

# Introduction to E-commerce in Indonesia and Challenges Within

Universitas Bina Nusantara  
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by:  
**DANU WICAKSANA**

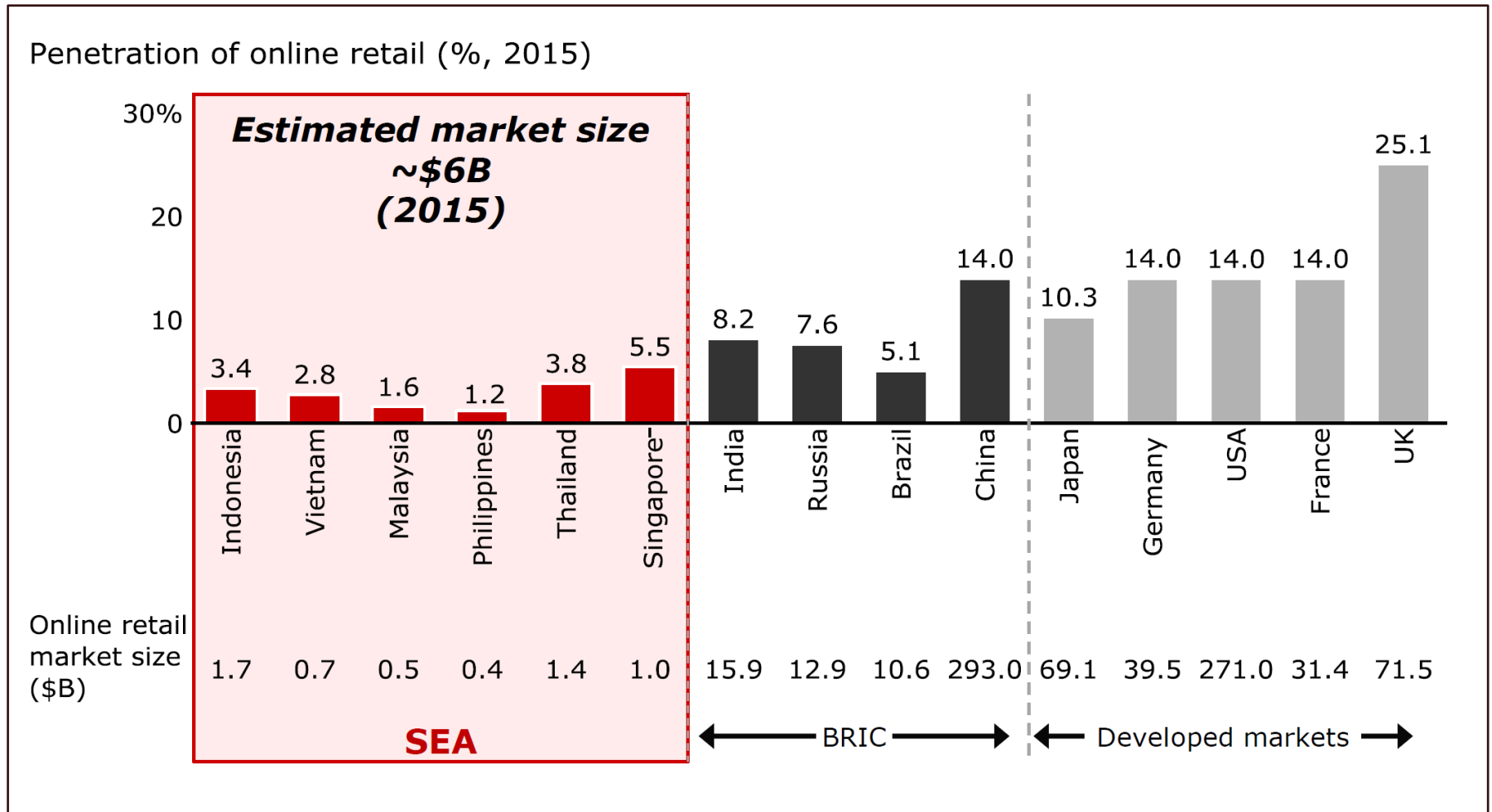
**BERRYBENKA**.com

# Topics for today

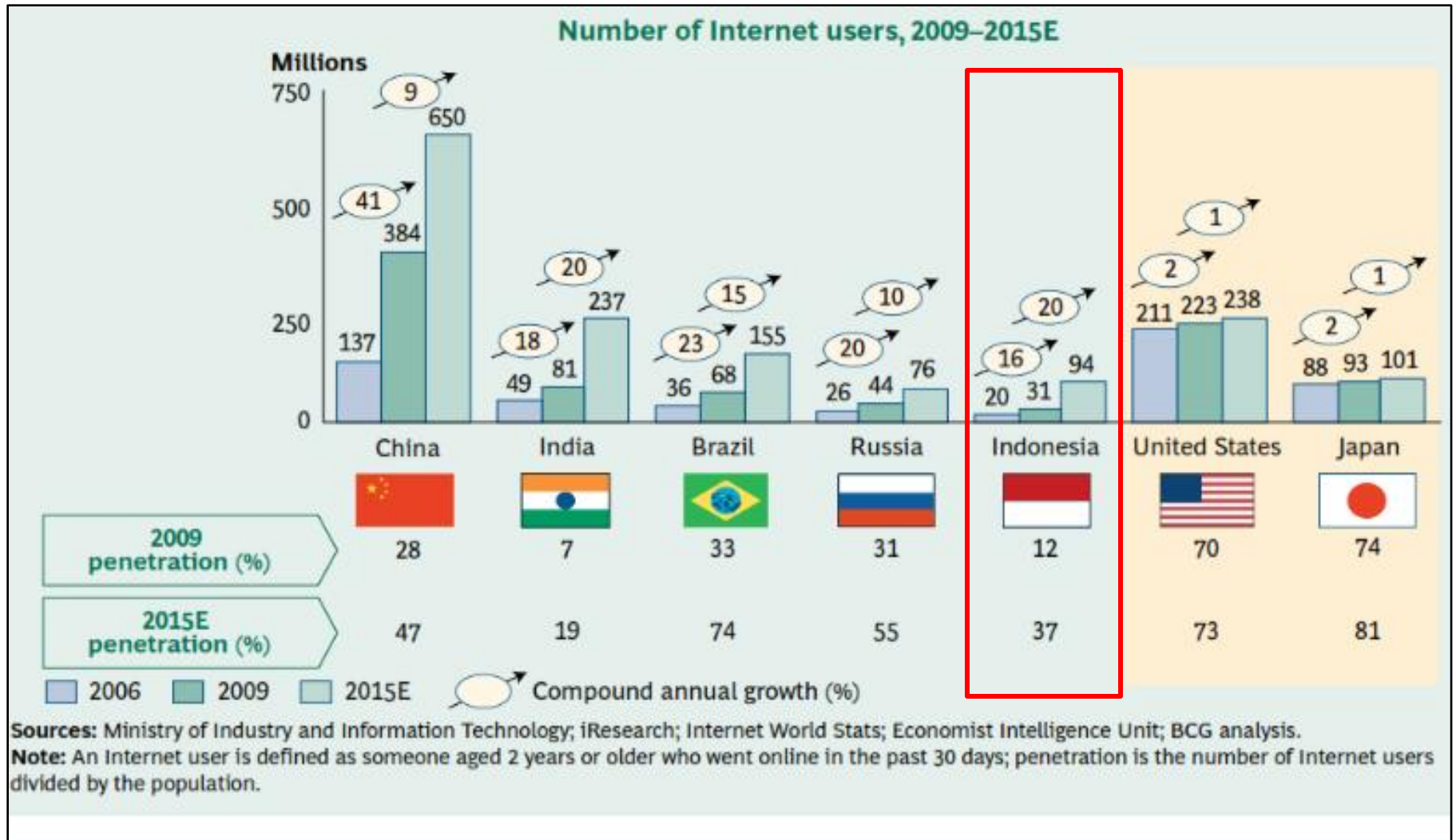
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- **Indonesian e-commerce landscape overview**
- Brief introduction to Berrybenka and Hijabenka
- How things work inside e-commerce
- Main challenges as e-commerce player in Indonesia
- Entrepreneurial opportunity for Binus students

