

AD CLUB Media Review 2005

-Sam Balsara

In the first ever Media Review presented by The Advertising Club Bombay, Sam Balsara, Chairman & Managing Director, Madison Communications makes the case for:

- **finding customers instead of reaching audiences,**
 - **for moving from broadcasting to narrow casting,**
 - **for using multi-media and non-mass media,**
 - **for moving the obsession from Rates to Value and IMPACT**
 - **and the case for increased remuneration for media agencies to enable advertisers to avail of the full potential of what the media discipline can offer.**
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Thank you everyone for coming here in such large numbers. Ratification of the growing importance of media, I believe. Let me assure you that the Rs. 500 that you have paid to Ad Club is not for listening to me, but for the dinner that will follow. Thank you Kalpana for conceiving this idea and for inviting me to do the media review. Feels good to stand on the Ad Club dais, after a long gap of 13 years when I was the President.

A. INTRODUCTION

Way back in March, 1980, when the AD CLUB Bombay celebrated its Silver jubilee, as part of its celebrations, we persuaded one Mr Bobby Kooka, then, already in his frail 80's to come and talk to us. For those of later generations, and probably that includes everyone in this room, Bobby Kooka, was a fine, genteel, blue blooded professional and was a celebrated advertising man. He did not work for an agency, but was the **Marcom manager** of AIR-INDIA, and his claim to fame was that he was the creator of the Air India Maharaja and was the acknowledged keeper of the Air India image. His speech then, full of wit, reminisced on how the advertising industry had changed and changed beyond recognition. I remember some of his words. He said, "Advertising in my time was different. It was a lot of fun. And all that was required to be in advertising was: **Slide "a facility with the English language and an ability to down a few pink gins at lunch"**

He said now, he had heard, it had become complex and almost a science! Remember that was in 1980!

So what has changed? Nothing. Except, the rate of change. The rate of change has accelerated with every passing year and more so in the past 10 years, and even more so in the past 3 years.

B. THE CHANGED SCENARIO:

On November, 15, 1995 when I received a call from Vivek Bali of Procter & Gamble informing me that they had chosen Madison to be their AOR, little did I realize then, that this was the beginning of a new industry that was to become center-stage in the advertising industry. Ten years later, with dedicated web sites reporting every media planners move from one agency to another, leave aside account moves and every event being dissected in detail in mass media within hours of it happening,

Brand Equity describing media practitioners as “Masters of the Universe” and

doing an independent rating of Media Agencies, media agency men featuring on page 3, and even The Economist doing a feature on Indian Media, you can bet media has indeed arrived.

The media market continues to be dynamic, with an accelerating pace of change in every-which-way; in the way media sells, advertisers appoint media agencies and in the way media agencies plan and buy.

Underlying this change is the basic reason that for advertisers, markets are becoming more and more fiercely competitive, media choices are growing exponentially, and return on media investment, IF made the conventional way, i.e. the way it was made even as recently as 3 years ago, is coming down sharply.

Given the amount of data that is generated in the press, websites and television on media spends, categories, trends and developments, although traditionally a REVIEW should be an

analysis of the past, I'd like to play the game differently and use my 90 minutes, raising some issues and **discussing** **what we should be doing**, to ensure our meaningful presence under the sun. So I would like to call this talk, **not** a **MEDIA REVIEW**, but a **MEDIA PROVIEW**.

C. THE BUNDLING BACK OF MEDIA??:

In the last 3 years, I have often heard in India, that life is coming back full circle and back in global headquarters at New York, London, Paris or wherever, holding companies are talking of bringing the creative and media functions together. Whilst my friends at the corner offices of creative agencies, most of whom are also the bosses of the bosses of independently branded media divisions smile in approval, my limited conversations with global CEOs of holding companies don't seem to suggest it. Perhaps they are keeping this contemplated move a closely guarded secret from me. It is perhaps pertinent to ask at this stage: Who led the charge on unbundling of media? Did media directors, tired of living

in the shadows of Managing Directors or Creative Directors, lead this charge? Did they get tired of always being the last to present in an over-stretched meeting?

Or did they get tired of always being overruled by the Creative strategy?

Or did visionary CEOs of global networks proactively decided to DIVIDE AND RULE? See what one gentleman, who most in this room may not know personally, but certainly all in this room have heard of and know what he **does:**

Slide: **“IT WAS DRIVEN BY CLIENTS AND BY THE MARKETS, WHICH WANTED A GREATER FOCUS ON MEDIA” –Sir Martin Sorell**

A recent Fortune article on The Future of Advertising **states:**

Slide: **“OVER THE PAST DECADE GLOBAL ADVERTISERS SUCH AS UNILEVER, NESTLE AND PHILIPS HAVE PRESSURED TOP AGENCIES TO SPIN OFF THEIR MEDIA UNITS INTO BUSINESSES”**

Would the media discipline have progressed as much as it has in India, if it continued as a department of the full service agency? A very quick overview of the progress made by the discipline in the previous 40 years, compared to the last 10 would give a conclusive answer.

