

APAC MARKET SPOTLIGHT

SOUTHEAST ASIA



Nativevex

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FOREWORD

Across the past decade, Asia Pacific has enjoyed unprecedented and increasing economic prosperity – and Southeast Asia has made its mark as a significant contributor to this. In recent years, emerging markets such as Indonesia and Vietnam have come to the fore as key growth engines, with developments such as increasing urbanization imbuing a growing middle class with greater purchasing power.

In 2020, COVID-19 caused significant disruptions to life, but it also accelerated developments in other ways. Global movement restrictions and safe distancing measures compressed years of digital transformation into mere months – with businesses and consumers alike forced to migrate to online platforms.

Accompanying this was an increase in digital payments, e-commerce and digital entertainment, as consumers sought convenience and new ways to spend their time, all while keeping safe. With most consumer eyeballs now firmly glued to digital channels, our e-book takes a closer look at trends and opportunities to access audiences in Southeast Asia.

In tandem with the increasing array of social platforms, emerging formats also offer different ways to consume content online. In particular, live streaming has built a prominent following, especially over the past year. Part social media, part video platform, part KOL-driven, live streaming offers real-time interaction and engagement, connection with the community, and a highly immersive content experience, all bundled into one platform. Businesses, too, stand to build awareness and even increase sales through this medium, by showcasing their brands and products in an interactive and immersive manner.

One year on, post-pandemic recovery and rebound is no longer a remote possibility, but a looming reality. The digital landscape has shifted and will continue to do so in the foreseeable future. While purse strings were tightened, and brands had to clamp down on budgets and ad spend, diversifying consumer preferences and increasing saturation present untapped potential and fresh challenges for all digital players. Looking ahead, true consumer engagement will only be possible by cutting through online clutter and connecting with personalised strategies. Finally, in the months to come, nuance and authenticity in responding to broader issues, including the likes of DE&I and sustainability, will do much in setting brands apart from their competitors.



Suki Lin
Senior Director, SEA & ANZ

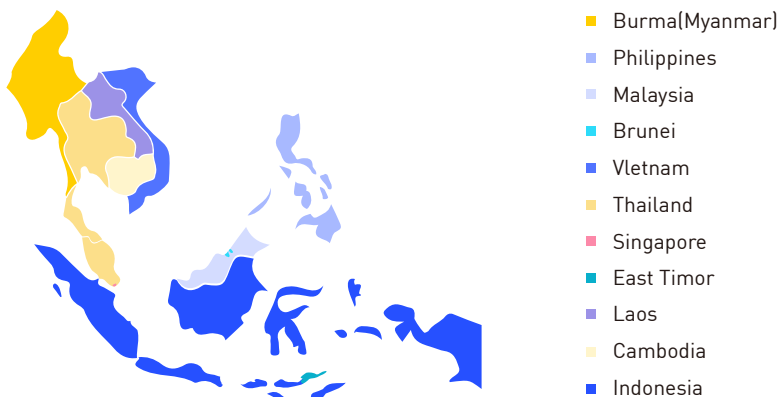
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I. SEA, THE REGION OF HYPERGROWTH

Southeast Asia is no doubt the region to watch when it comes to mobile growth. Dubbed “the region of hypergrowth”, this market’s internet economy reached over \$100 billion in 2020, with the potential to grow even more over the next few years. This has resulted in unprecedented growth for brands and advertisers, both home-grown and international.

With 11 countries and a wide range of geographic, economic, and cultural diversity, a “one-size-fits-all” approach won’t work so well in Southeast Asia - in fact, brands who focused on localizing their marketing strategies have performed significantly better than the rest.

