



Confederation of Indian Industry

THE TRILLION (AND GROWING) TOUCHPOINT STORY

Recognizing the monetization conundrum

Boston Consulting Group (BCG) is a global management consulting firm and the world's leading advisor on business strategy. We partner with clients from the private, public, and not-for-profit sectors in all regions to identify their highest value opportunities, address their most critical challenges, and transform their enterprises. Our customized approach combines deep insight into the dynamics of companies and markets with close collaboration at all levels of the client organization.

This ensures that our clients achieve sustainable competitive advantage, build more capable organizations, and secure lasting results. Founded in 1963, BCG is a private company with offices in more than 90 cities in 50 countries.

For more information, please visit bcg.com.

The Confederation of Indian Industry (CII) works to create and sustain an environment conducive to the development of India, partnering industry, Government, and civil society, through advisory and consultative processes.

CII is a non-government, not-for-profit, industry-led and industry-managed organization, playing a proactive role in India's development process. Founded in 1895, India's premier business association has around 9,000 members, from the private as well as public sectors, including SMEs and MNCs, and an indirect membership of over 300,000 enterprises from around 265 national and regional sectoral industry bodies.

CII charts change by working closely with Government on policy issues, interfacing with thought leaders, and enhancing efficiency, competitiveness and business opportunities for industry through a range of specialized services and strategic global linkages. It also provides a platform for consensus-building and networking on key issues.

Extending its agenda beyond business, CII assists industry to identify and execute corporate citizenship programmes. Partnerships with civil society organizations carry forward corporate initiatives for integrated and inclusive development across diverse domains including affirmative action, healthcare, education, livelihood, diversity management, skill development, empowerment of women, and water, to name a few.

As a developmental institution working towards India's overall growth with a special focus on India@75 in 2022, the CII theme for 2018-19, India RISE : Responsible. Inclusive. Sustainable. Entrepreneurial emphasizes Industry's role in partnering Government to accelerate India's growth and development. The focus will be on key enablers such as job creation; skill development; financing growth; promoting next gen manufacturing; sustainability; corporate social responsibility and governance and transparency.

With 65 offices, including 9 Centres of Excellence, in India, and 10 overseas offices in Australia, China, Egypt, France, Germany, Singapore, South Africa, UAE, UK, and USA, as well as institutional partnerships with 355 counterpart organizations in 126 countries, CII serves as a reference point for Indian industry and the international business community.



Confederation of Indian Industry

www.cii.in

The trillion (and growing) touchpoint story

Recognizing the monetization conundrum

Kanchan Samtani

Karishma Bhalla

Mandeep Kohli

NOVEMBER 2019

FOREWORD

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Welcome to the 2019 edition of CII Big Picture Summit's Knowledge Report, in partnership with BCG, on the future of the Indian Media & Entertainment industry.

The Indian Media & Entertainment industry has many feathers in its cap – be it the role in the economy of our country (direct impact of over INR 1.6 Lakh Crore in 2019 alone, employing over 5 million people, both directly and indirectly) or successfully being at the forefront of digital revolution witnessing disruptions almost on a daily basis. The magnitude and breadth of the disruption is also unique and across the board – be it in terms of consumer demand for anytime, anywhere access or content creation moving from being an “art” to being “art plus science” leveraging data.

Last year's report looked at the required changes ranging from rethinking the front end content to reorganizing the back end to be successful in this “new order” and we are proud & delighted to say that the industry has come out with flying colors on the consumption front to maintain

the growth momentum with our trillion touchpoints increasing steadily. The increasing monetization levels and growth of advertisement dollars are also strong testaments to the high levels of engagement between the industry and its stakeholders, the value being created.

While all the above indicators augur well for the industry, we do need to be cognizant of the possible uncertainty up ahead in the coming days. The next year will be critical for the industry as we seek to accelerate the growth momentum while enhancing the value we deliver to our stakeholders in a potentially resource constrained environment. The report seeks to outline some of the critical areas which can enhance the value disproportionately and we hope it helps structure the imperatives and sparks action as we move towards a new tomorrow which is better than today. As Mahatma Gandhi once famously said - “The future depends on what we do in the present”.

CII and BCG thank our stakeholders for their valued perspectives and support towards enriching the content of this Knowledge Report. We look forward to your continued feedback in enhancing the usefulness of this publication.

Kanchan Samtani
Managing Director & Partner
Boston Consulting Group (BCG)

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Boston Consulting Group (BCG)

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Sudhanshu Vats
Chairman
CII National Committee on Media & Entertainment and
Group CEO and Managing Director
Viacom18 Media Pvt. Ltd.



EXECUTIVE SUMMARY

India continues its unique multi-modal growth pattern with video as the growth driver over the last 2-3 years. While TV has grown organically, digital video consumption has almost doubled in the past two years. All indicators suggest that this growth will continue and the trillion touchpoints will only increase in the near future. The demand side story is led by India's favorable demographics, surge in smartphone adoption coupled with ubiquitous low cost mobile internet. On the supply side, the exponential growth of players investing heavily into driving a truly customer centric experience (relevant content, affordable pricing, easy payment options, customized formats, among others) has not only driven the growth but set the benchmark for a truly enriching experience. This experience is visible in the form of the ever increasing engagement levels both in terms of number of sessions and time per session.

The high levels of engagement are starting to address the issue of monetization which traditionally has been the proverbial elephant in the room. Consumers are increasingly looking to move beyond trials but the funnel flow is still small compared to the large scale investments being made by players to both acquire and retain consumers. Our consumer research suggests that the path being taken is the right one as users proclaim high stickiness and tendency to pay with the spend on media expected to follow the "lipstick effect" even in challenged environments.

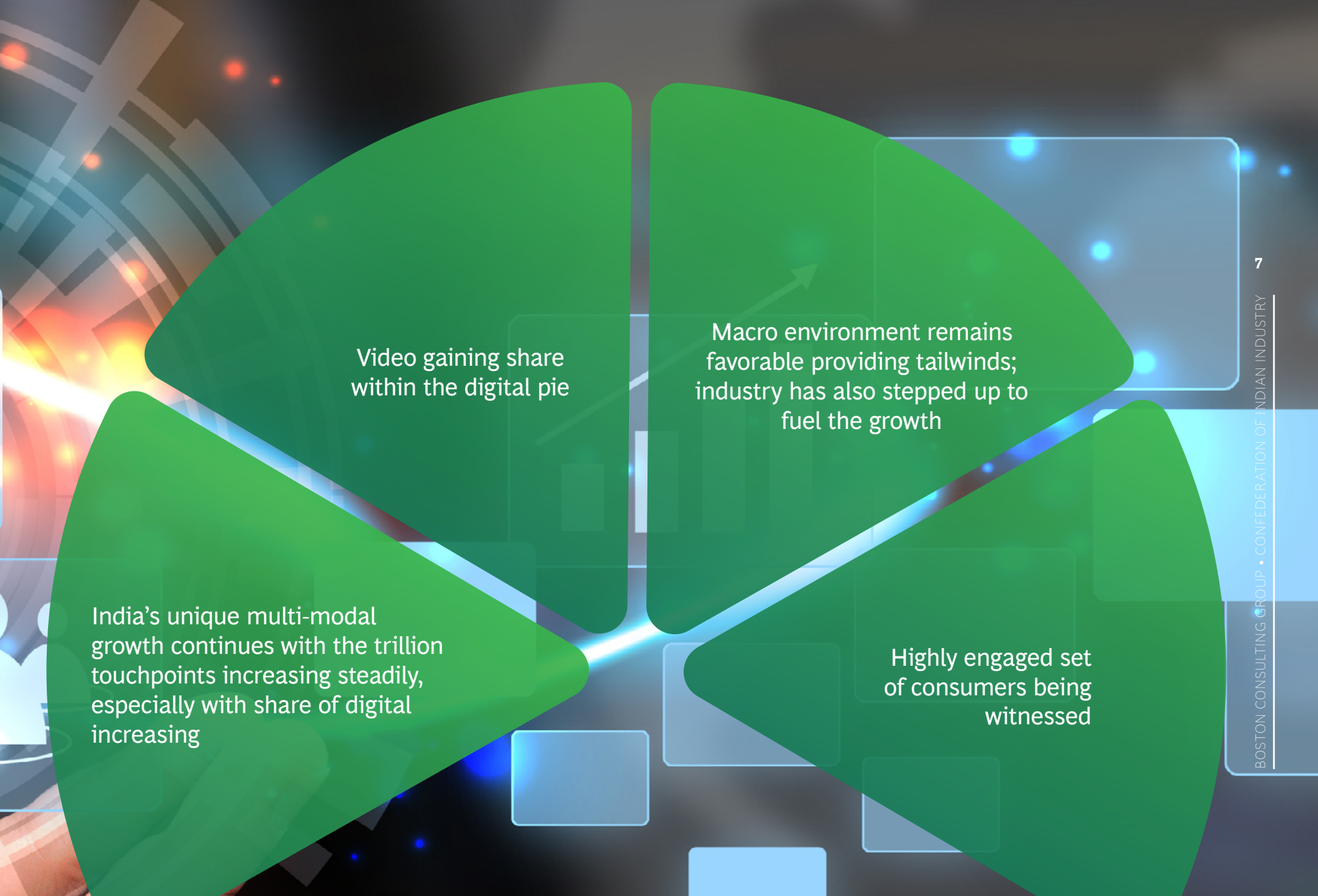
Advertisers also fundamentally continue to believe in the medium but with an uncertain economic environment looming up ahead, they do want the industry to quickly fix some of the inherent issues like transparent measurement of ROMI (return on marketing investment).

