



**MARKETING
RESEARCH** Market intelligence and
industry insights for
marketing professionals

Malaysia 2014 Creative Agency Rankings & Strategy Toolkit

- **Marketing Services Opportunities Overview:** Creative services opportunity and competitive analysis relative to other marketing services
- **Agency Rankings & Performance Index:** Creative services, brand consultancies and content marketing
- **Key Industries for Creative Services:** Highest growth and top spenders in creative services

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Table of contents

Executive Summary	3
Marketing Services Opportunities Overview	4
Marketing services opportunity size & competitive analysis	
Agency remuneration model trends	
Agency selection criteria	
Holding companies dominance across marketing service	
Whitespaces in newer marketing service areas	
Agency Rankings & Performance Index	13
Creative services agency	
Brand consultancies	
Content marketing services	
Key Industries for Creative Services	20
Industry creative services expenditure growth and size	
Key industry fact sheets – preferred agencies, marketing budgets size and allocation, loyalty to agencies, and preferred remuneration models	
Annex	27
1. Methodology	
2. Sampling	
3. Definitions and exchange rates	

Executive Summary

Despite a saturated marketing services landscape in Malaysia, there are opportunities for advertising and marketing agencies to grow their business and defend their positions in respective marketing service areas (i.e. creative, media planning/buying, public relations, event marketing, direct marketing and market research). The growth strategies for different types of agencies are unique due to different competitive forces in each marketing service area.

However, agency growth objectives often result in them jumping on the bandwagon to offer upcoming marketing services. This often leads to silos being created within agencies, with new teams set up in agencies to focus on this expertise that may not be fully integrated into the rest of the company's work. Unintentionally, agencies may focus too much on the new tool rather than the clients' problems and needs. Therefore, agencies must constantly make it a point to give the client 'a seat' at their agency strategy 'planning table'.

In this report, Marketing Research breaks down three key insights into the Malaysia creative services landscape in 2014:

1. Through offering a wider range of services in relatively untapped areas of loyalty/CRM marketing, digital marketing, content marketing and brand consulting, creative agencies can bolster their positioning and grow. Creative services is the second largest component in the marketing budget, with the average client-side marketer in Malaysia allocating 20% of their marketing budget to creative services. The opportunity in creative services is quite close to that of event marketing and media planning/buying in Malaysia, unlike in some other Asian markets where event marketing often takes a considerable lead. Competition in the creative agency space is intense – the highest among marketing services in Hong Kong.

2. Leo Burnett, Ogilvy & Matter and Naga DDB are the top three agencies in overall creative agency rankings and brand consultancy rankings – they are well-poised to leverage the benefits from offering additional expertise in brand consulting, which tends to elicit higher loyalty from client-side marketers in Malaysia. Leo Burnett takes the top rank again in the 2014 Malaysia creative agency rankings. Ogilvy, which was third ranking in 2013, is now in second place, overtaking Naga DDB slightly. Having increased its profile and business in Malaysia through thought leadership and digital expertise emphasis, Ogilvy is catching up with its powerhouse perception in Malaysia, where the agency is already established in other parts of Asia such as Singapore and Hong Kong. While Naga DDB comes in third, it earns the highest API, having a history of award-winning campaigns and strong client relationships to bolster its reputation.

3. In Malaysia, creative agencies must cast a wider net across client industries, in order to capture key clients for growth and key accounts. From 2014 to 2015, the key industries for creative agencies in Malaysia are IT/Telecoms, Consumer Products, Property and Automotive, which are top creative services spenders that are also expecting relatively high increases in creative services. For growth, creative agencies can also target clients in Business Services, Retail and Logistics, where clients are expecting to increase investment in creative services, although from a smaller spend base.

ABOUT THE REPORT

This report is based on findings from the 2014 Marketing Spend Benchmarking study, which collected the feedback of 1223 client marketers in Asia. In Malaysia, a total of n=315 responses were collected. The study was carried out by Marketing Research. Only aggregate results are published, and individual company information is held in strict confidence with Marketing Research.

Marketing Services Opportunities Overview

“Creative agencies can bolster their positioning and grow by offering a wider range of marketing services, especially in relatively untapped marketing service areas such as loyalty/CRM, digital marketing ,content marketing and brand consulting.”

The marketing services landscape in Malaysia is saturated

“Among marketing services in Malaysia, creative services fall into the top-left quadrant, where the opportunity size is relatively larger but competition is also among the highest.”

Once clearly defined, the lines between separate areas of marketing services are now blurred. Agencies are constantly evolving to the needs of clients’ briefs, adopting new marketing techniques and developing new expertise areas. This presents new opportunities for agencies to develop deeper relationships with their clients, and also to enter new marketing spaces for growth and differentiation.

However, before agencies invest in new service areas, it is critical for senior management to fully understand the various marketing opportunities – that is, how big is the opportunity and how stiff is the competition?

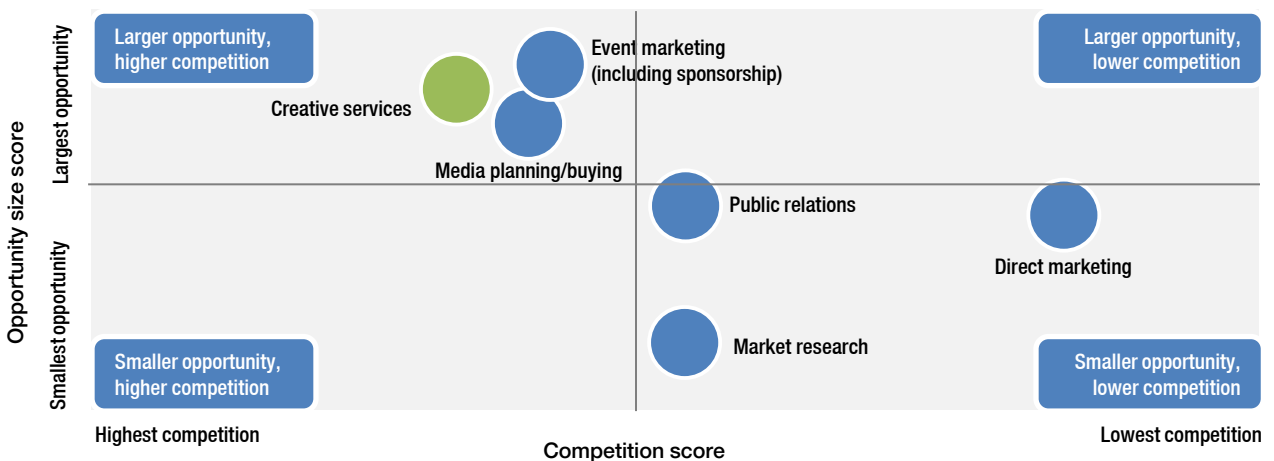
Figure 1 puts into perspective the landscape for various marketing services opportunities. Based on a survey of more than 300 client marketers in Malaysia, Marketing Research calculated an opportunity size score (x-axis) and a competition score (y-axis) for each marketing services area.

The opportunity size score considers the share of marketing budget allocated to each marketing services area, the growth forecast and the incidence of use among client marketers. The competition score considers the number of players in that area, the average number of agencies used by marketers, and the strength of preference for top tier agencies.

The marketing services landscape in Malaysia is saturated, evident from the fact that no service area falls into the top-right quadrant of larger opportunity size and lower competition.

The creative agency space is mature, with many agencies fighting for a share of clients’ creative budget. The opportunity size is relatively larger but competition is also among the highest. Among marketing services in Malaysia, the opportunity size in creative services is the second largest, trailing only that of event marketing. Yet, creative agencies operate in one of the most competitive environments.

Figure 1: Marketing services opportunities landscape for 2014 – Malaysia



Largest opportunities in event marketing, creative services & media planning/buying

“Event marketing is arguably one of the most attractive service area, with largest opportunity and relatively lower competition.”



Creative services, events marketing and media planning/buying services fall into the larger opportunity, higher competition quadrant (Figure 1).

Creative services agencies operate in the most competitive environment out of all marketing services. This is driven by the large number of creative agencies operating in Malaysia, leading to a highly fragmented agency long tail (Figure 2). However, top agencies' stronghold is relatively weaker, compared with media planning/buying services and market research.

The opportunity size for creative services is the second largest among marketing services in Malaysia, but is quite close to that of event marketing and media planning/buying services (Figure 2). This is due to a smaller share of the marketing budget that marketers allocate to creative services (20%) compared with event marketing (23%).

STRATEGY TIP: Creative services is a challenging area for boutique/new agencies to cut through the clutter, and is also where top agencies must further solidify positioning through greater differentiation.

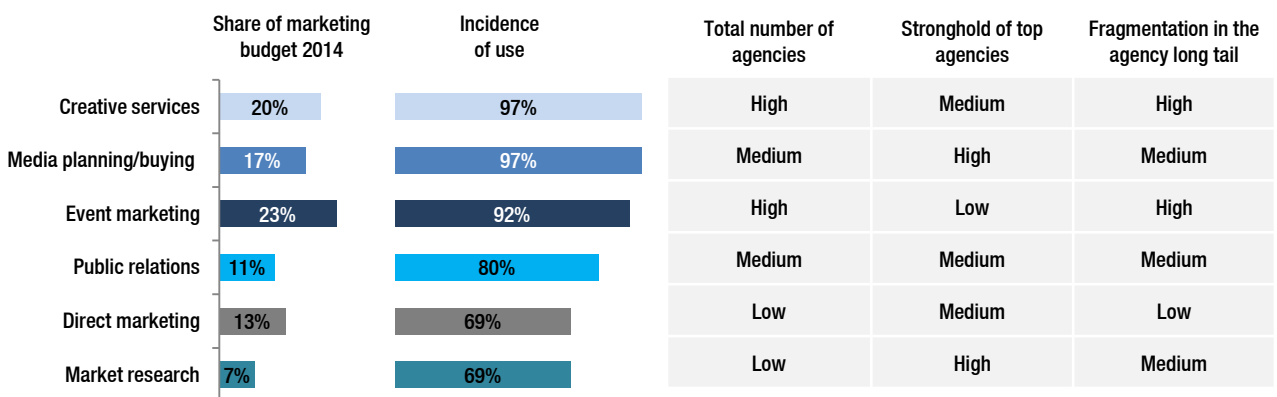
Event marketing is an attractive marketing service opportunity in the short term, having the largest opportunity size with relatively lower competition than creative services and media planning/buying. Event marketing takes up a large share of the client marketer's marketing budget (23%) (Figure 2).

