

# THAILAND

Digital Advertising Spend

Mid-Year 2019



| KANTAR

# 57

Categories deep dive to enable opportunities for marketers

# 14

Disciplines to explore digital trends

# Introduction

Internet usage in the Asia Pacific region is IMMENSE, representing more than half of the world's 3.6 billion internet users. According to the latest data from Euromonitor International, the region accounted for 60% of new users coming online over the 2013-2019 period.

KANTAR Connected Life data reveals that, 70% of the Thai population use social networks daily, averaging on 4 platforms used per week. E-Commerce also sees great growth potential with 60% identifying themselves as E-Commerce prospects.

These trends are proof of the fast digitization of the current consumer landscape and marketers are rapidly adapting. Digital advertising spend in Thailand continues to grow at a pace of 30% annually over the past 5 years, and is expected to reach THB 20 Billion by the end of 2019.

In partnership with KANTAR TNS, DAAT provides this data on a yearly basis.

*\*This report presents the data of actual spend for 1H 2019 and forecast of 2H 2019*

## About DAAT

The Digital Advertising Association of Thailand (DAAT) was founded in 2012 with the objective to benefit the industry, companies and consumers under the same direction. With collective support, advertisers should elevate the industry at the highest levels in the future.

To support this objective the Association has been collecting and publishing digital advertising spending data since 2013. The reports keep track of the growth of spending on digital advertising in Thailand and are a valuable source of information to anyone in the advertising industry who wants to better understand the role of digital channels in the advertising landscape.



# Methodology

Market research consultancy firm KANTAR INSIGHTS THAILAND has collected and processed the data used in this report from 40 agencies via an online survey. The data is aggregated to reflect total levels, and split by type of digital advertising, platforms, and by industries. To maintain the confidentiality of all client information, all data is collected via an anonymous process and purely based on internal records of advertising spend.

## Disciplines

Agencies have provided spending data on the following 14 digital advertising disciplines:

|                            |   |
|----------------------------|---|
| <b>Facebook Ads</b>        | All Facebook ads product, installed App ads, Facebook Audience Network, Facebook Messenger  |
| <b>Instagram Ads</b>       | Display or video ads bought only for Instagram (100% separated from Facebook)   |
| <b>YouTube Ads</b>         | All YouTube ads product including display, overlay, skippable/non-skippable video, sponsored card   |
| <b>Display</b>             | Google Display Network, website banners displayed on website or applications  |
| <b>Online Video</b>        | Non-YouTube/Facebook Video ads on website or online video streaming applications e.g. Mellow, Netflix, Viu  |
| <b>Creative Production</b> | Online Video production, web banner production, application production, and service and management  |
| <b>Search</b>              | SEO, SEM, Mobile Search   |
| <b>Social</b>              | Content sponsorship, digital PR, advertorials, and influencers  |
| <b>LINE</b>                | All LINE ads product e.g. official account, LINE TV, LINE stickers, game  |
| <b>Native Ads</b>          | Paid ads that match the look, feel and function of the media format in which they appear e.g. feeds, search, widgets, promoted listing.                 |
| <b>Twitter Ads</b>         | All types of Twitter ads that use to promote account, tweet or trend, including display and video format  |
| <b>Instant Messaging</b>   | All types of ads via instant messaging applications e.g. Whatsapp/WeChat/Kakao account/campaign management  |
| <b>Affiliate Marketing</b> | All types of ads via automated marketing program leading customers to click on affiliate links including pay-per-click, pay-per-lead, and pay-per-sale. |
| <b>Others</b>              | Other online advertising  |

# Methodology

## Industry sectors

Agencies have provided data split by the following 57 industry sectors of the advertised brands.

