



MarTech Asia 2022 Report

Balance your customer acquisition and retention



This report maps out the key trends marketers need to know in 2022 and provides actionable steps for brands to invest in MarTech and in their growth.

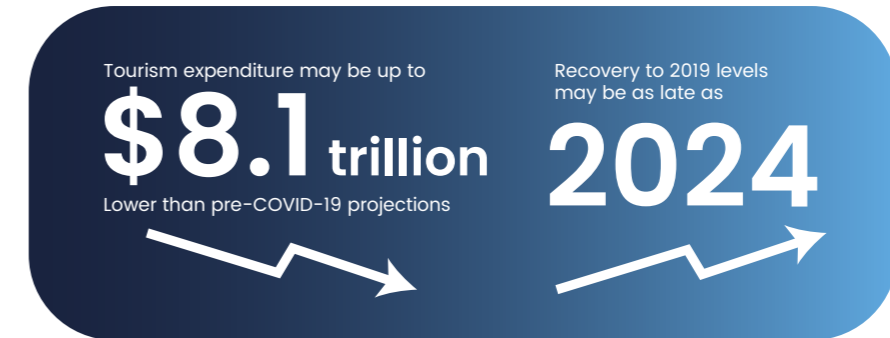
Chapter 1

2021 Review & Outlook

Slow return to tourism

Globally, the travel industry set back a GDP loss of USD 2.7 trillion and it's expected to go back up to \$4 trillion.

However, the road to recovery is expected to be gradual, fuelled by the underlying dependencies that nations have on domestic and non-air travel.



Impact on APAC

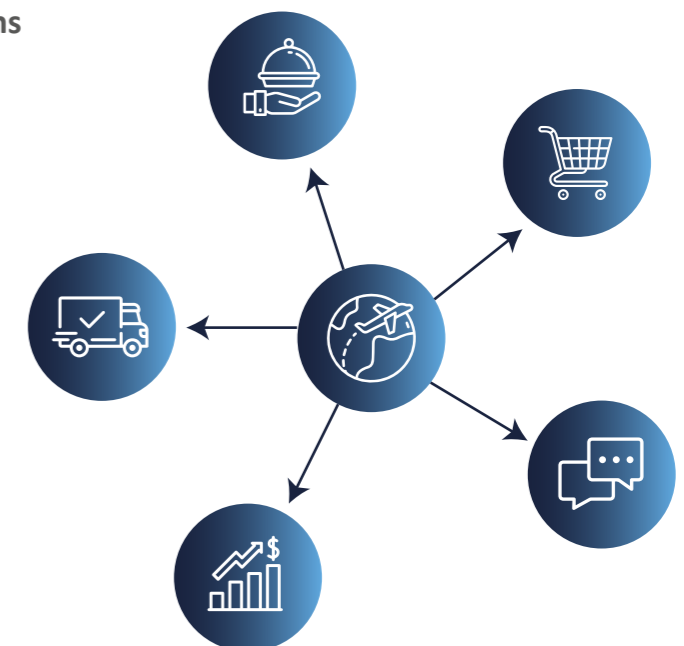
In the first quarter of 2021, international tourist arrivals were down 88% compared with the same period in 2019, according to the UNWTO World Tourism Barometer. By regions, Asia and the Pacific continued to suffer the largest decline with a 95% drop in international arrivals in the first five months of 2021 over the same period in 2019.

Countries such as Thailand, which rely on foreign tourists to boost their economies, bore the brunt of the impact. Tourism contributed close to 18% of gross domestic product (GDP) and attracted almost 40 million international tourists in 2019 — the Tourism Authority of Thailand predicts just 6.9 million tourists in 2020 and 8 million in 2021. Similar figures abound in other countries.

Interconnectivity between different sectors

The drop in tourism also threatens closely linked sectors such as:

1. Food & Beverage
2. Retail
3. Trade
4. Communications
5. Transport



Slow return to tourism

From	Full Bubble	Test & Travel	Quarantine Needed	Restricted	Unknown
Singapore	9	96	41	56	30
South Korea	9	100	40	53	30
Malaysia	5	79	35	83	30
Indonesia	6	79	32	85	30
Thailand	5	80	34	83	30
Philippines	5	79	31	87	30
Sri Lanka	6	77	32	87	30
Bangladesh	6	76	33	87	30
Cambodia	6	78	35	83	30

Interestingly, despite close proximity, travel to fellow SEA countries are restricted almost across the entire board, being only available for returning citizens and those meeting strict criteria while most of the travel destinations are within Europe, Africa, and the Americas.

Citizens from the advanced markets of Singapore and South Korea have the most options when it comes to travel destinations while those of the developing and up-and-coming markets are rather evenly matched in terms of options though the up-and-coming markets have increased options.

The critical role of domestic travel

Beyond international tourists, however, governments are encouraging domestic travel, with programs to incentivise locals to travel the nation and protect the industry. Examples of such initiatives are Singapore's Rediscover Singapore and the Vietnamese Government's campaign of "Vietnamese people travel in Vietnam".

Many nations are working towards solidifying the domestic travel industry that had already been growing since the increase of the middle class and their growing interest in leisure travel. In Vietnam, for example, domestic tourists reached 80 million in 2019, compared to 15 million foreign tourists in the same year.

The revival of domestic tourism has led to the opportunities and potentials of:

1. Reorienting services
2. Identifying new niche markets
3. Developing tourism in rural areas
4. Supporting SMEs and start-ups
5. Better understanding of domestic tourism



Rise of a global workforce

Remote work has been drastically on the rise in the midst of the pandemic as nations enforce default work from home (WFH) policies, and the barriers around telework decrease. This has opened up many opportunities for businesses and individuals, creating jobs in countries where there were few and advancing ideas, technology, and innovation on a global scale.

Contrary to popular belief a couple of years back, the pandemic has sparked a new interest in the outsourcing of work, particularly to those within Asia and Europe for these sectors:



More job seekers are considering to turn to remote job roles

According to LinkedIn, the volume of job searches using the "remote" filter on LinkedIn has increased by over 60% since the start of March, and strong growth can be observed in remote job applications across key markets, such as China, India, New Zealand, Australia, and Singapore.

Companies are also shifting their mindset to hire remote workers, leading to a more dispersed workforce, with Australia, New Zealand, and the Philippines leading the region for growth in remote job postings, while Singapore and Malaysia are nearly half the global trend. Notably in Singapore, there's an observable disjoint where there is higher interest in remote work but not enough remote job positions.

However, this trend towards teleworking varies between industries, countries, and regions as well

Across the board, many want to see remote work continue beyond the pandemic and implemented within organisations, with only 15% of surveyed respondents from SEA wanting to continue WFH on a full-time basis, although 9 out of 10 preferring flexibility about where and when they work.

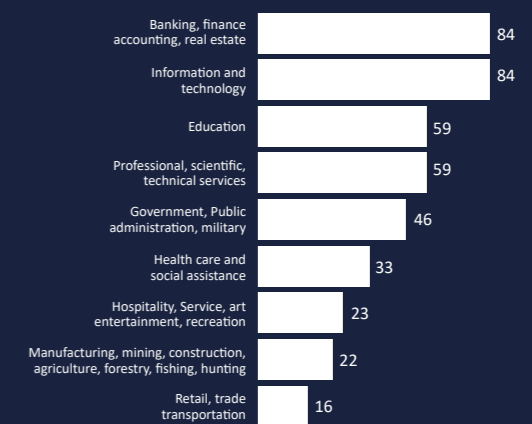
60% would leave their current jobs if flexible work locations were not available

Though internet penetration has increased drastically within the region and especially in SEA with over 40 million people accessing internet for the first time, infrastructure in rural areas remain lacking and not everyone has easy access to the opportunities that have arrived with the digital wave.

As entrepreneurship becomes more accessible and investments and wealth creation increases, the digital economy is providing more jobs and opportunities, especially as supply chains move to Asia and the Global Service economy rises in popularity and relevancy.

Ability to telework varies widely across industries

% of employed adults who say for the most part, the responsibilities of their job can be done from home



Source: Survey of U. S. adults conducted Oct. 13-19-2020.

The eCommerce boom

How mobility restrictions and digital transformation reshaped the eCommerce sector

The pandemic and its consequential restrictions saw a drop in sales volume for physical stores, especially for advanced and developing nations. For example, there was a 30% to 70% drop in sales volume for physical stores in Singapore, according to Singapore Retailers Association.



However, there was also a surge in online sales globally.

Across the different market types...

Developing nations saw the largest percentage of consumers shifting to online shopping. For instance, eCommerce grew by 40% for Indonesia and Vietnam. As for Thailand, many businesses are moving towards the B2C model due to COVID-19, and in 2021, eCommerce is set to increase by 6.1% to 4 trillion THB (120 Billion USD).

