

# E-commerce for Malaysians, by Malaysians

PG Mall aims to push the e-commerce agenda forward, and has seen exponential growth in its customer base since launching last year

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No doubt our readers are well aware of the government's agenda to push forward with its e-commerce initiative, and its efforts to get SMEs in particular online and equipped with tools to grow their business.

Indeed the Malaysian e-commerce market has been growing fast in terms of scale and scope; sales volume and numbers of online shoppers as well as in terms of categories of products being bought online.

Malaysia has a total of 25.08 million internet

users, of which 24 million are social media users and 21.62 million are unique mobile users. According to management consulting firm A.T. Kearney, Malaysia's online retail market is expected to grow by 23% per year through to 2021, driven by electronics and media.

In the firm's 2017 Global Retail Development Index released recently, Malaysia is ranked third among the top 30 developing countries for retail investment worldwide, with India topping the list, followed by China.

Most major e-commerce platforms one can think of today are either owned by foreign companies who have expanded their reach into Malaysia, or have a majority shareholder stake with many overseas merchants on the platform as well.



Ng (centre) with the PG Mall team

However, there is one e-commerce platform that aims to maintain a truly local flavour by providing entrepreneurship opportunities for Malaysians, as well as getting more Malaysian shoppers on board.

PG Mall Sdn Bhd founder and executive chairman Datuk Wira Louis Ng says e-commerce is still in its infancy in Malaysia, as most consumers tend to buy things which are not easily available in the local market online – as opposed to turning to e-commerce to satisfy purchases of basic necessities.

"For me, the true meaning of e-commerce is that it needs to be something that the majority of Malaysians turn to for daily use. Currently most people just go online to purchase something new, or unique items, so that portion of the market share is very little.

"From day one, I told my team that we need to concentrate on what Malaysians really need and educate them to try and build a habit of purchasing their daily needs online," he explains.

However, he also points out that as much as the future of e-commerce in Malaysia is unstoppable; there are several concerns that need to be addressed before the industry can truly blossom.

"The logistics network needs to be totally revamped, as it is currently very costly for merchants and entrepreneurs to carry out cross-border trades. In this sense, PG Mall is in preliminary discussions with Air Asia's logistics arm, Redbox Logistics, on how to bring down the cost of cross-border parcel fees.

"Our tagline is always to take care of local merchants and how to bridge them to the rest of the world. There are platforms to carry out trade among the countries of the region, but no one considered the tax structures of the countries we are working with," he explains.

PG Mall was established in 2017 and is a spin-off from the Penang-based Public Gold Group, and is targeted at growing and bridging home-grown brands to the world under the concept of a sharing economy business model.

Currently, PG Mall has a customer base of more than 250,000 shoppers from across

Southeast Asia and is still growing. Due to increasing demands, PG Mall has attracted over 6,000 merchants on board since its establishment, with merchandise consisting of mainly lifestyle products and services to cater to both local and international markets.

PG Mall also works with the Malaysia Internet Entrepreneur Association to welcome more entrepreneurs, especially start-ups, to explore the new era of e-commerce.

To further stand-out from a competitive market, PG Mall introduced a unique concept called 'ConsuMerchant' that derives from the combination of the words consumer and merchant. ConsuMerchants are rewarded for sharing their experience with fellow family and friends through its referral programme that rewards all successful transactions.

The more the referrals spend, the more referees will earn. PG Mall's unique sharing economy business model emphasizes the 'Shop, Share, Earn' philosophy that allows ConsuMerchants to spend as much as they want, and earn incentives in return.

Ng stresses that this business model is different from the multi-level marketing (MLM) approach, as there are no membership fees or yearly renewal fees which users would typically need to pay. He also says the referral tracking system is more transparent and incentive payouts are only done at a single stage, as opposed to multi-stages like MLMs.

This year, the group is targeting a turnover of RM5 million, even though it is likely to remain in the red. Ng reportedly said PG Mall's break even target is in three years' time with an aim to generate RM50 million a year in revenue and RM2 million in gross profit in three years.

Ng also says PG Mall also aims to expand its customer base to 2 million users within the next five years.

"Our selection of jewellery will be our unique selling point for the time being. We are also looking for partners so that we can better position ourselves in the region, but for the next three to five years, we are ready to maintain our presence in order to capture this growing market," he says. **MSME**

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