

Major Project Dissertation Report on

Impact of Covid-19 on Advertisement Industry

Submitted by

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CERTIFICATE

This is to certify that the work titled “**Impact of Covid-19 on Advertisement Industry**” as part of the final year Major Research Project submitted by Ashish Kumar in the 4th Semester of MBA, Delhi School of Management, Delhi Technological University during January-May 2021 is his original work and has not been submitted anywhere else for the award of any credits/ degree whatsoever.

The project is submitted to Delhi School of Management, Delhi Technological University in partial fulfillment of the requirement for the award of the degree of Master of Business Administration.

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DECLARATION

I hereby declare that the work titled **“Impact of Covid-19 on Advertisement Industry”** as part of the final year Major Research Project submitted by me in the 4th Semester of MBA, Delhi School of Management, Delhi Technological University, during January-May 2021 under the guidance of Associate Prof. Archana Singh is my original work and has not been submitted anywhere else.

The report has been written by me in my own words and not copied from elsewhere. Anything that appears in this report which is not my original work has been duly and appropriately referred/ cited/ acknowledged.

Ashish Kumar

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I have put all my efforts to ensure that the project is completed in the best possible manner and also ensured that the project is error-free.

Ashish Kumar
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1. INTRODUCTION

Advertising as a profession dates back to ancient civilizations and has a rich history, although the forms of advertising may have changed over centuries.

India is a developing country situated in southern Asia and has a free market system.

In congruence with other international trade markets, the advertising industry in India attracts a major chunk of recognition and plays a major role. It is quite popular to set the trend and shape the customers' sentiments towards products and services in such a way that people refer to the brands by recalling their advertisements which created a particular image in their minds and set a balance in the markets. This perception of recalling brands starts with brands ranging from Amul Cartoon girl's Utterly Butterly delicious advertisement to Vodafone's Zoozoos to being a Complian girl/boy and so on proving that Indian Advertising Industry position in World markets is a remarkable achievement.

India has pushed their position from third in 2019 to second in 2020 for the world's most awarded campaigns and companies for effectiveness in the world after the USA by WARC effective. [1]

There are various modes of advertisement which are used by brand in India to promote its products, like-

- Social media
- Online video
- Online displays
- Thinking
- Online capture
- Television (TV)
- Radio
- Newspapers
- Magazines
- Outside home (OOH)
- Movie

This research study presents an analysis of social media marketing programs and practices in India, the impact of COVID 19 on the advertisement industry, and modes of the advertisement to be emphasized more. But, first, let's talk about the advertisement infrastructure in India.

2. OBJECTIVE

The objective of the research study is to examine mass media advertising to understand and evaluate different methods of advertisement, different modes of advertisement in India, adverse effects of COVID 19 on the advertising industry, which part of the advertisement is waste, preferable modes of advertisement post-COVID 19 in an attempt to make the advertisement more efficient.

3. ADVERTISEMENT INFRASTRUCTURE IN INDIA

A growing economy like India offers numerous opportunities for various industries owing to making space for themselves in a dynamic and challenging environment. Seeing the slow pace of growth of the media house and other entertainment industries in India, it is prevalent for such industries to revive and come up with new opportunities with rising trends to compete with global trends with the invention of innovative methods and technology.

With remarkable support available to the advertising industry from the government of India, it is expected to grow its expenditure by 12.5% in the year 2018, adding the total contribution of the advertising industry to GDP to reach 0.45% in Financial year 2018 and to become the second-fastest-growing advertising market in the northern hemisphere. With the consistent improvements in RBI Policies, sentiments of consumers, and opening of new licensed banks, initiatives of government such as Digital India along with the support of prominent investors of tech giant Google, the expenditure of advertising is yet to grow in coming years and add a significant value of revenue generation in the financial sector. Besides, the market experts of the Industry forecast a compound annual growth rate of 26.30% for the period 2017-2030. [4]

3a) Market size

1. Almost 41.2% of the total advertising revenue comes from the Print Media whereas the rest of 58.8% comes from Television(38.2%), Digital Media(11%), and the rest 10% from Cinema, Outdoor, and Radio. The Indian digital advertising market is expected to reach at Rs 25,500 crore mark by the next financial year 2021 with an expected CAGR of 33.5%.
2. The share of revenue generated from the Internet is expected to grow at a 2x rate to comprise 16% of the total advertising revenue by 2018 while the share of revenue generated from Online Advertising to increase to 3 times the estimated revenue (Rs.2,900 crore) in 2013 to approx. Rs. 11,000 crore in five years with a CAGR of 28%. [4]

3b) Recent Developments

- ❑ The United States-based advertising media house, GroupM, has been successful in acquiring a major stake in a joint venture, MediaCom India. It is a joint venture between GroupM and Madison Media group.
- ❑ Flipkart, a Singapore subsidiary e-commerce company with headquarters in major cities of India like Bangalore and Karnataka, has come up with Smart Buy to re-enter the private label business to expand its market to increase its profit margins, earnings and provide a solution to existing loopholes in product selection.
- ❑ Snapdeal.com, an e-commerce company based out of India, is one of the few delivering fast services and retaining customers, acquired a Gurugram-based marketing and personalization services company, Targeting Mantra to improve and enhance their customer experiences.
- ❑ Under the Ministry of Railways, the government entity, Indian Railways is aiming to implement a new advertising policy with a huge budget to install 100,000 big digital screens at 2,175 railway stations in various cities across the country. This investment has estimations to generate around Rs. 12,000 crores revenue per year. Indian Railways also appointed a consultant from EY to do an analysis and estimate its potential to generate revenue from advertising, as it is progressing with a proposal with railway Budget to increase non-fare earnings to over Rs. 5,000 crores in five years.
- ❑ Football player Lionel Messi has been appointed by Tata Motors, as the global brand ambassador for SUV's, to increase the demographics of its customers, in particular, to tap the youth generations as well as to expand the transparency and visibility of Tata Motors in trending new markets.
- ❑ To proliferate the reach of the vision of Mr.Narendra Modi, Prime Minister of India to transform India, with the initiative "Digital India", into a connected economy, Google India has joined hands with the Government to increase its reach to all corners and create millions of jobs to support the middlemen and trading sectors. The Financial Minister approved a budget of Rs. 1.13 trillion in the segments of electronic manufacturing.
- ❑ AIR, All India Radio, has partnered with "ReleaseMyAd", a virtual agency to provide a platform for its customers to reach out to all its stations and book various types of custom-made ads online. Along with this initiative, AIR launched a digital network, which works online and provides its customers to choose various services like campaigns and content writing, strategy and consulting services, experience, and platforms, product

development, etc. It is estimated to promote non-traditional media and to increase its contribution by 40-45% to total revenue.

