



LIFE AFTER COVID-19

HOW THE RETAIL
INDUSTRY IS
FOREVER CHANGED



THE BIG BOOM OF DIGITALISATION

Adapt or die—a common theme observed throughout the effects of the Movement Control Order (MCO) in reshaping the business landscape as some reported a drop in sales of up to 90%^[1]. Small and medium enterprises (SMEs) took the brunt of this blow, with restrictions to operate brick and mortar retail stores, interstate travel, and any sort of social events; creating financial chokeholds in the retail industry.

As Malaysia SMEs see zero cash flow^[2] in the coming months, abandoning their once tried-and-true methods of conducting business and, instead, adopting a new strategy could be the only way to survive this new age of information.

Digitalisation, now seen as the top rung of the marketing and communications ladder, is still an anomaly to most SMEs that face a number of challenges in digital transformation^[3]. The importance of digitalisation in this new normal is imperative to SMEs that rely on effective channels of communication. Here's a reality check: the pandemic may still be around until a vaccine is found^[4]. This means, even post MCO, there's likelihood for social distancing and restriction on social grouping activities to be implemented for the foreseeable future. Digitalisation through social media bridges the gap of communication between businesses and consumers to build meaningful relationships; the spark for an economical growth in a time where it's needed the most.

Taking A Crack At The Problem

In light of this situation, we've created the “Life After COVID-19—How The Retail Industry Is Forever Changed” report in an effort to create conversations among SMEs on the importance digitalisation in the social media space, and how thousands of brands and solopreneurs looked into new opportunities for growth despite the economic downturn.

What Is The “Life After COVID-19—How The Retail Industry Is Forever Changed” Report?

Life After COVID-19—How The Retail Industry Is Forever Changed Report, or “The Report” in short, is a research piece from Adqlo that analyses the impact of the government MCO on consumer sentiment, user behaviour, and brands' digitalisation strategies. Given the ever-changing situation with the MCO and COVID-19, this research is considered as an iterative process where findings can evolve and change.

The Report's research consists of a total of 8 retail industries, 31 industry segments, 6,013 social media profiles, and 325,350 postings from Facebook, Instagram, and Twitter* over a span of 105 days from 1 January to 14 April 2020. The data is crawled by Adqlo—a cloud-based, software as a service (SaaS) platform specialising in social media analytics, business intelligence solutions, end-to-end sales funnel analytics, and big data services.

**Analysis and insights on Twitter have been omitted from the report due to insufficient data quality during data collection.*

Purpose Of The Report

When a major crisis hits and affects the operation of your business, you'll be forced to rethink of new ways to come out of the other side (mostly) unscathed. This report aims to help SMEs understand the business landscape and its change in digitalisation before, during, and after the MCO so they'll be able pivot their business strategies accordingly and adopt the best practices for their company to evolve with the new norm.

What Can You Expect From The Report

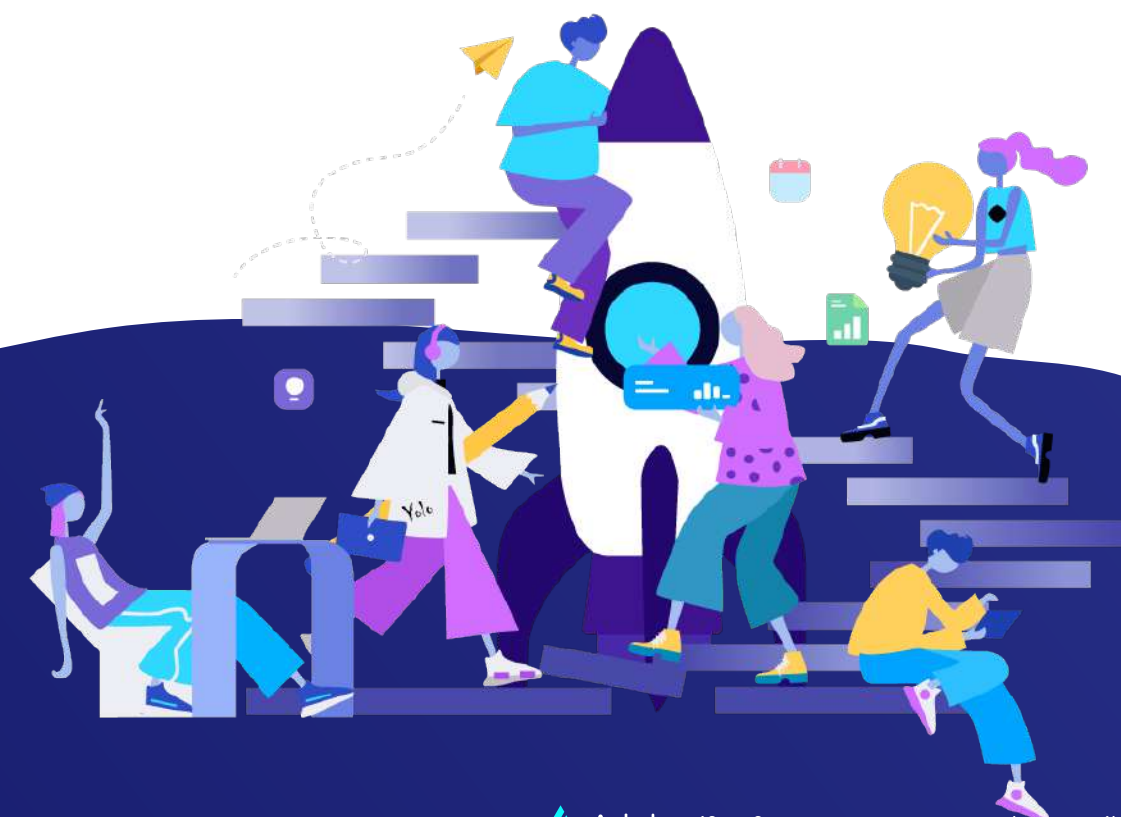
On an industry level, you'll be able to see how the MCO has impacted each industry in varying degrees, some more than others. Some brands faltered under the pressure of this unforeseen quarantine with partial lockdowns to complete shutdowns, while some pulled through and saw the opportunity to leverage on social media to their brands' advantage.

You'll also have access to data-proven emerging trends on social media, which could give your business an edge. Trends that, from research, have shown to work for particular businesses who were early adopters or even late bloomers. By the end of this report, you'll have the tools in your arsenal to make more educated and informed decisions for when you'll be steering your business into uncharted territories—with digitalisation and social media at the helm to push your business forward.

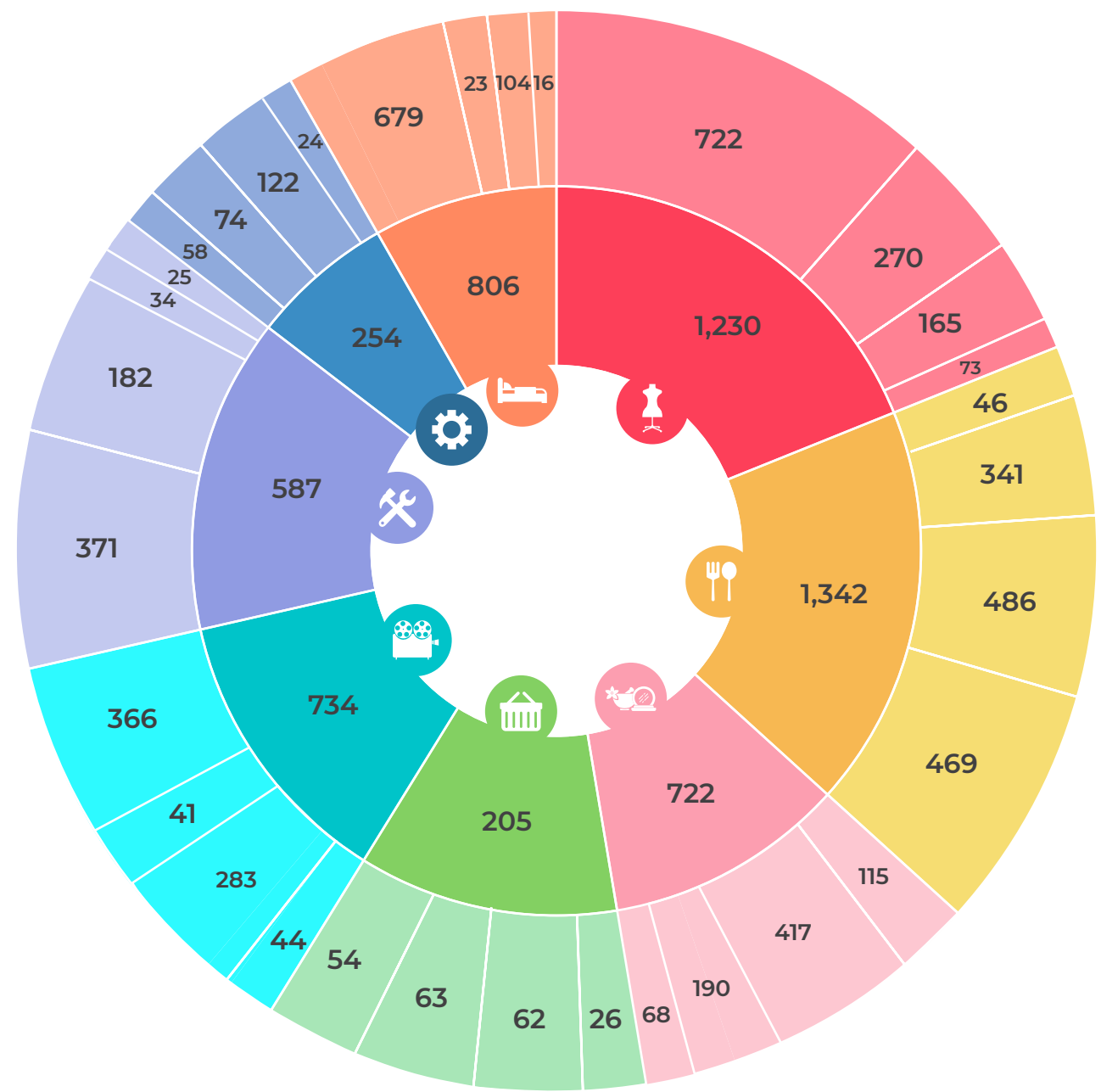
The Report Is Brought To You By...

Adqlo's AI technology—employing big data powered analytics and data visualisation which enables large sets of data to be processed in a relatively short time. It is then sifted through Adqlo's dedicated data science team to structure and validate said data to ensure accuracy, completeness, and uniformity. This structured data is passed along the pipeline to the content team, whose jobs are to interpret the data to discover solutions and opportunities by identifying patterns and trends. Finally, the design team will communicate these findings by implementing clear visualisation methods like charts, diagrams, illustrations, pagination, etc.

- References:
1. New business landscape expected post-MCO, The Star Online
 2. Covid-19: Malaysia SMEs see zero cash inflow for at least three months due to MCO, The Edge Markets
 3. SMEs, traditional firms still face challenges in digital transformation, The Sun Daily
 4. MCO: Businesses, public must understand SOPs before economy can return to normalcy, New Straits Times



RETAIL BRAND SOCIAL MEDIA PROFILE TOTALITY



8 industries, 31 segments, 6,013 profiles, 325,350 postings

Fashion

- Apparel 722
- Accessories 270
- Shoes 165
- Bags 73

Food And Beverage

- QSR 46
- Cafés 341
- Restaurants 486
- Snacks and Confectionery 469

Beauty And Wellness

- Skincare and Makeup 115
- Misc. Products and Services 417
- Salons 190

Department Store And Supermarket

- Department Stores 26
- Supermarkets 62
- Convenience Stores 63
- Pharmacies 54

Leisure And Entertainment

- Bookstores 44
- Entertainment, Hobbies, Toys and Games 283
- Education Centres and Facilities 41
- Others 366

Sundry And Services

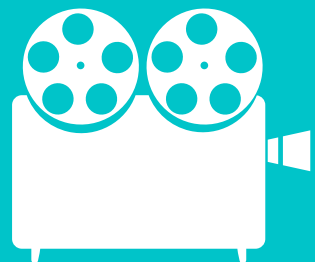
- Home 371
- Automotive 182
- Repair and Restoration 34

IT And Home Appliances

- Gadgets and Accessories 58
- Home Appliances 74
- Computers and Mobile Phones 122

