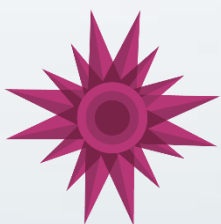


JUNE 2021

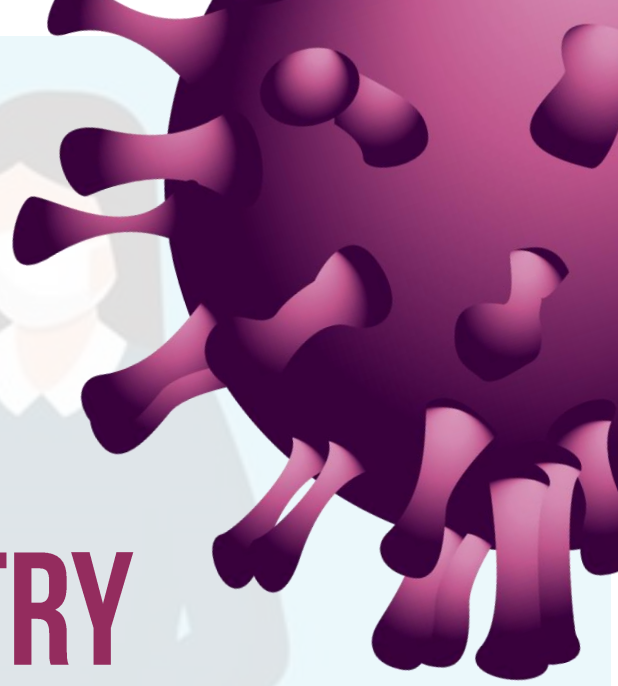
PAKISTAN MEDIA OUTLOOK 2021

Presented by:

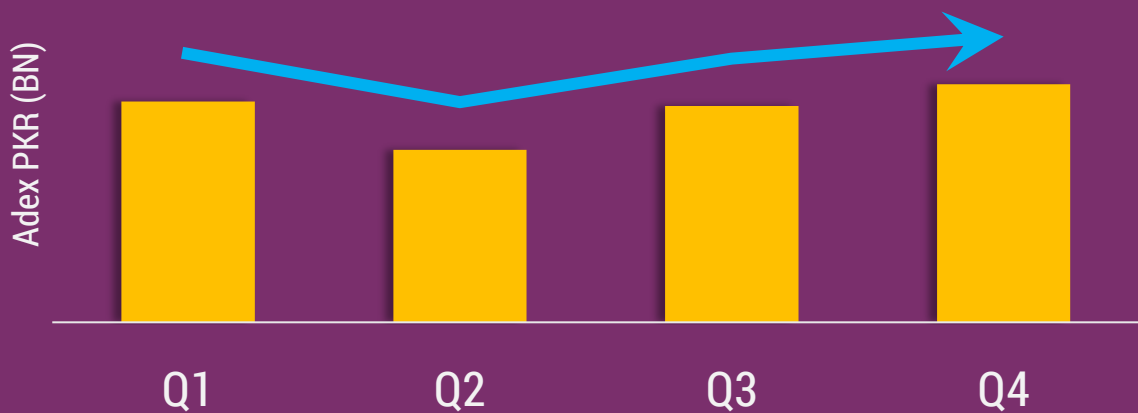
Brainchild



COVID CAUSED HAVOC IN MEDIA INDUSTRY



**ADEX IN Q2 2020 DECLINED
SHARPLY BY 27% VS LAST YEAR**

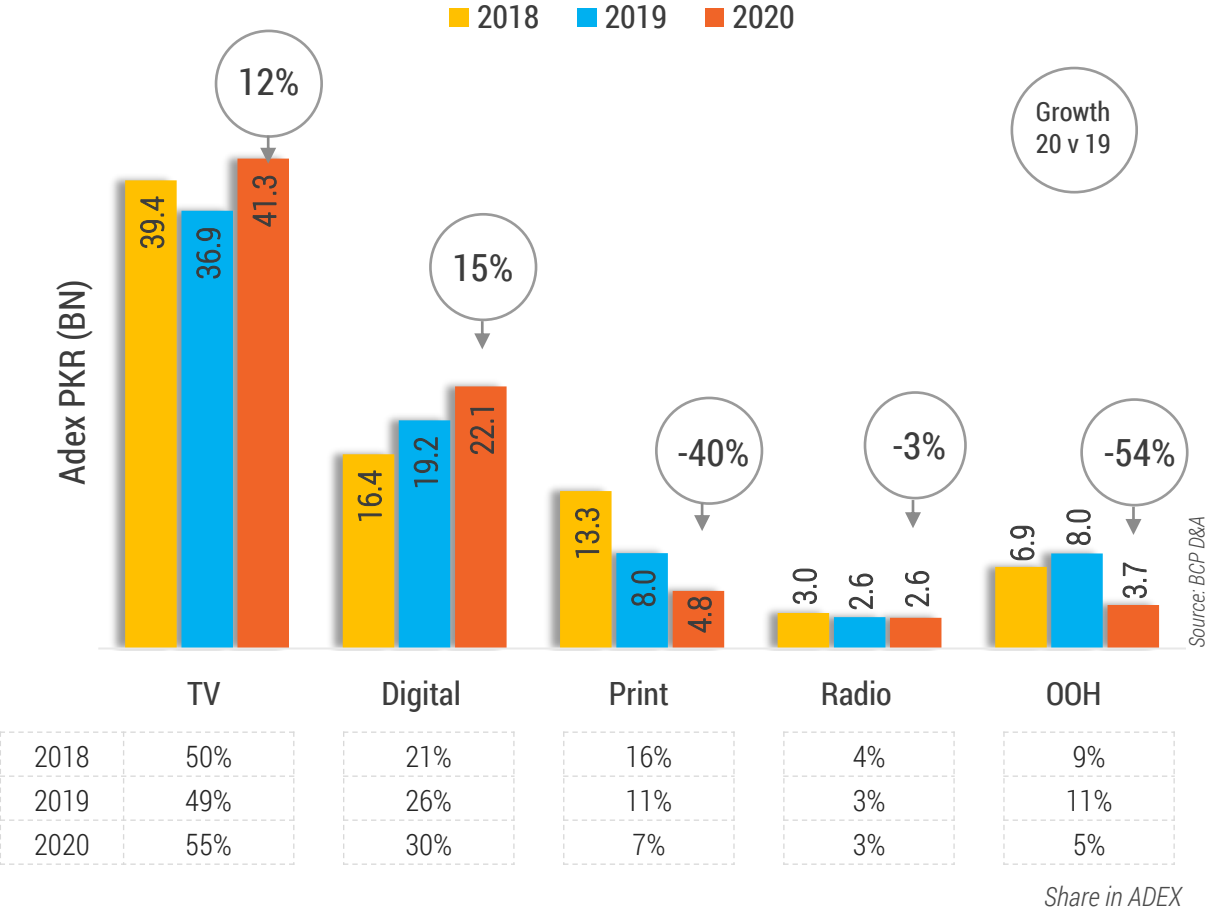


**ADEX IN 2021 IS EXPECTED TO OUTGROW
PREVIOUS YEARS AFTER GOING THROUGH
NORMALIZATION SINCE Q3 2020**



The year 2020 was mostly gloomy in many ways with COVID-19 engraved all over it. It is safe to say that the global pandemic had an adverse effect on economy and subsequently on media. From our personal to professional lives, to our decision making, eating & shopping behaviors, it brought a drastic change to everything.

PAK ADVERTISING LANDSCAPE OVER LAST 3 YEARS



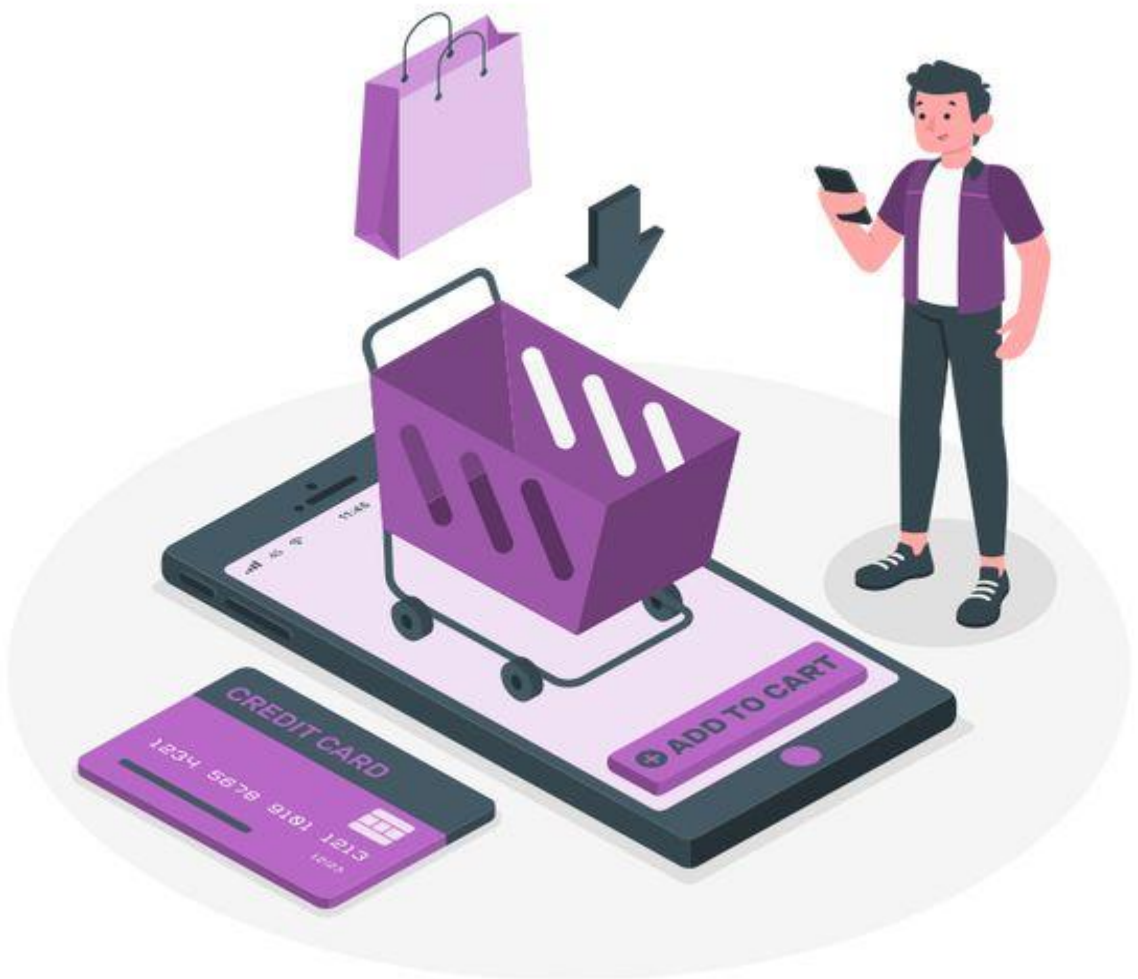
The negative impact of COVID-19 on the global media had been very severe with global ADEX market, taking a hit. WARC estimates that the global ADEX fell by 9% with US ADEX dropping by 4% and UK ADEX dropping by 14%. On the other hand, in 2020 in terms of overall ADEX, Pakistan did not experience this severe impact. The drop in ADEX in 2020 vs 2019 was negligible – less than one percent. But things were not as smooth as they seem to be. In Q2 2020 when the global pandemic broke out, all the mediums suffered in terms of ADEX except for digital which grew by 11% VYA*. TV ADEX in Q2 fell by 26% Print by 75%, Radio by 47% while OOH fell by 73% VYA. Cinema virtually got wiped out with screens locked since March 2020.

