

# OPINION 1

## Indian media sets out stall for global growth

Even as media investment into the country remains stymied by a labyrinthine web of regulations, India's media giants are not waiting about as they seek opportunities for growth outside of their home market.

Splashing the cash with particular abandon, of course, is *Times of India* owner Bennett Coleman and Co (BCCL), which has swooped in to buy the UK's Virgin Radio in a US\$106 million deal.

In the world of cross-border M&A, the price tag is peanuts — but the deal could be a sign of things to come from Asia. While traditional media players in Western markets continue to face a host of challenges, from a fragmenting media and dwindling advertising, Asia's newspaper and TV companies remain in rude health.

And, unsurprisingly, they are eager to expand. Given Virgin Radio's price tag in 2000 (\$441 million), the deal represents a good bit of business, even if BCCL will lose its rights to use the Virgin name. The company intends to spend \$29 million rebranding not only the station but also, significantly, radio as a medium.

This makes good sense. While UK radio advertising revenues grew by three per cent in 2007, its share of overall ad spend remains slight. It is likely, however, that BCCL group CEO Vineet Jain has his eyes on a bigger prize. Internet advertising in the UK surged by almost 40 per cent last year, and now accounts for more than 15 per cent of all ad spend. The largely untapped opportunity for convergence between radio and internet, meanwhile, could point to better growth potential. In tandem with local radio group Absolute, BCCL will be aiming to prove that its ability to turn media brands like the *Times of India* and *Radio Mirchi* into success stories is not limited to India alone.

## Business as usual for Indonesia shops

Just three months ago, 15 agencies rallied behind a "protocol of pitching" published by Indonesia's PPPI, which pledged to cap the number of agencies that contest a pitch to a maximum of five, and bring in other progressive measures to improve the pitch process, such as pitch fees. It is a shame, then, that Indosat, one of the country's most powerful advertisers, is skirting these principles. Does the telco giant, for all its complexity and irresistible potential as an iconic national brand, really need eight agencies to help it come up with a single marketing strategy?

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## LETTERS TO THE EDITOR

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## Internet piracy may be hurting, but it's also helping

Dear editor,

It's no surprise to me that the leading Chinese search engine Baidu is the bane of the recording industry in China.

Baidu's MP3 search, which deep-links to sites where DRM-free MP3s are found on Chinese servers all over the country, has been sued on numerous occasions but so far the courts have sided with Baidu, effectively affirming the search giant's contention that it only leads people to the information they're looking for, and doesn't compel them to take illegal action.

Now we learn that a consortium of Chinese and major international labels, led by the Music Copyright Society of China, is calling for advertisers to boycott Baidu, and has vowed to lobby China's National Copyright Administration to crack down on Baidu.

This action has been timed, clearly, to coincide with the big Music Matters conference in Hong Kong, which year after year gathers music industry execs, artists, songwriters, and technology providers who

lament the sorry state of an industry under siege by the twin evils of internet downloading and physical piracy.

I'm a recording artist of sorts in China, and having written and recorded on two Tang Dynasty recordings and on one Chunqiu CD.

I know what it feels like to be a victim of piracy. I'm aware of what a huge an intractable problem it is, but I'm also fully cognizant that were it not for piracy, the Chinese music industry — let alone the film industry and the entire IT sector — wouldn't be anything close to what it is today.

Piracy, for all the damage that it's wrought, has actually helped those sectors by serving as an unprecedented window into Western culture. Pirated recordings and videos have substantially raised the bar for Chinese recording artists and filmmakers, and much of the marked advance we've seen in music and film owe much to the wide availability of pirated product.

Microsoft's Windows, had it only

been available in China at the market price, would have severely stymied the development of the whole software and internet economies of China.

It's a double-edged sword. The record industry has to ask itself whether it's even worth it to try fighting a trend like this.

My bet is that very few companies — a negligible number controlling negligible budgets — will answer the call to boycott advertising on Baidu.

The record companies would be better off putting their energies into new business models that don't go against the grain of this trend: to accept P2P file sharing, MP3 search and direct download, and even counterfeiting of physical units as something they simply can't fight.

