Meltwater

Outside Insight

ECOMMERCE IN SEA:

Supercharging holiday sales through social media

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Introduction

'Tis (nearly) the season — and retailers are hoping consumers turn out in force to produce a blockbuster holiday shopping quarter.

Across the region, the festive quarter is a crucial time for retailers, both online and offline, to drum up sales. In Singapore, for example, holiday season sales represent some 20% of total online sales.[1] Its importance is growing in Indonesia, Philippines and Malaysia, too.

However, it's important to note that the festive season by no means guarantees good cheer.

For years, holiday shopping — Black Friday and Christmas — meant people needed to head down to malls and fight off other shoppers for great deals. But, with the growth of ecommerce, busy shoppers no longer need to brave long queues and crowds to meet their holiday shopping needs.

There are other new realities for retailers to contend with too, including the shift to mobile and cross-device behaviour, limited attention spans and declining loyalty.

While digital connectivity has improved our lives for the better, it has also raised consumer expectations. Consumers have more power and voice than ever before — and they're not afraid to use it. If companies are not meeting consumers' high expectations, they can easily switch to find one that will.

Still, 2018 could turn out to be a great year for ecommerce retailers in Southeast Asia. After all, this region has seen explosive growth and is expected to grow 32% from US$5.5 billion in 2015 to US$88 billion 2023, making up 6% of total retail sales.
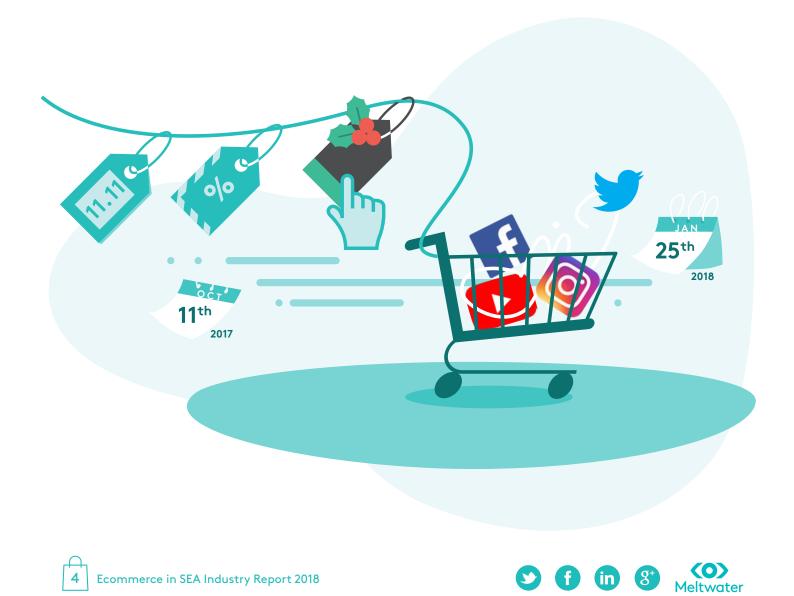
But how can retailers capture consumers' hearts and minds in such a crowded and competitive environment? By taking a pulse of consumer sentiment, behaviour and attitudes from last year's holiday season, we hope to not only help retailers plan their year-end marketing and advertising strategies, but also identify trends that will help them stay on top of ever-evolving consumer needs and expectations.
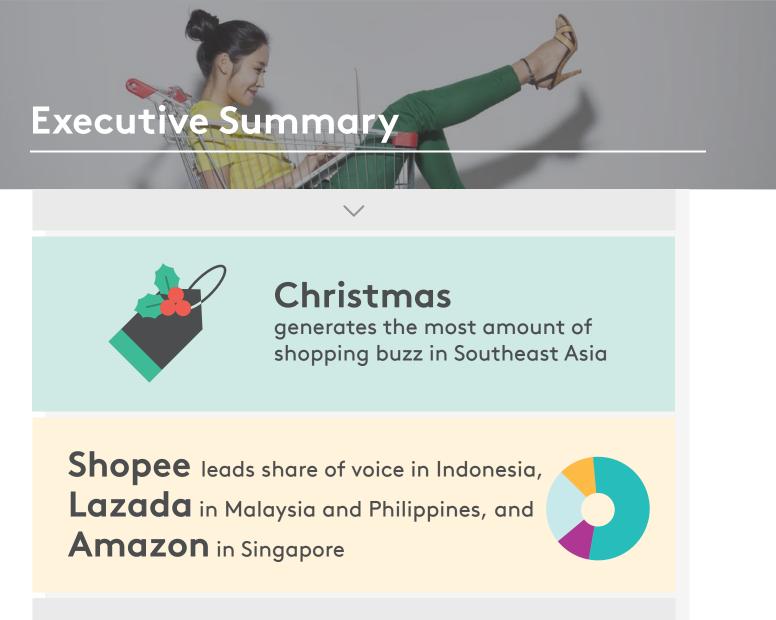
[1] Adobe Digital Dialogue:''Tis The Season to Spend Online (and with your Mobile!)',12 Nov 2014

