



Digital Business, Online Marketplaces and E-Commerce for SME: ASEAN and Indonesia Context

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Digital Economy

Digitalization in the Context of SDG









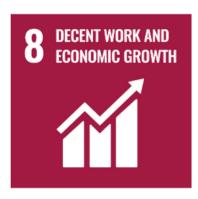
































- Digital technologies, such as mobile devices, digital public services, and emerging innovations including Artificial Intelligence are reshaping the global landscape.
- Digital technologies can be employed to increase financial inclusion, enhance government efficiency, and tackle poverty. They can play a pivotal role in achieving the SDGs.
- In fact, digital technologies can play a role in achieving 70% of all SDG targets.

Source: https://www.sdg-digital.org/#:~:text=Digital%20technologies%20can%20be%20employed,70%25%20of%20all%20SDG%20targets.



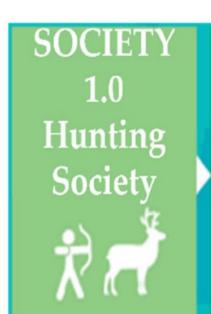


Digital Transformation

Digitalization Over Time







SOCIETY 2.0 Agrarian Society





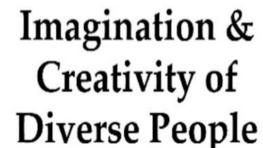


 Digital transformation refers to the process and strategy of using digital technology to radically change how businesses operate and serve their customers.



Digital Transformation AI x Big Data Sets







Problem Solving

Autonomous Decentralization

Security & Safety

Environmental Harmony

 Today, business units increasingly relying on data and technology to operate more efficiently and deliver value to customers.

Source: https://encyclopedia.pub/entry/26927 and https://www.f5.com/company/news/features/infographic-the-digital-era-has-arrived



