

THE CHANGING LANDSCAPE OF INDIAN TELEVISION

A Study of Addressable TV
Advertising Transformation



In partnership with **KANTAR**

Foreword

Since its arrival, television advertising has become one of the most popular means of business advertising. It has a unique impact on society that is much stronger amongst others.

The biggest positive that television currently has in advertising is the creation of a growing number of branding opportunities for brands and businesses of all sizes. It is also important to recall that in the future, TV advertising will permit the viewers not only by personalising their experience but also by getting involved with the ads.

Given the increased user involvement and the technological shift, it is certain to expect conversion rates to go up as well. The future of TV in terms of advertising looks bright as the emergence of new technologies like CTV creates even more room for customisations.

CTV is a big new opportunity in the digital advertising industry and a trending topic on which ad tech companies can seek to capitalise on. Contemporary audiences like to engage into interactive campaigns so it will be critical to support television as a global marketing tool as it offers unique opportunities and derives trust in the audience.

In partnership with Kantar, GroupM Finecast has done an in-depth research of what TV viewers consume and what are their preferred choices. The report is going to be of a great help to the marketers and advertisers to understand the trends of consuming TV. This would help them to create new and effective campaigns by understanding the behaviour of their audiences.

We hope you find the outcomes as insightful and fascinating as we did.



Prasanth Kumar
CEO - South Asia, GroupM

Introduction

Advertiser demand for TV has never been greater. India is set to become the 3rd largest TV market globally by 2026.

In this report we have aim to uncover:

- **Contributors to the Changing TV landscape in India** through usage of a wide variety of reports including GroupM This Year, Next Year, Consumer Eye as well as GWI.
- **In partnership with Kantar, we seek to understand the CTV viewership habits.** Who they are? What are the differences and similarities between linear and CTV users, their lifestyle and behaviour, content consumption and what are their perceptions about ads on CTV?
- **Are Connected TV and Linear TV users similar?** With linear TV holding strong, we wanted to explore the differences in content consumption and viewing experiences for both connected TV and linear TV users and understand how they drive decision making and purchase behaviours.



“ We are super excited to lead advertisers in this changing TV landscape and to make TV advertising more welcomed in the modern marketing era ”

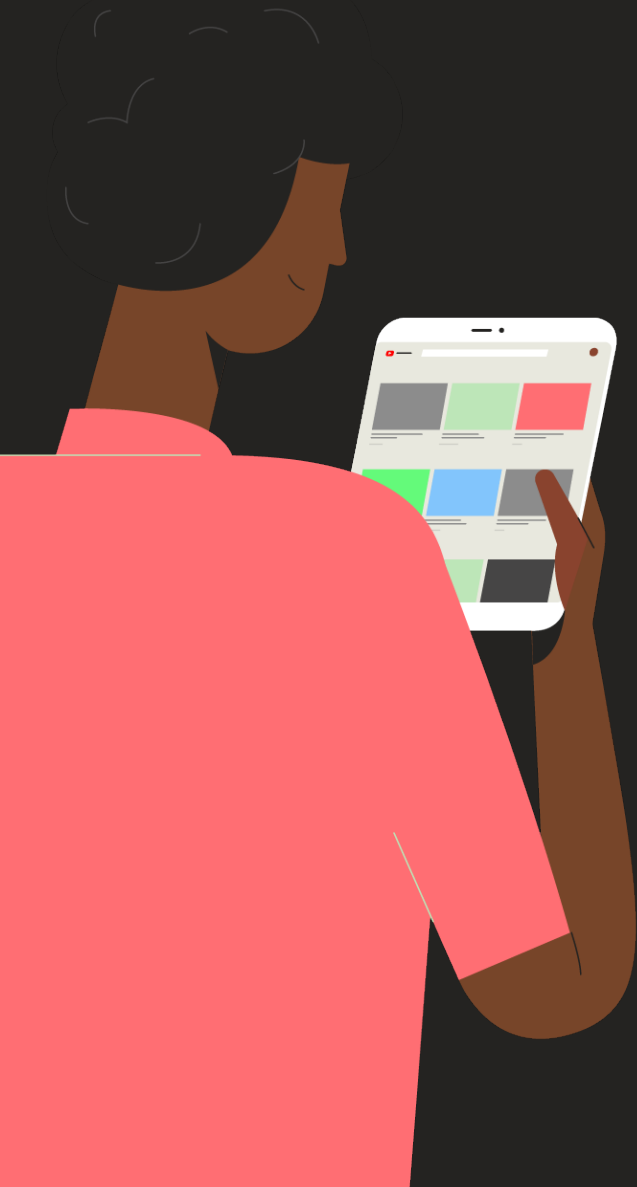


Atique Kazi

President of Data, Performance & Digital Products, GroupM India

Section 1

The Evolving TV Landscape



“ Addressable TV has the ability to bring the best of both worlds to advertisers. The AV impact of TV and sharper targeting ability & accountability of Digital Media.

We are already starting to see the impact of connected TVs play out for our D2C advertisers, who via addressable TVs are able to get past steep entry cost barriers of traditional TV, and customise their messaging and targeting sharply, resulting in increased return on investment. ”



Sonali Malaviya
MD, Essence India

The Evolving TV Landscape

TV continues to grow in India

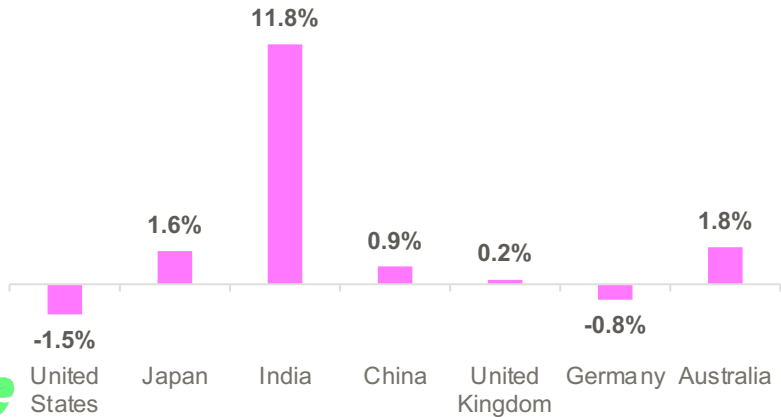
According to **GroupM's 2023 This Year Next Year** reports for the period 2022-2027, advertising spends on TV are looking positive across Global Markets and would grow on the back of brands spending more on Connected TV.

