

BREAKING THE TRADITIONAL CODES : WORLD WITHOUT BOUNDARIES

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Understanding Malaysia's eCommerce Landscape

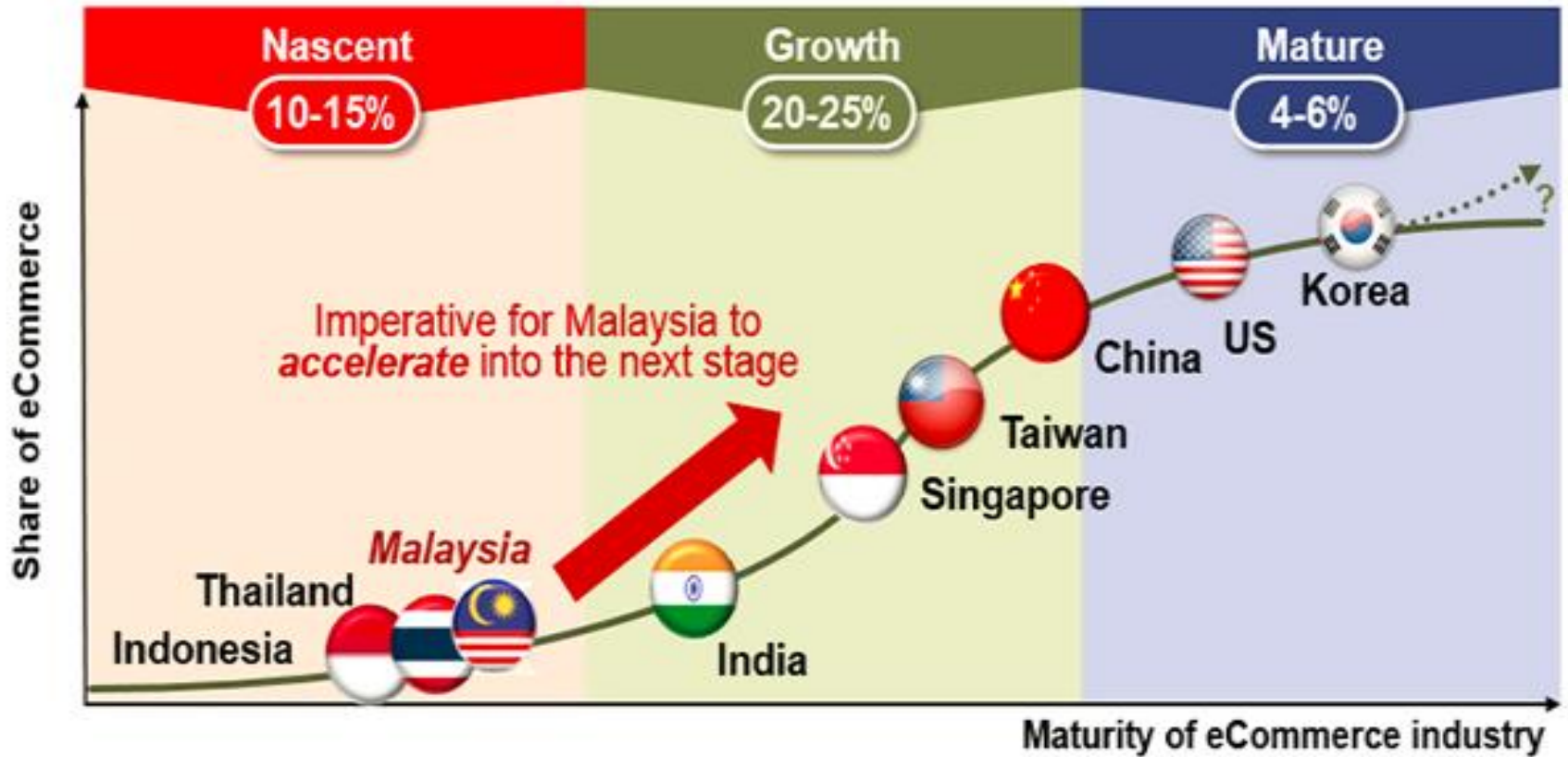
Malaysian Consumers Trends and Mindsets

Challenges Facing The Retail Industry

Digital Commerce Opportunities

Evolution of eCommerce

XX Typical growth rate in respective phases



JAN
2017

MALAYSIA

A SNAPSHOT OF THE COUNTRY'S KEY DIGITAL STATISTICAL INDICATORS



TOTAL
POPULATION



we
are
social

30.96
MILLION

URBANISATION:
76%

INTERNET
USERS



22.00
MILLION

PENETRATION:
71%

ACTIVE SOCIAL
MEDIA USERS



we
are
social

22.00
MILLION

PENETRATION:
71%

MOBILE
SUBSCRIPTIONS



42.93
MILLION

vs. POPULATION:
139%

ACTIVE MOBILE
SOCIAL USERS



20.00
MILLION

PENETRATION:
65%

SOURCES: POPULATION: UNITED NATIONS; U.S. CENSUS BUREAU; **INTERNET:** INTERNETWORLDSTATS; ITU; INTERNETLIVESTATS; CIA WORLD FACTBOOK; FACEBOOK; NATIONAL REGULATORY AUTHORITIES; **SOCIAL MEDIA AND MOBILE SOCIAL MEDIA:** FACEBOOK; TENCENT; VKONTAKTE; LIVEINTERNET.RU; KAKAO; NAVER; NIKI AGHAEI; CAFEBAZAAR.IR; SIMILARWEB; DING; EXTRAPOLATION OF TNS DATA; **MOBILE:** GSMA INTELLIGENCE; EXTRAPOLATION OF EMARKETER AND ERICSSON DATA.

JAN 2017

E-COMMERCE ACTIVITIES IN PAST 30 DAYS

SURVEY-BASED DATA: FIGURES REPRESENT RESPONDENTS' SELF-REPORTED ACTIVITY



SEARCHED ONLINE FOR A PRODUCT OR SERVICE TO BUY



we are social

64%

VISITED AN ONLINE RETAIL STORE



global web index

62%

PURCHASED A PRODUCT OR SERVICE ONLINE



global web index

52%

