moengage
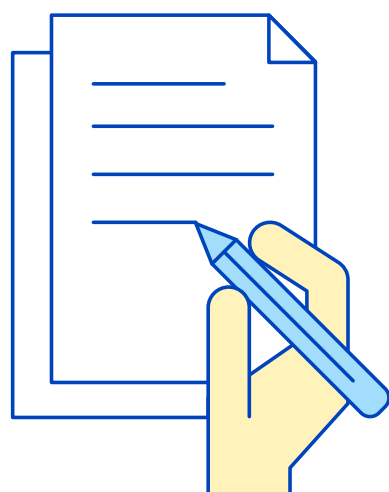

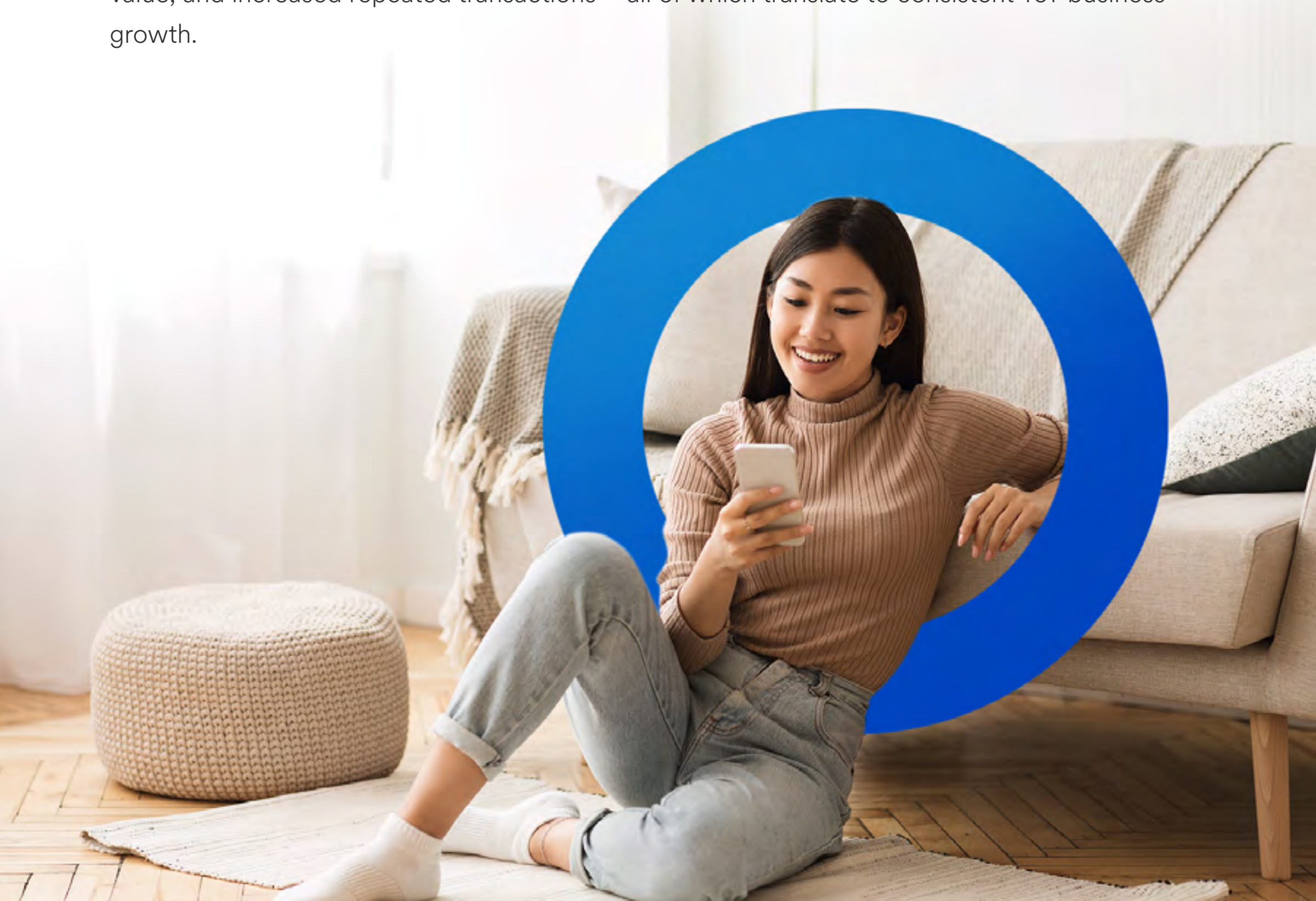# Customer Engagement Benchmarks 2021,
Southeast Asia

INTRODUCTION

In 2020, over 40 million people in six countries across Southeast Asia - Indonesia, Singapore, Malaysia, the Philippines, Thailand, and Vietnam, came online for the first time. This pushed the total number of internet users in these countries to 400 million (that's about 70% of the population). With an overall increase of 11% in online users, Southeast Asia has become one of the world's fastest-growing internet markets containing, arguably, the largest number of digitally engaged users.

The Covid-19 pandemic was the biggest driver of rapid digital adoption by consumers across Southeast Asia, much of which is here to stay. Observing this trend, businesses across industries like E-commerce, Retail, Banking, Financial Services, Digital Entertainment (OTT), Gaming, and Telecommunications have placed customer-centricity at the forefront of their business communication for the year 2021.

The key to unlocking the true state of customer-centricity lies in relevant communication that adds value to your customers. Unlike 'spray and pray,' a data-driven and intelligent approach to Customer Engagement accelerates growth in key business areas like Retention and Monetization. Insights-led Engagement leads to more returning users, higher customer lifetime value, and increased repeated transactions – all of which translate to consistent YoY business growth.

About the Customer Engagement Benchmarks report

In an attempt to understand how digital consumers in Southeast Asia interact with communication from Online Shopping, Banking & Fintech, and Digital Entertainment (OTT) brands, we studied over 6.6 million users from Southeast Asia – primarily from Indonesia, Singapore, Malaysia, the Philippines, Thailand, and Vietnam. This report is a collection of our findings.

Here, you will find how Daily Active Users (DAU) and Monthly Active Users (MAU) have changed in these sectors from January till April 2021. You will also find benchmarks for Click-through Rates (CTRs) and Conversion Rates from digital communication channels like Push Notifications, In-app Messages, Emails, and Website Messages in this report.

We've also gathered Customer Engagement tips and strategies from some of the top consumer brands in the Online Shopping, Banking & Fintech, and Digital Entertainment sectors in Southeast Asia. Since more and more brands in the Telecommunication vertical are introducing OTT streaming services on their mobile apps and website as a part of their offerings, knowing the shift in media consumption and benchmarks from the Digital Entertainment sector will be of utmost importance to them in the coming year.

For the scope of this report, we will not be differentiating between the performance of promotional versus transactional messages. However, it is essential to note that transactional messages generally have higher CTRs and conversion rates. For example, say your customer has just completed their first transaction on your mobile app. Message A, which informs them of this transaction and prompts them to view the invoice, will get better traction than message B, asking them to perform another transaction because they've unlocked a 50% discount coupon.

