

ADVERTISING DEVELOPMENT IN MALAYSIA

Catching Eyeballs In Changing Media



YEARS OF CONVERGENCE
1 9 9 8 - 2 0 0 8



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FOREWORD

The Malaysian Communications and Multimedia Commission (SKMM) publishes a number of topical reports planned for the year of 2008 and it is my great pleasure to present to you the report on *Advertising Development in Malaysia – Catching Eyeballs in Changing Media*.

The report features the market and trends in global and regional advertising spend and trends, including comparisons with selected developed countries, ASEAN and Asia Pacific countries. There is advertising spend highlights on growth; its global share and investment; a comparison of revenue streams today and forecasts; plus a look at the market players, market size and market share in the advertising industry.

A discussion on digital media advertising is highlighted; relating the new trend of digital advertising in digital TV, films, video game and online video. Also discussed are the Internet and other emergent new media that extends traditional medium advertising such as digital signage. There is emphasis to review or change existing business models to suit market demand; and the importance of measuring advertisements effectiveness. Furthermore, the report also highlights advertising in social network environment, digital advertising opportunities, branding and the role of industry bodies in the Malaysian and global market.

The analysis in the report is based on various information sources – from internal information provided by SKMM, to external data obtained from industry research report, database sources, newswires, economic reports and company reports.

A soft copy of this report can be obtained from the SKMM website at:

http://www.skmm.gov.my/what_we_do/Research/industry_studies.asp

I trust this report will provide useful information to readers and indeed can serve as a catalyst to constructive business ideas and perspectives that can propel the communications and multimedia industry development.

SKMM welcomes any comments and feedback that will help us improve this report in the future. Please send your comments to webmaster@skmm.gov.my

Thank you.



Datuk Dr. Halim Shafie

Chairman

Malaysian Communications and Multimedia Commission (SKMM)

EXECUTIVE SUMMARY

The advertising industry today is showing a change in the traditional media to include the digital media in order to reach audience more effectively. The interactive media of Internet, mobile and gaming as well as increased use and availability of improved handsets, less expensive laptops, faster broadband, and extensive Wireless Fidelity (Wi-Fi) connections, provide support for expectations of further growth in global digital advertising. This type of advertising share of the total advertising spend is expected to rise from 6% in 2005 to 15% in 2009.

Although the global economy is facing increased economic pressures, analysts forecast that global advertising spend is to grow 6.7% in 2008 from 5.3% in 2007. The Asia Pacific region is expected to post advertising spend growth of almost 10%. Meanwhile, the first quarter of 2008 showed global advertising spend grew over 4% with main contributors coming from the television medium – representing 60% of the global advertising market share.

The changing advertising-agency relationship sees the advertising process today evolving from existing models of planning and negotiating purchase of media space to meeting the clients' or advertisers' communication needs. This is by providing clients with insights on brand, consumer media and integrated solutions and strategies to engage consumers. Advertising agencies are required to explore and deepen creative content to be in sync with consumers' targeted lifestyle and communicating these across multiple platforms and formats. A study indicated that the advertising value chain is expected to enter a new phase that will benefit consumers, advertisers and interactive players. Digital advertising allows changes in the relationship between advertisers and customer from traditional one-way broadcast to interactive media formats. Consequently, share of advertising spend is expected to see traditional media slowly lose out in many ways from audience reach to revenue opportunities as advertisers shift advertising spend to interactive marketing opportunities online and across platforms offering mobility. A study by Taylor Nelson Sofres (TNS) points out the different Asian markets and different digital channels have markedly different levels of credibility towards digital channels. Malaysia marked higher level of trust in digital advertisement, compared to Singapore and Hong Kong.

The new media environment is able to offer sophisticated measurement and consumer-targeting capabilities to reach the exact consumer segments desired. Examples from the US market for advertisements in the new media, indicate the potential for online TV with TV content watched daily switching to time-shifted, on-demand, on the Web or on a mobile device. This could reap enhanced returns for advertisers. eMarketer estimates that by the end of 2009, more than two-thirds of the US population or 200 million people go online, directly opening avenues for marketers. Online advertising in formats such as search advertising, display advertising, video advertising, classified advertising, e-mail marketing, affiliate marketing, mobile Internet advertising and advertising on social networks is expected to be a key factor driving online advertising. Online media advertisements are also expected to gain traction in the automotive industry, campaigns such as for US elections, video game, sport sites and news online.

EXECUTIVE SUMMARY

In the social media websites such as blogging, instant messaging and social networking, advertisers are targeting to sell products and services to a new generation of young viewers who is passionate, enjoys interacting, who connects and shares with each other. According to comScore, as at June 2008, social networking worldwide grew 25% since June 2007. The phenomenon of social networking is growing rapidly in Asia Pacific with 23% growth, while in North America (up 9%), it is beginning to reach maturity. Business-to-Business (B2B) marketers and web widgets and applications have made social networking sites increasingly popular.

A recent study indicates that 60% of mobile Internet users are more likely to be open to mobile advertising than the average mobile data users. Mobile advertising comes in various formats such as banner advertising, sponsored advertising, location-based advertising and idle screen advertising. Growth for mobile advertising spend will come when there are more investments of money, time, talent and negotiation among brands, agencies, mobile carriers and mobile service providers in the market. Mobile content categories include mobile video and TV, gaming, mobile music, search and mobile social network which can create better opportunity for advertisers to interact with consumers.

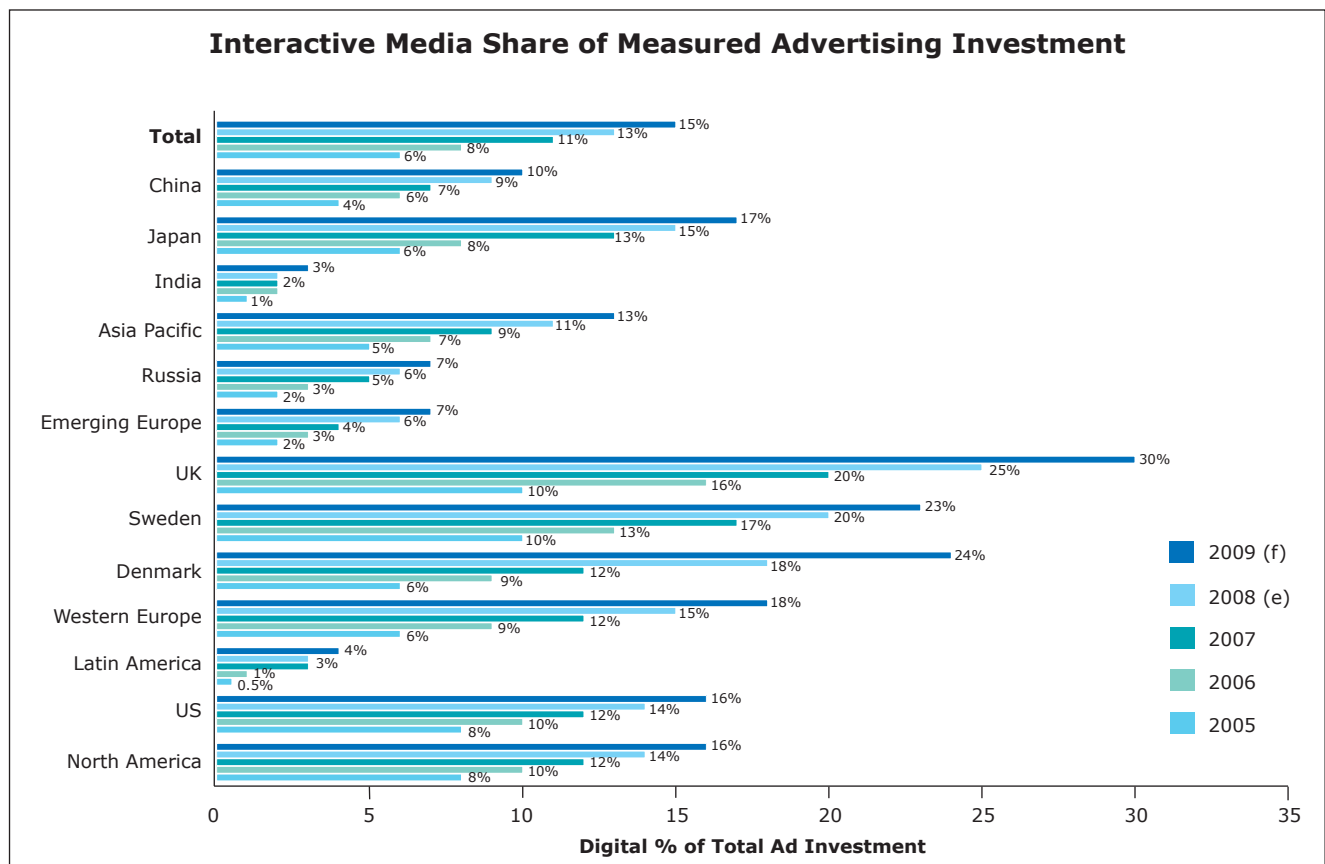
Digital signage, floor graphics and Light Emitting Capacitor (LEC) advertisement are a few of the emergent new media advertising. These essentially are derived from traditional formats of advertising, but using the latest technology and creative innovation. Also creating enhanced impact all around is the next generation of advertisements ranging from Three Dimensional (3D) advertising pod that projects 3D images into free space to advertisements specialists who go beyond communicating advertisements to generate ideas in business ad formats; enticing audience in unique ways. Meanwhile, the tracking and measuring of advertisements effectiveness in the new media are expected to be more targeted. A set of standard measurements using inputs from advertising agencies and wireless carriers worldwide is being planned by a collaborative working group for mobile advertising by the end of 2008.

Total advertising spend in Malaysia rose 22% in the first half of 2008 amounted to RM2.9 billion from the same period in 2007. Advertisements spent on the Internet medium in the first half of 2008 was worth RM14.9 million. Traditional medium still drives the bulk of advertising spend in Malaysia. Newspapers have the largest portion with total amount of advertising spend reaching RM1.6 billion, a growth of 16% from the first half of 2007. The Advertising Standards Authority (ASA) Malaysia believes that, advertising spend can reach RM6 billion or 11% growth from RM5.4 billion in 2007. This growth is expected to come from outdoor media and digital advertising and the growing potential in TV and creative production.

Digital advertising opportunities have transformed traditional media such as newspapers, magazines, TV and radio to take content to the online channel. A study noted that 61% of the Malaysian Internet users have more than five years experience online. Also, Friendster is the number one social network website in Malaysia, four times bigger than Facebook and MySpace (as at May 2008). Although still nascent, total mobile advertising revenues in Malaysia are forecast to rise from RM10.4 million in 2008 to RM175.5 million by 2012. Digital signage, floor graphics, table talk advertising, moving ads and out-of-home TV media are seen as growing new advertising platforms in Malaysia. In branding, Maybank was voted the number one brand in Malaysia for the year 2007, while Coca-Cola was voted world's most valuable brand in 2007.

GLOBAL ADVERTISING LANDSCAPE: MARKET AND TRENDS

The goal of any advertising is ultimately to initiate action for monetary return. To maximise impact and audience reach, therefore, advertisements are tuned to be relevant to the customers. Given advancing technology, shifts in consumer consumption patterns and lifestyle, the platforms for communications are apparently becoming more complex. Hence, today's markets illustrate advertising to be radically different from that of past years, where new means and ways coupled with innovative ideas have not only transformed traditional media advertising, but have also transcended to the new media, to gain better reach of the audience.



(f): forecast (e): estimate

Base: 35 Countries

Source: "Digital Media on the Rise Globally" by GroupM, June 2008

Today, the global advertising foray is evolving from the traditional communications of advertisements to digitally led content advertisements. The industry is seeing new growth that extends beyond traditional revenue streams. This is in regards to the inclusion of the online medium of the Internet or new media, which is taking content to mass audiences using digital media communications channels and devices. Industry observers predict that by year 2010, the Internet will become the world's third-largest advertising medium, overtaking most of the other media¹.

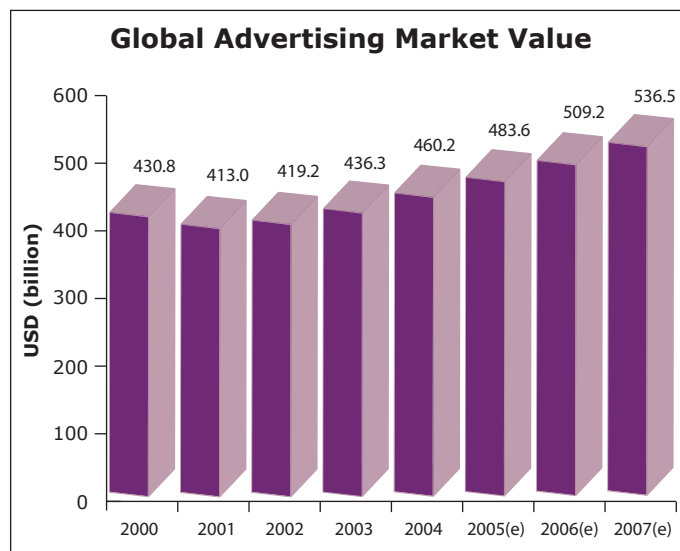
Given the interactive media of Internet, mobile, and gaming as well as by the increased use and availability of improved handsets, inexpensive laptops, faster broadband, and extensive Wi-Fi connections, global digital advertising share of total advertisement investment is expected to rise from 6% in 2005 to 15% in 2009².

¹ "Global Ad Market to Accelerate in 2008 Despite Credit Squeeze" by ZenithOptimedia, December 2007

² "Digital Media On The Rise Globally" by GroupM, June 2008

GLOBAL ADVERTISING LANDSCAPE: MARKET AND TRENDS

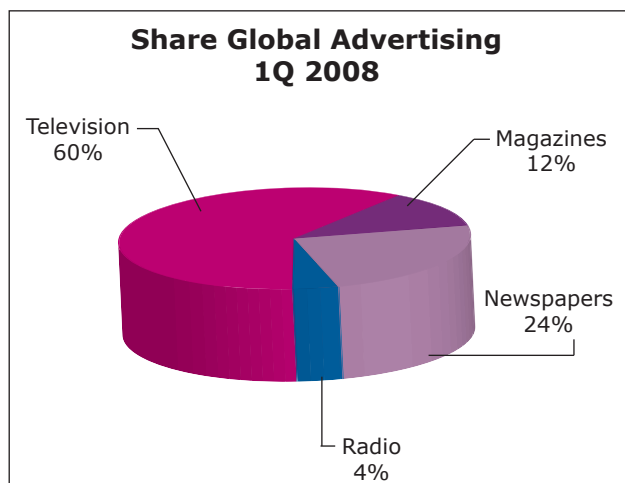
As consumers shift to view content on new media screens such as mobile devices, digital television and radio, and laptops, strategies to gradually change marketing and advertising business models to sync with changing communications services landscape and accompanying consumer behaviour patterns are viewed as critical for advertisers to optimise their return on investments. Research by Alcatel-Lucent predicts that, total investments in global advertising will roughly grow at 33% from USD600 billion a year in 2007 to USD800 billion a year in 2011³, coming a long way as compared to USD400 billion range in the period between 2000 and 2004.



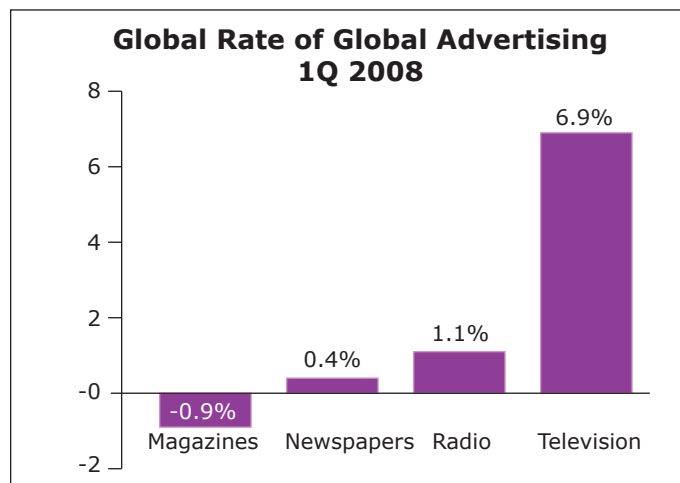
(e): estimate
Source: Datamonitor

Although the global economy is facing increased economic pressures, ZenithOptimedia has forecasted global advertising spend to grow 6.7% in 2008 from 5.3% in 2007. Also, indicating positive trend in advertising is The Nielsen Company's Global AdView Pulse report, showing global advertising growth at over 4% in the first quarter of 2008. Further growth is expected, citing events such as the Olympic Games, US elections and European Football Cup. While post-Olympics advertising spend are not yet available, estimates are that each of the top 12 sponsors of the 2008 Beijing Olympics has spent about USD70 million to have their brand associated with this global event⁴.

On a global basis, the four major media comprising television, newspapers, magazines and radio are the main contributors to the first quarter growth in 2008. Out of this, television is the highest revenue media for advertising spend, recording a growth rate of 6.9% globally from the first quarter in 2007 and representing 60% of the global advertising market share. Newspapers and radio recorded 0.4% and 1.1% growth representing 12% and 4% of global advertising spend respectively. Magazines, however, have posted a slight decline (-0.9%) so far.



Source: "First Quarter Global Advertising Up 4% from 2007" by The Nielsen Company, July 2008



Source: "First Quarter Global Advertising Up 4% from 2007" by The Nielsen Company, July 2008

³ "Breaking the Rules: Finding New AVPU through Click-Throughs" by Enriching Communications, Volume 2, Issue 2, 2008

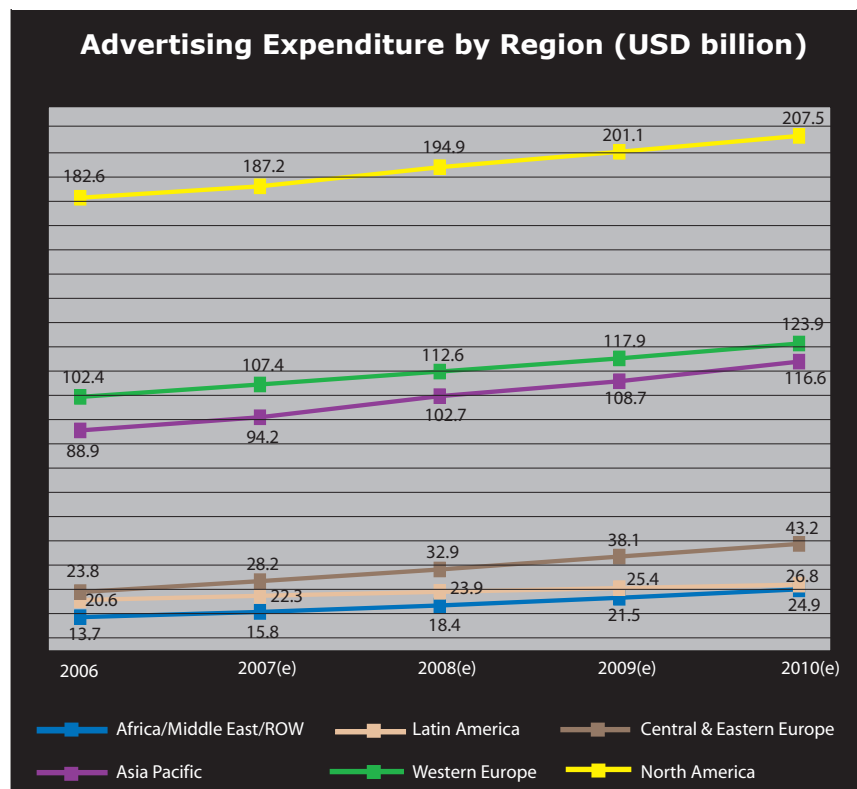
⁴ "Beijing Olympics Sponsors Bring Home Gold Both Brand Attitude and Brand Recommendation Score Higher for Sponsors Though Spons" <http://shusai.com/article.cfm/id/367852>, September 2008

REGIONAL ADVERTISING TRENDS

Research house, ZenithOptimedia forecasted that in 2008, the Asia-Pacific region is expected to post advertising spend growth of almost 10%, while advertising spend in Africa is expected to grow over 16%.

Furthermore, ZenithOptimedia indicated that the more developed regions of North America and Western Europe would be recording slower growth⁵ in 2009 of 3.2% and 4.7% respectively.