What do clients say: Let us hear a large client and certainly from a company that is generally credited for ushering in new trends and concepts.

I want to show you a clip that my daughter Lara recorded at Cannes this year at a seminar led by Bernhard Glock, P&G Manager, Global Media and Communication:

BERNHARD GLOCK TAPE

I think the call is for greater collaboration between creative and media. The call is not for rebundling or reintegration.

Collaboration is a concept that is gaining increasing currency in the world today, as specialist functions gain currency, across different industries and functions and it does not mean **RE-INTEGRATION**.

D. EVOLUTION OF MEDIA CONCEPT

For a better appreciation of evolution of concepts, let us draw from the much older and experienced advertising industry.

Rosser Reeves , in the 60s first expounded on the concept of **USP- Unique Selling Proposition**. He said for advertising to succeed, you have to highlight that feature which no other brand in the market could offer. Rapid development in technology, increased travel and establishment of communication links across the world, soon led to neutralizing of product benefits and then came the concept of **POSITIONING** propounded by Jack Trout and Al Ries,

which moved the focus from the product to the consumer's mind and talked about positioning the product in the consumer's mind with a single unitary, image, concept or proposition. In the last decade, the thinking has been that for your advertising to succeed you need to have an **INSIGHT**, which in my book is an uncommon observation about human behaviour or the reason for it, which is not so obvious on the surface. A definition, that we could well use in media, too. Against this backdrop, let us see how media thinking has evolved or how it needs to evolve in the current context. Going by the AIDA principle, the first step was creating awareness and because the sales process could start only with Awareness, the major focus of media **was to reach the maximum number of people with minimum cost.** The underlying principle being, that the larger the number of aware people, more would be converted or sold. Thus evolved the concept **of CPTs, duplication, and GRPs.** As more and more intellect and computing power became available, we refined the numbers game to a fine art, evolving the concept of reach and frequency. Then abetted by the availability of

media research data and thanks to John Philip Jones, some of us did all kinds of things to show how much to advertise, for what results. **Simultaneously** as media became more and more expensive, the concept of eliminating wastage gained ground, so we then did not just want large numbers to see our message but we wanted to reach the right people most likely to buy our product and preferably only at that time when he or she is most susceptible to buy. The more aggressive advertisers did not buy the argument that advertising does not directly impact sales and wanted to evaluate the media agency on the ultimate parameter of cost per sale, rather than on interim measures like CPRP and CPT which perhaps are good measures of buying efficiencies but not of overall effectiveness of the media plan. Or were not happy even with impact on scores like TOMA or Cut-through.

Coming to the present, as media inflation hits us, due to growing demand on time and space, thanks to a buoyant economy and partly due to drop in TVRs due to fragmentation, the new concept, we need to adopt in media **is**

finding and reaching customers. For a large client of Madison, I recently saw an exercise, which aggressively put overall inflation at just 5%, but an average drop in TVRs of 18%, resulting in a double whammy of 23% on CPRP. We will need to get very imaginative at the Plan development stage with new ideas and concepts if we have to marginalize the impact of this whopping increase in CPRP.

To combat clutter and noise, we came up with the ammunition of what is commonly called “Innovation” From my own book what I would qualify in this area are not the hundreds of little little things that agencies do to keep advertisers happy and what channels hesitantly do to keep media agencies happy, but something that adds genuine and substantial value to all parties concerned. What comes readily to my mind, from my personal experience is:

SHANTI- which created the afternoon time band for viewing and which initially reached housewives at 1/6th the cost of reaching them at prime time or the BPL replay bug or Tide/

CID interventions on Sony or Perfetti's consistent and innovative use of Cricket.

But all this is old hat now and is not going to hold us in good stead in the future. To maintain our sterling record of the last decade, of adding genuine value to our clients we will have to **FIND FOR THEM USERS for THEIR BRANDS, USING MEDIA INSIGHT**. And we need to find that medium which connects with prospective users better, or what they can relate to. The same sentiment, which led **French Connection in UK** to start its own FM station. **Media costs**, clutter and fragmentation are going to increasingly make it difficult for us to broadcast our advertiser's message and we will be forced to narrowcast, which is potentially more dangerous, in the hands of the inexperienced. For, if you make an error you miss your potential audience entirely and not just waste the extra numbers you reach with a broadcast strategy.