India is poised to be the third largest TV advertising market by 2024

2022-2027
CAGR for TV Advertising in India will be **11.8%** vs Global 1.1% and APAC 3.7%



TYNY TV advertising spend CAGR, USD mn



Advertising spend includes Traditional TV + Digital extensions

If convenience is driving audiences towards connected TV, addressability is driving advertisers to connected TV.

\$395mn

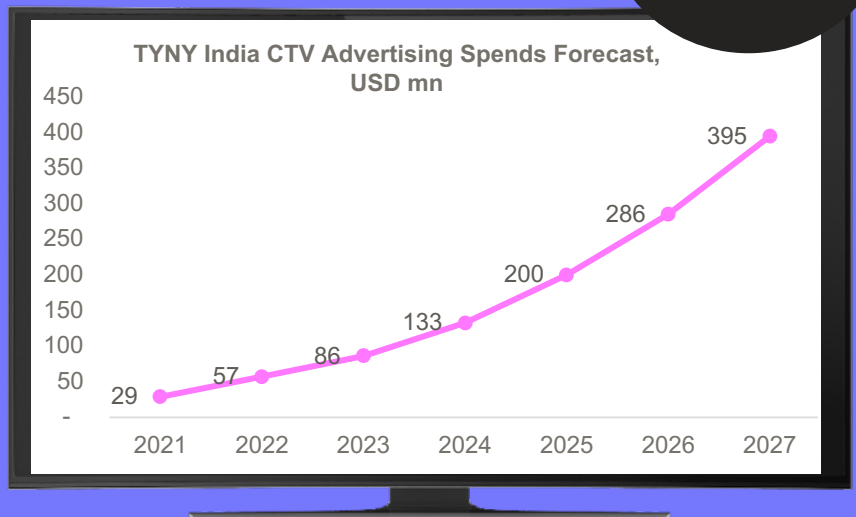
India CTV Ad Spend by 2027

From a 12% share on Total TV in 2022, CTV share is estimated to reach 22% share in 2027 globally.

47%

CAGR CTV Ad Spends

In India 2022-2027



The Evolving TV Landscape

Acceleration of Addressable TV Households

Today, there are **20-22 Million Addressable TV homes** in India. More than **10%** of TV homes are today addressable.

Source: GroupM Estimates



40 Million

Addressable TV homes in India by 2025

Source: FICCI-EY, 2022

An Addressable TV Household is...



Smart TVs, streaming media devices, next gen gaming consoles, Internet enabled set-up boxes



Broadband Connection



...and many more

Multiple OTT services

The Evolving TV Landscape

Drivers of growth in Addressable TV HHs

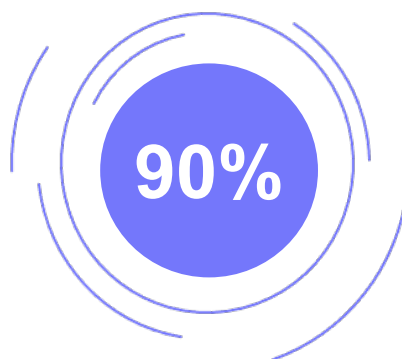
What is driving the growth?

- Content on OTT Apps
- Smart TV Sales
- Broadband Connection



Smart TV vs Traditional TV

India's Smart TV shipments grew 38% YoY in Q3 2022



TV units sold are smart TV

Source: Counterpoint research, 2022

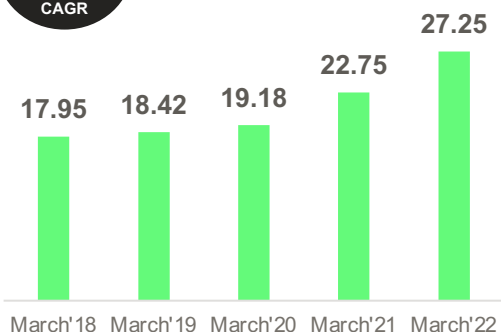
Broadband Subscribers

Prior to the pandemic, the subscriber growth in the broadband space was modest but the pace has picked up post pandemic

11%

Broadband subscriber CAGR

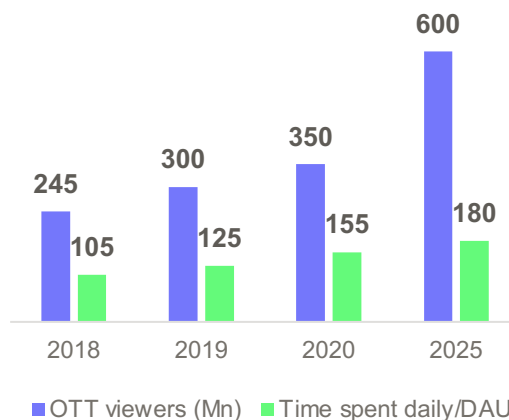
(Millions)



Source – TRAI release

OTT users & Time Spent daily

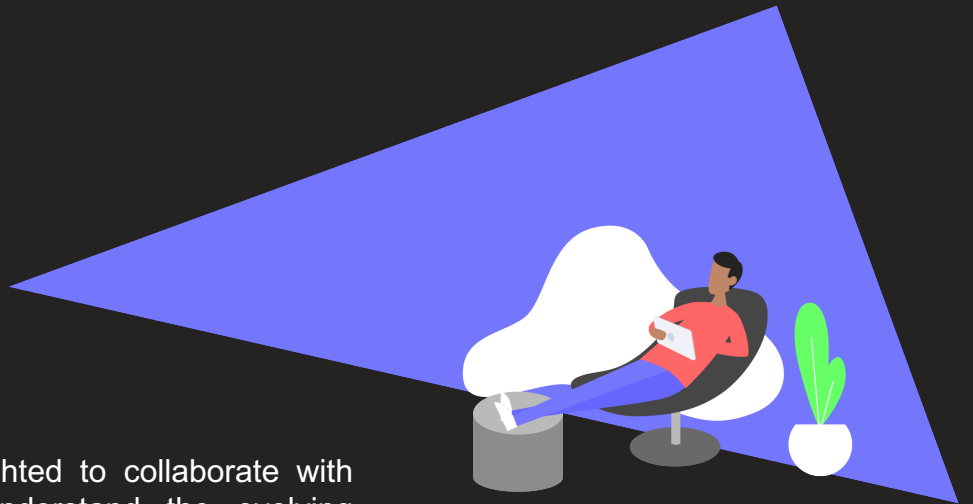
Steady growth in user base, time spent. 42% increase in OTT users expected by 2025



Source – Bain & Co- Media & Entertainment Insights

Section 2

Understanding the TV Viewers



“ Kantar is delighted to collaborate with Finecast to understand the evolving consumer behaviour with regards to content consumption. The research uniquely compares Connected TV & Linear TV users and helps unearth insights that will be relevant and useful for brand marketers as well as agencies at large. ”



Deepender Rana

Executive Managing Director, South Asia,
Insights Division, Kantar

The Methodology

Finecast collaborated with Kantar to produce a consumer study to understand how the Indian television market is evolving for consumers.

