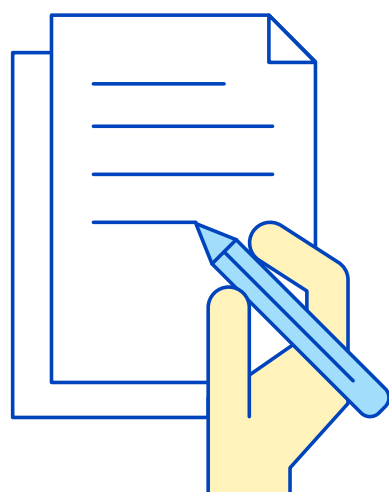# moengage

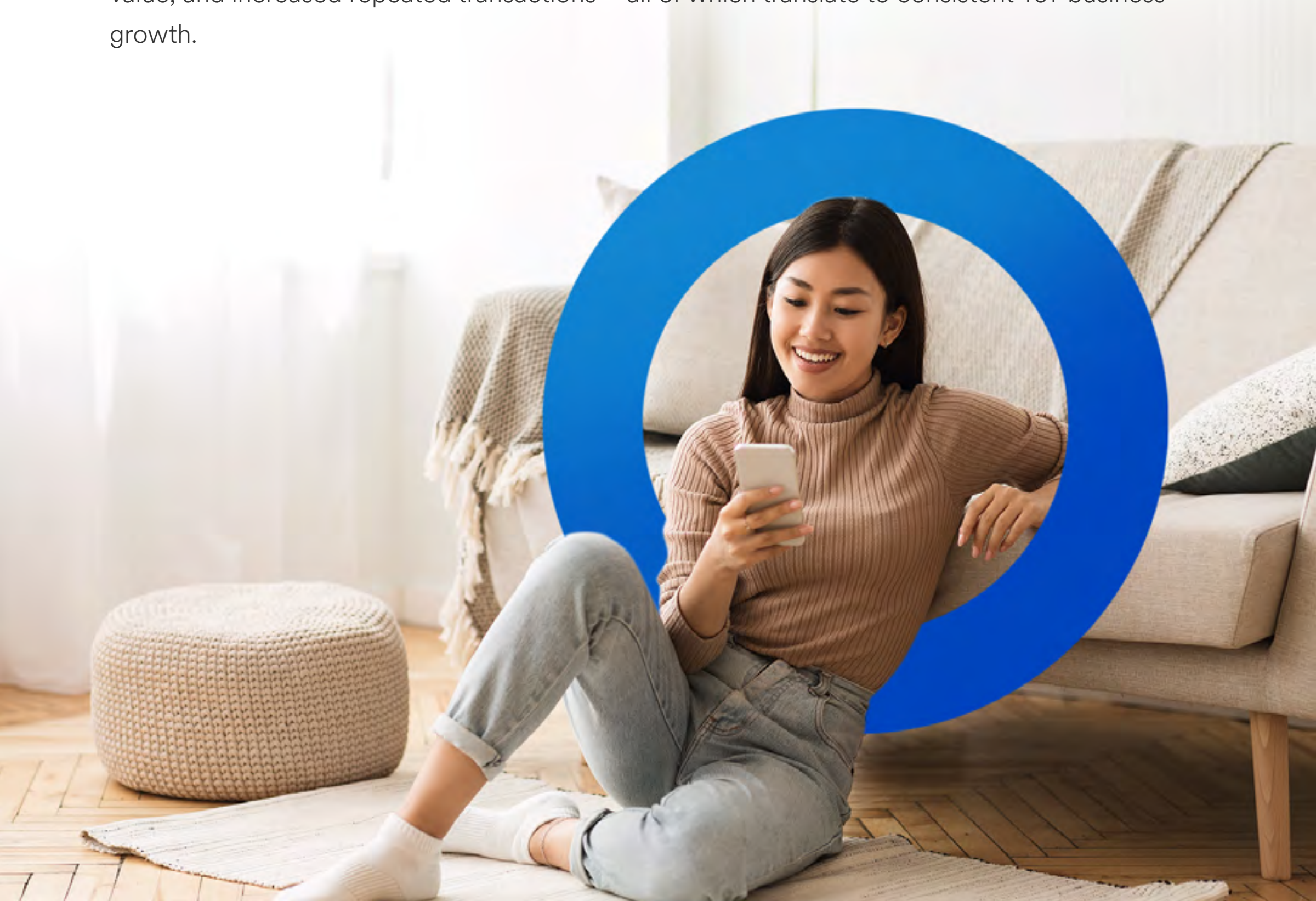# **Customer Engagement Benchmarks 2021,**
Southeast Asia

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:

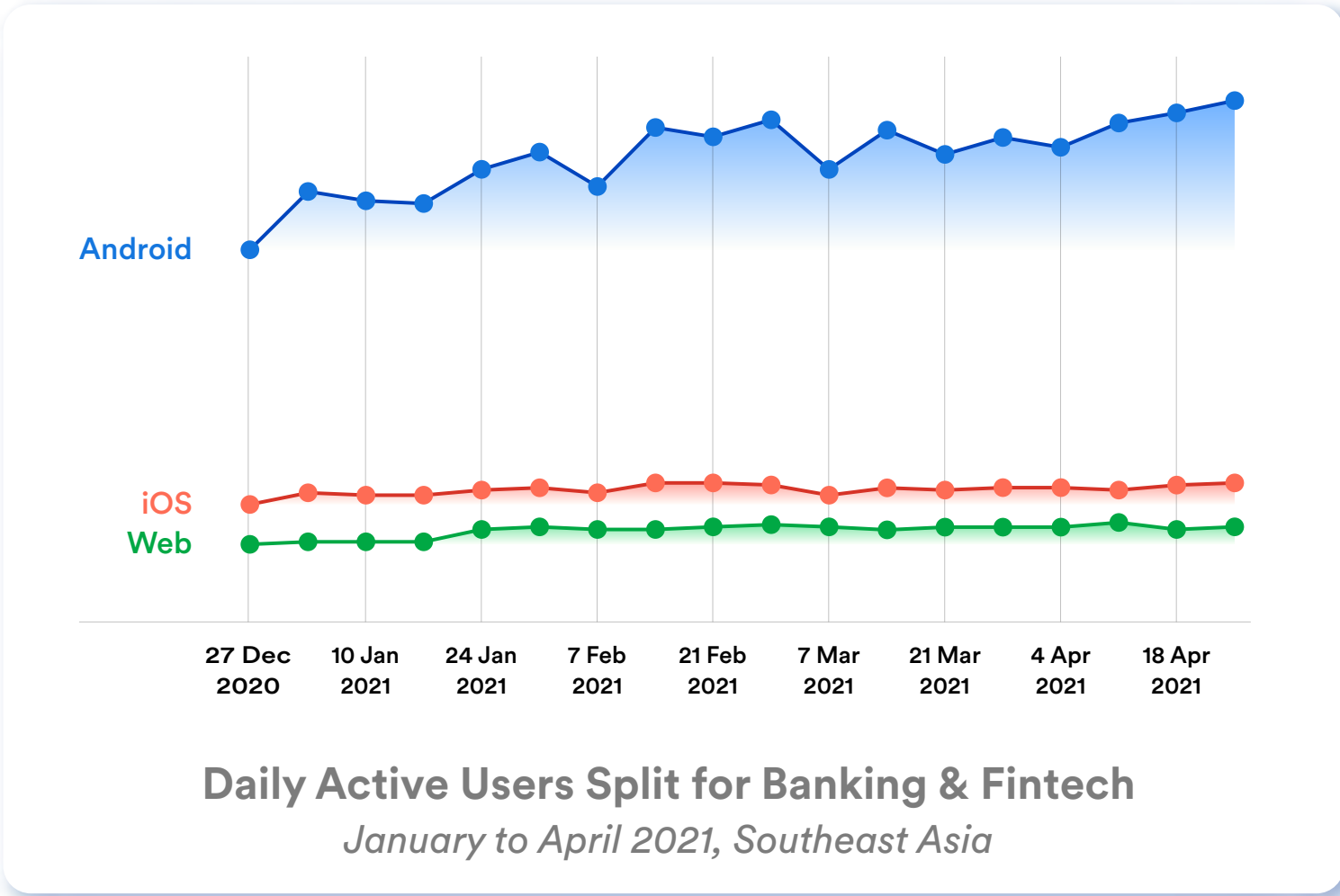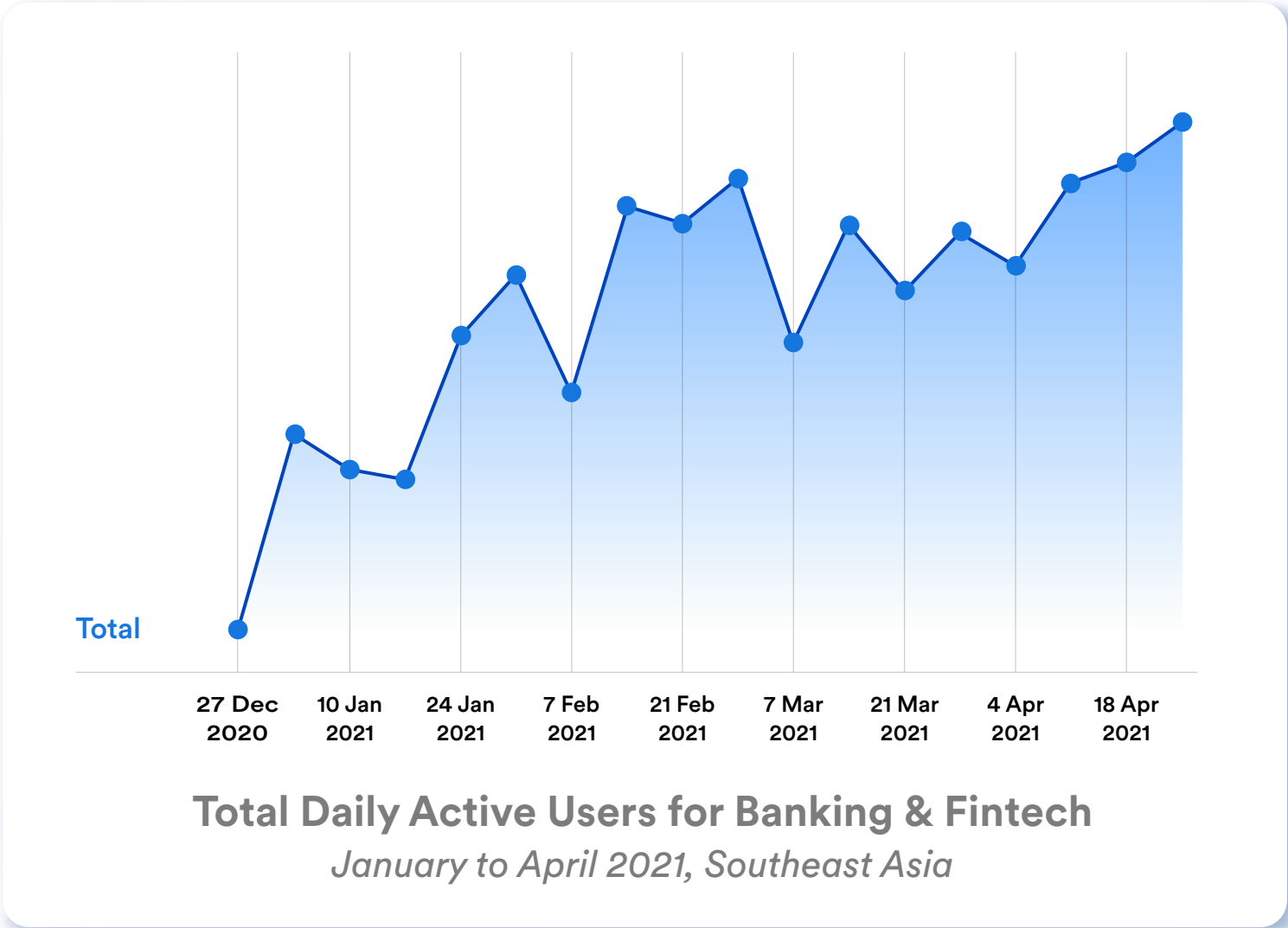|	Email	Push Notifications	In-app Messages	Text/ Messaging services	Social media	Website messages /banners
Retail	✔			✔	✔	
E-commerce	✔	✔	✔	✔	✔	✔
Banking	✔			✔	✔	✔
Fintech	✔	✔	✔	✔	✔	✔
Digital Entertainment (OTT)	✔	✔	✔		✔	✔
Gaming		✔	✔		✔	
Healthcare	✔	✔	✔	✔	✔	✔
Edtech	✔	✔	✔		✔	✔
Telecom	✔	✔	✔	✔	✔	✔

BANKING & FINTECH

Verticals included:

Banks, Fintech, P2P lending, Insurance, Cryptocurrency

How has Banking behavior changed in 2021?

In Southeast Asia, the number of DAUs of Online banking, Fintech, P2P lending, Insurance, and Crypto brands has increased by 54.29% from January to April 2021. There's been an increase of 50.07% in DAUs on Android devices and a 48.16% increase in DAUs on iOS devices.

Total Daily Active Users for Banking & Fintech
January to April 2021, Southeast Asia

Daily Active Users Split for Banking & Fintech
January to April 2021, Southeast Asia

| How has Banking 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 a similar trend. With an overall increase of 38.43% in MAUs, Android devices saw an increase of 26.76%, and iOS devices saw an increase of 17.69% MAUs.

