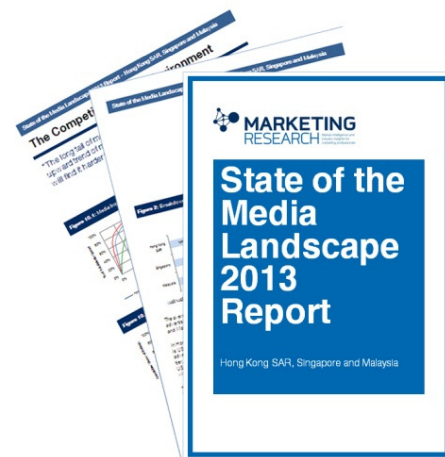


Thank you for downloading Marketing Research's "State of the Media Landscape 2013 Report" Executive Summary.

This series of reports include individual country reports for Hong Kong, Singapore and Malaysia as well as a regional report, which is a comparison of the three markets. The full reports, produced by Marketing Research are available for purchase via the [Marketing Research Centre](http://www.marketing-interactive.com/research/). (<http://www.marketing-interactive.com/research/>)



The "State of the Media Landscape 2013" reports aims to simplify the Media budget planning process for marketers and agency professional with findings directly reported by the people closest to the actual advertising and media budgets planning – client marketers, media agencies and digital agencies.

Based on a survey of **more than 1400 marketing professionals** in Hong Kong, Singapore and Malaysia, this series of reports answers the following key questions:

- What is the current state of advertising expenditure and media budgets?
- Where will growth in advertising expenditure come from?
- What is the role of traditional vs. digital media and how is this evolving?
- How can client marketers maximise their media portfolio amidst the barrage of media choices to target specific audience segments?
- How can media agencies win in the highly competitive media landscape?

The insights in this report are highly actionable, including **industry level and specific audience segment analyses**. It details the specific media brands that marketers find most effective for targeting various audience segments. **Specific audience segments covered:**

- General population 18+
- Teenagers
- Females vs. males
- Parents
- C-level
- High net worth individuals
- Luxury car buyers
- Luxury property buyers
- Female vs. male fashion/luxury product buyers
- Consumer electronics buyers
- Business travelers vs. luxury leisure travelers

For more information, please visit the www.marketing-interactive.com/research, or contact Jessica Li at jessical@marketing-interactive.com or +65 6423 0329.

Executive summary

Fragmentation of media sources, driven by micro segmentation has made media planning a much more involved task. Digital continues to grow in importance and mobile is likely to be at the center stage of the omni-channel marketing strategy that marketers are having to adopt, to deliver a seamless experience across offline and online to their audiences.

Advertising spend outlook

Marketers in Hong Kong, Singapore and Malaysia are positive about the next few years, with most of them expecting to increase their advertising budgets from 2013 to 2015. Hong Kong’s marketers have higher advertising budgets than Singapore and Malaysia, but faster expected growth in Singapore and Malaysia from 2012 to 2015 will narrow this gap.

Advertising expenditure growth is likely to occur in most industries. Notable growth trends are:

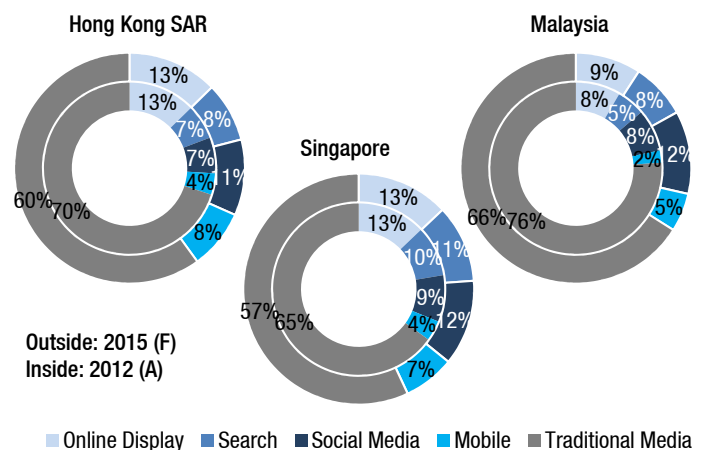
- Growth of advertising spend in Automotive spans across all three markets, with CAGR of 10–23% expected from 2012 to 2015. Automotive should therefore be a key focus area for agencies with regional capabilities
- Healthcare in Malaysia is likely to see growth of ad spend at a CAGR of 14.5% between 2012 and 2015, much higher than Hong Kong (2%) and Singapore (3%).
- The largest growth industries differ across the markets. They are Logistics and Business Services in Hong Kong, Arts & Entertainment and Education in Singapore, and Healthcare and Education in Malaysia.

Media budget landscape

Traditional media will continue to be highly relevant despite the rise of digital media, especially as marketers adopt an omni-channel marketing strategy.

- Newspapers, magazines and TV remain as pillars in all three markets with combined 43–51% share of the total media budget.
- Mobile is on the rise: Marketers expect mobile’s share of the entire media budget to increase 3–4% across the markets from 2012 to 2015.
- Social media is now mainstream: It is already a key digital component across all three markets.
- Online display is the key digital media currently employed by marketers, but growth will stagnate as focus shifts to mobile and social media. Social media is expected to overtake online display in Malaysia by 2015, while it is on par with online display in Hong Kong and Singapore.

Breakdown of digital media out of total media budget (%) by country – 2012 and 2015



Marketer-media agency disconnect

Client marketers are ahead of media agencies in digital media adoption, and there are discrepancies in specific media priorities. The marketer-media agency disconnect threatens to undermine the performance of marketers' media portfolios.

Marketers can maximize their media portfolio by:

- Budgeting for media auditors to assess media buying performance
- Ensuring alignment with media agencies
- Leverage fellow marketers' experiences to identify the most effective media brands for targeting specific audiences (Tables 3-5)

The competitive environment for agencies

The long tail of media buyers and agencies coupled with the upward trend of media auditors usage, implies that media agencies will find it harder to secure and retain top advertiser accounts.

To remain competitive, media agencies need to:

- Identify key clients in Hong Kong and Singapore, as 80–90% of media revenue will come from the top 20% of clients.
- In Malaysia, cast a wider net, as the top 20% of client marketers make up only 53% of total media budgets.
- Stand out in top 10% of preferred media agency rankings, by developing a deep understanding of the client marketer influence landscape and ensuring alignment with client marketers in their media allocations.

KEY QUESTIONS ANSWERED

- What is the current state of advertising expenditure and media budgets?
- Where will growth in ad expenditure come from?
- What is the role of traditional vs. digital media and how is this evolving?
- How can client marketers maximize their media portfolio amidst the barrage of media choices to target specific audience segments?
- How can media agencies win in the highly competitive media landscape?

ABOUT THE REPORT

This report is based on findings from the 2013 Media Spend Benchmarking study, which collected the feedback of 1439 client marketers and agency partners across Hong Kong (n=344), Singapore (n=761) and Malaysia (n=334). The study was carried out by Marketing Research, the research unit of the Marketing magazine. *(For a detailed methodology description, please refer to the methodology section at the end of this report.)*

The results reported are considered the most accurate reflection of advertising spend and expected growth, budget allocations and trends in the media landscape in this region because all the analyses are based on primary research findings directly reported by people closest to the actual advertising and media budgets planning – client marketers, media agencies and digital agencies. (Only aggregate results are published and individual company information is held in strict confidences with Marketing Research.)