Only 40% population in Indonesia has **bank accounts**, but 85% population has **mobile phone**

Browsing on mobile phone accounts to **661 pages** per month per person

*Highest in the world*

Mobile advertising impression is **#2 highest in the world**

*Source: SES Jakarta, 2014*
Estimated B2C eCommerce Sales in Asia-Pacific (in billions)

- 2013: $383.9
- 2014: $525.2
- 2015: $681.2
- 2016: $855.7
- 2017: $1052.9

Source: Emarketer, GoGlobe
### Estimated B2C eCommerce Sales by Country 2013-2016 (in billion)

<table>
<thead>
<tr>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>China</td>
<td>$181.62</td>
<td>$274.57</td>
<td>$358.59</td>
<td>$439.72</td>
</tr>
<tr>
<td>Japan</td>
<td>$118.59</td>
<td>$127.06</td>
<td>$135.54</td>
<td>$143.13</td>
</tr>
<tr>
<td>South Korea</td>
<td>$18.52</td>
<td>$20.24</td>
<td>$21.92</td>
<td>$23.71</td>
</tr>
<tr>
<td>India</td>
<td>$16.32</td>
<td>$20.74</td>
<td>$25.65</td>
<td>$30.31</td>
</tr>
<tr>
<td>Other</td>
<td>$1.79</td>
<td>$2.60</td>
<td>$3.56</td>
<td>$4.89</td>
</tr>
</tbody>
</table>

*Source: Insideretail*
DARI 5,3 JUTA BARANG TERJUAL DI TOKOPEDIA

Pembeli wanita: 66,28 %
Penjual wanita: 55,75 %
Pembeli pria: 33,72 %
Penjual pria: 44,25 %

Sepanjang kwartal pertama tahun 2014 (January - Maret 2014)
Figure 1
The retail e-commerce market in ASEAN

Market size
($ billion, 2013)

Vietnam $0.8
- 91 million inhabitants
- 40 million internet users
- 24 million digital buyers

Thailand $0.9
- 65 million inhabitants
- 19 million internet users
- 14 million digital buyers

Malaysia $1.3
- 30 million inhabitants
- 20 million internet users
- 16 million digital buyers

ASEAN 6 $7.0

Indonesia $1.3
- 248 million inhabitants
- 39 million internet users
- 5 million digital buyers

Singapore $1.7
- 5.5 million inhabitants
- 4.0 million internet users
- 3.2 million digital buyers

Philippines $1.0
- 97 million inhabitants
- 36 million internet users
- 25 million digital buyers

Note: Market size figures are rounded.
Sources: International Monetary Fund, eMarketer, eCommerceMILO, DigitalFilipino, Frost & Sullivan, hybris, VECITA, A.T. Kearney analysis
# Key facts about online users and shoppers in the ASEAN 6

<table>
<thead>
<tr>
<th></th>
<th>Online users</th>
<th></th>
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<th></th>
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<th>Online shoppers</th>
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<tr>
<td></td>
<td>Number of</td>
<td>% total</td>
<td>% below</td>
<td>Time</td>
<td>Time</td>
<td>Number of</td>
<td>% online</td>
<td>% using</td>
</tr>
<tr>
<td></td>
<td>users (million)</td>
<td>population</td>
<td>35 years old</td>
<td>online (hours per week)</td>
<td>spent on social media</td>
<td>users (million)</td>
<td>population</td>
<td>mobile to buy</td>
</tr>
<tr>
<td>ASEAN 6</td>
<td>158</td>
<td>29%</td>
<td>70%</td>
<td>19.4</td>
<td>29%</td>
<td>87</td>
<td>55%</td>
<td>57%</td>
</tr>
<tr>
<td>Indonesia</td>
<td>39</td>
<td>16%</td>
<td>70%</td>
<td>13.5</td>
<td>25%</td>
<td>5</td>
<td>12%</td>
<td>61%</td>
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<tr>
<td>Malaysia</td>
<td>20</td>
<td>67%</td>
<td>63%</td>
<td>16</td>
<td>32%</td>
<td>16</td>
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<td>36</td>
<td>37%</td>
<td>71%</td>
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<td>42%</td>
<td>25</td>
<td>70%</td>
<td>62%</td>
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<tr>
<td>Singapore</td>
<td>4</td>
<td>73%</td>
<td>51%</td>
<td>16.6</td>
<td>16%</td>
<td>3</td>
<td>80%</td>
<td>48%</td>
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<tr>
<td>Thailand</td>
<td>19</td>
<td>29%</td>
<td>74%</td>
<td>27.2</td>
<td>31%</td>
<td>14</td>
<td>75%</td>
<td>58%</td>
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<tr>
<td>Vietnam</td>
<td>40</td>
<td>44%</td>
<td>74%</td>
<td>26.2</td>
<td>22%</td>
<td>24</td>
<td>60%</td>
<td>58%</td>
</tr>
</tbody>
</table>

