



Things you need to know about

E-COMMERCE IN MALAYSIA

Growing your brand to greater heights



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INTRODUCTION

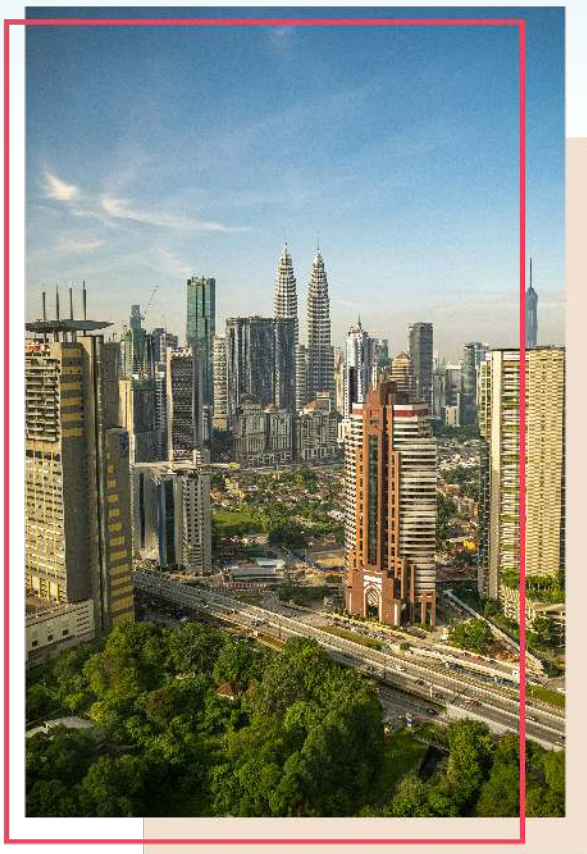
The digital transformation of Malaysian commerce continues to reshape the nation's economic landscape. With e-commerce contributing a substantial 11.5% to the country's GDP in 2022, the sector's momentum shows no signs of slowing. The first quarter of 2023 painted an even more compelling picture, as e-commerce income surged to RM279 billion, marking a robust 5.9% year-on-year growth.

At the heart of this digital retail revolution are the nation's leading marketplaces - Shopee, Lazada, and the rapidly emerging TikTok Shop. These platforms have become virtual shopping streets, hosting thousands of merchants and welcoming new entrepreneurs daily, each adding their unique offerings to Malaysia's vibrant digital marketplace.

To ensure an advantageous position and grow in the dynamic retail landscape, it is crucial for a brand to delve deeper into the ecosystem and explore consumer behaviour, patterns and trends.

GROWTH OF E-COMMERCE STARTS IN MAJOR CITIES

Advance infrastructure and higher spending power in urban hubs fuelled the growth of e-commerce in the country



The landscape of Malaysian e-commerce tells a story of urban digital transformation, where certain cities emerge as powerhouses of online retail activity. Despite Malaysia's diverse geographic spread across thirteen states and three federal territories, the digital commerce heartbeat pulses strongest in key urban centres across the peninsula.

The Klang Valley, Malaysia's most densely populated urban corridor, stands as the undisputed hub of e-commerce activity. According to the Department of Statistics Malaysia, this region leads not only in

transaction volume but also in digital payment adoption, showcasing the area's technological maturity and consumer sophistication.

Within this vibrant ecosystem, three cities emerge as digital retail champions: Kuala Lumpur, with its cosmopolitan consumer base; Petaling Jaya, known for its tech-savvy residents; and Subang Jaya, a dynamic hub where a young, digitally native population drives both buying and selling activities. This urban triangle has become the crucible of Malaysia's e-commerce innovation, setting trends that ripple across the nation.

OTHER KEY GEOGRAPHICAL AREAS



PENANG

- 2nd highest e-commerce participation rate
- Strong cross-border e-commerce activity
- High digital payment adoption

JOHOR BAHRU

- 3rd largest e-commerce market
- Cross-border activity with Singapore
- High concentration of e-commerce sellers

KUANTAN

- Fastest growing e-commerce adoption
- Emerging logistics hub
- Growing digital payment usage

KOTA KINABALU

- Highest e-commerce growth in East Malaysia
- Expanding delivery network
- Growing cross-border trade

KUCHING

- Second largest East Malaysia e-commerce market
- Strong local seller participation
- Developing logistics infrastructure

A NATION-WIDE ROLLOUT TO BOOST E-COMMERCE

Digital adoption across the country will continue to increase demand from e-commerce sellers

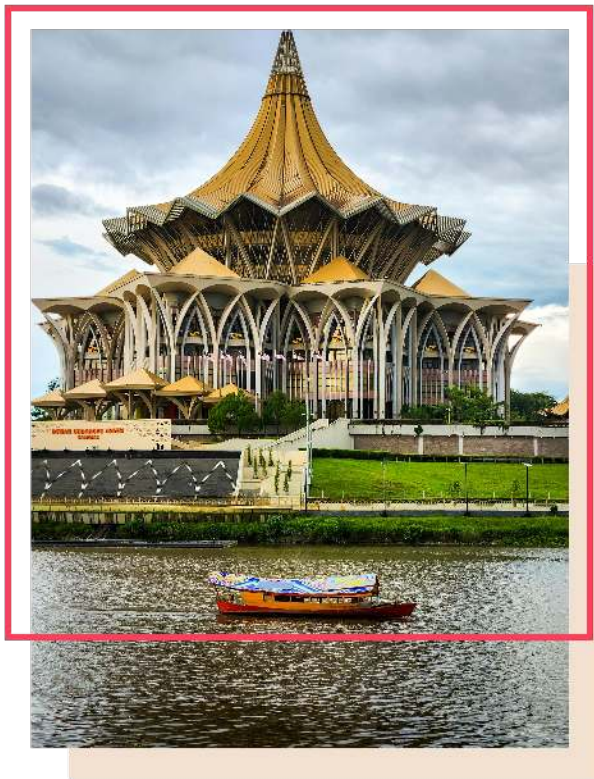
The future of Malaysian e-commerce extends far beyond its current urban strongholds. The Malaysia Digital Economy Blueprint (MyDIGITAL) envisions a more inclusive digital economy, one that reaches every corner of the nation. Through strategic infrastructure development, this vision is steadily becoming reality.



