

Innovations in Placing Advertisements on Television: An Analysis of News Channels in India

Shilpi Jha, ManavRachna International University, India

Abstract

An accepted fact worldwide is that, advertisements are the most important source of income for any media product. However, in case of News channels in India, they are the only traditional source of income because the other source, 'subscription' is more of an expense head than a reliable stream of income. This is because, while, a majority of news channels in India are not paid for, all of them have to spend a lot of money for carriage of their signals and placing them at a prominent position in the list of channels as compared to their competitor. According to FICII KPMG media and entertainment industry report 2012, news channels are paying subscription fees which are disproportionately higher than their revenue from subscription. Since this has left news channels over dependent on their advertisement income, they are ever exploring new ways of placing advertisements on screen. While on one hand this has left their screen space highly cluttered on the other hand the marketing teams of news channels are creating a lot of innovations to integrate their news content with the advertisement. This paper has reviewed different news channels and after discussing with media marketing and media planning experts has tried to categorize different ways of placing advertisements on television which are being practiced today.

Keywords: Advertisement, India, Innovations, News Channels, Subscription

Introduction

“News is a commodity, not mirror image of reality.” (Hamilton, 2004) News channels in India have learnt the lesson quite well and have also realized that a good product can always be made better yielding through effective marketing and placement skills. India has the highest number of news channels¹ in the world and Indian news channels perhaps have the most cluttered screen space as well. A look at the television screen, while one is tuned into any of the news channels, and it is quite clear that these channels have acquired a lot of creative skills in placing advertisements where ever it is possible to fit them. From headlines to special reports and from ticker space to weather report, the attempt is to generate segmented sponsorships. Thus, the more number of segments a news wheel has, more number of sponsors it can aim at having.

Although there is no official categorization of ways of advertising on television and new ways keep getting innovated every now and then, advertisement on television can be divided into some popular forms based on their composition and ways of showcasing. These categorizations have been made on the basis of observing around 15 national news channels and consulting with marketing managers of news channels as well as media buying experts.

Standard In-break ads:- The oldest and still the most popular (in terms of volume) way to advertise on news channels is to buy bulk airtime and let the commercials be aired during the break. It is commonly accepted that the first commercial aired after break is announced and the last one before news wheel is resumed have maximum visibility among audiences. Normally, channels place commercials on these sought after spots on a rotation basis. However, if an advertiser particularly asks to be placed on these spots on a regular basis, premium is charged.

Advertisement on Tickers:- Revenue maximization efforts have resulted in advertisements encroaching upon ticker spaces as well. Tickers, are the text scrolls running at the bottom of TV screen and are primarily used for news updates. Since its only text advertisement, apart from saving the cost of making ad films, these spaces are much cheaper for advertisers.

¹ According to the Ministry of Information and Broadcasting in India, As of December 2012, India had around 411 licensed news channels out of which the industry estimates around 250 channels broadcasting and competing in the market. These news channels broadcast in English, Hindi and over a dozen other regional languages being spoken in India.

Non Free Air Time Commercials:- These type of promotions include advertising through any kind of graphic while the content is still being shown on screen. So, while an anchor is reading out or some news visual is being shown and a logo or a band in shape of alphabet L endorsing any product peeps in, it is a result of a lot of brainstorming by both the marketing team of the channel and the creative team of advertisers. As much as these disruptions irritate a viewer, creating disturbance in the viewing pattern, for channels, they come with a lot of premium. Since, these commercials are shown along with content when viewership is more than that of breaks, they are 30-40% more expensive than in- break advertisements.

Program Sponsorship:- As discussed in earlier segments, programs are sponsored for a better visibility and establishing a long term association with viewers. Advertisers and media planners typically look for a program which can help them talk convey about their product in a subtle manner without being too loud or over the top. Since, sponsorship always means more money than in-break ads, it has by and large become the yardstick for measuring success of any television news program. Though, it ensures regular flow of money, sponsorships come packaged with their own share of obligations for channels. Sponsored programs are very rarely dropped or postponed even during most important breaking or developing news situations.