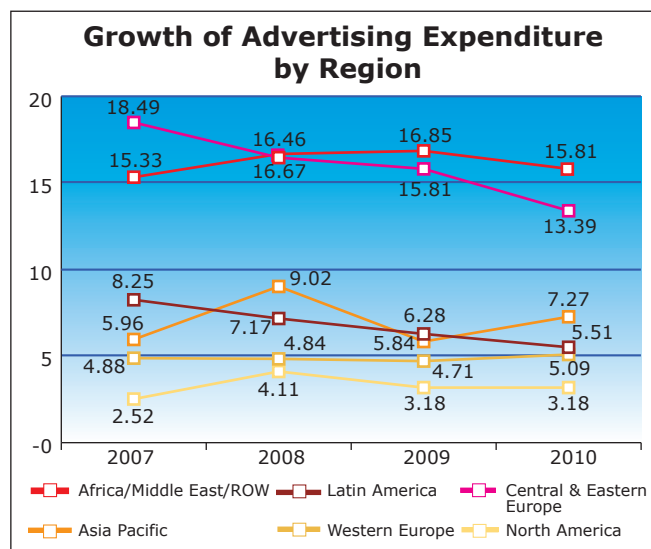
There is also forecast that advertising spend in developing markets of Central and Eastern Europe region, Africa and the Middle East would reach double digit rates until 2010 ranging from 15% to 18%.



(e): estimate

Note: Major media (newspapers, magazines, television, radio, cinema, outdoor, Internet); ROW is Rest of the World

Source: "Global Ad Market to Accelerate in 2008 Despite Credit Squeeze" by ZenithOptimedia, December 2007



Note: ROW is Rest Of the World

Source: "Global Ad Market to Accelerate in 2008 Despite Credit Squeeze" by ZenithOptimedia, December 2007



Note: Growth in ad spend (%); U.A.E. is United Arab Emirates

Source: "Global Ad Market to Accelerate in 2008 Despite Credit Squeeze" by ZenithOptimedia, December 2007

Not unexpectedly, growth in advertising in the Asia Pacific region is expected to slow down in 2009 after the Olympic Games. However, there is nevertheless still expected encouraging growth towards 2010. ZenithOptimedia sees the new developing countries such as Russia to become one of the fastest growing advertising markets to emerge in 2010.

⁵ "First Quarter Global Advertising Up 4% from 2007" by The Nielsen Company News Release, July 2008

TRADITIONAL MEDIA TRANSFORMATION

Changing Advertising-Agency Relationships

The advertising-agency relationship refers to the way in which advertisements are presented to the targeted market by advertising agencies. This relationship is changing as traditional ways to reach mass markets shift into the digital era. The advertising process today is evolving from the existing models of planning and negotiating purchase of media space to meeting clients' or advertisers communication needs. Over the last two centuries, advertising agencies have been brokers of media space, buying pages in newspapers and periodicals and selling them to advertisers⁶. Today, the business environment is more complex. For example, simple products have become multi-faceted products such as banking services that previously provided loans to customers would now also provide insurance facilities that can be accessed through online means for servicing.

If in the 19th century, revenues were based on commission, today we see advertising moving to a results-based revenue model of fees, time costs, supervision fees and profit-sharing. Also, there is a need to devise ways to remain consistently appealing in delivering results in order to compete with other advertising agencies.

Shift in Advertising-Agency Relationship



Source: "The Advertising Handbook" by Sean Brierley, published by Taylor & Francis Group, 1995

Traditional distributors (multisystem operators such as broadcasters and telcos) and newer interactive players (Internet and mobile providers) are also affected by the change. Having platforms that can create new advertising capabilities such as interactive advertising in Video on Demand (VoD), and mobile and Internet platforms, could further entice advertisers of the full potential that these distributors have to reach consumers. Advertising agencies are required to explore and deepen creative content to be in sync with consumers' targeted lifestyle and communicating these across multiple platforms and formats. This could be one of the reasons that advertising agencies are now known as brand or creative agencies.

Nevertheless, advertising agencies today are reported to be not engaging the advertisers' needs for necessary effect on consumers. A recent report called *The Connected Agency* by Forrester Research, Inc. sees that advertising agencies connection are not engaging with consumers. It seems that advertisers are looking for a "Connected Agency" – one that nurtures consumer connections, that is, from delivering push to creating pull interactions. This shift, according to the report, is expected to happen within five years, where traditional agencies will start connecting with consumer communities and eventually become an integral part of them. This leads to transformation on how advertising and marketing budgets will be spent, with whom and to what effect, making the advertising relevant, contextual, personalised and localised.

⁶ Advertiser refers to a person, firm or company whose products, goods or services are the subject matter of the advertisement (www.skynewsinternational.com/docs/Advertising-Sales-Terms-and-Conditions.doc) while an advertising agencies deals with evaluating the advertiser's product or service and develop an effective advertising strategy to assist advertisers in their marketing efforts to present to the public on the best possible light. Sometimes, "advertisers" are used interchangeably with "marketers"

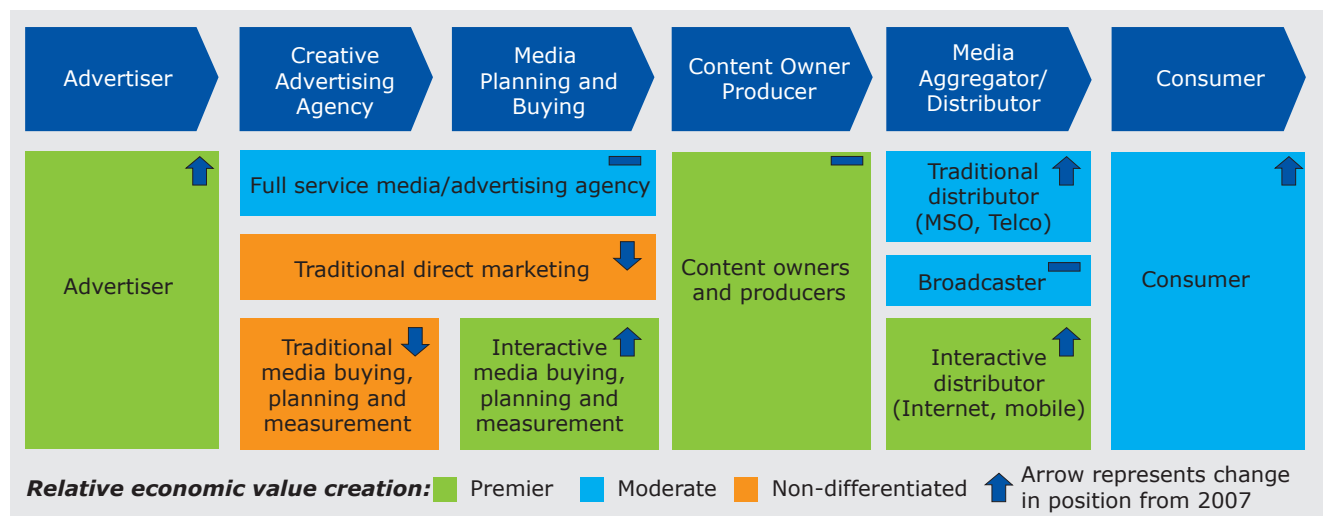
TRADITIONAL MEDIA TRANSFORMATION

Sink or Swim – In Sync with Changing Times

Given the economics of the changing marketplace, the industry is seeing advertising and the advertising stakeholders transforming in unique ways to meet market needs. An International Business Machine (IBM) study⁷ indicates the advertising value chain will enter a new phase that will benefit consumers, advertisers and interactive players over the other players in the value chain such as broadcasters.

This is expected to be so for the broadcasters, especially if they do not recognise the need to transform their linear television⁸ advertising to new digital content distribution opportunities. For example, broadcasters need to start delivering integrated, cross-platform advertising programmes tied to their existing programming assets.

Advertising Value Chain



Source: Adapted from "The End of Advertising as We Know it" by IBM Global Business Services, 2007

With the rise of digital advertising, traditional advertising agencies are expected to gain the most by being creative; and the online search companies have the most to deliver in view of the market reach to the individual and to individuals worldwide. Digital advertising changes the relationship between advertisers and customers from traditional one-way broadcast to interactive media formats. Digital media services such as online and mobile service platforms, enable advertisers to target advertising to specific consumer segments, thus making the link to consumer preferences, interests and usage habits, for example, communications from any location as seen in mobile advertising.

Advertisers, be it traditional or new media, need to adapt to the new wave of technology revolution to stay competitive in their value chain as the digital media is expected to be the primary media form in about five years⁹. Consequently, share of advertising spend will see traditional media slowly lose out in many ways, such as audience reach or revenue opportunities as advertisers shift advertising spend to interactive marketing opportunities in online and platforms offering mobility.

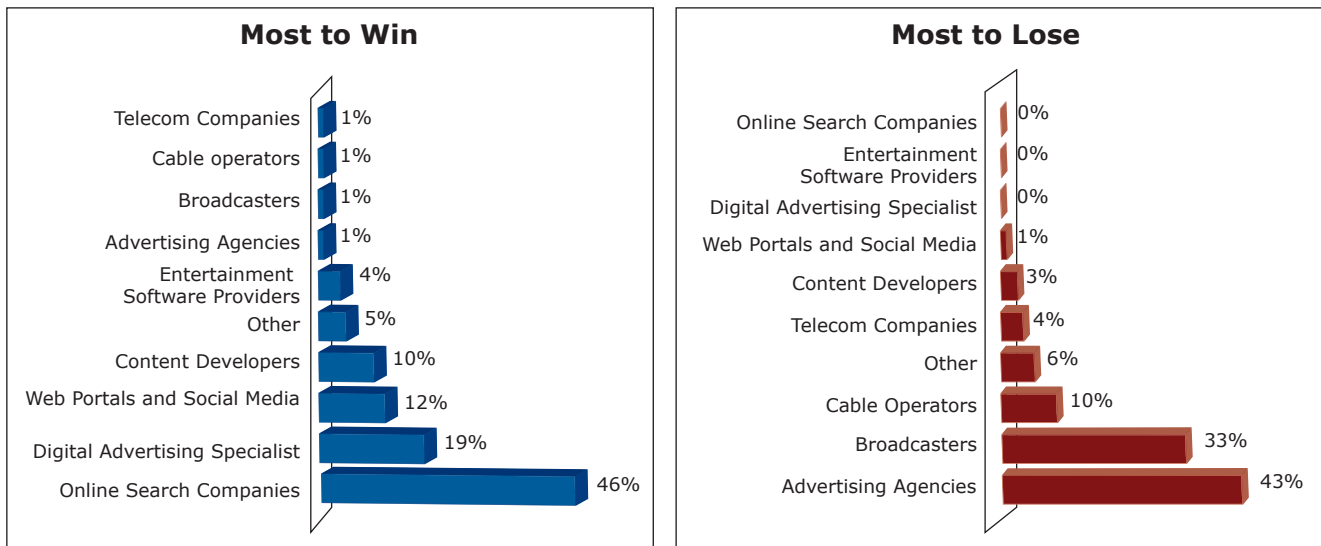
⁷ "The End of Advertising as We Know it" by IBM Global Business Services, 2007

⁸ Linear TV is historical TV programming that is not interactive and is available to viewers at a particular time on a particular channel. The broadcaster is in control of when and where content is viewed. DVRs and VoD offer the opposite environment – the viewer is in control

⁹ "Facing the Digital Reality: the Path to Future High Performance in Advertising" by Accenture, 2007

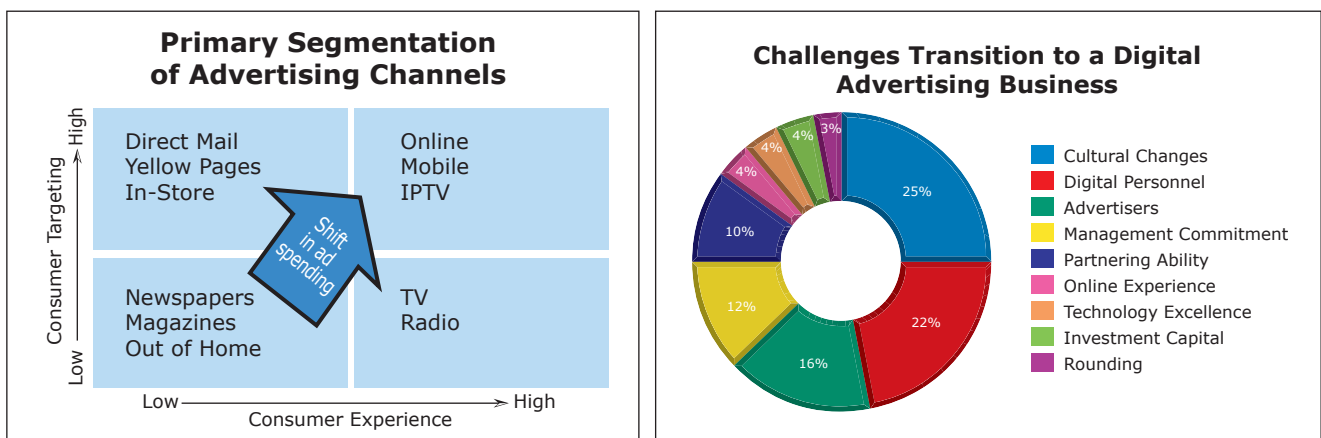
TRADITIONAL MEDIA TRANSFORMATION

This is reflected in a survey conducted in Europe and North America by The BPRI Group on behalf of Accenture¹⁰, which indicates that 43% of the survey respondents sees traditional advertising agencies have the most to lose in the transition to digital advertising followed by broadcasters at 33%, while online search companies have the most to gain.



Note: Based on survey for first quarter of 2007 conducted in Europe and North America by The BPRI Group on behalf of Accenture
Source: "Digital Disruption – Where have all the Ads Gone?" by Accenture, May 2008

While old is given way to new media to certain extent, there are complementary benefits existing. For example, according to Netinsight¹¹, there is an interesting overlap between television and Internet surfing activities in the case of Malaysia. This suggests that Internet users are simultaneously consuming both forms of media. This uncovered the fact that 81% of Internet users surveyed continue to watch television. Internet has impacted the way consumers use the traditional media, but appears no critical threat of the Internet replacing the traditional media.



Source: "Breaking the Rules: Findings New AVPU Through Click-throughs" by Alcatel-Lucent, 2008

Source: "Facing the Digital Reality: The Path to Future High Performance in Advertising" – Accenture Global Digital Advertising Study, 2007" by Accenture, 2007

However, as often is the case in any transformation, there are always challenges ahead. The Accenture study¹² has indicated that 25% of respondents citing cultural and technology changes would create pessimistic views from traditional advertising agencies to face this disruptive change.

¹⁰ "Digital Disruption – Where have all the Ads Gone?" by Emily O'Halloran and Charles N. Symmons for Accenture Outlook, May 2008

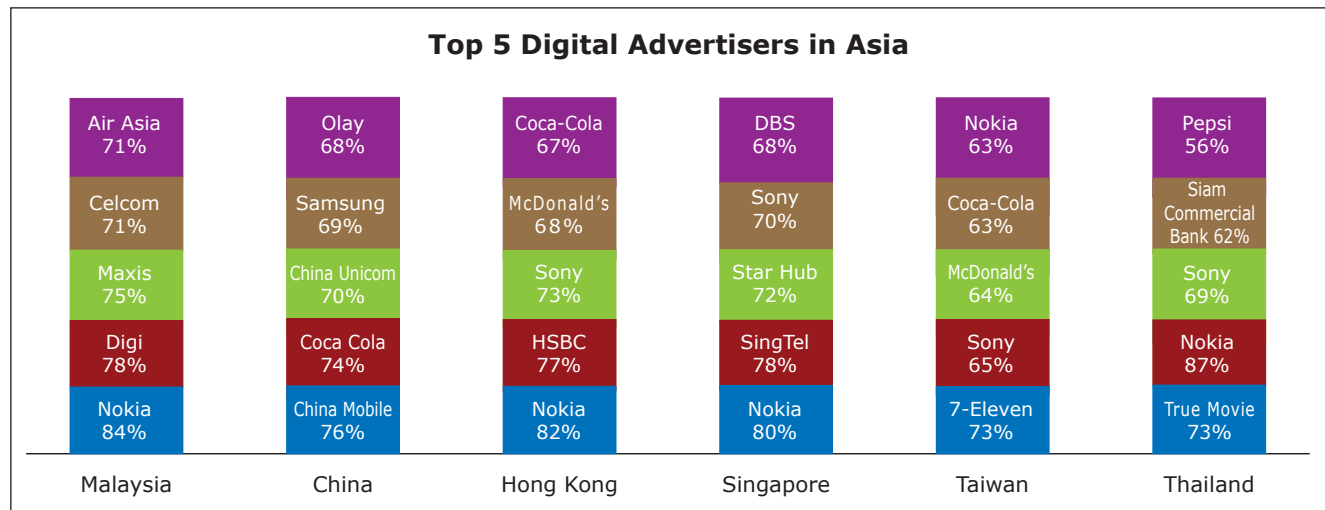
¹¹ Netinsight is a study of Internet users, age 13 years old to 64 years old in Malaysia. The survey covered 1,000 respondents in Klang Valley, Penang, Ipoh and Johor Bahru

¹² "Facing the Digital Reality: The Path to Future High Performance in Advertising" by Accenture, 2007

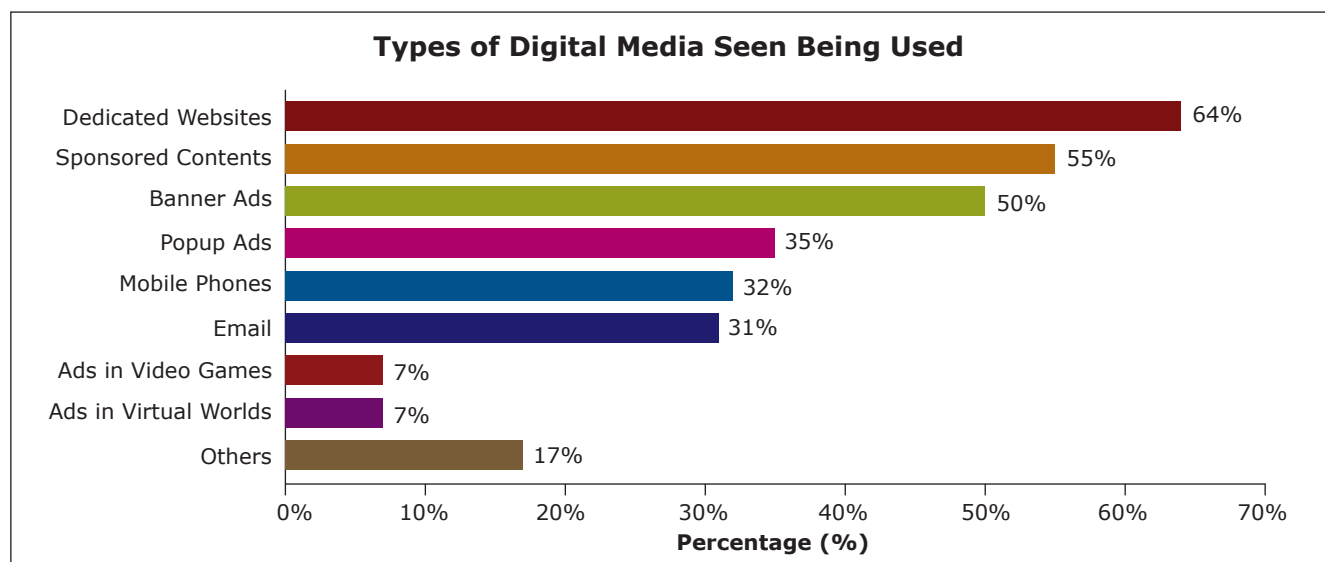
TRADITIONAL MEDIA TRANSFORMATION

Brands in Digital Media

The study on *Top Brand Using Digital*¹³ explores consumers' awareness on digital advertising and reveals leading digital advertisers across Asia such as Nokia, which is a top brand in four of the countries cited in the study (see graph). For instance, mobile devices and operators are the most frequently recalled. Nokia tops the list in Malaysia, Hong Kong and Singapore. The international brands of Sony and Coca-Cola are amongst the next most brands recalled.



Source: "TNS Reveal Asia's leading Digital Advertisers" by ADOI Marketing Communications Magazine, April 2008



Source: "TNS Reveal Asia's leading Digital Advertisers" by ADOI Marketing Communications Magazine, April 2008

The study also highlights that the different Asian markets and different digital channels have markedly different levels of credibility towards digital channels. Malaysia marked higher level of trust in digital advertisement, compared to Singapore and Hong Kong.

Almost 64% of Malaysia respondents recall having seen dedicated websites from a number of top brand names and 83% of the respondents are more interested in a brand after viewing the advertisement.

¹³ "TNS Reveals Asia's Leading Digital Advertisers – Nokia Takes Top Slot in Malaysia" by ADOI Marketing Communications Magazine, April 2008

ADS IN NEW MEDIA – US EXAMPLES

Introduction

Revenue patterns are expected to shift for advertisers. They are now being drawn to a number of extremely attractive capabilities of digital advertising. The new media environment enables richer media forms and provides interactive functionality that engages consumers effectively. The networked media would be able to offer sophisticated measurement and consumer-targeting capabilities to reach exactly the targeted consumer segments.

