

# Hyper-Localization Within Shopee Marketplace

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## ABSTRACT

This paper is a preliminary study within Shopee Malaysia (shopee.com.my), Shopee Indonesia (Shopee.co.id) and Shopee Singapore (shopee.sg) marketplace regarding hyper-localization content used by Shopee to conquer the South East Asia e-commerce marketplace. Hyper-localization is not a new thing in the marketing world, but the way Shopee used it in their platform is obviously structured and autonomous. This preliminary study used literature review, basic visual analysis, and user interaction study to gather the primary data. The localization approach used by Shopee in new media integrated elements like gamification and omni-channel approach should be discussed so other marketplace platforms can learn this big secret to share the market fairly.

**Keywords:** hyper-localization, omni-channel marketing, multi-channel marketing, Shopee, marketplace

## 1. INTRODUCTION

Post COVID-19 has shown a massive destructive economy of income to the nation and everyone. Most people lose their income tragically as bad as losing their job. One of the great deals in facing this challenge is to generate your own income by venturing into business. People had to do it to survive even though they had never done any businesses before. Local business is fundamental to begin with. In the digital marketing era, e-commerce marketplace is a great choice. In choosing the right platform, we may ask, “which e-commerce truly supports local businesses?”

By the way, this is not a post COVID-19 paperwork on how to counter post COVID-19 issues. This issue has been raised to brief some opportunities that doing business can facilitate new sources of income through next level of localization.

Localization refers to focus on a small, targeted community or geographical area. This model works on two primary factors, “geography” and “time” [1].

This model belongs to the fastest delivery service (time) and liquidity targeted geography being the tabula rasa of successful localized models [1]. Next, this paper will show some preliminary studies within Shopee Malaysia (shopee.com.my), Shopee Indonesia (Shopee.co.id) and Shopee Singapore (shopee.sg) marketplace regarding hyper-localization content used

by Shopee to conquer the South East Asia e-commerce marketplace.

## 2. LOCALIZATION NEXT LEVEL – ‘HYPER-LOCALIZATION’

Comprehensive local business could cater the meaning of their business with local story (geo-story). This local business should understand how local people shop, adapt with their culture, and their trend interest, routine and favours throughout the region or the city within a certain timeframe (the data is not valid forever). All this data is “the local content” that local businesses must formulate and use as soon as possible. The hype nickname for this local content is called “hyper-localize”. Hyper-localize takes different localization information into the next level by providing personalization with certain conditions or segments.

### 2.1 Localization Offering

Localization offering here is not about what the business offers to customers, instead it is about what the consumers want from your product or service. Localization is not meant to inject national identity or story into your product or service. National injection can be done, but carefully offering the suitable demand. For offline businesses, business owners can provide local demand and trends by providing recommendations and personalization. As an example, coupon codes can be

applied for online stores. Combination of these two retailers could provide customers with custom promotions directly, offering a personal touch. These content and product offerings will give the brand a strong competitive advantage. After all, people buy from people, and if the business is listening to them, they will be more likely to convert into buyers.

**2.2 Localization Market segment**

It is most challenging to convert Gen-Z into buyers. This generation is widely open to global perception, trend and identity. Most Gen-Z are attracted to things they thought they knew about and localization is something that can capture their attention. Even though the market segment does not depend on Gen-Z, it is worth capturing their interest as early as possible since they are the potential repeating customers in the new era of online marketing.

**2.3 Hyper-Localization Marketing**

According to [2] Singh and Keating (2018), hyper-localization identifies and localizes the data from the consumer pre-experience. This is reverse engineering of tabula rasa of experience. Hyper-localization marketer acted as a strategist to create new experience without allowing the local to feel the difference. Provided the content is filled up with ordinary experience so customers feel like they already knew it, while it being a new, comfortable experience.

**3. SHOPEE AND HYPER-LOCALIZATION**

In 2020, you cannot reject online marketplace for your business. Marketplace is a must have online platform to grow and market your product thoroughly to customers. Shopee is one of the fastest growing online marketplaces in South East Asia [3].

