



PRESENTS

**Pitch**  
the essence of marketing

**MADISON  
ADVERTISING  
REPORT 2021**

CO-GOLD PARTNER



# Pitch

the essence of marketing

**2020:  
ADEX DEGROWS  
BY 20% AND  
TRADITIONAL ADEX  
BY 29% OVER 2019**

**CONFIDENCE  
RETURNS AFTER  
MAYHEM**

FORECAST 2021

**26%**

**EXPECTED GROWTH SIMILAR FOR  
TRADITIONAL AND DIGITAL MEDIA**

Who says 2020 was a bad year for Business?

# MADISON MEDIA

AUDIENCES | OUTCOMES | INTEGRITY

W E L C O M E S

 **Abbott**  
Nutrition

  
EVOLUTION IS CONSTANT

  
Results by design

  
Improving lives, every day

  
IDFC FIRST  
Bank

  
Dare to Commit

  
FERTILITY & IVF CENTRE

  
BORN TO MEAT

  
SINCE 1986

  
Our Experts. Your way.

  
LIEBHERR

  
Educational  
Testing Service

  
INTELLIGENT LIVING

  
WONDER  
MASALA

  
NATURALLY HEALTHY FOR LIFE

  
VIJAYBHOOMI  
UNIVERSITY

  
PAPA  
BRANDS

TO OUR ROSTER OF CLIENTS

Madison Media ranks NO. 1 in Convergence New Business Charts for Q1, Q2 and Q3 2020; Q4 report to be released shortly.



# COVID CAUSES MAYHEM

- ADEX de-grew by 20% in 2020
  - Traditional ADEX de-grew even more, by 29%
  - ADEX returns to what it was in the year 2017

In 2020, a year shadowed by COVID-19, it would be no exaggeration to say that everything got affected, including all categories in all countries around the world. Our behaviour in our personal and professional lives changed radically. So it is no surprise that Indian ADEX also got negatively impacted.

We estimate that in 2020 total ADEX has degrown by 20% and traditional ADEX by as much as 29%. We are happy to state that we had predicted this level of degrowth in our Mid-year Report released in August 2020. It does appear that COVID-19's negative impact on Indian ADEX has been severe, compared to many other countries of the world including US, by far the largest ADEX market. WARC estimates that the Global ADEX has fallen by just 9% from USD 491 billion dollars to USD 447 billion dollars in 2020 with US ADEX dropping by 4% and UK ADEX by 14%.

In absolute terms ADEX has degrown from Rs. 67,603 crore to Rs. 54,151 crore, a drop of a whopping Rs. 13,452 crore, the highest ever drop in one year in the history of Indian ADEX. The last time Indian ADEX has seen any negative growth was way back in 2009, when on account of the Lehman crisis Indian ADEX had degrown by 9%. At Rs. 54,151 crore ADEX today has gone back to the level it had achieved in 2017 and if you look at only traditional ADEX, then it has gone back to the level that we achieved five years ago in 2015.

Looking at the data, quarter wise the drop in ADEX is observed in all the first three quarters including the first quarter when COVID-19 had



Sam Balsara



Vikram Sakhujia



Nilesh Bagaria

# INDIAN ADVERTISING MARKET OVER LAST 10 YEARS

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Traditional ADEX - Rs Crore	25897	26552	29056	33435	38871	42165	43835	49202	52136	37177
Growth %	8	3	9	15	16	8	4	12	6	-29
Traditional ADEX Share %	94	92	91	89	88	85	82	81	77	69
Digital ADEX - Rs Crore	1535	2303	3050	3970	5120	7315	9303	11705	15467	16974
Growth %	49	50	32	30	29	43	27	26	32	10
Digital ADEX Share %	6	8	9	11	12	15	18	19	23	31
<b>Total ADEX (Rs. in crore)</b>	<b>27433</b>	<b>28854</b>	<b>32106</b>	<b>37405</b>	<b>43991</b>	<b>49480</b>	<b>53138</b>	<b>60908</b>	<b>67603</b>	<b>54151</b>
<b>Growth %</b>	<b>10</b>	<b>5</b>	<b>11</b>	<b>17</b>	<b>18</b>	<b>12</b>	<b>7</b>	<b>15</b>	<b>11</b>	<b>-20</b>

not hit India. Mercifully and indeed this is very good news that Q4 has registered a whopping 16% growth rate in 2020 over 2019. And this gives us a lot of confidence and hope that both market and ADEX is going to bounce back sharply in 2021.

Looking at traditional media quarter wise we see that ADEX de-grew in the first three quarters, but grew in the fourth quarter by 13% over Q4 of 2019 and 67% over Q3 of 2020. Traditional ADEX in Q4'20 accounts for a whopping 38% of the full year. On the other hand, Digital media de-grew only in Q2 by 35%, but grew in all other quarters including Q3 and Q4 by over 20%.

Looking at the data by medium, tells us that COVID-19 has behaved very differently across different mediums. The only medium to grow has been Digital, though it achieved a modest growth of under 10% compared to 32% last year and a compounded annual growth rate in previous 10 years of almost 30%. Amongst traditional media,



## INDIAN ADEX BY QUARTER - LAST 3 YEARS (IN CRORES)

Period	Q1	Q2	Q3	Q4	Total
Yr 2018	14244 (23%)	15019 (25%)	14277 (23%)	17367 (29%)	60907 (100%)
Yr 2019	15804 (23%)	19305 (29%)	15051 (22%)	17443 (26%)	67603 (100%)
Yr 2020	14574 (27%)	6724 (12%)	12570 (23%)	20284 (37%)	54151 (100%)
<b>Growth% (19 / 18)</b>	<b>11%</b>	<b>29%</b>	<b>5%</b>	<b>0%</b>	<b>11%</b>
<b>Growth% (20 / 19)</b>	<b>-8%</b>	<b>-65%</b>	<b>-16%</b>	<b>16%</b>	<b>-20%</b>

## TRADITIONAL MEDIA BY QUARTER (IN CRORES)

Period	Q1	Q2	Q3	Q4	Total
Yr 2018	11200 (23%)	12678 (26%)	12053 (24%)	13270 (27%)	49202 (100%)
Yr 2019	11937 (23%)	16212 (31%)	11648 (22%)	12339 (24%)	52137 (100%)
Yr 2020	10107 (27%)	4719 (13%)	8364 (22%)	13988 (38%)	37177 (100%)
<b>Growth% (19 / 18)</b>	<b>7%</b>	<b>28%</b>	<b>-3%</b>	<b>-7%</b>	<b>6%</b>
<b>Growth% (20 / 19)</b>	<b>-15%</b>	<b>-71%</b>	<b>-28%</b>	<b>13%</b>	<b>-29%</b>

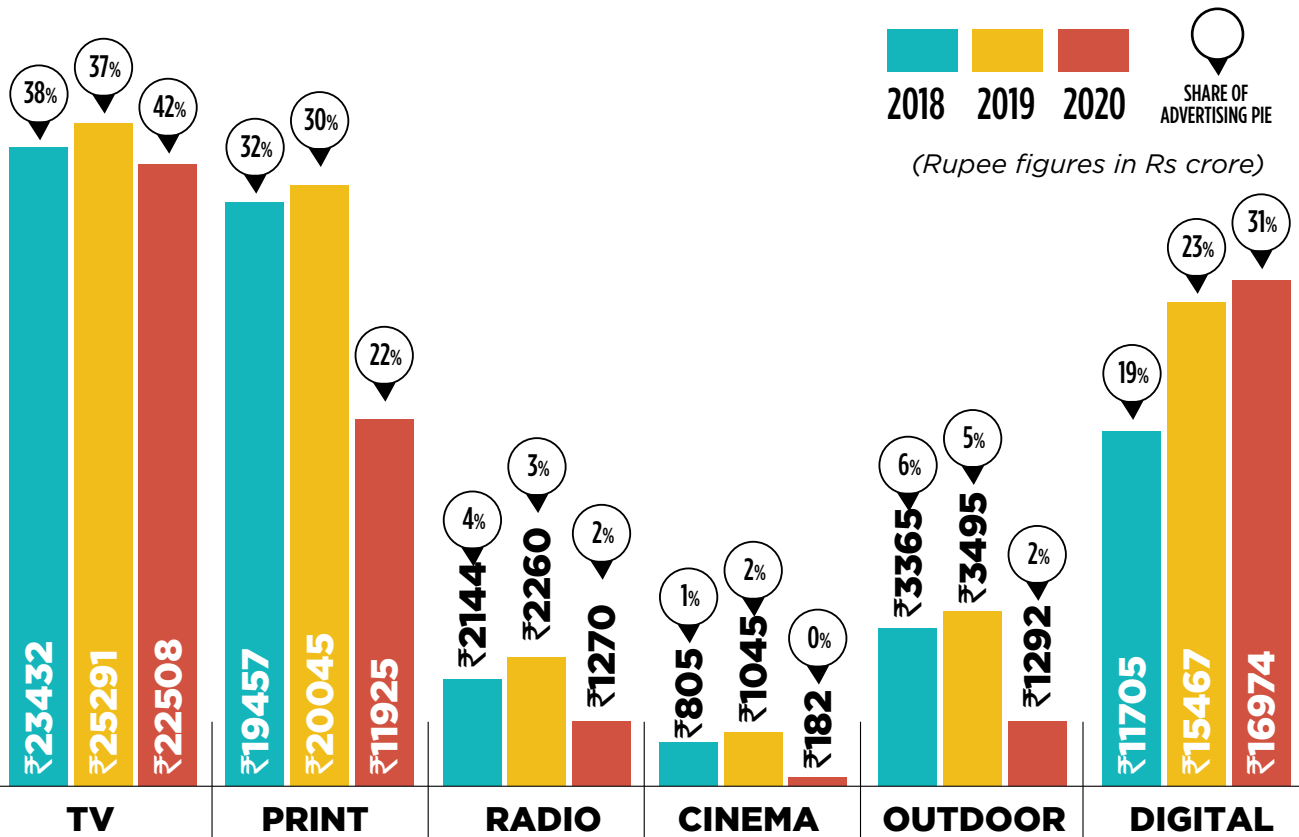
## DIGITAL MEDIA BY QUARTER (IN CRORES)

Period	Q1	Q2	Q3	Q4	Total
Yr 2018	3043 (26%)	2341 (20%)	2224 (19%)	4097 (35%)	11705 (100%)
Yr 2019	3867 (25%)	3093 (20%)	3403 (22%)	5104 (33%)	15467 (100%)
Yr 2020	4467 (26%)	2005 (12%)	4206 (25%)	6296 (37%)	16974 (100%)
<b>Growth% (19 / 18)</b>	<b>27%</b>	<b>32%</b>	<b>53%</b>	<b>25%</b>	<b>32%</b>
<b>Growth% (20 / 19)</b>	<b>16%</b>	<b>-35%</b>	<b>24%</b>	<b>23%</b>	<b>10%</b>

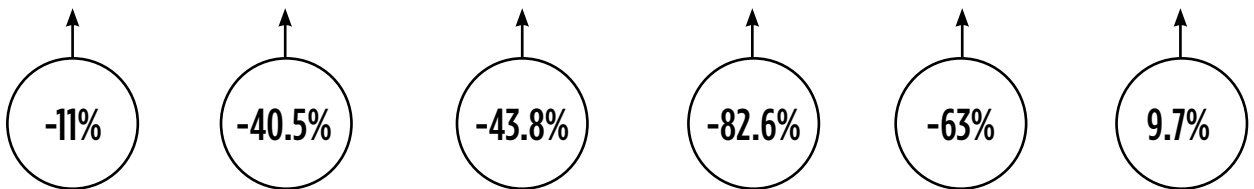


the least affected was TV, which de-grew by just 11% or in absolute terms just Rs. 2783 crore. The medium that was worst hit was Print which de-grew in absolute terms by Rs. 8120 crore and in percentage terms by 40.5%. Outdoor was another medium that got severely affected and de-grew by Rs. 2203 crore which translates to a percentage drop of 63%. Radio de-grew by Rs. 990 crore or in percentage terms 43.8%. Cinema virtually

# INDIAN ADVERTISING MARKET OVER LAST 3 YEARS



## Growth % 2020/19



got wiped out of the ADEX map with a 82.6% drop.




Let's take a closer look at Q4 and the growth rates achieved in this quarter for individual mediums, as this will give us a clearer indication of what to expect in 2021. It is apparent that Digital and TV have recovered very well and are on a growth path, but one cannot say that for Print, Radio and Outdoor, which has a lot of catching up to do. Cinema



## A CLOSER LOOK AT QUARTER 4 (IN CRORES)

Medium	Q4'19	Q3'20	Q4'20	Growth		Contribution Share %	
				Q4'20 / Q4'19	Q4'20 / Q3'20	Q4'19	Q4'20
TV	5777	5421	9004	56%	66%	33%	44%
Print	4855	2583	4105	-15%	59%	28%	20%
Radio	531	260	441	-17%	69%	3%	2%
Cinema	365	0	6	-98%	NA	2%	0%
OOH	811	99	432	-47%	336%	5%	2%
Digital	5104	4206	6296	23%	50%	29%	31%
TOTAL ADEX	17443	12570	20284	16%	61%	100%	100%
TOTAL TRADITIONAL	12339	8364	13988	13%	67%	71%	69%

## ACTIVE ADVERTISERS

ESTIMATED NO OF ADVERTISERS	2020	2020	2020	2020
	ACTUALS	ACTUALS	ACTUALS	ACTUALS
	Q1'20	Q2'20	Q3'20	Q4'20
	4995	3567	3763	4713
	70130	28608	59103	66324
	4054	1979	3279	4202

will have to start from scratch in 2021, after three almost blank quarters.

Many advertisers deserted TV, Print and Radio in Q2 2020, but by Q4 almost all advertisers have returned to the advertising fold. In fact, Radio has attracted 150 additional advertisers in Q4 over Q1.