* VYA: vs same period year ago



Q3 2020 marked a recovery phase for most of the struggling mediums notably TV. After a dismal Q2 2020, since Q3, TV ADEX not only recovered but surpassed its value vs last year. Digital has been experiencing a continuous upward stride while Radio and OOH still have some catching up to do. Cinema has to make a fresh start after going back to square one with no activity since over a year.

Talking about online shopping, Ecommerce has seen a staggering growth in sales since the COVID-19 lockdown. The lockdown brought mid income groups to online shopping arena which caused an increase in ecommerce's consumer base as they sought safe contactless shopping midst of pandemic. These new users are here to stay, and their word-of-mouth recommendation, generating from positive experience, will only result in surge of additional growth on ecommerce platforms.



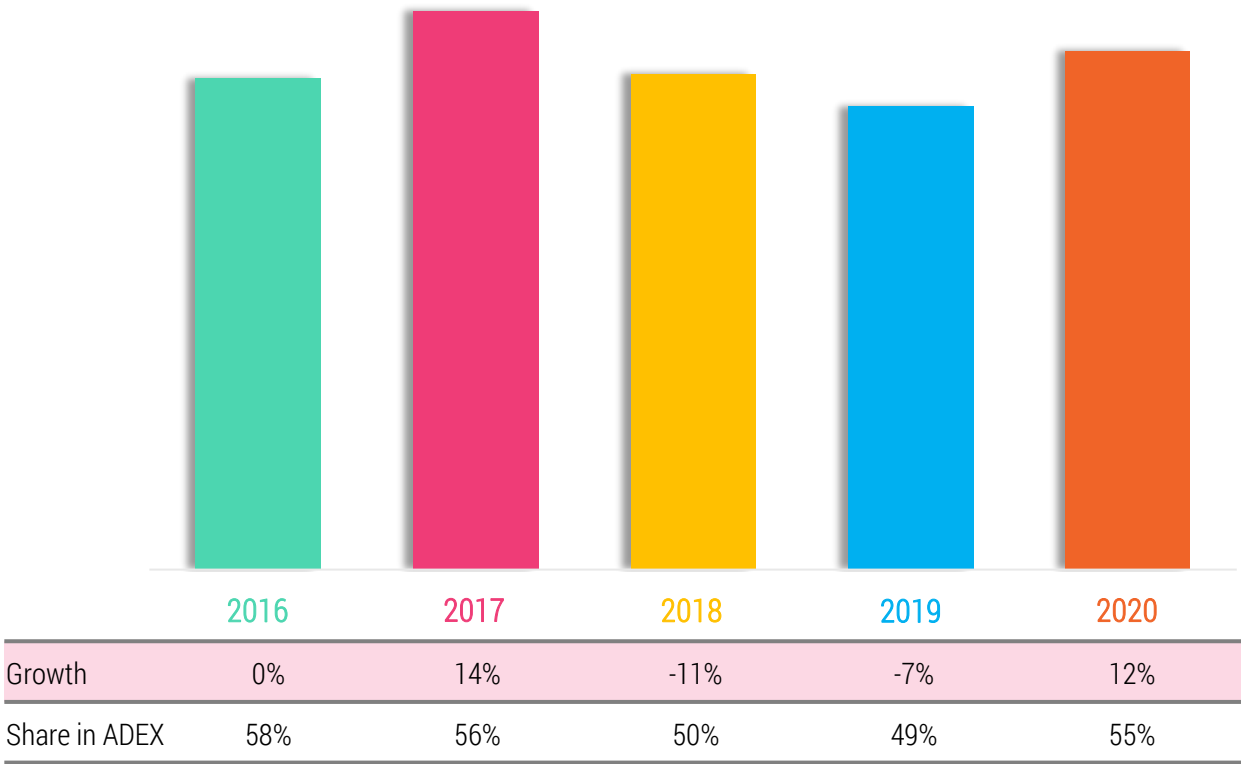
DESPAIR TO BOOM

DESPITE A GLOOMY Q2 2020,
TV ADEX RECOVERY IN Q3 &
Q4 LED THE GROWTH OF 12%





TV ADEX



Source: BCP D&A

2020 saw it all starting off with the global pandemic and subsequent lockdowns which drastically caused the consumer confidence to fall. The year started off quite well as far as TV ADEX is concerned, with PSL 2020 being the major cricketing event in the 1st Quarter. But soon the worldwide COVID-19 pandemic made its way to Pakistan in early March 2020 causing PSL 2020 to be postponed followed by countrywide lockdown starting from 25th March 2020. The lockdown caused slowdown in the 2nd Quarter with the share of 2nd Quarter of the total TV ADEX dropping from 29% in 2019 to 19% in 2020. However, the ease in countrywide lockdown on 31st May 2020 caused a journey towards normalization with 3rd Quarter contributing 24% of total TV ADEX and 4th Quarter generating an astounding 30% of annual TV ADEX; growth of 43% over 2019 and a 25% increase over Q3 – a large part of this increase can be attributed to the remainder of PSL 2020 that took place in Nov 2020.



TV ADEX SHARE BY QUARTER

Quarter	Q1	Q2	Q3	Q4
2016	27%	26%	24%	23%
2017	24%	28%	23%	24%
2018	29%	26%	25%	21%
2019	27%	29%	20%	23%
2020	27%	19%	24%	30%

Growth 19/18	-5%	15%	-19%	11%
Growth 20/19	-1%	-34%	20%	27%

Source: BCP D&A

GROWTH OF MINUTES ADVERTISED BY QUARTER

Growth	Q1	Q2	Q3	Q4	Total
Growth 19/18	9%	2%	-25%	2%	-4%
Growth 20/19	-7%	-10%	49%	69%	22%

Source: BCP D&A

The drop in the TV ADEX can only be seen in the Q2 2020 where the lockdown was imposed. Q2 saw a sharp decline in ADEX by 26% whereas the decrease in minutes advertised was only 10% vs 2019.

One of the major reasons for such disparity between the decline in ADEX and the minutes advertised is that Ramadan in 2020 came in Q2 and unlike previous years, there was a 75% decline in the number of channels that had special Ramadan rates which caused sharp decline in ADEX as compared to the number of minutes advertised. However, since July 2020, the ADEX started to grow rapidly vs 2019 with a 34% increase in ADEX and 49% increase in minutes advertised in Q3 and 43% increase in ADEX with 69% increase in minutes advertised in Q4 – causing an overall increase of 12% in the ADEX and 22% increase in minutes advertised vs 2019. This increase in ADEX brought about a shift in the general advertising spending trends over the last few years.

Over the years the share of TV in total ADEX has kept on declining from 58% out of total ADEX in 2016 to 49% in 2019. However, 2020 marked a shift in the trend with an increase in TV share to 55%, thanks to the COVID-19 disruptions.



TV CATEGORY CONTRIBUTION & GROWTH

Categories	Contribution in 2019		Contribution in 2020		Growth 20/19
	Rank	Share %	Rank	Share %	
GSM	1	7%	1	7%	123
Washing Powders	3	5%	2	7%	150
Biscuits	4	5%	3	6%	137
Shampoo	5	4%	4	4%	116
Cold Drinks	2	6%	5	4%	81
Tea	9	3%	6	4%	144
Powder Milk	10	2%	7	4%	175
Housing & Apt Projects	7	3%	8	4%	124
Bank	6	4%	9	3%	99
Anti Bacterial Soap	11	2%	10	3%	154
Toothpaste	12	2%	11	3%	150
Website / Portals	8	3%	12	2%	85
Cellular Phone Sets	14	2%	13	2%	130
O T C Product	19	1%	14	2%	223
Milk	16	1%	15	2%	167
Federal Government	17	1%	16	2%	187
Candies / Chocolates	13	2%	17	2%	104
Floor and Toilet Cleaners	20	1%	18	1%	172
Beauty Cream	15	2%	19	1%	103
Spices	18	1%	20	1%	121

Source: BCP D&A

In terms of category, GSM remained the top category and grew with 23% vs 2019 with Jazz being the highest spender followed by Ufone and Zong. During the lockdown period, the GSM brands advertised their data packages heavily as people were at home and streaming needs increased during this period.

Pakistanis are known as large tea consumers and consumed even more during the lockdown. Tea category spend rose from 9th in 2019 to 6th in 2020 and grew by 44%. Linked with the tea category is the powdered milk category where spends rose from 10th in 2019 to 7th in 2020 and grew by 75%.

OTC medicines & related products rose from 24th in 2019 to 14th in 2020 and grew by 123%. Panadol & CaC 1000 advertised heavily as it was a very opportunistic time for them to advertise.



