

4th
edition

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THE STATE OF DIGITAL MARKETING IN INDIA 2025-26

DigiPlus Fest
September 2025







AMIT KUMAR GUPTA

Business Head
ET B2B

Foreword

As we stand at the threshold of 2025, India's digital marketing landscape continues to rewrite the rules of engagement, scale, and innovation. The fourth edition of "The State of Digital Marketing in India" arrives at a pivotal moment when digital advertising has not just grown—it has fundamentally transformed how brands connect with consumers across the world's largest democracy.

The numbers speak volumes: digital advertising in India has reached ₹49,000 crore in FY25, commanding a dominant 44% share of the total advertising market. This represents a seismic shift in how over 800 million internet users discover, evaluate, and engage with brands. At the heart of this evolution lies a generation that doesn't just consume digital content—they create, curate, and champion it. Generation Z, with their ₹860 billion spending power, are not passive recipients of marketing messages but active co-creators of brand narratives. They demand authenticity over aspiration, purpose over polish, and community over corporate speak.

The convergence of artificial intelligence, connected TV, and immersive technologies is creating new frontiers for personalization at scale. As we navigate the complexities of data privacy regulations, rising customer acquisition costs, and fragmented consumer attention, the industry must prioritize ethical practices and transparent engagement.

“GenZ are not passive recipients of marketing messages but active co-creators of brand narratives,,

This comprehensive report, developed through meticulous research and industry expertise, offers invaluable insights for marketers, agencies, and business leaders seeking to harness the full potential of India's digital ecosystem. It serves as both a roadmap for strategic planning and a catalyst for innovative thinking. As we launch this report at DG+ Fest 2025, we invite the marketing community to embrace these insights, challenge conventional thinking, and collaborate in shaping a digital future that serves both business objectives and societal good. The state of digital marketing in India is not just strong—it's transformative, inclusive, and limitless in its potential.

Foreword

This edition offers a comprehensive overview of India's dynamic advertising landscape, highlighting the key trends, growth drivers, and challenges shaping digital marketing today. India's total advertising spends in FY2025 (April 2024–March 2025) reached ₹1,11,000 crore, an 11% growth over FY2024. Digital advertising, which overtook television last year, has further extended its lead, now commanding 44% of the market at ₹49,000 crore, marking 20% year-on-year growth. Television follows with 27%, print at 18%, OTT at 5%, OOH at 3%, radio at 2%, and cinema at 1%. Reflecting its rising significance, OTT has been included as a standalone category for the first time. Looking ahead, digital ad spends are projected to grow 15% to ₹56,400 crore in FY2026, expanding it to 46%.

Category-wise, FMCG and eCommerce dominated with 34% each, together contributing 68% of total digital spends. Other key contributors were consumer durables 7%, automotive 4%, BFSI 4%, pharma 3%, telecom 2%, and retail 2%. By format, social media led with 29.8%, closely followed by online video 29%, while paid search accounted for 22%, display banners 15%, and others 4%. Mobile platforms continue to dominate with 78% of total digital ad spends, reaffirming the smartphone as the primary screen for commerce, content, and engagement.

Several drivers continue to fuel this momentum: India added 56 million new internet users in 2025, taking the base to 806 million (55.3% penetration).

Affordable data, rising social media adoption, Gen Z's growing digital influence, regional language content, and the surge in CTV (40 million users, projected 50 million in 2026) are reshaping marketing strategies.

Yet, challenges persist—ad fatigue, rising customer acquisition costs, and data privacy concerns remain critical hurdles. With the shift to a cookieless future, personalized content will be central to effective engagement. We hope this report provides you with valuable insights to navigate and harness the potential of digital marketing in 2025 and beyond.

Happy reading!



DEEPAK H

Partner & Country Head - IPSOS
Strategy3

“GenZ’s growing digital influence, regional language content, and the surget in CTV are reshaping marketing strategies,,

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EXECUTIVE SUMMARY

The fourth edition of the ET Brand Equity–Ipsos “The State of Digital Advertising in India 2025” report reaffirms the strength and scale of digital advertising in the country. Digital ad spending grew 20% YoY to ₹49,000 crore in FY2024–25, firmly establishing digital as India’s largest advertising medium with a 44% share of total spends. In comparison, television contributes 27%, OTT 5%, while print and OOH together make up the rest. Overall advertising spend reached ₹1.11 lakh crore, reflecting 11% growth from FY2024.

Within digital, mobile dominates with 78% of ad spends, driven by affordability and widespread penetration. Social media and online video remain the largest formats, together accounting for more than half of digital investments—highlighting consumer preference for short, engaging, and visually rich content. Paid search is growing strongly, while influencer marketing has become a critical part of brand strategies in FMCG, beauty, fashion, and lifestyle. By sector, FMCG and e-commerce lead digital spending with 68% combined share, followed by consumer durables, BFSI, automotive, and retail. Retail in particular has posted strong double-digit growth, powered by festive demand, Q-commerce, and the rise of D2C brands.

Several structural shifts are shaping India’s digital landscape. The internet user base has crossed 800 million (55.5% penetration), with ~500 million social media users. Connected TV has reached 40 million MAUs, projected to hit 50 million in FY2026. Regional and vernacular content is driving deeper engagement in tier-2 and tier-3 markets, while 5G rollout and low data costs are enabling richer ad formats like HD video and immersive AR/VR experiences.

Evolving consumer behavior is reshaping digital engagement. Gen-Z are driving demand for short-form video, live commerce, gamified ads, and purpose-led campaigns. Digital-first strategies are now central for D2C and Q-commerce brands, with social media discovery influencing impulsive buying decisions.

On the technology front, AI and automation are powering hyper-personalization at scale, optimizing campaign delivery, and boosting conversational marketing. Programmatic advertising and retail media networks are also on the rise, offering precision targeting and measurable ROI. Simultaneously, Connected TV advertising is emerging as a premium channel, combining television’s immersive reach with digital’s targeting accuracy.

The industry, however, faces persistent challenges. Ad fatigue, inconsistent measurement standards, and data privacy concerns—including the phase-out of third-party cookies—pose significant hurdles. In response, brands are prioritizing ethical and inclusive marketing, omni-channel engagement, and transparent consumer-first practices to strengthen trust and loyalty.

Despite these challenges, India’s digital advertising market is among the fastest-growing globally. With expanding internet access, rising content consumption, rapid tech innovation, and new advertisers entering from emerging sectors, the outlook for FY2026 and beyond points to sustained double-digit growth. Digital is on course to become the undisputed cornerstone of India’s advertising ecosystem.





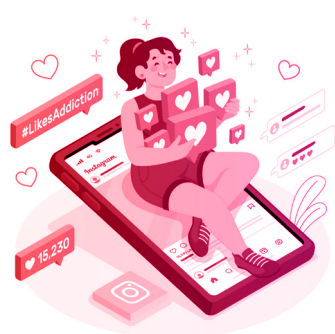
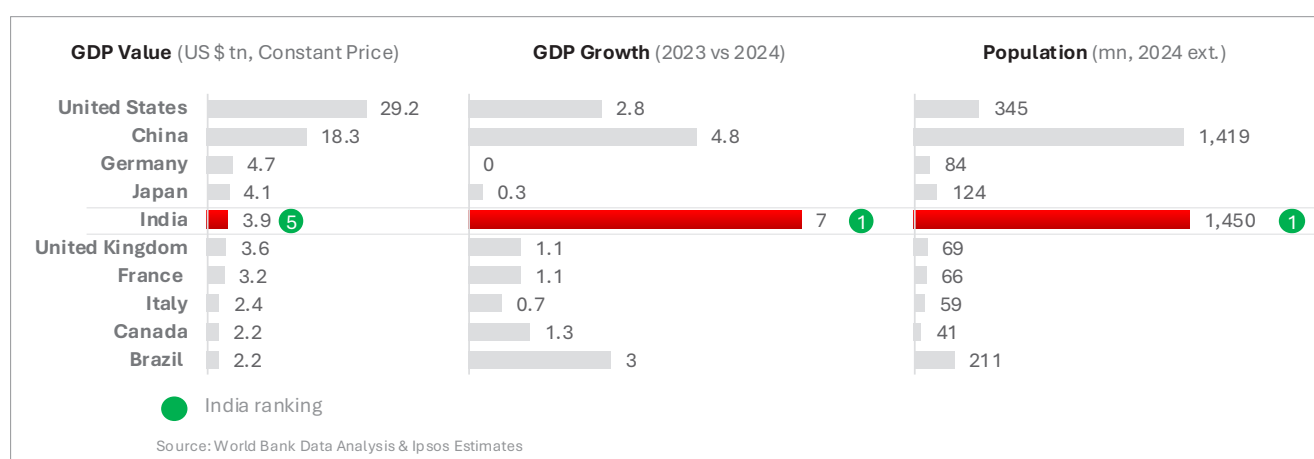
CURRENT STATE OF THE INDUSTRY

