ET BRAND EQUITY | Ipsos

THE STATE OF
DIGITAL
MARKETING
IN INDIA 2024-25

DigiPlus Fest
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Business Head
The Economic Times
B2B Verticals

The average data traffic per smartphone in India is projected to reach 66 GB per month by 2030, while social media apps and OTT platforms account for 78% of digital time spent. Consequently, digital media has secured a dominant position in the advertising landscape, with Ipsos estimating the market at INR 40,800 crore.

The forces driving India's digital ad spending growth tell an even more compelling story. Digital media's share of overall ad spend has grown from 36% in FY23 to 41% in FY24, primarily fueled by e-commerce growth and the expansion of technology-driven companies and startups. Industry leaders recognise the marked improvement in digital media formats, particularly in CTV, short-form videos, and retail media. Creative capabilities have also seen remarkable advancement, with AI-powered tools driving efficiency across operations.

The traditional divide between branding and performance marketing has dissolved, as industry stakeholders increasingly recognise digital media's ability to deliver results across the entire marketing funnel. We're witnessing a gradual shift from pure-play performance marketing toward a balanced approach incorporating both branding and performance objectives. Despite these positive developments, digital marketers continue to face persistent challenges. CMOs must navigate complex issues such as cross-device and cross-platform measurement, engage increasingly distracted consumers, and develop first-party data strategies while maintaining robust privacy standards.

Following the overwhelming response to our previous edition, we are delighted to partner again with Ipsos for 'The State of Digital Marketing in India 2024-25' report. We trust this third edition will continue to serve as an indispensable guide for professionals navigating the evolving digital media landscape.

Foreword

DEEPAK H

Partner
Strategy3
Ipsos India

India's dynamic digital marketing landscape continues to evolve rapidly, offering exciting opportunities and unique challenges for businesses. This third edition of "The State of Digital Marketing in India 2024-25" provides essential insights into current trends, growth drivers, and key challenges shaping this vibrant sector. The report offers a comprehensive overview of digital advertising expenditure, the rise of mobile and internet penetration, and the increasing influence of social media and e-commerce.

Digital media spending in India continued its stable growth and officially overtook television spending in FY 2024 (April 2023 - March 2024). This milestone underscores the increasing importance of digital channels for reaching India's large and diverse consumer base. The rise of affordable data, increasing smartphone penetration, and the expansion of 5G technology are key drivers of this digital revolution. The report also delves into emerging trends such as the growing adoption of AI and automation in marketing, the increasing prevalence of short-form video content, and the focus on ethical and inclusive marketing practices. These trends reflect changing consumer behaviour and the need for brands to adapt their strategies to engage effectively with their target audiences. However, owing to some market softness, we anticipate advertising spending to be at check in FY25.

This report serves as a valuable resource for marketers, businesses, and anyone seeking to understand the emerging trends in digital marketing in India. It provides data-driven insights and expert perspectives to help navigate the current landscape and prepare for the future of digital marketing. We hope this report provides you with valuable information for understanding this exciting and ever-evolving digital marketing landscape.

Foreword

Table of Contents

Digital advertising continues its robust growth trajectory with an impressive 29% growth in digital media spends, pegged at INR 40,800 crore in FY2024-2025. Marking a significant milestone as digital media spending surpasses traditional television media for the first time – digital advertising accounts for 41% of the total advertising spends' pie, compared to television's 33%. The rest being largely distributed among print and out-of-home. Within digital media, social media continued its dominance as the largest format capturing 30% of the total digital ad spends, closely followed by online video. Paid search has emerged as the fastest-growing format, with a 32% growth rate in FY2024-2025.

The report findings show that FMCG and E-Commerce emerge as the biggest contributors to the growth of digital ad spends, accounting for 67% of the pie, followed by consumer durables, auto, BFSI and ed-tech. FMCG, e-commerce, retail, and ed-tech are witnessing remarkable growth rates of around 29%, displaying their increasing dependence on digital channels to engage with their target groups.

Further, the digital advertising momentum in the Indian market was primarily driven by major events like IPL, ICC Cricket World Cup, Women's World Cup, Asia Cup, on one hand, and the General Elections and Assembly Polls on the other hand. Ergo, we expect this positive trend to continue through 2025, with a slew of activities across music concerts, sporting events and assembly polls slated to happen.

This upward trend is driven by a multitude of reasons – sharp rise in smartphone penetration, increase in internet users, affordable data costs, OTT viewing, and the growing adoption of 5G technology. Additionally, the rise in Gen-Z consumption, government support for startup digitalization, surge in CTV (Connected TV) usage further bolstering India's position as one of the fastest-growing digital markets worldwide. We also see the rise of Q-commerce and D2C and information on social media platforms driving consumption in these areas, leading to unplanned purchases with marketers putting out banner ads to drive traffic to their apps.

As digital advertising evolves, several trends are emerging to shape its future. AI and automation are enhancing marketing efficiency, enabling brands to scale up operations without sacrificing personalization. Short-form video content continues to dominate and drive viral engagement and amplification. Meanwhile, ethical and inclusive marketing is gaining prominence as brands seek to build consumer trust and loyalty, especially to tap into India's diverse market. Omni-channel strategies are transforming customer experiences by integrating digital and physical touchpoints seamlessly. However, challenges such as ad fatigue, tracking ROI, and consumer privacy concerns remain key considerations in the evolving landscape. Despite these challenges, the Indian digital advertising industry is poised for sustained growth as it adapts to new technologies and shifting consumer behaviours.
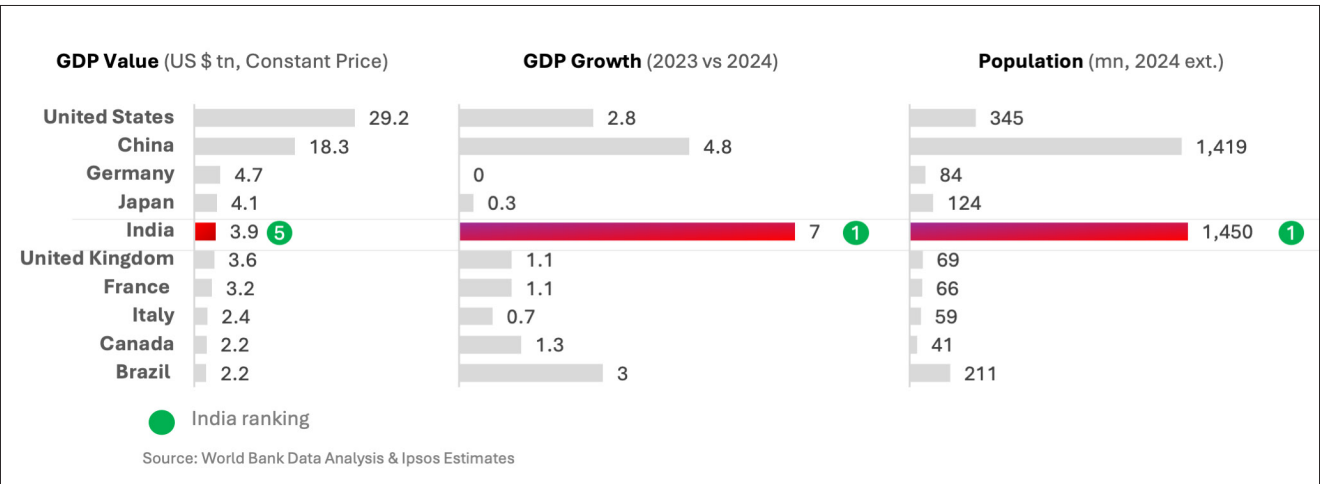
Executive Summary

Chapter 1
Current State of The Industry

Advertising Spends

India with a population of 1.4 billion today is the fastest-growing economy in the world. By 2030, India is estimated to be the world's third-largest economy (GDP of USD 5 trillion), surpassing the UK, Germany and Japan. This growth is fuelled by various government initiatives such as Make in India, Startup India, Digital India etc. The Digital India initiative is likely to play an essential role in boosting the digital economy of the country, which is expected to unlock the economic value of USD 1 trillion (2025) and sustain 60-65 million digital jobs. (Source: MeitY)

India's advertising industry has continued its remarkable growth trajectory in FY24, with a 15% increase in total advertising spend, reaching INR 99,800 crore (April 2023 – March 2024), up from INR 86,825 crore in FY23. This growth reflects the country's expanding digital economy, the rapid adoption of 5G technology, and the continued rise of e-commerce and mobile-first consumer engagement. As more businesses embrace digital advertising to reach India's large and diverse population, the country is establishing itself as a leading global player in the advertising sector. India's digital transformation, supported by initiatives such as Digital India, continues to drive innovation and reshape the advertising landscape, unlocking new opportunities for marketers.
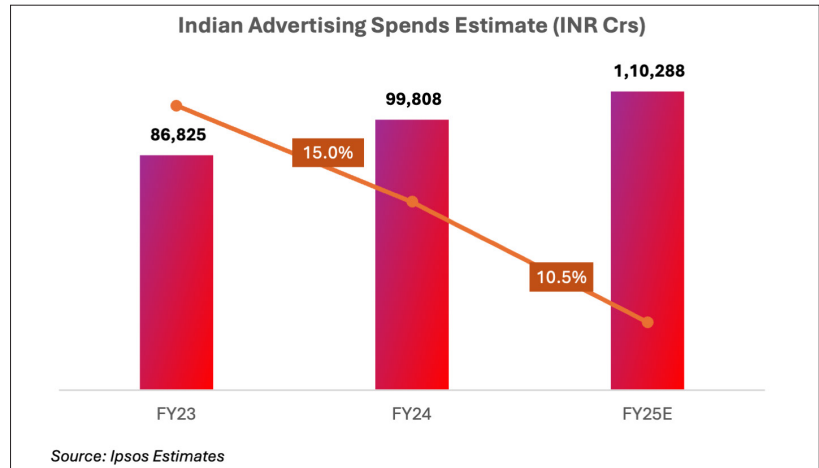
	GDP Value (US $ tn, Constant Price)	GDP Growth (2023 vs 2024)	Population (mn, 2024 ext.)
United States	29.2	2.8	345
China	18.3	4.8	1,419
Germany	4.7	0	84
Japan	4.1	0.3	124
India	3.9 ⑤	7 ①	1,450 ①
United Kingdom	3.6	1.1	69
France	3.2	1.1	66
Italy	2.4	0.7	59
Canada	2.2	1.3	41
Brazil	2.2	3	211

● India ranking

Source: World Bank Data Analysis & Ipsos Estimates

India's advertising spends surged by 15% to reach INR 99,800 crore in FY24, marking a significant milestone as the industry continues to grow.