Online communication channels

When communicating with your users, online channels are among the most powerful tools at a marketer's disposal. Here is a quick overview of the most commonly used digital channels in each industry:

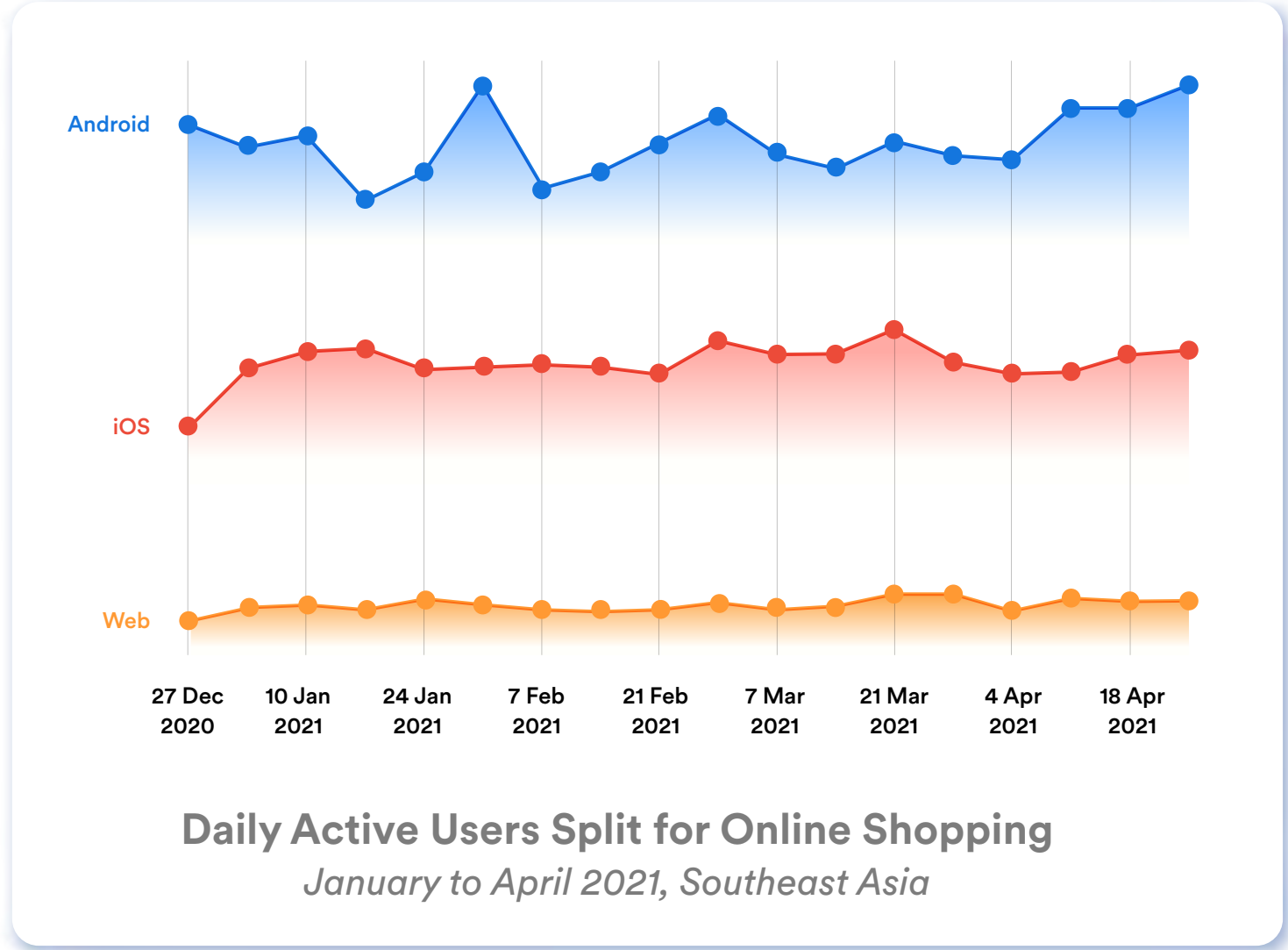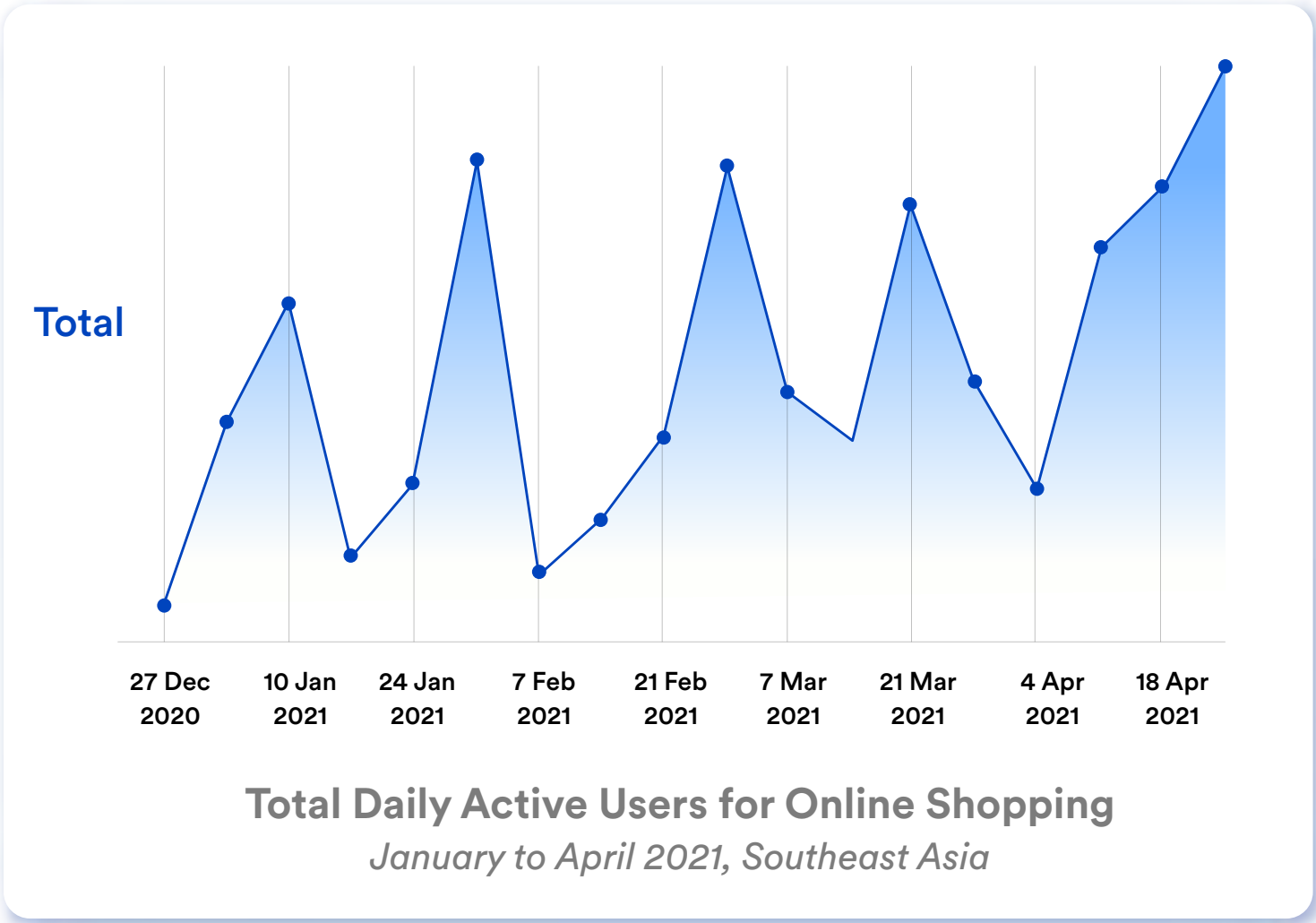|	Email	Push Notifications	In-app Messages	Text/ Messaging services	Social media	Website messages /banners
Retail	✔			✔	✔	
E-commerce	✔	✔	✔	✔	✔	✔
Banking	✔			✔	✔	✔
Fintech	✔	✔	✔	✔	✔	✔
Digital Entertainment (OTT)	✔	✔	✔		✔	✔
Gaming		✔	✔		✔	
Healthcare	✔	✔	✔	✔	✔	✔
Edtech	✔	✔	✔		✔	✔
Telecom	✔	✔	✔	✔	✔	✔

ONLINE SHOPPING

Verticals included: E-commerce, Retail, D2C

How has Shopping behavior changed in 2021?