Event marketing is a highly competitive area, with more agencies fighting for share of clients' preference than other marketing services. Yet there is still no dominant player, where the stronghold of top agencies is low (Figure 2).

STRATEGY TIP: There is an immediate opportunity for event marketing agencies to establish themselves in this space to become a dominant, preferred agency. However, this is likely to be a short-term opportunity where agencies need to act fast with aggressive sales and marketing efforts.


Media planning/buying agencies in Malaysia is a battlefield of agencies from large global ad networks, where the stronghold of top agencies is high (Figure 2). Among marketing services, it is the third largest opportunity in Malaysia, with relatively high competition as a result of high entry barriers in a playing field of large, dominant agencies.

Figure 2: Business environment of marketing services for 2014 – Malaysia



“Similar opportunity size for direct marketing and PR, but lowest competition for direct marketing services; small opportunity in market research needs tapping into other budget areas for growth.”

STRATEGY TIP: It will be extremely difficult for boutique/new agencies to carve a niche in media services due to top agency stronghold. As in creative services, top agencies must defend their positioning through greater differentiation.

 **Public relations (PR), direct marketing and market research fall into the smaller opportunity, lower competition quadrant** (Figure 1).

PR agencies in Malaysia operate in a relatively similar environment to media planning/buying services, with a slightly smaller opportunity size and corresponding lower competition. This is driven by the lower incidence of use of PR services among client marketers (80% in PR 97% in media), and the lower stronghold of top agencies (Figure 2).

Top PR agencies have a relatively lower stronghold in client marketers' preference share compared with top agency stronghold in the media and creative rankings.

STRATEGY TIP: PR agencies must differentiate themselves with expertise areas and build deeper client relationships to solidify client marketer preference.

Direct marketing has an opportunity size similar to that of PR. It also enjoys the lowest competition among marketing services in Malaysia, making it an attractive area to specialize in. On average, direct marketing receives 13% of the client marketer's marketing budget in Malaysia, but has a relatively lower incidence of use at 69% (Figure 2).

Direct marketing is the least fragmented marketing service in Malaysia, receiving the fewest unique mentions in agency rankings in Marketing Research's Marketing Spend Benchmarking Survey, resulting in low fragmentation in the agency long tail for direct marketing (Figure 2).

STRATEGY TIP: Direct marketing is an area where independent/boutique agencies and new entrants will find it relatively easier to carve a position for themselves, compared with other marketing service areas in Malaysia. Established agencies in other marketing services areas can also expand into direct marketing, to increase their overall business revenue, in an area that is relatively untapped.

Market research is often the least important item in the client marketer's budget, receiving the lowest share of marketing budget (7%) (Figure 2).

The main challenge that market research agencies face is the stronghold of the top agencies which have a high preference share among marketers. This is largely a result of a lack of marketing efforts by research agencies in general, which are generally the least active in awards participation and B2B marketing efforts. This is a phenomenon that is observed within the market research landscape across Asia.

Even though several global market research agencies enjoy a large market share,, Marketing Research's agency rankings results highlight the dominance of one agency – Nielsen (Figure 8). This is partly due to Nielsen's focus on syndicated media research, which has propelled awareness and consideration among marketers who are often concerned with audience data.

STRATEGY TIP: Boutique/new agencies have a chance to establish themselves before the market leaders step up in their marketing efforts. Established market research agencies need to invest in B2B marketing in order to improve consideration among client marketers that have control over the marketing budget allocation. Growth will require market research agencies to upgrade their offerings to tap into other areas of the marketing budget, and/or provide active education of marketers as a whole as to the importance of market research to increase adoption.

In Malaysia, new business opportunities exists, especially among Property clients

“There is an increase in outsourcing, but clients are generally shifting away from retainer models, indicating reduced loyalty and increasingly demanding clients, especially among clients from Consumer Products and Property industries.”

Overall, Malaysia-based marketers are increasingly outsourcing marketing functions. From 2013 to 2014, there has been a 9% increase in the proportion of marketers who outsource marketing services (Figure 3).

However, there is also a shift away from retainer remuneration models to project-based models. This is an indication that marketers are increasingly demanding and perhaps less loyal, preferring not to be bound to retainer arrangements (Figure 3).

While retainer accounts could allow a deeper relationship to be built between the client’s organization and the agency, it could also hold companies hostage to agencies they are not satisfied with. With a higher proportion of dissatisfied marketers with retainer accounts than project basis models, it is unsurprising that marketers are shifting away from retainer models to project-based.

The shift to project-based remuneration models is led by clients in Property and Consumer Products, where adoption is expected to increase by 43% and 22% respectively (Figure 4).

IT/Telecoms is an exception, where retainer models are still being increasingly adopted, on par with increases in project-based remuneration models (Figure 4).

Figure 3: Agency remuneration model usage and satisfaction for 2014 – Malaysia

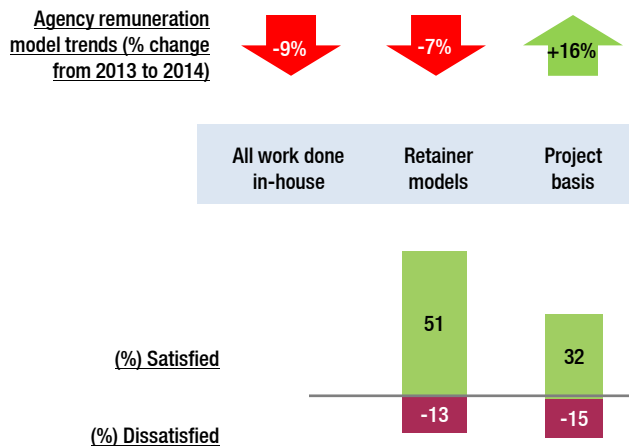


Figure 4: Agency remuneration model trends by industries for 2014 – Malaysia

	All work done in-house	Retainer models	Project basis
Consumer Products	↓ -9%	↓ -13%	↑ 22%
Property	↓ -27%	↓ -17%	↑ 43%
Energy/Utilities/Government	↓ -3%	↓ -6%	↑ 9%
IT/Telecoms	↓ -9%	↑ 5%	4%
Financial Services	↓ -7%	↓ -1%	↑ 8%

Clients willing to pay more if agencies are creative and are trusted advisors

“Clients want to be understood yet silos within agencies are often created, with agencies developing new expertise areas that are not always aligned with clients’ business problems.”

Agency growth objectives often result in agencies jumping on the bandwagon to offer upcoming marketing services. This often creates silos within agencies, with new teams set up to focus on this expertise that may not be fully integrated into the rest of the company’s work. Unintentionally, agencies may focus too much on the new tool, rather than the client’s problems and needs.

Agencies must constantly make it a point to give the client marketer ‘a seat’ at their strategy planning

table. With the client marketer’s business and marketing objectives at the heart of the agency strategy, agencies must then carefully evaluate the various marketing services opportunities against internal organisational expertise and cultures, before implementing new business units.

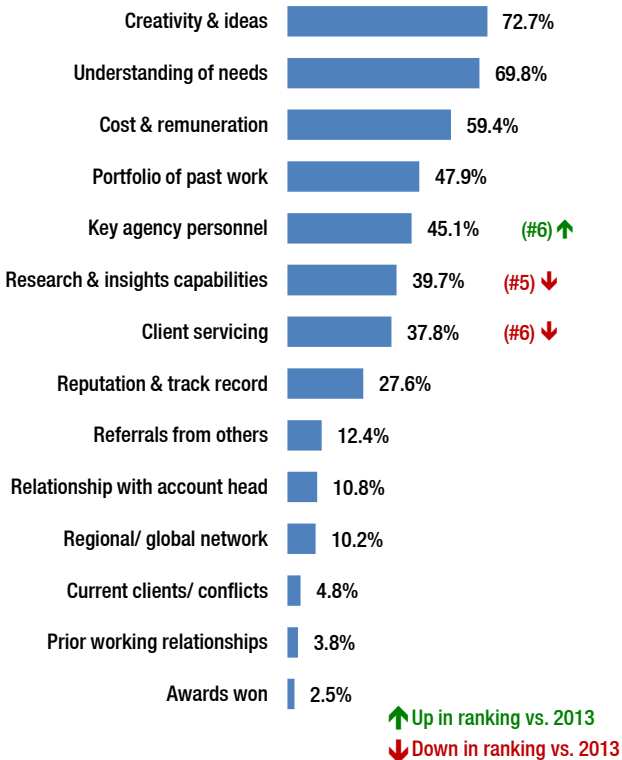
Quality over cost

Agencies need to be creative to produce work that stands out from the rest, while account directors need to focus on being a trusted advisor to their clients by developing a greater understanding of different clients’ needs across industries.

Cost continues to be important, but trails the top two decision factors by a considerable distance – creativity and understanding of needs. This emphasizes the client marketer’s need for quality, and that they are not looking for the cheapest option available (Figure 5).

The capability assessment goes beyond the agency’s portfolio of past work or key agency personnel. Despite having slipped slightly from 2013 to 2014, research and insights capabilities and client servicing continue to be important. Yet, given that every great creative idea starts with a consumer truth, it is perhaps surprising that research and insights capabilities is not ranked higher. This could be a result of silos within agencies limiting the impact of research and insights on clients’ projects. However, with increasing emphasis on return on investment, big data and analytics, research & insights capabilities is likely to become increasingly important, but agencies must ensure new capabilities such as analytics are well-aligned with their core offerings to deliver added value to their clients.

Figure 5: Agency selection criteria for 2014 – Malaysia



Additional expertise in brand consulting or digital marketing could improve loyalty

“Largest opportunities in creative, event marketing and media services face highest degree of promiscuity among clients, indicating a need to improve loyalty by bundling other marketing services where client loyalty is higher.”

Overall, client marketers are most promiscuous in their relationships with creative and event marketing agencies, with users of these services engaging more than two agencies on average (Figure 6).

