



E-COMMERCE TRENDS IN ASIA

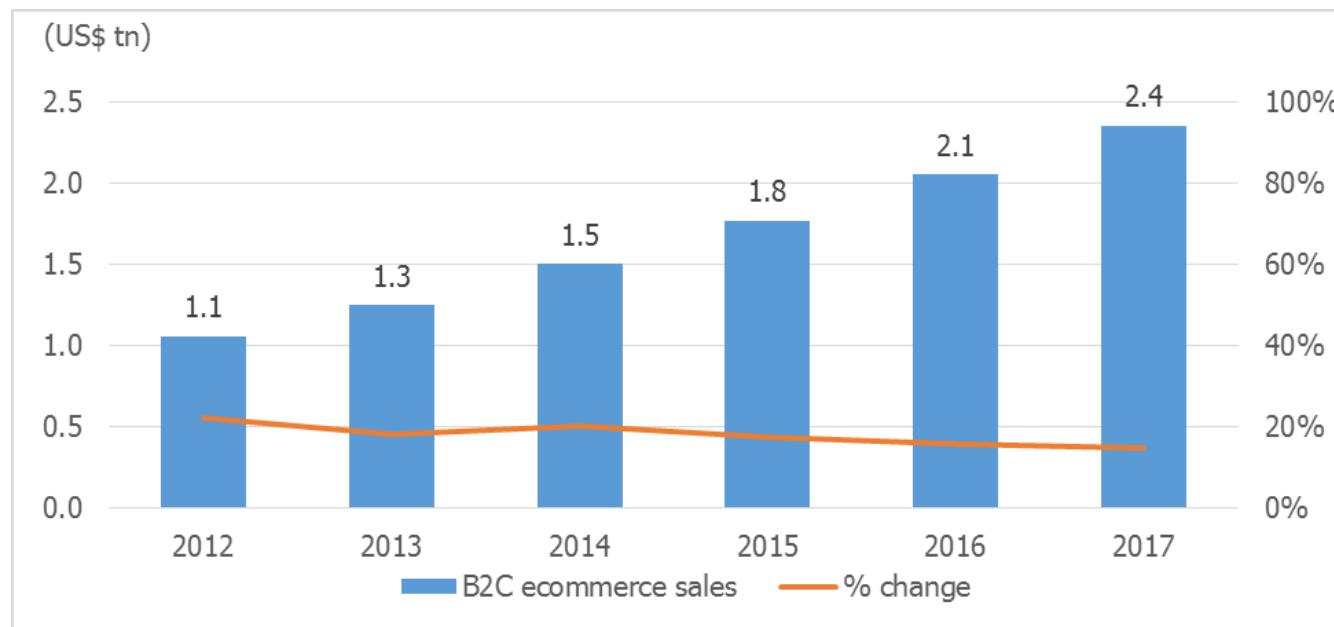
FEBRUARY 2015

Global E-Commerce Market 2014

Global B2C e-commerce sales are expected to rise through 2017

- Global B2C e-commerce sales are expected to reach \$1.5 trillion in 2014, growing by 20.1% from the previous year (eMarketer). In 2015, it is predicted to reach \$1.77 trillion, growing by 17.7%.
- Growth will come primarily from the rapidly expanding online and mobile user bases in emerging markets, increases in m-commerce sales, advancing shipping and payment options, and the push into new international markets by major brands.

B2C E-Commerce Sales Worldwide (2012-2017)



Global E-Commerce Market 2014

B2C E-Commerce Sales Growth by Country (2012-2017)

	2012	2013	2014	2015	2016	2017
China	93.7%	78.5%	63.8%	43.3%	34.4%	29.4%
Indonesia	85.0%	71.3%	45.1%	37.2%	26.0%	22.0%
India	35.9%	34.9%	31.5%	30.3%	24.5%	20.0%
Argentina	31.1%	6.3%	24.0%	18.0%	12.0%	10.0%
Mexico	55.8%	41.9%	20.0%	14.5%	10.0%	5.0%
Brazil	21.8%	16.5%	19.1%	8.5%	6.9%	6.0%
Russia	34.4%	19.4%	17.1%	10.8%	6.9%	5.2%
Italy	17.0%	16.8%	15.3%	13.5%	12.0%	10.6%
UK	14.5%	16.3%	14.2%	12.2%	9.2%	8.2%
Canada	15.0%	14.2%	14.0%	13.5%	12.5%	11.5%
Spain	10.0%	10.0%	13.8%	11.9%	10.0%	8.0%
Sweden	18.4%	16.2%	13.3%	10.3%	9.0%	8.4%
US	14.2%	13.4%	11.8%	11.0%	10.9%	10.4%
Norway	14.9%	12.7%	11.0%	10.8%	8.1%	7.2%
Denmark	14.3%	12.4%	10.6%	8.9%	6.5%	5.9%
France	32.3%	10.3%	10.0%	9.8%	7.6%	7.1%
Netherlands	12.7%	11.4%	9.4%	8.4%	6.3%	5.3%
South Korea	12.7%	9.6%	7.4%	4.8%	4.3%	3.6%
Germany	25.6%	5.7%	7.4%	6.9%	6.5%	6.1%
Japan	12.3%	-10.2%	7.1%	6.7%	5.6%	5.0%
Australia	10.5%	6.0%	5.7%	5.1%	5.0%	4.2%
Finland	4.3%	4.4%	3.7%	3.2%	2.7%	2.5%
Worldwide	22.3%	18.3%	20.2%	17.7%	15.9%	14.8%

Asia-Pacific region will soon dominate the e-commerce market

- Asia-Pacific will claim more than 46% of online buyers worldwide in 2014, though these users will only account for 16.9% of the region's population.
- In the significantly more mature e-commerce markets of North America and Western Europe, sales are still growing but remain below the worldwide average growth of 20.2%.
- This year alone, B2C e-commerce sales are expected to grow by 37% in the Asia-Pacific region, with sales in China, Indonesia and India increasing especially quickly, up 63.8%, 45.1% and 31.5% respectively.

Asia-Pacific E-Commerce Market 2014

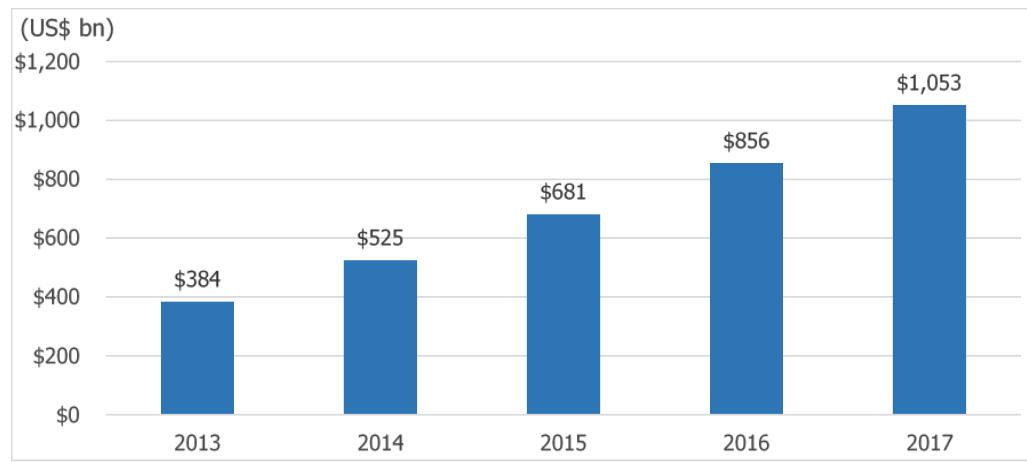
Asia-Pacific became the largest regional market in the world during 2014

In 2014, Asian consumers will spend more on e-commerce purchases than North American consumers for the first time. Asia-Pacific B2C sales is expected to reach \$525.2 billion, growing 36% in comparison to last year, whereas in North America e-commerce will total \$482.6 billion, growing about 11%.

Estimated B2C E-Commerce Sales By Country (2013-2016)

(US\$ B)	2013	2014	2015	2016
China	\$181.62	\$274.57	\$358.59	\$439.72
Japan	\$118.59	\$127.06	\$135.54	\$143.13
South Korea	\$18.52	\$20.24	\$21.92	\$23.71
India	\$16.32	\$20.74	\$25.65	\$30.31
Indonesia	\$1.79	\$2.60	\$3.56	\$4.89
Other	\$25.14	\$28.16	\$31.53	\$34.99

Estimated B2C E-Commerce Sales in Asia-Pacific (2013-2017)



Asia-Pacific E-Commerce Market 2014

- Nearly 42% of the entire world's internet users live in Asia. In 2014, 36.5% of worldwide B2C e-commerce sales will come from Asia-pacific; this figure is estimated to reach 39.7% by 2016.
- 43% of the surveyed global internet users looked up better prices or product reviews on their smartphones while product shopping. In China, 74% of the surveyed internet users did the same, as did 62% in India and 58% in Singapore.
- 37% of Asia-Pacific respondents said they were more likely to purchase goods and services through mobile devices, which is higher than the global average of 26%.