The coming year will be a pivotal one for the industry, as it looks to balance the imperative of growth and help translate the trillion (and growing) touchpoints into a more sustainable & value accretive proposition for all the stakeholders. This is not an easy task and will require deep introspection and high levels of innovation. Success however will again re-iterate the industry's position as a leader willing to always disrupt itself, showing the path towards a more sustainable future even in uncertain times.



SECTION 1: **STRONG CONSUMPTION STORY CONTINUES TO PLAY OUT**





Video gaining share
within the digital pie

Macro environment remains
favorable providing tailwinds;
industry has also stepped up to
fuel the growth

India's unique multi-modal
growth continues with the trillion
touchpoints increasing steadily,
especially with share of digital
increasing

Highly engaged set
of consumers being
witnessed

India's unique multi-modal growth continues with the trillion touchpoints increasing steadily, especially with share of digital increasing

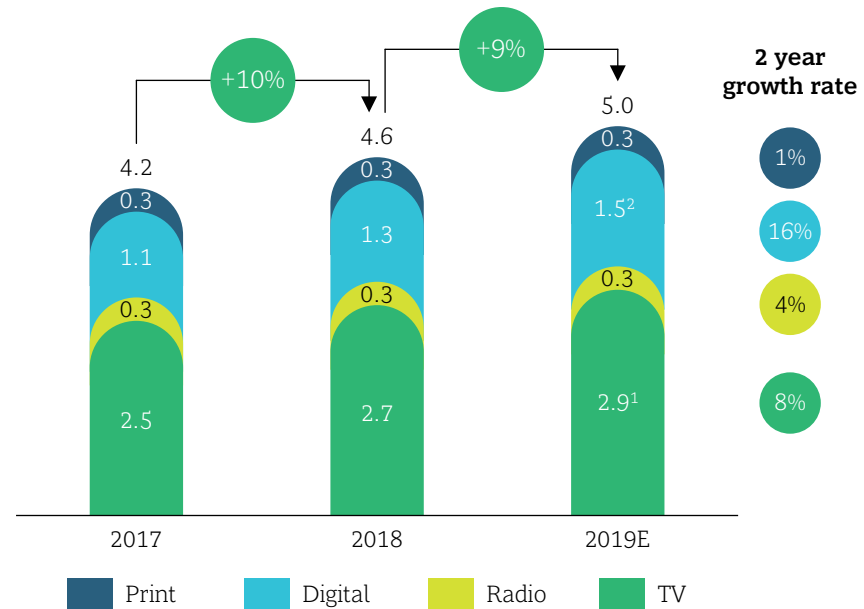
India's per capita media consumption continues to grow with all forms of media rising simultaneously, maintaining the unique multi-modal growth format

While traditional media is growing at a steady pace, digital media is driving overall growth with at a 16% CAGR over the past 2 years

The addition of the mobile as a “small screen” has pushed India to more than a trillion unique interactions (See CII Big Picture 2018 report “One consumer, many interactions” for additional details)

Per capita media consumption (Hours/day)

Total media consumption



Source: eMarketer database, BCG Analysis

Ages 18+; time spent with each medium includes all time spent with that medium, regardless of multitasking; for example, 1 hour of multitasking on phone while watching TV is counted as 1 hour for TV and 1 hour for digital

Digital includes all time spent with internet activities on any device, traditional media includes radio and print (exclude digital)

1. If only usage for population who have access to TV is considered, average hours per day is 3.9

2. If only usage for population who have access to internet is considered, average hours per day is 3

Video gaining share within the digital pie

Digital video consumption has increased from 11mins/day to 24mins/day over the past 2 years.

Over 2018, this has been driven by:

10-15%

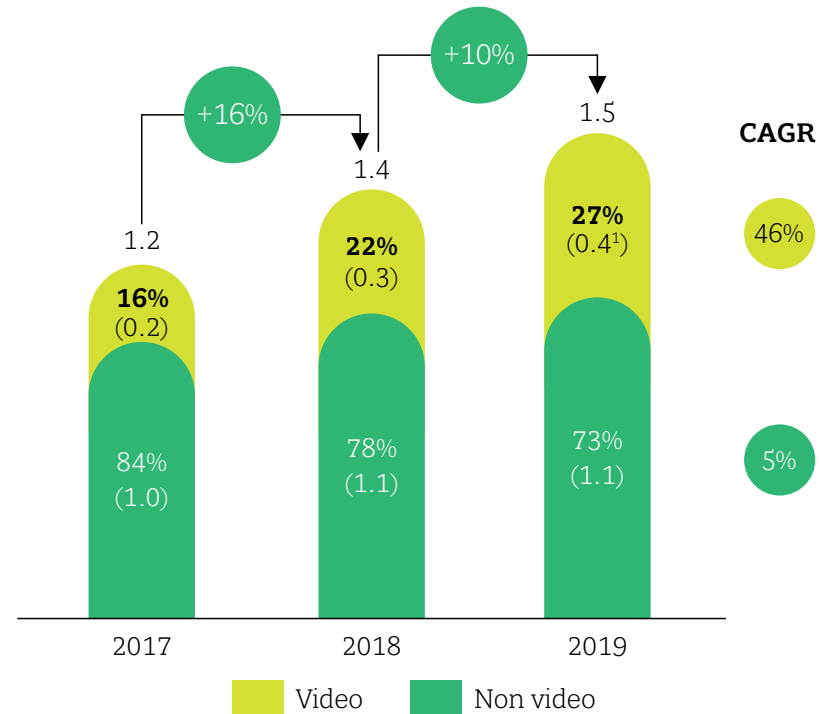
Increase in number of sessions

15-25%

Increase in average time per session

Internet penetration, along with growing affluence and smartphone penetration are expected to rise in the future, further driving growth in digital

Per capita digital media consumption (Hours/day)



Source: eMarketer database, Ovum data

Note: On base on overall population age 18+; time spent with each medium includes all time spent with that medium, regardless of multitasking; digital video includes all time spent with online video activities, regardless of multitasking; includes viewing via desktop/laptop computers, mobile (smartphones and tablets) and other connected devices (game consoles, connected TVs or OTT devices); excludes time spent with video via social networks; numbers may not add up to total due to rounding

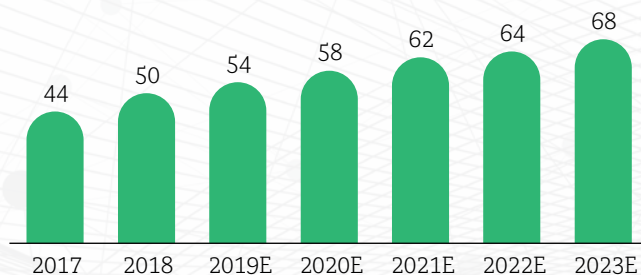
1. If only usage for population who watch digital video is considered, average hours per day is 2.1



Macro environment remains favorable and providing tailwinds...

