FACEBOOK

Connecting Indonesia: Facebook's social and economic impact in Indonesia

Report prepared by PT PricewaterhouseCoopers Indonesia Advisory and the Institute for Development of Economics and Finance (INDEF)

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This report can be downloaded at: https://indonesia.fb.com/

TABLE OF CONTENTS

p.4 Executive Summary

p.4 Supporting businesses and the economy

p.6 Empowering individuals and communities

p.7 Enabling effective digital government

p.8 1: Introduction

p.8 Background and purpose of this report

p.10 Use of Facebook apps

p.12 Snapshot

p.14 2: Supporting businesses and the economy

p.16 Supporting the growth of new and existing businesses

p.19 Helping SMBs with access to new opportunities, the benefits of scale and making social impact

p.21 Building customer relationships

p.23 Facilitating market expansion, domestically and internationally

p.25 Using digitalization to increase business productivity

p.26 Digital agglomeration

p.28 Facilitating the emergence of new types of work and digitalizing the labor force

p.32 Snapshot Chapter 2

p.34 3: Empowering individuals and communities

p.34 Helping maintain close and meaningful relationships among families and friends

p.36 Helping people to make better informed decisions

p.40 Enhancing individuals' digital and other skills

p.41 Enhancing digital literacy and building trust in social media

p.43 Enabling civic engagement

p.45 Helping to build and strengthen community organizations to create social impact

p.52 Snapshot Chapter 3

p.54 4: Enabling effective digital government

p.54 The strategic context for government use of Facebook apps

p.57 Supporting government communications internally and externally and personalizing communication and services to the public

p.60 Enabling greater public participation, openness and building trust in government agencies

p.62 Assisting communication and responses in times of crisis or major events

p.64 Snapshot Chapter 4

p.66 5: Conclusions

p.67 Appendix A: Survey and FGD methodology

p.70 Appendix B: Facebook features

p.72 Appendix C: Facebook's commitment in indonesia

p.73 Appendix D: Facebook programs in Indonesia

List of Figures

p.10 Figure 1 - Survey sample sizes and distribution by stakeholder group and region

p.11 Figure 2 - Top 3 uses of Facebook apps, by stakeholder group

p.15 Figure 3 - Use and impact of Facebook for businesses

p.19 Figure 4 - Use and impact of Facebook apps for SMBs

p.23 Figure 5 - Use of Facebook apps by individuals when making a purchase

p.24 Figure 6 – Percentage of businesses using Facebook apps to gain orders from customers in their own city and beyond

p.35 Figure 7 – Percentage of individuals using Facebook apps to connect with friends and family

p.36 Figure 8 – Types of information individuals seek when using Facebook apps

p.39 Figure 9 – Key topics covered by Facebook's policies

p.40 Figure 10 – Individuals' use of Facebook apps to develop or improve skills

p.46 Figure 11 – Percentage of community organizations using Facebook apps to gain new members or supporters, from their own city and beyond

p.49 Figure 12 – Impact of Facebook apps on community organizations

p.56 Figure 13 – Use and Impact of Facebook apps for the government

p.57 Figure 14 – Government use of Facebook apps — by level of institution

p.62 Figure 15 – Impact of government use of Facebook apps in times of crisis

EXECUTIVE SUMMARY

The internet has become an essential part of life for Indonesians. It is changing the way that people interact with each other, the way information is exchanged, and the way that businesses, government and other organizations operate. Social media and instant messaging applications are helping to drive this change. The Facebook company ("Facebook") applications ("apps"), including Facebook, Messenger, Instagram, and WhatsApp, are among the most popular of such apps in Indonesia. [1]

Facebook commissioned PwC Indonesia and the Institute of Development Economics and Finance (INDEF) to carry out research to enable Facebook and its stakeholders to better understand the impact of Facebook apps on Indonesians, Indonesian communities, businesses, and government. The research included four independent offline surveys conducted between 27 June 2019 and 6 August 2019, covering different stakeholder groups as follows:

- One nationally representative survey using stratified, random sampling of 1,220 individuals, including internet and non-internet users, across all 34 provinces in Indonesia [2]
- Three surveys using purposive sampling of Facebook apps' users only, across 15 cities in Indonesia covering:
  - 1,033 businesses of all sizes
  - 565 community organizations
  - 410 government officials

Full details of the survey methodology are provided in Chapter 1 and Appendix A.

This Executive Summary highlights some of the key economic and social impact identified through the research, the results of which are set out in more detail in the main report. A selection of key findings are also shown in the Snapshot on page 12.

Supporting businesses and the economy

Supporting the growth of new and existing businesses

Facebook apps provide businesses with the ability to quickly reach thousands of potential customers, giving them a central online location from which to start their business and/or grow it.

The importance of Facebook apps in facilitating the establishment of new businesses is reflected in the survey findings with 50% of business respondents agreeing[3] that they were started using Facebook

[1] In this report, "Facebook" also refers to the specific app, depending on the context.
[2] The 1,220 respondents included 550 internet users and 670 non-users, implying a penetration rate of 45%. This is fairly in line with the internet penetration rates from Statistics Indonesia (BPS) that show 39% in 2018. It is important to note that the BPS calculation was based on their survey of Indonesians above 5 years old, while our survey was based on those above 17 years old. The results related to the survey of individuals only take internet users into account.
[3] Where survey results are stated using the word "agree" they are derived from a question where respondents were asked to agree or disagree with a statement.

apps. 43% said that their founder started the business after being inspired by ideas originally obtained via Facebook apps.

The apps also support and complement conventional businesses, such as those with offline operations. For example, of the 81% of businesses surveyed who have brick and mortar stores, 94% agreed that promoting products digitally is important for their business, 76% advertise their products using Facebook apps and 92% agreed that the use of Facebook apps has improved their customer engagement. 89% of these businesses agreed that they have used Facebook apps to grow and expand.

Facebook apps can help businesses improve their productivity in many ways. Figure 3 on page 15 illustrates the many business processes which may be supported or improved through the use of Facebook apps, and the benefits that businesses say they gain.

Facebook apps are benefiting businesses and consumers alike. With greater access to information about products and services within a central online platform and common format, Facebook apps are helping empower consumers by enabling them to make better informed choices. 69% of individuals surveyed agreed that Facebook apps help them to gather information about products, services, and sellers, and 79% also agreed that the apps help them to communicate with sellers before making a purchase.[4]

Helping SMBs to access new opportunities and the benefits of scale

Facebook apps can aid entrepreneurs and Small and Medium Businesses (SMBs) to get started in business and identify new opportunities. The apps can, in general, provide SMBs with some of the benefits of scale because they enable greater reach to a higher number of, and better targeted, customers and partners. Of those SMBs surveyed, 75% agreed that the use of Facebook apps reduces the cost of marketing, 63% agreed the apps reduce the cost of customer service, and 56% mentioned the lower cost of research and development.[5] 92% of SMBs surveyed also said that using Facebook apps helped them grow their number of customers.

In addition to helping businesses minimize the cost of marketing and sales, Facebook apps can help minimize resource requirements across other aspects of their operations, which can be critical to the success of SMBs in their initial growth phase. 74% of SMBs agreed Facebook apps help reduce barriers to growth and 71% of SMBs agreed the apps help them manage operational staff and processes efficiently.

Facilitating market expansion, domestically and internally

The widespread usage of Facebook apps means that they can play an important role in facilitating market expansion for businesses, domestically and internationally. 95% said the apps help them to obtain orders from customers in the same city. 68% of all businesses surveyed said Facebook apps help them to obtain orders from customers in different cities and 16% of all businesses said Facebook apps help them to secure international sales. Breaking this figure down by size of business reveals that 38% of large businesses - which are more likely to be export-oriented compared to smaller businesses and are therefore the most impactful in terms of Indonesia's foreign exchange earnings - said the apps help them secure international sales. The figure

[4]The results related to individual survey only take internet users into account.
[5]Out of the 1,033 businesses surveyed, 995 are SMBs, i.e. including micro and nano businesses in line with normal usage.

was 34% for medium-sized businesses, 22% for small businesses, and lower figures for micro and nano businesses, which are more likely to prioritize expanding domestically before they expand to overseas markets.[6]

92% of businesses sell products or services produced in Indonesia, while 22% sell products or services that are produced overseas.

The above business impact are explored further in Chapter 2.

Empowering individuals and communities

Supporting the development of new and improved skills and enhancing digital literacy

With increasing digitalization and prominence of social media, digital skills are also becoming an increasingly important asset for individuals in terms of their employment opportunities. 69% of businesses agreed that digital skills are an important consideration when hiring employees. 89% of businesses agreed that the owner and/or their members of staff understand how to promote products digitally, including on social media.

Facebook apps can provide people with the opportunity to obtain or enhance a wide range of soft skills, as well as more specific vocational skills. 81% of individuals surveyed say they have used the apps to learn or improve a skill and 43% say they have used the apps to find information regarding a specific skill they would like to develop.

Empowering individuals and supporting meaningful interactions

98% of individuals surveyed use at least one Facebook app. 84% of individuals surveyed agree that the apps help them to build closer and more meaningful relationships, with 77% of individuals users agreeing that Facebook apps help them to communicate openly with friends and family.

[6]See definitions of business sizes in Appendix A

By connecting people online who share common interests, Facebook apps also enable individuals to come together to form new types of communities, without geographical proximity necessarily being a key unifying factor. 81% agree that Facebook apps help them to connect with friends or new people with similar interests. At the same time, the apps can also support the broadening of people's perspectives and interests – 63% agree that the apps help them to connect with people with different interests from their own.

Facebook apps can also help individuals to make informed decisions about their daily lives and even inspire them with new ideas. The survey indicated that Facebook provides an important source of information for individuals across a variety of topics including: news (82%), products/services (69%), topics of interest (63%), jobs (46%), health (60%), and inspirational public figures (53%).

Helping to build community organizations and facilitating support for good causes

Facebook apps make it easier for people to find out about and support causes they care about. Many community organizations believe the apps have become integral to their operations, ranging from recruitment of members, through to fundraising, events management and providing services to those in need. 56% of individuals agreed that the apps have helped them to be more aware about social events and philanthropic activities. Some new organizations have been created using Facebook apps and many have become dynamic online communities which interact regularly. 82% of community organizations surveyed reported interaction amongst members through the apps on a daily basis.

The usefulness of Facebook apps to community organizations is also reflected in the following findings: 98% agree they use Facebook apps to gain new members in their city, 71% use the apps to gain members in other cities, 97% use them to share information, 85% to promote seminars and workshops, 90% to gain feedback and 96% to communicate with other organizations.

Overall, the majority of the organizations surveyed strongly agreed that Facebook apps make them more effective and help them to build trust and strengthen engagement with their members.

The impact for individuals and community organizations are explored further in Chapter 3.

Enabling effective digital government

Enabling effective digital government

Many government agencies use Facebook apps to allow them to better connect and communicate with their stakeholders, including the public. For example, 75% of government agencies which use the apps do so to inform the public about plans to formulate or change policies and 84% of respondents said that their institution often receives general feedback from the public through their Facebook apps. Of the latter, 98% of them said they follow up on feedback received and provide responses. By enabling better communication, 95% of officials agreed that Facebook apps can help promote openness and transparency.

These impact is explored further in Chapter 4.

1 INTRODUCTION

Background and purpose of this report

Indonesia is undergoing a rapid process of digitalization, and the level of internet penetration is increasing each year. According to Statistics Indonesia, the number of Indonesians online has more than doubled in just a few years.[7] Indonesia's increasingly internet-savvy population and emerging middle-class are among the drivers of its fast growing digital economy - one that is set to become Southeast Asia's largest over the next few years.[8] Digital solutions have become pervasive in many aspects of daily life. They are integral to the way that individuals communicate for social and family purposes, to the operations of community organizations, businesses and government. Online start-ups in the ride-hailing and e-commerce fields have grown to be "unicorns" and are among Indonesia's most celebrated firms.

Digital communication platforms – including social media and instant messaging applications – have helped to drive this change and have played a prominent role in the digitalization process. The Facebook company ("Facebook"), which refers to the family of Facebook entities and all of its apps, products, technologies and services - including Facebook, Messenger, Instagram, and WhatsApp, are among the most popular of such platforms in Indonesia.

Facebook commissioned PT PricewaterhouseCoopers Indonesia Advisory (PwC) and the Institute for Development of Economics and Finance (INDEF) to carry out this research, which included offline surveys. This research enables Facebook and its stakeholders to better understand the impact of Facebook apps (including Facebook, Messenger, Instagram, and WhatsApp) on Indonesians, their communities, businesses, and government.

> **"This research enables Facebook and its stakeholders to better understand the impact of Facebook apps (including Facebook, Messenger, Instagram, and WhatsApp) on Indonesians, their communities, businesses, and government**

Approach

This report draws on the results of four independent offline surveys covering different stakeholder groups, conducted between 27 June 2019 and 6 August 2019. The survey of individuals was conducted and managed by Lembaga Survei Indonesia (LSI), and the remaining surveys by INDEF. The scope of the surveys is further set out in Table 1.

[7]Statistics Indonesia, Statistics of Social and Culture; 2017 and Statistics Indonesia, Statistics of Social and Culture; 2018

[8]GSM Association, Accelerating Indonesia's Digital Economy; 2018

Table 1 _ Survey scope

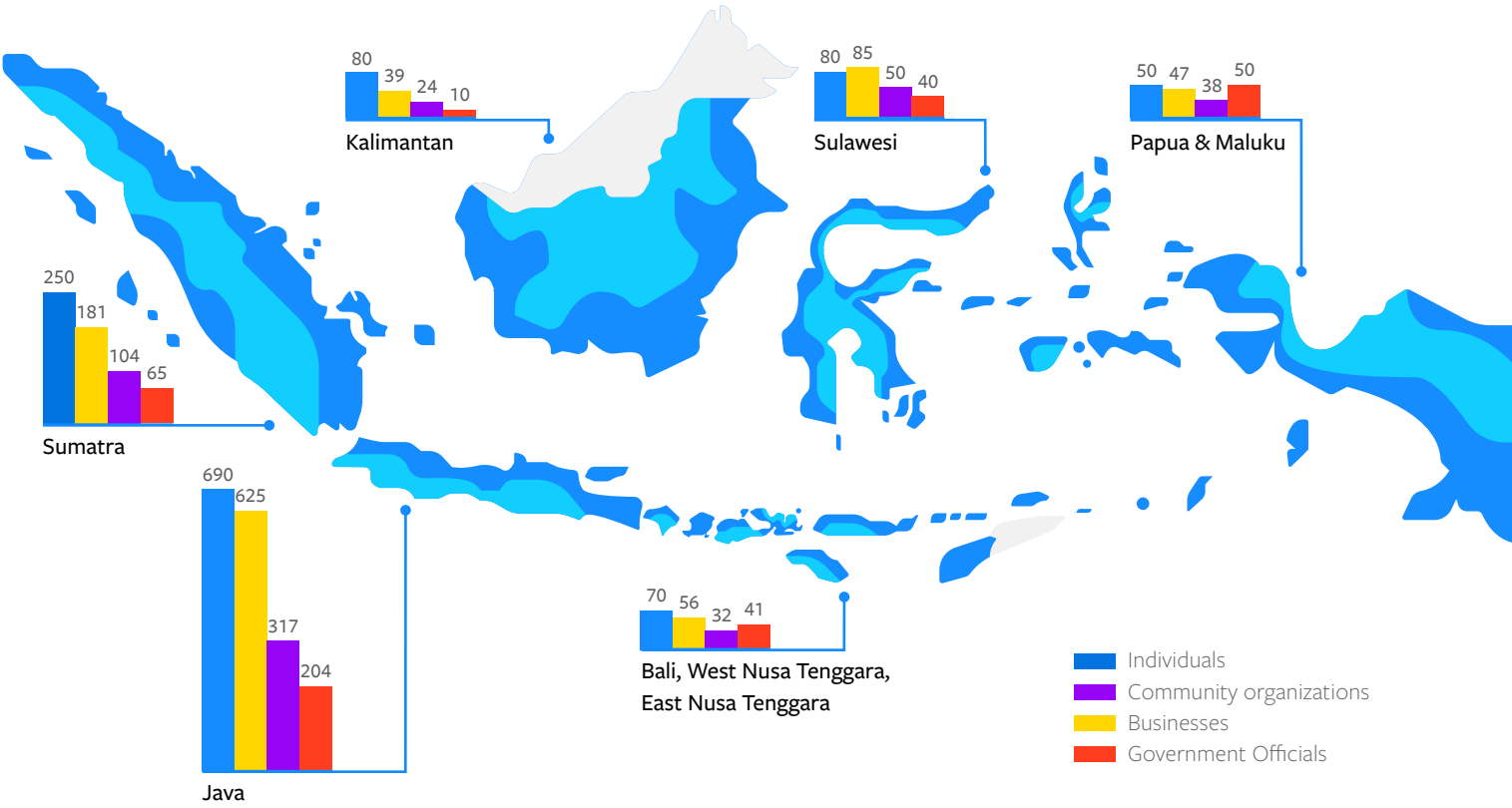
Survey group	Number of respondents	Geographic coverage	Sampling approach
Individuals	1,220	National (34 provinces)	**Random:** • Internet users and non-users
Businesses	1,033	15 cities[9]	**Purposive:** • Users of Facebook apps • Businesses of all sizes, with the distribution reflecting that of the general population of businesses[10]
Community organizations	565		**Purposive:** • Users of Facebook apps • Variety of categories, including, but not limited to, non-governmental organizations (NGOs), civil society organizations, and hobby clubs
Government	410		**Purposive:** • Users of Facebook apps • Including government officials from central, provincial, and municipal institutions

As set out in Table 1, the survey of individuals used random sampling techniques in order to achieve representativeness at a national level (covering 34 provinces, and both internet and non-internet users). The surveys for community organizations, businesses, and government officials were conducted across 15 cities and used purposive sampling techniques and targeted only those who use Facebook apps, in order to facilitate more informative responses. The distribution of respondents across the stakeholder groups and regions is shown in Figure 1.

[9]Sungai Penuh, Banda Aceh, Batam, Medan, Jakarta, Semarang, Surabaya, Mataram, Manado, Denpasar, Balikpapan, Makassar, Tidore Kepulauan, Ambon, Jayapura.

[10]The businesses surveyed were categorized by the following sizes based on Law No. 20/2008: micro, small, medium and large enterprises. A fifth "nano" category was also created to capture the large concentration of businesses at the very small end of the micro range (those with annual sales below IDR 125 million). The sampling approach included ensuring specific quotas based on business size were achieved to ensure the total sample reflected the general distribution of business sizes across Indonesia. The total sample included 496 (50%) nano businesses, 306 (30%) micro businesses, 137 (13%) small businesses, 56 (5%) medium businesses, and 38 (3%) large businesses.