The study was conducted via quantitative self-administered surveys through recruiting respondents on online panels.

The coverage of the study included metro and non-metros spread across four main zones.



Coverage

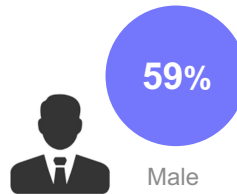


Key cities

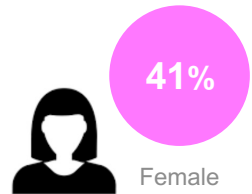


Respondents

Respondent Profile



Male



Female

The main criteria for recruitment were:

- Owns a TV (Smart/Otherwise)
- Watches any type of content on TV for a minimum of 5hrs a week
- NCCS A – 79%, B – 21%
- 21-50 years old
- Mix of >Joint & Nuclear families

The main areas covered in the study were:

- What TV connections they own and prefer
- When they have started using CTV or intention to use in future
- Who are they in terms of demographics, lifestyle and behaviour
- What kind of content do they consume
- Perceptions about CTV

Section 3

The Viewing Experience



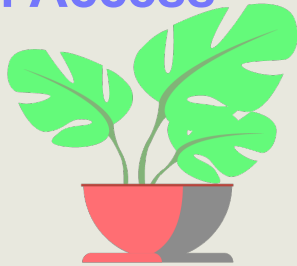
“ Addressable TV strategies can supercharge the marketing mix by using data driven precision to target households. Messaging can now be bespoke and activated in relevant locations – providing a much better experience for both viewers and advertisers. ”



Amin Lakhani
CEO – South Asia, Mindshare

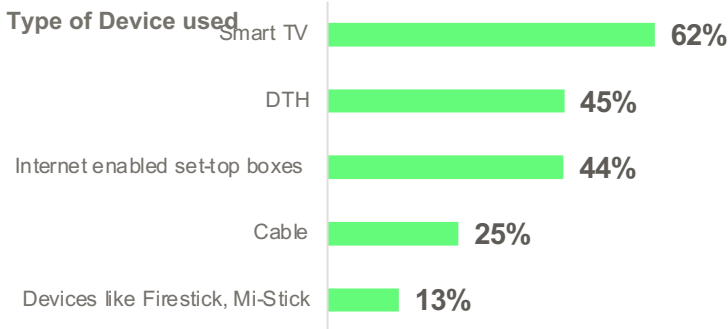
The Viewing Experience

Mode of Access



1 in 2 customers have a dual connection to TV content; multiple connections aid flexibility and choice of content

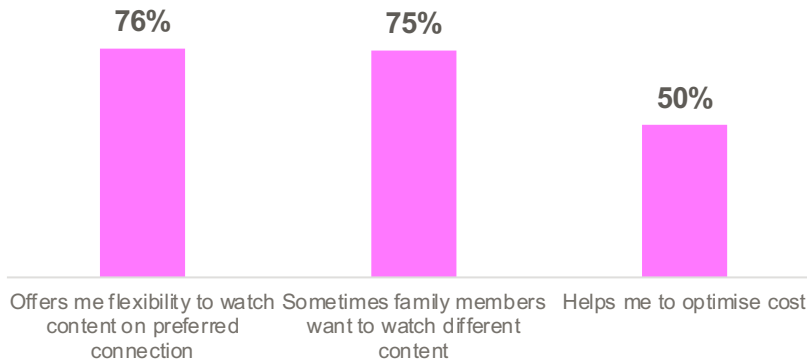
Type of Device used



Base – 2078

61% of respondents said they have multiple connections, within those connections **62%** have Smart TVs.

Reasons for multiple connections



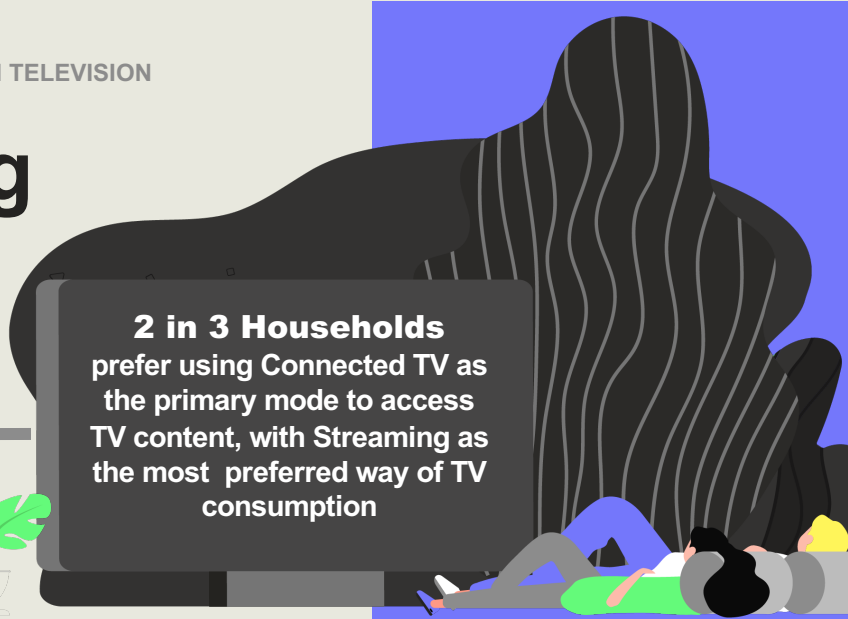
Base – 1260

Main reasons for having multiple connections are that it offers consumers flexibility to watch content on their preferred connection and for times when other family members want to watch different content.