Across the country, a robust network of initiatives is taking shape. Fulfilment centres are transforming vacant spaces into strategic logistics hubs aimed to reduce delivery times and costs, while automated sorting facilities are accelerating package processing times. Digital payment infrastructure is expanding into rural areas, and improved internet connectivity is bringing more Malaysians into the digital marketplace.

The impact of this transformation is particularly significant in regions like East Malaysia and the East Coast of Peninsular Malaysia. In these regions, growing internet penetration and increasing digital literacy are creating new opportunities for both merchants and consumers.

Looking ahead, MyDIGITAL's roadmap outlines several key developments set to reshape the e-commerce landscape. The nationwide 5G rollout, targeted to reach 80% population coverage in populated areas, promises to revolutionise mobile commerce.



Smart city initiatives in secondary cities will bring advanced digital infrastructure beyond major urban centres. This development aims to create more e-commerce growth nodes beyond the Klang Valley, supported by better logistics networks and faster internet speeds.

This infrastructural evolution marks a pivotal shift from concentrated urban e-commerce towards a more distributed, nationwide digital marketplace. As these initiatives

continue to unfold, they're not just improving service quality - they're fundamentally reshaping the geography of Malaysian e-commerce, creating a more inclusive and accessible digital economy for all.

WHAT ARE MALAYSIANS BUYING ONLINE

Distinct and dominating categories in the country clearly identified

The digital marketplace, while vast and growing, represents a carefully curated selection of products that resonate with Malaysian online shoppers. A revealing insight from the Malaysian Communications and Multimedia Commission (MCMC) shows that 61.4% of internet users have embraced online shopping, each bringing their unique preferences and shopping patterns to the digital realm.

This shift to digital retail isn't uniform across all product categories. Instead, distinct patterns emerge across different platforms and demographic groups, painting a fascinating picture of Malaysian consumer behaviour. Some products find their sweet spot in the online space, while others remain firmly rooted in traditional retail channels.

iPrice Group's "Map of E-commerce Malaysia Q4 2023" illuminates these patterns through comprehensive analysis of consumer traffic and search behaviour. Their data reveals clear category leaders in the Malaysian e-commerce landscape, offering valuable insights for businesses navigating this dynamic marketplace.



FASHION

- Top performing on Shopee
 - Highest search volume
 - Strong mobile purchase rate
 - Strong correlation with social media browsing
-

ELECTRONICS & MOBILE

- Premium segment dominated in Lazada for authorized brand
 - Strong for protection accessories
 - Longer research required
 - Peaks during new launches
 - High desktop usage
 - Strong price comparison activity
-

BEAUTY & PERSONAL CARE

- Strong in Korean beauty
 - High review reliance
 - Strong repeat purchase patterns
 - Influenced by social media content
-

MOTHERS & BABIES

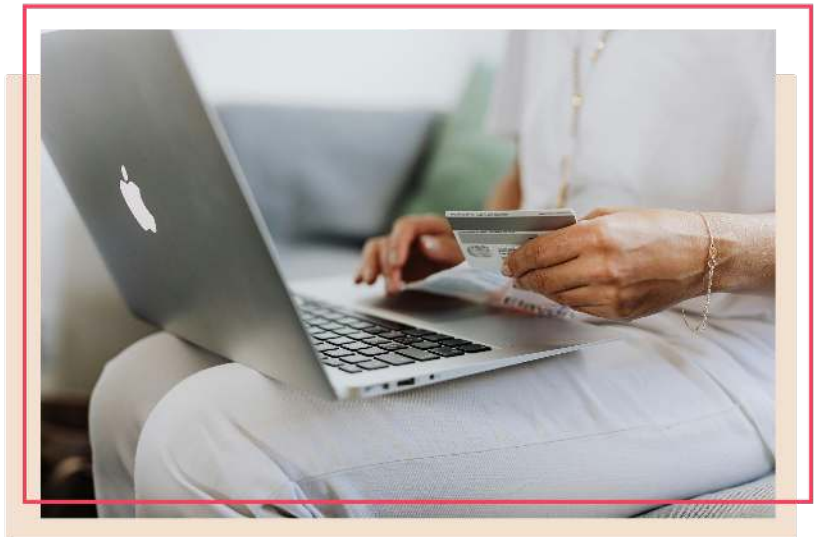
- High customer loyalty
- Consistent year-round performance
- Strong in essential items

WHY ARE MALAYSIANS BUYING ONLINE

Routine purchasing patterns for certain consumer product categories

As millions of Malaysians embrace online shopping, distinct patterns have emerged that illuminate not just what they buy, but how they make their purchasing decisions. Each product category tells its own unique tale of consumer confidence, with successful segments masterfully leveraging different aspects of the digital landscape to build trust and drive sales.

The modern Malaysian shopper has embraced online fashion retail wholeheartedly, drawn by the ability to browse endless styles from the comfort of home. According to MCMC's Consumer Behaviour Study,



the combination of easy price comparison, straightforward return policies, and strong social media influence has transformed fashion from a traditionally touch-and-feel purchase into a confident online buy.