Advertising Spends

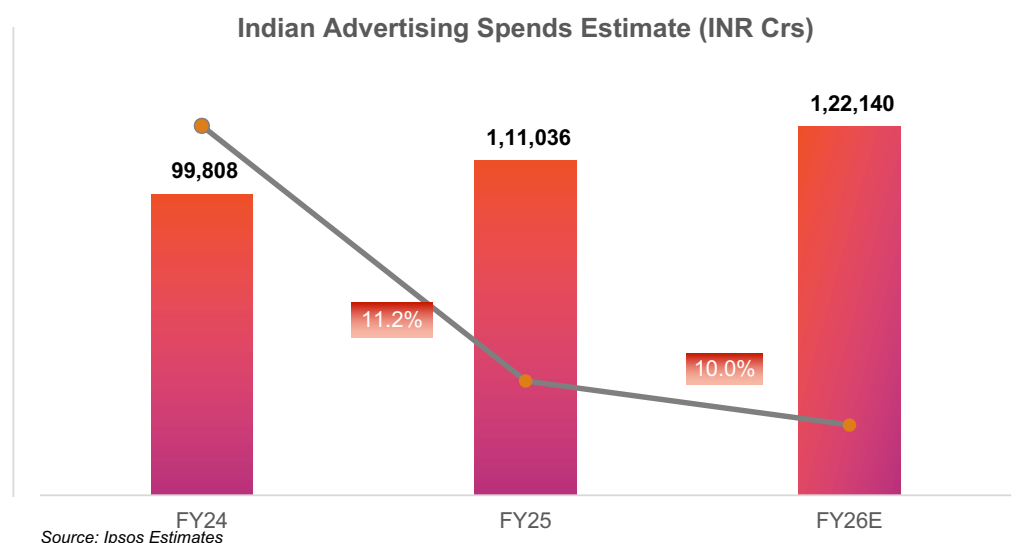
India's advertising industry sustained its strong growth trajectory in FY25, recording an 11% increase to reach ₹1,11,000 crore (April 2024–March 2025), up from ₹99,800 crore in FY24. This growth has been driven by rising digital adoption, deeper 5G penetration, and the continued boom in e-commerce and mobile-first content consumption. With digital platforms now accounting for nearly half of total advertising spends, India has firmly cemented its position as one of the fastest-growing advertising markets in the world. Looking ahead, the industry is projected to grow a further 10% in FY26, crossing the milestone of ₹1,22,000 crore

On the macroeconomic front, India has overtaken the UK to become the world's fifth-largest economy, with a GDP of \$4.1 trillion, and is ambitiously targeting a \$7 trillion economy by 2030. Notably, digital income is projected to contribute nearly 20% of national income by the end of the decade—highlighting the pivotal role of the Digital India initiative in shaping both the nation's economic and advertising landscape.

A combination of strong consumer demand, government-led digital infrastructure initiatives, and growing marketer confidence is continuously reshaping India's advertising ecosystem. For brands, this presents unprecedented opportunities for both scale and innovation in one of the world's most dynamic and digitally driven markets.



"India's advertising spend for FY25 stood at ₹1.11 lakh crore, marking a robust 11% year-on-year growth and reaffirming the country's position as one of the fastest-growing advertising markets globally."



Digital media is no longer limited to premium or young audiences today it is relevant across geographies and demographics, from urban to rural India.

Shawn Chandy
Chief Marketing Officer, Paragon Footwear

Advertising Spends by Different Media

In FY25, digital media solidified its position as the largest advertising segment, accounting for 44% of total market share, according to Ipsos estimates. Traditional television continued its gradual decline, slipping to 27%, while print media fell to 18%. Although still emerging, OTT platforms recorded steady growth, capturing 5% of overall ad spends. The surge in e-commerce, the rise of tech-driven businesses, and the momentum behind the government's Digital India initiative have been key contributors to digital's sustained growth.

Looking ahead, the continued rollout of 5G, the rise of AI-powered marketing, and growing consumer demand for personalized, interactive content are expected to further accelerate the shift toward digital—widening the gap between digital and traditional media even more.

Mobile-first consumption continues to be the backbone of this growth, with smartphones driving the majority of digital engagement across commerce, entertainment, and social media. The inclusion of OTT as a separate category in the ad spend mix reflects its increasing relevance as brands tap into connected, urban, and youth audiences who are shifting away from linear TV. Print, while on a declining trajectory, still holds relevance in regional markets and continues to attract advertisers seeking credibility and trust.



“

In just five years, digital has transformed from a small part of performance marketing to becoming 70–80% of our total ad spend, reflecting the consumer’s clear shift from television to smartphones.

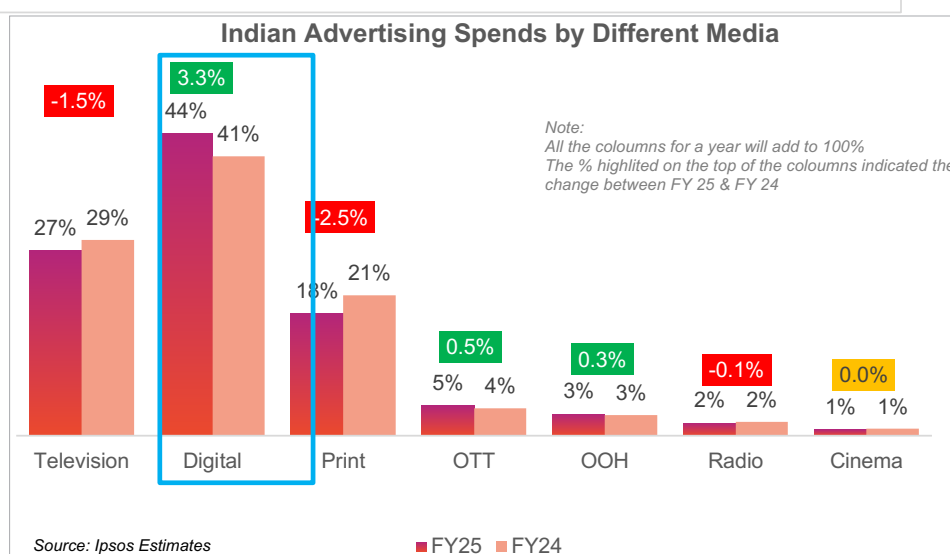
Ashish Tiwari

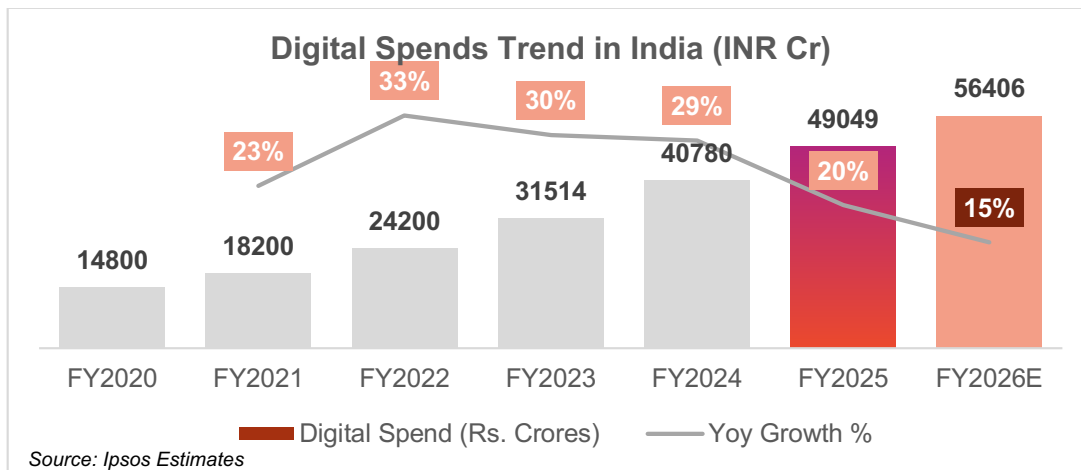
Chief Marketing Officer, Home Credit

The consumer journey has increasingly become complex and fragmented off late. Traditional media are receding. Awareness is often built by influencers and shorts, while display ads work best for conversions at the bottom of the funnel.

Sandeep Walunj

Executive Director-Chief Marketing Officer, Motilal Oswal

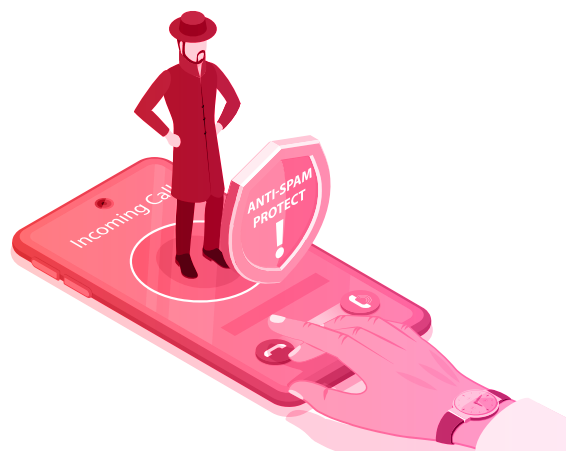




Digital Marketing Spend

Digital advertising continued to lead India's media landscape in FY25, reaching ₹49,000 crore and accounting for 44% of total advertising expenditure. This marks a robust 20% year-on-year growth, further solidifying digital's position as the country's dominant advertising channel.

Early projections for FY26 indicate continued momentum, with digital ad spends expected to rise to ₹56,400 crore and expand their share to 46% of the overall market. Driven by the increasing adoption of AI-powered marketing, the rapid growth of e-commerce, and rising consumer engagement on social media and video platforms, digital is poised to further widen its lead over traditional media channels.



Digital is not just about content-first, but consumer-first it allows us to deliver hyperlocal, personalized, and ROI-driven campaigns that traditional media cannot.

Ashish Tiwari

Chief Marketing Officer, Home Credit

For us, digital advertising serves three purposes discovery, driving consideration, and storytelling that builds cultural capital rather than just social capital.

