

# 2022 Advertising Spending Projection and Media Inflation Update

March 15<sup>th</sup>, 2022



# Team



# ดร.ธราภูช จารุวัฒนนะ (บั้ง) CEO, IPG MEDIABRANDS/MAAT's President



## **EXPERIENCE: 23 years**

- Tharaputh started his career as Creative of JSL for Joh Jai and the opening/closing ceremonies of Bangkok Asian Game 1998. After that, he expanded area of expertise by joining MindShare and subsequently joined Initiative in 2000 where he executed several turnkey communication campaigns especially in the advertising media planning for dynamic consumer products. His experience includes working in Thailand's highest rating TV channel, Thai TV3.
- He was responsible for both global and local accounts including Unilever, Pfizer-Viagra, Sony, BMW & MINI, True, and Big C.
- In 2015 Tharaputh was appointed as CEO, leading the team to win new businesses: Nestle, DTAC, Lazada, foodpanda, and grew significant volume amid the industry slowdown period continuously. IPG Mediabrands Thailand finally became number one RECMA Quality Agency.
- Apart from being CEO, he is also a part time lecturer for leading institutes in Thailand, producer of Unseen Football program, and jury for 2017 Cannes and Adman Awards. Recently, he's elected to be Media Agency Association of Thailand (MAAT) President.
- Tharaputh has degrees in Master of Science in Communication, Fort Hays State University and Ph.D. in Sport Science, Kasetsart University, Thailand.
- He is interested in Sprint triathlon, dogs, and golf.

# จิณณาวัชช์ สัมพันธ์รัตน์ (ต่าย) General Manager, OMD Thailand/ MAAT committee

## **EXPERIENCE: 20 years**



- B.A. in Journalism & Mass Communication from Thammasat University, and M.A in Marketing (English Program) – MIM, Thammasat University.
- Business lead & Campaign planning leader with 20 years of experience in advertising, marketing communication and media planning, her experiences cover key brands in these industries; electrical appliances, foods & restaurants, retail business, consumer products, telecom, skin care, and etc.
- With passion for excellence, during her career she won many media awards in digital media campaigns and integrated media campaigns including Adman and Cannes.
- Acquiring new team, Retaining key accounts and Getting many news businesses in, working in challenge situation, made her won 'Media Planner of the Year Award for South East Asia' from The Campaign Agency of the Year Awards 2011.
- Apart from full time working as GM. at OMD Thailand, she was a jury of 2021 Adman Awards, and now positions as Vice President of Ministry Of Interior's Ladies Association, and also works as a Committee of MAAT.

# กนกกาญจน์ ประจงแสงศรี

## MD, Data & Analytics, Initiative



### **EXPERIENCE: 23 years**

- Khanokkhan started from Media Planning at Dentsu Media handling big Japanese accounts such as Toyota, Kao Commercial, Ajinomoto for 6 years.
- In 2005, a new career journey with Initiative has begun, managed the activities of research projects including seasoned research, communications, brand, advertising research projects according to best practices, maintaining the highest quality. Oversee IPG Mediabrands proprietary technology, tools and process, ensure smooth operation and provide training to all level of media specialists both in Thailand and nearby countries in the same network such as Vietnam, Cambodia, Malaysia and Taiwan.
- 2007-2009 Manage a team across all daily operations from start to finish of the research projects, proprietary tools operation, training and supports. Assigned additional role as a IPG's Media Principle of "IPG Management Trainee Program", aiming to groom a new graduate to become a media experts' young blood, the program fundamentally provide fundamental media knowledge, terminology, media math, media planning/ buying optimization tools including basic media and consumer analytical skills.
- 2010-2014 extended experiences into advanced statistics model or econometric with successful analytic project for major brands such as Coca Cola, Johnson and Johnson, Cerebos, Great Eastern Drug, Big C, DKSH, Nestle. Additional extended role in strategic planning area, using data and analytics to design communication strategy and ideas for Baby products Dryperz.
- 2014 – 2017, extended diversity experience in Media Buying and Trading area, using data and analytics capabilities to support trading and negotiation team to optimize media investment and maximize full business potential.
- Present role, inspire and lead a team of analytics and statistics experts. Providing data driven marketing solutions and ensure that the results of analytics projects provide actionable insights that effectively and efficiently build business and brand value.