The challenge before us **is to develop media insight relevant to the brands and categories that we handle**. A small car

manufacturer can selectively target middle aged junior officers, who can afford to own a car, but are too embarrassed to walk into a driving school at that age to learn. For a chocolate manufacturer we need to find customers at those precise moments in their lives when they need to make their *mou meetha*. A cough and cold remedy product needs to deliver its message to those who are more likely to be suffering from the ailment at that time. The media agency professional of tomorrow will find himself on a higher plane if he can successfully find such customers and mount selectively such programs as the not –so-thin icing on the foundation of broadcast media. And of course we need to find more and more creative ways of using broadcast media, since we know that despite everything being said and done about it, the 30 second commercial is not dead and perhaps, never will be. Joseph Jaffe, notwithstanding. Fortunately for us , a body of knowledge developed over a period of time exists in the area of consumer insight which is used by clever creative people to create advertising that bonds with readers or viewers and converts them to consumers. We need to apply

the concept of media insight in the development of our plan, which I believe will help our brands find customers, never mind if cost per contact per viewer or reader is 10 times higher.

What is collective global thinking on this subject? I don't think we should wait and expect help or ready made solutions to land in our laps, because others are only as equipped as we are, if not less, but certainly it is good to know what the world is doing and what a group of accomplished professionals from around the world are thinking.

E. WHAT THE WORLD RECOGNIZES-CANNES

As some of you know, I was a judge at Cannes on the media jury this year and had the benefit of seeing over 1100 entries of arguably the world's best at one go and more importantly the benefit of views of 21 media professionals from around the world, on these entries. From these 1100, the 21-strong

jury reduced the list to 150 from which about 20 won Lions. India barely got through with just 1 in this large list. Does this mean we are no good. I don't think so. Like in any race there can be only one winner, so to my mind, it was a case of being there, but not quite. We kind of, got pipped at the winning post by less than a length, many a time.

I want to share with you a cross section of the work to give you a feel and flavour and provoke your creative juices to find suitable take-offs for your own brands.

Let us first take a look at the entry that won the Grand Prix. The best of the best. This is an entry from Mediacom in Israel for Procter & Gamble's BIOMAT LAUNDRY DETERGENT. At first, it didn't look like a big deal to me. It involved putting a Washing Machine on a van, collecting old clothes and washing them and passing them all to the poor and needy. Now let us take a look at the strategy and more importantly how it was packaged for the jury. The attempt was to reach the rich but orthodox Jews segment who are almost unreachable via mass media because for religious

reasons, they do not consume television or radio and have access to limited print publications. They have a negative attitude towards classic advertising. The strategy exploited their religious doctrine of “Help the Poor”. The entrant claimed that BIOMAT shares among the orthodox sector have grown almost 50% after the campaign. What appealed to the judges is the ability of the idea to reach a precisely defined small section of a difficult to reach audience, overcome the obstacle of unavailability of mass media and find and exploit the insight of the TA’s desire to help the poor.

Let’s take a look at some of other winners from across categories.

The Salvation army was asking people to donate warm clothes and blankets for the poor and the agency in Johannesburg, came up with the idea of freezing the auditorium before the movie started and the first slide was of the Salvation Army requesting donation. Nothing like first hand experience to drive action.

Adidas **mounted** a major campaign in Osaka in Outdoor at the time of Olympics when their competitors were sponsors replicating a running track vertically on a building and conducting heats, quarter finals, semi-finals and finals to coincide with the Olympics.

When Daimler Chrysler introduced their new car, **Smart ForFour** in Germany, their agency sought to overcome the biggest disadvantage that a new car faces, that of inadequate exposure on the roads, by mounting 25 cars on an open rail wagon, which ran in the Underground tube tracks, at peak time interspersed between every 10 – 15 regular trains. Brilliant thinking and execution, I am sure all of you will agree.

Another campaign I particularly liked **was** from Columbia for **Chevrolet**, who wanted to promote their new car as a taxi and instead of going all over the place, selectively caught the attention of taxi drivers by using for the first time, advertising

on the radio messaging system to which all taxi drivers in Columbia were connected.

Staying on still with cars, this one was so big that it made news even in India. A new car launch, as one can imagine, is no big deal for the average American and it is increasingly difficult for a car launch to stand out. In this case, the entrant took the unprecedented step of giving away 275 Pontiac G6 vehicles, to every participant on an Oprah show. The result, the entrants claim was an estimated PR value of 100 million dollars, 87% awareness and all dealerships sold out. The cost of 275 cars, which seem like a lot is only under 7 million and a fraction of the pay-off. As you can see, there are huge pay-offs, when you think differently and equally importantly, think big. In India, from my limited experience I know of only one man, who can think innovatively and think big at the same time and put his money where his mouth is- Subhas Chandra. We need more like him to shake things up.

