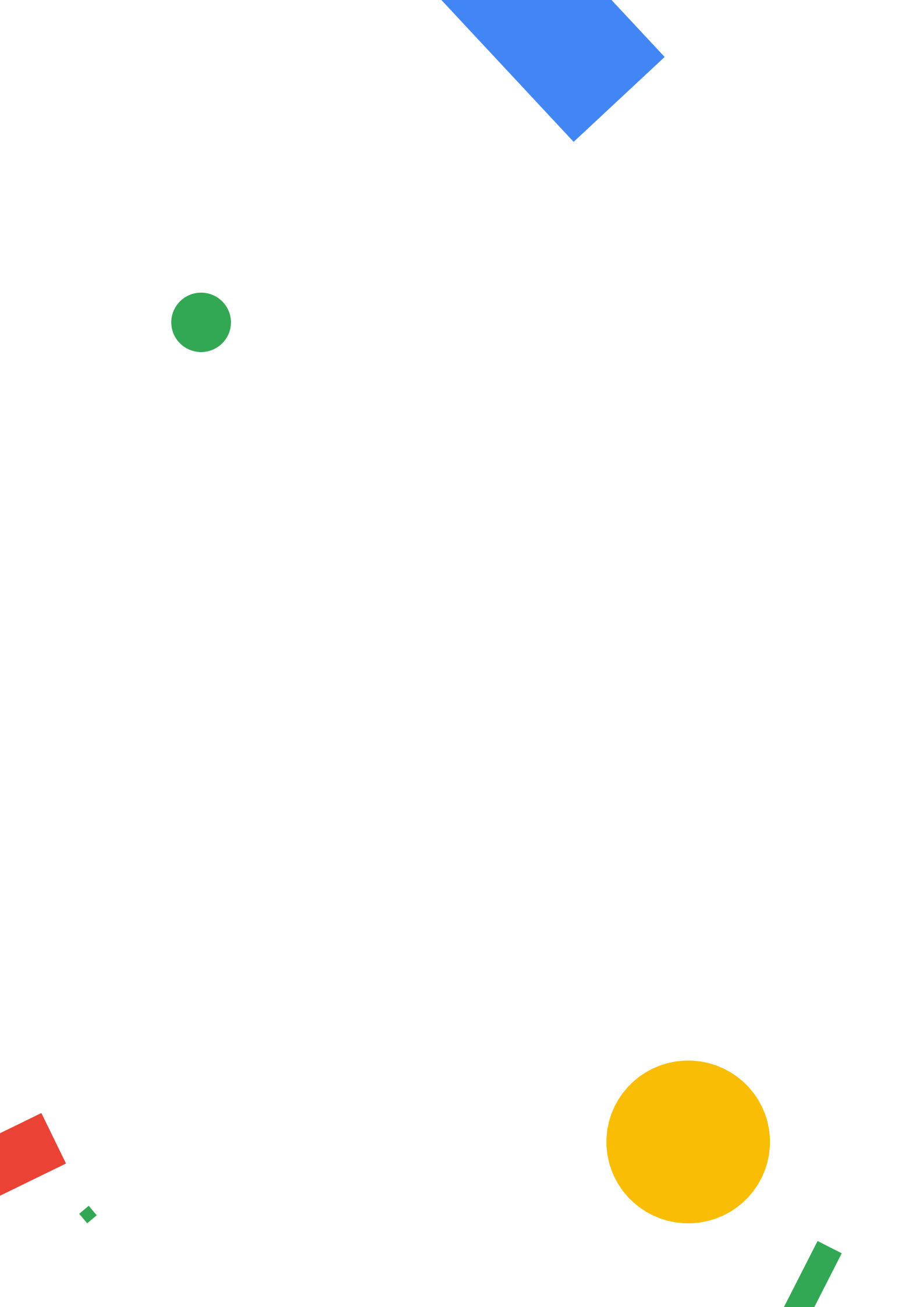




Year in Search: Insights for Brands 2018

Insights from Google Search
about consumer behaviour online

Google





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Indonesia is a digital archipelago, firing on all cylinders

Indonesia has been in the midst of unprecedented digital acceleration. People across this Southeast Asian giant are logging on to the internet, as it becomes an integral part of their daily lives

From a low base of only **29% in 2013**, the number of people accessing the internet in Indonesia has grown to **56% in 2017**

Daily internet usage among those with internet access has increased from **49% in 2013** to **79% in 2017**

Indonesia is the largest and fastest growing internet economy¹ in Southeast Asia



\$27B

total internet economy¹ in 2018

49%

compounded annual growth rate in
online consumer spends between
2015 and 2018

Top 5 Country Trends



~~Mobile-First~~ Mobile Only

Nearly all connected users are accessing the internet through their smartphones

Non-metros² Go Online

Indonesians outside of the big cities are becoming more connected than ever

2 - please refer to glossary (Page 72)