Hotel

- 3-5 Stars 679
- Motels 23
- Others 104

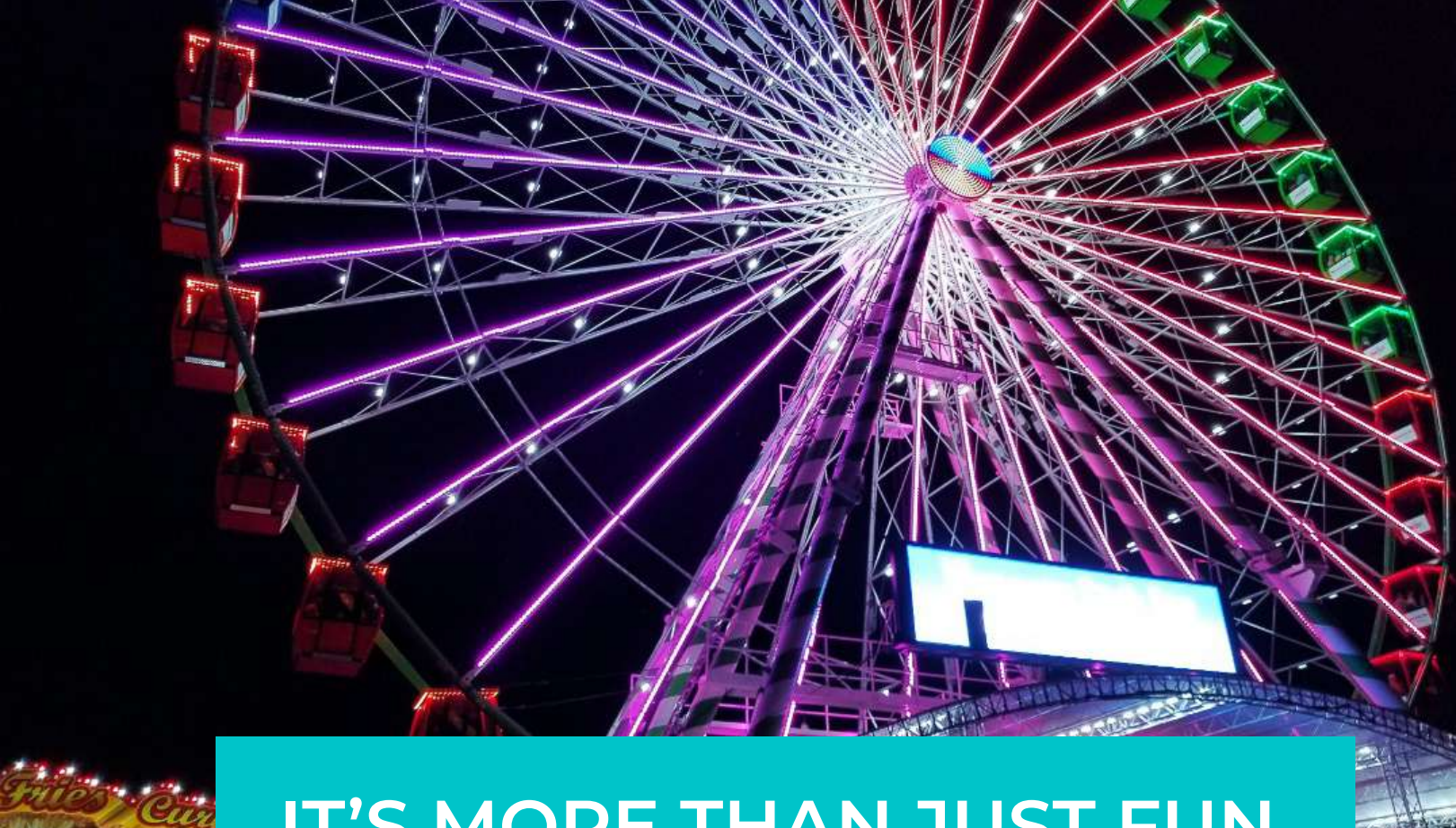


LEISURE AND ENTERTAINMENT

Unlock in-depth analysis of the full list of 31 segments in 8 retail industries in our full report.

BUY NOW

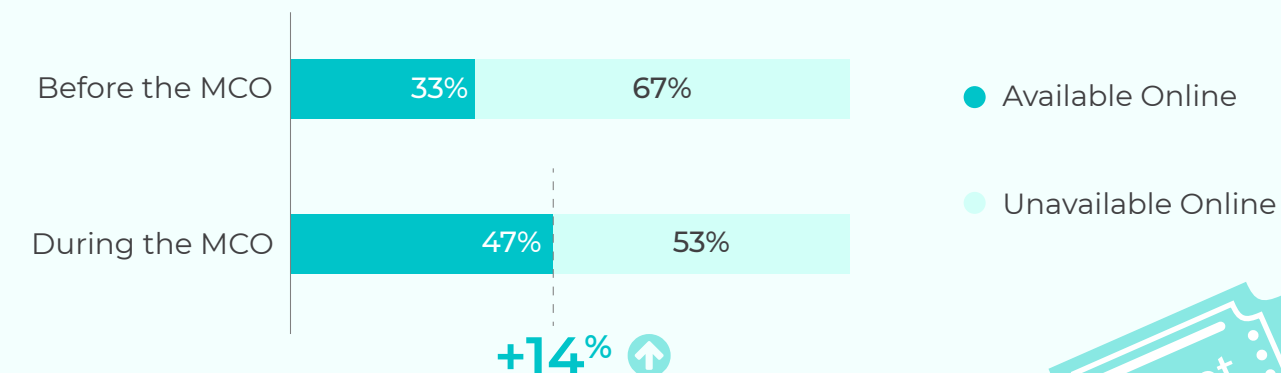




IT'S MORE THAN JUST FUN AND GAMES AS THE MCO TAKES EFFECT

The leisure and entertainment category covers a wide spectrum of interests, from indoors and outdoors, close-contact sports or video games, to binge watching sappy TV dramas. This research aims to analyse businesses within this industry, their strategies to digitalise, and the effects on its core target audience; all while vying to stay on top of the game during the MCO.

Digitalisation of Businesses



*Before the MCO: 1 Jan 2020 - 17 Mar 2020
During the MCO: 18 Mar 2020 - 14 Apr 2020



...

With the MCO in effect, the leisure and entertainment industry saw an increase of 14% conversion on Facebook and Instagram to digitalise businesses. The barrier on face-to-face interaction during the MCO suggests these non-digital native brands are looking for alternatives to reach out to their target audience at home.

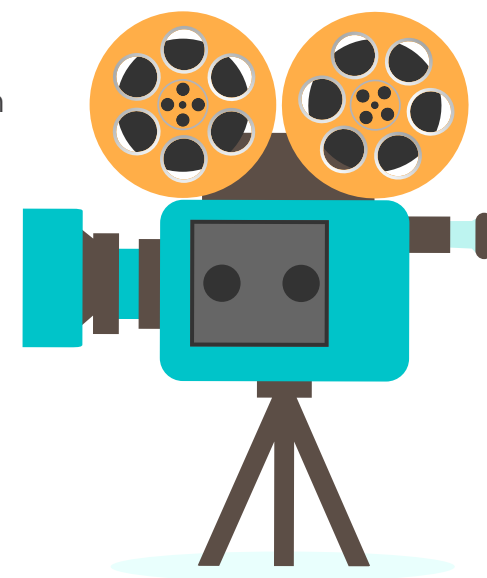




The graph chart illustrates the **total weekly interaction for leisure and entertainment businesses on social media from 1 Jan to 14 Apr 2020.**

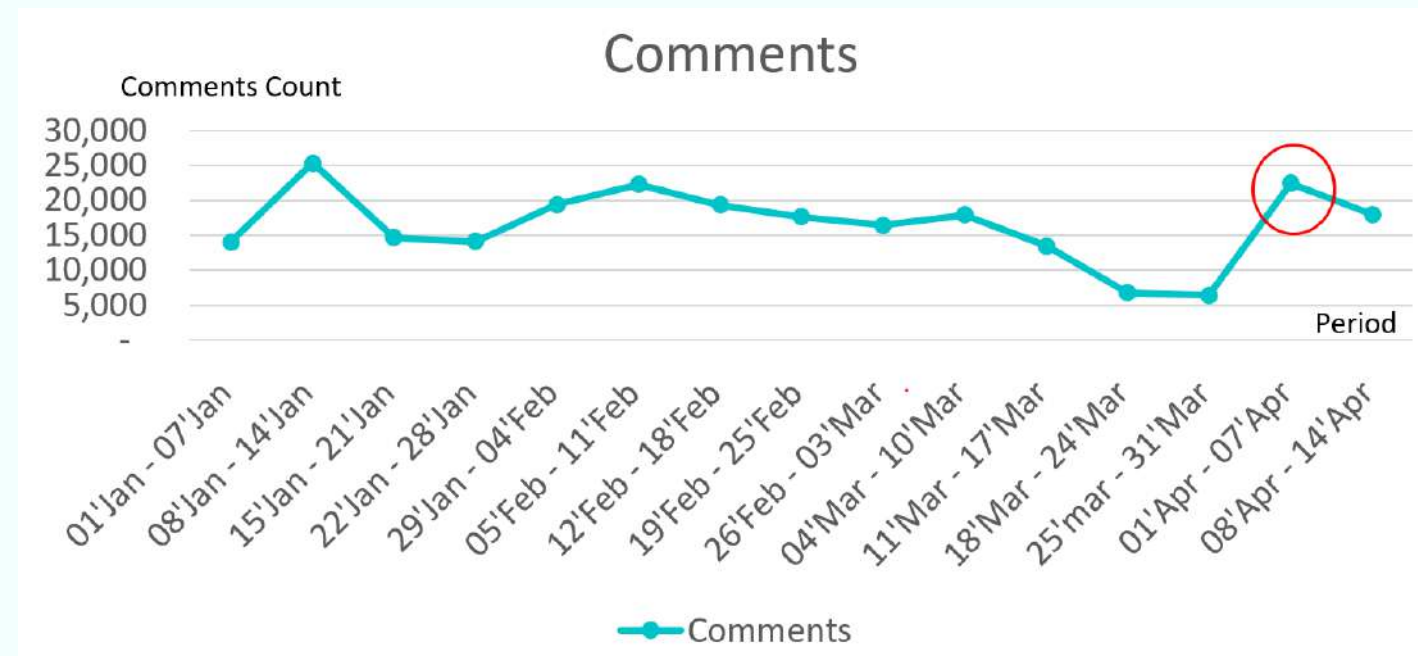
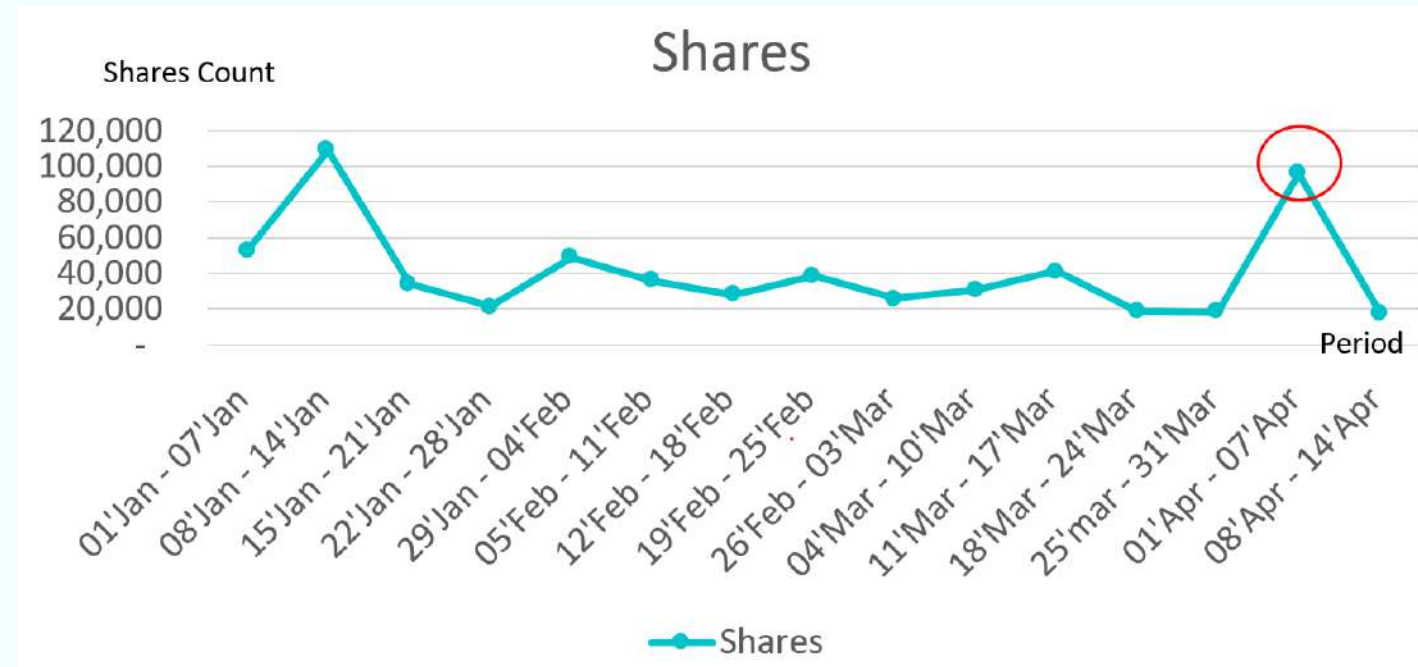


As shown, total interactions hit its peak on **11 - 17 Mar 2020**, but took a sharp fall by **91%** just a week after on 18 - 24 Mar 2020, which is the first week of the MCO implementation. It continued at a slow decline for the next week, reaching its lowest point, then saw a **significant spike on 1 - 7 Apr 2020**.