Methodology

Meltwater tracked and analysed social media mentions of Christmas, Black Friday, and Singles' Day and distilled out conversations related to shopping. We analysed content across millions of posts from Twitter, Facebook, YouTube, Instagram, blogs, review sites and online forums. For consistency, the tracking period for all holiday periods was one month before and one month after the holiday, making the total tracking period from 11th October 2017 until 25th January 2018. To ensure that the focus was just on local content, we restricted our search to four countries: Singapore, Malaysia, the Philippines and Indonesia. A sentiment analysis, classifying mentions into positive, neutral and negative was also conducted for all top mentioned brands - for this, we use a sample size to manage the high volume of mentions that we analyse.

Executive Summary

Christmas generates the most amount of shopping buzz in Southeast Asia

Shopee leads share of voice in Indonesia, **Lazada** in Malaysia and Philippines, and **Amazon** in Singapore

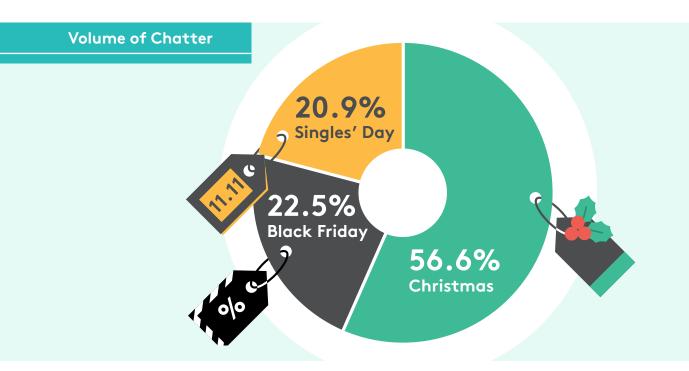Consumers prefer the **Marketplace model** to traditional ecommerce

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Exploring shoppers' attitudes and actions

During last year's festive season, more people than ever went online to shop for friends, family and themselves. This was also reflected on social media where conversations related to Christmas, Black Friday and Singles' Day heated up as early as October.

Volume of Chatter

20.9%
Singles' Day

22.5%
Black Friday

56.6%
Christmas

Christmas leads the festive race
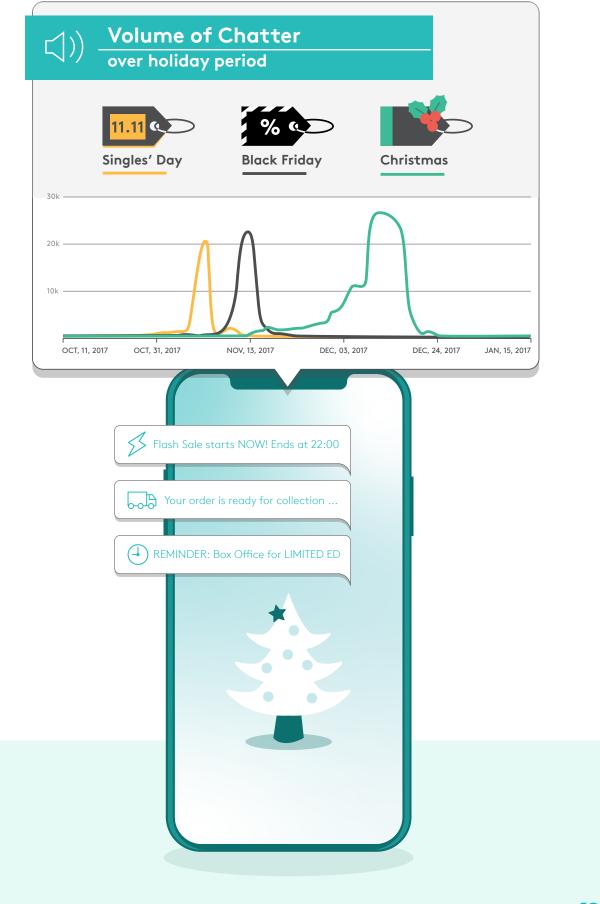
The two holiday fixtures — Christmas and Black Friday — dominated social media, with Christmas shopping pulling in 56.6% of chatter, while Black Friday represented 22.5% of buzz. Fast-growing Singles' Day — a shopping holiday started by internet company Alibaba in 2009 — is credited with kicking off the nearly two-month shopping period, and accounted for 20.9% of social media conversations.