| Category                           | Industry                                |
|------------------------------------|---|
| <b>Finance &amp; banking</b>       | Banks                                   |
|                                    | Insurance                               |
|                                    | Credit/Debit Cards                      |
|                                    | Finance Services                        |
| <b>Technology &amp; Electronic</b> | Communications & Devices                |
|                                    | Computers                               |
|                                    | Audio/Visual Electrical Products        |
|                                    | Electrical Products (Non Audio/Visual)  |
| <b>Food &amp; Beverage</b>         | Alcoholic Beverages                     |
|                                    | Non-Alcoholic Beverages                 |
|                                    | Seasoning Products                      |
|                                    | Snack Foods                             |
|                                    | Dairy Products & Dairy Substitute Prod. |
|                                    | Bakery & Chocolate/Wafers/Biscuits      |
|                                    | Dietary Products                        |
|                                    | Vitamins & Supplementary Foods          |
|                                    | Foodstuffs                              |
|                                    | Food Outlets & Restaurants              |
| Retail Shops & E-Retailing         |   |
| <b>Education</b>                   | Educational Institutions                |
| <b>Clothing</b>                    | Clothing & Underwear                    |
|                                    | Footwear                                |

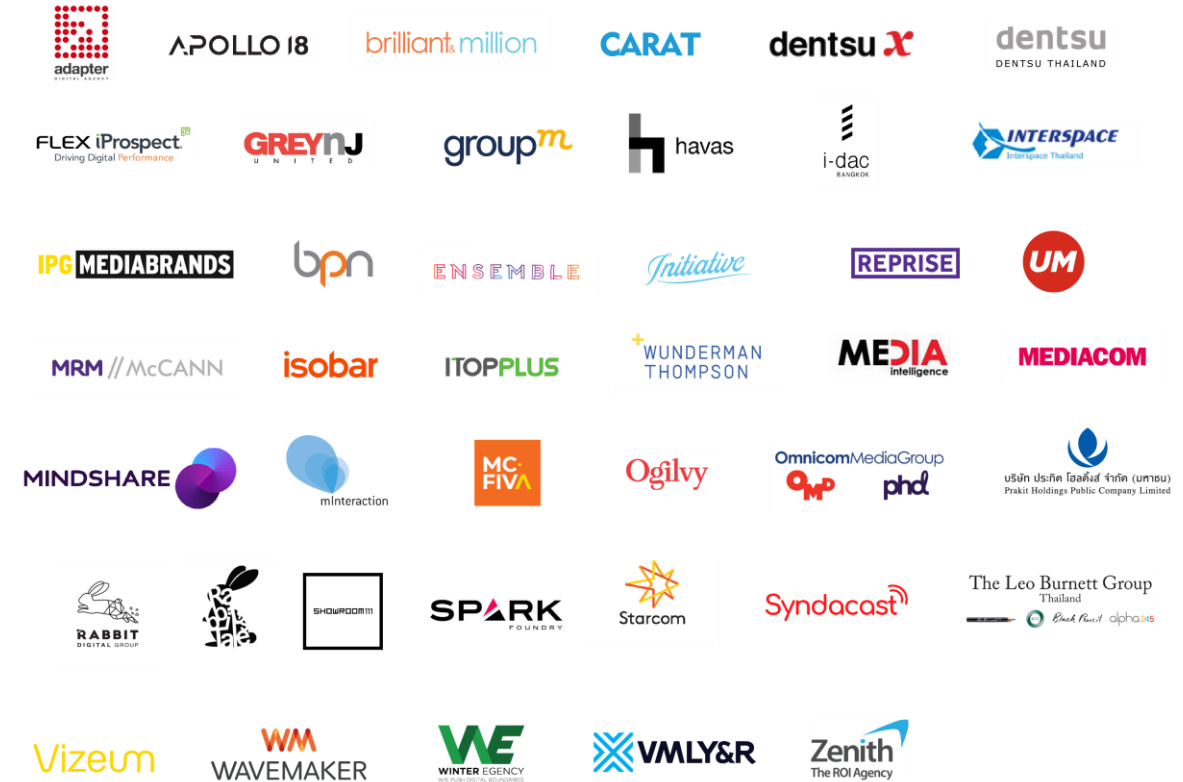
| Category                | Industry                            |
|-------------------------|-------------------------------------|
| Personal care           | Cosmetics                           |
|                         | Skin-care preparations              |
|                         | Personal Accessories                |
|                         | Toiletries                          |
|                         | Hair Preparations                   |
| Household care          | Oral Products                       |
|                         | Household Cleaners                  |
|                         | Household Equipment & Furnishings   |
| Automotive              | Household Insecticides & Pesticides |
|                         | Motor Vehicle Accessories           |
|                         | Motor Vehicle Dealers & Rentals     |
|                         | Motor Vehicles                      |
|                         | Motorcycles & Bicycles              |
|                         | Oil & Lubricants                    |
|                         | Petrol                              |
| Housing                 | Tyre                                |
|                         | Real Estate                         |
| Pharmaceuticals         | Furniture & Furnishings             |
| Others                  | Pharmaceuticals                     |
|                         | Pet products                        |
|                         | Pet Foods & Pet Products            |
|                         | Photographic Products               |
|                         | Office/Business Equipment           |
|                         | Sundries                            |
|                         | Transportation                      |
|                         | Travel & Tours                      |
|                         | Entertainment & Leisure             |
|                         | Multi Sections Advertising          |
|                         | Media & Marketing                   |
|                         | CD/DVD (Musical & Film Products)    |
|                         | Agricultural Products               |
|                         | Building Material & Machinery       |
|                         | Government & Community Announcement |
|                         | Websites and marketplace            |
|                         | House Ads                           |
| Entertainment & Leisure |                                     |
| Jewelry & Gold          |                                     |
| Classified              |                                     |

