



Grant Thornton

chợTỐT



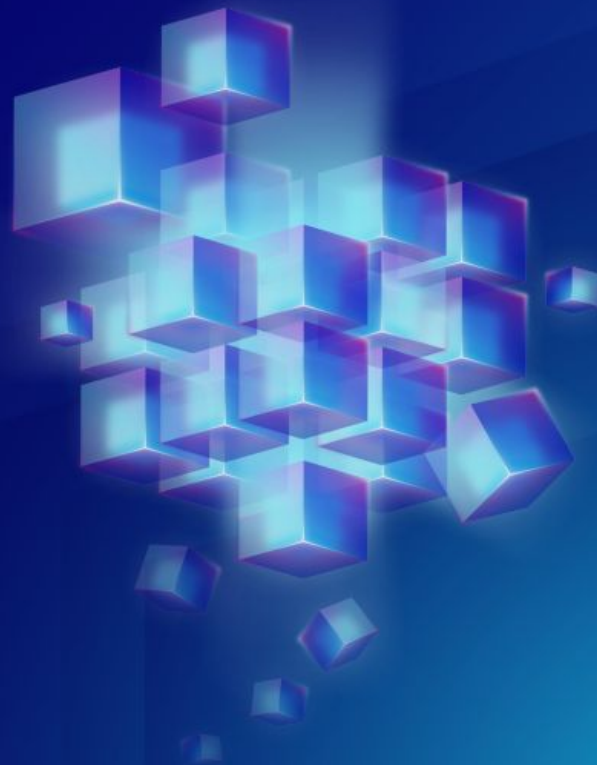
RMIT BUSINESS ANALYST CHAMPION SEASON 3

ROUND 2 CASE STUDY

TEAM T-VAT

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EXECUTIVE SUMMARY

HOW TO MAKE CHỢ TỐT INCREASE DAU IN 6 MONTHS AND BEYOND?

SITUATION



SEASONAL & REGIONAL

High peak in quarter 4 each year and the region's decrease are CHỢ TỐT concern.



3RD PLATFORM DEPENDENCE

Indirect traffic from 3rd platform is increasing while the direct traffic reduces



TRUST ISSUE

Users get access to app but are not willing to make lead due to the trust issue



PERSONALIZATION

The process and goods is applied for everyone, not the individual



RECOMMENDATION

ADAPTATION

SEASONALLY & REGIONALLY ADAPT

By communication or product innovation

3RD INDEPENDENCE

Raise awareness to increase the direct source of traffic

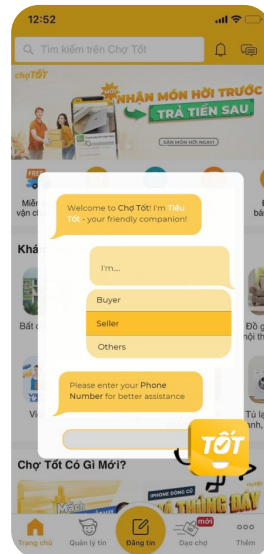
AR AND AI

AR TRY-ON

Innovate CX by applying the goods onto buyers to try on

TIỂU TỐT: AI CHATBOT AND MASCOT

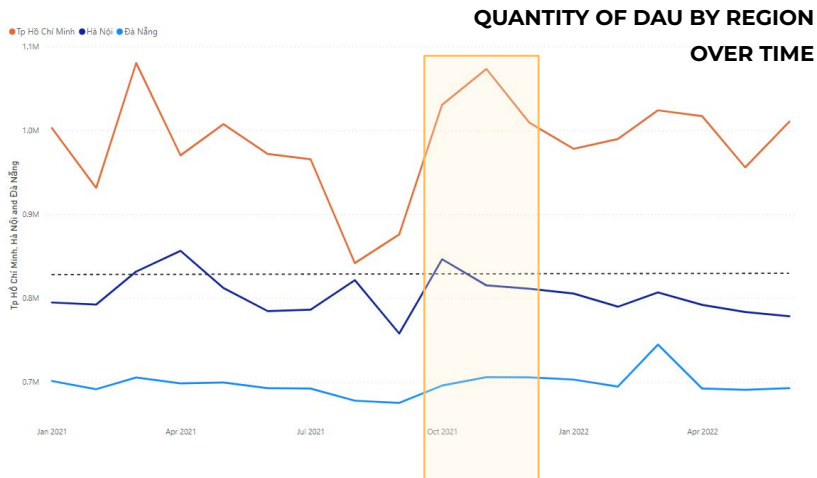
Suggest suitable goods, compare or judge goods