Figure 1 _ Survey sample sizes and distribution by stakeholder group and region

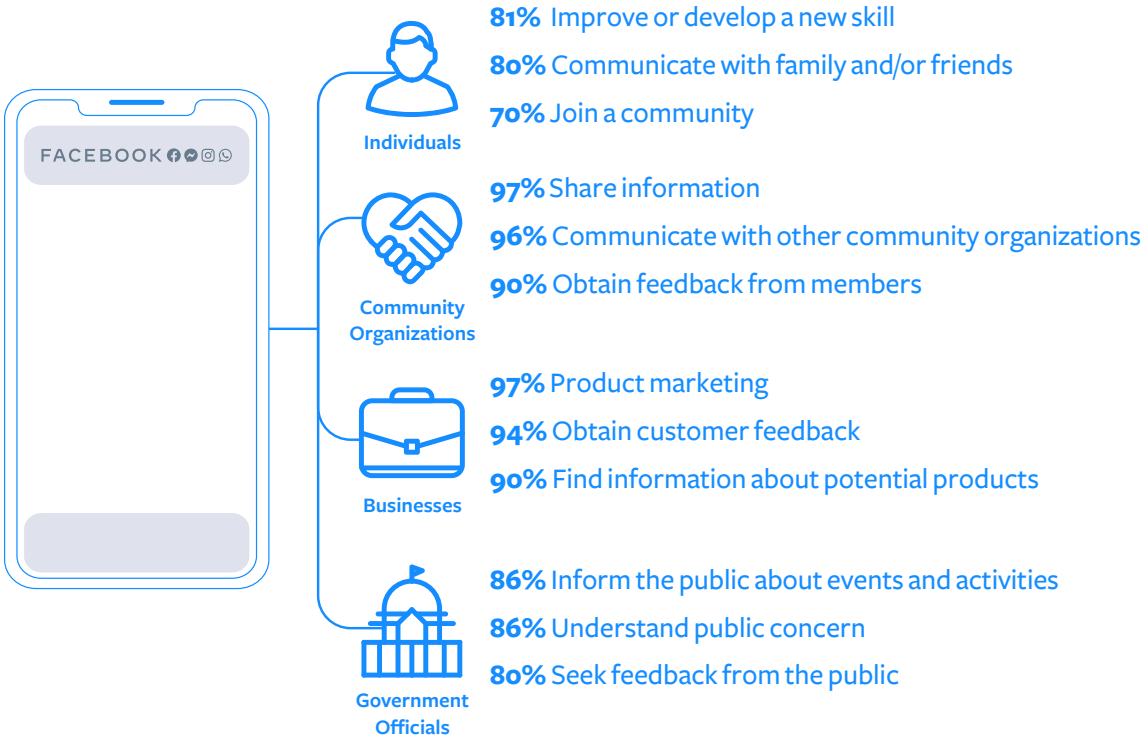


The surveys were complemented by Focus Group Discussions (FGDs) and interviews, to gather more detailed insights into participants' use of Facebook apps. Further detail on both the survey methodology and approach to the FGDs and interviews is provided in Appendix A.

Use of Facebook apps

Figure 2 reflects the top three uses of Facebook apps by individuals, businesses, community organizations, and government.

Figure 2 _ Top 3 uses of Facebook apps, by stakeholder group



SNAPSHOT

This research enables Facebook and its stakeholders to better understand the social and economic impact of Facebook apps including Facebook, Messenger, Instagram and WhatsApp, on Indonesians, their communities, businesses, and government

Supporting businesses and the economy

Supporting the growth of new and existing businesses

Uses and impact of Facebook apps for businesses surveyed

1 in 2 One in two agreed that they were started using Facebook apps

81% of businesses surveyed are ones with brick and mortar stores

Of these businesses:

92% agreed that use of the apps improves customer engagement and **89%** have used the apps to help them grow and expand

Facebook apps are benefiting consumers and businesses alike. Of individuals surveyed:

79% agreed that the apps help them to communicate with sellers before making a purchase

Helping SMBs to access new opportunities and the benefits of scale

Uses and impact of Facebook apps for SMBs surveyed

75% reducing the cost of marketing

92% growing their number of customers

74% reducing barriers to growth

71% managing operational staff and processes more efficiently

Facilitating market expansion, domestically and internally

Uses and impact of Facebook apps for businesses surveyed

95% obtaining orders from customers in the same city

68% obtaining orders from customers in different cities

16% helping them to secure international sales, including:
38% of large businesses | **34%** of medium-sized businesses | **22%** of small businesses

92% sell products or services produced in Indonesia

22% sell products or services that are produced overseas

Empowering individuals and communities

Supporting the development of new and improved skills

Uses and impact of Facebook apps for individuals surveyed

81% improving or learning a skill

79% developing or improving their digital skills

Empowering individuals and supporting meaningful interactions

Uses and impact of Facebook apps for individuals surveyed

98% use at least one Facebook app

84% building closer and more meaningful relationships

81% connecting with friends or new people with similar interests

63% connecting with people with different interests from their own

89% of female users, who have or are thinking about starting a business, agreed that Facebook apps have helped them to identify business opportunities

Facebook provides an important source of information for individuals across a variety of topics including: **news (82%), products and/or services (69%), topics of interest (63%), jobs (46%), health (60%), inspirational public figures (53%)**

Helping to build community organizations and facilitating support for good causes

Uses and impact of Facebook apps for community organizations

98% gaining new members in their city

71% gaining new members in other cities

97% sharing information

96% communicating with other organizations

82% reported there being daily interaction among group members through the apps

Enabling effective digital government

Enabling effective digital government

Uses and impact of Facebook apps for government officials surveyed

75% informing the public about plans related to policy change

84% enabling greater openness and transparency

95% receiving regular feedback from the public

2 SUPPORTING BUSINESSES AND THE ECONOMY

Facebook apps have become integral to the operations of many businesses, particularly consumer-facing businesses such as those in the retail sector. 90% of businesses surveyed report using one or more Facebook apps as an interface with the public. The connectivity and reach Facebook apps provide to new customers is assisting in their market expansion and overall growth. While an essential platform for businesses of all sizes, Facebook apps can be of particular assistance to smaller businesses and entrepreneurs with fewer economic resources, supporting them to get started and overcome barriers to growth. Consumers are also benefiting from an ability to better identify their options and make better-informed purchasing decisions.

The findings in this chapter are based on the survey of 1,033 businesses who use Facebook apps, as well as the survey of 1,220 individuals.[11]

[11]Business respondents were located across 15 cities in West, Central and East Indonesia. The businesses surveyed were categorized by the following sizes based on Law No. 20/2008: micro, small, medium and large enterprises. A fifth "nano" category was also created to capture the large concentration of businesses at the very small end of the micro range (those with annual sales below IDR 125 million). The sampling approach included ensuring specific quotas based on business size were achieved to ensure the total sample reflected the general distribution of business sizes across Indonesia. The total sample included 496 (50%) nano businesses, 306 (30%) micro businesses, 137 (12%) small businesses, 56 (5%) medium businesses, and 38 (3%) large businesses. Survey respondents for individuals were located across 34 provinces in Indonesia. The 1,220 respondents were identified using random sampling, which resulted in a respondent profile comprising 550 internet users and 670 non-users. The results stated in this report relate only to internet users. Refer to Appendix A for further details.

Figure 3 _ Use and impact of Facebook apps for businesses

Businesses' use of Facebook apps			*Impact of Facebook apps on businesses*	
Understanding target markets	76%	Research & Development	58%	Lower R&D cost
Understanding competitors	74%		75%	Higher product innovation
Finding information about potential partners	80%			
Finding information about potential products	90%			
Finding information about potential distributors	72%	Production & Distribution	77%	Increase in efficiency of managing operational staff and processes
Finding information about product improvement	75%			
Finding information about potential suppliers	77%			
Maintaining customer loyalty	86%	Marketing	79%	Lower cost of marketing
Attracting visitors to their offline shop	75%		93%	Increase in customer engagement
Product marketing	97%		76%	Improved brand awareness
Placement of customer orders	89%	Sales	86%	Increased customer base
Confirmation of customer payments	87%		68%	More orders from other cities
			16%	More orders from other countries
Measuring customer satisfaction	86%	Customer Retention	66%	Lower cost of customer service
Obtaining customer feedback	94%		87%	Improved customer satisfaction
			77%	Increase in brand trust
			83%	Increase in customer loyalty

Supporting the growth of new and existing businesses

Greater internet penetration and a rising middle-class are among the drivers of Indonesia's fast growing digital economy.[12] Facebook apps are playing a role in supporting the development and growth of many new businesses which comprise this expanding digital economy.

> **"...one in two business respondents agreeing that their business was started using Facebook apps**

The apps provide businesses with the ability to quickly reach thousands of potential customers, giving them a central online location from which to start their business and/or grow it. The importance of Facebook apps in facilitating the establishment of new businesses is reflected in the survey findings with one in two business respondents agreeing that their business was started using Facebook apps. 43% agreed that their founder started the business after being inspired by ideas originally obtained via Facebook apps.

Many businesses are using Facebook apps to provide new and innovative offerings to consumers. **Ambon Handicraft**, for example, posts pictures of its products on Instagram Post and Live Stories to inform potential customers of the historical value of their products and the materials used. One of their products is a traditional handbag called lopa-lopa, made from sago palm in Seram that requires several days of travel to source and is only available at certain times in a year. The Instagram captions can be translated, allowing foreigners to also be engaged by the products and the story behind them.[13]

Brodo Shoes
— the Indonesian brand that grew from Facebook

Source:
Interview with a representative of Brodo Shoes on 5 July 2019.

Putra and Yukka were two engineering students who saw a gap in the market for affordable leather shoes. This inspired them to start **Brodo Shoes**, a business that prides itself on being a brand that is completely made in Indonesia. In 2010, they established a Facebook Page as their first step in developing their business. Facebook apps help them cut the operational costs of their business (e.g. by saving them rent for shops and commission for department stores). "Facebook apps are the only sensible choice for aspiring entrepreneurs that have minimum budget." Initially, they had no intention of fully committing to their business, but to their surprise, it took off as a business in a way that neither of them could have imagined possible. Now they sell 5,000-10,000 pairs of shoes each month. The company uses a range of Facebook-based marketing tools, all of which are considerably cheaper when compared to conventional methods such as billboards or TV advertisements. By having a sophisticated, targeted advertising campaign, they are able to control who gets to see their products, substantially improving their marketing efficiency. This explains why 90% of their marketing budget is allocated to Facebook and Instagram Ads.

[12] A 2018 McKinsey report estimates that by 2025, digital technology could raise GDP by USD 150 billion - equivalent to an average of 1.2 percentage points of additional growth each year from 2018 to 2025. The McKinsey Global Institute recently created an index assessing where countries stand on the road to digitization, and found that Indonesia's growth in digitization in the past three years was the fastest compared to 17 other countries in the index. McKinsey, the digital archipelago: How online commerce is driving Indonesia's economic development; 2018.
[13] Interview with a representative of Ambon Handicraft on 6 August 2019.

Businesses of all sizes derive benefits from Facebook apps, even Indonesia's largest and most well established digital platforms like Gojek and Tokopedia (see below).

Gojek
— one of Indonesia's unicorns using Facebook to attract new users

Gojek is one of the leading technology companies in Indonesia, providing a range of on-demand services including ride-hailing. Its sustainability and growth relies on continuously attracting new users. One of the approaches it uses is promotion through Facebook apps. The company has its digital media buying for branding and acquisitions activities.

In order to attract people to install its own application, Gojek runs campaigns using paid Ads on Facebook apps on an always-on basis. This has proven to be very useful in increasing its user-base. Each campaign launched on Facebook apps contributes a significant portion of monthly new users as well as increased transactions from existing users.

By utilizing paid Ads on Facebook apps, the company is able to target a specific set of demographic or behavioral criteria. Through A/B testing, they are able to run multiple creative variations with different approaches to different groups and obtain detailed metrics to enable them to assess which approach is more effective. By doing this, Gojek has been able to optimize its online advertisement expenditure. Making its advertising measures more cost-effective helps Gojek to keep its cost per mile competitive.

Customers are as important as the drivers and SMBs - its partners that serve as the backbone of Gojek's business. To attract new business partners, Gojek utilizes Facebook Lead Ads, which direct potentially interested partners fill in an enquiry form. It has used this feature for the past two years and this has contributed significantly to the success of its driver and merchant recruitment campaigns.

Gojek is currently expanding to other countries. Now there are approximately 155 million installs across Southeast Asia, with Facebook apps being one of its main channels for tapping into those markets.

Source:
Interview with a representative of Gojek on 16 September 2019.

Tokopedia
— Indonesian "unicorn" marketplace using Facebook and Instagram ads to drive growth

Tokopedia is a leading online marketplace platform in Indonesia, allowing individuals and businesses to set up and manage their online stores for free. In an increasingly crowded app market, increasing its app installation rate while also lowering its cost per install is critical. Tokopedia decided to use Facebook and Instagram Ads to help reach new customers without requiring a large marketing budget. Since it has used ads on Facebook apps, Android app installation has increased by 125 times and its iOS app installation cost has reduced by 27%. .

Source: interview with a representative of Tokopedia on 8 August 2019.

Supporting businesses and the economy

The apps are also supporting the evolution of conventional business models. **Tante Sayur** based in Jakarta, for example, creates positive economic impact in rural areas by buying vegetables at premium prices from villages and selling them fresh to consumers in the city, saving the growers, who mainly operate offline, the effort of traveling to market or having to find their own customers.[14]

Most businesses see digital platforms, including Facebook apps, as being complementary to their physical store fronts. For example, of the 81% of business surveyed who have brick and mortar stores, 94% agreed that promoting products digitally is important for their business, 76% advertise their products using Facebook apps and 92% agreed that the use of Facebook apps has improved their customer engagement. 89% of these businesses agree that they have used Facebook apps to grow and expand their business.

> **“ Most businesses see digital platforms, including Facebook apps, as being complementary to their physical store fronts**

There is no single model that works for all businesses but each is able to respond to market needs in its own way. For example, **Ann's Bakehouse & Creamery** in Jakarta uses Facebook Ads, Instagram Ads and WhatsApp to attract more customers to their physical store[15], while **Artemis**, a make up salon in Makassar, found that with Facebook apps, they could reduce costs by closing their offline salon and doing home visits instead.[16]

The functionality of Facebook apps therefore makes it easier to grow organically, adding resources and building networks gradually as needed. Instagram has helped **Rasa Lokal Indonesia**, an Indonesian food business selling local delicacies, to gain local partners based in other cities (e.g. Rasa Lokal Bali, Rasa Lokal Bandung), who initially approached them via Instagram comments. Since connecting on Instagram, the local partners have been critical in helping to increase Rasa Lokal Indonesia's reach across Indonesia, as they focus on the e-commerce aspect of the business, while Rasa Lokal Indonesia focuses on building brand image and awareness.[17]

Kaloka Pottery *— promoting Indonesia's crafts and creating jobs*

Source: Interview with a representative of Kaloka Pottery on 17 July 2019.

Kaloka Pottery started in 2015 with a very modest investment of IDR 1,000,000. Fransisca Puspitasari, the owner, had high ambitions for this business from Yogyakarta which produces handmade ceramics using Indonesian clay. Having seen how Facebook apps help other businesses to reach a wider audience, she taught herself how to maximize customer engagement through the use of the apps. Upon implementing what she had learned, sales went through the roof, and the profits enabled her to expand into mass production. From initially handling only 100 orders per month, Kaloka now sells 1,500-2,000 pieces per month across the country. Thanks to this period of expansion, what was initially a one-woman show is now a source of income for 15 staff and 10 artisans, all of whom are from the surrounding area. Data available from Kaloka Pottery's Facebook accounts helped Fransisca identify the age group and country of origin of potential customers. She leveraged this data by specifically targeting certain countries with paid-for ads. Now, half of her sales are exports, especially to high-value markets such as the Middle East, Europe, and Australia.

[14]Interview with a representative of Tante Sayur on 31 July 2019.
[15]Interview with a representative of Ann's Bakehouse & Creamery on 31 July 2019.
[16]Interview with a representative of Artemis on 23 July 2019.
[17]Interview with a representative of Rasa Lokal Indonesia on 29 July 2019.

Helping SMBs with access to new opportunities, the benefits of scale and making social impact

Facebook apps help small and medium-sized businesses (SMBs), that have fewer resources, to identify opportunities and start their businesses. Facebook apps can provide SMBs with some of the benefits of scale because the apps enable greater reach to a higher number of, and better targeted, customers and partners.

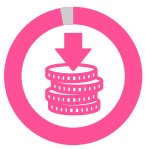
This could be through a number of means, given the different functions of Facebook apps that SMBs find useful, including: promoting their products through their general business page on Facebook or Instagram or through paid ads, market research through polling, direct messaging, as well as the Marketplace feature. Marketplace is a feature on Facebook that helps individuals or businesses easily discover, buy and sell goods and services locally. Although it lacks the payment and delivery features offered by e-commerce platforms, the feature helps people trade safely by offering safety tips, privacy controls and easy-to-use reporting tools to safeguard against unreliable sellers. For SMBs, it provides a simple, free-to-use mechanism for reaching a large number of Facebook users in order to market their goods for sale.

Given these features, 75% of SMBs agreed that the use of Facebook apps reduces the cost of marketing, 63% agreed they reduce the cost of customer service, and 56% mentioned the cost of research and development.[18] 92% of SMBs surveyed have also expressed that using Facebook apps has increased the number of customers. Overall, 74% of SMBs agreed the apps help reduce barriers to growth and 71% of SMBs agreed the apps help them manage operational staff and processes efficiently.

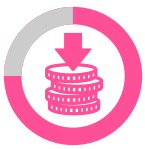
In addition to helping businesses minimize the cost of marketing and sales, Facebook apps can help minimize resource requirements across other aspects of their operations, which can be critical to success in an SMB's initial growth phase.

> **“ Facebook apps can provide SMBs with some of the benefits of scale because the apps enable greater reach to a higher number of, and better targeted, customers and partners**

Figure 4 _ Use and impact of Facebook apps for SMBs



92%
increased number of customers



75%
reduced cost of marketing

74%
reduced barriers to growth

71%
efficient management of operational staff and processes

63%
reduced cost of customer service

56%
reduced cost of research and development

[18]Out of the 1,033 businesses surveyed, 995 were SMBs, including micro and nano businesses.

Supporting businesses and the economy

For example, a business using Facebook may not always need to create and pay for separate teams for the management of functions such as purchasing, distribution or marketing and does not need to establish a local presence in every market or source location of inputs, as many activities can be efficiently performed or sourced through other providers, with the assistance of the apps rather than requiring staff to travel and hold physical events or meetings.

> **“ 89% of women who use Facebook apps and have or are thinking of starting a business, agreed that Facebook apps had helped them to identify business opportunities**

For example, **Mochicha**, based in Banda Aceh, which makes and sells a particular type of ‘Mochi’ cake, started as just a family operation and has been able to popularize itself by posting interesting content on the apps, as well as use them to streamline business operations. The business has recruited resellers in five provinces and one in Malaysia, mainly through using Facebook apps.[19]

Facebook apps have particular benefits for women, who lead over 40% of SMBs in the economy as a whole.[20] Business models that are based online can offer particularly women greater flexibility and opportunities for collaboration.

89% of women who use Facebook apps and have or are thinking of starting a business, (as surveyed in the individual survey) agreed that Facebook apps had helped them to identify business opportunities. 87% agreed that they had seen content which had inspired them to consider starting their own business. Of female respondents who are part of SMBs (within the business survey): 96% agreed that Facebook apps help to expand their customer base, 79% agreed they reduce barriers to growth and 81% agreed the apps help reduce the cost of marketing.

