

U&A Study of Malaysians towards Buying Milk Online

As of 08th August 2021





Background

This report is based on a sample of **13,153** Malaysian adults stratified to represent the Malaysian adult population profile. The data was gathered via online publisher websites across Vodus Media Network that consists of Media Prima, Astro, Star Media Group.

This is an online methodology which uses low disruption OMTOS survey method pioneered by Vodus.

The fieldwork was done from **10th June to 06th July 2021**.

The target group for this study is as follows:

- Adult Malaysians (over the age of 18 years)
- Purchasers of the dairy category
- Purchasers of bottled / carton milk

Research Objective

The focus of this study is to understand the ecommerce landscape of the consumer dairy industry and its future uptake. The research objectives of this study are to:



Market Sizing

- Measure brand share of bottled / carton milk players in the Malaysian market and the average consumer spend.



Future Uptake

- Determine the future update post Covid-19 in the Malaysian market.



Ecommerce Landscape

- Determine the key attributes driving brand choice



Usage and Attitude

- Study the characteristics of the target market, their usage potential and different channels used.



Key Research Questions

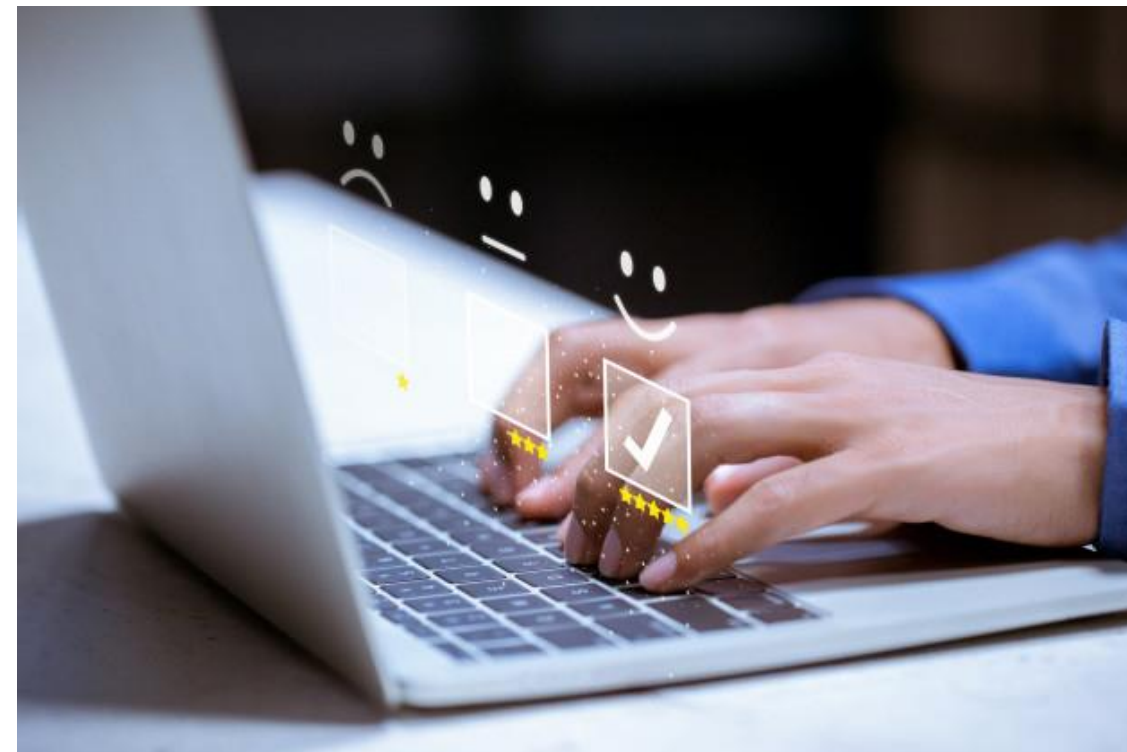
1. Which of the below categories of milk did you purchase in the last 1 year?
2. In a typical month, how much value of dairy milk do you purchase?
3. How much percentage of the milk you purchase in a total month is purchased online on ecommerce platform?
4. How likely are you to continue purchasing dairy milk online in the future?
5. How often do you purchase dairy milk online in atypical months?
6. Have you purchase dairy milk online in the last 1 year?
7. Which of these online platforms have you purchased dairy milk from?
8. Which of these online platforms do you most frequently buy dairy milk online from?
9. What are your reasons for purchasing milk online?
10. If the milk you regularly purchase was available with a 5%/10%/15% discount online, how likely are you to purchase it? Add different chunks with more percentage discounts
11. Please rank the below attributes from most important to least important when choosing a dairy milk brand for consumption.

Survey Methodology

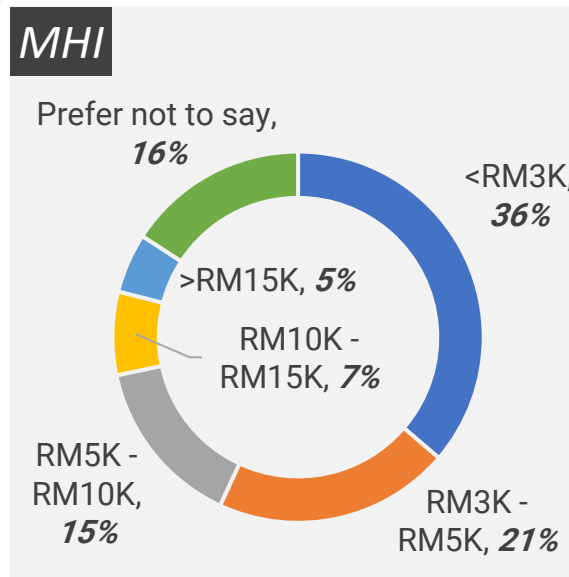
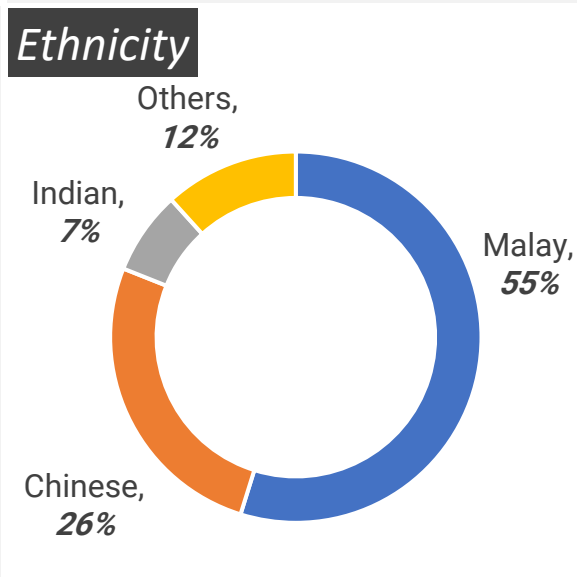
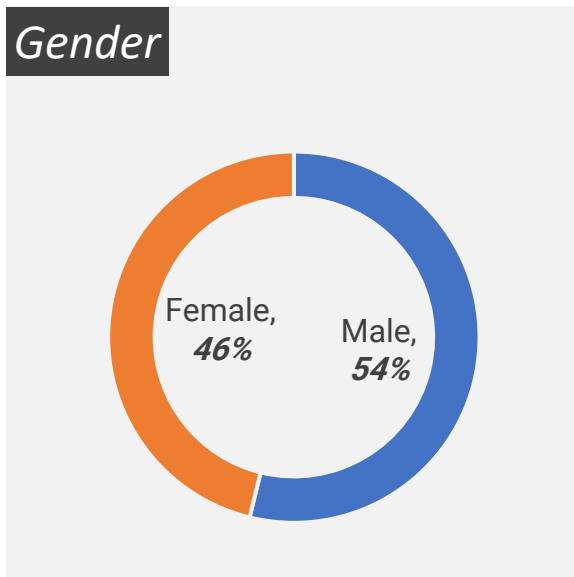
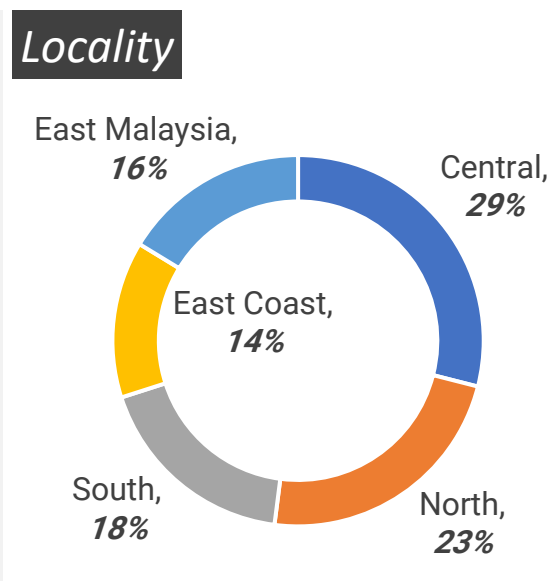
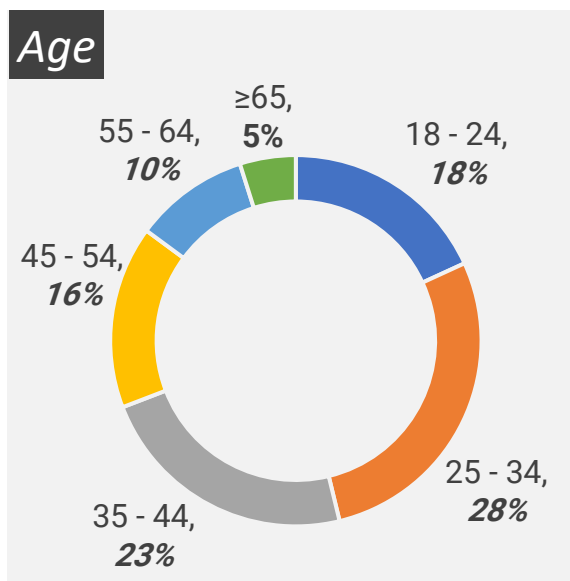
OTMOS Method

Vodus conducted the survey using an online quantitative methodology called OTMOS. The OMTOS method is pioneered by Vodus.

Our innovative One-question Media Tracking Online Survey (OMTOS) is a low disruption survey method that encourages up to 90% response rate from 17 million Malaysians to bring you insights that accurately represents the Malaysian people.