Talking about E-commerce, the top players in the category namely Daraz and Foodpanda increased their spending by 141% and 19% respectively vs 2019.

Notable category that saw a decline in ADEX is cold drinks which dropped from 2nd in 2019 to 5th in 2020 by 19 % with Pepsi and Coke being the major absentee in H1 2020.

TV GENRE WISE CONTRIBUTION & GROWTH

Genre	Contribution in 2019		Contribution in 2020		Growth 20/19
	Rank	Share %	Rank	Share %	
Entertainment	1	44%	1	47%	121
News	2	34%	2	34%	112
Sports	3	12%	3	9%	82
Regional	4	6%	4	5%	93
Kids	6	2%	5	2%	135
Music	5	2%	6	2%	118
Movies	7	1%	7	1%	153
Cooking	8	1%	8	0%	79
Religion	10	0%	9	0%	185
Infotainment	9	0%	10	0%	61

Source: BCP D&A

Taking a closer look at genre wise contribution, entertainment and news grew by 21% and 12% respectively vs 2019 but this increase did not come from the lockdown period (Q2). Though these genres, which witnessed huge viewership spikes in the initial lockdown phase, could not take full advantage of this increase in viewership by monetizing it, as at that time advertisers were reluctant to spend, and new productions were halted due to strict SOPs. Kids' genre grew by 35% vs 2019 as schools remained closed from March to September which resulted in an increased ad spend on kids' channels.

Notable decline can be seen in the sports genre where ad spend dropped by 18% vs 2019 mainly due to the reason that 2020 saw lesser sports events/series when compared with previous years and the fact that 2019 had ICC Cricket World Cup which led to disproportionately higher spend that year



2021 TV PROJECTION

For the year 2021 we expect the ADEX to grow by 8% due to T20 World Cup in Oct-Nov* and PSL that is being played in June. The bilateral cricket series in the second half of 2020 are also in a state of jeopardy due to emerging COVID-19 situation. Also, though the situation is no different than 2020 as far as COVID-19 is concerned with the 3rd wave in place, the advertisers are getting accustomed to the situation vs 2020.

As far as top categories in year 2021 are concerned, it is expected that the categories that were on top in 2020 will remain on top in 2021 with advertisers organically increasing their spends behind business recovery. Moreover, we expect automobile to increase spending with new entrants coming in the market in hope of capturing market share. Government this year has already started spending heavily vs 19, notably due to government's newly introduced special construction relief package starting from 31st December 2020. Builders and developers look forward to avail this opportunity and to introduce new projects making most of this package. While the recent price hike of commodities like sugar and wheat may put profitability pressure on confectionery & biscuits category.



* Yet to be announced

DIGITAL | STRIVING FOR GLORY

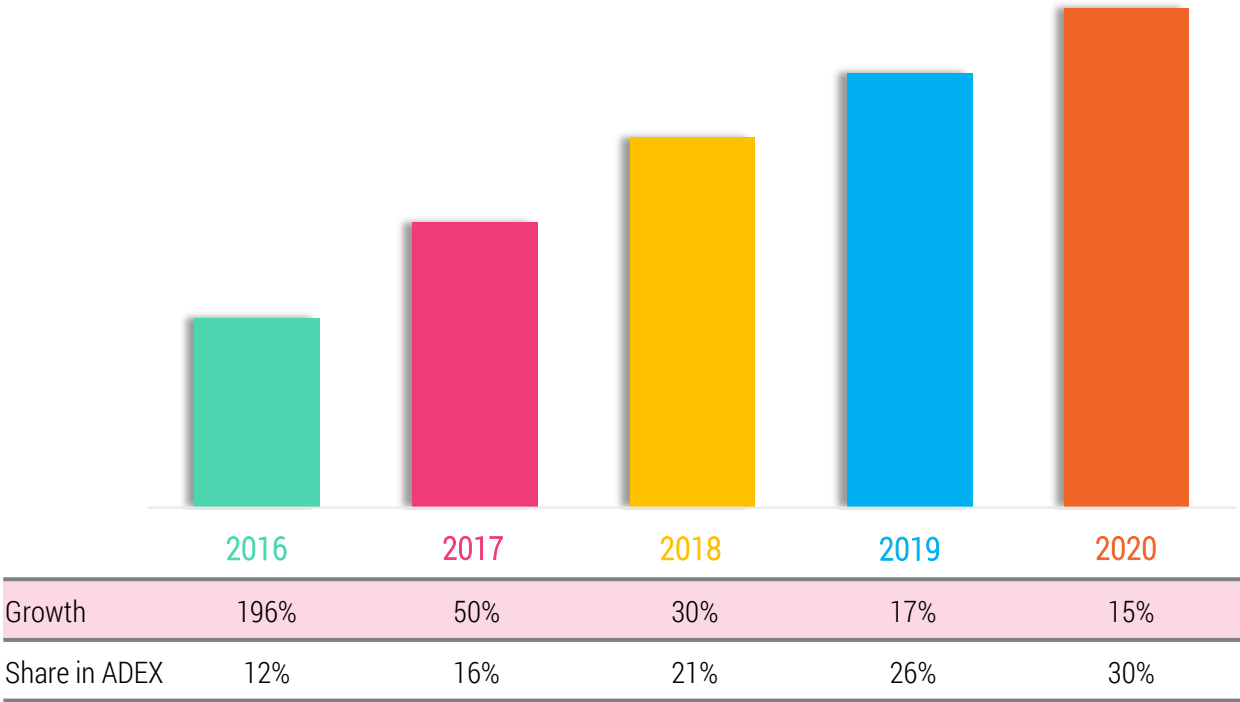


**WHILE MOST OF THE MEDIUMS WERE
STRUGGLING**

**DIGITAL BOOMED WITH 15%
INCREASE IN ADEX IN 2020**



DIGITAL ADEX



Source: BCP D&A

The year 2020 was unique in many aspects. While TV’s share in ADEX dropped in Q2’ 2020, digital usage boomed across several categories such as virtual meetings to e-Commerce which resulted in increase in share of digital in the total ADEX.

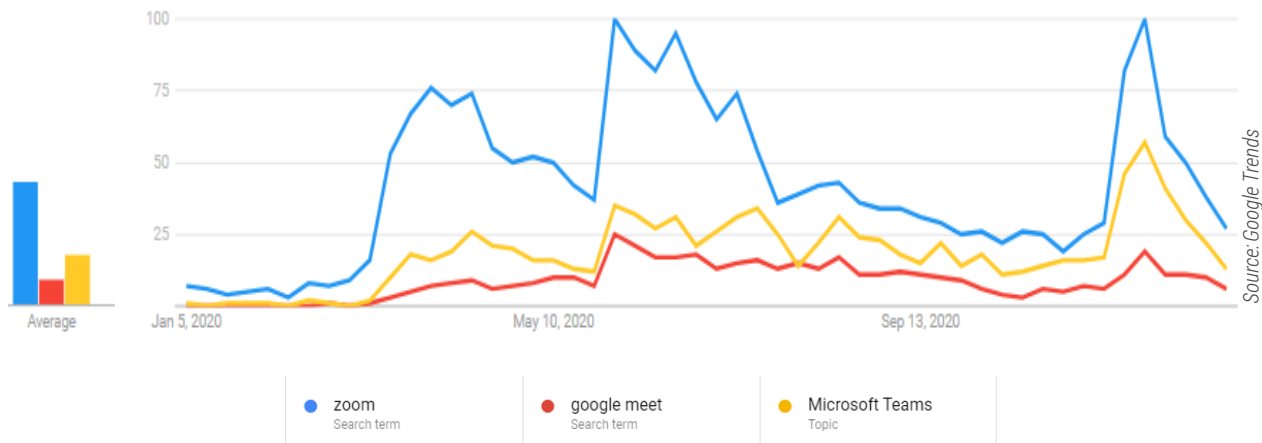
DIGITAL ADEX SHARE BY QUARTER

Quarter	Q1	Q2	Q3	Q4
2016	10%	17%	34%	39%
2017	22%	25%	26%	26%
2018	23%	23%	23%	32%
2019	23%	24%	27%	26%
2020	22%	23%	26%	28%
Growth 19/18	17%	24%	42%	-4%
Growth 20/19	15%	11%	10%	23%

Source: BCP D&A



GOOGLE SEARCH TRENDS - VIDEO COMMUNICATION PLATFORMS



From schools to important office meetings to family gatherings, everything became virtual, with this we saw a huge spike in digital streaming as there were no on ground sports in the early lockdown period, cinema halls being shut down and people having almost no social interaction. Netflix had 36,000 subscribers in Feb 2020 which increase to 87,000 in Nov 2020 showing an increase of 142% in its subscriber base in 9 months' time. With this we also saw that there was an increase in overall social media platform users during the first 6 months of Pandemic as more people were accessing these platforms to stay connected and updated. Below chart shows the growth of multiple digital platforms during the lockdown period.

INCREASE IN PLATFORM POPULATION IN MN (PRE VS POST COVID-19)

Platforms	Facebook	Instagram	YouTube	Tik Tok	LinkedIn
Dec'19	36	6	24	11	6
Dec'20	40	11	34	23	7
Growth	11%	83%	43%	113%	17%

Source: BCP TAAG

We can see that all the major digital platforms have grown during the Pandemic period in Pakistan where Tik Tok saw a phenomenal growth and is emerging as one of the leading digital platforms in Pakistan. Back in October 2020, Tik Tok opened its advertising through a local reseller and provided opportunities to many brands to increase presence in the second most populated social media platform, the first being Facebook which in early 2020 started working through its official reseller named “Dial Zero” providing local support and billing to advertisers in Pakistan.

