

# OMNICHANNEL COMMERCE IN ASEAN AND INDIA

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## INTRODUCTION

Omnichannel commerce has seen significant growth over the last few years, powered by global lockdowns, changes in consumer behaviour, and growth in new technologies. But what’s going on in our own backyard?

We take a look at companies from across ASEAN and India to see how they’re actually driving omnichannel commerce and the results they are generating.

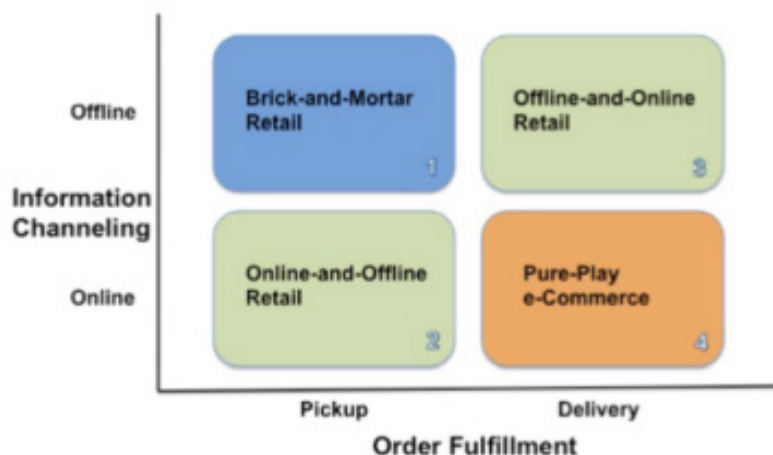
Omnichannel retailing is a multichannel approach to sales that seeks to provide customers with a seamless shopping experience whether the customers are shopping online from a desktop or mobile device, by telephone or in a brick-and-mortar store.

## WHAT’S YOUR FLAVOUR OF OMNICHANNEL COMMERCE?

[Bell et al. \(2014\)](#) proposed a customer-focused framework that can be expressed as an information-fulfillment matrix in figure below to help retailers navigate in an omnichannel environment.

They ask two fundamental questions: (i) how should a retailer channel the product information to the customers (online or offline)? (ii) how should a retailer fulfill a customer order (pick up or delivery)?

The authors argue that a brick-and-mortar retailer in quadrant 1 in figure below, with an online channel, can consider enhancing its overall performance by adopting a strategy in quadrant 2. This allows the customers to buy online and pick up in-store or research online and purchase offline. Similarly, a pure-play online retailer in quadrant 4 can adopt a strategy in quadrant 3 to offer the customers to first try the products in the physical showroom and purchase them online later. The authors foresee that the strategies in quadrants 2 and 3, which provide hybrid experiences for the customers, are becoming ‘must-have’ features in the omnichannel revolution.



In the following sections, we will deep-dive and evaluate omnichannel marketing through our interviews, experience and online research.

## **WHAT DOES GREAT LOOK LIKE? (HELP ME ENVISION)**

Omnichannel retail initiatives ask two fundamental questions: (i) how should a retailer channel the product information to the customers (online or offline)? (ii) how should a retailer fulfill a customer order (pickup or delivery)? Great experiences across the region are enabled by teams who are quick to respond to market changes, or who have consistently built up capabilities that address customer challenges and needs.

### **B2C:**

Retailers who were able to respond to the pandemic and lockdown changes quickly and effectively considered both these questions. For instance, farmers in Cameron Highlands, a cradle of Malaysia's farming industry, dumped hundreds of tons of produce after Covid-19 lockdowns shuttered wholesale markets and restaurants across the nation. Lazada opened a virtual store to link farmers and homebound Malaysians. The uptake surprised even the e-commerce giant: consumers bought an average of 1.5 tons of cabbages, carrots and spinach each day. On the fourth day, 3.5 tons of veggies were sold in less than half an hour. By the third week, about 70 tons had been delivered from farms to doorsteps across the country.

When lockdowns occurred in Indonesia, Matahari department stores used the resources they had available to reach customers. To replicate the in-store experience, Matahari quickly enabled their floor staff to engage in live selling on Instagram, as well as Shop & Talk to make shopping from home easier. To keep consumers entertained and armed with promotional vouchers, they offer online games. They saw a 17% monthly growth of their online business.

