IEDE 2024 PROGRAM

OPTIMIZING CUSTOMER EXPERIENCE IN VIETNAMESE E-COMMERCE PLATFORMS

Innovation and Entrepreneurship For Digital Economy

E-COMMERCE TEAM
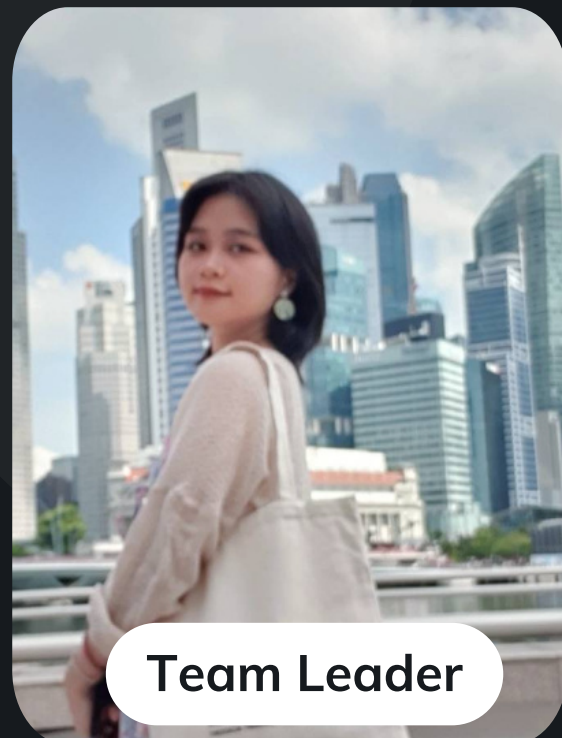
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Innovation and Entrepreneurship For Digital Economy

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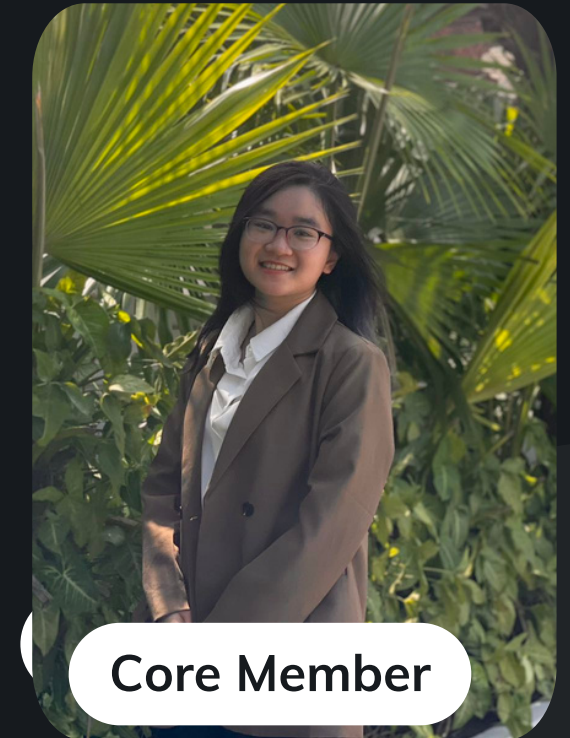- FPT Can Tho University

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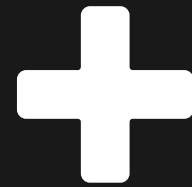
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WORLDWIDE OVERVIEW

Commerce + Internet = E-commerce

- One of the key drivers behind the global rise of e-commerce is the rapid advancement of technology and the internet.
- The trend of integrating AI in e-commerce
- Augmented Reality enhances customer journey on online shopping
- Voice commerce operates through voice assistants will gaining popularity

