



State of the Industry 2022

Modern marketing in Indonesia

in association with MMA APAC

In this report

To drive growth in the digital age, marketing needs to modernise a specific set of capabilities and mindsets.

But as complexity grows, marketers face increasingly difficult choices about where to allocate their investments; what objectives and tactics to choose; and what capabilities to develop in order to drive future growth.

This report – a collaboration between WARC and MMA APAC – examines how the industry is approaching these challenges, with a focus on current trends and future opportunities.

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Takeaways

1. **YouTube** remains the most popular platform for **display advertising** in Indonesia, whilst **Instagram** is the most popular platform for **partnerships and shoppable advertising**.
2. Spending on **social and influencers** is proportionally higher in Indonesia, compared to the rest of the APAC region.
3. Indonesian marketers are more excited about **shoppable media** in 2022, compared to last year, with around a fifth of marketers using **TikTok** and **Instagram** to create shoppable content.
4. **Half of marketers** in Indonesia are already preparing for the advancement of **Web 3.0**, with a similar proportion agreeing that the **metaverse** will **significantly impact digital marketing in the next five years**.
5. While current usage is low, **AI and machine learning** is expected to become one of the most **significant technologies** for marketing in the future.
6. **Mobile wallets** have nearly **doubled** in significance over the last year, mirroring the **rise of mobile payments** in the country.
7. Marketers see **skills** as the biggest **barrier** to digital marketing growth, followed by **measurement / metrics** and **budgets**.

What this means for:

Advertisers

- Take steps to upskill existing talent to mitigate against some of the worst effects of the current talent shortage in Indonesia.
- Given the prominence of influencers in Indonesia, it is important to ensure a good fit between your brand and the influencers with which you engage.
- New revenue opportunities are emerging with shoppable media, as social media platforms continue to expand and experiment with online commerce features.

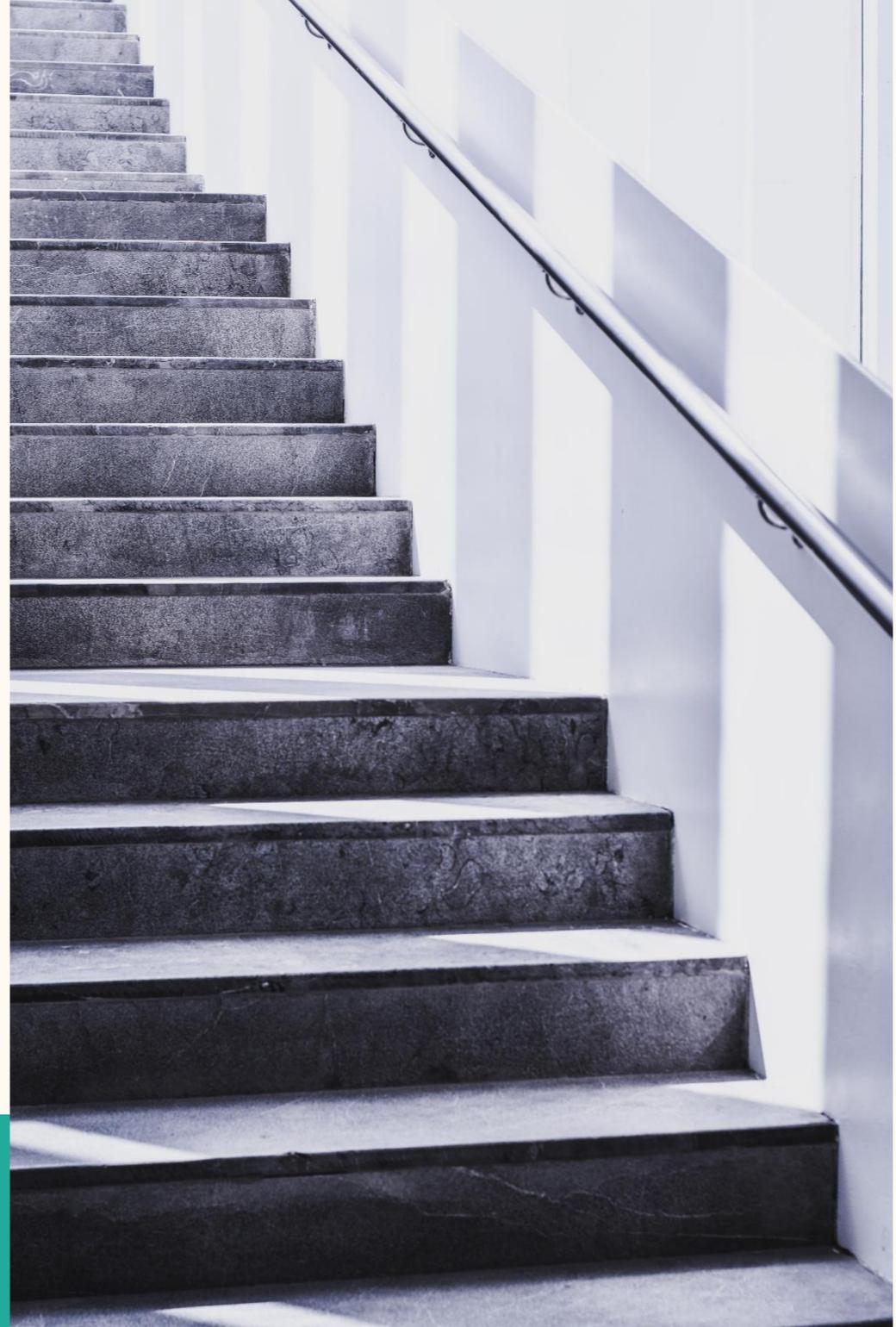
Agencies

- Evaluate and consider strengthening your social commerce capabilities to take advantage of the growth of m-commerce and growing interest in shoppable media among Indonesian marketers.
- With the rise of multiscreening, consider bringing in new data and metrics to deepen your knowledge and understanding of audience attention.

