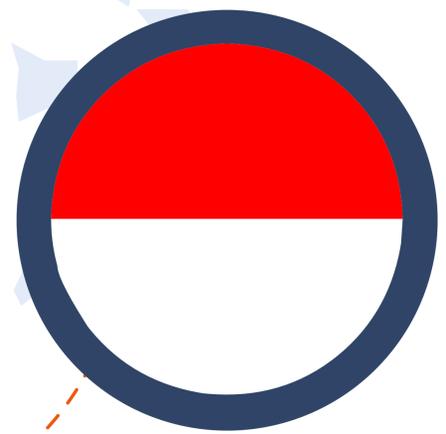




2023

State of E-Commerce in Southeast Asia

How has e-commerce evolved in
Singapore, Indonesia, and Malaysia?



Contents Page

- 01 [About the Report](#)
- 02 [E-Commerce Landscape in Southeast Asia](#)
- 03 [Eliminating Delivery Frustrations](#)
- 04 [Delivery Performance by Country](#)
- 05 [Closing Remarks](#)
- 06 [About Parcel Monitor](#)



01 About the Report

What to Expect

With its **revenue expected to reach USD 2,059 billion in 2023**, the Asian e-commerce market is one of the most robust and fastest growing in the world. Every year, an increasing number of e-commerce outlets are springing up on the continent to take up the challenge of catering to Asian consumers. With this in mind, this report features insights derived from our in-house data, along with Rakuten Insight Global's survey findings that reveal the state of e-commerce across the region, with a specific focus on **Singapore, Indonesia and Malaysia**.

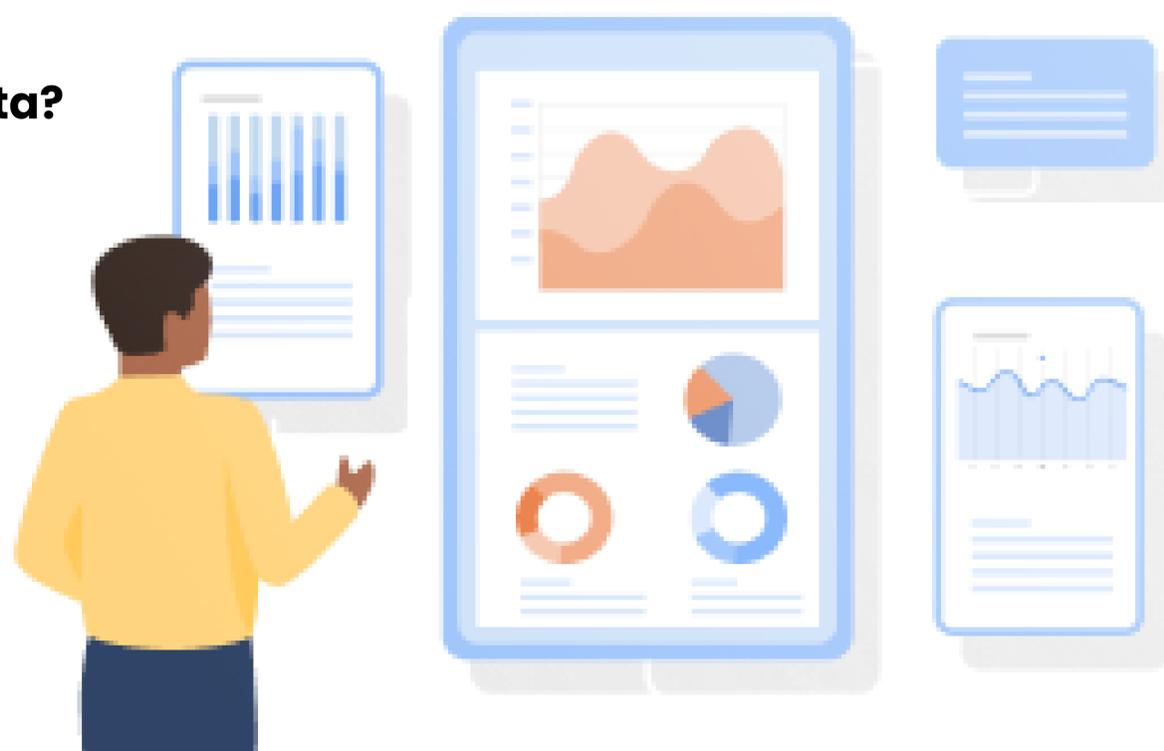
Data Methodology

Our benchmarking and carrier performance measurement initiatives involve the collection of **billions of anonymized data points from more than 130 countries** annually. We also harness data from **hundreds of millions of parcels spanning 1,450+ carriers** through our international tracking page, culminating in the creation of high-quality insights.