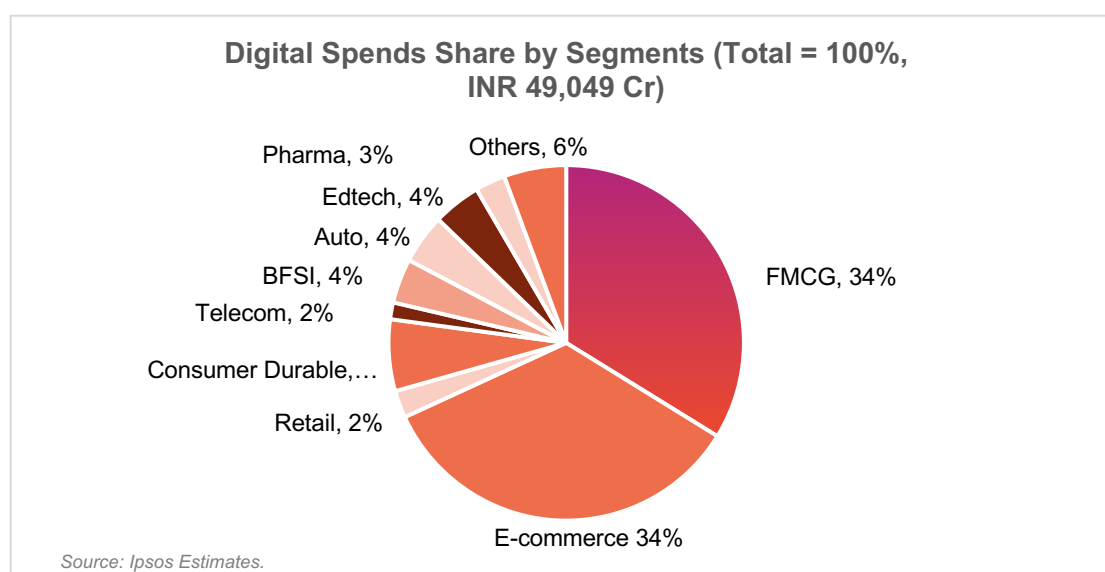
Jeetnedra Haryani

Head of Marketing and Alliances, Zoya from Tata group

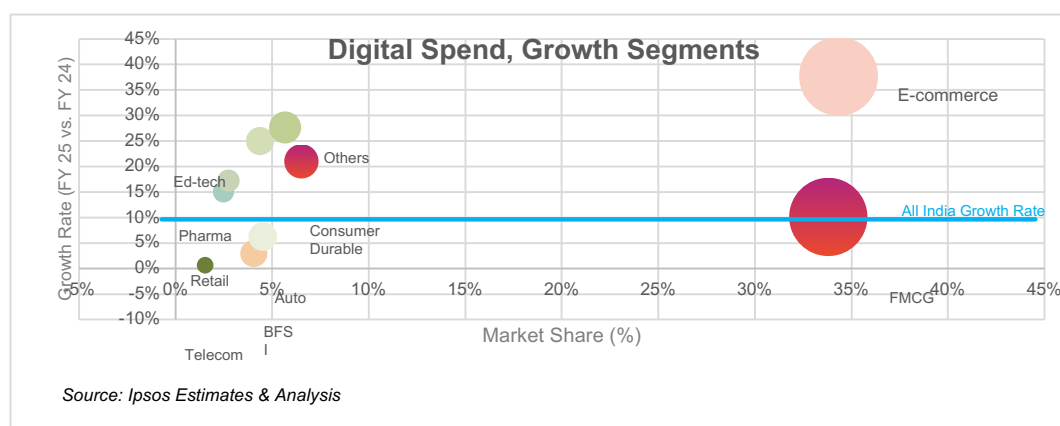
Digital Spend Share by Industry Segments

In FY25, FMCG and e-commerce continued to dominate India's digital advertising landscape, together accounting for 68% of the total spend, with each sector contributing an equal 34% share.

E-commerce stood out as the fastest-growing category, posting an impressive 38% growth year-over-year, fueled by the surge in online shopping, festive sales, and aggressive discount-driven campaigns.

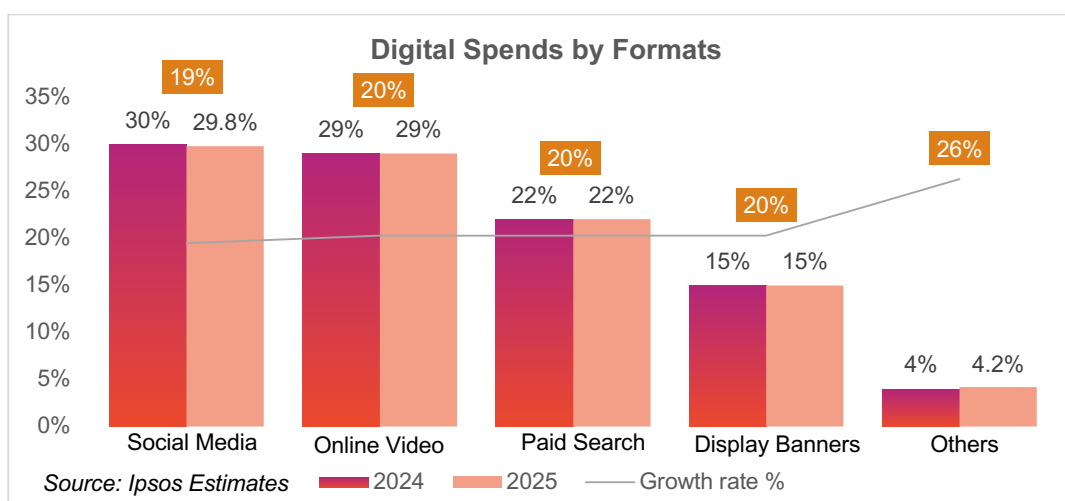


FMCG retained its leadership in absolute digital ad spends but registered a moderate 10% growth, indicating saturation in its core categories. Other sectors showing notable momentum included edtech, which grew by 25%, and consumer durables, with a 21% increase, underscoring their increasing reliance on digital platforms for consumer engagement. Meanwhile, telecom (6%) and BFSI (2.9%) experienced slower growth, reflecting market maturity and more cautious advertising budgets.



Digital Media Share by Advertising Formats

In FY25, social media, online video, and paid search continued to dominate India's digital advertising landscape as the top three formats. Social media led with a 29.8% share, growing nearly 20% year-on-year, driven by the popularity of short-form content, influencer-led campaigns, and ongoing platform innovations. Online video closely followed with a 29% share, also growing at 20%, as brands increasingly leveraged immersive storytelling and the expansive reach of OTT platforms. Paid search captured a 22% share and grew by 20%, reinforcing its position as the most dependable performance-driven advertising tool. Display banners remained steady at 15%, while other formats collectively accounted for the remaining 4%, highlighting a balanced yet diversified digital advertising ecosystem.



“Brands that survive are the ones obsessed with their consumers whether conversations are happening on social media, AI chatbots, or future platforms, marketers must follow the consumer's journey

Ashish Tiwari

Chief Marketing Officer, Home Credit

Every consumer today needs at least six to seven touchpoints across both online and offline before building recall, which makes digital retargeting a critical part of our strategy.

Jeetendra Haryani

Head of Marketing and Alliances, Zoya from Tata group



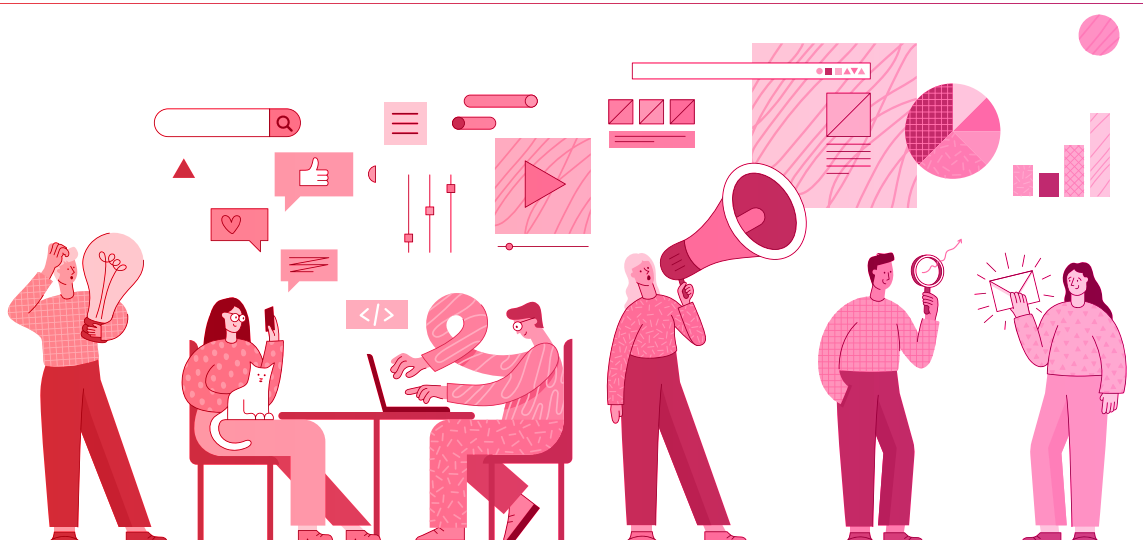
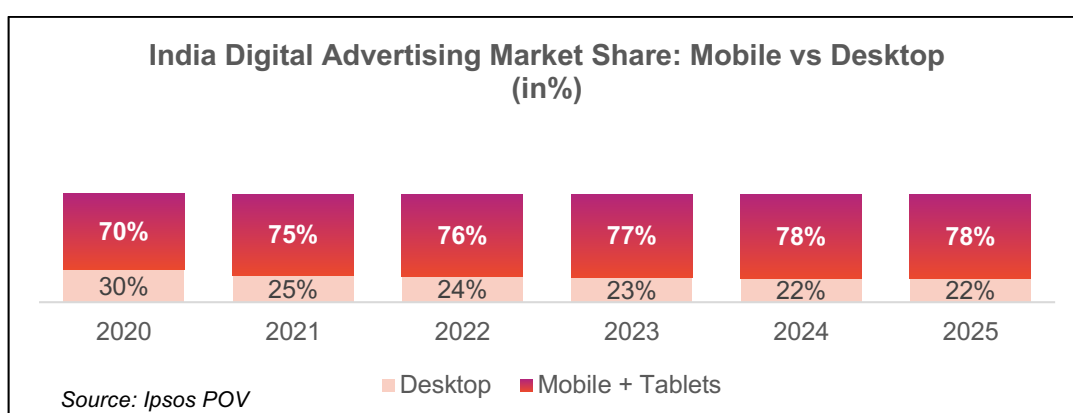
Google takes the lion's share of our ad spends, followed by Meta, as intent-driven search remains the backbone of travel advertising.

