



龙邮为JNE快递公司大  
中华区战略合作伙伴



# Winning Indonesia

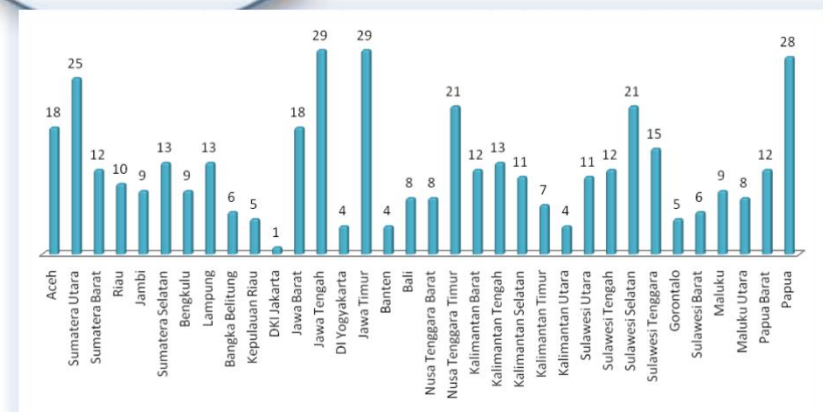
Agusnur Widodo  
COO and VP Business Development

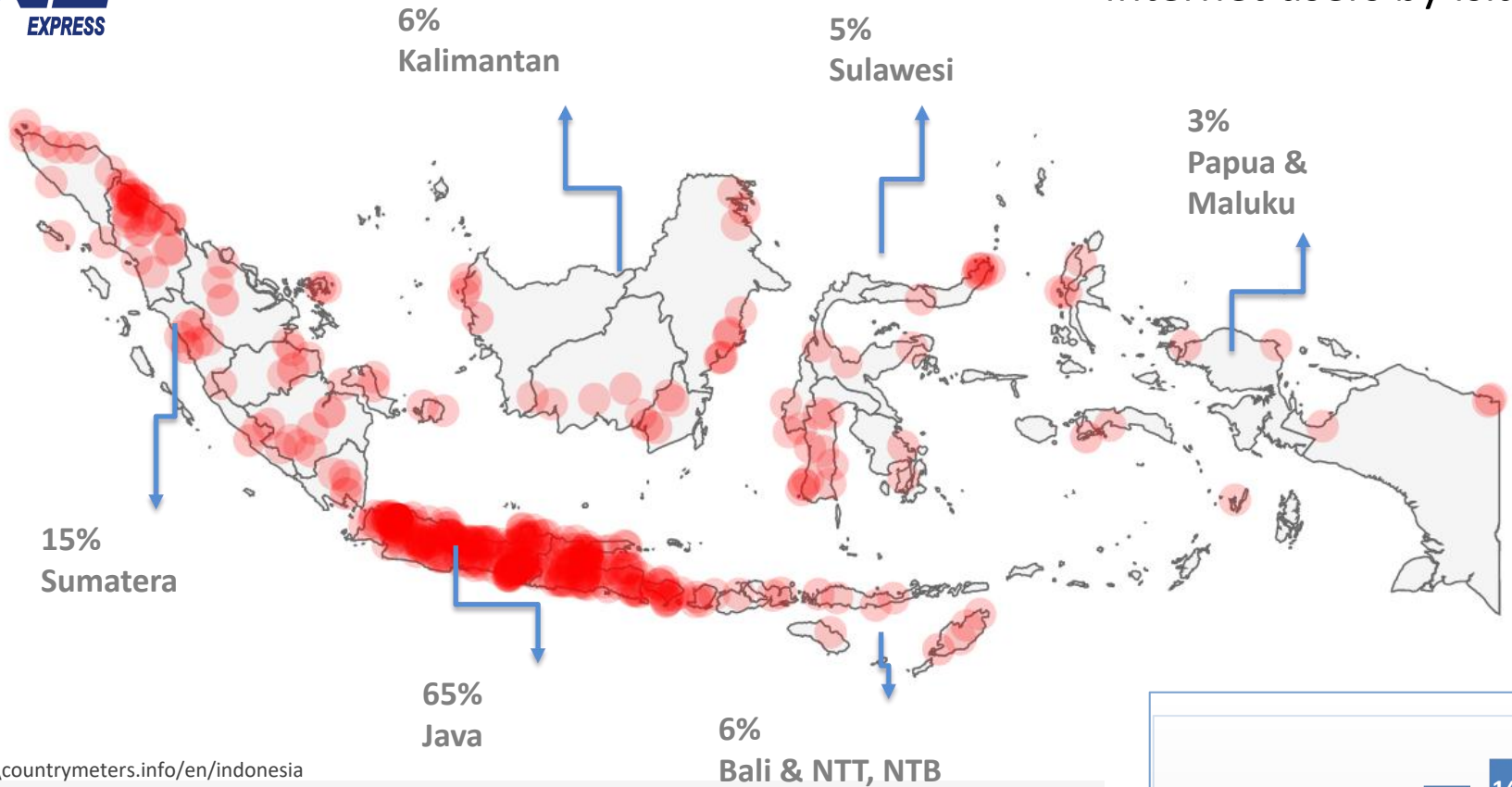


- With over >265M people, Indonesia become 4<sup>th</sup> largest population in the world
- Working age 15-64 about 181M people
- Live in 6,000 islands out of 17,000 across archipelago
- 34 Province, 416 districts



Source: Digital Market Overview May2018 Frost and Sullivan and various sources from internet

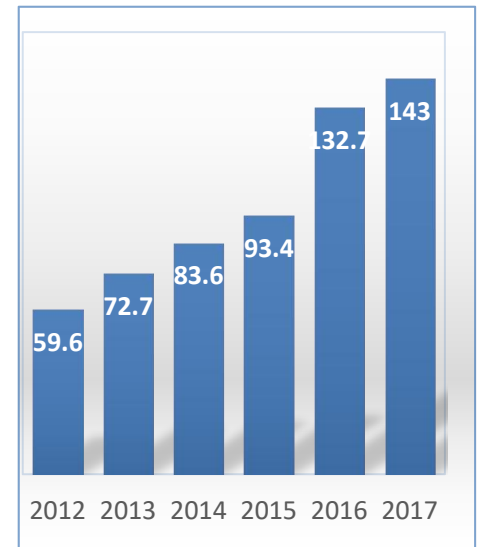
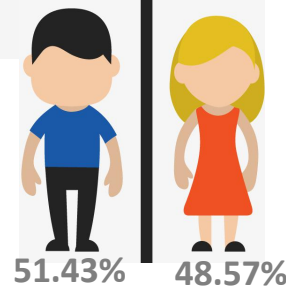




<https://countrymeters.info/en/indonesia>



- percentage of population under 15
- percentage of population between 15 and 64 years old
- percentage of population 65+