For advanced nations such as Singapore, 74% of the population shopped online more often than usual and 52% of them went to physical stores less often. In addition, 31% of the population have never shopped online prior to the pandemic.

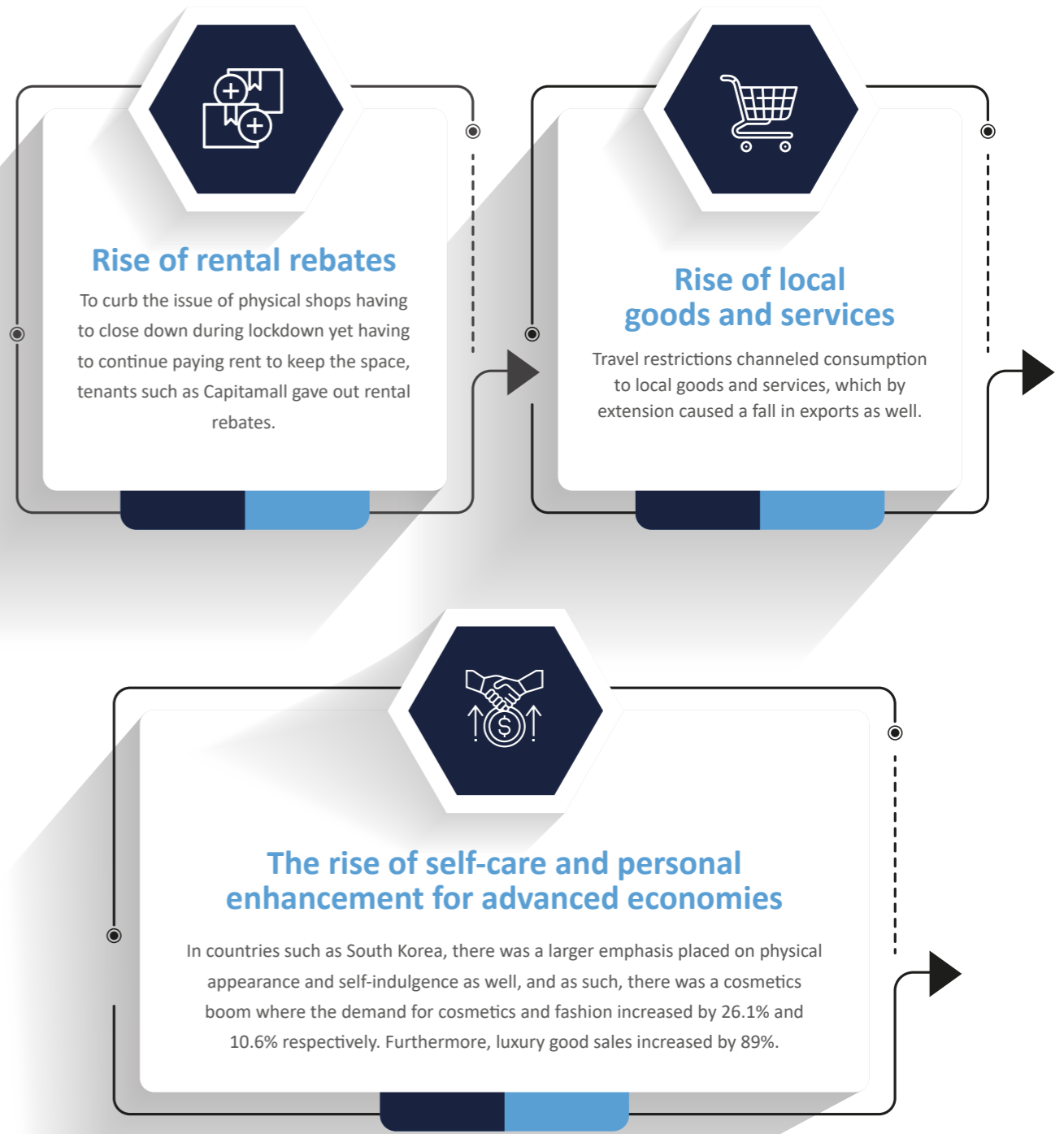
However, up-and-coming markets such as Sri Lanka, Bangladesh, and Cambodia faced difficulties adapting to the pandemic. Due to poor infrastructure and limited access to such apps, the nations witnessed difficulties in shifting to online commerce.

Other barriers to entry include:



Rising retail trends that emerged during the pandemic

How retail brands and industries adapted to COVID-19



Changes in consumer behaviour: the era of heightened alert and conservative consumption

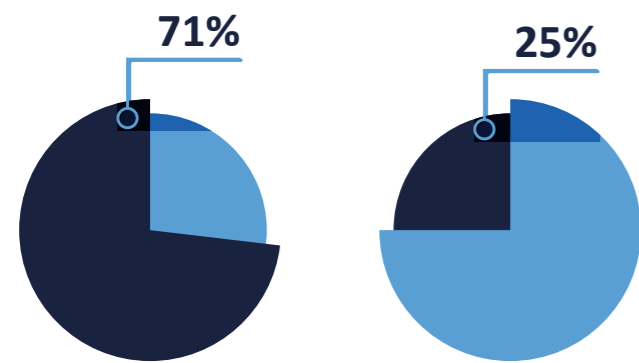
How pandemic-induced anxieties have reshaped consumer behaviour and buying patterns

Though economies have generally eased into opening up, consumer behaviour still shifted significantly as most consumers prefer to remain indoors and they are hesitant to use public spaces. Many consumers are scared of eating out as they could be exposed to the virus when removing their masks.

The downturn of the F&B sector

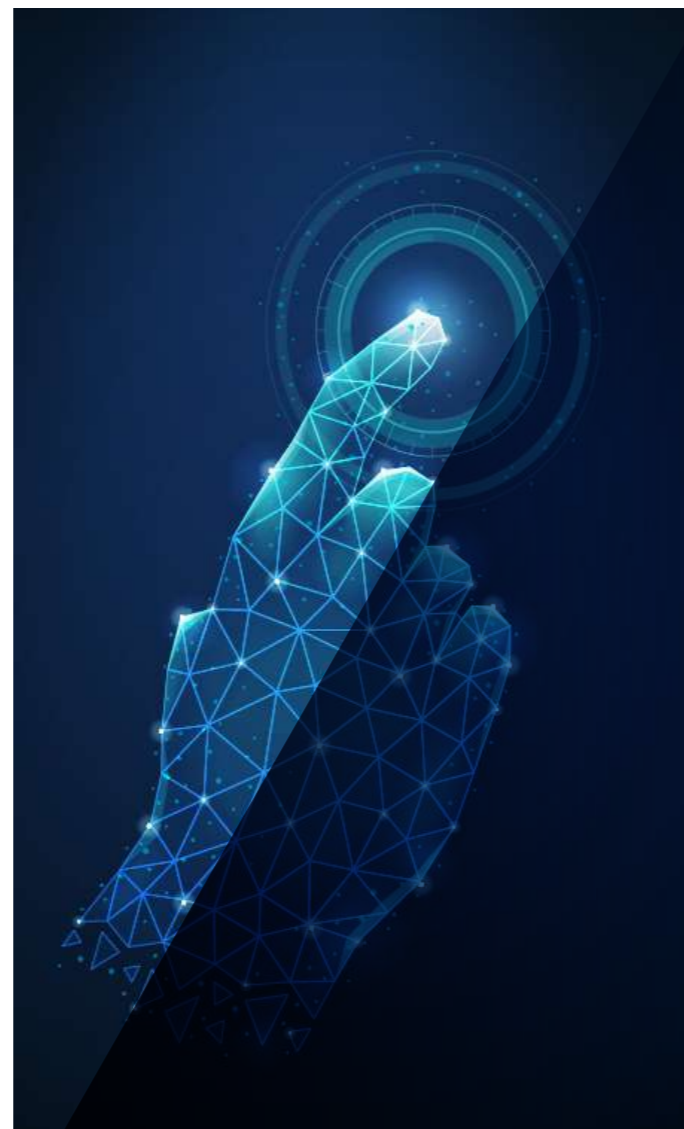
In 2020, there was an annual drop of 26% for F&B businesses for developed economies like Singapore. According to Malaysia's Retailers Association and Malaysia Retail Chain Association, developing economies like Malaysia saw a contraction in retail sales for cafes and restaurants by 12.8%, and the kiosk and stall segment saw a drop of 18.3%. These segments are expected to contract by 13.4% and 14.8% from January to March 2021, for the former and the latter.

On the other hand, there was a greater usage of home delivery and food delivery services for these economies.



25% of consumers used home delivery services for the first time, and 71% used it more frequently

As for up-and-coming economies such as Bangladesh, the ready-to-cook and packaged food market size which was estimated to be BDT 2,000 million, has seen a 25.6% annual growth. Other notable trends include a rise in catering, as well as the popularity of food delivery services.



