

2018 Adex and inflation projection

27 February 2018

@ Queen Sirikit National Convention Center



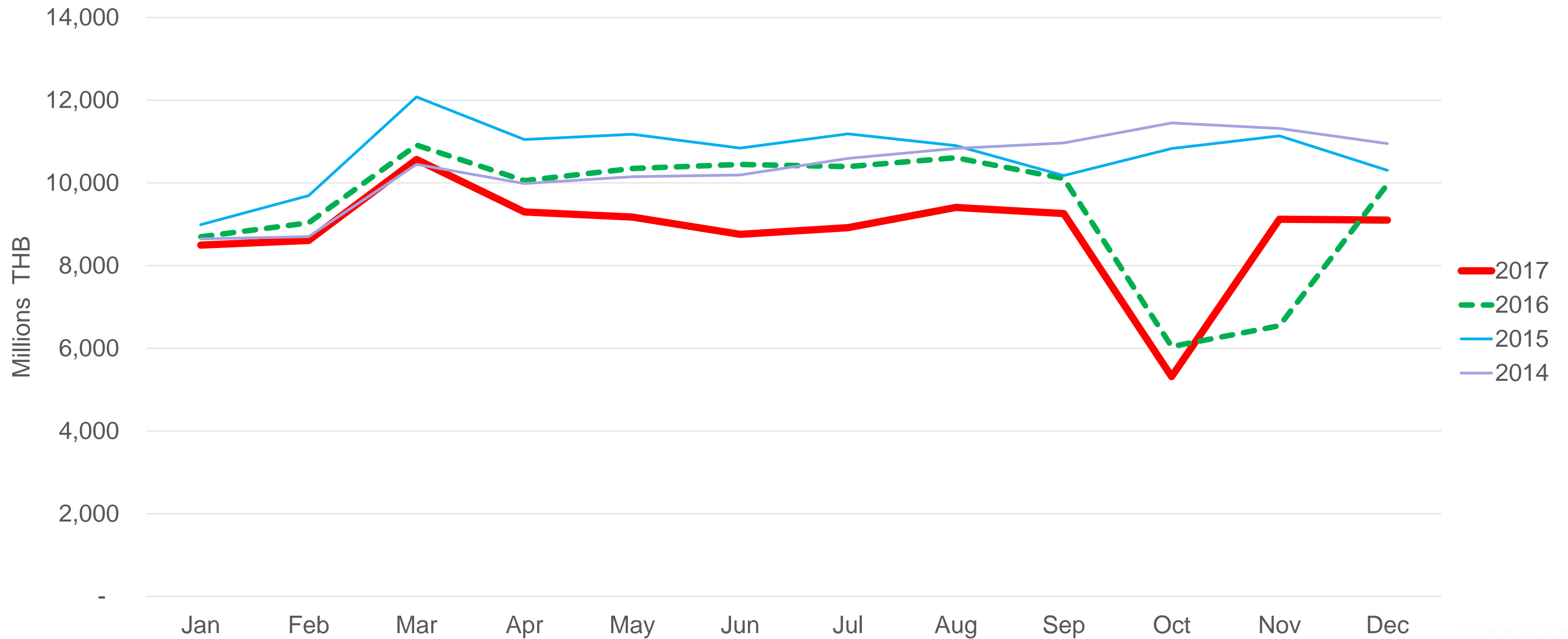
Key changes in advertising spending report

1. Adding Direct To Customers advertising signs I front of 7-Eleven 500 units: reported in In-store
2. Adding LED billboard from YBIS Co.,Ltd, reported in Outdoor
3. Removing
 - Transit : Bright Sky in Airport (combing with Plan B)
 - Outdoor and Transit: Bigger Ad. With Banner, Cut Out, Sun Shade, Bus Wrap
 - Outdoor: J2 Media with University Mockup
 - Outdoor: Boardway Media with MEGA LED and Billboard UPC'
 - Transit : King Power with Airport Media
4. Partial report
 - JCDecaux with MUPI, Panoramic, Lollipop, Drinking Fountain,
 - MUPI, Panoramic, Lollipop, Drinking Fountain only May 2017 onward
 - Airport February 2017 onward