Within traditional media where we have data covering TV, Print and Radio, it is seen that every category, starting with the largest





## CATEGORY CONTRIBUTION & CATEGORY GROWTH ACROSS TV + PRINT + RADIO IN 2020

Product Category	Category Contribution In 2020		Contribution	Category Growth %
	In Rs Crore	in %	In 2019 in %	2020 / 19
FMCG	13506	38%	33%	-13%
Auto	3243	9%	10%	-29%
E – Commerce	3048	9%	5%	30%
Education	2704	8%	5%	9%
Telecom	1852	5%	8%	-51%
Real Estate & Home Improvement	1442	4%	4%	-33%
HH Durables	1328	4%	4%	-37%
BFSI	1300	4%	3%	-17%
Clothing Fashion Jewellery	929	3%	4%	-45%
Retail	845	2%	3%	-46%
Corporate	557	2%	1%	-21%
Alcoholic Beverages	195	1%	1%	-40%
Travel & Tourism	187	1%	2%	-77%
Others	4568	13%	17%	-43%
<b>TOTAL</b>	<b>35704</b>	<b>100%</b>	<b>100%</b>	<b>-25%</b>

i.e. FMCG, going down to the smallest i.e. travel and tourism, have spent substantially lower in 2020 than in 2019, except e-commerce which grew by as much as 30% and education which on the back of edTech grew by 9%. Within e-commerce, in addition to Amazon, players in categories like online gaming, food delivery services and mobile wallets were prominent. And within FMCG, COVID-19 categories like sanitizers, hand wash liquids, disinfecting sprays and multiple other products offering immunity boosters were prominent advertisers, resulting in FMCG category degrowing the least, by only 13% and it increased its share of ADEX from 33% to 38%. Telecom, travel, clothing & fashion and durables de-grew the most.



## TELEVISION

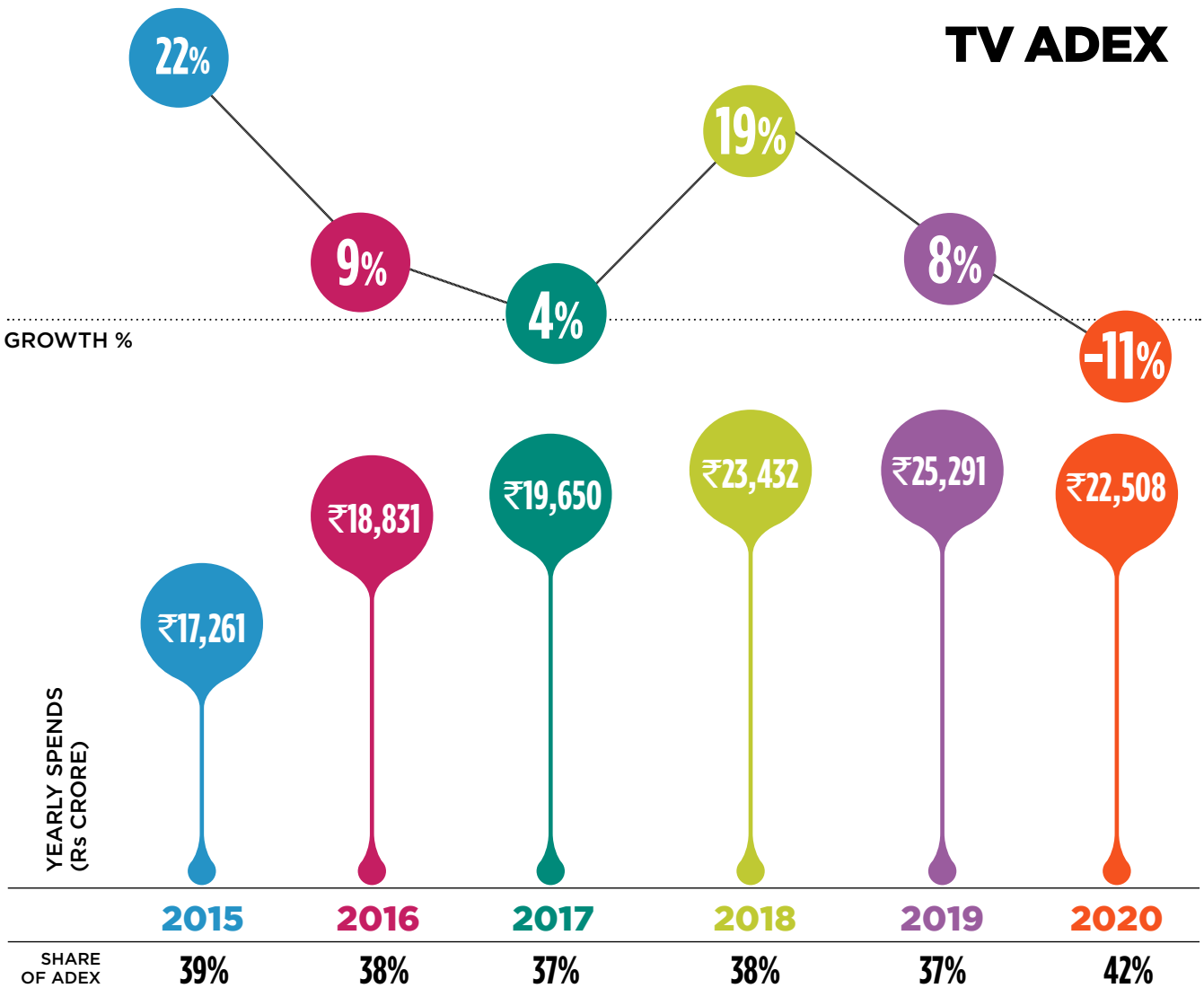
# DESPAIR TO BOOM

While the first three quarters saw TV de-grow by 31% over 2019, Q4'20 grew by 66% over Q3 2020, recording a high 56% growth over Q4 2019.

TV's share of ADEX increased to 42% from 37% in 2019.



## TV ADEX



**F**or Television, the year 2020 saw it all, with the mood swinging from despair to confidence. Slowdown in the first Quarter, collapse in the 2nd Quarter, no original programming of GEC, repeat of old Doordarshan classics which busted the charts, all time high viewership in news genre, IPL in Q4 and an astounding Q4 that generated 40% of annual TV ADEX and a growth of 56% over 2019 and a 66% increase over Q3.

While Television ADEX did suffer on account of COVID-19, the drop in ADEX



## TV MEDIA BY QUARTER (IN CRORES)

Period	Q1	Q2	Q3	Q4	Total
Yr 2018	5615 (24%)	6275 (27%)	5412 (23%)	6130 (26%)	23432 (100%)
Yr 2019	5384 (21%)	8815 (35%)	5315 (21%)	5777 (23%)	25291 (100%)
Yr 2020	4661 (21%)	3423 (15%)	5421 (24%)	9004 (40%)	22508 (100%)
<b>Growth% ( 19 / 18 )</b>	<b>-4%</b>	<b>40%</b>	<b>-2%</b>	<b>-6%</b>	<b>8%</b>
<b>Growth% ( 20 / 19 )</b>	<b>-13%</b>	<b>-61%</b>	<b>2%</b>	<b>56%</b>	<b>-11%</b>

## TV FCT BY QUARTER ( IN MILLION )

Period	Q1	Q2	Q3	Q4	Total
Yr 2018	492	523	517	545	2077
Yr 2019	517	533	508	508	2067
Yr 2020	489	423	379	533	1825
<b>Growth% ( 19 / 18 )</b>	<b>5%</b>	<b>2%</b>	<b>-2%</b>	<b>-7%</b>	<b>0%</b>
<b>Growth% ( 20 / 19 )</b>	<b>-5%</b>	<b>-21%</b>	<b>-25%</b>	<b>5%</b>	<b>-12%</b>



could be considered minor at just 11%, compared to other traditional media's de-growth. The ego-boosting fact for the Television industry is that TV has grown its share of total ADEX to a high of 42%, consolidating its position as the numero uno medium, arresting a steady decline in share from 42% in 2011 to 37% in 2019, in one clean sweep.

Looking at it quarter wise, TV ADEX moved like a yo-yo. The year started poorly with Q1 registering an unusual 13% de-growth over Q1 2019, which rose to a 61% de-growth in Q2, thanks to COVID-19. Q3 saw a quick recovery to almost the same level as 2019 but Q4 saw an astounding increase of 56%, thanks

## CATEGORY CONTRIBUTION & CATEGORY GROWTH ACROSS TV + PRINT + RADIO IN 2020

TV - 2020 Product Category	Category Contribution In 2020		Contribution	Category Growth %
	In Rs Crore	in %	In 2019 in %	2020 / 19
FMCG	11372	51%	49%	-9%
E - Commerce	2572	11%	5%	95%
Telecom	1712	8%	12%	-44%
Auto	1268	6%	7%	-29%
HH Durables	901	4%	5%	-28%
Education	845	4%	1%	193%
Real Estate & Home Improvement	630	3%	3%	-17%
BFSI	537	2%	2%	1%
Clothing Fashion Jewellery	404	2%	3%	-38%
Corporate	302	1%	1%	-20%
Alcoholic Beverages	186	1%	1%	-40%
Retail	127	1%	1%	-47%
Travel & Tourism	50	0%	1%	-86%
Others	1602	7%	7%	-15%
<b>TOTAL</b>	<b>22508</b>	<b>100%</b>	<b>100%</b>	<b>-11%</b>

to IPL and festival period.

From the table on TV FCT by Quarter, you will see that broadcasters followed an aggressive pricing policy to corner as much of the restricted advertising demand as possible. This proved to be a wise strategy given that TV amongst traditional media has degrown the least at 11%

In terms of categories the biggest growth in the COVID-19 year has come predictably from the e-commerce category which recorded a 95% growth over 2019 and with its share in TV ADEX moving up by 6% points from 5% to 11%. Within e-commerce in addition to online shopping, mobile wallets and media / entertainment / social media / OTT were the



## TV - GENRE-WISE CONTRIBUTION

Genres	Approx Revenue in	FCT Growth
	Rs Crores	2020 / 19
Hindi Mainline GEC + Hindi Secondline GEC	5000 - 6000	-12%
Sports	3500 - 4000	-26%
News	2200 - 2700	-8%
Tamil Regionals	1500 - 2000	-9%
Hindi Movies	1000 - 1500	-6%
Telugu Regionals	900 - 1100	-22%
Marathi Regionals	900 - 1100	5%
Kannada Regionals	700 - 900	-9%
Bengali Regionals	700 - 900	-8%
Malayalam Regionals	700 - 800	-12%
Music	400 - 500	-37%
Kids	400 - 500	-9%
Infotainment	400 - 500	-28%
Movies English	200 - 300	-42%
English Niche	200 - 300	-40%
Others	1300 - 1500	-2%

leading categories.

The next biggest growth came from education sector, again on account of online education with strongly emerging brands like WhiteHat Junior, Vedantu and Byju's. Share of education went up by 3% points from 1% to 4%. Significantly, share of telecom went down from 12% to 8%.

FMCG, the largest contributor conventionally for TV ADEX increased its



dominance, increasing its share from 49% to 51%, though in value terms, the category de-grew by 9% almost in line with the TV degrowth of 11%. Within FMCG, newer COVID-19 categories like sanitizers, hand wash liquids and disinfecting sprays emerged with as many as 140 brands being advertised.

Taking a closer look at genre wise contribution by FCT, it appears that degrowth in regional channels has been the least, implying that national brands prioritised campaigns in their strong markets and regional brands came back to ADEX faster than national brands.

Hindi GEC channels, the largest contributor to TV ADEX also suffered, but not as much as Hindi GEC second line, which de-grew by as much as 24%. Though we estimate IPL to have contributed Rs. 2,700 crore or 30% to TV ADEX in Q4 (12% of TV ADEX in 2020 vs. 9% in 2019), share of sports genre shows a FCT degrowth of 26% given that live sports resumed play only from September 2020. A major casualty of COVID-19, has been English channels who suffered a 40% decline in FCT.

News, which witnessed huge viewership spikes in the peak COVID-19 months of April and May could neither retain the high viewership or take full advantage by monetising it, coming at a time when money was hard to find in the advertising market. Overall, it seems to have suffered very little, with a FCT degrowth of 8%.





