



SUSTAINABLE TOURISM

Technology & Community Empowerment

Indonesia Overview



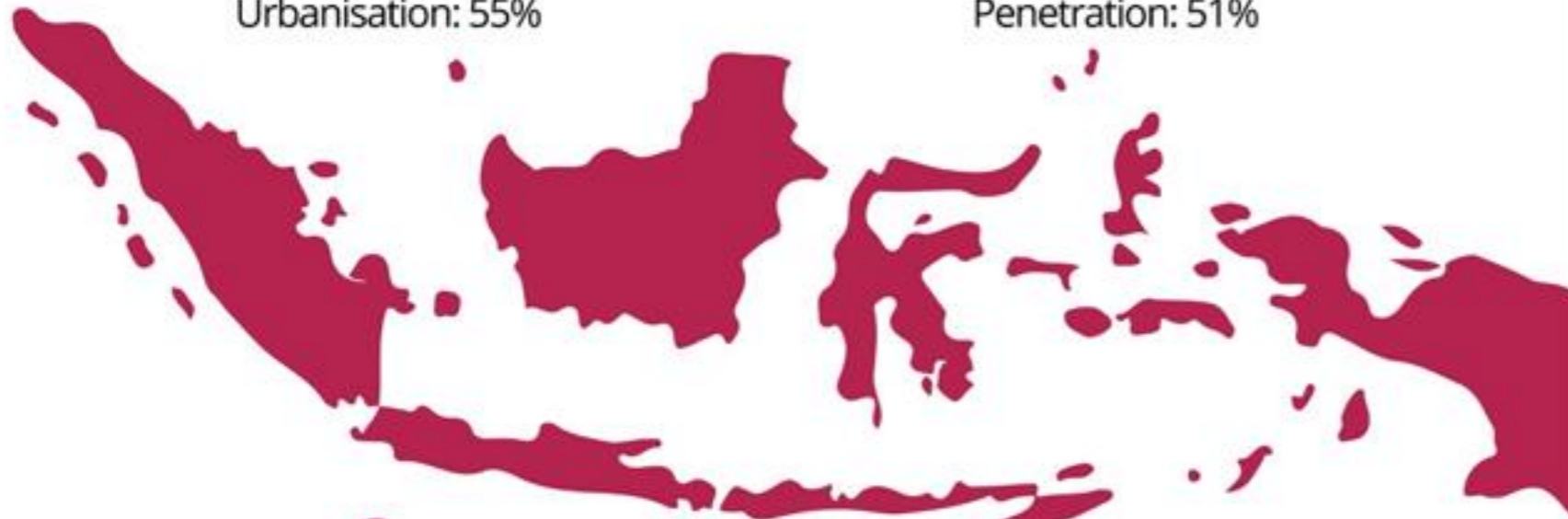
262 Million

Total Population
Urbanisation: 55%



133 Million

Internet Users
Penetration: 51%



123 Million

Active mobile internet users
Penetration: 47%



92 Million

Active mobile & social users
Penetration: 35%

Average Daily Use

8H 44M
INTERNET
(Desktop & Tablet)

3H 55M
INTERNET
(Mobile Phone)

3H 16M
SOCIAL MEDIA
(Any device)

