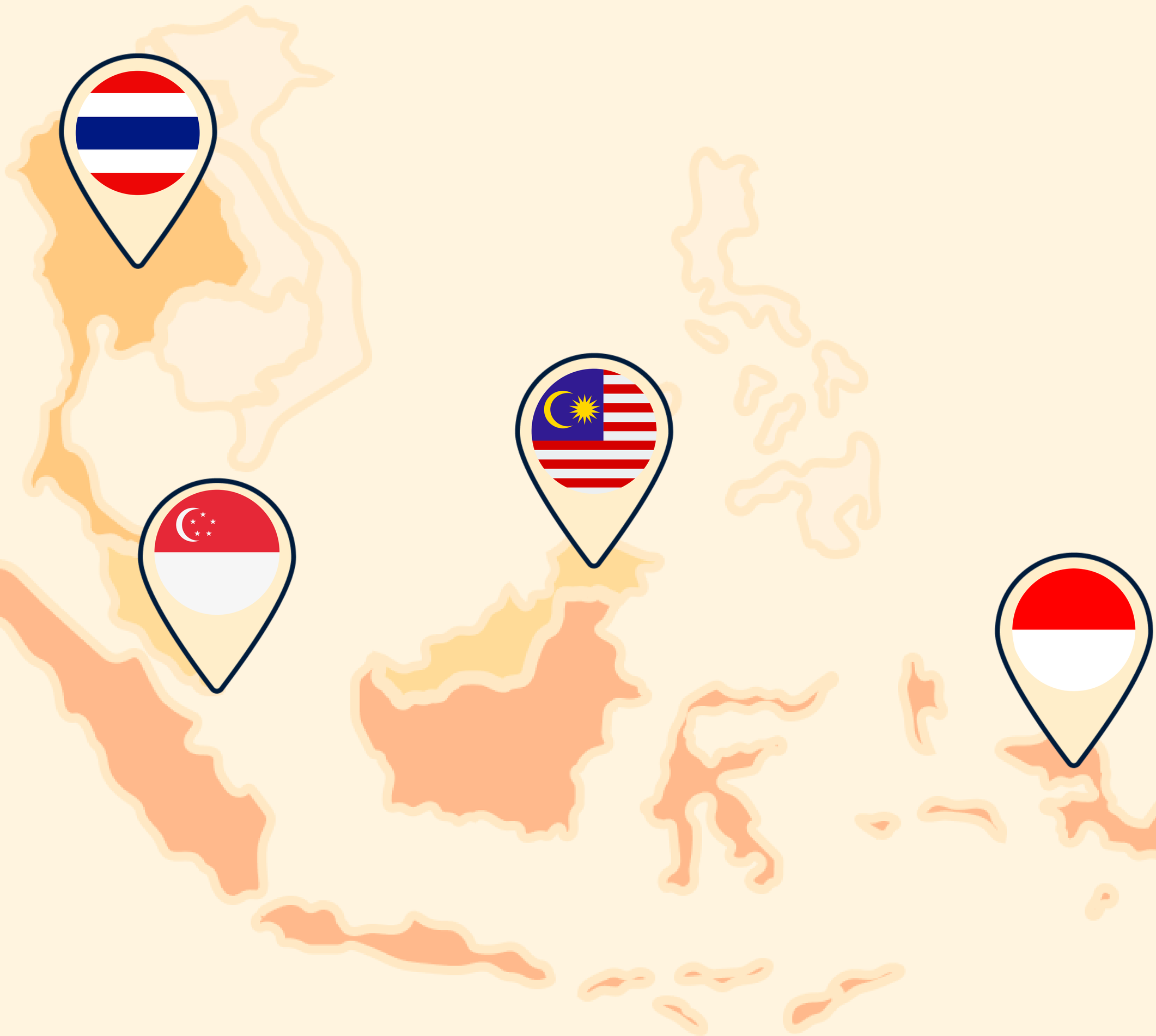
parcelmonitor

Southeast Asia E-Commerce Logistics Market Report 2024

How has e-commerce evolved in Indonesia, Malaysia, Singapore, and Thailand?



Contents Page

01 About the Report

02 E-Commerce Landscape in Southeast Asia

03 Top Consumer Trends in SEA

04 Delivery Performance by Country

05 Closing Remarks

06 About Parcel Monitor



01 About the Report

What to Expect

With its revenue expected to reach **USD 211 billion** by 2025, the Southeast Asian e-commerce market is one of the most robust and fastest-growing worldwide. Every year, a growing number of e-commerce outlets are springing up across the region to take up the challenge of catering to Asian consumers. With this in mind, this report features insights derived from our in-house data, along with Rakuten Insight Global's survey findings that reveal the state of e-commerce across SEA, with a focus on **Singapore, Indonesia, Malaysia, and Thailand**.

Data Methodology

Our benchmarking and carrier performance measurement initiatives involve the collection of **billions of anonymized data points from more than 130 countries** annually. We also harness data from **hundreds of millions of parcels spanning 1,450+ carriers** through our international tracking page, culminating in the creation of high-quality insights.

In addition, our domestic and international data is analyzed on a “trade lane” level, comparing the same combinations of origin and destination to maintain data representativeness. Benchmark data sets have been compiled with strict minimum requirements for data point quantity and comparability.

Want to learn more about our data?

GET IN TOUCH TODAY



02 E-Commerce Landscape in Southeast Asia

Digital habits in Southeast Asia (SEA) have shifted more dramatically than ever since the end of the pandemic. A year or two ago, the emergence of COVID-19 encouraged more home-centric lives and sped up the transition from offline to online, but today's digital consumer marketplace exists in quite different circumstances. Inflationary pressures, geopolitical tensions, and other global macroeconomic obstacles threaten the region's recovery as we emerge from the pandemic period.

Southeast Asia's Expanding Digital Consumer Community

According to multiple forecasts, there will be **402 million digital customers in the SEA region by 2027**, representing 88% of the total population of people aged 15 and up by the conclusion of the projection period. At 168 million, Indonesians will reportedly make up the bulk of the region's digital users, up from last year's total of 154 million. Meanwhile, Thailand is expected to gain approximately 2 million e-commerce customers (4%), followed by Malaysia at 1 million (4%), and Vietnam at 4 million (6%).

Promising Prospects Despite a Slowdown in E-Commerce GMV Growth

From a projected $112 billion in 2021, **gross merchandise value (GMV) is projected to expand to $280 billion in 2027**, says a recent report by Meta and Bain & Company. The growth has, however, decreased from 48% in 2020–2021 to 15% in 2021–2022. The loosening of COVID-related regulations may have played a role in this drop since increased consumer mobility has resulted in additional opportunities for offline purchasing.

Potentially driving this channel shift are consumers' preferences for the "look and feel" provided by offline channels. Inflationary and supply chain stresses are two other explanations. That being said, some types of purchases have seen an increase in the number of times they are made online. For starters, beauty and cosmetics had a 15% increase, from 3.8 purchases on average to 4.4, while home furniture saw a 6% jump, from 3.6 to 3.8, and home appliances saw a 5% increase, from 3.5 to 3.9.

Curious to know how Singapore, Malaysia, and Thailand fared in Q2 2023?

Find out in the latest e-commerce logistics race.

03 Top Consumer Trends in Southeast Asia

91%

are likely to switch to a competitor if they experienced **poor customer service**

In the highly competitive business atmosphere in Southeast Asia, customer experience is one of the key means to ensure customer loyalty and repeat buying. As businesses continue to innovate and improve their services to suit customers' demands, buyers in SEA have come to expect a high standard of service.

