

## **Are Advertisers Shifting from TV to Social Media?**

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### **Abstract:**

Is advertising in social media better (in terms of Advertising RoI) than advertising in TV?

Does advertising on social media deliver better customer action than advertising on TV?

These are questions today's advertisers and media planners are deliberating upon. The below article provides a picture of the Television media scene and the social media scene globally and also in India

The article also provides means of measuring the Advertisement RoI on both Television and Social Media and provides inputs on the media strategy to be followed for today's changing media scape

### **The Global Media Scenario:**

In the realm of marketing, television reigned as the undisputed champion for well over six decades. Iconic TV commercials have been ingrained in our memories and become beloved classics. Think about commercials from brands like the Bajaj scooter commercial or Coca-Cola, or the Cadbury's Dairy Milk commercials that made us both laugh and cry. TV is a medium that has held a central and transformative role in our lives.

But in the modern, high-speed digital era, traditional TV has waned in popularity, and social media has captivated the attention of consumers seeking efficient and personalized experiences. Gone are the days when traditional TV dominated as the primary source of entertainment and information; now, social media platforms have taken the lead, reshaping the way we engage with content

### **The Rise Of Social Media**

The rise of social media is undeniable. Platforms like YouTube, Instagram, TikTok and Facebook have become content hubs, captivating the attention of billions worldwide. This year, social media users will grow to an estimated 4.89 billion - an increase of 6.5% from 2022.

Social media use is driven by a combination of factors, including the accessibility of smartphones and the internet as well as the diverse range of available content. The average internet user spends more than two and a half hours a day on social media platforms—that's 30% more time than they spend watching traditional TV

### **The Decline Of Traditional TV**

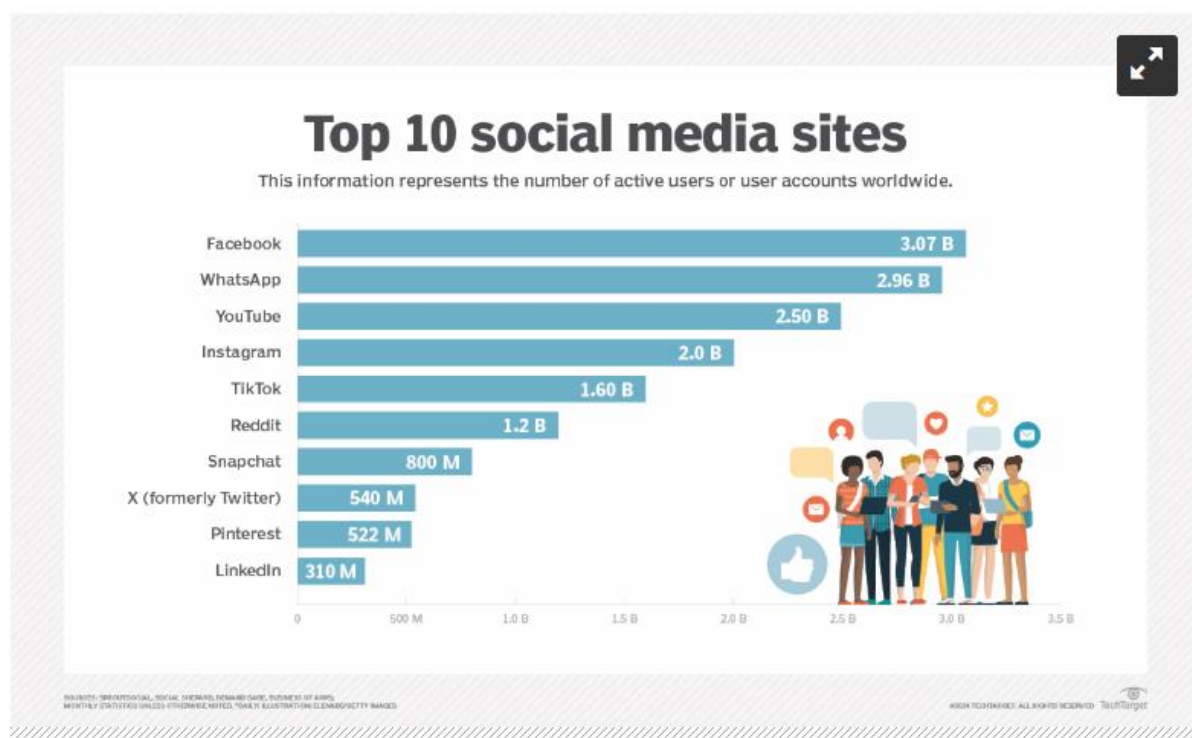
Younger viewers, in particular, are now spending significantly less time watching traditional TV. This is likely driven by the convenience of accessing personalized content on the go, and of course, by the shift to streaming media. A substantial 90% of 18- to 24-year-olds now prefer streaming over traditional broadcast TV. Viewers aged 16 to 24 spend an average of just 53 minutes a day watching traditional TV, representing a two-thirds decline over the last decade.