Total Monthly Active Users for Banking & Fintech
January to April 2021, Southeast Asia

Monthly Active Users Split for Banking & Fintech
January to April 2021, Southeast Asia
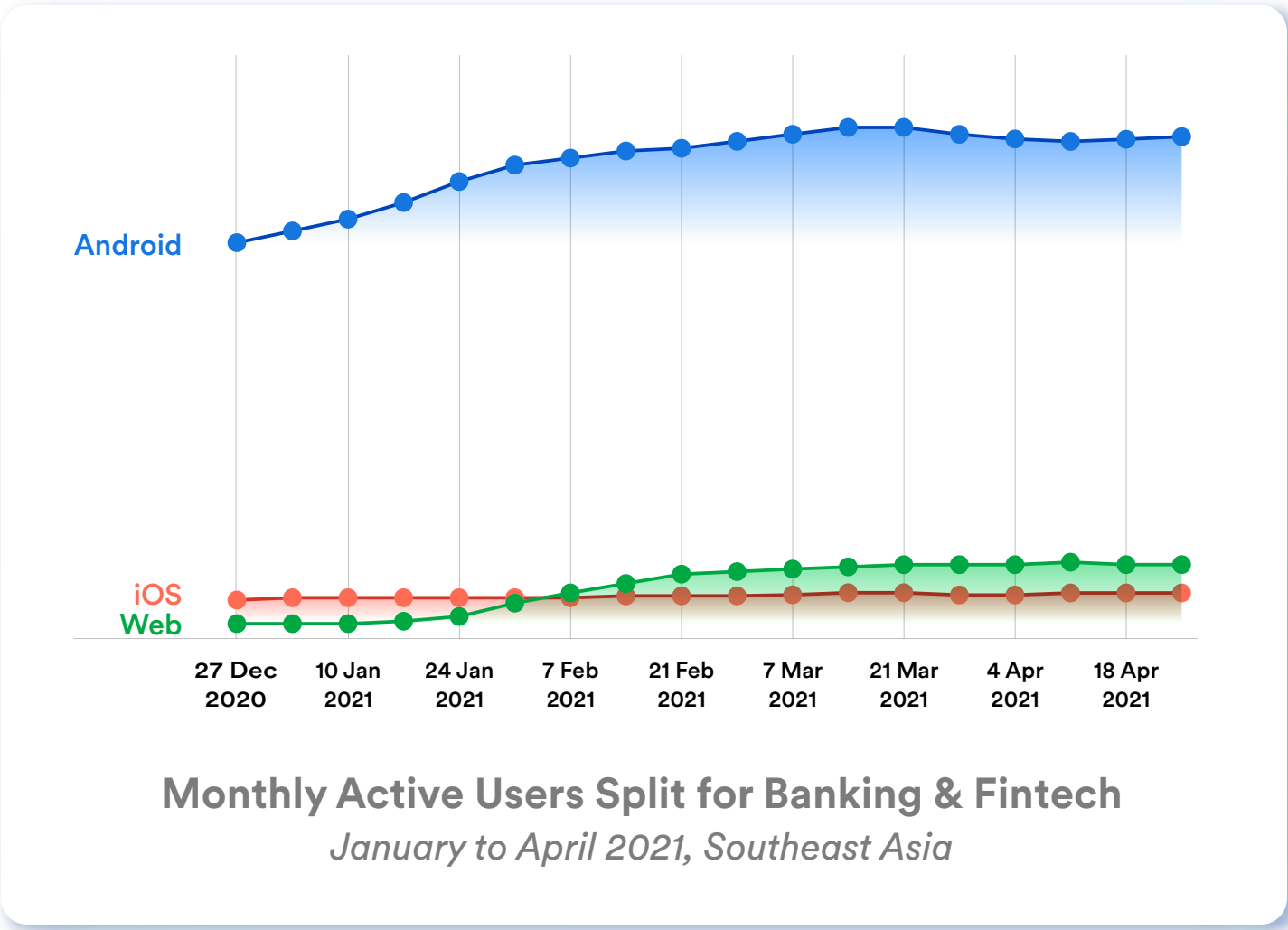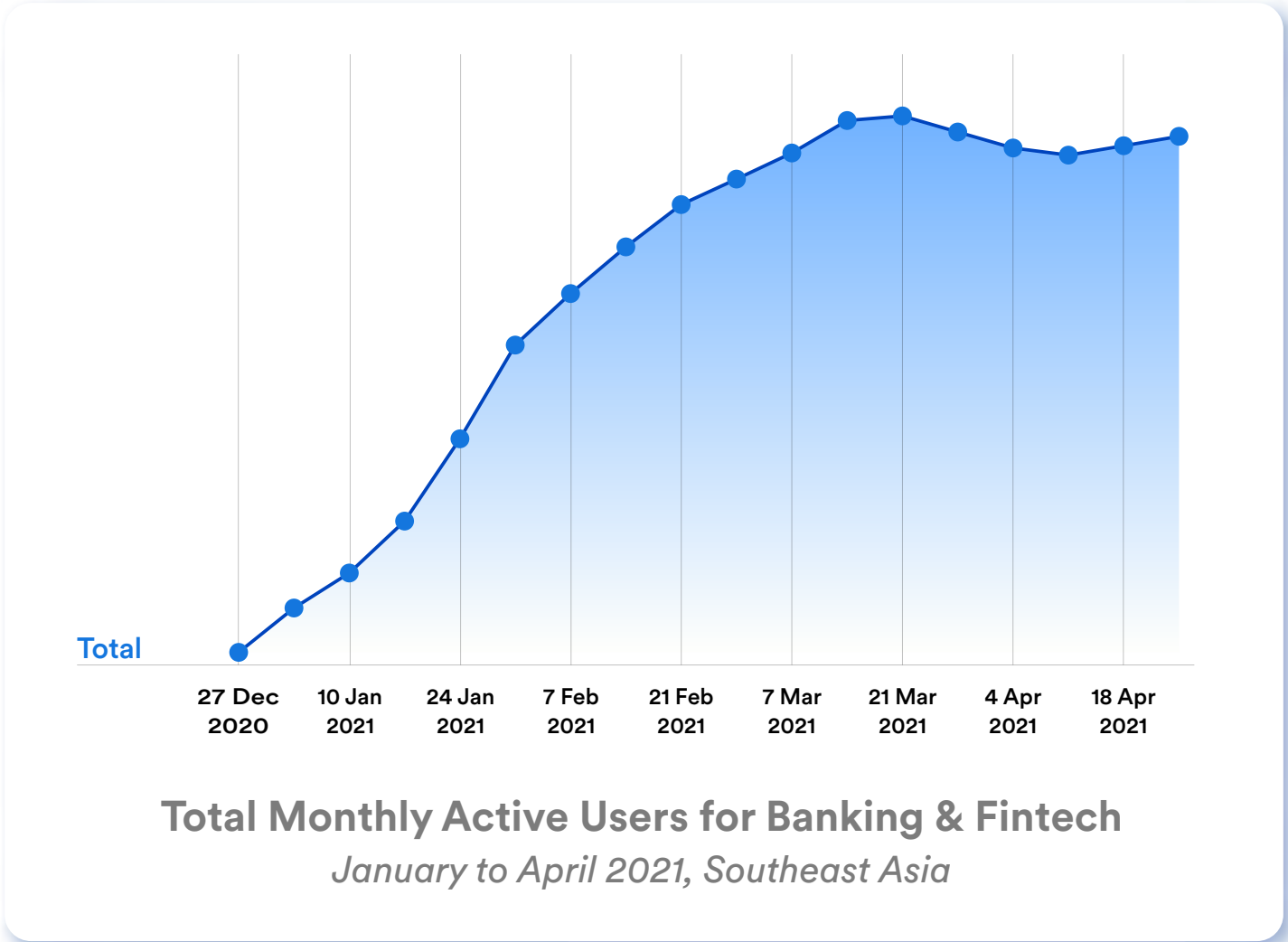
There is a meteoric rise in the number of MAUs of brands in the Banking & Fintech sector in Southeast