3 BIG MAIN CITIES OF CHỢ TỐT ARE NOW ACTIVELY EXCITING, PARTICULARLY IN QUARTER 4 AND IN MOBILE PHONE FIELD

Quarter 4 is when DAU reach the peak

HCMC is the biggest market, contributing to the success of CHỢ TỐT

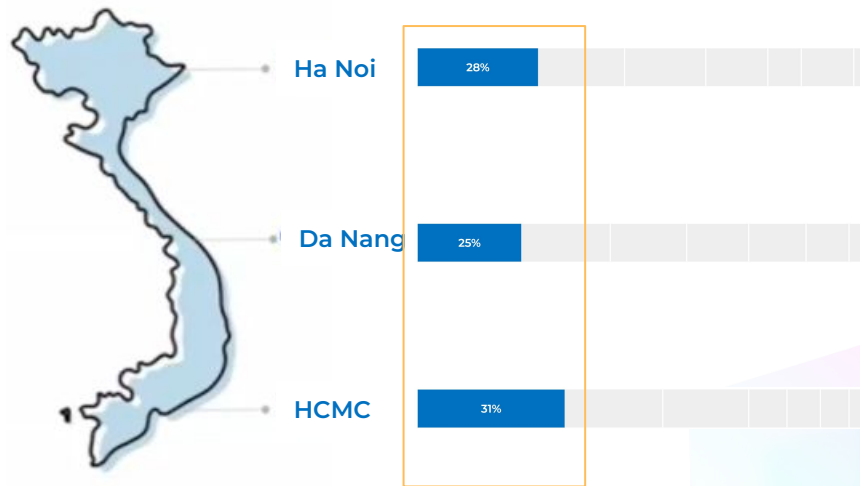


The possible reasons of peak in Q4

Many holiday held in Q4, especially Tết Holiday - when Vietnamese clean their house and want to resell the old stuffs

And Mobile Phone accounts for the largest

PERCENTAGE OF DAU FROM MOBILE PHONE IN 3 CITIES (%)



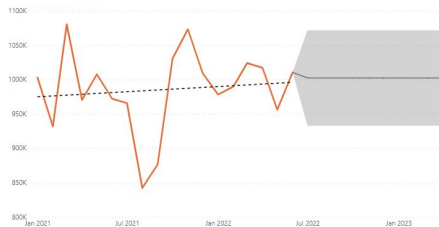
The percentage of Mobile Phone's DAU in 3 big cities

HOWEVER, IN THE BROAD VIEW, 3 BIG CITIES ARE PROJECTED TO CEASE GROWING

In 1 year, all of 3 big cities are **projected to decreasing** in terms of DAU and Ho Chi Minh City will witness the least reduction

And perhaps, there will be a **transfer in user** from the big cities to the other provinces

HCMC



-1,02% growth rate
in HCMC

17%

Online shopping experiences significant growth, with the greatest support from the younger population

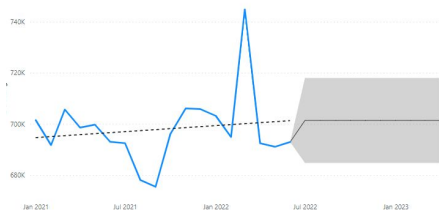
Other business: **Mio**, a social commerce startup **focused on smaller cities and rural areas** in Vietnam, **raises \$1M seed**

