**Market Competition Analysis:**

Vietnam’s e-commerce sector is very fragmented and there are no clear market leaders in both the Consumer-to- Consumer (C2C) and Business-to- Consumer (B2C) e-commerce markets. The most popular business model in the Vietnamese e-commerce industry is market places.

However none of the players appears to have reached a market share of more than 5%. Newcomers who act quickly thus still have a fair chance to establish themselves as strong players in a relatively untapped market.

To achieve lasting success, companies need to understand the specific opportunities and challenges of the Vietnamese e-commerce market. A low credit card penetration rate and the limited popularity of bank transfers for instance mean that cash-on-delivery is still by the preferred delivery method. To adapt to this and other market conditions companies must tailor their offering and infrastructure accordingly.

The following are a concise overview of businesses pursuing the e-commerce market in Southeast Asia. The majority of the ones listed here originate are key players in Vietnam’s e-commerce sector. As through our strenuous research, we have decided to make Vietnam our target market.

**Online Payment Solutions**

**Alipay:**

Started in December 2004 launching on the Alibaba’s TaoBao platform. It is prevalent and trusted in China. It has a user friendly website and app. They are very successful in expansion mainly due to appealing with the younger generation and has features optimized towards this group. Moreover, international Sellers are interested in trading with China. That is their current focus for driving in foreign money and gainning more traction. However, there are issues with politics and law policies that are the barrier for Alipay from expanding future in China. Currently, Alipay is only avaliable to users who have a Chinese bank account.

**Statictics:**

Aliper generates 30000 delivers per day with 1.2 million unique visitors.

China’s online commerce is already at 10.6 percent of total retail transactions.

O**rigin**: China

**OnePay:**

This online paymment solution provides e-Commerce transaction enabling processing for merchants and banks, Online banking, bill Payment Services, Pre-Paid Card Services, Risk & Fraud management for financial transactions and

ATM Channel Switching & Payment Gateway Processing.

This particular company offers a free app for both android and IOS operating systems that is user friendly. The website is also easy to use. It has the upper advantgae of being more experience that most vietnam competitors, as it started in 2006. They are also official representative for MasterCard for Vietnam and is currently supported by Vietcombank, which is Vietnam’s leading bank.

**Statictics :** Undisclosed

**Origin:** Vietnam

**1 Pay:**

This payment service ( not to be confused with OnePay ) launched in 2013 offers Mobile service , Debit/Cerdit Card Website , Games and Application charges. They also provide a dashboard where merchants can check and collect all their sales.

Their website user interface is primarily in Vietnamise and parts of their website in English version does not work. They do not offer an app. Additionally, their primary focused solely on mobile payments in the digital goods segment.

The threats of this company is that 1Pay is similar to many a lot of payment companies in vietnam. There is als a large gap for people to buy things on mobile as well as a gap for people buying digital goods. According to some sources, there is not much potential for 1Pay in Vietnam due to the lack of infrastructure in the mobile space and the existence of more evolved competitors.

Despite that, 1Pay allows access to the API key and SDK to integrate payment via mobile for their games, content, or mobile apps. They are planning on ruture features such as providign direct payment service with single click and also Sub payments.

**Statictics :** Undisclosed

**Origin:** Vietnam

**Payoo:**

The PeaceSoft Company, a company similar to Alibaba started this online payment service in 2008. Payoo is the vietnamese answer to Paypal. They have a similar feature to that of Google Wallet where they have their own electronic wallet called Payoo e-wallet. There electronic wallet is offered in two scales that is for individuals and businesses.

Paybill is an attempt from Payoo to push its service into the hands of consumers who still predominantly pay by cash.The user interface of their website looks old fashion. However they do offer an andriod app to go with its servies. Payoo still has not gained broad traction in Vietnam, but this new Paybill service gives consumers a more practical reason to use it.

Online payment solutions in Vietnam have been slow to catch on for a number of reasons.Many in the e-commerce and technology industries argue that online payment is one of Vietnam’s biggest barriers to offering online web services. As with any other Vietnamese online payment solutions in the market now is that, merchants and consumers don’t see a practical benefit over cash.

**Statictics :** Undisclosed

**Origin:** Vietnam

**PayBill :**

An online bill payment service allows homeowners to pay bills online to a host of utility providers. Using Paybill, people can pay for their electricity, water, telephone, internet, and cable bills through most of the leading [utility providers](https://www.payoo.com.vn/m/content/o/detail/id/394) like VNPT, SCTV, SPT, Vinaphone, and more. However, the current services are cumbersome and time consuming. Most Vietnamese people pay their bills by waiting for utility collectors to come door to door to collect monthly cash payments. Besides, their web design is simple but they do not offer an english version does not have english version of it and do not have an app for their services.