Chapter 1

Modern marketing objectives and tactics

Modern marketing in Indonesia 2022

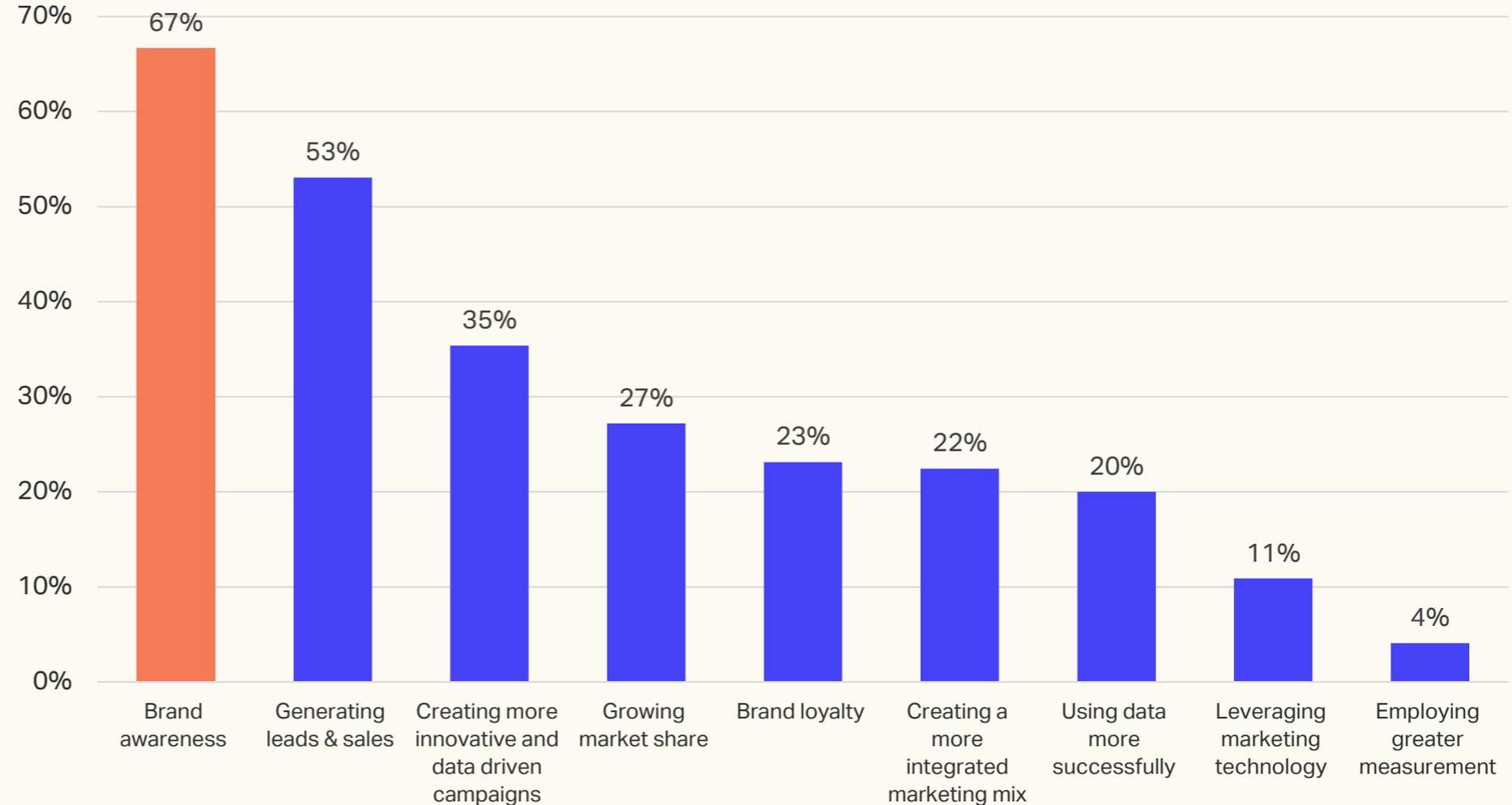


The biggest priority in digital marketing is brand awareness

Two-thirds (67%) of Indonesian respondents identify brand awareness as their key priority in digital marketing, the same proportion as in 2021 (67%). Over half (53%) also identify generating leads and sales as a key objective, making it their second highest priority.

Only 4% of marketers identified employing greater measurement as a key priority in digital marketing, despite a third (30%) identifying metrics and measurement as a key barrier to growth.

Which of the following are your / your typical client's key priorities in digital marketing?

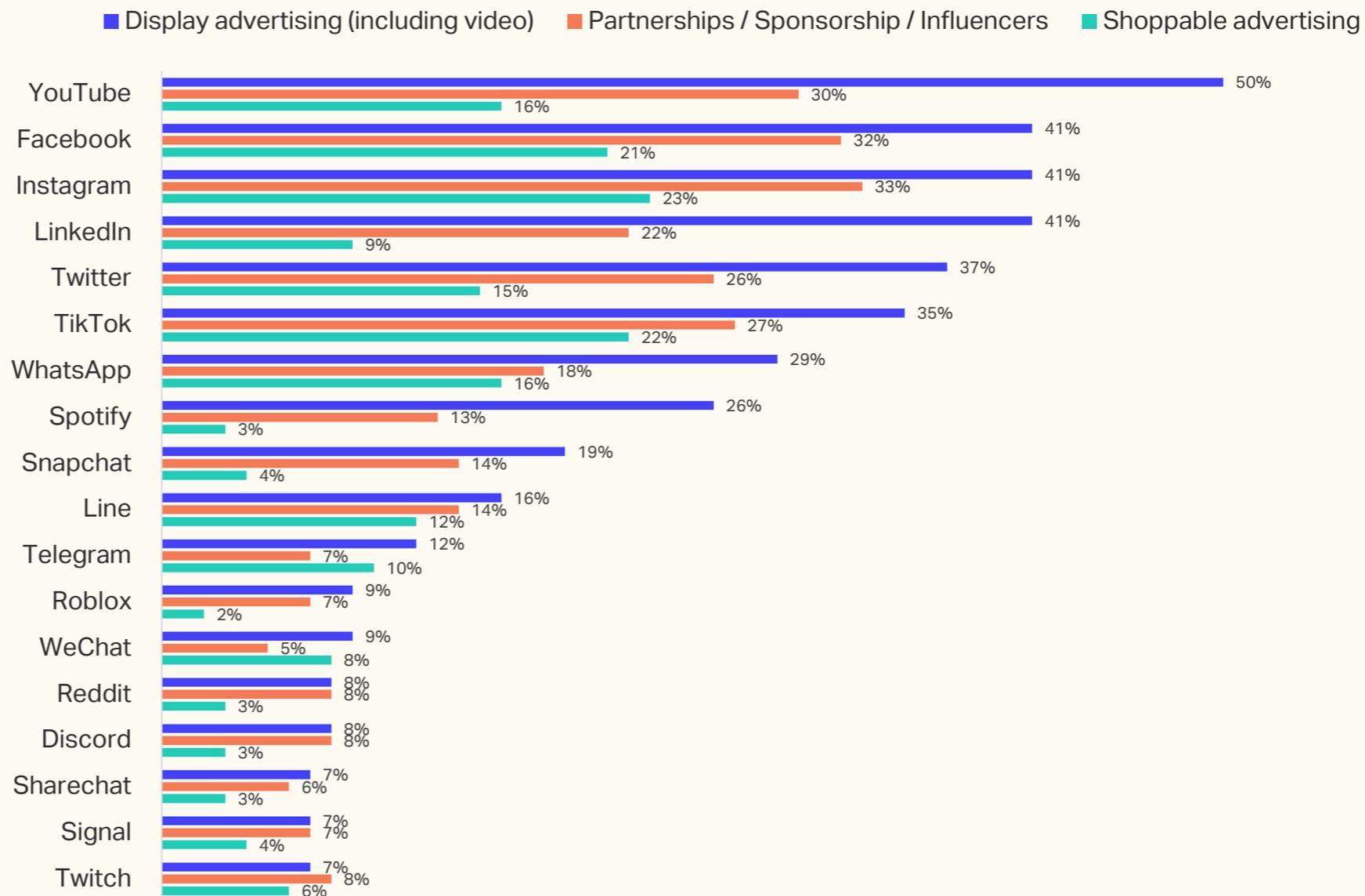


YouTube remains the leading platform for display advertising

Half of respondents (50%) have used YouTube for display advertising, whilst the most used platform for partnerships / sponsorships / influencers is Instagram (33%), closely followed by Facebook (32%) and YouTube (30%).

For shoppable advertising, the most popular platform is Instagram (23%), with TikTok (22%) and Facebook (22%) in joint second place. Despite only around a fifth of marketers currently using these platforms for shoppable advertising, 85% say they are excited about the opportunity of shoppable media.

For each of the social media platforms listed, select if you have used it for each of the content types: display, partnerships, and shoppable.