Manan Bajoria

VP-Growth Marketing, ixigo

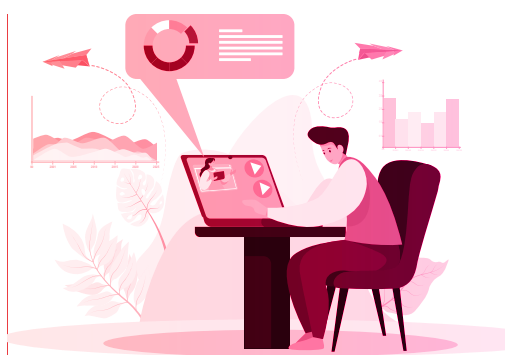
Digital Media Spend: Share of Mobile

In FY25, mobile continued to dominate India's digital advertising landscape, accounting for 78% of total digital media spends—maintaining the same share as the previous year. This sustained dominance underscores the pivotal role of smartphones as the primary device for content consumption, commerce, and user engagement. Meanwhile, desktop platforms held steady with a 22% share, reflecting their consistent but more niche relevance in categories like professional services and long-form content.



GROWTH DRIVERS OF DIGITAL ADVERTISING

India's digital advertising landscape is undergoing an unprecedented transformation, driven by key growth factors such as the rapid increase in internet users, affordable data pricing, and the widespread proliferation of social media platforms. The integration of emerging technologies like 5G, AI, and automation is empowering brands to engage audiences more efficiently and interactively. Additionally, evolving consumer behavior—especially among Millennials and Gen Z—is shaping new preferences for personalized, immersive, and purpose-driven content, further accelerating the shift towards digital.



#1: Rise in Number of Internet Users

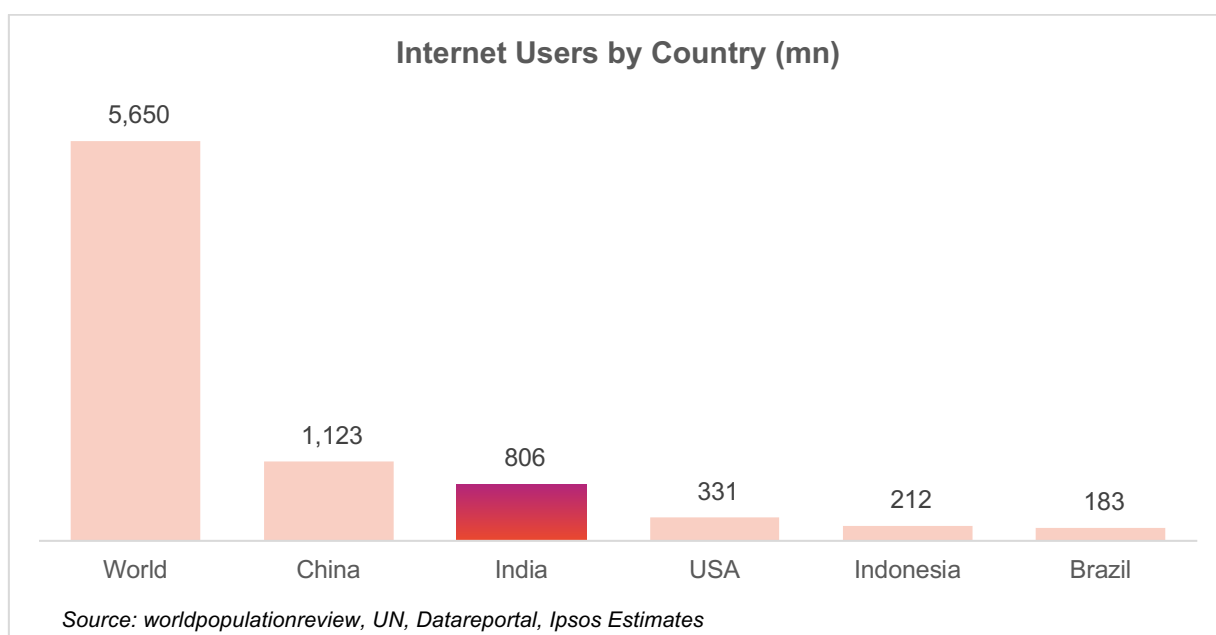
Globally, the total number of internet users is projected to reach 5.62 billion in 2025, representing approximately 66% of the world's 8.5 billion population (Source: UN Mid-Year Estimates).

In FY25, India recorded 806 million internet users, with penetration rising to 55.3% of the population. This marks an addition of 56 million new users compared to the previous year. The sustained growth is driven by affordable smartphones,

low data costs, government-led digital initiatives, and the expanding rollout of 5G networks—further strengthening connectivity across both rural and urban areas.

IMPACT ON DIGITAL MARKETING

- o **Expanded Reach and Sharper Targeting:** A larger online user base enables brands to micro-target diverse consumer groups across various geographies with greater precision.
- o **Boost to e-commerce and Content Consumption:** Rising internet penetration drives increased online shopping, digital payments, and higher engagement on digital platforms, making them essential for marketing strategies.





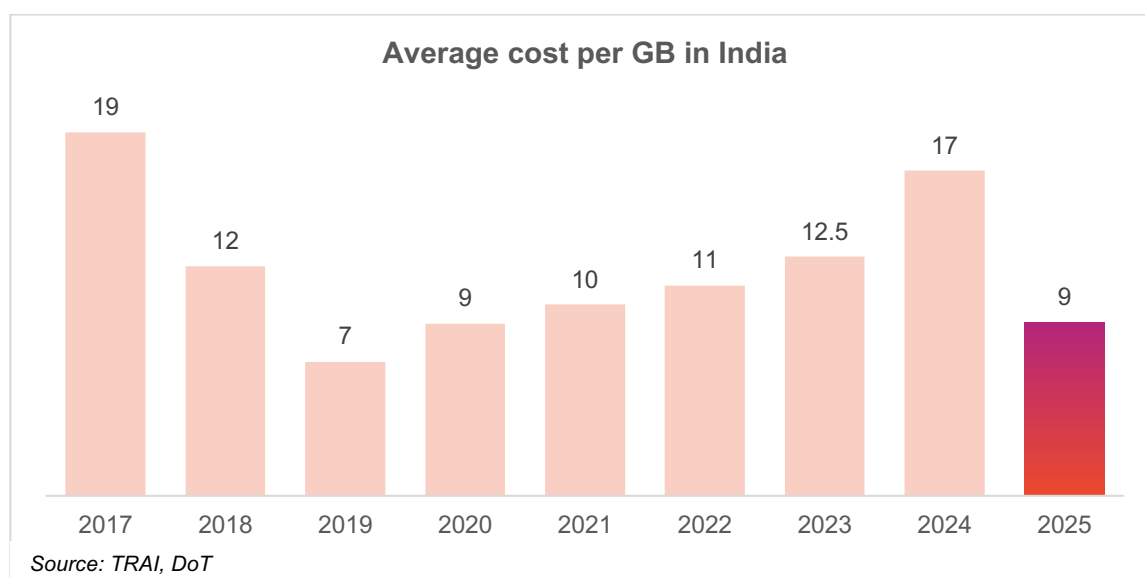
#2: Increased Data Affordability

India continues to lead the world in affordable mobile data costs, further strengthening its digital ecosystem. In FY25, the average cost of 1 GB of mobile data dropped to ₹9, down from ₹17 per GB in 2023. This significant decline has solidified India's standing as one of the most cost-effective markets globally for internet access. The widespread rollout of 5G services has not only enhanced speeds and network quality but also extended connectivity into rural and semi-urban areas. The combination of affordable data and faster networks is democratizing internet access,

