

CONVERGIN COMMERCE IN THE ENDEMIC PHASE



Lars Erik Lie

Associate Director, Public Affairs,
Ipsos Malaysia



Ganesan Periakaruppan

Principle, Strategy3,
Ipsos Malaysia

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GAME CHANGERS



AGENDA

01 **Covid Accelerates
E-Commerce Adaption**

02 **The Current E-Commerce
Landscape in MY**

03 **Converging
Commerce**

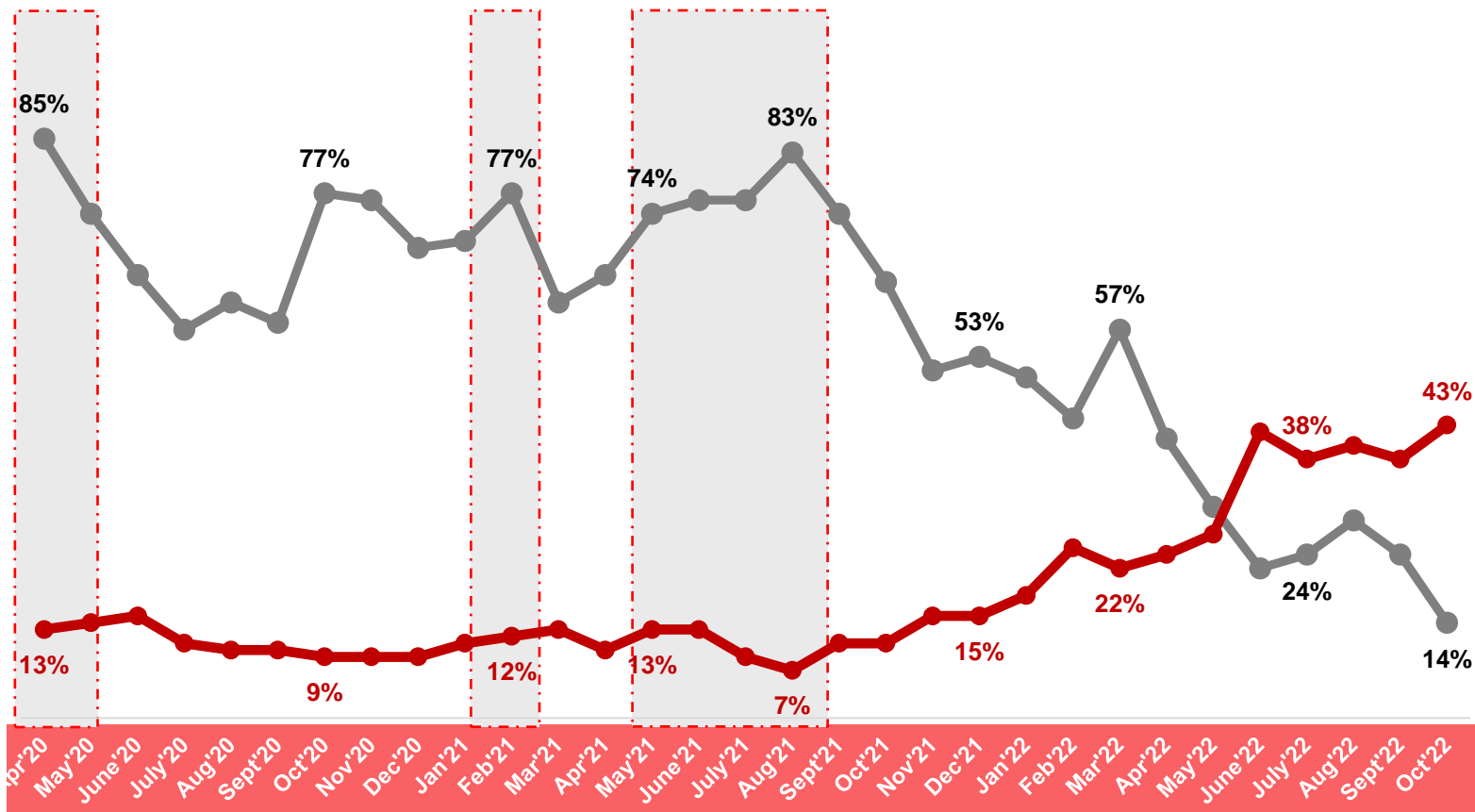
COVID ACCELERATES E-COMMERCE ADAPTION

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INFLATION REPLACES COVID AS KEY CONCERN