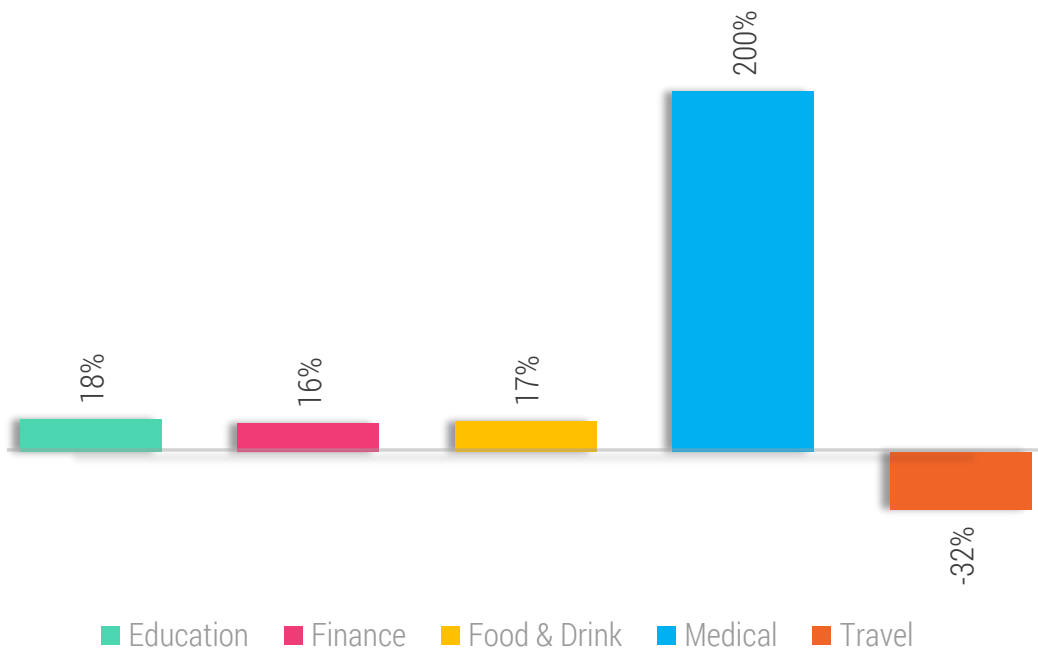


The leading spenders on digital traditionally were mainly from FMCG, Telcos and Banks. Products like Roshan Digital Account were introduced in the microfinance arena to facilitate overseas Pakistanis digitally. SBP is also doing efforts in this field by facilitating payment gateways like SadaPay, ForeePay etc.

As we know that the future of digital advertising will be driven by Programmatic approach, brands tested the efficacy of Programmatic advertising where DV360 was one major tool used by the top media agencies like Brainchild.

2020 as a whole was a mixed year for Pakistan’s mobile app market. There was an increase in organic installs in the education and finance app categories due to the increase in remote learning and contactless banking during the lockdown. However, there has been a sharp decrease in the organic app installs of the luxury shopping, retail and travel category as their marketing budgets contracted massively due to diminished demand for these categories in the midst of pandemic.

YOY GROWTH IN APP INSTALLS - JUN-DEC 20 VS JUN-DEC19



Source: Appsflyer



HOW DIGITAL IS EXPECTED TO GROW IN POST COVID PERIOD – 2021?



The year 2021 started with some good news regarding vaccines and resumption of outdoor cricket in Pakistan, with South Africa visiting Pakistan for bilateral series followed by PSL which started off with great enthusiasm and small crowds in the stadiums. Advertisers started to capitalize this event on Digital media with new campaigns. However, the 3rd wave of COVID-19 disturbed the event. The event along with its digital promotion was paused and is now happening offsite in Abu Dhabi in June 2021. Though the

disruptions caused by postponement of the event caused a slight set back in terms of ADEX, digital is expected to grow.

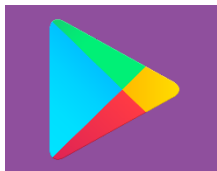
Some of the major events and developments which can define the course of digital landscape 2021 and beyond are as follows:



Tik Tok: Growth halted as Peshawar High Court banned the app due to objectionable content. The app resumed after post reassurances on stricter moderation.



Advertisers facing tracking and reporting issues with iOS 14.



YoY increase in the Education, Finance, Food & Drinks and Medical related app installs in last 6 months.



Tools like Oracle Bluekai are becoming crucial to get highly segmented data to target different audience groups using data points



With integration of programmatic buying and local publishers, media agencies are looking to capitalize incremental value and reach. It is expected to have a 3-5% spend share of total advertising space as brands are in the initial phase to test the efficacy of Programmatic buying.

E-COMMERCE – A SHIFT IN SHOPPING PATTERN



COVID-19 INCREASED TRAFFIC TOWARDS E-COMMERCE CHANNEL WHICH RESULTED IN AN INCREASE IN CONSUMER BASE AND SUBSEQUENT SPENDING



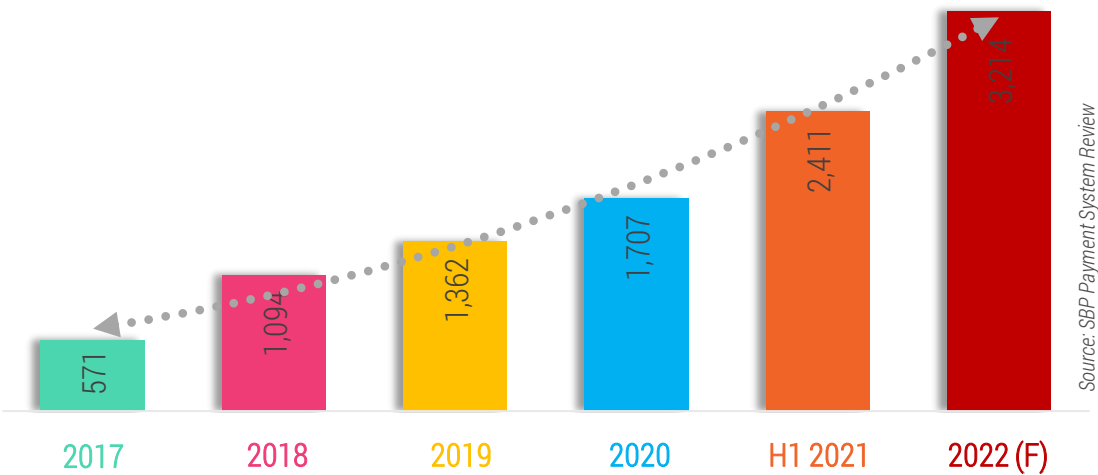
The digital landscape of Pakistan is growing rapidly year on year. With the increased number of mobile subscribers now reaching 180 million – 84% of the total population. Similarly, the increase in internet penetration can be seen from the fact that the number of 3G/4G subscribers have risen to 95 Million - 45% of the total population. Hence no one can deny the potential of e-commerce and the rise of its importance in the future.

POSITIVE IMPACT OF COVID-19 ON ECOMMERCE

A shift from brick and mortar to ecommerce was inevitable during the COVID-19 lockdown as more consumers sought contactless shopping, with the channel attracting many new first-time users.

Towards the end of 2020, Ecommerce benefitted from government support in order to ensure safety as well as ease of ecommerce transactions for users, building merchant trust and dispute resolution.

REGISTERED E-COMMERCE MERCHANTS



In FY20, the number of eCommerce merchants registered with banks in Pakistan increased by 25%.

This year-on-year trend has remained consistent for the past 2 years meaning more and more businesses are becoming active on digital channels.



REGISTERED E-COMMERCE MERCHANTS BY QUARTER

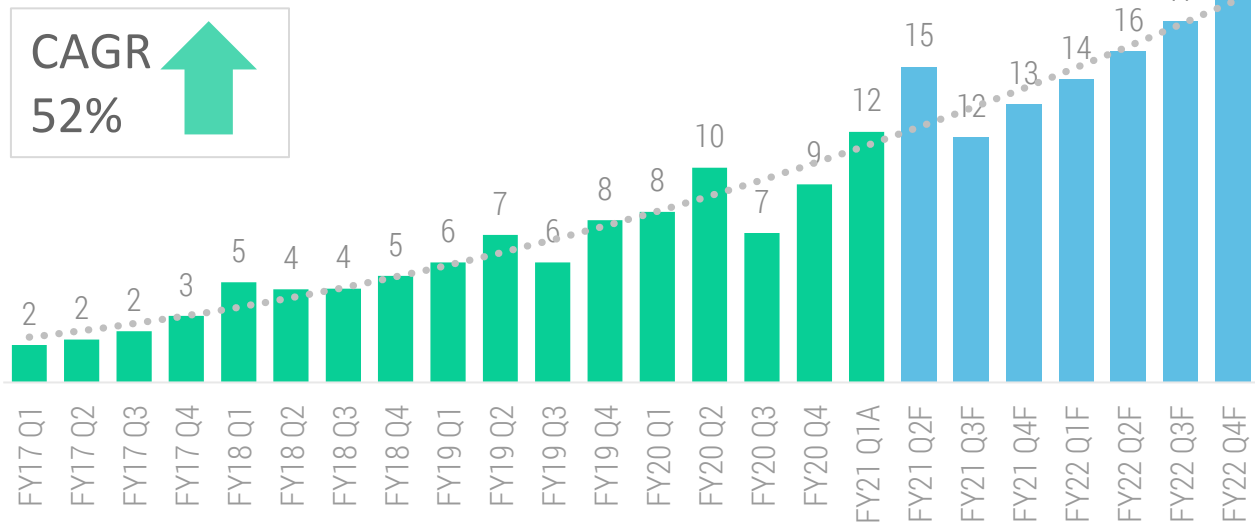
Fiscal Year	No. of Registered Merchants	Growth
FY-20 Q2	1,481	-
FY-20 Q3	1,559	5%
FY-20 Q4	1,707	9%
FY-21 Q1	2,164	27%
FY-21 Q2	2,411	11%

Source: SBP Payment System Review

Number of registered merchants with banks have increased QoQ with a staggering increase of 27% in FY-21 Q1 as lockdown situation caused consumers to shop online leading to more and more merchants realizing the true potential of ecommerce.

PAYMENTS TO ECOMMERCE MERCHANTS (PKR BN)

This is official data for payments made via cards only. SBP does not have visibility into Cash-on-Delivery transactions



Source: State Bank of Pakistan – Payment Systems Department Quarterly Statistics + Starcom eCom Division – Business Intelligence

Transactions carried on domestic issued card: **PKR 73.7bn**

The steady rise of eCommerce transactions indicates that the market size is expected to double in the next 2 years.

The value of transactions carried out on domestically issued cards on local & International eCommerce merchants in FY20 has been 73.7 bn. For the last 3 years, an average of 39% payments were made by cards. We estimate the current size of Pakistan’s eCommerce industry to be PKR 89 bn in FY20.