Asia, the highest being observed on Android devices. We believe the overall surge in internet users in this region is the primary reason for this sharp rise.
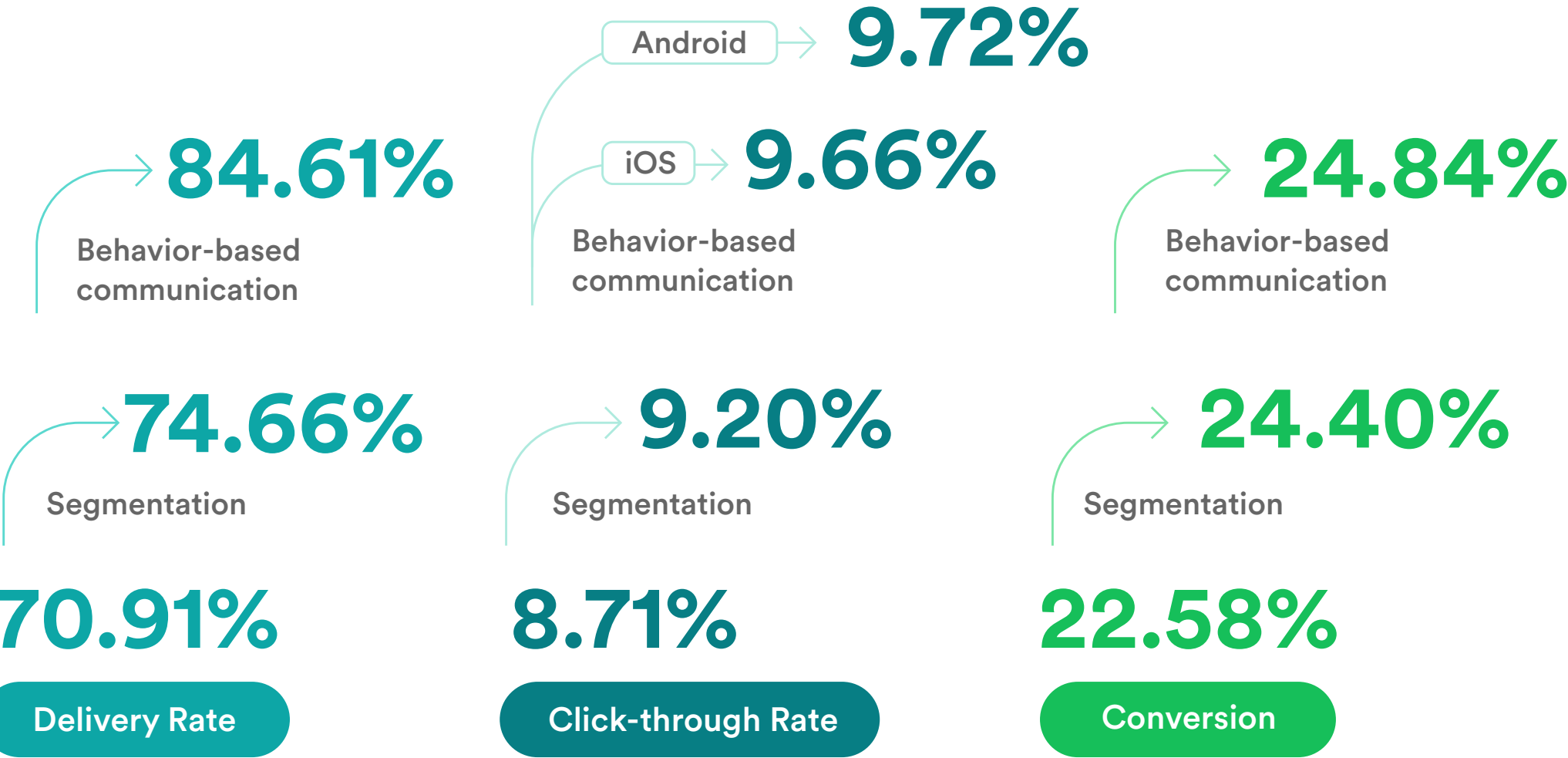
| How has Banking behavior changed in 2021? | Push Notification benchmarks | Email benchmarks | In-app messages benchmarks | Website messages benchmarks |