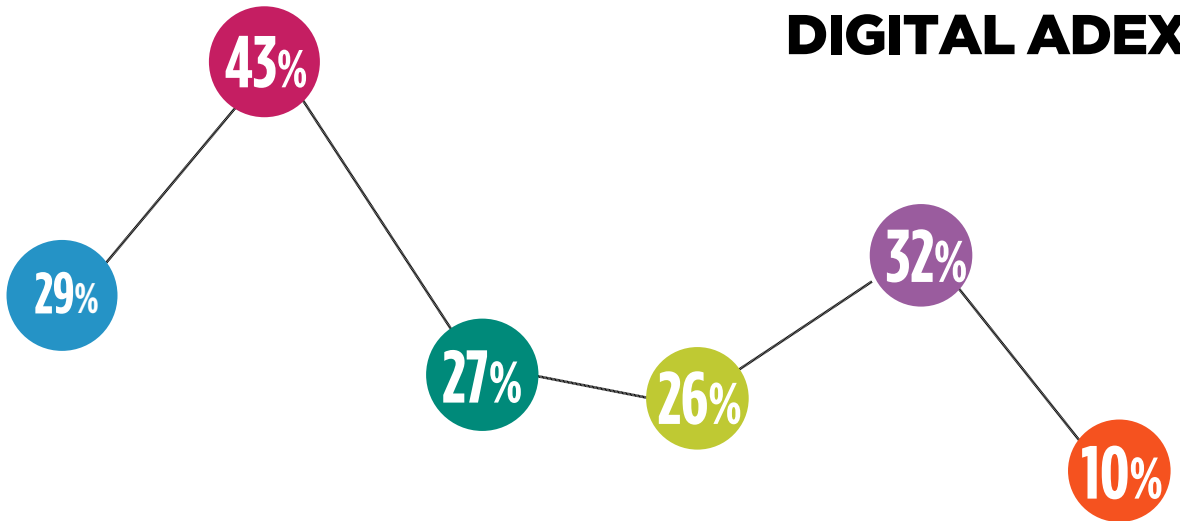
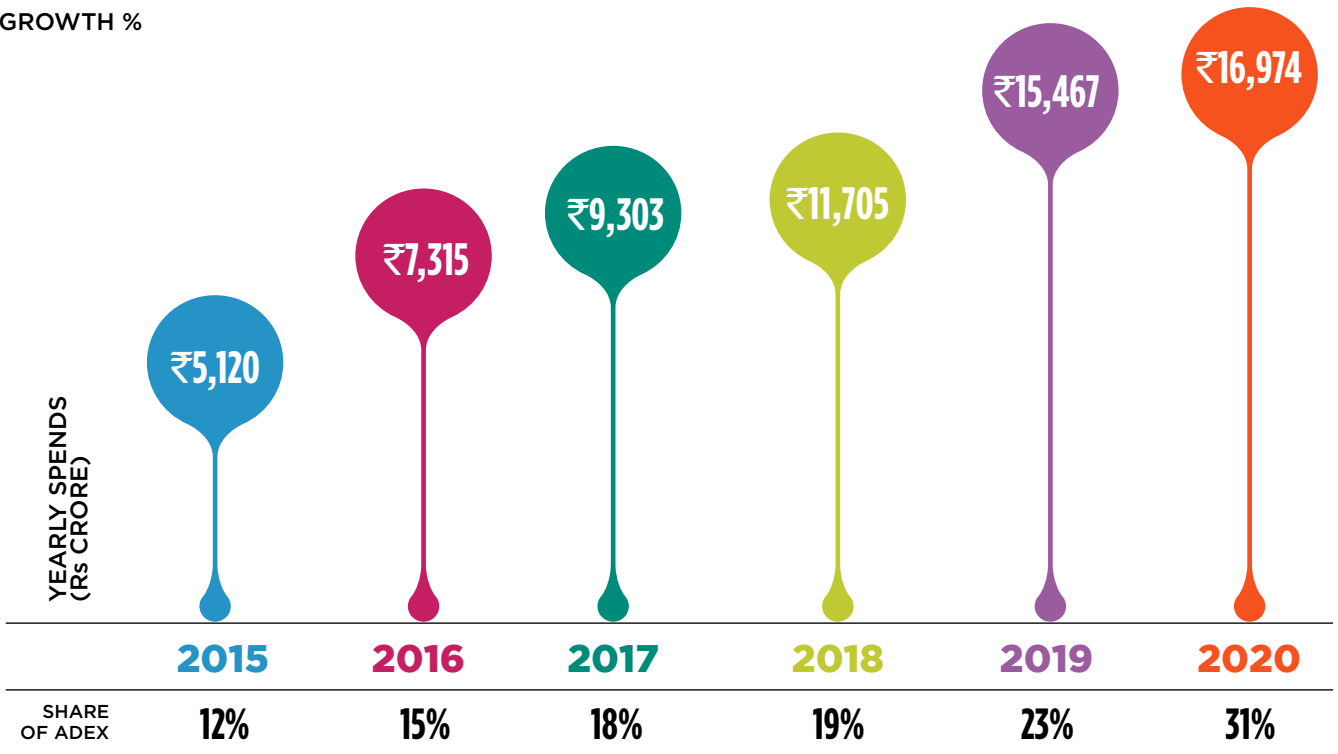
**DIGITAL**

# **SUPERSTAR**

Digital is the only medium that grew  
in 2020 by 10%.

Digital is now the No. 2 medium  
having displaced Print with a share  
of 31%, up from 23% in 2019.



**DIGITAL ADEX****GROWTH %**

**2**020: The year of COVID-19 has dented Digital ADEX's record of having grown at 25%+ for the last 10 years and achieved a compound average growth rate of 27% in the last decade. Yet it is to the credit of Digital that while all other media have degrown in the year by 11% to 83%, Digital ADEX has grown by 10%. With this growth Digital ADEX has reached a value of almost



## DIGITAL MEDIA BY QUARTER (IN CRORES)

Period	Q1	Q2	Q3	Q4	Total
Yr 2018	3043 (26%)	2341 (20%)	2224 (19%)	4097 (35%)	11705 (100%)
Yr 2019	3867 (25%)	3093 (20%)	3403 (22%)	5104 (33%)	15467 (100%)
Yr 2020	4467 (26%)	2005 (12%)	4206 (25%)	6296 (37%)	16974 (100%)
<b>Growth% (19 / 18)</b>	<b>27%</b>	<b>32%</b>	<b>53%</b>	<b>25%</b>	<b>32%</b>
<b>Growth% (20 / 19)</b>	<b>16%</b>	<b>-35%</b>	<b>24%</b>	<b>23%</b>	<b>10%</b>

Digital ADEX over Last 4 Years - In Rs Crore					Share	Share
Vertical	Yr 2017	Yr 2018	Yr 2019	Yr 2020	Yr 2020	Yr 2019
Search Spends	2642	2776	3608	3031	18%	23%
Social (Facebook, Sharechat ++)	1245	2540	3429	3920	23%	22%
Video Spends	2326	2926	4640	5490	32%	30%
Display Spends	2790	3123	3414	4133	24%	22%
Others (Affiliate+ Native+Tech+ SMS+OBD)	300	340	375	400	2%	2%
<b>Total</b>	<b>9303</b>	<b>11705</b>	<b>15467</b>	<b>16974</b>	<b>100%</b>	<b>100%</b>

Rs. 17,000 crore and now has a share of 31% of ADEX. It has also climbed one rank in the media listings and displaced Print to become the No. 2 medium, preceded only by TV.

It is also significant that Digital has grown in three quarters and de-grew only in Q2 by 35% when there was a strict lockdown. This drop of 35% must be seen in comparison to the drop of 79% in Print and 61% in Television in the same quarter.

Looking at Digital ADEX by various verticals, it is significant to note that share of Search has come down significantly by as much as five percentage points and now stands at just 18%. This is not because Search has degrown,







but other verticals have grown much faster. Video, not only is the largest contributor but has further increased its share from 30% to 32% during the year. Both Social and Display have marginally improved their share and all three have grown shares at the expense of Search.

Programmatic has taken firm root in Indian Digital ADEX and in our estimate now almost 40% of all Digital spends are through Programmatic. And of course 95% of all Digital spends are on Mobile.

While there is no doubt that COVID-19 has dented our economy, one positive outcome of it has been the rapid pace of digitalisation of the Indian economy. COVID-19 has forced more



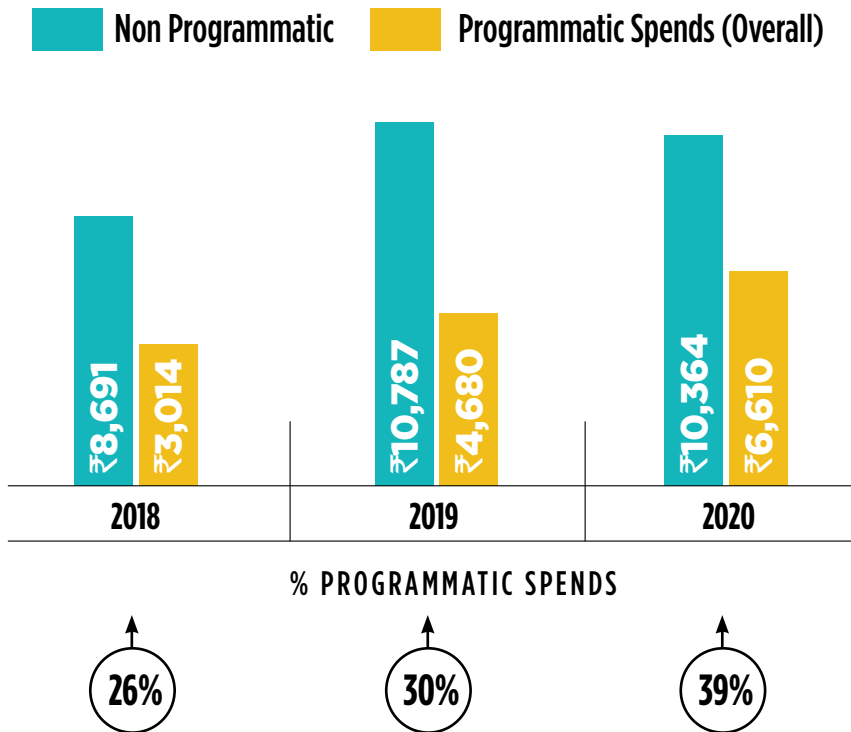
## MOBILE DIGITAL ADEX OVER LAST 4 YEARS - IN RS CRORE

Platform	2017	2018	2019	2020
	7256	9950	14539	16125
	2047	1756	928	849
<b>Total</b>	<b>9303</b>	<b>11705</b>	<b>15467</b>	<b>16974</b>
<b>Share of Mobile %</b>	<b>78</b>	<b>85</b>	<b>94</b>	<b>95</b>



and more consumers to take up e-commerce and online sales have seen a 3X growth during the year. Advertisers have therefore resorted to 'Shopvertising' on platforms like Amazon and Flipkart who have seen a big spurt in their advertising revenue too. More and more brands are now not just setting up their e-commerce verticals but most organisations are putting considerable emphasis on increasing e-commerce sales as a percent to total sales.

## PROGRAMMATIC DIGITAL ADEX OVER LAST 3 YEARS - IN RS CRORE



The other big beneficiary of COVID 19 has been a rapid increase of video content on OTT platforms and new content on such platforms is also being aggressively marketed to attract more eye balls. Such efforts have clearly paid off and we estimate the number of OTT subscriber base to be at least 150 million of which 29 million are paid subscribers. OTT content consumption in terms of hours per day has gone up by 14.5%, influencer marketing has also taken deep route as a

proven marketing tool and many brands are using it extensively and intensively to promote their products. Hopefully, soon we shall see a measurement tool to evaluate both input and output in this area.

Deeper penetration of Mobile internet in rural areas of the country has led to higher consumption of vernacular content. Players like Jio, Dailyhunt, and ShareChat are now playing a crucial role and contribute in a big way, especially after the ban on Chinese apps.

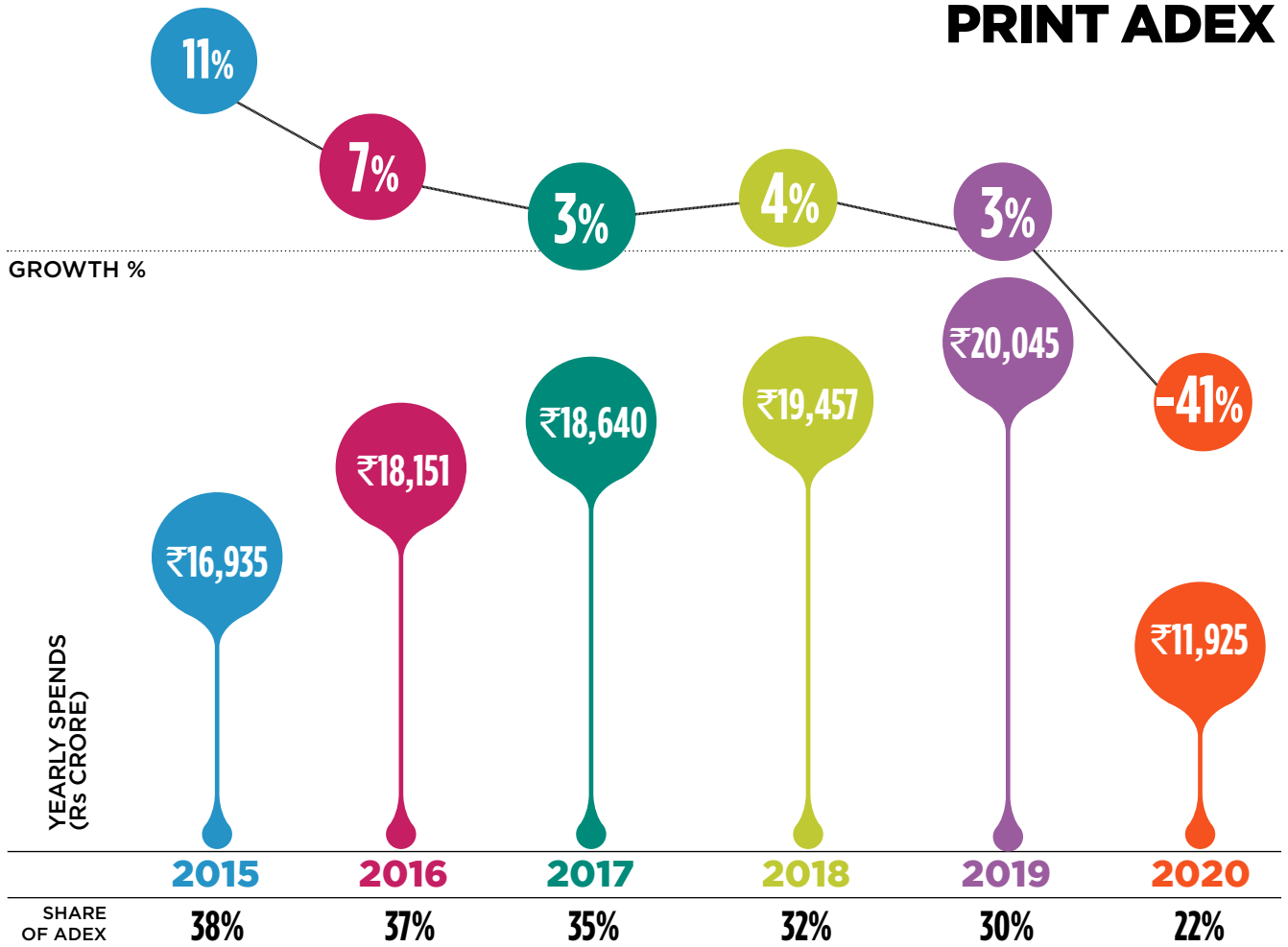
**PRINT**

# **PRINT ENGINE LOST STEAM**

Print ADEX de-grew in all four quarters registering de-growth of 41% and slipped in rank from No. 2 to No. 3.