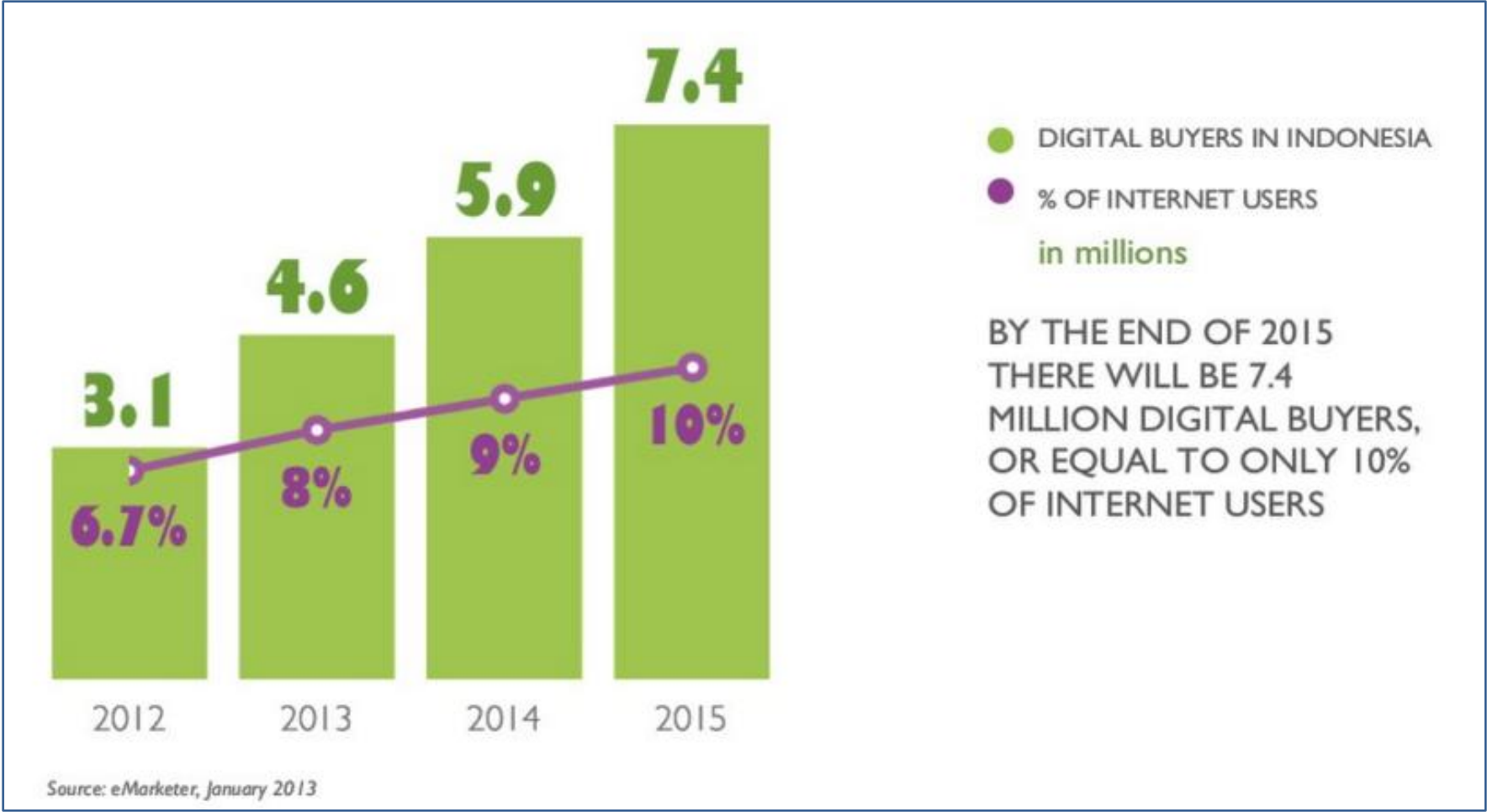
# In Indonesia, online purchases penetration is still much lower than that of other countries...



# This is partly due to low internet penetration in Indonesia vs other countries, among other factors

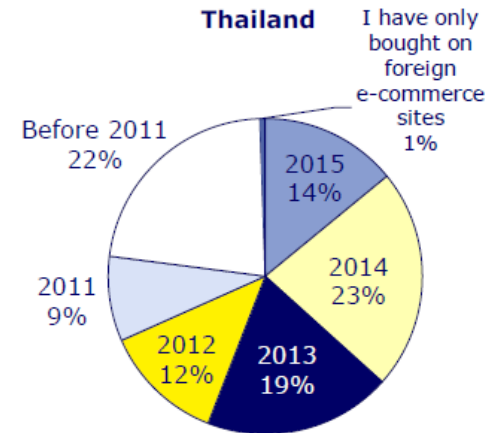
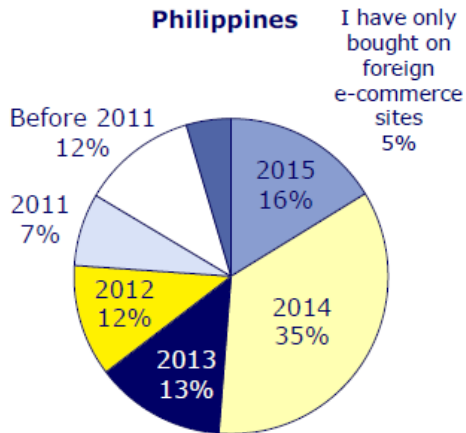
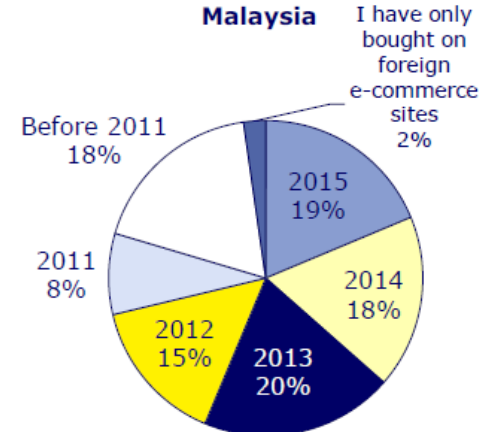
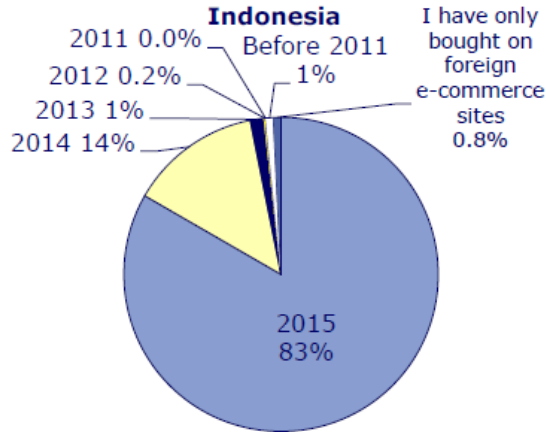