Lest you think, that any idea, not related to TV, had an advantage of winning at Cannes, although I think that sentiment did prevail in the jury, let me tell you about **about Campbell soup's** idea. This iconic American brand hadn't registered an increase in sales for over a decade till the brand established a ground breaking partnership with NBC's prime time drama *American Dreams*, set in the 60s, but addressing the current cultural issues. The advertiser ran an essay contest on the ground and this was seamlessly integrated in the recurring storyline of the show, in which the youngest daughter purchased cans of the soup to enter the contest, ate the product, demonstrated the possibilities with the product in terms of recipes and discussed her essays with family and friends. The entrants told the jury that the brand registered an increase in sales after a decade!!

Another brilliant TV related idea, which did not quite meet the grade, but was outstanding, was that for a shoe shop that **had** a sale of **high-heel shoes**. The weather report for that whole week showed a woman narrator with her head out of

the TV frame, so you only saw her body and the weather report ended with the announcement of the high-heel shoe sale.

There were quite a few interesting ones related to print. A favourite of mine, which again did not make the grade was a warning from the BELL telephone company to users of cheap internet telephony services to beware of the sharp practices. But, to see the warning, you had to hold the newspaper up in light and the message on the reverse of the newspaper in 48 point bold type came alive.

Another good one, I thought was for Knorr soup in winter, when the window panes of trains in Japan were stuck with a transfer that had a frosty image with a finger highlighting the brand name and expounding the virtues of a hot soup on a cold winter day.

The Indian entry from our own Medicom, was to announce for Emirates, a Dubai-New York direct flight in India without

falling foul of the rules, which prevented the flight to be directly advertised in India. The agency sought to put the New York Yellow cabs on the streets of 2 Indian cities. The cars, dressed as New York cabs drove in groups of 3, in the city and they were accompanied by a “Spot the Yellow Cab” contest on radio, under which, if you gave the unique number of one of the cabs, you could win a free trip on the direct Dubai to New York Emirates flight.

Two advertisers claimed that either because of huge expenditure on media cost, or lack of availability of a suitable medium to talk to their precise target audience, they developed their own radio and television channels. FCUK claimed in their entry, that they developed their own radio station to precisely target and bond with their customers and the London Tourist Authority claimed that with growing advertising budgets that they had access to, on the one hand and mounting advertising rates on the other, they decided they could well afford to run their own TV station, showing

tourists 24*7, what to see in **London**. Sign of times to come in India?

One online magazine, called ENZ girl, desperate to stand out in the crowd, **ran a Worst Boyfriend Competition** where the winner's boyfriend's name was carried in a banner by a **microlite**. A second plane carried another banner, which said, **“Don't mess with ENZ GRILS”**.

In Sweden, AMF Pension Fund, sought to overcome the low interest of **young people** in this category, by showing them what **they would look like at the age of 65** and then sought to engage them with the benefits of having a pension fund, starting at a young age.

In Spain, notorious for channels having commercial breaks with 25 plus commercials, like some of our Hindi movie channels, **Vodafone** tried to make a virtue of this, with a promotion, wherein you paid for only 1 minute, but could speak for throughout the length of the commercial break. The

promotion was announced on a news channel by the newscaster, just as the break began, with the news caster herself starting to talk to her friend and when the break was over, the newscaster was shown still talking and her co-newscaster was shown waiting for her to come back to her job.

Burger King sought to get on the growth track with a new menu which it **announced** by holding a **“World Chicken Sandwich Championship”** between two chicken characters, who, hold your breathe were 6 ft tall and pitted in a steel cage and the fight was promoted the same way like the pay-per-view fight. Other small duration spots directed viewers to the big event on Direct TV.

F. TECHNOLOGY AND FUTURE

Let us now focus our attention on technology, which is threatening to turn our world topsy-turvy. Whenever I listen to or read about technologies of the near future that are radically going to change the way consumers receive media,

my mind goes back to the Mass Media adoption graph was very popular about 10 years ago. Pundits predicted, that internet, the miraculous low-cost or no-cost technology would reach all- mighty proportions in no time, leading to a slew of dotcoms, astronomical valuations and then: the bust. All said and done internet, now in its second coming is on a more robust foundation and already accounts for 5% of media spend in US and 1% in India; what it tells me is that indeed there is no smoke without fire and whilst intensities of new developments in technologies are always exaggerated by the evangelists, some of these do take root and creep in several years later, in a manner unnoticed, to catch most of us, unprepared.

Says, a recent **New York Times** report:

Slide: “For 2 decades , media company executives and advertisers have been talking about creating fully interactive television that **would** allow viewers to watch exactly what they want, when they want it. **IT LOOKS LIKE THAT FUTURE MAY WELL BE HERE**, by way of the computer, as big media and internet companies develop new web based

video programming and advertising that is truly under the command of the viewer”

Looks like, combining the interactivity of web with the alluring engagement of television, is an idea whose time is upon us. What is at the root of all the changes taking place is, on the one hand the unlimited capacity of the web & acceptance and growth of broadband, AND on the other, the ability to digitize movie and TV content which earlier was restricted to tape and could be transmitted only through air waves. Digitisation, now enables the most powerful audio-visual medium to be transmitted over copper cables or fibre optic networks, making telecom companies and ISPs enter the sphere of broadly what we call television. People in Japan, already are watching TV on the web through **Internet** Protocol Television or **IP TV**. **British Telecom** in the UK recently launched its own entertainment division, by sending videos over its phone lines.