HANOI



-2,69% growth rate
in HaNoi

DANANG

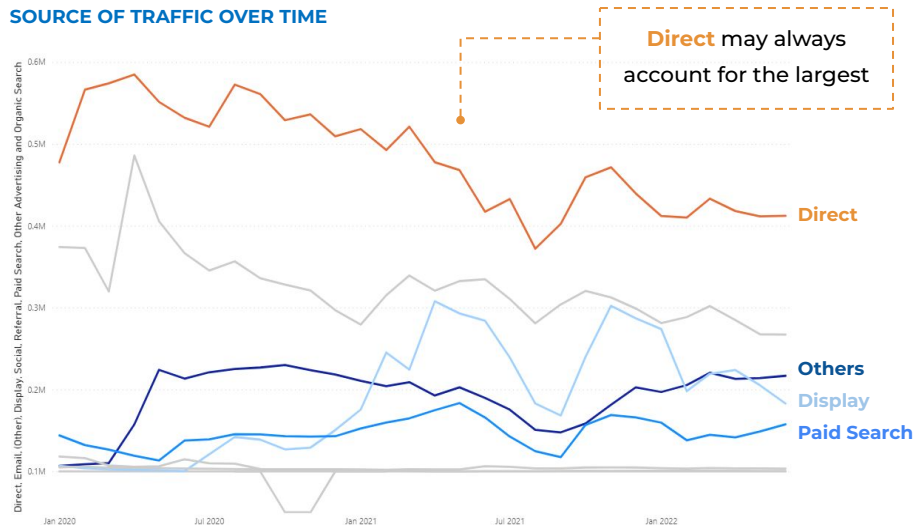


-1,07% growth rate
in DaNang

Therefore, **CHỢ TỐT** need to **take action immediately** to embrace this trend by **customizing the service by region** or building the long-term plan **directed to the other provinces**

IN THIS 3 MAIN MARKET, CHỢ TỐT RAPIDLY DEPENDS ON 3RD PARTY FOR DRIVING TRAFFIC

SOURCE OF TRAFFIC OVER TIME



However, the growth rate over time behaves differently

While traffic from the 3 third party vastly increase...

...The direct source decreases and may be replaced

+95 % growth rate
by Display

+11 % growth rate
by Paid Search

-23 % growth rate
by Organic Search

+97 % growth rate
by Others

-24 % growth rate
by Direct

and the Social could not be considered as the main source because of the seasonality.



No figures recorded ⇒ Unstable methods ⇒ Focus on sustain source

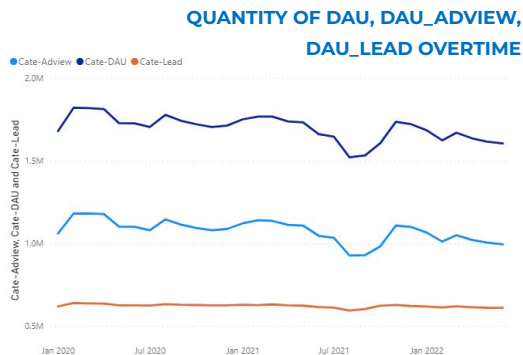
The highlighted trends have sparked off a questions:

HAVE CHỢ TỐT DISMISSED SOME POTENTIAL SOURCES?

AND CUSTOMER TRUST & SATISFACTION ABOUT CHỢ TỐT IS WORTH NOTICING

In general, % of users making text, chat, call are low, compared to DAU total...

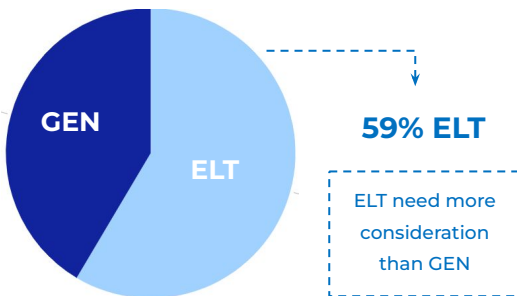
...and the marked proportion of ELT in DAU points out the next step



ACE - Average Conversion Efficiency: 36,57%

Once users believe or want more info about the goods, they tend to lead

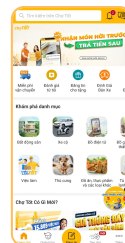
Trust issue here must be solved



As a **specific feature of secondhand**, the more time spent, the more transaction's failure

Support and personalize from CHỢ TỐT can push the deal, **especially goods of ELT**

Customer Relationship



UX/UI performance

- ✓ Minimal display
- ✓ Search optimization, SEO
- ✗ Personalization
- ✗ Touchpoint optimization

