



KASETSART UNIVERSITY

ECOMMERCE LIFECYCLE & OMNICHANNEL

February 2018

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“ECOMMERCE IS A BEAR”

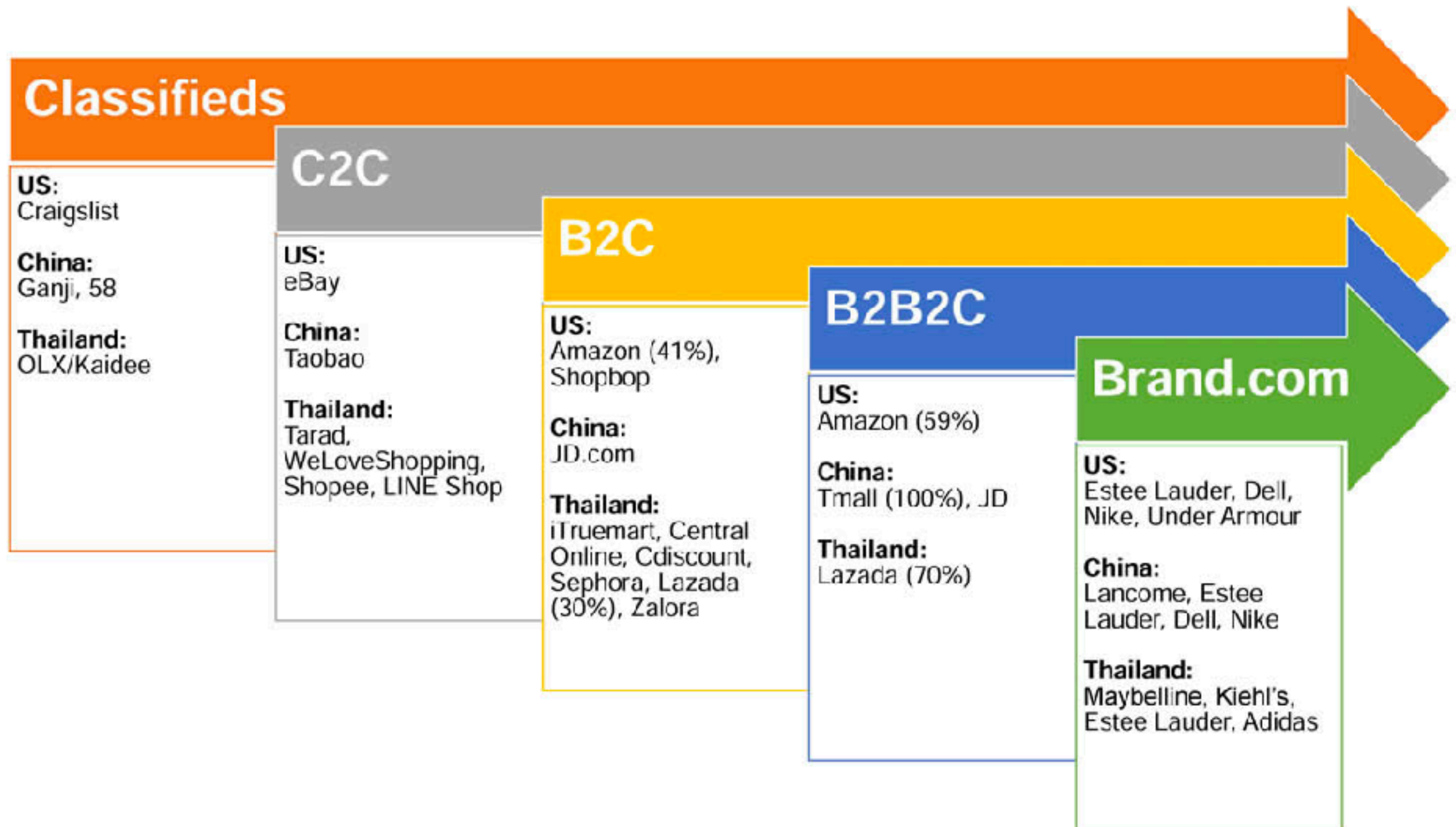
Andy Dunn CEO of Bonobos 2013

What did he mean?



LET'S FIRST UNDERSTAND THE ECOMMERCE LIFECYCLE

THE ECOMMERCE LIFECYCLE



THE ECOMMERCE LIFECYCLE

THE ECOMMERCE LIFECYCLE:
“A DISTINCT PATTERN ON HOW ECOMMERCE MODELS
MATURE AND EVOLVE OVER TIME.”