Before And During The MCO – Weekly Social Media Interactions Rate By Type



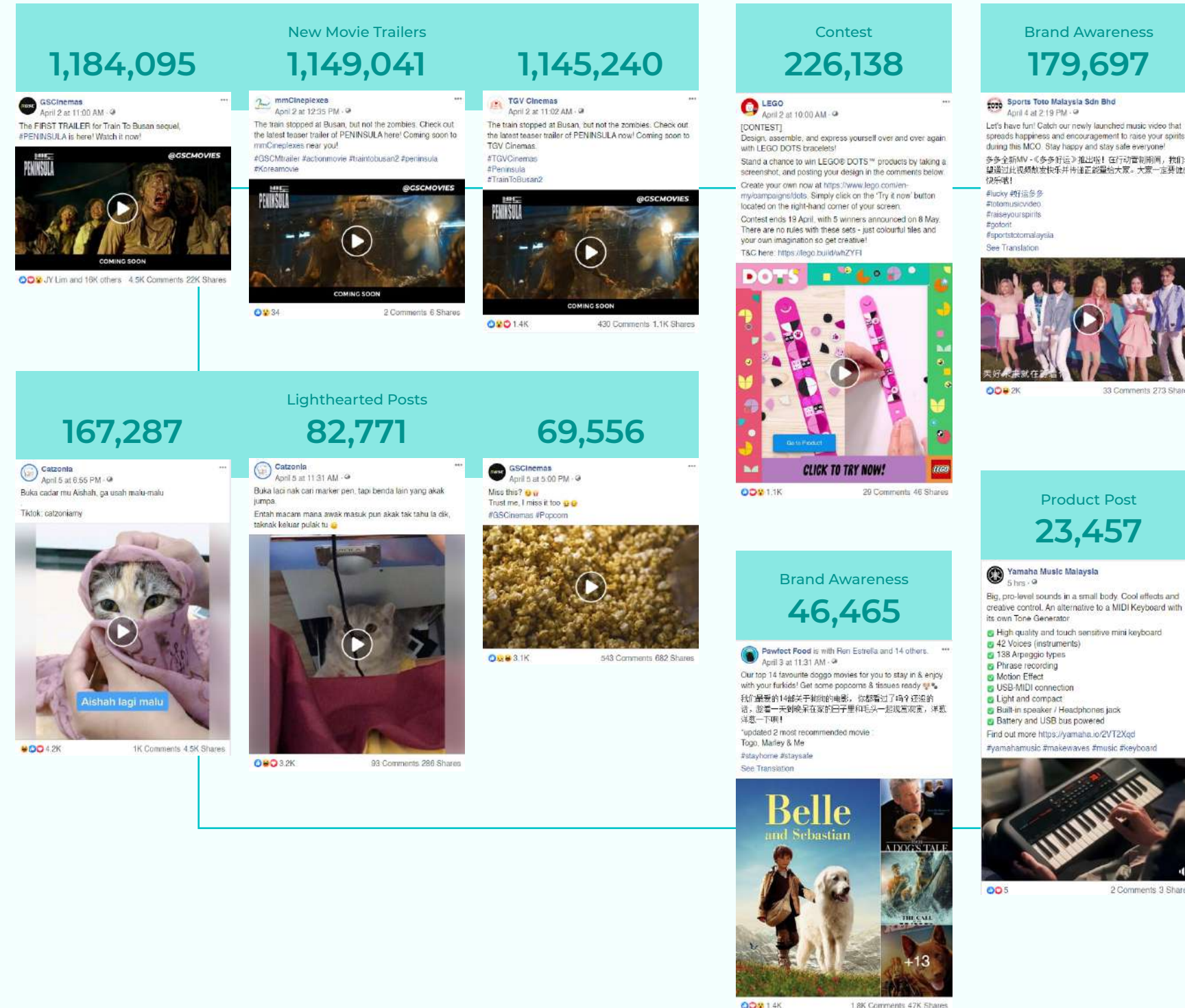
A closer look between **1 Jan and 14 Apr 2020** can be seen here; by comparing key interaction metrics on Facebook and Instagram to gauge audience interaction behaviour before and during the MCO.

From observation, social media shares and comments peaked on 1 - 7 Apr 2020. This coincides with the earlier data whereby total interactions had a spike on the same period.





Most Viewed Posts (Facebook)
Period: During MCO Week 3 (1 Apr - 7 Apr)



From 25 Mar to 14 Apr 2020, the **top 3 brands** with the highest interactions rate on Facebook and Instagram are local cinemas GSCinemas, mmCineplexes, and TGV Cinemas each at over 1M total interactions.



GSCinemas



mmCineplexes



TGV Cinemas

On 1 - 7 Apr 2020, the top 10 postings from Facebook and Instagram consist of local movie trailers, contests, cat videos, music instrument ads, and movie recommendations.



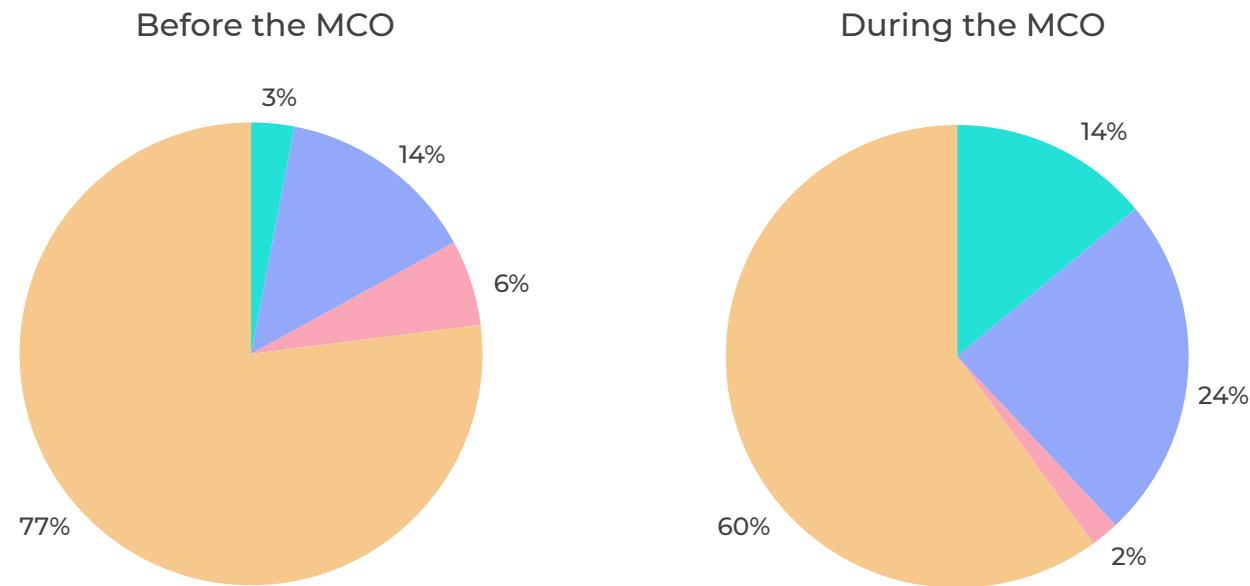
Prior to the MCO, businesses on Facebook have been directing consumers to WhatsApp for e-commerce purposes. However, there's a significant increase in businesses **directing consumers to both Shopee and Lazada** during the MCO period.

For businesses on **Instagram**, there has been an increase in call to actions leading to WhatsApp instead.

For businesses in the **leisure and entertainment industry**, WhatsApp remain the preferred platform when it comes to doing e-commerce.