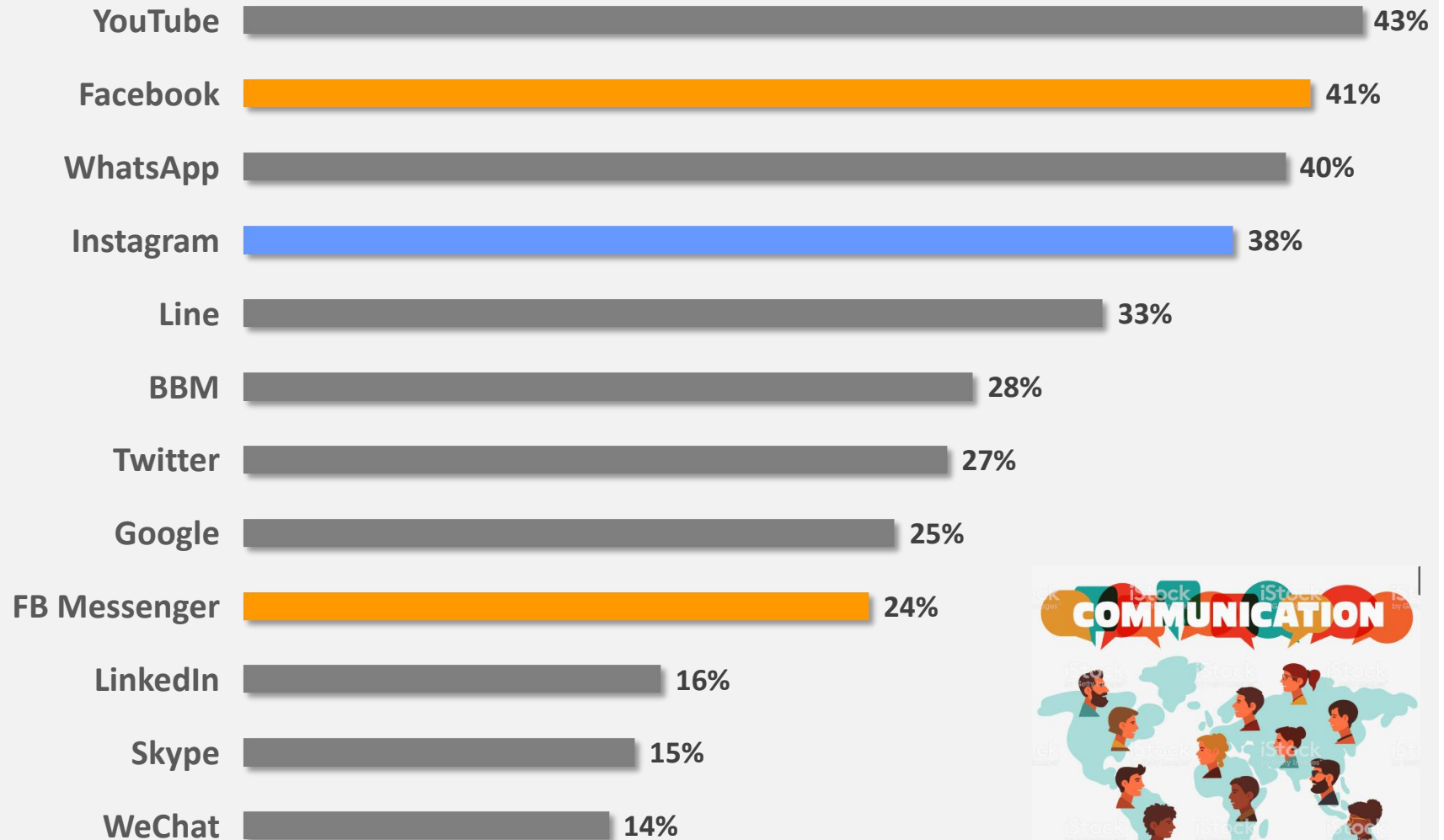


- Population dominated in Java and followed by Sumatera
- 42% of population age between 25-54 year old