Thanks to Peter Mukherjea, I have for you, clips on tape of SKY News Active and XTV:

Sky News Active is god sent for the choosy news buff. With it, you can actually watch different sections of the news, based on your own likes and dis-likes. By the mere press of a button on your remote, you have the liberty of watching the weather or your local news or the score of your favourite cricket match and to help you decide there's a screen which shows you all available options. Take a look.

SKY TV tape

Another fascinating experience is offered **by XTV**, which as I see it, is already a few generations ahead of the simplistic TIVO. Imagine a situation where you are watching a India-Pak cricket final and you go to the loo and India loses 2 wickets in the meanwhile or accompanying your wife on a social duty, you have to miss the Cannes special on Storyboard. XTV can become your personal Viewing Manger

or Concierge, provided ofcourse you communicate to it in advance your likes and dislikes and then you watch everything you want to, at your time. Sky Digital in the UK is selling their Sky Plus product through XTV or Extended TV. Lets see a promo of XTV, which explains it rather well.

XTV tape

I thought people loved ads, mercifully in India people do, and media thinks so, but a TIVO tape I saw, says 98% of people who use Tivo recommend it to their friends.

What's more? Mobisodes - in America. Fox has condensed 1 hr episodes into 1 minute clips, that are specially designed for mobiles.

Lest we think, that all developments in this area are happening on western shores, SLING MEDIA is working on a SLINGBOX, back in Hyderabad, that will allow us to watch TV on our laptop, desktop, PDA or any GPRS enabled mobile, as long as our TV set at home is connected to a SLINGBOX.

Peter did a good job of familiarizing the audience that had assembled at the AAI Diamond Jubilee seminar of what one could expect, but he succeeded in leaving behind deep down in me, a lurking fear of standing on slippery ground and I hope we can collectively as an industry meet the challenge on how we are going to capitalize on these developments, to make ourselves even more indispensable to our advertisers by riding this change and increasing ROI for advertisers, in the emerging new scenario.

G. WHAT DOES INDUSTRY SAY?

Lets move on now to another section, where I share with you, **What** our industry stalwarts feel and say?

I asked a few, from among media owners, advertisers and media agency heads on their view on current developments, their issues and their wish list, so to speak

The answers were not surprising and it is apparent that each group is consumed by their own concerns, without regard to the other.

On MAJOR DEVELOPMENTS IN INDUSTRY, most talked about the proliferation of media in terms of number of channels and it now moving to print, with DNA and HT coming to Mumbai with formidable offerings, to challenge the dazzling old lady of Boribunder. Some spoke about the shifting power balance from media to advertisers **and LEADING TO PARADISE FOR ADVERTISERS.** Some took offence at **THE MEDIA AGENCY TAKING SIDE OF ADVERTISER INSTEAD OF MEDIA.** One media agency head spoke about **THE DEFINITION OF MEDIA ITSELF HAVING CHANGED. IT IS NO LONGER RESTRICTED TO TV PRINT, RADIO, CINEMA.** A large advertiser felt **AD AVOIDANCE HAS CREPT INTO INDIA.**

On being asked what they felt was “Best use of media” that they had come across, some mentions that cropped up, **were INNOVATIVE USE OF OUTDOOR BY DNA**

PEPSI HUDDLE

SEAMLESS INTEGRATION OF BRAND MESSAGES

INTO MOVIE AND TELEVISION

AIRTEL TIE-UP WITH KBC

and hold your breath

THE INNOVATIVE AND SUSTAINED LAUNCH OF

MALLIKA SHERAWAT

Those from you who can guess, who said this, get a special prize from me. I'm joking- I am sworn to secrecy!

Now comes the interesting part. I asked , what is the one thing you want changed in the industry in the coming year

Media owners sang a common tune:

NO DELAYS IN PAYMENTS

BETTER ETHICS AND BUSINESS PRACTICES

A MORE ROBUST TV MEASUREMENT SYSTEM

Surely a 4800crore industry should not entirely decide on where to spend, based on what 4200 homes watch, he said.

A Print baron said **IF ADVERTISERS AND AGENCIES**

SPEND 25% OF THE TIME THEY SPEND ON TV,

THINKING ABOUT PRINT, THEIR ROI TARGETS
WOULD BE BETTER SERVED

Media Agencies want

FORMATION OF A MEDIA AGENCIES INDUSTRY

BODY, so that a common ground can be agreed to on talent

development, managing client expectations, controlling

unhealthy pitch practices and establishing remuneration

standards. Nearly all spoke about the NEED FOR A HIGHER

REMUNERATION STANDARD to exploit more

opportunities, in the interest of the advertiser and to attract

more talent and better meet client expectations.