There is a distinct pattern that has emerged from the more mature ecommerce markets' evolution that offers a degree of prescience for ecommerce in Southeast Asia.

This follows the trajectory of Classifieds and C2C to B2C to eventually Brand.com.

Today's Southeast Asia is following a similar pattern.

But at a much faster pace due to “1 to n,” horizontal progress and the resulting leapfrogging behavior. In our region, we have Classifieds (OLX), C2C (Tarad, Tokopedia, Shopee), B2C (Lazada, Zalora, MatahariMall) and Brand.com (L'Oreal, Estée Lauder, Adidas) all happening at once within a very short time frame.

THE ECOMMERCE LIFECYCLE

HOW IS SEA AND THAILAND DIFFERENT FROM US & CHINA

1

Southeast Asia is **mobile-first, C2C ecommerce** is jumping straight into mobile marketplaces.

Mobile-only C2C marketplaces like Carousell and Garena-backed Shopee are making aggressive moves against their older desktop counterparts like Tarad in Thailand and Tokopedia in Indonesia.

2

With an estimated **85% and 79%** of online shopping outside of the major metro areas in Thailand and Indonesia happening on mobile, it's not surprising that companies like **Facebook are also betting on mobile C2C.**

The ad giant recently launching mobile payments in Thailand where an estimated **50% of C2C transactions** are happening on **social networks.**

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WHAT IS ECOMMERCE 1.0?

ECOMMERCE 1.0
**SELLING OTHER PEOPLE'S STUFF TO THE
MASSES AT LOW MARGINS**

ECOMMERCE 1.0 IS ABOUT THE **PRICE WAR**

WHAT IS ECOMMERCE 1.0?

“If you’re selling other people’s brands, you are competing not via a local group of competitors but with everyone. In this type of market, you might imagine having one large national winner.

You might imagine that winner is ruthless about scale and cost, and is run by a visionary leader who with an extreme long-term focus. Such a company might not make real money for a long time – but when it does – it will be incredibly powerful.”

–Andy Dunn



THE ECOMMERCE 1.0 GOLIATHS

amazon.com[®]



天猫 Tmall.com



Competitive advantage:

- Economies of scale
- Long-term focus (losses in short-term)
- Acquire competitors that are a threat
- Exceptional loyalty program to lock customers in
- Deep pockets / lots of funding

