An Industry Report of the Mar-Tech Landscape in Taiwan

Table of Contents

Introduction and Note from Author:

In this report, you will learn how SparkLabs Taipei views the digital marketing environment and overall Mar-Tech industry in Taiwan, trends we observe in the use of marketing technology, case studies of marketing technology, and how SparkLabs Taipei's accelerator program actually helps Mar-Tech startups scale and grow their business.

Specifically, we will deep dive into not only the trends we observe, but also the different classifications and uses of marketing technology in a rapidly changing environment due to the rise of e-commerce and new social platforms, especially during the post-COVID era. Furthermore, we will discuss 3 specific case studies of SparkLabs Taipei Mar-Tech portfolio companies, and how we have helped them grow and scale in terms of human resources, market development, venture capital funding, and other resources.

The 3 companies we will cover are Influenxio, OakMega, and Tresl. Besides sharing how SparkLabs Taipei has helped them grow, we will discuss our investment philosophy. Ultimately, we want to provide a holistic view with key insights for Japanese startups interested in Taiwan.

SparkLabs Taipei's accelerator program, and our investment thesis:

SparkLabs Taipei is part of the SparkLabs accelerator network — a global accelerator network founded by entrepreneurs, for entrepreneurs. Established in 2017, SparkLabs Taipei offers a strategically designed accelerator program to help founders grow and scale their startups into world-class businesses. We believe that in order to solve the world's toughest problems with significant scale and sustainable impact, it is crucial for the business model to be embedded with a global mindset from day one.

Our 3-month accelerator program provides seed capital to early stage startup teams. In addition, they have access to our global network of mentors and weekly training sessions. During their time in the accelerator program, startups fully focus on optimizing their products and services, fine-tuning their business models.

We believe that data mastery is the key to the future. Located in the heart of Asia's technology hub, SparkLabs Taipei has strong industry connections from hardware manufacturing to big data and artificial intelligence technologies.

Chapter one: The background of Mar-Tech Industry in Taiwan

Taiwan's high internet penetration rate and social media usage makes it an excellent place for Mar-Tech experimentation and development
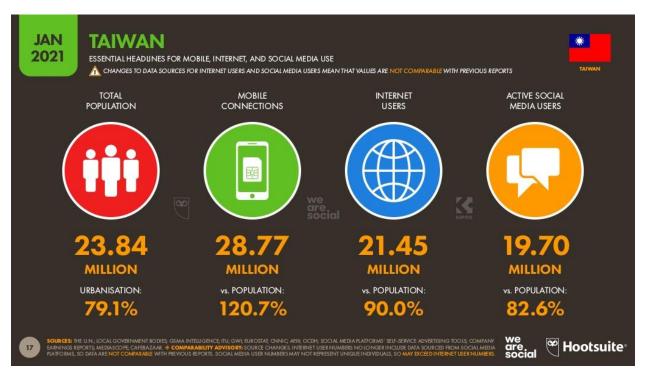
The word "Mar-Tech" was first coined by Scott Brinker in 2011. Since then, there has been a vast increase in marketing technology software being developed and used in the marketing industry. Now more than ever, Mar-Tech is increasingly relevant due to the post-COVID 19 era, as many consumers are shifting from offline to online. Here are a few observations and background information of the Mar-Tech environment in Taiwan.

1. High Internet, social media, and cellphone penetration

Taiwan has a high internet penetration rate of 90%, social media penetration rate of 82.6%

According to the [Social Media Trends 2021 Report from Hootsuite](#), a leading social media management platform[1], Taiwanese people are highly active on social media, with 82.6% of the population using social media that almost doubled the global penetration. Moreover, in Taiwan, the mobile phone connection rate is 120.7%, which is far higher than the global average, 66.6%.

---

[1] About Hootsuite: Based in Vancouver, Hootsuite has close to 1,000 staff members in 13 locations, including Toronto, Bucharest and Mexico City. The company has more than 16 million users in over 175 countries.

