

The State of User Engagement in Indonesia 2023

TRENDS & BENCHMARKS

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01

Executive Summary

In today's hyper-competitive digital landscape, brands are vying for users' attention with every click and scroll. It's a noisy world, and attention is a rarity.

Great brands stand out from the noise by implementing a well-crafted user engagement strategy such as personalization and omni-channel engagement, that builds a lasting connection with their consumers. Brands that invest in improving their user engagement saw a 67% increase in revenue according to a recent survey.



So, have brands in Indonesia maximized their user engagement strategies?

A study found that 80% of users were more likely to buy something when offered personalized experiences, yet our survey concluded that only 11.2% of the respondents in Indonesia have used advanced personalization.

In the State of User Engagement 2023 report, we will examine the challenges that companies in Indonesia face in user engagement. We will learn about the maturity of segmentation and personalization among companies across industries and sizes, and their adoption of AI and other user engagement tools. In the end, you will learn valuable insights and tools that you can use to elevate your user engagement strategy.

Report Snapshot

Top Performing Engagement Channels

Email and Instagram/Facebook/Google custom audience are the top performing and most used channels.

WhatsApp: Underutilized Channel

WhatsApp ranks as 3rd highest performing but it is still underutilized by 30% of industry respondents.

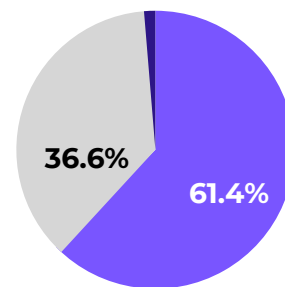
Personalization

- 12.7% of brands use none (only mass campaigns).
- 76.14% use basic personalization, such as first name or attributes (gender, location)
- The rest 11.1% use advanced personalization, such as page views or past order

User Engagement Stack

CDP has the highest adoption 28.3% while Journey Designer has the lowest (13.8%).

User Segmentation



61.4% of respondents use basic segmentation and only 36.6% use advanced segmentation.

AI Adoption in User Engagement Stack

The main use case of AI in the user engagement stack is AI-driven channel selection.

Industry Level Maturity

- Healthcare ranks the lowest in user engagement maturity (adopts basic segmentation, personalization, limited AI integration and fewest marketing stack tools).
- In contrast, E-commerce & D2C and Travel & Hospitality rank the highest in maturity (adopt more advanced segmentation, personalization, higher AI integration and more marketing stack tools).

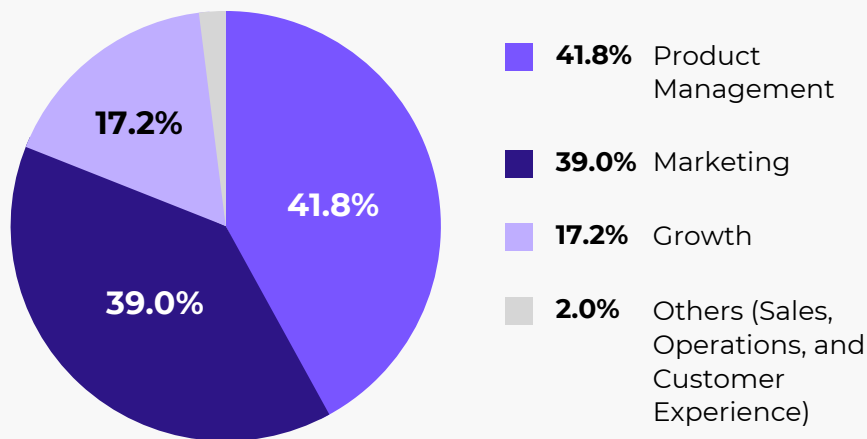
Demographics of Survey Respondents



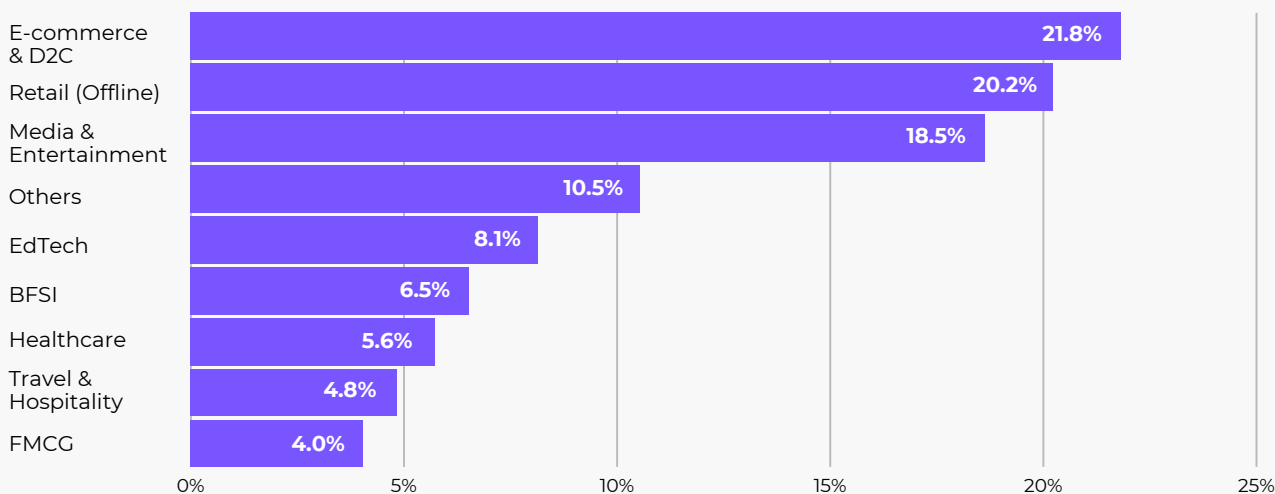
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Professionals in **Product Management, Marketing, and Growth** roles shared their insight on how they engage users.

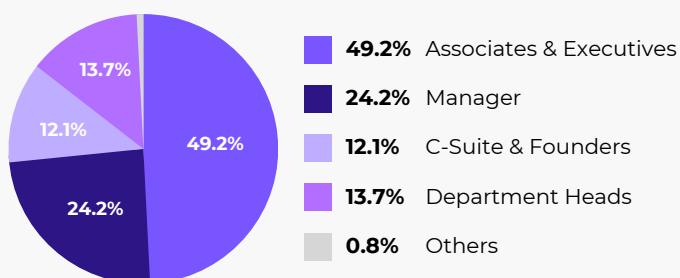
Job Roles



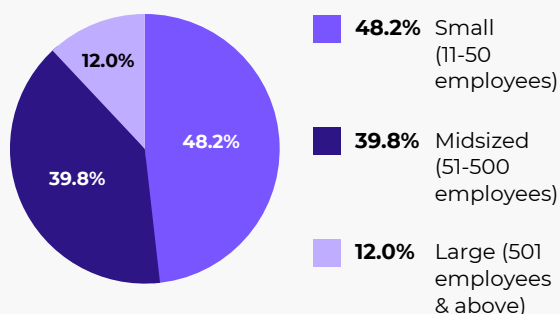
Industry Representation



Job Level



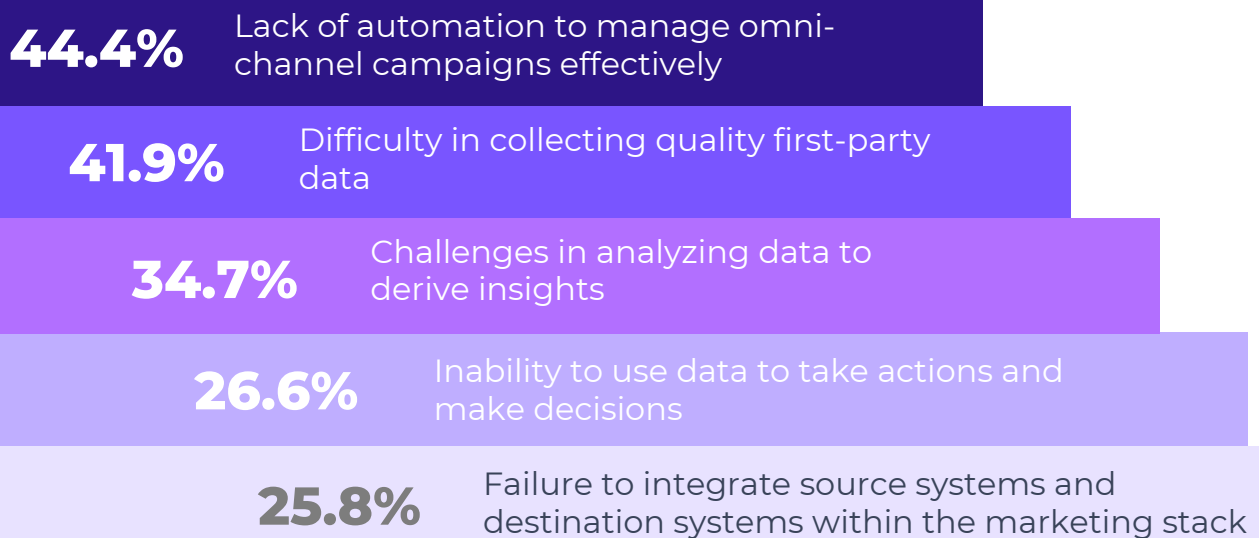
Company Size



04

Key Challenges

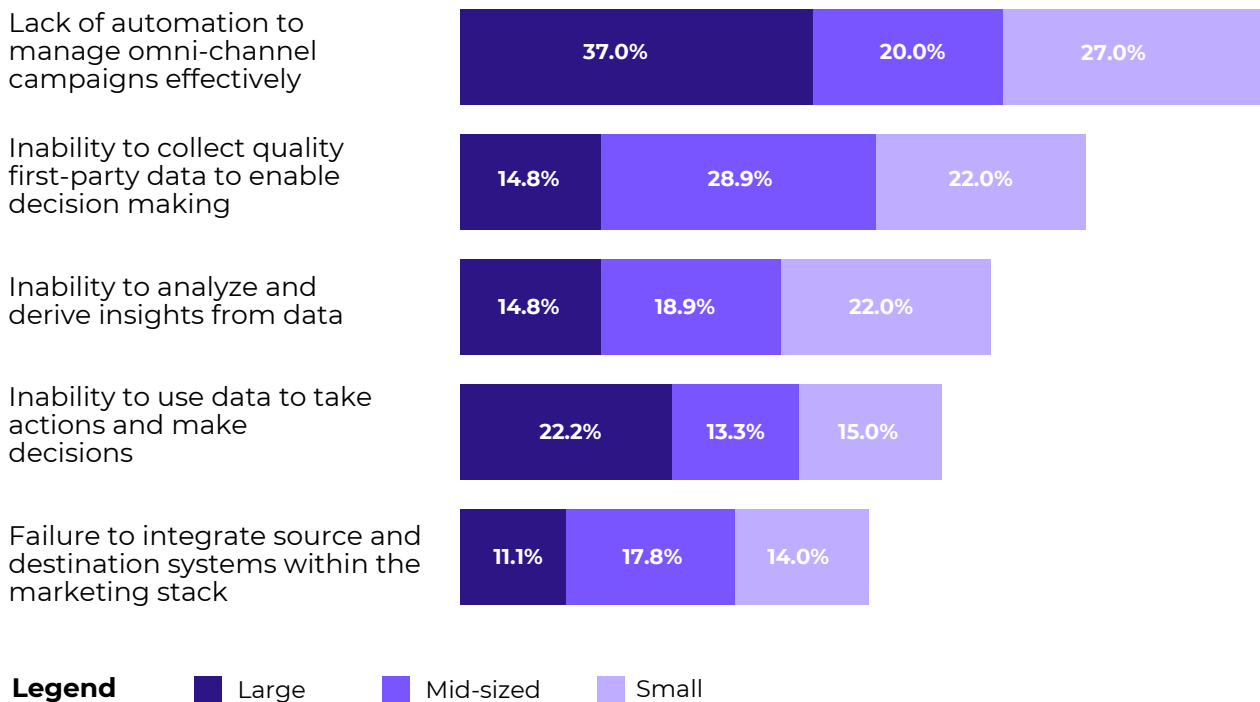
Before we dive into the trends, let's take a closer look at the common challenges that businesses in Indonesia often face in executing their user engagement strategy.