## PRINT ADEX



**P**rint ADEX, the 2nd largest in terms of market share of total ADEX in 2019 has been the biggest casualty in the COVID-19 year. Out of the total Rs. 13,450 crore that ADEX lost in 2020, Rs. 8,120 crore was contributed by Print. Print during 2020 lost as much as 40.5% of its ADEX and conceded the No. 2 slot to Digital, coming in at No. 3 position with an ADEX of Rs. 11,925 crore and its share of ADEX now stands at 22%. It conceded its No.1 position which it maintained for decades to TV way back in year 2009.

While the drop of as much as 79% in Q2 is



## PRINT MEDIA BY QUARTER (IN CRORES)

Period	Q1	Q2	Q3	Q4	Total
2018	4155 (21%)	4934 (25%)	4901 (25%)	5466 (28%)	19457 (100%)
2019	4867 (24%)	5830 (29%)	4493 (22%)	4855 (24%)	20045 (100%)
2020	4020 (34%)	1217(10%)	2583 (22%)	4105 (34%)	11925 (100%)
<b>Growth% ( 19 / 18 )</b>	<b>17%</b>	<b>18%</b>	<b>-8%</b>	<b>-11%</b>	<b>3%</b>
<b>Growth% ( 20 / 19 )</b>	<b>-17%</b>	<b>-79%</b>	<b>-43%</b>	<b>-15%</b>	<b>-41%</b>

## PRINT VOLUME BY QUARTER ( IN MILLION CC )

Period	Q1	Q2	Q3	Q4	Total
2018	78	81	79	100	338
2019	85	82	75	85	327
2020	61	19	53	76	209
<b>Growth% ( 19 / 18 )</b>	<b>9%</b>	<b>1%</b>	<b>-6%</b>	<b>-15%</b>	<b>-3%</b>
<b>Growth% ( 20 / 19 )</b>	<b>-29%</b>	<b>-77%</b>	<b>-29%</b>	<b>-10%</b>	<b>-36%</b>

understandable considering that newspapers could not be distributed owing to the strict lockdown, it is a cause of concern that Print in Q4 is trailing almost Rs. 750 crore behind Q4 of last year. In fact, Print in 2020 has degrown in all four quarters including Q1 when it degrew by 17% because of a slowing economy. In terms of volumes too, each of the four quarters have delivered lower volume than the previous year. While our Print barons did not lag behind in offering attractive rates to shore up volumes, advertisers did not return in adequate numbers, fearing that circulation





## CATEGORY CONTRIBUTION & CATEGORY GROWTH - PRINT IN 2020

Print - 2020	Category Contribution In 2020		Contribution	Category Growth %
Product Category	In Rs Crore	in %	In 2019 in %	2020 / 19
FMCG	1977	17%	14%	-30%
Auto	1859	16%	13%	-29%
Education	1803	15%	10%	-14%
Real Estate & Home Improvement	683	6%	6%	-42%
Retail	654	5%	6%	-45%
BFSI	611	5%	4%	-29%
Clothing Fashion Jewellery	486	4%	5%	-49%
HH Durables	392	3%	4%	-51%
E - Commerce	379	3%	4%	-57%
Corporate	214	2%	1%	-23%
Travel & Tourism	114	1%	2%	-70%
Telecom	106	1%	3%	-82%
Alcoholic Beverages	6	0%	0%	-39%
Others	2640	22%	27%	-51%
<b>TOTAL</b>	<b>11925</b>	<b>100%</b>	<b>100%</b>	<b>-41%</b>

had not returned to pre-COVID-19 levels. In the absence of ABC figures, which have been suspended, we will never know the real story on circulation numbers.

However, a spike in ADEX during the festive season (Q4'20) has given pandemic-hit, newspapers a much deserved ray of hope clocking highest both in volume and ad revenue.

Looking at Print ADEX by category, all categories seem to have got affected including e-commerce (-57%), education (-14%), auto (-29%) and FMCG (-30%). Education



## PRINT – LANGUAGE WISE PUBLICATION VOLUME IN MN CC IN 2020

LANGUAGE	2019	2020	GROWTH % (2020/ 19)	CONTRIBUTION IN % (2019)	CONTRIBUTION IN % (2020)
HINDI	113	79	-31%	35%	38%
ENGLISH	80	50	-37%	25%	24%
MARATHI	28	17	-40%	9%	8%
KANNADA	18	13	-29%	5%	6%
TAMIL	22	12	-43%	7%	6%
TELUGU	22	11	-51%	7%	5%
MALAYALAM	12	8	-29%	4%	4%
GUJARATI	14	8	-40%	4%	4%
ORIYA	8	4	-46%	3%	2%
BENGALI	5	3	-39%	2%	2%
PUNJABI	2	1	-34%	1%	1%
ASSAMESE	2	1	-41%	1%	1%
URDU	1	0	-57%	0%	0%
<b>TOTAL</b>	<b>327</b>	<b>209</b>	<b>-36%</b>		



increased its share of Print ADEX by 5% points, from 10% to 15% and auto and FMCG by 3% points each, from 13% to 16% and from 14% to 17% respectively. These three categories accounted for 47% of Print ADEX.

Newspaper circulation in metros got affected a little more deeply and recovery seems to have taken longer. Because of which contribution of Hindi in terms of volume has increased from 35% to 38% with English trailing at 24%. Kannada and Malayalam newspapers showed highest resilience and least degrowth in terms of volume, while Tamil, Telugu and Marathi publications degrew the most.

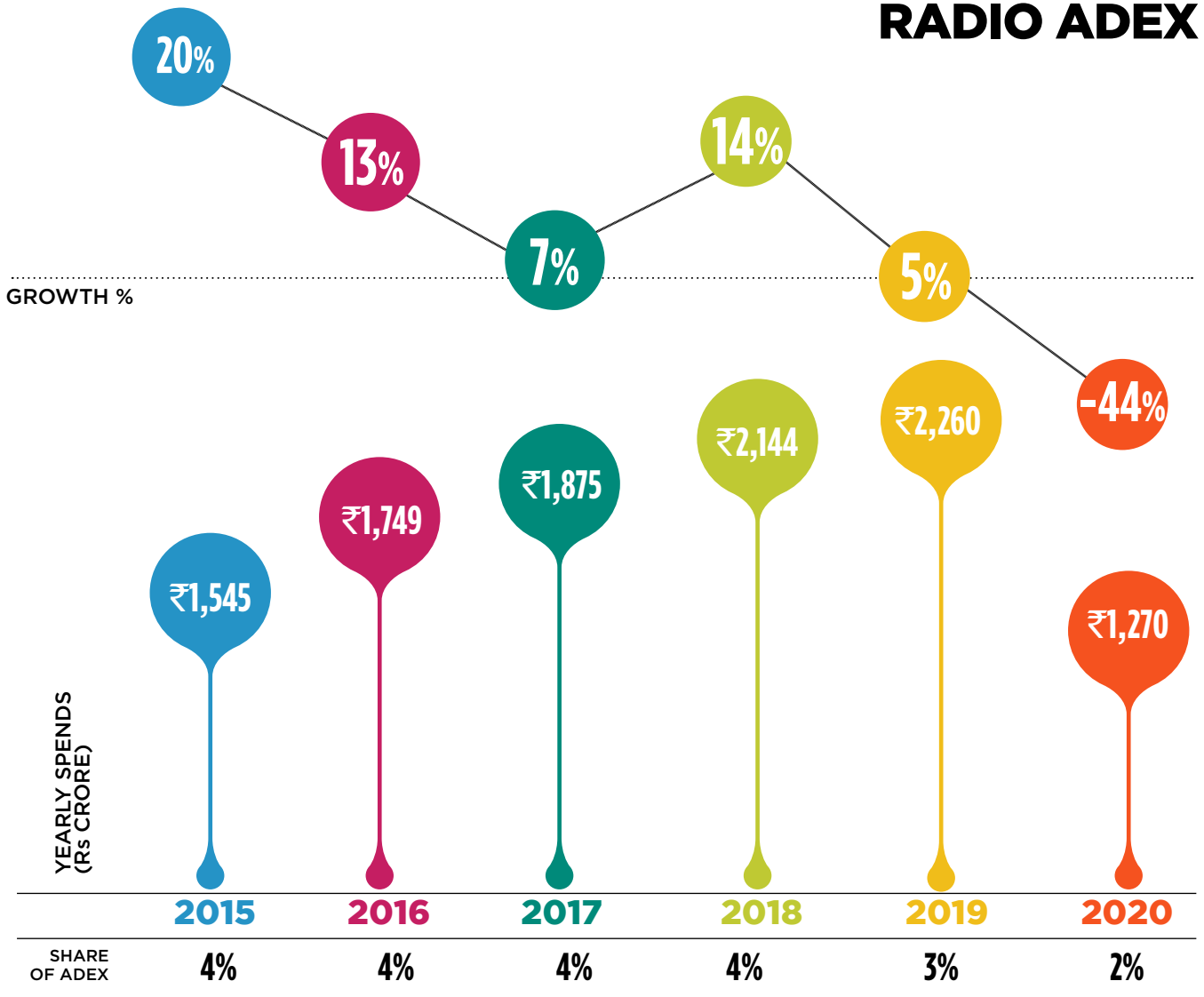
**RADIO**

# **POOR RECEPTION**

Radio ADEX came down dramatically in value, degrowing by 44%.

This took Radio ADEX value to what it was in 2014.

# RADIO ADEX



**R**adio ADEX was the third worst affected medium which de-grew by almost 44% and came down in value from Rs. 2,260 crore to just Rs. 1,270 crore. This sharp drop has taken Radio back to the year 2014 when it was Rs. 1,300 crore. With this drop, Radio has also lost 1% market share and now has a share of 2%.

Unlike in Outdoor and Cinema where the drop in ADEX is mainly because of drop in footfalls, Radio seems to have suffered

## RADIO MEDIA BY QUARTER (IN CRORES)

Period	Q1	Q2	Q3	Q4	Total
2018	473 (22%)	529 (25%)	569 (27%)	573 (27%)	2144 (100%)
2019	615 (27%)	566 (25%)	548 (24%)	531 (23%)	2260 (100%)
2020	497 (39%)	71(6%)	260 (20%)	441 (35%)	1270 (100%)
Growth% ( 19 / 18 )	30%	7%	-4%	-7%	5%
Growth% ( 20 / 19 )	-19%	-87%	-52%	-17%	-44%

despite witnessing a spike in listenership on FM. The reduction is obviously because of lower availability of advertising rupees in the market, because of which advertisers concentrated only on primary media like TV and Digital.

The drop has been in all four quarters of 2020 with it understandably being the sharpest at 87% in Q2. Q4 the festival quarter seems to have shown good recovery. In Q4 Radio seems to have shown some signs of



## CATEGORY CONTRIBUTION & CATEGORY GROWTH - RADIO IN 2020

Radio - 2020	Category Contribution In 2020		Contribution	Category Growth %
Product Category	In Rs Crore	in %	In 2019 in %	2020 / 19
FMCG	157	12%	9%	-23%
BFSI	152	12%	8%	-13%
Real Estate & Home Improvement	129	10%	9%	-39%
Auto	117	9%	7%	-31%
E - Commerce	97	8%	6%	-29%
Retail	64	5%	6%	-50%
Education	56	4%	4%	-36%
Corporate	41	3%	2%	-16%
Clothing Fashion Jewellery	39	3%	4%	-52%
HH Durables	35	3%	3%	-43%
Telecom	34	3%	6%	-73%
Travel & Tourism	23	2%	4%	-73%
Alcoholic Beverages	3	0%	0%	-28%
Others	325	26%	33%	-56%
<b>TOTAL</b>	<b>1270</b>	<b>100%</b>	<b>100%</b>	<b>-44%</b>



recovery with the negative drop narrowing to only 17% compared to 2019.

Looking at Radio ADEX by category while all categories showed degrowth, predictably it is highest in travel and tourism followed by telecom. The degrowth is least in BFSI at 13% and this category has grown its share to 12% to share the credit of being the top most category with FMCG, which improved its share from 9% to 12%. Auto, another important category for Radio de-grew by 31% but improved its share from 7% to 9%. Five categories now contribute to 51% of total Radio ADEX in 2020.