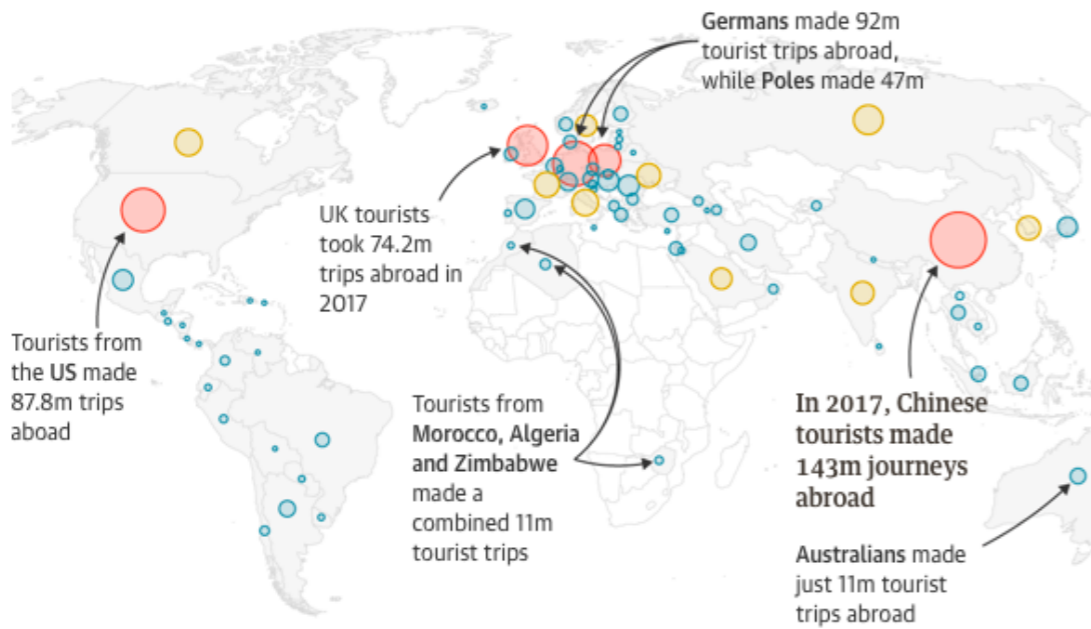
2H 33M
TV Viewing Time

Impact of Tech

Technological development causes some sectors to appear, disappear, and even merge	Lower operational costs & Flexible	Reshaping customer expectations and creating potential virtual opportunities in every sector	Easier to test the market preference
Organizations have opportunities to create something new, borderless	Able to manage billions of transactions either goods or services	Creating customer value, reducing customer's costs, providing new experiences	
Creating new or even identical competitors	Growing power on how to manage data for the development of industries	Single access gateway for a wide range of products and services	

