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MALAYSIAN DIGITAL ADEX REPORT FOR Q1, 2023

BACKGROUND

In early 2019, Media Specialists Association (MSA) of Malaysia in collaboration with Malaysian Digital Association and Malaysian Advertisers Association embarked on an initiative to provide an accurate view of the the state of Digital Adex in MaFlaysia. 21 media agencies were involved in providing the Digital Adex for FY2017 and each subsequent year up 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 auditor Messr Ahmad Abdullah and Goh who in turn aggregated the numbers to provide a consolidated view of the total Digital Adex in Malaysia.

OVERALL DIGITAL ADEX GROWTH

The reported Digital Adex grew by 4.7% to RM 343mil in Q1 2023 vs. RM 328mil in Q1 2022.

	Q1 2022 *(RM)*	**Q1 2023** *(RM)*
Reported Digital Adex	328,162,107.20	343,495,977.72
Direct Advertisers/Long Tail	218,774,738.13	228,997,318.48
Total MY Digital Adex	546,936,845.33	572,493,296.20
% Growth in Spends		***4.7%***

DIGITAL ADEX SHARE BY FORMAT

The top 3 formats accounted for 84.2% of the overall reported Digital Adex in Q1 2023, where Social held the highest share, followed by Video and Display. Social and Video are driven by *Food Outlets & Restaurants* sub-category, while Display is mainly by *Banks*. Overall, the spending across formats is similar compared to Q1 2022.

Period / **Format**	**Q1 2022**	**Q1 2023**
Social	39%	42%
Video	30%	25%
Display	17%	17%
Search	8%	8%
Native	5%	6%
Others	2%	2%
Audio	0.15%	0.13%

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DIGITAL ADEX SHARE BY INDUSTRY

The *Food & Beverage* category has claimed the highest spot as the top digital spending category in Q1 2023 with 21.3%, followed closely by *Shops* with 19.8%. However, the highest growth percentage was shown in the *Automotive* category, with a 2.9% increase compared to Q1 2022.

Category	Q1 2022 (%)	Q1 2023 (%)
Food & Beverage	19.1%	21.3%
Shops	19.1%	19.8%
Tech & Electronics	20.1%	17.7%
Personal Care	13.3%	14.7%
Finance & Banking	7.7%	8.3%
Automotive	4.3%	7.2%
Others	8.0%	3.6%
Pharmaceuticals	1.6%	1.8%
Household Care	2.3%	1.6%
Housing	0.9%	1.3%
Clothing	1.2%	1.3%
Travel & Tours	1.5%	1.1%
Education	0.6%	0.3%
Health & Wellness	0.2%	0.02%

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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.