SOUTH EAST ASIA MAP



The Mobile Internet Ecosystem

Some quick facts & stats about Southeast Asia's mobile internet ecosystem:

Source: Bain & Company, 2020

400 Million+

Total number of internet users in the SEA region

90%+

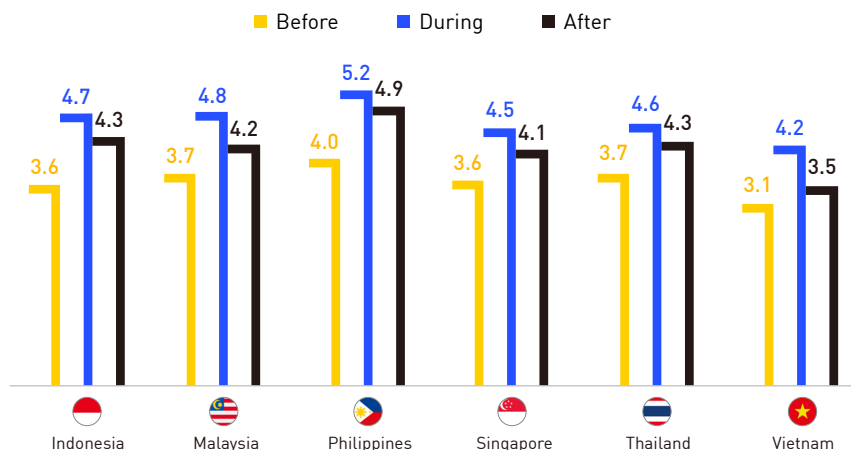
SEA consumers are mobile internet users

4+ Hours/day

Average time spent online in the region

AVERAGE HOURS SPENT ONLINE PER DAY (PERSONAL USE)

Source: Bain & Company, 2020



Why is Southeast Asia's mobile internet adoption so strong?



More affordable smartphones



Increased network speeds



Decreased mobile data costs



Growing Internet economy



E-commerce trajectory?

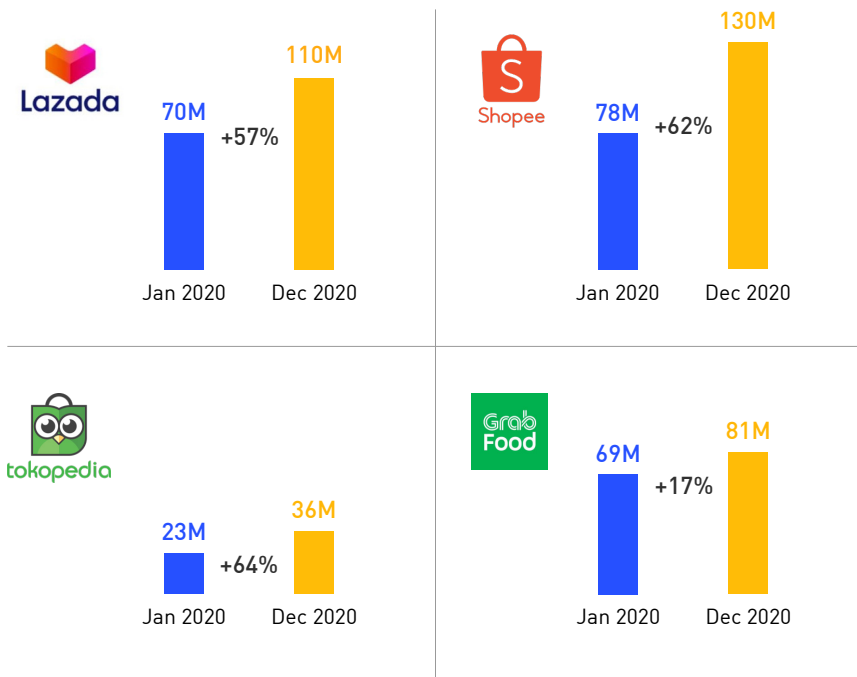
One word: UP

The e-commerce sector has seen incredible growth in Southeast Asia over the last few years, becoming the region's largest vertical in 2020. E-commerce giants like [Shopee](#), [Lazada](#), and [Tokopedia](#), benefitted the most, as the SEA user base moved its shopping habits online.

Another vertical worth mentioning is food delivery, which also ramped up significantly and saw popular ride-hailing apps like [Grab](#) focus their attention on this area, as the travel sector slowed down significantly.

