

# A Qualitative Analysis of the State of Billboard Advertising Industry in Malaysia

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## ABSTRACT

The Malaysia out-of-home industry faces challenges from the lack of regulations by local state councils and increase in illegal billboards. This research focuses on traditional static billboards, the least researched and discussed advertising medium in Malaysia. The researcher was guided by two theoretical frameworks--media richness theory and hierarchy of effects model. The researcher took a different perspective to deploy only qualitative methods for this research--focus group discussion and in-depth interviews. Findings reveal that there are additional challenges faced by outdoor industry stakeholders in Malaysia. The lack of regulations by the local government has led to other repercussions and irregularities among industry players.

**Article Info**  
Received July 9, 2022  
Revised September 19, 2022  
Accepted October 17, 2022

**Keywords:** Out-of-home media, Billboard, Media Planning, Media Owner, Malaysia

## Introduction

Out-of-home (OOH) advertising, or also known as outdoor advertising, is not always the glamorous, high-profile way to advertise in advertising campaigns (Surmanek, 2016). Outdoor media are seen as a common supplementary medium in a media plan. Billboards, in particular, is considered one of the ways to reach targeted consumers outside their homes, where above-the-line media like television, newspapers and radio could not cover. In Malaysia, the outdoor industry constantly faces gaps and loopholes in outdoor media regulations. Most illegal billboards that have been taken down by local councils were due to billboard structures that were not approved by the local state councils. This caused large implications on traditional (static) billboards as it affects advertising campaigns and compensations to advertisers. This research aims to contribute to enhance the understanding of the governance of billboard

media advertising in Malaysia by looking into: 1) the challenges and limitations faced by outdoor billboard media stakeholders in making decisions for advertising campaigns, and 2) issues faced by the Malaysian billboard media industry in obtaining data for the process of media planning. To meet the research objective and answer research questions of this research, both media richness theory (MRT) and hierarchy of effects model (HEM) will work together to guide this research from different perspectives. MRT guides the research in the criteria of billboard as an advertising medium and media measurement, dyadic communication, media-communication and media preference due to media richness qualities. The HEM will guide the discussion to look at how decision-making processes in the billboard media industry is affected by media with high richness.

This research focuses on the state of Malaysia OOH industry prior to the Covid-19

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pandemic as Malaysia went into full lockdown in March 2020 (Tang, 2020) and subsequently in 2021 (The Star, 2021). Therefore, the relevance of the data collected for this research reflects on practices of the industry before the pandemic.

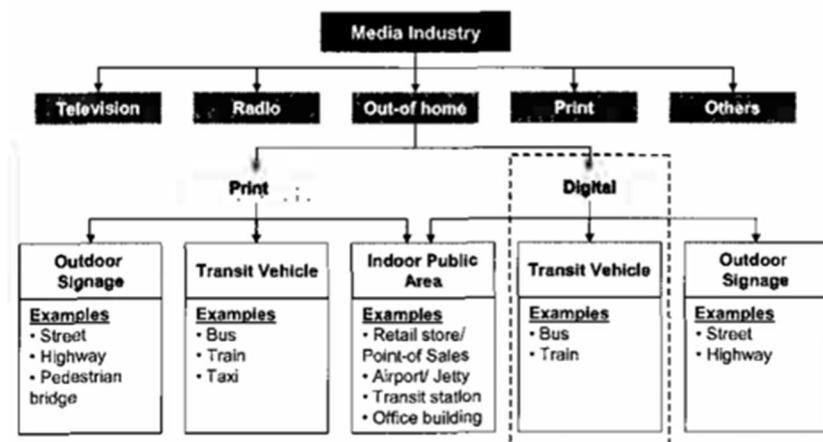
## Literature Review

### The Malaysia OOH Industry

Frost and Sullivan Malaysia (2010) segmented the Malaysian out-of-home media industry to print and digital (see Figure 1) in its report on the Digital Transit Media Industry in

Malaysia. The print OOH is content printed for public display on spaces that usually has very high visibility. Print OOH can be found on streets, highways, pedestrian bridges and in transit vehicles like trains and taxis. Digital out-of-home (DOOH) is digital content on display LCD, plasma and LED light boards, which can be found on tall office buildings, in transit vehicles, airplanes, retail outlets and streets with high traffic. OOH media reach target audiences outside of their homes at both indoor and outdoor spaces. The media industry sells its spaces to advertisers based on the period and airtime of their advertisements.