6/4/2020

Data taken from APJII

# Social Communication





# Overview on E-Commerce in Indonesia

# 3 Pillars e-Commerce



Ecommerce Platform

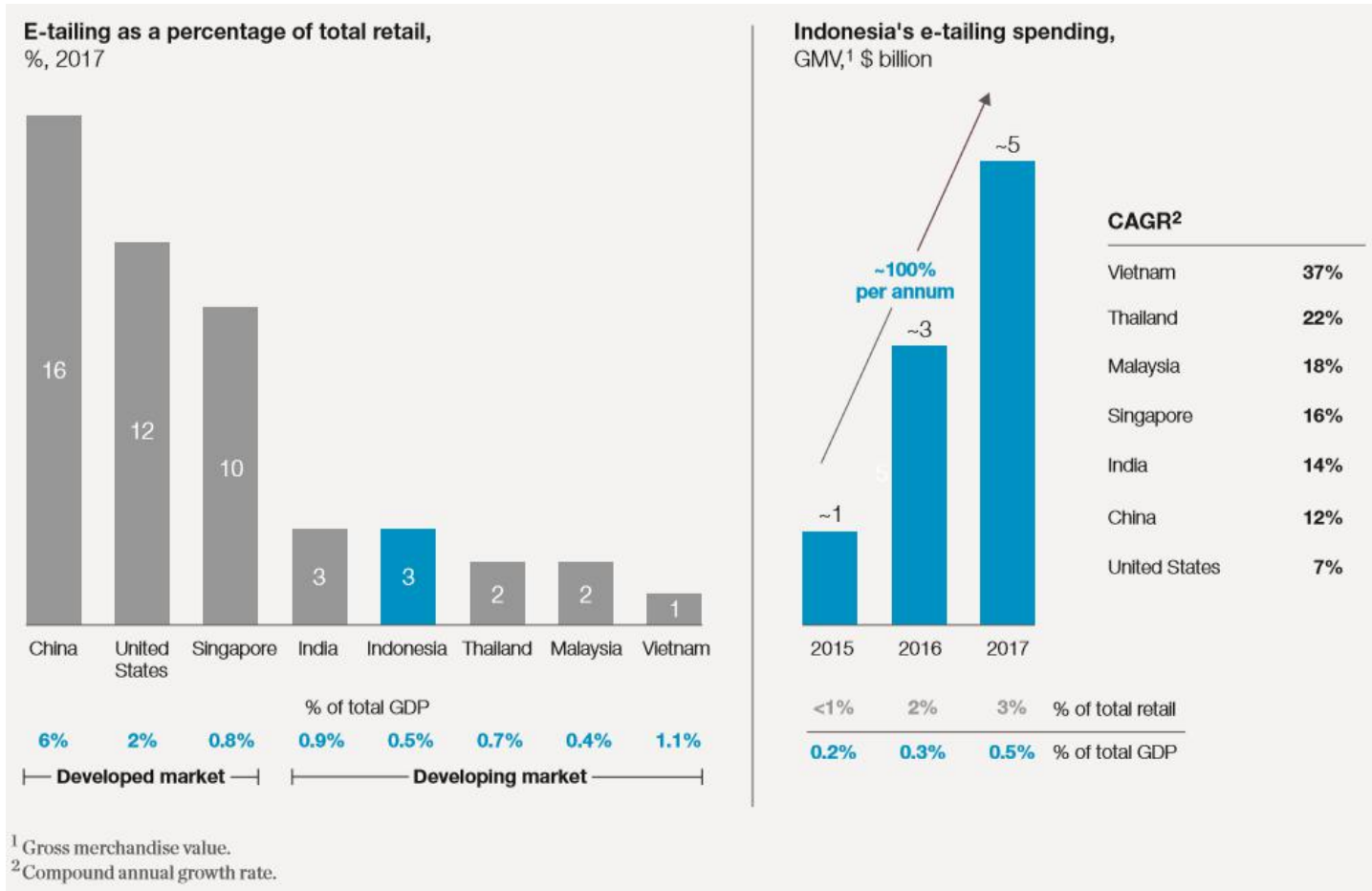
3 Pillars Ecommerce

Payment gateway

Logistics partner



# E-commerce Indonesia – GMV spend as % of retail

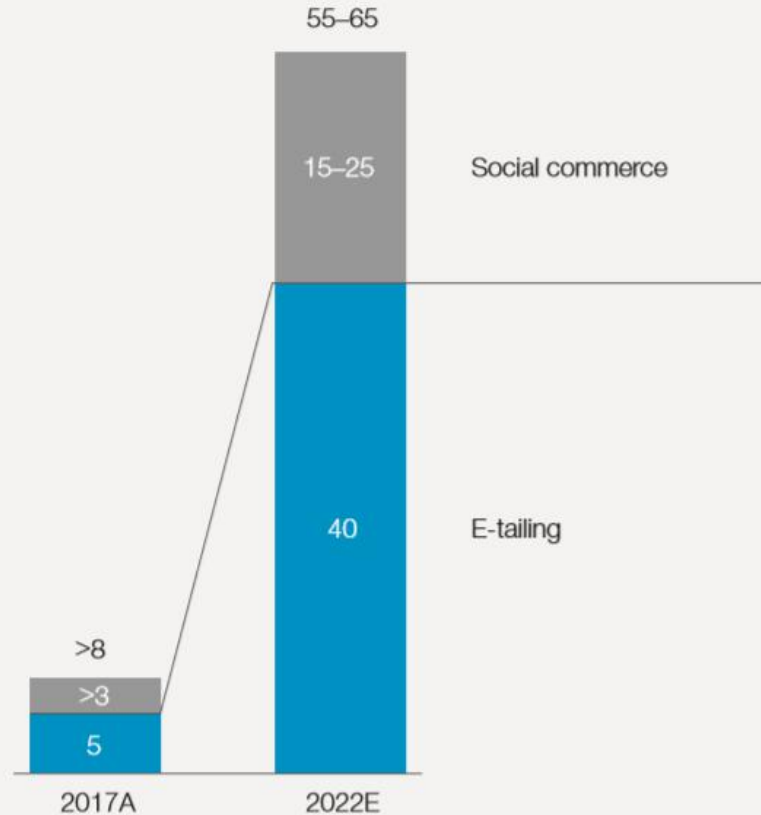


Source: The digital archipelago: How online commerce is driving Indonesia's economic development, Aug 2018

- E-com spending is still small (~3%) as compare to total retail market Indonesia of ~ \$270 billion
- E-com consumption has shown promising growth of ~100% per annum

# E-commerce Indonesia – GMV Growth

Online commerce projections, GMV,<sup>1</sup> \$ billion

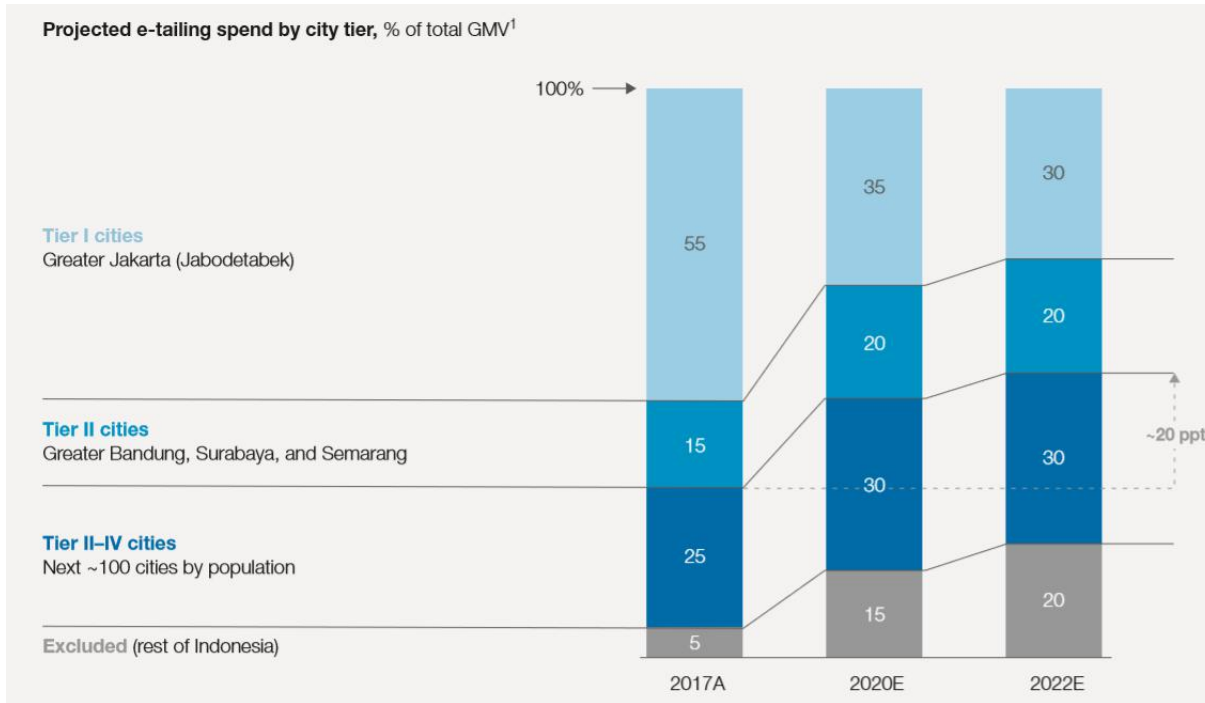


Source: The digital archipelago: How online commerce is driving Indonesia's economic development, Aug 2018

- Total E-commerce to grow by more than 7x
- E-Tailing, which in principle have more management on how consumer will experience e-commerce will grow by ~8x from 2017 to 2022



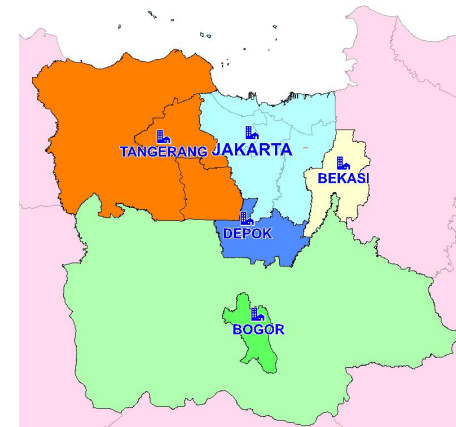
# E-commerce Indonesia – Volume by Cities



- BDO, SUB, SMR in 2022 will see much higher volume than Jakarta in 2017
- It means in 2022 additional logistic solutions and infrastructure for e-commerce in those cities will be highly needed then what those cities currently have