Surge in demand for insurance

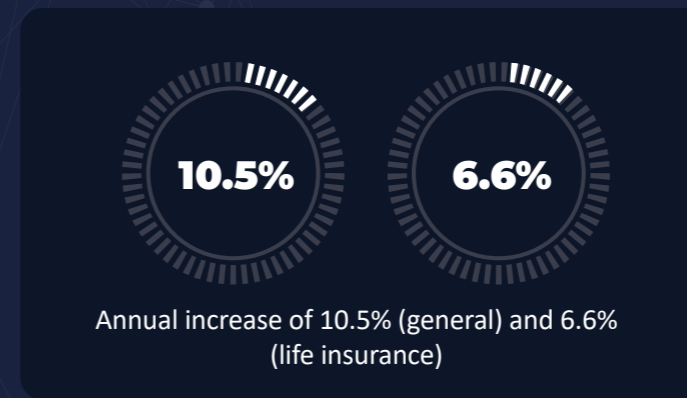
How the pandemic has spurred people to rethink their health and financial security

There is an increasing demand for insurance, as most people are scared of being burdened with hefty hospital bills from contracting COVID-19. In addition, there could be long-term complications from COVID-19 which may impair one's ability to work. Insurance allows people to hedge against these risks. Studies have shown that 10% of Singaporeans developed post-COVID complications. To mitigate such risks, this could have led to the sales of life insurance in Singapore increasing by 61% in 2021.

As for Thailand, Dhipaya Insurance, which is partially owned by the Thai government, has earned 300 million baht from selling 500,000 policies between January and March in 2020.

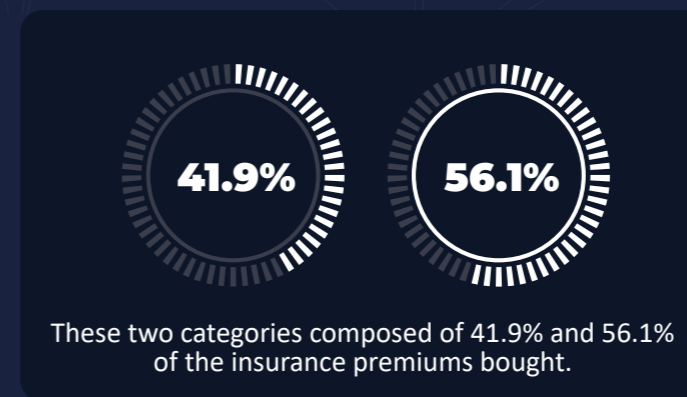
Other countries such as Cambodia saw a rise of 7.31% in the insurance sector, and revenue earned from premiums increased from 253 million in 2019 to 271.5 million in 2020, according to the Insurance Association of Cambodia.

General and life insurance proved to be the most popular among Cambodians.



113.8 M **152.3M**

from a total insured sum of 113.8 million and 152.3 million respectively.



Shift in telecommunication and eServices

How digital transformation has impacted internet traffic and telecommunication services across the different market types

With the majority of the working force in developed nations shifting to a hybrid or default work from home (WFH) arrangement, there has been a rise in network traffic for telecommunications services. For example, there was an increase in network traffic by 70% in Singapore. Due to the proliferation of new telecommunications companies entering the industry, the increased competition has led to more data being offered for cheaper value.

However, the telecommunications sector has reached the saturation point in many emerging markets, with market penetration reaching a higher level than 100% of the population. Hence, mobile operators are finding it increasingly challenging to compete and grow in such markets by employing a traditional go-to-market strategy.

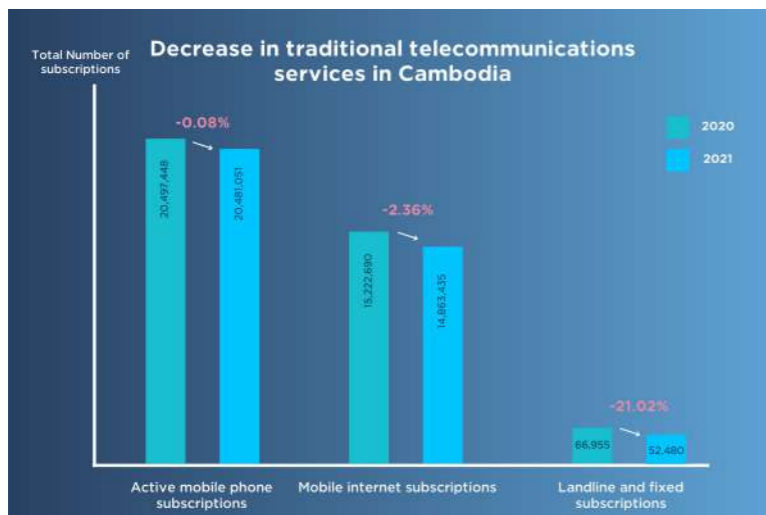
This has led to a surge in mergers and acquisitions within the telco giants. For example, Philippines Globe has considered selling their data centre worth \$200million to competitor PLDT. As for PT Indosat, the Indonesian wireless carrier unit of Qatar's Ooredoo QPSC, they have recently merged with their rival, Hutchison 3.

Internet penetration rates are rapidly increasing in less-developed countries, however, with traditional telecommunications services becoming less popular.

In less-developed countries like Cambodia, the number of landline and fixed subscriptions dropped by 21.62% from last year to 52,480 at the end of May in 2021.

On the contrary, the number of subscriptions for fixed broadband providers showed a positive uptrend, with an increase of 33.07% to 249,132 across 37 internet service providers.

According to the Telecommunication Regular of Cambodia, subscriptions across service providers dropped by 0.08% annually to 20,481,051, which made up 124.09% of the total Cambodian population. Within internet service providers in Cambodia, there was a decrease in mobile internet subscriptions by 2.36% to 14,863,435.



Transformation in buying cycles in the automotive industry

How digital transformation has impacted the automotive industry; in particular vehicle ownership rates

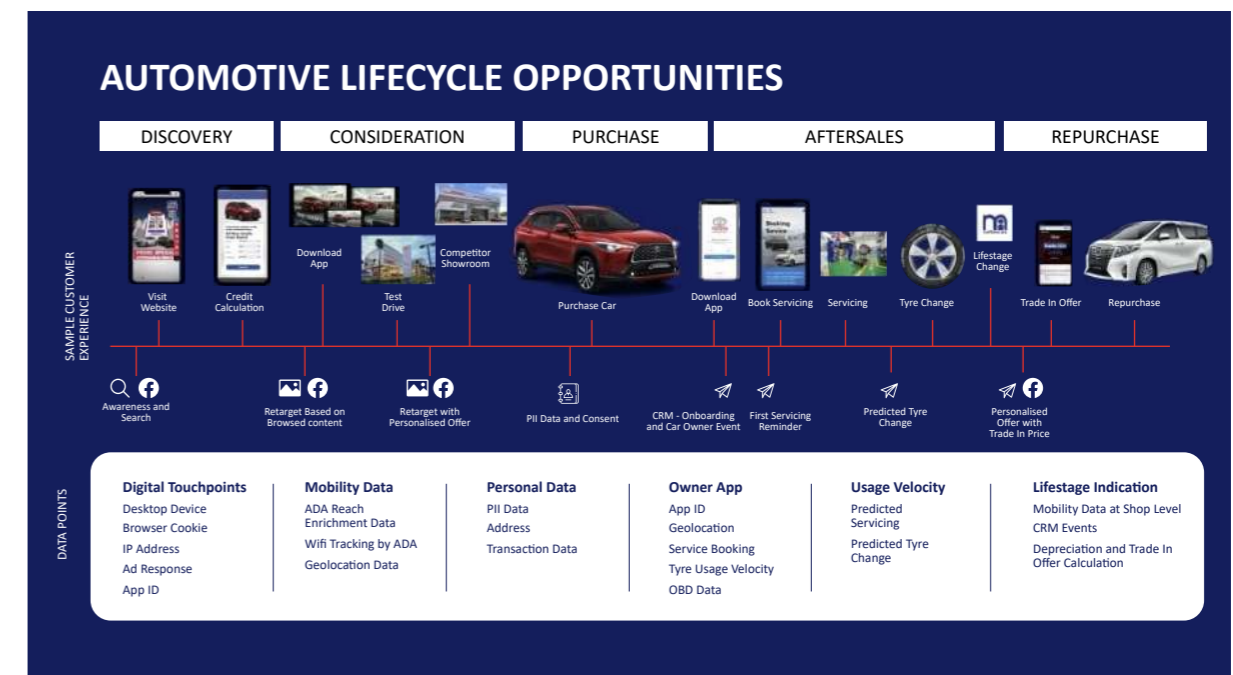
For advanced and developing economies, the increase in conservative consumption, coupled with the increase of car ownership taxes, have caused a decline in car ownership rates.