**Figure 1** Segmentation of the OOH Media Industry



Source: Frost & Sullivan Malaysia. (2010). *Independent market research on digital out-of-home transit media industry in Malaysia*. Retrieved from <https://www.eipocimb.com/news/gcCIMBIPO/IPO/117/EN/Executive%20Summary%20of%20The%20IMR%20Report.pdf>

Despite the projected growth, outdoor advertising remains “one of the least researched of any mass medium” (Katz, 2014). The owner of Malaysia outdoor media agency--Redberry Outdoor, Dato’ George Frederick stated in an interview with Marketing Magazine Malaysia (2014) that outdoor advertising figures has been under reported. Being a practitioner for almost 37 years, Frederick has seen the industry evolved from hand painted billboard to the digital billboard that we have on the streets today. In the same article, Frederick also stated that advertising expenditure for billboards would easily be on par with expenditures for cinema and radio advertisements. The growth of outdoor advertising has seen an increase use of non-traditional formats including street furniture like bus shelters, train stations, buses, trains, airport conveyer belts. However,

billboard has been the “most common form of outdoor advertising” (Taylor et al., 2015).

Frost and Sullivan Malaysia (2010) stated that there are four major players in the OOH industry, namely Bigtree Outdoor Sdn Bhd, Kurnia Outdoor Sdn Bhd, Ganad Media Sdn Bhd and Spectrum Outdoor Marketing Sdn Bhd. These OOH media owners provide billboard advertising spaces. Other smaller media owners are fragmented and provided smaller OOH advertising spaces like poster light boxes, building graphics and roadside banners.

### Regulations of OOH Media Malaysia

Outdoor media, mainly the structure of billboards, are subjected to application of license and approvals by the respective local councils in Malaysia. For example, the Petaling Jaya district is under its local council,

Majlis Perbandaran Petaling Jaya (MPPJ) and Subang Jaya district is under Majlis Perbandaran Subang Jaya (MPSJ). The councils provide approvals of licenses for media owners to erect billboard structures and advertisers to place their advertisements. According to the guidelines published on the MPSJ website, the application has to go through several stages: submit application form, submission of visual, application for advertisement spaces approved by the local councils, bodycopy of the advertisement must be in Bahasa Malaysia, or if other languages are used together, text in Bahasa Malaysia must be of bigger font size than other languages, and the visual of advertisement with 'Halal' or 'Ditanggung Halal' signage must show evidence of approval from related parties (Subang Jaya Local Council, 2017).

A license reference code will be provided upon approval of the billboard, and it has to be featured on the billboard. On the other hand, billboards that are situated on the highways in the Northern, Southern, Central and Eastern regions of Peninsula Malaysia have to obtain a separate approval from the Malaysia Highway Authority (MHA) while billboards situation in private lands have to obtain additional approval from the Department of Land Management Malaysia. These additional approvals are not spelt in the guidelines provided by Local Councils but on separate websites with separate and different sets of documents (Kuala Lumpur City Hall, 2017). It is also stated on the GP021 Outdoor Advertisement Planning Guidelines published by the Federal of Department of Town and Country Planning that application of approvals should be made at relevant departments under MHA, federal roads, land and building owners (Malaysia Highway Authority, 2011; Subang Jaya Local Council, 2017).

### Illegal Billboards

Multiple news articles published on cases where Local Councils are cracking down on illegal advertisers or billboard owners (media owners) who have violated regulations. Chin (2013) reported that the Penang Municipal Council (MPPP) fined illegal billboard owners who have placed illegal structures in Penang. According to the report, the billboard structure did not obtain approved licensed from MPPP. The size of the billboard was also in the wrong size, which caused danger to motorists. As of 2013, there were

140 illegal billboards on state land and 100 illegal billboards on private land in Penang (Chan, 2013). Loh (2013) reported on the same case that MPPP tear down 3000 illegal billboard and unipole signs as some were built at crowded places, which could also be hazardous for the general public. Cheah (2013) reported that as of December 2013, MPPP removed 98 billboards, fined a total of 36 media owners who fail to obtain approvals and blacklisted two companies. However, it caused major scrutiny by media owners who claimed that the billboards have been around for many years, but MPPP has frozen all new billboard applications in May 2013 due to political disagreements between MPPP and political opposition party--DAP. Media owners also complained of the inaccuracy and incomplete guidelines provided by Local Councils for billboard approvals--both physical structure and visual approvals. Later on, in 2014, the Consumer Association of Penang (CAP) urged MPPP to consider banning all outdoor billboards. CAP claimed that outdoor billboards masked the beautiful architecture of historical buildings in Penang. However, CAP noted that since MPPP took down illegal billboards in Penang in 2013, there has been a reduction of the number of billboards by 40% (Shankar, 2014).