CARD TRANSACTIONS ON ECOMMERCE MERCHANTS

Year	Transactions	Growth
2017	1,217	-
2018	3,422	181%
2019	5,700	67%
2020	10,200	79%
H12021	14,800	45%
2022 (F)	23,979	62%

Source: SBP Payment System Review

In FY20, the volume of transactions consumers carried out on locally registered eCommerce merchants grew by 79%. Despite the economic downturn during COVID-19, more and more consumers are opting to shop online.

SHARE PER E-COMMERCE BRAND

Brand	2017	2018	2019	2020
daraz.pk	70%	72%	74%	76%
Homeshopping.pk	9%	8%	7%	6%
Telemart.pk	2%	2%	3%	3%
Yayvo.com	4%	4%	3%	3%
Symbios.pk	4%	5%	4%	3%
Shophive.com	3%	3%	3%	3%
iShopping.pk	3%	3%	3%	3%
24hours.pk	2%	2%	1%	1%
Mega.pk	2%	2%	1%	1%

Source: Euromonitor: Ecommerce in Pakistan 2021



TOP CATEGORIES ON E-COMMERCE

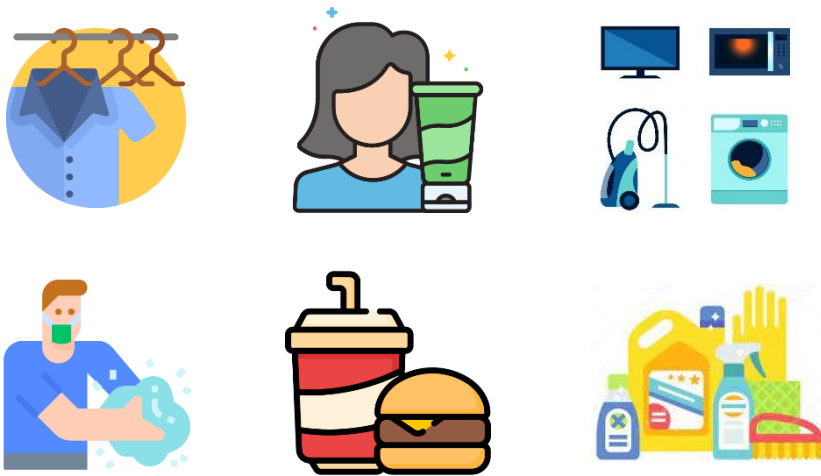
Consumer electronics has become popular over the years on ecommerce due to retailers like Daraz.pk marketing heavily, buyers are now more confident than ever that the electronic items they buy over ecommerce are genuine and they can compare prices over different marketplaces and get the best deals. The category is expected to grow more in 2021 on ecommerce.

2020 saw grocery, food, drinks and homecare emerge as top categories. These categories will continue to see dynamic growth in sales in 2021 but the growth will be weaker than the growth in consumer electronics. The reason is that customers are reverting to old ways of shopping groceries and food which will hinder the growth of these categories.

E-COMMERCE CATEGORY GROWTH YOY

Category	16/15	17/16	18/17	19/18	20/19	21/20 (Forecasted Growth)
Apparel and Footwear	125%	93%	83%	78%	112%	38%
Beauty and Personal Care	36%	20%	17%	14%	17%	11%
Consumer Electronics	115%	93%	82%	73%	95%	33%
Consumer Health	-	-	-	100%	50%	33%
Food and Drink	38%	39%	24%	32%	37%	14%
Home Care	50%	67%	20%	50%	78%	13%

Source: Euromonitor: Ecommerce in Pakistan 2021





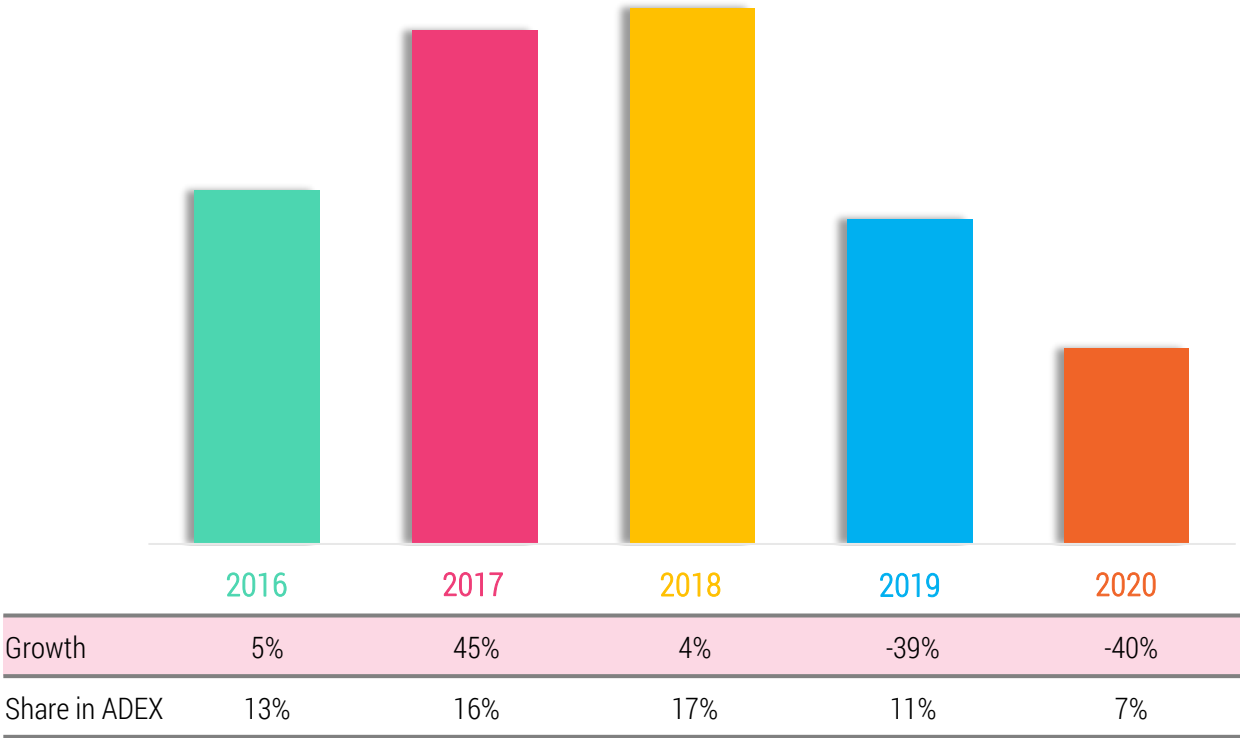
PRINT TOOK A TOLL

**ADEX DECLINED BY 40% IN
2020**

Q4 2020 STARTED TO SEE RECOVERY IN ADEX



PRINT ADEX



Source: BCP D&A

There has been a massive drop in share of print out of the total ADEX after 2018. Major factor being that the current government slashed its advertising budgets as compared to its predecessors which has resulted in reduced government spending on print medium.

PRINT ADEX SHARE BY QUARTER

Quarter	Q1	Q2	Q3	Q4
2016	23%	24%	25%	28%
2017	27%	24%	22%	27%
2018	24%	31%	25%	20%
2019	31%	29%	23%	16%
2020	17%	12%	34%	38%

Growth 19/18	-20%	-43%	-44%	-51%
Growth 20/19	-68%	-75%	-12%	38%

Source: BCP D&A



In 2020 Q1and Q2 owing to the pandemic and subsequent lockdown, the print ADEX suffered badly with 75% drop in ADEX in Q2. However, the upliftment of lockdown since Q3 2020 caused a journey towards normalization and in Q4 2020 ADEX grew by 38% VYA due to new campaigns launched on print mainly by the players in construction, Financial Services & Education sector.

PRINT CATEGORY CONTRIBUTION & GROWTH

Categories	Contribution in 2019		Contribution in 2020		Growth 20/19
	Rank	Share%	Rank	Share%	
Construction	1	19%	1	27%	88
Financial Services	2	15%	2	16%	66
Government	3	9%	3	13%	92
Education	5	8%	4	8%	67
Automobiles & Transport	4	8%	5	4%	34
Others	14	2%	6	3%	92
Medicine	8	3%	7	2%	39
Beverages	15	1%	8	2%	88
Ornaments & Jewelry	9	3%	9	2%	41
Personal Products	6	4%	10	2%	28
Welfare & Public Services	18	1%	11	2%	147
Restaurants	13	2%	12	2%	48
Fabrics	10	3%	13	2%	36
Industries	19	1%	14	1%	100
Healthcare & Medical Services	7	4%	15	1%	20
Information Technology	16	1%	16	1%	61
Travel	12	2%	17	1%	26
Agricultural	17	1%	18	1%	64
Matress	20	1%	19	1%	93
Home Appliances & Electronics	11	2%	20	1%	23

Source: BCP D&A

In 2021, looking at Q1 trend, our estimate is that Print ADEX will increase by 20% vs 2020, with major spending in the construction sector as government is promoting construction industry which will lead to creation of multiple employment opportunities, along with automobile sector which has new entrants coming in the market, each trying to gain market share.

RADIO



RADIO ADEX TOOK A HIT IN Q2 2020, IN Q3 & Q4 RADIO EMBARKED TOWARDS NORMALIZATION

3% DROP IN ADEX HAS BEEN RECORDED IN 2020



RADIO ADEX

RADIO ADEX SHARE BY QUARTER

Quarter	Q1	Q2	Q3	Q4
2016	27%	25%	25%	22%
2017	24%	26%	24%	26%
2018	21%	23%	19%	37%
2019	30%	23%	22%	25%
2020	29%	18%	26%	26%
Growth 19/18	27%	-11%	0%	-41%
Growth 20/19	-7%	-22%	17%	3%

Source: BCP D&A

The share of radio has been the lowest of all mediums. One factor of low share of radio is that in the past radio has been associated as an entertainment platform but this trend has changed in the recent past due to rising popularity of the digital platforms and increased usage of social media. This has made advertisers realize the importance of digital being more efficient and credible as performance can be tracked and ROI is calculable unlike radio.