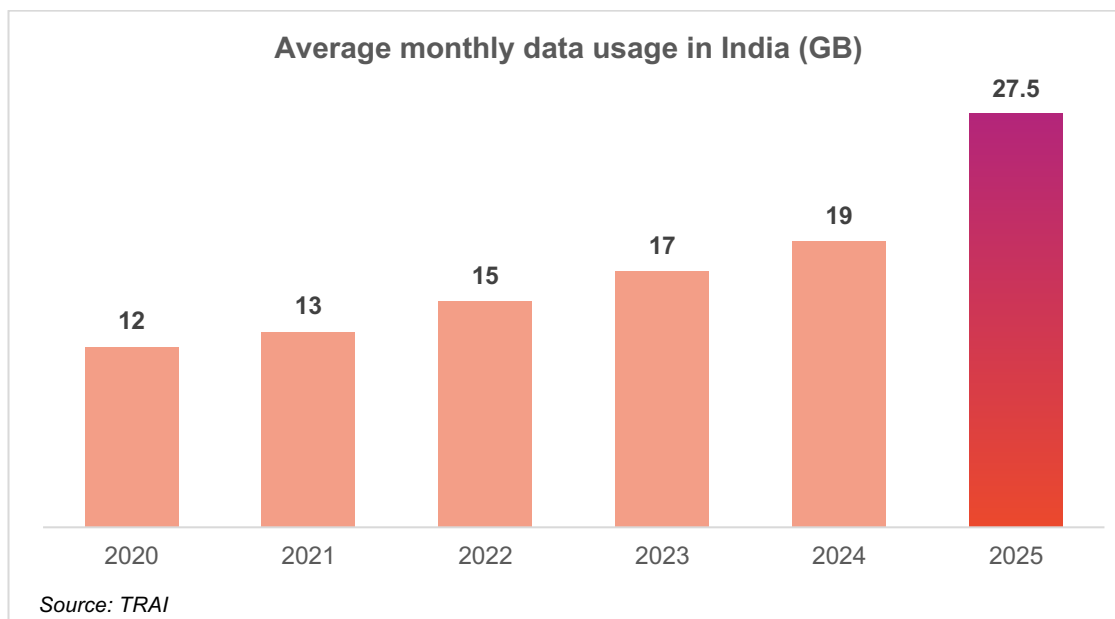
driving widespread adoption of digital platforms across the country.

IMPACT ON DIGITAL MARKETING

- o **Regional and Hyperlocal Adoption:** Affordable data costs have led to increased digital content consumption among rural and regional users, prompting brands to expand vernacular and hyperlocal marketing campaigns.
- o **Explosive Video and Immersive Content Usage:** Lower data prices encourage binge streaming, gaming, and short-video consumption, driving the growth of video-first and influencer-led marketing strategies.
- o **AR/VR and Real-Time Experiences:** The combination of 5G connectivity and affordable data is making advanced formats like AR, VR, and live interactive ads increasingly accessible and effective for marketers.



The average monthly data consumption per user in India rose significantly from 17 GB in 2023 to 27.5 GB in 2025 (Source: TRAI). Looking ahead, this upward trajectory is expected to continue, with forecasts indicating that by 2030, average data traffic per smartphone will soar to 66 GB per month (Source: Ericsson Mobile Data Traffic Outlook).



#3: Rise in Number of Social Media Users

India saw a notable rebound in social media adoption in FY25, with active users rising to 491 million—representing 33.7% of the total population, up from 462 million (32.2%) in FY24. This increase of nearly 29 million new users highlights growing digital engagement across diverse age groups. Platforms such as Instagram, Facebook, Snapchat, and LinkedIn all expanded their user bases during this period. The resurgence has been fueled by stronger content ecosystems, creator-driven interactions, and improved mobile internet connectivity, solidifying social media's role as a central pillar of India's digital lifestyle.

IMPACT ON DIGITAL MARKETING

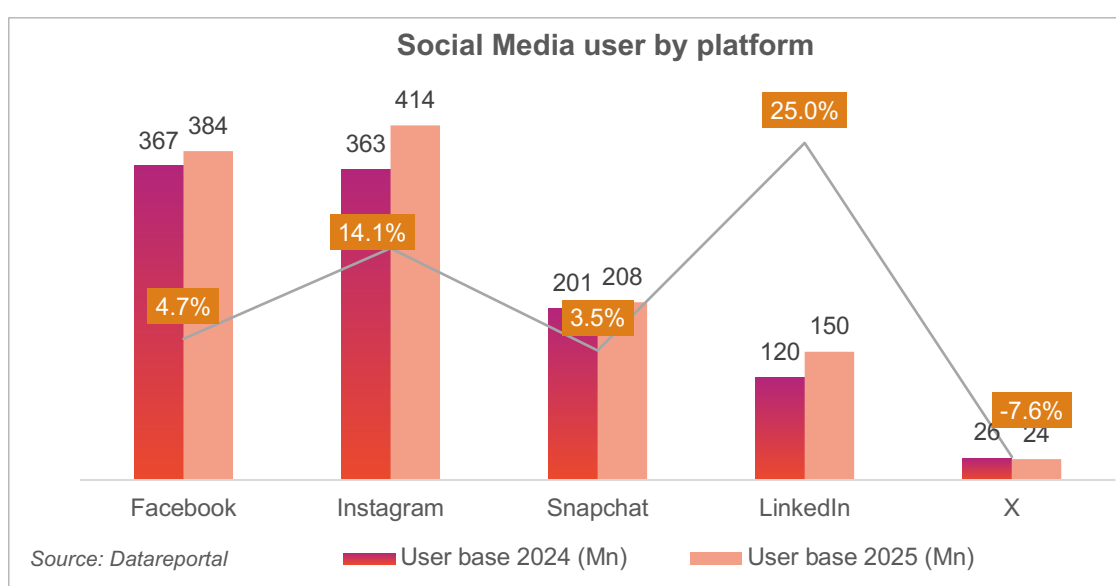
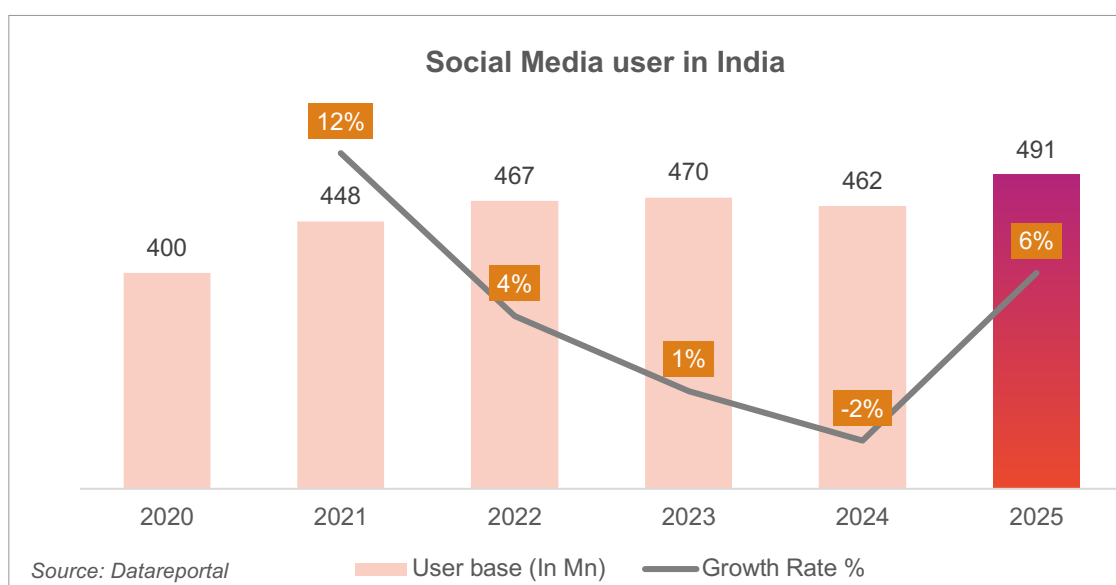
- o **Broader Engagement Opportunities:** Growth across multiple platforms enables brands to diversify content strategies and connect with distinct user communities more effectively.
- o **Video-first Dominance:** Reels, short-form videos, and livestreams have become the primary modes of consumption, pushing brands to prioritize video-centric content.
- o **Robust Influencer Ecosystem:** An expanding user base strengthens creator-led marketing, making influencer collaborations increasingly vital to campaign success.

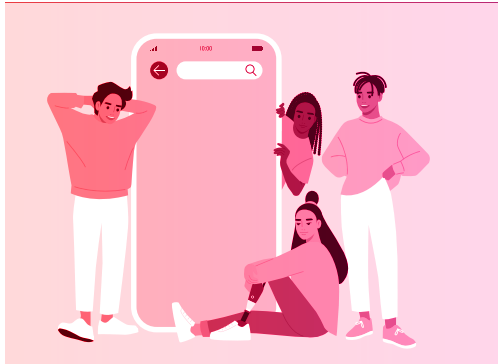


Static creatives are declining; short videos like YouTube Shorts and Instagram Reels are delivering far better performance in driving engagement and conversions.

Manan Bajoria

VP-Growth Marketing, ixigo





#4: Rise in Gen-Z and Youth Consumption

In FY25, India's youth—particularly Gen Z—have emerged as a powerful force in the digital marketing landscape. As the country's largest and most digitally savvy demographic, Gen Z accounts for approximately \$860 billion in consumer spending, with direct spending projected to reach \$250 billion in 2025 and soaring to \$1.8 trillion by 2035. Their influence extends well beyond mere spending, reshaping consumption patterns across

sectors such as fashion, dining, and lifestyle, driven by values of authenticity, immersion, and community engagement.