Singapore, one of the most costly places to own a car in the world, projected a 25.4% year on year decrease for new vehicle registrations in 2021, following a 20.1% drop from 2019 to 2020.

Car sales in Thailand dropped by 38.8% in August from last year due to COVID-19 measures, and the Federation of Thai Industries says that these measures will be eased. Nevertheless, in August this year, there was a further decrease in sales to 42,176 vehicles after July's 2020 drop by 11.6% to 52,442 units.

On the flip side, for less-developed nations such as Bangladesh, manual modes of transportation like rickshaws are getting less popular, and there is an increase in demand for motor vehicle ownership. This can be attributed to the increasing urbanisation in Bangladesh as infrastructure becomes better.

Increased data points throughout automotive lifecycle



Throughout the automotive lifecycle journey, brands are now, more than ever, able to tap on various sorts of data points to capture relevant information about their customers. Through the integration of technology into the various checkpoints of the automotive consumer journey, brands can leverage on insights gleaned from the data to attract new customers and encourage repeat business.

Work from home (WFH)

How the pandemic has reshaped the working environment

As more employees are working from home, many of them prefer a conducive and comfortable working environment, translating to more of them choosing to use quality products for their home setups.

Specialised products and offers, which used to appeal to prosumers, have become more accessible for everyday consumers working at home. This trend has been exacerbated by companies who are willing to pay for their employees.

For example, Shopify and Twitter have channeled funds to offset work from home setup costs for their employees, and some companies are partially subsidising the utility bills of remote employees and they intend to continue to do so. Hence, specialised products like these help to enhance the consumer experience and productivity, increasing motivation and engagement among employees.

Working from home has resulted in the blurring of lines between work and personal life, causing employees to feel isolated and disconnected from their colleagues. To deal with this issue, many employers are trying to keep their employees engaged by replicating office culture in the comfort of their own homes, such as coffee breaks, and chat rooms which resemble the office setup, hoping to foster the sense of belonging among employees.



Chapter 2

Forces of Change

The conscious consumer

The shift in behaviour amid the pandemic

Increased concern for health and fitness

Despite many gyms around the globe being closed during the pandemic, many consumers have shown an increased concern for health and fitness. Most of them are keeping fit and active, subscribing to home-based workouts, as well as health and wellness apps.

Within Asia-Pacific alone, the physical activity market is valued at US\$240.4 billion, being the largest and the most diverse.

Most of the disposable income of consumers are channeled towards products and services promoting better health, as 40% of the general population consider wellness a top priority in daily life.

Likewise, governments around the world are advocating for health and wellness, through campaigns and initiatives to generate awareness about health and fitness, as well as the upgrading of exercise infrastructure. Fitness clubs and gyms are jumping on the bandwagon as well, with more apps and services targeting the health and wellness sector.

Moving forward, consumers will continue to remain conscious of their health, seeking out products and services that improve their health and physical fitness. Brands should consider employing a hybrid approach through apps for physical fitness as well as amenities and facilities to encourage more people to exercise.

Surge in demand for healthier diets

There has been an increasing emphasis on healthier diets within Asia, such as natural foods instead of artificial and processed foods, with an estimated US \$2.4 trillion increase in market share by 2030 in Asia, with most consumers showing a preference for healthier, safer, and more sustainable foods.

Businesses which have a niche in health-based products have experienced an increase of 12% in the value of their companies as compared to businesses which adopt a neutral stance.

Brands who are able to identify the changing needs and preferences of their consumers have an edge over their competitors and they are able to win the hearts of their consumers as many of them are demanding for more transparency and accountability of their food sources. Moreover, being able to adapt global trends to local tastes is important.

One such company is SaladStop! - a homegrown salad bar in Singapore, which aims to inculcate healthy eating habits, as well as promote eco-sustainability. They have a wide range of protein bowls as well as nutritious smoothies to suit the taste buds of the locals. Currently, they have over 13 outlets in Singapore, and they have expanded to Philippines, Hong Kong, Indonesia, Japan, Spain, Korea, and Vietnam.

There is also an increasing demand for plant-based meats. Some key players in the market are Seriously Keto and Impossible Burgers. Seriously Keto is an artisan bakery selling Ketogenic breads, cakes and cookies, as well as other baked goods. For bakers on strict ketogenic diets, they sell a wide variety of baking supplies and syrups which are ketogenic approved. Their products are entirely sugar free as well.

Impossible Burgers are lab-grown meat, made entirely from plants. As compared to traditional meat sources, they consume 87% less water, 89% less land, and produce 89% less carbon emissions. Within Singapore, Burger King and Swensens have used Impossible Burgers for their meat-free burgers.

Changing consumer habits: Increased desire to shop with independent businesses

A majority of consumers want to buy products from purpose-driven brands which champion important causes. More and more consumers are supporting local brands which are hit the hardest by the pandemic, to support the livelihoods of fellow Singaporeans. Plus, awareness around sustainability and green consumerism is also on the rise, hence, many retailers are becoming more eco-conscious in Asia, implementing more environmentally friendly measures.

For example, in Singapore, the World Wide Fund (WWF) for Nature Singapore and The Plastic ACTION (PACT) launched a new initiative to encourage retailers to charge for plastic bags to reduce waste of single-use plastics, resulting in a decrease in plastic bag usage by 300,000 bags.

Retailers who have supported the initiative included: Decathlon, H&M, LEGO® Certified Stores (Bricks World), SaladStop!, The Body Shop, Uniqlo, Watsons, and Wing Tai Retail.

The sustainability movement and growing eco-consciousness

In line with the global eco-sustainability efforts, McDonald's Korea set a target to change their existing McDelivery scooters to electric bikes with zero carbon emission in 2021, with a 77% replacement rate. This has resulted in a reduction of 937 tonnes of CO2 emissions annually.

They also have been using solar panels and eco-friendly lights which has the same environmental impact as planting 220,000 trees.

In addition, they are also using environmentally friendly packaging such as cup lids with no plastic straws, in an attempt to reduce plastic waste.

Their goal is to have 100% recyclable, recycled, or certified packaging materials as well as natural inks to be used by 2025.

So far, the 50 paper-based materials used by McDonald's are Forest Stewardship Council (FSC) approved and 3,500 tons of their used cooking oil are converted into eco-friendly biodiesel fuel yearly.

Independent retailers like McDonald's are able to be more agile with their sustainability efforts, leading to a competitive edge.



Living in the Blue Zone

A significant step forward for the healthcare system

Many consumers are becoming increasingly concerned about their health and wellness, as well as maintaining their physical activity and stamina. To give individuals some peace of mind during their golden years, brands are optimising experiences to promote longer and better lives for consumers through longevity-focused diets and wellness spa retreats.

The Bluezone app, which was released in Vietnam, is able to detect and identify patients with COVID-19 and trace people who had close contact with COVID-19 cases. This app also aims to expand hospital capabilities of those located in rural areas so that they can take in more patients and ease the load on their urban counterparts.



Rise of the Metaverse

What does it hold for the future?

The metaverse is a shared virtual reality space, which allow users to interact with the computer-generated environment and with one another. More and more brands are investing in developing and optimising the metaverse experience for their consumers, as well as experimenting and implementing such elements within their user experience platform.

For example, the Take Back the Night concert in Singapore was a VR music festival which enabled partygoers to party in the comfort of their own homes.

To provide a seamless consumer experience, Mercedes Malaysia launched their first virtual showroom, which allow consumers to shop without leaving the house. The website has several features, allowing users to filter a few parameters, including the price range, the model of the car, and the type of car, as well as location and dealer. Consumers who need help can ask a sales representative for help virtually, and leave their contact information by clicking on the "request for quote" button and a dealer will get in touch with them.

Another example is the virtual escape room launched by IKEA, called "Escape the Clutter" which promoted the use of IKEA's storage containers.

Technology is rapidly evolving, which results in an unprecedented uptake of digital services and experiences. To capture the attention of audiences demanding more immersive experiences and spending more time on the internet, many brands are pivoting online and offering more interactive experiences.

Non-fungible tokens (NFTs) for charity

The growing popularity of non-fungible tokens

Blockchain-based non-fungible tokens (NFTs) have since become a viral phenomenon, gaining in popularity as a viable source of monetisation. Brands and companies across various industries are leveraging these digital tokens to raise funds for different causes, auctioning NFTs and donating proceeds to charities and non-profit organisations.

Consumers are becoming more aware of the need to support their communities, and they are more likely to support brands which have demonstrated tangible actions of social responsibility. Therefore, many brands are launching charitable initiatives to allow them to give back.

