

MARKETING

ISSUE #262 SEPTEMBER 2020

WEEKENDER™



Newspapers
setting themselves
on fire!

EDITOR'S NOTE

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“WE CHARGE WHEN THERE IS A 99% CHANCE OF CONVICTION, THE OTHER 1% IS AN ACT OF GOD. WE GOT THE BODY.. NOW THE TAIL.”

DPP Wan Shaharuddin Wan Ladin commenting on his prosecution of former Finance Minister Lim Guan Eng.

facebook

“4 IN 10 RUNNING ADS FAIL TO EXIT THE LEARNING PHASE AND MANY COME FROM ADVERTISERS RUNNING TOO MANY ADS AT THE SAME TIME.”

Facebook limits how many ads pages can run concurrently



“CREATIVITY WITHOUT TECHNOLOGY WILL GO THE WAY OF THE DINOSAUR. TECHNOLOGY WITHOUT CREATIVITY WILL REACH BUT NOT MOVE PEOPLE OR BUSINESS.”

Ted Lim, Creative Consultant, Innovative Business Solutions, Adweek Global Creative Leader, Cannes Lions Jury President.

Hey DBKL, what about the illegal sites?



Since DBKL is on a war path to ensure Bahasa Malaysia is the dominant language on billboards, reeling in Dewan Bahasa and Pustaka to ensure the messaging is kosher, I have a real job for them.

There are hundreds, if not thousands, of outdoor structures that are blatantly illegal; some of the facings along the major highways are so clumsy they could take off with strong winds and wreak fatal consequences on oncoming traffic in seconds.

The worst part is these rampant billboards are not

insured and squat on anybody's land, and as long as they are in the line of sight of drivers there's money to be made.

One just has to take a drive along our highways and see how these daredevil facings have not only ravaged any aesthetic appeal in the joy of driving, but their gangsta encroachments seem to run riot right under the noses of DBKL.

While many responsible advertisers try to avoid these basement-price sites, the dangers of having one's brand advertising illegally and being

EDITOR'S NOTE



hurled onto the highways in case of a major storm can kill a brand permanently. Not to mention lives.

This is something those in power can instantly eradicate by passing a law. In fact, we have ample laws for the authorities to act immediately. The Malaysian Highway Authority is the governing body for all private highways.

Big Tree in minus mode on PLUS Expressways?

I wonder how OOH media player Big Tree makes a decent income when their billboards along the highways are clearly sabotaged by illegal sites.

The real agents of intrusion are those who work closely with private land owners to erect

huge signs flanking the highway, across the border fencing. While they are legal, in a guerrilla way, some of their sites technically overhang into highway airspace.

Big Tree faithfully adheres to all sorts of “integrity criteria” and invests a lot of money to get their sites up, they have an exclusive agreement with PLUS, but the ones “outside the fence” obviously have less constraints.

I wonder who makes more income. And if there’s a plus point for being on the right side of the law.

A case of right of way, over line of sight?

[Handwritten signature]



LETTER TO EDITOR



The Star Media Group (SMG) has just reported a loss of RM30.9million for the first half of 2020 and with just three months to go before the year ends, it does look bleak.

Of course, the bad financial loss was buried in the small news report of The Star's business page.

What is worse is that since July, when then CEO Andreas Vogiatzakis left after just 8 months, there is still no replacement.

There was no way Andreas could have survived in the politically charged corporate culture at SMG. What more a foreigner!

The company continues to be run by a three man committee headed by its chairman Datuk Fu Ah Kiow.

It is well known within SMG and the media industry that one sore point has been the alleged interference by Fu although he is a non executive.

Staff has complained openly

LETTER TO EDITOR

.... There was no way Andreas could have survived in the politically charged corporate culture at SMG. What more a foreigner! The company continues to be run by a three man committee headed by its chairman Datuk Fu Ah Kiow...

and also to the owner, the MCA, but to no avail. There will be no good CEO candidate if this toxic culture continues.

It is said that long time staff Datuk Seri Wong Chun Wai chose to retire after serving as MD/CEO for six years because of the situation at SMG. He continues as the Group Advisor after serving 36 years in the company but even his fate remains in limbo as his contract ends soon.

The young platform, R.AGE is also shaky as for some reasons only best known to Fu, he wants to shut it down despite its strong award-winning digital and video content.

SMG insiders said a mutual separation exercise was carried out recently but received poor response as most staff felt the 0.5 a month offer for every year in service was a bad deal.

It looks like a retrenchment exercise is most likely, following the snub by SMG staff but the payment could be higher. The share price has remained stable despite the poor financial report because shareholders expect a good dividend with the general election ahead.

The GE is expected to be held by early 2021. As in past GEs, SMG gives out good dividends. The saving grace is SMG's RM300million current cash with no loans to service, but it will be burn fast as money is needed for acquisitions. RM300mil is really not much.

As SMG turns 50 years next year, it is sad that there is really nothing much to celebrate.

By Retired Staff
Klang, Selangor

Local newspapers in self-destruct mode?