In Negeri Sembilan, advertisers and media owners had an outcry when the state government handed over the ownership and management of all billboards to one single company--Semarak Media Sdn. Bhd, which is owned by Yayasan Negri Sembilan (YNS), a state foundation in the state of Negeri Sembilan. The company came under scrutiny for monopolizing the billboard industry and has hiked billboard rentals to more than 10 times from the previous cost. The Vice President of Outdoor Advertising Association of Malaysia (OAAM) commented that the state government decided to transfer its authority to YNS to standardize guidelines, regulations and billboard formats to fund the charity and welfare programmed under YNS. This privatization has affected 212 billboards in the state operated by 12 media owners, including major outdoor advertising companies like Big Tree, UPD, Gelombong Jaya and Seni Jaya. With the hike of rental, the annual revenue generated will increase from RM5 million per annum to RM50 million per annum. OAAM and media owners had a meeting with YNS but the latter is adamant on continuing with the privatization and hike of

rental. OAAM revealed that this privatization first started in 1999 in Melacca, Perlis in 2011 and Johor in February 2012 (Kuek, 2012; Zainal, 2012).

Similarly, media owners in Petaling Jaya, Selangor, have also been ordered to take down billboard structures that were not approved (both structure and visual). Perumal and Tan (2008) stated that numerous billboards have been erected by advertising companies without approvals and license by the Petaling Jaya Local Council (MBPJ), Department of Land Development and MHA. The Selangor state government has frozen the application for new billboards in Petaling Jaya due to clutter and safety of its residents. Media owners refused to take down the billboards but further raised frustrations on the privatization dispute between MBPJ and a private company that has been put in-charge of billboard approvals in Petaling Jaya (Rajendra, 2016). Due to the dispute, a total of 403 billboard visuals have been approved but could not advertise as they claimed to have not complied to new guidelines set by the Council. MBPJ believed that the guideline is needed to regulate outdoor advertisements, as there was a huge increase of demand for outdoor advertisement in Selangor state. Thus, MBPJ did not have plans to ban billboards and the rest of the formats in outdoor advertising mediums. MBPJ also understood the frustration of media owners in applying for approval by planning a one-stop center for application of outdoor advertising structures and visual approvals.

In the case of central Kuala Lumpur, Kuala Lumpur City Hall (DBKL) has privatized its management of billboards to Yayasan Wilayah Persekutuan (YWP), which was also the welfare arm of the Ministry of Federal Territories Malaysia. DBKL reportedly received an annual RM128 million in revenue for licensing in year 2013 but only reported a total amount of RM52 million in revenue in year 2015 (Aliman, 2016). This is due to shady management system and the lack of enforcements in audits against YWP and media owners in Kuala Lumpur. As of 31 December 2016, there were 681 legal billboards in Kuala Lumpur and a reported number of 31 illegal billboards, which were fined by DBKL (Bavani, 2017). Similarly, there were at least 12,000 billboards reportedly registered in Johor Baru. According to report on Daily Express (2016), there are at least 4,000 were reportedly illegal. However, only 25 billboards are taken down as of date of

report. Mr. Abdul Malik, Secretary of Johor Baru Municipal Council (MPJBT) mentioned that more will be taken down.

## Data for OOH Media Planning

Mahpar (2013) reported that AC Nielsen ceased providing data for out-of-home media as this requires collaboration with the out-of-home industry and the industry has to be ready to be able to share the different information for us to track data effectively and accurately. In recent years, Nielsen has been under pressure from the industry to look into a measurement system for out-of-home and digital measurements as media experts observe an increase in this segment of the media industry (Mahpar, 2013). At present, there is still no accurate advertising expenditure (adex) monitored by Nielsen that represents actual expenditure and effective reach (Low, 2015). Media specialist, Prasath (2011) agrees that the OOH media measurement has been a major issue with effective standardized measurements, as stakeholders need these data for media plans and post-media plan evaluations.