As such, technology could change business models too. For example, consumers would be able to skip or speed through commercials on TV. In a recent survey¹⁴, it was found that 9% of US adults are most interested in advertising delivered through such non-traditional media as mobile devices and product placement in video games, movies and in TV shows. Advertisements on wireless and wired platform in example below show that although industry is at an immature stage, growth is expected to surge in near future.

Broadcasting

Digital TV

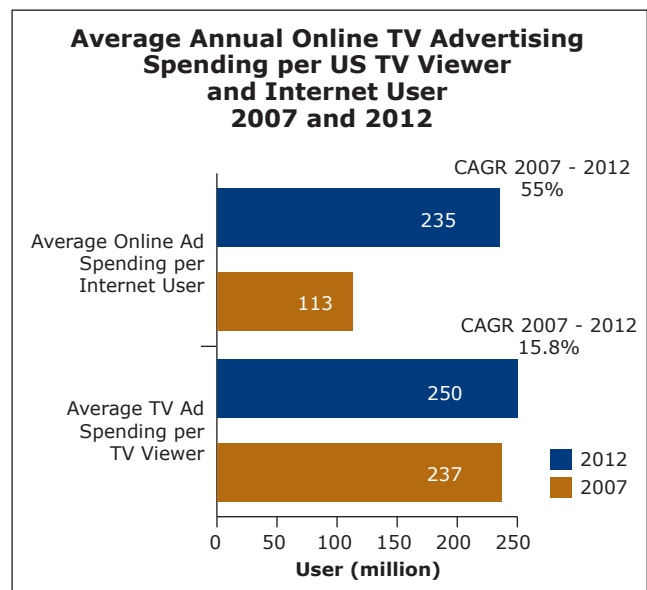
VoD, Digital Video Recorders (DVRs), the broadband Web and 3G mobile phones are providing TV consumers new ways to access and watch TV. eMarketer estimates that by 2012 nearly 25% of all TV content watched each day in US will be time-shifted, on-demand, on the Web or on a mobile device. This, however, does not spell the end of the traditional live TV broadcast or the traditional 30 seconds advertising break, but clearly, TV advertising will need to evolve if it is to keep pace with consumer usage.

Similarly in UK and throughout Europe, the potential for online TV is huge. It is predicted that 60% of homes will have broadband connections in 2008 and will rise to 74% in 2012. Advertisers could reap potential returns from this as well.

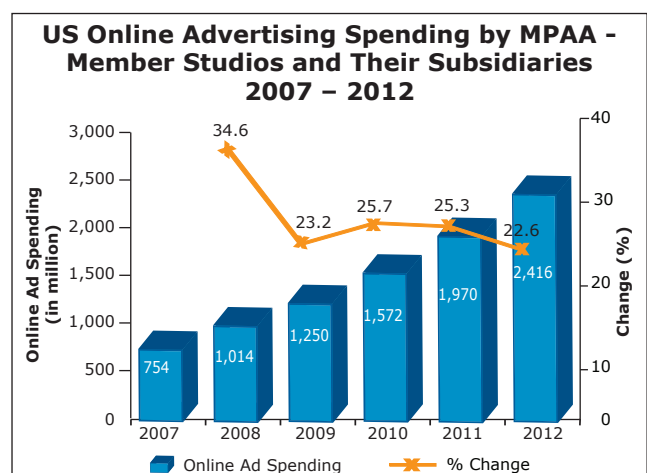
Films

Today, virtually every film marketing campaign leverages on both traditional and new media channels, with applications such as social network profiles, widgets and recommendation engines¹⁵, becoming an integral part of the mix¹⁶.

In 2007, studios of the Motion Picture Association of America (MPAA) and their subsidiaries, spent USD754 million advertising films online. By 2012, that figure will increase to USD2.4 billion.



Note: Nielsen Media Research as cited in press release, August 2007
Source: "Average Annual Online and TV Advertising Spending per US TV Viewer and Internet User 2007 and 2012" by eMarketer, 2008



Source: "US Online Advertising Spending by MPAA-Member Studios and their subsidiaries 2007-2012" by eMarketer, September 2008

¹⁴ "I Want It My Way" by Mediarmark Research & Intelligence (MRI) Fall 2007 Survey, August 2008

¹⁵ "Recommendation engines" refer to information websites for movies, music, books and news that are likely to be of interest to users

¹⁶ "US Online Advertising Spending by MPAA-Member Studios and their subsidiaries 2007 to 2012" by eMarketer, September 2008

ADS IN NEW MEDIA – US EXAMPLES

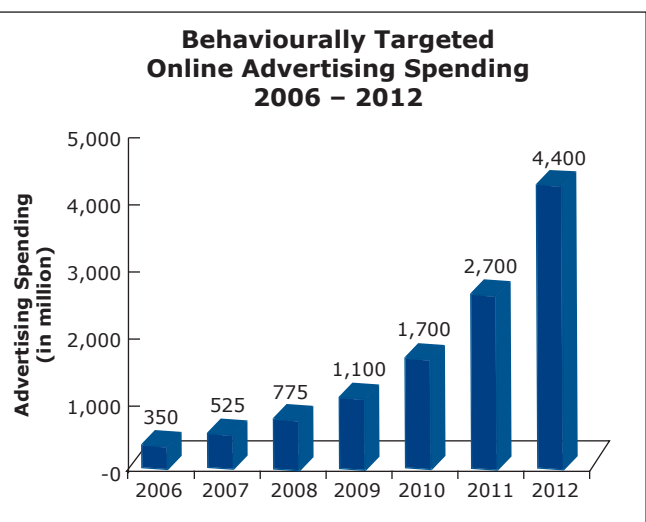
Online Advertising

Behaviourally targeted advertising promises more revenues for Web publishers. By the end of 2009, more than two-thirds of the US population or 200 million people will be going online. According to eMarketer¹⁷, the most popular online video content, watched by 40% or more of the US online video audience, is short pieces of five minutes or less including news clips, jokes, movie trailers, music videos, clips from TV shows and entertainment news.

eMarketer estimates that US spending for behaviourally targeted online advertising will reach USD775 million in 2008, while projecting that behaviourally targeted advertising spend will reach USD4.4 billion by the end of 2012. Mainstream adoption of online video advertising will be the key factor driving behaviourally targeted advertising spend to nearly 25% of all US display advertising spend in 2012.

Similarly, in the UK, online advertising reached USD5.3 billion in 2007, up more than 30% from 2006, partly due to growing agency expertise and advertiser understanding of digital channels and is forecasted to grow and approach USD8.7 billion in 2012¹⁸.

Online advertising exists in formats such as search advertising, display advertising, video advertising, classified advertising, e-mail marketing, affiliate marketing, mobile Internet advertising and advertising on social networks. A study indicated that in US, the percentage of Internet users who use search engines on a typical day has been steadily rising from about one-third of all users in 2002, to a new high of 49% in 2008 while 60% of Internet users use email on a typical day¹⁹. Marketers can optimise their marketing efforts if they integrate with offline channels as well. However, it was found in a study that just over half of search engine marketers (55%) intentionally integrate their efforts with at least one offline marketing channel and that integration most often takes place with direct mail (34%) and magazine/newspaper advertising (29%), while both television (12%) and radio advertising (12%) trail behind²⁰.

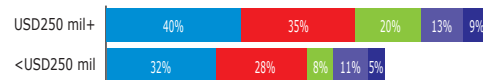


Note: Advertising displayed to a select audience whose interest or intentions are revealed by Website or ISP tracking data, audience segmentation and/or predictive analysis; excludes ads targeted using adware

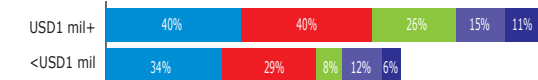
Source: "Behaviourally Targeted Online Advertising Spending 2006 – 2012" by eMarketer, June 2008

Integrated Offline Marketing Channels into Search Marketing Efforts (April – June 2008, % of Responders)

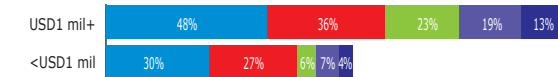
Search Marketing Budget



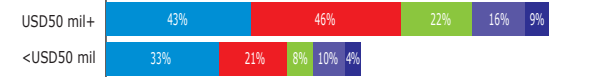
Online Ad Budget



Overall Ad Budget



Annual Revenue



Source: "Integrated Offline Marketing Channels into Search Marketing Efforts (April-June 2008, % of Respondents)" by iProspect, August 2008

¹⁷ "Types of Online Video Content that US Online Video Viewers Watch Monthly or More Frequently, 2007" by eMarketer, February 2008

¹⁸ "UK Online Advertising Spending" by eMarketer, March 2008

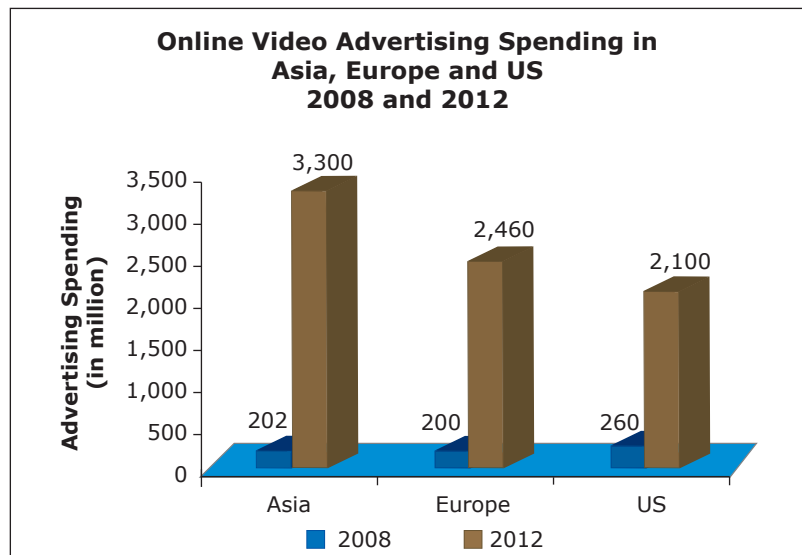
¹⁹ "Daily Search Engine Users Closing in On Email Users" by Pew Internet & American Life Project, August 2008

²⁰ "iSearch Marketers Fail To Integrate With Offline Channels" by iProspect, August 2008

ADS IN NEW MEDIA – US EXAMPLES

Online video advertising requires high bandwidth for users to view and connect with the product in formats of in-stream ads, in-text and in-banner ads. This market has exceptionally grown in developed countries specifically in US, Asia and Europe.

According to ABI Research, Asia is expected to shine further in online video advertising spend at USD3.3 billion in 2012 compared to Europe and US at USD2.5 billion and USD2.1 billion respectively.



*Note: Based on ABI Research as cited by Financial Times, 15 July 2007
Source: "Online Video Advertising Spending in Asia, Europe and US" by eMarketer, April 2008*

Online Debates – Going Green

Internet is also fast becoming a great platform for discussion forums and blogs on current issues; linking experts worldwide virtually and almost instantaneously at cheaper costs than physical forums. One example is using Internet to discuss environmental issues. On a similar note, the Green Online report quoted by eMarketer shows, how an environment awareness project named *We Campaign* has allocated a substantial portion of its USD300 million budget towards online advertising. Also, a survey indicated 44% of US adult online buyers view as very important that companies be environmentally conscious²¹.

Online Media Crossing Sectors

The automotive industry is another sector advertisers have taken notice. According to a research by eMarketer, eight out of 10 consumers in US now consult the Internet at least once during the car buying process and it is predicted that online advertising spend for this sector will reach as high as USD3 billion in 2008. Similarly, the banking sector is also engaging consumers online for its many promotions of their products and services. In the US, 53% of Internet users have done online banking as of September 2007²². This could open doors for marketers on banks websites.

Campaigns for US elections have attracted huge amounts of investment in online advertising. In the US, it is estimated that online advertising from political campaigns and advocacy groups will reach USD50 million in 2008, with most of Internet budgets spending on websites and e-mail marketing. However, this represents only 1% to 2% of political ad budgets, compared with 50% to 80% on broadcast TV advertising²³.

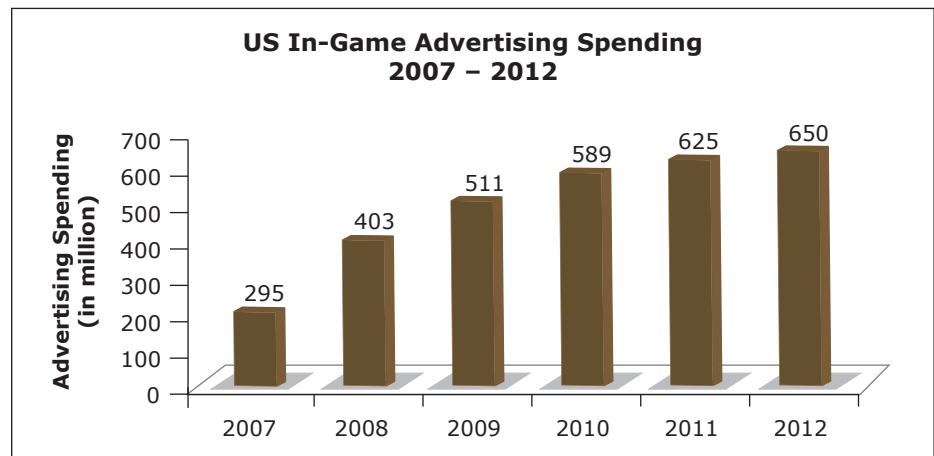
²¹ "Forty-Nine Percent of Consumers Search for Green Product. Can They Find Your Green Company?", <http://www.performics.com/think-tank/original-research/white-papers/Green-Marketing-Online-Consumer-Research-Survey/793>, May 2008; "Green Marketing Study" provided to eMarketer, April 2008; Paul Verna, June 2008

²² "Online Shopping" by Pew Internet & American Life Project, February 2008

²³ "Politics '08 Online report" by eMarketer, May 2008

ADS IN NEW MEDIA – US EXAMPLES

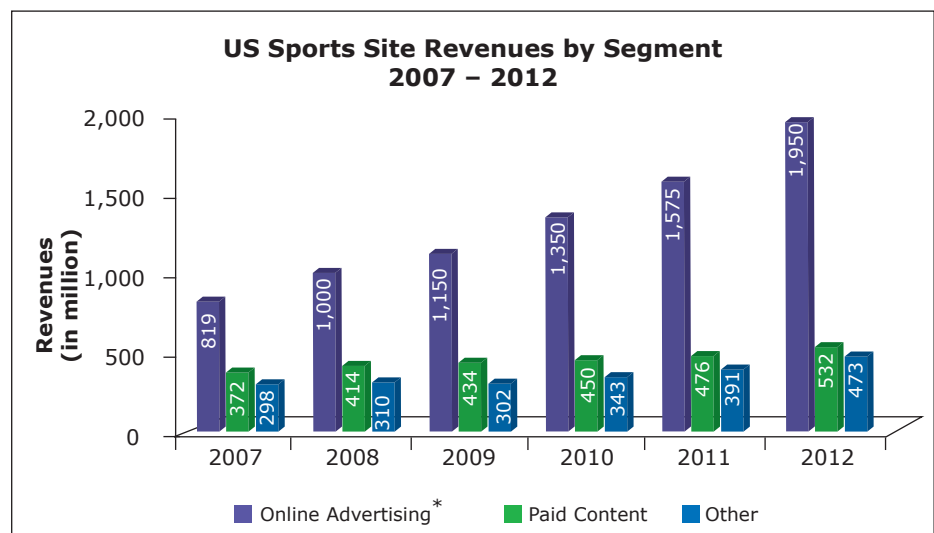
The video game medium is another new advertising platform for marketers. In the US, the in-game advertising spend is expected to grow 120% from USD295 in 2007 to USD650 in 2012. This is buoyed by vibrant growth in the video game market and web-based games alone are getting marketers to advertise sponsored sessions and display ads in or around the online game space.



Note: Includes static ads, dynamic ads, product placements, game portal display ads and sponsored sessions in console-based, PC-based and Web-based games; excludes advergaming and advertising on mobile games

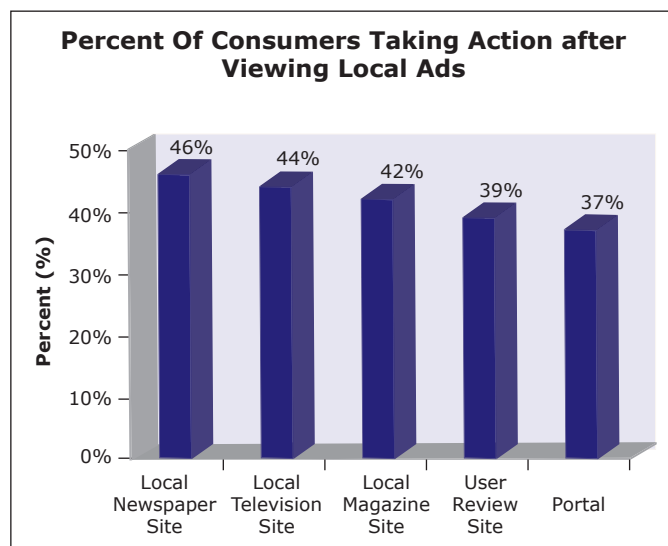
Source: "US In-Game Advertising Spending 2007 – 2012" by eMarketer, February 2008

US sports sites have large and loyal fan bases and are evolving into major league advertising avenue. With emphasis on ad-supported models sports content as opposed to paid content, eMarketer estimates that total revenues for US sports sites will reach USD2.96 billion in 2012, up from USD1.49 billion in 2007. To illustrate, as a percentage of overall revenues on sports sites, advertising will grow from 55% in 2007 to 66% in 2012.

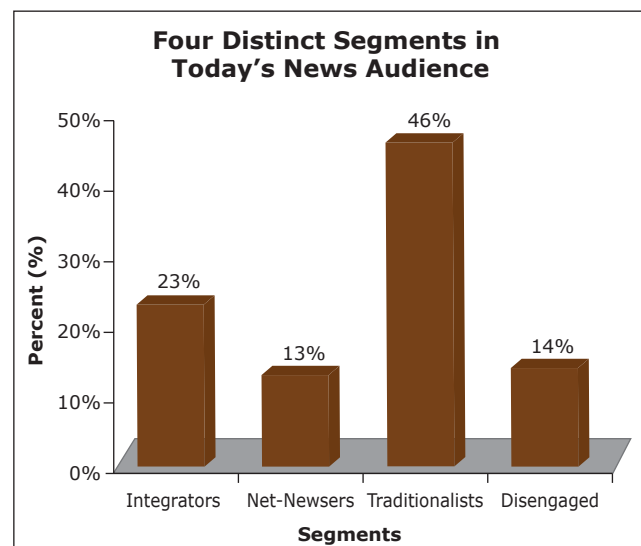


** Includes display, video, paid search and rich media advertising*

Source: "US Sports Site Revenues by Segment 2007 – 2012" by eMarketer, July 2008



Source: "Ad Advantage of Local online media" by Online Publishers Association, August 2008



Source: Based on "2008 Biennial News Consumption Survey" by Pew Research Center, August 2008

ADS IN NEW MEDIA – US EXAMPLES

Impact of advertisements to consumers is crucial. Consumers trust advertising on local advertisements in newspaper, magazine and television websites and are very likely to take action after viewing them on these sites. A study by Online Publishers Association found that newspapers rank first, with 46% of consumers taking action, including making a purchase, going to a store and conducting research after viewing a local advertisement, as compared to 37% of consumers acting after viewing a local advertisement on a portal²⁴. Furthermore, newspapers are now the most popular source of information as the number of people getting news online has surged. A survey in the US found four distinct segments in today's news audience²⁵.

Four Distinct Segments in Today's News Audience	
Integrators	Like web-oriented news consumers, affluent and highly educated, spend more time with the news on a typical day than do those who rely more on either traditional or Internet sources.
Net-Newsters	Youngest of the news user segments (median age: 35), affluent and even better educated than the News Integrators, more than eight-in-ten have at least attended college, rely primarily on the Internet for news, leading the way in using new web features and other technologies.
Traditionalists	Largest segment of the overall news audience, compared with the Integrators and Net-Newsters, 43% are not employed, 60% have no more than a high school education.
Disengaged	Very much bystanders when it comes to news consumption, less educated on average than even the Traditionalists and exhibit extremely low interest in, and knowledge of, current events, 55% of the Disengaged get any news on a typical day, 20% know that the Democrats have a majority in the House of Representatives.