BY THE HAMMER

Those who thought Malaysian newspapers were dying because of digital are only half right. In fact, newspapers blame everyone except themselves.

They have less readers because the content sucks.

The content sucks because the writing is dull and uninspiring.

It's dull and uninspiring because it reads like a government newsletter.

And that's because most of their ownership is state-related.

It is no secret that newspaper bosses took their eye off content because it was more convenient to blame digital for lacklustre performances when explaining themselves to shareholders.

Unlike other countries, it is fair to say Malaysian readers had their first taste of real journalism when online happened. And boy,

COVER STORY

did they go online after that. Like a migrating flock off to a new utopia!

So while newspapers were supposed to course correct their content accordingly, they kept on betraying themselves and readers by self-inflicted legacy controls on their content.

As their online counterparts gleefully braved everything, print stayed lame, stale and stuffy. The narrative dumbed down and derivative.

With the draw of palm-held access to online content what do newspaper readers do in the face of boredom? They stop buying. That is their response to self-serving journalism that just does not cut it anymore.

SUICIDAL

Print writers are free to share their views, but no one is readily agreeing with them anymore. And more daily drivel only adds to the demise of their content.

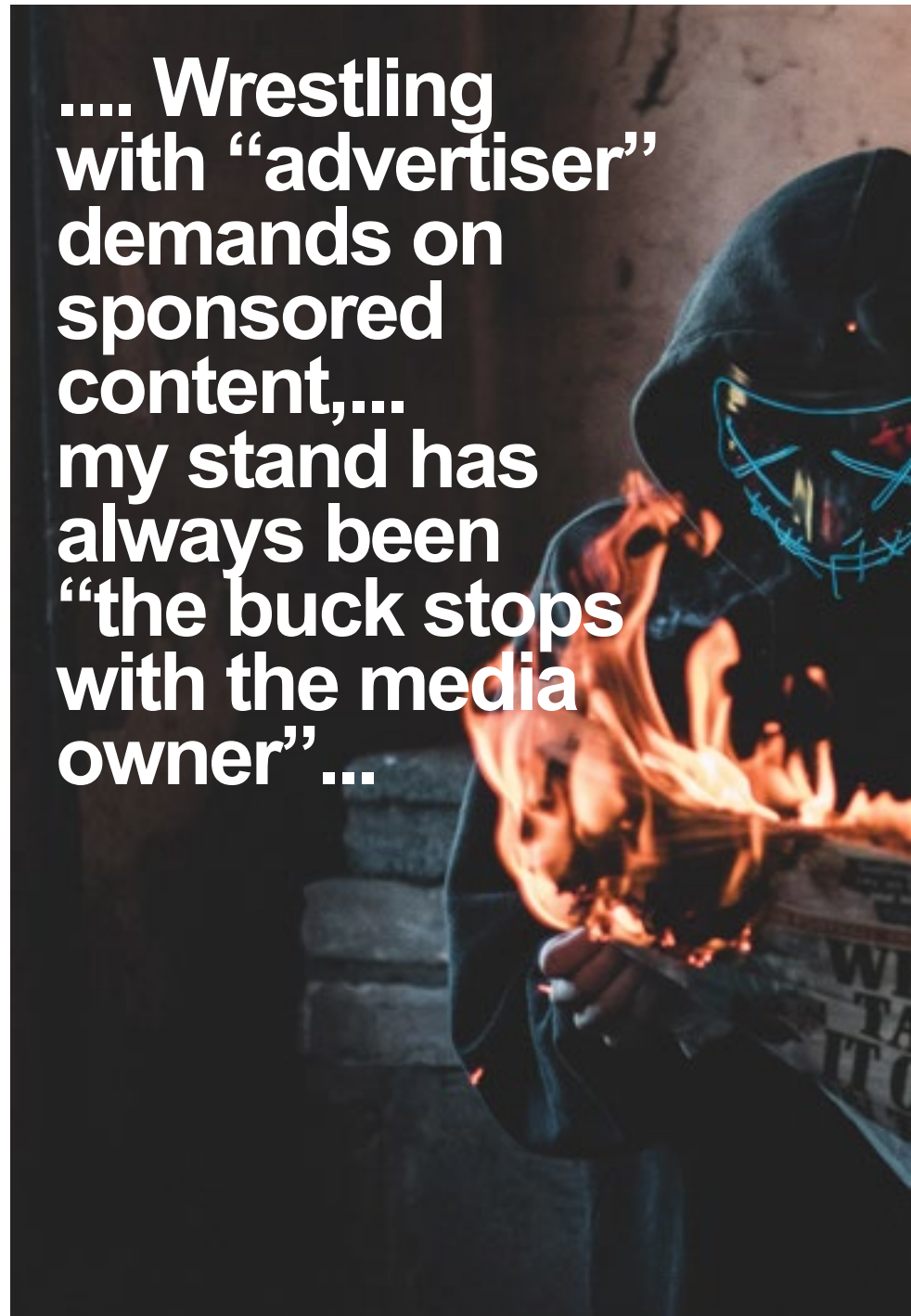
You may say that some content is advertiser-driven. Fine, but if newspapers do not repurpose commercial content skillfully, readers will still switch off before you can say *pemotongan air*. I know advertisers are merciless, they already blackmail

