

Advertising Business in Chiang Mai Province, Thailand between 2013 to 2016

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Abstract

This study aimed to categorize advertising business in Chiang Mai Province, Thailand and to survey income of advertising business in Chiang Mai Province, Thailand. This study used quantitative research methodology by collecting data from Department of Business Development, Ministry of Commerce database from 2013-2016. The results revealed that the total number of the advertising business in Chiang Mai Province was: 151 in 2013, 162 in 2014, 169 in 2015, and 141 in 2016, respectively. Advertising business in Chiang Mai Province could be categorized by partnership registration, income, and services. It was found that there was three type of partnership registration: a company limited, limited partnership, and juristic ordinary partnership. For income, it could be divided into three classes: class A 10 million baht and above, class B less than 10 million baht to one million, and class C less than 1 million baht. Advertising business in Chiang Mai Province offered two types of service which were advertising service and non-advertising one. In surveying income of advertising business in Chiang Mai Province, it showed that it decreased apparently from 2013 to 2016. This research would be helpful for the advertisers who were seeking for professional advertising business in Chiang Mai Province to advise its marketing communication plan and for a scholar who was interested in local advertising business issues.

Keywords. Advertising Business in Chiang Mai Province, Type of Advertising Business, Income of Advertising Business

1. Introduction

Thailand development strategy under the National Economic and Social Development Plan No.11 (2012-2016) emphasizes on economic restructuring towards sustainable and quality growth with the aims to develop competitiveness and effective general economy management. This corresponds to economic restructuring policy in the service sector. It is very important to provide knowledge and skills to small and medium service entrepreneurs to improve their business. It will bring higher income for both local and nationwide.

In Thailand, the advertising industry is one of the service sectors that earns annually more than one hundred billion baht. However, in 2016, the total advertising expenditure decreased dramatically; especially the mass medium such as analog TV, cable and satellite TV, digital TV, radio, newspapers, and magazines. It was 11.69 percent (about 14 billion baht) lower than in 2015 (Advertising Expenditure in Thailand, 2016, www.adasso thai.com). As a result, mass media advertising budgets have been decelerated. Advertisers are looking for alternative media which can reach consumers effectively with the limited budget. For this reason, advertising and related business have expanded nationally.

Advertising business comprises four sets of players: advertisers or clients, media organization, consumers, and advertising agency (Helen Powell, 2009). An advertising agency is usually responsible for creating an advertisement, doing research, planning for the type of media used, taking the feedbacks from the clients as well as the customers. It handles, especially, advertising service but sometimes other forms of marketing and branding strategies promotion for its clients which may include sales as well.

There are basically three types of advertising agency; full-service, creative boutique, and in-house. A full-service agency, in general, is a large size agency. It starts work from gathering data and analyzing and ends on payment of bills to the media organization, in another word, dealing with all stages of advertisement. Creative boutique performs normally creating actual innovative ads. It owns copywriters, directors, and creative people. In contrast, an in-house agency is built and serves advertising service only for its organization.

As an economic center of northern Thailand, Chiang Mai Province grows continuously from many sectors investment. The size of the economy in Chiang Mai Province is determined by the Gross Provincial Product (GPP) in 2015, reaching 184,132 million baht, higher than the national average of 58 percent, or 102,491 million baht, and is the number one in the North (“Chiang Mai” grows up prominently in the regional hub “Travel-Service” pump billions of revenue. November 29, 2015). www.prachachat.net). Consequently,

advertising businesses expand uninterruptedly due to the high demand of advertisers. To be at the top of mind, they want to use advertising as a tool to persuade and communicate with their consumers. A great number of advertisements and advertising businesses in Chiang Mai Province increases obviously. Nevertheless, there is a few study on advertising business in Chiang Mai Province due to lack of basic information. Therefore, in this research, the primary aim is to collect, synthesize, and survey primary data. It will be useful for further research on other issues in the future.

2. Research Objective

The objectives of this study were to 1) categorize advertising business in Chiang Mai Province, Thailand by using partnership registration, income, and service offered and 2) survey income of advertising business in Chiang Mai Province, Thailand between 2013 to 2016.