# Agencies

The audit was conducted in Jul 2019.

Digital advertising spend data was submitted by 40 agencies.

|    |  |    |  |
|----|--|----|--|
| 1  | Adapter Digital Co., Ltd                           | 20 | Itopplus Co.,Ltd                           |
| 2  | Apollo18 Co., Ltd                                  | 21 | J Connect, J Walter Thompson Bangkok Group |
| 3  | Brilliant&Million Co.,Ltd                          | 22 | McFiva                                     |
| 4  | Carat (Thailand) Co.,Ltd                           | 23 | Media Intelligence Co.,Ltd                 |
| 5  | Dentsu X (Thailand) Ltd                            | 24 | MediaCom Thailand                          |
| 6  | Dentsu(Thailand) Ltd                               | 25 | Mindshare Thailand                         |
| 7  | Flexmedia Iprospect Co.,Ltd                        | 26 | mInteraction Co.,Ltd                       |
| 8  | Grey (Thailand) Ltd.                               | 27 | Ogilvy Group Thailand                      |
| 9  | GroupM   | 28 | Omnicom Media Group                        |
| 10 | Havas Riverorchid Thailand                         | 29 | Prakit Holdings Public Company Ltd.        |
| 11 | I-DAC (Bangkok) Co.,Ltd                            | 30 | Rabbit Digital Group Co., Ltd              |
| 12 | intDigital Co.,Ltd                                 | 31 | Rabbit's Tale Co., Ltd                     |
| 13 | Interspace Co.,Ltd                                 | 32 | Showroom111 Co.,Ltd                        |
| 14 | IPG Mediabrands - BPN                              | 33 | Spark Foundry                              |
| 15 | IPG Mediabrands - Ensemble                         | 34 | Starcom                                    |
| 16 | IPG Mediabrands - Initiative                       | 35 | Syndacast Co.,Ltd                          |
| 17 | IPG Mediabrands - Reprise                          | 36 | The Leo Burnett Group Thailand             |
| 18 | IPG Mediabrands - UM                               | 37 | Vizeum (Thailand) Vo. Ltd                  |
| 19 | IPG Advertising (Thailand) Ltd. McCann World group | 38 | Wavemaker Thailand                         |
|    |  | 39 | Winter Agency Co.,Ltd                      |
|    |  | 40 | Zenith Thailand                            |