Milk Consumer Profile



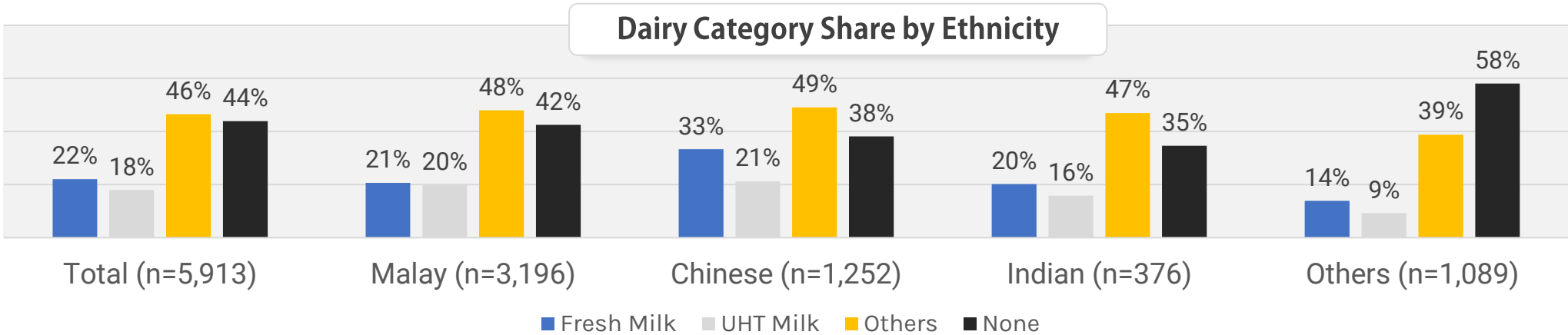
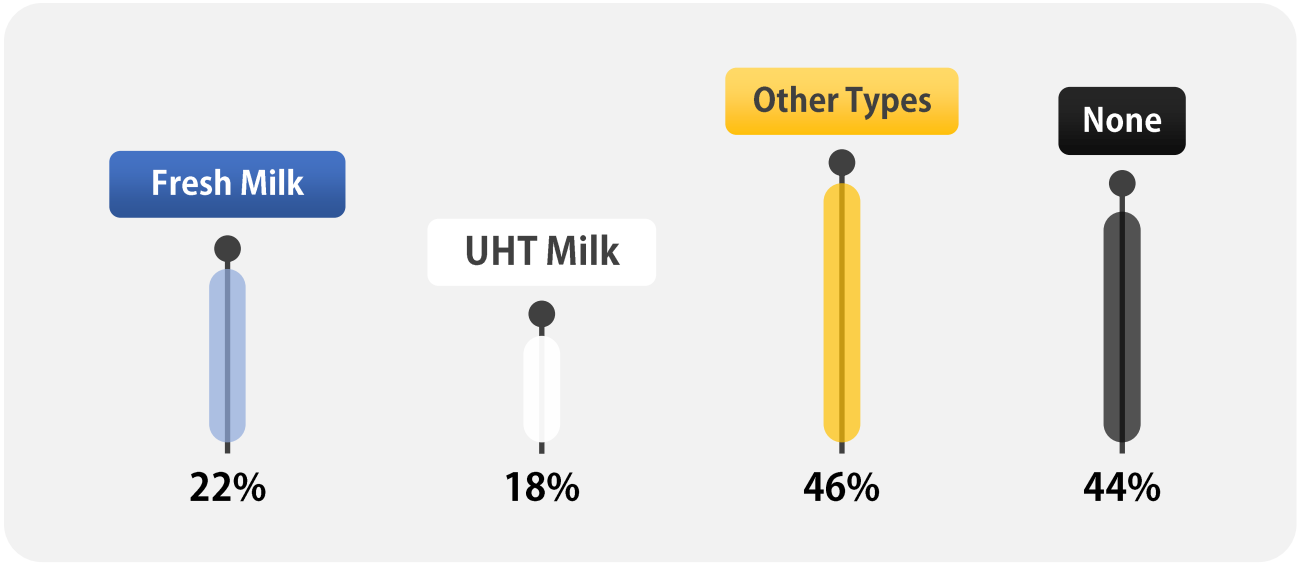
- Slightly more males are purchasers of bottled milk as compared to females.
- Target market consists more than half of Malays, 1/4th Chinese.
- 25 to 44 age bracket consume bottled milk the most.
- Target market consist mostly consumers from the Central region followed by the North who belong mostly to <RM3K Monthly Household Income (MHI).



Detailed Findings

Dairy Category Share

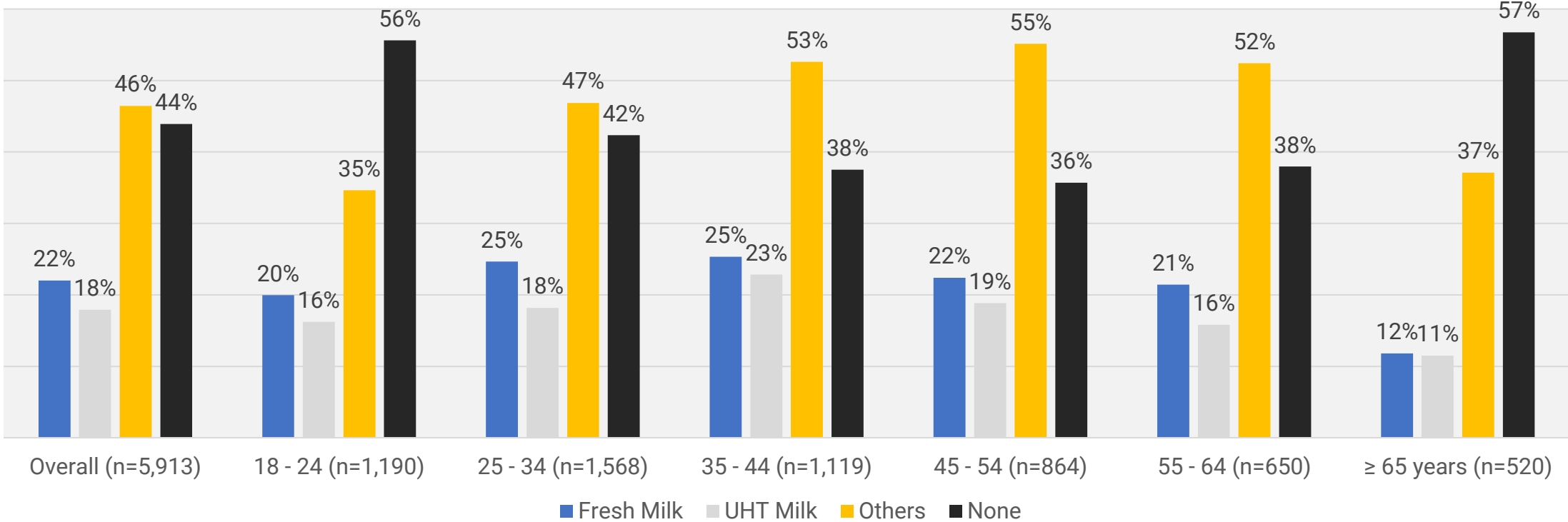
- About 2 in 10 Malaysians purchase UHT milk and Fresh milk while the majority purchase other types of milk. About half of the respondents interviewed do not purchase any type of milk.
- Consumption of Fresh milk is slightly higher among Chinese as compared to Malays and Indians. Similarly, slightly more percentage of Chinese consume dairy as compared to others.



Base: All Respondents

Dairy Market Share by Age Groups

- Non-consumption of dairy is the highest among the young and retired population.
- 25 to 44 years old age group has relatively the highest consumption of Fresh Milk.
- 35 to 44 years old age group also consumes UHT Milk slightly more than others.

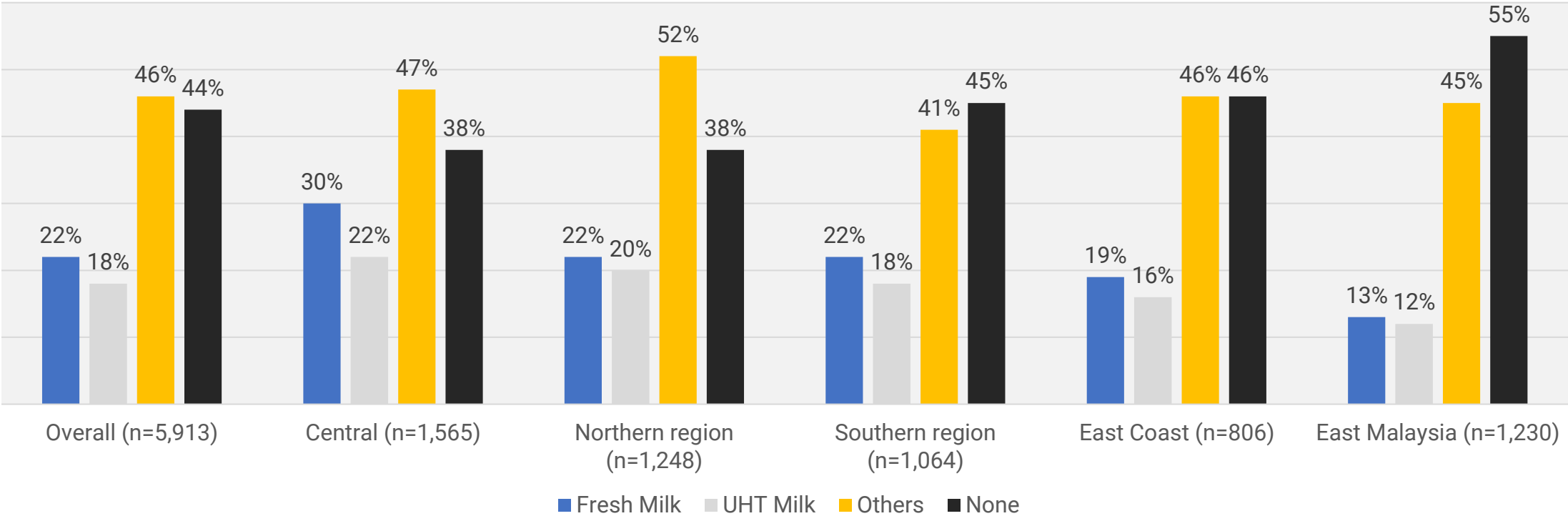


Base: All Respondents



Dairy Category Share by Location

- Consumption of fresh milk and overall dairy is relatively higher in the central region than the rest of the country.
- Consumption of dairy is also higher in the northern region as compared to other regions.
- Dairy consumption is the lowest in East Malaysia.