Push Notification benchmarks

70.91%
Delivery Rate

8.71%
Click-through Rates

22.58%
Conversion Rate

We observed that contextual communication based on a user's behavior on the mobile app gets a lot more traction than generic broadcast Push Notifications.

Behavior-based Push Notifications see CTRs as high as 9.72% on Android devices and 9.66% on iOS devices. Since the messaging is relevant, a higher number of digital consumers also proceed to complete the intended goal, increasing conversions to up to 24.84%. Push Notifications sent as per the last interaction by a user on the mobile app also see increased deliverability of more than 84.61%. We also observed that when customer segments are created based on behavioral attributes, Push Notification CTRs increase up to 9.20%, conversions shoot to up to 24.40%, and deliverability increases to up to 74.66% on Android devices.

84.61%
Behavior-based communication

Android → **9.72%**
iOS → **9.66%**
Behavior-based communication

24.84%
Behavior-based communication

74.66%
Segmentation

9.20%
Segmentation

24.40%
Segmentation

70.91%
Delivery Rate

8.71%
Click-through Rate

22.58%
Conversion

How has Banking behavior changed in 2021?

Push Notification benchmarks

Email benchmarks

In-app messages benchmarks

Website messages benchmarks

Paul Bantayan
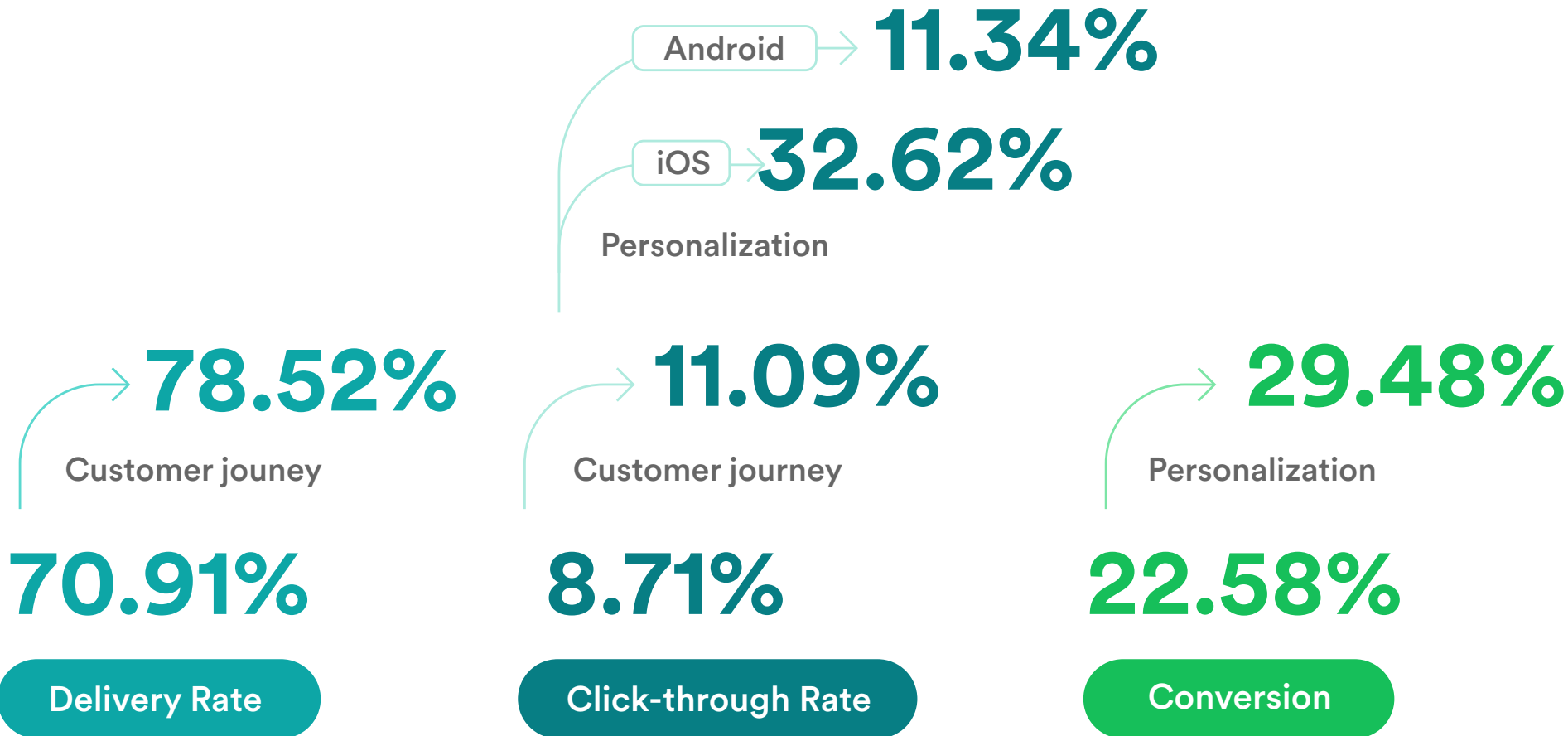### *Head of Marketing, Cashalo*

"When it comes to advanced segmentation, use the data from your customers' behavior and actions on your platform to put specific tags and values across certain milestones. This way, you will be able to create multiple segments based on permutations of these tags and values. Then personalize your messaging, pricing, and recommendations for each advanced segment to meet their individual requirements.

For brands in the FinTech space, it is vital to use all the data available to make better predictions like when and where your customers are most likely to complete a transaction on your platform.
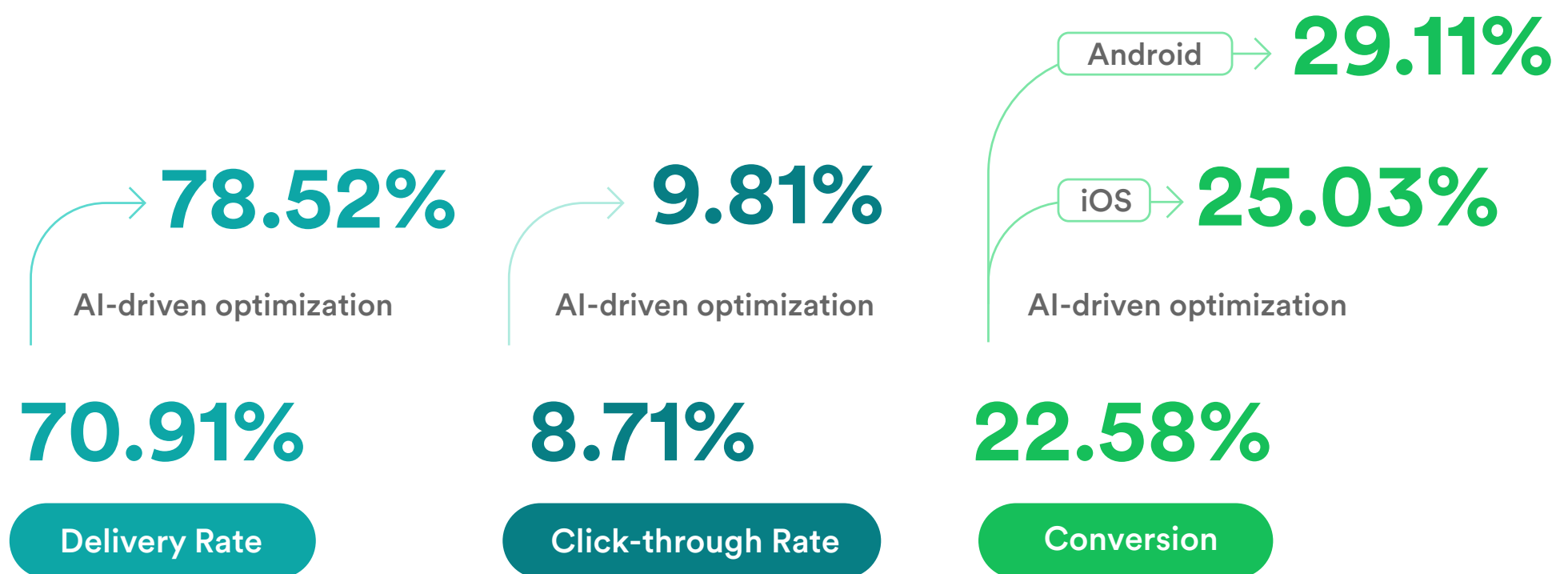
To run a collection campaign, it's really important to collaborate between the Marketing and the Collections teams. Leverage all the data that you have to navigate customers to the right place from where they can pay back loans."

By taking into consideration the customer lifecycle and sending relevant Push Notifications based on the actions your customers have taken during their journey, we observed that CTRs of Push Notifications increased to 11.09%, while the deliverability reached up to 78.52%. By adding personalized fields in Push Notifications, CTRs on Android devices shoot up to 11.34% and up to 32.62% on iOS devices. The conversion rates also increase to up to 29.48% with personalization.

Android → **11.34%**

iOS → **32.62%**

Personalization

78.52%
Customer jouney
70.91%
Delivery Rate

11.09%
Customer journey
8.71%
Click-through Rate

29.48%
Personalization
22.58%
Conversion

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

Constantly experimenting with Push Notification copies and time of delivery is important to optimize campaign performances efficiently. We observed that when Machine Learning is used to optimize campaign performance, CTRs from multiple variants of the same Push Notification shoot up to 9.81%, and delivery rates reach as high as 78.52%. Thanks to A/B testing, conversion rates on Android devices increase to up to 29.11% and up to 25.03% on iOS devices.

