

How APAC Businesses Can Address the Challenging Commerce Forecast in 2023

Adapting to the Needs and Habits
of the Omnichannel Consumer

In our hyperdigitalised world of omnichannel commerce, consumers now have a wide variety of ways to shop and pay across an increasing number of channels. In this environment, it is crucial for businesses to offer a seamless commerce and payment journey in order to capture sales and remain competitive.

A NielsenIQ study found that **79% of Asia-Pacific (APAC) consumers are omnishoppers** who are no longer geographically bound in their spending. Some businesses in the region are finding it difficult to deliver an adequate, omnichannel experience to these consumers due to disjointed operational processes. **Recent Forrester® research commissioned by Fiserv** revealed that one in four APAC businesses (25%) cite a lack of seamlessness in internal processes as a key reason for dissatisfaction with their current omnichannel payment capabilities.

Getting the omnichannel experience right will be even more essential in 2023, when economic headwinds such as higher interest rates and slower global trade growth are likely to impact the purchasing habits of APAC consumers. The Fiserv-commissioned research showed more than three in five consumers (62%) are highly likely or certain to consider taking their business elsewhere if their payment expectations go unmet, while nearly half (44%) indicated they would reduce spending if they were unable to use their preferred payment channels.

Those consumer sentiments heighten the need for businesses to invest in both the right analytical tools to understand consumers' behaviour and the right technology to enable a simple and frictionless payment experience. Businesses that deliver the right mix of payment methods and payment channels, aligned to market demands, will be positioned to succeed in an increasingly challenging landscape.

Adapt to Changing Consumer Habits by Leveraging Data-Driven Insights

The same research showed that APAC consumers use both digital and in-person payment methods interchangeably and on a regular basis, employing payment tools from mobile apps and wearable devices to cash, cards and QR codes. Given the ever-expanding number of payment options available to consumers, it has never been more important for businesses to allow consumers to pay using the method they prefer and to ensure these experiences are both frictionless and rewarding. To best accommodate consumer choice and capture the most sales, businesses will benefit from leveraging data tools to better understand their customers and identify where they need to adapt.

Businesses in APAC already demonstrate their awareness of these potential benefits and are taking action. By prioritising their investments in data integration and analytics to gain data-driven insights, businesses will be empowered to deliver the right offerings to customers at the right moment. At least half of APAC businesses have indicated they will increase their investment in targeted interactions, dashboard views, granular reporting and integration with customer loyalty programs to facilitate a data-driven approach to understanding customers in the coming year, informing purchasing journeys that truly delight consumers.

Drive Positive Impact Through Omnichannel Capabilities

As **APAC continues to be a fast-growing hub for innovation in commerce and payments**, it is imperative for businesses to realise the value of adopting omnichannel capabilities to stay ahead of the curve. In-store shopping or browsing is still a key part of the purchasing journey, even when that journey begins or ends online, so it is important to provide a unified experience across digital and physical touchpoints.

According to the Fiserv-commissioned research, in APAC, 71% of businesses said that omnichannel commerce capabilities enabled them to offer more choices and convenience to customers. That yielded

a positive impact on revenue by reducing shopping cart abandonment (49%), increasing purchases (41%) and enabling cost and operational efficiencies (34%). Furthermore, omnichannel payment methods have become a crucial component of customer engagement strategies, with 66% of businesses rating them a high or critical priority now, compared to only 24% before the COVID-19 pandemic.

With the growth of eCommerce increasing within the region, it is key for companies to move beyond the unnecessary complexities of working on multiple platforms, partnering with various third-party providers to manage payment channels and data integration. Businesses will benefit from an omnichannel approach that delivers unified, data-driven insights and enables the choice and convenience the customer expects, while still maintaining management efficiency in areas such as payment processing and fraud management.

Bolster Consumer Trust and Data Security

While the Fiserv-commissioned research reveals that nearly four in five APAC businesses (77%) are working to improve data security for payment processing, fraud detection and mitigation, and regulatory compliance in the next 12 months, it's important to make sure stronger security and compliance initiatives don't compromise the consumer experience. Nearly one in three consumers (31%) have been challenged by slow action taken on unauthorised transactions, while nearly one in four (24%) cited inconvenience caused by denied payment transactions and errors.

Consumer trust and data privacy concerns impact purchasing decisions and ultimately affect an organisation's reputation and revenue. As such, it is paramount for businesses to build a solid security foundation that goes beyond compliance to bolster customer trust while still delivering a great consumer experience.

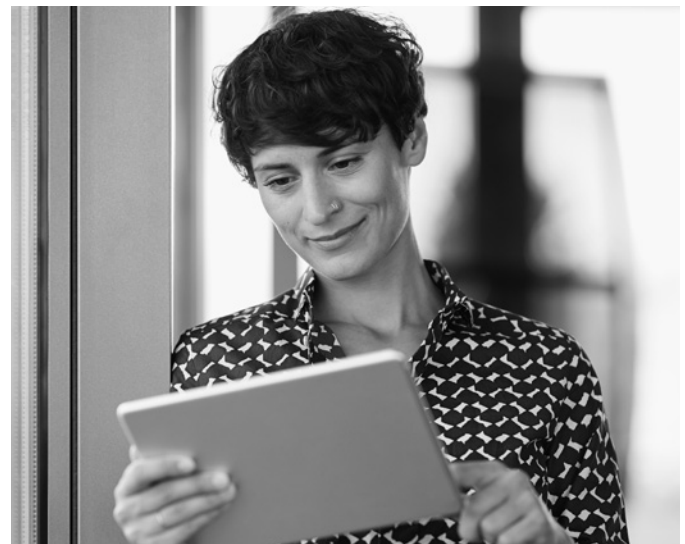
Optimise Customer Journeys for Global and Local Commerce

In the wake of rapid digitisation and globalisation, APAC businesses have found themselves at the crossroads of global commerce, which means that, for those businesses expanding across borders, it is crucial to meet unique customer expectations in multiple markets.

Following the COVID-19 pandemic recovery, borders have reopened and international travel has picked up, presenting a renewed opportunity for businesses to ensure that travellers are able to make payments easily. This includes expanding their acceptance of overseas digital payments for international customers so they can transact in their local languages and currencies.

In addition, international businesses looking to scale by attracting consumers from other markets must provide familiar payment options for online purchases.

As the global landscape continues to evolve, consumer behaviour and expectations will follow suit. Businesses that leverage data-driven insights to create personalised experiences that span channels and geographies, built on an efficient and secure operational foundation, will be equipped to compete both locally and globally. Getting the omnichannel commerce experience right positions businesses to succeed no matter what changes the year brings.



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