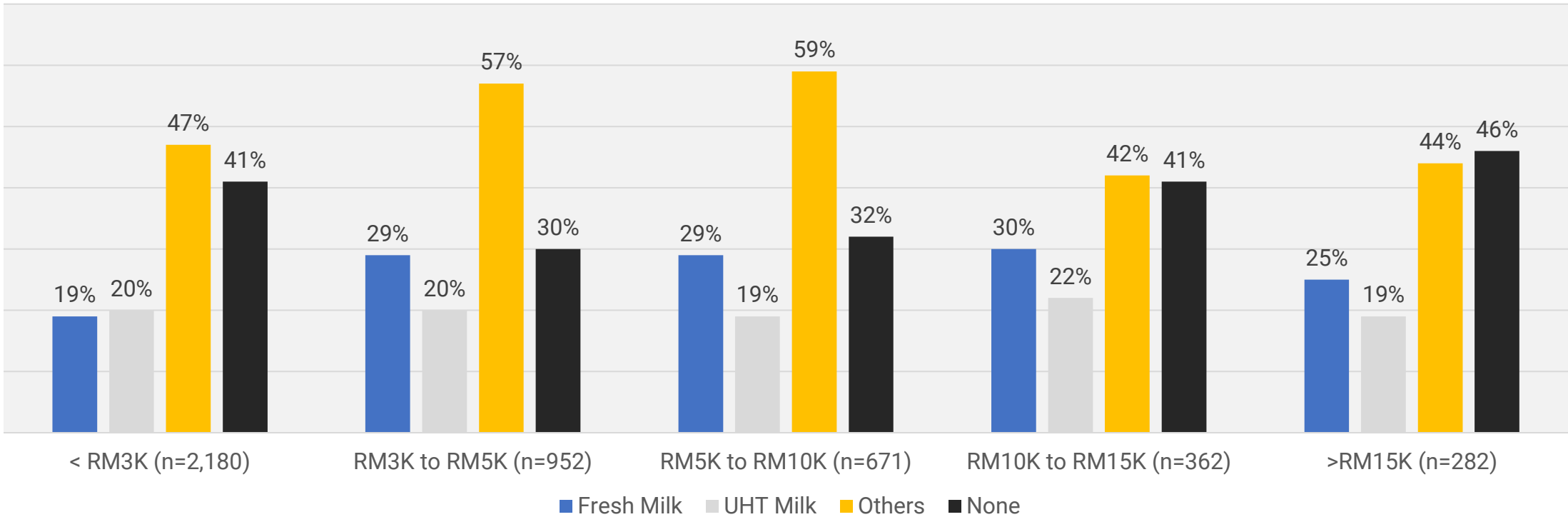


Base: All Respondents



Dairy Category Share by Income Group

- Highest consumption of dairy seen in the RM3K to RM10K income group.
- Fresh milk consumption peaks in the RM3K to RM15K income group.
- Highest non-consumption of dairy seen in the high-net-worth individuals (>RM15K Income group)

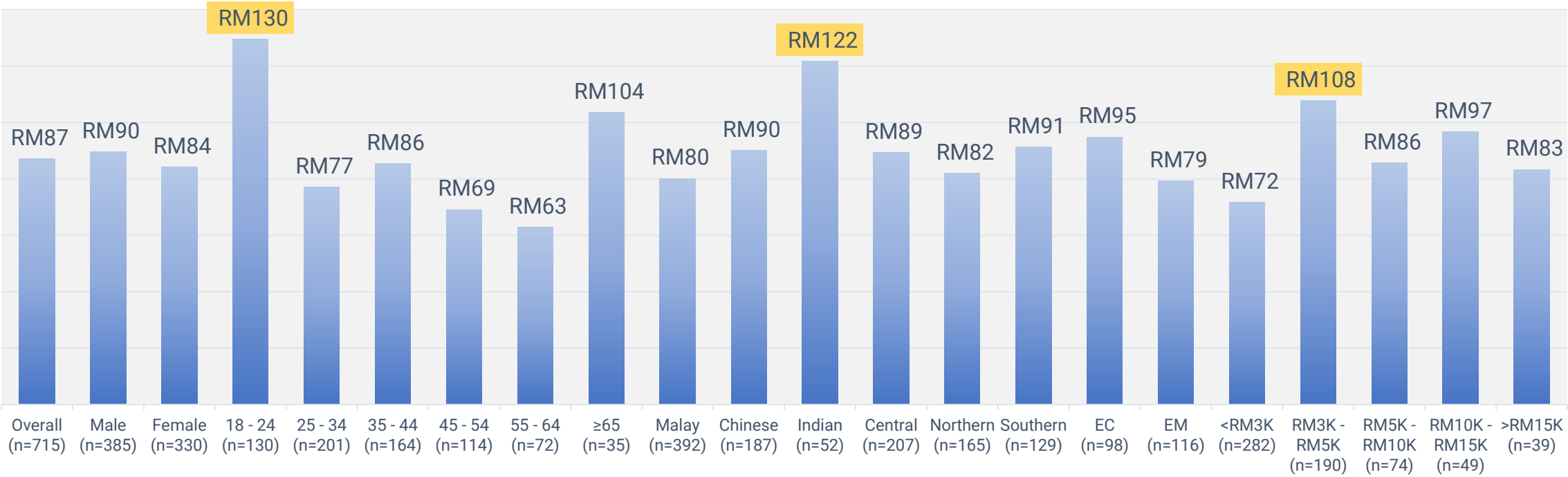


Base: All Respondents



The market size of bottled/carton milk segment (monthly average)

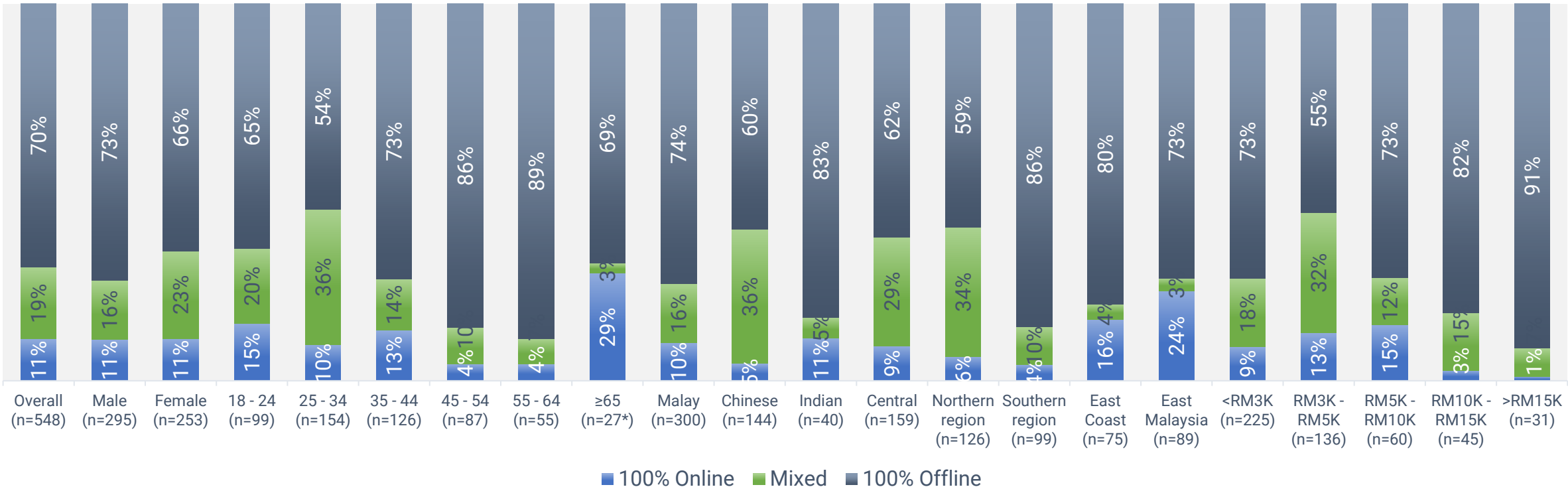
- Average monthly spend on bottled / carton milk is ~RM87.
- No significant difference observed among both genders.
- Highest average observed among the young population followed by the retired population
- Among ethnicity, highest average spend seen among Indians
- Among income group, highest spend seen among those earning RM3K to 5K per month.



Base: Target Market

Purchase of bottled/carton milk by channel (Online vs Offline)

- Majority (70%) of the consumers of bottle/carton milk purchase it offline only. About 2 in 10 uses both channels and 1 in 10 uses online channels only.
- 45 to 64 years old Malaysians are least likely to purchase their milk online than other age groups, while the highest online only shoppers are seen among the retired population who are Internet users.