- ❑ A market research firm, Nielson, has launched, for the first time in India, a consumer neuroscience lab in its headquarters at Mumbai. This lab is used in augmenting the capabilities of consumer research by the company, to improve productivity and efficiency. This product is very encouraging for the early bird companies to study their performance in dynamic and changing market trends.
- ❑ MPS North America LLC, a subsidiary publishing house that provides services in editorial, research and design, and production services to educational publishing markets has acquired EPS(Electronic Publishing Services Inc) to strengthen its customer base in North America.
- ❑ The first Indian technology product startup, ZipDial has been acquired by Twitter to help them increase the reach to connect and convert people who are first-time users of the Internet via mobile devices in countries such as Indonesia, India, and Brazil.

3c) Government Initiatives

- An Audio-Visual Co-production deal is signed between two countries, India and Canada, to harness the available technical, financial, and marketing resources as well as to support the exchanging of culture and artistic resources which will lead both countries to bring transparency in the funding of film productions and enhance the quality of exports of Indian Film Industry into other markets. This agreement increases the scope and popularity of Indian films in the international film space.
- In the space of Digitalisation and Restoration of film archives, there are concerns shared between two countries, India and Poland, to form a joint working group to improve and enhance cooperation in fields of films of animations, digitizations, directing film courses, student exchange programs among many others.

3d) Road Ahead

The sunrise sector of the Indian Economy, Advertising & Marketing is expected to witness huge opportunities and a good growth rate. The areas to boom are the retail advertisement and automobile sector with players entering into the food and beverages segment and players of the automotive sector focusing on two-wheelers especially in rural areas to launch more vehicles and thus more spending respectively.

The following figure from Ibef organization shows the factors of growth of Media, Entertainment and Advertising Industry in Advantage India

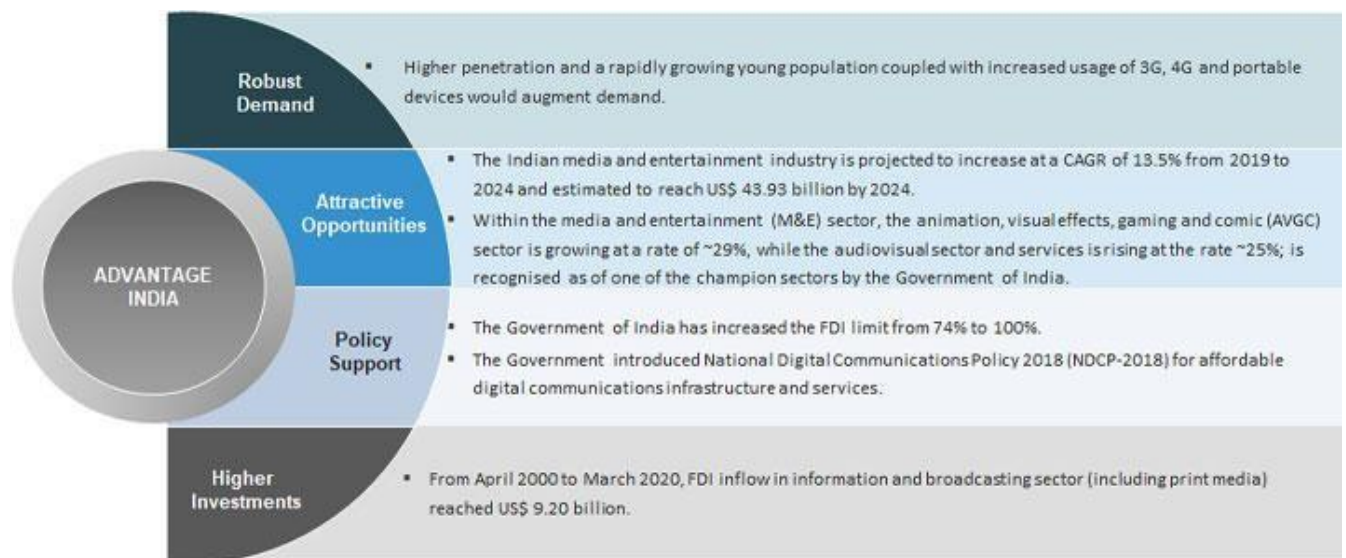


Fig 1: Growth factors of Media, Entertainment and Advertising Industry

Types of Advertising

4I Advertising media in India

Mass media include television, commercial radio, the press, cinemas, outdoor advertising (transit and billboards), online advertising, and point-of-sale materials.

(a) Television

The salient features of Television first commissioned in India in the year 1959, and Commercial telecasting, which started in the year 1976, are scientific synchronization of sound, motion pictures, color, light, and immediacy where the transmission stations were popular by the name Doordarshan Kendras. The color transmission was started later in 1982 on the occasion of ASIAD 82 in India.

