THE CHANGING LANDSCAPE OF INDIAN TELEVISION
A Study of Addressable TV Advertising Transformation

In partnership with KANTAR
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
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%

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

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

$395mn India CTV Ad Spend by 2027

TYNY TV advertising spend CAGR, USD mn

Advertising spend includes Traditional TV + Digital extensions

TYNY India CTV Advertising Spends Forecast, USD mn

Source: This Year Next Year 2023, GroupM
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
- Multiple OTT services

...and many more
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

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

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

Source: TRAI release
Source – Bain & Co Media & Entertainment Insights

Counterpoint research, 2022

Broadband subscriber CAGR

11%
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
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**: 16
- **Respondents**: 2078

**Respondent Profile**
- **Male**: 59%
- **Female**: 41%

**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
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 Changing Landscape of Indian Television

Q. What type of connection do you have on your TV?
Q. Why do you have multiple connections (DTH/Cable/Fire stick etc.) at home?

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

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.

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

<table>
<thead>
<tr>
<th>Type of Device used</th>
<th>62%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smart TV</td>
<td></td>
</tr>
<tr>
<td>DTH</td>
<td>45%</td>
</tr>
<tr>
<td>Internet enabled set-top boxes</td>
<td>44%</td>
</tr>
<tr>
<td>Cable</td>
<td>25%</td>
</tr>
<tr>
<td>Devices like Firestick, Mi-Stick</td>
<td>13%</td>
</tr>
</tbody>
</table>

Reasons for multiple connections

- Offers me flexibility to watch content on preferred connection: 76%
- Sometimes family members want to watch different content: 75%
- Helps me to optimise cost: 50%

Base – 1260
Base – 2078
The Changing Landscape of Indian Television

The Viewing Experience
Mode of Access

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.
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

- In the last one year: 41%
- Two years ago: 18%
- Three years ago: 21%
- More than three years ago: 20%

Connected TV users

2. Intention of using CTV

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

- In the next 6 months: 45%
- In the next one year: 33%
- Beyond one year: 15%
- Not decided yet: 6%

Linear TV users

3. Region

Base CTV users – 1359, Linear users - 719

- North: 23% in the next 6 months, 65% in the next one year, 9% beyond one year, 3% not decided yet
- East: 52% in the next 6 months, 19% in the next one year, 26% beyond one year, 3% not decided yet
- West: 49% in the next 6 months, 32% in the next one year, 11% beyond one year, 8% not decided yet
- South: 47% in the next 6 months, 29% in the next one year, 15% beyond one year, 8% not decided yet

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,
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
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 CHANGING LANDSCAPE OF INDIAN TELEVISION

The Consumer

Lifestyle Preferences

CTV users have more premium lifestyle preferences

Ownership

| Smart home appliances like Amazon Echo, Google Home | 56% 70% |
| Surround sound system (ex soundbar, Bose speakers etc) | 45% 59% |
| Membership of Health and Fitness clubs like Cult, Gold Gym etc | 32% 51% |
| Premium credit cards (which has annual fee of INR 20,000 & above) | 39% 46% |
| Memberships for holiday resorts like Club Mahindra, Taj, Marriott etc | 14% 26% |

Connected users – 1359, Linear users – 719

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

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

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

<table>
<thead>
<tr>
<th>Device</th>
<th>Connected TV users</th>
<th>Linear TV users</th>
</tr>
</thead>
<tbody>
<tr>
<td>TV</td>
<td>94%</td>
<td>83%</td>
</tr>
<tr>
<td>Smartphone</td>
<td>63%</td>
<td>68%</td>
</tr>
<tr>
<td>Laptop</td>
<td>19%</td>
<td>30%</td>
</tr>
<tr>
<td>Tablet</td>
<td>10%</td>
<td>19%</td>
</tr>
<tr>
<td>Desktop</td>
<td>11%</td>
<td>17%</td>
</tr>
</tbody>
</table>

**Genres preferred**

- Romance: 66% Connected TV, 57% Linear TV
- Comedy: 53% Connected TV, 61% Linear TV
- Action: 55% Connected TV, 51% Linear TV
- Family: 55% Connected TV, 54% Linear TV
- Drama: 51% Connected TV, 49% Linear TV

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 Changing Landscape of Indian Television

The Consumer
Perceptions of CTV Experience

<table>
<thead>
<tr>
<th>Attributes of connected TV over linear TV</th>
<th>Connected TV users</th>
<th>Linear TV users</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flexibility in watching content at convenient time</td>
<td>78%</td>
<td>74%</td>
</tr>
<tr>
<td>More suitable for my needs</td>
<td>78%</td>
<td>70%</td>
</tr>
<tr>
<td>Has more content options</td>
<td>76%</td>
<td>69%</td>
</tr>
<tr>
<td>Easier to search for any content</td>
<td>74%</td>
<td>64%</td>
</tr>
<tr>
<td>Uninterrupted content</td>
<td>51%</td>
<td>58%</td>
</tr>
<tr>
<td>Lesser ads</td>
<td>46%</td>
<td>58%</td>
</tr>
</tbody>
</table>

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

Base
Connected users – 1359, Linear users - 719
THE CHANGING LANDSCAPE OF INDIAN TELEVISION

The Consumer

Perceptions of CTV Experience

Activities done while Ad is playing

<table>
<thead>
<tr>
<th>Activity</th>
<th>Connected TV user</th>
<th>Linear TV user</th>
</tr>
</thead>
<tbody>
<tr>
<td>Watch the ad</td>
<td>42%</td>
<td>33%</td>
</tr>
<tr>
<td>Switch channels</td>
<td>19%</td>
<td>23%</td>
</tr>
<tr>
<td>Surf my phone</td>
<td>18%</td>
<td>23%</td>
</tr>
<tr>
<td>Search for the product shown in the Ad</td>
<td>12%</td>
<td>9%</td>
</tr>
<tr>
<td>Get little household chores done</td>
<td>9%</td>
<td>12%</td>
</tr>
</tbody>
</table>

Base: Connected users – 1359, Linear users - 719

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.”

Tarun Joshi
Founder & CEO
IGP.com

“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.”
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.

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.
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
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 its growth will contribute to the overall TV landscape including linear.

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.

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.
THE CHANGING LANDSCAPE OF INDIAN TELEVISION

Contributors

Rajiv Rajagopal
Head of Client Development
Finecast

Hulan Ganbold
APAC Insights Manager
Finecast

Alexandra Lowes
VP, Client Engagement & Growth
APAC
Finecast

Sachin Singh
Senior Product Manager
Finecast

Amit Kumar Pandey
Head of Supply & Platform Partnerships
GroupM

Punit Mittal
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 Marketing.Ind@finecast.com