

# Indian Adspend To Surge

Contributed by Warc  
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Advertising expenditure levels will almost double in India over the period to 2016, a forecast has predicted.

Trade body the Confederation of Indian Industry and PricewaterhouseCoopers, the advisory group, stated that the media and entertainment (M&E) market would grow from \$17bn in 2011 to \$38bn in 2016.

Advertising is likely to play a key part in fuelling this process. Expenditure came in at \$5.2bn in 2011, equating to 35% of the total M&E industry, a figure set to hit \$9.8bn in 2016.

Television and print took 85% of such spending during 2011. By contrast, outdoor yielded a modest 6% of advertising sales in the course of last year, falling to 5% for radio and 4% for the internet.

"Television and print dominate the advertising segment in India, with over 80% share of revenue. These segments are expected to play a central role in driving the industry towards achieving the vision of '\$100bn' in revenue," the study said.

It added that the roll out of high-quality TV sets could reinvigorate the popular interest in television, with these appliances set to become increasingly affordable while offering enhanced features.

Elsewhere, the analysis suggested that 1,211 TV channels would be in operation by 2016, compared with 638 in 2011, allowing advertisers to reach "niche viewer segments".

As a result, television revenues – including pay TV and advertising – should expand from \$6.3bn in 2011 to \$12.5bn. Within this, the medium will take 43% of adspend by the latter date.

Looking at print, total returns are due to rise from \$3.5bn to \$5.5bn, boosted by the introduction of new products and advertising formats. The sector's share of adspend will be similarly strong, at 41% in 2016.

Internet advertising was pegged to see growth from \$185m to \$558m, aided by the surge in penetration of PCs and other connected devices, and increasing digital literacy among consumers.

Overall, the study asserted that considerable room for growth remains, given that the Indian ad market represents just 0.3% of GDP, measured against 0.5% in China, 0.6% in Brazil and 1.1% in the US.

Data sourced from Confederation of Indian Industry; additional content by Warc staff

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