Source: "2008 Biennial News Consumption Survey" by Pew Research Center, 2008

Wireless/Wired

Social Network Environment

When advertisers promote their products and market in the social media websites, advertisers are targeting to sell products and services to a generation of viewers who are passionate, demographically young audience, who enjoy interacting, who connect and share with each other and use blogging, instant messaging and social networking to communicate with friends and family. This social network media offers many advertising opportunities and an ideal platform for digital applications to amplify brand messages to target markets.

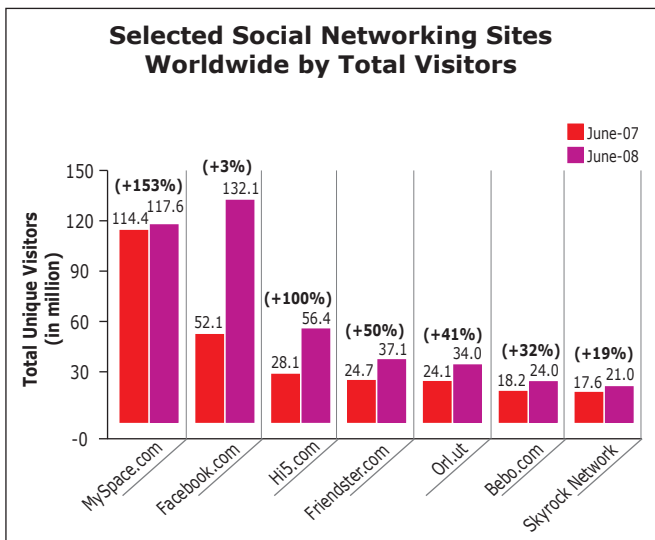
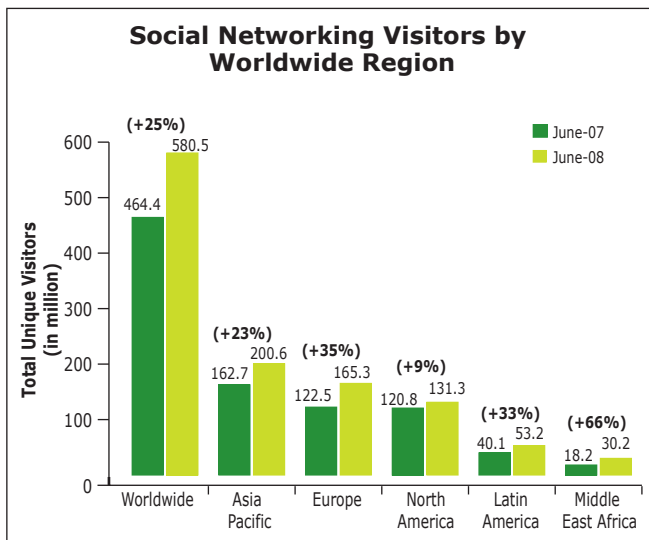
Social Media (Web 2.0)		
Social Media Category	Definition	Examples
Mainstream and Large Scale Network	Online communities of people that typically provide a variety of ways for users to interact, through chat, messaging, email, video, voice chat, file-sharing, blogging, and discussion groups.	Facebook, Bebo, Multiply, MySpace, Friendster
Widgets and Add-on	A portable chunk of code that can be installed and executed within any separate HTML-based web page by an end user without requiring additional compilation.	Zingfu, Stickam, Zwinky, MyBlogLog, Slide.com, Snocap
Social News and Social Bookmarking	Sharing and discovering great websites and news irrespective of sources.	StumbleUpon, Digg, del.icio.us., Trailfire
Photo Sharing	Photo sharing websites complete with customised homepages, messaging, network of friends, bookmarking, photo rating and lots more.	Twango, Flickr, Zoomr, Webshots, Imageshack, Tabblo, Pickle
Video Sharing	Free online space to publish and share video, complete with video ratings, video response, comments from viewers and community.	MetaCafe, Revver, Gotuit, Stupid Video, Jumpcut, Grouper, YouTube, Blip.tv
Music	Social network provides Internet radio services, connecting fans and artists.	Pandora, ReverbNation, Last.fm, MOG, Rapspace, MusicHawk, ProjectOpus

Source: Malaysia Media Congress

²⁴ "Ad Advantage to Local Online Media" by Online Publishers Association, August 2008

²⁵ "News Junkies Tune In All Media" by Pew Research Center for the People & the Press, September 2008

ADS IN NEW MEDIA – US EXAMPLES

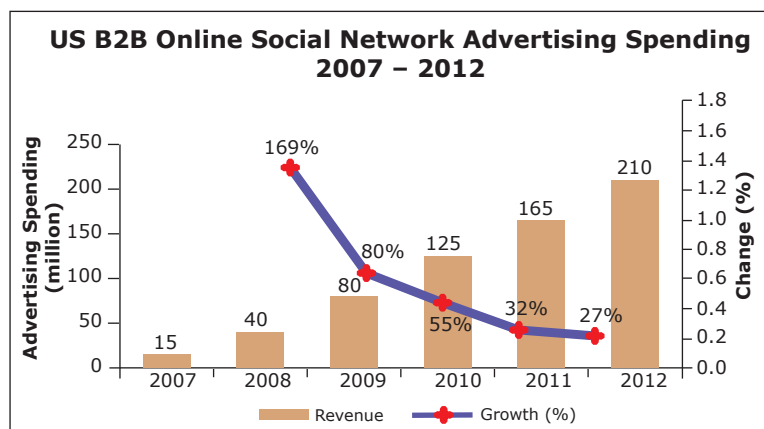


Source: "Social Networking Explodes Worldwide as Sites Increase their Focus on Cultural Relevance" by comScore World Metrix, August 2008

According to comScore²⁶, as at June 2008, social networking worldwide grew 25% since June last year. The phenomenon of social networking is still growing rapidly in Asia Pacific with 23% growth, while beginning to reach maturity in North America (up 9%). In other regions, the growth of social networking has recorded well-above average rates such as the Middle East-Africa (up 66%), Europe (up 35%) and Latin America (up 33%). Many of the top social networking sites have demonstrated rapid growth in their global user base. Although MySpace has the largest visitor base among the social networking sites, it is Facebook that leads in global annual visitor growth of 153% in 2008, followed by Hi5 that increased 100%. Many social networking sites such as Friendster and Facebook have increased user base by becoming more culturally relevant to local markets through local language interface translation in order to capture local market outside US.

With more new social communities forming every day, diversification of social media has also increased, creating a range of opportunities for marketers. For example, SagaZone and Wanobe, both launched in 2007, specifically appeal to those above 50 years old.

Given the popularity of Facebook, MySpace, Friendster and the like, business audience on online social networks is steadily growing. As the number of business users of social networks increases, advertising spend in the US is expected to rise accordingly, reaching an estimated USD210 million in 2012. B2B marketers will spend far more over the next few years to create and manage their own social networks for business customers, partners, suppliers and vendors.



Note: Includes display, rich media, search, widgets, applications and other forms of advertising targeted to a business audience on any social network
Source: "US B2B Online Social Network Advertising Spending, 2007 – 2012" by eMarketer, August 2008

²⁶ "Social Networking Explodes Worldwide as Sites Increase their Focus on Cultural Relevance" by comScore, August 2008

ADS IN NEW MEDIA – US EXAMPLES

Similarly in the UK, online social network advertising spend is expected to take off. In 2008, spending is expected to rise 77% to USD225 million. In 2012, marketers are projected to spend USD533 million, a 148% increase over 2008. The UK currently dominates social network advertising spend in Western Europe, with 68% of the market.

Web widgets and applications²⁷ have made social networking sites increasingly popular. Since Facebook opened up to third party applications in May 2007, nearly 15,000 applications have been developed. Overall, almost 100,000 developers are working on widgets and applications worldwide. eMarketer estimates that US companies will spend USD40 million in 2008 to create, promote and distribute widgets, up from USD15 million in 2007²⁸.

Blogging is another online social interaction network and as with any engagement of high mass level, comes potential advertising opportunities. US is estimated to have over 104 million people reading blogs this year, at least once a month, and this is expected to reach 145 million people by 2012. Meantime, blog advertising spend is expected to reach USD746 million in 2012²⁹. The increasing phenomena of User Generated Content (UGC) have spurred vibrant community connection online by connecting friends, colleagues, forming old school reunion groups and many other social groups.

In US, the number of UGC creators is projected to rise to 108 million in 2012, from 77 million in 2007³⁰. As such, UGC medium is attracting advertising as well. In 2006, Sony Electronics showed a user-generated ad in which the creator won a contest on cable network, Current TV, for its first viewer-created ad message. This has also been done for the Toyota User-Generated Ad Contest and Blog.

Mobile

Today, the mobile phone is a very integral part of a consumer's life. Furthermore, there are various types of devices for consumers to have access to the mobile Internet. Nielsen Company's research revealed that in the US, Motorola RAZR series phones were the most owned devices among the mobile Internet users for this feature; followed by Apple's first generation iPhone. However in the EU, Motorola phones were the third used phones by mobile Internet users, which were overtaken by Nokia N95 and N70.

Top Devices – Mobile Internet Users, 1Q 2008		
Ranking	US	EU*
1	Motorola RAZR/RAZR2	Nokia N95
2	Apple iPhone	Nokia N70
3	RIM Blackberry 8100 series (Pearl)	Motorola RAZR/RAZR2
4	RIM Blackberry 8800 series (8820, 8830)	Sony Ericsson K800i
5	Motorola Q Series (Moto Q, 9h, 9c, 9m, Q Glo)	Nokia N73

*Includes France, Germany, Italy, Spain, Sweden and UK mobile Internet users

Source: "Critical Mass: The Worldwide State of the Mobile Web" by The Nielsen Company, July 2008

The media habits of mobile phone will evolve over time. Many handsets in Japan already function as cash, keys, credit cards and personal ID, all in one. The latest invention is *Three Screen Trial* by ioglobal. *Three Screen Trial* is a "live-lab" trial of integrated mobile-TV-PC marketing measurement practices in supporting the effectiveness of mobile in a cross media environment.

²⁷ An element of a graphical user interface that displays information or provides a specific way for a user to interact with the operating system and application. Widgets include icons, pull-down menus, buttons, selection boxes, progress indicators, on-off checkmarks, scroll bars, windows, window edges (that let you resize the window), toggle buttons, forms, and many other devices for displaying information and for inviting, accepting, and responding to user actions

²⁸ "US Web Widget and Application Advertising Spending 2007 and 2008" by Debra Aho Williamson, February 2008

²⁹ "US Blog Readers (2007 to 2012)" by eMarketer, May 2008

³⁰ "US User-Generated Content Creators (2007 to 2012)" by eMarketer, April 2008

ADS IN NEW MEDIA – US EXAMPLES

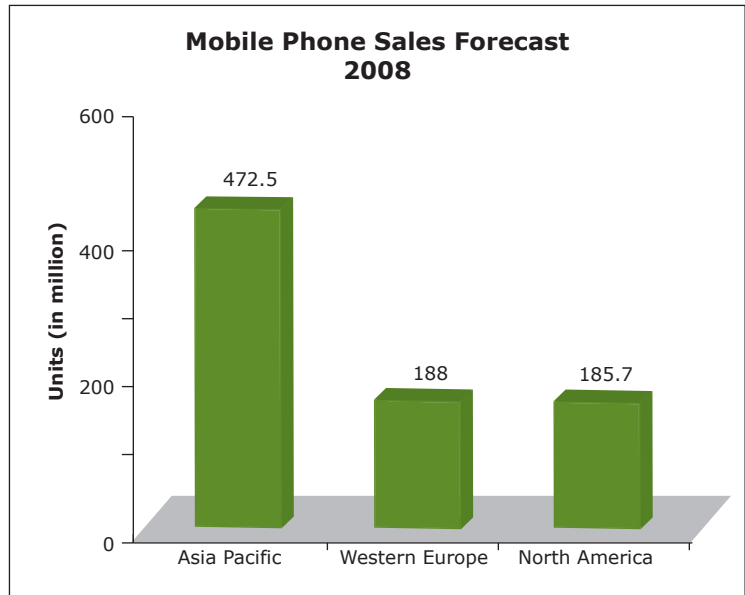
Gartner, Inc., predicted worldwide sales of mobile phones will reach 1.28 billion units in 2008, an 11% increase from 1.15 billion units in 2007. Emerging markets are expected to boost the increasing mobile phone sales growth as mature regions such as Japan reach saturation.

Mobile phone sales in the Asia Pacific and North America are projected to increase 17.9% and 5.3% respectively. But in Western Europe, the sales are predicted to have declined 1.5% from last year; and the same for Japan, at an estimated 9.1% decrease from 2007.

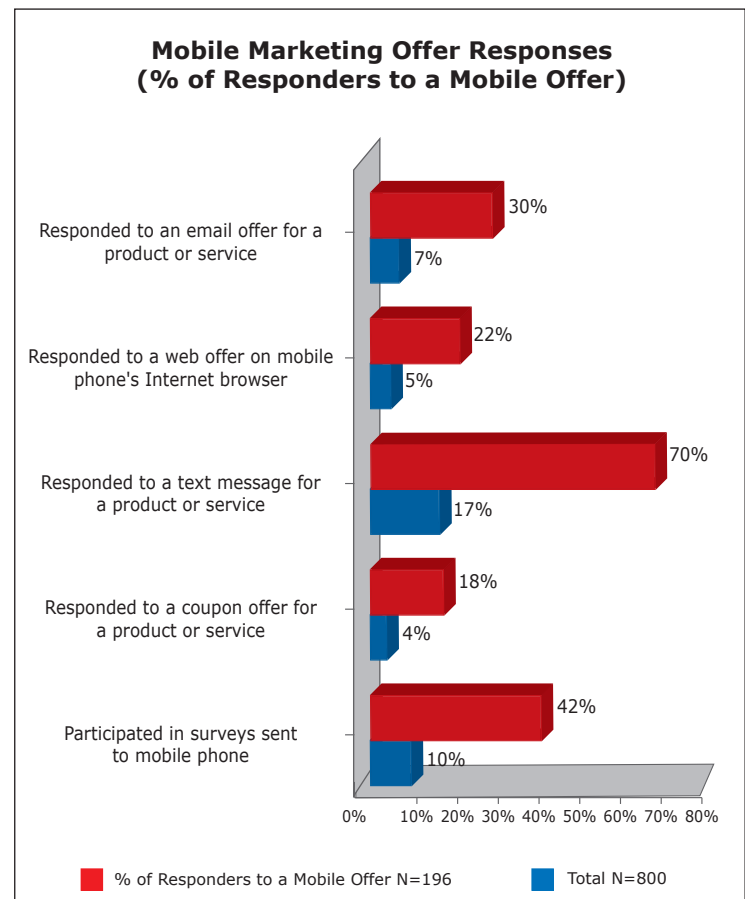
Mobile Advertising

With increasing devices, advanced data services and media-focus, advertising is expected to become a common part of the mobile Internet experience. A survey indicates that, 60% of mobile Internet users are more likely to be open to mobile advertising than the average mobile data user³¹. Moreover, there is a high level of awareness of mobile ads, where 26% of mobile Internet users recall seeing some form of advertising on their phone. Mobile advertising can deliver personalised, targeted ad messages. Hence, ads should have personalisation, location sensitivity and be contextually relevant to receivers. Relevancy is a key to consumer acceptance.

The Direct Marketing Association (DMA) says 70% of consumers who respond to a mobile marketing offer, also respond to a marketing text message, compared to 42% who respond to a survey and 30% to email offers³².



Source: "Mobile Phone Sales Forecast 2008" by www.marketingcharts.com, 2008



Source: "Texting Gets Best Response on Mobile Offers (% of Responders to a Mobile Offer)" by Direct Marketing Association, 2008

³¹ "Critical Mass: The Worldwide State of the Mobile Web" by The Nielsen Company, July 2008

³² "Texting Gets Best Response on Mobile Offers" by Direct Marketing Association, July 2008

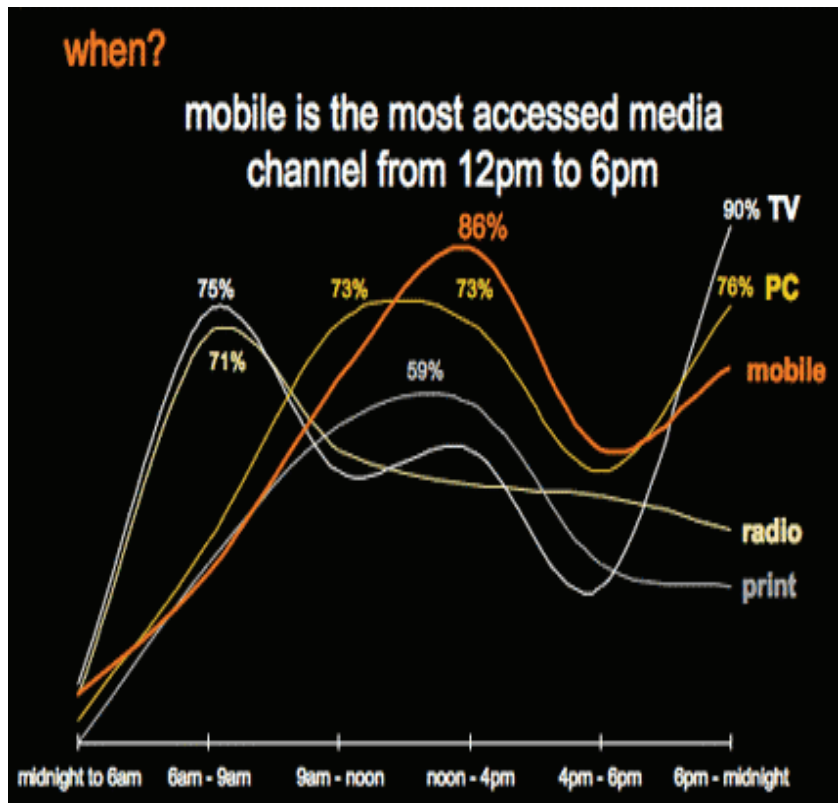
ADS IN NEW MEDIA – US EXAMPLES

Orange UK Consumer Research found that the mobile phone has the potential to be the most accessible media as it is most used during the middle part of the day. Mobile advertising may become the media channel of choice for advertising because people keep their mobiles with them and the mobile is switched on all the time. This creates better opportunity for the advertisers to interact with consumers, compared to Internet and TV.

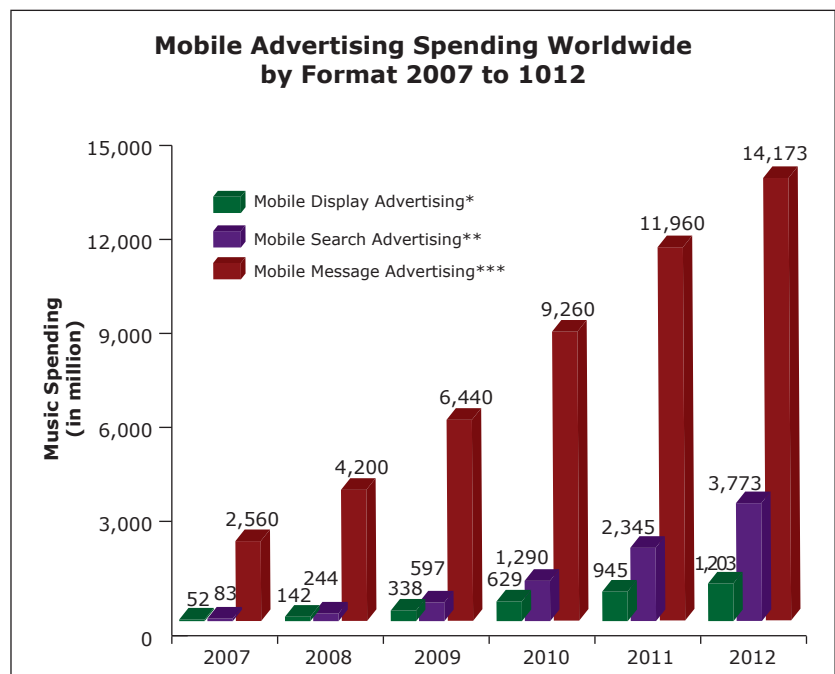
In Japan, South Korea and China, the majority of web access comes from mobile phone, instead of PCs. It is worth noting that 85% of Japanese mobile users subscribe to mobile Internet services.

Given the launch of iPhone early 2007 and other smart phones alike in the market, mobile advertising spend is at best, nascent. However, analysts see that full-blown growth can come when there is more investments of money, time, talent, and negotiation among brands, agencies, mobile carriers and mobile service providers in this advertising market.

eMarketer forecasts that worldwide mobile marketing and advertising spend will reach USD19 billion by 2012 with mobile message advertising forming the bulk of advertising spend of more than USD14 billion.