Sources: International Telecommunication Union, ComScore via UBS, Nielsen’s global survey of e-commerce (Q1 2014), eMarketer, Trend Macro, MasterCard, PayPal, VECITA; A.T. Kearney analysis
Figure 5

ASEAN’s market potential is huge

**Market size**
($ billion)

<table>
<thead>
<tr>
<th>Country</th>
<th>Market Size</th>
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<tbody>
<tr>
<td>Indonesia</td>
<td>1.3-1.5</td>
</tr>
<tr>
<td>Malaysia</td>
<td>1.3</td>
</tr>
<tr>
<td>Philippines</td>
<td>1.0-1.5</td>
</tr>
<tr>
<td>Singapore</td>
<td>1.7</td>
</tr>
<tr>
<td>Thailand</td>
<td>0.9</td>
</tr>
<tr>
<td>Vietnam</td>
<td>0.8</td>
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</table>

**Estimated e-commerce growth rate**

<table>
<thead>
<tr>
<th>Region</th>
<th>Growth Rate</th>
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<tbody>
<tr>
<td>China</td>
<td>25%</td>
</tr>
<tr>
<td>ASEAN 6</td>
<td>25%</td>
</tr>
<tr>
<td>United States</td>
<td>11%</td>
</tr>
<tr>
<td>EU 5</td>
<td>10%</td>
</tr>
<tr>
<td>Japan</td>
<td>6%</td>
</tr>
</tbody>
</table>

Notes: ASEAN 6 includes Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Vietnam. EU 5 includes the European Union’s five largest economies: Germany, France, the United Kingdom, Italy, and Spain.

Sources: eMarketer; A.T. Kearney analysis
Kontribusi Transaksi Ritel Online Indonesia (%)

Sumber: Bank Indonesia 2016
### Jumlah Pengguna Internet dan Pembeli Online - 2016

<table>
<thead>
<tr>
<th>Negara</th>
<th>Jumlah Pengguna Internet Aktif (Juta)</th>
<th>% Total Populasi</th>
<th>Jumlah Pembeli Online (Juta)</th>
<th>% Total Populasi Online</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASEAN-6</td>
<td>245.8</td>
<td>44%</td>
<td>182.61</td>
<td>74%</td>
</tr>
<tr>
<td>Indonesia</td>
<td>88.1</td>
<td>34%</td>
<td>70</td>
<td>79%</td>
</tr>
<tr>
<td>Malaysia</td>
<td>20.62</td>
<td>68%</td>
<td>15.27</td>
<td>74%</td>
</tr>
<tr>
<td>Filipina</td>
<td>47.13</td>
<td>46%</td>
<td>29.42</td>
<td>62%</td>
</tr>
<tr>
<td>Singapura</td>
<td>4.65</td>
<td>82%</td>
<td>3.22</td>
<td>69%</td>
</tr>
<tr>
<td>Thailand</td>
<td>38</td>
<td>56%</td>
<td>29.94</td>
<td>79%</td>
</tr>
<tr>
<td>Vietnam</td>
<td>47.3</td>
<td>50%</td>
<td>34.76</td>
<td>73%</td>
</tr>
<tr>
<td>Product Name</td>
<td>Price</td>
<td>Discount</td>
<td></td>
<td></td>
</tr>
<tr>
<td>---------------------------------</td>
<td>---------</td>
<td>----------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ovomaltine Crunchy Cream 380gr</td>
<td>Rp 89,999</td>
<td>-36%</td>
<td></td>
<td></td>
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<tr>
<td>Bimoli Special Minyak Goreng Refill 1 Liter</td>
<td>Rp 17,250</td>
<td>-5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Naraya Oat Choco - 400 gr</td>
<td>Rp 25,900</td>
<td>-39%</td>
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<tr>
<td>Teh Pucuk Harum Melati - 350ml - Kart...</td>
<td>Rp 52,000</td>
<td>-30%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Samyang Spicy Chicken Roasted No...</td>
<td>Rp 75,699</td>
<td>-31%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Samyang Ramen Hot Spicy Chicken - 5pcs</td>
<td>Rp 75,700</td>
<td>-50%</td>
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<tr>
<td>Nestle Nestum Coklat Sachet</td>
<td>Rp 85,000</td>
<td>-15%</td>
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</tr>
<tr>
<td>Bakmie Mewah Ayam - 110 gr - Karton Isi 24</td>
<td>Rp 160,000</td>
<td>-11%</td>
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<td></td>
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<tr>
<td>Maich Lv. 10 Keripik Singkong Set [2 Pcs]</td>
<td>Rp 40,000</td>
<td>-20% OFF</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indomie Mie Kari Ayam [72 g x 10 pcs]</td>
<td>Rp 31,600</td>
<td>-20% OFF</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indomie Mie Goreng Special [8...g x 10 pcs]</td>
<td>Rp 39,200</td>
<td>-14% OFF</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Secaap Minyak Goreng [2000 mL]</td>
<td>Rp 45,700</td>
<td>-11%</td>
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</tbody>
</table>
MANFAAT e-COMMERCE