# นันทน์ภัส โชติรัตนะกาญจน์ (อ๋อย) DEPUTY HEAD OF INVESTMENT OMNICOM MEDIA GROUP (THAILAND)

## EXPERIENCE: 24 years



- Nannapat works for Omnicom Media Group (Thailand) as Deputy Head of Investment. She leads on trading and investment for OMD and PHD companies.
- She started her career in Media Planning at Carat (Thailand) in 1998. she was responsible for both local and global accounts including Cadbury Adams, Unif, Nokia, Berli Jucker, Philips etc.
- In 2010, she moved to OMD as Trading Director and proven her accountability by getting new business such as Beiersdorf and Apple and ensuring client's performance achievement.
- She got the promotion to be a Deputy Head of Investment, Omnicom Media Group (OMG) last year and continued success of pitching Philips, Chanel, Beiersdorf and Daimler.
- Nannapat has degrees in Master of Business Administration, Organization Management, Ramkhamhaeng University and Bachelor of Communication Arts, Advertising major, first Class Honor gold medal, Dhurakijpundit University.

# กนกวรรณ คุณาเรืองโรจน์

## MD MAGNA, IPG MEDIABRANDS



### **EXPERIENCE: 19 years**

- Kanokwan joined Mediabrands in 2003. Previously, she was responsible for the communication planning within Initiative and UM Thailand. She has been participating in many aspects of client responsibilities, including Finance & Banking, FMCG, Milk & Dairies, etc.
- Later, her exhaustive knowledge of the market, clients, and demand-side along with the passion to work on the supply side gave her the opportunity to transfer to Magna Thailand.
- She has a great deal of experience in negotiation, media partnerships, and consulting. In the past three years as Managing Director of MAGNA Thailand, she has consistently performed outstandingly in key global accounts, such as Johnson & Johnson, BMW, Air Asia, Lazada, Telenor, as well as local clients with key global and local media owners.

# 2021 Advertising Spending Update

# COVID-19 has changed consumer behaviour and therefore advertising

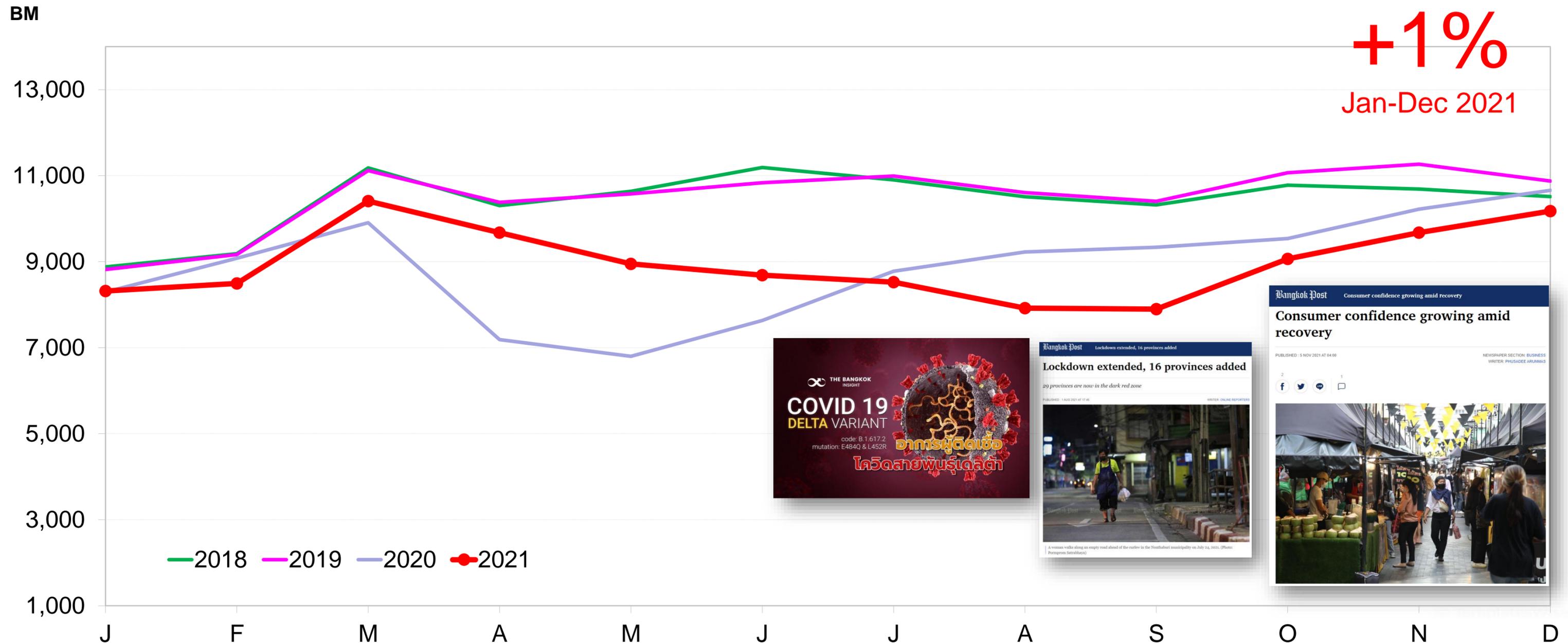
Ad spend rebounded as the acceleration in digital adoption and ecommerce