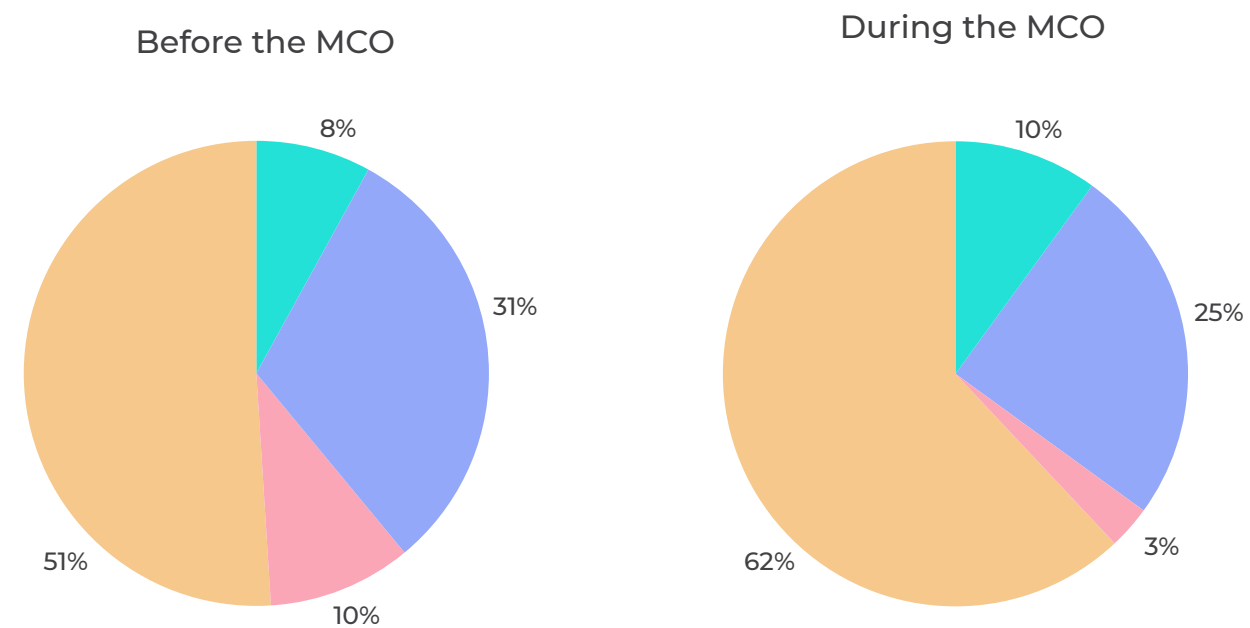


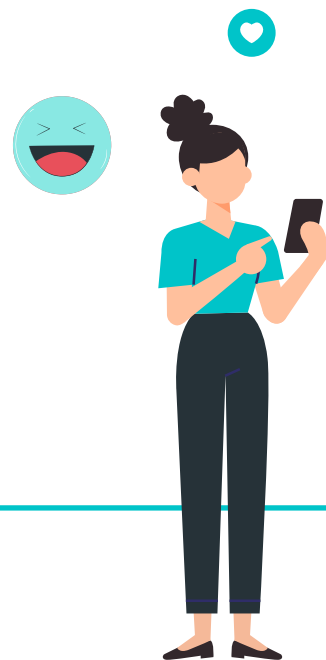
Sales Channels From Facebook Profiles



● Lazada ● Shopee ● foodpanda ● WhatsApp

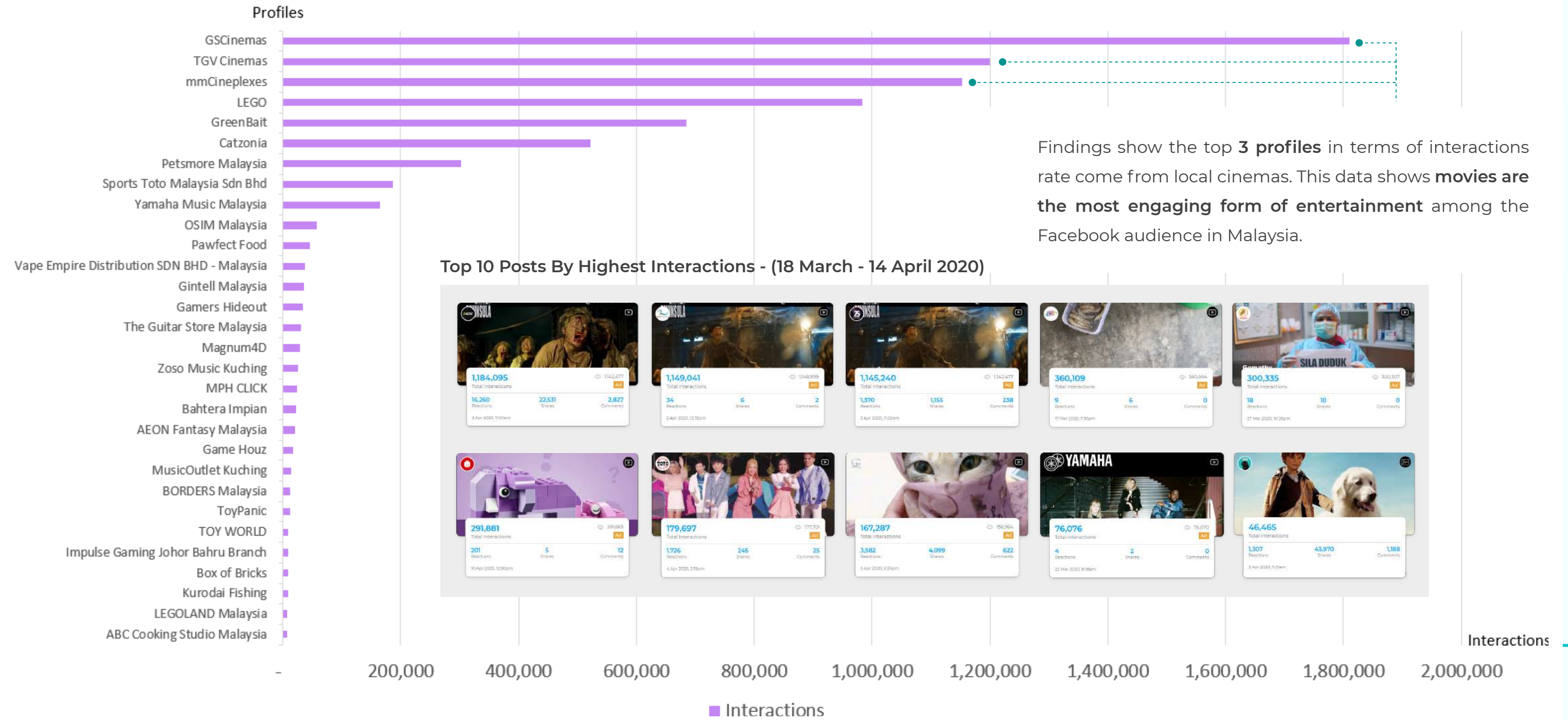
Sales Channels From Instagram Profiles



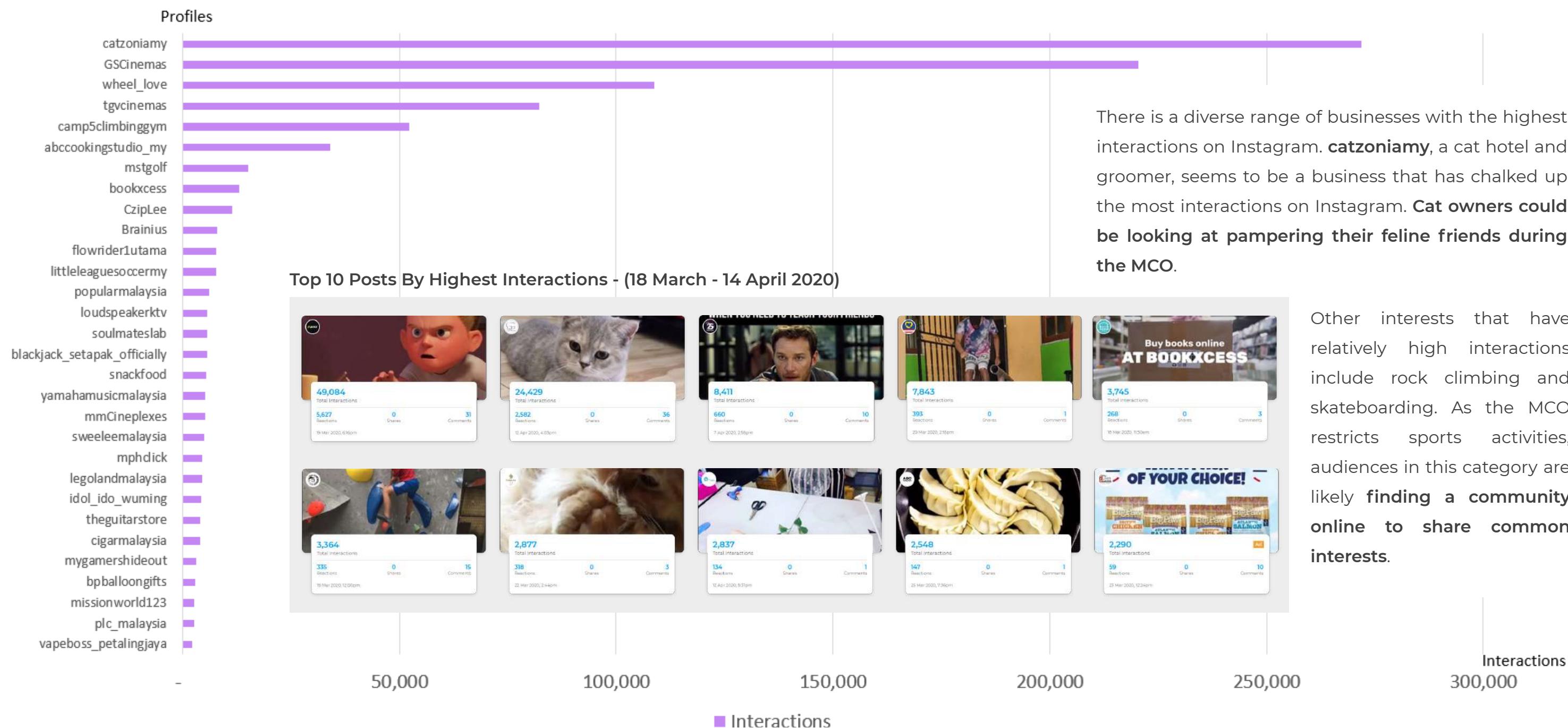




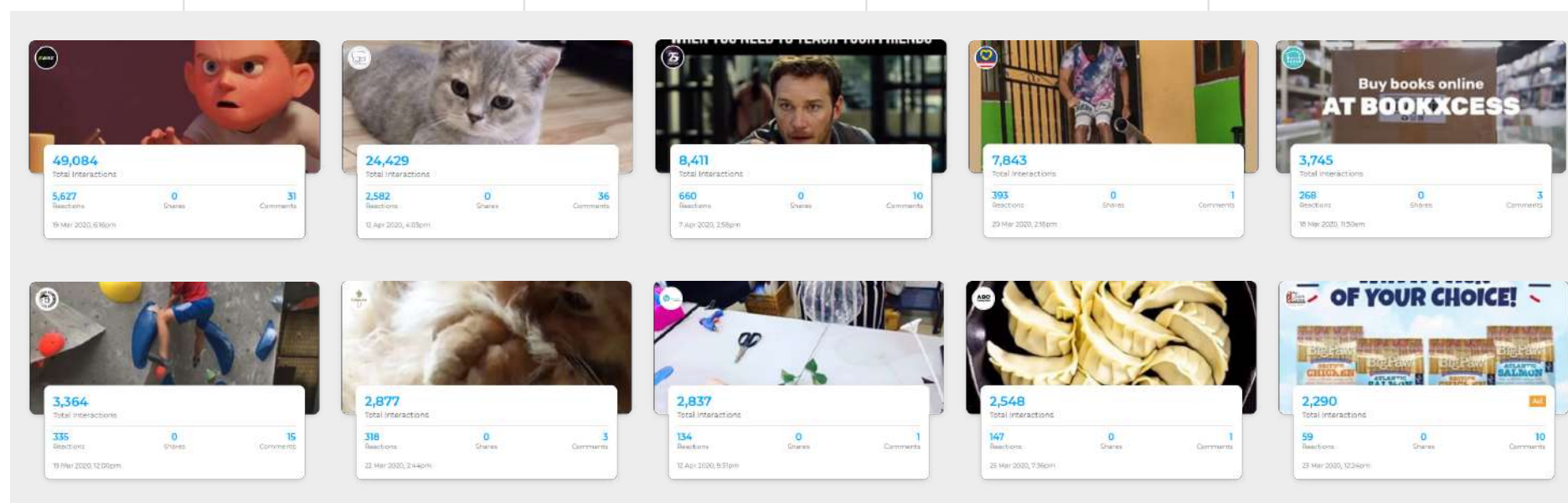
Top 30 Profiles By Highest Interactions - (18 March - 14 April 2020)



Top 30 Profiles By Highest Interactions - (18 March - 14 April 2020)



Top 10 Posts By Highest Interactions - (18 March - 14 April 2020)





Key Learnings

When One Door Closes, Another Opens

Unlock in-depth analysis of the full list of 31 segments in 8 retail industries in our full report.

BUY NOW

“ From festival cancellations to movie delays, it’s no secret the leisure and entertainment industry took a big hit. However, demand for content consumption is at an all-time high during the MCO; as a result, a few brands took this opportunity to create content that could resonate with their audience who were stricken and isolated by the quarantine. ”





HOTEL

Unlock in-depth analysis of the full list of 31 segments in 8 retail industries in our full report.

BUY NOW

Feeling The Brunt Of COVID-19

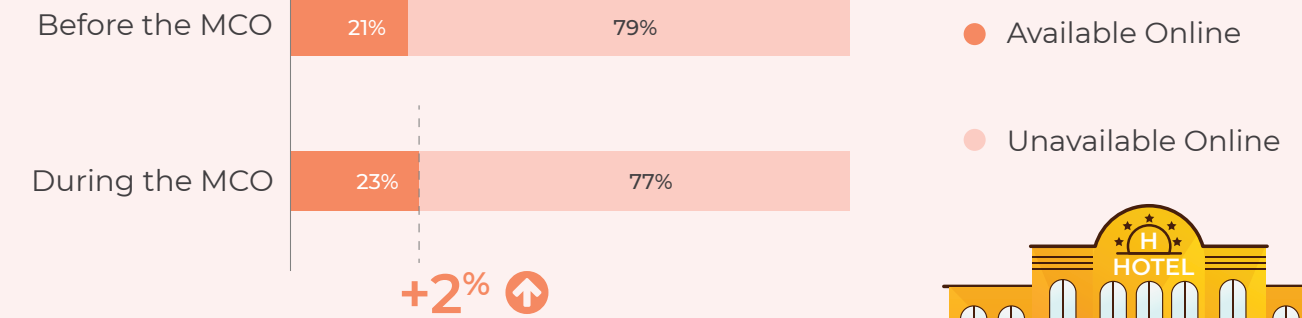
The hotel and tourism industry is undeniably one of the hardest hit industries during the COVID-19 pandemic. Even before the MCO was in place, businesses have already started to feel the impact as rising cases around the world gave rise to travel fears.

Although hotel services are listed under essential services that are allowed to operate during the MCO, hotels are prohibited from accepting new bookings. This, coupled with massive room cancellations, effectively brought the industry to its knees.

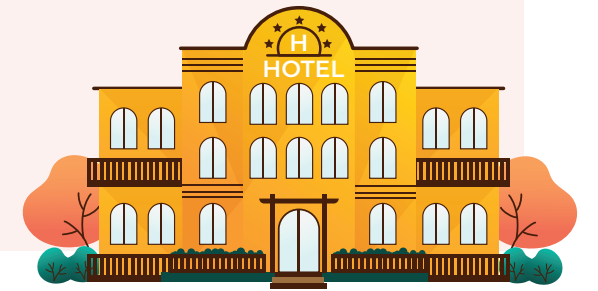
Adqlo analysed **810 hotels'** social media accounts before and during the MCO* to see how the industry players are reacting to the pandemic.



Digitalisation of Businesses



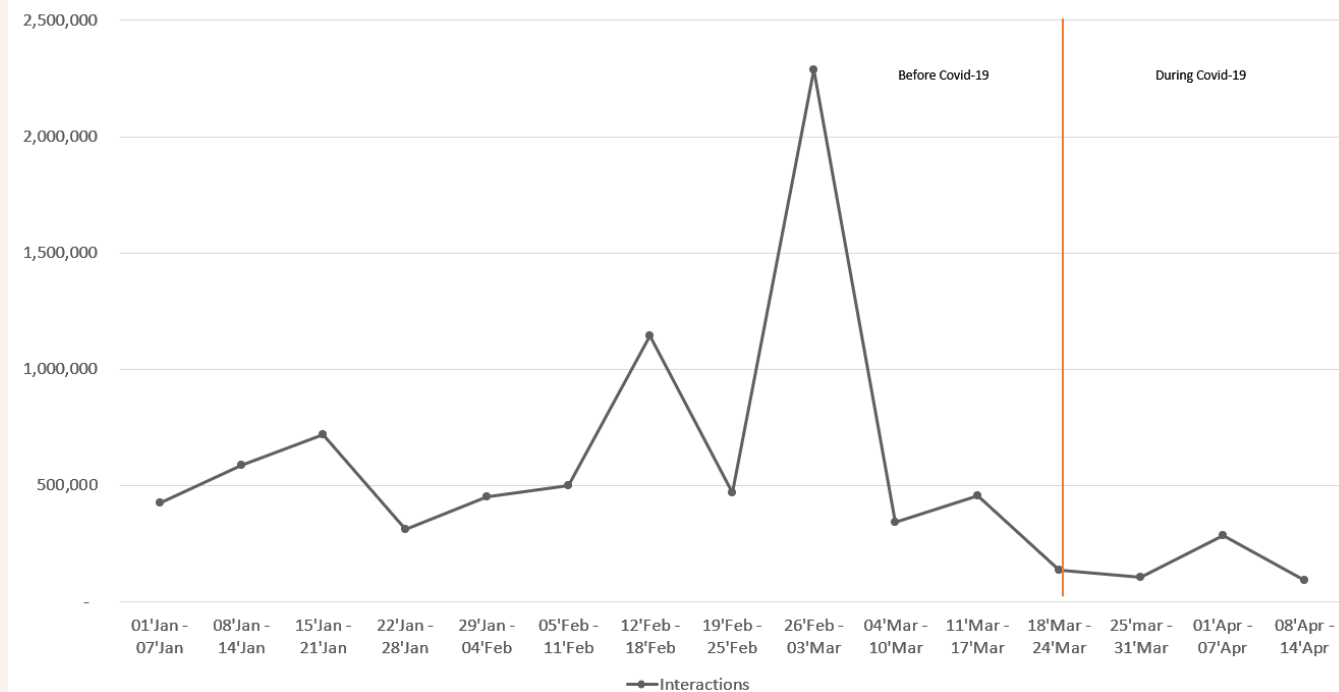
*Before the MCO: 1 Jan 2020 - 17 Mar 2020
During the MCO: 18 Mar 2020 - 14 Apr 2020



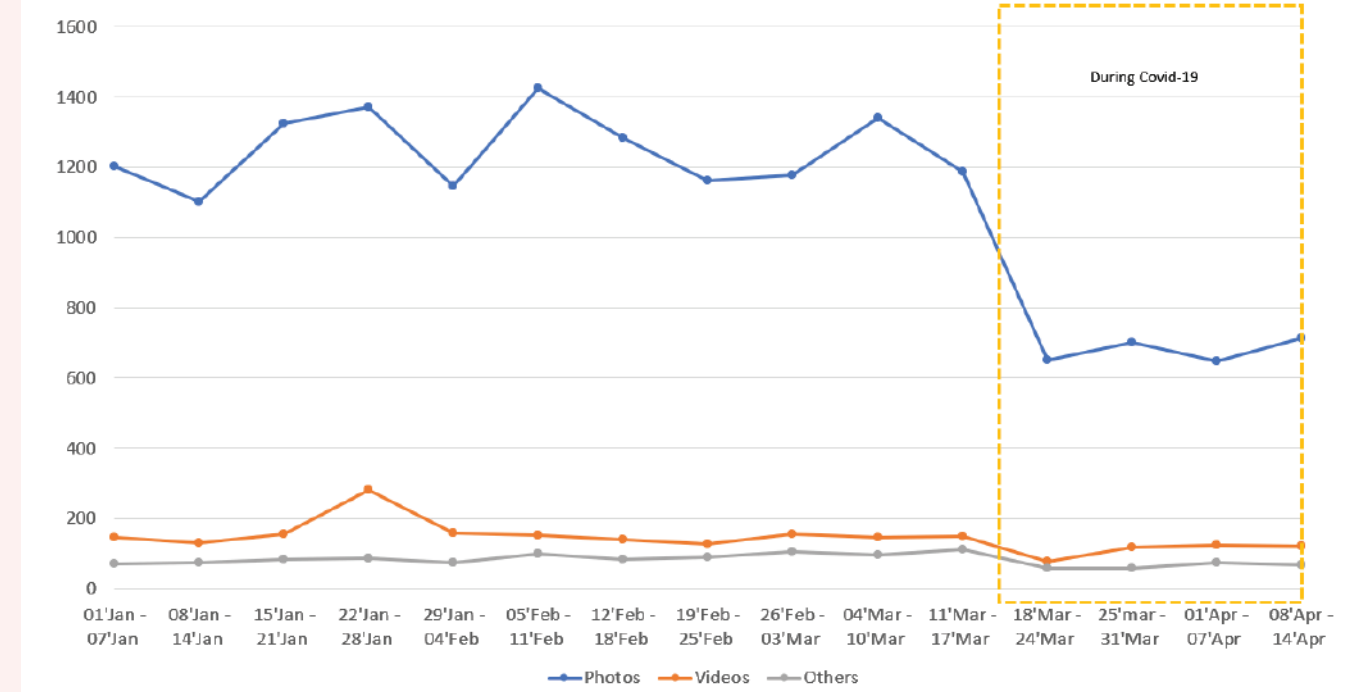
There isn't a significant change in the number of hotel operators shifting their business operations online during the MCO.



