

Introduction: Indonesia

Over 238 million people live in Indonesia, making it the fourth most populated country in the world. It has a GDP of \$706.73 billion USD with an estimated per capita GDP of \$3,015 USD. Indonesia suffered badly in the Asian financial crisis in 1997-98 and as of 2010 it has an unemployment rate of 7.1%, with 13.3% of the population living below the poverty line.

Internet penetration in Indonesia is 14.2% with 34,850,920 users overall. Many commentators believe that Indonesia's low internet penetration, combined with the rise of social media as a preferred method of communication will see online behaviour in this country leapfrog the trend of using the internet on a computer, straight to simply using it on their mobile phones. Mobile search has been hailed as a priority in viewing Indonesia's search market.

The mobile search market is interesting to look at as, while Google controls nearly all the non-mobile search queries in Indonesia, Yahoo! has been reported in some places to have higher search volume than Google in mobile traffic.¹ There is also something of an opportunity for Bing to enter the market due to RIM's BlackBerry, which is used by over 2,000,000 people in Indonesia. BlackBerry's recent alliance with Bing as its default browser may affect mobile traffic and search user share as many companies see the current rate of internet growth in Indonesia as an opportunity to make a move in its search market.

Indonesia – market statistics

Internet usage – 34,850,920 internet users as of 2011²

Broadband penetration – 18%

Broadband quality system – Poor quality. It is listed as worse than Malaysia and comparable to Vietnam, the Philippines and Pakistan.³

Search query share by engine (April 2011) – Google 95.19%, Yahoo 2.24%, Bing 1.85%⁴

Search engine usage in Indonesia

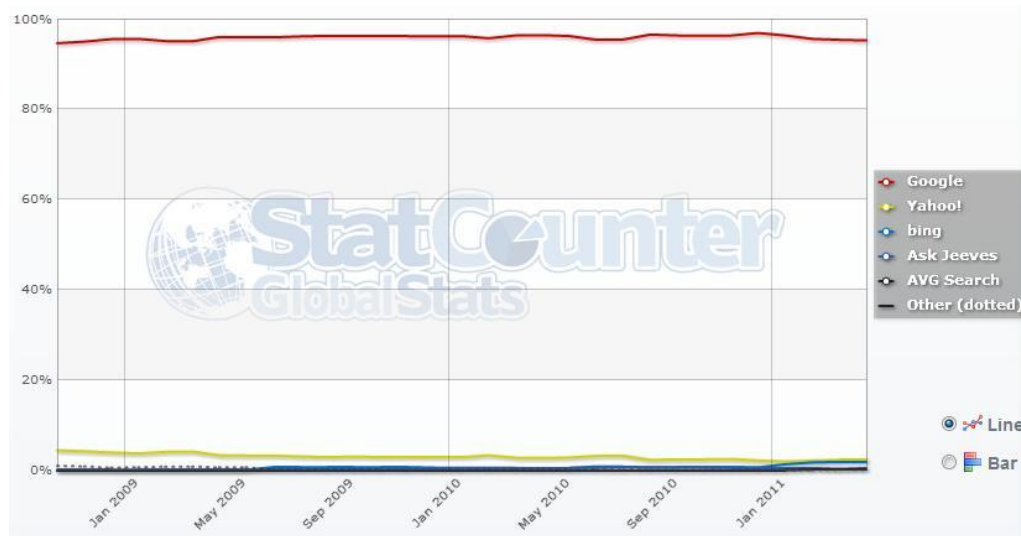
With 95% of the search queries, Google controls the vast majority of the search market in Indonesia, as you can see in the image below.

¹ <http://arabcrunch.com/2010/01/opera-yahoo-more-popular-than-google-in-indonesia.html>

² <http://www.internetworldstats.com/asia.htm>

³ <http://www.themalaysianinsider.com/malaysia/article/Malaysias-broadband-quality-is-below-par-says-Oxford-study/>

⁴ [http://www.sulit.com.ph/index.php/link/u/http%3A\[\]qs.statcounter.com\[\]%23search_engine-PH-monthly-200807-201011/m/PhilipPaler](http://www.sulit.com.ph/index.php/link/u/http%3A[]qs.statcounter.com[]%23search_engine-PH-monthly-200807-201011/m/PhilipPaler)



Due to the low quality of internet connectivity and the high expense of computers, mobile search has been on the rise in Indonesia. According to a 2011 report, Indonesia has more than 20 million mobile subscribers and that number is still growing at a fast rate.⁵ Yet, while Google.com dominates the search market, they don't do as well in mobile search which may lead to a shift in search dominance. Yahoo! currently does better on mobile search, maybe due to the fact that Yahoo! is Indonesia's number one email provider.⁶ Despite the fact that Indonesia has a low internet penetration, this country actually has Asia's highest rate of internet growth. Internet usage has increased by 1400% in the past 10 years.⁷ These signs show real potential for change where, perhaps, Yahoo! will try to assert itself.

Social media in Indonesia

Indonesia is the second largest user of Facebook in the world, but what is more astounding is its rate of growth (the United States is the largest with 146 million users and third is the UK with 27 million).⁸ Facebook has moved upwards from 209,760 users in 2008 to a staggering 25,912,960 users in 2010 (they currently have 34 million users). That's a growth of 12,253.6%.⁹ Opera, the browser that typically does the best in Indonesia in mobile search, consistently reports Facebook.com as the number one searched for site on mobile searches.¹⁰ Facebook is so popular that local mobile carriers are providing "Facebook plans" from which users could have unlimited access to Facebook in their mobile phone plan.

