



E-COMMERCE IN SEA

Boxme Global CEO Mark Han

Dear valued customer,

Thank you for contacting Boxme Global - a pioneer of e-logistics in Southeast Asia. I hope that this guide will help you capture more of the emerging Southeast Asia E-commerce market - currently the biggest sector of the region's Internet economy, valued at US\$38 billion.

If you have any questions about business development in Southeast Asia, our experts are more than happy to assist you.



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*Data from: e-Conomy SEA 2019 report by Google, Temasek, Bain & Company
Digital 2019/2020 report of Southeast Asian countries by we are social & Hootsuite
2019 Year-End Report on Southeast Asia's Map of E-commerce by iPrice Group



MARKET OVERVIEW

Population

662M

Internet users

416M

Social media users

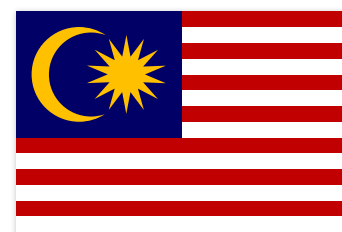
375M

\$38B
VALUE

62%
GROWTH

*CAGR from 2015 - 2019

PROMINENT COUNTRIES



MALAYSIA



VIETNAM



INDONESIA



THAILAND



PHILIPPINES



SINGAPORE



INDONESIA

272.1M

population

168.3M

online shoppers

\$18.76B

e-commerce value

\$111

average spending



Currency: Indonesian Rupiah (IDR)