Android → **29.11%**

iOS → **25.03%**

78.52%

AI-driven optimization

9.81%

AI-driven optimization

AI-driven optimization

70.91%

Delivery Rate

8.71%

Click-through Rate

22.58%

Conversion

Indina Andamari
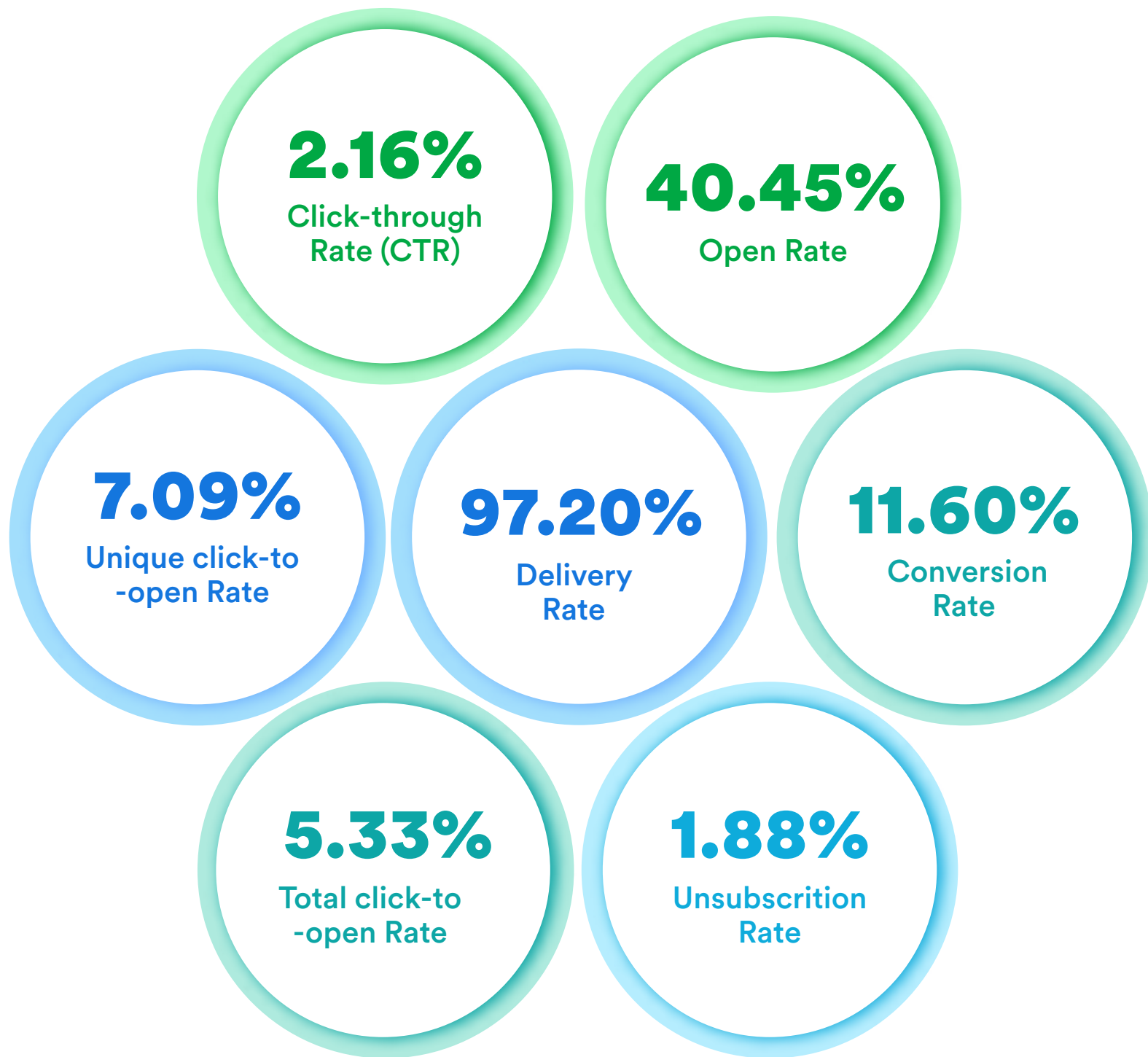*VP Head of Marketing & Communications at Kredivo*

" In addition to looking at the cash transaction behavior of the user, we map out the customer journey first and identify the key drivers of each stage. We then prioritize users based on which group would bring the biggest impact. It could be the size of the pool or the ones that are getting the highest revenue. The focus is to gather enough data to work with so that your hypothesis can be more accurate.

We use a data science model to score the demographics, geographic, and psychographic information. This results in a heat map, which helps us to prioritize which segment to focus on. Once we collect this data, we profile each segment to get a user persona. Within that segment, we then see if you have similar characteristics and then personalize the messaging for A/B testing with a control group. The idea is to test all hypotheses before launching a full-fledged campaign. "
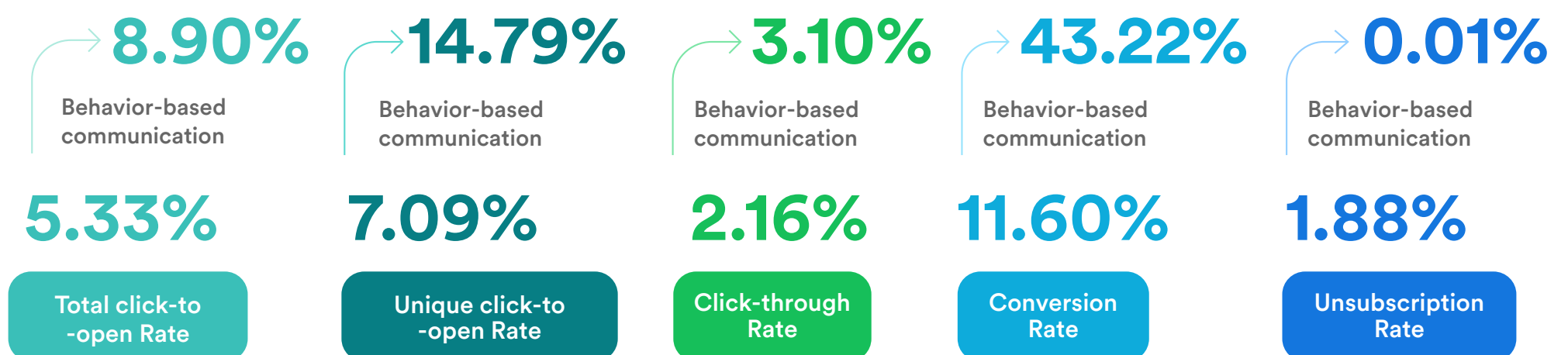
Email benchmarks

2.16%
Click-through
Rate (CTR)

40.45%
Open Rate

7.09%
Unique click-to
-open Rate

97.20%
Delivery
Rate

11.60%
Conversion
Rate

5.33%
Total click-to
-open Rate

1.88%
Unsubscrition
Rate

We observed that behavior-based communication greatly boosts the performance of email campaigns. Sending emails based on user actions increases the total click-to-open rate to 8.90%, unique click-to-open rate to 14.79%, CTRs to up to 3.10%, and conversions to 43.22%. We also observed that unsubscription rates for these campaigns fell down to 0.01%, indicating that digital consumers in Southeast Asia find behavior-based communication valuable and less spammy.