Breaking Stereotypes

The online behavior of Indonesians is challenging many old stereotypes

Curious, Demanding, and Impatient Shoppers

Shoppers are making more informed choices and want things now



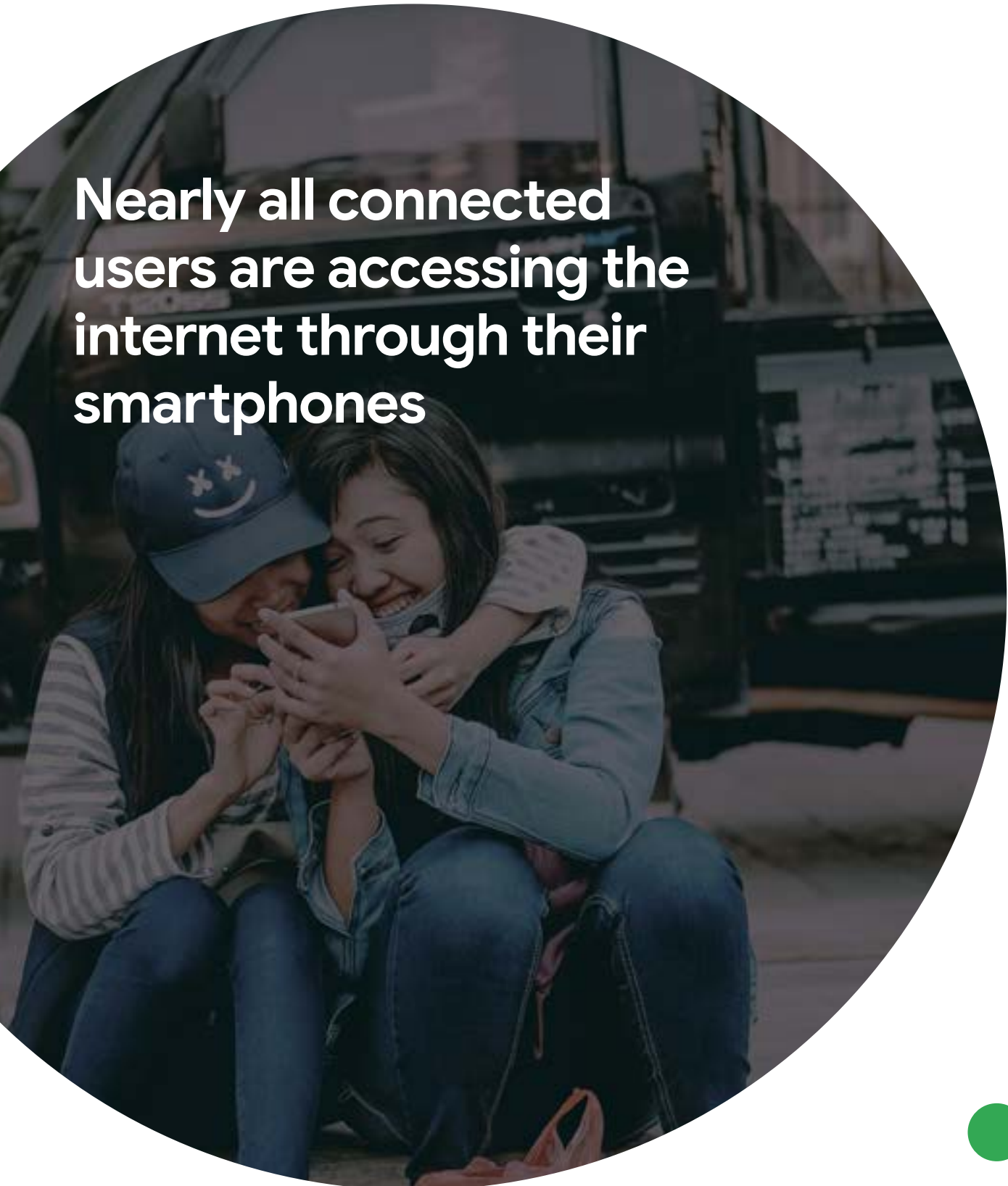
Growing Cashless Society

Growth in payment solutions have accelerated to support digital transactions



~~Mobile First~~ Mobile Only

Nearly all connected users are accessing the internet through their smartphones



Today, most of those who come online possess a **smartphone (94%)**, a number which was around 40% in 2013. This growth has been supported by affordable smartphones. These devices are an integral part of consumers' online life and are also an important part of their path to purchase

94%

smartphone penetration among online users, grew from 40% in 2013

68%

consumers rely on **smartphones** when looking for information on upcoming purchases

2x

rise in searches for **affordable smartphone brands**

Indonesians want a seamless experience

53% of the people leave a website if the page takes >3 seconds to load. It takes an average of 6 seconds to load a mobile webpage in Indonesia

Source:

Google Consumer Barometer, 2017

Indonesia Segmentation Study, 2018

Google Data, 2018

Google Research, Webpagetest.org, sampled 11M global mWeb domains loaded using a globally representative 4G connection, Jan. 2018.