- Revenue stream baru
- Market exposure, melebarkan jangkauan
- Menurunkan biaya
- Memperpendek waktu product cycle
- Meningkatkan customer loyalty
- Meningkatkan value chain
## Top 25 Countries, Ranked by Internet Users, 2013-2018 (millions)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
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<tbody>
<tr>
<td>1. China*</td>
<td>620.7</td>
<td>643.6</td>
<td>669.8</td>
<td>700.1</td>
<td>736.2</td>
<td>777.0</td>
</tr>
<tr>
<td>2. US**</td>
<td>246.0</td>
<td>252.9</td>
<td>259.3</td>
<td>264.9</td>
<td>269.7</td>
<td>274.1</td>
</tr>
<tr>
<td>3. India</td>
<td>167.2</td>
<td>215.6</td>
<td>252.3</td>
<td>283.8</td>
<td>313.8</td>
<td>346.3</td>
</tr>
<tr>
<td>4. Brazil</td>
<td>99.2</td>
<td>107.7</td>
<td>113.7</td>
<td>119.8</td>
<td>123.3</td>
<td>125.9</td>
</tr>
<tr>
<td>5. Japan</td>
<td>100.0</td>
<td>102.1</td>
<td>103.6</td>
<td>104.5</td>
<td>105.0</td>
<td>105.4</td>
</tr>
<tr>
<td>6. Indonesia</td>
<td>72.8</td>
<td>83.7</td>
<td>93.4</td>
<td>102.8</td>
<td>112.6</td>
<td>123.0</td>
</tr>
<tr>
<td>7. Russia</td>
<td>77.5</td>
<td>82.9</td>
<td>87.3</td>
<td>91.4</td>
<td>94.3</td>
<td>96.6</td>
</tr>
<tr>
<td>8. Germany</td>
<td>59.5</td>
<td>61.6</td>
<td>62.2</td>
<td>62.5</td>
<td>62.7</td>
<td>62.7</td>
</tr>
<tr>
<td>9. Mexico</td>
<td>53.1</td>
<td>59.4</td>
<td>65.1</td>
<td>70.7</td>
<td>75.7</td>
<td>80.4</td>
</tr>
<tr>
<td>10. Nigeria</td>
<td>51.8</td>
<td>57.7</td>
<td>63.2</td>
<td>69.1</td>
<td>76.2</td>
<td>84.3</td>
</tr>
</tbody>
</table>

*Note: Data may not be directly comparable due to differences in methodology.*

Sumber: e-marketer 2015
FOOD-RELATED ISSUES

• EXPIRY DATE
• GENERAL ‘FOOD QUALITY’ ISSUES
• PACKAGING SPECIFICATION
• PURCHASE UNIT
• DELIVERY TIME
• DELIVERY CONTROL
• DISPUTES
• etc
4 Ps

ONLINE FOOD MARKETING
1. **Online store**
Customer visits retailer’s online store channel

2. **Shopping cart**
Retailer notified when customer places item(s) in cart

3. **Inventory**
Shopping cart updates inventory levels with projected sales

4. **Payment**
Customer makes payment; accounting system updated

5. **Shipping**
Shipping labels generated; order sent to fulfillment center
THE STAGES