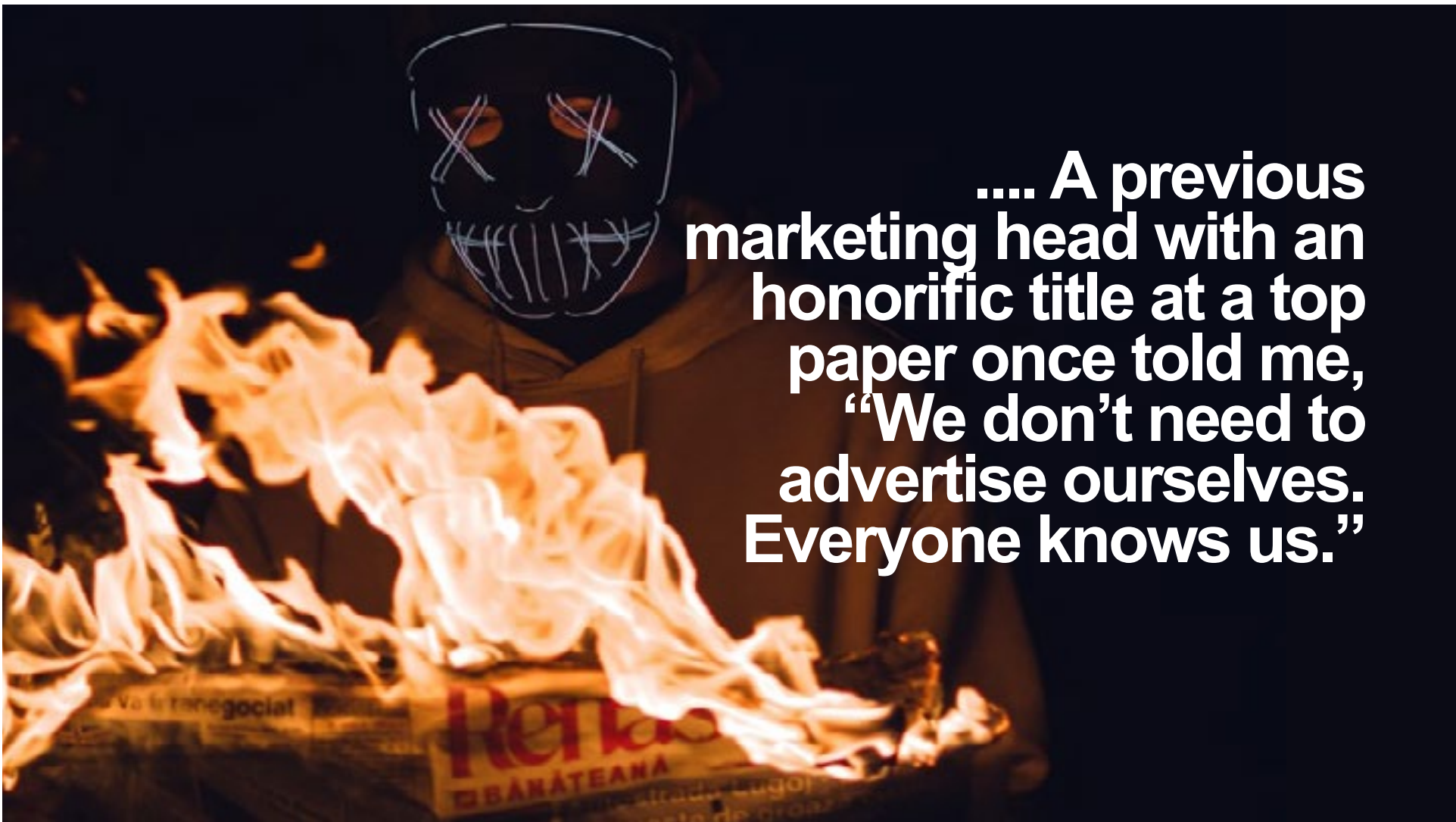
.... Wrestling with “advertiser” demands on sponsored content,... my stand has always been “the buck stops with the media owner” ...

print players into submission by glorifying themselves as a “paying customer”. And after you have the media planners getting in on the game for their pound of flesh, print becomes the industrial version of slave labour.

Wrestling with “advertiser” demands on sponsored content,... my stand has always been “the buck stops with the media owner”.

If you play victim, you’ll become one. Content does not prostitute itself.





.... A previous marketing head with an honorific title at a top paper once told me, “We don’t need to advertise ourselves. Everyone knows us.”

KARMA?

The painful truth is revenues from print dwarf online almost 10-1, which means publishers need to milk new revenue streams out of online.

Maybe karma has come back to bite print in the ass after their heady and cocky days when the going was not just good, but obscenely profitable.

When a Page 3 colour ad could fetch up to RM45,000 per page.