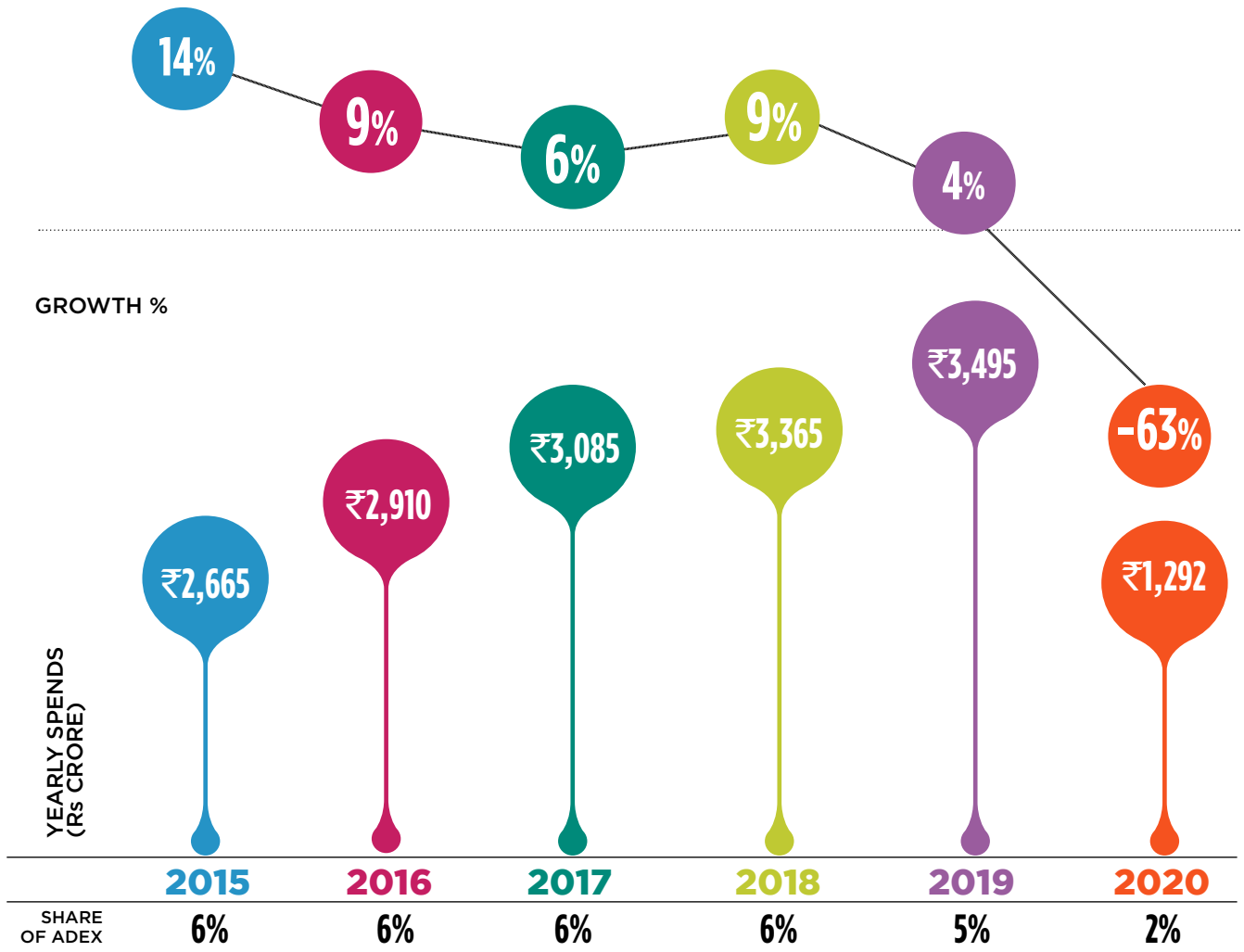
**OOH**

# **ROAD BLOCK**

OOH ADEX de-grew 63% on the back of empty roads due to lockdown.

While Q4 showed huge growth of 336% over Q3 2020, normalcy is yet to return.

# OOH ADEX



**W**hile empty roads have provided fodder for the keen photographer, such images have proved to be the Waterloo of the Outdoor industry. Even when traffic has recovered to the extent of 90%, advertisers don't seem to be in a hurry to return to Outdoor as before.

In 2020 OOH ADEX de-grew by as much as 63% to a low of Rs. 1,292 crore and its market





## OOH MEDIA BY QUARTER (IN CRORES)

Period	Q1	Q2	Q3	Q4	Total
2018	813 (24%)	803 (24%)	929 (28%)	820 (24%)	3365(100%)
2019	862 (25%)	844 (24%)	978 (28%)	811 (23%)	3495(100%)
2020	753 (58%)	8 (1%)	99 (8%)	432 (33%)	1292(100%)
<b>Growth% ( 19 / 18 )</b>	<b>6%</b>	<b>5%</b>	<b>5%</b>	<b>-1%</b>	<b>4%</b>
<b>Growth% ( 20 / 19 )</b>	<b>-13%</b>	<b>-99%</b>	<b>-90%</b>	<b>-47%</b>	<b>-63%</b>

share dropped by as much as 3% points from 5% in 2019 to 2% in 2020. OOH has gone back to the value it had achieved 13 years ago in 2007. In the last decade transit media has outpaced the growth of conventional OOH given the modernising of airports, new airports and arrival of metros but 2020 saw a reversal of this trend when conventional OOH market de-grew by 56% but transit media de-grew by 82%.



## CATEGORY CONTRIBUTION & CATEGORY GROWTH IN OOH IN 2020

OOH - 2020 Product Category	Category Contribution in 2020		Contribution	Category Growth %
	in Rs Crore	in %	In 2019 in %	2020 / 19
Real Estate & Construction Material	268	21%	14%	-47%
FMCG	174	14%	11%	-55%
Financial Services (Banking, MF, Insurance, Bond share)	169	13%	10%	-50%
Organized Retail (Jewellery, Apparel, garments, showroom)	145	11%	15%	-72%
Consumer Services ( Hospitals, Restaurants, Education)	140	11%	15%	-73%
Media ( Print, TV Channels, Radio, DTH, OTT)	126	10%	6%	-45%
Automotive ( 2 Wheelers & 4 Wheelers)	94	7%	6%	-54%
Telecom ( Mobile Services, Handsets & Apps)	65	5%	6%	-68%
E-commerce ( Portals, Websites)	28	2%	3%	-72%
Electronic Durables ( Home Appliances, Laptop, Camera)	23	2%	3%	-75%
Pharmacy	6	0%	1%	-68%
Petroleum/Lubricants	3	0%	0%	-74%
Energy	1	0%	0%	-50%
Others	50	4%	10%	-86%
<b>TOTAL</b>	<b>1292</b>	<b>100%</b>	<b>100%</b>	<b>-63%</b>

Looking at it quarter wise, OOH ADEX recorded near zero billing in Q2, about Rs. 100 crore in Q3 and more than Rs. 400 crore in Q4. Q4 numbers are still only 53% of 2019 figures.

Looking at the data category wise, every category de-grew, but real estate degrowth was amongst the least and it happens to be the largest category in Outdoor ADEX, followed by FMCG. Consumer durables, lubricants, telecom and retail de-grew the most. Surprisingly e-commerce also de-grew substantially.





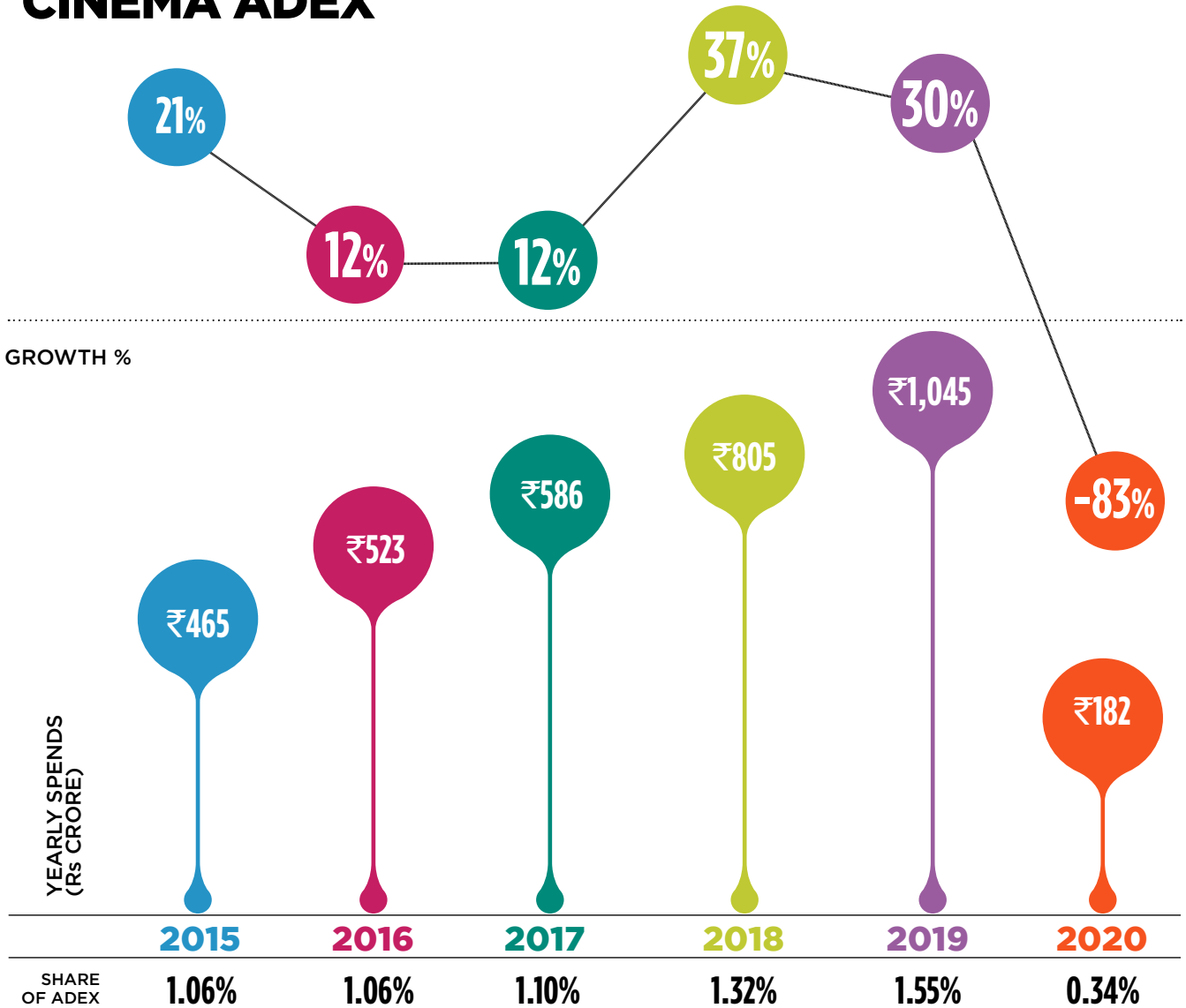
**CINEMA**

# SCREENS LOCKED

**Cinema witnessed an 83% drop in ADEX versus 2019. This is understandable since Cinema halls remained locked from 3rd week of March 2020 to November 2020.**

**W**hile all media including Digital suffered due to COVID-19, Cinema suffered the most and, in our estimate suffered an 83% drop, capsizing its low base of around just a little over Rs. 1,000 crore to under Rs 200 crore. This is understandable, given that Cinemas were ordered to be closed by the Government during lockdown and in most states were allowed to open only in November and that too with just 50% capacity. The long closure has no doubt tempted some banners to launch their productions on OTT and led

# CINEMA ADEX



some others to seriously look at making films for OTT launch.

In Q1'20 too when Cinemas were functioning normally, Cinema put in a lack lustre show with ADEX having dropped by 16%. With Cinema virtually closed since March 25th and some states allowing multiplexes to re-open only in November with restricted occupancy, it is not surprising why most advertisers, are yet to return to Cinema in a big way.



# FMCG DOMINATES TOP 10 ADVERTISERS LIST

**O**ur list of top 50 advertisers is a diverse list from categories like FMCG, telecom, auto, e-commerce, mobile gaming and consumer durables. But FMCG dominates the list with as many as 19 in top 50 and as many as six in top 10. There are only four non-FMCG advertisers in the top 10 – Amazon, Reliance, Maruti Suzuki and Byju's. As usual the honour for topping the list goes to Hindustan Unilever, but at No. 2 comes Reckitt Benckiser which in 2019 was not even in the top 10. Other prominent advertisers that have gained in rank are Vodafone, Byju's, Wipro, Amul, LIC, Hero, Tata Motors, LIC, P&G and Godrej Consumer Products.

Prominent amongst those who substantially lost many ranks are Vivo Mobile, Apple, Mahindra & Mahindra, Honda Motorcycle, Emami, Airtel, Dream 11, Titan and Oppo.

Top 50 advertisers account for 35% (last year 33%) and top 10 advertisers account for as much as 18% (LY 16%) of total ADEX and 50% (LY 53%) top 50 ADEX.

Top 50 advertisers spend 86% (LY 78%) of their budgets on TV and Digital establishing firmly that these are the two dominant mediums of ADEX and their relative size also confirms this.

## THE BIG SPENDERS

Rank in 2020	Rank in 2019	Gain/Loss in Ranks	Advertisers	Range in Crores
1	1	0	Hindustan Lever	3500 - 4000
2	11	9	Reckitt Benckiser	900 - 1000
3	2	-1	Amazon Online	900 - 1000
4	6	2	Procter & Gamble	600 - 700
5	4	-1	Reliance Industries	600 - 700
6	13	7	ITC Ltd	550 - 650
7	5	-2	Maruti Suzuki India	500 - 600
8	16	8	Mondelez	500 - 600
9	27	18	Byju's	400 - 500
10	12	2	Godrej Consumer Products	400 - 500
11	21	10	Hero Motocorp	350 - 450
12	24	12	Colgate Palmolive India	350 - 450
13	22	9	Glaxo Smithkline	350 - 450
14	3	-11	Dream 11	350 - 450
15	14	-1	Coca Cola India	300 - 400
16	9	-7	Oppo India	300 - 400
17	28	11	Nestle India Limited	250 - 350
18	NA	New	PhonePe	250 - 350
19	8	-11	Samsung India Electronics	250 - 350
20	36	16	Wipro Ltd	250 - 350
21	NA	New	Pepsi Co	250 - 350
22	35	13	Life Insurance Corp Of India	250 - 350
23	42	19	Vodafone Idea Ltd	250 - 350
24	25	1	Asian Paints	250 - 350
25	41	16	GCMMF ( Amul )	250 - 350
26	15	-11	Google	250 - 350
27	NA	New	Facebook	250 - 350

## THE BIG SPENDERS

Rank in 2020	Rank in 2019	Gain/Loss in Ranks	Advertisers	Range in Crores
28	23	-5	Hyundai Motor India	150 - 250
29	37	8	Tata Motors	150 - 250
30	30	0	L Oreal India	150 - 250
31	32	1	Marico Ltd	150 - 250
32	NA	New	Hotstar	150 - 250
33	19	-14	Bharti Airtel	150 - 250
34	17	-17	Honda Motorcycle & Scooter	150 - 250
35	40	5	Dabur India	150 - 250
36	33	-3	TVS Motors	150 - 250
37	NA	New	Playgames 24*7 (My 11 circle)	150 - 250
38	29	-9	Bajaj Auto	150 - 250
39	49	10	Kia Motors Corp	150 - 250
40	NA	New	AMFI (Asso Of Mutual Funds In India)	150 - 250
41	48	7	Britannia Industries	150 - 250
42	34	-8	Titan Company	150 - 250
43	26	-17	Emami Ltd	150 - 250
44	NA	New	GalactusFunware Technology ( MPL )	100 - 150
45	NA	New	Adani Wilmar Ltd	100 - 150
46	18	-28	Apple Computer	100 - 150
47	20	-27	Mahindra & Mahindra	100 - 150
48	7	-41	Vivo Mobile India	100 - 150
49	NA	New	Kent RO System	100 - 150
50	NA	New	Rohit Surfactants (Ghadi Detergent)	100 - 150

*A note of caution, some advertisers who in our list rank above 50 may well be in reality among the top 50 list or vice-versa. We may mention that many Madison clients feature in this list but we hasten to add that we have not used confidential information that we are privy to in arriving at this list. The list has been arrived at using a standard structured process.*

## FORECAST 2021

# CONFIDENCE BACK



ADEX expected to grow **26%** to reach 2019 numbers.