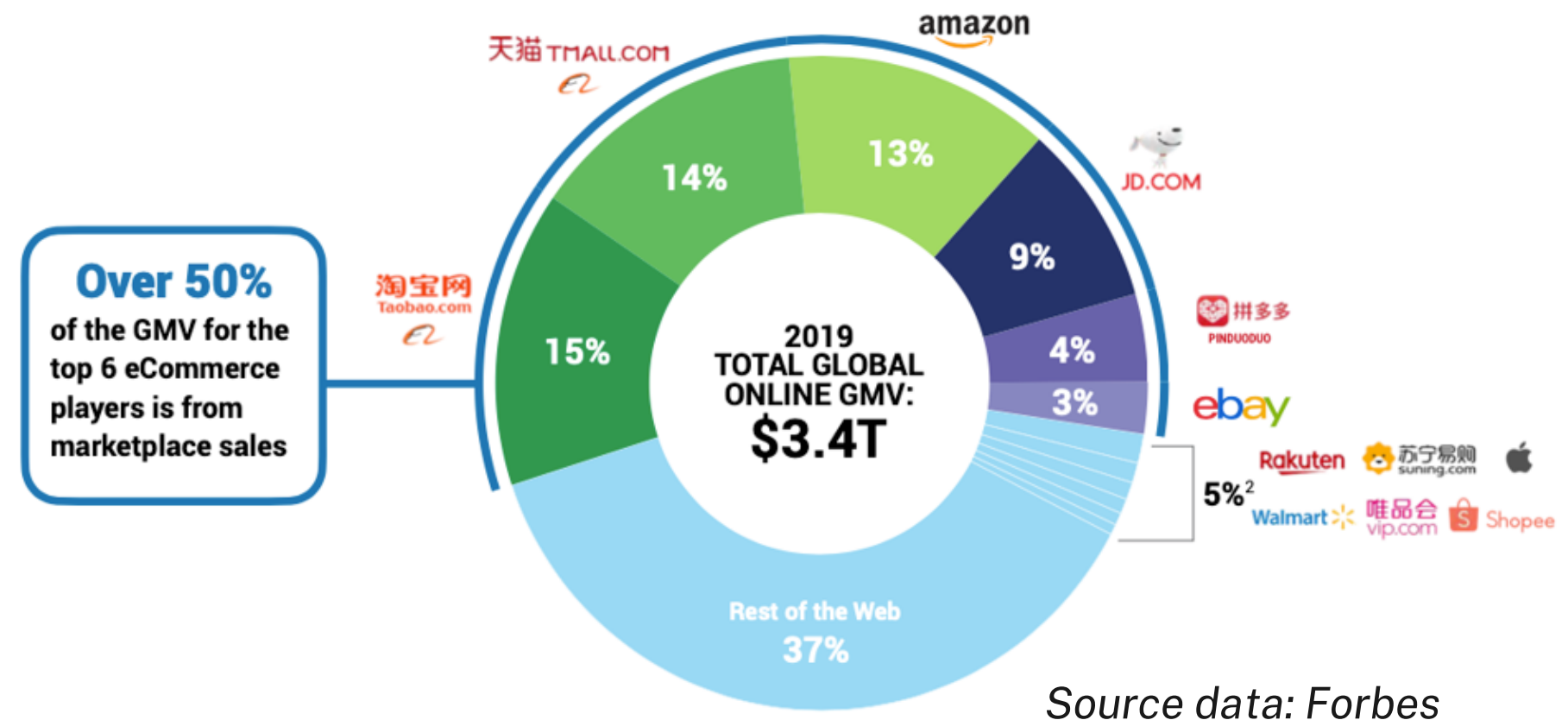**Biggest e-commerce companies in the world**
Revenue from past 4 quarters

Company	Revenue
Amazon $AMZN | USA	$502B
Jingdong Mall $JD | China	$155B
Alibaba $BABA | China	$126B
Meituan $3690.HK | China	$30B
Coupang $CPNG | S. Korea	$18B
Pinduoduo $PDD | China	$16B
Vipshop $VIPS | China	$16B
Rakuten $4755.T | Japan	$15B
Wayfair $W | USA	$13B
Sea (Garena) $SE | Singapore	$12B
Zalando $ZAL.DE | Germany	$11B
eBay $EBAY | USA	$10B
MercadoLibre $MELI | Argentina	$8.8B
Chewy $CHWY | USA	$7.8B
Americanas $AMER3.SA | Brazil	$5.5B
ASOS $ASC.L | UK	$5.4B
Shopify $SHOP | Canada	$5.2B

Source: CompaniesMarketCap.com

Created by genuine impact + shares

More charts: genuineimpact.substack.com

Source data: Genuine Impact

LEARNING FROM BIG E-COMMERCE PLAYERS: ALIBABA& TAOBAO, AMAZON, SHEIN

Over 50% of the GMV for the top 6 eCommerce players is from marketplace sales

2019 TOTAL GLOBAL ONLINE GMV: **$3.4T**

14%
13%
15%
9%
4%
3%
5%²
Rest of the Web 37%

TMALL.COM
amazon
JD.COM
PINDUODUO
Taobao.com
ebay
Rakuten   suning.com
Walmart   vip.com   Shopee

Source data: Forbes

Alibaba & Taobao:

- These platforms utilize sophisticated AI algorithms to personalize the shopping experience for millions of users.
- Case Study: Alibaba's Singles' Day Extravaganza
- Techniques used:
+ Personalized Recommendations
+ Predictive Analytics
+ Virtual Shopping Assistants
+ Social Media Integration
+ Dynamic Pricing

Amazon

- Amazon has pioneered the use of AI technologies to revolutionize various aspects of its operations.
- Case Study: Amazon's AI-powered Demand Forecasting
- Techniques used:
+ Machine Learning Algorithms
+ Predictive Analytics
+ Data Integration and Fusion
+ Real-time Data Processing
+ Cross-functional Collaboration
+ Continuous Learning and Optimization

Shein:

- Shein known for its trendy and affordable clothing offerings targeted primarily at millennials and Gen Z consumers.
- Case Study: Shein's AI-powered Social Media Marketing
- Techniques used:
+ Social Media Analytics Tools
+ Influencer Identification and Analysis
+ Content Curation and Personalization
+ Automated Content Creation
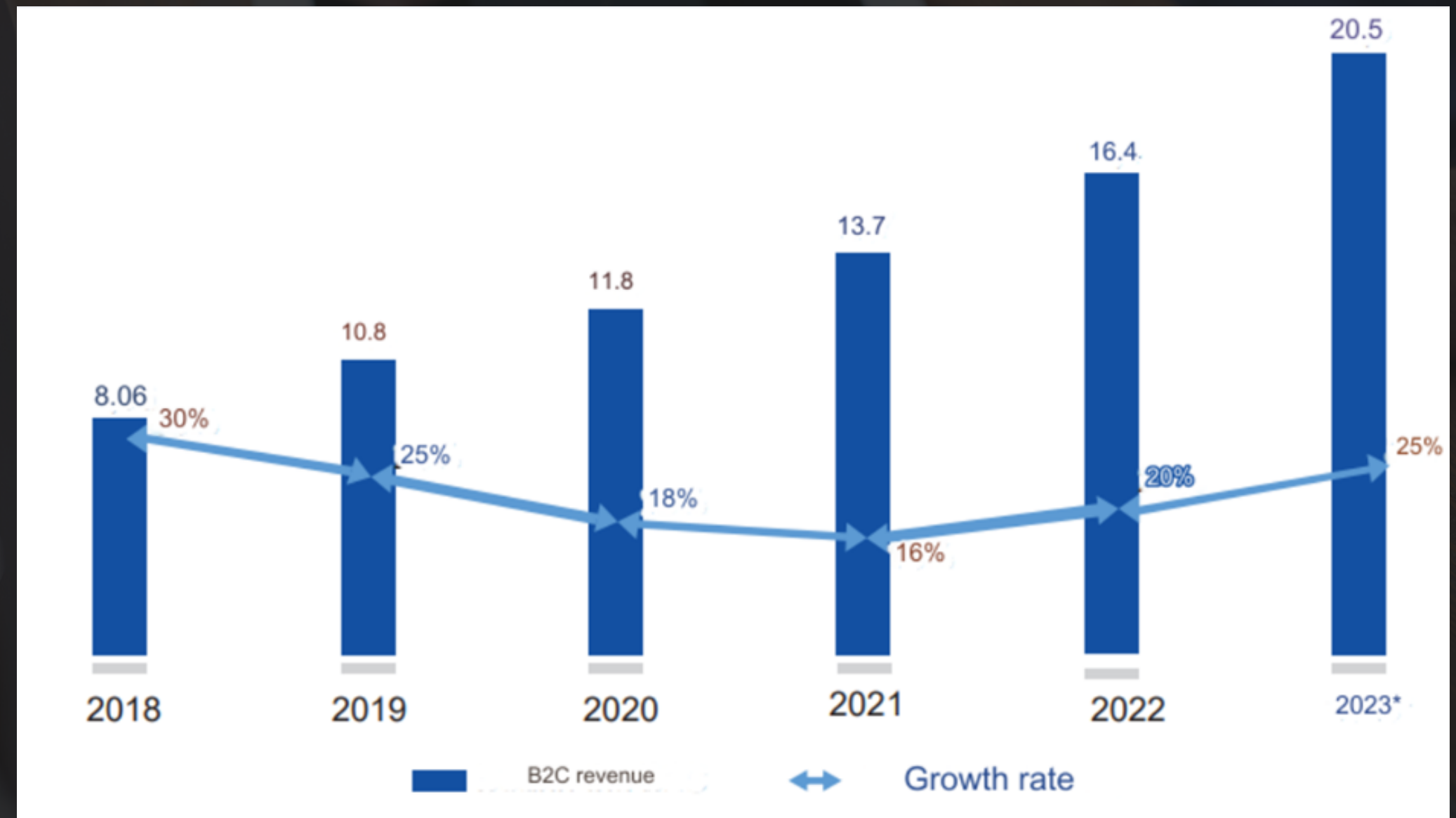+ Performance Monitoring and Optimization

E-COMMERCE SCENARIO IN VIETNAM

Overview of the current e-commerce scenario in Vietnam

The e-commerce sector in Vietnam has witnessed remarkable growth in recent years.
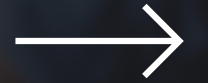
**Vietnam B2C e-commerce revenue in 2018 - 2023 (billion USD)**

Source: Vietnam E-commerce and Digital Economy Agency

Source data: Parcel Monitor, 2023

Several factors necessitate specific considerations for customer experience optimization in Vietnam market