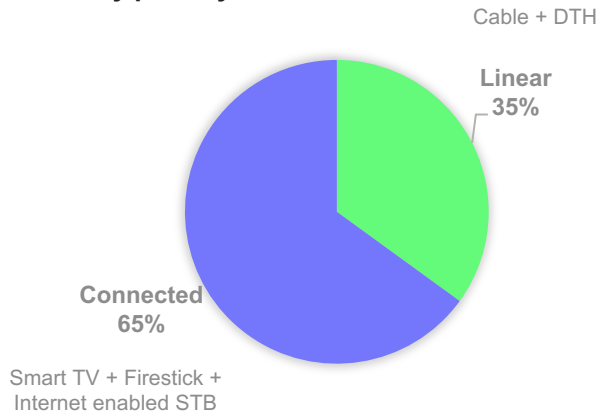
The Viewing Experience

Mode of Access

2 in 3 Households prefer using Connected TV as the primary mode to access TV content, with Streaming as the most preferred way of TV consumption



Type of respondent by primary connection



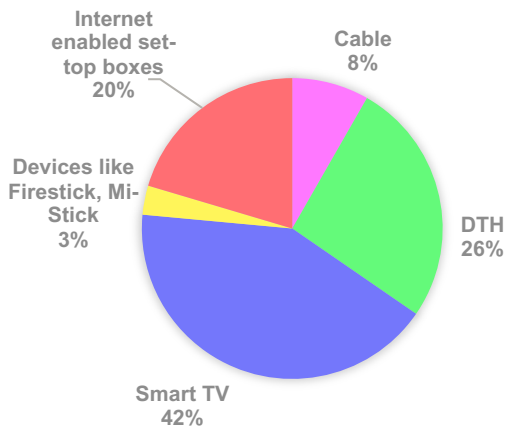
Base – 2078

According to respondents, **Connected TV is the preferred connection at 65%**, comprising of Smart TVs, devices such as Firestick, Internet enabled set top boxes vs 35% Linear (Cable + DTH).

Even though they have multiple connections for accessing TV, there is a preference to which access point they prefer most.

In all future references for this report, this will determine whether a user is a Connected TV or Linear TV user.

Connection primary used



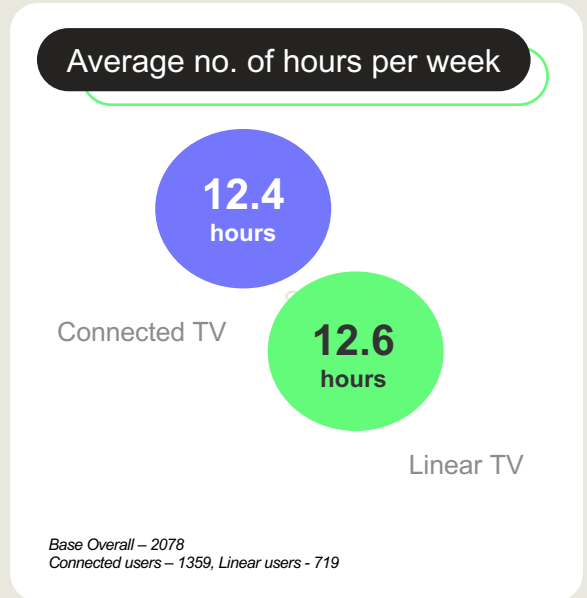
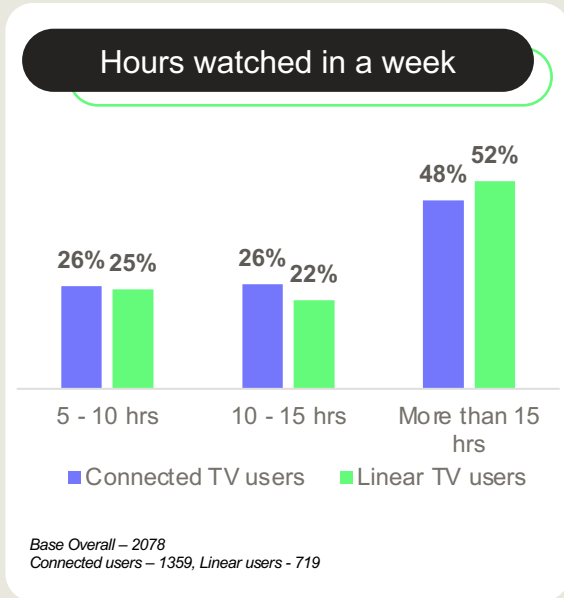
Base – 2078

Q. Which of these connections do you primarily use to watch TV?

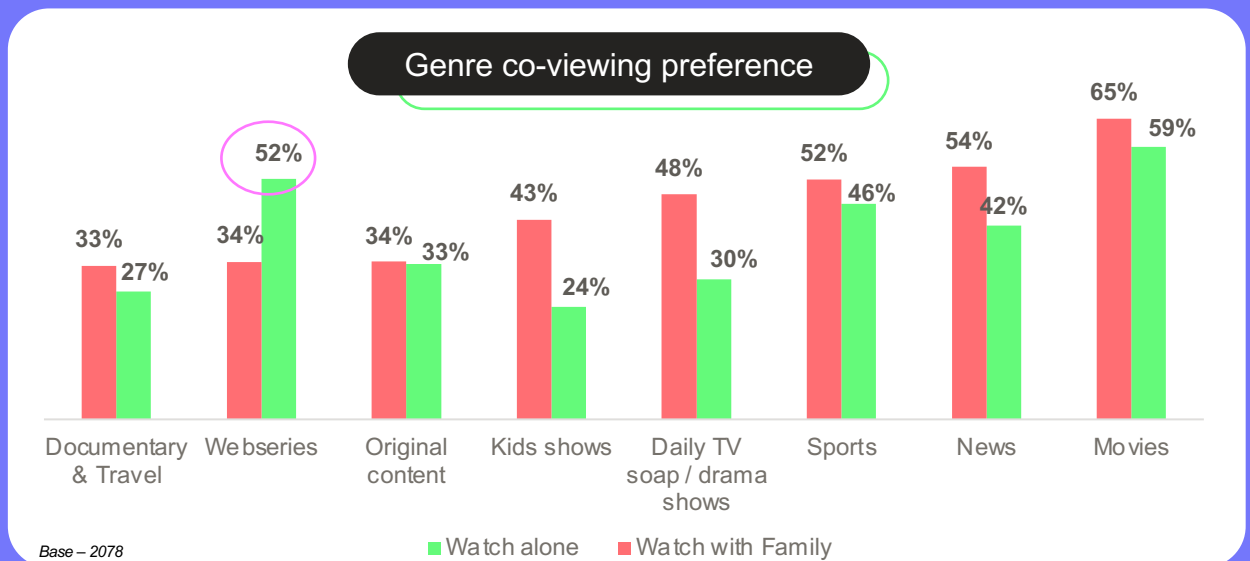
The Viewing Experience

TV Consumption

Duration of TV consumption is not dependent on mode of connection.



Co-viewing is high across genres except web-series
TV brings families together with more co-viewing and on average there are about 4-5 people watching TV per household



Q. On an average, how many hours a week do you watch content on TV?
Q. Please tell us how do you prefer to watch the following content on TV?