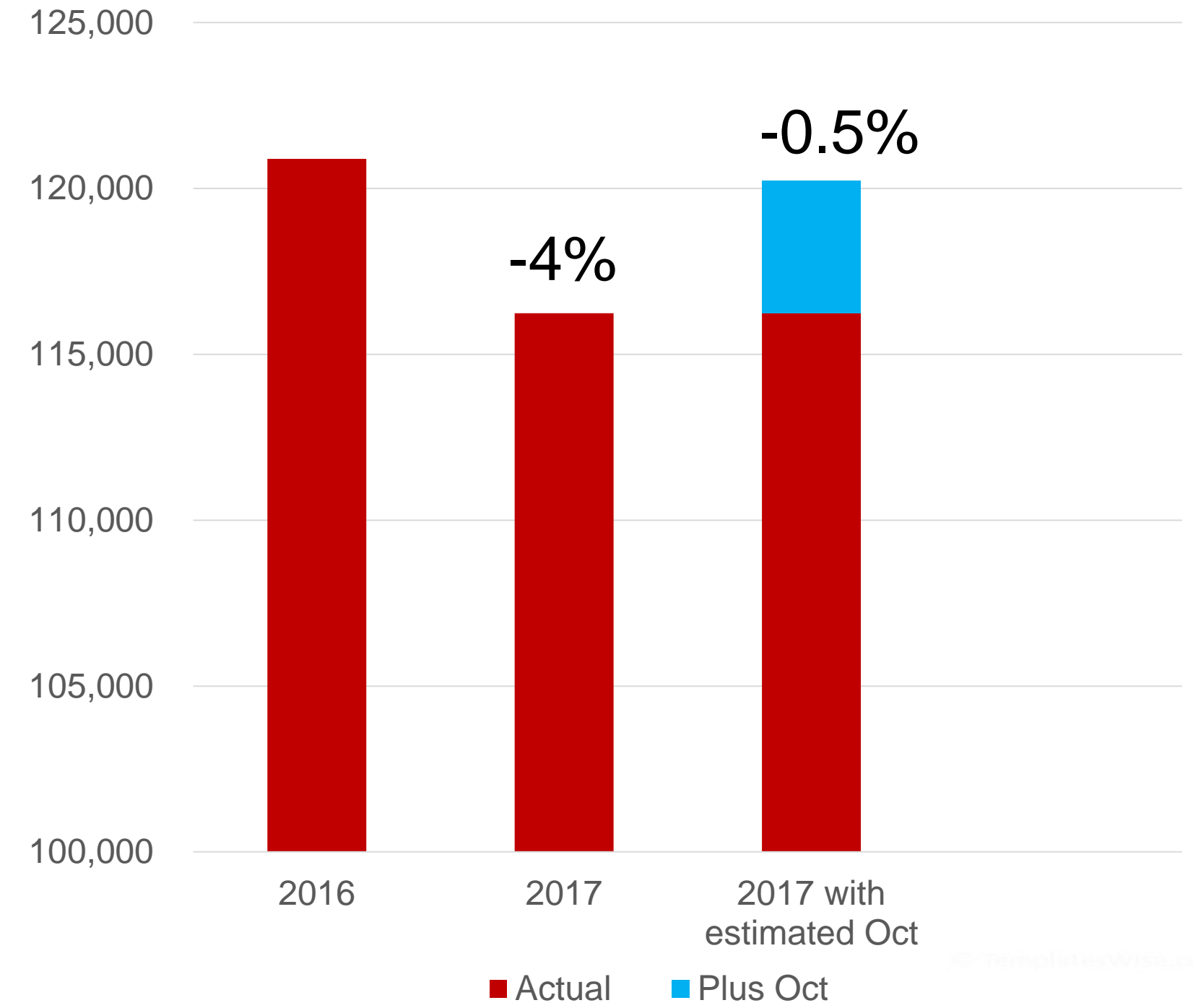