In today's fiercely competitive e-commerce landscape, where options are plentiful and customer loyalty is paramount, optimizing customer experience (CX) has become an essential differentiator for online businesses.
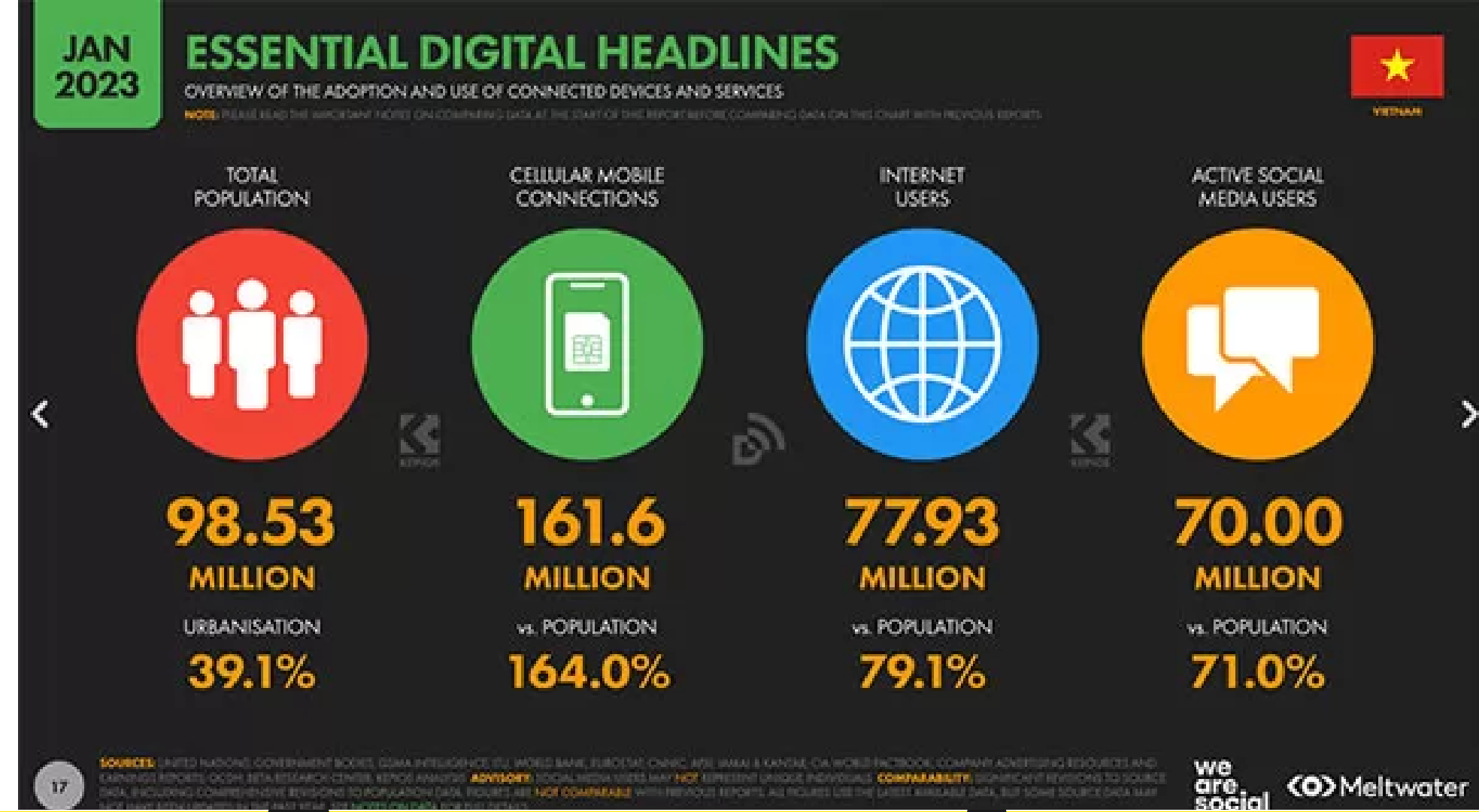
Mobile-First Focus

Platforms must be optimized for mobile devices, offering a smooth and user-friendly experience for on-the-go shoppers.

Building Trust and Transparency

Addressing concerns around product authenticity, secure payment options, and efficient delivery systems is crucial for building trust among Vietnamese consumers

Omnichannel marketing

Omnichannel marketing can help marketers increase customer loyalty, retention, and lifetime value.

Omnichannel marketing Leveraging Personalization

Implementing strategies like personalized product recommendations, targeted promotions, and localized content can enhance the customer experience and cater to individual preferences within the Vietnamese market.

AI application

Helping brands increase revenue and market share based on authentic analytical data, especially in difficult periods of the market.

Successful implementation of AI in Vietnamese e-commerce of each player

→

Prominent e-commerce platforms has made significant strides in integrating Artificial Intelligence (AI) to enhance the online shopping experience in Vietnam:

Shopee
- Data-Driven Personalization
- SkinCam Feature
- Digital Inclusion and Recovery

Lazada
- Data-Driven Personalization
- Microsoft Collaboration
- AI in Logistics

Tiki
- Data-Driven Pricing and Quality Control
- Fraud detection
- Integration of ChatGPT on Tiki

Sendo
- Enhance customer service with FPT. AI Conversation
- Optimize order management and customer support
- Create a smart and convenient shopping experience

Tiktok Shop
- Smart product recommendation system
- AI-Generated Content for TikTok Ads
- KOLs affiliation

Shopee   Lazada   TIKI   Sendo   TikTok Shop

Market shares of the five biggest e-commerce platforms in Vietnam

E-commerce platforms revenue Q2/ 2023

1% · 18% · 18% · 63%

+22,66%

E-commerce platforms revenue Q3/ 2023

1% · 16% · 14% · 69%

Legend: ■ Shopee ■ Lazada ■ Tiki ■ Sendo ■ Tiktok

Source: Metric.vn

Focus Areas Revisited: Vietnamese vs. Global E-commerce Leaders (AI Applications)