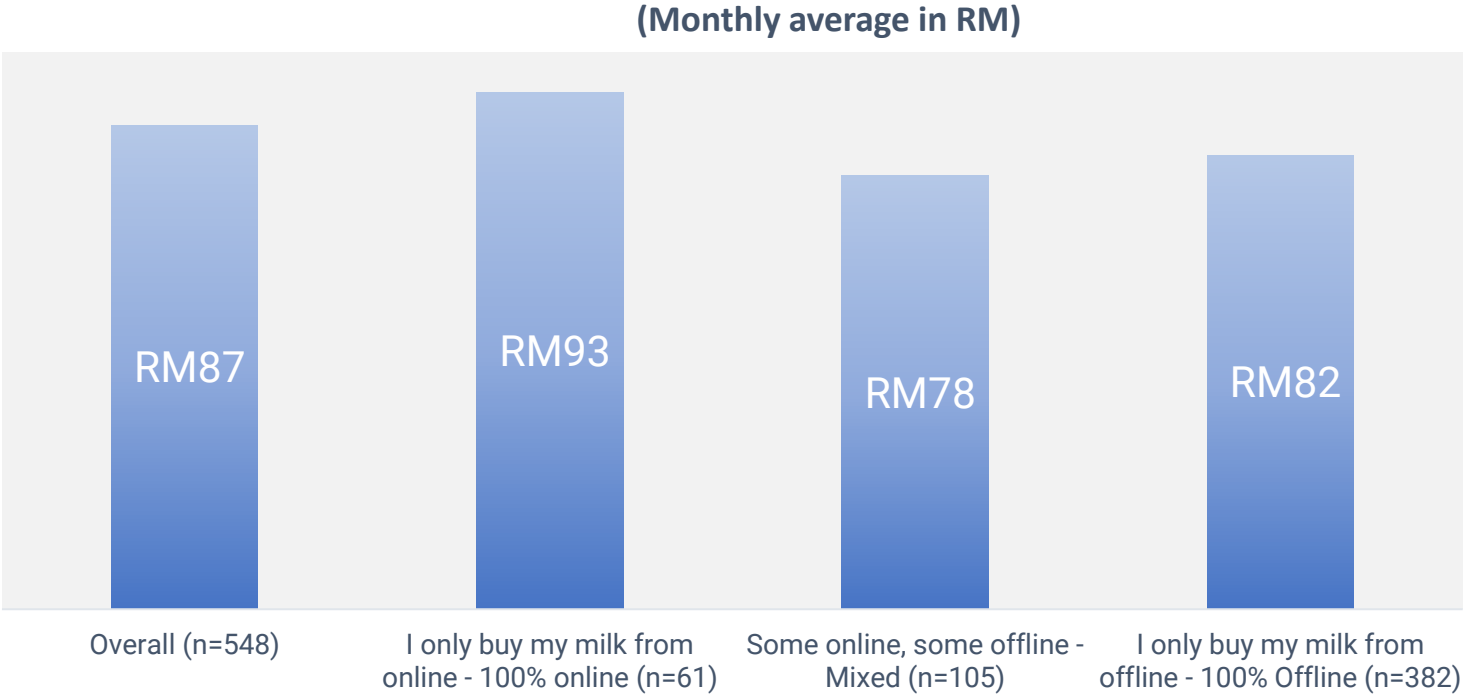


Base: Target Market

The market size of bottled/carton milk segment (monthly average)

By Channel (Offline vs Online)

- Online purchasers spend slightly more monthly on buying bottled/carton milk as compared to those purchasing offline.
- Those who purchases milk from both channels spend slightly lesser than online only and offline only purchasers.



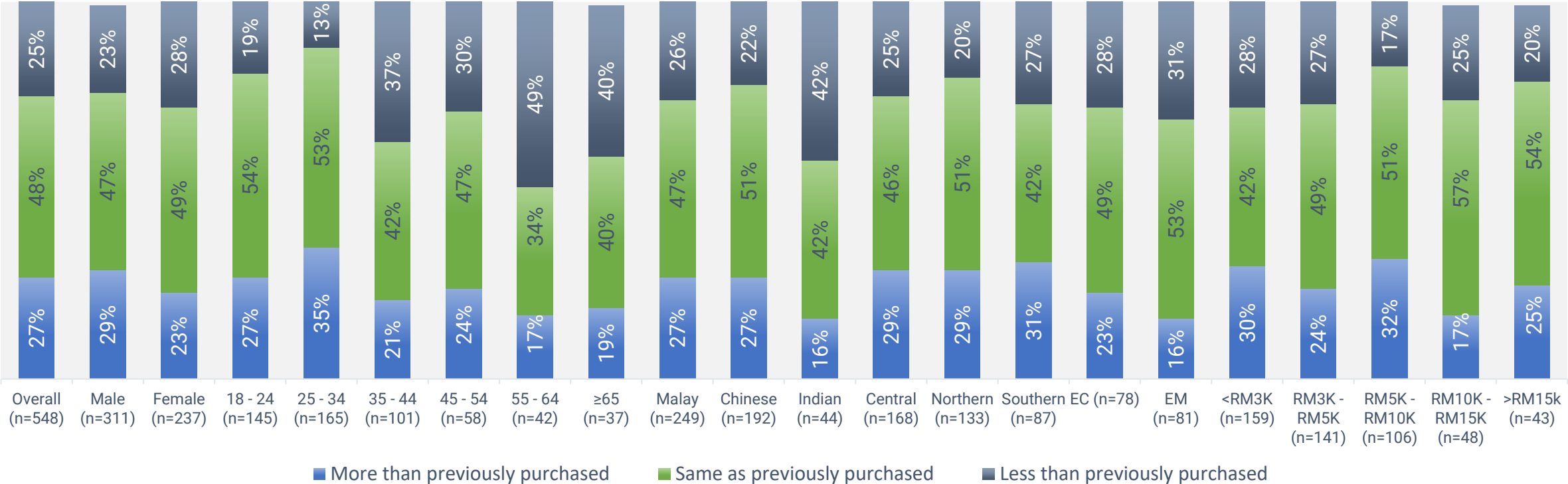
Base: Target Market





Future uptake of bottled milk through online channel

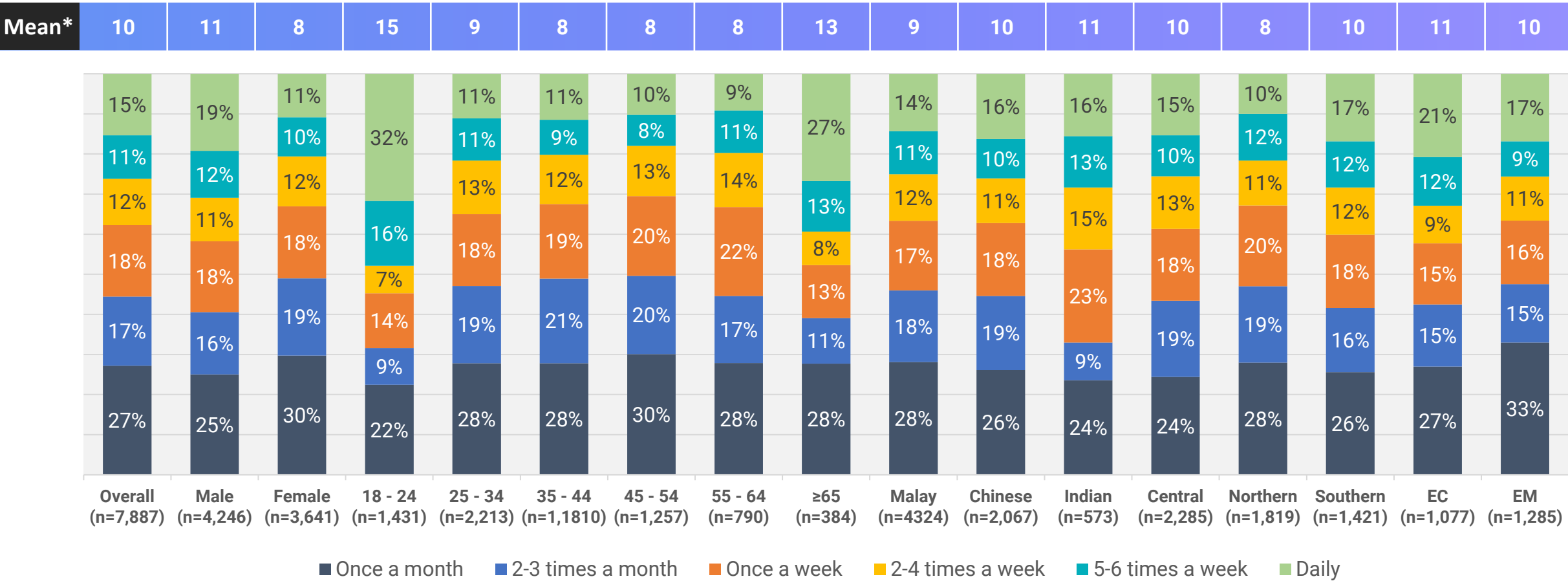
- Half of the consumers are not expecting any change in their purchase frequency in future
- While about 1/4th of them are expecting an increase or decrease in purchase frequency respectively.





Mean monthly frequency of purchase (bottled/carton milk)

- Mean frequency of purchase is 10 times a month.
- Higher frequency observed among the young and retired population as compared to other age groups.