Blockchain for Good was launched by the Blockchain Association of Singapore and Singapore's National Trades Union Congress (NTUC) U Care Fund to raise USD \$186,000 for low-income families.

As for KitaJaga, Malaysia's Pay-to-Play app, they leveraged on NFT and gamification to promote charitable causes. 20 lucky users will receive NFT artworks from Jiwo, an artist based in Malaysia. Whenever those NFT artworks are resold on marketplaces, 40% of the proceeds from the sale would be donated to charity.

In remembrance of Freddie Mercury who died of AIDS-related pneumonia, four NFTs were auctioned for The Mercury Phoenix Trust which was founded in memory of Freddie Mercury by his fellow band members as well as his band manager.

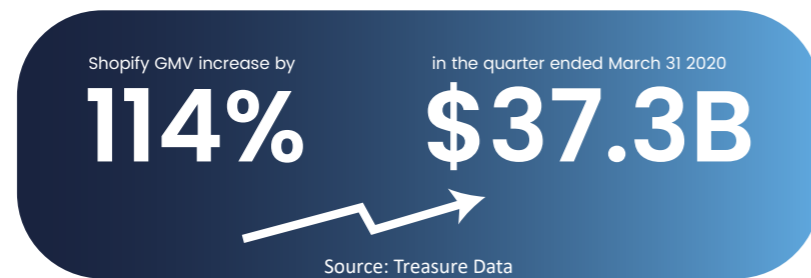
eCommerce: Are brands moving away from marketplaces?

The future of eCommerce and its impact on brands

As previously mentioned in Chapter 1, there is an emerging trend of brands moving towards building a more customised or personalised eCommerce platform for their consumers. The growth of Shopify highlights a determination by brands to move away from a marketplace-only model.

This is also indicative of the changing consumer mindset. The desire for a personalised shopping experience, content, and promotions are driving online purchasing behaviour. An online store that manages to balance these factors well, typically experiences a 20% increase in conversion rate.

Brands are also engaging with consumers beyond multiple channels, providing better customer experience with an omnichannel strategy including chat commerce and livestreams.



Adopting an omnichannel consumer experience

- CapitaLand Malaysia, a unit of Singapore-listed CapitaLand Ltd, onboarded seven malls onto the GrabMart platform to provide a seamless retail shopping experience to help Malaysian consumers adapt to the new normal amidst the pandemic.
- JOOX Thailand introduced video karaoke, live South Korean concerts, and worked with Thai and international artists to launch exclusive content.
- Subscriptions and media partnership, which increased to 41.1% of music industry's total revenue of \$17.3 billion.

The rise of livestreaming

In Singapore, J&T Express, a logistics company, hosted a successful livestream digital fashion show in August. Livestreaming is becoming increasingly popular and brands must be willing to take strategic risks in this emerging area of the industry, by experimenting with how livestreaming might improve their brand. If brands seek to improve their interactions with their consumers, they must be able to incorporate this approach into their overall marketing strategy in order to navigate through this emerging sector.

Chat commerce is thriving

Brands are encouraging direct conversation with consumers. JD.com has custom pages to redirect customers to brands official sites as well as WeChat mini programs so that customers can directly message the brands. Michael Kors used Weibo and WeChat for distribution and communication.


Increased competition and technology advancements has changed the customer experience. Consumers now expect enhanced convenience and ease of use when interacting with brands. In order to stay relevant to customers, brands must engage using multiple channels to remain top-of-mind in a seamless and cohesive experience.

Robotics: Delivery and the self-driving car


Mobility's future - has the revolution begun?

The pandemic has accelerated the adoption of food delivery around the world and Asia is no exception, from the exponential growth of food delivery platforms and cloud kitchens, to the upgrading and expansion of delivery fleets.

However, this leads to new challenges that mass hiring and complicated logistics systems are prone to - the lack of predictability and rising costs that has led to the increased interest and initial utilisation of autonomous vehicles for delivery. Brands are starting to utilise autonomous vehicles as part of their logistics solutions and even handling delivery of goods directly to consumers.



Autonomous pizza delivery partner
Nuro for Domino's Pizza (USA)



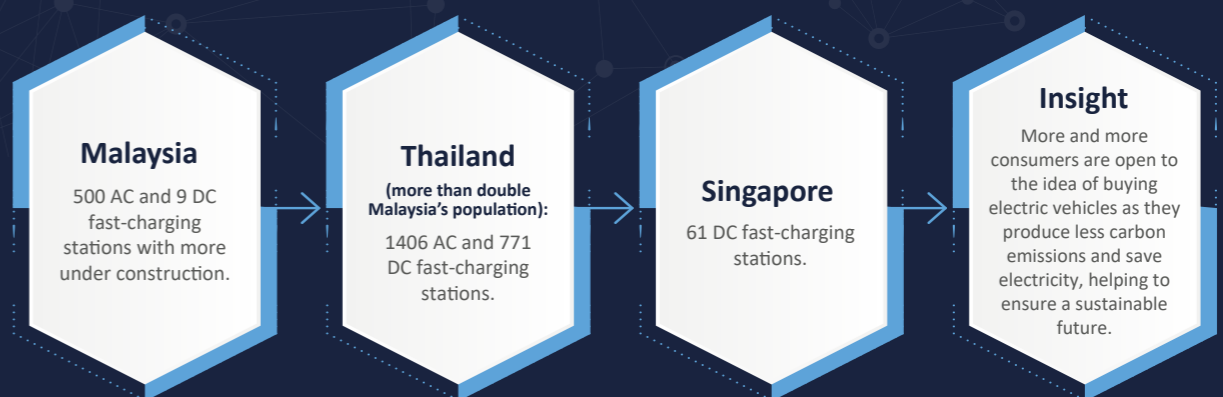
Autonomous deliveries for Foodpanda
(Singapore)

As autonomous vehicles are becoming a reality and as consumers continue to place more emphasis on convenience in their purchasing decisions, the rapid development of driverless vehicles may just be the key to supporting the boom of demand for delivery in eCommerce and creating a new, seamless shopping experience for consumers.

This also leads to innovations across parallel or complementary industries. A fast-growing category is electric vehicles, with the most notable recent stride forward being Tesla's groundbreaking deal with Hertz. Electric vehicles are becoming a globally-established vehicle category, as adoption of electric vehicles ramps up along with other clean energy alternatives of transportations.

Audi's South Korean division aims for 40% of sales to be eco-friendly.

Increased charging stations for cars:



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Business adaptability is on display

Rethinking competitive advantage

The pandemic has shown the adaptability of the business community in the face of unprecedented adversity. From digitalisation to adapting business models, there were several major changes to the business landscape.

With the shutdown of retail and lockdowns limiting travel and access to products and services, the rise of subscription services stepped in to fill the void. Seeking to increase loyalty and build up a new stream of income for businesses impacted heavily by the pandemic, restaurants and F&B establishments launched subscription models for their customers.

These include private label products such as home-delivery meals like Nutrition Kitchen in Singapore or BoxGreen in Malaysia. Brands have learned that offering subscription models diversify the business's income pool and allows for the monetisation of products and services that exists but were previously untapped while building brand loyalty with consumers.

Contact tracing, safety measures, and social distancing created logistics issues for retail, especially as outbreaks curtailed reopenings regularly. However, brands adapted - F&B and retailers opted to do their part to help maintain social distancing

Self-order kiosks and curbside pickups. Local home grown AI in SG, The Aiden AI, remembers the orders of regular customers so that they can order the same dish the next time they patronise the restaurant.

Cashless Payments. In the Philippines, Jollibee Foods Corp, McDonald's, and KFC have incorporated PayMaya as their cashless payment provider, for in-store and drive-through orders with their Point of Sale system.

For Singapore, there is an increasing number of fast food chains adopting cashless payment modes and self-ordering kiosks. Within Singapore, Jollibee and Texas Chicken use it. For Malaysia and Indonesia, Pizza Hut, Burger King, and KFC use TabSquare.

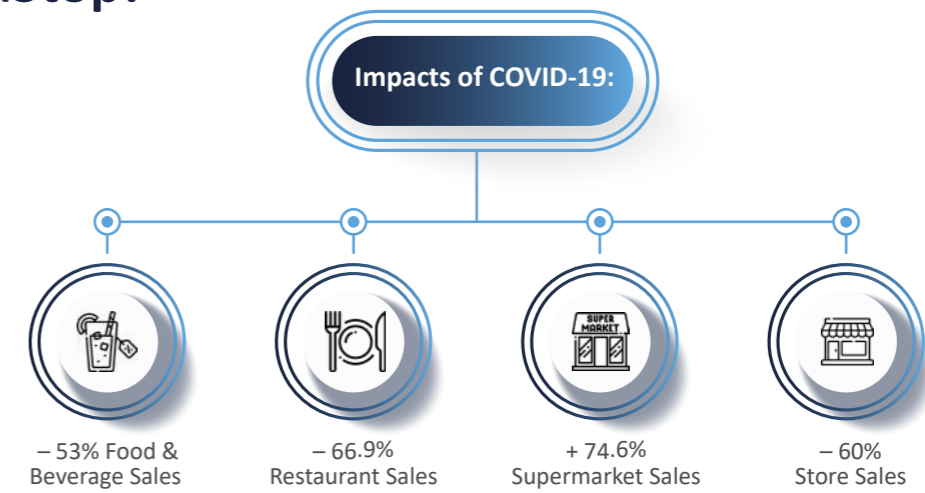
QR code menus are now commonplace around the world.

