

PEOPLE | SUCCESS | LIFESTYLE

BUSINESS TODAY

SEPTEMBER 2019 | VOLUME 19 ISSUE 09

SOARING TO EMPOWER SHOPPERS

Managing Director of PG Mall -- an online
retail platform -- gets candid on his strategy
to be Number One



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ISSN 1511-9408



09



RM9.80(WM)
RM11.80(EM)
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HOME-GROWN ONLINE MARKETPLACE EMPOWERS SHOPPERS



Ecommerce is a highly competitive space. PG Mall aims to build and connect local merchants to sell their products to the global market

BY SHARON CHANG

Malaysia's growing Internet and mobile connectivity have rapidly expanded the ecommerce adoption and development across the nation. Online shoppers in Malaysia have increased tremendously reaching around 15.3 million -- 50 percent of the country's population -- of which 62 percent shop online via mobile.

While demand is high, the ecommerce market is overly crowded. Competition is fierce as online retailers vie for consumers' attention and loyalty. The sheer volume of promotions, discounts, loyalty and rewards programmes often overwhelm consumers. Thus, are these marketing gimmicks effective? Are online retailers maximising their online presence and how can they emerge as front-runners in this ecommerce landscape?

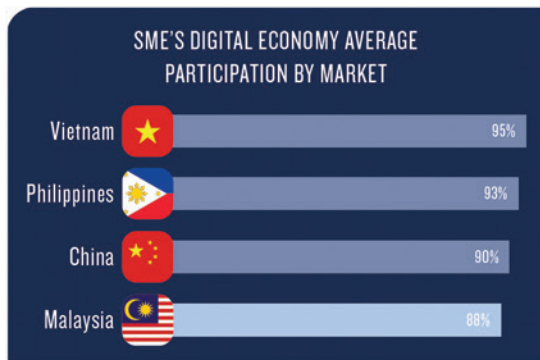
Recently, Dato' Wira Louis Ng, Managing Director of PG Mall Sdn Bhd shares with *Business Today* his strategy to be the number one player in the online retail business.

In 2008, Ng founded Public Gold Marketing, his first online marketplace which enables customers to access live gold prices and transact gold online.

Moving forward, Ng decided to expand his vision by transitioning from selling one product to multiple products. With his vast experience in the ecommerce retailing business, a comprehensive and vast customer-data base and, a highly competent ecommerce marketing team, Ng was confident he could revolutionise the online retail landscape.

Hence, with his business vision and fearlessness in the ecommerce sphere, he established PG Mall, a Penang-based company with its headquarters in Kuala Lumpur in 2017 with the aim to promote locally manufactured products to consumers.

Since then, PG Mall has grown its customers' base to more than 300,000 of which 50 percent are active monthly shoppers and has also, tied up with over 10,000 merchants. There are fourteen categories across the board, the biggest market segments are mainly electronics, gold and silver jewellery, groceries and fashion.



South East Asia is leading to the world's fastest growing internet region including Malaysia. By 2023 expected revenue e-commerce US\$5.776 Million User penetration of online platform is 62.5% in 2019 and is expected to hit 64.2% by 2023.



At present, PG Mall is Malaysia's top local online marketplace which has eighteen brick and mortar stores to serve both the shoppers and merchants. They have grown rapidly since it started in 2017 with a sales revenue of RM500,000 to RM5 million in 2018.

"Though we have reached RM5 million in revenue, the company is still in the red," Ng shares. We hope to break-even in three to four years' time by generating RM50 million in sales revenue.

According to Ng, PG Mall will commit a yearly investment of around RM15 million to improve its portal. Thus far, the company has invested about RM20 million into developing its online portal.

"Though, the ecommerce market might be a little overcrowded, we are confident of doing well. Our revenue growth, number of merchants and shoppers have risen at an exponential rate," Ng enthuses.

"The increase in consumer spending, the surge of Internet users, and the adoption of mobile ecommerce are the main drivers," according to Ng.

"There is always room for local players as evidently seen from the success of two home-grown ecommerce platforms in Indonesia. Furthermore, PG Mall is a 100 percent Malaysian buying and selling channel," Ng adds.

"Hence, we are pleased to boost the ecommerce trade in Malaysia considering that 90 percent of the online businesses are dominated predominantly by foreign market players."

According to Ng, Malaysian consumers prefer buying foreign-made products as compared to locally manufactured products which means the untapped market in Malaysia is still rather huge.



"The existing online market platforms such as Lazada, Shopee, PrestoMall and Zalora do not maximise the local market reach but we, at PG Mall encourage our local entrepreneurs gain a bigger market presence by enabling them to leverage on our platform to expand their online business," remarks Ng.