Monthly Active User Growth in 2020

Source: AppAnnie, 2020



II. MEET SEA'S MOBILE SHOPPERS

330 Million+

Monthly active internet shoppers

57%

SEA population in Tier 1 & 2 cities by 2030

Source:
*Bain.com, BCG.com,
Econsultancy.com*

350 Million+

Middle-class consumers in SEA by 2022

44%+

Shopped online 3+ times in the last 90 days

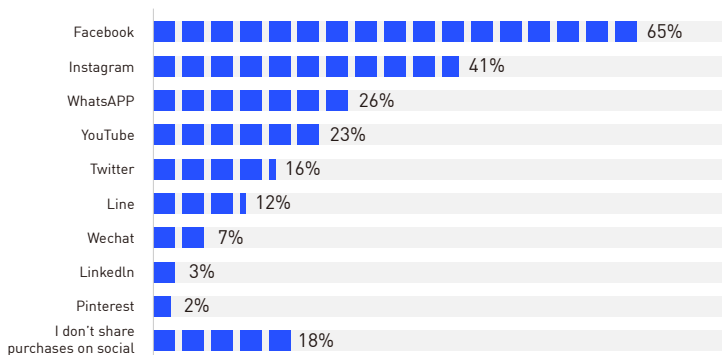
The e-commerce industry in Southeast Asia can be considered the region's growth engine, as **it grew 63% year-on-year to reach \$62 billion in 2020**. In fact, it was one of the key economic drivers that helped Southeast Asia grow its economy by 5% compared to 2019, and that's in a year affected by COVID-19. So what is the SEA mobile shopper profile?

With a rapidly growing middle-class population, Southeast Asia's spending power is looking to grow massively over the next few years. This is why global brands and advertisers will need to ensure they adapt their marketing strategies to include Southeast Asia.

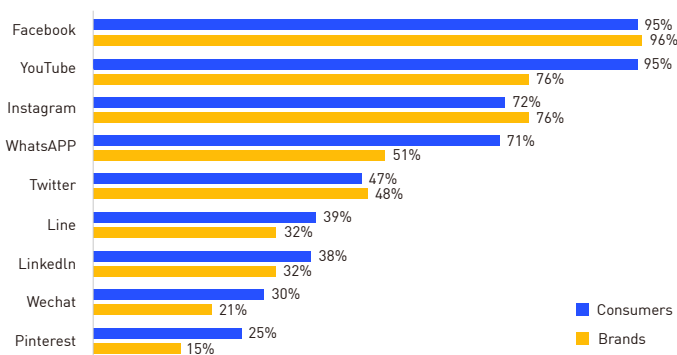
Social Media & Mobile Shopping: The Perfect Combo

Social media giants like TikTok, Facebook, and Instagram are key social commerce drivers in Southeast Asia. In fact, **82% of consumers tend to share their purchases via social media, and 60% of them said that more than 25% of their online shopping is influenced by social media** - this shows just how powerful these channels are at driving sales.

AFTER YOU HAVE BOUGHT AN ITEM ONLINE, ON WHAT NETWORK DO YOU SHARE THIS INFORMATION?



SOCIAL MEDIA PLATFORMS USED BY CONSUMERS AND BRANDS



Consumers: Which of the following social media platforms do you use?

Marketers: What social networks does your brand use?

The Rise of Micro-Influencers

Influencer marketing has become key to mobile marketing success across the globe, especially in Southeast Asia. However, the SEA region plays the influencer game a bit differently: rather than relying on major celebrities and traditional advertising channels, consumers have switched their attention to micro-influencers (10k - 100k followers).

You should know that **80% of Southeast Asia's influencers are micro-influencers**. With better deals and more engaged audiences, micro-influencers are an ideal gateway for brands entering the SEA region.



Mobile Shoppers and Data Privacy

While social media is a major factor in how and what SEA consumers buy online, we are also seeing an increase in how users in the region treat data privacy & security.

A recent study showed that data misuse is the biggest source of distrust for consumers, which has resulted in 44% of respondents saying they have taken steps to reduce the amount of data they share online.

While this might have an impact on certain industries, 56% of respondents say digital technologies will have a positive impact on society. The key message here is one of balance: brands and advertisers need to find a middle ground between data usage and personalization.