Kampoeng Kue
— helping to boost the local economy

Source:
Facebook, 2019.
#SheMeansBusiness Temui Irul.
Available at:
https://shemeansbusiness.fb.com/stories/choirul-mahpuduah/

Choirul, or commonly known as Irul, is the founder and director of **Kampoeng Kue** in Rungkut Lor, Surabaya. As her business has grown, Irul has encouraged her neighbors, particularly women, to join her in selling pastries and cakes. By training and encouraging them, she has seen a growing confidence among women in her community. Facebook apps, including Facebook, WhatsApp and Instagram play a major role in boosting orders and growing Irul’s business, which is now known locally, nationally and also internationally. “I usually upload posts about our products and activities on Instagram, making sure to link them to Facebook. We also share our WhatsApp number so our customers can contact us directly to place an order,” said Irul. Irul is also part of the #SheMeansBusiness program, a collaboration between Pahlawan Ekonomi and Facebook.

[19]Interview with a representative of Mochicha on 23 July 2019.
[20]IFC, Women-owned SMEs in Indonesia: A Golden Opportunity for Local Financial Institutions; 2016

***Copa de Flores** — young entrepreneur promoting traditional culture whilst supporting disadvantaged people*

Maria Gabriella Isabella, a 24-year old woman from East Nusa Tenggara, started **Copa de Flores** in 2015. Copa de Flores is a local fashion brand, incorporating strong elements of woven Ikat. Since the early establishment of Copa de Flores, Instagram has been its main medium used to present a holistic picture of the artistic and cultural significance of the woven materials used, as well as the empowerment activities of the organization. For example, Copa de Flores also promotes its weaving and visual-based meditation initiatives for Flores women who may have a disability, or who are victims of abuse and sexual harassment. Having started out by only using Instagram's free features (e.g. Feed and Stories), Copa de Flores is now starting to utilize Promotional Ads to reach a broader pool of potential customers, and to invite more parts of the Instagram community to be part of its journey.

Source: Interview with a representative of on 25 September 2019.

***Du'Anyam** — empowering women and the local community*

Ayu, Hanna, and Melia are childhood friends from Jakarta that visited Watudiran Village in East Nusa Tenggara in 2014, a village in Sikka District where the majority of its inhabitants are living below the poverty line and have limited access toward cash. They were inspired to start **Du'Anyam** in 2014; a social business which empowers local women to leverage the existing skill of weaving that is inherited amongst women in NTT for generations. Du'Anyam provides training on quality & design in rural parts of Indonesia and ensures direct market access for the weaving products . It uses Facebook apps for the purpose of increasing brand awareness and sales. Hanna Keraf, Du'Anyam's Co-Founder/Chief Community Officer stated that without Facebook apps, Du'Anyam would not be able to share its mission to empower women, promote local culture and increase health while also make powerful connections in achieving its goals. Whether it is to meet potential team members that share common passions or collaborating with policy makers, corporates, and hotel chains, none of which would be possible if it was not for Facebook apps. Today, Du'Anyam employs 1,005 weavers across 50 villages in Indonesia, increasing their income by 40%, providing them year-round cash to access nutritious food, healthcare, and education.

Source: Interview with a representative of Du'Anyam on 15 September 2019.

Building customer relationships

Facebook apps have become an essential platform for building customer relationships. In addition to providing a central platform from which to actively promote their products and services, Facebook apps enable direct and convenient interactions between businesses and consumers. WhatsApp is a particularly popular app for business use and customer interactions in Indonesia, given its greater versatility and ease of use. Businesses surveyed reported the following uses of WhatsApp: communicating with customers, investors, suppliers, and distributors (85% of respondents); allowing customers to place their orders (72%); confirming payments (74%); and marketing their products, using WhatsApp Stories and WhatsApp Group (56%).

Supporting businesses and the economy

> **“ Facebook apps are helping empower consumers by enabling them to understand their choices and make better informed decisions**

Jangkar Bawono, owner of **Portblue**, an Indonesian leather shoes business based in Surabaya, says WhatsApp Business helps build customers’ trust, especially with features such as Quick Replies, which allows his team to respond to customer questions quickly and efficiently.[21] Besides Quick Replies, features such as Away Messages, Labels, and Chat List Filters help businesses to enhance their connectivity with customers.[22]

Other features such as Poll and Questions on Instagram help businesses to better understand the needs of their customers.[23] As a result, they are able to emphasize the unique features of their business, which appeal to specific customers or market segments.

One example is **Studio Jahit** in Balikpapan, who make and sell batik products. It started as a made-to-order business, but has used Instagram influencers to attract followers when it takes an order for a new design. The influencers encourage other people to order the same design, helping to transform the company from a made-to-order business to a customer-centric ready-to-wear supplier, achieving significant economies of scale.[24]

Bali Arabica
— helping local producers reach more retail and business customers

Source:
FGD and interview with a representative of Bali Arabica on 29 July 2019

Bali Arabica was founded in 2013 by Kintamani-born coffee farmer Komang Sukarsana and remains the only Arabica coffee production business in Bali.

The company has successful implemented a business-to-business (B2B) model whereby it takes its own coffee production as well as that purchased from 300 local coffee farmers that it partners with, and then sells it directly to cafes in Jakarta without the need to hire distributors. The company has been widely recognized for the support and training it provides to local coffee farmers on best-practice coffee production and marketing.

This model has been strengthened through the building of its brand; Bali Arabica regularly uses Facebook, Instagram and WhatsApp to build its online profile and engage with existing and potential customers, using the platforms to present authentic imagery of its coffee production and its activities with local coffee farmers. The company says that this has resulted in significant increases in the number of customers, repeat purchases and inquiries about the business.

Facebook apps are benefiting businesses and consumers alike. With greater access to information about products and services within a central online platform and format, Facebook apps are helping empower consumers by enabling them to understand their choices and make better informed decisions.

[21] Facebook, WhatsApp’s Economic Impact in Indonesia; 2019. Detikinet, WhatsApp Bagikan Inspirasi Pelaku Usaha Surabaya hingga Yogya; 2019. Available at: https://inet.detik.com/cyberlife/d-4640297/whatsapp-bagikan-inspirasipelaku-usaha-surabaya-hingga-yogya

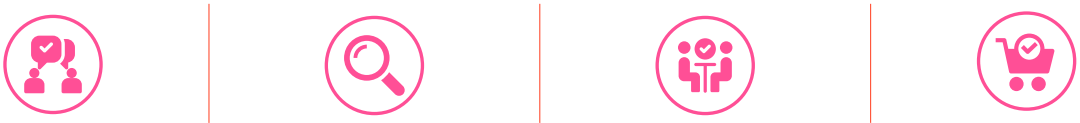
[22] Whatsapp Business features mentioned in this report are explained in Appendix B.

[23] Instagram features mentioned in this report are explained in Appendix B.

[24] Based on an interview conducted with a representative of Studio Jahit on 29 July 2019.

In the survey of individuals, 69% of those surveyed agreed that Facebook apps help them to gather information about products, services, and sellers. In addition, 79% agreed that Facebook apps help them to communicate with sellers before making a purchase.

Figure 5 _ Use of Facebook apps by individuals when making a purchase



69%
Gather information about a product, service and/or seller before making a purchase

68%
Search for alternatives and better deals before making a purchase

79%
Communicate with seller before/while/after making a purchase

78%
Make an order for products/services

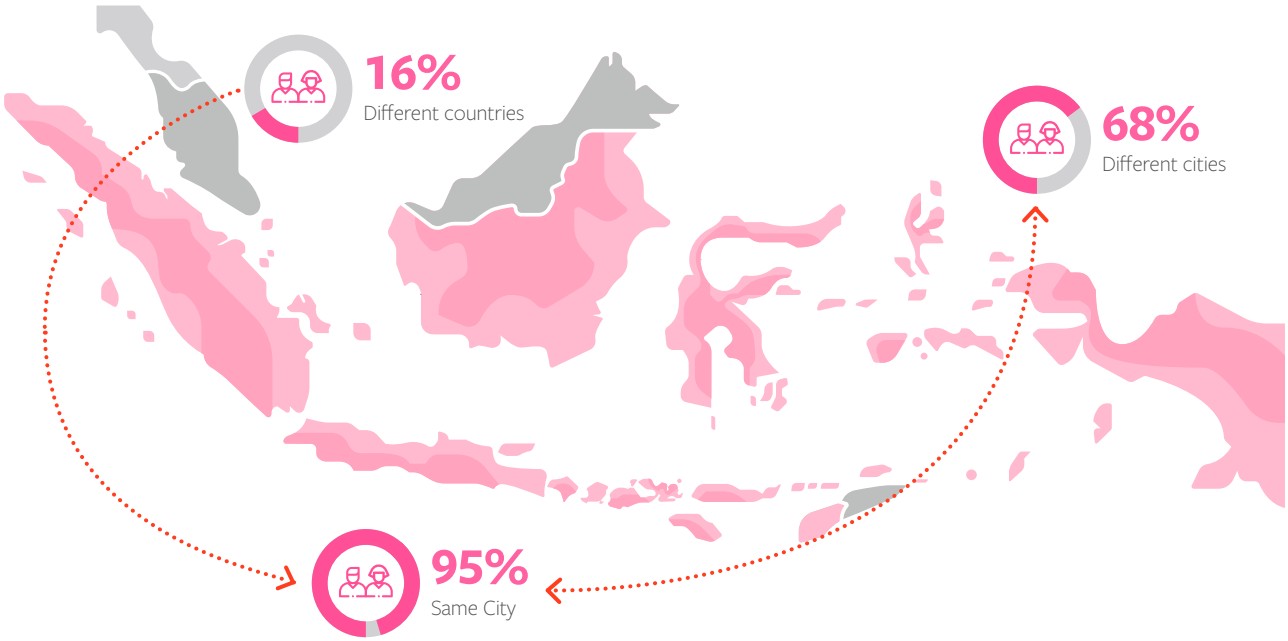
Facilitating market expansion, domestically and internationally

The widespread usage of Facebook apps means that they can play an important role in facilitating market expansion for businesses, domestically and internationally. The potential this offers is illustrated by figures from the International Trade Centre, which estimates that the expansion of the digital economy in Indonesia could open up an export market worth USD 26 billion.[25]

95% of all business surveyed said the apps help them to obtain orders from customers in the same city. 68% of all businesses surveyed said Facebook apps help them to obtain orders from customers in different cities and 16% of all businesses said Facebook apps help them to secure international sales. Breaking this figure down by size of business reveals that 38% of large businesses - which are more likely to be export-oriented compared to smaller businesses and therefore more impactful in terms of Indonesia's foreign exchange earnings - say that using Facebook apps have made it possible for them to obtain orders from other countries, followed by 34% for medium-sized businesses, and 22% for small businesses, and lower figures for micro and nano businesses, which are more likely to prioritize expanding domestically before they expand to overseas markets.[26] 64% of SMBs said they expect an increase in transactions to different cities in the next two years, 56% to other provinces, and 26% to other countries.

[25]McKinsey, The digital archipelago: how online commerce is driving Indonesia's economic development; 2018.
[26]See definitions of business sizes in Appendix A.

Figure 6 _ **Percentage of businesses using Facebook apps to gain orders from customers in their own city and beyond**



From the customer perspective, 76% of individuals surveyed agreed they use Facebook apps to order goods and services in their own city, while 66% of individuals have ordered from other parts of the country. 92% of all businesses said they sell products or services produced in Indonesia while 22% sell products that are produced overseas.

There are many examples of businesses using Facebook apps which have been able to sell to different cities and provinces as well as overseas. **Aidan and Ice**, a jewelry business based in Jakarta, has touched base with influencers in New York and the Middle East to improve their brand awareness in those markets. They have also done deals with offline stores in Singapore which contacted them through Facebook.[27]

Bareksa, an online marketplace for mutual funds, is another example. It uses analytical tools to look at how customer needs vary by region, based on the responses to their Facebook pages and adverts.[28] Rully Setiawan, a wedding jeweler and owner of **Rully Silver**, based in Yogyakarta, says that WhatsApp Business really helps businesses to connect with clients and suppliers who are not close geographically.[29]

[27]Interview with a representative of Aidan and Ice on 31 July 2019.
[28]Interview with a representative of Bareksa on 31 July 2019.
[29]Detikinet, WhatsApp Bagikan Inspirasi Pelaku Usaha Surabaya hingga Yogya; 2019. Available at: https://inet.detik.com/cyberlife/d-4640297/whatsapp-bagikan-inspirasi-pelaku-usaha-surabaya-hingga-yogya

***Men's Republic** — an Indonesian fashion retailer reaching markets around the world*

Source:
Interview with a representative of Men's republic on 12 July 2019.

Yasa Singgih was only 19 years old when he established **Men's Republic**. He focuses on creating men's shoes and apparel, with shoes as the best-selling product. As Facebook apps (Facebook, Instagram and WhatsApp) help reduce the need to have physical storefronts, he can allocate more funds to online marketing efforts. Currently, he allocates approximately 80 percent of the marketing budget to online advertisements, with the rest for influencers. Men's Republic has maintained a minimum annual growth rate of 20 percent over the last 5 years, and attributes most of this growth to the use of targeted advertisements on Facebook apps. Using Facebook and Instagram Ads to identify their existing buyers has allowed Men's Republic to reach customers from not only Indonesia, but also other countries, such as Hong Kong, Macao, Taiwan, Malaysia, the Philippines, and Nigeria. One of Men's Republic's strategies to gain trust from customers is continuously posting customer reviews on Instagram Story Highlights. Now the business has expanded to work with five offline resellers in the Greater Jakarta Area. They have employed 15 staff, excluding production and warehousing, which they outsource to other businesses. The business has partnered with other SMBs in Bandung and Tangerang to produce their products.

Using digitalization to increase business productivity

Facebook apps help businesses to improve their productivity in many other ways besides those already mentioned in this chapter. Even big business can reap efficiencies. **Telkomsel**, Indonesia's largest cellular operator, has faced challenges as it has gained more than 167 million customers across Indonesia. It has to have a scalable solution for its customer service operation because great customer care is important for the business. It has been able to transform its customer service operations by running an Artificial Intelligence (AI)-based customer service chatbot on Facebook Messenger. The system manages to handle 96% of incoming inquiries, with only 4% being redirected to a customer service agent. Telkomsel has thereby succeeded in saving on manpower costs by approximately 30%, with a 93% reduction in waiting time for customers. [30]

[30]Facebook for Developers, Telkomsel Scales Its Customer Service Operations with Facebook Messenger; 2019. Available at: https://developers.facebook.com/success-stories/telkomsel

Digital agglomeration

Over the last twenty years, economists have studied the economic impact of agglomeration, which involves measuring the benefits to firms – and to the economy more generally – of businesses being located in close geographic proximity to each other, leading to positive outcomes such as greater benefits from investment in infrastructure, reduced transport journey times, reduced logistics costs, and productivity improvements due to the sharing of common pools of suppliers and skilled labor, and ease of collaboration.[31] However, the studies have tended to assume that such agglomeration benefits are derived from physical proximity. Indeed, conventional industries have tended to co-locate in order to gain access to established pools of customers, labor or suppliers, but for digital businesses this is no longer necessary.

The FGDs enabled us to explore the phenomenon of 'digital agglomeration', which appears to create similar benefits without the need for geographic proximity. This may have great potential for an archipelagic economy like Indonesia.

We found that Facebook apps enable businesses to collaborate effectively and build communities of interest, without the need for physical meetings.

[31]Duranton, G., Kerr, W., The Logic of Agglomeration; 2010. Sinai, T., Waldfogel, J., Is the Internet a Substitute or a Complement for Cities?; 2016.

> **Facebook apps enable businesses to collaborate effectively and build communities of interest, without the need for physical meetings**

Several participants mentioned the benefits of connectivity with other businesses, and were less concerned about online competitors. For example, a number of apparel businesses noted their use of Facebook apps to source additional suppliers when they need additional capacity to meet demand. An example is **Studio Jahit**, a fashion business in Balikpapan, which uses Facebook Group to find additional tailors when they have a high volume of orders.[32] **Be Smart Clothing**, an apparel business in Makassar, said they formed a Facebook Group to share information about suppliers and distributors in order to offer potential work opportunities whenever they have difficulties in meeting customer demand.[33]

[32]Based on an FGD conducted with a representative of Studio Jahit on 29 July 2019.
[33]Based on an FGD conducted with a representative of Be Smart Clothing on 23 July 2019.

Facilitating the emergence of new types of work and digitalizing the labor force

The growing use and prevalence of social media as a communications and marketing platform is increasing the importance of digital skills and the need for employees who understand the social media landscape. Roles such as digital marketing strategist, social media manager, creative communication specialist and content creator have become more common, with businesses looking to maximise the use and benefits of social media for their organization.[34]

It is also seeing the emergence of many online-based jobs, which can offer greater flexibility and opportunities for workers. Social media can enable workers to display the results of their work online and reach a wider audience, potentially gaining easier access to other opportunities.

Many businesses which use Facebook apps are digitalizing aspects of their workforce management, enabling greater efficiency in recruitment and operations (see Gojek case study on page 17). Digitalization and the mobility it affords can also provide businesses and workers with more options, as it opens up opportunities for workers who desire flexibility or are even based in a different location.

With increasing digitalization of business processes, use of social media and other digital platforms, comes an increasing focus on the importance of digital capabilities amongst entrepreneurs and employees. This is reflected in the following survey results: 89% of businesses agree that the owner and their members of staff understand how to promote products digitally, including on social media; 95% believe that promoting products digitally is important for their business, 69% believe that digital skills are an important consideration when hiring employees and 41% had attended workshops or training sessions on digital skills for business.

Komikazer

— promoting comics and art online to reach a wider audience

Reza Mustar, also known as Azer, uses Instagram to showcase his comics and artworks - mediums he uses to raise awareness among young people of social issues. His artworks have played a significant role in communicating his views in an entertaining fashion. Due to this, he now has a large young adult following. Given his objectives, Azer sees Instagram as an effective platform that helps him to reach the right target audience. It has a high number of users from various backgrounds, and it gives him the opportunity to learn and understand his followers' opinions and receive feedback from them. The Instagram Explore function also helped Azer's artworks to be exposed to a wider audience than just those who are interested in comics and arts. After gaining nation-wide recognition, Azer has landed brand deals and collaborations with other well-known artists.

Source: Interview with a representative of Komikazer on 23 September 2019.

[34]Further research on LinkedIn website showed that there were 337 vacancies related to content creator in Indonesia as of 16 September 2019. Furthermore, the website also showed that more than 1,000 vacancies were available for those interested to work on developing social media strategy, campaign, or content.

> **“The growing use and prevalence of social media as a communications and marketing platform is increasing the importance of digital skills and the need for employees who understand the social media landscape**

Apps development is an example of a key hard skill for social media-based businesses. Therefore, in 2017, in line with the Government’s focus on developer and startups as part of the digital ecosystem, Facebook launched *Developer Circles* to equip local developers with world-class skills that could help them grow their skills and network faster and more effectively. We now have approximately 25,000 members across 10 cities in Indonesia. Each Developer Circle is headed by local community leaders, whom Facebook have trained in Silicon Valley or Singapore.[35]

Furthermore, Facebook complements this with capacity building on other digital skills. Through *Facebook Laju Digital* and *#SheMeansBusiness* programs, up to mid-2019, more than 40,000 entrepreneurs and 5,022 students, governments and communities in 41 cities across 27 provinces in Indonesia have been trained in digital outreach or marketing skills. Through *Instagram Academy*, Facebook has also trained 1,300 entrepreneurs under 35 years old in Jakarta, Bandung, and Yogyakarta, using a curriculum designed to empower young businesses to grow their sales both domestically and abroad. In 2020, *Instagram Academy* will be conducted in three cities to support government’s program on tourism and creative industry.