In contrast, those aged 65 and older allocate almost six hours of their day to watching broadcast TV.

You might wonder why streaming TV hasn't taken traditional TV's place when it comes to marketing, rather than social media. While streaming has revolutionized TV viewing and gained immense popularity, it can't surpass the impact of social media. Social media provides instant engagement, precise ad targeting and the potential for content to go viral, creating a highly engaging and personalized experience for both users and advertisers. This is something that both streaming and traditional media can't replicate.

### **Engagement And Interaction On Social Media Vs. TV**

One of the compelling reasons why social media has assumed a dominant role in media consumption is its capacity for two-way communication between content creators and viewers. Social media platforms provide an interactive environment that keeps users engaged. The ability to like, share, comment and participate in live interactions fosters a sense of connection and involvement.



### **The Power Of Influencers And User-Generated Content**

Influencers and user-generated content have taken centre stage in the realm of social media. Online personalities wield significant sway over their followers, influencing brand choices and purchasing decisions.

By leveraging influencers and user-generated content, businesses are changing the advertising landscape, enhancing brand reach in a way that traditional television struggles to achieve. This shift is characterized by the personalization, connection and influence that social media offers, which are essential elements of a successful

marketing strategy. Consequently, many marketers are leaving traditional TV methods behind and embracing the social media and influencer wave.

### **Targeting And Personalization On Social Media**

Another standout advantage of social media is the precision of ad targeting. Data analytics and advanced algorithms enable businesses to reach specific audience segments with tailored content that resonates with individual preferences.

While traditional TV can also employ targeted marketing, social media is usually more efficient and effective.

### **The Indian TV industry:**

The number of television households in India stood at 226 million in 2022. TV households were expected to grow to 248 million by 2026.

### **More channels, more choice**

With 900 channels to choose from, people are spoilt for choice with categories ranging from regional TV shows, to international shows and general entertainment categories and so on. The Hindi general entertainment category channel “Dangal” had over one billion weekly impressions in 2019. The Hindi-speaking market dominates the viewership of the television industry with over ten billion impressions in 2017. However, the presence of several regional language channels among the most watched TV channels nationwide was a powerful reflection of multicultural identity.

### **Daily entertainment**

With an average of almost four hours spent watching television every day, the television viewership has been on the rise. Despite the availability of cheap data and the rise of entertainment streams like Netflix and Hotstar, the dedication and comfort of having the evening Chai in front of the television seems irreplaceable.

### **Competition:**

Despite facing fierce competition from digital media, television accounted for over 40 percent of the total advertising expenditure across India in 2022. A consistent share in ad spending was a sign that television was still the leader in the ad business. In 2022, the revenue generated from TV advertisements amounted to over 300 billion Indian rupees. The FMCG and telecom industries continued to serve as the chief advertising verticals on television.

For Indians, the shared experience of commenting on soap opera episodes, dramatic movies and exciting sporting events can be a source of community. This has expanded to the digital markets in recent years. The rise of the video streaming market has further reformed media consumption habits in India. Moreover, as an increasing number of urban households switch to connected TVs, viewers have adopted a hybrid style that combines live television with streaming content on platforms such as Disney+ Hotstar and Netflix. Interestingly, the past couple of years have noted a slight decline in live television viewing and an increase in on-demand content consumption

Television viewership in India measured an average minute audience (AMA) of approximately 1.5 trillion in 2023. It indicated a slight recovery from the declining trend that emerged post-pandemic, although remaining below viewership levels recorded in 2020. Despite the dip in viewership, television continued to be the country's largest medium, reaching over 200 million households.