In addition, our domestic and international data is analyzed on a “trade lane” level, comparing the same combinations of origin and destination to maintain data representativeness. Benchmark data sets have been compiled with strict minimum requirements for data point quantity and comparability.

Want to learn more about our data?

[GET IN TOUCH TODAY](#)



02 E-Commerce Landscape in Southeast Asia

[Digital habits in Southeast Asia \(SEA\)](#) have shifted more dramatically than ever since the end of the pandemic. A year or two ago, the emergence of COVID-19 encouraged more home-centric lives and sped up the transition from offline to online, but today's digital consumer marketplace exists in quite different circumstances. Inflationary pressures, geopolitical tensions, and other global macroeconomic obstacles threaten the region's recovery as we emerge from the pandemic period.

Southeast Asia's Expanding Digital Consumer Community

According to multiple forecasts, there will be **402 million digital customers in the SEA region by 2027**, representing [88% of the total population](#) of people aged 15 and up by the conclusion of the projection period. At 168 million, Indonesians will reportedly make up the bulk of the region's digital users, up from last year's total of 154 million. Meanwhile, Thailand is expected to gain approximately 2 million e-commerce customers (4%), followed by Malaysia at 1 million (4%), and Vietnam at 4 million (6%).

Promising Prospects Despite a Slowdown in E-Commerce GMV Growth

From a projected \$112 billion in 2021, **gross merchandise value (GMV) is projected to expand to \$280 billion in 2027**, says a recent report by Meta and Bain & Company. The growth has, however, decreased from 48% in 2020–2021 to 15% in 2021–2022. The loosening of COVID-related regulations may have played a role in this drop since increased consumer mobility has resulted in additional opportunities for offline purchasing.

Potentially driving this channel shift are consumers' preferences for the "look and feel" provided by offline channels. Inflationary and supply chain stresses are two other explanations. That being said, some types of purchases have seen an increase in the number of times they are made online. For starters, beauty and cosmetics had a 15% increase, from 3.8 purchases on average to 4.4, while home furniture saw a 6% jump, from 3.6 to 3.8, and home appliances saw a 5% increase, from 3.5 to 3.9.

Curious to know how Singapore, Malaysia, and Thailand fared in Q2 2023?

[Find out in the latest e-commerce logistics race.](#)

02 E-Commerce Landscape in Southeast Asia

Biggest Pain Points When Shopping Online



According to Rakuten Insight's findings, **63% of Asian consumers find the lack of product information to be their biggest hurdle** when shopping online. With a vast number of products available on the e-commerce market, the absence of adequate product information can be harmful to consumers. It can lead to purchasing products with ingredients or materials that they are allergic to, or products that don't meet their needs.

Another significant challenge that **39% of Asian consumers face** when shopping online is **inadequate customer support**. When shopping online, customers need to be able to communicate with the retailer if they have any queries or concerns. Retailers need to invest in [efficient customer support systems](#) to address their customers' concerns and provide them with an exceptional shopping experience.

The inability to navigate the website and insufficient inventory visibility are two other frequent challenges encountered by **32% of Asian customers**. Finally, **23% of the group consider the lack of payment options** to be yet another pain point that cannot be ignored.

[Discover some of the cutting-edge tech innovations around the world.](#)

03 Eliminating Delivery Frustrations

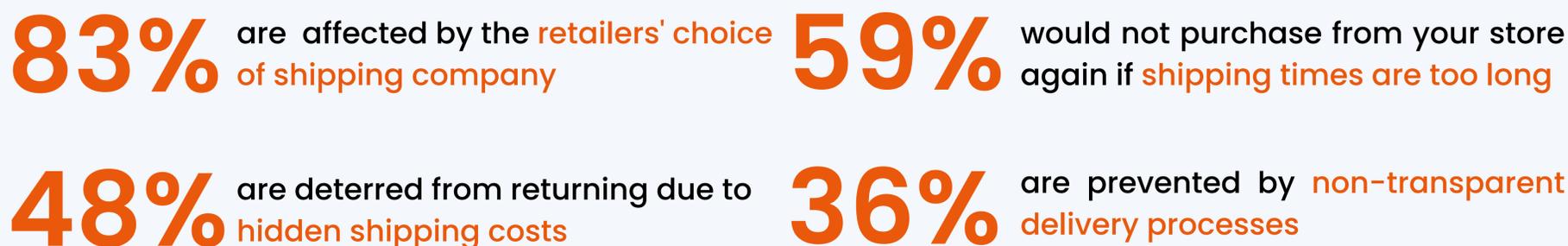
Staying competitive in the digital age is no easy feat, especially when brands are constantly trying to convince consumers that their products are superior to others. While it is not wrong for businesses to focus plenty of their [marketing efforts on attracting new customers](#), it is equally if not more crucial to nurture the ones they already have. Moreover, [customer retention](#) has been proven to be much simpler and cheaper than customer acquisition. According to a study by Frederick Reichheld of Bain & Company, **increasing customer retention by just 5% can result in profit growth of up to 95%.**



Delivery frustrations are a significant factor in customer retention, especially in Southeast Asia where **47% of shoppers would not recommend merchants with a poor delivery experience** even if they offered a smooth buying process. After all, last-mile delivery is the final touchpoint in the customer's shopping journey and a poor delivery experience can hence negate all the efforts put into creating a smooth purchasing experience, leaving a negative impression on the customer.