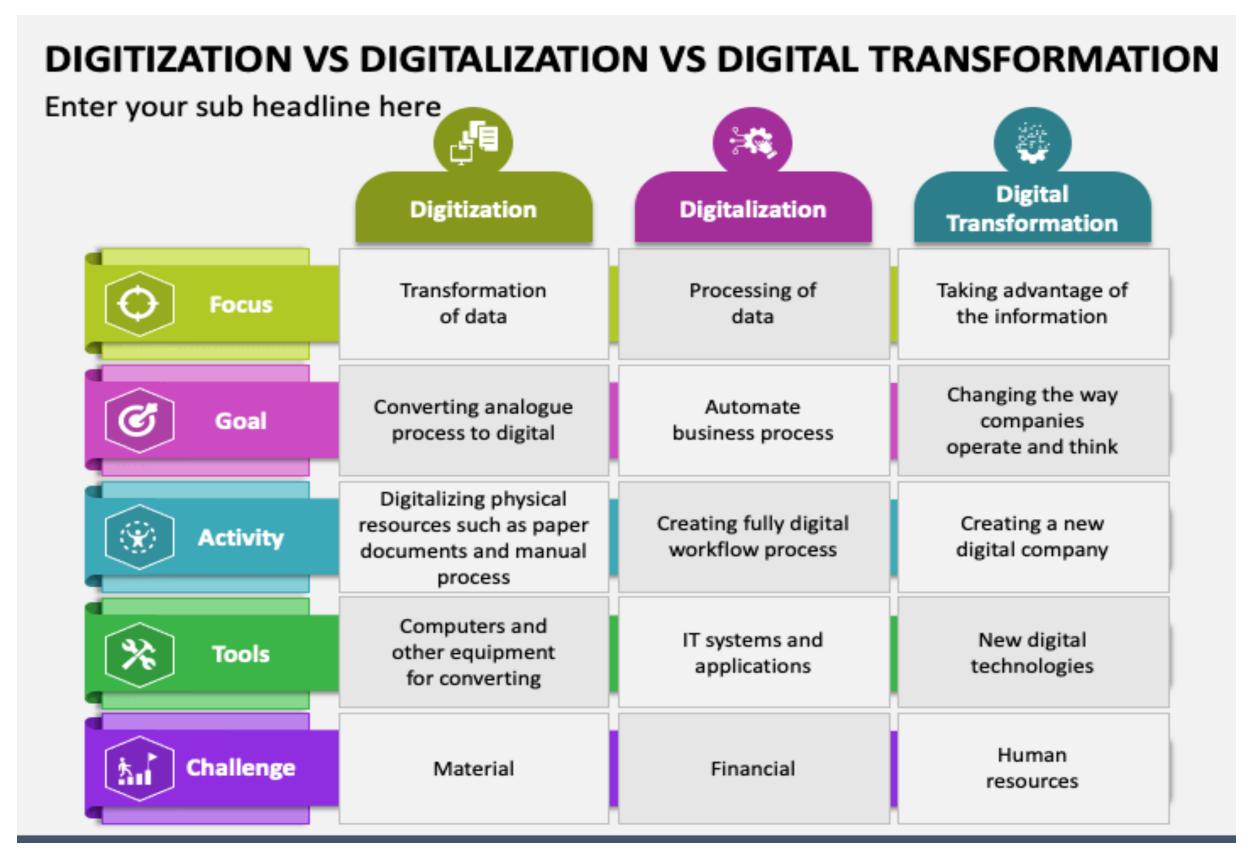


Digital Transformation





Digitization vs Digitalization vs Digital Transformation







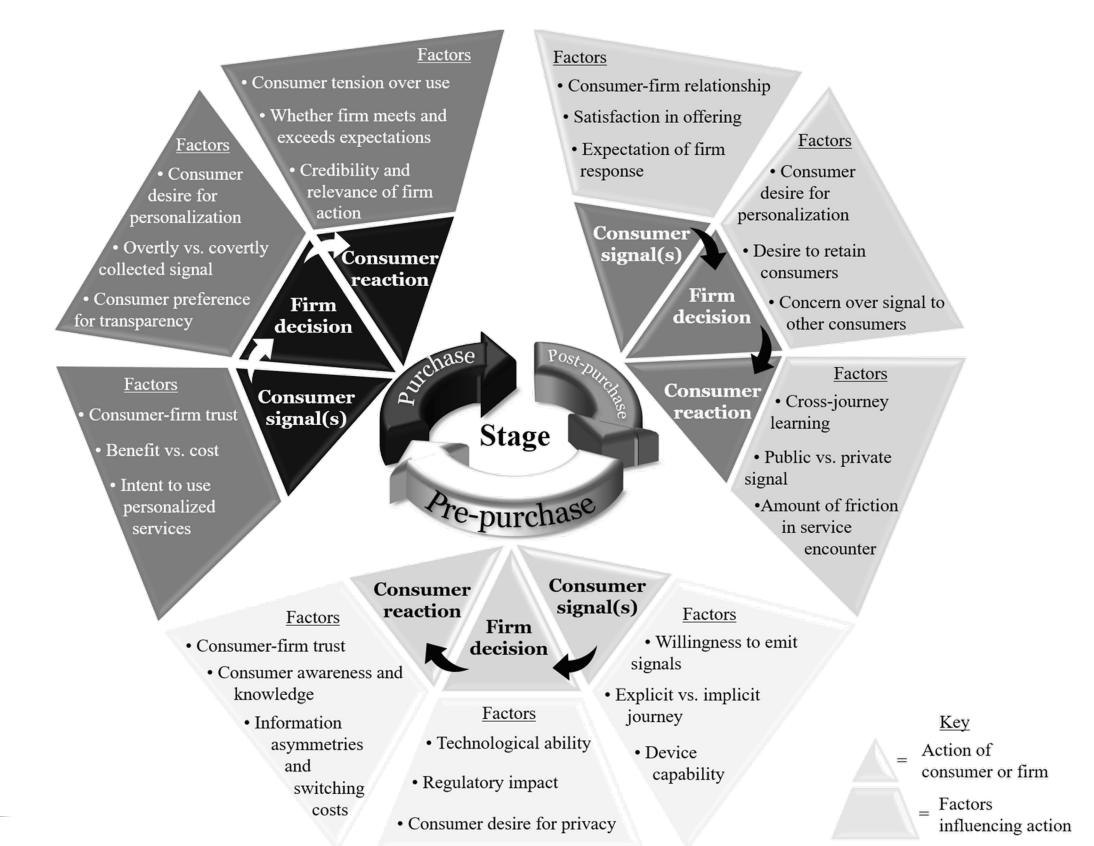
Theoretical Framework







How Consumer Digital Signals are Reshaping The Customer Journey



Source:

Schweidel, D. A., Bart, Y., Inman, J. J., Stephen, A. T., Libai, B., Andrews, M., ... & Thomaz, F. (2022). How consumer digital signals are reshaping the customer journey. Journal of the Academy of Marketing Science, 50(6), 1257-1276.