% of Malaysians worried about Covid-19 & Inflation



% Worried about inflation



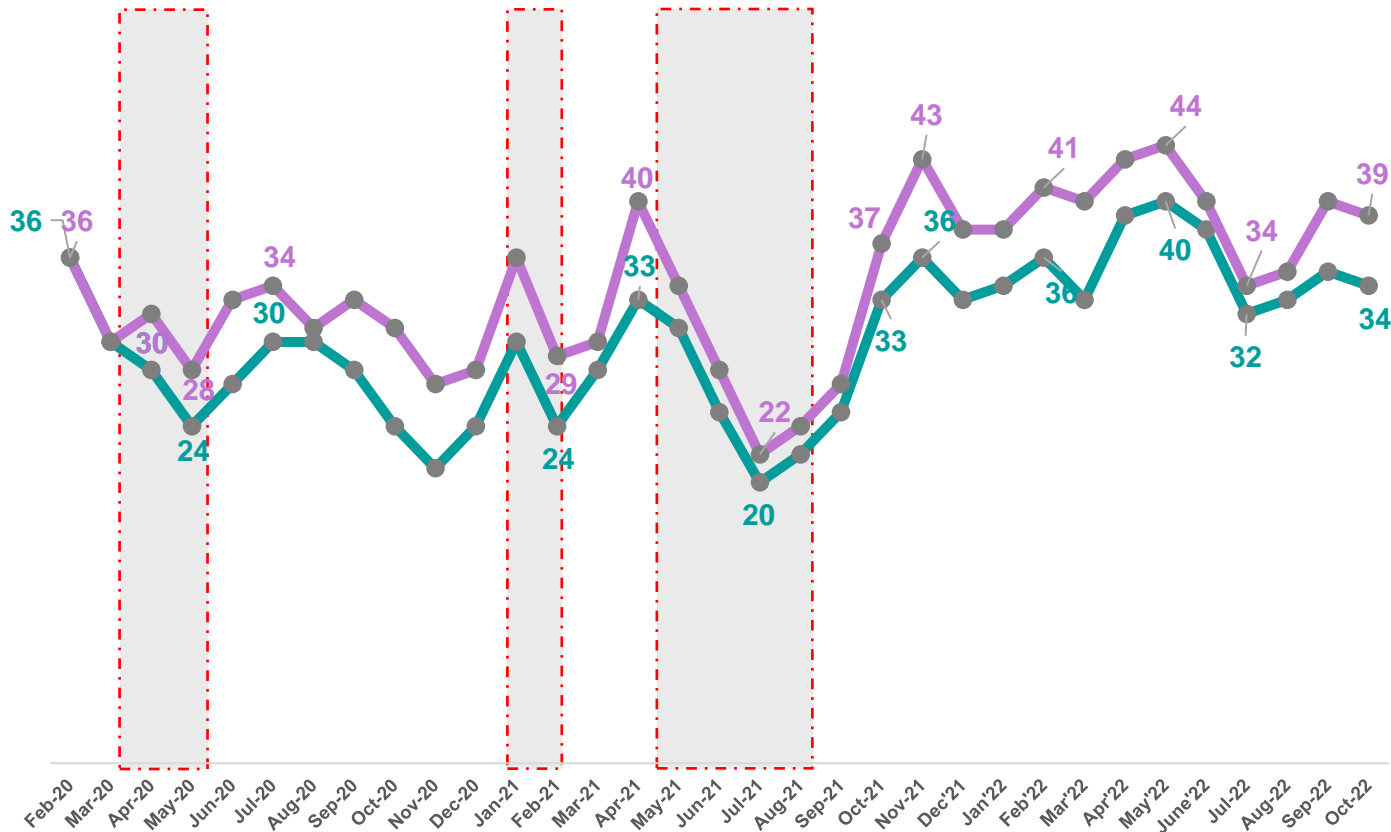
% Worried about Coronavirus / Covid-19

Boxes indicate period of strictest MCO

The survey is conducted monthly in 28 countries around the world via the Ipsos Online Panel system. Malaysia monthly sample is n=500



INFLATION LOOMS OVER HOUSEHOLD SPENDING RECOVERY

% More comfortable with making purchases compared to 6 months ago



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	Highest	Lowest
Household purchases 	59 - Jun'18	22 - July'21
Major purchases 	53 - Jun'18	20 - July'21

