



**IMAGE
TO
PRINT**

20-21 Mar'19, Jakarta

eCommerce Trends & impact to packaging industry

by

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A man with short brown hair, wearing a light beige suit jacket over a white button-down shirt, is sitting on a wooden boat. He is wearing dark sunglasses and a gold watch on his left wrist. He is leaning back with his left hand resting on his chin. A black, ribbed suitcase is next to him. The boat has a polished wooden deck and a blue cushion. The background is a body of water with ripples.

MAP

The leading lifestyle retailer in Indonesia

MAP At a glance

2,200⁺
stores

150⁺
brands

26,000⁺
employees

70
cities



RETAIL
SCHOOL

MAP
GIFT VOUCHER



Mapemail

MAP CLUB

*Growing
Presence in
Vietnam and
Thailand*





Indonesia by 2030



NOW:

- ▶ 16th largest economy in the world
- ▶ 45 million members of the consuming class
- ▶ 53% of the population in cities producing 74% of GDP

BY 2030:

- ▶ 7th largest economy in the world
- ▶ 135 million members of the consuming class
- ▶ 71% of the population in cities producing 84% of GDP
- ▶ Could potentially be the biggest market after China & India

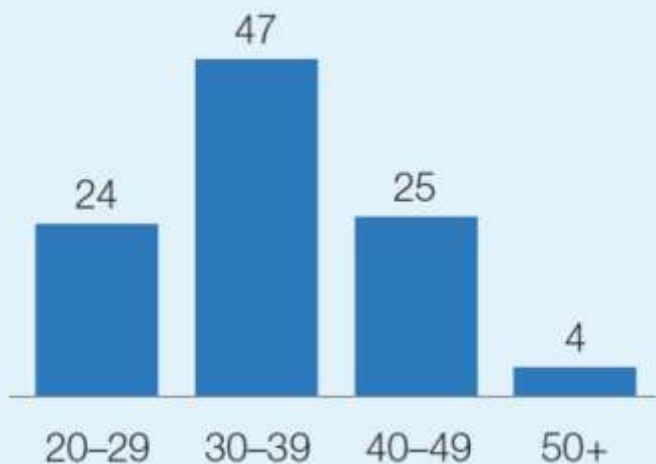
By 2020,
60% of world's millennial
(18 - 29 year old) will live
in Asia



In Indonesia, online
shoppers to go from
18 mil in '15 to 119 mil
by '25, 6x increase

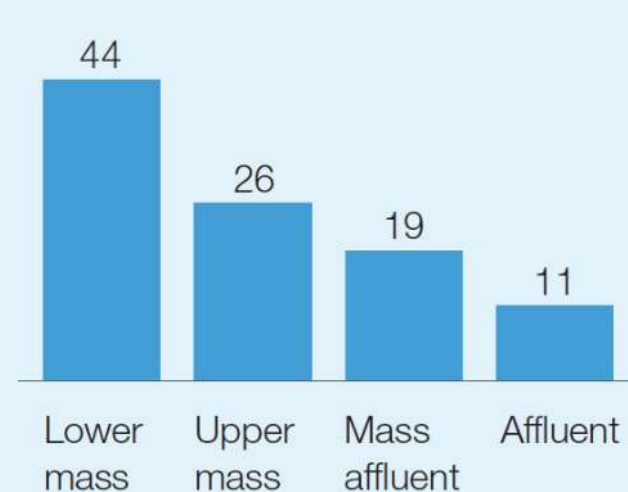
Not limited to millennials or any specific SEC

% of total Ecom spend by age



Buyers age 20 to 49, @ 96% of spend

% of total Ecom spend by SEC



Mass consumers @ 70% of spend

Digitisation in Indonesia



Total Population

: 266 Mil (56%)



Internet Users

: 133 Mil (50%)



Online Shoppers

: 28 Mil



Active Social Media Users

: 130 Mil (49%)



Active Mobile Internet Users

: 125 Mil (47%)



Total No of Mobile Connections

: 416 Mil (157%)

eCom in Indonesia



- *30mil online shoppers and \$8 bil online eCommerce in 2017. Would witness \$65 billion by 2022.*
- *30% of revenues would be accretive and spurring social impact.*
- *From 4 mil jobs to 26 mil jobs (20% of workforce) by '22*
- *Consumers get to enjoy 11 to 25% price reduction vs offline*
- *By 2025, digital could raise GDP by 150 bil \$, 1.2% of growth/year*