While the driving force of these changes revolved around the concern over one's personal safety, which will continue to remain in the long haul, the convenience of contactless offerings when dining out will continue to appeal to many. The convenience of contactless offerings when dining out will continue to appeal to many. These initiatives do not decrease customer satisfaction, and had the unintentional side effect of improving productivity and speed.

25% increase in overall consumer spending is achieved by up-selling and cross-selling techniques that generate more revenue for the company. This has led to shorter ordering time as well and restaurants use the data analytic tools for crowd management and menu planning.

Business adaptability in action:

SaladStop!



Identified consumer trends:

- ☑ Healthy home-based cooking with easy-to-cook ingredients is on the rise.
- ☑ Willingness to pay up to 10% – 20% more for better ingredients with savings on transport and other expenses.
- ☑ Open to try out alternate ordering channels beyond the usual delivery aggregators to get what they want.

A new strategy

Cloud kitchen:

- ☑ Targeting affluent private estates.
- ☑ Focused media strategy based on zonal targeting, lower delivery costs, and offers.
- ☑ Rebranded to offer warm protein bowls, DIY sushi rolls, and acai bowls under one roof.

Focusing on plant-based protein:

- ☑ Tapped into rising trend of healthy eating and health-conscious professionals.
- ☑ Partnered with other plant-based companies and local chefs to provide more offerings and recipes.

Owning customer data:

- ☑ Key to profitability in the long term (more on this in Chapter 3).
- ☑ Utilised a Customer Relationship Management (CRM).
- ☑ Leveraged customer data to drive repeat orders with personalised email offers.

Engage with conversational commerce

Leverage messaging apps to provide personalised experiences

More and more consumers are shopping online, with 88% of Southeast Asian customers citing online channels as their top source of brand engagement. The rise of conversational commerce within Asia is set to continue increasing, with consumers valuing on-demand convenience and personalised experiences.

Conversational commerce allows customers to personally engage with the brands through chat and messaging platforms, allowing brands to build meaningful relationships with their customers after getting to know and understanding them better.

Chat commerce (SEA) to hit
US\$47B
In 2023 (Source: The Ken)

Best practices for conversational commerce:

- ☑ Ensure multi-support for various payment methods.
- ☑ Processes to be in place for protection against fraud and authentication levels depending on the type of access needed.
- ☑ Since it entails the end-to-end customer journey, the tech stack needs to support the entire customer experience lifecycle to unlock the full potential of chat commerce.

Examples of successful brands using conversational commerce

- ☑ L'Oréal's Malaysian division hosted a 12-hour virtual beauty festival using conversational commerce built on top of Facebook and WhatsApp messenger and saw results of one month's worth of online sales in a mere 24 hours.
- ☑ Lego offers highly personalised Lego gift suggestions using Ralph, Lego's super-friendly, emoji-loving chatbot who turns present shopping into a cute and fun experience.
- ☑ Starbucks streamlines the morning coffee routine using a smart barista bot, only available through their app, where customers can now order - even by voice command - and pay for their coffee through their phone. And once the order is ready they get an alert on the app so they can smugly saunter straight to the top of the queue to collect their 'Triple, Venti, Half Sweet, Non-Fat, Caramel Macchiato' without wasting a minute of precious time.

Utilise conversational commerce with Customer Relationship Managements (CRMs) and Customer Data Platforms (CDPs)

CRMs make it easier for businesses to reach current customers, while also capturing, storing, and managing customer data and interactions, helping brands manage their customer relationships.

CDPs, on the other hand, act as the headquarters for all customer data as it assists in collecting customer data across different touchpoints and organising it, which are then structured, and translated before being sent over to other marketing tools.

Having a central system to automatically process data makes it far easier to integrate all the MarTech tools your organisation may be using.

By effectively capturing data from interactions via chat commerce within CRM and CDP, brands are better able to leverage interactions and ensure a seamless omnichannel experience for their customers.

Chapter 3

What Should Brands Do?



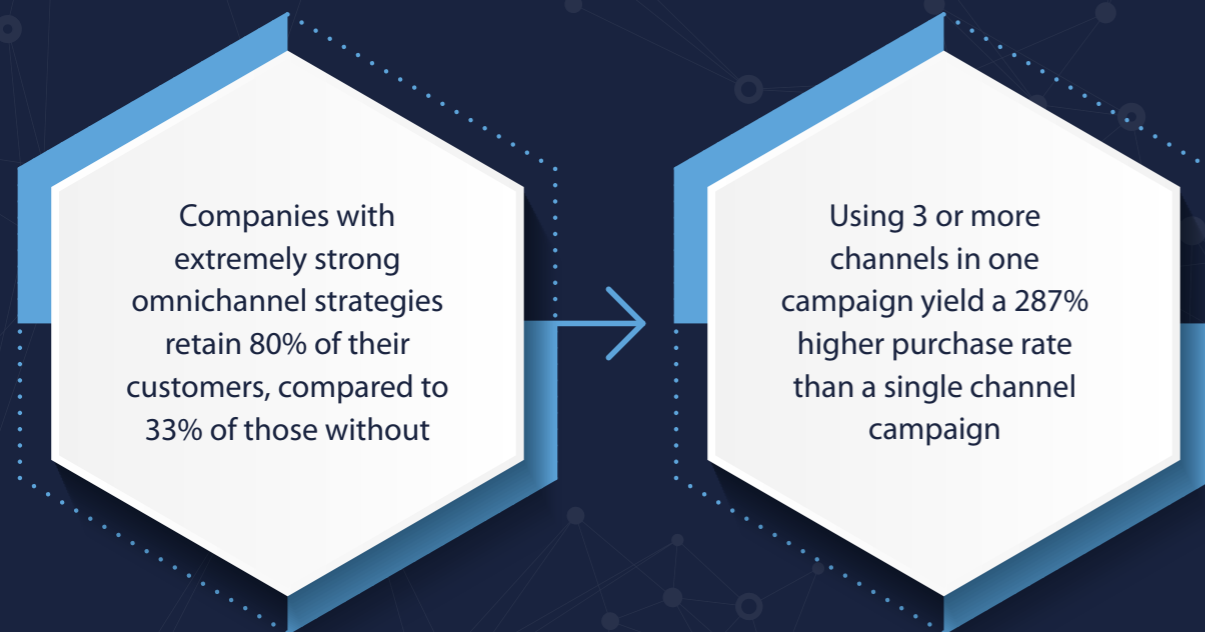
ada

Design an omnichannel strategy

Be seamlessly accessible and present on multiple platforms

Nowadays, going direct-to-consumer is becoming increasingly common, as brands skip the middleman and thus transfer savings to the consumer. Additionally, brands are opting to reach their consumers via more channels, with 80% of companies investing in providing an omnichannel experience in 2020.

Omnichannel experiences help to attract new customers across various platforms, engaging and retaining existing customers as they experience the brand across multiple channels, providing multiple brand touch points and increasing consumer engagement.



In line with the shifting consumer mindset and behaviour, 90% of consumers expect consistent interactions across the various channels and retention rates are 90% higher for omnichannel brands compared to brands using a single channel.

Having a good omnichannel strategy helps brands to create a more vibrant and unique shopping experience while providing a seamless experience to customers, regardless of where they choose to shop through a series of connected company touchpoints.