They need to be creative, and to really reinvent themselves and their basic business model. Don't ask me how: I'm still trying to figure that one out.

*Kaiser Kuo, digital strategy director, Ogilvy Group China*

## Creativity must flow in the real world too

Dear editor,

I've had the pleasure of being involved in MediaWorks for the past three years and yet, every year, I find myself leaving the conference with a sense of confusion.

Contrary to popular belief, it's not because I found a host of additional 'extras' added onto my room bill, nor is it because, at my age, dementia has set in.

It's because every team would have come up with an imaginative, effective and brand relevant communication strategy/idea for the client's brief. Yet, in the real world we rarely see such new approaches to old problems.

Why? Clients have to shoulder some of the blame although if you can't sell the idea, you can't blame

them for saying no. However, agencies have a lot to answer for because for all our talk of open thinking, we rarely demonstrate it.

I used to think the future of our industry was in danger because the next generation of communications people would be limited in their approach.

But the real danger is if agencies and clients stop these bright young things from showing their talent and flair other than at training camps.

*Robert Campbell, regional creative brand planner, Young & Rubicam Brands*

## Can Asia be a mobile advertising centre?

Dear editor,

As mobile advertising evolves in Asia, it brings along specialised digital agencies with expertise in

various verticals like WAP advertising, advergaming and interactive SMS. There is an increasing number of mobile marketing campaigns which are developed out of Asia but executed in the US and Europe. Digital agencies based out of Asia have successfully run these campaigns remotely.

Overall, Asia seems to be on the forefront of mobile advertising but the challenge will be understanding the target market.

Unlike software development where the solution cater towards the corporate enterprises, on advertising, the solutions have to match the consumers local taste and flavour. Whether such challenges can be overcome to make Asia the creative hub for mobile advertising solutions in the future, remains to be seen.

*Ravi Shankar Bose, director, Fugumobile*

## DIARY

### Cannes Lions

Date 15 to 21 June

Venue Palais des Festivals,

Cannes

Website [www.canneslions.com](http://www.canneslions.com)

### ad:tech Singapore

Date 26 to 27 June

Venue Suntec,

Singapore

Website [www.ad-tech.com/singapore](http://www.ad-tech.com/singapore)

Contact [paul@ad-tech.com](mailto:paul@ad-tech.com)

### DigiGen-M 2008

Date 30 June to 2 July

Venue TBA, Kuala Lumpur

Website [www.availcorp.com](http://www.availcorp.com)

Contact [rpalacio@availcorp.com](mailto:rpalacio@availcorp.com);

+65 6324 9751

### Global Brand Forum 2008

Date 14 to 15 August

Venue The Ritz-Carlton, Singapore

Website [www.globalbrandforum.org](http://www.globalbrandforum.org)

Contact +65 6339 7236;

[joji.george@globalbrandforum.org](mailto:joji.george@globalbrandforum.org)



### Media 360 Asia

Date 16 to 18 September

Venue MGM Grand, Macau

Website [www.media360asia.com](http://www.media360asia.com)

Contact Evelina Lye; +65 6224 2916



### Asian Marketing Effectiveness Awards 2008

Date 17 September

Venue TBA, Macau

Website [www.ameawardsasia.com](http://www.ameawardsasia.com)

Contact Rhonda Ng; +65 6223 9128

### iMedia Brand Summit

Date 15 to 17 September

Venue York Fairmont Resort,

Australia

Website [www.imediainconnection.com](http://www.imediainconnection.com)

Contact [bethe@mediainconnection.com](mailto:bethe@mediainconnection.com)

### Casbaa Convention 2008

Date 28 to 30 October

Venue TBC, Hong Kong

Website [www.casbaa.com](http://www.casbaa.com)

Contact [casbaaevents@casbaa.com](mailto:casbaaevents@casbaa.com)



### Asia-Pacific PR Awards 2008

Date 27 November

Venue TBA, Hong Kong

Website [www.prawardsasia.com](http://www.prawardsasia.com)

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