In Southeast Asia, DAUs of E-commerce, Retail, and D2C brands have increased by 13.36% from January to April 2021. There's been an increase of 24.98% in website DAUs, a 19.59% increase in DAUs on iOS devices, and a 6.45% increase in DAUs on Android devices.

Total Daily Active Users for Online Shopping
January to April 2021, Southeast Asia

Daily Active Users Split for Online Shopping
January to April 2021, Southeast Asia

How has Shopping behavior changed in 2021? | Push Notification benchmarks | Email benchmarks | In-app messages benchmarks | Website messages benchmarks

When studying the number of MAUs of the same brands from January to April 2021, we observed that website MAUs had increased the most by 8.70%.
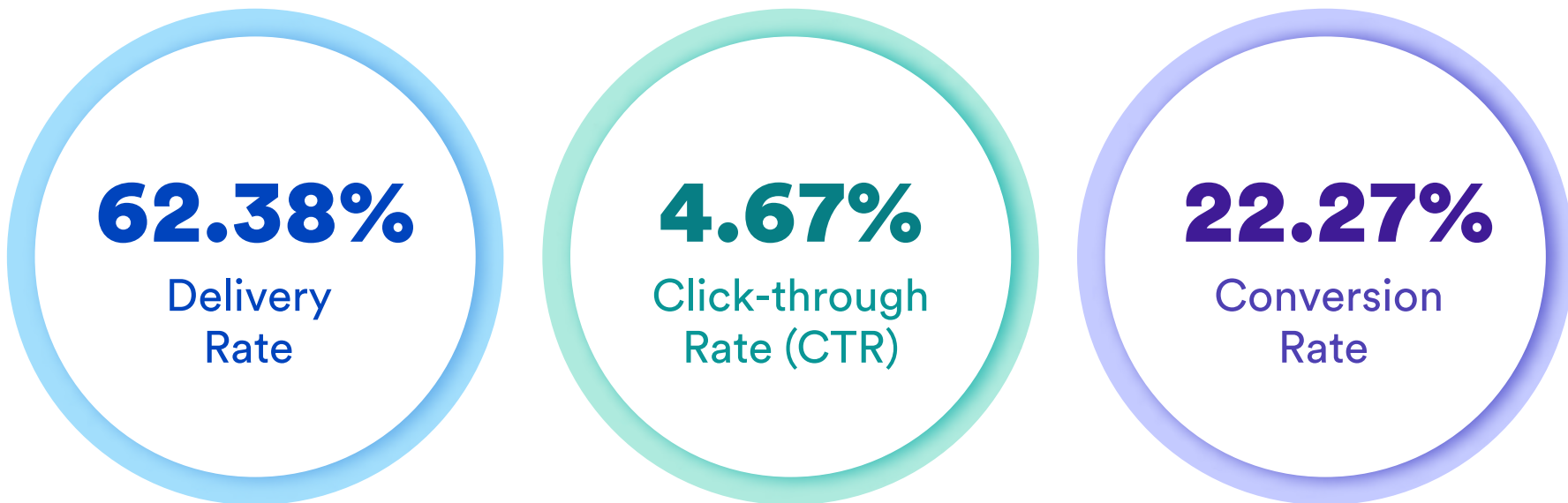

Total Monthly Active Users for Online Shopping
January to April 2021, Southeast Asia

