

THE EVOLUTION OF THE DIGITAL WALLET: DRIVING THE NEXT WAVE OF GROWTH



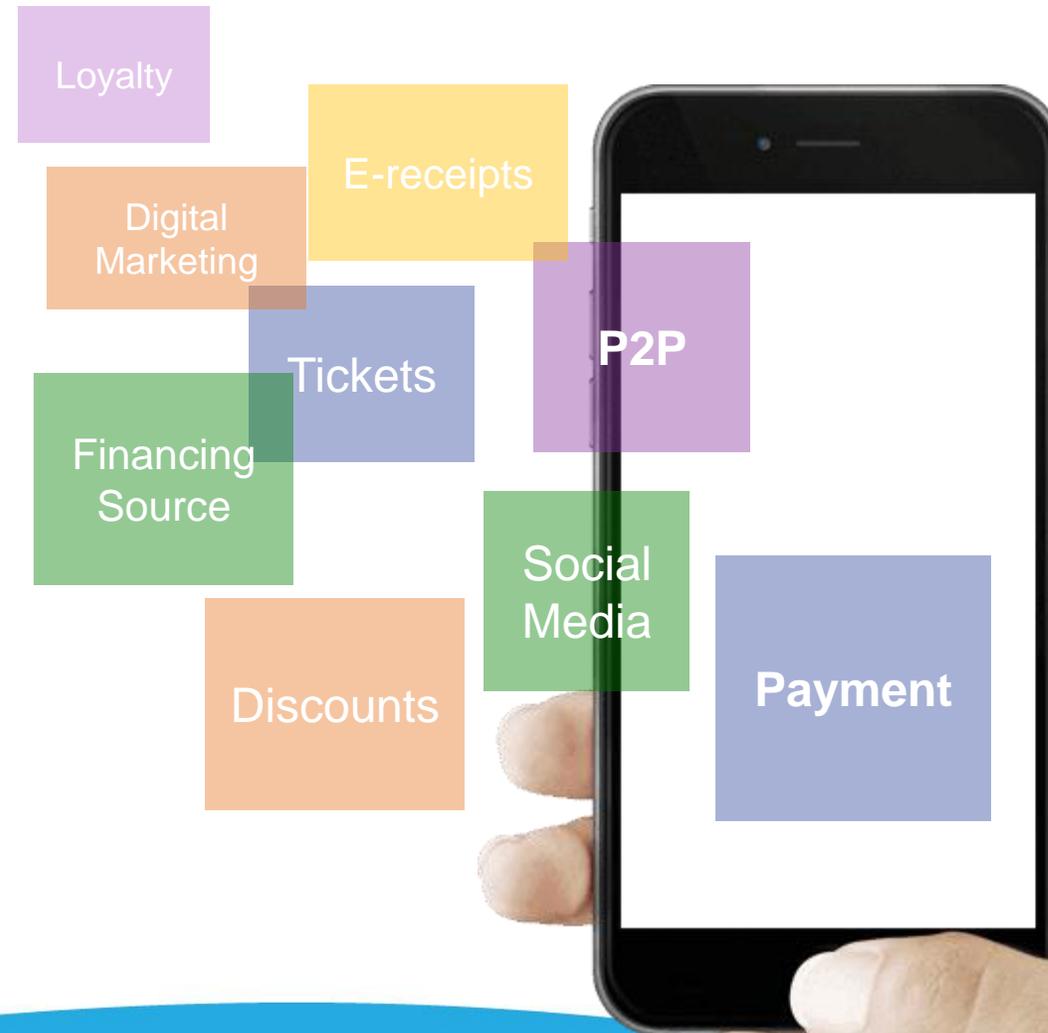
**GAME CHANGER :
SECTION 1**

● FOREWORD



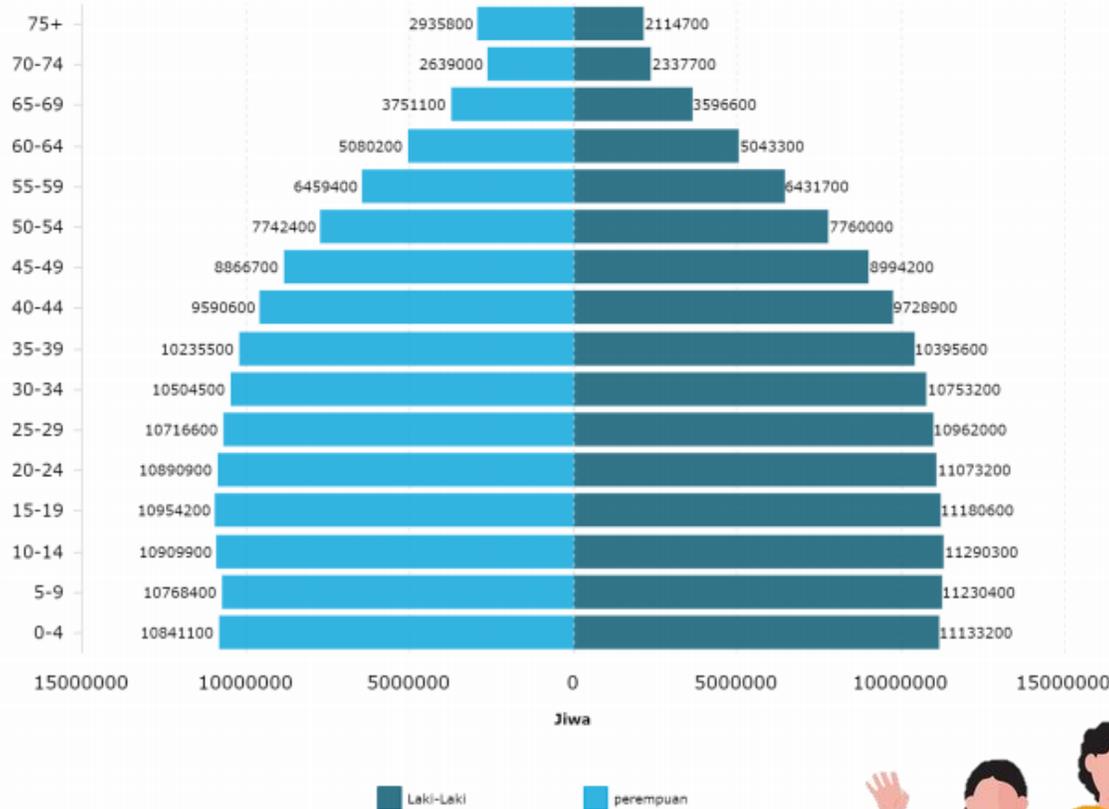
E-WALLET EVOLUTION : WHAT'S NEXT?

- E-wallet has been widely adopted by Indonesia' consumers due to its convenience.
- As the consumers already experience the convenience with e-wallet, promotion is no longer the main driver for consumers to use the e-wallet. Therefore, the industry players can start focused on building great products.



INDONESIA IS ENJOYING A BONUS PERIOD OF DEMOGRAPHY WHERE THE PRODUCTIVE POPULATION IS BIGGER THAN ITS NON-PRODUCTIVE SEGMENT, I.E. 68% OF THE TOTAL POPULATION.

GAME CHANGERS



Sumber : Kementerian Perencanaan Pembangunan Nasional (Bappenas), 2018

Looking at the size and the potential of this young-productive-age population, we talked to this segment about e-wallet and how it impacts their daily lives.