As per Rakuten Insight's research, **50% of SEA customers** in general stated that they would **be very likely to switch their patronage to a competitor if such a business failed to provide good customer service.** This result was obtained from a survey in which respondents were required to choose how likely they would be to go for a different retailer if they experienced poor service. Respondents' options ranged from "very likely" to "likely", "unlikely" and "very unlikely".

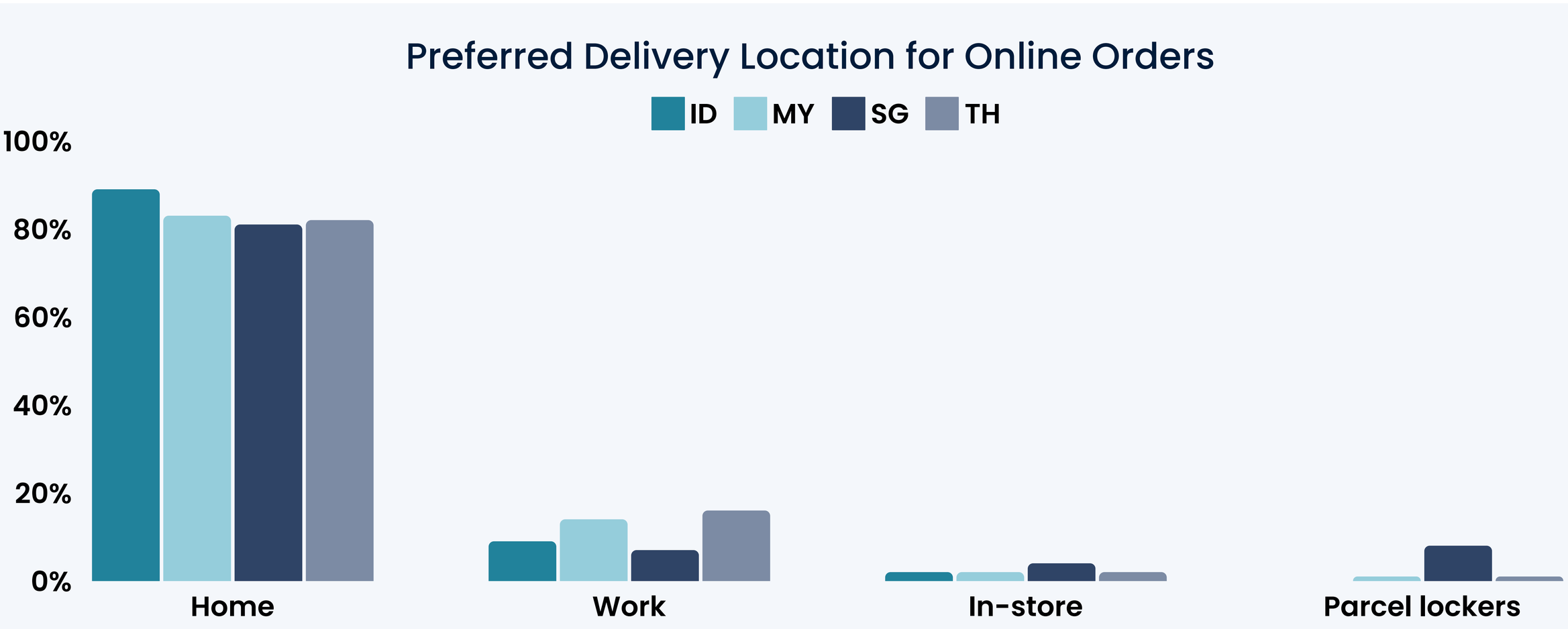
A breakdown of this statistic shows that 60% of examined Indonesian shoppers would be "very likely" to jump ship when faced with subpar service. The Philippines is next in line with 52%. Vietnam, Malaysia, and Singapore are next with 46%, 45%, and 44% of their respective surveyees indicating the same.

A slightly lower figure of 41% of total respondents indicated that they would be "likely" to switch to another retailer if and when they received poor service. Interestingly, only a combined 8% of total respondents stated that they would either be unlikely or very unlikely to leave their favorite retailers even when they receive poor service. In general, excellent customer service delivery remains key in the SEA region to keep customers satisfied and loyal.

Looking for some proven strategies to keep your customers returning?

Discover 6 of the best customer retention strategies here.

03 Top Consumer Trends in Southeast Asia



When it comes to last-mile delivery methods, Southeast Asian consumers have a **strong preference for home deliveries**. According to the latest consumer survey by Rakuten Insight, 89% of consumers in Indonesia, 83% in Malaysia, 81% in Singapore, and 82% in Thailand prefer to receive their packages at their doorstep. Additionally, the data indicates that **consumers in Thailand have a higher preference for parcel lockers (8%)** compared to other countries, suggesting that there may be an opportunity to explore alternative delivery methods in this market.

The Appeal of Home Deliveries

The preference for home deliveries is driven by several factors, including **convenience, security, and flexibility**. Home deliveries allow consumers to receive their packages without having to take time out of their day to travel to a pickup location or wait in line for their order. This is especially beneficial for busy individuals who may not have the time or resources to make a trip to a store or parcel locker. Additionally, home deliveries provide a **safe and secure option** for consumers who may be concerned about the safety of their packages or the security of their personal information.

Consumers in Southeast Asia are not only willing to pay for the convenience of home deliveries, but they also expect free shipping as a standard benefit. This expectation has led to increased competition among e-commerce platforms and courier services to provide fast, reliable, and affordable delivery options.

03 Top Consumer Trends in Southeast Asia

Retailers should provide an Estimated Delivery Date (EDD)

80% will purchase from an online store more often if the parcel arrival date is accurate

87% are more likely to check out if a precise EDD was given as opposed to a range (e.g. 1 Jan vs 1-5 Jan)

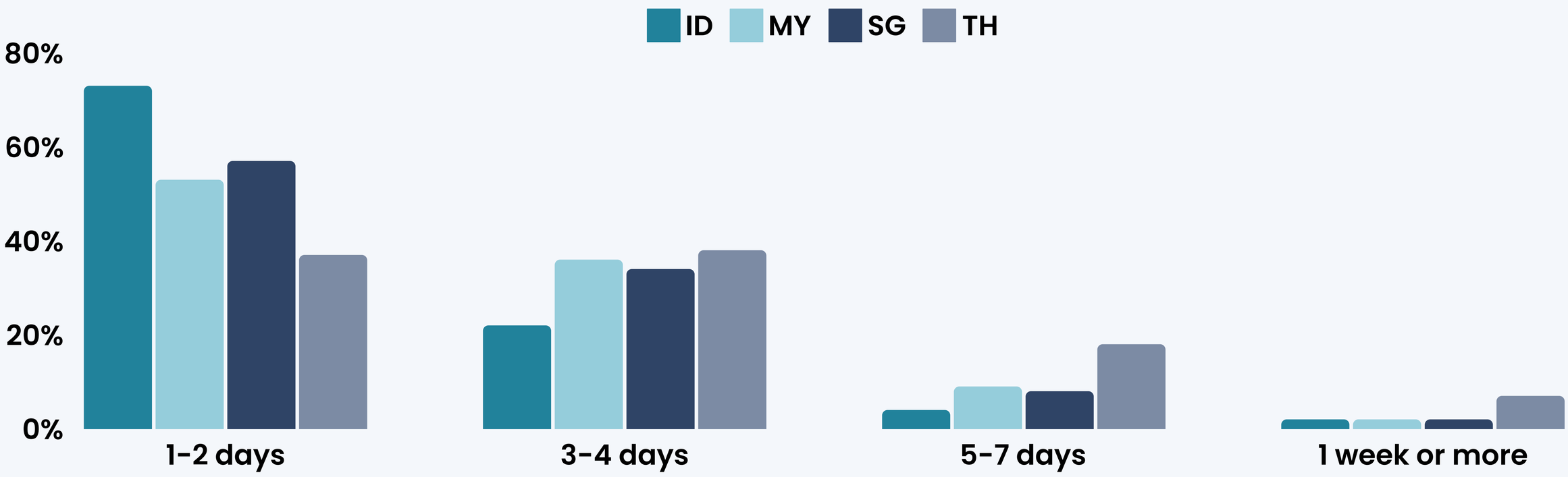
Enhancing the Delivery Experience Through Real-Time Tracking

One of the key ways to win over consumers during the delivery process is by providing accurate and timely information about their packages. This includes providing an estimated delivery date (EDD) at the time of purchase, as well as regular updates on the status of their delivery. In Southeast Asia, an overwhelming **80% of consumers expressed a preference for merchants offering clear and accurate EDDs**, signaling its pivotal role in driving repeat purchases. This sentiment is particularly **pronounced in the Philippines**, where **85% of respondents emphasized the importance of precise delivery dates**. Similarly, 80% of Malaysian and 78% of Indonesian respondents echoed this sentiment.