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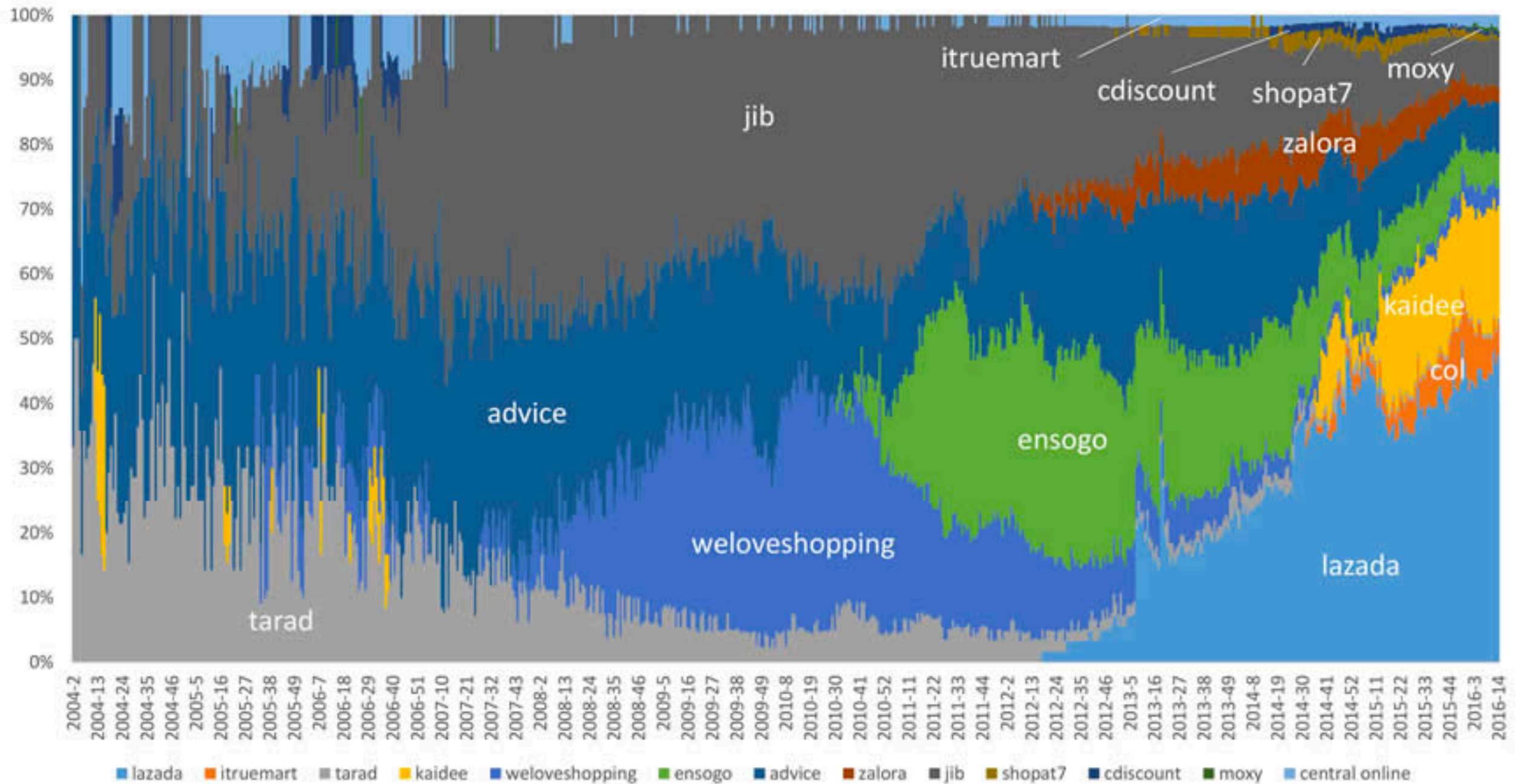
“ECOMMERCE IS A BEAR”

Andy Dunn CEO of Bonobos 2013

In US, Amazon was the bear. Amazon's loyalty program, Amazon Prime ensured low prices everyday for buyers. Smaller players selling third party goods had little chance of survival against the bear. Those that did such as Zappos was quickly acquired by the bear.

Southeast Asia is the next **ecommerce gold rush**. For this very reason, it's also quickly becoming the next **ecommerce bloodbath**. This time, with LAZADA as the bear.

Google Search Interest



Google search interest showing ongoing consolidation in ecommerce 1.0
And eCommerce brands competing to earn a larger chunk of the market share.

HOW TO SURVIVE THE BLOODBATH?

YOU CAN'T AND SHOULDN'T FIGHT THE BEAR.

Many smaller eCommerce companies survived the Amazon Bloodbath.

Bringing about the next stage in the eCommerce Lifecycle:

eCommerce 2.0

Let's see how they did it.