Growth driven by Digital, TV, OOH and In-Store

- A stay-at-home year drove more TV and Online consumption.
- Digital media was still a star with the highest growth.
- Travel restriction significantly impacted Cinema and Transit media.
- Small growth shown in OOH and In-store driven by up-country which has less travel restriction.
- Overall Prints media continues to shrink.

Advertising Spend by medium	2020		% change	2021		% change
	Bt. M.	%		Bt. M.	%	
TV	61,318	57%	-7%	63,112	59%	3% ▲
Radio	3,539	3%	-20%	3,421	3%	-3%
Newspapers	4,516	4%	5%	3,537	3%	-22%
Magazines	803	0.8%	-21%	694	0.6%	-13%
Cinema	4,198	4%	-45%	3,398	3%	-19%
Out-of-Home	5,842	5%	-10%	6,042	6%	3% ▲
Transit	4,726	4%	-20%	3,594	3%	-24%
In-Store	650	0.6%	-35%	672	0.6%	3% ▲
Online (DAAT)	21,059	20%	8%	23,315	22%	11% ▲
<b>Total</b>	<b>106,649</b>	<b>100%</b>	<b>-8%</b>	<b>107,786</b>	<b>100%</b>	<b>1.1%</b>

# 2021 Advertising Expenditure



# 2021 INDUSTRY GROWTH

## PRE-COVID19

	ADEX TOP RANK CATEGORY	Y2018	Y2019	%
1	NON-ALCOHOLIC BEVERAGES	7,561	8,351	10%
2	MOTOR VEHICLES	8,535	8,056	-6%
3	SKIN-CARE PREPARATIONS	5,690	5,593	-2%
4	COMMUNICATIONS	6,865	5,043	-27%
5	GOVERNMENT	4,736	4,815	2%
6	LEISURE ▼	4,322	3,998	-7%
7	RETAIL SHOPS/STORES	3,731	3,414	-9%
8	HOUSEHOLD CLEANERS	3,071	3,263	6%
9	DAIRY PRODUCTS	3,510	3,248	-7%
10	HAIR PREPARATIONS	2,799	2,971	6%
11	VITAMINS & SUPPLEMENTARY	2,634	2,837	8%
12	PHARMACEUTICALS	2,665	2,783	4%
13	TOILETRIES	2,570	2,552	-1%
14	ORAL PRODUCTS	1,754	2,441	39%
15	TRAVEL & TOURS ▼	3,279	2,412	-26%
16	FOODSTUFFS	2,426	2,406	-1%
17	BANKS	3,096	2,298	-26%
18	INSURANCE	1,759	2,079	18%
19	FOOD OUTLETS & RESTAURANTS ▼	2,005	1,652	-18%
20	REAL ESTATE ▼	2,071	1,640	-21%
<b>TOTAL</b>		<b>116,252</b>	<b>116,073</b>	<b>-0.2%</b>
TOP 10		50,819	48,752	-4.1%
TOP 20		75,079	71,852	-4.3%

