



# SEMINAR ON LOGISTICS & SUPPLY CHAIN WINNING THE SALES IN UNCERTAIN TIMES

Experience Sharing "Service Excellence in Ecommerce Industry"

**Bandung | 1 April 2017**

# Donny Wardhana, CCO



## CAREER

- **aCommerce Indonesia** – Chief Commercial Officer
- PT. Quantum Solutions Logistics Indonesia – Director
- Quantum Solutions – Country General Manager
- JNE Logistics – Head Division of Logistics
- PT. Ambika Perdana Indonesia – Vice President Director
- PT. UPS Indonesia – Country Business Development Manager
- TNT Express Indonesia – National Major Account Manager



## EDUCATION

- Master of Business Administration (MBA), Marketing/Marketing Management - Jakarta Institute of Management Studies
- Bachelor's degree, Industrial Engineering - National Institute of Technology Malang



Experience Sharing “Service Excellence  
in Ecommerce Industry”







Stores haven't  
changed in  
100 Years



But consumers have

# Businesses need to adapt to technology



Customers want to shop...  
Anytime, Anywhere, Anyhow  
and from Any device



Businesses need to...  
Sell Anytime, Anywhere, and on Any  
device. Fulfill from Anywhere, and  
handle returns Anywhere

# This is the age of the customer!



## BEFORE

Businesses had power over the customer

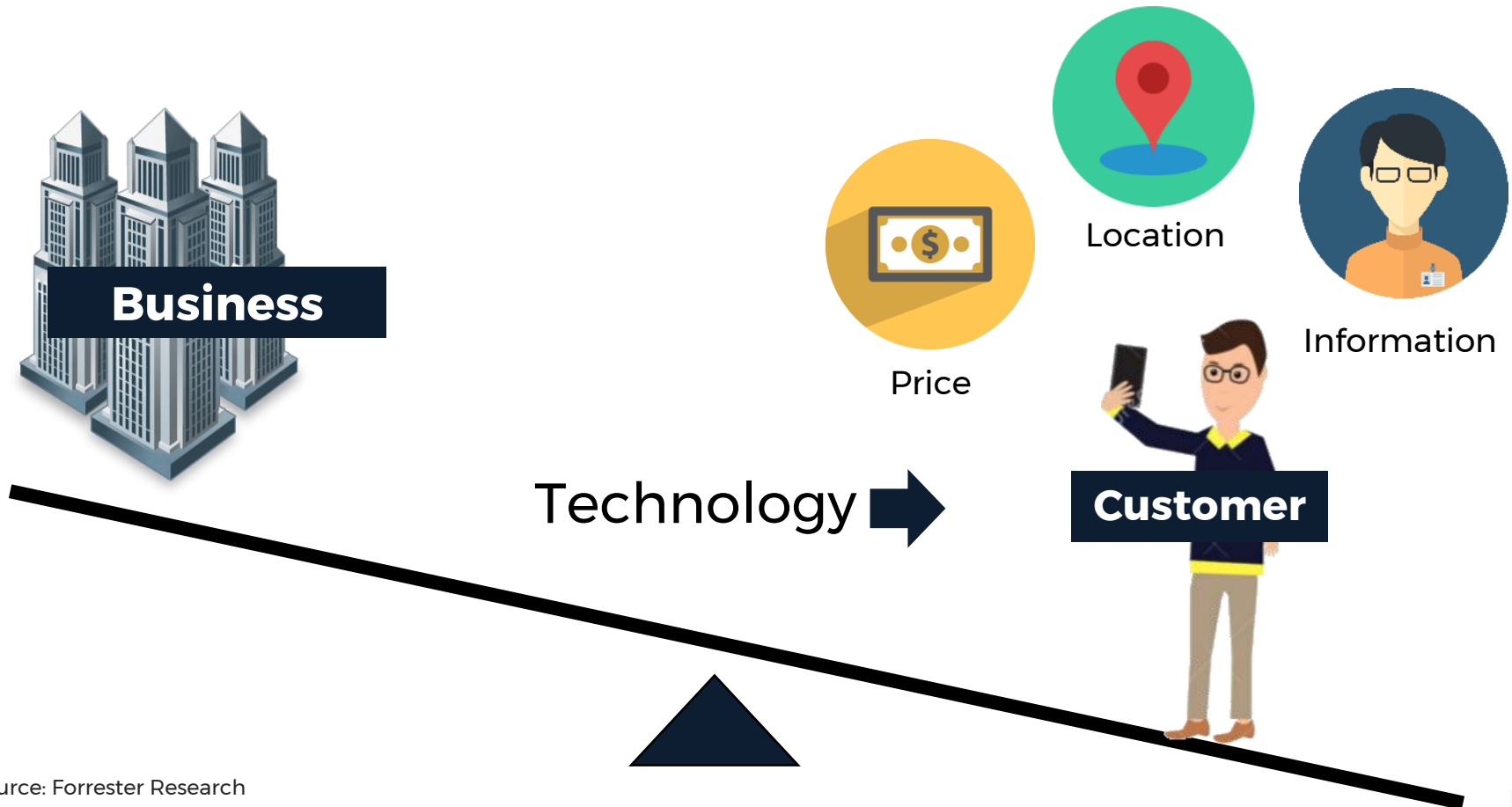


# This is the age of the customer!



**NOW**

Access to Internet, smartphones and social media gives customers new levels of power and control.