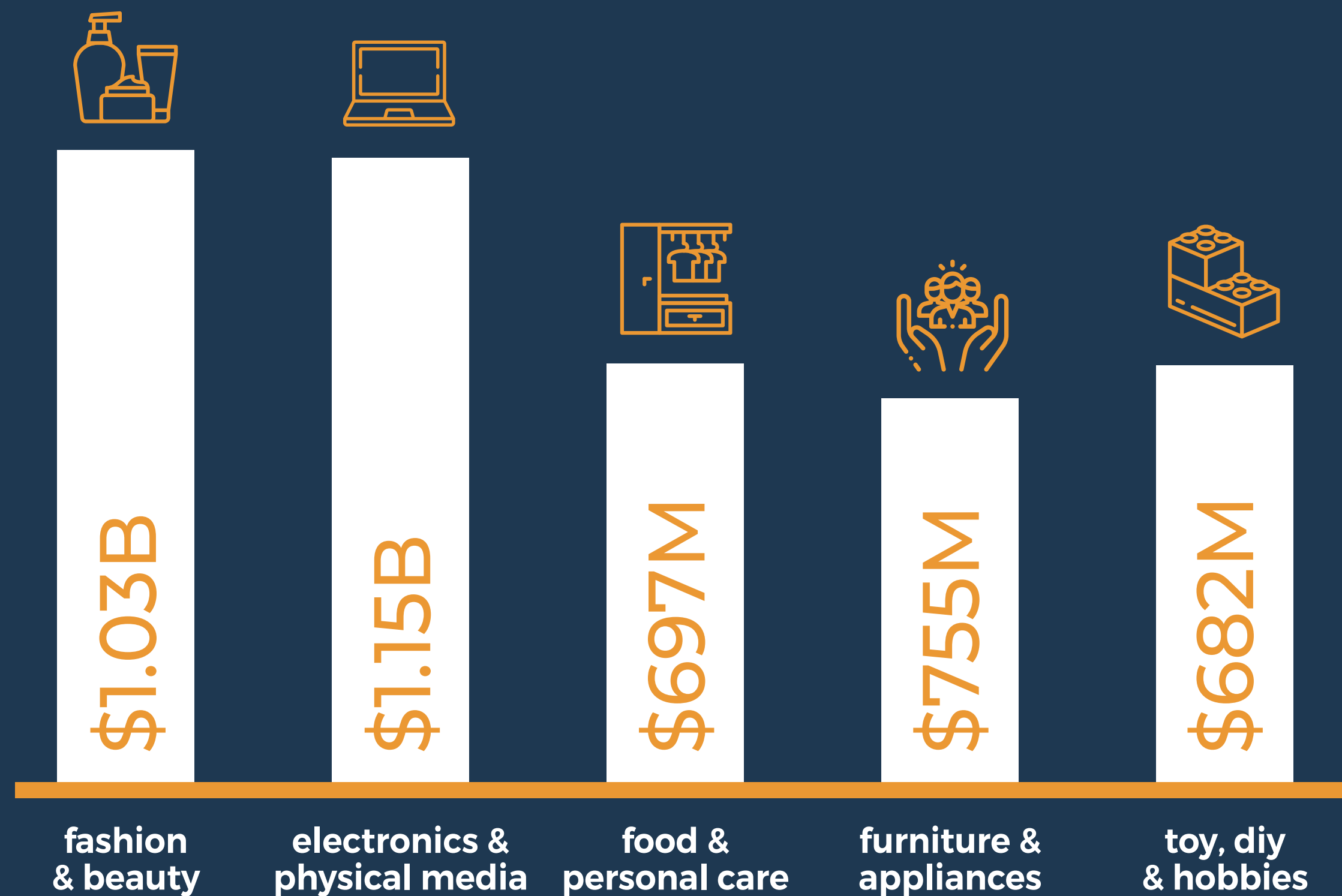


GDP (PPP) per capita: \$14,840



Language: Indonesian

TOP CATEGORIES



#1  tokopedia

#2  Shopee

#3  Bukalapak

#4  Lazada

TOP
PLATFORMS



THAILAND

69.71M

population

34.8M

online shoppers

\$4.31B

e-commerce value

\$124

average spending



Currency: Thai Baht (THB)