Monthly Active Users Split for Online Shopping
January to April 2021, Southeast Asia
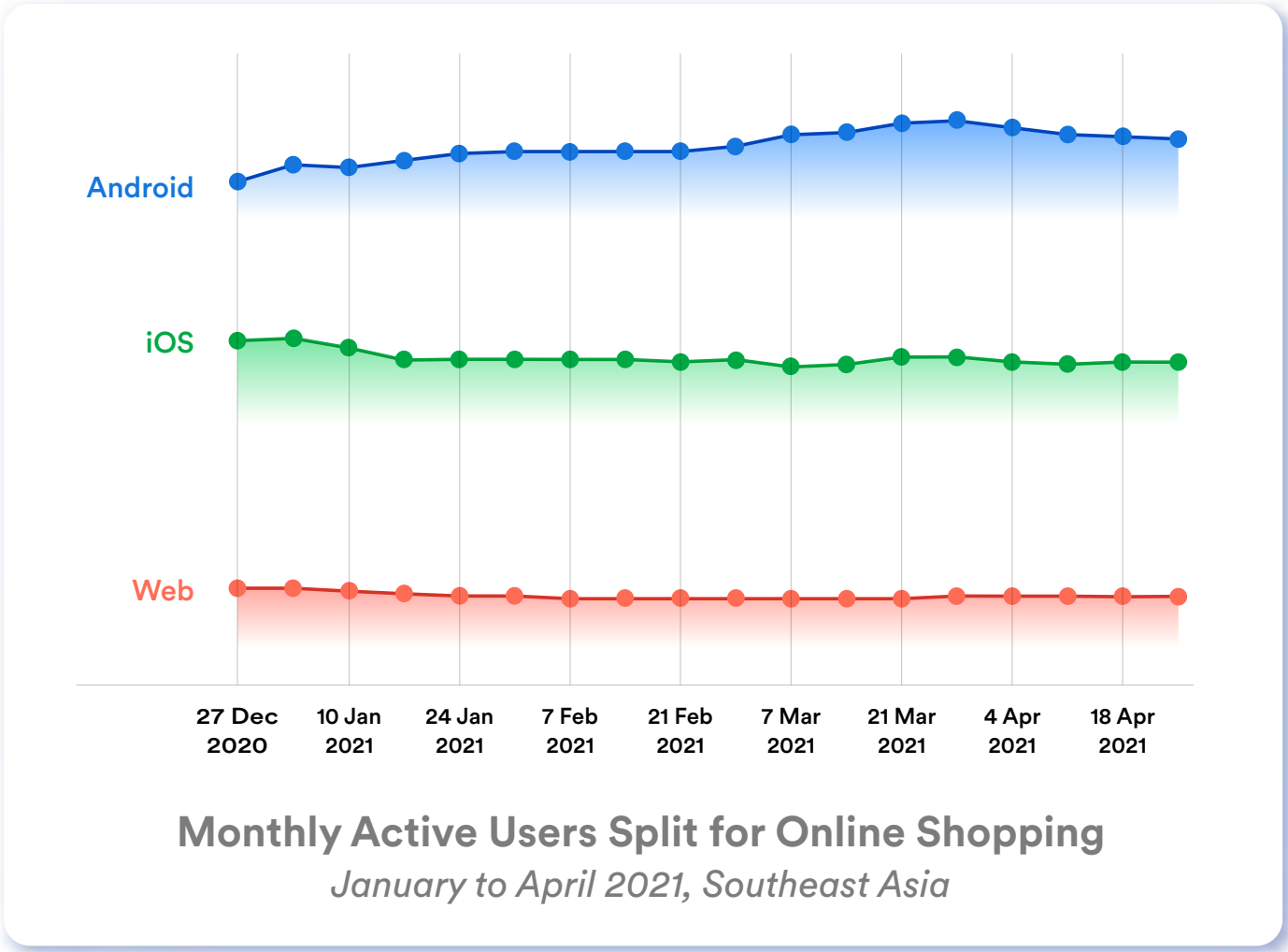
This trend indicates that digital consumers in Southeast Asia have started shopping more repeatedly on websites than mobile apps. We believe consumer brands in this sector should start including website and mobile engagement as a part of their omnichannel strategy.
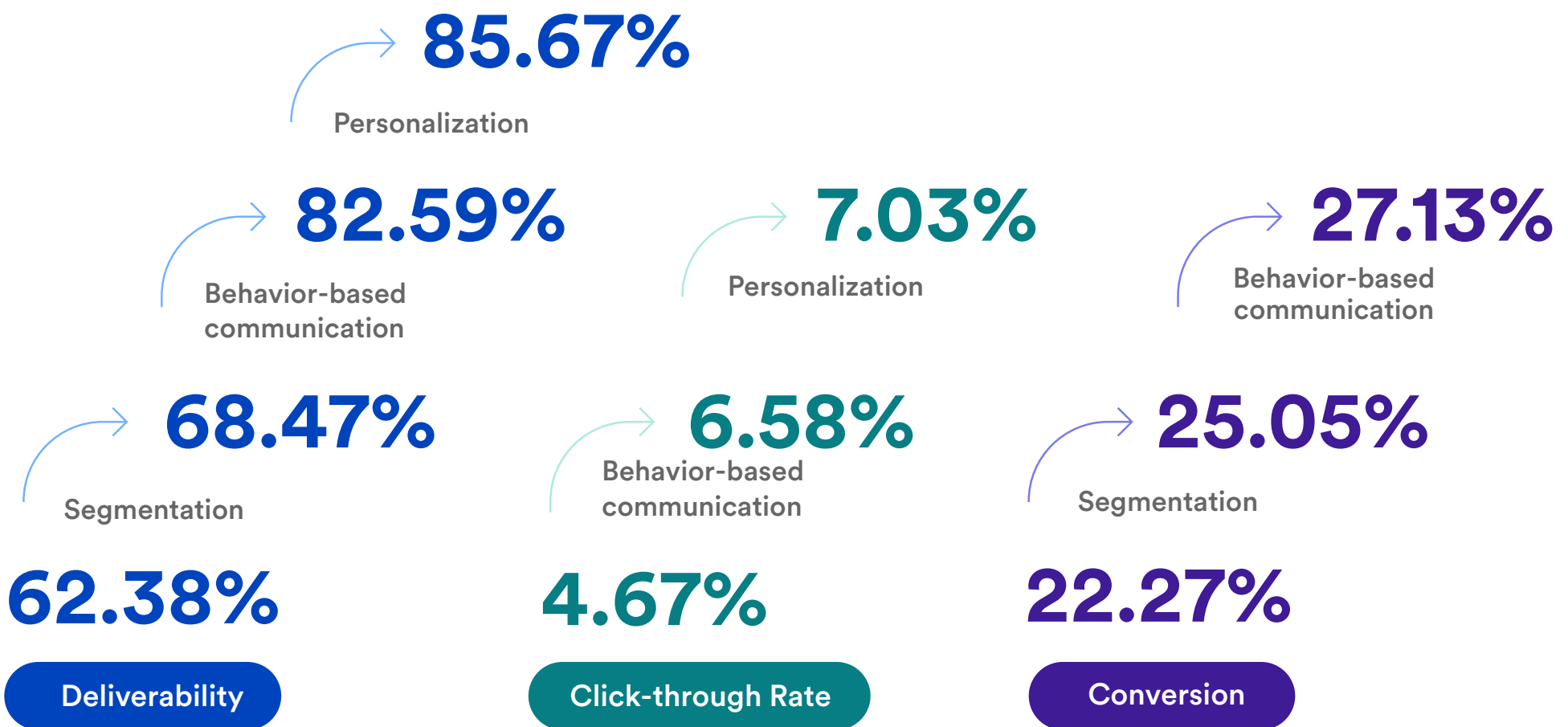
| How has Shopping behavior changed in 2021? | Push Notification benchmarks | Email benchmarks | In-app messages benchmarks | Website messages benchmarks |

Push Notification benchmarks

62.38%
Delivery Rate

4.67%
Click-through Rate (CTR)

22.27%
Conversion Rate

We observed that when a Push Notification is sent to mobile app users based on their behavior on the app, they are more likely to click it and complete the intended action.

Push Notifications sent moments after the mobile app is exited have delivery rates as high as 82.59%. CTRs for behavioral-based Push Notifications reach up to 6.58% on Android phones, and campaign conversion increases to 27.13%. By adding a layer of user personalization (based on attributes like name or geography) on behavioral-based Push Notifications, delivery rate increases to 85.67% and CTRs reach up to 7.03%. We also observed that when customer segments are created based on behavioral attributes, deliverability increases to up to 68.47% and conversions from Push Notifications shoot up to 25.05%.

85.67%
Personalization

82.59%
Behavior-based communication

7.03%
Personalization

27.13%
Behavior-based communication

68.47%
Segmentation

6.58%
Behavior-based communication

25.05%
Segmentation

62.38%
Deliverability

4.67%
Click-through Rate

22.27%
Conversion

If you're wondering how Push Notification Deliverability is improved when campaigns are built around user actions, check out our detailed analysis in this whitepaper.

How has Shopping behavior changed in 2021?

Push Notification benchmarks

Email benchmarks

In-app messages benchmarks

Website messages benchmarks

Joshua Tan
Head of CRM at NTUC

" To understand the type of engagement metrics you should first understand what is the ultimate North star goal that you're trying to achieve.
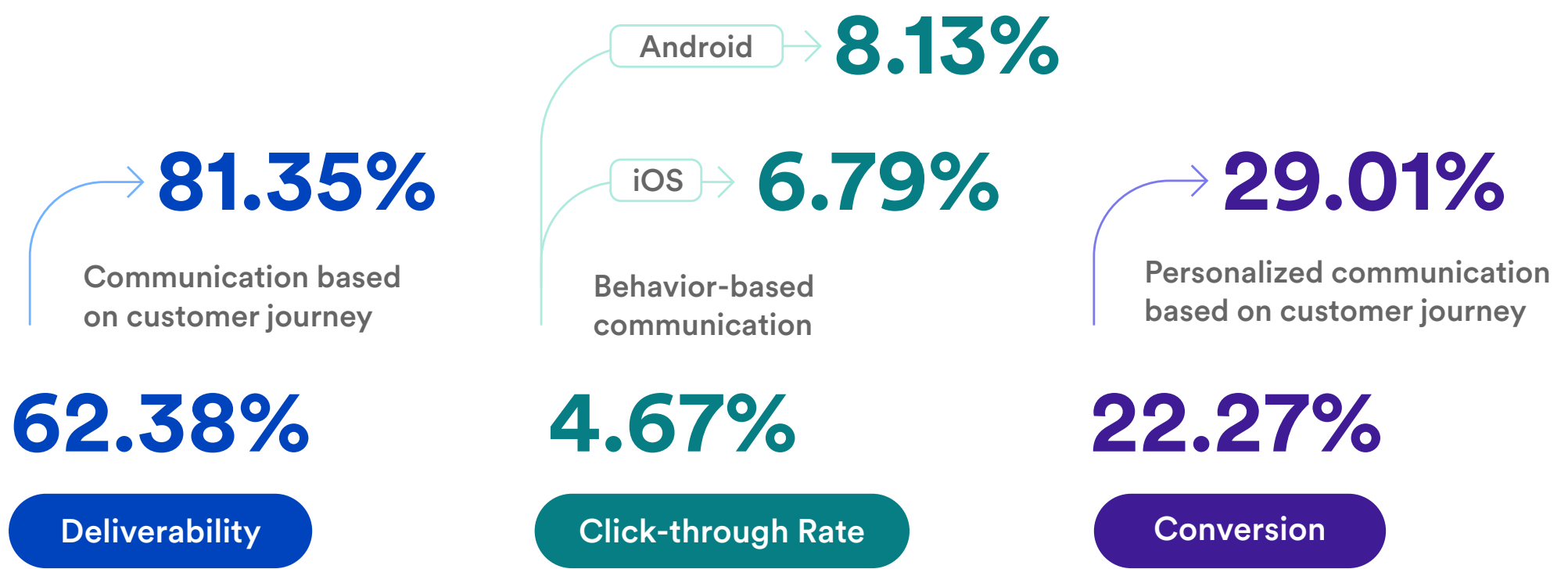
Then, look at what is the job of the channel that you're using to reach that goal and understand how a user interacts with that channel, which becomes the engagement touchpoints that you want to really capture.