Source: The digital archipelago: How online commerce is driving Indonesia’s economic development, Aug 2018

Parcels/day	2017	2020E	2022E
National	1,600,000	4,800,000	9,600,000
Jabodetabek	880,000	2,640,000	5,280,000
BDO, SUB, SMR	240,000	720,000	1,440,000
Next 100 cities	400,000	1,200,000	2,400,000
Rest of Indonesia	80,000	240,000	480,000









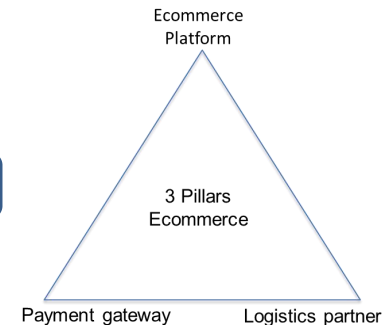
Estimation based on growth is 6x from 2017 - 2022



## Consumer Feedback on E-commerce

## E-commerce – Why Indonesian consumer choose a particular platform?

						
Good reputation	14.8%	13.0%	12.9%	13.7%	10.9%	14.3%
Cheaper product price	6.5%	15.1%	11.0%	13.5%	18.0%	13.3%
More product selection	6.5%	14.6%	5.2%	11.3%	13.0%	16.8%
Authentic products	13.9%	3.9%	19.5%	7.2%	4.2%	4.3%
Good customer service	12.0%	8.9%	5.2%	6.5%	7.7%	8.8%
Fast delivery	7.4%	6.0%	8.6%	10.0%	7.6%	5.8%
Free delivery	13.0%	6.8%	14.8%	10.6%	18.4%	3.2%
Easy return policy	6.5%	5.7%	2.9%	5.4%	4.5%	5.3%
Easy navigation on site	4.6%	7.0%	3.3%	3.8%	3.5%	9.3%
More payment options	9.3%	8.9%	11.0%	13.4%	5.3%	8.4%
Better mobile app	4.6%	9.6%	5.7%	4.4%	6.8%	9.4%
Loyalty program	0.0%	0.3%	0.0%	0.0%	0.1%	0.0%
More promo	0.9%	0.0%	0.0%	0.0%	0.2%	0.9%
More secure	0.0%	0.3%	0.0%	0.1%	0.0%	0.2%



Source: Lanskap E-commerce di Indonesia dari Perspektif Konsumen (<https://dailysocial.id/post/e-commerce-di-indonesia-2018>)

- We can see 10% of Lazada customer consider Fast Delivery as one of their consideration
- Easy return also important aspect for the customer experience

# E-commerce - Popular Products Category for each platform and Logistics need

Mobile & Electronics	21%	25%	15%	20%	13%	22%
Fashion	17%	16%	11%	19%	24%	12%
Beauty	4%	4%	11%	9%	12%	5%
Health & Wellness	3%	2%	3%	3%	5%	5%
Mom & baby	8%	4%	10%	8%	8%	4%
Toys	5%	5%	5%	5%	5%	9%
Groceries	17%	9%	19%	10%	11%	11%
Lifestyle and Hobby	8%	10%	7%	7%	8%	10%
Home & Living	7%	8%	10%	9%	8%	9%
Sports	4%	6%	3%	4%	3%	4%
Travel	5%	3%	3%	2%	2%	3%
Automotive	0%	7%	2%	3%	1%	4%
Others	0%	1%	0%	1%	1%	2%







- Different categories will have different delivery time, for example;
- Fashion, mobile & electronics, and groceries, requires fast delivery time (instant or next day)
- Home & Living, still acceptable with regular delivery time (2-3 days)
- This in turn will determine the logistic services, infrastructure and network that are needed to serve different categories

More than IDR 2M	8%	5%	10%	3%	2%	8%
IDR 1,6M - 2M	4%	4%	8%	4%	3%	4%
IDR 1,1M - 1,5M	23%	6%	6%	3%	1%	5%
IDR 501K - 1M	12%	14%	12%	15%	10%	16%
IDR 100K - 500K	46%	59%	56%	61%	75%	62%
Less than IDR 100K	8%	12%	10%	13%	8%	5%

- Different platform have different specialty on their product
- But more than half product value range from IDR 100K – 500K (7-35USD)
- Generally below IDR 1M (USD71)

Source: Lanskap E-commerce di Indonesia dari Perspektif Konsumen (<https://dailysocial.id/post/e-commerce-di-indonesia-2018>)

## E-commerce – Complains on E-Tailing

						
User experience on the website	10.6%	15.8%	13.8%	11.3%	12.7%	12.9%
Time taken to deliver item	27.7%	19.9%	30.8%	25.6%	22.4%	21.7%
Payment process	4.3%	4.8%	6.2%	2.7%	4.6%	3.8%
Product selection	14.9%	13.0%	12.3%	9.8%	12.7%	13.1%
Product quality	4.3%	10.3%	7.7%	14.7%	13.4%	11.3%
Return policy	8.5%	15.1%	10.8%	16.7%	17.6%	16.3%
Customer service	6.4%	14.4%	3.1%	9.3%	11.0%	12.6%
Price of item	23.4%	6.8%	15.4%	10.0%	5.6%	8.4%

Source: Lanskap E-commerce di Indonesia dari Perspektif Konsumen (<https://dailysocial.id/post/e-commerce-di-indonesia-2018>)

- Logistics, cited as the number one complains on all platforms.
- Supply chain improvement and innovation are required to improve consumer experience

