

Rev Asia expands its digital content

REV ASIA

Decision propelled by consumers spending more time watching videos and accessing content online



by Calyn Yap

TECHNOLOGY has changed the way people consume content, especially in the virtual world.

Hence, digital media group Rev Asia Holdings Sdn Bhd is focusing

on content production to grow its business.

Its managing director and Rev Asia Bhd general manager Voon Tze Khay says last year saw different trends picking up across the online media scene.

For instance, there was an increase in video consumption on social media, especially Facebook.

"Online communities spend a lot more time watching videos on Facebook, and we're building a video network on Rev Asia to capitalise on this.

"We will increase our capital expenditure and beef up the number of video producers for all three [language] segments," he says.

For this year, Rev Asia has identified several key strategies to enhance and accelerate growth.

Video production is a key area in its plans, and he notes the group's studio team is well equipped to create content for brands owned by small and large companies.

It also wants to create a Creators Collaboration Programme to produce regular content by collaborating with up and coming YouTube stars and Instagrammers.

Another key focus is to create content for SMEs, after its initial foray, last year, was successful.

This move into the SME business sector was largely spurred by the

acquisition of Chinese social news and content websites Viralcham and Rojaklah.

Rev Asia works with smaller businesses and brands to produce content which it disseminates across its network.

It does this in two ways - creating content around infographics and reviews, and producing videos on SMEs' offerings.

The content is then pushed through its social media channels to ensure wider reach in a way that traditional media cannot.

F&B sector to be key customer

"We've been successful in growing revenue from the SME sector, although last year we concentrated only on the Chinese audience segment.

"Now we want to transfer the knowledge and expertise we gained and apply them to the English and Malay segments as well. We believe this will open a new platform for SMEs across multiple sectors. The food and beverage industry will be a key customer," Voon says.

Mobile devices will feature prominently in Rev Asia's plans this year. The



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company's assets have seen 60-70% of traffic coming from them.

Rev Asia monetises through sponsored content and videos. This means it is platform neutral, so long as quality content is produced for consumption.

However, Voon stresses that mobile channels are a new growth avenue as the group's assets have inventory that can be monetised via this platform.

"We'll be focusing on mobile channels for each asset we have. We have lots of inventory that we are not monetising, so we'll be taking a closer look at each asset and work with partners to offer mobile marketing," he says.

The company is also looking to events as a strategy to grow its revenue and plans to invest additional resources into the events portion of the business.

Finally, Voon says the company will hire talent to produce better and higher quality content, which in turn will



Voon says Rev Asia expects double-digit growth in revenue and profitability for its Malaysian operations

contribute to driving sales for its assets.

"We have exceptional products. But without the right people behind each brand, they [the products] will not be where they are today. We expect to increase our workforce by about 10-15% by Q1," he says.

Digital profits

On its acquisition activities, Voon says the group is open to opportunities in addition to growing the business organically.

"Mergers and acquisitions (M&A) have always been part of our DNA. Many of the brands we own and operate were acquired, so we'll continue to seek opportunities in the local scene," he says.

According to its 2015 annual report, Rev Asia is 70% owned by ACE Market-listed Rev Asia Bhd and operates content websites across English, Malay and Mandarin languages.

The result of a merger between Catcha Media Bhd and Says.com in 2013, Rev Asia Bhd owns assets such as Says.com, OhBulan!, 8Share and Viralcham, as well as publishing licences for *Business Insider* in Malaysia, Singapore and Indonesia.

Some 90% of Rev Asia's total profit contribution last year came from local operations and the rest from the Philippines and Indonesia.

"We are bullish and expect double-digit growth in revenue and profitability for our Malaysian operations," says Voon.

For assets, the largest revenue contributor for last year was Says.com and 8share.com. They averaged 55-60% overall, OhBulan! (25%), Rojaklah (10%), Viralcham (10%), and Juice (5%).