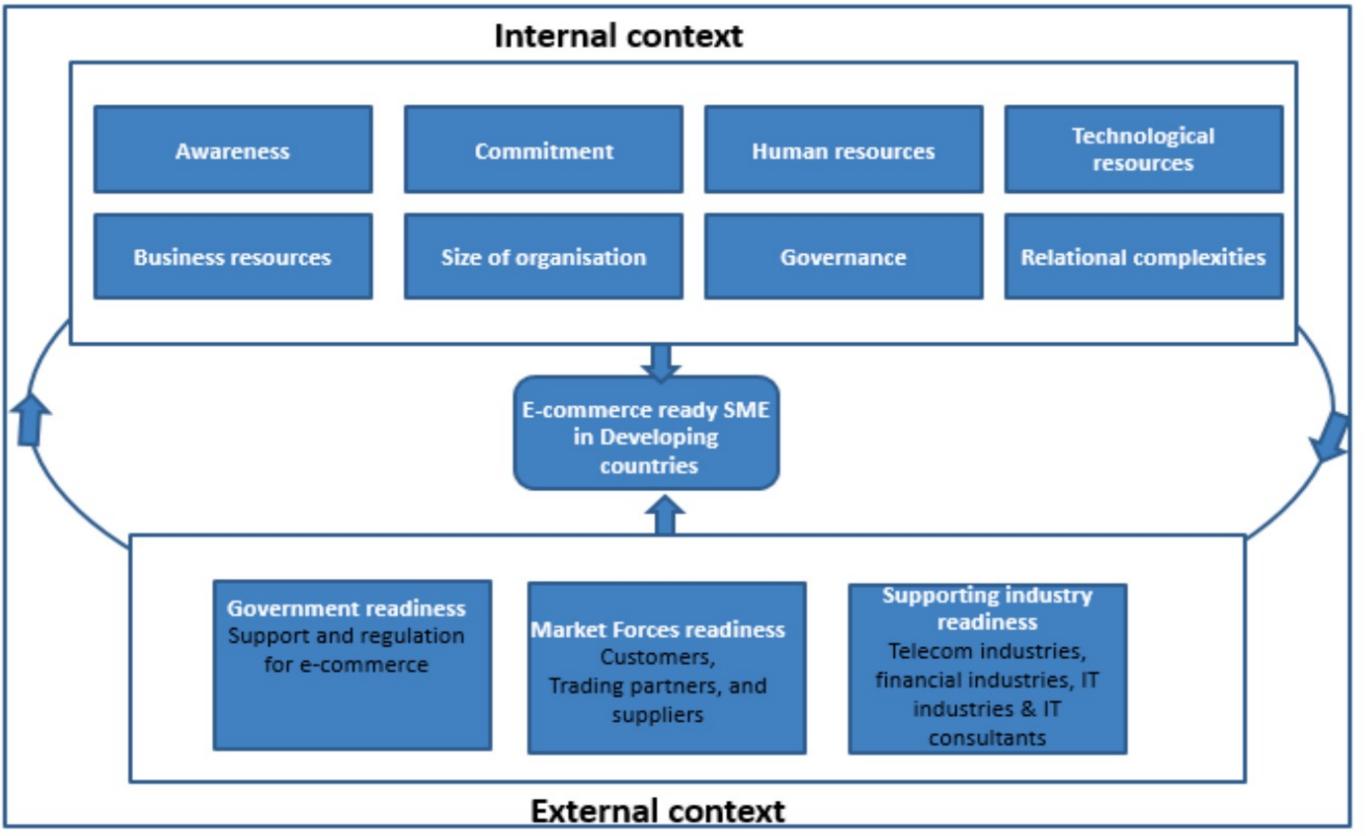


Theoretical Framework









Source: Idris, A., Edwards, H., & McDonald, S. (2017). E-commerce readiness of SMEs in developing countires: a model-driven systematic literature review.



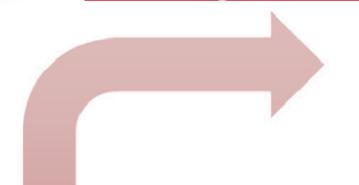


Theoretical Framework









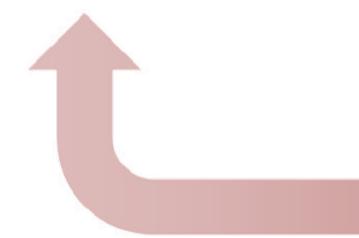
Service Ecosystem Nested and overlapping (micro, meso, macro)



Institutions and **Institutional arrangements** Endogenously generate

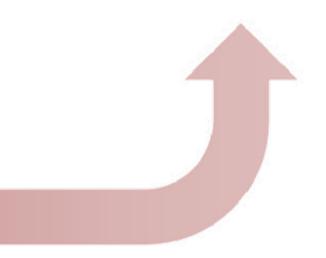
Co-creation of value-in-context

Actors Users Cutural organization Other service organizations **Public Institutions**



Experience-forexperience exchange

Enabled and constrained by the digital platform



Source:

Ciasullo, M. V., Troisi, O., & Cosimato, S. (2018). How digital platforms can trigger cultural value co-creation?—A proposed model. Journal of service science and management, 11(2), 161-181









Comparison of Global Innovation Index (GII) Rankings

	BRN	KHM	IDN	LAO	MYS	MMR	PHI	SGP	THA	VNM
Global Innovation Index (GII) 2024	88	103	54	111	33	125	53	4	41	44
1. Institutions	25	89	40	88	27	131	65	1	74	58
Human capital and research	56	111	90	121	38	107	84	2	71	73
3. Infrastructure	65	103	67	96	52	115	85	11	50	56
Market sophistication	105	39	35	58	18	102	77	7	25	43
Business sophistication	82	124	78	106	36	132	37	3	41	46
Knowledge and technology outputs	115	98	73	108	35	93	42	9	39	44
7. Creative outputs	124	106	65	123	49	118	60	19	38	34

Notes:

BRN = Brunei Darussalam, IDN = Indonesia, KHM = Cambodia, LAO = Lao People's Democratic Republic, MMR = Myanmar, MYS = Malaysia, PHL = Philippines, SGP = Singapore, THA = Thailand, VNM = Viet Nam.