Therefore, creative agencies that are exploring ways to improve clients’ loyalty will need to explore alliances with other areas of marketing services.

Even though PR agencies enjoy a relatively high degree of client loyalty compared to other mature marketing services such as creative & media planning/ buying, it is an area where non-PR agencies seeking to leverage the relatively high degree of client loyalty in PR can only do so through strategic alliances with PR agencies instead of offering additional PR services, as PR tend to be offered by ‘pure play’ PR agencies.

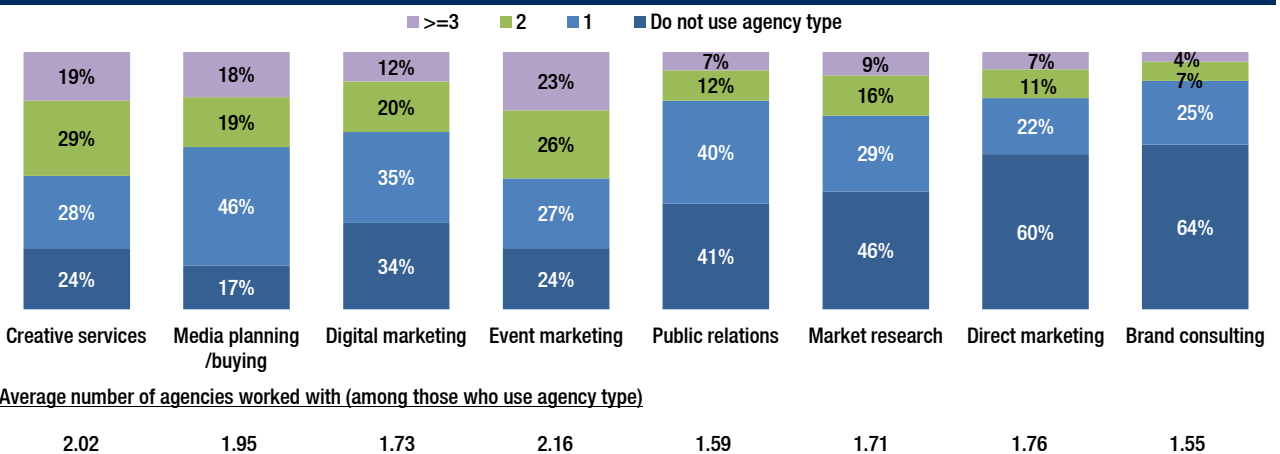
Overall, the digital agency landscape remains untapped, and global advertising companies

have yet to establish themselves with dominant positions (further discussed in Figure 8). There is therefore a short-term opportunity for agencies to improve client loyalty by offering digital marketing services.

Highest loyalty in brand consulting and first-mover advantage makes it an ideal candidate for new services that agencies can offer. Among marketing services, users of brand consulting engage an average of 1.55 agencies, the lowest among marketing services. In addition, 64% of Malaysian clients do not currently use branding consulting services, presenting agencies with a first-mover opportunity to educate clients on the value of this service area.

A strong brand consulting and/or digital marketing offering could improve loyalty among client marketers, but will need to be evaluated alongside the agency’s organisational structure.

Figure 6: Number of marketing service agencies that client marketers work with in 2014 – Malaysia



WPP, Publicis and Omnicom are dominant players, but whitespaces still exist

“The agency landscape in digital, event marketing and content marketing services are the most fragmented, with lowest agency holding groups dominance.”

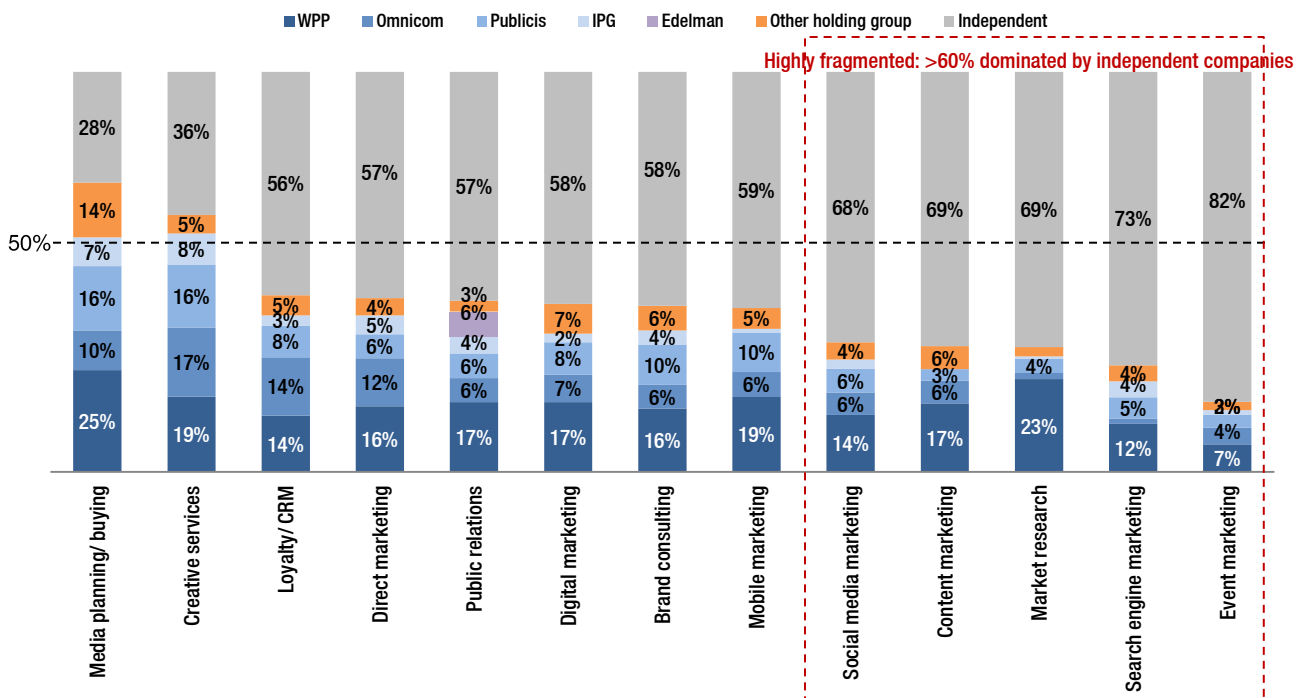
In Malaysia, the most prominent global advertising networks are WPP, Omnicom and Publicis (Figure 7). Mentions of agencies belonging to the large global ad networks correlate with the size of each holding group. As the largest, WPP agencies hold a correspondingly large presence in clients’ top-of-mind preferences across most marketing services, with Omnicom and Publicis’ agencies competing for second across most marketing service areas, IPG has presence across most marketing services in client marketers’ preference, but is relatively weak compared to the other holding groups.

Even though WPP’s agencies combined clearly take up a significant proportion of agency rankings in Malaysia, it is relatively weak in the Malaysian advertising and marketing agency

space, compared to other Asian markets such as Hong Kong and Singapore. This is largely due to Ogilvy’s relatively weaker powerhouse position in Malaysia (further explored in the agency rankings & performance index section). Notably, WPP’s agencies competes with Omnicom’s and Publicis’ agencies for leadership in the creative agency rankings in Malaysia, where it is often a clear leader in other Asian markets (Figure 7).

Despite the large presence of holding groups in Malaysia across marketing services, the digital marketing (social and search), event marketing, and content marketing space is relatively untapped, where there is a large proportion of independent agencies in the respective agency rankings (Figure 7).

Figure 7: Overall agency rankings by network/ownership for 2014 – Malaysia



Loyalty, event, digital & content marketing are unconquered territories

“Ogilvy and Leo Burnett are the two strongest agencies in the Malaysian marketing and advertising space, earning the highest client marketer agency preference in many marketing service areas.”

Due to the halo effect of prominent agencies, these agencies with a strong global footprint tend to receive votes from clients across the range of marketing services. Figure 8 is an illustration of the overall Malaysian client marketers’ agency preference for various marketing services, regardless of their level of experience with the agency/marketing services. It is an indication of overall awareness and perception that client marketers have towards agencies operating in the Malaysian marketing landscape.

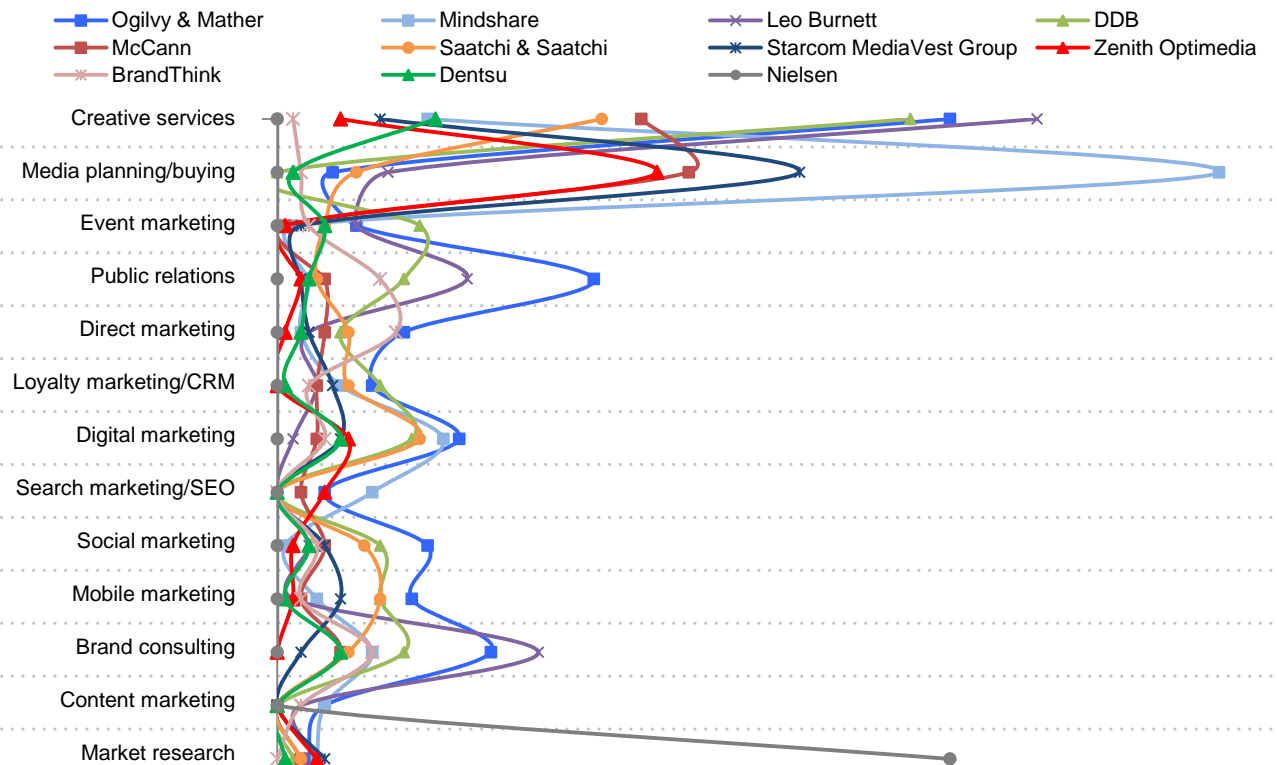
presence across multiple marketing services areas, with varying degrees of leadership in different areas (Figure 8).

