

# Media industry set to scale new heights

## Advertising revenue to be a key driver behind robust growth

Special Correspondent

**CHENNAI:** The Indian media and entertainment industry is projected to grow at 12.5 per cent over the next five years to scale Rs. 1,05,200 crore in 2013, according to a joint study done by FICCI (Federation of Indian Chambers of Commerce and Industry) and KPMG. The size of the Indian media and entertainment industry stood at Rs. 58,400 crore in 2008.

"The average Indian consumer is getting younger. Around 70 per cent of the country's population is below 35 years of age. More than 50

per cent of the population is likely to be under the age of 30 even in 2015," the report said. It went on to add that, "the emergence of Indian's young middle class with greater earning power and higher disposable incomes signifies good potential for increased marketing and advertising spends in the country."

The report found advertising revenue to be one of the main drivers behind the robust growth in the Indian media and entertainment industry. Ad revenue, it was estimated, had grown at a compounded annual growth rate of 17.1 per cent over the

- **Rapid growth in sports marketing seen**
- **Sizable youth population an added advantage**

last three years. "Going forward, this is expected to exhibit a lower growth rate owing to the turbulent macro economic environment," the report added. The report projected the ad revenue to grow at 12.4 per cent over the next five years. Within the advertising industry, the report

projected the Internet advertising to grow at a CAGR of 27.9 per cent over the next five years, followed by radio advertising by 14.2 per cent, television advertising by 13.5 per cent and print advertising by 10 per cent.

Pointing to the emergence of new niche content genres across sectors in the Indian media and entertainment industry, the report predicted narrowcasting (which involved segmentation of target groups and coming out with content, programmes and formats specific to these groups) to increase further in the coming years. In the wake

of IPL success (Indian Premier League), the report expected sports marketing to grow rapidly "as broadcasters start aggressively selling cricket and others sports as entertainment packages."

With the increase in the spending power of population in smaller cities, the report found Tier-II and Tier-III cities emerging as important growth centres. "Regional content is emerging as one of the significant aspects of customisation of content and, hence, is emerging as a significant growth driver for the media and entertainment industry," the report said.