Most common types of products purchased

Product Category	%
Consumer Electronics	69%
Books	67%
Clothing & Apparel	63%
Household Goods	38%
Office Supplies	30%
Consumer Packaged Goods	28%
Sporting Goods	20%
Pet Supplies	20%
Food & Groceries	20%
Tools & Home	18%
Luxury Goods	6%

B2C E-Commerce Sales Growth in Asia Pacific (2011-2017)

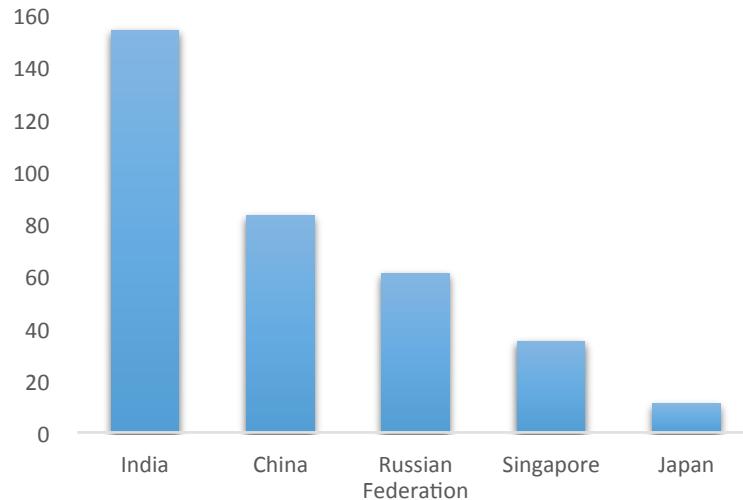
(%)	2011	2012	2013	2014	2015	2016	2017
Indonesia	104.5%	85.0%	71.3%	45.1%	37.2%	26.0%	22.0%
China	103.7%	94.1%	65.1%	51.2%	30.6%	22.6%	18.3%
India	47.2%	39.7%	34.6%	27.1%	23.7%	18.2%	16.6%
South Korea	17.6%	6.0%	6.9%	9.3%	8.3%	8.2%	7.3%
Australia	11.0%	10.0%	6.0%	5.7%	5.1%	5.0%	4.2%
Japan	27.1%	13.2%	-7.2%	7.1%	6.7%	5.6%	5.0%
Other	23.9%	12.4%	12.7%	12.0%	11.9%	11.0%	10.2%
Total Asia Pacific	37.2%	32.8%	23.1%	29.0%	20.9%	16.7%	14.2%

Asia-Pacific E-Commerce Market 2014

- Since 2010, Asian e-commerce companies have attracted \$6.9 billion across 383 deals from venture capital investors. India and China, not surprisingly, have been the largest markets for activity.
- India leads on financing deal activity. As of June 2013, India saw over 150 e-commerce deals since 2010 with 25 deals coming in 2013. Well-funded India-based companies include Amazon competitor Flipkart and eBay-backed Snapdeal.
- Although India has higher deal volume, China is a winner when it comes to investment volume. Mega-deals to companies including 360buy.com and 55tuan.com saw Chinese ecommerce companies rake in \$4.8B from investors since 2010.