BrandThink is the most prominent independent agency in Malaysia, with presence across many marketing service areas (Figure 8). BrandThink has relative strength in direct marketing, earning an agency ranking that is almost on par with Ogilvy.

Overall, event, loyalty/CRM, digital (social, mobile and search) and content marketing are relatively unconquered areas, with no dominant agencies yet.

Ogilvy & Matter, Leo Burnett, Naga DDB, Mindshare and McCann have relatively strong

Figure 8: Overall agency rankings by number of votes in each marketing service for 2014 – Malaysia

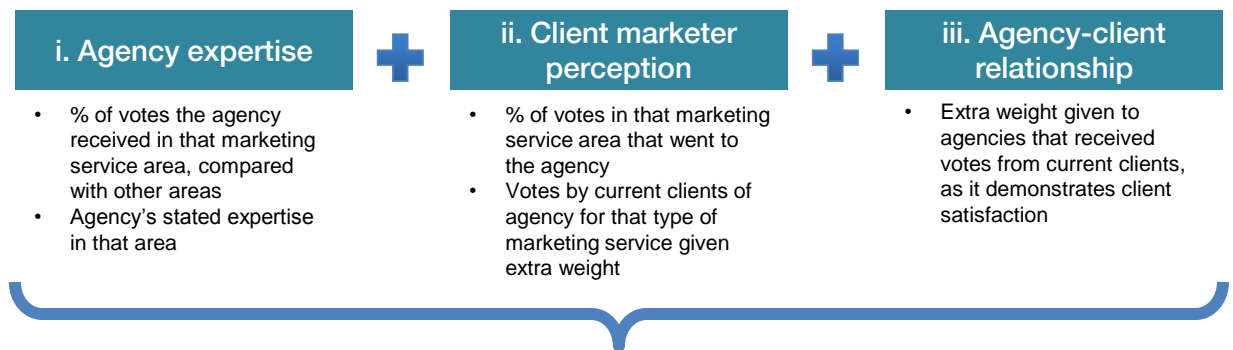


Agency Rankings & Performance Index

“Leo Burnett, Ogilvy & Matter and Naga DDB are the top three agencies in overall creative agency rankings and brand consultancy rankings – they are well-poised to leverage the benefits from offering additional expertise in brand consulting, which tends to elicit higher loyalty from client-side marketers in Malaysia.”

Agency rankings vs. agency performance index

“Agency performance index scores are shown alongside spontaneous agency rankings to provide an additional layer of context for understanding the agency ecosystem.”



Agency performance index (API)

The API scores are shown alongside spontaneous agency rankings to provide an additional layer of context for understanding the agency ecosystem.

Agency rankings: Spontaneous mentions for agency most likely to be engaged with by client marketers.

API: A meaningful indicator of agency performance that encompasses three main components: agency expertise, client marketer perception and the agency-client relationship. API is a composite score out of a maximum of 10 points.

i. Agency expertise: Clients' perceptions of agency expertise are not always aligned with the agency's focus areas. API removes this bias by taking into account the proportion of votes that an agency received for a marketing discipline out of the total votes it received overall, as well as the agency's self-proclaimed expertise areas.

ii. Client marketer perception: Inevitably, when asked to identify an agency they would like to work with, clients most often name agencies they have seen or heard the most about, skewing the rankings towards larger agencies. This heavily disadvantages smaller agencies which might be building strong relationships with a smaller cluster of clients.

The 'perception' component of the API is largely based on the raw rankings scores, but gives higher weighting to those clients who currently work with an agency in that marketing area, as they are best placed to understand which agencies actually deliver results. This removes the 'big agency' effect in the agency evaluation.

iii. Agency-client relationship: The 'client relationship' rewards agencies that received votes from clients they currently work with, attesting to the quality of their services and their ability to build a good rapport with clients.

Stiff competition for Malaysian creatives

“Leo Burnett takes the top rank again in this year’s creative agency rankings, with Ogilvy and Naga DDB close behind in second and third place respectively.”

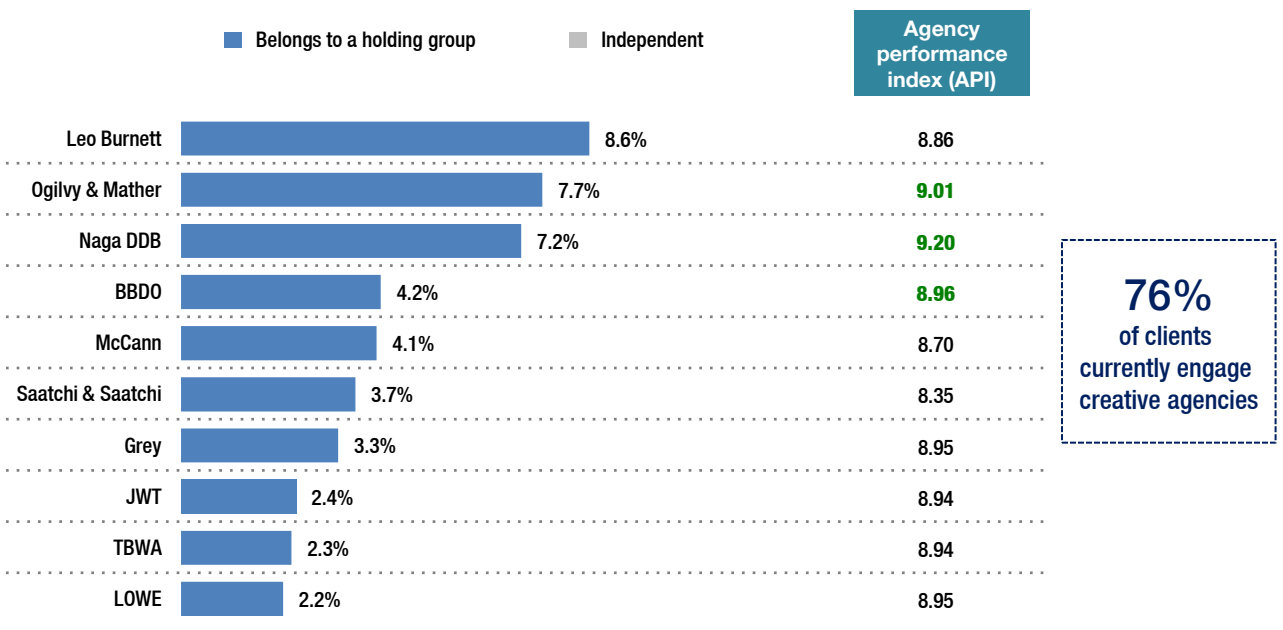
Leo Burnett takes the top rank again in the 2014 Malaysia creative agency rankings, edging out close second and third place Ogilvy & Matter and Naga DDB. **Ogilvy, which was third ranking in 2013, is now in second place, overtaking Naga DDB slightly.** Having increased its profile and business in Malaysia through thought leadership and digital expertise emphasis, Ogilvy is catching up with its powerhouse perception in Malaysia, where the agency is already established in other parts of Asia such as Singapore and Hong Kong.

While Naga DDB comes in third, it earns the highest API, having a history of award-winning campaigns and strong client relationships to bolster its reputation. It is positioned as a strong contender in the creative space due to its more distinctly local positioning, and holds substantial sway amongst clients that have worked with it.

Agency Performance Index (API) scores across the top 10 agencies fall within a relatively narrow range – further proof that competition is stiff in the creative space. No independent agencies made it into the top 10 rankings, demonstrating the tough challenge smaller agencies face in establishing name recognition and business in this field.

On a macro level, there has been some reshuffling in holding group dominance since last year. Publicis held the largest share of creative votes at 16% in 2013, but WPP emerged this year as a holding group with the largest share of mentions at 19% (up from 14%). This is largely due to Ogilvy’s strong surge of votes this year. Omnicom’s share raise slightly from 15% in 2013 to 17% in 2014, and former leader Publicis has fallen from first to third place with 16% of votes in 2014 (Figure 7).

Figure 9: Top 10 creative agencies – agency rankings and API for 2014 – Malaysia



Leo Burnett, Ogilvy & Naga DDB benefits from additional brand consulting expertise

“Leo Burnett’s legacy of award-winning advertising and strong focus in client account servicing garners clients’ trust in brand strategy management, earning high overall rankings and performance index.”

