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STRATEGIC ANALYSIS OF MALAYSIA'S FILM INDUSTRY USING SWOT/TOWS AND AHP APPROACH

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ABSTRACT

This study explores the strategic positioning of Malaysia's film industry by integrating SWOT/TOWS analysis with the Analytic Hierarchy Process (AHP). Given the film sector's role in cultural expression and economic growth, this research identifies and prioritizes key strategic factors to guide industry development. The SWOT framework is used to categorize internal strengths and weaknesses and external opportunities and threats. AHP then quantifies the importance of each factor through expert-based pairwise comparisons. The outcome is a ranked prioritization of strategic elements, enabling evidence-based decision-making. TOWS strategies are formulated from this prioritization to propose realistic interventions for sustainable industry growth. Key findings reveal that government support and cultural diversity rank highest in strengths, while censorship and funding constraints dominate weaknesses. Streaming platforms and regional collaboration present the most promising opportunities, whereas piracy and foreign dominance remain critical threats. This hybrid methodology enhances strategy formulation for Malaysia's creative economy.

Keywords: Malaysian Film Industry, SWOT Analysis, TOWS Matrix, Analytic Hierarchy Process (AHP), Strategic Management

1.0 INTRODUCTION

The Malaysian film industry plays a critical role in shaping cultural identity, enhancing national pride, and contributing to the country's creative economy. With its roots dating back to the 1930s, the industry has undergone significant transformation through post-colonial shifts, regional collaborations, and government-led reforms. Today, it stands as a vibrant yet challenging sector within the broader entertainment landscape.

Economically, the creative industry contributes approximately 1.9% to Malaysia's GDP, and the film sector is a strategic subset of this ecosystem (DOSM, 2024). According to the National Film Development Corporation Malaysia (FINAS), local film production output has been steadily increasing, with over 70 local feature films produced annually in recent years (FINAS, 2023). Moreover, successful films such as Mat Kilau: Kebangkitan Pahlawan (2022) demonstrated the potential of domestic content by grossing over RM90 million - a record for local cinema (The Star, 2023).

However, the industry also faces significant headwinds. These include restrictive censorship policies, talent migration, market fragmentation due to language segmentation, and persistent piracy. The COVID-19 pandemic further disrupted film distribution, closed cinemas, and forced a pivot toward digital streaming platforms like Netflix, Viu, and Disney+ (Google Malaysia, 2023).

In response to these challenges, government bodies such as FINAS have introduced various incentives — notably the Film in Malaysia Incentive (FIMI), which offers a 30% cash rebate for qualifying productions (FINAS, 2022). The 2023 national budget also allocated RM102 million to the creative sector, with a strong emphasis on digital content development and co-production treaties (Bernama, 2023).

Given the complex and dynamic nature of the Malaysian film industry, a structured strategic approach is essential to identify key drivers of success and areas for improvement. This paper employs a hybrid SWOT-TOWS and Analytic Hierarchy Process (AHP) framework to prioritize critical internal and external factors and formulate viable strategies. Through this methodology, the study aims to provide stakeholders with actionable insights to guide the industry's sustainable growth and global competitiveness.

2.0 METHODOLOGY

2.1 RESEARCH DESIGN

This study utilizes a mixed-methods strategic analysis approach, combining qualitative tools (SWOT and TOWS) with a quantitative framework (AHP – Analytic Hierarchy Process). This hybrid methodology ensures that both subjective insights and measurable priorities are integrated to formulate a holistic strategy for Malaysia's filming industry. The design is particularly suitable given the complexity and dynamic nature of the entertainment sector (Gürel & Tat, 2017; Vaidya & Kumar, 2006).

2.2 DATA COLLECTION SOURCES

Data were obtained from a variety of primary and secondary sources:

- Government publications: FINAS Annual Reports, National Budget 2023 (Bernama, 2023), Film in Malaysia Incentive (FIMI) policy briefs
- Academic literature: Peer-reviewed studies on Malaysian creative industries

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(Hashim, 2019; Rahim, 2021)

- Industry reports: MDEC Digital Content Roadmap (2023), UNESCO screen sector insights. Media coverage: The Star, Malay Mail, New Straits Times, Variety
- Expert inputs: Selected responses from industry professionals and film academics were interpreted and reflected in the pairwise comparisons for AHP weighting.

