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**PITCH MADISON
ADVERTISING
REPORT 2017**

TSUNAMI

IN NOVEMBER AND DECEMBER...

**2016 GROWTH
SLOWS DOWN TO 12.5%;
INDIA STILL FASTEST
GROWING MARKET**

**2017 GROWTH
EXPECTED TO BE
13.5% ON THE BACK
OF SLOW FIRST
FOUR MONTHS**



TSUNAMI

IN NOVEMBER AND DECEMBER...

The Indian Media & Advertising industry was swept by the tsunami of demonetization, dramatically slowing down our projected growth rate of 16.8% for 2016. In 2016, the **industry actually grew by 12.5%**, which is close to our mid-year revised growth projection of **13.2%**. 2017 promises to be the year of remonetization, with the market expected to grow **13.5%**, adding **Rs 6,672 crore** to Adex to reach a total size of **Rs 56,152 crore**



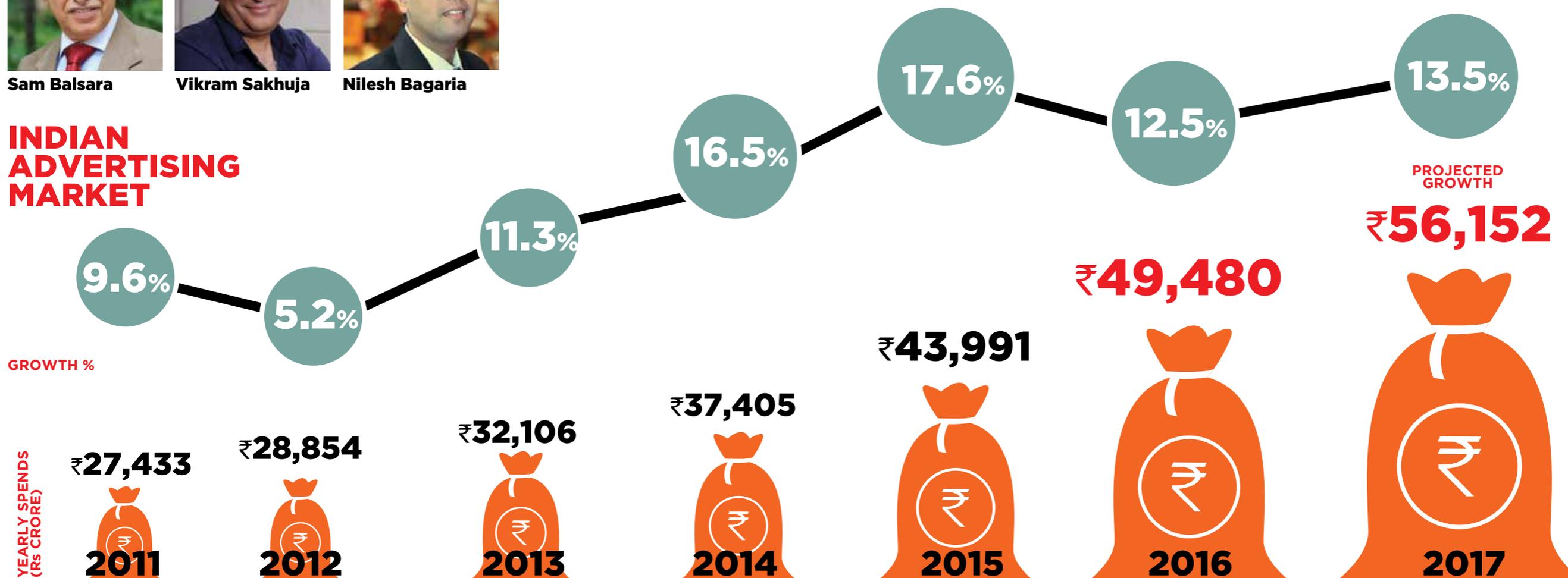
The Indian advertising industry in 2016 grew by almost Rs 5500 crore, adding another 12.5% to Adex to reach Rs 49,480 crore, but narrowly missed crossing the Rs 50,000 crore mark, thanks to the 'tsunami' that hit it in the form of demonetization that took even economists by surprise. If not for demonetization, growth would have been 16.2% and Adex would have crossed the Rs 50,000 mark. Demonetization knocked off Rs 1650 crore from Adex. Despite demonetization, the growth in Adex at 12.5% is close to our mid-year projection of 13.2%. Growth came mainly on the back of spends in Digital which grew by 40%+. It now stands at Rs 7,315 crore, having grown by as much as Rs 2200 crore on the back of growth of Google, Facebook and various OTTs.

The categories that have contributed most to the overall growth in 2016 (excluding Digital/OOH/Cinema) are the evergreen FMCG sector followed by Telecom and Auto. FMCG continues to be the most dominant sector with a 32% (LY 33%) share of the total Indian advertising industry, followed by Auto at 10% (LY 10%) and then Telecom 8% (LY 7%). e-commerce that had taken the media market by storm in 2015 contributed only 4% to the total pie in 2016. In fact, investment by e-commerce category decreased by more than Rs 500 crore across TV + Print + Radio in 2016.

Within FMCG category, toilet soaps, toothpastes, deos & washing powders continue to be the most dominant sectors. The categories that contributed most to the overall growth in FMCG are shampoos, deos, tea, health supplements and hair/skin care ranges.



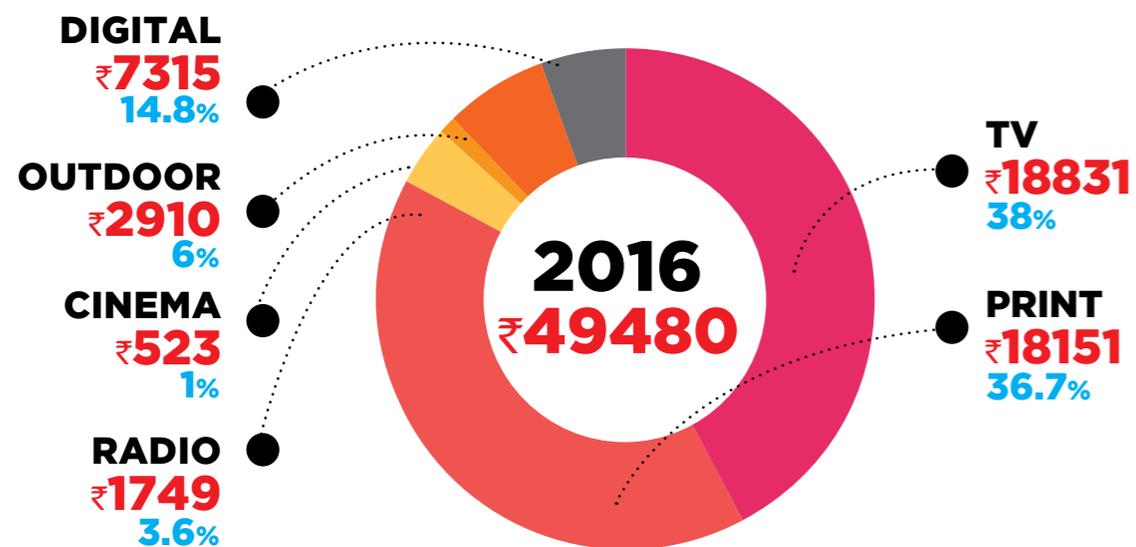
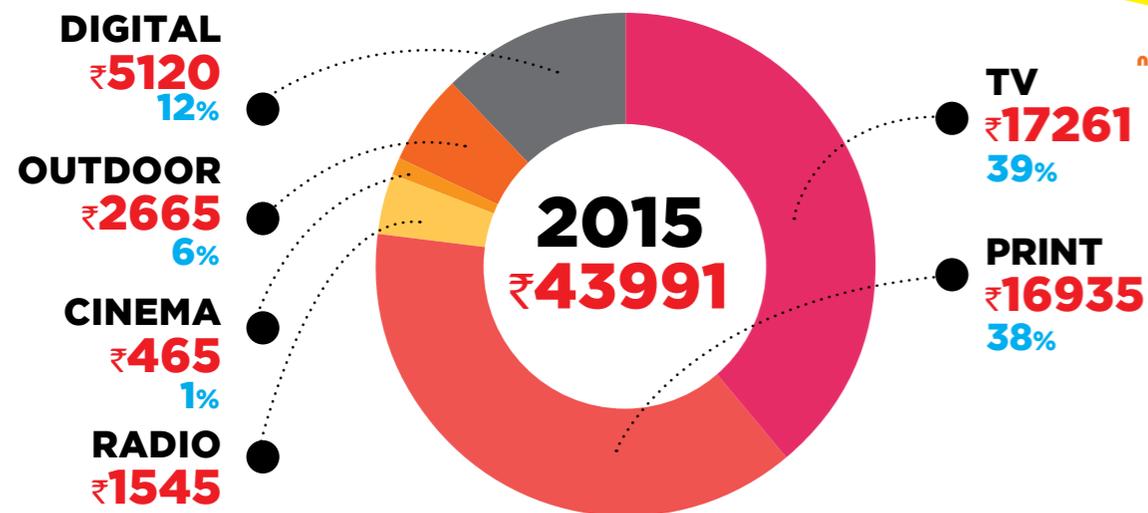
INDIAN ADVERTISING MARKET