Total Weekly Interactions



Post Format



Before the MCO

Platform	Shares	Comments	Reactions	Video Views	Total Interactions
Facebook	60,687	31,151	1,065,918	5,469,402	6,627,158
Instagram	-	10,681	565,369	488,015	1,064,065
Total	60,687	41,832	1,631,287	5,957,417	7,691,223

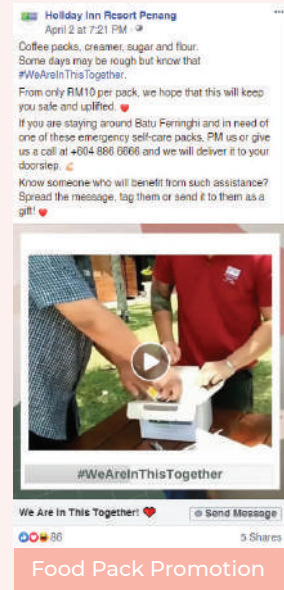
During the MCO

Platform	Shares	Comments	Reactions	Video Views	Total Interactions
Facebook	12,906	4,235	100,456	253,903	371,500
Instagram	-	2,427	136,955	111,749	251,131
Total	12,906	6,662	237,411	365,652	622,631

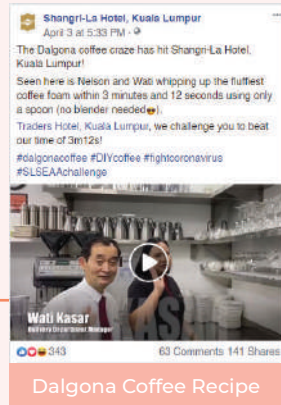
Interactions **dropped drastically across the board for the entire industry** during the first 30 days of MCO as hotel operators decreased the number of social media postings on both Facebook and Instagram.

Most Viewed Posts (Facebook)

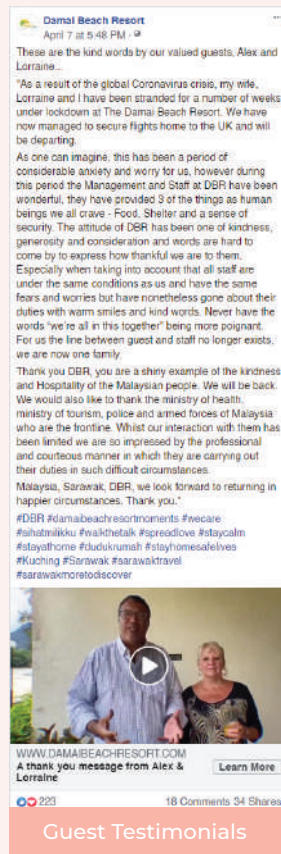
Period: During MCO Week 1 – 4 (25 Mar - 14 Apr)



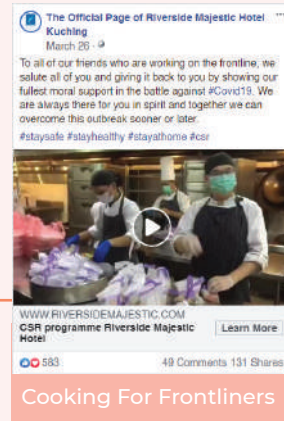
Food Pack Promotion



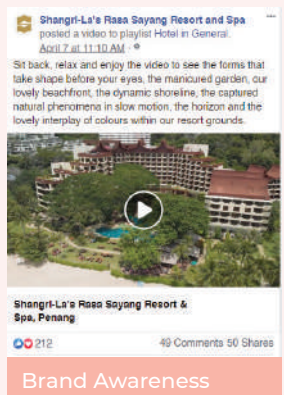
Dalgona Coffee Recipe



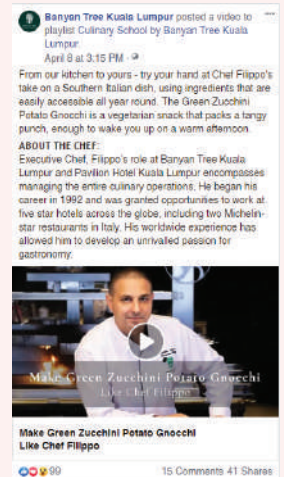
Guest Testimonials



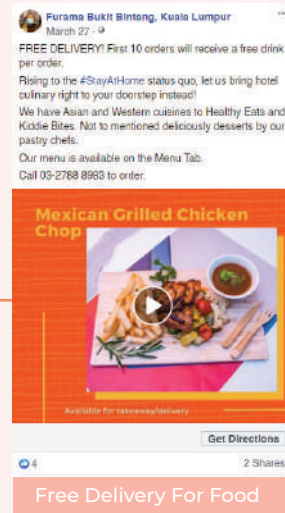
Cooking For Frontliners



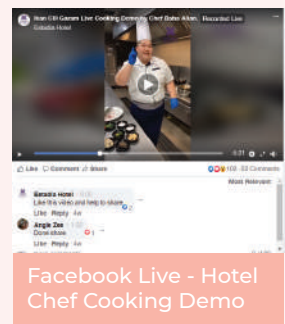
Brand Awareness



Hotel Chef Cooking Demo



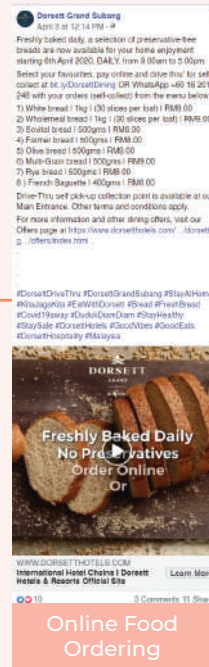
Free Delivery For Food



Facebook Live - Hotel Chef Cooking Demo



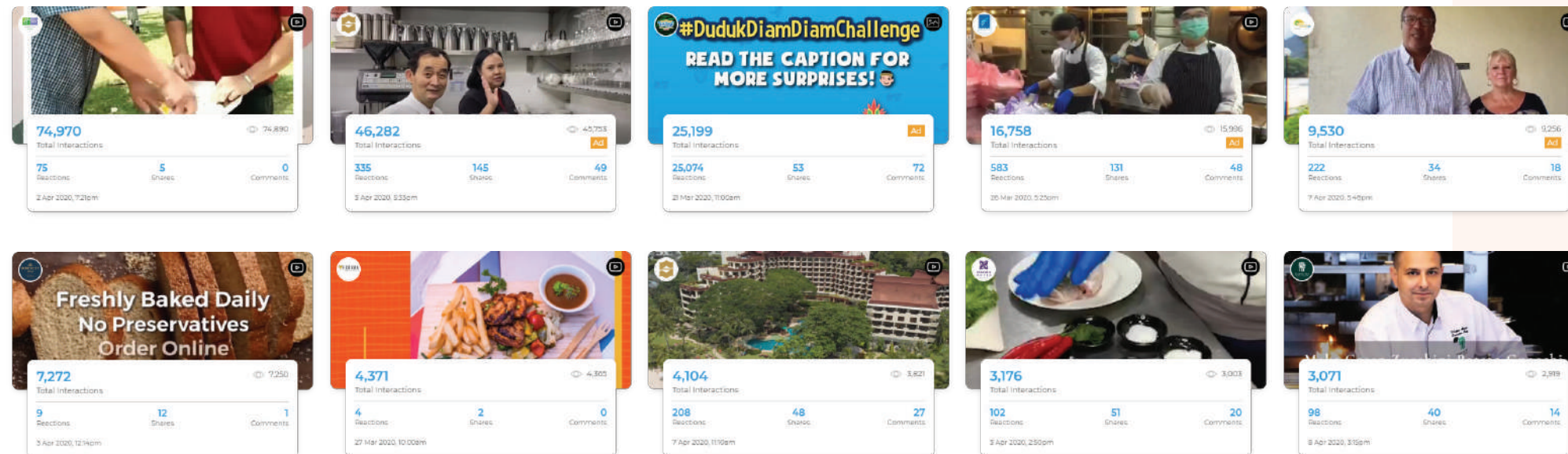
Hotel Chef Cooking Demo



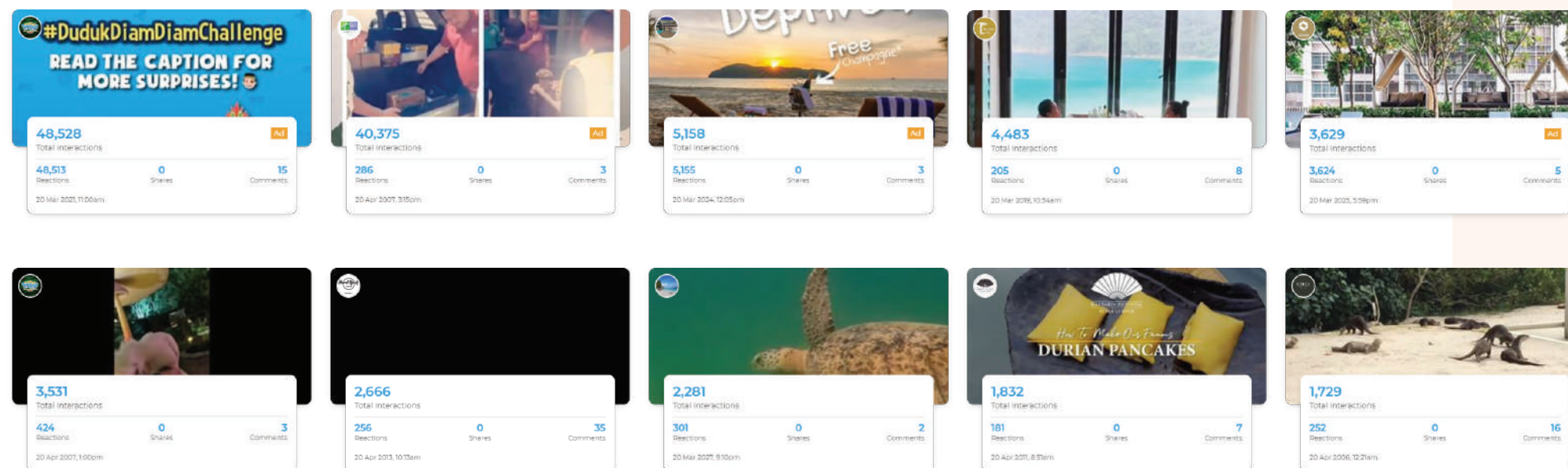
Online Food Ordering

Without the option of accepting new bookings, hotel operators have shifted focus to food and beverage, from cooking demonstrations to food delivery from their restaurants, in an effort to remain relevant to consumers who mostly remain at home due to the restrictions of the MCO.

Top 10 Posts By Highest Interactions - (18 March - 14 April 2020)



Top 10 Posts By Highest Interactions - (18 March - 14 April 2020)

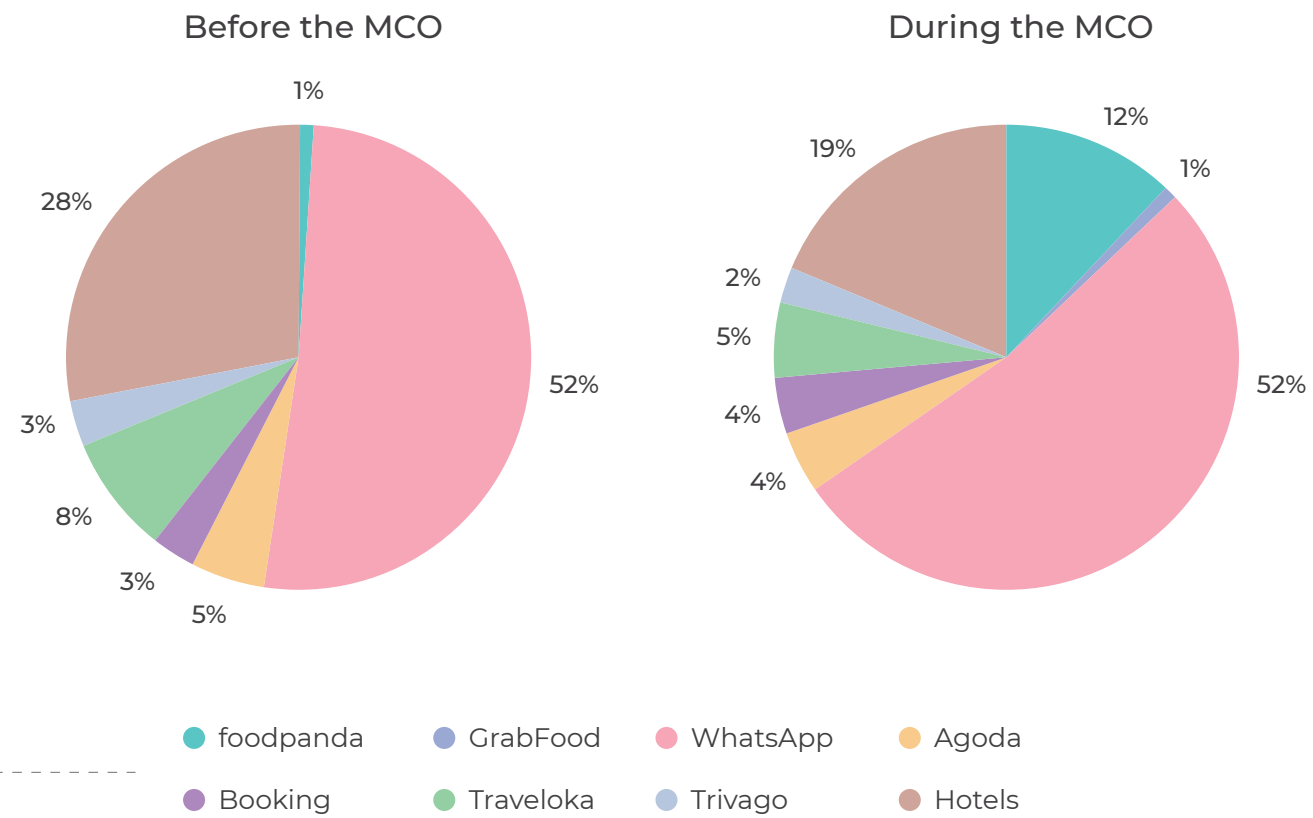


With hotel stays out of the questions, hotel operators have to switch up their social media postings to keep the conversation going. From cooking demonstrations by their in-house chefs and riding on the latest Dalgona coffee or BTS trends to giving shoutout to frontliners and holding social media contests, hotel operators are using social media to stay top of mind during the MCO.