% More comfortable

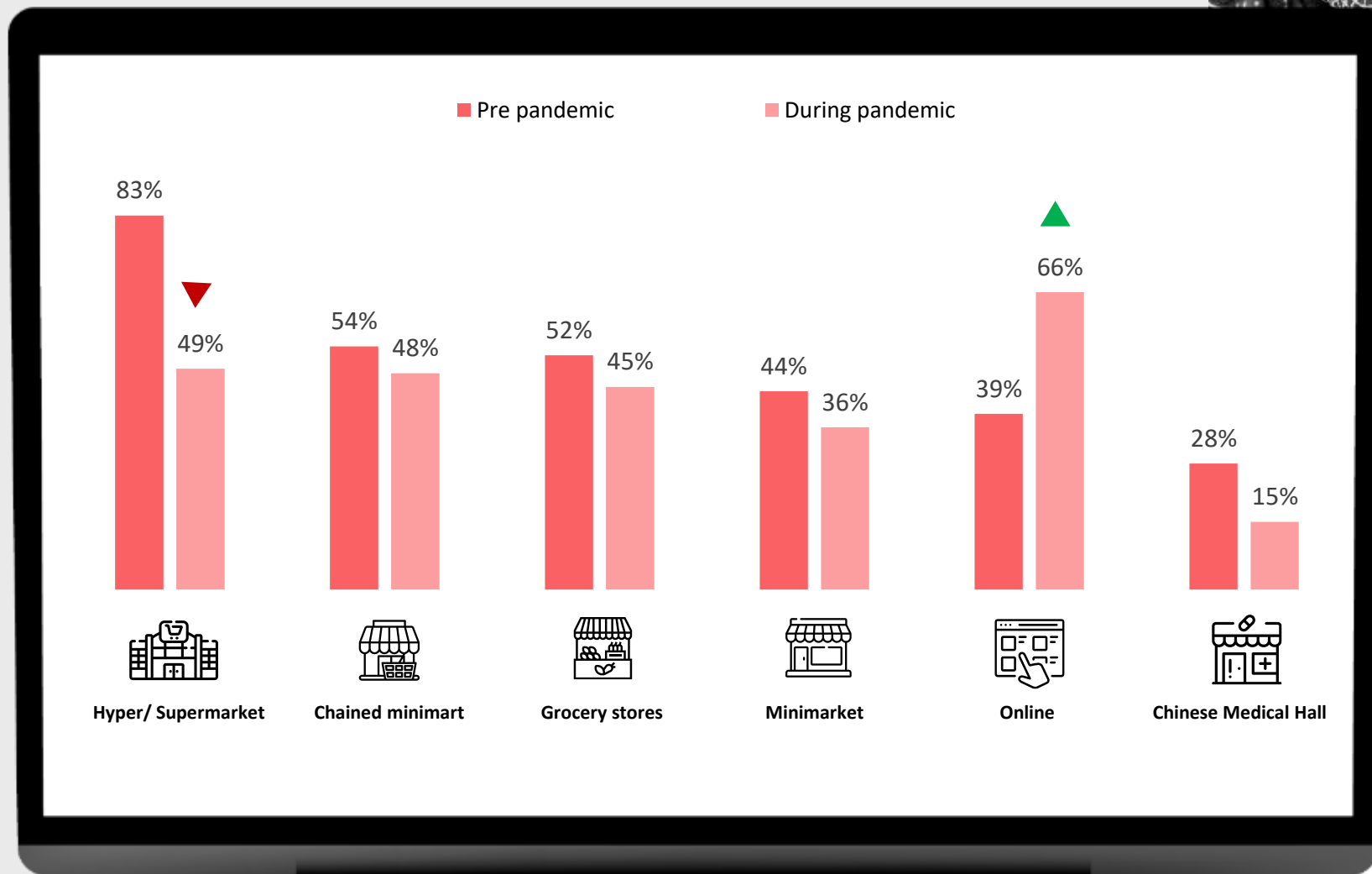
Boxes indicate period of strictest MCO

PANDEMIC SHIFTED GROCERY SHOPPING ONLINE



Channel used for grocery purchases

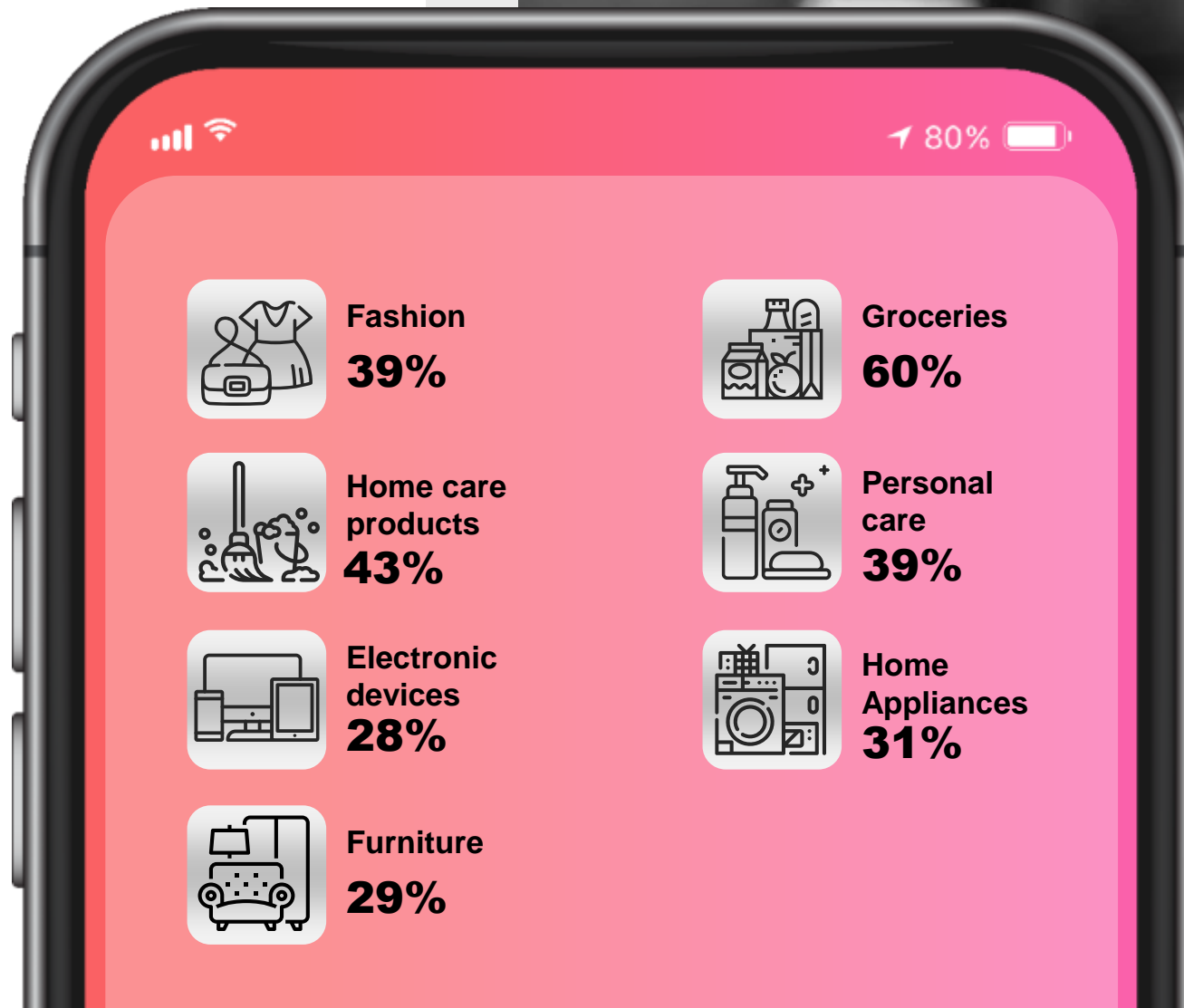
Malaysia



CONSUMERS HAVE MOVED ONLINE ACROSS CATEGORIES

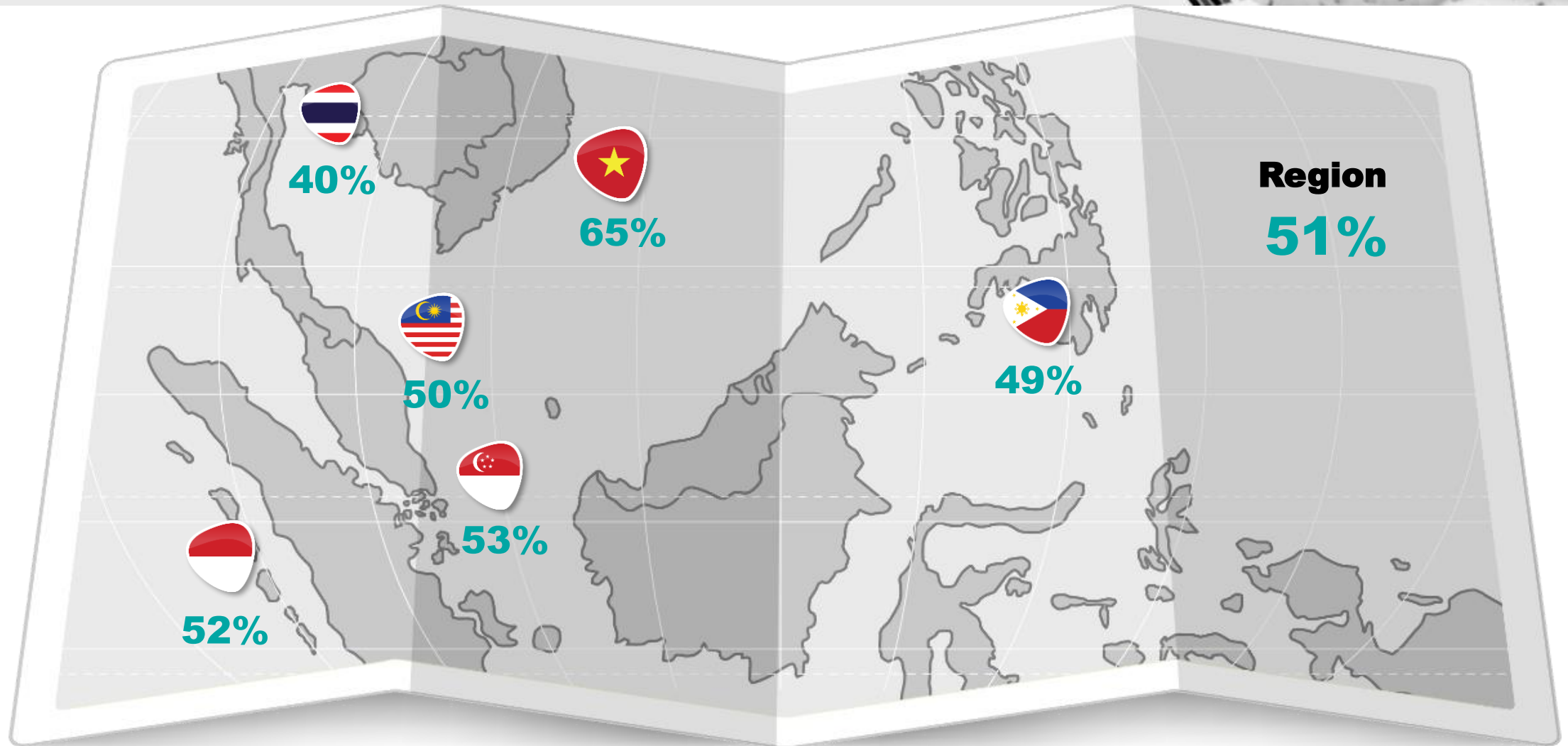
Category purchased
online **first time**
during pandemic

Malaysia



ACROSS SEA, ONLINE SPENDING ACCELERATED IN 2021

Consumers reporting an increase in online spending in the past 6 months, November 2021



