Chapter - 9

LIKELY SCENARIO IN FUTURE

9.1 INTRODUCTION

9.2 EXPECTED TECHNOLOGICAL CHANGES

9.3 LIKELY SCENARIO OF TV ADVERTISING
Chapter - 9

LIKELY SCENARIO IN FUTURE

9.1 INTRODUCTION

While India’s GDP ranks eleventh in the world in absolute terms, it ranks among the top five economies of the world when assessed in terms of purchasing power parity. India has the potential of becoming an attractive destination for international broadcasters and production houses, despite its low per capita income. The emergence of the Indian middle class with greater earning power and a higher disposable income is one of the key factors that will drive the growth of the TV advertising in India.

Television advertising in India is set to boom and the next few years will see major changes in the Indian television advertising industry. The industry is entering a second phase of growth, which will have technology as one of the key drivers. This growth phase will be the consequence of a combination of quality infrastructure and the gradual penetration of digital connectivity which will redefine the way entertainment content is delivered and consumed.

9.2 EXPECTED TECHNOLOGICAL CHANGES:

TRAI has made a provision for existing registered cable operators to digitize their transmission over five years, whereas new entrants have been allowed only three years to effect the transformation. Digitisation would allow the operators to offer higher quality TV in terms of audio and visual.

The cable TV industry would come under a proper licensing mechanism similar to the telecom licensing policy, wherein city, state or national licenses can be bought. These networks have the potential to ultimately provide converged services similar to the telecom networks.

The approval of a proposal to promulgate digitization of analogue cable system ordinance by the Union Cabinet on 13th October, 2011 will translate a wider choice of TV channels, better quality of transmission, and increased the value added services.

The National Telcom Policy 2011 would shift towards greater convergence between IT, Broadcast and Electronics. Consumers will be able to access internet as well as telephone through the digital cable. The policy is moving from e-governance to m-governance. “The mobile will become device of empowerment.”
The future would see the rollout of various online value-added services like ‘pay-per-view’, ‘red button initiatives’ and video on demand.

Technology convergence will attract telecom companies to turn distributors of broadcast signals.

9.3 LIKELY SCENARIO OF TV ADVERTISING

Convergence of TV internet and mobile and also its integration with new media options, likely scenario of TV advertising may be narrated as below:

1. Integrated media will become a prime focus for media planner for TV advertising to reach out to masses with introduction of convergence of TV, mobile & computer.

2. Cross-media barter & media multiplier effects would become prominent issues for media planner.

3. Online video directories is an emerging form of interactive advertising, which will help in recalling and responding to advertising primarily produced for television. These directories also have the potential to offer other value-added services, such as response sheets and click-to-call, which greatly enhance the scope of the interaction with the brand.

4. TV advertising will be redefined in near future with the introduction of i-TV. i-TV is a New Medium for online advertising. It is a combination of TV and Internet which provides different types of facilities for users like pay per view, video in demand, TV Portals, interactive television, and SMS TV and allows the user to experience digital quality television.

5. With the introduction of various models of i-pad there will be growing convergence of internet, television & mobile phones resulting into high mobility of TV advertising.

6. The recent decision of Government allowing Foreign Direct Investment in retail markets would create new openings for MNCs. There will be aggressive marketing by MNCs and TV advertising will play a significant role to reach to the masses.

7. Everything from blogs to social networking sites will be extensively used to provide advertisers with audiences that are smaller but much better defined, leading to
advertisements that are more relevant to viewers and more effective for companies’ marketing products.

8. The world has now 3,27,549 channels & India has more than 500 channels. With multiplicity of TV channels, the advertisers are not sure whether the message is reaching the right target audience. In this complex scenario, media planner in India will have to be up to date in his advertising research work and find out innovative ways to reach target audience.

9. Given the increasing number of media channels that consumers are exposed to, brands will have to advertise more frequently and across more channels to generate brand recall.

10. Another significant trend of advertising is the growing importance of the niche market. Hence the advertisement targeting such niche market would get the prime importance.

11. Innovative regional programmes for regional channels would become the need of the time.

12. Space selling / time selling is going to be more aggressive. Each channel will be ‘brand’. To match the channel, advertising will be accordingly prepared.

13. TV advertising is turning into a highly systematic and skillful profession. It would be the most promising field for creative talents from highly educated class.

14. With the introduction of newer distribution channels, such as DTH and IP-TV, the demand for premium/alternate content will increase.

15. Companies would increasingly demand their advertising agencies to link their fees to performance indicators such as sales increments.

16. In order to establish high brand association, advertisers will develop people oriented designs, language and information that could be identified with firms, products & services.

17. The future of the TV advertising industry would be based on the interplay of each of these factors, namely consumerism, advertising spend, content, pricing, technology and regulation.