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How Media Landscape changes impacting your business

EDP

TLCA Executive Development Program

EDP ALUMNI FORUM 2/2015

June 22, 2015

Wannee Ruttanaphon
Chairman,
IPG Mediabrands Thailand

Introduction

Interpublic Group of Companies

A global provider of advertising and marketing services.

48,000 professionals

100 countries

$7.54bn revenue

Interpublic Group of Companies

Manage all global media-related assets

Brand Agency

Provide complete marketing & brand communications solutions

IPG MEDIABRANDS

Media Agency	Trading	Brand Consultant	Digital Solution	Content & Activation
initiative	MAGNA GLOBAL	STRATEGY+INNOVATION	IPG MEDIABRANDS | digital	ensemble Branded Entertainment
UM	ORION TRADING	inventure	ansible	
bpn		SHOPPER SCIENCES	rally	
		IPG MEDIABRANDS ANALYTICS	CADREON	
			reprisemedia	

Wannee Ruttanaphon
Chairman,
IPG Mediabrands Thailand

Introduction

View-Weerapong Tengprathip
CEO, Initiative

The change of Thailand media scene

Mike de los Reyes
MD, Dot.Digital
IPG Mediabrands Thailand

How social media/Facebook impact to your business

Sora Golf Kaitkanarat
CEO, Strategy & Innovation
IPG Mediabrands Thailand

Shopper Science

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Changing Thailand media scene

Total Thailand Advertising Expenditure

Impact from Digital TV

The Multi Screen

Aging Population

Changing Thailand media scene

Total Thailand Advertising Expenditure

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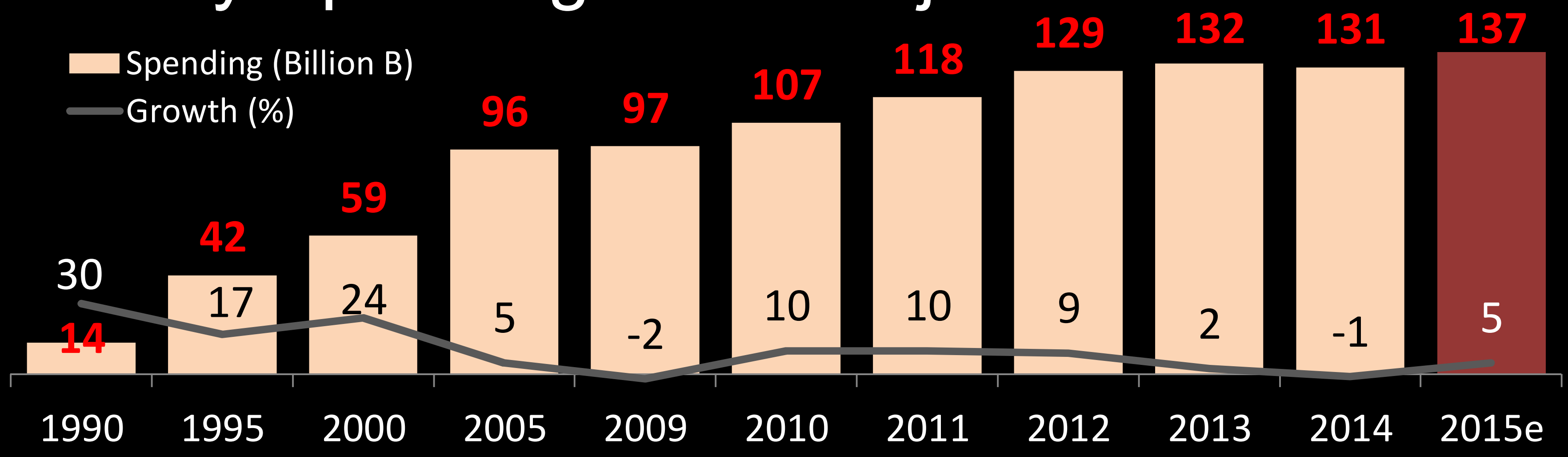
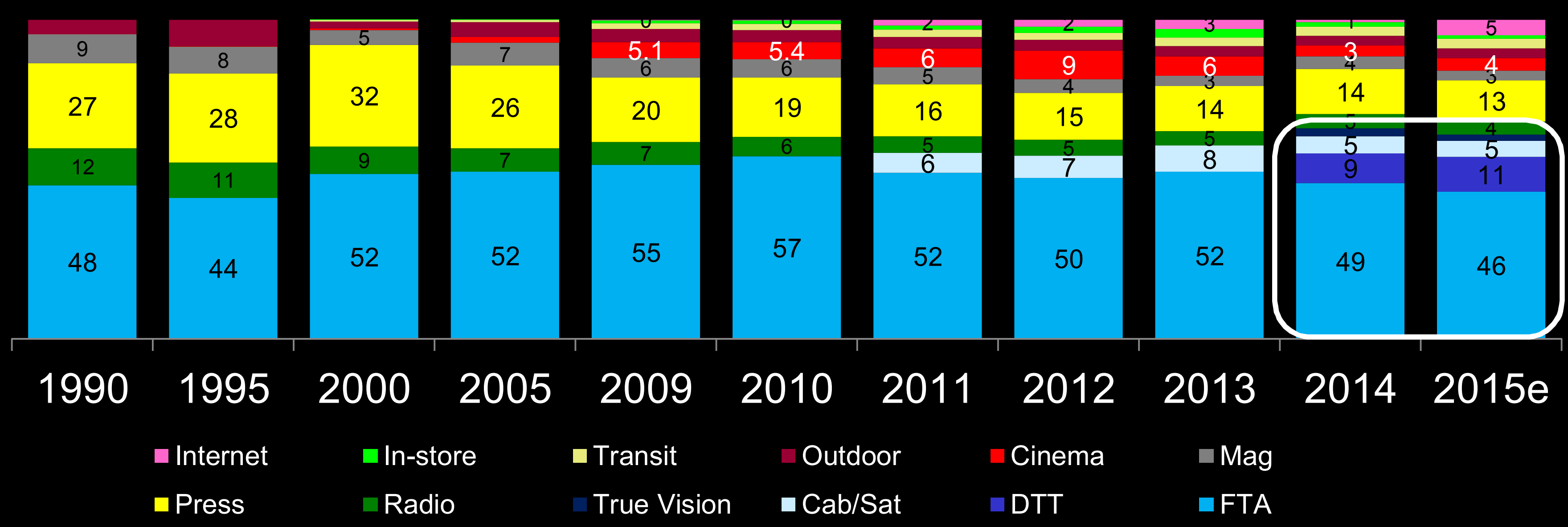
Industry Spending 2015 Projection



%MEDIA MIX



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Source: Nielsen NMR AQX APR 2015

2015 Est. industry growth

5%

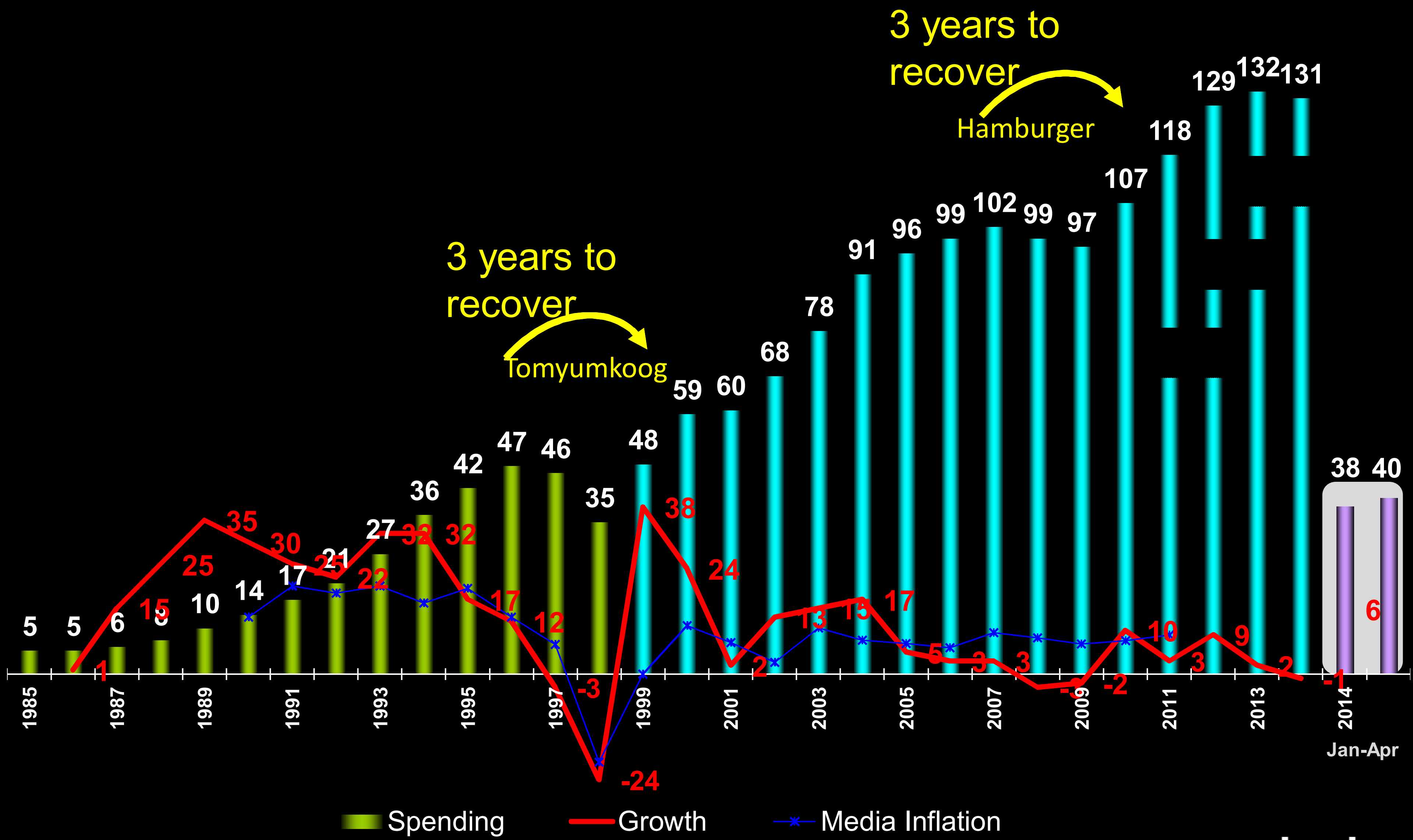
2015 Market inflation

10%

In reality

Market Decline 5%

Foresee market continuously decline



Source: AQX, Intensive Watch
**CabSat spending source: Jan 2011-Dec 2012 from Intensive Watch, Jan 2013 onwards from Arianna
Growth in 2011 is based on the same parameter that does not include CabSat