A previous marketing head with an honorific title at a top paper once told me, “We don’t need to advertise ourselves. Everyone knows us.”

This coming from a newspaper who’s bread and butter depends on advertising. I thought to myself, “If this newspaper does not believe in advertising, why should advertisers?”

THEY PLAY ZERO SUM GAME

Because there’s always a sucker out there with deep pockets who will put money in the platform for political clout and influence.

This influence eventually translates into profits in other manifestations, not necessarily in the printed form. With owners sitting pretty, the rest

COVER STORY

of the ecosystem seems quite disposable to fit the mandarins in high office.

But let's leave the politics for another day. I am here to talk about content.

FREE CONTENT GUIDE

Do not be afraid to use new words, your reader is not stupid.

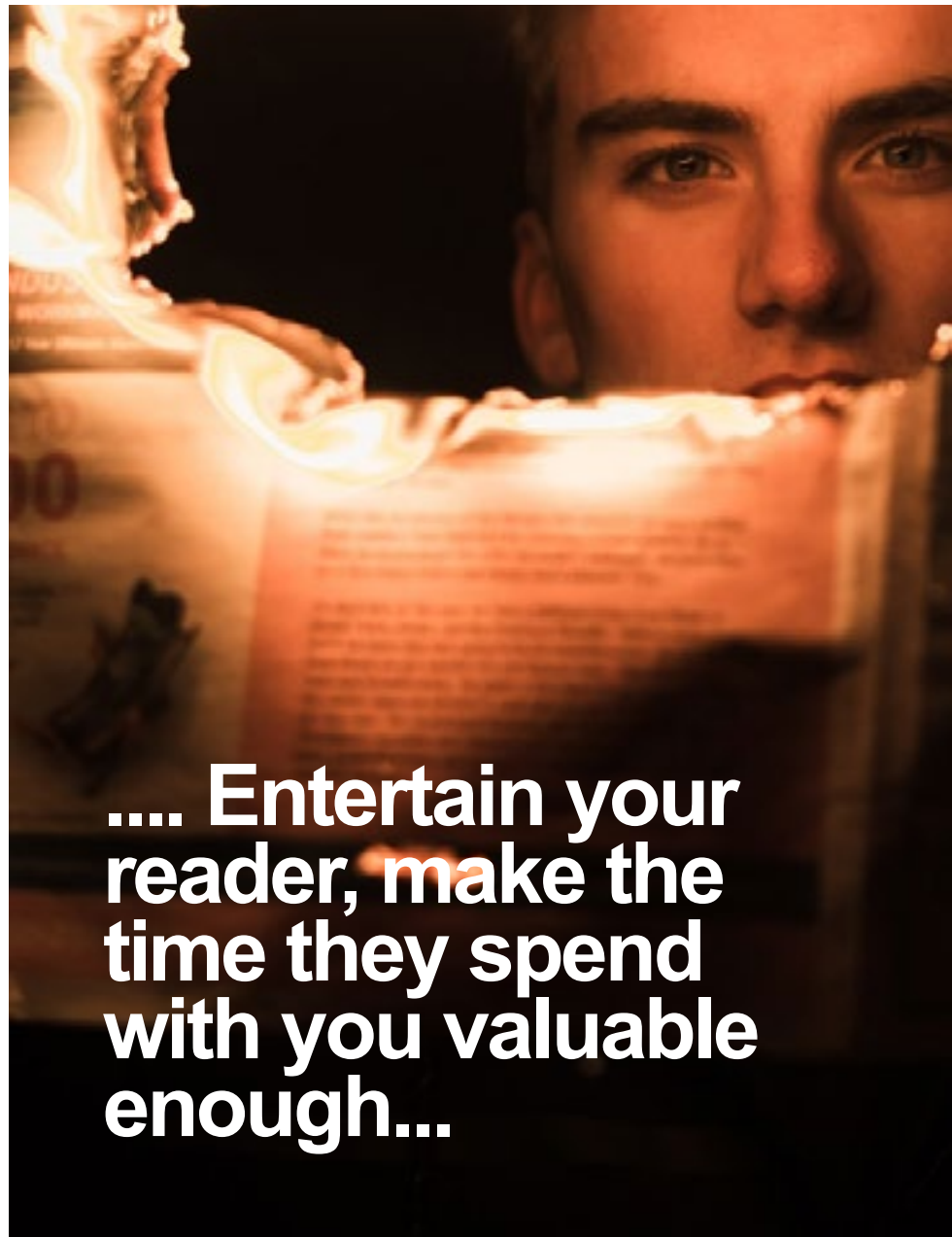
Respect them enough to know that they also want to continuously learn. Unless you think learning is not a life-priority for debt-laden millennials. Ask yourself, how many of them knew what the word "avenge" meant before Avengers hit the big screen?

Entertain your reader, make the time they spend with you valuable enough to at least put a smile on their face every now and then. Share your views but please have an opinion or two, because life does not have to be the same for everyone.

WHAT READERS WANT

Readers are cynical, indifferent, time-starved and bored with politics; they need a new script.