You should not just look at what engages the customer, but also what disengages the customer.

What are the most important engagement metrics you should look at and track? Some common options you can use include using the Recency, Frequency, Monetary (RFM) model across the digital buyer journey, running gamification campaigns, analyzing your customer's spending analysis, and looking at the typical marketing channels such as Push Notifications, SMS, etc "

By taking into consideration the buyer journey and customer lifecycle and sending communication based on the actions your customers have taken during this journey, we observed that CTRs of Push Notifications increased to 6.79% on iOS devices and to 8.13% on Android devices, while the deliverability reached up to 81.35%. When a layer of personalization was added to this approach, conversion rates shot up to 29.01%.

Android → **8.13%**

iOS → **6.79%**

81.35%
Communication based on customer journey

Behavior-based communication

29.01%
Personalized communication based on customer journey

62.38%
Deliverability

4.67%
Click-through Rate

22.27%
Conversion

Kushal Manupati
Head of Digital, Zilingo

> Learning how to innovate and finding lighter ways of bringing products or services to customers is necessary.
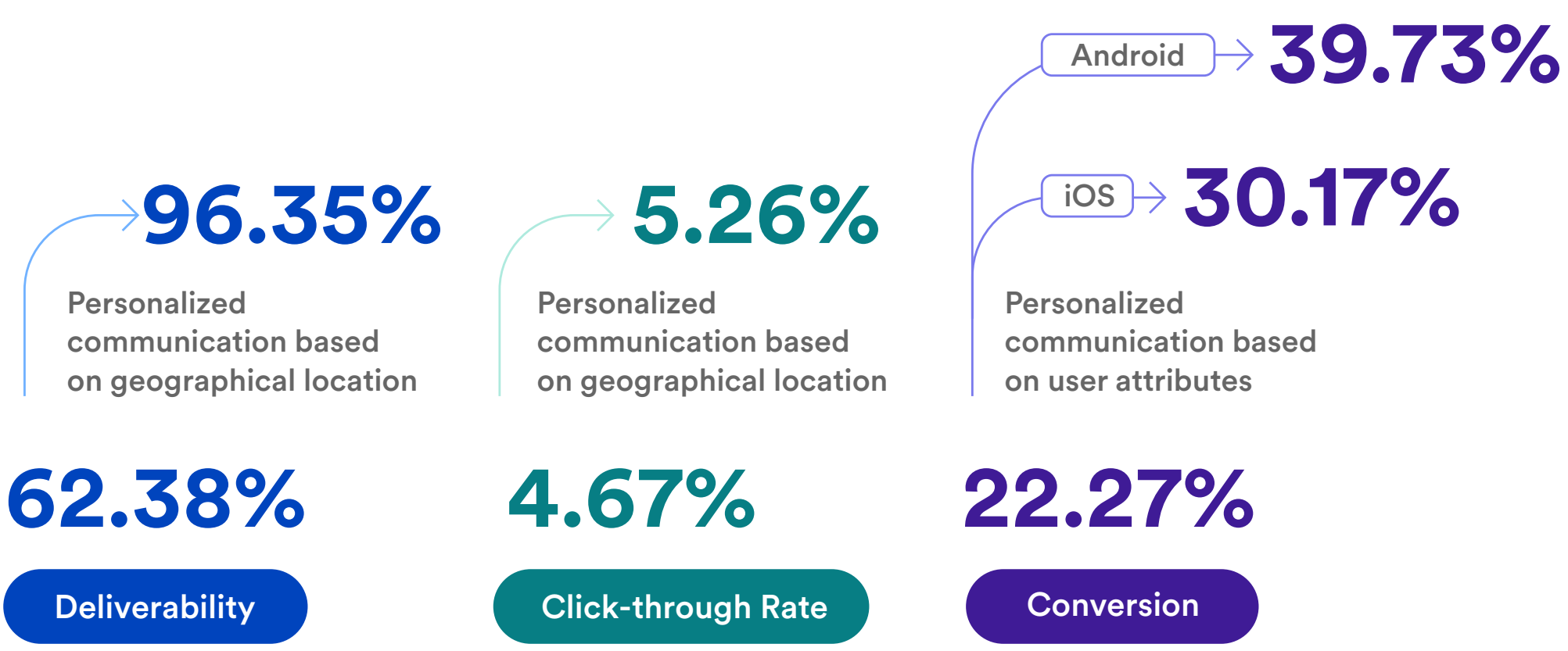
Better innovations draw customers to your platform without the need to spend a lot on acquisition. If done correctly, innovations can lead to reduced costs and better returns. It is important to maintain a proper marketing budget. The way you drive the marketing budget will affect decisions like launching something new and investing in acquiring new users. Building a platform that consumers find valuable plays a key role in driving the marketing budget as it can lead to less spending and better RoI.