TAIWAN

JAN 2021

ESSENTIAL HEADLINES FOR MOBILE, INTERNET, AND SOCIAL MEDIA USE

⚠ CHANGES TO DATA SOURCES FOR INTERNET USERS AND SOCIAL MEDIA USERS MEAN THAT VALUES ARE NOT COMPARABLE WITH PREVIOUS REPORTS

TOTAL POPULATION	MOBILE CONNECTIONS	INTERNET USERS	ACTIVE SOCIAL MEDIA USERS
23.84 MILLION	28.77 MILLION	21.45 MILLION	19.70 MILLION
URBANISATION: 79.1%	vs. POPULATION: 120.7%	vs. POPULATION: 90.0%	vs. POPULATION: 82.6%

SOURCES: THE U.N.; LOCAL GOVERNMENT BODIES; GSMA INTELLIGENCE; ITU; GWI; EUROSTAT; CNNIC; APJII; OCDH; SOCIAL MEDIA PLATFORMS' SELF-SERVICE ADVERTISING TOOLS; COMPANY EARNINGS REPORTS; MEDIASCOPE, CAFEBAZAAR. ❖ COMPARABILITY ADVISORY: SOURCE CHANGES. INTERNET USER NUMBERS NO LONGER INCLUDE DATA SOURCED FROM SOCIAL MEDIA PLATFORMS, SO DATA ARE NOT COMPARABLE WITH PREVIOUS REPORTS. SOCIAL MEDIA USER NUMBERS MAY NOT REPRESENT UNIQUE INDIVIDUALS, SO MAY EXCEED INTERNET USER NUMBERS.

we are social · Hootsuite®

DIGITAL AROUND THE WORLD

JAN 2021

ESSENTIAL HEADLINES FOR MOBILE, INTERNET, AND SOCIAL MEDIA USE

INTERNET USER NUMBERS NO LONGER INCLUDE DATA SOURCED FROM SOCIAL MEDIA PLATFORMS, SO VALUES ARE NOT COMPARABLE WITH PREVIOUS REPORTS

TOTAL POPULATION	UNIQUE MOBILE PHONE USERS	INTERNET USERS*	ACTIVE SOCIAL MEDIA USERS*
7.83 BILLION	5.22 BILLION	4.66 BILLION	4.20 BILLION
URBANISATION: 56.4%	vs. POPULATION: 66.6%	vs. POPULATION: 59.5%	vs. POPULATION: 53.6%

SOURCES: THE U.N.; LOCAL GOVERNMENT BODIES; GSMA INTELLIGENCE; ITU; GWI; EUROSTAT; CNNIC; APJII; SOCIAL MEDIA PLATFORMS' SELF-SERVICE ADVERTISING TOOLS; COMPANY EARNINGS REPORTS; MEDIASCOPE. *ADVISORIES: INTERNET USER NUMBERS NO LONGER INCLUDE DATA SOURCED FROM SOCIAL MEDIA PLATFORMS, SO VALUES ARE NOT COMPARABLE TO DATA PUBLISHED IN PREVIOUS REPORTS. SOCIAL MEDIA USER NUMBERS MAY NOT REPRESENT UNIQUE INDIVIDUALS. ❖ COMPARABILITY ADVISORY: SOURCE AND BASE CHANGES.

we are social · Hootsuite®
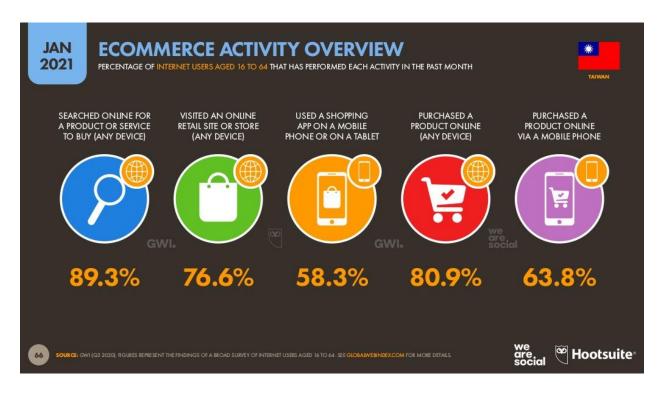
4

2. LINE is the most popular app in Taiwan

LINE is the most popular app in Taiwan as the ranking is followed by active users according to the Social Media Trends 2020 Report from Hootsuite. LINE entered the Taiwan market in 2012 with Gwei Lun-mei celebrity spokesperson. The LINE group has various services such as Line Out, LINE Pay, Line Today, Line Mobile, Line Shopping, Line Travel, LINE TOWN, Popcorn Buzz, LINE PLAY, LINE Maps, LINE Antivirus, LINE Tools, and LINE Store. And LINE Pay has also become the core role of LINE Group in developing mobile payment services in Taiwan as ranking in Taiwan.

Within 10 years, the number of LINE Pay users in Taiwan has exceeded 8.7 million in 2021 and The LINE POINTS ecosystem formed through LINE Pay has become the most popular point ecosystem in Taiwan.