Source:

Global Innovation Index (GII) 2024, https://www.wipo.int/web-publications/global-innovation-index-2024/en/gii-2024-results.html





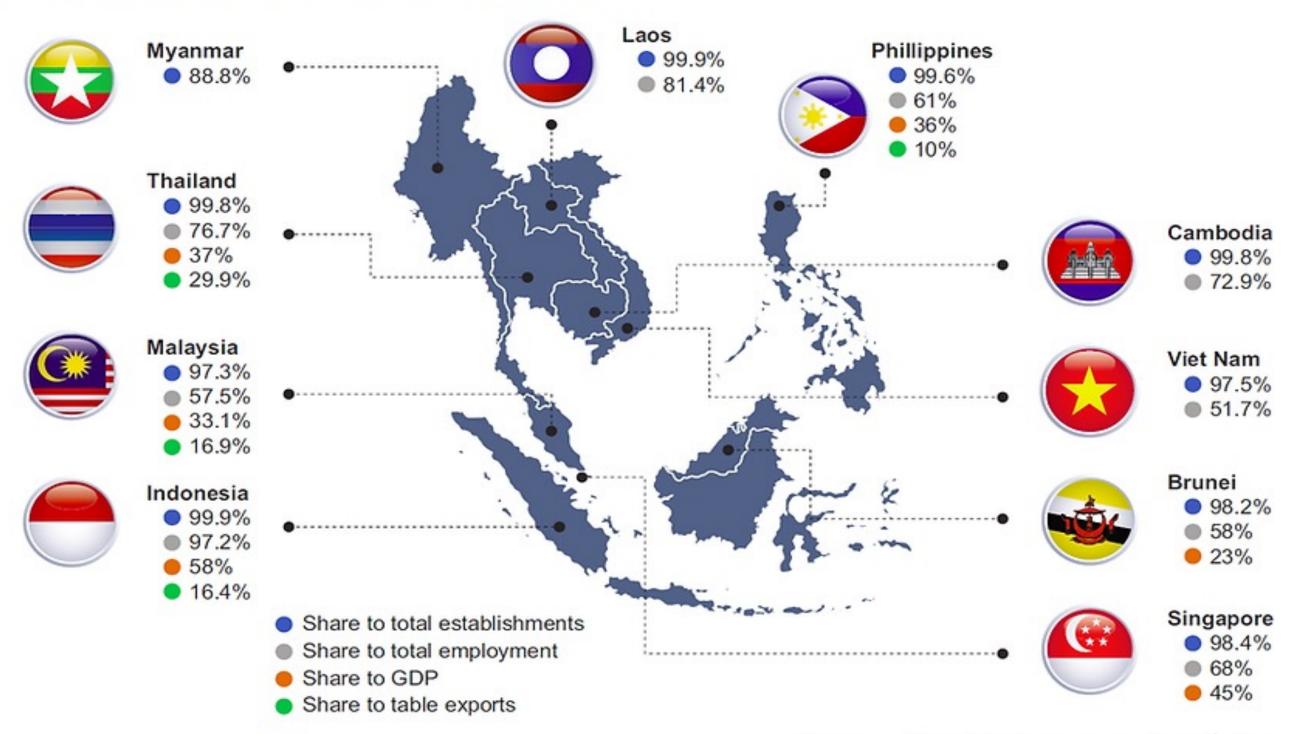
OR EKM





Role of MSMEs in ASEAN

SMEs Make Up More than 96% of Business



Source: The Establishment Post19, C asean analysis

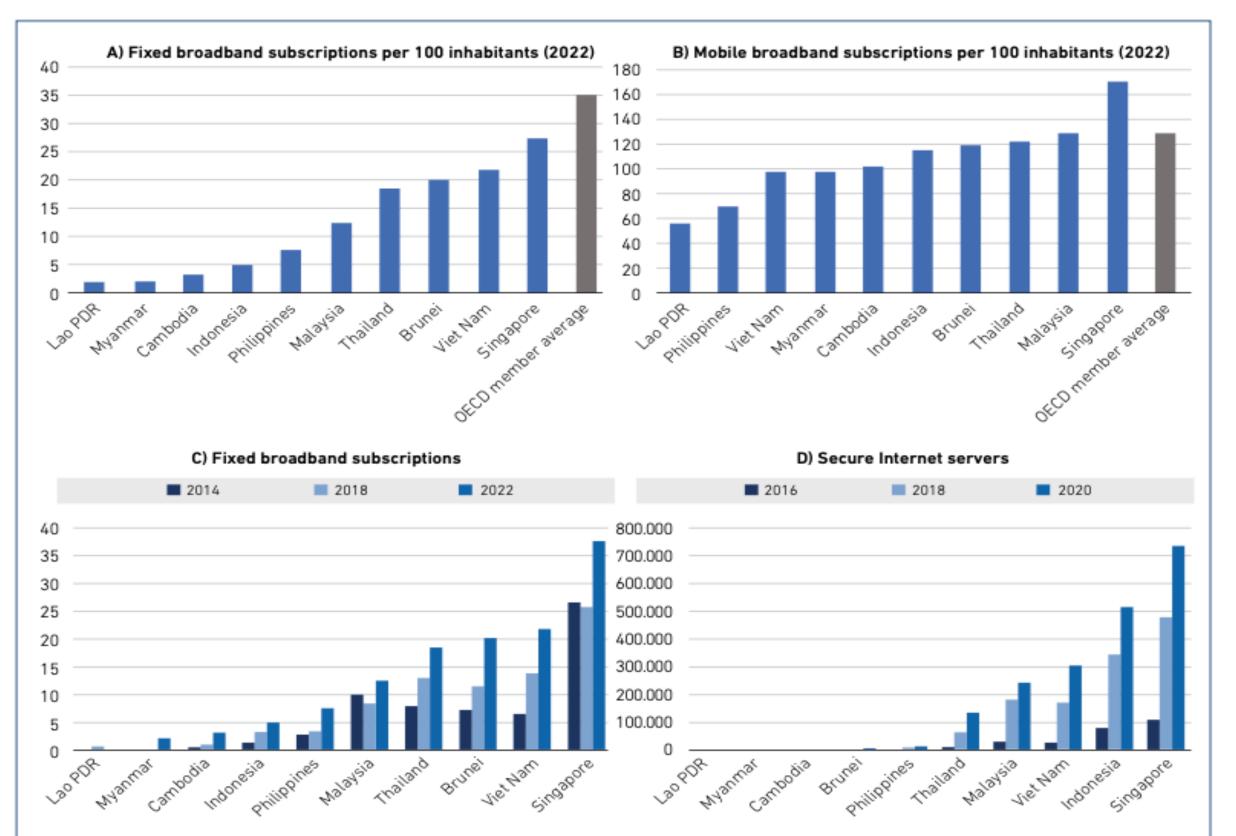








Broadband Subscription in ASEAN



- When looking at the overall level of broadband infrastructure and internet connectivity in the ASEAN region, there is much variation across AMS.
- Many AMS have been improving the digital infrastructure yet earlystage economies generally have a lower level of digital connectivity and digital skills.
- The existence of reliable and highquality IT infrastructure is critical SMEs' uptake of digital technologies, especially those in rural or remote areas.

OECD (2023); World Bank, World Development Indicators, https://databank.worldbank.org/source/world-developmentindicators/ Series/IP.PAT.RESD# [accessed 2 October 2024].