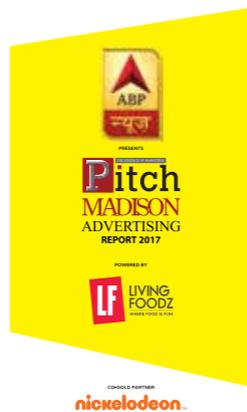
**INDIAN ADVERTISING MARKET
OVER LAST 2 YEARS**

● SHARE OF ADVERTISING PIE ● AD SPENDS IN RS CRORE



GROWTH % 2016/15

12.5%



**CATEGORY CONTRIBUTION & CATEGORY GROWTH
ACROSS TV + PRINT + RADIO IN 2016**

Product Category	TV + Print + Radio - 2016		Category Contribution		Category Growth %		Contribution to Growth	
	In Rs crore	in %	In Rs crore	in %	2016/15	In Rs crore	in %	
FMCG	12492	32%	863	7%	7%	863	29%	
Auto	4030	10%	403	11%	11%	403	13%	
Telecom	2960	8%	419	16%	16%	419	14%	
Education	1988	5%	128	7%	7%	128	4%	
Real Estate & Home Improvement	1853	5%	-46	-2%	-2%	-46	-2%	
HH Durables	1682	4%	70	4%	4%	70	2%	
e-commerce	1522	4%	-521	-26%	-26%	-521	-17%	
Clothing/Fashion Jewellery	1465	4%	-202	-12%	-12%	-202	-7%	
BFSI	1385	4%	92	7%	7%	92	3%	
Retail	1228	3%	82	7%	7%	82	3%	
Travel & Tourism	661	2%	11	2%	2%	11	0%	
Corporate	544	1%	46	9%	9%	46	2%	
Alcoholic Beverages	250	1%	54	27%	27%	54	2%	
Others	6671	19%	1591	31%	31%	1591	53%	
TOTAL	38731	100%	2990	8%	8%	2990	100%	

**WITHIN FMCG - CATEGORY CONTRIBUTION & CATEGORY GROWTH
ACROSS TV + PRINT + RADIO IN 2016**

TOP 15 FMCG CATEGORIES	REVENUE CONTRIBUTION TO FMCG IN 2016	APPRX REVENUE IN RS CRORE
TOILET SOAPS	6%	₹ 800 - 900
TOOTHPASTES	4%	₹ 550 - 700
PERFUMES/DEODORANT	4%	₹ 500 - 600
WASHING POWDERS/LIQUIDS	4%	₹ 500 - 600
SHAMPOOS	4%	₹ 450 - 550
OTC PRODUCTS RANGE	3%	₹ 400 - 500
HAIR OILS	3%	₹ 400 - 500
MILK BEVERAGES	3%	₹ 350 - 450
CHOCOLATES	3%	₹ 350 - 450
FAIRNESS CREAMS	2%	₹ 300 - 400
BISCUITS	2%	₹ 300 - 350
SOFT DRINK (AERATED)	2%	₹ 250 - 350
MOSQUITO REPELLENTS	2%	₹ 200 - 300
FACE WASH	2%	₹ 200 - 300
MOISTURIZING LOTION/CREAMS	2%	₹ 200 - 300
OTHERS	53%	
TOTAL	100%	



WHAT DEMONETIZATION DID TO ADEX

Actual loss in the months of November-December 2016 due to demonetization estimated to be a whopping Rs 1,650 crore; but our expectation is that by end of April 2017, Adex would have fully recovered



With cash crunch and decrease in consumer off-take due to demonetization, a lot of advertisers pulled out their campaigns in November-December 2016. De-growth (see table below) varies widely ranging from a 67% drop in household durables to just a 1% drop in Auto. In absolute terms, the drop is the highest in FMCG category. It is pertinent to note that if not for demonetization, the November-December months would have seen a growth of at least 10-13%. We estimate the actual loss of Adex on account of demonetization for November-December to be Rs 1,650 crore.

When demonetization was announced on the evening of November 8, 2016 by Prime Minister Narendra Modi, most large and medium-sized advertisers welcomed the move. We daresay in the first week after demonetization, nobody anticipated the dramatic negative effect it would have on primary sales and consumer off-take. The first to feel the negative impact were the large FMCG companies because of their shorter sales cycles. Wholesale demand and rural demand seem to have abruptly crashed on the back

of shortage of cash. Many large advertisers wanted to cancel their last two-week or one-week activity but because of contractual agreements managed to only postpone the activity to December. Many were cautious in sending out the Release Orders in the first two weeks of December, resulting in an acute drop in demand for Television time in that period.

Many other categories, that were not regular advertisers, postponed their activity. In sharp contrast, we saw increase in activity of mobile wallets, but this did not really count for much. The overall m-wallet industry spends grew by as much as 32%, but because of its small base, resulted in an addition of only Rs 100 crore.

As we negotiate February 2017, it appears that Adex is on its way to recovery and our expectation is that by end of April, it would have fully recovered; though some large rural brands may take a while longer.

In arriving at our forecast for 2017, we have therefore aggregated widely varying projected growth rates for three periods: January-April, May-October and November-December. It is evident that growth rates during these periods vary widely.

As we negotiate February 2017, it appears that Adex is on its way to recovery and our expectation is that by end of April, it would have fully recovered; though some large rural brands may take a while longer

TV + Print + Radio	Nov-Dec'15	Nov-Dec'16	2016/15	
Product Category	In Rs cr	In Rs cr	Growth in absolute numbers (Rs crore)	Category Growth %
FMCG	1924	1435	-490	-25%
HH Durables	262	86	-177	-67%
Clothing Fashion Jewellery	324	167	-157	-48%
e-Commerce	358	226	-132	-37%
Real Estate & Home Improvement	304	191	-113	-37%
Retail	211	120	-91	-43%
Telecom	437	362	-75	-17%
Alcoholic Beverages	40	27	-13	-33%
Corporate	79	69	-10	-13%
Auto	468	461	-7	-1%
Travel & Tourism	104	99	-5	-5%

PROJECTED GROWTH RATES INDIAN ADVERTISING MARKET 2016 - 17 (SPEND FIGURES IN RS CRORE)

YEAR	JAN-APR	MAY-OCT	NOV-DEC	TOTAL
2016	16600	26570	6310	49480
2017	17969	30380	7807	56152
GROWTH %	8%	14%	24%	13.5%



FORECAST FOR 2017



We expect the industry to grow by 13.5% in 2017. Our optimism for good growth in Adex, starting May, comes 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

Our bullish view of the Indian economy in general and Adex in particular has to be tempered by the fact that the first four months of 2017 are the recovery phase or the remonetization phase. Therefore, we project the growth in these four months to be no more than 8%. We see Adex swinging back into action from May to October, and therefore project a growth rate of 14% during this period. Since Adex decreased in Nov-Dec 2016 by 8%, we expect the growth rate in Nov-Dec 2017 over corresponding months in the previous year to be a dramatically high 24%.

The aggregation of these growth rates during these three periods help us arrive at our annual growth forecast of **13.5%, making Adex cross the Rs 56,000 crore mark**. This should make India once again the fastest growing advertising market in the world for the third consecutive year.

TV will continue as the largest contributor to the overall advertising pie with a share of 38%, almost 3% points ahead of Print. We expect Digital to continue to race ahead to reach a share of 16.3% of Adex, a gain of 1.5 percentage points. Most of this growth is coming at the cost of Print and shaves a wee bit off from TV. We do not see a dramatic change in contribution of Radio, OOH & Cinema, though we expect Radio and Cinema to marginally inch up the contribution curve.

On the supply side, a big contributor of this growth will be the ICC Champions Trophy scheduled in June'17 and the busy schedule of Indian cricketers across the year. In addition, there are the election campaigns of political parties, given that five State assembly elections in Uttar Pradesh, Uttaranchal, Manipur, Punjab and Goa are scheduled in 2017 that will aid growth.

Adding to the growth will be Chinese handset makers (Oppo, Vivo, Gionee and more) who already have taken a huge slice of the Indian market and who are expected to continue with aggressive marketing plans that include roping in celebrities as their brand ambassadors, associating with big ticket events, and competing with each other on the back of their features. We also expect formidable competition coming up from the combined strength of Vodafone + Idea to take on Airtel and Reliance Jio, which should make Telecom a 3-horse race from the current two, adding to Adex.