Having said, Television advertising is the most popular advertising option available in India, it was because it has the lowest cost per reach among all other media verticals existing in those times. The cost of advertising was measured in terms of rate per 10 seconds and few advertising agencies helped in getting a discount rate on each television advertising card rate. While there are more than a thousand television channels that reached out to complete India on a single instance with the help of advertising, the most popular among them were Star Plus, Colors, ZEE TV, Sun TV, Aastha TV, Star Sports, Aaj Tak, and CNBC.[5]

(b) Commercial Radio

With two privately owned transmitters, in 1927, radio broadcasting was first initiated in two major cities, Bombay and Calcutta in India which were operated under the name of Indian Broadcasting Service in 1930 after the government took over them. In 1936, it was renamed now popular AIR(All India Radio) a public radio broadcaster, which is renowned and officially known since 1957 as Akashvani ("Voice from the Sky"), Later in 1967, Commercial broadcasting started on stations in Bombay, Pune, and Nagpur based on experiments which were conducted to expand its reach. At present, Radio covers 97.5% of the total population in India

and 91% of the total area of India. There are 205 radio stations. There are 150 medium wave transmitters, 54 short wave transmitters, and 104 F.M. transmitters.

There are four major types of radio advertising, namely,

- i. Straight commercials,
- ii. Dialogue commercials,
- iii. Dramatized commercials, and
- iv. Integrated commercials.

(c) The press

Out of the total budget allocated to marketing, newspapers take the major spend share as the advertising rates are mostly dependent on the page number, format chosen, and the readership of that particular newspaper. The formats of these newspapers can either be display ads or classified ads which are small business ads with lower advertising costs when compared to display ads. These ads are mostly sold in bulk through a newspaper advertising agency. There is a premium price offered on front page ads over regular space occupied inside newspapers as the former attracts the attention of the reader than the latter.

(d) Online advertising

The Purpose of Online Advertising, also known as Internet advertising or Digital Advertising, is to reach out to the right audience at the right time. This strategy of advertising uses the Internet as its medium to reach a particular set of demographics of people, obtain high traffic both through click per pay and social, and deliver marketing messages to the right set of customers and identify more unique applications to attract a major chunk of people.

It is one of the most effective and efficient ways for businesses of all sizes to expand their reach, find new customers, increase the landing page numbers, conversions, and diversify their revenue streams.

With the increasing smartphone usage and updated technology, the concept of Digital Advertising is very prevalent in the fast-growing economy. It is an extended version of online advertising including advertising using mobile phones and tablets as a medium. It gives scope to extend the services to various forms of media within the category of Digital Advertising. [6]

(e) Cinema advertising

Cinema Advertising or Film Advertising is one of the most common types of advertising medium available having maximum reach. It is characterized by sound, motion, color, vision, and timeliness on a large silver screen and has a wide range of features ranging from ordinary slide presentation to the film screening. Film advertising is the most preferable form of publicity chosen by people of all ages, professions, political affiliations, income groups, sex because of its wide screening and presentation.

(f) Outdoor Advertising

Outdoor advertising, also known as out-of-home advertising, is location-based advertising that precisely reaches consumers when they are outdoors away from their homes. Outdoor advertising is significantly used to promote products in very specific geographic areas and these are achieved using billboards, bus benches, and transit advertising can be very effective for the small-business owner to reach a very large audience and political campaigns. This type of campaigning is costly and is usually not preferred by small firms and startups as it also involves the compliance of rules by the Government and adheres to policies governing the placement of the billboards. For example, in Vermont, the use of billboards is strictly prohibited.

(g) Point-of-sale-materials

Point of Sale(POS) a place in a store where the customer makes the payment for the products and services, a type of in-store campaign which uses impactful and effective approaches to make sure their spend per visit increases in their next point of sale transaction within a retail environment. When the POS is implemented effectively, it enhances the customer experiences, likeness to visit the same store again, create brand awareness through word of mouth and generate an increase in sales optimally without any further investment to retain this type of customer. The place where generally the payments made (POS) are cash registers or counters or internet web pages.

The major challenges involved in creating a Point of Sale are what crucial strategy has been applied when you are marketing your business, at what timing it is applied, good decision making, and most importantly the interface that is used to convey the messages through campaigns. Usually, POS is prominently seen in retail environments, it is also prevalent in the automotive sector, the horticulture market, the tourist & travel industry.

4. LITERATURE REVIEW

These are challenging times in the advertising industry. Over the past few months it has become apparent that spending on advertising in many parts of the world has dropped dramatically. The situation is likely to worsen at least in the near future, Statistica predicts that \$ 26 million in advertising revenue will be lost in the U.S. Due to the COVID-19 epidemic (Vorhaus 2020). While no one can be sure how long the disease and its effects will be felt when there seems to be a consensus that recovery may be difficult, and perhaps even slower than recovery following the 2008 Great Recession '.

While there are limits to what the industry itself can control, there is a clear need for advertisers and agencies to adapt quickly. The effect of this epidemic varies greatly in the industry (e.g. airlines compared to a flour maker), i.e. (e.g. recently a spice company had to shift marketing focus from chefs and catering services to home cooking because many hospitality businesses are in trouble. Pricing strategy, gives a new flavor and package size, converts distribution channels, and shifts focus to almost all of its promotions (Taylor 2020a).

One of the most mature areas of research is the implementation of CSR complaints. In a recent study conducted by Berlin Cameron / Perksy, the majority of new buyers believe that retailers could play a positive role during the COVID-19 (Taylor 2020b) crisis. As is often the case with CSR-focused advertising complaints during the epidemic, research into the effectiveness of various types of complaints (eg consumer safety, employee well-being, first responders, contributions to a charitable organization) can be investigated using established opinion frameworks (see Schaefer, Terlutter and Diehl (2020). Controversy over a variety of factors including company / message is appropriate, trust in the advertiser, and authenticity is interesting (Bergkvist and Taylor 2016; Bergkvist and Zhou 2019).

Changes in media practices and the ability to respond better to advertisers in terms of advertising a product or service are also impressive. For example, some artists have turned to providing free online concerts and wine offerings. Digital is believed to be less difficult than other media outlets as those who are separated can spend time online, but research what formats and what kind of effective identification work you can do for timely research.