# The good news is both number of internet users and digital buyers have been growing every year...

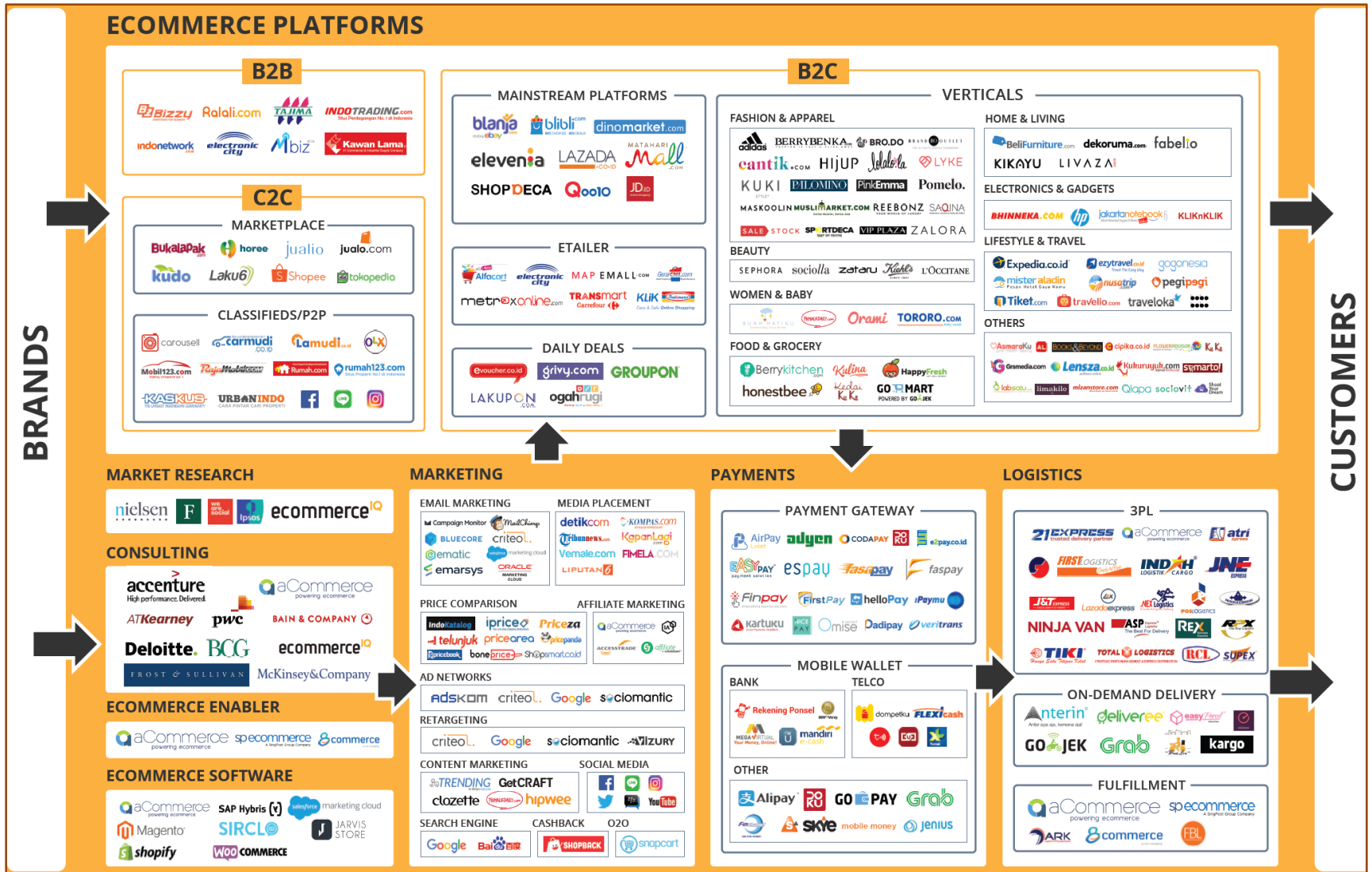


# ... and many online shoppers are still very new to online shopping, meaning we just got started!

**When did you make your first online shopping purchase on a domestic site?**



# Indonesian e-commerce ecosystem comprises of a lot of players across different categories



# At the very least, we need to understand 3 types of e-commerce players based on its business model

## 1. Classified Ad

Examples in Indonesia:

- Kaskus
- Tokobagus/ OLX

Flow:

- **Merchant:** Join & upload the product to OLX.co.id
- **Customer:** Visit OLX & looking for products
- **OLX:** Provide classified ad system that customer can directly interact with merchant

## 2. Market Place

Examples in Indonesia:

- Tokopedia, Bukalapak
- Elevenia, Shopee

Flow:

- **Merchant:** Join & upload the product to Tokopedia, later send the product to customer
- **Customer:** Visit Tokopedia & purchase products, pay via website to Tokopedia
- **Tokopedia:** Transfer the payment into merchant account

## 3. Online Retailer

Examples in Indonesia:

- Berrybenka, Hijabenka
- Orami

Flow:

- **Customer:** Visit Berrybenka & looking for products, purchase products and pay via credit card, bank transfer or COD to Berrybenka
- **Berrybenka:** Deliver the item to customer

What about e-commerce players like Lazada, Zalora, and Matahari Mall?



# Some Indonesian e-commerce players are using hybrid business models

NOT EXHAUSTIVE

## 1. Classified Ad

**KASKUS**

Instagram

facebook.

## 2. Market Place

tokopedia

Bukalapak.com

Shopee

## 3. Online Retailer

BERRYBENKA.com  
FASHION IS JUST A CLICK AWAY

HIJABENKA

Orami  
by bilna

SALE  
STOCK

## 4. Mix between market place and online retailer

MATAHARI  
Mall  
.COM  
#1 eCommerce Try It!

LAZADA  
GO-ID

elevenia  
www.elevenia.co.id

**BHINNEKA.COM**

ZALORA

bibli.com

Alfacart.com

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# ABOUT BERRYBENKA

- One of the **leading fashion e-retailers in Indonesia**, especially for female fashion products.
- **Indonesian homegrown** company, founded in 2012. Now we have several multinational investors.
- Provide **curated and fast fashion on affordable prices**, targeting middle income and mass market segment (B and B+) between 20-35 years old

 Product lines include ~40% private label and >1,100 consignment brands

**BERRYBENKA**.com



# We are a mix between online retailer and brand, where our Private Label contributes ~40% of our sales

We launched Berrybenka Label in March 2015  
by partnering with three public figures  
(Jessica Mila, Marsha Timothy, Raline Shah)



# Our mission is to provide fashionably friendly products with good quality and affordable prices!

EXAMPLES



IDR 189,000



IDR 219,000



IDR 179,000



IDR 189,000



IDR 188,000



IDR 309,000



IDR 269,900

# To provide easy and convenient access to our webstore, we built Berrybenka app both in iOS and Android

We launched our Berrybenka app in iOS and Android in Q3 2015, so far it has been downloaded >400,000 times!



