

MALAYSIAN DIGITAL ADEX REPORT FOR Q2, 2022

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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, FY2018, FY2019, FY2020 and FY2021. 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 in turn aggregated the numbers to provide a consolidated view of the total Digital Adex in Malaysia.

OVERALL DIGITAL ADEX GROWTH

Reported Digital Adex grew by 8% to RM 576mil in Q2 2022 vs Q2 2021 RM 534mil.

	Q2 2021 (RM)	Q2 2022 (RM)
Reported Digital Adex	320,613,737.25	345,946,590.20
Direct Advertisers/Long Tail	213,742,491.50	230,631,060.13
Total MY Digital Adex	534,356,228.75	576,577,650.33
% Growth in Spends		8%

DIGITAL ADEX SHARE BY FORMAT

We see a 6% increase in ad spend on *Social* and a 1% increase on *Native* platforms. The growth in *Social* spend is mainly driven by from *Personal Care* category (*Skincare and Toiletries*), *Finance & Banking* (*Banks & Insurance*) and *Pharmaceuticals*. On the other hand, *Tech & Electronic* and *Shops* category is driving the % growth for the *Native* category.

Format \ Period	Q2 2021	Q2 2022
Social	36%	42%
Video	28%	26%
Display	20%	15%
Search	8%	8%
Native	5%	6%
Others	3%	3%
Audio	0.20%	0.08%

DIGITAL ADEX SHARE BY INDUSTRY

Tech & Electronics and *Food & Beverage* categories remain the top digital spending categories in Q2 2022. However, we see *Finance & Banking*, *Others (Media & Marketing)* and *Pharmaceuticals* category with the most significant % change.

Category	Q2 2021 (%)	Q2 2022 (%)
Food & Beverage	22.8%	21.2%
Tech & Electronics	19.5%	19.5%
Personal Care	17.1%	15.3%
Shops	15.1%	14.6%
Finance & Banking	6.7%	8.5%
Others	5.4%	6.7%
Automotive	4.0%	4.4%
Pharmaceuticals	2.2%	3.4%
Household Care	2.4%	2.9%
Clothing	1.4%	1.2%
Travel & Tours	0.4%	1.2%
Housing	2.5%	0.7%
Education	0.4%	0.2%
Health & Wellness	0.02%	0.1%

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.