Platforms that have already invested in omnichannel capabilities have been able to create omnichannel opportunities for small retailers across the region. DBS Bank's investments in digital ensured that it was ready for the sharp rise in demand for digital banking services during the pandemic. For instance, there was widespread adoption of their digital products, with a fourfold increase in people over 60 adopting digital channels. In March 2020, the bank launched a digital relief package to help food and beverage businesses set up an online food ordering site in just three business days, through measures such as a branded e-menu, digital storefront and social media presence.

### **B2B:**

In B2B, the approach to channels is different: purchase cycles are stretched, and channel definition changes from having more of a media focus to any touchpoint where a buyer could experience the brand. This could be products, events, demos, pilot programs, workshops, experiential centres (like the Microsoft experiential center in Singapore), reading materials, ebooks, physical books, videos and demo videos.

Partners play an important role in B2B omnichannel strategy, and ways to cross-sell and upsell become a core focus for growing revenue and profitability.

Across the region, international travel was de rigueur before lockdowns. B2B organisations with sales teams suddenly found themselves plunged into the icy waters of digital-only selling. Oracle is one organisation that had invested in a B2B omnichannel selling platform that was scalable, with integrated data across the business, where most of the buying process could be completed digitally. In recent years Oracle has enabled most of their buying journeys to be managed digitally, connecting marketing with a lengthy sales process which is typical in enterprise B2B sales processes (multi-faceted and can span years). They now have a fully automated customer buying experience for 90% of all cloud transactions, and doubled their lead conversion rate.

Many ecommerce players, like Zilingo and Shopback, founded in Singapore, connect consumers to sellers in the retail industry. For instance, Zilingo co-operates with 30,000 merchants with five million monthly visitors to its platform. Their buyers and merchants hail from 15 countries as well. The company started as a B2C consumer-facing online retail store but extended into B2B by providing a supply chain for its merchants.

In Indonesia, Mitra Bukalapak and Mitra Tokopedia provide inventory to small shop owners that they can sell in-store as well as resell via messaging channels such as Whatsapp.

## MEASURING VALUE (HELP ME DELIVER RETURNS)

Omnichannel commerce success is ultimately driven by return on invested capital and growth, rather than traditional retail metrics like same-store sales, in-store sales per labor hour, and compensation systems based on such metrics. Lead indicators include:

### B2C:

B2C sales cycles tend to be faster, with a lower overall Average Order Value (AOV) and greater insight into the digital buying behaviour as a consumer moves through a typical purchase funnel. Measures of success include:

- **Brand Awareness** - Website traffic, engagement metrics of your customers via social.
- **Conversion** - Focus on metrics such as AOV, cart value, time on site, cart abandonment rate which ultimately should be strictly aligned with a goal to optimise toward. Customer Acquisition Cost and Return on Spends are major parts of conversion success and should be tracked in parallel with all other conversion metrics.
- **Retention** - All the hard work has been done and now to retain all the clients you have. Each industry has slightly different measures of success with retention but you must have Customer Lifetime Value as an overarching metric. Average purchase value, average purchase frequency are day to day metrics to monitor.

Closely aligned to Retention is the fact that you want to turn your customers into your sales people after they purchase. Measure and reward online reviews, social media mentions, forums and chat groups to further embed your brand into the life of your customers. Your goal is to establish a great reputation with not only your customers but their network too.

### B2B:

Total internal alignment across the business improves the ability to serve customers over their entire lifecycle, regardless of channel. It also enables sellers to strategically advise their accounts to help them grow as a result of more complete and accurate data.

What leading organisations are able to do better than the rest are connect their backend systems with their front end systems and let insights drive their strategies. When you notice the surge in demand for one product/category and can trigger real-time alerts to your procurement systems to buy additional stocks of that product, you're a step ahead. When your finance systems see availability of surplus cash and can trigger early contract payouts for better discount percentages without human intervention, you are directly contributing to shareholder value.



For B2B organisations success is measured in revenue, speed of a sales cycle, and sales efficiency. For instance Terex, a global manufacturer of lifting and material processing products and services, was able to streamline their B2B purchasing for parts across multiple brands, sites, and languages for 5,000 accounts and 400,000 SKUs. In doing so, they achieved:

- 2x faster site speed
- an almost 10% increase in online revenue.

