

STRATEGIC  
SPOTLIGHT

# STAYING AHEAD IN THE EVER-EVOLVING ECOMMERCE GAME

A Southeast Asia Perspective

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# E-COMMERCE: THEN & NOW

Ecommerce in the Southeast Asia (SEA) region has been around for longer than we remember. It first started during the dot.com era in the 1990s with consumers purchasing from European and American brands willing to deliver to SEA. By 2000, B2B businesses and some enterprising B2C business started to establish themselves in the Direct-to-Consumer (DTC) market, but it was not until 2011 when Rocket Internet first entered the space at scale through their launch of Zalora and Lazada, that ecommerce really took off.

Since then we've seen a huge shake-up of the ecommerce landscape in SEA. Catalysts include billion-dollar acquisitions in the marketplace space, for example Alibaba's acquisition of Lazada in 2016, the fall of the once booming B2B2C Japanese retailer Rakuten, and the increasing affordability of social commerce. Without an agile and highly adaptable team to stay ahead of these rapid changes, it is **easy for brands to get left behind**.

This is reinforced by the fact that despite a slowdown in global consumer expenditure in the past two years, the growth of ecommerce remains fast and strong. eMarketer has indicated that **three of the top 10 fastest growing ecommerce countries globally in 2019 hail from SEA, with Philippines, Malaysia and Indonesia leading the charge**. Building an ecommerce-ready team is no longer an option, but a priority for all businesses.

Source: Published 30 June 2019

## Top 10 Countries, Ranked by Retail Ecommerce Sales Growth, 2019 % change

1. Mexico	35.0%
2. India	31.9%
3. Philippines	31.0%
4. China	27.3%
5. Malaysia	22.4%
6. Canada	21.1%
7. Indonesia	20.6%
8. Argentina	18.8%
9. Russia	18.7%
10. South Korea	18.1%
Worldwide	20.7%

*Note: includes products or services ordered using the internet via any device, regardless of the method of payment or fulfillment; excludes travel and event tickets, payments such as bill pay, taxes or money transfers, food services and drinking place sales, gambling and other vice good sales*  
Source: eMarketer, May 2019

<https://www.emarketer.com/content/ecommerce-continues-strong-gains-amid-global-economic-uncertainty?ecid=NL1014>

Amid such growing demand and potential in the SEA ecommerce arena, it is crucial to build and develop successful teams, but what are the key factors to look out for?

As a member of the IAB SEA+India's Commerce Committee, Eunice Loh, Digital & Platforms Director of Wavemaker Global Client Solutions + SEA, joined by industry experts from the marketplace, Direct-to-Consumer (DTC) and agencies shared their POVs on 4 July 2019 at the session.

### **Adapting to stay ahead – assembling an A-Team and more**

If we take a step back, ecommerce itself is not new, is it just constantly evolving. Much of what is needed to form an ecommerce team already exists. The science of optimizing a marketplace product detail page or enhancing a DTC site uses many of the same principles as Search Engine Optimization (SEO). The need to create enticing product photos and merchandise effectively sits in the realm of the content team. Innovations in traffic-driving tactics are in reality just a step up from the paid media skillset that has traditionally been an agency's bread and butter.

The age-old wisdom of Benjamin Franklin – “Tell me and I'll forget. Teach me and I'll remember. Involve me and I learn” is never more true than in today's world. Gone are the times when we can be told or even be taught what to do to stay relevant. It is essential for all departments to get involved in reskilling and upskilling themselves and their team to meet the current and future demands of ecommerce. Ecommerce readiness is **not the task of one person but spans multiple departments and teams.**

As ecommerce is viewed as a performance channel for driving sales, it is not uncommon to place focus on short-term tactics to improve conversion rate and reduce cost per acquisition. While we agree that this the reality of ecommerce, it is **important not to overlook the opportunity to innovate and seek long term advantages.**

As a case in point, at Wavemaker we noticed that there is a shortage of syndicated third-party tools in SEA to offer competitive analysis in the marketplace. This inspired the team to **build bespoke proprietary tools** which helped our clients navigate this task and resulted to longer term benefits that they could implement from a **more strategic perspective.**





## **Skillsets in stronger demand but lower supply**

Looking at LinkedIn skills and jobs in June 2019, it was interesting to note that there were **8.5 times the number of people with 'ecommerce' in their profiles** vs the number of 'Ecommerce Specialist' job postings in the Philippines, Malaysia and Indonesia. This indicates that our belief that there is a scarcity of Ecommerce skillsets in the market is a misconception. What certainly is in high demand are soft skills like adaptability, creativity, resilience and leadership.

At Wavemaker we believe that all these traits, plus a **growth mentality and a strong understanding of the consumer**, are equally important. There are many successful case studies where we have taken a completely different direction from our clients' initial approach after identifying the market opportunity and understanding what is really driving consumer behaviour.

Everyone on the panel agreed that hard skills were often used as the starting point for new hires, but for attitude is what really skews the decision.

## **Sourcing the right talent to bring into the business**

There is no fixed formula for finding brilliant ecommerce talent, though a **cross-spectrum understanding of the ecosystem** is a great place to start. Agencies typically look for talent with marketplace & retail backgrounds, while marketplaces look for talent who come equipped with consulting capabilities.

Any relevant experience, be it from past internships or a display of entrepreneurial spirit such as a small ecommerce shop, are indicators of promising aptitude. Given the dynamic nature of SEA where a single person is expected to deliver on multiple types of tasks, there is a preference towards talent with a wider range of skill than a narrow field.

At Wavemaker, we also focus on hiring people with **skillsets that are transferable**. We have even hired talent from a biochemistry background with the strong desire to immerse themselves in the world of media, content and technology. Looking beyond our current world view has been a rewarding experience in terms of cross-industry learnings.

We believe that as long as we equip our people with the **right hard skills and hire for the right attitude, with a clear training and development plan**, we put ourselves in a great position to keep up with the rapid growth in the ecommerce ecosystem.



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