Chapter 2

Modern marketing budgets

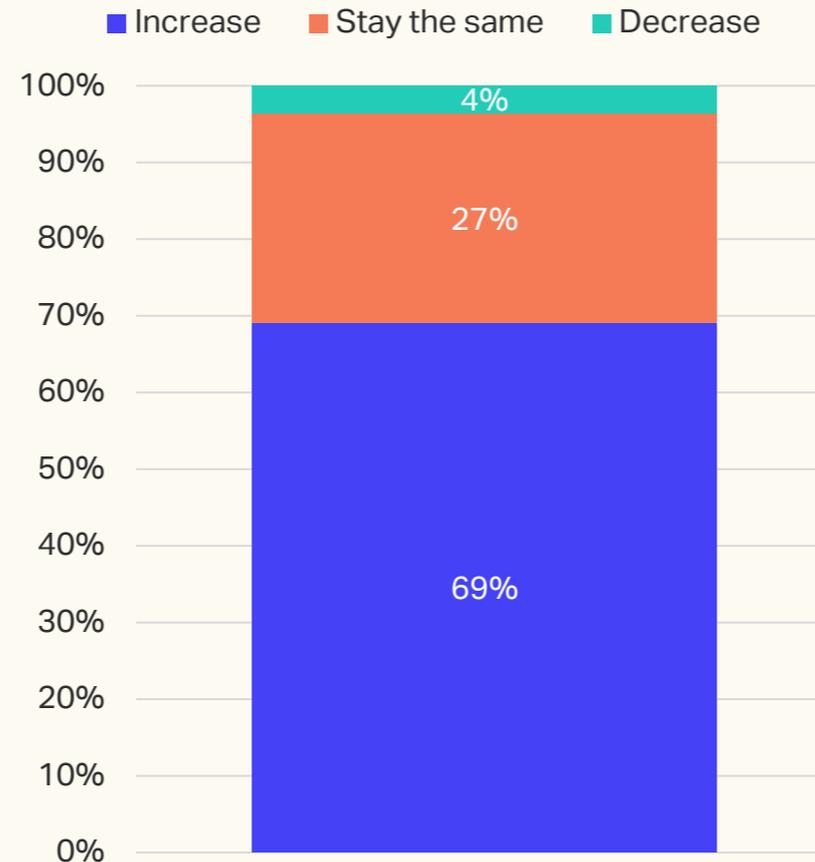


Two-thirds of respondents expect their digital marketing budget to increase

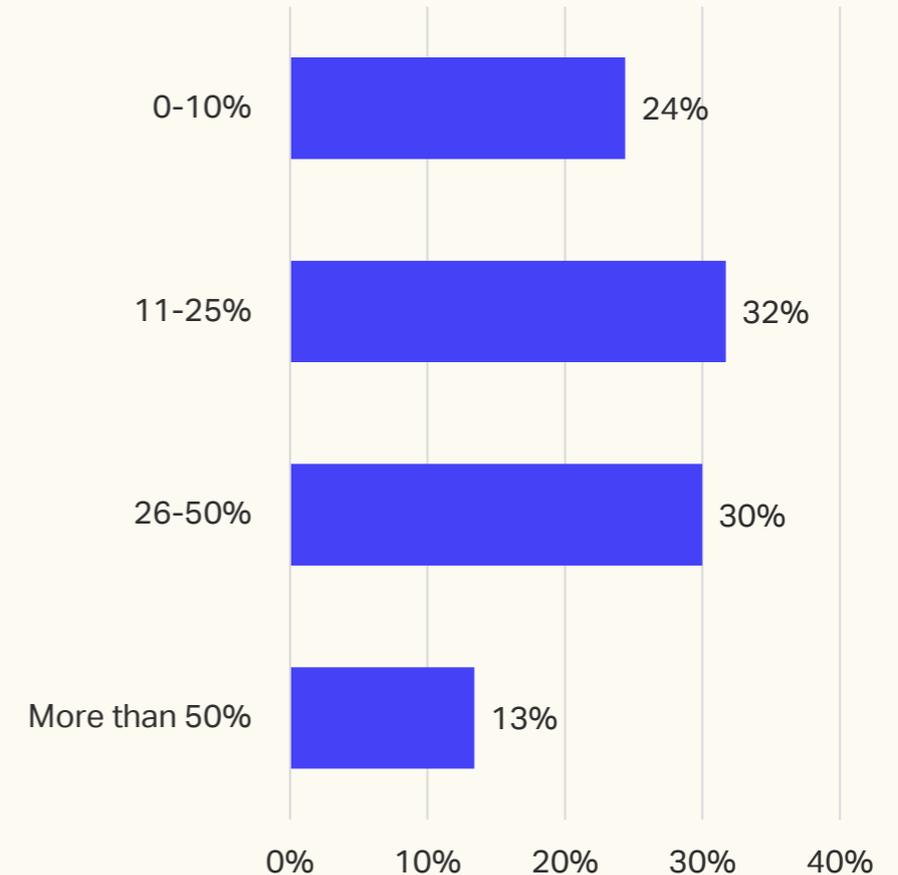
A majority of marketers (69%) expect an increase in digital marketing budgets over the next year. This mirrors a trend seen across APAC, where exactly the same percentage of marketers expect their budget to increase.

A report from [Bain & Company](#) has shown that the pandemic precipitated an increase in digital consumption habits across Indonesia, including penetration in non-metro areas. Looking ahead to 2025, Bain & Company forecast the overall internet economy to reach a value of \$146 billion.

How do you expect your / your client's digital marketing and advertising budgets to change over the next twelve months?



Approximately how much of your / your typical client's budget for 2022 will be invested in marketing technology?

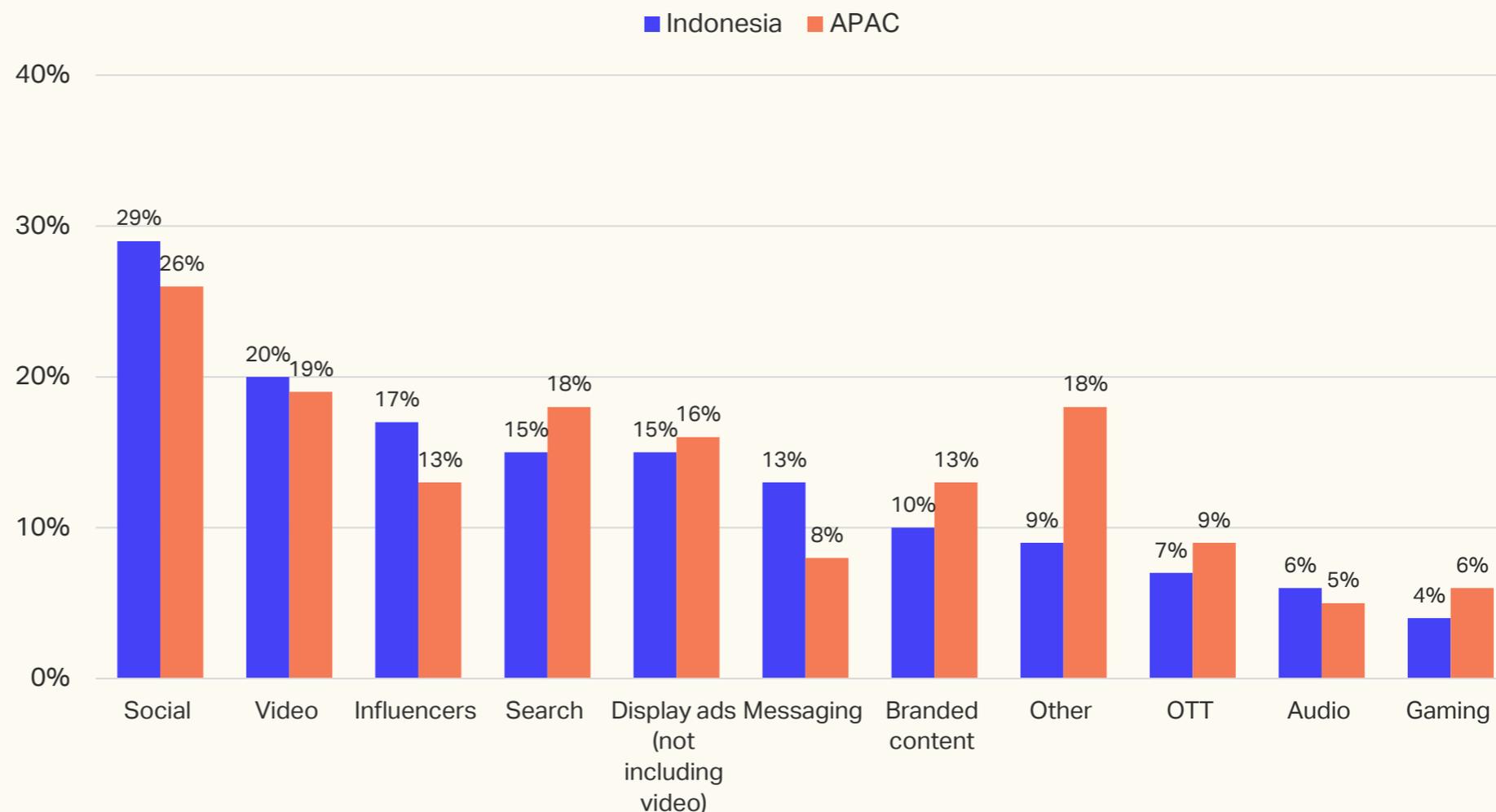


Social receives almost a third of the marketing budget

Social is the most invested in channel, with 29% of investment being allocated here. [YouGov](#) data shows that almost 60% of Indonesians plan to interact with social media more over the next 12 months, compared to 20% of people globally.