Segment Sponsorship:- News channels try hard to get their particular segments from their general news wheel sponsored. Although many a times there is no direct co-relation between the product and the sponsored segment like Signoraware sponsoring headlines on AajTak or Berger Weather Coat sponsoring weather report on its sister concern Headlines Today. However, since general news wheels along with all its segments are repeated several times a day, it creates a repeated brand recall and visibility among sponsors.

Advertiser Funded Program (AFP):- The concept of advertorials is not new to print media. Over last couple of years, television has also adopted it at a quick pace. Known as advertiser funded program in media circles, it involves leasing out a fixed slot for a period of time and earning money through it in bulk. The most popular advertiser funded program on news

channels so far has been “The NirmalDarbar”² or “The Third Eye of Nirmal Baba” which at one time was aired on as many as 36 channels. The much controversial religious guru used to spend chores of rupees on getting his interaction with his followers aired on various channel in the early morning slots. Channels later were forced to discontinue these programs when the self-proclaimed Godman was dragged into courts on several counts of cheating, spreading blind faith and hurting religious sentiments. Indian Broadcasting Federation (IBF)³ took a tough stand on this issue and asked it member channels to stop telecast of the shows. Several channels which had sold their hourly slots to him had to stop showing his programs and soon the number of such shows came down to 19.⁴ However, these controversies fiddled out soon and the baba with his durbar was back on some of the very same news channels which were doing reports against him. Telemarketing is another major segment to which bulk advertisement slots are sold. Most of these slots are placed in early morning (before 7am) and late night (post-midnight) time bands.

Apart from these, news channels have advertorial slots sold to various sponsors on once a week basis. The idea behind these shows certainly banks on the hope that viewers do not differentiate between news worthy content and advertiser generated ones. Advertisers can get these shows produced from outside vendors. However, channels are more than willing to produce them in house for some extra money. Although channel claim that they have a separate team for such shows, many a times they are anchored by the mainstream anchors, thus, making the line of demarcation between news and advertisement even thinner.

Corporate Social Responsibility:- Wikipedia says that Corporate Social Responsibility (CSR) is a form of corporate self-regulation integrated into a business model. CSR is a process with the aim to embrace responsibility for the company’s actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere who may also be considered as stakeholders.

²Nirmal Baba is a controversial Hindu preacher who is known for providing hilarious solutions to people’s misery.

³IBF is an industry association body of major broadcast companies of India which together own 250 channels across the country. It was formed in 1999 to promote the interest of Indian Television industry.

⁴Information based on several news reports during April-July 2012 on this issue.

However, in the world of news television advertisement, CSR has almost become an extension of getting companies sponsor a show or series which advocates a cause of social and environmental welfare. According to dictionaries of marketing and business, these exercises can more closely be termed as Cause Marketing or Cause Related Marketing which broadly refers to any type of marketing effort for social and other charitable causes which mutually benefits both the organizers and the company funding it.

During personal interviews, marketing teams of news channels very excitedly explain how attaching a social cause to a program increases their chances of getting advertisement or sponsorships from companies which otherwise are not very keen on allocating a considerable chunk of their budget on standard advertisements. This generosity of corporates for funding social initiatives has come out of their need to be seen in right quarter. They try to make sure the brand image is strong and want to associate them with the content which doesn't overtly get linked with their current brand. It is a deliberate attempt by them for investing in something which will help generate revenue in future. NDTV's ⁵Toyota Greenathon campaign is one such long running campaign aimed at promoting awareness about environmental issues and involving common citizens with the cause. This multidimensional campaign organized a lot of events from Green marathons to fund raising events for providing solar power to villages and clean up drive for river Yamuna.⁶ Its immense popularity made sure that Toyota's brand positioning gets embedded with environment awareness.