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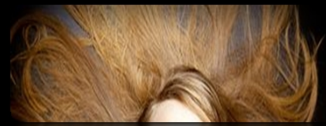
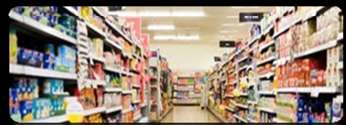
2015 Top 10 Category Ad Expenditure

2014	2015	Category	Growth	Spend
	01	TELECOM 	+85%	4,079 mb
3	02	MOTOR VEHICLE 	+10%	3,645 mb
2	03	SKINCARE 	+28%	3,408 mb
5	04	ENTERTAINMENT 	+11%	2,408mb
4	05	PUBLIC SERVICE 	+28%	2,228 mb
	06	MILK & DAIRY PRODUCT 	+39%	1,897 mb
	07	HAIR CARE 	+20%	1,604 mb
	08	RETAIL STORE 	+31%	1,483 mb
14	09	PHARMACEUTICAL 	+37%	1,210 mb
11	10	DETERGENT 	+17%	1,164 mb

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Source: Nielsen NMR AQX Jan-Apr 15 vs. Jan-Apr 2014

YTD Apr. 2015 Top 10 Advertisers Ad Expenditure

Rank	Advertiser	Ad Expenditure	Change
01	Unilever	3,073 mb	-1%
02	true move	1,738 mb	+528%
03	TOYOTA	1,052 mb	+16%
04	Beiersdorf	976 mb	+46%
05	C.P. GROUP	752 mb	+54%
06	P&G	725 mb	+65%
07	L'ORÉAL	677 mb	+10%
08	AIS	658 mb	+21%
09	Coca-Cola	635 mb	+10%
10	pepsi	548 mb	+87%

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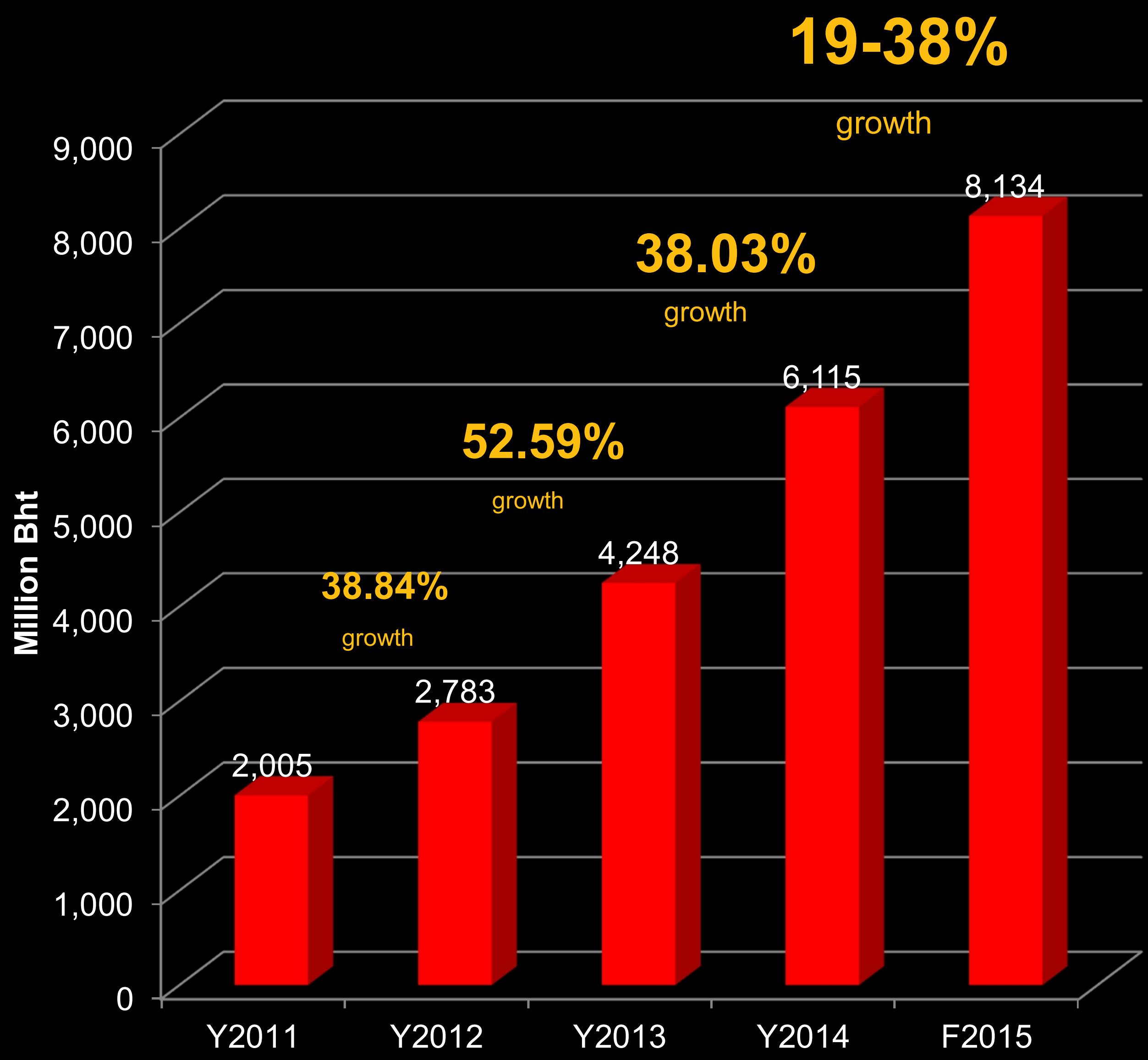
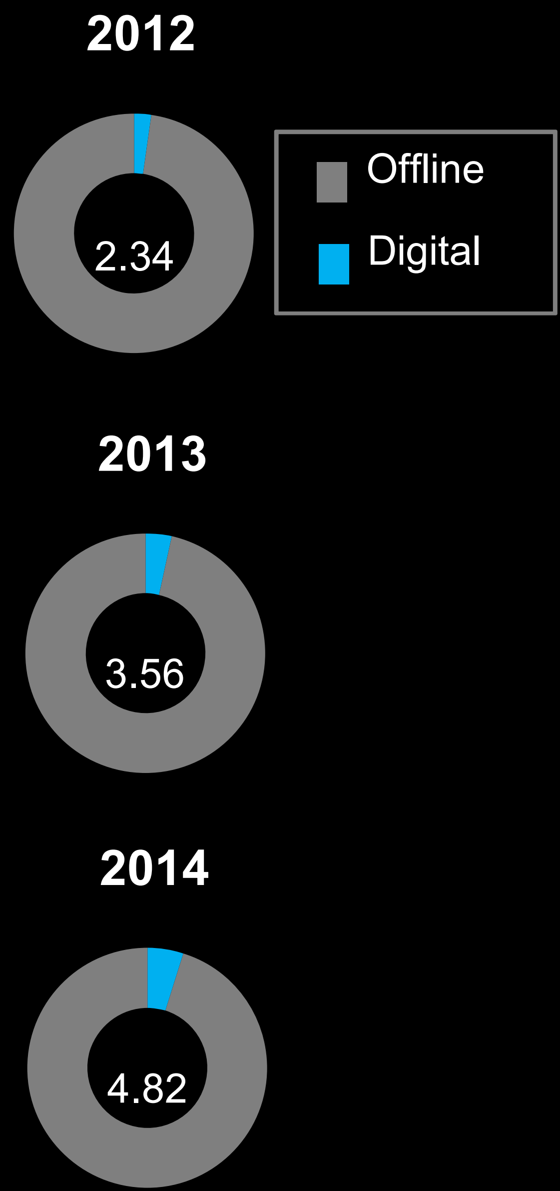
Thailand Online Advertising Expenditure