In Indonesia, influencers are the third most invested in channel after social (29%) and video (20%), receiving 17% of investment. Three quarters (73%) of Indonesians follow an [influencer](#), significantly higher than the global average of 43%.

Approximately what percentage of your / your clients' digital marketing and advertising budgets are you allocating between the following channels?



Chapter 3

Consumer trends & opportunities

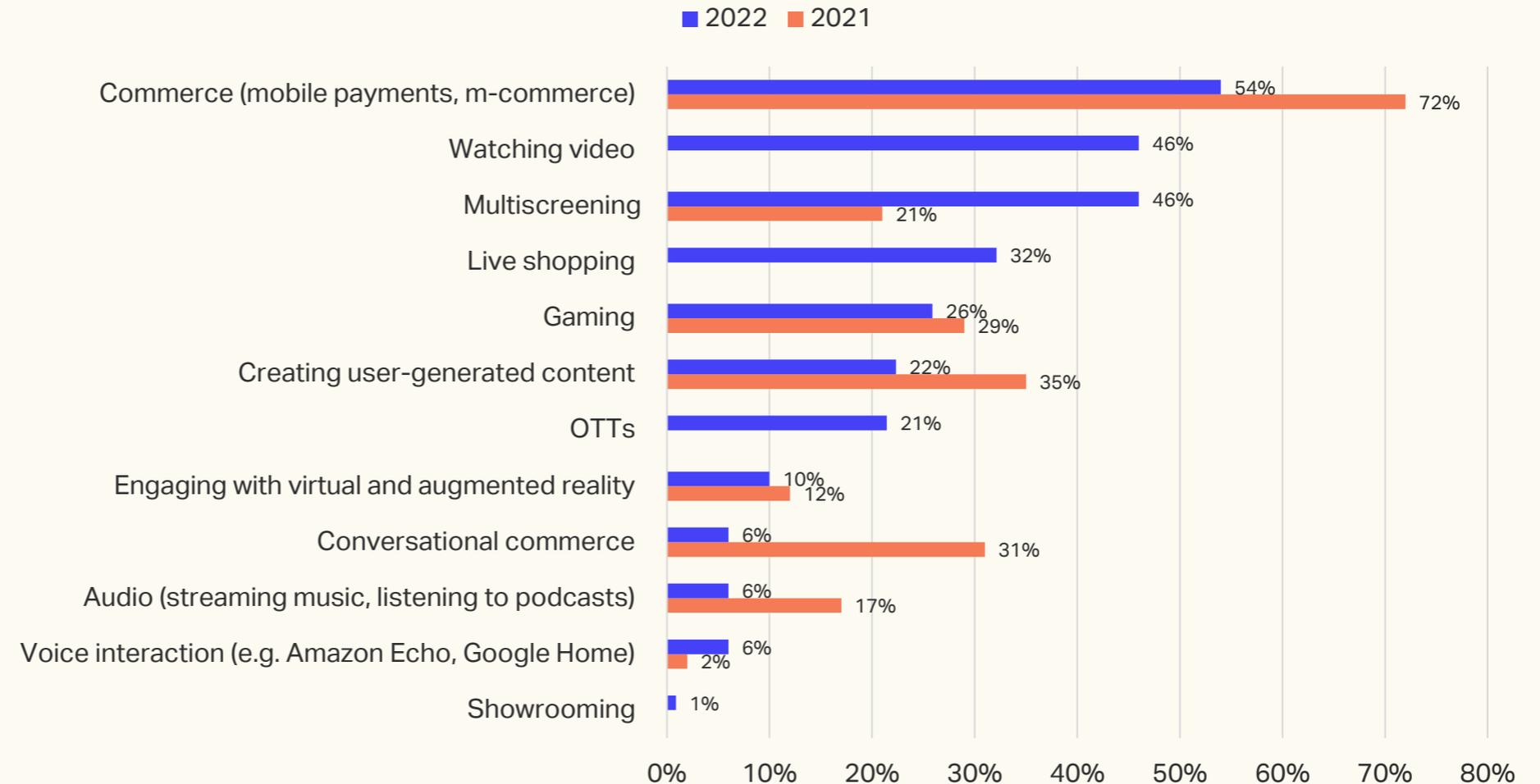


M-commerce is still the most significant consumer behaviour

The significance of m-commerce has dipped slightly, from 72% in 2021 to 54% in 2022. One reason might be the global slowdown of e-commerce activity after the COVID pandemic. Nonetheless, it remains the most significant consumer behaviour in Indonesia.

Elsewhere, multiscreening is emerging as a key consumer behaviour, doubling in perceived significance since 2021. Data from WARC Media shows that, since 2013, the use of second screens whilst watching TV has been rising steadily in Indonesia.

Of the following consumer behaviours that are increasingly involving personal devices, which do you think have the most significance for the marketing industry?



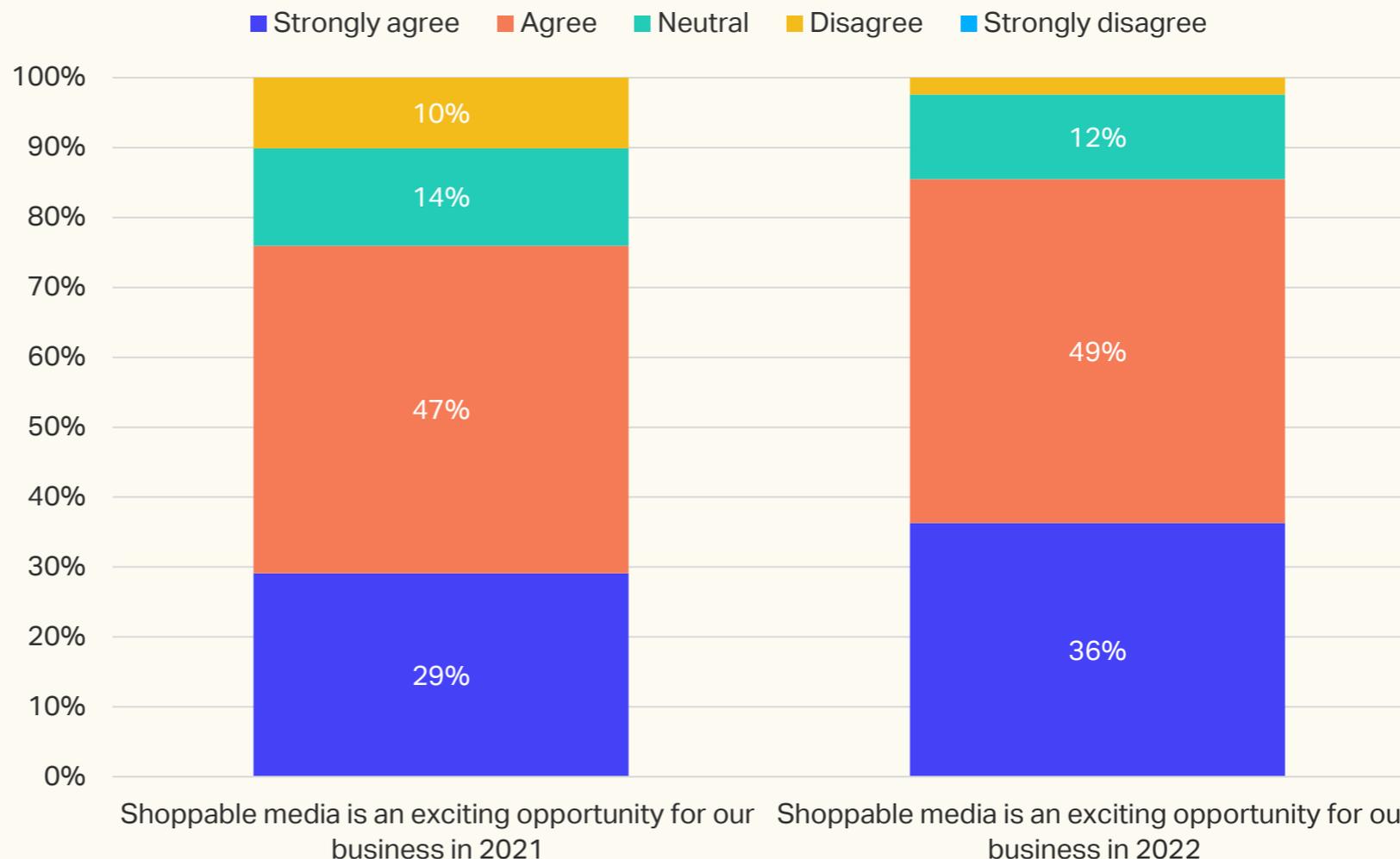
Note: Previous iterations of this survey question referred to 'mobile' devices, which has been generalised to 'personal' devices in this survey. One option was asked in 2021, but not in 2022, and so has not been displayed. This was 'watching and streaming video via OTT devices'.