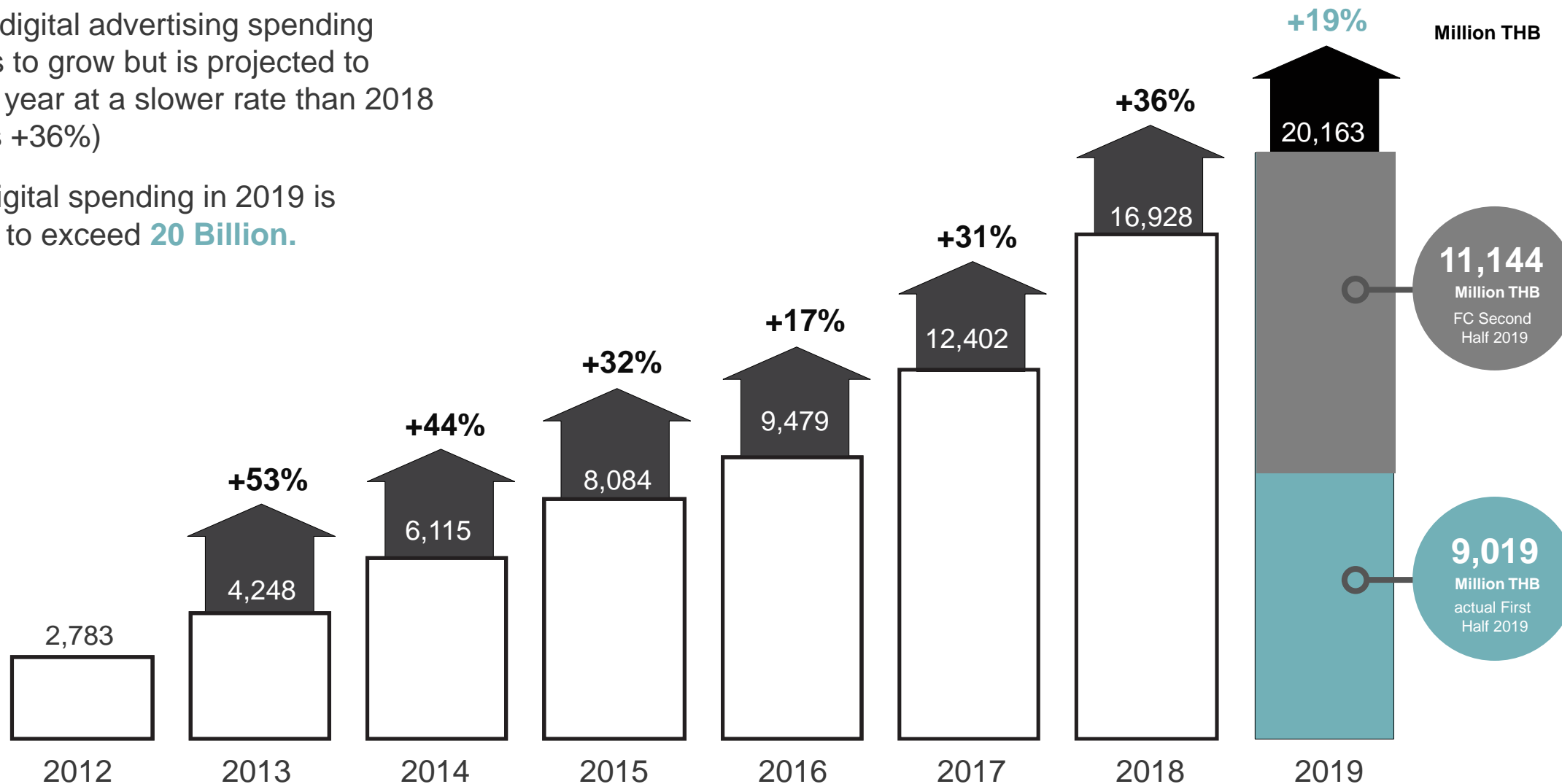
## Remark:

Reported numbers are based on reported spending data of a sample of 40 agencies. DAAT estimates that the sample of agencies represents 80% of spending in the market. The numbers presented on this page are upgraded proportionally to reflect 100% of the market.

# Total Spending

Thailand digital advertising spending continues to grow but is projected to close the year at a slower rate than 2018 (+19% vs +36%)

Overall digital spending in 2019 is expected to exceed **20 Billion**.