## **What is India watching?**

Most Indians either sought entertainment in the form of their favourite TV series, or sports or tuned into the news of the day. The entertainment genre's dominance within television consumption was quite evident in the abundance of general entertainment channels available to viewers in nearly all the major Indian vernacular languages. Comedies were a popular genre. Meanwhile, sports drew its viewers primarily from the vast population of cricket enthusiasts in the country, with Star Sports 1 Hindi being the most-watched television channel overall.

## **The era of connected TV**

The Indian media and entertainment sector has been at the forefront of the digital revolution, being the first to adopt or adapt to innovative technologies. The television sector was no exception. With the irrevocable penetration of streaming and over-the-top services in the video content segment, an increasing number of Indian households are switching to connected televisions. Hybrid viewing has become the norm with viewers able to stream the latest web series and consume live television on the same device.

In the week spanning March 30 to April 5, 2024, STAR Sports 1 Hindi remained the leading television channel in India, with a weekly viewership of over 2.6 million average minute audience. The following two positions were occupied by general entertainment channels in Hindi and Telugu, namely Dangal and STAR Maa, with over two million viewers each. STAR Sports 1 Hindi was the sole sports channel to feature among the top television channels in India during that week.

## **Evolving viewership demographics**

In recent times, India's viewership demographics have undergone substantial transformations. Television viewership has declined across various age groups, with the largest viewer segment aged 31 to 50. This shift can be attributed to the increasing preference for connected TV and exclusive video streaming over traditional pay TV. Surveys indicate that urban consumers aged 25 to 34 are at the forefront of these changes, driving video streaming and influencing television consumption trends, reflecting the evolving viewer preferences in India.

## **Streaming strengthens its hold over the Indian market**

OTT platforms in India have witnessed significant growth, providing a wide range of content options. India's leading OTT players, including Netflix and Amazon Prime, alongside homegrown platforms like Jio TV and Hotstar, have saturated the market with international and local entertainment. Notably, YouTube was the leading streaming platform in the country in terms of unique visitors, surpassing all rivals

## **Advertisers:**

Hindustan Lever Ltd once again overtook Reckitt Benckiser Limited in 2024 as the leading TV advertiser across genres in India with an ad volume of over 350 million seconds. Nine out of the 10 leading advertisers belonged to the FMCG category that year. ITC Ltd was the only conglomerate on the list with businesses across five segments including FMCG, hotels, and technology

The revenue collected from television advertisements across India in the year 2023 amounted to 297 billion Indian rupees. This was a decline by 6.5 percent attributed to the reduced number of brands advertising on the medium.

National television channels saw a nine percent drop in ad volumes. However, forecasts suggest a recovery in TV advertising 2024 onwards.

### **Television advertising continues to flourish**

Pandemic aside, an extensive mass reach and reliability, television continued to lead in the Indian advertising market. Despite significant digital penetration in the industry, television still draws clients from a wide array of sectors. In 2019, FMCG related advertisements on Indian television registered a massive 40 percent growth. Telecom and e-commerce also showed positive growth. Over the years, investors have shown constant faith in TV advertisements. Television ads accounted for 37 percent of the entire advertising expenditure across India in 2019.

### **Strong presence of regional languages**

The regional languages in India are the main growth drivers for television viewership. While Hindi continues to dominate, other local languages were not far behind. Regional languages accounted for a significant share in television consumption in India. These formed the majority of advertising revenue generated on television. Tamil, Telugu, and Kannada accounted for 20 percent of the total TV ad revenue.

The FMCG sector was the largest investor in the Indian advertising industry in 2023. With 34 percent of the total spending, the vertical invested more than 300 billion Indian rupees into advertising that year. Other major investors included the e-commerce and the consumer durables industries.