Volume of Chatter
over holiday period

11.11 Singles' Day

% Black Friday

Christmas

30k

20k

10k

OCT, 11, 2017   OCT, 31, 2017   NOV, 13, 2017   DEC, 03, 2017   DEC, 24, 2017   JAN, 15, 2017

Flash Sale starts NOW! Ends at 22:00

Your order is ready for collection …

REMINDER: Box Office for LIMITED ED
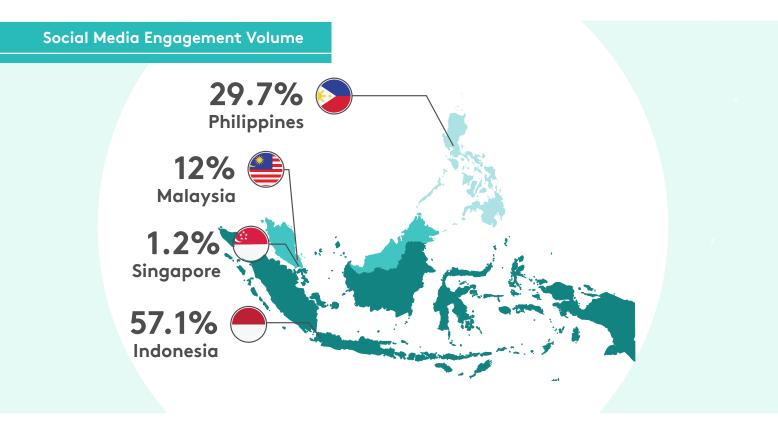
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The countries sleighing it

Regionally, Indonesia drove the highest volume of conversations centred around Singles' Day, Black Friday and Christmas, accounting for 57% of engagement volume. This isn't surprising — in recent years, Indonesia has seen increased internet penetration and smartphone usage thanks in no small part to a growing middle class. Additionally, an overhaul of online payment systems has also given the industry a much needed boost. All of this has helped add more than 11 million new online shoppers in 2017, taking the total to 35 million.[2]

Philippines and Malaysia represented 30% and 12%, respectively, while less densely populated Singapore brought in 1%. For the shopping novice, Christmas is a hugely important period in the Philippines with festive activity, including holiday deals and promos, starting as early as September. Despite showing promise, festive buzz in Malaysia was somewhat muted due to stagnating salaries and higher cost of living. Adding to retailer woes was higher spending that took place earlier in the year during Hari Raya.

Social Media Engagement Volume

29.7%
Philippines

12%
Malaysia

1.2%
Singapore

57.1%
Indonesia

[2] Nikkei Asian Review: '[Alibaba-backed Tokopedia takes online shopping throne](#)', 20 Feb 2018