[35]Refer to Appendix D for further details and https://developers.facebook.com/developercircles/.

SECTOR SPOTLIGHT: **TOURISM**

Tourism is a critical growth sector in Indonesia and has the potential to drive economic growth and job creation. The Indonesian Ministry of Tourism is targeting the industry to become Indonesia's biggest foreign exchange earner by 2019.[36] To take advantage of this opportunity, the Indonesian tourism sector is adapting to changing tourist behavior and the digital disruption reshaping the global tourism industry.

According to tour booking software firm Trekksoft's annual Travel Statistics Report, 53% of bookers commit only once they have read reviews, and 60% of people in 2018 intend to post daily on social media while travelling.[37]

Facebook apps have become excellent consumer-perspective research platforms for holidaymakers wanting authentic insight into their destination - whether it is scrolling through geotagged and hashtagged Instagram snapshots or skimming reviews and ratings on the Facebook app. "insta-worthy" pictures and videos are effective marketing tools especially for millennial customers.[38] Facebook apps help promote destinations by directly connecting traveler communities, businesses and local tourism authorities.

The industry has also seen an increase in Frequent Independent Travelers (FITs) who prefer to plan and organize their own holiday without using a tour operator or travel agent. This type of traveler instead uses online and social media to plan their activities after booking the trip or upon arrival. Tourism businesses therefore have to ensure their visibility online so that FITs can easily find them. FITs offer opportunities for smaller businesses, such as local guides, that do not offer a full-service holiday.

In 2018 "authenticity" was one of the main tourism interests. The opportunity to 'experience a new culture' is now 45% more important to tourists than extreme activities, according to the Adventure Travel Trade Association (ATTA).[39] Social media platforms can do more than simply generate new brand/destination awareness.
The Ministry of Tourism, which was awarded the Best National Tourism Organization

[36]REI, Devisa Sektor Pariwisata Diproyeksi Tembus US$18 Miliar; 2019.
[37]Trekksoft, Travel Statistics Report 2018-19; 2019.
[38]One indicator of popularity in Instagram is the number of public posts using the related tags. In Indonesia, #Bali is the most popular tag with 35 million public posts. As comparison, #Phuket and #Pattaya in Thailand each have around 6.5 million and 2.7 million tags in public posts, respectively. See: Centre for Strategic and International Studies & Facebook, Rich-Interactive-Applications (RIA) in Indonesia: Value to the Society and the Importance of an Enabling Regulatory Framework; 2018.
[39]Adventure Travel Trade Association, North American Adventure Travelers: Seeking Personal Growth, New Destinations, and Immersive Culture; 2017.

(NTO) in TTG Travel Awards 2018, understands these trends. Its "Wonderful Indonesia" campaign supported the promotion of Indonesia as a travel destination via the Ministry of Tourism and Creative Economy Facebook homepage: https://www.facebook.com/ParekrafRI/. Some lesser-known destinations have become famous through pictures posted on Instagram, helping to create a buzz around places such as the remote island of Pulau Cinta in North Sulawesi and Derawan islands in East-Kalimantan.

Instagram and Facebook can be optimized to generate leads, gather feedback and communicate directly with tourists/customers and those inquiring about tourism business. Facebook Business Pages also allow for reviews, recommendations, ratings and comments, which can convert users into customers.

Since last year, Traveloka and the Ministry of Tourism drove the "Go-Beyond" campaign, using videos on Instagram to promote, among others, the "Ten New Bali" tourism destinations. The campaign also seeks to promote unique experiences such as "Live like a local" in Sumba.

According to Gaery Undarsa, Co-founder & Chief Communication Officer of **Tiket.com**, their Facebook conversion-optimized campaign had a strong impact on their business: "Previously, we had issues with analyzing campaigns and increasing conversions. When we started optimizing campaigns for conversion objectives, we definitely saw improved results." The cost per click was lower for click-optimized ads and Tiket.com achieved more website traffic, bookings and transactions with ads optimized for checkout events.[40] Comparing ads optimized for checkout events versus clicks over 3 weeks from February to March 2017, the company achieved: a 2.8X increase in revenue, a 2X increase in transactions, a 6X increase in flight bookings and a 41% increase in website traffic.[41]

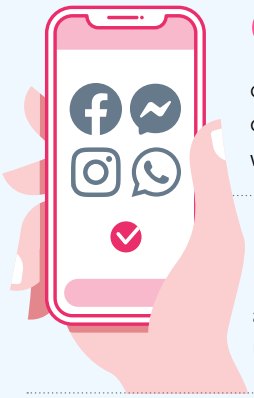
Facebook apps are also supporting individuals and local organizations to benefit from growth in the tourism industry in Indonesia by organising "open trips" to many destinations in Indonesia, even the remote and unexplored ones. Open trip involves groups of previously unknown individuals joining together to make a tour group. For example, **Jalan2terus** (@jalan2terus) offers open trips to many destinations across Indonesia. They use Instagram to announce the trip schedule and use WhatsApp to communicate and coordinate with consumers. On Instagram they have 136,000 followers and share their trip stories through both Instagram and Facebook. Furthermore, in 2020, Facebook *Laju Digital* and *Instagram Academy* will conduct a series of activities in several tourism destinations in Indonesia in 2020, as part of Facebook's effort to support government's tourism and creative industry agenda.

[40]Checkout events" refers to the ideal pathway that customers take when visiting a website, with the visit ultimately leading to a sale at the "checkout" upon completion.
[41]Facebook Business, Tiket.com; 2019. Available at: https://www.facebook.com/business/success/tiket-dot-com

SNAPSHOT: SUPPORTING BUSINESSES & THE ECONOMY

This data provides an overview of the uses and impact of Facebook apps (Facebook, Messenger, Instagram, and WhatsApp) for businesses and the economy

Supporting the growth of new and existing businesses



90% of businesses surveyed report using one or more Facebook apps as an interface with the public

1 in 2 agreed that they were started using Facebook apps

43% agreed their founder started the business after being inspired by ideas originally obtained via Facebook apps

Digital platforms complementing physical storefronts

81% of business surveyed have bricks and mortar stores. Of these businesses:

- **94%** agreed that promoting products digitally is important
- **92%** agreed that use of the apps improves customer engagement
- **89%** have used the apps to help them grow and expand

Helping small and medium businesses (SMBs) to access new opportunities and the benefits of scale

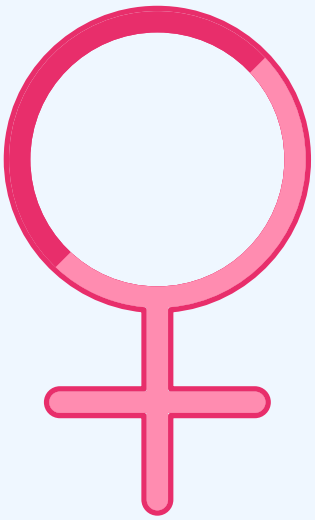
Uses and impact of Facebook apps for SMBs surveyed

75% reducing the cost of marketing

74% reducing barriers to growth

92% growing their number of customers

71% managing operational staff and processes more efficiently



Of female users of Facebook apps who have or are thinking of starting a business:

89% agreed that the apps had helped them to identify opportunities

87% agreed they had seen content which inspired them to consider starting their own business

Of female respondents working within SMBs:

96% agreed that the apps help to expand their business' customer base

81% agreed that the apps help reduce the cost of marketing

79% agreed that the apps reduce barriers to growth

Building customer relationships

Use of Facebook apps by individuals when making purchase decisions

69% gather information about products, services, and sellers

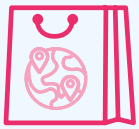
79% communicate with sellers before making a purchase

Facilitating market expansion, domestically and internally

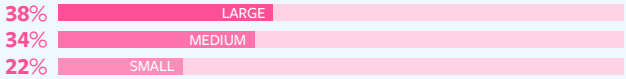
Uses and impact of Facebook apps for businesses surveyed

95% obtaining orders from customers in the same city

68% obtaining orders from customers in different cities



16% helping them to secure international sales, including:



of large, medium, and small businesses, respectively, said the apps help them secure international sales

92% sell products or services produced in Indonesia

22% sell products or services that are produced overseas

For individuals surveyed:

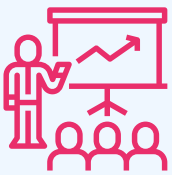
76% order goods and services in their own city

66% order goods and services from different cities

44% order goods and services from overseas

New types of work and digitalizing the labor force

69% of businesses surveyed believe that digital skills are an important consideration when hiring employees



41% of businesses surveyed had attended workshops or training session on digital skills for business

Survey of business respondents were located across 15 cities in West, Central and East of Indonesia between 27 June 2019 and 6 August 2019. The businesses surveyed were categorized by the following sizes based on Law No. 20/2008: micro, small, medium and large enterprises. A fifth "nano" category was also created to capture the large concentration of businesses at the very small end of the micro range (those with annual sales below IDR 125 million).

3 EMPOWERING INDIVIDUALS AND COMMUNITIES

Facebook amplifies the power of digital technology and enables individuals and community organizations to connect with each other more easily, to maintain and deepen personal ties even when separated physically, to be better informed and more empowered when making personal choices, and to have greater social impact than were possible in the pre-digital age. Using Facebook apps can enable even the smallest community organizations to reach a wider audience, tailor their communications and services, and manage their operations using methods previously only available to larger businesses and government.

The findings in this Chapter are based on the offline survey of 565 community organizations who use Facebook apps and 1,220 individuals.[42]

Helping maintain close and meaningful relationships among families and friends

> **“ Of the individuals surveyed who have internet access, 98% use at least one of the Facebook apps**

Families and friends mean everything to Indonesians, yet modern life makes it hard to maintain such ties. Use of Facebook apps helps to continue enabling the relationships and connections among family members and between friends, regardless of distance. With a range of easy-to-use features, Facebook apps have made the benefits of technology more accessible to individuals and communities. Of the individuals surveyed who have internet access, 98% use at least one of the Facebook apps.

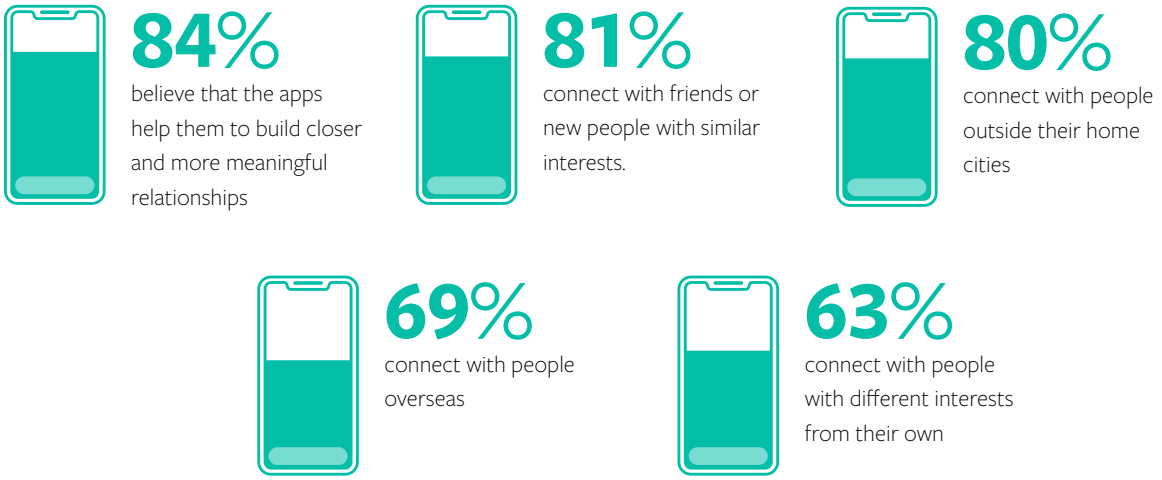
Given the size of Indonesia, and the challenges of travel in this archipelagic country, Facebook apps play a major role in facilitating personal connections. According to the World Bank, more than 55% of Indonesians live in cities, compared with less than 31% in 1990, and this urbanization trend means many people live away from other family members.[43] Between four to eight million Indonesians live overseas.[44] Facebook apps enable Indonesians to stay in touch with one another. Figure 7 shows the percentage of individuals that use Facebook apps to connect with friends and family.

[42]Survey respondents for individuals were located across 34 provinces in Indonesia. The 1,220 respondents were identified using random sampling, which resulted in a respondent profile of 550 internet users and 670 non-internet users. The results related to individual survey only take the internet users into account. Survey respondents for community organizations were located across 15 cities in Indonesia. The 565 community organizations cover a range of community organization, from political parties to social care organizations, religious groups, campaigning groups, and hobby clubs, to ensure the total sample reflected the general distribution of types of community organizations across Indonesia. Refer to Appendix A for further details.

[43]World Bank, World Development Indicators; 2019.

[44]Antara Sumbar, Kemlu-IDN Global sepakat sinergikan data diaspora; 2019. Available at: https://sumbar.antaranews.com/nasional/berita/1004394/kemlu-idn-global-sepakat-sinergikan-data-diaspora-indonesia?utm_source±antaranews&utm_medium±nasional&utm_campaign±antaranews

Figure 7 _ Percentage of individuals using Facebook apps to connect with friends and family[45]



81% of individuals surveyed agreed that Facebook apps help them to connect with friends or new people with similar interests. 63% of individuals agreed that the apps help them to connect with people with different interests from their own. 80% of individuals surveyed agreed that Facebook apps help them to connect with people outside their home cities, and 69% agreed the apps help them to connect with people overseas.

The use of Facebook apps can even help to strengthen personal bonds – 77% of individuals surveyed agreed the apps help them to communicate more openly with friends and family as compared to when they communicate in person, and 84% believe that the apps help them to build closer and more meaningful relationships. In addition, 76% use the apps for work purposes.

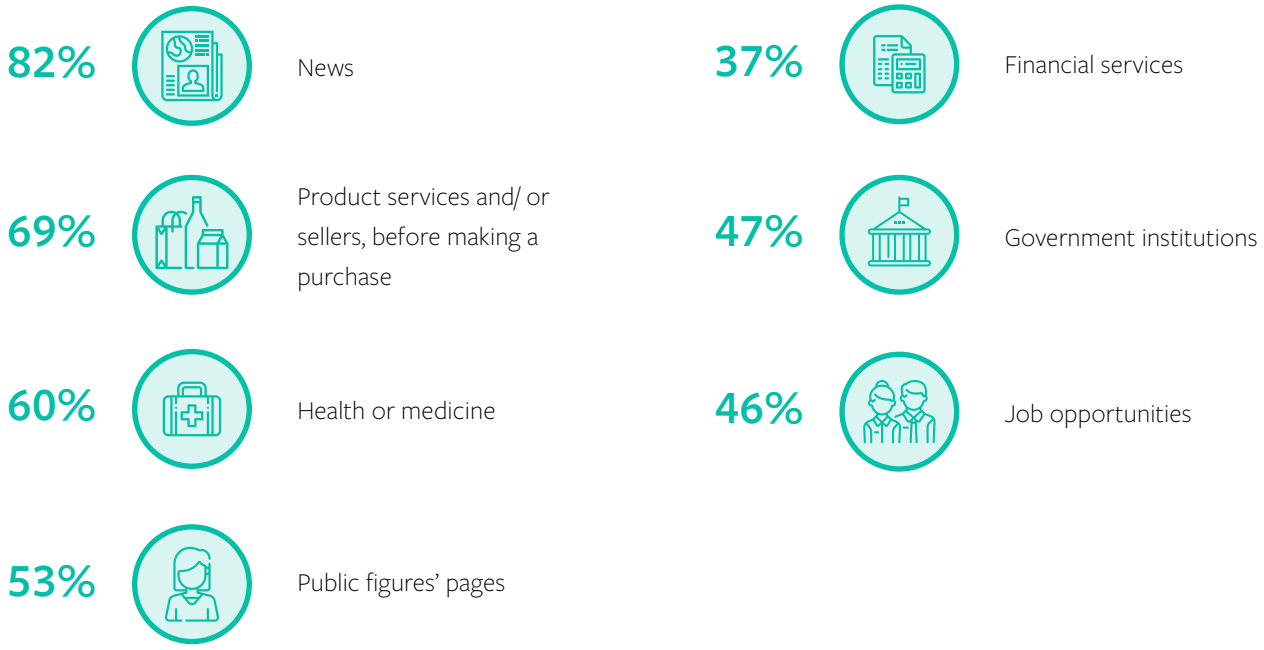
Some individual users face challenges using Facebook apps, 43% of users mentioned cost, and 41% mentioned speed of internet access in Indonesia. In fact, Indonesia is ranked 125 out of 177 countries according to the Speedtest Global Index.[46] The cost of internet access may be measured by reference to average incomes – an average Indonesian resident needs to work for 5 hours and 16 minutes to download one gigabyte of data, as compared with 2 hours and 51 minutes in Thailand and 3 hours and 51 minutes in Malaysia, although internet access is more affordable in Indonesia than in the Philippines (5 hours and 22 minutes) and Vietnam (6 hours and 4 minutes). Having said this, 78% of individuals agreed that Facebook apps make communication cheaper compared to offline means (e.g. SMS, phone calls).

[45]Survey questions asked about usage 'in the last three months'.
[46]Speedtest Global Index, Global Speeds; 2019.

Helping people to make better informed decisions

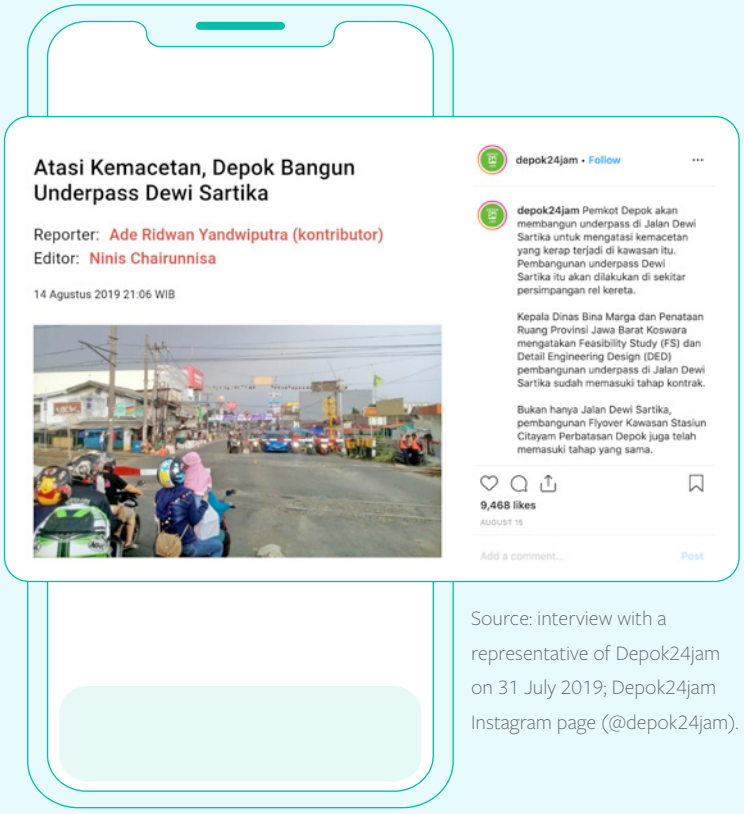
Facebook is not only about making and strengthening connections between people and groups- it also empowers individuals by helping them to make informed decisions about important aspects of their lives and even inspires them with new ideas. The survey indicated high usage of Facebook apps for discovering many types of information relating to interests, jobs, health, and inspirational public figures (see Figure 8).