8.90%
Behavior-based
communication

14.79%
Behavior-based
communication

3.10%
Behavior-based
communication

43.22%
Behavior-based
communication

0.01%
Behavior-based
communication

5.33%
Total click-to
-open Rate

7.09%
Unique click-to
-open Rate

2.16%
Click-through
Rate

11.60%
Conversion
Rate

1.88%
Unsubscription
Rate

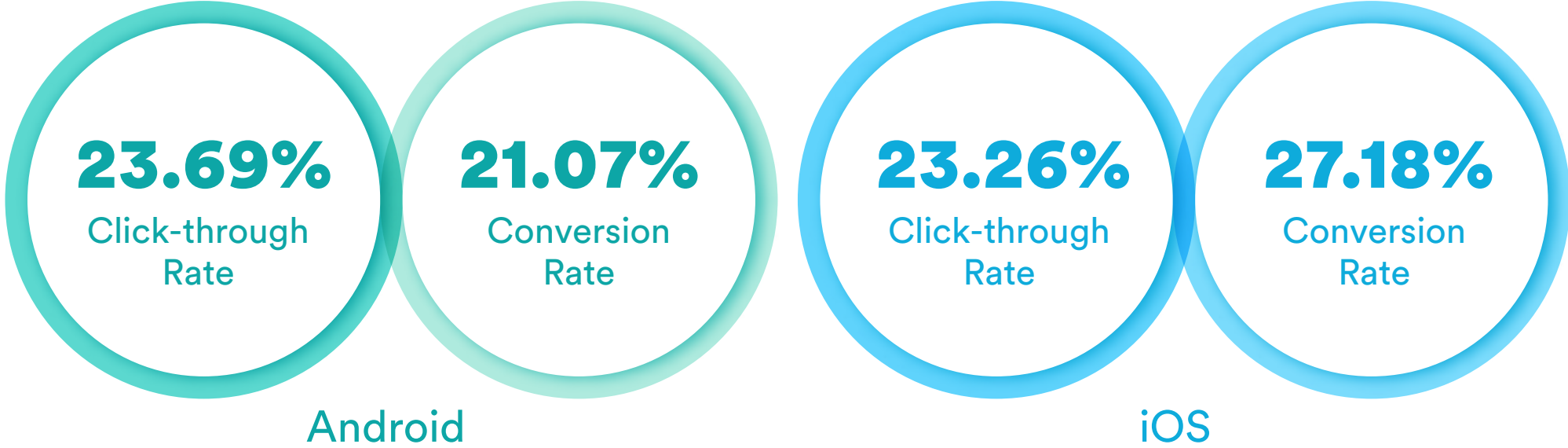| How has Banking behavior changed in 2021? | Push Notification benchmarks | Email benchmarks | In-app messages benchmarks | Website messages benchmarks |

Agnes Lie
VP of Growth Marketing, OVO

" The most refined form of segmentation is the behavioral segmentation approach which entails segmenting customers based on how they act on our platforms all the way from in-app behavior to actual transactions.

This approach enables us to be more precise with our targeting and opens up room for A/B testing. It yields better results because the treatment we are giving to the customers is based on real data rather than using presumed knowledge or hypotheses. It also allows us to combine the behavioral data with both predictive and deterministic modeling to pursue business objectives.

When segmenting users, we look at the product funnel journey and see where the traffic came from (source attribution) and if the customer was acquired through digital channels such as TikTok, Facebook, Google, etc. We then look at different segments within these channels and study their behavior before we dive into behavioral or transactional data. "
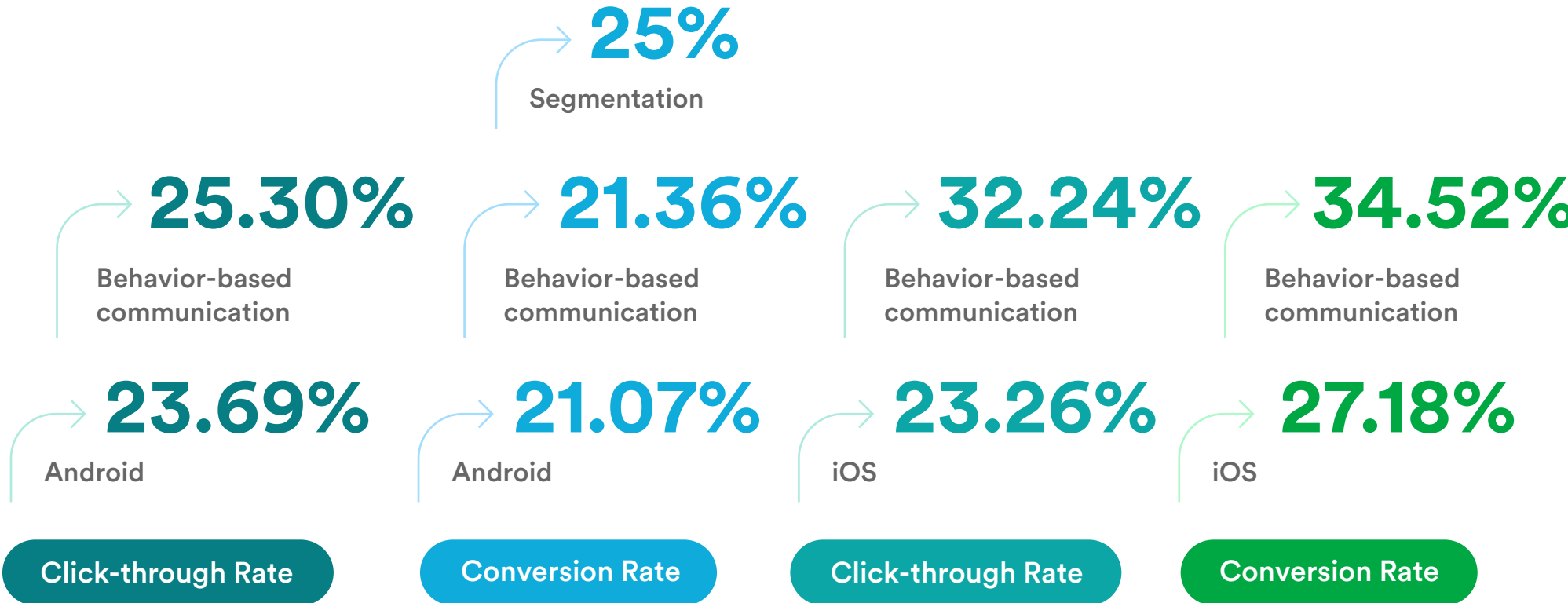
In-app messages benchmarks

23.69%
Click-through
Rate

21.07%
Conversion
Rate

23.26%
Click-through
Rate

27.18%
Conversion
Rate

Android

iOS

When it comes to in-app communication, once again, a behavior-based approach to engagement has shown to improve both CTRs and conversion rates.

CTRs on Android devices go up to 25.30% and up to 32.24% on iOS devices, and similarly, conversions on Android devices reach as high as 21.36% and 34.52% on iOS devices. Clearly, Banking & Fintech mobile app users are more responsive to having relevant information displayed to them when browsing your mobile apps. We observed that creating user segments based on the actions performed in the app, led to conversions on Android devices reach as high as 25%.

25%
Segmentation

25.30%
Behavior-based
communication

21.36%
Behavior-based
communication

32.24%
Behavior-based
communication

34.52%
Behavior-based
communication

23.69%
Android

21.07%
Android

23.26%
iOS

27.18%
iOS

Click-through Rate

Conversion Rate

Click-through Rate

Conversion Rate

How has Banking behavior changed in 2021?