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Print, Radio, OOH and Cinema not expected to reach 2019 numbers.

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Traditional media to grow at a marginally higher rate than Digital, given degrowth in 2020.





The COVID-19 strain in India is receding. Commercial activities have returned with a vengeance. GST collection in January 2021 has been at an all-time high of Rs. 1.19 lakh crore. The economic survey projects that the Indian economy will grow in 2021-2022 by 11.0% in terms of real growth and 15.4% in terms of nominal growth. And the budget is more pro-growth than any previous budget. Vaccination has started and chances of a 2nd wave which has engulfed UK and parts of Europe are low. What's more Indian ADEX in Q4 2020 has grown by 61% over Q3 2020 and by 16% over Q4 2019.

All this gives us the confidence to forecast a growth rate of 26% in 2021, taking ADEX to Rs. 68,325 crore, almost the same level as 2019. In reading this growth rate one must

## INDIAN ADVERTISING MARKET OVER LAST 3 YEARS ( JAN - DEC )

Medium	2019		2020		Growth %	2021 Forecast		Growth %	Growth %	Growth In Rs Crs	Growth In Rs Crs
	In Rs Crore	% Share	In Rs Crore	% Share	2020 /19	In Rs Crore	% Share	2021 /20	2021 / 19	2021 /20	2021 / 19
TV	25291	37%	22508	42%	-11%	26350	39%	17%	4%	3842	1059
Print	20045	30%	11925	22%	-41%	16100	24%	35%	-20%	4175	-3945
Radio	2260	3%	1270	2%	-44%	1750	3%	38%	-23%	480	-510
Cinema	1045	2%	182	0%	-83%	475	1%	161%	-55%	293	-570
Outdoor	3495	5%	1292	2%	-63%	2450	4%	90%	-30%	1158	-1045
<b>Total Traditional</b>	<b>52136</b>	<b>77%</b>	<b>37177</b>	<b>69%</b>	<b>-29%</b>	<b>47125</b>	<b>69%</b>	<b>27%</b>	<b>-10%</b>	<b>9948</b>	<b>-5011</b>
Digital	15467	23%	16974	31%	10%	21200	31%	25%	37%	4226	5733
Total	67603		54151		-20%	68325		26%	1%	14174	722

recognise that in 2020 ADEX had de-grown by 20%. A more detailed note is given in Annexure where we outline the economic basis of our projection.

The last time that Indian ADEX grew by 26% or higher was in the year 2010, when it grew by 28% following de-growth of 9% in 2009. With a growth rate of 26%, we estimate that India will be the fastest growing advertising market in the world followed by UK (14.7%) and Australia (13.2%) going by WARC estimate of growth of global markets.

We expect wide variation of growth rates across different mediums with Digital growing by 25%, adding Rs. 4,226 crore to its kitty. In traditional media, we expect Print also to add as much as Rs. 4,175 crore and achieve a growth rate of 35%; followed by Outdoor which should add Rs. 1,158 crore resulting in a growth of 90%. We must highlight that these high growth rates are projected for Print, Outdoor and Radio because of high de-growth rates for these media in 2020. It would be more realistic to view growth rates in 2021 against normal year 2019 and this shows up that Digital will grow the most over these two years by 37% followed by TV at 4%. Cinema will de-grow over these two years by as much as 55%, Radio by 23% and Print by 20%. Another way to look at it is by focussing on the Rs. 14,000 crore that will be added in 2021, around Rs. 4,000 crore each will be added by Digital, TV and Print almost equally.



**We expect wide variation of growth rates across different mediums with Digital growing by 25%, adding Rs. 4,226 crore to its kitty.**



## TELEVISION

While we expect TV ADEX to grow by 17% to close at Rs. 26,350 crore, it must be borne in mind that TV over two years 2019-21 will grow by a mere 4%. With other traditional media expected to grow at a faster rate, TV's share of ADEX is expected to go down to 39% from 42% in 2020, losing mainly to OOH & Print.

Key factors that will lead to growth of TV are:

- Big sporting events like IPL, Asia Cup, ICC T20 WC and Olympics
- New categories & new advertisers likely to get active after a hiatus
- FMCG marketers who are turning bullish on the back of high growth in the economy
- Advertisers in OTT, edtech, mobile gaming and digital wallet payment categories expected to continue their bullish run on TV
- Many political parties & government institutions expected to spend substantially on TV during state elections
- New launches in auto sector



## DIGITAL

Digital is expected to be the driver for growth across businesses in 2021 and similarly Digital ADEX will be the driver of ADEX growth. Digital was the only medium in 2020 that has grown and we expect it to further grow by 25% in 2021 to become a more than Rs. 21,000 crore industry, retain its 2nd rank which it earned during the lockdown and establish a share as high as 31%.

## PRINT

While we expect Print ADEX to grow by 35% which will take it to Rs. 16,100 crore, this number will be 20% less than 2019. Contrary to many projections, we believe that Print will recover substantially in 2021, however will not recover all its losses of 2020, and settle at an ADEX number that it had achieved in 2015. Print's market share is expected to go up to 24% from 22% in 2020. From a category perspective, Print friendly sectors such as auto, BFSI, real estate & education are all expected to do better with low loan rates and positive economic outlook. And State elections will help push the ADEX number to our estimated growth of 35%.

## RADIO

We expect Radio to achieve a growth rate of 38% in 2021. This will take Radio ADEX to Rs. 1,750 crore, still falling short by 23% of 2019 levels. Radio's market share is expected to move up from 2% to 3%. Radio should see higher spends from sectors like HH durables, BFSI, automobile, FMCG, real estate and e-commerce bringing some respite for the medium. Radio is also likely to gain on account of many state elections scheduled in 2021.



## OOH

After earning dismal revenues last year due to the lockdown, we expect OOH ADEX to pick up by Q2 with accelerated vaccine rollout and more relaxed guidelines related to travel, opening of schools, colleges and offices.

OOH ADEX is likely to almost double its 2020 number to reach close to Rs. 2,500 crore, but will still unfortunately end up 30% lower than 2019 and achieve a share of just 4%.

In 2021, greater penetration of OOH in Tier 2 & Tier 3 towns is expected, also Digital out-of-home (DOOH) will become more dominant.

**OOH ADEX is likely to almost double its 2020 number to reach close to Rs. 2,500 crore, but will still unfortunately end up 30% lower than 2019 and achieve a share of just 4%.**

## CINEMA

Cinema advertising revenue will definitely see a revival but we expect normalcy to return only by H2 in terms of ADEX. Considering the washout that 2020 was for Cinema, we expect the medium to achieve a growth rate of 161%, which will take Cinema ADEX to Rs. 475 crore, which is about half of the 2019 number. At this level, Cinema's share of ADEX will be less than 1% for the second consecutive year.

Analysis of current economic indicators (as discussed in Annexure) indicate that slowdown is truly behind us and in India we can expect good times to return in 2021. For marketers who felt the pain of slow down it is time to strategize on how best to reap the benefits of a V shaped recovery. Those who do this successfully can expect a boom year.



**ANNEXURE**

**WHY WE PREDICT A GROWTH  
RATE OF 26% IN ADEX IN 2022?**

# PREDICTING ADEX IN 2021

## - AN ECONOMIST VIEW

**T**he year 2020 was predominated by the COVID-19 pandemic, posing the most formidable economic challenge to India. India enforced an intense lockdown at the onset of the pandemic which resulted in economic slowdown leading to an unprecedented fall in GDP as well as advertising expenditure.

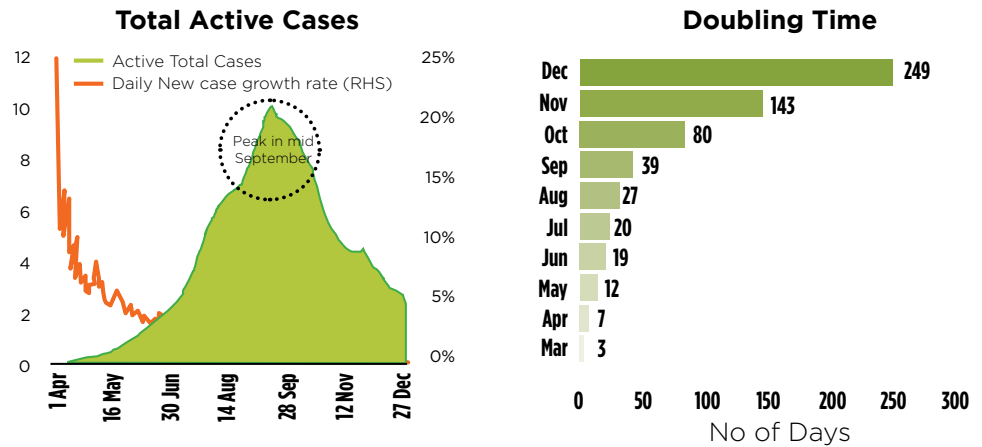
Analysis of current economic indicators show that slowdown is truly behind us and we are onto the path of a robust recovery in economy. For marketers who felt the pain of slowdown, it is time to strategize on how best to reap the benefits of a V shaped recovery. Let us review few economic indicators to appreciate the nature and extent of bounce back.

### **1.0 Review of Indicators**

#### **1.1 Moderation in spread of Covid-19**

India crossed its peak in mid-September with 11.12 lakh active cases on 17th September, 2020 and 97,860 daily new cases on 16th September, 2020. Subsequently, new cases have moved down to less





than 16,000 cases per day in January, 2021 despite the festive season and onset of the winter season. Thus, one can be almost certain that COVID-19 spread has been well contained in India

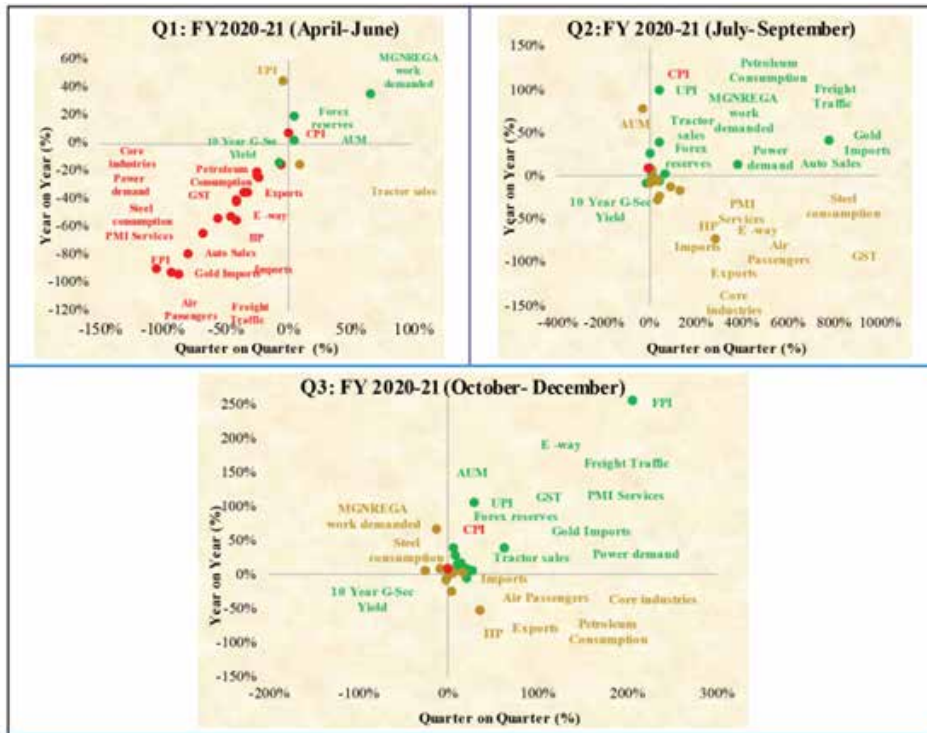
Additionally, the COVID-19 vaccine was launched on 16th January, 2021. The world's biggest vaccination drive underway in India will further contain the pandemic. Marketers need to worry not about the pandemic but about navigating the new normal in the 'Post Pandemic Era'.

## 1.2 Fast moving indicators are well placed

The latest Economic Survey has an interesting observation on how many of the fast moving indicators are moving towards the magic quadrant.

While the April – June quarter had most indicators precariously placed, the October – December quarter has no indicator in the doomsday quadrant. This augurs extremely well for the sustainability of economic recovery.