Total Sample : 500*

*** Margin of Error : 2%**

19%

GEN Z

[18-23 years old]

81%

MILENIAL

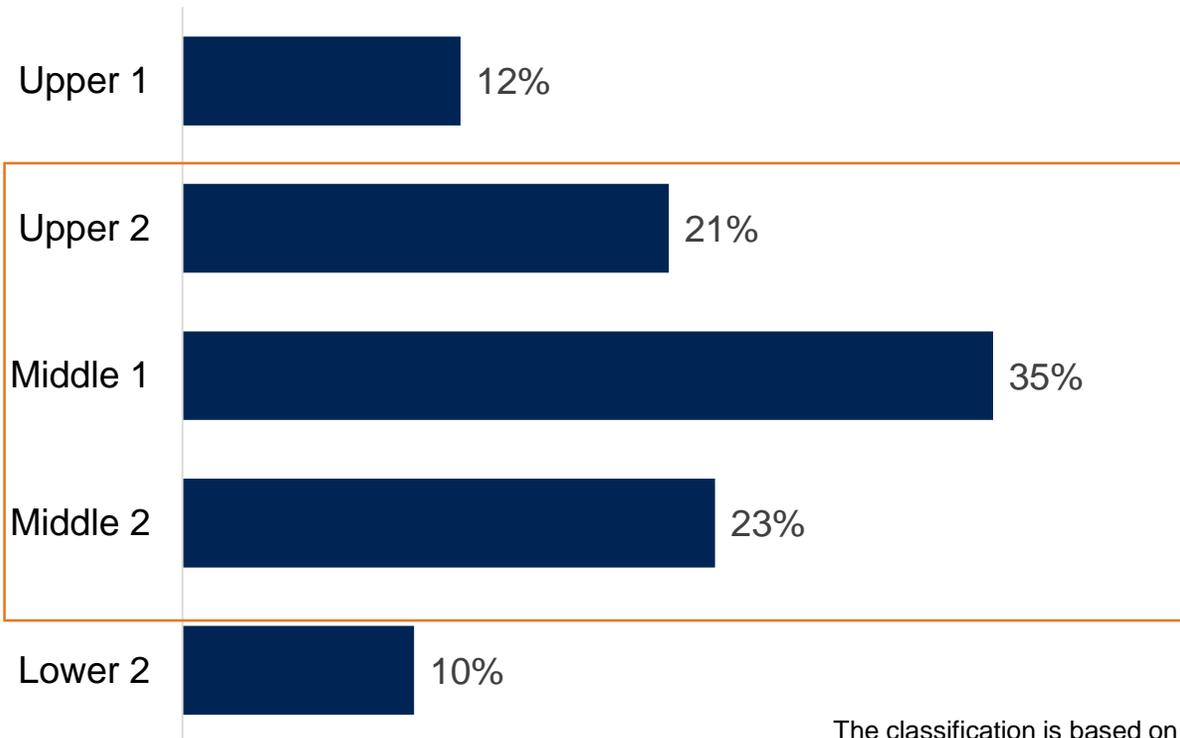
[24-40 years old]

THE MIDDLE-LOWER CLASS ALSO REPRESENTS THE BIGGEST SEGMENT IN INDONESIA POPULATION, I.E. 79%, WHICH SHOWS THE POTENTIAL IT OFFERS.

GAME CHANGERS

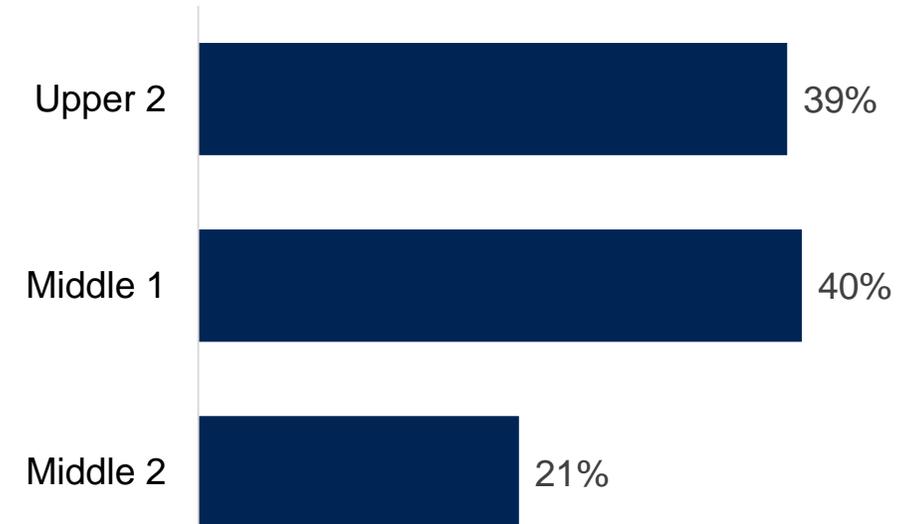


NATIONAL POPULATION PROFILE BASED ON THEIR SOCIAL ECONOMIC STATUS



The potential offered by this middle lower segment that we try to explore in this study

E-WALLET USER PROFILE BASED ON THEIR SOCIAL ECONOMIC STATUS



The classification is based on several parameters : monthly household expenditures, source of drinking water, fuel and power used by the household.

Monthly households expenditures:

Upper 1 : > Rp 6 million

Upper 2 : 2.5 – 5 million

Middle 1 : 1.75 – 2 million

Middle 2 : 1.25 – 1.5 million

Lower : < 1.25 million

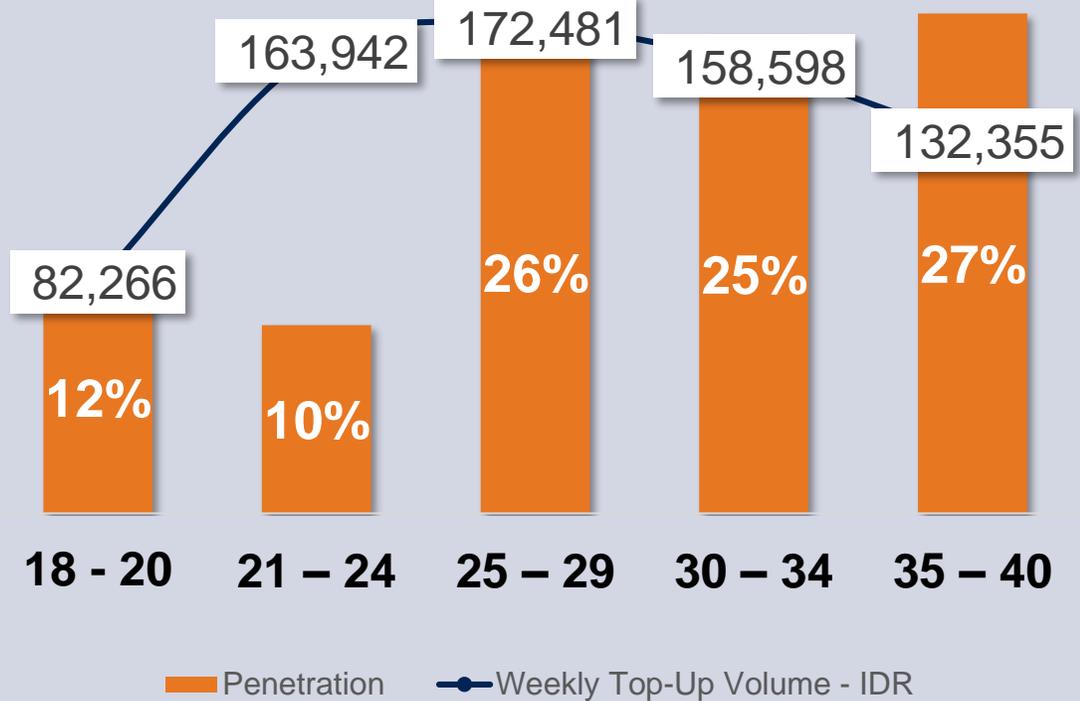
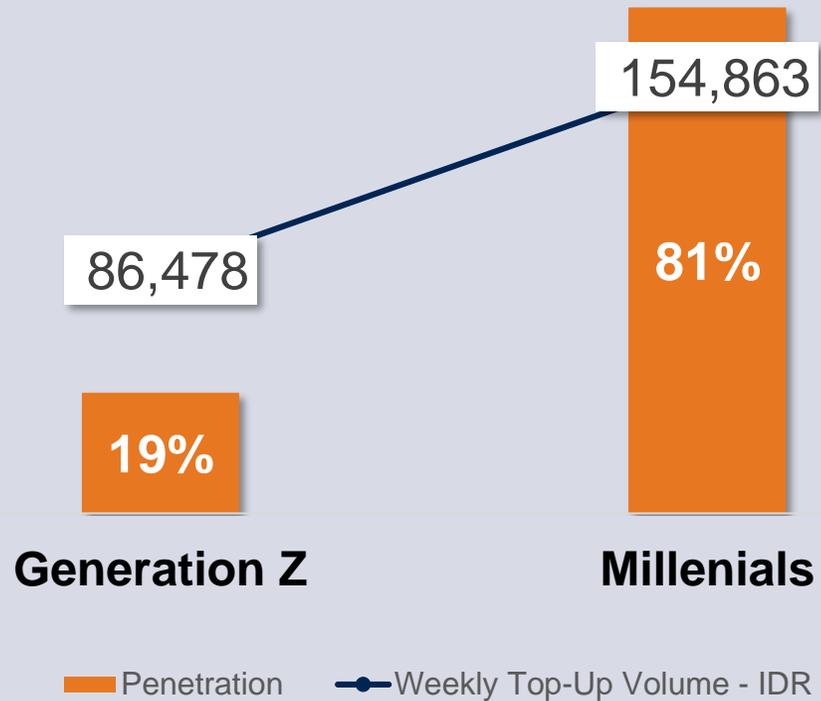
(SOURCE : NIELSEN INDONESIA)