# Unlike few others, we control our fulfillment process to ensure fast delivery and high customer satisfaction



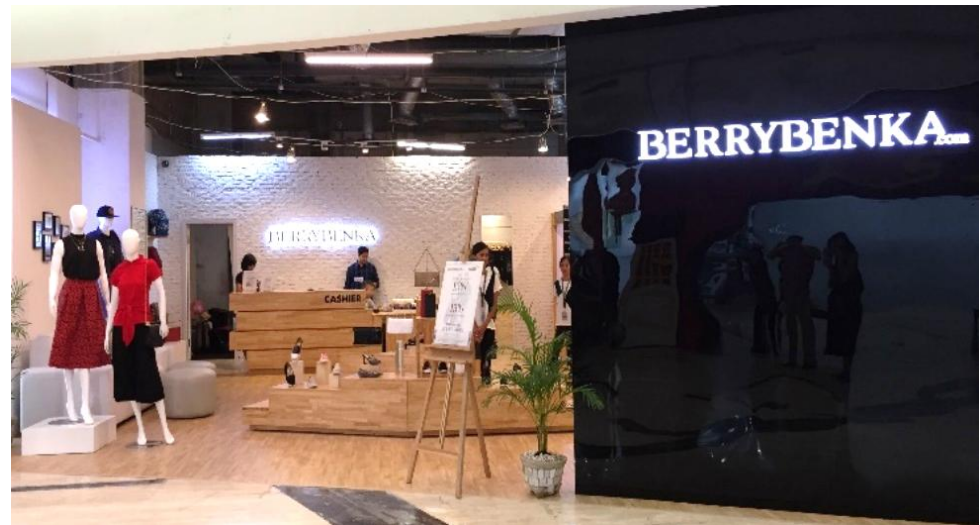
**~5,000m<sup>2</sup>**  
WAREHOUSE  
AREA SIZE

**~1.5m pieces**  
TOTAL CAPACITY

**~200m<sup>2</sup>**  
COLD STORAGE FOR  
SELECTED PRODUCTS  
E.G., BEAUTY

# Many customers still want touch and feel when buying fashion, so we are running omni-channel strategy

- **Typical store size:** 100-200 m<sup>2</sup>
- **Product selection:** only Berrybenka private labels
- **Categories offered:** Clothing, shoes, bags, accessories for both men and women
- **Location:** high traffic shopping malls in top 20 cities (already 8 locations as of today – Jakarta, Tangerang, Bekasi, Medan, Makassar, Semarang and Bandung; and more to come)





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**CAC**

Conversion rate

**CPI**

First call resolutions

**CPC**

**Reverse Logistic**

**Cross Dock**

**FOB**

**Page view**

**% SLA fulfilled**

**Dropship**

**Sell through**

**Inventory days**

**Fulfillment rate**

**Consignment**

**White Label**

**Abandoned calls**

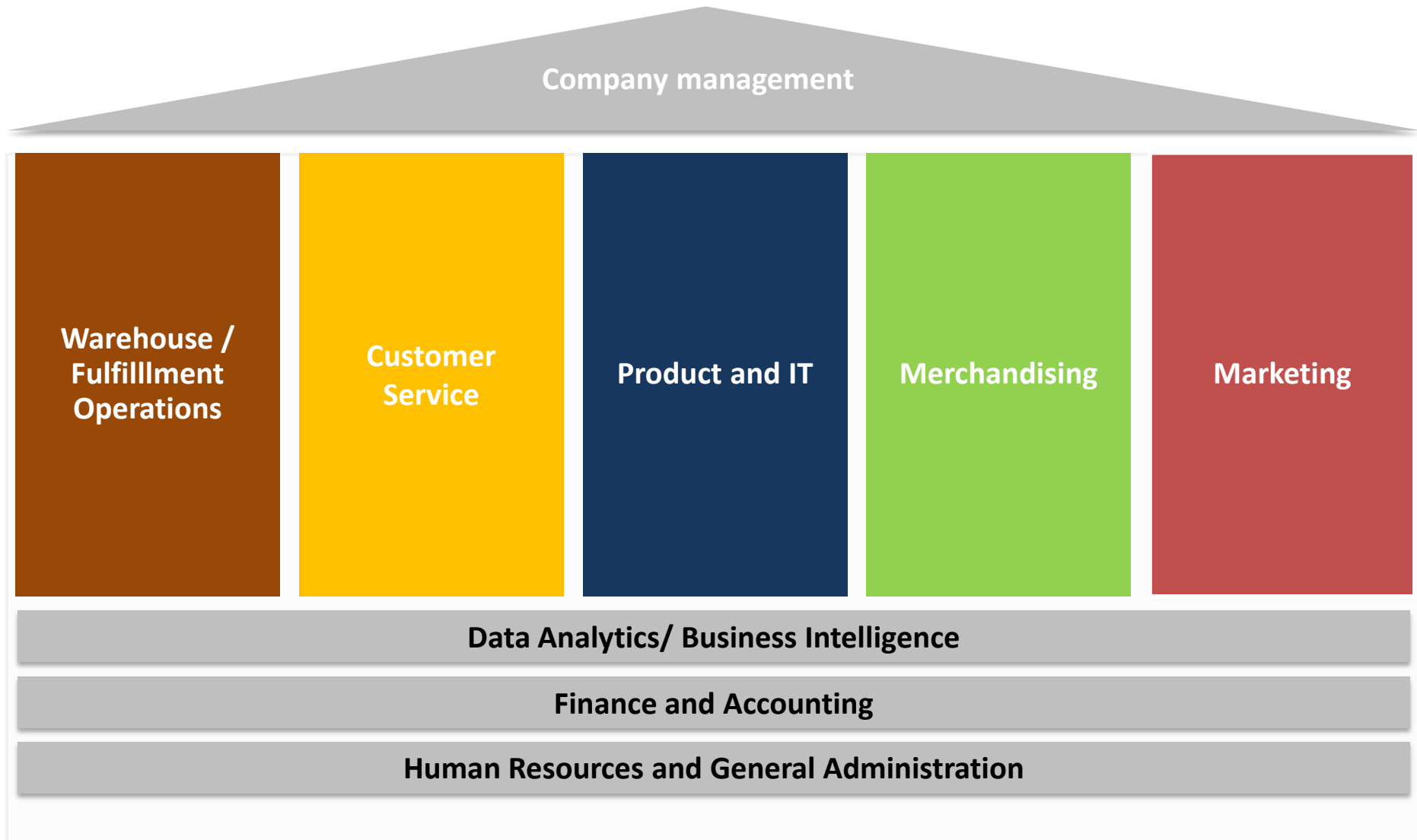
**COD**

**Contribution Margin**

**AWB**

**Click and open rate**

# Typical organization structure of B2C e-commerce



# Supply chain in B2C retail e-commerce typically consists of few key steps



# Product sourcing – five common methods



## Five common sourcing methods in retail e-commerce:

- 1) Consignment
- 2) Direct Purchase/ Outright
- 3) Private Label
- 4) Cross Dock
- 5) Dropship
















Which method is the best?  
What are pros and cons of  
each method?