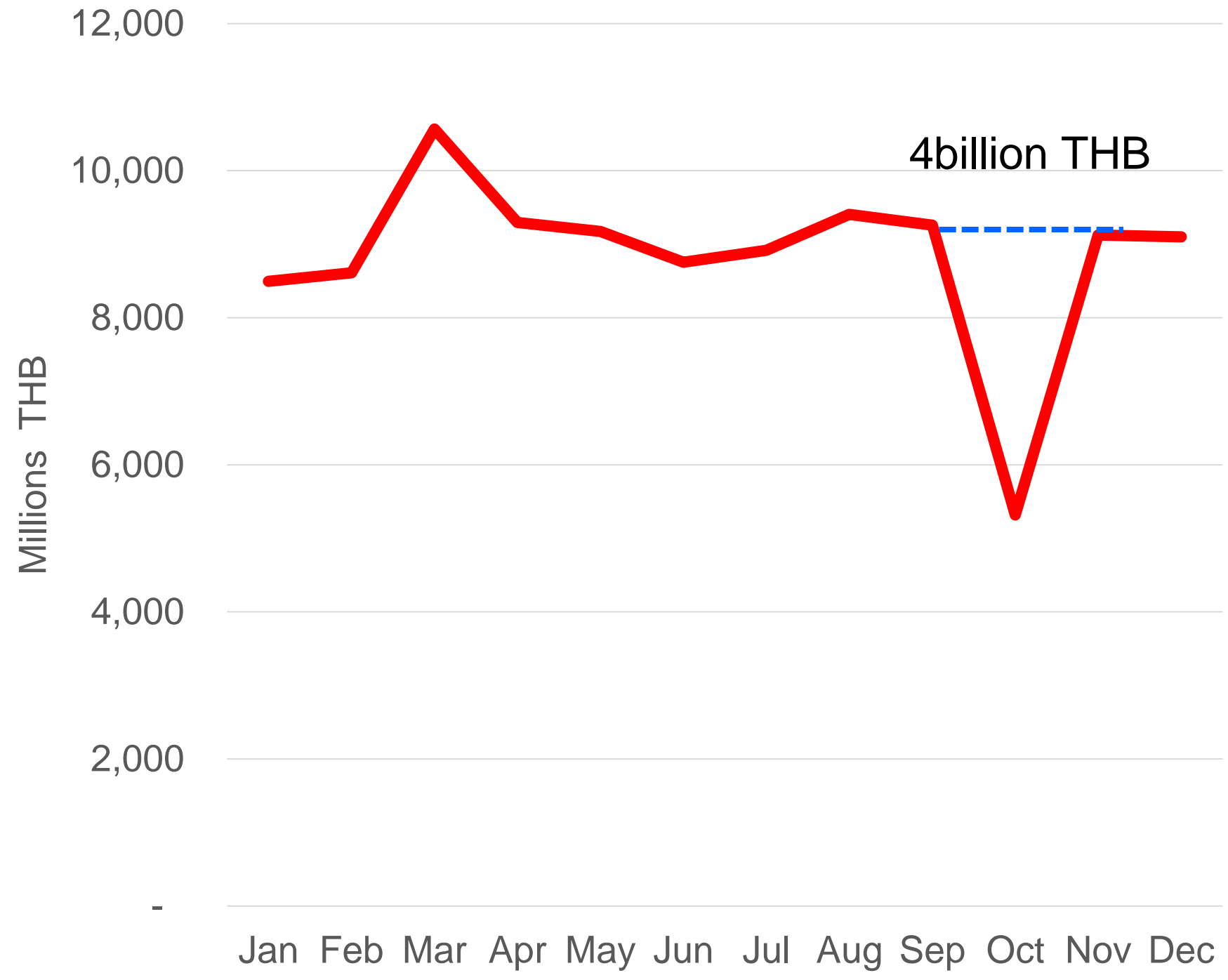
2017 Advertising Expenditure