Gen Z and young millennials are not just consumers; they are active trendsetters shaping culture through content creation, digital communities, and peer influence. They demand authenticity, inclusivity, and purpose from brands, prioritizing experiences and engagement over traditional product ownership. Their fluid transition between online discovery and offline purchasing underscores the need for seamless omni-channel journeys. Furthermore, their preference for short-form, interactive content and gamified experiences is pushing brands to innovate with AR, live commerce, and immersive storytelling.

For marketers, this cohort represents both a significant spending power and a cultural catalyst that requires relevance, transparency, and continuous innovation. According to Google, 79% of Gen Z in India use Google and/or YouTube daily, reflecting their active and intentional content consumption habits. YouTube stands out as their preferred video platform, with 76% feeling their time spent there is well invested—surpassing platforms like Instagram (65%) and even traditional television (57%). Importantly, Gen Z places great trust in creators, valuing authenticity over celebrity status, with 93% believing that content from trusted YouTube creators is more reliable than that from other media.

IMPACT ON DIGITAL MARKETING

- o **Content Strategy Shift:** Brands are focusing on short-form videos, livestreams, and platform-native content that resonate with Gen Z's digital habits and attention spans.
- o **Creator-Centric Influencer Engagement:** There is a strong preference for partnering with relatable micro-creators rather than traditional celebrities, reflecting Gen Z's trust in authentic voices.
- o **Brand Investment:** Although 45% of businesses acknowledge Gen Z's significant influence, only 15% are actively targeting this segment, highlighting substantial growth opportunities for forward-looking brands.

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#5: Regional Language and Vernacular Content Growth

India's next wave of internet adoption is being driven largely by Tier-2, Tier-3, and rural markets, where consumers prefer engaging with content in their native languages. With over 600 million internet users outside metro areas, there has been a

significant surge in demand for vernacular content across video platforms, social media, and e-commerce, including Hindi, Tamil, Telugu, Bengali, Marathi, and more. Regional OTT platforms and local creators are rapidly gaining traction, creating highly engaging ecosystems for brands. For many first-time internet users, voice search, short-form videos, and influencers communicating in vernacular languages foster greater trust and relatability than English-language campaigns.

IMPACT ON DIGITAL MARKETING

- o **Shift in Ad Budgets:** Brands are increasingly reallocating spend toward vernacular ads, regional influencers, and local OTT platforms to tap into growth beyond metro markets.
- o **Higher Engagement & Trust:** Campaigns delivered in local languages resonate more deeply, resulting in stronger recall, higher click-through rates, and greater brand affinity.
- o **New Creative Ecosystem:** The emergence of vernacular creators and agencies specializing in regional content has made digital advertising more localized and culturally relevant.
- o **Platform Innovation:** Major tech platforms like YouTube, ShareChat, and Moj are investing heavily in vernacular tools—such as auto-translation, regional targeting, and AI-powered voice search—enabling brands to effectively scale their reach in these markets.



#6: Rise of Connected TV

Connected TV (CTV) is rapidly emerging as a crucial growth driver in India's digital advertising landscape. In 2025, CTV recorded nearly 40 million monthly active users—a figure projected to surpass 50 million by 2026. This impressive growth underscores CTV's rise as a mainstream digital touchpoint, offering advertisers the unique advantage of television-scale reach combined with the precision targeting capabilities of digital media.

CTV delivers strong marketing performance through non-skippable, full-screen ad formats that achieve over 90% completion rates and consistently maintain viewability above 95%. Advertisers are leveraging these strengths with innovative interactive formats such as pause ads, dynamic billboards, pre-rolls, and click-to-WhatsApp integrations, resulting in high-impact campaigns with measurable outcomes.



In our industry, nearly 60–65% of our advertising budget goes into digital, with Connected TV (CTV) taking a lion's share during IPL, alongside e-commerce platforms like Amazon and Flipkart.

Girish Hingorani

Vice President, Marketing (Unitary Cooling Products) & Corporate Communications, Blue Star



Connected TV has become an important upper-funnel tool for us, offering the immersive impact of television with the precision targeting of digital.

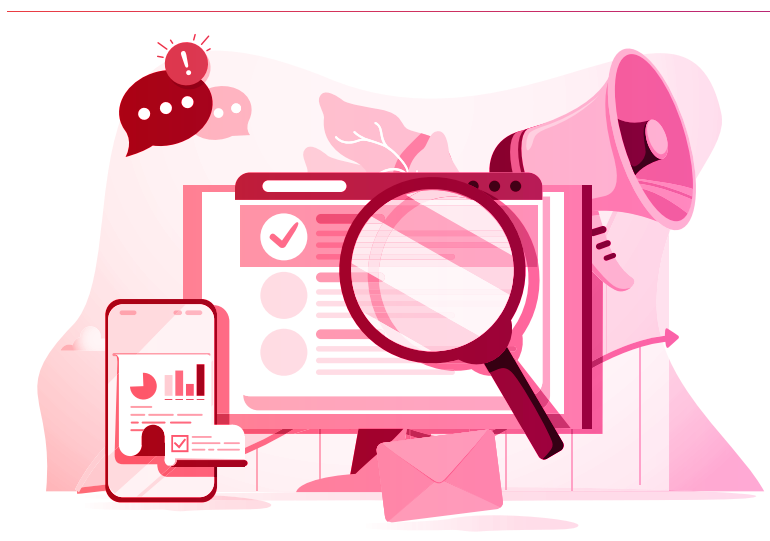
Nidhi Rastogi

Marketing Director, UNIQLO India

Far from being just a futuristic channel, CTV bridges traditional and digital strategies by blending the immersive experience of linear television with the targeting precision of programmatic advertising. Its ability to engage high-intent, younger, urban, and affluent audiences makes CTV a cornerstone of future-ready media planning.

IMPACTS ON DIGITAL MARKETING:

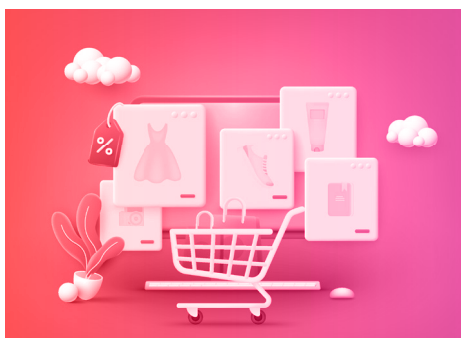
- o **Blended Scale and Precision:** CTV combines the broad reach of traditional television with the targeting capabilities of digital media. Marketers can deliver campaigns not only to mass audiences but also to specific segments based on demographics, location, and viewing behavior.
- o **Premium and Immersive Ad Formats:** With larger screens and high-definition content, CTV enables interactive ads, shoppable videos, and branded content integrations that go beyond the limitations of mobile and desktop. This creates a more immersive brand experience and drives stronger purchase intent.
- o **Budget Reallocation from Traditional TV:** As audiences increasingly shift from linear TV to streaming platforms, advertisers are reallocating budgets to CTV. This allows brands to maintain television-like impact while gaining access to performance metrics such as impressions, view-through rates, and conversions.
- o **Increased Value for Premium Categories:** High-value sectors like automobiles, luxury goods, and consumer electronics benefit from CTV's ability to reach affluent, urban, and family-oriented households—audiences that are often difficult to engage through mobile-first digital channels.



INSIGHTS AND TRENDS FOR 2025 AND BEYOND

Driven by rising internet penetration and mobile-first adoption, digital marketing in India saw accelerated growth in 2024. As the ecosystem matured, several key trends began to take shape—including the rise of short-form video, ethical and inclusive marketing, the metaverse, hyperlocal and in-app advertising, generative AI, and immersive technologies like AR and VR. While many of these advancements have enabled greater personalization and customer-centricity, they have also raised valid concerns around data privacy and digital security. Ultimately, innovation, adaptability, and trust will remain the cornerstones of sustained growth in the digital marketing space.

According to our primary survey of marketers, the top three trends shaping the future of digital marketing are: the explosive growth of short video content, increased use of AI for personalization and marketing automation, and a strong shift toward data-driven decision-making. These are closely followed by the expansion of regional language content and the growing importance of influencer partnerships in brand strategy.

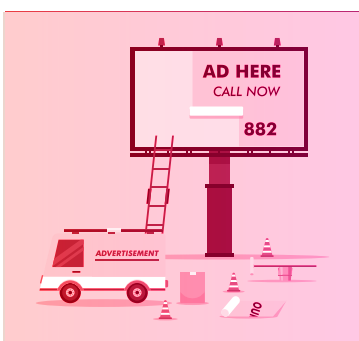


#1: Increasing Impact of Retail Media

In recent years, retail media has emerged as one of the most impactful new channels in digital marketing.

What makes retail media particularly effective—especially for endemic brands—is its ability to leverage first-party customer data to deliver highly personalized advertising. This allows brands to target relevant consumers with precision and remain top-of-mind throughout the purchase journey.

By integrating seamlessly into familiar shopping platforms, retail media not only enhances customer engagement but also elevates the overall shopping experience. As a result, it drives higher conversion rates and strengthens customer retention. Ultimately, retail media empowers brands to complete the full marketing funnel—from awareness and consideration to purchase and loyalty—all within a single, data-rich environment.