The Viewing Experience

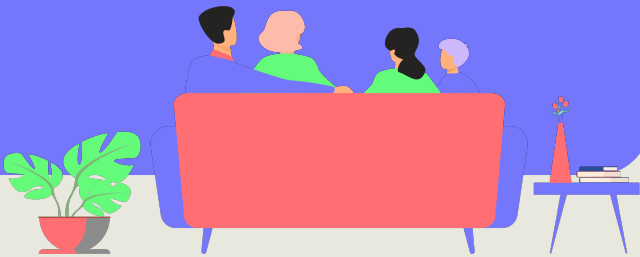
CTV Adoption

78% of LTV respondents intend to switch to CTV in the next year

1. Majority of CTV users have adopted usage of CTV in the last year

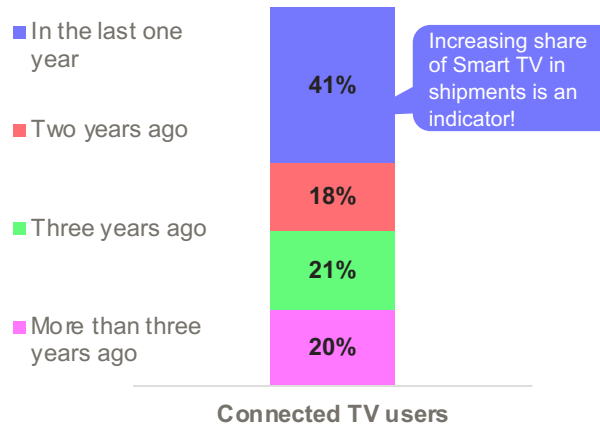
2. 45% of respondents have the intention of using CTV in the next 6 months. Only 6% remain undecided.

3. East has a relatively longer horizon to adopt CTV compared to other zones.



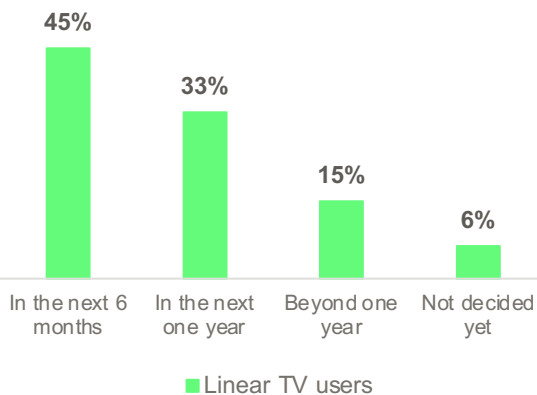
1. Started using CTV

Consistent addition to CTV base over the last 2-3 years



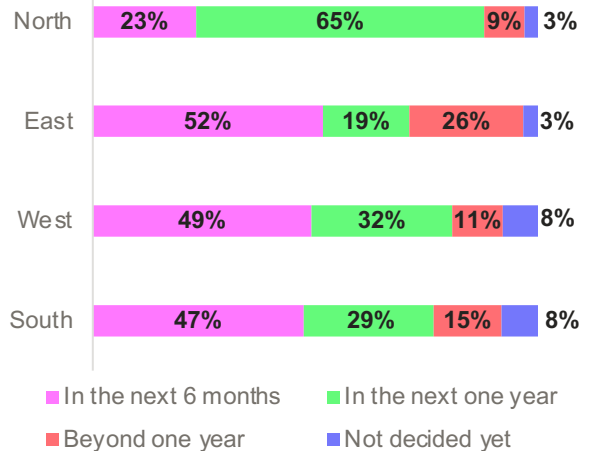
2. Intention of using CTV

Future looks promising with close to 80% of Linear TV intending to switch in next 1 year



Base CTV users – 1359, Linear users - 719

3. Region



Base - Connected users – 1359, Linear users - 719

Q. Since when have you started using TV with?
Q. When do you intend to start using TV which is Smart or enabled by Firestick, Airtel Xtreme etc.

Section 4

The Consumers

“ The need for reaching out to the cord cutters & cord ‘nevers’ is becoming important as these are hard to reach & highly engaging audiences. CTV today can increase brand impact to these audiences by not only measuring results real time but also optimising the campaigns across various KPIs. ”

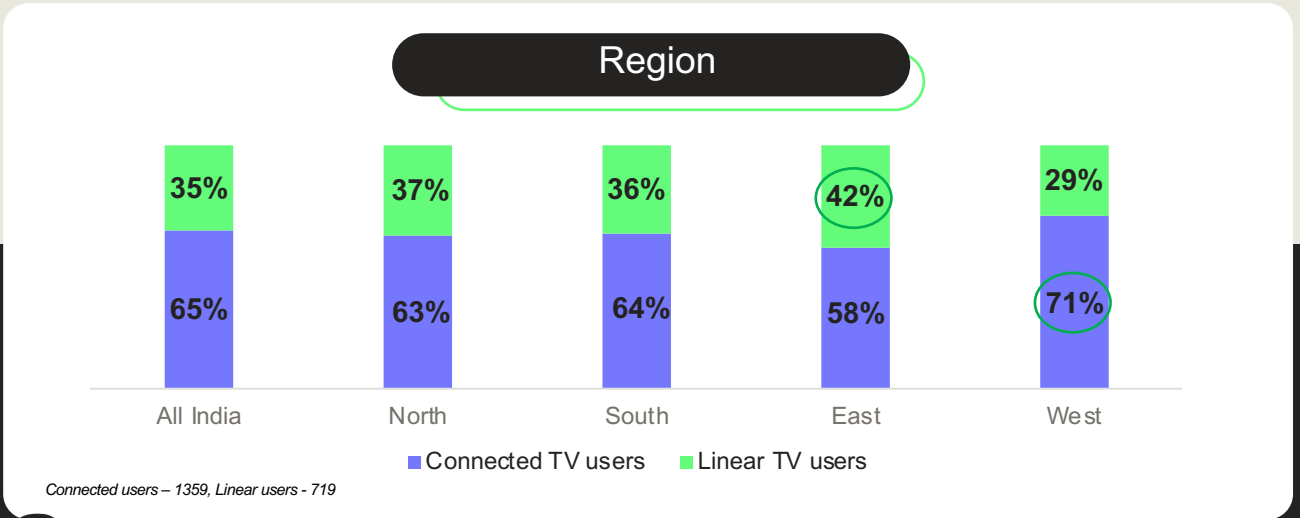
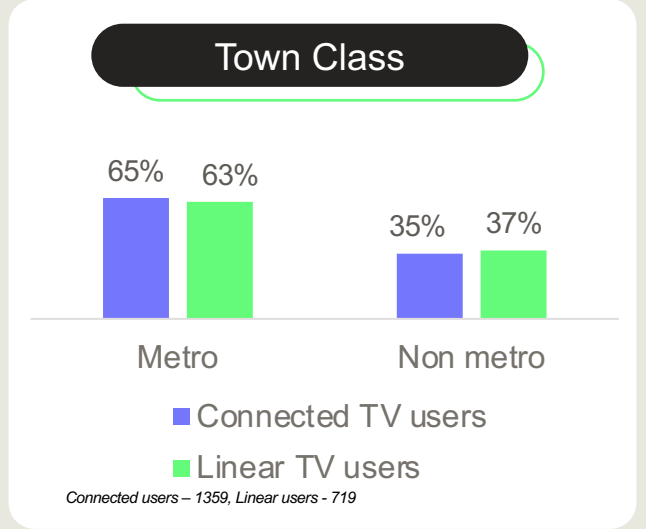
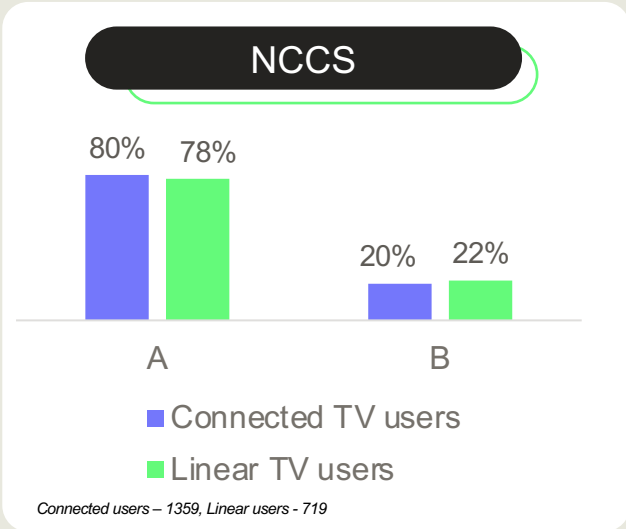