Apart from the previously stated reasons, there are several other factors that could prevent SEA consumers from returning to a store, including but not limited to the [retailers' choice of courier or shipping company \(83%\)](#), unreasonably long shipping times (59%), hidden shipping costs (48%), and non-transparent delivery processes (36%).

Top Reasons Why Consumers Don't Return to Your Store



Did you know that parcel lockers play a vital role in eliminating delivery frustrations?

[Read all about it in our recent insights article.](#)

03 Eliminating Delivery Frustrations

How to Win Your Customers Back

75% of consumers are more likely to purchase in the presence of **free returns**

70% find the **accuracy of estimated delivery dates (EDDs)** important when shopping online

When asked what their [ideal returns policy](#) would look like, an overwhelming **majority of the SEA participants (69%) answered “free shipping”**. In fact, **75% of them also said they would be willing to buy more items** if free returns were offered.

In the meantime, 56% of the same surveyed group preferred cash refunds over store credits or vouchers; 31% wanted drop-offs or exchanges in-store; 30% found status updates for parcel returns desirable – be it via email or SMS notifications; and 28% would like the availability of a return pick-up service from residential addresses.

For more insights and tips on how to leverage notifications in the post-purchase journey, [download the full report here.](#)

Top factors consumers look for in a returns policy



How our **global carrier database** can help you excel this peak season

1 Gain In-Depth Analysis of Delivery Performance

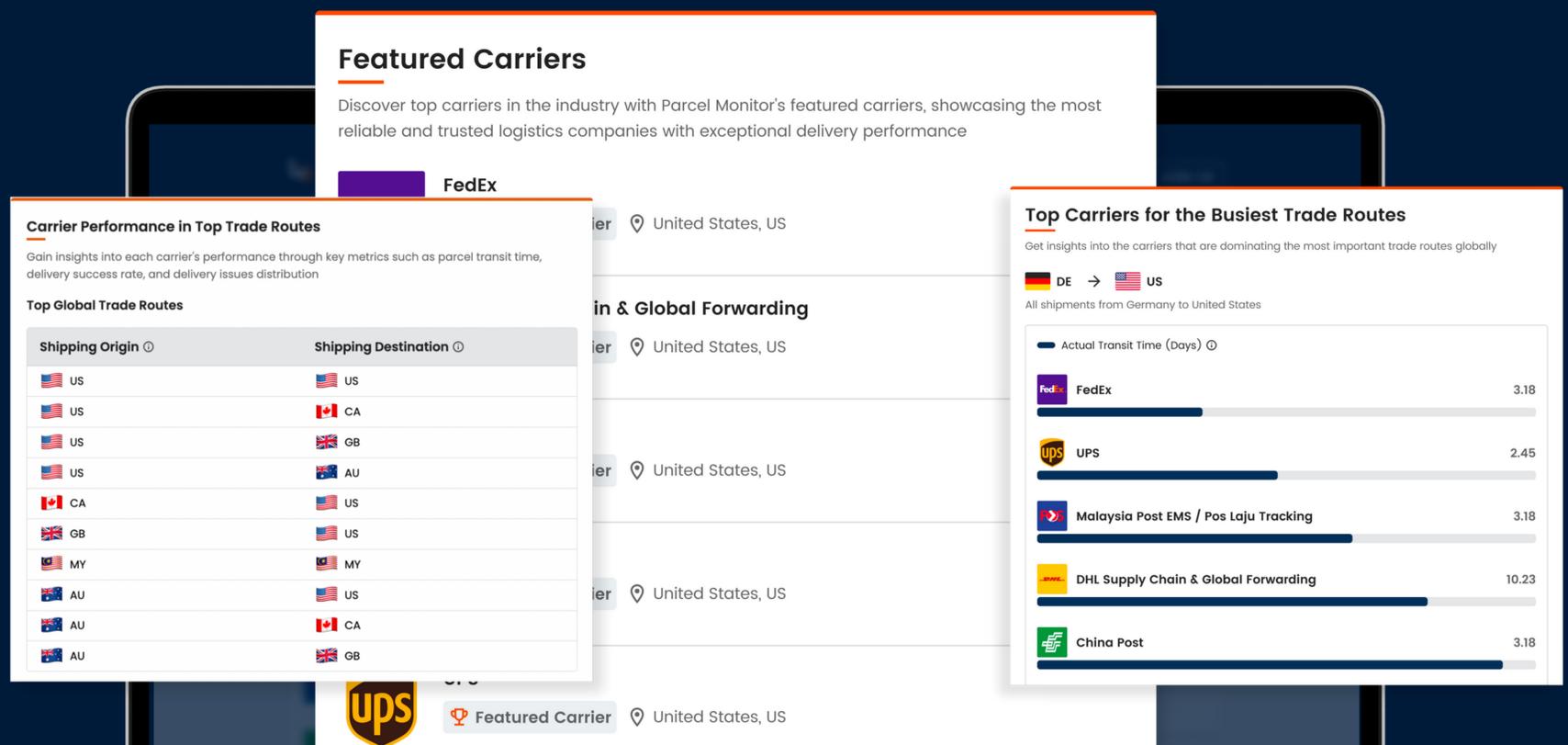
Retailers can utilize our carrier performance data (e.g. parcel transit times) to select the most suitable logistics partners capable of handling the increased e-commerce order volume in the coming months.