Various new launches are expected in the Auto industry by almost all players and, linking to the Prime Minister's vision of Digital India, aggressive marketing by m-wallet advertisers reaching out to the heartland of India, will be among other factors contributing to Adex growth.

2017 PROMISES TO BE AN EXCITING YEAR

In conclusion, 2017 promises to be yet another exciting year for Indian advertising, given the expected volatility in growth rates during the year. If not for demonetization, because of which we expect the first four months to be soft, it would have been a very good year. Despite this slow start, we expect to end the year with a 13.5% growth. **Our optimism for good growth in Adex, starting May, comes 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.** If the Indian economic growth story is making global news, can Indian advertising be far behind? We may earn the record of being the only country to double Adex in five short years.



INDIAN ADVERTISING MARKET 2015-17

2015

₹**43991**
17.6%

2016

₹**49480**
12.5%

2017

₹**56152**
13.5%
(PROJECTED)

● SIZE OF INDUSTRY IN RS CRORE

● GROWTH RATE

NOT SO SWEET NOVEMBER

Television remained the largest contributor to the advertising pie, growing by **Rs 1,570 crore, a 9% growth**, despite losing an estimated **Rs 850 crore** on account of demonetization. In 2017, Television is expected to continue being many brands' favourite medium and expected to return to **double-digit growth of 13%** on the back of new channel launches and aggressive growth of FMCG players

Television grew by 9% to reach close to the Rs 19,000 crore mark, and is 2 percentage points lower than our mid-year projection of 11% growth. This is the lowest growth TV has witnessed in the last three years.

Television de-grew in November-December 2016 by as much as 21%, compared to last year on account of demonetization, losing an estimated Rs 850 crore.

Yet, with 38% share, Television continues to be the largest contributor to the advertising pie. In terms of absolute numbers, TV advertising has grown by Rs 1,570 crore.

- The main categories that have fuelled the overall growth of Rs 1,570 crore in 2016 are FMCG (Rs 692 crore) and Telecom (Rs 475 crore)

- E-commerce category dropped dramatically by 34% to come down to Rs 812 crore dropping share from 7% to 4%

- FMCG, however, continues to rule the roost contributing 51% share of total TV spends (52% in 2016), followed by Telecom 12% (10% in 2016) and

Auto 8% (8% in 2016)

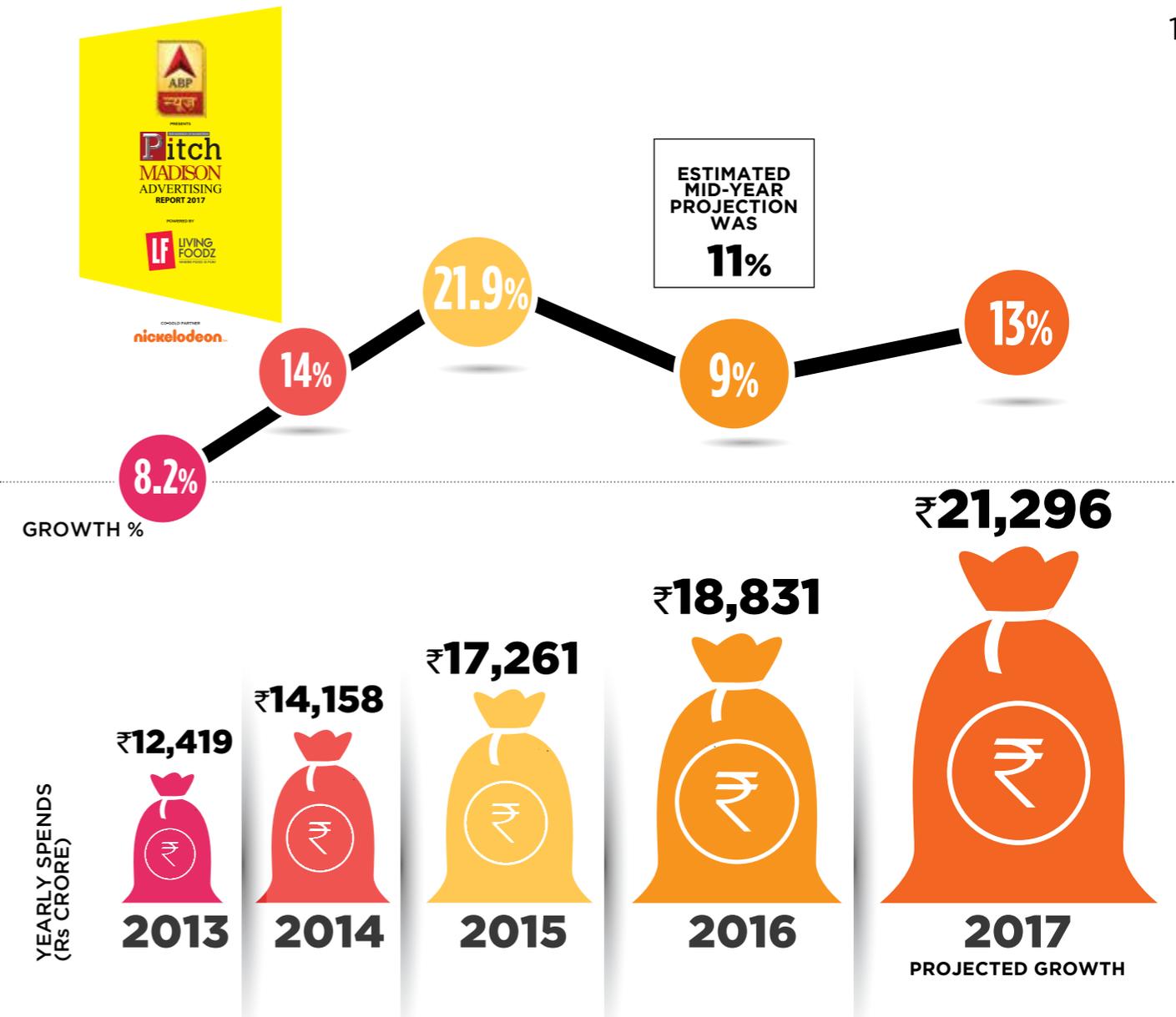
- Hindi GEC (general entertainment channels) contributed nearly 27% of the overall TV revenue and continues to remain the leader of the pack. In terms of growth, Hindi GEC, Hindi Movies, Sports and South regional have shown substantial increase

- With all networks selling HD channels separately for regular as well impact properties, revenue from HD channels continued to grow in 2016

- The increase in FCT (Free commercial time) has also been a big contributing factor to the overall increase of 9% in the TV Advertising Market. Despite demonetization, because of which a lot of advertisers pulled back advertising, the overall FCT demand has increased by 5%. Of course, the frequency channels and new channel launches in 2016 played a big role in this FCT growth. However if we compare like to like channels, then the total FCT in 2016 level has de-grown by 3%. In terms of FCT growth, Hindi Movies, Sports, Infotainment and regional genres show substantial increase.

CATEGORY CONTRIBUTION & CATEGORY GROWTH IN TV IN 2016

TV - 2016 Product Category	Category Contribution		Category Growth %	Contribution to Growth	
	In Rs cr	in %	2016 / 15	In Rs cr	in %
FMCG	9691	51%	8%	692	44%
Telecom	2271	12%	26%	475	30%
Auto	1426	8%	6%	79	5%
HH Durables	817	4%	5%	40	3%
E - Commerce	812	4%	-34%	-412	-26%
Real Estate & Home Improvement	569	3%	3%	17	1%
Clothing Fashion Jewellery	513	3%	-11%	-65	-4%
BFSI	392	2%	0%	1	0%
Corporate	285	2%	13%	33	2%
Alcoholic Beverages	236	1%	30%	55	3%
Travel & Tourism	229	1%	-12%	-32	-2%
Education	208	1%	37%	56	4%
Retail	170	1%	39%	47	3%
Others	1212	6%	93%	584	37%
TOTAL	18,831	100%	9%	1570	100%



GENRE-WISE REVENUE CONTRIBUTION IN 2016

Genres	Revenue Contribution in 2015	Approx Revenue in Rs crore
Hindi GEC	27%	5,100 - 5,500
News	11%	1,900 - 2,100
Tamil Sat	10%	1,600 - 1,900
Sports	8%	1,800 - 2,000
Hindi Sat - Movies	5%	900 - 1,000
Telugu Sat	5%	850 - 950
Marathi Sat	4%	800 - 900
Kannada Sat	4%	700 - 800
Bengali Sat	4%	600 - 700
Music	3%	500 - 600
Kids	3%	450 - 600
Malayalam Sat	3%	500 - 600
Info	3%	450 - 600
Movies Eng	3%	400 - 550
Eng Niche	2%	300 - 400
Others	7%	1100 - 1300

2017 FORECAST

We expect Television, many brands' all-time favourite medium to grow by another Rs 2,460 crore or 13% in 2017 to reach a total figure close to Rs 21,300 crore.

