

INDONESIA'S E-WALLET INDUSTRY OUTLOOK 2023: E-WALLETS BEING USED FOR MORE THAN JUST PAYMENTS AND AS FINANCIAL MANAGEMENT TOOLS

GoPay has largest e-wallet market share and the strongest consumer loyalty

Jakarta, 28 November 2022. In support of National Fintech Month in Indonesia, Insight Asia has released the study "*Consistency That Leads: E-Wallet Industry Outlook 2023*", which provides an overview of the digital wallet landscape in Indonesia.

A key finding reveals e-wallets are increasingly becoming the preferred payment method among Indonesian consumers, as compared to cash or bank transfer with 71% of respondents actively using e-wallets for various financial transactions. This leads to alternative payment methods such as cash (49%), bank transfer (24%), QRIS (21%), buy-now-pay-later features (18%), debit cards (17%) and Virtual Account Transfer (16%).

GoPay was found to have consistently been the most-used e-wallet platform over the past 5 years with 71% having used GoPay and 58% of respondents regularly using GoPay. In second place was OVO with 70% of respondents having used it before, and 53% continuing to regularly use it. In third place are two platforms with Dana having 61% of e-wallet users saying they have used Dana before and ShopeePay for having 51% of respondents regularly use the payment platform.

Olivia Samosir, Research Director at InsightAsia, said, "Our research reveals five key success factors to build an e-wallet brand. Namely, trustworthiness; safety in usage and full protection on consumer balance; ease and convenience in usage; freedom in setting their own monthly usage limit; and the ability to pay for the majority of their daily needs. The ability to consistently deliver these key benefits build consumer trust in a digital wallet brand".

Olivia further adds that in order for a brand to win customers' hearts these five key success factors must be implemented for the long-term. Being consistent in providing service excellence will eventually lead to higher levels of customer satisfaction and build customer loyalty to the brand.

"Based on our research, we observed that GoPay is leading on the five key factors above, and this has also contributed to 84% of GoPay users claiming to have a good and satisfying experience when using GoPay", added Olivia. This shows that GoPay's consistent delivery and performance have paid off, as it has received the strongest trust and loyalty from the market.

The study shows that GoPay has the highest Customer Satisfaction level of 84% from its users, followed closely by ShopeePay with 80% and Dana with 75%. This also takes into account the fact that the majority of respondents use 2 - 3 digital wallet applications for various online and offline transactions.

InsightAsia also observes that the use of e-wallets is evolving from merely payments for online ride hailing or food delivery, to money management such as fund transfers (within the platform), use of transaction history for expense tracking and pay later. In total, there are 10 key use cases today. Besides the use cases mentioned earlier, other common use cases include mobile phone credit top-ups, bank transfers, bills payments, and offline payments for daily needs.

Olivia Samosir added, "A digital company that provides both e-wallet and e-commerce services under one roof, such as GoTo which has Tokopedia and GoPay, has a unique advantage, as its services complement each other. The payments system will benefit from the large user base of e-commerce and the e-commerce department will benefit from the simplicity in transacting. This enhances the company's potential to lead in the market, as it is able to provide more complete options and simpler transaction methods."

The COVID-19 pandemic, which limited face-to-face interactions, has also accelerated the shift to cashless transactions. This increases the importance of the role of e-wallets in financial transactions, payments and more.

E-money transactions have also been growing significantly. The value of e-money transactions has increased by 58.6% in the past year with a 37.49% increase in transaction volume, and the monthly transaction value reached Rp 35.1 trillion in December 2021.

At the end of the study, InsightAsia concluded that financial technology like e-wallets and QR codes will continue to improve people's quality of life by opening up access to a wider range of productive economic activities. It is expected that the public's growing use of e-wallets and QR codes will take the industry to a whole new level. In line with this, brands that are able to continuously adapt to consumers' evolving needs and consistently deliver will be able to lead the market.

The survey was initiated in National Fintech Month and covered 1,300 respondents in 7 main cities in Indonesia - Jabodetabek, Bandung, Medan, Makassar, Semarang, Palembang and Pekanbaru - from 19-30 September 2022.

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