## 2021

	ADEX TOP RANK CATEGORY	Y2020	Y2021	%
1	NON-ALCOHOLIC BEVERAGES	7,433	8,327	12%
2	RETAIL SHOPS/STORES	3,545	4,680	32%
3	MOTOR VEHICLES	5,092	4,659	-9%
4	SKIN-CARE PREPARATIONS	5,476	4,575	-16%
5	COMMUNICATIONS	4,743	4,218	-11%
6	HAIR PREPARATIONS	3,670	4,051	10%
7	VITAMINS & SUPPLEMENTARY	3,655	3,561	-3%
8	HOUSEHOLD CLEANERS	3,739	3,452	-8%
9	ORAL PRODUCTS	2,878	3,222	12%
10	DAIRY PRODUCTS	3,511	3,098	-12%
11	TOILETRIES	2,659	2,790	5%
12	GOVERNMENT	3,257	2,559	-21%
13	FOODSTUFFS	2,493	2,310	-7%
14	PHARMACEUTICALS	2,090	1,988	-5%
15	WEBSITES & APPLICATIONS ▲	1,449	1,702	17%
16	SEASONING PRODUCTS ▲	986	1,522	54%
17	ELECTRICAL NON-AUDIO/VISUAL ▲	999	1,485	49%
18	INSURANCE	1,691	1,463	-13%
19	SNACK FOODS ▲	950	1,339	41%
20	BANKS	1,721	1,256	-27%
<b>TOTAL</b>		<b>106,649</b>	<b>107,786</b>	<b>1.1%</b>
TOP 10		43,742	43,842	0.2%
TOP 20		62,037	62,256	0.4%

Year 2021, “a stay-at-home year” drove high growth among “Home Cooking” and ‘Health” related categories.

- Seasoning +54%
- Electronic Appliances +49%
- Snacks +41%
- Air Purifier +144%
- Vitamin drink +112%
- Herbal Drink +129%

The Lockdown has accelerated digital adoption and e-commerce to the next level

- E-Marketplace for retail +155%
- Video Streaming Application +44%

# 2022 Advertising Spending Projection

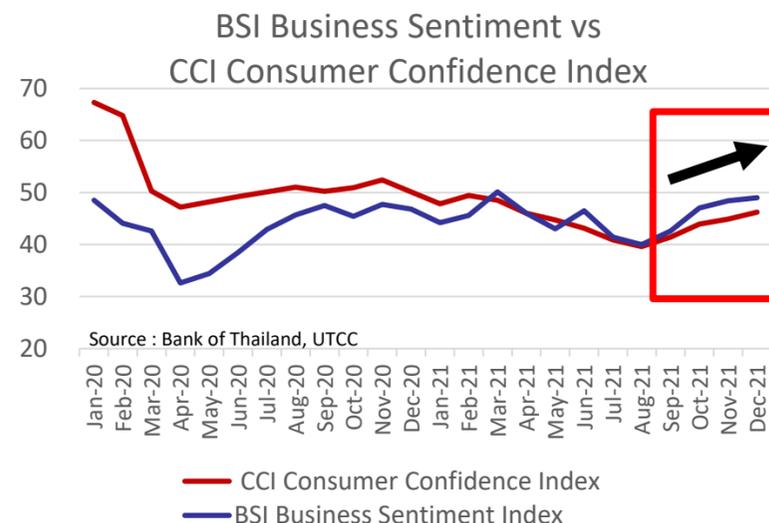
# 2022 GDP forecast at 3.0-4.5%

## POSITIVE factors

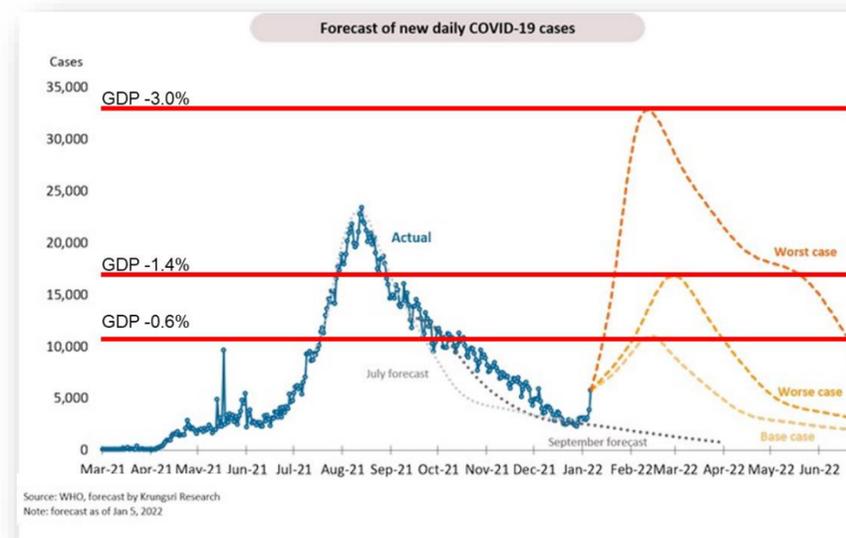
- 74% two doses vaccinated
- Recovering of business demands and activities
- Positive BSI and CCI
- Digital Adoption, E-commerce +75%
- Government stimuli continue
- Export +2% to +5%

