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MALAYSIAN ADVERTISERS ASSOCIATION

ANNUAL

REPORT

2012





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2013**

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COUNCIL

President



Mr. KHOO KAR KHOON
Nestle Products

Vice-President



Ms. CHAN SHEOW VERN
Unilever Malaysia



Mr. Rommel P. Fuenteabella
Coca-Cola Far East
Alt 1: En. Mohamed Kadri
Alt 2: Ms. Gillian Loh



Ms. Yap Swee Leng
Guinness Anchor
Alt 1: Ms. Tai See Wai
Alt 2: Ms. Lim Jyu Lee



Mr. Ang Chong Lee
Danone Dumex
Alt: Ms. Chong Chooi Ink



Ms. Sulin Lau
Digi Telecommunications
(April – December 2012)
Alt: Ms. Chan May Ling



Ms. Tay Ai Leen
L'oreal Malaysia
(April – December 2012)



Mr. Simon Wong
Canon
(April – December 2012)
Alt: Ms. Joey Low



Mr. Claudio Navin Stanislaus
Baba Products
Alt: Mr. Ganesan Narayanan



Ms. Margaret Au Yong
Tune Group



Mr. Chow Wei Heng
Genting Malaysia
Alt: Mr. Andrew Loong

Council Member Replacements



Ms. Chan May Ling
Digi Telecommunications
Replaced Ms. Sulin Lau
Alt: Mr. Jeffrey Woo



Ms. Emily Lim
L'oreal Malaysia
Replaced Ms. Tay Ai Leen



Encik Khairul Syahar Khalid
Malaysian Airlines System
Replaced Mr. Simon Wong



Bruce Ryan Dallas
Guinness Anchor
Replaced Ms. Yap Swee Leng

President's Report



MAA president, Mr. Khoo Kar Khoon

Our efforts to raise the profile of the Association to the next height continued with full commitment throughout 2012 and we can confidently state that the activities and achievements that were recorded will go a long way in realising our goals for the Association and the industry.

The Council moved swiftly and decisively to take in hand issues concerning the industry, bring more benefits for Members and establish the Association as the "Voice of the Advertisers." These required us to address and champion matters and assume the lead for our Members in a more efficient and effective manner.

Seven pillars were identified as essential to the Association's ambition to fulfill its role and which would lead to a stronger collaboration with the Association of Accredited Advertising Agencies (4As), Federation of Malaysian Manufacturers (FMM) and Audit Bureau of Circulation (ABC) and to the formation of a pressure group for our collective success.

The introduction of these pillars necessitated a review of the Committees' existing responsibilities and deliverables. The Council Members were asked for their input and, after taking their views into consideration, we embarked on further strengthening the Committees.

The revamped Committees streamlined the duties and scope of work for the Council Members to deliver our objectives in line with our desire to be the focal point of reference on all industry matters.

The Council has been building for the future ever since receiving the mandate from Members to rejuvenate the Association. It is our fervent belief that formidable founding block has been placed for the Association to make themselves more authoritative in the years to come.

A formidable and sophisticated Association was needed to meet the demands that have emerged with the evolution of technology and greater need for the industry to self-regulate. We also need to lead the way in strengthening and standardising marketing measurement and metrics. In addition to this, the Council has to respond to the challenges in a changing business environment.

We owe our gratitude to the companies that we represent in the Council for their blessing that allowed us to play an active role in advancing the cause of the Association. It is with their encouragement too that the feats of this Council were made possible.

Our successes in 2012 were largely attributable to the diligence and determination of my fellow colleagues in the Council. As Committee Heads and Members, these individuals had shown exemplary conduct and ethics to bring about positive changes that the Association and industry have been crying for an overdue period.

The Council would also like to thank former Members Ms. Tay Ai Leen, Ms. Sulin Lau, Ms. Yap Swee Leng and Mr. Simon Wong for all their contributions and support to the industry and the Association during their tenure.

In common with the rest of the Council Members, their motivation and inspiration have managed to set in motion the activities held thus far. The Council wishes the quartet well and hopes that they would continue to support the Association in their new postings.

Their commitment embodies the power and courage in advancing the interests and concerns of the Association. The reports that the Heads of Committees have filed will provide details on the issues that we have advocated and agendas that we have pushed ahead for the improvement of our Members and the industry.

Lastly, our heartfelt thanks is due to the Secretariat at Maccomm which has kept the business of the Association in order and helped us manage our affairs in an organised and professional manner.

GLOBAL ADVERTISING OUTLOOK 2013

According to the summary of Group M's This Year Next Year forecast, the below-than-expected global advertising spending – only US\$22 billion out of the projected US\$30b materialise – was down largely to the drop in the faster-growth markets (China, Brazil and Russia) in the world.

The anticipated push that the Olympics and European Championship football events also did not occur and contributed to a 15% contraction in advertising investment in Europe – especially in the handful of countries weathering financial crisis.

The only bright spot is in the digital media. A strong and sustained growth ensures that all forms of measured digital advertising should now account for 21% of the total. As much of this is attributable to paid search engaged by small advertisers, digital's share of large advertisers' budgets is more likely to be within the 10% – 12% bracket.

The continued confidence in China, Brazil and Russia – more so in China where the advertising demands is unaffected by the uncertainties over their GDP – makes it possible for a global advertising spending forecast growth at 11% for the year 2013. In this context, digital media deserves our close attention.



he Council moved to establish the Association as the "Voice of the Advertisers" by championing issues in a more efficient and effective manner

It eclipsed newspapers' share in 2011 and is expected in 2015 to pass the global advertising investment share of 25.6% held by television and newspapers. While the potential of mass-market tablet devices has led to newspapers to extend their reach, they still face massive competition from other screens such as digital out-of-home and new video alternatives.

Though there is no major event taking place globally in 2013, on Malaysian front, the year will be overwhelmed with election-related campaigns where the adex will definitely surge ferociously ahead in anticipation of the intensity of the coming election. The mainstream media has started to take in advertisements from the political parties since 2012, and there's no sign of them slowing down until the election is over. While most advertisers remain cautious and prudent in their advertising spends amidst the current economic situation looming in many parts of the world, the adex will still register decent growth in Malaysia due to the aggressive election campaigns and the possibility of some major titles taking the opportunity to revise their rates upward to take advantage of the demand for advertising space by the political parties. Post-election period may not necessarily be less exciting as generally perceived, many advertisers may have planned their campaigns or launches during this time to avoid clashes during the election period.

Digital & social media will continue to lead on adex growth (though many are not tracked). With the growing options, functions, integrated capability, sound/sight/voice enable, high-speed broadband, mobility, easy apps, etc, and growing creative usage and habits, we will only see more brands putting digital options in their communication plans.

**THE NEW COUNCIL
2012 – 2014**



2012 MAA Council

The MAA Annual General Meeting was held on April 20, 2012 and attended by 30 members. There were 25 nominations received for the nine positions on the Council. Mr. Khoo Kar Khoon – Nestle Products (M) Sdn Bhd – and Ms. Chan Sheow Vern – Unilever (M) Holdings Sdn Bhd – were reelected as the President and Vice-President respectively whilst Mr. C. Navin Stanislaus from Baba Products (M) Sdn Bhd was elected as the Treasurer.

The new Council Members voted in for 2012–2014 are: L’Oreal Malaysia Sdn Bhd, Tune Group Sdn Bhd, DiGi Telecommunications Sdn Bhd, Guinness Anchor Marketing Sdn Bhd, Danone Dumex (M) Sdn Bhd, Coca-Cola Far East Limited, Genting Malaysia Bhd and Canon Marketing (M) Sdn Bhd.

Mr. Ang Chong Lee, who represented Danone Dumex (M) Sdn. Bhd; Encik Mohamed Kadri Mohamed Taib, who represented Mr. Rommel Fuentabela of Coca Cola Far East Limited; Ms. Chan May Ling who represented Ms. Sulin Lau of Digi Telecommunications Sdn Bhd and Mr. Simon Wong of Canon Marketing (M) Sdn Bhd, expressed their gratitude for the support in electing them to the Council.

**We thank our past and present
Council Members for their drive and
INSPIRATION that allowed our activities
to be implemented and matters to be resolved**

A **formidable and sophisticated Association was needed to meet the demands posed by the evolution of technology and the greater need for self-regulation**



MAA AGM



FUNDING

The income derived from membership fees is insufficient to finance the annual operating cost of the Association. As is the practice, the Association’s normal means of overcoming these deficits is to raise funds through events such as Malaysian Advertising Congress (MAC) and ADBall.

The Council is currently raising funds for the upcoming MAC 2013 and is pleased with the support of the sponsors in relation to this event and also other ongoing activities, such as Co-CREATE Social Event.

The Council have been diligently pursuing projects that could be turned into consistent revenue streams for the Association as well as judiciously expanding the base of the membership to bring in additional income.

PILLAR**Self-regulatory Bodies**

The objectives include promoting values of advertising and self-regulations; securing freedom to advertise and avoiding an over regulated environment and tackling challenges in an evolving advertising environment. The Committee represents the Association in all self-regulatory bodies and committees and ensures active participation in the formulation of self-regulation related guidelines or practices; promotes transparency and assists in the success of self-regulatory system and shares advertisers' best practices with the authorities and industry.

PILLAR**Media Relations**

The Committee's aims are creating a framework and an environment within which Members can increase the effectiveness of media as vehicles for marketing communications and producing transparent and fair media deliveries and continuous media support for the Association's activities. This involves initiating networking and business development with key media owners and addressing issues such as media rates, agency remuneration as well as striving towards media transparency and measurement.

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PILLAR**Professional Development & Members Benefits**

The objective under this Committee is to improve the quality and knowledge of Members through the Malaysian Advertising Congress 2013; the MAA Series; Effie; AdAsia and membership recruitment.

REVAMPED COMMITTEES

The Council reviewed the roles of the existing Committees to raise the profile of Association and establish MAA as the Voice of the Advertisers. This led to the creation of seven pillars of strength that will define and support the workings of the Committees. These Pillars, in effect, outline the Committees' objectives and their scope of work.

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PILLAR
Industry Relations

3

PILLAR
Government Liaison

Establishing strong relationships with government bodies – principally Ministries – and making the voice of the Association heard in their forums are the twin objectives of this Committee. The Committee's scope covers managing industry and regulatory issues; contributing to industry policies and maintaining an open line with the Ministries and their representatives.

PILLAR
Talent Development

The Committee is tasked with developing talents for the industry, identifying and implementing industry job training opportunities and funding the development of the new talent.

PILLAR
Finance

The objective under this Committee is to focus on the Association's finances.

6

7

MEMBERSHIP & ENGAGEMENT ACTIVITIES

A thorough revamping exercise of the Association's membership commenced in June 2011 and the Council, with ample assistance from the Secretaries, managed to remove dormant members or those who had continuously failed to fulfill their subscription.

This process consumed months and it was the Council decision that the Association must attract a dynamic membership rather than a large but inactive membership.

A membership recruitment plan was put in place with emphasis on this aim and this was to be executed at the events and activities organised by the Council, especially the ones that took place under the Co-CREATE Social Event. Ms Sulin Lau's commendable ideas and creative input into the initiation and launch of this pilot project helped place the Association in the minds of non-members.

Activities such as this have also given the Council the much-needed platform to re-introduce the Association and explain our functions and achievements amongst potential Members.

These events – which have been generously publicised by our friends in the media – have also enabled us to drive home the point for advertisers to unite under a single banner and to give a more strident voice to our causes.

INTER-INDUSTRY AND INTERNATIONAL COLLABORATIONS

The Association is a key activist for self-regulation in the industry and a Constituent Member of the Advertising Standards Authority (ASA). Our representatives also sit on the Council of Communication and Multimedia Content Forum of Malaysia (CMCF) and in the Board of Audit Bureau of Circulations (ABC) and fulfill the duties that are designed to champion this particular goal.

Similarly on the international front, the voice of the Association has been heard in the World Federation of Advertisers (WFA) and APAC forums through our delegates. The purpose of the WFA is to represent the interests of advertisers and to act as a forum for legitimate contacts between members of the advertising industry. As a member, the Association attended meetings and events organised by the WFA and have access to WFA survey and reports.

It is noted that WFA is building a well-resourced organisation that enables members to obtain great value for its membership fee. The APAC network, meanwhile, seeks to act as a regional voice for marketers to tackle critical media and marketing related issues in order to improve industry practice. It was organised for WFA members in the region and the Association was represented.