Increasing Trend Of Digital Spending





Source : DAAT report 2014

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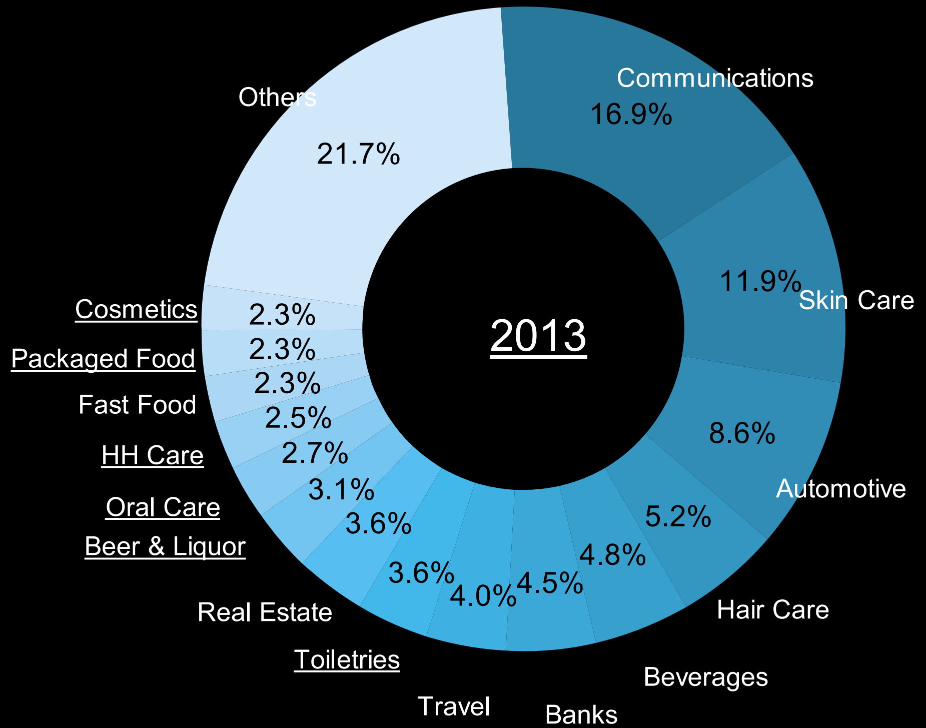
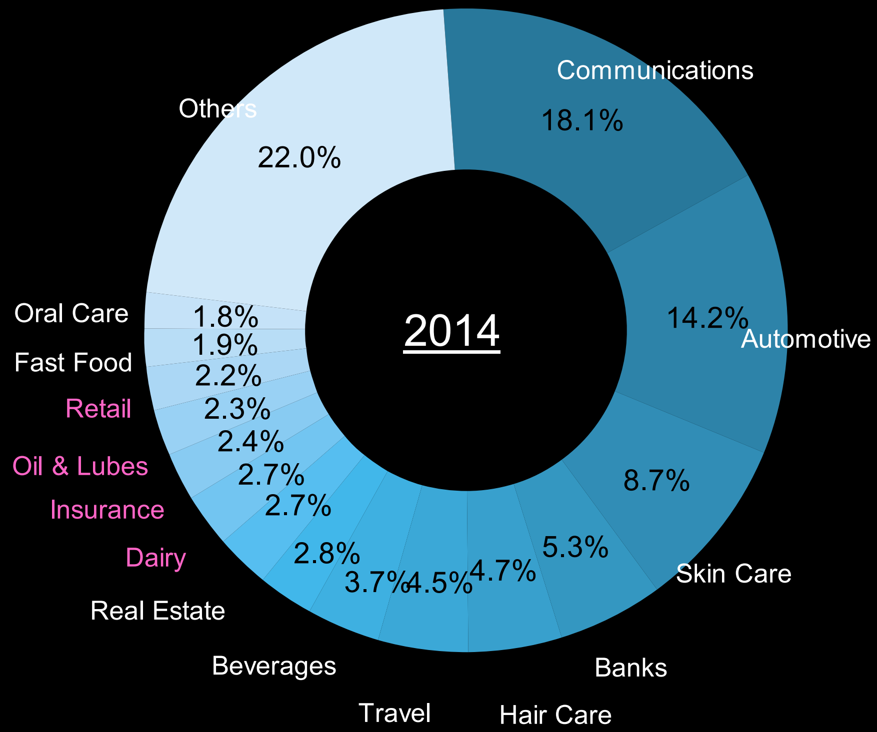
Total Online Advertising Breakdown by Category





2014	Ratio Mix
Beverages	11%
Banks	10%
Communications	9%
Travel & Tours	9%
Motor Vehicles	8%
Hair Care	7%
Real Estate	7%
Skin-care	5%
Insurance	5%
Dairy Products	4%

Source : DAAT report 2014

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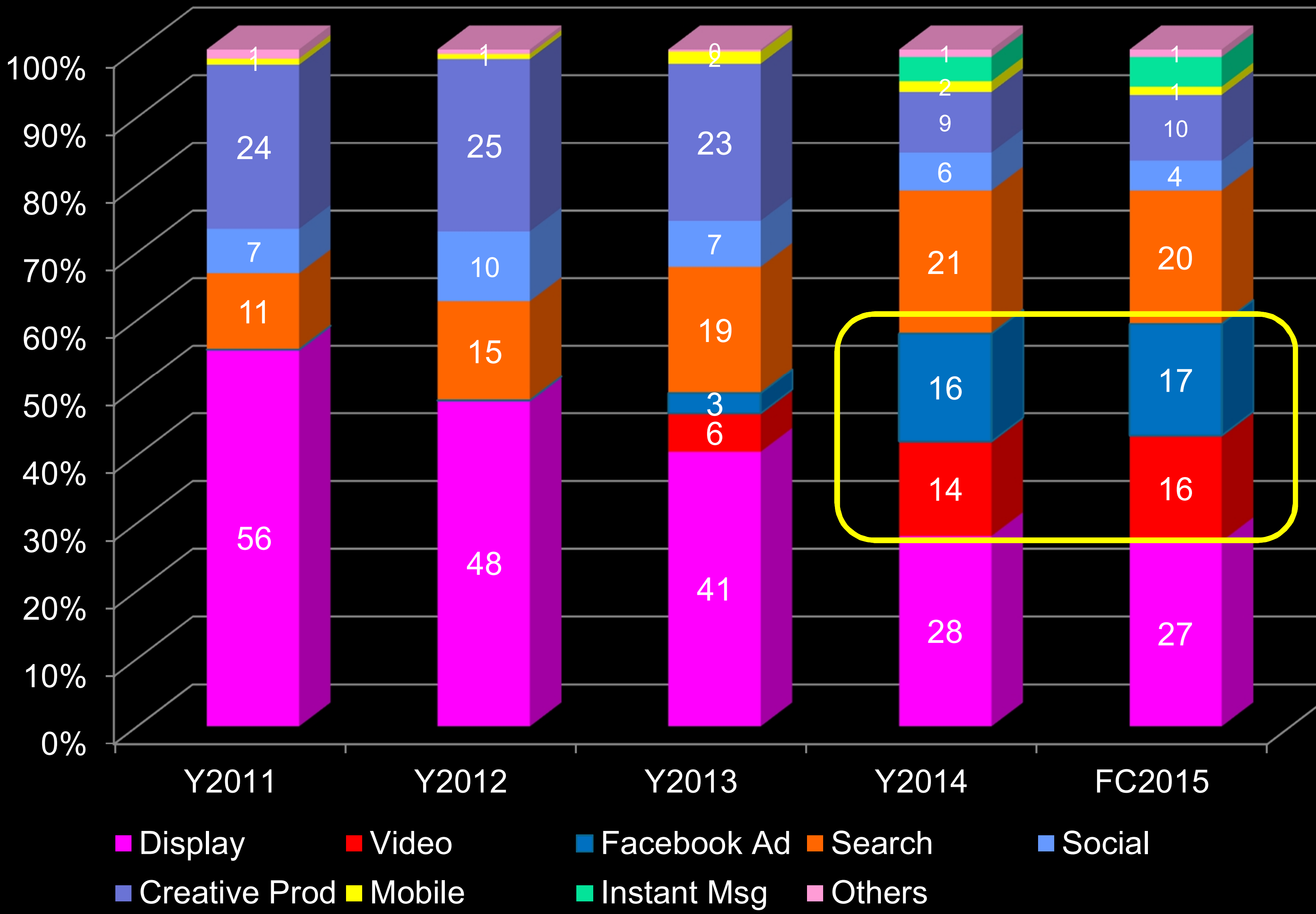
Digital Ad Spend by Platform



Growing online video & FB ads

Source : DAAT report 2014

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- The market is down
- Key players more aggressive
- Revisit your media mix
- How much % mix for your online medium
- 100% FTA or mix with DTT

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The change of Thailand media scene

Total Thailand Advertising Expenditure

Impact from Digital TV

The Multi Screen

Aging Population

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Analog
TV
ดิจิตอล
ทีวี
TV changing

From 6 channels to 36 channels

Create their own watch list

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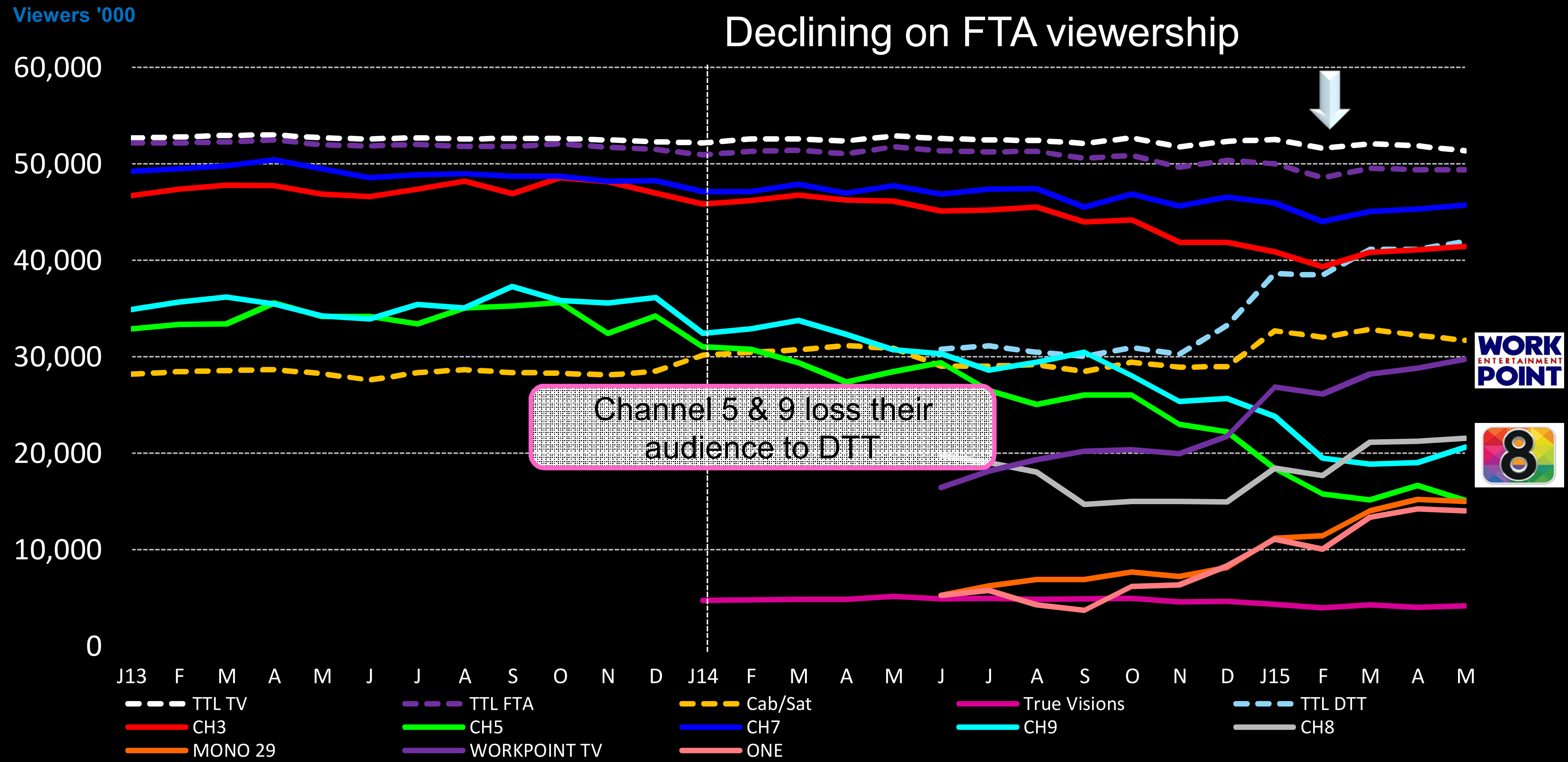
Fragment & Difficult to Reach