The already struggling medium took a huge hit in terms of ADEX in Q2 2020 when the pandemic and the subsequent lockdowns caused disruptions. Radio which thrived majorly on the on-road listenership, due to empty roads in Q2, led to advertisers halting their spending on this medium. However, the uplift of countrywide lockdown on 31st May 2020 resulted in slight recovery in Q3 2020 on radio with GSM advertisers being the most active. Q4 2020 followed a similar trend as Q3 with FMCGs becoming more active during this period. In 2021 **radio is expected to recover its pre-COVID share.**

**OOH SUFFERED
DUE TO
EMPTY ROADS**

IN 2020, ADEX DECLINED BY

↓ 54%



OUT OF HOME ADEX

OOH ADEX SHARE BY QUARTER

Quarter	Q1	Q2	Q3	Q4
2016	33%	37%	18%	11%
2017	24%	29%	28%	19%
2018	25%	21%	24%	30%
2019	23%	27%	27%	22%
2020	42%	16%	20%	22%
Growth 19/18	8%	53%	29%	-13%
Growth 20/19	-17%	-73%	-66%	-55%

Source: BCP D&A

Out of Home was the medium the most hit by COVID-19 lockdown. In the past too, this medium has suffered a lot mainly due to the judicial rulings and were banned multiple times over the last 4 years. The COVID-19 lockdown situation proved to be the final nail in the coffin as people were confined to their homes with minimal commuting. Q2 2020 saw a 62% decline in the OOH ADEX vs Q1. However gradually this medium has started to pick up since Q3 2020 with the easing of lockdowns, with 25% increase in Q3 vs Q2 2020, which has sustained going into 2021 as well.

There is innovation in this medium, but we are yet to see how the medium is going to grow post-COVID ease.



CINEMA SCREENS LOCKED

Cinema and the film industry in Pakistan had just started to see a boom in recent times due to superiority of the content as compared to its past with more engaging story lines which some arguably say were at par with the foreign movies. It seemed like Pakistani cinema was headed towards the right direction and could achieve its former glory, unfortunately COVID-19 broke out and cinemas were forced to be closed in order to stop the spread of the virus. Not only that, but film production was also halted since March 2020. To make the situation worse for the cinemas, the access to OTT platforms and their increased usage and popularity amongst the youth has also posed a new challenge for its survival of cinema and theatre culture. However, cinema owners are hopeful that the cinema will retain its audience as it is a means of a safer and cheaper source of communal recreation in Pakistan once the COVID-19 situation is less dire.

Cinema will take time to reach the heights it accomplished in the recent years, and we expect the year 2021 will be no different than the previous year for cinema as people await situation to get back to normal.

Source: PIDE – Cinemas in Pakistan



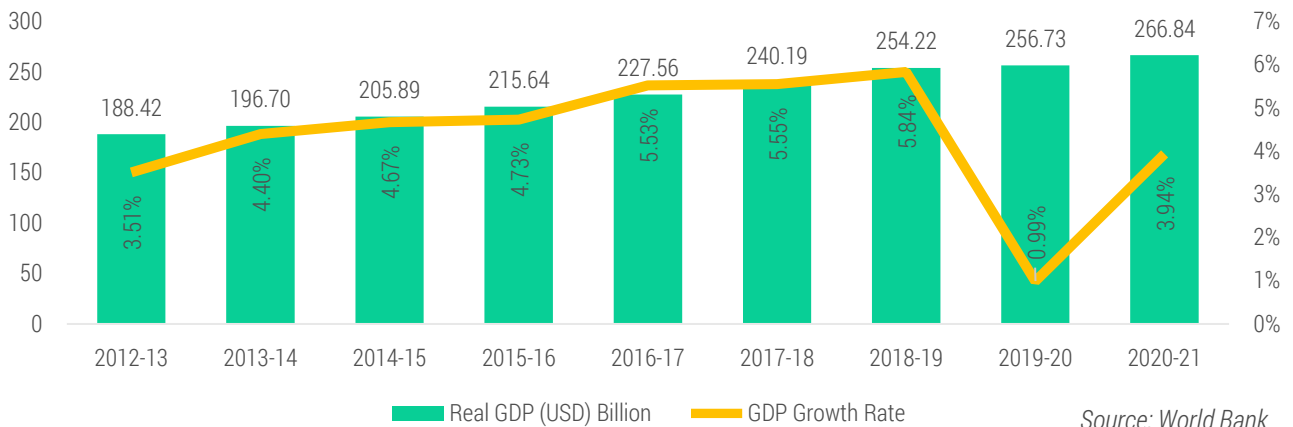
COVID SENT THE ECONOMY IN DOLDRUMS

REAL GDP GROWTH RATE DROPPING TO 0.99% IN FY 2020





REAL GDP GROWTH



Economic growth before 2013 had been quite stagnant. From around 3 percent, the growth went up to more than 4 percent in the first year and then witnessed a steady increase over the five-year period, ending with 5.8 percent in 2018/19. Not only the GDP growth, but most of the major macroeconomic indicators such as increasing per capita GDP, low inflation, low interest rates increasing tax revenues, and a booming stock market and higher investments suggested that Pakistan economy has been on a rise.



Pakistani Rupee had been overvalued by as much as 20 percent.

On the other hand, Pakistan’s imports in 2017 accounted for \$57 billion. Capital goods and petroleum products increased the burden on the import bills by many folds which in turn led to current account deficit, increased debts and depletion of foreign reserves. In 2017 IMF stated that



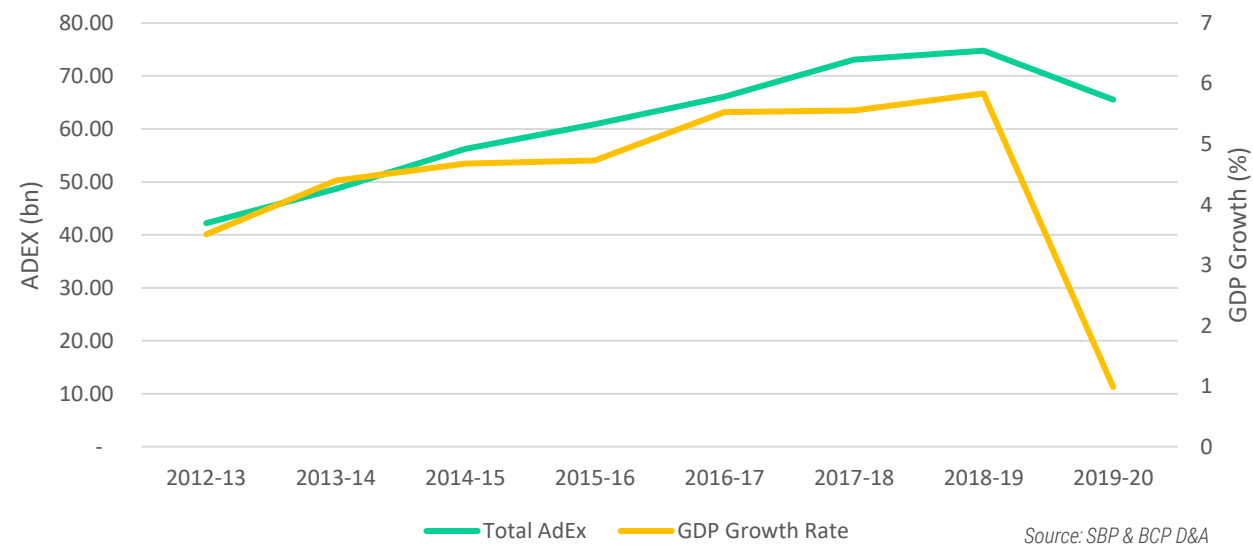
In July 2018, current government was elected and was confronted with a multitude of challenges. The new government made it clear that the stabilization of the economy was

their number one priority. Hence a model of export led growth was followed aiming to increase exports and reducing the burden on the import bills in order to reduce the current account deficit and debts. Also, taxes and duties were increased to cater the issue of fiscal deficit. While the country witnessed

economic slowdown, to make matters even worse the COVID-19 global pandemic broke out causing disruptions in trade and economic activities all around the globe. This caused the real GDP growth to fall from 5.8% in FY 2018-19 to 0.99% in FY 2019-20