MADE AN ONLINE PURCHASE VIA A LAPTOP OR DESKTOP COMPUTER



global web index

40%

MADE AN ONLINE PURCHASE VIA A MOBILE DEVICE



38%

Product/Service Categories Purchased Digitally by Digital Buyers in Malaysia, Jan 2016

% of respondents

Clothing, jewelry and accessories	73.9%
Travel arrangements	58.6%
Top-up prepaid phone	48.4%
Food and beverage	41.4%
Other entertainment products (concerts, tickets)	31.6%
Housewares	31.4%
Computer software and hardware	29.2%
Music and videos (downloaded)	29.0%
Publications (not downloaded)	24.8%
Gifts	24.4%
Sports equipment	21.5%
Toys and games	20.7%
Epublication	17.1%
Groceries	10.6%
Music and videos (not downloaded)	10.5%
Health and beauty	4.4%
Automotive accessories	1.3%
Other	6.7%

Source: Malaysian Communications and Multimedia Commission (MCMC), "Internet Users Survey 2016," Jan 3, 2017

- Digital buyers in Malaysia buy a variety of products digitally
- Clothes, jewellery and accessories are the leading items, purchased by 73.9% of digital buyers polled in January 2016
- Travel was also a popular product category, followed by top-ups for a prepaid phone
- Food/beverage and entertainment items such as concert tickets rounded out the top five kinds of products to purchase online

Internet Users in Select Countries in Southeast Asia Who Have Made a Digital Purchase, Nov 2016

	1	2	3	4	5	6
	Indonesia	Malaysia	Philippines	Singapore	Thailand	Vietnam
Made a digital purchase (% of respondents)	76.7%	89.4%	86.2%	91.7%	86.9%	92.0%
Average number of purchases	4.3	4.9	4.6	5.7	3.4	4.2