## NEGATIVE factors

- The new COVID-19 variant
- High household debts, BT14.35 or 89.3% of GDP
- Escalating oil prices, high cost of goods
- Inflation of 1-3%
- NPLs are gradually increasing
- Tourism recovery might be delayed
- Russia-Ukraine war



“The economy is forecast to expand by 3.4% in 2022. **Omicron should be under controlled within Q1 of 2022**”



“Omicron impacts would reduce overall economic activities by 0.6%, If new cases under 10,000 per day,”



# 2022 Growth Categories

## PRE-COVID19

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## 2022e

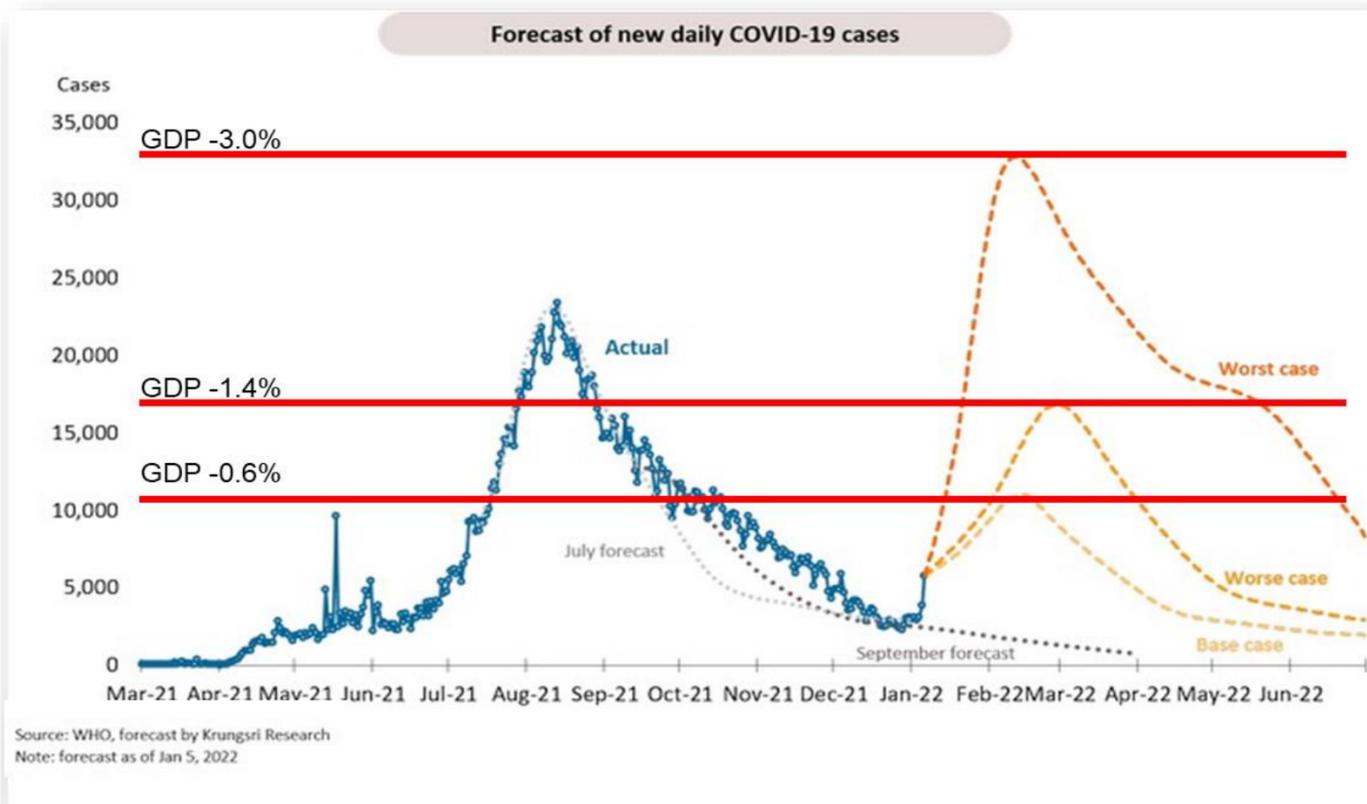
	2022	%
	8,743	5%
	5,382	15%
	4,659	0%
	4,575	0%
	4,218	0%
	4,456	10%
	3,917	10%
	3,624	5%
	3,544	10%
	3,098	0%
	2,929	5%
	2,559	0%
	2,310	0%
	1,988	0%
	2,213	30%
	1,598	5%
	1,707	15%
	1,463	0%
	1,406	5%
	1,256	0%
<b>113,000</b>		<b>5%</b>
46,217		5%
65,646		5%

Year 2022, the acceleration in digital adoption and ecommerce would continue.