Their strategic way of overcoming some common barriers encountered by online paymets service is to educate consumer on convience over using cash to pay at public payment centers.

**Statictics :** Undisclosed

**Origin:** Vietnam

**Mobivi:**

This company is one of the biggest names in the Vietnamese payment space. Mobivi currently has over 300 merchants participating on their platform. Impressively having three main investors for their featued ECC; Experian (to the sum of $4 million), Kusto Tiger Fund Private, and Unitus Impact . There main concumer market in vietnam is B2B

Their list of useful features include allowing users to top up their mobile phones straight from online credit dashboard and Employee Credit Card (ECC) participating companies can use ECC to pay employees. Customers can also buy online products (that are partnered with Mobivi) directly through their Mobivi account portal. They also provide a Corporate Credit Card (CCC). They impressively havie three main investors for their just for their featured ECC service; Experian (to the sum of $4 million), Kusto Tiger Fund Private, and Unitus Impact . Their main form of business is B2B.

Mobivi plans on experimenting with various payment models, possibly providing free mobile transactions for non-profit donations and online credit card benefits packages for large scale companies.

**Statictics :** There are over 100,000 workers in Vietnam working on ECC and Mobivi has 140 employees.

**Origin:** Vietnam

**Ngan Luong:**

Owned by the PeaceSoft company, it is one of Vietnam’s leasing online payment startup and has been in the business of mobile and online payments for a long time. It leverages off of its own portfolio of companies at PeaceSoft, which includes Ebay.vn and Chodientu.vn. Ebay.vn is a C2C and B2C platform whereas Chodientu.vn, is a leading B2B2C domestic marketplace coordinated with eBay. MOL, a regional player in payment, took a 50 percent stake in NganLuong. The service is multi-faceted, as it’s not only an e-wallet but also a transaction platform like PayPal.

**Statictics : Current posessing** 150,000 registered members and supporting 2,000 plus e-stores.

**Origin:** Vietnam

**Bao Kim:**

A online payment serviced started by Vat Gia. It offers money tranfers between accounts, puschasing of Online game money. Addtionally, their website is very interesting but they have no app.

BaoKim’s services are similar to those of NganLuong, including an e-wallet and PayPal-like credit card transactions. Since it’s under Vat Gia, one of Vietnam’s biggest e-commerce sites, it is able to leverage a huge user base.A cautionary way of of safeguarding Bao Kim from monetary losses, user accounts must have BK money units in order to use some of their services.

**Statistics:** Undisclosed

**Origin:** Vietnam

**Cherry Credits**:

This online payment service is one of Singapore’s leading payment services. Focused on making money from gamers they can virtual items using physical scratch cards, which can be paid for with cash. The cards can be purchased at convenience stores, cyber cafes, and kiosks. It is integrated with China’s Alipay and in-app purchases platform MoVend.

They also provide the world's first Unified Global Virtual Credit (UGVC) to facilitate commerce and connect international content to the global consumer. In other words, they provide merchants and consumers with a global transaction through a reliable and secure, 24/7 real-time payment solution. Their website has a nice layout and is uncluttered but they do not support their own app. Cherry credits is used all over Southeast Asia.

Additionally their scratch cards are distributed in Singapore, Malaysia, Philippines, Thailand, Indonesia, Australia and can also be purchased in the US, Europe, and the Middle East

**Statistics:** Cherry Credits have a 100,000 distribution points worldwide, including over 1,000 stores in Australia.

**Origin:** Singapore

**Online Markets**

**Vat Gia:**

An online market in Vietnam and carrying everything from motorbikes to computers, real estate to toys, furniture to tourism.

It is also the first website in Vietnam that has built its own database of product. Providing the ease for sellers to upload their products and for customers to search. It’s online market place provides a   
 rating system, customer review products ans a pay-per-click model from Kakaku, Japan’s popular online market place. Vat Gia has small commission that is similar to eBay, Rakuten and Amazon.

Self-proclaimed as the number one e-commerce site in Vietnam and carrying everything from motorbikes to computers, real estate to toys, furniture to tourism.

Well known for B2B & B2C ecommerce and leader in Vietnam’s ecommerce, due to the their great ability in understanding of the Vietnamese market .

This company works with CyberAgent Ventures closely, and has invested in the following businesses:

* *Webbnc.net* – A fully packaged e-commerce and shopping cart solution, similar to *BigCommerce.com*
* *Vanphongonline.vn* – literally meaning office online, a Vietnamese version of *Salesforce.com* cloud serviceprovide a more convenient service at lower cost.
* *Nhanh.vn* – Meaning “Fast”, this site competes with *Giao Hang Nhanh* and *Zship* in the e-commerce logistics space.
* *123doc.vn* – A book and e-book audio platform.
* *Pub.vn* – An online video platform.
* *Suong.vn* – A 9gag clone where users can share pictures and videos for fun.