Non-metros Go Online



Indonesians outside
of the big cities are
becoming more
connected than ever

Non-metros are rapidly catching up with the metros³. They account for almost half the searches related to internet packages, signifying the hunger for good internet connectivity among those from smaller cities. **This new digital population has a significant impact on driving search growth in sectors as diverse as beauty, baby care, and personal care**

46%

of all internet packages searches
are happening in non-metro cities

1.5x

**faster growth in search volume
of CPG products** (beauty, baby
care and personal care) in
non-metro than in metro cities

1.5x

Rate at which searches for
travel-related queries **grew**
in non-metros

52%

**of all beauty product searches
come from non-metros**
and their growth is **double** the
growth of metros

Breaking Stereotypes

The online behaviour of Indonesians is challenging many old stereotypes



68%

of the **18-24-year-old women** use e-money⁴ to pay for online shopping, while only **58% of the men** in the same age group do the same

1 in 3

connected **baby care** shoppers are male

2.7x

growth in search volumes on **men's personal care brands**

From baby care to e-wallets, the profile and volume of consumers is greatly contradicting long-held beliefs about consumers' behaviour

Source:

Google-Kantar TNS Indonesia Baby Care Path to Purchase, 2017

Google-GfK Digital Wallet Study, 2017

Google Consumer Barometer, 2017

4 - please refer to glossary (Page 72)



Curious, Demanding, and Impatient Shoppers

Indonesians are making more informed choices about their purchases

Search is helping Indonesians make smart choices about their purchases. They are hungry for information on products and services, and they want instant answers. Most of them use Search to compare brands, look for detailed information about them, seek the best deals, and find seamless experiences.

62% of them use Search in their purchase journey. This seems to have a direct impact on their spending. For example, connected households in the country spend 1.5x more on FMCG than offline households.

With high growth in queries for “terdekat” and “pengiriman cepat”, it is also evident that Indonesians are increasingly turning to Search while seeking convenient and quick purchasing solutions



1.5x

more spending on FMCG products from households with digital access as compared to offline households

62%

Indonesian consumers use Search in their purchase journey

1 in 2

searches related to make-up and face care mention specific brands

“review”

grew by 1.4x on YouTube Search

2.5x

rise in searches with the word “promo” in them

“pengiriman cepat”

1.4x increase in searches for “pengiriman cepat”

“terdekat”

12x rise in searches for “terdekat”

Sources:

Google-Kantar TNS Indonesia Path to Purchase, 2017

Google Data, 2018

Google SEA Search User Insights 2018

Google-Kantar World Panel FMCG Shopper Profiling Study, 2017

Growing Cashless Society

Growth in payment solutions
have accelerated to support
digital transactions



The digital economy of Indonesia is expected to grow to \$100 billion by 2025

A lot of this will be driven by E-commerce⁵, online travel and ride hailing⁶. The key enablers for this growth will be online payment solutions and e-money. These products are ideal for a country like Indonesia where less than half the population is part of the formal financial system. The use of these tools is already on the rise with the rapid growth in the number of e-money apps, along with the number of searches on how to use them

**6x**

growth in the number of **digital finance apps** since 2010

1.5x

year-on-year rise in search for **e-money apps** in 2017

46%

of all connected Indonesians said Google Search was their first stop for finding information about **e-money apps**

The most common queries were about e-money providers and brands, the benefits of using e-money, how to register for e-money apps, and how to top up e-money balances



What does this mean for marketers?

With the increased time that Indonesian consumers are spending online and the rising influence of online engagement to the purchase decisions that they make, marketers need to rethink how they interact with these users beyond the traditional marketing tactics.



There are three tangible actions that marketers can implement:

Expand your reach by being present online

With the digital footprint now far reaching to smaller towns and majority of consumers accessing the internet using their smartphones, the mobile phone is no longer just a channel to reach the affluent consumer segment in the country. Mass brands need to make sure they are there and present in moments that matter for your category throughout the day.

Target beyond demographic and customize your message to drive action

Consumers now want to be informed, always. As they are doing much more research over a multitude of sources, there are more opportunities for you to connect with your consumers online.



As a marketer, you should use consumer insights to inform your creative. This also means thinking beyond the typical demographic targeting of gender, age and social economic class but really aiming for consumers who are searching for information on your category

Build connections with your consumers by delivering the most relevant and personalized messages. With machine learning, customizing creatives for your target audience based on who and where they are in the purchase journey is now easier than ever before.