Figure 8 _ Types of information individuals seek when using Facebook apps



A good example is provided by **Halodoc**, an online medical advisory business, which helps individuals to obtain reliable information and advice about health conditions and treatments. Halodoc has complemented its own apps with Facebook apps. It leveraged Facebook and Instagram Ads features, such as #SEHATDENGANHALODOC, Carousel, Video Ads, and Custom Audiences, to run a two-month campaign in 2017 to increase public awareness about its apps. The increased awareness and boosted engagement led to an increase of up to 4 times in the number of transactions in 8 weeks, and has led Halodoc to use Facebook apps to encourage Indonesians to be more diligent in obtaining health checkups, using various Halodoc Instagram content related to health issues.

"Facebook has been our trusted partner in providing quality app for users. It has proven itself by its powerful targeting features and app event optimization, which we used to accurately reach the right audiences. Facebook helps us design customized marketing campaigns to achieve business results," said Felicia Kawilarang, Halodoc VP of Marketing.[47] Facebook apps are also helping to make society better informed. News companies have responded to digital trends by shifting from paper-based media to online-based media, enabling real-time updates and allowing people to gather news from a greater variety of sources. This trend has been driven both by customer preferences and cost efficiencies. 82% of respondents reported consuming their news via Facebook apps. The apps also help individuals to gain other types of information, as shown in Figure 8.



Source: interview with a representative of Depok24jam on 31 July 2019; Depok24jam Instagram page (@depok24jam).

Depok24jam started on Instagram in September 2017 due to the founders' concern about the lack of news and information flow in the local community in Depok, a satellite city of Jakarta. Since then, it has gained 211,000 followers on Instagram, where it not only shares information updates to the public, but also leverages citizen journalism to receive more rapid updates than what could be achieved by professional journalists, and also to provide a greater variety of content on its page. Depok24jam's posts on Instagram may receive up to 700 comments, indicating high public engagement. Depok24jam's Instagram posts have helped many people in the area – from recovering a missing motorbike to finding a missing person within 24 hours after the alert.

[47]Facebook Business, Halodoc; 2019. Available at: https://www.facebook.com/business/success/halodoc

Many of the most important decisions people make are related to their finances, but many people are not familiar with the various types of financial services that are available, how to apply for them, how to maximize their potential, and how to protect themselves from fraud or deception. In 2018, Indonesia's financial literacy index was estimated by the Financial Services Authority (Otoritas Jasa Keuangan (OJK)) to be 31% .[48] From this very low level by global standards, digital platforms such as Facebook apps are helping to spread knowledge about financial services, as well as making them more accessible to the general population. Of individual users surveyed, 48% of those surveyed have seen content/advertisements related to financial services, 41% use the apps to learn about financial services and 37% use them to look for information about financial services.[49] 36% of individuals surveyed feel encouraged to apply for financial services after seeing content via Facebook apps. As an example, **Bareksa** uses the Facebook apps to simplify complex concepts and make them more attractive in the Facebook Apps, for example by showing users how they can save money to buy a motorcycle. It also facilitates both potential and existing customers to ask questions regarding the financial services it provides using Facebook apps.

Bank Rakyat Indonesia (BRI)
— helping customers to make informed financial decisions and gain access to financial services via WhatsApp

BRI is one of Indonesia's largest banks, which mainly caters to low to middle income groups, who make up around 40% of the Indonesian population. In 2018, BRI launched an AI-based customer service called Smart BRI New Assistant (SABRINA), which is available on Facebook Messenger and WhatsApp. In less than a year, SABRINA has been used by up to 150,000 customers on a monthly basis, making financial services more accessible to those who cannot easily get access to a branch of the bank. Furthermore, WhatsApp facilitates 500,000 BRILink agents (enabling branchless banking) to serve customers by helping them with new user activation, credit card and insurance registration, one-time passwords, and other functions. BRI's initiatives, as supported by Facebook apps, show how the apps can drive innovation in traditional banking financial services as well as promote financial inclusion by enabling personalized conversations at scale, helping the customers to make informed decisions in choosing financial products.

Source: Interview with a representative of BRI on 18 July 2019.

[48]Revised to: CNN, OJK Klaim 31 Persen Penduduk Indonesia Melek Keuangan, 2018. Available at https://www.cnnindonesia.com/ekonomi/20180521141246-78-299985/ojk-klaim-31-persen-penduduk-indonesia-melek-keuangan

[49]Another Facebook study with Boston Consulting Group also found that 44% of surveyed individuals in Indonesia discovered new financial services products via social media ads. See: Boston Consulting Group & Facebook, Zero Friction Future Report: Indonesia Financial Services; 2019.

Jouska

— spreading finance-related information on Facebook

Jouska, an independent financial consultancy firm, started using Instagram after the launch of the Instagram Story feature. It actively uses the feature to provide finance-related information (e.g. an explanation of "cashless society"). This is often followed with a related question to viewers (e.g. "which e-wallet do you like the most?") using the Question feature, or a Poll to encourage interaction with viewers. During an FGD, Jouska said it may receive up to 15,000 views and 3,200 direct messages per story.

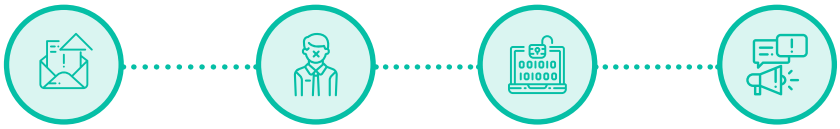
Source: FGD with a representative of Jouska on 31 July 2019.

Facebook allows people to use our apps to challenge ideas and raise awareness about important issues, but Facebook remove content that violates our *Community Standards*. 71% of individuals surveyed feel they are able to express their opinions freely and confidently on Facebook apps and 79% agreed that content shared on Facebook apps exposes them to different ideas and opinions from their own.

In order to keep its users safe, Facebook seeks to prevent abuse on its platforms by encouraging all users to behave responsibly. Facebook have also published and seek to enforce our Community Standards, which cover key topics as shown in Figure 9. The Community Standards[50] include five key values:

- Voice: To create a place for expression and give people voice. Facebook want people to be able to talk openly about the issues that matter to them, even if some may disagree or find them objectionable.
- Authenticity: The content people are seeing on Facebook is authentic. Facebook believe authenticity creates a better environment for sharing.
- Safety: Expression that threatens people has the potential to intimidate, exclude or silence others and isn't allowed on Facebook.
- Privacy: Facebook is committed to protecting personal privacy and information. Privacy gives people the freedom to be themselves, and to choose how and when to share on Facebook and to connect more easily.
- Dignity: Facebook believe that all people are equal in dignity and rights.

Figure 9 _ **Key topics covered by Facebook's policies**



Direct Threats	Fake Accounts	Commercial Spam	Hate Speech
Self Harm	Sexual Violence	Identity Theft	Terrorism
Violent Groups	Child Exploitation	Deceased Members	Graphic Violence
NCII/Sextortion	Authentic Identity	Financial Fraud	Offensive Humor
Bullying/Harassment	Impersonation		Irresponsible Behavior

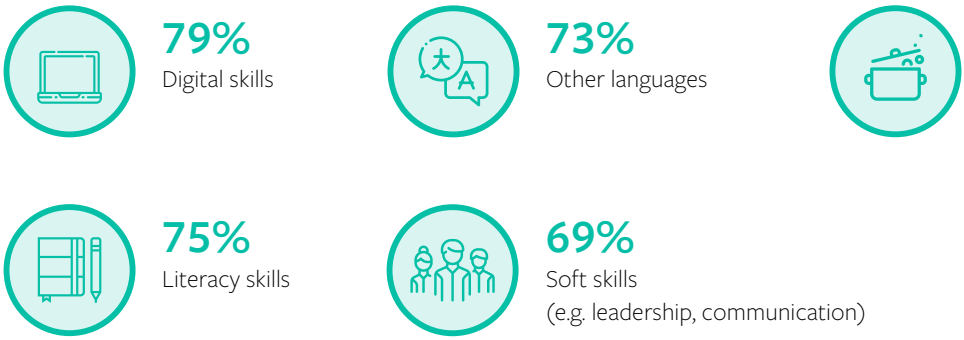
[50]Facebook, Community Standards; 2019. Available at: https://www.facebook.com/communitystandards

Enhancing individuals' digital and other skills

Use of Facebook apps enables people to enhance a wide range of soft skills as well as vocational skills, as shown in Figure 10. 43% of individuals surveyed said that they have used the apps to find information regarding a specific skill they would like to develop.

81% of individuals surveyed say they have used the apps to learn a skill. Figure 10 shows the different types of skills which individuals agreed they improve or learn using Facebook apps.

Figure 10 _ **Individuals' use of Facebook apps to develop or improve skills**



> **81% of individuals surveyed say they have used the apps to learn a skill**

Facebook apps also enable people, including individual experts, professionals or simple enthusiasts to share opinions, tips, study materials, advice, tutorials, and other forms of educational materials. One example of this is **Guru Belajar Denpasar**. In 2017, Ibu Jentina started this community through Facebook Group. The community brings together Indonesian teachers, who use Facebook Group, Instagram, and WhatsApp Group to share best practices and teaching materials with each other, in hopes of improving the delivery of education. Guru Belajar Denpasar uses WhatsApp Group for all activities and discussions, which eliminates the need for physical meetings that may be difficult for some to attend, enabling teachers from anywhere and everywhere to join. Use of Facebook apps has thus helped the community to extend its reach from 8 to over 100 regencies across Indonesia, totaling over 1,000 teachers – including those from remote areas. Due to the strength of the community, they have driven change in some schools to make the curriculum more tailored to the needs of the individual students, instead of simply complying with the national curriculum.[51]

[51] Interview with a representative of Guru Belajar Denpasar on 29 July 2019.

Enhancing digital literacy and building trust in social media

A key element of digital skills, which are required for users to realize the benefits of digital technology, is digital literacy. UNESCO defines digital literacy as "the ability to access, understand, integrate, communicate, evaluate, and create information safely and appropriately through digital technologies".[52]

Facebook believes it is important to build a community which is digitally literate. Through Facebook's *Think Before You Share* program, for example, Facebook has aimed to help Indonesians develop empathy and critical thinking skills when using social media.[53]

Facebook in collaboration with Yayasan **Yayasan Cinta Anak Bangsa** (YCAB), and **Sudah Dong**, a social media anti-bullying community, launched the "Think Before You Share" guide in 2016. The guide offers teens guidance on how to be mindful of what they share on Facebook, and to better understand the implications of what they might post. This guide also includes basic internet safety tips and digital literacy skills relevant for young Indonesians. Using this module, YCAB and Facebook have hosted workshops in 100 high schools for students in Jakarta and surrounding cities.[54]

Facebook also launched *Asah Digital*, a program to elevate digital literacy among Indonesians and to equip them with all the necessary skills to be safe online. In partnership with **YCAB, Siberkreasi, and Persatuan Guru Republik Indonesia (PGRI)**, this program provides workshops open to all Indonesians, for both new or existing internet users; also teachers, students, and parents. Facebook also collaborates with experts, academics, non-governmental organizations (NGOs), and civil society organizations across Asia Pacific to develop modules as learning resources for this program. *Asah Digital* is part of *We Think Digital*, a global program which has been modified according to local needs.

[52]UNESCO, A Global Framework of Reference on Digital Literacy Skills for Indicator 4.4.2; 2019.
[53]Please refer to Appendix D for further details.
[54]YCAB Foundation, Facebook and YCAB Launch Digital Literacy Program as "Think Before You Share" campaign continues for second year; 2017.

ICT Watch
— promoting digital literacy

ICT Watch is a non-profit organization that is committed to keep Indonesia's internet ecosystem positive and productive under three pillars: cyber ethics, internet rights, and digital skills. Its significance to national digital literacy can be seen from its program, Internet Sehat, which has been acknowledged by the United Nations as the model strategy to inform the public about online ethics and digital literacy. Facebook and Instagram are a great help to ICT Watch to raise awareness regarding their digital literacy programs. For example, each week they host Lenong Digital Rakyat, which is live streamed through Facebook Live and Instagram Live in order to facilitate discussions with the public regarding current digital literacy issues. There are hundreds of viewers for each episode. ICT Watch has also collaborated with various stakeholders to help develop and accelerate the planned personal data security law.

Source: Interview with a representative of ICT Watch on 4 July 2019.

Improving digital literacy in Indonesia and empowering Indonesians with the skills needed to be informed and safe online are imperative in this digital era. Since 2016, Facebook has run a strategy called "Remove, Reduce, and Inform" to manage problematic content across Facebook apps. This involves providing content that violates Facebook's *Community Standards*, reducing the spread of problematic content that does not violate Facebook policies and informing people with additional information so they can choose what to click, read or share.

Remove
Facebook has Community Standards that outline what is and isn't allowed on Facebook. They cover things like bullying, harassment and hate speech, and Facebook removes content that goes against Community Standards as soon as Facebook become aware of it.

Reduce
There are types of content that are problematic but don't meet the standards for removal under Facebook Community Standards, such as misinformation and clickbait. In the past few years, Facebook has focused heavily on reducing misinformation on its platforms. Facebook is getting better at taking action against fake accounts and coordinated inauthentic behavior[55] by using both technology and people to fight the rise in photo and video-based misinformation. Furthermore, Facebook also partners with credible local partners in its third-party fact checking program, namely **Kompas**, **Tempo**, **Liputan6**, **Tirto**, **Mafindo** and **AFP**. Mafindo also does fact checking on WhatsApp in Indonesia.[56]

Inform
Facebook is investing in features and products that give people more information to help them decide what to read, trust and share.

[55]Facebook, Taking Down Coordinated Inauthentic Behavior in Indonesia; 2019. Available at: https://newsroom.fb.com/news/2019/01/taking-down-coordinated-inauthentic-behavior-in-indonesia
[56]CNBC Indonesia, Bendung Hoaks, Intip Langkah Facebook dan WhatsApp; 2019. Facebook Business, Fact-Checking on Facebook: What Publishers Should Know;2019.

Mafindo
— From family Facebook Group to professional fact-checking organization

The Indonesian Anti-Hoax Society (Mafindo) was founded in 2015. One of the founders, Harry, started Mafindo as a Facebook group because he was concerned with the increasing amount of misleading information being spread online. What started as a family group for Harry to discuss and debunk hoaxes with his daughters, has evolved into an NGO with nine professional fact-checking staff. On average, they expose 200-300 hoaxes a month. They may be small in size, but they have 65,000 members on their Facebook Group. Each day, the members post items of information that they think are false, and actively participate in the verification process. Mafindo has also developed Kalimasada, a chat bot on WhatsApp to which people can forward messages that they are suspicious about and receive an automated response on whether the information that they forwarded is false or not. Mafindo is one of the first organizations to have developed this type of anti-hoax software, inspiring multiple organizations in other countries to follow its example.

Source: Interview with a representative of Mafindo on 9 July 2019.

Enabling civic engagement

Facebook apps enable users to easily take a step beyond simply expressing support for the causes that they care about, but also by becoming actively involved.

More than 100 million people living in Indonesia are part of Facebook Groups that have been active in the past month, and there are more than 7.5 million monthly active Groups in Indonesia. 65% of individuals surveyed agreed that the apps have helped them to be aware about social events and philanthropic activities. In the FGD, a youth group **Young on Top Bali** said that they find Facebook apps useful as a way to recruit volunteers.[57]

Some organizations have run successful campaigns using Facebook apps. World Cleanup Day is a major international civic movement, uniting 157 countries across the world to campaign for a cleaner planet. In Indonesia, the use of the Facebook apps has played a major role in its success. It has a chapter in each of the 34 provinces, and each chapter uses its Facebook and Instagram accounts to ask local citizens about hotspots that have a lot of plastic waste. Once they have verified the information, they coordinate with the other chapters on WhatsApp for them to collect the plastic waste for recycling. As a result of using the hashtag #Kami13Juta, more than 13 million Indonesians participated in a global act of environmental conservation in 2018, gathering more than 2.5 tonnes of plastic waste in one day.[58]

> **“ More than 100 million people living in Indonesia are part of Facebook Groups that have been active in the past month, and there are more than 7.5 million monthly active Groups in Indonesia**

[57]FGD with a representative of Young on Top Bali on 29 July 2019.

[58]FGD with a representative of World Cleanup Day on 6 August 2019.

Sabang Merauke
— promoting diversity and tolerance online and offline

Source:
Interview with a representative of Sabang Merauke on 27 June 2019.

Sabang Merauke has been running inter-regional cultural exchange programs for the purpose of deepening understanding of cultures and beliefs since 2013. It aims at enabling 20 Indonesian students each year from 13-15 years old from remote areas to participate in the program, so that they can become agents of change in their hometowns. In its promotional efforts, Sabang Merauke only uses online media, such as Facebook and Instagram. Facebook helps them to find volunteer host families. On Instagram, they say that they are able to share pictures with strong narratives, which has proven to be very effective in attracting donors and event volunteers, who have approached them through Direct Messages. To date, there have been 450 alumni of the program who are now able to promote cultural diversity to local communities across Indonesia. Tidar Rachmadi, co-founder of Sabang Merauke said, "In this day and age, it is imperative to promote diversity and tolerance. We believe online platforms such as Facebook Groups and Pages, strengthen physical communities by helping people come together online as well as offline, even across great differences."

Kitabisa.com
— raising funds online for causes people care about

Kitabisa.com is an online fundraising and donation website in Indonesia, with 359,000 followers on Instagram. It has been used by thousands of users consisting of global NGOs, local foundations, communities, public figures, and anyone who wants to raise funds for social purposes and help others. One of Kitabisa's users is Proud Project, which utilizes the power of storytelling to help people. One of Proud Project's 100,000 followers on Instagram read about Pak Uung, a street seller who fell victim to fraud and was unable to go on Hajj, and organized an online fundraising for him on kitabisa.com. At the end of the fundraising, IDR 209 million was collected and given to Pak Uung for him to go on Hajj. On average, Proud Project receives 7,648 likes per post and achieves 75,765 unique visits per post.[59]

Source: Interview with a representative of Kitabisa.com on 10 September 2019; Kitabisa.com, 2019. *Bantu Proud Project Foundation Terus Bercerita*. Available at: https://kitabisa.com/campaign/bantuproudproject

[59]Kita Bisa, Bantu Proud Project Terus Bercerita; 2019. Available at: https://kitabisa.com/campaign/bantuproudproject

Helping to build and strengthen community organizations to create social impact

> **“ 56% of individuals agreed they have become aware of social issues due to content circulated on Facebook apps**

Not-for-profit organizations and communities play a key role in binding society together. According to Gallup, 53% of Indonesians have at some point volunteered their time to an organization (as compared with 18% globally),[60] and 420,000 civil society organizations are registered at the Ministry of Home Affairs.,[61] Facebook apps make it easier for people to find out about and support the causes they care about.