Perceived Value

To sellers: Not yet diversified methods of promotion

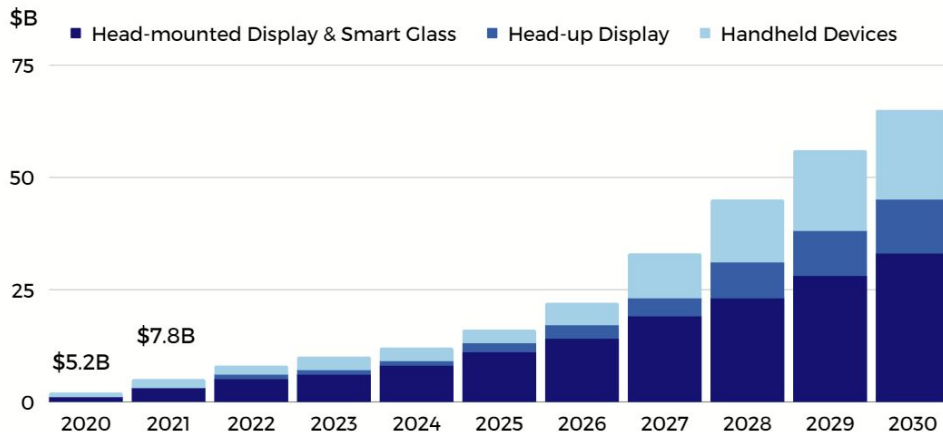
To buyers: Not yet excitement, satisfied, entertained

To society: Positive effect has not recorded

TO FAVOR THE CUSTOMER, CHỢ TỐT SHOULD SOLVE THE ISSUE ABOUT TRUST AND PERSONALIZATION

AFTER COVID-19 PANDEMIC, MANY NEW ECONOMIC TRENDS WAS CREATED, REPLACING THE TRADITIONAL ONES

U.S. Augmented Reality Market Size



Source: GrandViewResearch

41%

plan to implement
AI by 2020

44%

plan to implement
Chatbots by 2020

Source: Oracle

C2C

business model rising vastly after
COVID-19 thanks to its expansion ability

47%

co-operative move from direct sales to
online sales

11.9%

CAGR of e-commerce in 2020 - 2025

\$48.2M

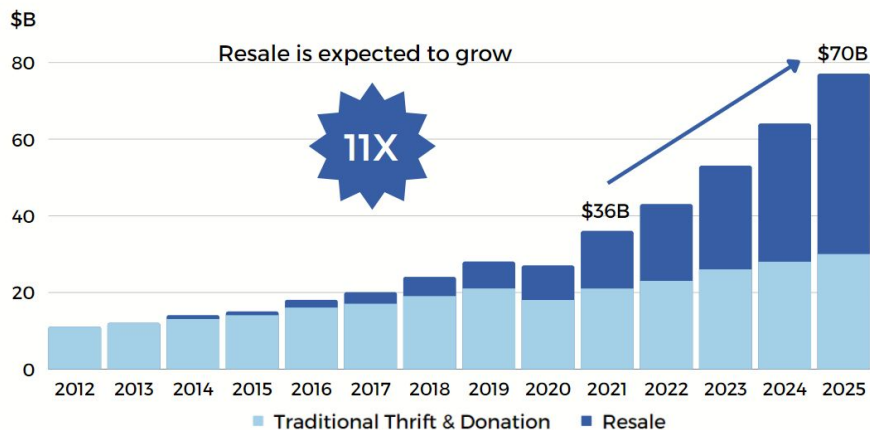
Market value of e-commerce
by the end of 2022

Source: GlobeNewswire

Following in the footsteps of e-commerce, **recommerce** can take advantage of the **dual advantages** of **C2C** and **emerging technologies** to better serve customers

WE ARE IN THE EARLY STAGES OF A RADICAL TRANSFORMATION IN RETAIL

Estimated Growth in Resale Sector by 2025



Consumers are **prioritizing sustainability**, retailers are starting to **embrace resale**

Personalization is now essential in an increasingly competitive ecommerce landscape

73%

shoppers expect brands to understand their unique needs and expectations

Consumption trends is changing after COVID-19

44%

consumers think they will cut spendings in shopping

Moreover, the secondhand goods receive the great favor from the customers

8 in 10

people are willing to buy the secondhand goods in 2020

Source: Shopify, thredUP

AND IT'S TIME THAT **CHỢ TỐT** PIONEER TO PERSUADE CUSTOMERS OF SUSTAINABLY WEARING

GEN Z IS THE KEY TO GROW “DAU” OF CHỢ TỐT WITH THE MATCHED FEATURES

Top 2 Gen Z concerns:



Source: Deloitte

They are struggling with **financial concerns**, while trying to invest in **environmentally sustainable choices**.