Source : : AGB NMR Arianna Cumulative TV viewing (target All 15+ NTW)

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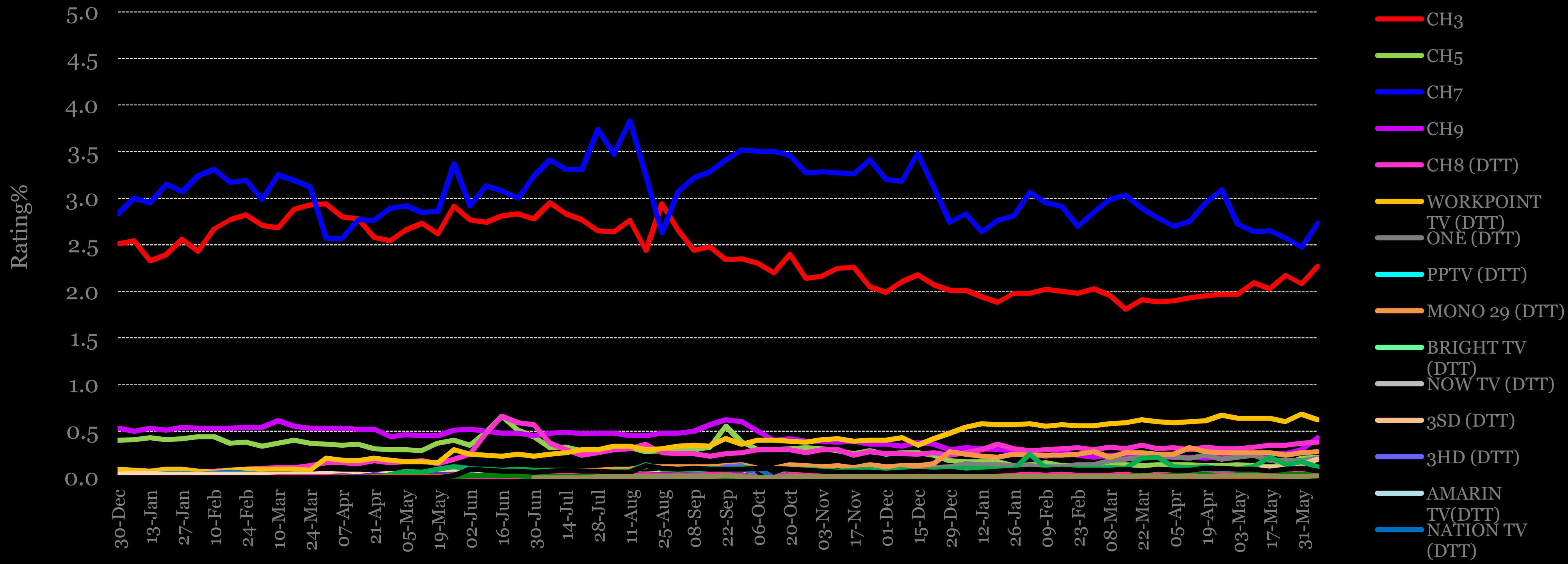
Migrate from Cab/Sat to DTT
Expand audience base

Good content generate high rating
Opportunity for partnership

Yes, CH7 & 3 still dominate but in declining trend



The loss from CH7 & 3 shift to many of DTT channels

Source : : AGB NMR Arianna
(target All 15+ NTW)

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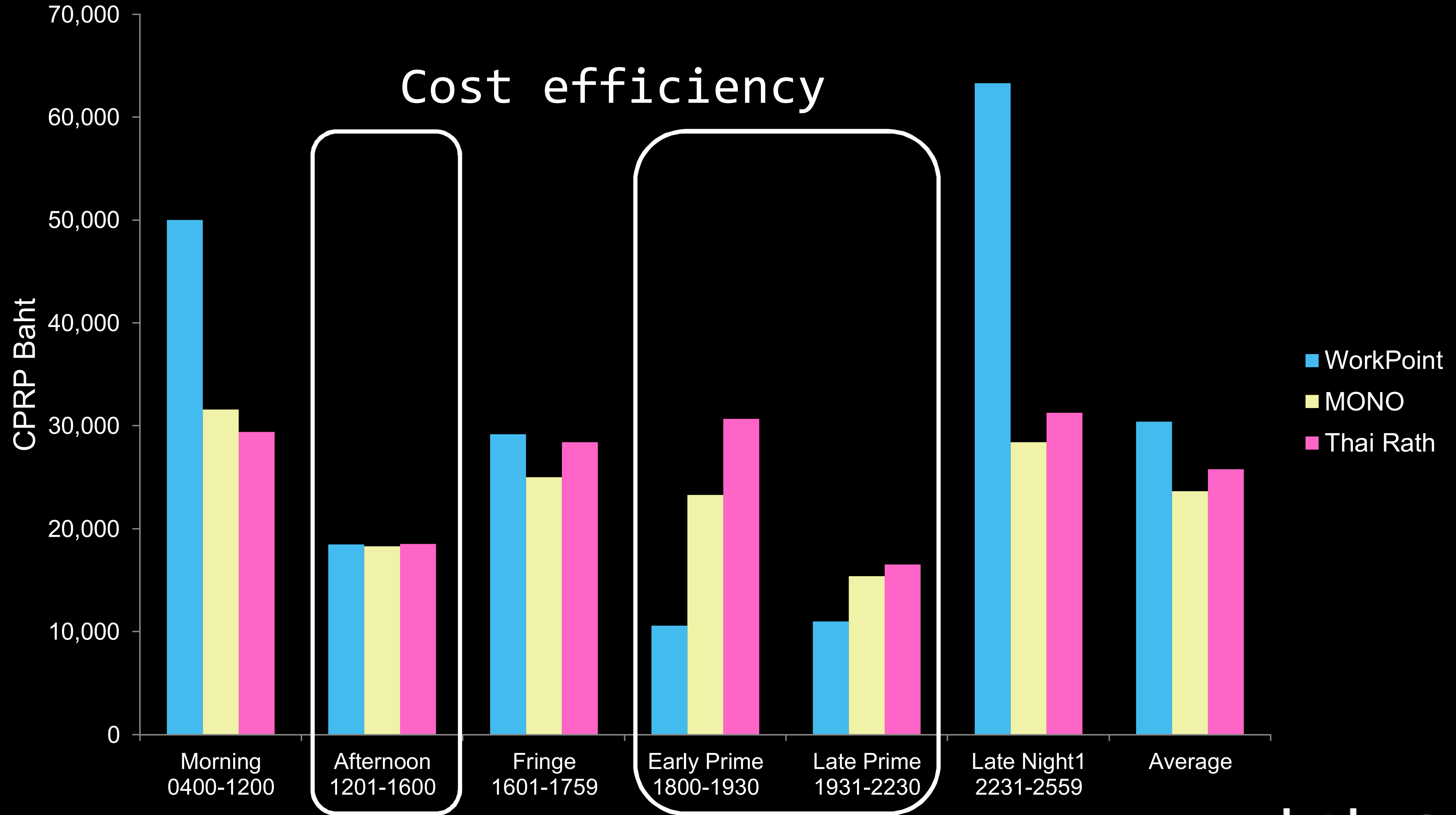
Top 5 programs by Average Rating

Channel	Top Programs	Dayparts	Ave. %RT	Max %RT
WORKPOINT TV (DTT)	CHING CHA SAWAN MIC THONG KHAM PEE 2	Prime / Early Prime	4.38	5.90
	PRITSANA FAH LAEP	Early Prime / Prime	2.57	3.49
	HONG KHAO BANTHOENG	Prime	1.59	2.24
	SUPER MUM	Prime	1.58	1.99
	JAMUAT NA JOR	Prime	1.33	1.51
MONO 29 (DTT)	PREMIUM BLOCKBUSTER	Prime	0.71	1.59
	SHAFT	Afternoon	0.59	0.86
	MR. & MRS. SMITH	Prime	0.54	0.93
	SOLDIERS OF FORTUNE	Afternoon	0.53	1.05
	ENOUGH	Afternoon	0.52	0.84
CH8 (DTT)	PLOENG PHAI	Prime	1.17	1.54
	LIKEY MAD SANG	Prime	1.07	1.86
	MIA THUEAN	Prime	0.90	1.36
	SIANG SAWAN PHICHIT FAN	Morning	0.71	0.90
	PRAKAI DAO	Prime	0.71	1.08
ONE (DTT)	BANLANG MEK	Prime	1.14	1.76
	PEN-TOR	Late Night	0.82	1.29
	ROI LEH SA-NEH RAAI	Prime	0.78	1.18
	NGAN KHAO TEE LAO PED	Prime	0.61	0.89
	MUE PRAP KUK KUK KU	Prime	0.59	0.77
Thairath (DTT)	THAIRATH NEWS SHOW	Prime	0.42	1.17
	20.00 NEWS	Prime	0.35	0.68
	PAO BOON JIN TAMNAN SAN KHAIFONG	Afternoon	0.25	0.34
	GAME TALOK HOKKHAMEN	Late Night	0.23	0.40
	TALON KHAO	Afternoon	0.23	0.36