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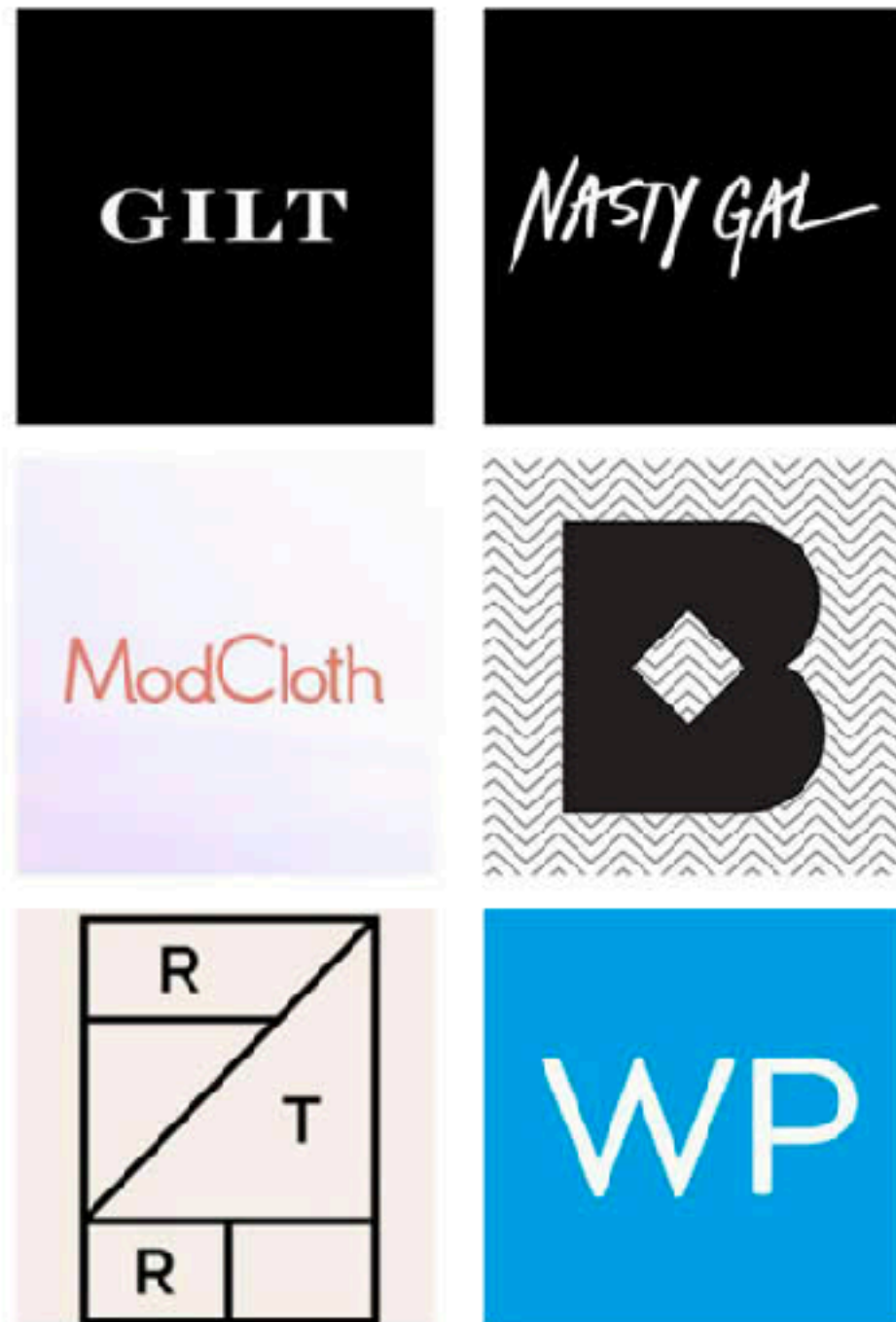
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WHAT IS ECOMMERCE 2.0?

"This next generation of ecommerce companies is as much about what you exclude as what you include. It is a paradox that excluding some things takes more time than including everything. The new models are fundamentally – whether the merchandise is proprietary or not – about merchandising."

–Andy Dunn

ECOMMERCE 2.0 – FOUR STRATEGIES FOR AVOIDING THE BLOODBATH






Competitive advantage:

- Proprietary pricing
- Proprietary selection
- Proprietary experience
- Proprietary merchandise

CASE STUDIES – ECOMMERCE 2.0

← → ↻ Dollar Shave Club Inc. [US] https://www.dollarshaveclub.com ☆ ☰



☰ MENU OUR BLADES OUR PRODUCTS GIFT  HOW IT WORKS REVIEWS ACCOUNT BOX 



A GREAT SHAVE FOR A FEW BUCKS A MONTH.