AUDIT BUREAU OF CIRCULATIONS

Kudos to the Vice-President, Ms. Chan Sheow Vern for vigorously and enthusiastically leading the Audit Bureau of Circulations to unprecedented levels and in securing positive changes for the industry.

The establishment of the new revised audit rules, the revamping of the website and the heightened awareness of the ABC amongst industry players as well as members of the public were the outcome of her leadership.

AUDIT COMMITTEE

Ms Margaret Au Yong, as the other Council Member representing the Association in the ABC, has been phenomenal in championing the revised audit rules. It was a huge task, to start with, and to have accomplished the assignment in six months is a testament to her dedication.

The new ABC Reporting Standards format stresses the importance of transparency, reliability and credibility of audited returns and are an immense achievement for the ABC, which have been striving in vain for a number of years to have such a measurement system in place.

Following its launch, Ms Au Yong spearheaded the Audit Committee's interactive sessions with chiefly newspapers when they met the Board members to put forward their views on the execution of the format. This is another first for the ABC.

The ABC Marketing Campaign urged non-members to seriously consider joining in advancing the industry where transparency and true accountability are at its core. Focusing on advertisers, agencies and publishers who were yet to support the ABC, the campaign to achieve its aim of spreading awareness of ABC and offer a value-added-benefit for Members.



The Council also strengthened and standardised marketing measurement and metrics and responded to the challenges in a changing business environment

It is the passion of the Audit Committee that gave life to this objective and, as the new reporting standards takes root, the ABC and Council look forward to a prosperous and truly healthy media industry.

The new standardised industry framework of auditing audience numbers for publishers – an initiative funded by the ABCi and the MDA – and which includes verifying the vendor's tagging of individual publishers will be launched soon. It is the Association's hope that the availability of a standard digital audit will enable our Members to plan and buy media in a more reliable and confident way.

MEDIA RATES & RELATIONS

In 2011, the Council contributed their input to various media houses on media rates for Members and this was largely attributed to our move to engage the media owners through visits to their office premises. These meetings continued in 2012 to build a stronger relationship and establish trust and understanding between both parties.

In October 2012, Council Members met BFM 89.6 Managing Director Encik Malek Ali and senior personnel of the radio station to introduce the Association and to work together on mutually beneficial platforms.

The Association agreed to join forces with BFM 89.6 to help carry their goals and ideas while the station was keen on looking at programmes to expand the profile of the Association and our activities in the industry.

In the following month, the Council was in Kuching to meet representatives of the See Hua Group led by Mr. Patrik Ting and was delighted to meet with Mr. Chang Ngee Hui, Economic Advisor, State Planning Unit of the Chief Minister's Department to gain insights into the Sarawak Economic Transformation plan. This visit was particularly helpful as it allowed the Council to lay the foundations for a fruitful partnership. The successes of these meetings have encouraged the Council to intensify their schedule for 2013.

As in all our meetings, the Council members stressed the importance of a credible measurement system and its value to creating accountability. This also applied to our visit to The Edge Communications Sdn Bhd.

The Group Chief Executive Officer, Mr. Ho Kay Tat, and his colleagues were equally agreeable to exploring collaborative initiatives with the Association. It is our hope that we could forge productive partnerships with not only The Edge but also other media owners for the collective development of the industry.

The New Straits Times Press, Utusan Melayu and the Star Publications have invited us to visit and the Council is eager to have the media owners hear the voice of the advertisers on issues such as media rates and others that affect the industry.



Khoo Kar Khoon

SELF-REGULATORY BODIES

SCOPE

- Promoting value of advertising and self-regulation;
- Securing freedom to advertise and avoid an over-regulated environment;
- Tackling challenges in an evolving advertising environment.

COMMITTEE REPORT

OBJECTIVES

- | | | | |
|---|--|--|---|
| To represent MAA in all self-regulatory bodies and committees (i.e. ASA, CMCF, ABC, MOH TWCG) | To ensure active participation in the formulation of self-regulation related guidelines or practices | To promote transparency and ensure the success of the self-regulatory system | Sharing advertisers' best practices with the authorities and industry |
|---|--|--|---|

SELF-REGULATORY BODIES COMMITTEE REPORT

MAA REPRESENTATIVES

ABC Ms. Chan Sheow Vern (Vice-President and Chairman of ABC)
CMCF Mr. Claudio Navin Stanislaus
MOH Mr. Khoo Kar Khoon (President), Mr. Mohamed Kadri Mohamed Taib
ASA Mr. Chow Wei Heng, Mr. Rommel Fuentebella & Mr. Ang Chong Lee

The **ABC**

focused on showing that the industry is solidly behind transparency and accountability on the issue of circulation numbers of print media



Revised Circulation Standards for audit of Average Net Circulation per Publishing Day

AUDIT BUREAU OF CIRCULATIONS (ABC)

INTRODUCTION

The ABC was incorporated by both MAA and 4As in 1975 to promote a healthy advertising industry. Audited circulation numbers of print media are verified by the ABC on a standard methodology enabling one circulation number to be compared with the other, which is unlike that of readership numbers from research houses. This is equivalent to share of market within the print media, as the verified circulation number is one that records the net number of copies sold by deducting the returned copies.

Besides providing comparable numbers with a common currency, ABC is indeed verifying the supply of media inventory, which should be and has been the starting point of media planning for agencies. As such, it is the responsibility of advertisers to plan based on the ABC's verified and audited circulation numbers. This assures that the money we have paid is translated into copies that were bought in the market.

The Vice-President of MAA and Chairman of the ABC, Ms. Chan Sheow Vern reflected that 2012 was a great year for the ABC at the AGM 2012. The most number of activities were organised to promote ABC and it is acknowledged here that members' support behind the ABC's efforts would make the utmost difference. This unity motivates the ABC to continue to better the industry.

ABC has attracted a lot of attention and kinship via quarterly activities focused on showing to the publishers that all key players and associations in the industry are solidly behind transparency and accountability. ABC also emphasised on the benefits of being a member in the year of 2012. Below is a summary of these activities.

MEASUREMENT – TRANSPARENCY & ACCOUNTABILITY

In moving with times, two major undertakings were implemented in the area of audit. Ms Margaret Au-Yong of Tune Group, who's heading the Audit Committee of ABC on appointment by the MAA, worked very passionately and professionally with an independent auditor to revamp the 10-year-old auditing standards. It is a major feat that she accomplished this tough task in a record time of less than six months.

The latest January – June 2012's report contained the new and more stringent standards, coupled with the new introduction of a digital replica. The ABCi – an arm that will be auditing websites traffic in close collaboration with the Malaysian Digital Association (MDA) – is the second major accomplishment when it is launched soon. ABC would like to assure advertisers that this would be an area in which more clarity in the area of digital will be achieved for the benefit of the industry.



Flag off (from L to R):
 Mr. Ranganathan Somanathan, President, Media Specialist Association (MSA)
 Ms. Margaret Lim, Vice Chairman, Audit Bureau of Circulations (ABC)
 Ms. Chan Sheow Vern, Chairman, ABC, and Vice-President, Malaysian Advertisers Association (MAA)
 Mr. Tony Savarimuthu, President, Assoc of Accredited Advertising Agents Malaysia (4As)
 Y. Bhg. Datuk Mohd Nasir Ali, Chairman, Malaysian Newspaper Publishers Association (MNPA)
 Mr. Paul Moss, Vice-President, Malaysian Digital Association (MDA)
 Mr. M. V. Swaminathan, President, Malaysian Publishers Association (MPA)



Strength in Numbers Walk



A UNITED INDUSTRY

- The ABC met the **Media Specialist Association (MSA)** members at the MSA's Council Meeting on the ABC's importance and vision in January 2012
- The ABC briefed the **Magazine Publishers Association (MPA)** members at the MPA's Exco meeting in March on ABC's vision as well as progress on auditing standard. The Board assured them that the revamped standard, incorporating the digital replica in March 2012, encourages existing plus new, big and small magazine titles to join the ABC.
- **Video interviews** with the Presidents/Chairman of MAA, 4As, MSA, MDA, MNPA and MPA were showcased prior to the 37th ABC's AGM in June 2012.

- **Strength in Numbers Walk** where Presidents and Chairmen of MAA, 4As, MSA, MDA, MNPA, MPA and ABC and their members strolled the park at Bukit Jalil in September 2012 to officiate our inaugural walk. The key highlight of this event was that more than 400 of us wore an ABC executive shirt to demonstrate our pledge to stand behind the ABC. More than 1,000 shirts are now in the market. This shirt, that bears the logos of the ABC and the respective associations are now being worn at the monthly ABC Board meeting while the publishers are wearing it on a specific day of the week to maintain their support of the ABC.
- ABC continued their affiliation with **IFABC** to learn from each other to better serve the industry.



Jacek Utko Talk



VALUE TO THE MEMBERS

- The **15th ABC Media Workshop**, organised by Ben Thomas of People N Rich and who is a Board member of the 4As, was a resounding success. More than 200 flew to Bandung for a four-day-three-night workshop between March 1 to 4 2012 to hear a great line up of speakers share their knowledge and experience.
- Mr. Jacek Utko**, a renowned Warsaw-based designer who turned around newspaper business in Eastern Europe, shared his secret with not only sales and marketing folks but also publishers' editorial and design team members in June. More than 300 individuals attended the half-day session and the Board were informed that some participants had subsequently adopted his advice.



ABC Interactive Session with Star



ABC Interactive Session with NSTP



The ABC's first-ever **interactive sessions** were organised by Ms. Margaret Au Yong. The MAA and MSA Council Members listened to publishers like the NSTP, Utusan Melayu, The Star Publication, Astro Publications on how they approached the new auditing standard and on the outcome of the audited numbers in the third quarter. This helped everyone's understanding of the process of circulation, audit, finance and distribution and how the supporting documents are raised to ensure circulation is credible.

It is also very encouraging to see that the digital replica is included in the report and separately reported from hard copy sales, which gives a lot of clarity and credibility to ABC's audited and verified circulation numbers.

To continue to strengthen ABC's credibility, the Board introduced a **tagline** to reinforce its noble mission: ABC Malaysia **Delivering Trust**. In view of this and the revised auditing standard, the membership form and **ABC certificates** were updated to incorporate the new tagline in the final quarter of 2012. The ABC certificate now contains the new ABC tagline as well as the IFABC logo and average net circulation figures, which lend unsurpassed authenticity to it. It has also become a powerful marketing tool for publications to canvass advertising opportunities in an absolutely credible manner.



ABC Interactive Session with ASTRO



Updated ABC Certificate



ABC Board of Directors line up for 2012/2013

- Potentially controversial but effective, the **ABC Marketing Campaign – The Haunting Truth** which is expected to be launched in Q2 2013 – aims to drum up level of awareness of the ABC and therefore focuses on reaching out to advertisers, agencies and publishers. The MAA understood that to ensure a healthy advertising industry, all advertisers – big and small, needs to insist on using only audited titles in print media. Partnered with Creative Juice-Sil, the ABC Board hope to win an Effie award in 2013 or 2014 with this talk of town campaign!
- The **Technical Committee's** aim is to have an open and effective dialogue with Nielsen on how to improve their media research methodology and therefore the output. Ms. Margaret Lim, Vice Chairman of the ABC, heads the committee and for a proper representation, a committee is being formed which includes suitable media specialists, publishers and advertisers, to have its first formal meeting with Nielsen Media Research's new person-in-charge for 2013.
- The **ABC's website** is also being revamped to ensure more advertisers and agencies refer to the ABC as a source of credible information provider as well as giving relevant information on media that will help aid better planning and buying decisions. It will be re-launched in April 2013 and the Board urge Members to visit www.abcm.org.my for the latest developments.
- The **ABC Membership forms** have been updated and will be made available online for easy application.
- The Vice-President represented ABC at the **IFABC General Assembly** in Madrid at the end of October 2012 and tabled a report to the Board of ABC (including the ABCi sub-committee) and the MAA Council. Most countries have moved into digital auditing while some have obtained government support for the ABC to make a difference.

The MAA will pass the baton back to the 4As to drive the ABC in June 2013. It is hoped that the ABC will continue to rally firmly behind transparency and accountability with immediate action from advertisers, especially the MAA members who are supportive of self-regulation as well as the agencies under the MSA, in demanding truthful circulation numbers and not print runs or any other measurement of supply.

Advertisers must only be satisfied with audited and verified circulation numbers released by the ABC on www.abcm.org.my. To ensure a prosperous and a truly healthy communication industry, ABC owe the next generation this positive action. Every small step counts and let us ask every publication that comes to us from now on: "Are you audited? If not, please do so."