### **The future is digital**

With a rising digital population, India is one of the fastest-growing digital economies in the world. Both the public and private sectors in the country have shown an optimistic consumption growth. The advertisement business is no stranger to this transition. Despite the affordable pricing, broader reach, and immense popularity have led to tremendous expansion, digital advertising has not yet overtaken the conventional means yet. In 2019, television advertising, with more than 300 billion Indian rupees in revenue, was still ahead of digital marketing.

The digital ad revenue in the country is projected to be worth almost 540 billion rupees by fiscal year 2024, while the television and revenues was projected to reach about 455 billion rupees. These numbers clearly show that India is heading towards a digital advertising future.

### **Big bucks for digital advertising**

The reasons for this surge in India's digital advertising are clear. Rising penetration of affordable and speedy internet, along with an increase in vernacular content consumption make up the tip of the iceberg. Along with this, big-moneyed industries such as banking, financial services, and insurance are increasingly experimenting with non-traditional media platforms such as YouTube and Instagram stories to connect with users.

The digital advertising industry across India grew to a market size of over 400 billion Indian rupees in the year 2023, a considerable leap from the market size in 2016. Owing to the progressive growth of the digital media market in India, digital advertising was projected to expand to over half a trillion Indian rupees by 2024, reflecting the rising trend that developed over the past years.

### **Social media advertising**

As internet accessibility in India continues to expand, content consumption has seen a significant shift toward online platforms. Notably, India boasts the highest number of YouTube users worldwide. Given the potential of social media to reach a wider audience, it is expected to remain a prevailing trend in India's digital advertising landscape. In March 2023, YouTube emerged as a frontrunner, with an advertising reach of around 460 million users across the country. Meta platforms such as Facebook and Instagram also demonstrated substantial reach.

### **Digital advertising revenue**

In 2022, the revenue from digital advertising in India surged to almost half a trillion Indian rupees and is expected to continue growing in the future. This can be attributed to businesses' increasing dependence on digital advertising to connect with their target audiences and capitalize on technology and data-driven strategies. Some of the leading industries that invest heavily in digital advertising include the FMCG and e-commerce sectors.

As India's content consumption moved increasingly to online platforms, advertisers also followed their audiences to the digital world. Among the various industry verticals in the country, the telecom sector devoted 64 percent of its total ad expenditure in 2023 to digital. The e-commerce sector followed second and was the only other vertical to allocate over 60 percent of its ad spend to the medium.

### **Ad spends by format**

Online ads made up the highest share of the digital media expenditure by the FMCG sector that year, spending 36 percent of their digital budget on it. However, most Indian business verticals preferred social media ads to online video ads. In 2019, about 28 percent of digital advertising expenditure in India was spent on social media compared to a 22 percent ad spend on online videos.

### **Social media ads win the popular vote**

This is not surprising when one looks at the massive social media user base across India. As of January 2020, Facebook had an advertising reach of around 260 million users across India. This was the largest audience base reached via advertising in the country that year, followed by Instagram and LinkedIn with a reach of 80 million and 62 million users respectively. So long as social media platforms continue to facilitate a wider audience reach, advertisers will lean towards them for higher return on investments.

### **Advertising RoI :**

In the past, advertisers may have been able to get away with generating page views or likes. Those days are long gone. Now we need to be able to produce measurable results to both determine and present our digital marketing ROI.

Today's digital marketing ROI is about painting the complete picture. Sure, exposure, awareness, and social results are important. However, we must also be able to demonstrate and value you create for every advertising Rupee spent

With only 18% of TV marketing campaigns generating a positive ROI, y digital marketing campaigns are guaranteed to be an improvement over traditional advertising media.



What advertisers need is a powerful digital marketing strategy built with ROI at its core. Since the turn of the millennium, spending trends have leaned toward short-term results. In turn, long-term marketing initiatives have dropped off.

A Facebook Ads campaign may provide the financial spike we need to reach the quarterly profits goal, while content marketing establishes the brand authority and showcases the expertise that keeps clients heading your way for years to come.

Today we have the ability to measure return on effort and investment in ways never before possible. We can monitor conversions in real time (rather than just impressions). This gives us the ability to determine the influence of minor campaign changes on our financial return as we implement them.