Note: This research study was shared by Orange with MobiAD News
Source: "Exposure" by Orange UK, MobiAD News, November 2007



Note: Numbers may not add up to total due to rounding

*spending on display banners, links or icons placed on WAP, mobile HTML sites or embedded in mobile applications such as maps or entertainment services (e.g., games or video);

**spending on sponsored display ads and text links that appear alongside mobile search results, as well as spending on audio ads played to mobile phone callers making a directory inquiry;

***spending on placement in text messages, includes direct spending on message campaigns as well as spending on promotional coverage of end-user messaging costs
Source: "Mobile Advertising Spending Worldwide by Format, 2007-2012" by eMarketer, March 2008

ADS IN NEW MEDIA – US EXAMPLES

Formats of Mobile Advertising

Banner Advertising



Well accepted due to its similarity to Internet advertising, but consumers do not have a good understanding of what will happen after consumer click the ads, whether it will lead to WAP page, trigger download, or other.

More personally relevant advertising is needed to increase consistency of the user interfaces of ads.

Sponsored Advertising



Consumers view the advertisements as linked to existing TV models, thus the ads receive positive response from the consumers. The ads display logos, videos and static messages from the advertisers.

However, users likely to develop the expectation to experience the same standard TV experience on the mobile more and more over time.

Location Based Advertising



High level of interest because consumers do not mind having brand names or logos appear on a map. The ads provide rich experience to the consumers as they engage with brands in highly relevant situations.

However, the ads need to balance between "push" advertising versus "pull" advertising.

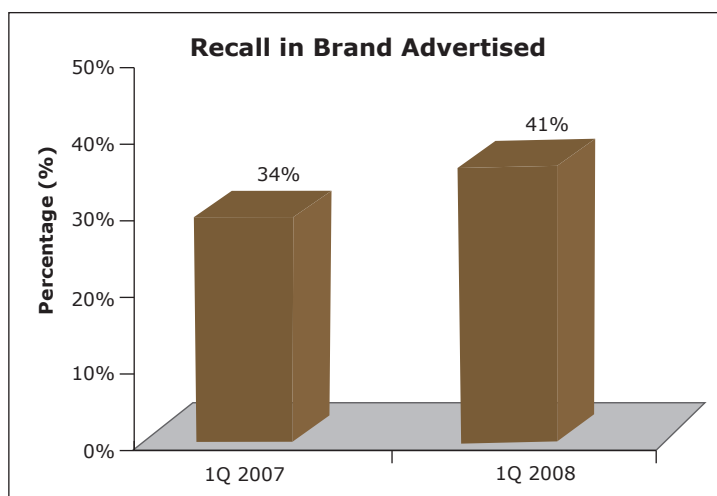
Idle Screen Advertising



Idle screen advertising is where sponsored content shown on the phone when it is not in use. The ads create good branding for the advertisers and most favorable to the consumers

But the common question related to the guideline for users to set the services.

Note: This research study were shared by Orange with MobiAD News
Source: "Exposure" by Orange UK, MobiAD News, November 2007



Source: "Mobile Advertising Report" by Limbo, First Quarter 2008

According to the *Mobile Advertising Report* by Limbo, 41% of consumer remembers mobile advertising – at least one brand, which represents a 20% increase from 2007. Survey from market research firm, Dynamic Logic on the success of mobile campaign for film *The Golden Compass* showed 67% of viewers remembering ads seen. Both the studies reveal the high level of awareness of mobile ads. Therefore, the potential mobile advertising offers to build brand awareness, interest and consideration.

Various reports have indicated that a common challenge for mobile advertising to take off successfully is the issue of standardisation of formats in mobile advertising. On the other hand, a factor encouraging viewing of mobile ads is a flat rate usage charge. For example, mobile advertising in South Africa and US have taken off successfully because both countries deploy flat rate tariffs.

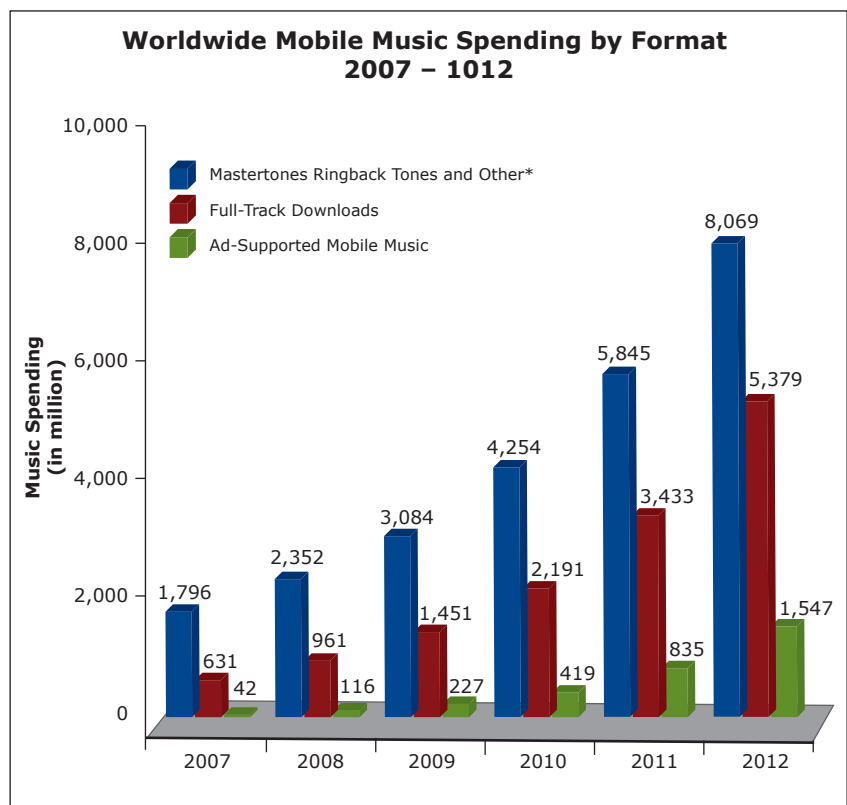
ADS IN NEW MEDIA – US EXAMPLES

Games have some of the best engagement metrics among mobile content categories. Research shows, users spend several minutes a session with a mobile game and frequently re-visit to play some more. Moreover, consumers consistently report gaming as one of their favorite mobile activities. However, in developing markets, mobile phones are already the de facto gaming platform and millions more consumers will start experiencing mobile games with the introduction of new and improved handsets. This could possibly be a potential advertising platform. Analysts predict that in 2012, there would be 500 million mobile gamers globally, of which ad-supported mobile game spending (includes ad on mobile game websites and in-game advertising) could reach USD1.3 billion³³.

Nevertheless, advertising models for mobile video and TV are still at nascent stage. A major barrier to consumer adoption of mobile video and TV is the current technical immaturity surrounding handsets, networks and the distribution of mobile video content. In short, technology takes time to evolve and advance in consensus, especially in cases which require some level of integration and interoperability across networks and systems. This also includes conflicting business models among mobile carriers, content owners and broadcasters. But, with the right combination of technology, economics and marketing, the situation could change.

eMarketer forecasts worldwide mobile music revenues will exceed USD13 billion by 2012, up from USD2.4 billion in 2007. Marketers will account for a greater proportion of spending as the ad-supported model for mobile music is expected to reach USD1.5 billion worldwide in 2012.

Besides mobile music, mobile search revenue ads have also made their mark in 2007. With variety of searches done on mobile phones, analyst forecasted its revenue up from USD83 million in 2007 to USD3.8 billion by 2012, with US expected to lead this medium at USD1.5 billion in 2012.



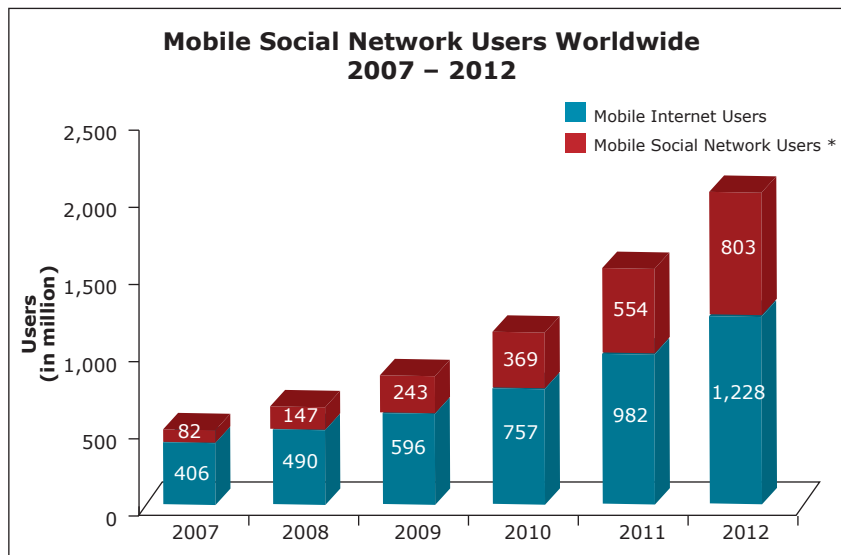
*other includes music video and streams

Note: excludes monophonic and polyphonic ringtones; includes Canada, China, France, Germany, India, Italy, Japan, South Korea, Spain, UK, US;

Source: "Worldwide Mobile Music Spending by Format 2007-2012" by eMarketer, July 2008

³³ "Mobile Gamers and Mobile Game Spending Worldwide (2007 to 2012)" by eMarketer, August 2008

ADS IN NEW MEDIA – US EXAMPLES



* Registered users (identifies by their mobile number) who create, edit and view personal content using their phones

Source: "Mobile Social Network Users Worldwide, 2007 to 2012" by eMarketer, April 2008

Mobile Social Network Users Worldwide Forecasts		
Source	Expected (million users)	Year
ABI Research	140	2013
Juniper Research	600	2012
Pyramid Research	950	2012
eMarketer	800	2012

With estimates of more than 1.2 billion mobile Internet users worldwide in 2012, there are ample avenues for marketers to promote their products and services through mobile social networking. Most research firms forecast mobile social network users worldwide to reach more than 100 million users in 2012. This follows from the expectation of online social networking sites such as Facebook and MySpace going mobile and new mobile social networking pure plays entities in the future.

Online Social Networking Goes Mobile	Mobile Social Networking Pure-Plays	Mobile Social Networking Enablers
MySpace	airG	Ovi from Nokia
Facebook	Mocospace	Yahoo! oneConnect
	itsmy.com	Interacting Corporation
	myGamma	

Source: eMarketer, April 2008; John du Pre Gauntt, May 2008

Emergent New Media Advertising

Digital Signage

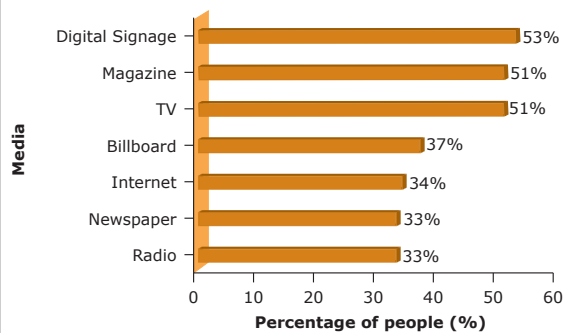
Digital signage, deemed the outdoor advertising platform of the future, provides consumers with display screen installed in public spaces to inform, entertain or to deliver advertisements more reliably to target audience at specific location, at specific time. Digital signage is increasingly sought after by advertisers to utilise the medium and reach consumers in ways that conventional advertisements are unable to accomplish. It is also convenient for advertisers to carry out a quick copy change of their advertisements, without limitation of location and effort.

According to a study by Online Testing Exchange (OTX), respondents found digital advertising to be interesting (53%), attracted their attention (63%), unique (58%) and less annoying (26%), than other traditional and online media. Indication is that, 75% of 18 to 34 years old group in the US take notice of digital signage in seven different locations in a week. This provides opportunity to the advertisers for intercept for ads and reaching young people at various locations.

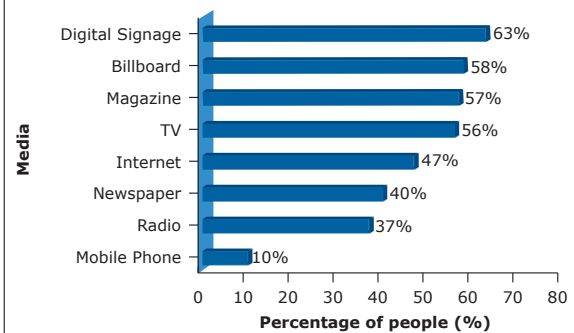
ADS IN NEW MEDIA – US EXAMPLES

Digital-Out-of-Home Media Awareness and Attitude Study

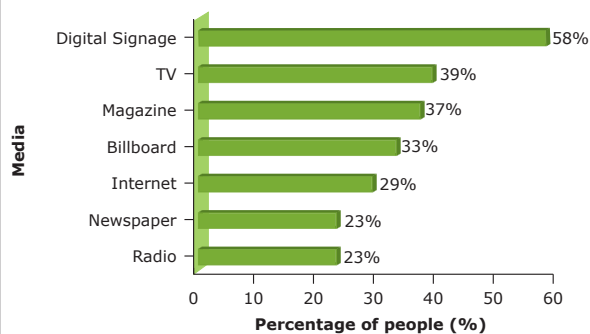
Interesting



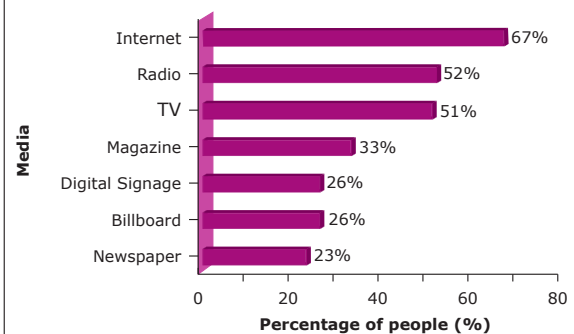
Attention



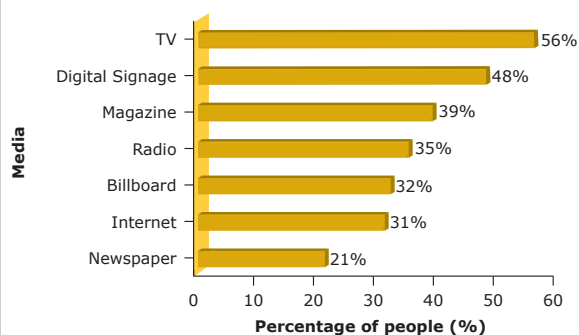
Unique



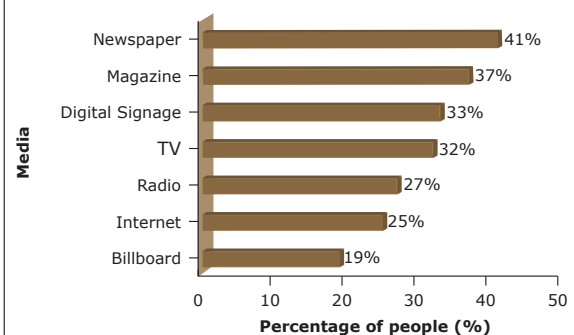
Annoying



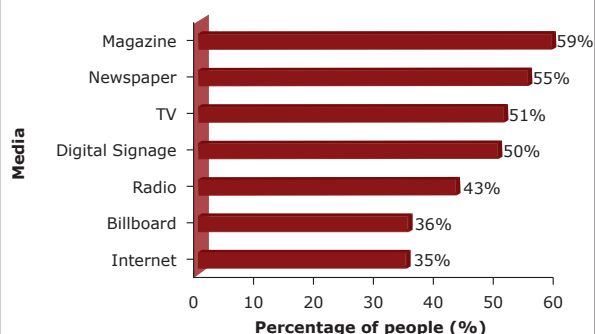
Entertaining



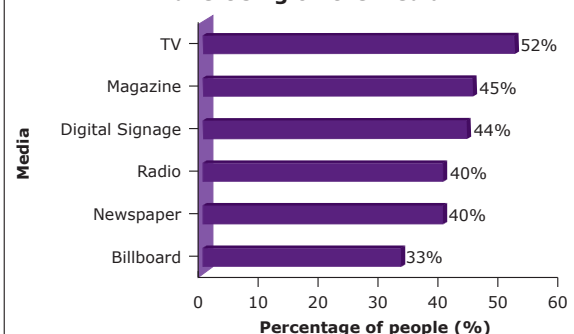
Credible



Informative



Pay "Some" or "A Lot of" Attention to Advertising on the Media



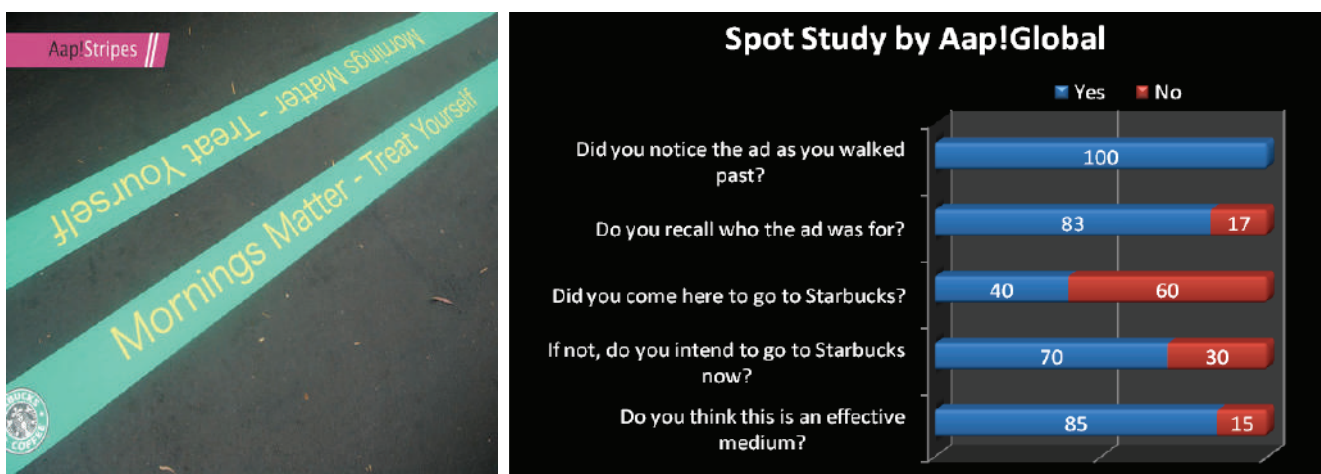
Source: "Digital Out-of-Home Media Awareness and Attitude Study" by Online Testing Exchange (OTX), 2007

ADS IN NEW MEDIA – US EXAMPLES

Floor Graphics

Floor graphics advertising is not the latest innovation, but it has come a long way from the traditional flat floor advertising to the illusion of pop-up illusory images on the floor which consumers probably have seen at local grocery stores, convenience stores, gas stations, shopping malls, airports, parking lots or retail outlets.

Floor graphics are able to create and promote brand awareness, especially in retail environments where most customers do not choose the brand until they are in the store. Strategically placed floor graphics can grab customers attention and influence buying decision. For instance, the advertising agency, Aap!Global, managed to attract consumers from the parking lot to Starbucks by putting such floor graphics on the parking lot floor.



Source: Based on Spot Study by Aap! Global

Ads in Light Emitting Capacitor (LEC)

CeeLite is an innovator in researching, developing and commercialising Light Emitting Capacitor (LEC) technology. LEC technology is distinct from the older technology known as Electroluminescence (EL) and is considered to be a separate category of products from anything currently available in the lighting industry. CeeLite LEC technology is named one of TIME Magazine's "Best Invention of 2006".

LEC lighting technology is environmentally friendly by its very nature and process. The technology is extremely energy efficient, long-lived and can potentially have substantial positive impact in reducing by 22% the national energy usage consumed by lighting. The technology has been used for numerous commercial and private requirements. Trade booth, broadcast desk, dining rooms, bars, staircases, trade shows, even catwalks have been using LEC in numerous creative ways to maximum effect. LEC is also innovatively used in a variety of fields such as entertainment, motoring, manufacturing and clothing. For example, jackets, vests, pullovers and accessories from American Light are embedded with LEC technology to create unique apparel. Also, a rock band in the US, called *Red Hot Chili Peppers*, uses sound-activated LEC illuminated drums for highlights and special effects. With this trend and its potential usage, LEC could soon replace existing fluorescent, Light Emitting Diode (LED) and neon lighting.

ADS IN NEW MEDIA – US EXAMPLES

The architectural design of LEC enables the technology to light advertisements on flat or curve surfaces on such mediums as buses, billboards, points of sale and floors. Companies using these for advertising include H&M, House of Fraser, FedEx, Virgin Atlantic, Starbucks and Motorola.



