

Digital Advertising in Malaysia - Challenges and Opportunities

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Despite the current global economic slowdown, most advertisers are not perturbed by the possibility of recession; instead they are increasing their digital ad spending across the globe, disbursing most of those capital into driving their digital growth, rather than tightening their budgets.

According to a report from eMarketer, worldwide digital spending in 2019 is forecasted to rise to roughly account for half of the global ad market; encompassing China, United States and United Kingdom where digital advertising has already become the dominant ad medium.

In South East Asia, investments going towards digital advertising may be lagging in some countries, however, in Malaysia, the country remains steadfast in exponential growth as more brand, media and agency marketers are beginning to plan and disburse their advertising budgets on board the digital turf.

So, it's no surprise digital advertising in Malaysia is thriving as advertisers begin to shift most of its ad spending away from traditional channels while exploring ways to strategically leverage on both old-style and new-style advertising.

Concurring with this acclimatization, Malaysia's current Minister of Communications and Multimedia, Gobind Singh Deo, said that the digital advertising expenditure (adex) had made a phenomenal surge last year while traditional avenues witnessed a slide.

However, the path to cross-channel migration is fraught with complex challenges, forecasting some shadows upon advertisers in 2019, where it won't be a reality for the majority to fully grasp the advantages offered.

Persistent Challenges to Bridge the Gap

In Malaysia, where a large number of players in the advertising industry are grappling with the transition from traditional to digital, brands and publishers are also in pursuit of digital advertising supremacy in a bid to dominate web and mobile on-screen advertising while navigating in an online environment troubled with ad scams and frauds.

Besides factoring in the cost and effectiveness to justify spending to promote their products or services, advertisers have to inculcate speed and productivity which is essential to get ahead of competitors to capture and remain being the lead in the market share, that could only be for a minimal period of time until the next campaign or marketing strategy.

That is why getting the best out of digital migration where advertisers and publishers can fully optimize their operations can remain elusive if they don't swiftly work out an efficient advertising module that cuts cost, improves production, reach and engage the right audience as well as eventually converting those leads into sales.

The digital advertising domain is not just about converting and presenting your info and illustration electronically, it's also about combining an effectual approach to achieve business

goals. In order to understand why this mix is required, we need to understand how digital ads are served online.

Delivery of Digital Ads

Most advertisers (brands) employ ad agencies to create ad campaigns and creatives. These ad campaign creatives are served from the *Demand-Side Platforms (DSPs)*.

Web publishers and media owners represent the Supply-Side Platforms (SSPs) where they sell and manage their advertising space inventory that is connected to advertising networks.

An Ad Exchange, representing a digital marketplace to buy and sell ads interfaces on the advertiser side (DSPs) with the publisher side (SSPs). The Ad Exchange is a big pool of ad impressions (inventories) sold by the publishers. The buyers (advertisers) then uses the DSP technology to automate buying decisions on ad impressions best suited for them.

Based on real-time auction and bidding, the price of each impression differs, which means the highest bidder gets the ad impression (inventory space) sold at the moment. The inventories sold include display, video, mobile and search ads.

Key Barriers to be Broken

1. *Traditional vs. Digital*

With this Ad Exchange platform, an automated self-serve system can be developed to replace all the manual buying and selling that previously could only be processed through interaction with publishers' sales teams, agencies or vendors.

Furthermore, when advertisers have to approach each publisher individually to buy ad inventories for the same campaign, it can be a tedious effort with exhaustive manpower to close a transaction.

This manual ad buying process isn't cost and time efficient, yet today, it is still normally practiced by the local ad community whenever brands and advertisers purchase ads.

2. *The Duopoly Competition*

Another hurdle that local digital ad industry needs to consider is the duopoly of Internet behemoths, Facebook and Google, dominating the online ad market that has given digital publishers a run for their money. The giant duopoly holds a huge amount of data on consumers yet advertisers don't have access to the vast data pools accumulated by the platforms.

