

Analysis of the latest trends and the new formats of advertising Industry in India

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ABSTRACT: Advertising and brand management are an integral part of the commercial world because till there will be products and services to be sold to consumers, there will be a need to make planning and arrangements to pull consumers and capture their sentiments that could trigger the urge to buy a certain good or service. Advertising industry in India has grown exponentially over the years especially with the advent of privatisation in the Indian economy leading to flooding of market with products and services competing with each other to become the choice of their buyers.

The journey that began with Print, radio and other forms of audio-visual media saw a major boost with the entry of television in the Indian market. Today it is faced by the digital revolution calling for revamping and overhauling changes.

This paper will take a dive into the various dimensions of the Indian advertising industry and also discuss about the recent trends and developments in the Indian Advertising industry.

Key Words:

Classified advertising, mass media, marketing, branding, adscape, consumer, ad-agency, middlemen, copywriters, digital media, consultancy, Blockchain, artificial intelligence (AI), ideation, programmatic advertising. Animation, chatbots, corporate, content studio.

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I. INTRODUCTION:

As newspaper printing started from the later part of seventeenth century with the first one being 'The Bengal Gazette' advertisements found way as a commercial medium to communicate to the consumers about the brand and qualities of one's products. Prior to this, ads were limited to mere pamphlets or hoardings which were not an actual source of income for the platforms used for the purpose of advertisement. Concrete advertising began with classified advertising. The early centres for developing the advertisements were studios for font, sketching, colouring, printing, photography and production. Newspaper studios were the first training centres of visualisers and illustrators.



One of the earliest print ads by the first advertising company in India, Dattaram and Co. Leela Chitnis was the first Indian actress to endorse a product in 1941.

Picture Courtesy: www.advertisingindia.wordpress.com [Fig 1]

B Dattaram and Co. could be regarded as the oldest Indian agency started in Mumbai in 1902. later, many more ad agencies came up which worked in collaboration with foreign ad agencies or some even merged into them. Over the world, Ogilvy and Mather was formed in early 1920s. In 1939, lever's advertising dept. launched Dalda – the first major example of a brand and a marketing campaign specifically developed in India. In 1967, the first radio commercial was aired on VividhBharati and in 1978; the first television commercial was seen.

Later with the growth of daily soaps and telecast of live events like elections and cricket matches on regular T.V channels encouraged various brands to invest in huge sums to advertising as there was an opportunity to promote their goods or services amongst consumers who stuck to Television screens for the view.

With the turn of the 21st century as electioneering extended its tentacles from rallies and processions to campaigning through mass media like television, radio and print media, it called for brand management and opinion making agents for eg. The IPAC (Indian political action committee) that has taken the centre stage of discussion as an image making and campaign strategist for political purposes.

Objectives of the study.

- 1) To review and analyse the current trends and the dynamics of advertising Industry.
- 2) To analyse the Impact and developments of the digital marketing on advertising industry.

II. REVIEW OF LITERATURE:

1. The factors that affect the consumer behaviour and the advertisers' responsive action towards it were studied using empirical data collected from research papers on allied topics. Various data analytic techniques like regression, z-test, annova, cross-sectional survey were applied. This paper emphasised on the role of online advertising and its impact on consumer. They also studied the various factors affect the online advertising. **Manjeet Singh & Vikramjit Singh, (2015)[1]**
2. The relationship between independent variables which create emotional response with attitudinal and behavioural aspect of consumer buying behaviour was studied by tapping the responses of 110 respondents. The basic objective of this research is to assess the influence of advertising through attitudinal buying behaviour of consumer (male & female) and analyse the influence of Advertising between male and female. **D.Prasanna Kumar & K. Venkateswara Raju, (2013)[2]**
3. Talks about the gradual emergence of the advertising industry and how it updated itself with the upgradation of technology and media. It highlights the role of advertising in opinion-shaping of consumers and backs the idea by the case study of "Volkswagon-Das Auto (the car-for an even simpler one)". **Leandro Mateo Bolaños Melgar & Robert J.F. Elsner, (2016)[3]**
4. In this study, the author presents these challenges based on results of a survey among a convenience sample of 777 marketing executives around the globe. The results reveal that filling "talent gaps", adjusting the "organizational design", and implementing "actionable metrics" are the biggest improvement opportunities for companies across sectors. **Peter S.H. Leeflang, et.al, (2014)[4]**
5. In the early part of the 21st century, the media landscape has been dramatically affected by the introduction of new, largely digital media. This increase in the number of media has been driven largely by improvements in technology and how customers interact with the technology and each other. In this paper, the author describes the kinds of new media that companies are using to engage customers and the challenges that these media present from the perspective of the marketing manager. In addition, using the management challenges as a framework, I describe the research opportunities posed by these media and where marketing academics can make the greatest contributions. **Russell S, (2018).[5]**
6. The change in the technology has made the marketer to understand critically who will buy and who will not buy or who is more likely to buy a specific product. It is now very easy to understand the consumer on the evidences and not just based on the intentions. Marketing dynamics are changed drastically and competition has increased rapidly, in which the technology helps the marketers to understand the consumer and maximise the return on investments through advertisement efficiency and effectiveness. **V. Kumar & Shaphali Gupta (2016)[6]**

