

What you need to know about Malaysian Shoppers

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Cross-Border | Cross-Cultural Marketing | Consulting

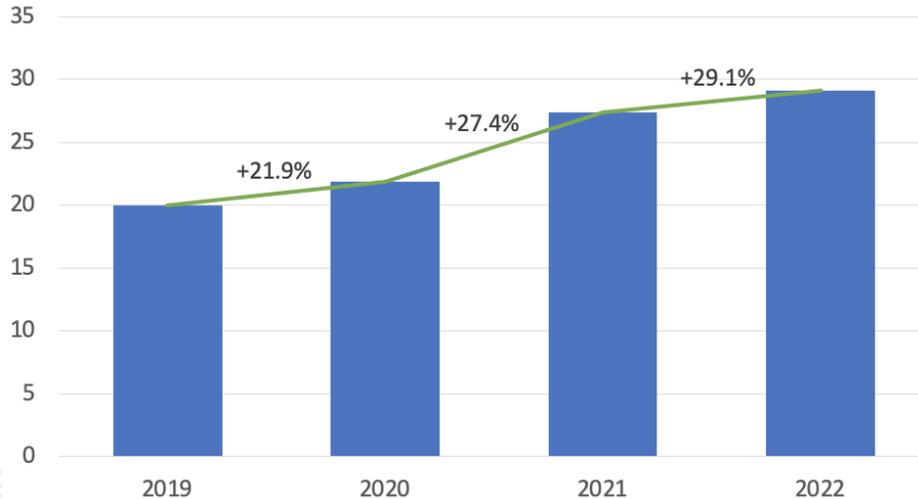
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1

Surge in the number of online shoppers

E-commerce users in Malaysia (in millions)



Findings:

The Covid-19 pandemic has led to a rapid growth in e-commerce market and changing consumer behaviors. According to New Straits Times (2022), *88% of Malaysia's overall population are now digital consumers* and 9 out of 10 Malaysians are expected to shop online.

Consumers also also *shop-hop across as many as 7 websites before opting to purchase*. Surveys observed that 63% of consumers didn't know what to buy or had no buying intention when they go online. In the past, people used to know what to purchase and searched for it. Today, with the escalation of internet platforms, consumers tend to shop more compulsively and are open to discovery of new products and services.

Actions:

As online channels now play a much greater influence on the revenues of numerous businesses, having a *strong online presence* is crucial to allow larger reach of audiences.

2

Most e-commerce transactions were made via in-app shopping

Findings:

Technological advances and social commerce has made it easier for users to shop on their phones. In Malaysia, it was reported that 52% of online shoppers *prefer smartphones as their primary shopping devices*. Consumers are turning to visual-first social networks like Facebook Shopping, Instagram Shopping, TikTok Shopping, and Little Red Book for purchases.

However, it is to note that consumers still approach friends to help with their final purchasing decisions especially for consumers aged 18-40, with influencers as a close second.

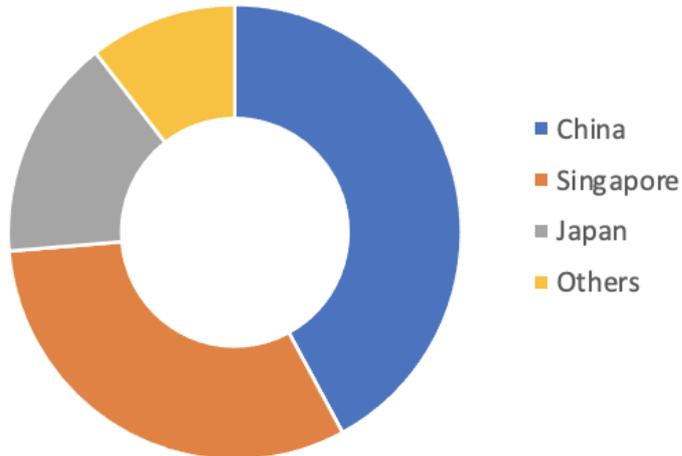
Actions:

Brands need to have a solid social commerce strategy to win - this includes creating *brand awareness* as it helps to generate word of mouth buzz, *identifying the right target audience* with the right *media* and *influencer marketing plan*.



High activities of cross-border e-commerce

Malaysian Consumers Top Overseas Shopping Destination



Findings:

Cross-border e-commerce plays a substantial part of the Malaysian online shopping experience. It accounted for 44% of overall e-commerce sales, with 52% of Malaysian online shoppers spending cross-border. Statistics showed China holds the largest percentage of overseas shopping market for Malaysian consumers, followed with Singapore and Japan.

The key drivers of cross-border e-commerce growth are:

1. An emerging middle class
2. Increasing foreign direct investment
3. Evolution of payment infrastructure

If you are in other regional markets looking to scale up through cross border, consider Malaysia as an entry point for opportunity!

Actions:

A fine starting point would be to understand the regulatory landscape in Malaysia, including import requirements, halal certification, and the local payment methods for a secure online experience.

Reasons to shop in-stores



- 50% Touch and feel products before I buy them
- 47% Pick and choose my own products
- 43% Can get products right away
- 33% Enjoy the in-store experience
- 30% Don't want to pay for shipping
- 23% Can get better deals
- 13% See or talk to store associates

4

Rise of Hybrid Shopping

Findings:

Despite many consumers adopting online shopping habits, it was unveiled that they also demand for offline experiences. In fact, more than *1 in 3 Gen Z's say hybrid shopping is their primary buying method*. This was too, shown in the consistent day-to-day increase in visitors to malls, when Covid-19 restrictions were gradually lifted.

Consumers now want an *“all-of-the-above” approach* - visiting stores, shopping online, and using mobile apps interchangeably. In other words, they want brands to be present and ready to serve wherever they are, and at every point of their purchase journey.

Being able to physically assess the products before they buy them is the number 1 reason why consumers want to shop in-store.

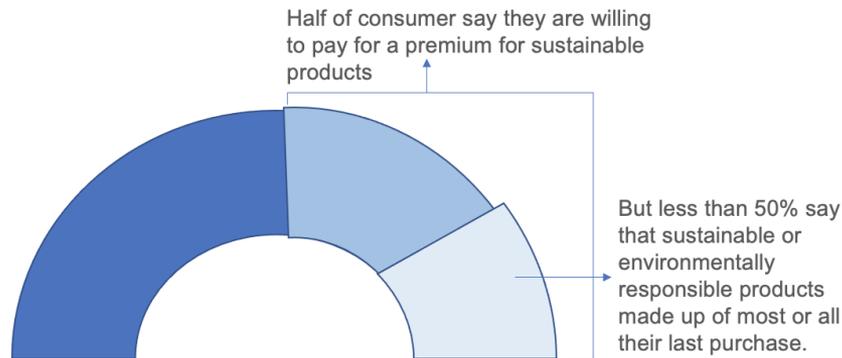
Actions:

Businesses to streamline hybrid shopping to deliver an experience that leverages each channel's strengths.

5

Malaysian shoppers now focus more on social responsibility than ever

The intention-action gap



Findings:

Numerous studies have shown that consumers are aware of the severity of the ongoing environmental crisis, hence have adopted more sustainable behaviors. In 2022, *roughly 4 in 5 consumers say sustainability is important to them* and they are willing to change their purchasing habits to reduce environmental impact.

However, the *intention-action gap* were seen where price and quality are the 2 largest barriers that hold back consumers from purchasing sustainable products.

Actions:

To capitalize on consumer demands. The intention-action gap creates a profitable opportunity for businesses, if they can make it easier and more affordable to shop sustainably - without sacrificing quality.