

# Making Ramadan a key part of e-commerce strategies in Southeast Asia

By Ronen Mense

Ramadan is probably one of the most important seasons for eCommerce businesses in Southeast Asia. While it is a month of self-reflection and spiritual growth, it is also a time of celebration, and so it is critical for businesses to devise appropriate Ramadan marketing strategies and messaging.

## Massive opportunity for businesses

Ramadan presents a massive opportunity for businesses and app developers to grow their business in Southeast Asia, especially in Indonesia, Malaysia and Singapore, as it is home to one of the largest Muslim populations in the world. The region also has seen exponential growth with the use of smartphones, creating a mobile-first ecosystem. Google's internal data indicates that in 2017, Ramadan-related searches grew 33% compared to 2016. Specifically, there was a gradual lift in Ramadan-related searches starting two weeks before Ramadan that continued throughout the fasting month before culminating in the week of Hari Raya.

To take advantage of this surge, it is essential to go beyond making superficial or cosmetic changes such as changing your app store profiles to include Ramadan visuals. Consumers can see through the graphics and are looking for brands to truly understand the trends of the Ramadan season and tailor to unique user behaviors from the week preceding Ramadan to two weeks after Hari Raya national holiday.

There are 350 million mobile-first internet users in Southeast Asia, and they are the most engaged mobile users globally. Of this 350M, nearly 250 million people will be celebrating Ramadan across Indonesia (87.2%), Malaysia (61.3%) and Singapore (14%). Investing the time in understanding what works during the Ramadan season and customizing the approach to optimize results will help businesses with user retention and ROI - one of

the biggest challenges faced by small and big brands alike. Let's take a closer look at shopping and travel eCommerce categories, two of the most successful categories in the region, and explore ways for brands to seize the critical moments during this festive season and successfully engage with your users.

## Shopping apps dominate the festivities

The online shopping sector in Southeast Asia is exploding. Only \$5.5 billion in e-commerce—less than 1% of total retail sales—was recorded in the region in 2015. But that's projected to grow explosively, to around \$102 billion by 2025, representing a 34% compounded annual growth rate (CAGR) over the period. People love shopping on their smartphones, and Ramadan brings

about extra daytime hours to shop for clothes, gadgets and gifts in preparation for Hari Raya.

A recent report from AppsFlyer reveals that purchases through shopping apps witness a multi-fold increase during Ramadan across Indonesia, Malaysia and Singapore. This spike is especially observed from

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midnight after the last prayer of the day, up until 5-6 am. The report highlighted that the hours before the first prayer, in particular, see marked increases of up to 526% in shopping purchases in Indonesia. This activity peaks at 45% higher than pre-Ramadan periods, in the same country, in the hours between 11 am to 2 pm. Advertisements and promotions should then be scheduled, run and iterated based on performance during these times to maximise your user acquisition and revenue.

## Travel apps are cashing in fast

In 2018, \$30B worth flights and hotels were booked online, and this number is expected to reach \$78B in 2025. Travel apps generally have low retention rates from day one, with both organic and non-organic installs. However, Indonesia ranks among the top three countries globally, with a double-digit retention percentage of 10.4%.

During Ramadan, observers flock to their hometowns to celebrate the festival (in a tradition called Mudik) and non-observers utilize the holidays for a much-needed break. In fact, Ramadan fell very close to the school holidays in the past couple of years, providing the opportunity for families to take an extended vacation with a minimal leave of absence.

This trend is set to continue in 2019, with school holidays starting in the last week of May across Indonesia, Malaysia and Singapore. This combination of 'Mudik' and school holidays results in travel apps witnessing a spike in the Average Revenue Per User

(ARPU) during this season. Travel businesses can seize this opportunity to make smarter, action-oriented decisions such as providing personalized, relevant, and timely offers to your users.

## Conclusion

In the digital travel industry, with its constant price fluctuations and intense competition, businesses need to leverage available insights and plan highly strategic approaches to take advantage of the unique consumer purchase behaviors during Ramadan. This is essential as your users tend to plan a holiday by consuming different types of "inspirational" content such as things to do, culinary selections, hidden gems and trending hotels among others.

Overall, logistical considerations and holiday preparations mean most consumers – other than last-minute shoppers – are likely to shop and make travel plans from the week before Ramadan and continue through the fasting month. It is important for eCommerce players across Indonesia, Malaysia and Singapore to start their Ramadan outreach early. Though aggressive marketing is a double-edged sword, consumers are more open to such targeted outreach during a shopping rush. As such, businesses should consider reaching out across all possible engagement channels, whether via paid retargeting, push messaging or email.

*Courtesy : PAYMENT.com*

## LEARN & EARN through Digital Finance

Digital Finance, the monthly Special of The Bangladesh Express is a collaborative media product of BJFCI and The Bangladesh Express designed to encourage BJFCI member journalists keep watch on the evolving financial landscape and protect rights of consumers and promote inclusive investments.

BJFCI has taken the Learn & Earn project in line with its mission "to empower journalists, better address consumer concerns; and promote investors for a better Bangladesh with inclusive and sustainable growth". And The Bangladesh Express is publishing Digital Finance under its Financial Literacy For Mobile Subscribers-FILMS project in line with its mission 'to bring good thing to life'.

Mr. Promoth Ranjan Biswas ( 01745-922-737), Vice-Chairman of BJFCI is supervising the Learn & Earn project and Mr. Md.



Bashir Hossain Miah (01753483985), Member of BJFCI is working as Project Coordinator of the project and the Digital Finance.

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