Source: www.blueoceanworldwide.com

Next Generation of Advertisements

AdPod

The AdPod is a medium scale, modular, 3D advertising pod that projects 3D images into free space. The capability of the AdPod to establish one-to-one communication with the consumer through displays of realistic, 3D moving images makes AdPod an ideal for real engagement and re-engagement of the consumers at point of sales environments such as retail outlets, shopping malls, cinema foyers, railway station and airports. In Malaysia, Wonderworks expects to install AdPods at 20 to 30 retail site locations within the Klang Valley.



Source: www.wonderworks-media.com

Creative Ads as Business

Trend in marketing has audibly changes from using words to persuade consumers towards using action, with the philosophy of "Actions speak louder than words". The creative industry companies such as R/GA, Crispin, Farfar and Droga5 in the US, specialise in brilliant business ideas, not just communicating the ads. These companies approach consumers where they would be least able to resist the message, maximising consumer involvement and creates engagement by combining multiple business channels.

ADS IN NEW MEDIA – US EXAMPLES

Cannes Lions International Advertising Festival, the world's foremost advertising awards event, introduced Titanium Lion award. This award is created to recognise campaigns that break with tradition and ideas that are "bigger than advertising". Last year, Droga5 won the award for "Tap Project", a campaign developed for United Nations Children's Fund (UNICEF) to help provide children in third world countries with clean drinking water. The campaign took place on World Water Day, where restaurants across New York began charging diners a mere USD1 for the privilege of drinking tap water that they had previously been able to drink for free. The idea behind the artistry is to keep a child alive simply by providing a glass of clean water. The proceeds were donated 100% to UNICEF. After reaching over 80 million people through media outlets, earning praise and action from celebs and politicians, the initial effort earned UNICEF over USD5 million, the equivalent of 1.7 million days' worth of water for children. The campaign successfully generated far greater awareness and funds, and the project has continued to thrive and will expand internationally in 2009. For additional information on Tap Project, please visit www.tapproject.org.

Measuring Advertising Effectiveness

The trend is moving towards actual discounted rate measurement, with more matured markets including Europe and Australia having already adopted this. IAB Europe/Pricewaterhouse Coopers (PwC) created a measure "spend per user" to illustrate the value of one Internet user to an advertiser in the different markets. The more mature the market, the higher the value placed on the Internet user by the advertisers. In the mobile advertising industry, M:Metrics launched M:Ad that captures who's advertising what, where and when on the mobile web. By the end of 2008, a working group consisting of Vodafone (VOD), Telefonica O2 Europe, T-Mobile International, FT/Orange Group and 3, planned to develop a set of standard measurements by using inputs from ad agencies and wireless carriers worldwide.

Tracking of Advertisements in Industry Sectors		
Industry Sector	Ads tracked (%)	Examples of Companies
Internet Retail	39.1	Electronic Arts, Ebay, Glu
Broadcasting and Cable TV	29.7	Sky, Channel4
Publishing	9.8	EMAP, Facebook
Automobile Manufacturers	5.4	BMW, Citroen
Internet Software and Services	4.2	Yahoo!, Microsoft
Movies and Entertainment	2.9	Paramount
Specialised Consumer Services	1.5	Avis
Computer Hardware	0.9	IBM, Sun
Food Retail	0.3	Cadbury's
Home Furnishing	0.3	Harveys

Note: Based on January 2008's findings from the M:Ad in US
Source: "Tracking Mobile Ads in US and UK" by MobiAD, 2008

ADS IN NEW MEDIA – US EXAMPLES

Selected Measurement Companies Worldwide		
Platforms	Measurement Companies	Approach
Print	Audit Bureau of Circulation (ABC)	Collects print circulation statistics from the distribution records.
	Unica	Delivers Enterprise Marketing Management (EMM) capabilities to: <ul style="list-style-type: none"> Analyse and predict customer behaviours and preferences based on monetary value over time, attributions, likeliness to respond or relate to specific types of advertisements, and forecast what each customer is likely to buy and in what order.
Television	Navic Network	<ul style="list-style-type: none"> Obtains its information through the set-top box, tracks tuner position anonymously and collects data through bandwidth-efficient use of existing return path. Data is cross-referenced to programme lineup information for a detailed record of viewing behaviours.
	TiVo	Collects a daily random sample of TiVo units by: <ul style="list-style-type: none"> Demographics such as age, income, marital status and ethnicity. Viewing habits and effectiveness of advertisements by network, genre, day-part, time slot, day of week and commercial pod position. Assessment and analysis of impact of fast-forwarding, rewinding, replaying, pausing and other behaviours.
Web	Google Analytics	Uses first-party cookies and JavaScript code to: <ul style="list-style-type: none"> Track visitors' interactions with their websites (including e-commerce data, users' geographically, network location), transactions, what they do on site, and whether they complete any of the site conversion goals). Track down visitor behaviours such as visitor loyalty, new visitor, average page view, time on site (length of visit), page per view, bounce rate, entrance path, entrance sources, entrance keywords, effective ad text.
	comScore	Provides details of online media usage by: <ul style="list-style-type: none"> Demographics segments and online buying power of home, work and universities audiences. Details of communication to and from individual's computer on individual specific basis (including site visited, page viewed, ad seen, promotion used, product or service bought, site traffic, usage intensity, search engine usage, online video consumption, widget consumption and price paid).
Film	Teletrax	Evaluates, responds and manages broadcast details of video footage based on: <ul style="list-style-type: none"> Digital watermarking technology embedded then adds identifying data to the watermark, for example time, date, station, location, section of footage used and duration of the broadcast. Evaluate the reach and performance of video assets. Confirm and prove airing of content. Reconcile revenue by determining actual airplay versus contract.
	Rentrak	Develops advertisement tracking verification system by: <ul style="list-style-type: none"> Collecting data at Point of Sale (POS), daily or weekly uploads, and data directly from digital set-top boxes. Utilising tags on the customer's site servers as well as tags embedded within the video itself. Tracking record of rental and sales of DVDs across multiple retail outlets. Digital Download Essentials tracking sales and rentals (streams, downloads or time-based downloads with a DRM-based "extinction" feature). Profile individual network performance, administer national and local estimates, and provide an evaluation of influencing factors (i.e. psychographics, demographics, weather, etc.).
Mobile	M:Metrics	The company measures: <ul style="list-style-type: none"> Monthly surveys to user based on handset capabilities, content merchandising and distribution, and consumer behaviours. Patented meter installed in smartphones that collects users' mobile activities. Automated tool that collects and catalogs information from advertising placed across the mobile web.
Radio	Arbitron	<ul style="list-style-type: none"> Major ratings products include cume (the cumulative number of unique listeners over a period), Average Quarter Hour (AQH - the average number of people listening every 15 minutes), Time Spent Listening (TSL), and market breakdowns by demographic. Collects data by asking selecting sample to maintain a written diary describing each radio program listened to for each week. The method called Diary Measurement.

Source: "Be Counted" by PricewaterhouseCoopers (PwC), January 2008; Company websites

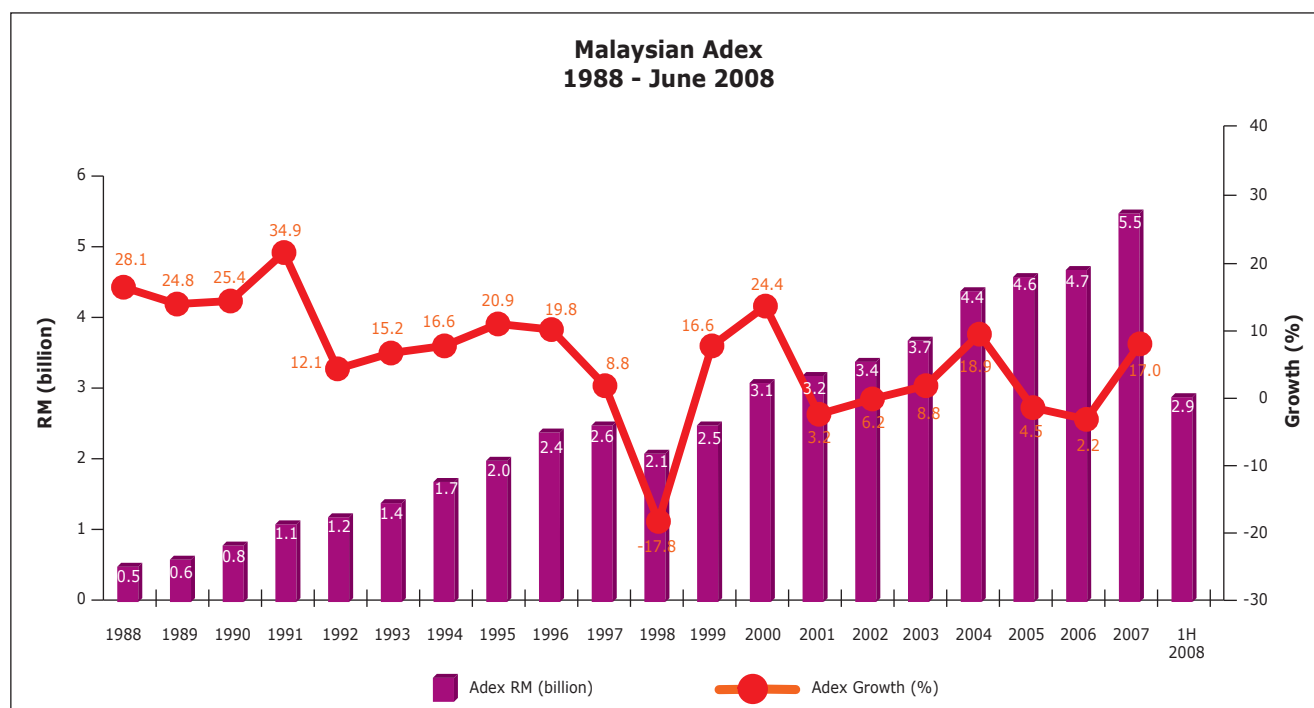
The problem in measuring advertising spend generated by new media advertising is that, the market across different kinds of advertising platforms is still very much a market under development with almost no financial data, and it is even much harder to measure the revenue size of smaller national markets. The hurdle of the issue lies in the fact that data available is not provided in a way that is easy to use. The measurement systems need to be set up in a way that brings "date" into the existing measurement and only after that, the reporting processes will become more usable.

ADVERTISING MARKET IN MALAYSIA

Malaysia Adex Trends

The Malaysian advertising landscape is gradually shifting its traditional media forms to the emergent new media advertising but still at a nascent stage. The latter shows much room for growth, as the industry fuels to content digitisation on web applications. This has shown when RM14.9 million worth of advertisements was spent on the Internet medium in the first half of 2008³⁴. Propelling further to this, the TV medium is creating new media technologies to include ads on applications of mobile video streaming and broadcast mobile TV services. However, this might dampen if Malaysia's broadband penetration and Information and Communication Technologies (ICT) literacy does not improve. With Government's various initiatives to push the take-up of broadband, perhaps the advertising market could initiate more eyeballs.

In the first half of 2008, Malaysia's total advertising spend rose 22% from the first half of 2007, amounting to RM2.9 billion. According to Nielsen Media Research Service, this is due to on-flow from last year of new product and service launch campaigns, as well as local market events like the general election, Beijing Olympics and Euro 2008.



Note: Includes ASTRO net adex since 2003

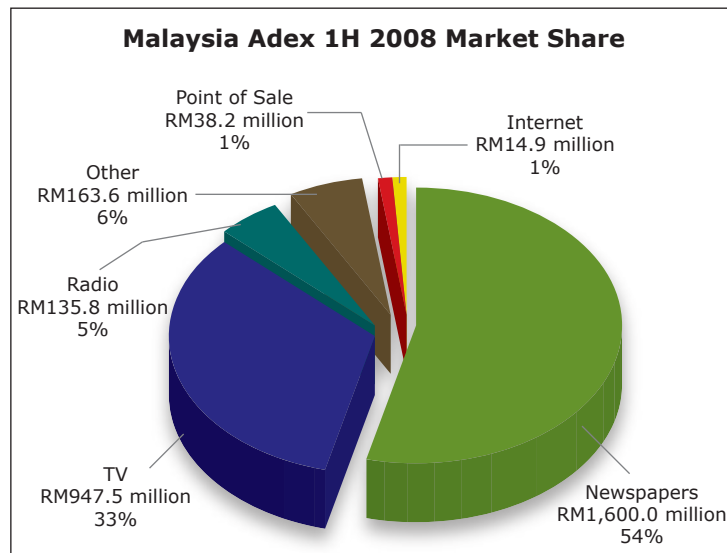
Source: Nielsen Media Research Service; Media Specialists Association; "Newspaper and TV Ads Drive Strong Adex Growth" by The Star, 16 August 2008

Traditional medium still drives the bulk of adex in Malaysia. Newspapers represent 54% of the total adex market share in Malaysia, taking the largest portion with total amount of advertising spend reaching RM1.6 billion, a growth of 16% from the first half of 2007. The highest growth for the first half of 2008 was the TV media (+37%), representing 33% of the adex market share and generating ads worth RM947.5 million. The top three brands are from the telecommunications sector, remaining as the top consistent spenders in advertising, hence also leading in product categorisation at RM177.3 million.

³⁴ "Newspaper and TV Ads Drive Strong Adex Growth" by The Star 16 August 2008; Media Specialists Association

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Despite the current economic global slowdown, the Advertising Standards Authority (ASA) Malaysia believes that adex can reach RM6 billion or 11% growth from RM5.4 billion in 2007 by the end of 2008. The growth for this would be expected to come from outdoor media and digital advertising and the huge potential in TV and creative production³⁵.



Source: Nielsen Media Research Service; Media Specialists Association; "Newspaper and TV Ads Drive Strong Adex Growth" by The Star, 16 August 2008

Top Product Categorisation	RM (million)
Mobile Line Services	177.3
Local Government Institutions	95.5
Female Facial Care	71.8
Top Brands	
Celcom	95.0
DiGi	51.0
Maxis	44.7
Barisan Nasional	27.9

Rank	Top 10 Ad spend by Brand	April 2008	March 2008	April 2008 vs. March 2007 (%)
1	Celcom	18,116	11,843	53
2	DiGi	7,907	6,830	16
3	Maxis	7,690	3,785	103
4	KFC	6,317	1,318	379
5	Grand Brilliance	5,584	5,057	10
6	Toyota	3,731	2,530	47
7	TM	3,729	2,974	25
8	Sunsilk	3,487	1,904	83
9	Colgate	3,140	2,019	55
10	Walls	2,990	5,959	50

Note: Ranked as at February 2008

Source: ADOJ Marketing Communications Magazine, April 2008

The Emerging Media in Malaysia

Introduction to Digital Advertising Opportunities

The digital world is changing not only consumers' habits, but also encouraging advertising opportunities in Malaysia. Online media has transformed traditional media such as newspapers, magazines, TV and radio to take content in the online channel, which has created a rapid growing Internet audience in Malaysia.

³⁵ Excerpts from the Association of Accredited Advertising Agents Malaysia (4As) president, Datuk Vincent Lee in "Malaysian Adex to Reach RM6 billion This Year with 8% Increase" in Bernama.com, 12 August 2008

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Print media for example, has taken its content online and has made local paper Utusan, one of the most popular Malay newspapers viewed by users, with an average 40 million monthly page views, which is a tremendous reach for advertisers.

Sites	Average Monthly Page Views	Average Monthly Unique Users
Utusan Online	40,000,000	3,300,000
Kosmo Online	6,700,000	440,000
Mangga Online	2,800,000	102,000
ManggaTV	2,000,000	40,000
Kareer.com.my	274,000	110,000
Tutor Online	198,000	60,000

Source: "Perfisio – The Makings of a Challenger Brand" by ADOI Marketing Communications Magazine, April 2008

Another growing ad opportunity is the radio. This medium has reached 14 million listeners (aged 10 years and above), representing 54% of Malaysia's 26 million population. Out of the total adex in 2007 (RM5.46 billion), radio advertising revenue amounted to 4.4%. However, Malaysia's advertising revenue is still below regional average of 8%.

According to Survey 1 of Nielsen's Radio Audience Measurement (RAM) 2008, radio adex market share increased to 5.5% (January to April 2008), and AMP holds 50% of its market share with 10.4 million listeners (71% of overall radio listeners on weekly basis). The number one radio channel in the country is ERA which tops at 4.7 million listeners (29.5%), followed by MyFM with 2.1 million listeners and Hitz at 1.1 million listeners.

Advertising rates are still low compared with TV and print, hence companies should take advantage of this avenue. Today, radio can take listeners from car to mobile and online. In fact, morning show programmes command more listeners than any other time of the day. According to the Survey 2 of Nielsen's RAM 2008, AMP alone reaches 73% of 14.4 million listeners in the morning, maintaining the number one spots across the four primary languages of Malay, English, Chinese and Tamil stations.

Across the Asia Pacific region, radio advertisements increased an average of 32% in 2007, ahead of other media of TV and print. Comparatively, in UK, 31.4% listened to radio digitally (that is, through DAB, DTV or Internet) while 11.6% listened through their mobile phones.

New Types of Media Advertising

Online Behaviour in Malaysia

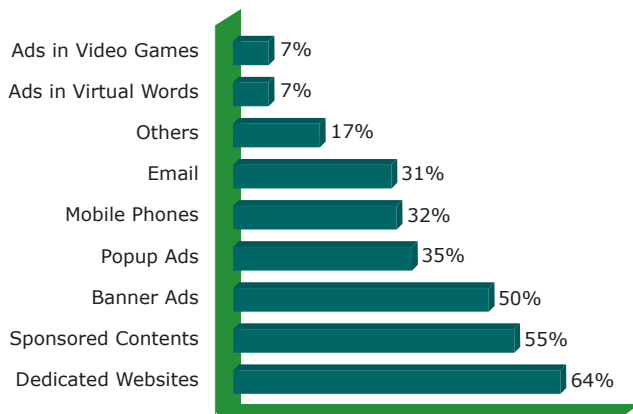
A study on online behaviour in Malaysia notes that, 61% of the Malaysian Internet users have more than five years experience online³⁶. These Internet users have been identified in five different segments of online users namely; Embracers, Fun Explorers, Info Hounds, Online Transactions and Socials.

³⁶ "Omnicom, Yahoo! Identify Online Behaviour of Malaysia" by ADOI Marketing Communications Magazine, June 2008; "Billion this Year with 8% Increase" by Bernama.com, 12 August 2008

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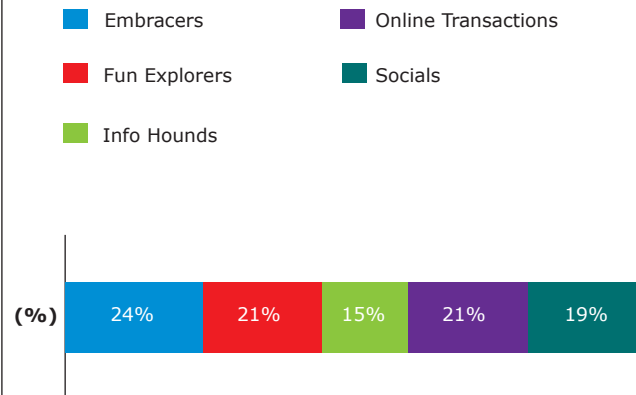
The profiles of these online users will help advertisers reach each segment more effectively and in the most relevant way, using different factors to appeal to different groups. Embracers for instance, are most likely to shop occasionally during sales with a tendency to trust advertised product, but for Fun Explorers, they are carefree and not particularly influenced by brands or sales.