Shoppable media is a more exciting opportunity for marketers this year

Since 2021, the number of Indonesian marketers excited about shoppable media has increased 9pp to 85%, while excitement has declined across the rest of APAC. Data from [McKinsey](#) suggests that over half of Indonesians plan to continue the shopping habits they adopted during the COVID pandemic.

According to [this research](#), Instagram and TikTok are the most important platforms for shoppable media in Indonesia. TikTok is currently [trialing](#) a dedicated shopping feed within its app which will be released exclusively in Indonesia.

To what extent do you agree or disagree with the following statements about digital marketing?

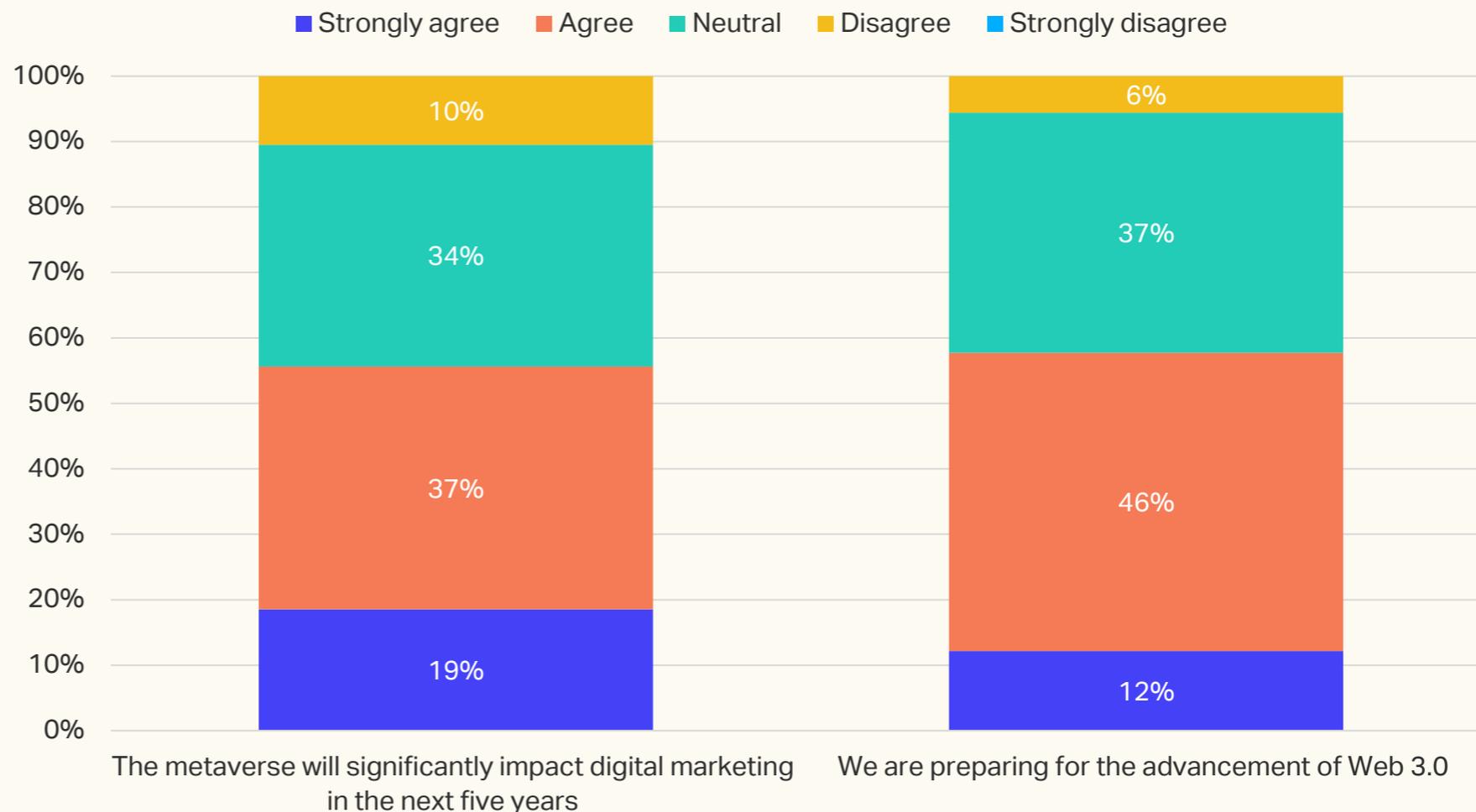


More than half of respondents are preparing for the advancement of Web 3.0

Over half (58%) of respondents in Indonesia are preparing for the advancement of Web 3.0. Globally, some marketers have already begun experimenting with these technologies in a bid to reach new audiences and boost creativity.

More than half (56%) of respondents also believe the metaverse will significantly impact digital marketing in the next five years. In fact, the metaverse has already been employed in Indonesia to aid digital marketing and support Indonesian-owned businesses.

To what extent do you agree or disagree with the following statements?