III. TOP APPS & CATEGORIES IN SEA:

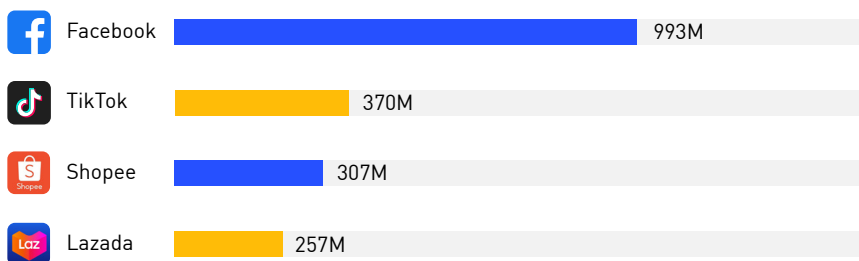
WHAT'S HOT AND WHAT'S NOT?

2020 saw over **15 billion mobile downloads happen in Southeast Asia**. 55% of them were apps, while the remaining 45% were games. To put this in perspective, about 12% of all app downloads in the world happened in Southeast Asia in 2020.

The most popular non-gaming categories in 2020 were social media, e-commerce, online payments, and delivery services, with **TikTok, Facebook, Shopee, and Lazada** being among the most popular apps in the region.










Also, since the digital workforce around the world moved from classic offices to home offices, apps like Zoom, Google Meet, and Microsoft Teams also saw a spike in downloads and usage.

Southeast Asia's Hottest Apps













Top 10 Most Downloaded Apps: Where the Downloads Happen











Indonesia

- 1  TikTok: 66.91M
- 2  Facebook: 61.03M
- 3  WhatsApp: 48.49M
- 4  Instagram: 40.37M
- 5  Shopee: 38.01M
- 6  Telegram: 33.63M
- 7  Zoom: 32.99M
- 8  Facebook Messenger: 31.78M
- 9  Snack Video: 31.46M
- 10  SHAREit: 30.18M











Philippines

- 1  TikTok: 66.91M
- 2  Facebook: 61.03M
- 3  Facebook Messenger: 21.39M
- 4  Shopee: 16.45M
- 5  Gcash: 14.29M
- 6  Zoom: 13.63M
- 7  Google Meet: 11.02M
- 8  SHAREit: 10.81M
- 9  Lazada: 9.05M
- 10  Instagram: 8.40M

Thailand

- 1  TikTok: 19.60M
- 2  Facebook: 16.81M
- 3  Facebook Messenger: 14.11M
- 4  LINE: 12.85M
- 5  Shopee: 11.99M
- 6  Instagram: 9.31M
- 7  Lazada: 9.14M
- 8  Wallet by Truemoney: 7.54M
- 9  Foodpanda: 7.15M
- 10  MyMo by GSB: 6.51M

Singapore

- 1  Zoom: 1.28M
- 2  SingPass: 1.15M
- 3  Shopee: 0.98M
- 4  TikTok: 0.97M
- 5  TraceTogether: 0.93M
- 6  WhatsApp: 0.87M
- 7  Telegram: 0.80M
- 8  Facebook: 0.79M
- 9  Microsoft Teams: 0.70M
- 10  Foodpanda: 0.68M

Shop until You Drop: Top E-commerce Apps



70M **57% ↑** 110M
Jan 2020 *Dec 2020*



78M **62% ↑** 130M
Jan 2020 *Dec 2020*

Shopee and Lazada continued to dominate the e-commerce sector in Southeast Asia, showing strong and steady growth in 2020. In 2020, **Shopee went from 78 million to over 130 million active users** in the region, which is equivalent to a 62% year-on-year increase.

Lazada was another e-commerce app to show great results in 2020. **Lazada went from 70 million in January 2020 to more than 110 million active users** at the end of the year, boosting its active user base by 57% year-on-year.