Electronics and mobile devices tell a different but equally compelling story. Here, the digital marketplace serves as a research hub first and a purchasing platform second. Consumers appreciate the ability to meticulously compare technical specifications, read user reviews, and find the best prices across authorized sellers. The presence of official brand stores on major platforms has built a foundation of trust, particularly crucial for these higher-value purchases.

The beauty and personal care category thrives online for entirely different reasons. Its success stems from the replenishment nature of these products – once a consumer finds their perfect skincare routine or signature scent, reordering becomes second nature. The combination of authentic products, detailed reviews, and the convenience of scheduled deliveries has made this category a digital retail success story.

Perhaps most telling is the strong performance of mother and baby products online. This category's success reflects a deeper understanding of its core customers – busy

parents who value convenience above all. The ability to bulk purchase essential items, coupled with reliable delivery and quality consistency, has made online shopping an indispensable tool for modern parenting.



Categories such as fresh groceries, luxury items, and large furniture have not been able to find stable footing on digital retail platforms and remain tied to traditional channels where immediate inspection, premium experience, and complex delivery requirements still hold sway.

This selective embrace of e-commerce tells us something important about Malaysian consumers – they're discerning in their digital shopping choices, gravitating toward categories where online platforms can genuinely enhance the shopping

experience while maintaining a preference for physical retail where traditional advantages still matter.

THE CONSUMER JOURNEY

A multi-faceted pattern leading to brand success in e-commerce

The traditional retail funnel has evolved into something far more intricate in Malaysia's digital landscape. According to MCMC's "Digital Consumer Behaviour Study 2023," the journey to purchase now resembles less of a straight line and more of an intricate web of touchpoints and decisions.

68.4% of Malaysian consumers start their product research on Shopee

WHERE DISCOVERY BEGINS

The data tells a fascinating story about where Malaysian consumers begin their shopping journey. According to verified platform data, 68.4% of Malaysian

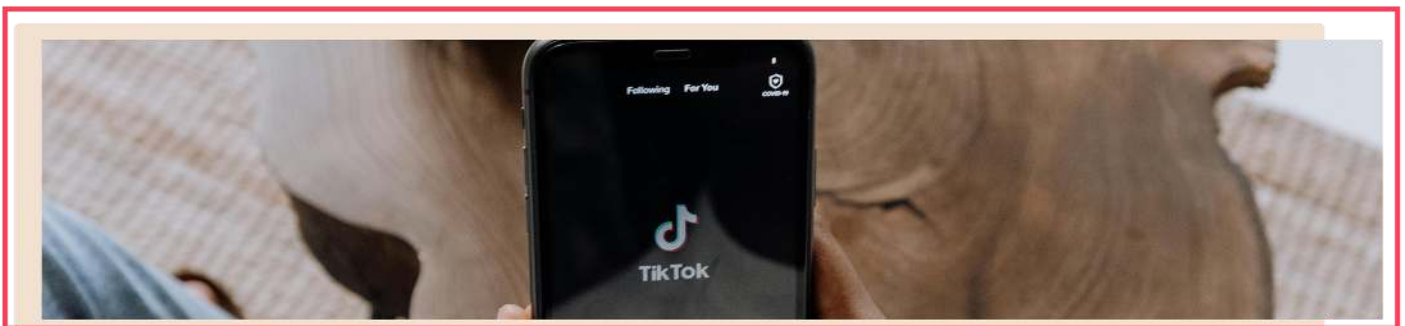


consumers start their product research on Shopee, making it the primary product discovery platform. However, this traditional product search behaviour is rapidly evolving into something more dynamic and engaging.

Social media has revolutionised the discovery phase of shopping, creating what industry experts call "discovery commerce." Meta's Business Insights reveals that 72% of Malaysian consumers discover new products through social media platforms, with Instagram and TikTok leading the way for fashion and beauty categories. Rather than actively searching for products, consumers now find themselves immersed in shoppable content that seamlessly blends entertainment with retail opportunities.

72% of Malaysian consumers
discover new products through
social media platforms.

This shift is particularly evident in how Malaysians interact with platforms. MCMC data shows consumers spend an average of 3 hours daily on social media, much of it engaging with shopping-related content even without immediate purchase intent. The journey might begin with a casual scroll through TikTok, where AI-powered recommendations serve personalized product content, or through Instagram's shoppable posts that transform lifestyle content into purchase opportunities.





Live streaming has emerged as a powerful discovery tool, combining real-time product demonstrations with instant purchase capabilities. Platform data shows that these interactive shopping experiences drive higher engagement rates than traditional product listings, as consumers appreciate the authentic, demonstration-based approach to product discovery.

The lines between entertainment and shopping have not just blurred – they've fundamentally merged. Whether it's through user-generated content, influencer demonstrations, or AI-curated feeds, Malaysian consumers are discovering products in

more organic and engaging ways than ever before.

THE RESEARCH PHASE

What happens after discovery reveals the sophisticated nature of Malaysian shoppers. Platform data shows that consumers typically visit an average of 4-5 different sources before making a purchase decision. This research phase includes:

- Marketplace price comparisons
- Social media review checking
- YouTube product reviews
- Brand website visits
- Community forum discussions

Consumers visit an average of 4-5 different sources before making a purchase decision

Interestingly, while discovery might happen on mobile devices during commutes or leisure time, detailed research often shifts to desktop devices, particularly for high-value purchases. MCMC data shows that 65% of consumers switch devices during their shopping journey, with desktop usage peaking during lunch hours and early evening - times typically associated with more deliberate research.