The concept of 'home users,' coined by Jaysen Gillespie of Criteo, is also very interesting, with the view that during closure or overtime stay at home, social media users can be of great value. Consumers, and especially young consumers, can count on these promoters (De Veirman and Hudders 2020; Lou and Yuan 2019), who often naturally understand where they are going in the life of a fan in the event of a disaster. What the facilitator thinks about how to dress or eat during the epidemic can be very important. The role of home users and the performance of various types of complaints on sites like Instagram and YouTube should be studied.

In many cases, during the epidemic, there may be a strong focus on advertising that uses emotional appeal. Therefore, research is needed on the role of emotions in the continuation of ads and the performance of emotional complaints. It is also possible that artificial intelligence platforms that can be used to organize multiple messages based on customer symbols and behaviors can be tested in a digital context (Cardona 2018). A study of whether consumers' views on changes in privacy while epidemics

may require mass testing and / or vaccination may also be of interest in areas where data security concerns were raised prior to the epidemic, as outlined in the EU General Data Protection Regulation and California Consumer Privacy Act (Taylor 2019).

Another area to consider is how word-of-mouth (e-WOM) electronic media is affected. Chu and Kim (2018) in a recent book review noted that eWOM was growing and consumers have been donating, seeking, and sharing the product experience online. Focused research (see Phelps et al., 2004), as well as the drivers and level of impact on product modeling and marketing (e.g. Hayes and King 2014) during the epidemic can yield exciting results. Submission of the above headings and other relevant studies on the impact of COVID-19 on advertisers is welcome.

1. **De Veirman, M., and L. Hudders.** Sponsored instagram post exposure: “Role of visual contact with Brand and message bias when displaying hidden advertising.” *International Advertising Journal* 39, no. 1: 94-130.
2. **Lou, C., and S. Yuan.** 2019. Effective marketing: “The importance of messages and honesty affects consumer confidence in branded content on social media.” *Interactive Advertising Journal* 19, no. 1: 58-73.
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4. **UTylor, CR** 2020a. “Cooking at home? How the spice trader has adapted to the conditions of COVID-19”. *Forbes.com*.
5. **Tyler, CR** 2020b. “How can products be successfully integrated with segregated consumers due to COVID-19”. *Forbes.com*.
6. **Vorhaus, M.** 2020. “COVID-19 represents a major challenge in the use of media advertising funds”. *Forbes.com*, April 27th.

5. RESEARCH METHODOLOGY

The understanding of which part of the advertisement is waste is based on the understanding of secondary data provided in additional facts on the impact of COVID 19 on the advertising industry.

This research is based on a descriptive analysis approach to gain more in-depth knowledge and to clearly describe existing data and analyze similarities and differences. I used a descriptive analysis approach by analyzing the advertisements and yearly data of Global Gross Domestic Product (GDP), Purchasing Power Parity, Purchasing Managers' Index and Marketing Budget Index has been used for a period of years (2009 vs 2019 vs 2020) to validate the findings.

Secondary data collected from the official websites of World Alliance of Reformed Churches (WARC), IMF, IBEF, IAB Europe and IHS Markit are used in the study. To explore the true impact of Covid-19 on advertising industry, yearly data of Global Gross Domestic Product (GDP), Advertisement Investment Purchasing Power Parity, Purchasing Managers' Index and Marketing Budget Index has been used for a period of years (2009 vs 2019 vs 2020).

COVID-19 impact on advertisement industry

5a) Impact of COVID 19 on Global GDP (2009 vs 2019 vs 2020)

GDP, Year-on-year % change, Real terms	2009	2019	2020			2021
			January 2020	April 2020	Difference	
Brazil	-0.1%	1.1%	2.2%	-5.3%	-7.5pp	2.9%
Canada	-2.9%	1.6%	1.8%	-6.2%	-8.0pp	4.2%
China	9.4%	6.1%	6.0%	1.2%	-4.8pp	9.2%
Eurozone	-4.5%	1.2%	1.3%	-7.5%	-8.8pp	4.7%
France	-2.9%	1.3%	1.3%	-7.2%	-8.5pp	4.5%
Germany	-5.7%	0.6%	1.1%	-7.0%	-8.1pp	5.2%
Italy	-5.3%	0.3%	0.5%	-9.1%	-9.6pp	4.8%
Spain	-3.8%	2.0%	1.6%	-8.0%	-9.6pp	4.3%
India	8.5%	4.2%	5.8%	1.9%	-3.9pp	7.4%
Japan	-5.4%	0.7%	0.7%	-5.2%	-5.9pp	3.0%
Russia	-7.8%	1.3%	1.9%	-5.5%	-7.4pp	3.5%
Saudi Arabia	-2.1%	0.3%	1.9%	-2.3%	-4.2pp	2.9%
UK	-4.3%	1.4%	1.4%	-6.5%	-7.9pp	4.0%
US	-2.5%	2.3%	2.0%	-5.9%	-7.9pp	4.7%
Global	-0.6%	2.9%	3.3%	-3.0%	-6.3pp	5.8%
Advanced economies	-3.4%	1.7%	1.6%	-6.1%	-7.7pp	4.5%
Developing economies	2.6%	3.7%	4.4%	-1.0%	-5.4pp	6.6%

SOURCE: IMF World Economic Outlook, April 2020

Go to Settings to activate W

Fig 2- Talking about Year on Year (YoY) percentage change in Gross Domestic Production (GDP) of various countries. Taken from IMF World Economic Outlook, April 2020 [6]

The impact of COVID 19 is even bigger than the impact of 2009's financial crises.

Though India is least impacted as compared to countries like Canada, Italy, Spain, and France. Indian economy is expected to recover at a rate of 7.4% in GDP.

This decrease in GDP will have an impact on all the industries resulting in a decrease in advertising investment.