Smartphone penetration continues to increase

% users in total phone installed base



2 out of 3 phones sold in India are smartphones

India has the 2nd largest base of smartphones in the world, setting up a massive platform for digital video consumption

Source: Ovum database, The Ericsson Mobility Report 2019, Vidooly

Affordable & ubiquitous high speed mobile internet

2016

20 cr.
GB/month
at
Rs. 250/GB

2019

370 cr.
GB/month
at
Rs. 15/GB

India has witnessed a dramatic reduction in data cost over the past 3 years

This is leading to higher data usage – India has the highest per capita consumption of data : 9.8 GB / month

...but the industry has also stepped up to fuel the growth



Accessible pricing

“The new plan of Rs. 199/- per month is quite affordable, and now I can subscribe to this app in addition to my existing video app for which I have paid an annual subscription”

Male, 28yrs, Jaipur



Partnerships

“I got free access to a video app along with my new mobile connection and I got so hooked to the app that after the trial period, I continued with it by paying for its subscription”

Female, 49yrs, Delhi



Large breadth of “relevant” content

“The premium version of the app provides me with a wide range of choices”

Male, 32yrs, Amritsar

“I am now able to access even authentic Bangla content on streaming platforms”

Female, 28yrs, Kolkata



Increased awareness

“The buzz around the upcoming serial was very high, there were so many interesting ads for it from hoardings on roads and the airport, to ads on YouTube – that it made me download the app to find out more about it”

Male, 27yrs, Mumbai

Source: Ampere analysis, news reports, articles, analyst reports, BCG consumer survey Oct'19 (n=2000) and consumer interview

Example: Industry continues to invest in a wide range of content; content creation increasingly data driven with focus on “micro genres”

Increased investment in original content for the Indian market ...

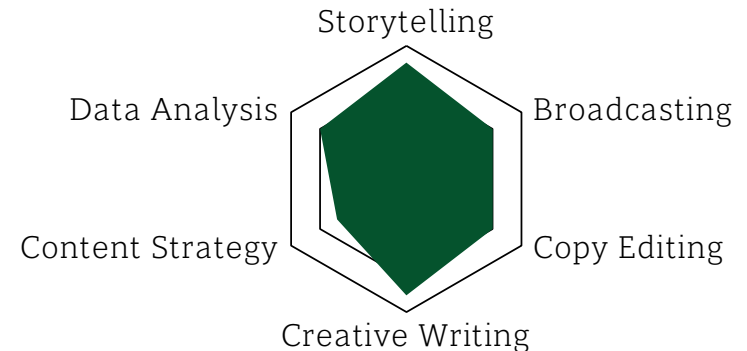
2000 cr.+

spend across

4 leading OTT platforms

*Lust Stories
Selection Day
The Last Hour
Inside Edge
Bandish Bandits
Breathe
Leila
Crocodile
Mighty Little Bheem
Baahubali: Before the Beginning
Comicstaan
Midnight's Children
Hear Me. Love Me
Mirzapur
Typewriter
Made in Heaven
Delhi Crime
Mumbai Indians
Ghoul
Bard of Blood
Sacred Games*

... which is based on data & analytics apart from creative aspects



Data analysis & content strategy becoming critical skills in content functions of leading Media & Entertainment companies



“Over the last five years we are seeing a strong trend in regional language markets. Media convergence & content localization are two high power engines driving innovation in Media & Entertainment”

Shibasish Sarkar

**Group Chief Executive Officer – Content,
Digital & Gaming, Reliance Entertainment**

“Innovation in content, innovation in the way you engage with the audiences is where the future game will be played. The ever-demanding audiences are no more satiated with just interesting content, they are seeking fulfilment of experiences, looking for a personal connect, in whatever they consume. Movies like Badhaai Ho, Uri wouldn't have been possible 5 years ago!”

Megha Tata

**Managing Director, South Asia
Discovery Communications India**



INDUSTRY SPEAK



“Our diversity has many regional and district wise genres, folk songs, festivals and devotional music and the digital era will help bring those genres to the national and global stage. These genres require local and native investments which is in the MSME domain.”

Blaise Fernandes

President & CEO

Indian Music Industry an IFPI affiliate

“Strong regional audiences and their demand for content in local languages have been the recent defining trends. The growth of regional channels in states like Odisha proves that states with higher rural audience will see better growth”

Jagi Mangat Panda

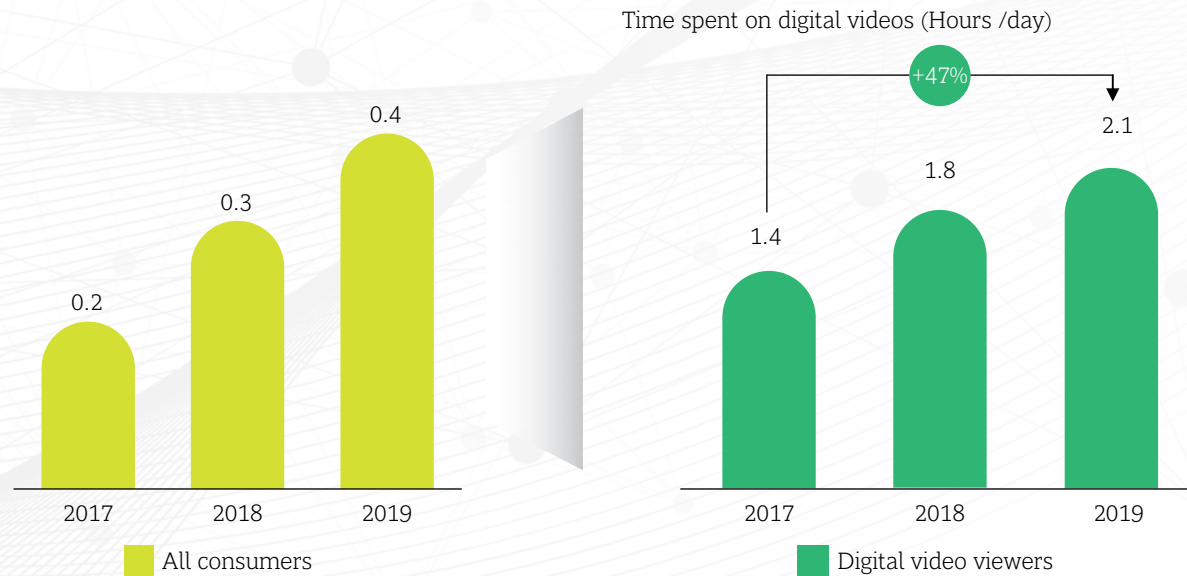
Co-chair CII National Committee on Media & Entertainment and Managing Director, Ortel Communications Ltd



The outcome: highly engaged set of users



Difference in per capita digital video consumption between all consumers and users




Source: eMarketer database

All consumers refers to ages 18+ population; Digital video viewers are those who access digital video at least once a month

Digital video includes all time spent with online video activities; includes viewing via desktop/laptop computers, mobile (smartphones and tablets) and other connected devices (game consoles, connected TVs or OTT devices); excludes time spent with video via social networks

SECTION 2:
**ENGAGEMENT
DRIVING
WILLINGNESS TO PAY,
“MONETIZABLE BASE”
FAST GROWING BUT
STILL SMALL**





SVOD base much wider
than traditional 3M's
(metro, male & millennials)
– function of digital age vs.
demographics

Users expected to continue
uptake of offerings even in
challenging times (“lipstick
effect”)

SVOD users finding very
differentiated value from the
offerings

Overall conversion rates
showing improvement but
drop-offs still high

SVOD consumers showing very diverse consumption patterns & value propositions



**Daily
screen time**



**Devices
used**



**Channels /
Apps**



**Consumption
occasions**

Convenience driven SVOD consumer

Kanav Munjal

24 years, Working,
Unmarried, Delhi

Works in an IT company



Daily screen time

3 years ago

1.5-2hrs



Devices used

TV



Channels/ apps

Music, English, Sports, News channels



Consumption occasions



Watch news
on TV



Watch reality shows on TV after
coming back from office

Today

2.5-3hrs

Smartphone, TV

AVOD apps, SVOD apps, News channels



Watch news on TV



Watch an episode of web series on OTT while travelling



Take a break from work and view live telecast of IPL / other sports on phone



Watch daily news on TV



Before sleeping, catch-up on latest movies

Drivers to choose video content

“I want easy access to video watching whenever and wherever I am not just limited to TV at home”