Note: Red colour indicates negative YoY and QoQ growth; Brown colour indicates positive YoY or QoQ growth and Green colour indicates positive YoY and QoQ growth. For indicators like CPI and



G-Sec yield decline is considered as positive, i.e., green and vice versa.

Source: Economic Survey 2020-21 Volume 2

### 1.3 Recovery in private financial consumption expenditure

Thanks to series of measures that can be collectively called unlocking, there is an undeniable growth in private financial consumption in the second half of 2021. Thanks to the budget which did not put any incremental taxation burden, it is expected that the trajectory will only improve in the coming months

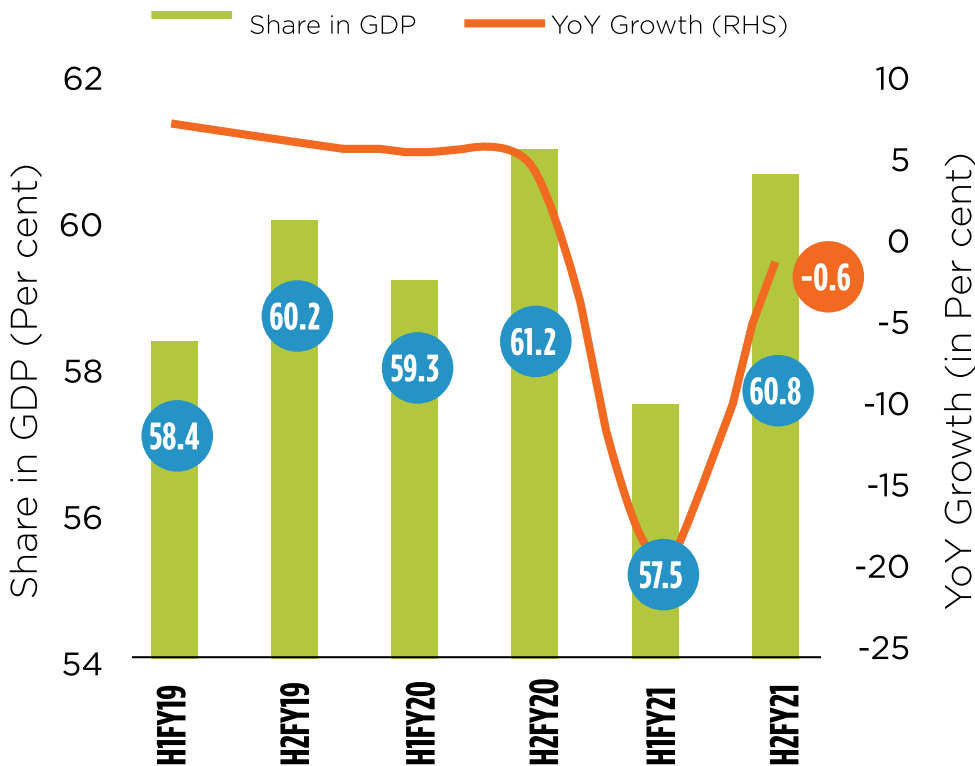
India is a consumption led economy. Increasing private financial expenditure augurs well for marketers and is a clarion call to increase advertising budget.

### 1.4. V Shaped recovery even on Supply Side

V shaped recovery is seen not just on







Source: NSO

demand side but also in industrial production. Manufacturing has rebounded and industrial value has started to normalize.

### 1.5. Return of Consumer Confidence

Reserve Bank Consumer Confidence Survey is a good indicator of consumer sentiment. Though, consumer confidence remained very low in November 2020 compared to a year ago, it showed a marginal improvement over the all-time low recorded in the previous round in Sep 2020.

More interesting was the observation on Future Expectations Index (FEI). Households remain optimistic about the one year ahead situation. Hope on the future augurs well for marketers.

### 1.6. Recovery is an all India phenomenon

The slowdown in demand was varied across



India depending on the intensity of lockdown. This is well captured in the series of maps below which captures value of goods traded per person as derived from e-way bills generated.

As can be seen on the map, we are now almost at the same intensity of activity as we were pre-COVID-19.



### 1.7 Rise in Profits

An analysis by Motilal Oswal showed Nifty50 companies reported highest-ever cumulative quarterly profit after tax at Rs 1,04,200 crore in the September quarter. This is an all-time high in corporate India’s history probably aided by cost cutting measures as well as softening of raw material prices.

As a case in point, profitability ratios of consumer goods industries are healthy, and it is time for them to deploy additional resources in advertising.

Figure 24: Growth in Core Index

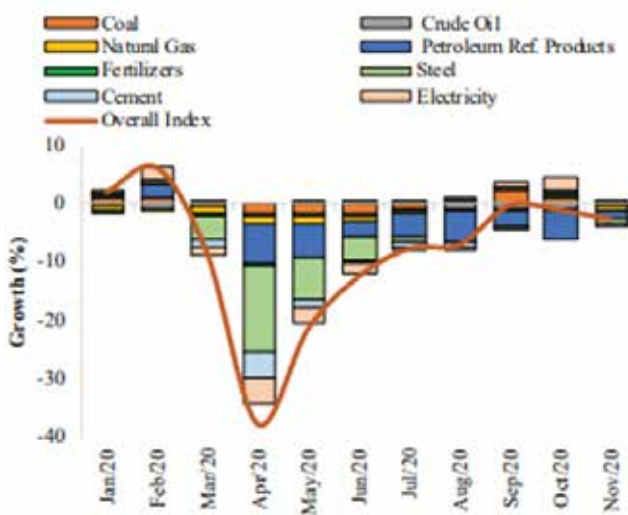
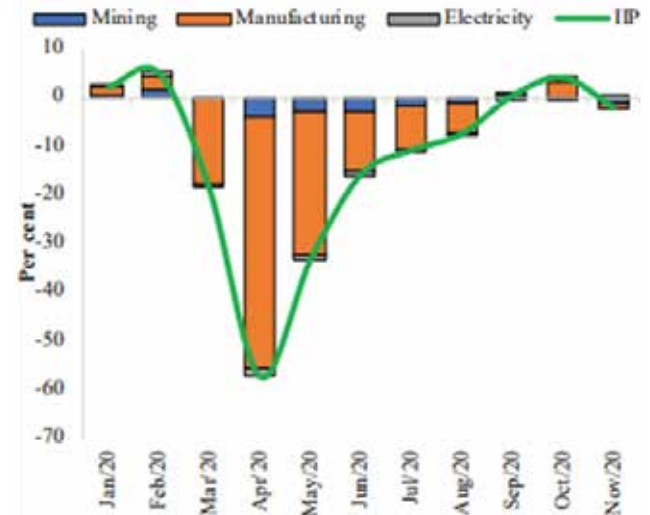


Figure 25: Growth in IIP



Source: MoSPI, DPIIT

Summary based on Net Responses						
Main Variables	Current Perception compared with one-year ago			One year ahead Expectations compared with current situation		
	Sep-20	Nov-20	Change	Sep-20	Nov-20	Change
Economic Situation	-70.6	-66.5	↑	15.3	15.7	↑
Employment	-71.6	-68.5	↑	22.5	18.9	↓
Price Level	-80.4	-88.3	↓	-59.5	-58.4	↑
Income	-53.8	-54.7	↓	43.2	40.3	↓
Spending	26.1	39.7	↑	58.1	63.0	↑
Consumer Confidence Index	49.9	52.3	↑	115.9	115.9	↔
↑	Positive Sentiments with sign of improvement compared to last round			↑	Negative Sentiments with sign of improvement compared to last round	
↓	Positive Sentiments with sign of deterioration compared to last round			↓	Negative Sentiments with sign of deterioration compared to last round	
↔	Positive Sentiments with no change compared to last round			↔	Negative Sentiments with no change compared to last round	

Source : RBI



### 1.8. Robust GDP Growth is the forecast

According to the economic survey, after an estimated 7.7% pandemic-driven contraction in 2020-21, India's real GDP is projected to record a growth of 11.0% in 2021-22 and nominal GDP by 15.4%. These conservative estimates reflect upside potential that can manifest due to the continued normalisation in economic activities as the rollout of COVID-19 vaccines gathers traction.

These projections are in line with the IMF estimate of real GDP growth of 11.5% in 2021-22 for India and 6.8% in 2022-23.

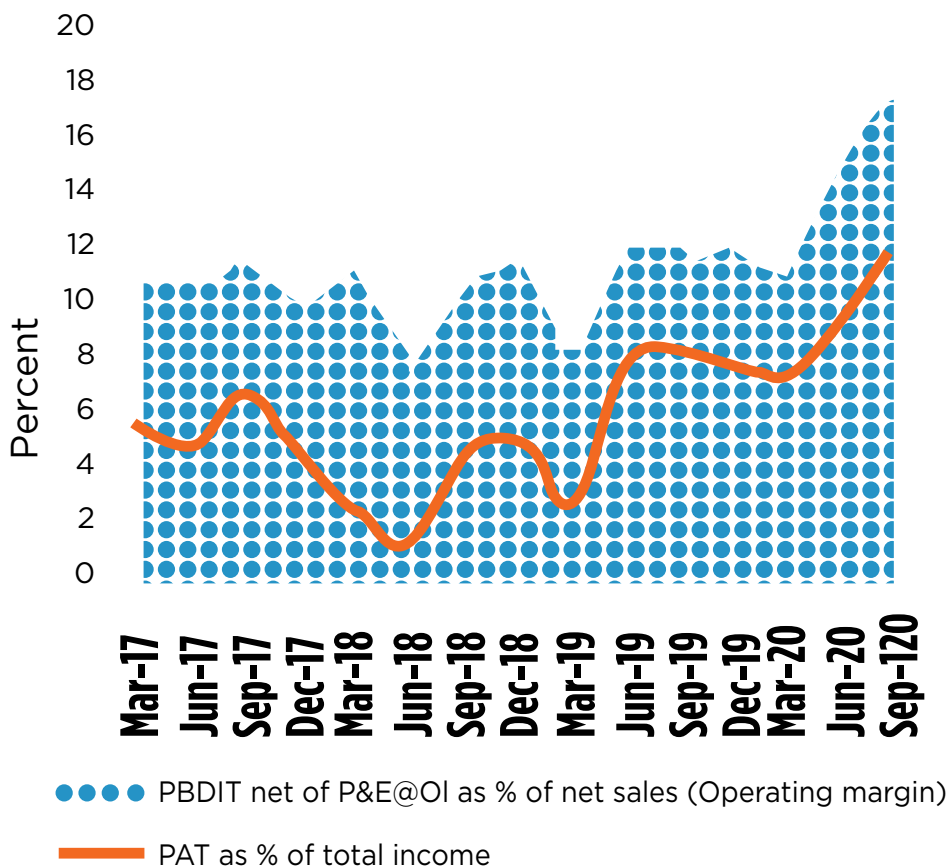
Such a steep rise in GDP has never been experienced by India and this will augur well for marketers.

## 1.9 Growth oriented budget

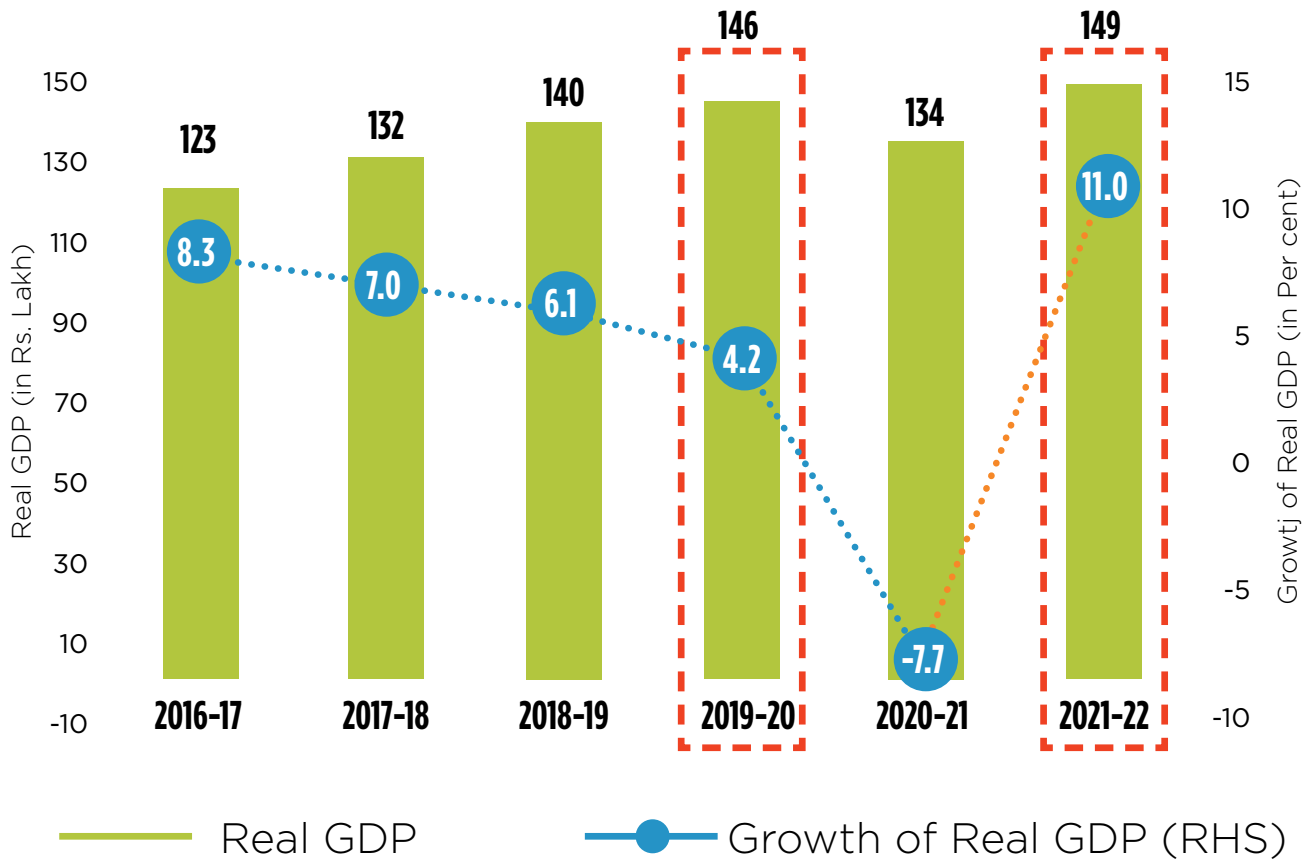
While the Union Budget didn't feature any direct incentives to boost consumer spending, there was no increase in direct taxes. Budget also did not impose the much feared COVID cess. The budget has earmarked increased spending on healthcare and infrastructure. In medium term, this will boost consumer demand as it will spur investment and create jobs