→

	Feature	Vietnamese Platforms	Global Leaders
1	**Personalization**	All Platforms	All Platforms
2	**Recommendation Engines**	All Platforms	All Platforms
3	**Chatbots & Virtual Assistants**	Most Platforms	Most Platforms
4	**Content Personalization (Feeds)**	Some Platforms	Most Platforms
5	**Logistics & Delivery Optimization**	Some Platforms (Limited Scale)	All Platforms (Advanced Systems)
6	***Voice Search***	Lazada	Pioneered by Amazon (Alexa)

Focus Areas Revisited: Vietnamese vs. Global E-commerce Leaders (AI Applications) →

	Feature	Vietnamese Platforms	Global Leaders
7	*Image Recognition*	Some Platforms (Limited Use)	Taobao (Product Search)
8	*Supply Chain Optimization*	Limited Implementation	A Focus Area for Shein
9	*Fraud Detection*	All Platforms	All Platforms
10	*Influencer Marketing (AI-powered)*	Not Yet Common	Limited Use (e.g., Alibaba Cloud)
11	*AI-Generated Content*	Potential for Tiktok Shop Ads	Not Yet Widespread
12	*Data-Driven Pricing & Quality Control*	A Focus for Tiki	Not a Standalone Feature

01

1.Vietnamese Situation: Highly Competitive Between Different Players

In the antecedent year, the nation's premier platforms—Shopee, Lazada, Tiki, and Sendo—collectively amassed a revenue of 135 trillion VND, equating to $5.73 billion USD. Shopee and Lazada assert their dominance as the two paramount e-commerce platforms in Vietnam, while Tiktok Shop has rapidly ascended to claim the position of the third-largest retail e-commerce platform in the country, notwithstanding its launch merely in the mid of 2022

Vietnam's ecommerce landscape

* Companies mentioned includes regional players with a presence in Vietnam

Source data: Tech in Asia

2.Opportunity

- Time saving for customer
- Convenience Purchases as the Trend in Vietnam: Consumer Wish to Buy the product as easy as possible
- Great chance of market expansion in Vietnam area
- Growing Internet Penetration & Changing in Lifestyle of Vietnamese
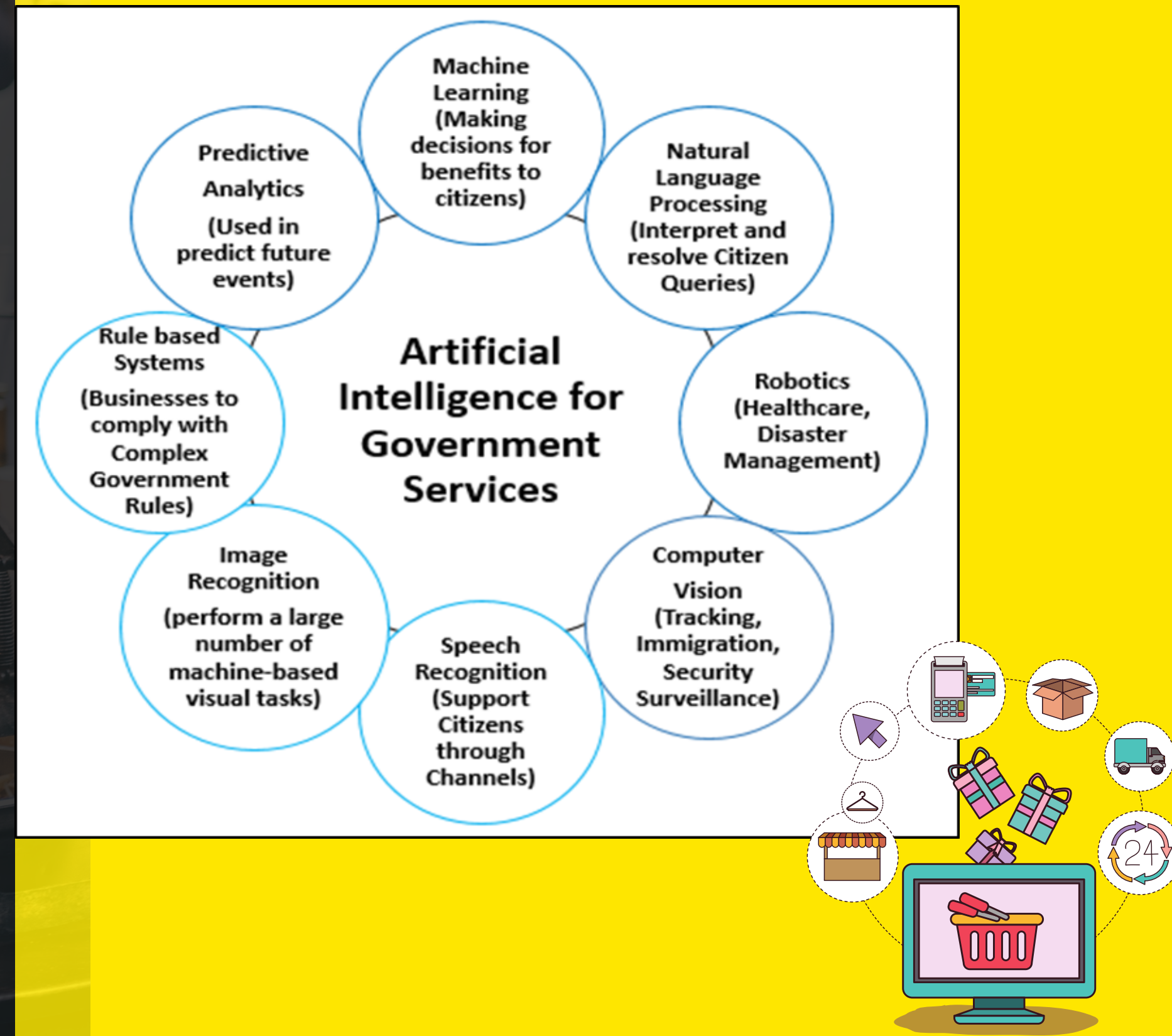
3.Limitation & Challenges