"Moreover, they are indirectly killing off our local retailers through their low pricing," he huffs.

SHOP, SHARE AND EARN

This home-grown ecommerce platform aspires to compete with the big players for a chunk of the online business market share using its very own unique 'ConsuMerchant' concept.

The success of PG Mall is largely contributed by this unique concept model and zero registration fees. The zero cost allows merchants to pass on the profit sharing to consumers. This is a win-win situation for both the consumers and merchants. It also provides cashback incentive each time a customer shops on PG Mall's online platform.

PG Mall's business model emphasises the Shop, Share and Earn philosophy, allowing consumers to earn endless rewards by sharing with their friends and relatives when they shop.

Ever since the introduction of the cashback incentive, both merchants and customers have earned some handsome rewards.

"At PG Mall, we want to make everyone's online shopping experience better than ever," Ng asserts. We value our shoppers as our long-term business partners. The more the shopper spends, the more cash refunds the customer gets. Moreover, this is a lifetime reward.

The patented "ConsuMerchant" concept is a genuine sharing economy business model which provides continuous rewards to shoppers and merchants through the referral programme. With this

“ Our business model is very unique—our stickiness is 110%-when they come to PG Mall they will not leave ”

programme, cashback can be earned immediately once the successful transactions have gone through via the referral links. In other words, the more the referrers spend, the more cashback will be earned by the referees.

The cashback incentives range from 0.5 to 3.5 percent for every purchase made at the PG Mall platform. The cashback is credited to C-wallet and it can be redeemed for future purchases or, alternatively the shopper can choose for cash withdrawal.

"We always want to give the best reward to our shoppers by giving them a cashback of up to 3.5 percent to motivate them to buy more online," Ng smiles.

"PG Mall's unique platform is not only for local merchants, but also rewards consumers with very good returns."





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PUSHING FORWARD

PG Mall is sincere in providing trainings to new entrepreneurs who have no knowledge about online business. Their highly trained teams are always ready to assist the local entrepreneurs to develop their business through the PG Mall's platform.

"If new entrepreneurs plan to start a drop-shipping business, they can build a permanent empire using our platform as a merchant," Ng affirms. As we have fourteen different categories available on our platform, simply browse to choose what we have in store.

"By being a drop-shipper, they do not need to worry about having to keep goods in stock because a third-party will be responsible to ship the goods directly to the customer."

"Pos Laju has become our logistic partner, and with this collaboration, Pos Laju provides door-to-door parcel postal service for online merchants at lower postal rate hence, merchants can offer free shipping to attract more shoppers," Ng says.

At present, PG Mall is able to reach out to millions of online shoppers in the urban areas through Pos Malaysia's 700 post offices nationwide.

"Above all, we ensure that each product is of the best quality and approved before it is delivered to the shopper," he confirms.

MY TEAM, AN ASSET

PG Mall has a highly skilled team to oversee the operations and to provide backup support including ensuring the smooth operation and improving the efficiency of the website and, solving technical issues promptly when they arise.

"My team also provides support to merchants, consultations, address complaints and status of shoppers," Ng says. This young and energetic team is also actively engaging new merchants and launching new ideas for festivals and seasonal campaigns.

"I believe that it's important to grow with your team, we must have the same vision of growth," Ng asserts.

WHAT LIES AHEAD

"PG Mall aims to balance both the local and regional commercial sectors," Ng affirms. We are always championing the small medium enterprises (SMEs) to market their 'Made-in-Malaysia' products both locally and abroad.

"Thus, we want to work with more organisations to engage more businesses



“ PG Mall will be the new era of online retail ”

to explore into the ecommerce landscape ultimately to reach out to the international markets using a reliable marketing platform.”

They are collaborating with the Malaysian Internet Entrepreneurs Association (PUIM) to bring local products to the international stage, offer online retail platform to local entrepreneurs and to promote local brands.

Government agencies such as Malaysia Digital Economy Corporation (MDEC) and eUsahawan, have also reached an agreement with PG Mall to encourage our local merchants to expand not only into our local market but internationally.

“Our priority moving forward is to grow fast to match the other players while at the same time to strengthen the local online businesses into the export market,” Ng says.

“It is important to convince all PG Mall’s merchants that we are in this long-term and have genuine intent to work closely with all industry players regardless of size to garner a win-win business objective,” Ng adds.

“In the near future, big players such as Alibaba or Lazada will see PG Mall as a serious market contender.”