#	APP NAME	PARENT COMPANY	#	GAME NAME	PARENT COMPANY
01	LINE	LINE	01	ARENA OF VALOR	TENCENT; SEA; NETMARBLE
02	FACEBOOK	FACEBOOK	02	CANDY CRUSH SAGA	TENCENT; ACTIVISION BLIZZARD
03	FACEBOOK MESSENGER	FACEBOOK	03	POKÉMON GO	NIANTIC
04	INSTAGRAM	FACEBOOK	04	QQ SPEED	TENCENT; SEA; VNG
05	SHOPEE	SEA	05	PUBG MOBILE	TENCENT; VNG; REKOO; KRAFTON
06	WHOSCALL	NAVER	06	KARTRIDER RUSH+	NEXON
07	WECHAT	TENCENT	07	MERGE SNAKE	WEIPAI
08	FOODPANDA	DELIVERY HERO	08	LEAGUE OF LEGENDS: WILD RIFT	TENCENT; VNG; TAIWAN MOBILE
09	MIXERBOX	MIXERBOX	09	LINE BUBBLE 2	LINE
10	FAMILYMART	FAMILYMART	10	FREE FIRE	SEA

3. 22% online sales increased from offline

With mobile pay and electronic payment becoming popular in Taiwan, E-commerce platforms also grow much faster than in any previous year. Based on the Social Media Trends 2021 Report from Hootsuite, the percentage of Internet users aged from 16 to 64 use mobile devices more than desktop computers to purchase online. Over 80% of internet users have shopped via e-commerce and visited online retail stores at any device. The top ten of the Taiwan E-commerce websites are Shopee, PChome, Momo, Ruten, Yahoo, Books.com, Rakuten, Life Market, Pcone, and Eastern Home Shopping. The rapid growth of online channels of entity retail shops, coupled with the COVID-19 epidemic, has driven Taiwan's online sales to rise 22% from offline in the Q1 to Q3 of 2020 compared to the same period last year. Therefore, more and more companies invested more funding in developing Mar-tech technology to increase profit and market share.

In the next section, we will cover SparkLabs Taipei's observation on the trends of the Mar-Tech industry.

Chapter two: Trends of Mar-Tech Industry and Case Studies

With the huge increase in consumers going digital, their online footprint is increasingly more important for brands and companies. Currently, consumer online footprints are becoming more fragmented as there are numerous social media platforms and web browsers. As the customer experience becomes omnichannel, the management of this data is not only important but also necessary — companies will need to collect data across multiple channels.

Leveraging customer data in marketing is critical in order to increase customer lifetime value and decrease customer acquisition costs. As marketing budgets shift from traditional advertising to digital advertising, companies are looking for more marketing technology and AI solutions to create a more precise and individualized marketing.

Here we will share three trends we see in the MarTech Industry and case studies of SparkLabs Taipei's portfolio companies in the Mar-Tech field.

1. Influencer Marketing become professional focus

The Value chain of Influencer Marketing is mature and divides into segment markets to become a professional focus.

As the cost of offline customer conversion increases and the appeal of shopping in physical stores diminishes, businesses are turning to other avenues of marketing. Influencer marketing has been on the rise as businesses are seeing a higher return; this is partly due to the fact that consumers' behavior is affected by the influencers they follow. Furthermore, the cost of endorsements by celebrities are costly, and thus SMEs are unable to pay for the high costs of celebrity endorsements. Influencer marketing provides SMEs an opportunity to reach a wider audience at a lower cost.

Recently, Taiwanese audiences are consuming more audio and video content online due to the rise of platforms such as YouTube and other podcast-related platforms. Furthermore, research shows that people remember 70% of the audio and video content they consume. Thus, businesses are spending more advertising budget on video and audio-related marketing content. In order to maximize their advertising dollars, many businesses are choosing to cooperate with internet influencers. For example, "This Group Of People" focuses on a series of films including classics proverb, micro-movie, and movie-trailer that created a multi-million dollar business from their influences and also create value for SMEs. "This Group of People" achieved the highest number of subscribers in Taiwan now, exceeding 3 million subscriptions.

The influencer market is a long-tail business. The top Key opinion leaders advertising fee is always expansive. On the other side, lots of micro-influencer also have value to customers with the affable budget for SMEs to cooperate with. As a definition of micro-influencer, A micro-influencer is someone who has between 1,000 to 100,000 followers. Micro-influencers focus on a specific niche or area and are generally regarded as an industry expert or topic specialist.

In Taiwan, Influenxio, a micro influencer marketing platform, provides a platform for business owners to easily subscribe influencer marketing solution. From discovery down to payment, Influenxio's platform allows for seamless collaboration between brands and influencers at scale. By focusing on micro influencer marketing, Influenxio helps small businesses reach new customers through the long tail effect.

