

2019 Industry Update

Thursday 25th April 2019 @ Major Cineplex Esplanade



Agenda

2019 Economic Outlook by Kampon Adireksombat, Ph.D.

2018/2019 Adex and inflation projection by MAAT

2019 Market Reflection “Transformation”

- Telecom sector : Khun Wisut Ua-anant, Head of Online Channel Management – AIS
- Food & Beverage/Restaurant sector : Khun Patchneewan Tanprawat, VP Marketing - MK Restaurant Group

Q&A/Group Photo

End

2018/2019 Adex and inflation projection

2018 Advertising Expenditure

	2017		% change	2018		% change
	Bt. M.	%		Bt. M.	%	
Digital TV	62,781	56%	-7%	66,000	57%	5%
Cable & sat.	2,692	2%	-22%	2,400	2%	-11%
Total TV	65,473	59%	-8%	68,400	59%	4%
Radio	4,468	4%	-25%	4,600	4%	3%
Newspapers	7,704	7%	-45%	6,100	5%	-21%
Magazines	1,980	2%	-38%	1,300	1%	-34%
Cinema	6,815	6%	25%	7,100	6%	4%
Outdoor	6,391	6%	13%	6,800	6%	6%
Transit	5,878	5%	10%	5,900	5%	0%
In-Store	946	1%	35%	1,100	1%	16%
Internet	11,418	11%	24%	15,348	13%	34%
Total	111,073	100%	-8%	116,648	100%	5%

SOURCE: Nielsen Media Research,. Digital : '18 from DAAT excluding creative production

2018 Top 10 offline spending by section

Rank	Section	2018 Jan-Dec (Million Baht)	2017 Jan-Dec (Million Baht)	% Change
1	MEDIA & MARKETING (5)	8,390.3	5,096.1	64.6
2	MOTOR VEHICLES (1)	8,215.7	7,805.9	5.2
3	NON ALCOHOLIC BEVERAGES (2)	7,327.2	7,441.6	(1.5)
4	COMMUNICATIONS (3)	6,728.4	6,217.0	8.2
5	SKIN-CARE PREPARATIONS (6)	5,535.3	4,667.5	18.6
6	GOVERNMENT & COMMUNITY ANNOUNCEMENT (4)	4,694.1	5,160.5	(9.0)
7	LEISURE (7)	4,211.8	4,323.7	(2.6)
8	DAIRY PRODUCTS & DAIRY SUBSTITUTE PROD. (8)	3,553.4	3,826.0	(7.1)
9	PHARMACEUTICALS (13)	3,144.0	2,856.4	10.1
10	RETAIL SHOPS/STORES (10)	3,058.4	2,926.9	4.5

NB : Number in bracket indicates ranking position in 2017

2018 Top 10 offline spending by advertiser

Rank	Advertiser	Advertiser Budget		
		2018 Jan-Dec (Million Baht)	2017 Jan-Dec (Million Baht)	% Change
1	UNILEVER (THAI) HOLDINGS (1)	3,798.9	3,679.3	3.3
2	LIFESTAR CO.,LTD. (193)	2,547.9	99.5	2461.9
3	PROCTER & GAMBLE (THAILAND) (2)	2,457.8	1,957.3	25.6
4	TV DIRECT CO.,LTD. (16)	2,085.0	880.9	136.7
5	TOYOTA MOTOR THAILAND CO.,LTD. (3)	1,943.9	1,945.3	(0.1)
6	COCA-COLA (THAILAND) (5)	1,541.1	1,346.3	14.5
7	ADVANCE INFO SERVICE PCL. (10)	1,391.0	1,121.0	24.1
8	TRI PETCH ISUZU SALES CO.,LTD. (4)	1,354.0	1,369.3	(1.1)
9	L'OREAL (THAILAND) LTD. (11)	1,324.2	1,058.3	25.1
10	NESTLE(THAI) LTD. (12)	1,153.2	1,057.1	9.1

NB : Number in bracket indicates ranking position in 2017

2018 Top 10 offline spending by brand

Rank	Brand Group	Brand Group Budget		
		2018 Jan-Dec (Million Baht)	2017 Jan-Dec (Million Baht)	% Change
1	1781 SHOPPING DIRECT SALES (551)	2,325.7	38.7	5904.4
2	TV DIRECT DIRECT SALES (3)	2,085.0	880.8	136.7
3	GOVERNMENT SAVINGS BANK (6)	1,117.8	675.3	65.5
4	COKE SOFT DRINK (4)	980.9	859.8	14.1
5	OFFICE OF THE PRIME MINISTER (2)	871.5	1,043.1	(16.5)
6	TESCO-LOTUS SUPERCENTER (5)	706.5	684.2	3.3
7	ISUZU PICKUPS (13)	706.2	549.7	28.5
8	SAMSUNG MOBILE PHONE UNIT (10)	696.0	608.3	14.4
9	TOYOTA PASSENGER CARS (8)	671.3	616.9	8.8
10	TOYOTA PICKUPS (7)	641.0	641.0	0.0

NB : Number in bracket indicates ranking position in 2017

2019 Outlook

Factors influencing ad spend in 2019

Positive

- Stable GDP growth 3.5% -3.6%
 - Expansion in household consumption with improving minimal wage
 - Government measures to support low-income individuals
- New advertisers in the market
 - Online : Netflix, Facebook, e-commerce
 - Direct response

Negative

- Pressure on efficiency and cost saving from most advertisers
- Major categories have no sign of more investment
 - FMCGs, Telecom, Retails & Fast Foods, Banks, Beverages
- Price war in TV industry
- Shifting spending to digital and below-the-line
- Evolving of media matrix in measuring value eg from CPRP to CPx

