MALAYSIAN DIGITAL ADEX REPORT FY2025

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. 21 media agencies were involved in providing the Digital Adex for FY2017 to FY2025. MSA estimates that the 21 agencies account for approximately 60% of the total Digital Adex in the country. This is reflected in Reported Digital Adex in the table below. 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

Malaysia's Digital Adex delivered its strongest expansion since 2021, growing 24.8% to RM1.776 billion in 2025 from RM1.422 billion in 2024. MSA estimates Total Malaysia Digital Adex at RM2.959 billion after accounting for direct advertisers and long-tail spend. The sharp uplift was not simply a return to spending, but a clear re-acceleration after a cautious 2024, driven by stronger advertiser confidence, healthier consumer demand, and a decisive shift towards measurable, platform-native digital formats.

This rebound followed a flat 2024 (-0.2%), when brands were more selective with investment amid softer sentiment and tighter budget scrutiny. In 2025, the recovery was broader and more deliberate: advertisers reactivated campaigns, increased digital allocations around key retail and festive periods, and leaned into channels that could deliver both reach and performance accountability. The result was growth that was materially above the single-digit rates recorded in 2023 and 2024.

RM in millions	2019	2020	2021	2022	2023	2024	2025
Reported Digital Adex	937.83	939.87	1,357.54	1,381.97	1,425.16	1,422.43	**1,775.64**
Direct Advertisers/Long Tail	625.22	626.58	905.03	921.31	950.11	948.29	**1,183.76**
Total MY Digital Adex	1,563.05	1,566.45	2,262.57	2,303.28	2,375.27	2,370.71	**2,959.40**
% Growth in Spends	**8.0%**	**0.2%**	**44.5%**	**1.8%**	**3.1%**	**-0.2%**	**24.8%**

The quarterly progression shows how the recovery gathered pace. Q1 grew modestly as advertisers resumed activity after a cautious 2024, while Q2 accelerated as brands rebuilt campaign momentum and increased investment ahead of mid-year retail, travel and consumption windows. Q3 was the clear peak, contributing 30.1% of FY2025 spend, reflecting heavier campaign concentration, stronger consumer activity and higher competitive intensity across major categories. Q4 remained well above the prior year but moderated from Q3, suggesting that some spend had been pulled forward earlier in the year and that advertisers became more selective after the peak investment period.

Quarter	2024 (RM mil)	2025 (RM mil)	YoY Growth	Share of FY2025
Q1	323.04	343.72	+6.4%	19.4%
Q2	325.39	397.20	+22.1%	22.4%
Q3	351.45	534.69	+52.1%	30.1%
Q4	422.55	500.03	+18.3%	28.2%
FY	**1,422.43**	**1,775.64**	**+24.8%**	**100.0%**

The advertising recovery was supported by a favourable macroeconomic backdrop. Malaysia's economy expanded 5.2% in 2025, underpinned by resilient private consumption, services growth, stronger electrical and electronics activity and continued tourism recovery. Softer inflation, a firmer labour market and the OPR cut in July helped support household spending and business sentiment. These conditions gave advertisers more confidence to invest, particularly in categories tied to consumption, travel, retail and technology. The stronger Q4 GDP print further reinforced the resilience of domestic demand, although digital spend growth had already peaked in Q3.

DIGITAL ADEX SHARE BY PLATFORM

In 2025, the top three platforms accounted for 83.8% of total Digital Adex, but the mix continued to shift meaningfully. Social strengthened its lead, rising 3.5 percentage points to 46.3%, its highest share on record. The increase reflects advertisers' growing preference for formats that combine reach, engagement, creator-led influence and commerce conversion within the same environment. Short-form video, influencer partnerships, live and social commerce, and algorithm-led discovery made Social the most effective channel for both brand relevance and measurable outcomes. Video remained the second-largest platform but declined by 2.0 percentage points to 23.8%, suggesting that standalone video budgets were increasingly absorbed into social video ecosystems or redistributed towards more performance-led placements. Display eased by 1.0 percentage point to 13.7%, continuing its structural decline as broad-reach banner-led formats face pressure from richer, more interactive and more accountable formats. Search fell to 6.0% from 7.1%, likely reflecting the rise of social discovery and platform-native search behaviour, while Others rose to 3.9% as advertisers tested more specialised digital formats and emerging inventory pools.