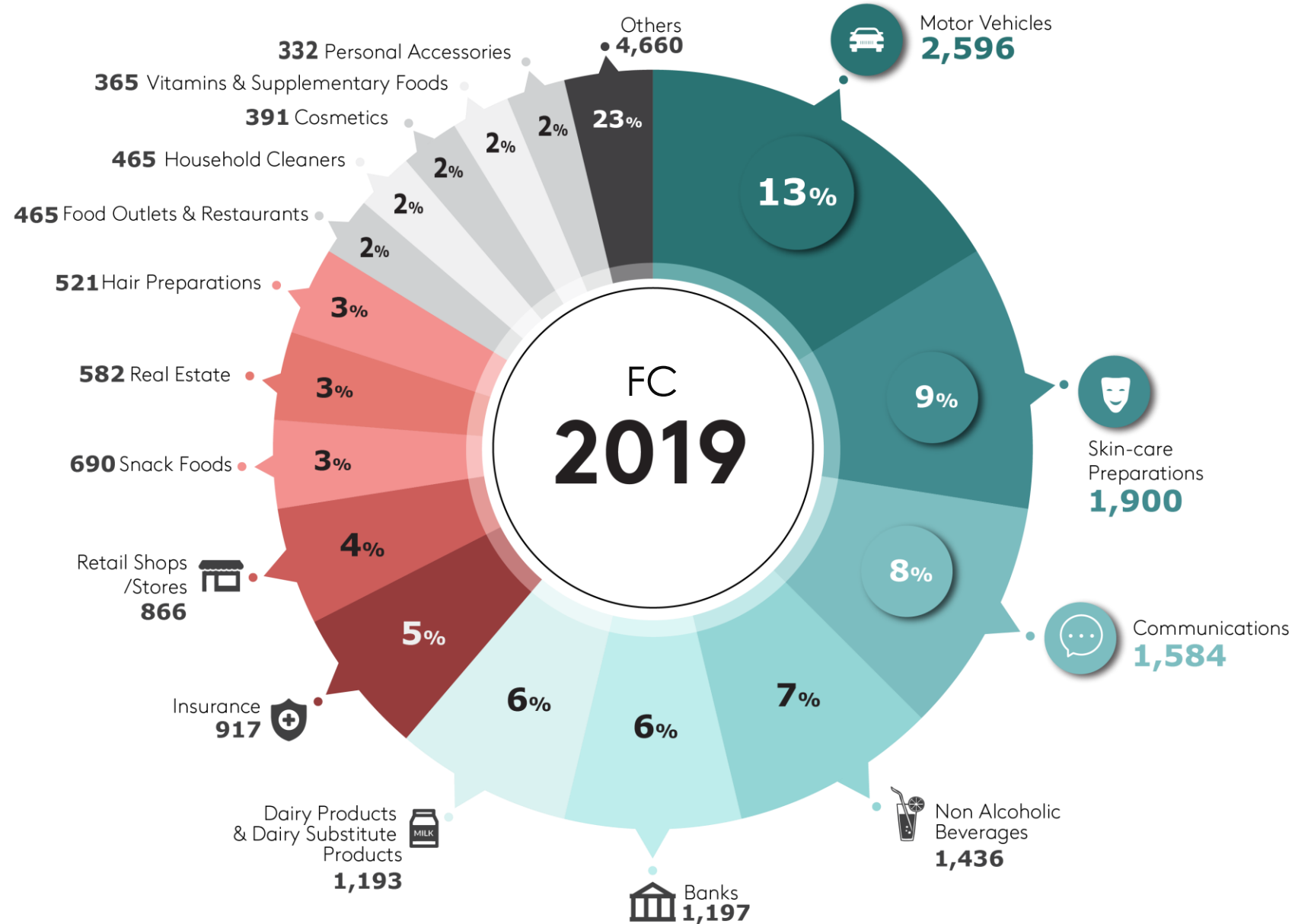


# 2019 Top Industry Spending

The top 3 biggest Industry spenders remain to be **Motor Vehicles**, **Communications**, **Skin-care Preparations**.

However, **Skin-care Preparation** rises to from 3<sup>rd</sup> rank, replacing **Communication**, at 2<sup>nd</sup>.