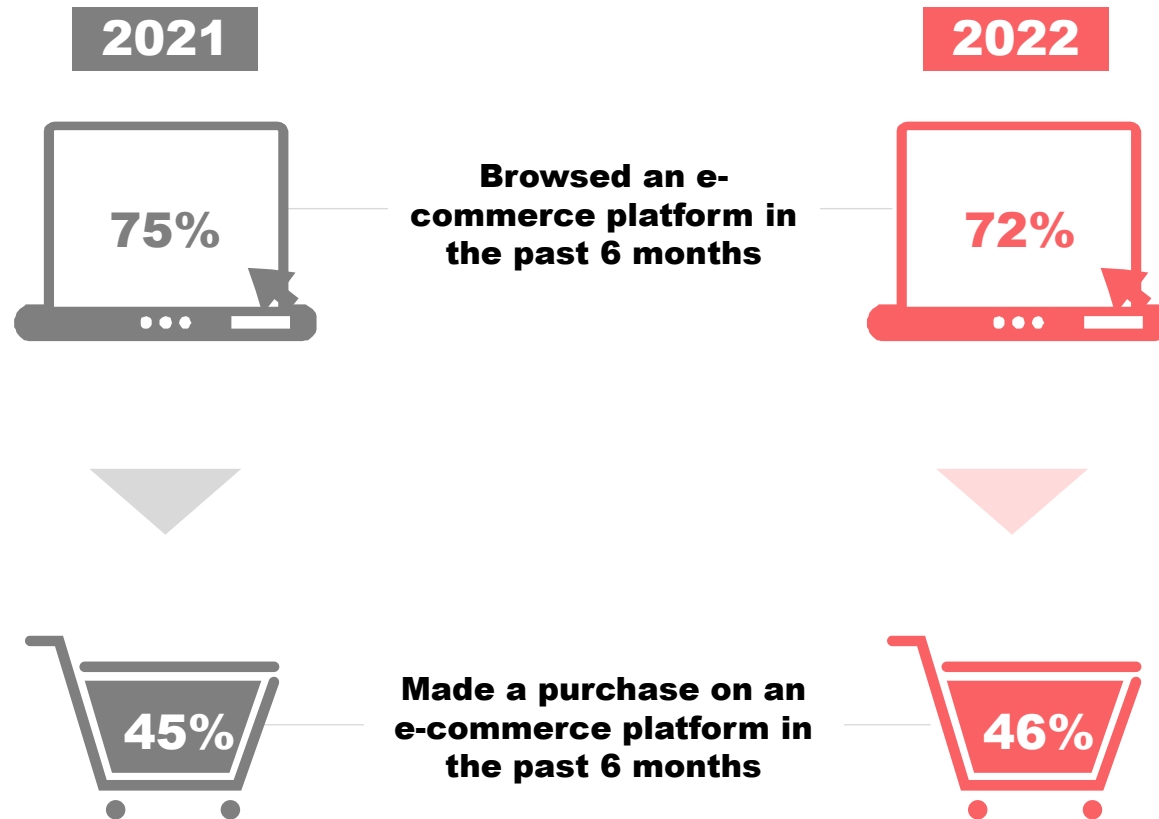
An isometric illustration of an e-commerce landscape. A laptop is the central focus, with a credit card being inserted into its slot. A shopping cart icon is positioned above the laptop. To the left, two shopping bags are shown. The background is a dark purple gradient with floating currency symbols like the dollar sign (\$), Euro sign (€), and percentage sign (%).

THE CURRENT E-COMMERCE LANDSCAPE IN MALAYSIA

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E-COMMERCE USAGE STABLE AS PHYSICAL RETAIL REOPENS



As life start to return to normal, it's evident that many elements of the 'new normal' continue to stick.

Almost half of Malaysians have made a recent purchase on an e-commerce platform, which is similar to one year ago when the pandemic was at its height.



DIVERGING ONLINE SHOPPING TRENDS BY LIFESTAGE

Made a purchase on an e-commerce platform in the past 6 months



66%

18-34 years

▲ 7%



51%

Female

▲ 3%



53%

East Coast

▼ 9%

Average: 46%

15%

50 years & above

▼ 5%

42%

Male

=

40%

East MY

▲ 13%

▲ Indicating change from April 2021
▼

Nationally representative sample of N=1,005 Malaysian aged 18-74 years, covering 16 ecommerce platforms. Conducted in April 2022.

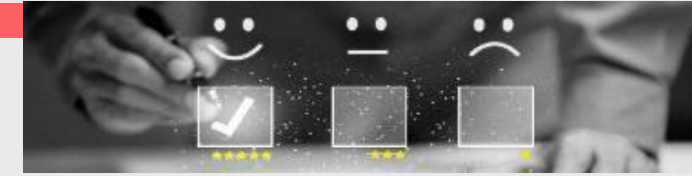
The trends in online shopping are diverging between people at different life stages. Among young people, there's continued movement towards online shopping, while a drop among the 50+ segment indicate a return to pre covid habits.

East Coast states still have a higher share of e-commerce shoppers than any other region, but the regional differences are less distinct than in 2021.

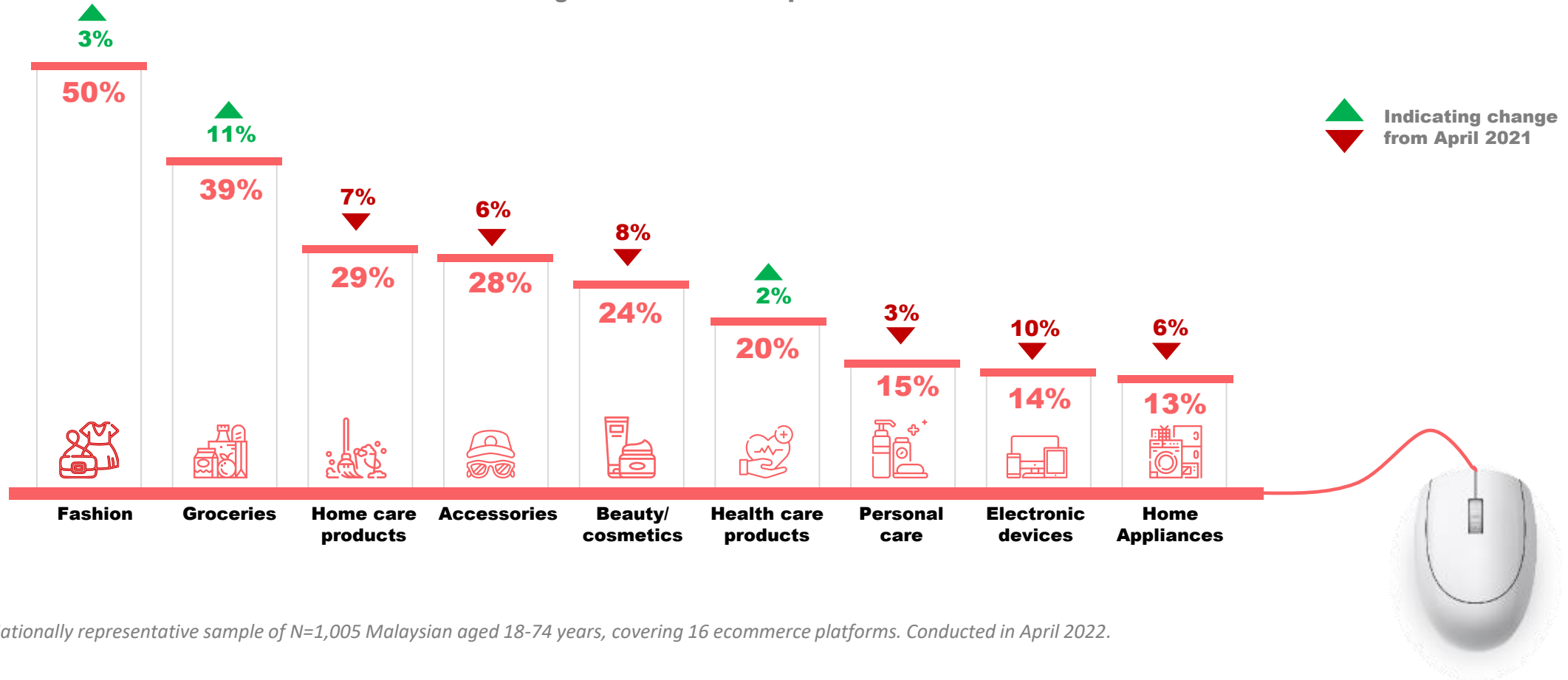
A slight uptick in online shopping among women - for men it remains unchanged.