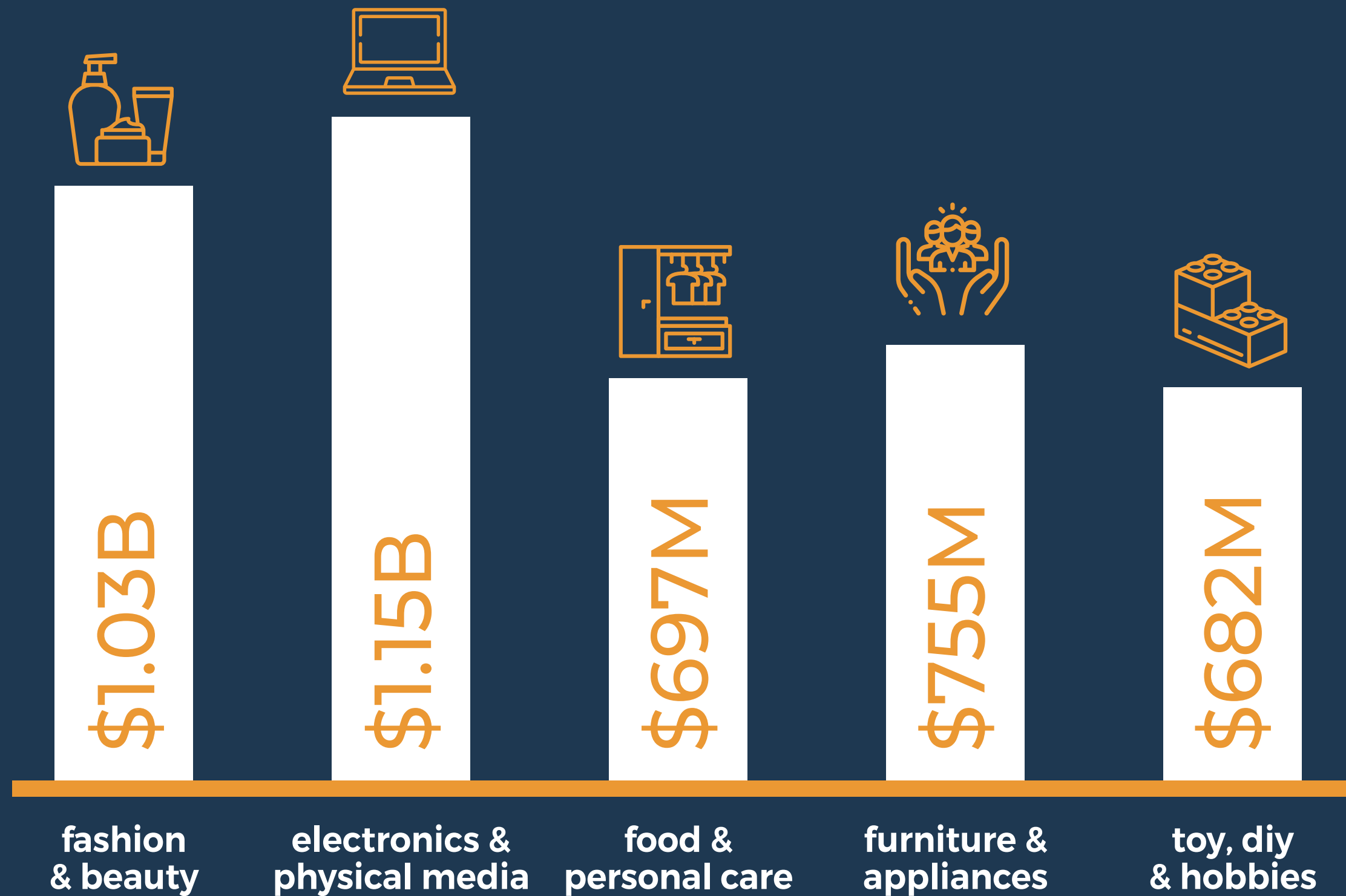


GDP (PPP) per capita: \$20,474



Language: Thai

TOP CATEGORIES



- #1  **Lazada**
- #2  **Shopee**
- #3  **AliExpress™**
- #4  **JD CENTRAL**

**TOP
PLATFORMS**



MALAYSIA

32.16M
population

19.9M
online shoppers

\$3.68B
e-commerce value

\$185
average spending



Currency: Ringgit (MYR)