Top 3 trends of Gen Z's shopping online:

1. Redefining value shopping
2. Shopping decisions influenced social media and influencers
3. New payment method

75%

Gen Z is more likely to buy a product if they can customize it

85%

Gen Z shared that they started saving and investing their idle money before the age of 22

72%

Gen Z tend to buy products from a company that has good impact on social problems

40%

Gen Z says that social media has a big influence on their shopping decisions

Source: FLoC, WP Engine, McKinsey

GEN Z IS A POTENTIAL CUSTOMER THAT CHỢ TỐT SHOULD TRY TO AIM AT

GEN Z IS OUR TARGET USER, AND **CHỢ TỐT** CAN DIVIDE THEM INTO THREE SEGMENTATIONS:

New User

Never been to **Chợ Tốt** before and is initiating their **first** session

Current User

Is authorized and **active at the moment** on **Chợ Tốt**

Churn User

Stop using Chợ Tốt after 2 months downloaded

in order to **INCREASE DAU**, **CHỢ TỐT** should

Increase the User Acquisition rate

Increase User loyalty and User retention rate

Decrease the churn rate

BY RECOMMENDATIONS AS FOLLOWINGS

A + B + C

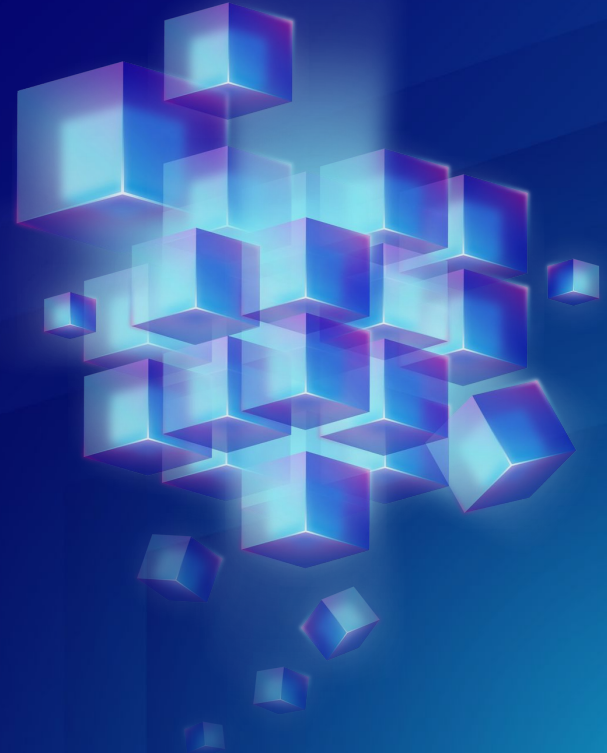
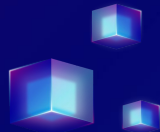


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RECOMMENDATION



SEASONAL & REGIONAL ADAPTATION

SITUATION

QUARTER 4 EACH YEAR

is when user buy most in all 3 cities

ALL STOP GROWING

is the projection of 3 cities

REASONS

TẾT HOLIDAY

People tend to clean their house and want to sell old things and buy more

THE PERFORMANCE

Of CHỢ TỐT is not impressive

RECOMMENDATION

SEASONAL & REGIONAL ADAPTATION

CHỢ TỐT can customize their communication, suggestion of goods based on the specific feature of the region

In long-term, CHỢ TỐT strategy can direct to the other province to expand its business