In FY24, India's advertising expenditure (ADEX) came very close to INR1 lakh crore, finishing just short of this milestone.

As per our survey with marketers, the top three digital channels commanding the highest investments are Social Media, Search Engine, and Influencer Marketing. These are followed closely by Video and Content Marketing as integral growth drivers in the digital landscape.
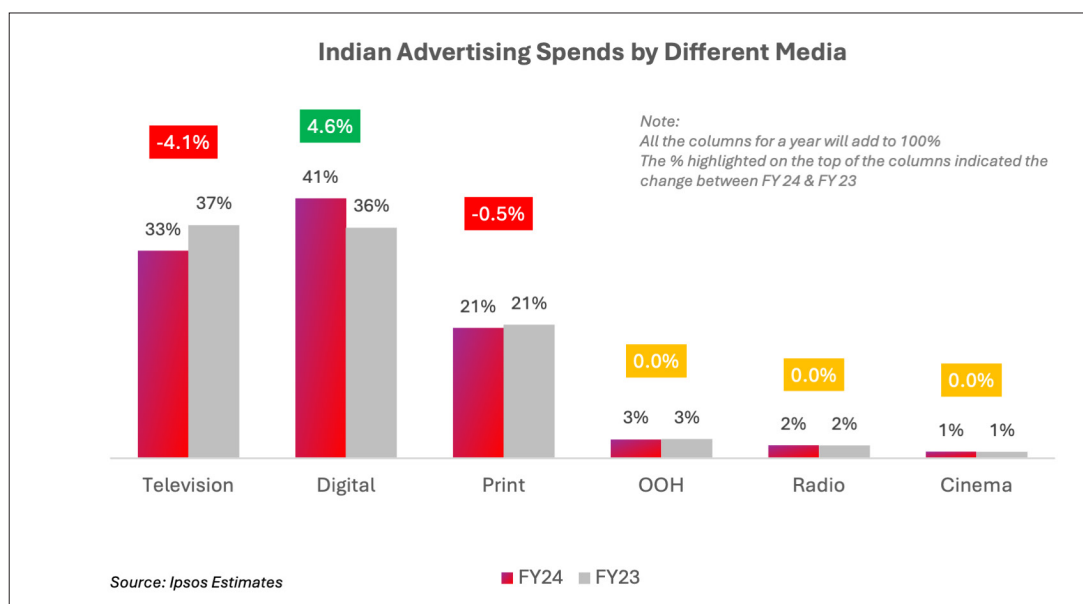
Indian Advertising Spends Estimate (INR Crs)

86,825 — FY23
15.0%
99,808 — FY24
10.5%
1,10,288 — FY25E

Source: Ipsos Estimates

Digital media surpassed television to become the largest advertising segment in FY24, capturing 41% of the market share.

Advertising Spends by Different Media

In FY24, Digital media surpassed television to become the largest media segment, commanding 41% of the total advertising market share, according to Ipsos estimates. Television, while still holding a significant share, dropped to 33%, a slight decline from 37% in FY23. Print media remains relevant but holds a smaller share at 21%. Notably, digital's rise from 36% in FY23 to 41% in FY24 is largely attributed to the rapid growth in e-commerce, as well as the expansion of technology-driven companies and startups.

The continuous advancement of 5G technology, AI-driven marketing, and the growing consumer demand for personalised content have significantly widened the gap between digital and traditional media.

Indian Advertising Spends by Different Media

Note:
All the columns for a year will add to 100%
The % highlighted on the top of the columns indicated the change between FY 24 & FY 23

Media	FY24	FY23	Change
Television	33%	37%	-4.1%
Digital	41%	36%	4.6%
Print	21%	21%	-0.5%
OOH	3%	3%	0.0%
Radio	2%	2%	0.0%
Cinema	1%	1%	0.0%

■ FY24 ■ FY23

Source: Ipsos Estimates

"

"We serve segments from entry level lighting all the way to high end decorative lighting in the country today. Therefore, we are a mass marketer of sorts. Thus, a mix of traditional and digital media is something that goes hand in hand. But with the rise of more targeted and customised marketing that we're seeing and customised offers that we're seeing, our spends have also been moving towards digital marketing every year."

Nikhil Gupta
Head of Marketing, Strategy, Govt. Affairs & CSR - Signify, Greater India

"Almost all companies invest in digital media as it can also be managed at lower investments. Television and print tend to be the other two preferred options."

Vishal Subharwal
Group Head Strategy and CMO, HDFC Life

"The media choices in today's marketing landscape aren't about choosing between digital and traditional channels - it is about orchestrating them harmoniously in tandem. Our market-mix-modelling work shows that one of the key inputs to drive brand salience outcomes is the integrated planning approach between traditional and digital channels."
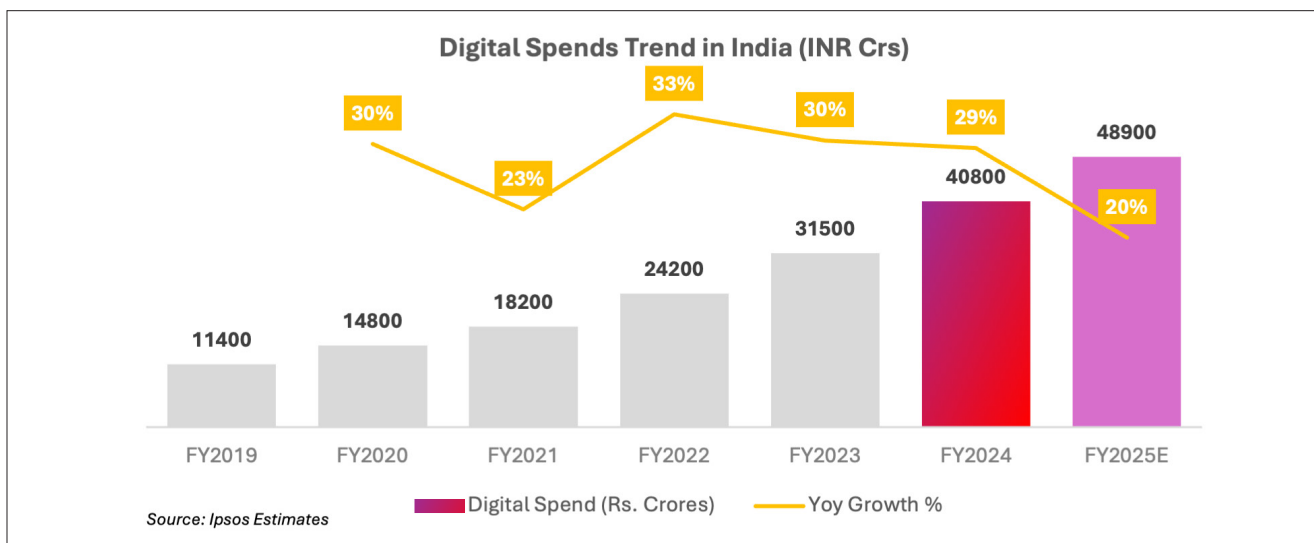
Arvind RP
CMO, McDonald's India (W&S)

Digital Marketing Spend

Digital advertising consolidated its position as the largest advertising media surpassing television in FY24. Digital advertising reached a value of ₹40,800 crore, marking a 29% growth over FY23. With 41% of total advertising expenditure allocated to digital platforms, it now dominates India's advertising landscape. Early projections for FY25 estimate digital spending to reach ₹48,900 crore, accounting for 44% of total ad spends, showcasing its continued upward trajectory.

Digital Spends Trend in India (INR Crs)

Year	Digital Spend (Rs. Crores)	YoY Growth %
FY2019	11400	
FY2020	14800	30%
FY2021	18200	23%
FY2022	24200	33%
FY2023	31500	30%
FY2024	40800	29%
FY2025E	48900	20%

Source: Ipsos Estimates

Digital Spend (Rs. Crores)   YoY Growth %

Digital media spend stood at ₹40,800 crore in FY24 marking a 29% growth over FY23.

"We spend very little on traditional media. I would say our yearly spends are less than 5% on traditional and the rest 95% are on digital, when it comes to brand as well as performance. So even on the brand side, we are heavy spenders on digital."

