



Rediffusion
Consumer Lab

NO NEWS IS GOOD NEWS

News channels
as an **advertising**
vehicle



NEWS. WHO VIEWS?

Understanding the news audience

News can be broadly broken into three types:

1 REGULAR



News Programming



Interviews



Debates

SCHEDULED EVENTS 2



Budget



Elections



Republic Day Parade

3 UNSCHEDULED EVENTS



Breaking News

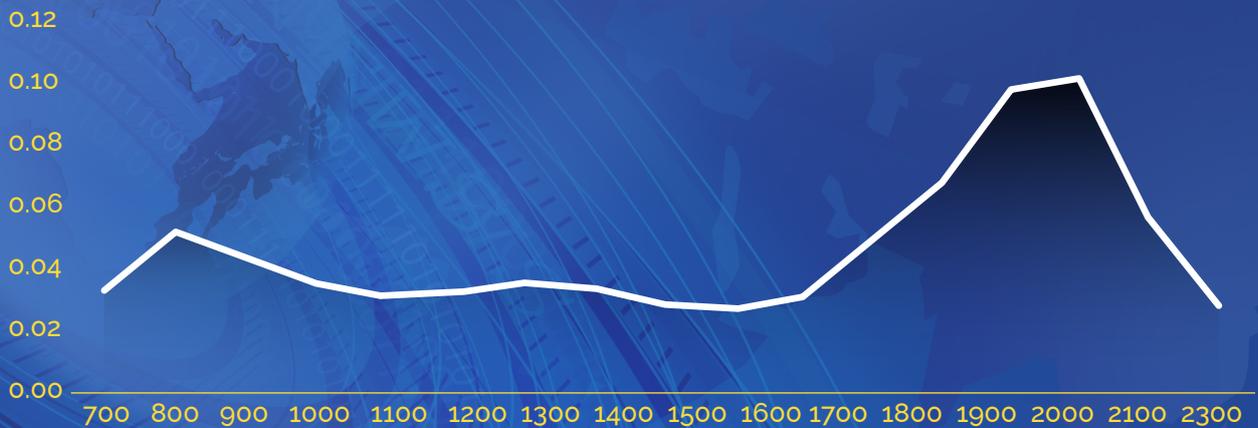


Natural disaster



Sudden demise of politician/celebrity

News channel viewership is spread across the day.
Primetime news does not have a very high peak.



The news genre offers a discerning male audience as many from the business community in India keep news channels on, almost all the time. It could be stock market news, business news or general news – but small and medium level businessmen (traders, shopkeepers) are always consuming news and a lot of it.

News channel audiences are usually decision makers in society. They are interested in knowing what is happening around them and are more alert viewers. As decision makers, they lead and command lifestyle and purchase decisions of those dependent on them.

PRIME TIME **NEWS**

DECISION MAKING AUDIENCE

THE BRANDS BEHIND THE HEADLINES

Who advertises and why on news channels



+12% GROWTH

The news genre witnessed a 12% growth in total ad spends in 2021 over 2020.



Categories that are visible on news channels include **FMCG, automobiles, cement, paint, telecom and industrial products, agarbattis, fintech, edutech, men's innerwear, pan masalas** and more.



Quite a few brands have tasted success piggybacking on news channels. Some of the names that come immediately to mind are Patanjali, Zed black agarbatti, various men's innerwear brands like Dollar, Amul Macho, Rupa Frontline, etc. and pan masala brands like Pan Bahar, Vimal, Kamla Pasand & Rajnigandha.



Patanjali, in fact, became a household brand a decade after its inception ever since its advertisements started flooding news channels.



Many local and regional advertisers have also grown on the genre.



The B2B category too has been built on news.



But their success raises a few questions.

Is news a **'poor brand'** phenomenon? Is it **sensationalism or credibility** that brands look for when they buy ad spots on news channels? Or do they just **blindly follow** ratings?

Let's look at why news channels are popular with certain advertisers.

- **Low entry level cost**

Rate/10 sec is lower than GEC and movie channels

- **Low CPRP**

The news genre helps in bringing down the media plan CPRP

- **Local targeting**

Local news channels are very popular in their respective states

- **Wider reach**

The news genre provides a better reach than niche genres

- **Important for trade too**

The business community keeps news channels on throughout the day

- **Upgrading from print**

Many advertisers have shifted from the print medium to news channels during the Covid-19 pandemic as circulation of print went down

- **Platform for smaller & local brands**

Due to its low entry cost, the news genre is the preferred genre for smaller and local brands



THE POWER OF BRANDING

And the decreasing impact of Spots

NEWS
85%
REACH



When we compare the reach of News Channels with that of **General Entertainment Channels (GECs)**, surprise, News Channels are not too far behind at 85% monthly reach.