# Indonesia Ecommerce Buyer Demographic



Fast and correct product delivery



More comfortable (than offline shopping)



Product variation



A flexible return policy



Satisfactory customer service



Can pay in installment



Safe Packaging



Ability to use COD option



# Indonesia Overview

## Device Usage & Ecommerce Activities & Revenues



SMARTPHONE



47%

LAPTOP OR  
DESKTOP  
COMPUTER



21%

TABLET  
COMPUTER



5%

MADE AN ONLINE  
PURCHASE VIA A  
LAPTOP OR  
DESKTOP  
COMPUTER



34%

MADE AN ONLINE  
PURCHASE VIA A  
MOBILE DEVICE



33%

SEARCHED  
ONLINE FOR A  
PRODUCT OR  
SERVICE TO BUY



48%

VISITED AN  
ONLINE RETAIL  
STORE



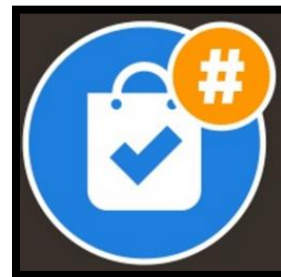
46%

PURCHASED A  
PRODUCT OR  
SERVICE  
ONLINE



41%

NUMBER OF  
PEOPLE  
PURCHASING VIA  
ECOMMERCE



24.74 MILLION

TOTAL VALUE OF  
NATIONAL  
ECOMMERCE MARKET  
IN 2016 (IN US\$)



\$ 5.6 BILLION

# Ecommerce Market Landscape & Business Challenges in Indonesia



Indonesia's Logistics Cost **24%** of GDP on **2015**. Indonesian President Joko Widodo has declared he wants to bring this down to **19.2%** of GDP by **2019**.



262 million people

Population in Indonesia



## INTERNET USERS

132.7 MILLION

PENETRATION: 51%



TRUST



LOGISTICS



PAYMENT

Indonesia is an archipelago of more than **17,000** islands across more than **5,000** km west to east



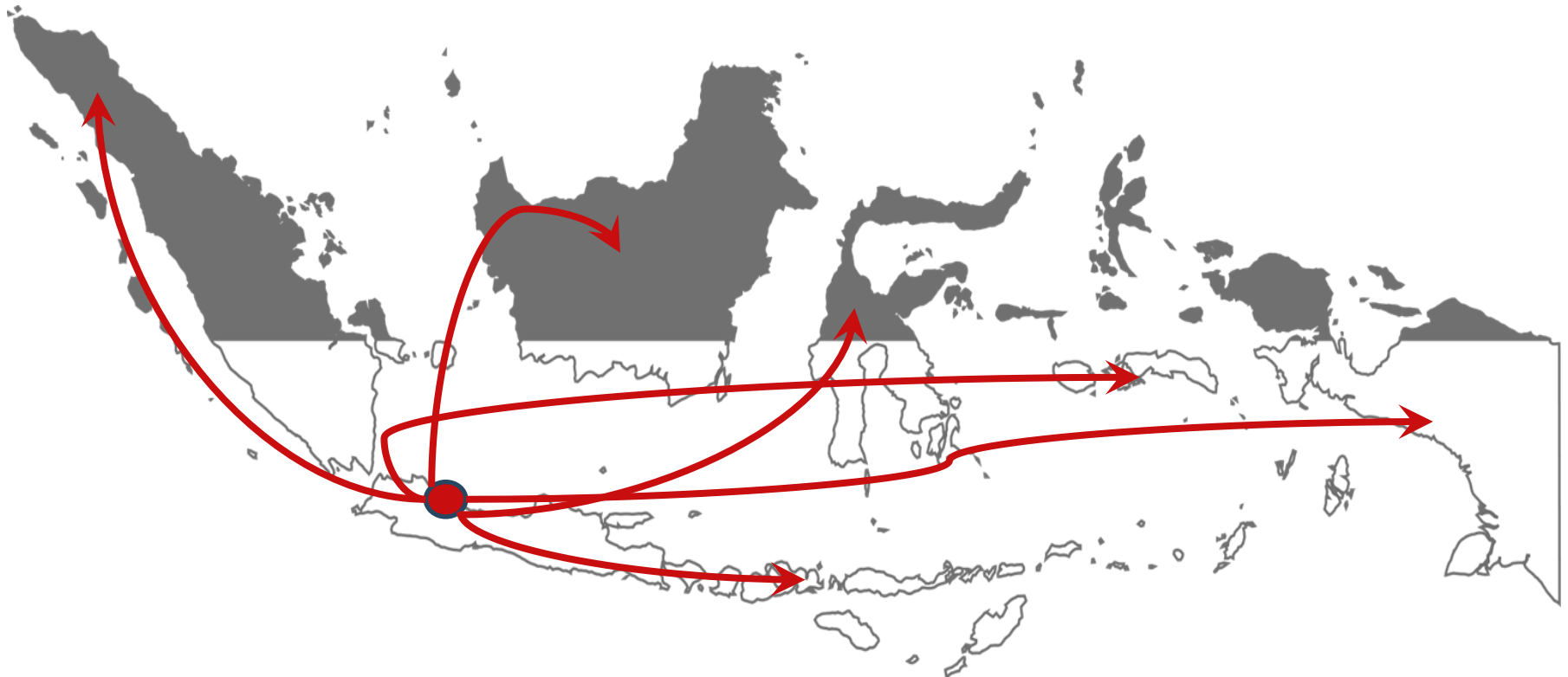
# Third Party Logistics (3PL) Delivery Service