Furthermore, the majority of respondents across Southeast Asia emphasized their **intolerance for delays exceeding 3-4 days post-EDD**. Notably, Thai shoppers emerged as particularly stringent, with 73% indicating that delays beyond 1-2 days would be considered unacceptable.

Discover other ways to reduce cart abandonment besides providing accurate EDDs.

How many days of delay from the EDD is acceptable?



03 Top Consumer Trends in Southeast Asia

Did you know: **high shipping costs play a substantial role in contributing to cart abandonment**, accounting for an **average abandonment rate of 54%** across the Southeast Asian region.



To address this challenge effectively, e-commerce businesses must **prioritize transparency in communicating all costs** associated with a purchase. Displaying all costs clearly and prominently throughout the shopping journey, from product pages to the final checkout, instills trust and ensures that shoppers have a comprehensive understanding of their financial commitment.

Partner With the Right Logistics Provider for Timely Deliveries

In the realm of e-commerce, the importance of optimizing delivery times through strategic partnerships with reliable logistics providers cannot be overstated. This strategy directly addresses a significant contributor to cart abandonment: long delivery times.

Partnering with trustworthy logistics providers serve as a cornerstone in building and maintaining customer trust. By ensuring that deliveries are not only prompt but also reliable, businesses demonstrate a commitment to meeting or surpassing customer expectations. Trust is a linchpin in the decision-making process, and customers are more likely to complete transactions when they have confidence in the timely fulfillment of their orders.

Begin your search for the perfect logistics partner here.

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Achieve operational excellence with our carrier and market data

1 Gain In-Depth Analysis of Delivery Performance

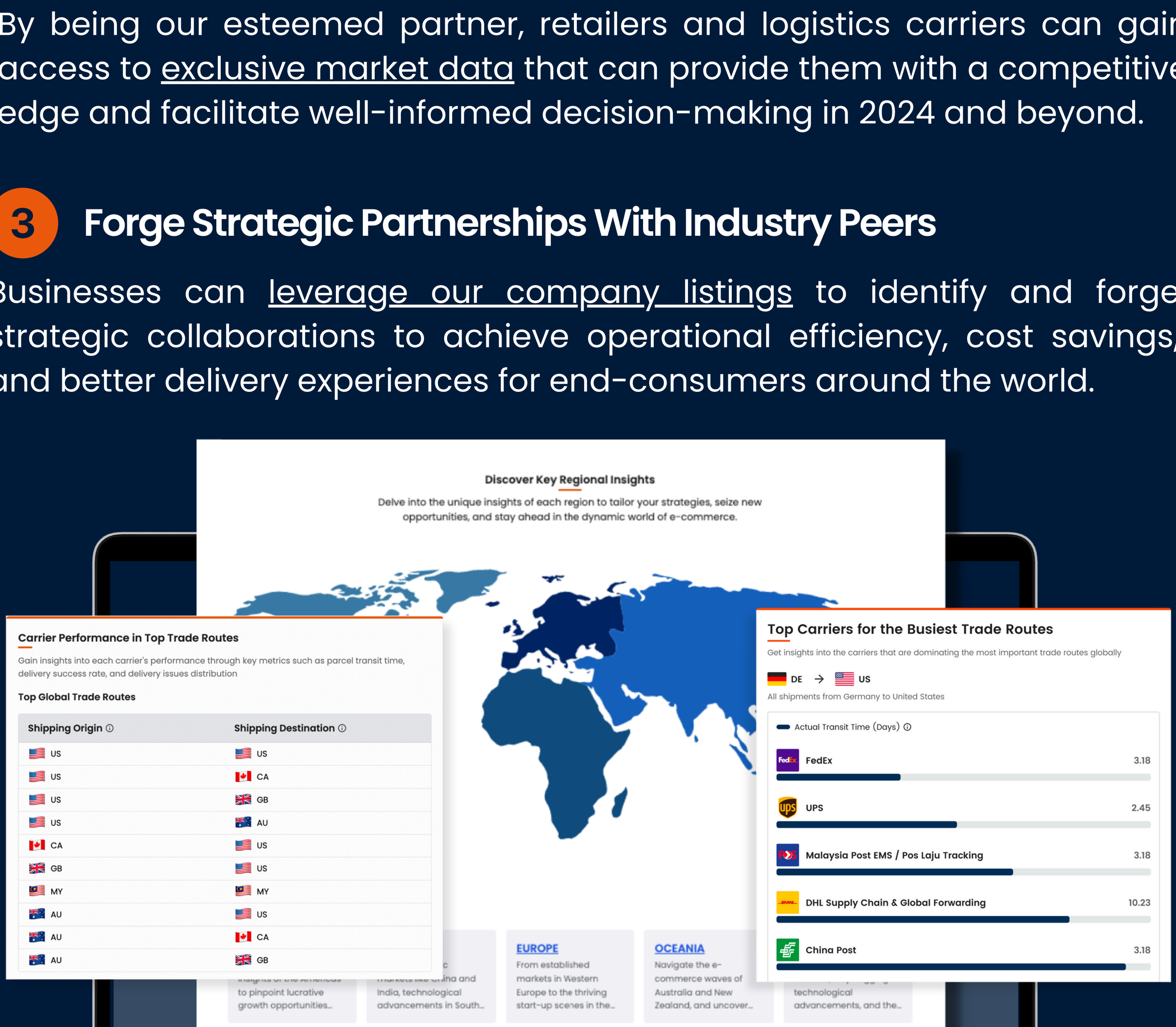
Retailers can utilize our carrier performance data (e.g. parcel transit times) to select the most suitable logistics partners capable of handling the increased e-commerce order volume in the coming months.

2 Unlock Exclusive Access to Market Data

By being our esteemed partner, retailers and logistics carriers can gain access to exclusive market data that can provide them with a competitive edge and facilitate well-informed decision-making in 2024 and beyond.

3 Forge Strategic Partnerships With Industry Peers

Businesses can leverage our company listings to identify and forge strategic collaborations to achieve operational efficiency, cost savings, and better delivery experiences for end-consumers around the world.