Manan Bajoria
Group VP- Growth Marketing, ixigo

"The digital advertising share is increasing YoY. The basic premise underlining that is the change in the audience behaviour... Clearly audience time spent on linear TV is on a decline at the same it's increasing drastically on mobile. And since advertisers shop for consumers where they are, it's the same trend that follows and puts digital spends on a higher pedestal."
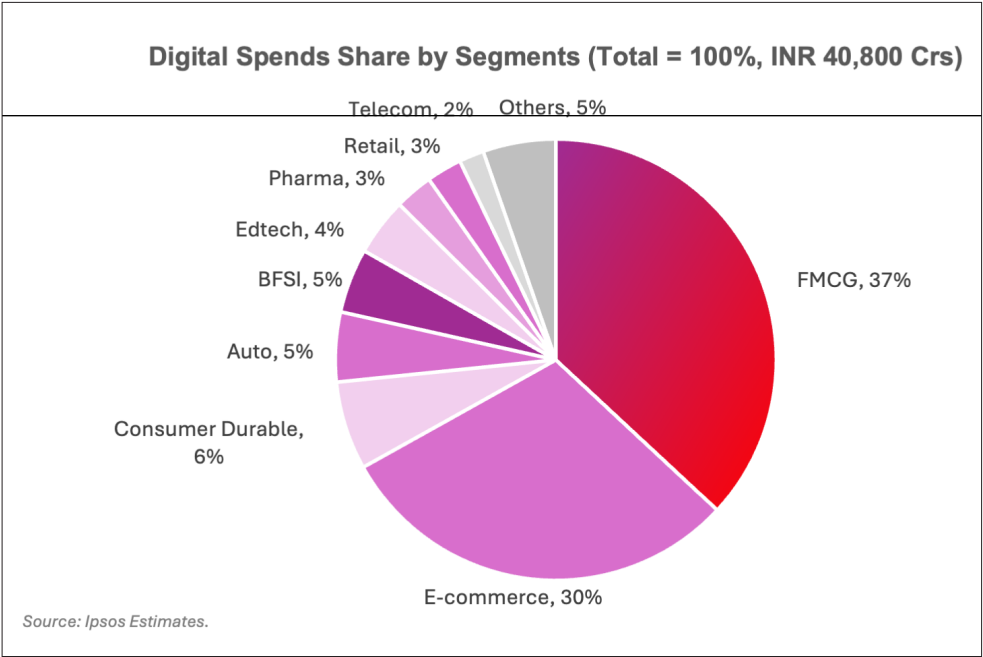
Saurabh Jain
Regional Marketing Director, Hygiene, South Asia, Reckitt

Digital Spend Share: Industry Segments

Digital advertising in India is led by FMCG and e-commerce, contributing to 67% of total spending in FY24. FMCG dominated with a 37% share, e-commerce followed closely at 30%, reflecting their heavy reliance on digital platforms to engage with consumers effectively.

Digital Spends Share by Segments (Total = 100%, INR 40,800 Crs)

- Telecom, 2%
- Others, 5%
- Retail, 3%
- Pharma, 3%
- Edtech, 4%
- BFSI, 5%
- Auto, 5%
- Consumer Durable, 6%
- FMCG, 37%
- E-commerce, 30%

Source: Ipsos Estimates.

"Back in 2016/2017, our traditional marketing spends used to be around 60%, and digital marketing spends, which is largely performance, used to be 40%. Now the percentages have shifted, with digital spends at 60%, which includes performance and branding. And traditional marketing spends around 40%.."

Sai Narayan
CMO, Policybazaar

FMCG and E-commerce sectors are driving digital advertising growth in India, growing faster than the overall industry. E-commerce emerged as the fastest-growing segment, with a 52% increase in ad spending from (FY23 to FY24), while FMCG grew by 37%, maintaining its leadership in overall spending. The automotive sector also saw significant growth in digital advertising, with a 23% increase, fuelled by rising consumer demand and targeted campaigns. In contrast, the telecom sector experienced a -19% decline.

Digital Spend, Growth Segments
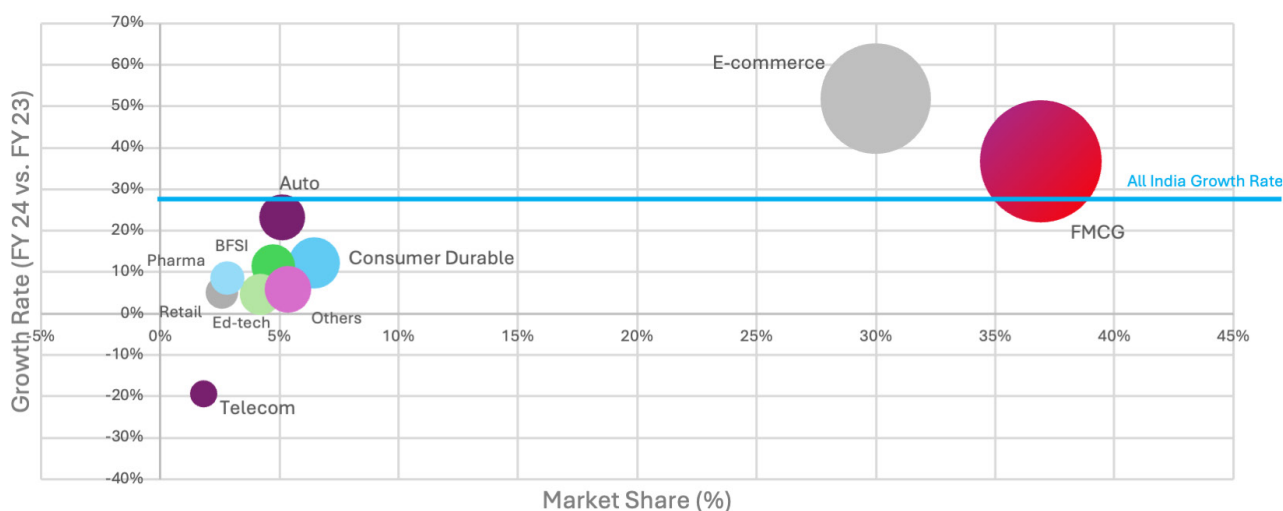
Source: Ipsos Estimates

Digital Media Share: Formats

Social media, online videos, and paid search remain the core pillars of digital marketing strategies in FY24. Social media leads with a 30% share of total digital ad spending, despite a slight 0.5% decline compared to the previous year. Close behind, online video accounted for 29%, reflecting its sustained popularity for audience engagement. Paid search, the fastest-growing format with a 32% year-on-year increase, captured a 22% share, driven by its effectiveness in performance marketing. Meanwhile, display banners contributed 15%, and other formats made up for the remaining 4%, highlighting the diversification of digital ad formats in India.
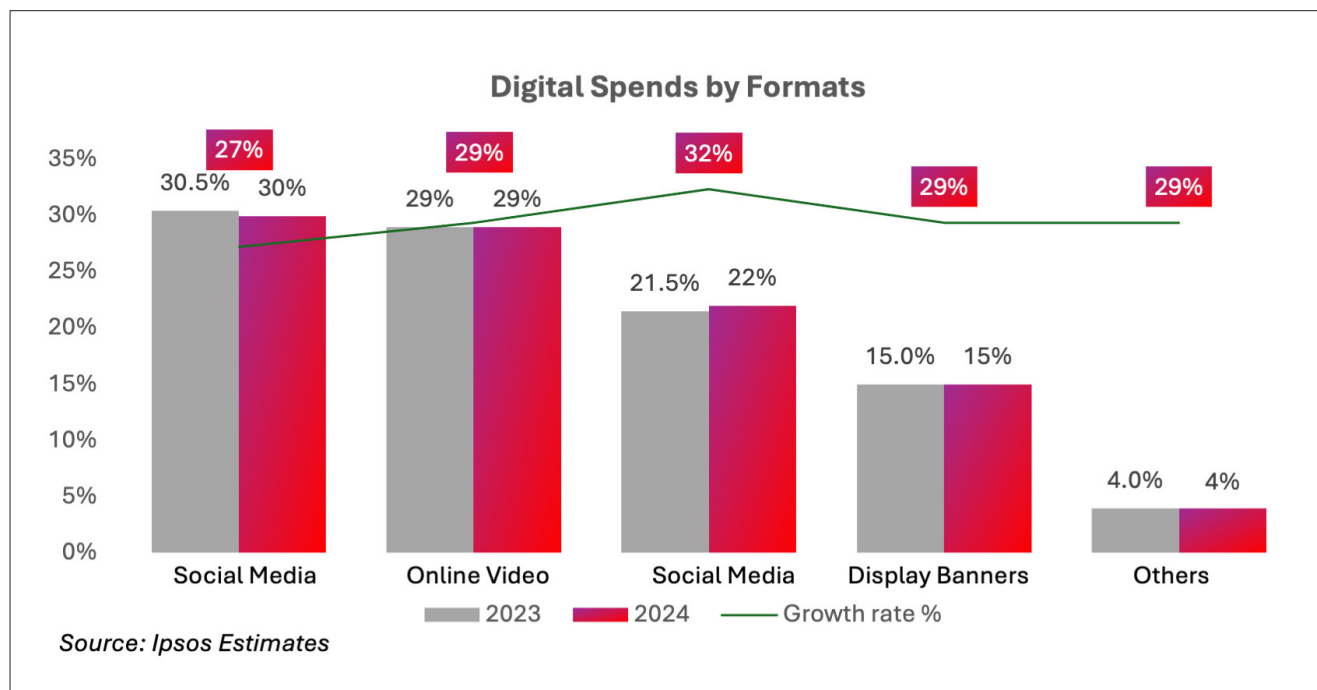
"Digital marketing combines broad-reach platforms like Google and Meta with growing investments in e-commerce and quick commerce. Video excels at storytelling for brand building, while static formats enhance frequency in the mid-to-lower funnel. Seamless integration of these formats across platforms ensures effective consumer engagement throughout the funnel. Deeper integration with commerce platforms to create engaging and immersive experiences will continue to grow."