Key factors that will lead to this high growth are:

- Organic growth coming from the largest contributor to TV Market, FMCG.
- Continued aggression of Patanjali Ayurveda which was the most disruptive player in the FMCG market in 2016 and the launch of Ayurveda lines by other FMCG giants.
- New channel launches from existing networks will increase inventory supply to absorb this growth, as also the inevitable rate increases.

POWERED BY DAILIES

Print grew at **7% in 2016**, with dailies registering a growth of **8%** while magazines saw negative growth. Demonetization resulted in leading Print advertisers holding back on spends in the last quarter. In 2017, the Print advertising market is expected to grow by **9.5%** to come close to **Rs 20,000 crore**, with dailies and regional publications leading the growth



Print grew by a mere 7% (compared to our forecast of 10%) to cross the Rs 18,000 crore mark. It continues to be the second highest contributor after TV to the total advertising pie, with a share close to 37%. While dailies increased by 8%, magazines as a medium failed to gain advertiser interest for the second year in a row and saw negative growth.

With consumers postponing their purchases post demonetization, leading Print users like FMCG, Auto, Durables and Education did not spend to the usual extent during the last quarter of the year. Print de-grew in November-December on the back of demonetization, and lost almost Rs 580 crore in terms of absolute numbers. However, like TV, if we compare the period January to October, Print grew by 10% (at par with our projections). Nearly 50% of Print's growth of Rs 1,216 crore is accounted for by four categories - FMCG, Auto, Education and BFSI.

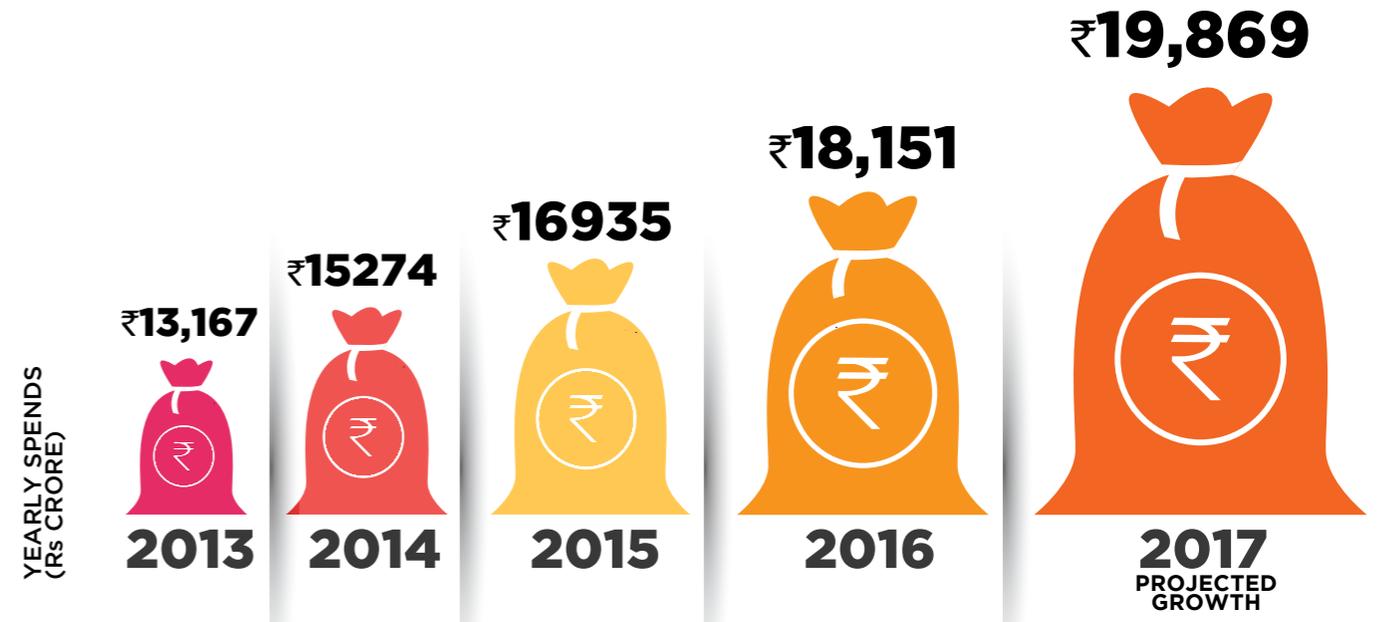
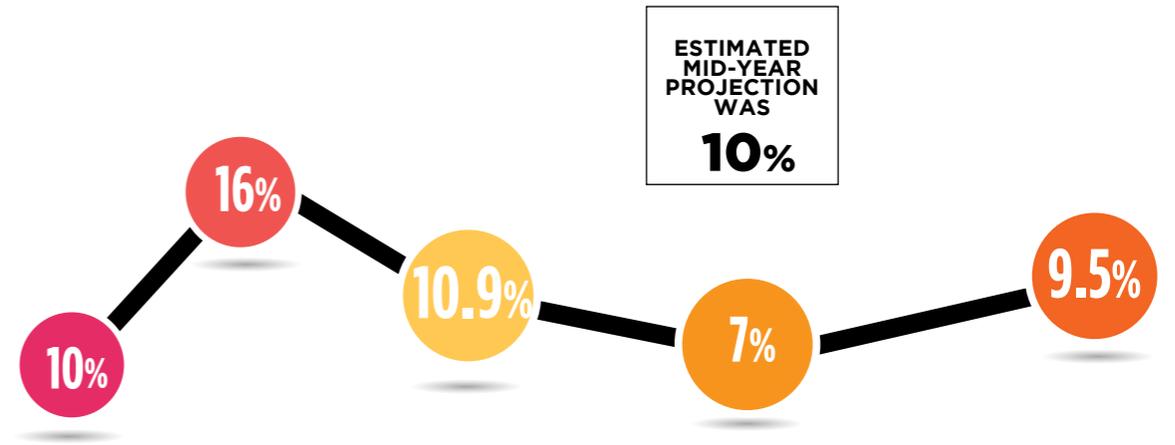
In terms of category contribution, FMCG is the

largest contributor to the Print pie, with a contribution of 15%. Automobiles are the second largest contributor at 14%, followed by Education (10%). Contribution of e-commerce comes way down with just 3%. The e-commerce category has dropped significantly by 15% to come down to Rs 621 crore in 2016.

While only four categories account for 75% of Television advertising, it takes as many as 14 categories to contribute the same percentage to Print advertising, demonstrating once again that Print is less vulnerable to any category de-growth.

In terms of Volume, Hindi publications continue to be ahead of English publications contributing 35% of the total volume while English publications contribute only 26%. But in terms of growth of volume, English publications have grown by 8% while Hindi publications grew by only 3%. Kannada, Bengali and Punjabi publications show substantial increase in volume, but Gujarati and Tamil publications show a decline of 6%.

GROWTH %



CATEGORY CONTRIBUTION & CATEGORY GROWTH IN PRINT IN 2016

PRINT - 2016 PRODUCT CATEGORY	CATEGORY CONTRIBUTION		CATEGORY GROWTH %	CONTRIBUTION TO GROWTH	
	In Rs cr	in %	2016 / 15	In Rs cr	in %
FMCG	2641	15%	7%	171	14%
Auto	2480	14%	14%	306	25%
Education	1727	10%	4%	66	5%
Real Estate & Home Improvement	1115	6%	-6%	-76	-6%
Retail	976	5%	3%	24	2%
Clothing Fashion Jewellery	892	5%	-12%	-126	-10%
BFSI	867	5%	9%	70	6%
HH Durables	817	5%	4%	33	3%
E - Commerce	621	3%	-15%	-108	-9%
Telecom	587	3%	-8%	-53	-4%
Travel & Tourism	353	2%	9%	30	2%
Corporate	220	1%	1%	2	0%
Media	151	1%	-12%	-20	-2%
Alcoholic Beverages	12	0%	13%	1	0%
Others	4693	26%	24%	896	74%
TOTAL	18151	100%	7%	1216	100%

PRINT - LANGUAGE WISE PUBLICATION VOLUME IN CC IN 2016 (CC IN MN)

Language	Yr 2015	Yr 2016	Growth % (Yr 16 / 15)	Contribution in % (2016)
Hindi	116.8	119.8	3%	35%
English	82.2	88.5	8%	26%
Marathi	28.4	29.3	3%	9%
Telugu	22.7	23.6	4%	7%
Tamil	23.3	21.9	-6%	6%
Gujarati	14.7	13.8	-6%	4%
Kannada	12.4	13.3	7%	4%
Malayalam	10.8	10.7	-1%	3%
Oriya	8.7	9.2	5%	3%
Bengali	4.7	5.3	13%	2%
Punjabi	2.4	2.7	13%	1%
Assamese	2.4	2.5	3%	1%
Urdu	1.3	1.2	-8%	
TOTAL	331	342	3%	

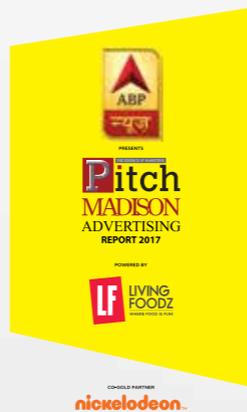
2017 FORECAST

We expect the Print advertising market to grow by a further 9.5% in 2017, taking the total Print market close to Rs 20,000 crore. Most of this growth will be registered by dailies. This expansion will come from regional publications and new editions by existing publishers. Factors contributing to growth of the Print advertising market are likely to be organic growth from various Print loyalists like Auto, Durables, Education and mobile handsets.