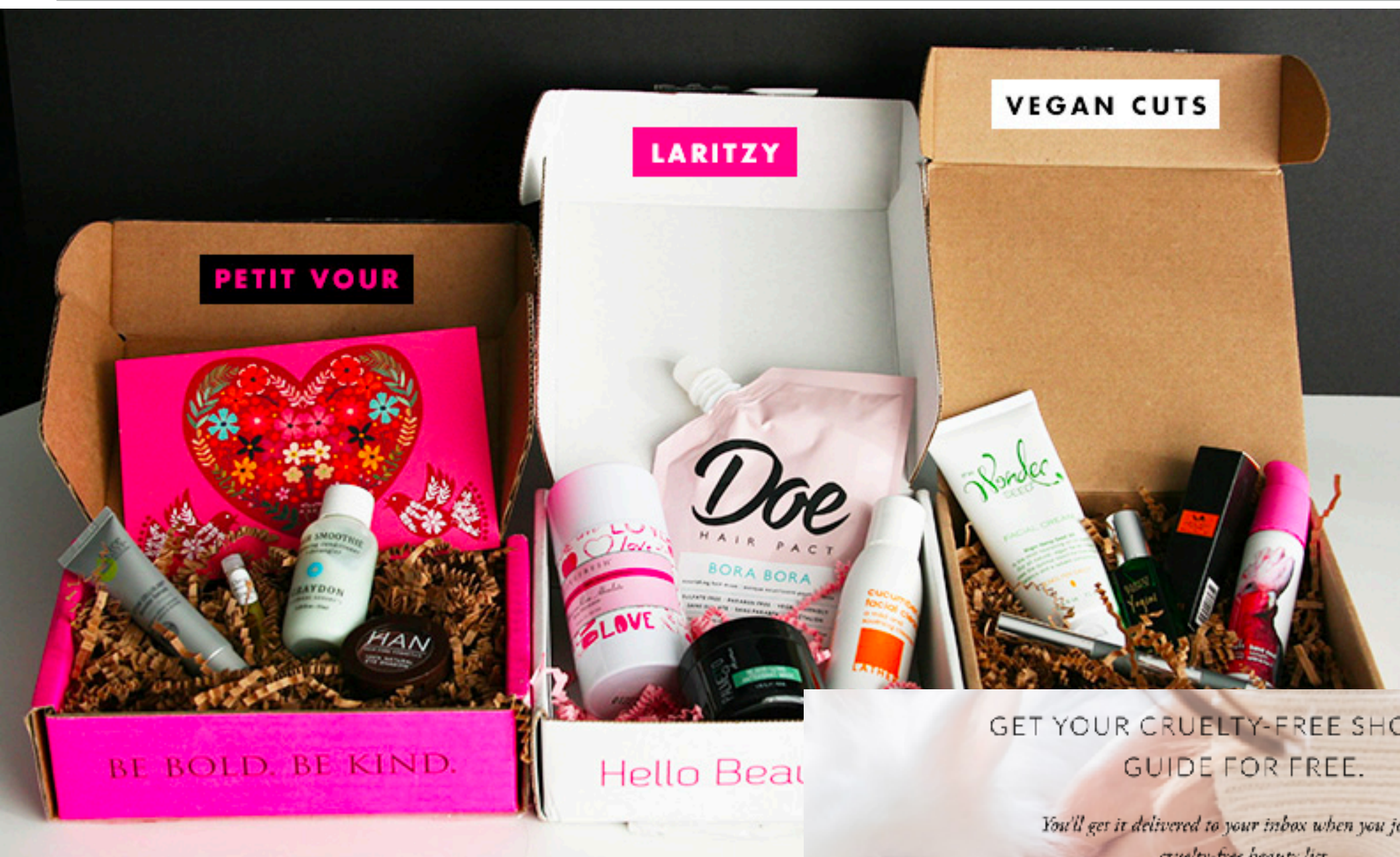
No commitment. No fees. No BS.

DO IT

 Tweet  Like Share 2,710,162 people like this. Sign Up to see what your friends like.

SHAVE TIME. SHAVE MONEY.

CASE STUDIES – ECOMMERCE 2.0



GET YOUR CRUELTY-FREE SHOPPING
GUIDE FOR FREE.

*You'll get it delivered to your inbox when you join the
cruelty-free beauty list.*

Your Email

JOIN THE LIST



CASE STUDIES – ECOMMERCE 2.0

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HOME SHOP ▾ STORY ABOUT CONTACT PRESS HENRY'S BLOG



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From: \$20.00 / month for 3
months

EXOTIC • NUTTY • SMOOTH

Coffee isn't normally associated with Thailand, but these beans are superb. A great cup of coffee if you want to drink straight without any milk or sugar. Has a very smooth finish. **Whole beans only.**

New orders will ship the following month.

LENGTH OF SUBSCRIPTION

Choose an option



Create Your Own

Choose your favorite coffee(s) and we'll automatically ship them to you once a month. You can always pause, edit, or cancel your subscription at any time. It's that simple.

How it works

1. Select your favorite coffee beans
2. Choose the number of bags
3. See below for fulfillment details
4. Subscribe and save over 5%

Start Here



Henry's Choice

Experience a mix of great coffees hand-selected by Master Roaster Henry Kalabjian. Each month you'll automatically receive a different coffee that has been roasted to perfection.

