

## SPOT INTERVIEW

N BHASKARA RAO

# "Retailers will become information vendors"

**D**r N. Bhaskara Rao is the founder-chairman of the Centre for Media Studies (CMS) and Marketing & Development Research Associates (MDRA), a leading market research agency. He pioneered public opinion methodology in the country and has been monitoring trends in media, advertising and marketing and evaluating changes in development strategies for over thirty years now.

Recently, he released a research-based report titled *Mass Media and Marketing Communications: Perspectives into 2020*. In an interview with **Pummy Kaul**, he spoke about his findings, with regard to the media and advertising industry.

**Q: What major changes do you see coming in the advertising industry?**

A: About 10 to 15 years from now, the advertising industry will grow at a faster rate than media, with more profit accruing to advertising than any other field. In fact, half the annual turnover of all mass media will come from advertising. The print media's share will be one-fourth, while the TV-based media will corner nearly one-third.

The structure of advertising agencies too will change, with them fragmenting and becoming increasingly specialised and corporatised. Public relations and lobbying rather than creative strategy and media planning will become the major concerns. Lobbying has already arrived in India. Space / time selling-buying will become profit-centred operations.

**Q: How will the changes in the media industry affect marketing?**

A: Marketing will be more research-based. In the next 25 years, 40 per cent of marketing will be research-based, compared to the present 20 per cent. This means the market research

business will expand more than ten-fold in the next two decades (from Rs 65 crores to Rs 1000 crores) and will receive a boost from equity research.

Market research methodologies, too, will see dramatic changes and shifts in the next

decade with scanners, meters, telecom networks and data bases making all the difference.

Tele-marketing will make advertising a selling proposition rather than a function of marketing. Advertising will become marketing. Pre-occupation will be no longer be with buying-selling. New product launches, brand life-cycle will go through changes in the coming years.

**Q: How will this affect retailing?**

A: The face of retailing will

change. It will become more information-oriented than product-oriented. The retailer will become an information vendor and by 2015, he has to be PC-oriented. In the metros, in fact, the transformation will have to take place much earlier.

Consequently, the shelf-life of brands will be reduced to half. But brands will proliferate and the buying phenomenon will continue to be brand-oriented. More and more companies will diversify into unrelated products.

**Q: With the onset of E-mail, Internet, and other electronic media, what is the scope of the print media?**

A: The proliferation of TV channels will not make the print media redundant. In fact, newspapers will continue to be competitive, and sometimes, complementary. The total turnover of newspapers will go up eight-nine times from the present Rs 4000 crores—circulation and advertising put together.

However, unless small newspapers (regional language) diversify into cable and multimedia, their survival is at stake. The government should set up production units to train manpower. In any case, certain convergence or alliance between newspapers, television, radio, film, cable, music, books and multi-media will become more obvious by 2000. By then most of the mainline newspapers/publishers will have par-

allel TV networks, both terrestrial and satellite-based, and certain control on cable networks as well.

Indian media will also go through structural and character changes. The decline of the editor will continue; shorthand-journalists will disappear, leaving the software-reporter occupying centre stage. Anchoring and field reporting will gain importance. Media will become less of editing and more of designing.

**Q: Do you see the proliferation of television channels continuing?**

A: Proliferation of TV channels will cease by 2005 and consolidation by way of mergers and networking will be the pre-occupation thereafter. Half of the channels at any given point will be regional and about one-third will have their origins outside India. There will not be more than 75 channels even by 2001, not counting the ones that fold. But the figure could go up to 200 in the decade thereafter.

**Q: In your report, you warn readers about the severe shortage of trained media professionals. Comment.**

A: Software requirements for Indian TV could go up from Rs 2,000 crores to Rs 20,000 crores by 2020 in terms of value. This calls for at least 3,000 fully-equipped full-time production teams against the current 100. This is going to be detrimental to the quality of our media and, in fact, is already leading to mediocre and misleading training outfits.

This factor is especially important when one considers that the number of programming hours required by Indian TV channels will be more than that of American channels by 2010.

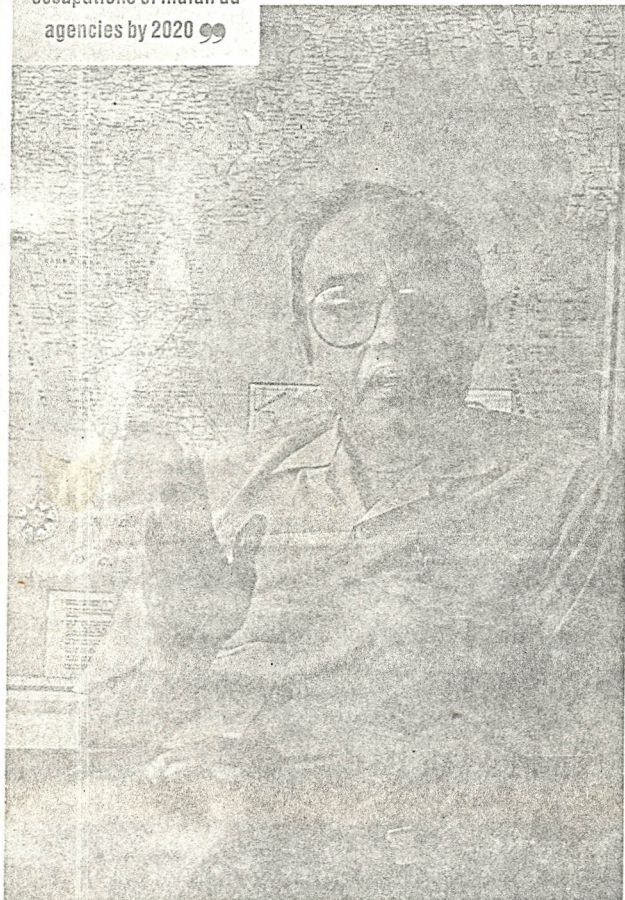
**Q: Do you see advertising space increasing?**

A: In the print medium, it will go up from the current 45 per cent to 60 per cent. The electronic media currently accounts for 2.5 per cent ad time. This will increase to 5 per cent.

**Q: Will there be corresponding increase in expenditure?**

A: No. Ten years from now, the advertising expenditure of companies will decline. Currently, for the print medium, its 66 per cent. This will come down to 45 per cent. Expenditure on TV advertising will be 45 per cent and PoP (point of purchase) will be less than 10 per cent.

“PR and lobbying will replace creative strategising and media planning as the major occupations of Indian ad agencies by 2020”



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