Navin Khemka
CEO South Asia, Mediacom



The Consumer

Demographics



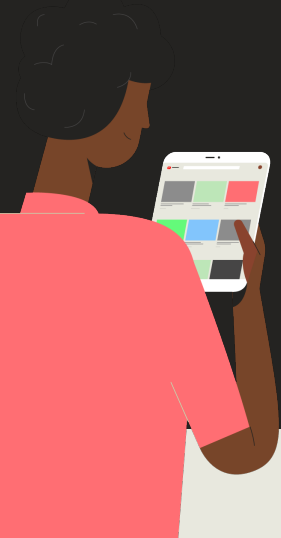
Among the respondents there is no significant difference in preference for Connected TV or Linear by NCCS A&B category and metro vs non-metro.

However, there is skew in the West towards a preference of Connected TV users, whereas the East prefers Linear TV.

Q. Your Current Residence ...

Q: What is the highest education of the person who makes the biggest contribution to the running of your household?

Q: Which of the following items do you have at home in working condition?

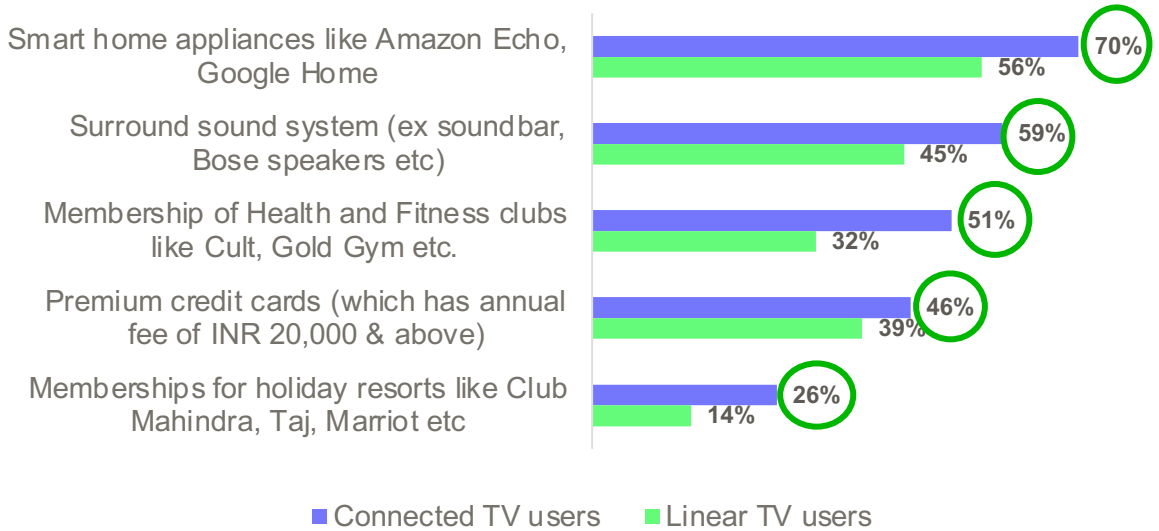


The Consumer

Lifestyle Preferences

CTV users have more premium lifestyle preferences

Ownership



Base
Connected users – 1359, Linear users - 719

As compared to Linear TV respondents, Connected TV users were more likely to...

- Spend time with friends and family
- Spend time on social media
- Go out frequently
- Binge watch TV over the weekends/ when free
- Be brand conscious

CTV HHs tend to have 1.2 x household income than LTV and twice more likely own smartphones that cost > INR 40k

Q. What is the price range of the smartphone that you currently own?
 Q. What is your Yearly household income before tax? Do consider earnings from all members in household?
 Q. Which of the following applies to you? I own...
 Q. Select whether you agree or disagree with the following statements

The Consumer

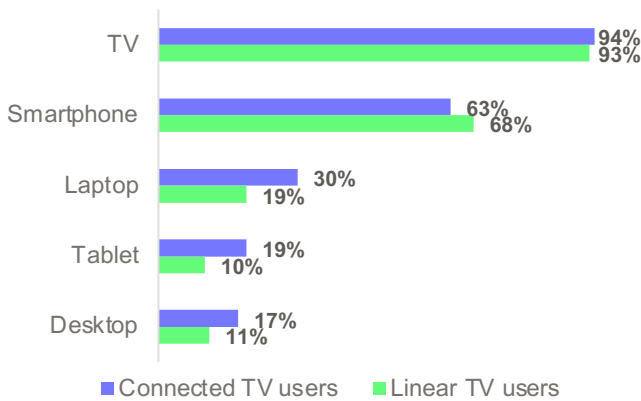
Content Preferences

There are no major differences in the type of content preference for CTV/LTV respondents

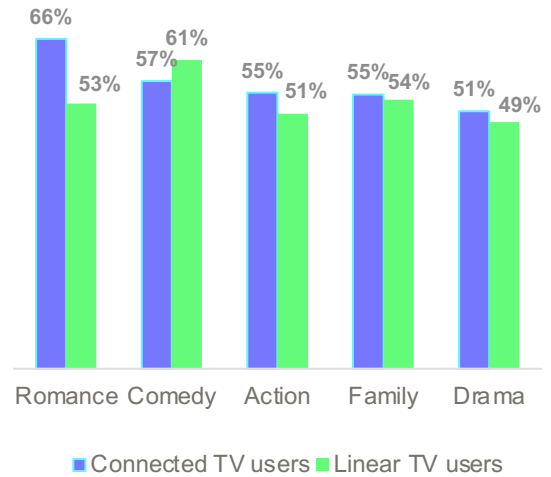


Device used for watching sports

9 in 10 respondents across both Linear and CTV users preferred TV as a device for watching sports



Genres preferred



Base: Those watching Sports Connected users – 988, Linear users - 518

CTV users prefer to discover new content by...