E-WALLET ENTRY POINT : YOUTH

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E-wallet usage starts early at age 18 and continue to rise, reaching its peak at the age of 25-29 years old.

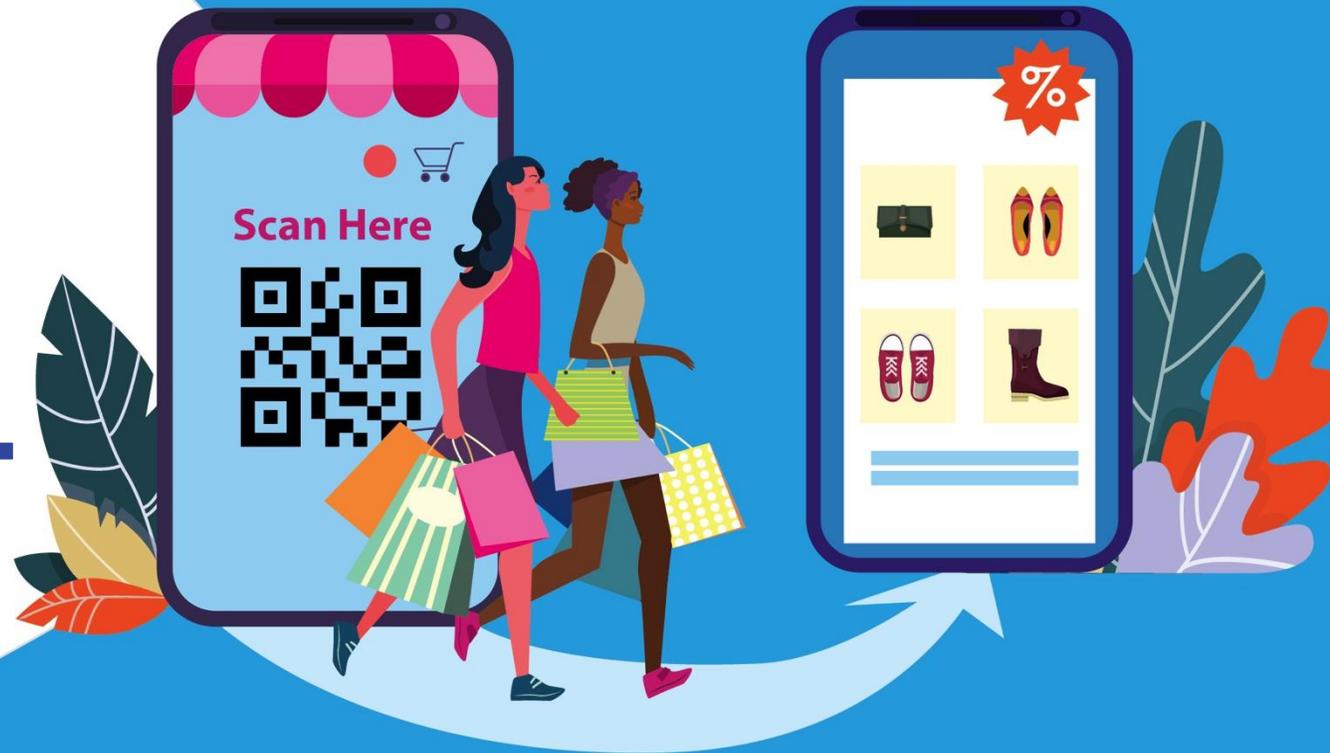


- Area and respondent to be interviewed is selected with Stratified Random Sampling method
- Interview is administered face-to-face with respondents, using a structured questionnaire.
- Data gathering is carried out with CAPI (Computer Assisted Personal Interview) method. Interviewer follows the instruction programmed in the tablet.
- Survey Period :
20 December 2019 - 5 January 2020



**GAME CHANGER :
SECTION 2**

**● YOUTH'S E-WALLET
JOURNEY**

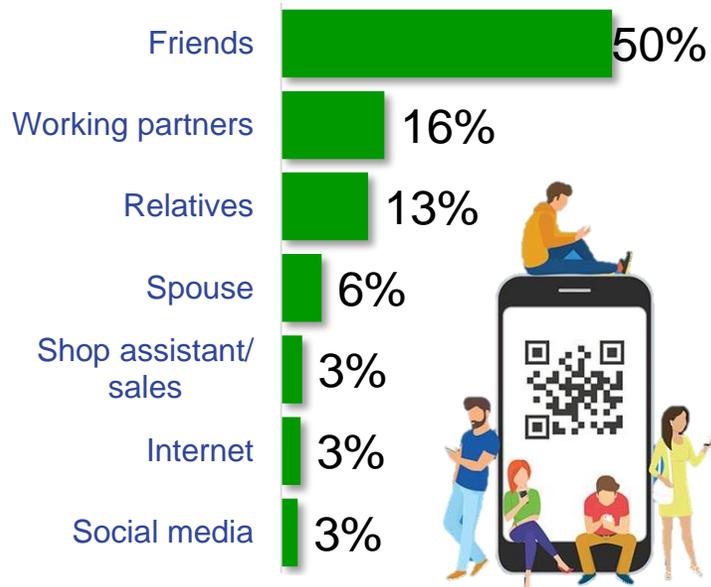


The journey starts here

Promotion can be used to incentivize the first-time users



E-WALLET IS FIRST INTRODUCED BY :



E-WALLET IS FIRST USED FOR :