04 Delivery Performance in Indonesia

Indonesia’s Logistics Performance in Numbers

1.31
days for domestic transit time
▼ 13.2% vs 2022

96%
on time ratio

96%
first attempt success rate
▲ 0.8% vs 2022

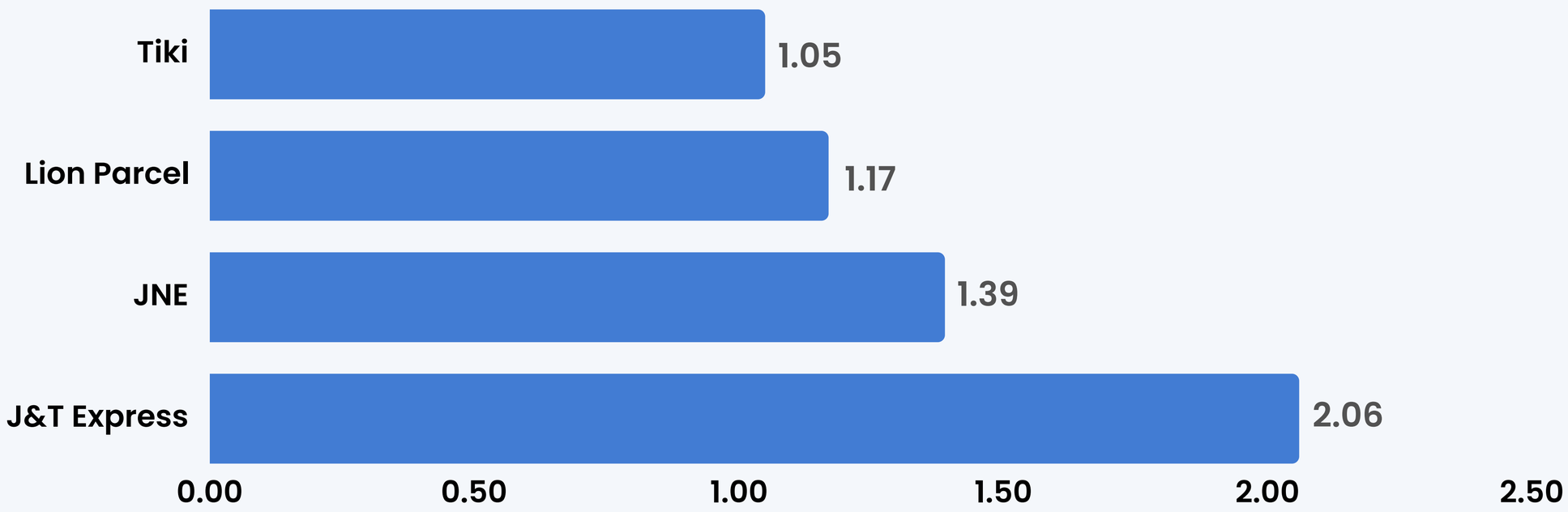
5.2%
issue ratio
▼ 35.2% vs 2022

In 2023, Indonesia's e-commerce market saw substantial year-over-year improvements in many of its key delivery performance metrics. For starters, the **transit time for domestic parcels notably decreased by 13.2%** compared to 2022, averaging at just 1.31 days. The **first-attempt delivery success rate also saw a commendable increase of 0.8%**, while the on-time delivery ratio reached an impressive 96% – the highest among its neighboring nations.

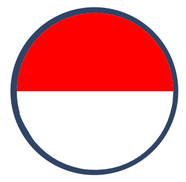
Along the same vein, the **overall issue ratio for domestic parcels** experienced a notable decline **from 7.99% in 2022 to 5.2% in 2023**. Carrier-related challenges, in particular, contributed to 41% of the total issues encountered within Indonesia's e-commerce logistics sector. Leading carriers for domestic shipping include **Tiki, Lion Parcel, JNE, and J&T Express**, each presenting varying performance levels concerning delivery speed, reliability, and customer service.

Curious to find out more about the Indonesian market? Unlock more data here.

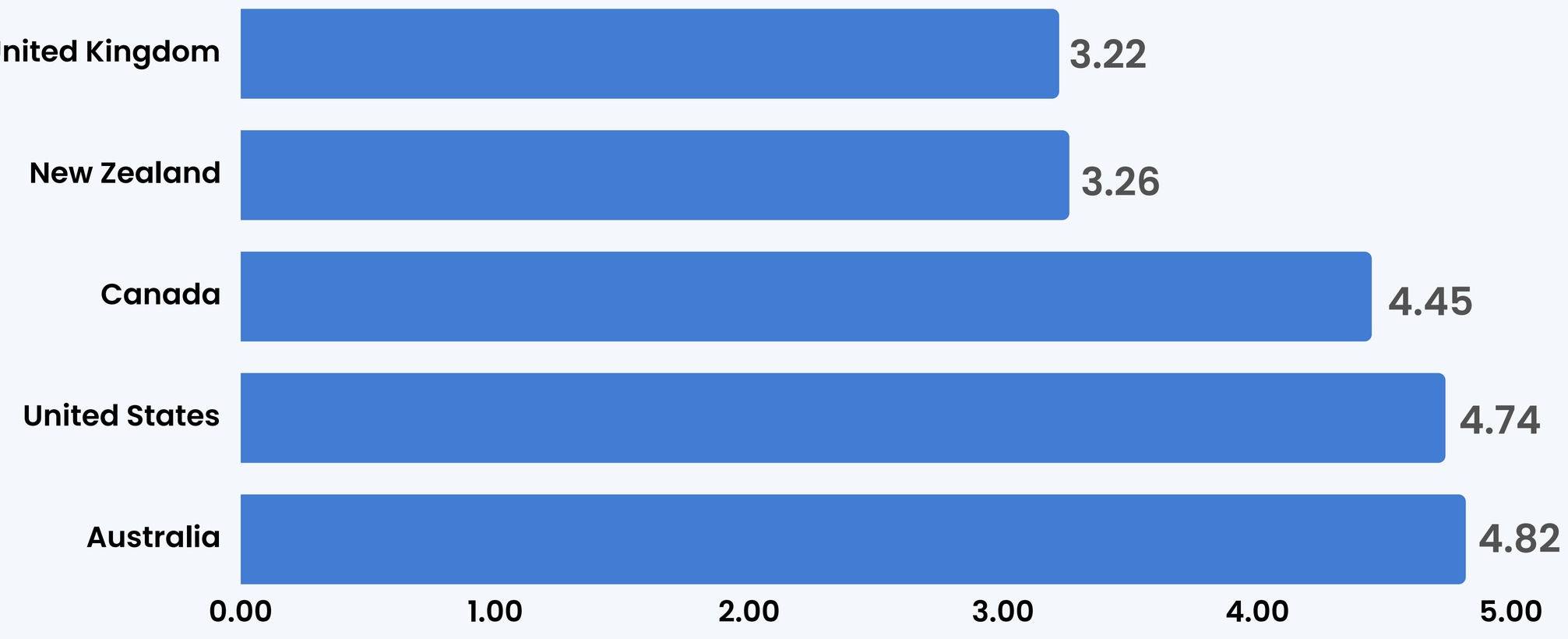
Domestic Transit Times for the Top Carriers within Indonesia



04 Delivery Performance in Indonesia



Transit Times for Key International Trade Routes Originating from Indonesia



The international e-commerce market is thriving, and Indonesia has emerged as a key player in the Southeast Asian region. With its strategic location and growing economy, Indonesia is well-positioned to serve as a hub for cross-border trade, connecting businesses and consumers with global markets. However, the success of international e-commerce relies heavily on the efficiency of logistics and shipping services.

Among the top cross-border trade routes originating from Indonesia, **the shortest transit time was observed in ID-GB route** (Indonesia to the United Kingdom), with **an average of 3.22 days**. The efficient transit time between them can be attributed to a combination of factors, including optimized shipping routes, efficient customs processes, and well-established trade relations between the two countries. By leveraging these advantages, businesses in Indonesia can effectively tap into the UK market, and UK consumers can benefit from the timely delivery of Indonesian products.

Find out which carriers are the best options for these shipping routes.