“Travel time is a major time sink for me. I like to optimise my time by watching my favourite TV shows while commuting”

Content breadth driven SVOD user

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AND GROWING) TOUCHPOINT STORY

Mamata Shinde

39yrs, Housewife
Nashik, Maharashtra

Mother of 2 kids
Husband owns a retail shop



Daily screen time

3 years ago

2.5-3hrs



Devices used

TV



Channels/ apps

National GEC channels, Regional TV channels, News channels



Consumption occasions



Watch favourite daily show



Watch TV along with family, program as decided by husband or kids

Source: BCG consumer survey Oct'19 (n=2000), Consumer interviews

Today

3-3.5hrs

Smartphone, TV

AVOD, SVOD apps, Regional channels,
News channels



Catch up on last night's episode if missed



Watch popular Marathi webseries on OTT apps



Watch favorite daily show



Watch TV along with family, as decided by
husband or kids

Drivers to choose video content

"I watch TV serials which come at a time when everyone in the family can come together and watch them"

"I don't want to miss my daily dose of entertainment which I get by watching my favorite daily shows"

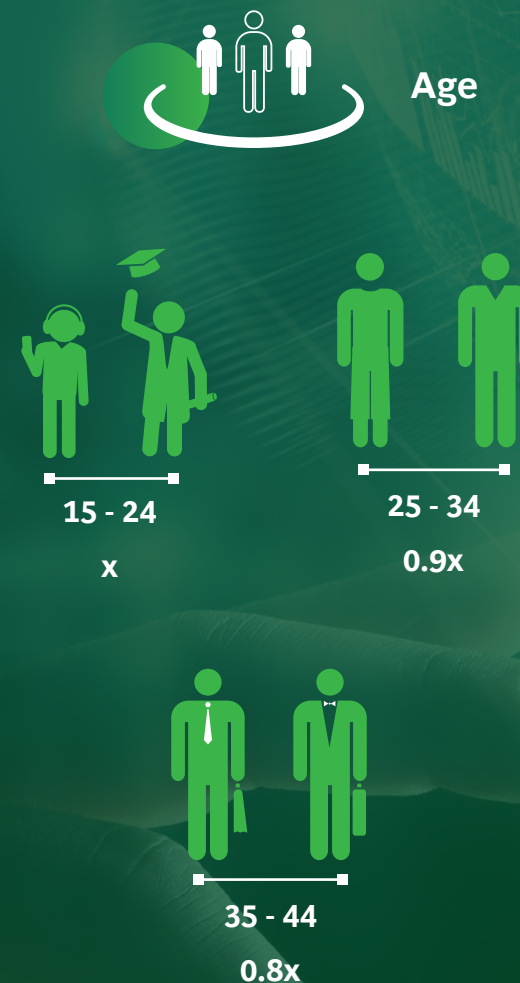
"I like to watch movies and serials which are in Marathi (regional language)"

SVOD adoption being driven by benefits and “digital age” – base much wider than the traditional 3M’s (metro, male & millennials)

Source: Nielsen Smartphone panel data (Q3 2019)

Reach: Percentage of users that have accessed the app or app category at least once in a quarter

SVOD apps includes only Netflix & Amazon Prime





Gender



SEC



Male

x



Female

0.7x



City Tier



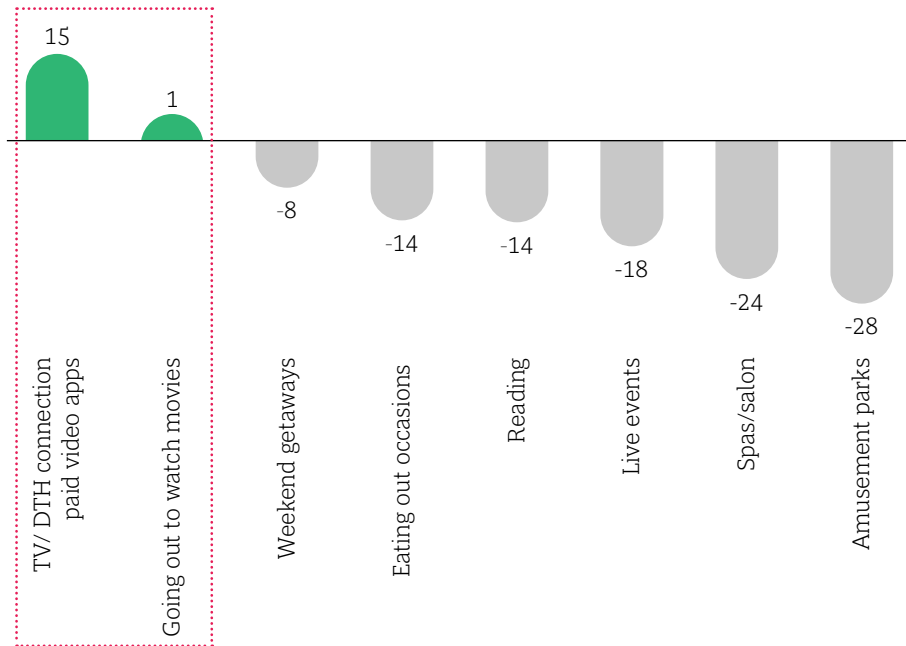
Users proclaim high stickiness and tendency to pay; spend on media expected to follow “lipstick effect” even in challenged environments

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Video viewing seems to be largely economy agnostic, and consumers are expected to increase spending in the near future

Net willingness to increase expenditure on different entertainment heads among those who have low expenditure sentiment for the near future (% consumers willing to increase expenditure (minus) % consumers willing to the reduce expenditure)

% respondents



Consumer speak

“TV is the most value for money source of entertainment that the entire family can enjoy. It’s like a necessity for our household.”

Female, 47yrs, Delhi

“I can always watch a movie or a series at home, I don’t need to go out for any form of entertainment. It is so much more convenient for me at home.”

Female, 49yrs, Indore

“I’m very budget conscious. I usually only go out for special occasions. Other than that, I like to stay in and watch something because it’s more affordable than going out.”

Male, 19yrs, Nashik



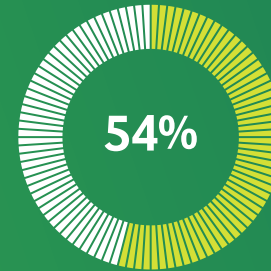
**Awareness & conversion improving
but overall base still remains small**