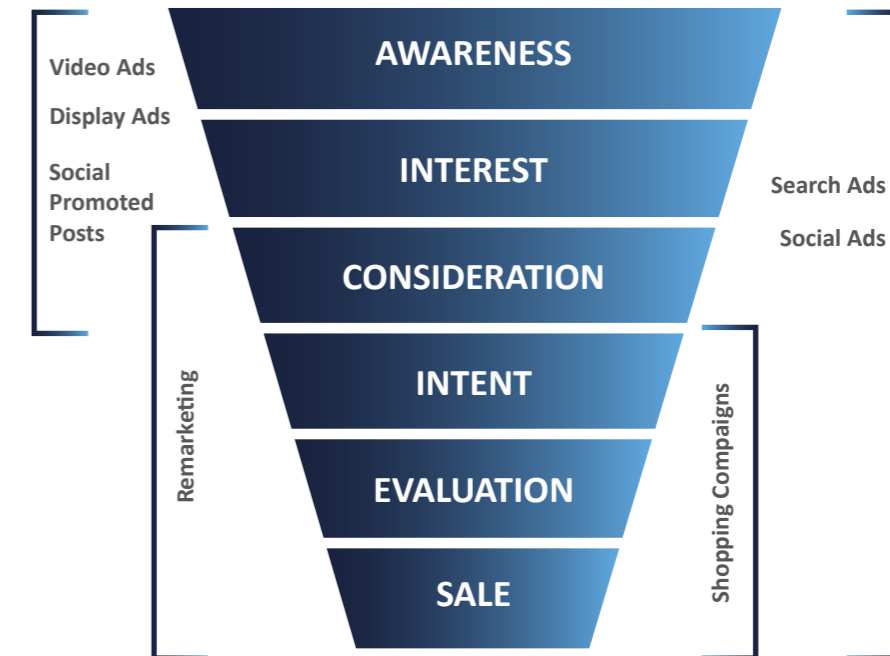
Best practices to develop your brand's omnichannel strategy

- ☑ Most consumers are on their mobile devices, making a seamless mobile experience exceptionally important.
- ☑ Personalise the customer experience as much as possible.
- ☑ Manage user data and ensure customer data is organised - this makes it easier to scale marketing efforts to target the right consumers, at the right time.
- ☑ Accurately map out the customer journey to ensure your brand is able to actively engage across all channels.

The art of the full funnel

Optimise your conversion funnel with a sound end-to-end marketing strategy

Given the changes in consumer patterns touched upon throughout this report, the consumer journey is becoming increasingly complex. When it comes to measuring the success of campaigns, conversion rate optimisation (CRO) is key. Understanding consumer behaviour and being able to optimise one's CRO leads to higher returns.



A customer funnel, made up of various stages of the buyer journey, goes from initial awareness and consideration to finally purchasing, is an important tool and resource for brands. Understanding the funnel and the different components and stages supersedes any optimisation that can come after.

Full-funnel optimisation examines each phase in incremental and gradual measurement, leading to a better understanding of how different marketing tactics employed at the various stages lead to a purchase. This allows brands to have a better idea on where to invest more in activities at any part of the funnel, leading to higher conversion rates.

The true essence of any successful business is having compelling and relatable content or services that resonates with consumers.



To nurture sustainable growth, brands should foster a culture of experimentation and innovation, particularly as they seek to optimise their conversion funnel at the various stages.

Some common experiments to try include:

- ☑ Personalisation
- ☑ A/B testing on visuals and call to actions
- ☑ Social proof
- ☑ Social norm stats
- ☑ Countdown timer
- ☑ Investments in paid media at the best stage

Best practices for full-funnel optimisation - the D.A.R.T. Strategy

- ☑ Data is king - be sure to capture data at all touch points, then use the data to drive any decisions moving forward. Data should be ethically obtained and reliable in order to be useful.
- ☑ The right audience - it's all about finding the right customers and knowing them and their journey as much as possible.
- ☑ Research, research, research - make sure you understand your analytics and what they mean to increase your chances of success from the get-go.
- ☑ Testing - Whether you utilise A/B testing or multivariate testing, conduct tests to ensure what you're putting out there is the best at performing your desired outcome.



Look inwards for 1st party data insights

Use insights gleaned from CDPs to drive strategies and decisions that resonate with your audience

Trends come and go but one thing never changes: the importance of having a good user experience (UX). User experience provides a roadmap to potential buyers, guiding them through their sales journey and making them feel better connected to the brand.

A positive UX makes customers spend more due to the ability to generate high engagement. Research shows 86% of consumers are ready to pay extra money for a good purchasing experience. Conversely, a bad experience will frustrate buyers and make them feel lost and confused.

In fact, the Temkin Group found that companies that earn \$1 billion annually can expect to earn, on average, an additional \$700 million within 3 years of investing in customer experience. For SaaS companies in particular, they can expect to increase revenue by \$1 billion.



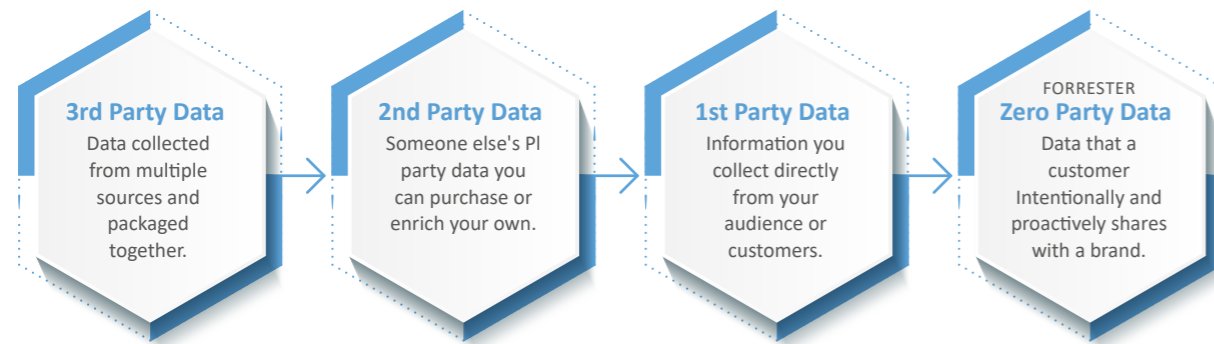
In their Future of CX report, PwC surveyed 15,000 consumers and found that 1 in 3 customers will leave a brand they love after just one bad experience, while 92% would completely abandon a company after two or three negative interactions.

In order to deliver the best possible experience in order to stand out from their competitors, brands need to know their customers better than ever before and use the knowledge and consumer insights to personalise every interaction. The best way to know the customer? Data.



It is important for brands to have their own data that they own, independent of the walled gardens. For that, it is crucial to define the different types of data:

EXPLORING THE GOLD MINE



Third-Party Data

This data is not from a direct relationship between a customer and a company but rather collected, aggregated, and segmented by a third party, and sold to companies for their marketing use.

Third-party data is almost dead due to Google phasing out cross-site tracking (via 3rd party cookies) in 2022.

An example of this data can be buying a list from data companies based on a specific behaviour before marketing to the bought list.

Second-Party Data

First-party data from a trusted partner which isn't usually sold openly is second-party data. For example, a credit card company getting first-party data from an airline to target marketing.

First-Party Data

Data about customers collected and owned by the company that can be used to create content, tailoring ads, and experiences based on one's interests is first-party data. For example, web or app behaviour, interactions, purchase history, etc.



First-party data yields the highest return on investment of any data type, targeting past customers who are more likely to spend more after prior purchases

According to the survey reports of small businesses analysed by BIA/Kelsey, more than 50% of their annual revenues were generated from repeat customers. Repeat customers were also found to spend 67% more than new customers.

Treasure Data's Comprehensive CDP - The Power to Leverage Data, Insights, and Engagement in a Single Platform

DATA SOURCES
Contact Center, CRM, Mobile, Web, In-store, Other

DATA
Integrate everything you know about your customer.

INSIGHTS
Gain insight into your customer with AIA, ML, and best-in class data science.

ENGAGEMENT
Accelerate growth with customer-centric capabilities.