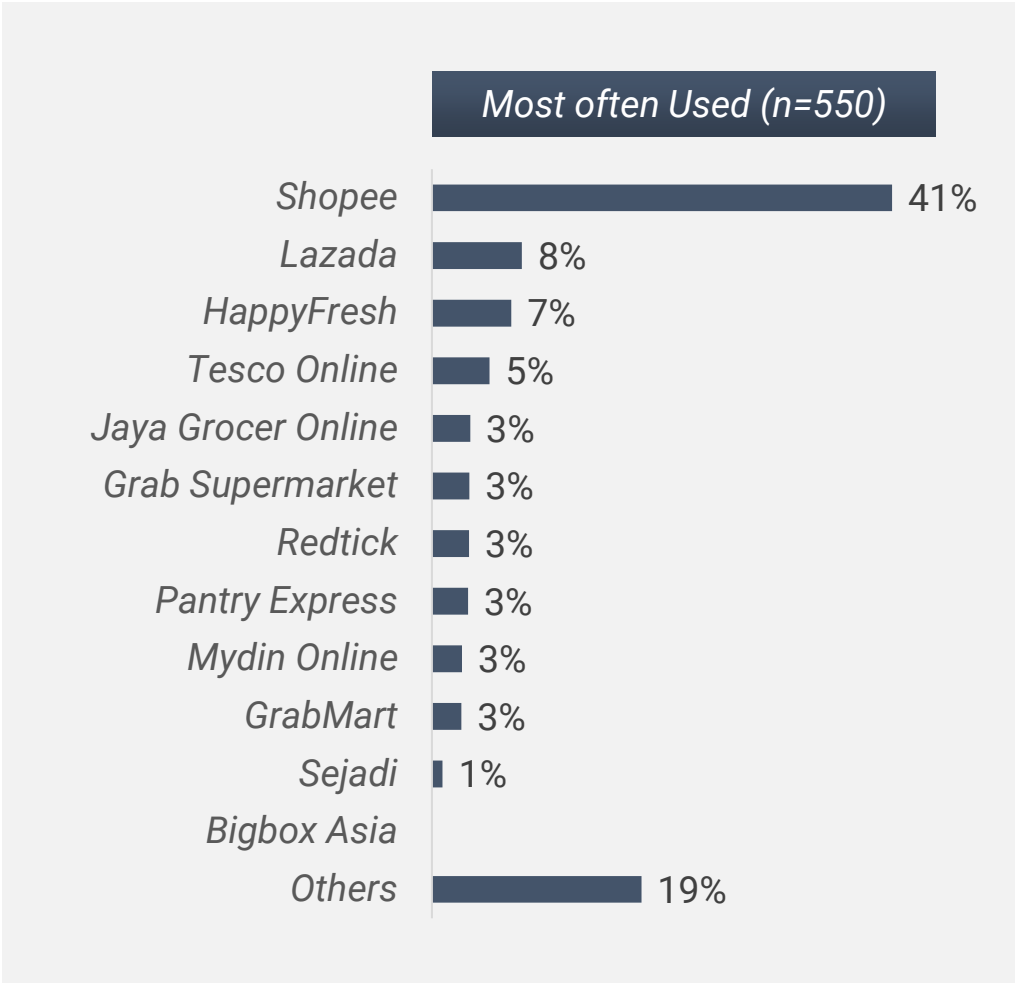
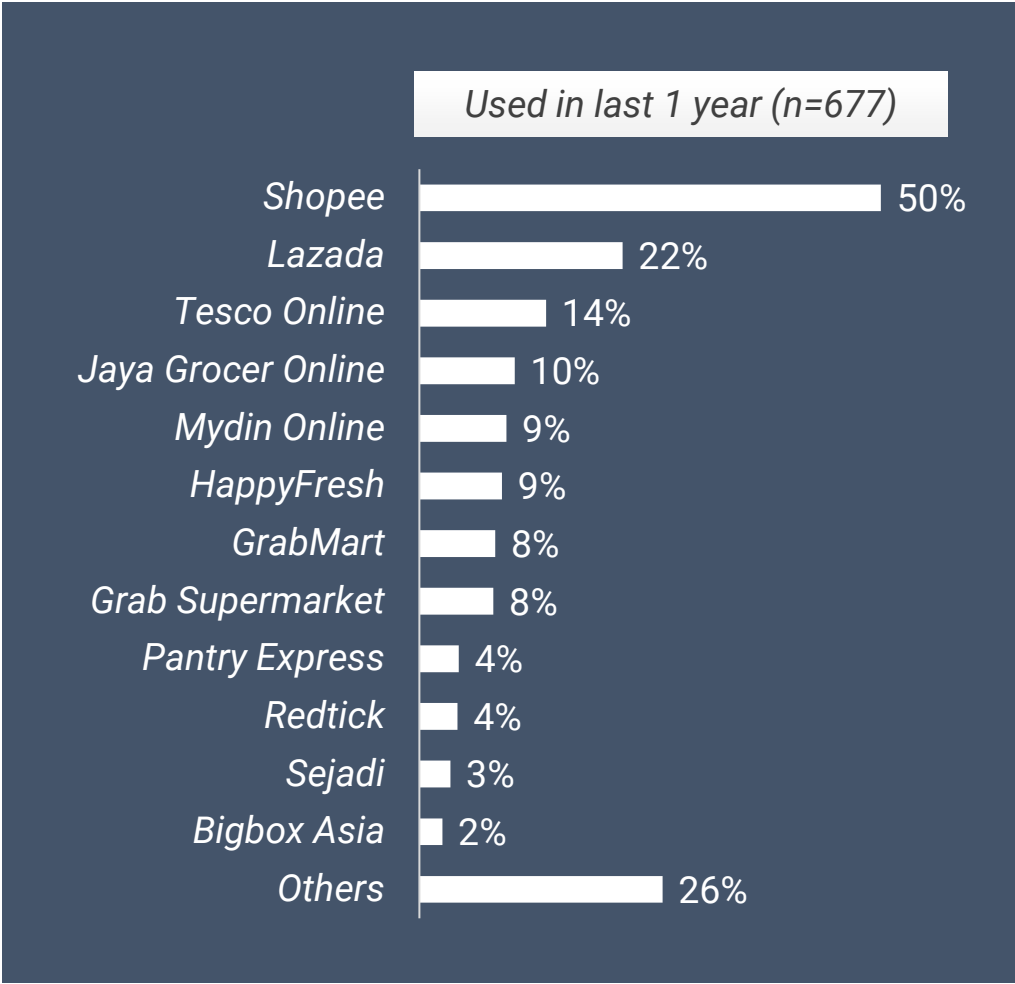


Base: Target Market
Mean is the number of times a month



Platforms used for online purchase

Shopee is the most used platform followed by Lazada and Tesco Online. Other platforms have a low usership when it comes to purchasing milk online.

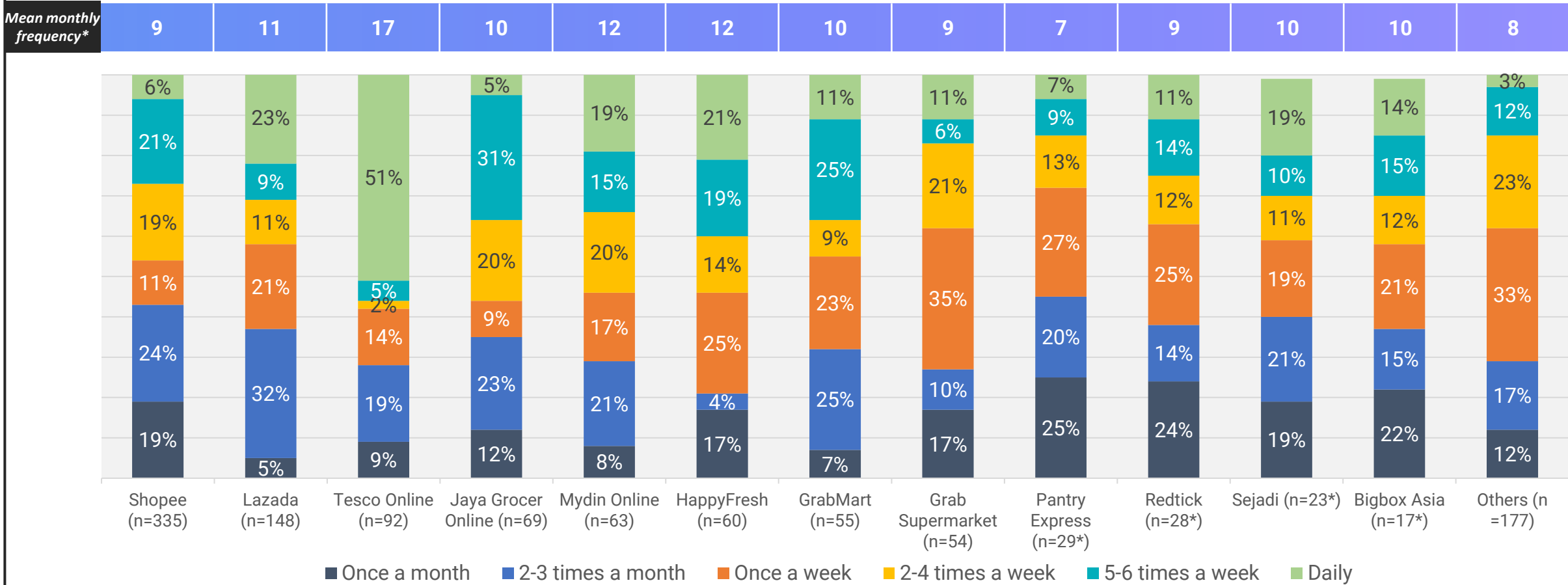


Base: Target Market



Frequency of dairy milk purchase online by Platform

- Those who purchase online from Shopee, Lazada, Jaya Grocer Online, purchase 9 to 11 times in a month on average from these platforms.
- There are a considerably higher number of daily purchasers of milk from Tesco online pushing its average to 17 times a month.



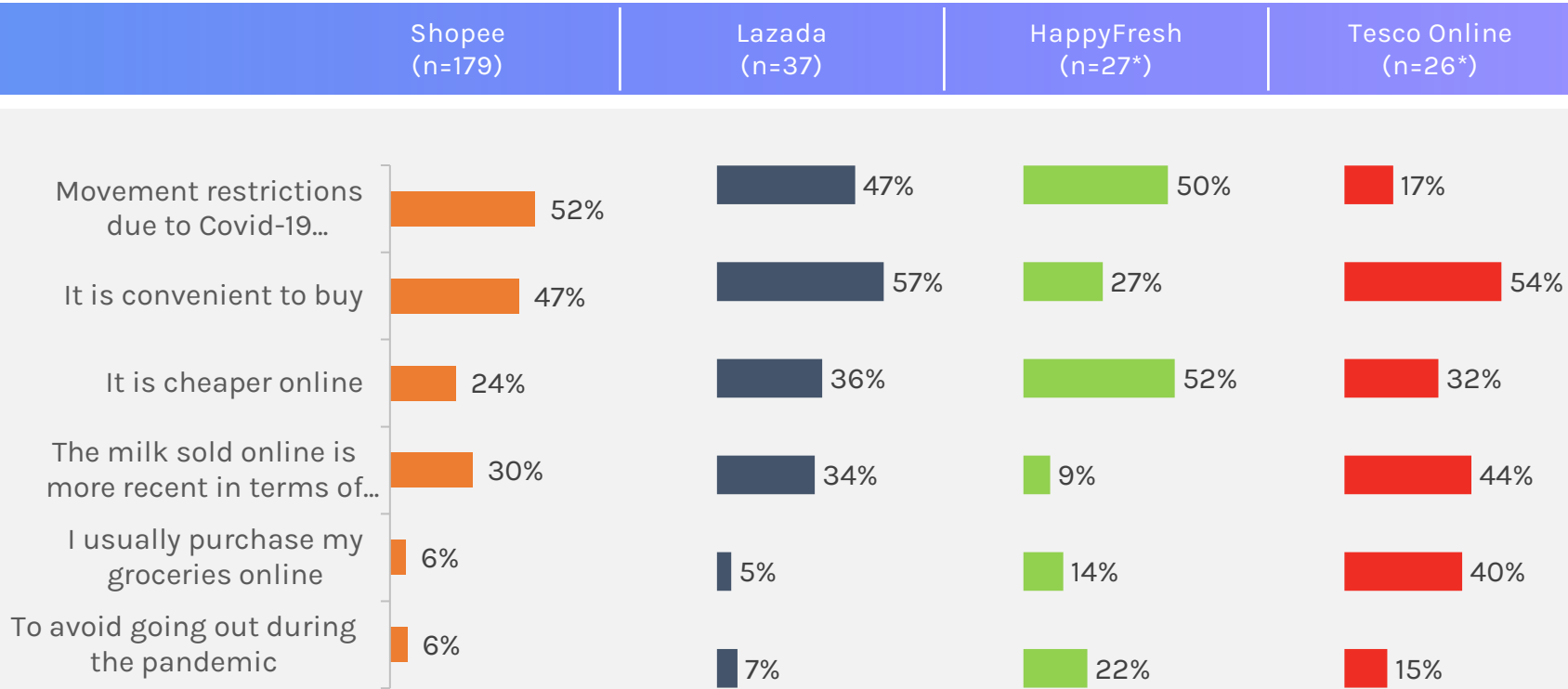
Base: Target Market
Mean is the number of times a month
*Low base

Reasons for Purchasing Milk Online



Convenience, better affordability and safety during the pandemic and movement restrictions are the most common reasons to purchase the milk online.