⁵ <http://www.penn-olson.com/2011/03/07/why-facebook-is-so-popular-in-indonesia/>

⁶ <http://www.newasianist.com/yahoo-bets-on-youth-mobile-internet-in-indonesia/>

⁷ <http://www.newasianist.com/yahoo-bets-on-youth-mobile-internet-in-indonesia/>

⁸ <http://www.penn-olson.com/2011/03/07/why-facebook-is-so-popular-in-indonesia/>

⁹ <http://www.nickburcher.com/2010/07/facebook-usage-statistics-by-country.html>

¹⁰ <http://twinqu.com/opera-77-indonesian-mobile-users-access-facebook/>



Twitter has also done very well in Indonesia. ComScore has dubbed Indonesia as the most Twitter-addicted nation on the planet.¹¹ Always one to jump on the online social networking trend, Indonesia has a greater percentage of online Twitter users than every other Southeastern Asian nation. As a result of this, Twitter include Indonesia as one of the countries slated for its expanded local trends service, which was launched in February. This is an accolade only shared by two other Asian countries, Singapore and India.

Other social networks, such as Foursquare, are becoming more and more popular in Indonesia. It is currently the biggest user of Foursquare in Southeast Asia. The increasing number of smartphones in Indonesia has reinforced the importance of mobile search in that area.¹² Indonesia currently boasts roughly 260,000 Foursquare users. To give a scale for comparison, the second largest amount in Southeast Asia is India's 195,000 users, while the United States' has 7 million Foursquare users.¹³

Conclusion: Indonesia

Google commands the search market in Indonesia with 95% of the search market share, but the increasing use of internet capable mobile (cell) phones is changing search behaviour. This increase indicates that Indonesians may choose to leapfrog straight to mobile phone internet usage rather than choosing to buy a computer. This can be attributed to the high prices of internet connections and computers and the low broadband quality available. Instead Indonesians may begin using their mobile phone as their main method of search and social media. If that does occur, it is important to note that Yahoo! holds the search market lead in mobile search.

In terms of social media, Indonesia is the second largest user of Facebook, has the highest number of Twitter and Foursquare users in Southeast Asia. This trend has been linked to the rise in the use of smartphones and the link between smartphones and social media use. With a continued fascination with social media, many critics believe social media usage will increase as smartphones become more readily available to users.

About the Reform International Search Review

While information on the search engine marketing industry in the US and UK is readily available, insight into other search markets around the world can be harder to find and contradictory. As a result, Reform's international team of search marketing consultants is pleased to present the sixth of our research papers on key emerging search markets around the world.

¹¹ <http://asiancorrespondent.com/42929/indonesia-and-its-social-network-addiction-in-the-media-spotlight/>

¹² <http://asiancorrespondent.com/48494/indonesia-leads-foursquare-usage-in-asia-singapore-most-engaged-market/>

¹³ <http://asiancorrespondent.com/48494/indonesia-leads-foursquare-usage-in-asia-singapore-most-engaged-market/>



With internet usage, mobile usage and broadband internet access rapidly developing in several countries, many western marketers are increasingly adopting a global perspective. Therefore, having the right kind of knowledge and information are the key to success in new markets. At the same time, many marketers within these 'uncharted' countries are only now beginning to see the benefits of search engine marketing. SEO and PPC are both in the early stages of development in some arenas. Transparency in ROI is vital in today's global businesses, so search marketing, which can deliver that, is starting to take centre stage.

With its International Search Reviews, Reform analyses the business and the consumer perspective in each local search market, so that its findings will help brands to understand local search behaviour. This helps to develop the most effective strategies for converting this behaviour into meaningful engagement and customer conversion.

Major western search engines, such as Google and Yahoo! are focusing their international strategic efforts on targeting new users in Asia. Therefore, this territory is an appropriate starting point for Reform's international search marketing research. Customised interfaces and applications, which cater for the huge range of internet users across Asia, are only the tip of the iceberg as we monitor market development. User interaction with search engines is varied from market to market, as are their requirements, and Reform uses this local knowledge to gain insight which shapes audience planning strategies.

About Reform

Reform is an independent digital business consultancy with offices in London and New York.

We provide business and management consultancy services for clients, from market intelligence and benchmarking, to business planning, strategy, product development, technology, resourcing and delivery. We believe that digital is a disruptive model, a positive force for business change and growth. We work with our clients to transfer our digital skills and best practices into their organisations – through consultancy, management and practitioner training, planning workshops and organisational change management.

Reform's team of business consultants has over ten years' unrivalled experience as digital marketing practitioners, business leaders and industry innovators who have worked in organisations such as Microsoft, Ebay, i-level, Google and Aegis. Our team work across an international portfolio of businesses, and across a wide variety of business sectors including finance, recruitment, investment, retail, publishing, education and media.

Join the debate on innovation and change in the search industry with our LinkedIn group, [The Reformers](#). We welcome discussion and comment from search consultants and specialists, as well as questions and insights from anyone interested in learning more about how search can impact their business positively.

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