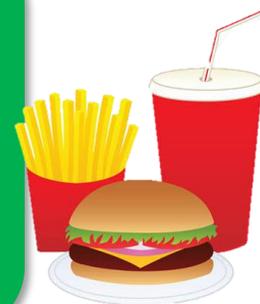
43%

For online transportation



37%

For online food and beverage delivery



71%

Motivated by promo

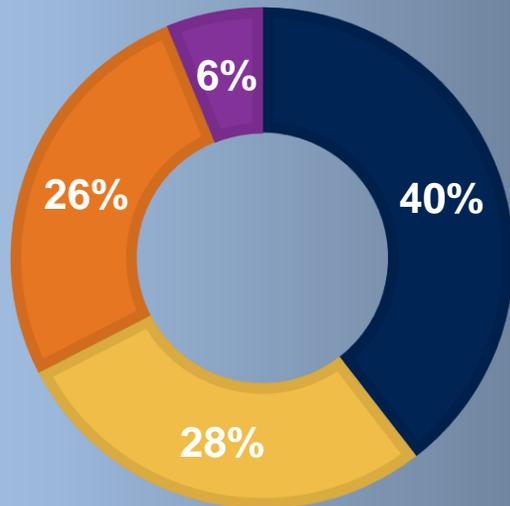
- 34% Cash Back Promo for Online Transportation
- 20% Cash Back Promo for Online Food and Beverage Delivery Service



... and being used until now where it is used 1-2 times a week.

FREQUENCY OF USING E-WALLET

- More than 1 time a week
- Once (1 time) a week
- 2 – 3 times a month
- Once (1 time) a month



68%

Of respondents use e-wallet Once a week at the least

... and average weekly Top-up volume reach

Rp 140,663



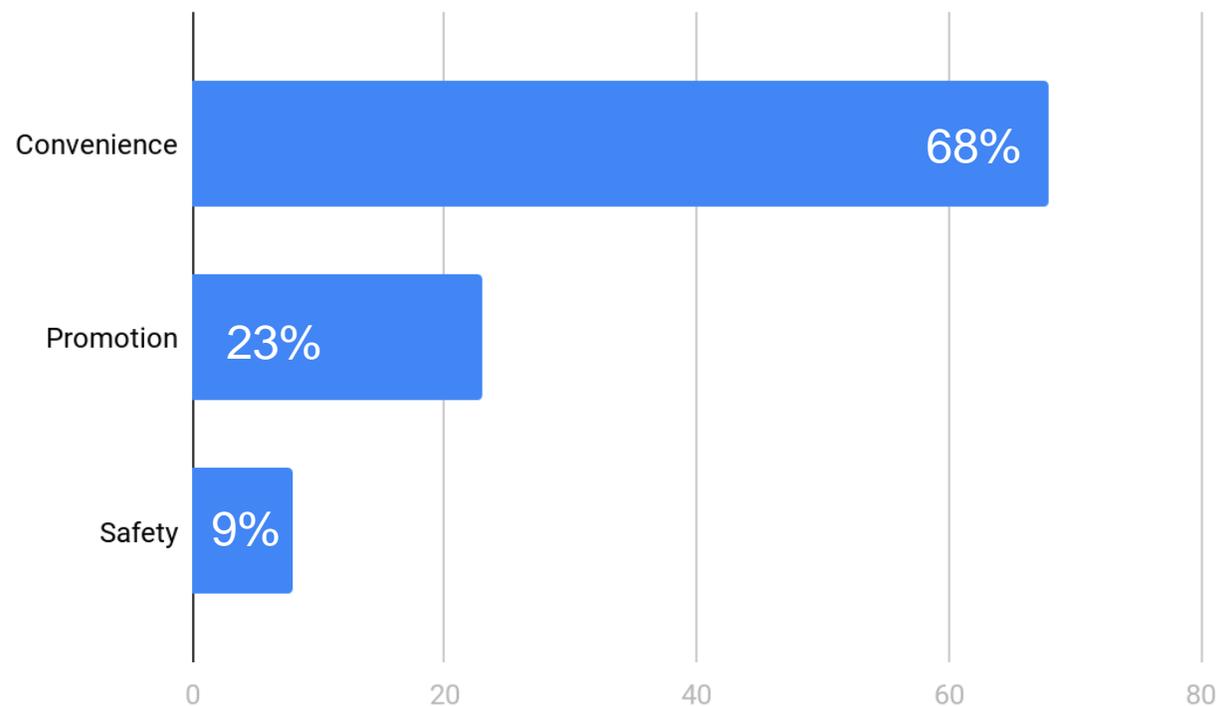
Convenience has become main drivers for consumers in choosing e-wallet

GAME CHANGERS



32%
use less cash

Consumers' reasons in choosing e-wallet over cash



Convenience includes: no need to carry large amount of money, no need to draw cash, no need to prepare a change, no worry when do not have a change, no need to bring debit/ credit cards

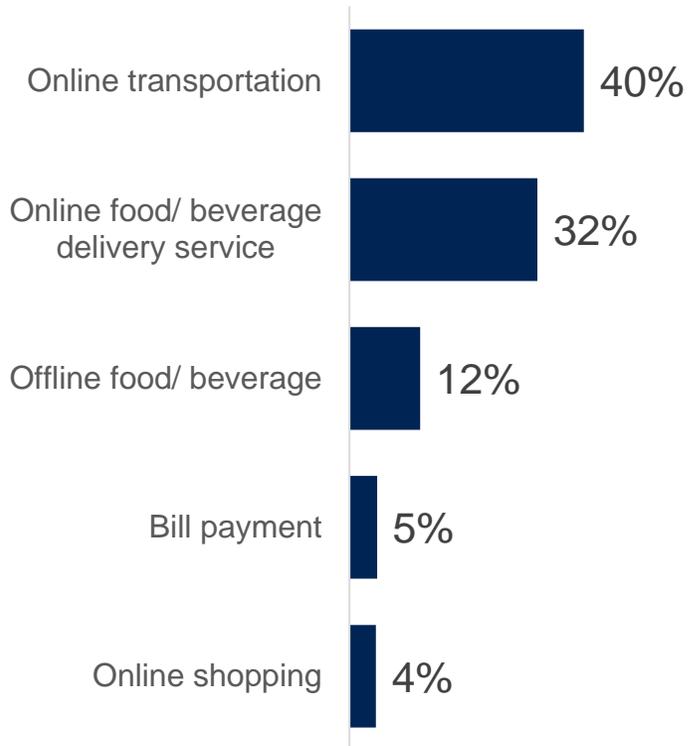
Safety includes: recorded transactions, when mobile phone was lost only need to block the mobile account

PAYMENT FOR ONLINE TRANSPORTATION, ONLINE FOOD/ BEVERAGE DELIVERY SERVICE AND OFFLINE FOOD/BEVERAGE ARE THE BIGGEST TRANSACTIONS FOR E-WALLET