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Top Topics Discussed

More people are starting their shopping earlier each year — and this is reflected in the conversations they're having online too. For both Black Friday and Singles' Day, social buzz takes place about a week or so before the sale day, while for Christmas it starts nearly a month earlier.
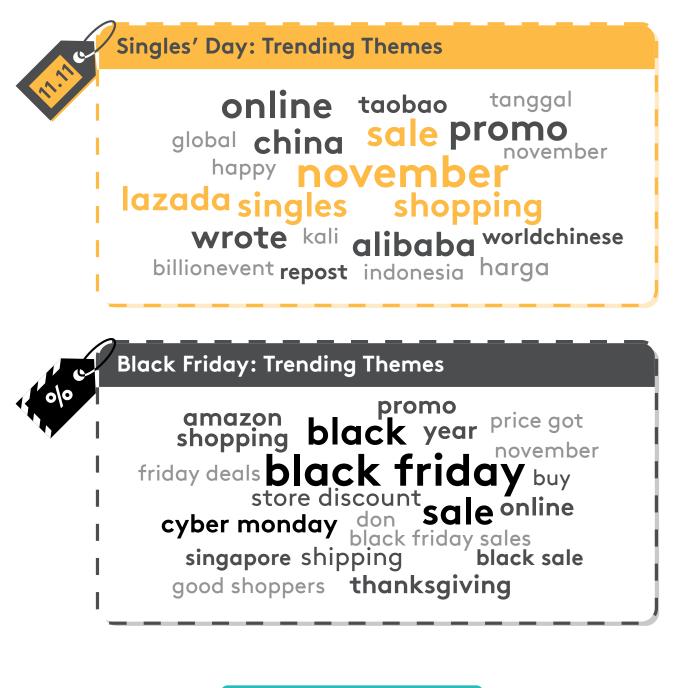
Amongst the topics discussed, there were minor variations depending on the holiday and the country:

- Christmas chatter included words like "Gift", "Happy', "Love", "Present" and "Shopping".
- "Sales", "Alibaba", "Shopping" and "Lazada" were key words used on Singles' Day.
- "Friday deals", "Shopping" "Promo" and "Discount" were used generously on Black Friday.

From the topics discussed, it's clear that both Black Friday and Singles' Day are tactical, bargain-driven shopping holidays, while Christmas is more about emotions, family and festivity. It's important to note that Alibaba's presence in chatter shouldn't be viewed as surprising, given that the company was instrumental in launching the shopping holiday. The question to ask is why other brands haven't jumped on the bandwagon?

Christmas: Trending Themes

buy new merry
christmas present friends
one holiday
give year gifts december
good free family
season love
shopping party
santa buy new year

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Singles' Day: Trending Themes

11.11

online · taobao · tanggal
global · china · sale · promo · november
happy · november
lazada · singles · shopping
wrote · kali · alibaba · worldchinese
billionevent · repost · indonesia · harga

Black Friday: Trending Themes

%

amazon · promo · price got
shopping · black · year · november
friday deals · black friday · buy
store discount · sale · online
cyber monday · don
black friday sales
singapore · shipping · black sale
good shoppers · thanksgiving

CHECK OUT
01:54
to enjoy discounted price

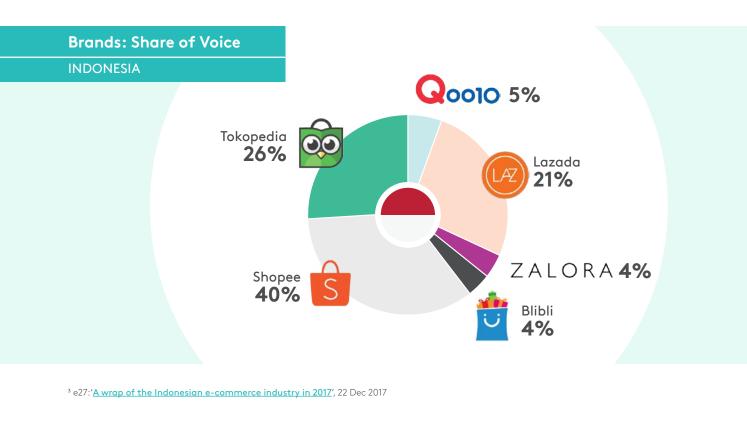Meltwater

Top Brands generating maximum festive buzz

While the ecommerce sites people talk about differ between countries, it is the marketplace model of Lazada, Amazon, Shopee and Qoo10 that appears to be winning consumers over.

Indonesia

In Indonesia — a huge market for ecommerce companies thanks to its young, urban population — Shopee is the leading brand that consumers talk about, followed by Tokopedia and Lazada. Shopee's rise is quite remarkable. As one of the newer entrants, the company has done a wide array of things including launch a mobile shopping event and strengthen its seller community to close the gap with competitors.