28

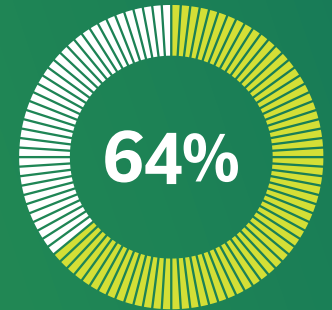
THE EVOLUTION (AND GROWING) TOUCHPOINT STORY

Improving
awareness

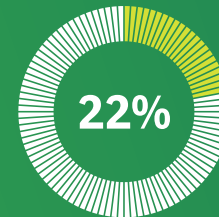
2018



2019



Improving
retention



Significant growth
seen in the Indian
SVOD market

\$0.1B

2018

\$0.5B

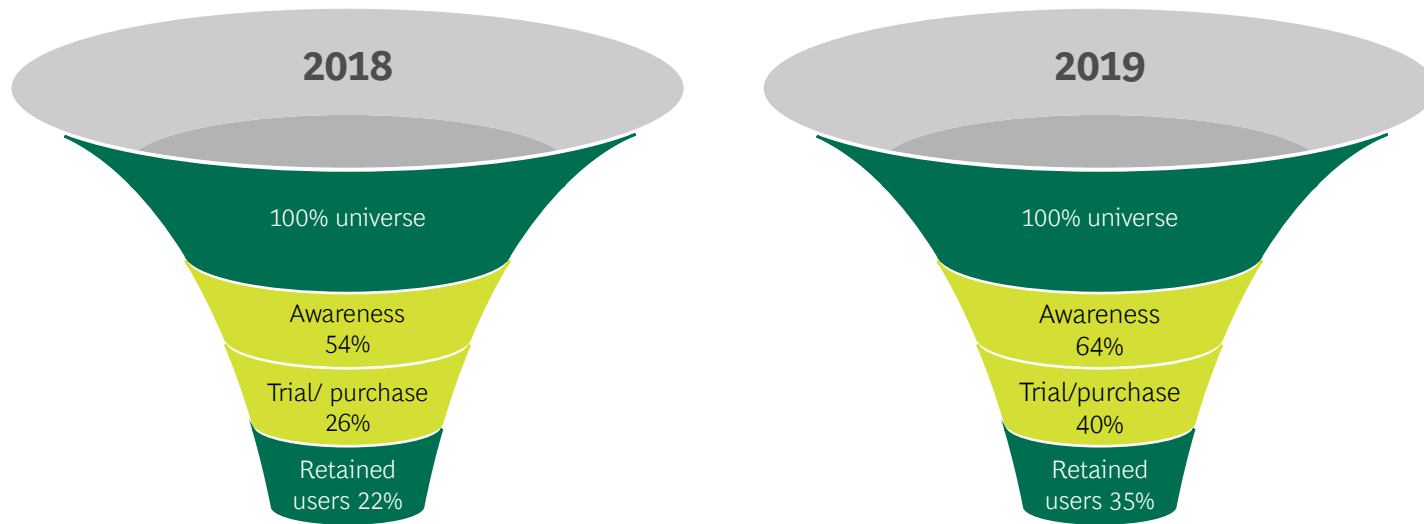
2019

\$1.5B

2023F

Consumer funnel for SVOD

Awareness and trials increasing but overall base still low



Source: BCG consumer survey Sep'18 (n=5000) and Oct'19 (n=2000) among smartphone users who watch digital videos

SVOD apps considered for the analysis are Amazon Prime, Hoichoi, Hotstar Premium, Netflix, and Zee5 Premium

Note: Awareness: Aware of at least 2 SVOD apps (other than Youtube), Trial/ Purchase: Accessed at least 1 SVOD app (other than Youtube) in last 6 months, Retained users: Accessed at least 1 SVOD app (other than Youtube) in last 1 months

Consumer speak

“I got a subscription to an online video platform free with my credit card.”

Female, 25yrs, Chandigarh

“I used to have a subscription but now I just use my friend’s account.”

Male, 18yrs, Delhi

“There are too many platforms available. I don’t know which one is the best for me since they all look similar.”

Male, 45yrs, Hyderabad

“There are so many free online sources where I can watch my favorite content. I don’t need to subscribe.”

Male, 29yrs, Bengaluru

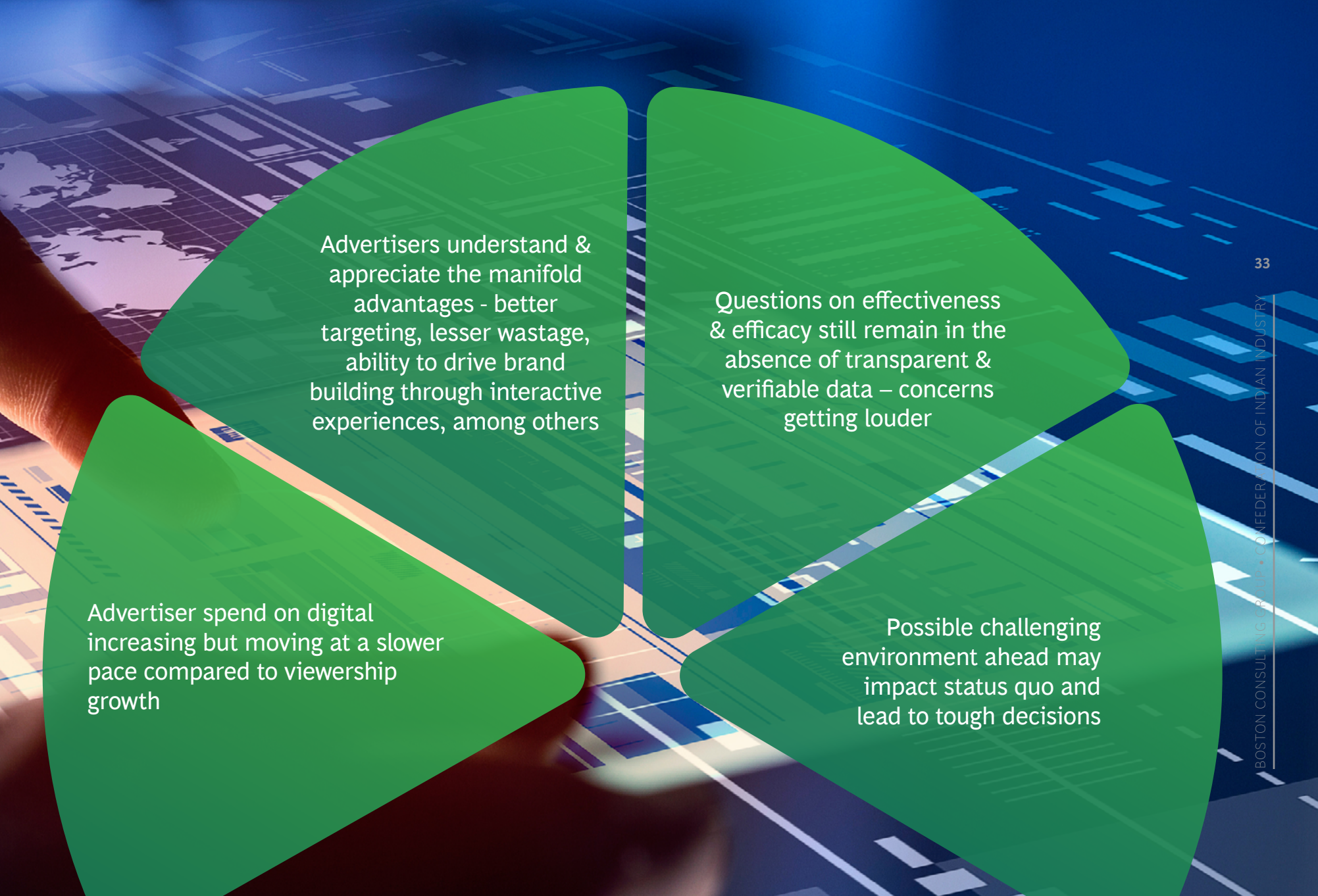
“Most of the things that I like to watch are scattered across many platforms.”

Female, 36yrs, Pune



SECTION 3: ADVERTISEMENT \$ CONTINUE TO FLOW IN BUT SUBSET OF ADVERTISERS STARTING TO TURN CAUTIOUS





Advertisers understand & appreciate the manifold advantages - better targeting, lesser wastage, ability to drive brand building through interactive experiences, among others

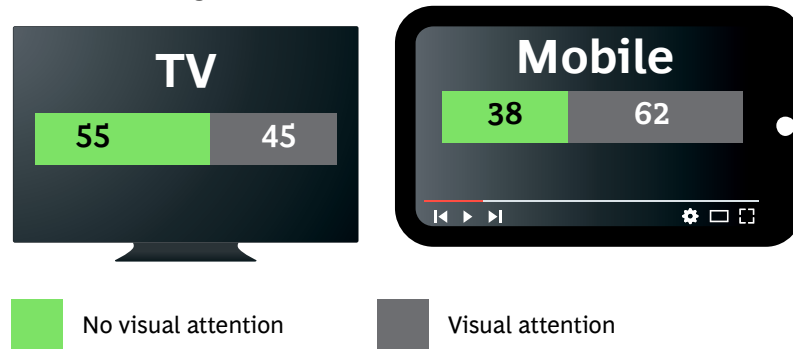
Questions on effectiveness & efficacy still remain in the absence of transparent & verifiable data – concerns getting louder

Advertiser spend on digital increasing but moving at a slower pace compared to viewership growth

Possible challenging environment ahead may impact status quo and lead to tough decisions

Digital video is able to get more eyeballs for advertisers

% of advertising time



Advertisements in digital video are able to retain **more visual attention** than traditional TV

55% viewers use TV advertising time in **multitasking, switching screens or skipping content**. In comparison, mobile advertising commands more viewer attention