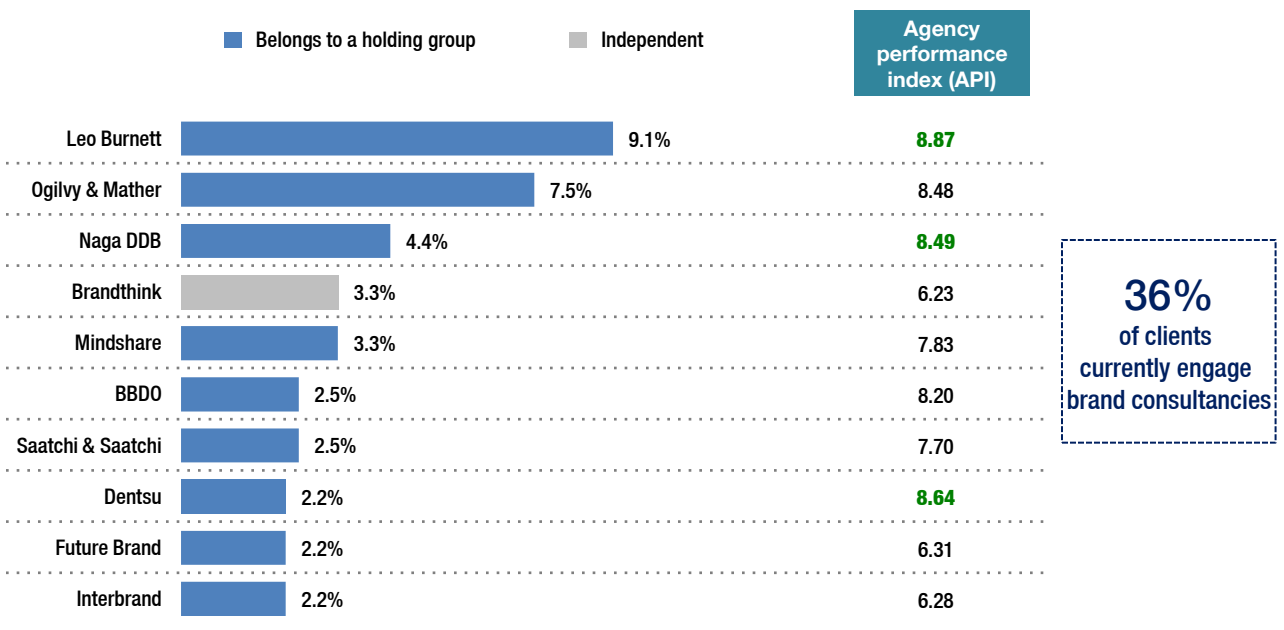
Brand consultancy is likely to become mainstream in Malaysia in the next 1–2 years, as clients become more attuned to the importance of a brand image tailored to the local market. Thirty-six per cent of clients surveyed currently engage a brand consultancy (Figure 10). As identified earlier, brand consultancies enjoy a relatively high degree of loyalty from clients, making brand consultancy an interesting marketing service area for agencies to expand into.

The top three creative agencies are well-poised to leverage the benefits of additional expertise in brand consulting – growth and potential higher client loyalty, being also the top three most preferred brand consultancies among client-side marketers in Malaysia (Figure 9 & 10).

In top spot of brand consultancy rankings, Leo Burnett’s legacy of award-winning advertising in the market has garnered clients’ trust when it comes to managing brand image. Despite being relatively lower in the overall rankings, Dentsu earns a strong API score based on its strong relationship with existing clients.

Brand consultancy offers a viable niche for smaller players to differentiate and specialize in. In an environment of high client loyalty, higher profitability in the current whitespace that is relatively fragmented, independents can establish themselves as worthy brand consultants by being trusted advisors with deep local knowledge, especially as pure play brand consultancies with strong specialisation in brand consulting.

Figure 10: Top 10 brand consultancies – agency rankings and API for 2014 – Malaysia



First-mover opportunities in content marketing services which is still in infancy

“Content marketing adoption still in infancy stage, but likely to grow as digital and social marketing matures. Many independents are emerging in this space; notably Monster Interactive, Skunkworks and AdAsia with highest API scores.”

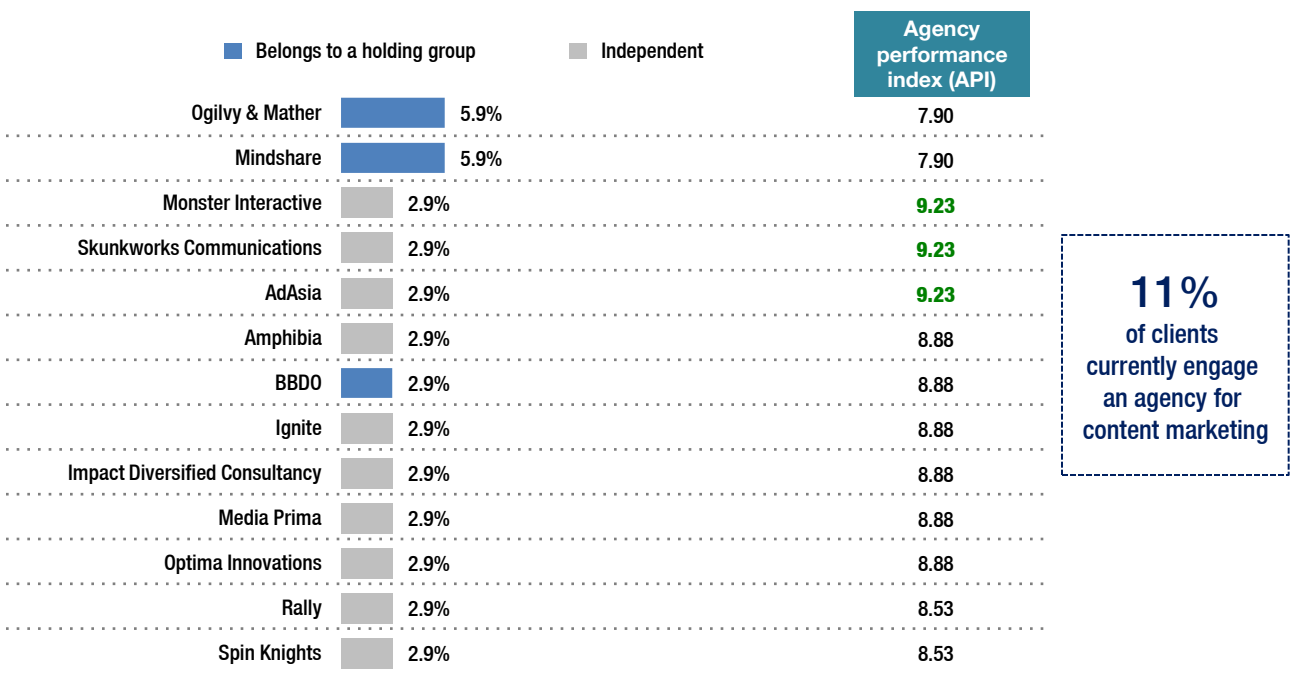
The majority of marketers still do not understand what the term ‘content marketing’ encompasses, limiting its current usage. Only 11% of client marketers submitted a vote for content marketing agencies (Figure 11) – a testament to the challenge of education and evangelism that agencies face to promote growth of marketing spend in this space.

As clients become more digitally attuned in this highly social market, the opportunity for these services will increase, opening the field up for agencies that demonstrate mastery in digital communication and an acute understanding of the content that compels Malaysians.

While Mindshare and Ogilvy share leadership in content marketing agency rankings based on their capabilities across many marketing services, the space is also dominated by independent local agencies, led by Monster Interactive, Skunkworks and AdAsia. These agencies achieved the highest API scores based on digital and content expertise, as well as strong relationships with existing clients.

With the low level of current client investment in content marketing and a wide field of competition, agencies must differentiate themselves with innovative content and a deep understanding of what resonates with Malaysians.

Figure 11: Top content marketing agencies – agency rankings and API for 2014 – Malaysia



Top creative agencies by agency rankings

Figure 12: Top 25 creative agencies by agency rankings for 2014 - Malaysia

Top 25 Creative Agencies (by spontaneous agency rankings)	% Share of agency rankings	Average Rank (out of top 3)	Agency Performance Index (API)
Leo Burnett	8.6%	2.08	8.86
Ogilvy & Mather	7.7%	1.88	9.01
Naga DDB	7.2%	1.95	9.20
BBDO	4.2%	2.12	8.96
McCann	4.1%	2.08	8.70
Saatchi & Saatchi	3.7%	2.22	8.35
Grey	3.3%	2.05	8.95
JWT	2.4%	2.20	8.94
TBWA	2.3%	2.38	8.94
LOWE	2.2%	1.82	8.95
M&C Saatchi	1.9%	1.90	9.10
Dentsu	1.8%	2.00	9.45
Mindshare	1.7%	2.42	7.07
Creative Juice	1.3%	1.67	8.97
Y&R	1.3%	2.00	8.41
Starcom MediaVest Group	1.2%	2.14	7.47
Carat	0.9%	2.33	7.36
FCB	0.9%	2.00	6.32
OMD	0.9%	2.00	8.12
CD Communications Group	0.8%	1.75	9.53
Mega Advertising Sdn Bhd	0.8%	1.00	9.05
Zenith Optimedia	0.7%	2.40	7.78
Alpha 245	0.6%	1.67	9.58
Branded3	0.6%	2.25	9.31
Next Digital	0.6%	1.67	8.87

Top brand consultancies by agency rankings

Figure 13: Top 22 brand consultancies by agency rankings for 2014 - Malaysia

Top 22 Brand Consultancies (by spontaneous agency rankings)	% Share of agency rankings	Average Rank (out of top 3)	Agency Performance Index (API)
Leo Burnett	9.1%	1.94	8.87
Ogilvy & Mather	7.5%	2.07	8.48
Naga DDB	4.4%	2.00	8.49
Brandthink	3.3%	2.00	6.23
Mindshare	3.3%	2.00	7.83
BBDO	2.5%	1.75	8.20
Saatchi & Saatchi	2.5%	2.50	7.70
Dentsu	2.2%	2.00	8.64
Future Brand	2.2%	1.33	6.31
Interbrand	2.2%	2.00	6.28
McCann	2.2%	2.00	7.44
Mercalus+	1.9%	1.67	5.86
M&C Saatchi	1.7%	1.00	9.04
OVA	1.7%	1.00	9.29
Bluedale	1.4%	1.50	6.95
JWT	1.4%	3.00	5.84
LOWE	1.4%	1.50	9.29
Bates CHI & Partners	1.1%	2.00	6.43
Grey	1.1%	2.00	6.35
HakuHodo	1.1%	2.00	9.29
Havas	1.1%	2.00	5.75
Monogram Concepts Sdn Bhd	1.1%	2.00	7.82

(Note: Only top 22 ranks shown for brand consultancies due to relatively low differentiation at the lower ranks due to existing lack of client experience with brand consultancies at the moment)

Key Industries for Creative Services

“From 2014 to 2015, the most important industries for creative agencies in Malaysia are IT/Telecoms, Consumer Products, Property and Automotive. Other client industries expecting to increase creative investment, albeit from a smaller spend base, are Business Services, Retail and Logistics.”