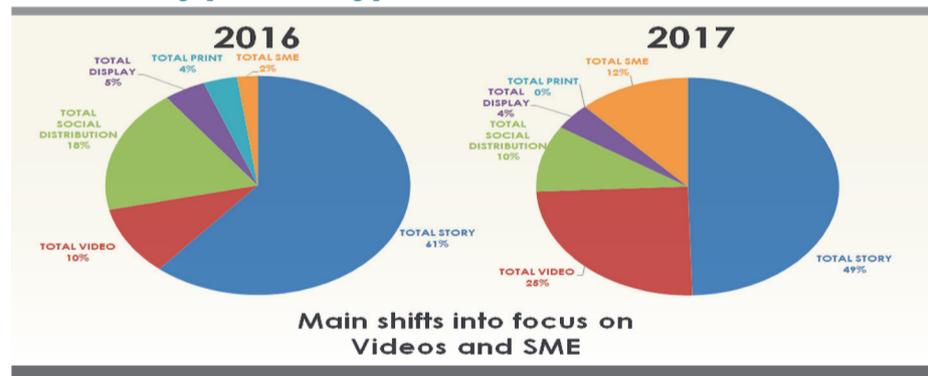
In terms of segment contribution to total revenue, sponsored content from articles was the largest at about 70% while sponsored videos chalked up 10%.

That said, Rev Asia expects a change in revenue contributions this year. It expects a 12% increase in the SME business segment from 2% last year. Sponsored videos are expected to contribute 25%.

The company's revenue grew to RM6.12 mil for Q3 2016, from RM4.22 mil previously.

For the nine months ended Sept 30, it posted higher revenue of RM15.53 mil, compared with RM12.91 mil a year ago.

Revenue by product type and forecast for 2017



Source: Rev Asia internal stats

Strong M&A focus

REV Asia Group considers last year as a year of acquisitions.

The group acquired Chinese social news and content websites Viralcham and Rojaklah from Netnion Technology Sdn Bhd via a business assets sale and purchase agreement (SPA).

The acquisition helped build its expertise in SME content offering, which it expanded to reach Chinese audiences.

Its 70% owned subsidiary Rev Digital Sdn Bhd entered into an SPA with Netnion Technology Sdn Bhd for the two websites in August, last year.

Additionally, its 70% owned subsidiary Rev Lifestyle Sdn Bhd entered into an SPA with Dua Marhalah Sdn Bhd to acquire three Malay content websites, including Siraplimau, Myresipi and Kongsiresepi on Dec 23.

Rev Asia Holdings Sdn Bhd managing director and Rev Asia Bhd general manager Voon Tze Khay says: "We're looking at the online Malay community as a key

segment for the business to grow.

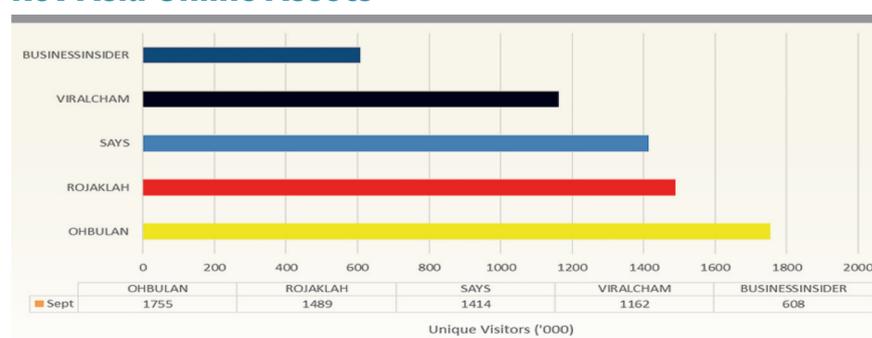
"Malay consumers are accessing content digitally in growing numbers, and it's a big opportunity for Rev Asia and other publishers to capitalise on," Voon says.

The acquisition, he says, will further strengthen the company's position in the Malay-speaking online community.

This is because of Rev Asia's ability to reach users in the family lifestyle, parenting and food verticals.

Myresipi and Kongsiresepi will aid its plans in this regard and cater to the rapidly growing food community in the country.

Rev Asia Online Assets



Source: comScore Multiplatform, September 2016