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Headline: Internet and TV play larger role in driving growth

IT'S SHOWTIME

Entertainment and media outlook in Thailand 2011-15

	2010p	2011	2012	2013	2014	2015	Average growth (%)
Business-to-business	89	86	85	85	85	86	-0.7
Consumer and educational books	889	920	944	970	994	1,019	2.8
Consumer magazine publishing	423	431	441	451	460	469	2.1
Filmed entertainment	536	574	614	656	695	733	6.5
Internet access	2,185	2,556	2,910	3,197	3,481	3,759	11.5
Internet advertising	9	11	13	15	16	19	16.1
Newspaper publishing	1,022	1,032	1,049	1,069	1,098	1,133	2.1
Out-of-home advertising	192	211	232	253	277	305	9.7
Radio	193	202	213	224	237	248	5.1
Recorded music	112	110	110	111	113	116	0.7
Television advertising	1,747	1,920	2,158	2,346	2,612	2,826	10.1
TV subscriptions and licence fees	490	592	657	742	839	932	13.7
Video games	336	374	415	450	486	525	9.3
Total	**8,218**	**9,012**	**9,831**	**10,554**	**11,373**	**12,144**	**8.1**

Source: Wilkofsky Gruen Associates, PricewaterhouseCoopers LLP Unit: US$ million POSTgraphics

MEDIA

Internet and TV play larger role in driving growth

CHADAMAS CHINMANEEVONG

Consumer and advertising spending in the entertainment and media industry in Thailand is expected to grow at an annual rate of about 8% to reach US$12.14 billion in 2015, according to a study by PricewaterhouseCoopers.

The research found three segments would be the main growth drivers: internet advertising (online and mobile), TV subscriptions and licence fees, and internet access (fixed-line and mobile).

Among these segments, TV subscriptions and licence fees are expected to fetch the highest value at $932 million, up from $490 million in 2010, once 150 new and/or unregistered operators are approved when the National Broadcasting and Telecommunications Commission (NBTC) begins work.

Although total advertising and customer spending on media in Thailand was relatively small, it had large room to grow in the future, said Marcel Fenez, entertainment and media head for PwC.

Internet access, especially via smartphones, will rise significantly as 3G wireless services improve, he said.

Big global brands spend about 20% of their advertising budgets on digital communication and 80% in non-digital areas, but over next five years the ratio will change to 75:25, PwC predicts.

''Besides, new brands prefer to promote their brands via digital because it costs less,''said Mr Fenez.

According to PwC research, customers are actively engaged with brands through social media, and will respond to digital ads but only if they are well-targeted.

They are grudgingly accepting that personal information needs to be exchanged for something valuable such as free content or discounts, but there are still strong boundaries, he said.

To operate successfully in the digital value chain , companies need strategic flexibility, engagement with consumers, economies of scale and scope, and speed of decision making.

PwC also projects that the total market value of video games will four times that of music in the next five years globally and in Thailand. Music companies thus have to adjust and look for new channels to generate revenue.

Newspapers, meanwhile, will still exist in five years but will disappear in 25 years if digital infrastructure and internet access cover all areas.

PwC said newspapers should rely on quality content, develop reliable brands, and change ad policies.

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