3. Research Methodology

This study used quantitative research methodology by using coding sheets which contained data of the advertising business in Chiang Mai Province: registered name and number, the partnership registration, business objective, location, income, and registered capital. Data was collected from Department of Business Development, Ministry of Commerce database; which was business data warehouse and annual financial statement report of the year 2013 to 2016. Data was counted in order and well-organized.

4. Results

The results of this research were presented in two parts: types of the advertising business in Chiang Mai Province, and income of advertising business in Chiang Mai Province from 2013-2016.

Types of advertising business in Chiang Mai Province

Between 2013 to 2016, there were amounts of the advertising business in Chiang Mai Province as follow:

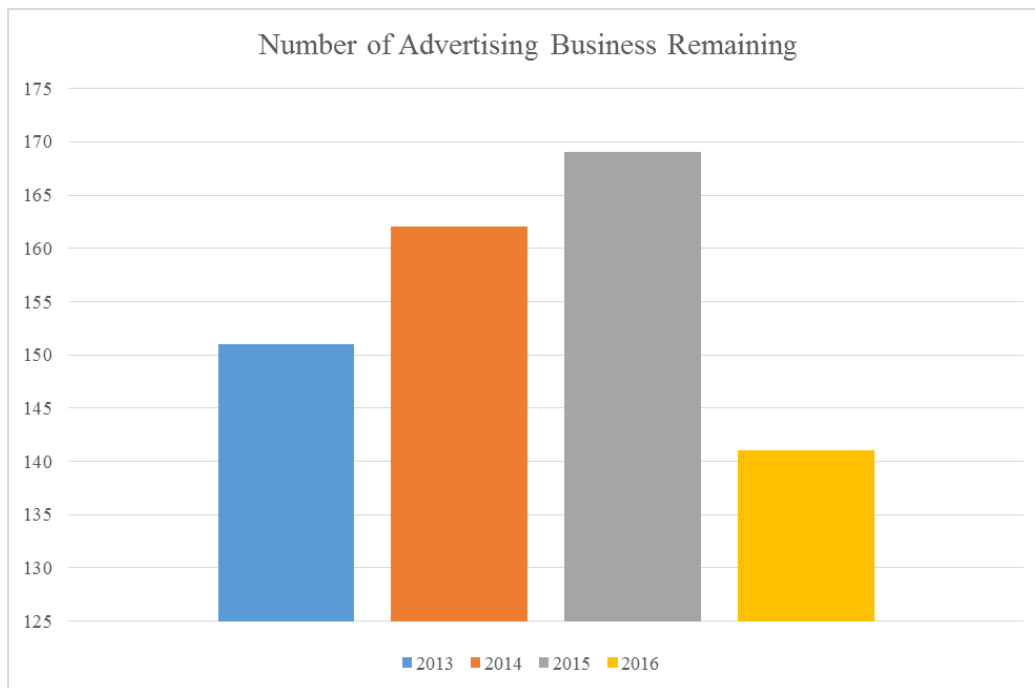


Fig. 1. Number of Advertising Business Remaining between 2013 to 2016

In 2015, there was the highest number of the advertising business. It increased slightly from 2014 and 2013. Although in 2016, it declined extremely to 141. It was revealed that some corporates went out of their businesses, most of them provided internet advertising or printing service.

Advertising business in Chiang Mai Province could be categorized by partnership registration, income, and service offered.

Table 1. Amount of advertising business in Chiang Mai Province categorized by partnership registration

Year	Company Limited	Limited Partnership	Juristic Ordinary Partnership	Total
2013	99	51	1	151
2014	96	65	1	162
2015	104	64	1	169
2016	90	50	1	141

It was found that there were three types of partnership registration: company limited, limited partnership, and juristic ordinary partnership. In 2013, there were 151 advertising businesses which sorted as follow; 99 company limited, 51 limited partnership, and 1 juristic ordinary partnership. In 2014, the total amount of advertising business rose to 162; although the number of company limited was down to 96 while that of limited

partnership increased significantly to 65. It was also only 1 juristic ordinary partnership. Furthermore, in 2015, the total amount of advertising business reached 169; though the number of the company limited gained 104, limited partnership declined slightly. Nonetheless, in 2016, the total number dropped dramatically to 141; the amount of both company limited and limited partnership declined to 90 and 50. While juristic ordinary partnership remained 1 between 2013 to 2016.