04 Delivery Performance in Malaysia

Malaysia's Logistics Performance in Numbers

1.5
days for domestic transit time
▼6.6% vs 2022

92%
on time ratio

94%
first attempt success rate
▲13.4% vs 2022

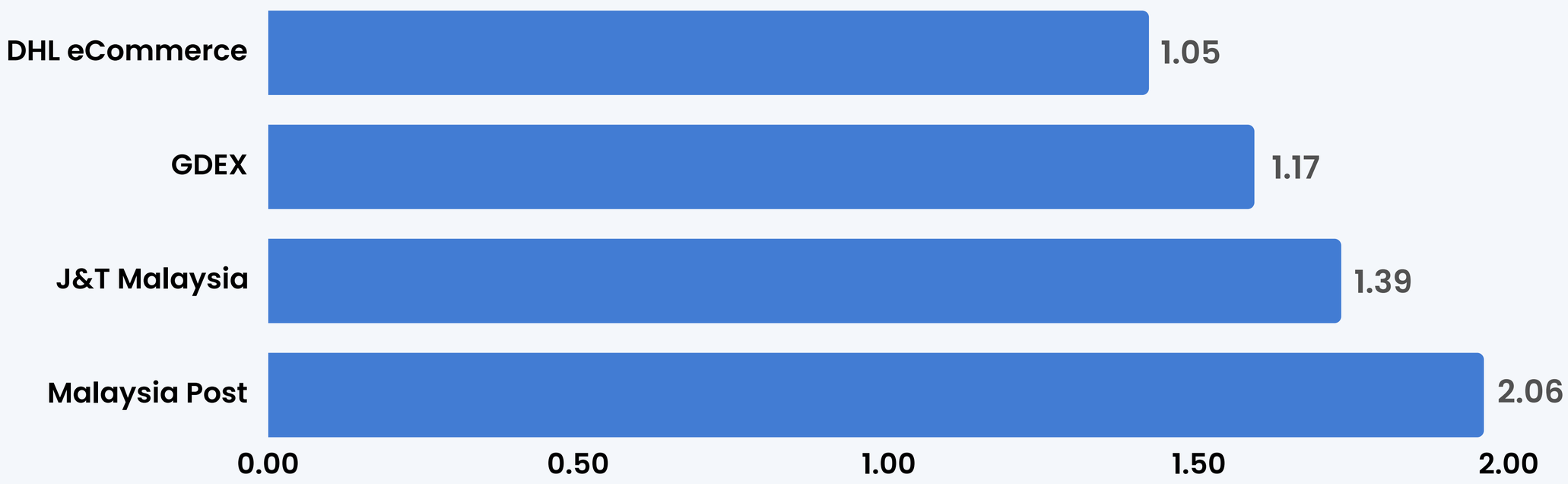
16%
issue ratio
▲38% vs 2022

In Malaysia, the e-commerce sector experienced a mix of developments and challenges in logistics performance over the past year. Besides the **6.6% improvement in domestic parcel transit time**, reducing to **an average of 1.5 days**, there was also a notable 13.9% increase in the first-attempt delivery success rate, reaching an impressive 94%. However, the overall **issue ratio for domestic parcels saw a significant uptickk of 38%**, mainly due to carrier-related challenges, which accounted for about 77% of the total issues encountered.

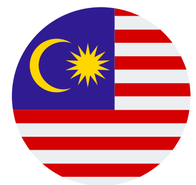
Key players in Malaysia's domestic shipping landscape encompass **DHL eCommerce, GDEX, J&T, and Malaysia Post (Poslaju)**, each exhibiting varying performance standards in delivery speed, reliability, and customer service. As with any market, the performance of these carriers plays a pivotal role in the e-commerce sector's success, as prompt and dependable delivery services are fundamental to meeting the escalating demands of online consumers in Malaysia.

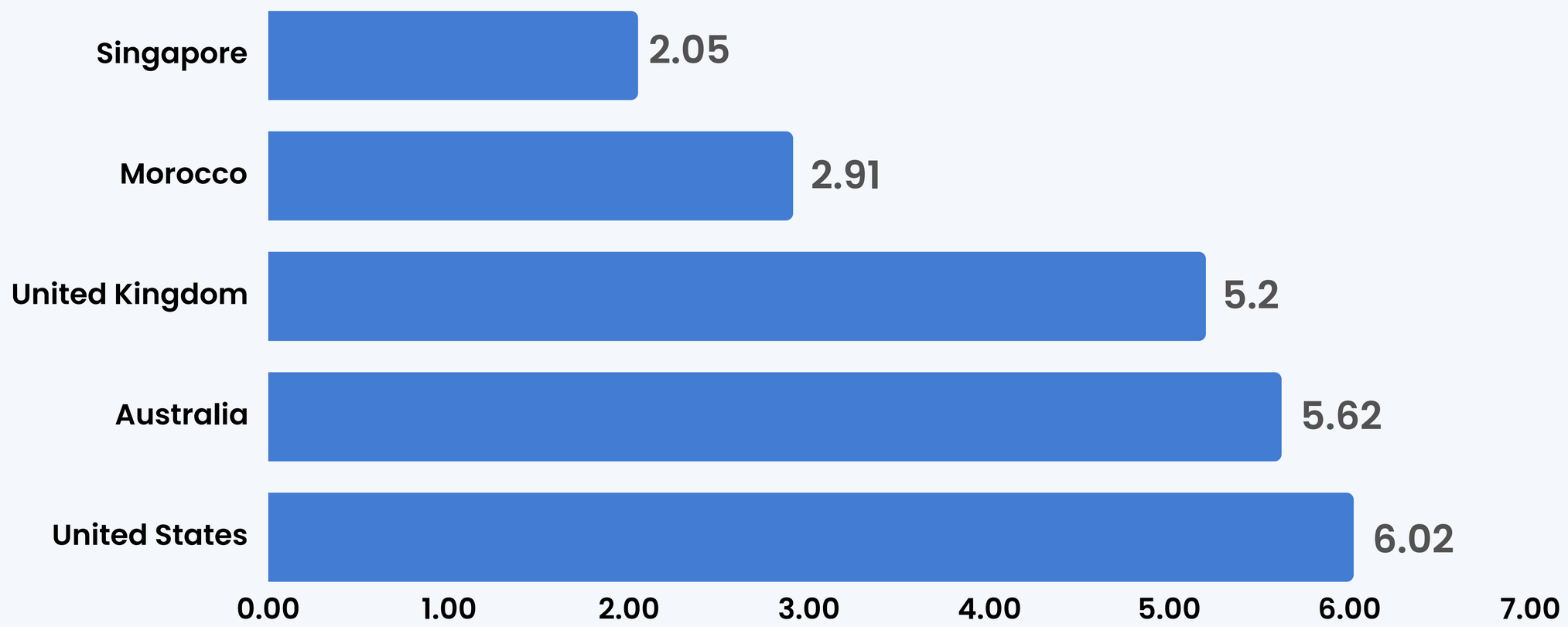
Curious to find out more about the Malaysian market? Unlock more data here.

Domestic Transit Times for the Top Carriers within Malaysia



04 Delivery Performance in Malaysia





One of the most notable trade lanes originating from Malaysia is the MY-SG route, which connects Malaysia to its neighboring country, Singapore. According to recent data, the transit time for parcels shipped from Malaysia to Singapore is impressively short, averaging just 2.05 days. This efficiency can be attributed to a combination of factors, including the close geographical proximity of the two countries, well-established shipping routes, and streamlined customs processes.