From the list above, almost half of the respondents (44.4%) face a lack of automation to manage omni-channel campaigns effectively, followed by a significant group (41.9%) that struggle in collecting quality first-party data to enable decision making.

Approximately 25.8% of respondents encounter difficulties when integrating source and destination systems within their marketing stack. Notably, industries like FMCG, Healthcare, and Travel & Hospitality face heightened challenges in this area because they involve a wide range of complex systems, which could include outdated legacy systems that can make integration difficult.

Challenges by Company Size



Both large (37.0%) and small (27.0%) sized companies face the biggest challenge in the lack of automation to manage omni-channel campaigns effectively. Large companies often have complex and diverse operations that involve multiple channels, regions, and customer segments. Small companies, while less complex, may still have multiple channels to manage with limited resources. Implementing automation across such complexities can be challenging due to the sheer scale of operations in large companies and the need for streamlined processes in smaller companies.

Compared to large and small companies, more mid-sized companies (28.9%) find it difficult to collect quality first-party data. Large companies typically have well-established data collection processes and dedicated data teams. Small companies may rely on simpler, more manual data collection methods. Mid-sized companies often find themselves in a transitional phase where they are trying to scale up and manage more complex data requirements, but they may not have fully developed the infrastructure and expertise to do so effectively.

Challenges by Industry

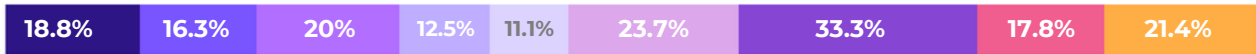
Lack of automation to manage omni-channel campaigns effectively



Inability to collect quality first-party data to enable decision making



Inability to analyze and derive insights from data



Inability to use data to take actions and make decisions



Failure to integrate source systems and destination systems within the marketing stack



Legend



In the FMCG, half of the respondents (50%) struggle with the automation of omni-channel campaigns. This issue is compounded by the industry's expanding presence in e-commerce platforms, where the management of content across channels and real-time inventory updates pose additional complexities.

Industries such as BFSI (31.2%) and E-commerce & D2C (30.6%) grapple with the collection of high-quality first-party data understandably because these sectors operate under stringent regulations, leading to enhanced protection of consumers' data.

Almost half of the respondents (44.4%) from the healthcare face challenges when it comes to utilizing data for decision-making. The healthcare stands out due to the unique complexities tied to ethical and regulatory considerations, leading to more deliberative decision-making processes.

Challenges Across Job Functions

Lack of automation to manage omni-channel campaigns effectively (campaign creation execution A/B testing and measurement)



Inability to collect quality first-party data to enable decision making



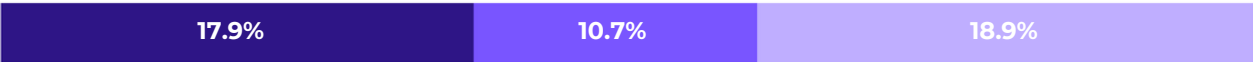
Inability to analyze and derive insights from data



Inability to use data to take actions and make decisions



Failure to integrate source systems and destination systems within your marketing stack



Legend Growth Marketing Product Management Others



Growth, Marketing, and Product Professionals encounter similar difficulties across all these challenges. In contrast, respondents outside these departments face significantly more obstacles in analyzing and deriving insights from data. This could be attributed to the intricate nature of user engagement strategies which are often managed independently within the three aforementioned departments.



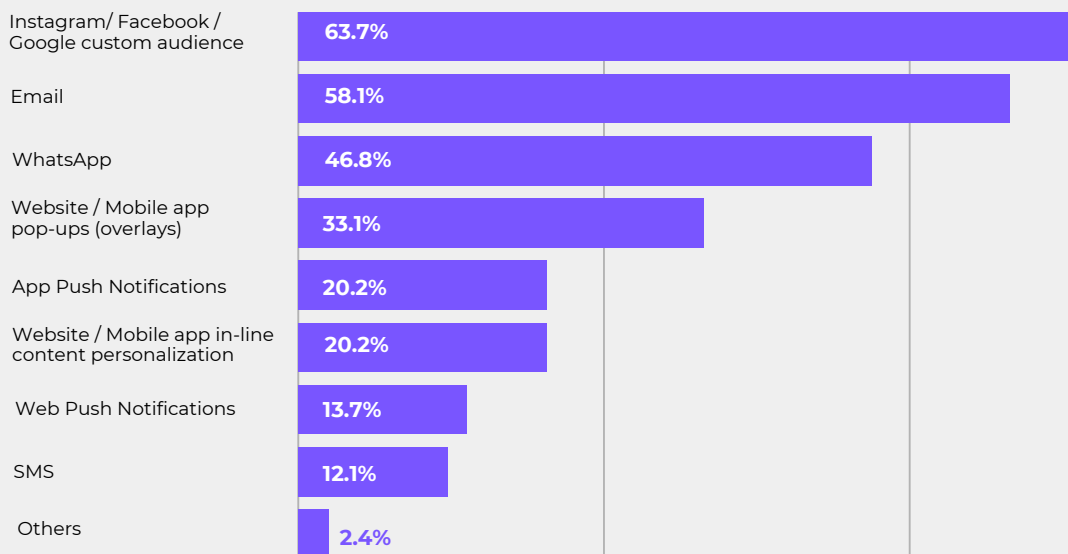
Pro Tip
Companies will face different user engagement challenges based on their growth stage, size and industry. Instead of deploying various tools and technologies to resolve each challenge, consolidated automation platforms are becoming the solution of choice.

05 Emerging Trends

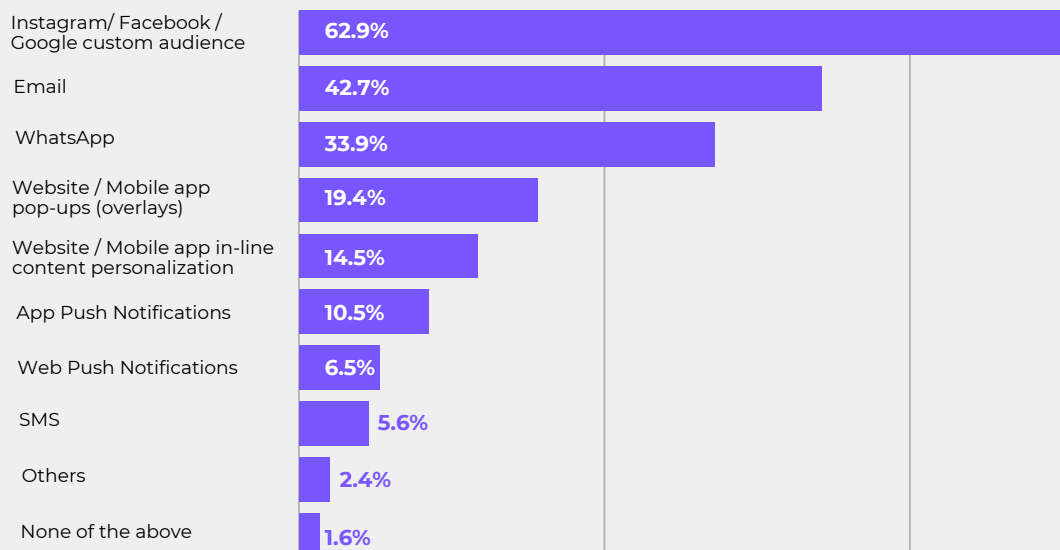
Choosing the right marketing channel means finding the best paths to connect with the customer. In this analysis, we surveyed our respondents on their most widely used channels and which they believe are their top performing ones.

