

LHAG Insights

Technology, Media & Telecommunications



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Clipping the Wings of Social Media Influencers

Now more than ever, digital content creation, digital marketing and social media have assimilated into our lifestyle. Between 2018 and 2020, the number of digital consumers has increased by approximately 60 million in Southeast Asia.¹

According to a study conducted in 2020, a combination of social media, short videos and messaging was found to be consumers' preferred source for discovering new brands and products.² In fact, 62% of consumers cited them as the top channels for discovery-led engagement, where consumers browse without looking for something specific.³

In Malaysia, there are 28 million users of social media as of January 2021.⁴ It is therefore no surprise that even before the pandemic, companies had opted to advertise their products and services on the social media channels of "influencers".

The term "influencer" is no longer colloquial. It is defined as person(s) or group(s) who are engaged and paid by advertisers (either in cash or other consideration) to advertise products or services on their own social media channels because of their social media influence on consumers.⁵

¹ Facebook and Bain & Company, 'Digital Consumers of Tomorrow, Here Today' (6 August 2020)

https://www.bain.com/globalassets/noindex/2020/facebook_and_bain_and_company_report_digital_consumers_of_tomorrow_here_today.pdf

² *Ibid*

³ *Ibid*

⁴ 'Malaysia has 28 million social media users as of January 2021, says Comms Ministry sec-gen' (*The Star Online*, 22 September 2021)

<https://www.thestar.com.my/news/nation/2021/09/22/malaysia-has-28-million-social-media-users-as-of-january-2021-says-comms-ministry-sec-gen>

⁵ Public Consultation Paper, Part B, para 1.1

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Proposal to revise the Content Code

The Content Code, first established by the Communications and Multimedia Content Forum of Malaysia (**CMCF**) in 2004, contains guidelines and procedures for governing standards and best practices for content dissemination within the communication and multimedia industry. The CMCF has recently proposed, in the form of a public consultation paper, for the Content Code to be reviewed and revised.

This proposal has an impact on “influencers” as the CMCF proposes to extend the Content Code to all advertisements communicated networked medium, including “influencers”, in the following manner:

(a) Advertisements on Medical Products, Treatments and Facilities⁶

Advertisements relating to medical matters including slimming product and services are prohibited without the approval of the Medicine Advertisements Board, Ministry of Health Malaysia.

(b) Cosmetic products⁷

Advertisements relating to cosmetic products shall comply with the Guidelines for Control Cosmetic Products in Malaysia and the Guideline for Cosmetic Advertisement, as published by the National Pharmaceutical Regulatory Agency, Ministry of Health Malaysia.

(c) Disclosure requirements⁸

Advertisements or marketing communications, including those on social media platforms, shall be clearly disclosed. Disclosures must be placed with the endorsement content and shall not be vague or confusing, i.e. “*sp*”, “*spn*”, or “*collab*”. Further, if the endorsement is made in the form of a video, the disclosure should be in the video and not just integrated as part of the description of the video.

⁶ Content Code Revamp 2021 Draft, Part 3, para 8.1

⁷ Content Code Revamp 2021 Draft, Part 3, para 8.6

⁸ Content Code Revamp 2021 Draft, Part 3, para 6.3

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Conclusion

Based on the current trends of digital consumers, it is only likely digital content creation, digital marketing and social media will continue to grow. Hence, we welcome the proposal as it would mark a positive development in addressing new content-related trends which would in turn ensure the industry remains transparent and competitive.

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