Chapter 4

Technology trends

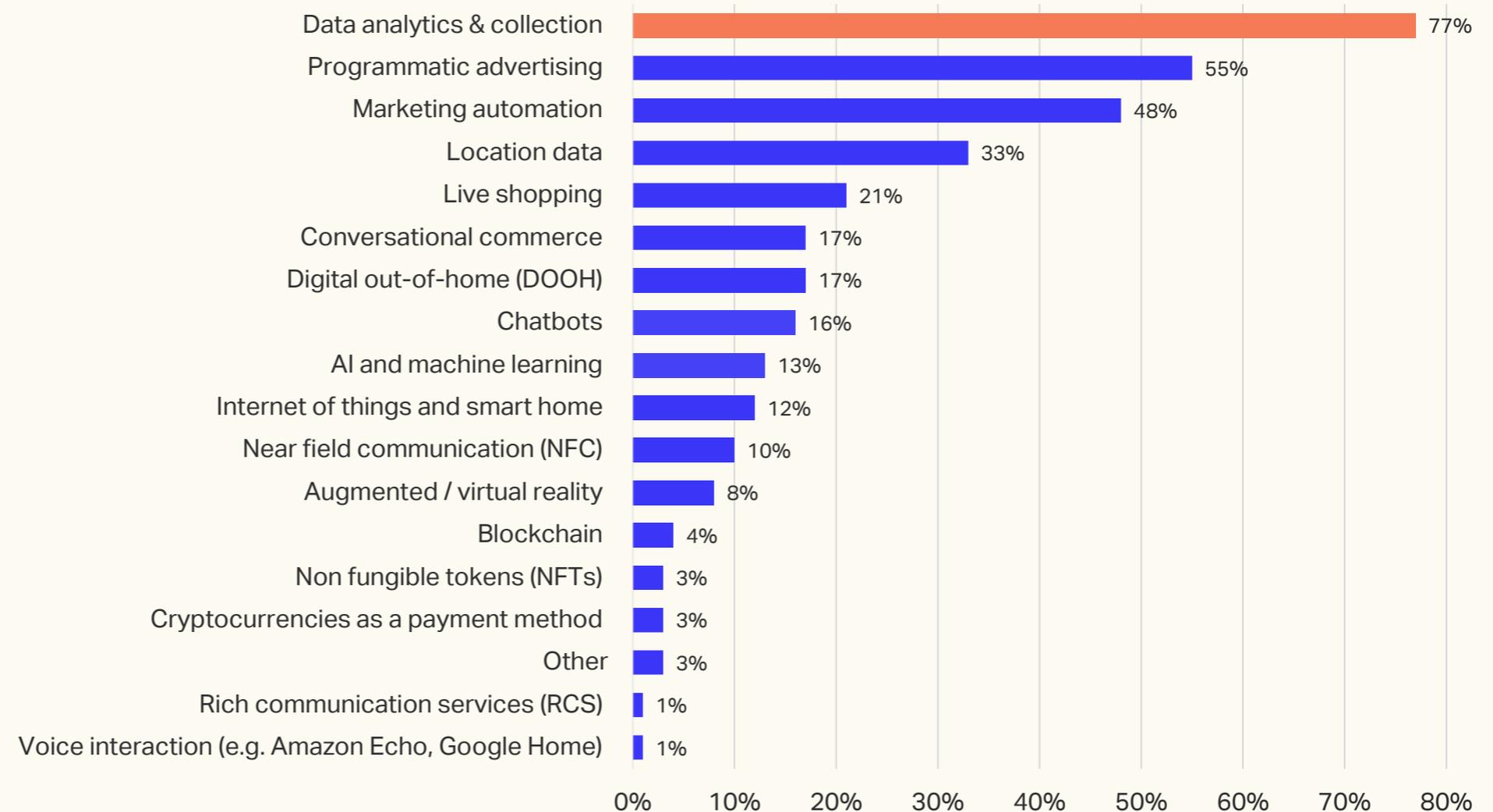


Data is the biggest driver of improvements in marketing

This prioritisation of data mirrors a trend seen in APAC, where 79% of respondents use data analytics and collection to drive improvements in marketing. Data is crucial for understanding markets like Indonesia, where consumers of over 1,300 ethnicities are scattered across 17,500 islands - each with their own subcultures and preferences.

By contrast, AI (13%) usage is low compared to APAC (21%). While funding for AI-related businesses has flourished, limitations in Indonesia's internet infrastructure and digital talent are potential barriers to success.

Which of the following technologies are you / your typical clients using to drive improvements in marketing?

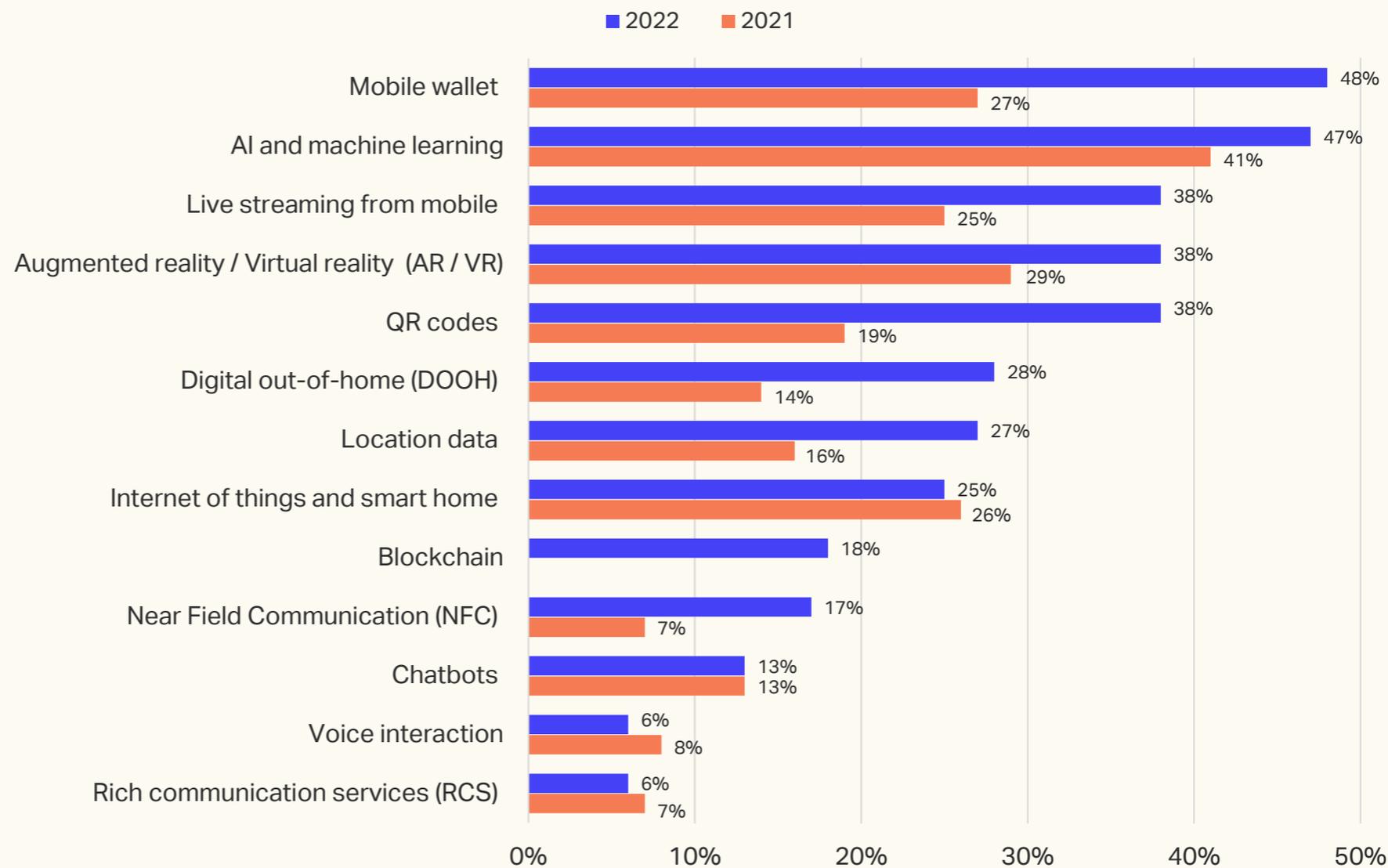


Nearly half expect mobile wallets to be the most significant tech in two years

Mobile wallets (48%) and QR codes (38%) have nearly doubled in significance from 2021, having grown by 21pp and 19pp, respectively. This uptick likely reflects Indonesia's rapid growth in mobile payments, with mobile wallet users expected to increase from 63.6 million in 2022 to 202 million by 2025.