Unit in Million Baht



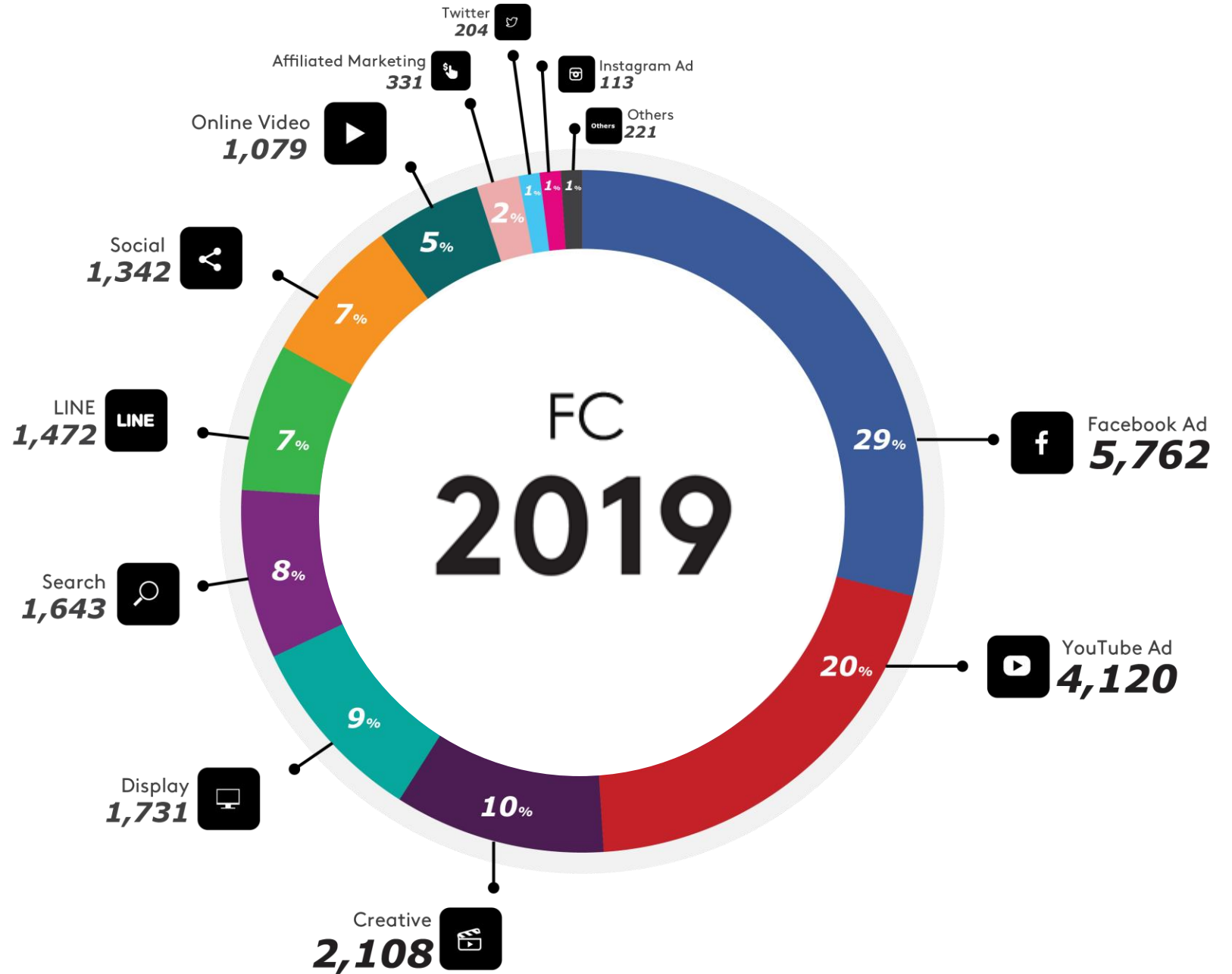


# 2019 Discipline Spending

Of all the disciplines, **Facebook** receives the highest spending, followed by **YouTube, Creative, & Display**

Largest growth in spending comes from **Creative** (#4→#3) and **Display** (#6 → #4)