Lazada saw the highest peak in share of voice on December 20th with 11,300 consumers talking about the brand. The brand saw a similar spike in conversations on January 5th — proving that it's important for brands to keep the campaign momentum going even after the new year begins. Another factor that helped Lazada gain an edge is the lack of any noticeable promotions from local giant Tokopedia.[3]
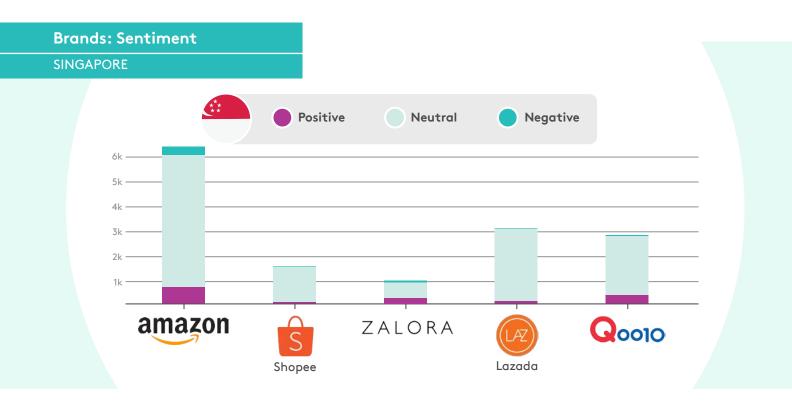
Brands: Share of Voice

INDONESIA

Qoo10 **5%**

Tokopedia **26%**

Lazada **21%**

Shopee **40%**

ZALORA **4%**

Blibli **4%**

[3] e27: 'A wrap of the Indonesian e-commerce industry in 2017', 22 Dec 2017

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Singapore

In Singapore, a more mature ecommerce market, Amazon dominated social media with 51% of online conversations, followed by Lazada and Qoo10. This is quite a feat for the US retailer, which only launched in Singapore a year ago and does very little promotional activity compared to some of its rivals. What's especially interesting about Amazon's coup in the island nation is that it also generated the most amount of positive sentiment amongst retailers.

Qoo10 **19%**

Lazada **24%**

amazon **51%**

2% ZALORA

Shopee **4%**

Much of this success can be attributed to their two-hour delivery strategy and the overall shopping experience. In the early days, Amazon also waived membership fees in its bid to capture Singaporean's attention. To cement its growing position in the market, this July, the the company launched its made-up shopping holiday "Prime Day" in Singapore touting it as an "epic day of our best deals".
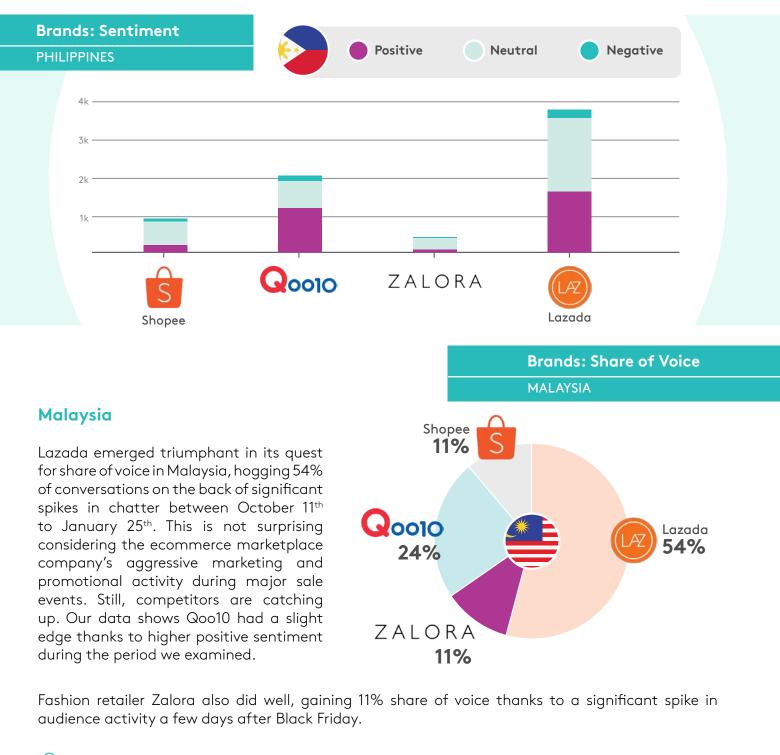
Brands: Sentiment