Advertisers want a move away from EFFICIENCY BASED

PLANNING TO SOLUTION BASED PLANNING.

A CORRELATION BETWEEN WHAT IS CHARGED AND

WHAT IS DELIVERED,.

GREATER ACCOUNTABILITY AND TRANSPARENCY

FROM MEDIA OWNERS AND MEDIA AGENCIES and

MORE CREATIVITY FROM MEDIA AGENCIES.

What are the challenges that advertisers see themselves facing?

They vary from:

HOW TO LOWER TV COST

to HOW TO EFFECTIVELY REACH DIVERSE AUDIENCES.

Agencies see a major challenge coming from

TALENT MANAGEMENT and

GROWING EXPECTATIONS FROM CLIENTS

and SIMULTANEOUS UNWILLINGNESS TO CONSIDER AN INCREASE IN REMUNERATION.

Media owners are alive to the challenges they are likely to face from:

INCREASED COMPETITION and

ATTRACTING YOUNGER GENERATION TO PRINT MEDIUM

An erudite media owner spoke about the
COMMODITISATION OF MEDIA BY PLANNERS AND
BUYERS, on whom the nuances are completely lost.

As another media owner rued the fact that
A 6 MONTH TO 1 YEAR OLD TRAINEE BECOMES A
PLANNER AND SITTING IN FRONT OF A COMPUTER
SCREEN, DECIDES ABOUT ADVERTISING WORTH A
FEW CRORES, WITHOUT HAVING ANY
BACKGROUND OF THAT MARKET OR PUBLICATION
OR CHANNEL.

Some good news for media agencies. By and large advertisers expressed SATISFACTION AT THE CONTRIBUTION OF THEIR MEDIA AGENCIES TO THEIR BUSINESS AND **MOST VALUED** THEIR **CONTRIBUTION IN TERMS OF DEVELOPING INNOVATIVE CHANNEL PARTNERSHIPS** **AND** BRINGING ABOUT BUYING EFFICIENCIES, **BUT** MOST WANTED A GREATER EMPHASIS ON UNDERSTANDING OF CLIENTS' BUSINESS, **EMPHASIS ON INNOVATION AND MEDIA RESEARCH.**

Here's the **bad news**, **MOST ADVERTISERS BELIEVED THAT THEY WERE REMUNERATING THEIR MEDIA AGENCIES ADEQUATELY.**

H. HOW DO WE STRENGTHEN THE MEDIA FUNCTION?

Against this backdrop, let us see what we must do to further strengthen the media function and its contribution to the

advertising industry in general and advertiser community in particular.

1. People

Let us first start with the important **ingredient** **People**. There is no doubt in my mind that the only reason why we may fail in the future is because we have not taken adequate steps to ensure a steady stream of people with relevant talent and reasonable expectations into this discipline. What kind of people do we need to seek?

To paraphrase Bobby Kooka's words, obviously to start with, people **with** a **facility of numbers**. You've got to layer that with an ability **to understand business**, read the balance sheet, understand top line, bottom line and implications of ad spends on both these and CASH FLOW. Otherwise you are not going to find favour with the IBF-AAAI committee, or the newly emerging INS-AAAI committee.

And you have to layer on top of that, people **who** are **bold, imaginative, who can generate ideas**, who can persuade both

the client and the media owners. Can you expect to receive a steady and ready supply of people with such capabilities from the market? Without our doing anything about it. Obviously not? In this connection, **I must** compliment **MICA** for taking the bold step several years ago and more recently, **Lintas** for starting a one-year media programme for freshers. You need many more of these to be run by industry people, perhaps as an adjunct to our agencies rather than getting businessmen to enter this area. I cringe, when I read that in some months India's largest advertiser is not one of the names we are familiar with, but a management institute seeking students. Our lack of initiative in this area in the last 5 years has today resulted in a paucity of people at the mid level of management in the media function.