BE INDEPENDENT OF 3RD PARTY

SITUATION

INDIRECT TRAFFIC FROM 3RD PLATFORM IS INCREASING

while the direct traffic reduces

CHỢ TỐT dismiss the potential method in “OTHERS” SOURCE

RECOMMENDATION

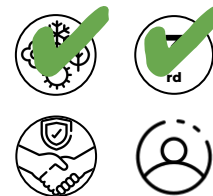
RAPIDLY RAISE AWARENESS

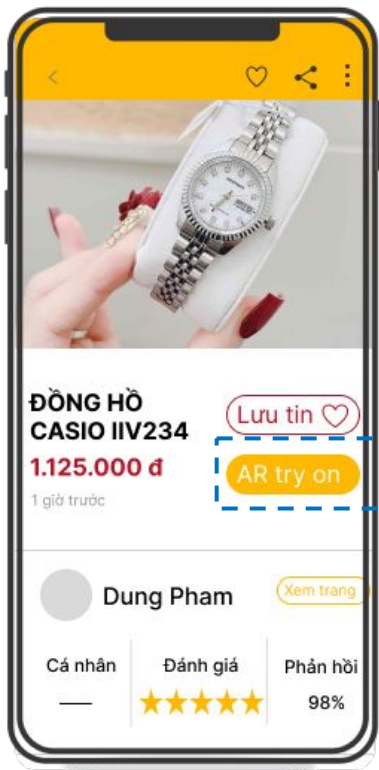
to be independent of the 3rd platform via communication, CX innovation

IDENTIFY THE “OTHERS”

It may be the potential source that CHỢ TỐT dismiss. By market research, CHỢ TỐT can identify and optimize those source

ISSUE ADDRESSED





Seller: take picture of all side of product, app will help to convert.

Add button "AR try on", move to "try" page.



Buyer: try on, have more confidence in product.

Creates unique customer experiences

61% of consumers say they prefer retailers with AR experiences

Heightens user engagements

71% of consumers say they would shop more often if they used AR

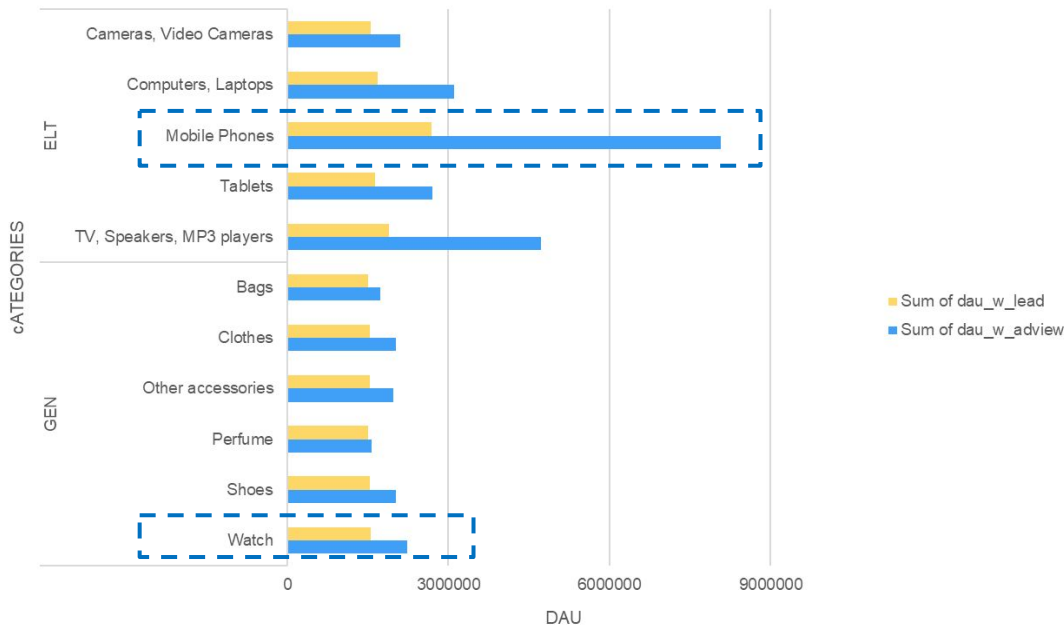
More trust, More convenience

40% of consumers say they would pay more for a product that they could customize in AR.

ISSUE ADDRESSED



Total DAU adview and lead of each category from 2020-2022



In ELT, **Mobile Phone** has the most adview and lead

In GEN, **Watch** has the most adview and lead

Mobile Phone and Fashion are two potential categories and more customers interested in

As these items changed quickly, people tend to be renewed regularly.

In advance, **Chợ Tốt** can test AR technology on these categories.

By applying AR, **the trust issue has improved**

ISSUE ADDRESSED



Deliver **personalized** experience by upgrading **Chatbot** with new **AI Mascot**

TO PERSONALIZE, WE

- 1 Investigate the real-time data
- 2 Reflect on historical data
- 3 Measure accuracy by demographics and location

HOW IT WORKS?

Following the **User Journey**, the AI Chatbot & Mascot will **synthesize** all support information into one place & **automatically** assist users based on their needs.