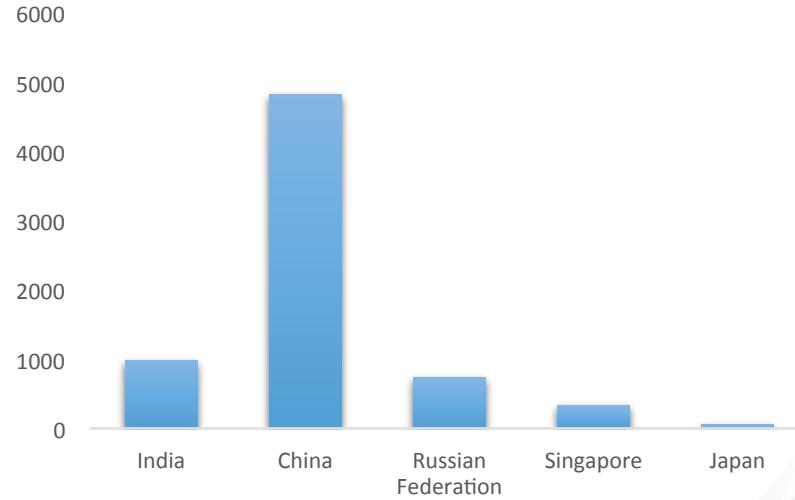
Ecommerce Deal Volume

Top Asian Countries by Deal Volume: 2010-2013 YTD



Ecommerce Investment Volume

Top Asian Countries by Investment Volume: 2010-2013 YTD

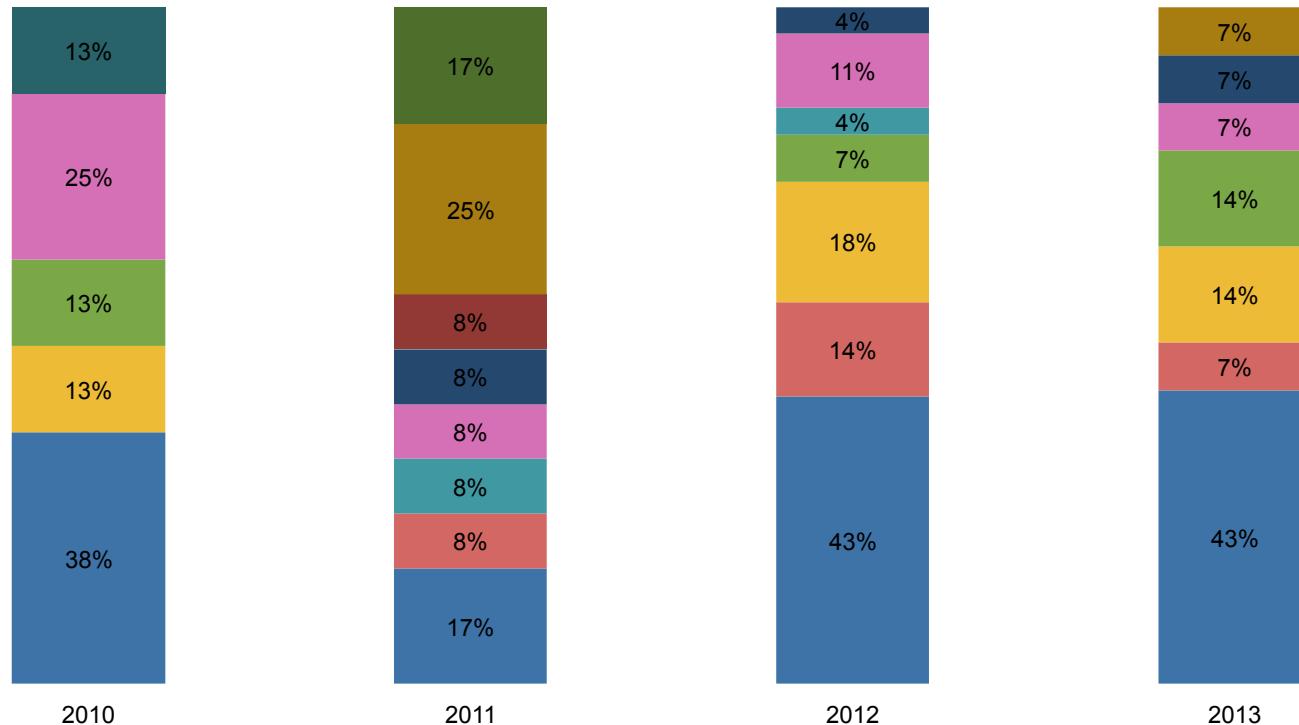


Asia-Pacific E-Commerce Market 2014

E-Commerce In Asia: Exits

by country share, 2010-2013

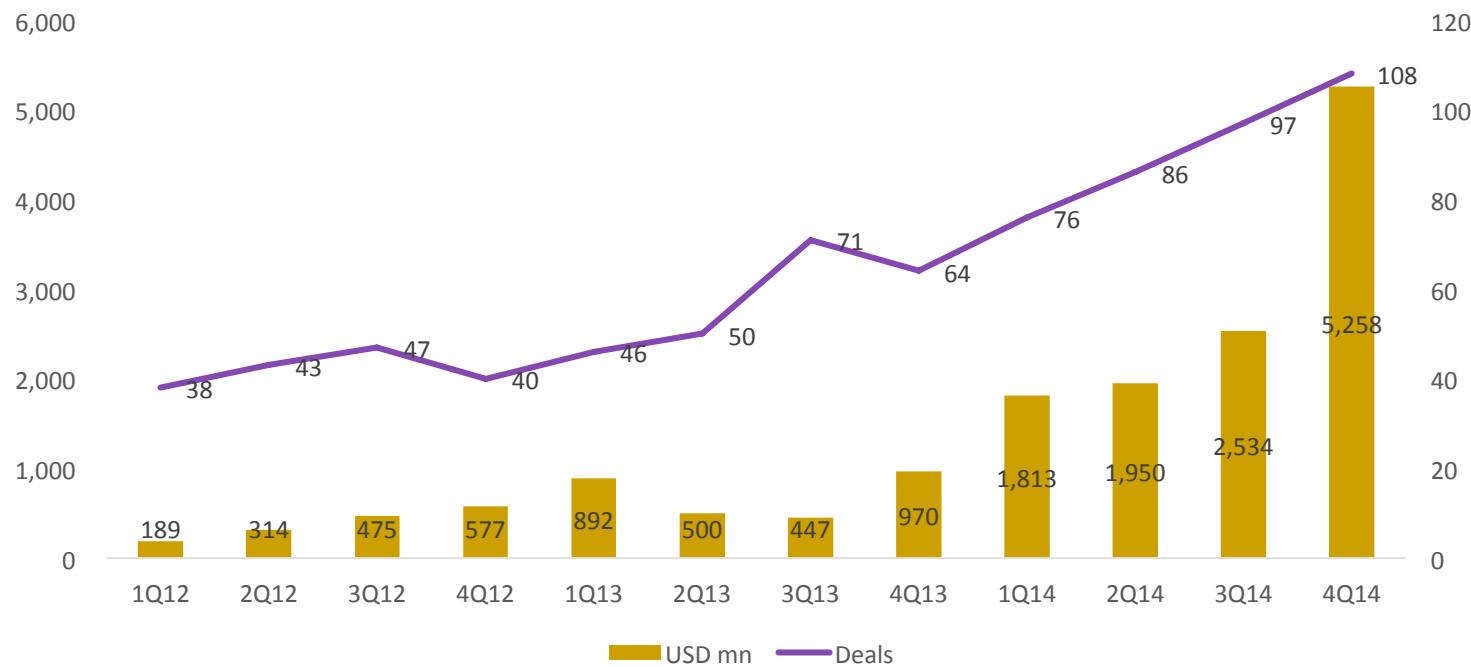
■ India ■ China ■ Russia ■ Singapore ■ Thailand ■ Japan ■ United Arab Emirate ■ South Korea ■ Malaysia ■ Indonesia ■ Hong Kong



Asia-Pacific E-Commerce Market 2014

- In 2014, the Asia-Pacific region saw US\$11.5 billion of ecommerce deals across 327 equity financings. Funding in ecommerce increased by 312% YoY and deals were up 59% YoY.
- China had the highest tally of deals among Asian countries with 34% of all deals into the e-commerce space, followed by India with 24%, and Japan with 11%. China saw 120 equity investments in 2014.

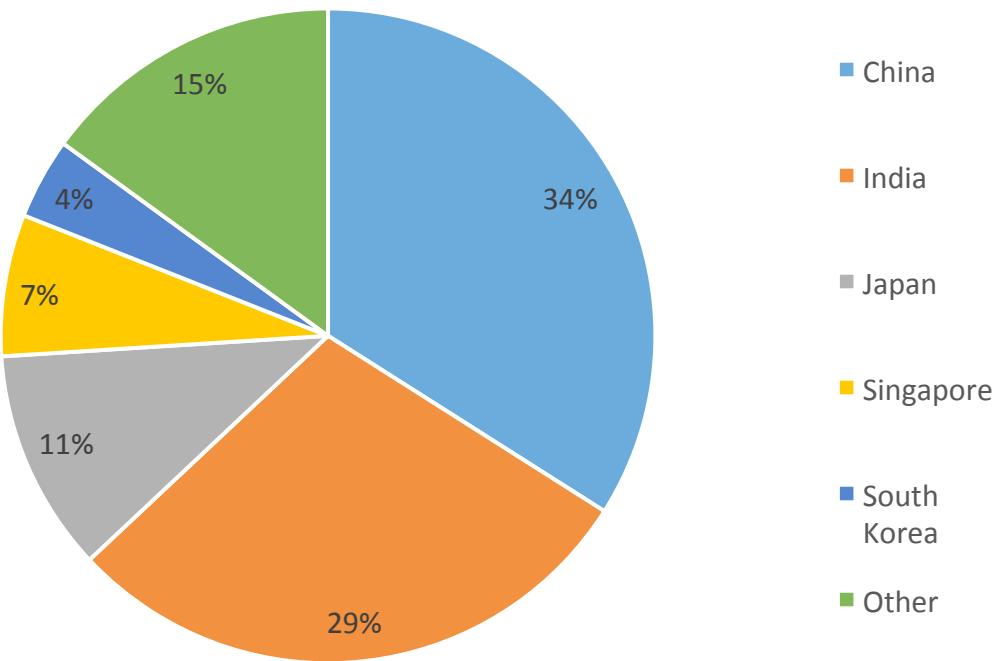
Asia E-Commerce Investment Activity (2012-2014)



Asia-Pacific E-Commerce Market 2014

Asia E-Commerce Investment by Country

% of Deals by Country, 2014



Asia-Pacific E-Commerce Market 2014

Overseas VCs Investing in E-Commerce in Asian Countries

Investor	Companies	Deals	India	China	Russia	Singapore	Thailand	Japan	Hong Kong	Taiwan	UAE
Tiger Global Management	18	25	16	4	4	1					
Accel Partners	17	17	12		2	2				1	
Intel Capital	12	14	7	3	3	1					
Sequoia Capital	12	18	9	9							
IDG	12	16	5	11							
Blume Ventures	10	10	10								
Doll Capital Management	8	11		9				1		1	
Rocket Internet	7	7	2		2	2					1
Lightspeed Venture Partners	7	10	3	7							
ru-Net	6	7	2		5						
Helion Venture Partners	6	6	6								
SeedFund	6	6	6								
GSR Ventures	5	8		8							
Norwest Venture Partners	5	11	9	2							
Summit Partners	5	7	1		1	2	1				2
Mangrove Capital Partners	5	7	3		4						
Nexus Venture Partners	5	10	10								
Inventus Capital Partners	5	5	5								
Kalaari Capital	5	6	6								
Kinnevik	5	8		5	1	2					

China's E-Commerce Market

China

▪ **Numbers**

- Chinese e-commerce market saw US\$74 billion spent in the Q1 2014. In 2014, China will represent 60% of all online spending in Asia and nearly three-quarters of regional spending will come from China by 2017.
- Beginning in 2016, China will overtake the US in spending. Massive gains in China, as well as in India and Indonesia, will push Asia-Pacific's growth ahead.
- Ecommerce in China will reach \$274.57 billion, more than the double of Japan ecommerce sales (\$127.06 billion).
- The ratio of online shopping to total retail sales in China jumped from 0.2% in 2005 to 7.8% in 2013, higher than the 5.8% in the US during the same period.

▪ **Mobile commerce**

- Consumers in China are among the world's most active mobile shoppers. In 2013, over 100 million people shopped via mobile Internet, more than double the 2012's level. But this is still reaching only slightly above a quarter of total mobile Internet users. In China, the m-commerce market is dominated by mobile shopping apps, but an emerging segment is m-commerce via messaging apps.

▪ **Main product categories**

- The two largest product categories in online shopping are clothing and electronics, while among fast growing are groceries, baby products and cosmetics.

▪ **The power of female online shoppers**

- Chinese female consumers are spending more online than Chinese male consumers. In 2013, over 60% of Chinese online consumers spent more than RMB 3,000 (US\$483) on the internet, with the majority of them being female. Women accounted for 60% of the online shoppers who spent more than RMB 100,000 (US\$16,000) in 2013.

China's E-Commerce Market

Startups in Chinese E-Commerce Industry

Company		Description
Giftpass		Giftpass lets users send a gift to someone inside WeChat. Exists as a 'service account' inside WeChat.
Edaixi		Edaixi is an on-demand laundry service made by Rongchan.
Miyabaobei		Miyabaobei is an E-commerce site for babies that originated on Taobao. Much of the store's items come from overseas for parents distrust local brands.
Aihuishou		Aihuishou allows users to sell or recycle old electronics. Users can sell for cash, credit, or buy refurbished devices or trade in an older model for a new one.
Yetang		Yetang is an e-commerce site that sells well-designed apparel, accessories, and knick-knacks from small businesses and designers.