# Product Category Purchased



## E-Commerce Most Visited



**Tokopedia and Shopee are the most Ecommerce visited and purchased**



## Potential Solution in E-Commerce Supply Chain

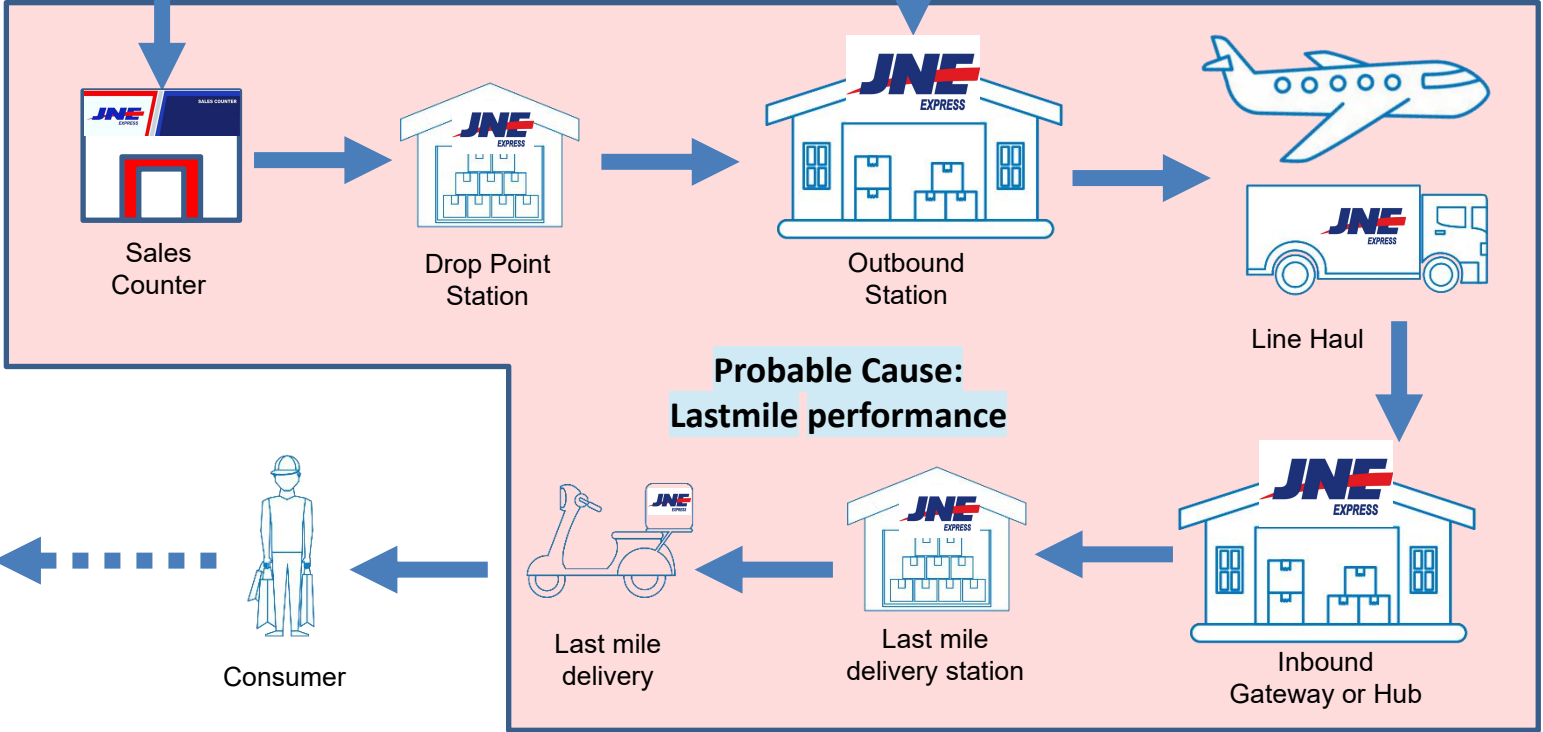
# Simplified E-Commerce Flow

ORDER FLOW  
 GOODS FLOW

Issue  
time taken to  
deliver

**Probable Cause:**

- Product availability
- Accuracy of product availability
- Ordering process
- Manual integration with logistic delivery partner

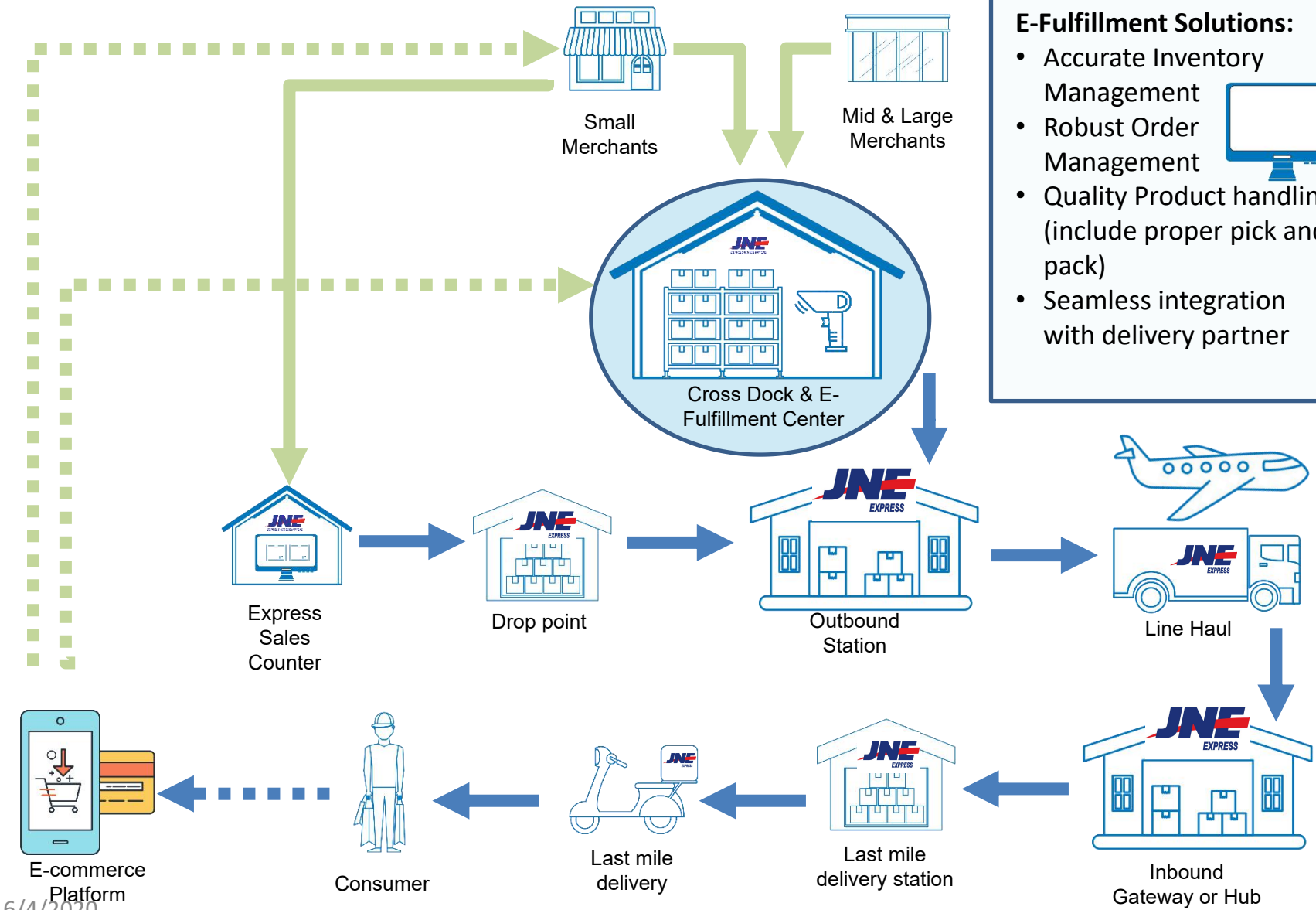


**Probable Cause:  
Lastmile performance**

# Potential Solution – e-Fulfillment

**E-Fulfillment Solutions:**

- Accurate Inventory Management
- Robust Order Management 
- Quality Product handling (include proper pick and pack)
- Seamless integration with delivery partner



## What's the role of drop shippers?

Indonesian online commerce benefits from digitally savvy intermediaries—drop shippers—who help both consumers and retailers use the internet to shop and sell. These drop shippers serve some 10 million “offline” consumers who may not trust online payment systems, don't yet have access to online commerce platforms, or find drop shipping more convenient than “standard” online commerce.

