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Global Media and Communications Industry

The development of global media in the last two decades has been shaped primarily by privatization of television and mass acceptance of new broadcast technologies in many European and Asian markets. Other major factors impacting the global media industry are relaxing of norms on media ownership, increasing parallel lifestyles in many urban areas across the globe and saturating demand for media products in developed economies of the world.



In 2005, worldwide spending on communications services grew by 3-4% to reach US \$ 1.2 trillion, of which advertising had a 33% share. United States had a 52% share of the global communications industry, followed by UK, France, Germany and Japan together having 23% and rest of the world contributing 25% of the total spends.

The next decade has the potential to change a lot of these statistics as the populations in most of the western countries are ageing and marketers are shifting their focus on neo developing markets. As per Goldman Sachs reports published recently, GDP of BRIC countries is set to overtake that of G6 in 2040 and this accelerated growth does present media and communications industry with the next growth paradigm.



In China half of the top 10 brands by ad spend are global brands and in Russia 8 out of the top 10 advertisers are MNCs.

As MNC's move towards growing populations and countries where GDP's are growing in double digits, most of the marketers will have to look differently at these rapidly growing economies.

Since 1991 advertising expenditure in US has increased by 104% (figure: 1) where as in Japan it has remained stagnant and so is the case for most of the top 5 markets. On the other hand, advertising expenditure in Russia and China has registered massive growth and this provides a vital pointer of future growth directions not only in these countries but also for the future growth areas for global communications and media; traditional as well as new media.

Did you know ?

- First episode of Nach Baliye 2 (Sep. 25th, 2006) picked up 27% channel share (ratings) in the 8:30 to 11:00 PM daypart on Sep. 25th mainly at the expense of Star Plus.
- Second episode of Nach Baliye 2 (2nd Oct., 2006) maintained the performance and its channel share for this daypart remained at 26.4%. [More](#)

What is Oxygen ?

Oxygen is an aMap (Audience Measurement and Analytics Ltd) publication that aims at bringing fresh perspectives to the practicing media professional. It will be our endeavor to inform you of the issues that are shaping the media industry around the globe and their possible impact on the direction in which Indian media industry could move.

Related Links

[BskyB - British Sky Broadcasting](#)

[Freeview UK's Digital Terrestrial Platform](#)

[Japanese Advertising Expenditure 2005](#)

[Dish TV](#)

[Tata Sky Active](#)

Table: Advertising Expenditure, US \$ bn

S. No.	Country	1991	2005	% Growth	S. No.	Country	1991	2005	% Growth
1	USA	82.2	168.0	104	10	Canada	3.7	6.5	76
2	Japan	37.2	38.7	4	11	Australia	3.0	6.1	103
3	Germany	14.3	19.0	33	12	Russia *	1.0	5.0	400
4	Great Britain	8.9	18.7	110	13	Brazil	2.5	4.2	68
5	France	8.0	11.5	44	14	The Netherlands	2.3	3.9	70
6	Italy	5.0	10.0	100	15	Mexico *	1.8	3.6	100
7	China	0.3	9.7	3133	16	Poland *	0.6	3.3	450
8	South Korea	2.0	7.6	280	17	Belgium	1.0	3.1	210
9	Spain	5.3	6.9	30	18	Greece	0.3	2.9	867
Contd.					19	Switzerland	2.4	2.8	17

* 1996 figures

The US has hitherto accounted for about half of worldwide advertising and marketing services spending, with the most prominent non-US markets being Japan, Germany, UK, France, Italy and Spain. That is changing. Asia Pacific, Latin America, Africa, the Middle East, and Central and Eastern Europe are becoming more and more significant, as multinational corporations build their businesses where populations are growing. - Sir Martin Sorrell, 2005

Broadcast Media and the Role of Technology

It is the audience that makes television a truly mass medium; at the same time it is the television programming that creates its mass appeal. Interacting with audio-visual content and adapting ones television schedule to personal preferences in itself are not completely new; rapid advances and dispersion of technology into the general populace has bought this to the fore.

Hitherto television viewers have developed their own ways to interact with the televised content, which takes the shape of zapping, sms's, participation in phone in's and the innocent lunch time conversations. Digital technologies offer more and sophisticated possibilities for engaging with media content: directly, simultaneously and through electronic means.



Technology mediated interactivity is the biggest catalyst for changes occurring in the media landscape blurring the boundaries between traditional 'lean-back' media (TV) and 'lean-forward' media (PC).

BBC and BskyB have pioneered the concept of interactivity through interactive advertising, banking, gaming, betting and gambling and also through personalized camera angles (in sports broadcast) and at times getting to choose between simultaneous live matches (UEFA Champions League September 2003).

A caselet on BskyB ([click here](#))

India: Infotainers, Marketers and Technology



REGULER FEATURES

- [TV Competition Grid](#)

BskyB AND FUTURE GAZING

There was huge amount of skepticism in the British press and European media circles when Sky announced its UK plans as it was up against British Satellite Broadcasting initiated by Pearson, Granada and Virgin... [More](#)



Lack of addressability has been the bane of Indian Television distribution. With terrestrial broadcasting out of bounds for commercial broadcasters and huge delays in setting up of DTH guidelines, both Indian consumers and media conglomerates are betting big time on this technology to meet their objectives of high quality content with proper subscriber management system.

Taking a cue from the British DTH operations, it is expected that the existing players are going to launch a slew of marketing and technological wizardry to attract as many consumers to their fold as possible. We already have STB's with personal video recorders and interactive sports and news channels.

It is imperative for the DTH provider to tie up with a strong telecom partner for providing a return path which is essential for interactive service like shopping, banking and may be gambling or betting (laws permitting).

As is evident from the BRIC push that global marketing and communications industry is making; we are in for interactive times.

After the break

November issue of Oxygen will present insights from our National Panel, including data from markets that have never been reported on.

Please feel free to send in your comments to Ravi Dixit - Director Research and Knowledge Management (ravi.dixit@audiencemap.com) and we can assure you that we will try and respond to all your information requirements through this periodical.

Periodicity

This periodical is mailed to its subscribers on the first working day of every month. If you have received this as a forward, write to oxygen@audiencemap.com for your own copy.