3.0 PRESENT SCENARIO OF ADVERTISING

3.1 EVOLUTION OF INDIAN ADVERTISING

The Indian Advertising marked its beginning when hawkers called out for their products and services right from the days when cities and markets first began. The signages, the trademarks, the press ads were not evolved at that time. The skills of Indian artisans in the areas like textiles, metal works, and handicrafts were so well accepted that there was no need of any special efforts of advertising.

British settlement and ruling from 1600 onwards brought the changes in advertising history. To popularise British goods, particularly the luxury goods, advertising efforts were needed. The first printing press was brought by Portuguese in 1556, which was used exclusively for printing Christian literature. Concrete advertising history began with classified advertising. Ads started appearing for the first time in print in ‘Bengal Gazette’ which was the first newspaper of the Indian subcontinent started by James Augustus Hickey’s in 1780. This leads to the emergence of press advertising. In The early years newspapers announces appointments, arrival and departure of ships, sale of furniture etc. The earlier advertisements consisted of simple messages ‘classified’ into different categories for easy reference, with a mailing address. These became the forerunner of today’s classified advertisement in newspapers. ‘Patent medicine’ manufacturers were the first category of advertisers. Other advertisers during that time were retailers like Spencer’s (in Chennai), Army & Navy and Whiteways and Laidlaw. Retailers’ catalogues that were used as marketing promotions provided early examples. These stores basically targeted at the British and European settlers who were already familiar with mail order purchases.
Slowly and gradually the advertising in newspapers gained momentum largely with the advertising of imported goods which had reached Indian shores. By 1786 there were four weekly newspapers and a few monthlies published in Calcutta. All the government advertisements were printed in the “Bengal Journal”. The first newspaper in Indian language was started in 1833. Before 19th century the newspapers only had the services of space sellers and advertising agencies were not into existence. The pattern of advertising changes with the beginning of 19th century. Even the daily newspapers started coming up with advertisements in their existing periodicals. Studios mark the beginning of advertising created in India as opposed to being imported from England. Studios were set up for bold type, ornate fonts, fancier, larger ads. Newspaper studios trained the first generation of visualizers and illustrators to produce advertisement for the print media. (advertisinginindia.wordpress.com)

During the First World War, the newspaper circulation increased, as people were interested in hot news of war affairs. During post war period Indian market was flooded with foreign goods that gave a lot of spurt to newspaper advertising. The growth in trade and commerce also led to increase in the advertising phenomena. By 1830, around three dozen newspapers and periodicals were being published on a regular basis from India. With the rise of new industries, advertising, even from British companies, increased. (download.nos.org) Horlicks becomes the first ‘malted milk’ to be patented in 1883.

B Dattaram and Co. claims to be the oldest existing Indian agency in Mumbai which was launched in 1905. This was followed by the launch of the Calcutta Advertising agency in 1909. Later, Indian ad agencies were slowly established and they started competing with foreign owned ad agencies like Ogilvy and Mater and Hindustan Thompson Associate agencies. The most important being the modern publicity company in Madras, Central Publicity Service in Bombay and Calcutta and the Oriental advertising Agency in Tiruchirapalli. The first truly multinational agency was J Walter Thompson (JWT) (later changed to Hindustan Thompson Associates
Ltd.) set up in 1926. The agency was hired to look after General Motors’ Indian interests in the country.

After the First World War, the Indian agencies were facing stiff competition from foreign agencies, mostly British and American. The tough competition from foreign agencies and to further explore the source of employment and earning through agency business, the Indian agencies started trying outdoor advertising medium as the newspaper medium was controlled and dominated by foreign agencies. This lead to the start of Banner advertising in 1920 with many banner ads put on trams. Illustrations and colour appeared in advertisements in the late 19th century. In 1931, the first full fledged Indian ad agency, the National Advertising Service, was established. The increased competition demanded a thorough improvement in the quality of advertising work and services. To improve artwork and copy illustration, Indian agencies sent their employees abroad for special training. All India Radio was launched in 1936. In 1939, the Indian and Eastern newspaper society was founded to protect and promote the legitimate interests of newspaper and to deal collectively with government agencies and the advertisers.