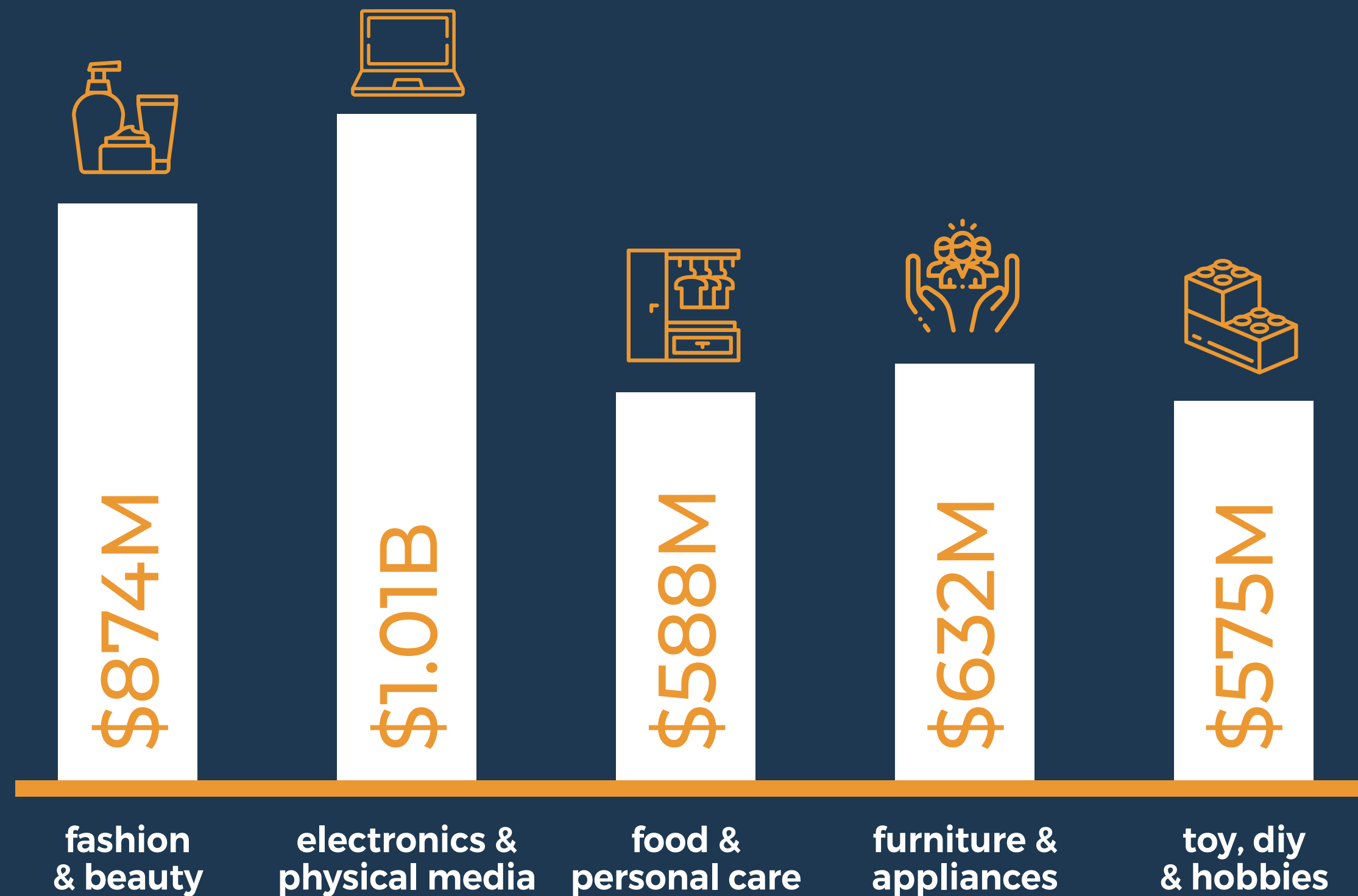


GDP (PPP) per capita: \$34,567



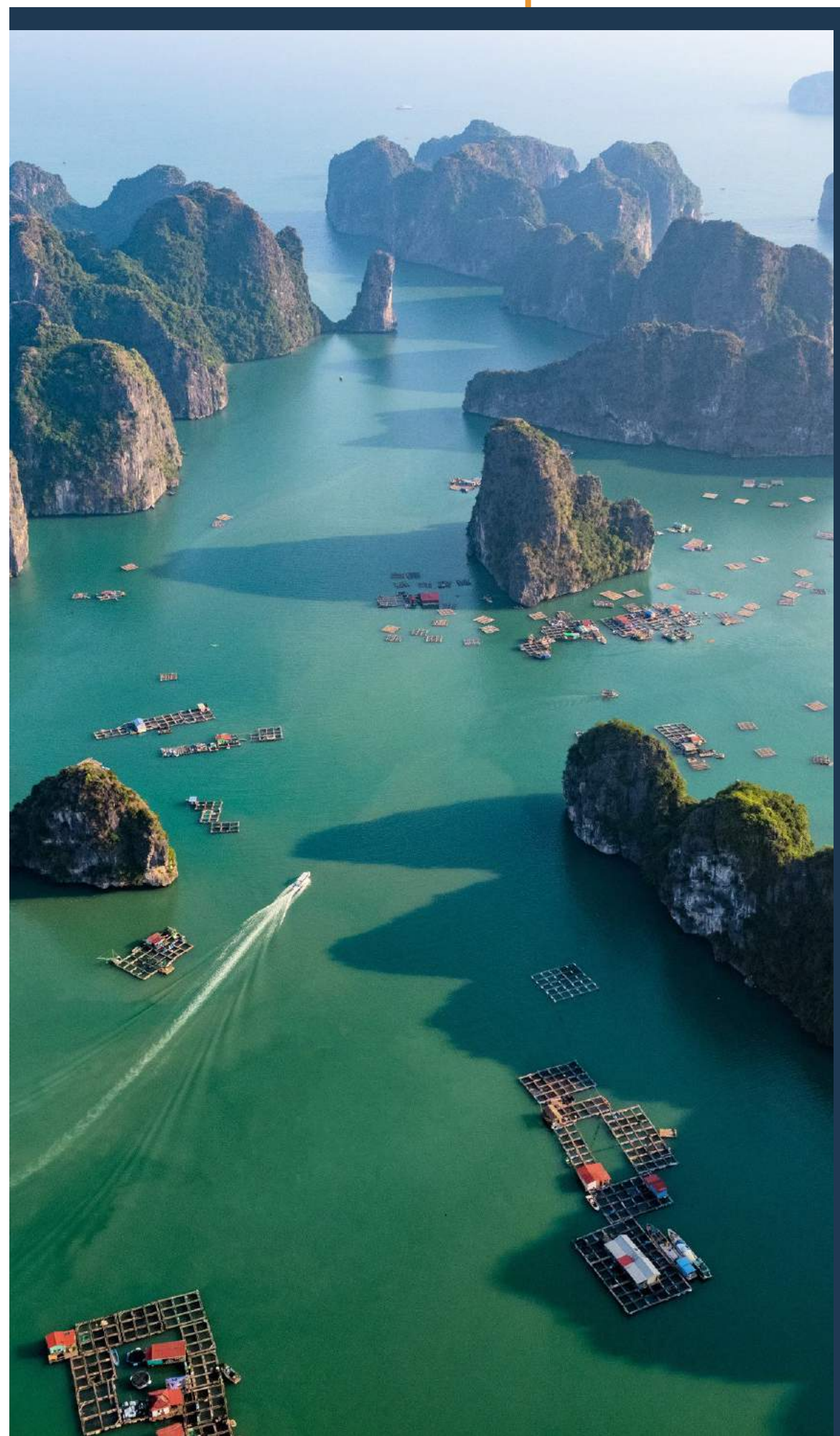
Language: Malay

TOP CATEGORIES



- #1  Shopee
- #2  Lazada
- #3  淘宝网
Taobao.com
- #4  Lelong.my

TOP
PLATFORMS



VIETNAM

96.9M
population

54.7M
online shoppers

\$2.96B
e-commerce value

\$54
average spending



Currency: Vietnamese Dong (VND)