Reasons for Purchasing Milk Online



- Higher percentage of those who purchase online from Shopee, Lazada and Tesco find it convenient as compared to HappyFresh.
- More respondents find the date of manufacturing of the stock at Tesco Online to be more recent as compared to other platforms.

Base: Target Market

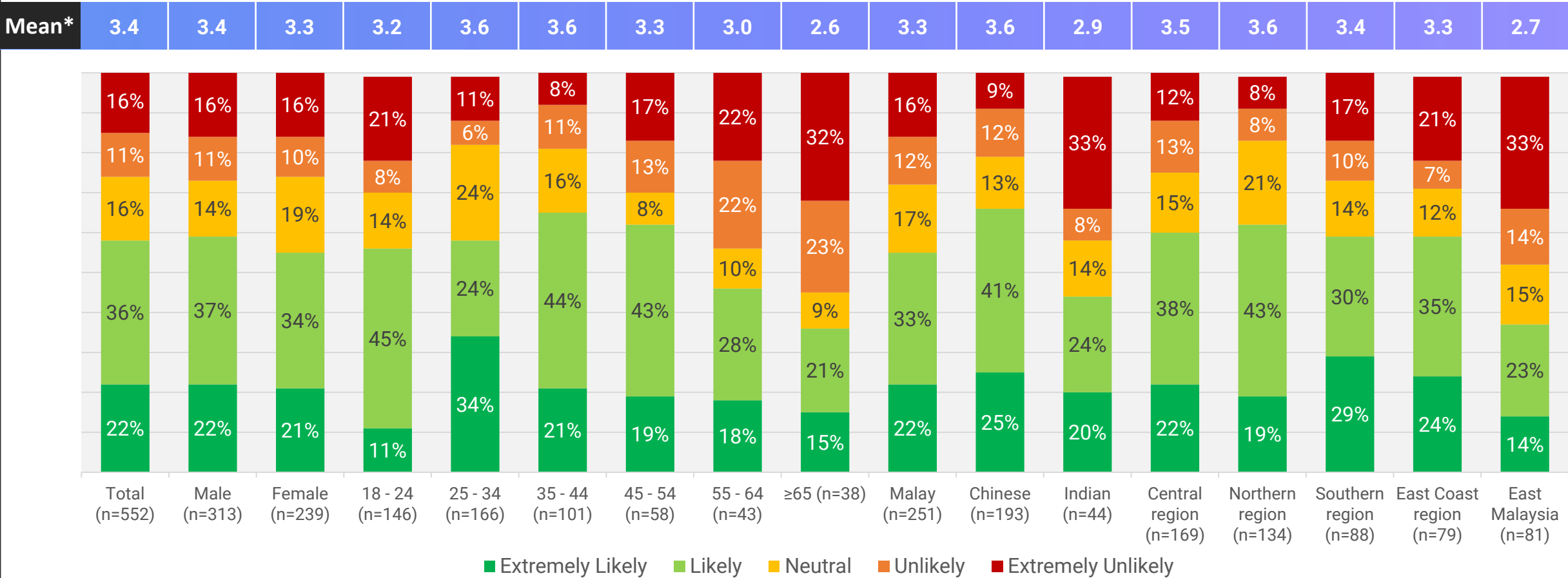
*Low Base





Propensity to purchase carton/bottled milk online at a 5% discount on regular price

- 58% of the respondents are likely to purchase milk online given a 5% discount on regular price with a mean likeliness of 3.4 on a scale of 1 to 5.
- 25 to 44 years old age group is more likely to purchase as compared to other age groups

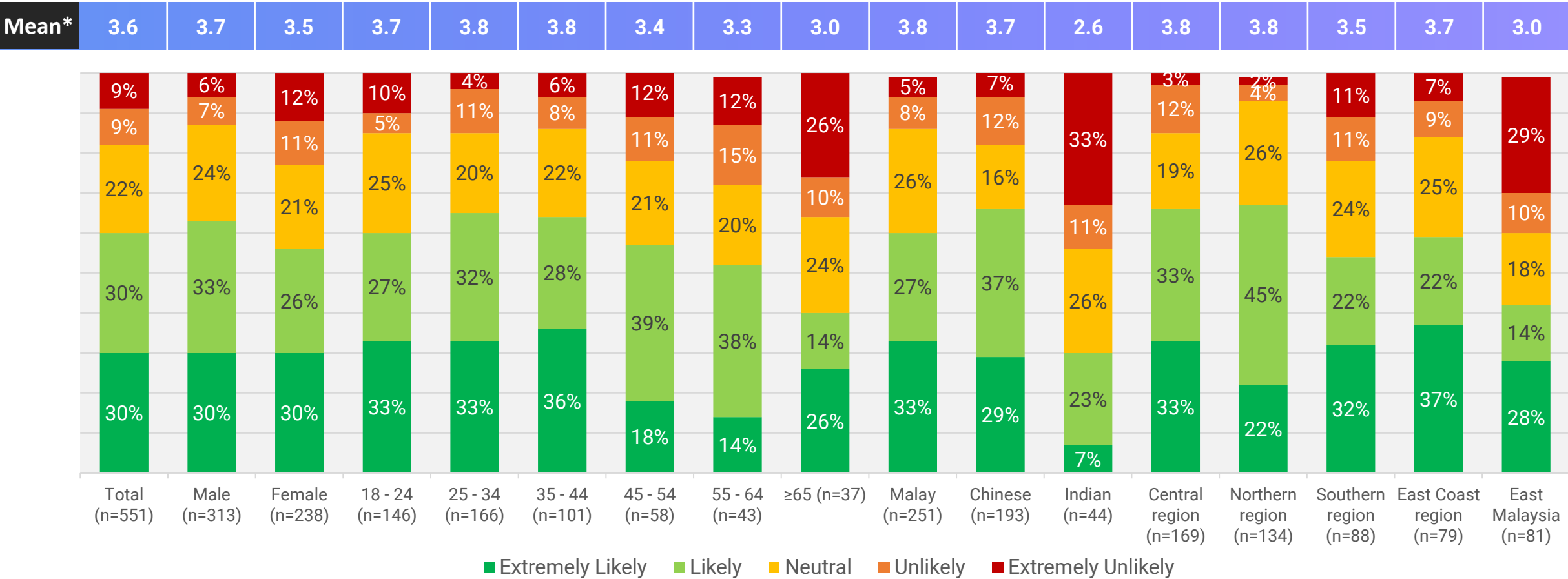


Base: Target Market
Mean Likeliness to purchase on a scale of 1 to 5 where 1 is Extremely Unlikely to purchase and 5 is Extremely Likely to Purchase



Propensity to purchase carton/bottled milk online at a 10% discount on regular price

- 60% of the respondents are likely to purchase milk online given a 10% discount on regular price with a mean likeliness of 3.6 out of a scale of 1 to 5.
- 18 to 44 years old age group is more likely to purchase as compared to other age groups

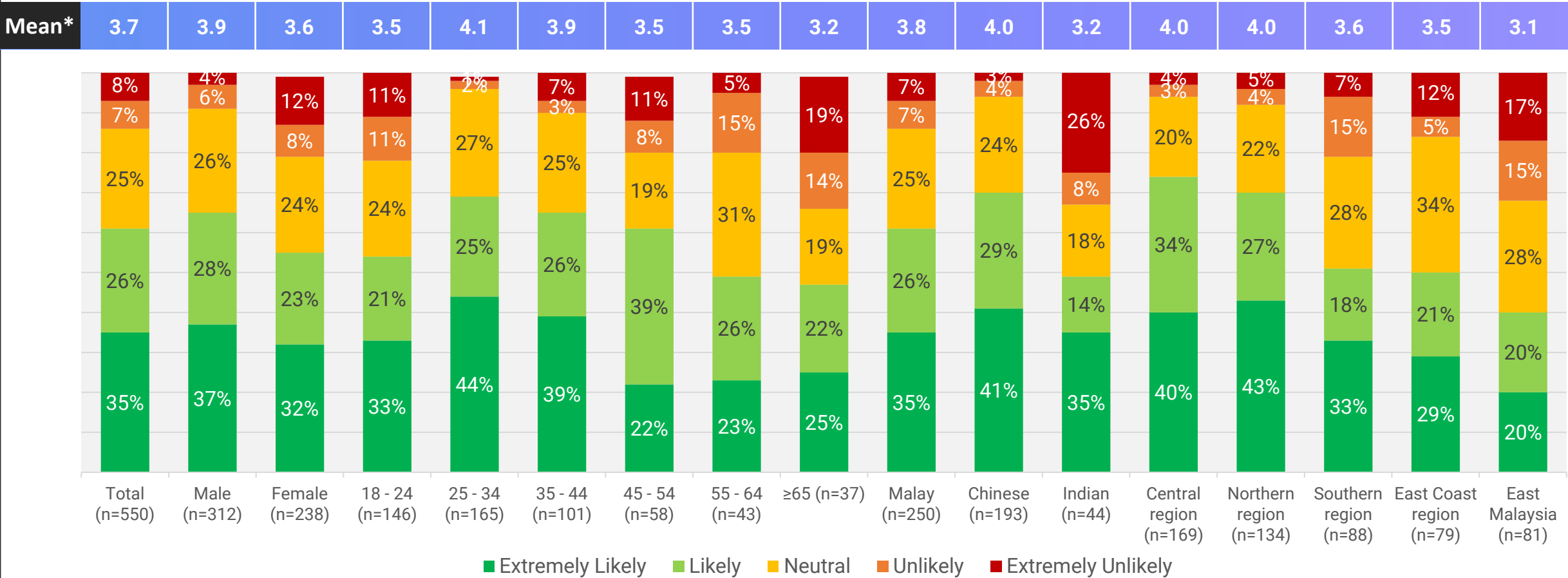


Base: Target Market
Mean Likeliness to purchase on a scale of 1 to 5 where 1 is Extremely Unlikely to purchase and 5 is Extremely Likely to Purchase