BUCKING THE TREND

Digital grew by a remarkable **43%**, crossing the **Rs 7,300 crore** mark and was the only media not really affected by demonetization. While spends on online video advertising sky-rocketed in 2016, it will continue to witness huge gains in 2017. Digital is projected to grow by about **25%** in 2017 to reach close to **Rs 9,150 crore**



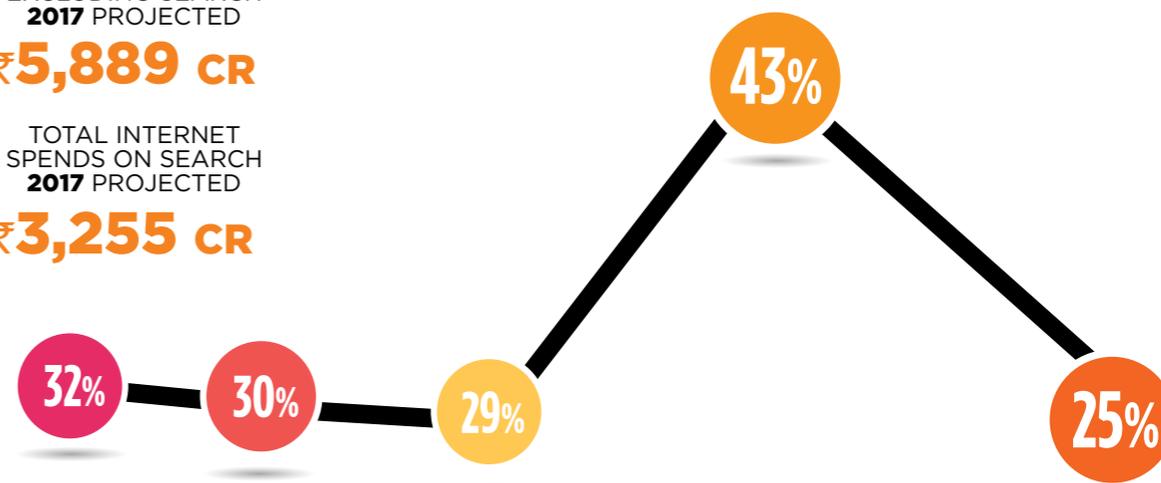
The Digital advertising market had an impressive growth of 43% in 2016. It has been growing at 30%+ every year for the last five years. In fact, Digital is the only medium that has grown more than our earlier projections and the only one that was not really affected by demonetization. The Digital advertising market now crosses the Rs 7,300 crore mark.

Though the absolute spends on Search have increased, its share of the digital pie has been stagnant at 36% due to exponential increase in video consumption. Consumption of Digital video content and hence spends on online video advertising have sky-rocketed in 2016. Mobile displays have also grown at a faster rate than last year as the mobile platform is becoming the primary choice today to consume content. The continued growth of Digital is fuelled by mobile, online video and social media, which are increasingly attracting more advertising investment.

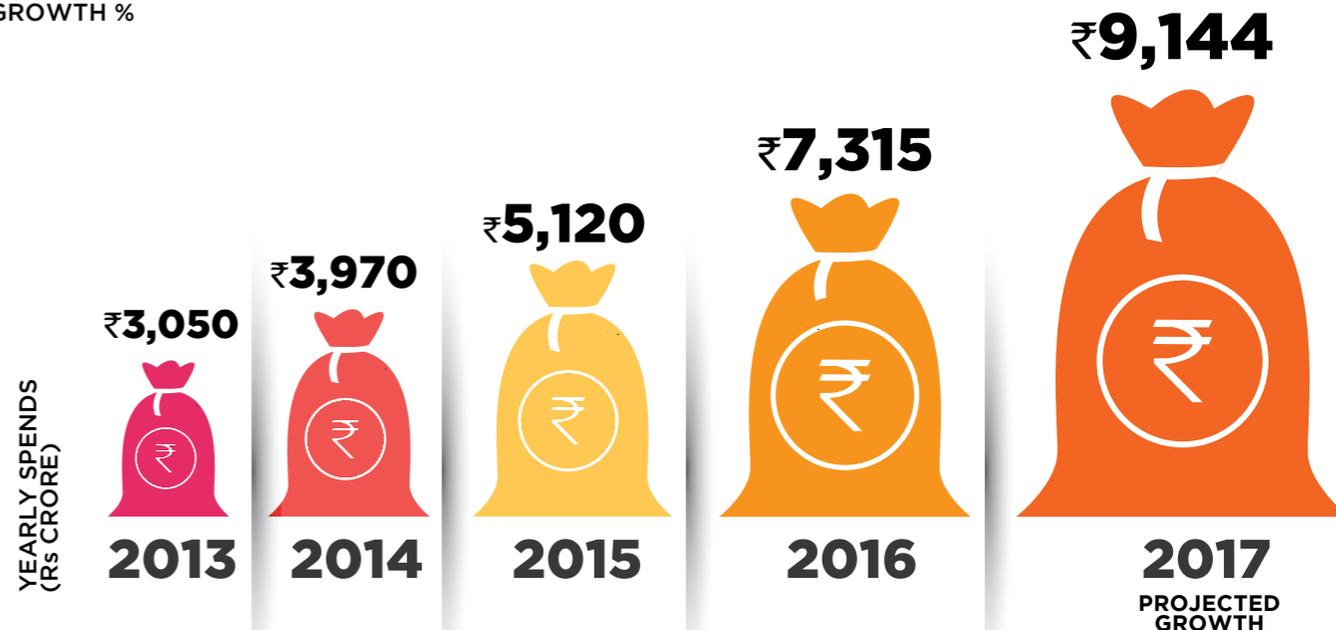


TOTAL INTERNET EXCLUDING SEARCH
2017 PROJECTED
₹5,889 CR

TOTAL INTERNET SPENDS ON SEARCH
2017 PROJECTED
₹3,255 CR



GROWTH %



2017 FORECAST

We expect Digital to gain further momentum and grow by about 25% in 2017 to reach close to Rs 9,150 crore. Search spends are likely to stabilize and maintain in terms of percentage share of pie. Spends on video ads are expected to show huge gains in 2017 as well and will account for a major share of the overall ad spends in the digital space. This is largely driven by higher Internet speeds and an increase in mobile advertisements.

The two biggest platforms for videos continue to be Facebook and YouTube. Programmatic Buying has seen some traction in 2016; this is likely to get a little steam in 2017 due to its cost effectiveness and focused target audience reach as the murmurs on lack of transparency die down. With more users on mobile, spends will be strongly focused on this platform; and whether it is Search, Social or Video, lion's share of all ad

impressions will be delivered on the mobile device. As the reach of Digital crosses 450 million and mobile internet user base crosses 250 million, Digital will start coming into its own; some advertisers will begin to use it as a reach and awareness building medium. FMCG, telecom, consumer durables, real estate, apparel and BFSI will continue to be growth drivers. E-Commerce will remain the backbone of the industry.



GROWTH IS IN THE AIR

Maintaining its share of the advertising pie at **3.5%**, Radio grew by **13%** in 2016 to become a **Rs 1,750 crore** market. While Realty and FMCG remain the biggest spenders, BFSI and Media have contributed significantly to the growth in Radio advertising. In 2017, Radio is estimated to grow by **15%**, taking the total Radio Advertising market close to **Rs 2,000 crore**

Radio has grown by 13% in 2016 to become a Rs 1,750 crore market and has maintained its share of the total Advertising pie at 3.5%. In terms of absolute numbers, Radio advertising has grown by Rs 200 crore. BFSI and Media advertisers have emerged as one of the main contributors to the growth in Radio advertising, followed by the Automobile category.