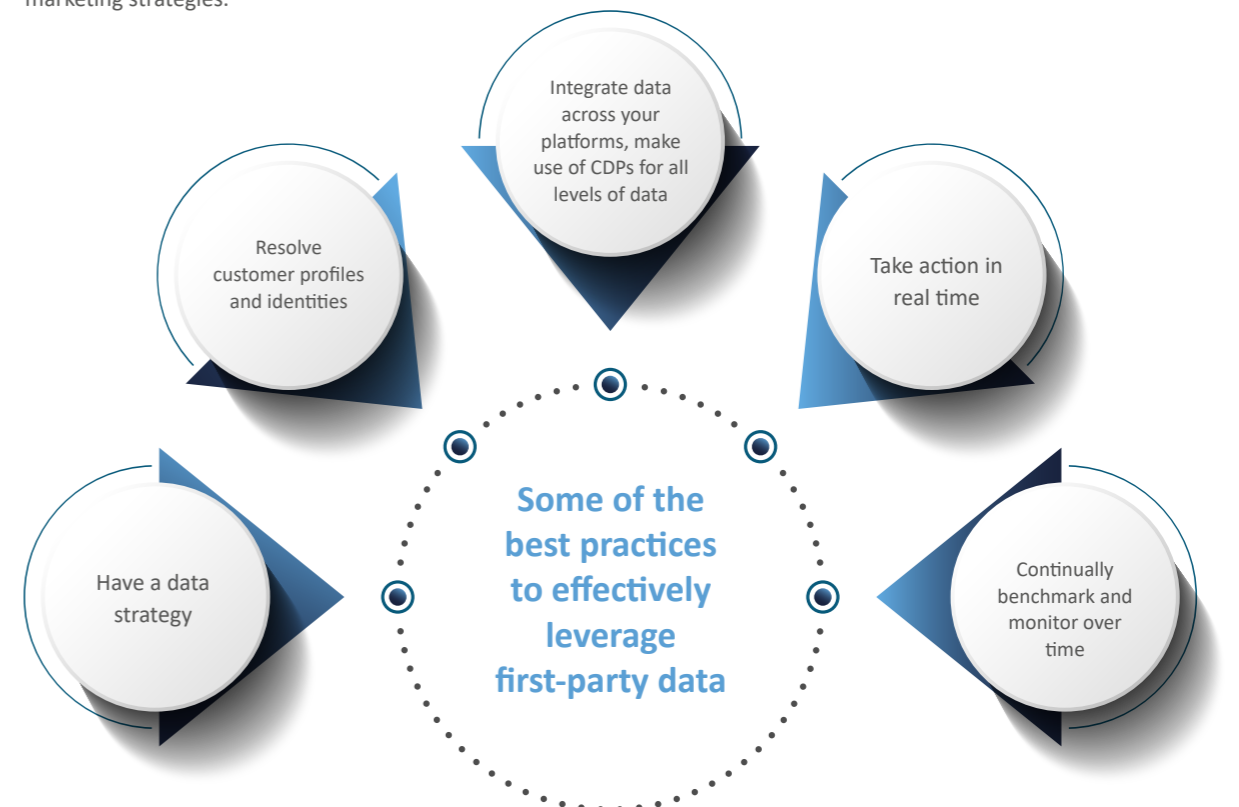
ACTIVATION CHANNELS
Look-alike modeling, Real-time personalisation, Optimised ad spend, Increased customer loyalty

Unify your technology stacks to activate data, insights, and engagement with each customer, at all times, across all channels.

Sourced from Treasure Data

To craft an effective marketing strategy, brands must look towards mapping the entire consumer journey, identifying and setting up data-capture points, unifying said data across multiple silos and sources into a centralised platform such as a customer data platform (CDP).

A CDP would allow brands to have a 360-degree view of consumers across multiple digital and offline touch points, offering access to valuable data for them to extract actionable insights that can be used to drive further engagement and optimise marketing strategies.



Build the right MarTech stack for your brand

Ensure tools added to your system are effective and optimised for your use and needs

As consumer expectations increase higher than ever, MarTech is key for brands to meet and exceed their expectations, helping them to close the gap that opened due to rapidly-evolving consumer behaviours.

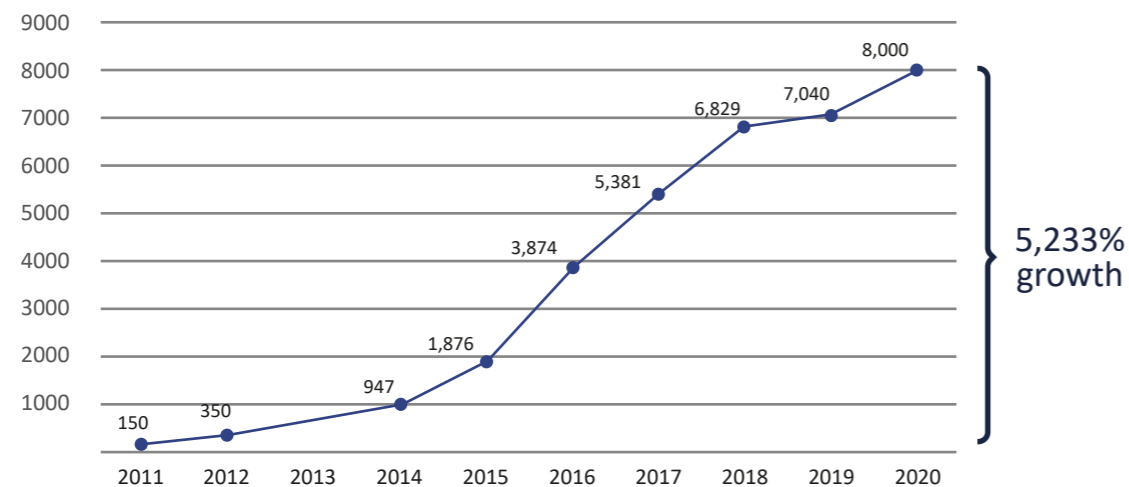
A good MarTech stack that is well integrated can enable brands to grow customer lifetime value, automate mundane tasks, save time, decrease costs, and boost return on marketing investment.

Advances in technologies, including AI, analytics, and automation provide marketers with access and speed to make change and optimisation happen now, harnessing the power of data and being proactive in building relationships with new and existing customers.

CMOs and marketing executives around the world are realising the potential of marketing technologies and this reflects in the burgeoning adoption of these solutions.

A Wipro survey found that MarTech proficiency was a key skill requirement for CMOs

Growth of the Martech Landscape 2011-2022



A closer look at the key MarTech stack components



In addition to building the right stack, it is crucial to remember that there should be a clear priority on system integration with a need for the various marketing platforms to communicate with one another.

- Research from the CMO Council showed that 75% of CMOs collaborate with CIOs regularly to analyse MarTech KPIs, which strengthens the relationship between marketing and IT while enhancing their MarTech stack's effectiveness.
- 60% of CMOs in "very effective" relationships with IT created multi-year strategic plans for MarTech adoption and implementation.
- In the Gartner 2020 Marketing Technology Survey, 59% of respondents said that they were embracing the relative safety of an integrated suite approach to MarTech, where an organisation relies primarily on a single vendor for multiple interconnected capabilities. In the Marketing Organisation Survey 2020, MarTech users said that they were utilising just 58% of their stack's full breadth of capabilities.



91% of consumers are more likely to shop with brands who recognise, remember, and provide them with relevant offers and recommendations

Accenture survey, 2018

The increasing pressure to deliver on trends such as personalisation and automation of multichannel journey drive impulse MarTech purchases which may ultimately compound issues around data silos and operational inefficiencies.

As per the 2021 Gartner Magic Quadrant, by 2025, 80% of marketers who have invested in personalisation will abandon their efforts due to the lack of positive ROI, the perils of customer data management, or both.

Hence, it is important to understand the best practices to find that right balance - building an ideal MarTech stack, integrating it well within the system and leveraging the solutions for better ROI. No one-size-fits-all approach works here.



Building vs "Mashing"

Total Solutions	8,000	Growth Since 2019	Biggest Subcategory Growth (Percentage) Since 2019
Advertising & Promotion	922	4.1% ↑	Print 35% ↑
Content & Experience	1,936	5.6% ↑	Video Marketing 26% ↑
Social & Relationships	1,969	13.7% ↑	Conversational Marketing & Chat 70% ↑
Commerce & Sales	1,314	9.0% ↑	Retail Proximity & IOT 15% ↑
Data	1,258	25.5% ↑	Governance Compliance & Privacy 68% ↑
Management	601	15.2% ↑	Projects & Workflow 41% ↑

Moving forward - how to build an efficient brand.com and revamp your marketing strategy beyond the pandemic

Building a brand.com is like building a brick and mortar shop online. There are over 8000 MarTech tools available, and so, it is very easy to get caught up while building a tech stack.

The best way to build an efficient brand.com is focusing on the key points below:

Define the content strategy

This will help determine whether you need just an eCommerce portal or a CMS to effectively manage the content and publish across channels like mobile, web, kiosk, digital signage, etc.

Define the design approach

Do you want to take a mobile-first approach or does a desktop-first approach suit your business better?

Define the hosting strategy

Generally, there are two main options: choice-on-premise and cloud. Cloud is mostly recommended as it offers a lot of flexibility in terms of scalability of the ecosystem across regions and locales.

Define the NFRs

This includes infra-sizing, performance KPIs, data storage, archival, retention, privacy, and security rules based on the type of business and the way data is handled on your brand.com to comply with local and global compliances. Most of the time these NFRs are overlooked and can cost you a complete overhaul of the ecosystem.

Define the tech stack for the build

Base this on what is the best suited option as per the business objectives, as well as who is going to maintain it. If you have your own IT team then it is always favourable to choose a stack which the team can maintain or else evaluate the trade-off cost or the opportunity cost.

Stay updated

Keep your brand.com updated with latest offers, campaigns, content, promotions, and more to be competitive. Evaluate the frequency of updates at a set interval and define DevOps automation. An effective DevOps strategy keeps all the efforts optimised and reduces redundant cost.



Supercharge your Marketing Strategy in 2022 with ADA.

Get in touch today:

<https://ada-asia.com/marketing-technology/>

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