Note: ages 18-64; in the past 3 months
 Source: MasterCard, "Online Shopping Behavior Study 2016: Asia-Pacific," April 13, 2017

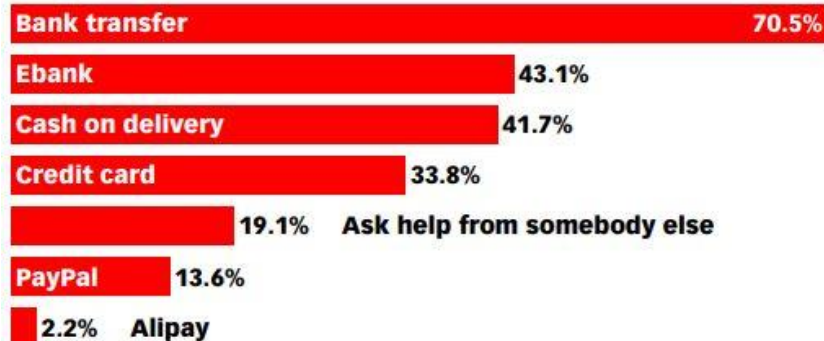
➤ Data from multiple sources suggests that digital buying growth will continue in Malaysia over the next year

➤ 85% of consumers in the country who had never shopped online before were planning to do so in the coming year

➤ MasterCard's research showed that 92.8% of digital buyers in Malaysia were likely to make a digital purchase in the next six months—the second highest share in Southeast Asia, after Vietnam (96.2%)

Payment Methods Used by Digital Buyers in Malaysia to Make Digital Purchases, Jan 2016

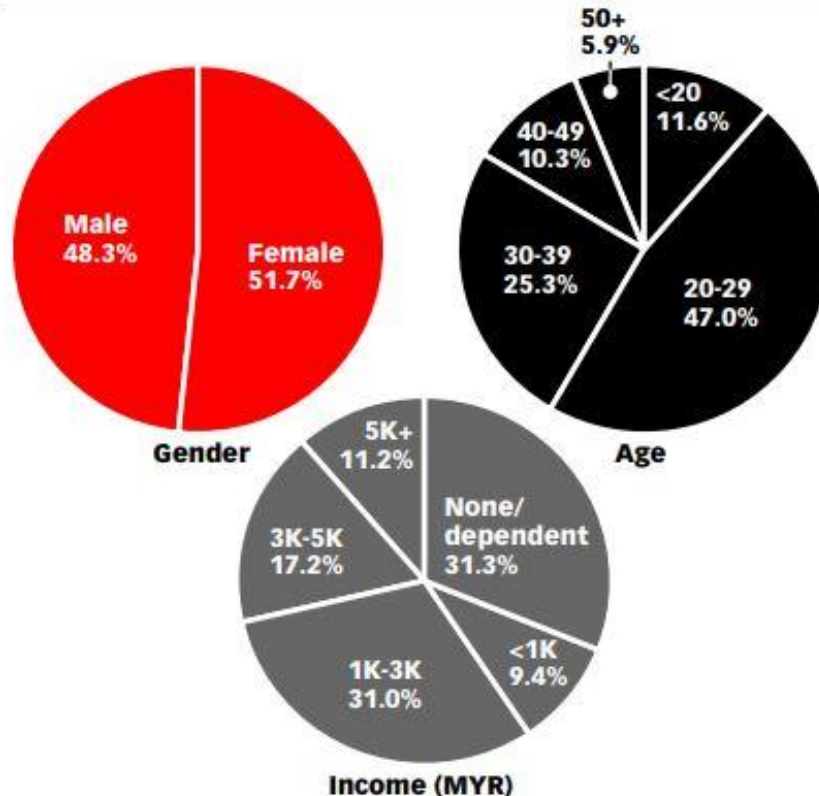
% of respondents



Source: Malaysian Communications and Multimedia Commission (MCMC), "Internet Users Survey 2016," Jan 3, 2017

