



Digital Marketing: A Skyrocketing Industry

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What is Digital Marketing?

Digital marketing - a term first used in 1993 when the first clickable banner on the internet went live,¹ refers to the act of promoting and selling products and services by leveraging online marketing tactics such as social media, search, and email.² As global consumers shift their consumption habits online, traditional media and advertising are becoming obsolete. This makes digital marketing more essential than ever before.

Why is Digital Marketing Important?



As of January 2021, there were 4.66 billion active internet users worldwide, representing 59.5% of the global population.³

According to a survey conducted by the Department of Statistics Malaysia (DOSM) in 2020, 91.7% of Malaysians are regular internet users, significantly higher than the global average.⁴ Out of this figure, 98.7% spend at least one (1) hour online daily.⁵ This suggests that there is a massive amount of attention spent online. Attention is one of the most valuable resources of the digital age. The digital marketers' main focus is to capture consumers' attention.

Based on these developments, it is not surprising that the local digital marketing industry is growing. For example, according to JobStreet, hiring for the marketing and advertising sector in Malaysia has recovered from the pandemic, with an increase of 84% for marketing and 200% for digital marketing in the fourth quarter of 2020 (Q4 2020), compared to Q1 of the same year.⁶ There has also been positive growth in marketing hires within the retail, telecommunication and manufacturing sectors, proving that the valuation of marketing professionals, particularly those with digital skills, is on the rise.⁷

The data by DOSM further corroborates this, as 1.16 million employees or 7.7% of the Malaysian workforce work in the Digital sector in 2020. The digital economy makes up a staggering 22.6% of the Malaysian GDP in 2020, up from 18.5% in 2018.⁸

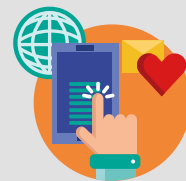
HIGHLIGHTS & TAKEAWAYS



2019

The year when digital ad spending in the United States exceeded traditional ad's for the first time.

Source: eMarketer



Social Network

Malaysian internet users' most popular activity online.⁵



8 seconds
Average attention span of a digital consumer in 2020.

Source: Microsoft



RM320 billion

Contribution of the Information and Communication Technology (ICT) sector to Malaysia's economy in 2020.⁸

How is Digital Marketing Different?

Gone are the days when companies would just print a poster or advertise on television and hope that customers will buy their products or services. These days, digital marketing is more advanced. With the assistance of technology such as data analytics, artificial intelligence and machine learning, advertisements are highly targeted and their performance is measurable. Companies from all industries are able to base their marketing decisions on customers' web/app browsing patterns or purchasing habits, minimising errors in judgement.

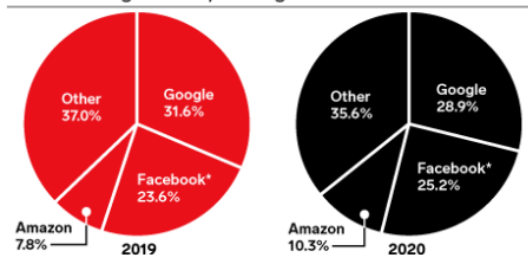
Digital Marketing Channels



Source: www.spiralytics.com

Top Players in the Digital Marketing Industry

US Triopoly Digital Ad Revenue Share, by Company, 2019 & 2020
% of total digital ad spending



Note: includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets, and other internet-connected devices, and includes all the various formats of advertising on those platforms; net ad revenues after companies pay traffic acquisition costs (TAC) to partner sites; *includes Instagram ad revenues
Source: eMarketer, March 2021

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The Google, Facebook and Amazon "triopoly" dominated the digital marketing industry in 2020, representing more than 60% of the ~USD\$300 billion market.¹⁰

The digital marketing industry was forecasted to grow at a 12.8% CAGR in 2020.¹¹

Digital Marketing Framework



Source: equinetacademy.com

1. Set campaign objectives and customer profiles, benchmark against competitors.
2. Select appropriate digital marketing channels and tactics.
3. Create and launch digital advertising campaigns via Google AdWords, Facebook Adverts, etc.
4. Collect and analyse metrics such as leads generated, conversion rates, sales etc.
5. Develop an optimisation plan including A/B split testing while reselecting digital advertising channels.