# Product sourcing – each sourcing method has advantages and disadvantages

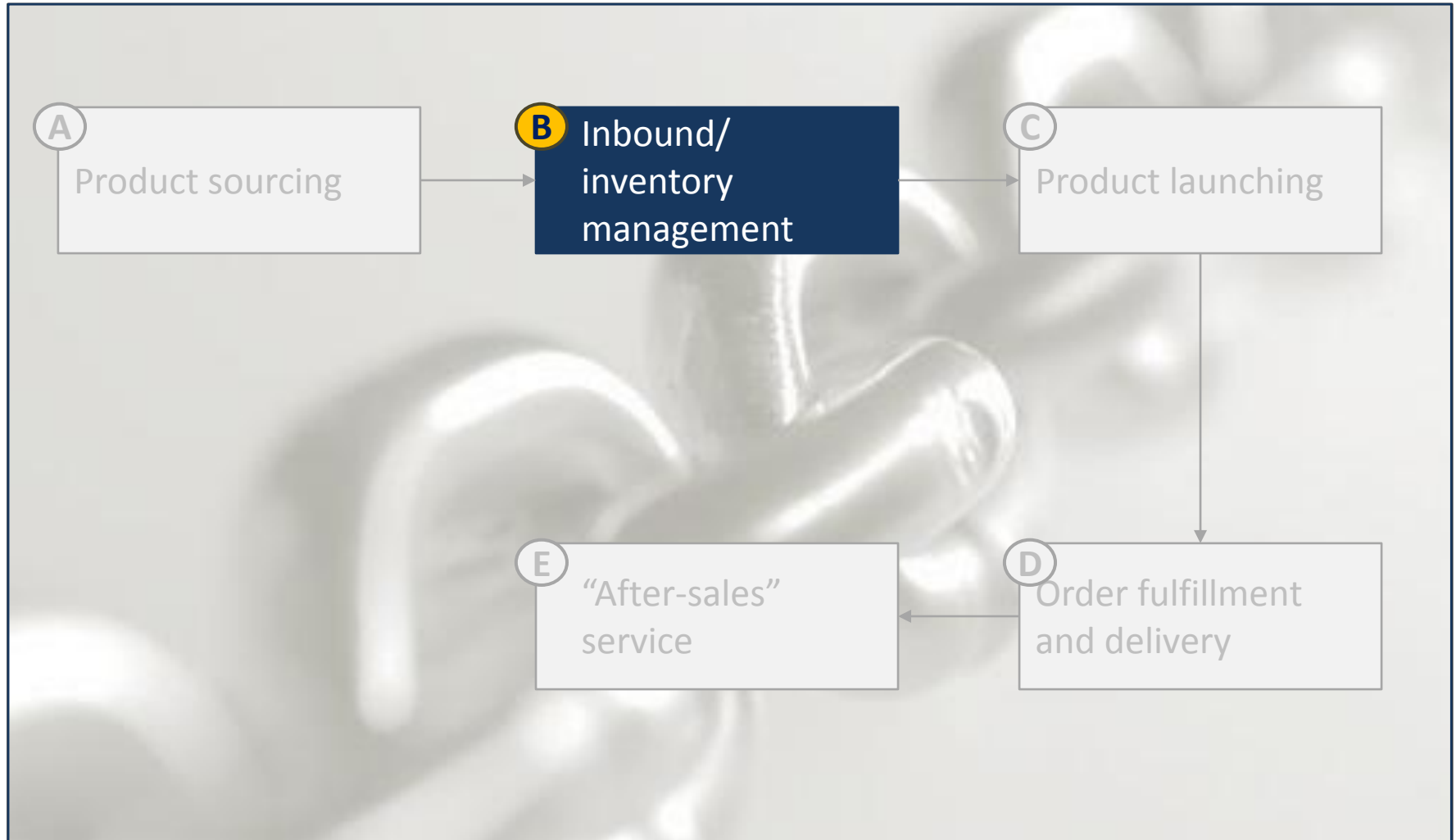
 No risk

 Very low

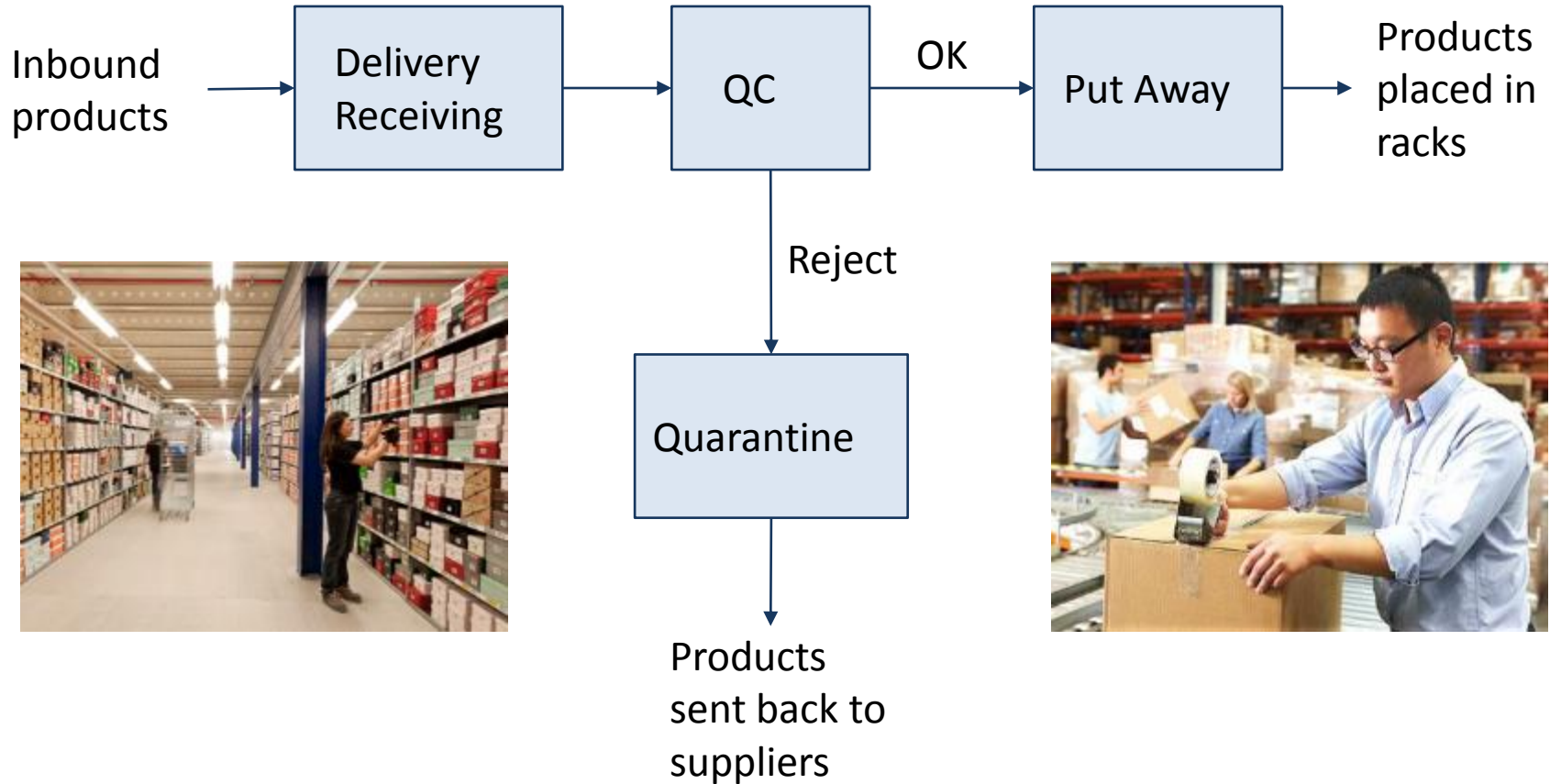
 Very high

Sourcing method	Inventory risk	Fulfillment risk	Restocking risk
Consignment			
Private Label			
Direct Purchase			
Cross Dock			
Dropship			