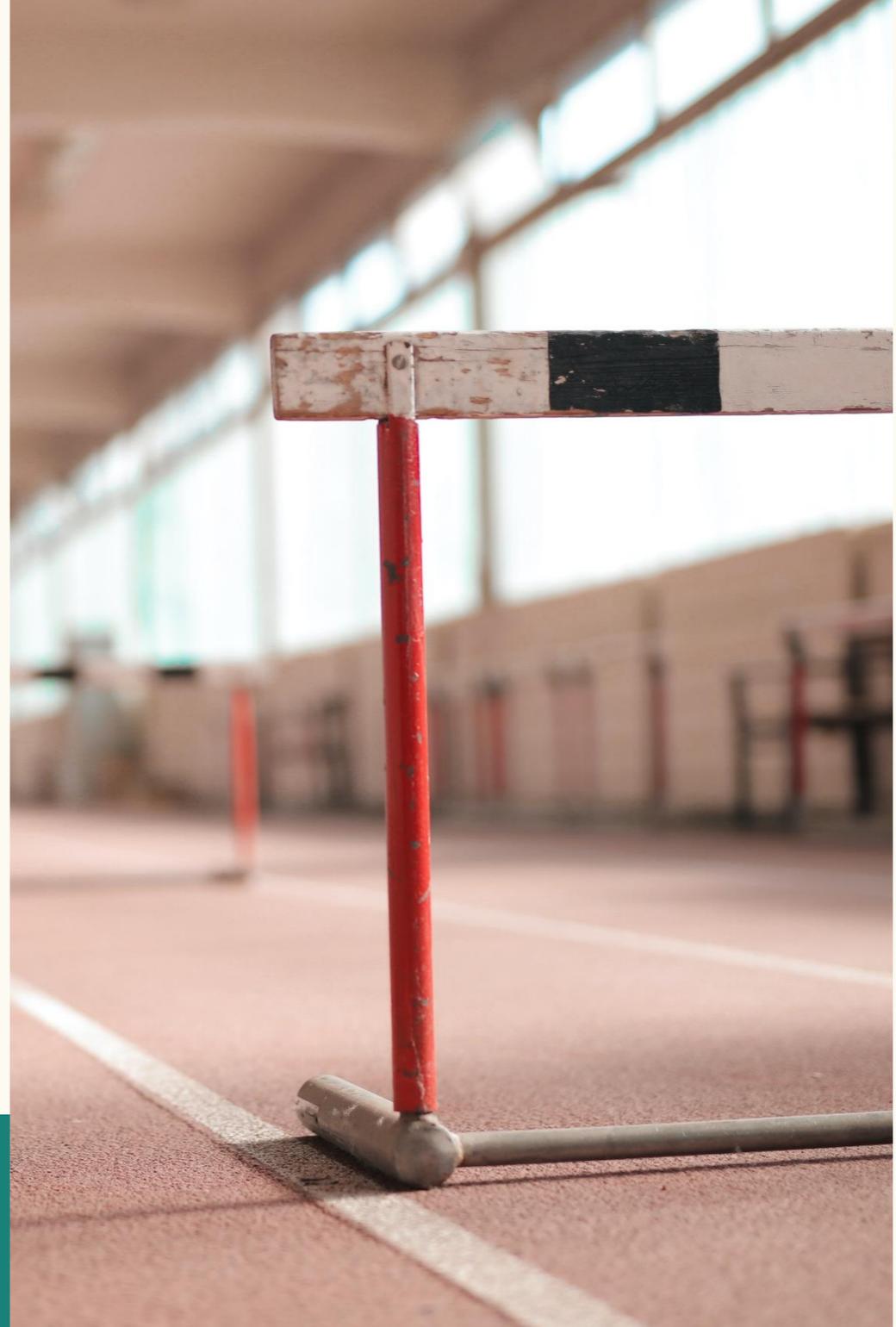
Similarly, DOOH (28%) is twice as significant this year compared to 2021. Marketers expect DOOH to grow as Indonesian consumers increase their level of activity outside the home post-lockdown.

Which of these technologies do you expect to be most significant in two years' time?



Chapter 5

Measurement and barriers

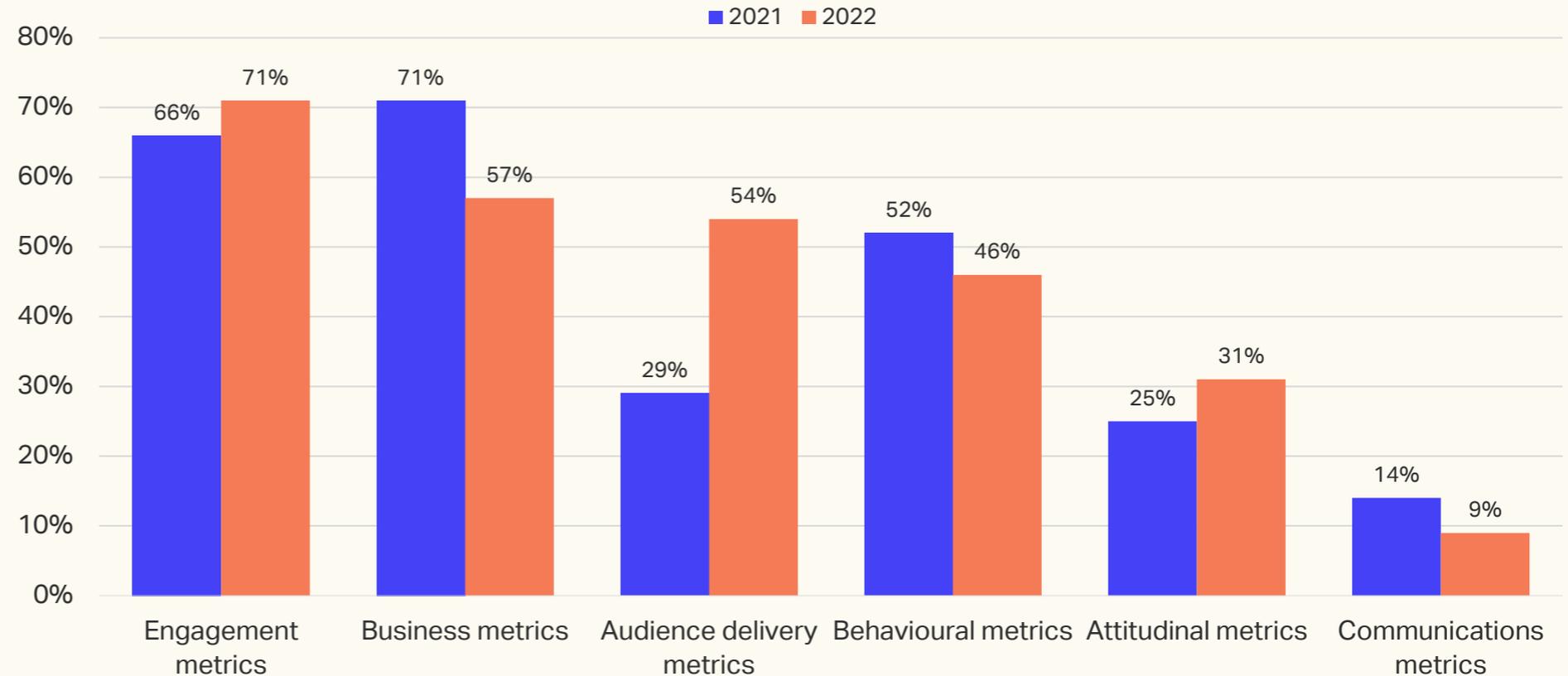


Engagement metrics are the most used metrics to measure digital marketing effectiveness

Usage of engagement metrics and audience delivery metrics has grown in the past year, despite criticisms around their inability to capture real business impact. In contrast, business metrics have declined 14pp to 57% in 2022.

However, it is worth noting that over half (51%) of those who use engagement or behavioural metrics also use business metrics. This demonstrates the importance of measuring business impact, even among marketers who favour using 'so-called vanity metrics.

Which of the metrics below do you or your clients most use to measure digital marketing effectiveness?