Most Used and Top Performing User Engagement Channels

Most Used

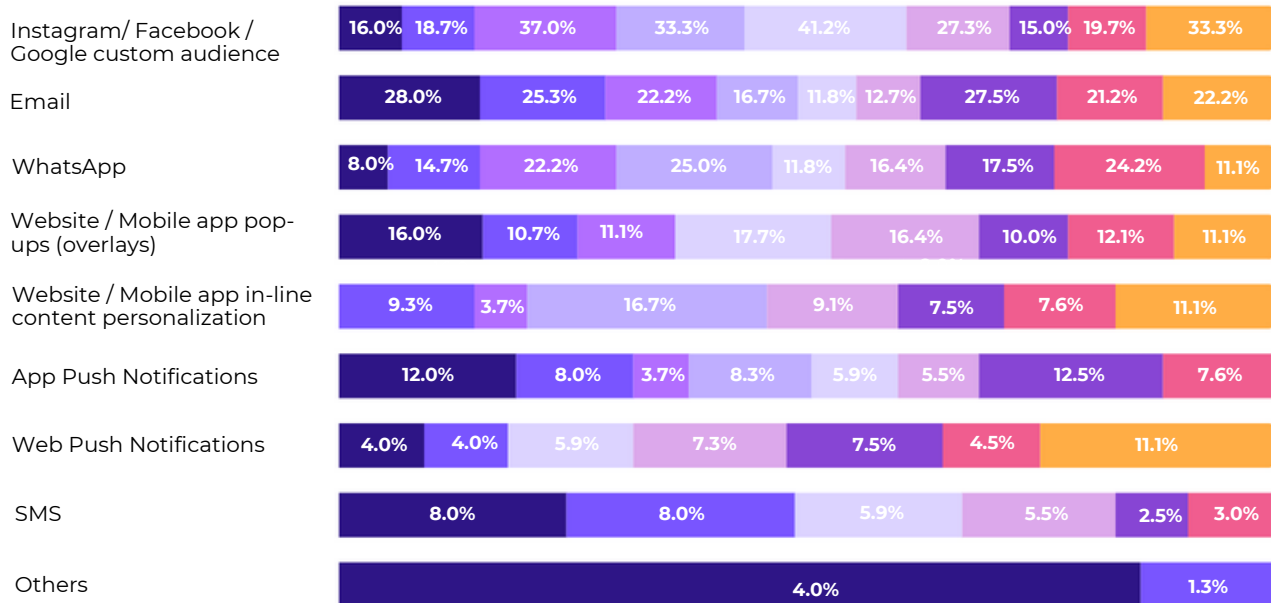


Top Performing

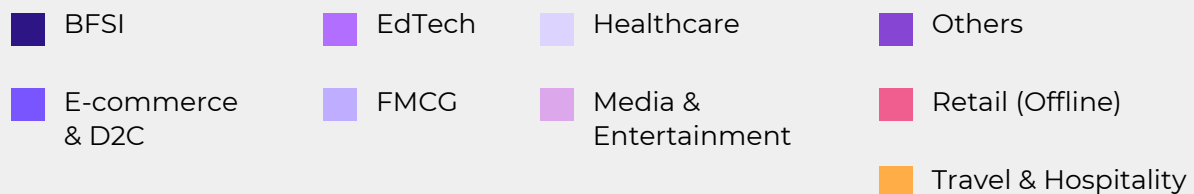


The Most Used and Top Performing Channels by Industry

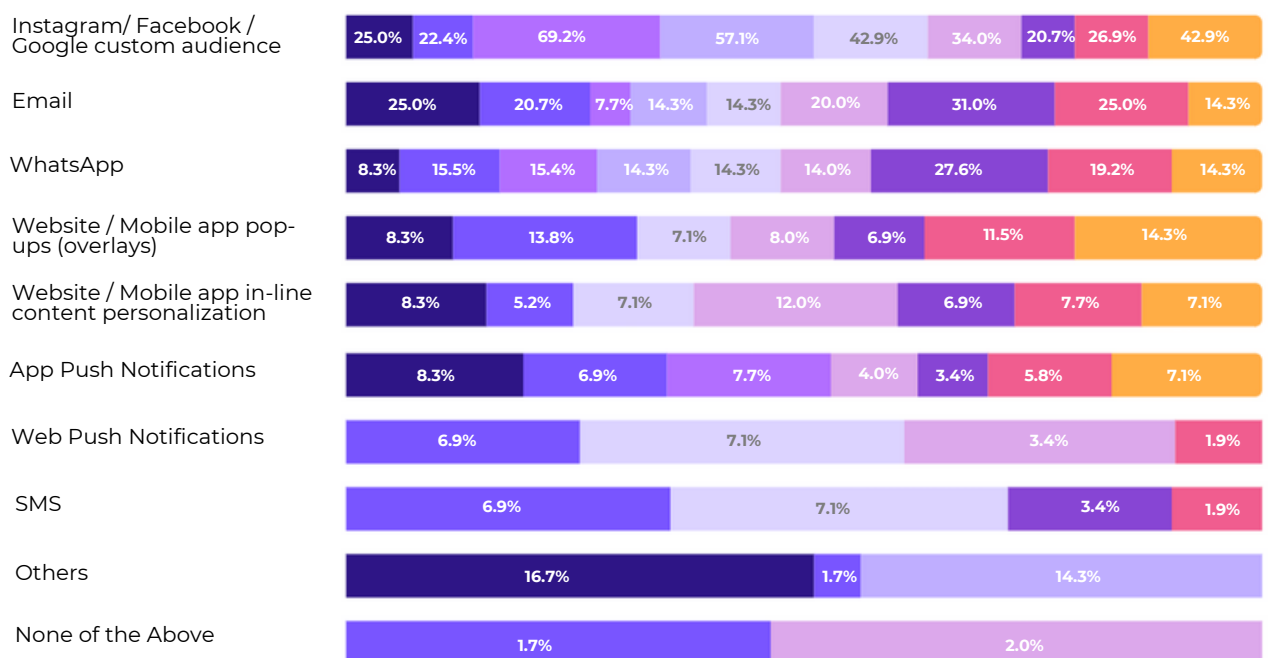
Most Used



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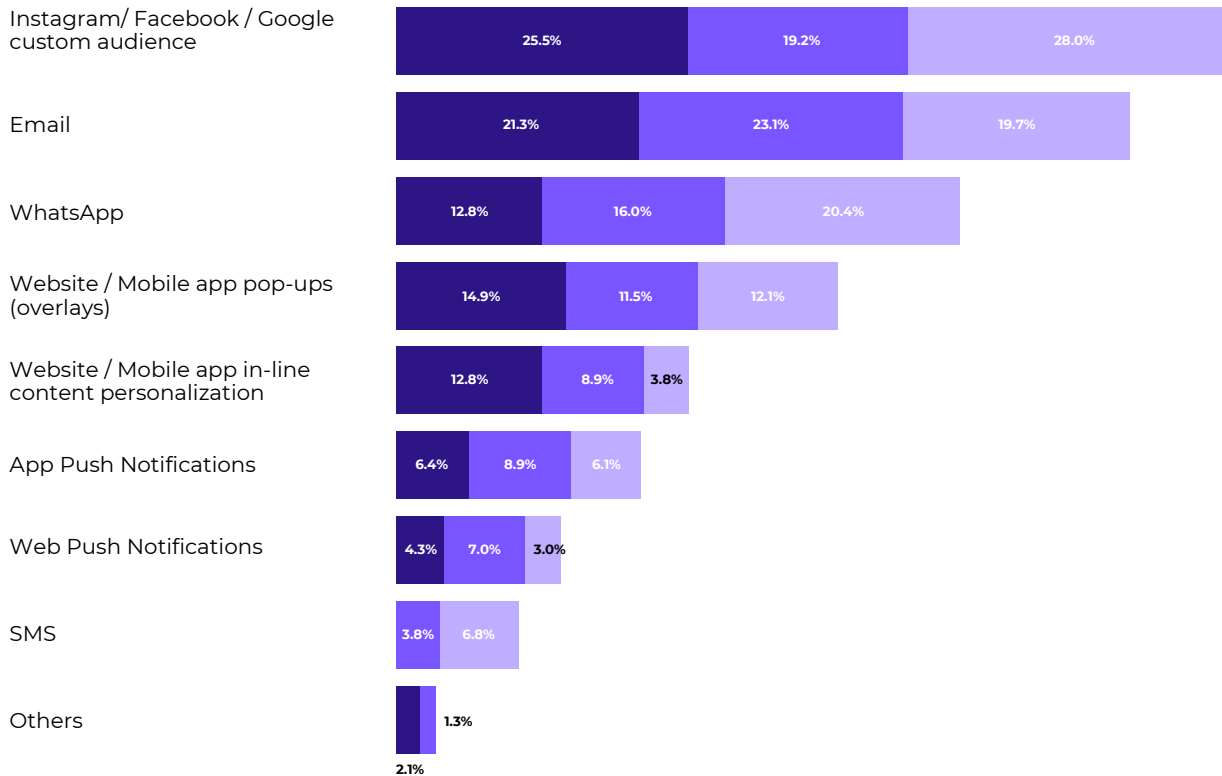


Top Performing

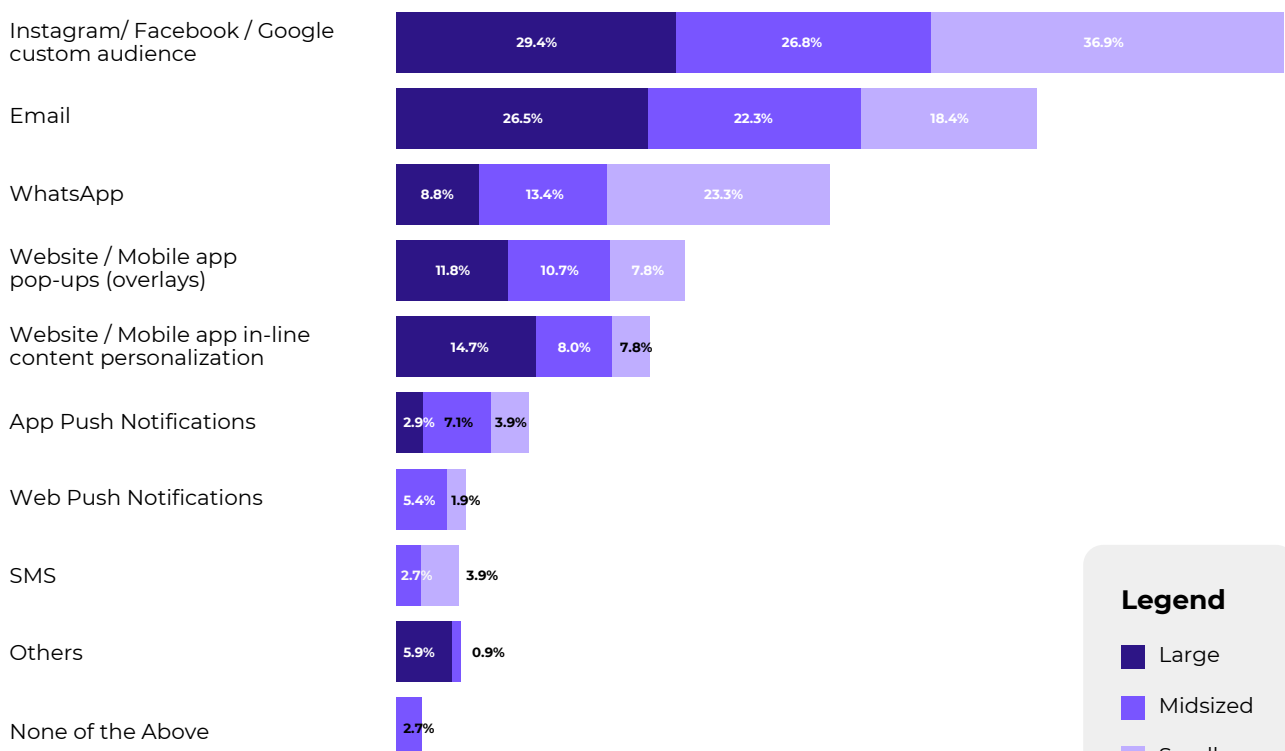


The Most Used and Top Performing Channels by Company Size

Most Used



Top Performing



Legend

- Large
- Midsized
- Small

Insights on Channel Performance and Utilization

Understanding industry-specific and regional trends can help businesses tailor their user engagement strategies to match their consumers' needs better:



Instagram/Facebook/Google Custom Audience are the most-used (63.7%) and top-performing (62.9%) channels across all company sizes and industries, followed by Email and WhatsApp.



For FMCG (57.1%), EdTech (69.2%) and Healthcare (42.9%), Instagram/Facebook/Google Ads stand out as the best performing channels compared to any other channels.



Web Push Notifications and SMS appear to be the least effective channels among the respondents as their performance rating is half of their utilization.



Pro Tip

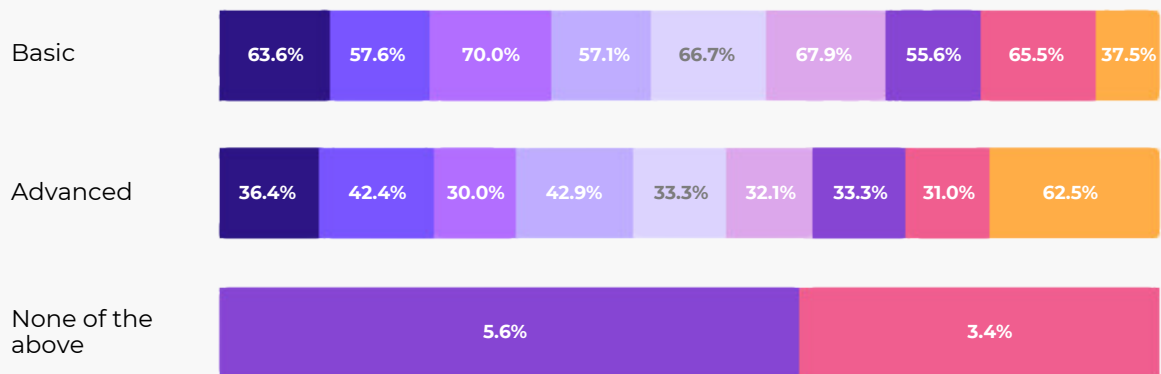
All respondents utilize various user engagement channels, with FMCG respondents employing 5 channels and e-commerce respondents embracing more than 8 channels. These days, customers anticipate seamless accessibility to brands across a multitude of digital touchpoints. Understanding how and where to connect with your customers holds the potential to enhance user engagement significantly. Explore and identify the channels that resonate best with your audience and align with your business objectives.

User Segmentation: What Are Companies Using?

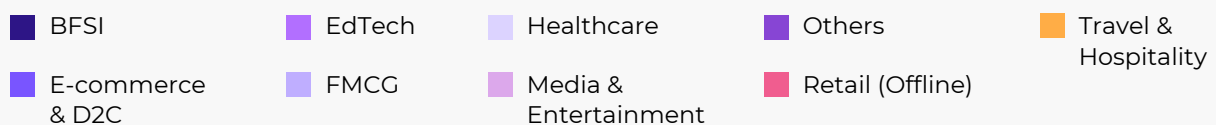
In this section, we focus on the level of depth and maturity of user segmentation across industries and company size.