Consolidate your consumers' purchase journey online and provide them seamless experience

As consumers now expect instant and frictionless experiences, you can win over your consumers by giving them seamless mobile experiences across their purchase journey.

With most connected consumers now using smartphones to access the internet, optimizing your digital presence for mobile becomes critical. Speed and ease of transaction matter. Does your website take more than 3 seconds to load? What payment solutions are you offering your consumers who want to make a purchase online? Are you showing your consumers products they're looking for?

Rethink your online strategy to provide your consumers the best end-to-end experience (at scale) throughout their purchase journey.

By putting your consumers at the heart of everything you do, you have a unique opportunity to reach and build connections with them like never before.

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Auto





Mobile search is the key gateway to information for Auto Buyers in Indonesia



45%

of all searches in the car category are for **MPVs (Multi Purpose Vehicles)**, followed by 17% for SUVs (Sports Utility Vehicle)

1.6x

rise in motorcycle category searches, which was driven by **scooter matic** products



82%

of the connected car buyers said that they felt more positive towards a car or a manufacturer after watching their online videos

65%

of the connected car buyers said that online videos introduced them to a vehicle they previously hadn't considered

Digital drives car buyers to dealerships

Car buyers are well informed before they visit dealerships. They search for locations, promotions, and prices

78%

connected car buyers found
a dealer via Search

76%

connected car buyers
searched for prices and deals
before they visited dealers

60%

connected car buyers
continued car-related searches
on their mobile phone while at
the dealership

Connected auto buyers actively do research prior to auto shows

1.4x

growth in car brand searches during Autoshow periods, driven by new models

Searches about car brands peak **a week prior** to the autoshow period and remain high until the show ends



Searches that people make during the autoshow period include

location



promotions



ticket price



new car launches





Beauty



Indonesians turn to the internet for all around beauty advice

1.5x

rise in searches for hair care, face care,
and make up



**Local beauty
brands are rising**

5 of the top 10

rising face care brand
searches are on local brands



1600

The number of
Indonesian beauty-
related channels
on YouTube

Top tutorial video searches include

make up natural



make up korea



make up pengantin



45%

beauty searches
are about products

40%

beauty searches
are about tutorials



Beauty fans use mobile to keep up with fast changing trends





4.8x


increase in
searches for
“sheet mask”

2.5x

rise in search
volume of
“hijab shampoo”
brands

3.4x

growth in searches for
“aloe vera”, making it the
ingredient of the year.
Searches for the ingredient
cut across skin care, hair
care, and lip care categories



2.6x

growth in searches for
“micellar water”
which topped the
facial cleansing related
search category

Male grooming is on the rise



2.7x

increase in searches for **men's personal care brands**, showing a sharp rise in male grooming category

1.6x

more searches for “**model rambut pria 2018**” than “model rambut wanita 2018”

2x

growth in searches for “**perawatan wajah pria**”



E-commerce



Indonesia is the largest and fastest growing E-Commerce market in Southeast Asia

41%

projected
compounded annual
growth (2015-2025)

\$12B

Size of the Indonesian
E-Commerce market in 2018

94%

compounded annual growth
rate between 2015 to 2018



Source: Google Temasek e-Conomy SEA, 2018

Ramadan and Harbolnas are Indonesia's two biggest shopping seasons especially for beauty, electronics, and apparel

1.4x

growth in
E-Commerce
searches during
Ramadan 2018

1.4x

increase in
E-Commerce
searches during
the 2017 end of year
shopping season

4x

rise in searches
for E-Commerce
brands during
Harbolnas

**Increase in
E-Commerce
searches during
shopping
seasons
by category:**

1.5x

Electronics

1.3x

Apparel

1.7x

Beauty

Trends in top E-Commerce categories



3.5x

growth in searches for
**premium imported beauty
and skincare products**
compared to **2.5x** growth of
mass beauty products
since 2016

Searches for
“luxury streetwear”
grew by **6.3x** in the
last two years

Searches for
“smartwatches”
continued to grow
by **2.2x** in the last
two years

There has also been an increase in consumers' need for energy-saving home appliances

kulkas 2 pintu



2.3x

growth in searches
for “**kulkas 2 pintu**”
since 2016

ac inverter



1.7x

growth in searches
for “**ac inverter**”
since 2016

Mobile accessories searches continue to grow robustly

1.6x

Screen
Protector

2.3x

Casing
HP

1.6x

Kabel
HP



Did you know?