**Search** declines in rank from #3 → #5



## Highlights in 2019 (AC 1H + FC 2H)

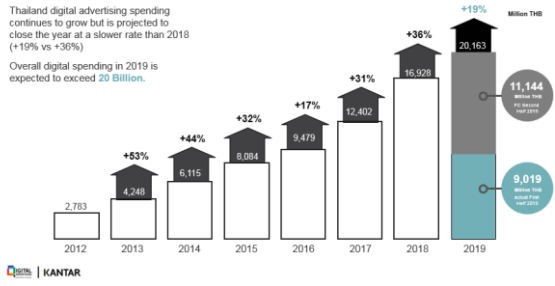
- Thailand's digital advertising spend is forecasted to grow to **THB 20 Billion** at a growth of **+19%** by the end of 2019
- **Communications** saw a considerable decline from 2018 by **-18%**. **Skin-Care Preparations** takes the place of 2<sup>nd</sup> highest Industry Spender, with **Motor Vehicles** firmly remaining at 1<sup>st</sup> rank.
- **Snack Foods, Vitamins, Dairy Products, Insurance,** and **Household Cleaners** have all achieved significant growth of between 30-100% in digital advertising spending in 2019.
- Advertisers expect to see the largest growth in digital spend from **Creative, YouTube,** and **Twitter** by end of 2019.

# Full Report Snapshot

### Total Spending

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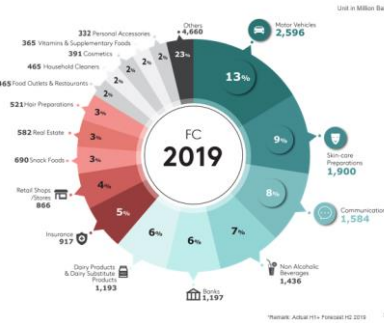
Overall digital spending in 2019 is expected to exceed 20 Billion.



### 2019 Top Industry Spending

The top 3 biggest industry spenders remain to be Motor Vehicles, Communications, and Skin-care Preparations.

However, Skin-care Preparation rises to 3rd rank, replacing Communication, at 2nd



### The 3 Highest Spenders

While the top 3 Highest Industry Spenders remain the same, movement can be observed in terms of rank.

Based on Actual 1H results, Skin-care Preparations is expected to take 2nd place, replacing Communication, at 2nd.

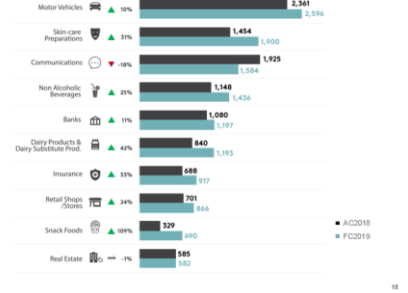
Skin-care Preparations, Banks, Non-Alcoholic Beverages all rise by upward of 30% from 2017.



### Top 10 Spending Growth by Industries

Snack Foods is seen to have the highest growth at 109% from 1H 2019. Dairy & Dairy Substitute Products is the second largest growing category at 42% growth, followed by Insurance at 33%.

Communication is the only industry cutting back on spend at -16%.

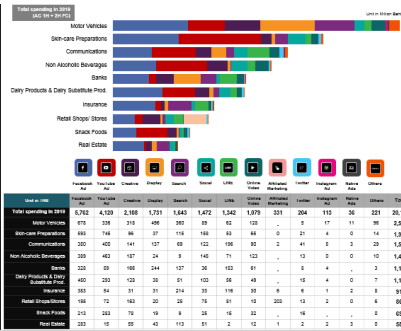


### Top Spending Industry by Discipline

Motor Vehicles is the highest digital spender comprised of Facebook at 678M, followed by Display at 456M, and Search at 360M.

YouTube sees large increases in spending from Skin-Care Preparations at 44% and Non-Alcoholic Beverages at 49%.

Search (#3 → #5) & Social (#5 → #6) go down in rank, replaced by Creative (#4 → #3), & Display (#6 → #4).



### 2019 Discipline Spending

Of all the disciplines, Facebook receives the highest spending, followed by YouTube, Creative, & Display.