## 3PL



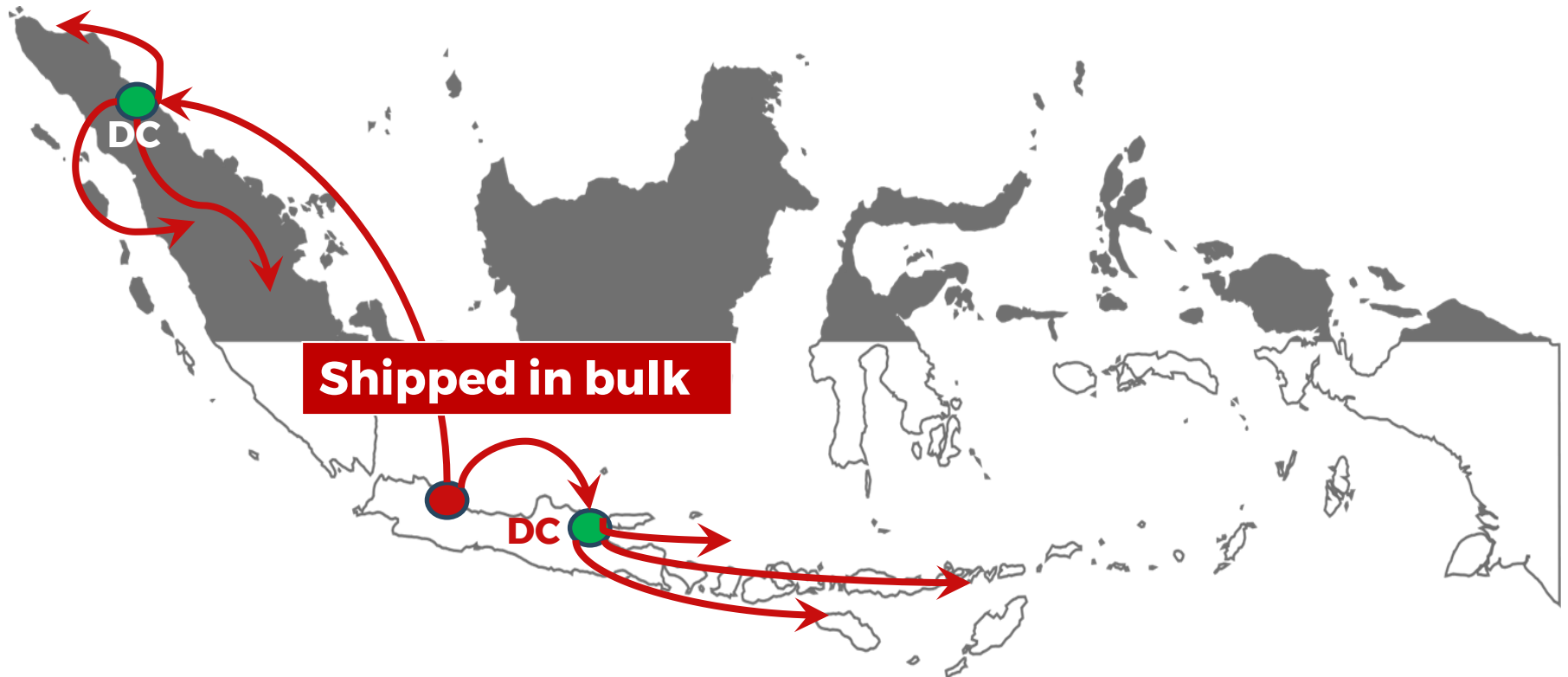
# Cost of Centralized Logistics



**Cost of Logistics: 21% - 27%**

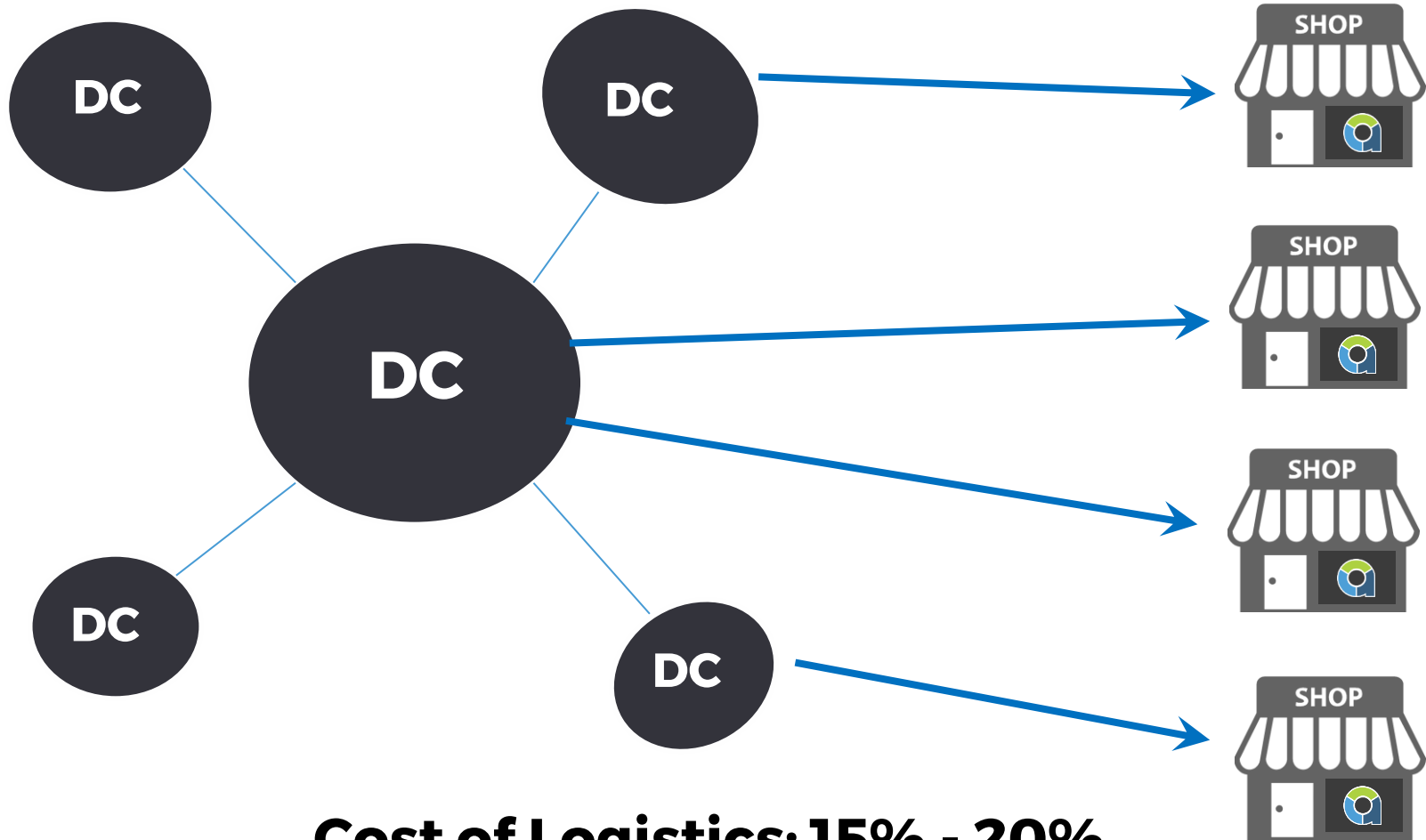


# Cost of De-Centralized Logistics



**Cost of Logistics: 18% - 25%**

# Cost of O2O Logistics

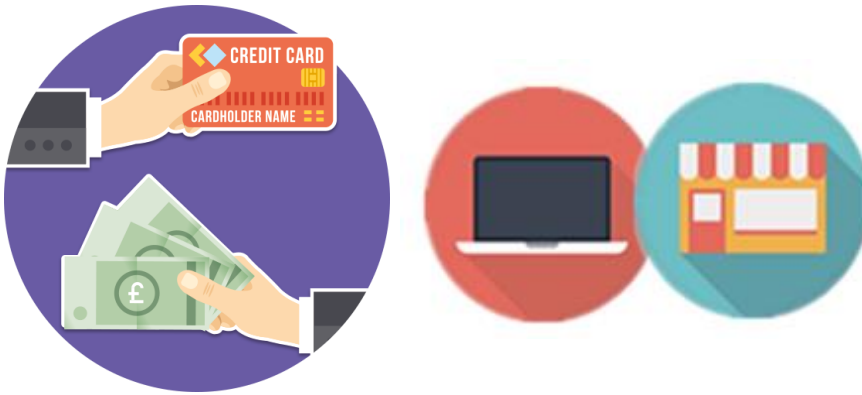


**Cost of Logistics: 15% - 20%**

# Mechanism of Payment



## Now



paid cash or card cash, cash and collect at point of store

## Future



E-Money (Cashless)