## Methodology

August (2014), Belk (2017) and Zinchiak (2014) stated that qualitative methodologies were essential in advertising research as it allowed the understanding of customer and communication insights like consumer engagements, customer brand loyalty, brand image, customer satisfaction studies, in-depth consumer segmentation studies and etc. (Kirk & Miller, 2013) This research applied two qualitative research methodologies--focus group discussions and interviews.

The focus group discussion was guided by the Consolidated Criteria for Reporting Research (COREQ) model by Tong, Sainsbury and Craig (2007). The model was separated into three domains: 1) research team and reflexivity, 2) study design and 3) analysis and findings.

Four focus group discussions were planned to be conducted or until no new information was discovered by the end of the fourth focus group. The funnel technique was applied by preparing key discussion questions before moving on to more specific topics (Keyton, 2015). This allowed participants to discuss and interact during the focus group

sessions, which allowed “in-depth discussions and deeper data collection” (Packer, 2011).

In reference to Wimmer and Dominick (2014), the sampling method employed for the focus group discussions for this research was the snowball sampling method. Invitation emails were sent to the selected samples. Each selected sample consists of three media planners and three media owners. Recommended samples (both media planner and media owners) were

randomly selected for four focus group discussions. Stewart and Shamdasani (2014), Carey and Asbury (2016), Hennink (2014) stated that the recommended sample size for focus groups were between 6 to 12 people in a session. Therefore, there were a total of 24 participants in the focus groups consisting of three media planners and three media owners each focus group. Each participant was coded for easy reference, as presented in Table 1.

**Table 1** Focus Group Population

Focus Group	Focus Group 1/ Coding	Focus Group 2/ Coding	Focus Group 3/ Coding	Focus Group 4/ Coding
Large sized media owner company	1 G1P1	1 G2P1	1 G3P1	1 G4P1
Medium sized media owner company	1 G1P2	1 G2P2	1 G3P2	1 G4P2
Small or independent media owner company	1 G1P3	1 G2P3	1 G3P3	1 G4P3
Large sized media agency	1 G1P4	1 G2P4	1 G3P4	1 G4P4
Medium sized media agency	1 G1P5	1 G2P5	1 G3P5	1 G4P5
Small or independent media agency	1 G1P6	1 G2P6	1 G3P6	1 G4P6
<b>Total number of focus group participants</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>

The sample criteria for focus groups have been selected based on information richness, for richer focus group discussions as recommended by Keyton (2015) and done similarly by Kennedy and Northover (2016) respectively. Participant must be a media planner or media owner; possessed at least five years of working experience in billboard or outdoor media; participant have done media planning for billboard or outdoor media for at least three years. They were as listed in Table 2. Guided by MRT, handlers of the media are important to ensure the richness of the selected media.

On the other hand, the sample criteria for in-depth interviews were based on the similar studies by Brown (2009), Gregory (2008), Ingall (2012) and Nunes et. al. (2006)

in media and communications research. These studies have chosen samples with the following criteria for in-depth interviews: participant must be a senior executive of the company; possessed at least 10 years in the outdoor advertising industry and involved in account servicing, media planning, media buying or policymaking in the outdoor media industry in Malaysia. The sample must possess experience in billboard advertising for both Peninsula and East Malaysia. In-depth interviews were conducted with President of the Outdoor Advertising Association Malaysia, Managing Director and co-founder of outdoor media owner Spectrum Outdoor Marketing, Senior Executive of outdoor media owner Big Tree Outdoor Sdn. Bhd, Senior Manager of Marketing Communications Department at

Nestle Malaysia, Communications Manager of the Malaysia Healthcare Travel Council, Managing Director of media agency Mindshare Malaysia, Senior Executive of outdoor agency--Unilink Malaysia. The Quirkos

software was used for coding and analysis for both data collected from focus group and in-depth interviews.

