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BEIJING, Oct. 10 /Xinhua-PRNewswire/ -- A new research study by consultancy R3 has highlighted the immediate impact on company marketing budgets for 2009 in Asia, one part of the world that was expected to be more resilient.

"The events of the last two weeks have hit marketers hard," said Greg Paull, co-founder and Principal of R3. "Based on our fieldwork just over the last two days, there will be significant reductions in the coming year -- even in typical growth markets such as China and Taiwan.

The research was conducted via face-to-face, telephone and online with more than 50 marketers, covering 100 of Asia's top 500 brands. The group included multinational and local companies in China, Korea, Taiwan, HK, Singapore, Thailand, India and Malaysia. Despite the

diverse country mix, results were quite consistent between developed and developing markets.

The fieldwork was initially completed in September and showed an optimistic view for the coming year -- with 62% of marketers initially forecasting higher budgets. "Post Olympics, particularly in markets such as China, showed a positive trend -- but all that has changed now," said Mr Paull. The same base of companies was re-contacted this week to measure changes. 21% forecast a reduction of more 20% from their initial budgets, and 73% saw some reductions now.

All this has laid out a gloomy outlook for the region for the coming year -- just 6% of respondents forecast an increase in spend for the next twelve months, and 55% are now actively reducing their overall spend with the rest currently maintaining 2008 levels. "Predicting the future has never been more challenging," said Mr Paull "54% of respondents also told us their 2008 budgets declined off their original forecasts, making the annual planning process fraught with danger," he added

This study has also identified a shift in the region from traditional advertising to digital, direct marketing and activation. "More than 40% of respondents now spend more money in these areas than in paid advertising, quite a significant increase from our past research in this area," said Mr Paull. "The successful marketer will be one focused more on engagement and less on just awareness and trial" he added.

About R3



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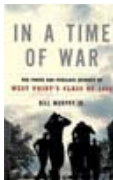
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