2 Unlock Exclusive Access to Market Data

By being our esteemed partner, retailers and logistics carriers can gain access to exclusive market data that can provide them with a competitive edge and facilitate well-informed decision-making this holiday season.

3 Forge Strategic Partnerships With Industry Peers

Businesses can leverage our carrier listings to identify and forge strategic collaborations to achieve operational efficiency, cost savings, and better delivery experiences for end-consumers during the peak season.



Featured Carriers
Discover top carriers in the industry with Parcel Monitor's featured carriers, showcasing the most reliable and trusted logistics companies with exceptional delivery performance

Carrier Performance in Top Trade Routes
Gain insights into each carrier's performance through key metrics such as parcel transit time, delivery success rate, and delivery issues distribution

Top Global Trade Routes

| Shipping Origin | Shipping Destination |
|-----------------|----------------------|
| US | US |
| US | CA |
| US | GB |
| US | AU |
| CA | US |
| GB | US |
| MY | MY |
| AU | US |
| AU | CA |
| AU | GB |

Top Carriers for the Busiest Trade Routes
Get insights into the carriers that are dominating the most important trade routes globally

DE → US
All shipments from Germany to United States

| Carrier | Actual Transit Time (Days) |
|---------------------------------------|----------------------------|
| FedEx | 3.18 |
| UPS | 2.45 |
| Malaysia Post EMS / Pos Laju Tracking | 3.18 |
| DHL Supply Chain & Global Forwarding | 10.23 |
| China Post | 3.18 |

Featured Carrier
United States, US

04 Delivery Performance in Indonesia



Indonesia's State of E-Commerce in Numbers



days in average transit time



first attempt success rate

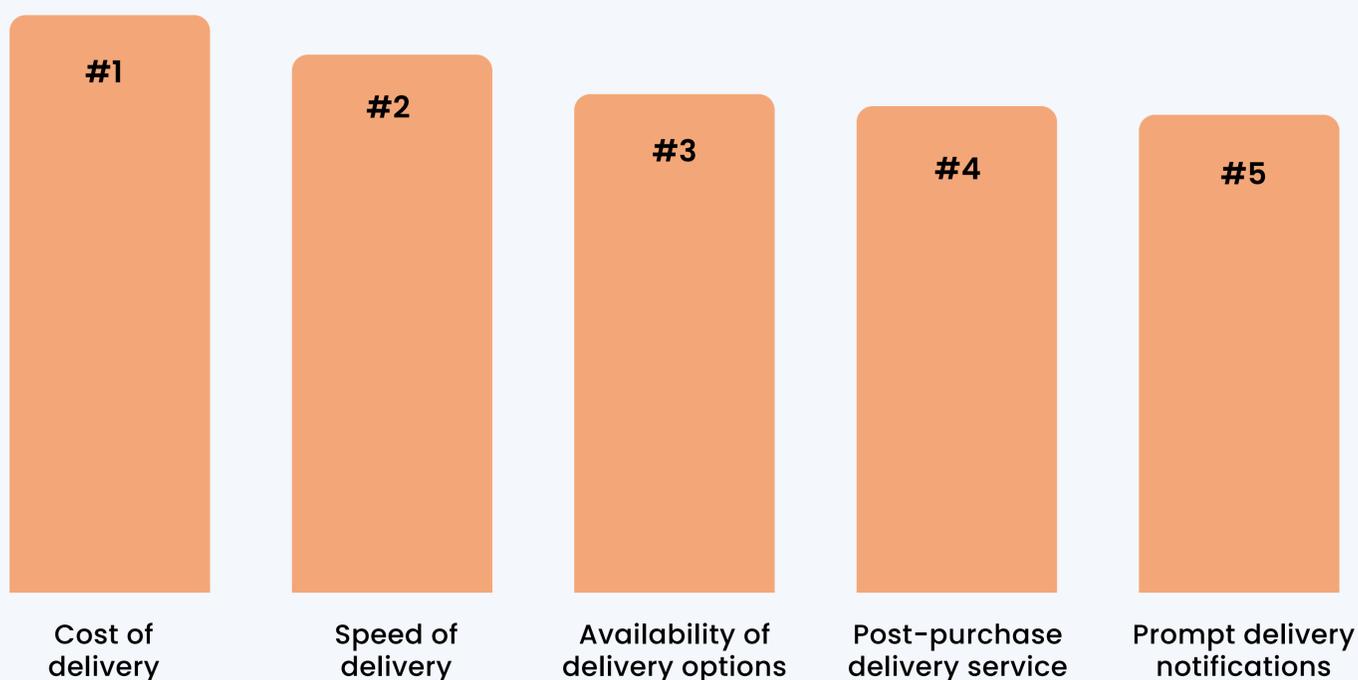
Today, Indonesia's digital economy remains an overlooked e-commerce market with plenty of potential. Made up of nearly 20,000 islands, e-commerce delivery in Indonesia requires unique strategies that combine marine and land transport systems. [Retail and e-commerce companies](#) offering their services on a business-to-customer (B2C) basis stand to gain a lot from investing in the country.