Engagement metrics need to be looked into from the context of the stakeholder and across the different stages. The user journey is becoming more complex with the plethora of channels available, and users have their own affinity towards a channel.
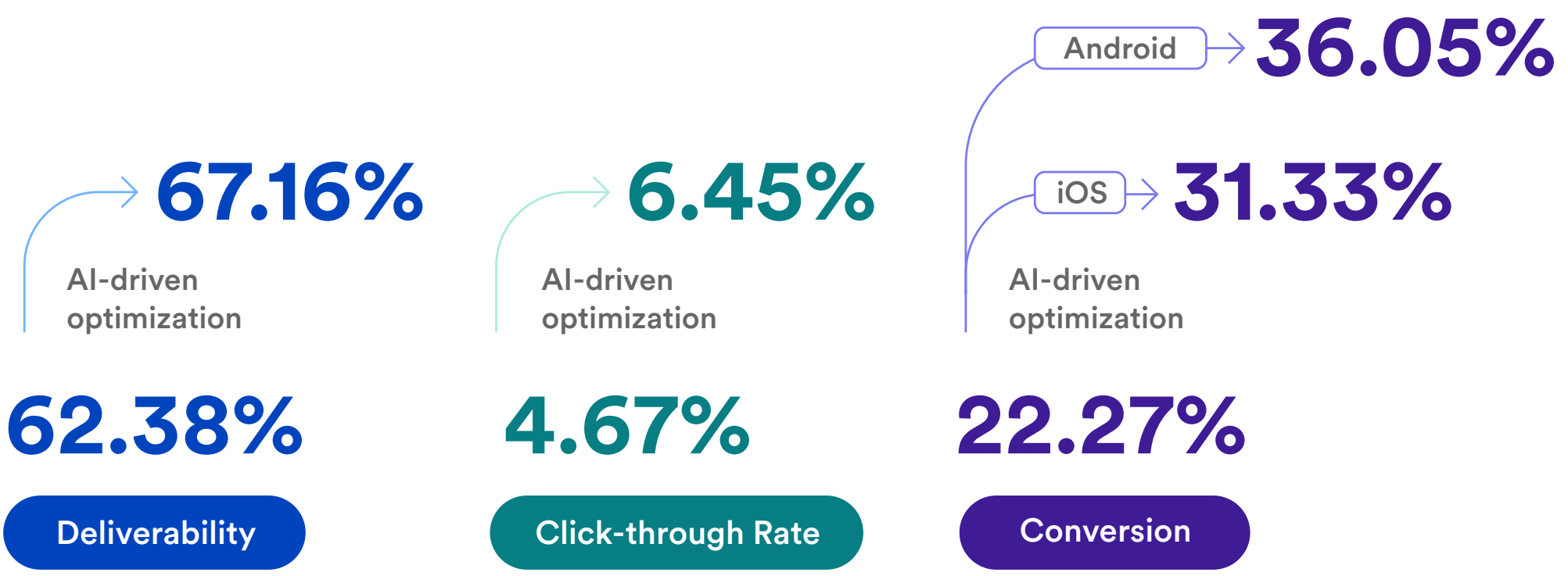
It is important to have a good lifecycle framework to understand what life stage the user is in, understand where you want the user to go, and what relevant KPIs matter for that particular stage. You can use a robust tool to achieve all this and more.

We observed that digital consumers are more likely to interact with your communication and take the intended action when it is relevant and personalized. By personalizing communication based on a customers' geographical location, CTRs on Android devices shot up to 5.26%, while deliverability reached as high as 96.35%. By adding personalized fields depending on the user attributes, the conversion rate of generic broadcast messages increased to 30.17% on Android and 39.73% on iOS devices.

96.35%

Personalized communication based on geographical location

62.38%
Deliverability

5.26%

Personalized communication based on geographical location

4.67%
Click-through Rate

Android → **39.73%**

iOS → **30.17%**

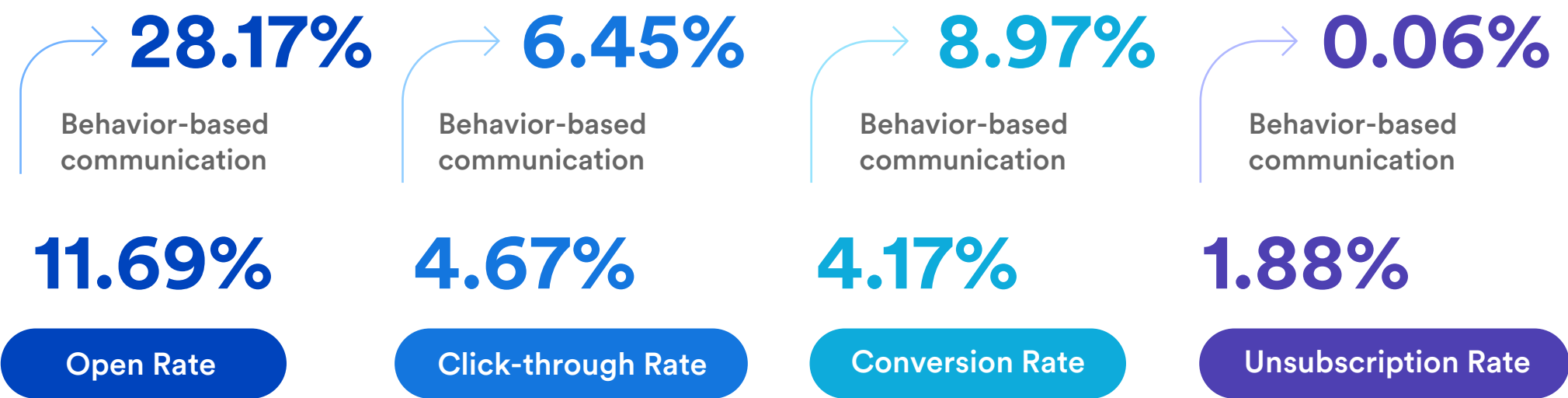Personalized communication based on user attributes

22.27%
Conversion

A/B testing and experimentation have always been the key to efficient optimization of campaign performances. We observed conversion rates from multiple variants of the same Push Notification shot up to 36.05% on Android and 31.33% on iOS devices, while deliverability on Android devices reached as high as 67.16%. We also observed that when Machine Learning (ML) is used to automatically optimize campaign performance, CTRs increase up to 6.45% and conversions shoot up to 23.94%. Using technology to optimize performances also boosts successful delivery rates to 75.47%.

Android → **36.05%**

iOS → **31.33%**

67.16%

AI-driven optimization

62.38%
Deliverability

6.45%

AI-driven optimization

4.67%
Click-through Rate

AI-driven optimization

22.27%
Conversion

Email benchmarks

0.37%
Click-through
Rate (CTR)

11.69%
Open Rate

6.18%
Unique click-to
-open Rate

98.36%
Delivery
Rate

4.17%
Conversion
Rate

3.17%
Total click-to
-open Rate

1.88%
Unsubscrition
Rate

We observed a drastic improvement in performance when email campaigns are created and sent based on user behavior. Open rates go up to 28.17%, CTRs increase to 0.71%, conversions shoot up to 8.97%, and unsubscription rates fell down to 0.06% – all of which indicate that emails sent based on user behavior are relevant and useful to digital consumers who prefer receiving more of such communication without treating it as spam.

28.17%
Behavior-based
communication

6.45%
Behavior-based
communication

8.97%
Behavior-based
communication

0.06%
Behavior-based
communication

11.69%
Open Rate

4.67%
Click-through Rate

4.17%
Conversion Rate

1.88%
Unsubscription Rate

How has Shopping behavior changed in 2021?