Special thanks to:
 President of MAA – Mr. Khoo Kar Khoon
 President of 4As – Mr. Tony Savarimuthu
 President of MSA – Mr. Ranganathan Somanathan
 President of MDA – Mr. Rene Menezes
 Chairman of MNPA – Y. Bhg. Datuk Mohd Nasir Ali
 President of MPA – Mr. Swaminathan MV
 ABC Board

IFABC

The Vice-President represented the ABC at the IFABC General Assembly in Madrid and tabled a report to the Council. Much progress on the digital front has occurred and, in the case of the United Kingdom (UK), they were referring to Unique Browsers instead of Unique Visitors as a standardised metric.

In Malaysia, the agencies were still using Unique Visitors but their counterparts in the UK believe that Unique Browsers will eliminate the same person using different browsers to surf.

There are also other hurdles to the digital auditing process. For example, large publishers in Australia challenge it with features such as auto-fresh and video replays and therefore considering looking at unique audiences rather than unique browsers.

It appears that a hybrid of both tagging and panel is the preferred way to measure both supply and demand. The UK is switching from Nielsen to Comscore for their online audience measurement while Spain and Brazil largely rely on Comscore.

The President opined that the ABCi should guide the members in the industry on the types of metrics that are recommended to be used and also hold discussion with the suppliers in the future while the Vice-President suggested that the ABCi Committee study and propose a benchmark for ABCi.

Advertisers want a standard methodology that is user-centric and integrates the various devices and systems that will deliver insights and it is clear that the IFABC is evolving and moving into auditing digital media.

COMMUNICATION & MULTIMEDIA CONTENT FORUM OF MALAYSIA (CMCF)

The CMCF had embarked on a campaign to spread awareness of the CMCF and the rights of individuals in synergy with the greater influence of the broadcast and digital channels. An integral part of this campaign was participation in road shows and carnivals across Malaysia that were organised predominantly by government agencies.

This was further supported through implementing their own campaigns and engagements with the members of the media. In all these activities, users were urged to exercise utmost discretion in choosing the right content and were made aware of the adverse consequences that follow if caution was not applied in the consumption of content.

In addition to this, CMCF delivered presentations and talks on the functions of the body as well as the importance of the Content Code and Internet safety through their Six Region Seminar Drive in collaboration with these series of seminars and talks had prompted the LPPKN to extend the collaboration into 2013 and 11 seminars have been marked down to cater for students at institutes of higher learning.

Another outreach project targeting the youth, the CMCF School Cluster Programme, could be launched in 2013. The purpose of the program is to augment knowledge, develop intellectual competency as well as to build enthusiasm among students to be more determined and intelligent in choosing electronic content and diligence in the cyber realm. Targeted at both primary and secondary schools, the project will commence with trials at a rural and an urban school initially, upon approval.

Throughout 2012, the CMCF Executive Office conducted a number of in-house Content Code Training Sessions for CMCF members, government agencies and non-governmental organisations (NGOs). This has been an annual activity that was introduced in 2010 and will be held on a monthly basis all the way through 2013.

These sessions aimed at refreshing, strengthening and enhancing the knowledge and understanding on the practical application of the Content Code. Participants for the in-house training were issued with a certificate from the CMCF as verification on the attendance to the training.

The CMCF have drawn up a media plan for 2013 to further their efforts via public relations to enlighten the public on their presence and role. Radio and newspaper channels and the amount of spots and slots have been identified to raise awareness amongst the public to self-regulatory body that serves to enforce the protection of these rights.

CMCF

embarked on a campaign to lift their profile and spread awareness of the individuals' rights in response to the greater influence of media channels

The COUNCIL

worked closely with the (FMM) on marketing of HFSS foods and non-alcoholic beverages to children and is in support of guidelines for it

Our RESPONSE

to the issues on children's rights would potentially determine whether self-regulation or statutory regulations prevail

MINISTRY OF HEALTH – TECHNICAL WORKING GROUP

THE MARKETING OF HFSS FOODS AND NON-ALCOHOLIC BEVERAGES TO CHILDREN IN MALAYSIA

The Ministry of Health has been guided by the World Health Organisation and the regulatory trends in the Asia Pacific region in the marketing of HFSS foods and non-alcoholic beverages to children in Malaysia.

The Association has been working closely with the Federation of Malaysian Manufacturers (FMM) in taking the lead on this matter and fully supports the Ministry and relevant bodies in formulating a set of guidelines. The Ministry also proposed to implement a standard nutrition profiling for food and beverages high in saturated fat, trans-fatty acids, sugar and salt (HFSS).

A Technical Working Group, comprising a balanced membership from the government, academic, NGOs and the private sectors was formed to develop a policy on the Marketing of Food and Non-Alcoholic Beverages to Children. The Association, FMM and various members from the manufacturers have prepared a national industry pledge, which the Association are championing.

The age group of children was a point of contention. The Ministry preferred the guidelines to cover children below 18-years-old in line with the regulations in Europe and the United States where obesity was a problem. The MAA and FMM, meanwhile, want them to apply to the 12-years-old and below based on the reason that the ASA and CMCF already handle complaints relating to the issue.

Malaysia's practices were viewed unfavourably in a report that was presented at the Responsible Advertising and Children conference in June, prompting the government to continue to press for tighter regulations that would drastically affect the companies that marketed snacks and carbonated drinks.

The Council believed that nutritional profiling with standard guidelines is difficult where cheese may be viewed as salty but it was a healthy food for the children and thus fall under different categories.

The discussion also touched on three areas:

- Nutrition profiling as proposed by FMM: not advertising on television, where 35% or more of the audience is children under 12 years;
- Establishing specific nutrition criteria by each company with full transparency to the public;
- The industry proposal to be incorporated to the fast food industry as collective guidelines.

The FMM had informed the Council that most of their members do not belong to the fast food industry and therefore the Council has to take the initiative to include them and their comments. It is the Council's desire that members and non-members are part of the collective and comply with the industry pledge.

CHILDREN'S PRIVACY AND RIGHTS

DATA PROTECTION

The issue of privacy extends to children the Council was enlightened on the rules and regulations governing consumer privacy where stricter data protection for minors is required.

This includes the European Union data on protection legislation that parental consent for personal data collection to cover 13-year-old children, calls on governments to enhance children's online protection and where information on children's personal data is required to download digital applications.

FOCUS ON COMMERCIALISATION AND SEXUALISATION OF CHILDHOOD

The above entails children's rights to avoid discrimination and ascertaining what was appropriate for them. The governments in Europe and Australia were very strong in their advocacy that children should not be manipulated into acting against their own interest.

UNICEF Children's rights call on businesses to use marketing and advertising that respect and support children's rights, positive self-esteem, healthy lifestyles and non-violent values.

Communications and marketing should also not have adverse impact on children's rights. Marketing should not reinforce discrimination; must be clear, accurate and possess complete product labeling.

It follows that children's susceptibility to manipulation and the effects of using unrealistic or sexualised body images and stereotypes should be taken into account while assessing the appropriateness of an advertisement. It was proposed the following response be adopted:

- To focus on a globally consistent strategy;
- To have industry organisations and cross industry collaboration at national level;
- To set up and strengthen SR organizations across Asia Pacific

In the case of Malaysia, the onus was on the industry to address issues of the age of a child; the audience thresholds in opposition to watersheds and offering standardised nutrient profiles. Our answers to these issues would potentially determine whether self-regulation or statutory regulations prevail.

It was suggested that a broader self-regulation workshop for the region would be a valuable opportunity for knowledge sharing and the focus to be on gap analysis of standards across the region, sharing of best practices and developing a framework for action. It was also further emphasised that self-regulation was perceived to be in the interest of the industry only.

Industry must propagate the advantage of self-regulation to consumers and governments and explain its role as a facilitator of an environment that was conducive to media investment and therefore stimulates economic growth.

ADVERTISING STANDARD AUTHORITY MALAYSIA (ASA)

The Advertising Standards Authority Malaysia, under the Chairmanship of Tan Sri Datuk Seri Panglima Abdul Kadir Sheikh Fadzir, continued with their role of administering industry-led advertising standards covering advertising content and complaints resolution.

ASA was appointed by the Minister from the Ministry of Domestic Trade, Cooperatives and Consumerism (MDTCC) to the Committee to develop guidelines on misleading and false advertising.

The MDTCC was advised that most of the guidelines on misleading and false advertisements were already embedded in the Malaysian Code of Advertising Practice, the Content Code and the RTM Code. The constituent members were advised of the guidelines and they were of the opinion that their members were already adhering to the principles of advertisements being honest, truthful, decent and legal.

The Non-Communicable Disease Division of the Ministry of Health invited ASA to discuss a policy on marketing foods and non-alcoholic beverages high in fats, trans fat, sugar and salt to children.

The Ministry has agreed with the industry to commence the policy with a self-regulatory approach. ASA – of which the Association is a constituent member along with the 4As, MNPA and MSA – will be part of the complaint resolution process.

ASA participated in the Hanoi meeting amongst APEC countries on advertising regulation in Asia Pacific countries, which was organised by the Australian Advertising Standards Bureau. The aim of the meeting was to help reduce the negative effects that differing standards have on trade and investments flows in Asia-Pacific. Best practice advertising regulation is now firmly part of the APEC mandate.

A number of undergraduate students from the local universities, postgraduate students undertaking research on marketing communications visited the ASA. The discussions centred on the need for self-regulatory approach and the commitment by the industry to ensure that advertisements are welcomed and trusted by their audience unless they are accepted and believed they cannot succeed.

For the year 2013, ASA received nine complaints from competitors challenging the claims made by the advertisers. These related to soap and detergents, cosmetics, and fruit drinks products.

The Ministry of Health has agreed to commence the policy on marketing non-healthy food and beverage to children with a self-regulatory approach



GOVERNMENT LIAISON

SCOPE

- Establishing strong relationship with key government bodies such as the Ministry of Domestic Trade, Cooperative and Consumerism and Ministry of Health;
- Ensuring the voice of MAA is heard in all ministerial forums.

OBJECTIVES

- To manage industry and regulatory issues;
- To become a key contributor to industry policies;
- To initiate dialogues with Ministers.

**(COMMITTEE)
REPORT**

GOVERNMENT LIAISON COMMITTEE REPORT

MAA REPRESENTATIVES

MOH – FSQD Encik Mohamed Kadri Mohamed Taib
 MDTCC Encik Mohamed Kadri Mohamed Taib
 Ms. Chan May Ling, Ms. Choong Chooi Ink



**have ensured that the interests
of Members are guarded and enhanced
in ministerial policy matters as well as
in the decision-making**

MINISTRY OF HEALTH

FOOD SAFETY AND QUALITY DIVISION (FSQD)

Encik Mohamed Kadri has been the voice of the Association in the meetings with the Ministries of Health and Domestic Trade, Cooperatives and Consumerism, ensuring that the interests of Members are guarded and enhanced in policy matters as well as in the decision making process.

While the Ministry had engaged the industry to discuss the marketing of food to children, the Food Safety and Quality Division (FSQD), a division under the Ministry, has been reviewing advertising on nutrition and food in exercising their authority under Section 34 (r) of the Food Act 1983 to look into amendments to the Food Regulation 1985 and Food Advertisement Regulations.

As there was only one provision on advertisement under the Food Act 1983, the Ministry would like to develop a new Food Advertisement Regulation, which will be the fifth regulation made under the Act.

In December, the FSQD circulated the Public Comment 30 to the respective industry bodies for their comments, with the MAA and FMM requesting for a deadline extension until the end of the month, which was verbally approved by the FSQD.

The FSQD felt that 18-year-old children, in accordance with the Child Act 2001, must come under the guidelines and shared the views of the public with the respective industry bodies for their comments. The Council believed that, in the interest of consistency, the proposed guidelines, if approved by the Ministry, must be applied across the board.

It was suggested that upon receipt of all comments, a meeting be held amongst the members and non-members from the industry to ensure that everyone was clear on what they are filing. It was critical to receive as many comments and disapproval to impact the Ministry's decision-making.

FOOD PROMOTION TECHNICAL WORKING GROUP

The Nutrition Division, Public Health Department of the Ministry of Health Malaysia chaired the Food Promotion Technical Working Group Meeting – the first of the three meetings scheduled for 2013 was on February 8, 2013.