Besides Singapore, Malaysia also has established trade lanes with several other key markets around the world, including:

- Malaysia to Morocco (MY-MA): With an **average transit time of 2.91 days**, this route connects businesses in Malaysia to the emerging market of Morocco in North Africa.
- Malaysia to the United Kingdom (MY-UK): This route has an **average transit time of 5.2 days**, enabling Malaysian businesses to tap into the lucrative UK market and provide British consumers with access to high-quality products from Southeast Asia.
- Malaysia to Australia (MY-AU): The **average transit time for this route is 5.62 days**, allowing businesses in Malaysia to connect with Australian consumers and contribute to the growing e-commerce market in the Oceania region.
- Malaysia to the United States (MY-US): With an **average transit time of 6.02 days**, this route enables Malaysian businesses to reach the massive US market, while providing American consumers with access to unique and diverse products from Malaysia.

Find out which carriers are the best options for these shipping routes.

04 Delivery Performance in Singapore

Singapore's Logistics Performance in Numbers

1.31
days for domestic transit time
▲ 1.2% vs 2022

87%
on time ratio

94%
first attempt success rate
▲ 5.2% vs 2022

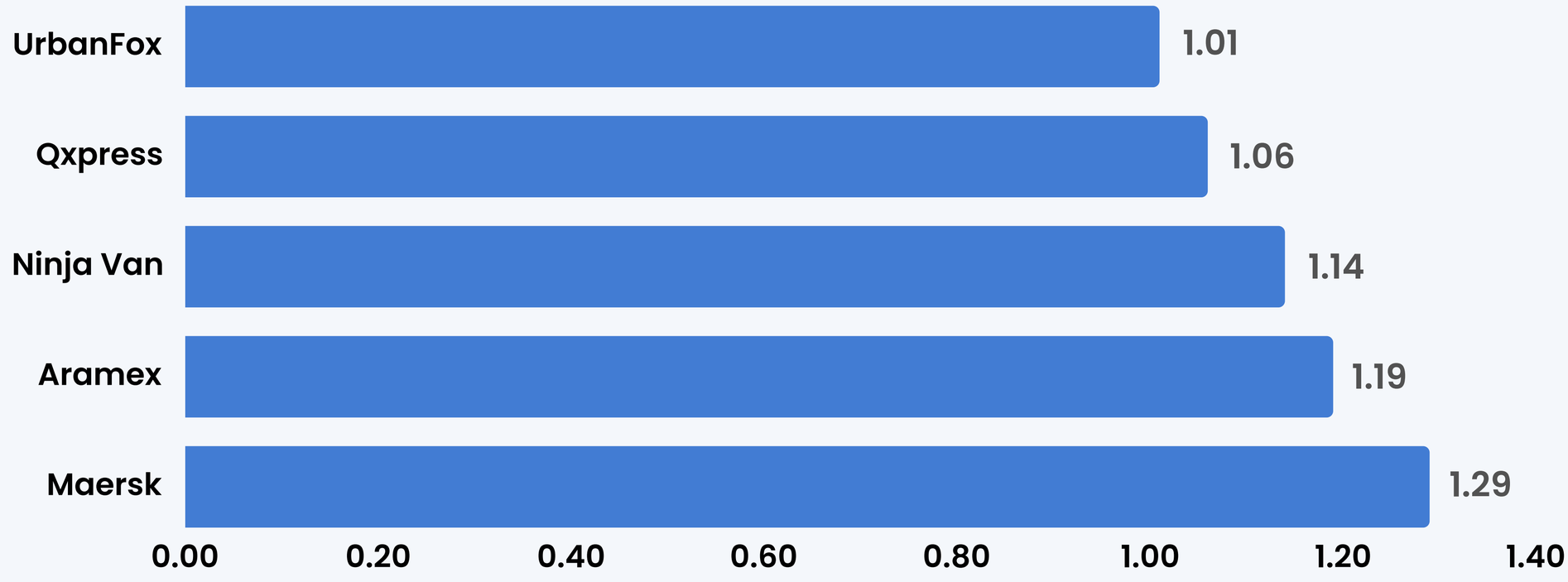
6.3%
issue ratio
▲ 85.2% vs 2022

In 2023, the **average transit time for domestic parcels** in Singapore was **an impressive 1.31 days**, which is only a slight deterioration of 1.2% from the year before. Another positive trend is the increase in the **first-attempt delivery success rate, which has risen by 5.2%** from 2022, reaching 94%. Despite these positive developments, there are areas where the logistics performance in Singapore's e-commerce market could be enhanced. For instance, the overall **issue ratio for domestic parcels** in Singapore has experienced a significant increase, **nearly doubling from 3.44% in 2022 to 6.3% in 2023**.

The top carriers for domestic shipping in Singapore include **UrbanFox, Qxpress, Ninja Van, Aramex, and Maersk**. These carriers play a critical role in the logistics performance in the Singapore e-commerce market, with their performance varying based on factors such as delivery speed, reliability, and customer service.

Curious to find out more about the Singapore market? Unlock more data here.

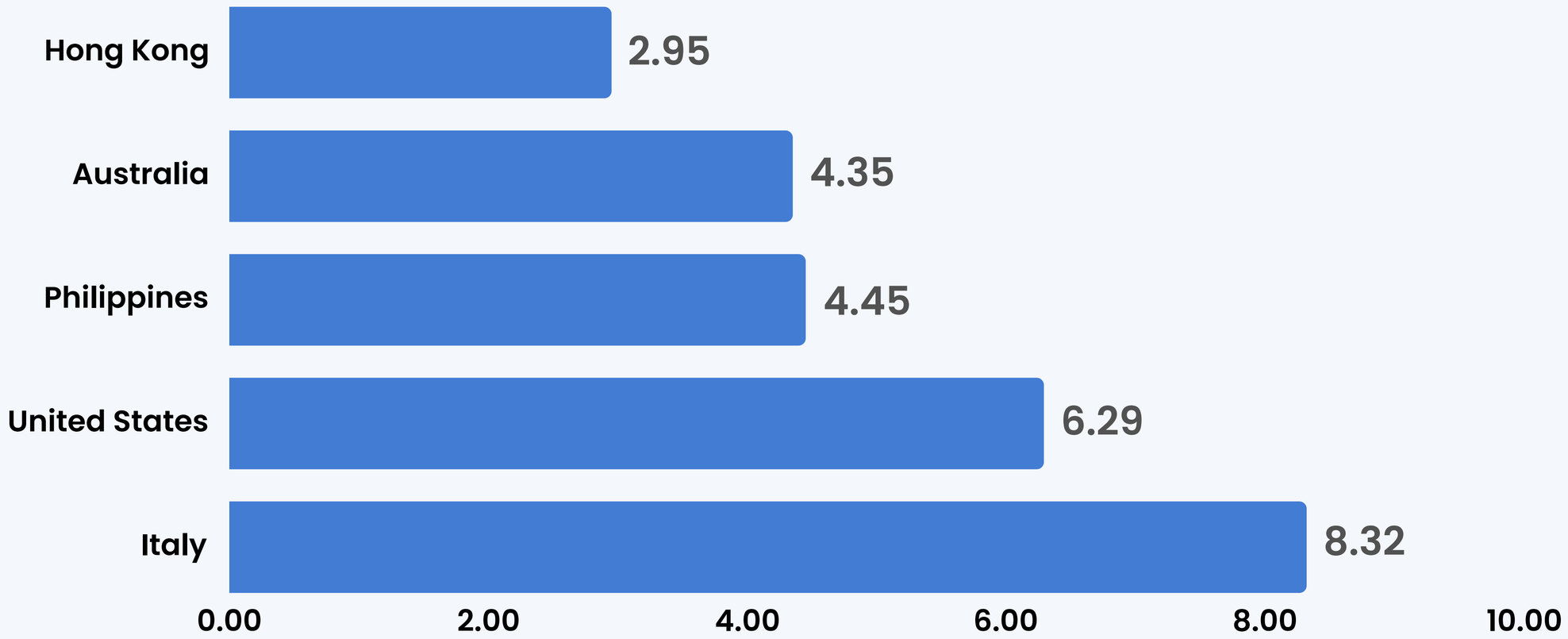
Domestic Transit Times for the Top Carriers within Singapore



04 Delivery Performance in Singapore



Transit Times for Key International Trade Routes Originating from Singapore



Among the key international trade routes, the **longest transit time was observed in the SG-IT route** (Singapore to Italy), **averaging 8.32 days in 2023**. This longer transit time can be attributed to the geographical distance between Singapore and Italy, as well as potential challenges in customs clearance, shipping routes, and delivery processes in Italy.