Here's how it works: a consumer identifies a product she likes by going online or visiting a drop shipper, who helps the consumer select a product using her phone or computer. The

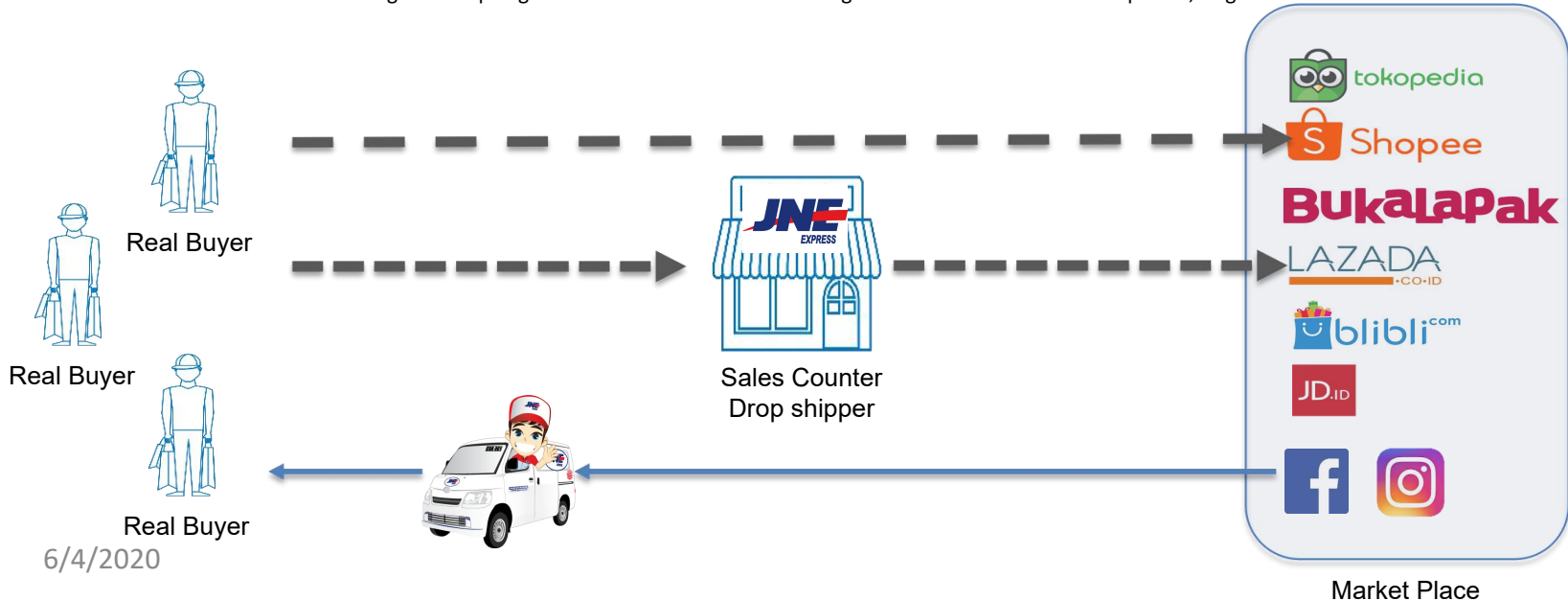
drop shipper orders, and pays for, the product through an online platform. The consumer pays the drop shipper the price of the product, plus a commission of up to 10 percent, usually in cash. The online platform arranges to ship the product to either the consumer's or the drop shipper's address. The same can also happen in reverse, with drop shippers identifying retail products not available online in their region, purchasing these items in bulk, and offering them online to consumers.

We estimate that Indonesia has as many as one million drop shippers, vastly outnumbering the country's estimated 16,000 convenience stores,

with the total growing 50 percent per year. Full-time drop shippers serve about 15 customers per month, 20 percent of whom are family and friends. The average drop shipper is 30 years old; 42 percent live in Jakarta.

More than 80 percent of drop shippers started their businesses to generate extra income on top of their regular jobs (43 percent of the part-timers are professional workers), but 30 percent of those part-timers are now drop shipping full time. Drop shippers are generating \$500 million of gross merchandise value for online platforms, or 10 percent of total e-tail sales.

Source: The digital archipelago: How online commerce is driving Indonesia's economic development, Aug 2018



## Cash on Delivery - Challenges

### Reason of un-delivery

- Bad address
- Not Order or Reject
- Long delivery time
- Wrong mobile number or no response

### Actions taken:

- SMS Notification
- Call customer

### Additional Recommendation

- Address and buyer name confirmation before Shipment departure from China





## Assuring reliable logistics partner

# MILESTONE



**1990**

JNE diresmikan pada tahun 1990 melalui dukungan dan bantuan dari kompleks pefuna, Jakarta Timur



**1994**

Membuka sales center di beberapa kota



**1998**

Launch Super Saver. Tidak hanya menghemat biaya pengiriman, JNE pun mulai menghemat biaya produksi dan layanannya



**1996**

Membuka layanan hingga membuka layanan pada dua tahun berikutnya



**1993**

JNE membangun jaringan domestik



**2003**

Toko Esok Sampai (YES) diluncurkan



**2005**

Servis Digital diluncurkan



**2009**

PESONA Layanan PESONA diluncurkan

**Logo JNE**

1990-1994

1994-2000

2000-2015

2015-Sekarang

Sering dengan waktu dan perkembangan zaman. Untuk lebih meningkatnya brand image di mata masyarakat Logo JNE pun mengalami perubahan.



**2014**

JAKPA, PPO dan JLC



**2011**

Periban Service diluncurkan

**Paket ID**

**FarEye**

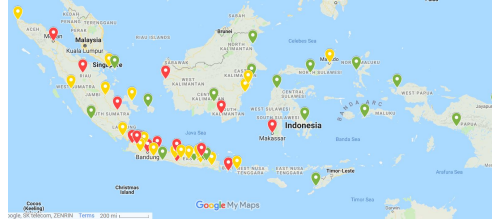
**2017**

Mobile devices Implemented



# Our network to give the best experience for our customers

**7,115**  
Warehouse,  
office building  
and sales  
counters



**800K-1.3M/day**  
packages



**>45,000**  
Man Power

**>11,000**  
Motorcycle,  
Blind Van and  
Truck



- VISION  
World leading global supply chain company
- MISION  
To provide excellent customer experience consistently