Demographic Profile of Digital Buyers in Malaysia, Jan 2016

% of respondents



- eCommerce adoption did not vary much based on gender, though age was a significant factor
- Young adults ages 20 to 39 made up nearly three-fourths (72.3%) of digital buyers in Malaysia, compared with 11.6% for those younger than 20 and 16.2% for those ages 40 and older

Note: numbers may not add up to 100% due to rounding
 Source: Malaysian Communications and Multimedia Commission (MCMC), "Internet Users Survey 2016," Jan 3, 2017

Key Challenges Faced By Retail Industry & SMEs

Multi-Channel/Omni-Channel resources and retailing capabilities

Shift of consumers shopping behaviour, communication & engagement

High cost of operations and the inability to scale the business fast

Technology advancement & rapid growth of digital commerce
will continue disrupting the retail industry

Digital Commerce Opportunities

Lowering the barrier to market entry with easy & quick access to the market and broader customer base/reach (lower cost and higher returns)

Provides a platform to promote physical and intangible products & services (with O2O strategy and capabilities)

Able to scale the business with speed and efficiency (flexibility & expanded geographical reach with cross border market opportunities)

Able to obtain customers data and intelligence (data analytics) for the next growth



About Us

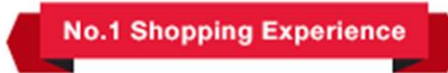
11street is an open marketplace operated by Celcom Planet Sdn. Bhd. – a joint venture between Celcom Axiata Bhd. and SK Planet Ltd.



- Subsidiary of Axiata
- **No. 1 Telco** in Malaysia (in subscribers base)
- **12 Mil** subscribers
- **3.9 Mil** smartphone/tablet users
- **200** outlets nationwide
- **14K** point of sales



Malaysia's premier and most experienced mobile telecommunications group



- Subsidiary of SK Telecom
- **No. 1** after 5 years launch
- **USD 6 Bil** GMV in 2014
- **20 Mil** subscribers
- **44 Mil** product listings
- **No. 1** in mobile transactions



Owns Korea's best e-commerce site, 11st.co.kr, a reliable and revolutionary e-commerce platform

SKP Planet's eCommerce Marketplace Digital Footprint

Thailand is our 4th and latest overseas venture



11STREET.CO.TH

- Open Marketplace
- Officially launched in Feb 2017



11STREET.MY

- Currently No.2 Open Marketplace
- Launched in 2015
- JV with Celcom Axiata
- Over 7 Million Unique Visitors Monthly

11STREET.NI.COM

- No.1 Open Marketplace
- Launched in 2013
- JV with DOGUS Group
- Over 17 Million Unique Visitors Monthly



11STREET.IST.CO.KR

- No.1 Open Marketplace
- No.1 in Mobile / Traffic / Brand Value
- Launched in 2008
- Over 20 Million Unique Visitors Monthly