# Start Up, Smart Up, Scale Up

## How to Successfully Scale Ecommerce Operations



Order  
Volume/  
Month

### Phase 1 - Start Up

**Up to 1,000**



Time

**3 - 6 months**

Budget  
On Period

**USD 300-400k**

### Phase 2 - Smart Up

**1,000 to 100,000**



**6 - 12 months**

**USD 400-1000k**

### Phase 3 -Scale Up

**100,000+**



**12 - 18 months**

**USD 1000-1500k**



# Multi-Channel Model

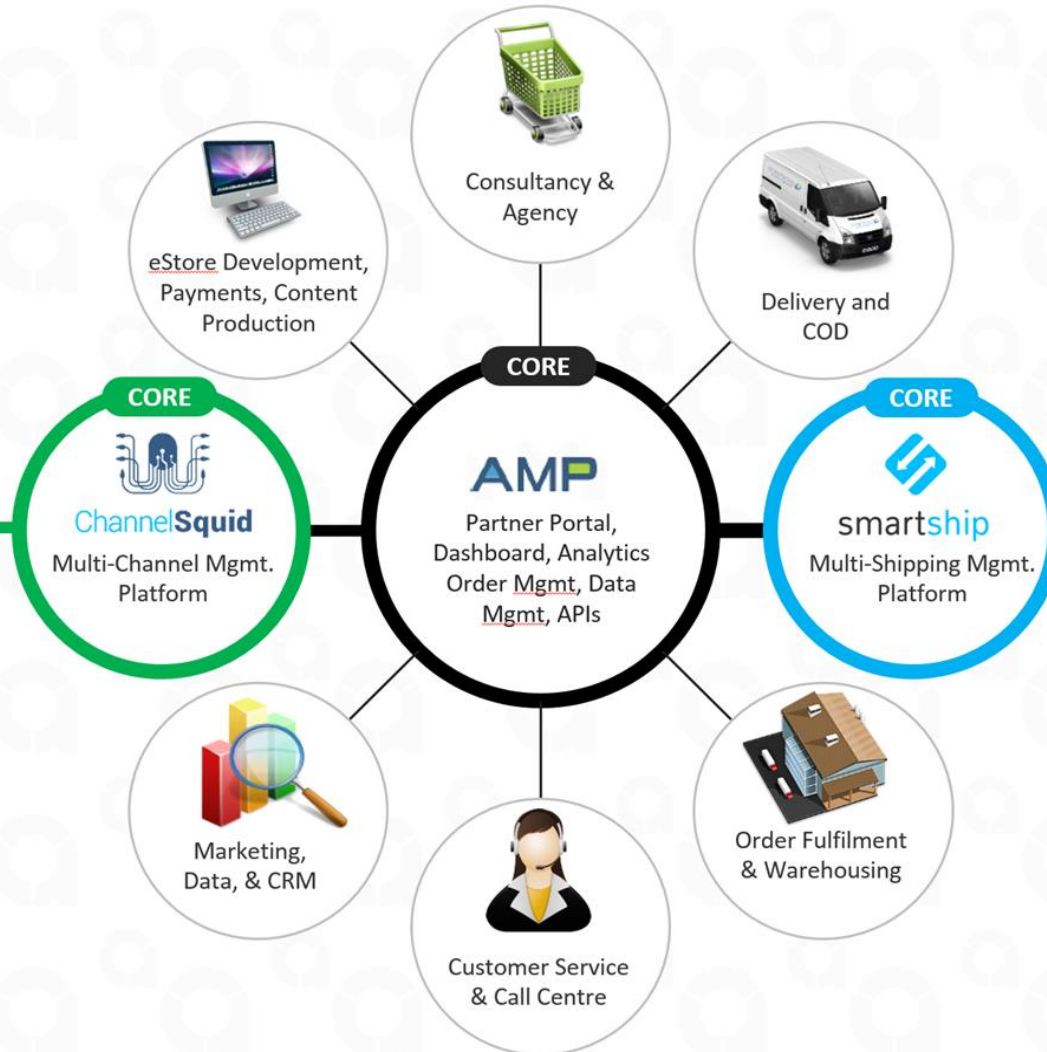


## Retail APIs

### Demand Generation



## Ecommerce Solutions & Core Platforms



## Logistics APIs

### Demand Fulfillment





CHANNELSQUID

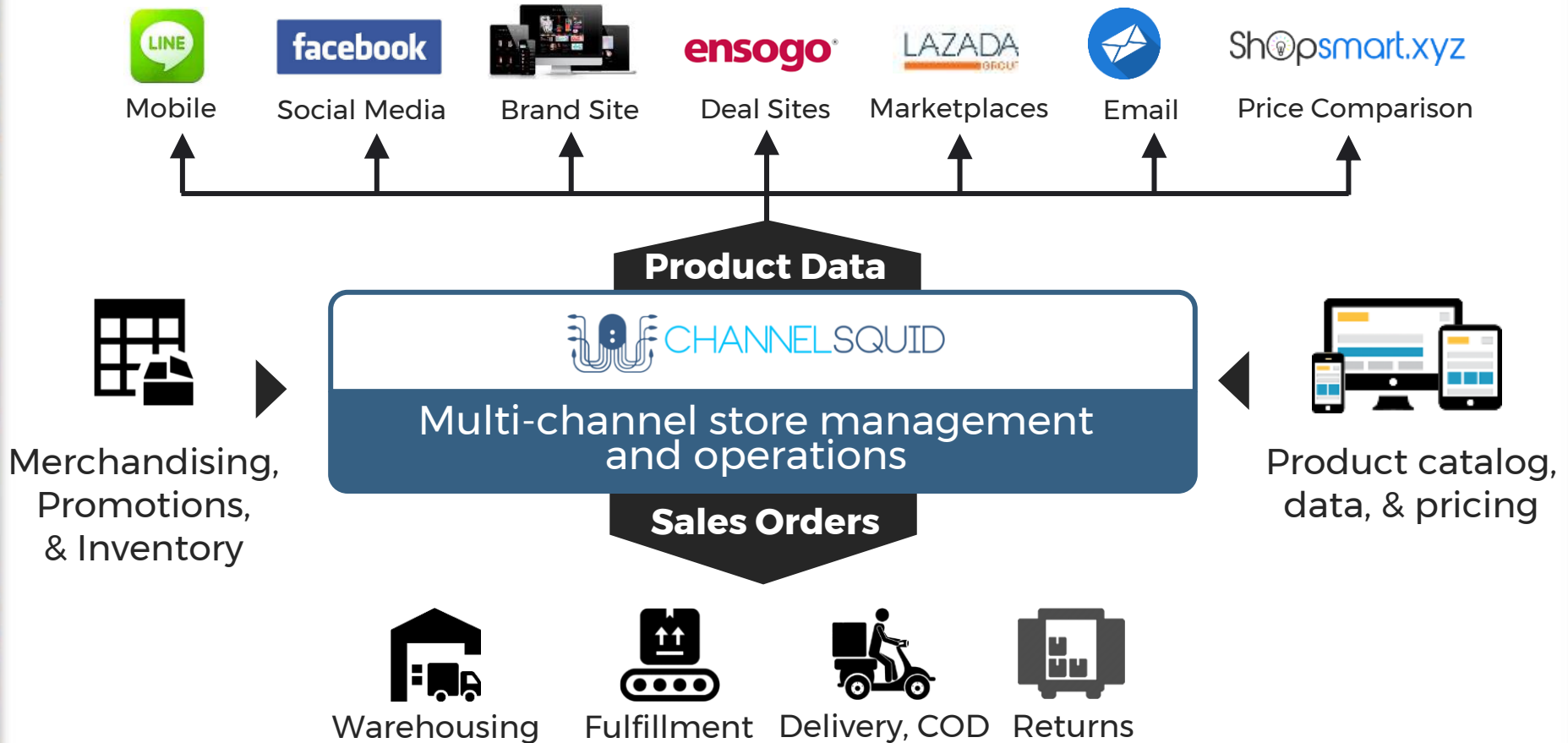
Multi-Channel Retail Platform

## What is Multi-Channel Retail Platform?