A **lighter advertising load on OTT** can drive **higher recall** for brands

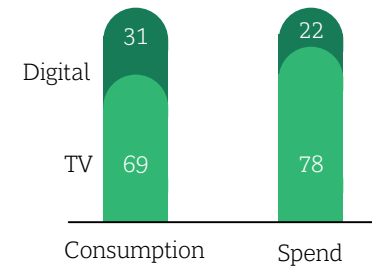
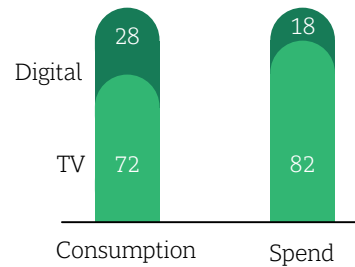
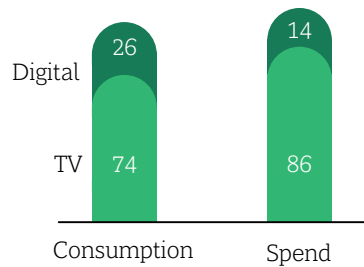
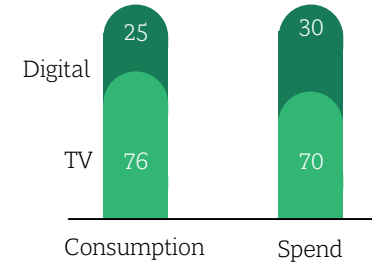
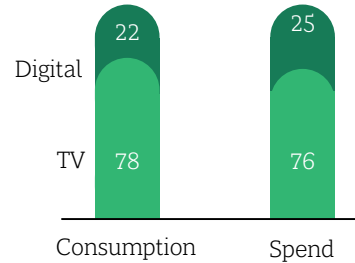
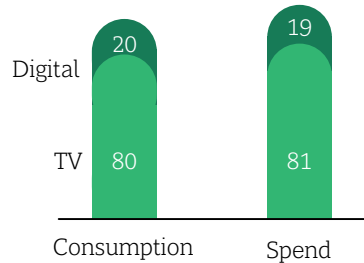
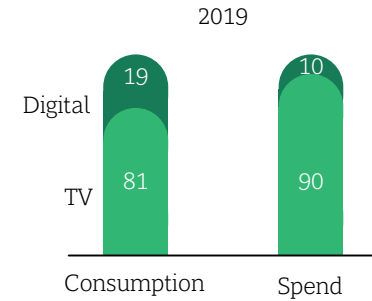
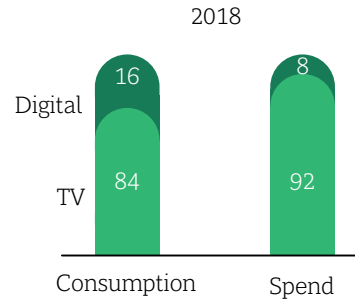
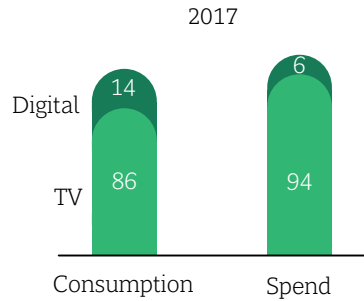
“Videos are engaging and make for great storytelling. We’ve found that they also make it easier for viewers to digest information.”

Marketing Head, leading BFSI player

“We prefer digital video as a medium because it’s relatively cheaper than TV and also clutter free.”

Product Head, leading FMCG player

Share of digital in overall pie increasing but still much behind the eyeballs



Source: Magna Global Database, PQ Media Forecast 2019

Advertisers love the promise of better targeting, lesser wastage ...

"Most platforms allow me to see reactions in real time with the help of programmatic ad buying, I have the liberty of making real time updates, wherever needed"

Marketing Manager, leading BFSI player

"Digital allows access to rich consumer data to tailor and target ads with greater precision"

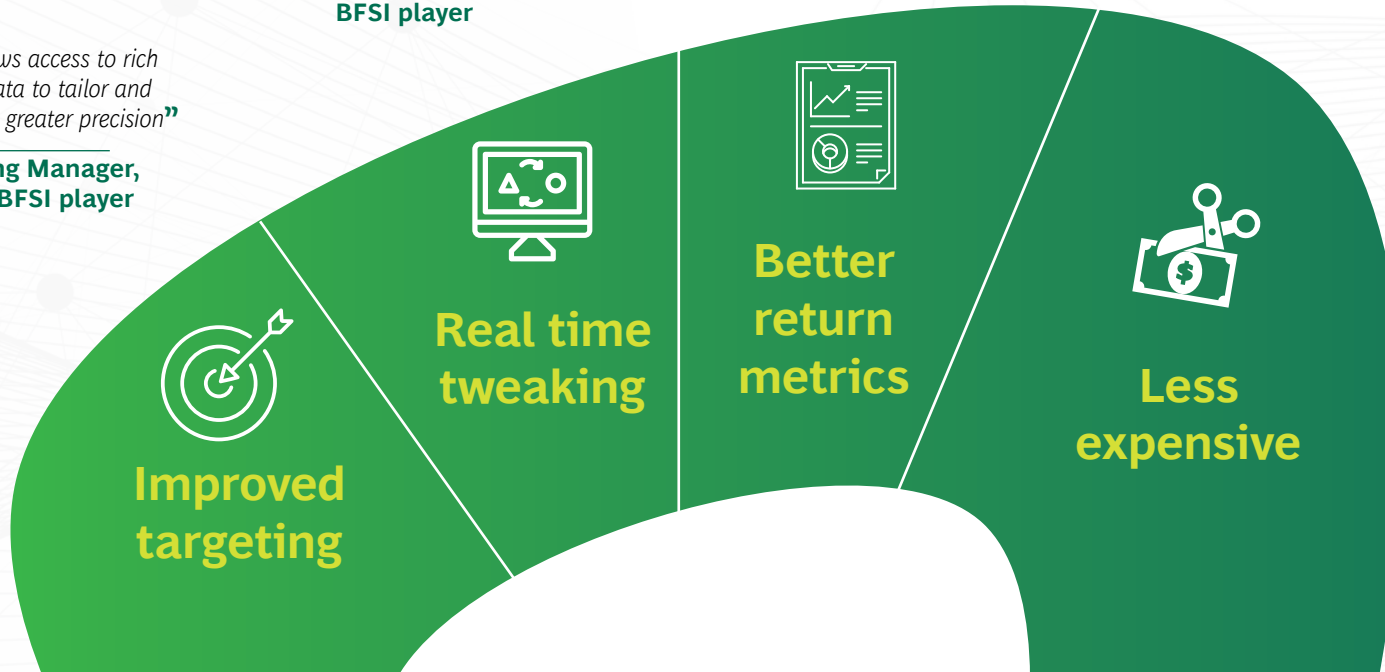
Marketing Manager, leading BFSI player

"It gives us more measurable and quantifiable results as there is a clear attribution about how many people are seeing the advertisements, on what platforms, at what times, etc."

Product Head, leading Auto player

"TV and print are comparatively expensive. In contrast, the cost of generating content and advertising on digital is significantly lesser"

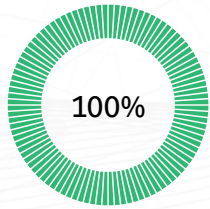
Brand Manager, leading FMCG player



Source: Highlights based on discussions with 18 brand and marketing managers. Statement masked for confidentiality.

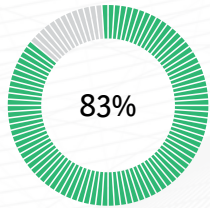
Q. What are your reasons for increasing spends on digital marketing?

