

News Release

3 February 2016

Bespoke solutions key to digital retail's fast fashion world

Asian companies that have set the global pace in e-commerce retailing must embrace a fresh wave of digital change if they are to hold on to cost-conscious customers who are more mobile than ever-before.

The key will be in the capture of data needed to better understand customers, products and user experiences over digital platforms.

With consumers at all income-levels increasingly willing to purchase a wide range of products exclusively online and with mobile shopping's rapid growth, the challenge for retailers is how to enhance customer experience for a brand's most loyal followers and bring new buyers into the fold while minimising the risks associated with an ever-more international supply chain.

It's a shift that could even force retailers which have so far eschewed e-commerce to re-think their strategies.

While unusual, there are a few brands at the very high-end that have not been eager to cater to an online audience at all out of fear of brand dilution. Others share their brand story through an online presence, but do not encourage or even enable consumers to make a purchase online. While this strategy may still be working for a select group, it is less likely to be viable in future

"The digital trend isn't just about establishing brand presence and pushing products online. A successful digital strategy must involve daily social media engagement that delivers interesting and relevant content to customers and will need buy-in from senior management, dedicated staff, creativity, and the investment of time and resources," said Mahbub Ur Rahman, Head of Commercial Banking, HSCB Malaysia.

Working with a local creative and digital partner in each market can be the difference between a successful entrance into a new market and one that falls flat or, even worse, creates a negative perception of the brand.

Smaller firms will typically benefit from using digital dashboards to get a snapshot of their entire online business presence, while larger companies should consider Big Data analytics to streamline information flow and generate insight on customer behaviour and buying trends. Digital tools used properly can improve customer service and enhance brand loyalty.

This news release is issued by

HSBC Bank Malaysia Berhad

(Company No. 127776-V)

Registered Office and Head Office:

2 Leboh Ampang, 50100 Kuala Lumpur, Malaysia.

Web: www.hsbc.com.my



“In a report by International Data Corporation (IDC)¹, Big Data analytics spending in Malaysia in 2018 is expected to reach US\$80 million. In terms of growth rates from 2013 to 2018, Big Data spending is growing at a much faster rate than the overall IT spending growth rate in Malaysia. What this demonstrates is that the Big Data journey is gaining momentum and is expected to accelerate and contribute more to the overall Malaysia IT spending in the coming years,” added Mahbub.

“IDC also predicted that with the numerous 3rd Platform Technologies available such as cloud, big data/analytics, social and mobile, it will be even more important for organisations to take advantage of the opportunities that will come from transitioning to these 3rd Platform of Technologies in order to stay competitive.”

On the other hand, while what works well for one company might not work for another, there are a few best practice rules that the digital domain demands be put in place, regardless of a retailer’s size.

“Payment preferences and cash management suddenly become much more important to understand and to analyse, given the increased potential for cross-border shopping adding a new layer of complexity to already internationally-oriented supply chains” shared Mahbub. “Retailers need to know in real-time the costs and risks associated with every component of these operations, particularly the smaller and regional brand owners which may need to set up cross-border capable supply chain infrastructure for the first time.”

Supply chain settlement is typically done in a variety of global currencies, but the right financial partner can tailor systems for retailers to track their money in real-time and its value in a single currency, regardless of what currency they have been paid in.

Companies with a presence in multiple countries will benefit from efficient foreign exchange solutions with cross-border capabilities as managing capital and liquidity more effectively is vital, no matter how big or small the company.

“The market dynamics have undoubtedly changed, but the basic principles of retail remain the same. Brands must identify potential customers, engage them and ultimately complete a sale. The retailers best equipped to succeed will need to use technology to better understand their product sales cycles and how to maximise margins made thinner by rampant e-commerce competition. Only then will they retain the customers they have and reach the customers they really want,” Mahbub concluded.

- Ends -

Media enquiries:

Marlene Kaur +603 2075 3351
Joanne Wong +603 2075 6169

marlenekaur@hsbc.com.my
joanne.p.m.wong@hsbc.com.my

¹ <http://www.idc.com/getdoc.jsp?containerId=prMY25427615>

About HSBCGroup

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. The Group serves customers worldwide from around 6,100 offices in 72 countries and territories in Europe, Asia, North and Latin America, and the Middle East and North Africa. With assets of US\$2,572bn at 30 June 2015, HSBC is one of the world's largest banking and financial services organisations.

About HSBC in Malaysia

HSBC Bank Malaysia Berhad was locally incorporated in 1984 and is a wholly-owned subsidiary of The Hongkong and Shanghai Banking Corporation Limited (a company under the HSBC Group). In 2007, HSBC Bank Malaysia was the first locally incorporated foreign bank to be awarded an Islamic banking subsidiary licence in Malaysia, and HSBC Amanah Malaysia Berhad, a full-fledged Islamic bank wholly owned by HSBC Bank Malaysia, commenced operations in August 2008. HSBC in Malaysia has a network of 68 branches nationwide, of which 26 are HSBC Amanah Malaysia Berhad branches. HSBC Amanah Malaysia Berhad also has offsite ATMs established in 25 locations nationwide. In 2006, HSBC was the first foreign bank to be awarded a Takaful (Islamic insurance) license in Malaysia. HSBC Amanah Takaful (Malaysia) Sdn Bhd, a joint venture between HSBC Insurance (Asia Pacific) Holdings Limited (49% shareholding), Jerneh Asia Berhad (31% shareholding) and Employees Provident Fund Board of Malaysia (20% shareholding) commenced operations in August 2006.

The Hongkong and Shanghai Banking Corporation Limited

The Hongkong and Shanghai Banking Corporation Limited is the founding member of the HSBC Group, which serves around 48 million customers through four global businesses: Retail Banking and Wealth Management, Commercial Banking, Global Banking and Markets, and Global Private Banking. The Group serves customers worldwide from over 6,100 offices in 72 countries and territories in Asia, Europe, North and Latin America, and the Middle East and North Africa. With assets of US\$2,549bn at 30 September 2015, HSBC is one of the world's largest banking and financial services organisations.