# Aggregating and automating online retail channels



Our Multi-Channel Retail platform allows clients to manage, optimize, and sell their products across multiple online sale channels. All orders are process efficiently and accurately.



*Manage your inventory, order fulfillment and shipping needs*



# Channels for Distribution via ChannelSquid eStore development, and Marketplaces

## Web Development & Mobile Apps of client sites for distribution via ChannelSquid

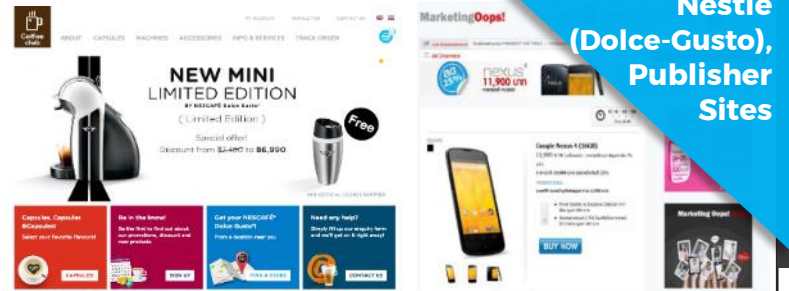
### Brand Site



L'Oréal,  
HP, AIS

CRM, loyalty programs, promotion management (discount), bundling, subscription commerce, recommendation engine

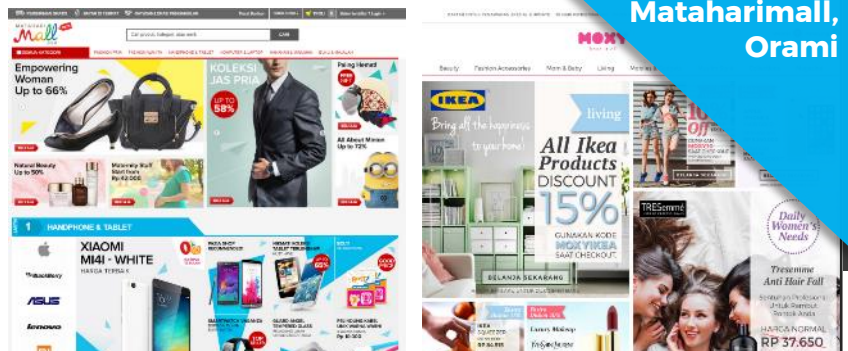
### Pop-Up Stores



Nestle  
(Dolce-Gusto),  
Publisher Sites

E-commerce lite on content sites, test online commerce potential, fast deployment, minimum integration