THE INFLUENCE OF REVIEWS

The modern Malaysian consumer places enormous value on social proof. According to verified platform data, 92% of shoppers read reviews before making a purchase, but the way they read reviews has evolved. They're not just looking at star ratings - they're seeking out:

- User-generated photos
 - Long-term usage reviews
 - Seller response to negative feedback
 - Delivery experience feedback
 - Authentication verification
-

THE ROLE OF COMMUNITIES

One of the most significant evolutions in the customer journey is the role of communities. Whether it's Facebook groups, Telegram channels, or platform-specific communities, Malaysian consumers increasingly seek validation from peer groups before making purchases. This is particularly evident in categories like beauty, tech, and mother & baby products.



Engaged customers have 3-4 times higher lifetime value

PRICE COMPARISON BEHAVIOUR

The journey almost always includes a price comparison phase, but not in the way many might expect. While price is important, platform data shows that Malaysian consumers often choose sellers with slightly higher prices if they offer:

- Better ratings
- Faster delivery
- More comprehensive product information
- Responsive customer service
- Authentic product guarantees

THE DECISION MOMENT

The actual purchase decision often comes much later in the journey than many retailers expect. According to platform data, the average time from initial discovery to purchase is:

1	Fashion	3 - 5 days
2	Electronics	7 - 14 days
3	Beauty	2 - 4 days
4	Home & Living	5 - 10 days

POST-PURCHASE BEHAVIOUR

The journey doesn't end with the purchase – in fact, for successful e-commerce businesses, it marks the beginning of a crucial phase that drives sustainable growth. Modern Malaysian consumers have developed sophisticated post-purchase behaviours including sharing unboxing experiences, writing detailed reviews, participating in community discussions, following brands, and engaging with loyalty programs. These behaviours, when properly nurtured, create powerful marketing opportunities and strengthen brand loyalty.



Platform data shows these engaged customers have 3-4 times higher lifetime value compared to one-time buyers, with their user-generated content and authentic reviews significantly impacting future customer conversion rates.

Their participation in brand communities and loyalty programs not only drives repeat purchases but creates a self-sustaining ecosystem of authentic advocacy and social proof.

WHEN ARE MALAYSIANS BUYING ONLINE

Purchase patterns in line with distinct beats throughout time



While Malaysia's e-commerce calendar is punctuated by major shopping festivals, the daily and monthly patterns of online shopping reveal fascinating insights into consumer behaviour. According to MCMC's Digital Consumer Study and verified platform data, distinct purchasing patterns emerge throughout the month and even within each day.

THE PAYDAY EFFECT

The most pronounced pattern follows Malaysia's salary cycles. A significant surge in transactions occurs between the 25th and 5th of each month, when most Malaysians receive their monthly wages. During these periods, higher-value purchases dominate, particularly in categories like electronics and home appliances. Bank Negara Malaysia's digital payment data shows a notable spike in instalment payment selections.

DAILY SHOPPING PATTERNS

Malaysian online shopping behaviour shows distinct daily rhythms. Flybear has determined that purchases are heavily made on weekdays between 10AM and 2PM, consistent with shoppable moments in between daily tasks. For example, purchases are made between arriving at the office and starting work, between work and lunch as well as right before resuming work for the day. Evening hours see the highest activity, particularly after working hours from 8PM onwards. Mobile commerce dominates these evening sessions, as verified by MCMC's internet usage patterns, with consumers browsing and completing purchases from their smartphones.

Purchases are heavily made on weekdays
between 10AM and 2PM

WEEKEND SHOPPING BEHAVIOUR

Weekends present another consistent peak in e-commerce activity. Saturday afternoons and Sunday evenings show higher engagement rates, with longer browsing sessions and higher conversion rates. This pattern is particularly strong for categories requiring more research and comparison, such as electronics and home furnishings.

11.11 – THE ULTIMATE DATE FOR ONLINE SHOPPING



The transformation of Singles' Day from a Chinese cultural event to Malaysia's biggest online shopping festival tells us much about the evolution of digital commerce. According to MCMC's "E-

Commerce Consumers Survey 2022," over 61.4% of Malaysian online shoppers specifically wait for major sales events such as 11.11 before making significant purchases.

76.8%

Online shoppers pre-save items to be purchased

82.3%

Online shoppers compare products across multiple platforms

PURCHASING TIME

Peak periods are between 12AM - 2AM & 8PM - 12AM

According to iPrice Group's "State of E-commerce Malaysia 2023" report, 11.11 consistently ranks as the highest-traffic period for all major e-commerce platforms. In 2024, **Flybear** recorded a **495%** increase in orders fulfilled.

Bank Negara Malaysia's payment systems data shows transaction volumes during 11.11 that illuminate the scale, recording a **200%** spike in digital payment transaction and a **45%** increase in average transaction value.

RAMADAN & RAYA



The holy month of Ramadan and subsequent Hari Raya celebrations have found a unique expression in Malaysia's digital marketplace. Unlike the concentrated bursts of other sales periods, this season creates a

distinctive month-long pattern of shopping behaviour, punctuated by daily fasting rhythms and cultural traditions.

According to verified platform data, the Ramadan shopping journey begins well before the first day of fasting. As early as two months before Hari Raya, Malaysian consumers begin their preparations, creating a unique 'digital bazaar' atmosphere across e-commerce platforms. This early phase focuses heavily on home preparation, mirroring the cultural significance of welcoming guests during the festive period.