- Stock availability
- Product guarantee & Truth concerns among Vietnamese
- Data privacy and ethical concerns, especially in rural area of Vietnam
- Digital Payment System Challenges in Vietnam
- Logistics Technique Management in Vietnam Context
- Integration challenges and technical requirements in Vietnam Ecommerce infrastructure

parcelmonitor

THE STATE OF E-COMMERCE IN VIETNAM

During holiday seasons, **+ 50%** in parcel volume

HCMC & Hanoi comprises 23% of the population, but receive **78%** of parcels

2.2 DAYS average transit time to first delivery attempt

31% of parcels were delivered after **1** business day

69% of parcels were delivered at first attempt

40% of all International shipments are from the **US**, **China**, and **South Korea**

For more insights like these, join the Parcel Monitor Community!
www.parcelmonitor.com

Source data: Parcel Monitor, 2023

SUGGESTION IN VIETNAM'S CONTEXT

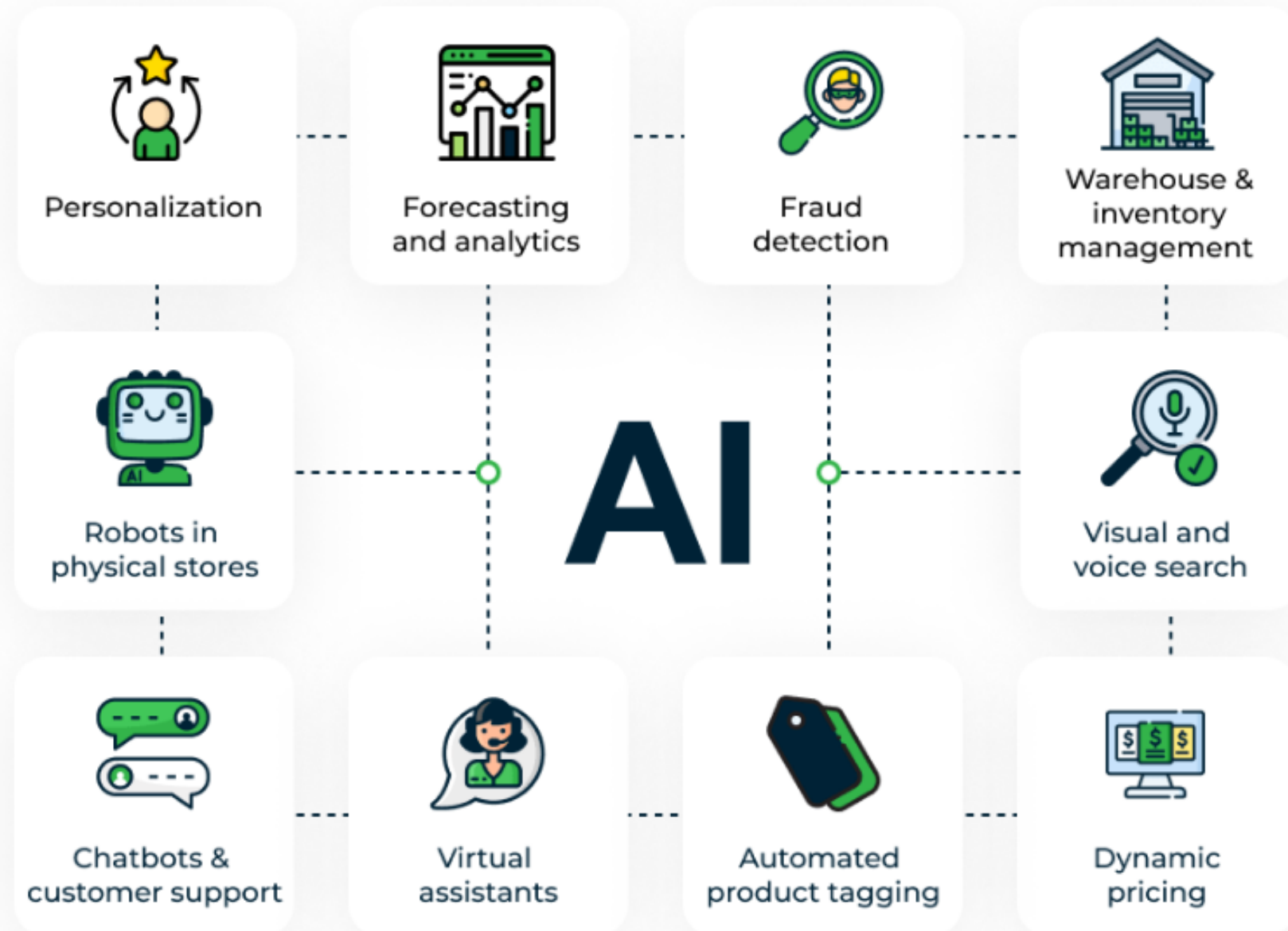## A.For state and government agencies at all levels

