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’s 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.

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.

**NATIONAL POPULATION PROFILE BASED ON THEIR SOCIAL ECONOMIC STATUS**

<table>
<thead>
<tr>
<th>Class</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upper 1</td>
<td>12%</td>
</tr>
<tr>
<td>Upper 2</td>
<td>21%</td>
</tr>
<tr>
<td>Middle 1</td>
<td>35%</td>
</tr>
<tr>
<td>Middle 2</td>
<td>23%</td>
</tr>
<tr>
<td>Lower 2</td>
<td>10%</td>
</tr>
</tbody>
</table>

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

- **Monthly household 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

E-WALLET USER PROFILE BASED ON THEIR SOCIAL ECONOMIC STATUS

<table>
<thead>
<tr>
<th>Class</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upper 2</td>
<td>39%</td>
</tr>
<tr>
<td>Middle 1</td>
<td>40%</td>
</tr>
<tr>
<td>Middle 2</td>
<td>21%</td>
</tr>
</tbody>
</table>

The potential offered by this middle lower segment that we try to explore in this study.
E-WALLET ENTRY POINT: YOUTH

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:**
- Friends: 50%
- Working partners: 16%
- Relatives: 13%
- Spouse: 6%
- Shop assistant/sales: 3%
- Internet: 3%
- Social media: 3%

**E-WALLET IS FIRST USED FOR:**
- **43%** For online transportation
- **37%** For online food and beverage delivery

**Motivated by promo**
- **71%**
  - **34%** Cash Back Promo for Online Transportation
  - **20%** Cash Back Promo for Online Food and Beverage Delivery Service

The journey starts here...
E-wallet has been an integral part of consumers’ daily lives

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

68% Of respondents use e-wallet Once a week at the least

... and average weekly Top-up volume reach Rp 140,663

FREQUENCY OF USING E-WALLET

- More than 1 time a week: 6%
- Once (1 time) a week: 26%
- 2 – 3 times a month: 40%
- Once (1 time) a month: 28%
Convenience has become main drivers for consumers in choosing e-wallet

32% use less 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

![Bar chart showing consumers' reasons in choosing e-wallet over cash](chart.png)

- **Convenience**: 68%
- **Promotion**: 23%
- **Safety**: 9%
PAYMENT FOR ONLINE TRANSPORTATION, ONLINE FOOD/BEVERAGE DELIVERY SERVICE AND OFFLINE FOOD/BEVERAGE ARE THE BIGGEST TRANSACTIONS FOR E-WALLET

**Total**

- Online transportation: 40%
- Online food/beverage delivery service: 32%
- Offline food/beverage: 12%
- Bill payment: 5%
- Online shopping: 4%

**Millenials**

- Online transportation: 40%
- Online food/beverage delivery service: 32%
- Offline food/beverage: 12%
- Bill payment: 5%
- Online shopping: 5%

**Gen Z**

- Online transportation: 39%
- Online food/beverage delivery service: 32%
- Offline food/beverage: 13%
- Parking: 5%
- Online shopping: 4%
MILLENIALS ARE THE EARLY-ADOPTERS OF GOPAY

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

- gopay
- OVO
- Dana
- LinkAja

Gen Z
Millenials

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

- gopay
- OVO
- Dana
- LinkAja

Gen Z
Millenials

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

- gopay
- OVO
- Dana
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Gen Z
Millenials

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

- gopay
- OVO
- Dana
- LinkAja

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.

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

- **GoPay**: 60%
- **OVO**: 28%
- **Dana**: 8%
- **LinkAja**: 4%

**WHEN DID YOU FIRST TIME USE E-WALLET?**

- GoPay:
  - More than 1 year ago: 77%
  - 6 – 12 months ago: 16%
  - 3-6 months ago: 6%
  - 2-3 months ago: 1%

- OVO:
  - More than 1 year ago: 74%
  - 6 – 12 months ago: 19%
  - 3-6 months ago: 3%
  - 2-3 months ago: 1%

- Dana:
  - More than 1 year ago: 27%
  - 6 – 12 months ago: 51%
  - 3-6 months ago: 12%
  - 2-3 months ago: 0%

- LinkAja:
  - More than 1 year ago: 30%
  - 6 – 12 months ago: 30%
  - 3-6 months ago: 35%
  - 2-3 months ago: 5%