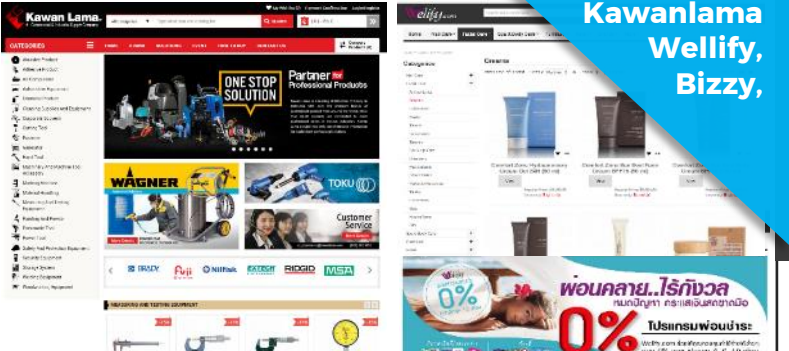
### Marketplaces



Mataharimall,  
Orami

Full Marketplaces and Vertical Marketplace (Seller center systems, loyalty programs, marketplace logistics)

### B2B Site



Kawanlama  
Wellify,  
Bizzy,

Tiered client, pricing and product catalog, private store, subscription commerce





Fulfillment Solutions & Platform

# Order Management & Fulfilment Order Fulfilment & Order Management Systems



## Multi-Channel



### Physical Touchpoints



Kiosk



Web



Mobile



Tablet

### Digital Touchpoints



Stores



Call Center

## Fulfilment Overview & Order Mgmt. System (OMS)

# AMP



### Receiving

Customized QC, Kitting & Labeling, 24 hrs. dock-to-stock

### Storage

Modern distribution facilities, Automated replenish notifications, FIFO, FEFO, IMEI Inventory Mgmt



### Order Fulfillment

Integrated IT platform and systems, Double verification to check-out items and orders, Weight, VM Management

### Dispatching

Weigh, Smartship automates 3PL recommendation, Print Label, Route plan, dispatch

## Multi-shipping



3PL / Dropship



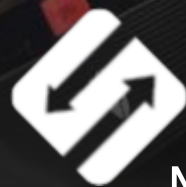
Home Delivery & COD



Retail Stores



Pickup & Returns



smartship  
Multi-Shipping Platform





Our technology and multi-carrier connectivity optimizes parcel sortation & shipping carrier selection



### Dispatching



### Shipping Options

- ☒ aCom Fleet
- ☒ Postal Networks
- ☒ Domestic 3PLs
- ☒ Pick Up & Collect
- ☒ Freight Forwarders

### Multi-Shipping Management



### Selection Criteria

- ☒ Cost
- ☒ Efficiency
- ☒ Service Level
- ☒ Coverage
- ☒ Capacity
- ☒ Tracking



# Efficiency in Operations - aDelivery



## WHAT TRADITIONAL LOGISTIC DOES



VS

## WHAT aDELIVERY DOES



# All Channel



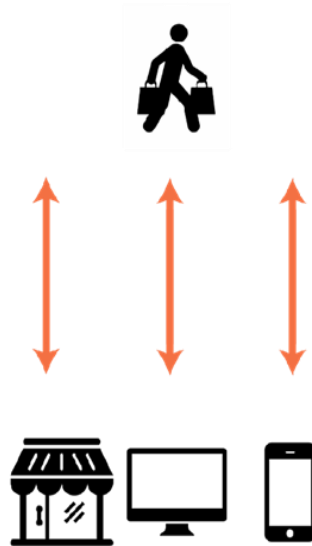
## Single Channel



The customers will come to us

Customers experience a single type of touch-point

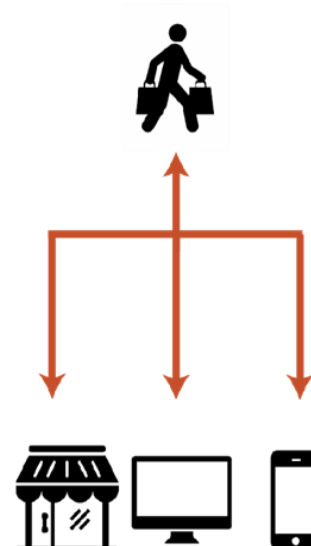
## Multi Channel



We need to sell online

Customer sees multiple touch-points acting independently

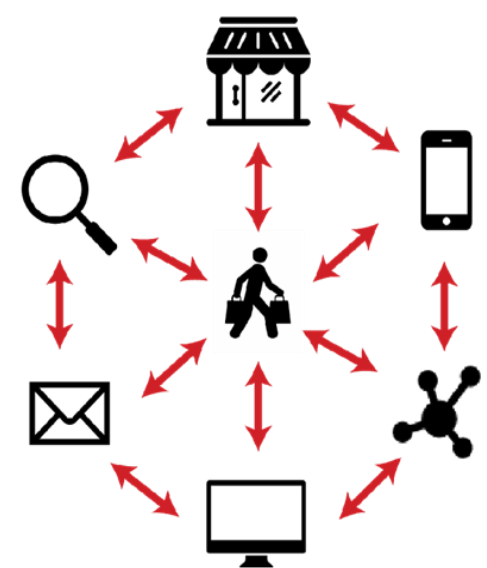
## Cross Channel



Many customers shop across channels

Customer sees multiple touch-points as part of the same brand

## Omni Channel



Relevant products and services anywhere

Customers experience a brand, not a channel within a brand

# Omnichannel



Omni-channel retailing would be O2O's future. Customers may order anywhere through any mean (online, mobile, offline, social, etc.) and the products will be delivered via any channel at anytime. This need will definitely emerge, regardless to Indonesia's diverse culture.