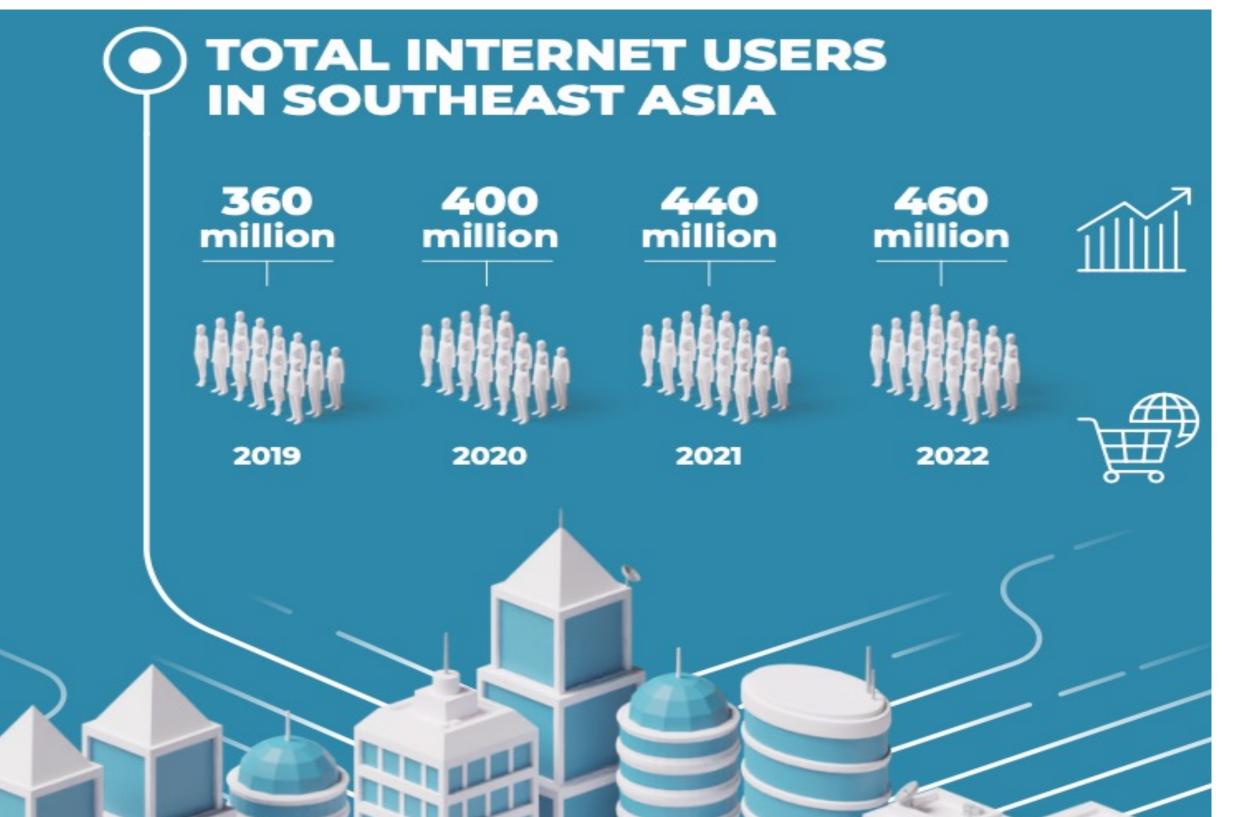








Total Internet Users



- Southeast Asia's digital economy is on track to reach USD 200 Billion of Gross Merchandise Value (GMV) by end of 2022— three years earlier than expected.
- (composed E-commerce of marketplaces, direct-toconsumer, groceries) is one of the five leading sectors in the digital economy.
- The other four are transport and food, online travel, online media, and digital financial services.

Asean Secretariat (2022). ASEAN Revers Up: Digital Transformation. Issue 23: 2022.







Impact of Digital Economy in ASEAN















20-25 million

unique e-commerce merchants (composed of marketplaces, direct-to-consumer, groceries) transact on e-commerce platforms

6-7 million

small-to medium-sized restaurants are on food delivery platforms

160,000

direct jobs were created across the digital economy

30 million

indirect jobs (as a result of the digital platform business) were created across the digital economy

5 to 10%

penetration of Southeast Asia's GDP in 2022

Sources: Asean Secretariat (2022). ASEAN Revers Up: Digital Transformation. Issue 23: 2022.





Indonesia Context

Digital Growth in Indonesia





JAN 2024

DIGITAL GROWTH

CHANGE IN THE USE OF CONNECTED DEVICES AND SERVICES OVER TIME







+0.9%

YEAR-ON-YEAR CHANGE

+74 MILLION



UNIQUE MOBILE PHONE SUBSCRIBERS



+138 MILLION





INDIVIDUALS USING THE INTERNET







SOCIAL MEDIA **USER IDENTITIES**





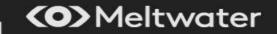
YEAR-ON-YEAR CHANGE

+266 MILLION



SOURCES: KEPIOS ANALYSIS; UNITED NATIONS; GOVERNMENT RESOURCES; GSMA INTELLIGENCE; ITU; EUROSTAT; CNNIC; KANTAR & IAMAI; PLATFORM RESOURCES; COMPANY EARNINGS REPORTS; OCDH;