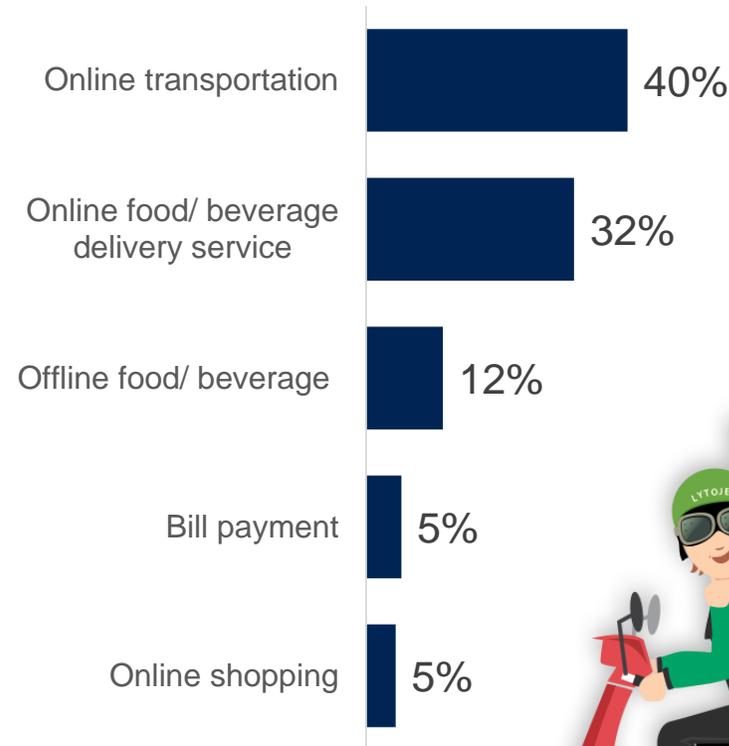
GAME CHANGERS



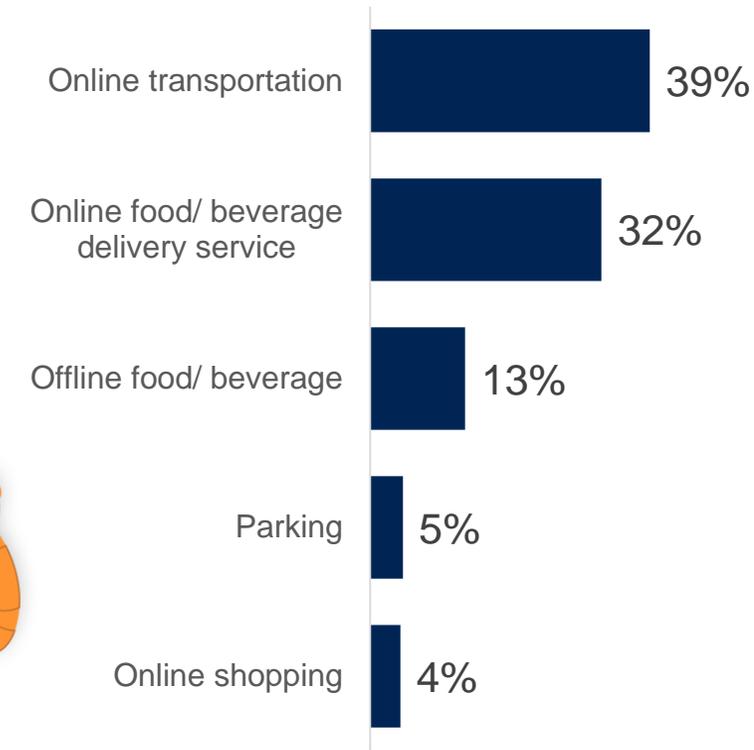
Total



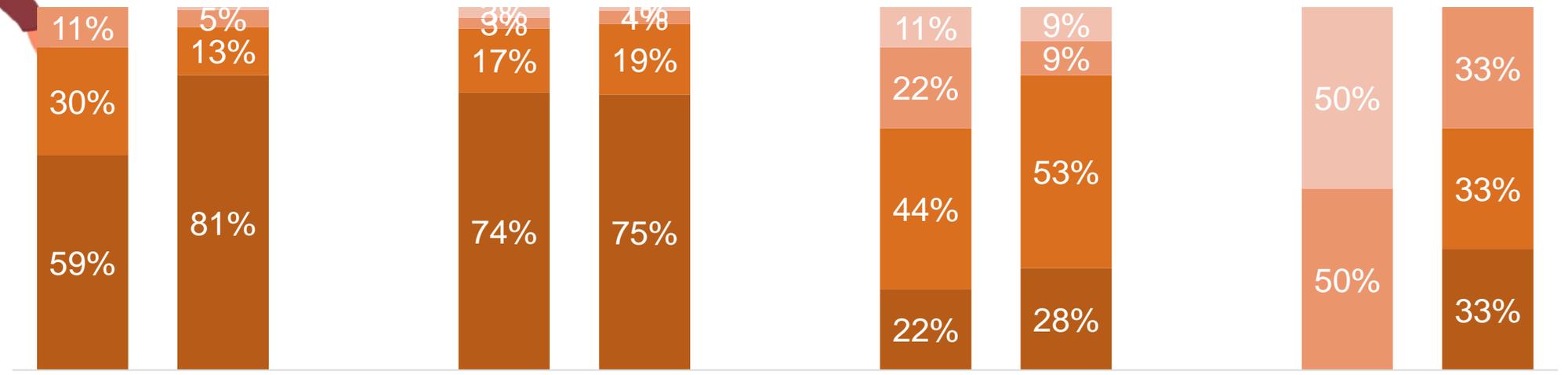
Millenials



Gen Z



WHEN DID YOU USE E-WALLET FOR THE FIRST TIME?



Gen Z Millenials

Gen Z Millenials

Gen Z Millenials

Gen Z Millenials

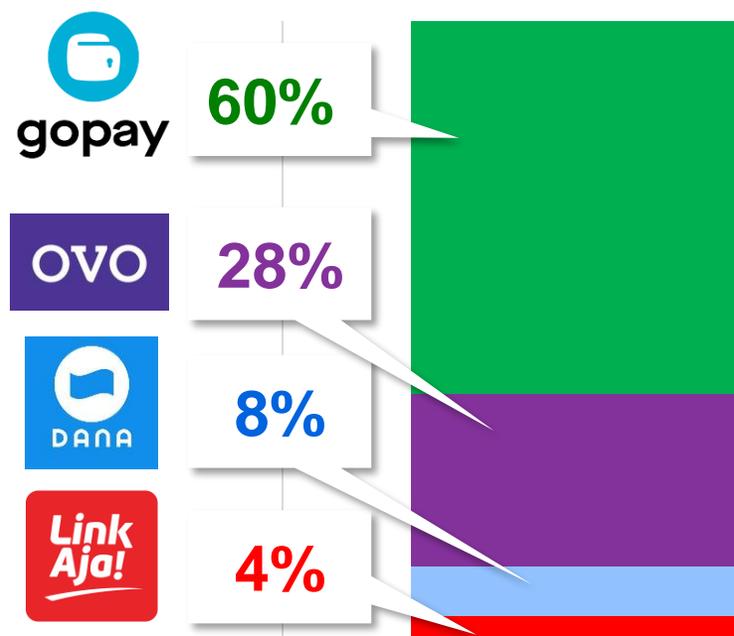
■ More than 1 year ago
 ■ 6 – 12 months
 ■ 3-6 months
 ■ 2- 3 months

GOPAY IS THE MOST-USED E-WALLET BY THE FIRST-TIME USERS.