Scattered client industries in Malaysian creative services landscape

“From 2014 to 2015, the most important industries for creative agencies are IT/Telecoms, Consumer Products, Property and Automotive. Others with high growth are Business Services, Retail and Logistics, but from a smaller spend base.”

Figure 12 shows the industry opportunities for creative services in Malaysia. To provide insight into the comparative potential for creative services across sectors, clients’ projected growth in expenditure from 2013 to 2015 is plotted against the current spend size for all industries in Malaysia.

High spenders in creative services with relatively high growth in creative expenditure are IT/Telecoms, Consumer Products, Property and Automotive. These are therefore the most important industries for creative agencies in 2014.

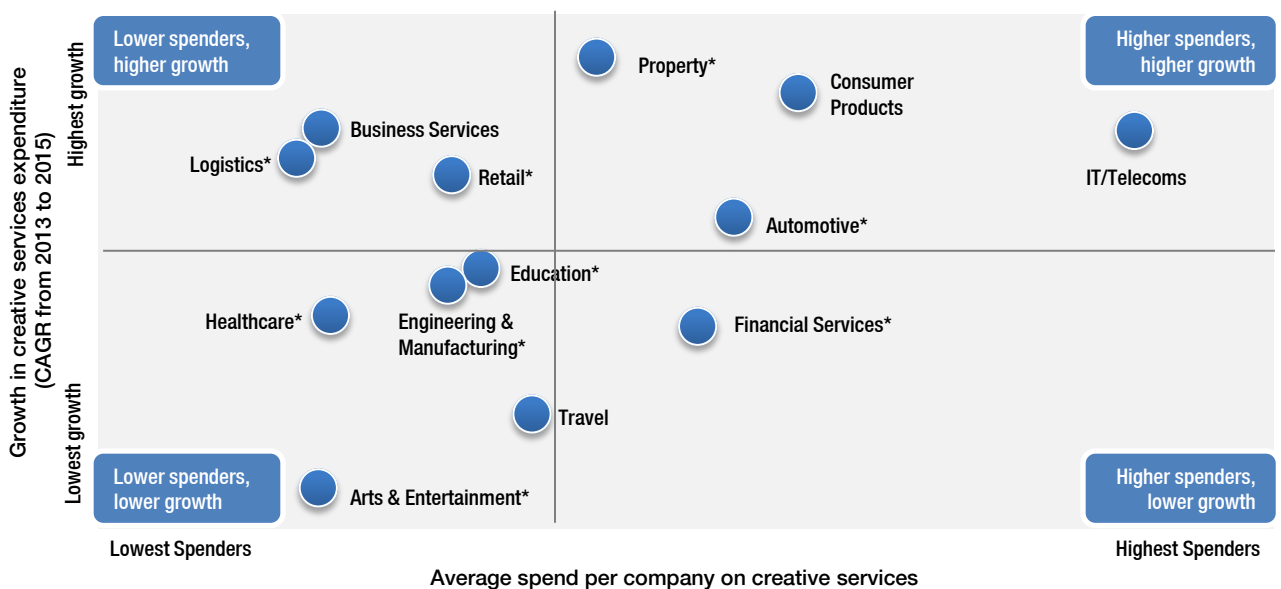
Despite relatively lower growth, Financial Services

will continue to be important to creative agencies due to its historically large creative services budget. Financial Services falls into the bottom-right quadrant of relatively high spend, but lower growth.

Business Services, Retail and Logistics offer attractive growth opportunities to creative agencies, where growth is relatively large, although from a smaller creative spend base compared with top spenders in the top-right quadrant.

Each industry has a unique agency relationship and marketing budget profile. This is detailed in the subsequent pages.

Figure 14: Industry opportunities for creative services for 2014 – Malaysia

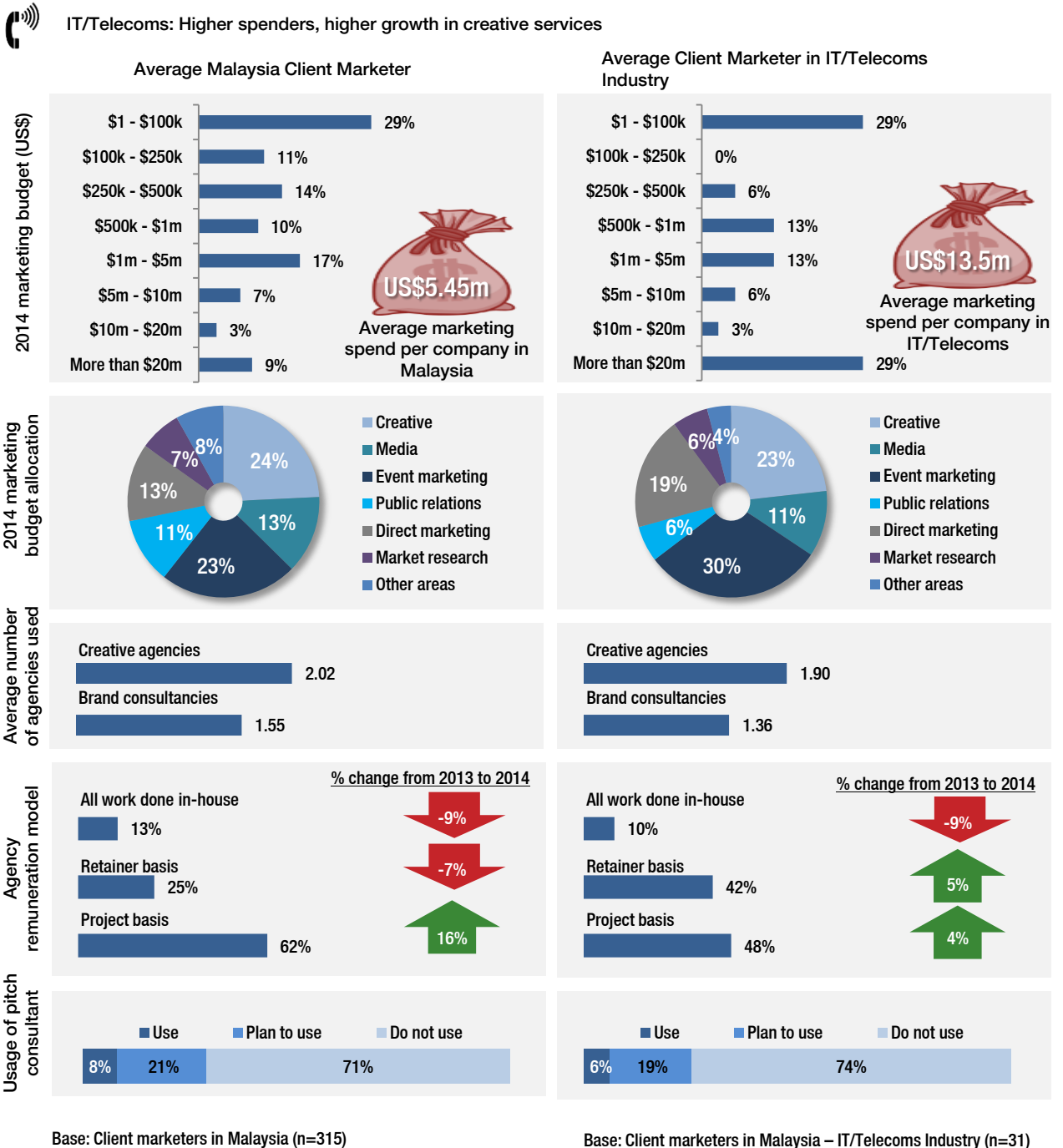


Base: Client marketers in Malaysia (n=315)

*Note low base industries

IT/Telecoms industry deep-dive

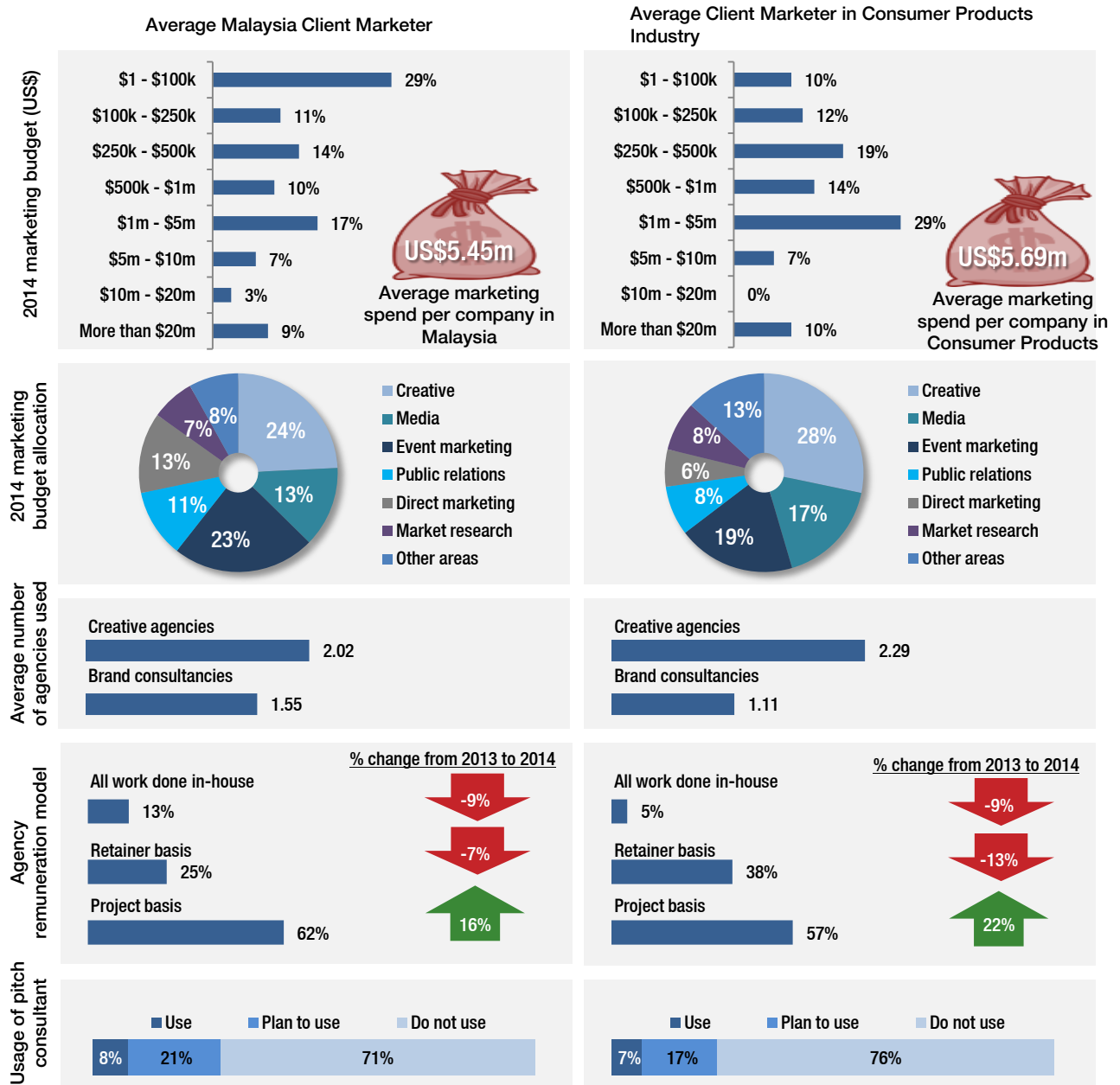
Figure 15: Industry fact sheet for 2014 – IT/Telecoms in Malaysia