The new normal of remote working and online studying projected to continue and stimulate growth in any “In-home-consumption” and “Health” related categories.

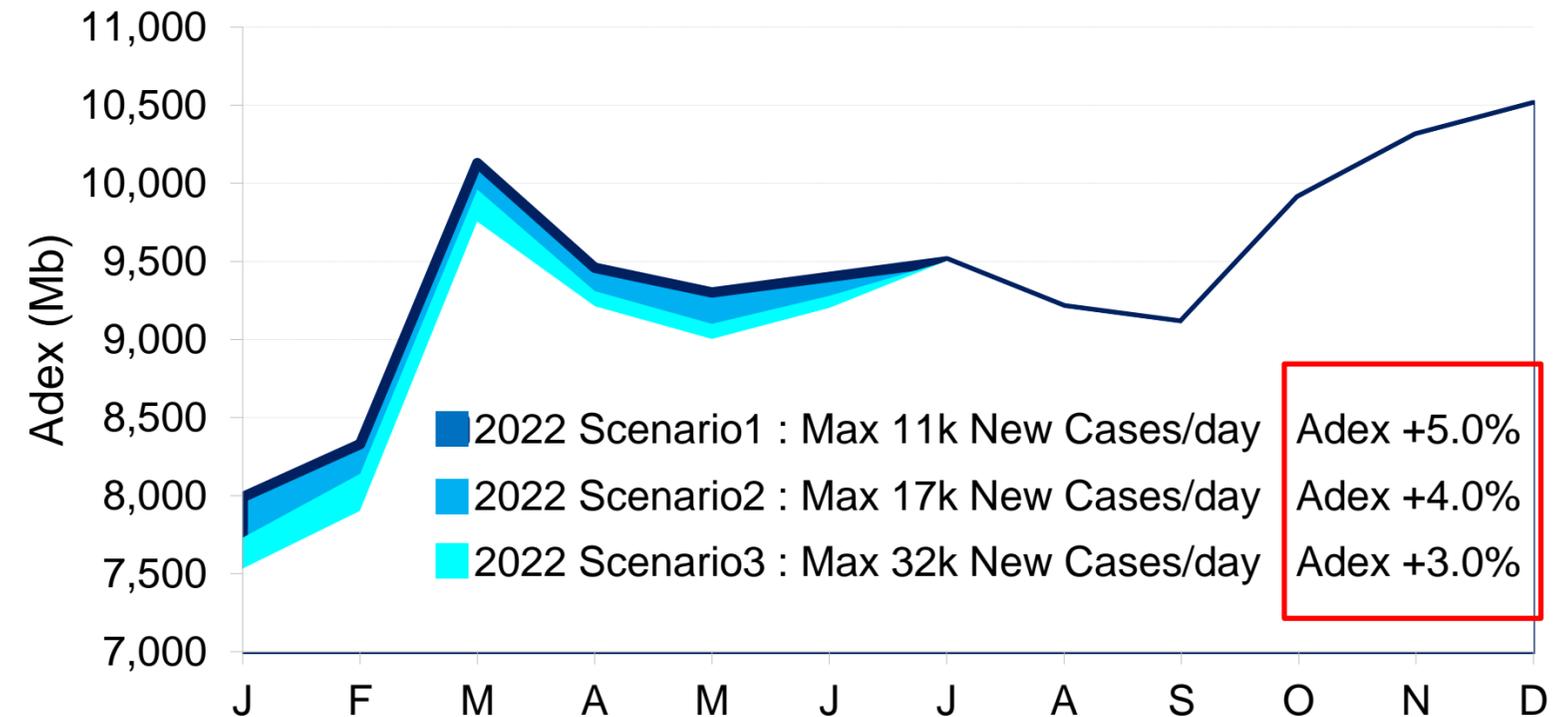
From Q2 onwards, Leisure and Restaurants expect to return in the top rank. Whilst Travel and Real Estate will slowly recover in H2 this year.