The meeting focused on promoting healthy eating, calorie intake and promotion of initiatives by the Division, related agencies (FAMA, Mysihat, RTM, Information Department, FINAS, KEMAS, National Sports Institute, SME Corporation) and NGOs (Malaysian Society for the Study of Obesity (MASO), Muslim Consumer Association of Malaysia (PPIM), FMM, Consumer Association of Penang (CAP)).

Numerous initiatives and activities from all parties were noted but there were uncertainties over their impact. The Association was approached for assistance and to provide advice on how to make these initiatives and activities more impactful via advertising and promotion. It was decided that the next course of action would be for the Association's secretariat to seek the minutes of meeting for internal discussion.

MINISTRY OF DOMESTIC TRADE, COOPERATIVES & CONSUMERISM (MDTCC)

GUIDELINES ON FALSE AND MISLEADING ADVERTISEMENT CONTENT

Encik Mohamed Kadri advised the Council that the Ministry was devoted to the idea of an Advertising Committee monitoring false and misleading advertisements as the proliferation of and wider accessibility to various media channels is constantly exposing consumers to advertisements that could be false and misleading.

It was feared that stringent and strictly regulated government laws and regulations would replace industry self-regulation. The Association of Accredited Advertising Agencies (4As) and the Council, as such, do not favour the creation of another body seeing that the ASA and CMCF have provisions to monitor advertisements and address such complaints.

In June 2012, the Advertising Committee met to complete the draft on the Guidelines to Avoid False and Misleading Advertisement Content. The final draft copy of the guidelines was uploaded onto the Ministry's website for viewing and in August, it was translated into English and distributed amongst the Council Members for their review and feedback before its presentation to the Minister.

During the February 21, 2013 meeting, the Ministry distributed a booklet on the final version of the Guidelines on False and Misleading Advertisement Content in Bahasa Malaysia. The Ministry noted the request to also produce the guidelines in other languages and, most urgently, in English.



The MDTCC wants an Advertising Committee to monitor false and misleading advertisements amidst our fears that strict rules would replace self-regulation



The Guideline on False & Misleading Advertisement Content Book

Three main issues that were discussed:

- Empowering the Advertising Committee;
- Forming a taskforce to monitor advertisements;
- Determining complaints received by the Advertising Committee.

New Terms of Reference of Advertising Committee

Proposed revisions to the Terms of Reference of an Advertising Committee formed by the Ministry of Domestic Trade, Cooperatives and Consumerism to monitor false and misleading advertisements were aimed at empowering the Committee protecting the interests of consumers.

The revisions to the Terms of Reference of the committee will ensure the following objectives are achieved:

- To ensure that the development of the advertising industry in Malaysia is based on advertising ethics where the interest of consumers are protected without impacting the growth of the sector;
- To make certain that the process involved in the producing, printing and broadcasting of an advertisement was made with the entire effort of ensuring that all information and presentation that are being put across are correct, true and with integrity and does not impact the interest of consumer;
- To establish coordination between ministries and agencies which have jurisdiction or regulation related to advertising and end users so that duplication of power or grey area in work responsibilities will not benefit the end users.

Formation of a Taskforce to monitor Advertisements

The formation of a Taskforce to monitor advertisements in the market was considered. The taskforce will report to the Secretariat of the Advertising Committee and will include representatives from Fomca and Malaysian Muslim Consumer Association (PPIM). The taskforce will assist the Advertising Committee by monitoring advertising at ground level and reporting to the Advertising Committee on a regular basis.

Complaint of False and Misleading Advertisements

A list of complaints received related to false and misleading advertisement was scrutinised and these were forwarded to the relevant Ministries and agencies for further action.



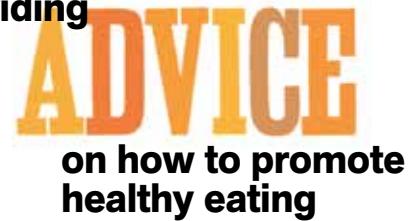
Meeting on Guidelines on False and Misleading Advertisement Content: Chairman, Y. Brs. Dr. Zuraidi Ishak, Ketua Eksekutif, Yayasan Sumber Maklumat (Centre) Left to right: Datuk Che Azmi bin Harun, Timb. Ketua Setiausaha (Komunikasi), Kementerian Penerangan, Komunikasi dan Kebudayaan; Puan Umi Kalsom binti Ibrahim, Ketua Penolong Pengarah Kanan, Bahagian Perkhidmatan Farmasi, Kementerian Kesihatan Malaysia; Encik Mohd. Amri bin Abdullah, Penolong Pengarah, JAKIM; Mr. J Matthews, Secretariat, ASA; Encik Mohamed Kadri Mohamed Taib, MAA Council; Mr. Kenneth Wong, Executive Director, 4As; Encik Mohd. Yusof Abdul Rahman, FOMCA; On his right is officers from KPDKKK.

A copy of the materials was circulated to the Council for their reference and in June a workshop entitled *Bengkel Permantapan Bahasa Kebangsaan Dalam Perniagaan: Penulisan Pengiklan* (The Reinforcement of the National Language in Business: Copy Writing) was helmed by the Ministry to attain these objectives:

- to provide training and improve the understanding of the trade and consumer sectors on the proper use of national language in business matters such as official letters, minutes of meetings, receipts, product descriptions, invoices and advertisements;
- provide exposure to the trade and consumer sectors on the legislations and regulations related to the usage of the national language;
- allow the participants to clarify with the government body (Dewan Bahasa & Pustaka) on the specific terms used in business dealings and issues faced whilst using the national language in official business matters;
- ensure commitment from the advertisers on the proper use of the national language in all business dealings;
- improve and raise the bar on the usage of the national language in the trade and consumer sectors.

In the case of inconsistencies of language approval across states and various municipal councils (mostly for out of home or store signage), DBP was only able to advise the proper use of the language. The respective state or district municipal council, however, gives approval.

The MAA was approached by the Public Health Department of the Ministry of Health for assistance by providing



FORUM ON UNDERSTANDING THE PAST – PLANNING THE FUTURE: CELEBRATING 10 YEARS OF WHO/UNICEF GLOBAL STRATEGY FOR INFANT AND YOUNG CHILD FEEDING

In August 2012, Ms. Chong Chooi Ink tabled a report after representing the Association at the forum, which aimed to strengthen and promote GUM to extend the breast-feeding period from 0 – 12 months to another year.

There was a huge concern on infant formula promotions against breast-feeding as clinics give away infant formula to new mothers while hampers containing infant formula are also distributed in hospitals.

Mr. Ang Chong Lee advised the Council that his company, Danone Dumex, strictly abides by existing code of ethics and thus do not promote infant formulas in the hospital. The infant formulas are promoted to the doctors who are knowledgeable and are able to use their discretion as to the usage.

He added that public is encouraged to complain to FIFA if they come across any infant formulas being distributed at the hospitals – specifically to new mothers. The application of the code of ethics needs to be implemented but there were many grey areas that need to be clarified first and the new guidelines – announced by the Minister in December and translated into English for clarity and for the benefit of Members – were equally open-ended.

The Council were informed that in view of the confusing statements being made whenever there is a call for action, the Consumer Association are keen on assembling every concerned party under a single group to possibly create another watchdog.

The Council was made aware that the Ministry receives a lot of consumer complaints but do not ask ASA and CMCF to address them. The issue of the ASA not being adequately empowered Act to resolve such complaints again reared its head as was the suggestion for the body to merge with the CMCF.

The CMCF – which acts under the Communications and Multimedia Act 1998 – have been responding to all cases and the ASA have also been performing the same duties without the power of enforcement.

Central to self-regulation is the discouragement of enforcement and, if the ASA continue to be sidelined and denied the power, this would give rise to stricter and stringent rules that affect the industry.

OBJECTIVES

- To maintain constant engagement with all advertising related groups;
- To ensure transparent and fair deliveries.

SCOPE

- Attending quarterly meetings with key associations to ensure close collaborations on issues of mutual interest;
- Networking and business development;
- Encouraging joint campaigns on Responsible Advertising to children; Marketing and Advertising Talent Development.

INDUSTRY RELATIONS

INDUSTRY RELATIONS COMMITTEE REPORT

MAA REPRESENTATIVES

WFA/APAC Meetings..... **Mr. Khoo Kar Khoon (President), Ms. Margaret Au Yong**
 Membership **Mr. Chow Wei Heng**



Farewell dinner party for Council Members – Simon, Sulin, Swee Leng and Ai Leen

MEMBERSHIP REPORT

SUBSCRIPTION

At the AGM held in April 2012, the increase on Membership Entrance fee from RM500 to RM1000 was proposed and was immediately enforced.

NEW MEMBERSHIP

The Association welcomed the following new memberships in 2012:

- IBM Malaysia Sdn. Bhd.
- SC Johnson & Sons Sdn. Bhd.
- R3 Asia Pacific Pte. Ltd.
- Hong Leong Bank Berhad
- Kimberly Clark Malaysia

NEW COUNCIL MEMBERS

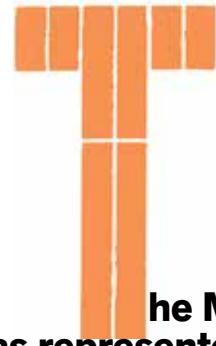
In November, L’Oreal Malaysia informed the Council of Ms. Tay Ai Leen’s exit and Ms. Emily Lim, Group Media Manager was assigned to be her replacement while in December Digi Telecommunications appointed Ms. Chan May Ling, Head, Marketing Communications in place of the departing Ms. Sulin Lau and Mr. Jeffrey Woo to be her alternate to the Council in the event of her absence.

Mr. Simon Wong, Director, Imaging Communication Products Division, Canon Marketing also resigned from the Board in December 2012 and Encik Khairul Syahar Khalid, the Head of Advertising and Promotions for Malaysian Airlines System filled the vacancy.

Ms. Yap Swee Leng of Guinness Anchor Bhd (GAB) also informed the Council of her impending departure from the company at the end of January 2013 and her replacement is to be advised.

FAREWELL BUT NOT GOODBYE

The Council thanked Ms. Tay Ai Leen, Ms. Sulin Lau, Ms. Yap Swee Leng and Mr. Simon Wong for their years of support and contribution to the industry and the Association.



**he MAA
was represented at
the first ever Asia-
based meeting of
the Responsible
Advertising and
Children (RAC)
Programme in June**

WORLD FEDERATION OF ADVERTISERS (WFA) – IMC FORUM, SINGAPORE – JANUARY 23, 2013

Ms. Margaret Au Yong represented MAA at the WFA IMC Forum in Singapore on January 23, 2013, which focused on integrated marketing communications. Ms. Au Yong observed that both Singapore and Malaysia share similar issues even in the social media segment and taking small steps forward towards integration.

The highlights of the meeting include the presentation from Mr. Simon Kemp. In an interesting and stimulating talk, the Managing Director of We Are Social expounded the importance of Integrating Social into the Mix.

This also concerned the usual peer-to-peer knowledge exchange on “agency integration” and tips on how to position the brand in the centre of social media and building around people’s passion and motivation.

Mr. Kemp advised participants to use of content as a means and not an end and to have conversations with the consumers. Brands must be worth talking about if advertisers were to improve their bottom lines.

In committing and investing in branding and social media, Mr. Kemp suggested that advertisers should embark upon in executing the integration between the various media channels to produce a trans-media experience.

He also urged advertisers to switch from media planning to engagement planning and to go in search of the community. Mr. Kemp reminded advertisers to make every department digital to integrate into social and, in managing the changes, advertisers must adopt a top-down approach.

Another speaker of note was Mr. Kim Walker, Chairman and Founder of Aprias, Ex COO of Carat and ex-CEO of Saatchi and Saatchi. Mr. Walker focused on how clients and agencies work in a more integrated way that is if one client dealing with several agencies for their PR, Media, Creative, Web Design, Search, Digital and Social needs.

INTERNATIONAL RELATIONS

WORLD FEDERATION OF ADVERTISERS (WFA) MEMBERSHIP

The WFA celebrated its Diamond (60th) Anniversary in Brussels in March 2013 and the Association’s involvement with this body over the years has given Members invaluable insights into business practices and industry developments.

This includes information on difference remuneration approaches that are used across different agency types and their compilation of media inflation. The updates that are equally useful are those concerning digital marketing budget and how to manage digital resources.