**Table 2** List of Invited Focus Group Sample

Code	Company	Type of Company	Number of Personnel	Job Position	Size of Company
A	Zenith Media Sdn. Bhd.	Media Agency	2	Senior Planner	Large
B	Mindshare Malaysia	Media Agency	1	Planner (junior)	Large
C	Trapper Media Services (M) Sdn Bhd	Media Agency	1	Planner (junior)	Medium
D	Dentsu X Malaysia Sdn. Bhd.	Media Agency	1	Planner (junior)	Medium
E	Sen Media Sdn. Bhd.	Media Agency	1	Planner (junior)	Boutique
F	Spectrum Outdoor Marketing Sdn. Bhd.	Media Owner	1	Sales Manager	Large
G	Big Tree Outdoor Sdn. Bhd.	Media Owner	1	Sales Executive	Large
H	Skyboard Media Sdn. Bhd.	Media Owner	1	Sales Manager	Boutique
I	Mediahouse Sdn. Bhd.	Media Owner	1	Sales Executive	Boutique

## Results and Discussion

Based on the criteria set, a total of four focus groups with 24 media owners and media planners and 6 interviews were conducted. The focus group and interviews have suggested in unison that there was a huge gap in the incoherence of processes and practices by media agencies in Malaysia--large, medium or small-sized agencies. This has caused repercussions in the OOH industry due to the lack of government regulation. There were opposing of opinions and discussions among media planners and media owners in terms of data and post-campaign analysis. On the other hand, interviewees did not only concurred revelations from the focus group discussions and also provided more details about practices in the industry as interviewees consist of media stakeholders with more experiences and were in senior positions.

### Repercussions due to Lack of Government Regulations

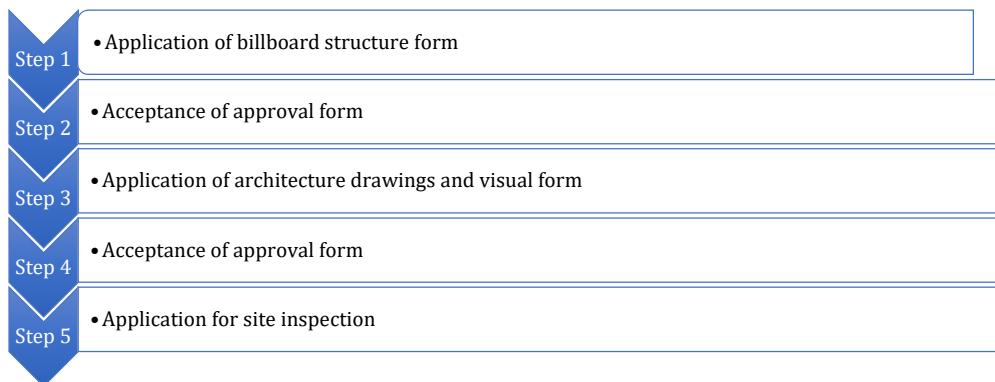
Sainsbury, Colaguiri and Magnusson (2017), and Whalen, Harrold, Child, Halford and Boyland (2017) stressed that policies were important to standardize practices. It provides a guide for stakeholders in their practices and procedures. Shankar (2014) stresses that policymakers do not only have to ensure that regulations and guidelines were in place to standardize procedures and processes in the industry, but also ensured that key terminologies were accurate, specific, and not over-generalized. Otherwise, this would be difficult for industry stakeholders to apply. The results from this research showed that challenges and inconsistencies were due to the lack of regulations and standardization by government bodies. Media owners and media planners for all focus groups have emphasized that challenges with state councils have to be solved before a standard media measurement

for billboard could be obtained in Malaysia. The challenges with local councils were one of the most heavily discussed issues during all four focus group discussions.

In reference to the JKR website (<https://www.jkr.gov.my/my/main/jabatan-kerja-raya>), no information on application of billboards licenses were found. Instead, approvals had to be obtained from the Ministry of Works Malaysia

(MOW). In reference to the billboard license application link on the MOW (2016) site, there were five forms for federal roads in Malaysia and five forms for highways in Malaysia. The forms dictate the processes of the billboard license application. Figure 2 summarizes the process involved.

**Figure 2** MOW Billboard Approval Application Process



A check into 3 local councils in Malaysia, namely the Majlis Perbandaran Petaling Jaya (MBPJ), Dewan Bandaraya Kuala Lumpur (DBKL) and Dewan Bandaraya Kota Kinabalu (DBKK) found that there were inconsistencies in submission of documents and requirements for permit approval. MBPJ and DBKL both had very clear guidelines on their respective websites and forms were available for download with clear requirements of attachments. However, there were clear differences in processes and types of documentations to be attached with the application form. According to the MBPJ website, three copies of the billboard visual, photographs of the billboard site and architecture plan of the billboard site had to be provided with the application form. On the other hand, DBKL require an approved visual by Dewan Bahasa Pustaka (DBP) prior to submission of the DBKL application form and four copies of photographs of the billboard sites. DBP is known as the Institute of Language and Literature Malaysia that formulates specific policies, organize language and literature construction. However, DBKK only requires two copies of architecture drawing of the billboard site and two copies of billboard visual. DBKK did not state the requirement to obtain approval from Dewan Bahasa Pustaka (DBP). Besides the inconsistencies spotted for both DBKL and