SINGAPORE

● Positive   ○ Neutral   ● Negative

amazon

Shopee

ZALORA

Lazada

Qoo10

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Philippines

Although Alibaba-backed Lazada is the market leader in the Philippines, Qoo10 garnered the most amount of buzz in the country, followed by Lazada. A deeper look shows that Lazada marginally beat its rival with higher positive and neutral sentiment and lower negative sentiment overall during the festive period.

One key reason for Lazada's success is due to its campaign 'The Online Revolution', which ran on both Singles' Day and Alipay's 12.12, another new and emerging shopping holiday.

Brands: Sentiment
PHILIPPINES

● Positive   ○ Neutral   ● Negative

Shopee   Qoo10   ZALORA   Lazada

Brands: Share of Voice
MALAYSIA

Malaysia

Lazada emerged triumphant in its quest for share of voice in Malaysia, hogging 54% of conversations on the back of significant spikes in chatter between October 11th to January 25th. This is not surprising considering the ecommerce marketplace company's aggressive marketing and promotional activity during major sale events. Still, competitors are catching up. Our data shows Qoo10 had a slight edge thanks to higher positive sentiment during the period we examined.

Shopee 11%
Qoo10 24%
ZALORA 11%
Lazada 54%

Fashion retailer Zalora also did well, gaining 11% share of voice thanks to a significant spike in audience activity a few days after Black Friday.

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An In-depth look at brands winning on social

Holidays are a competitive period for retailers vying for the hearts, minds and wallets of consumers. Brands that are active on social media and are using it to better understand consumers are reaping rich rewards. In this section, we've analysed what the top three ecommerce players (based on share of voice and sentiment) are doing to appeal to new and fast-evolving shopping behaviours.

Shopee Indonesia

Throughout the holiday period, Shopee Indonesia leveraged social media to alert customers to giveaways, sales, discounts and cashback deals, among other announcements.

Shopee Indonesia took the early mover advantage posting its first holiday promotional post on Monday 9 October, 2017 at 20:18. Using the hashtags #Shopee1010, #KuisShopee and #ShopeeID, the photo post garnered the most success. This post received 5.7k likes, 747 shares, and an impressive 60k comments.

Most Engaged Post

5.7k Likes

747 Shares

60k Comments

#Shopee1010
#KuisShopee
#ShopeeID

Over the holiday period, Shopee Indonesia saw its weekly ad value hit an average of US$122,355, with the value soaring to US$247,538 the week of its most engaged post. Ad value is becoming more and more valuable as a metric for brands who invest heavily in digital to promote their products, ensuring that they are getting more value for money with more eyeballs on their content.

Shopee Indonesia's best and worst posts of this time were both posted on a Monday, but they differed in time, type and nature. The weaker post was a gif-like video with a motivational quote posted during lunch time, while the stronger post was a picture

for a giveaway posted after office hours. Shopee Indonesia's video posts have generally been successful — in fact, it is the post type that has the highest success rate.

Overall, Shopee's posts in the morning and early afternoon fared poorly in comparison to the posts about promotions, giveaways and deals that were posted any time from the late afternoon onwards.

Lazada Philippines

For online retail platform Lazada Philippines, harnessing social media as a marketing platform for the 2017 holiday period saw it reap an average weekly ad value of US$240,000.

Lazada PHILIPPINES

Between October 11–January 25, the most engaged **post** came on Wednesday, 25 October at 18:32. The photo announcing Alibaba's plans for Lazada in the Philippines appears to have really resonated with audiences. The milestone post with a link had no hashtags, managed to rack up 59k likes, 1.2k shares and 294 comments.

Most Engaged Post

59k Likes

1.2k Shares

294 Comments

A deeper dive into Lazada Philippines' engagement data during this period shows that its best performing posts are images, which mention giveaways, sales and discounts. These typically surface in the afternoon on either weekdays and weekends. Those with lower engagement usually went live during the early hours (past midnight and before dawn) and tended to be simple alerts for single-products sales or launches.