MAA at WFA meeting



RESPONSIBLE ADVERTISING AND CHILDREN (RAC) PROGRAMME – JUNE 14, 2012

The WFA hosted its first ever Asia-based meeting of the Responsible Advertising and Children (RAC) Programme on June 14th 2012 in Singapore and the Association were represented by the President, Mr. Khoo Kar Khoon. The meeting addressed two issues of immediate concern to anyone with a stake in the marketing and children debate.

The first issue is the World Health Organisation's global initiative to restrict food marketing communications worldwide and how companies might seek to address the threat of greater restrictions while the second concerned the increasing Internet usage by children, which has led to calls for reinforced advertising controls and privacy legislation.

The participants were made aware of the global dimension of these debates. They were also given a clear idea of the growing trends that will impact their business across Asia-Pacific as well as briefings, overviews, presentations, latest research and the opportunity to get involved in coordinated advocacy strategies.

WFA/APAC MEDIA & MARKETING NETWORK MEETING – APRIL 25, 2012

MAA was represented at the APAC Media & Marketing Meeting in Singapore on April 25, 2012. The meeting reviewed the WFA competition law compliance policy, updates on the WFA were presented and shared by participants via round table discussions.

The meeting was informed that Asia was primed to be the world's second-largest advertising market by the end of 2013 and surpass North America in total advertising spend by 2014 to assume pole position.

A survey result of the Global Media Rebates Heat Maps was discussed and the advertisers and agencies agreed that all stakeholders – advertisers, agencies, media owners and auditors – were to do more to improve transparency.

A session at the conference focused on using only media that was audited – titles that were audited by ABC – and the feedback from members was presented.

The key take-out from the meeting was to strengthen presence and participation of Advertisers Associations as well as the inclusion of more local clients.

APAC MEDIA & MARKETING MEETING – OCTOBER 17, 2012

The presenter on Using Digital to Drive Growth – last year's theme – was unavailable to table his findings due to an injury and that perhaps set the tone for the meeting that dealt with familiar agendas. Highlights from the event included presentations from Brain Juicer on Effective Insight Generation that dwelt on the social factor in the decision making process.

Other issues that were covered were the techniques for development of big ideas by Gary Lim of J & J. He spoke on integrating the marketing and agency teams; imposing strategic planning guidelines and identifying digital opportunities and challenges that work for the business by eMarketer.

This focused on the newer innovative platforms that were gaining traction for multinationals as well as underlining those which have yet to deliver the true potential for scale. The session continued with WFA sharing its latest research findings on multinational media deals.

Mr. Tiow Wei Yeong's (Diageo) shared his experience with media deals across different channels focusing on social search to conclude the meeting. All members subsequently shared their own experiences in the area.

WFA Meeting



INTER-INDUSTRY ENGAGEMENT

INDUSTRY AWARD EVENTS:

• MSA Media Awards 2012

The Media Specialists Association (MSA) agreed to reject entries from non-audited titles for the MSA Media Awards in the Best Use of Magazines category. It was essential that the members collectively make the stand to only support audited titles that represent transparency, accountability and reliability.

• Putra Brand Awards – April 30, 2012

The Putra Award winners are determined by an online poll of 6,000 consumers nationwide – the largest consumer research sampling of its kind in the country. The Government and industry players – ranging from advertising agencies to media specialists – endorse the Awards. The Association, which played a vital role in the introduction of the Awards, were again supportive of the Awards – celebrating its third year – held at the One World Hotel.



Asia was primed to be the world's second-largest advertising market by the end of 2013 and surpass the leading North American market by 2014



Putra Brand Awards 2012



Kancil Awards 2012

- **MSA Malaysian Media Awards**

– **July 13, 2012**

The Malaysian Media Awards – organised by the Media Specialists Association Malaysia or MSA – is the media industry's prestigious awards, which have been designed specifically to recognise excellent work and achievements within the media fraternity and motivate more media professionals to strive to raise the standards of media practitioners in Malaysia. Two Council members, Ms. Sulin Lau and Ms. Yap Swee Leng, served in the Awards Jury Panel in its eighth edition. The Council were represented at the awards ceremony – themed Friday The 13th – at the Royale Chulan Kuala Lumpur.

- **Kancil Awards Night 2012**

– **November 2, 2012**

The Kancil Awards recognises creative excellence in advertising at home and the highest standards of creativity bestowed on the best work produced by industry members. It is acknowledged as Malaysia's largest and most prestigious advertising awards competition. The President and Vice-President were on hand to also celebrate the 40th Anniversary of the Association of Accredited Advertising Agencies (4As), with its theme of Stop Dreaming at the Mandarin Hotel in Kuala Lumpur.

- **Star Business Awards (SOBA) 2012**

– **November 6, 2012**

The Star Business Awards (SOBA) – which is open to all non-listed Malaysian companies and local entrepreneurs – promotes excellence and stimulates positive competition while showcasing the achievements attained by outstanding businesses. Ms. Margaret Au Yong represented the Association in the judging panel and Council Members graced the awards evening held at the Royale Chulan Kuala Lumpur.

ENDORSEMENT & SUPPORT:

- **ESPN Star Sports Golf Event**

– **September 12, 2012**

The Association endorsed this inaugural event organised by ESPN, our Associate Member, to enable participants to expand their business network and opportunities among clients and advertising agencies. No monetary commitment was required for the event and the Association's logo was displayed in all promotional materials.

- **Global Digital Marketing Show**

– **September 13, 2012**

The Association lent its support for the International Advertising Association (IAA), Malaysia's Second Global Digital Marketing show held at the MATRADE Convention Centre. In return, our logo was included in the EDM and a 10% discount was extended to all Association Members.



Awards: Mindshare –
Network of the year



The Festival of Media Asia 2013

- **The Festival of Media Asia 2013**

– March 3 – 5

The Festival welcomed 630 delegates including the most influential brands, media agencies, publishers, technology business and media owners from across Asia at the W Singapore Sentosa Cove. Twenty-two countries were represented, including regional and global brands.

The Association partnered C Squared Holding in Singapore to promote the Festival of Media Asia 2013 to its Members. The MAA logo was featured in the EDM, a 15% discount was offered to Association Members and complimentary tickets were passed on to the Council Members and Members. Ms. Chew Sue Ann, Executive Chairman and Group Managing Director of Pos Ad Sdn Bhd a member of MAA took advantage of the offer to attend the Festival. She commented that the Festival was very enlightening and had a strong brand presence which attracted good speakers such as Sir Martin Sorrell.

Ms Margaret Au Yong represented the MAA at the Festival and commented that it presented top value for our partnership arrangement. She observed that the content of the event was geared towards engaging consumers on digital platforms and how the Internet has brought about the rethinking of brand building and businesses.

It is estimated that by 2020, there would be 20 billion Internet device connectors and the conference discussed real-time insights, audience measurement, the creation of experiences that prompt interaction with the consumers – issues that are relevant to handle this scenario.

The Association should continue its partnership with the Festival. It has a strong brand presence within the community and attracts A-list speakers. In addition to this, the Association was the only Malaysian industry body that was linked with it.

To access speaker videos and festival reports, refer to www.festivalofmedia.com/Asia.

- **IAA 2014 World Advertising Congress Bid**

A letter to the Global Office, IAA in New York was furnished by the Association in support of Malaysia's bid to host the 2014 World Congress in Kuala Lumpur for the very first time in the history of the Congress.

MEDIA ★★★

RELATIONS

COMMITTEE REPORT

OBJECTIVES

- To create and promote a framework and create an environment within which advertisers can increase the effectiveness and efficiency of media as vehicles for marketing communications;
- Ensure transparent and fair media deliveries;
- Continuous media PR support for MAA activities.

SCOPE

- Networking and business development with key media owners;
- Media Council – to identify issues to address:
 - Media Rates/Benefits
 - Agency Remuneration
 - Media transparency and measurement

MEDIA RELATIONS COMMITTEE REPORT

MAA REPRESENTATIVES

Media Owner Partnership/Visits **Ms. Margaret Au Yong**



Meetings were held with See Hua Daily, BFM 89.6 and The Edge Communications to forge a closer tie and initiate collaborations in areas of mutual concern

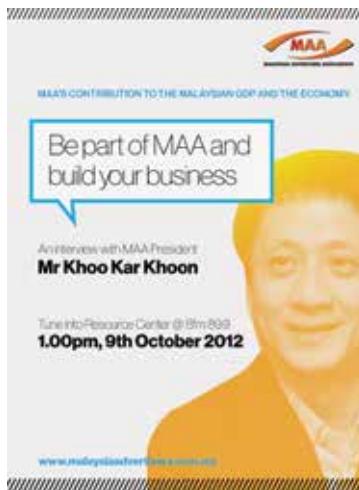
MEDIA COUNCIL

The visits to Sin Chew Media, ASTRO/AMP and Media Prima between 2011 and 2012 were very insightful and it was agreed that the Council should now concentrate on other Media owners.

The Council listened to and discussed the Media owners' reasons for rate increase and the aim was to share the information with Members before the news of the hike is publicly announced or released.

The following objectives were drawn up by the Council:

- To understand the operations, vision, budget and new initiatives pertaining to media owners;
- To seek rate increase justification and suggest that the Association is involved in the decision making;
- To build close relationship with media owners;
- To visit not only the bigger media owners but also the minor players that make a difference;
- To share and convey the problems faced by the marketers;
- To convey information on the Association and its role amongst the media owners and members.



Interview with the President on BFM

BFM 86.9 VISIT CUM PRESIDENT'S LIVE INTERVIEW ON AIR

The Council's visit to BFM 89.6 on October 9, 2012 was followed by an interview live on air with the President of the Association. The meeting comprised the MAA Council while BFM 89.6 was led by Encik Malek Ali (Managing Director) and his team, Mr. Charles Peters (Client Services) and Mr. Soon Heng Lim (Producer).

The meeting explored how the Association could partner the radio station in supporting their vision and goals and the role that the BFM could play in raising awareness of the Association and their activities amongst the business community. Encik Malek proposed that both parties move forward in the short-term with:

- Two series of regular interviews on marketing and branding with selected individuals;
- Interviewing practitioners on practical aspects of marketing and branding;
- Conducting case studies.

In the long-term, he revealed that BFM are planning to draw up a Business Education Syllabus with six core modules, the key field being marketing, for a three-day case study learning experience.

The Council and BFM agreed to draw up a calendar, identify subjects and suitable professionals for the series of interviews as well as locate an industry practitioner to assist with the station's Business Education Syllabus.

MAA – MEDIA OWNER PARTNERSHIP & VISITS

The Council wrote to Utusan Melayu, Star Publications Bhd, Media Prima Bhd, Sin Chew Media Corporation, New Straits Times Press (NSTP), Sun Media Corporation, See Hua Marketing and The Edge Communication to forge partnership with the Association as well as strengthen the existing relationship to build stronger Malaysian brands.

Visits were made to See Hua Daily in East Malaysia, BFM 89.6 and The Edge Communications and the summary report follows.

It was proposed that the Effie 2012 winners could be offered as the case studies for the interviews on marketing and branding. A discussion with the Association of Accredited Advertising Agencies (4As) on collaborating with BFM for this purpose will be arranged.

The President's live interview gave an opportunity to promote the Association and to share his experience, knowledge and insights on the Association's contributions to the Malaysian GDP and the economy. This talk was also designed to inspire more advertisers to be part of the Association and grow their businesses by participating in the various platforms and activities implemented by the Association.



Visit to See Hua Group's printing plant



Council with Mr. Chang Ngee Hui, Economic Advisor, State Planning Unit, Chief Minister's Department

SEE HUA GROUP VISIT

See Hua Group sponsored the President, Ms. Margaret Au Yong, Mr. Claudio Navin Stanislaus, Mr. Jeffrey Woo and the Secretariat, Ms. Shu Ling to Kuching for the meeting on November 30, 2012 to gain a holistic vision of the See Hua Group in the context of the Sarawak Economic Transformation plan.

See Hua Marketing Sdn Bhd was represented by Mr. Philip Lau (General Manager), Mr. Patrik Ting (General Manager, Sales & Marketing Department for Advertising), Ms. Phyllis Wong (General Operations Manager), Mr. Low Kim Fong (Assistant Marketing Manager) and Mr. Wong Sing Seng (Kuching Area Manager).

The editorial group was fronted by Mr. Dorge Rajah (Head, Operations, Borneo Post Online), Mr. Saibi Gi (Chief Reporter, Harian Borneo), Mr. Peter Sibon (Head of Special Desk, Borneo Post), Ms. Anna Chidambar (Executive Editor, Business) and Ms. Chai Li Ting (Business Journalist, Borneo Post).