Amit Doshi
CMO, Britannia Industries

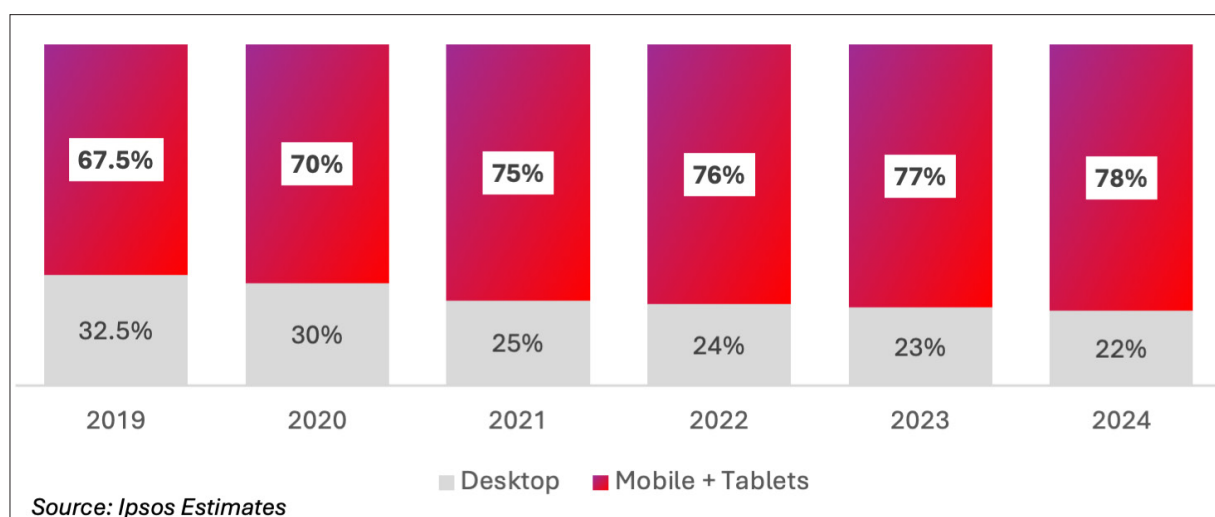As per our primary survey, the top three areas poised to receive increased investment in digital marketing are Social Media Marketing, Influencer Marketing, and Content Marketing. These are closely followed by Search Engine Marketing (SEM) and Video Marketing.

Digital Spends by Formats

	Social Media	Online Video	Social Media	Display Banners	Others
2023	30.5%	29%	21.5%	15.0%	4.0%
2024	30%	29%	22%	15%	4%
Growth rate %	27%	29%	32%	29%	29%

Source: Ipsos Estimates

Digital Media Spend: Share of Mobile

The digital media spending landscape has witnessed a notable shift, with mobile platforms now accounting for a dominant 78% share of total digital media spends in FY24, as per Ipsos estimates. This surge in mobile advertising is driven by the growing adoption of smartphones as the primary device and the increasing reliance on mobile devices for everyday activities. In contrast, desktop platforms have shown a decline, contributing to 22% of the overall digital media spend.

	2019	2020	2021	2022	2023	2024
Mobile + Tablets	67.5%	70%	75%	76%	77%	78%
Desktop	32.5%	30%	25%	24%	23%	22%

Source: Ipsos Estimates

Chapter 2
Growth Drivers of Digital Advertising

India's digital advertising landscape is experiencing an unprecedented transformation, fuelled by key growth drivers such as the rise in internet users, affordable data prices, and the proliferation of social media channels. The integration of emerging technologies like 5G, AI, and automation is enabling brands to reach audiences more efficiently and interactively.
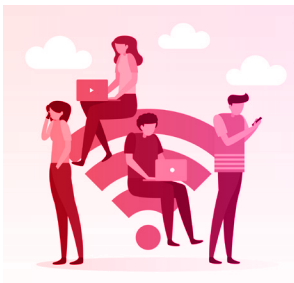
Rise in Number of Internet Users

Globally, we estimate the total Internet users to be around 5.52 billion i.e., ~68% of the total world population in 2024 (~8.18 billion Source: UN Mid-Year Estimates).

In FY24, India recorded 752 million internet users, with internet penetration reaching 52.4% of the population. This marks a significant growth, as India added 52 million new users over the previous year. This rapid increase is driven by affordable smartphones, low data costs, government initiatives to promote digital literacy, digital economy and the rollout of 5G technology, which promises faster speeds and broader connectivity.

Impact on Digital Marketing

- Increased reach and audience segmentation
- Surge in e-commerce and digital transaction

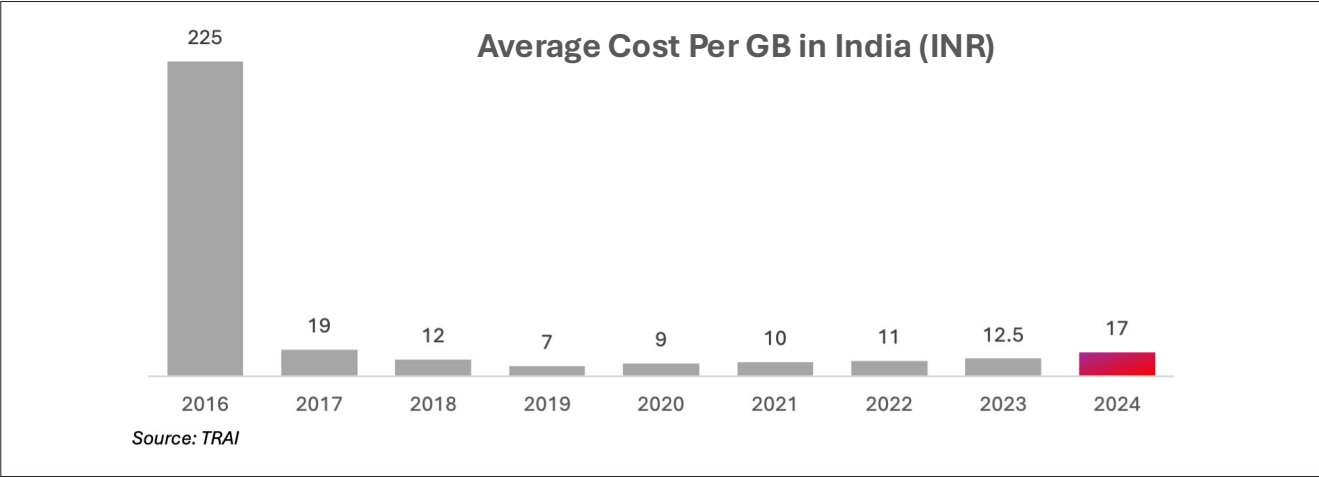**Internet Users by Country (mn)**

Country	Internet Users (mn)
World	5520
China	1092
India	752
USA	331
Indonesia	213
Brazil	188
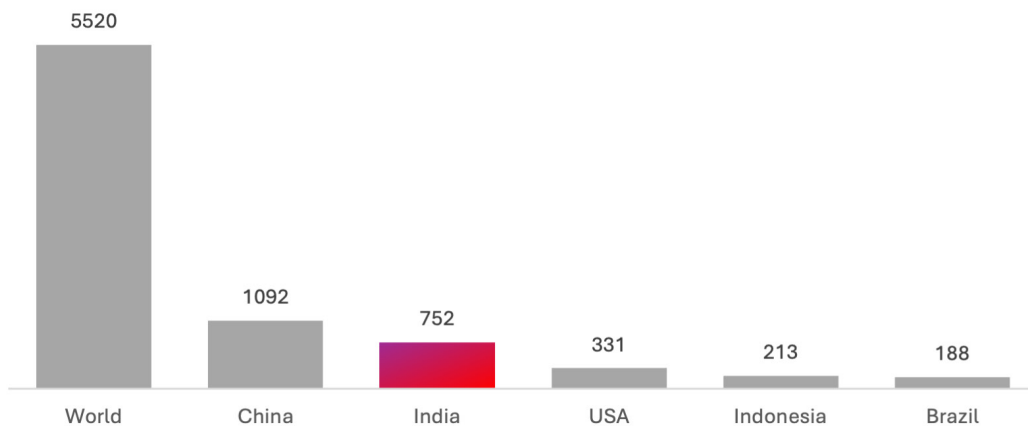
Source: worldpopulationreview, UN, Datareportal, Ipsos Estimates

Increased Data Affordability

India's digital revolution has been significantly fuelled by its remarkably low data costs. The price of mobile data has dropped drastically from ₹225 per GB in 2016 to an average of ₹12.5 per GB in 2023. Even with the advent of 5G technology, which has slightly increased the average cost to ₹17 per GB, India remains one of the most affordable countries globally for mobile internet. This affordability has democratized access to digital platforms, driving internet penetration to unprecedented levels, especially in rural and semi-urban areas.

Average Cost Per GB in India (INR)

2016	2017	2018	2019	2020	2021	2022	2023	2024
225	19	12	7	9	10	11	12.5	17

Source: TRAI

Impact on Digital Marketing

- Rise of regional and hyperlocal content
- Growth in video content consumption
- Rural connectivity

The average monthly data used per person grew from 17 GB in 2023 to 19 GB in 2024 (Source: TRAI). By 2030, the average data traffic per smartphone in India is estimated to touch 66 GB per month (Source: Ericsson Mobile Data Traffic Outlook).