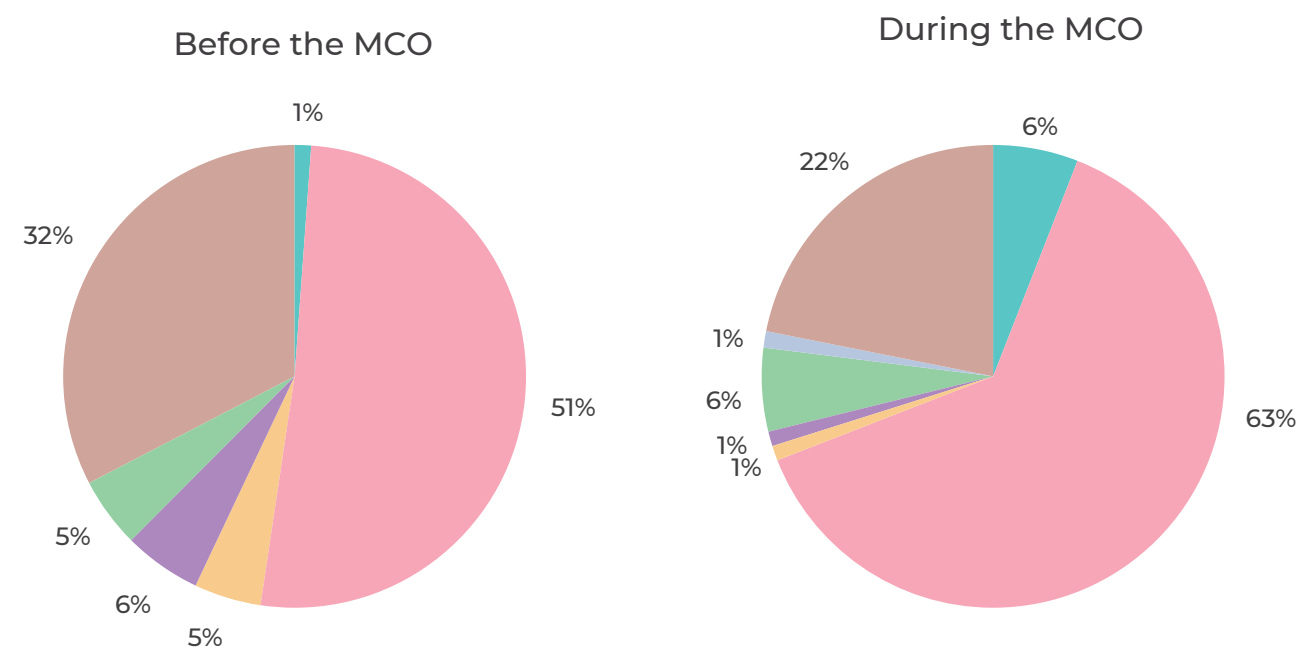




Sales Channels From Facebook Profiles



Sales Channels From Instagram Profiles



As hotels took measures to diversify their business strategies, the e-commerce platforms they're on also changed correspondingly, with more hopping on food delivery platforms and WhatsApp to reach the consumers.



Key Learnings

Unlock in-depth analysis of the full list of 31 segments in 8 retail industries in our full report.

BUY NOW

Reinventing To Stay Afloat



“ Things have become pretty quiet in the hotel industry as it battles heavy losses in the wake of Covid-19. The few industry players who have remained active on social media are exploring different business strategies to stay afloat in these trying times.

”



E-COMMERCE

Unlock in-depth analysis of the full list of 31 segments in 8 retail industries in our full report.

BUY NOW



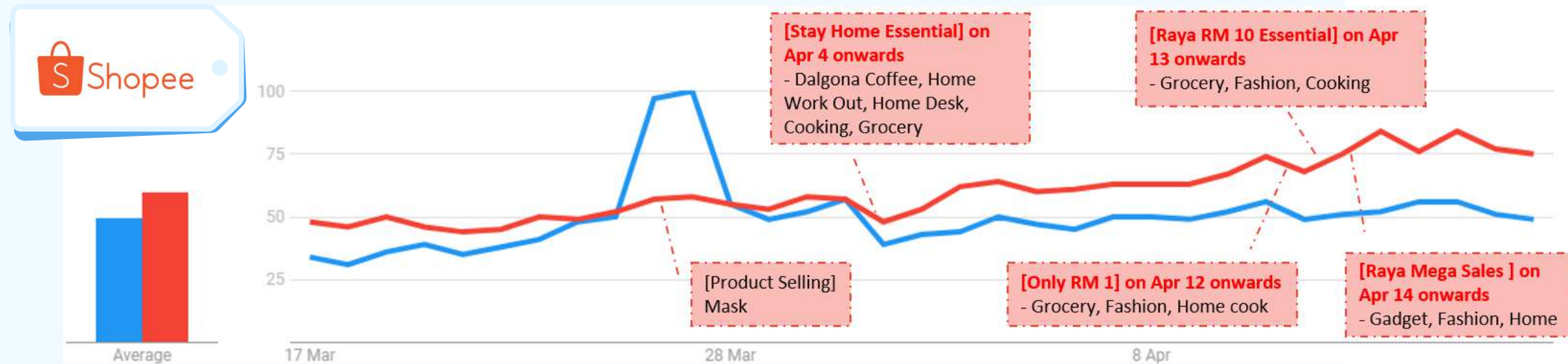


E-COMMERCE IS THE NEW NORM

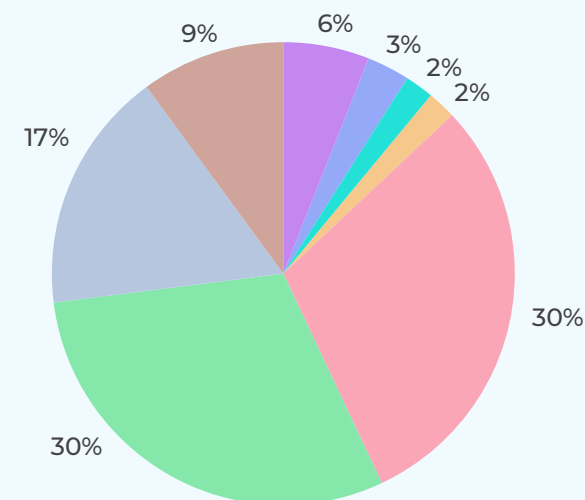
In light of the MCO implemented as a measure against curbing the spread of COVID-19 in Malaysia, there has been an **increase in the number of businesses pivoting to digital platforms** as people shift their **spending habits towards online platforms**.

As e-commerce remains one of the few industries that thrives during these challenging times, Adqlo tracked and analysed the **ad content and strategy of five major e-commerce platforms** during the first month of the MCO from **18 March to 17 April 2020** to see their different approaches to this shift in the industry.





Ad Ratio and Content Type



- App Download Free Gift
Ad promoting free gift upon new app downloads
- Shopee Online Game
Hari Raya exclusive online game to win prizes
- RM10 Raya Daily Essentials
Hari Raya essential items for only RM10
- MCO Stay Home Essentials
Promotion on stay-at-home essentials during the MCO
- 50% Super Deals
Promotion of up to 50% off
- Raya Deals
Hari Raya exclusive promotions
- RM1 Deals
Promotional items at only RM1
- Product Promotion
General product promotions

Shopee Sets Sights On Consumers; Ads Ride On Current Trends

Shopee strategises its advertising content based on current trends and the needs of consumers.

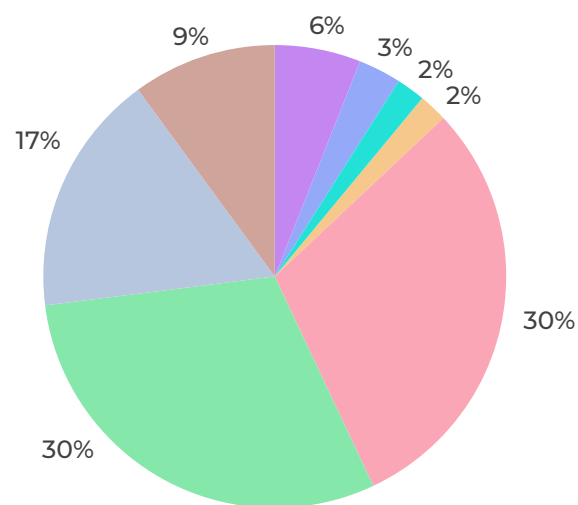
The MCO has caused a **visible paradigm shift** in spending habits as people began to spend more on primarily essential goods like groceries and household supplies.*

Shopee sees this as an opportunity to fulfil the essential needs of consumers by introducing promotions like **RM1 deals on groceries, fashion, and kitchen appliances** as well as focusing their advertisements on these offers to capture the attention of consumers.

*Source: Janio

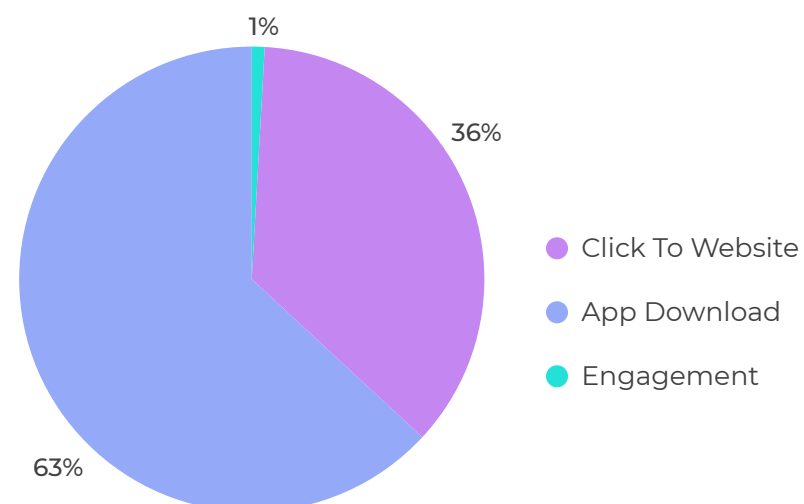


Ad Ratio and Content Type



- App Download Free Gift
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Hari Raya essential items for only RM10
- MCO Stay Home Essentials
Promotion on stay-at-home essentials during the MCO
- 50% Super Deals
Promotion of up to 50% off
- Raya Deals
Hari Raya exclusive promotions
- RM1 Deals
Promotional items at only RM1
- Product Promotion
General product promotions

Ad Type



Shopee reigns as Malaysia's most popular e-commerce app and website.*

Shopee pairs its offerings with a comprehensive and aggressive ad strategy to clinch the top spot as the most popular e-commerce platform in the nation.

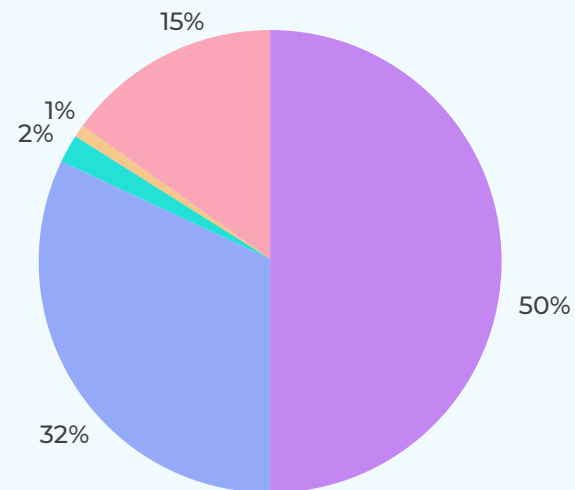
This strategy is seen even during MCO, with the platform having **184.9%** more ad sets compared to Lazada during the period of **14 - 17 April 2020**; the majority of these ad sets are promotions which drives traffic to its official app.