#2: Growing Influence of Digital OOH

Digital Out-of-Home (DOOH) advertising is rapidly gaining momentum, attracting a broader range of advertisers with its dynamic, targeted, and highly engaging formats across diverse public spaces. Advances in display technology now enable real-time, adaptable, and personalized content delivery—making DOOH a compelling option for both large brands and small businesses. Its flexibility, combined with audience-specific targeting, allows advertisers to effectively capture attention in high-traffic environments.

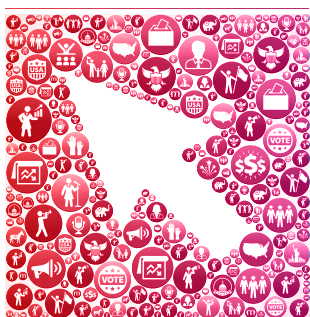
Moreover, the integration of data analytics provides precise measurement and performance insights, further driving confidence and investment in this impactful advertising channel.



#3: Live events as Advertising Channel

Live events are increasingly emerging as high-impact advertising channels, offering immersive experiences that enable direct and meaningful consumer engagement. By aligning with events that captivate targeted audiences—such as music festivals, sports tournaments, or cultural gatherings—brands can foster powerful, face-to-face interactions that build emotional resonance. The rise of social media further amplifies this impact, as attendees share real-time content and experiences, organically extending the brand’s reach beyond the physical venue.

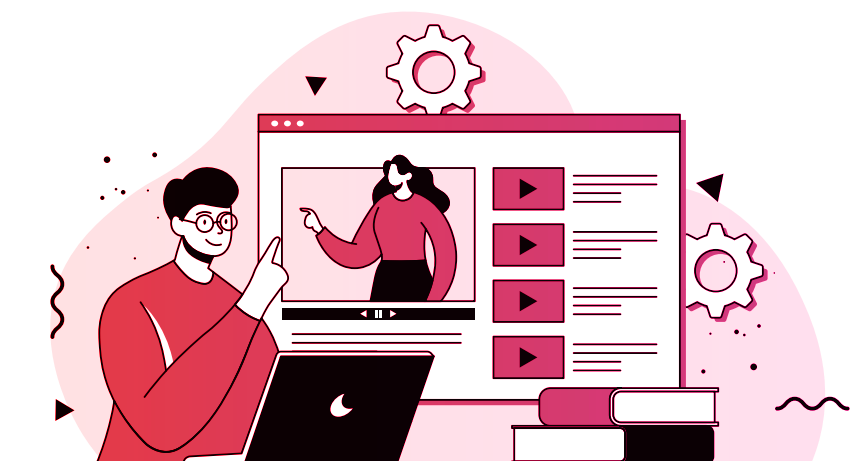
Despite these advantages, measuring ROI from live event advertising remains a significant challenge. The emotional and experiential nature of such engagements makes it difficult to quantify their full impact. Attribution is often complex, as the influence of live events can unfold over time and across multiple channels. Additionally, collecting accurate, real-time data and translating experiential interactions into tangible metrics continues to be a major hurdle for marketers aiming to assess performance and justify investment.

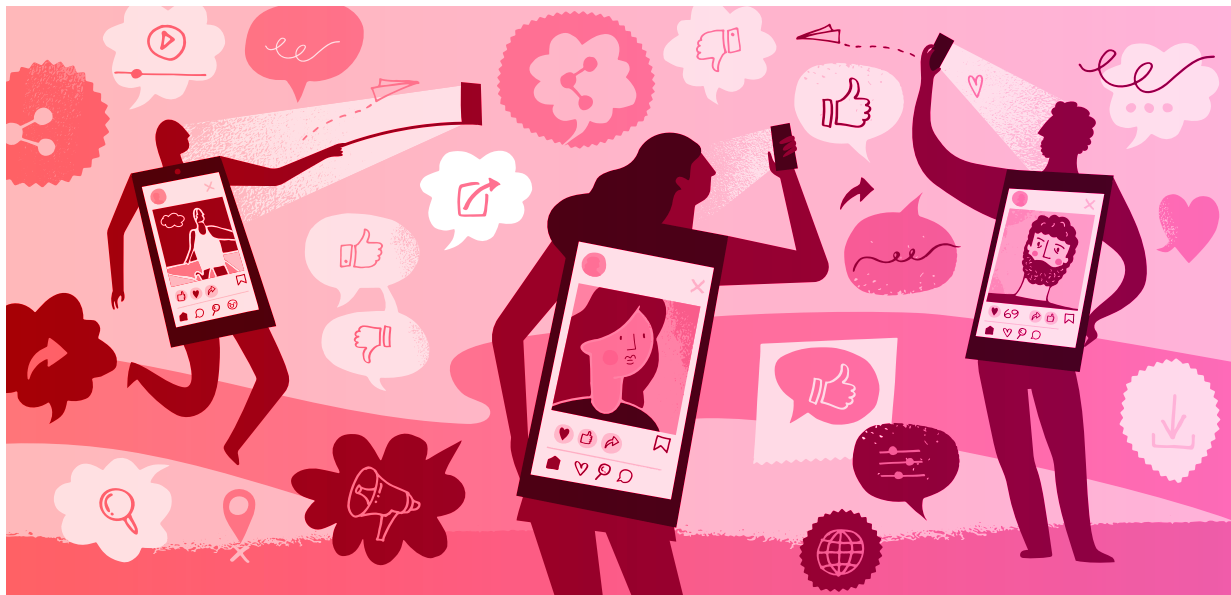


#4: Click Free Browsing

As search engines evolve to deliver direct answers through featured snippets, knowledge panels, and answer boxes, traditional click-through rates (CTRs) are on the decline—posing new challenges for digital advertisers. This shift means users are increasingly getting the information they need without clicking through to websites, disrupting conventional traffic and conversion models.

To stay competitive, advertisers must adapt by optimizing content for visibility in these prominent SERP features, with a renewed focus on structured data, voice search readiness, and semantic SEO. Enhancing organic presence in instant-answer formats becomes essential. Simultaneously, marketers need to create more compelling, interactive content that encourages users to engage beyond the search page—whether through strong CTAs, multimedia, or exclusive value offerings. In this rapidly changing search landscape, maintaining relevance means going beyond the click and ensuring content adds immediate value where users are already finding answers.



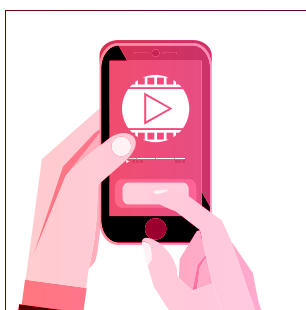


#5: Data Driven Marketing

Data-driven marketing has emerged as a cornerstone of modern strategy, enabling brands to harness analytical insights for highly personalized and efficient campaigns. By analyzing vast volumes of consumer data, marketers can uncover behavioral patterns and preferences, allowing for precise targeting and tailored messaging that enhances the overall customer experience. Real-time data analytics further strengthens decision-making, driving higher

engagement and improved conversion rates.

When integrated with AI, data-driven marketing reaches new levels of effectiveness—refining audience segmentation, automating personalization, and maximizing ROI. This powerful combination is setting a new benchmark for competitive advantage, helping brands deliver smarter, more relevant interactions that resonate with today's data-savvy consumers.



#6: Short-Form Video Dominance

Short-form video has rapidly become the dominant digital format, with platforms like Instagram Reels, YouTube Shorts, and Snapchat Spotlight capturing massive user attention. Driven by shrinking attention spans and the preference for quick, visually engaging content, Gen Z and millennials now spend more time on these formats than ever before. For brands, the impact is significant short videos deliver higher engagement and stronger recall, while their viral nature makes them highly cost-effective compared to traditional formats. Moreover, the rise of

creator-driven ecosystems has allowed brands to collaborate with micro-influencers, adding authenticity and relatability to campaigns. As a result, short-form video has firmly established itself as a critical pillar of digital marketing strategies in India.



We're leveraging AI/ML to personalize user experiences at scale from recommending hotels based on past behavior to sending contextual WhatsApp nudges that drive bookings.

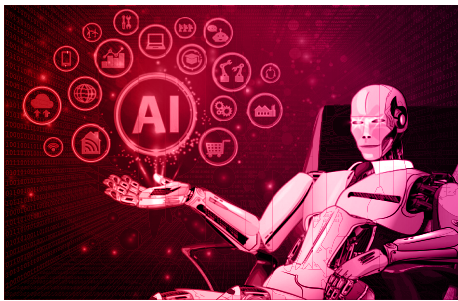
Manan Bajoria

VP-Growth Marketing, ixigo

AI tools are helping us target the right audience more effectively, optimize ROI, and even generate more relatable Indian visuals, though content creation is still largely agency-driven.

Girish Hingorani

Vice President, Marketing (Unitary Cooling Products) & Corporate Communications, Blue Star



#7: AI-Driven Personalization

Imagine receiving a brand message that includes your name—it instantly feels more personal, almost as if the offering was crafted just for you. This emotional connection is at the heart of personalized marketing. Now, when paired with AI and machine learning algorithms, this approach is elevated to an entirely new level, revolutionizing how businesses connect with their audiences.

AI-driven personalization involves analyzing vast amounts of user data—such as browsing behavior, purchase history, and content preferences—to deliver tailored messages, product recommendations, and experiences. What makes AI especially powerful is its ability not only to create personalized content, but also to scale it across millions of users, ensuring each interaction aligns with individual needs and interests.

This level of relevance enhances consumer engagement, boosts conversion rates, and builds lasting loyalty—cementing AI-powered personalization as a core pillar of modern digital marketing strategies.