Searches for
“baju koko” grew by
2x during the week of
the Black Panther movie
premier in comparison
to the previous week

“jaket denim Jokowi”
experienced a 100x
search growth within
the month of March
after his Sukabumi tour

Food and Beverage



Indonesia's love for food is growing

1.5x

The size of search volume
related to **food vs. personal
care category**

1.9x

The size of search volume
related to **food vs. moms and
baby category**



Source: Google Data, 2018

Foodies want to learn about recipes and food trends

“masakan rumahan”

increased in searches by **3.5x**

6000

food-related YouTube channels in Indonesia, with a **5x year-on-year growth in subscribers**



Foodie

7x growth in searches for the term **“foodie”** over the last 12 months

Indonesians are actively looking for trends in beverages



Searches around
“**minuman kekinian**”
has grown 6x in the
last 12 months





Foodies are curious about global cuisine

30%

growth in searches
about **“Korean cuisine”**

23%

growth in searches
about **“Turkish cuisine”**

20%

growth in searches about
“Japanese cuisine”

12%

growth in searches
about **“French cuisine”**

Healthy lifestyle is on the rise



Searches for healthier food choices are rising

The growth in searches for popular terms are

4.3x

increase in
“**diet keto**”
searches

2.8x

growth in
“**diet karbohidrat**”
searches

1.7x

rise in
“**oatmeal**”
searches

2.1x

boost in
“**makanan berserat tinggi**”
searches

1.6x

rise in
“**susu rendah lemak**”
searches



Media and Entertainment



Entertainment is the top category searched



87%

of all users in metros
search for entertainment
related queries

72%

of all users in non-metros
search for entertainment
related queries

Movies, Gaming, and Sports top the entertainment searches



2.6x

rise in searches
for trailer film
since 2016

5x

Searches about online
mobile gaming grew
by 5x vs. 2017



Searches about online live streaming in Google have doubled, especially during important sports events