Table 2. Amount of advertising business in Chiang Mai Province categorized by income between 2013 to 2016

Year	Class A (10 million baht and above)	Class B (less than 10 million baht)	Class C (less than 1 million baht)	Total
2013	20	59	72	151
2014	20	58	84	162
2015	20	66	83	169
2016	17	59	65	141

According to income, advertising business could be divided into three groups: class A with 10 million baht and above, class B with less than 10 million baht, and class C with less than 1 million baht. Most of the advertising businesses were in class C sorted as follow: 72 in 2013, 84 in 2014, 83 in 2015, and 65 in 2016. In class B, which was moderate income, there were as follow 59 in 2013 and 2016, 58 in 2014, and 66 in 2015. Lastly, class A, which was the highest income, there was 20 advertising business in 2013-2015 though it reduced to 17 in the last year.

Table 3. Amount of advertising business in Chiang Mai Province categorized by service offered

Year	Advertising Service	Advertising and Non-advertising service	N/A	Total
2013	115	35	1	151
2014	124	35	3	162
2015	129	38	2	169
2016	104	37	-	141

The most service that advertising business in Chiang Mai Province offered was advertising service while one-third provided both advertising and non-advertising service. The first one included advertising program planning, creative service, advertising production, and media buying while the second one added other marketing communication services such as public relations planning, marketing promotion, exhibition, and trade show, special event organizer, graphic design, and etc. Just a few business did not operate the advertising activities anymore.

Table 4. Advertising and other marketing communication media provided by advertising business in Chiang Mai Province

Advertising Media	Outdoor ad
	Broadcast (Radio/TV)
	Transit ad
	Print ad
	Internet
Non-advertising Media	Public Relations
	Marketing Promotion
	Exhibition
	Special Event
	Video Presentation

There was two type of media provided by advertising business in Chiang Mai Province: advertising media and non-advertising media. The first one consisted of both traditional, such as broadcast and print ad and non-traditional media, such as outdoor ad, transit ad, and internet ad. The latter one comprised of supporting media like public relations, marketing promotion, exhibition, special event, and video presentation.

Income of advertising business in Chiang Mai Province

Between 2013 to 2016, advertising business in Chiang Mai Province reported income as follow:

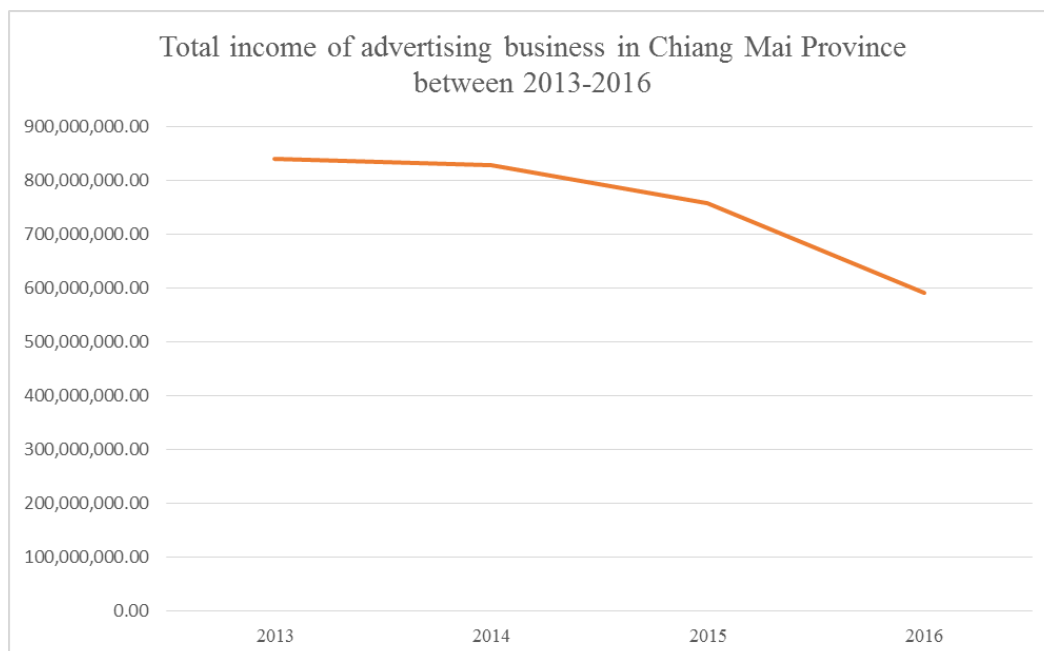


Fig. 2. Total income of advertising business in Chiang Mai Province between 2013 to 2016