**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.

TOP OF MIND
E-WALLET BRANDS

- GOPAY: 58%
- OVO: 29%
- DANA: 9%
- LinkAja!: 4%
GOPAY HAS THE LARGEST MARKET SHARE AMONG THE FOUR INDONESIAN PLAYERS

Market Share

- **First Time Used**
  - Gopay: 60%
  - OVO: 28%
  - Dana: 8%
  - LinkAja: 4%

- **Ever Used**
  - Gopay: 51%
  - OVO: 31%
  - Dana: 12%
  - LinkAja: 6%

- **Repertoire**
  - Gopay: 53%
  - OVO: 30%
  - Dana: 11%
  - LinkAja: 6%

- **Main [Most Often Used]**
  - Gopay: 55%
  - OVO: 28%
  - Dana: 11%
  - LinkAja: 6%

Legend:
- Green: Gopay
- Purple: OVO
- Blue: Dana
- Red: LinkAja
CONSUMERS CONSIDER GOPAY AS THE MOST UBIQUITOUS E-WALLET (WIDEST ACCEPTANCE)

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

**MILLENNIALS**
- GOPAY: 55%
- OVO: 29%
- Bank: 10%
- Other: 6%

**GEN Z**
- GOPAY: 52%
- OVO: 35%
- Bank: 11%
- Other: 2%
GAME CHANGER: SECTION 4

ENTERING NEXT PHASE: E-WALLET WITHOUT PROMO – ARE THE CONSUMERS READY?
Mostly say they will keep using e-wallet for usual transactions even when there is no promo.

TRANSACTIONS THAT WILL CONTINUE WITHOUT PROMO

- Online transportation: 36%
- Online food/beverage delivery service: 29%
- Offline food/beverage: 14%
- Bill payment: 5%

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

- GoPay: 54%
- OVO: 29%
- DANA: 11%
- LinkAja: 6%

GoPay has the largest organic users that will do transactions without promo.
GOPAY IS CONSIDERED THE SAFEST, EASIEST TO USE, AND THE MOST UBIQUITOUS

<table>
<thead>
<tr>
<th>Feature</th>
<th>GOPAY</th>
<th>OVO</th>
<th>DANA</th>
<th>Link Aja!</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secure to use</td>
<td>76</td>
<td>60</td>
<td>41</td>
<td>34</td>
</tr>
<tr>
<td>Practical to use</td>
<td>77</td>
<td>59</td>
<td>41</td>
<td>34</td>
</tr>
<tr>
<td>Easy payment method</td>
<td>77</td>
<td>57</td>
<td>39</td>
<td>30</td>
</tr>
<tr>
<td>Widely acceptable by merchants/physical store (offline)</td>
<td>76</td>
<td>62</td>
<td>32</td>
<td>22</td>
</tr>
<tr>
<td>Widely acceptable by online merchants (cth: e-commerce, Google Play, dll)</td>
<td>70</td>
<td>59</td>
<td>32</td>
<td>20</td>
</tr>
<tr>
<td>Has a good customer service</td>
<td>73</td>
<td>54</td>
<td>27</td>
<td>19</td>
</tr>
<tr>
<td>A brand that empowers the people to do good cause</td>
<td>75</td>
<td>54</td>
<td>25</td>
<td>16</td>
</tr>
<tr>
<td>A brand that is ahead in innovation of service/product/campaign</td>
<td>72</td>
<td>56</td>
<td>26</td>
<td>19</td>
</tr>
<tr>
<td>A brand that gives a smarter solution to ease my life</td>
<td>71</td>
<td>56</td>
<td>28</td>
<td>18</td>
</tr>
<tr>
<td>A brand that I cannot live with</td>
<td>54</td>
<td>35</td>
<td>18</td>
<td>14</td>
</tr>
</tbody>
</table>
ADDITIONAL FEATURED NEEDED BY THE CONSUMERS

**Millenials**
- Connected to their saving account: 48%
- Installment options: 31%
- Transfer to bank accounts: 13%

**Gen Z**
- Connected to their saving account: 19%
- Installment options: 36%
- Transfer to bank accounts: 21%

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

(SUMBER : IPSOS MARKETING SUMMIT – CASHLESS SOCIETY)
GAME CHANGER : SECTION 5

WHAT’S NEXT AND HOW TO STAY AHEAD OF THE GAME?
The study shows that it’s time to win the market with innovation, not only with promotion.

- Listen to consumers’ feedback and understand their needs
- Be the first one in providing innovation for the consumers
THANK YOU