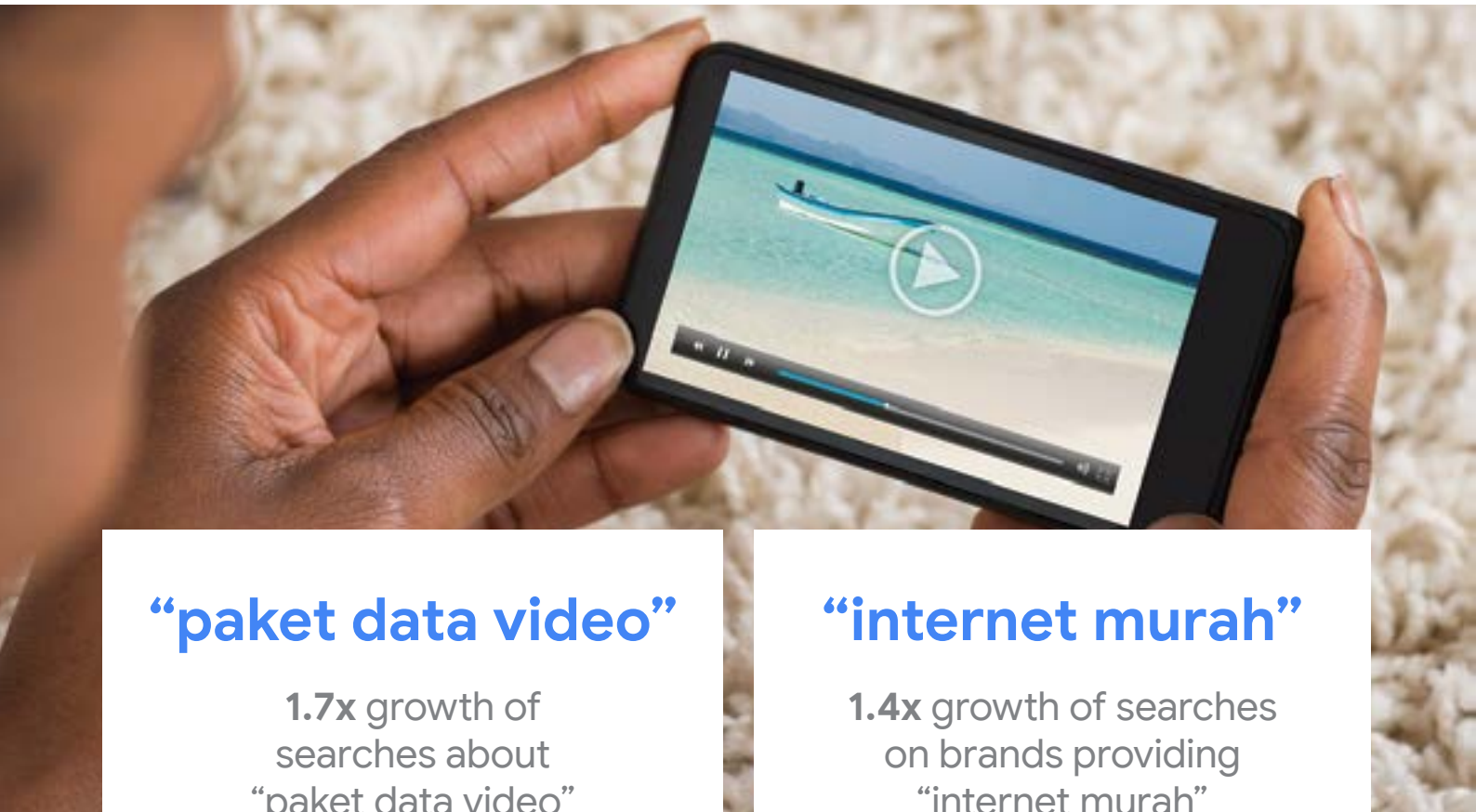
250 million

World Cup related searches in 2018, which grew by **5x** in comparison to the last World Cup

tv online

3x rise in searches about tv online during **World Cup** period in comparison to regular months

Indonesians look for high quality and affordable data packages to consume Entertainment content



“paket data video”

1.7x growth of searches about “paket data video”

“internet murah”

1.4x growth of searches on brands providing “internet murah”

Consumers use Search to compare data packages from telco providers

80%

telco searches are related to data packages information as people use Search to compare between telco products

Did you know?

slow internet

9.5x growth of searches about slow internet

internet complaints

3.3x growth of searches about internet complaints





Parenthood



Parenting moves online: Online research is an important touchpoint for baby care path to purchase

1 in 4

connected Indonesians
are moms

7 in 10

connected baby care
buyers research online
before purchase

Top two touch points
during a consumer's
online research journey:

- 1 Google Search**
- 2 Brand website**

55%

of connected baby care
buyers research online
before visiting a store

66%

research online while
visiting a store

Parents are more actively seeking parenting content online

34%

year-on-year rise in searches around parenting

1 in 2

searches are related to pregnancy

1 in 3

searches related to baby products were brand focused in 2018. This is a significant increase from 2015 where 1 in 5 searches were brand related



Top 3 most searched topics within Moms and Baby category are

pregnancy to childbirth preparation 🔍

brain and motoric development for early childhood 🔍

healthy pregnancy lifestyle 🔍



Personal Loans



Consumers turn to Search as a source of information for loan options

74%

consumers do online research before they apply for loan/credit cards

72%

consumers see Search as the key gateway to personal loan information online

Most helpful sources of information

- 1 Bank Branch
- 2 Google Search





Top queries on personal loan related searches include

what is the best loan? 🔍

what facilities are offered? 🔍

which banks offer lowest rates? 🔍

is there any promotion? 🔍

what are the terms & conditions? 🔍





Online loans gain popularity



1.5x

growth of searches for
“personal loan” related
searches

“pinjaman online”

accounts for 36% of
overall searches in
personal loan category

5x

growth in “pinjaman online”
driving growth in personal
loan searches

Loan installments gain interest across product categories

“cicilan”

1.7x growth in search queries related to “cicilan”

1.9x

search growth of installment for E-Commerce4 products, making it one of the **fastest growing searches** in the category

“cicilan hp”

is the **most searched query** within installment related queries

“cicilan mobil”

Search for “cicilan mobil” **increased 1.5x** a week after festive celebration





Technology





**Smartphone
buyers consider
multiple brands
before purchase**

8 out of 10

smartphone buyers are not sure of which models to buy when they start their purchasing journey

2.5

The number of smartphone brands that buyers consider through their purchase journey

20 - 30%

people switch to different smartphone brands at the end of the purchasing journey