5b) Impact of COVID 19 on Purchasing Managers' Index (PMI), Services

Purchasing Managers' Index (PMI), Services

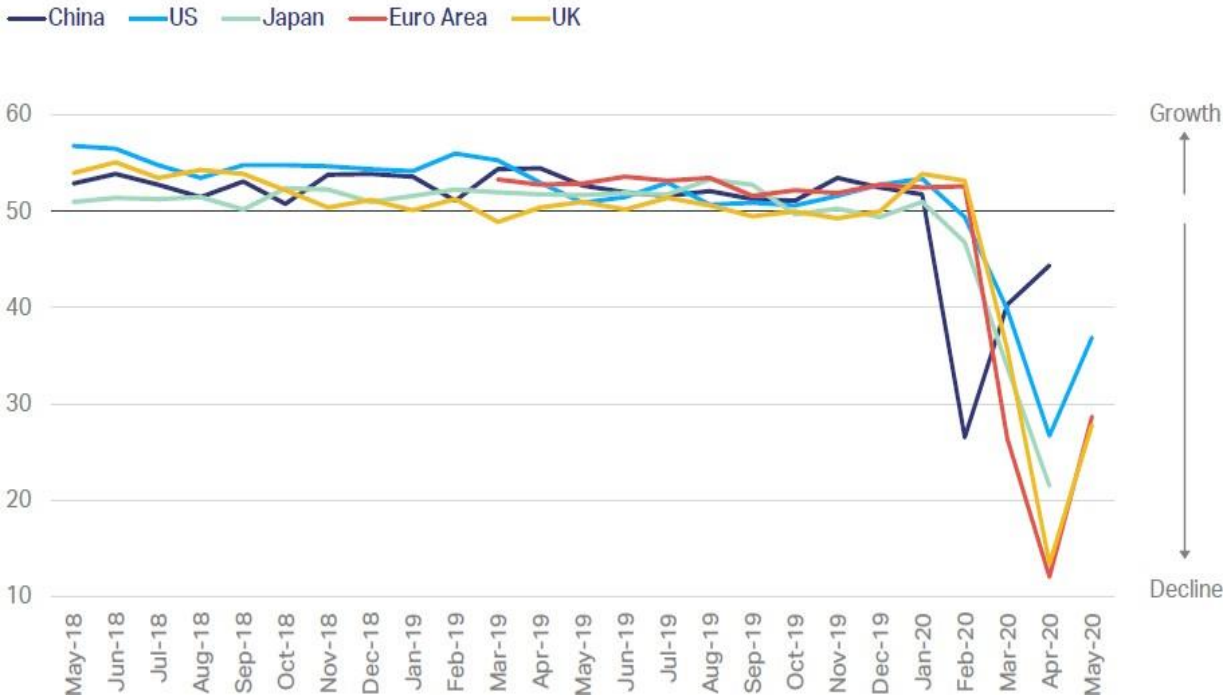


Fig 3 - Talking about Purchasing Managers' Index (PMI) from May 2018 to May 2020. Taken from IHS Markit Purchasing Managers' Index [7].

Covid-19 is the first pandemic driven recession of the modern era. Covid-19 is a healthcare crisis leading to a severe economic slump. Due to the healthcare crisis, it is also difficult to predict the shape of the recovery as a consequence of lockdown, because there is a risk of outbreaks.

Reducing GDPs has a drastic decrease in PMI, causing demand and supply shock, brands in many sectors have almost stopped production and due to no production, there is no advertisement, as, advertisement is an expense which can only be met when there is revenue.

5c) Impact of COVID 19 on Marketing Budget Index (MBI)

Marketing Budgets Index

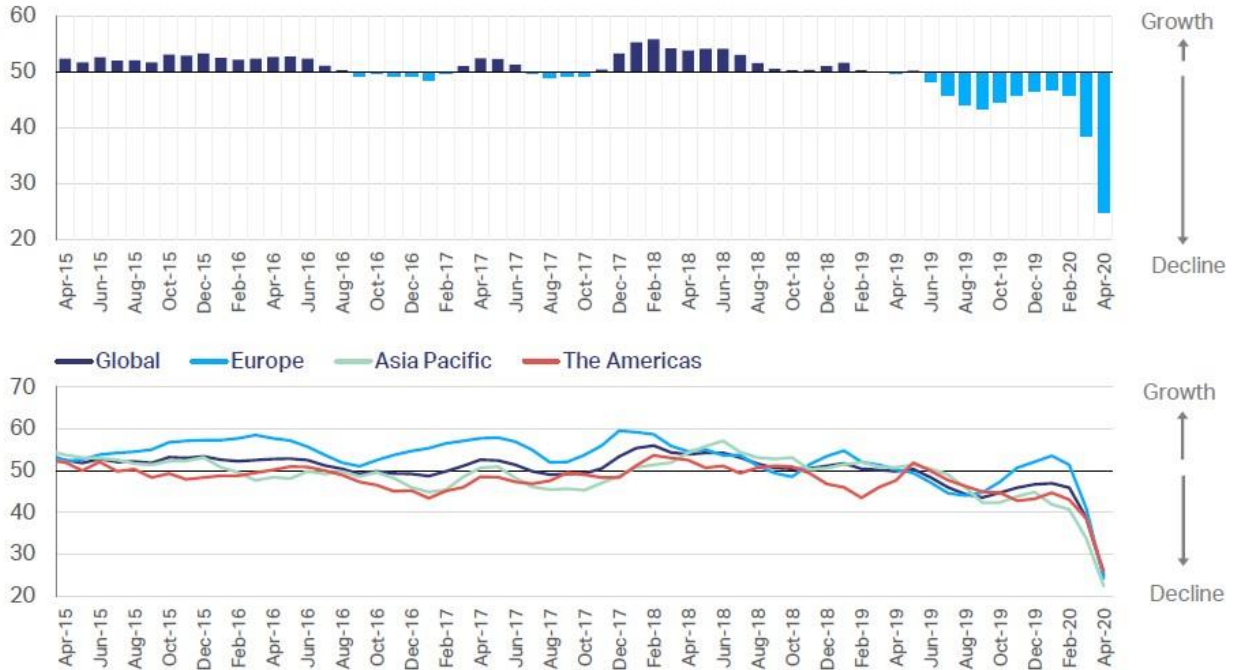


Fig 4 - Talking about Marketing Budget Index (MBI), from a period of April 2015 to April 2020. Taken from WARC data global marketing index [8].