Factors That Helped The Growth Of Advertising Industry In India:

According to some studies the advertising sector of India is close to touching 1 trillion rupees in terms of size. India remains the fastest growing market for advertisements with Ad Expense growth estimate of 14% in 2019.

We will try to analyse the contributing factors that have helped the industry grow over the past five decades in the country.

1. Ad items became revenue generating source for media platforms: with the spread of media like newspapers, radio and television both in terms of scale of business and its outreach. Advertising was welcomed with open arms as a source of revenue by the media firms giving it a stage in many ways. So growth of media was followed by the growth of advertising sector.
2. Advertising is frontal part of marketing: the sales, growth and sustenance of any products / services in the market are determined by the marketing strategies adopted by the brands in a big way. In this regard the brand positioning in the consumer space holds importance, which is carried out by the advertising activities undertaken.

3. Severe competition between brands in same product space: the brands that offer similar kind of products or services often need to differentiate their product features or focus on some unique sellable aspects of their products to make inroads into the consumer space and earn consumer loyalty in the long run. Such strategies are implemented through a wisely devised advertising plan that gives the product an image to bank on amongst its buyers.
4. Governments turned to advertisements to communicate with the masses: it became commonplace to find advertisements of events and schemes of governments both at state level and national level. Tourism departments of various governments have long term plans and large scale expenditure to pump in advertisements. This factor draws its importance from the fact that on an average the cost of each ad sponsored by government is higher than the ones sponsored by private firms. According to official data of Information and broadcasting (I&B) ministry, the expenditure on publicity by the government reached 1313.57 crores in the financial year 2017-18 when the total advertising industry expenditure stood at around 70,000 crores as per media buying agency GroupM data. So, roughly 2% of the entire expenditure in the adscapes by the central government alone.

An Analytical Case Study:

1. 'Thandamatlabco cola': An internationally awarded campaign originated in India[7]

Coca Cola is an apt example of a product without any essential benefits. Similar and competitive products to satisfy similar needs in terms of physical attributes are easily available in the market. Yet there is something different about having a Coke. The psychological reasons of choosing a Coke over a Nimboo Soda are much different, and the satisfaction attained is way apart as well. Let's analyse how Coca Cola attained this position in the consumers' mind.

Coca cola was launched in the 1956 itself in India. For almost 50 years the brand was trying to connect with the youth as their target customer through various print ads but none of them could strike a chord and gain as much attention as the 'Thandamatlabco cola' campaign that officially began in 2003 which is considered as the brainchild of one of the most widely regarded advertisers of India: Prasoon Joshi.

Thanda in India means cool drink, and this word is entrenched in our culture and lingua franca. For example, when guests come to our house, we ask "Kuchthandalengeyaagaram?" means will you prefer having something cool or hot? Similarly hawkers sell cold drinks, soda or chilled water by crying out "Thanda le lo thanda" on the streets, in the market or at railway stations. Joshi used a smart twist of this very familiar Indian Hindi word to link it to Coca Cola. Resulting in a synonymous recognition in the Indian minds of anything cool implying to Coca Cola.