In 2013, it was found that total income of advertising business in Chiang Mai Province was 839,895,740.89 baht. Then in 2014, it declined slightly to 828,145,550.98 baht. It decreased vitally since 2015, to 756,580,091.09 baht. Suddenly in 2016, it fell out essentially to 589,523,166.76 baht.

The research also found that there was three advertising business earned a yearly income more than 50 million baht.

Table 5. Advertising business income over 50 million baht 2013

No.	Partnership Registration	Registered Name	Income (million baht)	Service
1	Company Limited	M Group Organizer and Media	78.61	Ad/ Non-ad
2	Company Limited	Elephant Parade Production	71.01	Ad/ Non-ad
3	Company Limited	V Sign Media	55.30	Ad/ Non-ad

It was shown that M Group Organizer and Media (Company Limited) got the highest income in 2013, 78.61 million baht, followed by Elephant Parade Production (Company Limited) and V Sign Media (Company Limited), it was 71.01 and 55.30 million baht respectively. Apart from advertising service, they also provided non-advertising service. The first one worked as special event organizer who handled beauty contest, competition, new product launching, traditional ceremony, and marketing promotion. The second one was skilled in advertising service and other related services. While the last one, started at 1998 was the expert in integrated marketing communication and event organizer.

Table 6. Advertising business income over 50 million baht in 2014

No.	Partnership Registration	Registered Name	Income (million baht)	Service
1	Company Limited	Elephant Parade Production	113.94	Ad/ Non-ad
2	Company Limited	M Group Organizer and Media	79.06	Ad/ Non-ad
3	Company Limited	Thumdee Design	54.78	Ad/ Non-ad
4	Company Limited	Indeed Creation	53.28	Ad/ Non-ad
5	Company Limited	V Sign Media	52.33	Ad/ Non-ad

In 2014, there were five company limited advertising businesses which were in the top income range. Three companies still were the same as in 2013 with higher income, which were Elephant Parade Production, M Group Organizer and Media, and V Sign Media. The two newcomers were Indeed Creation and Thumdee

Design, both were very experienced in both advertising and non-advertising service. Indeed Creation, started at 2002, was skillful as an organizer. It provided a wide range of services such as event management, grand opening, meeting and conference, performance and show, light and sound system, and even private party and flower arrangement. While Thumdee Design was professional in designing in-store media and display.

Table 7. Advertising business income over 50 million baht in 2015

No.	Partnership Registration	Registered Name	Income (million baht)	Service
1	Company Limited	Elephant Parade Production	93.92	Ad/ Non-ad
2	Company Limited	Thumdee Design	57.71	Ad/ Non-ad

There was only two company that earned income over 50 million baht in 2015. Elephant Parade Production gained a bit lower than in 2014 while Thumdee Design got slightly more than last year.

Table 8. Advertising business income over 50 million baht in 2016

No.	Partnership Registration	Registered Name	Income (million baht)	Service
1	Company Limited	Thumdee Design	74.06	Ad/ Non-ad
2	Company Limited	Indeed Creation	53.00	Ad/ Non-ad

In 2016, even the total income of advertising business was at the lowest (compared to that of 2013-2015), there was two company that got income over 50 million baht. These companies had income more than last year. Thumdee Design was at the top of the table with 74.06 million baht which hiked from 57.71 million baht last year. Indeed creation was at the second with 53.00 million baht which was better than in 2015.