Propensity to purchase carton/bottled milk online at a 15% discount on regular price

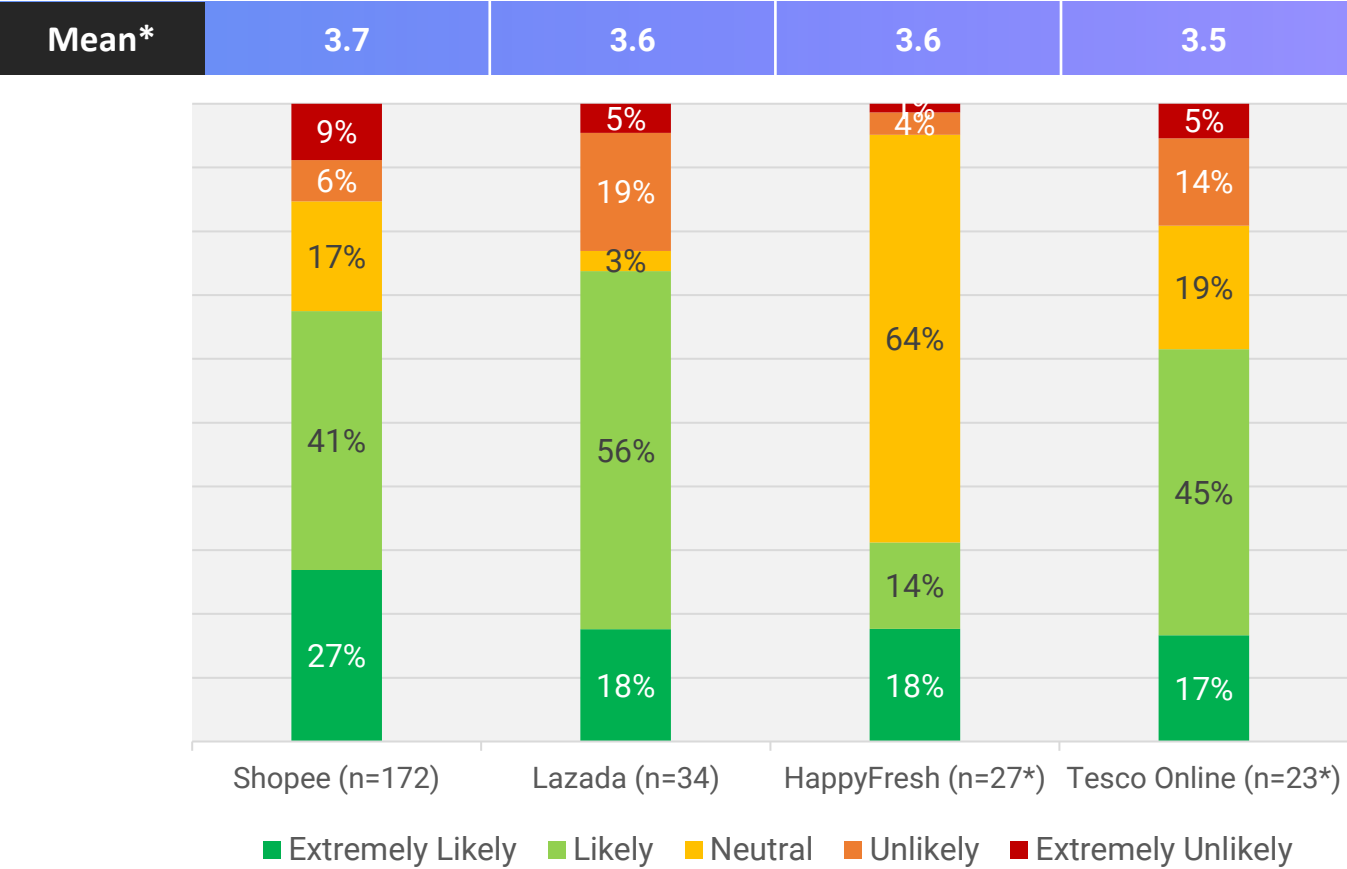
- 61% of the respondents are likely to purchase milk online given a 15% discount on regular price with a mean likeliness of 3.7 out of a scale of 1 to 5.
- 25 to 44 years old age group is more likely to purchase as compared to other age groups



Base: Target Market
Mean Likeliness to purchase on a scale of 1 to 5 where 1 is Extremely Unlikely to purchase and 5 is Extremely Likely to Purchase

Propensity to purchase carton/bottled milk online at a 5% discount on regular price by Platform

- 68% of those who visit Shopee most frequently are likely to purchase milk online from the given 5% discount. 3/4th of those who visit Lazada most frequently are more likely to purchase milk online if a 5% discount is given.

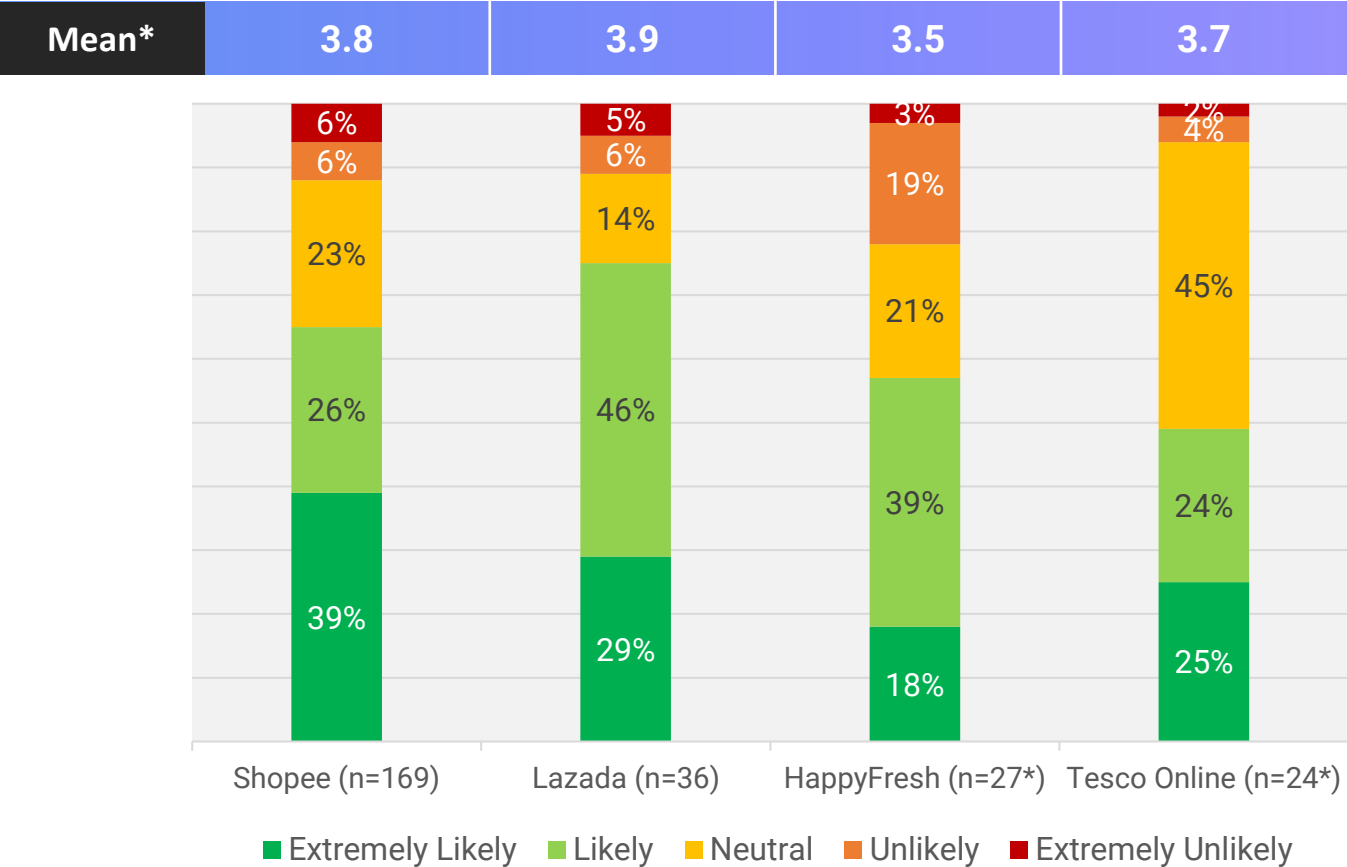


Base: Target Market
 Mean Likeliness to purchase on a scale of 1 to 5 where 1 is Extremely Unlikely to purchase and 5 is Extremely Likely to Purchase
 *Low base



Propensity to purchase carton/bottled milk online at a 10% discount on regular price by Platform

- 65% of those who visit Shopee most frequently are likely to purchase milk online from the given 5% discount. 3/4th of those who visit Lazada most frequently are more likely to purchase milk online if a 5% discount is given.