HIGHER STICKINESS FOR FASHION ITEMS & GROCERIES

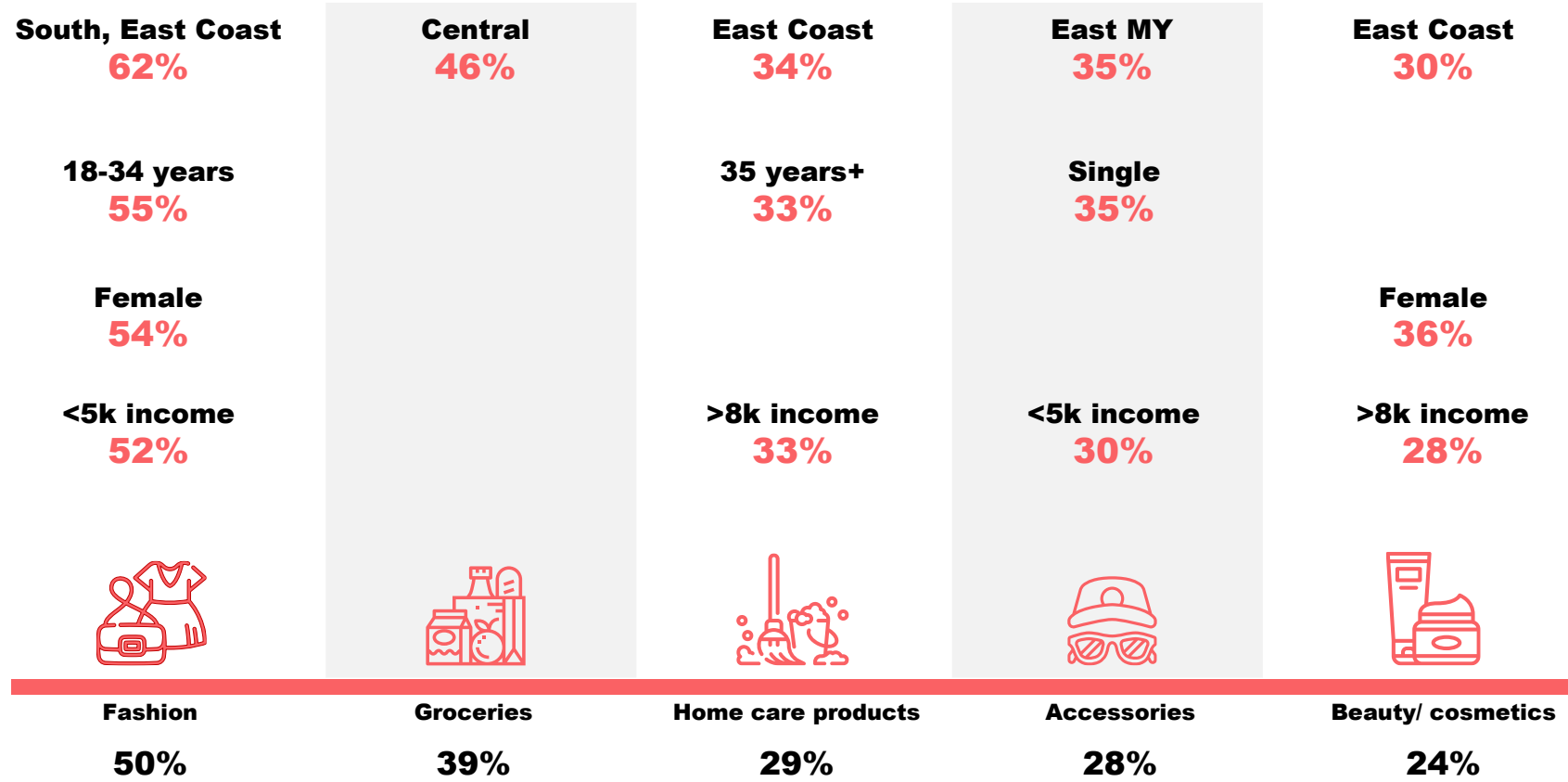
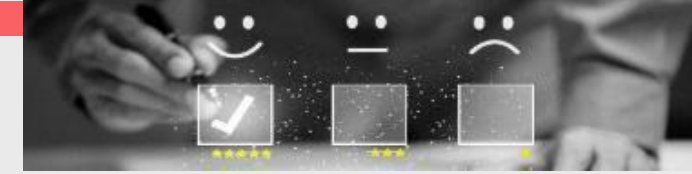


What did Malaysians purchase on e-commerce platforms (past 6 months)?
% Among those who made a purchase