On the other hand, the **shortest transit time was observed in the SG-HK route** (Singapore to Hong Kong), with an average of 2.95 days. The close geographical proximity between Singapore and Hong Kong, along with efficient logistics networks and customs processes, contribute to the fast transit time for this route. Similarly, the transit times for other routes, such as Singapore to Australia, Philippines, and the United States, fall within the range of 4 to 6 days, reflecting the relatively smooth logistics performance for these routes.

Interestingly, the **highest volume of parcels from Singapore was destined for the United States**, with a substantial number of shipments sent throughout 2023. However, this large volume also resulted in a **higher issue rate of 58%**, with carriers being responsible for 99% of the total issues encountered. Some potential reasons for these issues could include customs clearance delays, which can be caused by documentation errors, compliance issues, or unexpected changes in regulations. Additionally, shipping route inefficiencies, such as longer or less optimized routes, could contribute to longer transit times and increase the risk of issues occurring during transit.

Find out which carriers are the best options for these shipping routes.

04 Delivery Performance in Thailand

Singapore's Logistics Performance in Numbers

1.54
days for domestic transit time
▼ 7.8% vs 2022

94%
on time ratio

94%
first attempt success rate
▲ 7.1% vs 2022

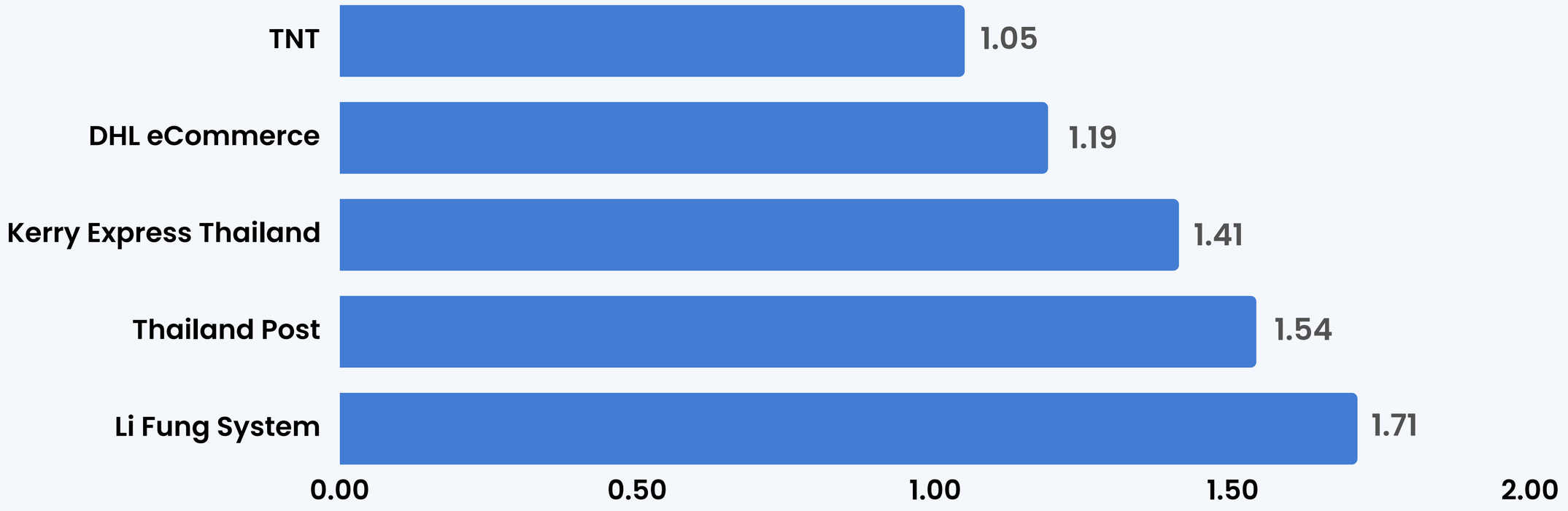
8.6%
issue ratio
▲ 22.8% vs 2022

Thailand, emerging as one of Southeast Asia's rapidly expanding e-commerce hubs, witnessed a nuanced performance in domestic logistics throughout 2023, reflecting a blend of positive strides and areas ripe for enhancement. In addition to the **7.8% improvement in its average transit time** for domestic parcels, Thailand achieved a **commendable 7.1% increase in its first-attempt delivery success rate**, soaring to an impressive 94%.

However, the **issue rate for domestic parcels reached 8.6%**, a notable 22.8% surge from 2022. **Carrier-related hurdles contributed to 51%** of the total delivery issues encountered by consumers, underscoring the imperative of resolving logistics challenges to bolster customer satisfaction. Notable carriers dominating Thailand's domestic shipping landscape include **TNT, DHL eCommerce, Kerry Express, Thailand Post, and Li Fung System**, each offering varying levels of service in speed, reliability, and customer support.

Curious to find out more about the Thai market? Unlock more data here.

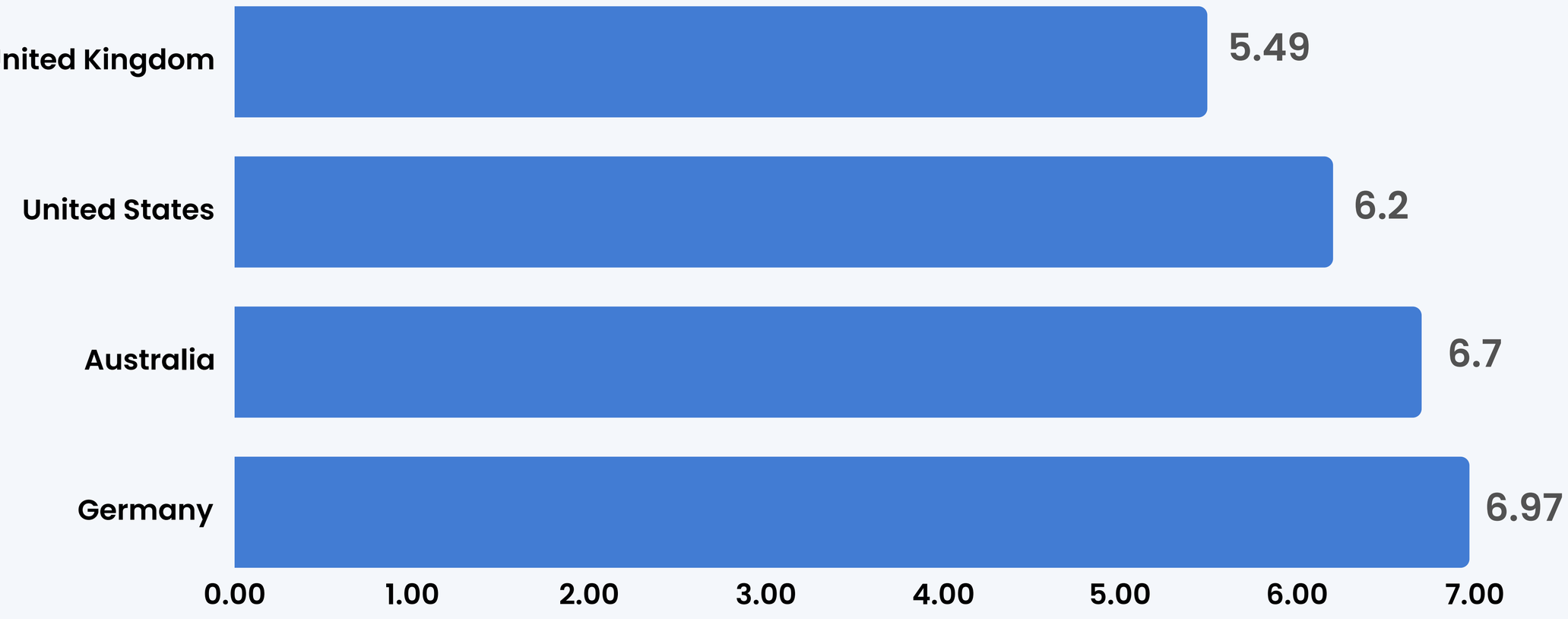
Domestic Transit Times for the Top Carriers within Thailand