“There has never been a **better time
to go shopping.
There has never been a **tougher time**
to run a shop.”**

- Oliver Wyman



DISRUPTION IN RETAIL



RETAIL HAS CHANGED MORE IN THE LAST 5 YEARS
THAN THE 50 YEARS BEFORE THAT

Head Line News

**"AMERICAN BRICK
& MORTAR RETAILERS
ARE CLOSING
AT A RECORD PACE"**

**"M&S will remove clothing
and home furnishing
from about 60 locations
by closing 30 stores"**

**"Rue21 plans closure
of 400 of 1100
locations"**

**"One third of all
shopping malls
in China is predicted
to close in 5 years"**

**"MACY'S CLOSING
68 STORES AND
JCPENNY 138 STORES
IN 2017"**

**"138 DEPARTMENT STORES,
262 SUPERMARKETS
AND
9,464 CLOTHING STORES
CLOSED IN CHINA
DURING 2012 TO 2015"**

**"From Mom & Pop Stores
to Walmart -
all are threatened"**

**"Bebe Stores close all 180 stores
and will sell ONLY ONLINE"**

THIS IS WHAT DIGITAL DISRUPTION LOOKS LIKE.....

Digital interactions influence 56 cents of every \$ spent in bricks-and-mortar stores.

Source: Deloitte, 2016, "The New Digital Divide".

Brick & Mortar Retailer Market Value (2006* vs. Today)

Item	2006	March 2017	Mar'19	% Change
 BEST BUY	\$28.4B	\$15.0B	19 B	-47%
 JCPenney	\$18.1B	\$1.7B	0.5 B	-91%
 KOHL'S	\$24.2B	\$6.5B	12 B	-73%
 macy's	\$24.2B	\$8.7B	7.5 B	-64%
 NORDSTROM	\$12.4B	\$7.5B	7 B	-40%
 sears	\$27.8B	\$1.2B	0.07 B	-96%
 TARGET	\$51.3B	\$29.4B	41 B	-43%
 Walmart	\$214.0B	\$217.8B	290 B	2%
 amazon	\$17.5B	\$428.3B	860 B	2347%

*Source: Yahoo Finance

*Peak Market Value 2006



**How is eCom
impacting packaging
industry?**

Packaging?



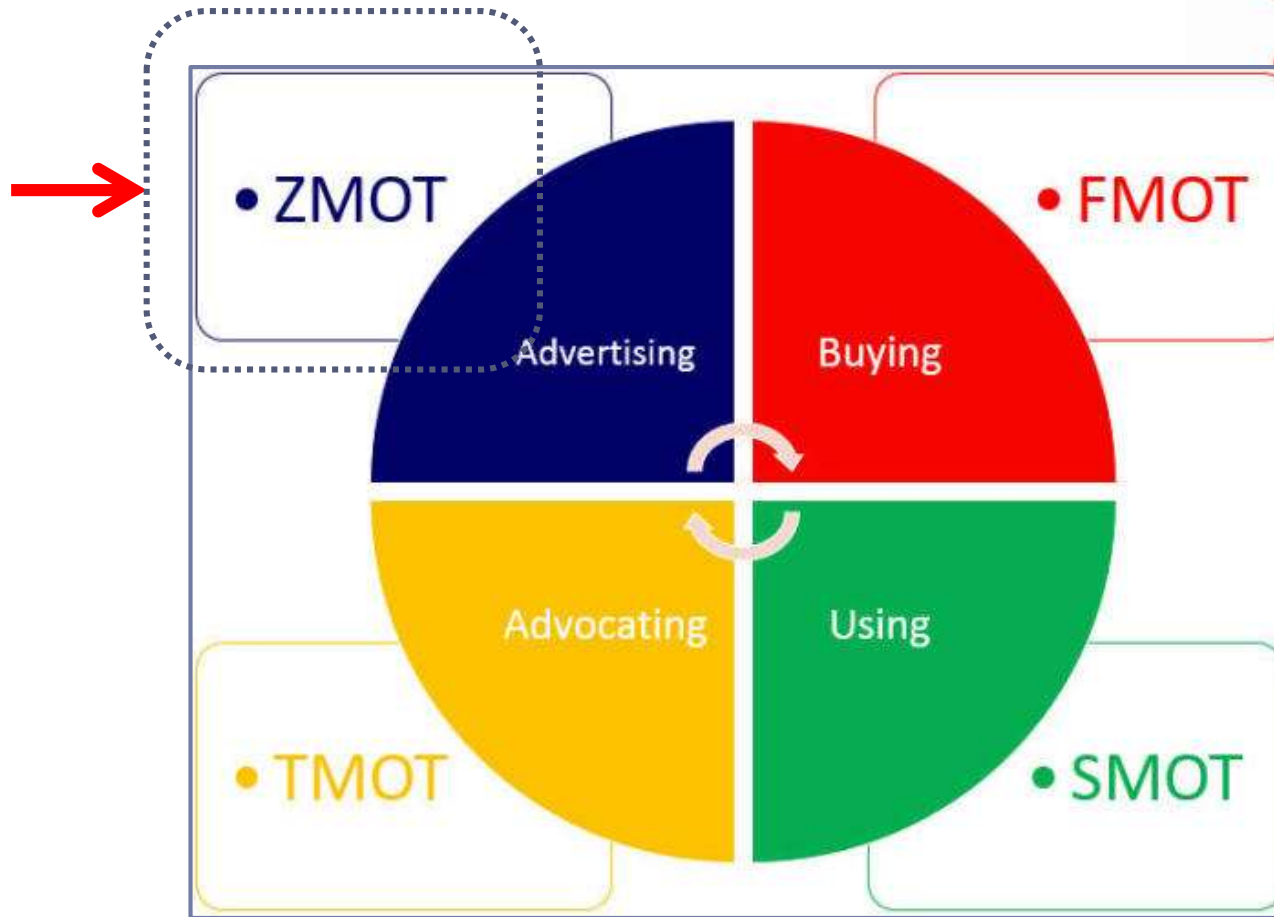
1/Contains, Protects and Preserves – the content