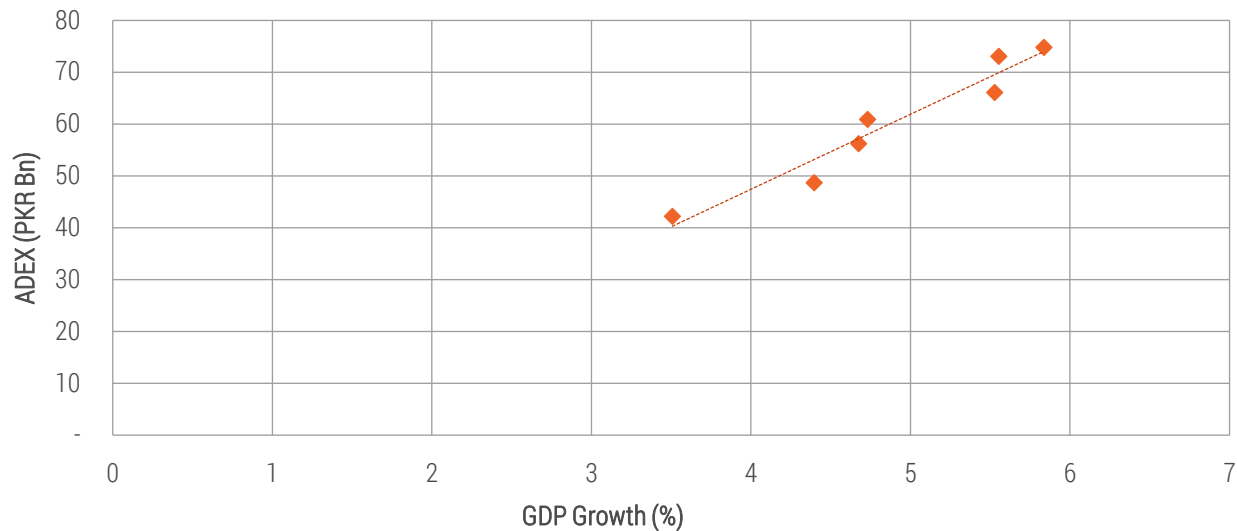


ADEX VS GDP GROWTH RATE



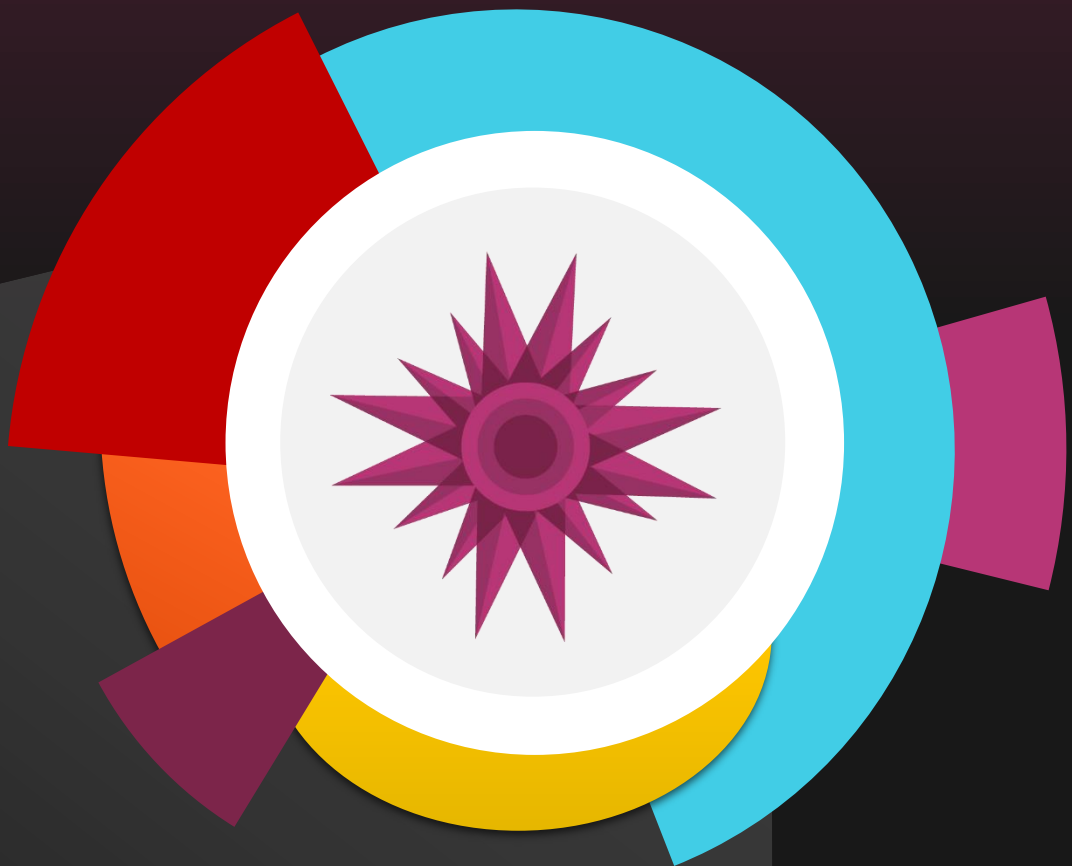


ADEX VS GDP GROWTH RATE



Looking closely to the numbers, we can see a strong correlation between ADEX and GDP growth after removal of outlier i.e the year 2020. Our regression model states that GDP growth is a significant variable for predicting the total ADEX and the overall model is significant with **R²=0.94** indicating that 94% variance is explained by the regression model. GDP growth of 3.94% in FY21 has stunned and surprised many and has outpaced SBP forecast of 1.5% at the beginning of the financial year, which is in line with our finding that 2021 is on road to become highest spent year ever in terms of ADEX.

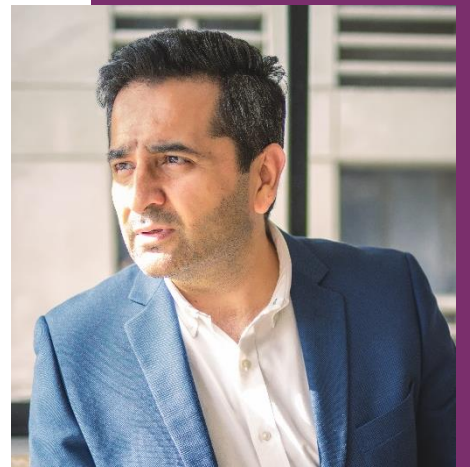
OUR LEADERSHIP TEAM





FARHAN KHAN

CHIEF EXECUTIVE OFFICER - BCP



Change accelerates under pressure! This is what we have learned from COVID. There are numerous changes that have reset the context for companies, employees and societies. To meet the challenges posed by the pandemic, businesses around the world had to react in agile and decisive ways. As we move into the next phase, now is the time for businesses to seek out and seize the opportunities emerging in the recovery. This requires a review to collect data and insights on lessons learned from the pandemic, and then using these to priorities actions to enhance business value today and build strategic resilience for tomorrow. Businesses that take these steps now will be well-placed to capitalize more effectively on the opportunities rising in the post-COVID-19 recovery – and to continue winning in their marketplaces as greater certainty and stability return.

In the Pakistani context, COVID-19 brought fast-moving and unexpected impacts for which many existing crisis plans, and teams were unprepared. But by learning the right lessons from the pandemic and building resilience for the next crisis, businesses have turned the COVID-19 disruption to their advantage.

We at Brainchild have pivoted our growth in the most critical times of COVID in 2020 by creating business solutions for our clients & media partners through innovation. 2021 started positively & looks promising where we will continue to grow through our unique offers in the market. Overall market looks stable and will bounce back, specifically even stronger in e comm & digital media which has already been fast tracked since mid-2020. Business leaders need to ensure their Teams & Business performance through role optimization & innovation respectively.

'Emerge Stronger Through Disruption'.



BENISH IRSHAD

CHIEF OPERATING OFFICER - STARCOM



Happy to share this synopsis & analysis with you for 2020/21. At Starcom Pakistan - Brainchild we have a healthy obsession with data. 2020 wasn't easy on anyone, people, country, economy but it taught us agility, resilience and crises management. On media specifically, we also looked at the first quarter of 2021 and observed, very closely to predict where our industry is headed.

Brands are becoming more prudent with their budgets, especially in the past few years so we want every spot to account for something, to account for performance. And we see audiences shifting to digital with brands following them. More digital, more data, easier to evaluate! In 'post pandemic or new normal', we will soon realize that only 'rates' are irrelevant. Delivering eyeballs, attention, engagement, orders will be the new metrics a media agency will deliver. Campaigns will be evaluated on the cost of delivering a metric. We will become more performance driven in our media choices. I am looking forward to leading that change.

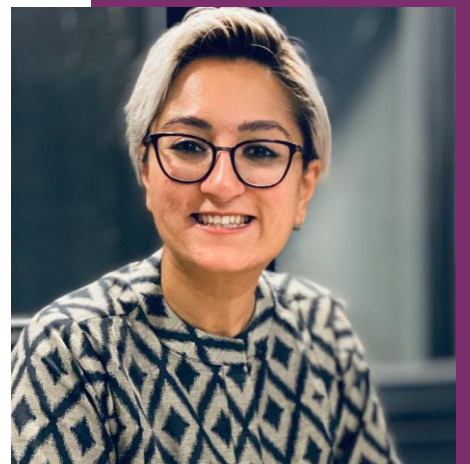
Today, we are talking about customizing creative for smaller audience sets. For any campaign, you could create various versions and test them with smaller audience sets to see which one's work. Starcom can do these on a daily basis and then recommend which ones get more traction. So, when you search for 'hotels' or 'flights' on your phone and then go to your social media page, you will suddenly see a customized ad in your timeline from Marriott. And you will feel the ad was designed for you. This is creative customization at scale. At Starcom, we have tools that can create up to 30 implementations of the same campaign idea. I don't think any brand would have a problem accessing such quick implementation at scale.

Starcom Pakistan has always been partners in strategy. This could be on advertising creative, PR or other forms of strategic choices. We pride ourselves with having the most robust data sets and insightful analytics in the industry. We boast of world-class marketplace connections and buying scale, combined with smart, passionate people who understand media and business needs of our client. We are honest about what real people (consumers) want and what businesses need in order to succeed in a rapidly evolving landscape.



FATIMA HYDER

CHIEF STRATEGY OFFICER - BCP



Someone once said, “In every adversity there lies the seed of an equivalent advantage”. Looking at the events of the past year and a bit this holds especially true. While we’ve struggled as an industry to adapt to the changes Covid has forced upon us, we have also shown resilience and ingenuity in the face of it. The previous year got off to a rocky start with several advertisers stopping to take stock on the best approach, whilst the nimblest and some not-so-nimble organizations pivoted their business and marketing strategies to make the most of the situation. We saw an influx of new advertisers step in while most major organizations stumbled for a bit. It is here that those with vision were able to gain an “advantage” that previously would have been unreachable. We have seen it time and time again, that in periods of recession and economic adversity the advertisers that continue to invest are ultimately the ones that continue to retain the disproportionate advantage they’ve garnered over the period. While the lockdown situation continued to fluctuate in severity, most advertisers found their footing by Q3 2020 and seem to be back with a vengeance to make up for lost time and audiences.

Outlook for 2021 is positive, on the back of major sporting events and as brands experiment more with digital on the back of increase in penetration and ecommerce. Perhaps the biggest seed of advantage that has come to fruition is the willingness advertisers have shown to experiment within the digital space. While we were always on an exponential trajectory when it comes to investing behind digital, it was driven by a select few, while most advertisers tested the waters tepidly. Covid has literally pushed some of these advertisers into the deep end and we now see them actively testing, failing and learning and re-testing and ultimately succeeding step by step. These are the advertisers that will likely leapfrog over the rest to actualize the opportunity Covid has presented.

Q1 2021 performance supports our projection for growth across Television and Digital and sitting here in Q2 2021, we are well into harvesting the seeds of equivalent advantage



UROOJ HUSSAIN

PORTFOLIO DIRECTOR- MEDIAVEST



The only thing that is constant is change! If there is anything that we COVID-19 pandemic has taught us an industry, and as marketeers, is that our work is never 'done'.