Push Notification benchmarks

Email benchmarks

In-app messages benchmarks

Website messages benchmarks

Brajesh Rawat
E-commerce Head, Marks & Spencer

"Conventional brick-and-mortar retailers often look at the omnichannel experience and a 360-degree view as an entirely different channel – largely for liquidation or for giving more discounts. This should be avoided because it might make the core offline customers feel cheated.
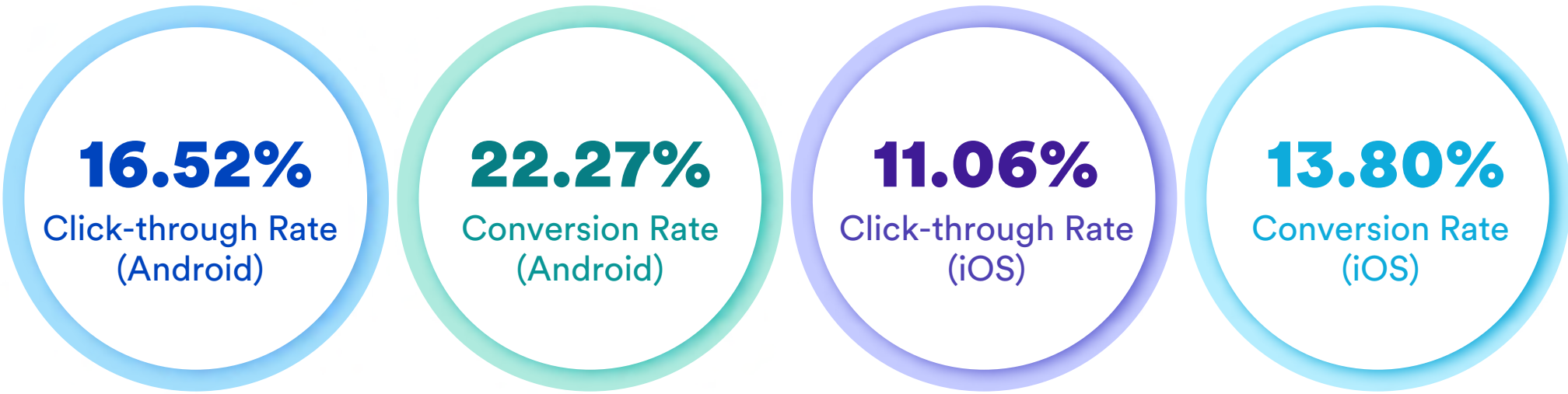
As a brand, it is important to think of the customers first. It is important to have a single view of the customers to understand exactly what they are doing within your ecosystem. This will result in better personalization of their journey across all the channels of your brand.

Here are some important KPIs that should be monitored to improve the customer journey:
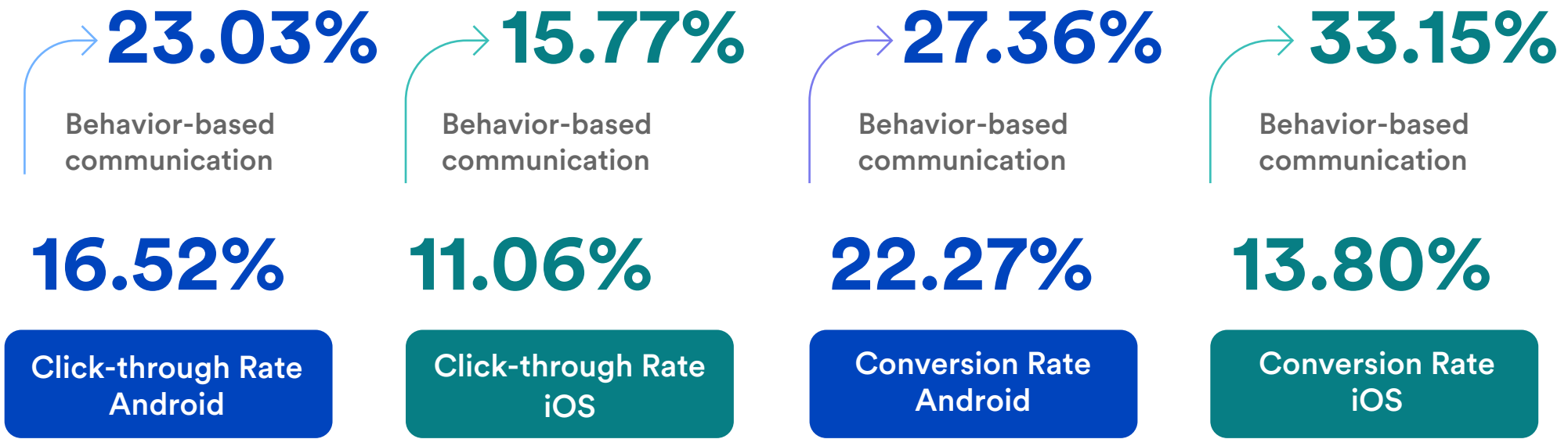
- The channel which a customer is using the most to give geo-targeting campaign offers or promotions through this channel

- Information like operating time and days because these are very fluid in the current scenario

- Customer purchase behavior across offline and online channels to understand how much you can cross-sell and find more avenues for cross-selling

- The channel where customers respond most frequently on

- The kind of campaign your customers react positively to "

In-app messages benchmarks

16.52%
Click-through Rate
(Android)

22.27%
Conversion Rate
(Android)

11.06%
Click-through Rate
(iOS)

13.80%
Conversion Rate
(iOS)

We observed that when in-app messages are shown to users based on their behavior inside the mobile app, CTRs and conversions on Android devices reach as high as 23.03% and 27.36% respectively. Similarly, on iOS devices, CTRs and conversions increase to up to 15.77% and 33.15%, clearly indicating that customers react positively to in-app messages that are shown based on their interaction with mobile apps (like searching for a specific product or browsing a specific category).

23.03%
Behavior-based
communication

15.77%
Behavior-based
communication

27.36%
Behavior-based
communication

33.15%
Behavior-based
communication

16.52%

Click-through Rate
Android

11.06%

Click-through Rate
iOS

22.27%

Conversion Rate
Android

13.80%

Conversion Rate
iOS

How has Shopping behavior changed in 2021?

Push Notification benchmarks

Email benchmarks

In-app messages benchmarks

Website messages benchmarks

Mahendra Dhiraj
Head of Business Analytics and Consulting, GTech Digital

"To offer personalized experiences based on user behavior, create a 360-degree view of your customers. For that, it is important to have a unified profile. All the structured and unstructured data from your CDP must be seamlessly unified into a single view.

Here are some approaches for crafting an omnichannel experience:

- It has to be a top-down approach. At the end of the day, it's all about having a seamless experience and not about a price war.

- Sometimes the data and metrics are very disjointed. It has to come together to give a unified experience to the customer.

- The logistics part has to be mature enough to support an omnichannel experience.

- Communication and the marketing side of things shouldn't be cluttered. There should be a single, unified communication to the customer so that they aren't confused."

By creating custom user segments based on behavioral and user attributes, brands in this vertical have seen CTRs from In-app Messages go as high as 29.95% on Android and 20.40% on iOS devices. Even conversions are higher when communication is made relevant for different user segments. Conversions from In-app Messages on Android devices reach up to 23.19% with efficient segmentation.

29.95%
Behavior-based communication

20.40%
Behavior-based communication

23.19%
Behavior-based communication

16.52%
Click-through Rate Android

11.06%
Click-through Rate iOS

22.27%
Conversion Rate Android

How has Shopping behavior changed in 2021?

Push Notification benchmarks

Email benchmarks

In-app messages benchmarks

Website messages benchmarks

Website messages benchmarks

14.69%
Overall Click-through Rates

2.37%
Banner Click-through Rates

14.79%
Pop-up Click-through Rates
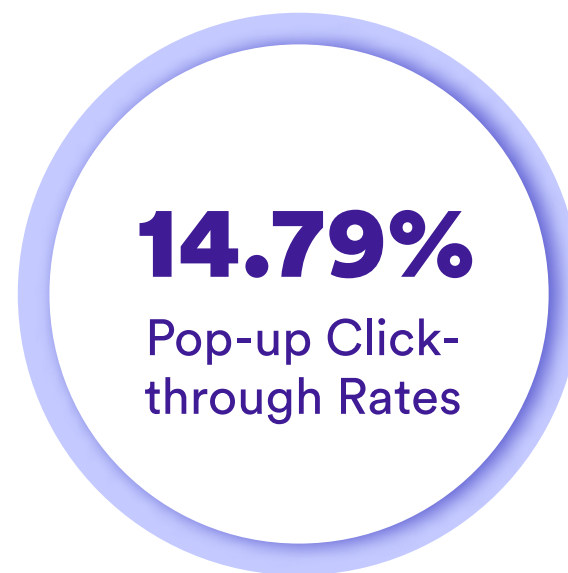
Going hand-in-hand with the trend we observed earlier of the increase in the number of active users on shopping websites in 2021, we believe website messages play a key role in boosting website engagement. We've observed a CTR of 2.37% on website banners and a 14.79% CTR on website pop-ups.