56% of individuals agreed they have become aware of social issues due to content circulated on Facebook apps, including the use of hashtags such as #JakartaBebasSampah, #MeToo, or #BodyPositivity, and 65% have been able to participate in events because of the apps.[62] 60% have spread awareness of a cause by posting and providing comments on the apps.

The mobility and urbanization trends mentioned earlier create a need for the continuous rebuilding and strengthening of communities.

By connecting people who share common or different interests, Facebook apps enable people to engage with one another without needing to meet in person. 94% of community organizations, including offline and online based, agreed that Facebook apps make them feel more connected with their members. Furthermore, Facebook provides features that allow anyone to easily create a new community or Facebook Group with just a few clicks. For example, **Sempugi** is a group which seeks to share cultural information for visitors to South Sulawesi from other regions including from Malaysia and other countries. Its origins were offline, but it has now been able to expand online, with 25,000 members on its Facebook Group. Their founder says: “In the face of modernization, Facebook apps help us to preserve the culture that has been developed by our ancestors for generations.”[63]

Community organizations need to continuously regenerate, by recruiting new members and stimulating the interest of their existing members by means of new events, activities, and discussions. Almost all of the organizations surveyed use Facebook apps to gain new members, supporters or users from their own city, other cities and even other countries, as shown in Figure 11.

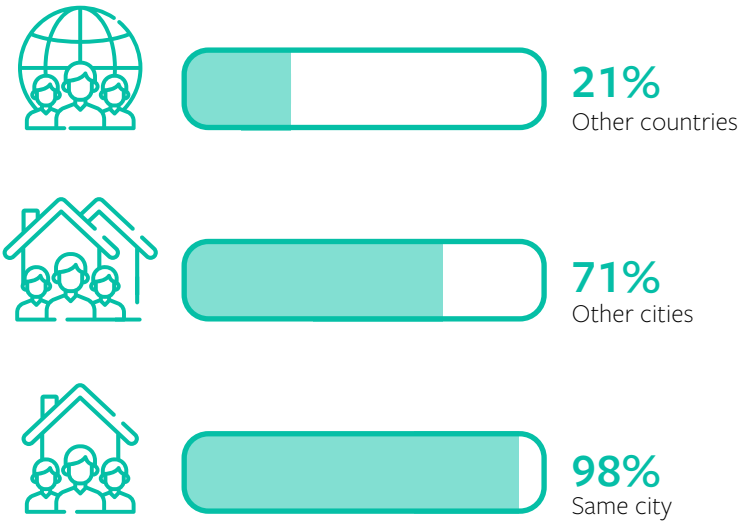
[60]Gallup, The 2018 World’s Most Generous Countries Report; 2018. This is consistent with BPS data: 85% of people in Indonesia aged 10 years and above participated in social/philanthropic activities in 2018. See: BPS, Statistik Sosial Budaya 2018; 2018..

[61]Kompas, Kemendagri: 420,381 Ormas Terdaftar di Indonesia; 2019. Available at: https://nasional.kompas.com/read/2019/08/01/18223501/kemendagri-420381-ormas-terdaftar-di-indonesia

[62]Hashtags are words or phrases preceded by a hash sign (#), which are used on social media to identify certain topics.

[63]FGD with a representative of Sempugi in 23 July 2019.

Figure 11 _ Percentage of community organizations using Facebook apps to gain new members or supporters, from their own city and beyond



94% of community organizations surveyed agreed that the use of Facebook apps has increased the amount of support that they have received regarding the cause that they promote. **Trompela Ambon**, a brass music group from Maluku Protestant Church, collaborated with another group that sings Islamic songs. The collaboration attracted millions of views nationally and internationally because it was shared widely on Facebook apps, and has helped to promote peace and inter-religious understanding in a post-conflict context - an outcome which would have been difficult to achieve without the help of Facebook apps.[64]

***Single Moms Indonesia** — online and offline support to help mothers cope on their own*

Source:
Based on an interview conducted with a representative of Single Moms Indonesia on 27 June 2019.

Single Moms Indonesia (SMI) is a support group for Indonesian single mothers, initiated by Maureen Hitipeuw who was inspired to help others after going through a divorce. Today, there are approximately 1,500 members of SMI, across the whole of Indonesia and abroad. SMI aims to provide a safe on-line haven for single mothers to help rebuild their lives after divorce or loss of their spouse, as well as to support those who are single mothers by choice. Being a single parent is no easy task. They are faced with issues on multiple fronts, whether financial or emotional, including discrimination from society, or even their family. Dewi (not her real name), for example, was overwhelmed with severe depression. When she shared her feelings on SMI's Facebook Group, she immediately received many online "big hugs" from her fellow members who helped to lift her up from rock bottom. SMI has used WhatsApp to create regional support groups for members and this enables them to form smaller local support networks. SMI not only provides emotional support, but also seeks to empower its members economically by hosting a weekly program called Sunday Market. Under this program, members are encouraged to innovate and sell their products through SMI's Facebook Group. In recognition of Maureen's success in building an impactful community, she was one of the 115 community leaders globally who were selected to join the Facebook Community Leadership Program in the US. She said: "Through this program, I learnt so much from Facebook, and the mentors that Facebook provided, about how to manage and grow a community, as well as improving my leadership skills."

[64]FGD with a representative of Trompela Ambon in on 6 August 2019.

Sudah Dong
— tackling the causes and supporting the victims of bullying

Source:
Interview with a representative of Sudah Dong on 1 August 2019.

Sudah Dong is an anti-bullying organization that was established in 2014 by Katyana Wardhana, who at the time was still a high school student. She was moved by seeing widespread bullying cases that caused many children in Indonesia to be emotionally scarred and discouraged from going to school, thus missing out on vital education. Sudah Dong is mostly active on Instagram, where they share content about bullying, including how to stop and prevent it from happening. They have received countless Direct Messages from victims sharing their plight, and this enables them to provide emotional support and advice. Subject to the victim's consent, they share stories anonymously on their Instagram feeds as a way to raise awareness about the adverse effects of bullying. Through their social media content, there have been many cases where their followers were inspired to speak up about bullying, including those who admitted to having been bullies. Sudah Dong's effort has captured wide attention, resulting in visits to over 100 schools and/or universities where they have provided materials about the implications of bullying. They have also collaborated with local and international partners, such as the Financial Services Authority, Coca Cola, IBM, and UNICEF and 70% of these collaborations have been originated or developed through Facebook apps.

The majority of community organizations believe Facebook apps have become an essential tool to aid their growth. 93% of community organizations surveyed agreed that the use of Facebook apps drives growth and development of their organization. In fact, many new groups have only been created with the help of the apps, and many existing groups have been changed from irregular gatherings with fixed agendas to dynamic communities which interact continuously in real time, creating a much greater sense of community. 82% of community organizations surveyed reported interaction amongst group members through the apps on a daily basis.

Many community organizations view online and offline activities as being complementary. For example, groups can use features such as Create Event to help organize a physical event, or Create a Poll to consult members about different issues, saving administrative time and effort in both cases. **Legal Aid Agency** (LBH) in Makassar, which provides legal advice to those who cannot afford to pay for it, is an example of a group which is able to use all aspects of Facebook apps to reach out to those who need its services. It uses WhatsApp to arrange consultations, for instance.[65] Other organizations, such as **KISARA Bali** (page 50) and **Sudah Dong** (page 47), even use WhatsApp or Instagram direct messages to provide personal advice, and are therefore able to assist people who cannot travel to the group's office, reaching a greater number and diversity of beneficiaries with their limited resources. This is not just a question of efficiency, however, since many clients may find the anonymity of a WhatsApp discussion to be more comfortable than a face-to-face meeting when discussing personal issues.[66]

Facebook apps have even enabled the provision of support to people with dire health conditions. **WeCare** is a crowdfunding platform for those who cannot afford their hospital bills. It uses Instagram to post information about patients that are in need of support, and also uses Instagram Ads to attract funds.[67]

[65]FGD with a representative of LBH Makassar on 23 July 2019.
[66]FGD with a representative of KISARA BALI on 29 July 2019 and Sudah Dong on 31 July 2019.
[67]FGD with a representative of WeCare on 31 July 2019.

To support this online and offline interaction, Facebook created *Ruang Komunal Indonesia*, a physical community hub in Jakarta, to help online community organizations in maximizing their potential. It enables community organizations to meet physically, learn from each other, network and collaborate to execute their ideas, develop missions and create impact. It also offers capacity-building programs for community leaders to build and grow their community, and to use social media effectively.

Community organizations need to personalize their messaging in order to stay relevant. By using Facebook apps, community organizations are able to tailor their activities to specific individuals or to client groups. For example, **Parentalk**, an advocacy group focusing on parenting issues, analyses the feedback on their posts so that they can tailor their future content to increase the number of their supporters – an example of the impact of such use is that they once achieved 24,000 "likes" for a single post.[68] Given the importance of social media in their work, they also collaborated with Instagram and the Ministry of Women and Children to launch "A Parents Guide to Instagram."[69] In addition to enhancing their own organizations, Facebook apps make it easier for groups to create networks, and many small groups highlight the ability to collaborate with each other and with other groups online in order to expand their reach. For example, Parentalk creates content which is of interest to its members by collaborating with businesses such as Nutrifood, a health food business which connected with them through Facebook apps, and it has created a talk show on the subject of nutrition planning.[70]

A presence on Facebook apps can also offer the credibility and transparency that is needed to support fundraising efforts.

Indorunners
— promoting healthy lifestyles online

Source:
Interview with a representative of Indorunners on 23 July 2019.

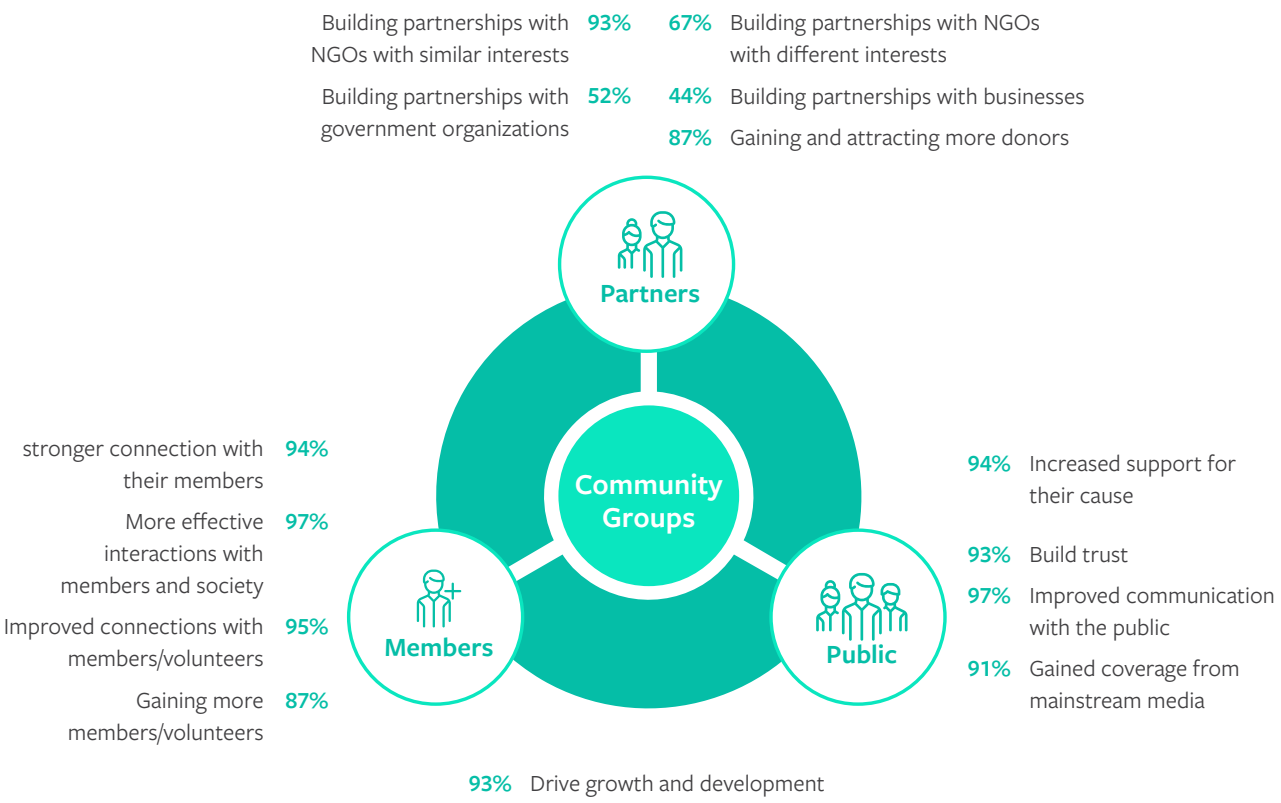
In 2009, Reza Puspo, an avid daily runner, was concerned that most Indonesians do not take regular exercise. He created **Indorunners** with the purpose of "spreading a 'virus' that creates an addiction to running". The on-line community he founded on Facebook has gained a massive following, with over 66 chapters spread across Indonesia and approximately 200,000 members on its Facebook accounts. As the first running community in Indonesia to have an online presence, Indorunners spreads the running virus through the apps, by posting about running events, exercise tips, nutrition facts and diet plans, as well as hang-out schedules. One Indorunners member in Balikpapan who initially suffered from diabetes and obesity is now reported to enjoy improved health thanks to being inspired by Indorunners' regular programs and other content on its pages. Indorunners believes their online presence has contributed to a shift in people's attitude to running from being a strenuous activity for those who want to be fit into a cool lifestyle that people want to adopt. Indeed, the running euphoria is reflected in the increasing number of running events across Indonesia in the past 10 years: from less than 10 events a year in 2009 to 384 running events in 2018 alone.

[68]FGD with a representative of Parentalk on 31 July 2019.
[69]Parentalk, Panduan untuk Orang Tua: Cara memulai Diskusi tentang Instagram dengan Anak Remaja; 2019. The guide can be downloaded here: bit.ly/panduaninstagrampdf.
[70]FGD conducted with a representative of Parentalk on 31 July 2019.

RUMAN Aceh, a group which provides libraries and pre-school education in Aceh, has been able to attract funding from foreigners in Europe and the Middle East, as well as Indonesians abroad, as news about its activities has been shared between friends.[71]

Use of Facebook apps is much more than a means of communication for these groups, however. Many use the apps in other aspects of their organization. For example, 97% use the apps to share information, 85% to promote seminars and workshops, 90% to gain feedback and 96% to communicate with other organizations. Figure 12 shows the variety of positive impact arising from the use of Facebook apps. This is especially useful for smaller groups which have few or no paid members of staff. For example, **Blood for Life Foundation** uses Instagram for fundraising purposes, and WhatsApp Group to coordinate its mobile blood transfusion service and to maximize the number of donors when its vehicle is visiting a particular locality.[72] Despite having limited resources, some small groups even prioritize the hiring of a social media manager to capitalize on the utility and impact of using Facebook apps.

Figure 12 _ **Impact of Facebook apps on community organizations***



*Percentage of groups who agreed/strongly agreed that Facebook apps help achieve the stated impact

[71]FGD with a representative of RUMAN Aceh on 23 July 2019.
[72]FGD with a representative of Blood for Life Foundation on 23 July 2019.

The interactions and reach, which the Facebook apps enable, combined with the ability to tailor content, offer a platform for the promotion of diversity and social inclusion.

46% of community organizations surveyed said that they are able to access specific target groups, such as women, disabled people, and the elderly, whom they might not be able to reach in other ways. Organizations also find it easier to target millennials by using social media rather than conventional means. For example, **KISARA Bali** is a community which informs and empowers female youth in dealing with sensitive personal issues like sexual health and relationship problems. Facebook apps help KISARA Bali to reach this target group across the whole of Bali by providing personal counselling via WhatsApp and interactive discussion between the community, its members and followers via Instagram. In particular, the community uses the Questions feature on Instagram Story to ask viewers what topics they want to discuss, and these are then discussed during their offline events.[73]

Sahabat Hinterland is a community organization which aims to spread awareness regarding the poor conditions in the small islands that surround Batam, often referred to as the Hinterland. Many teachers in the hinterland are only high school graduates, making them underqualified to teach. The schools are also often rundown due to budgetary constraints. Sahabat Hinterland mostly relies on Instagram to spread awareness regarding their activities, which includes providing capacity building for teachers and students, as well as rebuilding schools. People who are interested in their cause may join through a link that is provided on its Instagram account. Currently, it has approximately 150 active volunteers, referred to as Hinterland Warriors, that assist the community in achieving their goals by providing the necessary funds, knowledge, and energy to support its programs.[74]

[73]FGD with a representative of KISARA Bali on 29 July 2019.
[74]FGD with a representative of Sahabat Hinterland on 6 August 2019.

facebook
Think before you Share

SNAPSHOT: EMPOWERING INDIVIDUALS & COMMUNITIES

This data provides and overview of the uses and impact that Facebook apps including Facebook apps (Facebook, Messenger, Instagram, and WhatsApp) have had for individuals and communities in Indonesia.

Empowering individuals and supporting meaningful interactions

Uses and impact of Facebook apps for individuals surveyed

98%
use at least one Facebook app

81%
connecting with friends or new people with similar interests

63%
connecting with people with different interests from their own

84%
building closer and more meaningful relationships

80%
connecting with people outside their home city

69%
connecting with people overseas

Helping people to make better informed decisions

Facebook provides an important source of information for individuals across a variety of topics including:

News—82%
Products/services—69%
Interests—63%
Jobs—46%
Health—60%
Inspirational public figures—53%

Financial services

Of individual users surveyed:

48% have seen content/advertisements related to financial services on the apps

41% use the apps to learn about financial services

37% use the apps to look for information about financial services

36% feel more encouraged to apply for financial services after obtaining relevant information through Facebook apps

Enhancing individuals' digital and other skills

81% of individuals surveyed say they have used the apps to learn or improve a skill:

- **79%** Digital Skills
- **73%** Other languages
- **69%** Soft Skills
- **75%** Literacy Skills
- **69%** Vocational Skills

Helping to build community organizations and facilitating support for good causes

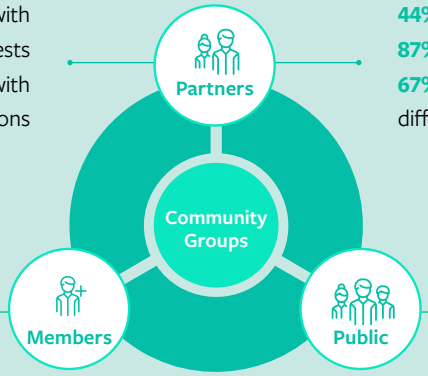
65% of individuals agreed that the apps help them to be more aware about social events and philanthropic activities

Uses and impact of Facebook apps for community organizations

Uses

- **98%** gain new members in their city
- **71%** gain new members in other cities
- **21%** gain new members in other countries
- **97%** share information
- **95%** promote seminars and workshops
- **96%** communicate with other organizations
- **90%** obtain feedback from members

Impact



Partners

- **93%** Building partnerships with NGOs with similar interests
- **52%** Building partnerships with government organizations
- **44%** Building partnerships with businesses
- **87%** Gaining and attracting more donors
- **67%** Building partnerships with NGOs with different interests

Community Groups

- **94%** stronger connection with their members
- **97%** More effective interactions with members and society
- **95%** Improved connections with members/volunteers
- **87%** Gaining more members/ volunteers

Public

- **94%** Increased support for their cause
- **93%** Build trust
- **97%** Improved communication with the public
- **91%** Gained coverage from mainstream media

93% growth and development of their organization

Survey respondents for individuals were located across 34 provinces in Indonesia. The 1,220 respondents included 550 internet users and 670 non-internet users. Whereas, survey respondents for community organizations were located across 15 cities in Indonesia. The 565 community organizations cover a range of of community organization, from political parties to social care organizations, religious groups, campaigning groups, and hobby clubs, to ensure the total sample reflected the general distribution of types of community organizations across Indonesia. Both surveys were conducted between 27 June 2019 and 6 August 2019.

