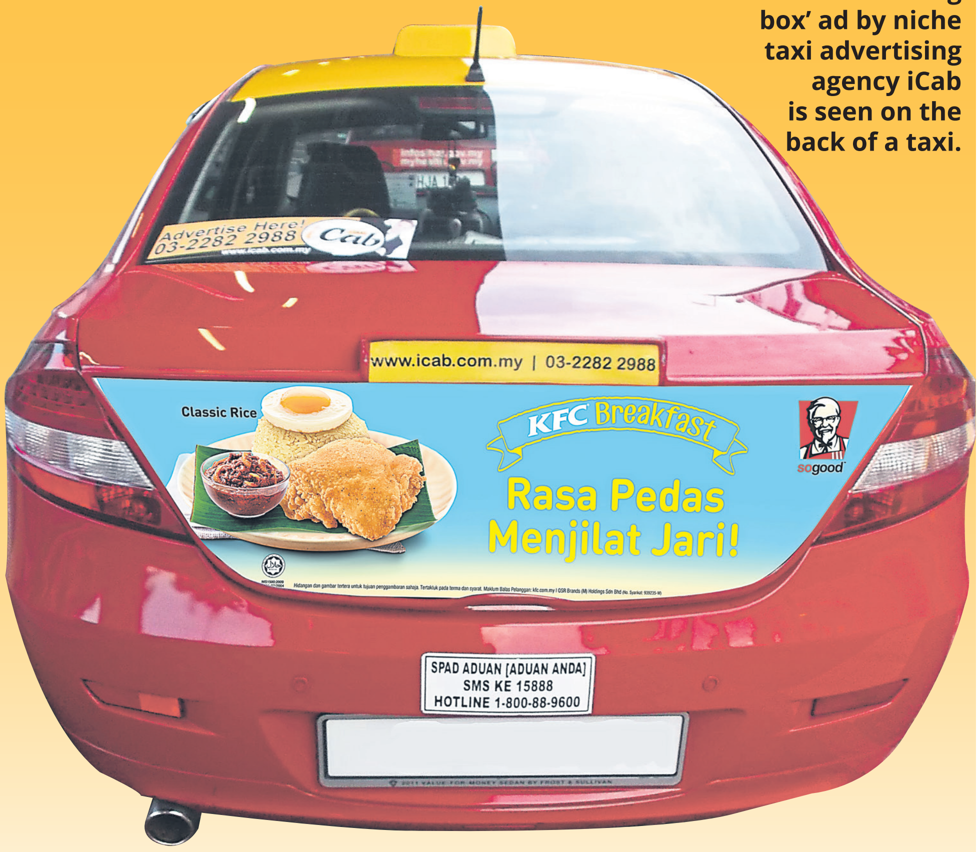
iCab to increase 'Moving Box' ads 10-fold by year-end



A KFC 'moving box' ad by niche taxi advertising agency iCab is seen on the back of a taxi.

By Stephanie Augustin ▪ *stephanie@mmail.com.my*

BANGSAR — Niche taxi advertising agency iCab is targeting a ten-fold increase in 'Moving Box' advertisements to 5,000 taxis in the Klang Valley from 500 currently.

Chief executive officer Valens Subramaniam said the fibre-board-backed and fluorescent sticker ad on the back of taxi boots, which iCab launched just two months ago, will contribute 80% to revenue this year.

Valens said: "Last year, we generated RM1.8 million in revenue, a combination from various advertisement types — body wrap, super side, boot lid and light box.

"We only launched the moving box two months ago, and response has been so tremendous that we expect revenue to hit RM2.5 million this year, with 80% coming from moving box ads."

Most of iCab's existing clients are taking up moving box ads, though the cost is four times the average boot lid ads at RM120 per cab from RM30.

"But because there is better visibility and brand image with this concept, many of them are jumping over."

iCab clients include AirAsia, Malindo, KFC, Manhattan Fish Market, Burger King and iProperty.

In 2010, Valens rebranded his outdoor media agency V2 Innovates Sdn Bhd into a full-fledged taxi advertising firm after realising small agencies would soon die off due to heavy competition.

iCab has ad space in some 15,000 cabs in Klang Valley — about half of all taxis in the area — with another 500 in other parts of the country.