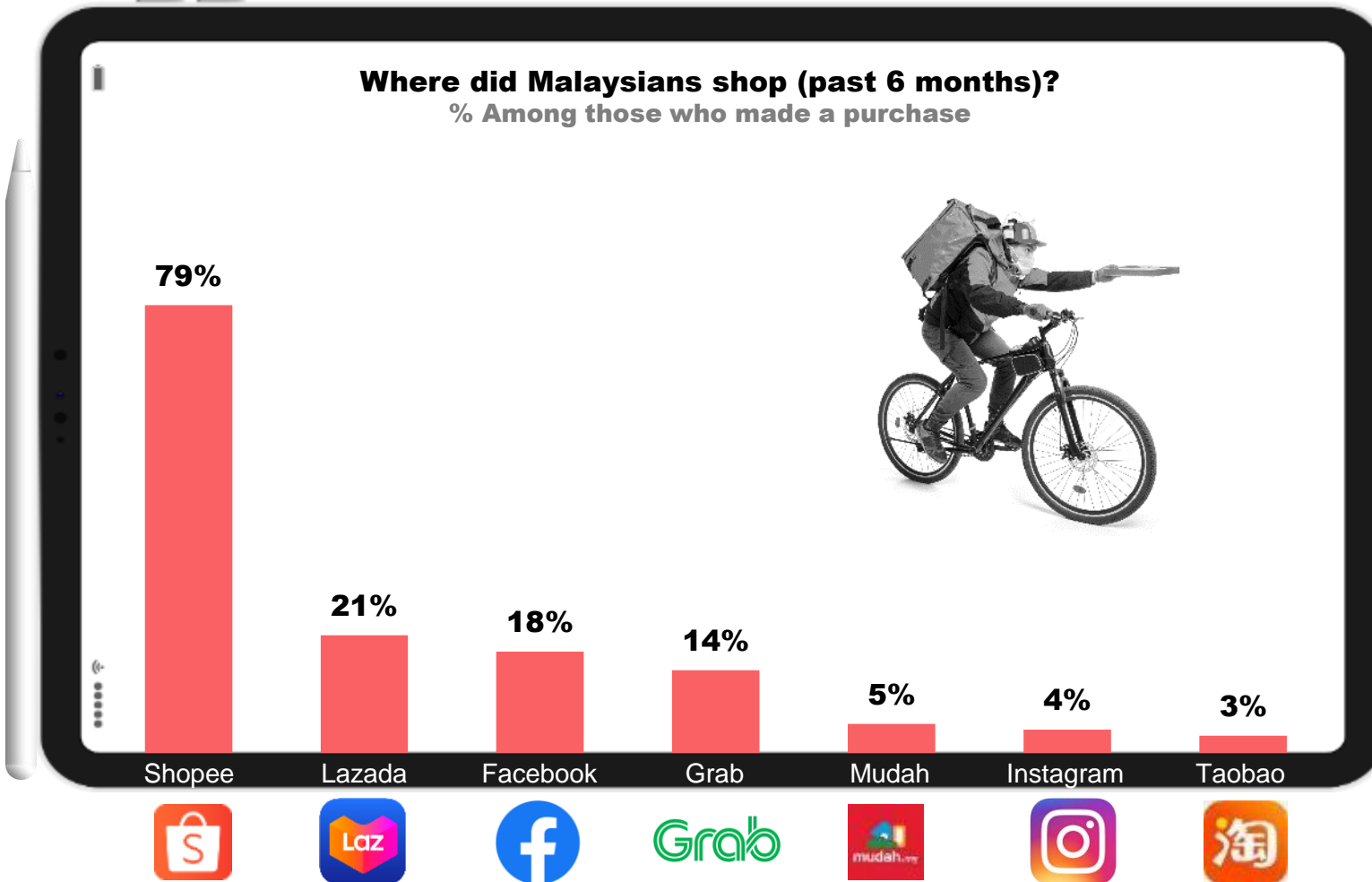


Nationally representative sample of N=1,005 Malaysian aged 18-74 years, covering 16 ecommerce platforms. Conducted in April 2022.

DIVERGING DEMOGRAPHIC TRENDS



SHOPEE REMAINS PLATFORM OF CHOICE



1.5

Average number of e-commerce platforms online shoppers have used to make a purchase in the past 6 months

Promoters
(Highly likely to recommend after usage)

52%



Shopee

32%

Average (16 brands)

E-COMMERCE GROWING, WITH NON-CASH PAYMENT



Noncash payment used in past 3 months % Among E-wallet users

55 ^{▲2%}
%

Use Non cash
payment
modes in last
3 months.