The holy month presents unique shopping patterns verified by multiple sources. Meta's "Ramadan Insights 2023" report, based on actual platform data, reveals:

PRE-RAMADAN

The preparation phase sees Malaysian consumers focusing on home essentials and kitchen necessities. Platform data shows peak shopping hours during this period align with regular e-commerce patterns, primarily evening hours between 8 PM and 10 PM. Shopping lists prioritize cooking appliances, storage solutions, and home organization items.

WEEK 1

Shopping patterns shift dramatically as fasting begins. Platform traffic peaks between 10 PM and 3 AM, with a significant surge after tarawih prayers. Consumer focus shifts to food and beverage categories, with bulk purchases of dry goods, dates, and ready-to-cook items dominating sales.

WEEK 2 - 3

This period marks the transition to Raya preparations. Evening browsing sessions grow longer, with consumers spending more time comparing fashion items and home décor. The phenomenon of 'family browsing' emerges, where multiple items are added to carts during family gatherings after berbuka puasa.

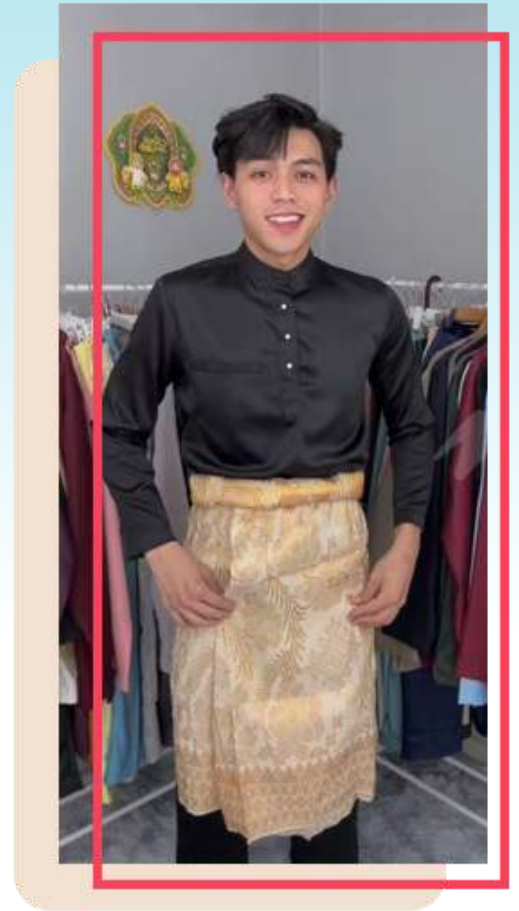
FINAL WEEK

A sense of urgency drives purchasing decisions during the final stretch. Same-day delivery options see increased utilization, and click-and-collect services peak. Fashion and gift categories dominate, with higher average transaction values.

Each platform has carved its own niche in this digital celebration. Shopee sees significant traction in fashion and home décor, with its midnight shopping sessions particularly popular during Ramadan nights. Lazada's strength in premium brands drives significant sales in high-end fashion and luxury gifts, while TikTok Shop's live streaming features have successfully recreated the vibrant atmosphere of traditional Ramadan bazaars.

Payment patterns show interesting trends during this period. Platform data indicates increased usage of Buy-Now-Pay-Later options, particularly

for higher-value purchases like household appliances and premium fashion. This aligns with the cultural tradition of preparing new items for Hari Raya.



CHINESE NEW YEAR

The weeks leading to Chinese New Year transform Malaysia's digital marketplace into a vibrant reflection of this cultural celebration. Unlike the frenzied flash sales of 11.11 or 12.12, Chinese New Year shopping reveals a more nuanced, culturally rich pattern that unfolds over several weeks.

Each platform plays its unique role in this festive symphony. Lazada sees significant traction in its LazMall premium segment, where authentic brands and quality assurance resonate strongly with gift-givers. Shopee's strength in mass-market offerings drives the decorative and everyday festive essentials, while its integrated payment solutions see increased usage for prosperity-themed promotions.



The product journey tells an equally fascinating story. Home and Living categories lead the early wave, with cleaning supplies, decorative items, and home furnishings dominating the first phase of shopping. Platform data shows these purchases typically happen during daytime hours, with higher desktop usage suggesting careful, planned buying decisions.

As the festival draws closer, fashion takes center stage. Traditional wear, modern interpretations of festive clothing, and children's outfits see remarkable spikes in search and purchase volumes. Beauty and personal care products follow closely, as preparation for family gatherings drives demand for skincare, makeup, and grooming products.

Food and beverages paint perhaps the most interesting picture of changing consumer behaviour. While fresh ingredients remain largely in the traditional retail sphere, premium packaged foods, gift sets, and festive snacks have found a strong foothold in e-commerce. The convenience of doorstep delivery for heavy or bulky items like drinks and snack boxes has particularly resonated with urban shoppers.

Consumer behaviour during this period shows distinct patterns. Unlike other sales events where impulse purchases dominate, Chinese New Year shopping demonstrates more deliberate decision-making. Reviews and ratings play a crucial role, particularly for premium purchases and gifts. The emphasis on authenticity and quality often outweighs price considerations, especially for items intended for gifting or family use.

END OF YEAR PHENOMENON

The December sales phenomenon, as tracked by the Department of Statistics Malaysia (DOSM), shows distinct patterns. Their "Digital Economy Satellite Account 2023" reveals:

- December consistently records the highest monthly e-commerce income
- Year-end shopping contributes significantly to annual GMV

Q4 e-commerce revenue exceeds other quarters by 35 - 45%

THE QUIET SEASONS

Understanding Malaysia's e-commerce lulls

In the rhythmic ebb and flow of Malaysia's e-commerce calendar, the quiet periods tell an equally compelling story as the peaks. These lulls, far from being mere downtimes, reveal fascinating patterns about consumer behaviour, economic cycles, and cultural practices.