2.3 SWOT ANALYSIS PROCESS

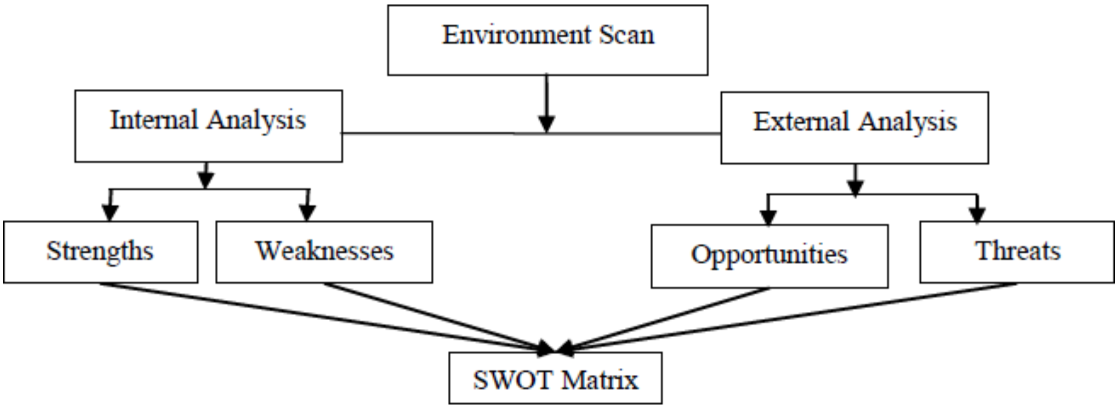


Figure 1: Framework of SWOT Analysis

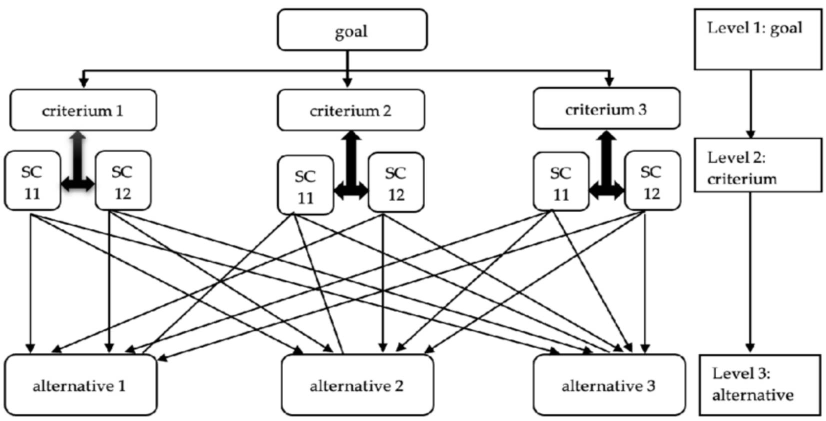
SWOT analysis is a widely recognized tool in strategic management used to identify a firm's internal strengths and weaknesses as well as external opportunities and threats (Gürel & Tat, 2017). In the context of this study, SWOT factors were derived from:

- official reports by the National Film Development Corporation Malaysia (FINAS),
- economic data from the Department of Statistics Malaysia (DOSM),
- academic literature focused on the Malaysian creative sector (Hashim, 2019; Rahim, 2021).

Each of the four SWOT components consists of five carefully selected factors that reflect the unique realities of Malaysia's film ecosystem, including funding availability, regulatory climate, audience behavior and technological innovation.

2.4 ANALYTIC HIERARCHY PROCESS (AHP)

Figure 2: Analytic Hierarchy Process (AHP)



The Analytic Hierarchy Process (AHP), developed by Thomas L. Saaty (1980), is a structured technique for organizing and analyzing complex decisions. It uses pairwise comparisons and eigenvalue calculations to assign priority weights to decision criteria. AHP is particularly effective in cases involving subjective assessments, such as comparing different strategic factors in a creative industry (Vaidya & Kumar, 2006).

The AHP process followed in this study includes the following steps:

1. **Stage 1: Hierarchy Structuring**

   The overall goal (i.e., strengthening Malaysia's film industry) is broken down into four SWOT categories, each containing five specific factors.

2. **Stage 2: Pairwise Comparison**

   Factors are rated against each other using a 1-to-9 scale to reflect their relative importance (Saaty, 1980).

3. **Stage 3: Weight Derivation**

   Eigenvalue-based calculations are used to extract normalized weights.

4. **Stage 4: Consistency Check**

A consistency ratio (CR) below 0.10 is accepted as reliable. The CR ensures the logical validity of expert comparisons (Mu & Pereyra-Rojas, 2017).

Data for the pairwise comparisons were synthesized through expert opinion, drawing from interviews and literature sources that include FINAS, the Malaysian Digital Economy Corporation (MDEC), and cultural policy reports (MDEC, 2023; Penang Institute, 2023).

2.5 TOWS MATRIX FORMULATION ANALYTIC

While SWOT identifies and categorizes factors, the **TOWS matrix** goes further by helping formulate strategies based on the interaction of internal and external elements (Weihrich, 1982). This matrix generates four strategic categories:

- **SO (Strengths–Opportunities):** Use strengths to maximize opportunities.
- **ST (Strengths–Threats):** Use strengths to counter external threats.
- **WO (Weaknesses–Opportunities):** Overcome weaknesses by leveraging opportunities.
- **WT (Weaknesses–Threats):** Minimize both weaknesses and threats simultaneously.