*Source: Statista, Marketing Magazine



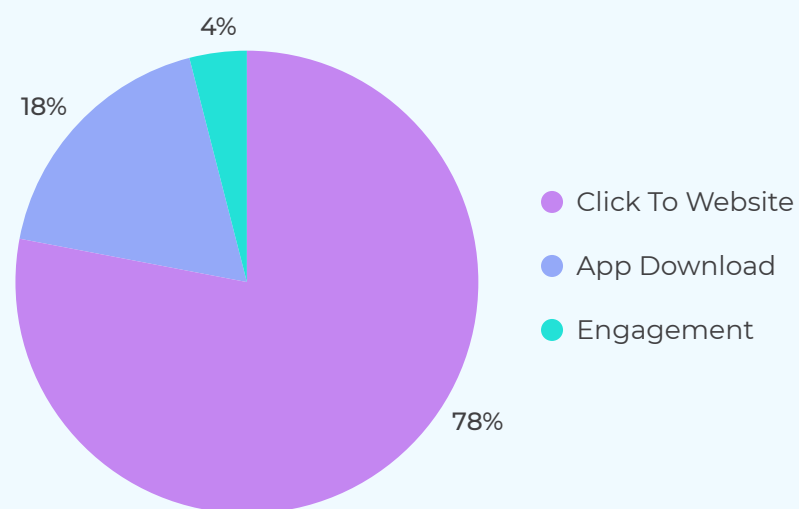


Ad Ratio and Content Type



- **Lazada Business Stimulus Package**
Seller recruitment via 'Pakej Kedai Pintar'
- **Mobile Accessories**
General product feature on mobile accessories
- **Promotion**
Highlight on special sales such as Lazada's birthday sales
- **Lazada Brand Awareness**
General branding posts
- **Other Brand Products**
General product feature

Ad Type



- Click To Website
- App Download
- Engagement

Lazada Focuses On Recruiting Sellers



Lazada took a different approach by launching a **business stimulus package**, '**Pakej Kedai Pintar**', to support e-commerce entrepreneurs and small medium enterprises (SMEs).

50% of Lazada's ad sets promote its business stimulus package which **entitles sellers to customised benefits** such as free shipping services and access micro loan facilities.

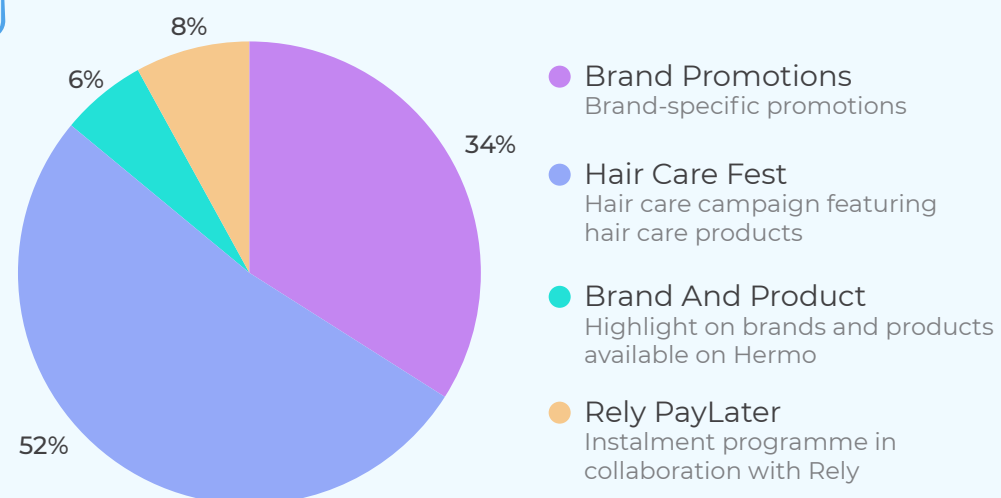
Over **160 businesses** from various industries have setup e-commerce storefronts on Lazada since March 2020.*

Driving Traffic to Website

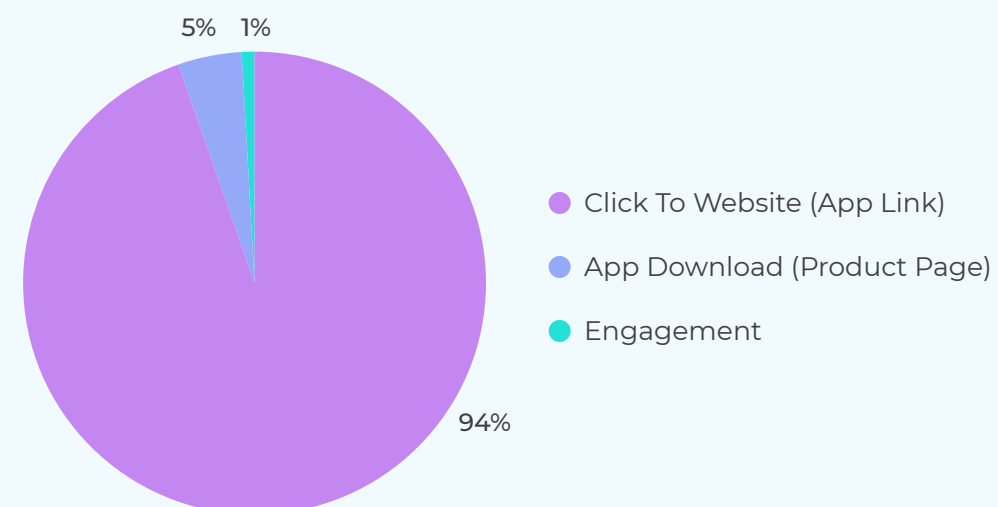
Corresponding to its ad sets, Lazada sets a **majority of their ads to drive traffic to their websites**, with more than **50% of it focusing on sellers recruitment** through 'Pakej Kedai Pintar' and the rest pushing brand days and product promotions.

HERMO

Ad Ratio and Content Type



Ad Type



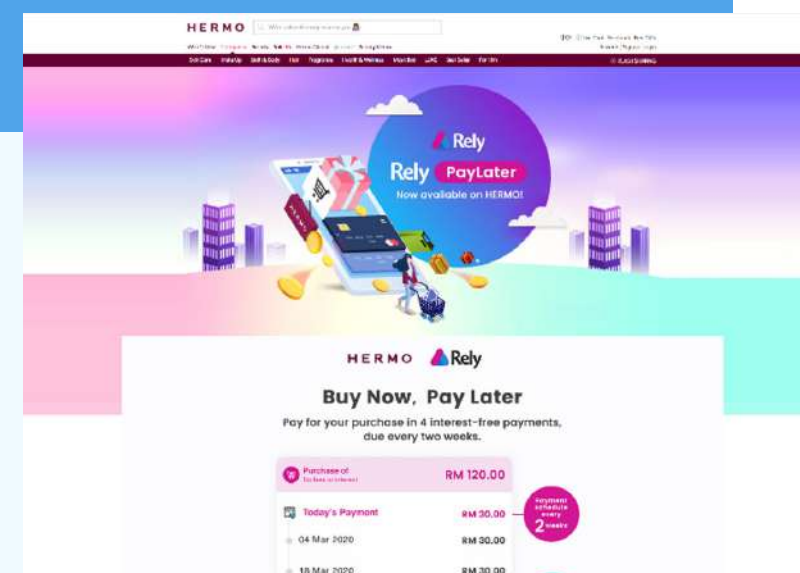
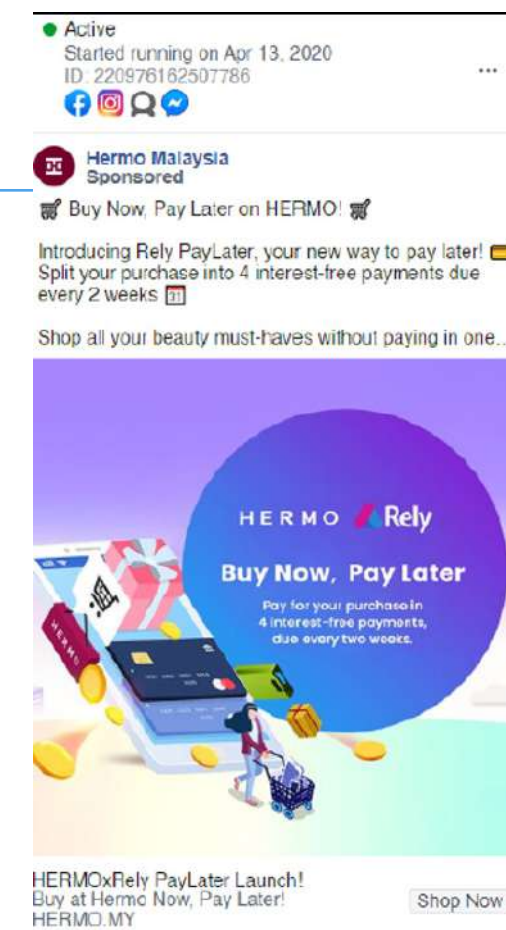
Hermo Continues To Encourage Sales Transactions

Hermo continues to promote brands and products on its platform, with **52%** of the ad sets highlighting its hair care campaign while **34%** feature brand-wide promotions.

Its main ad strategy directs consumers to product pages where they can make purchase on the spot via its website.

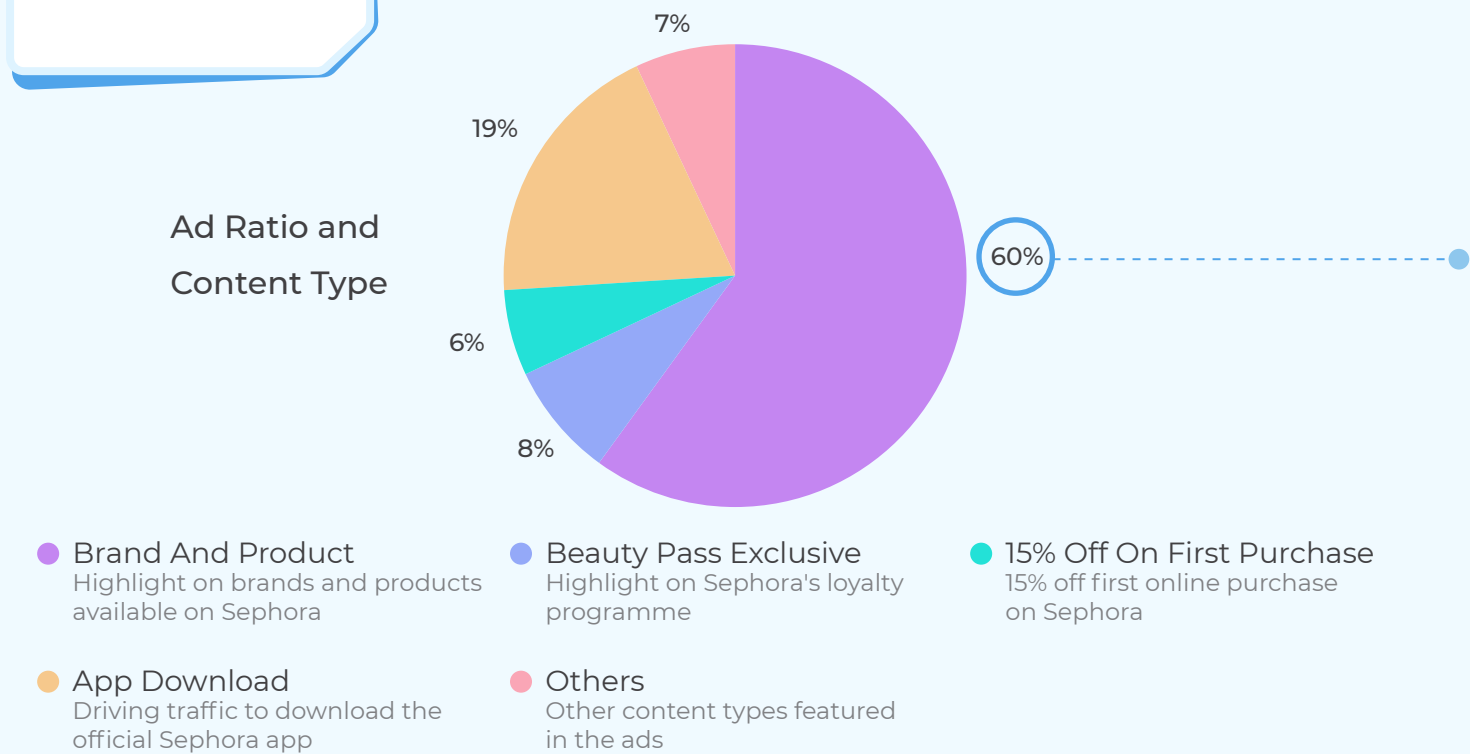
In April 2020, Hermo partnered up with Rely to launch the **“Buy Now, Pay Later” instalment programme**, offering consumers the option to pay for their purchases in interest-free instalments. This looks to be a response to Malaysians' decreased spending*.