Types of Digital Media Seen Being Used



Note: All mentioned types of digital media seen being used
Source: "TNS Reveals Asia's Leading Digital Advertisers" by ADOI Marketing Communications Magazine, April 2008

Segments of Online Users in Malaysia



Source: "Omnicom, Yahoo ! Identify Online Behaviour of Malaysia" by ADOI Marketing Communications Magazine, June 2008

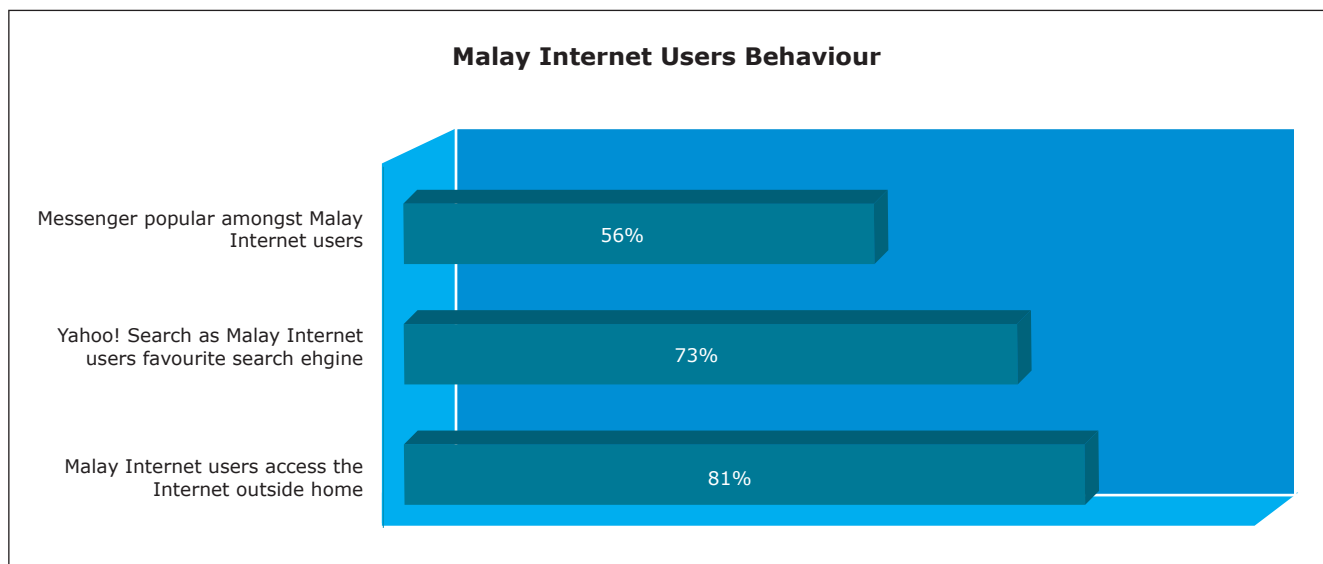
Segments of Online User in Malaysia

Segments	Characteristics
Embracers	<ul style="list-style-type: none"> Young, optimistic, twenty- something, tendency to trust advertised products Online almost four hours a day and engage in general online activities such as instant messaging, blogging and social networking, which consist of shopping occasionally during sales.
Fun Explorers	<ul style="list-style-type: none"> Mostly teenage boys who are carefree and spendthrift in nature, with no particular brand or sales influence. Spend close to 3.21 hours per day mainly on game online and digital media.
Online Transactors	<ul style="list-style-type: none"> Older group in their 30s who use Internet mainly for functional purposes such as banking transactions, search and online purchases. The group are influenced by sales but have occasional impulse buys.
Socials	<ul style="list-style-type: none"> Mostly comprised Chinese females in their 20s who enjoy communicating with people. Online habits spend about 4.5 hours daily engaging in instant messaging and social network activities.
Info Hounds	<ul style="list-style-type: none"> Group who use Internet to seek information, knowledge and news. More likely to do research before making a purchase and trust online recommendation from other consumers through blogs and forums.

Source: "Omnicom, Yahoo ! Identify Online Behaviour of Malaysia" by ADOI Marketing Communications Magazine, June 2008

Differences in Internet behaviour by ethnic groups also exist. 81% of Malay Internet users access the Internet in places such as public Internet facilities, Internet cafes, workplaces and schools. In the meantime, 75% of Chinese Internet users access the Internet in their homes.

ADVERTISING MARKET IN MALAYSIA



Source: "Omnicom, Yahoo ! Identify Online Behaviour of Malaysia" by ADOI Marketing Communications Magazine, June 2008

Social Network Scenario in Malaysia

Friendster is the number one social network website in Malaysia according to Internet measurement company, comScore. As at May 2008, Friendster is four times bigger than Facebook and MySpace in Malaysia. Friendster leads the social networks by being the first to offer a complete social networking experience in Malay, and a new mobile site, also in Malay.

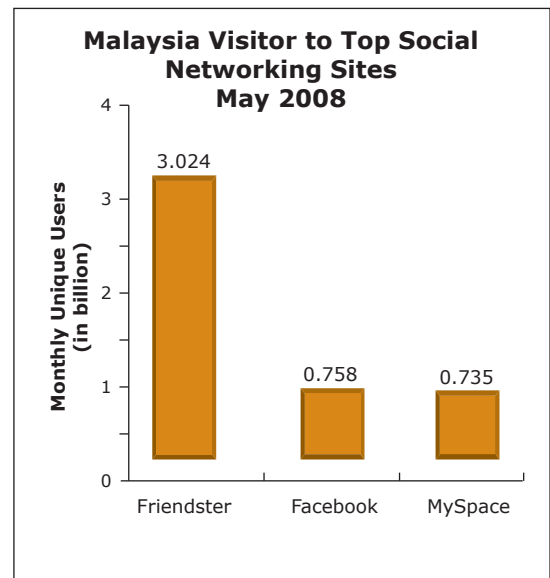
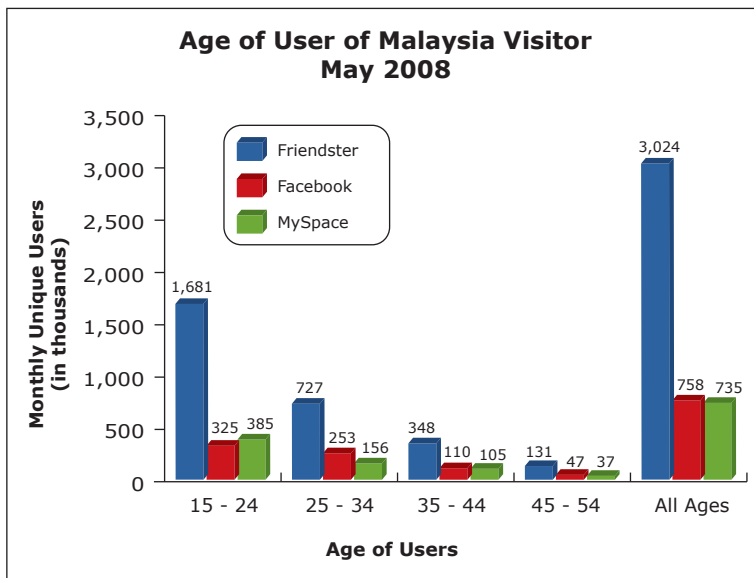
10 Most Popular Sites on Malaysia Web			
1	Yahoo	6	Google
2	Google.com.my	7	Windows Live
3	Friendster	8	Facebook
4	YouTube	9	Microsoft Network (MSN)
5	Blogger	10	MySpace

Source: "Top Sites in Malaysia" by www.alexa.com

With over 2.4 million visitors in the age range of 15 to 34 years old, and about 70% of Facebook users and 80% of MySpace users visited Friendster, the site has become a new power of online social network for brands, advertisers and marketers to promote their products and services to this large demographic segment, using community pages called Official Profiles.

Whilst the number of fans the brand won over speaks as the basic tool of the campaign success, there is a number of options available to measuring the effectiveness of the campaign. For example, Clinique measured the total number of referrals, testimonials and product samples requested. Rexona tracked the number of widget installed within users' profile, along with brand testimonials and actual sales made by users.

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Note: Data excludes Internet café-only users and mobile Internet users. Actual number of visitors is much higher, but is not provided by comScore or available from any reliable source consistently across these sites.

Source: "Friendster is the 1# Social Network in Malaysia", www.friendster.com, July 2008

Successful Campaign Launched on Friendster in Malaysia Using Official Profiles		
Advertisers	Total Number of Fans	Advertising Campaign Specification
Clinique Malaysia http://profiles.friendster.com/cliniquemalaysia	10,082	Serves as an information centre that supports sampling and database collection of the users. There are also special promotions such as e-coupons, contests, freebies and vouchers offer to the users. The brand uses the "Comments" segment as a platform for Questions and Answers (Q&As) with users/consumers and slide shows to share pictures of Clinique's current event with users.
Loreal Studio Line http://profiles.friendster.com/studioline	7,627	Allows users to get to know the brands better as well as to share them with friends. There is also contest for fans to enter. The media box in the profile displays advertisement of the product.
Celcom http://profiles.friendster.com/channelx	389	The custom profile known as Dex Ter. The interactive profile features today's latest hit music, games, ringtones, and more. Also featured the videos of Celcom advertisement, which play as Channel X TVC.
Rexona by Unilever http://profiles.friendster.com/rexteen	14,143	The official profile allows users to interact with Remy who is representing Rexona in a number of ways such as become a fan, give testimonials about the products, receive product information, and participate in contest. The profile also launched Widget, an application of virtual room decoration game that can be added to the fans profile to allow users to express their individuality and creativity.
Chipster by Danone http://profiles.friendster.com/twistieschipster	8,316	The brand introduces the product under "About Me" segment. Fans use the "Comments" segment to voice out their opinions about product and to tell friends about Chipster. The official profiles also feature attractive feature such as blog, downloads, and create wallpapers.

Note: Number of total fans as at September 2008

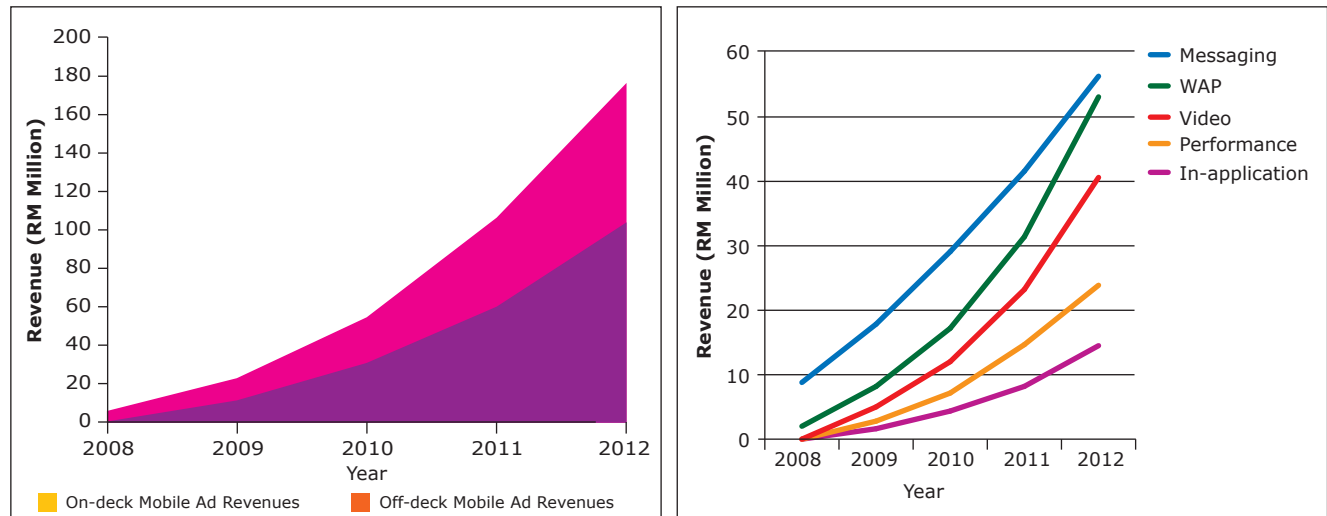
Source: www.friendster.com; "3.6 million Malaysian Ready to be Your Friends(ter)" by ADOI Marketing Communications Magazine, March 2008; Pixel Media Asia

ADVERTISING MARKET IN MALAYSIA

Malaysian Mobile Ads

According to Frost & Sullivan, mobile advertising revenues³⁷ would represent 3.1% of estimated total adex in Malaysia by the end of 2008. Total mobile advertising revenues in Malaysia are forecasted to rise from RM10.4 million at the end of 2008 to RM175.5 million by 2012. Mobile multimedia streaming services (audio and video) are anticipated to become one of the significant channels in the delivery of mobile advertising by 2012.

Mobile Advertising Market: Revenue Forecast (2008-2012)



Note: Off-deck is known as "Direct-to-Consumer" (D2C) services which are developed, offered and billed for without much involvement of the mobile operator. On-deck refers to ad or content marketed and sold through the mobile operators' content storefront (or decks)
Source: Adapted from "Moving Ads for Moving Business: Trends, Opportunities and Challenges in the Mobile Advertising Industry" by Frost & Sullivan 2008

Among the key factor mobile advertising has the potential to grow are the availability of increased adoption of premium mobile content, more sophisticated handsets, flat rate pricing for mobile broadband, development in mobile video and broadcast mobile TV services and increased 3G network coverage.

There are several significant barriers that must be overcome before mobile advertising become an important part of advertising campaign. One of the major challenges is consumer behaviour. Consumers' willingness to accept or reject in campaign depends heavily on how they perceived the value of the ads and the amount of control consumers have on their involvement with the ads and protection on personal information. Lack of transparency in data pricing causes consumer hesitance. Ultimately, the ability to ensure a satisfactory end-use experience is the most important success factor.

Digital Signage

In McDonald's restaurant throughout China and the Philippines, the LCD TV sets installed feature McDonald's promotions and advertisements from other companies as the customers' wait for their orders. In Malaysia, similar digital signage systems are installed at local restaurants of the Kayu Restaurant chain; Malaysia's premier shopping destination – Suria KLCC; and Aquaria KLCC.

³⁷ Advertising revenue is the amount of revenue earned by media platforms/ distributors; advertising spend is the amount of advertisement spent by the advertisers/ marketers

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Source: www.clickgrafix.com

The demand for digital signages has been boosted by two reasons; improved economics and improved technology. Rapid dropping costs of the display devices and network costs, and the availability and reliability of networks increase the attractiveness of digital signage. In Malaysia, the digital signages are moving towards DSL technology, which is becoming affordable and able to cover more coverage.

Asia Media Sdn Bhd, one of the largest digital out-of-home media owners in Malaysia, installed *TransNet*, the company's digital signage network consisting over 2,000 LCD screens on 1,000 transit vehicles such as *RapidKL* buses. Advertising and programming are transmitted automatically to the vehicle using a wireless Internet network, with 30 minutes cycle basis offering audiovisual loop of custom content, mini advertorial and advertisements.

Asia Media - TransNet (the Largest Transit-TV Network)

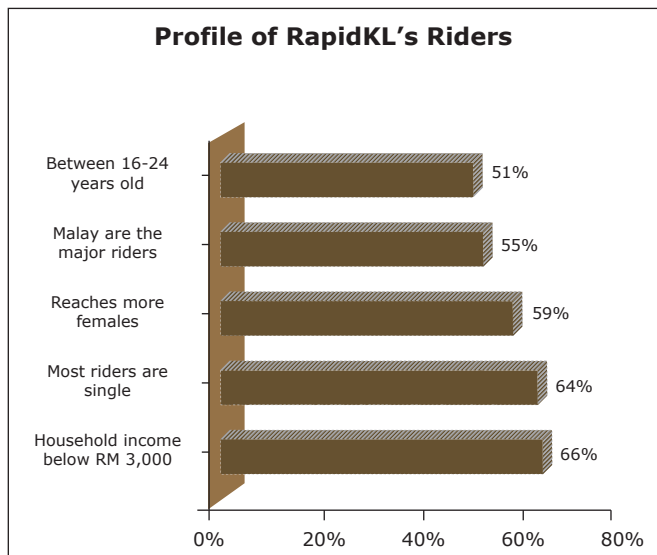
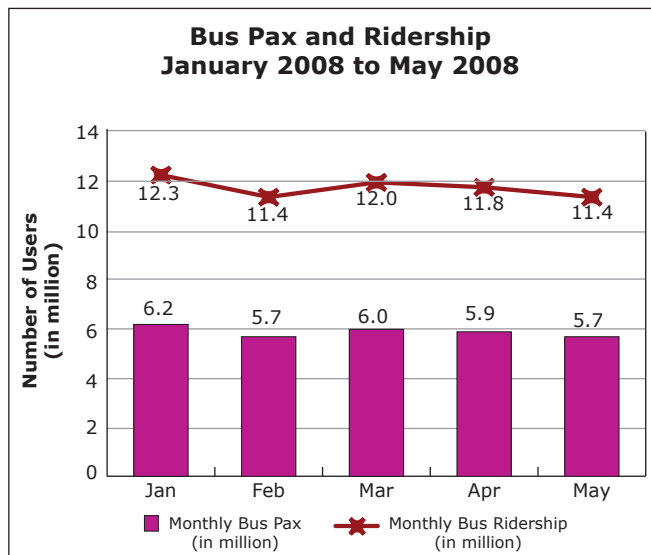


Source: Asia Media Sdn Bhd

A digital signage facility called *TransNet* allows advertisers to deliver customised advertising campaigns directly towards a more selective segment of consumers such as commuters on buses. According to the TNS Report December 2006 for RapidKL's Bus operation coverage in Klang Valley area, 70% of RapidKL travelers are under 35 years old, split between 51% in the 16 to 24 years old group and 19% in the 25 to 34 years old group. The "captive" nature of the audience in bus explains the high recall rate for ads.

Johor Bahru is the latest city where Asia Media plans to install *TransNet*. With 1.6 million inhabitants and estimated weekly bus ridership of one million, Johor Bahru represents a significant market for advertisers. The plan is to install 500 LCD on 250 Handal Indah buses that operate 16 bus

ADVERTISING MARKET IN MALAYSIA

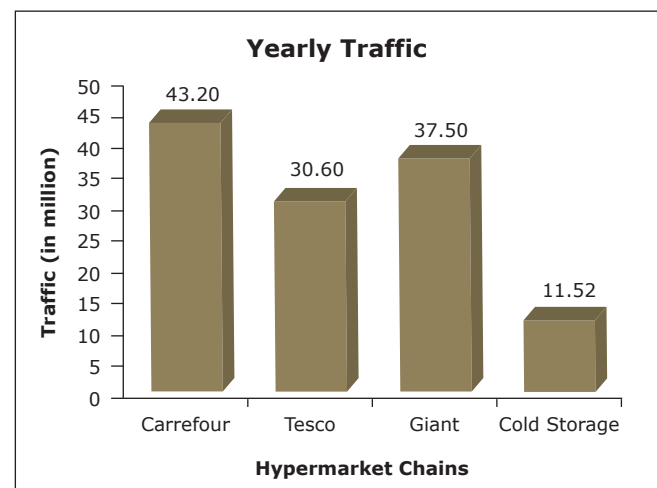
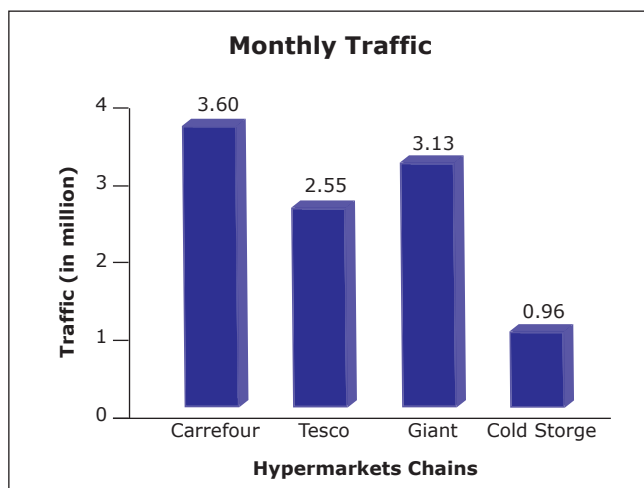


Source: "Bus Pax and Ridership January 2008-May 2008"; "Usage and Awareness: Public Transport Services in Klang Valley" both reports from www.asiamedia.net.my, 2008

routes covering Johor Bahru city centre, suburban areas, and across borders service to Singapore. Alongside advertising from companies such as Body Shop, Telekom, Exxon Mobil, Maybank, and Bernama, the company also educates the public on crime updates and community programme, called Crime Watch.

Floor Graphics

The growing proliferation of hypermarket chains has transformed the momentum of floor advertising in Malaysia marketplace. With 221,000 shoppers a day and 265,000 shopping transactions a day³⁸, hypermarket chain premises have become an opportunity for advertisers to reach consumers at the point when they are buying. Generally, time spent by a family in hypermarket varies from an hour to three hours, depending on the occasion, and the decisions are usually made by family members. Almost 94% of Malaysian shoppers do not prepare a shopping list and end up buying product that catches their eye.