Among the first foreign brands to Indianise themselves were the LUX and PEARS toilet soaps. However In 1939, Lever’s advertising department launched DALDA – the first major example of a brand and a marketing campaign specifically developed for India. Lever was a multinational consumer product company which had also opened its Indian office that had its own in house advertising department. This later turned into an independent agency called LINTAS (Lever’s International Advertising Service)

However in 1940, India was experiencing Second World War, famine and fight for independence, which also affected the Indian advertising industry adversely. Foreign advertising declined, as there were substantial cuts in import caused by war conditions. This affected the advertising business negatively; even the advertising in newsprint was reduced resulting in reduced pages and spaces. This intensified competition and the result was the much expected improvement in quality. By the
end of World War II, the political and economic scene underwent a sweeping change. Scarcity conditions gave the momentum to the growth and flourishment of light and small industries.

In 1941, Indian Languages Newspaper Association was formed to deal with specific problems of Indian language newspapers. In 1945, Association of Advertising Agencies of India (AAAI) was formed to raise the standard of advertising and regulation of advertising practices through code of conduct. During the post independence era, the advertising business was well on its way to growth and expansion.1950s, is considered as watershed years of Indian advertising. During this time various advertising associations were set up to safeguard the interests of various advertisers in the industry. Industrial revolution has given boost to advertising industry also. In 1948, Audit Bureau of Circulation of India (ABCI) was started on the lines of ABC of America. In 1952, the Indian Society of Advertisers was formed to promote the interest of advertisers so as to raise the standard of Indian advertising.

In May 1958, The Society of Advertising Practitioners was established and advertising clubs came up in Bombay and Calcutta to promote higher standards of work. This year mark the beginning of cinema advertising and also the first survey of rural market was conducted. The Television services were first introduced in India on 15th September 1959 at Delhi. India’s first advertising convention was conducted in 1960 to bring Indian thoughts and contents in advertising. A shift in marketing orientation was observed during this time with increasing professionalization of agencies. In 1967, the first commercial was aired on Vividh Bharati and later in 1978; the first television commercial was seen. Various companies now started advertising on television and sponsoring various shows including Humlog and Yeh Jo Hai Zindagi.

Market Research and readership surveys led to further professionalization of the advertising industry. Focus on research data generation leads to development of research techniques like Market Rating Indices, Shop audits, etc. Television rating
points, popularly known as TRP measurements, provided ad agencies with statistical data on consumer/viewer likes and dislikes and thus helps them in creating effective media plans and ad campaigns. Ad agencies were focusing on increased use of photography and high emphasis on creativity. The advertising industry saw media boom in 1980 with introduction of radio commercials and colour televisions. All India Radio accepted commercial advertisements when their ‘Vividh Bharati’ channel took on sponsored programmes like ‘Binaca Geet Mala’, ‘Sardio Ke Saathi’, etc. Public sector advertising was also introduced during this time which also gave rise to social marketing. Boom in the industry also gave way to expansion and diversification of agencies.

In the 2000s, the role of advertising agencies changes to that of marketing consultants. These agencies had started boasting on agency-client relationship. The example of such relationship is the 68 years of unbroken association of Hindustan Thompson Associates Ltd. with the health food brand ‘Horlicks’. Ad agency Lintas merged with Lowe Group to become Lowe Lintas and Partners (LLP) and Trikaya Grey becomes Grey Worldwide. Game shows like Kaun Banega Crorepati became a rage. Bharti’s Rs. 2.75-crore corporate TV commercial, where a baby girl is born in a football stadium, became the most expensive campaign of the year.

Kyunki Saas Bhi Kabhi Bahu Thi marked the return of family-oriented soap on TV and the popularity of these soaps gave a new boost to TV advertising.

Thus during the planned era from 1951 to date, advertising industry has came up in a big way. Today, the worth of advertising industry is 1.650 million rupees as annual turnover. The industry is well developed in all its branches, namely, advertisers, advertising media, advertising agencies, consumers and the government too. (Sontakki C N, 1999) Today in India, the scope for advertising has progressed considerably although the Indian advertising spends as a percentage of the Gross Domestic Product (GDP) is still abysmally low (at 0.34 %) as opposed to other developed and developing countries. Advertising revenues are vital for the growth of Entertainment and Media (E&M) industry in India. The low ad spends are an
immense potential for growth. This can be seen through the development of so many new mediums of advertising in recent years.