From fluid media strategies, dynamic learning and daily optimization, to businesses having to revamp their entire supply-chain networks in a matter of months to cope up with the surge in demand for e-commerce, one thing we know for sure: those who aren't agile and adaptable to situations, stand to lose out.

We at Brainchild pride ourselves to be an organization that is constantly evolving. From traditional tv media buys to custom-made e-commerce and data solutions for our clients we have a diverse range of experts from across multiple disciplines to ensure that whatever solutions we offer to our client partners is driven from cross functional expertise, collaboration and fully- optimized work processes.

As we move towards 2021 and beyond, we need to keep in mind the one thing which is at the heart of all our efforts: the consumer. This pandemic has shown that our audience is far more progressive in terms of adapting to technology and new behaviors than we had ever imagined. Pakistan may still be a developing economy, but this is an indicator of times to come: that as long as our plans and strategies are data and insight driven, we should fearlessly take bold steps in the world of marketing to achieve business goals: the post pandemic Pakistani consumer is ready, and the market is primed for innovation and growth.

We are super excited to be where we are as an organization in these dynamic times of change and the power of data, insights, technology but above all thought leadership, are set to take us to the next level and beyond!



RUBAB RIZVI

SENIOR MANAGER DATA & ANALYTICS - BCP

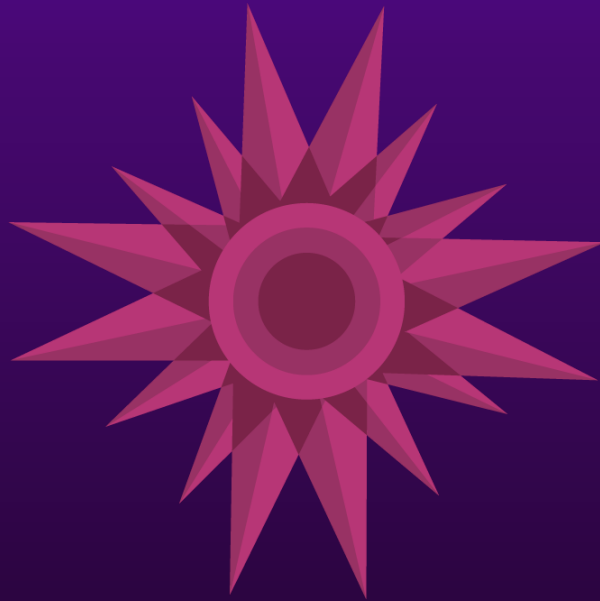


COVID-19 came as a shocker for the whole world, disrupted many fronts of our lives and gave us a chance to challenge the normal to reach a 'new-normal'. Most of us swam through the deep and unknown, explored options, tested the chosen ones but kept in mind that we are not the only ones facing it; the whole world is and that kept the sanity at bay.

Media landscape in Pakistan was under the same influence where several unanticipated trends and behaviors developed, including media consumption habits and their impact on communications. Understanding consumer behavior and media touchpoints became extremely critical because now we were facing the consumers who were adapting to the new-normal. We, at Brainchild Communications, started our drive of understanding the consumers and strategizing for our clients using the insights gathered. The handshake of data with strategy, which has always been our core strength, helped our brands gain traction even during the pandemic.

Our experts at Brainchild Communications with the use of data and insights; developed the Pakistan Media Outlook Report of 20/21 to inform everyone that there is always a positive in every situation and humans adapt quickly to changes. The outlook is promising but in a new-normal way. Digital adoption took place exponentially to stay connected in a physically disconnected world. Hence, we have seen brands innovating on digital and ecommerce platforms proving what someone once said that "Our most significant opportunities will be found in times of greatest challenge". We have brand cases who have been doing well in these challenging times just because they decided to explore and test the new avenues.

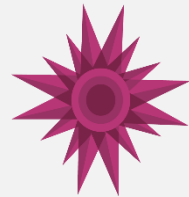
The best view comes after the hardest climb, and we hope to continue this climb to reach an even better overall Media outlook of 2021 because we continue to fuel up our data pipes.



OUR FAMILY TREE

LEGAL ENTITY

Brainchild



GLOBAL AFFILIATION



PUBLICIS
GROUPE

DOING BUSINESS AS



Starcom



Mediavest



OUR PEDIGREE

Starcom is a part of one of the largest communications groups, operating in 109 countries on 5 continents.

Publicis Groupe, founded in 1926, is now the 3rd largest communications group in the world. It has reinvented itself for the Connected Age by moving from Holding Company to a platform that gives clients plug & play access to best-in-class services.

Our affiliation with Publicis helps us provide the same level of services to our clients.

ROSTER OF OUR NOTABLE CLIENTS



23 YEARS



15 YEARS



13 YEARS



14 YEARS



BAHRIA TOWN

13 YEARS



10 YEARS



FrieslandCampina

Engro Pakistan Limited

7 YEARS



Dawlance

7 YEARS



zameen.com

Pakistan's No.1 Property Website

7 YEARS



A NEW DREAM

6 YEARS

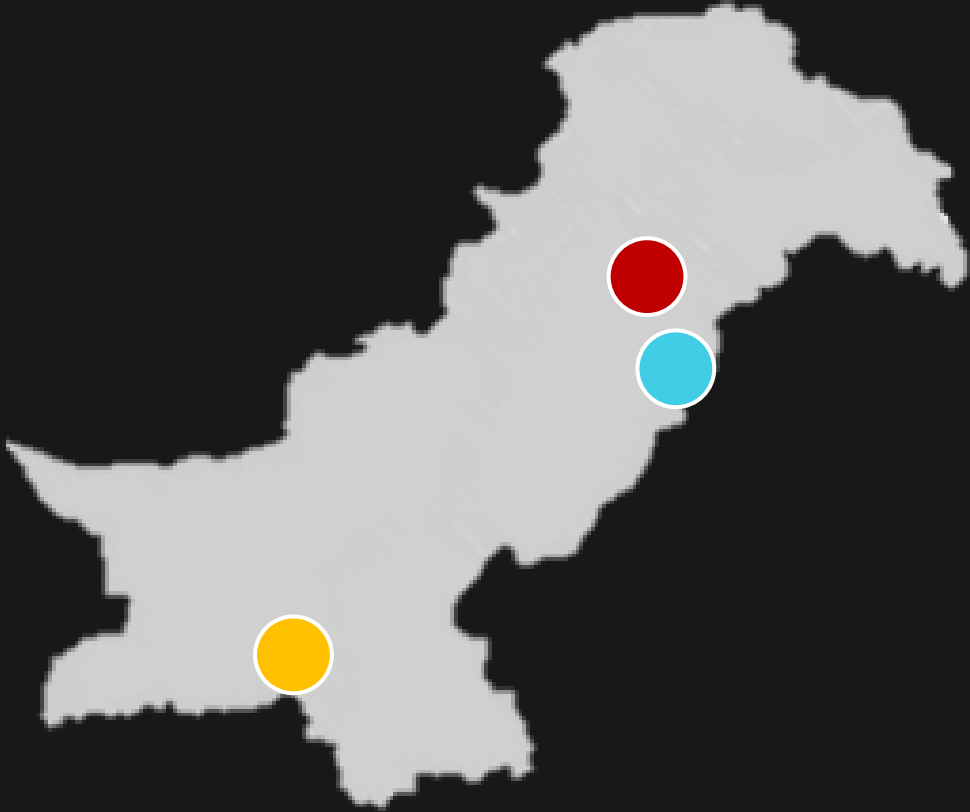


6 YEARS

-----• RECENT WINS •-----



WE COVER PAKISTAN



TEAM STRENGTH

Robust teams across key Pakistani cities with fully functioning and operational offices systems



WE HAVE **EXPERTISE ACROSS MULTIPLE SERVICES** TO BEST CATER TO YOUR NEEDS



PLANNING



IMC Strategy



Data, Analytics &
Research



Media Planning
(Across all touchpoints)



EXECUTION



Media Buying
(Across all touchpoints)



Event
Management



Social Media and
Community
Management



Digital PR
Influencer
Marketing



DEVELOPMENT



Television Production
Branded Entertainment
Content Integration



Graphic Design
Banner Development



Video/Animation/
Website/App/Game
Development

OUR POSITION PROVIDES **UNIQUE** OPPORTUNITIES



Preferred partnerships giving us access to certifications, research & insights, market immersions & workshops, and rates



Our long-standing relationships enable us to secure the best deals for placement, content development and innovation

media**logic**



We sit on the PAS and PBA JIC on TAMTEC, the PAS/Effies Award Jury and are currently engaged with research companies on growing cross screen video measurement

WE ARE THE **ONLY AGENCY** TO HAVE A A2 PACRA RATING



PAKISTAN CREDIT RATING AGENCY

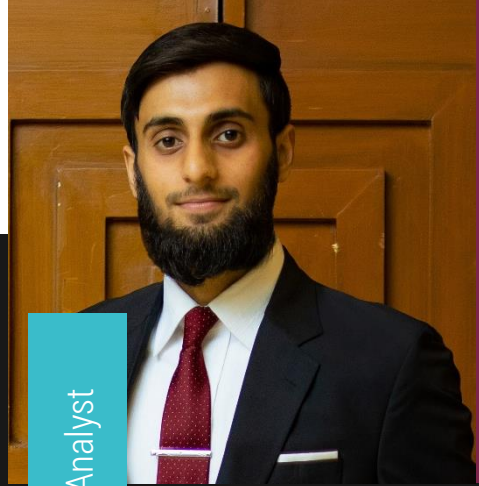
Not only are we worthy of credit from Commercial banks, but we have also adopted a Code of Corporate Governance that ensures 100% transparency.

AUTHORS



Assistant Manager
Data & Analytics

ABID HUSSAIN



Data Analyst

TALHA AHMAD

SPECIAL THANKS TO DIGITAL TEAM



SAADI GHOUSE

Associate Director –
TAAG



FAIZ KAZI

Associate Director –
TAAG



ASHER AKHTAR

Assistant Manager –
Planning



BRAINCHILD HEAD OFFICE

The Forum, #427, Clifton, Block 9,
Karachi



+92 21 3536 1261-5



www.brainchild.net



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