

MEDIA EQUITY

**Tapping into a
niche market**

Mohd Hassan Abu



The Media

Maverick

By Seelen Sakran

TAPPING INTO A NICHE market. That is what 59 Images Corporation Sdn Bhd is all about. Having given birth last year, this little company is all gung-ho about its foray into outdoor advertising, via a concept called directional road signage.

And the man behind all this excitement is none other than Hassan, who has been given the moniker Mr. Media Owner, by some people in the industry, to which he shrieks and says 'scary'. In fact Hassan is so optimistic about this business that he believes that this venture will rake in a turnover of RM1,000 a board.

At an average of 60 boards a month being placed in KL alone, it would amount to RM60,000. But Hassan is not resting on his laurels. He has other plans as well. He intends to conquer the nation with at least 1,000 boards a month, translating that to about RM1 million.

So has Hassan re-invented the wheel then with this new venture? 'Not quite exactly,' comes his reply. I am only exploring an option that has not been fully tapped into.' Hassan feels there is a huge market out there to tap into. 'All the market needs is a bit of education. They have been so used to advertising tools such as uni-poles,

spectaculars, that it will take some time for them to know the benefits of our system.' Why? Hassan says via directional road signages, clients can have their products advertised within the city, quite unlike billboards, which can only be placed on the outskirts of a city like KL. 'We spent educating prospective advertisers for three months before they understood what we meant,' he says with a sign of relief.

Thus far 59 Images has penetrated cities like KL, Ipoh, Johor Baru, Kuantan. They are working on cities like PJ, Putrajaya and Penang. 'Once we are satisfied with our achievements in busy cities of the West Coast, we will

look into the East Coast as well as Sabah and Sarawak.' How were the city officials convinced? 'Simple,' remarks the affable Hassan. 'All we had to do was to present them with the idea that they do not have to fork out any money, that our signages can benefit tourists and motorists alike, and that our signages can actually beautify the city. They were sold!'

While Hassan does not reveal the actual cost of the signages, he does indicate the 'investments are heavy'.

'The best part is that the city officials have been so convinced that they have allowed us to have a licence for a minimum period of 10 years (the maximum being 15), unlike billboards which need to be renewed on a yearly basis,' Hassan remarks. 'Even if the city officials wish to take down the signages they have to wait for 10 years,' he laughs.

'The key aspect about these signs is that although they are small but an advertiser can benefit from the numerous places that he can place an ad within heavy traffic areas. The other thing is that it's inexpensive.' Hassan adds that his advertisers consist of small retailers like supermarkets to the big boys like the telecommunication companies.

Apart from cities 59 Images has also penetrated schools. Up until now the company has penetrated about 500-600 schools nationwide, with the help of a company called Omega Channel Sdn Bhd. 'We have placed the signs at the main entrances of the schools. The purpose is dual, the outside is to advertise products while the inside (which faces the school) is convey important social messages.'

So how did it all start for Hassan? From humble beginnings - as a sportsman! 'I started with the Malaysian Under-23, then represented the Selangor state. I then played professional rugby for the Malayan Banking Group. Though it was interesting I knew I would not go anywhere with an oblong ball,' Hassan quips.

So only after eight months, Hassan left. 'I headed for the New Straits Times (NST) where I was appointed as an executive with the marketing services department. I learnt a lot from NST, for which I am very thankful. They thought me for what I am made of now,' he adds proudly. At NST Hassan learnt about advertising, marketing and research, which he regards as very important.

Not only did Hassan learn well at NST, he also found it rewarding. Within five years, he had a number of promotions, up until his last position as field sales manager. 'I was in charge of the best selling newspapers of the NST Group - Berita Harian and Berita Minggu.' But as the turn of events would

input.' All it took was to hear Hassan input. The TV3 management decided to promote him to senior executive the very next day. 'I was shocked but pleased,' Hassan blushes.

