

# 2021 Advertising Spending Projection and Media Inflation Update

*after COVID-19 third wave*

August 5, 2021



# 2021 Jan-Jun Advertising Expenditure

	2020 (Jan-Jun)		% change	2021 (Jan-Jun)		% change
	Bt. M.	%		Bt. M.	%	
<b>Total TV</b>	<b>29,272</b>	<b>58%</b>	<b>-15%</b>	<b>32,096</b>	<b>61%</b>	<b>10%</b> ▲
Radio	1,800	4%	-19%	1,638	3%	-9%
Newspapers	2,232	4%	-39%	1,760	3%	-21%
Magazines	421	1%	-30%	350	1%	-17%
Cinema	1,672	3%	-55%	1,771	3%	6%
Outdoor	2,978	6%	-12%	3,104	6%	4%
Transit	2,404	5%	-23%	1,832	3%	-24%
In-Store	312	1%	-39%	333	1%	7%
Internet*	9,315	18%	8%	10,125	19%	9%
<b>Total</b>	<b>50,406</b>	<b>100%</b>	<b>-16.2%</b>	<b>53,009</b>	<b>100%</b>	<b>5.2%</b> ▲

SOURCE: Non digital Nielsen Media Research , \*Press excluding classified/ house ad Digital : '19/20 from DAAT excluding Creative production

# 2021 Jan-Jun Advertising Expenditure

- Decent growth driven by TV, Digital and In-Store
- Significant decline in Transit and Prints media.
- Small growth in Out of home and Cinema in H1'21 driven by up-country.
- Digital media was still a star, but growth start to slowdown

# 2021 Jan-Jun Top 30 offline media Adex by Category

Rank	Category	2020 Jan-Jun (Mb)		2021 Jan-Jun (Mb)		Change %
1	NON ALCOHOLIC BEVERAGES	2,881	7%	4,224	10%	47%
2	MEDIA & MARKETING	4,883	11%	4,179	10%	-14%
3	SKIN-CARE PREPARATIONS	2,611	6%	2,495	6%	-4%
4	MOTOR VEHICLES	2,476	6%	2,394	5%	-3%
5	HAIR PREPARATIONS	1,478	3%	2,051	5%	39%
6	COMMUNICATIONS	2,196	5%	1,975	4%	-10%
7	HOUSEHOLD CLEANERS	1,627	4%	1,963	4%	21%
8	VITAMINS & SUPPLEMENTARY FOODS	1,637	4%	1,759	4%	7%
9	DAIRY PRODUCTS & DAIRY SUBSTITUTE PROD.	1,534	3%	1,756	4%	14%
10	TOILETRIES	1,055	2%	1,645	4%	56%
11	ORAL PRODUCTS	1,196	3%	1,595	4%	33%
12	WEBSITES & APPLICATIONS	941	2%	1,572	4%	67%
13	GOVERNMENT & COMMUNITY ANNOUNCEMENT	1,612	4%	1,227	3%	-24%
14	RETAIL SHOPS/STORES	1,017	2%	1,226	3%	20%
15	FOODSTUFFS	1,145	3%	1,170	3%	2%
16	ELECTRICAL PRODUCTS(NON AUDIO/VISUAL)	680	2%	1,008	2%	48%
17	PHARMACEUTICALS	1,150	3%	925	2%	-20%
18	INSURANCE	674	2%	784	2%	16%
19	SEASONING PRODUCTS	505	1%	761	2%	51%
20	SNACK FOODS	424	1%	740	2%	75%
21	COMPUTERS	322	1%	617	1%	92%
22	BANKS	983	2%	588	1%	-40%
23	REAL ESTATE	623	1%	539	1%	-13%
24	PETROL	461	1%	419	1%	-9%
25	FINANCE	316	1%	411	1%	30%
26	BAKERY&CHOCOLATE/WAFERS/BISCUITS	305	1%	375	1%	23%
27	FOOD OUTLETS & RESTAURANTS	553	1%	370	1%	-33%
28	ALCOHOLIC BEVERAGES	346	1%	352	1%	2%
29	LEISURE	869	2%	309	1%	-64%
30	AGRICULTURAL PRODUCTS	470	1%	305	1%	-35%

- Non-Alcoholic Beverages and Direct sale became a dominate category on TV screen
- Categories related to in-home consumption, personal hygiene and websites/mobile application had positive spending
- Leisure, food outlet & restaurants, and travel had the most impact in ad spend due to limiting mobility of consumer