# Supply chain in B2C retail e-commerce typically consists of few key steps

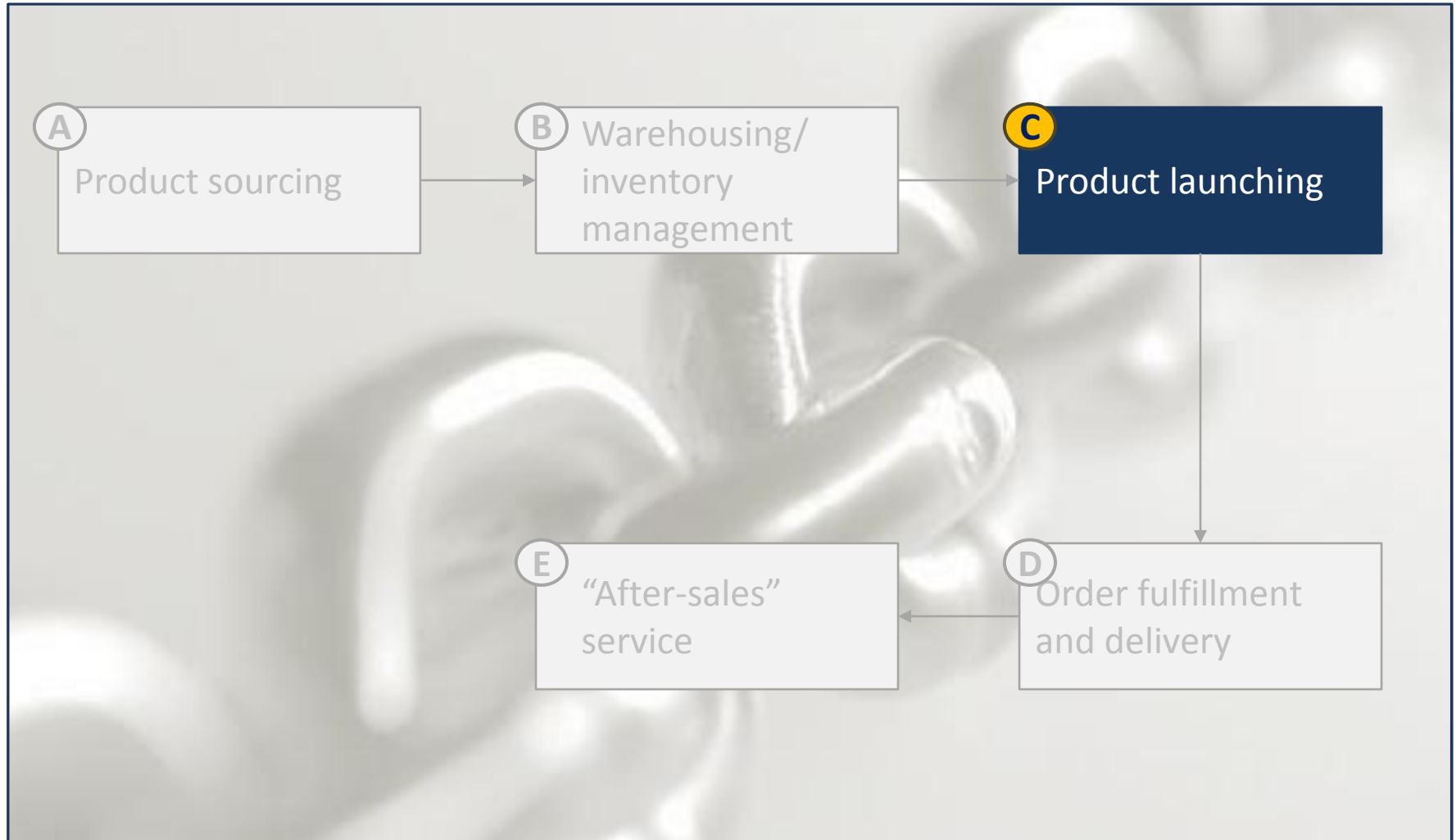


# Warehousing process starts with inbound, QC and inventory management

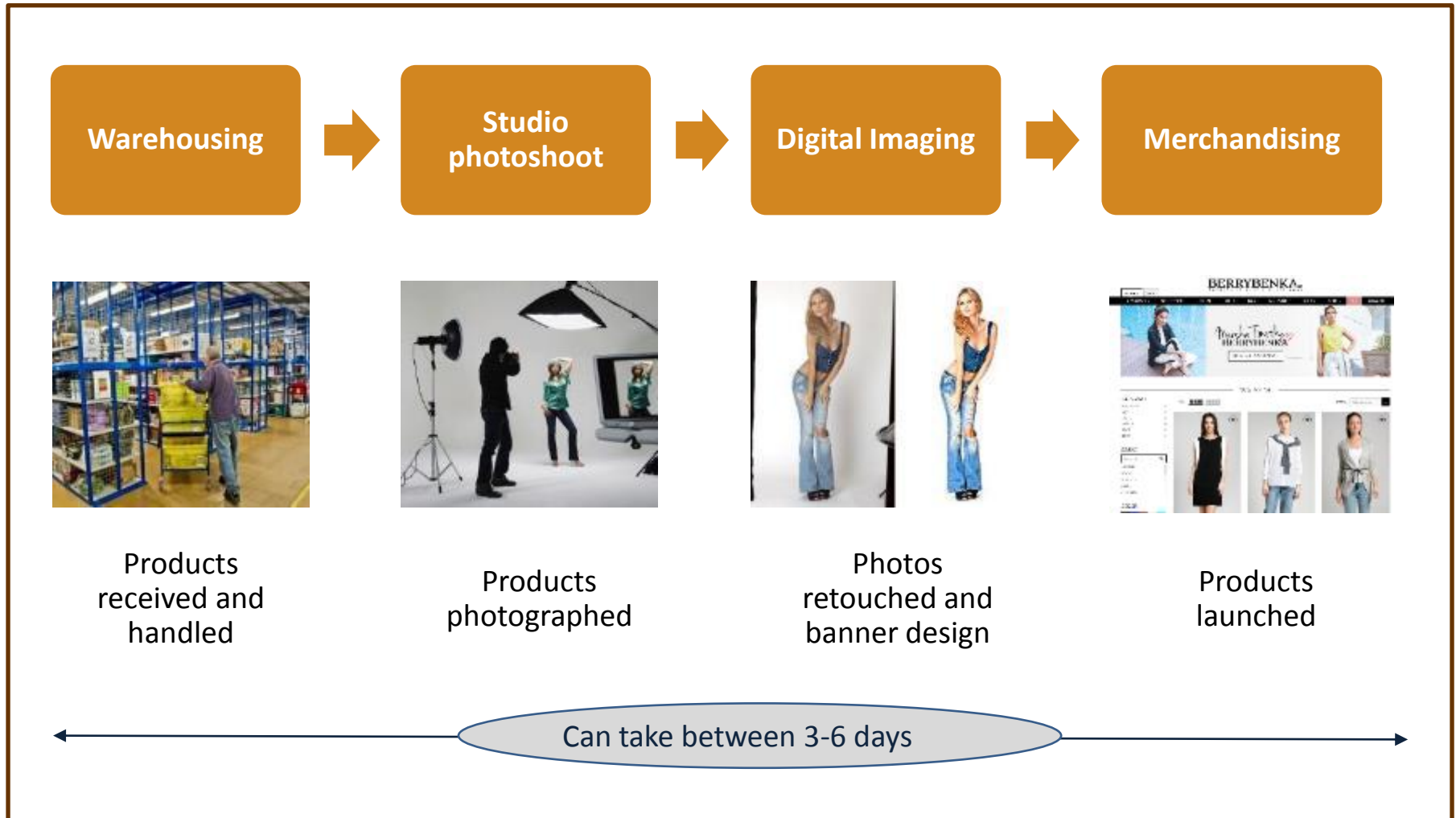




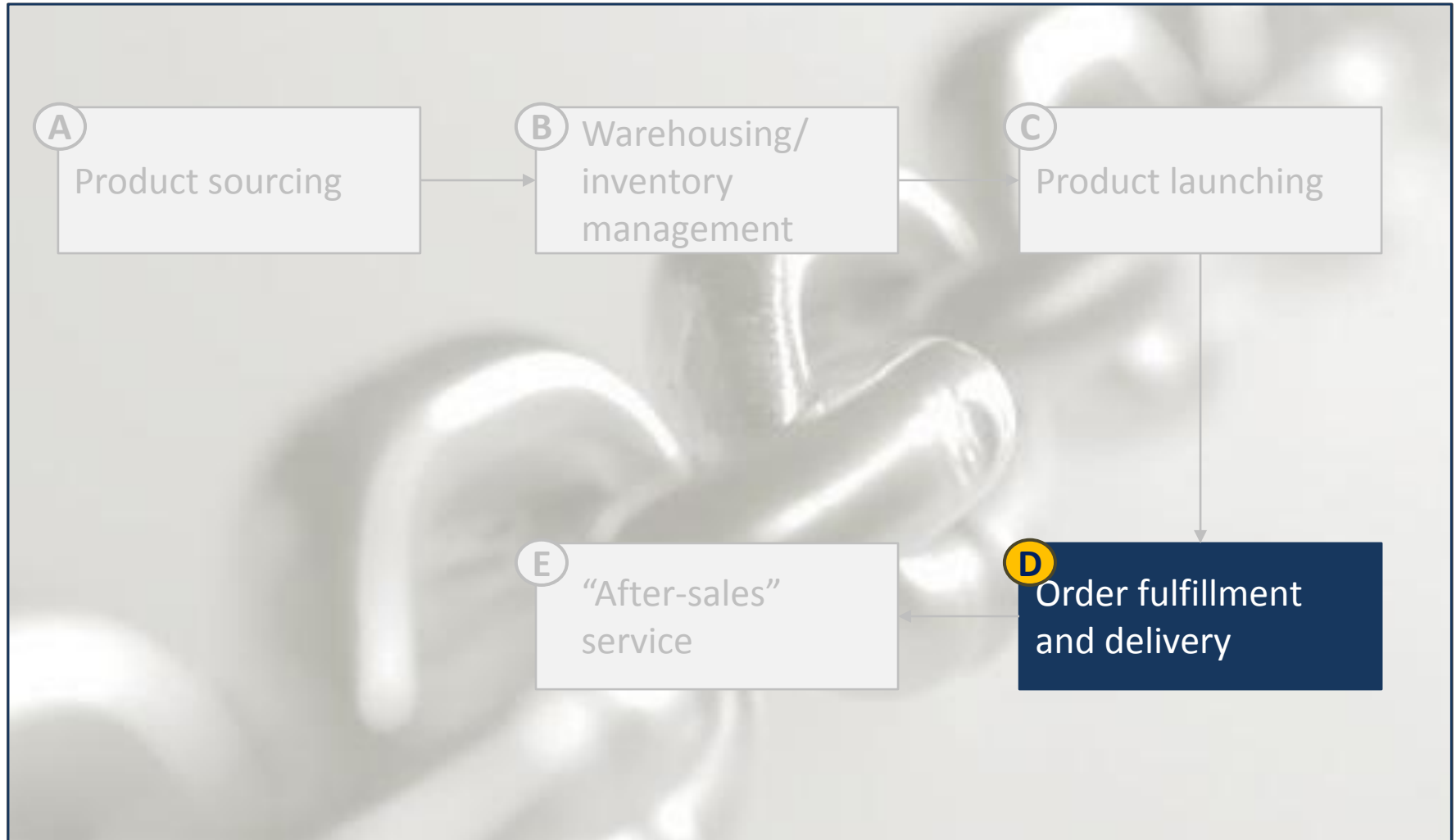
# Supply chain in B2C retail e-commerce typically consists of few key steps



# Product launching process consists of few steps which determine the overall lead time



# Supply chain in B2C retail e-commerce typically consists of few key steps