'We started fresh, with no peer TV stations to guide us or offer us competition. We somehow managed and persevered.' A few months later Hassan was promoted to assistant commercial



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have it, Hassan changed careers from print media to television. He left NST in 1984 to join TV3, the first private television station in the country.

'But from a manager I went down to being an executive (and he's not telling why), but only for one day, I still remember, it was Valentine's Day. On that day I attended a strategy meeting and gave my

manager. He stayed on for six years at TV3. His last designation was marketing manager. Where did he head to? It's everyone's guess, to start 59 Images.

But why such a peculiar name? His answer: '59 is the year I and my other two partners were born. One partner has left though.' 'We started out with one event.' The rest as they say is no turning back.

By R. Venkateswaran

2004 HAS BEEN A BULLISH YEAR for the media - Ad spend registered its biggest jump year-on-year over the last two years. It is indeed significant that adex has registered an overall growth rate of 16.8%, almost double that of the previous year. And interestingly, this trend has shown a constant double-digit growth across all the major media barring magazines.

Danyal Abdul Malik, the executive director of Nielsen Media Research gave Brand Equity a copious update about this phenomenal growth and the reasons behind the increase.

General Trend

Among the various media that have reflected double-digit



The Government, a dogfight for eyeballs and mindspace as well as the presence of new media propels adex to significant levels

A Bullish Adex He

growth for the whole of last year, television stands out with the biggest jump of 30.2% year-on-year. Among the key reasons attributed for this drastic increase is the introduction of two free-to-air channels which have garnered a significant share of new eyeballs without affecting the existing networks.

Among others, key activities such as the Government's sustained campaign in the pre-election phase followed by the general elections itself, the 'Tak Nak' campaign eschewing smoking, the Formula One Grand Prix and the coronation of the Sultan of Selangor had

contributed a lion's share to the till.

The increased coverage of sporting events such as the hugely popular Euro 2004 as well as the Athens Olympics in the later part of the year boosted the ad spend that witnessed the highest growth since 2001.

Increased Government spending on the National Service, the multiple festive seasons, especially with Deepavali and Hari Raya falling one after the other and the Family Comes First campaign ensured that the Government was the biggest advertiser last year

with a consistent expenditure throughout the year.

Newspaper followed TV as the biggest media to register double-digit growth, in the process, continuing the trend from previous years where they recorded the highest adex contribution across all media types.

Classifieds yet again continued to be the predominant contributor to the newspaper adex space to occupy pole position among the top 10 categories of advertising.



Danyal Abdul Malik

eralds Confidence

Quarterly analysis

As can be seen from Figure 2 showcasing the % change in adex Y-O-Y from 2003 to 2004, the first two quarters of 2004 registered phenomenal growth bucking the trend from years past where the pattern of spending always showed an increase in the latter half of the year.

The growth of 24.4% in the first half of 2004 is a clear indicator of this pattern. This could be attributed to the key events mentioned earlier besides the advent of two new channels 8TV and Channel 9 which started to

report adex figures commencing in the first half of 2004.

Top 10 Category

Together, mobile interactive and line services have made a significant presence in this category with their growth rate. The increasing use of mobile phones, PDAs and combo devices have spawned the increasing transmission and use of ringtones, sms messages and games. The result showcases a whopping 133% increase in the advertising of interactive services and a 67% increase in adex for mobile line services.

The rise in adex can be attributed to the multitude of aggressive campaigns targeted at the tech savvy young population whose numbers show an exponential increase almost on a daily basis.