Consumer Products industry deep-dive

Figure 16: Industry fact sheet for 2014 – Consumer Products in Malaysia

 Consumer Products: Higher spenders, higher growth in creative services



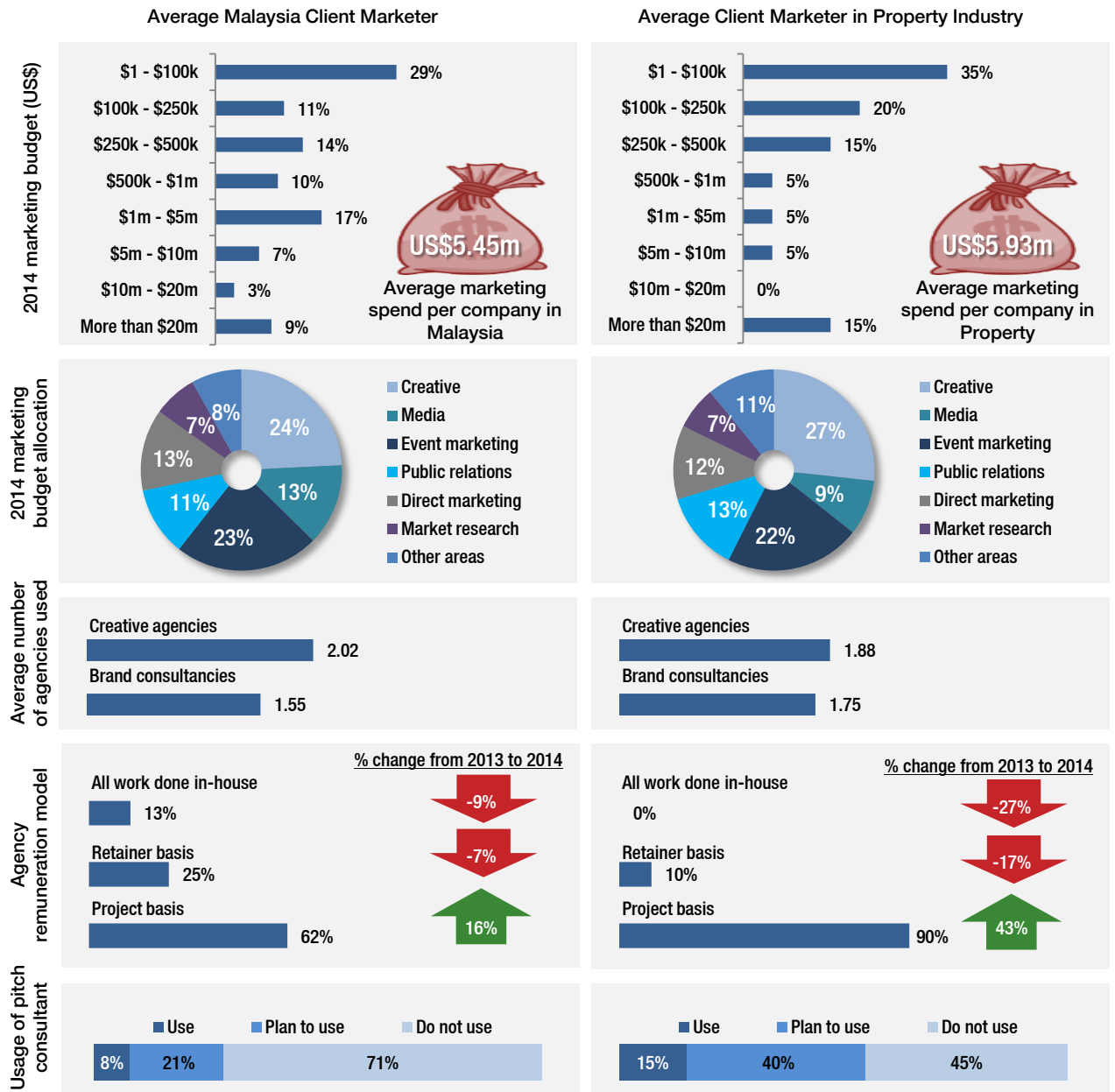
Base: Client marketers in Malaysia – Consumer Products Industry (n=42)

Property industry deep-dive

Figure 17: Industry fact sheet for 2014 – Property* in Malaysia



Property: Lower spender, higher growth in creative services



Base: Client marketers in Malaysia –Property Industry (n=20)

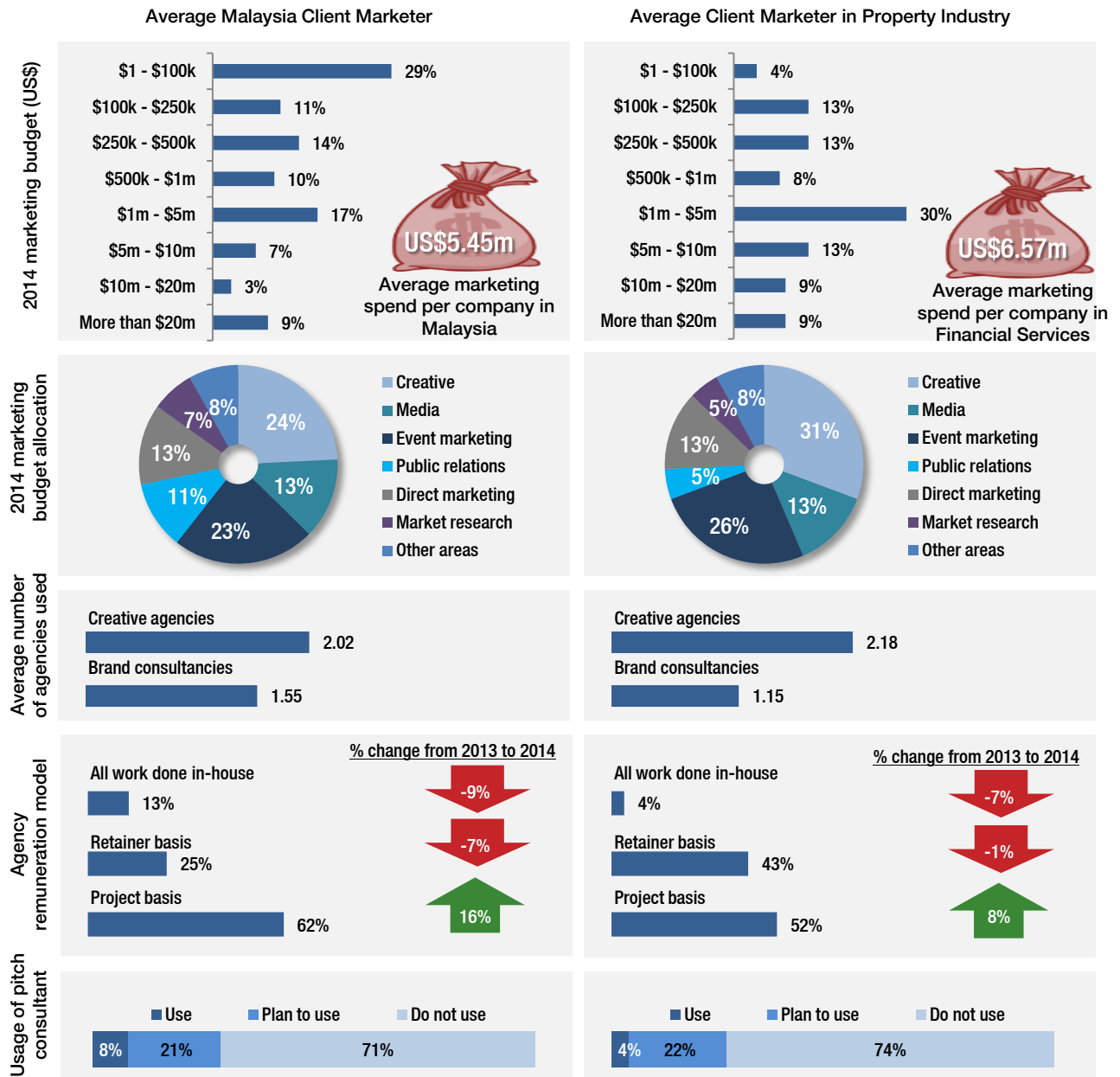
*Note low base – interpret with caution

Financial Services industry deep-dive

Figure 18: Industry fact sheet for 2014 – Financial Services* in Malaysia



Financial Services: Higher spenders, lower growth in creative services



Base: Client marketers in Malaysia – Financial Services Industry (n=20)

