV ads. Kevin Vaz, President ad sales, Star India sums up the buoyant mood. “I expect television ad revenue in 2011 to grow by a minimum of 14-15% over last year. Various factors have contributed to this growth. The genres which command a lion’s share which is GEC’s and cricket had a great year.”

Television advertising or television commercials are largely advertisements of various products before the beginning, in the middle or at the end of the programs being run on network, cable or satellite television. Advertisers decide on when to air these commercials. Various day parts include daytime (9 am to 4 pm), early fringe (4:00PM to 5:30 PM), early news (5:30-7:30 pm), prime access (7:30-8:00 PM), prime time (8:00-11:00 PM) and late fringe (11:00-1 AM).

No other form of advertising medium has the potency and impact of television w.r.t. mass audience. It has vast array of tools and effects to create an advertising message exactly the way the sender wants to. Salient features of TV advertising are:

1) **Mass Coverage**: Television advertising can reach maximum number of people with one communication message. Since there are more than 800 channels, the TV viewing hours have increased from five hours to 8 hours in 2008.
2) **Relatively low cost**: Even though cost of production in television advertising is high, its equally huge audience brings the cost per exposure down. The advertiser finds the cost per person reduced to a reasonable degree.

3) **Selectivity**: Specialised programming content and dedicated television channels have created opportunities for segmented targeting on TV. Advertising can be presented when and what the potential consumers are watching. Moreover, advertisers can reach select geographical audiences by buying airtime in local and regional markets.

4) **Creativity**: Various facets of television advertising give freedom to innovate and experiment with infinite ways of communicating the ad message. Music, sound effects, visual effects and supers combine to make several mini brand sagas.

5) **Prestige**: Since TV has assumed the role of a mentor in public domain, it is considered to be a powerful medium of information and crystallising public opinion, it gives the advertisers a prestigious image.

6) **Impact**: Because of its multidimensional nature and varied scope, television has been able to leave tremendous impact on consumer mind. Whether the content is informative, entertaining or persuasive, the impact is noteworthy.

7) **Social dominance**: Television in the last few years has not only penetrated the urban India but also become part of rural lives in the country, creating a social favouritism towards the medium itself.

8) **Frequency**: It is special in terms of the no of times advertisements can be aired during the same day. Highly frequent television is ideal to hammer the message continuously and repeatedly.
9) **Reproduction quality**: Excellent reproduction quality permits the advertisers to be able to essay any visualisation without handicaps.

10) **Flexibility**: Coverage and commercial content enables the advertiser to adopt its commercials according to the product and consumer specifications.

11) **Versatile**: Varied and comprehensive television advertising can prop up any product type/genre that is evident from the recent trends.

    The profile of television advertising is strong and suffusing. Not only does it lead to brand awareness, but also helps direct marketing forms in achieving their goals. ABC network (1970-71) found out that television commercials induced 82% greater increments in advertised brand coupon redemption than print ads.

    Thus we see that both print and electronic advertising are the primary drivers of advertising revenue in India. The Indian advertiser favours these two for all forms of product promotion.