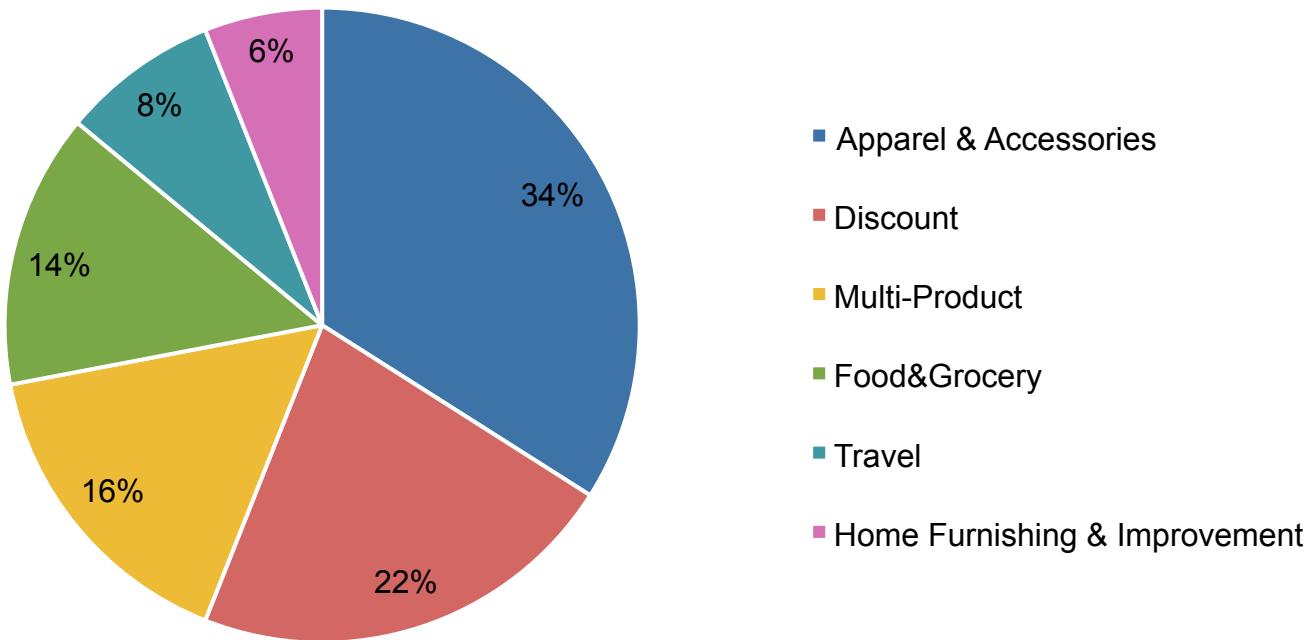
China's E-Commerce Market

Startups in Chinese E-Commerce Industry

Company	Description
Tujia	 Tujia is the biggest holiday home rental site in China.
Xiaozhu	 Xiaozhu is one of China's top Airbnb-like sites that claims to have 2.6 million rooms listed in about 160 cities across China.
Taodangpu	 Taodangpu is an online pawn shop where those goods are sold if the users cannot pay back their loans.
Baojia	 Baojia is a P2P car rental platform based in Beijing.
Maimaibao	 Maimaibao is a m-commerce retailer for low-income feature phone owners that reaches out to non-metropolitan places in China.

China's E-Commerce Market

E-Commerce in China: Sub-Industries (by investment deals)



Japan's E-Commerce Market

Japan

▪ **Numbers**

- Although a quarter of the population is age of over 65, Japan has a strong ecommerce market with high internet and mobile penetration rates.
- Japanese e-commerce sales saw USD 118.6 billion (JPY 11.2 trillion) in 2014 and ecommerce penetration was 44.6%.
- Japan has a strong ecommerce market with internet penetration rate at 80% (101.6 million). 75% of Japan's population have purchased products online, and 89% of them have purchased on mobile device.
- Rakuten has the biggest market share of e-commerce platform in Japan with almost 30%, followed by Amazon 26% and Yahoo 9%.
- Credit cards are the most popular payment method at 71%, followed by convenience store payment at 18%.

▪ **Mobile commerce**

- In 2014, Japanese mobile subscriptions were 144.1 million and mobile penetration rate was 113.1% ranking second globally.
- Japan rates third globally in app usage. In average, Japanese have 40 apps per smartphone, and Japan ranks highest globally in paid app usage at 18 apps per phone.
- In 2013, 22% of online shopping in Japan was conducted through mobile devices, which was worth approximately USD 9.7 billion.
- iOS takes the biggest market share of smartphone operating system in Japan with 68.7% in 2013. Android takes 2nd biggest market share with 30.5% in 2013

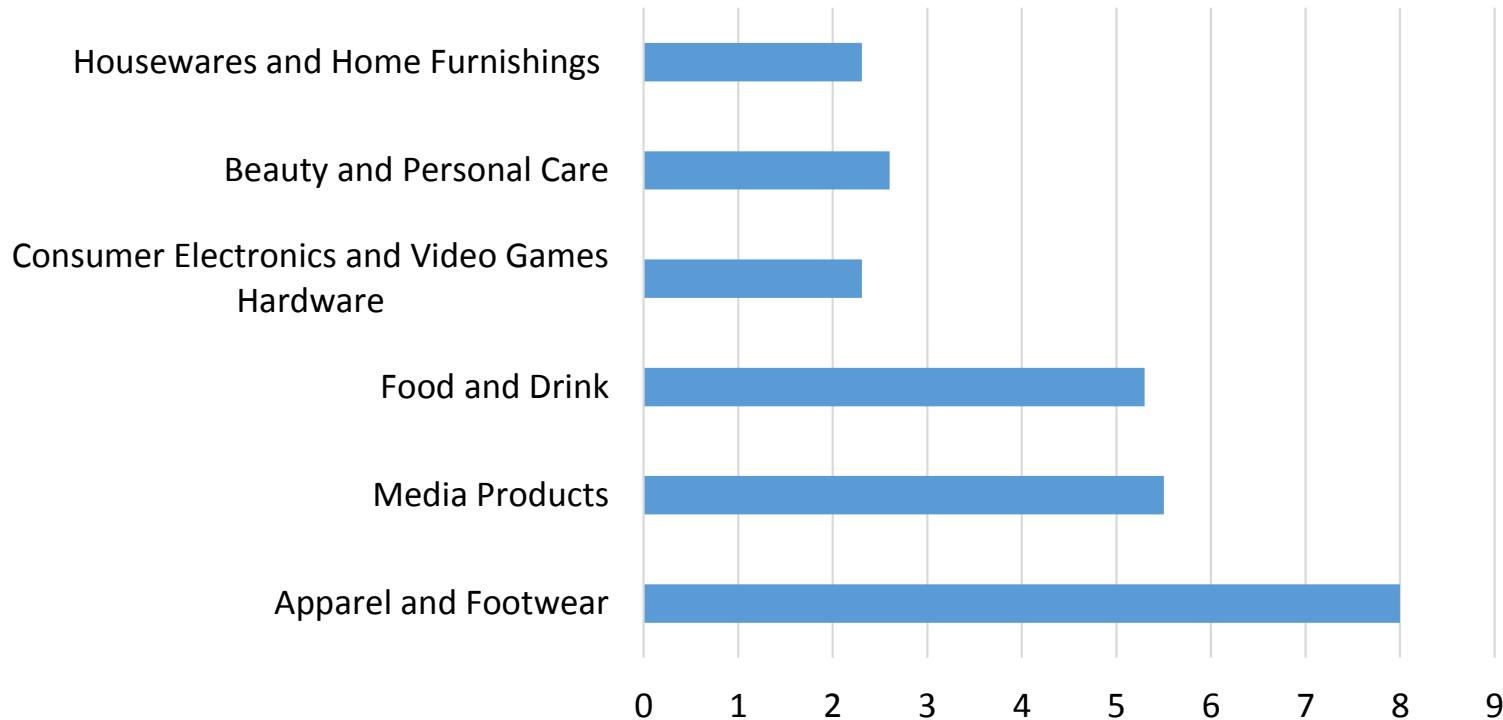
▪ **Main product categories**

- The two largest product categories in online shopping are clothing and media products. Online clothing shopping saw USD 7.6 billion (JPY 818 billion) in 2013.

Japan's E-Commerce Market

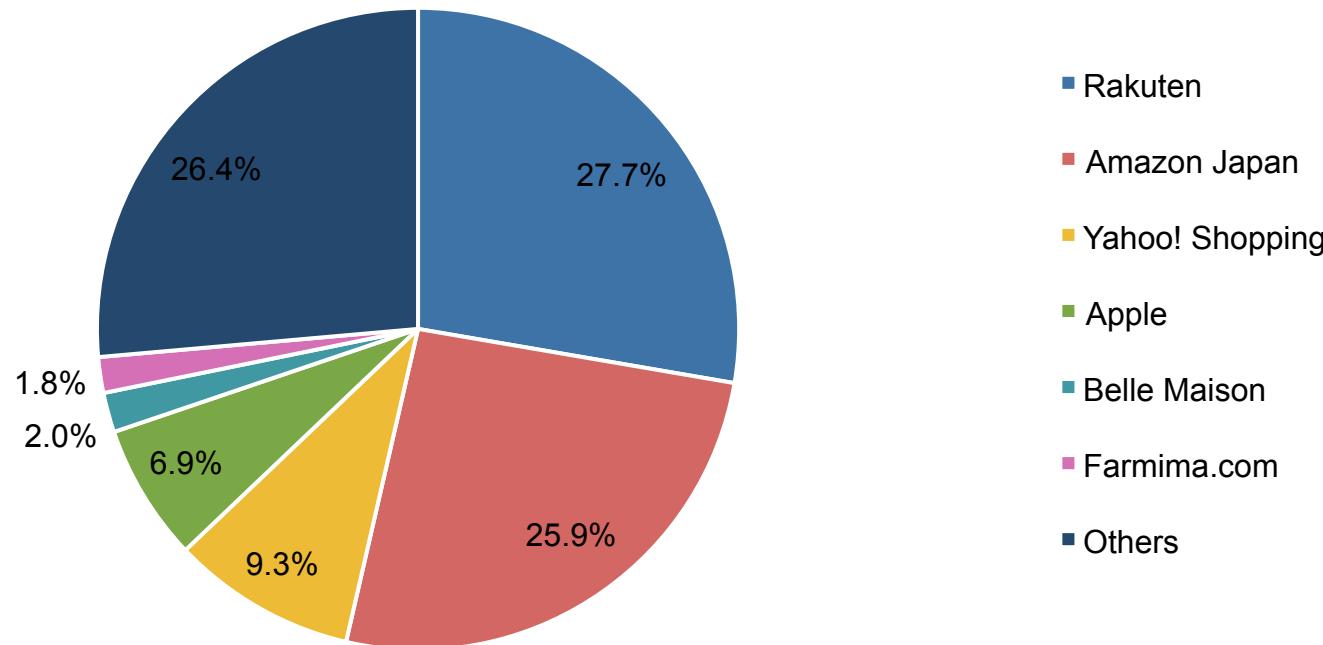
E-Commerce in Japan: Top Online Retail Categories