For the Binge Watchers: Hottest Video Apps



26M **69% ↑** 44M
Jan 2020 *Dec 2020*

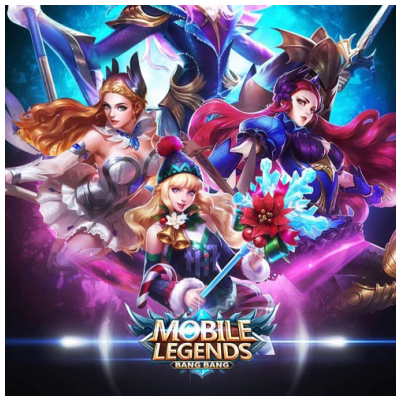


6.5M **54% ↑** 10M
Jan 2020 *Dec 2020*

Video subscription services were also clear winners, growing strong in 2020 as a result of more people spending more time at home. For example, **Netflix grew its active SEA user base by 69.2%, from 24 million to over 44 million** by the end of 2020.

Another popular video streaming app in Southeast Asia is Viu, which also saw its active user base in the region grow 53.8% from **6.5 million to 10 million in 2020**. Interesting to note is that unlike Netflix, Viu had a peak around May at 10.5 million active users.

For the Gamers: Most Popular Games



Total Downloads

189M **28% ↑** 242M
Jan 2020 *Dec 2020*

Mobile games were a massive success with the SEA crowd. **Mobile Legends: Bang Bang** peaked at around 65 million downloads in 2020, with about 64% of those players coming from Southeast Asia.

Hungry? The “Spiciest” Food Delivery Apps



8.9M **146% ↑** 22M
Jan 2020 *Dec 2020*

With restaurants closing because of COVID, food delivery seized the opportunity and grew to incredible levels in 2020. One such app was **Foodpanda** which grew its active user base in Southeast Asia from **less than 9 million in January to over 22 million in December 2020**.

One very interesting story was Grab, which is basically the Uber of Southeast Asia. The ride-hailing app suffered significantly as traveling restrictions were placed in order to contain the COVID-19 pandemic, but Grab was quick to reorganize and focus its efforts on its food delivery and online payment services. This resulted in not only a quick bounce back but a new peak in terms of active users at over 87.8 million by the end of 2020.

We Are Nativex

At Nativex, our mission is to deliver sustainable growth and ROI to our clients through transparent and reliable solutions. With a wide range of mobile marketing solutions available, our team can help global brands and advertisers reach their audiences in Southeast Asia and other key markets around the world.

If you're looking to achieve success in Southeast Asia's mobile market and beyond, then make sure you [contact the Nativex team today](#).

Our DNA



Our approach combines global expertise with local execution: Glocalization.



We think like our customers.



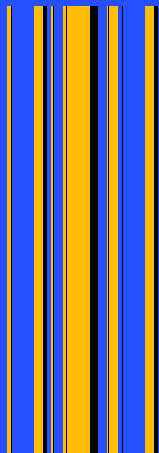
Our approach is dataled, powered by human intelligence.



We secure and protect data.



We ensure sustainable returns.





Nativex End-to-End Mobile Marketing Solutions



XPLORE^{CHINA} YOUR GATEWAY TO CHINA'S MOBILE MARKET

Successfully run your advertising campaigns in China with a team to bridge the gap. As a global team with roots in China, Nativex has the cross-cultural fluency required to successfully navigate any challenges and ensure your campaigns are relevant, accurate, and appropriate. [Learn more about XploreChina.](#)

TopWorks CREATIVE EXCELLENCE, VISIBLE RETURNS

The TopWorks Creative Studio is a global creative network. With 14 teams established in over 30 countries across the world, TopWorks connects you with 200+ creative studios worldwide. Our mission is to empower advertisers with excellent creatives that drive performance and enable visible returns. TopWorks is an official TikTok Marketing Partner. [Learn more about TopWorks.](#)



Nativex Trading Desk

MEDIA BUYING MADE EASY

XMP by Nativex is the first multi-channel media buying tool that connects top channels across China and the West. Built by the Nativex media buying experts for media buyers, XMP allows you to streamline complex campaign workflows across platforms like Snapchat, Douyin, WeChat, Kuaishou, and more. XMP is an official TikTok Marketing Partner. [Learn more about XMP.](#)



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As one of the top global TikTok performance ad agencies, we have the access and experience to help you expand your advertising channels, grow your business and bring awareness to a whole new segment of mobile users. [Learn more about our TikTok solution.](#)

ENABLE VISIBLE RETURNS

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