Source : : AGB NMR Arianna
(target All 15+ NTW)

Sample of DTT Cost



Source : : AGB NMR Arianna & Initiative Cost
(target All 15+ NTW)

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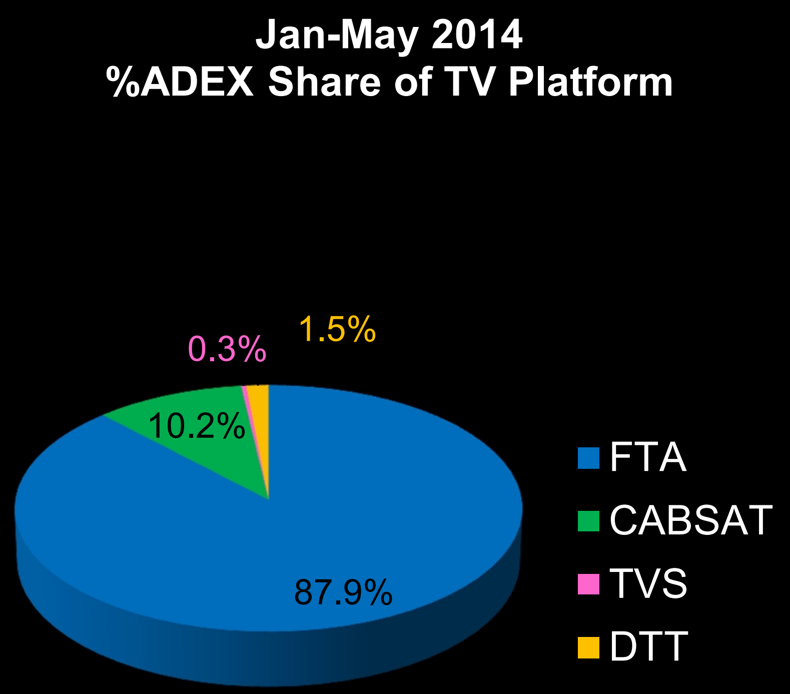
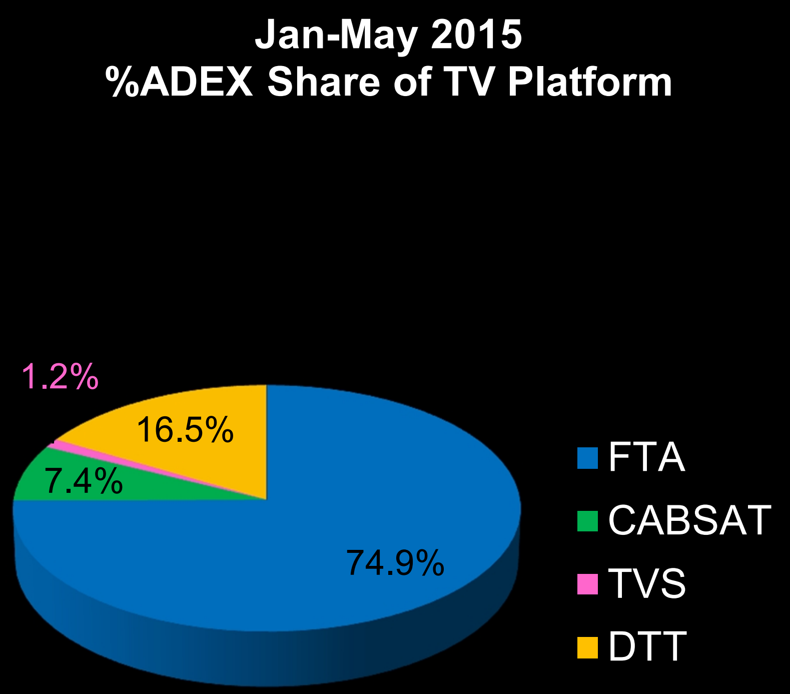
Higher investment in 2015





Actual cost of total TV rating which separate as FTV, DTT, Cab/Sat , true vision
2014 vs 2015 Jan-Apr

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Advertiser

Room for new partner

Spend more to gain the same reach

Cost saving via last minute buying

Consumer

More variety of choice
Personalize

Vendor

Win by good content

Tough situation

The change of Thailand media scene

Total Thailand Advertising Expenditure

Impact from Digital TV

The Multi Screen

Aging Population

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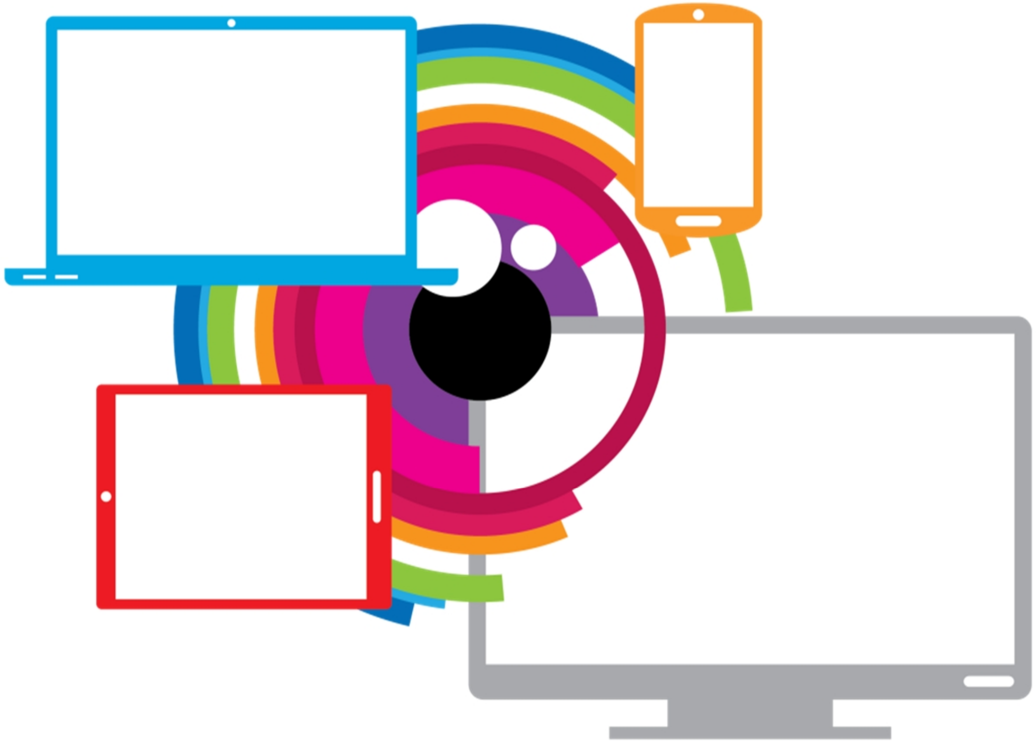


BOUNDLESS PLATFORMS

The New Multi-Screen Impact

IPG Mediabrands Innovative Thought Leadership

Fragmentation on TV viewership

Expand panel, lead to major change on rating result

Consumer behaviors change

MULTI-SCREEN CONSUMERS
WHO ARE THEY?

DEVICE OWNERSHIP IS FRAGMENTED ACROSS MORE DEVICES THAN EVER

80%
(+25%)
Laptop

74%
(+72%)
Smartphone

21%
(+50%)
Game Console

5.1
avg. devices owned
(TH 5.1 vs Global 5.6)

64%
(-6%)
Desktop PC

23%
(+130%)
Smart TV

46%
(+121%)
Tablet

33%
(-6%)
MP3/MP4

Q12) Device ownership

Source : UM Wave 6 (2011) & 7 (2013 : 1,021 samples, Aged 16-54 Bkk & Urban Online users)

WORKING ADULTS INTERACT MORE IN AN "ECOSYSTEM OF SCREENS"

5.1

avg. devices owned

(AI 12+)

working adults *(aged 25-44)*

5.5

teens *(aged 12-24)*

4.8

Q12) Device ownership

Source : UM Wave 6 (2011) & 7 (2013 : 1,021 samples, Aged 16-54 Bkk & Urban Online users)

