

PRESS RELEASE- Embargo Thursday 16th February

**TSUNAMI HITS ADEX.
USUAL GROWTH FORECAST BY APRIL 2017**

- *Demonetization knocks off Rs. 1,650 crores from ADEX*
- *TV de-grew in November & December 2016 by 21%; Lost Rs 850 crore and Print Rs. 580 crores*
- *2017 growth forecast at 13.5% on account of slow start*

- PITCH MADISON ADVERTISING REPORT 2017

Mumbai, February 16, 2017: The much awaited Pitch Madison Advertising Report 2017 was released at a function held in Mumbai by **Mr. Shantanu Khosla**, Managing Director, Crompton Greaves Consumer Electricals Limited. Releasing the Report to a packed audience, Mr. Khosla highlighted to Advertisers the importance of truthful advertising. He said, *“Truthful advertising is not only the right thing to do, but also great for the business.”*

Figures at a glance:

Indian Advertising Market over 3 years								
	2015		2016		Growth %	2017		Growth %
Medium	In Rs Crore	% Share	In Rs Crore	% Share	2016/15	In Rs Crore	% Share	2017/16
TV	17261	39%	18831	38%	9.10%	21296	38%	13.10%
Print	16935	38%	18151	37%	7.20%	19869	35%	9.50%
Radio	1545	4%	1749	4%	13.20%	2008	4%	14.80%
Cinema	465	1%	523	1%	12.50%	601	1%	15.00%
Outdoor	2665	6%	2910	6%	9.20%	3234	6%	11.10%
Digital	5120	12%	7315	15%	42.90%	9144	16%	25.00%
Total	43991		49480		12.50%	56152		13.50%

Key findings of the report:

- Growth in the Indian Advertising Market slowed down to **12.5%** in 2016, thanks to the Tsunami that hit in the form of demonetization, that took everyone by surprise. Demonetization knocked off Rs. 1,650 crores from ADEX in November and December 2016. Growth in 2015 over 2014 was as high as 17.6%.
- The ADEX growth in the first half of the year was slow at 13%, but accelerated to 16% by October 2016, before de-growing in November and December 2016 by 8%.
- Growth came mainly on the back of Digital, which grew by 40% + and now stands at Rs. 7,315 crores, 15% of the market.
- Growth in traditional media (all media other than Digital), slowed down to 8.5%.
- The dominant category continues to be FMCG contributing 32%, followed by Auto at 10% and Telecom 8%. E-Commerce that had taken ADEX (only TV + Print + Radio) by storm in 2015, contributed only 4% in 2016.
- TV grew by 9% and Print only by 7% in 2016.
- Radio stood out with a growth rate of 13.2% although on a small base.
- Nearly 50% of Print's growth of Rs. 1,216 crores is accounted by only 4 categories FMCG, Auto, Education and BFSI. Nearly 44% of TV growth of Rs. 1,570 crores is accounted by FMCG.
- Advertising continues to be a Big Boys' game with the largest spender HUL spending approximately Rs. 2,500 crores and top 10 spenders accounting for 16% of the total market and contributing 45% of the top 50 list.
- Unilever, Amazon and Procter & Gamble continue to be the top 3 Advertisers.
- Many new entrants entered the Elite top 50 list like Patanjali, OPPO Mobiles, Nissan Motors, Reliance JIO, Vivo Phone, SBI and Videocon.

Says Sam Balsara, Chairman, Madison World, ***"Our expectation is that the market will grow 13.5% in 2017, but growth rates will vary widely from month to month. We expect the***

market to grow by just 8% for the period January to April 2017, 14% from May to October 2017 and 24% in November and December 2017, given that market had de-grown by 8% in November and December 2016. Our optimism for good growth in ADEX starting May comes on the back of several govt initiatives- from high government investment in infrastructure, lower corporate and personal taxes for small and medium companies and the masses, good government support for the poor and consequently the wide scale expectation of yet another year of high GDP growth.”

In the current environment, Madison advises:

1. Take Advantage of weaker January-April months and intensify campaigns to get good Impact during this period.
2. Use Digital, but less for top of Funnel Awareness and more for Mid/Bottom Funnel Consideration, Leads and Advocacy.
3. Don't become a slave to Media Ratings / Readership Data. Ride it and use it as a Guide, Not as a Crutch.

About Madison Media

Madison Media Group is India's foremost media agency handling media planning and buying for blue chip clients including Godrej, ITC, BJP, Titan, Marico, Asian Paints Snapdeal, McDonald's, TVS, Raymond, Piramal Healthcare, Levis, SpiceJet, Domino's, Max Life Insurance, Gaana.com, Timesjobs.com, Pidilite, Tata Salt, Acer, Amul Hosiery, Crompton, Indian Oil, Enamor Lingerie, Gowardhan Dairy, Café Coffee Day and many others. The gross billing of Madison Media Group is about Rs. 3,750 crores.

Madison Media Group is a part of Madison World which also has specialist units in Advertising, Business Analytics, Out-of-Home, Events, Activations, PR, Mobile, Retail, Sports and Entertainment; employing over 1000 communication professionals across India, Sri Lanka and Thailand. Visit us at www.madisonindia.com

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