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*"Thus, I believe that Indonesia's diverse culture is not an issue. One thing that will influence this omni-channel adoption is the level of maturity or readiness that **ecommerce's infrastructure and logistics** have."*

**- Hadi Kuncoro**

# Video of Omnichannel



**CGI**

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# Clients testing O2O, but want Omnichannel



## Brandsite

- Buy online or instore (same Rewards)
- Centralized inventory
- Order Instore, ship to home
- Returns: ship to FC



## Marketplace & Retail

- Buy online, deliver to home/COD
- Buy online, dropship from supplier
- Buy online, pick up in store
- Buy online, pick up in locker
- Returns (3): Instore, kiosk, or ship FC



## Multi-brand retail & Hybrid Marketplace

- Buy online, ship from FC with COD
- Buy online, ship from store
- Returns: ship to FC

# Mataharimall: Moving from cross-channel to Omnichannel

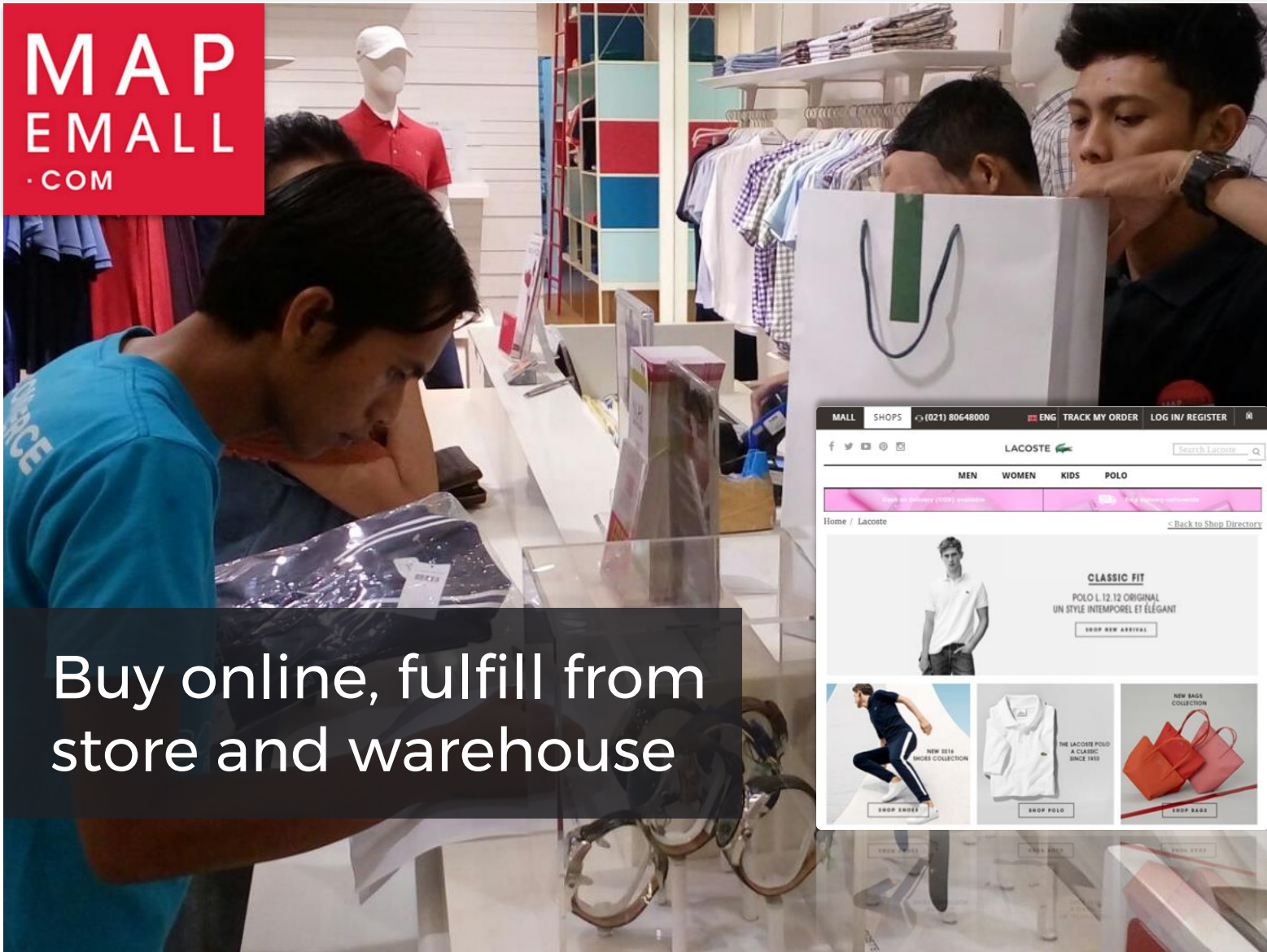




## Mataharimall: Buy online, pick up instore or lockers



# MAP EMAIL.COM: Buy online, pick up instore or lockers



Buy online, fulfill from  
store and warehouse





About aCommerce





### Our Business Model

#### ***“Ecommerce enabler for businesses in ASEAN”***

End-to-end Ecommerce technologies and solutions covering demand generation to demand fulfillment under one integrated platform.



### Our Mission (2016)

#### ***“End-to-End & Ala Carte Ecommerce Solutions”***

- Plug & play Ecommerce technology
- Tailored Ecommerce solutions and services
- Proprietary platforms integrated with local partners and clients



### Our Vision (2020)

#### ***“B2All Operating System (OS) for commerce in ASEAN”***

- Integrated technology platform covering the entire retail value chain
- Leading omni-channel retail solutions provider for ASEAN
- Best-in-class technology, infrastructure, service, and pricing

# Business Overview

## Presence Across ASEAN



Offices across **Singapore, Thailand, Philippines, Indonesia**, and soon in **Malaysia and Vietnam**

