

PRESS RELEASE

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Ad spend on TV grows sharply by 21%

Pitch-Madison Media Advertising Outlook revises its 2015 forecast upwards

Mumbai, September 2, 2015: Pitch-Madison Media Advertising Outlook, the benchmark study that industry looks up for understanding and analyzing trends in growth of the advertising industry has revised its forecast for 2015 upwards. Against the original forecast of 9.6% growth, projected in February 2015, the study has now revised its forecast upwards to 13.8% for the total advertising market. **This upward revision is because of a steep increase in spends on TV during January-June 2015 period of 20.6%.** This growth rate is likely to extend to the second half of the year too, resulting in a sharp growth in the TV advertising market of as high as 21%. Such a high growth rate is unprecedented and has not been achieved in the last 5 years.

Madison Media has not revised its forecast for Print, Radio, Cinema, Outdoor or Digital, which were earlier projected to grow as per table alongside, since it does not anticipate any major change in the growth rate projected, although actual growth rates for these media too may be marginally higher than the originally projected growth rates.

Pitch Madison Media Advertising Outlook – 2015 Revised		
	Original Growth Forecast 2015	Revised Growth Forecast 2015
Television	10%	21%
Print	5%	5%
Radio	6%	6%
Cinema	9%	9%
Outdoor	6%	6%
Digital	29%	29%
Total	9.6%	13.8%
Total Market Value	Rs. 40,658 crore	Rs. 42,234 crore

The increase in the advertising market from earlier projected 9.6% to 13.8% for full year and for TV advertising from earlier 10% to 21% for the full year, will result in the total market reaching Rs. 42,234 crore in 2015.

Says **Sam Balsara, Chairman Madison World**, *“If BJP promised Achhe din to all Indians, they have certainly arrived for the Indian Television Industry. A 21% growth coming on the back of a 14% growth in 2014 and without the Elections is quite unprecedented and shows the optimistic outlook of industry in Indian markets and the aggressive stance they are willing to take to protect and grow their market share. The growth is also significant in the light of growing conversations around Digital.”*

Highlights of advertising spending on TV in the period January-June 2015:

TV spends have increased by 21% in H1'15 with total revenue of Rs. 8200 crore as against Rs. 6800 crore in H1'14.

- a. The main categories who have fuelled the overall growth in H1'15 are E-commerce (+70%), Automobiles (+55%) and FMCG (13%). HH Durables and BFSI categories also increased their ad spends by more than 45%. FMCG has been largest contributor in absolute terms contributing as much as Rs. 4,200 crore and accounts for 51% of the total TV spend. E-Commerce players grew by 70% and now account for 6% of the market.
- b. Total FCT volume across all genres/channels has increased by 14%. FCT of SD channels increased by 11% and HD channels by 224%.
- c. Overall FCT of SD feed on Hindi Mass Genres (GEC + Movies) has increased by 8% comparing like to like channels.
- d. Many channels have telecast more than 12 mins/hr of FCT across all leading channels resulting in increase in ad revenue.
- e. New channel launches in Hindi Mass Genres (Sony Max2, Epic & TV, Sony Pal, Zindagi) from existing bouquets and spends on HD channels also resulted in a hike in advertising revenues.
- f. ICC Cricket world Cup, IPL, Delhi State Elections also contributed to the overall growth in H1'15.
- g. Finally, in H1'15 TV is the largest contributor to the total advertising pie with a share of 40% as compared to 38% in 2014.

For more information, please contact – nileshb@madisonindia.com