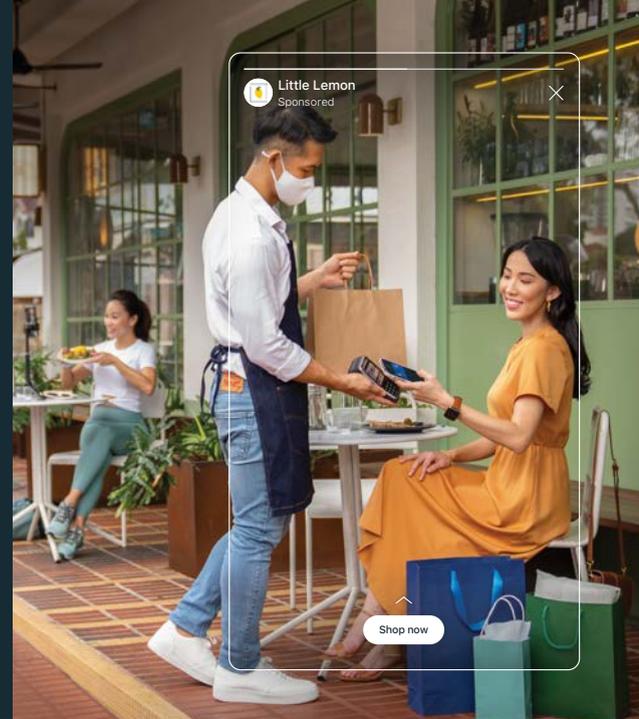


A SYNC SOUTHEAST ASIA REPORT

Southeast Asia's digital consumers: A new stage of evolution

In our latest report, we share insights on the changes in digital consumer behaviour as Southeast Asia manages growing global uncertainties and challenges.



The Southeast Asia opportunity outweighs growing uncertainty

The world is grappling with increasing headwinds, but Southeast Asia is holding relatively steady. By the end of next year, the region is expected to maintain its projected GDP growth at 5.1%, faring better than other markets: the US (1.3%), the EU (2.1%) and China (4.7%).

Beyond its promising GDP growth, Southeast Asia's digital consumption is also expected to rise, continuing to open new opportunities for the region.

Note: Projections as of July 2022. Source: Euromonitor, International Monetary Fund

eCommerce outlook remains positive despite slower GMV year-on-year growth



82% of Southeast Asians (15 yo+) are digital consumers in 2022 – this is set to increase up to **88%** by 2027

Source: Euromonitor; Forrester; Hootsuite; Lit search, Statista, Bain & Company research & analysis



GMV expected to grow from **US\$112 billion** in 2021 to **US\$129 billion** in 2022, **+17%** expected CAGR from 2022 to 2027

Source: Lit search, expert interview, Forrester, Bain analysis



Online basket size has increased from **US\$52 to US\$56** in 2022

Integrated shopping experiences drive digital commerce

Despite offline buys seeing some return, online channels are still important platforms for Southeast Asians. They are expecting impeccably smooth online journeys from product discovery to purchase, and even post-purchase services.



12%

have switched at least one of their purchased categories from online to offline (especially for groceries, household furnishings and appliances)



Over 80%

of our respondents use online channels for discovery and evaluation



Social media is their top online channel for discovery and evaluation

As consumers become more experimental and seek value, video drives decision-making

Southeast Asian consumers are getting savvy, increasing the number of online platforms they use and the frequency of brand switching — all in the search for quality products, value for money and new experiences.

Top reasons for switching brands:

Better value



Better product



Part of the rapid rise in videos can be attributed to consumers' pursuit of engaging content



Watching videos

is the #1 online activity amongst respondents



Almost 1 in 3

respondents say video is one of their top 3 channels to discover and evaluate products



1 in 3

say they purchase more streaming and content creator-related products compared to last year

Southeast Asia leads in adoption of future technologies

Southeast Asian consumers are forward-thinking, embracing innovations from fintech to the metaverse. Indonesia, the Philippines and Vietnam are forging ahead as the faster markets to adopt these technologies.



22%

of respondents' online purchases are made on alternative eCommerce platforms (business messaging, group buy, live buy etc.)



63%

have used business messaging in the past year



1.9X growth

in the number of online platforms used from 8 in 2021 to 15 in 2022



Almost 7 in 10

have used a metaverse-related tech (cryptocurrencies, AR/VR, virtual worlds and NFTs) in 2022

54%

have used fintech solutions (internet banking, e-wallets, remittance apps, neobanks etc.) in the past year

US\$25.3 billion

deal value from venture capitalists and private equity in 2021

Source: AVCJ (as of 15 July 2022), Bain analysis