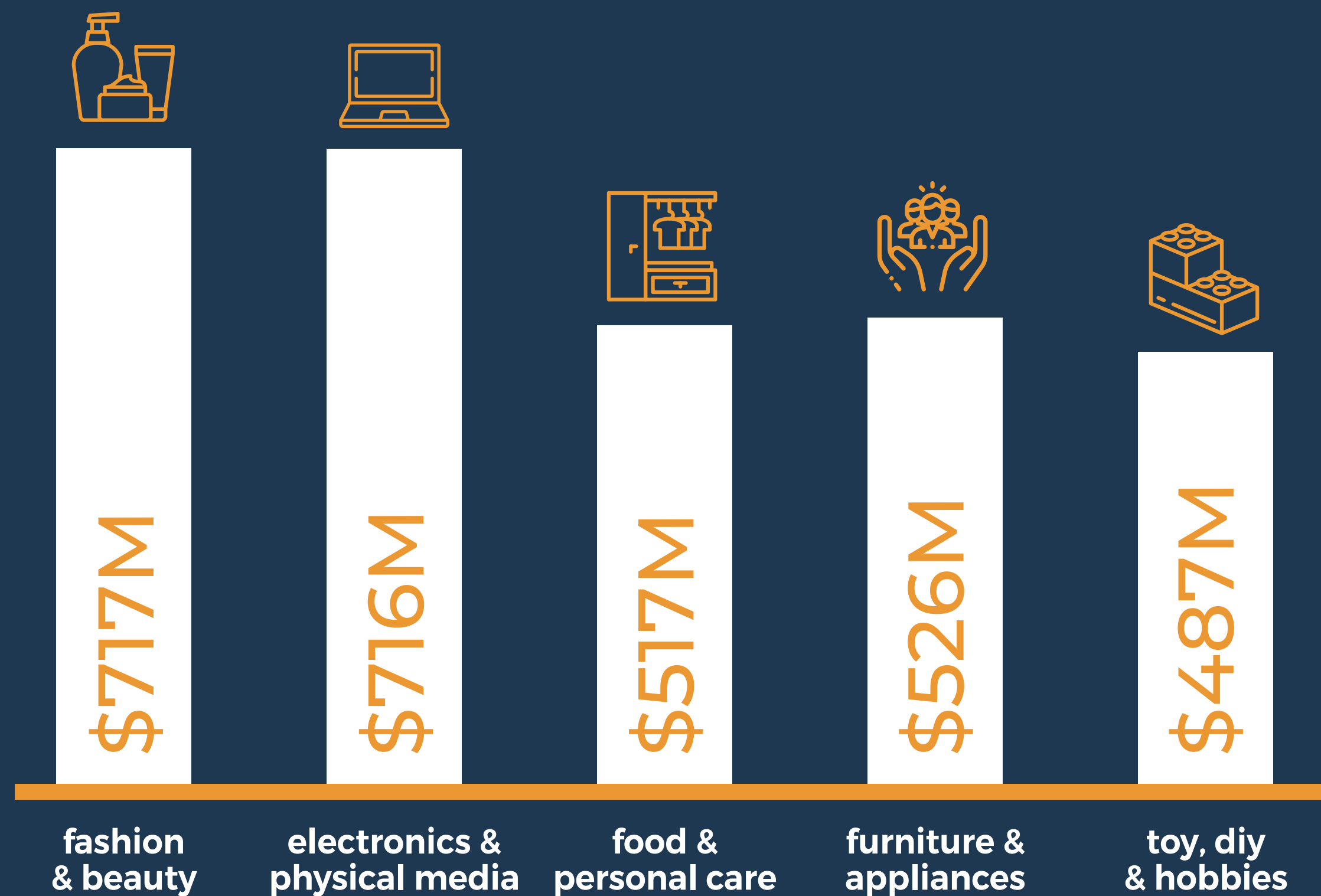


GDP (PPP) per capita: \$8,066



Language: Vietnamese

TOP CATEGORIES



#1  **Shopee**

#2  **Lazada**

#3 **Sendo**

#4 **TIKI.VN**

**TOP
PLATFORMS**



SINGAPORE

5.83M
population

4.00M
online shoppers

\$2.32B
e-commerce value

\$577
average spending



Currency: Singapore Dollar (SGD)