(USD bn)



Japan's E-Commerce Market

E-Commerce in Japan: Major Online Retailers



Source: Cross Border E-commerce Country Report

Japan's E-Commerce Market

Japanese E-Commerce Players

Company	Description
Rakuten	 Online mall provider for small shops and traders. Japan's biggest global online company
Amazon Japan	 Amazon's Ecommerce provider in Japan
Sekaimon	 Allows Japanese buyers to search and purchase items from international Ebay websites.
Tenso.com	 Mail forwarding service provider that delivers items to foreign shoppers
Yahoo! Japan Shop ping	 Yahoo!'s Ecommerce provider in Japan
Rinkya	 Transaction and shipping service agent that allows foreigners to purchase products from Yahoo Japan auctions.
Japan to Door	 www.japantodoor.com

Korea's E-Commerce Market

Korea

▪ **Numbers**

- South Korea has the fourth largest economy in Asia by GDP. South Korea has high urban population: 83% of South Koreans live in urban areas.
- In 2014, 41.1 million (84.1% of population) people have online connection in Korea and over 75% of the population have smartphone
- The size of B2C e-commerce market in 2014 is US\$18.52billion with 25.4 million B2C e-commerce digital buyers spending on average US\$1,050 annually.

▪ **Online shopping**

- Korean e-commerce and m-commerce market saw US\$11.4 billion and US\$3.9 billion spent respectively in the Q3 2014.
- Compared to Q3 2013, the share of online shopping for 'Travel arrangement and reservation services', 'Household goods, motor vehicle parts and accessories' and 'Home electric appliances, electronic and telecommunication equipment' grew by 2.5%, 0.9% and 0.5%, respectively while the share of online shopping for 'Food & beverages', 'Computer and computer-related appliances' and 'Agriculture and fishery products' dropped by 0.6%, 0.4% and 0.4%, respectively.
- Compared to the Q3 2013, the transaction value of online-only malls and on/offline hybrid malls grew by 15.7% and 21.4 %, respectively.

Korea's E-Commerce Market

- **South Korea is considered lucrative market for cross-border e-commerce**
 - The country's stable currency: Korean won hit six year high in April 2014
 - The fastest internet speed in the world: average connection rate of 13.3mbps
 - Huge mobile penetration: over 100% mobile penetration rate, and 75% smartphone penetration (98% among 18~24 years old)
 - High credit card usage rate: US\$970million of overseas online shopping credit card payment
- **Giant internet firms such as Yahoo, Google, Groupon, and E-Bay tried to enter into this market looking to increase their global revenue. However, all these companies failed to influence the local market.**
- **Local dominance is established in South Korea by domestic companies such as Coupang, G-Market (eBay), and others.**
- **Global companies ended up acquiring domestic companies in order to take South Korean market share.**
 - E-bay acquired G-Market
 - Groupon acquired Ticket Monster and exited South Korean market

Korea's E-Commerce Market

Startups in Korean E-Commerce Market

Company	Description
Coupang	 A daily deals, flash sales, and social ecommerce site in Korea. Coupang has the highest company valuation among startups in Korea.
Ticket-Monster	 The first daily deal social e-commerce provider in Korea commonly known as Tmon.
WeMakePrice	 The leading social e-commerce enterprise.
HelloMarket	 Korea's Craigslist (C2C site) with a better interface oriented around photos and a built-in escrow payment system.
Coocha	 The rising competition of daily deal m-commerce market acquired by Yellow mobile.

Major Korean E-Commerce Players

Company	Description
Auction	 Korean hybrids of Amazon and eBay
11st	
Interpark	
Gmarket	

India's E-Commerce Market

India

- **Numbers**
 - Indian e-shoppers spent about US\$16 billion in 2013
 - Number of online shoppers in India will more than double to 40 million
 - Women-influenced sales will grow 5 times in the next 3 years
 - Only 17% of Indians are online, compared to > 40% for other countries
 - Only 9% of online Indians shop, compared to > 30% in other countries
- **Trends**
 - Users are becoming more comfortable with buying higher priced items online
 - Average order values are climbing rapidly, possibly due to young demographic
 - Rise of fashion category
 - The biggest challenge that India's e-commerce market faces is the small number of transacting users, mainly due to poor Internet infrastructure.
 - High consumer confidence: The consumer confidence level in India is currently the highest in the world, according to a survey conducted by research firm Nielsen in 60 countries.
- **Mobile**
 - Mobile shopping is experiencing phenomenal growth
 - Mobile shopping infrastructure is improving

India's E-Commerce Market

- **Recent activities in e-commerce market**

- Snapdeal confirmed its biggest ever funding round, worth US\$133.77 million, led by US-based eBay.
- India's e-commerce poster-boy Flipkart raised over US\$1 billion, and Singapore's sovereign wealth fund GIC and US-based investment firm T Rowe Price are likely to come on board as new investors.
- Indian furniture e-tailer Urban Ladder raised US\$21 million from Hong Kong based Steadview Capital, as well as existing investors Kalaari Capital and Saif Partners.
- India's flash sales startup FashionAndYou raised US\$10 million
- Rocket Internet's clothing e-store for India raised US\$100 million
- Indian kids e-store FirstCry recently secured US\$15 million in series C funding, led by Vertex Venture Holdings, which is a subsidiary of Temasek, Singapore's sovereign wealth fund.
- Merger: [Flipkart & Myntra](#)
- Indian retailer Homeshop18 filed for a US\$75 million IPO on the NASDAQ.

Startups in India's E-Commerce Market

Company	Description
Flipkart	 One of the leading e-commerce market places in India. (20million+ products across 70+ categories)
Snapdeal	 "Snapdeal grew over 600 per cent in 2014 becoming the fastest growing e-commerce company in India and a leader in m-Commerce with over 65 per cent of the orders coming from mobile devices."
CouponDunia	 India's global (Indonesia) e-shopping discount site which expanded.

Southeast Asian E-Commerce Market

Southeast Asia is a Fast Growing E-Commerce Market

- With 62 million people connected, Southeast Asia accounts for only 9.6% of APAC online population. But Internet and social media penetration is already high and this implies that ecommerce penetration will be high soon. Indonesia is the fastest growing market in Southeast Asia, with a 45.1% growth expected in 2014 and revenue reaching US\$2.6 billion.
- 73% of Singapore's population is currently connected to the Internet, which is one of the highest percentages in the region. Taiwan has the deepest social media penetration rate in the region at 69%. This is followed by Brunei, Hong Kong, and Singapore at 67%, 61% and 59% respectively.
- Total revenues from B2C ecommerce in the six largest Southeast Asian countries(Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam) reached US\$7.0 billion in 2013 and will grow at a CAGR of 37.6% to reach US\$34.5 billion by 2018.
- Singapore was the largest ecommerce market in Southeast Asia in 2013 at US\$1.7 billion. However, growth in the emerging economies is expected to be substantial and by 2018. Indonesia will be the largest Southeast Asian ecommerce market generating 40% of regional revenues.
- High potential for growth in e-commerce market and M&A opportunities
 - There is no one company that is dominating the ecommerce market.
- Challenges:
 - Small percentage (less than 10%) of credit card ownership
 - High percentage (more than 50%) of the population lack bank accounts, leading to payment issues
- Internet penetration ranking:
 - Thailand (46%) > Vietnam (37.8%)

Southeast Asian E-Commerce Market

Southeast Asia's E-commerce Market in 2013

Country	Population, (million)	Online users, (million)	Share of population	Retail sales, (billion)	E-commerce, % of retail	Opportunity, (billion)
Indonesia	244.8	75.9	31.0%	\$100.2	0.1%	\$5.0
Malaysia	29.5	18.5	62.6%	\$98.2	0.2%	\$4.9
Vietnam	88.8	31	35.0%	\$79.6	0.1%	\$4.0
Thailand	67.9	31.2	46.0%	\$94.4	0.2%	\$4.7
Singapore	5.3	3.9	74.0%	\$29.6	1.0%	\$1.5
Philippines	97.7	33.6	34.4%	\$34.0	0.3%	\$1.7
Aggregate	534	194.2	36.4%	\$436	0.2%	\$21.8
China	1,344	618	46.0%	\$3,812	8.0%	N/A

Southeast Asian E-Commerce Market

Indonesia

- Indonesia has been described as the next frontier for online retail thanks to the country's millions of new Internet and smartphone users, making it ripe for a "big bang" (paywall) in ecommerce.
- Indonesian netizens tend to make online purchases through Blackberry Messenger groups, classifieds, forums, and social media platforms like Facebook where they can interact with sellers.
- Indonesian shoppers are loyal. They don't trust websites easily, but once they do they are likely to shop there again.
- E-money: There is a good indication that Indonesian society will adopt electronic transactions more rapidly in the coming years.
- Luxury E-commerce : Despite the small group of wealthy Indonesian citizens, brands that target this group have the potential to grow if they employ the right strategies.
- Challenges
 - Less than half of Indonesian Internet users spend three hours or more online each day, or enough to place them in the unofficial "netizen" category of those who are very active online, according to the market research company Markplus Insight.
 - The level of home Internet connectivity is low because fixed-line Internet access is slow and expensive.
 - Poor roads, lack of detailed maps, and unclear addresses make shipping challenging. Payment is also an obstacle. For instance, the website Tiket.com, a travel website, has to offer 14 different means of making payment. Many online retailers require that customers go to an ATM to transfer cash to the seller before goods can be delivered.
 - 12.5 percent of the population lives below the poverty line and nearly one third of the locals do not have access to traditional bank accounts.