While classifieds continue to register a perennial increase, personal care and grooming products remain in the top 5 slots. Government institutions (local) and credit card companies follow in this illustrious lineup while cinema advertising seems to have registered a high growth with a more than 76% increase from 2003. The airline industry and recording studios round off the

Top 10 Category

Rank	Category	2003		2004	
		RM 000's	RM 000's	RM 000's	Changes
1	Classifieds	535,756	582,740		8.8%
2	Mobile Interactive Services	100,392	234,045		133.1%
3	Mobile Line Services	139,432	233,330		67.3%
4	Residential Estate	106,882	114,029		6.7%
5	Hair Shampoo & Conditioner	71,225	110,638		55.3%
6	Face Care-Woman	87,648	105,248		20.1%
7	Government Institutions-Local	69,579	90,935		30.7%
8	Credit Card	65,016	81,917		26.0%
9	Cinema Advertising	41,846	73,928		76.7%
10	Airline	37,270	64,804		73.9%
11	Recording Studio	56,803	63,465		11.7%

Top 10 Advertiser

Rank	Advertiser	2003		2004	
		RM 000's	RM 000's	RM 000's	Changes
1	Maxis	80,385	144,463		79.7%
2	Procter & Gamble	56,782	102,945		81.3%
3	Celcom	61,691	89,628		45.3%
4	Digi	45,027	80,468		78.7%
5	Nestle	45,410	60,534		33.3%
6	Unilever	55,642	60,294		8.4%
7	KFC Holdings	38,390	40,789		6.2%
8	Citibank	23,562	35,717		51.6%
9	Malaysia Airlines System	16,997	35,199		107.1%
10	Petronas	44,826	35,100		-21.7%

Top 10 Brand

Rank	Brand Group	2003		2004	
		RM 000's	RM 000's	RM 000's	Changes
1	Maxis	80,385	144,463		79.7%
2	Celcom	61,691	89,628		45.3%
3	Digi	45,027	80,468		78.7%
4	Citibank	23,562	35,717		51.6%
5	Malaysia Airlines	16,973	35,199		107.4%
6	Petronas	46,397	34,342		-26.0%
7	Telekom Malaysia	25,601	33,703		31.6%
8	Tourism Malaysia	25,755	30,757		19.4%
9	KFC	28,273	29,734		5.2%
10	Pantene	20,176	29,457		46.0%

Monthly AdEx

Month	2003		2004	
	RM 000's	RM 000's	Changes	Changes
	RM 000's	RM 000's	RM 000's	%
Jan	275,465	313,802	38,337	13.9%
Feb	219,626	304,920	85,294	38.8%
Mar	298,643	359,152	60,509	20.3%
Apr	279,051	346,982	67,931	24.3%
May	299,814	367,525	67,711	22.6%
Jun	297,344	385,629	88,285	29.7%
Jul	313,853	366,709	52,856	16.8%
Aug	353,424	402,066	48,642	13.8%
Sep	343,270	376,895	33,625	9.8%
Oct	357,328	411,447	54,119	15.1%
Nov	367,688	379,373	11,685	3.2%
Dec	380,157	408,565	28,408	7.5%
2004	3,785,662	4,423,065	637,403	16.8%

Quarterly AdEx

Q	2003		2004	
	RM 000's	RM 000's	Changes	Changes
	RM 000's	RM 000's	RM 000's	%
Q1	793,734	977,874	184,140	23%
Q2	876,209	1,100,136	223,927	26%
Q3	1,010,547	1,145,670	135,123	13%
Q4	1,105,173	1,199,385	94,212	9%

Source : Nielsen Media Research
Note: Advertising Expenditure Based on Rate Card

top 10 categories with residential estate advertising and classifieds being the only single digit growth items for 2004.

Top 10 Advertisers

It is also interesting to note that 3 of the top 10 advertisers across all media were the telecommunications companies which registered increases of more than 50% over the previous year. FMCG advertisers did show an increase in adex, but the rate of growth was significantly lower than in previous years while in the banking sector, Citibank led the way by securing a place in the coveted list.

The large scale publicity and promotions exercised through the MATTA fair presented MAS the opportunity to register its biggest

Newspaper followed TV as the biggest media to register double-digit growth, in the process, continuing the trend from previous years where they recorded the highest adex contribution across all media types.

spend level to date; recording a whopping 107.4% jump over 2003. The competition it faces from a slew of budget airlines in the region has seen the national carrier pull out all stops to retain its market share in the regional and international airspace.