3.2 ADVERTISING INDUSTRY IN INDIA

The Indian advertising industry has evolved from being a small-scaled business to a full-fledged industry. It has broadened its scales and emerged as a fastest growing tertiary sector of the economy. The various aspects of the industry including the level of capital employment, number of personnel involved, creative aspect, level of employment generation, contribution to GDP, etc. has grown enormously. Indian advertising industry has not only carved a niche for itself but has also placed itself on the global map with the creative and innovative concepts in the field of advertising. After facing rugged recession, the advertising industry in India has rejuvenated itself in a short span of time. This is attested by the fact that global companies are approaching Indian ad agencies to handle their media campaigns. (indianmirror.com)^101

The Indian economy is on a continuous growth path for many more years to come and this has further enhanced the prospects of the Indian advertising industry. Although the industry is expected to maintain its current growth momentum, however the pace of growth of various segments of the industry will differ significantly from one another. The growth rates in newer segments like mobile or internet advertising is expected to be substantially higher as compared to traditional segments like print or electronic media. (Indian advertising Market Report & Forecast)^80

Between 2013 and 2018, India is projected to be the second fastest growing advertising market in Asia after China. The Indian advertising market is expected to grow 10.7 percent annually. However, It is estimated that by 2018, the share of ad spend in India’s Gross Domestic Product (GDP) will be around 0.45 per cent which is considerably low as compared to the other developed and developing countries. Less than 1% contribution of Indian advertising industry to National GDP in
comparison to 2.3% of share of US to the GDP, indicates the tremendous growth potential for Indian advertising industry.

**Advertising Industry Revenue of Major Countries**

![Advertising Industry Revenue of Major Countries](image)

Note: 2013 figures  
Source: China Advertising Association

**Figure 3.1 Advertising Industry Revenue of Major Countries**

Source: Chinese advertising agency

The 80% of the Indian advertising market is controlled by the Indian advertising agencies. Many of the top Indian advertising agencies have foreign collaborations in the form of joint ventures or affiliations with large multinational companies. Many of the Indian advertising companies are also ranked among the top global advertising agencies. The number of advertising and media companies in India is above 2500 and still growing. With the growth in the advertising companies the
industry is expected to experience more affiliations and collaboration agreements with foreign agencies.

The advertising market in India was estimated at Rs.43,491cr. in 2014, and was estimated at Rs.48,976cr. in 2015 with a growth percentage of about 12.7%. The Fast Moving Consumer Goods (FMCG Segment) is the largest advertiser in the Indian advertising industry, closely followed by the consumer durable segment, the telecom and the automobile industry. Print media continues to be the biggest contributor of the total advertising revenue pie, followed by the television and the digital advertising.

Industry sources feel that the advertising industry’s ability to deliver mass communication and to promote brand is more established in India than many other Asian countries and therefore, industry sources predict high ad spends and revenue generation. In addition to these Lok Sabha and State Assembly elections are also considered important to fuel the growth of advertising industry. After the new code of conduct was issued in early 1990, Indian political parties are emerging as a major client for the advertising sector. Contribution in ad spends by e-commerce players is also significant and growth in advertisement revenues are also getting fillip from events such as the T20 World Cup cricket tournament, Indian Premier League (IPL), Pro Kabbadi League, etc. Given below charts clearly indicates the year on year growth performance and the trend with which the Indian advertising industry is developing.
Figure 3.2 Year wise Advertising Revenues (in Crore)

Figure 3.3 Year wise Advertising Industry Growth (in %)
The Indian government has given tremendous support to the advertising and marketing industry. Advertising 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 render the advertising and marketing industry in India a fertile space. (www.ibef.org)\textsuperscript{100} Indian advertising industry can be considered as a fairly well developed and world class advertising industry because of the rapid integration of Ad agencies into worldwide networks. The Indian economy is experiencing a surge in consumer demands which implies that marketers can look forward to a growing market and consumers can look forward to a choice of world class goods and services and advertising industry can experience increased revenues and growing market share.

### 3.3 MARKET SIZE

India’s Advertising industry is expected to grow at a rate of 16.8 per cent year-on-year to Rs 57,485 crore (US$ 7.61 billion) in 2016 (Pitch madison advertising report)\textsuperscript{81}, supported by positive industry sentiment and a strong GDP growth of 7 per cent and above.

India's digital advertising market has grown at a fast pace of 33 per cent annually between 2010 and 2015 (Morgan Stanely Report), while the ad spend as a percentage of total advertising increased to 13 per cent or nearly US$ 1 billion in 2015.