They read to be informed and entertained. Malaysian newspapers overdo the



.... Entertain your reader, make the time they spend with you valuable enough...

"informed" to the extent that it is a turn off.

As for the "entertain" part, my kudos to the comics section and the amazing ex-Star columnist **S Jayasankaran**.

To me, there's no real print journalism in Malaysia unless you include investigative pieces. It is mainly a rehash of official announcements and state spin. How creative can you get with a headline from a Bernama press release, I hear journalists say...

It's a headline audience now, body text is for the occasional glance.

COVER STORY

HOPE FROM INDIA?

In a report by India’s Media Research Users Council last year, the Indian Readership Survey readership data of **newspapers** (all languages) grew from 407 million in 2017 to 425 million at the end of Q1 2019.

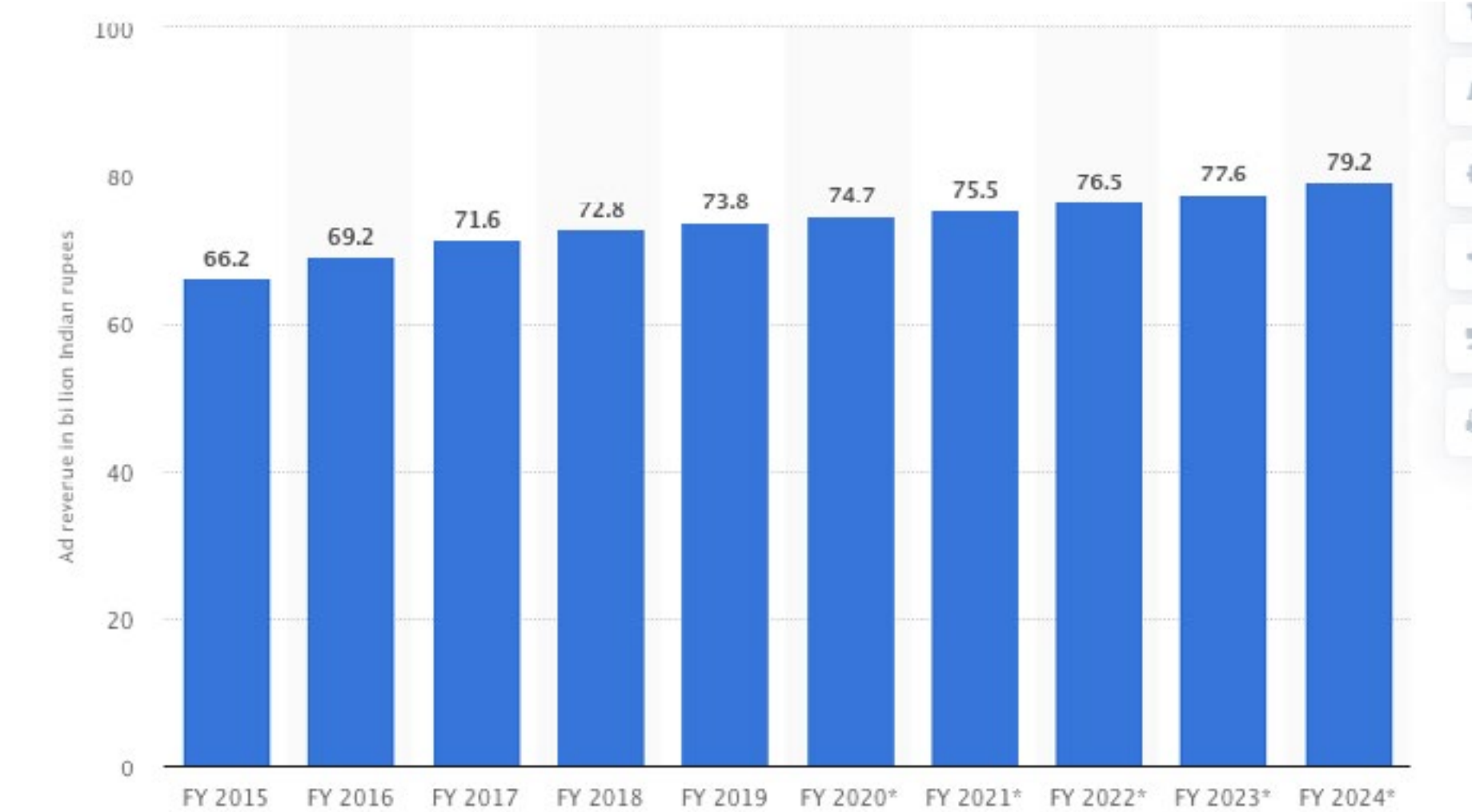
According to Statista, the English newspaper market across India (where journalism really shines) saw an advertising revenue of around 74 billion Indian rupees in the 2019 financial year. This was estimated to go up to 80 billion rupees by fiscal year 2024 indicating a steady growth for the sector.

See table below for these growth trends since 2015 and projected till 2024.

Yes, I understand that India has a large population and its growth adds readers every year. But India’s population growth is 1% a year while in Malaysia it is 1.4% a year.