A strategy that they use is adapting western models with local preferences. Vat Gia run their company by knowing that the retail is a race is on getting the best delivering services and best products at the lowest cost. Most Vietnamese retailers use the gap in law to reduce the price down by cutting tax. That is the most important reason for the failure of many big foreign corporations.

Viat Gia played a decisive role in making ecommerce acceptable & widespread in Vietnam. Now it is worth up to $75 million and was, prior to the arrival of Rocket Internet, Southeast Asia’s largest e-commerce company. This company’s business model is similar to that of Japan’s Rakuten & Kakaku.

**Origin:** Vietnam

**Tiki:**

Tiki is an online bookstore selling international English language books and vietnamese books, toys, appeal etc. This company has the upper advantage of working with with Vinabook , one of Vietnam’s first online book store that just sells Vietnamese books. They received a Cyberagent Ventures funding a few years ago and has excellent customer service. A feature that comes with every book purchase with them is that Tiki provides a custom sized book cover. In addition to that, Tiki uses social media to understand their customers better, and have their employees get out of the office and then listen to customers’ feedback.

**Statistics:** Tiki currently has more than 90 staff with more than 55 of them working in logistics. The orders on Tiki amount to more than 15000 per month. Other information include: 60%-80% are book orders, 99.5% are Vietnamese.

**Origin:** Vietnam

**Logistics Services**

**Zship:**

This company provides General logistic services, but is more focused on food delivery. Currently supporting Eat.vn, Vietnammm.com, Foodpanda and so on.They also own GetNGo, a startup that delivers coffee to office workers. They intend on just focusing their delivery services strictly in Ho Chi Minh City ( HCMC).

Zship’s biggest competitor is with Giao Hang Nhanh (GHN). Moreover, food delivery takes a lot of care and needs to be fast and is not so important with general ecommerce. They manage to deliver food within 40 mins to any area in the city. So currently they plan on promting speed and preservation for food delivery and improving their delivery time to within 20 mins. In the long run, they want to improve on to being more reliable so they do not need to deal with logistical issues and quality control with 3rd parties.

Zship also intends on building e-commerce sites. Their company’s management insists that cash-on-delivery can sustain e-commerce in Vietnam; there’s no necessary need for Credit Cards.

**Statistics:** Ships approximately 400 - 500 delivers per day.

**Origin:** Vietnam

**Giao Hang Nhanh (GHN):**

GHN is one of Vietnam’s most advanced logistics service that accommodates general & e commerce delivery. Merchants can set delivery times to 6 months ahead and track exactly when customers received their orders. Their System also sends SMS texts to customers when a deliveryman has received a delivery - notifying the order is on its way within hours. This company expanded very fast and is popular with most Vietnamese e-merhcants. They hired coordinators to develop efficient delivery routes. 60% automates the route decisions and has a catalog of transaction.Their current competition is with Zship and they rely on 3rd party delivery services due to increasing shipment to countryside and to supports growing customer base. However they cannot guarantee good customer service. One thing for sure is that they aren’t interested in ecommerce sites, as they don’t want to compete with it's customers and want to continue taking orders from multiple merchants,

**Statistics:** GHN delivers to 600 - 700 people daily and to over 2000 per day for over 500 e-commerce sites. Currently serving 800 online merchants and 20 are larger scale B2C e-commerce sits i.e. Tiki.Vn, Project Lana, MuaFast, Nha Sach Phuong Nam, Foci and so on.

**Origin:** Vietnam

**JNE:**

Established in 1990, this company remains Indonesia's leader in logistic. The development of the Indonesia’s e-ccomerce development where for the Indonesians, buying online is a necessity rather than just for convenience due to the lack of options.

One of the reasons for this is that there too many islands posing as a disadvantage in the logistics point of view. This company is benefiting from 3 social-economic developments. Firstly, the increasing wealth of middle class, digitization and the e-commerce. The courier services in Indonesia may be abundant but the competition's services are slow, unreliable and have no real time tracking. JNE currently has no real time tracking but it’s fleet as shown below in the statistics gives it the upper advantage than its competition.

**Statistics:** JNE owns more than 3500 stores, more than 7000 motorcycles and 2000 plus vans, trucks and boats. They deliver an average of 4 Million ecommerce packages. Additionally, 85 million Indonesians have access to the internet including those not in cities and online shopping expected to rise due to growing GDP creating new demands and spending power.

**Origin:** Indonesia