DBKK, local council for the city of Petaling Jaya--Majlis Bandaraya Petaling Jaya (MBPJ) also published a sample form online as it has to be purchased at RM5.00 per copy at the MBPJ office. The form stated that the application for out-of-home advertising only requires A3 size of billboard visual, architect drawing of the billboard and its area. Approval of DBP wasn't stated as a requirement nor included in its process flowchart. Besides these inconsistencies in processes, focus group participant G1P2 mentioned that "although the documents are available, it changes all the time" and might not have the most updated version on the website.

On the other hand, Low believed that OAAM has the role to play in steering the government towards standardization of guidelines. Low also added that there were regulations for advertising in Malaysia. It was a matter of inputting stricter and clearer regulations. He mentioned that,

*DBKL and MBPJ have the clearest regulations for approval among all the local councils ... we face lesser challenges with these two, but I can't say it would be the same for other councils. Or, when a new minister or head of department is elected, a new set of regulation will be applied. This not only adds on to the challenges that we are facing but also*

*complicate matters for us when dealing with our clients.*

### **Inability to Keep to Campaign Timeline**

Challenges with the local state councils also led to challenges to keep to campaign timeline. For each advertising campaign, clients aim a date for launch. Media owners and media planners discussed during the focus groups that uncertainties to obtain relevant approvals from local state councils created delays in advertising campaign launch dates. G1P3 stated that as a media owner, he spoke for every other media owner in the market that promising clients on obtaining approval for OOH advertising was a big challenge due to inconsistencies by state councils as “it is unclear if an approval will be obtained on time”. The delayed launch dates caused distrust in agency’s professionalism and eventually bad for clientele. Interviewee Yeow mentioned that advertisers and media agencies expected that media owners kept to the set timeline, as media owners should be most familiar with local councils and permit approvals. Thus, when hiccups happen, it was challenging for media owners. This caused compensations to happen, which “burdens media owners more”. Reading through the websites for DBP, DBKL, MBPJ and DBKK showed no timelines given for application of license for out-of-home advertising. The website (<http://www.dbpsahbahasa.my/#>) for DBP language checked only stated the list of charges for the variety of advertising visuals. This caused a gap to inconsistencies and unclear information for advertising stakeholders who might be new to the industry.

Tan stressed that the inconsistencies in processes has dampened the trust of advertisers and their expectations in regards to advertising campaign timelines. Media planners were constantly stressed to ensure that advertisers’ campaign launch dates were being met. This has indirectly affected the quality of advertisement, where billboard visuals were created just to obtain approval without considering advertising effectiveness, leveraging on creativity and exploring out-of-the-box ideas to capture attention.

### **Elude Ethical Practices**

The lack of guidelines and regulations by local councils has not only caused unhealthy competition among media owners but also the lack of accountability. Focus group discussions have revealed elude ethical practices between industry stakeholders. G3P2,

G3P1, G3P3, G2P4, G1P6, G4P2, G4P1, G2P2, G4P3, G1P4 and G1P5 have commented and discussed that reports provided by their own companies or independent research company AC Nielsen is inaccurate.

G1P3 elaborated that,

*... as media owners, we have to still protect our business. We have to provide reports that are convincing and to our benefit. Why would we provide numbers that look bad on us? Of course, we will try to sell the unpopular (billboard) sites as well.*

The challenge was that media planners and advertisers were aware that the data were inaccurate, but were still using them. According to Tan and Yeow, “there is no other choice.”

Media planner G1P4 concurred that as media planners, they were also aware of inaccurate numbers provided by media owners and companies like toll operators, PLUS Malaysia Berhad (PMB) and KESTURI. G1P6 and G1P1 also added that media companies would not be providing accurate numbers, as this would reflect on their earnings, reveal marketing strategies, investment and advertising budgets. In most cases, the reports provided were bias towards their own businesses to increase sales and company image.

