

# Shopee shares e-commerce trends returning to the (new) norm

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**Consumers are spending an average of 20% more time on Shopee a week, reflecting an increasing reliance on e-commerce, which provides users one-stop access to everything, including entertainment.**

Over 32 million Malaysians are affected by the Movement Control Order (MCO) introduced on March 18 in a quest to control the spread of COVID-19. This directive has brought about a new normal even in the world of retailing that according to Shopee, is here to stay. With consumers fully embracing e-commerce, businesses across industries are seen to be pushing boundaries and accelerating their digital presence.

## Shifting consumer preferences

Shopee has observed new shopping preferences among Malaysian consumers as e-commerce becomes more important in their everyday lives. Consumers are spending an average of **20% more time on Shopee a week**, reflecting an increasing reliance on e-commerce, which provides users one-stop access to everything, including entertainment. **Groceries and Pets, Gaming and Consoles, and Home Appliances** are highly sought after by consumers as they search for daily essentials, household necessities and games for the family to enjoy together at home. Brands and sellers have benefited from this increased demand, with those offering instant food and baking supplies recording 60 times more orders respectively than the same period last year.

In recent months, **shopping activities on Mondays & Tuesdays have increased** - showcasing the preference among Malaysians to shop earlier in the week. Shopee has also seen an increase in social interactions on its platform with over 3 million messages sent daily on average as consumers interact directly with brands and sellers to check on prices, stocks, delivery speed and more.

"2020 has changed the way we live, work, and shop online. As such, brands and sellers across the region are stepping up their digitalisation efforts, especially now, as e-commerce has taken on a greater role in people's lives seeing as more consumers are going online to fulfil their everyday needs. This has resulted in changes in the way businesses view and approach e-

commerce as a viable trade channel," said Ian Ho, Regional Managing Director of Shopee.



## Local businesses expand online presence

The current situation has also compelled businesses to explore new strategies to engage with consumers and continue facilitating trade. This has not only led to strong e-commerce adoption amongst local SMEs but has also unlocked new market segments for the e-commerce industry.

**New potential:** For instance, selling and buying fresh produce such as fish, chicken, beef and even durians on e-commerce platforms was almost non-existent just as recent as last year. However, in April alone, some 1,000 fresh and frozen sellers, including farmers and fishermen, started selling on Shopee. Shopee found that many of the sellers that offer a strong enough assortment of more than 20 types of products in their stores could generate monthly sales of up to RM100,000.

**Personalising virtual connection:** Shopee has also observed that the number of Shopee Live streams from brands and sellers have increased by 70 times since the virus outbreak as they look for a more personal approach to connect to consumers virtually. A new-to-Shopee seller, Deep Sea Fishery Kingdom sold RM1,200 worth of seafood in minutes during its first-ever live stream. **Shopee expects the trend to sell and buy via live streaming will gain greater popularity**

**as witnessed in countries like China.**

**Digital bazaars:** The cancellation of Ramadan bazaars have affected the income of thousands of micro traders who depend on these bazaars to make a living. To help them sustain their incomes and livelihoods, several State Governments such as Selangor and Perak have commissioned Shopee to bring these sellers online to market products including Raya cookies and snacks, baju Raya and home decoration items via dedicated microsites. These initiatives include the Selangor E-Bazar Raya and Raya bersama PKNS, as well as the S.M.A.R.T Niaga@Perak.

**Seizing opportunities:** Additionally, the RM15 million Shopee Seller Support Package that provides support in funding, subsidies, education and marketing to boost sales, reduce operational costs and facilitate sustainable growth have seen to greatly benefit the business community. The Package has attracted the participation of more than 70,000 local businesses from micro, small, and medium to even large enterprises and corporations be it from the fast-moving consumer goods sector to fashion and apparel, electronics and more. This signals the swift response by the seller community to the available options that would help sustain their businesses. Contrary to the belief that all is bleak, these businesses are seen to be enjoying an uplift to their store's performance even during the MCO.

A factory manager in Seremban, Mohd Airin Ismie Ismail, 39, could not go to work due to the MCO and so, he decided to focus his attention on his online business on Shopee. On a daily basis, the father of two would quickly pack his orders at home before sending the parcels to all the delivery centres so they can be shipped out on time to his customers. He said, "The process of selling on Shopee is simple and straightforward enough that it was easy for me to go from selling on social media to selling on an e-commerce platform. I do not have a big capital so I am unable to have too many varieties of products as compared to many other established sellers and brands, but I took time to study what customers wanted and focused on ensuring I meet their needs. I also followed Shopee's updates closely to find new opportunities that would help me grow my business. To boost my sales and exposure, I have been promoting my store link in WhatsApp groups and social media. Sales so far have been encouraging. With more people turning to online to do their shopping, and with the help of the Seller Support Package, my sales have increased by over 60%." This is just in time for Airin and family as they prepare for Hari Raya.

For retail company Billion Group, the MCO has sped up its digitalisation efforts after witnessing a shift in consumers' shopping preference to online. This is as sales across its more than 50 outlets in the country saw a dip, particularly in the fashion category which saw orders plunge by 70%. Billion launched its first-ever online store on Shopee just two weeks back and has assigned a team dedicated to e-commerce trade as a mitigation effort to continue having a steady revenue stream. "As a newcomer, bringing our business online was not easy as we were faced with many challenges including logistics and customer service, but it helped that Shopee assigned an account manager to assist us in our digitization journey. We also made sure to sign up for the Shopee Seller Support Package in order to benefit from the vouchers, subsidies and free advertising credit. Our store on Shopee is performing well. It's just the beginning and we have

already started recording four-digit daily sales. Right now, our focus will be on expanding our product offerings whilst focusing on pricing strategy to win the online crowd. We will not give up," said Tan He Kon, Group Operations Director of Billion Group.

Ho concluded, "Now that businesses are allowed to resume operations in batches, they ought more than ever to be agile, quick to recalibrate and diversify their trade channels to be in a more ready position in the future. We hope this sharing and insights will help businesses strategise better in the coming months. We remain steadfast in our commitment in working with the local community to overcome the current challenges before us. Meanwhile, we will continue to organise campaigns such as our Raya Bersama Shopee to the benefit of both sellers and consumers alike."

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