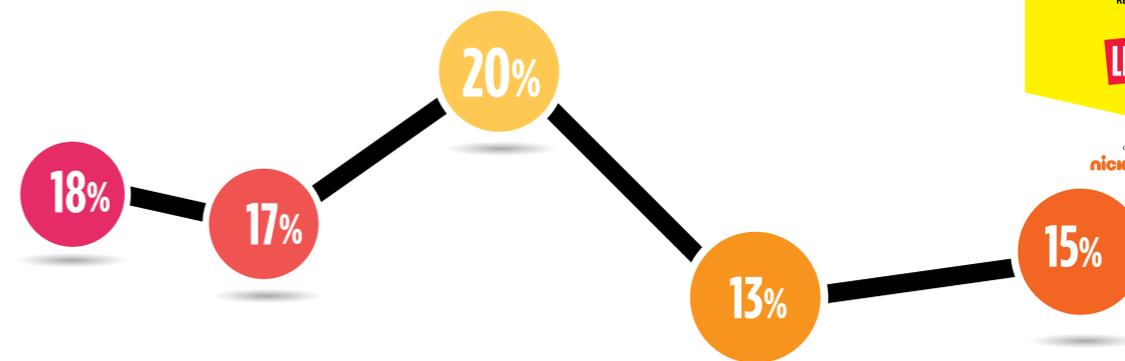
In terms of category contribution, Real Estate (10%) & FMCG (9%) sector continue to lead the pack followed by Auto sector (7%). E-Commerce & Telecom categories have maintained their investment in Radio.

On account of demonetization, Radio de-grew by 15% in November-December, 2016. In terms of absolute numbers, advertisers put a hold on their campaigns worth approximately Rs 42 crore. However, if we look at the period January to October 2016, the Radio industry has grown by a whopping 20% (higher than our projections).

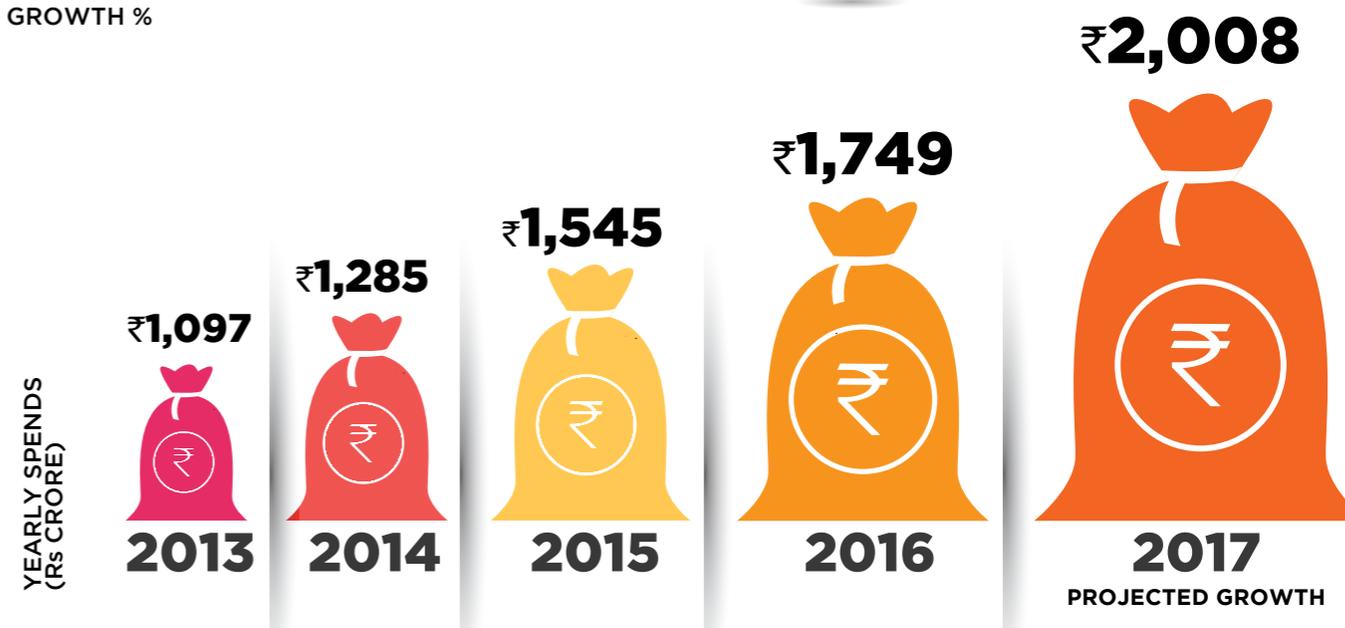
2017 FORECAST

Radio has been growing faster than all other traditional media for the last four to five years now. We expect Radio to grow by 15% in 2017, taking the total Radio Advertising market close to Rs 2,000 crore.

Factors contributing to this growth will be greater aggression of e-commerce advertisers and M-wallet players. With new radio stations after winning bids in the recently held Phase III auctions and more auction rounds coming, the reach of Radio as a retail medium will increase dramatically, adding to its growth. Finally, organic growth from retail and local advertisers will add to Radio Adex.



GROWTH %



YEARLY SPENDS (RS CRORE)

CATEGORY CONTRIBUTION & CATEGORY GROWTH IN RADIO IN 2016

PRODUCT CATEGORY	RADIO 2016		CATEGORY CONTRIBUTION		CATEGORY GROWTH %		CONTRIBUTION TO GROWTH	
	In Rs cr	in %	In Rs cr	in %	2016 / 15	In Rs cr	in %	
Real Estate & Home Improvement	168	10%	13	6%	8%	13	6%	
FMCG	160	9%	0	0%	0%	0	0%	
BFSI	126	7%	21	10%	20%	21	10%	
Auto	124	7%	18	9%	17%	18	9%	
Media	108	6%	21	10%	24%	21	10%	
Telecom	103	6%	-4	-2%	-4%	-4	-2%	
E - Commerce	89	5%	-1	-1%	-1%	-1	-1%	
Retail	82	5%	10	5%	14%	10	5%	
Travel & Tourism	79	5%	13	6%	20%	13	6%	
Clothing Fashion Jewellery	59	5%	-11	-5%	-15%	-11	-5%	
Education	53	3%	7	3%	14%	7	3%	
HH Durables	48	3%	-2	-1%	-4%	-2	-1%	
Corporate	39	2%	11	6%	42%	11	6%	
Alcoholic Beverages	2	0%	-2	-1%	-48%	-2	-1%	
Others	508	26%	110	54%	28%	110	54%	
TOTAL	1749	100%	204	100%	13%	204	100%	



ON THE PATH TO RECOVERY

The Out of Home (OOH) market grew by **9% in 2016** and is now a **Rs 3,000 crore** market. The impact of demonetization was pronounced in OOH and Conventional Outdoor grew by **9.5%** against the projected **12.5%** on account of regulatory litigations and demonetization. In 2017, Outdoor is expected to grow by **11%** to over **Rs 3,200 crore**