POST-FESTIVAL FATIGUE

The weeks following major shopping festivals present the most predictable quiet periods. According to Bank Negara Malaysia's digital payment data, transaction volumes typically drop 40-45% in the fifteen to thirty days following major events like 11.11 or 12.12. This isn't merely shopping exhaustion - it reflects a calculated consumer response to recent spending.

Transactions drop 40-45% in the fifteen to thirty days following major events

During these periods, consumer behaviour shifts distinctly. Platform data shows more price-sensitive browsing patterns, with increased use of comparison tools and wishlist features rather than direct purchases. Shoppers become more deliberate, focusing on essential purchases while recovering from festival spending sprees.

THE MID-MONTH VALLEY

Another consistent pattern emerges in the middle of each month, typically from the 15th to 24th. This period, documented in payment network data, shows reduced transaction volumes and lower average basket sizes. The explanation lies in Malaysia's salary cycles - with most employees paid at month-end, mid-month spending naturally becomes more conservative.

Consumer behaviour during these periods shows interesting adaptations:

- Higher usage of instalment payment options
- Increased response to free shipping promotions
- Focus on essential purchases
- Greater price sensitivity



CONSUMER PSYCHOLOGY

The psychology behind these quiet periods reveals much about Malaysian shopping behaviour. During lulls, consumers tend to:

- Spend more time researching future purchases
- Engage more with review content
- Show higher responsiveness to loyalty programs
- Demonstrate more rational buying behaviour

Even the way consumers interact with promotional content changes during lull periods.

Email marketing open rates actually improve, though click-through rates decrease, suggesting consumers are staying informed but becoming more selective about their purchases. Social media engagement shifts from purchase-related content to educational and entertainment content, with higher interaction rates for posts about product care, usage tips, and lifestyle content.

Cart abandonment patterns during these periods tell their own story. While cart abandonment rates increase, the nature of abandoned carts changes - they tend to contain higher-value items and more carefully curated selections, suggesting consumers are using carts as temporary wishlists while waiting for their next purchasing cycle.

Evening shopping behaviours show particularly distinct patterns during these quiet periods. Instead of the usual quick purchase decisions seen during peak seasons, consumers spend



more time watching product videos, reading detailed specifications, and comparing alternatives. This "window shopping" behaviour typically peaks between 9 PM and 11 PM, even as actual transaction volumes remain low.

CATEGORY-SPECIFIC RHYTHMS

Fashion and Accessories, typically a leading category, shows some of the most pronounced dips during quiet periods. Platform data reveals that while browsing activity remains relatively high, conversion rates can drop by as much as 40% during these lulls. Interestingly, the reduction isn't uniform - casual wear sees steeper declines while office wear maintains more stable patterns, reflecting essential versus discretionary purchasing behaviours.

Conversion rates can drop by as much as 40% during these lulls

Beauty and Personal Care exhibits more resilience during quiet periods, though with altered purchasing patterns. While premium skincare and makeup purchases decrease, replenishment items like cleansers and moisturizers maintain steady sales. Platform data shows customers shifting to smaller sizes or more affordable alternatives rather than completely stopping purchases.

Electronics and Mobile Accessories demonstrate perhaps the most strategic consumer behaviour during lulls. While overall sales decrease, research activity intensifies. Consumers spend 60% more time reading reviews and specifications during these periods, creating a well-informed buyer base ready to act when their financial situation improves or during the next sale event.

Mother and Baby products show the most stable patterns, though with interesting adaptations. While premium baby gear purchases decline, essential items maintain consistent sales. Parents tend to switch to larger pack sizes during these periods, prioritizing value over convenience.

THE RECOVERY PATTERNS

What's particularly interesting is how the market recovers from these quiet periods. Platform data shows that recovery doesn't happen uniformly across all categories. Essential items maintain relatively stable sales patterns, while discretionary purchases show more pronounced dips and recoveries.

Successful merchants have learned to adapt to these predictable lulls. Many use these quieter periods for inventory management, platform optimization, and planning for the next peak season. Some even turn these challenging periods into opportunities through targeted promotions and loyalty program enhancements.

THE RECOVERY JOURNEY

The path to recovery from these quiet periods follows distinct patterns, offering valuable insights into consumer behaviour. The first signs of recovery typically appear in the essential categories, with beauty and personal care often leading the way. Platform data shows a gradual increase in average basket sizes, usually beginning around payday periods.

Fashion's recovery tends to be more dramatic. After quiet periods, the category often sees a sharp upswing, particularly in trending items that consumers have been monitoring during the lull. This suggests that consumers use quiet periods for style research and trend watching, creating pent-up demand that releases when financial confidence returns.



Electronics show a more calculated recovery pattern. The extensive research conducted during quiet periods translates into more confident purchasing decisions during recovery. Conversion rates for electronics during these periods can exceed normal levels by 25%, suggesting that the lull period serves as an important research phase for consumers.

The most interesting recovery pattern appears in the premium segments across all categories. Rather than an immediate return to higher-priced items, consumers typically start with mid-range purchases before gradually returning to premium products. This stepped recovery pattern usually takes about 3-4 weeks to complete.

Platform data shows that recovery periods often see higher than normal conversion rates, suggesting that the quiet periods serve as important decision-making phases for consumers. Cart abandonment rates drop significantly during recovery, with many consumers returning to purchase items they've been monitoring during the lull.

WHAT MALAYSIAN SHOPPERS WANT NOW

The current landscape requires increased efforts in building credible reputation

Malaysian consumers have developed a sophisticated set of criteria that helps them navigate the vast digital marketplace and identify trustworthy sellers.