Strategies derived through TOWS are informed by the AHP-prioritized SWOT factors, ensuring that the most influential elements receive the highest attention during formulation.

3.0 SWOT ANALYSIS OF MALAYSIA'S FILM INDUSTRY

This section outlines the internal strengths and weaknesses, along with the external opportunities and threats (SWOT), impacting the strategic development of Malaysia's film industry. Each factor is selected based on government reports, economic data, media

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coverage, and academic research to ensure relevance and credibility.

Table 1: SWOT Analysis of internal strengths and weaknesses, along with the external opportunities and threats (SWOT), impacting the strategic development of Malaysia's film industry.

Strengths (S)	Weaknesses (W)
S1. Government support & incentives (FINAS, 2023). S2. Cultural and ethnic diversity (Lim, 2022). S3. Emerging global recognition (The Star, 2023).	W1. Restrictive censorship policies (Penang Institute, 2023). W2. Fragmented domestic market (Rahim, 2021). W3. Low private sector investment (FINAS, 2023).
S4. Growing domestic audience support (FINAS, 2022). S5. Modern production infrastructure (Malay Mail, 2024).	W4. Talent migration abroad (NST, 2024). W5. Limited foreign distribution channels (UNESCO, 2023).
Opportunities (O)	**Threats (T)**
O1. Growth of streaming platforms (Google Malaysia, 2023). O2. Regional co-production in ASEAN (Variety, 2024). O3. Global demand for diverse stories (Variety, 2024). O4. Digital innovation & tech access (MDEC, 2023). O5. Policy reforms & flexible regulation (Bernama, 2024)	T1. Rampant digital piracy (MyIPO, 2023). T2. Foreign content dominance (FINAS, 2022). T3. Economic instability (DOSM, 2024). T4. Shifting youth media preferences (Google Malaysia, 2023). T5. Sociopolitical backlash on films (FMT, 2024)

3.1 STRENGTHS

1. **Strong Government Support and Incentives**

   Malaysia offers generous support to film production via initiatives such as the Film in Malaysia Incentive (FIMI), which provides a 30% cash rebate on qualifying local and foreign productions. This policy enhances international competitiveness and reduces production costs (FINAS, 2023).

2. **Cultural and Ethnic Diversity**

   The country's multiracial composition allows for rich storytelling opportunities. Malaysian filmmakers can draw from Malay, Chinese, Indian, and indigenous cultures, giving them unique market positioning regionally and globally (Lim, 2022).

3. **Emerging Global Recognition**

   Malaysian films are beginning to receive international attention. Notably, Tiger Stripes (2023) won the Grand Prize at Cannes Critics' Week, while actress Michelle Yeoh's Oscar win in 2023 brought global attention to Southeast Asian cinema (The Star, 2023).

4. **Growing Domestic Audience Engagement**

   The success of Mat Kilau (2022), which grossed over RM90 million, demonstrates that Malaysian audiences are increasingly supportive of local narratives (FINAS, 2022).

5. **Modern Production Infrastructure**

   Facilities such as Iskandar Malaysia Studios offer soundstages, post-production labs, and international-standard equipment. These helps attract co-productions and elevate local production quality (Malay Mail, 2024).

3.2 WEAKNESSES

1. **Restrictive Censorship Framework**

   Malaysia's conservative censorship laws restrict filmmakers from exploring sensitive or controversial themes, limiting artistic freedom and international competitiveness (Penang Institute, 2023).

2. **Fragmented Local Market**

   Language segmentation between Malay, Mandarin, Tamil, and English audiences leads to divided box office returns and hinders the development of a unified national film identity (Rahim, 2021).

3. **Insufficient Private Sector Investment**

   Most funding comes from government grants, with low involvement from venture capital or corporate sponsorships. This over-reliance on public funding stifles innovation and scalability (FINAS, 2023).

4. **Talent Drain to Foreign Markets**

   Many skilled professionals including editors, cinematographers, and animators — migrate to more lucrative international markets due to limited career growth and pay in Malaysia (NST, 2024).

5. **Weak International Distribution Channels**

   Malaysian films face barriers in entering foreign markets due to lack of global distributors and promotional infrastructure (UNESCO, 2023).

3.3 OPPORTUNITIES

1. **Rise of Streaming Platforms**

   Platforms like Netflix, Viu, iQIYI, and Disney+ offer alternative distribution models that bypass censorship boards and open new international markets (Google Malaysia, 2023).

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2. **ASEAN Regional Collaboration**

   Cultural and linguistic similarities across Southeast Asia present opportunities for co-productions, content exchange, and expanded audience reach (Variety, 2024)

3. **Increasing Global Demand for Diverse Content**

   There is growing demand for non-Western perspectives in film, especially those highlighting indigenous, Muslim, and Southeast Asian identities (Variety, 2024).