Basic User Segmentation	Advanced User Segmentation
Age, gender, income, marital status, city, country, interests & preferences, etc.	Behavioral, recency of purchase, frequency of purchase, monetary value of purchase, predictive segmentation.

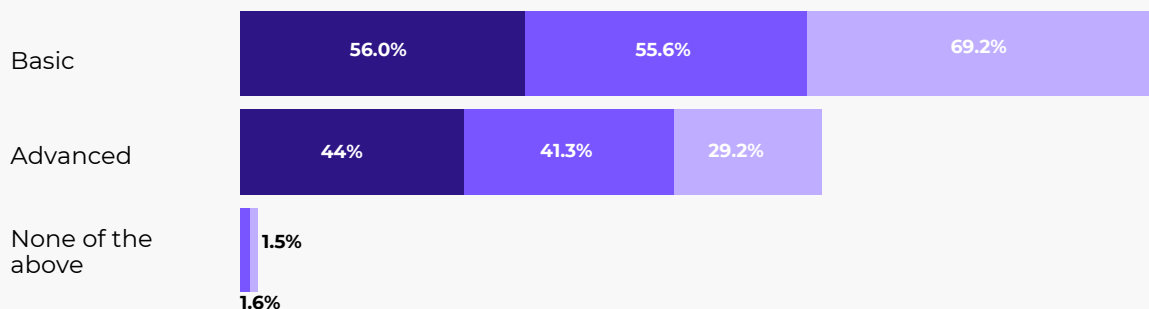
By Industry



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By Company Size



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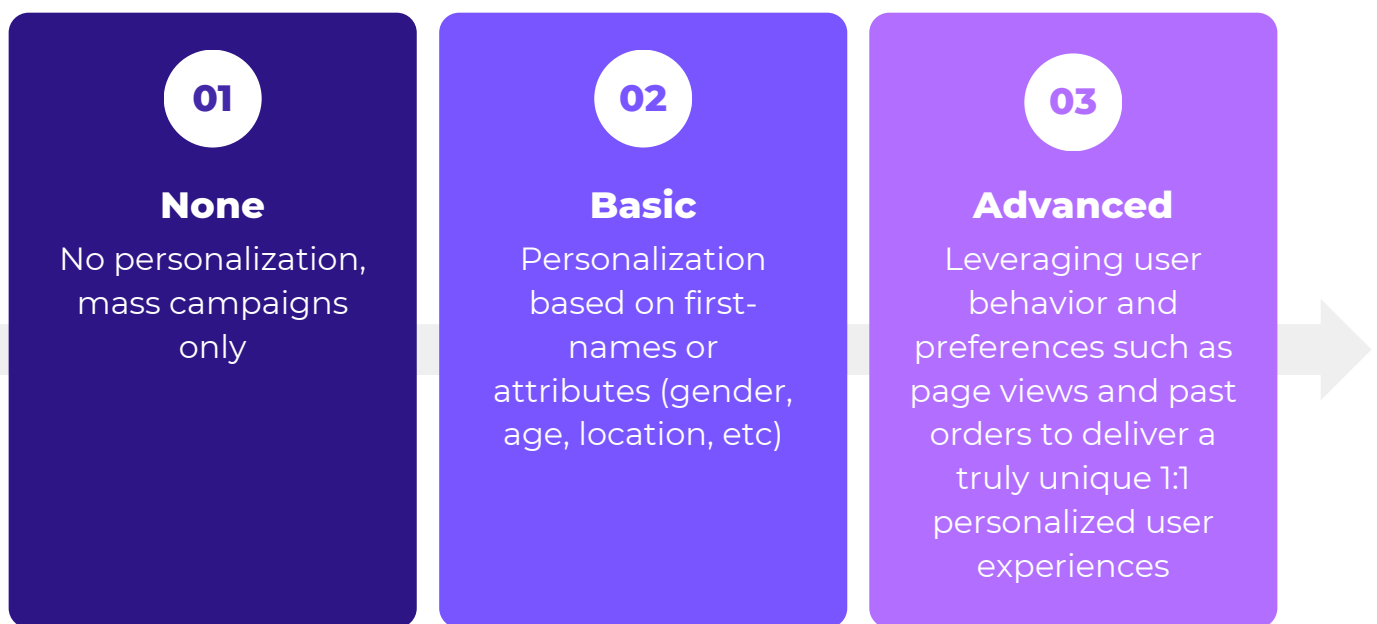


Exploring Personalization

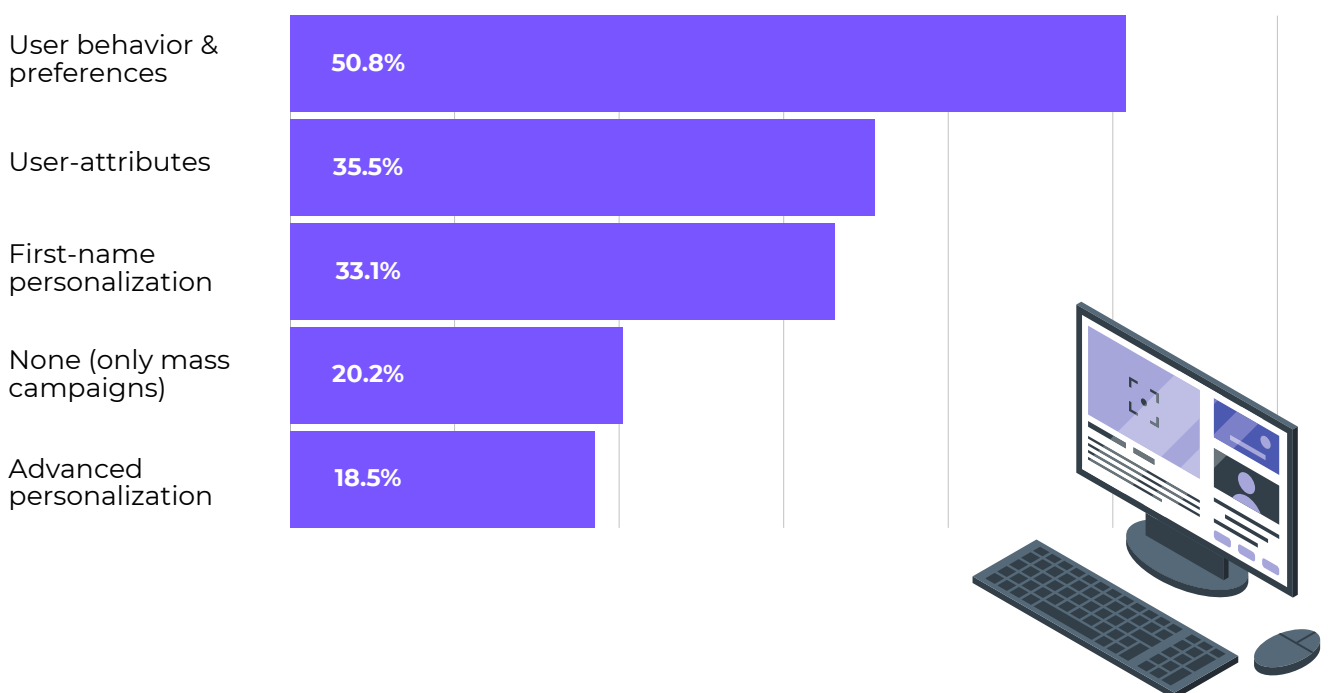
Personalization has become a cornerstone for effective marketing as it allows businesses to tailor their interactions with customers.

Since there are different levels of personalization, these findings show us how different industries implement personalization.

The three levels of personalization are:

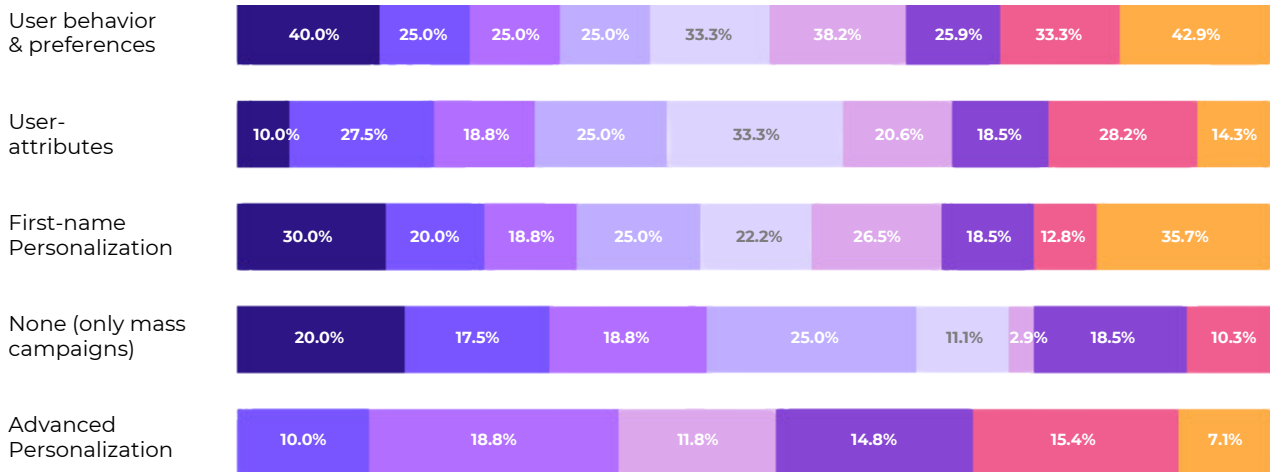


Personalization Maturity

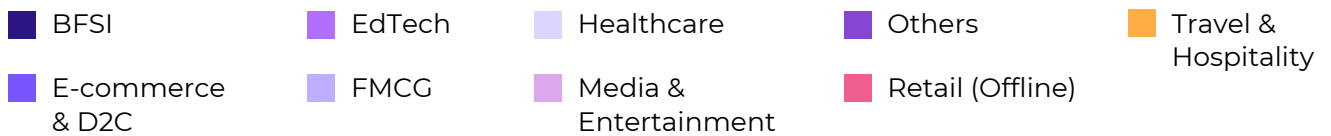


How do company size and industry impact personalization choices?