*Source: MSN





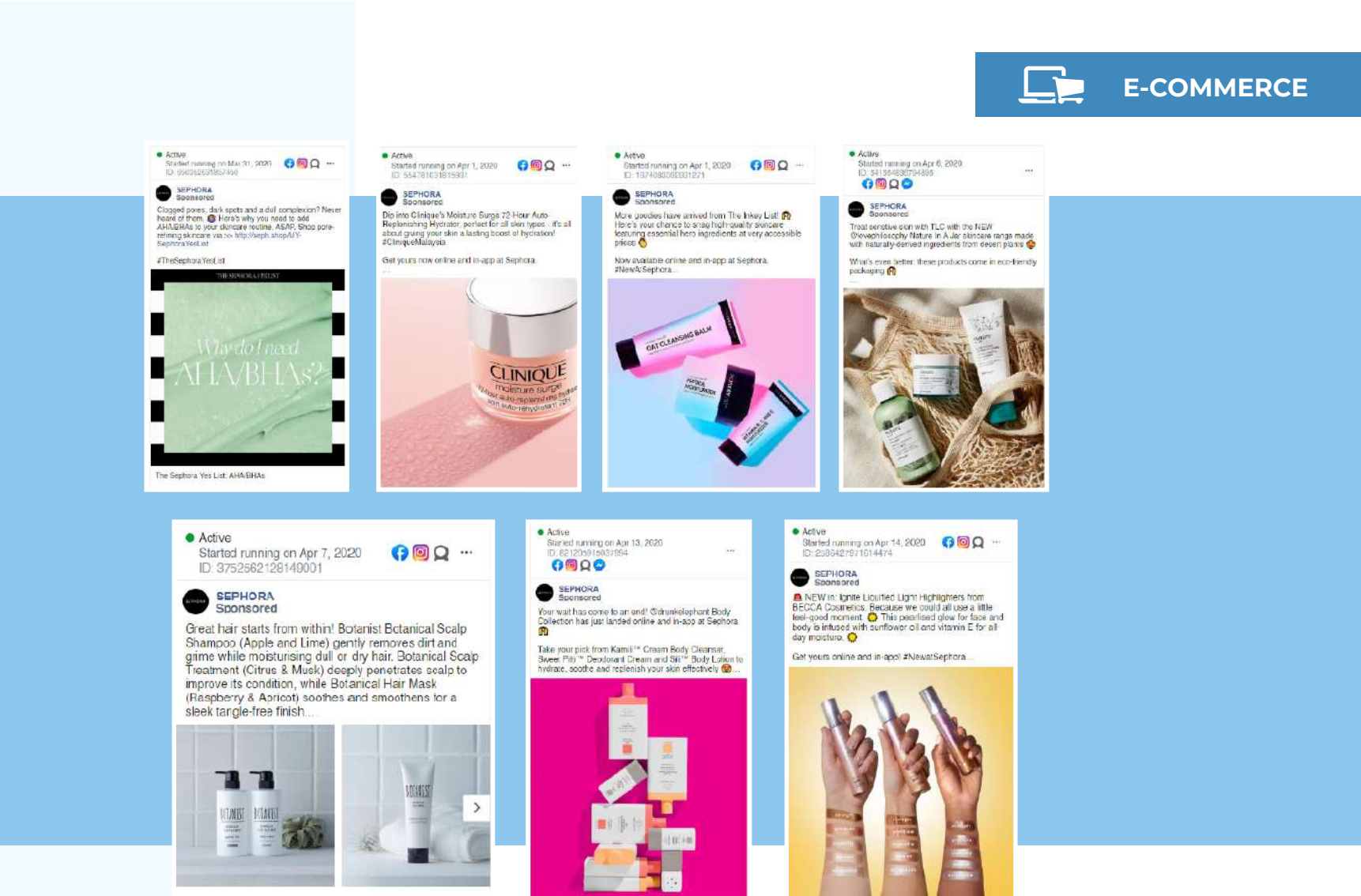
Ad Ratio and Content Type



Sephora’s Social Media Ad Strategy Unfazed By The Effects Of MCO; Leverages On Popularity Of Big Beauty Brands

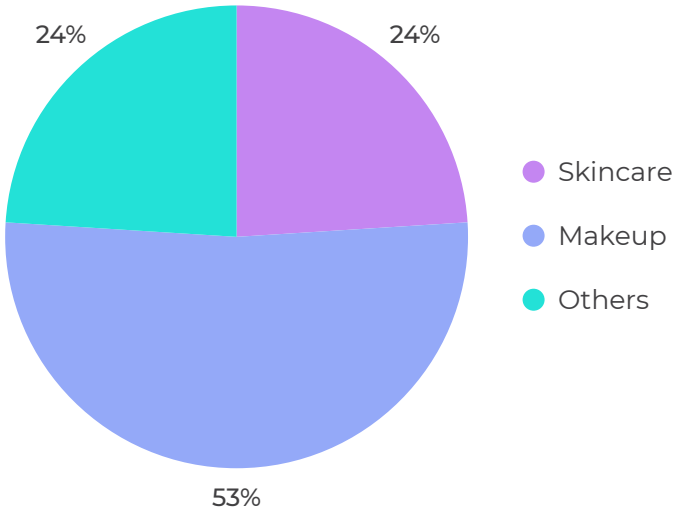
Sephora focuses largely on achieving product sales during MCO—with **60%** of its ad content type focusing on product highlights. Of those, **53%** of it features makeup and **24%** on skincare.

There is also a significant emphasis on pushing for downloads of Sephora’s official app, with **19%** directed towards app downloads, **6%** to first purchase promos and **8%** to Beauty Pass Exclusive promos.



At a closer look, a large portion of their ads from **14-17 April 2020** features globally recognised brands like **Fenty Beauty**, **Clinique**, and **Urban Decay**—which could be Sephora’s strategy to **leverage on the popularity of big beauty brands** to achieve their objectives: **sales, sign-ups, and app downloads.**

Featured Product Type





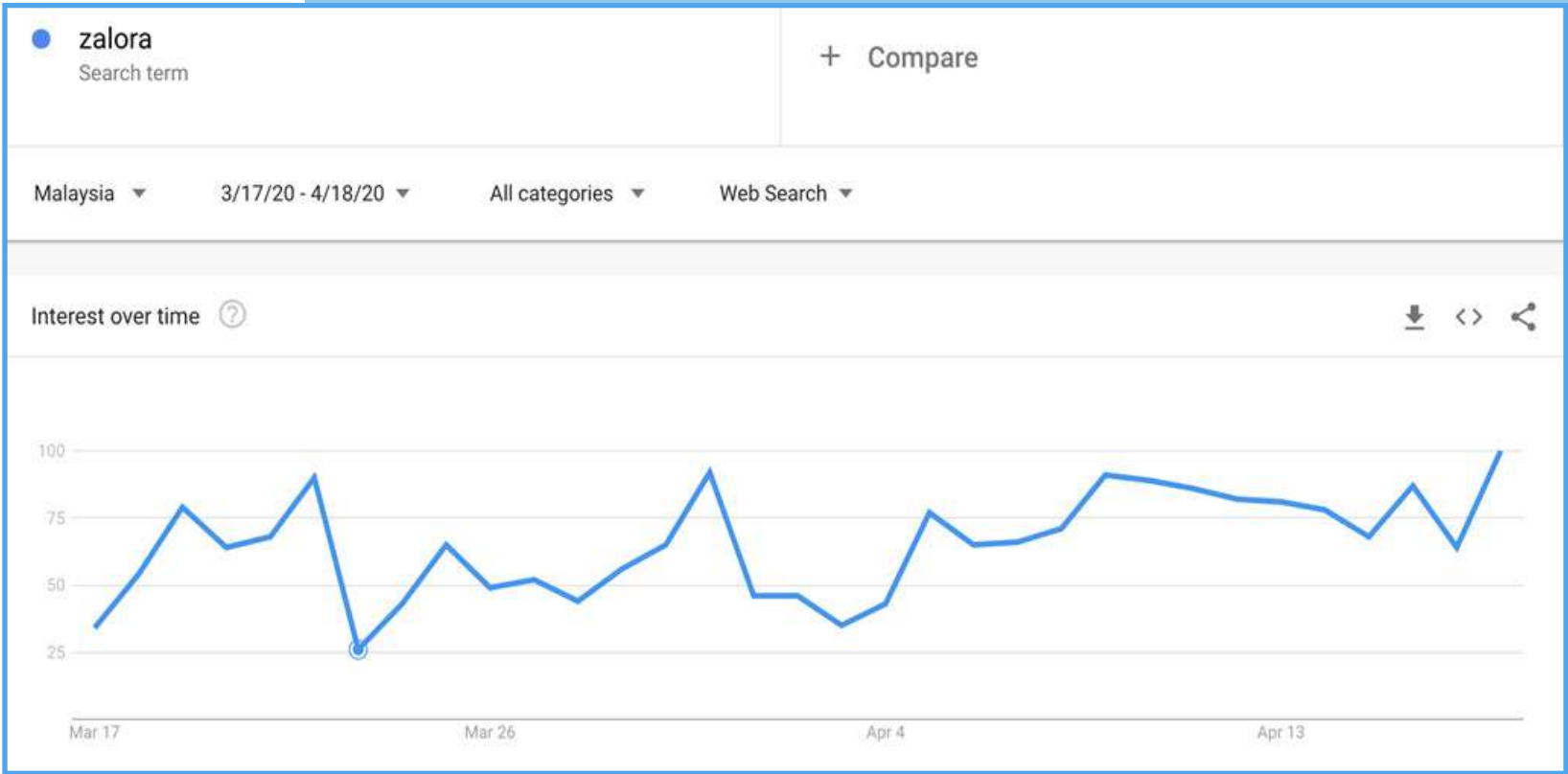
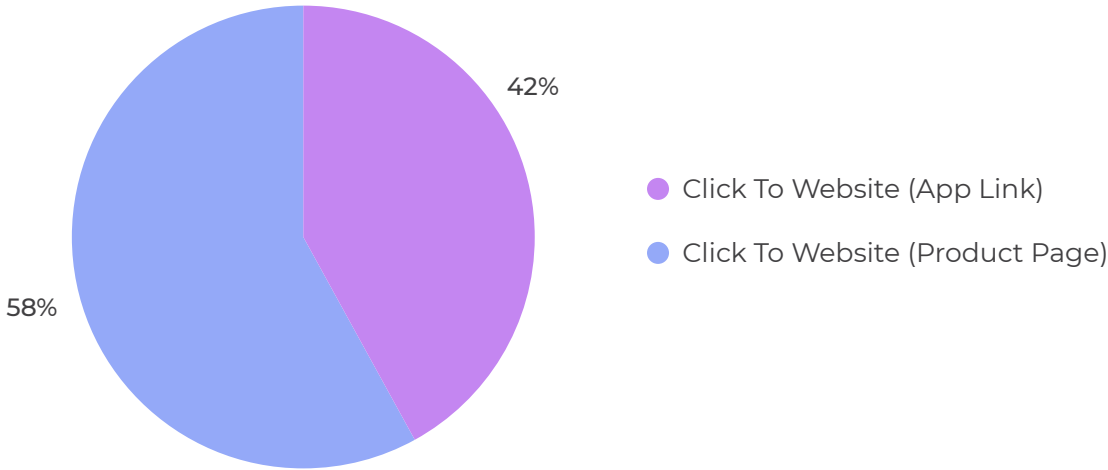
Diversification Is Key



Zalora launched the **Household Essential Category on 23 March 2020**, roughly a week after the MCO was implemented. The diversification of its offerings looks to be **addressing consumers' demand** of daily necessities during the pandemic. The launch of this new category also coincides with a rise on search interest of **Zalora** on **Google** the very same day.

Zalora's ad strategy mainly pushes product promotions, with **58%** of its ads driving traffic to product pages. Aside from product ads, Zalora also directed **42%** of their ads towards the official Zalora App download.

Ad Type



Key Learnings

Adapting And Adjusting To The New Norm

Unlock in-depth analysis of the full list of 31 segments in 8 retail industries in our full report.





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- **Shopee** hones in on consumers by riding on current trending topics and pushing promotions on essential goods following the shift in consumers spending habits
- **Lazada** targets SMEs with business stimulus package to encourage e-commerce adoption
- **Hermo** partners up with Rely to offer interest-free payment options for consumers to encourage spending
- Business as usual for **Sephora** as it leverages on popularity of big brands to target its consumers
- **Zalora** expands product line to offer essential supplies and daily necessities in addition to its staple fashion options



	Basic Report	Full Report
Insights	FREE	RM300
<div><div>Main Industries</div><div><div><div>- Digitalisation of businesses*</div><div>- Top content on social media</div><div>- Top 30 profiles with the highest social media interactions</div><div>- Top 10 posts with the highest social media interactions</div><div>- Top performing social media hashtags</div><div>- Sales channels changes*</div></div><div><div>*Before The MCO vs During The MCO</div><div>Key Learnings</div></div></div></div>	2 Industries	8 Industries
<div><div>Segments Under Main Industries</div><div><div>Social Media Trends and Insights</div><div><div>- Digitalisation of businesses*</div><div>- Top content on social media</div><div>- Top performing social media hashtags</div><div>- Sales channels changes*</div></div><div><div>*Before The MCO vs During The MCO</div><div>Key Learnings</div></div></div></div>	<div></div>	31 Segments

PURCHASE FULL REPORT

Insights		Basic Report FREE	Full Report RM300
E-Commerce Ad Strategies of Major E-Commerce Platforms <ul style="list-style-type: none">- Shopee- Lazada- Hermo- Sephora- Zalora Key Learnings			
Social Media Influencers Social Media Influencers Segment <ul style="list-style-type: none">- Travel and Lifestyle- Technology and Games- Health and Fitness- Food- Beauty and Fashion Content Strategy on Instagram <ul style="list-style-type: none">- Post distribution by format*- Top 30 posts with MCO related hashtags <i>*Before The MCO vs During The MCO</i> Key Learnings			



RETAIL REIMAGINED

The COVID-19 pandemic has led to a series of unprecedented challenges worldwide. As Malaysia battles to flatten the curve with the implementation of the MCO, the retail industry faces its fair share of challenges, with certain industries riding out this pandemic better than others.

Many retail businesses in the nation have already started to adapt to the new normal and amp up their digitalisation efforts. We've seen a change in not only e-commerce approach, but also in social media strategies, as businesses try to reach out to consumers whose behaviours and habits changed as a result of the pandemic.

Adqlo's data-driven insights will now be more crucial than ever for brands to better understand their consumers' needs as well as tailor their communication and business strategies accordingly. Social media, being one of the most reactive resources at hand, will be a key tool in building the bridge between brands and consumers as well as to push e-commerce sales.

While there isn't a clear prediction of COVID-19's full impact in the near or distant future, businesses can take this opportunity to adapt their strategies to not only survive in this volatile market but also thrive in the long run.

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