Note: Based on advert from MagiqAds in ADOI Marketing Communications Magazine, January 2008
Source: ADOI Marketing Communications Magazine

³⁸ Extracted from "Magiqads Bags Exclusive Media Representation in Jusco Malls" and "Magiqads Spreads Media Magic" both article from www.adoinmagazine.com, August 2008

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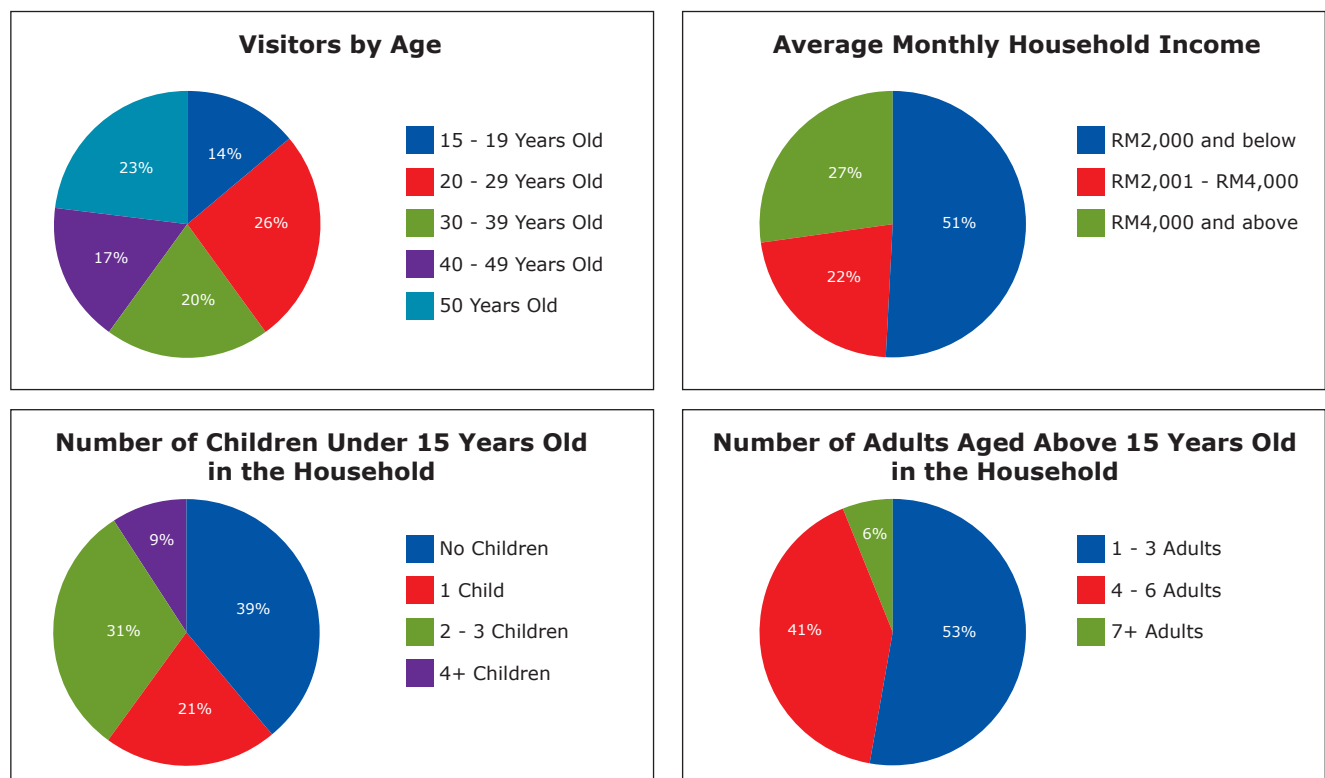
Examples of Floor Graphics



Source: Magiqads Sdn Bhd

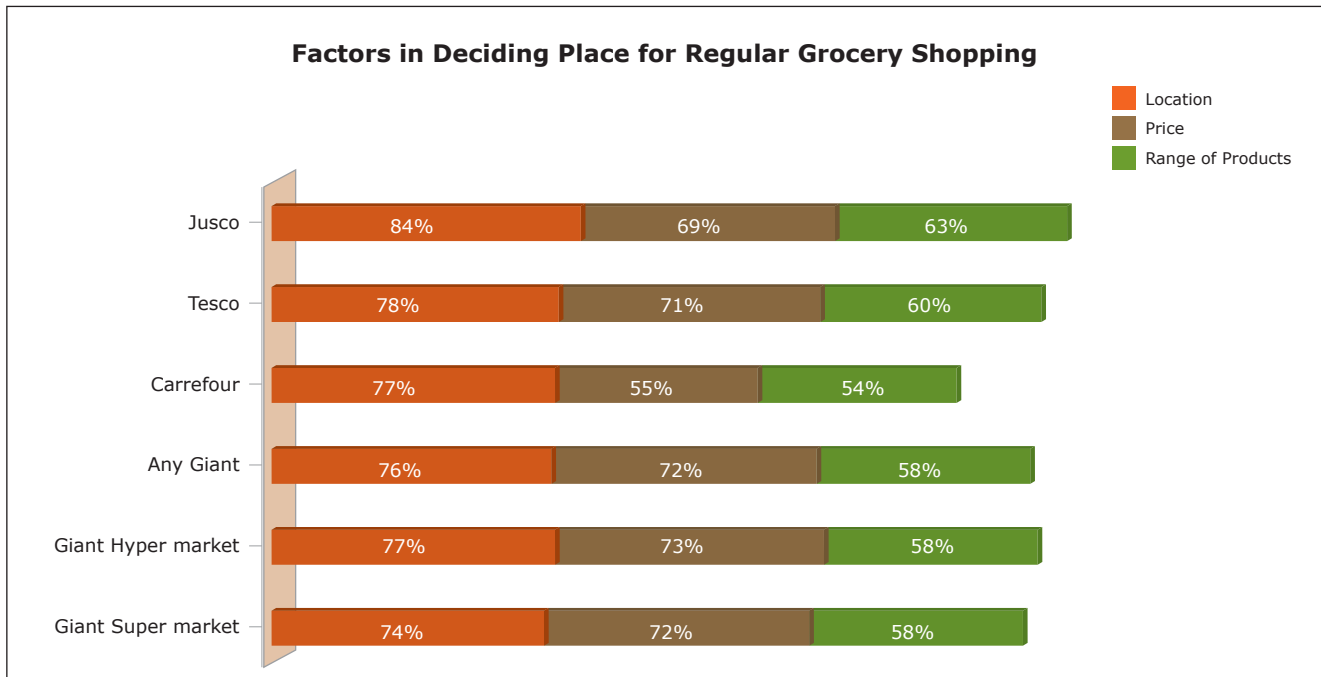
Floor graphics take advantage of shoppers with more leisure time and shop more frequently, and this increases the opportunity for marketing efforts on them. Location, price and range of products are placed as the top three most important factors for these visitors in deciding the location for their grocery shopping. From these perspectives, hypermarkets present potential opportunities for both shoppers and advertisers alike.

Super/Hypermarket Visitor Profile



ADVERTISING MARKET IN MALAYSIA

Super/Hypermarket Visitor Profile (continued)



Note: Based on visitors at Giant Super market, Giant Hyper market, any Giant, Carrefour, Tesco and Jusco
Source: "Super/Hypermarket Visitor Profile" from www.maqiqads.com

Table Talk

Table talk advertising not only creates awareness and provides information to consumers, but the medium also allows consumers a visual experience of products and services offered by advertisers. Table talk exposes consumers to the ads for duration of half an hour or more and is able to stimulate consumers' curiosity and interest. Further, Table talk advertising not only does its job when customers sit at the table, but also catches the eye of the pedestrians as they walk pass.



Source: TableTalk Media

In Malaysia, Tableview (M) Sdn Bhd acquired rights to sell advertising space on tabletops in most of the highly patronised Indian Muslim restaurants, coffee shops, hypermarket foodcourts, cafes, delis, major colleges and universities in the Klang Valley and other major town centres. Rates are RM138 and RM150 per table a month at Indian Muslim restaurants and colleges or universities respectively.

ADVERTISING MARKET IN MALAYSIA



Campaign Name: DiGi Fun Tips
Period: Mar - Jun 2008

Source: www.tableview.com.my

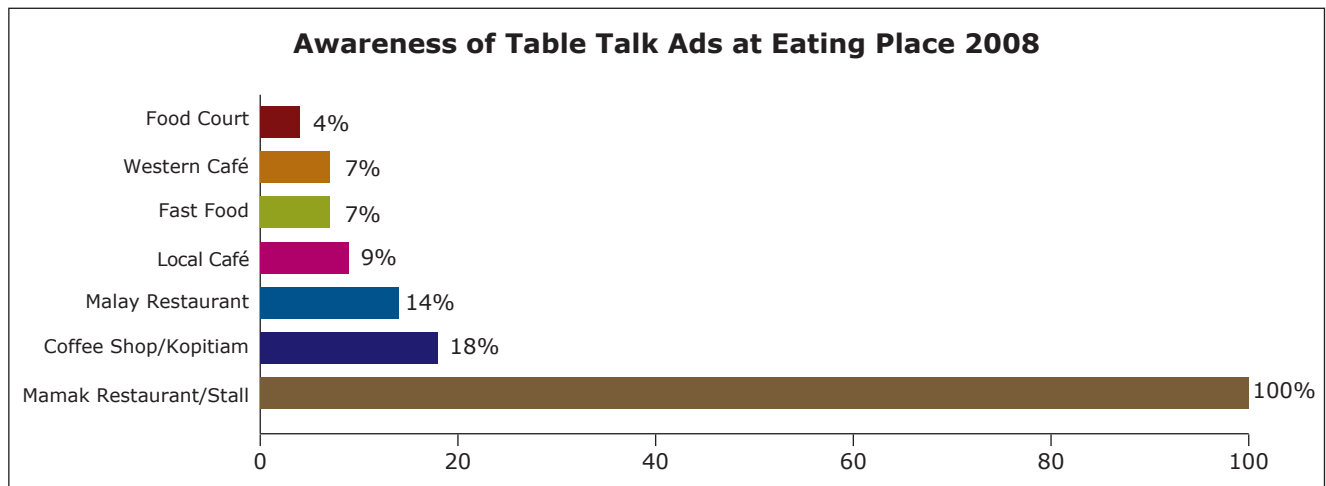


Campaign Name: Talian Nur
Period: Dec 2007 - Feb 2008



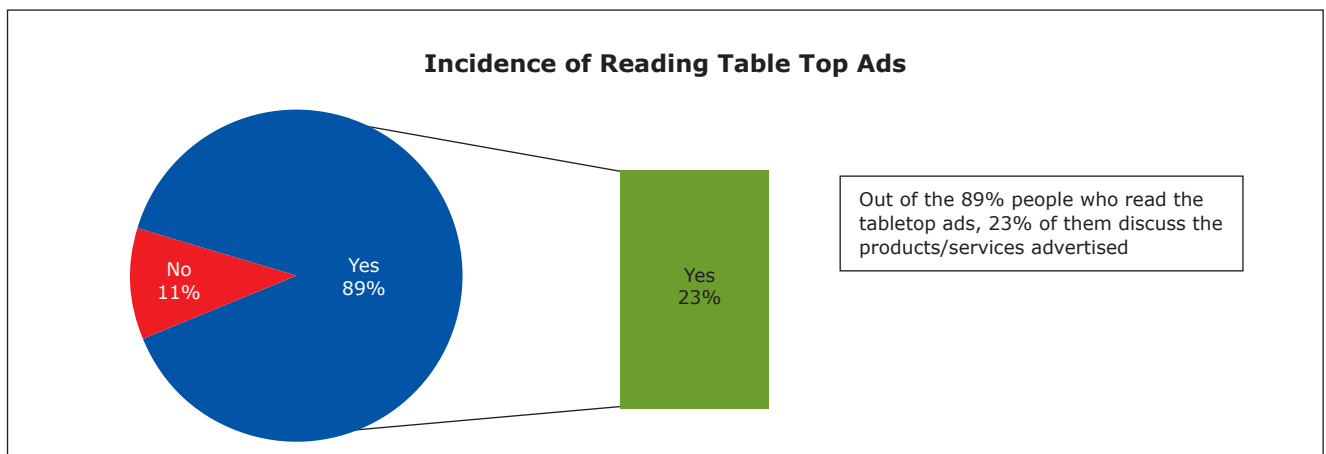
Campaign Name: TM iTalk Buddy
"Non-Stop Excitement"
Period: Dec 2007 - Jan 2008

According to *Project Panorama 3* a research done by Insight Research Sdn Bhd, table top advertisements have excellent awareness of 100% amongst Indian Muslim restaurant patrons, compared to other outlets. The survey revealed that out of 89% customers claimed to spend at least five seconds to read and to look at the ads, 23% of them discuss the product or brands on the table talk advertisements with other people. This shows that table talk advertisement can create a spontaneous action among customers, thus triggering their buying impulse.



Base: 350 respondents

Source: "Project Panorama 3", www.tableview.com.my, 2008



Source: "Project Panorama 3", www.tableview.com.my, 2008

ADVERTISING MARKET IN MALAYSIA

Ads on Vehicles

Ads on vehicles are an outdoor advertising medium that obtains a lot of exposure for a relatively low price compared to, for example, television commercials or newspaper advertisements. Companies place advertisements on vehicles owned by the company themselves such as cars, vans, cruisers and lorries. The ads are also placed on vehicles, taxis or buses, and even private cars.

With attractive colours and logos, the ads do capture the attention of the public. Ads on vehicles are also able to get the brand to areas where other advertising medium cannot reach such as residential streets, the workplace and schools. With the combination of technological advancement that allows companies to print the ads onto vinyl sheets and wrap the ads around vehicles, the market for moving ads is expected to continue to grow and develop.



Source: www.era.fm, MIX fm Sorento Road Runner



Out of Home Television Media

Out of Home television media is an outdoor screen – a combination of television broadcasting and outdoor strategic location. According to Nielsen Media Research, Media Index for the second quarter 2007, effectiveness of this type of advertising reached 3.4 million adults (15 years old and above) or 24%; and viewers across major cities such as Kuala Lumpur, Petaling Jaya, Penang and Johor Bahru. For more detailed information on Out of Home television media in Malaysia, kindly visit www.powerscreen.com.my.

BRANDING

People are using numerous types of media to communicate, and from the advertising point of view, brands can and should be part of that conversation. The process of branding is still a process of differentiation, where consumers reserve a special place in their minds for particular brands, compared with the brands of competitors. Brand can be built through differentiation strategies. The same applies in new media advertising. As brand value usually deals at high quantum levels, there is seen ample opportunity for new media in branding efforts.

THE GLOBAL 10 TOP BRANDS 2007			
Rank	Brand	Country of Ownership	Brand Value (USD million)
1	Coca-Cola	US	65,324
2	Microsoft	US	58,709
3	IBM	US	57,091
4	GE	US	51,569
5	Nokia	Finland	33,696
6	Toyota	Japan	32,070
7	Intel	US	30,954
8	McDonald's	US	29,398
9	Disney	US	29,210
10	Mercedes-Benz	Germany	23,568

Source: "The 100 Top Brands" by BusinessWeek, August 2007

The top five world's most valuable brands namely; Coca-Cola, Microsoft, IBM, GE and Nokia, originate from the developed economies. These international brands are recognised outside of their domestic customer base and create effective value for users in other markets. Although two-thirds of the global most valuable brands dominate from the western economies, many Asian brands such as Toyota and Honda are in the list of the 100 Top Brands as well.

MALAYSIA'S TOP BRANDS 2007			
Rank	Brand	Industry	Brand Value (USD million)
1	Maybank	Banking	2,764
2	Public Bank	Banking	1,967
3	Maxis	Telecoms	1,521
4	Genting	Leisure/ Entertainment	1,315
5	Celcom	Telecoms	1,167
6	CIMB	Banking	981
7	ASTRO	Media/ Entertainment	946
8	Hong Leong	Banking	888
9	Perodua	Automotive	700
10	DiGi	Telecoms	600
Total Value of the Top 10 brands			12,849

Note: This evaluation of Malaysia's Most Valuable Brands 2007 was completed in March 2007

Source: "Top 30 Malaysia Brand Values", www.aaaa.org.my, December 2007

INDUSTRY BODIES

The steady growth in the number of advertising agencies, has also seen in parallel advertising associations also formed to discuss and advance common interests. This includes regulatory bodies as well. International associations such as Interactive Advertising Bureau (IAB), World Association of Newspapers, Public Broadcasters International and World Federation of Advertisers take center stage to fulfill the need to establish, regulate and standardise advertising practice.

Selected Media and Advertising Industry Associations in Europe and US		
	Formed	Objective/Role
Interactive Advertising Bureau (IAB) Europe	1998	Develops the industry's standards and shaping policy, coordinates research, and lobbies for every media groups to help firms discover potential online marketing marketers.
European Broadcasting Union	1950	Promotes public service values, helping Members access valuable and diverse content and promotes open technical standards and interoperability for the benefit of broadcasters and consumers, and explores the opportunities presented by new technologies.
American Association of Advertising Agencies (AAAA)	1917	Offers members the expertise, services and information regarding the advertising agency business.
National Association of Broadcasters	1952	Provides its members with a strong national presence by providing a single, unified voice on issues affecting the cable and telecommunications industry.
Motion Picture Association of America (MPAA)	1922	Serves as the voice and advocate of the American motion picture, home video and television industries, domestically through the MPAA and internationally through the Motion Picture Association (MPA).

Source: Associations' website

Established in 1977, the Advertising Standards Authority (ASA) aimed to provide independent scrutiny of the self-regulatory system set up by the industry and to promote and enforce high ethical standards in advertisements in Malaysia. On August 2008, a revised of Malaysian Code of Advertising Practice was launched and ASA was assigned to administer the code. The main objectives of the code are to promote and enforce high standards in advertisements, to investigate complaints and to ensure that the system works in the public interest. Members of ASA include Malaysian Advertisers Association (MAA), Association of Accredited Advertising Agents (4A's), Malaysian Newspaper Publishers Association (MBPA) and Media Specialists Association.

Selected Media and Advertising Industry Associations in Malaysia		
	Formed	Objectives/Roles
Association of Accredited Advertising Agents (4A's) of Malaysia	1960	To promote the interest of ad agencies with the advertisers, deals with industry issues, negotiates for better practices with the other industries and industry bodies and liaises with Government and other bodies on matters affecting the work of advertising as a whole.
International Association of Business Communicators (IABC) Malaysia	1990's	Aims to promote an active local business fraternity, share new global communication practices, ideas and experiences and develop highly ethical and effective performance standards.
Institute of Marketing Malaysia (IMM)	1977	To organise, oversee, maintain, promote, protect and assist by all lawful means the rights and interests of marketing practitioners of members of the institute.
Magazine Publishers Association (MPA) Malaysia	n.a.	To support and promote integrity of the members, to be the marketing force to increase the share that magazines capture of advertising revenue, source of information and expertise about the publishing industry for both its members and community.

n.a.: not available

Source: Associations' website

CONCLUSION

The advertising industry is moving towards trends in creativity, personalisation, interactivity, multiple distributors, consumer control and connectivity. Today, the changes and developments in technology allow consumers to have more control of what they want to see, interact with, or purchase. Advertisers and advertising agencies recognising this are expected to grow more creatively and innovatively to meet the challenges of growing their advertising avenues and businesses, including the accompanying advertising business models in ways and means that can grab the traditional as well as the digital viewers' attention to maximise business opportunities arising.

Traditional media distributors need to infuse innovation and alertness to changes in the media environment into their business models so as not to risk losing significant revenue to the new media platforms such as the Internet, mobile device providers and interactive home portals. Tracking and measuring actual viewership, engagement and response to advertisements through the new media seem to be easier. Many companies are moving towards providing enhanced delivery capabilities across media platforms in line with targeted user behaviour such as mobile platforms.

Meanwhile, the Malaysian advertising market holds much promise with ample advertising opportunities in the changing traditional and new media platforms. There is a rapidly growing Internet audience in Malaysia, where marketers need to take stock of this avenue and seek ways to engage targeted audience. It is not likely that the digital media will totally transform and displace old media totally, but perhaps if players in the industry can leverage by integrating across media platforms empowering the interactive and rich media technology, audience could be engaged and communicated effectively.

ACRONYMS

3D	Three Dimensional
4A	Association of Accredited Advertising Agents
AAAA	American Association of Advertising Agencies
AQH	Average Quarter Hour
ASA	Advertising Standards Authority
ASEAN	Association of Southeast Asian Nations
B2B	Business-to-Business
D2C	Direct-to-Consumer
DAB	Digital Audio Broadcasting
DMA	Direct Market Association
DRM	Digital Rights Management
DSL	Digital Subscriber Line
DTV	Digital Television
DVD	Digital Versatile Disc
DVR	Digital Video Recorder
EL	Electroluminescence
EU	European Union
HTML	HyperText Markup Language
IAB	International Advertising Bureau
IABC	International Association of Business Communicators
IBM	International Business Machine
ICT	Information and Communication Technologies
ID	Identification
IMM	Institute of Marketing Malaysia
KLCC	Kuala Lumpur Convention Centre
LCD	Liquid Crystal Display
LEC	Light Emitting Capacitor
LED	Light Emitting Diode
MAA	Malaysian Advertisers Association
MPAA	Motion Picture Association of America
MPA	Magazine Publisher's Association
MPAA	Motion Picture Association of America
MSN	Microsoft Network
OTX	Online Testing Exchange
PC	Personal Computer
POS	Point of Sale
Q&As	Questions and Answers
RAM	Radio Audience Measurement
TNS	Taylor Nelson Sofres
TSL	Time Spent listening
TV	Television
UGC	User Generated Content
UNICEF	United Nations Children's Fund
VoD	Video on Demand
WAP	Wireless Application Protocol
Wi-Fi	Wireless Fidelity

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