The Global Marketing Index (GMI) of April 2020 was the worst in eighth-year history across all monitored regions.

Further, the GMI index also shows that the digital and mobile budget also fell for the first time during April 2019. This was again true across all regions.

Reducing PMI has caused a decline in marketing budgets, the advertising industry was impacted worst. The global investment in advertising has fallen by 8.1 % - \$ 49.6bn in 2020.

5d) Impact of COVID 19 on currency exchange rates.

Global, Year-on-year % change, Current prices



Fig 5 - Talks about YoY % change in currency prices globally and Purchasing Power Parity (PPP), from a period of 2007 to 2021. Taken from WARC data adspend database [2].

The global investment in advertising has fallen by 8.1 % - \$ 49.6bn in 2020.

5e) Impact of COVID 19 on Ad investment in Purchasing Power Parity (PPP)

Global, Year-on-year % change, Real terms

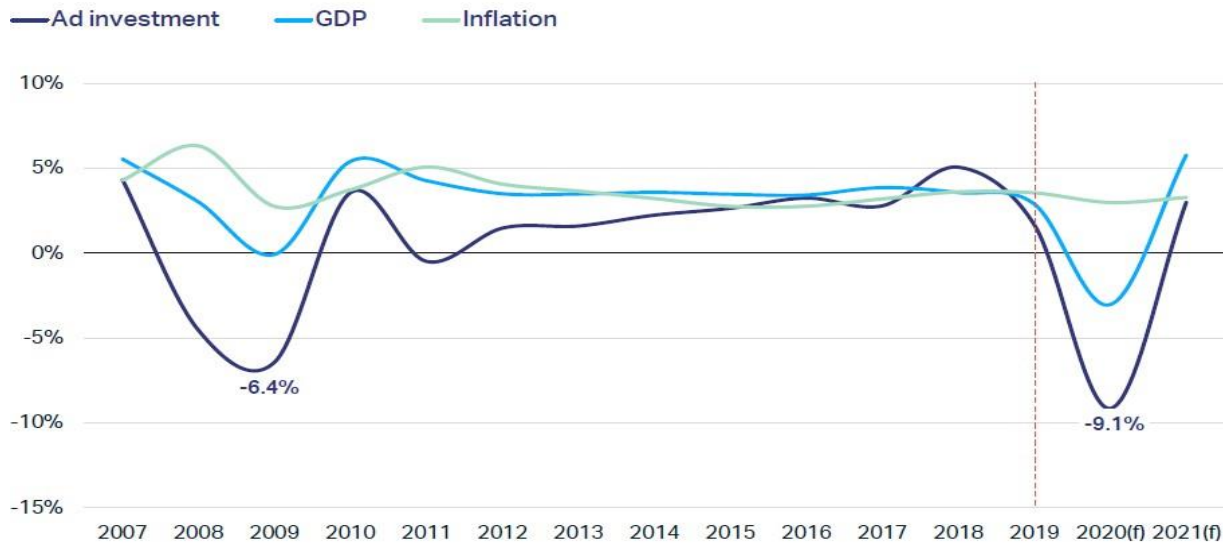


Fig 6 - Talking about YoY % change in Ad investment, GDP, and Inflation. Taken from WARC data adspend database [2].

After adjusting for inflation and the distorted impact a decrease in the exchange rate, the advertisement investment has enormously fallen in 2020. As compared to the 2009 recession the advertisement investment has fallen 2.7% more resulting in billions of advertisement disinvestments.

5f) Impact of COVID 19 on modes of advertisement.

Global, Year-on-year % change, US dollars, 2020

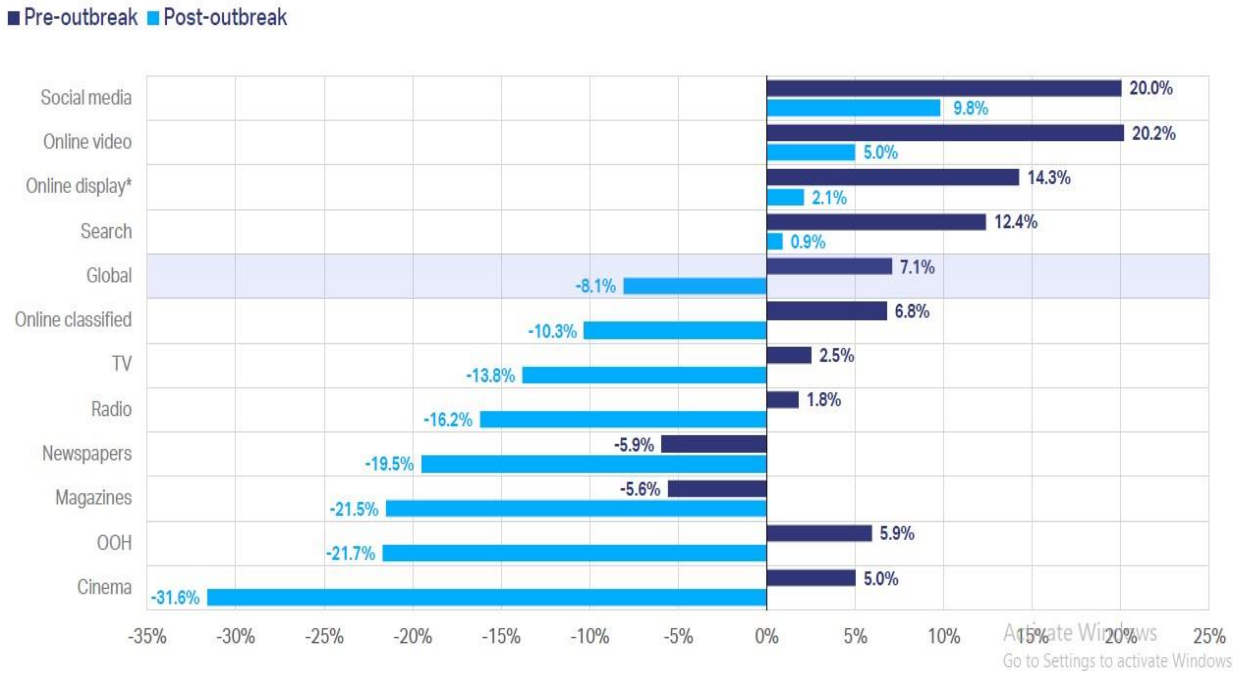


Fig 7 - Talking about pre & post investments in different advertising modes. Taken from WARC data, Adspend database, International Ad forecast [2].