Table 9. Advertising business income 10-49.99 million baht in 2013

No.	Partnership Registration	Registered Name	Income (million baht)	Service
1	Company Limited	Thumdee Design	49.26	Ad/ Non-ad
2	Company Limited	Media House and Agency	35.77	Ad
3	Company Limited	S.P. Publishing Group	30.97	Ad

No.	Partnership Registration	Registered Name	Income (million baht)	Service
4	Limited Partnership	Suchart Advertising	26.31	Ad
5	Company Limited	DonTree Season	22.81	Ad/ Non-ad
6	Company Limited	Ruampai and Design	20.35	Ad
7	Company Limited	Khotchasan Advertising	18.92	Ad
8	Company Limited	The Wise	16.50	Ad
9	Company Limited	V V W	14.74	Ad/ Non-ad
10	Company Limited	Man Muang Chamber	14.40	Ad/ Non-ad
11	Limited Partnership	Number One Media	13.78	Ad/ Non-ad
12	Company Limited	I Am CNX	13.68	Ad/ Non-ad
13	Company Limited	Taksa Perfect Presentation Agency	12.93	Ad
14	Limited Partnership	Srisompetch	12.03	Ad
15	Company Limited	Perfect Creation and Organizer	10.31	Ad/ Non-ad

In 2013, there was 15 advertising business which got income over 10 to 49.99 million baht. Most of them were the company limited while few was limited partnership. Six of them provided both advertising service and non-advertising service. It was interesting that two-thirds offered just only advertising service. Ruampai and Design, Khotchasan Advertising, and Srisompetch ran business more than 15 years. They were experienced in outdoor advertising such as billboard and structure, and street cut-out including advertising space for renting. DonTree Season and Number One Media began business 20 years ago as radio program planner and managed airtime for radio spots, and radio spot producer. Recently, they added non-advertising services such as special event organizer, grand opening, public relations, and other marketing communication activities. Man Muang Chamber was one of the event organizers which was expert in fair and festival management and the roadshow to abroad. While Taksa Perfect Presentation Agency included marketing planning and sales management to its clients.

Table 10. Advertising business income 10-49.99 million baht in 2014

No.	Partnership Registration	Registered Name	Income (million baht)	Service
1	Company Limited	V V W	45.14	Ad/ Non-ad

No.	Partnership Registration	Registered Name	Income (million baht)	Service
2	Company Limited	S.P. Publishing Group	25.17	Ad
3	Company Limited	Man Muang Chamber	20.06	Ad/ Non-ad
4	Company Limited	Perfect Creation and Organizer	18.99	Ad/ Non-ad
5	Company Limited	Ruampai and Design	18.56	Ad
6	Company Limited	Khotchasan Advertising	17.31	Ad
7	Company Limited	Design by Gu	14.53	Ad
8	Company Limited	DonTree Season	14.83	Ad/ Non-ad
9	Limited Partnership	Tee Design and Decor	13.34	Ad
10	Company Limited	Keng Jung Creation House	12.13	Ad
11	Limited Partnership	Number One Media	12.03	Ad/ Non-ad
12	Company Limited	The Wise	11.71	Ad
13	Limited Partnership	Srisompetch	10.79	Ad
14	Limited Partnership	Ads Award	10.67	Ad/ Non-ad
15	Company Limited	I Am CNX	10.09	Ad/ Non-ad

There were four newcomers in 2014: Design by Gu, Tee Design and Décor, Keng Jung Creation House, and Ads Award. All of them had started business by designing and creating advertising, then some of them provided non-advertising service such as video production, presentation, event management, computer graphic design, and so on.

When compared to 2013, some corporates gained higher income: V V W, Perfect Creation and Organizer, Number One Media, Khotchasan Advertising, for example. Even some got a bit lower: Number One Media, The Wise, I Am CNX.