However, when it comes to ratings, News Channels are nowhere near GECs. The reason is stickiness. When a break occurs on a News Channel, the ratings **drop almost by half**, while in the case of GECs, the **drop is only 15-20%**.

Some maverick advertisers have understood this and leveraged the insight well. They have deployed most of their monies on branding rather than spots, resulting in massive reach and ratings. Many brands like **Patanjali, Dabur**, etc are reaping the benefits of News branding, which is comparable to GECs in terms of GRP efficacy at a cost which is less than one-fourth.



GECs V/S NEW CHANNELS RATINGS
BRANDING

THE DECLINE OF NEWS

Why broadcasters are struggling



- **SHIFT TO DIGITAL**

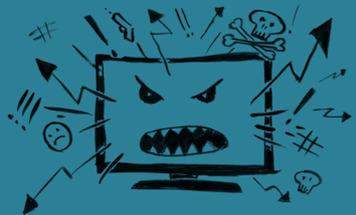
People have started consuming news via news websites, social media, YouTube and other digital platforms.

- **LACK OF CREDIBILITY**

The thin line between fake and real news is getting thinner by the day. We have witnessed top news channels airing fake footage. One has to validate the news watched on news channels.

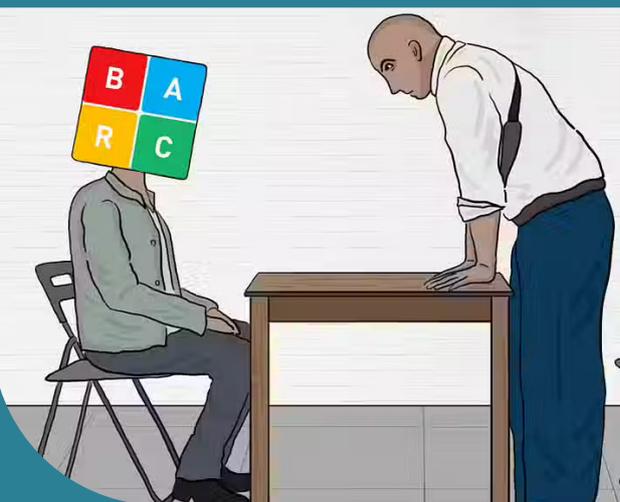
- **TOXIC ENVIRONMENT**

News content is getting toxic, negative and irrelevant.



- **TRP MANIPULATION**

Advertisers are concerned by the controversies around news content as well as the TRP manipulation scandal that has come to the fore. In October 2020, BARC paused ratings for news channels after the huge controversy over the alleged rigging of viewership data by certain news channels.



BARC PAUSED RATINGS

TOXIC NEWS

NO TO NEWS

Why advertisers are rethinking News



Three out of ten advertisers are now saying no to news channels. News content has become sensational and has lost the feel of journalism. News channels have gone over-board and become toxic and irrelevant. Many marketers do not want their brands to be seen with the content that these channels are peddling. The current atmosphere of toxicity, abuse and fake news is no longer tenable. Continued association with problematic news content can impact a brand's image and equity.

While some brands like Bajaj, Parle, Dollar and Amul had decided to boycott channels spreading 'toxicity' and 'fake content', others are opting for a cautious wait-and-watch policy.