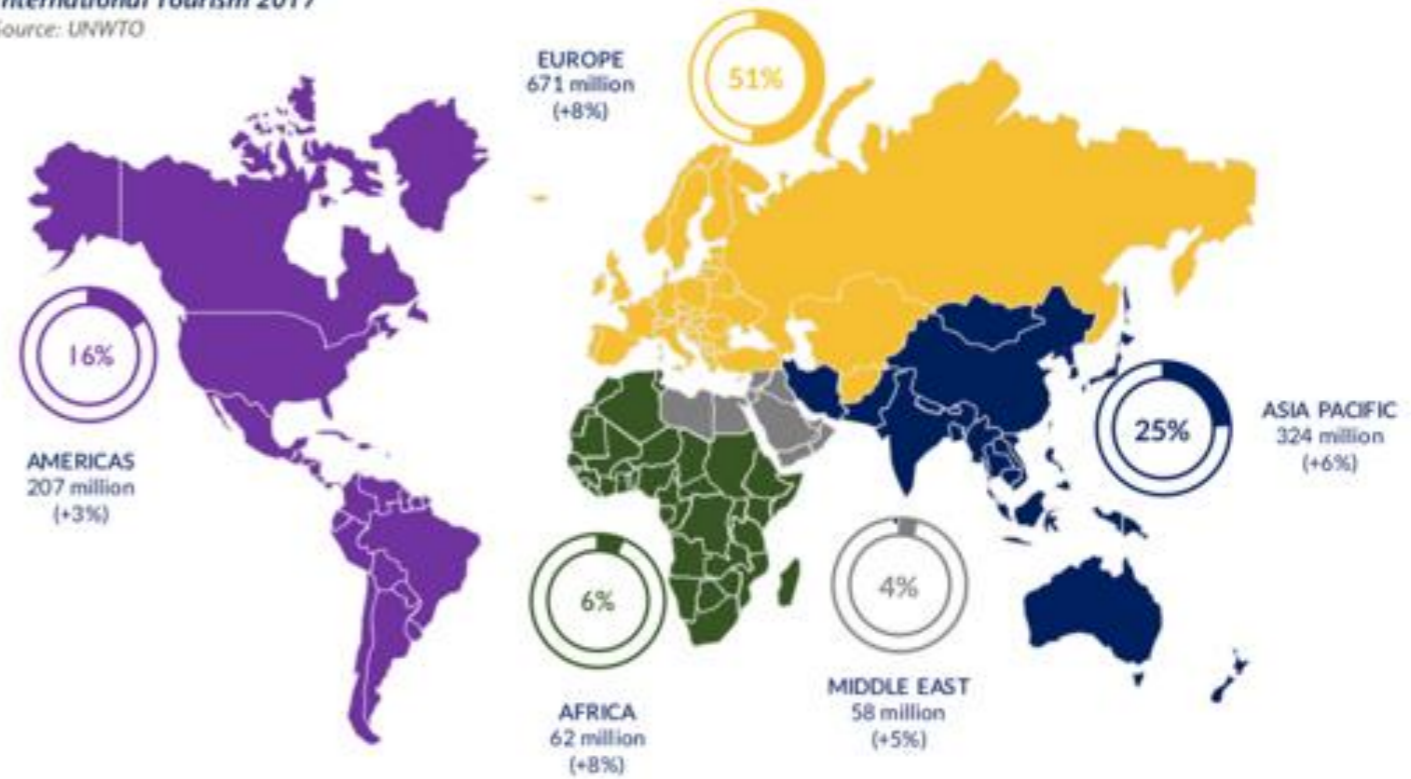
Power of Millennials

- New behaviors and characteristics
- Eager to take long haul trips
- Looking personal experiences: Looking unique rich experiences and exploration
- Digital things are their world
- Seeking specific interest: photography, cycling, trekking, authentic experiences
- Using apps and sharing economy while traveling
- They want to be a part of the culture
- More income more traveling



Guardian graphic. Source: World Tourism Organisation

International Tourism 2017
Source: UNWTO



International Tourist Arrivals, 1950 - 2030



Source: UNWTO

POSITION SHIFTING



Europe : 21%

Asia Pacific : 33%

North America : 18%

Middle East : 13%

Latin America & others:
15%

AIRBUS forecasts that:

1. Mostly delivered aircrafts are narrow bodies
2. Air transport is a growth market: increasing 60% last ten years
3. Demand for 34,900 new aircrafts in 2036 where 40% for replacement and 60% for growth
4. Asia Pacific will demand 41% of the market

MYANMAR

INFRASTRUCTURE CONSTRAINED

🚗 2.5 📈 9.8% 🏗️ 7.6%

With weak existing infrastructure and a sharp increase in demand, it is not clear that forecast acceleration in T&T investment will be sufficient to cope with forecast demand growth.

THAILAND

FUTURE FOCUS CRITICAL

🚗 4.4 📈 6.6% 🏗️ 6.7%

Relatively strong existing T&T infrastructure and future demand growth need to be supported by a continued investment focus.

CAMBODIA

INFRASTRUCTURE CONSTRAINED

🚗 3.4 📈 6.3% 🏗️ 6.0%

Forecast investment growth not sufficiently faster than demand growth to ease potential capacity constraints and address existing infrastructure weaknesses.

MALAYSIA

BALANCED MARKET

🚗 4.8 📈 7.0% 🏗️ 4.5%

Current state of infrastructure is good, and with investment in line with forecast growth, supply and demand are expected to remain balanced.

SINGAPORE

STAR OR OVER-INVESTOR?

🚗 5.6 📈 5.3% 🏗️ 3.5%

High quality infrastructure will be maintained by strong investment forecasts and lower demand growth due to maturity of the market.

LAOS

IMPROVING INFRASTRUCTURE

🚗 3.4 📈 5.5% 🏗️ 5.7%

Investment growth forecast to outpace demand growth which should result in improved infrastructure as long as it is targeted appropriately.