	2016		2017		% change
	Bt. M.	%	Bt. M.	%	
Digital TV	67,545	56%	62,873	54%	-7%
Cable & sat.	3,450	3%	2,913	3%	-16%
Total TV	70,995	59%	65,786	57%	-7%
Radio	5,984	5%	5,047	4%	-16%
Newspapers	14,077	12%	11,336	10%	-19%
Magazines	3,206	3%	2,142	2%	-33%
Cinema	5,445	5%	6,937	6%	27%
Outdoor	5,667	5%	6,391	5%	13%
Transit	5,337	4%	5,878	5%	10%
In-Store	703	1%	946	1%	35%
Internet	9,478	8%	11,777	10%	24%
Total	120,891	100%	116,239	100%	-4%

Advertising expenditure by month



-4% of impact resulted from October '17



SOURCE: Nielsen Media Research



2017 top 20 spending section

Rank	Section	Advertising Budget		
		2017 Jan-Dec (Million Baht)	2016 Jan-Dec (Million Baht)	% Change
1	MOTOR VEHICLES (1)	8,032.5	8,477.0	-5%
2	NON ALCOHOLIC BEVERAGES (2)	7,457.9	7,524.8	-1%
3	COMMUNICATIONS (3)	6,309.1	6,761.6	-7%
4	GOVERNMENT & COMMUNITY ANNOUNCEMENT (4)	5,210.0	6,193.7	-16%
5	MEDIA & MARKETING (7)	5,128.1	4,456.9	15%
6	SKIN-CARE PREPARATIONS (5)	4,708.6	5,692.4	-17%
7	LEISURE (8)	4,326.9	4,394.6	-2%
8	DAIRY PRODUCTS & DAIRY SUBSTITUTE PROD. (6)	3,840.9	4,462.4	-14%
9	FOODSTUFFS (11)	3,177.1	3,324.9	-4%
10	TRAVEL & TOURS (9)	3,009.4	3,503.9	-14%
11	RETAIL SHOPS/STORES (10)	2,983.8	3,404.9	-12%
12	HAIR PREPARATIONS (12)	2,903.8	3,032.5	-4%
13	PHARMACEUTICALS (15)	2,852.7	2,700.9	6%
14	BANKS (16)	2,773.6	2,662.5	4%
15	HOUSEHOLD CLEANERS (17)	2,549.6	2,634.3	-3%
16	VITAMINS & SUPPLEMENTARY FOODS (13)	2,426.6	2,850.0	-15%
17	TOILETRIES (14)	2,177.1	2,806.8	-22%
18	FOOD OUTLETS & RESTAURANTS (21)	2,075.1	1,945.8	7%
19	REAL ESTATE (19)	2,047.7	2,256.9	-9%
20	INSURANCE (18)	1,970.6	2,493.1	-21%

2017 top 20 spending advertiser

Rank	Advertiser	Advertising Budget		
		2017 Jan-Dec (Million Baht)	2016 Jan-Dec (Million Baht)	% Change
1	UNILEVER (THAI) HOLDINGS (1)	3,734.7	4,489.5	-17%
2	TOYOTA MOTOR THAILAND CO.,LTD. (2)	1,992.8	2,329.2	-14%
3	PROCTER & GAMBLE (THAILAND) (4)	1,966.7	1,828.3	8%
4	TRI PETCH ISUZU SALES CO.,LTD. (9)	1,375.3	1,322.3	4%
5	COCA-COLA (THAILAND) (8)	1,350.4	1,480.9	-9%
6	BEIERSDORF (THAILAND) CO.,LTD. (7)	1,274.7	1,586.9	-20%
7	WIZARD SOLUTIONS CO.,LTD. (5)	1,264.9	1,651.2	-23%
8	OFFICE OF THE PRIME MINISTER (13)	1,241.4	1,073.8	16%
9	THAI BEVERAGE (PUBLIC) CO.,LTD. (20)	1,152.5	877.0	31%
10	ADVANCE INFO SERVICE PCL. (3)	1,125.6	1,852.7	-39%
11	L'OREAL (THAILAND) LTD. (11)	1,062.9	1,284.1	-17%
12	NESTLE(THAI) LTD. (10)	1,059.2	1,301.8	-19%
13	PEPSI-COLA(TH.)TRADING CO.,LTD (12)	979.0	1,172.4	-16%
14	TOTAL ACCESS COMMUNICATIONS (6)	932.2	1,633.7	-43%
15	AJINOMOTO SALES CO.,(THAILAND) (18)	906.7	928.5	-2%
16	TV DIRECT CO.,LTD. (59)	880.6	352.9	150%
17	THAI SAMSUNG ELECTRONICS LTD. (17)	851.2	932.1	-9%
18	COLGATE-PALMOLIVE(THAILAND)LTD (23)	824.7	755.9	9%
19	TRUE MOVE H UNIVERSAL COMMUNICATION CO	823.0	869.6	-5%
20	GOVERNMENT SAVINGS BANK (37)	812.3	528.4	54%