In summary, it's beneficial for retailers in the Philippines to tailor their posts during the holidays to include messaging that announces money-saving promotions and deals or giveaways and that are scheduled to be posted in the afternoon or evening.

Amazon Singapore

A very new player in the Singapore market last holiday season, Amazon Singapore launched in July and unveiled its Prime membership programme and Prime Now service in early December.

During the 2017 holiday period, the ecommerce behemoth localised social media efforts and saw its audience grow from just under 500 fans to over 1,800 – nearly quintupling their following.

Most Engaged Post

1k Likes

7 Shares

9 Comments

Amazon Singapore's top post was a sales post that included a photo, a link, and no hashtags, published on Thursday, December 7, 2017 at 15:32. It received 1k likes, 9 comments and 7 shares.

Conversely, the post with the least amount of engagement was posted on a Friday around the same time as the post with the most engagement. The difference? They were different types of posts with different messaging. The post that saw high success was about delivery service Amazon Prime Now and included a photo, while the post with the least engagement featured a video about Amazon Prime. It's worth noting that two posts about Amazon Prime Now that went live around midnight did quite well.

Overall, Amazon Singapore's efforts during the holiday season managed to grow their audience and garner brand awareness for their new delivery service by posting information to their social media accounts on weekday afternoons or late at night.

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Tips for More Merry Marketing

Tips for More Merry Marketing

Price and promotions are crucial to achieving great results during the holiday season. But to drive real cheer in the long-term, retailers must leave no stone unturned to meet consumers' high expectations.
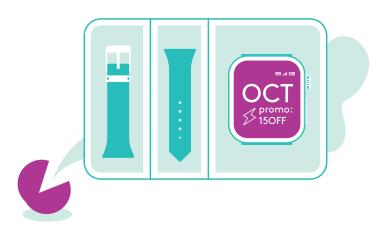
So, how can brands achieve this?

Leverage data

Holiday shopping can be stressful and leave consumers feeling overwhelmed. Thankfully, technology has made it easier for consumers to research, discover and purchase products from the comforts of their homes. However, there are challenges here, too, such as slow website loading and clunky point-of-sale systems that ruin the customer experience. According to research from the Boston Consulting Group, businesses in Asia Pacific are losing vast amounts of business to the tune of US$325 billion each year because of this.[4]

To reduce friction in ecommerce, brands must leverage cross-device data to stay on top of shoppers' needs and foster even deeper connections.

[4] Facebook IQ: 'Zero Friction Future'

Start your holiday marketing early

Our data shows that consumers start discussing their holiday shopping well in advance. The brands that captured the most share of voice and positive sentiment are those that reached shoppers as early as October with targeted offerings and promotions.

There's a lot at stake for retailers during the holiday season, and leaving your advertising till the very end could cost you dearly.

Personalised promotions pay off

We already know that one size does not fit all. According to Epsilon Research, 80% of consumers are more likely to do business with a company if it offers a personalised experience.

By leveraging data, retailers can better understand individual shopper behaviours and attitudes to make personalised and relevant offers, which will move the needle on their business.[5]

Reward your loyal customers

In the quest for new customers, do not neglect your loyal ones. Satisfied consumers are more likely to bring repeat business. Using purchase history, online and social behaviour, brands can engage and reward customers, resulting in deeper loyalty and genuine one-to-one relationships.

[5] Epsilon Research:'New Epsilon research indicates 80% of consumers are more likely to make a purchase when brands offer personalized experiences', 9 Jan 2018

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Conclusion

The festive ecommerce market in Southeast Asia is worth billions of dollars — but only for brands willing to reinvent and match consumer demands and expectations.

The common thread between the winning brands – whether that is Lazada, Amazon or Shopee – lies in their understanding of consumers and willingness to provide the best experience through price, value, quality and service.

As we move into 2019, there's plenty of other trends and technologies (VR, AI, voice assistants and more personalisation) that retailers will need to adopt in order to gain competitive advantages and thrive in an entirely new era.

Want to find out how Meltwater can help deliver similar brand insights for your company?

Click to get started!