- Searching manually for content on TV or their phones
- Ads on social media
- Recommendations from friends/ family/ relatives

Language preferred

In terms of **preferred languages**, CTV respondents skewed more towards content in **Hindi and English**

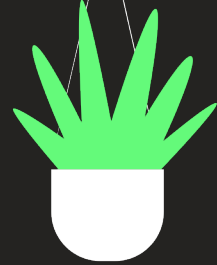


Base Connected users – 1359, Linear users - 719

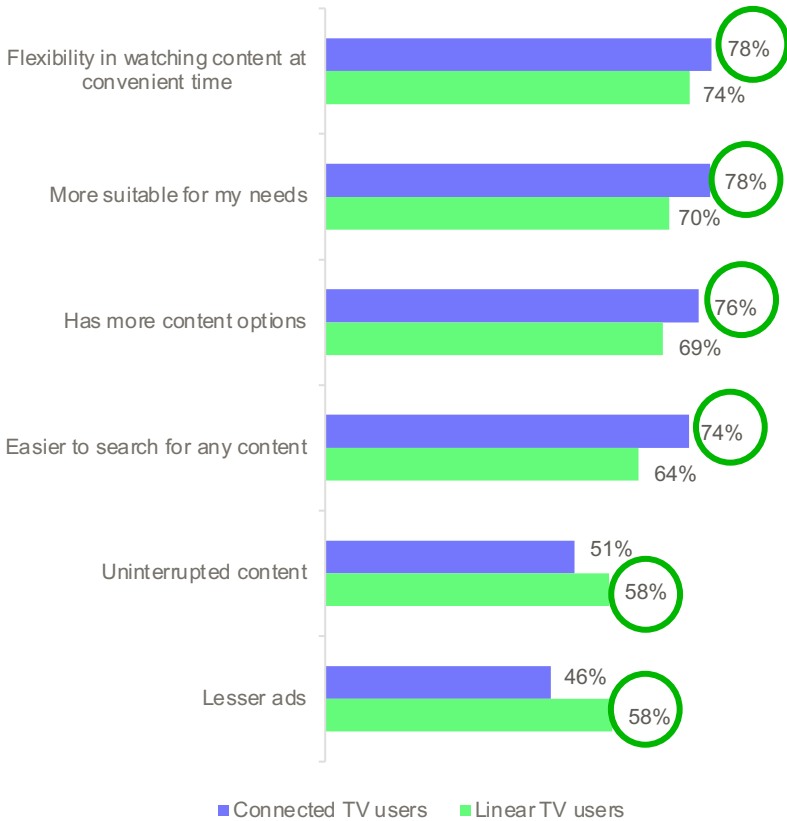
Q. Which of the following genre's do you prefer watching on your TV?
 Q. Which of the following languages do you prefer watching content on your TV?
 Q. On which of these devices do you watch sports content?

The Consumer

Perceptions of CTV Experience



Attributes of connected TV over linear TV



Base
Connected users – 1359, Linear users - 719

CTV Users perceive Connected TV :

- as more suitable to their needs
- has more content options
- easier to search for content

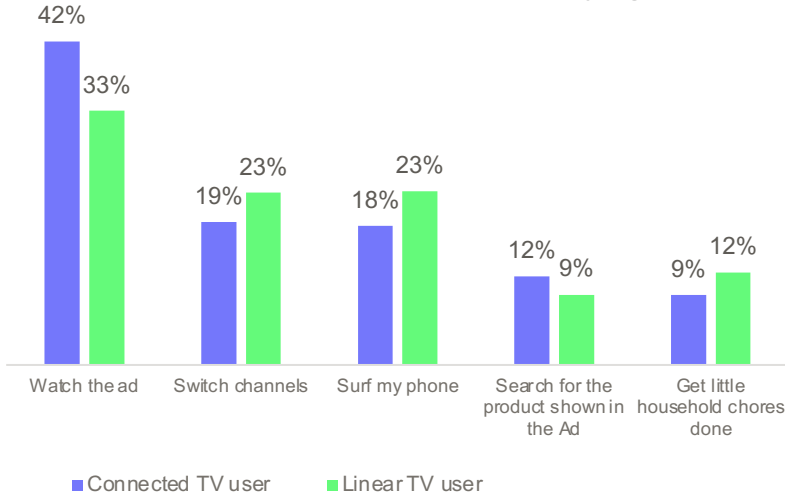
Linear TV users see Connected TV as offering uninterrupted content and less ads



The Consumer

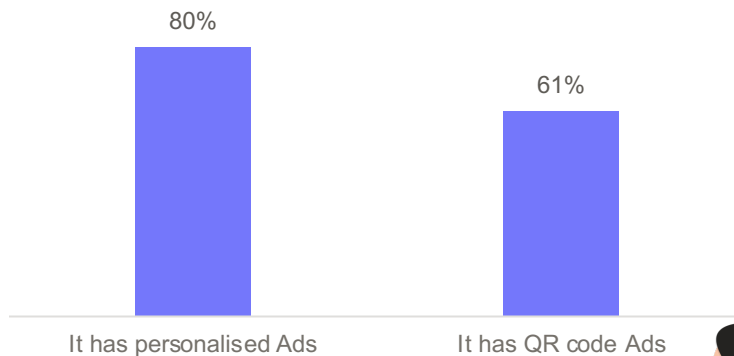
Perceptions of CTV Experience

Activities done while Ad is playing



Base
Connected users – 1359, Linear users - 719

Awareness about Personalised Ads & QR codes on CTV across Smart TV users



Base : Smart TV customers – 788



Probability of ads on CTV being watched is higher than on Linear TV

84%

TV respondents believe TV ads have a major impact on purchase decision

63%*

Connected TV users think the ads shown to them are more personalised on TV

Majority of users of CTV are aware of Personalised Ads and QR codes



Q. What do you usually do when an Ad is being played in the middle of watching connected TV?
 Q. Which of these features of connected TV are you aware of? Please answer Yes or No.
 Q. Do you think the ads shown to you are more personalised on your TV?
 Q. On a scale of 1 to 5, how much do you agree with the following statement? 'The Ads on connected TV have a major impact on my purchase decision.'

