

MALAYSIAN DIGITAL ADEX REPORT FY2022

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BACKGROUND

In early 2019, the Media Specialists Association (MSA) of Malaysia, in collaboration with the Malaysian Digital Association and Malaysian Advertisers Association, embarked on an initiative to provide an accurate view of the state of Digital Adex in Malaysia. As a result, 21 media agencies provided the Digital Adex for FY2017 to FY2022. MSA estimates that the 21 agencies account for approximately 60% of the total Digital Adex in the country. Information is provided by digital platforms and product categories to MSA's appointed independent auditors, Messr Ahmad Abdullah and Goh, who aggregated the numbers to provide a consolidated view of the total Digital Adex in Malaysia.

OVERALL DIGITAL ADEX GROWTH

We see a continuous upward trend in the reported Digital Adex, with an increase of 1.8% from RM1.357 billion in 2021 to RM1.381 billion in 2022. As a result, MSA estimates the Total Digital Adex to be RM2.303 billion in 2022, including 40% from the direct advertisers and long tail spends. Q4 2022 is the highest spending quarter reported, contributing to the growth in 2022.

| RM in millions | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|-------------------------------------|----------|----------|----------|----------|----------|----------|
| Reported Digital Adex | 727.61 | 868.59 | 937.83 | 939.87 | 1,357.54 | 1,381.97 |
| Direct Advertisers/Long Tail | 485.07 | 579.06 | 625.22 | 626.58 | 905.03 | 921.31 |
| Total MY Digital Adex | 1,212.69 | 1,447.65 | 1,563.05 | 1,566.45 | 2,262.57 | 2,303.28 |
| % Growth in Spends | | 19.4% | 8.0% | 0.2% | 44.5% | 1.8% |

DIGITAL ADEX SHARE BY PLATFORM

The top 3 platforms accounted for 83.8% of the overall reported Digital Adex in 2022, where Social held the highest share across all platforms, followed by Video and Display. Social continually dominated the advertising platform with a growth of 4.2% from the previous year to reach 40.8% of the total Digital Adex. Native followed closely with a 1.5% increase from 2021. However, Digital and Video could be underrepresented as it does not include Social Image and Video formats such as In-Feed, Reels, Stories, etc.

| Platform \ Years | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|------------------|------|------|------|------|------|------|
| | % | % | % | % | % | % |
| Display | 40.9 | 35.0 | 27.1 | 20.3 | 19.0 | 16.6 |
| Video | 19.6 | 24.0 | 25.9 | 28.7 | 27.5 | 26.3 |
| Audio | 0.2 | 0.1 | 0.1 | 0.3 | 0.2 | 0.1 |
| Social | 17.6 | 23.2 | 26.8 | 33.2 | 36.6 | 40.8 |
| Native | 2.5 | 4.1 | 5.2 | 3.3 | 4.2 | 5.7 |
| Search | 16.2 | 10.9 | 9.3 | 9.1 | 8.3 | 8.1 |
| Others | 3.1 | 2.1 | 2.4 | 5.1 | 4.3 | 2.4 |

DIGITAL ADEX SHARE BY INDUSTRY

Food & Beverage, Tech & Electronics and *Shops* accounted for 57.2% of the reported Digital Adex in 2022. On the other hand, *Finance & Banking* saw the highest increase by 2.1% from 2021 to 2022. One of the reasons that could have contributed to this growth is that people are more focused on their finances due to recessionary economic conditions.

| Industry \ Years | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--------------------|------|------|------|------|------|------|
| | % | % | % | % | % | % |
| Finance & Banking | 6.8 | 7.3 | 8.7 | 6.9 | 6.8 | 8.9 |
| Tech & Electronics | 23.4 | 21.2 | 20.8 | 20.1 | 21.9 | 19.0 |
| Food & Beverage | 16.1 | 18.0 | 18.8 | 24.5 | 21.8 | 20.9 |
| Shops | 10.1 | 13.1 | 14.3 | 14.8 | 16.9 | 17.3 |
| Education | 0.5 | 0.7 | 0.5 | 0.7 | 0.5 | 0.4 |
| Personal Care | 10.2 | 12.8 | 14.3 | 13.8 | 14.3 | 13.8 |
| Clothing | 1.3 | 1.5 | 1.6 | 1.3 | 1.0 | 1.2 |
| Household Care | 2.4 | 2.6 | 1.9 | 2.6 | 2.2 | 2.2 |
| Automotive | 10.5 | 10.0 | 8.6 | 3.1 | 4.9 | 5.9 |
| Housing | 1.6 | 1.8 | 1.2 | 1.8 | 1.7 | 0.7 |
| Pharmaceuticals | 0.9 | 1.0 | 2.2 | 2.3 | 2.1 | 3.0 |
| Travel & Tours | 7.7 | 3.7 | 2.6 | 0.7 | 0.5 | 1.1 |
| Others | 8.5 | 6.2 | 4.5 | 4.4 | 5.6 | 5.6 |

GLOSSARY

| Platform | Description | Sample Media Owners & Ad Formats |
|----------------|--|---|
| Display | Also known as banner ads, appears in a typically define by width and height (WxH) format and either static, animated or rich media format. | Standard / rich media banners, dynamic banners, mobile interstitial, site takeovers bought via direct premium publishers, ad networks (e.g. Innity, Amobee, GDN or programmatic platforms (e.g. DV360, The Trade Desk etc.). |
| Video | Video ads are ads that are showed before (pre-roll), during (mid-roll) or after (post-roll); can be in-stream or out-stream. | Pre / mid / post-roll in-stream video ad, out-stream video ads (in-read, in-banner) bought via direct premium publishers, ad networks or programmatic platforms (e.g. YouTube, TonTon, Viu, Unruly, DV360, Adobe etc.). |
| Audio | Description: Audio ads are ads in audio form appearing in between live, on-demand or podcast content. Ads can be inserted pre, mid or post roll during stream. | Pre / mid / post-roll in-stream audio ad, sponsorship packages bought via direct premium publishers or programmatic platforms (e.g. JOOX, Spotify, Programmatic Radio, AdWizz etc).. |
| Social | Description: Paid ads on social platforms (includes display, video, boosted etc.) | Any format buys (e.g. display, video, stories, messenger ads) on Facebook, Instagram, Twitter, LinkedIn, WeChat, LINE etc. Also includes paying for posting on other people (e.g. blogger, influencer) / brands / media social pages (e.g. social seeding, branded post etc.). * Not including organic postings or social media content development or management fees |
| Native | Ads that follows the natural form and function of where it is place. Mostly appears as a sponsored content, in-image or content recommendation. | Sponsored editorial write-up / articles on online publishers' sites (e.g. SAYS, PenMerah, Lowyat.net etc.) or sponsored content as paid media strategies that fit the form & function of the surrounding editorial content on a website. It could also be content dissemination/ recommendation ad with networks such as Outbrain, Taboola, FreakOut etc. |
| Search | Paid search ads that appears on search engine result pages (SERPs). | Paid search ads on Google, Bing, Yahoo!, Baidu |
| Others | Other digital expenditure that does not fall into the above categories can be lump to others. | Any other forms of digital advertising such as email, forum seeding, affiliate marketing etc. |