Shopee has been in the market since 2015 and launched into 7 different countries. They keep on growing and penetrating each market with expandable hyper-localization through new culture, native language, and different technology progression [3]. Shopee is like a giant supermarket but has no physical store. Shopee is an online marketplace selling physical and digital products from all over the place by local or global independent sellers or authentic brand sellers (Shopee Mall). Shopee localization setup is tremendously curated for every country they venture in. Shopee has very great support supplies for all their localization needs, either an autonomous technology support using artificial technology or people (manual) support team. Online marketplace is a way to build seller trustworthiness reputation and build up the company name and product brand. Shopee hyper-localization injected segments can be separated into five sections: Campaign, Logistic, Products, Engagement and Partners.

**3.1 Campaign**

Shopee campaign key is to celebrate the country festivals accordingly by following the official national celebration. Other than official country festivals, Shopee campaign includes local social media trending, social community favour request, local feedback and Shopee original Series Campaign (monthly celebrating campaign 1.1, 2.2, 3.3, 4.4, 5.5 etc.). Up to the day of this article write-up, Shopee is organizing their 10.10 Campaign for the year of 2020.



**Figure 1** Shopee Malaysia current Campaign can be seen in the big carousel header under the product search bar. Retrieved October 1, 2020, from <https://shopee.com.my/>. Screenshot by author.



**Figure 2** Shopee Singapore current Campaign can be seen in the big carousel header under the product search bar. Retrieved October 1, 2020, from <https://shopee.sg/>. Screenshot by author.

Shopee campaigns are not standardized to every country. Figure 1 and Figure 2 show us how the company uses different campaign content based on geo target market trend.

**3.2 Logistic**

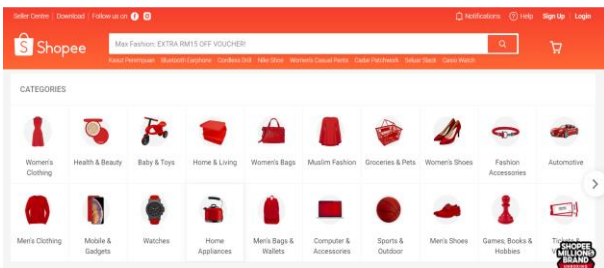
Shopee integrates local delivery service into their system with 'Shopee Supported Logistic' to ease the delivery process on the seller's end. No awkward decision needs to be made in terms of choosing a trusted delivery service for every country.

**Table 1** Localization of Shopee Supported Logistic with local delivery service.

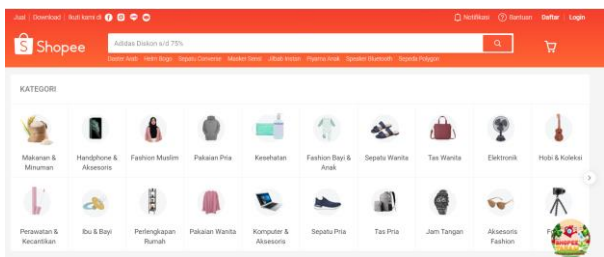
<b>Malaysia Shopee Supported Logistic</b>	<b>Singapore Shopee Supported Logistic</b>
	

**3.3 Products**

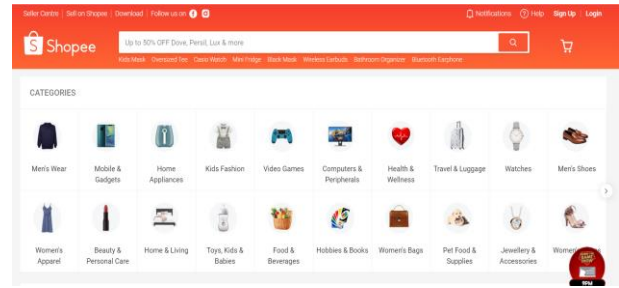
Products are listed by the local seller themselves where most products are made locally, and some are shipped from overseas. The localization can be seen in their product category and product image design.



**Figure 3** Shopee Malaysia Homepage showing standard product image with mono colour for their product image categories. Retrieved October 1, 2020, from <https://shopee.com.my/>. Screenshot by author.