Consumer Behavior on Marketplace

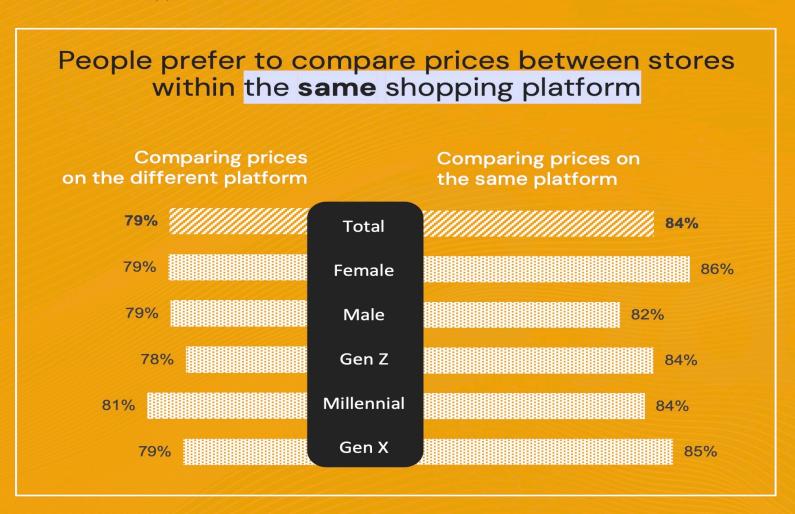




The Habits of Online Shoppers in Indonesia



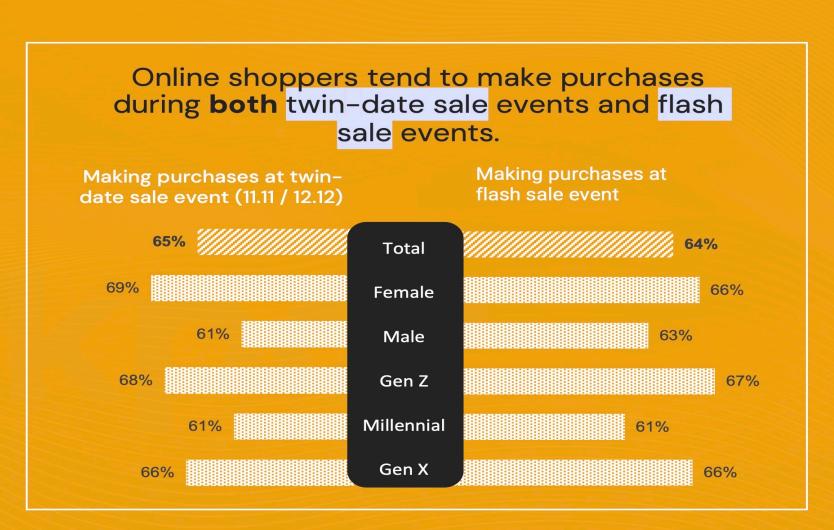
n: 1328 online shoppers



People tend to check the price of products on the same platform, nonetheless some do compare prices on different platforms. Likewise, this tendency of comparing prices within the same platform is more preferred, particularly among female online shoppers.

*The percentages shown on the graph are the percentage of responders who agree with the statement.





There is no significant disparity in online buyers' purchasing habits during twin-date sale events versus flash sale events. Female online shoppers, on the other hand, are more likely to shop on both sale events than males, as well as Gen X and Gen Z are more likely to purchase on both sale events than Millennials.

Indonesia E-Commerce Trends – 2nd Semester of 2023 | Jakpat premium report → 10











Consumer Behavior on Marketplace





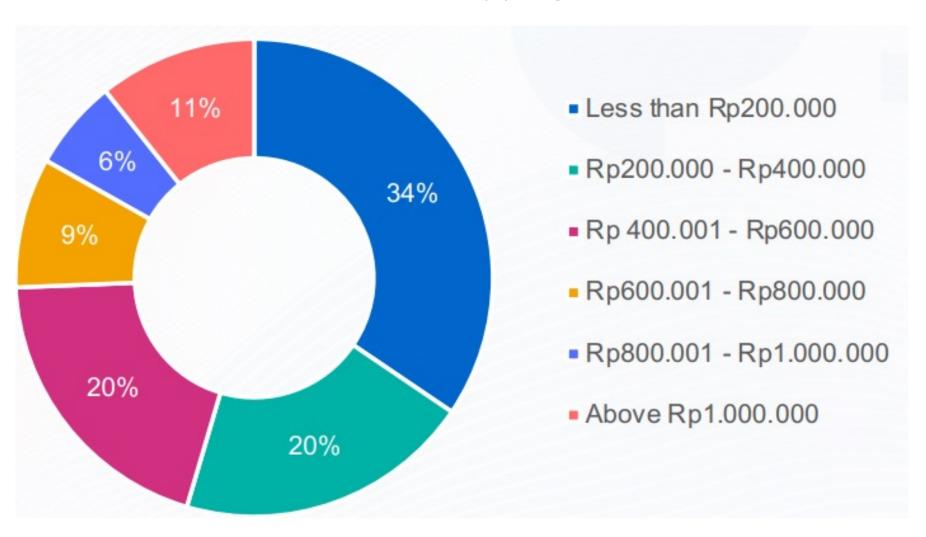


Money Spent on Online Purchases E-Commerce

In general, during 2nd half of 2023, online shoppers spend approximately

Rp459.509 (\$29)

in a month for online shopping on e-commerce.