The old-school methods of advertisement like newspaper, magazines, cinema, and OOH have seen a tremendous decrease in percentage change whereas online advertisement has displayed a tremendous growth pre and post COVID 19, showing a tremendous potential in the advertising industry. The global advertising industry saw a downfall of 8.1%.

5g) Impact of COVID 19 on different industries

Global, Year-on-year % change, US dollars, 2020

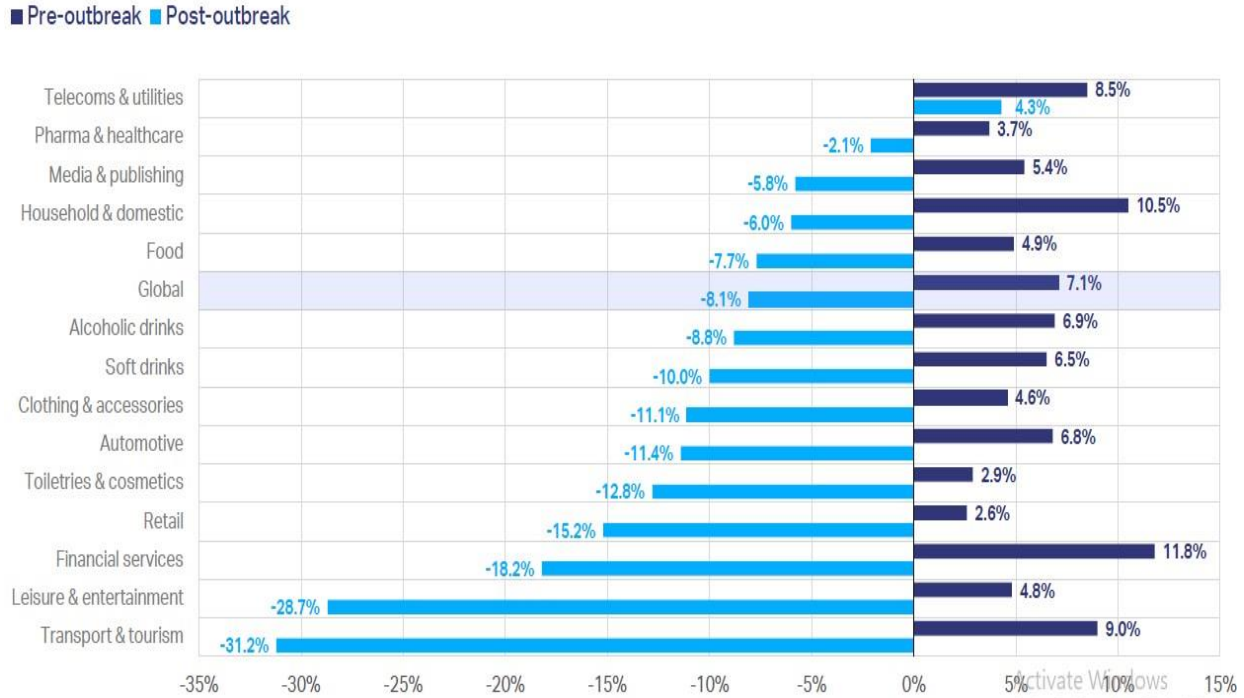


Fig 8 - Talking about pre & post advertisement investment in different industries. Taken from Nielsen Ad Intel [9].

Irrespective of the sectors almost all the industries have reduced advertising investment in 2020 due to COVID 19. Transportation and tourism was affected the most as it was permanently hampered due to global lockdown.

The main reason behind such an enormous decrease in advertising investment was no production, and due to no production the companies were not gaining revenue and they found no point in advertising their product when it was not available in the market.

5h) Additional facts about the impact of COVID 19 on the advertising industry-

- Global investment declined 8.1% - \$ 49.6bn - globally this year. This compares with the previous forecast of + 7.1%, which equates to a complete reduction of \$ 96.4bn.
- The impact of the 2020 decline is expected to be much slower than in 2009, when ad investment fell by 12.7% (\$ 60.5bn). The reason for that could be, including this year's US presidential election, more powerful first-term results, and a more established online platform - especially within e-commerce.
- Almost every sector has recorded a decline in advertising investment this year. The worst falls will be recorded between tourism and tourism (-31.2%), leisure and leisure (-28.7%), financial services (-18.2%), retail (-15.2%) and vehicles (-11.4%)
- Traditional media methods have been severely affected. Investment is expected to decrease by 16.3% - \$ 51.4bn - this year, the recorded decline in all cinema (-31.6%), OOH (-21.7%), printing (-20.1%), radio (-16.2%) and TV (-13.8%).
- Even the impact of COVID 19 could not stop ad growth in online advertising. It is expected to record a small growth this year (+ 0.6%) at the global level, although a few key markets have seen a fall. Social media (+ 9.8%), online video (+ 5.0%), and search (+ 0.9%) are all still expected to grow, albeit online - especially for employment is set to fall (-10.3%).
- By 2021 the recovery forecast, stands at 4.9%. This will still leave the value of the global advertising trade \$ 21.9bn is lower than the 2019 high price. Investment will need a 3.7% increase by 2022 to complete the full recovery.