# There is still uncertainty as Omicron may create serious concerns and impacts

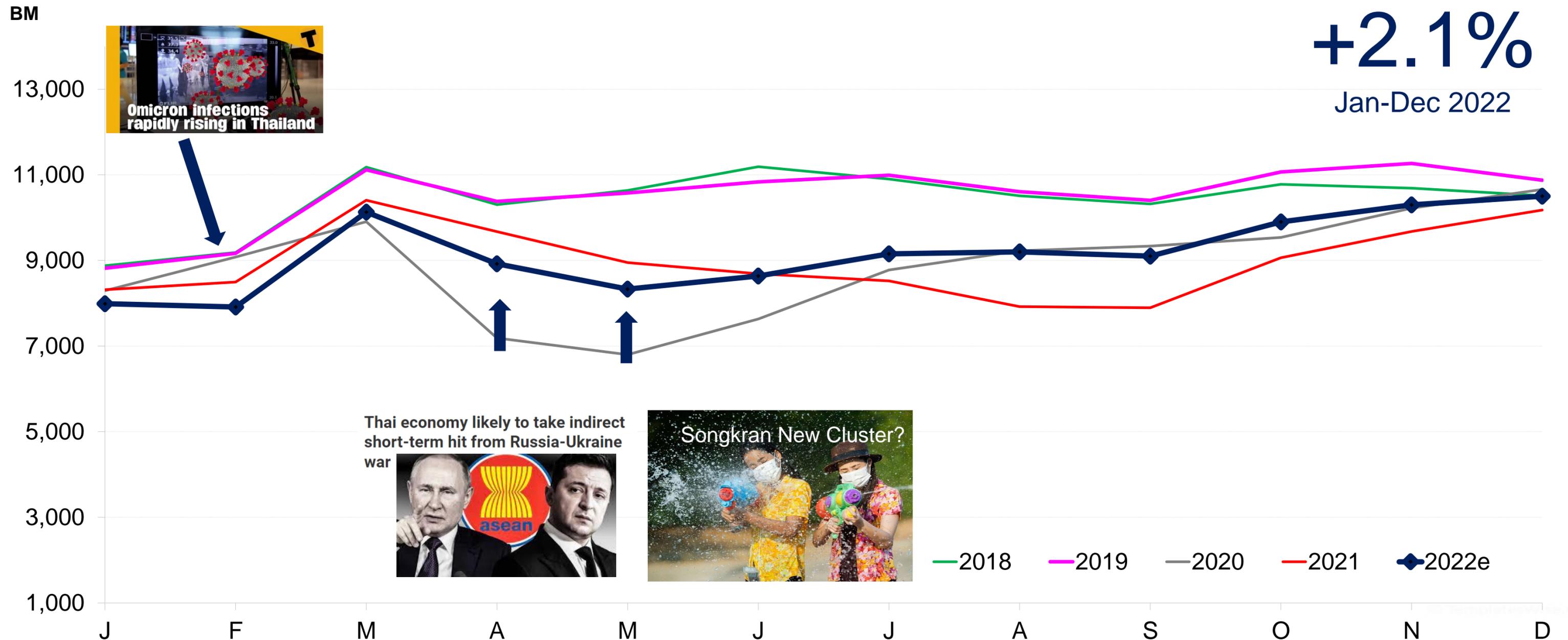


“Omicron impacts would reduce overall economic activities by 0.6%, If new cases under 10,000 per day,”