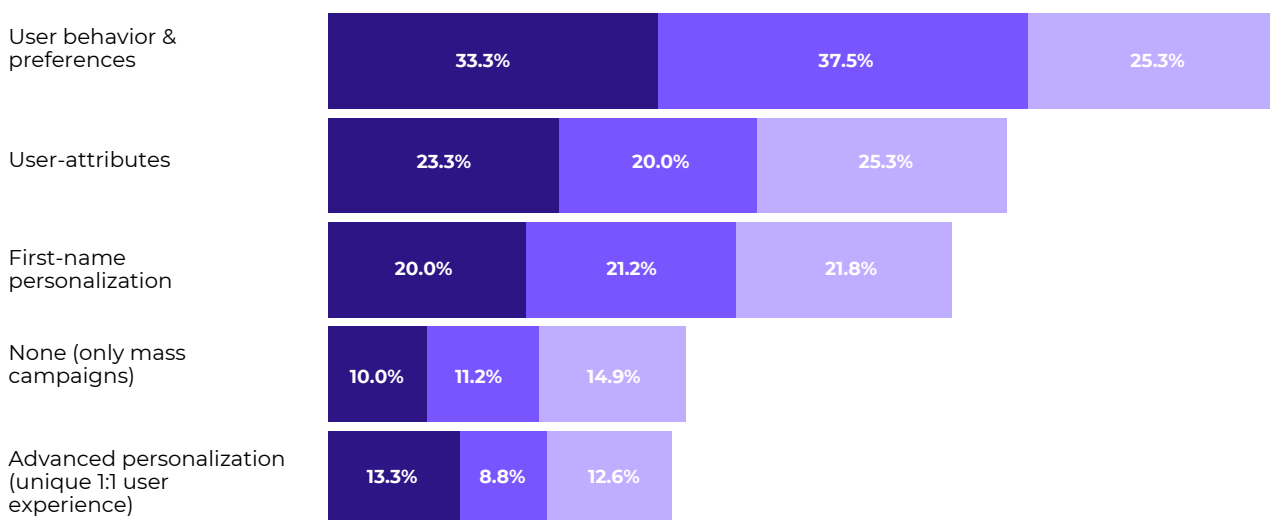
Personalization by Industry



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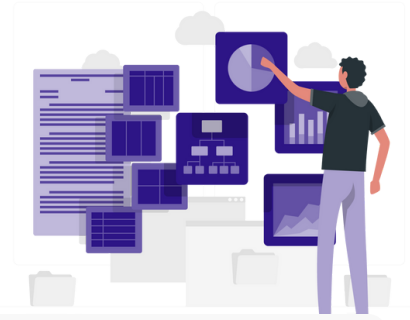
Personalization by Company Size



Legend



Insights on Segmentation and Personalization



Across the industries, Travel & Hospitality (62.5%), E-commerce & D2C (42.4%), and FMCG (42.9%) score highest in advanced segmentation, while the size of the company doesn't have much effect on the segmentation level.



Achieving a 1:1 personalization requires collecting and analyzing customer data, segmenting your audience, using a digital experience platform, personalizing across channels, and continuously optimizing. Considering the resources it requires, only 18.5% of companies are able to adopt it.



The industries that are prioritizing personalization, by leveraging their user behavior and preferences and using advanced personalization techniques to deliver unique experiences for their customers are Retail (48.7%), Travel & Hospitality (50.0%), and Media & Entertainment (50.0%).



Pro Tip

While personalization is not an easy task, it could bring a significant return on investment to your business. You can start by segmenting your most valuable customers based on demographics and purchase behavior using various digital tools which will be covered in the next chapter.

User Engagement Stack

So far, we've discussed various pillars of user engagement that support your marketing strategy. However, without a user engagement stack, executing data-driven user engagement strategies would be difficult. Here are the marketing tools commonly used by companies in Indonesia within their user engagement stack.

The User Engagement Tools and Their Functions



Customer Data Platform (CDP): Packaged software that aggregates and unifies customer data from various sources to provide a 360-degree view of a user. CDPs enable data integration, unification, and segmentation, allowing for a holistic view of customer information.



Analytics: Used to evaluate the effectiveness and success of marketing activities, gather deeper consumer insights, optimize their marketing objectives, and get a better ROI.



Campaign Management Tools: Software applications used by marketers to plan, execute, track, and analyze marketing campaigns from start to finish.

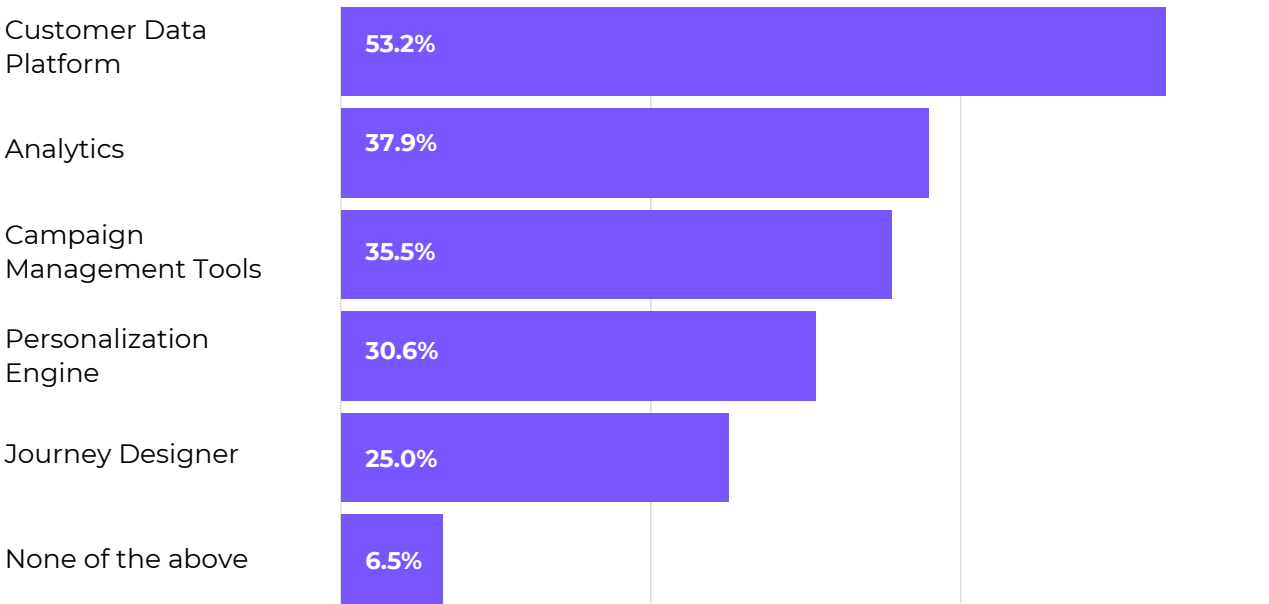


Personalization Engine: Analyzes user data to individualize the user experience.



Journey Designer: Drag-and-drop storyboarding interface to program user journeys as well as campaigns across multiple channels and touchpoints.

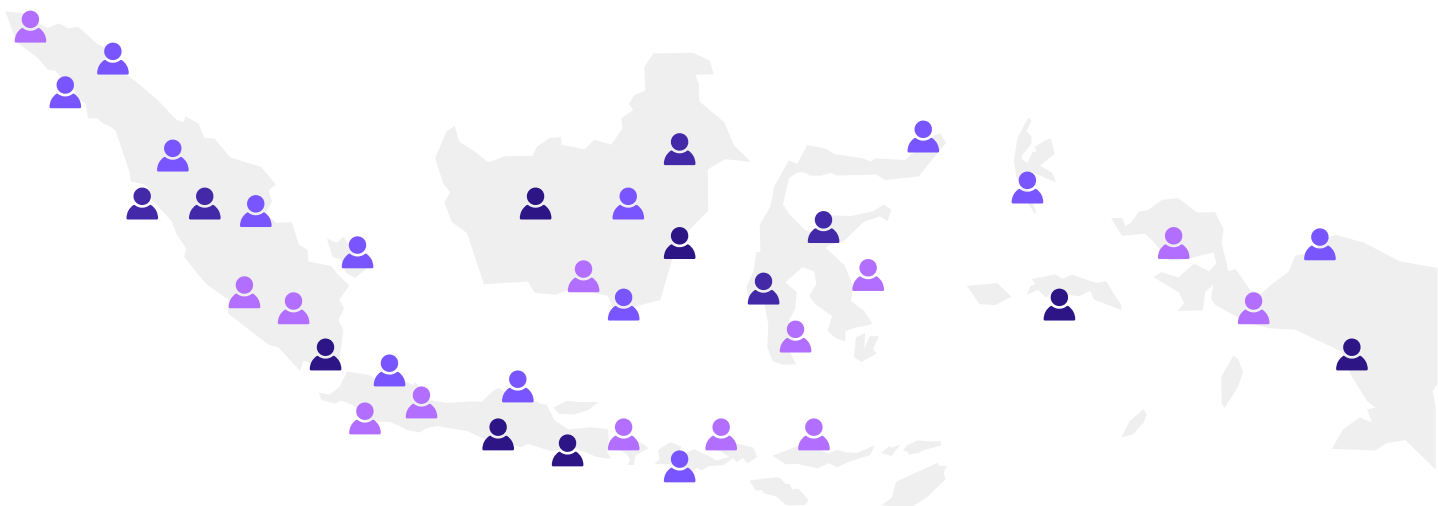
Adoption of User Engagement Stack in Indonesia



The Customer Data Platform (CDP) stands out as the most widely adopted tool (53.2%) within the user engagement stack, closely followed by analytics (37.9%) and campaign management tools (35.5%).

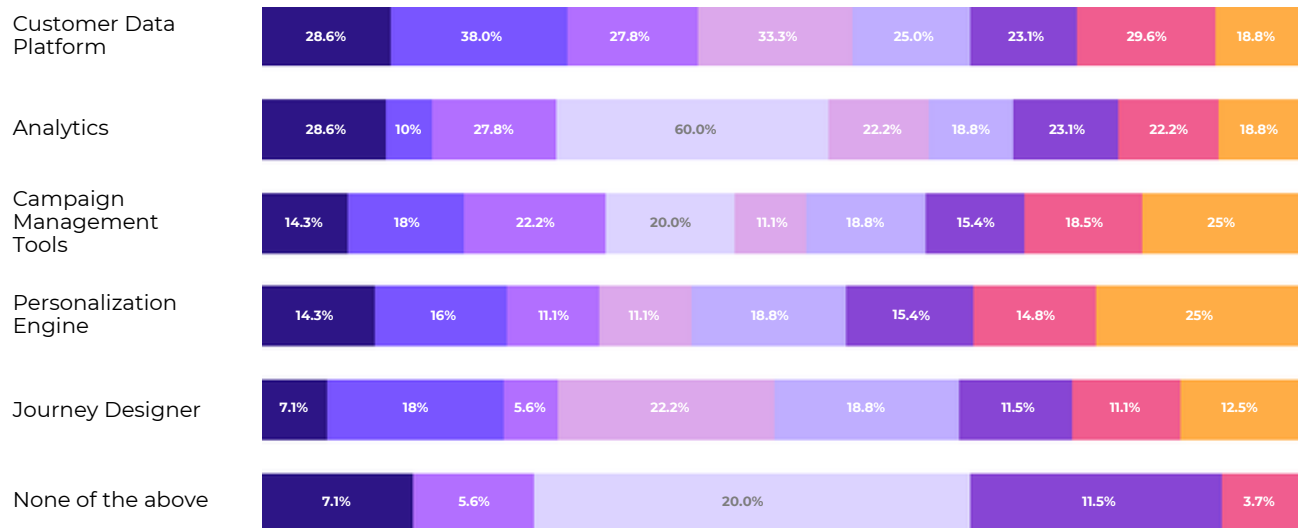


There remains substantial untapped potential for companies to explore and embrace additional tools, as the majority of these tools are currently utilized by less than 50% of the respondents.

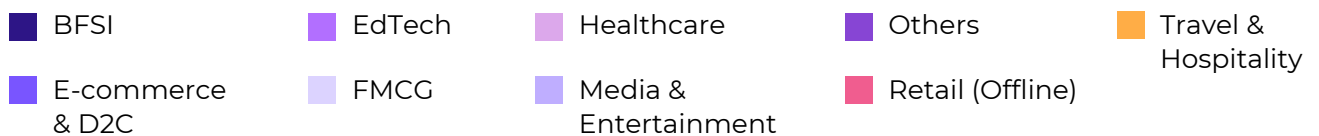


How do company size and industry impact their user engagement stack?