I have learnt that 13% of India’s population speaks English, in Malaysia more than 60% do so.

An English Proficiency Index report across 100 countries by Education First in **2019** ranks Malaysia at 26, while India is at 34. In fact, we are number 3





.... Less content is better than irrelevant content. Copywriters are trained to write only what readers want to read...

in Asia... behind Singapore and Philippines.

Whichever way one uses this numbers as a basis to co-relate to English readership, Malaysia still has a strong English reading population.

DARE ME

I throw this dare...

With many advertising writers looking for employment, just ask one of them to work with you for one day and see how brutally they slash your content and puffery and give editing a new meaning.

Less content is better than irrelevant content. Copywriters are trained to write only what readers want to read. They are the best people to write sponsored content because they know how to distil information, bring delight and whip out witty **headlines**.

They are also interesting people who understand style. They will tell you that a

statement is not a headline.

YEAR OF RECKONING: 2021?

According to the World Trends Press Database, last year digital advertising revenue continued to grow worldwide, having contributed 5.38% in 2017.

But much of global advertising went to tech giants.

Google and Facebook are now busy **threatening** the Australian government, who is magnificently leading the way to get these giants to **pay** for news they peddle for free on their site, while earning billions in income from the traffic.

*This story is written in memory of two phenomenal writers: lawyer, journalist, diplomat, politician **Khushwant** Singh and **Briton Hadden**, the uncelebrated genius behind TIME magazine whose legacy was sadly buried by those who came after him. The story about how TIME turned the news into a form of entertainment is **legendary**.*

COVER STORY

RANDOM LOCAL HEADLINES AND POSSIBLE READER RANTS.

Johor MB: I have majority support

"So?"

Work site safety greatly improved

"I bloody well hope so."

Voter turnout in coming polls may drop due to Covid-19

"Am I surprised?"

We need more time, say employers

Businesses seek extension to comply with new law on workers' housing

"Who are you lobbying? On my time."

Warisan to field a mix of young and senior candidates

KOTA KINABALU: Parti Warisan Sabah will be a balance

"Yawn. Good to know middle-aged leaders are out."

Factory owner's son says they will cooperate over pollution issue

"Isn't that a given?"

M'sia in need of multitalented individuals

"Another nugget of wisdom I need to fill my head space?"

Measures needed to prevent floods

Polluters to feel full force of the law

"You mean there's also half a force?"

"Of course stupid."

Spend wisely in these troubled times

"Yes mum."

Making Media Agency Tools Work Harder



By Greg Paull
Co-founder and Principal, R3

Each time we sit through a media pitch, we never fail to be impressed when the agency showcases their proprietary suite of media planning and buying tools.

These are always demonstrated with impressive charts showing potential cost efficiency savings backed up with successful case histories and *'black box'* live demos. This is usually the point in the pitch that *'showcases'* how the various tools such as market prioritizers, budget allocators, flighting plan simulations, awareness modelling, channel mix allocators and TV spot plan optimizers can all be used to squeeze the maximum bang out of the media buck.

The biggest media agencies have whole 'toolkits' to solve just about every media planning and buying question including a fast-expanding array of digital and new media planning tools plus an avalanche of proprietary consumer insight and media touch-point research too.

And they all come with their own brand names – just in case you were in doubt that the tools were really proprietary.

Out of Sight, Out of Mind

But as powerful as some of these tools are, when we sit with both sides reviewing on-going work and media performance, all too often we don't always see these tools. There is no mention

MEDIA PLAYBOOK

.... agency planners can sometimes be overly optimistic about the efficiencies these tools can really generate, and yes, time is always a problem here...

of the thinking behind them or evidence of them being put into practice. This is a huge lost opportunity for both marketers and agency planners.

‘Lack of time’, ‘too complicated’, ‘we don’t have the right inputs’, and ‘they tell us what we already know’ are the most common reasons given for not fully leveraging these valuable resources.

Sure, agency planners can sometimes be overly optimistic about the efficiencies these tools can really generate, and yes, time is always a problem here, but even with these limitations we would argue that anything that takes some of the intuition or ‘guesswork’ out of planning and buying can only be a good thing. At the very least, building a me-

dia plan using the appropriate tools can:

- Directionally point the way
- Act as a ‘base plan’ to build on
- Set annual buying guidelines

Getting the Most Out of Your Investment

We have seen numerous instances where planning and buying tools have helped build plans that result in significant improvements in both planning effectiveness and buying efficiency.

A good place to start is by working through six key questions:

1. What are my most important media issues?

When it comes to investing your budget, everything is important. There may be a tool for solving nearly every problem in the agency’s toolbox, but realistically start by identifying your top one or two most important media issues and focus on solving/resolving them first.

2. What tools does the agency have and can they really make them work in this market?

Time for an update from the agency team. Most big agencies will have a ‘suite or toolkit’ of

MEDIA PLAYBOOK

.... get the latest updates on how some of these tools can be used, or used more frequently and deeply, to really ‘buy more for less’ as the pitch chart says!...

planning and buying tools. Most will have been ‘recalibrated’ to work with local audiences and market data.