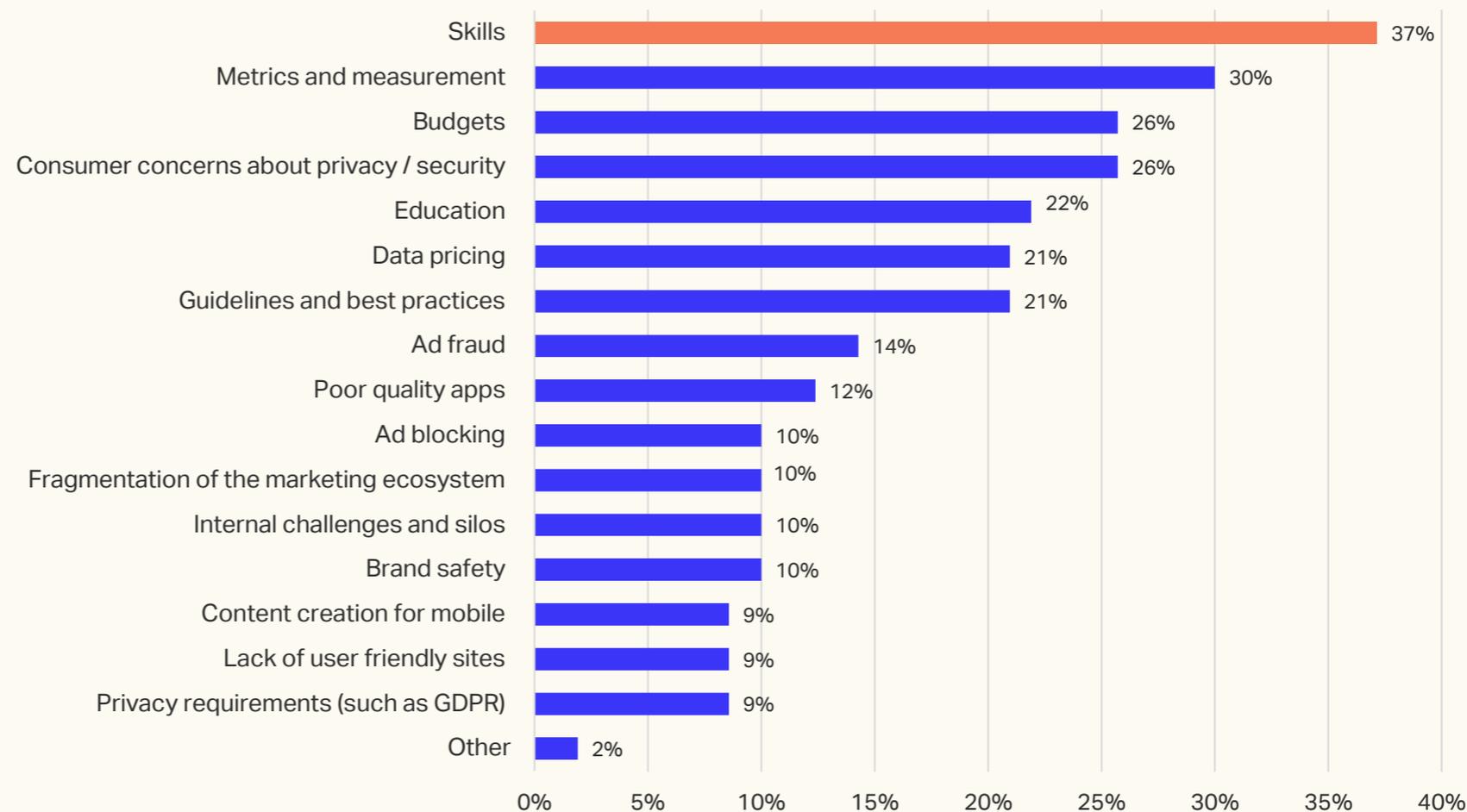
Engagement metrics (i.e. video completion rates, social sharing, CTR etc.)
 Audience delivery metrics (i.e. impression delivered by target group, or viewable impressions)
 Business metrics (i.e. ROI, incremental sales, profit, LTV)
 Behavioural metrics (i.e. post click engagement, traffic to sites etc.)
 Attitudinal metrics (i.e. awareness, image and other brand KPI's based on surveys)
 Communications metrics (i.e. PR value)

Over a third see skills as the biggest barrier to digital marketing growth

The need for skilled marketers is potentially linked to a shortage of tech talent in Indonesia. [The World Bank](#) predicts a shortage of nine million information and communications technology (ICT) workers in the country between 2015 and 2030.

Just under a third of respondents (30%) see metrics and measurement as a barrier to growth. Issues with measurement and metrics have been compounded by the prospect of third-party cookies being phased out, requiring a [recalibration](#) of cookie-based measurement solutions.

In your opinion, what are the biggest barriers to the growth of digital marketing and advertising in your country?



Note: Two options in this question are not displayed above: 1) 'Content creation for mobile', and 2) 'Poor quality apps' which were deemed more specific to mobile marketing as opposed to digital marketing in general.

About

This study

This report is based on an online survey of 183 marketing professionals, carried out between July and September of 2022.

The survey link was disseminated to WARC and MMA Global lists, and respondents received a complimentary copy of the report.

Respondents were based in Indonesia, and were a mix of client-side, agency, media owner and technology vendor marketers.

WARC

Warc.com is an online service offering advertising best practice, evidence and insights from the world's leading brands. WARC helps clients grow their businesses by using proven approaches to maximise advertising effectiveness.

WARC's clients include the world's largest advertising and media agencies, research companies, universities and advertisers.

MMA Global

MMA Global is the world's leading global non-profit trade association composed of more than 800 member companies from nearly fifty countries around the world.

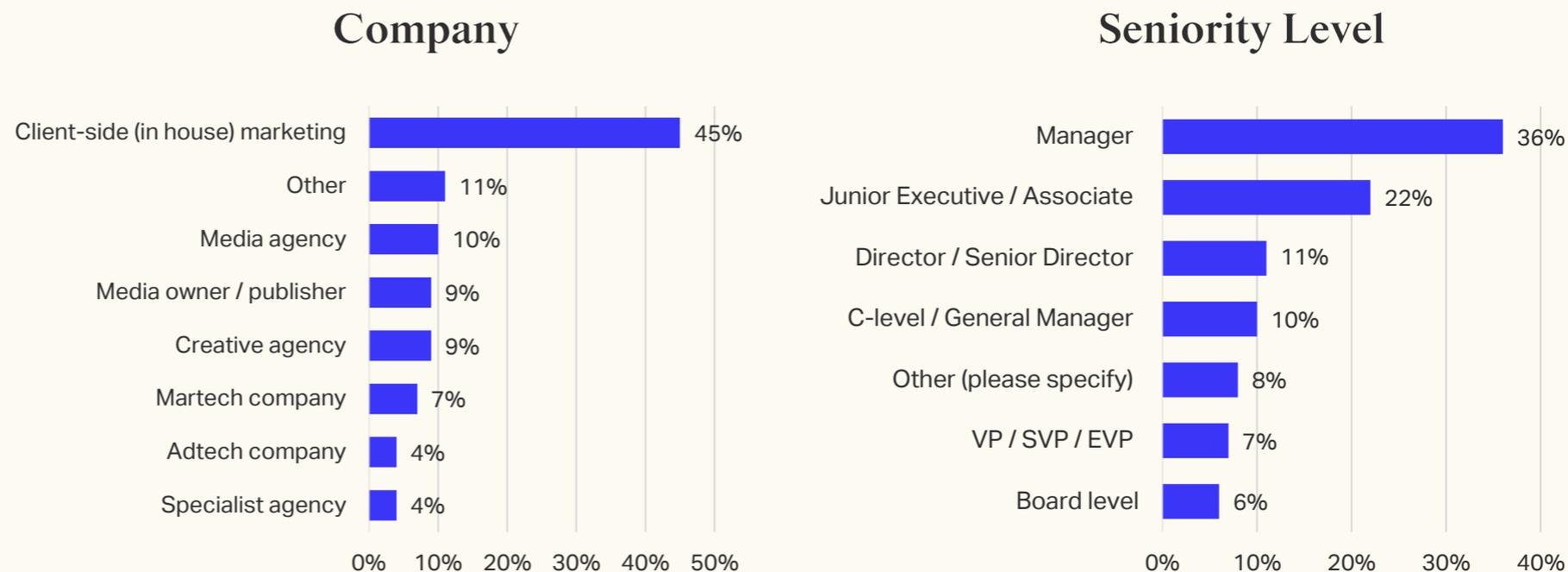
Our mission is to accelerate the transformation and innovation of modern marketing, driving business growth with closer and stronger consumer engagement.

Respondent demographics

This survey was conducted in Indonesia and received 183 responses in total.

Nearly half (45%) worked for client-side (in house) marketing while 23% worked for creative, media or specialist agencies. In terms of seniority level, over a third of respondents (36%) operated at Manager level. This was followed by respondents at the Junior Executive / Associate level (22%) and those at the Director / Senior Director level (11%).

What type of company do you work for? / What is your seniority level?



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