# 56 Main Branches



6/4/2020

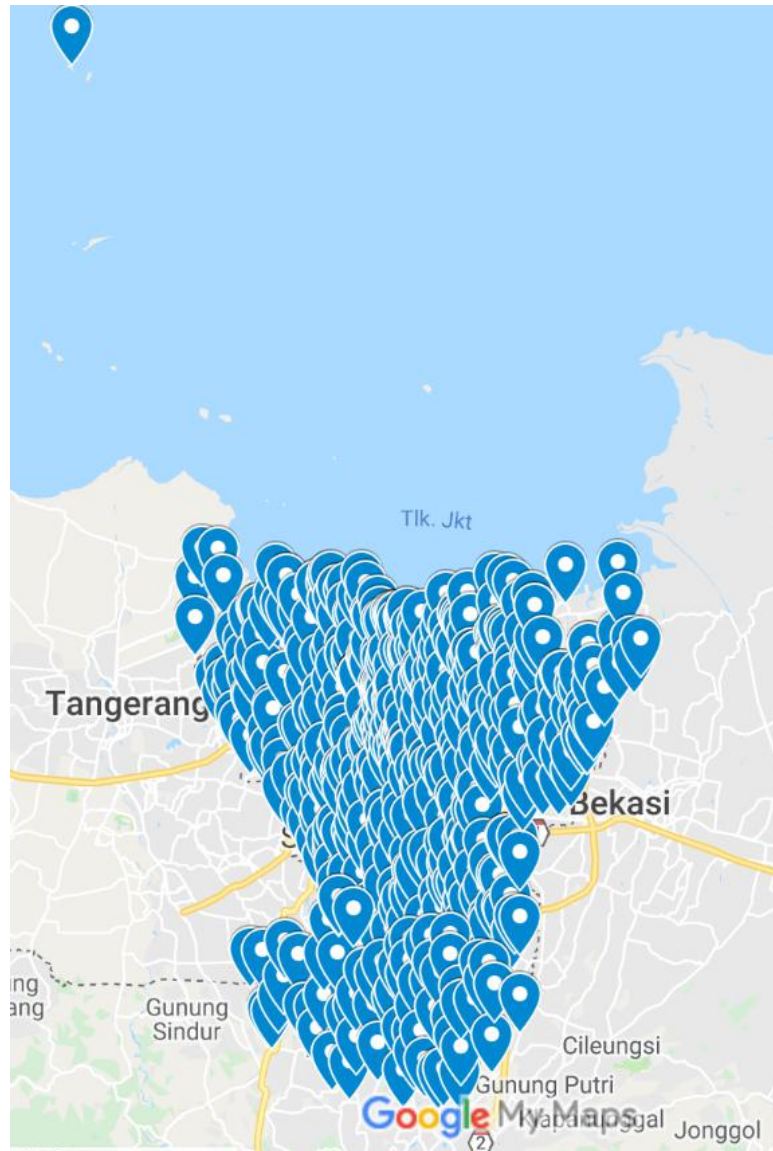
Disclaimer: As per data collected at ISMD (2017) compare to branch address and verified with Google Street View

# 2018 Volume by Destination



6/4/2020

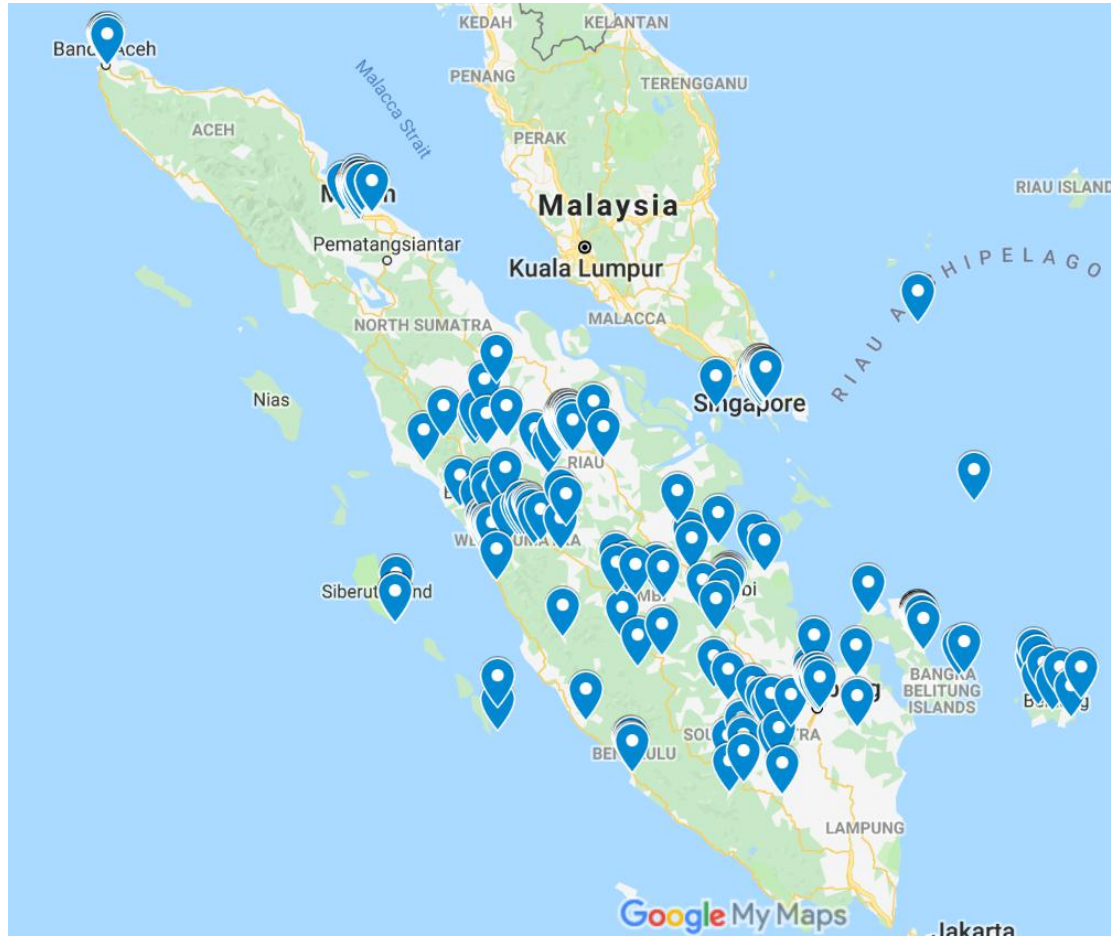
# >562 Sales Counter Jakarta



6/4/2020

Disclaimer : As per data from Pak Imam Saputra-National Retail Department, January 2019

# 1657 Sales Counters in Sumatera



Disclaimer : As per data from Pak Imam Saputra-National Retail Department, January 2019

# JNE POINT OF SALES REGIONAL JABAR & BDTB



Disclaimer : As per data from Pak Imam Saputra-National Retail Department, January 2019