G2P4 highlighted a distinctive point that media owners did not look forward to precise and more data to support media buys for outdoor, especially billboards as it would not allow “media owners to beautify their reports anymore”. G2P1 and G2P2 commented that media owners frown upon precise data and reports, as it will not allow media owners to provide exaggerated numbers. Media planners of focus group participants were seen surprised or shocked. Subsequently, all media planners in all four focus groups responded that they disagreed to practices by media owners and hoped that efficient media measurements can be provided to their clients (advertisers). G4P5 commented that media planners would need good post campaign buy analysis to justify the performance of the media campaign. In reference to the HEM, advertisers and media planners went through similar process that consumers went through prior to the purchase of product. If media planners and advertisers do not go through the cognitive stage to understand data (awareness) and trust that the data is true and valid (conviction), thus there will not be investments for outdoor media (purchase). Therefore, it is important for data

providers to have the sense of accountability by ensuring the validity and reliability of data.

Data still stand as one of the major elements in challenges in the outdoor industry. Local councils must ensure that there are strict guidelines and centralized regulations to standardized the practice within the billboard media industry in Malaysia, it was no doubt that this will take time for a standardized regulation to be formed for Malaysia. But besides just arguing and putting the blame on the government for not having guidelines, it was also important for OAAM to educate media stakeholders and to uphold accountability in providing data to its current clients. Only with transparent and accountable data, the industry will take a leap with more confidence by investors and advertisers in billboard advertising, more trust from stakeholders, this will put emphasis for the local councils and government to support the streamlining of regulations, guidelines and accountability in data for media planners and advertisers.

### **Non-standardized Rate Card**

Media owners in focus groups discussed that the inconsistencies in regulations and guidelines have also caused non-standardized pricing of billboards in the outdoor market. Media owners discussed that this non-standardization was to the benefit of media owners but not to media agencies and advertisers. Monopolies of areas at certain hotspots have also encouraged pricing to dominate. Tan discussed briefly that the pricing of billboards should be standardized according to per square meter of the billboard size, or media owners will hike prices based on demand, which would be unfair for advertisers. Chia also mentioned that the price hike for billboards and insufficient information to justify effectiveness of billboard advertising in general made it difficult for media planners to convince advertisers to make an investment. Low discussed that OAAM did a discussion in 2017 to peg the prices of billboard to per square meter or per square feet based on the clutter and traffic of the area. However, media owners were unhappy and no agreement could be reached during the meeting. Low explained further that he did agree that pricing has to be standardized as he believed that this required enforcement by local councils.

### **Solutions Attempted by the Agencies**

Due to the lack of regulations and standardization, media owners and media

planners have resorted to their own measurements in their own agencies. Interviews with Chia and Tan understood that due to competition, limited data options and monopoly by data providers, media agencies and media owners have resorted to ground research within the company by setting up internal research team. Media agencies had research teams to develop measurements and at times, data collection to support reports for clients. These were all done internally. Media planner G3P4 commented the “credibility of these internal data as it may be bias towards the companies’ mechanism and objectives for media plans. Heo and Sutherland (2015) and Katz (2014) highlighted that the limitations in media measurement for outdoor media have made it challenging for data providers to be transparent as there was clear monopoly in the industry by the government and Dewan Bahasa Pustaka (DBP) for billboard approvals and data providers. Media agencies and advertisers in Malaysia did not trust the data provided. Interviewee Angeline commented that different agencies would provide different media solutions with additional services to justify their media plans. While this increases competition between agencies to advertisers’ benefit, the downside was the downplay and non-standardized information provided to advertisers just for the purpose pitching to the client to obtain the business. However, medium and small-sized agencies did not have the capacity to support clients (advertisers) with an in-house research team. Thus, many have closed down due to the lack of support from the industry (Katz, 2014).

### **Illegal Billboards**

The lack of government regulations has also caused the mushrooming of illegal billboards in the industry. Illegal billboards can be categorized into two forms--no proper approval of billboard advertising rights and illegal billboard structure. Billboard advertising that has been approved by both DBP and local state councils will be provided with license in a form of a certificate (Dewan Bandaraya Kuala Lumpur, 2019). As for billboard structure, media owners had to possess letter of approval of the billboard site by the local council out-of-home advertising committee, public insurance policy, structure of billboard plan by architect and letter of approval of billboard visual by local council. According to media owner Low and G2P4, the inconsistent approvals and unclear guidelines for outdoor advertising has led to media