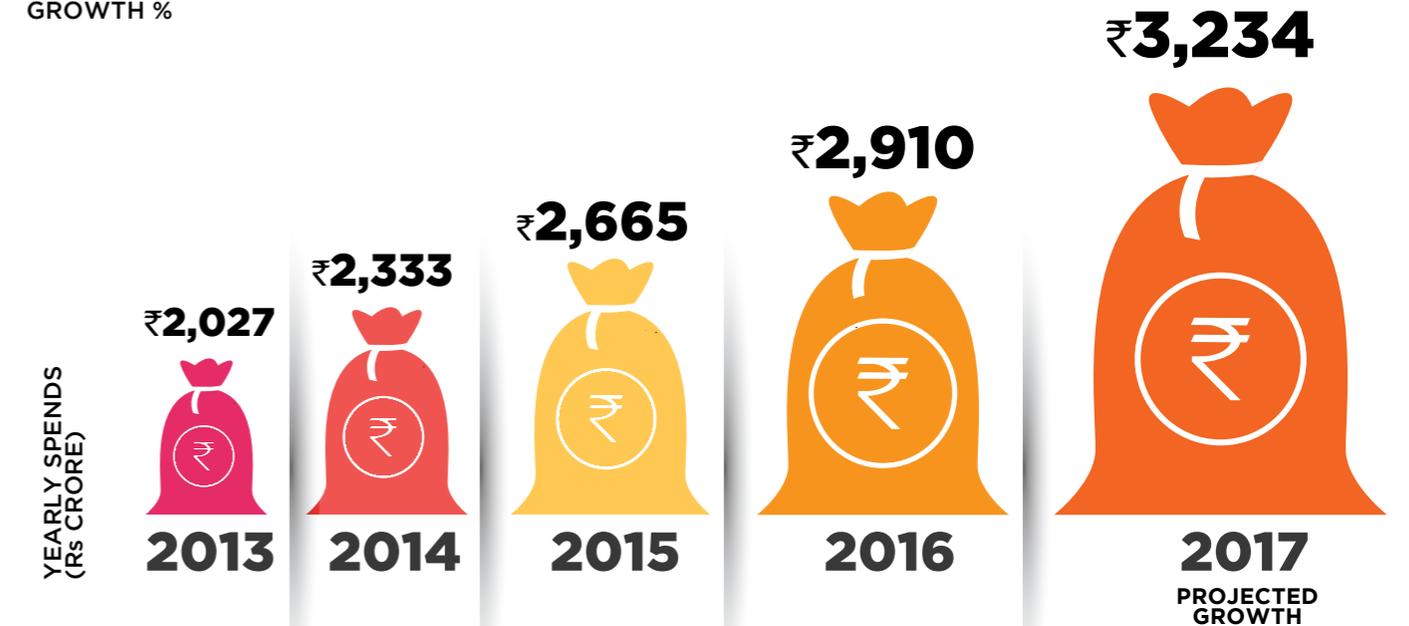
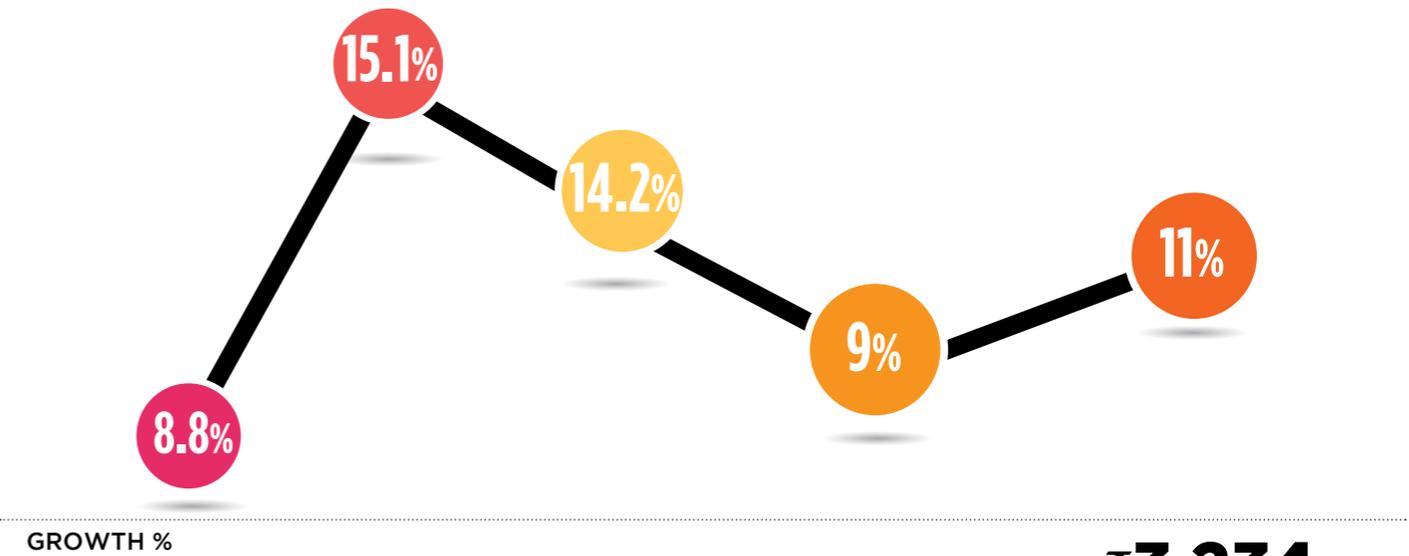


The Out of Home (OOH) market has grown by 9% in 2016. Transit media too grew by 9%. In terms of absolute numbers, OOH advertising is now a respectable nearly Rs 3,000 crore market. Conventional Outdoor, against the projected 12.5% growth, grew by 9.5% including Digital OOH and malls. The lower actual growth rate was on account of regulatory litigations and demonetization. Transit Media grew by 8.5% as against the projected growth of 14%, bringing down the overall Outdoor growth to 9.2%. Airports and Metro branding media were the front-runners.

Retail, Hospitals, Restaurants, Education and Real Estate are the top three categories in terms of contribution to OOH's growth. The highest growth was recorded in Retail category (20%). The top three categories contributed to more than 40% of the overall growth. Mumbai continues its lead as a major contributor (15%) followed by Delhi (12%) and Bangalore (9%). The impact of demonetization has been pronounced on OOH. We estimate an OOH loss of Rs 110 crore in November-December on the back of demonetization. However, in 2016, OOH maintained its contribution to the total media pie at 6%.

CATEGORY CONTRIBUTION & CATEGORY GROWTH IN OOH IN 2016

OOH 2016 PRODUCT CATEGORY	CATEGORY CONTRIBUTION		CATEGORY GROWTH %	CONTRIBUTION TO GROWTH	
	In Rs cr	in %	2016 / 15	In Rs cr	in %
Organized Retail	447	15%	20%	76	31%
Hospitals, Restaurants & Education	421	14%	16%	57	23%
Real Estate	405	14%	17%	58	24%
Financial Services	238	8%	9%	20	-28%
FMCG	231	8%	22%	42	44%
Telecom	221	8%	-12%	-31	-13%
Automotive	210	7%	-25%	-69	8%
Media	136	5%	36%	36	17%
E-commerce	110	4%	-36%	-62	-25%
Electronic Durables	78	3%	18%	12	15%
Pharmacy	28	1%	117%	15	5%
Petroleum/Lubricants	21	1%	-41%	-15	-6%
Energy	2	0%	-23%	-1	6%
Others	362	12%	42%	107	0%
TOTAL	2910	100%	9%	245	100%



2017 FORECAST

We expect Outdoor to grow by **11%** in 2017, taking the total Outdoor Advertising Market to over **Rs 3,200 crore**. A slow first quarter is expected as the medium fights to recover from demonetization. BFSI, e-commerce, and M-wallet apps, Telecom and mobile handsets are likely to spend aggressively on Outdoor. Transit will see a positive lift on the back of Airport and Metro media.

CINEMA

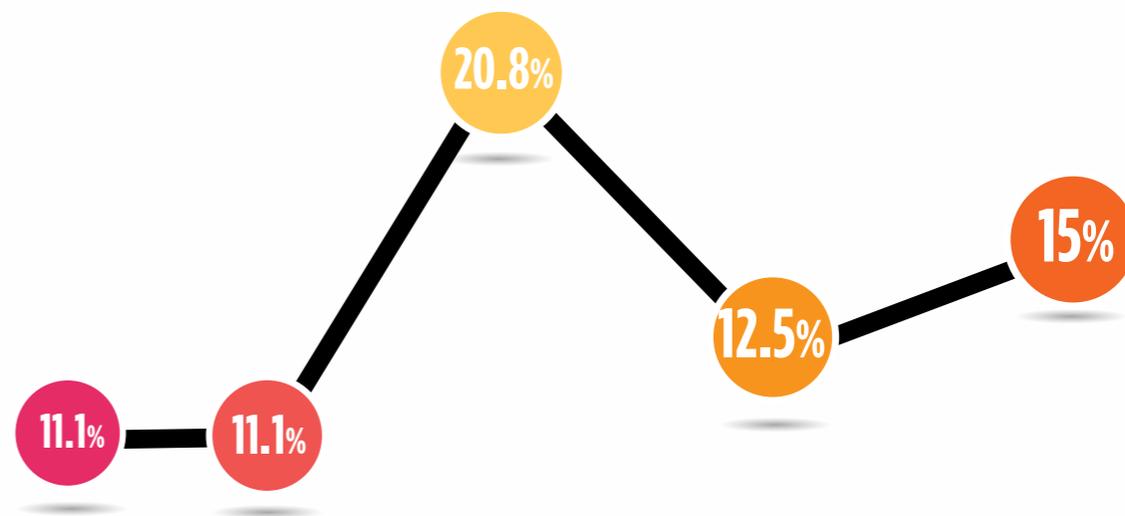
CHEER AT THE BOX OFFICE

Cinema advertising grew approximately by **12.5%** with total revenue close to **Rs 525 crore** in 2016. Improved infrastructure in existing theatres and advent of multiplexes in smaller cities and towns are expected to fuel growth of cinema advertising by **15%** to **Rs 600 crore** in 2017