- Southeast Asia internet economy reach USD72 billion in 2018 doubling since 2015. Southeast Asia’s internet sector has generated value surpassing the gross domestic product (GDP) of more than 100 countries in the world in just three years.
- The expected size of Southeast Asia’s e-commerce market is USD102 billion in 2025. 2018 was the year of e-commerce in Southeast Asia, which doubled in value from the previous year. And the top three e-commerce businesses, Lazada, Shopee and Tokopedia, are homegrown players founded in and serving the region.
- 35 million Southeast Asians use ride hailing services every month. Eight million rides are taken every day across 500 cities. Local unicorns like GO-JEK and Grab are spurring rapid growth in new services like food delivery, which made up a USD2 billion industry in 2018.
- 1.7 million full-time jobs will be created in the internet economy by 2025 for highly-skilled professionals as well as flexible work opportunities in sectors like ride-hailing.

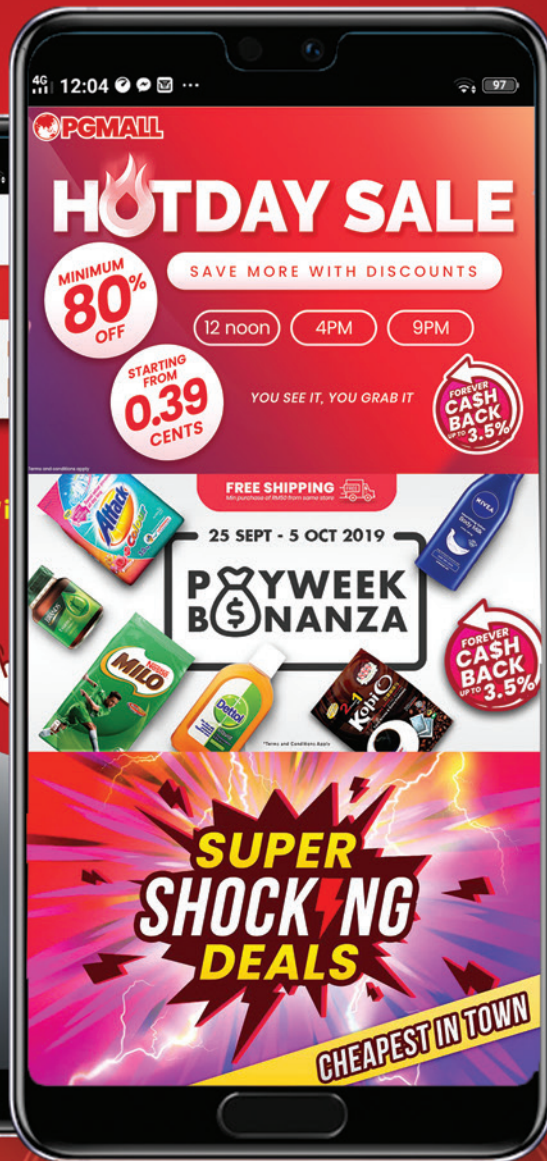
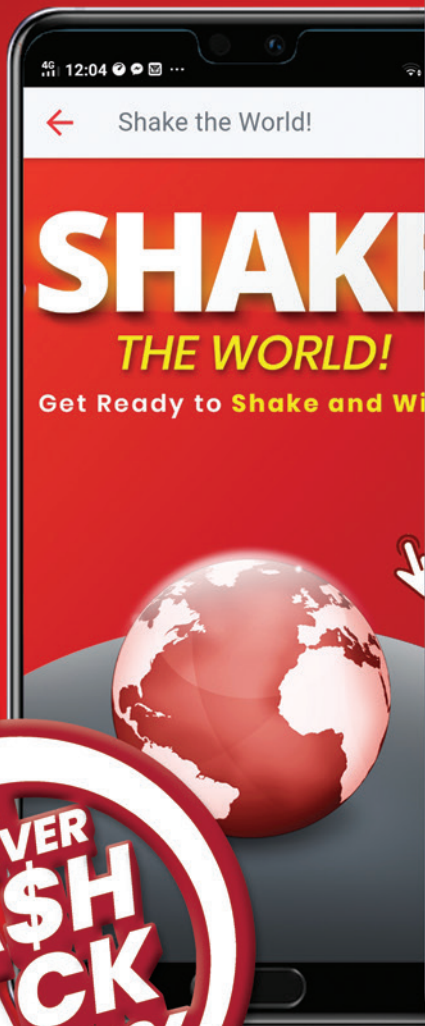
Awards & Recognition

Nanyang 95th Anniversary – Outstanding Business Award
The BrandLaureate Prominent Best Brand Awards 2018 – Best Brands in Ecommerce



Malaysia #1

e-Commerce Platform



Shop • Share • Earn