Mr. Chang Ngee Hui, Economic Advisor, State Planning Unit of the Chief Minister's Department, was present by invitation and tabled the Sarawak Economic Transformation programme to the Council Members.

The presentation encompassed an informative and enlightening overview of the state's infrastructure and the objective of the Sarawak Corridor of Renewable Energy (SCORE). Mr. Patrik and Mr. Dorge helmed three presentations on the See Hua Group corporate profile, the Borneo Post news portal and the Borneo Post International Education Fair. The meeting ended with a visit to the group's highly advanced plant.



MAA Council usher in the year of prosperity with See Hua team at a Loh Sang dinner

THE EDGE COMMUNICATIONS VISIT

Mr. Ho Kay Tat – the Group CEO of The Edge Communications Sdn Bhd – and his colleagues – Ms. Au Foong Yee (Managing Director), Ms. Lim Shiew Yuin (Deputy Managing Director), Encik Azam Aris (Senior Managing Director), Ms. Sharon Teh (Chief Marketing Director) and Ms. Ann Tong (Senior Manager of Advertising & Marketing) – welcomed the Council Members for visit to their office on March 7, 2013.

The Edge presented their plans in moving their operations to the next level. This principally centred on their online content and various applications that have been developed and initiatives to support the print editions of the publications under the group in digital media.

The Council was pleased to learn that the digital replica of The Edge (Malaysia) – which is due to be launched in the second quarter of 2013 – will be audited by the ABC. The presentation also touched on plans that widen the accessibility of their publications to young business professionals and digitally connected readers.

Towards this end, the content, language, presentation and packaging of the Edge Financial Daily will be massaged to meet the expectations of this target group and rolled out in the second quarter of this year.

Both parties agreed to initiate collaborations for 2013. It was suggested that – in view of the shortage of talent in the industry – we reach out to young marketers by assisting each other to promote the advertising industry amongst these individuals. The visit culminated with a tour of the office and meetings with the respective heads of departments.

In conclusion, the Council was confident that these visits cum meetings with BFM 98.6, See Hua Group and the Edge Communications were the beginning of a partnership and expressed hope that it will be one that is productive and benefits both parties. The Council intends to continue these visits and accept the invitations from Utusan Melayu, the Star Publications and the New Straits Times Press to be arranged in 2013.

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he Council promoted the MAA and shared concerns and insights on many industry matters with the media owners

Visit to the Edge Communications



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The Council is scheduled to visit three more media in 2013 to explore productive and beneficial partnerships for both parties

MEDIA RATES

The Council was informed that the media owners are more consultative now on the matter concerning the increase in media rates. Media owners have been requested to advise if there are any rates increases to help the Association and three of them replied in the affirmative:

- The Star Publications indicated that an insignificant increase would take place and legitimate reasons will be given for it;
- Sin Chew Media Corporation announced a rate increase of their premium positions – main section and other sections front page – at 3 – 5% depending on the pagination and packages;
- Media Prima Bhd indicated no overall increase except for 3% – 5% increase on premium section;
- NSTP, Sun Media Corporation and MEASAT Broadcast Network Systems (ASTRO) no final response was received;
- The Edge Communication indicated that there would be no price hike for the year 2013.

MAA MEMBER FEEDBACK INITIATIVE

MAA developed a “Member Feedback Initiative Questionnaire” that is available in the MAA website and which was distributed at MAA events to elicit a two-way communication and feedback from members.

PROFESSIONAL

DEVELOPMENT

OBJECTIVES

- To improve the quality, knowledge and sharing of members through:
 - Mac 2013
 - MAA Series
 - Effie
 - Ad Asia (Member Recruitment)

&

mEMBERSHIP

SCOPE

- Identifying networking and professional development opportunities;
- Assembling a responsive and active membership for the MAA.

BENEFITS

COMMITTEE

REPORT

PROFESSIONAL DEVELOPMENT & MEMBERS' BENEFITS COMMITTEE REPORT

MAA REPRESENTATIVES

MAA Series Ms. Sulin Lau, Ms. Chan May Ling
 MAC 2013 Mr. Ang Chong Lee

The invaluable Co-Create Social platform has attracted Members and non-Members to learn about the MAA and contribute towards our

PROGRESS

MAA SERIES & CO-CREATE SOCIAL

Ms. Sulin Lau, leading the Co Create Social Event cum MAA Series, outlined the task facing the Council:

- Identifying a regular member engagement and recruitment activity;
- Identifying opportunities to profile the Association as a leading and influential body in Marketing;
- Adding "perceived value" for the RM1,000 membership fees;
- The implementation of these activities must not add new costs: they must be self-funded or make small profits.



Co-Create Social Platform

The exchange of ideas and formulation of ways to move forward – which are part of the objectives behind these events – led to the idea of the MSA Media Award. Ms. Sulin Lau was impressed with the quality of the work submitted for the MSA Media Awards and explored the prospect of encouraging clients and agencies to organise a session on the thinking behind the interesting submissions for the awards with the MSA President Mr. Ranganathan Somanathan.

The Council opined that this was a constructive proposal and that the event should be shared with the advertisers as it featured creative works that conveyed stories on award winning advertisements and would include not only gold winners but also the most inspiring and engaging efforts.

The event aimed at 100 participants, with the invitations divided equally between both Associations. The structure of the program is suggested to be an open panel case review comprising approximately five to 10 speakers from the client and agency firms.

INTRODUCTION

The Council agreed to organise and host – either on their own or with a peer organisation – a series of events that bring together Malaysia's largest and most influential brands in an effort to create a much-needed forum for brands to start working together.

Council Members – especially the Membership Committee members – were requested to take advantage of these events to recruit new members. They were urged to speak to the guests about the Association, their role and why it was important for advertisers to form a larger collective force.

INFLUENTIAL

The Council plans to organise a series of events that gather our largest and most brands in an effort to create a forum for them to collaborate

THE MAA-MSA MARKETERS SOCIAL EVENT

The pilot programme under these initiatives was in collaboration with the Media Specialists Association (MSA), held on October 9, 2012 at the Guinness Anchor Berhad (GAB), The Tavern.

Themed Conversations that Spark Collaborations, a total of 120 top brand marketers attended the invitation-only event. A sequence of talk show formatted panels highlighted breakthrough collaborations between Coca Cola, Dutch Lady Milk, GSK and Maxis and their co-creative partners Media Prima, Universal McCann, Maxus, Astro and Group M.

In December, the Council examined the survey feedback for the event and proposed that the venue selected accommodates the halal issue.

The Council concluded that the focus for the event should be on quality and not quantity and the target audience zooms in on the senior management. It was also recommended that the content be checked in the future to create a strong branding for the event and the number of speakers or presenters to be limited for it to be effective.

MAA CONTRIBUTES

Contributions were collected during the event in accordance with GAB's policy to partially help defray the costs of hosting it as well as to channel funds into two charities, the GAB Foundation and Do Something Good. Guests contributed between RM10 and RM100, with a sum of RM10 per-guest being channeled to the GAB Foundation and anything above to the other charity.

NEXT ATTRACTION

Ms. Chan May Ling proposed that the MAA offer the Co Create Social platform to showcase APPIES following the Institute of Advertising Singapore's request to expose the APPIES in Singapore to the marketers in Malaysia. The Council agreed to provide the platform to APPIES for the upcoming Co Create Social Event with the understanding they provide their own speakers.

The Council expressed concern that there were too many independent award shows in the market and suggested to meet the MSA, 4As, MDA, MAA and other relevant Associations to seek their input and consensus on those they aspire to support.

The Council proposed that the Co Create Social Series be held thrice in 2013, of which the content will be curated from award franchises, from both local and regional. The content will focus on inspiring collaborative stories, and exposes the members on the thinking behind the best work in the region that are recognised in the industry, across all platforms.

MAA Talk Series



MAA Council with Effective Measure

MALAYSIAN ADVERTISING CONGRESS 2013 (MAC 2013)

The MAC 2013 will be held on May 9 – 10, 2013 at the Sepang Goldcoast Golden Palm Tree. Council members are urged to attract participants to the event.

THEME

Leaders versus Challengers: Brand Building Offensives for Robust Growth in a Challenging Economy.

ABSTRACT

In a softening economy, how do market leaders and challengers play harder to drive growth from two competing vantage points? How do market leaders take advantage of their positions to further competitive advantage? How can agile challengers cut through the clutter, punch above their weight and implement disruptive strategies to dethrone the market leaders?

Malaysia Advertisers Congress 2013 (MAC 2013) brings together industry leaders, senior marketing practitioners, brand strategists and leading experts to explore play-to-win strategies from the two opposing vantage points of market Leaders and Challengers during an economy in the doldrums.

For more details visit MAA Website
www.malaysiaadvertisers.com.my



Effies 2012

EFFIES 2012

The 2012 EFFIES was organized by the 4As and was headed by the 4As Council Member Mr. Nicky Lim, Area Director for Malaysia and Thailand, Grey Worldwide Sdn Bhd. Ms. Sulin Lau represented the Association while Ms Margaret Au Yong played an advisory role.

MARKETING RESEARCH SOCIETY OF MALAYSIA (MRS M)

Ms. Yap Swee Leng, Mr. Ang Chong Lee and the President represented the Association in a dialogue session, which was the first with a marketing research body, when the Council met the MRS M in August to discuss issues that affects the practice of market research in Malaysia.

Mr. Richard Hall (Company Manager, The Nielsen Company); Dr. Grace Liu, (Managing Director, TNS Global); Mr. Ben Llewellyn (Regional Director, Ipsos); Mr. Ng Mok Sun (Director, Acorn) represented MRS M at the meeting.

The purpose of the dialogue was to engage the relevant media, marketing and marketing research organisations' to enhance industry practice. Three issues were further discussed:

- Handling population census on income group of new census or SES in future;
- Ensuring quality of interviewers and how to raise the standards;
- Ensuring process in place to manage the professional respondents.

The following action plans were to be undertaken:

- To support MRS M and arrange for a meeting with MOT when necessary;
- MRS M to modify and confirm quality of interviewer or respondent initiatives and provide details on its implementation;
- MAA will endorse and obtain the support of their members on the confirmed Quality Programme.

The meeting agreed to encourage MITI to conduct a presentation on how they perform their research and to push the industry to start from a base level instead of having each party producing their own population data.

TALENT MANAGE- MENT COMMITTEE REPORT

OBJECTIVES

- To develop talent;
- To identify industry job training opportunities;
- To generate new talent funding

SCOPE

- Equipping members with the necessary tools to advance professionally;
- Creating a talent pool that contributes to the industry's development.

TALENT MANAGEMENT COMMITTEE REPORT

MAA REPRESENTATIVES

AGFP/IACT Ms. Tay Ai Leen, Ms. Chan Sheow Vern (Vice-President)



also agreed to send volunteers to share their knowledge and experience with the students during these sessions

The Council participated in the IACT College's mentoring programme for 2013 by sending in a written campaign brief

T

Ms. Tay Ai Leen represented MAA in the discussions and meetings with IACT on the IACT Coaching Session and the Advertising Graduate Fellowship Program.

IACT COACHING SESSION

One element in the Talent Management programme is the IACT College coaching session and the Council were invited to participate in this mentoring programme for 2013 by sending in a written campaign brief to be presented to the IACT.

In the course of mentoring these students, new ideas were generated from the young graduates that benefitted the company. The IACT have also invited industry professionals to share their knowledge and experience with the students, which enables them to compete in the real world.

Members were asked to volunteer to speak on their preferred topic. It was suggested that Council and Association Members are scheduled to speak on a quarterly basis at the IACT and that the principal of the college identifies key topics for the Members to select and address.

ADVERTISING GRADUATE FELLOWSHIP PROGRAMME (AGFP)

The AGFP is an intensive three-month programme for young talents to be provided on-the-job industry training and was launched at the Career Fair at the IACT College on June 22, 2012.

This collaborative programme between the Association, 4As, MSA and 95% Advertising Academy encourages youngsters in the field of advertising to fill up vacancies in the areas of Marketing, Media, Account Servicing, Strategic Planning, Designing, Programming and Creative Executives.

The objective of the programme is to bridge the gap between theory and practical for these young talents. 95% have agreed to provide a partial sponsorship on the fees for the training programme and 50% of the RM6,000 training fees are to be borne by the sponsor agency or advertiser which hosts the three-month placement.

These sponsor agencies or advertisers pay a monthly allowance of RM2,000 to the students. The Association was requested to join forces and fund new talents by encouraging advertisers to participate and host the candidates.