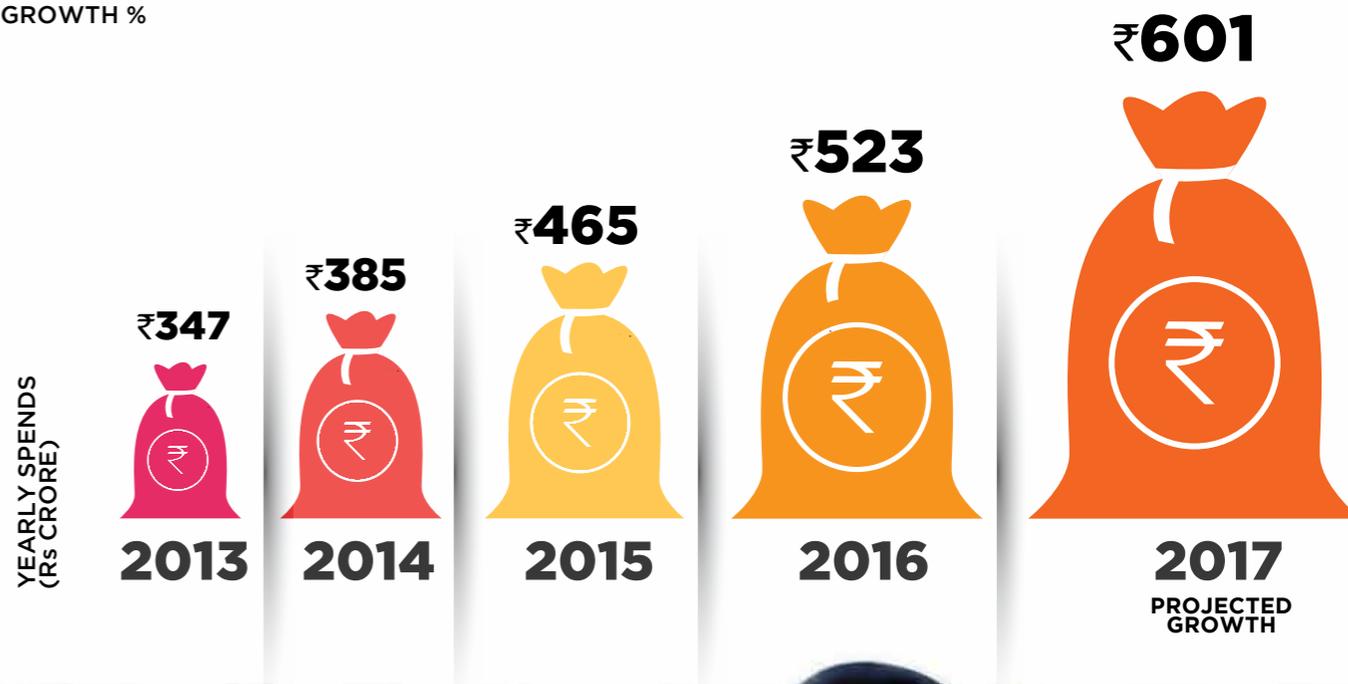
Cinema advertising continues to be a marginal player in Adex at approximately 12.5% with total revenue close to Rs 525 crore in 2016. It has registered a growth rate lower than the overall Adex growth rate, despite its miniscule size.

2017 FORECAST

We expect Cinema to grow by **15%** in 2017, taking the total Cinema advertising revenue to **Rs 600 crore**. Ad spends in Cinema as a medium are also expected to go up due to improved infrastructure in existing theatres and advent of multiplexes in smaller cities and towns. Further, digitisation of single screens, presence of multiplex screens in Tier II and Tier III towns and increasing popularity of Hollywood & regional films in India are expected to fuel the growth of Cinema advertising.



GROWTH %



YEARLY SPENDS (RS CRORE)





TOP ADVERTISERS OF INDIA IN 2016



This year too, we are releasing approximate spends of the Top 50 advertisers of India for the year 2016. While advertising continues to be a game of the usual big boys, this year, there are many new entrants in this elite list. To name a few: Patanjali Ayurveda, Oppo Phones, Nissan Motors, Reliance Jio, Vivo Mobiles, SBI & Videocon. The Top 50 advertisers account for 35% of the advertising market.

This number is significant, considering that there are more than 2 lakh advertisers in Print and over 12,500 advertisers in TV. The Top 10 advertisers account for as much as 16% of the total market and contribute to 45% of the spends of the Top 50 in the list.

HUL, Amazon and P&G continue to lead the pack of top advertisers of India in 2016 as well. It is significant to note that a few advertisers like Colgate, Marico, TVS Motors, Nestle, L'Oreal and Dabur have dropped many ranks on the list whilst Airtel, Honda Motors, LIC, Idea Cellular and Hyundai Motors have gained many ranks.

A disclaimer: Many Madison clients feature in this list, but we clarify that we have not used any confidential information that we are privy to, and arrived at our list and ranking using a standard, structured process.

Also, some advertisers who rank above 50 in our list may well be in reality in the Top 50 list, or vice-versa.

Hello 2017. Here we come !

MADISON MEDIA
IS AGAIN
2nd TIME
TV MEDIA
AGENCY OF THE YEAR

13 METALS

at
exchange4media
PRIME TIME
AWARDS 2017

Madison Media, the much awarded agency.
TV Media Agency of the Year - Prime Time Awards 2016
Radio Media Agency of the Year - Golden Mikes Award 2014, 2015, 2016
Print Media Agency of the Year - INK Print Media Awards 2015
Media Agency of the Year - Media Ace Awards 2015

█ Moved up in Rank
█ Moved down in Rank

RANK IN 2016	RANK IN 2015	ADVERTISERS	APPROX SPENDS IN RS CRORE
1	1	Hindustan UniLever	2500 - 2800
2	2	Amazon Online India	800 - 1000
3	3	Procter & Gamble	650 - 750
4	10	Reckitt Benckiser Ltd	500 - 600
5	4	Flipkart.com	500 - 600
6	5	Maruti Suzuki India	450 - 550
7	8	ITC Ltd	450 - 550
8	13	Bharti Airtel Ltd	450 - 550
9	6	Mondelez Ltd	450 - 550
10	7	Godrej Consumer Products Ltd	400 - 500
11	12	Samsung Electronics India	400 - 500
12	11	Hero MotoCorp	400 - 500
13	9	Snapdeal	350 - 450
14	24	Honda Motors	350 - 450
15	New	Patanjali Ayurveda	300 - 400
16	16	Glaxo Smithkline	300 - 400
17	33	Life Insurance Corporation of India	250 - 350
18	32	Idea Cellular Ltd	250 - 350
19	14	Colgate Palmolive India	250 - 350
20	15	Marico Ltd	250 - 350
21	29	Emami Limited	250 - 350
22	25	Mahindra & Mahindra	250 - 350
23	27	Coca Cola India	250 - 350
24	34	Hyundai Motor	250 - 350
25	38	Vodafone Essar	200 - 300
26	19	TVS Motor	200 - 300
27	17	Nestle India	200 - 300
28	21	L'Oreal India	200 - 300
29	31	Tata Motors	150 - 250
30	35	Ford India	150 - 250
31	22	Dabur India	150 - 250
32	28	Vini Cosmetics	150 - 250
33	36	Renault India	150 - 250
34	18	PepsiCo	150 - 250
35	New	Oppo India	150 - 250
36	New	Nissan Motor	150 - 250
37	20	Johnson & Johnson	150 - 250
38	26	Bajaj Auto	150 - 250
39	44	Titan Company	150 - 250
40	New	State Bank Of India (SBI)	150 - 250
41	50	Asian Paints	125 - 175
42	New	Vivo Mobile India	125 - 175
43	New	Apple Computer India	125 - 175
44	New	Reliance Jio Infocomm	100 - 150
45	48	Britannia Industries	100 - 150
46	46	LG Electronics	100 - 150
47	40	GCMF (Amul)	100 - 150
48	49	Raymonds	100 - 150
49	New	Google	100 - 150
50	New	Videocon Industries	100 - 150
50	47	Wipro Ltd	100 - 150
50	New	Volkswagen Group	100 - 150
50	37	Panasonic India	100 - 150

LAUNCH EVENT OF #PMAR2017 ON FEB 15, 2017



WHAT WILL BE THE EFFECT OF DEMONETIZATION ON ADEX IN 2017?
SAM BALSARA
 Chairman and Managing Director
 Medion World



CHIEF GUEST
SHANTANU KHEDLA
 Managing Director,
 Crompton Greaves
 (Consumer Division)



META TRENDS THAT MARKETERS NEED TO RECOGNISE
NAVEEN EHAT
 Brand Custodian,
 Tata Sons



REBOOTING THE CONSUMER INDUSTRY
SUNIL KATARIA
 Business Head - India &
 SAARC (Godrej Consumer
 Products Limited)



SPORTS BEYOND CRICKET
BINODHAR BHASAN
 Chief Executive Officer -
 Sports, Reliance Industries
 Limited

ADVERTISER PANEL: GETTING THE BEST FROM AN AGENCY. GARRET OR STICKY

MODERATOR



VIDHAN KASHYAP
 Managing Director
 & Group CEO
 Madison Media &
 GOM



KANIKA KALIA
 Vice President -
 Marketing,
 Snapdeal



SUSHALI DHAWAN
 Brand Director,
 P&G



KARTHI MAHESHAN
 Head - Marketing,
 Kotak Mahindra
 Group

MEDIA PANEL: WHAT ARE ADVERTISERS GETTING WRONG?

MODERATOR



ARUNAB GOSWAMI
 Founder,
 Republic TV



AVINASH PANDEY
 Chief Operating
 Officer,
 ABP News Network
 Pvt Limited



S SIVARAMAN
 President - Revenue
 Bharat, Colson &
 Co, Ltd



PRADEEP DHANRAJ
 Chief Executive
 Officer,
 Saal Media Group



PUNIT MEHTA
 CEO - Domestic
 Broadcast Business,
 ZEE