2022 ADEX with Omicron Scenarios Projection

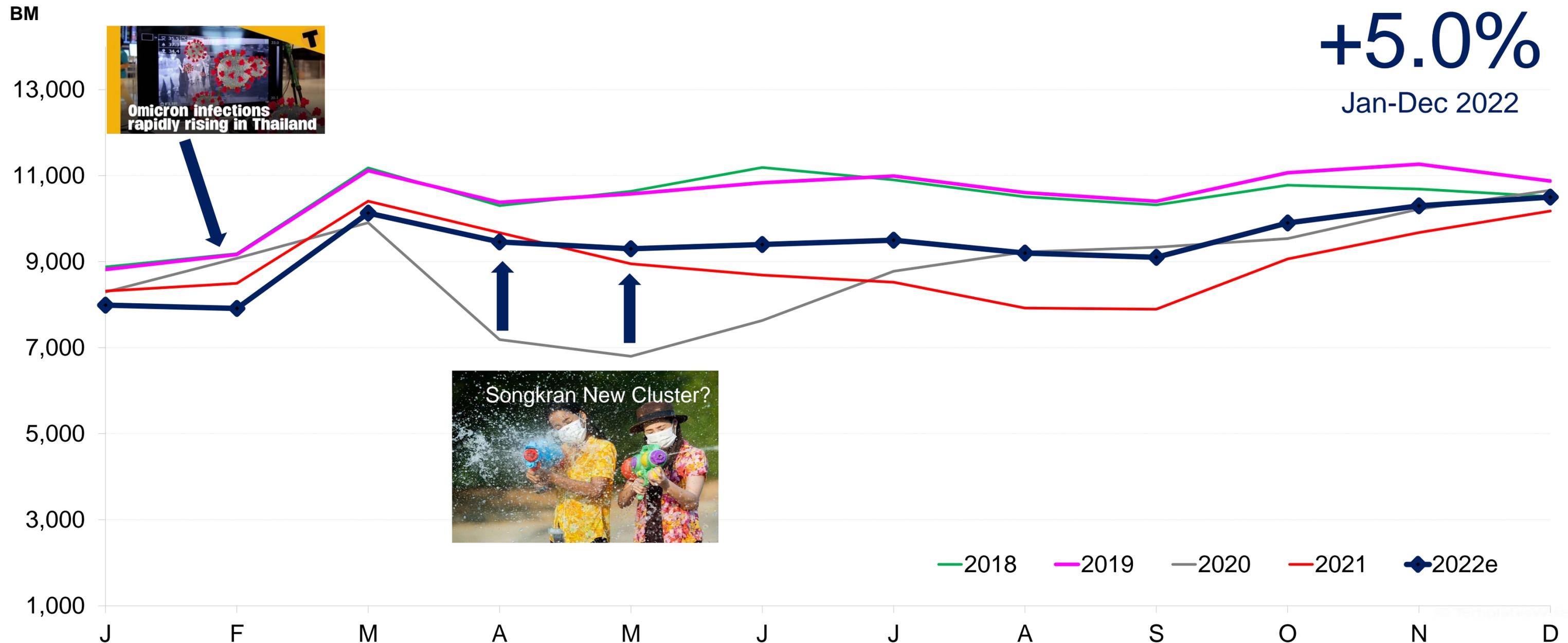


# 2022 ADEX Worst Case Scenario



SOURCE: AQX (All categories excluded Direct sales, CD/DVD (Musical & Film Products), Transportation, Classified & House Ads. Excluded Nielsen Online Spend and replacing with DAAT spending spend excluding Creative production)

# 2022 ADEX Best Case Projection



# Ad spend expect to see significant rebound in digital and across “out-of-home” media

Advertising Spend by medium	2019	2020	2021		% change	2022 (Jan'22 Est)		% change
	Bt. M.	Bt. M.	Bt. M.	%		Bt. M.	%	
TV	66,161	61,318	63,112	59%	3%	64,000	58%	1.4%
Radio	4,517	3,539	3,421	3%	-3%	3,000	3%	-12.3%
Newspapers	4,404	4,516	3,537	3%	-22%	2,500	2%	-29.3%
Magazines	1,005	803	694	0.6%	-13%	500	0.5%	-28.0%
Cinema	8,431	4,198	3,398	3%	-19%	3,500	3%	3.0%
Outdoor	6,610	5,842	6,042	6%	3%	6,250	6%	3.4%
Transit	6,282	4,726	3,594	3%	-24%	3,800	3%	5.7%
In-Store	992	650	672	0.6%	3%	850	0.8%	26.5%
Online (DAAT)	17,666	21,059	23,315	22%	11%	25,700	23%	10.2%
<b>Total</b>	<b>116,073</b>	<b>106,649</b>	<b>107,786</b>	<b>100%</b>	<b>1.1%</b>	<b>110,100</b>	<b>100%</b>	<b>2.1%</b>

# 2022 Inflation

# 2022 TV Inflation

$$2022 \quad \frac{\text{Rate change}}{\text{Viewing change}^*} = \frac{+0.43\%}{-5.6\%} = \frac{100.43}{94.4} = \mathbf{6.39\%}$$

All 4+ NW

\*Viewing : 7 months rolling comparison July-January 2020-2021-2022 without station promo spots.

# Industry Inflation

	2019	2020	2021	2022
TV	3%	3.4%	3.6%	6.39%
Print	0%	0%	-4%	-5%
Radio	0%	0%	0%	0%
Cinema	0%	0%	0%	0%
OOH	10%	10%	0%	3%
<b>TOTAL*</b>	<b>3.4%</b>	<b>3.7%</b>	<b>2.5%</b>	<b>5%</b>

\*Overall inflation includes only OFFLINE, weighted by media importance of estimate 2022

Q&A