04 Delivery Performance in Thailand



Transit Times for Key International Trade Routes Originating from Thailand



When it comes to international shipping routes originating from Thailand, the **shortest transit time was observed in TH-GB route** (Thailand to United Kingdom), with an **average of 5.49 days**. On the other hand, the **longest transit time** among these routes was from Thailand to Germany, **averaging 6.97 days**. The transit times for other routes, such as Thailand to the United States and Australia, fall within the range of 6 to 7 days, reflecting the relatively smooth logistics performance for these routes.

By understanding the transit times for key international trade routes originating from Thailand, businesses in Thailand can optimize their logistics strategies, improve their operational efficiency, and ultimately provide a seamless cross-border shopping experience for their customers around the world. Additionally, this data can inform policymaking and infrastructure development to support the growth of international trade and strengthen Thailand's position as a global logistics hub.

Find out which carriers are the best options for these shipping routes.



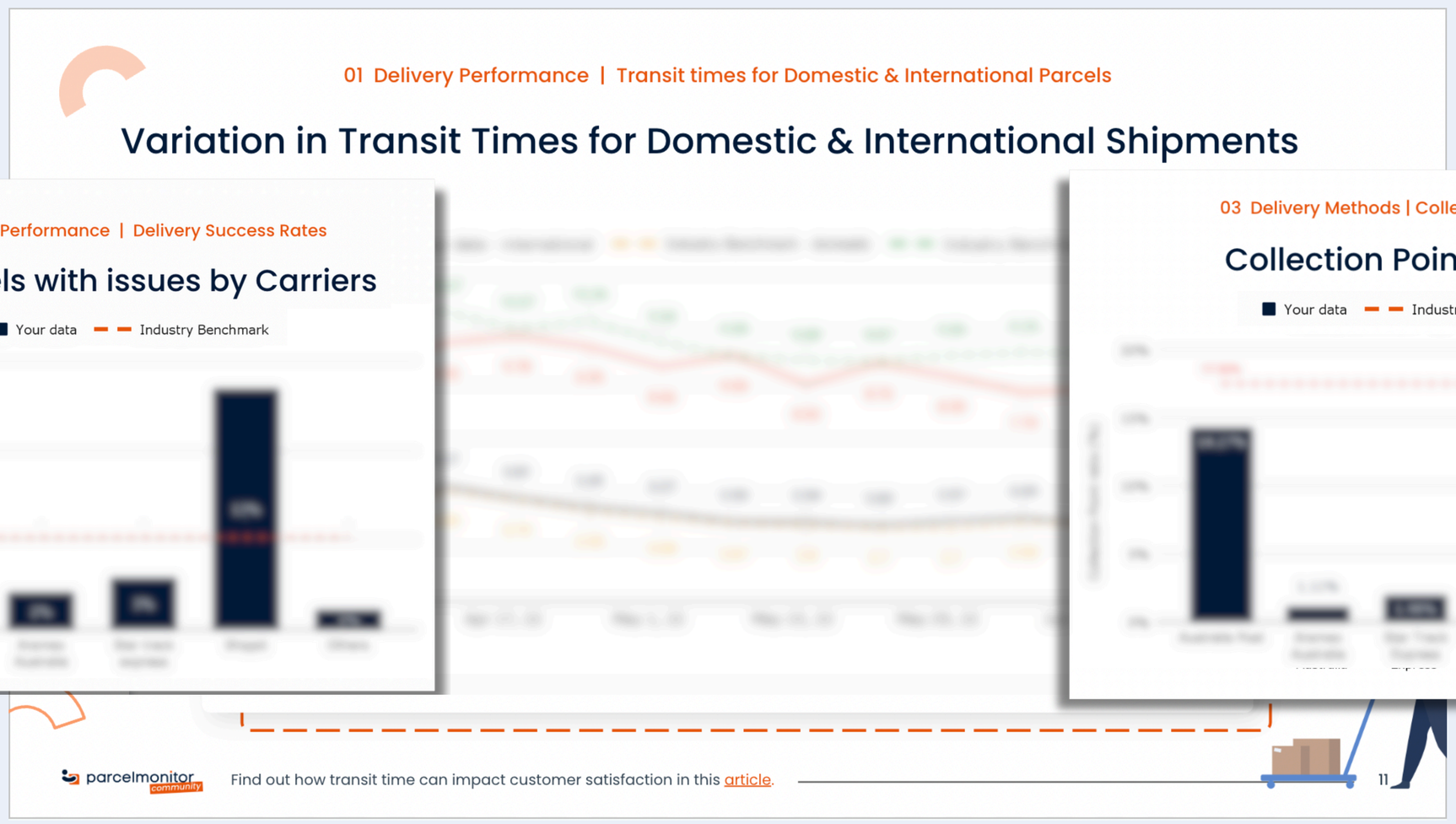
05 Closing Remarks

In conclusion, our report has provided a comprehensive overview of e-commerce landscape in Southeast Asia, including a recap of delivery issues in 2023, and the breakdown of delivery performance metrics in key SEA markets. As we navigate the ever-evolving digital age, where consumer expectations continue to shift and innovations continually emerge, we trust that the insights shared in this report will empower retailers, e-commerce businesses, logistics companies, and industry professionals with the knowledge needed to make informed decisions and steer the course of e-commerce logistics in SEA.

Cheers,

The Parcel Monitor Team

Looking for more data insights?



Discover growth opportunities & make data driven decisions with:

- ✓ Peak season performance benchmarks
- ✓ Shipment transit times
- ✓ Delivery success rates...and more!

FIND OUT MORE ABOUT OUR DATA

parcelmonitor

Trusted Source of E-Commerce Logistics Data

Initiated by e-commerce logistics enthusiasts at Parcel Perform, and powered by end-consumers, Parcel Monitor is **your gateway to real e-commerce logistics data worldwide**.





For Businesses of All Sizes

Companies leverage our market data and benchmarking reports to derive actionable insights into **170+ countries** while forming meaningful collaborations across the industry.

For Consumers Around the World

Millions of consumers rely on our free parcel tracking to monitor the status of their parcels **across 1078+ logistics carriers** globally on a single platform.



About Parcel Monitor

Parcel Monitor is the trusted source of e-commerce logistics insights - powered by real consumer data. Leveraging proprietary data and latest technologies, we empower businesses with actionable insights, while facilitating collaborations across the entire e-commerce logistics ecosystem.

With a global network spanning 1045+ carriers, 170+ countries and 60,000+ shipping routes, we track millions of parcels on a daily basis, providing an accurate reflection of the global markets.