Reasons for increasing spends or shifting spends to digital? N=18



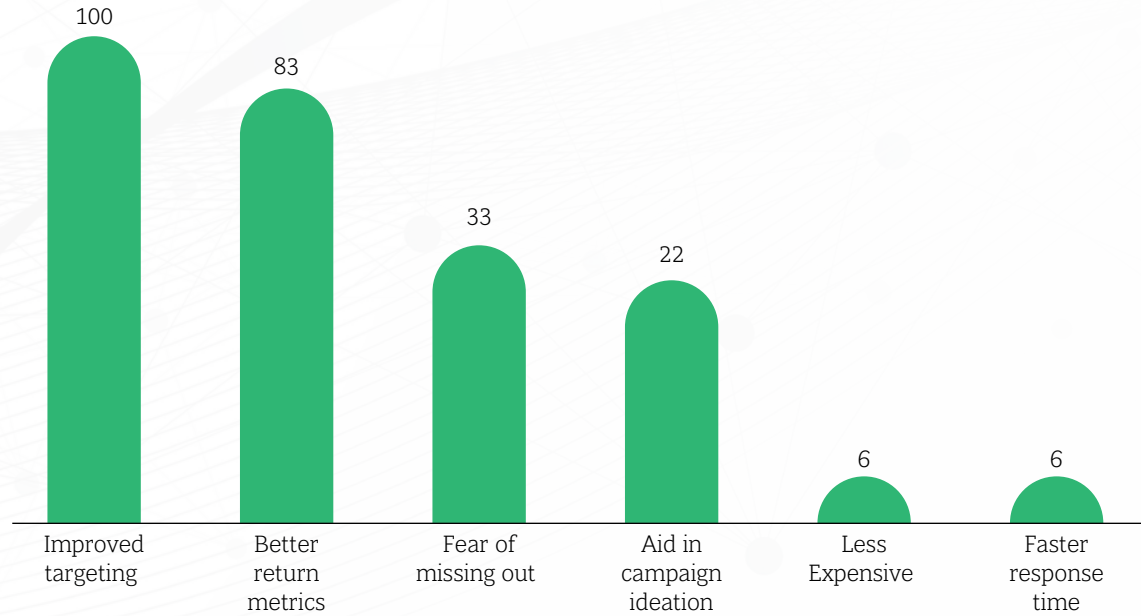
100%

Feel digital platforms enable more granular targeting



83%

Feel digital gives quantifiable return metrics that justify investment



Source: Highlights based on discussions with 18 brand and marketing managers. Statement masked for confidentiality.



... and the ability to drive brand building through interactive experiences

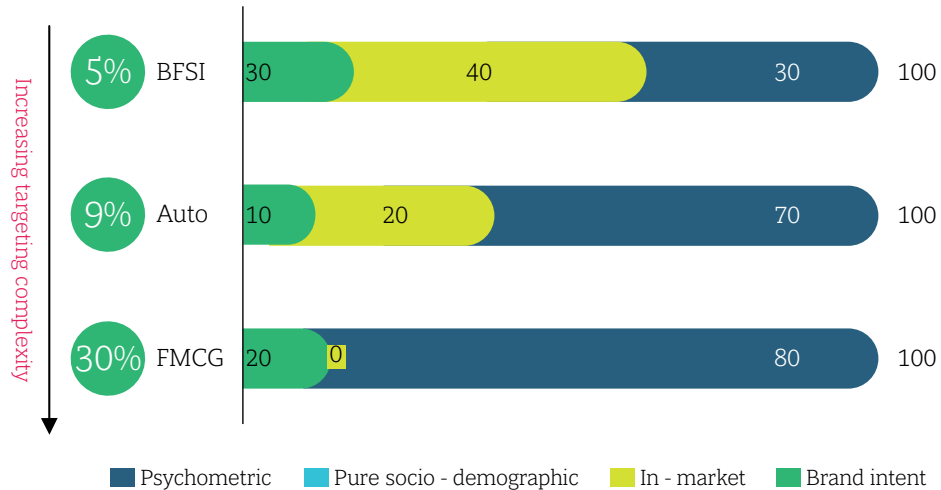
FMCG, Auto and BFSI account for nearly half of the industry's advertising spends.

Digital has become the medium of choice for industries like FMCG, Auto requiring psychometric information to drive brand building through interactive experiences

Psychometric approach of targeting needs a deeper understanding of consumer behavior, which is facilitated through digital.

Share of targeting approaches across industry

Share of Ad spend by vertical



Consumer tech and BFSI with added complexity of identifying consumer purchase intent to ensure robust adoption of advertiser product.

Auto and FMCG highly evolved industries requiring deeper understanding of consumer intent and behavior basis tracking of online and offline activities and decisions.



Example: With increase in digital, there is also a shift to programmatic ad buying

“Programmatic ad buying is very good tool. It is more efficient in terms of targeting the right customers at the right time.”

Brand Manager, leading Auto player

“I market a dental product. We recently did a campaign where we targeted people who watch food videos on the internet. We showed our ad specifically to people who watched at least 4 recipe videos of sweets. That was only possible through programmatic.”

Brand Manager, leading FMCG player

“We can easily interpret the impact of our campaign through programmatic ad buying. For example, the total number of eyeballs it received across different platforms. It also helps us target the relevant audience systematically.”

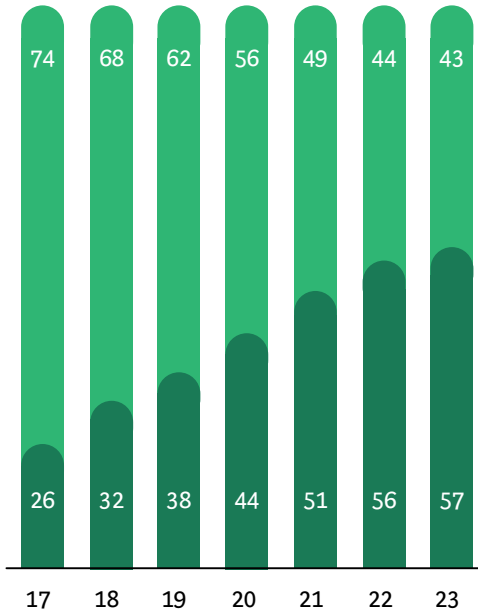
Brand Manager, leading Telco player

Source: Highlights based on discussions with 18 brand and marketing managers. Statement masked for confidentiality.
Q. In the next year, how are you planning to change your spends in programmatic ad buying?

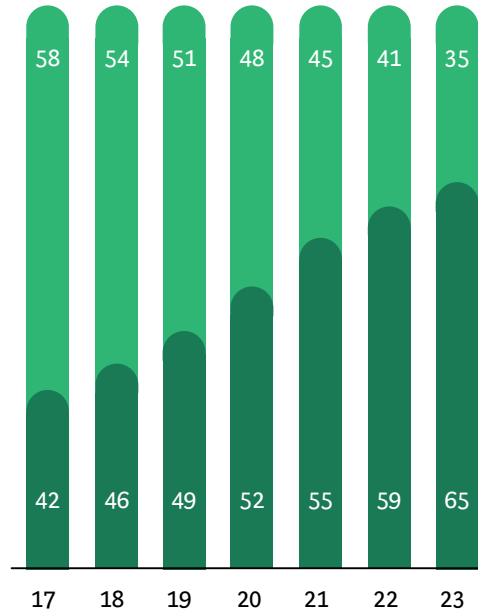
57% of digital video advertising spend in India is expected to have shifted to programmatic by 2023



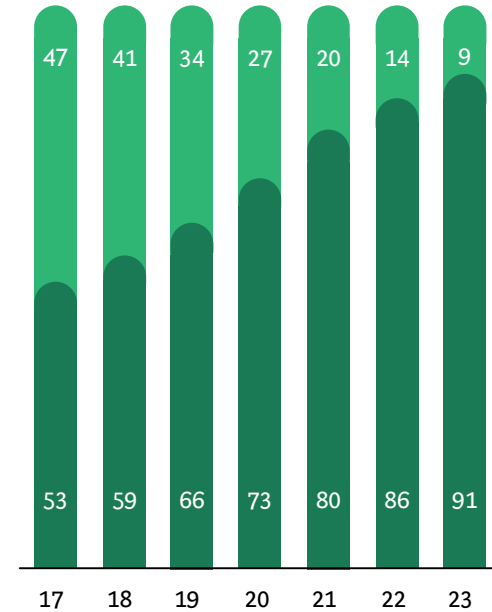
Share of Digital Video Ad Spend (%)



Share of Digital Video Ad Spend (%)



Share of Digital Video Ad Spend (%)



■ Programmatic ■ Non-Programmatic

While the promise of the medium still remains strong, few fundamental questions starting to get louder...