Southeast Asian E-Commerce Market

Indonesia

▪ Recent activity

- 2C2P, an online payment processing company, has concluded a US\$ 2 million Series B financing round – US\$ 1.5 million from an undisclosed investor and US\$500,000 from Japan-based GMO payment gateway.
- [18 popular online shopping sites in Indonesia \(2014 edition\)](#)
- [7 startups in Indonesia that help you compare prices online](#)

Indonesian E-Commerce Players

Company	Description
Klick-Eat	 The country's online food delivery service working with over 500 restaurants all around Jakarta.
Berry Chicken	 Berry Kitchen makes lunch boxes and bento meals, typically for office workers

Southeast Asian E-Commerce Market

Thailand

- **Current market**
 - In 2013, Thailand's e-commerce market was valued at US\$4.7 billion, representing 0.5% of the country's US\$94.4 billion in retail sales. Average spending on internet shopping per order had tripled in the past three years to 1,500 baht.
 - Bangkok is the number one city in the world for number of Facebook accounts. More than half of social network users have participated in social commerce at least once, and over 20% use social networks with online shopping as the primary purpose.
 - Internet penetration in Thailand was quoted at 46%.
- **M-commerce is showing strong growth**
 - Thailand is second in the Asia-Pacific region in terms of mobile shopper penetration.
 - Line, has over 5 million accounts participating in mobile flash sales which it runs in cooperation with prominent brands, such as Maybelline, and online shops such as Tarad.co.
- **Payment systems**
 - Cash on delivery remains the dominant payment method, accounting for as much as two thirds of transactions in some online shops, but online payments are on the rise.
 - Number of credit cards owned by consumers is increasing steadily, with the share of E-Commerce on total credit card payments reaching a small double-digit percentage share.
 - Online payments via banks are also growing, increasing almost by 50% last year
- **Female-targeted products are successful**
 - Some 60% of online shoppers are female. Best-selling products are health and beauty items, fashion labels and IT gadgets.

Southeast Asian E-Commerce Market

- **Recent activities in Indonesia's e-commerce market**
 - (7/22) The launch of Line Shop is expected to drive the growth in e-commerce, especially C2C e-commerce. There are over 27 million Line users in Thailand.
 - Interestingly, political unrest that resulted in the shutdown of the country's capital and other cities during January 2014 has proved to be a trigger for online shopping
 - aCommerce, a regional end-to-end e-commerce logistics and service provider for Southeast Asia, closed its Series A venture funding round of copy 0.7 million last month, making it the largest Series A for a Thai-originated venture and one of the largest in Southeast Asia.
- **Major companies in e-commerce industry**
 - B2C, traditional businesses run by companies with their own website as online stores: online department store [Lazada](#) and online clothing and beauty retailer [Zalora](#)
 - E-marketplace service providers: [Olx.co.th](#), [Weloveshopping.com](#) and [Tarad.com](#). Each belongs respectively to a major Internet company: Sanook.com, telecommunications company True Corp and Japanese E-Commerce giant Rakuten
 - C2C classified e-commerce such as [OLX](#) and [Pantip Market](#)
- **Startups in e-commerce industry**
 - [WhatsNew](#): Backed by Ardent Capital, which was started by Paul Srivorakul, who sold daily deals site Ensogo to Living Social. WhatsNew owns and operates e-commerce sites including Petloft and Venbi, which sells pet and baby products respectively.

Southeast Asian E-Commerce Market

Vietnam

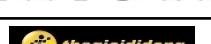
- **Revenue of the e-commerce sector in Vietnam reached US\$2.2 billion last year** and is expected to double in 2015, according to the E-commerce and IT Department under the Ministry of Industry and Trade.
- **High potential for growth**
 - More than 34 million out of the country's 90 million people (around 37.8%) use the Internet (October 2014) and 18 million (20%) Vietnamese shopped online last year, spending an average of US\$150 each.
 - A larger share of Internet users in Vietnam visits retail websites than in any other Southeast Asian countries, ahead of the worldwide average.
- **Mobile commerce**
 - A trend toward mobile commerce is supported by increasing smartphone penetration, as over a quarter of consumers in 2013 had such devices. With the country's explosive smartphone growth, it is likely that it will hit 30 million smartphone users early next year. A high double digit percentage share of smartphone owners buy via mobile and almost all of them research products and services through their smartphone.
- **Social commerce-related startups have high potential**
 - The majority of Internet users visit social networks, with Facebook and ZingMe being the two most popular ones, and many consumers join social networks to find reviews on products and join e-commerce groups, with 3 of the top 5 brands in Facebook being E-commerce companies. Social media was the major factor influencing the purchase decision of one fifth of online shoppers.

Southeast Asian E-Commerce Market

- **Major challenges to growth in Vietnam**
 - The lack of modern payment systems, logistics and delivery services
 - Credit card penetration is low in Vietnam, so cash is predominantly used to settle retail payments, and B2C E-Commerce is dominated by cash on delivery
- **The product categories most purchased by online shoppers in Vietnam during 2013 were clothing and electronics.**
- **Recent activities in Vietnam**
 - ([News](#)) Vietnam's top software firm and major internet service provider FPT acquired 123mua, one of the first shopping sites to prosper in Vietnam's decade-long e-commerce boom. Last month, FPT also inked a deal in Berlin to take over a Slovakian IT subsidiary of the European energy conglomerate RWE.
 - Hanoi-based PeaceSoft Solution Corporation sold a 50 percent stake in NganLuong.com, one of Vietnam's first digital wallets and online payment portals, to MOL Access Portal Sdn Berhad, the Malaysian unit of MOL Global, one of Southeast Asia's biggest Internet companies which handles more than 60 million transactions every year worth over \$300 million.

Southeast Asian E-Commerce Market

Vietnam's E-Commerce Players

Company	Description
VC Corp	 A major e-commerce firm will migrate under Zamba (e-commerce group)
SohaPay.com	 A free online payment site (developed by VC Corp.)
Hotdeal.vn	
Muachung.vn.	
Cucré.vn.	
Cungmua.com	
Nhommuacom	
Vatgia.com	
Enbac.com	
5giay.vn.	
Lazada.vn	
Tiki.vn	
Sendo.vn	
Zalora.vn	
Thegioididong.com	
Dienmay.com	
Nguyenkim.com	
Vingroup	 The top e-commerce player in Vietnam

Southeast Asian E-Commerce Market

Vietnam's E-Commerce Players

Company	Description
Ivivu.com	
Mytour.vn/	
Triip.me	
Chudu24	
Yesgo.vn/	
Vexere.com	 Hệ thống vé xe lớn nhất Việt Nam
Baolau.vn/	
Grabtaxi	
Uber	
easyTaxi	
Ticketbox.vn/	
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Citynetevents.com	
Sukiennet.vn/	

Southeast Asian E-Commerce Market

Singapore

▪ Market overview

- According to statistics from Asian Venture Capital Journal Research, venture funding for Singapore's technology sector soared to more than S\$2.1 billion last year from approximately S\$35 million in 2011, increasing by some 60 times, ahead of other countries in the region like Japan, S. Korea and Hong Kong.

▪ Recent activities in e-commerce market

- [Singapore incubator Fatfish Internet raises \\$3.2M, will list in Australia](#)

Singapore's E-Commerce Players

Company		Description
Redmart		An online grocery-delivery service founded in 2011
Globby		E-commerce platform of choice for Southeast Asia's stores by offering hyperlocalized support and tools that are tailored to sellers in the region before tackling other markets
Art Loft		A Singapore-based e-commerce art platform with a focus on connecting emerging contemporary artists, largely from Southeast Asia, with collectors around the world.
Edit Suits Co		Online store that caters to men who want custom tailored shirts. It sends outfitters to the customer's physical location to take their measurements.