So whenever we feel like going for a cool refreshing drink or Thanda, the immediate word that comes to our mind is Coca Cola. This is but a brilliant way to position Coca Cola again as a cool, refreshing drink for the youth and everyone. This campaign expanded the Coke TG from the initial youth to the masses. This was a first attempt in dissolving boundaries and representing Coke as **The Cool Drink for everyone!**

Challenges And Issues Faced By The Advertising Industry:

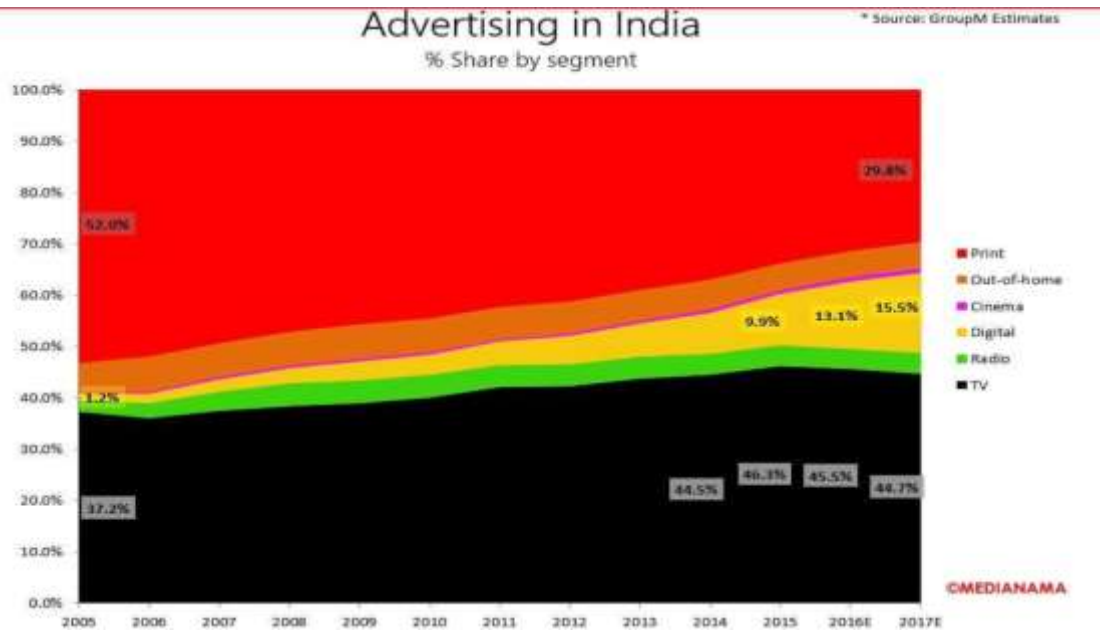
1. Attracting new talent and retaining them: the lower entry-level remuneration of copywriters or creative brains as compared to similar entry-level spots in other sectors of the corporate is likely to repel the youngsters fresh out of their graduate level courses. This phenomenon drives away many creative minds also as they don't find the job monetarily rewarding which is at times the foremost expectation.

Many young professionals think that what they bring to the table in terms of their art and creativity in an agency pays them too less as compared to what they may get through working for real art and crafting like stage events, movie making, commercial writing etc. We have many cases when people spent few years in the ad industry and left with their experience and talent heaped over the years for film-making, script writing etc which remunerated in leaps and bounds. Therefore agencies have been bad at retaining the talent which at times was nurtured by them. However in other industries the professionals get bound to their sectors if not firms always.

2. Many big companies and brands are turning to in-house agencies: Many companies in recent times have opened up their own in-house content studios in recent years like Unilever followed shortly by Netflix and L'Oreal. Currently there are an estimated 16% firms in the corporate world possessing their own advertising wing and the number is only expected to grow. The major factors that are being attributed to this shift are their unhappiness with their agency partners over transparency in ad-buying and making. It is easy to understand that every Client would like to have more control over performance data and how their ad budget is spent. Also the brand or product owners expect to cut down their expenses by eliminating the middlemen in the form of ad agencies. The ad agencies and brand consultancy firms need to position themselves in the market as someone who has tonnes of experience and expertise which the clients must employ for their purpose.

3. The upspring of digital platforms has sent tremors for the traditional ad industry: the owners of the biggest digital platforms like Google, amazon and Netflix have come up with their own advertising wings serving the clients that use their platforms. This has directly hit the traditional agencies. The digital revolution that India has witnessed from the year 2016 saw cheap internet data stealing eyeballs from traditional media like the TV and print. Since then there has been a consistent fall in ad spent by companies on TV also as there was already a decline in the print media ad expenses since the past decade.

4.



Picture Courtesy: www.medianama.com [Fig 2]

From the above Graph we can observe how the ad space in print has consistently shrunk since 2005 in India and has started showing a decline on TV from 2016. Whereas the ad share in digital space has swollen rapidly over the years.