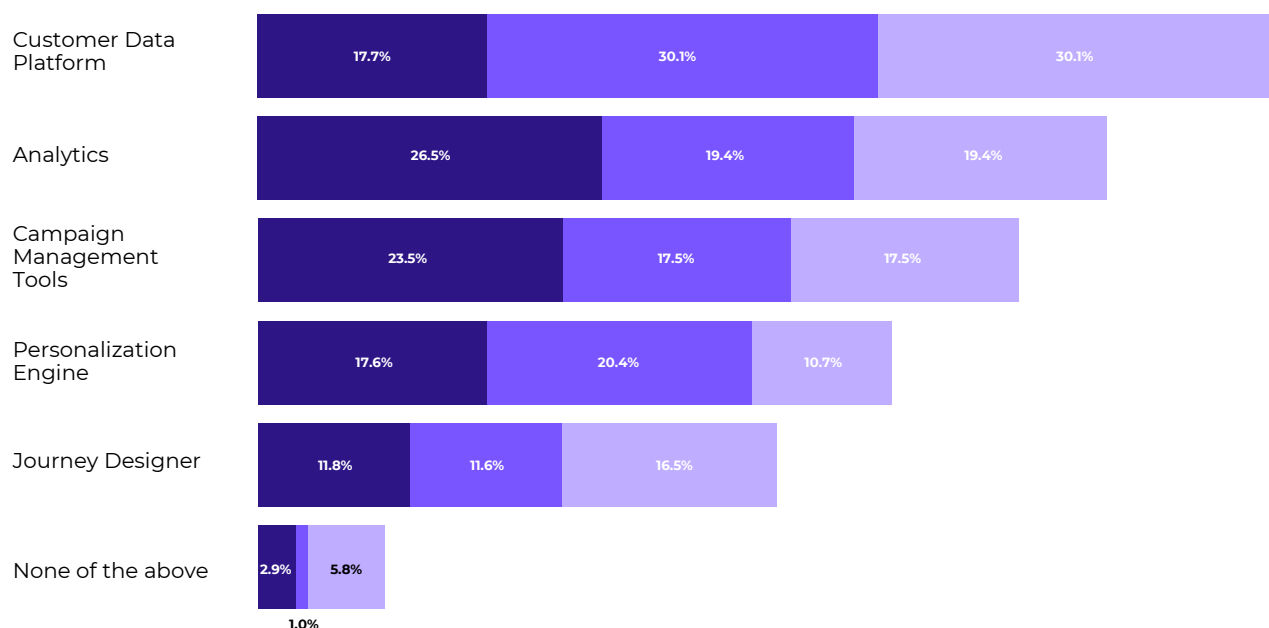
Adoption Rate by Industry



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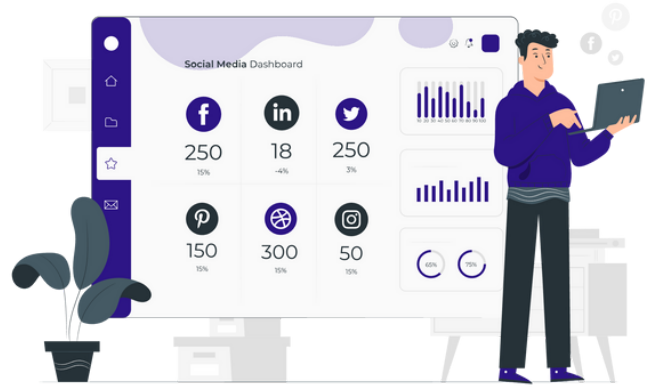
Adoption Rate by Company Size



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Insights on User Engagement Tools



When comparing company sizes, it becomes evident that larger companies exhibit a greater preference for analytics tools (26.5%). Conversely, small and mid-sized companies display a shared inclination towards employing CDPs, with both groups at 30.1%.



Notably, respondents within the FMCG tend to opt for a more streamlined user engagement stack, primarily consisting of only analytics and campaign management tools.



As companies grow in size, Analytics and Campaign Management Tools are prioritized more due to increasing marketing complexities. Both Personalization Engine and Journey Designer tools are lower in adoption across all company sizes compared to the other tools.



Pro Tip

Given that most tools have been adopted by less than 50% of respondents, there is ample room for exploration. Consider integrating tools beyond the core trio of Customer Data Platform (CDP), analytics, and campaign management. Experimenting with these tools can uncover new opportunities for enhancing user engagement. Regularly assess the performance and effectiveness of the tools within your user engagement stack. Make adjustments and additions as your business evolves and user engagement requirements change.

Artificial Intelligence (AI) In Marketing Stack

Although we can see that AI is making a big impact on various forms of media and is changing the way companies market their product and services, not all businesses are utilizing it yet. In this section, we discover how different industries are adopting AI.

The AI Tools and Their Functions

We analyzed the usage of AI across the following use cases:



AI-driven Channel Selection: Use artificial intelligence (AI) to pick the best channel to engage customers based on their behavior and preferences.



AI-generated Product Recommendations: Personalized recommendation made by AI using user's behavioral data to determine what they are most likely to buy. Companies use these to give customers a more personal shopping experience and boost website traffic and sales.



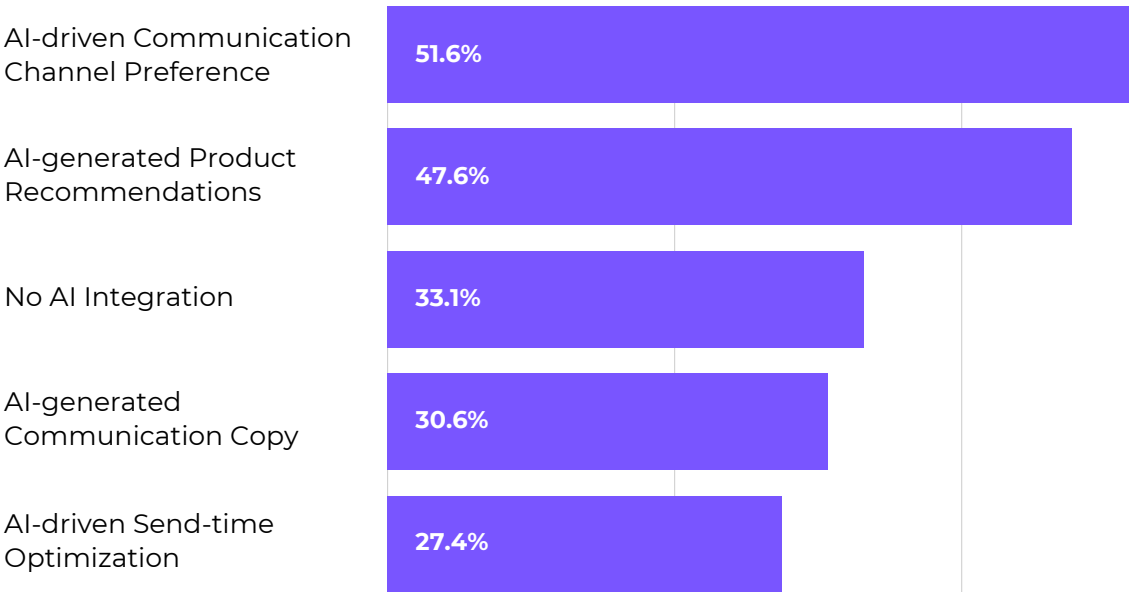
AI-driven Send-Time Optimization: Identify the right time to engage users across channels and geographies.



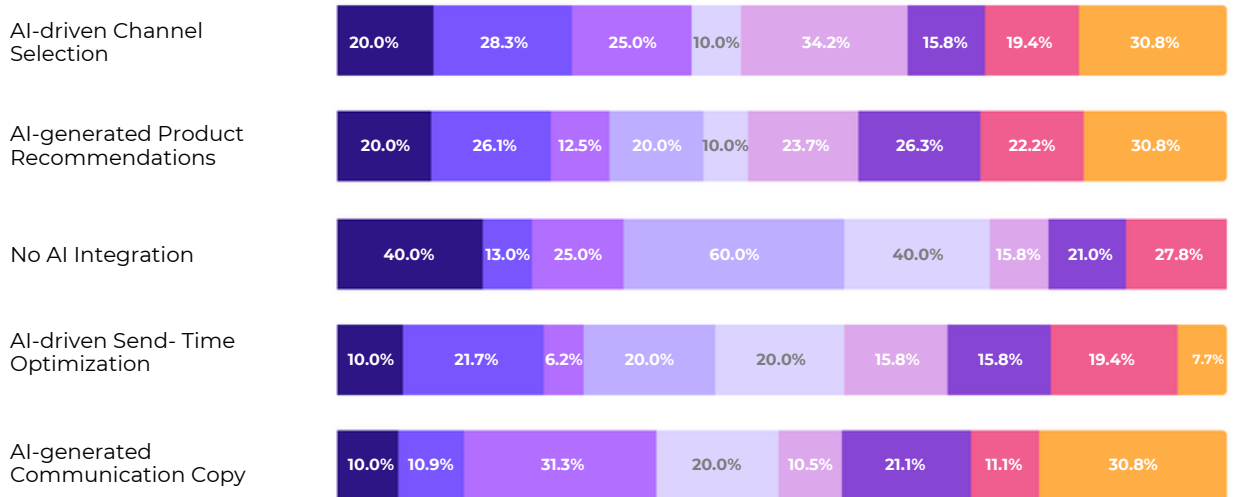
AI-generated Communication Copy: Use AI to generate copies and other types of textual communication quickly and efficiently.

AI Tools Adoption Rate in Indonesia

AI Tools Adoption Rate



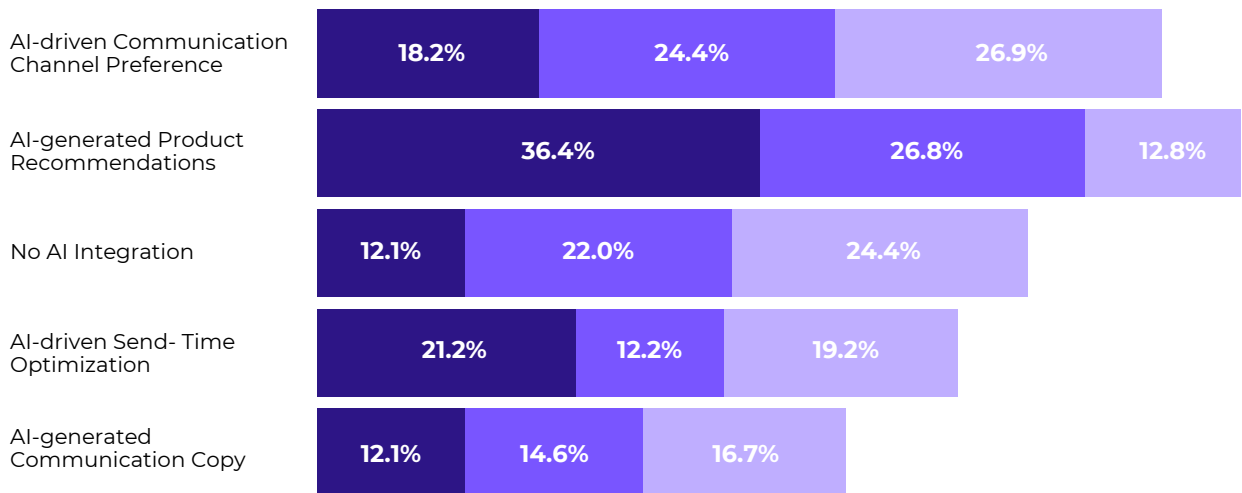
AI Tools Adoption Rate Across Industries



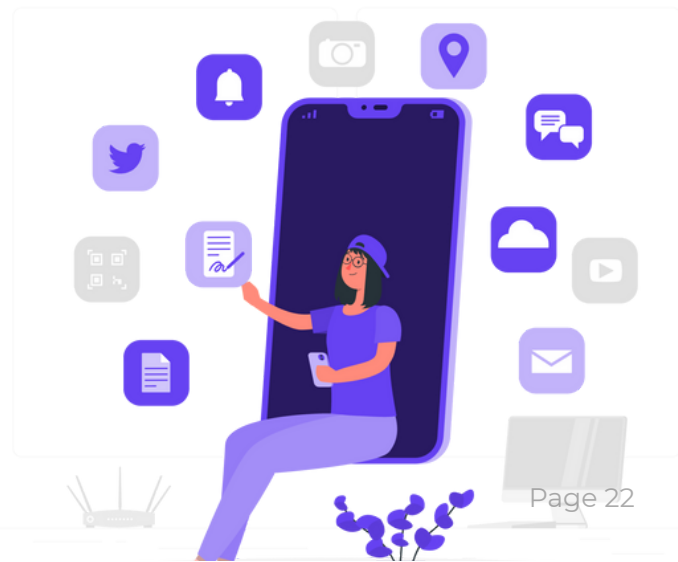
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Role of Company Size in AI Adoption



Legend



Insights on AI Adoption



Companies are quick to embrace new technological advancements, with 66.9% of respondents reporting some AI integration. Interestingly, respondents from the Healthcare, BSFI, and FMCG appear to exhibit the lowest levels of AI integration.



