



# Three things that will change the Advertising Business

**When** *Impact asked me to write this piece, I thought it was ironical that an industry that has sadly been reactive in its evolution will now collectively be doing this exercise. But better late than never. Our shortsightedness has ensured that we have lost a lot of positives associated with this industry, be it as superficial as its glamour quotient to as serious as the industry now not being a career destination of choice for many bright minds. We have consistently lost our senior people to other emerging sectors, who have gleefully crossed over and then lamented on the sorry state of affairs in their erstwhile sector. This piece is more a plea than a blue sky exercise. It's a plea to get our act together and ride this current wave of India Zindabad. If not....*

## •Emergence of the local national brand

While everybody has been going over the top with the fact that Indian brands are now making their presence felt in international shores, there has been great anticipation that these brands will invest in band building worldwide and hence giving agencies in India a piece of the international action. But the reality is that such instances can be counted on your fingers, and if at all the numbers increase it's due to a handful more International brands using locally created communication in international markets.

In this process, what we seem to have completely missed is the trend of local Indian brands going national. What began as a trickle about five years back is slowly but surely snowballing into a movement. How many times have you flicked channels and have been zapped by some unique (I'm trying to be polite here) ads that have made you stop and watch. Chances are, you had never heard of the brand before, but would be stumbling upon its communication umpteen times in the future. This tribe has grown by leaps and bounds in the last year or so, and they are present across categories - be it FMCG, footwear, retail, electronic accessories, real estate, fashion, travel, health & beauty and education, to name a few. A rough estimate puts their spends around the Rs 2500cr to Rs 3000cr mark. This is a clear indication that these brands have tasted success in their first endeavor to branch out from their secure local settings and spread their wings nationally. The advertising also seems to have worked for them, and they will be back for more.

This local ambition to go national presents a great opportunity, which national agencies have completely ignored. These are home grown brands that will go international in a matter of time. More importantly, the fate of these accounts will be in your hands and not international alignments which may change for no fault of yours. Also, Indian businesses have an amazing track record of being fiercely loyal to their partners in growth. Yes they will be demanding, their purse strings clutched, and they will invest in you only if their business grows. In other words they will make you far more accountable. But I see no reason why these should not be vanilla features for handling any account.

We should actually take a leaf out of the media owner's book, who had spotted this trend at least three years back. Most of them have dedicated teams that go out and tap this segment. In fact, I would go a step further and attribute a large part of this segment growing due to the initiatives taken by media owners. It's now the turn of the communication agencies to take this to the next level. This segment is waiting to be tapped, ignore it at your own peril!

## •Media owners the new brand builders

As the audience fragments, media is mutating. Or is it the other way round? This is a little like the chicken and egg story. But the fact that media is mutating is a given. As a result we have mega media brands across print, TV, radio,

outdoor, events, niche print, niche TV, ambient, out of home experience, new media avenues, mobile, DTH, IPTV, video on demand, phew! I'm sure for every form of media mentioned here there are three that I'm not aware of.

As a result of this huge diversification, media owners are sitting on a huge pile of inventory across varied mediums and they are going all out to sell it too. They have also smartly realized that media buying and planning agencies are still to come to terms with this new media explosion, so it's much easier and faster for them to go directly to clients and sell. Currently, this pie being small compared to the traditional big ticket mediums, most myopic media agencies are comfortable with this scenario. This in turn is creating a scenario where brands are buying into various mediums and then turning to the advertising agencies to adapt messages to these mediums. In fact, even this is now being done by the media owners themselves. For e.g. media owners have had an excellent track record to customize events based on a particular brand promise. So what started with media owners customizing vignettes and advertorials to suit a certain brand promise has now becoming a full-scale brand building effort in partnership with brand owners. One of the recent examples being a slew of award shows from almost every media brand worth its salt in partnership with large brands. As the awards market dries up I'm sure there would be newer offerings; and going forward with experience and learning it is just a matter of time till this evolves into a system of working.

And I see no reason why this should stop. Brand owners today recognize the power of multiple mediums combining to reach out to a fast fragmenting target audience base. It's for the agencies to wake up and collaborate with both parties to really add value to this process and become an integral part of this brand building process. Till that time though, increasingly, the onus of building brands will continue to tilt towards the media owners.

## •The advertising industry evolving into an 'Industry'

While the first two points are trends that will change the way we do our business, this one is more a wish list than a trend. It's high time that the advertising industry behaved like an industry. We all get easily carried away by Rs. 20,000 crores industry figures; have seminars on how to make it Rs. 50,000 crores in the near future. Everybody is happy proclaiming account sizes of their wins (that they wish was there, and something that they know will never be there). To begin with, we do not even have an industry body for advertising agencies. What we have are clubs and they behave like clubs. Unfortunately, even their point of conflict seems to be only around awards. So as an industry, we are still trying to grapple to find multiple issues to even differ with - forget collaborating on. It's a sad reflection of the immaturity of the industry. Bodies like the INS and IBF are far more powerful and united than the advertising clubs or so called associations. Why cant we have a body that truly is the champion for the advertising agencies? Why is it so difficult for people who build brands to build a strong body to represent themselves? A body that will deal with industry issues rather than oversized old egos. We need a body that truly is an industry body, one that will work on core issues such as raising capital for growth, scouting for international business opportunities, will be a key influencer in effecting policy changes at the centre. At the same time, look at micro issues like pitching fees, client defaults, industry attrition rates, diminishing margins and so on and so forth.

This is something that been long overdue, and again, we will continue to ignore this at our own peril!



ATUL HEGDE  
COO  
VYAS GIANETTI CREATIVE

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