GAME CHANGERS

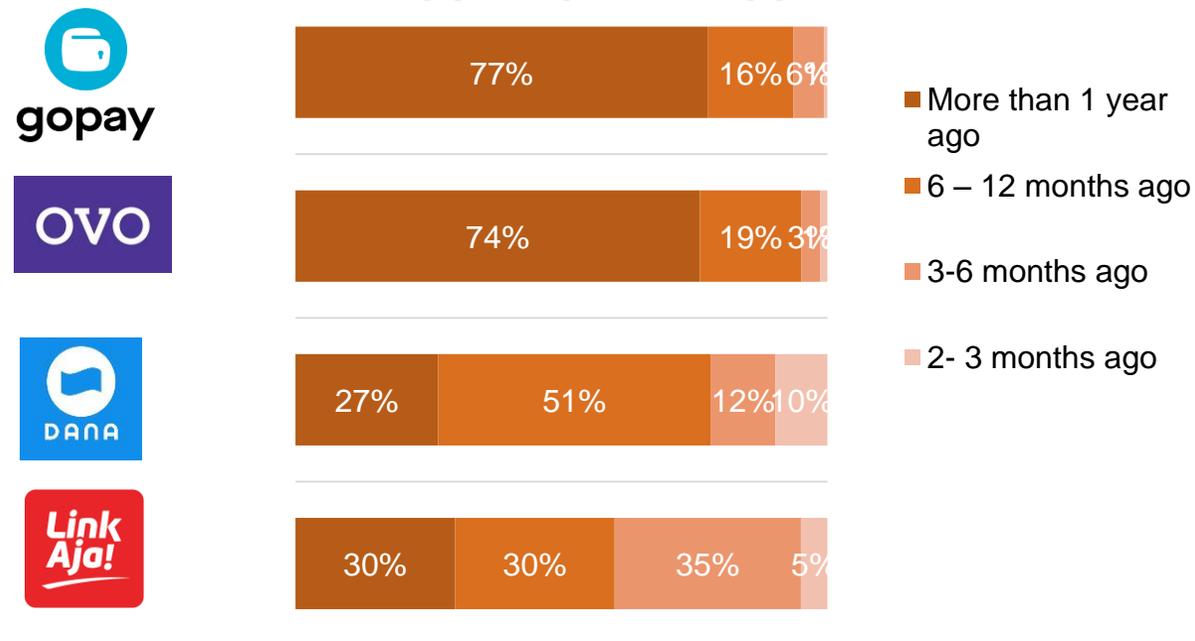


E-WALLET USED THE FIRST TIME (in transaction volume) :



Gopay dan Ovo have been used longer than Dana and Link Aja

WHEN DID YOU FIRST TIME USE E-WALLET?



GoPay is the largest e-wallet used the first time, followed by Ovo, Dana and LinkAja. Gopay and Ovo had been adopted earlier than Dana and LinkAja.

**GAME CHANGER :
SECTION 3**

**● THE PREFERRED
E-WALLET BY YOUTH
IN INDONESIA**

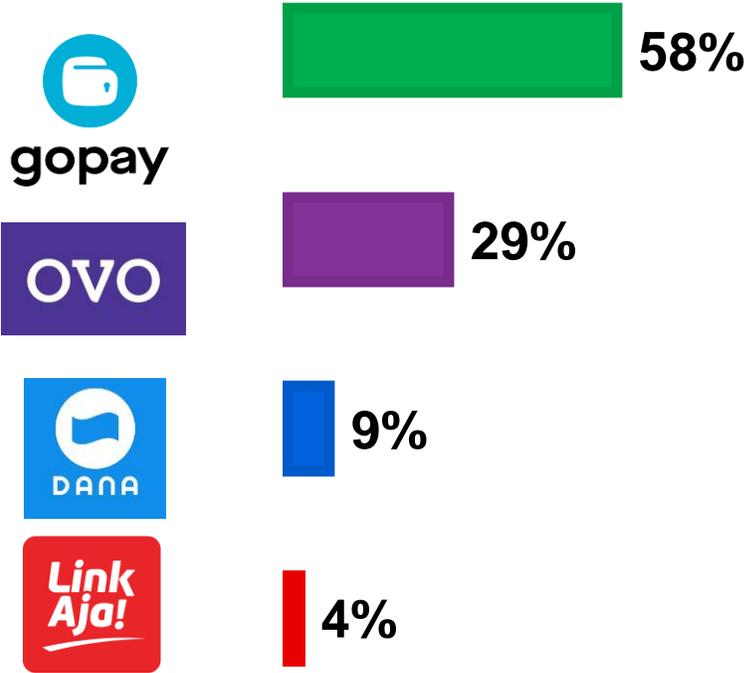


GOPAY IS THE MOST-KNOWN E-WALLET BY GENERATION MILLENNIALS AND GENERATION Z.

GAME CHANGERS



TOP OF MIND E-WALLET BRANDS



GOPAY HAS THE LARGEST MARKET SHARE AMONG THE FOUR INDONESIAN PLAYERS

GAME CHANGERS



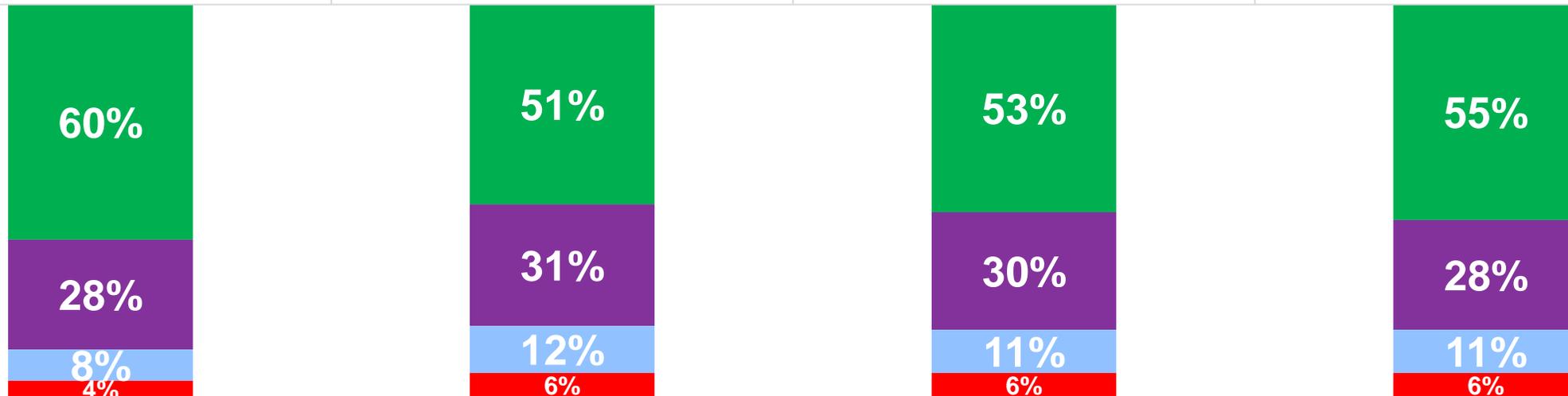
Market Share

First Time Used

Ever Used

Repertoire

Main
[Most Often Used]



■ Gopay ■ OVO ■ Dana ■ LinkAja

CONSUMERS CONSIDER GOPAY AS THE MOST UBIQUITOUS E-WALLET (WIDEST ACCEPTANCE)

GAME CHANGERS



Which e-wallet is the most widely accepted by online and offline merchants?