The key take out from the budget is that Government has rightly chosen to focus on higher capital expenditure and investments to pump up the economy. Emphasis is on infrastructure development and agriculture. The

### Profitability Ratios of Consumer Goods Industries



## Projections of Real GDP for 2021-22



Source: NSO and Calculations

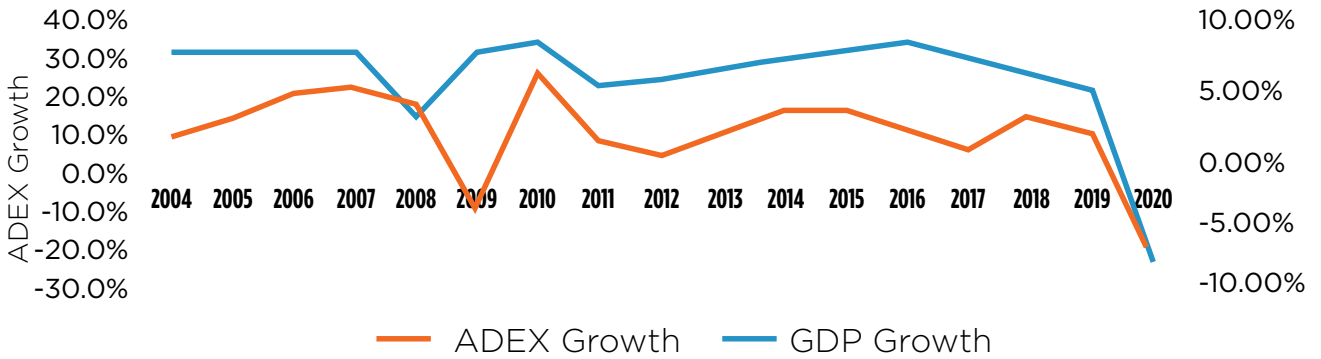
34% higher allocation under Rural Infrastructure Development Fund to Rs 40,000 crore will hasten development of infrastructure for agri and allied activities, social sectors and rural connectivity. Industry witnessed a surge in demand from rural and tier 2 onwards cities. The trend of higher growth from lower pop strata is likely to continue. This budget has all the makings that can spur a virtuous consumption-investment-employment cycle that augurs well for growth in ADEX expenditure.

### The ADEX Projection

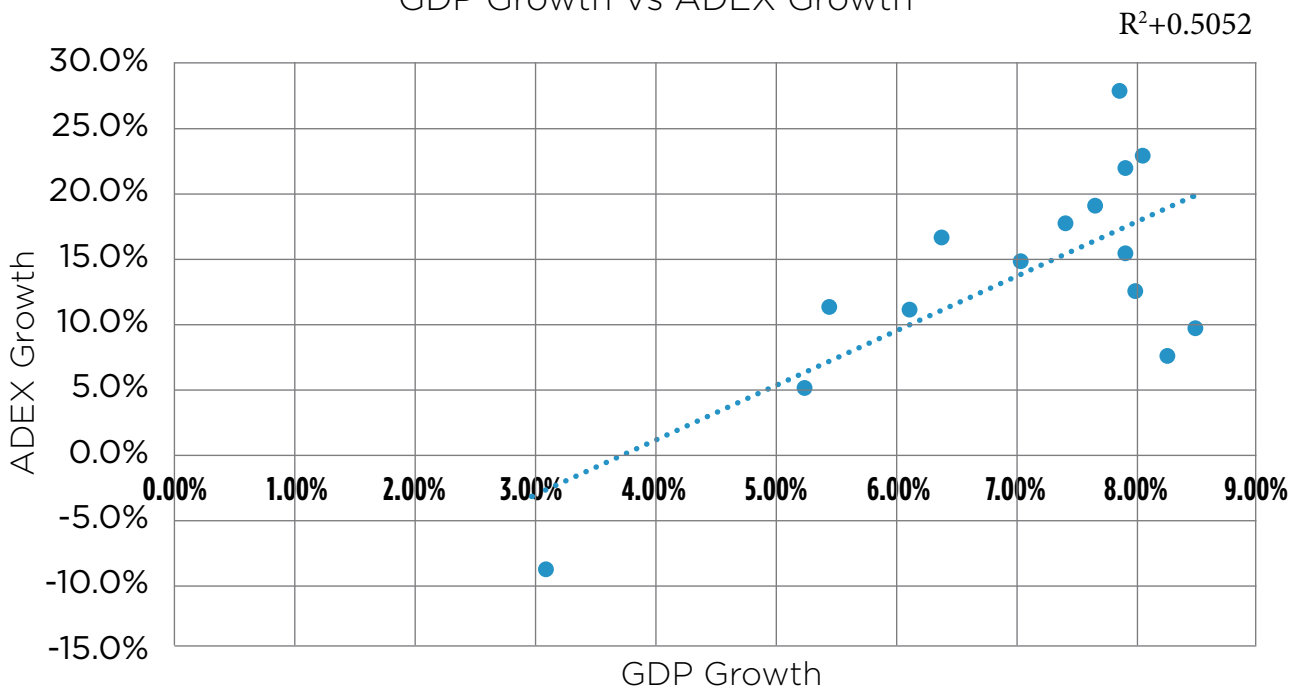
With some time adjustments and removal of



### ADEX Vs GDP Growth



### GDP Growth Vs ADEX Growth



outliers, we see an interesting visual relationship between GDP growth and ADEX growth. If the GDP growth is in excess of 7%, then ADEX growth is approximately double the GDP growth rate.

Considering the V Shaped recovery, analysis of various indicators and heuristic observations, we are confident to predict a 26% growth in advertising. This is more than twice the projected real GDP growth rate of 11% for FY 2021-22.



**verizon**<sup>✓</sup>  
**media**

## Programmatic Made Simple.

Drive successful omnichannel campaigns with Verizon Media's DSP Identity at core, Smarter Performance, Exclusive Inventory



**Nikhil Rungta**

*Country Manager, Verizon Media*

Indian consumers have become adept at moving between online and offline channels since the pandemic, besides switching seamlessly between devices and screens. This is challenging advertisers to deliver premium, personalized and unified experiences across their media mix.

**Verizon Media's industry-leading DSP** offers seamless omnichannel solutions that help you drive performance and branding programmatically across the most diverse set of channels - including mobile, display, video, CTV, audio,

### Top honour for Verizon Media's DSP

Winner of the 2020 'Adweek Readers' Choice Best of Tech Partner Awards' in the Demand Side Platform category.

DOOH, all powered by the industry's most diverse and qualified data sets. Our DSP goes well beyond programmatic and makes it easier for you to reach audiences wherever they are, giving you the flexibility to meet whatever goals you have and on any screen, so you can effortlessly shift your media mix.

**Go native:** Bring the effectiveness of native into your omnichannel programmatic strategy. Create better connections with seamless formats native to the mobile experience that are just right for Indian audiences. Deliver impact - native drives performance achieving





upto 11X higher CTRs over traditional display.

**A screen for every routine:** DOOH supply available programmatically blends the precision targeting and ease of programmatic ad buying with the effectiveness of high-impact digital signage. Alongside enhanced features, our strategic partnerships give brands access to even more inventory than before.

### Manage digital media in one platform across the entire funnel

For instance, DOOH can be used for initial awareness and branding, while being served in conjunction with mobile and native placements that support mid- to lower funnel consumer activities. You can then retarget those exposed to DOOH placements to reinforce messaging.

**Captivate cord-cutters:** Augment traditional TV buying strategies with emerging engagement opportunities of CTV, reaching audiences who love streaming and are no longer within reach through linear buys. CTV programmatic advertising comes with multiple advantages – from reaching engaged audiences, to effective targeting and highly-viewable, non-skippable ads.

### Get audiences to hear you:

Programmatic audio equips advertisers to reach listeners when they are deeply engaged over multiple devices, in a brand safe, ad blocking-free environment. This without having to compete with other advertisers.

The programmatic advantages of Verizon Media's DSP can give you the opportunity to embrace efficiency and deliver results, with unified planning for omnichannel campaigns.

### Get a 360-degree view of your omnichannel programmatic environment

Our DSP transparency tool brings you granular omnichannel intelligence at the auction level, giving you everything you need to understand how and where to best allocate budgets, offering robust audience reach and cost analyses broken down by channel (e.g., display, CTV, DOOH, audio, etc.), ad format (e.g., video, native, etc.) and exchange.





## THE POSSIBILITIES OF PROGRAMMATIC, THE POWER OF DATA

Excellence in Programmatic comes when the power of data and technology intersect with quality media - which is right where you will find us in the Programmatic universe. A look under the hood at how Verizon Media packs data-driven advantages to help you deliver your omnichannel strategy, with efficiency and scale.

### WHY VERIZON MEDIA'S DSP?

#### Identity at the core

Our best-in-class identity graph and first party data address the challenges of a post-cookie world

#### Identity is key to omnichannel activation:

The only DSP harnessing the power of email, search, purchase receipt, device ID and contextual data signals

**Diverse data: 71%**  
higher average conversion rate than third-party segments across verticals

**65M+**  
active profiles in India

Reach **210M+**  
devices in India



#### Premium exclusive inventory

- Reserved access to Verizon Media, Samsung and Microsoft properties along with the largest premium marketplace
- Connect to the supply that matters most

Owned and operated pure media access

Direct integrations **30+** SSPs

Indirect integrations **180+** SSPs with Bidswitch

#### Nothing to hide

- Verizon Media sits between a walled garden DSP and an independent, fully open DSP. We combine proprietary data and exclusive inventory with Verizon Media's scaled identity graph, but embrace a more 'Open' model
- All the benefits of a walled garden, without compromising on transparency and independent measurement
- Brand safe
- Anti-fraud guarantee

#### Enter the omniverse

- Huge omnichannel opportunities with emerging channels like DOOH, Audio and CTV
- Integrated with Lemma, Ad on Mo and Moving Walls for DOOH

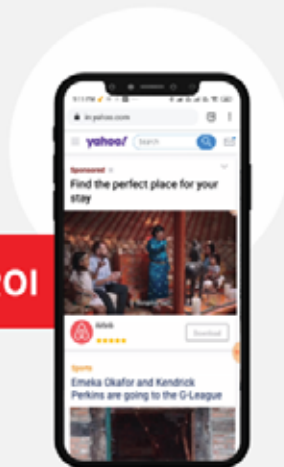




## OUTPERFORM ORDINARY

Performance... Performance... Performance...

- Machine learning that consistently drives performance
- Brands and Direct Response (DR) with no hidden fees
- Efficient pricing model supports the full use of our DSP's capabilities so media dollars are put to work



**No Hidden Fees + Accurate Targeting = Better ROI**



### Technology and tools that turn insight into action

#### Automated bid shading:

Helps navigate 1<sup>st</sup>/2<sup>nd</sup> price auctions automatically for free

#### Omniscope for unmatched omnichannel insights:

Our media planning tool identifies the best audiences, channels, and exchanges to reach your audience at scale

#### Ad Learn:

The only algorithm that utilizes supply and demand level data - key to determining the optimal bidding strategies to deliver against key KPIs

#### Predictive audiences:

Uses machine learning to discover users more likely to convert

The spectacular rise of  
**programmatic**  
 in Verizon Media's India growth story:

Verizon Media DSP is one of the fastest growing DSP in India

**115% CAGR**



# Madison Media is the **5<sup>th</sup>** largest amongst the Top Independent Agencies of the world

## TOP Global Independent Agencies - RECMA June 2020

**debrief**  
RECMA Number 16 July 16<sup>th</sup> 2020

The debrief is a one page-memo on a specific point of analysis regarding the media agency industry

**Successful standalone and independent agencies**  
RECMA studies forty standalone agencies owned by the six Groups of networks but not members of their networks. And sixty independent agencies not part of the six Groups.

Country and agency rankings	TOP 16 Independents in green, part of Local Planet	OVERALL Activity 2019 US\$	Industry share %	OVERALL STAFF 2019
USA #5	Horizon Media	11 500	7,3	2 300
GERMANY #3	Mediaplus / Serviceplan	2 793	9,5	540
USA #17	Canvas ww/ Horiz	1 420	0,9	250
GERMANY #11	Pilot	1 126	3,8	475
INDIA #4	Madison Media	1 023	11,1	630
FRANCE #15	My Media/ Heroiks	777	4,1	140
GERMANY #14	Crossmedia	622	2,1	282
GERMANY #15	Moccamedia	612	2,1	282
UK #14	the7stars	673	3,4	225
ITALY #10	Media Italia/ Arman	553	5,2	108
FRANCE #13	CoSpirit	544		

Madison Media has highest market share of 11.1% amongst Top 10 leading independent agencies of the world

# MADISON WORLD

24 units across 11 functional areas to address almost every communication need of every Advertiser



Madison World is a 32-year old diversified Communication Group with integrated and specialized services in different areas of Communication like Advertising, Media, Digital, Business Analytics, Out-of-Home, Rural, Retail, Events, Activations, Entertainment and Sport; employing about 1,000 communication professionals across India, Thailand and Bangladesh.  
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