### Thailand **~300 Staff**



### **Regional (Thailand) ~80 Staff**

Management.....	10 Staff
Core Technology.....	59 Staff
Marketing.....	5 Staff

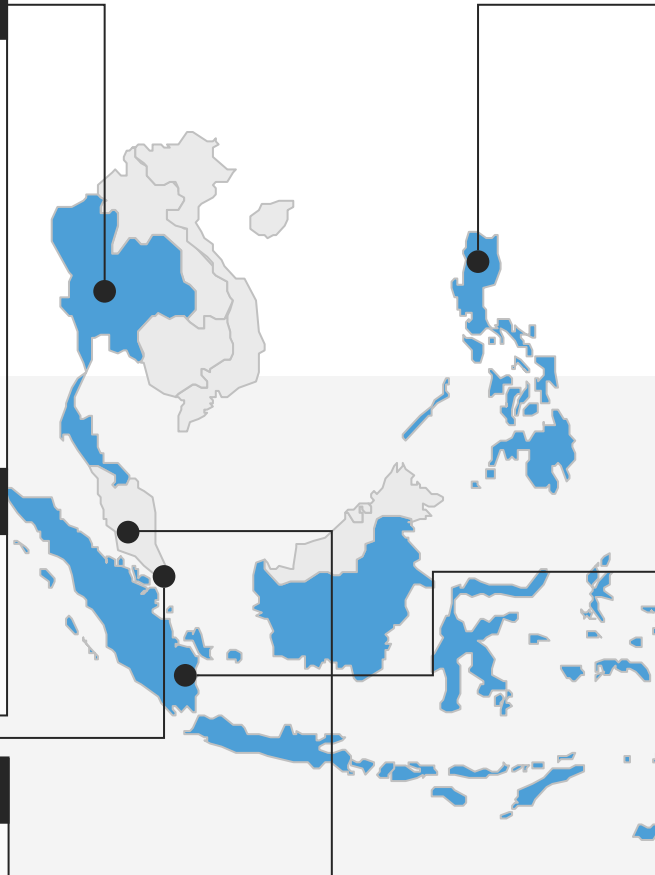
### Singapore **~20 Staff**



### Philippines **~100 Staff**



### Indonesia **~1000 Staff**



**Malaysia, Vietnam**

Coming soon



# Business Overview

## Awards, Certification & Recognition



### ***“Top IT Implementation on Ecommerce Sector 2016”***

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iTech Magazine, TOP IT &  
TELCO Awards 2016

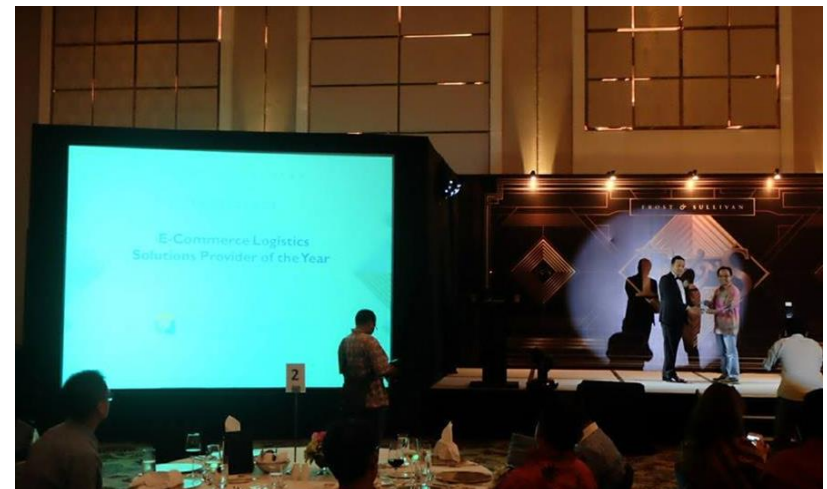


### ***“Ecommerce Logistics Solutions Provider of the Year”***

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Frost & Sullivan Awards 2016

FROST & SULLIVAN







Delivery Cost



Centralized Services



Visibility

**Challenges**  
can be an  
**Opportunity**

# Thank You

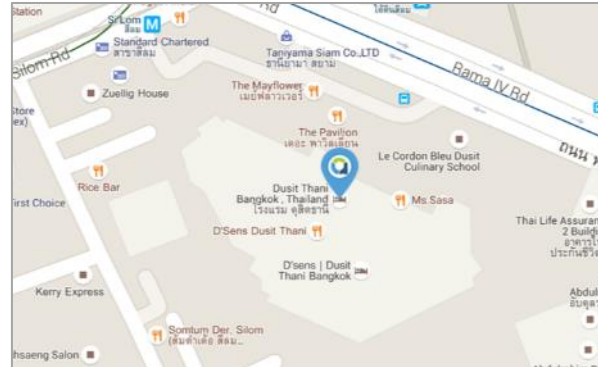


**Donny Wardhana**

CCO, aCommerce Indonesia

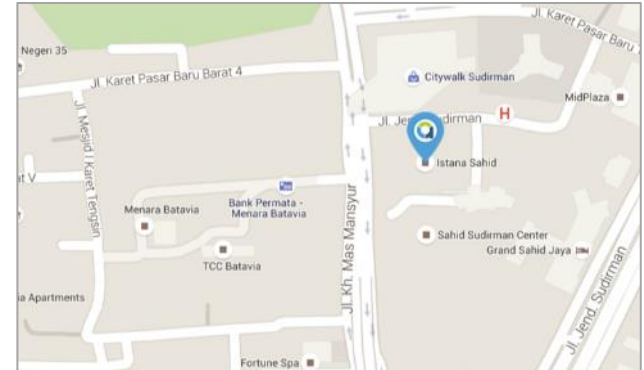
E: [donny@acommerce.asia](mailto:donny@acommerce.asia)

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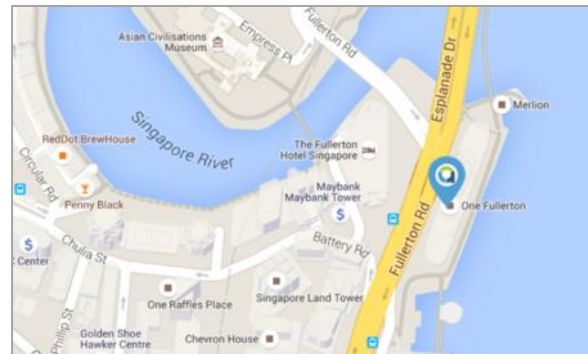
## Thailand Office

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## Indonesia Office

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Jend Sudirman no 86 Jakarta Pusat  
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## Singapore Office

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048616



## Philippines Office

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Manila, Philippines