**Figure 4** Shopee Indonesia Homepage showing standard product image with native language for their product categories. Retrieved October 1, 2020, from <https://shopee.co.id/>. Screenshot by author.



**Figure 5** Shopee Singapore Homepage showing nice luxury or premium real image of product categories. Retrieved October 1, 2020, from <https://shopee.sg>. Screenshot by author.

While most e-commerce providers apply standard category icons on their platform in every country, Shopee does it differently by appreciating local interest, popularity item, language, and visual item.

**3.4 Engagement**

Shopee wants their potential customer to keep on browsing the ‘Shopee Product Catalogue’ for a very long time (better engagement). Shopee leverages engagement with ‘Shopee Reward Gamification’. For each country, Shopee rebranded and redesigned the game by exclusively adapting the local native language and visuals.

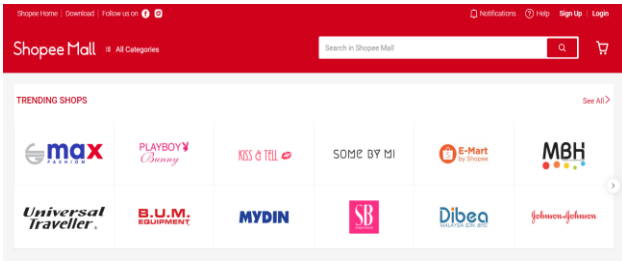
**Table 2** Localization of Shopee Rewards Gamification with local essence.

<b>Malaysia Shopee Game</b>	<b>Indonesia Shopee Game</b>
	

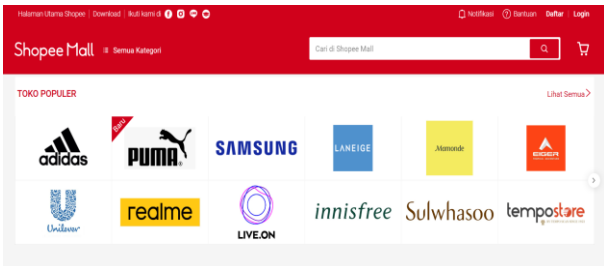
Both games are identical in terms of gameplay, but each game has local priority on graphic and language.

**3.5 Partners**

Shopee officially partners with local prominent companies that feature authentic brands and are top sellers in Shopee Mall. Shopee highlights the most trending brand on the Shopee Mall Homepage. Shopee also has logistic official partners (Shopee Supported Logistics) in their integrated pickup-delivery system.



**Figure 6** Trending Brands in Shopee Malaysia are mainly brands of non-luxury products. Retrieved October 1, 2020, from <https://shopee.com.my/>. Screenshot by author.



**Figure 7** Trending Brands in Shopee Indonesia with half of them are local brands. Retrieved October 1, 2020, from <https://shopee.co.id>. Screenshot by author.

Different countries have different favourable brands; thus, sales trending is different for each country. Hyper-localization approach by Shopee cannot be done through manual guess. Some of the localization setup is autonomous, and others are curated (graphic design) based on the data compiled through the way customers make their choice (preferences), duration of customers using the Shopee interface (engagement), data from previous campaigns, and customers' complaints and requests. These hyper-localization data are gathered based on customer behaviour study [3].

**4. HYPER-LOCALIZATION AND OMNI CHANNEL APPROACH IN SHOPEE.**

Unified customer centric business model but have different channel to distribute the experience is called “omni channel approach [4].

Table 3: Selected Shopee Omni Channel Approach

Injected Hyper-localization	Shopee Website	Shopee Mobile Apps	Shopee Ads	Shopee Game
Campaign	✓	✓	✓	✓
Products	✓	✓		

Logistic	✓	✓		
Engagement	✓	✓	✓	✓
Partners	✓	✓	✓	✓

Omni channel approach is to deliver shopping experiences across different channels to customers. It is different from a multi-channel approach at least in terms of subject and focus. Omni channel approach mainly focuses on customer experience with different channels but unified as one [5]. Meanwhile, multi-channel approach focuses on product persuasion, unique selling point, and value proposition and value added to increase online presence with different channels that are treated as separate businesses, so consumers can choose which channel they prefer [4].