The founder of Influenxio used to be in charge of the advertising business unit at Google Greater China. He realized that most Mar-Techs are mainly providing digital marketing services for large enterprises, but the global market of nearly 400 million SMEs is not being served. He found micro-influencer marketing will become a big market. Thus, he founded Influenxio to solve the problem of how to effectively match micro-influencers with SMEs.

SMEs did not have the channels, strategies, or budgets that large corporations have. Thus, micro influencer marketing can help them increase their top line without th need to spend massive marketing dollars. Through Influenxio's platform, SMEs can easily connect with micro influencers from all industries, including food, travel, and lifestyle influencers. SMEs can easily browse Influenxio's platform and recruit influencers within their budget. Furthermore, Influenxio's self-developed technology automatically recommends and proactively finds suitable micro influencers within a specific geographic location.. This significantly reduces the time and labor, and also meets the marketing budget of the store.

Influenxio's service has attracted 100,000 creators and over 5,000 registered micro influencers since its launch one year ago. Influenxio has not only served SMEs, but has also registered many famous brands. During the pandemic, Influenxio also cooperated with the government and caterers, helping small caterers match with influencers to promote their food, thus reducing the revenue lost during the pandemic. In addition, Influexio regularly tracks the effectiveness of SMEs marketing campaigns and helps them reach their marketing goals.

SparkLabs Taipei is Influenxio's first institutional investor, assisting the team in developing products, doing user interviews to collect product feedback, and helping the team recruit talent in the early stages. Influenxio has started to enter the Japanese market in just one year, and its growth and expansion is quite promising.

2. Social CRM well capture data across platforms

Social CRM systems that are able to capture data across platforms will be the key for businesses to better engage with their customers.

With consumers spending a lot of time across many different social platforms, we observe that consumer data is becoming scattered. It is difficult for businesses to track customer behavior across these platforms. Therefore, Social CRM's with the ability to track and integrate customer data across platforms, analyze audiences and produce key insights, and automate the marketing process will become the new trend.

As people migrate to messaging apps from traditional communication channels like email and SMS, businesses face challenges in understanding their customers' behaviors on these messaging platforms. Currently, no CRM solutions have been able to capture customer data on messenger applications. Furthermore, with major browsers and big tech companies starting to limit data access rights for cross-application usage, businesses are potentially losing hundreds of millions of dollars due to missing customer data.

OakMega's Social CRM solution helps businesses reclaim missing customer data by acquiring, engaging, and retaining customers through native messenger apps. First, OakMega covers traditional channels such as email and browsers, but also includes real-time customer data from messaging apps. Using the solution's deep link and AI mapping mechanism, users can match known and unknown visitors across applications and aggregate all of the scattered data into their platform, giving companies a holistic view of their customers. Next, their engagement system, which includes a segmented content builder, live chat, chatbot, and other online-merge-offline modules, gives brands multiple ways to engage with customers. Finally, their analytics studio and auto-tagging system give business owners the ability to identify high-value members for customer retention campaigns.

OakMega is the first social CRM to empower businesses to build first-party omnichannel data and reclaim their missing customer data, allowing them to understand their customers better, independent of any cookie policy changes. Their solution takes just 15 minutes to activate, and works with multiple communication channels, including LINE, Telegram, Email, SMS, and all Internet browsers.

A leading diaper brand achieved tremendous results within the first six months of implementing OakMega's Social CRM solution. This client wanted to activate and engage with customers in their current CRM database. With OakMega, they were able to segment their customers into 13 different journeys, which were respectively targeted with unique promotions directly through LINE, leading to a doubling of the registration rate and an increase in MAU by 30%. OakMega's

clients span different industries. They currently work with premium brands in the retail, pharmaceutical, real estate, gaming, and other sectors. Collectively, OakMega has accumulated over 90M first-party omnichannel data entries.

As the first institutional investor of OakMega, SparkLabs Taipei helped the team to establish a solid business development process and sales pipeline. Furthermore, we helped pivot their sales process from referral-based to outbound-focused. In addition, SparkLabs Taipei also introduced LINE, a communication software, and Salesforce, a leading CRM brand, to become a solution partner to jointly serve more corporate brands.

3. Data-driven marketing approach is the key

As customer acquisition costs are on the rise, brands need to become more data-driven in their marketing approach.