3. Can I see non-confidential or anonymous case studies of how some of these tools are currently being used?

The agency is usually more than happy to show these but be sure to ask for current examples to make sure the findings are relevant and realistic.

4. What data inputs do I need to share with the agency?

Most common client inputs are sales and/or awareness tracking data. The more frequent the interval point (e.g. weekly vs quarterly data), the more conclusive the output. Some tools, such as spot schedule optimizers, don’t need any client input.

5. Can I really give the agency the time to implement this?

What we know from experience is that time spent upfront will save both time and money once the campaign gets underway.

6. Can I afford to test and learn and follow the recommendations of this approach?

We would encourage all marketers to allocate a percentage of time and money to testing alternative approaches. The real question is: “Can I afford not to?”

So to keep getting the best of your agency’s thinking, it is well worth spending an hour or so with your agency planning and insight teams to get the latest updates on how some of these tools can be used, or used more frequently and deeply, to really ‘buy more for less’ as the pitch chart says!

Greg Paull is principal and co-founder of R3, a global independent consultancy focused on driving transformation for marketers and their agencies. www.rthree.com

SHOWCASE



Joining the Helsinki Pride celebrations this year, Burger King Finland comes out as a lover of the Golden Arches in an amusing yet endearing campaign produced by ad agency TBWA\Helsinki and media partner Virta Helsinki. The initiative features a painting of Burger King's mascot sharing a "long-awaited kiss" with McDonald's Ronald McDonald, their intertwined silhouettes forming a heart shape. All the ad says is "Love conquers all".



Worst quarterly performance in Malaysian retail industry

30% sales drop in Q2



This year has been the worst period for retailers in Malaysia since 1987, as the market turned into a bloodbath since mid-March with the Movement Control Order (MCO).

For the second quarter of 2020, Malaysia's retail industry suffered a negative growth rate of 30.9% in retail sales, as

compared to the same period in 2019 (Table 1).

This latest retail sale performance is probably the worst quarterly result in the history of the Malaysian retail industry.

For the first 6 months of this year, the retail sale growth rate was -20.2%, as compared to the



.... Despite opening during the entire lockdown period, the Supermarket and Hypermarket sub-sector reported a negative growth rate of -9.9% during the second 3-month...

same period a year ago.

COMPARISON WITH OTHER ECONOMIC INDICATORS

For the second quarter of 2020, Malaysia national economy recorded a negative growth rate of 17.1% (Table 2, at constant prices), as compared to -30.9% for retail sales (at current prices).

This was the first quarterly economic contraction for Malaysia since the global financial crisis in 2008.

On the other hand, prices of foods and beverages rose moderately every month during this period.

Private consumption reversed its growth momentum with -18.5% during the second quarter of 2020. The strict movement

restrictions affected consumers’ spending during this period.

Unemployment rate during the second quarter of 2020 climbed to 5.1%.

RETAIL SUB-SECTORS SALES COMPARISON

Except Supermarket and Hypermarket sub-sector, all other retail sub-sectors reported double-digit negative quarterly results.

Department Store cum Supermarket sub-sector recorded a disappointing growth rate of -34.6% during the second 3 months of this year.

Businesses of Department Store sub-sector contracted by 62.3% during the second quarter of 2020. This was the worst performing sub-sector during this latest quarter.

REST OF 2020

Despite opening during the entire lockdown period, the Supermarket and Hypermarket sub-sector reported a negative growth rate of -9.9% during the second 3-month period of 2020.

Fashion and Fashion Accessories sub-sector experienced a decline in business with a growth rate of -44.2% during the second quarter of 2020, as compared to the same period a year ago.

3 MONTHS FORECAST

The business outlooks of members of retailers' association in the next 3 months are mixed. They estimate an average growth rate of -3.4% during the third quarter of 2020 (Table 4).

The department store cum supermarket operators hope their businesses will turn around with positive growth rate of 5.7% for the third quarter of this year. The department store operators are expecting their businesses to drop by 3.5% for the third 3-month period of this year.

Supermarket and hypermarket operators in the third quarter of 2020, anticipate a contraction of 6.7% in retail growth rate.

Retailers in the fashion and



....Consumers are expected to tighten their spending during the last 3 months of this year when their monthly loan repayment re-started...

fashion accessories sector expect their businesses to recover with a growth rate of 4.0% during the third quarter of 2020.

Retailers in the Pharmacy and Personal Care sub-sector do not expect their businesses to recover in the next 3 months. Their businesses will decline by 10.6% during the third quarter of 2020.

THE REST OF YEAR 2020

The 6-month moratorium will end on 30 September 2020. Consumers are expected to tighten their spending during the last 3 months of this year when

REST OF 2020

their monthly loan repayment re-started.

Retail Group Malaysia (RGM) has revised the fourth quarter growth rate downwards from -1.5% (estimated in July 2020) to -2.5% (Table 5).

With consideration of the latest growth revisions and market conditions, Retail Group Malaysia (RGM) has revised the retail sale growth rate for whole

year from -8.7% (estimated in July 2020) to -9.3%.