At the heart of this trust lies a seller's digital reputation. Much like how word-of-mouth recommendations shape traditional retail success, the online marketplace lives and breathes through its rating and review ecosystem. According to MCMC's consumer behaviour studies, Malaysian shoppers have become avid review readers, treating them as virtual testimonials from fellow consumers. They're not just glancing at star ratings; they're diving deep into review content, searching for authentic experiences and genuine feedback.

The story of seller credibility unfolds in real-time through chat windows and message boxes. Malaysian consumers expect sellers to be present and responsive, almost as if they were walking into a physical store. A quick, professional response to inquiries can make the difference between a sale and an abandoned cart. Platform data shows that successful sellers maintain almost constant communication during business hours, treating each customer interaction as a crucial touchpoint in building trust.

Product presentation has evolved into an art form of its own. In the absence of physical product interaction, Malaysian shoppers have become increasingly sophisticated in their expectations of product imagery and information. They seek sellers who go beyond basic product shots, preferring those who provide detailed close-ups, size comparisons, and even video demonstrations. This visual storytelling helps bridge the gap between digital browsing and physical shopping.



The way sellers handle problems often matters more than how they handle success. Malaysian consumers pay particular attention to how sellers respond to negative reviews and handle issues. A seller who demonstrates transparency and fairness in problem resolution often earns more trust than one with a perfect but sparse review history.

Post-purchase communication has emerged as a crucial trust-building tool. Successful sellers understand that the relationship doesn't end with a completed transaction.

Regular updates about shipping, proactive communication about potential delays, and easy access to post-purchase support have become hallmarks of trusted sellers.

Price transparency plays a unique role in this trust equation. While Malaysian consumers actively seek deals and discounts, they're equally wary of pricing that seems too good to be true. They appreciate sellers who are upfront about their pricing structure, including any potential additional costs like shipping fees or processing charges.

Perhaps most interestingly, the concept of "Malaysian hospitality" has found its way into the digital marketplace. Consumers show strong preference for sellers who can communicate in multiple languages, understand local cultural nuances, and demonstrate an appreciation for Malaysian shopping habits and preferences.

This digital trust, once established, proves remarkably resilient. Platform data shows that consumers often return to sellers they trust, even when competitors offer slightly lower prices. This loyalty, however, must be continuously earned through consistent service quality and ongoing relationship maintenance.

MALAYSIA'S EVOLVING DELIVERY EXPECTATIONS

Acceleration of time between purchase and delivery

What was once a patient wait of 3-5 working days has transformed into an expectation of near-instant gratification, reshaping the entire e-commerce landscape and consumer behaviour patterns.



According to MCMC's digital consumer behaviour studies, this transformation isn't just about impatience – it reflects a fundamental

shift in how Malaysians integrate online shopping into their daily lives. The rise of same-day delivery has transformed e-commerce from a planned purchasing channel into an extension of immediate retail gratification.

Urban centers tell the most dramatic part of this story. In the Klang Valley, where the digital infrastructure is most developed, same-day delivery has evolved from a premium service to an expected standard for many categories. Platform data shows that customers increasingly filter their searches to show only sellers offering rapid delivery options, making speed a crucial factor in purchase decisions.

The psychology behind this shift reveals interesting patterns. When next-day delivery became standard, consumer expectations didn't plateau – they accelerated. Now, in major urban areas, the promise of "delivery within 2 hours" has become a powerful conversion tool. According to verified platform data, products offering express delivery options show significantly higher conversion rates, even when priced at a premium.

This speed revolution has particularly impacted certain categories. Beauty and personal care products, once purchased with planning and foresight, are now increasingly bought on-demand.

The infrastructure supporting this speed-focused ecosystem has evolved

dramatically. Major platforms have invested in micro-fulfillment centers across urban areas, while logistics partners have developed sophisticated last-mile delivery networks. The result is a complex web of warehouses, sorting centers, and delivery hubs designed to cut delivery times to the absolute minimum.

However, this rise in expectations hasn't been uniform across all regions or product categories. While urban consumers increasingly expect same-day options, suburban and rural customers show more varied preferences, often prioritizing reliability over speed. This geographic divide presents one of the key challenges in Malaysia's evolving e-commerce landscape.



The impact on consumer behaviour has been profound. Platform data shows increased spontaneous purchasing, with many consumers now treating e-commerce platforms almost like neighborhood convenience stores. The traditional practice of weekend shopping has given way to more frequent, need-based purchasing patterns, enabled by rapid delivery promises.

For sellers, this shift has created both opportunities and challenges. Those able to offer rapid delivery options often see higher conversion rates and customer loyalty. However, the pressure to maintain speed while ensuring reliability has intensified, particularly for smaller merchants competing with larger platforms.

As technology and infrastructure continue to evolve, the race to reduce delivery times shows no signs of slowing.

BUILDING TOMORROW'S E-COMMERCE SUCCESS

A blueprint to entering the market in 2025

The landscape of Malaysian e-commerce in 2025 presents a fascinating intersection of technology, consumer behaviour, and business strategy. Drawing from verified data and industry insights, let's explore how to build a resilient and successful e-commerce business in this evolving marketplace.

THE ART OF PRODUCT PORTFOLIO DEVELOPMENT

The foundation of e-commerce success in 2025 lies not just in what you sell, but in how strategically you curate your product range. According to MDEC's e-commerce success patterns, the most resilient businesses aren't those with the largest catalogs, but those with the most thoughtfully constructed portfolios.

The journey typically begins with a focused approach. Platform data shows that successful new sellers typically start with 30-50 SKUs – enough to establish presence but not so many as to compromise quality control.