Sources: Indonesia E-Commerce Trends – 2nd Semester of 2023 | Jakpat premium report







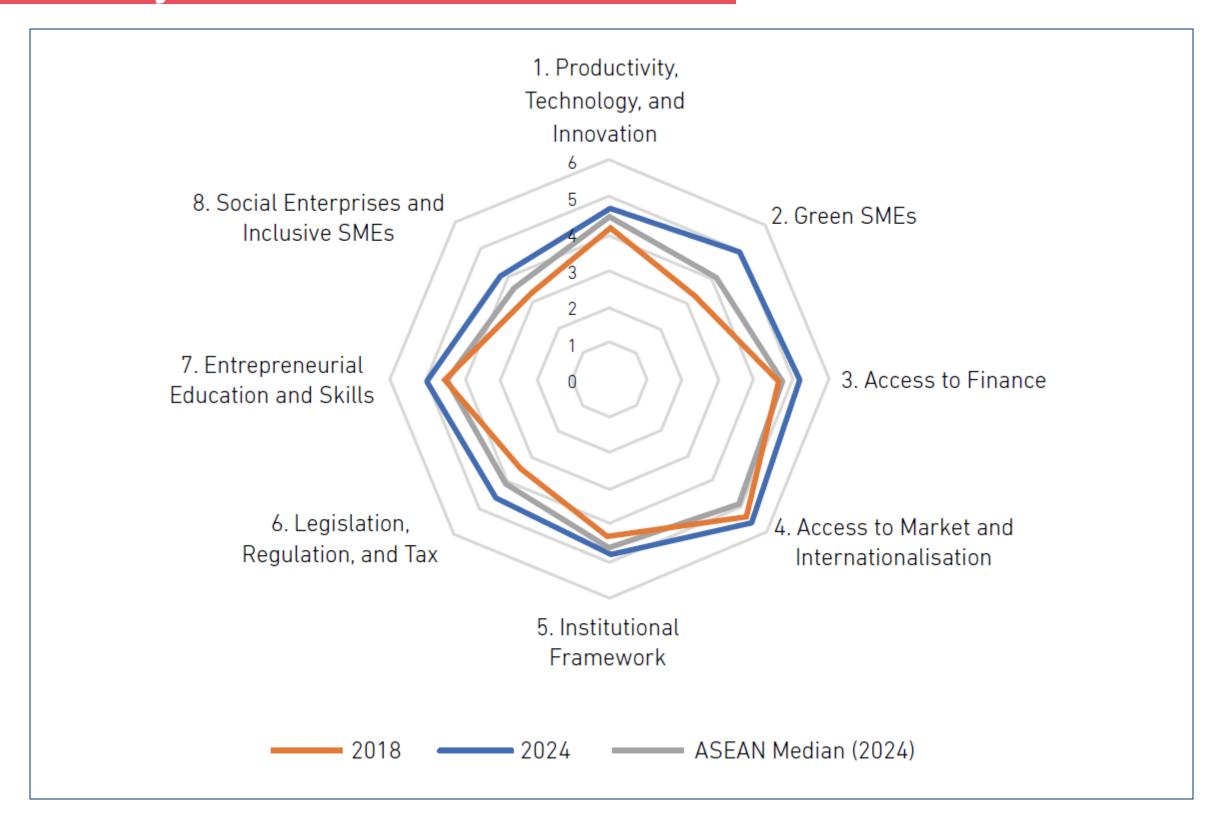
Indonesia Context

OR EKM



+

SME Policy Index 2024 Score for Indonesia



Sources: Calculated based on ASEAN SME Policy Index 2024 Assessment Grid





What Next?





Ability to reconfigure

The capacity to redesign chains of resources, e.g. to speed up production to meet demands



Diversity of social relationships

Access to heterogenous networks



Network

Drivers of

future

readiness

Strategy to Developing in Digital Era

Access to valuable ressources

The degree to which an organization can efficiently obtain new informational, financial and regulatory support



Ability to mobilize networks

The ability of organizational members to reliably call on their professional relationships to access the necessary social, financial or physical resources, especially at short notice



Autonomy

The degree of freedom given to employees by top management to make important decisions independently



Competitive aggressiveness

The ability to challenge competitors to gain entry or improve current market position



Risk-taking

The tendency of a company to take action despite incomplete information or predicted likelihood of failure

 Future readiness as a set of organizational capabilities and that orientations enable companies to financially grow in the long term, impact society and the environment positively and successfully respond to shocks and seize opportunities that emerge from constant disruption. These are the key

drivers of future-readiness.



Ability to redeploy resources

The ability to reuse or otherwise adapt existing financial, physical or talent resources for purposes other than the initial one intended



Flexibility to refine strategy

The ability of a company to seek out and integrate new information into its strategic plan based on ongoing changes in external or internal circumstances



Innovativeness

Differentiated from innovation itself (outcome), innovativeness refers to the inclination (process) of companies to engage in and support new ideas and experimentation



Proactiveness

The ability to anticipate and pursue new opportunities in the market



https://www.weforum.org/agenda/2021/12/5-key-insights-on-the-futurereadiness-of-smes/









Thank You



