



PanPages' journey into online search

It has gone from printed directories to online versions while keeping its focus on being a platform that connects buyers with sellers



by Caiyn Yap



photos by Muhammad Hazim Izam

THE days when you scramble to look for a phone directory to search for industrial and commercial products or services are long gone. Now, technology is so advanced that a world of information is available at our fingertips.

This is something that PanPages has had to grapple with as it evolved from its early days in 1989, publishing industrial directories to become a listed company in the business search and online directory sector.

Transitioning from a traditional business to one that revolves around virtual space can be daunting as many small companies can attest to. *FocusM* speaks with PanPages Bhd group CEO Fong Wai

Leong to gain insights and advice on how SMEs can learn from its successful foray into the online world.

For PanPages, the digital journey was an interesting one. Its transformation did not just encompass embracing technological advances, it also leveraged on its business partners' experiences and strengths to further grow as a sustainable business with expertise.

With the advent of the Internet age, PanPages changed its medium to remain relevant in the Southeast Asian market, but what has remained constant is its focus to be a platform that connects buyers with sellers. It has been serving more than 20,000 SMEs in this way for the past 25 years.

The company began shifting its focus to virtual space five years ago, as it became increasingly evident that the future lies with the Internet.

Changing the culture

The biggest challenge PanPages faced was changing the mindset of its employees. Fong says: "We had to acknowledge we needed to change to survive. The moment the mindset to go online was there, we booked all the domain names for Southeast Asia to get the branding correct."

"We changed the branding from SuperPages.com.my to PanPages.com because PanPages was new and it was easy to register the name immediately."

However, the change did not stop there. The next step was changing the culture of employees and customers from inside out. At that time, the staff were predominantly from the print side who have been working with the company for more than a decade. On the other hand, there were younger staff who adapted easily to the online strategy.

To align and merge these two separate staff profiles was a challenge, and it took two years of adjustment to find the right balance.

"The first year we had people selling print, online, third-party pages; basically teams for every different aspect of our business. After years of trial and error, we found the solution. We realised we didn't change in that we've always been helping SMEs to connect with buyers and we're still doing that."

"And how we did it was by accumulating their marketing materials, creating content and distributing it. So we got the content marketing right, and the moment



PanPages' chief revenue officer Christopher Ng (left) and Fong say going online is merely changing the medium of the company's core business of connecting SMEs with buyers

we did that, the understanding between the different teams were aligned," Fong shares.

The change in culture also necessitated a physical change, and PanPages renovated the office to reflect its conviction that the Internet is the future by incorporating aspects of Silicon Valley with Korean work ethics.

Fong stresses that all these changes were part of the mindset change. To get people to think creatively and innovatively, he says, the workplace has to be flexible and not stick rigidly to old practices.

The online shift was a difficult decision for PanPages as it went through what Fong calls the "cannibalisation of business" in print and online.

He explains: "It was hard but we allowed nature to take its course. If the online business cannibalised our print [business], so be it. We just had to make

sure that we grow our online business a lot faster than our print.

Focusing on the future

"We have to keep thinking of what we want to become in five years to stay ahead of the curve, to see how we further work with our partners and how we can fit into their ecosystem. That became quite complicated and was quite scary at the same time."

What PanPages did was to complement the big players instead of competing with them head-on. "When customers come to our platform, depending on which location they want to target, the company will suggest the right 'train' to let them reach their customers."

This business model, Fong says, has proven to be very successful for the company and customers are becoming more receptive to online marketing.

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comman or fly-by-night [operator]. And you can't sustain that. You have to be online, you have to have conversations, and then your customers will know you."

Even now, the company still spends a lot of time educating the SME market, and has held close to 40 workshops and seminars this year alone. Fong says a lot of education is necessary for SMEs because these smaller companies know they need to go online but may have the wrong perceptions or lack the right access points or approach.

"A lot of SMEs open up a website with RM20,000, having the most beautiful flash interface. But they don't do anything with it. In the end they'll say it doesn't work, which accounts for lower adoption by local SMEs, but that's changing slowly."

"We also have a starter pack for companies which have never tried online before; we don't make a lot of money but it's to incentivise them to try it out."

"When they see results, they'll naturally want to invest further, and the beauty of Internet is that you can see the return on investment because of the analytics and you'll know what to spend on," he adds. *FocusM*

"Now they're adopting it because they're scared they'll lose out. You have to have a presence in the virtual world as soon as you can because people will be searching for you. The Internet should be the tool that SMEs use to the maximum because it gives them a level playing field."

Various pages of the PanPages website

Learning the online business from partners



Building up momentum slowly by providing value to get repeat customers is more sustainable than throwing a lot of marketing ringgit into spiking a one-time website traffic, says Fong

ATTRACTING the right partners was key to growing PanPages in a sustainable manner. In 2009, it became the sole partner in Malaysia with B2B marketplace website Alibaba.com, and in 2012 clinched a partnership with Google to be its Premier SME Partner (PSP).

In the case of Google, it sells the US multinational's advertisements under PSP. It also licenses data to them for Google Maps in Southeast Asia for all points of interest.

These collaborations have allowed PanPages to learn a lot from its Chinese and American counterparts, in terms of the way they do business and their core focus, which helped PanPages grow on its own trajectory.

From there, it expanded very quickly in Southeast Asia, and is now the largest single point of ownership with a database of eight million SMEs in the region.

"We work closely with them, and we learn a lot. It's not about the money, but the knowledge transfer that's so valuable," says PanPages Bhd group CEO Fong Wai Leong.

"We see how they do things and learn from that, by close proximity we get eased into the Internet culture and then we implement it. We don't implement it blindly but take the right aspects that fit us and build on them," he notes.

The sheer size of Alibaba and its strong focus on its niche represented a totally different approach from user-centric Google. Fong says it was by learning from the best practices of the two that PanPages could more easily become an Internet-based business.

"What we found was that Alibaba focuses on one niche and goes big on it. It taught us that it's not just about going online but about staying active online. The key takeaway is that we have to make it happen, and not to just leave it there and hope for things to grow by chance," he says.

He adds it is a continuous effort to encourage and coach SMEs to do content marketing, and that sometimes they need to be incentivised to work actively at maintaining an online presence. From Google, what PanPages learnt was that because Google's product is useful to the users, the product automatically sells itself.

Fong shares: "We also started thinking about how the user uses our page and how they want it to lower their transaction cost, and that was something we learnt by looking at the user point-of-view that Google has. We learnt as well that if you do it well and make it useful, people will naturally come back, so it was an interesting dichotomy for us."

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