



MALAYSIAN DIGITAL ADEX REPORT

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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 Malaysia. 21 media agencies were involved in providing the Digital Adex for FY 2017, FY2018 and quarterly in 2019. 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 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 5% to RM233Mil in Q3 2020 vs Q3 2019. However, comparing with Q2 2020, Q3 Digital Adex jumped to 26% and it corroborates with Malaysia getting out of the complete lockdown and people going out of the houses

| Time Period | Q3 2019 RM | Q3 2020 RM |
|--------------------------|---------------|---------------|
| Reported Digital Adex | 222,161,260 | 232,774,430 |
| Direct clients/long tail | 148,107,506 | 155,182,953 |
| Total MY Digital Adex | 370,268,766 | 387,957,383 |
| Growth in Spends | | 5% |

(Source:MSA)

GROWTH BY PLATFORM

Video and Social continues to grow while Display seeing decline Quarter to Quarter. MSA believes due to Covid19 and lockdown brand spends shifted to digital video as part of multiscreen planning to build additional reach while Social attracted the highest Adex contributed largely by 'Finance and Banking' and 'Food and Drinks' category. The combined platform of Display, Video, Social and Search account for 93.28% of total Digital Adex in Q3' 2020



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| Time Period | Q3 2020 | Q3 2019 |
|-------------|---------|---------|
| Platforms | % | % |
| Display | 19.90 | 26.7 |
| Video | 31.67 | 27.8 |
| Audio | 0.23 | 0.5 |
| Social | 33.62 | 27.4 |
| Native | 2.31 | 5.7 |
| Search | 8.09 | 9.9 |
| Others | 4.06 | 2.0 |

'Food and Beverage', 'Personal Care' categories are the biggest contributor to the growth in Q3 2020 over Q3 2019 while 'Finance', 'Automotive' and 'Travel & Tours' saw huge decline in the Reported Digital Adex.

| Category | Q3 2019 % | Q3 2020 % |
|--------------------|-----------|-----------|
| Finance & Banking | 8.39 | 6.99 |
| Tech & Electronics | 20.41 | 20.48 |
| Food & Beverage | 22.10 | 27.59 |
| Shops | 13.99 | 12.3 |
| Education | 0.37 | 0.64 |
| Personal Care | 14.26 | 15.89 |
| Clothing | 1.37 | 0.92 |
| Household Care | 2.20 | 2.05 |
| Automotive | 8.93 | 4.95 |
| Housing | 0.66 | 1.78 |
| Pharmaceuticals | 2.32 | 2.34 |
| Travel & Tours | 1.74 | 0.49 |
| Others | 3.25 | 3.72 |



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. |