**This report is based on interviews with members of the Malaysia Retailers Association (MRA) on their retail sales performances for the second quarter and rest of 2020. For more information, write to tanhaihsin@yahoo.com.*

DOWNLOAD FULL REPORT [HERE](#)

TABLE 1 : YEAR ON YEAR PERCENTAGE CHANGE IN RETAIL SALES (WEIGHTED), 2019/20

TYPE	PERIOD	% GROWTH
Retail sales	Apr-Jun 2019	+4.5
	Jan-Mar 2020	-11.4
	Apr-Jun 2020	-30.9
	Jan-Jun 2020	-20.2

Source : MRA/ Retail Group Malaysia

TABLE 2 : COMPARISON OF RETAIL SALES WITH OTHER ECONOMIC INDICATORS, 2020

ECONOMIC INDICATOR	1ST QTR	2ND QTR
GDP (%)	0.7	-17.1
Inflation rate (%)	0.9	-2.6
Private consumption (%)	6.7	-18.5
Retail sales (%)	-11.4	-30.9
Consumer Sentiment Index	51.1	NA
Unemployment rate (%)	3.5	5.1

NA- not available
Source : Bank Negara/ Department of Statistics/ MIER/
Retail Group Malaysia

REST OF 2020

TABLE 3 : YEAR ON YEAR PERCENTAGE CHANGE IN RETAIL SALES BY RETAIL SUB-SECTOR, 2020

RETAIL SUB-SECTOR	1ST QTR	2ND QTR
Department store cum supermarket	-8.5	-34.6
Department store	-17.5	-62.3
Supermarket and hypermarket	-3.0	-9.9
Fashion and fashion accessories	-30.5	-44.2
Pharmacy and personal care	-3.9	-26.2
Other specialty retail stores	-17.9	-40.9

Source : MRA/Retail Group Malaysia

TABLE 4 : 3-MONTH RETAIL SALES FORECAST BY RETAIL SUB-SECTOR, JULY-SEPT 2020

RETAIL SUB-SECTOR	% GROWTH RATE
Overall (weighted)	-3.4
Department store cum supermarket	5.7
Department store	-3.5
Supermarket and hypermarket	-6.7
Fashion and fashion accessories	4.0
Pharmacy and personal care	-10.6
Other specialty retail stores	-9.5

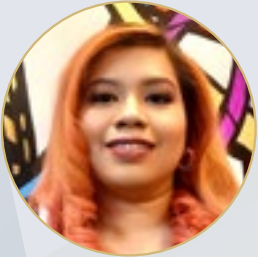
Source : MRA/Retail Group Malaysia

TABLE 5 : MALAYSIA RETAIL INDUSTRY QUARTERLY GROWTH RATE, 2020

QUARTER	% GROWTH RATE
First	-11.4
Second	-30.9
Third	(e) -3.4
Fourth	(e) -2.5
Whole year	(e) -9.3

(e) - estimate
Source : Retail Group Malaysia

JOIN THESE BRIGHT MINDS IN THE GREAT COMEBACK



AZIEMAH AZMAN
Manager of IP-Animation
Primeworks Studios



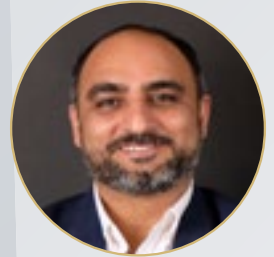
CHRIS GREENOUGH
Chief Marketing Officer
Everise



CHRISTOPHER WEE
Chief Strategy Officer
Omnia



DASHIKA GNANESWARAN
Head of Communications
Microsoft



DHEERAJ RAINA
Managing Director
Mindshare



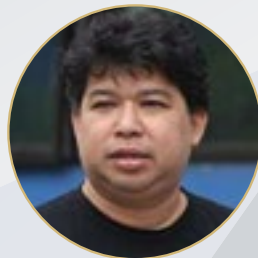
EUGENE LEE
*Regional Director
of Marketing*
McDonald's Malaysia



GANESH KUMAR BANGAH
Founder & Executive Chairman
Commerce.Asia



HANIFF HAMZAH
Content Producer
YOLO Malaysia



JAHABAR SADIQ
Chief Executive Officer
The Malaysian Insight



JAZ LEE
Creative Director
Ogilvy



JAZZ TAN
Chief Executive Officer
YouthsToday



KAREN CHAN
Chief Executive Officer
AirAsia.com



LEE CHOONG KAY
Head of Sports
Astro



MEERA SIVASOTHY
General Manager
BFM



NICHOLAS SAGAU
Chief Product Officer
REV Media Group



PREATHVEE ASOHAN
*Twitter Client Partner
& Brand Strategist*
Httpool Malaysia



RAYMOND SIVA
Chief Marketing Officer
Malaysia Digital Economy
Corporation (MDEC)



SAILESH WADHWA
Chief Strategist
Edelman Malaysia



SANTHARUBAN T. SUNDARAM
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Atlas Vending



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