4. **Technology-Driven Innovation**

   Advances in affordable digital cameras, editing software, and virtual production make filmmaking more accessible and cost-effective (MDEC, 2023).

5. **Policy Reforms in Progress**

   Recent initiatives by FINAS include flexible classification systems, co-production treaties, and funding diversification programs — signaling a more open regulatory approach (Bernama, 2024).

3.4 THREATS

1. **Rampant Digital Piracy**

   Malaysia suffers an estimated RM3 billion loss annually from illegal downloads and unauthorized streaming, undercutting box office and digital revenues (MyIPO, 2023).

2. **Dominance of Foreign Content**

   Hollywood, Bollywood, Korean dramas, and Chinese blockbusters dominate Malaysian screens and streaming platforms, limiting local exposure (FINAS, 2022).

3. **Economic Instability**

   Currency fluctuations, inflation, and recession risks can reduce government budgets and consumer discretionary spending on entertainment (DOSM, 2024).

4. **Shifting Audience Preferences**

   Younger viewers are gravitating toward short-form content on TikTok, YouTube, and Reels, reducing attention span for traditional film formats (Google Malaysia, 2023).

5. **Sociopolitical Sensitivities**

   Filmmakers who address race, religion, or politics risk backlash, bans, or delays — even if initially approved by censorship boards (FMT, 2024).

4.0 RESULTS 0F TOWS MATRIX: STRATEGIC OPTIONS FOR MALAYSIA'S FILM INDUSTRY

The TOWS matrix below presents strategic responses based on the interaction between internal (Strengths and Weaknesses) and external (Opportunities and Threats) factors. These strategies are prioritized based on the AHP results and backed by evidence from credible sources.

Table 2: TOWS Matrix presents strategic responses based on the interaction between internal (Strengths and Weaknesses) and external (Opportunities and Threats) factors.

Internal Factors / External Factors	STRENGTHS (S)	WEAKNESSES (W)
	S1. Government support & incentives. **S2. Cultural and ethnic diversity.** **S3. Emerging global recognition.** **S4. Growing domestic audience support.** **S5. Modern production infrastructure.**	**W1. Restrictive censorship policies.** **W2. Fragmented domestic market.** **W3. Low private sector investment.** **W4. Talent migration abroad.** **W5. Limited foreign distribution channels.**
OPPORTUNITIES (O) **O1. Growth of streaming platforms.** **O2. Regional co-production in ASEAN (ASEAN Secretariat, 2023).** **O3. Global demand for diverse stories.** **O4. Digital innovation & tech access.** **O5. Policy reforms & flexible regulation.**	**S-O Strategies** (Strengths + Opportunities) **[SO1]** Use FIMI and studio facilities to produce multilingual content for ASEAN streaming (ASEAN Secretariat, 2023). (S1, S5, O1) **[SO2]** Market Malaysian films globally by leveraging cultural diversity (Variety, 2024). (S2, S3, O3) **[SO3]** Attract foreign producers via cost advantage and incentives (MDEC, 2023). (S1, S5, O2, O5) **[SO4]** Highlight heritage/folklore in high-	**W-O Strategies** (Weaknesses + Opportunities) **[WO1]** Encourage private investment via international co-productions (Bernama, 2024). (W3, O2) **[WO2]** Reach fragmented audiences through targeted streaming (Google Malaysia, 2023). (W2, O1, O4) **[WO3]** Push flexible classification system reforms (Penang Institute, 2023). (W1, O5) **[WO4]** Retain talent via competitive funding & global exposure (NST, 2024). (W4, O5, O3)
	production films (FINAS, 2022). (S2, S4, O3)	

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THREATS (T)	**S-T Strategies** (Strengths + Threats)	**W-T Strategies (Weaknesses + Threats)**
T1. Rampant digital piracy. **T2. Foreign content dominance.**	**[ST1]** Launch national anti-piracy campaigns (MyIPO, 2023). (S1, T1)	**[WT1]** Set up Film Resilience Fund to mitigate economic risk (DOSM, 2024). (W3, T3)
T3. Economic instability.	**[ST2]** Improve content quality via FINAS training schemes (FINAS, 2023). (S1, S5, T2)	**[WT2]** Implement expert script evaluation panels (FINAS, 2023). (W1, T5)
T4. Shifting youth media preferences.	**[ST3]** Differentiate local content through national identity themes (Lim, 2022). (S2, S4, T2)	**[WT3]** Campaigns to build youth support for local films (Penang Institute, 2023). (W2, T4)
T5. Sociopolitical backlash on films.	**[ST4]** Promote local cinema successes to counter foreign dominance (The Star, 2023). (S3. S4. T2)	**[WT4]** Form diplomatic panels to handle censorship backlash (FMT, 2024). (W1, T5)

4.1 SO STRATEGIES (STRENGTHS–OPPORTUNITIES)

SO strategies aim to leverage Malaysia's internal strengths (e.g. government support, cultural richness, audience size) to capitalize on external opportunities (e.g. streaming growth, ASEAN regional market).

