

MALAYSIA

A SOLID SCORE AND A STEADY FUTURE

Despite its high digital penetration, Malaysia falls just short of the regional average on the Digital Consumer Index, with a score of 33.2. Over 80 percent of its current population of 31.6 million are connected to the internet and this proportion is forecast to rise to over 85 percent by 2022. Indeed, Malaysia has an exceptionally high number of digital buyers, with over 90 percent of internet users shopping online. This figure is expected to increase slightly in the coming years, as is the country's per capita digital purchase, which currently stands at USD 74 per buyer and which is due to reach USD 144.20 per buyer by 2022.

87% of Malaysian young adults prefer making purchases in-person when doing shopping⁴¹

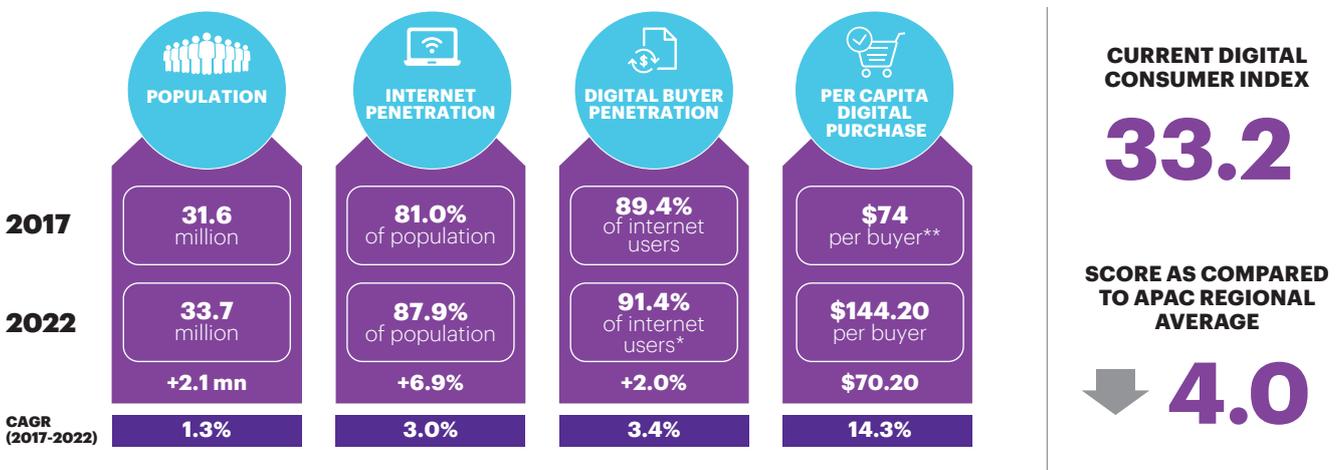
Malaysia's high levels of connectivity is already driving the growth of digital commerce: by 2022. It is expected that there will be 29.6 million internet users in Malaysia, an increase of 3 percent on current numbers. Added to this, Malaysia is undergoing an

economic transformation that looks set to provide a major boost to digital commerce. The levels of per capita disposable income are projected to be at USD 8,700 by 2022 and eCommerce will contribute RM 211 billion to its GDP by 2020. With millennials making up over 50 percent of the population, all the evidence points to a bright future for digital commerce in Malaysia.

Malaysian consumers consider value for money a key factor in their purchasing habits. For example, over half of Malaysian shoppers would consider the offer of coupon discounts an important factor in their decision-making. Unsurprisingly, 61 percent of Malaysian shoppers stated that they buy online due to the availability of products at lower prices. The majority of digital commerce in Malaysia is done through smartphones, with 66 percent of all Malaysian consumers using their mobile phones to make purchases.

MALAYSIAN GOVERNMENT'S ECONOMIC TRANSFORMATION PROGRAM COULD AID THE GROWTH OF MALAYSIAN DIGITAL ECONOMY BY 2020

Malaysia misses the regional averages by 4 points, despite high digital penetration



* based on Accenture Research estimates ** pertains to 2016 per capita spend on online channels



TRENDS

Consumers moving towards premium, multi-channel experiences, not afraid to switch between brands

PRICE SENSITIVITY

61%

of Malaysian consumers stated they buy online due to availability of products at cheaper prices

VALUE FOR MONEY

57%

of Malaysian shoppers are attracted by coupon discount

CONVENIENCE

66%

of Malaysian consumers use mobile phones to make online purchases



DRIVERS

of digital commerce in MALAYSIA

~29 mn
INTERNET USERS
2022

\$8.7K
HIGHLY DISPOSABLE
INCOME/CAPITA
2022

>50%
MILLENNIALS
2016

RM 211 bn
ECONOMIC
TRANSFORMATION
PROGRAM*
2020

*eCommerce contribution to GDP



MALAYSIAN CONSUMERS ARE MOBILE SAVVY, AS THEY REFER TO MOBILE PHONES FOR ALMOST MOST OF THEIR SHOPPING JOURNEY

Malaysia consumers are digital across their path to purchase from research to mode of payment

80%

of Malaysian online shoppers shop through smartphones

64%

of Malaysian mobile users use mobile devices for researching for products i.e. product information

87%

of Malaysian young adults prefer purchase in person when doing shopping

64%

of Malaysians are willing to pay extra for express delivery

49%

of Malaysian consumers find searching & discovering products through social media most effective

51%

Malaysian mobile users use their cell phones to search for coupons/deals

53%

of Malaysian internet users enroll for 2-5 loyalty programs

54%

Malaysian digital shoppers prefer to pay via online transfers