Southeast Asian E-Commerce Market

Malaysia

- **High potential for e-commerce growth**

- The M-Commerce segment of online shopping is spreading rapidly in Malaysia, boosted by growing smartphone penetration and mobile Internet usage, which is encouraged by governmental initiatives, such as partial reimbursement of smartphone acquisition costs for young adults.
- Malaysia has one of the best developed infrastructures for B2C e-commerce in Southeast Asia.
- Internet penetration, supported by government programs, is the second highest in the region, and its logistics system is among the 30 best performing in the world.
- Consumers in Malaysia are well equipped with bank cards and other means to pay for online purchases.
- Though online retail in Malaysia still accounts for less than 1% of total retail sales, Malaysia is ranked in the top 30 markets worldwide for its B2C E-Commerce potential.
- Nearly 20 million people are connected to the Internet in Malaysia, and another five million are expected to go online next year. A high double-digit percentage of Internet users in Malaysia shop online, motivated by price advantages, product range and availability of reviews. Malaysian shoppers look for free shipping, convenience and exclusive online deals offered by online stores. Moreover, online shopping is encouraged by new e-commerce regulations adopted in 2013, aimed at protecting consumer rights and preventing online fraud.

- **Cross-border online shopping is a major trend in Malaysia.**

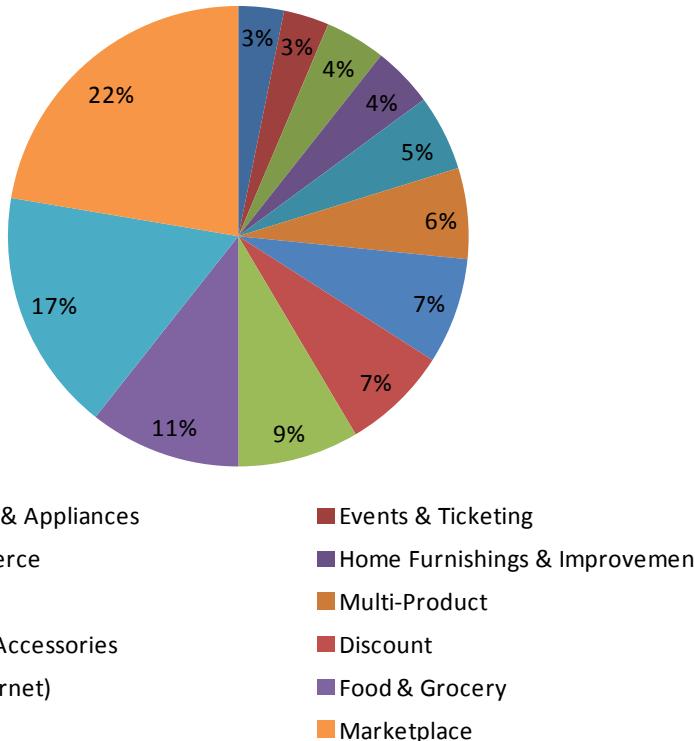
- The key destinations for the online purchases outside the country are the USA, China and the EU, with the most popular foreign merchants being respectively US-based Amazon, China's Alibaba and UK-based Asos.

Southeast Asian E-Commerce Market

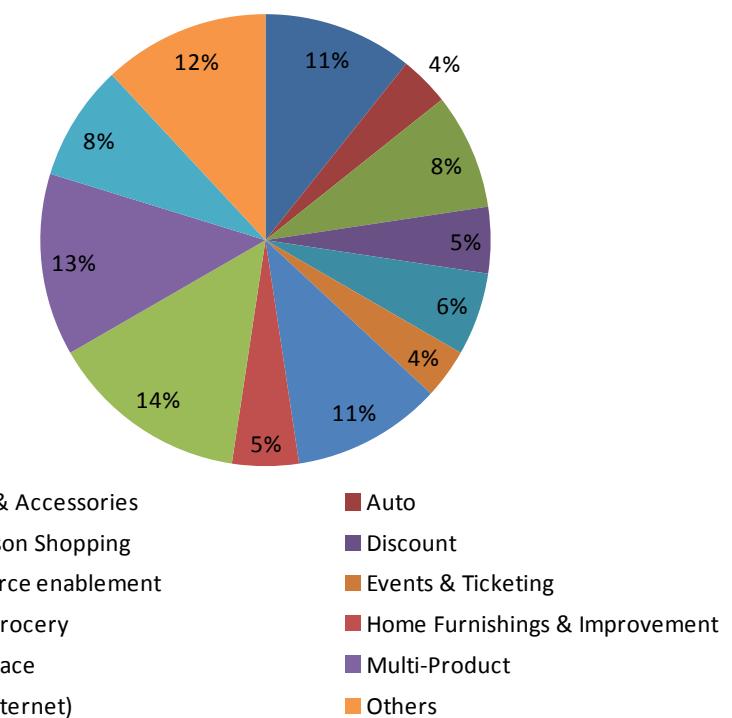
- **Payment and delivery**
 - Various payment methods are used in Malaysian B2C commerce. A large share of the purchases made online are still paid for in cash.
 - Of the online payment methods, credit or debit cards and online banking are in the lead, with PayPal in distant third.
 - In terms of delivery, the majority of online shoppers were willing to wait several days for delivery of their purchases.
- **Major companies in e-commerce industry**
 - The leading B2C E-Commerce players were online mass merchant and marketplace [Lazada](#), online fashion retailer [Zalora](#), and B2B2C marketplace [Rakuten](#). Global groceries retailer [Tesco](#) also has established a strong online presence in the country, offering delivery of food and household products to the consumer's doorstep.
 - Online auctions, classifieds, deals websites and social network shopping are more popular with online shoppers in Malaysia than online retailers. Companies such as group buying merchant [Groupon](#), online classifieds [Mudah.my](#), online marketplaces [Qoo10](#), [Youbeli](#) and [Lelong](#) are among the popular choices for Internet shopping.

VC Funding by Sub-Industry in 2014

China: In 2014, the total number of Investments made in ecommerce was 94.



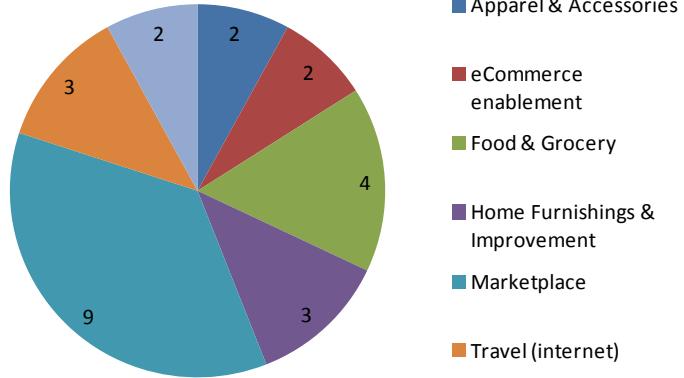
India: In 2014, the total number of investments made in ecommerce was 84.



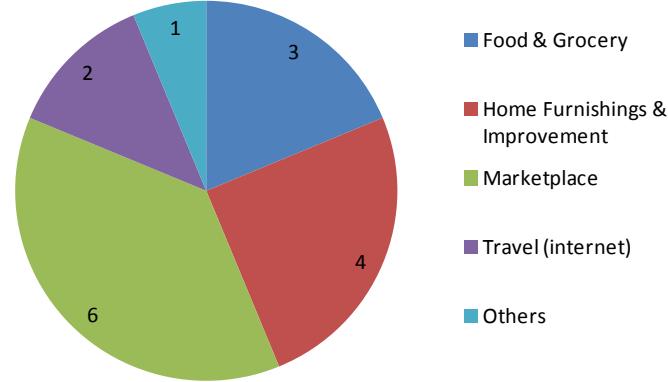
VC Funding by Sub-Industry in 2014

The number ecommerce deals by sub-industry in Japan, Singapore, Korea, and Indonesia in 2014.