Platform / Years	2019	2020	2021	2022	2023	2024	2025
	%	%	%	%	%	%	%
Display	27.1	20.3	19.0	16.6	16.1	14.7	13.7
Video	25.9	28.7	27.5	26.3	26.5	25.8	23.8
Audio	0.1	0.3	0.2	0.1	0.2	0.2	0.1
Social	26.8	33.2	36.6	40.8	41.6	42.8	**46.3**
Native	5.2	3.3	4.2	5.7	5.7	6.4	6.3
Search	9.3	9.1	8.3	8.1	7.5	7.1	6.0
Others	2.4	5.1	4.3	2.4	2.4	2.9	3.9

The platform movement points to a deeper behavioural shift. Social has gained share every year since 2019, when it stood at 26.8%, while Display has more than halved from 27.1% over the same period. The rise of Social is being driven by mobile-first usage, short-form entertainment, creator credibility and commerce integration, all of which allow brands to move consumers from awareness to consideration and purchase more quickly. By contrast, the decline in Display and the softer share of Video reflect the pressure on formats that are bought primarily for reach or views, unless they are integrated into content, commerce or performance ecosystems.

DIGITAL ADEX SHARE BY INDUSTRY

Food & Beverage, Tech & Electronics and Personal Care together accounted for 55.7% of reported Digital Adex in 2025, showing that spend remained concentrated in high-frequency consumer categories and technology-led demand. Food & Beverage retained the top position at 19.8%, supported by sustained consumer demand, promotional intensity and the need for brands to remain visible across daily consumption occasions. Tech & Electronics rose to 19.6%, the largest gain among the top three, reflecting stronger device, electronics and digital lifestyle demand, as well as the broader uplift in Malaysia's E&E and technology environment. Personal Care remained a major spending category at 16.3%, although its slight easing suggests a more competitive and mature category where brands may have shifted emphasis from broad awareness towards more targeted conversion and creator-led activity.

Travel & Tours recorded the most significant rise for a second consecutive year, increasing to 6.7% from 5.5% in 2024 and more than four times its 2023 share. This reflects the continued normalisation of travel behaviour, stronger tourism momentum and increased competition among airlines, hotels, destinations and experience-led brands. Shops recovered to 9.7% after a sharp correction in 2024, indicating renewed retail and marketplace activity, although still below the peaks seen during the pandemic and immediate post-pandemic e-commerce surge. Housing rose to 2.2%, likely supported by stronger property marketing activity and construction-linked momentum. On the downside, Automotive eased to 7.1% from 9.4%, suggesting a cooling from the prior year's elevated launch and promotion cycle, while Pharmaceuticals declined to 1.4% as health-related urgency normalised and category spend became more selective after stronger pandemic-era and post-pandemic activity.

Industry / Years	2019	2020	2021	2022	2023	2024	2025
	%	%	%	%	%	%	%
Finance & Banking	8.7	6.9	6.8	8.9	8.2	8.3	7.7
Tech & Electronics	20.8	20.1	21.9	19.0	16.3	18.6	19.6
Food & Beverage	18.8	24.5	21.8	20.9	20.1	19.3	19.8
Shops	14.3	14.8	16.9	17.3	16.7	8.9	9.7
Education	0.5	0.7	0.5	0.4	0.4	0.8	0.6
Personal Care	14.3	13.8	14.3	13.8	16.4	16.7	16.3
Clothing	1.6	1.3	1.0	1.2	1.7	1.7	1.4
Household Care	1.9	2.6	2.2	2.2	1.7	1.9	2.1
Automotive	8.6	3.1	4.9	5.9	8.6	9.4	7.1
Housing	1.2	1.8	1.7	0.7	1.4	1.7	2.2
Pharmaceuticals	2.2	2.3	2.1	3.0	2.1	2.1	1.4
Travel & Tours	2.6	0.7	0.5	1.1	1.4	5.5	6.7
Others	4.5	4.4	5.6	5.6	5.0	5.2	5.4

Note: Health & Wellness, Entertainment and Hardware collectively represented 0.01% of reported Digital Adex in 2025 and are included within Others to maintain comparability with prior years.

GLOSSARY

Platform	Description	Sample Media Owners & Ad Formats
Display	Also known as banner ads, appears in a typically defined 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	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	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 appear 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 lumped into others.	Any other forms of digital advertising such as email, forum seeding, affiliate marketing, etc.