# Mobile apps (e-pick-up and e-deliver)

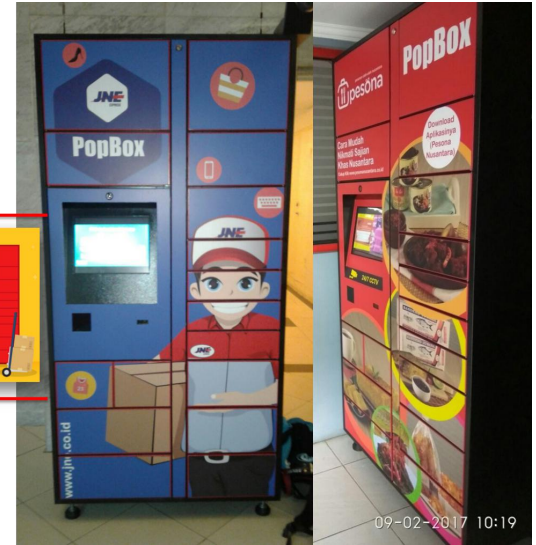


# POST CODE IMPLEMENTATIO & CUT OFF TIME



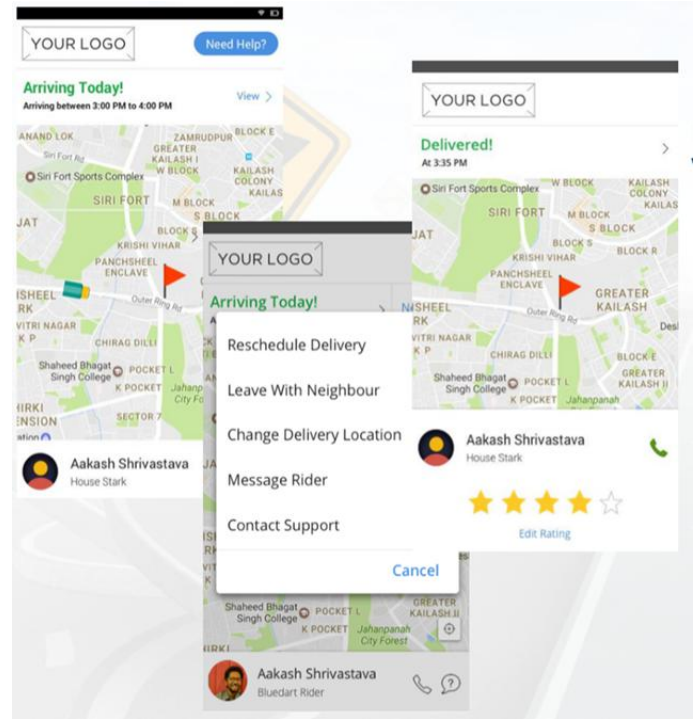
## SMART LOCKER PopBox

140 POINT  
smart locker

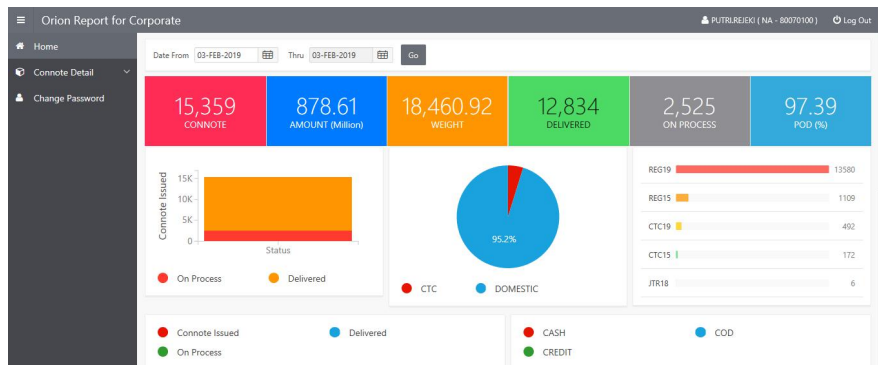




# Customer automation



Realtime courier tracking for premium shipment

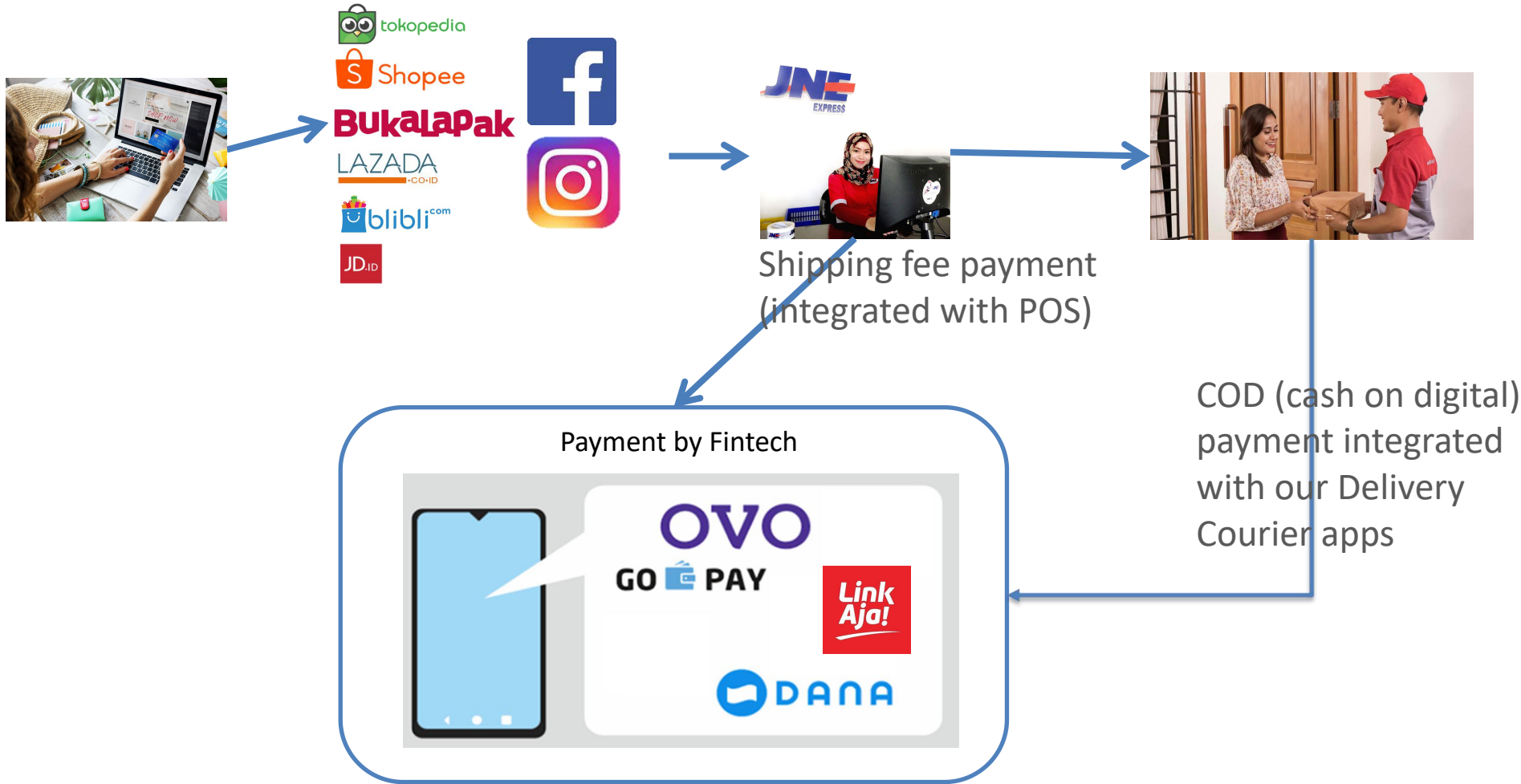


Dashboard shipment, POD, COD, Un-delivery status  
6/4/2020



SMS notification for Un-delivery status

# Financial Technology



# MegaHub Parcel Sortation Automation Facility Q1-2019



- 15minutes from Jakarta International Airport
- Land Space 39,800sqm, Warehouse Space 19,422sqm
- Automation Speed target >42,000/hour
- 2 Interchangeable Machine and 2000sqm manual handling space as BCP