Top 10 Brands

The top ten brands advertised across all media correspond to the top ten advertisers for last year. Telcos such as Maxis, Celcom and Digi occupy the top 3 rungs while the list

AdEx Growth

RM 000's	Total	YOY	Television	YOY	Newspapers	YOY	Radio	YOY	Cinema	YOY	Video	YOY	Outdoor	YOY
1998	2,179,960		699,664		1,262,469		65,509		10,651		9,711			
1999	2,474,287	13.5%	771,351	10.2%	1,471,031	16.5%	85,077	29.9%	9,665	-9.3%	10,918	12.4%		
2000	3,078,200	24.4%	935,665	21.3%	1,866,193	26.9%	101,961	19.8%	9,650	-0.2%	9,377	-14.1%		
2001	3,156,857	2.6%	878,115	-6.2%	1,936,372	3.8%	119,675	17.4%	11,387	18.0%	2,764	-70.5%		
2002	3,450,453	9.2%	921,777	5.0%	2,188,450	12.9%	144,141	20.4%	9,739	-14.5%	nil	nil		
2003	3,785,662	9.7%	999,248	8.4%	2,366,783	8.1%	152,526	5.8%	12,561	29.0%	nil	nil	61,847	
2004	4,421,012	16.8%	1,300,702	30.2%	2,669,804	12.8%	169,330	11.0%	13,994	11.4%	nil	nil	68,936	11.5%

Source : Nielsen Media Research
Note: Advertising Expenditure Based on Rate Card

AdEx Share of Voice

RM 000's	Total	Television	SOV	Newspapers	SOV	Magazines	SOV	Radio	SOV	Cinema	SOV	Video	SOV	Outdoor	SOV
1998	2,179,960	699,664	32.1%	1,262,469	57.9%	111,328	5.1%	65,509	3.0%	10,651	0.5%	9,711	0.4%		
1999	2,474,287	771,351	31.2%	1,471,031	59.5%	104,108	4.2%	85,077	3.4%	9,665	0.4%	10,918	0.4%		
2000	3,078,200	935,665	30.4%	1,866,193	60.6%	131,171	4.3%	101,961	3.3%	9,650	0.3%	9,377	0.3%		
2001	3,156,857	878,115	27.8%	1,936,372	61.3%	182,577	5.8%	119,675	3.8%	11,387	0.4%	2,764	0.1%		
2002	3,450,453	921,777	26.7%	2,188,450	63.4%	158,060	4.6%	144,141	4.2%	9,739	0.3%	nil	nil		
2003	3,785,662	999,248	26.4%	2,366,783	62.5%	159,035	4.2%	152,526	4.0%	12,561	0.3%	nil	nil	61,847	1.6%
2004	4,421,012	1,300,702	29.4%	2,669,804	60.4%	165,431	3.7%	169,330	3.8%	13,994	0.3%	nil	nil	68,936	1.6%

Source : Nielsen Media Research
Note: Advertising Expenditure Based on Rate Card

The increased coverage of sporting events such as the hugely popular Euro 2004 as well as the Athens Olympics in the later part of the year boosted the ad spend that witnessed the highest growth since 2001.

accommodates Telekom as well. Citibank and MAS round off the top 5 spot while Petronas in spite of a severe drop in adex still retained its place in the list.

A single fmcg brand (Pantene) found its way into the list despite the fact that 3 fmcg categories have found a place within the Top 10 category list. Fast food giant

KFC barely holds a spot in the Top 10 elite company in spite of being the only single digit growth brand. Petronas has decelerated in adspend by just over 20%.

Overall Summary

It's obvious that aggressive competition, in particular the telecommunications sector, has made a mark on the direction of adex in the past year.

In particular, the participation of Government institutions in weighty activities and their subsequent participation within the marketing communications arena have also propelled numbers to inspiring levels.

It remains to be seen whether 2005 will showcase a rerun.