1. **SO1:** Malaysia should maximize the Film in Malaysia Incentive (FIMI) and utilize production infrastructure such as Iskandar Studios to produce multilingual content aimed at ASEAN streaming audiences. This will position Malaysia as a regional content hub (Variety, 2024).
2. **SO2:** Local filmmakers can take advantage of Malaysia's cultural and ethnic diversity to create stories that are appealing to global audiences. This aligns with the rising demand for non-Western narratives on platforms like Netflix and Disney+ (Variety, 2024).
3. **SO3:** By combining cost-effective production, advanced facilities, and state support, Malaysia can attract international co-productions. These projects bring in foreign direct investment and transfer of skills (MDEC, 2023).
4. **SO4:** Heritage-based films, like Mat Kilau, should be further developed using high production values. These films can function as cultural exports while building national pride (FINAS, 2022).

4.2 ST STRATEGIES (STRENGTHS–THREATS)

ST strategies focus on using Malaysia's strengths to neutralize or minimize threats (e.g. piracy, foreign film dominance, sociopolitical backlash).

1. **ST1:** Government agencies can lead public education and enforcement campaigns to combat digital piracy, which costs the industry RM3 billion annually (MyIPO, 2023).
2. **ST2:** FINAS can expand technical training programs and script labs to help filmmakers

improve storytelling and compete against big-budget foreign films (FINAS, 2023).
3. **ST3:** Films that center on national identity, local folklore, and language can serve as differentiators in a saturated market dominated by K-Dramas and Hollywood content (Lim, 2022).
4. **ST4:** Promoting Malaysian cinema success stories like award-winning Tiger Stripes or Michelle Yeoh's Oscar win can help build local confidence and international recognition (The Star, 2023).

4.3 WO STRATEGIES (WEAKNESSES–OPPORTUNITIES)

WO strategies address internal weaknesses (e.g. limited investment, talent drain) by seizing external opportunities (e.g. streaming platforms, policy reform).

1. **WO1:** The government should attract international investors via co-production treaties to reduce reliance on grants and address funding gaps (Bernama, 2024).
2. **WO2:** Fragmented audiences across language groups can be better served through streaming platforms that allow for customized, language-specific releases (Google Malaysia, 2023).
3. **WO3:** Ongoing reforms in FINAS should be accelerated to implement a more flexible film classification system. This could reduce censorship issues and promote creative freedom (Penang Institute, 2023).
4. **WO4:** Competitive talent grants, co-production exposure, and regional collaborations can help retain Malaysian creatives who might otherwise seek opportunities abroad (NST, 2024).

4.4 WT STRATEGIES (WEAKNESSES–THREATS)

WT strategies are defensive and aim to minimize both weaknesses and threats (e.g. market instability, sociopolitical sensitivity, piracy).

1. **WT1:** A national film resilience fund could protect productions from sudden market downturns, inflation, or pandemic-style disruptions (DOSM, 2024).
2. **WT2:** Script review panels involving industry experts can improve content quality and reduce the risk of public or political backlash (FINAS, 2023).
3. **WT3:** Campaigns that promote appreciation of Malaysian content in schools and youth programs can strengthen audience loyalty (Penang Institute, 2023).
4. **WT4:** FINAS and the Ministry of Communications can establish a diplomatic advisory panel to manage international co-productions involving culturally sensitive material (FMT, 2024).

4.5 RESULTS OF TOWS-AHP

Table 3: Pairwise comparison of TOWS factors

TOWS	SO	ST	WO	WT	Degree of Group
Strengths Opportunities (SO)	**1.00**	**5.00**	**7.00**	**9.00**	**0.643**
Strengths- Threats (ST)	**0.20**	**1.00**	**3.00**	**5.00**	**0.208**
Weaknesses- Opportunities (WO)	**0.14**	**0.33**	**1.00**	**3.00**	**0.101**
Weaknesses- Threats (WT)	**0.11**	**0.20**	**0.33**	**1.00**	**0.048**
CR = 0.06					

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The results show that the SO strategy group holds the highest importance weight (0.643), indicating that strategies leveraging internal strengths to seize external opportunities (such as government incentives, modern production facilities and ASEAN streaming demand) are the most effective and should be prioritized. The ST strategies ranked second with a weight of (0.208), highlighting the need to utilize national strengths to counter threats like piracy, foreign content dominance, and sociopolitical backlash.

Table 3presents the pairwise comparison of the four TOWS strategic groups: Strengths-Opportunities (SO), Strengths-Threats (ST), Weaknesses-Opportunities (WO), and Weaknesses-Threats (WT) based on the Analytic Hierarchy Process (AHP). The matrix was constructed using expert judgment, reflecting the relative importance of each strategic group in the context of Malaysia's film industry.