Over the last year, iCab hit upon the idea of 'moving billboards' and started research and development into developing a road-safe and driver-friendly ad.

Multiple approvals and RM250,000 later, 'Moving Box' was launched and iCab is now in the process of patenting it.

Valens said: "We have approvals from the Road Transport Department and sent the boards for testing by the Road Safety Department and Miros (Malaysian Institute of Road Safety Research).

"We are now in the process of patenting this 'Moving Box' product. Even though the concept has been around in other countries such as Australia and New Zealand, it is new here.

"But our shape, design, functionality are completely new and we have submitted patent applications and are now in the filing stage."

Unlike billboards and other forms of media advertising, taxi advertising cannot really be audited and held accountable though it is much cheaper.

"Typically, when we approach clients they would ask: 'Why taxi advertising?', 'How can you guarantee all 100 taxis will be on the road?'

"We have pre- and post-campaign reports, and each would have photos of 100 to 1,000 cabs as proof of installation and marketing by the third month for three-month-long campaigns," he said.

iCab's minimum ad-buy duration and amount is three months, for 100 cabs.

A basic bootlid advertisement will cost RM30 a month for one cab, resulting in a minimum of RM3,000 for 100 cabs.

On the higher end, the moving box with the super-side wrap costs RM120 per month, so 100 cabs would cost advertisers some RM12,000.

"We can offer clients visibility of up to 1,000 cabs but the largest campaign we have executed so far is for 2,000 cabs."

Besides paying taxi drivers for the ad space, downtime to install a wrap or moving box takes only 10 minutes.

Moving forward, iCab plans to give an even clearer overview of ad exposure to its clients by incorporating GPS technology into its moving boxes.

However, Valens said it will only be launched mid-2016 when the cost of GPS goes down.

Intellectual property is not exactly valued by Malaysian banks, but the moving box concept alone may account for a substantial portion of iCab's earnings.

"The moving box concept is valued at some RM5 million, assuming all taxis in Klang Valley are outfitted with it," he said.

iCab has even seen interest for its moving boxes from Canada and Dubai.

"Besides the fibreboards being industrial-standard and light, the cost to foreign buyers of RM300 a board is also minor due to it being designed and manufactured here in the Klang Valley," he said.

Festival sugar demand helps MSM Q2 net profit touch RM79m

KUALA LUMPUR — Festival demand for refined sugar helped MSM Malaysia Holdings Bhd's net profit rise 0.5% to RM79.13 million in the second quarter ended June 30 compared to RM78.71 million over the same period last year.

Revenue reduced to RM588.320 million in the second quarter compared to RM595.426 million recorded for the same period under review last year, and this was due to a 1% reduction in overall tonnage sold in the market, MSM said in a filing to Bursa Malaysia yesterday.

In the second quarter, its earnings per share was 11.26 sen compared to 11.20 sen last year.

"Sales of refined sugar products in Malaysia typically increase slightly during the months leading up to major holidays and festivals in Malaysia, especially Hari Raya and Chinese New Year, due to increased consumer demand for cooking oil and refined sugar," it said.

The group's revenue for the first half of 2015 was RM1.096 billion against RM1.094 billion revenue in the same period last year due to a slight increase of 3% in tonnage sold.

On a quarter-to-quarter basis, it recorded a total revenue of RM588.32 million, a RM79.83 million increase or 15.7% higher compared to the preceding quarter of RM508.49 million.

The company also announced a final dividend payment of 14 sen per share amounting to RM98.4 million for the year ended Dec 31, 2014, to be paid on July 2, 2015.

As for current year prospects, MSM said: "Notwithstanding the volatility of commodity prices, the group is expected to be able to sustain its satisfactory performance."

According to the company's website, MSM controls 64% of the domestic market share and the company plans to produce four million tonnes of sugar by 2020.

MSM, which operates Felda Global Ventures Holdings Bhd's sugar business, currently produces about 1.1 million tonnes annually.

FGV is also in the process of acquiring sugar assets from the Indonesia's Rajawali Group to expand its business.