owners building billboards “whenever there is a blank space”. Media owners had to ensure that billboards were sellable but at the same time, approvals are by the local councils and federal government was “getting more challenging due to clutter”. The areas of Jalan Bukit Bintang and after the Damansara-Puchong Highway toll in Kuala Lumpur were two of the best examples of the highest billboard clutter due to heavy traffic. Therefore, whenever there were spaces, media owners would build the largest size possible to capture attention. This has lowered the efficiency of billboards. Kirkpatrick (2017) stated that drivers were not able to digest five or more billboards at one viewing point. Thus, argued that regulations should be set for billboards to be regulated with clutter as one of its points, not just based on traffic and viewing point. In addition, Janiszewski, Noel and Sawyer (2003) stated that billboard clutter should also consider structure of buildings and its environments that contributed as distractions to target audiences.

Tan commented that the illegal billboards were a nuisance to the industry as it created frustration and more distrust among advertisers towards the outdoor advertising industry. Advertisers had experiences with their billboards being taken down halfway through the advertising campaign or being highlighted by the news portals. Media planners were also frustrated as it affected advertising campaign timelines. Besides that, this caused unexpected compensations due to illegal billboards.

With regards to East Malaysia, only Low has elaborated the outdoor advertising scene in Sabah and Sarawak. No focus group participants have discussed about East Malaysia. According to Low, very few media owners and media planners have experienced with outdoor advertising in East Malaysia. In the case of illegal billboards, DMDC (2016) reported that Public Works Department (PWD) of Sabah has been dismantling illegal billboards in Sabah. The increase in illegal billboards was due to tight regulations for outdoor advertising in Sabah. DMDC is a leading media representative for key Borneo regions in East Malaysia and Brunei.

Data from this research further proved the significant importance of policies and regulations in the billboard advertising industry. The lack of regulations has caused the inconsistencies in local council regulations in different states of Malaysia (both Peninsula and East Malaysia). This did not only cause more

confusion amongst billboard industry stakeholders, especially media owners and media planners but also further lowered the confidence of advertisers investing in billboard media. The MRT stresses the importance of “effective information” as this only ensures the ability of the information to be reproduced, disseminated or for decision-making without distortion (Anfara & Mertz, 2014). As mentioned by Whalen, Harrold, Child, Halford and Boyland (2017) and Sainsbury, Colaguiri and Magnusson (2017) policies are important to standardize practices. It provides a guide for stakeholders in their practices and procedures. Both HEM and MRT stresses on the two important variable of information that is “effective and clear”, in the process of information dissemination and decision-making process (Modig & Dahlen, 2018). With standardization, this would provide a reference check to prevent elude ethical practices and illegal billboards that have overrun the current billboard media industry in Malaysia. As according to Dulebenets, Ozguven and Moses (2018), regulations are important for the governing bodies, policymakers and stakeholders in the industry to establish an effective control of the industry. Only with that, media agencies would not take to its own internal solution to deploy on-ground research, which causes more de-standardization and bias data. Most importantly, strict standardized guidelines will put a stop to the increase in illegal billboard in Malaysia, which do not only cause more elusive practices in the industry, clutter, but also put the safety of the local community at risk.

## Conclusion

This research discovered that the main challenges faced by OOH billboard industry in Malaysia was the lack of government regulations and guidelines. This did not only play a huge implication to the inconsistencies but also led to a snowball of other challenges within the industry. The two words that were constantly used by research participants were “confused” and “inconsistent.” The different local state councils played a huge implication with the inconsistencies in regulations and approvals.

The inconsistencies in approvals have caused a major challenge for media planners and media owners to keep to campaign timelines set during pre-campaign plans. This also set a huge challenge for media owners to convince media planners and advertisers to

include billboards in advertising campaigns as advertisers lost trust. The elude practices, inconsistencies and lack of proper guidelines enforced by the government has discouraged media planners to further promote and understand billboard as a medium. It was important that media stakeholders trusted and understood the potential of billboard as an advertising medium in order to have a strategic and effective media campaign.

As the industry phases through multiple national lockdowns that happened in

Malaysia throughout the pandemic from the year 2020 to the third quarter of 2021, the Malaysia OOH industry faced different challenges as outdoor movements come to a standstill. Future research of OOH advertising could look into the challenges faced by media stakeholders, steps and practices taken by media owners and perspectives from advertisers about OOH media in the face of the pandemic.

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