In H2 2022, [Indonesia](#) had an **average parcel transit time of 1.47 days**, with approximately **94% first-attempt success rate** – slightly lower than that of Malaysia and Singapore. That being said, consumers in all three countries gave similar responses when asked which part of the delivery experience matters the most to them, with **cost and speed of delivery being the two most highly valued factors**.

Interested to learn more about the Indonesian e-commerce market?

[Unlock access to exclusive market data here.](#)

Which part of the delivery experience matters the most?



04 Delivery Performance in Malaysia



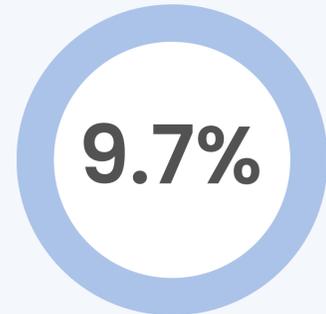
Malaysia's State of E-Commerce in Numbers



days in average transit time



first attempt success rate



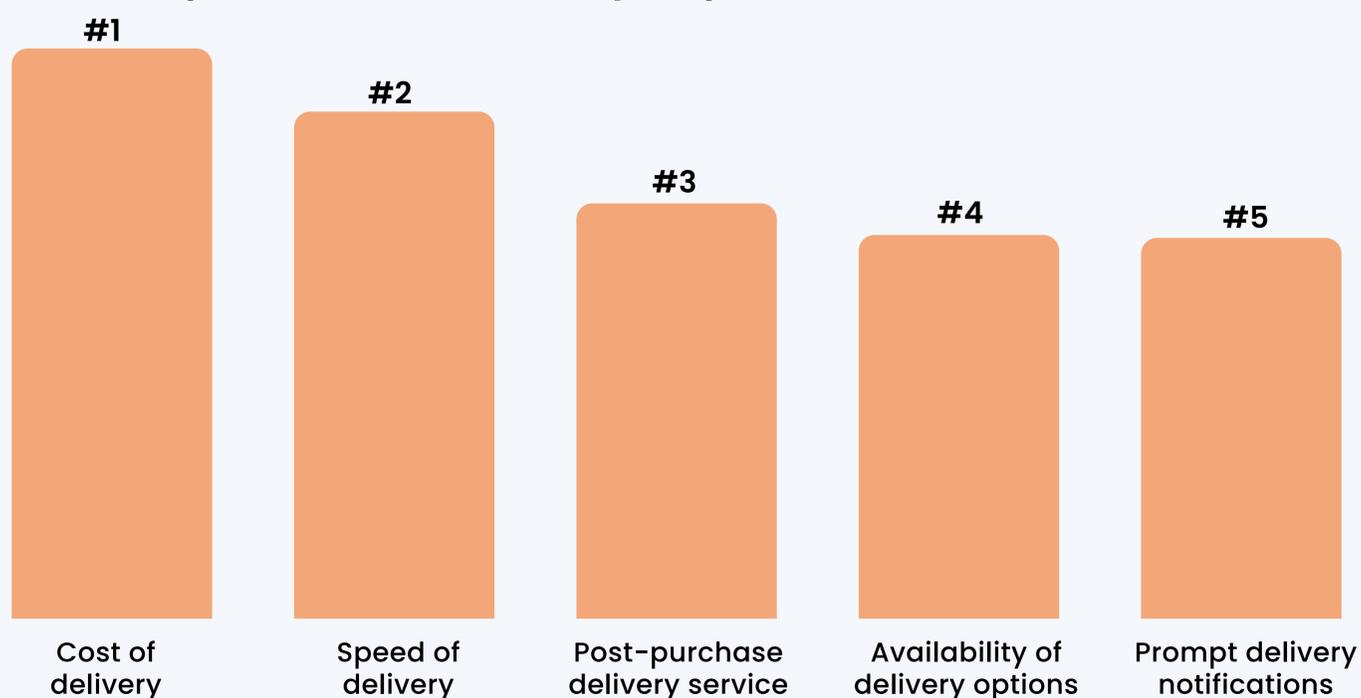
issue ratio (60% on carriers' end)