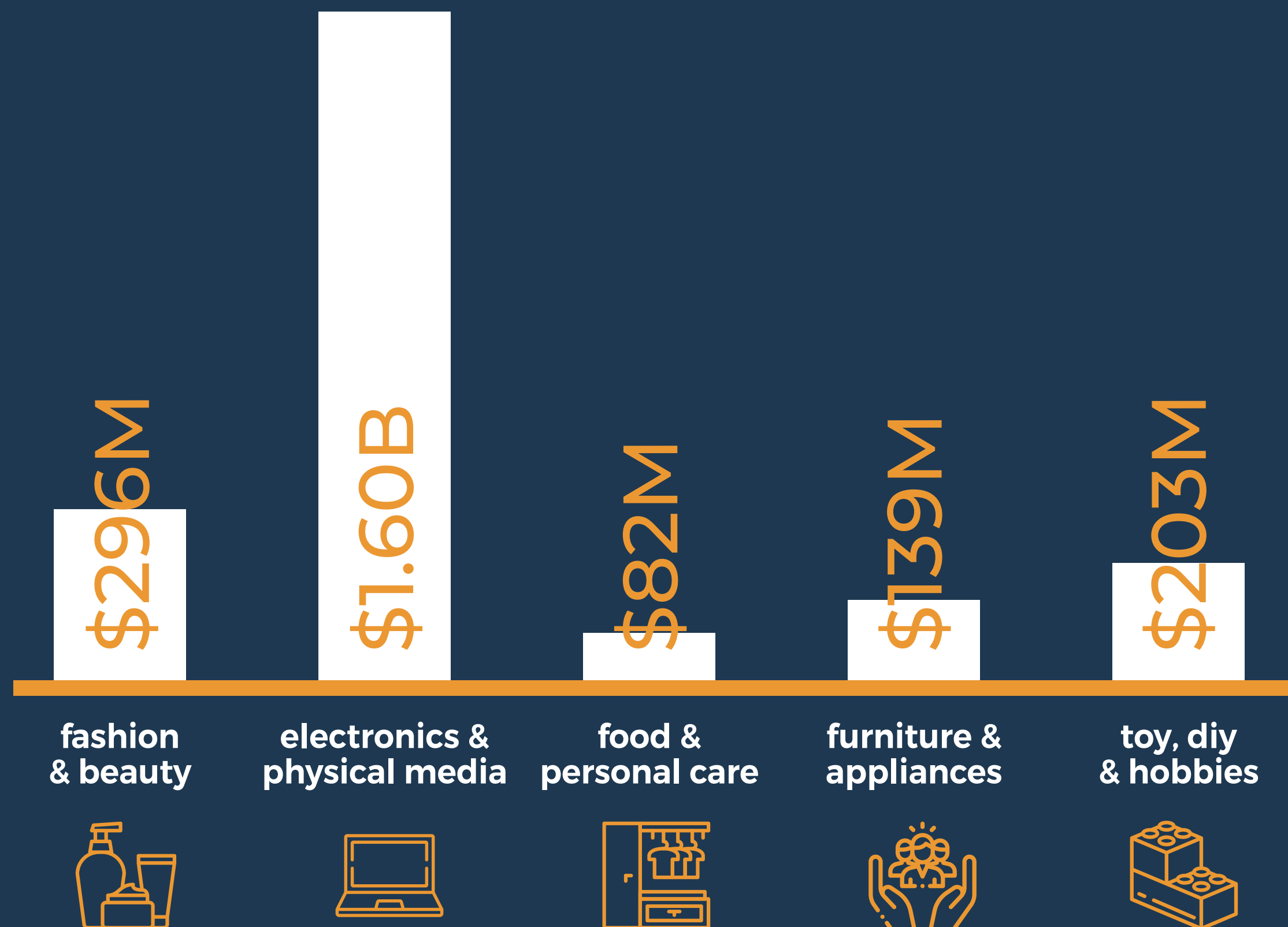


GDP (PPP) per capita: \$105,689



Language: English, Malay, Chinese, Tamil

TOP CATEGORIES



#1  **Lazada**

#2 

#3  **Shopee**

#4 **ZALORA**

**TOP
PLATFORMS**



PHILIPPINES

108.8M
population

48.7M
online shoppers

\$952M
e-commerce value

\$20
average spending



Currency: Peso (PHP)