In 2015, the advertisement revenue in India has touched nearly 48, 976 crore and marks a growth of nearly 13%. Digital advertising has emerged as the third highest contributor in the total advertisement revenues. The pie chart given below gives a clear idea of the segment wise contribution of total ad spends. Television advertising contributes a significant portion to the total advertising revenue, accounting for almost 45.8 per cent, whereas TV contributes 34.5 per cent, and digital contributes 9.5 per cent of the total revenue. Outdoor, Radio and Cinema make up the balance.
10.1 percent. Television advertising continued to be the biggest contributor in the pie. However, print media records a declined growth as it lost its share to digital advertising. Digital advertising is constantly growing with the increased competition and market expansion in E commerce sector. Government of India’s initiative for Digital India Project is another reason that boosts the growth of digital advertising and makes it the fastest growing sector. Of all the segments magazines are recording decline year on year and remains to around 1% of the total ad spends.

![Figure 3.4 Segment wise Break-Up of Advertising Revenue 2015](image)

### 3.4 SEGMENT WISE ANALYSIS

#### 3.4.1 Digital Advertising

The online advertising market in India has touched Rs 4,661 crore (US$ 690.94 million) in 2015 from Rs 2,750 crore (US$ 407.66 million) in 2014. Of the current Rs 4,661 crore (US$ 690.94 million) digital advertisement market, search and
display contribute the most - search advertisements constitute 38 per cent of total advertisement spends followed by display advertisement at 29 per cent, as per the study. Mobile and social media advertising is considered to be the biggest growth drivers.

The Internet's share in total advertising revenue is anticipated to grow twofold from eight percent in 2013 to 16 per cent in 2018. Online advertising, which was estimated at Rs 2,900 crore (US$ 429.9 million) in 2013, could jump threefold to Rs 10,000 crore (US$ 1.48 billion) in five years, increasing at a compound annual rate of 28 per cent. It is interesting to note that Indians paid Rs 25,200 crore (US$ 3.74 billion) to access the Internet in 2013, a figure greater than the Rs 22,300 crore (US$ 3.3 billion) that print medium garnered in subscription and advertising. (www.ibef.org)100

Figure 3.5 Digital Advertising Growth Chart
3.4.2 Television Advertising

Television advertising is growing at a marginally slower pace as compared to previous year. Digitalisation of television channels has proved to be beneficial for consumers as well as marketers. Digitalisation process has led to increased spending on Niche channels, SD and HD channels. This proliferation of channels provides increased advertising options due to split runs across channels. The industry experts suggests that television will continue to account for a majority share of advertising spends, in India due to cross media integration via their own digital platforms and scope for programming and advertising innovation during big ticket events like IPL, ICC Cricket World Cup, etc.

Figure 3.6 Television advertising Growth Chart

3.4.3 Print Media

With the pressures on advertising revenue, newspaper advertising has recorded growth by 5.2% in 2015, and it is further expected to grow by 6.04% in 2016. An increase in ad spends in newspaper is derived from sectors like Automobiles, BFSI (Banking, Financial Services and Insurance) and the Government sector. Further,
regional advertising has gained from sectors like Telecoms and FMCG. However, Print magazines continue to be on the decline, as several are looking at digital delivery mechanisms. The industry experts believe that though the pace of growth in print advertising may have slowed but the medium is continuing to deliver results for advertisers.

Figure 3.7 Newspaper Advertising Growth Chart

Figure 3.8 Magazine Advertising Growth Chart
3.4.4 Radio advertising

The radio segment is poised for an exponential growth in India. Currently there are around 250 FM stations across 90 cities. Radio advertising segment has shown substantial growth of 10.4 percent in 2015 and is expected to grow on an average of 10 percent in 2016 for existing stations in key markets like Delhi and Mumbai. However, radio companies are struggling with limited ad inventory which is only expected to grow once the new radio stations acquired through the phase III auctions are set up. Industry experts suggest that there is scope for the medium to pick up towards end 2016 when most of the new stations (set up after phase III licenses, round 1 were issued) are fully operational. (www.livemint.com)¹³⁰

3.4.5 Cinema advertising

While cinema advertising is small and contributes to less than 1 percent of total advertising in India its rate of growth is comparatively high than other mediums. In terms of rate of growth it stands second to digital advertising with 20 percent growth in 2015 and is expected to further grow at the rate of 25 percent in 2015. It is further suggested by the media analysts that interestingly cinema advertising would continue to see an upswing, led by brand investment in this medium. (Business Standard)⁸⁶ With the launch of Netflix services in India, a further boost is expected in cinema advertising as several domestic and international firms will actively market their VOD (Video on Demand) services.