Meanwhile in [Malaysia](#), the average **parcel transit time** stood at **1.59 days**, with close to **96% first-attempt success rate** and a **9.7% issue ratio**. One reason for this high success rate could be attributed to the **increasing prevalence of partnerships between international courier companies and local logistics players**.

For instance, [UPS has expanded its retail presence](#) in Malaysia by partnering with ParcelHub to take advantage of the growing demand for e-commerce and logistics services in the country. In addition to its existing alliance with third-party fulfillment provider Mailboxes Etc., UPS has also leveraged ParcelHub's network of 200 outlets across Malaysia to enhance its fulfillment capabilities and address the challenges of last-mile parcel delivery and logistics management.

[Learn more about the top logistics carriers across Southeast Asia and beyond.](#)

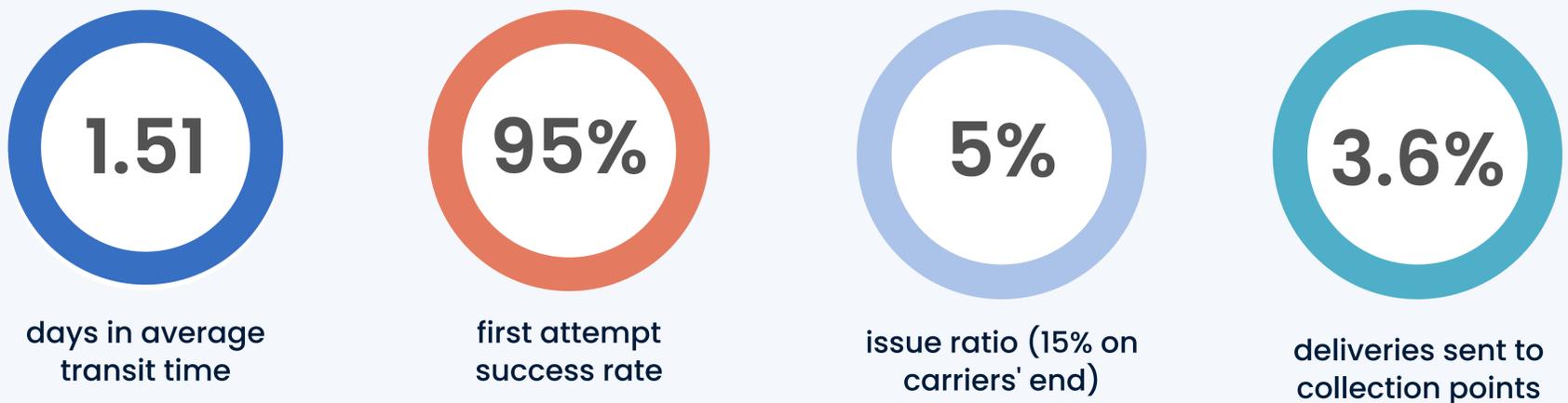
Which part of the delivery experience matters the most?