This "golden range" allows for proper inventory management, detailed product optimization, and responsive customer service while testing market reception.

Successful new sellers typically start with 30 - 50 SKUs

Your initial product mix should tell a coherent story. Think of it as curating an art gallery rather than stocking a warehouse. Each product should complement the others, creating natural cross-selling opportunities and establishing a clear brand identity. This approach isn't just about aesthetics – platform data shows that cohesive product ranges achieve 25% higher average order values.

THE OMNICHANNEL EVOLUTION



The path to omnichannel presence has become less a choice and more a necessity for sustainable growth. According to MCMC's digital consumer behaviour studies, Malaysian shoppers increasingly expect seamless transitions between online and offline

touchpoints. This isn't about being everywhere – it's about being everywhere that matters to your specific customer base.

The journey typically unfolds in stages:

- Digital marketplace presence
- Own website development
- Social commerce integration
- Strategic offline touchpoints

Each channel serves a distinct purpose in the customer journey. Marketplaces provide visibility and trust, social commerce builds community and engagement, while your own website offers brand control and direct customer relationships. The key lies in maintaining consistency while adapting to each channel's unique characteristics.

MARKETING IN A MULTI-PLATFORM WORLD

Marketing in 2025 requires a sophisticated understanding of platform-specific dynamics. Different platforms serve different roles in the customer journey – some excel at discovery, others at conversion, and still others at community building.

The most successful businesses maintain platform-specific ROAS targets:

- Discovery platforms: Focus on brand building, accepting lower initial ROAS
- Conversion platforms: Higher ROAS targets, typically 3.0 and above
- Community platforms: Balanced approach between engagement and sales

However, these platforms don't operate in isolation. The magic happens in their interplay – how a TikTok video drives traffic to your Shopee store, or how an Instagram story converts to a website purchase. Success lies in understanding these interconnections and optimizing the entire ecosystem rather than individual channels.

DATA-DRIVEN DECISION MAKING

The foundation supporting all these elements is robust data analysis. Successful businesses in 2026 don't just collect data – they translate it into actionable insights.

This means:

- Regular portfolio performance analysis
- Channel contribution assessment
- Customer behaviour tracking
- Inventory optimisation
- Marketing effectiveness measurement

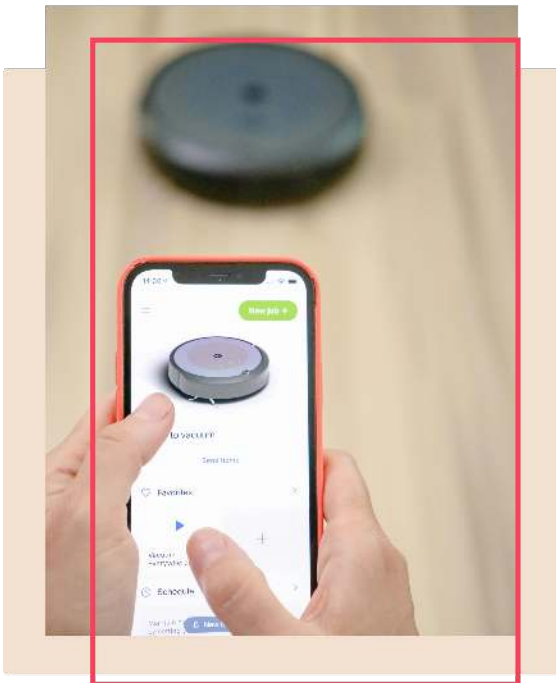
The goal isn't just to understand what's happening, but to predict and shape what's next. This predictive capability becomes a crucial competitive advantage in an increasingly crowded marketplace.

THE RISING STARS TO LOOK OUT FOR IN 2025

Product categories that will make it big next year

The evolving patterns of Malaysian consumer behaviour, coupled with technological advancement and demographic shifts, point to several emerging product categories poised for significant growth in 2025. Based on verified market research and consumer data, let's explore these rising stars in Malaysia's digital marketplace.

SMART HOME ESSENTIALS



The integration of technology into everyday home items shows promising growth potential. According to MDEC's "Digital Consumer Trends 2023," smart home device adoption is projected to grow by 45% annually through 2025. This category extends beyond basic smart lighting to include:

- Smart security systems with mobile integration
- AI-powered cleaning devices
- Automated kitchen appliances
- Energy management systems
- Connected home entertainment solutions

HEALTH TECH DEVICES

Post-pandemic behavioural shifts have created lasting changes in how Malaysians approach personal health monitoring. Healthcare market research projects this segment to grow by 42% annually through 2025, encompassing:

- Wearable health monitors
- Smart fitness equipment
- Sleep tracking devices
- Digital wellness tools
- Personal diagnostic devices



PREMIUM PET PRODUCTS

The humanization of pets has created a booming market for premium pet products. Pet ownership in Malaysia has increased by 35% since 2020, according to Department of Statistics Malaysia, with pet owners showing increasing sophistication in their purchasing choices. Growing segments include:

- Smart pet monitoring devices
- Premium pet nutrition products
- Automated pet care solutions
- Pet wellness tech
- Interactive pet toys

BEAUTY TECH DEVICES

The convergence of beauty and technology represents another high-potential category. Beauty tech devices are projected to see 38% growth annually, driven by:

- Smart skincare devices
- Digital skin analysis tools
- At-home beauty treatment devices
- Personalized beauty tech
- LED therapy devices

What makes these categories particularly promising is their alignment with verified consumer spending patterns and technological adoption rates. Platform data shows higher average order values and strong repeat purchase behaviours in these segments, indicating sustainable growth potential.





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