# 2021 ADEX Forecast

*after COVID-19 third wave*

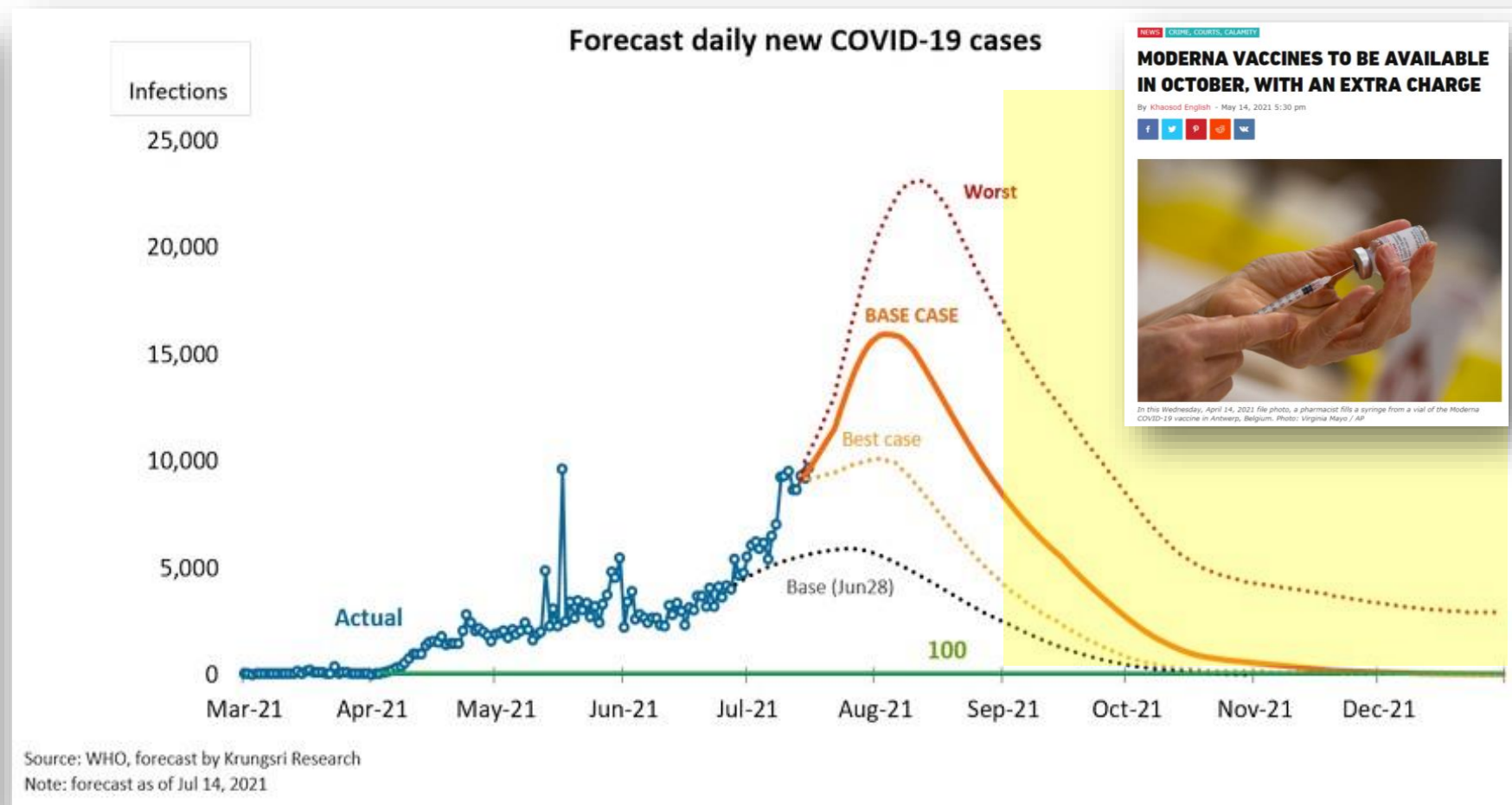
August 5, 2021





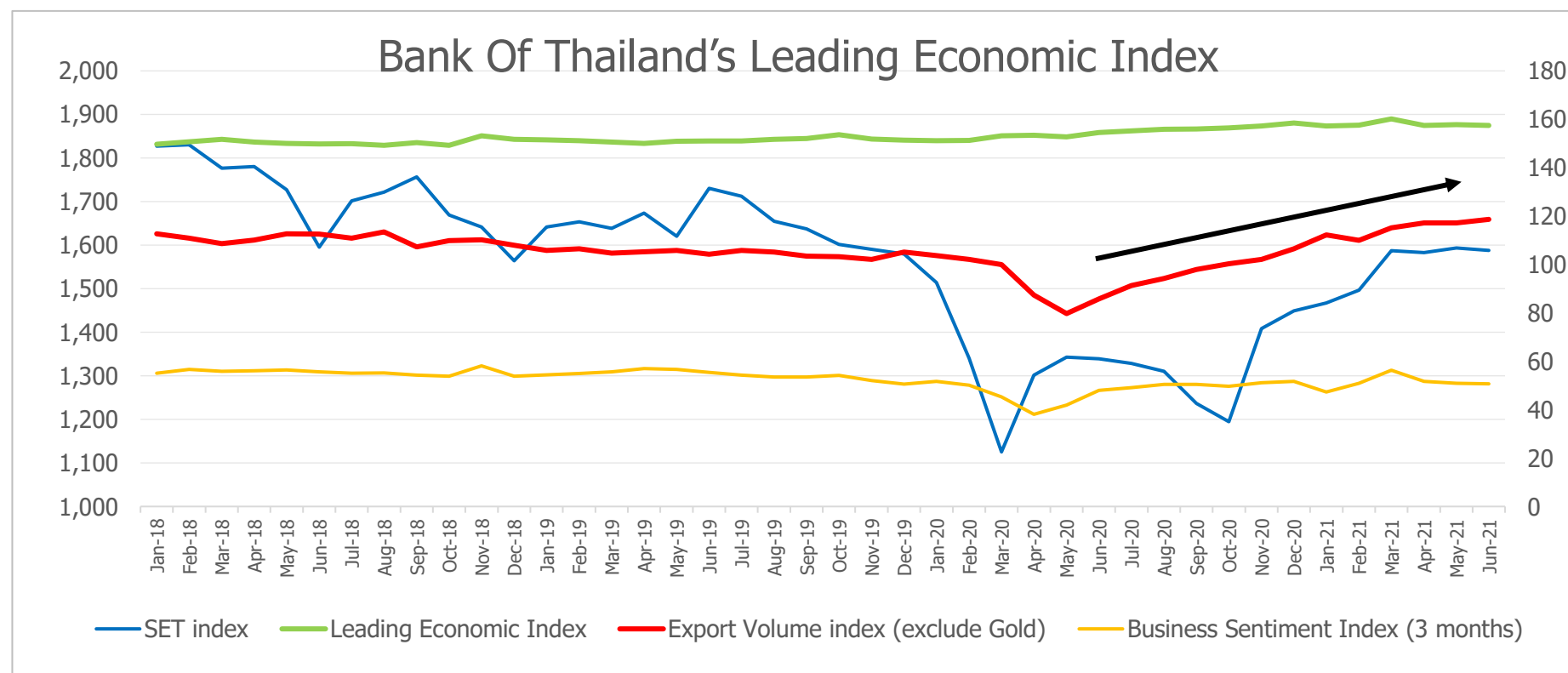
# Key Assumptions (Aug 2021)

- Thailand lockdown extended; 16 provinces added probably until the end of August.
- Donated vaccines has been topped up the national vaccines in Jul'21 and more donated vaccines will be arrived in August to slow down the Covid19 new cases.
- More National and alternative Vaccines expect to be available in Q4'21.
- Krungsri Research project the wave3 of COVID-19 would peak in August and drop below 5,000 in October, based on the current pace of inoculation.



# Key Assumptions (Aug 2021)

- Exports growth and government's additional subsidy and stimulus measures would be the main driver to support Thai economy this year.
- The return of normal business conditions would be more likely in Q4'21. As a results, advertising spending will be more likely to regain from Q4 onward.