MILLENNIALS

55%



gopay

29%



10%



6%



GEN Z

52%



gopay

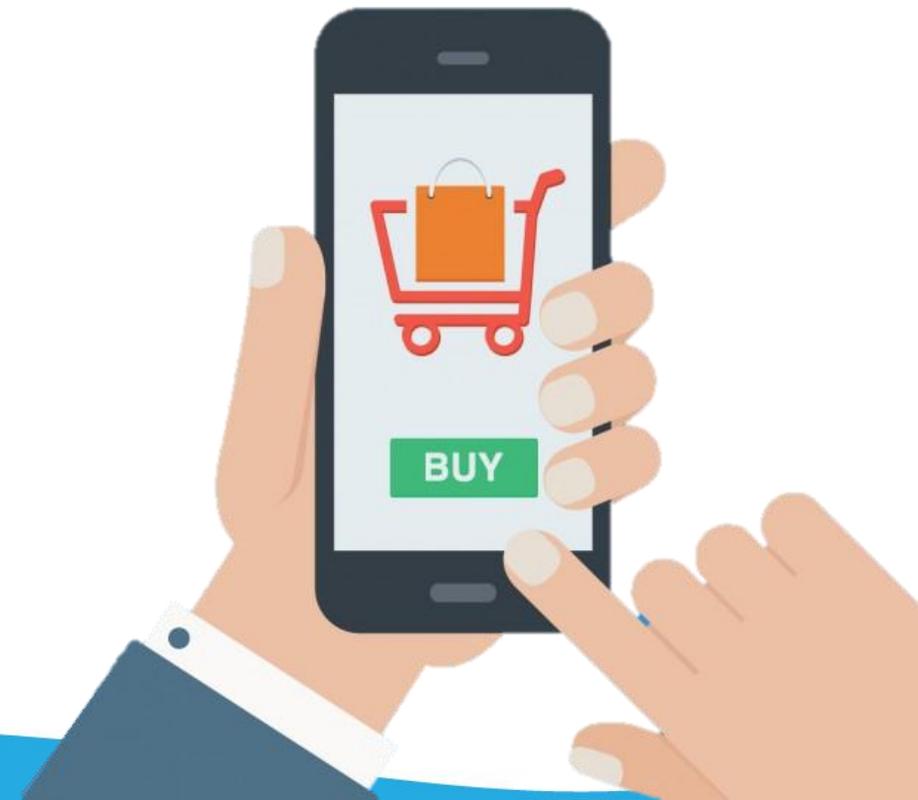
35%



11%



2%



**GAME CHANGER :
SECTION 4**

- **ENTERING NEXT PHASE :
E-WALLET WITHOUT
PROMO – ARE THE
CONSUMERS READY?**



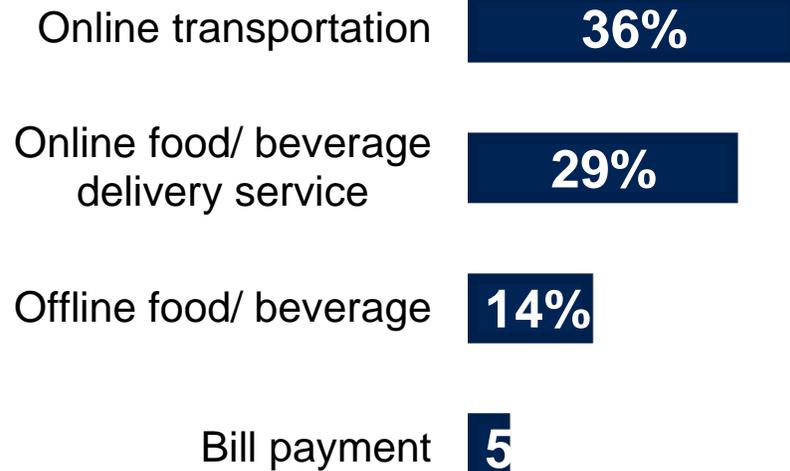
PROMOTION WON'T BE EFFECTIVE TO MAINTAIN CUSTOMERS LOYALTY IN THE LONG TERM.

GAME CHANGERS

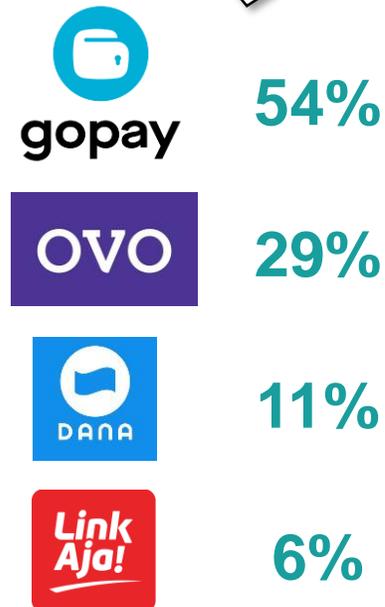


Mostly say they will keep using e-wallet for usual transactions even when there is no promo.

TRANSACTIONS THAT WILL CONTINUE WITHOUT PROMO



Which E-Wallet Brand You Will Use to Continue Without Promo?



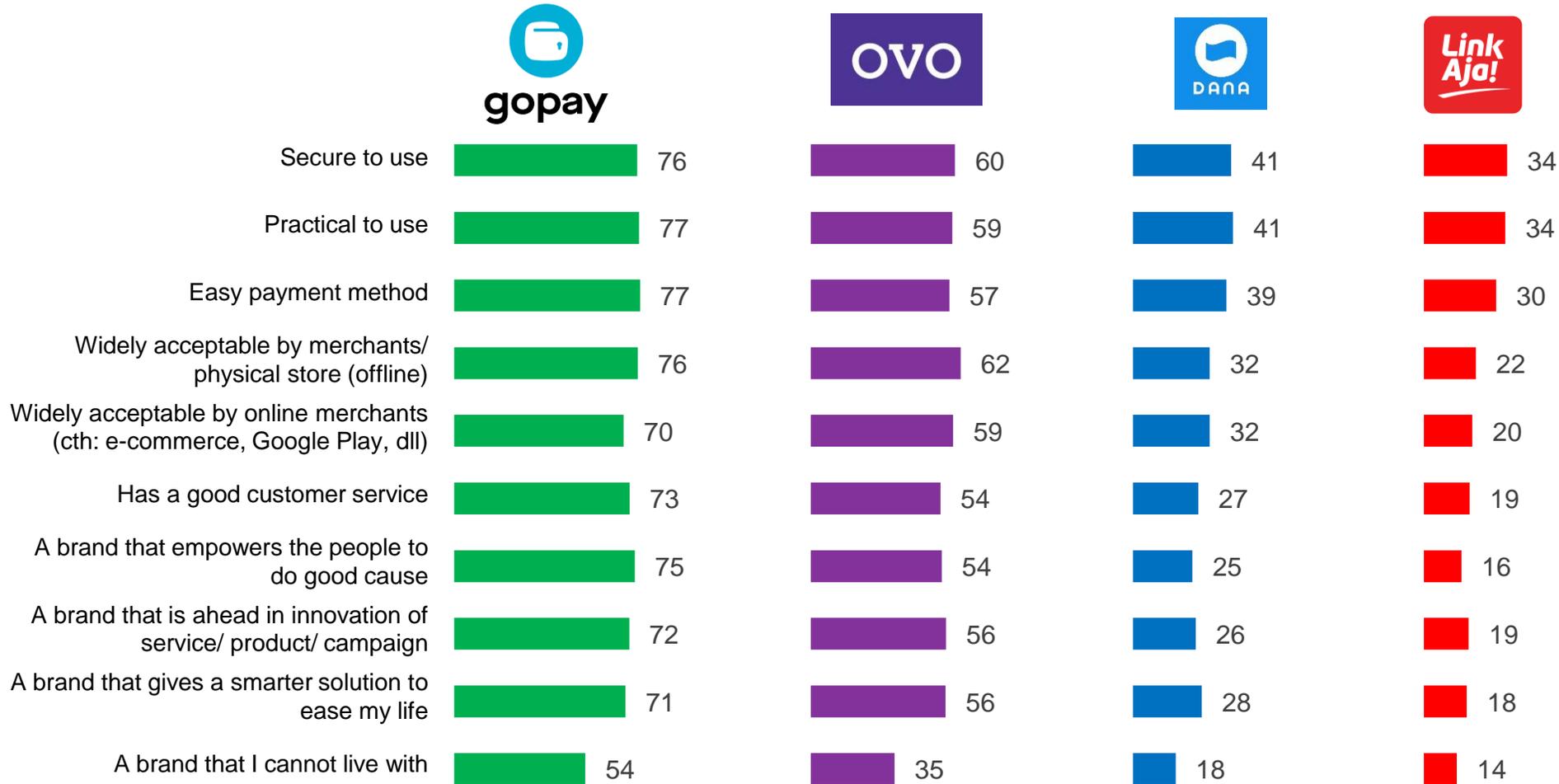
GoPay has the largest *organic users* that will do transactions without promo

GOPAY IS CONSIDERED THE SAFEST, EASIEST TO USE, AND THE MOST UBIQUITIOUS

GAME CHANGERS



Numbers in percentage





Millennial



Gen Z

Connected to their saving account	48%	19%
Installment options	31%	36%
Transfer to bank accounts	13%	21%

Millennials want their e-wallet to be connected to savings, meanwhile Gen Z want installment options.