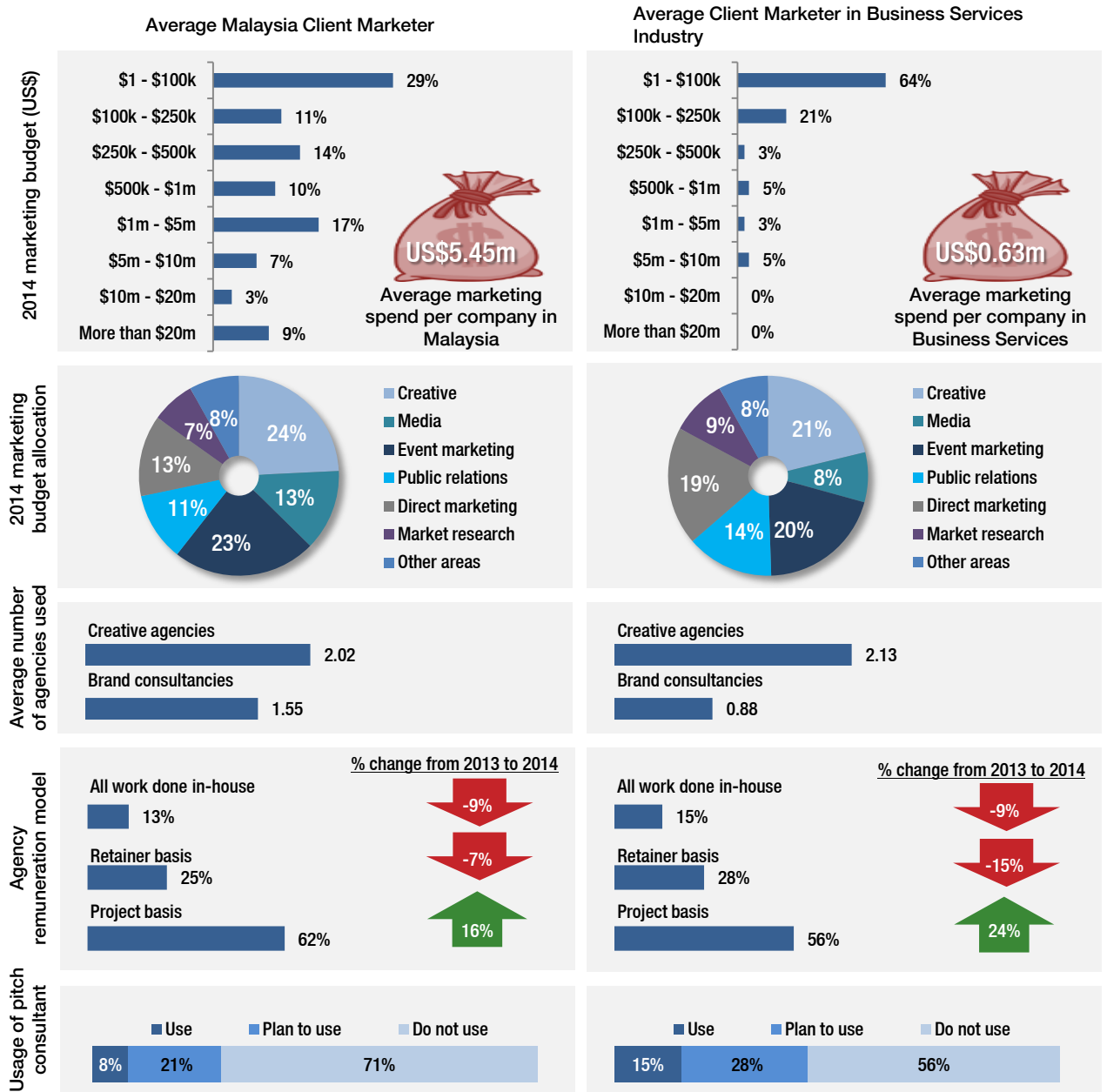
*Note low base – interpret with caution

Business Services industry deep-dive

Figure 19: Industry fact sheet for 2014 – Business Services in Malaysia



Business Services: Lower spenders, higher growth in creative services



Base: Client marketers in Malaysia – Business Services Industry (n=39)

Annex

Annex 1: Methodology

This report is based on the responses to selected questions from the Marketing Spend Benchmarking Survey 2014, which was undertaken during January 2014. The data was collected via an online questionnaire which was completed by a total of 1223 respondents from Hong Kong (n=419), Singapore (n=489) and Malaysia (n=315).

Genuine advertising decision-makers and influencers across industries were well represented in the survey. Across all three countries, 100% of respondents were client-side marketers/communications professionals, and about 80% were manager-level decision-makers and above, with at least 35% from the most senior ranks – C-level/VP/director-level marketers.

A detailed breakdown of Malaysia respondents by seniority levels, business-to-business (B2B) vs. business-to-consumer (B2C) marketing focus, company size and industry is shown in the next page.

Only aggregate results are published, and individual company information is held in strict confidence with Marketing Research.

The results reported are considered the most accurate reflection of client marketers' preference for marketing and advertising agencies, marketing budgets size, allocations and expected growth, as well as trends in the marketing landscape in this region, because all the analyses are based on primary research findings directly reported by those closest to the actual marketing budgets planning – client marketers.

About Marketing Research

Marketing Research is the market research division of the *Marketing* magazine.

With its extensive databases, highly respected brands and deep relationships with industry leaders and senior decision-makers, Marketing Research is in a unique position to provide insights to B2B decision-makers in Asia in the form of benchmarking reports, market sizing data, agency and vendor rankings reports, and best practice reports, all of which are distributed online via the Marketing Research Centre at www.marketing-interactive.com/research.

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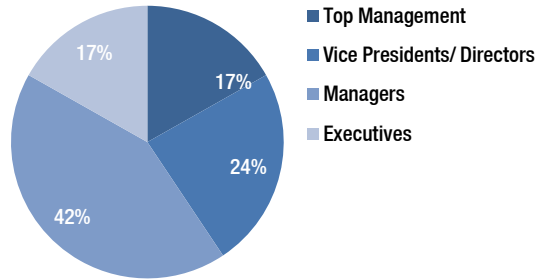
Emily Gong, Research Consultant

Annex 2: Sampling

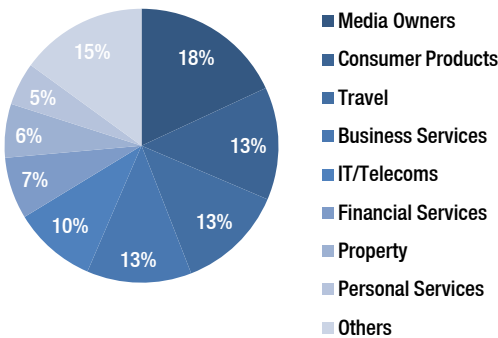
Marketing Research interviewed 315 respondents in Malaysia across various seniority levels, who are key decision-makers or influencers of all marketing, media and advertising decision-making for their company. This research was conducted across 15 industries with a good sample mix consisting of small, medium and large corporations of both local as well as regional market presence. The research sample includes marketers who are in charge of B2C marketing as well as B2B marketing.

Detailed respondent profile as shown in following charts:

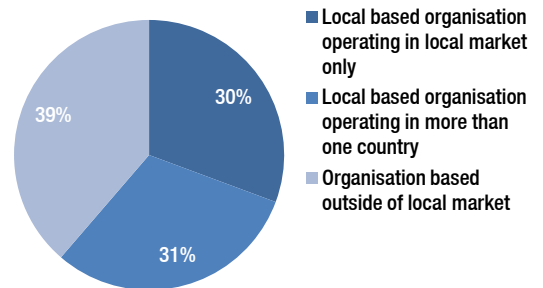
Profile 3: Seniority in the company



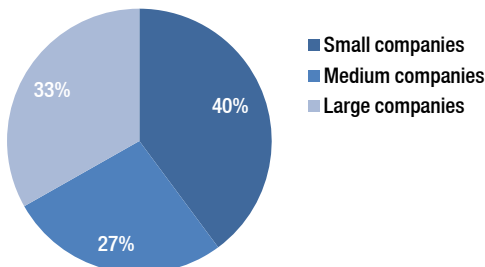
Profile 1: Industry



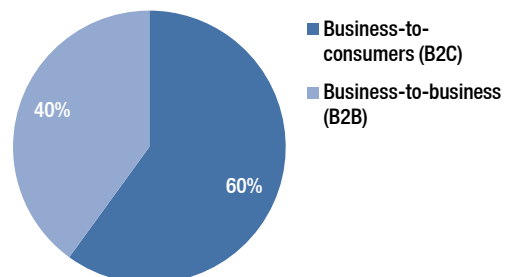
Profile 4: Company origins & operations



Profile 2: Company size



Profile 5: Business type



Annex 3: Definitions and exchange rates

DEFINITION OF INDUSTRIES

- **Arts & Entertainment:** Art houses, theatre companies, museums and entertainment resorts.
- **Business Services:** Accounting firms, law firms and organizations that provide training and development.
- **Travel:** Airlines, travel agents, hotels, resorts, and food and beverage.
- **Retail:** Physical stores with a cash register, and online stores that accepts payments.
- **Financial Services:** Banks and insurance companies.
- **Automotive:** Companies that sell and lease motor vehicles and parts.
- **IT/Telecoms:** Computer and telecommunication manufacturing and services.
- **Consumer Products:** FMCG companies (fast-moving consumer goods).
- **Healthcare:** Hospitals, clinics and pharmaceutical companies.
- **Energy, Utilities & Government:** Power and gas companies, and all public administration organizations.
- **Property:** Real estate, construction and building, engineering, metal works, and piping.
- **Education:** Private and public education institutions.
- **Logistics:** Transportation services, couriers services and corporations that specialize in relocating executives.
- **Education:** Private and public education institutions.
- **Engineering & Manufacturing:** Mining and agriculture.
- **Media owners:** Companies that own any type of online or offline media that marketers can advertise on, including publishers, website owners etc

COMPANY SIZE

- **Small:** Companies with local headcount of less than 100.
- **Medium:** Companies with local headcount between 100 and 500 inclusive.
- **Large:** Companies with local headcount of more than 500.

EXCHANGE RATES

- 1 USD = 7.76 HKD
- 1 USD = 1.23 SGD
- 1 USD = 3.04 MYR

(Note: Exchange rates used are based on fieldwork period in January 2014)



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