How it works

1. Choose the number of bags
2. Subscribe for 3, 6, or 12 months
3. See below for fulfillment details
4. Subscribe and get free shipping

Start Here

CASE STUDIES – ECOMMERCE 2.0

NEW IN ▾ SHOP ▾ FEATURED ▾ SALE LOOKBOOKS

Pomelo.

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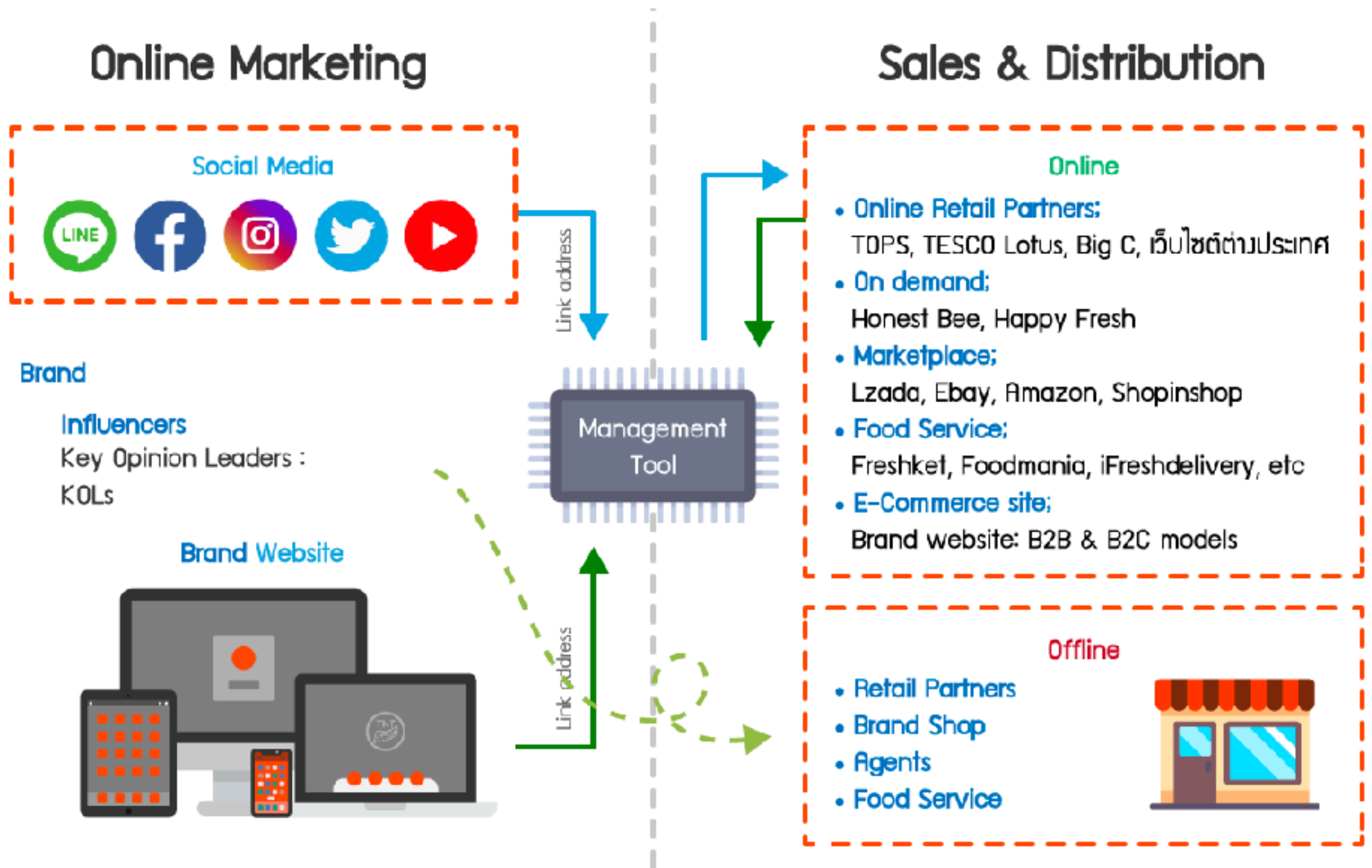
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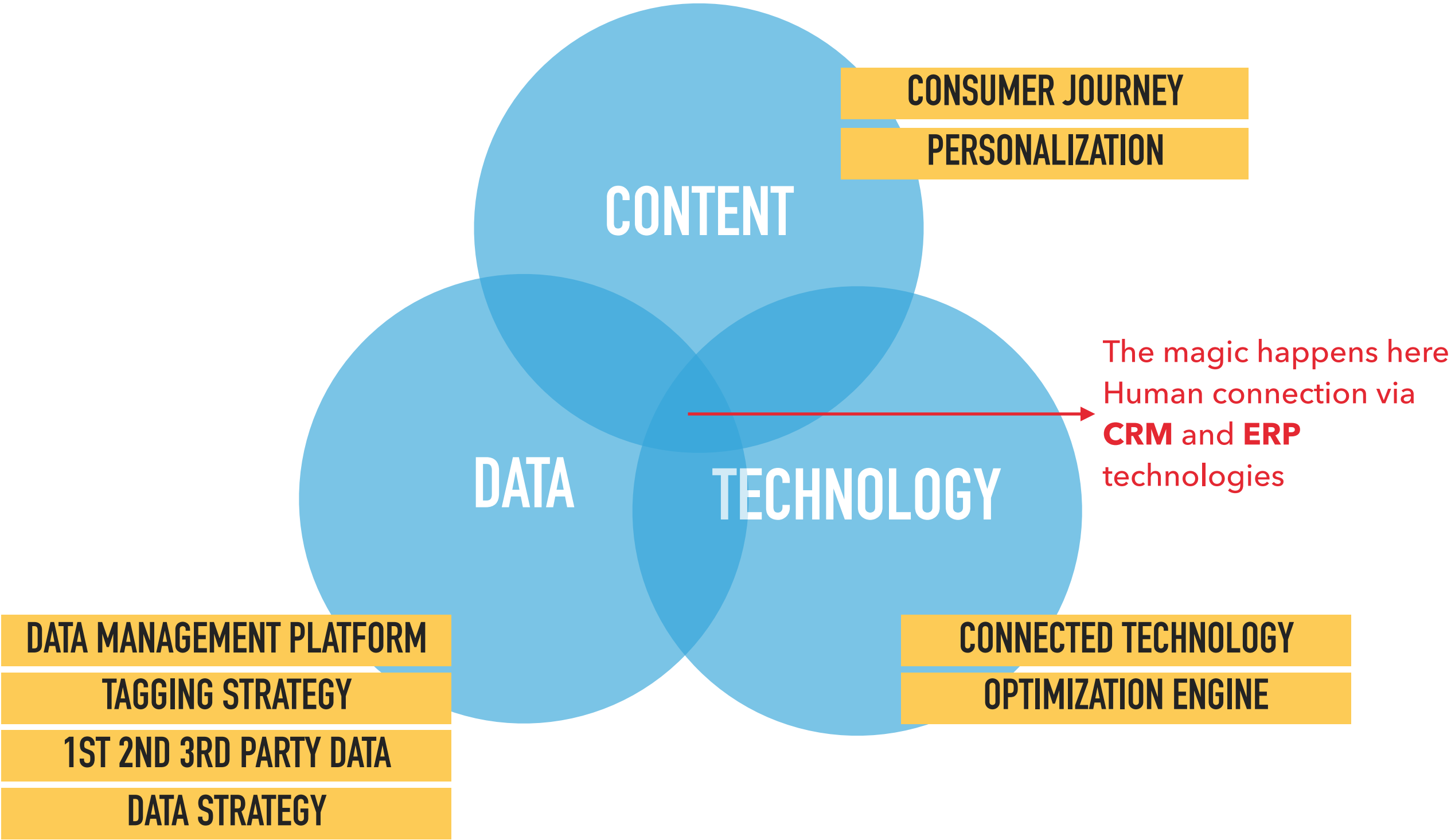
OMNI-CHANNEL COMMERCE



OMNI-CHANNEL MARKETING



MANAGING THE OMNICHANNEL EXPERIENCE



Segmentation vs. Personalization



PERSONALIZATION



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Search

Coca-Cola Australia ▶ shareacoke.com.au

Food/Beverages

Home


Share a virtual can

150 Names & Songs

Create a custom can

Watch your custom **Coke** can being created

Coca-Cola
open happiness™



Share a virtual **Coke** can with a friend in our app below

↓

Wall

Info

Friend Activity

House Rules

shareacoke.com.au

– END SECTION 3 –

ECOMMERCE LIFECYCLE & OMNICHANNEL