HIGHLIGHTS AND TAKEAWAYS



USD330 billion

Amount spent on digital marketing in 2020 globally.¹¹



12.8%

Digital marketing industry's forecasted CAGR in 2020.¹¹

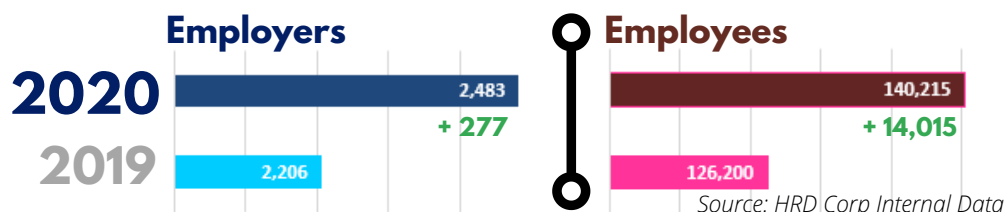
Top 5 Digital Marketing Skills

1. Video Production
2. Search Engine Optimisation (SEO)
3. Content Marketing
4. Data Analysis
5. Persuasion

Source: Digital Marketing Institute

HRD Corp Facilitates Malaysia's Digitalisation Agenda

As discussed, digital marketing is an increasingly important sector that is utilised by all industries to expand their reach. On a broader scale, the digital marketing sector is a subset of the much larger digital sector. According to the PSMB Act 2001, the digital sector includes Advertising, Computer Industry, Information Service, Private Broadcasting Service and Production of Motion Picture, Video & TV subsectors.



HRD Corp's internal data shows an increase in registered employers and employees within the digital sector from 2019 to 2020 as Malaysia pivots from a manufacturing to a service-based economy.

↑60% Training courses with 'digital marketing' in the title increased 60% from 2019 to 2020.

HRD Corp is committed to boosting human capital development in the digital sector by continually engaging with stakeholders. To that end, we have developed a wide range of schemes to assist employers in upskilling and reskilling their workers in the digital sector. Employers from the digital sector invested RM22.5 million in employees training in 2020. Furthermore, an additional RM31.2 million was disbursed to train 3,259 trainees through PENJANA Initiative's Industry Revolution 4.0 scheme*.

*HRD Corp information as of 9th April 2021

Conclusion

Digital marketing is a rapidly growing industry that touches every demographic and audience segment. It plays a vital role in powering Malaysia's vibrant digital economy. Being a fast-paced and dynamic field, digital marketing is an industry with the potential to attract an influx of next generation talents. Therefore, employers and training providers must be prepared to upskill and reskill employees in this area to maintain competitiveness in the market.

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HIGHLIGHTS AND TAKEAWAYS



RM22.5 million

Amount invested in employees training by digital sector employers.

Source: HRD Corp Internal Data

HRD Corp Digital Skills Related Initiatives

1. PENJANA INITIATIVE INDUSTRY REVOLUTION 4.0

Drives employers towards adopting a digital-based approach leading to productivity and sustainability.

2. INFORMATION TECHNOLOGY

Encourages employers to retrain their employees in the Information Technology field. Financial assistance is provided to purchase computer, webcam and internet connection.

3. COMPUTER-BASED TRAINING

Enables employers to purchase training software to retrain and upskill their workforce, especially for employers who are unable to release their employees to attend trainings outside company premises.

4. INDUSTRIAL SKILLS FRAMEWORK: DIGITAL TECHNOLOGY

Focused guidance in ensuring training courses offered by training providers are aligned with digital industry needs.

5. GERAK INSAN GEMILANG

Upskills Malaysians, especially youths, to generate income through a wide range of freelancing opportunities.