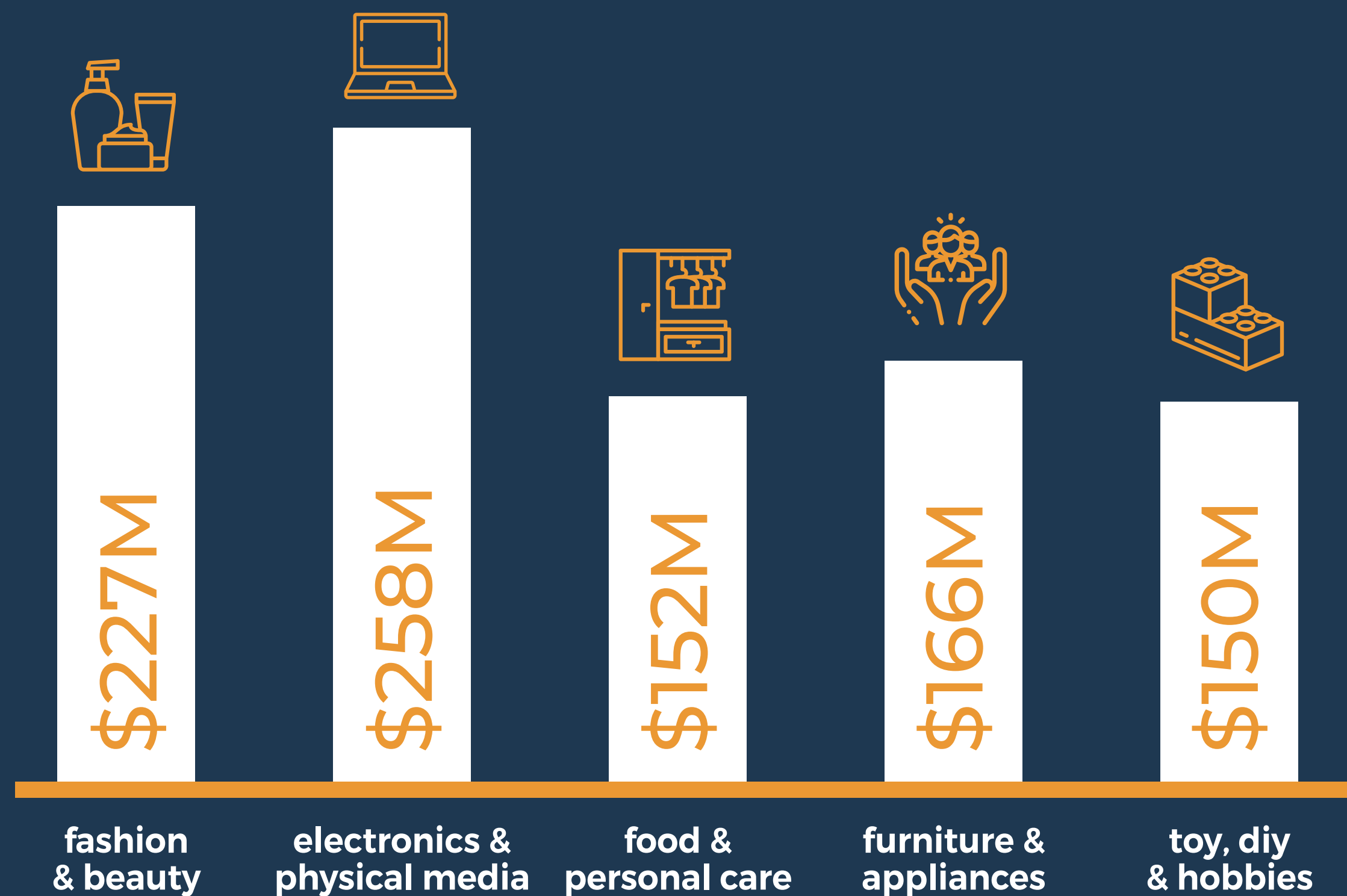


GDP (PPP) per capita: \$10,094



Language: Filipino, English

TOP CATEGORIES



#1  **Lazada**

#2  **Shopee**

#3 **ZALORA**

#4 **amazon**

**TOP
PLATFORMS**

CURRENT TRENDS

SHOPPERTAINMENT

As a new form of retail, shoppertainment spices up the shopping experience through interactive and engaging activities to increase customer retention. Several prime examples for the E-commerce sector are livestream sessions, games and lucky draws.



VIDEO MARKETING

All social media platforms have launched in-app video and livestream feature as this media type is the most effective in drawing engagement. Short video app Tiktok has become the trend, being the fastest-growing social media worldwide.



DROPSHIPPING

Dropshipping enables sellers from all over the world to start an online business and sell to their buyers with minimum risks and never having to stock the items, as the products will be purchased and shipped directly from the supplier to the end customer.



FULFILLMENT

Fulfillment centers can receive, process and deliver orders in large quantities to end customers on behalf of online sellers for the most optimized cost and time, using their extensive supply chain network.



DIGITAL PAYMENT

Digital payment is defined as all cashless transactions including cards, bank transfer and e-Wallets. Following the rapid evolvement of E-commerce and technology, digital payment is seeing a high adoption rate due to its convenience and heavy promotions.







BRAND ADOPTION

Companies of all categories and segments are embracing E-commerce as an important sales channel, which drives up the competition. Online consumers are also shopping for quality instead of cheap prices, making them more brand-conscious.



MARKET ENTER STRATEGIES

| | DIRECT B2C | TRADITIONAL IMPORT | PARTNERSHIP |
|--|------------------|--------------------|-------------------|
|  IMPORTED BY | shipping courier | local company | local distributor |
|  QUANTITY | single order | in bulk | in bulk |
|  SHIPPING | cross-border | local last-mile | local last-mile |
|  SALES & MARKETING | in-house | local company | local distributor |

Brands can sell directly through online channels and have the product shipped when an order is placed, or import them by bulk beforehand to the market. The direct B2C method is advisable for testing out new markets, while importing in bulk is for businesses with a long-term strategy. Brands can also choose to set up a company of their own or partner with existing local distributors.