In contrast, **WO strategies (0.101)** and **WT strategies (0.048)** received lower weights. This suggests that although addressing internal weaknesses is important especially through policy reforms or co-production opportunities it is comparatively less urgent than leveraging existing strengths. The **Consistency Ratio (CR)** was calculated at **0.06**, which is well below the acceptable threshold of 0.10. This indicates that the judgments used in the pairwise comparisons were logically consistent and reliable for decision-making.

Table 4: Strengths-Opportunities (SO) Strategy Group

Strengths-Opportunities (SO)	**SO1**	**SO2**	**SO3**	**SO4**	**Importance Degrees**
(SO1)	1.00	4.00	6.00	9.00	0.594
(SO2)	0.25	1.00	4.00	7.00	0.263
(SO3)	0.17	0.25	1.00	3.00	0.099
(SO4)	0.11	0.14	0.33	1.00	0.044
CR = 0.07 (7%)					

Table 4 presents the pairwise comparison matrix for the Strengths–Opportunities (SO) strategy group using the Analytic Hierarchy Process (AHP), specifically tailored for the Malaysian film industry. This group focuses on strategies that leverage internal strengths to capitalize on external opportunities, such as regional streaming growth, cultural appeal, and international co-productions.

Based on the pairwise comparison, **SO1** (Leverage government support and incentives to produce multilingual content for ASEAN streaming platforms) received the highest importance degree of **0.594**, signifying that this strategy is the most crucial within the group. This reflects the substantial role of government funding, grants, and infrastructure in empowering local content to penetrate regional markets.

SO2 (Market Malaysian films globally by leveraging cultural diversity) follows with a weight of **0.263**, emphasizing the country's unique multicultural identity as a soft power asset. **SO3** (Attract foreign producers via cost advantage and incentives) scored **0.099**, indicating moderate significance, particularly in terms of industry sustainability and global linkages. Meanwhile, **SO4** (Highlight heritage and

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folklore in high-production films) registered the lowest importance at **0.044**, suggesting that while thematically rich, its impact is comparatively less strategic in the current industry climate. These weights were derived through consistent pairwise judgments, and their aggregation represents a reliable prioritization of the most effective SO strategies. The prioritization supports the industry's direction to strengthen its competitive edge by building on what Malaysia already does well, offering production-ready infrastructure, government facilitation, and diverse cultural narratives.

The Consistency Ratio (CR) for this comparison was calculated at **0.07**, which is below the acceptable threshold of 0.10. This indicates that the judgments made in the pairwise comparison were consistent and reliable. Therefore, the prioritization derived from this matrix can be confidently used to guide strategic decisions in leveraging the strengths of Malaysia's film industry.

Table 5: Strengths-Threats (ST) Strategy Group

Strengths-Threats (ST)	**ST1**	**ST2**	**ST3**	**ST4**	**Importance Degrees**
(ST1)	1.00	4.00	9.00	9.00	0.617
(ST2)	0.25	1.00	5.00	7.00	0.258
(ST3)	0.11	0.20	1.00	3.00	0.082
(ST4)	0.11	0.14	0.33	1.00	0.043
CR = 0.086 (8.6%)					

Table 5 presents the pairwise comparison matrix for the Strengths–Threats (ST) strategy group based on the AHP framework, focusing on how internal strengths of Malaysia's film industry can be leveraged to counter external threats. This includes issues such as digital piracy, foreign content dominance, and sociopolitical backlash that threaten the sustainability and cultural identity of local cinema.

The results show that **ST1** (Launch a national anti-piracy campaign) received the highest importance degree of **0.617**, indicating that protecting intellectual property is the most critical strategic response to current industry threats. This is followed by **ST2** (Improve content quality through FINAS training and script development labs) with a priority weight of **0.258**, highlighting the importance of improving production standards to remain competitive against foreign media.

ST3 (Differentiate local content through national identity themes) was assigned a moderate weight of **0.082**, while **ST4** (Promote local cinema successes to counter foreign dominance) had the lowest priority at **0.043**. These two strategies, while valuable, are seen as complementary rather than primary solutions to the industry's external challenges.

The **Consistency Ratio (CR)** for this comparison is **0.086**, which is below the acceptable threshold of 0.10. This confirms that the judgments made in the pairwise comparison process are internally consistent and suitable for guiding strategic decision-making within this group.