Average Monthly Data Usage in India (GB)

2019	2020	2021	2022	2023	2024
10	12	13	15	17	19

Source: TRAI
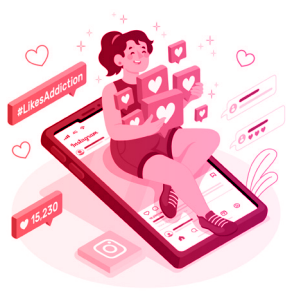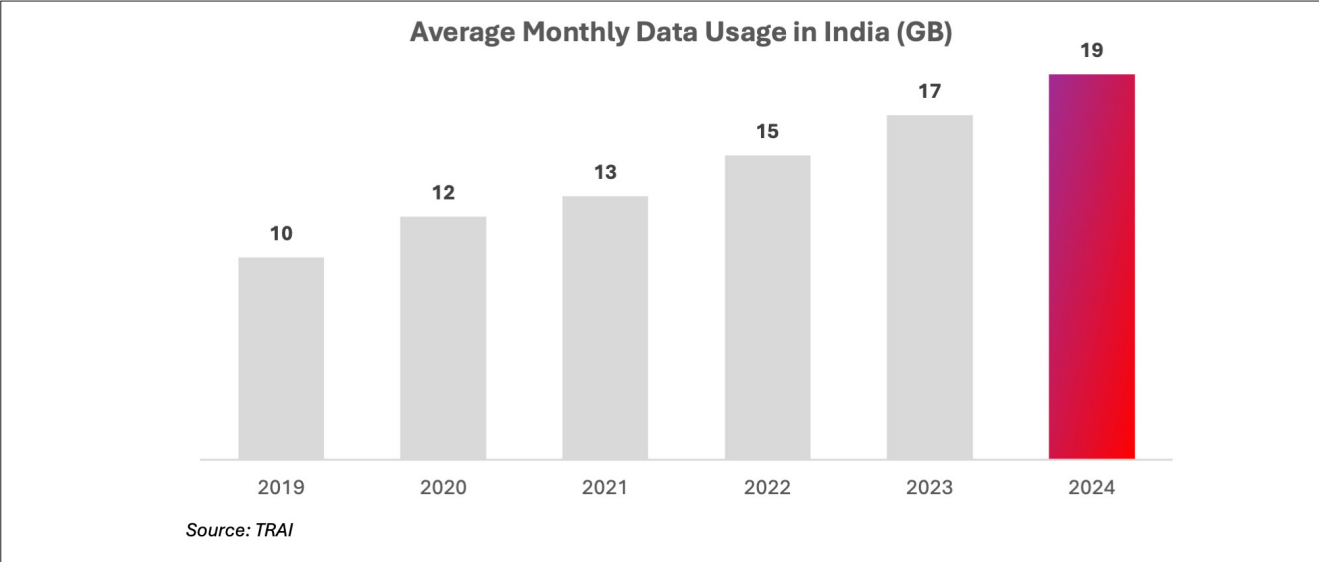
Rise in Number of Social Media Users

India's social media penetration in early 2024 stood at 32.2% of the total population, equating to approximately 462 million active users. This marked a slight decline, with 5 million fewer users compared to early 2023, a 1.1% decrease in the user base. Despite this slight decline, platforms like Facebook and Instagram maintained significant reach, each capturing around 25% of the total population, underscoring their importance in the Indian digital ecosystem.
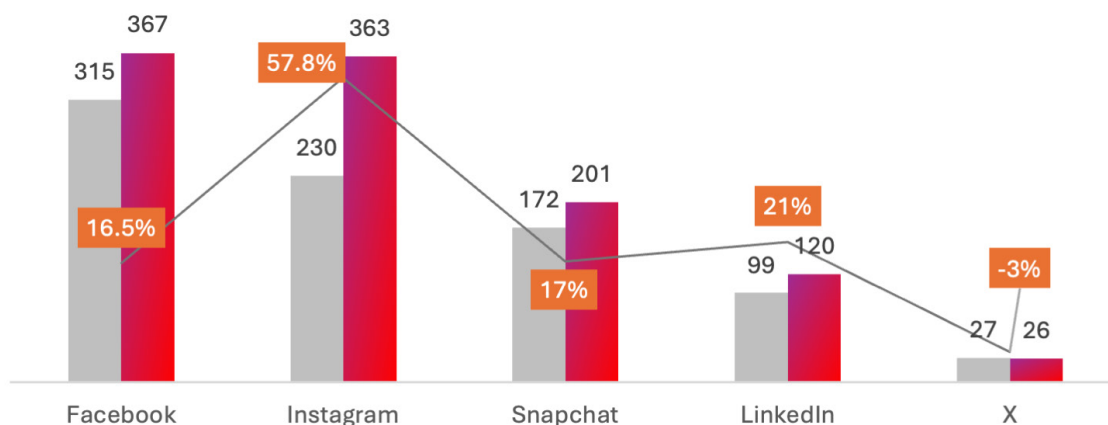
Social Media Users in India

310 (2019)
400 — 29% (2020)
448 — 12% (2021)
467 — 4% (2022)
470 — 1% (2023)
462 — -2% (2024)
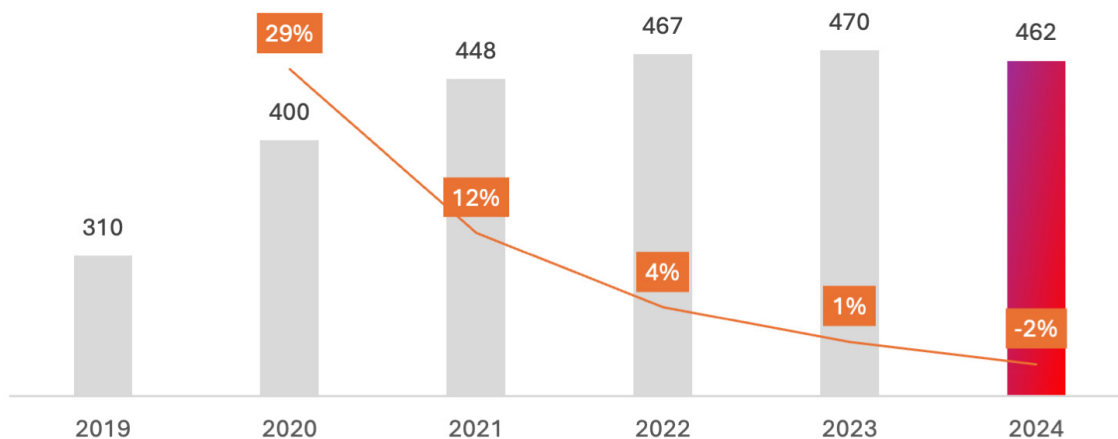
■ User base (In Mn) — Growth Rate %

Source: Datareportal

Social Media Users by Platform

Platform	User base 2023 (Mn)	User base 2024 (Mn)	Growth
Facebook	315	367	16.5%
Instagram	230	363	57.8%
Snapchat	172	201	17%
LinkedIn	99	120	21%
X	27	26	-3%

■ User base 2023 (Mn) ■ User base 2024 (Mn)

Source: Datareportal

Impact on Digital Marketing

- Enhanced platform-specific targeting
- Shift towards video-first strategies

Rise in Gen-Z and Youth Consumption

Gen-Z and young millennials are reshaping India's digital marketing landscape with their high engagement on social media, streaming platforms, and e-commerce. This demographic, characterized by a preference for authenticity, sustainability, and quick access to information, consumes content predominantly through short-form videos, memes, and live streams. Platforms like Instagram, Snapchat, and YouTube are central to their online habits, and their high smartphone penetration drives app-based interactions.

Brands are responding with purpose-driven marketing, leveraging influencers, gamification, and immersive experiences to resonate with this audience. Gen-Z's inclination for personalisation and interactivity also fuels the adoption

of augmented reality (AR) filters, AI-driven recommendations, and niche communities. This group's spending power, combined with their role as trendsetters, makes them a critical focus for marketers aiming to build lasting brand loyalty.

Impact on Digital Marketing

- Shift to short-form and interactive content
- Rise in purpose-driven and influencer marketing

Government Support for Startup/ Digitalisation

The Indian government's push towards digital transformation, especially for startups and small businesses, is creating new opportunities in digital marketing. Initiatives like Startup India, the Digital India campaign, and government-backed funds aim to increase digital adoption, helping startups scale their marketing strategies through technology and training. Subsidized internet services, digital infrastructure development, and schemes like UPI payments have encouraged businesses to shift to online, enabling hyperlocal and cost-effective marketing strategies.

Impact on Digital Marketing

- Increased e-commerce participation
- Support for financial inclusion
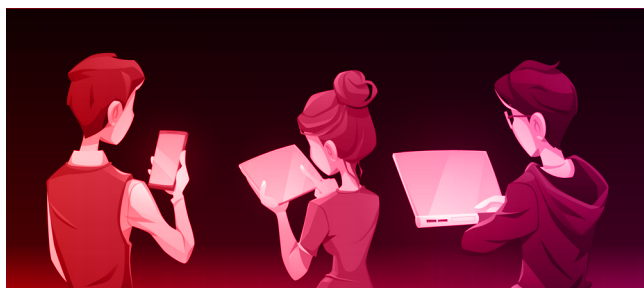
CTV Revolution

CTV is becoming a major player in digital advertising in India as smart TVs and OTT platforms grow in popularity. With over 20 million CTV users in India in 2023, expected to reach 40 million by 2026, platforms like YouTube, Disney Hotstar, and Netflix are offering marketers innovative ways to reach high-income, urban audiences who prefer ad-supported streaming services.

Impacts on Digital Marketing:

- Enhanced targeting and personalisation
- Interactive ad formats
- Cost-effective reach to affluent audiences
- Integration across channels

"CTV has become a critical channel to reach hi-end users. With varied ad formats in CTV, you can grab their attention with more impact, without having the fear of the ad getting skipped. Several brands, including us, target premium and family customers through CTV. Our previous campaign pushing premium and international brands was heavily promoted on CTV."

Arpan Biswas
Marketing Head
Reliance AJIO

Chapter 3
## Insights and Trends for 2024 and Beyond

As per our primary survey with marketers, the top three trends shaping digital marketing are the rise of short video content, the growing use of AI for personalisation and marketing automation, and a focus on data-driven practices. These are closely followed by the expansion of regional language content and increased emphasis on influencer partnerships.