E-commerce has fundamentally changed the way people shop and buy, with over 2 billion digital customers and an estimated 12 to 24 million e-commerce sites across the globe in 2020. Shopify, the fastest growing e-commerce platform, has been a major driver of e-commerce trends, hosting over a million brands and 300M shoppers.

While Shopify has made it easy for businesses to sell online, many brands struggle to use their business data to make smarter marketing decisions and convert more customers, ultimately leaving money on the table. This is because the digital customer journey is complex with hundreds of touchpoints across internet browser sessions, email, social media, and other marketing channels.

Although brands are allocating increasing budgets for marketing, marketing expenditures often have a minimal impact on sales. In fact, the top 10% of Shopify stores alone probably spend a combined $6B on marketing each year. With customer acquisition costs on the rise, e-commerce brands need to spend their marketing dollars more wisely and efficiently in order to reach and convert more customers. Tresl levels the playing field by empowering brand owners with a deeper understanding of their data.

How does it work? E-commerce brands may install Segments Analytics directly via the Shopify App store. After a one-click, simple installation, Segments Analytics accesses the brands' Shopify store data and automatically pre-builds 30+ different customer segments based on RFM and customer lifetime value across their customers' entire purchasing lifecycle.

Tresl did not have any staff in Taiwan before joining SparkLabs Taipei. After joining the gas pedal program, we first provided office space to help recruit and recommend talent. Finally, we worked with the team to develop a fundraising strategy, connecting Tresl with strategic investors from home and abroad to help Tresl complete its first round of fundraising within three months.

Conclusion: Marketing environment and trends in Taiwan are suitable for startups.

With the exponential increase in online and social usage after the COVID-19 outbreak, the future of the Mar-Tech industry is promising and SparkLabs Taipei believes that more brands and industries will accelerate their digital transformation from traditional marketing practices. Influencer marketing, cross-platform data CRM systems, and precise segmentation of customers through e-commerce data are the future trends of marketing technology.

Moreover, with the high internet penetration rate and more than 88% of the population is active in social media in Taiwan, the marketing environment in Taiwan is a suitable market for MarTech startups to perform testing and develop new marketing technology features and products.

With SparkLabs Taipei's resource, experience and expertise, we believe we are one of the best partners for international startups to expand to the Taiwan market. If you are interested in learning more how to partner with SparkLabs Taipei, please contact SparkLabs Taipei or follow us on our social media channels:

> Website
> Facebook Fanpage
> Twitter
> Instagram
> LinkedIn
> YouTube

Or email us at info@sparklabstaipei.com.

About SparkLabs Taipei

SparkLabs Taipei is part of the SparkLabs accelerator network — a global accelerator network founded by entrepreneurs, for entrepreneurs. Established in 2018, SparkLabs Taipei offers a

strategically designed accelerator program to help founders grow and scale their startups into world-class businesses. Since our inception, we've already invested in and accelerated 26 startups. We believe that in order to solve the world's toughest problems with significant scale and sustainable impact, it is crucial for the business model to be embedded with a global mindset from day one.

Appendixes

1. [2020 上半年台灣 AI 生態系地圖，後疫情時代浮現的新機會](#)

2. [訂閱制、CDP、Martech 將成顯學，DMA 發表 2020 台灣行銷趨勢觀察](#)

3. [2020 年台灣數位行銷趨勢及機會](#)

4. [2019 Martech 行銷科技 3 趨勢：個人化應用、CDP、ABM 行銷模式](#)

5. [Research Reports](#)

6. [我是品牌主，為什麼我需要了解 CDP ？](#)

7. [網紅經濟的興起與生態圈懶人包](#)

8. [2020 行銷趨勢預測（上）](#)

9. [2020 行銷趨勢預測（下）](#)

10. [網紅經濟當道 如何搭配 KOL 讓行銷起飛？](#)

11. [Digital Report 2020 台灣報告，台灣網路生態大解析！](#)

12. [圖解 FB、IG、YT「個性」，百大網紅稱霸社群平台的 4 個關鍵是什麼？](#)

13. [Mobile and Broadband Penetration Rate](#)

14. [第一方資料（First-Party Data）：企業所需最接近真相的數據分析](#)

15. [「大數據，大解密」社群互動數據豐富 CRM　客戶關係管理新篇章 – 會後整理](#)

16. [抓住微網紅長尾的無限商機！圈圈科技提供一站式網紅行銷媒合平臺](#)

17. [What is Influencer Marketing: An in Depth Look at Marketing's Next Big Thing](#)

18. [Social Media Influencers: Mega, Macro, Micro or Nano](#)

19. [Three Martech Trends You Should Know in 2020](#)