Table 11. Advertising business income 10-49.99 million baht in 2015

No.	Partnership Registration	Registered Name	Income (million baht)	Service
1	Company Limited	Indeed Creation	45.50	Ad/ Non-ad
2	Company Limited	V Sign Media	44.47	Ad/ Non-ad
3	Company Limited	M Group Organizer and Media	40.45	Ad/ Non-ad
4	Company Limited	Man Muang Chamber	24.11	Ad/ Non-ad
5	Company Limited	Keng Jung Creation House	23.07	Ad
6	Company Limited	S.P. Publishing Group	21.65	Ad
7	Company Limited	Scene Space Plus	19.23	Ad
8	Company Limited	DonTree Season	18.32	Ad/ Non-ad
9	Company Limited	Design by Goo	18.25	Ad
10	Company Limited	Suchart Advertising	17.98	Ad
11	Company Limited	V V W	16.27	Ad/ Non-ad
12	Company Limited	Ruampai and Design	14.38	Ad
13	Company Limited	Taksa Perfect Presentation Agency	13.68	Ad
14	Company Limited	Khotchasan Advertising	12.79	Ad
15	Company Limited	Blue Media Plus	12.78	Ad
16	Company Limited	Et. Cetera (ETC)	10.50	Ad/ Non-ad
17	Company Limited	Tell Them	10.18	Ad/ Non-ad

From Table 11, it was found that there were nine advertising businesses offering advertising service, especially outdoor and print. Moreover, they extended their service not only producing billboards, handbills or posters but also creating store signs, catalogs, books and LED screen. By the way, Scene Space Plus and Blue Media Plus were newcomers which offered outdoor advertising service, creating, producing, and installing even finding advertising space for renting.

Two other new advertising business were Et. Cetera (ETC) and Tell Them. They provided both advertising and non-advertising service. The first was good at radio spot production, video presentation, and marketing communication planning. While the latter was skillful in sales and marketing management.

Table 12. Advertising business income 10-49.99 million baht in 2016

No.	Partnership Registration	Registered Name	Income (million baht)	Service
1	Company Limited	V Sign Media	41.44	Ad/ Non-ad
2	Company Limited	DonTree Season	27.45	Ad/ Non-ad
3	Company Limited	Perfect Creation and Organizer	23.30	Ad/ Non-ad
4	Company Limited	S.P. Publishing Group	17.47	Ad
5	Company Limited	Living Film Advertising	16.64	Ad/ Non-ad
6	Company Limited	Design by Goo	13.82	Ad
7	Company Limited	Khotchasan Advertising	13.51	Ad
8	Company Limited	Ruampai and Design	12.65	Ad
9	Company Limited	I Am CNX	12.28	Ad/ Non-ad
10	Company Limited	Scene Space Plus	11.87	Ad
11	Company Limited	We Work Marketing & Advertising	11.68	Ad/ Non-ad
12	Company Limited	Et. Cetera (ETC)	11.66	Ad/ Non-ad
13	Limited Partnership	Number One Media	10.13	Ad/ Non-ad
14	Company Limited	Taksa Perfect Presentation Agency	10.09	Ad
15	Company Limited	The Wise	10.85	Ad

At the top of the high-income table in 2016, there was half of advertising business which provided both advertising and non-advertising service. I Am CNX was a new company in rank. It served traditional advertising media, marketing communication tools, special event, corporate recreation, internet advertising, and even training. While Living Film Advertising, started in 2015, offering television commercial and documentary production. Design by Goo was good at graphic designing and printing.

5. Conclusion

The advertising business is an important service industry. In one hand, it generates great income for the economy and, on the other hand, helps other businesses reaching their consumers. Chiang Mai Province is the most prosperous province in the North of Thailand. It attracts investment from investors in various sectors then a number of advertising businesses have been operated. In the past, there was just a few research on this business, especially the basic one, it was difficult to understand nature of the business even create a new body of knowledge. According to the research results, it was clear that there were a hundred of the advertising business in Chiang Mai Province providing both advertising and non-advertising service. The top highest income advertising businesses also extended to other marketing communication tools like special event, grand opening, trade show, traditional ceremony and so on. It is because of clients demand for Integrated Marketing Communication (IMC) (Powell, 2009). Some entrepreneurs went out of their businesses in consequence of undercut and high competition (Inta, 2014). The local advertising business has advantages of recognizing the characteristics of advertisers and their condition. Most local advertisers usually have small communication budget yet less understanding in how important advertising do to their business (Srisomphet, 2002). Local advertising businesses work hard to maintain their clients and find the new one by improving and extending their service matching the demands.

This research will be helpful for the advertisers who are seeking for professional advertising business in Chiang Mai Province to advise its marketing communication plan and for a scholar who is interested in local advertising business issues. Management and working process of advertising business topic will be useful for further research.

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