04 Delivery Performance in Singapore



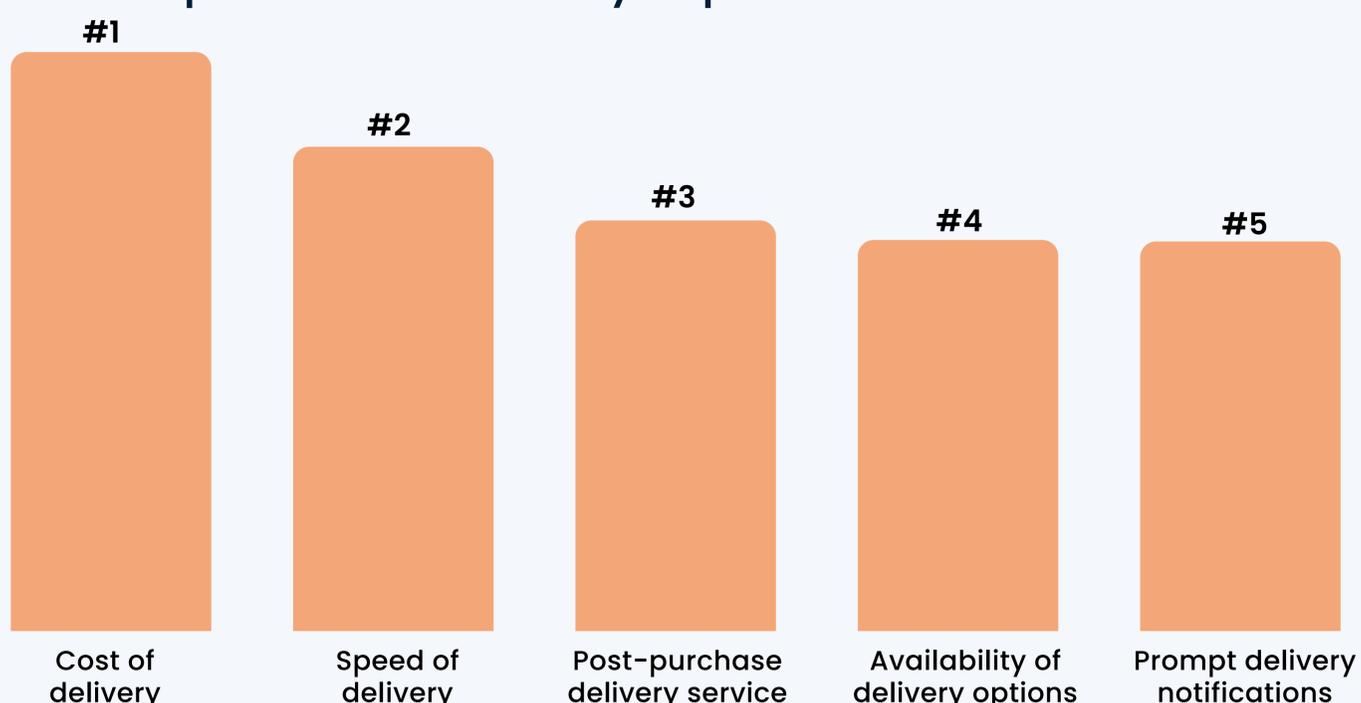
Singapore's State of E-Commerce in Numbers



Driven by the presence of home-grown players coupled with the highly developed logistics infrastructure, Singapore's logistics market has ample growth potential in the coming years.

In H2 2022, Singapore had an **average parcel transit time of 1.51 days**, which is relatively fast compared to many of its neighboring countries. Additionally, there was a **high first-attempt success rate of 95%**, indicating that delivery attempts are usually successful on the first try. That being said, there was still a **delivery issue ratio of 5%**, with carriers being responsible for about 15% of these issues. Despite the high success rate, **3.6% of deliveries were still sent to collection points**, which means that some customers prefer to collect their parcels from a designated location instead of having them delivered to their homes.

Which part of the delivery experience matters the most?



Curious to see what last-mile delivery options the rest of the world is using?

[Find your answers here.](#)