SALES & MARKETING IMPACT

TECHNOLOGY

AUTOMATION

REFERRALS
Converts Leads to Customers

REPEAT BUSINESS

LEAD CONVERSION
Converts Viewers Into Leads

LEAD CAPTURE

FULL INCLUSION
Easily Viewable on All Device Types

BELONGING
Achieves Page 1 Search Engine Results

RESPECT
Generates Respect for Business

SAFETY
Does No Harm to Business
(New Website Replaces Poor or Nonexistent Website)

PMI | Hierarchy of Web Design Effectiveness™
© 2011-2012 POWER MARKETING INTERNATIONAL, LLC
CONVENTIONAL BUYING

• SEE
• TOUCH
• SMELLS
• TASTE
• DECIDE

ONLINE BUYING

• SEE
• HEAR / READ REVIEW
• CHAT
• EASY BUYING PROCEDURE
• DECIDE

4 P’s
PRODUCTS
NEED FOR REDESIGN?

• QUALITY
• SHELF LIFE
• EXTRA PACKAGING
• COSTING & PRICING
• SPECIAL LABELING

WHAT SHOULD BE CHANGED?
PRODUCT CONCEPT

Augmented product

Actual product

Core benefit
- Features
- Design
- Packaging
- Warranty
- Installation
- Quality level
- Brand name

Delivery and credit

After-sale service
EARTH’S MOST 
CUSTOMER-CENTRIC 
COMPANY

Amazon’s mission is “to be Earth’s most customer-centric company, where customers can find and discover anything they might want to buy online, and endeavors to offer its customers the lowest possible prices.”
DYNAMIC PRICING
(ONE CLICK PRICING)

DATA DRIVEN
- STOCK
- EXPIRE DATE
- COMPETITION
- IMAGE AS A “LOSS LEADER”
FLEXIBLE & SECURE PAYMENT METHODS
ONLINE PRICING

- DYNAMIC (Just one click / touch away)
- OPEN TO RETAILER AS WELL AS END USER
- TIGHT COMPETITION
- INSTANT RESPONSE FROM COMPETITORS
ONLINE ADVERTISING
Effectiveness Ratings for B2C Paid Advertising Methods

- Search Engine Marketing (SEM): 57%
- Social Ads (e.g., LinkedIn ads): 49%
- Promoted Posts (e.g., promoted Tweets): 47%
- Print or Other Offline Promotion: 46%
- Content Discovery Tools: 42%
- Native Advertising: 40%
- Traditional Online Banner Ads: 39%

2015 B2C Content Marketing Trends—North America: Content Marketing Institute/MarketingProfs
FLOW OF GOODS

Marketing Channels

- Selling Directly to Consumers
  - Producer
  - Consumer

- Selling Through Retailers
  - Producer
  - Retailer
  - Consumer

- Selling Through Wholesalers
  - Producer
  - Wholesaler
  - Retailer
  - Consumer
ONLINE TRANSACTION

1. **Online store**
   Customer visits retailer’s online store channel

2. **Shopping cart**
   Retailer notified when customer places item(s) in cart

3. **Inventory**
   Shopping cart updates inventory levels with projected sales

4. **Payment**
   Customer makes payment; accounting system updated

5. **Shipping**
   Shipping labels generated; order sent to fulfillment center
DISTRIBUTION

CONVENTIONAL

• BY SELECTED DISTRIBUTORS
• CONTROLLED FREIGHT CONDITION
• BIG QUANTITY / LOW COST
• REGULAR PACKAGING
• TRACABLE
• DESIGNATED AREA

ONLINE

• BY ONLINE STORE
• UNCONTROLLED FREIGHT CONDITION
• LOW QUANTITY / HIGH COST
• ADDITIONAL PACKAGING
• TRACABLE
• WORLD WIDE
DISTRIBUTION ISSUES

• COMPLIANCES
• LABELING
• PROPERTY RIGHT
• AGREED TERRITORY
• BRAND TERRITORY
• RESPONSIBILITY
# THE FUTURE OF FOOD BUSINESS

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<thead>
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<th>FACTORS</th>
<th>POLITIC /LEGAL</th>
<th>ECONOMIC</th>
<th>NATURE</th>
<th>TECHNOLOGY</th>
<th>SOCIO CULTURE</th>
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<td>PAYMENT</td>
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</tr>
</tbody>
</table>
ARE YOU PREPARED?
Thank You