PHILIPPINES

INFRASTRUCTURE CONSTRAINED

🚗 3.5 📈 5.5% 🏗️ 5.3%

Shortfall in investment relative to demand growth is likely to widen, increasing the risk of capacity constraints.

VIETNAM

IMPROVING INFRASTRUCTURE

🚗 3.8 📈 6.5% 🏗️ 7.2%

Investment growth forecast to outpace demand growth which should result in improved infrastructure as long as it is targeted appropriately.

BRUNEI

BALANCED MARKET

🚗 n/a 📈 1.6% 🏗️ 7.5%

A high-income country, with modest growth in demand and investment forecast, infrastructure should remain balanced.

INDONESIA

STAR OR OVER-INVESTOR?

🚗 3.9 📈 6.9% 🏗️ 5.3%

Prioritisation of T&T by government means good investment and tourism growth prospects, although infrastructure challenges from island geography remain.

🚗 T&T Infrastructure score (max 7)

📈 10 year growth T&T Investment (%pa)

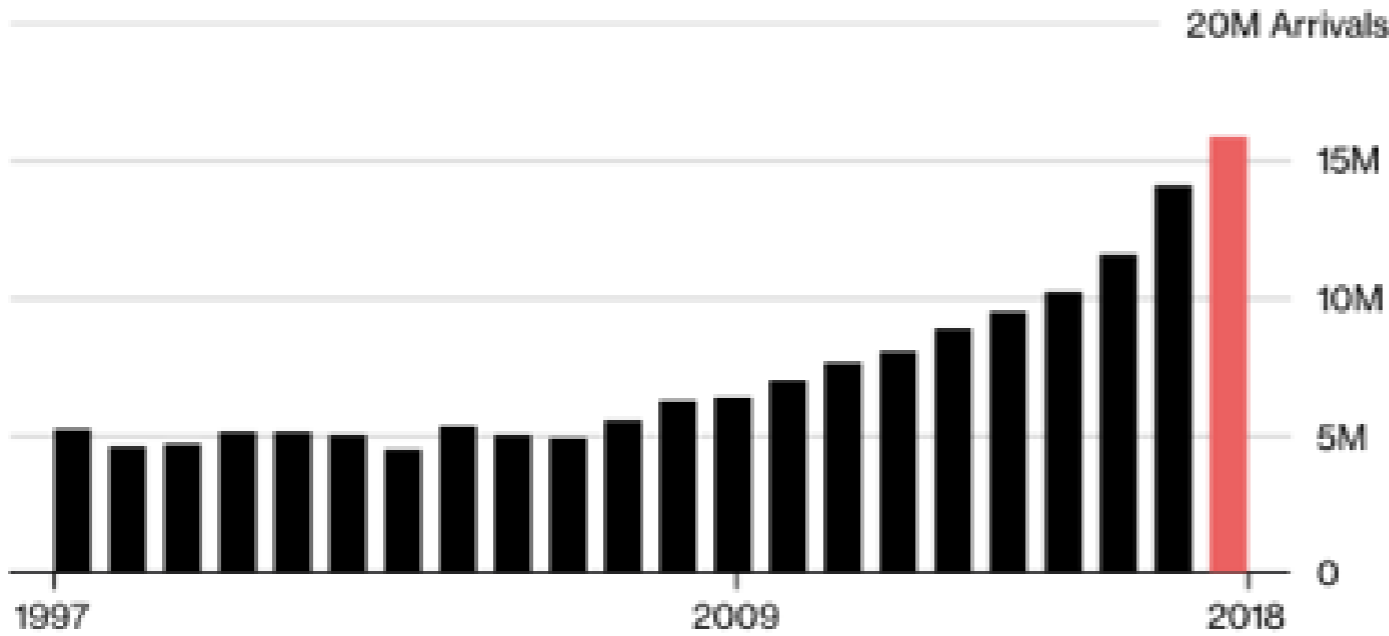
🏗️ 10 year T&T Direct GDP growth (%pa)