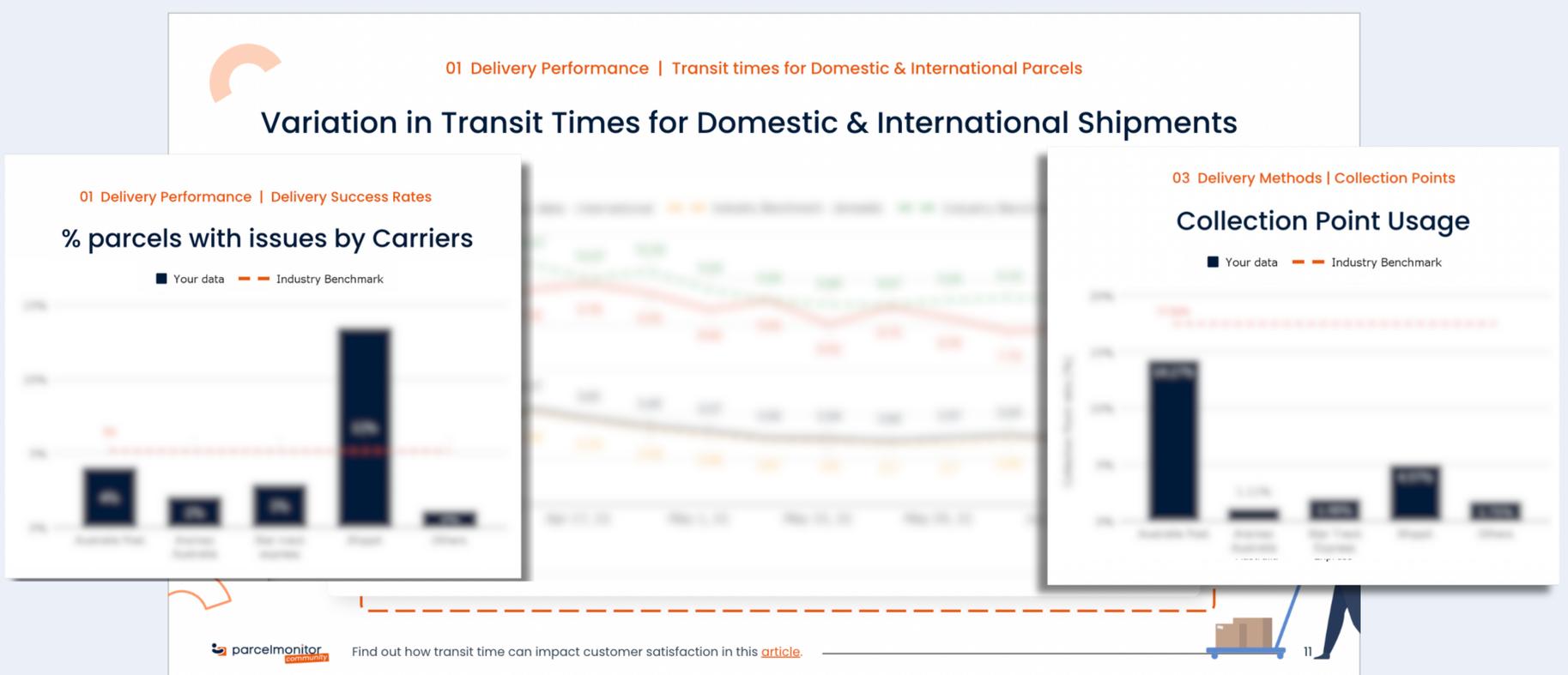
05 Closing Remarks

In conclusion, our report has provided a comprehensive overview of e-commerce landscape in Southeast Asia, including a recap of delivery issues in 2022, and the breakdown of delivery performance metrics in 3 key SEA markets. As we navigate the ever-evolving digital age, where consumer expectations continue to shift and innovations continually emerge, we trust that the insights shared in this report will empower retailers, e-commerce businesses, logistics companies, and industry professionals with the knowledge needed to make informed decisions and steer the course of e-commerce logistics in SEA.

Cheers,

The Parcel Monitor Team

Looking for more data insights?



Discover growth opportunities & make data driven decisions with:

- ✓ Peak season performance benchmarks
- ✓ Shipment transit times
- ✓ Delivery success rates...and more!

REQUEST FOR CUSTOMIZED REPORT

An E-Commerce Logistics Community

Initiated by e-commerce logistics enthusiasts at Parcel Perform, Parcel Monitor is a community that aims to inspire the e-commerce logistics ecosystem to create a better delivery experience for everyone.

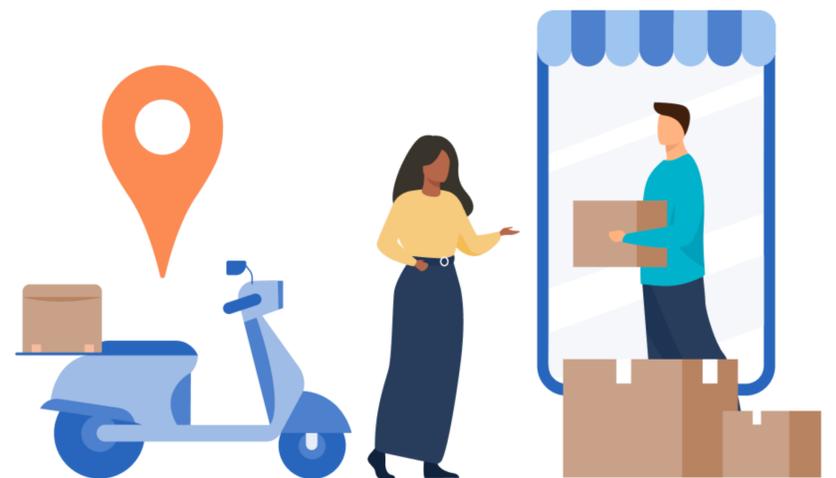


For Industry Professionals

E-commerce logistics professionals leverage our data and resources to derive market insights while forming meaningful collaborations across the entire industry.

For Consumers

Millions of consumers rely on Parcel Monitor's free parcel tracking to monitor the status of their parcels across 1045+ carriers globally on a single platform.



About Parcel Monitor

Parcel Monitor was launched in 2016 as a free parcel tracking platform out of our belief that everyone deserves an outstanding delivery experience. We capture consumer trends, provide market visibility, and derive data insights while fostering collaboration across the entire e-commerce logistics industry.

Whether you are a retailer seeking inspiration from fellow e-commerce businesses, or a professional wanting to pursue in-depth knowledge on specific topics (e.g. cutting-edge retail & logistics technologies and top customer retention strategies), Parcel Monitor has something for everyone.