2. Commercial

Let us now look at another area, COMMERCIAL

We need to make up our mind on how do we want to be counted. Do we want to be seen as businessmen or do we wish to be counted as professionals? We certainly started as

being and wanting to be seen as professionals, but somewhere along the line we are getting the wires crossed. If you are in business, you have the right to perhaps squeeze the media and exploit the client relationship when an opportunity presents itself. And the advertiser, then has to institute a set of systems and processes in place to safeguard his interest against such exploitation. In my book it would serve all constituents better, if we occupy the high pedestal of being and wanting to be seen as professionals with a set of skills, capabilities and value systems. Our actions, then must reflect that. This would better serve our objective of wanting to be treated like the management consultancy wings of the traditional big Four, who we all aspire to be, because we know, they get away by giving a lot less, but get paid a hell of a lot more, but from only one source, the client. Let us have the guts and the courage to demand our price whether it be in the form of commission or a flat fee or a combination and reject those businesses who feel that the value we deliver is not worth the fee that we demand, rather than succumb to such clients and then quietly develop another source of income. Real Estate

brokers today in Bombay earn from both buyer and seller, so do some second hand car dealers. But then do we want to throw our lot with them? I know, today the world seems to respect only growth and size and billings and profit and everyone wants to get there in a desperate hurry. The media industry is after all a young industry and if we have to lay the foundation, as early settlers we will have to bear the burden of establishing the industry on sound footing. For all the global attention that India receives and advertising receives in India, India's advertising expenditure is only 0.3% of GDP. Not only is our GDP growing, so will the percentage of Advertising to GDP, so as I see it, there is going to be plenty to go around.

3. Media Agency Remuneration

I would urge large advertisers, to rethink their media agency remuneration plans and tie –in additional remuneration with additional innovative staffing, because I believe media calls for time- intensive work and even if the additional

remuneration results in one good CONNECT idea, the pay-off would be many times more.

Unfortunately we started off on a very low benchmark that we inherited from the West, where it works, probably well because the industry size is upwards of 200 billion US, that is 860,000 crores in Indian rupees and even that country's 100th largest advertiser, Kimberly Clark, in 2004 spent a hefty 342 million USD which in INR is about 1500 crore --- and we are applying the same percentages to a spend that is 100th of that (our 100th largest advertiser would spend between 10 and 15 crore) for a quality that is on par with, if not above Western standards. And in a market that is far more complex, because of its diversity.

4. Rates Vs. Value

You cannot discuss media without the subject of rates creeping in. But I suggest, and mind you I suggest this in the interest of advertisers and NOT in the interest of media owners, that let us shift the emphasis from rates to value. As media choices multiply, chasing lower rates without focusing

on receiving VALUE and IMPACT and RESULT for the brand is only going to make media richer. As the media ownership industry becomes more and more attractive, thanks to lowering cost of technology, and more and more industrialists wanting to become media moghuls and existing media moghuls wanting to expand their fiefdoms, these choices are only going to increase. To find how attractive the media is or it appears to be, you only need to see the PE ratios of media company stocks, compared to the rest of the industry. This is going to get many existing players into the stock market and what are they going to do with the money they raise. Offer us more media choice! Whilst increasing media choice may be good news for the reader or viewer, or the distributor or the journalist and production fraternity, the impact of multiplying media choices on the advertiser is disastrous. Whilst proliferation may lead to lowering of rates, which may seem attractive at first, the resultant fragmentation of readership or viewership, nearly always means an increase in unit cost and more importantly a phenomenal reduction in impact. The kind of impact that one could buy for a brand in

the days of Rajni, Buniyaad or Mahabharat was phenomenal and far exceeded the impact of a spot on the over rated SUPER BOWL. Print in Mumbai and soon in other metro cities seems to be getting ready to go the same route as TV, in terms of media choices and whilst this may be good news for aggressive media owners and some advertisers who are wanting to settle scores with monopolistic media moghuls, I don't think in the ultimate analysis, proliferation is good news for the advertiser, because, it almost always results in a sharp increase in price per "impact point". I wanted to avoid showing you any typical media charts, but have to show you 2. The first (SLIDE) shows you the increase in TV channels, now, hold your breath-277 at last count and the next (SLIDE) shows you its impact on advertising noise. The total advertising time beamed out to us as consumers has moved up over 5 years from 51 to 214 million seconds in a year and as a double whammy, the average duration of commercials has come down from 22 to 16. Imagine the clutter in the viewer's mind that you have to cut through. And yet, Punitha tells me India is only the 14th most cluttered market.

I increasingly see clients getting agitated about emerging media inflation in TV, after a gap of a few years, but to be fair to my media friends in TV media, I must mention that we are overlooking the increase in burgeoning number of people with purchasing power that the channels are now collectively reaching and our deep rooted concepts of GRP and CPRP do not take into account the increasing base.

5. Its no good, if I cant measure it

As the science of media increases and as we become more data savvy and whilst both these are very good developments, what is not a good development is the **increasing tendency** amongst both media planners and **advertisers to shun those options**, which cannot be measured, using hard data. I think this is a grave error that we are making and letting wonderful opportunity pass by, merely because it cannot be measured. After all everything in life cannot be in black and white. If it were, then you would not

need highly paid advisors and decision makers at agency and advertiser ends. Large advertisers are more guilty of this, than smaller advertisers. There's a life beyond numbers and whilst we need to grow our cubs on the rigid discipline and rigour of numbers, we need to also teach them, when to go beyond numbers. Lack of industry accepted measurement data in the outdoor area, is leading to a serious underutilization of this medium. For proof, ask mobile service providers, Zoom, DNA, all media in general and financial companies who seem to be swearing by outdoor. I do hope the MRUC sponsored industrywide measurement study for outdoor gets underway in the coming year.