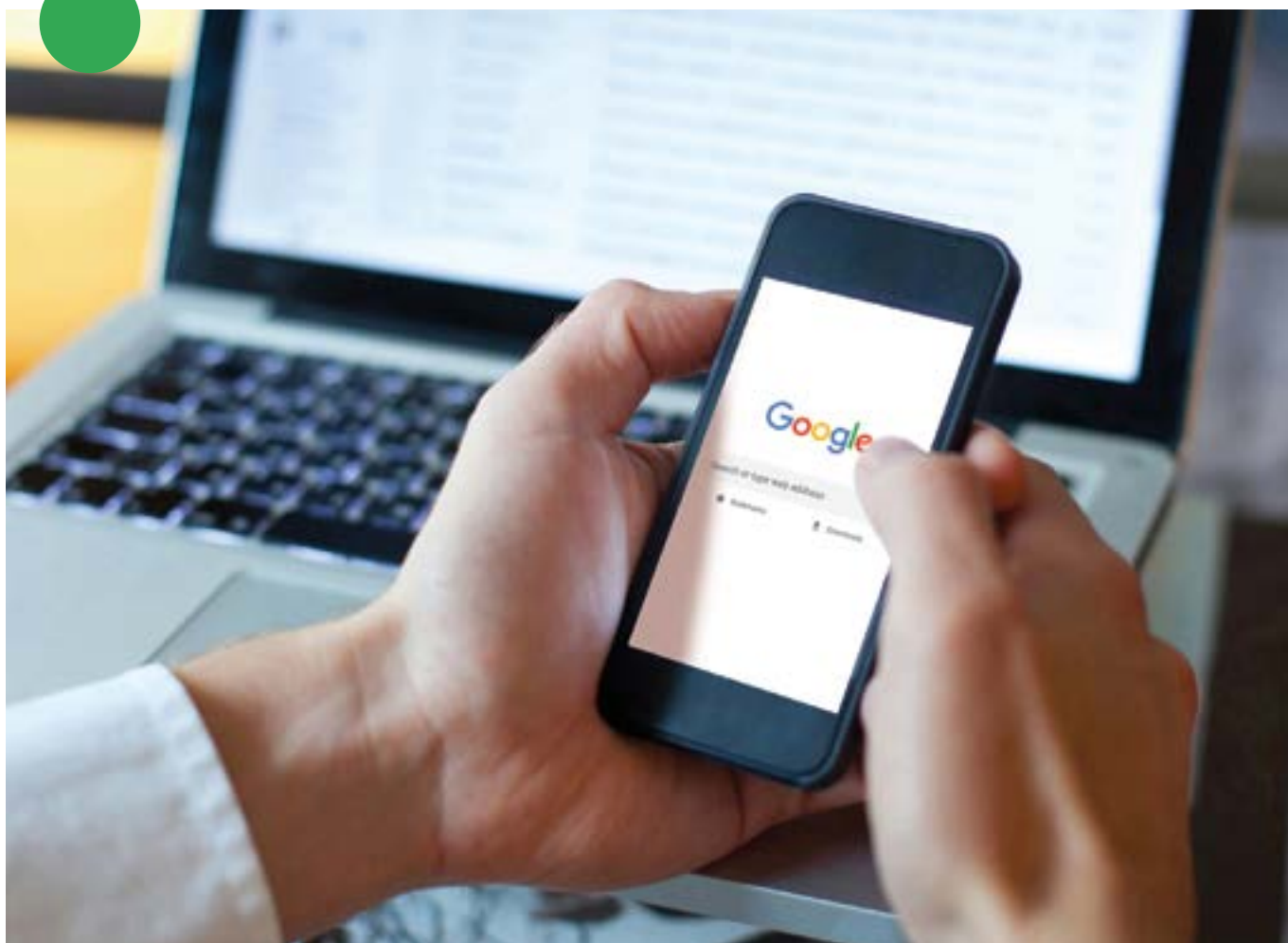
Smartphone buyers make informed decisions through Search

80%

of people use Search to **find information** before they purchase a smartphone

85%

premium smartphone buyers use Search **before buying a phone**





71%

say that Search helps them find **new models** that they didn't know about previously

74%

say that Search gives them all the **product details** that they are looking for

Mobile is the most favoured platform for smartphone research

Searching for new mobile phones on smartphones is quite popular in Indonesia. The queries peak at noon near lunchtime and around 9 pm, closer to the end of day

67%

of smartphone buyers still **continue searching** while in-store





Affordable smartphone brands are gaining popularity

2x

increase in searches for affordable brands. This includes both low-tier models (<IDR 2 million) and mid-tier models (IDR 2-5 million)

6 out of 10

searches for affordable smartphones are from **non-metro² cities**



Travel





Indonesia's online travel market is the largest and fastest growing in Southeast Asia

The online travel market in Indonesia grew at a compounded annual rate of

20%

It grew from **\$5 billion in 2015** to **\$8.6 billion in 2018**, and is expected to reach **\$25 billion in 2025**