Self reported metrics



“No third party regulator or validation of information going on here. Is the reach data really happening? Are these many people really watching?”

Media Head, leading BFSI player

Lack of consensus on what to measure



“Different platforms define impressions differently. I don't know if the numbers are inflated.”

Marketing Manager, leading Telco player

Breaching data privacy



“We need to understand the balance between personalization and invasion of privacy. There's a concern that we're overstepping.”

Marketing Head, leading FMCG player

Ad fraud



“Bot traffic, or nonhuman digital traffic, is at its highest ever. We don't know if the views we get are from real people or not.”

Product Head, leading Auto player

Difficult to guarantee brand safety

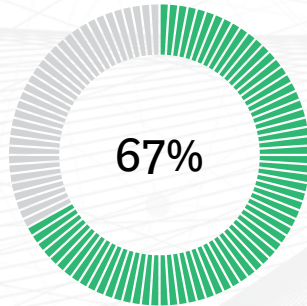


“It's very difficult to know for sure where and next to what content your advertisements could be shown.”

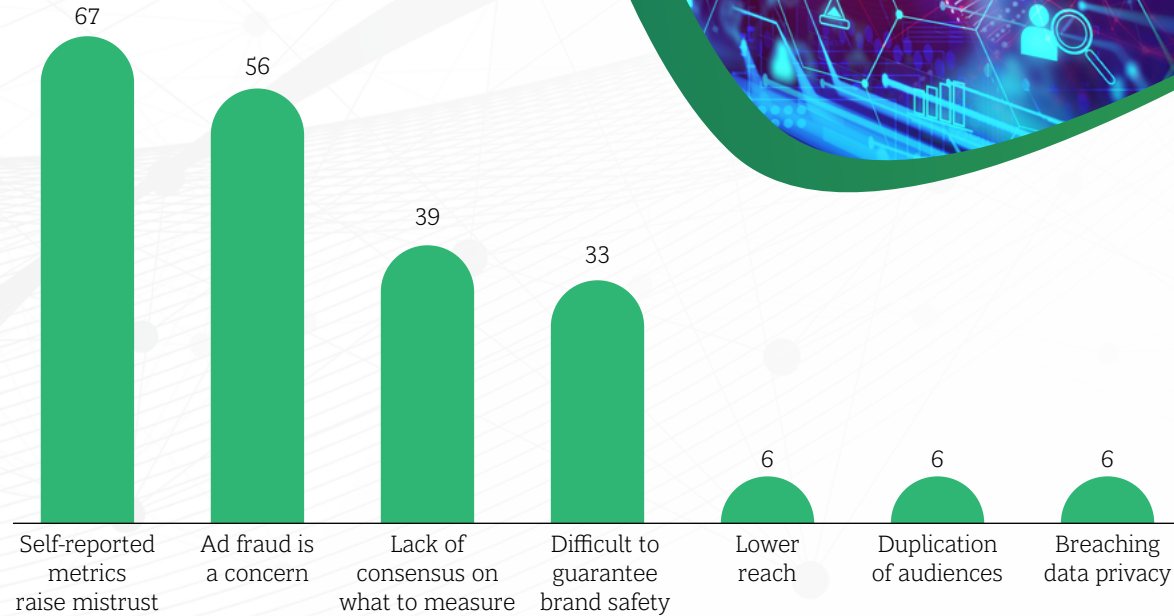
Brand Manager, leading FMCG player

Source: Highlights based on discussions with 18 brand and marketing managers. Statement masked for confidentiality.
Q. What are your concerns with digital marketing?

Key concerns with digital marketing? N=18



Feel self-reported metrics raise mistrust



Source: Highlights based on discussions with 18 brand and marketing managers. Statement masked for confidentiality.

...as well as their own capabilities to realize the maximum value

Advertising has become much more of a science, requiring technical and analytical capabilities.

With new digital channels and tools constantly emerging, organizations must become more agile, iterating much more quickly in order to adapt to rapidly changing conditions.

“To put it simply, there is now more demand for skills than there are skilled people. The most critical talent needs are also the most rare and expensive to hire”

Marketing Head, leading BFSI player

“There’s a dearth of talent that deeply understands digital ecosystems, consumer trends using social media, buying ad inventory on programmatic auctions, etc.”

Brand Manager, leading FMCG player

“Every year we do upskill our team members but the pace of change is much faster than the speed of skilling”

Product Manager, leading FMCG player

“We did not update our capabilities at the right time. It took us a long time to understand that you must adapt fast to the market”

- Brand Manager, leading Telco player

Source: Highlights based on discussions with 18 brand and marketing managers. Statement masked for confidentiality.

Q. How would you rate your team’s skills and digital marketing capability?
The talent revolution in digital marketing, BCG 2015





Possible challenging environment ahead may impact status quo

Almost half of advertisers plan on cutting back spends...

“Sluggish markets have impacted the growth of our business. Anytime there is a slowdown in growth, ad spends are generally the first to get slashed.”

Marketing Manager, leading FMCG player

“With falling sales and excess inventory, this year has been tough for my industry. We’ve had to scale down our spending significantly.”

Product Manager, leading Auto player

“We’re under extreme pressure, consumer sentiment is tepid and we don’t think spending more on advertising will help right now.”

Brand Manager, leading Pharma player

...whereas the other half see it as an opportunity to double down

“I think it is important to advertise even during a slowdown. People are now more careful with their money and need to be reminded to go out and purchase our products.”

Brand Manager, leading Telco player

“Ours is an industry which is relatively immune to the market. As our sales grow, we will increase our advertising spends proportionally.”

Marketing Manager, leading BFSI player

“It’s a cluttered space and competition is tough. We need to spend more to ensure we remain in consumers’ minds and consideration sets.”

Marketing Head, leading FMCG player

Source: Highlights based on discussions with 18 brand and marketing managers. Statement masked for confidentiality. Magna Global 2019.

Q. Do you believe the economic conditions will decline in the next year? How will your advertising spends change over the next year?

THE WAY AHEAD...



2 key theatres of action to help translate the trillion (and growing) touchpoints into a more sustainable & value accretive proposition for all the industry stakeholders



Continuing to drive targeted investments around propositions (relevant content, affordable pricing, among others) that consumers value while making the business model more sustainable



Working closely with advertisers to further strengthen the relationship - increasing the spend & return on their investment; enabling them to measure the effectiveness & efficacy in a self serve mode

CONCLUDING REMARKS

The Indian Media and Entertainment industry is a sunrise sector for the economy and is making high growth strides. The industry has been witnessing a strong phase of growth, backed by rising consumer demand and improving advertising revenues. This growth has been made possible by the embracement of disruptions like digital and increased internet usage and turning it into an advantage. There has been a common agenda and cohesion of imperatives across all the stakeholders—broadcasters, publishers, media agencies, advertisers, regulators, government agencies, among others—to make this possible.

The industry has set the bar on generating compelling content, creating new experiences for both their viewers & advertisers. The trillion touchpoints continue to grow along with the advertising dollars but the expectations from the industry also keep on rising. The coming year is truly pivotal for the industry as they seek to raise the bar once again in possibly challenging times ahead. However, if the past is anything to go by then the industry will not only rise to the expectations but turn the adversity into an advantage.

FOR FURTHER READING

Boston Consulting Group publishes reports on related topics that may be of interest to senior executives. Recent examples include:

Winning the Media Subscription Battle

A report by Boston Consulting Group,
September 2019

Pay TV still has room to grow

An article by Boston Consulting Group,
September 2019

Winning in Media in the Digital Era

An article by Boston Consulting Group,
February 2019

One Consumer, Many interactions

A report by Boston Consulting Group,
December 2018

Entertainment Goes Online

An article by Boston Consulting Group,
November 2018

The Digital Revolution Is Disrupting the TV Industry

An article by Boston Consulting Group,
March 2016

Digital Consumer Spending: A \$100 Bn Opportunity

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February 2018

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An article by Boston Consulting Group,
March 2017

Television's \$30 Billion Battlefield

An article by Boston Consulting Group,
August 2018

Convergence: The New Multiplier for India Media & Entertainment's @100 Billion Vision

A report by Boston Consulting Group,
October 2016

Powering Up Smart Machines in Media

A report by Boston Consulting Group,
December 2017

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