Our digital spends are largely focused on Google and Meta ecosystems, with video formats like YouTube leading the way, while AI tools are still being used primarily for content creation.

Shawn Chandy

Chief Marketing Officer, Paragon Footwear

Generative AI is transforming BFSI marketing from expertly answering investor questions to eventually enabling full funnel convertibility from within the chat.

Sandeep Walunj

Executive Director-Chief Marketing Officer, Motilal Oswal

HOW TO BUILD AUTHENTIC CONNECTION WITH GEN Z USING DIGITAL MARKETING

In today's crowded digital landscape, capturing the attention of any audience is increasingly challenging. But when it comes to Generation Z—the digital natives born between 1997 and 2012—it's a whole different game. This cohort effortlessly navigates multiple online platforms and consumes a wide array of content formats, making their engagement both complex and multifaceted.

To connect meaningfully with Gen Z, marketers must move beyond simple transactional interactions and instead build authentic relationships grounded in shared values, transparent communication, and collaborative content creation.

Given these nuances, we aim to unpack key insights that will help marketers successfully navigate the intricate world of Gen Z.



What Gen Z wants?

When it comes to digital content, Gen Z looks for a few key elements. Brands that embrace these will find themselves firmly on their radar:



Authenticity & Transparency – At the core of building a connection with Gen Z is one non-negotiable principle: authenticity. For this generation, authenticity isn't just a buzzword; it's a fundamental value that shapes their buying decisions and brand loyalty. Having grown up amidst “fake news” and performative activism, they're highly skeptical of anything that feels insincere or staged. To earn their trust, brands must ensure that their actions consistently reflect their stated values — no exceptions.



Sense of Connection and Community – A feeling of belonging matters deeply to Gen Z. Even nostalgia plays a role — tapping into cultural moments or trends they resonate with can foster a genuine sense of connection. When brands create or participate in communities where Gen Z feels understood and included, it builds lasting engagement.

Gen Z wants to feel like they're part of something bigger than themselves. They don't see themselves as passive consumers but as active co-creators who can influence a brand's story and even its products.

To tap into this mindset, brands need to foster genuine communities where like-minded individuals can connect around shared passions and values. This can be done by partnering with micro-influencers who have authentic, close-knit followings or by launching campaigns that encourage users to share their own stories and experiences. When a brand successfully cultivates this sense of belonging, it transforms customers into loyal advocates who champion the brand naturally and enthusiastically.

1) Simplified, curated experiences – Gen Z faces an overwhelming array of choices, not just in their daily lives but also in the vast sea of digital content they consume. By simplifying options and providing carefully curated experiences, brands can cut through the noise and truly connect with this audience.

2) Wide range of perspective – Gen Z is globally connected and deeply interested in diverse cultures, making content that reflects a broad, global perspective highly engaging for them.

Brands can tap into this by demonstrating cultural sensitivity, leveraging global platforms, and addressing universal issues such as climate change, social justice, and human rights. Exploring these avenues allows brands to resonate meaningfully with this socially conscious generation.

3) Seamless experience – Although digitally fluent, many Gen Z consumers still find online shopping more challenging than in-store experiences. This underscores the critical need for seamless user interfaces and outstanding customer service across digital platforms to ensure a smooth and satisfying shopping journey.

To address this, brands should focus on delivering a consistent and frictionless experience across all digital touchpoints, including social media interactions, e-commerce platforms, and customer service channels, ensuring that every step of the customer journey feels intuitive and reliable.



How Gen Z Likes to Consume Content?

Now that we've explored what Gen Z wants, let's dive into how they prefer to consume and engage with content.

SHORT FORMAT VIDEO

Despite their strong desire to connect and engage, Gen Z overwhelmingly prefers videos under 60 seconds. Brands that recognize that entertainment and relatability outweigh polished, corporate messaging tend to resonate best with this audience.

The soaring popularity of Reels, Shorts, and homegrown short form videos apps alongside the success of brands such as Zomato, Boat, Myntra, and Swiggy—underscore the power of visual, bite-sized content and the critical importance of aligning with Gen Z's consumption habits.

USER – GENERATE CONTENT (UGC)

Gen Z places far more trust in their peers than in traditional advertising, making user-generated content (UGC) one of the most powerful tools for building authentic connections. UGC—including customer reviews, unboxing videos, and creative challenges—feels genuine and relatable, resonating deeply with this audience.

Brands can harness this by launching hashtag campaigns and regularly showcasing customer content on their social channels.

INTERACTIVE STORIES

Gen Z doesn't want to be talked at—they want to be part of the conversation. Interactive content formats like polls, quizzes, Q&As, and live streams are powerful tools to foster this two-way engagement, inviting participation and making audiences feel seen and heard.

Creating personalized, shareable content that sparks organic conversations further strengthens users' personal connection with the brand. For brands, this means promptly responding to comments and messages, actively engaging in niche conversations.

MEMES & GIFS

Gen Z's communication style is distinctly informal, visual, and direct. They're fluent in the language of memes, emojis, and internet slang. Brands that force this slang risk seeming inauthentic, but those that naturally weave in humor and a conversational tone can build genuine rapport. The key is to stay human, relatable, and approachable.

In conclusion, building an authentic connection with Gen Z through digital content is a multifaceted endeavor that requires a deep understanding of their values, preferences, and communication styles. Gaining their loyalty hinges on authenticity, transparency, and a genuine commitment to social and environmental causes. Brands must move beyond the one-way monologue of traditional advertising and embrace a dynamic, two-way dialogue by speaking their language on platforms they love; and by inviting them to co-create the brand's story.

CHALLENGES AND BARRIERS IN DIGITAL MARKETING

While India's digital advertising industry continues its rapid expansion, marketers are also navigating a set of structural challenges that threaten to impact efficiency and ROI. The growing complexity of consumer behavior, evolving regulatory frameworks, and intensifying competition have introduced new barriers to sustained growth. Issues such as fragmented attention spans, rising acquisition costs, and heightened scrutiny around data privacy are reshaping how brands approach their digital strategies. Against this backdrop, understanding these challenges becomes critical for advertisers to adapt, innovate, and build resilient digital marketing models.

Fragmented Consumer Attention & Ad Fatigue

With the explosion of short videos, memes, OTT, and gaming, consumer attention is now scattered across a multitude of platforms. Gen Z, especially, exhibits low tolerance for traditional ads, often skipping or blocking them—significantly diminishing the effectiveness of conventional campaigns.

KEY CAUSES:

- o Ad clutter and repeated exposure are causing consumer fatigue.
- o Rapid shifts in platform preferences (from Reels to Shorts to emerging new apps) challenge marketers to stay agile.

IMPACT ON ADVERTISING:

- o Brands need to produce trend-driven, snackable content that captures attention quickly.
- o There's a growing emphasis on authentic influencer marketing and community-led engagement.
- o Marketers face pressure to invest in real-time, creative campaigns rather than relying on static ads.

Data Privacy & Regulatory Uncertainty

The rollout of the Digital Personal Data Protection (DPDP) Act 2023 has sparked significant concerns regarding the collection, storage, and use of consumer data in advertising. As brands navigate this new, cookie-less ecosystem, traditional personalization and targeting strategies are being disrupted, prompting a shift towards privacy-centric marketing approaches.



**KEY ISSUES:**

- o Stricter regulations enforcing explicit data consent and enhanced privacy protections.
- o Ban on third-party cookies and tracking technologies, limiting traditional audience targeting methods.

IMPACT ON THE ADVERTISING ECOSYSTEM:

- o Challenges in creating precise audience segments due to limited tracking capabilities.
- o Growing reliance on first-party data and strategic partnerships to gather consumer insights.
- o Increased investment required in technology for regulatory compliance and AI-driven contextual targeting.

Rising Customer Acquisition Costs (CAC)

With soaring digital ad spends across platforms like Meta, Google, OTT, and marketplaces, competition for consumer attention has intensified, driving up acquisition costs—especially challenging for mid-sized companies.

KEY ISSUES:

- o Auction-driven pricing causing significant cost inflation.
- o Platform saturation leading to sharp increases in CPM and CPC rates.

IMPACT ON ADVERTISING STRATEGIES:

- o Brands face difficulty sustaining ROI on performance-driven campaigns.
- o Strategic shift from aggressive growth to prioritizing retention and customer loyalty.
- o Increased experimentation with emerging channels such as WhatsApp, influencer marketing, and AI-powered tools.

METHODOLOGY & DISCLAIMER

This white paper has been developed through comprehensive analysis of multiple data sources. The interpretation and insights presented are based on the expertise and experience of Ipsos consultants. Key sources of information include:

Secondary Research

Ipsos reviewed a wide range of materials such as internal Ipsos points of view, news articles, company websites, sector and industry reports available in the public domain, blogs, and more. Additionally, Ipsos analyzed advertising, marketing, and promotional spends of over 120 companies across 10 major sectors.

Expert Interviews

Ipsos conducted interviews with senior marketers and industry experts to gain insights on industry size, spend mix, growth drivers, trends, and challenges. These stakeholders represented diverse segments, and data points were cross-verified for accuracy.

To estimate the industry size, Ipsos performed an in-depth analysis of both secondary and primary data sources, supplemented by informed assumptions. The estimation process began by determining sector-wise spends on advertising, marketing, and promotions—under which digital marketing is categorized—derived as a percentage of revenue for the sample companies and extrapolated to relevant sectors. These figures were further refined to isolate digital ad spend at the sector level.

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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.