- The government plays a crucial role in building and improving the legal framework for e-commerce, as well as enhancing inspection, examination, and handling of violations.
- Raising awareness among consumers and businesses about their rights and responsibilities is essential.
- Utilizing advanced technology to manage and protect information is also part of the solution.
- Strengthening international cooperation in this field can play a significant role in addressing e-commerce-related issues in Vietnam.

SUGGESTION IN VIETNAM'S CONTEXT

Ways Artificial Intelligence Empowers eCommerce

- Personalization
- Forecasting and analytics
- Fraud detection
- Warehouse & inventory management
- Robots in physical stores
- AI
- Visual and voice search
- Chatbots & customer support
- Virtual assistants
- Automated product tagging
- Dynamic pricing

B.For Vietnam Businesses

- Leveraging Artificial Intelligence for Enhanced Product Availability in E-commerce
- Enhancing Consumer Trust in Vietnamese E-commerce Through AI-Powered Solutions
- Enhancing Data Privacy and Ethical Practices in Rural E-commerce: Solutions and Regulatory Implications in Vietnam
- AI for Security in Digital Payments
- Safeguarding Digital Payment Systems in Vietnamese E-commerce through AI-Powered Security Solutions
- Streamlining E-commerce Integration in Vietnam through AI Innovation

SUGGESTION IN VIETNAM'S CONTEXT
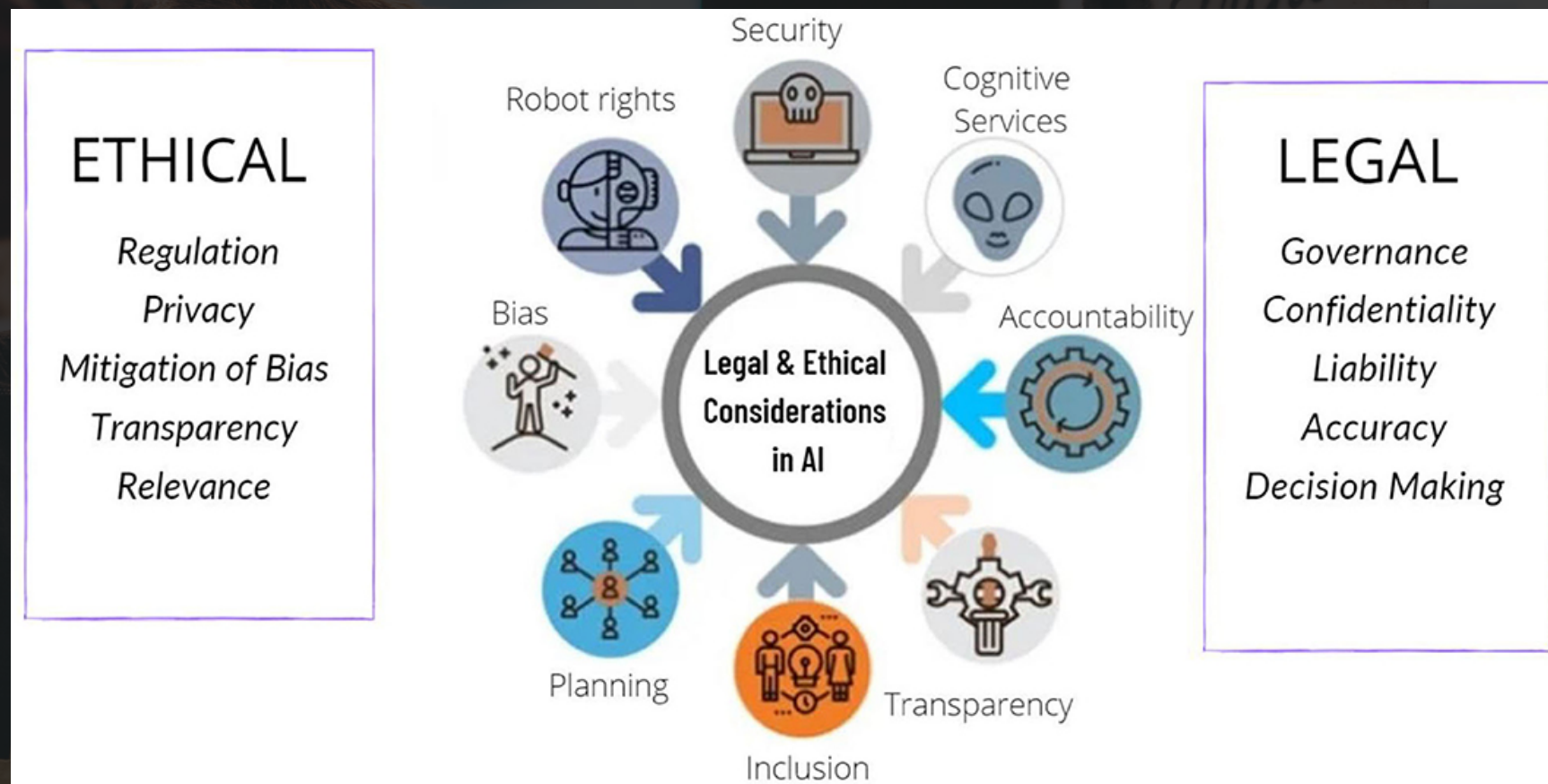
B. For Vietnam Businesses

