

“Prepare for a market with more strong television groups”

● The CCTV auction, page 12

# MEDIA 4

## Is the media economy finally out of the woods?

### OFF THE FENCE

Has the industry seen the worst of the economic downturn? Or should it prepare for round two?

### JAPAN HEADHUNTER



**Tyron Giuliani**  
Industry partner, Optia Partners

“Non-Japan Asia is leading the global recovery. Although the media and advertising industry was one of the first to be hit by this crisis, it certainly won't be the first to recover. But recover it shall.

From a Japanese perspective, the media organisations have only blue skies above. We have witnessed unprecedented cuts in both client spending, and more importantly, cuts in human resources.

**YES**

The ‘absorption’ of some global networked agencies into their sister agencies and the laying-off of between 10 per cent to 50 per cent of people within some organisations saw the industry hit rock-bottom earlier this year.

The worst may be behind us in Asia, but in Japan, we have a little way to go. What will be interesting to see is whether media organisations in Japan go back to their old models, or whether they use the opportunity to break the shackles of some large, dominant players, whose actions would be considered at best unethical and at worst illegal, almost anywhere else in the world. The worst for the media economy may be over, but some poor practices in the Japan media industry are, sadly, probably not.”

### TAIWAN MEDIA BUYER



**Erika Wang**  
MD, Mindshare Taiwan

“We have seen the worst. The recent stock market data suggests people are starting to invest again and feel positive about the future.

Due to the last quarter of 2008, lots of manufacturers forecasted conservatively for this year. Next year will be different.

When most people talked about media spend, they mean FMCG and other manufacturers. But from a media point of view, govern-

**YES**

ment budgets also make up a large portion to the pie. Every year, the Taiwanese Government spends lots of money to promote its messages and communicate with the Taiwanese people. This counts for more than 10 per cent of the total media spend.

Another encouraging thing is the status of cross-Strait relations. The relaxation will bring more mainland investors to Taiwan.

Apart from the reasons mentioned above, next year definitely will be a good year, because this year everyone has been too conservative and pessimistic.”

### SINGAPORE CONSULTANT



**May Lee**  
Founder, Lotus Media House

“It certainly seemed like we were all tripping into an economic abyss. But, remarkably, lifelines are suddenly appearing that are pulling the media business up to the surface again and Asia seems to be first in line.

Just look at the number of new media properties that are slated to come online in the very near future. So far, nearly 10 new television channels are about to switch on in

**YES**

Asia. The word from this year's Mipcom conference was one of optimism, and from the Asian contingent there was a show of strength — 16 per cent of Mipcom participants were from the region.

Budgets are healthier than they were last year, which means demand from broadcasters is higher for content. But the key will be how multi-platform ambitions will be executed by various media businesses. There is no doubt future success and sustainability in the media industry will be supported by new media concepts. Without these, you might as well call it a day, kick back in your rocking chair and play Pong on your Atari.”

### US AGENCY CEO



**Antony Young**  
CEO, Optimedia

“No matter what the economists tell us, American consumers are behaving cautiously. It's not until the job market bounces back that we will see any sustainable growth start to come back into the market.

I fear there is still another round of corporate cost-cutting to come. We are planning for advertising spending to bottom out in 2010.

The other challenge is that there are some fundamental questions marks over the current business models of newspapers, magazines, commercial television and radio.

Digital revenues simply aren't replacing the declines experienced in the traditional platforms of the established media companies, and this appears to be a tough environment to ask the consumer to pick up the difference.”

**NO**

## Cross-tier survey reveals complex media landscape

### VITAL STATISTICS

A study of media use across different Chinese markets shows how greatly consumption can vary

For the creation and maintenance of TV and radio measurement panels, a vital piece of preparatory research called an establishment survey (ES) is conducted every year across CSM audience measurement markets. These in-home, face-to-face surveys form the basis of the update of each market's panel. In 2009, to gain deeper insight into the media environment of these markets, additional questions were added to the ES covering cross-media audience contacts, respondents' lifestyles and in some markets TV programme quality.

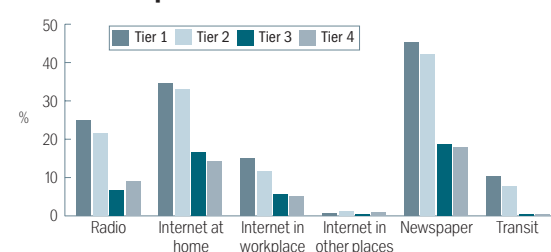
The survey covers more than 100 markets across tiers one to four. It shows big differences in the media landscapes between the different tiers. Internet usage in the home or

at work is much lower in tiers three and four. Daily contact with traditional media such as newspapers is also significantly lower in these lower-tier markets. The same lower performance is true for transit TV (bus, subway and taxi TV), as these media have yet to expand extensively in these markets.

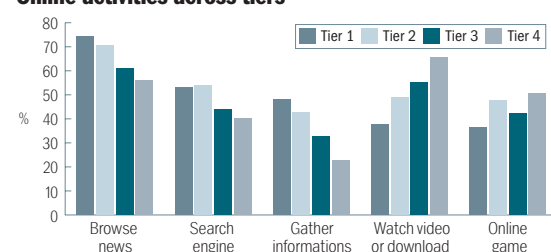
When looking at internet usage it is interesting to note that while news browsing and search engine use are lower in tiers three and four than in tiers one and two, online video viewing/downloading and gaming usage rates in lower tiers are higher than or on a par with usage in the top-tier markets.

*Tianli Zhang, executive, business development, CSM*

### Media consumption across tiers



### Online activities across tiers



### Internet usage across tiers

Netizens in tier-four markets show a strong liking for entertainment online. In tier-four, **51 per cent** play games and **66 per cent** watch video.

That compares with **38 per cent** (tier one) and **49 per cent** (tier two) for video, and **38 per cent** (tier one) and **48 per cent** (tier two) for games.

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**CSM** Media Research

Source: CSM Media Research