A similar campaign by Zee news⁷ "Aapka Vote Aapki Taqat got a lot of support not only from corporates but also from the Election commission itself. It was an awareness campaign for voters across the country for recognizing the strength of their vote and as association with the election commission gave a lot of credibility to the campaign. Similarly, coffee outlet chain Café Coffee Day provided space for out of home advertisement (hoardings etc) free of cost and made sure that television sets across its outlets were tuned in to the channel while the show was being aired. Although they were not exactly sponsorships, these associations on

⁵ NDTV is one of India's oldest news production houses which earlier used to create content for Rupert Murdoch's Star News in India. The group launched its own news channels in English and Hindi after parting ways with Murdoch in 2003.

⁶ NDTV Greenathon website. URL: <http://green.ndtv.com/aboutus.aspx>

⁷ Zee News is another one of the oldest Indian news channels launched by Zee Media which owns a host of other regional news channels as well as General Entertainment and Lifestyle channels.

one hand helped the channel to expand its reach, on the other hand made it much easier for them to get sponsors.⁸ The show ran for several sessions during general and assembly election and its huge popularity brought a lot of appreciation to the channel as well.

In terms of their planning and execution, these two examples are not exactly the replica of each other. In first case, the corporate is directly sponsoring the event and getting its brand placed as a environment conscious one whereas in the second case, although the brands were not exactly paying to be placed with the show they did reduce the cost for the channel by sharing their infrastructure with them. Both the initiatives, however, served the corporate social responsibilities of stakeholders, the corporate as well as the channel.

Cross-Promotion:- It is very common form media companies belonging to same or different technical platforms to promote each other using their mass audience base. These strategic partnerships give them better visibility with each other's target audiences and thus ultimately generate revenue. During the latest season of KaunBanegaCrorepati (KBC)⁹ news channel AajTak¹⁰ was seen promoting the show through its content whereas it also got a single logo plate during the end of the much popular quiz show. AajTak would also receive the exclusive footage of the winners of the show before any other channel.

At time channels cross the line with these kinds of promotions. A recent example is Star Plus's attempt to promote its show "KehtiHaiTumseKuchKhamoshiyaan."¹¹ During September 2012, a known news anchor of ABP news¹² was seen making announcements about a NRI girl GauriBhosle who supposedly went missing soon after landing in India. The way this whole issue was being promoted on the network, it created a lot of sensation across the country. More so it was being promoted by a news anchor on a national platform.¹³ When the actual truth came out there was a wide public criticism for promoting a fictional show in

⁸Personal interview with AnamikaNath, Marketing manager of Zee news at the time of the campaign on 18th September, 2012

⁹ KBC is the Indian version of Who Wants to be a Millionaire being successfully anchored by India's biggest movie star and run for the last 13 years

¹⁰ AajTak is considered as one of India's most popular Hindi news channels.

¹¹ Literal translation of this title is 'The silences are saying something to us.'

¹² ABP news is a national news channels which was previously known as Star News and was co-owned by Rupert Murdoch's News Corporation

¹³ This however led to another controversy when a girl from Saharanpur (A small town in the province of Uttar Pradesh in North India) actually created sensation by posing as GauriBhosle and faking her kidnapping.

the form of news using real news anchors. Eventually, the initial sensation could not be translated into sustaining the buzz.¹⁴

News channels do a lot of cross promotion with film crews during their prerelease promotion drive. During the promotion of PrakashJha's critically acclaimed movie Rajniti, STAR (now ABP) news tied up with the film crew and did a five city tour with the cast. Film's lead cast interacted with general public on one socially and politically relevant issue in each city. On one hand immense popularity of the film star among Indian audiences helped the series become fairly popular and on the other hand it served the marketing purpose of the film by linking its central theme with the public interest. This again might not have been the case of direct payment of advertisement mullah but these kinds of programs and tie-ups are able to find sponsors more easily.