YOUTH IS THE SUPPORTING AGENT TO EMBRACE THE DEVELOPMENT OF E-WALLET

GAME CHANGERS



This study reveals that by far Indonesian consumers are quite easy to absorb innovations, especially the youth. E-wallet is welcomed and adopted quite easily into this young people's lifestyle. Youth are able to enjoy the convenience e-wallet brings to their daily life through easy transportation hailing and food consumption lifestyle.

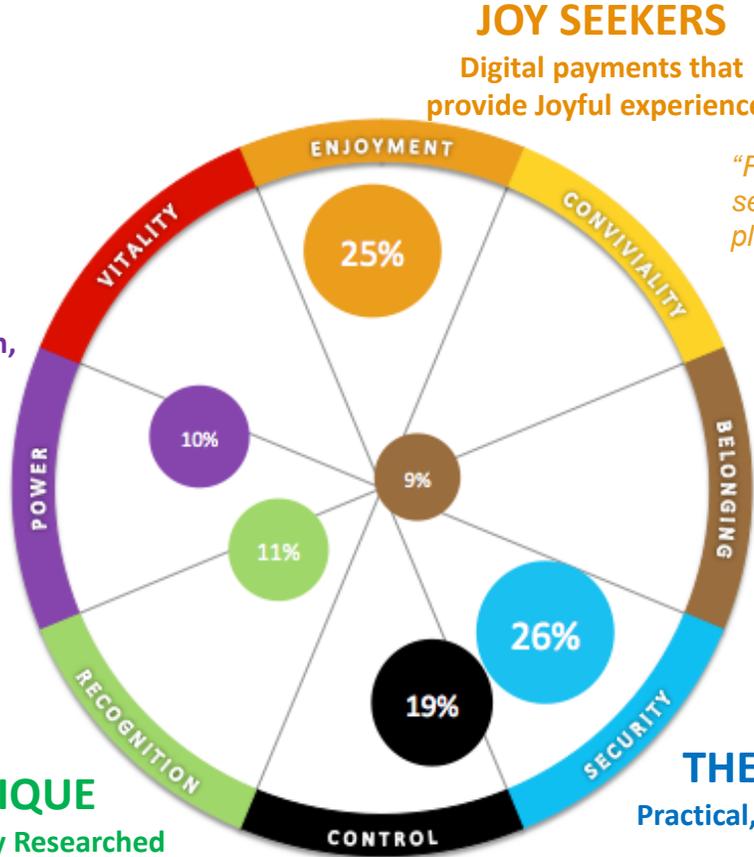
The young generation starts to adopt e-wallet early and are the first to embrace new innovations. Promotion that initially works as an attraction to trial, along the journey is no longer the factor that retain this young people.

For e-wallet players, this youth segment will be the main supporters for this industry to move the next level.

THE SEGMENTATION STUDY BY IPSOS CONFIRMED THE MOTIVATIONS OF USING E-WALLET.

The largest motivations to use e-wallet is because it is more practical, convenient and easy to use.

Beside the functional factors, the usage of e-wallet emotionally give the feeling of joy and excitement.



"Freedom of expression, non-cash payment service makes our lives sweeter , more pleasant , warm , beautiful and happy"

RELATIONSHIP BUILDERS
Value Loyalty and Belonging. Digital payments are Relationship Builders

THE ASSURED
Practical, Convenient, Relax

"Non cash payment is simple and convenient. Pay without carrying cash and it is safe as not afraid of losing money or stolen"

THE CAREFUL
Efficient Monitoring & Control their spending

THE UNIQUE
New tech, deeply Researched and Beneficial

THE EXPANDERS
Sophisticated and Perfection, Craving for seamless technology

(SUMBER : IPSOS MARKETING SUMMIT – CASHLESS SOCIETY)

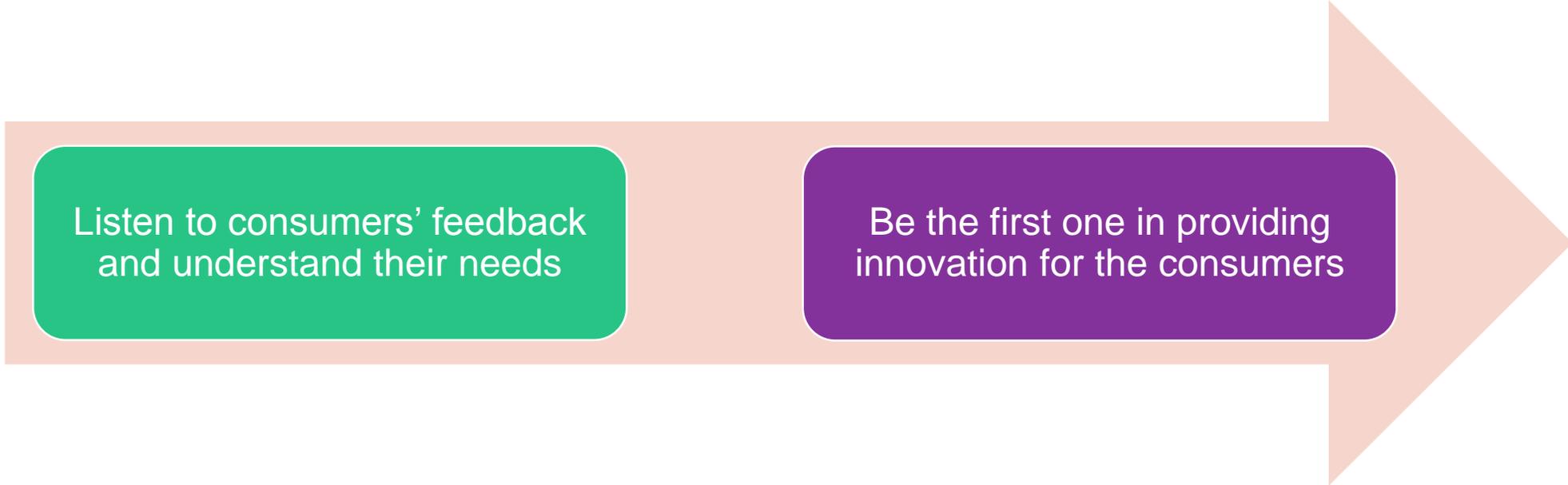
**GAME CHANGER :
SECTION 5**

● **WHAT'S NEXT AND HOW
TO STAY AHEAD OF
THE GAME?**



STAYING AHEAD OF THE GAME :

The study shows that it's time to win the market with innovation, not only with promotion.



**THANK
YOU**

GAME CHANGERS



Ipsos