

Media Industry Scenario in 2010

As per industry experts, India will become a Rs. 50,000 crore ad industry as compared to Rs. 15,000 crore as of today.

We are a fast growing economy and the entire world is looking at BRIC (Brazil, Russia, India and China) to deliver much required growth and hence survival as other developed economies are stagnant and cost of media is quite high. Looking at trends, ROI in India or any other developing economy is much lesser and this makes us a very lucrative market.

The buoyant economy is one of the factors that have driven the sector's growth.

In the yesteryears, the Government of India was very protective about Media and there were lot of dos and don'ts (list of don'ts was much bigger than dos). Few media owners were acting as custodians of Indian sensitivities. But the reality is that entire world is becoming one global village and Government authorities can't wish it away beyond a point. Now we already have FDI permitted in two important sectors - Print Media and Radio. Films, TV and other segments are already open.

All of us have seen lot of FDIs coming up in Indian media. In the last couple of years, there were quite a few IPOs as well, and any meaningful media company in India today has some financial tie-up with some international media/financial institution. All this is happening because India (and China) is the future.

We are sitting on the tip of the iceberg. The advertisement to GDP ratio in India is just 0.3 per cent as compared to 1+ per cent for any developed country. Imagine the implication of this figure to our media industry.

Also, emerging distribution platforms such as DTH and Internet TV will expand the subscriber base and pushup subscription revenues. Out of Home and Live Entertainment will only grow as the overall size grows up fast.

On the Films front, the industry is becoming more corporatised with several film production, distribution and exhibition companies coming out with public issues. Digital cinema will gain more momentum, leading to increased box office revenues and controlling of piracy.

With literacy levels on the rise and more and more people in semi urban and rural areas reading newspapers, the print industry will continue to grow and command ad market shares. The demand for more and more Indian content will be on the rise.

In the Radio segment, companies have bid for FM licenses for 338 small towns and cities across the country in

the second phase of liberalization.

The future is clear but how do we make the most of it is critical.

Gone are the days when somebody was a print company and some one else was a TV channel and these companies had left Internet as a media to some other player. And entertainment or sports was not supposed to be conventional Media.

In next couple of years, I feel accountability of any media owner will increase and we will no longer talk that my ad rate is 'X' because I deliver 'Y' reach in any given market. Any media owner - be it print, TV or even BTL companies - will have to answer specific questions on real deliveries beyond reach in TG. This accountability is completely missing in today's business transaction between agency (client) and media owners.

All of us need to find new ways to reach consumers and new measurements/tools will be used to target audiences more accurately, with improved results.

Print, especially dailies, will have to expand their use of Internet to reach audiences in new ways. They will have to bring a lot of interactivity with their readers who are also the targeted audiences for clients. Clients (agencies) and media, both the parties will be forced to come together and remove fear of being short charged. We need to create win-win partnerships and create meaningful relationships with both readers (viewers) and consumers. Print companies will have to think beyond regular newsprint and look at content eg. mobile phones, internet. They need to reformat themselves as... information, yes, but entertainment also. Otherwise, some one else will come and fill that slot, which incidentally is a huge chunk of buyers/potential buyers of any commodity/service in our country.

Online will be complementing 'Old media' and here I see a big opportunity for print companies. Globally, websites owned by newspaper groups are doing more business than stand alone websites.

In next couple of years, I see integrated communication coming up from both media owners and ad agencies. Here, post FDI, we need to get into international exchange, investments in new media, networking of all kinds of media and most important of all measurability of results.

Convergence will play a crucial role in the development of the Indian Media industry where consumers will increasingly be calling the shots. Expectations from media owners and advertising agencies will be extremely high.



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