Language & culture

Despite being in the same region, Southeast Asian countries speak different languages, derive from distinct heritages and possess unique cultural characteristics. Therefore, learning and adapting to each country's landscape can be a big challenge.



Cash-on-Delivery (CoD)

Due to the region's limited exposure to online payment, CoD remains the most popular payment method, accounting for nearly half the total transactions. CoD requires additional cost, has higher return rates and is often inapplicable to cross-border shipping.



Local regulations

International sellers usually have to register a local company, get a product permit and pay import taxes to start selling in Southeast Asia. The region's legal environment is diverse across countries, making the procedures even more complex.



Various sales channels

Shopee and Lazada compete head-to-head in all major Southeast Asia markets, along with local-based marketplaces. The ongoing battle means that merchants have to sell multi-channel to reach as many customers as possible, including social media.



Logistics & infrastructure

Southeast Asia's supply chain and logistics ecosystem are transforming to catch up with the growth of E-commerce. However, it's difficult to overcome certain geographical terrains, especially for archipelagic countries like Indonesia and the Philippines.



Cross-border commerce

Cross-border commerce is on the rise, but it also comes with many barriers. Factors such as logistics, taxes & duties, customs clearance, currency & payment vary between countries, thus assistance from regional expert is advisable.

EXPAND

CHALLENGES

1

business &
product
registration

2

warehousing
options

3

import &
export

4

multi-channel
management

5

e-commerce
fulfillment

6

cross-border
shipping

7

last-mile &
cod delivery

8

money
remittance

9

local partner
network

BOXME SOLUTIONS





OUR RESOURCES

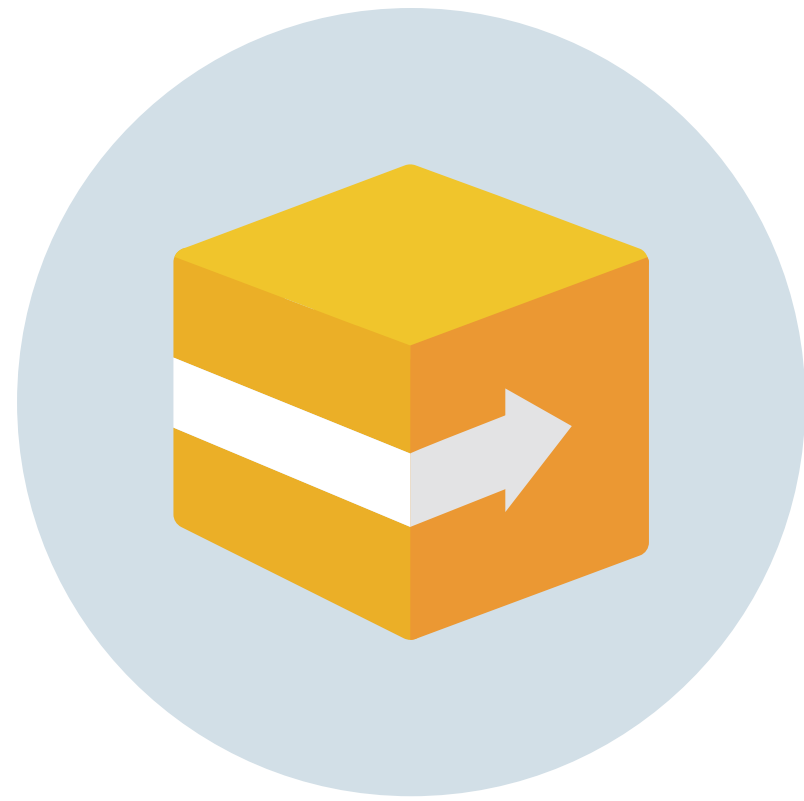
Boxme Information Hub

E-commerce Insights

Logistics Insights

Expand to

**Vietnam | Thailand
Malaysia | Indonesia | Philippines**



BOXME
CROSS BORDER FULFILLMENT

ABOUT US

Officially going into operation since October 2015, Boxme was known as a pioneer enterprise in providing technological solutions for E-commerce logistics, especially bringing to the playground the E-commerce fulfillment model which has not been widely popular in Southeast Asia.

By offering various solutions in E-commerce logistics, Boxme is currently enabling hundreds of brands and enterprises to start and operate in Southeast Asia. With an extensive network of warehouses and shipping couriers across the region, Boxme is lowering the barriers for international merchants to enter one of the most promising markets for E-commerce.



Vietnam | Thailand | Malaysia | Indonesia | Philippines



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