**Bank Of Thailand's Leading Economic Index and Components (Seasonally Adjusted)** : The indicator of business cycles for both Coincident Economic Index (CEI) and Leading Economic Index (LEI) are useful in the determination of the turning points or the peaks and troughs of business cycles as well as the short-term (3 – 4 months) forecast of the economy. Coincident Economic Index (CEI) is constructed from 5 components including import volume index (exclude gold), manufacturing production index, real gross value added tax, volume sales of automobiles and real debit to demand deposit.  
[https://www.bot.or.th/App/BTWS\\_STAT/statistics/ReportPage.aspx?reportID=887&language=eng](https://www.bot.or.th/App/BTWS_STAT/statistics/ReportPage.aspx?reportID=887&language=eng)

**BoT cuts 2021 GDP rise to 0.7%**

*Impact of third wave worse than expected*

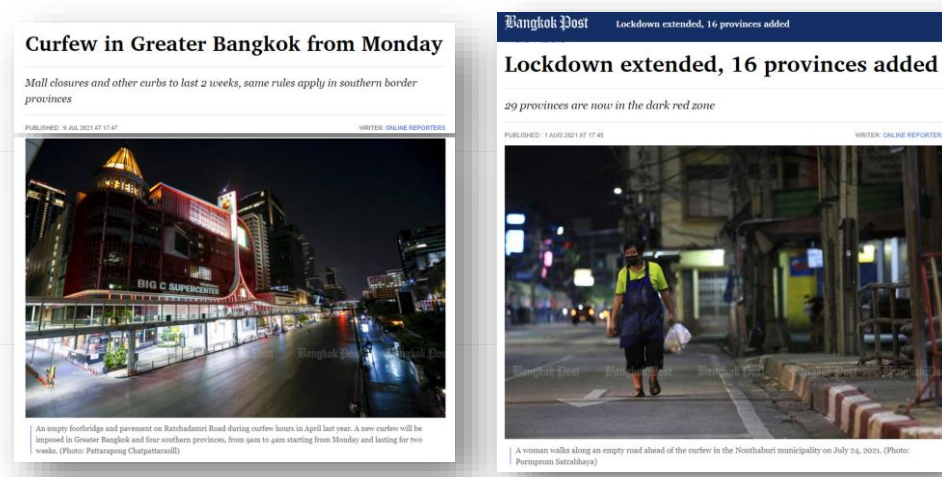
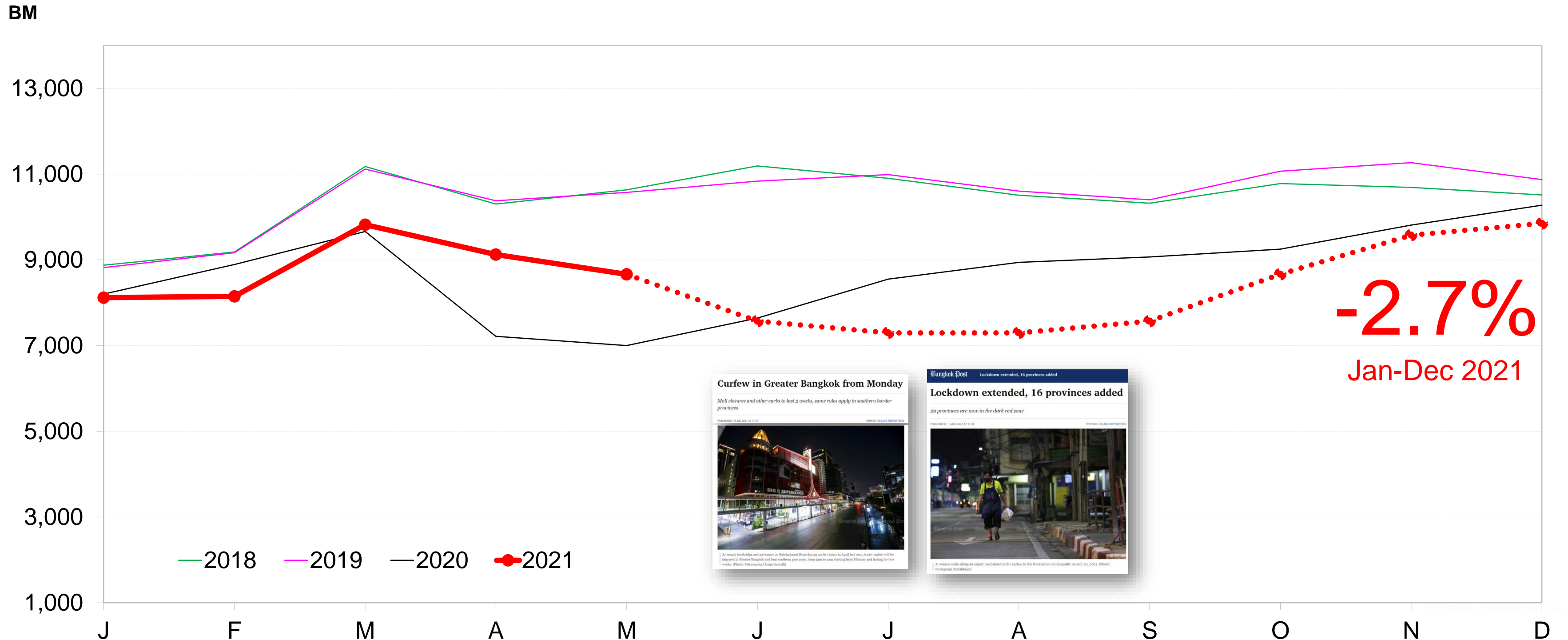
PUBLISHED : 5 AUG 2021 AT 06:37