Shopee marketing team are expert in both approaches. They practice both marketing approaches seamlessly. Multi-channel approach and omni approach are systematically plugged in by the Shopee marketing team. They know how to integrate omni approach in their marketing while injecting hyper-localization in the marketing content. Hyper-localization in Shopee are distributed along with the Shopee Omni Channel across multiple platforms such as Shopee Website and Shopee Mobile Apps to increase sales. They are also having internal channel like Shopee Game, and Shopee Ads to increase engagement and loyalty. Nowadays, omni-channel approach is an ordinary way for big companies to collect more sales and collect user data in one shot for their business. These data are gathered and studied by the company to improve their sales & services. However, Shopee does it differently where they provide seamless experience to consumers by injecting hyper-localized content into different sections like campaign, products, logistic, engagement and partners within the Shopee omni-channel platform. This approach makes consumers feel like they are not being controlled, instead they feel free to browse as if the site has already known their expectations [6]. Below are the summarized discussions for each platform in Shopee omni-channel approach.

**4.1 Shopee Mobile App**

Shopee mobile app and Shopee website are the main core. They are identical, but Shopee app is not a responsive mobile web version of the Shopee website, it is a different platform with identical user experience but different levels of management. Shopee puts their layman (ordinary consumer) user experience as mobile first then desktop, thus the app version has more interactive features for layman than the web version. User may purchase products through this platform and get

notification about shipping. Seller may update products and received sale notification.

#### **4.2 Shopee Website**

By default, Shopee Website shows a basic consumer marketplace. Users can search for a product, add the product to cart and make final payment seamlessly. It is similar with every other marketplace. However, Shopee website has a great feature called 'Seller Centre'. Seller Centre is a dashboard for sellers to manage their business. In short, the Shopee website facilitates both consumers in purchasing a product and sellers in managing product availability, sales, and business insight. Although everything you can do on the Shopee website can also be done on the Shopee app, the web version is advantageous with the advanced features for advanced sellers.

#### **4.3 Shopee Ads**

Shopee ads is an in-house advertising scheme provided for sellers; it is built in the mind that the seller needs something to boost their sales among other competitors in house. This is where Shopee 'reads' the local content data provided by the seller to boost the sales of their product locally. Shopee ads is different than other ecommerce ads since its look like a normal content.

#### **4.4 Shopee Game**

Shopee Game is an in-house engagement strategy where they provide happiness, fun, and rewards (opportunity to win gift). Rewards can be obtained through multiple ways such as logging into the apps repeatedly (term condition applied) to claim deals and vouchers, and through coin redemption. This is an addiction strategy where users are expected to revisit the Shopee platform frequently for a chance to win gifts. Coins have a different purpose in Shopee where users can use the coin to redeem discount vouchers.

### **5. CONCLUSION AND RECOMMENDATION**

Shopee omni-channel approach and Shopee hyper-localization are crossing each other lines to complete one another. Shopee uses these approaches to compete and be different from their competitors where they bring expectation from one local customer for a new local customer. In the end, this loop pleases each customer and brings a comfortable and fun shopping experience. As I have mentioned earlier, this is just a preliminary study. For future research, the researcher can extend these details with proper argument and objective. They can discuss more on the relationship of Shopee multi-channel marketing and omni channel marketing. Both marketing approaches are identical in terms of platform but have

separate purposes to leverage the Shopee platform. Shopee multi-channel marketing is purposely used to attract new customers and new sellers, while the Shopee omni channel marketing is curated for existing customers and sellers to keep on engaging in the Shopee loop.

### **AUTHORS' CONTRIBUTIONS**

This paper is contributed to the understanding of successful marketing approach by Shopee (an outstanding online marketplace in South East Asia). Simple explanation about localization and omni-channel approach available in this paper. This successful approach report could contribute others online marketer; thus, they can prepare to consider this next-level approach in their online marketing.

### **ACKNOWLEDGMENTS**

I want to acknowledge that website screenshot in this paper is basically publish to public by Shopee marketplace through respective access date, while logo in this paper is the copyright of respective owner by Shopee Partner. I do not own this graphic material. The screenshot and logo are for education purpose only.

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