Marketing brings a lot of value to this initiative:

- deep understanding of customers and the messages that are resonating with them across regions.
- data-driven insights by reading and interpreting customer signals.
- ideally sales/marketing and commerce should be highly aligned; this means customers easily engage on their own terms and information sharing is optimal while sales teams can focus on high-value accounts.
- especially for B2B, staying close to the customer, and providing opportunities for engagement and guiding the buyer journey.

### Case studies:

B2B and B2C organisations have streamlined and accelerated digital commerce automation using technologies including creating deeper customer profiles, feeding into personalisation across the customer journey, and headless commerce and flexible CMS to increase efficiency and [speed to market](#).

By aligning sales, marketing, and service, Oracle sped up campaign launches, reduced sales research, doubled lead conversion, and [shortened service for customers](#).

## HOW TO GET STARTED (HELP ME KICKSTART MY JOURNEY)

Put on your customer hat: reinvest in discovery if you find the need. It's better to fill the gaps of what you do not know about your customer at the start instead of course-correcting it on the way. Put yourself in their shoes and review how much you understand in depth. Seek help from diverse people in your teams on how they would imagine that customer journey and collate all data to form a strong opinion before moving forward.

### Lay out your strategy

- **Segment out your customers**

Take a data-driven approach. Segment your customers into audiences based on demographics, geographic location and behaviour. You need to create a smooth and relevant experience for your customer needs. Doing this well will directly increase your conversion rate and save you time in the long run.

- **Choosing the correct channel and platform**

Every platform needs to be a seamless experience for your customers. This does not mean you need to invest in every channel but look into what platforms your target audience use. There are channels such as email marketing that can always be a part of your strategy but a lot of others that can supplement each other. For example, exploring partnerships in the virtual world the way Adidas did with the Bored Ape Yacht Club. Follow your customers to where they are.

- **Invest in the right tools to analyse your success and monitor feedback**

Use the correct platforms and technologies to concisely optimise and analyse your campaigns, in real time. You will need to remain consistent on your messaging across all channels through the automation of tasks and messaging which often can be forgotten about when you have a lot going on. Customer Data Platforms are increasingly being adopted to create a golden record of the customer that facilitates a personalised journey across channels. Marketing automation platforms hold a lot of value for all tasks that are needed plus dissemination of all your data collection which enables you to ensure all your messaging and campaigns are sent out at the right time on the right channels.

## Sell through super apps

It's no secret that consumers love using super apps across the region. Many brands with no or limited ecommerce capabilities chose to explore omnichannel commerce through apps like Grab.

For instance, food and beverage brands were able to get up and running quickly to test out different ways to use this new channel, including:

- build a branded store on GrabMart to drive instant commerce and simultaneously connect with consumers who may have already ordered food or received samples on GrabFood
- list their product under Supermarket, Hypermarket, or pharmacy to drive traffic directly to that product
- create a Shop-in-Shop experience; for example, build a Heineken Store under 7-Eleven

The typical campaign spend for effective results was between \$20,000 to \$30,000, beginning with a four week run at least. (Brands could spend 4-6 weeks to run a simple campaign, and 8-12 weeks for campaigns requiring deeper integration).

## Build your own e-commerce channel: US edition

While we talk about [omnichannel marketing in the e-commerce industry](#), let's look at how Amazon has changed the omnichannel marketing game in the e-commerce space. If you have read Jeffrey and Bryan Eisenberg, and Roy. H. Williams' book, 'Be Like Amazon: Even a Lemonade Stand Can Do It,' you are probably already aware of how Amazon's customer obsession and culture of innovation has helped them become one of the most influential companies in the world. If you have admired Amazon for its [omnichannel eCommerce strategies](#), you must know about the [four important omnichannel strategies](#) which made them the brand they are today:

- user experience: Amazon always puts their customers at the heart of their business, which enables them to create a best-in-class user experience
- customer service: Amazon ensures that they offer the best customer service to its users; from implementing robots to improve their efficiency to introducing Amazon prime to offer special benefits to the users, Amazon ensures that their customers are always happy
- innovative advertising: Amazon is a pioneer in omnichannel marketing; from SMS, emails, push notifications, and SMSes, they use everything to engage with the customer
- diversification in e-commerce marketing: Amazon has ensured that it is not restricted to e-commerce alone; it experiments constantly and has also made a strong presence as a brick-and-mortar retail shop.