Danone Dumex and Guinness Anchor Marketing expressed interest in supporting the programme if suitable candidates are found. The Council believed that the AGFP is critical for the progress of the industry.

A two-phase approach was mooted. The first involves the successful roll out of this programme with the next intake in December and the second phase would zoom into the root issue of talent shunning the industry and the development of a plan to make advertising and marketing an attractive career path for the Gen Y. The MAA Council decided to offer the talent management portfolio to the industry and Association Members.

It is reported only six candidates were shortlisted for 2012 while there were 20 tallies of sponsoring agencies. None of the candidates applied for Marketing Executive positions. The Council agreed to focus on the next batch of intake in 2013.

FINANCIAL REPORT

MAA REPRESENTATIVES

MAA Accounts **Mr. Khoo Kar Khoon (President), Mr. Claudian Navin Stanislaus (Treasurer)**
..... **Macomm Management Services (Secretariat)**

OBJECTIVES

- To prepare the Monthly Financial Report for Council Meetings;
- To prepare all monthly payments;
- To prepare Year End Financial Performance Report;
- To present the Audit Report for the AGM.

SCOPE

- Managing the finances of the MAA in a transparent and accountable manner;
- Maintaining a solid financial performance for the MAA.

FINANCE REPORT 2012

The Income and Expenditure for the financial year ended 31st December 2012 was RM306,077 and RM408,625 respectively.

MAA did not organise fund raising events and did not receive any dividends from its investments in the financial year ended 31st December 2012. These were the primary reasons for the net deficit of income over expenditure experienced by MAA in the financial year ended 31st December 2012.

MAA did not organise the Malaysia Effie Awards in the financial year under review following an earlier agreement with 4As to alternate the hosting of the event between the two associations every two years. Surpluses generated from the 2008 to 2011 Malaysia Effie Awards editions were recognised as Income in the records of MAA in the financial year ended 31st December 2012. RM20,000 was refunded to MSA and RM19,191 to 4As respectively, the seed money received from these Associations for the 2008 Malaysia Effie Awards edition. RM170,252 was transferred to an Effie Education Trust Fund held in trust by Macomm Management Services Sdn Bhd.

The Net Liquid Assets of MAA as at 31st December 2012 were RM844,025. The Council is optimistic that this will grow in the financial year ending 31st December 2013, primarily from the anticipated surplus of MAC2013.



Claudian Navin Stanislaus
Treasurer

2013 GLOBAL ADVERTISING OUTLOOK

Extracted from GroupM 'This Year Next Year' worldwide forecast, Dec 2012

We entered 2012 in hopes of seeing global advertising grow about \$30 billion, but we leave the year with an increase of only \$22 billion (about 4.5% growth). Half the shortfall came from the faster-growth world where the growth rate dropped from 13% in 2011 to 10% in 2012. Most of the remaining shortfall is from the Eurozone periphery, where advertising contracted 15% in 2012, quite unforeseen and out of all proportion to the expected 1% fall in nominal GDP. Advertising investment is now 40% smaller in real terms in this collection of countries – Italy, Spain, Ireland, Greece and Portugal – than it was at the 2007 peak, and now matches the 1998 level. It has been a disappointing year all round with low impact from the Olympics and Euro soccer.

We now forecast ad growth of 4.5% in 2013 as well. The digital story remains intact: strong, sustained and structural growth, even in Europe. All forms of measured digital ad investment should now account for 21% of the measured total. We expect digital media to furnish about 60% of incremental ad dollars, the highest share ever.

However, paid search, which is a very large component of digital, is dominated by a long tail of small advertisers. The large agencies between them account for only about 20% of paid search investment. Digital's 'natural' share of large-advertiser budgets is therefore more like 10 – 12%. There remains much potential for this to grow as innovation flourishes across the sector to connect consumers and brands. The outlook for the faster-growth world has also stabilized, with continued confidence in China, Brazil and Russia. China's ad demand seems unaffected by its GDP uncertainty, and is looking to grow 12% in 2012, down from our 13% forecast six months ago. We forecast 2013 ad growth at 11%. More than one in ten ad dollars is now spent in China, which is presently 12% of the global total, with a long-term trend of adding a point a year.

We are expecting the broader assembly of these and other newer consumer economies to cultivate about 70% of incremental global ad demand in 2013. This too is a very high proportion: more than double their share of economic output. The drags on this are the USA to a small degree (we assume a GDP-neutral avoidance of the 'fiscal cliff') and Western Europe to a large degree, where we expect flat ad growth in 2013. Further Eurozone deterioration remains a serious risk. This has reached a point where media-owner consolidation is inevitable, so at the same time we must beware of bottlenecks in audience supply.

Within Central & Eastern Europe, Ukraine and Turkey are seen as 'pocket Chinas', bullish and consumer-driven. In ad investment terms, Central & Eastern Europe is one-fifth the size of Western Europe, but adding twice as many ad dollars. Growth is not as evenly distributed as in Asia or Latin America, however. Bad finance and proximity to the Eurozone has left several smaller countries negative. The surprise country in Western Europe is the UK. It is ticking over with 3% – 4% ad growth, powered by double-digit digital. Reasons include relatively high employment and government spending, and an inventive London-clustered digital industry.

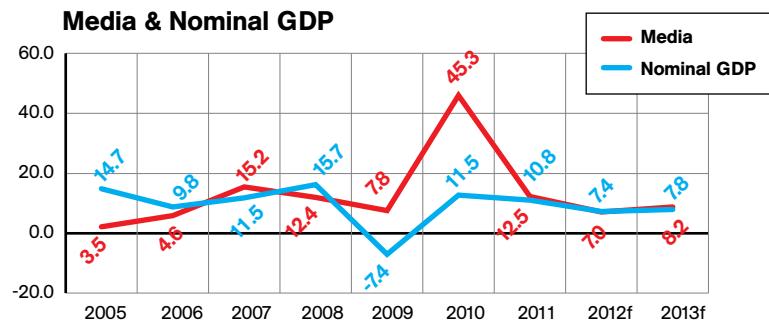
We continue to predict TV's share of global ad budgets peaking in 2012 at 43% as other screens begin to claim meaningful amounts of consumer time. Digital eclipsed newspapers' share in 2011. Newspapers and magazines together comprise 25.6% of global ad investment: digital is set to pass this around 2015. Print faces potential new threats from digital out-of-home and new video alternatives, though mitigated by the promise of mass-market tablets to revivify print brands' reach.

WORLDWIDE MEDIA SPEND UPDATE

MEDIA USD M, CURRENT PRICES	2005	2006	2007	2008	2009	2010	2011	2012F	2013F
NORTH AMERICA	153,029	164,601	167,248	163,944	152,127	155,153	160,158	165,762	170,144
YOY %	4.5	7.6	1.6	-2.0	-7.2	2.0	3.2	3.5	2.6
LATIN AMERICA	15,538	17,357	19,315	21,215	22,100	24,553	27,702	30,855	34,688
YOY %	14.7	11.7	11.3	9.8	4.2	11.1	12.8	11.4	12.4
WESTERN EUROPE	100,238	106,117	112,966	111,485	99,239	104,096	105,054	102,301	102,906
YOY %	5.4	5.9	6.5	-1.3	-11.0	4.9	0.9	-2.6	0.6
CENTRAL & EASTERN EUROPE	10,682	13,373	16,436	18,379	14,261	16,040	18,083	19,322	20,641
YOY %	11.7	25.2	22.9	11.8	-22.4	12.5	12.7	6.9	6.8
ASIA-PACIFIC (ALL)	115,668	123,648	131,045	137,396	133,002	146,140	157,616	170,825	181,680
YOY %	10.8	6.9	6.0	4.8	-3.2	9.9	7.9	8.4	6.4
NORTH ASIA	33,913	39,384	43,709	51,059	53,907	62,262	71,847	79,580	87,014
YOY %	16.1	16.1	11.0	16.8	5.6	15.5	15.4	10.8	9.3
ASEAN	7,029	7,602	8,171	8,919	9,602	12,215	13,640	14,948	16,468
YOY %	7.5	8.2	7.5	9.2	7.7	27.2	11.7	9.6	10.2
MIDDLE EAST & AFRICA	8,134	9,161	10,943	13,226	14,101	16,213	17,079	18,664	20,612
YOY %	11.4	12.6	19.4	20.9	6.6	15.0	5.3	9.3	10.4
WORLD	403,288	434,257	457,953	465,645	434,830	462,195	485,693	507,730	530,671
YOY %	7.2	7.7	5.5	1.7	-6.6	6.3	5.1	4.5	4.5
MEDIA YOY% ADJUSTED FOR CPI	2005	2006	2007	2008	2009	2010	2011	2012F	2013F
NORTH AMERICA	1.2	4.3	-1.2	-5.5	-7.0	0.4	0.1	1.5	0.8
LATIN AMERICA	8.2	7.1	6.7	2.8	-1.0	5.4	6.5	5.8	6.8
WESTERN EUROPE	3.3	3.7	4.3	-4.3	-11.4	3.1	-1.7	-4.5	-1.0
CENTRAL & EASTERN EUROPE	6.0	16.0	16.9	4.0	-24.4	5.2	3.9	0.3	-0.2
ASIA-PACIFIC (all)	9.7	5.3	3.7	0.6	-4.0	7.1	3.9	6.3	3.8
NORTH ASIA	14.0	14.8	6.7	10.9	5.6	12.1	9.6	7.6	6.3
ASEAN	2.3	3.0	4.0	1.4	4.9	25.0	5.8	4.9	5.5
MIDDLE EAST & AFRICA	7.3	6.7	13.2	11.2	1.9	7.4	-1.1	2.1	2.6
WORLD	4.6	4.8	2.6	-2.4	-7.1	3.7	1.3	2.0	1.8

MALAYSIA MEDIA SPEND UPDATE

MEDIA, MYR M	2005	2006	2007	2008	2009	2010	2011	2012F	2013F
TV	1,311	1,478	1,799	2,161	2,446	2,892	3,014	3,104	3,260
Pay-TV						1,947	2,468	2,863	3,321
Total TV	1,311	1,478	1,799	2,161	2,446	2,892	3,014	3,104	3,260
Radio	180	204	241	292	362	409	428	440	462
Newspapers	2,778	2,747	3,065	3,321	3,408	3,891	4,359	4,490	4,714
Magazines	161	156	166	156	139	152	148	152	145
Cinema	18	20	26	27	22	24	22	37	39
Outdoor	76	109	108	96	112	120	119	143	150
In-store media	39	49	58	74	86	124	141	147	152
Interaction	15	25	48	71	106	148	222	305	395
Media total MYR m	4,577	4,786	5,512	6,198	6,682	9,706	10,921	11,681	12,638
YOY% CHANGE									
TV	0.8	12.7	21.8	20.1	13.2	97.8	13.3	8.8	10.3
Radio	4.5	13.4	18.3	20.9	24.1	13.0	4.7	2.8	5.0
Newspapers	4.0	-1.1	11.6	8.3	2.6	14.2	12.0	3.0	5.0
Magazines	-3.0	-3.0	6.7	-6.0	-11.1	9.3	-2.5	2.7	-4.6
Cinema	27.5	9.5	34.4	4.3	-17.9	5.8	-7.6	68.2	5.4
Outdoor	11.0	42.9	-1.1	-11.3	17.1	6.7	-0.6	20.2	4.9
In-store media			18.4	27.6	16.1	44.0	14.1	4.3	3.4
Interaction			66.7	92.0	47.9	49.3	39.6	50.0	37.4
Media total	3.5	4.6	15.2	12.4	7.8	45.3	12.5	7.0	8.2
YOY% change									
% SHARES OF MEDIA									
TV	28.6	30.9	32.6	34.9	36.6	49.9	50.2	51.1	52.1
Radio	3.9	4.3	4.4	4.7	5.4	4.2	3.9	3.8	3.7
Newspapers	60.7	57.4	55.6	53.6	51.0	40.1	39.9	38.4	37.3
Magazines	3.5	3.3	3.0	2.5	2.1	1.6	1.4	1.3	1.1
Cinema	0.4	0.4	0.5	0.4	0.3	0.2	0.2	0.3	0.3
Outdoor and in-store	2.5	3.3	3.0	2.7	3.0	2.5	2.4	2.5	2.4
Interaction	0.5	0.9	1.1	1.6	1.5	2.0	2.6	3.1	
Media total	100	100	100						
Media, USD m									
Exchange rate	3,054	3,054	3,054	3,054	3,054	3,054	3,054	3,054	3,054
TV	429	484	589	708	801	1,585	1,795	1,954	2,155
Radio	59	67	79	95	118	134	140	144	151
Newspapers	910	899	1,004	1,088	1,116	1,274	1,428	1,470	1,544
Magazines	53	51	54	51	45	50	48	50	47
Cinema	6	6	9	9	7	8	7	12	13
Outdoor	25	36	35	31	37	39	39	47	49
In-store media	16	19	24	28	40	46	48	50	
Interaction	8	16	23	35	48	73	100	129	
Media total USD m	1,481	1,568	1,805	2,030	2,188	3,179	3,577	3,825	4,139