4 ENABLING EFFECTIVE DIGITAL GOVERNMENT

The Indonesian Government's 2024 Vision includes plans to develop the country's infrastructure and human resources, reform the bureaucracy to make government more agile, improve investment facilitation and improve the value for money of government spending. In this context, the use of Facebook apps can help to increase the effectiveness of government communication and coordination, provide an additional channel for communicating directly with the people, and assist with the personalization of services, including in times of crisis and major events. The apps can also help increase public participation in policy-making, support greater two-way communication and thereby promote transparency, trust and effectiveness in government.

The findings in this chapter are based on the offline survey of 410 officials at government institutions at national, provincial and municipal level, which use Facebook apps.[75]

The strategic context for government use of Facebook apps

On 14 June 2019, President Jokowi outlined his Government's priorities for the 2019–2024 term. The plan comprises five elements: continued development of infrastructure, investment in human capital, better value for money for the state budget, increased investment, and bureaucracy reform.[76]

Digitalization can be one of the keys to improving the efficiency of government in order to achieve President Jokowi's vision. Facebook apps can support the implementation of this vision in many ways. Specifically as regards the objectives of improved value for money for the state budget and bureaucracy reform to make government more agile, Figure 13 shows that many government agencies use Facebook apps extensively in many aspects of policy making, service planning, and service delivery and find it a great enabler for efficiency. The apps also enable public services to be more personalized and targeted to those who use them, all of which support the objectives of improved value for money and making bureaucracy more agile.

[75]Survey respondents were located across 15 cities in Indonesia. The 410 officials surveyed were categorized by level: central, provincial, and municipal institutions. The sample included 251 (61%) municipal government, 100 (24%) provincial government, and 59 (14%) central government officials. See Appendix A for further details

[76]Jakarta Post, 'We can be one of strongest countries in world': Jokowi's full speech; 2019.

As regards infrastructure, Facebook welcomes the continued development of national telecommunications infrastructure, as well as technologies, business models and partnerships, which will help to amplify the positive socio-economic impact of the apps for individuals, communities, businesses and Government. In support of this, Facebook has launched the following programs (among others) to accelerate connectivity:

- **Free basics**: through partnerships with mobile operators, Free Basics provides people with access to basic services — such as communication tools, health information, job sites, and education services — without data charges. By enabling people to experience the benefits of connectivity for free, Free Basics provides an on-ramp to the broader internet. Any mobile operator can choose to participate, and Free Basics is open to any service that meets the program's technical criteria, which are openly published.
- **Express Wi-Fi:** Express Wi-Fi is a software platform that helps service providers and mobile network operators to build, operate, grow and monetize their Wi-Fi business in a sustainable and scalable way. Facebook has announced a partnership with BaliTower to provide fast, affordable, and reliable access to the internet over Wi-Fi. BaliTower will use the Express Wi-Fi platform to strengthen and support its existing Wi-Fi hotspots available in more than 100 commercial buildings and 3,000 microcell poles across Greater Jakarta and Bali.
- **Terragraph**: Terragraph is a gigabit wireless technology designed to meet the growing demand for reliable, high-speed internet access in urban and suburban environments. The technology provides a fast, affordable and easy way to deploy alternatives to fiber optic cables, and can support use cases such as fixed wireless access and public Wi-Fi and provide the underlying connectivity for Smart City services. In 2018, Facebook and XL conducted a trial of Terragraph in Kota Tua, Jakarta delivering public WiFi to thousands of users during the Asian Games.
- **Analytics**: Mobile operators and device manufacturers need better insights into how demand varies across their network and product portfolios. Facebook has developed Connectivity Analytics tools for connectivity partners to help them understand the market, better deploy their network to improve network coverage and speed, and improve their business decisions including products and services so that they can continue to invest in connectivity in the future. In collaboration with an Indonesian telecommunication company, Facebook has supported the improvement of their 3G and 4G network coverage, speed, and latency of their services for 2.3m people. The information that Facebook shares is aggregated and de-identified, meaning that it does not share anyone's individual information.

In support of the human capital element of the vision, as noted in Chapter 3, many people use Facebook apps to gain new skills, including digital literacy and skills, and access to information about healthcare, which means their use will continue to be a catalyst in support of the further improvement in both Indonesia's human capital and its public health. A report by the Center for Strategic and International Studies & Facebook found that public and government services would not only benefit from more intensive use

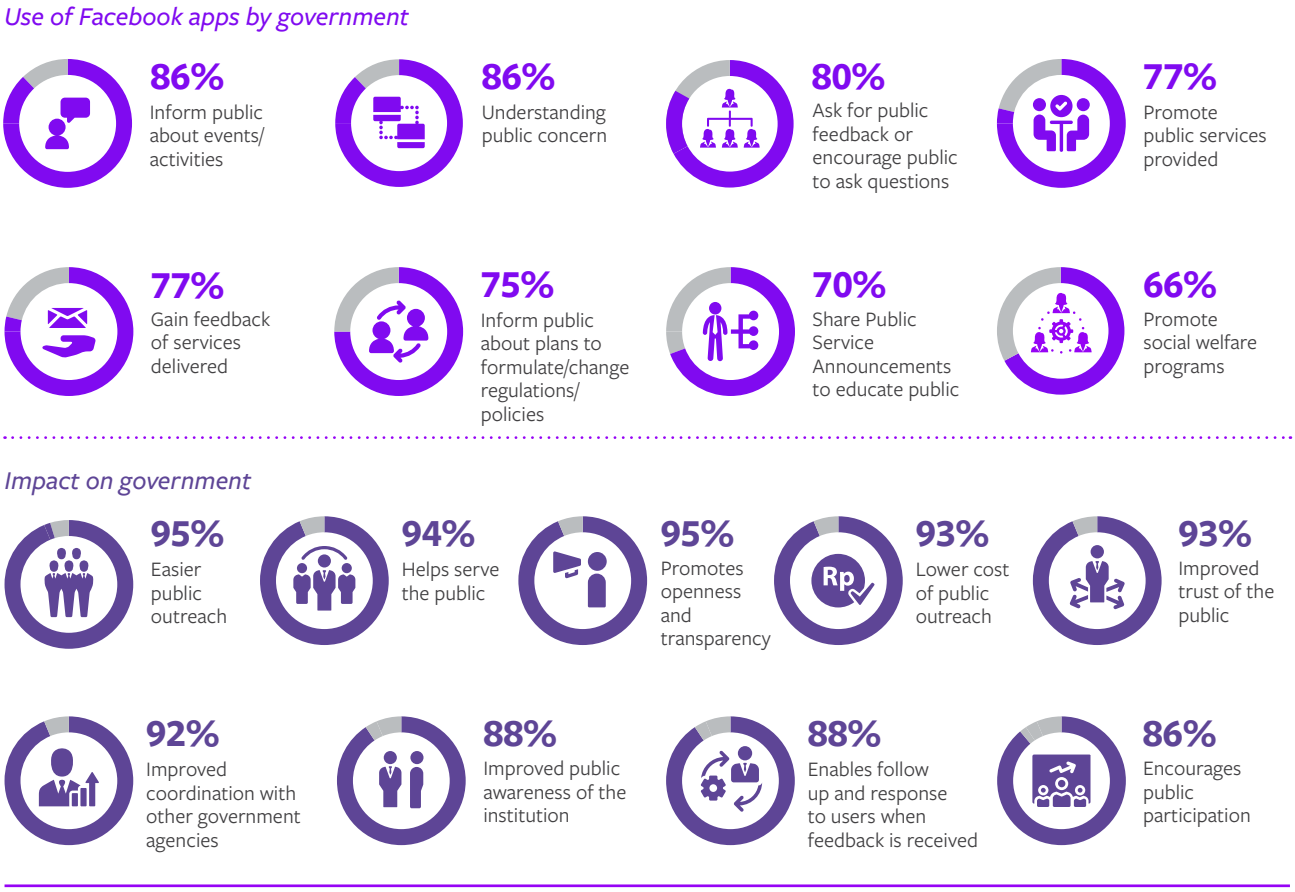
of digital technology in administration and community participation, but also from its application in education and health, for example to facilitate more effective exchange of information and closer communication between teachers and students, and between health practitioners and the public.[77]

Finally, regarding the investment element of the vision, the Indonesian Investment Coordinating Board (BKPM) has reported USD 3 billion Foreign Direct Investment realized in the digital sector and ranks the digital economy at the top of Indonesia's most promising investment opportunities.[78]

In support of this, our survey found that 54% of business respondents use Facebook apps to find information about potential investors.

The potential benefits of Facebook apps to government organizations are illustrated in Figure 13, which shows the percentage of government respondents which use the apps for different functions and the impact which they believe the apps have across a range of areas of activity. It shows that many government agencies use Facebook apps for a wide variety of activities and believe they gain significant benefits in terms of effectiveness, openness and transparency, contributing to greater trust.

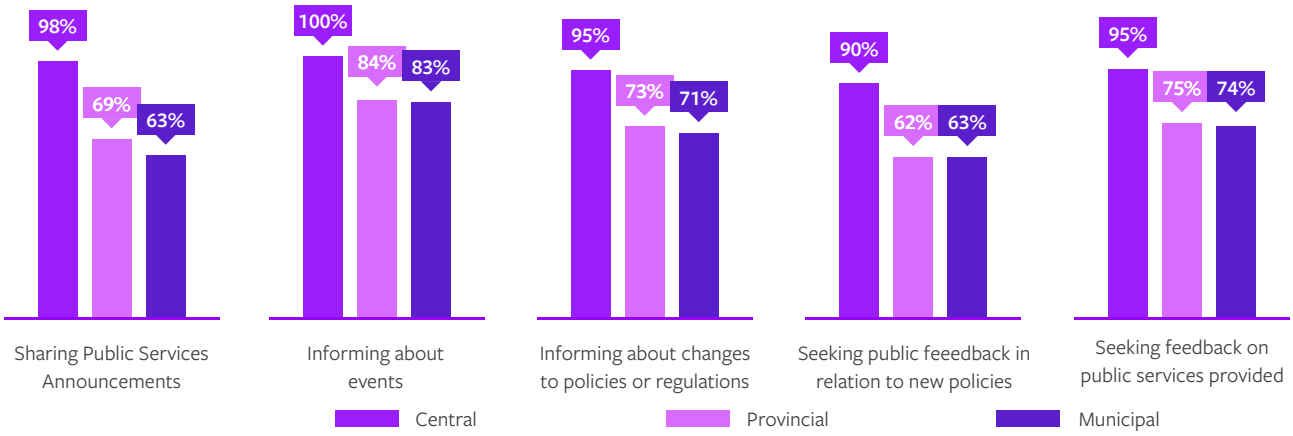
Figure 13 _ Use and impact of Facebook apps for government



[77]Center for Strategic and International Studies & Facebook, Rich-Interactive-Applications (RIA) in Indonesia: Value to the Society and the Importance of an Enabling Regulatory Framework; 2018.
[78]BKPM, BKPM helps accelerate digital economy wave in Indonesia; 2018.

The segmental analysis of the results indicates that national and provincial level government agencies make greater use of Facebook apps than lower level or smaller institutions. For example, 98% of national level institutions share Public Service Announcements ("PSAs") through their Facebook accounts, compared with 69% for provincial institutions and 63% for municipal institutions. 83% of municipal-level institutions use Facebook apps to inform the public about events and activities, 71% use them to inform about plans to change or formulate regulations, 63% use them to ask for feedback about new policies or decisions and 74% to gain feedback on services. 93% agreed that Facebook apps make public outreach cheaper than when using conventional media (e.g. newspaper, radio, TV).

Figure 14 _ Government use of Facebook apps - by level of institution



Supporting government communications internally and externally and personalizing communication and services to the public

Government agencies have found that Facebook apps can provide an additional, and more versatile, channel for communication with citizens and service users. 88% of the government officials surveyed said that there is a high volume of interactions via their social media accounts. This communication serves a variety of purposes, including handling feedback from service users.

Ambon Municipal Government
— using Facebook apps to serve the people better

The Ambon Municipal Government uses Facebook apps to improve internal coordination. The Information and Communication Technology Agency in Ambon initiated a WhatsApp Group for all the heads of key agencies, including the Mayor. The Group allows them to quickly discuss any emerging issues, come up with an agreed solution, and implement it accordingly. Garbage is one of the most prominent issues in Ambon City. Whenever there is heavy rain, garbage tends to drift into the roads. Pictures and locations of the issues are shared to the Group, and each department will be assigned to do tasks according to their roles and responsibilities. For example, the Department of Transportation would be tasked to handle the traffic while the Department of Sanitation would clear the garbage. According to the Agency, as a result of this initiative to become more responsive, a survey in mid-2019 showed that 74% of respondents indicated that they agreed the Agency is performing well and that they trusted the City Government.

Source: Interview with a representative of the Ambon Municipal Government on 12 September 2019.

50% of individuals surveyed said they use Facebook apps to follow updates from government agencies. This usage enables much more frequent communication between government and citizens (including service users) than if government had to rely on mass media or passive communications such as websites. 84% of government respondents agreed their institution often receives feedback from the public through the apps. Of these, 98% said that they follow up feedback received and respond to the users in question. The survey of individuals supports this finding, with 41% of the individuals surveyed agreeing that they use the apps for giving feedback to government agencies.

Banda Aceh Investment Licensing Agency — using Facebook apps to speed up customer services

Source: Interview with a representative of the One-stop Shop Investment Licensing Agency on 12 September 2019.

The One-stop Investment Licensing Agency (DPM-PTSP) in Banda Aceh has relied heavily on Instagram to promote the fact that its business licensing process has moved from offline to online, using Online Single Submission for new business licenses and *siCantik* cloud for other licenses at the municipal level. The agency received feedback and questions about the new procedures and was able to respond directly in the app. The City Government states that this policy change has increased the number of new businesses registered in the city. One month and a half after the system was up and running, the agency had managed to issue approximately 1,955 licenses, including 1,555 for new businesses.

Facebook facilitates government institutions to connect with their stakeholders on social media. Through *Facebook Laju Digital,* Facebook provides training to increase the capacity of government agencies to use Facebook in connecting with the public. Facebook works with the Ministry of ICT and local governments on this campaign, and has so far trained more than 1,500 government officials. In addition, in 2019, Facebook also conducted social media training to maximize the potential benefit of social media for government, by collaborating with Public Relations Departments in 11 ministries and 20 local governments.[79]

In support of their widespread general usage of social media, 66% of government respondents using Facebook apps said their institutions have guidelines, a policy, or a code of conduct for their staff in relation to their use of social media, and 52% said their institutions provide general training on social media for their members of staff.

Importantly, Facebook is not just a communication tool – one-to-one communication through the apps can be more efficient and convenient than offline appointments and therefore helps government agencies to personalize their services to citizens and thereby to become more responsive to people's needs. **The Directorate General of Immigration** is one of the leaders in this field, as shown in the case study. There is an opportunity for other government agencies to learn from the experience of such early adopters in order to improve the personalization of services.[80]

[79]Eleven ministries including the Ministry of Tourism, Ministry of Finance, Ministry of Higher Education, Research and Technology, Ministry of Education, Ministry of Home Affairs, Coordinating Ministry of Human Development and Culture, Coordinating Ministry of Maritime Affairs, Ministry of Justice and Human Rights, Ministry of Agriculture, Ministry of Foreign Affairs, and Ministry of State Secretariat. Twenty local governments, including Serang, Banjar, Surabaya, Sleman, Bandung, Yogyakarta, Jakarta, West Java, Banyuwangi, South Minahasa, Menado, Makassar, South Sulawesi, North Sulawesi, East Nusa Tenggara, Maluku, Papua, West Papua.

[80]Interview with a representative of the Department of Immigration on 22 July 2019.

Directorate General of Immigration *— using Facebook to communicate more effectively with its customers*

Source: Interview with a representative of the Directorate General of Immigration on 22 July 2019.

The Directorate General of Immigration has been using paid advertisements on its Facebook and Instagram accounts actively since 2016. By connecting with the public through Facebook apps, the agency aims to improve public awareness and product knowledge. After receiving many questions from the public through their accounts, the agency developed a FAQ so citizens can find information quickly. Feedback received through Facebook apps has also helped the agency to improve APAPO, their mobile app - fixing glitches that are reported as well as adding new features. In this way, Facebook apps have helped the agency to increase the number of people served every day – currently, the agency can resolve up to 70 public inquiries daily via Facebook apps.

The National Police Force needs to gather and process information as an integral part of its work, especially crime reports and leads from members of the public. Digital platforms such as Facebook apps have made the process more efficient because it is not dependent on personal visits to police stations or reliable switchboard operation. The force has over 900,000 followers on Facebook and 500,000 followers on Instagram, and has received countless invaluable pieces of information via this route, including complaints regarding its services and inside information regarding potential acts of crime. A spokesman stated that there have been several drug raids which were a result of information received on the Police's Facebook and Instagram accounts.[81]

Ministry of Education and Culture ("Kemendikbud") *— connecting the academic community, promoting Indonesia, and attracting scholarship applications*

Source: Interview with a representative of the Ministry of Research, Technology, and Higher Education on 29 July 2019.

Kemendikbud has been active on Facebook apps since 2014. The Ministry continuously posts content encouraging academics to submit their work to the Ministry's nationally accredited academic journal, Sinta Arjuna Garuda. This effort has attracted a great response, including from those who reside in remote areas, and there are now approximately 31,000 publications online – a remarkable increase from 8,000 publications in 2015. This has enabled Indonesia to become the number one country in Southeast Asia for the number of published academic works. Furthermore, following active promotion on Facebook apps of the Bidik Misi Scholarship scheme, one of Kemendikbud's programs, the average number of applicants has skyrocketed to 700,000 per year, which is twice the available quota. In the light of this demand, Kemendikbud is now considering to increase the number of places available. As a result of these promotional efforts using the apps, Ulfa Nurjanah, the daughter of a bus conductor, applied for and received a Bidik Misi Scholarship, which paved her way to graduating cum laude with a degree in management. She has also used content related to entrepreneurship that Kemendikbud posts on Facebook apps to help her to start a business. She is now the owner of Mr. Cuki, a food stall business that sells crispy deep-fried squid, with 19 branches across Indonesia.

[81] Interview with a representative of the National Police Force on 12 September 2019.