**Online
banking**

36% ▲2%



**Debit
card**

32% ▲2%



E-wallet

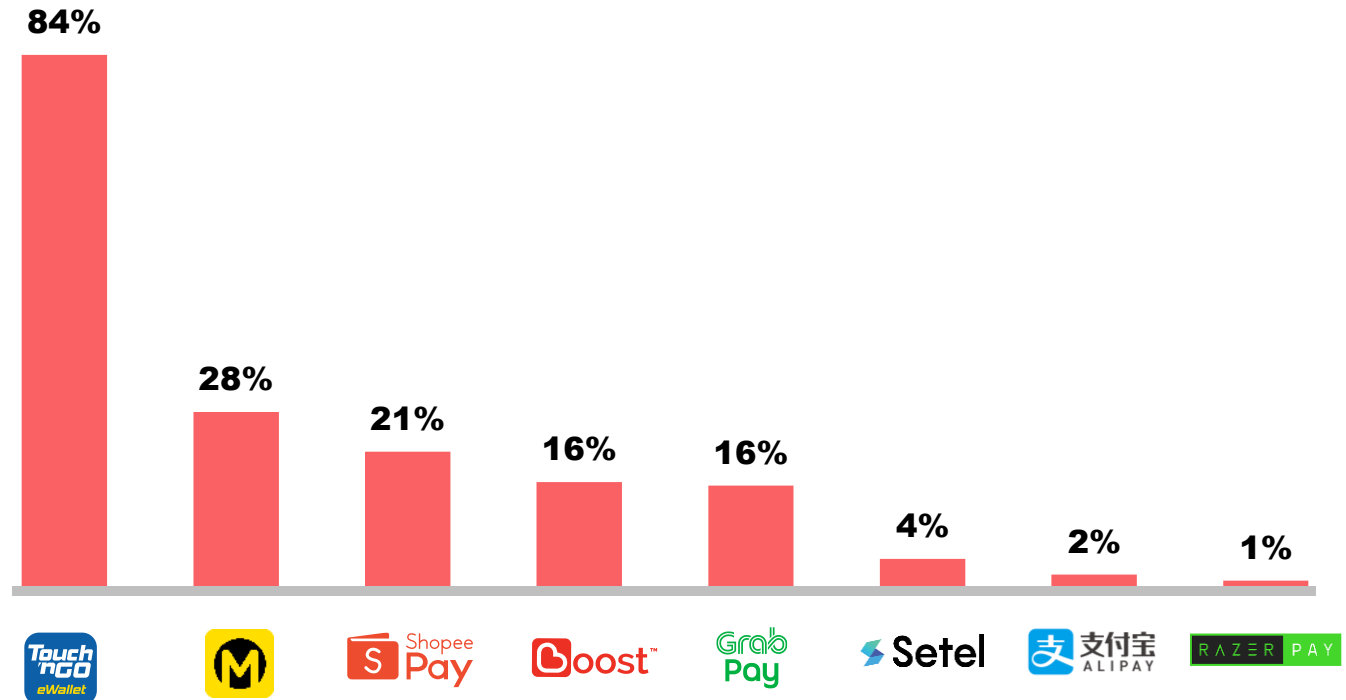
27% ▲4%



**Credit
card**

8% =

E-wallets used in past 3 months % Among E-wallet users



CONVERGING COMMERCE



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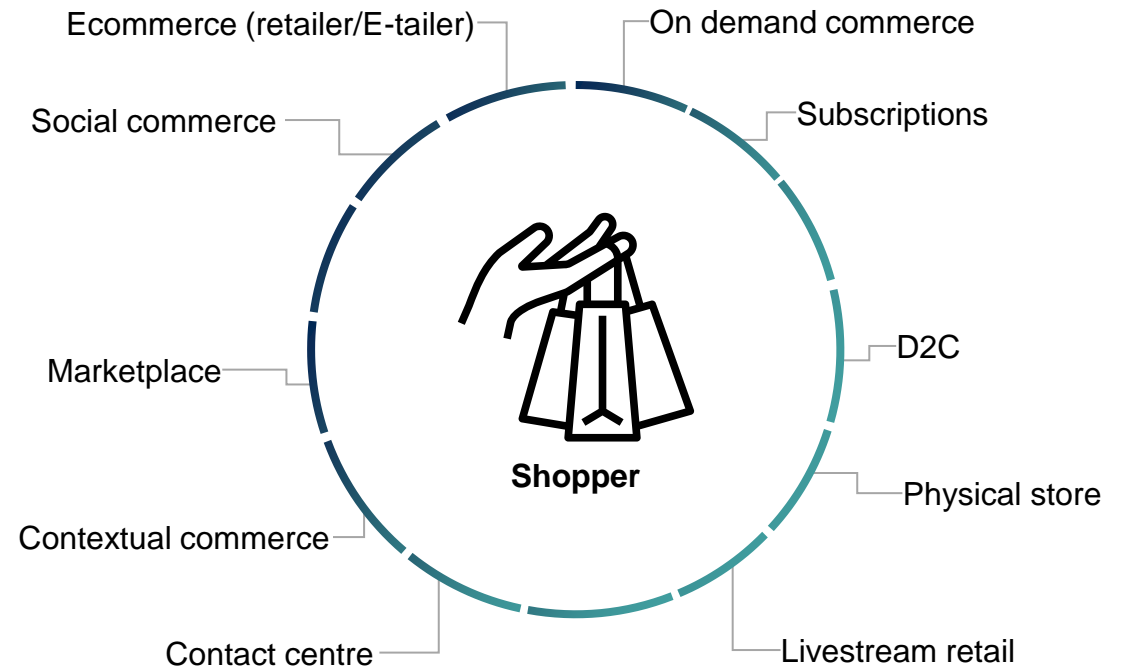


Channels proliferating and fragmenting

Old world



New world





Converging Commerce Change Drivers

Artificial Intelligence (AI)

Computers and machines process big data, and through machine learning and deep learning, mimic the problem-solving and decision-making capabilities of the human mind.

eXtended Reality (XR)

eXtended Reality (XR) – an umbrella term for Augmented Reality (AR), Mixed Reality (MR), and Virtual Reality (VR) will enhance or replace our view of the world, often through overlaying or immersing computer text and graphics into real-world and virtual environments, or even a combination of both.

Next Generation Wireless

Increased speed, capacity, and reduced latency will enable 5G devices to pinpoint accurate indoor positioning to support Machine Vision, Automated Guided Vehicles, and drones. 6G devices will be able to figure out other devices around you, serving as a bridge between the physical and digital worlds and enhancing the overall XR experience.

Blockchain & Distributed Ledger Technologies (DLTs)

Digital ledger system that is democratic, incorruptible, efficient, verifiable, and holds a permanent record of every transaction of value among multiple economic agents.

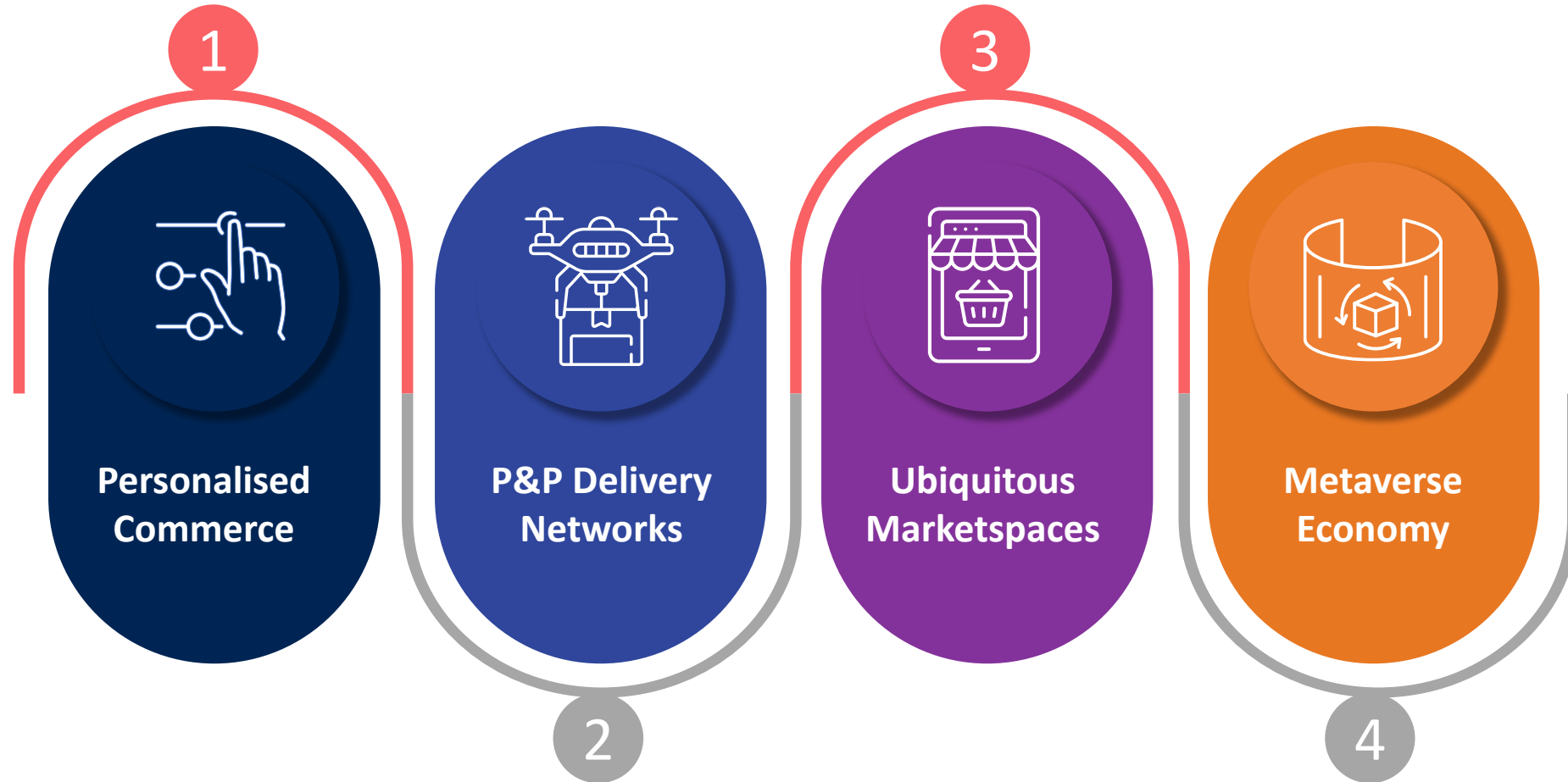
Anticipatory Analytics

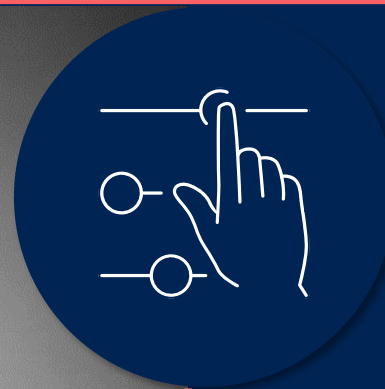
Builds on the foundation of predictive analytics, where consumers data can be used to identify and personalize predictions based on preferences.