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Table 6: Weaknesses-Opportunities (WO) Strategy Group

Weaknesses-Opportunities (WO)	WO1	WO2	WO3	WO4	Importance Degrees
(WO1)	1.00	6.00	8.00	1.00	0.443
(WO2)	0.17	1.00	3.00	0.20	0.097
(WO3)	0.12	0.33	1.00	0.14	0.051
(WO4)	1.00	5.00	7.00	1.00	0.409
CR = 0.025 (2.5%)					

Table 6 presents the pairwise comparison matrix for the Weaknesses–Opportunities (WO) strategy group, designed to address internal limitations of Malaysia's film industry while capitalizing on external opportunities. These include financial constraints, talent migration, and industry fragmentation — all within the context of rising regional demand for diverse screen content.

The results indicate that **WO1** (Attract international investors through co-production incentives) holds the highest importance degree at **0.443**, making it the top strategic option within the WO group. This reflects the urgency of bringing in external funding and partnerships to reduce overdependence on government grants. Close behind is **WO4** (Retain local talent via grants and international exposure) with a weight of **0.409**, emphasizing the need to reverse brain drain and foster long-term industry capacity.

Meanwhile, **WO2** (Reform regulatory bottlenecks for faster production approval) and **WO3** (Upskill creative workers through short-term certifications) scored **0.097** and **0.051**, respectively. While still relevant, these strategies are viewed as supportive rather than core in addressing weaknesses.

The **Consistency Ratio (CR)** for this matrix is **0.025**, well below the acceptable threshold of 0.10. This reflects a high level of internal consistency in the judgment process, validating the credibility of the AHP-derived priorities within this strategic group.

Table 7: Weaknesses-Threats (WT) Strategy G

Weaknesses-Threats (WT)	WT1	WT2	WT3	WT4	Importance Degrees
(WT1)	1.00	3.00	6.00	8.00	0.567
(WT2)	0.33	1.00	4.00	6.00	0.279
(WT3)	0.17	0.25	1.00	3.00	0.104
(WT4)	0.13	0.17	0.33	1.00	0.051
CR = 0.062 (6.2%)					

Table 7 displays the pairwise comparison matrix for the Weaknesses–Threats (WT) strategy group, which evaluates how Malaysia's film industry can minimize its internal weaknesses while addressing external threats. This group focuses on defensive strategies such as policy reform, stakeholder collaboration, and funding protection.

Among the strategies compared, WT1 (Strengthen industry-specific policies to safeguard funding and curb monopolies) holds the highest importance degree of 0.567, suggesting that building a robust regulatory framework is the most critical defence against external instability and industry control by dominant players. This aligns with growing concerns over limited transparency and unequal access to production resources.

WT2 (Encourage multi-agency cooperation to streamline film approval and censorship) follows with an importance weight of 0.279, reflecting the need to address bureaucratic red tape that continues to hinder film production timelines. WT3 (Offer digital incentives for filmmakers in rural areas) and WT4 (Monitor online platforms to curb illegal streaming) were assigned lower weights of 0.104 and 0.051, respectively. While still relevant, these strategies are perceived as less impactful in the short term.

The Consistency Ratio (CR) for this matrix is 0.062, which confirms an acceptable level of consistency in expert judgments. This ensures the reliability of the derived priorities for formulating resilient, threat-mitigating strategies within the Malaysian film sector.

Table 8: The Overall Priority Scores of SWOT Factors

TOWS Group	**Group Priority**	**TOWS Factors**	**Factor Priority within the Groups**	**Overall Priority of Factor**
Strengths-Opportunities (SO)	0.643	**[SO1]** Use FIMI and studio facilities to produce multilingual content for ASEAN streaming (Variety, 2024). (S1, S5, O1)	0.594	0.382
		[SO2] Market Malaysian films globally by leveraging cultural diversity (Variety, 2024). (S2, S3, O3)	0.263	0.169
		[SO3] Attract foreign producers via cost advantage and incentives (MDEC, 2023). (S1, S5, O2, O5)	0.099	0.064

		[SO4] Highlight heritage/folklore in high-production films (FINAS, 2022). (S2, S4, O3)	0.044	0.028
Strengths -Threats (ST)	0.208	**[ST1]** Launch national anti-piracy campaigns (MyIPO, 2023). (S1, T1)	0.617	0.128
		[ST2] Improve content quality via FINAS training schemes (FINAS, 2023). (S1, S5, T2)	0.258	0.054
		[ST3] Differentiate local content through national identity themes (Lim, 2022). (S2, S4, T2)	0.082	0.017
		[ST4] Promote local cinema successes to counter foreign	0.043	0.009
		dominance (The Star, 2023). (S3. S4. T2)		
Weaknesses - Opportuniti es (WO)	0.101	**[WO1]** Encourage private investment via international co-productions (Bernama, 2024). (W3, O2)	0.443	0.045
		[WO2] Reach fragmented audiences through targeted streaming (Google Malaysia, 2023). (W2, O1, O4)	0.097	0.01
		[WO3] Push flexible classification system reforms (Penang Institute, 2023). (W1, O5)	0.051	0.005
		[WO4] Retain talent via competitive funding & global exposure (NST, 2024). (W4, O5, O3)	0.409	0.041
		[WT1] Set up Film Resilience Fund to mitigate economic risk (DOSM, 2024). (W3, T3)	0.567	0.027