Push Notification benchmarks

Email benchmarks

In-app messages benchmarks

Website messages benchmarks

Khalid Raheel
CMO at Amar Bank

"When we look at the segmentation, our goal is to look at the "need-based" segments (these are customers who need a loan) but also factor in the outliers, the "want-based" users (for example, someone looking to buy a second-hand phone and may be interested in a loan).

At Amar Bank, segmentation tells us what our TG isn't because it is equally important to understand what our customers don't want in addition to grasping what they do want.

From a segmentation standpoint, it is important to understand the need, the necessity, and the demand at every stage of life as all these three elements change continuously. Once the user data is in, you can focus on creating the relevant micro-moments in these people's lives that are based on highlighting the demands and benefits for the user.

Before you start your segmentation, start with empathy and understand what the customer is lacking in their life so that you can fill that gap. It's important to backward integrate the product to a forward integrated behavior or vice-versa."

Website messages benchmarks

9.46
Click-through Rate

We observed that website pop-ups play a key role in boosting engagement on Banking & Fintech websites, with a CTR as high as 9.46% on website pop-ups in Southeast Asia.

Sheila Paul
Chief Marketing Officer, Home Credit Philippines

"We've seen major developments in Singapore and the Philippines in the digital banking sector. With Bangko Sentral ng Pilipinas approving digital banking frameworks and creating a separate category for digital banks, the trend of adopting end-to-end digital finance in this region is accelerating at a fast pace.

A strategy that I've been implementing to increase product adoption is to build a core loyal following – the true believers of your product, who can spread the word not because they are being paid to do so, but because they find value in your offerings. Brands in the BFSI sector can build this base by inducing customer centricity in their ethos and displaying it via their communication, especially brands that are undergoing or have recently undergone digital transformation.

Machine Learning has been super helpful for us to interpret risk, carry out collections, develop relevant recommendations and offers, and reach out to consumers beyond our ecosystem. We've implemented voice and chatbots to automate some of the customer support processes. While there are current challenges like language barriers and the need for consumers to talk to a human instead of a machine, I envision technology to play a huge role in the digital finance space in the near future."

Aditya Chintawar
VP Product, Koinworks

> Try to educate your customers and give back to society during tough times. Positive sentiments are important to bring people back to your platform.

Marketing in the right way is necessary. For example, if you want your customers to read your messages or emails, they would have to find something useful in them – you will have to get them hooked on it. At the same time, marketers should remember not to overuse one single communication channel. If a customer gets too many messages on one channel that they might not like or find relevant, it will drive them away.

When you want to push something out in the market, increase the cadence of brainstorming sessions. No idea is ever really small. Everybody should be welcome to share their thoughts. Building a philosophy or culture of discussing problems, not solutions should be implemented to align marketing and product better. This will not only create a more inclusive environment but will also increase the inflow of new and fresh ideas.
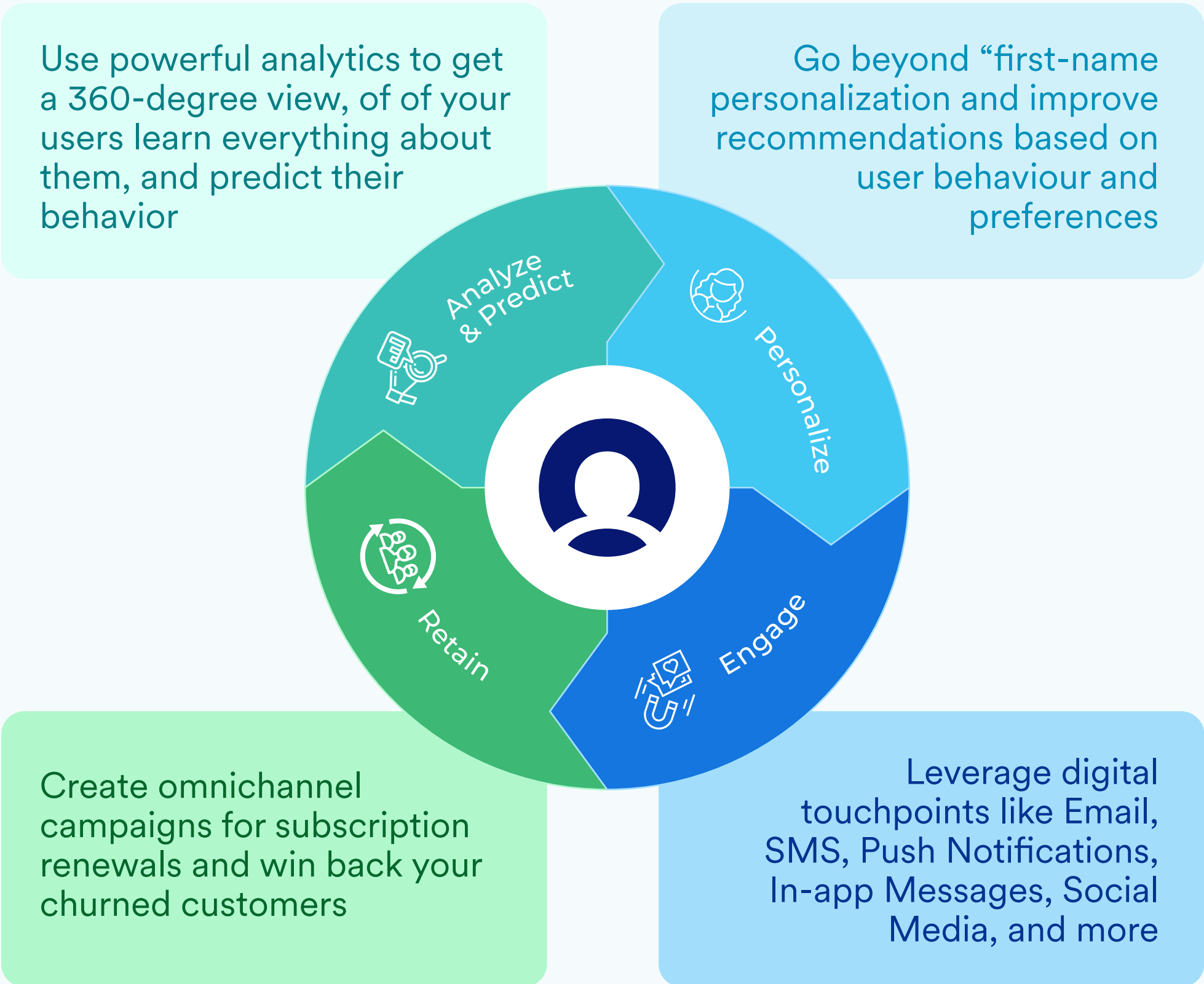
CONCLUSION

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:
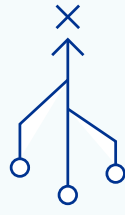
Use powerful analytics to get a 360-degree view, of of your users learn everything about them, and predict their behavior

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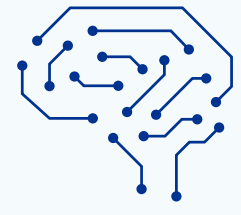
| Behavior-based communication | Effective segmentation | Communication aligned with the customer journey and buyer lifecycle | Personalization | AI-driven optimization |

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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