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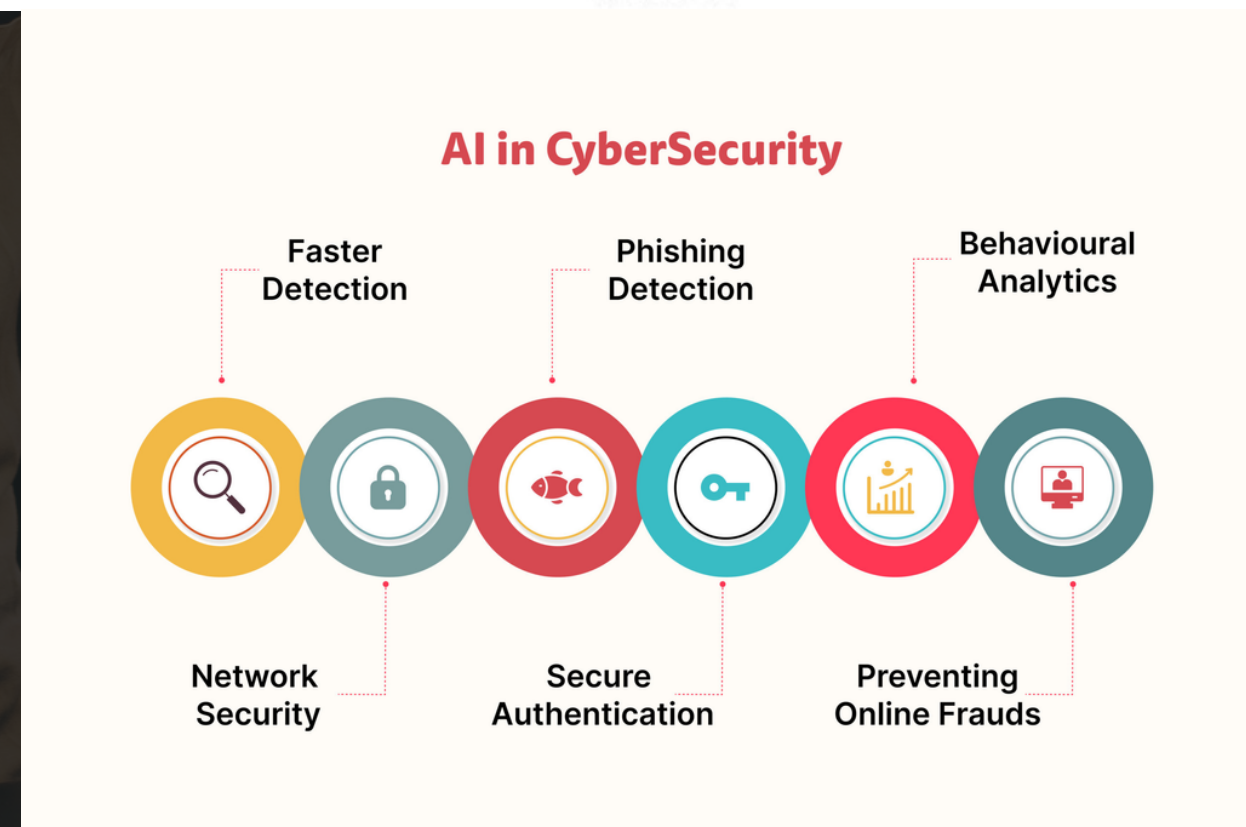
EXECUTIVE SUMMARY

I. ECOMMERCE & ARTIFICIAL INTELLIGENCE: WORLDWIDE OVERVIEW

II. LEARNING FROM BIG E-COMMERCE PLAYERS: ALIBABA, TAOBAO, AMAZON, SHEIN

III. E-COMMERCE SCENARIO IN VIETNAM & COMPARING TO WORLDWIDE PLAYERS

IV. CHALLENGES AND CONSIDERATIONS OF IMPROVING ECOMMERCE CUSTOMER EXPERIENCE IN VIETNAMESE CONTEXT

V. CONCLUSION & SUGGESTION IN VIETNAM'S CONTEXT

THANK YOU FOR LISTENING!