# Before B2C retail e-commerce fulfill any order, payment verification has to be done

★ Very low

★★★★ Very high

<u>Payment method</u>	<u>Customer preference</u>	<u>Cost to business (cancellation, lead time, fee)</u>
Bank Transfer	★★★★	★★
Cash on Delivery (COD)	★★★	★★★★
Internet banking	★	★
Credit card	★	★★
E-money/mobile wallet	★	★

# Orders fulfillment consists of several sub-process and include third party logistic providers



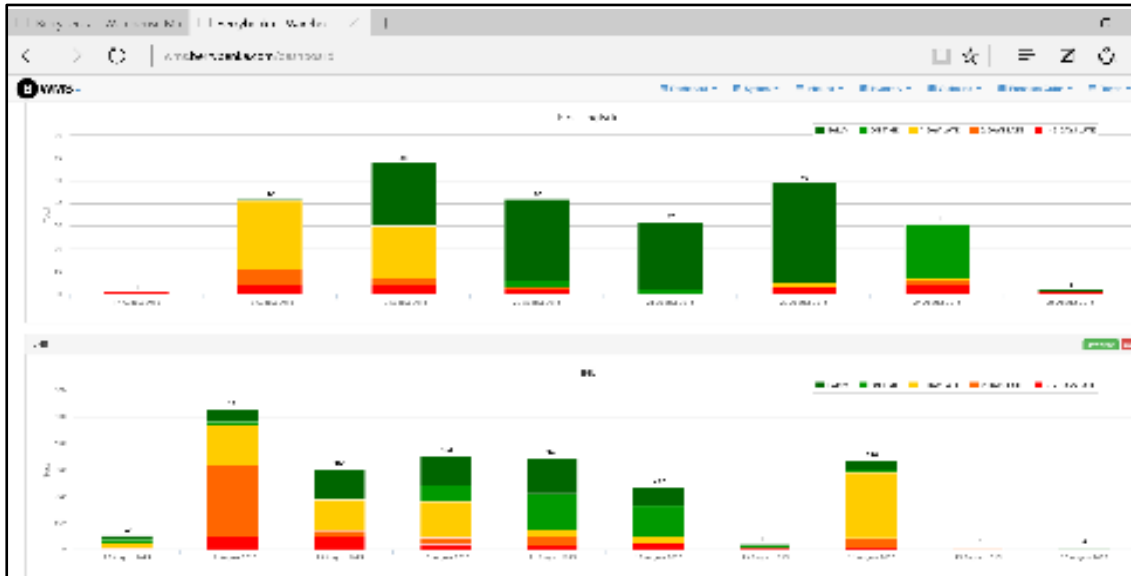
## Few notable logistic providers in Indonesia:



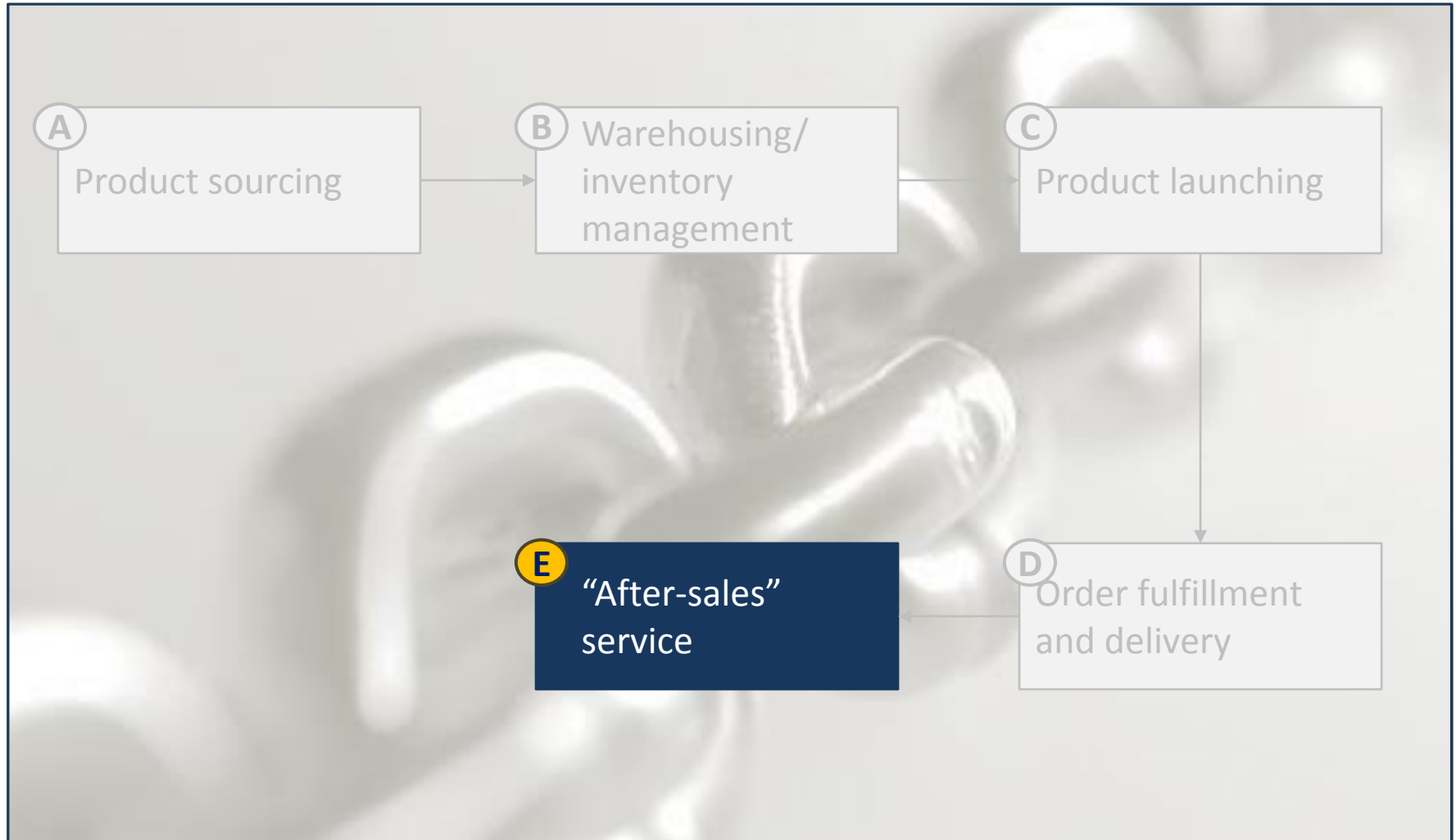
# Third party logistic (3PL) management is crucial to ensure great customer experience

## Few tips for 3PL management:

- **Set the right KPIs** (price, delivery lead time, customer complaints) and enforce it using a well-documented legal doc
- **Conduct regular update on performance and capacity planning**, esp. before peak season (e.g., Lebaran, HBON)
- **Don't rely on one 3PL**. Each has strength in different area



# Supply chain in B2C retail e-commerce typically consists of few key steps



# After sales service is very crucial to ensure high customer satisfaction and retention

EXAMPLE

Making ourselves available anytime via live chat, phone, emails, SMS, social media, chat app (WA, LINE, BBM)

Making customers comfortable buying online by providing free shipping, return and refund



**7 days contact center**

**Free shipping, 30 day free return and free refund**



**Product shipment tracker**

**Customer satisfaction call/ survey**



Providing transparent and real time information to customers on their product shipment

Checking in with customers to ensure their customer experience is perfect



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# There are few main business challenges, some are quite particular for Indonesia

- Merchandising:** lack of high quality suppliers and workshops especially for shoes and bags
- Logistic:** low reliability of last mile delivery partners; lack of reverse logistic providers; COD coverage
- Payment:** high reliance on bank transfer and COD (60-80%), low credit card penetration (~5%)
- Talent:** scarce and expensive, especially in IT and online marketing



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# BERRYBENKA & HIJABENKA Reseller Program!



# Our reseller program might be suitable for you

*We believe everyone deserves equal opportunity to start entrepreneurship - the essence of this program.*

**No capital**



**Reseller Discount**



**Free Delivery**



**30-days Free Return  
and Refund**



# Four easy steps to start TODAY

## *Empat Langkah Mudah Menjadi Berrybenka Reseller*



### Pilih Barang

Pilih produk yang ingin anda jual, lalu download foto beserta info lengkapnya

di [resellers.berrybenka.com](https://resellers.berrybenka.com)



### Jual Barang

Jual dengan harga yang dapat Anda tentukan dan dimana pun



### Pesan Produk

Lakukan pemesanan kamu melalui Whatsapp, LINE, BBM, Email atau Yahoo Messenger. Kami akan kirimkan langsung ke konsumen Anda - GRATIS pengiriman seluruh Indonesia!



### Dapatkan Uang

Anda akan mendapatkan penghasilan tambahan tanpa modal!

**\*contact CS kami untuk menjawab pertanyaan dan membantu order untuk reseller**

# Contact our reseller team to register and ask any questions!



081297700077



reseller@berrybenka.com



59A40FDB



@resellerberrybenka



**THANK YOU!**

**Please keep in touch!**  
**Email** – [danu@berrybenka.com](mailto:danu@berrybenka.com)  
**LinkedIn** – Danu Wicaksana