A Brand Perspective

The Future of TV



Shivani Behl
Chief Marketing Officer
Plum Cosmetics

“ Being a D2C brand, our audiences are digital natives. Connected TV (CTV) provides an immersive and large screen experience to our consumers.

With a range of categories, we operate in from skincare, haircare, colour cosmetics and bath & body, CTV provides a huge opportunity to segment and target consumers over and above vanilla demo targeting to more defined affinities like buying behaviour, psychographic personas and so on and so forth.

With 2023 embarking upon us, Plum has ambitious growth plans and CTV is an important lever which we will look to evaluate in our media mix. ”



“ IGP is one of India's largest gifting companies offering a range of options like cakes, flowers, personalised products and much more. We have already invested in cricket as a genre on CTV and that has worked wonders for us. It has a direct impact on our business.

Lots of our audiences are NRIs across the globe where CTV penetration is relatively higher. Be it Rakhi, Diwali or even Valentine's Day, Indians want to gift their loved ones and CTV provides the opportunity to personalise our offering to our TG. We will continue to explore CTV going forward in a much stronger sense. ”



Tarun Joshi
Founder & CEO
IGP.com

A Brand Perspective

The Future of TV



Pragati Dalal
VP of Marketing
Rebel Foods



“ Rebel Foods operates in the cloud kitchen category. We have a host of brands offering a variety of cuisines. We are extremely ROI focussed where we closely monitor incremental orders generated through our TV advertising.

With Connected TV (CTV), the challenges which linear TV poses can be addressed. With the growth of CTV in metros, which is our core market, CTV media is a very lucrative and smarter choice which we will be experimenting with some of our brands. Also, nothing like to experience drool worthy delicacies on a large screen format! ”



“ TV drives awareness and aids in building a loyal consumer base. Fragmenting TV audiences makes it challenging to build reach. Addressable TV can aid in bridging this gap using precision targeting, ability to use 1P & 3P data to identify relevant audiences and real time measurement. ”



Riya Joseph
Head – Media Investment & Strategy
Britannia



Mayuri Saikia
Marketing Director
Dell Technologies



“ 100% viewability, non-skip ads, ability to get incremental reach, precise targeting, real time reporting are some of the key factors why we use connected TV in our media mix. ”

Section 5

Key Takeaways



“ The future of TV measurement has to be a single source of truth which combines the data driven targeting of connected TV and traditional linear TV. This will ensure that clients have a consistent view of the impact of campaigns. ”



Ajay Gupte
CEO South Asia, Wavemaker

Key Takeaways

1

TV advertising is set to grow in the next 5 years with India expecting to be the 3rd largest market by 2024.

Within that time, CTV advertising is set to grow rapidly in India with a 47% CAGR and and it's growth will contribute to the overall TV landscape including linear.

2

CTV adoption has been rapidly evolving in the last 2 years and the future looks promising with more linear TV users planning to adopt CTV in the next year.



3

Within the NCCS A&B respondents, we established that viewers are cord switchers with multiple connections.

However, 2 in 3 households prefer Connected TV as the primary mode to access TV.

Key Takeaways



4

Among respondents, **people who prefer CTV appear to have higher household incomes and premium lifestyle indicators** such as ownership of smart devices and memberships.

They also have more premium lifestyle preferences, are likely to go out frequently and be brand conscious.



5

There is a perception for Linear TV users that **CTV offers uninterrupted content and less ads.**



6

The probability of ads being watched is **higher on CTV than on linear TV.**

4 out of 5 respondents believe TV ads have major impact on purchase decisions.

TV Definitions

With the addressable TV advertising marketplace evolving rapidly, it is important to establish a common set of definitions that are widely used across the industry and that will be used throughout this report. Many of the definitions vary by market and as such we need to clarify our understanding of these definitions to eliminate any confusion. These definitions may be subject to change as the industry evolves.

Linear TV

Linear TV refers to traditional television viewing. Viewers access linear TV either free of charge (typically through over-the-air broadcasts) or via subscription to cable, satellite, or IPTV services.

Smart TV

A TV set with a built-in internet connection that enables interactive features such as streaming videos and music and browsing the internet.

OTT

“Over The Top” signifies the use of internet-based platforms to watch television, bypassing traditional forms of TV viewership (Cable set-top-box satellite dish, broadcast antenna).

AVOD

A video service that offers consumers access to a catalogue of on-demand content and contains ads.

Addressable TV Advertising

Addressable TV advertising is the ability to show different ads to different households while they are watching the same content.

Connected TV

Connected TV (CTV) is a TV connected to the internet either directly or indirectly through: – Smart TVs – External streaming devices such as Roku, Apple TV, Amazon Fire TV Sticks – Internet enabled gaming consoles such as Xbox and PlayStation – Internet enabled Blu-ray/DVD players.

SVOD

A video service that consumers subscribe to for a fee and can access a catalogue of on-demand content that may or may not contain ads.

Contributors



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Partnerships
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VP Client Services
Kantar



Jacqueline Goh
APAC Marketing Director
GroupM



Jonathan Koh
APAC Marketing Specialist
Finecast

About Finecast

Finecast is a leading addressable TV company which enables advertisers to personalise ads across on-demand, linear and live streaming TV environments. Finecast gives advertisers the ability to deliver relevant ads to audiences watching TV content across multiple broadcasters, connected devices, set top boxes, over-the-top providers and game consoles – all through a single point of access.

About GroupM

GroupM India is a data-centric, digitally charged marketing services conglomerate. With our six agencies including Wavemaker, MediaCom, Mindshare, m/SIX, Motivator, Essence, and specialty services, GroupM India gives clients the advantage of global operation and learnings, along with local expertise and market insight. With our investment in data, technology, and diverse talent, GroupM India aims to shape the future and transform challenges into opportunities for our clients.

About Kantar

Kantar is the world's leading marketing data and analytics company. We have a complete, unique and rounded understanding of how people think, feel and act; globally and locally in over 90 markets. By combining the deep expertise of our people, our data resources and benchmarks and our innovative analytics and technology, we help our clients understand people and inspire growth.



For queries, please write to us at
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group *m*

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