Respondents mostly utilize AI for generating insights for user communication channel preferences (51.6%) and providing product recommendations (47.6%).



The implementation of AI-generated product recommendations demands a considerable amount of expertise and resources. As a result, it's noteworthy that a significant proportion of large (36.4%) and mid-sized companies (26.8%) lead in using AI for product recommendations, in contrast to smaller companies (12.8%).



Pro Tip

Much like user engagement tools, AI has the potential to accelerate a company's growth and significantly enhance its user engagement strategy, yet our survey finds that 33.1% of respondents have not integrated AI in their current business. Starting with small steps, such as employing AI to generate content within your business, can contribute to efficiency improvements and scalability.

07 Key Takeaways

In this ever-evolving landscape of business and marketing, having to adapt to the changing needs of our customers is the only constant. From the insights gathered through all of the chapters, some of key takeaways are:

01 Prioritizing Automation and Data Quality

Nearly half of the respondents face significant challenges related to **automation in managing omni-channel campaigns** and **collecting quality first-party data**.

Businesses should consider exploring and investing in automation tools that streamline omni-channel campaign management. Automation can save time and resources while ensuring consistency and personalization across channels.

In addition to automation tools, a reliable **Customer Data Platform (CDP)** can help to collect high-quality first-party data and ensure compliance with data privacy regulations, while centralizing and managing this data effectively to support effective decision-making.

02 Leveraging Top-Performing Channels

Instagram/Facebook/Google Custom Audience emerge as the **most-used (63.7%)** and **top-performing (62.9%)** channels especially in **FMCG, EdTech, and Healthcare**.

To maximize the impact of these channels, Businesses can leverage data analytics to understand user preferences and behaviors on these channels and continuously monitor and adjust your approach based on performance metrics.

Additionally, **Email** and **WhatsApp** are also rated as effective channels for user engagement. These channels should not be overlooked, and professionals should ensure they personalize their messages and maintain regular, relevant communication with their customers through these widely used platforms. Consider **user preferences** and **industry norms** when selecting the most suitable communication channels.

03 Enhancing User Engagement through Personalization and Segmentation

Achieving a 1:1 personalization level requires concerted effort and resource allocation. Industries such as **Retail (offline), Travel & Hospitality**, and **Media & Entertainment** are at the forefront of prioritizing advanced personalization.

While only 18.5% of companies have reached this level, professionals can take steps to advance personalization and enhance user engagement, starting with analyzing consumer data comprehensively, segmenting them based on behavior, demographics, preferences, etc, and utilizing various tools to deliver tailored experiences for them.

04 Optimizing the User Engagement Stack

Our survey indicates that larger companies tend to prioritize **analytics tools**, given the complexity of their operations. In contrast, smaller and mid-sized companies prioritize the adoption of **CDPs** to streamline user data and engagement effectively.

To strengthen the execution of the user engagement strategies, businesses can explore and adopt tools that align with their goals by first identifying gaps in their current toolset and determining which tools could fill those gaps effectively.

Choose your tools strategically based on your company's resources and requirements.

05 Unlocking Marketing Potential with AI-Driven Solutions

Companies are embracing AI technologies, with **66.9% of respondents** reporting some level of integration. Our survey shows that AI is most used in two areas: in **understanding user communication channel preferences (51.6%)** and **providing product recommendations (47.6%)**.

To harness AI effectively, businesses can seek AI expertise and explore partnerships to navigate the complexities of AI integration.

While AI integration is prevalent, some industries, notably **Healthcare, BSFI, and FMCG**, exhibit lower levels of AI integration. Professionals in these sectors should consider AI solutions tailored to their specific needs and customer engagement objectives, acknowledging that the integration process may require additional effort and expertise.

Conclusion

"The State of User Engagement 2023" report unveils intriguing trends and valuable insights concerning the maturity of user engagement practices and tool adoption across diverse industries and company sizes. In a dynamic landscape where customer preferences and behaviors continually evolve, businesses seeking to foster brand loyalty and drive revenue must be agile by tailoring their strategy to market demands and changes.

Tackling challenges in user engagement, including data collection, analysis, integration, and automation, can be effectively addressed by leveraging tools such as customer data platforms, analytics engines, and campaign management solutions. While managing multiple tools might seem daunting, the availability of full-stack platforms that consolidate these functions into a unified, holistic platform simplifies the process, enabling businesses to run user engagement at scale, delivering seamless user experiences with maximum efficiency.

Embracing the right tools and strategies isn't just a choice; it's the key to unlocking sustained success in user engagement, delivering remarkable experiences to your valued customers, and ultimately driving increased revenue and business growth.



Advice from the Community

Here are some advice that the respondents share regarding user engagement strategies:



A user engagement strategy that is effective enough to implement is creating Interactive Content, Multi-Platform Accessibility, Community Building, Influencer Collaborations, Data Analysis, and Transparency. But the effectiveness of these strategies may vary depending on your industry, target audience, and the specific goals of your engagement efforts.

- **Product Manager, IT Consulting**



Knowing your users about what they want, including their pain points, is essential for building trust. This allows users to express any concerns they might have.

Also, Personalization is crucial, where each type of user have different engagement. The use of interactive content can be applied to all types of products, encouraging user participation on a product-wise basis.

On the technical side, defining goals and metrics, along with A/B testing, are important steps. For the business side, offering rewards for user participation is a key strategy.

- **Lead Product Manager, SaaS**

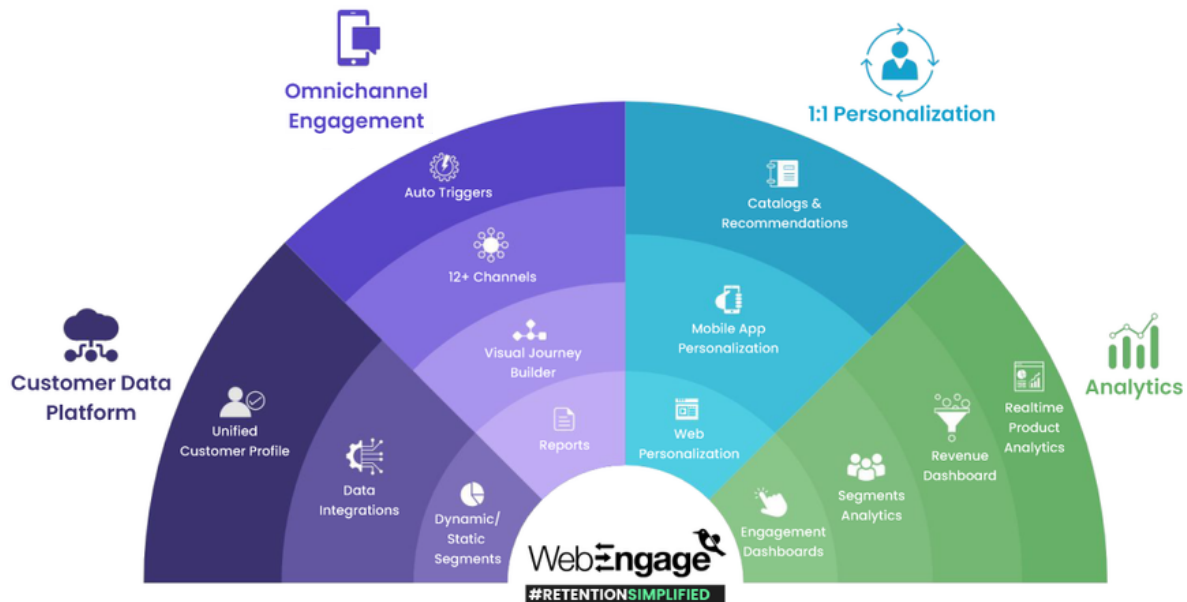


First of all collecting data from multi data sources like CRM, marketplace, marketing event in one customer data platform, and then using the Business Intelligence platform to process and visualize it to a real time dashboard. This method will make strategy decisions better and faster. The second is using integrated AI platform marketing to boost the marketing activity even faster than before.

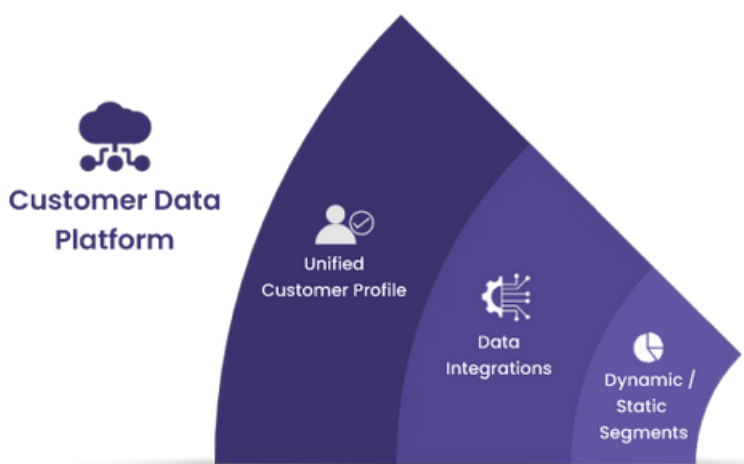
- **Growth Manager, Retail**

Introducing WebEngage

The most powerful full-stack marketing automation suite to help you convert, engage, and retain more users.



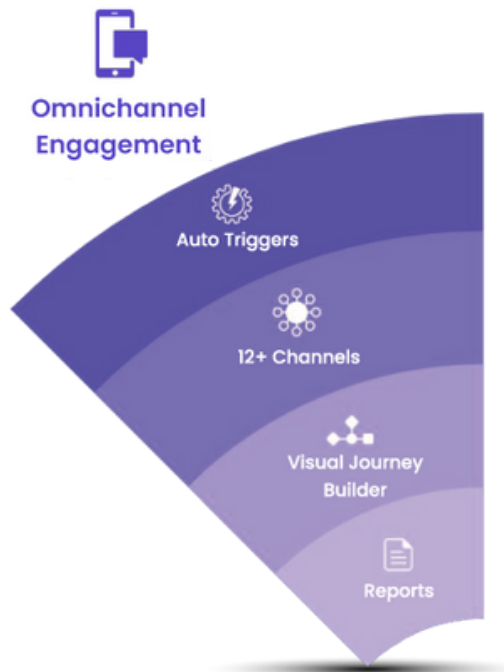
Unified data, and its advantages



The most powerful self-serve marketing automation suite to help you convert, engage, and retain more users.

- Dynamic segments using real-time personal and behavioral customer data
- Customer Data Systems to kill Data Silos

Omnichannel Engagement



WebEngage Journeys help track each customer behaviour and trigger messages on the preferred channel, at the right time.