2019 Advertising Expenditure Forecast- updated

	2018		% change	2019		% change
	Bt. M.	%		Bt. M.	%	
Digital TV	66,000	57%	5%	66,000	57%	0%
Cable & sat.	2,400	2%	-11%	2,100	2%	-13%
Total TV	68,400	59%	4%	68,100	58%	0%
Radio	4,600	4%	3%	4,370	4%	-5%
Newspapers	6,100	5%	-21%	4,880	4%	-20%
Magazines	1,300	1%	-34%	975	1%	-25%
Cinema	7,100	6%	4%	6,319	5%	-11%
Outdoor	6,800	6%	6%	6,664	6%	-2%
Transit	5,900	5%	0%	6,490	6%	10%
In-Store	1,100	1%	16%	1,100	1%	0%
Internet	15,348	13%	34%	17,863	15%	16%
Total	116,648	100%	5%	116,761	100%	0%

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2019 Advertising Expenditure (Q1 18 vs 19) By Section

Rank	Section	Section Budget		
		2019 Jan - Mar (Million Baht)	2018 Jan - Mar (Million Baht)	% Change
1	MEDIA & MARKETING (2)	2,632.5	1,894.3	39.0
2	NON ALCOHOLIC BEVERAGES (1)	1,898.9	2,015.0	(5.8)
3	MOTOR VEHICLES (3)	1,732.6	1,832.2	(5.4)
4	SKIN-CARE PREPARATIONS (5)	1,517.8	1,415.8	7.2
5	COMMUNICATIONS (4)	1,205.9	1,461.3	(17.5)
6	GOVERNMENT & COMMUNITY ANNOUNCEMENT (6)	1,071.7	1,127.0	(4.9)
7	LEISURE (7)	890.7	1,016.8	(12.4)
8	HAIR PREPARATIONS (11)	724.3	685.3	5.7
9	HOUSEHOLD CLEANERS (15)	713.4	590.0	20.9
10	PHARMACEUTICALS (10)	709.7	756.0	(6.1)

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2019 Advertising Expenditure (Q1 18 vs 19) By Advertiser

Rank	Advertiser	Advertiser Budget		
		2019 Jan -Mar (Million Baht)	2018 Jan - Mar (Million Baht)	% Change
1	LIFESTAR CO.,LTD. (4)	690.4	476.8	44.8
2	UNILEVER (THAI) HOLDINGS (1)	685.3	920.6	(25.6)
3	PROCTER & GAMBLE (THAILAND) (3)	655.3	517.0	26.7
4	TV DIRECT CO.,LTD. (2)	409.5	680.7	(39.8)
5	L'OREAL (THAILAND) LTD. (13)	407.7	278.2	46.6
6	UNKNOWN ADVERTISER DIRECT SALE (299)	399.6	13.4	2875.1
7	NESTLE(THAI) LTD. (8)	387.9	313.3	23.8
8	COCA-COLA (THAILAND) (5)	341.3	363.7	(6.1)
9	BEIERSDORF (THAILAND) CO.,LTD. (12)	336.6	298.5	12.7
10	TRI PETCH ISUZU SALES CO.,LTD. (7)	325.0	344.4	(5.6)

2019 Advertising Expenditure (Q1 18 vs 19) By Brand

Rank	Brand	Brand Budget		
		2019 Jan (Million Baht)	2018 Jan (Million Baht)	% Change
1	1781 SHOPPING DIRECT SALES (2)	648.2	398.0	62.9
2	TV DIRECT DIRECT SALES (1)	409.5	680.7	(39.8)
3	SANOOK SHOPPING DIRECT SALES (8700)	296.6	0.0	N/A
4	COKE SOFT DRINK (5)	278.7	227.7	22.4
5	O SHOPPING CHANNEL (988)	274.0	3.2	8469.5
6	GOVERNMENT SAVINGS BANK (4)	246.0	246.2	(0.1)
7	DOWNY FABRIC CONDITIONER (16)	204.7	127.1	61.0
8	FORD PICKUPS (77)	200.0	54.8	264.6
9	PEPSI SOFT DRINK (11)	169.8	143.4	18.4
10	OFFICE OF THE PRIME MINISTER (3)	164.0	313.7	(47.7)

2019 Media Inflation

TV Inflation

- Cost-per-rating inflation
- Calculation :

Weighted rate change by channel/daypart

Total 30' GRP change (All 4+ Nationwide)

- Using Nielsen Media as source

2018 TV Inflation

$$\frac{\text{Rate change}}{\text{Total 30' GRP change}_{\text{All 4+ NW}}} = \frac{+4\%}{-3\%} = \frac{104}{97} = 7\%$$

- Rate (Nielsen) increased 4%, total GRP reduced by 3%
- Low base in Q3 '17 contributed to significant increase

2019 TV Inflation

$$\frac{\text{Rate change}}{\text{Total 30' GRP change}} = \frac{+1\%}{-3\%} = \frac{101}{97} = 4\%$$

All 4+ NW

- Total GRP is expected to reduce by 3% -same rate as 2018
- Overall small rate increase: some channels still demand higher rate, smaller channels competing on price

Media Inflation Summary

	2016	2017	2018	2019 forecast
TV	5%	6%	7%	4%
Print	0%	0%	0%	0%
Radio	0%	0%	0%	0%
Cinema	0%	0%	0%	0%
OOH	6%	10%	10%	10%