Harish Narayanan
CMO, Myntra

" When you're observing close to no transactions, it is advised to take a breather, step back, and utilize this time to plan for the future.

Instead of chasing transactions as your north star metric, shift the focus to engagement and retention. Build positivity. Be sensitive to your customers' sentiments. Serve them the way they want to be served. Intelligent engagement will prevent your DAU metric from falling down. Create exclusive content that will bring your users to your platform to just browse and engage with your brand. "

Anugrah Honesty
Sr. Digital Marketer, Bukalapak

> It is absolutely necessary to shift your campaigns in accordance with customer behavior to survive in a highly dynamic environment.

Try to increase the seller adoption rate of your platform. Create avenues to encourage offline sellers to start exploring online channels, thereby improving their income. When you implement a new mindset or a new point of view, ensure that all the internal stakeholders and decision-makers reach a consensus for smoother functioning.
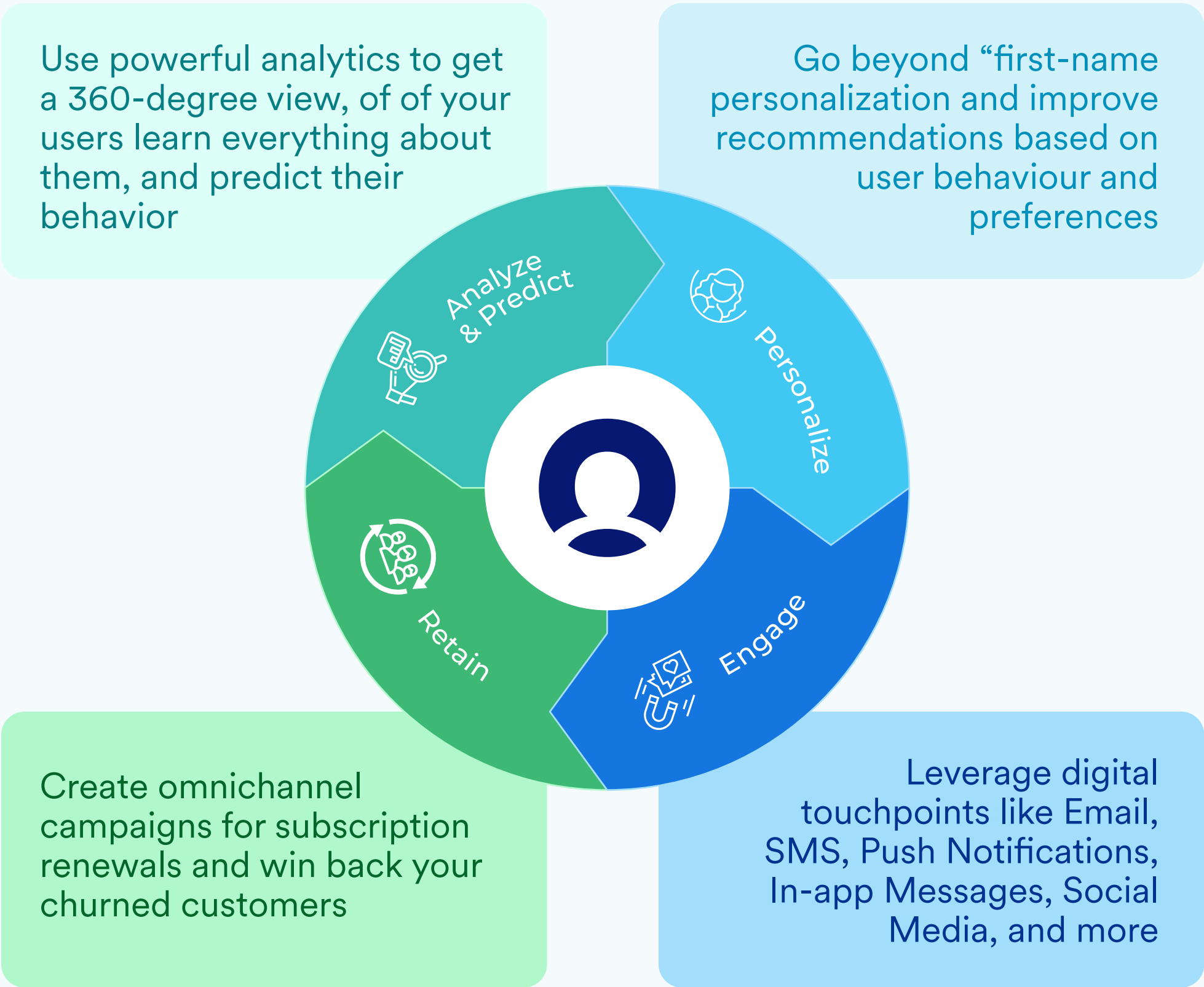
CONCLUSION

Insights-led Engagement: The Key Area of Focus For Consumer Brands In 2021

Our study shows that the only way your consumer brand can move forward in 2021 is to crack customer-centricity by using behavior-based communication that is relevant to your customers and adds value to them.

More and more digital consumers in Southeast Asia expect brands to deliver relevant recommendations, timely reminders, and valuable offers right to their fingertips. To meet this demand, consumer brands need an intelligent approach to Customer Engagement – a data-driven approach based on insights that we like to term 'Insights-led Engagement.'

Here's a framework consumer brands can follow to implement Insights-led Engagement:
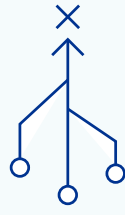
Use powerful analytics to get a 360-degree view, of of your users learn everything about them, and predict their behavior

Go beyond "first-name personalization and improve recommendations based on user behaviour and preferences

Create omnichannel campaigns for subscription renewals and win back your churned customers

Leverage digital touchpoints like Email, SMS, Push Notifications, In-app Messages, Social Media, and more

Analyze & Predict

Personalize

Retain

Engage

Consumer brands can achieve Insights-led Engagement through:

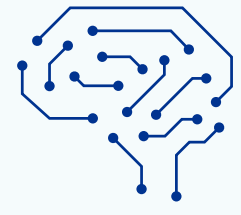| Behavior-based communication | Effective segmentation | Communication aligned with the customer journey and buyer lifecycle | Personalization | AI-driven optimization |

About MoEngage

MoEngage is an intelligent customer engagement platform built for the user-obsessed marketer. With AI-powered customer journey orchestration, personalization capabilities, and in-built analytics, MoEngage enables hyper-personalization at scale across mobile, email, web, SMS, and social messaging channels.

Enterprises and digital-first brands such as JD.ID, Zilingo, Blibli, POPS Worldwide, CIMB Philippines, AXIS, MAP Indonesia, Deutsche Telekom, Samsung, Ally Financial, Vodafone, and McAfee, use MoEngage to engage their customers intelligently.

MoEngage has been recognized as a Leader in the 2020 Gartner Magic Quadrant for Mobile Marketing Platforms by Gartner, and received the highest overall rating in the 2019 Gartner Peer Insights 'Voice Of The Customer' report. Forrester also identified MoEngage as a Contender in the The Forrester Wave: Cross-Channel Campaign Management In Asia Pacific, Q2 2021, and, G2 ranked MoEngage the #1 Mobile Marketing Platform in their Spring 2021 Momentum Report.

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