Screenshot

INDONESIA GROWTH

Paying A Visit

Foreign tourist arrivals at all-time high



Foreign tourist arrivals reached 15.8 mio in 2018

Growth 13% from last year

Our natural resources, local wisdom, heritage, culture, cuisine become positive magnet

Tourism sector become top 3 of the main source of our GDP

Source: Badan Pusat Statistik

What Customer's Looking

The background of the slide features a silhouette of a family—a woman, a child, and a man—walking through an airport terminal with their luggage. In the upper right, a silhouette of an airplane is visible against a red-tinted sky. The overall scene is reflected on a glossy floor.

Emotionally satisfying connections

They are looking what they need and what value is offered

Experience connections

They use online posting to feel that

Effectiveness, efficiency, and easiness

Becoming trust seekers

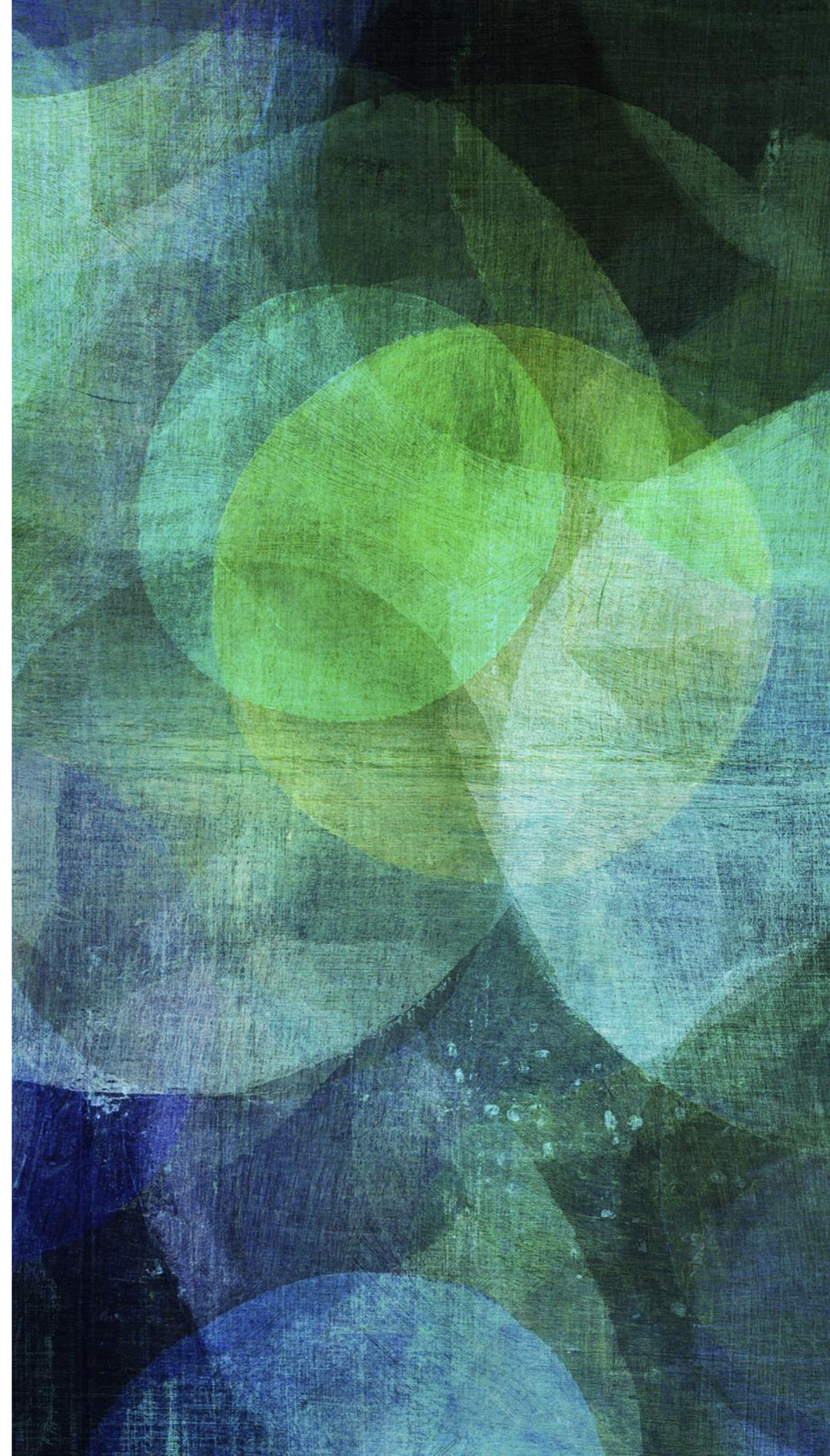
They want more high level transparency



FUTURE TOURISM TRENDS

- ▶ Solo, eco, & couple travellers
- ▶ Local experiences. Travellers expect experiences that closely match their personal preferences.
- ▶ Bizcations
- ▶ Last minute bookings where reservations last 1 to 3 hours tend to be booked in destinations or just before arrival