Visual Journey Builder

Journeys

Relays

Other Configs

DND

Throttling

Frequency capping Schedule reports

Auto Triggers

Occurrence of Event

Enter/Exit/Is In Segment

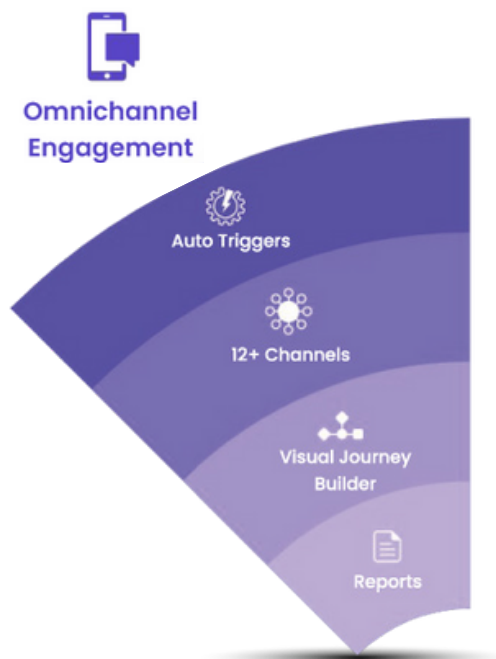
Change in User Attribute

For Specific Users

Enter/Exit/Geo-fence

Occurrence of Business Events

... Across 12+ Communication Channels



12+ communications channels that help you engage your users for better conversions and in turn, retention.

Mobile

Mobile Web Push

Whatsapp

SMS

Mobile Push

In App Overlays

In App-inline Personalization

Web

Browser Push

Web Overlays

Web in-line Personalization

Email

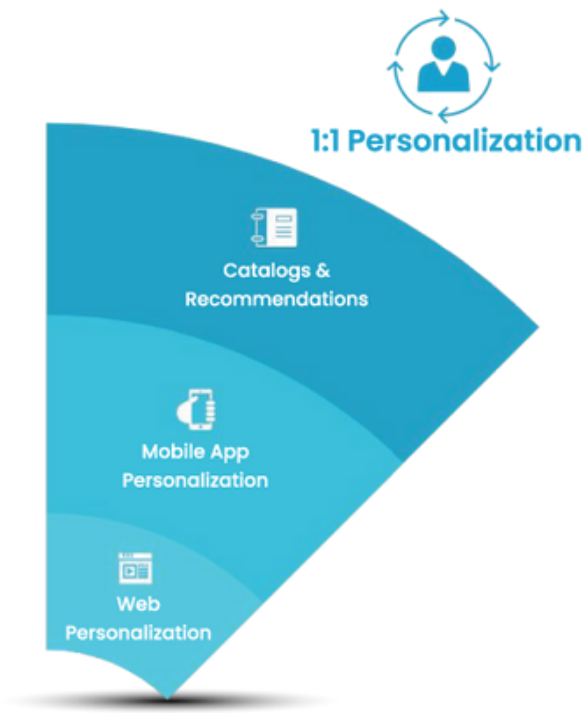
Email

Digital Ads Platform

Google Custom Audience

Facebook Custom Audience

1:1 Personalization at Scale



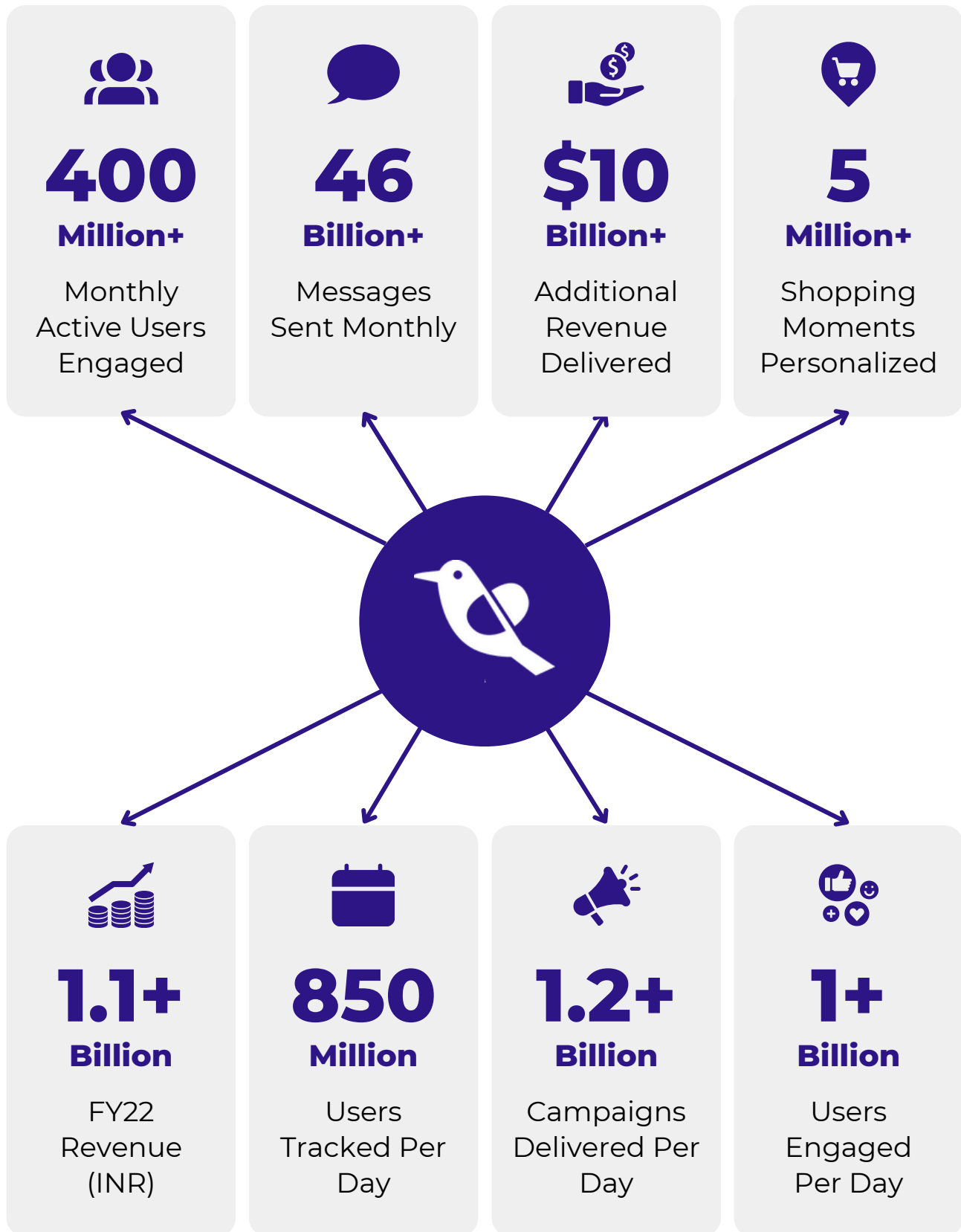
- Deliver contextual, relevant and personalized experiences for better conversions
- No-code Personalization
- CMS agnostic, works with: Shopify, Magento, Wordpress, or your own stack
- Works for Web, iOS and Android Apps

Deep Insights on Customers, Events and Engagement



- Realtime Product Analytics- Cohesive view of customer activities across your Web & App properties
- Revenue Dashboard- Complete attribution of Conversions and Bottom-line contribution
- Segments Analytics- Segment Performance across campaigns
- Engagement Dashboards- Channels and Journeys effectiveness across campaigns

WebEngage In Numbers



#RetentionSimplified

Simplifying Customer Retention At Scale



1.4 Billion

Message Sent
Everyday



HYPEFAST.

PasarPólis



bahaso.com



adani

CASH e



pepperfry



Clovia



 **zivame**

 **MYGLAMM**

 **SHOPPERS STOP**

 **Glotelho**
ECOMMERCE

 **toppr**

 **THE TIMES GROUP**

 **simplilearn**

NIIT

 **Classplus**

Sony World

 **Groww**

 **ET Money**

 **firstcry**
A FirstCry - Mahindra Venture

 **JUNGLEE GAMES**

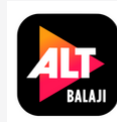
 **ToysRUs**

 **toothsi**

Dr.Reddy's 

 **HomeLane**

 **SOUQ**
an amazon company

 **ALT BALAJI**

 **HT**
HT MEDIA GROUP

 **mint**

 **TITAN**
COMPANY

 **HOUSE OF HIRANANDANI**

 **BAJAJ**

 **goibibo**
.com

 **eazydiner**

 **yatra**

 **BLACKBERRYS**

and 800+ Brands

We're More Than Just Your Business Partners

EdTech

The WebEngage platform has helped us to streamline our processes, gain valuable insights and maximize the impact of our campaigns.



Halimatussa' diah

Marketing Strategist,
Startup Campus

BFSI

WebEngage's retargeting campaigns are very effective, resulting in 17% of our transactions. We witness a higher ROI than other digital channels.



Shaunag Marathe

Manager - Campaign
Strategy & Analytics **Bajaj Finserv**

Travel & Hospitality

The WebEngage Customer Success team has worked tirelessly to solve our problems. We have enjoyed this kind of close collaboration with WebEngage.



Vikalp Sahni

Co-Founder and CO
Goibibo

D2C

By choosing WebEngage as our growth partner, we've adopted a retention-first approach that shall help us scale our business faster than before. The kind of support we get from WebEngage is unmatched.



Dhruv Madhok

Co-Founder **Arata**

E-Commerce

By using WebEngage, we've been able to reduce manual intervention in campaign execution, save costs and achieve 359% uplift in our overall revenue via the WebEngage campaigns.



Amit Sethi

Co-founder & CTO
Cashifv

Media & Entertainment

Real-time messages via WebEngage have proven to increase key KPIs to as high as 75%. Hand holding the user has resulted in retained customers



Manav Sethi

Chief Marketing Officer
ALTBalaji

Our users love us!

Marketers around the world love us



#1

in Usability Index for
Marketing Automation.

Source: G2 Report

#1

in the Marketing Automation
category in India.

Source: G2 Best India Sellers



About WebEngage

WebEngage is a full-stack customer engagement and retention platform that helps consumer businesses increase their customer lifetime value. get unified view of your customers with a robust customer data platform, engage them across 12+ channels with automation workflows, and hyper-personalize their experiences with a state-of-the-art personalization engine, all backed by a solid analytics framework.

With a mission to humanize the World's Website & Apps, we now power over 1 Billion messages sent everyday for our customers across 50+ countries, and 20+ industries. Have questions?

Want to know more?



linkedin.com/company/webengage



youtube.com/webengage



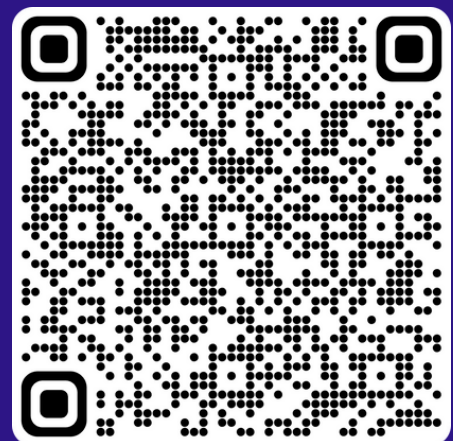
twitter.com/webengage



facebook.com/webengage



instagram.com/webengage



REQUEST A DEMO

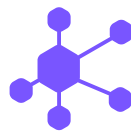
About Apiary Academy

Apiary is an ecosystem that helps Indonesian professionals to unlock their best potential through 3 pillars:



Learning

Helping professionals upskill through training programs and practice



Network

Fostering business and work opportunities through events



Community

Providing a supportive community to connect and share information

For more information, check out [**academy.apiary.id**](https://academy.apiary.id)



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