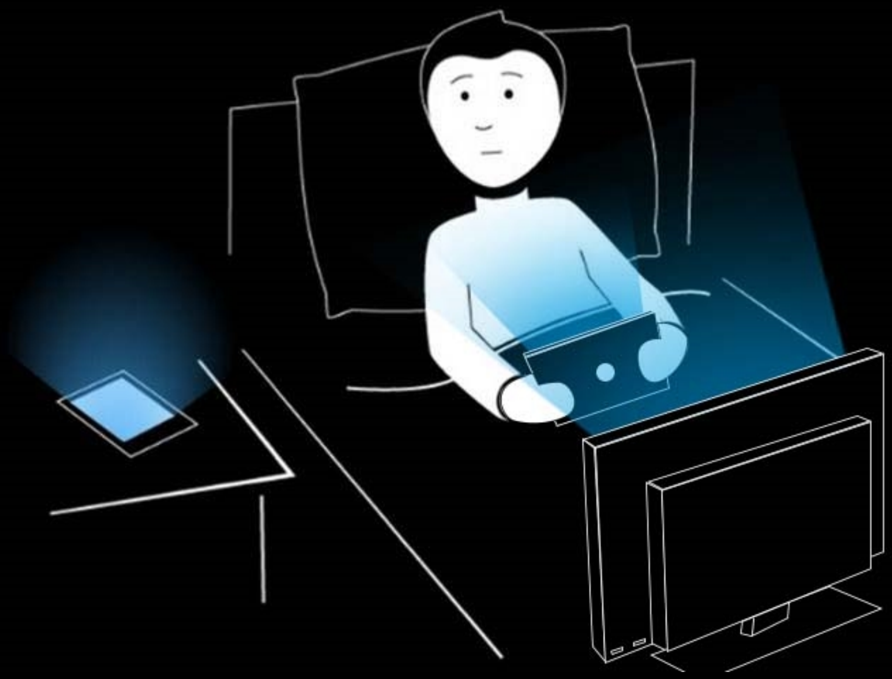
THE MORE INTERACT TIME WITH MANY DEVICES, THE MORE CONCENTRACTION

4.2
hours/day

3.7 average Time Spent all 12+

3.7
hours/day

2.6



Free TV : 3.3

Cab/Sat TV : 2.5

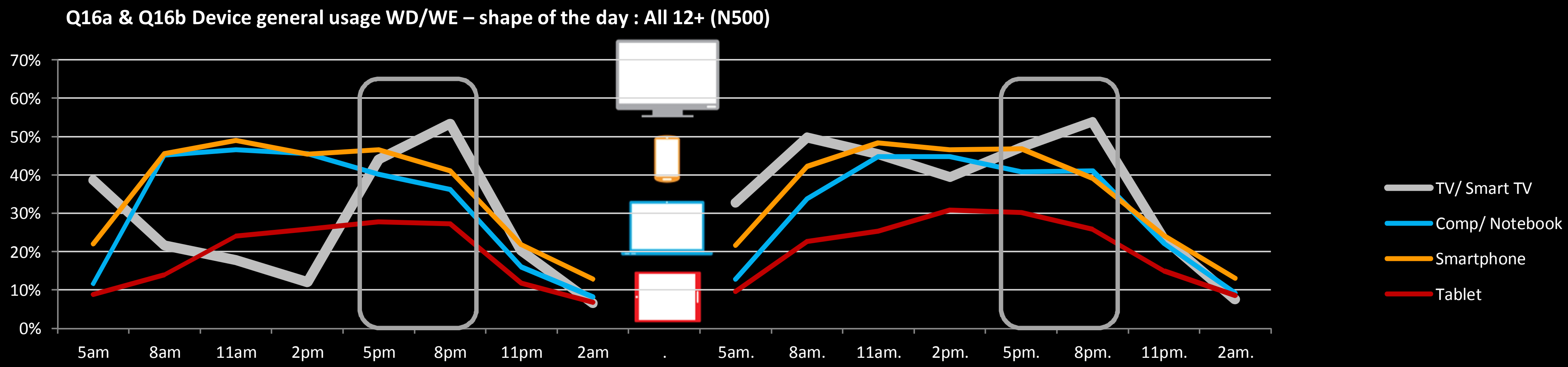
Watch online : 0.9 (any devices)

Q17) Media/device consumption, approximate average time spend using devices per day

Source : IPG Mediabrands Multiscreen Tracking Survey 2013 (500 samples, Aged 12+ Bkk & Urban who watched TV/VDO contents in P7D)

MULTI-SCREEN
HOW IS IT USED IN DAILY LIFE?

MULTI-SCREEN LIFESTYLE THE BIG CHALLENGE TO TRADITIONAL MAIN SCREEN



MOBILE/LAPTOP USAGE PEAK IN DAYTIME
TRADITIONAL PRIME TIME TVR IS IN DANGER

Q16a&Q16b) When do you use these devices on Weekday and Weekend

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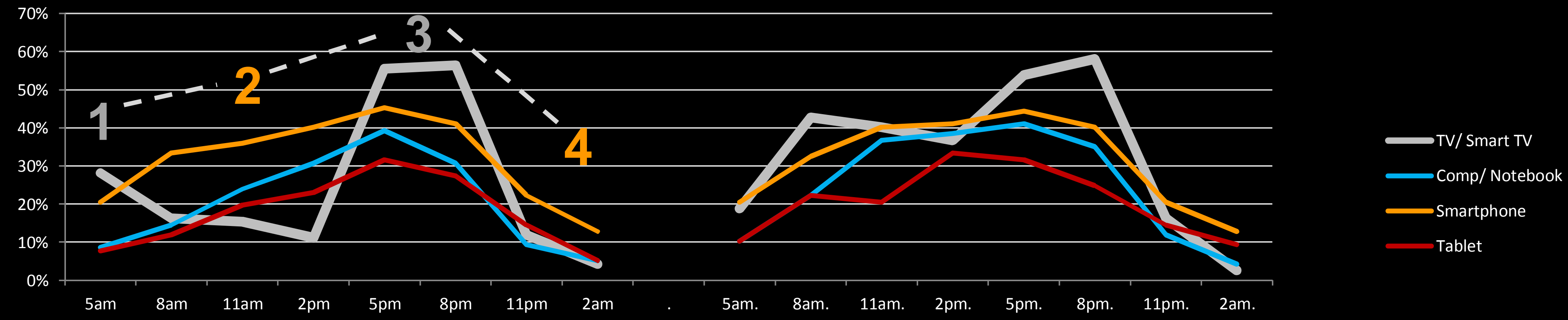
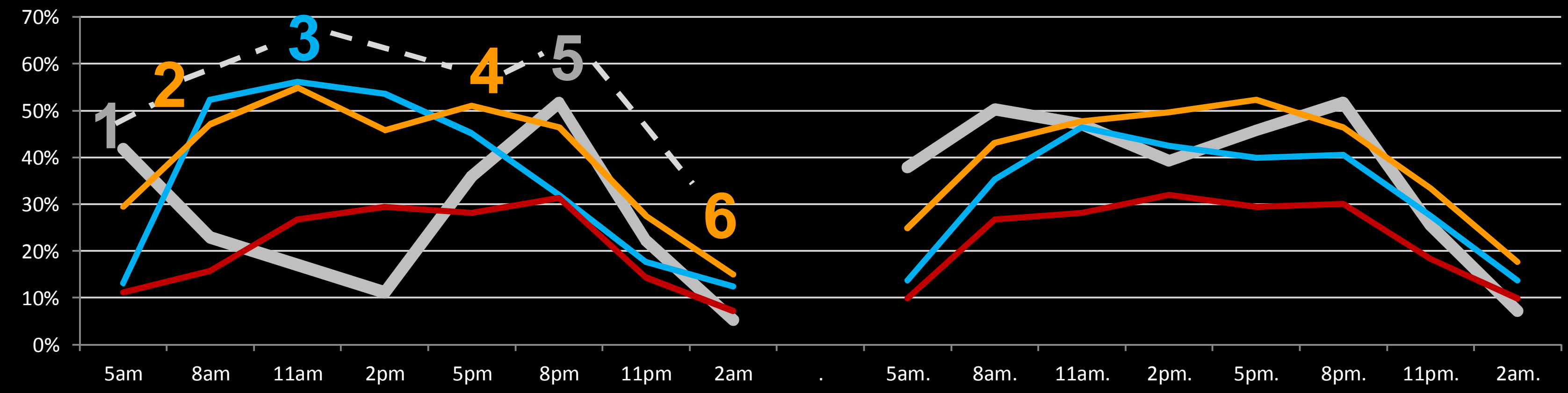
Source : IPG Mediabrands Multiscreen Tracking Survey 2013 (500 samples, Aged 12+ Bkk & Urban who watched TV/VDO contents in P7D)

CONSUMER RELATE TO EACH DEVICE IN UNIQUE WAYS TO CONTROL THEIR CONTENTS FLOW

Q16a & Q16b Device general usage WD/WE – shape of the day : All 12-24 (n117)



Q16a & Q16b Device general usage WD/WE – shape of the day : All 25-34 (n153)



"ALWAYS-ON"

Q16a&Q16b) When do you use these devices on Weekday and Weekend

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Source : IPG Mediabrands Multiscreen Tracking Survey 2013 (500 samples, Aged 12+ Bkk & Urban who watched TV/VDO contents in P7D)

ATTENTION SHIFTS FROM PRIMETIME TO "ALWAYS-ON" YET TV REMAINS KING OF AUDIENCE REACH

merge traditional and digital media
across interchangeable interactive **screens**.

To **maintain** the same **REACH & ATTENTION**

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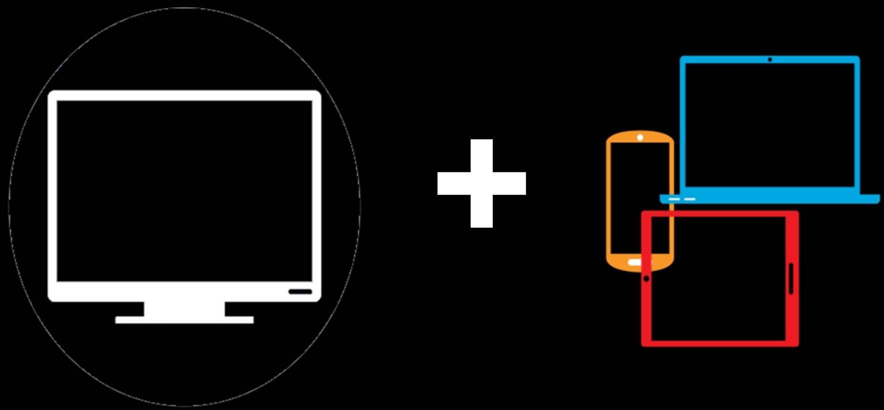
Source : IPG Mediabrands Multiscreen Tracking Survey 2013 (500 samples, Aged 12+ Bkk & Urban who watched TV/VDO contents in P7D)



How can we manage our TV plan among the multiscreen world?