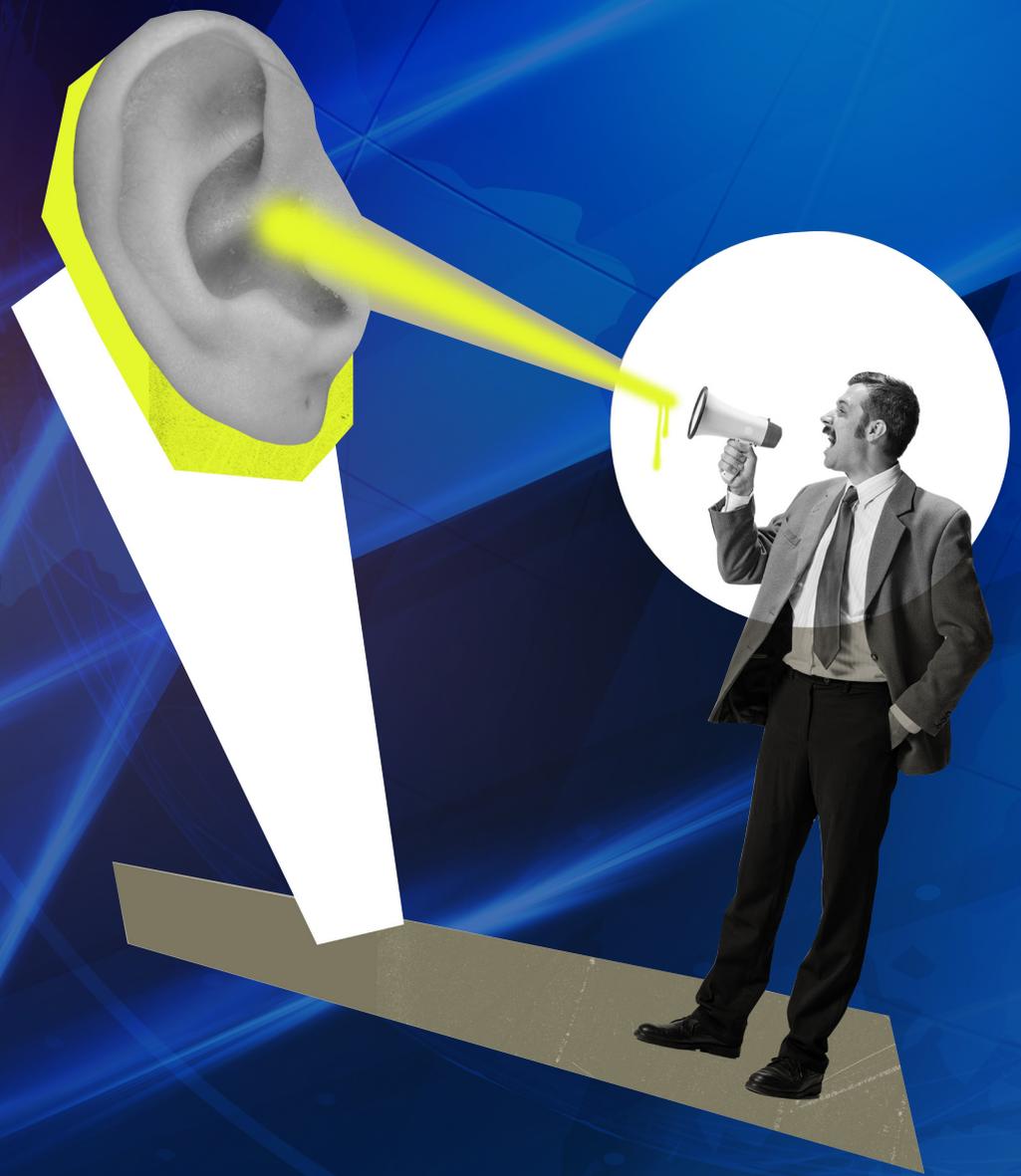


24
news

BREAKING NEWS

9:30

CHANNELS SPREADING TOXICITY AND FAKE CONTENT



Many marketers, however, find the news genre still relevant, as they believe news channels are only delivering what audiences want to consume. For them, unless there is a collective movement where consumers start dismissing such content and stop viewing news channels, and viewership actually declines, advertising on news channels makes sense from a business perspective.

News channels must develop an attitude of fierce competition, but must cooperate and collaborate to lift the entire genre. Rather than building the medium, they are denigrating each other. This will eventually impact everyone as they are part of the same ecosystem.



A REPORT BY



Rediffusion
Consumer Lab

redi#usion

MUMBAI (Corporate)

1801 Lotus Corporate Park, Goregaon East, Mumbai - 400063
Ph: +91 22 49311000, +91 22 49312000

KOLKATA

10 Wood Street,
Kankaria Estates,
Elgin, Kolkata - 700016
Ph: +91 33 44066262, +91 33 22871232

BANGALORE

22, Vaswani Ashton Woods,
Bellandur Post,
Bengaluru - 560103
Ph: +91 98100 96634

CHENNAI

1st Floor, Prakash Building,
14, Deivasigamani Road,
Royapettah, Chennai - 600014
Ph: +91 44 28113426, +91 44 28113427

DELHI

Mogae House,
112, Udyog Vihar Phase IV,
Gurgaon - 122015
Ph: +012 42345598