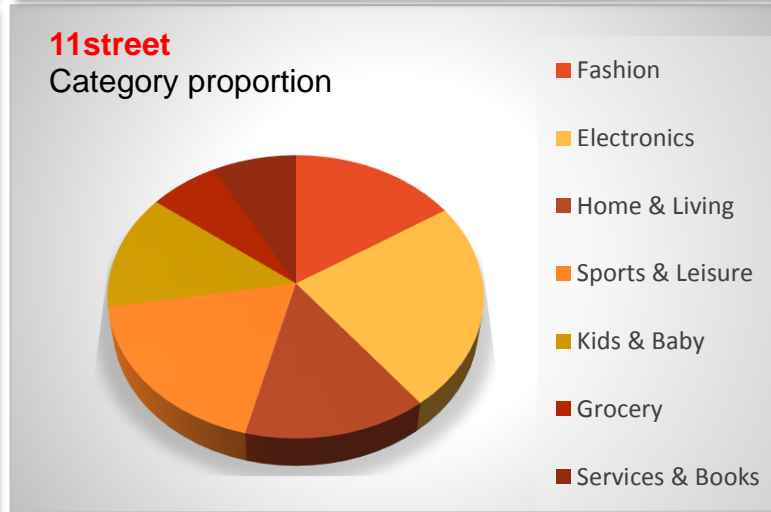
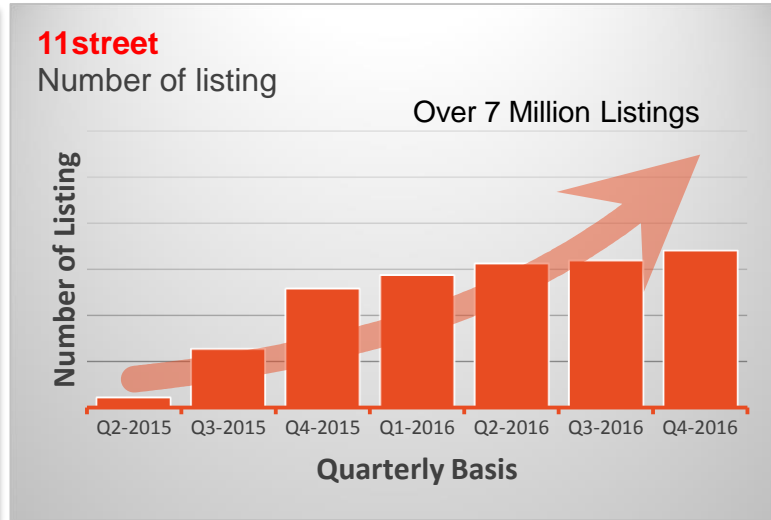
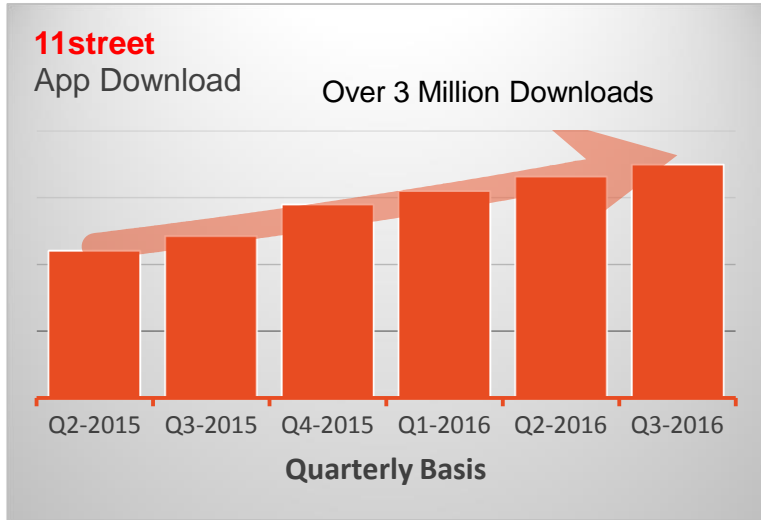
ELEVENIA.CO.ID

- Currently No.2 Open Marketplace
- Launched in 2014
- JV with XL Axiata
- Over 18 Million Unique Visitors Monthly



- 11street growth has been increasing exponentially & steadily -

- 11street has a well mixed of products & services category proportion -



11street Academy - First eCommerce Certification Programme in Malaysia

11street Academy is endorsed by Malaysia Digital Economy Corporation(MDEC), Google AdWords & Facebook with objective of enhancing entrepreneurs/sellers with the fundamental and essential skillsets to manage online businesses as well as understanding the digital marketing landscape



www.11street.my



11STREET ACADEMY

FOUNDATION OF ECOMMERCE & DIGITAL MARKETING

IN PARTNERSHIP WITH:



Google AdWords

facebook

WHAT IS 11street ACADEMY?

A one-month intensive course that equips sellers with fundamental and essential skillsets to manage online businesses as well as understanding the Digital Marketing landscape.

100 Participants per batch
(1 batch per month)

5 Sessions per course
(1 online exam)

TOPICS COVERED:



“ In today’s business world, it is not the strongest nor the biggest organization that will survive and be sustainable...

...It is the one that is most **adaptable to change** ”



Thank You
고맙습니다