Trend #1:
AI and Automation
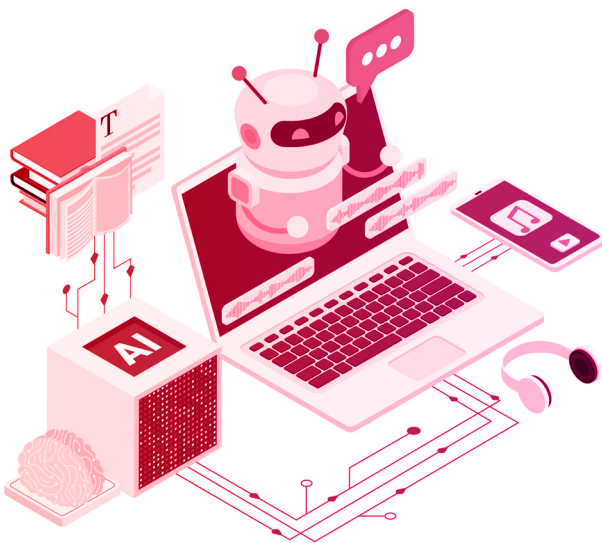
AI-driven tools are transforming Indian marketing with applications in predictive analytics, chatbots, and programmatic advertising. Marketers leverage generative AI for dynamic content creation, automating campaigns tailored to individual preferences. Automation improves efficiency, enabling brands to scale operations without compromising on personalisation. For example, AI chatbots handle multilingual customer interactions across India's diverse audiences, while tools like recommendation engines boost cross-selling. This trend is fuelled by the need for faster, data-driven decision-making in India's competitive markets.

Trend #2:
Omnichannel Marketing
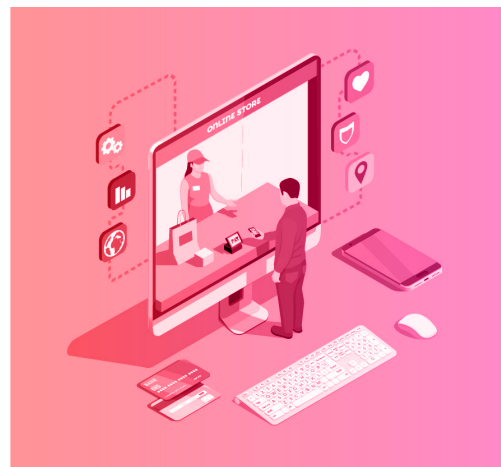
Omni-channel marketing integrates all customer interactions, ensuring a cohesive experience regardless of the platform. In India, where e-commerce and physical retail are intertwined, this strategy ensures seamless transitions between online browsing and offline purchases. The rise in smartphone penetration and digital payments has accelerated this shift. Indian companies use customer data to provide real-time updates, personalised offers, and location-based marketing. Successful omni-channel strategies involve deep integration of supply chain management and consumer insights, creating a frictionless journey that fosters brand loyalty.

Trend #3:
Privacy-centric Marketing

With third party cookies at the cusp of obsolescence, marketers are using websites, apps, etc. to gather data from their consumers. This is gaining prominence in India with stringent regulatory norms like Digital Personal Data Protection Act 2023 being implemented. Tools like contextual advertising and privacy-preserving AI help brands maintain personalisation while respecting consumer

preferences. This shift also encourages transparency, as companies build trust by giving customers control over their data.

Trend #4:
Ethical and Inclusive Marketing

Consumers today expect brands to reflect their values, making ethical and inclusive marketing more important than ever. Indian audiences, especially Gen-Z and millennials, prefer brands that promote sustainability, diversity, and fairness. This trend is driven by rising social awareness and calls for transparency in business practices. Companies that prioritize inclusivity—representing regional languages, gender equality, and cultural diversity—connect more effectively with their audience. Ethical initiatives, such as reducing carbon footprints or promoting local artisans, resonate strongly

with conscious consumers, like Govermnent's initiative of Vocal for Local and Lakhpati Didis.

Trend #5:
Short-form Content
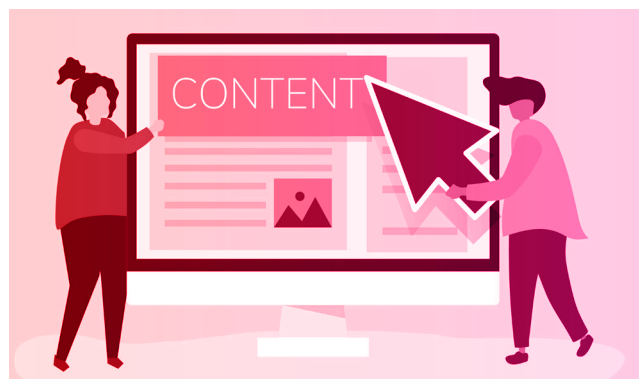
Indian audiences spend significant time on mobile devices, favouring snackable content that delivers maximum impact in minimum time. Brands utilise short-form articles, infographics, and memes to cater to this demand. This strategy works especially well for B2B marketing, where decision-makers appreciate succinct insights. The rise in digital literacy and declining attention spans have made short-form content a preferred format.

> "AI and ML are poised to revolutionise advertising by automating processes, enabling predictive analysis, and facilitating highly personalised targeting to ensure ads are received effectively by audiences, transforming the way brands connect with consumers."
>
> **Joy Chatterjee**
> VP & Head of Sales & Marketing for Consumer Division, Mankind Pharma

## Trend #6:
Short Video Content

The dominance of video platforms like YouTube Shorts and Instagram Reels showcases the power of short videos. These formats are ideal for storytelling, product launches, and influencer marketing. In India, short videos are particularly impactful in regional languages, enabling brands to connect with audiences beyond metros. The simplicity and shareability of these videos make them highly effective in increasing brand recall and driving viral campaigns. For example, FMCG brands often use this medium to introduce new products creatively.

Trend #7:
Hyperlocal Marketing
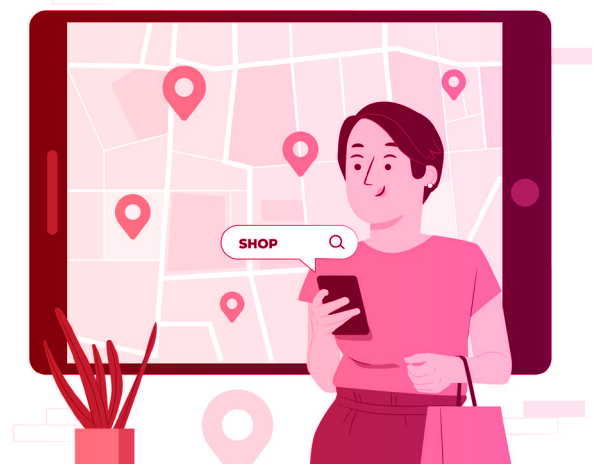
Hyperlocal campaigns enable brands to address regional preferences, dialects, and cultural nuances. In India, where every state has its own identity, hyperlocal marketing ensures relevance and builds a strong emotional connection. Businesses are leveraging geotargeting, regional influencers, and vernacular content to appeal to specific communities.

Hyperlocal marketing increases relevance, builds trust, and fosters emotional connections by making customers feel seen and valued. It's especially effective for reaching underserved markets and ensuring a higher ROI by tailoring campaigns to the specific needs of smaller, localised audiences.

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"Looking ahead, we see the continued evolution of data and digital, be it the importance of first party-data and machine-learning led modelling work driving predictive analytics; mainstreaming of brand safety and ad-fraud tools in the digital landscape enabled and the continued fragmentation of media platforms as far as consumers are concerned. Amongst all this it remains important for marketeers to drive the measurement agenda with special focus on both attribution and incrementality."

Arvind RP
CMO, McDonald's India (W&S)

Chapter 4
Generative AI

Since the 1st version of GPT (Generative pre – trained Transformer) was introduced in 2018, every industry was swept off its feet and witnessed a tectonic shift in the way they were working. Marketing was no exception.

Gen AI empowered marketers in ways no one could imagine.

Today, marketing as a function sees reduced manual labor, minimal guesswork and increased speed and efficiency. Few such scenarios include content generation, customer segmentation, real time customer interaction etc.

Content generation – Various marketing content like emails, ad copy, social media posts, image generation as well as product description can be generated using few simple prompts. Not only it saves time and effort, but the content is also supported by past customer data and behavior patterns making it relevant and engaging.

Customer segmentation – Based on common characteristics, preferences and behavior, Gen AI can help marketers segment their customers to homogeneous groups. This will help them create customised campaigns and offers, maximizing relevance and driving higher conversion rates.

Anticipate customer actions – Gen AI helps predict what might be customers' future actions based on past information. It helps marketers detect opportunities to make customers happy and plan better campaigns.

Customer interactions – Two-way customer interactions could be facilitated using Gen AI. Chatbots, virtual assistants, and communication on messaging platforms like WhatsApp are very prominent examples of such interactions. These helps brands to engage with customers in real time, driving better experience.

Optimise low performing campaigns – Gen AI continuously analyses campaign performance and provides insights on trends, patterns and opportunities to optimise.

Marketers can use this information to refine the campaign, try and test different strategies to make the campaign more effective.

Content in local language – Localised content means tailored messaging which in turn means better engagement with the diverse customer base.