6. Collaborate

Let us learn to actively **collaborate** without fear of somebody trampling over our shoes and worrying about whose turf it is, in the interest of doing a better job. Let us also develop a healthy respect and appreciation for those from other disciplines, related to communication and make a conscious attempt to understand the relative strengths of DM, PR, In-

film, Rural. Giving respect and recognition begets respect and recognition and this will enrich our professional lives and make us better media advisors.

And we need to collaborate with each other, too within the industry to develop healthy business practices. Perhaps the time has come for us to act on the suggestion, that there be a Media Agencies Association, to strengthen, nurture, regulate, and address our concerns. In my book it would be better if it could operate under the aegis of the much older, wiser and established AAI.

7. Rediscover

Let us routinely rediscover ourselves. Whilst the old adage “if it ain’t broke, don’t fix it”, held us in good stead, in the past, it is not going to, in future.

Let us continuously find new ways to do things faster , better, cheaper, more accurately with fewer mistakes and more responsibly. Otherwise the time is not far when like creative agencies, who have strong competition from talented, but small creative boutiques, a bunch of media boutiques will

come up that will provide intellectual capital and inventive solutions to demanding clients, whilst media agencies are still chasing CPRPs on Television. Any one heard of NAKED in UK. I believe, it is a boutique media shop in UK with prestigious, big ticket clients.

It doesn't require any intelligence or media savvy ness to realize that the biggest development in top cities in India is SMS. SMS, as a form of communication has reached alarming proportions, with millions of SMSs criss-crossing mobiles everyday. Channels have used it to great advantage to build their programmes through interactivity, almost all of them have their own short code and yet how many brands have a well thought out SMS plan?

8. If its safe , Its Risky

Let us learn to take risks for ourselves and for our clients Rich pay-offs come when you go down the un-trodden path and buy anticipated performance. Buying proven performance is

safe, but expensive and not going to bring you or the profession any glory.

9. Responsibility to advertiser and media

As I said earlier , this is a nascent industry and early settlers have to play their part. If I take a leaf out of **Madison's** Vision statement: “We need to show advertisers the importance of media in achieving their corporate goals and simultaneously we need to sensitize media owners to advertisers’ concerns and goals”.

10. The advantages of MULTI-MEDIA

Let us not ignore the benefits of a multimedia plan. The Complete Man responds to stimuli from different sources and just like how we cannot make a good meal from potatoes alone, whose price may be down, I would urge those advertisers who have abandoned Print, Radio and Outdoor to

take a re-look at atleast one of these media and augment their TV plans with these inputs. My friends from TV themselves agree that a plan with TV plus another medium, Radio and/or Outdoor would work better than TV alone, provided of course their channel is not the one being sacrificed!

At the same time I would tell those advertisers who have not yet discovered the magical powers of TV advertising to waste no time in using this medium. I discovered them over 20 years ago, with a program called RAJANI. Radio is yet another medium that is waiting to explode, what with FM going to over 300 cities. However, I hope that RADIO OWNERS, will recognize that when they have a vast network, they will have to be competitively priced, vs Television.

To see what industry feels about the role of the 30 second spot in today's media world, I requested The Economic Times to **conduct a poll** through their newspaper on the subject **“IS THE 30 SECOND COMMERCIAL ON THE WAY DOWN?”** May I request you to participate in this poll, right

away. SMS- ETIP to 8888 followed by, a), if you agree, b) if you disagree.

. And we can together get the answer tomorrow morning, in The Economic Times and on Exchange4Media.

11. Media Planners must consume Media

In my book, you cannot plan and buy media, without consuming it. We need to do something to ensure that our planners go home early to catch a bit of television and leave home not that early, so as not to find time to flip newspaper pages, in real time.

12. Media sellers must track the “pull” of a campaign in their medium

And if media planning and buying has developed as a media industry, the media –selling function too has rapidly developed. Media organizations today religiously track which advertiser’s ad is appearing in which publication and channel

and are quick to make a case to both the planner and advertiser as to why a wrong decision has been made, **but** **having** got a campaign how many **analyze, track, get feedback on what has been the pull, impact or result of the** campaign that was carried in their medium. This is the next stage of evolution that media sellers need to get into.

I. CONCLUSION

India is an idea whose time has come. Media is an idea, whose time has come. No power can stop both. That does not mean that every media professional in India will benefit from it. Only those who are ready for it, prepare for it, and are open to change, will. And the rest, **will** **(Shooting Monkey)**
(7930 words)