matrix

Utilize Inititaitve proprietary tool
Optimization touchpoint mix

Buy more in prime time is not 100% worth

FTA	70%
DTT	25%
Cab/Sat	5%

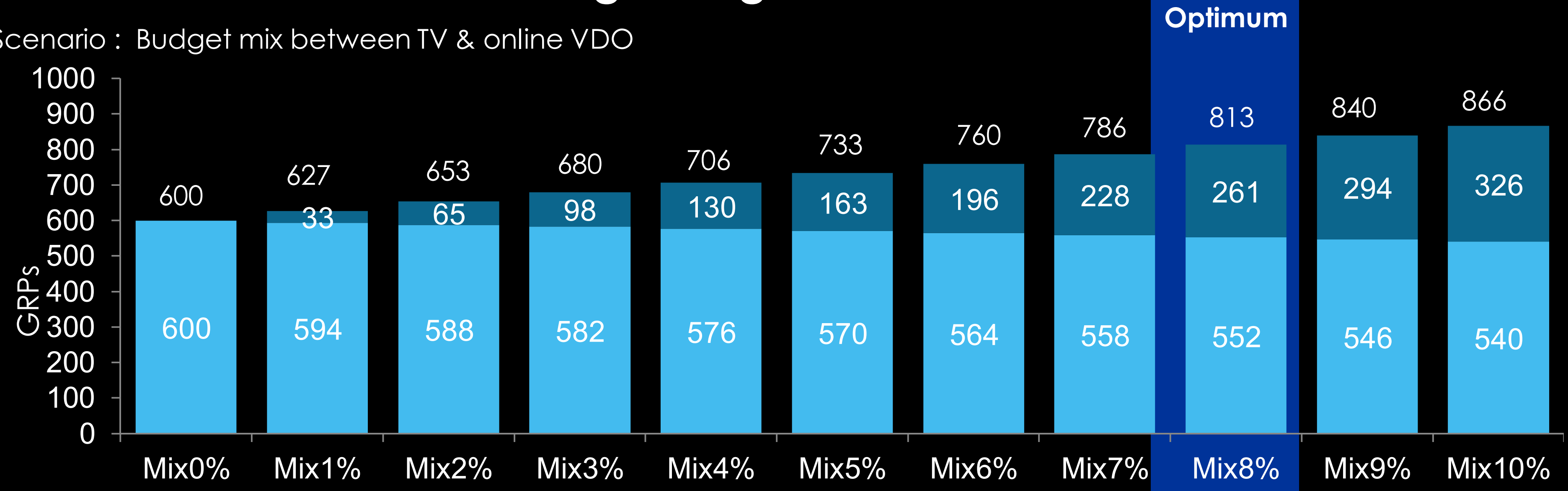
TV Buying Scenario	Prime : Non Prime	GRPs	CPRP Index	R4+
1	50% : 50%	600	105	43%
2	45% : 55%	600	100	42.8%
3	40% : 60%	600	99	42.6%

Utilize matrix to find out the right mix

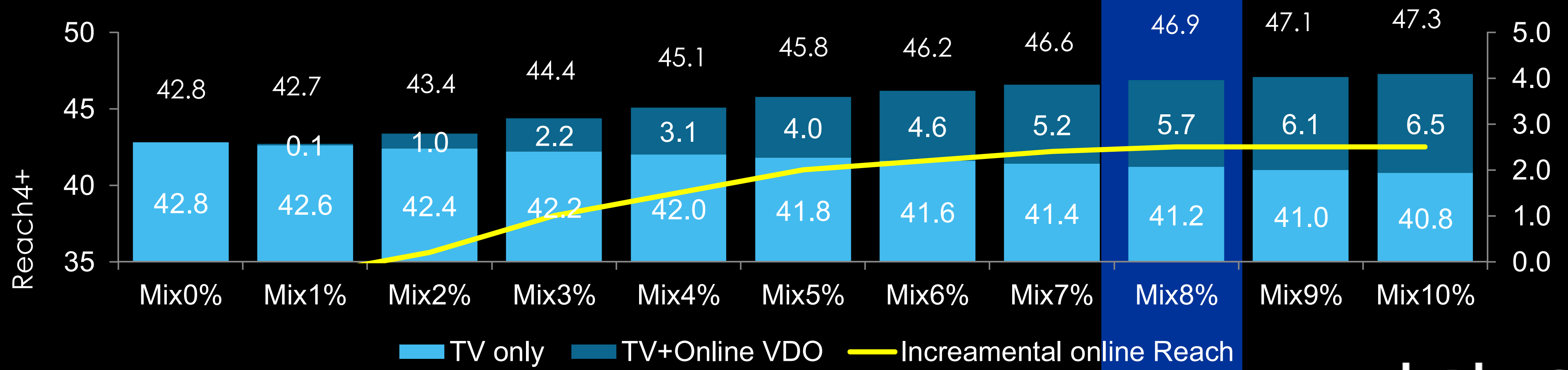
Shift budget to Online VDO to gain more reach

More mix of online VDO will gain higher total GRP

Scenario : Budget mix between TV & online VDO



Optimum mix of online VDO @8% of total TV spend



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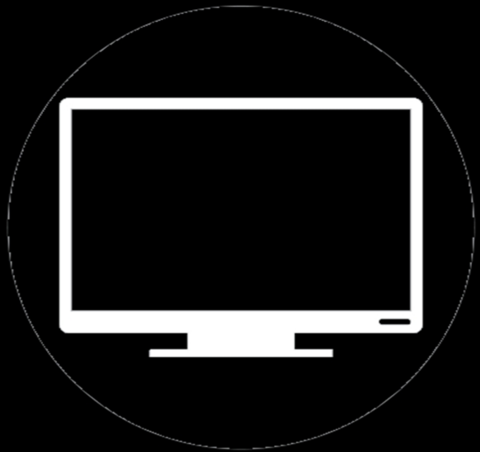
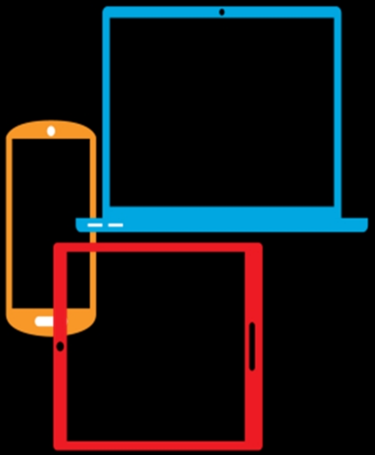


Cost efficiency by mix FTA & DTT



Threat as one TV channel

The change of Thailand media scene

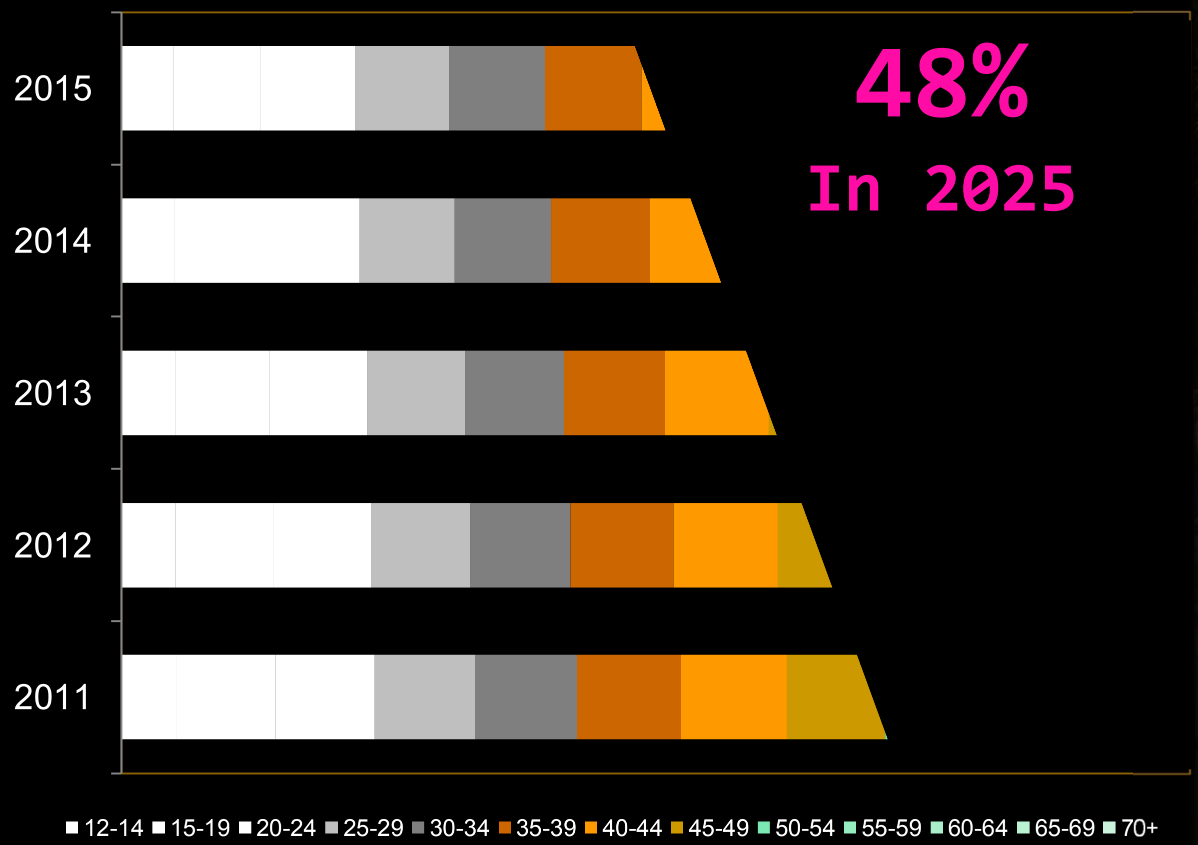
Total Thailand Advertising Expenditure

Impact from Digital TV

The Multi Screen

Aging Population

Aging population will be the biggest shrunk in next 10 years



- Downward trend of birth rate on the other hand the better performance of Thai health care are caused to expand the ageing population

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Active Senior

Inactive Senior

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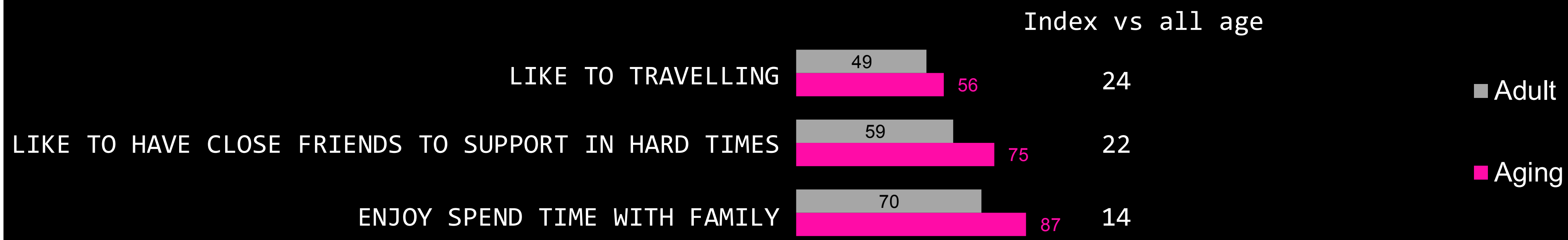
Active Senior