- ▶ Advanced bookings preferred for multi day tours
- ▶ Travellers visiting new destinations & looking some new experiences

- ▶ Travellers today request unique experiences to do something once in a lifetime
- ▶ Ecological & educational trips are in demand
- ▶ History & cultural trips are also looked by travellers apart from natural traveling sites
- ▶ The growth of budget airlines
- ▶ Rise of digital services: reduced price, increased satisfaction
- ▶ Local uniqueness: hidden pearls



TREND TRAVELING



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Tiga Ciri Utama "Millennial Traveler" Indonesia

Kompas.com - 09/11/2016, 10:05 WIB

"Pertama *millennial traveler* sangat mementingkan autentik dari destinasi itu. Mereka mau eksplor daerah yang mereka belum tahu,

Ciri kedua, menurut Gunawan, *millennial traveler* memiliki jiwa nasionalis yang tinggi. "Mereka ingin tahu budaya Indonesia dan tempat-tempat lain. Mencari yang unik dari suatu lokasi," katanya.

Terakhir, lewat survei yang diselenggarakan oleh lembaga survei yang bekerja sama dengan Agoda kepada wisatawan milenial Indonesia, Gunawan mengatakan, "Generasi milenial mau eksplor lebih dalam, lebih jauh. Sesuatu yang mereka tidak pernah alami. Hotel bukan