ITS FUNCTIONS

Follow users

Suggest questions to chat with

Compare price

Suggest suitable goods

1 GETTING STARTED LET'S MEET **Tiểu Tốt**

Give Chatbot a **persona**

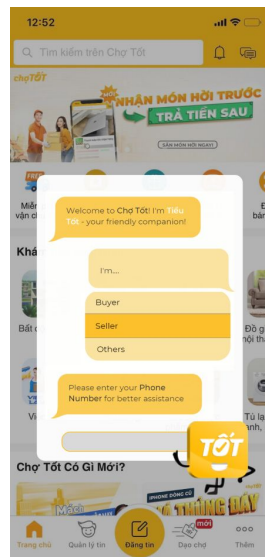
Gain **personal information input**

Personalize user journey based on their **roles**



2 GENERAL GUIDANCE

AI Mascot will **replace traditional guidance** posts to guide user directly



You can refer to frequently asked questions when selling on Chợ Tốt

My post is rejected

Paid Services

Others

3 BEFORE PURCHASING

Optimizing **suggestion system** to tailor unique needs and expectations

BUYER

Anticipate **uncovered demands**

Get iPhone 13 now, only 28.230.000 by visiting [this](#).

...even when buyers have not thought about it, but market trends suggest

Price comparison



Cross-selling strategy

Tiểu Tốt thinks this pair of shoes will perfectly fit your last purchased dress. Don't you think so?

...intrigue buyers the products related to the one they already owns

Consult on **keyword searching**

long skirt, black, office fashion

Check it out!



SELLER

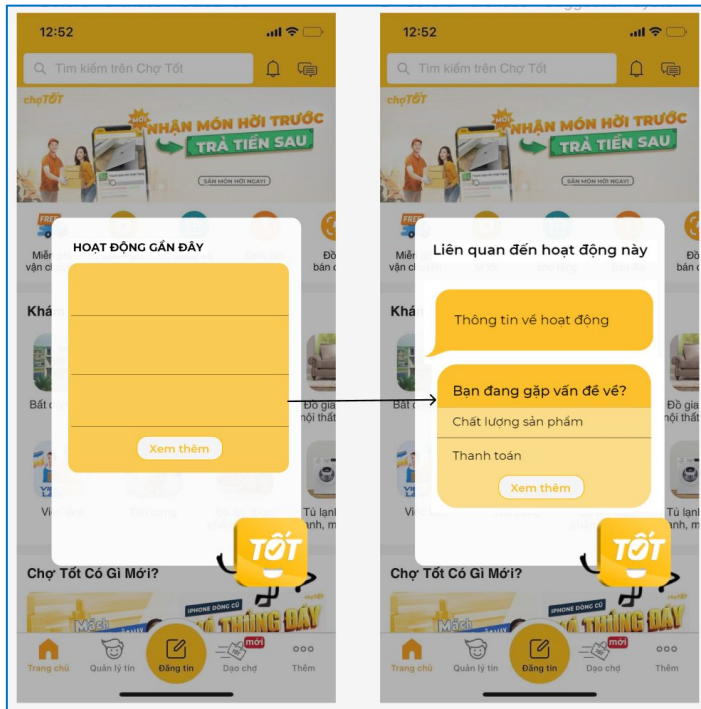
Based on **Trends**

Shoes sold quantity increased 3X recently, do you want to catch up the trend?

Based on **Seasonality**

Tet Holiday is coming! Pass on your old dress to get another one.

3 AFTER PURCHASING



Provide after-sale support with **clear** and **fast support**, replacing traditional guidance

WHAT CAN IT SOLVE?

1

SEASONAL & REGIONAL

Simplifying the buying and selling process, shorten time spendings on searching, making decision and payment

- **Decrease churn rate** by reducing in sophisticated process
- **Retain user** and **push their loyalty** with excellent experience on app

2

3RD PLATFORM DEPENDENCE

Gradually switch users from searching on 3rd platform to engaging with Chợ Tốt Mascot with easier, faster and more convenient **all-in-one platform experience**

3

PERSONALIZATION

Tailor journey for users based on:

- Their own desires and needs
- Seasonality
- Market Trends

Trigger their insight and push the speed of making buying decision



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SEASON 3**

THANK YOU