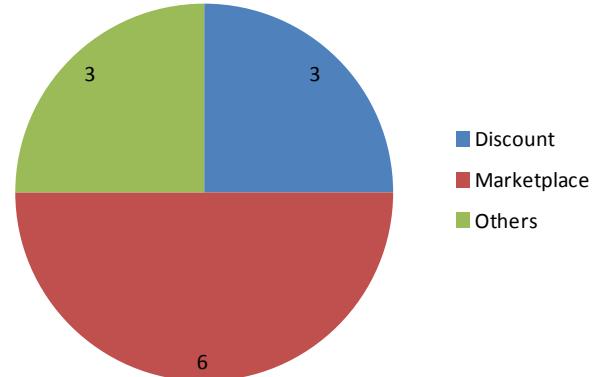
25 in Japan



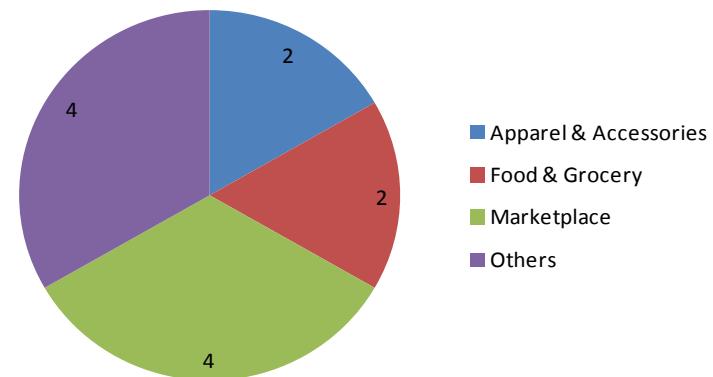
16 in Singapore



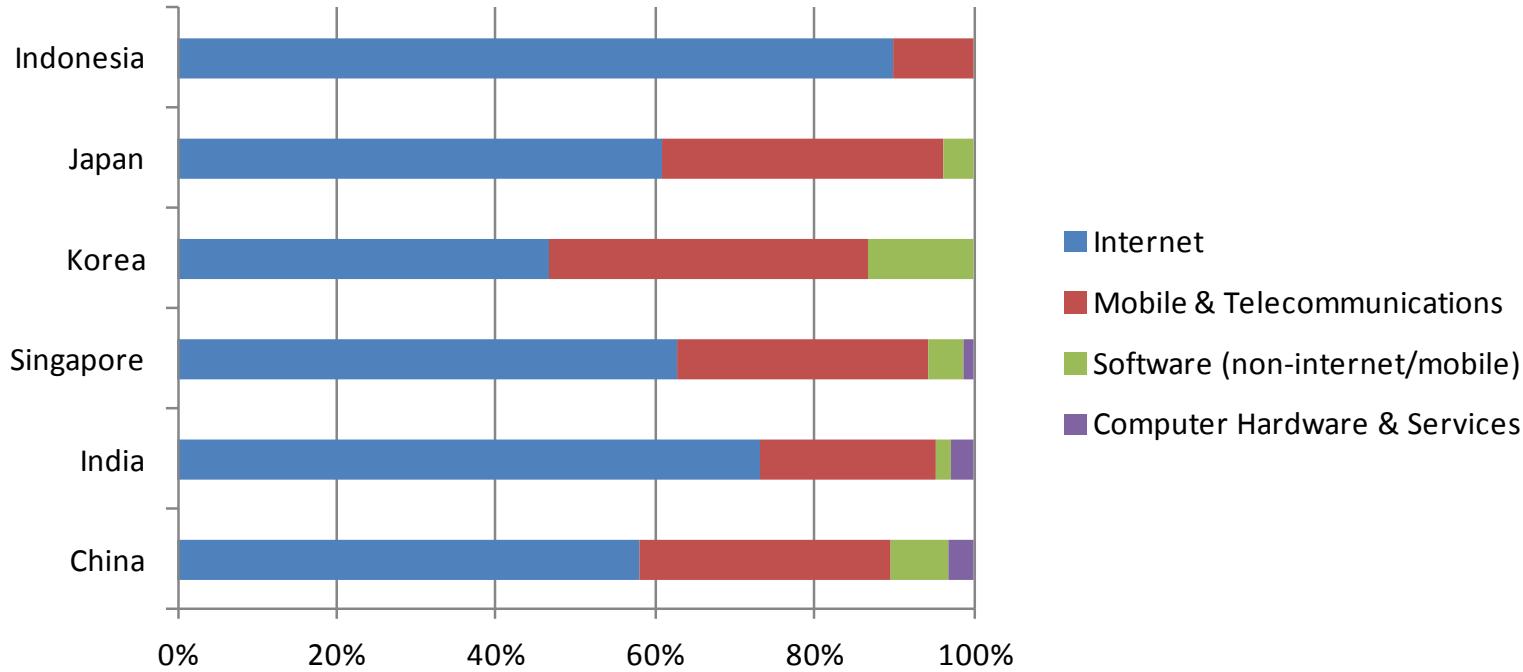
12 in Korea



12 in Indonesia



2014 Venture Capital Snapshot of Asia



	China	India	Singapore	Korea	Japan	Indonesia
Internet	95	170	44	14	65	27
Mobile & Telecommunications	52	51	22	12	38	3
Software (non-internet/mobile)	12	4	3	4	4	0
Computer Hardware & Services	5	7	1	0	0	0
Total	164	232	70	30	107	30



SparkLabs Global Ventures

Team

Located in Singapore, Seoul, Tel Aviv, London, and Silicon Valley



Bernard Moon, Palo Alto



Frank Meehan, London



Jimmy Kim, Seoul



Net Jacobsson, Tel Aviv



HanJoo Lee, Seoul & Mumbai



Jay McCarthy, Singapore & HK

facebook

December 2010

Team



Peter Chang, Venture Partner (Seoul & San Jose, CA)



Rob DeMillo, Venture Partner (San Francisco)



Eugene Kim, Principal (Seoul)



Christine Aum, Senior Associate (Seoul)



Net Jacobsson, Co-Founder & Partner (Tel Aviv)



Frank Meehan, Co-Founder & Partner (London)



HanJoo Lee, Co-Founder & Partner (Seoul & Mumbai)



Jay McCarthy, Co-Founder & Partner (Singapore & Hong Kong)



Jimmy Kim, Co-Founder & Partner (Seoul)



Bernard Moon, Co-Founder & Partner (Palo Alto, CA)

Advisors



John Pleasants, EVP, Media Solutions of America at Samsung Electronics.
Former President of Disney Interactive and COO of EA



Brian Behlendorf, Managing Director at Mithril Capital Management,
Co-founder of Apache Web server, former CTO at the World Economic Forum



Greg Badros, former VP Engineering & Products at Facebook,
former Senior Director of Engineering at Google



Jonathan Teo, Founder & Managing Director at Binary, former
General Partner at General Catalyst Partners, and former Principal
at Benchmark



Maurice Werdegars, President and CEO at Western Technology Investment



SparkLabs Global Ventures

E-Commerce Investments

Memebox



- Sector: E-commerce, Beauty
- Location: San Francisco & Seoul, Korea
- Major product: Subscription box & e-commerce
- Co-investors: Y Combinator
- <http://www.memebox.com>

Launched in 2013, Memebox is an e-commerce beauty retailer launched in Seoul, Korea, and now headquartered in San Francisco, California.

Memebox.com is the leading beauty e-commerce and mobile commerce in Korea and rapidly growing operations in the U.S. The company aims to offer the most comprehensive and exciting platform for the customers to explore innovative beauty products curated by its team of beauty industry experts. Each month, Memebox members will anticipate a curated Memebox (subscription beauty box full of trial sizes) arriving on their doorstep and have the opportunity to discover new products. In addition to its box series, full size products are available to members for purchase at the best price.

Memebox raised \$800,000 from SparkLabs Global Ventures, Y Combinator and others. After graduating SparkLabs' accelerator's 1st class in Korea, Memebox became the first Korean company to be accepted into Y Combinator's accelerator. Despite a minimal marketing and sales presence in the U.S., the company has managed to rapidly gain 10,000 customers across the country.



Hyungseok Dino Ha
CEO & Co-founder



Doin Kim
COO & Co-founder



Namsu Ryan Kim
CTO



- Sector: B2B, Retail Analytics
- Location: San Francisco, CA, USA
- Major product: Web-based analytics platform
- Co-investors: Y Combinator, 500Startups
- <http://www.42debut.com>

42 is an intuitive, web-based analytics platform for retailers. Their platform leverages data mining to find revenue opportunities from raw data. For instance, 42 can turn point-of-sale data into insights on top customers, best selling items, inventory sell through, and more.

Retailers are faced with an ever increasing volume of information. The 42 platform combines the power of databases and the usability of consumer websites to effectively analyze large data sets. They enable anyone within a retail organization to make more data driven decisions to grow revenue and margin.



Cathy Han
CEO & Co-founder



Nick Porter
CTO & Co-founder

Tryum



- Sector: B2B, Retail Analytics
- Location: London, UK
- Major product: Whitepaper
- Co-investors: Barclays Accelerator
- <http://www.tryum.com>

Tryum is a relationship science company that helps retailers build personal relationships with their customers by understanding who their customers are and what they love. Tryum captures transaction data and align this to a customer. Then they provide a campaigns and rewards engine so a retailer can send the right message to the right customer on the right product at the right time.

Tryum graduated from Barclays' Accelerator program in 2014.



Nik Adhia
CEO



Steven Briscoe
CTO

Quarterly



- Sector: E-commerce
- Location: Los Angeles, CA
- Major product: Curated Subscription Box
- Co-investors: SV Angel, True Ventures, Collaborative Fund
- <http://quarterly.co>



Zach Frechette
Chief Executive Officer & Founder



Aron Levinson
Chief Revenue Officer



Andy Fisher
Director of Technology

Quarterly is a platform to connect influencers with their biggest fans and followers through a subscription commerce experience. Users sign up to receive a curated box in the mail every three months which contains limited edition items, exclusive products, and high-value consumer goods—each hand selected by one of our celebrity curators. Each box tells a story and delivers an experience that goes beyond the value of the subscription price to build deeper fan engagement and meaningful offline interactions. Unlike other social media platforms, Quarterly allows influencers to monetize their audience directly in an organic way that benefits them, their followers, and product vendors.

Some notable curators are Pharrell Williams, Rosario Dawson, Nina Garcia, Timothy Ferriss, Kevin Rose, and brands such as GQ and GE.



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