Virtual Worlds

Immersive, interactive virtual worlds to engage with consumers and create brand moments that resonates with the digital audience in exciting and fresh, new ways. A coherent cross-world ecosystem will eventually be developed to connect virtual spaces with the augmented-reality enhanced physical world.

Key Trends

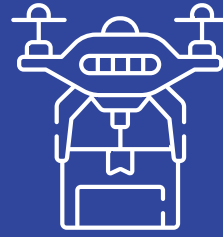




Personalised Commerce

Personalized commerce will realise each consumer's desired products to their exact specifications

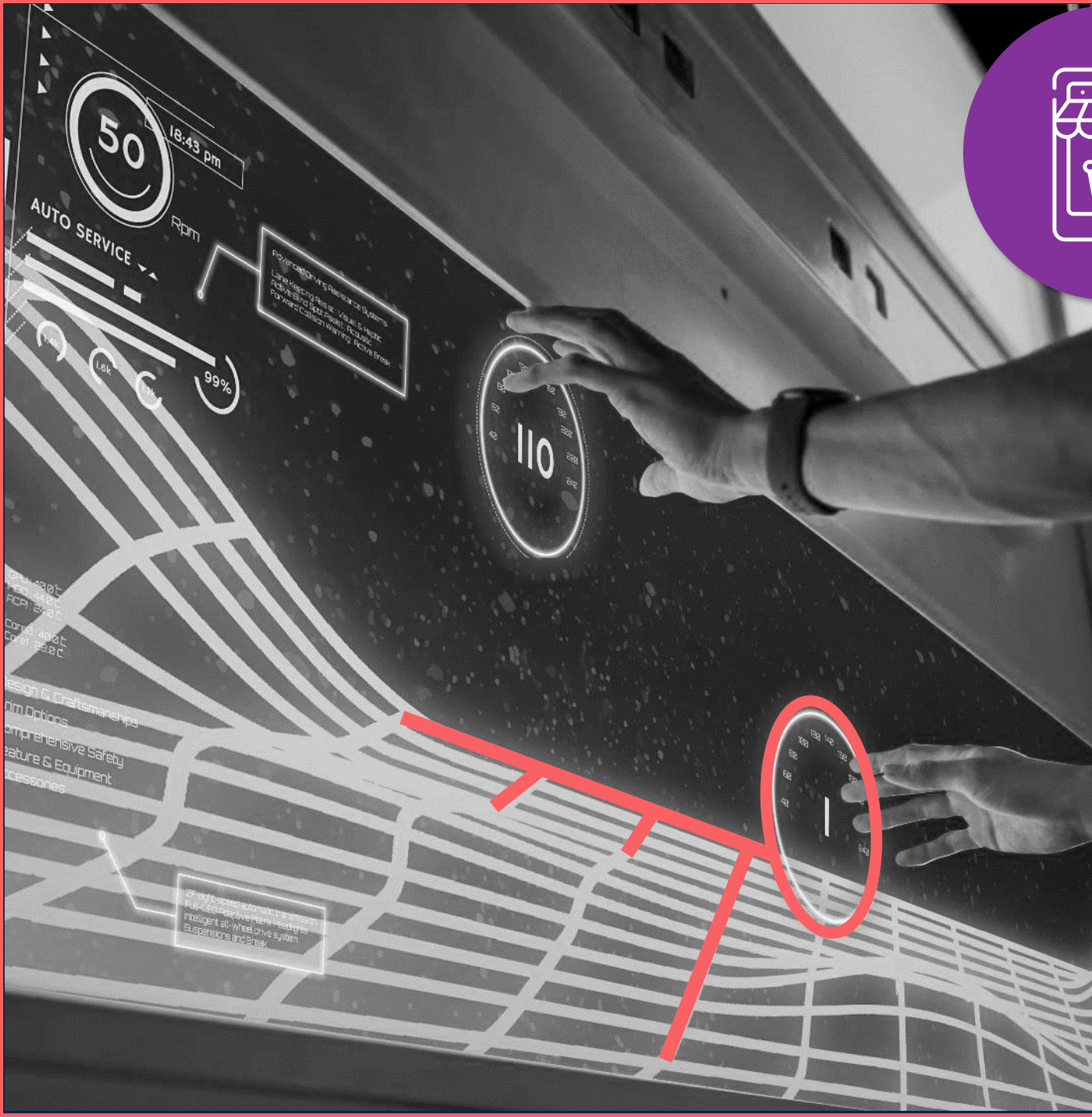
- The ability to harness real-time, granular consumer data will drive advanced analytics for brands and businesses to build highly-individualized, customer-centric and convenient shopping experiences
- Hyper-personalized commerce will go beyond anticipating each consumer's preferences to realizing each consumer's desired products to their exact specifications.



Precise and Personalised Delivery Network

Speedy and flexible delivery ecosystem that find consumers wherever they are

- Geolocation and predictive data finding consumers where they are, not only where they live
- Rapidly evolving drone technology solving the 'last mile' problem
- Autonomous delivery systems meeting increasingly complex coordination demands as volume increases



Ubiquitous Marketspaces

Consumer touchpoints break out of conventional marketplaces

- As brands & businesses strive to stand out amongst the countless mushrooming competitors to attract the ever-shrinking consumer's attention span, the push towards adopting an omnipresent marketplace will challenge shopping touchpoints to expand beyond the current confined definitions of a marketplace
- Integrated sensors, ultra-portable powerful microchips, and ambient intelligence within the consumers' everyday environment will enable ubiquitous marketspaces



Metaverse Economy

Integration of virtual goods and services into a truly virtual marketplace

- Metaverse going beyond gaming, and migrating into work and social relationships
- Increasing presence of brands and companies buying virtual real estate and selling virtual goods as NFTs
- Virtual avatars emerging as influencers appealing to iGen



60%
Social



56%
Gaming






54%
Work

How Malaysians think metaverse applications will have changed the way we live 10 years from now:



SO WHAT?

KEEP HUMANS AT THE CENTRE OF THE ECOSYSTEM

-  | Build your commerce ecosystem around consumer needs, journeys and aspirations
-  | Co-create with consumers to create optimal brand experiences and channel activations
-  | Humanise commerce to improve the experience. Be tangible, sensorial, immersive, and personal



Q&A SESSION



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**BE
SURE.
GO
FURTHER.**

Contact:-

larserik.lie@ipsos.com

ganesan.periakaruppan@ipsos.com

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