3.5 SECTOR WISE SPENDING

FMCG sectors remains on top with the highest contribution of 28 percent in advertisement expenditure. Despite facing volume pressures, many advertisers increase their ad spending to spur demand and to gain on reduced input costs by increasing turnovers.
Auto and E-commerce are also considered as top sectors contributing to advertisement growth in 2015. In coming years, E-commerce advertisement spends are expected to be high on the back of increasing competition, market expansion and newer player entering the space. Many leading traditional retailers will be expanding their E-commerce presence in 2016 even as consolidation continues in the sector. The analysts consider Auto sector as another big contributor to Indian Advertisement expenditures and expect Auto sector to contribute nearly to 8.2% in the advertisement revenues, on the back of multiple launches across both four-wheelers and two-wheelers.

Ad spends this year has also experienced substantial contribution from telecom sector. With the advent of 4G services in India, telecom service providers are further expected to roll out extensive marketing campaigns across media. This roll out may also include global and domestic handset manufacturers launching new models of 4G/LTE handsets. BFSI (Banking, Financial Services and Insurance) and Government sectors are also expected to ramp up their advertisement spends and thus contributing positively in the advertisement spends growth.

### 3.6 TOP ADVERTISERS IN INDIA

Under a survey done by Pitch Madison, the following companies made into the category of top 10 advertisers by media spend in the financial year 2015. The revenue mentioned in the chart is the approximate advertising spends of these companies. The top 10 advertisers account for as much as 17% of the total revenue of the industry. The number is significant considering that there are over 2 lakh advertisers in print media and over 12000 advertisers in television media. Hindustan Unilever continues to lead the pack with spends of about Rs.2500 crore. Amazon India comes in next and as the list goes down the revenues reduces upto 400 crore in the top 10 list. (Pitch Madison advertising report)
- Hindustan Unilever India
- Amazon
- Proctor and Gamble
- Flipkart
- Maruti Suzuki
- Mondelez
- Godrej Consumer
- ITC
- Snapdeal
- Reckit Benckiser India
Figure 3.9. Top 10 Advertisers Spending on Advertisements

Source: Pitch Madison Advertising Report

3.6.1 Top advertisers in FMCG sector

The chart of sector wise spending break up above has clearly shown that FMCG have fuelled the overall growth of media advertising by contributing high on ad spends. The experts suggest that for an FMCG brand, it is absolutely necessary to continue their spending on advertisements and sales promotion to capture the mind of consumers and create brand recall. Continued advertising is also necessary for FMCG sector to mark their presence in the mind of rural customers, as according to various surveys and estimates rural areas now account for half of the industry’s demand in terms of volume.

At Rs.3944 crore in FY 15, Hindustan Unilever’s (HUL’s) ad spends jumped 7.3 percent from Rs. 3675 crore in FY ’14. ITC group has spent Rs.755 crore on
advertising in 2014-2015, against Rs. 796 crore the previous year. The Emami group rose its ad spends by 41% to Rs. 392 crore. Proctor and Gamble has spent approximately 244 crore in the year 2014-2015. (www.business-standard.com)

![Figure 3.10. Top advertisers in FMCG Sector](image)

*Ad spends in crore (Source: Business Standard)

### 3.6.2 Top advertisers in E commerce sector

Among the top advertising sectors, e commerce is also gaining name with contributing 7% of Television advertising revenues, marking a growth of 60% as compared to last year and 4% of contribution in print advertising revenues, with a whooping growth of 120% in comparison to last year, along with a 6% contribution in revenue growth of each radio advertising and OOH advertising (Out of Home advertising) (Pitch Madison media advertising report)
Figure 3.11 Top advertisers in E Commerce Sector

(Source: www.livemint.com)\textsuperscript{130}
3.6.3 Top advertisers in Automobile sector

Another segment that spends high on advertising is considered to be automobile sector as per various marketing reports. The reports suggest that automobile companies are spending high amount on advertising and promotional activities, to boost sales. In the year ended March 2015, the top five companies by revenue — including Maruti Suzuki, Mahindra & Mahindra (M&M) and Hero MotoCorp—spent a combined Rs 2,637 crore to push sales, up 19 per cent from a year before. The bulk rise in advertising came from the passenger vehicles and two wheelers. Tata motors have spent Rs. 850 crore on advertising, which is the highest spend in the sector, followed by Hero MotoCorp at Rs.669 Crore and Maruti Suzuki spent approximately Rs.464 crores on advertising.