Since the rise of digital advertising has created a lot of commotion in the advertising and marketing environment, the advertisers are yet to adapt themselves to the new change and position themselves to keep up their losing momentum.

5. Advent of new technologies: new age technologies like blockchain and artificial intelligence have begun to transform the ad buying and selling in ways that eliminates the big role of agencies in it. Also artificial intelligence (AI) in countries like china and japan produced chatbots in 2018 which were capable of ideation and strategy-building for marketing and advertising. This also poses challenges to the traditional advertisers who need to adapt to new technologies and also position themselves in way that makes human involvement in the process indispensable if they want to remain significantly relevant.
6. The new research areas are also bigger issues wherein the advertising industry needs to take into the consideration. Today most of the companies are trying to make a combination of AI and big data. Infact most of the companies are having huge data in their hands, however were unable to use the data for proper understanding of the consumer nor proper positioning of the products into the minds of the consumers, thus not working on the revenue generation aspect. Therefore it is a time of AI – Advertising vehicle to get into action in analysing the data and then making better advertisements. Today's predictive analysis and programming is playing a major role in analysing the data and understanding the consumer critically and then with the help of AI knowing what the consumer requires for positioning the product into their minds, thus changing the nature of the online advertising—for better. In some of the issues the use of AI makes the data usage in making a retargeting situation. However in retargeting sometimes misleads the companies in advertising to the right target. For example a customer buying any product just for once and later if he is retargeted with numerous advertisements make the ad budget waste and of no ROI. Therefore technology usage should be done but in a way that the advertisement budgets are properly used and the right product to the right customer should be targeted in a right time.
7. One bigger issue in Advertising industry is the Ad ROI, which is the revenue generation after the spending on the positioning. As the media is very costly one has to effectively spend the ad budgets so that the ROI will be good. However how to calculate the budgets and plan the advertisements is a difficult task for most

of the ad agencies as well the companies. In such a challenge, current use of technology is able to help the marketers in studying the finance properly and allocating the resources. Programmatic Ad Buying is one concept which is helping the marketers. This process will use the technology in buying the digital advertisement and change the process from routine negotiations, insertion order and other hassles. This will help the agencies to reduce the advertisement expenses substantially and can make guaranteed ad immersions in advance.

8. Apart from the technology changes the advertising industry is also changing the media placements. With the growth of entrepreneurship and start-ups in India, market is able to witness number of various innovative avenues for the display of brands and brand positioning. To quote some examples, there are some companies which using Tea cups in giving the ads, as Tea is most used in this country. The biggest challenge is to keep the brand always in the minds of the customers, which is very difficult. As the old techniques of advertisements are losing the interest of the consumers it is now an era where new ways of positioning the products have come into existence. In one of the innovative ways some of the companies have with the advertisement strategy of making a common platform where the private vehicle owners meet the ad agencies to give the space on their vehicles to advertise. Infact one of the Airline company have given a complete flight body for an advertisement.
9. Marketer in every aspect are struggling hard for the growth of the business and increase the ROI with a better metrics. Thus in such a scenario adopting various communication process is a bigger challenge and adapting to the unique and diverse audience is always a challenge. Nidhi Tandon.2018[8]

III. CONCLUSION:

We have definitely ushered in a new era where there is an overhauling going on in the Advertising and Brand marketing world. The traditional modes of advertising like the Print, Radio and Television have faced devaluation in the eyes of advertisers due to consumer eyes and ears shifting towards Mobile and video world. Although it would be a bit immature to write the obituary of the conventional modes now as there is time for things to settle at their place as the digital revolution has not taken its final shape yet.

One positive aspect must be noted that Content remains to be the King. New age campaigns that have left an imprint on the consumer minds like, “The amazon prime: India a naya prime time” show that even the platform of platforms will need a means to convey their message of the product/service they offer and the art of doing it will always hold good.

The digital revolution has certainly added a host of new aspects which the advertisers need to pay heed to while devising their campaign for any product/service. For example: the style used in print media can find huge resemblance in the digital world with animation effects added to them. Advertisers here need to employ new technologies both in content development and to choose the right places where consumers are most likely to visit and get the messages put there for them by the advertisers. Artificial intelligence will here play a big role. AI will also help engineer a major upgrade in programmatic advertising which has been used by the firms since long. Thus the changing industry and the use of technology will definitely redefine the advertising industry, which in turn increase the online advertising. With the increase of technology usage, the industry’s measurement and ROI will increasingly become critical to the online advertising and overall to the benefit of the advertising industry.

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