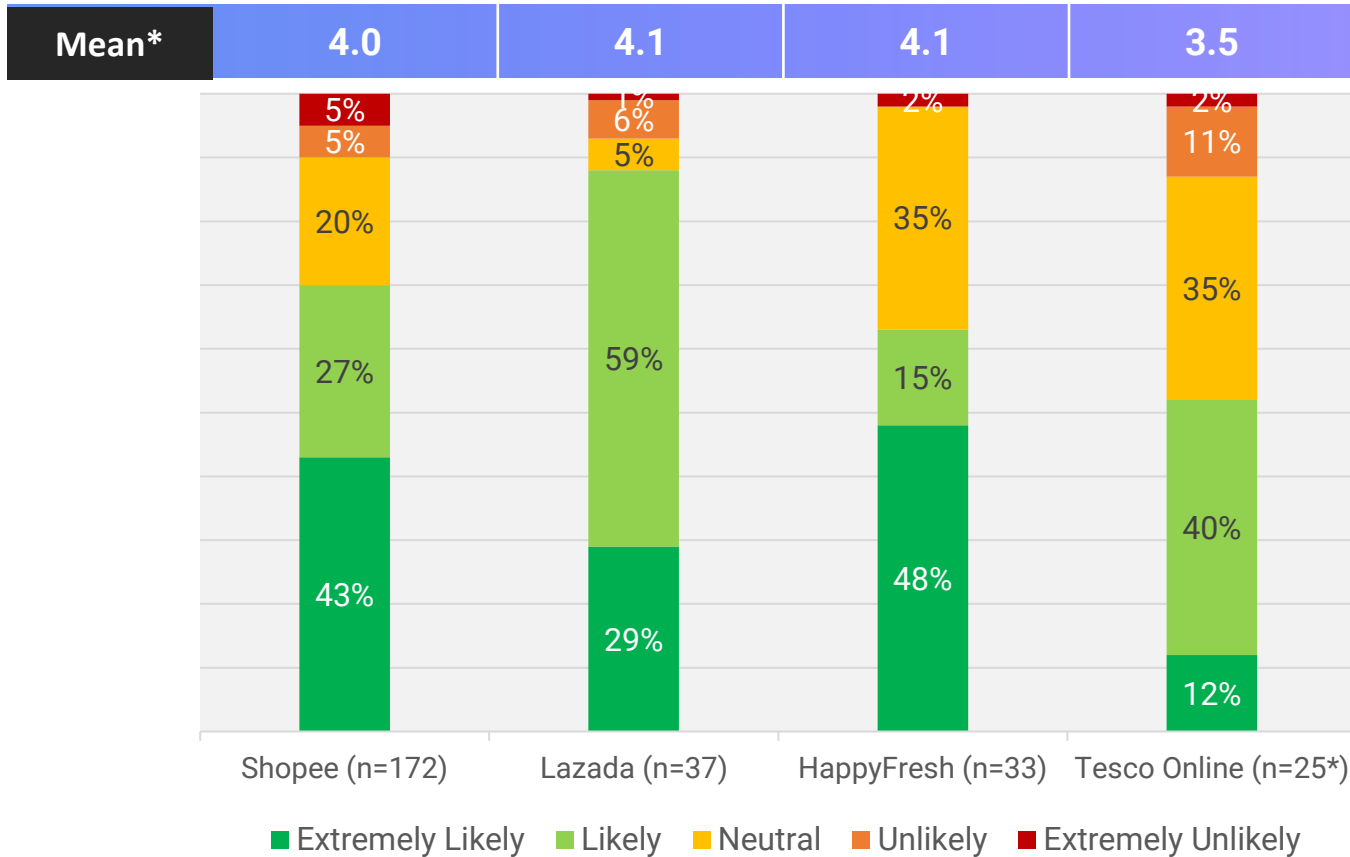


Base: Target Market
 Mean Likeliness to purchase on a scale of 1 to 5 where 1 is Extremely Unlikely to purchase and 5 is Extremely Likely to Purchase
 *Low base



Propensity to purchase carton / bottled Milk online at a 15% discount on regular price by Platform

- 70% of those who visit Shopee most frequently are likely to purchase milk online from the given 5% discount. 9 out of 10 of those who visit Lazada most frequently are more likely to purchase milk online if a 5% discount is given.



Base: Target Market

Mean Likeliness to purchase on a scale of 1 to 5 where 1 is Extremely Unlikely to purchase and 5 is Extremely Likely to Purchase

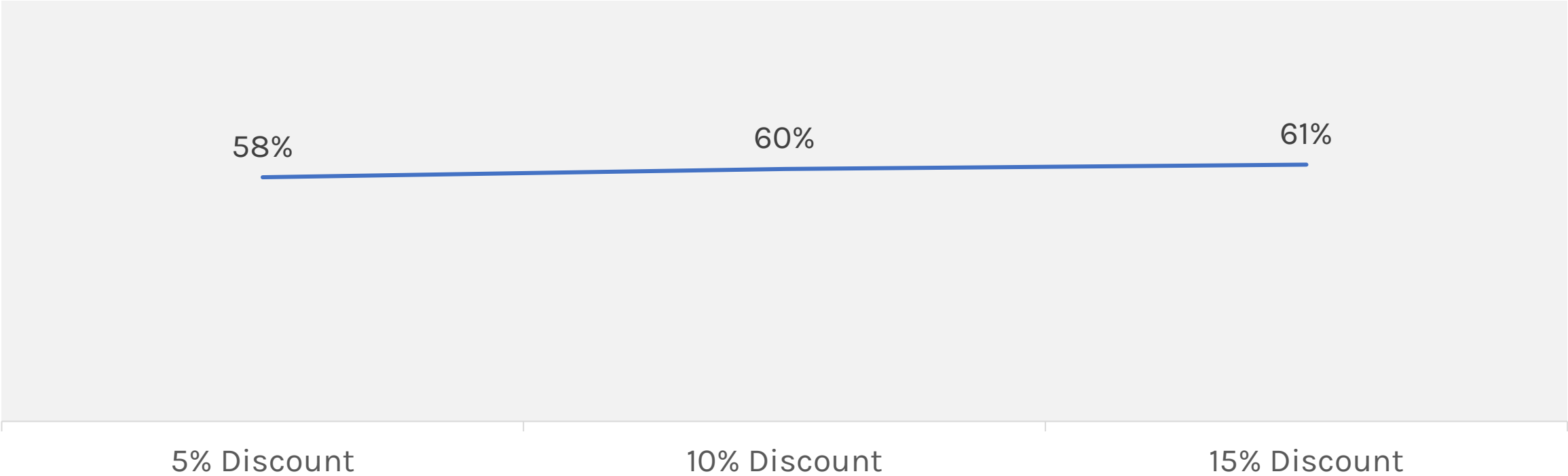
*Low base





Ideal Discount

- There is a negligible difference in the propensity to purchase carton/bottled milk online between the three measured discount amount.
- Therefore, the ideal discount prices should be 5% to maximize the ROI of marketing budget.



Base: Target Market
Data is the total % Top 2 Box (5 - Extremely Likely + 4 - Likely)

Important Attributes when choosing dairy

- Availability, good value for money and healthy choice are the most important attributes when choosing a bottled / carton milk brand.
- While quality is more important for Central region, the brand name is more important in Northern region and value for money is more important in East coast and East Malaysia.
- While availability is the most important attribute for Chinese, healthy choice is more important for Malays and Indians.

Attribute	Total (n=551)	Central (n=169)	Northern (n=134)	Southern (n=88)	EC (n=79)	EM (n=81)	Malay (n=250)	Chinese (n=192)	Indian (n=44)
Is easily available	1	6	3	1	2	3	6	1	5
Good value for money	2	3	5	3	1	1	4	2	6
Is a healthy choice	3	2	2	6	3	9	1	5	1
Is of high quality	4	1	4	7	6	6	5	4	2
Is a brand that I can trust	5	4	1	8	4	5	3	3	3
Has a better taste	6	5	7	5	5	4	7	6	9
Is made to international quality standards	7	8	6	2	7	7	2	8	7
Is a well-known brand	8	7	8	10	8	8	10	7	8
Has attractive packaging	9	10	9	4	10	2	8	10	4
Is recommended by friends and family	10	9	10	9	9	10	9	9	10

Important Attributes when choosing dairy

- Trustworthy brands are the most important attribute for Shopee and Lazada users while a healthy choice is more important for Tesco Online shoppers and those shopping on HappyFresh platform look for better value for money.

Attribute	Shopee (n=170)	Lazada (n=33)	Tesco Online (n=26*)	HappyFresh (n=26*)
Is a brand that I can trust	1	1	3	8
Is easily available	2	6	7	4
Is a healthy choice	3	3	1	2
Good value for money	4	2	8	1
Is of high quality	5	5	5	3
Is made to international quality standards	6	8	2	7
Has a better taste	7	4	4	4
Is a well-known brand	8	7	10	9
Has attractive packaging	9	10	6	10
Is recommended by friends and family	10	9	9	6

Summary



Dairy Usage

- 2 in 10 Malaysians purchase UHT milk and about the same purchase Fresh Milk. About half of the Malaysians purchase other types of milk and about half of the Malaysians do not purchase any type of milk.
- Chinese, those in the age range of 25 to 44, in the Central region and in the income range of RM3K to 15K purchase fresh milk the most.
- Those who are retired, in East Malaysia and high net worth individuals do not purchase dairy as much as others.



Market Size

- Average monthly spend per milk consumer is about RM87, and is considerably higher among the young age group followed by the retired population.
- Indians spend more than other ethnicities while those in the income group range of RM3K to RM5K spend the most on milk on average.
- Online only milk purchasers spend more than Offline only milk purchasers. However, only 1 in 10 people are online only milk purchasers.



Future Consideration & Discount

- About 1/4th of respondents are expected to increase their online purchase of bottled/carton milk while the majority are expected to have no change and about 1/4th are expected to decrease.
- Mean monthly frequency of milk purchase is 10 times a month.
- Higher frequency observed among the young and retired population as compared to other age groups.
- 5% discount is ideal to convert offline shoppers into online shoppers.

Summary



Reason to shop online

- Convenience, affordability and safety and movement restrictions related to the Covid-19 pandemic are the key reasons to use ecommerce portals to purchase bottled / carton milk.
- People choose Lazada, Shopee and Tesco Online for convenience while they choose HappyFresh for affordability and lower prices.
- Stock at Tesco Online are also perceived to be more recent in terms of manufacturing date.



Drivers of brand choice

- Availability, good value for money and healthy choice are the most important drivers of brand choice for bottled / carton milk.
- Quality is most important in the Central region, brand name is most important in the Northern region and value for money is most important in East coast and East Malaysia.
- While availability is the most important attribute for Chinese, healthy choice is more important for Malays and Indians.



Conclusion: How can we encourage the purchase of bottled/carton milk via online channels?



- Currently online penetration stands at 3 in 10 people purchasing milk online and 1 in 10 purchasing only online which is expected to stay the same in future as those who are looking to purchase more are equal in number as compared to those who are willing to decrease.
- A healthy discount of 5% to purchase online is expected to lure most number of offline shoppers to purchase online.
- Making online shopping for milk easier, more convenient and providing fresher stock can also increase the online uptake of bottled / carton milk.

Want to learn more about us ?

Vodus pioneers the effortless One-question Media Tracking Online Survey (OMTOS) methodology that enables 17 million Malaysians to be surveyed across the online media network of the largest media groups in Malaysia (Astro, Media Prima, The Star) to obtain market insights that are faster, more representative, accurate and cost effective.

For more information please visit:

<https://vodus.com>

Our Solutions

By having vast amount of market data on Malaysian consumers, we are in prime position to help businesses grow and gain market share through our solutions.

Insights Solutions:

1. Product Test
2. Target Market Research
3. Brand Health Tracker
4. Marketing Campaign Impact



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