

# INDONESIA

## MILLENNIALS SET TO INITIATE MARKET MAKEOVER

Indonesia is APAC's digital laggard, with relatively low levels of internet penetration among its 264 million-strong population. However, with that population set to increase by 13.4 million by 2022, its Digital Consumer Index score should rise considerably, as half of the population gains access to the internet. Of those who are already connected, 43.5 percent are digital buyers. And their numbers are expected to surge to 65.4 percent of internet users by 2022. Per capita spend on digital purchases remains at a fairly low level, just USD 31.70 per buyer. But expect that to more than double in the next five years.

72% of Indonesian consumers shop online to save time rather than money<sup>42</sup>

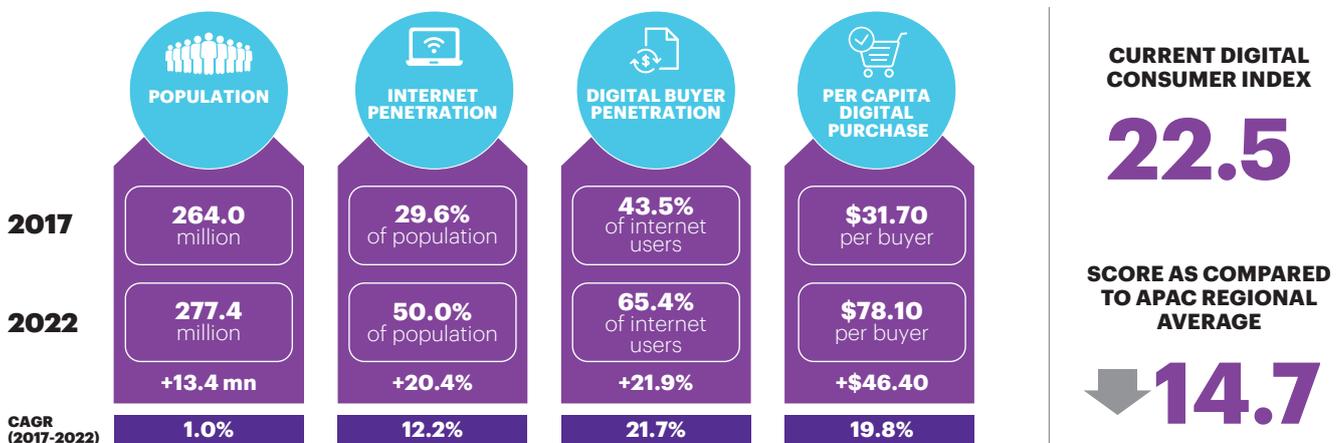
The predicted significant increase in digital commerce will be powered by Indonesia's general economic expansion. GDP growth is expected to continue at an annual average of 5 percent, providing a solid foundation for new investments in the country and increasing the disposable income of the growing

middle class (already among the world's largest). Other important drivers include the relative youth of its population, with 50 percent qualifying as millennials. With smartphone users already spending an average of 181 minutes on their devices each day (the highest amount of time anywhere in the world), there's clearly a huge opportunity for mobile commerce.

When it comes to the factors motivating the Indonesian digital shopper, a few stand out. Almost a quarter of digital consumers would be willing to pay a higher price if that ensures a wide range of options, or higher quality. At the same time, nearly half say they'd readily switch brands in line with brand-based promotions. And finally, 90 percent are eager for a seamless multichannel shopping experience.

### INDONESIA IS A DIGITAL LAGGARD IMPACTED BY LOW DIGITAL AWARENESS

56 million new digital buyer opportunity until 2022 awaits the Indonesian digital commerce market





## TRENDS

Consumers moving towards premium, multi-channel experiences, not afraid to switch between brands

### PREMIUMIZATION

**23%**

of consumers would pay a higher price if it ensures high levels of product options or quality

### SWITCH BRANDS

**47%**

of consumers would switch brand based on promotions

### MULTI-CHANNEL EXPERIENCE

**90%**

of consumers want multiple channel access to services



## DRIVERS

of digital commerce in INDONESIA

**406 mn**

MOBILE CONNECTIONS 2022

**20 mn**

GROWING MIDDLE CLASS HOUSEHOLDS 2030

**5%**  
GDP GROWTH 2016

**50%**  
MILLENNIAL 2016



## INDONESIAN SHOPPING ECOSYSTEM COMPRISE A MIX OF OFFLINE AS WELL AS ONLINE CHANNELS

Indonesian consumers prefer using digital channels across the shopping journey, however, prefer cash payments

**63%**

prefer shop for grocery shopping offline vs online

**46%**

of Indonesian millennial women prefer sourcing their grocery from multi-channels

**68%**

Indonesian consumer use social media to find good deals

**76%**

of Indonesians visit the specific store, owing to proximity

**80%**

of Indonesian shoppers read reviews on social media and research online, before they log out to make the purchases offline

**74.1%**

of Indonesian digital buyers state low price/substantial discounts trigger an impulse digital purchase behaviour

**55%**

consumers say app notifications trigger purchase intent

**65%**

of online purchases are supported by Cash on Delivery