In the long term, brand awareness and persuasion through dozens of touchpoints is an increasingly paramount factor to consider in your overall digital marketing ROI. However, **brand awareness, perception shifts, and all sales influenced in the long term can be difficult to measure.** This fact increases the importance of determining your financial ROI figures and building a system to track them.

That said, even short-term campaigns (special offers with a deadline, etc.) can have an influence on long-term ROI. If you derive one new sale from a special offer, your short-term ROI improves. If this customer then returns several times over the course of a few years, long-term ROI (also known as customer lifetime value or LTV) is also positively stimulated.

**It's important to consider both the short-term and long-term benefits, the immediate financial return, and the long-term effects of positive awareness generation and LTV.**

Brands measure ROI (Return on Investment) from TV advertising using several methods and metrics. Measuring ROI from TV advertising is multifaceted and often requires a combination of quantitative and qualitative methods. By analyzing data from various sources, brands can gain insights into the effectiveness of their TV campaigns and make informed decisions for future advertising strategies.

### **ROI of TV advertising:**

Here are some key approaches:

#### **1. Sales Data Analysis**

- **Before-and-After Comparison:** Brands compare sales data before and after a TV ad campaign to identify any changes in sales volume.
- **Control Groups:** Some brands use control markets (areas where the ad is not shown) to compare performance against test markets where the ad runs.

#### **2. Attribution Models**

- **Multi-Touch Attribution:** This method assigns value to different marketing channels, including TV, based on their contribution to conversions.
- **Last-Touch Attribution:** This model credits the last channel (e.g., TV ad) a consumer interacted with before making a purchase.

### 3. Brand Lift Studies

- Conduct surveys before and after the campaign to measure changes in brand awareness, perception, and intent to purchase among the target audience.

### 4. Web and Social Media Analytics

- **Traffic Analysis:** Monitoring website traffic spikes during and after the campaign can indicate effectiveness.
- **Engagement Metrics:** Increases in social media mentions, shares, and interactions can also suggest a successful campaign.

### 5. Customer Surveys and Feedback

- Directly asking customers how they heard about the product or service can help gauge the impact of TV advertising.

### 6. Cost-Per-Action (CPA) Analysis

- Brands calculate the cost of advertising against the number of actions taken (like purchases or sign-ups) attributed to the TV ad.

### 7. Digital Integration

- Many brands are integrating TV campaigns with digital marketing efforts. They can track online behavior (like searches or visits) that correlate with TV ad airing times.

### **ROI of Social Media advertising:**

Calculation of Social Media advertising ROI depends on the objectives of your organization and the metrics you use.

For example, is brand awareness a priority for your social media, or is it lead capture or sales? When creating your ROI metrics, bring them back to the objective and goal of your activities to prove value.

There are many social media goals you can choose. It really depends on your core objective, which could be:

- New followers
- Click-through rates
- Conversions
- Completed lead generation forms
- Downloaded files (e.g. eBook, whitepaper)

Common metrics to help measure social media ROI include:

- **Engagement** - as one of the most common and valuable metrics, engagement on social media shows the level at which people are interacting with your content and brand. [Altimeter research](#) found that over a