Support for out of home activity

Active Senior

Don’t want to be alone



Travel with friend and family

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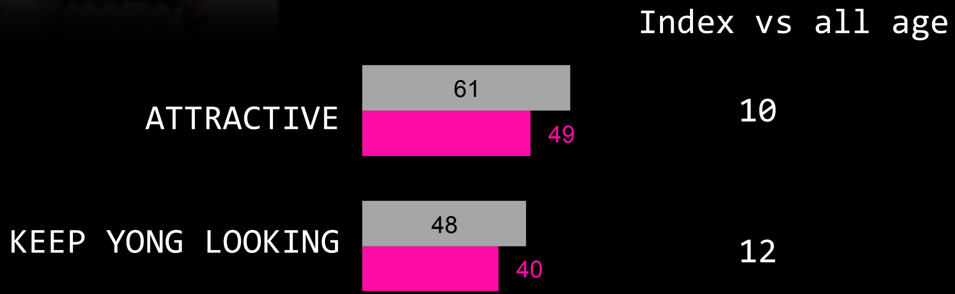
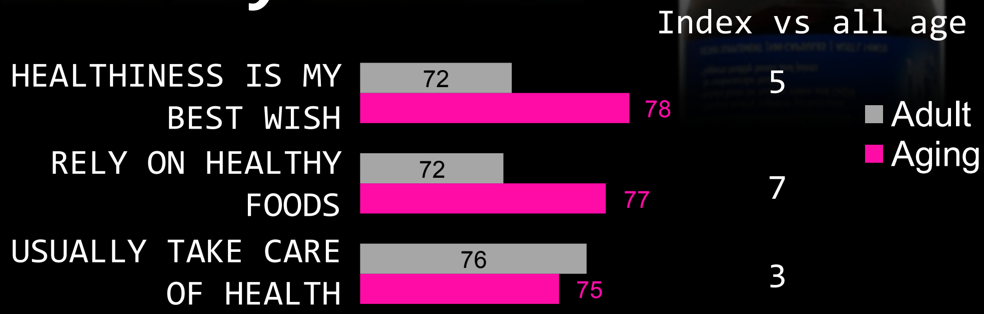
Source : IMS media index 2015 Life Attitude

Active Senior

Still want to look good



Healthy mindset



Comfortable outfit
Special cosmetic & skincare

Heathy & Clean food

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Source : IMS media index 2015 Life Attitude

Inactive Senior

73% Prefer to stay @ HOME

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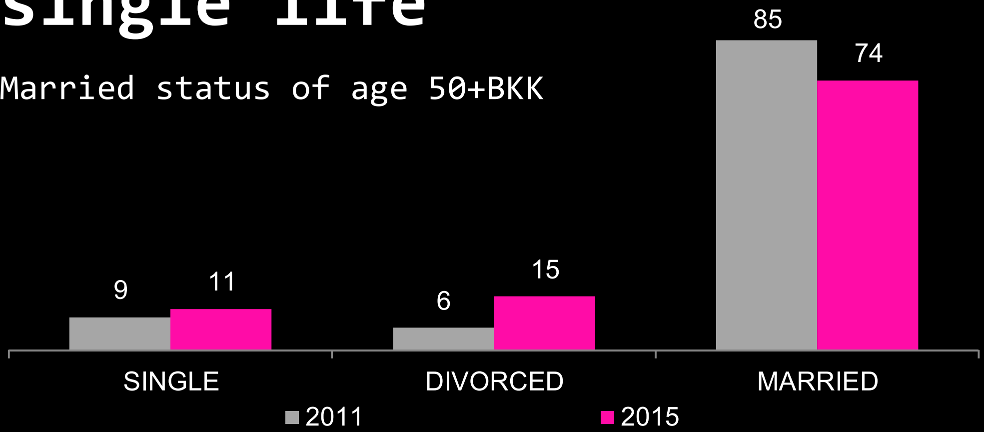
Inactive Senior

Increasing trend of single life

Married status of age 50+BKK



Source : IMS media index 2015 vs 2011

- **Living in town**
- **Small condo / house**
- **Universal design**
- **Pet as buddy**

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High purchasing powder

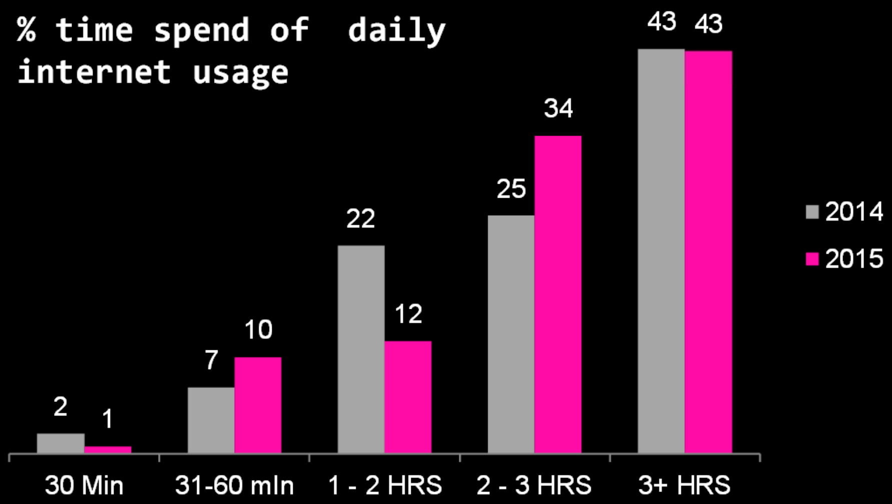
- Low risk investment
- Healthy product
- Health insurance
- Value for money
- For ME & For US

Index vs all age

	Adult	Aging	Index vs all age	
PROVIDE MY CHILDREN WITH THINGS I DIDN'T HAVE	59	73	29	
QUALITY OF PRESTIGE PRODUCTS IS MORE IMPORTANT	61	70	24	Quality product
BUY PRODUCTS RECOMMENDED BY EXPERTS	43	54	46	
WILLING TO PAY MORE FOR FAMOUS BRANDS	48	48	22	
CONSIDER PRICE FIRST WHEN SHOPPING	52	43	-17	
HEALTHINESS IS MY BEST WISH	76	75	3	Well Health plan
IMPORTANT THAT MY FAMILY THINKS I'M DOING WELL	64	71	19	
LIKE TAKING RISKS	31	24	-14	
ENJOY LIFE & NOT WORRY ABT FUTURE	19	13	-23	

Source : IMS media index 2015 Life Attitude

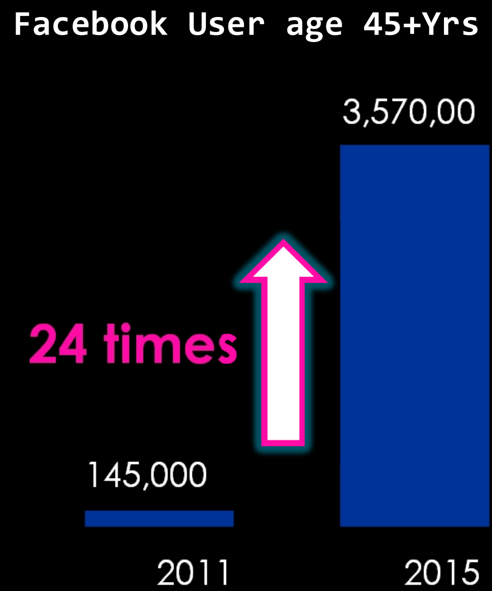
Spend longer time on internet usage



Source : IMS media index 2015

Faster growth of Facebook user

Age45+



Source : Facebook Thailand

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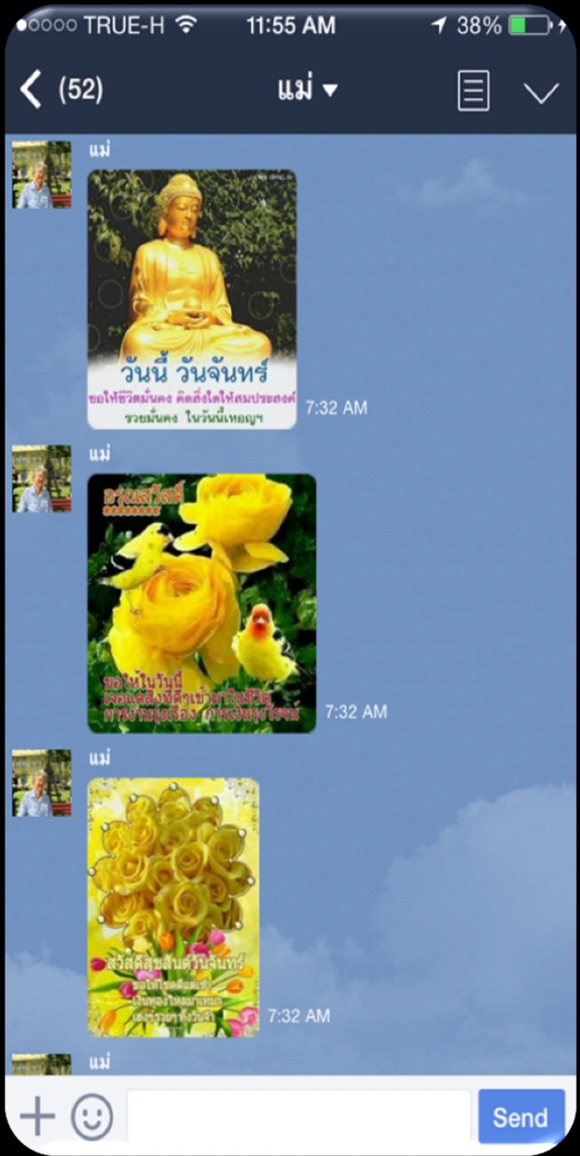
High usage on instant messaging

Trigger with Visual



Device to connect internet

Either mini size of tablet or bigger size of smartphone

(not too heavy not too small)

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Potential group for Ecommerce

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Aging Population

- New source of business
- Expand our product / service to serve with their need
- Start now…

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dot digital