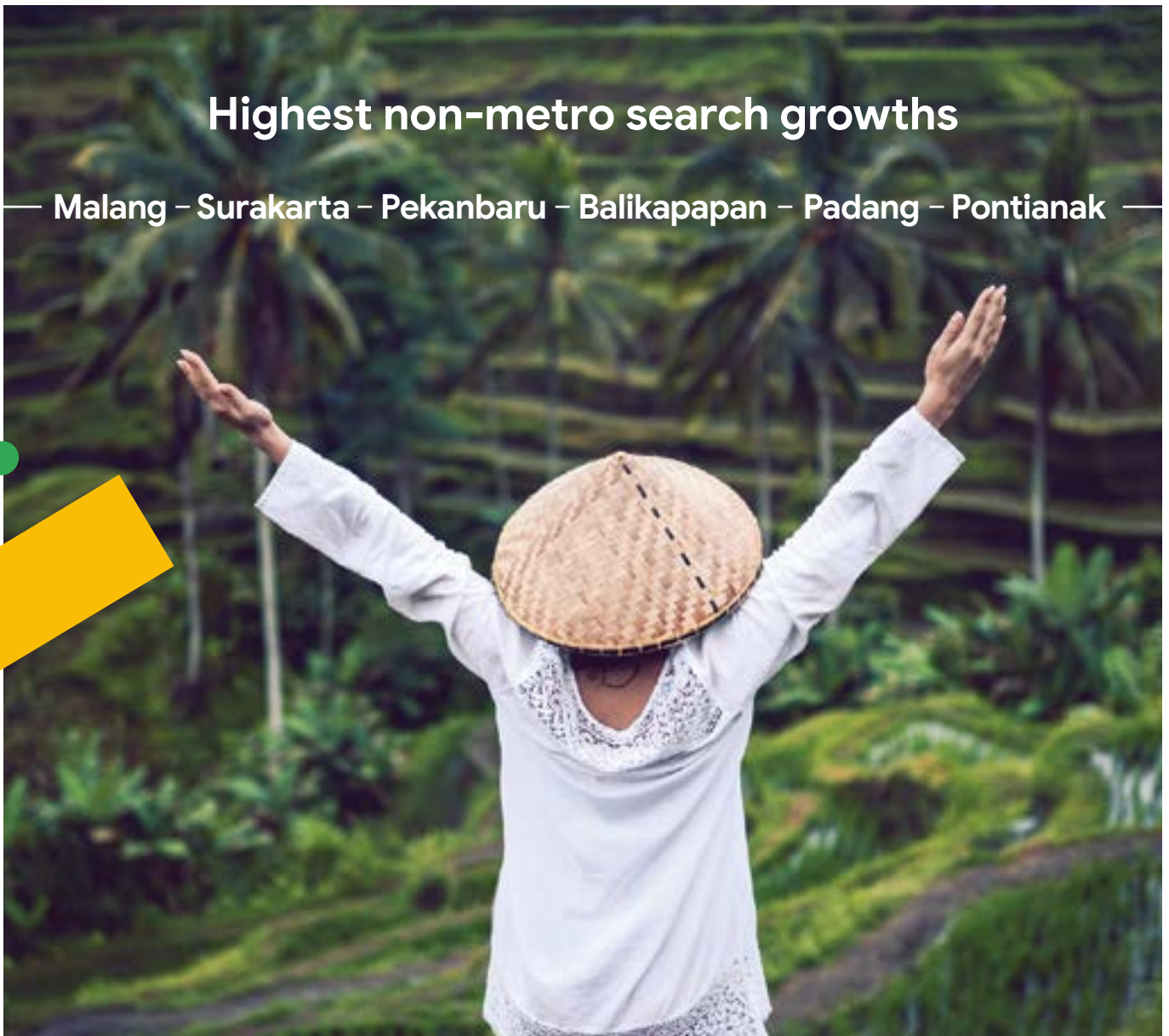
1 out of 3


searches on travel comes
from non-metro cities

Fastest growth in
Travel searches
come from
non-metros (48%)
in comparison to
metros (18%)

Highest non-metro search growths

— Malang – Surakarta – Pekanbaru – Balikpapan – Padang – Pontianak —





Indonesians take time to research their trip, however, tend to make last minute bookings

Indonesians spent an average of **13 days** from researching to planning to booking

However, **24% of online hotel bookings** are done less than a day before the trip

There has been a **1.3x increase** in last minute searches during peak vacation times



Type of information that people look for when they research for hotels online

price 🔍

offers / promotions 🔍

facilities 🔍

location 🔍

availability 🔍

Google Search is heavily used to explore local attractions

2.4x

The annual growth
of searches for **local
businesses**

2-4 pm

peak time for queries
related to **shopping
and restaurants**

9-11 am

most popular time
for queries related to
tourist attractions

Most of the searches for local businesses revolve around

leisure



drinks



food



shopping



Glossary

1.

Internet Economy: The total online consumer transaction value across E-commerce, online media, ride hailing and online travel

2.

Non-Metros: All cities and towns in Indonesia excluding the Top 6 metropolitan cities.

3.

Metros: Top 6 metropolitan cities of Indonesia: Jabodetabek, Surabaya, Bandung, Medan, Semarang, Jogja

4.

E-Money: the digital currency by which electronic payments and transactions are completed

5.

E-Commerce: Marketplaces (SMB2C), malls (B2C), brand.com

6.

Ride Hailing: Transportation, food delivery

7.

Online Media: Online ads, Online gaming, Video on Demand, Music on Demand

8.

Online Travel: Flights, hotels, vacation rentals

9.

Connected Users: Consumers with access to the internet

*All claims are within the period of 2017-2018 unless otherwise stated



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