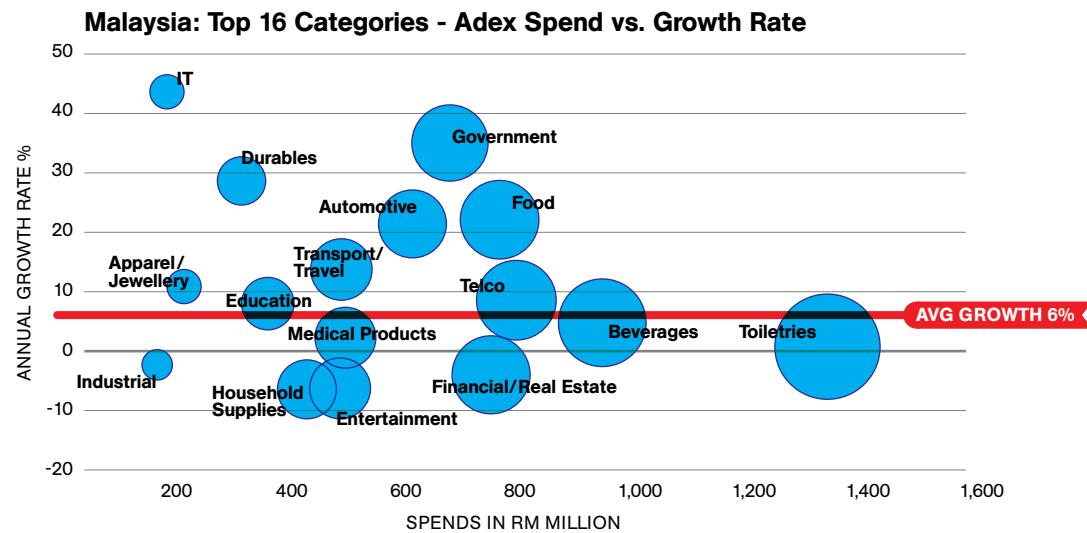


Newspaper and Television still hold sway in the Actual Adex but Digital spend is

RISING

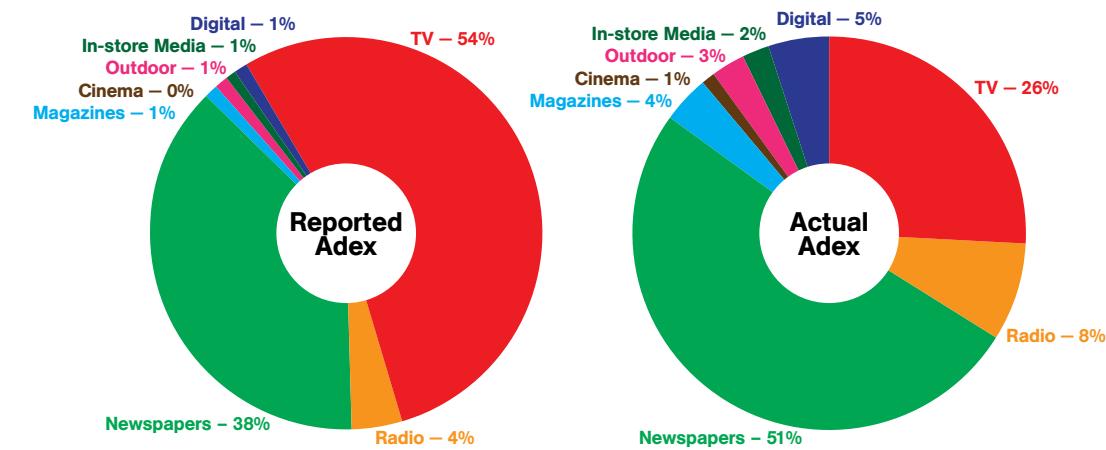
MALAYSIA ADVERTISING EXPENDITURE – TOP CATEGORIES AND GROWTH RATES

The top categories advertised in Malaysia have remained largely unchanged in rankings between 2011 and 2012. Government, IT, Durables, Automotive and Food categories have grown significantly higher than the overall average of 6%. However, the largest 2 categories in terms of absolute spend (Toiletries and Beverages) have experienced lower than average growth, not surprising given their large base.



MALAYSIAN ADVERTISING EXPENDITURE – TRUE SIZE OF THE MARKET

The reported Ad spend from Nielsen is calculated based on Media Owner rate cards. However, each Media Owner offers volume discounts or bonus inventory, therefore the actual Malaysian Ad spend is significantly lower than the reported number. We project the Actual 2012 Ad spend to be RM 5.5 billion vs. the Reported 2012 spend of RM 11.4 billion. Since the ‘discount factor’ is different for each media type, the Actual Share of Spend is also very different from the Reported Spend pie.



ORDINARY MEMBERS

- Alliance Cosmetics Sdn. Bhd.
- Bata Marketing Sdn. Bhd.
- Baba Products (M) Sdn. Bhd.
- Boustead Petroleum Marketing Sdn. Bhd.
- Carlsberg Marketing Sdn. Bhd.
- Canon Marketing (M) Sdn. Bhd.
- Celcom Axiata Berhad
- Coca Cola Far East Ltd
- Colgate Palmolive Marketing Sdn. Bhd.
- Continental Sime Tyre PJ Sdn. Bhd.
- Costra Enterprises Sdn. Bhd.
- Danone Dumex (M) Sdn. Bhd.
- Dapat Vista (M) Sdn. Bhd.
- Digi Telecommunications Sdn. Bhd.
- FFM Marketing Sdn. Bhd.
- Fonterra Brands (M) Sdn. Bhd.
- Genting Malaysia Bhd.
- Glaxosmithkline Consumer Healthcare Sdn. Bhd.
- Goodyear Malaysia Berhad
- Golden Arches Restaurants Sdn. Bhd.
- Guinness Anchor Marketing Sdn. Bhd.
- Hong Leong Bank Berhad
- HSBC Bank Malaysia Bhd.
- IBM Malaysia Sdn. Bhd.
- Johnson & Johnson Sdn. Bhd.
- Jotun Malaysia Sdn. Bhd.
- Julie's Promotion Sdn. Bhd.
- Kilang Makanan Mamee Sdn. Bhd.
- Kimberly Clark Trading (M) Sdn. Bhd.
- Kraft Malaysia Sdn. Bhd.

ASSOCIATE MEMBERS

- L'Oreal Malaysia Sdn. Bhd.
- Malaysia Airlines Systems Bhd.
- Maxis Bhd.
- MEAD Johnson Nutrition (M) Sdn. Bhd.
- Meda Inc. Bhd.
- Mitsubishi Motors Malaysia Sdn. Bhd.
- Moblife.TV Sdn. Bhd.
- Nestle Products Sdn. Bhd.
- Panasonic Malaysia Sdn. Bhd.
- Pensonic Holdings Bhd.
- PepsiCo (M) Sdn. Bhd.
- Permanis Sandilands Sdn. Bhd.
- Perodua Sales Sdn. Bhd.
- Petronas Dagangan Berhad
- Pizza Hut Restaurants Sdn. Bhd.
- Pos Malaysia Berhad
- Proton Holdings Bhd.
- Procter & Gamble (M) Sdn. Bhd.
- Public Bank Berhad
- RHB Capital Bhd.
- Royal Selangor International Sdn. Bhd.
- R3 Asia Pacific Pte Ltd
- Scomi Group Bhd.
- SC Johnson & Son (M) Sdn. Bhd.
- Spicers Paper (M) Sdn. Bhd.
- Telekom Malaysia Bhd.
- Tradewinds Corporation Bhd.
- TUNE Group Sdn. Bhd.
- UMW Holdings Bhd.
- Unilever (M) Holdings Sdn. Bhd.
- Wipro Unza (M) Sdn. Bhd.
- Acorn Marketing & Research Consultants
- Astro-Media Sales
- Bates (M) Sdn Bhd
- BBDO Malaysia Sdn Bhd
- Big Tree Outdoor Sdn Bhd
- CD Advertising Sdn Bhd
- Dynamic Search Sdn Bhd
- Draftfcb Sdn Bhd
- ESPN Star Sports
- Expomal International Sdn Bhd
- Golden Screen Cinemas Sdn Bhd
- Hi-Q Media (M) Sdn Bhd
- McCann-Erickson (M) Sdn Bhd
- Merge Media Holdings Sdn Bhd
- Mongoose Publishing (M) Sdn Bhd
- Nanyang Siang Pau Sdn Bhd
- Nanyang Press Holdings Bhd
- Nielsen Audience Measurement Sdn Bhd
- Ogilvy & Mathar (M) Sdn Bhd
- Pos Ad Sdn Bhd
- PRS Productions Sdn Bhd
- Publicis Communications Malaysia Sdn Bhd
- Recording Industry Association of Malaysia
- Reader's Digest Asia Pte Ltd
- Runcit Media Sdn Bhd
- Sabah Publishing House Sdn Bhd
- Screenmedia Sdn Bhd
- Sin Chew Media Corporation Bhd
- Sistem Televisyen Malaysia Bhd
- Star Publications (M) Bhd
- Taylor Nelson Sofres Malaysia Sdn Bhd
- The New Straits Times Press (M) Bhd
- United Borneo Press Group Sdn Bhd
- Utusan Melayu (M) Bhd
- Vision Four Media Group
- YTL Infoscreen Sdn Bhd

AIMS & OBJECTIVES OF THE MAA

- 1 To enable Members through the Association to speak with one voice and act with one purpose on advertising matters.
- 2 Holding meetings for the discussion of matters of interest to members.
- 3 Promoting or opposing legislative and other measures capable of affecting advertisers as a body.
- 4 Providing an official voice whereby members can collectively make known their wishes to media owners and advertising agents (either as individuals or associations) and thereby seek recognition of just claims.
- 5 To maintain good relations with all other bodies and organisations connected with advertising as a whole or for any particular purpose and to cooperate with them for the benefit of advertising.
- 6 Prosecuting or defending any suits, applications and proceedings before any court or tribunal whatsoever as may be deemed necessary or expedient in the interests of the Association or its members.
- 7 To raise funds by means of subscriptions of Members and levies on Members or otherwise for all the purpose and objects of the Association in such amounts and in such manner as is provided for in the Rules.
- 8 To promote, hold, sponsor or assist in the promoting, holding or sponsoring of Exhibitions of advertising matter or connected with such other objects as may be considered by the Council to be allied to or in conformity with all or any of the objects of the Association.
- 9 Advocating the complete and accurate disclosure of circulation figures by proprietors of all printed advertising media and of audience or viewers by the proprietors of radio, film, theatre slide and outdoor media; and supporting the establishment of an Audit Bureau of Circulation and Circulations Audit Board.
- 10 Promoting the elimination of fraudulent, untruthful, misleading or otherwise objectionable advertising, increasing thereby the public confidence in advertising and in advertised goods and services.
- 11 Advocating the standardisation and simplifications of advertising rate cards.
- 12 Entering into any affiliation with, or promoting or assisting in the promotion of any association, having objects similar to those of the Association, or calculated to benefit generally the members of the Association.
- 13 Printing and publishing newspapers, magazines, periodicals, newsletters and memoranda for the spreading of information on any matters related to the objects of this Association, and for other like purposes.
- 14 Being at all times of continual service, and supplying information to members on all matters germane to advertising.
- 15 Investing the funds for the Association in such manner and in investments of such kind and nature as the Council may think fit.
- 16 Acting as arbitrator or mediator in settlement of disputes arising out of advertising transactions.
- 17 To organise, promote, sponsor and participate in educational and training programmes in advertising and related fields, either on its own or jointly with academic, vocational, cultural and professional organisations.
- 18 Generally to promote further and protect the mutual interest of Members and to do all such other lawful things as are or may be incidental or conducive to the attainment of the above objects or any of them.