Improve product discovery – Enhanced search capabilities based on past preferences and browsing and as output, delivering personalised search results enabling users to discover relevant products more effectively.
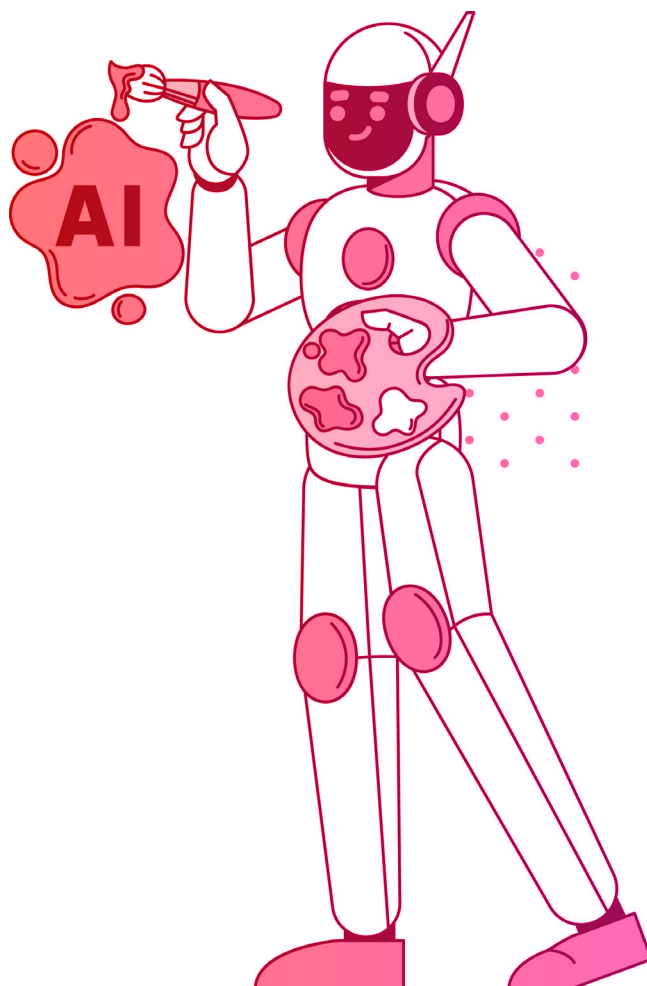
The Flipside of Gen AI

- **Limited creativity**
  Although AI can aid in the creative process, it cannot wholly substitute the human element required for generating original and unique ideas and content. AI still needs human guidance and input to create truly distinctive and creative work.

- **Dependency on data**
  The performance and outcomes derived from AI are significantly influenced by the quality and volume of this data. If the data is incomplete, inaccurate, or biased, the AI's output will be similarly compromised. Furthermore, businesses must possess sufficient infrastructure to handle and process vast amounts of data. .

- **Lack of human touch**
  AI might deliver swift and precise responses, but it cannot replicate the empathy, understanding, and interpersonal relationships that humans can cultivate. Thus, preserving the human aspect in digital marketing strategies remains vital, even when employing AI for various automated tasks.

- **Accountability**
  As Gen AI algorithms grow more autonomous in content creation and decision-making, the demand for accountability increases. Ensuring transparency and accountability in the deployment of such algorithms is crucial to prevent potential ethical dilemmas or unintended outcomes.

- **Accuracy**
  With time, dependability on Gen AI algorithms is becoming vital for delivering consistent outcomes. To ensure reliability and reduce the likelihood of errors or inconsistencies, it's essential to test and validate your Gen AI models.

Challenges in Adopting Gen AI

- **Data privacy and security –** In integrating Gen AI into digital marketing, data privacy and security are critical challenges. As technology is still evolving, it poses risks of data breaches. It's essential to understand how to mitigate these risks during implementation.

- **Quality control –** A significant challenge in using Gen AI is quality control. Tools like ChatGPT can produce vast amounts of content, making it difficult to maintain quality. Poor quality content can harm a brand's image, and producing large volumes may lead to overlooking facts, resulting in potential factual errors.

- **Integrating Gen AI with current ystems –** Integrating Gen AI with existing online marketing platforms or workflows can be challenging and time-consuming.

- **Ethical aspects –** Gen AI tools and software can present ethical challenges for companies. For example, AI generated content may be biased, and scammers or blackmailers might exploit it for financial gain. Addressing these issues is crucial for companies committed to ethical standards.

- **Implementation cost –** Implementing Gen AI technology can be costly due to the need for skilled professionals, system upgrades, and efforts to achieve a satisfactory ROI. Many companies struggle to realize the desired ROI from integrating generative AI into their existing systems. To tackle this challenge, a gradual adoption approach is recommended.

Integrating Gen AI into established systems might be challenging but has become essential for any brand to keep up. To reap its full benefits, not only systems but stakeholders should be onboard as well.

Future of Gen AI in Marketing

With AI advancements in marketing, marketers can build more efficient and refined models, gaining precise insights into consumer journeys and recovering valuable information. Gen AI will enable marketers to close the loop effectively, make swift and informed decisions based on consumers' specific interests and actions. This approach surpasses traditional targeting methods by creating tailored content for each client's unique preferences. Additionally, marketers with access to extensive CRM datasets can transcend conventional segmentation, offering individualized promotions and pricing. This high level of customization enhances audience targeting and delivers personalised experiences that resonate with consumers. Also, the ability to trawl through a large universe of data within seconds, it is a great assistant in improving efficiencies.

"

"GenAI we're also using in responding to consumers. For example, we have this property called Ask PB, in which consumers ask questions. Earlier, we used to take 24 hours of tact to respond to the consumer if they have any query on insurance. Now we have so much data of the past that we have created a model with the help of GenAI, which responds the first level of answers, depending on the simplicity and the complexity of the question. It responds at the first level, and then we immediately take on so that the consumer is engaged. So, we're using that. And apart from that, we're using GenAI in multiple other work streams, like data analytics. It is still a nascent stage, but we know the importance of it and moving towards that direction."

Sai Narayan
CMO, Policybazaar

"Gen AI is transforming digital marketing by enabling cost-efficient, scalable creative processes. From generating content tailored for multiple platforms to crafting unique consumer experiences, GenAI serves as both a creator's tool and an ally in driving disruptive, innovative campaigns while reducing production costs."

Amit Doshi
CMO, Britannia Industries

Chapter 5
Short-Form Video

By definition, short-form videos are under 10 minutes; however, today, we see this duration dropping considerably to 5 to 90 seconds!!!

Kudos to marketers who have managed to utilise this short duration to tell a compelling story with clear messaging.

This begs the question – Why is this format so popular with makers and audiences alike?

All these elements coupled with the audiences' fast paced life and hunger for information, make bite size videos the best option. Keeping them informed, yet managing to retain their interest AND allowing them to engage with the brand as well as fellow consumers ALL at the same time.

Why marketers prefer this format?

- **Ease of creation**
- **Reach**
- **Engagement**
- **Connection with audience**
- **Improved brand health**
- **Shortened attention spans**

Since these videos are short, it's essential that they capture the audience's attention. For these videos to be effective, it's crucial that it has following features –

- **Understand your audience –** Short videos are effective ONLY if they reach the right audience. Before even thinking about the content, think about the audience. What are their needs? What would they like to know? What are their pain points? What are their preferences? Understanding these from sources like social media analytics will help create effective content

- **Authentic, relatable content –** Focus should be on genuine, relatable content to foster trust and bond with the audience

- **Engage from the start –** Due to its short span, it's imperative that the video engages with its audience from the very beginning. This initial engagement will keep the audience hooked to the rest of the content and will help deliver the message

- **Surf the trend wave –** Videos should address today's ever-changing environment. This will make the content relevant and relatable to the audience

- **Gateway to next step –** Short-form video is just the start of engagement for the audience, hence, an attractive call to action paves the path for rest of the customer journey

- **Stay consistent –** In an era of limitless options, it's difficult to stay as customers' top of the mind recall. To be on top and relevant to customers, it's important that the videos are of consistent quality, tone and messaging are posted regularly to build recognition and relationships.

Till now, we saw how useful and effective short-form videos are, however, this is not the complete picture. It'll be impractical to think that short-form videos alone can drive and deliver results for a brand.
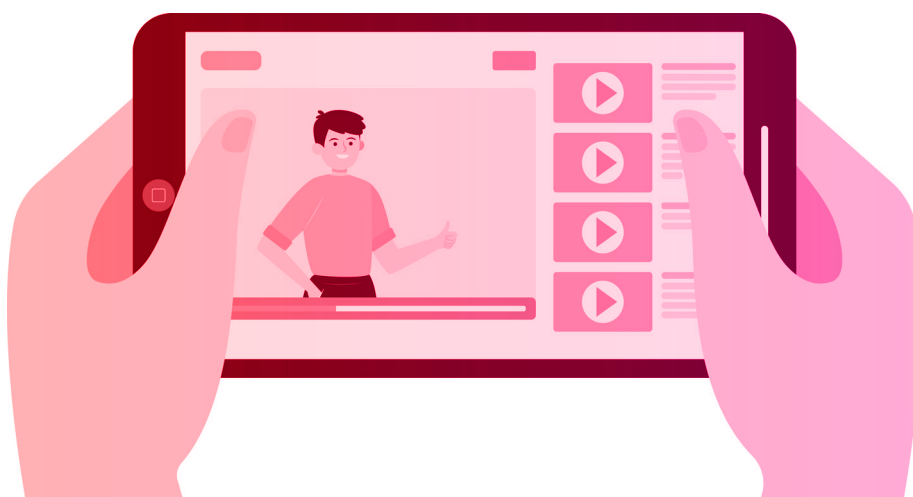
"Folks are spending more time on bite-sized content due to reduced attention span. Thus, reach through IG reels has surged. So Meta is a better platform to scale, and we end up spending more than 50% of our digital budget on Meta."

Arpan Biswas
Marketing Head, Reliance AJIO

"I think videos is something that will grow much faster, the time spent on reels, the time spent on YT shorts is growing exponentially versus anything else. So as the users are spending more and more time there, the inventory that is coming up is much, much more on that part of the ecosystem."