This have given rise to diminish the monopoly they possess and demand greater transparency that will eventually create confidence among consumers. Advertisers would want to break free from the data imbalance, ensuring that their money is vested properly to reach the right customers.

To accommodate that need, it would entail the whole ecosystem (minus Facebook and Google) teaming up to collect data and making it easily accessible to others, creating a reliable data aggregator as the end result.

3. Ad Fraud Attacks

Ad fraud problems are also rocking the digital advertising industry in Malaysia as detecting and preventing ad fraud is no simple task. Appearing in many different forms, ad fraudsters are always evolving their methods which has given advertisers and publishers a never-ending turbulent time.

Like a cat and mouse game, the industry works hard to eradicate fraud while offenders are working harder to overcome the fight. They're not worried if they leave their footprints behind because there is no regulation on the books that makes ad fraud a crime. Since it isn't a punishable crime, it makes it even harder to deter them.

With reputations on the line, advertisers want to avoid burning through their budget, no matter what type of fraud is affecting their campaigns. However, it's not easy to protect their brand and ad investments at this juncture.

Silver Lining Within Dusky Clouds

To address the barriers mentioned above, what the local digital advertising industry now needs is a holistic digital approach to allay the main concerns troubling the ecosystem.

One solution that could pacify the effects would be to migrate over to a self-serve advertising platform. A smattering of advertisers and publishers have already begun the transition, seeing the benefits of a healthy advertising environment without hassles for all parties involved.

Collaborating with ad tech companies, publishers can monetize 100% of their advertising inventory as advertisers would gladly purchase the inventories because of the impressive benefits offered that could not be accessible via the manual process.

Adopting a self-serve platform enables advertisers to perform their purchases at the tips of their fingers. Coupled with transparency and control that was not privileged to them if they purchased manually, it's a new-found freedom not being bound to the whims of certain parties when placing ads. Here's a summary of their beneficial yields:

- 1. Direct access to campaigns** - Advertisers can directly access all their campaigns in real-time to track, edit and manage changes on the spot such as creative alterations, budget adjustments, site list & targeting optimizations.
- 2. Customized marketing strategy** - Advertisers can directly implement and customize attributes of their marketing strategy to suit their campaigns with the platform's data aggregator that delivers valuable and authentic feedback. Then they can target their audiences, approach new customers, select creatives to display or determine which websites their ads will show up.

3. **Reduced processing times** - Being in control of executing everything in-house while running an ad campaign will significantly decrease the amount of time taken to fulfil a request or complete a process and advertisers know that speed is critical to make or break a campaign's success.
4. **Increased productivity** - The simplification of a self-serving platform reduces complexity in marketing and design process, maximizing efficiency to generate better productivity and to focus more on strategic initiatives.
5. **Reduced operating cost** - Empowered with the ability to manage all digital advertising campaigns directly has helped advertisers be more cost-efficient, minimizing operating costs as everything is processed in-house, without being hampered by third-party expenses.
6. **Brand safety boost** - In a controlled and transparent environment, advertisers can be assured that their ads are properly displayed on their selected publishers' site without manipulation to gain fraudulent impressions or popping up at disreputable websites.

Getting On-Board Now

So, if you're an advertiser exploring ways to reduce cost, apply user-friendly system that has easy control and access with analysable results while expanding your income possibilities, it's time to consider a self-serve system.

For a holistic inventory management, check out [Advenue self-serve platform](#) that also detects, blocks and measures ad fraud, so you won't waste ad spending while getting the impressions that you want.

Alternatively, the [Malaysian Premium Publisher Marketplace](#) (MPPM) is renowned for its highly successful self-serve platform. Founded by a band of premium publishers in Malaysia, it provides an exclusive high-quality inventory to enable businesses of all sizes to self-serve the platform's various ad buy options with custom targeting, formats, and budgets.

As online advertising becomes more mature within its domain, its publishers, technologies and the size of its audience, it is rapidly attracting more advertising dollars. Therefore, the digital advertising industry is providing real opportunities for participants to rake in more advertising revenues, a boon within these spells of economic challenges.