The beginning of this trend usually is traced back to 2005 when lead stars of the famous movie Banti and Babli, AbhishkekBachhan and Rani Mukherjee, anchored a prime time news bulletin on NDTV posing as their characters and not as themselves as part of the promotion of the film. Widely talked about as 'Banti and Babilification' of news, this step on one hand was criticized for succumbing to the temptation of TRPs and advertisement mullah and on the other hand opened lots of new avenues for every other channel to grab any such available tie-up.¹⁵ While the success criteria for movies is shifting from the concept of jubilees to becoming part of the 100 crore club, movie production houses rely a lot on pre-launch promotions rather than depending on word of mouth publicity. Since broadcast news will always be an integral part of such strategies, news channels are hopeful of more monetary benefits in integrating with films.

Property Integration:- Though there is no particular meaning of this term anywhere in business dictionaries, this probably is being most widely used in the broadcast media circles these days both by the people involved in marketing and advertisement and by the editorial teams responsible for content creation. Property integration can best be described as an attempt to integrate a brand with the broadcast content. A subtle mention of a product in the

¹⁴ The soap ended to be a total failure and was wrapped up in a matter of months.

¹⁵ Nalin Mehta in his book 'Indian on Television' used this incident to introduce an entire chapter titled 'The News WithBanti and Babli' which talked about advertising, rating and the economy of television news. This event was also talked about in newspapers and websites like Indian Express and Exchange4media.

broadcast script is the latest brand promotion technique advertisers are looking at. Very commonly used in fiction shows by characters (where they say positive things about any product as part of their dialogue), this concept is visible on various forms in news medium as well. This however, most of the times, happens at the cost of blurring the lines between news and advertisement.

Since, property integration is anything and everything in which a brand is included with the content, it is not very easy to identify or locate it. It is this confusion probably on which the brands are trying to cash on. Traditional audience perception has been that news is created for information and awareness without any vested business interest whereas advertisement is created for serving business interest of a brand and thus talks only good things about it to an exaggerated length. As long as audiences are able to differentiate between news and advertisement they would take news more seriously and be judgmental about commercials. When the lines are blurred to make advertisement look like news content it eventually benefits the brands. Brands are more than willing to pay for these integrations from their advertisement budget and so are the marketing teams of news channels who go out of way to find new ways of aligning with various brands. A recent example of it is seen on CNN-IBN, the popular English news channel where during the morning show, a juice can of a popular brand is placed neatly between the anchors. Anchors here, as opinion makers, who have a reach across the nation, are promoting and endorsing the usage of the product. While these kinds of placements do not directly interfere with the flow of news which a logo or a ticker would do, its constant presence on screen is definitely earning a lot of visibility for the brand. News channels these days are full of such promotions. Basically it is all about associating the brand with the overall persona of the channel and striking a deal with the marketing team of the broadcaster.

The pace at which marketing and creative teams of channels are aggressively looking new ways of selling advertisement time/spaces and making money out of it, it is very difficult to put them under when defined categories. By the time this chapter is published, there are surely going to be new ways of advertisement on television which will need new nomenclature and definition.

Conclusion

Apart from so many ways of placing advertisements during the showcasing of content, the duration of in-break advertisements in the news channels have also increased a lot. Industry regulator TRAI in the last couple of months has started seeing it as invasion of consumer rights and thus has decided to put on a cap on the number of minutes of advertisement any channel can show in an hour's time. TRAI's latest regulation says that no channel should have more than 10 minutes of outside advertisement and two minutes of self-promotion advertisements in a 60 minute wheel. This applies to both news and non news channels. Although this regulation is yet to be implemented, it leaves especially news channels with a lot to worry about. However, the regulation does not talk specifically about the product placements during the non-free commercial airtime nor does it fix any cap on the number of advertiser funded program a channel can go for. Till decisions are taken on such types of promotions, news channels are only likely to go for more creative ways of tying their content with more and more number of product advertisements.

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