Manan Bajoria
Group VP-Growth Marketing, ixigo

"Short-format videos are being well-received by audiences due to declining attention spans and the need for engaging, concise storytelling that delivers core messaging quickly and effectively, capturing viewer interest in a brief, impactful manner."

Joy Chatterjee
VP & Head of Sales & Marketing for Consumer Division, Mankind Pharma

"Short vertical videos continue to dominate due to affordable data, platform availability, and creator ecosystems. Meanwhile, long-form content on connected TVs is rising, shifting from traditional TV to on-demand viewing. Platforms fostering passion-driven communities, like Reddit and Discord, also gain momentum, reflecting evolving consumer behaviour in digital ecosystems."

Amit Doshi
CMO, Britannia Industries

Limitations and Challenges with Short-Form Video

LIMITATIONS

- **Restricted information –** Short format makes it difficult to deal with complex topics or detailed explanations.

- **Difficult to foster relationship –** Building trust and establish expertise is challenging within the limited time

- **Limited outcomes –** This format will generate interest; however, to obtain actual conversions, brands need to build trust, long term relationships which these videos might not be able to deliver

CHALLENGES

- **Fatigue among creators –** Coming up with engaging ideas constantly is taxing for any creator. This can be dealt by –

    i. Using creative support sites or current trends to draw inspiration

    ii. Using reports and data analysis to understand what worked in the past

    iii. Engaging with followers to understand their needs and expectations

- **Inconsistent content –** To stay relevant, consistency is a must. Being consistent doesn't mean posting content everyday – DO NOT confuse frequency with consistency! Calendarized schedule to post content will help in this scenario

Some of these elements which will dominate short-form videos are –

- **AI – powered short-form videos –** Videos might be effective; however, creating it can be time consuming as well as incur cost. AI will play a significant role in addressing this concern.

- **User generated content –** This type of content is created by brand's real customers; hence, it is highly relatable and lends credibility to brand

- **Soundless optimisation –** More and more audiences are opting to view videos without audio. This is where AI comes in handy once again, to create real time captioning and translation on screen

- **Behind-the-scenes (BTS) content –** Who doesn't enjoy an insider glimpse into their favourite brand or small business? While it might seem daunting for a business to unveil its inner workings, showcasing the human aspect of a product or service cultivates trust and relatability among audiences, ultimately enhancing brand awareness, loyalty, and community.

- **Videos from social media stories –** Content from Social Media stories like the ones on Instagram are treasure house of short-form videos. This format has the power of user generated content combined with the urgency to engage with the content before it disappears.

- **Influencer videos –** Follow them, ignore them…influencers are here to stay and will continue to play a pivotal role in communicating brand messages. The key is brand – influencer alignment to convey the right message to the audience. Use influencers as a combination of a credible expert, so that information is more authentic, and we only capitalise on the reach of the influencer.

Chapter 6
Challenges and Barriers in Digital Marketing

Ad Fatigue: A Growing Challenge in Digital Advertising

Ad fatigue is a critical challenge in the digital advertising landscape, where users are inundated with repetitive and similar ads across multiple platforms. This saturation leads to reduced engagement, diminished brand recall, and overall ineffectiveness of campaigns

Key Causes:

- Overexposure to repetitive ads due to high-frequency ad campaigns.

- Insufficient creative rotation, leading to monotony in user experience.

- Inadequate audience segmentation, resulting in irrelevant content being shown to users.

Impact on Marketing Strategies:

- Decline in click-through rates (CTR) and conversion rates.

- Negative brand perception as consumers start ignoring or blocking ads.

- Increased cost-per-conversion, reducing ROI for marketers.

> "
>
> "The biggest challenge I feel is still on the brand side on digital media where the attribution is still sort of lacking, where we are still not able to attribute fully. Even if I spend X rupees on a YouTube campaign, I'm still not sure whether it worked out or not. So that confidence is still missing where I get that attribution from digital brand campaigns."
>
> **Manan Bajoria**
> Group VP-Growth Marketing, ixigo
>
> "The intense competition in digital advertising creates immense pressure on brands to constantly innovate, but this often leads to ad fatigue as consumers are bombarded with excessive ads daily, increasing skip rates and making it challenging to capture and retain audience attention effectively."
>
> **Joy Chatterjee**
> VP & Head of Sales & Marketing for Consumer Division, Mankind Pharma

As per our survey with marketers, the top challenges faced by digital marketers in India today are Ad Fatigue, where consumers become desensitized to frequent digital ads, Tracking and Measuring ROI, and Consumer Privacy and Data Protection. Additionally, marketers struggle with rising advertising costs and the need to adapt to constantly evolving platforms, which demand continuous updates to strategies and skills.

Consumer Privacy Concerns: Navigating Data Protection in Advertising

To ensure compliance with data privacy regulations, marketers are prioritizing top strategies like data encryption, opt-in user consent forms, and cookie consent management. These measures not only help maintain regulatory compliance but also build trust with users by safeguarding their personal information.

As digital advertising becomes increasingly data-driven, consumer privacy concerns have emerged as a significant challenge. Stricter regulations and heightened awareness about data security have led consumers to demand greater control over their personal information.

Key Issues:

- Growing apprehension about data misuse and unauthorised tracking by advertisers.

- Regulatory changes, such as GDPR and India's Digital Personal Data Protection Act (DPDPA), imposing stricter compliance requirements.

- Third-party cookie deprecation, disrupting traditional methods of user tracking and targeting.

Impact on the Advertising Ecosystem:

- Difficulty in collecting granular user data for personalised ad campaigns.

- Higher costs for advertisers due to the need for first-party data collection and compliance measures.

- Declining trust in brands perceived as intrusive or non-transparent.

> "While we have our in-built systems where to track the consumer end-to-end and so on and so forth. But there should be more transparency. Again, you're so dependent on these platforms that, for example, even if you advertise on an OTT platform, there is no clear measurement metrics available. You have to depend on their reports, how many users let's say Jio has, how many downloads they have. There is no published report, so you just have to believe on what they say. So, it's still not very transparent across the platform, across the sources."

Sai Narayan
CMO, Policybazaar

To build consumer trust around data privacy and transparency, marketers are employing strategies like clear and accessible privacy policies, transparent opt-in/opt-out mechanisms, and regular updates on data usage practices. These efforts demonstrate accountability, empowering consumers with control over their data and fostering a sense of trust.

Accurate Attribution in a Multi-Channel Digital Landscape

Attribution in digital marketing is the process of identifying which marketing efforts are responsible for driving specific outcomes, such as conversions or sales. With the growing complexity of consumer journeys that span multiple platforms and devices, accurate attribution has become a critical yet challenging aspect for marketers.

Key Issues:

- Consumers interact with various touchpoints—social media, e-commerce, email, and search—before converting, making it difficult to assign credit accurately to any single channel or campaign.

- Discrepancies in tracking technologies across platforms and privacy policies create data gaps, leading to incomplete insights into user behaviour.

Research Methodology

This white paper has been conceived and written through accessing multiple data sources. Analysis and interpretation of the data is based on Ipsos's consultants' understanding and experience. The key sources for information gathering include:

1. **Secondary research:** Ipsos has accessed several resources such as but not limited to Ipsos internal POV, news articles, company websites, sectors reports, industry reports available in public domain, blogs etc. Ipsos also analysed advertising and marketing / promotions spends of 120+ companies representing 10 major sectors.

2. **Expert interviews:** Ipsos carried out interviews with senior marketers and industry to get their perspective on the Industry Size, Spend Mix, Factors driving spend, Trends and Industry Challenges. The stakeholders interviewed represented different industry segments. Cross referencing of available data points was also carried out.

To estimate the size of the industry, Ipsos has carried out thorough analysis of all the secondary and primary data in addition to making necessary assumptions. The starting point of the estimation was to arrive at sector wise spend on advertising and marketing / promotions, which is believed to be the spend head under which Digital Marketing is classified. This was arrived at by deriving the spend as a % of revenue for the sample companies,

multiplied with the relevant sector. At a sector level, Ipsos funnelled down the estimates to determine the Digital Ad spends.

To the extent possible, the data has been verified and validated on a best effort basis. However, there can be no guarantee that information contained in the whitepaper/ report is correct as of the date it is received or that it will continue to be correct in the future. Ipsos or Times Internet Limited does not take any responsibility for the veracity of the underlying data. Use of this white paper is at the sole discretion of the reader, and Ipsos nor Times Internet Limited will not take any responsibility for the same in any manner including but not limited to any interpretation or conclusions drawn from the same in any manner. Please seek professional guidance/ opinion prior to using the information provided in this white paper for any decision making. There is no business advice provided in this paper. By reading this paper, the reader shall be deemed to have accepted the terms and conditions of use mentioned in this paragraph.

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Special Thanks to

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Marketing is a business driver as well as a social changemaker. ETBrandEquity.com is a celebration of this spirit and power of marketing to make the world a better place. We bring to fore the biggest questions, challenges, developments: all that elevates marketing as a driving force for an individual, a business and the community-at-large. Through our rich portfolio of content as well as in-house events, conclaves and more, we're here to help you build influence, enhance your effectiveness and become the best marketer you choose to be.

Today, ETBrandEquity has grown into a globally-networked media brand focusing on data and analysis, people and culture, and innovation and forecasting. Furthermore, we transfer our core values of honesty, curiosity, quality, and integrity to the events, conclaves, sessions, and other such gatherings in the fields of MarTech, AdTech, PR, corporate communications and more. The DigiPlus Conclave and Awards, Martech Asia, India Communication Summit, Kaleido Awards, Brand World Summit, Shark Awards, iStream Congress, SPOTT Awards, Brand Disruption Awards, Brand Bharat Summit, CX+ Summit, are just some of our landmark properties that have grown from strength to strength in recent years.

Much like the rest of marketing, the story of ETBrandEquity is still being written.