2/Attention, Information, Brand – concluding purchase

85% Consumers state 'colour' of the packaging as one of the key considerations for purchasing

Any difference – Offline / Online world?

Moments of Truth



Zero moment of Truth (ZMOT – from online Channels)



Packaging for eCommerce



Packaging for eCommerce



Cross
border
ecommerce
at 15% now
and growing

Packaging Industry



- ▶ **2018 : Globally 878 bil \$**
- ▶ **2023 : > 1 Trillion \$**
- ▶ *Understanding regulatory position in each region and the impact on ink formulators, print service providers and brands*
- ▶ *As eCom/social media changes, there is going to be tremendous impact on how to develop, design, sell, and display packaging.*

Packaging Shifts



1. Sustainability Is Permeating Consumer And Business Interests

- *2/3rd of consumers are willing to pay more for sustainable products*
- *91% of the people in biggest economies expect companies to act responsibly addressing social/environmental issues*

2. Convenience is quickly becoming the new norm

- *It's been reported that more than half of millennials have no set schedule for meals, and 62% of them snack throughout the day.*
- *Consumers are seeking out options that support a healthier lifestyle*

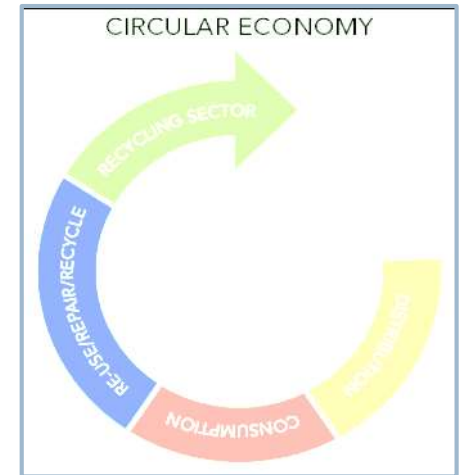
3. E-commerce is changing the game

- *Packaging solutions must meet higher standards for product protection, durability and other performance factors*

Packaging – Actions



- Brands have to reassess packaging for online shopper.
- E-commerce is generating demand for innovative packaging with RFID and smart features optimized for last-mile delivery
- Brands must embrace commitment to sustainability & waste reduction. An effort towards 'circular economy'
- Brands & Retailers must be aware of key packaging-related consumer concerns:



Integrity of packaging upon delivery (no damage)

Size of package relative to items(s) being shipped

Excessive volume of secondary packaging

Ease of opening, overall user-friendliness, including instructions

In Summary -



Packaging in a digital economy -



- ▶ **Sustainability**
- ▶ **Convenience**
- ▶ **Functional**
- ▶ **Emotional**
- ▶ **Overall Experience**



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Thank You!