NEWSPAPER SECTION: BUSINESS  
 WRITER: SOMRUEDI BANCHONGDUANG

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Interprovincial buses are parked at the Mor Chit bus terminal in Bangkok during the lockdown to curb the spread of Covid-19. Pattarapong Chatpattarasill

# 2021 Advertising Expenditure Projection (Aug 2021)



Source: AQX, Intensive Watch, Arianna, Cab/Sat spending: Intensive Watch data from Jan 2011-Dec 2012; Arianna data from Jan 2013 onwards (All categories)  
Bank of Thailand : Business Sentiment Index [https://www.bot.or.th/App/BTWS\\_STAT/statistics/BOTWEBSTAT.aspx?reportID=405&language=ENG](https://www.bot.or.th/App/BTWS_STAT/statistics/BOTWEBSTAT.aspx?reportID=405&language=ENG)



# 2021 H2 Advertising Expenditure Forecast

	2020		% change	2021 (Feb'21 Est)		% change	2021 (Aug'21 Est)		% change
	Bt. M.	%		Bt. M.	%		Bt. M.	%	
TV	63,177	60%	-10%	65,027	59%	3%	60,982	60%	-3%
Radio	3,701	4%	-22%	3,701	3%	0%	3,276	3%	-11%
Newspapers	3,109	3%	-33%	2,332	2%	-25%	2,816	3%	-9%
Magazines	829	1%	-21%	829	1%	0%	700	1%	-16%
Cinema	4,317	4%	-51%	5,397	5%	25%	3,188	3%	-26%
Outdoor	6,128	6%	-12%	6,128	6%	0%	5,898	6%	-4%
Transit	4,913	5%	-25%	4,913	4%	0%	4,030	4%	-18%
In-Store	674	1%	-35%	674	1%	0%	699	1%	4%
Internet*	17,660	17%	1%	20,309	19%	15%	20,149	20%	14%
<b>Total</b>	<b>104,509</b>	<b>100%</b>	<b>-14%</b>	<b>109,309</b>	<b>100%</b>	<b>5%</b>	<b>101,738</b>	<b>100%</b>	<b>-2.7%</b>

SOURCE: Non-digital Nielsen Media Research Digital : '20 from DAAT excluding Creative production –'21 MAAT estimation

# 2020-2021 TV Inflation

# 2021 TV Inflation

$$2021 \text{ H1} \quad \frac{\text{Rate change}}{\text{Total 30' GRP change}} = \frac{1.6\%}{-1\%} = \frac{101.6}{99} = \mathbf{2.6\%}$$

All 4+ NW

$$2021 \text{ H2} \quad \frac{\text{Rate change}}{\text{Total 30' GRP change}} = \frac{2.2\%}{-1.4\%} = \frac{102.2}{98.6} = \mathbf{3.6\%}$$

All 4+ NW

Rate change : sum of net rate change by channel x % share of spending by channel

# 2020-2021 Non-TV Inflation Forecast



# Media Inflation Summary

	2016	2017	2018	2019	2020	2021 H1	2021 H2
TV	5%	6%	7%	3%	3.4%	2.6%	3.6%
Print	0%	0%	0%	0%	0%	0%	-4%
Radio	0%	0%	0%	0%	0%	0%	0%
Cinema	0%	0%	0%	0%	0%	0%	0%
OOH	6%	10%	10%	10%	10%	0%	0%