## Build your own ecommerce channel: Singapore Edition

Similarly, the Singapore-based marketplace, Carousell has expanded across the region with a customer-centric philosophy. The key is to ask what is the customer challenge you are trying to solve. Then map the KPIs behind that. For example, how can we make it easier for the customer to buy? Does it solve a user problem? How do we measure the attributes and sales? Financial consideration is important but not the most important. There is no fixed percentage allocation for this and no fixed duration for the campaign because it could be a weekend campaign or it could be a 6 month campaign. "Always go back to whatever customer problem you are trying to solve," advises JJ Eastwood, Managing Director of Carousell.

## WHO SHOULD BE INVITED TO THE PARTY? (HELP ME GO FASTER AND FURTHER)

Teams we spoke to started with various departments, including Sales, Marketing, Digital or Customer Experience who then gathered together other members from across the organisation:

To create an ideal omnichannel experience, one of the key ingredients would be to have a deep understanding of the customer buying journey. This would mean to observe closely the kind of platforms your customers frequently use to shop, their purchasing behaviours, the challenges they face while shopping, how they interact with the brand across each touchpoint, and the devices they use to shop.

This data will help you to identify the right touch-points and focus on strengthening them to create a seamless and tailor-made experience for your customers. It will also help you to identify the common issues that customers face and create a viable solution for them.

Hence the roles in Data Analysis, Brand Research and Brand Strategic Planning will be crucial in setting key milestones in the strategy foundation for the Omnichannel Strategy. This team will help any business to:

1. plan the forward experience of the customer
2. segment the customers and personalise their user journey
3. optimise their journey using a data-based strategy
4. select the right marketing automation tools to implement the strategy.

Huyen Doan, Head of Grab Ads, Vietnam says they involve a research team for forecasting product types and product preferences of GrabFood users via primary research methods like focus groups, prior to implementing an omnichannel marketing campaign.

Like all new marketing strategies, there has to be clear alignment of the business's KPIs. Exactly what customer problem is the omnichannel marketing strategy trying to resolve?

Therefore, it is critical to include the Product Team, Business Development, Trade and Sales Teams. These teams need to answer questions like the ultimate sales increase and/or increase in engagements along the customers' journey to set their goal in measuring the success of the omnichannel campaign.

In particular, the Trade and Sales teams have a big role in managing the price and choice of distribution within the omnichannel commerce game. For example, they will decide if prices should be lowered in one distribution channel to beat competitors in a particular market place, and other value-added promotions needed in another marketplace.

Marketers should also remember to always involve other stakeholders like those on the ground executing campaigns. For example if a supermarket is promoting a lucky draw contest, the supermarket staff on the ground should know the terms and conditions of a digital promotion when a customer shows up in the physical store to claim the prize. Otherwise the confusion will create a negative rather than a positive customer experience.

Finally, all the above efforts should be eventually amplified by the Communications/PR teams. This will include brand managers and media experts to orchestrate a clear communication plan for the brand and product to be launched or to be promoted, and to be proactive with marketing efforts such as SMS, emails, and push notifications to ensure that the brand is engaging with the customers at all touch points. Where possible, social media should be employed to fuel conversations across the different touch points to not only create strong customer engagements, but to also help influence the customers to the next stage of their purchasing funnel. This team will also be responsible to adjust, optimise, and refresh the ongoing campaign to achieve the set KPIs.

## CONCLUSION

Omnichannel strategy planning is frequently incomplete because of siloed teams, data and approaches. This means that new commerce channels are siloed and offer a disjointed customer experience. Furthermore, the commerce landscape has dramatically changed over the last year: brands struggle to understand which commerce channels to engage with to drive customer and brand value and therefore have engaged in various test-and-learn omnichannel commerce initiatives.

Omnichannel commerce allows businesses to attract and retain customers provided a strategic, cross-team approach is followed. The strategy should be aligned to your business, the core proposition that you want to create for the customer, the right channels identified, and teams engaged to be able to execute the plan.