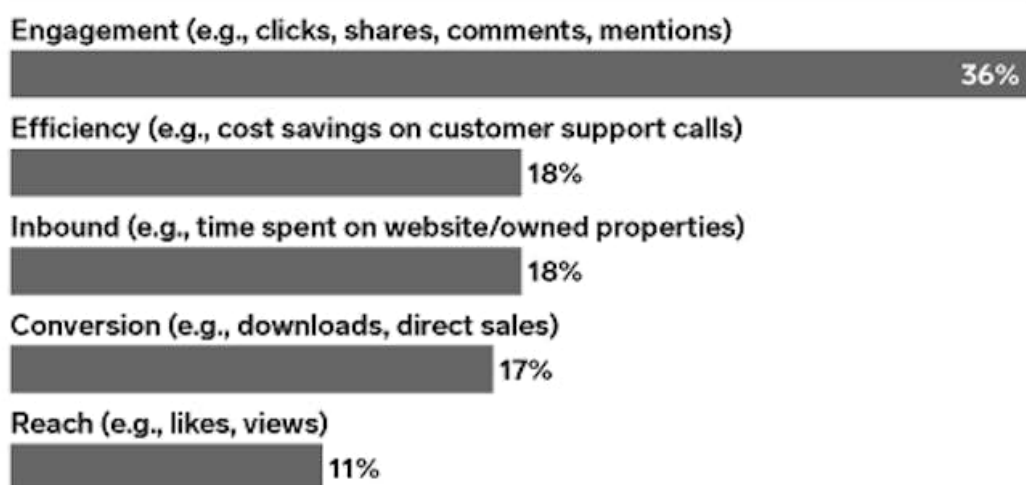


third of content executives use engagement as a metric to gauge performance. Types of engagement metrics include clicks, shares, likes, and brand mentions.

- **Reach** - This metric is all about who sees and interacts with you on social media. It's about audience size and shares, it looks at how far your social media content travels and is seen. It can be harder to measure than engagement as it only looks at how many people saw your post, but it's important to track
- **Leads** - Social media plays a role in lead generation and it's important to know which channels provide leads and what content drives those leads. For ROI you want to be able to link your campaigns to activity so knowing your lead counts is useful to show performance
- **Conversions** - When you put so much effort into your social media content and posts, it's important to know at what level they convert. The easiest way to do this is to use UTM parameters on the links so you can track clicks by campaign and platform

## Most Common Metric Content Executives Worldwide Use to Measure How Their Content Is Performing, March 2021

*% of respondents*



Note: n=375

Source: Altimeter, "The 2021 State of Digital Content," May 14, 2021

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eMarketer | InsiderIntelligence.com

A mix of traditional and digital/social advertising and promotion is a sound business decision. Many companies still shy away from leveraging social media for advertising purposes

Not including social media advertising as part of your marketing plan is a huge missed opportunity.

According to a Deloitte research, older age groups prefer consuming traditional news sources. Seventy-two percent of 45- to 54-year-olds and 77% of 55- to 75-year-olds prefer watching TV news and other TV programs for news. Only 39% of 18- to 24-year-olds said the same

Traditional media sources work by connecting directly with consumers and clients alike. Where online media sources and advertisements may connect to a wide audience, a large portion of that audience is spammers, bots, and those interested in hacking activities which run alongside real live users. **The benefit of a more traditional media source, such as a newspaper or a television advertisement is that it works by interacting with real people in real time.**

For this reason, they generate an impact that online media can't necessarily fulfil. Specifically, television advertising use the intersection of sound and image to create an emotional connection with potential clients. Therefore, many may argue that traditional forms of media are more trustworthy than newer, digital or technologically advanced media outlets.

It is also important to note that plenty of digital media only reaches a specific audience. Older generations may not have integrated these newer technological devices into their daily lives, and will still look to the television or radio for information.

As per a recent Harvard Business Review article , According to data from the 28th Edition of The CMO Survey, on average, marketers reported an annual *decrease* in traditional advertising spending of -1.4% between February 2012 and 2022, compared to an annual *increase* of 7.8% for overall marketing budgets during this same period.

However, recent evidence suggests that a shift is underway. In contrast to the historical trend, in August 2021 and February 2022, marketers predicted that traditional advertising spending would increase by 1.4% and 2.9%, respectively.

Consumer-facing companies are leading the shift, with B2C service companies predicting the largest increase in traditional advertising spending (+10.2%), followed by B2C product companies (+4.9%). Further, and somewhat ironically, companies that earn 100% of their sales through the internet are leading this inflection — predicting an 11.7% increase in traditional advertising spending over the next 12 months

## Conclusion :

In conclusion , it is crucial to keep in mind that traditional Television media is still relevant, and could be even more relevant depending on the target audience .

There has to be a proper mix of both Television and Social Media for better reach and awareness and hence for a better Advertising RoI

Also the objective of Long Term and Short Term results also need to be considered while arriving at the media plan

## Acknowledgements:

- 1) Statista report by Tanushree Basuroy on 15<sup>th</sup> April 2024
- 2) Bob McKay , Forbes.com , Dec 1, 2023
- 3) Alexander S Gillis on Techtarget.com
- 4) Harvard Business Review article by Christine Moorman on 29<sup>th</sup> April 2022