6. Conclusion

6a) The way advertisement industry has changed

We are facing an unexpected moment created by the swan event (COVID-19), which is a fast pace in the investment industry. There has been a global shock from big business to small businesses in neighboring businesses, factories have closed, supply chains have been disrupted, marketing investment has been halted as countries put health and safety above all else. COVID-19 is unexpected, lockdowns can be set at any time and there is no vaccine to date.

★ Spending scenarios

1. Spending is considered increasingly important for health and hygiene products.
2. Consumers avoid going out, going online to buy food and medicine seems to be growing exponentially, with orders for leading e-tailing agencies growing more and more continue to fix their problems.
3. Likewise, the advertising industry is having tremendous growth in the digital sector, especially social media, gaming, and Over The Top (OTT). The viewership of television has also increased by 40% over time.
4. Advertising is essential for health, hygiene, and hygiene in all forms of entertainment, whether online, television, newspaper, or magazines. While the advertising of non-essential categories is restricted to digital advertising. Scheduled purchase ads in the dark.
5. With fewer companies doubling product development by highlighting their efforts to combat this trend.

★ Investment scenarios

6. No doubt advertisement has been one of the most constant throughout the commencement of business. There have been many incidents that have shaken the pillars of the advertising industry, like the great depression of 1930, 2009, and the current scenario of 2020. Advertisement is a need if someone wants to do business, they need to get their product promoted to get it in the eyes of customers.
7. Advertisement modes like cinema, magazine, newspaper, and radio are not able to perform significantly due to reducing use of newspaper, consumer preference, more incline towards online industry, and bandwagon effect.

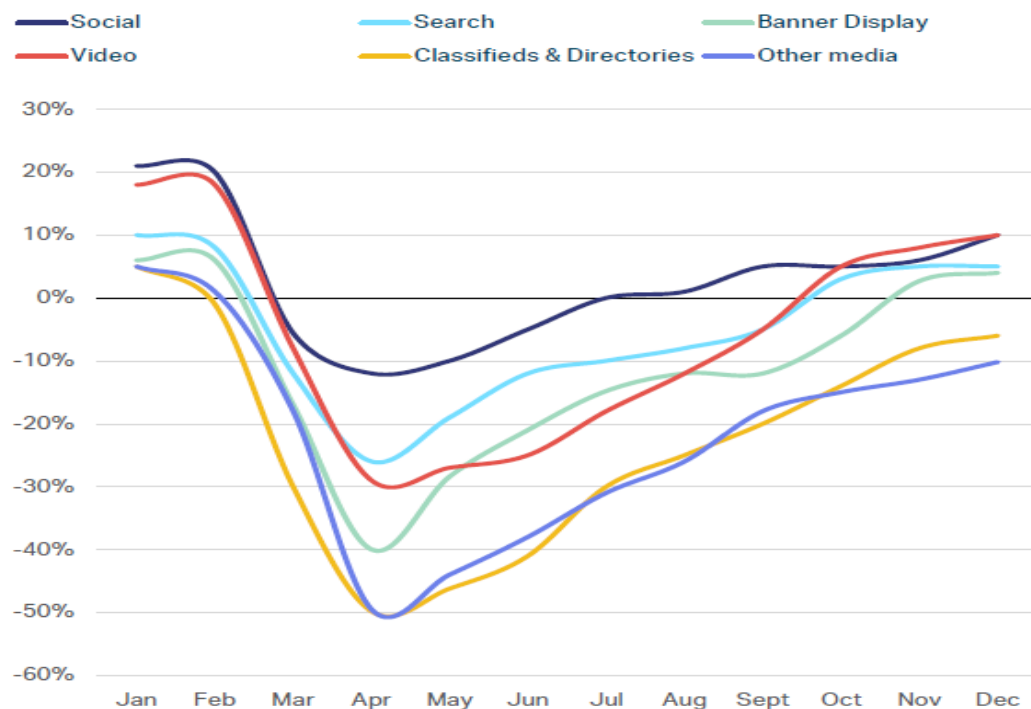
8. Whereas digital marketing has been gaining its space since the 21st century, methods like social media marketing, online videos, online displays, OTT, and search are gaining a lot of popularity nowadays. Therefore investment in these emerging segments would be a decent option to get the product and brand promoted.

6b) Preferable modes of advertisement post-COVID 19

- **Trends from West**

India is a developing country and we have always taken market trends from the west i.e Europe and the USA. Therefore, to see the areas where Indian brands should invest for marketing could be-

Europe, Ad Spend growth forecast, 2020



SOURCE: IAB Europe

Fig 9 - Talking about Ad spend growth forecast for 2020. Taken from IAB Europe. [12]

Advertising modes like classifieds and directors along with other media are having a very slow recovery rate and also had a growth rate below 5% before COVID-19, therefore, these advertising options should be ignored until they get their effectiveness back.

Banner displays are also gaining popularity, as, once the lockdown was lifted off, people started exploring the real world with their naked eyes. Banner display advertisements are also used a lot in India, making them a lucrative alternative for the post-COVID 19 era. The effectiveness of banners also depends upon the number of viewers. In case of another wave of COVID 19, lockdown might get imposed leading to failure of banner displays.

The reason behind such fast improvement in digital marketing is that everything is happening virtually and people are seeking new brands and products within the scope of digitalization, therefore digital marketing is a very lucrative scope for post-COVID-19 advertising investments.

Advertisement is one of the dimensions of business. Advertisement has both revenue as well as expenditure. There are different modes through which advertisement can happen. The impact of COVID-19 is very severe on the advertisement industry specifically, historical advertising methods such as newspapers, magazines, cinema, and OOH. In this VUCA world, having digitalization as its base, advertising modes such as social media, online videos, online displays, and online classifieds are gaining a lot more popularity. Online platforms are being used more and more due to COVID 19. Therefore the future of advertisement can be seen in the digital world. [13]

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