2017 top 20 spending brand

Rank	Brand	Advertising Budget		
		2017 Jan-Dec (Million Baht)	2016 Jan-Dec (Million Baht)	% Change
1	KOREA KING COOKING PAN (1)	1,059.3	1,651.1	-36%
2	OFFICE OF THE PRIME MINISTER (5)	1,048.5	829.6	26%
3	TV DIRECT DIRECT SALES (34)	880.6	352.9	150%
4	COKE SOFT DRINK (3)	861.0	850.1	1%
5	TESCO-LOTUS SUPERCENTER (6)	684.7	793.9	-14%
6	GOVERNMENT SAVINGS BANK (23)	679.2	400.3	70%
7	TOYOTA PICKUPS (4)	648.4	831.1	-22%
8	TOYOTA PASSENGER CARS (7)	638.8	754.3	-15%
9	OPPO MOBILE PHONE UNITS (77)	628.2	238.5	163%
10	SAMSUNG MOBILE PHONE UNIT (8)	625.8	652.2	-4%
11	DEPARTMENT THE PUBLIC RELATION (16)	600.7	458.2	31%
12	VIVO MOBILE PHONE UNITS (452)	581.0	51.4	1031%
13	ISUZU PICKUPS (9)	551.4	579.1	-5%
14	CHANG CORPORATE (24)	527.0	393.4	34%
15	CINEMA(WESTERN) (11)	505.7	553.2	-9%
16	DOWNY FABRIC CONDITIONER (32)	472.2	361.0	31%
17	7 ELEVEN CONVENIENCE STORES (59)	461.9	264.5	75%
18	FORD PICKUPS (38)	456.0	338.8	35%
19	KFC FAST FOOD OUTLETS (21)	455.4	401.7	13%
20	PEPSI SOFT DRINK (14)	447.4	478.3	-6%

2018 GDP Forecast

	2016	2017	2018 Forecasted
Bank of Thailand	3.2	3.9	3.9
NESBD	3.2	3.9	3.6-4.6
Fiscal Policy Office	3.2	3.6-4.0	3.3-4.3
UTCC	3.2	3.8-4.0	4.2
Average	3.2	3.9	4.0

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Factors influencing adex in 2018

Positive factors

- ◆ Stable GDP growth driven by export and tourism
- ◆ Upward trend on Consumer Confidence Index
- ◆ Positive momentum from World Cup 14 Jun-15 Jul

Negative factors

- ◆ Many clients emphasis on more media efficiency
- ◆ Household income debt is still high

2018 Advertising Expenditure Forecast

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Newspapers	14,077	12%	11,336	10%	-19%	8,502	7%	-25%
Magazines	3,206	3%	2,142	2%	-33%	1,499	1%	-30%
Cinema	5,445	5%	6,937	6%	27%	8,671	7%	25%
Outdoor	5,667	5%	6,391	5%	13%	7,030	6%	10%
Transit	5,337	4%	5,878	5%	10%	6,760	6%	15%
In-Store	703	1%	946	1%	35%	946	1%	0%
Internet*	9,478	8%	11,777	10%	24%	14,722	12%	25%
Total	120,891	100%	116,239	100%	-4%	120,912	100%	4.0%

TV Inflation

- Cost-per-rating inflation
- Calculation :

Weighted rate change by channel/daypart

Total 30' GRP change (All 4+ Nationwide)

- Jan-Oct 16 vs Jan-Oct 17 only
- Using Nielsen Media as source

2017 TV Inflation

$$\frac{\text{Rate change}}{\text{Total 30' GRP change}} = \frac{+3.5\%}{-2.8\%} = \frac{103.5}{97.2} = \mathbf{6\%}$$

NB Target: A15+ Nationwide

2018 TV Inflation

$$\frac{\text{Rate change}}{\text{Total 30' GRP change}} = \frac{+4.0\%}{-2.0\%} = \frac{104}{98} = 6\%$$

Assumptions

- Higher tv rate driven by digital tv.
- Assuming audience decline similar rate as 2017
- Target: A15+ Nationwide

Inflation Forecast

	2015	2016	2017	2018
TV	5%	5%	6%	6%
Print	2%	0%	0%	0%
Radio	0%	0%	0%	0%
Cinema	0%	0%	0%	0%
OOH	n/a	6%	10%	10%
Digital	n/a	8%	7%	8%