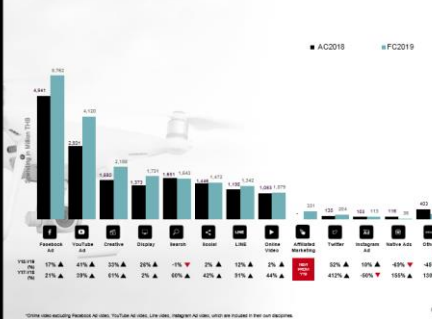
Largest growth in spending comes from Creative (#4 → #3) and Display (#6 → #4).

Search declines in rank from #3 → #5.

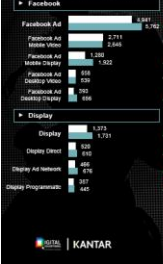


### Discipline Spending

Display continues to rise while Search plateaus. Creative shows considerable growth rising as 3rd highest discipline spending Affiliate Marketing plays an important role in 2019, overtaking Twitter, Instagram, and Native Ads.

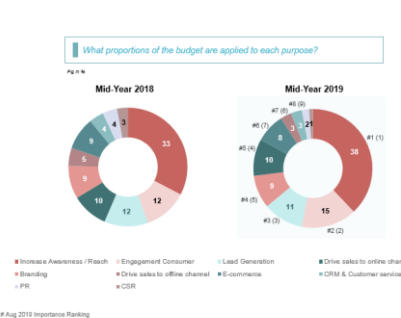


### Sub-Discipline Movement



### Digital Advertising Objectives

Awareness continues to be the objective of highest priority, with Engagement and Lead Generation stable at #2 and #3. E-Commerce & Branding rising in importance in 2019.

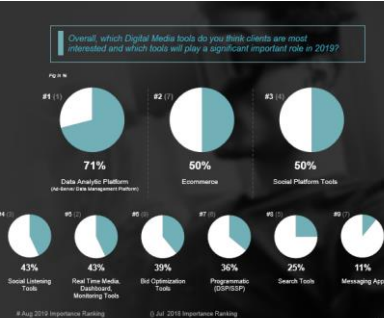


### Digital Media Tools

Data Analytics platforms continues to lead as the media tool that will play the important role in 2019.

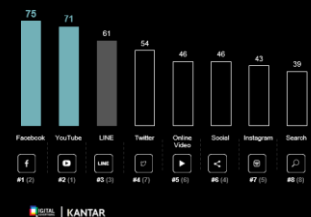
E-commerce (#7 → #2) and Bid Optimization Tools (#9 → #8) see a large rise in priority for 2019.

Previously trending tools such as Real Time Dashboards, Search Tools, and Messaging Apps, decrease in priority as of 2019.



### Future trending media

Facebook, LINE and YouTube, are top 3 disciplines advertisers most mentioned as future trending media. Twitter rises 3 ranks to be the next trending platform to watch (#7 → #4), while Instagram and Native Ads take a few steps back.

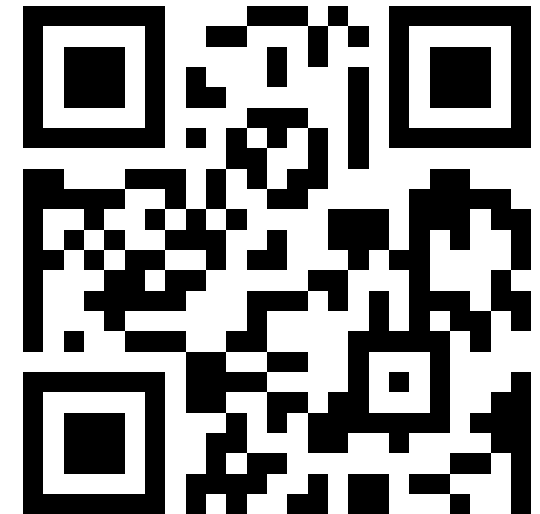


### Snapshot for Top Industry



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For more information, please visit our website by clicking on a banner OR scan the QR code below to purchase the latest DAAT report.



*\*Thailand Digital Advertising Spend Mid-Year 2019 Report will be available from September 11, 2019 onwards.*