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Weaknesses-Threats (WT)	0.048	**[WT2]** Implement expert script evaluation panels (FINAS, 2023). (W1, T5)	0.279	0.013
		[WT3] Campaigns to build youth support for local films (Penang Institute, 2023). (W2, T4)	0.104	0.005
		[WT4] Form diplomatic panels to handle censorship backlash (FMT, 2024). (W1, T5)	0.051	0.002

Table 8 summarizes the overall priority scores of the proposed TOWS strategies for Malaysia's film industry, combining both the group-level weights and the factor-level importance derived from the Analytic Hierarchy Process (AHP). The results provide a comprehensive ranking of strategic actions based on their perceived impact and urgency across all four TOWS categories: Strengths–Opportunities (SO), Strengths–Threats (ST), Weaknesses–Opportunities (WO), and Weaknesses–Threats (WT).

Among the strategies evaluated, SO1 — Leverage government incentives for multilingual ASEAN streaming content — achieved the highest overall priority score of 0.382, reflecting a strong emphasis on utilizing existing government support and incentives to penetrate regional digital platforms. This is followed by SO2 (Promote Malaysian films globally by leveraging cultural diversity) with a priority of 0.169, highlighting the value of cultural capital in capturing global demand for diverse content.

In the ST category, ST1 (Launch national anti-piracy campaigns) emerged as the top threat-mitigating strategy with an overall weight of 0.128, signaling widespread concern about revenue loss and intellectual property protection. Meanwhile, strategies under WO — particularly WO1 (Attract international investors through co-productions, (0.045) and WO4 (Retain local talent through grants and exposure, 0.041) — underscore the industry's internal need to address funding gaps and reverse talent drain through strategic collaborations.

In the WT group, WT1 (Strengthen industry policies to safeguard funding and reduce monopolies) ranked highest within its category with an overall weight of 0.027, supporting the notion that policy-level protection is essential in minimizing external economic risks.

Collectively, these findings indicate a strategic preference towards SO-oriented growth strategies, particularly those that maximize Malaysia's strengths (e.g., government support, infrastructure, cultural identity) to take advantage of regional streaming and co-production opportunities. The relatively lower scores in the WT quadrant suggest that while threat mitigation remains important, proactive strategies that exploit strengths and opportunities are seen as more transformative for the future of Malaysia's film industry.

These priority rankings provide valuable input for policymakers, agencies like FINAS, and industry stakeholders in formulating strategic action plans to ensure the sustainable growth, competitiveness, and global visibility of Malaysian cinema.

5.0 CONCLUSION

The Malaysian film industry stands at a pivotal crossroads where the convergence of strong governmental support, rich cultural diversity, and rapid technological change offers a strategic opportunity for national and regional leadership in the creative economy. This study applied an integrated SWOT-TOWS framework with the Analytic Hierarchy Process (AHP) to systematically identify, prioritize, and align strategic responses to both internal and external challenges in the sector.

The SWOT analysis revealed that Malaysia's key strengths lie in government incentives (e.g., FIMI), emerging global recognition, and infrastructure development. However, the industry continues to grapple with deep-rooted weaknesses such as censorship constraints, fragmented market segments, and limited private investment. Meanwhile, digital platforms and ASEAN collaborations offer promising growth avenues, even as piracy, foreign dominance, and socio-political sensitivities remain persistent threats.

The TOWS matrix provided a roadmap for converting these analytical insights into actionable strategies. Particularly, SO strategies that capitalize on existing strengths to seize external opportunities were ranked as the most impactful. The top priority strategy leveraging government support and studio facilities to produce multilingual content for ASEAN streaming audiences reflects the regional demand for culturally diverse narratives (Variety, 2024). ST strategies, such as launching anti-piracy campaigns and enhancing content quality through training, were also critical in neutralizing threats like digital piracy and foreign content saturation (MyIPO, 2023; FINAS, 2023).

The AHP model added quantitative rigor by prioritizing strategic alternatives based on expert judgment. It confirmed that proactive SO strategies outweigh reactive threat-mitigation strategies in terms of their potential to reshape the industry's trajectory. Notably, SO1 and SO2 collectively accounted for more than 50% of the strategic weight, indicating a clear preference for content-driven, culturally-rooted growth anchored in regional collaboration and digital platforms.

Overall, this research underscores the importance of an integrated strategic approach that combines institutional support, market innovation, and creative capacity-building to drive sustainable transformation in Malaysia's film industry. The findings provide actionable insights for FINAS, MDEC, and other stakeholders to design policies and initiatives that nurture domestic talent, strengthen industry resilience, and elevate Malaysia's cinematic presence both regionally and globally.

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