The ad spends and an excise cut boost offered by the government helped the companies to grow domestic volumes by 11 percent. Ad expenditure as a percentage of revenue went up in the year 2014-2015 for all the top companies, except Tata Motors. Maruti and Mahindra & Mahindra spent less than one per cent of their revenue on advertising. Mahindra & Mahindra 0.85 percent is the lowest among the top five and lower than Maruti’s 0.93 percent.

Hero MotorCorp and Tata Motors spent more than two per cent of their revenue on ad and promotion activities. Bajaj Auto spent 1.48 percent of revenue on advertising against Hero MotoCorp’s 2.42 percent. Hero’s ad spending as a percentage of revenue is the highest among these top five companies. (Business Standard)\(^6\)
The above charts clearly indicate that advertisers across various segments are considerably using different medias of advertising and constantly increasing their ad spends to gain control on market share, developing brand image, creating new markets and to boost sales and volumes.

3.7 RECENT DEVELOPMENTS:

With the increasing dominance of technology, globalization and growing government initiatives, the advertising sector is very much susceptible to the winds of change. Below are given some recent developments and government initiatives that will surely bring positive change in Indian advertising industry and will definitely flourish the industry in a big way.
• Times Internet Limited plans to invest US$ 100 million in development of smart marketing technology platform Colombia, which will serve its marketers to engage with around 200 million digital users per month.

• Zarget, a Software-as-a-Service (SaaS) based conversion rate optimisation start-up, has raised US$ 1.5 million in seed funding from Accel Partners, Matrix Partners and Freshdesk Inc's founder Mr. Girish Mathrubootham, which will be used to build more marketing related tools.

• Snapdeal.com, one of India’s largest and fast growing e-commerce companies, has acquired Targeting Mantra (Insightful Pvt. Ltd), which is a Gurgaon-based marketing and personalization Services Company, as part of its plan to enhance the experience for its customers.

• Indian Railways has appointed Ernst & Young (EY) as a consultant to discover its advertising potential, which is in line with the Railway Budget proposal of increasing non-fare earnings to over Rs 5,000 crore (US$ 741.2 million) in five years.

• MoMark Services, a mobile based customer engagement platform for small and medium businesses, has raised US$ 600,000 from YourNest Angel Fund and LNB Group, to scale up its product offerings and talent acquisition.

• Tata Motors has appointed renowned football player Lionel Messi as the global brand ambassador for Tata cars and utility vehicles globally, with an aim to tap the youth market and expand visibility and presence of Tata Motors in newer markets.

• Advertising agency J Walter Thompson has launched its global digital agency network 'Mirum' in India which will provide services such as strategy and consulting services, campaigns and content, experience and platforms, analytics and innovation and product development, with the target to
increase non-traditional media revenues to 40-45 per cent from 35 per cent currently.

- DDB Mudra Group has planned to launch ‘Track DDB’, a brand that addresses the data-led world of marketing communications, which will provide services like creative, data and digital analytics, database marketing, CRM, digital and mobile marketing in India.

- All India Radio (AIR) has appointed ‘releaseMyAd’ as a virtual agency to let advertisers book ads for all of AIR’s station online.

- 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 Mr Vinton G. Cerf. Digital India is Rs 1.13 trillion (US$ 16.75 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 Girnar Software Private Limited, which owns and operates the website CarDekho.com, 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.

- 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. (www. ibef.org)

3.8 GOVERNMENT INITIATIVES

The Governments of India and Canada have signed an audio-visual co-production deal which facilitates producers from both countries to harness their collective artistic, technical, financial and marketing resources, and encourage exchange of culture and art between the two countries. The agreement is also likely to lead to better promotion of Indian locales for shooting films. "The agreement will also lead to the transparent funding of film production and boost export of Indian films into the Canadian market," as per the agreement.

India and Poland are seeking to enhance cooperation in the digitisation and restoration of film archives. This was decided in a meeting between Secretary of Information and Broadcasting, India, and a delegation from Poland led by 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. Ministry of State for Information & Broadcasting, has also announced that Indian government has planned to increase advertising spend on
the digital platform which will help increases the government’s presence in digital media. (www.ibef.org)\textsuperscript{100}

The government has also expanded Digital India programme, by expanding the scope of existing schemes so as to ensure that more services are accessible by the masses. The government has launched 22 initiatives under the Digital India programme, which includes projects in the areas of digital infrastructure, digital empowerment, on demand government services and promotion of industry. Over the last decade, the high internet usage and increasing digitization has largely influence the Indian Media & Entertainment (M&E) industry and the government initiatives under Digital India programme will significantly improve the industry revenues.