TREND TRAVELING

TRAVELING

Inilah Destinasi Wisata Favorit Generasi Millennial Indonesia

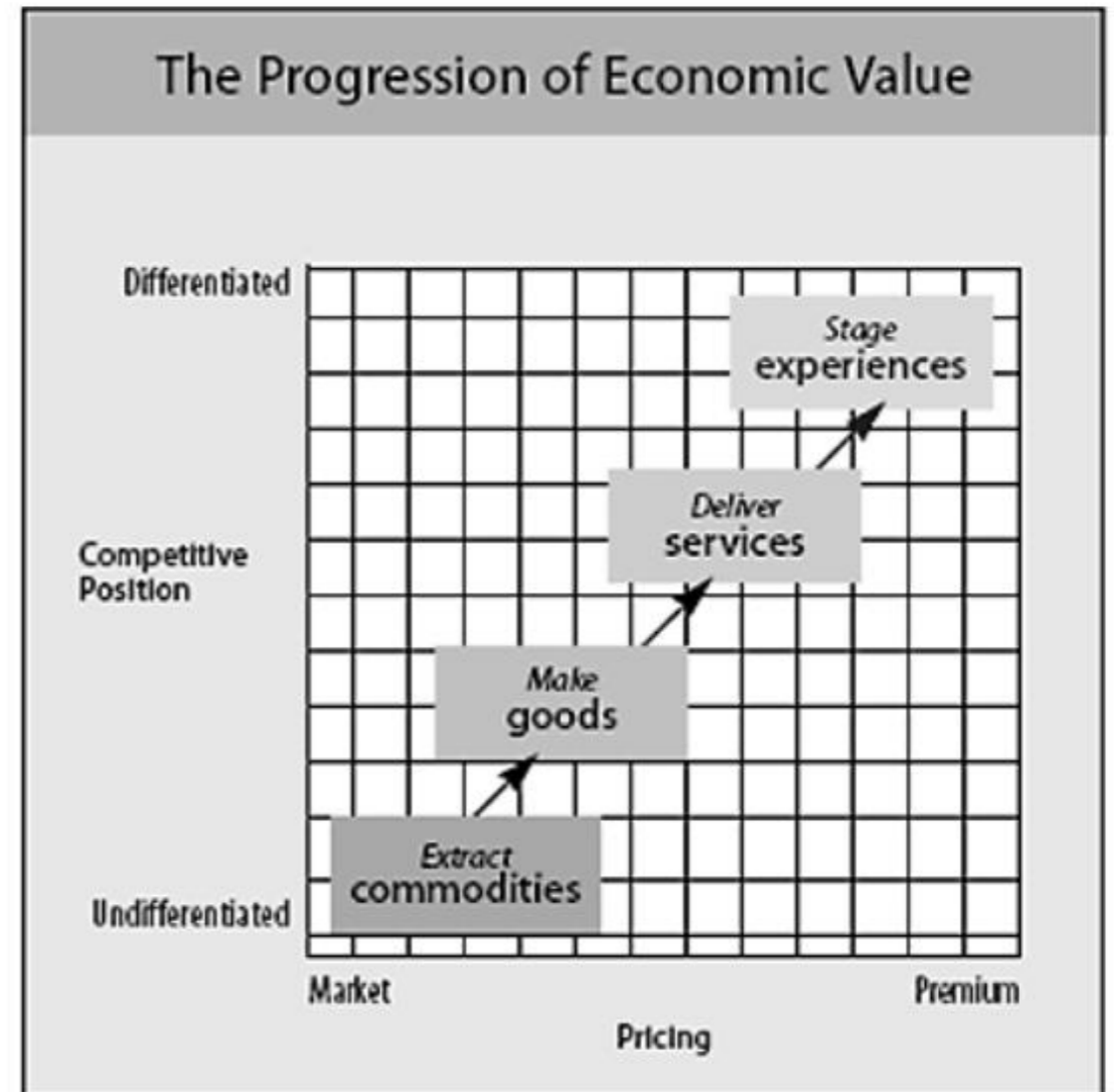
Mei
04
/ 2017
18:45 WIB

Sebuah riset yang dilakukan Agoda menunjukkan bahwa mencari ketenangan dengan nuansa alam berada di posisi nomor satu dari *wish list* anak muda Indonesia.

Country Director Agoda International Indonesia Gede Gunawan menjelaskan, millennials ingin bertualang lebih jauh dan melakukan banyak hal ketika travelling. Namun, berdasarkan riset, pihaknya menunjukkan bahwa pilihan pertama mereka adalah menghabiskan waktu di keindahan alam Indonesia.

EXPERIENCE ECONOMY

- ▶ New way people enjoy services/products
- ▶ Consumers ask to feel the experience
- ▶ Combining traditional offerings and wrapping it nicely
- ▶ Upgrading to the next economic value
- ▶ Offering service as stage, goods as support, and customers enjoy memorable events
- ▶ Commodities are changeable, goods are tangible, services are intangible and experiences are memorable
- ▶ Experiences stick in personal, it exists only in mind of an individual that engages on an emotional, physical, intellectual, or even spiritual level
- ▶ Knowing our competitive advantages and how to wrap it





WHY GROWING LOCALS

- ▶ Strengthen local communities
- ▶ Developing creative society
- ▶ Innovative activities
- ▶ Stakeholder's awareness
- ▶ Protecting assets & environment
- ▶ Tourism sustainability
- ▶ Economic growth