3.9 FUTURE OF INDIAN ADVERTISING INDUSTRY

We foresee an exciting future of advertising industry, as marketers develop multicultural strategies, find new uses for new media and explore e commerce and online information technologies. The Indian economy is on a growth trajectory and this indicates the growth years for advertising industry as well. The following points discuss the potentiality of the Indian advertising industry in India in various spheres such as socio-economic, ethical, professional, etc.

3.9.1 Growth in Business

Indian economy has become the fastest growing economy of the world, with a GDP growth rate of more than 7%. Government’s structural interventions to stimulate country’s economic growth promises an optimistic growth of all size groups of industry, be it small, medium, large or private and public. Growth of industries will boost the mass marketing efforts and heavy investments are expected in advertising to launch number of new products, brands and variants.
3.9.2 Growth of Media

The communication revolution forged by the developments in electronics and spurred by the launching of space satellites has brought the avalanche of change as never expected. Digital advertising has literally transformed the world into a global village. It is village which is characterized by variety of hues, values and most importantly a village with no boundaries. Growing businesses and markets flooding with variety of brands, calls for the development of innovative media of advertising. The growth of advertising industry and development of existing and new media go hand in hand. One couldn’t be achieved without other. Therefore, a prospective growth of advertising industry also ensures the continuous and substantial growth of various media.

3.9.3 Enhanced professionalization and creativity

Reports have shown constant growth of advertising industry over the past five years, this rapid growth have paved the way for the creativity and refinement. The status of full fledged professionalism has not been achieved by the industry so far, but with the pace it is growing and the developments are taking place one can comfortably say that it is moving fast towards this direction. The presence of association of advertisers, advertising agencies, media houses, code of conduct and regulations by government ensures high standards of the industry, ensures standardization of the creative process and draws a definite image of the advertising industry in India.

3.9.4 Socio Economic role

Advertising now has been fully accepted by the people as a way of life. It is now considered as an instrument of upgrading the socio-economic status of the people. The buyers and sellers no more see advertising as a wasteful or false claiming activity rather they treat it as a useful vehicle which helps in informing, educating, entertaining and setting trends of the masses. With the high acceptance of advertising by the public, it has now become a need of daily life communication at
the market places. This response of the masses indicates towards a positive growth on the ground of Indian advertising industry in the coming days.

3.9.5 Rural development

The proximity of advertising communication has now gone beyond the urban areas. It is also focusing on bringing many industrial and consumer goods to the notice of rural India. The overall socio economic development of the country has touched the rural masses equally and has increased their purchasing power also. It has already been mentioned above that rural India holds a substantial share in the demands of many of the consumer goods. Advertising can now be seen as an instrument of bringing change in the life of rural masses and can be used constructively in communicating government schemes, solving social issues of rural population like Sawachh Bharat Abhiyan, rural industrialization, health programmes, smart village schemes, family planning, etc.

3.10 SUMMARY

The discussions above has explained clearly that Indian advertising industry has evolved itself manifolds and is now coming up in a big way in coming years. It is expected to grow constantly with big leaps. The industry is preparing itself for high revenues and growing standards in the fields of creativity and professionalization. The industry also faces many challenges such as impacting the Indian cultures and sub cultures, generation of employment, influencing and developing rural India, contribution in socio economic development. However the industry is gearing up and struggling to overcome these challenges.

As far as the revenue expectations are considered, the advertising and marketing sector in India is expected to enjoy a good run. Television and digital advertising is expected to grow on a higher side as compared to other media. E-commerce companies are expected to dominate marketing trends in coming years. 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 instance, in the automobiles sector, the focus of two-wheelers on 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 cutting down on prices. (www. ibef.org)\textsuperscript{100}

The innovations in communication and technologies have brought the concept of “one product-one communication”, the concept has been proved beneficial in removing the barriers of cross border communication and therefore, the industry demands for high regulation and constant innovations. Also there are high expectations from the advertising sector to contribute towards the promotion of sustainable development, which can be achieved with the joint collaboration of client, agency and government.