Enabling greater public participation, openness and building trust in government agencies

In addition to supporting specific aspects of service delivery and communications, Facebook apps offer a more general benefit of helping to increase public awareness of government activities, thus encouraging public engagement with the Government. As detailed in Figure 13, 94% of government respondents agreed that the use of Facebook apps promotes the openness of their institutions, 94% said the apps facilitate outreach to the public, and 92% agreed the apps help them to reach a wider audience than using conventional media. **The Ministry of Finance** is a good example of how Facebook apps can promote greater openness and sharing of information with the public. It uses its Instagram account to convey complex information to the public, like how the nation's budget is being collected and spent on various priorities such as infrastructure and social assistance.[82]

The Ministry of Foreign Affairs (KEMLU) posts informative items to help the public to learn and understand more about its activities and policies. For example, its recent posts provide information regarding the Indonesia-Africa Infrastructure Dialogue (IAID) 2019 held in Bali, including the value of trade deals closed (USD 822 million), the international attendees, and infographics on the history of Indonesia-Africa relations.

Another example is how the Ministry actively campaigned on social media for Indonesia's candidacy to be a non-permanent member of the United Nations Security Council. Ambassador Dian Triansyah Djani, Indonesia's representative at the United Nations office in New York stated that social media played a huge role, especially since the entire ministry is digitized.[83] Minister Retno Marsudi, Indonesia's Minister of Foreign Affairs also emphasized how social media plays a critical role in supporting the role of diplomats, stating that speed is the main benefit in the digital era. Due to the use of social media, any information provided by diplomats can be received in real time, allowing for analysis to be carried out instantly.[84]

At a local level, the educational organization **Kakak Asuh Bali** is an example of how the use of Facebook apps by community organizations and individuals can facilitate improved policy making and trigger government action. In 2017, Pande the organization's leader, was able to highlight the shortage of good schools in certain areas in Bali on Facebook. An official in the Provincial Government then read the post and responded by ordering the construction of three new schools.[85]

[82]Ministry of Finance Instagram page (@kemenkeuri).
[83]Medcom.id, RI Gencar Kampanye Pencalonan Anggota DK PBB via Sosial Media; 2018.
[84]Kompas, Kata Menlu soal Peran Penting Media Sosial untuk Kelancaran Diplomasi; 2016.
[85]FGD with a representative of Kakak Asuh Bali on 29 July 2019.

Source: LAPOR! website (https://www.lapor.go.id/tentang); LAPOR! Instagram page (@lapor1708).

SP4N-LAPOR! is another example of how Facebook apps are supporting the engagement of the public. SP4N-LAPOR! is an integrated online complaint handling system which was designed to increase public participation in the supervision of programs, government performance and the provision of public services. SP4N-LAPOR! is managed by **the Ministry of Administrative and Bureaucratic Reform (KemenPAN-RB)** and is easily accessible through various online platforms including Facebook (facebook.com/layananpengaduanonlinerakyat) and Instagram (lapor1708). The Government of Indonesia relies on social media penetration to increase the number of SP4N-LAPOR! users. Through these apps, citizens can submit their complaints or report issues related to the provision of public services to KemenPAN-RB, which then sends the reports to the responsible government agencies, nationally or locally, to review and handle the complaint. SP4N-LAPOR! is integrated with some equivalent local government systems (e.g. E-Lapor in Jogjakarta Province, Lapor Slemen, Lapor Bandung). In many cases citizens use these apps to upload photos of the issue (such as damaged roads, sidewalks, flooded areas, etc.) which makes it easier for the government agency to understand the problem and therefore respond quickly.

Assisting communication and responses in times of crisis or major events

Given that it is located on the "Ring of Fire", Indonesia is subject to more than its fair share of natural disasters, and its archipelagic geography makes it difficult to escape when those disasters occur. government agencies have found Facebook apps to be very helpful in times of crisis and major events. 52% have used the apps to assist during major natural disasters, 40% have used it during peak holiday travel periods, and 35% for major incidents, such as fires. Not all government institutions are involved in such incidents, but when asked about the ways in which they use the apps in times of crisis, the government institutions at all levels using Facebook apps agreed that it was useful for each of the following purposes: obtaining more information about the affected areas (58%), informing the relatives of the affected people (53%), locating the affected people (52%), and connecting them with emergency support services (56%) .

Source: BNPB Instagram page (@bnpb_indonesia).

The National Board for Disaster Management (BNPB) is an active user of Instagram. Its Story Highlights inform the public about events, activities, and tips, among other things. In one of its recent posts, BNPB provided an infographic on the status of volcanoes in Indonesia, and in another it clarified hoax news related to earthquake predictions.

Figure 15 shows that government organizations see many benefits from Facebook apps related to crisis management, including faster response times, faster dissemination of information and an overall increase in the number of people assisted. However, 53% of respondents said that the apps can lead to a huge volume of comments and feedback for them to manage, but this is only a side effect of the role of the apps in identifying a real need for assistance.

Figure 15 _ Impact of government use of Facebook apps in times of crises*

61% Enables faster dissemination of information

61% Enables faster/ more effective response

58% Increases number of civilians assisted

58% Facilitates feedback regarding government handling of crises

*Percentage who agreed/strongly agreed that the use of Facebook apps in times of crisis

Government relies on the support of the community in times of crisis and the survey of the community organizations emphasized more generally the value of using Facebook apps at such times.

> **“ 95% of community organizations agreed the apps were useful in times of crises.**

Looking from the community organizations' perspective, 95% of community organizations agreed the apps were useful in times of crises for purposes such as updating members or the public and directing help to those who need it, 82% said they had used the apps in the event of major natural disasters, and 53% agreed they had used them in the case of shortages of food or other essentials. 91% agreed they use the apps to gather support or assistance from members of the public and 92% agreed they use the apps for fundraising at such times.[86]

In times of crises, people turn to Facebook to check on loved ones and receive updates. It is in these moments that communication is most critical for the people in the affected areas, and for their friends and families who are anxious for news. 65% of individuals surveyed said that they use the apps to contact disaster response organizations or others that can help them. In September 2017, Facebook launched the Crisis Response feature, a new center on Facebook where people can find more information about recent crises and access crisis response tools – including Safety Check, Community Help and Fundraisers to support crisis recovery – all in one place.

Facebook Disaster Map *— harnessing the power of social media to help those in need*

In the wake of a disaster, Disaster Maps share real-time information with response teams, helping them determine things like whether communities have access to power and cellular networks, if they have evacuated, and what services and supplies they need most. All data is de-identified, meaning that the data is not linked to names or other information that can identify a person.[87]

In September 2018, a massive earthquake and tsunami struck Palu, Central Sulawesi. Over 2,000 people died, and more than 200,000 fled their homes. To assist relief efforts, Facebook donated USD 1 million via **Palang Merah Indonesia** (Red Cross Indonesia) and worked with local organizations to help communities recover and rebuild.[88] In support of the Government's response to the crisis, WhatsApp and **UNICEF** partnered to promote the digital version of the U-Report platform using Facebook apps. U-Report was previously used only for text messages to crowdsource people's opinions about and participation in UNICEF and partner NGO programs. As part of its response to the tsunami, UNICEF started to use Facebook Ads, posters, and word-of-mouth promotion, resulting in over 3,500 people registering to U-Report via WhatsApp within 48 hours. Their top three needs were food (38%), family safety (13%), and shelter (11%). A local government social worker said, “With U-Report data my workload will decrease because of direct feedback from communities via WhatsApp – it's amazing!”.[89]

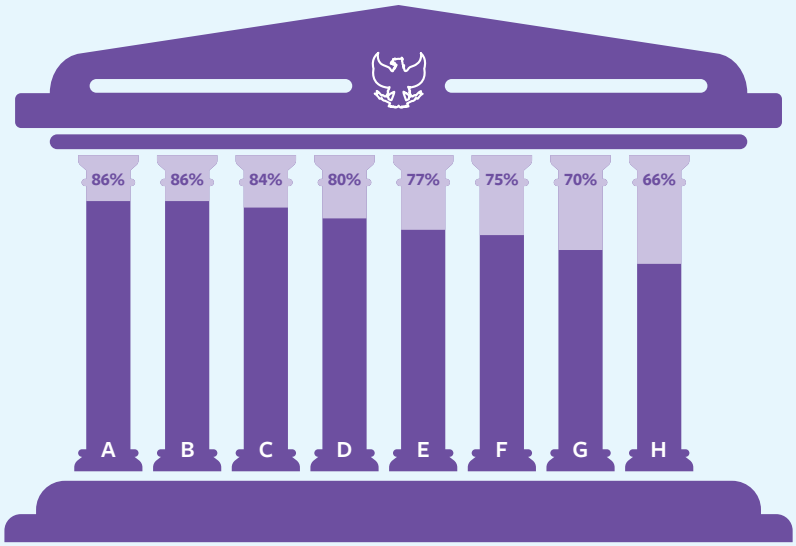
Source: Facebook, 2019. *Data for Good.* Available at: https://dataforgood.fb.com/tools/disaster-maps/

[86]The statistics in this paragraph exclude respondents from hobby groups, as they are not directly relevant.
[87]Facebook, Data for Good; 2019. Available at: https://dataforgood.fb.com/tools/disaster-maps
[88]Liputan6, Facebook Donasikan Rp 15 Miliar untuk Korban Bencana di Palu dan Donggala; 2018.
[89]UNICEF, WhatsApp Pilot Helps Tsunami Response; 2019.

SNAPSHOT: ENABLING EFFECTIVE DIGITAL GOVERNMENT

This data provides an overview of the uses and impact that Facebook apps including Facebook apps (Facebook, Messenger, Instagram, and WhatsApp) have had on all-level of governments.

Supporting government communications internally and externally and personalizing communication and services to the public



Use of Facebook apps by governments

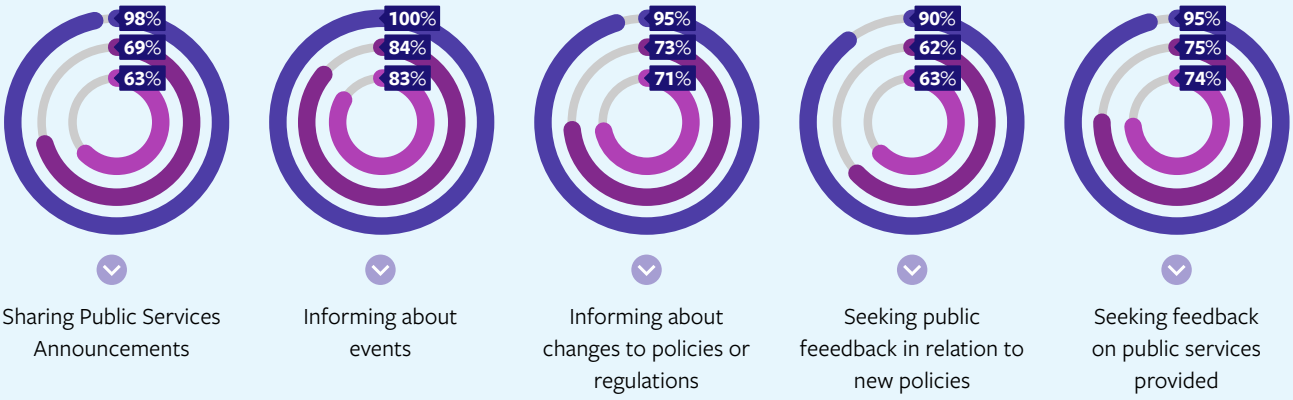
- **A** **86%** inform public about events/ activities
- **B** **86%** understanding public concern
- **C** **80%** ask for public feedback or encourage public to ask questions
- **D** **77%** gain feedback of services delivered
- **E** **77%** promote public services provided
- **F** **75%** inform public about plans to formulate/ change regulations/ policies
- **G** **70%** share Public Service Announcements to educate the public
- **H** **66%** promote social welfare programs

Impact on government

- **A** **95%** facilitates outreach to the public
- **B** **95%** promotes openness and transparency
- **C** **95%** lower cost of public outreach
- **D** **93%** improved trust of the public
- **E** **92%** improved coordination with other government agencies
- **F** **88%** improved public awareness of the institution
- **G** **88%** enables public feedback to be followed up and responded to
- **H** **86%** encourages public participation

Government use of Facebook apps - by level of institution

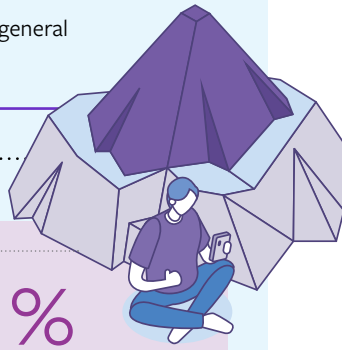
Central | Provincial | Municipal



1 in 2
of individuals surveyed said they use Facebook apps to follow updates from government agencies

66%
of government respondents using Facebook apps said their institutions have guidelines, a policy, or a code of conduct for their staff in relation to their use of social media

52% of government officials surveyed said their institutions provide general training on social media for their members of staff



Assisting communication and responses at times of crises and major events

Uses and impact of Facebook apps for government organizations

Uses

52% assist during major natural disasters

53% informing the relatives of affected people

40% communication during peak holiday travel periods

52% locating affected people

35% communication during major incidents, such as fires

56% connecting people with emergency support services

58% obtaining more information about the affected areas

Impact

61% enables faster dissemination of information

61% enables faster/more effective response

58% help increase the number of civilians assisted

58% facilitates feedback regarding government handling of crises

Survey respondents were located across 15 cities in Indonesia between 27 June 2019 and 6 August 2019. The 410 officials surveyed were categorized by level: central, provincial, and municipal institutions.

5 CONCLUSIONS

The survey results show that Facebook's connection of and contribution to the economies and communities in Indonesia is increasingly important. Facebook is here to support Indonesians and their communities and businesses, both large and small, by amplifying the power of digital technology and enabling them to create positive social and economic impact – thereby helping them to progress in their lives.

However, the survey has also indicated many opportunities for all four of the groups that were surveyed.

The survey of businesses showed that use of Facebook apps is widespread, generates significant benefits to businesses, and is an enabler for economic growth and social impact. However, despite the adoption and appreciation of the benefits of Facebook apps, there remain opportunities for businesses to make greater use of social media generally, learning from businesses like some of those that have been profiled in the case studies.

Facebook apps also provide opportunities for online connections and collaboration amongst businesses, providing a number of benefits of integration within the digital ecosystem. Many businesses see their online presence through Facebook apps as a complement to their offline presence.

The survey of the community organizations showed the widespread usage of and benefits that are derived from the use of Facebook apps. Community organizations use Facebook apps extensively, taking advantage of Facebook's free, easy to use features and vast reach to have greater impact than was possible in the pre-digital age.

Individuals use Facebook to maintain and deepen personal ties even when separated physically, to be better informed and achieve greater social impact than they could otherwise achieve.

The survey of government agencies showed a high degree of support for using Facebook apps, although there remains enormous potential for the greater adoption and use of social media tools by such institutions in areas such as public health. Facebook believes that its apps can play a role in helping the Government deliver its vision for Indonesia over the next five years.

Appendix A:
Survey and FGD Methodology

This report draws on the results of a four-part independent offline survey of individuals, community organizations, businesses, and government officials, which was conducted between 27 June 2019 and 6 August 2019. The surveys were complemented by Focus Group Discussions (FGDs) and interviews of community organizations and businesses, to gather more detailed insights into the uses and benefits of Facebook apps for these stakeholders. The surveys and FGDs were conducted in-person, and were managed by Lembaga Survei Indonesia and the Institute for Development of Economics and Finance (INDEF), respectively.

The sample size of each segment is given in the table below, based on geographical distributions that reflect the population size, except for government officials, the majority of whom are based in Jakarta.

Table 2 _ Number of respondents, by group and geography

Area	Individuals	Businesses	Community Organizations	Government Officials
Sumatra	250	181	104	65
Java	690	625	317	204
Bali & Nusa Tenggara	70	56	32	41
Kalimantan	80	39	24	10
Sulawesi	80	85	50	40
Papua and Maluku	50	47	38	50
Total	**1,220**	**1,033**	**565**	**410**

1. Survey for individuals

The survey for individuals was based on stratified random sampling. 1,220 respondents aged above 17 years old were drawn randomly from all 34 provinces in Indonesia. The 1,220 respondents include both 550 internet users and 670 non-internet users. The results are considered to be representative at a national level. The national sample size gives an estimated error margin of 2.9% at the 95% confidence level.

The random selection of the sample followed the following steps:

Firstly, the population was stratified based on the total population in each province, giving proportional samples in each province. The sample was further stratified based on rural and urban areas in each province and on gender: 50% male and 50% female.

Secondly, from each province, villages (or *kelurahan* in urban areas) were randomly selected as the primary sampling unit (PSU). In total, 122 rural and urban villages were selected as PSUs, within which 10 respondents were selected.

Lastly, in each of the selected villages, all *rukun tetangga* (RT, i.e. the smallest neighborhood groups in an administrative village) were listed, and then 5 RTs were randomly selected. From these RTs, two households were randomly selected, within which one respondent above 17 years old was selected.

2. Survey for community organizations, government officials, and businesses

The offline surveys of the remaining stakeholders were based on purposive samples (i.e. not random). Purposive sampling was used because the study aims to explore those segments' experiences in using Facebook apps. Therefore, only Facebook app users were selected as respondents; the survey would not be relevant to those who do not use the apps at all. The sample size was 565 communities/ organizations, 410 government officials, and 1,033 businesses.

The respondents were chosen based on specific criteria as detailed below:

Table 3_ **Number of respondents, by group and geography**

Segment	Description
Community organizations	• Political parties; • Social care organizations; • Professional organizations; • Hobby clubs; • Non-Governmental Organizations (NGOs); • Religious institutions; • Others

Government officials	• Civil service grades Echelon 2-4
	• The ministerial and non-ministerial government agencies are categorized based on level:
	  ○ 251 municipal government (61%)
	  ○ 100 provincial government (24%)
	  ○ 59 central government officials (14%)
	• The respondents in the municipal category were the largest share, then followed by provincial, and lastly national level, with 60%, 27%, and 13%, respectively, approximately proportionate to the number of Government agencies at each level.

Businesses	• Categorized based on annual revenue, following Law No. 20/2008 on Micro, Small, and Medium Enterprises:
	  ○ IDR ÷50 billion --> large business
	  ○ IDR 2.5-50 billion --> medium business
	  ○ IDR 300 million to 2.5 billion --> small business
	  ○ IDR 125 million to 300 million --> micro business
	with an additional category to address the large number of businesses smaller than micro.
	  ○ IDR <125 million --> nano business
	• The proportion of business respondents in each city (listed below) reflects the population based on data from Statistics Indonesia:
	  ○ Large businesses (38 or 3% of total respondents)
	  ○ Medium businesses (56 or 5%)
	  ○ Small (137 or 12%)
	  ○ Micro (306 or 30%)
	  ○ Nano (496 or 50%)

The surveys were conducted in 15 cities across Indonesia (see table below). The cities were selected purposively to represent population size and geographical location (West, Central, and East Indonesia). The cities were categorized by size, based on Government Regulation No. 26/2008 on National Spatial Planning.

Table 4_ Locations of surveys and FGDs

		City sizes, based on population ('000)				
		Small (<100)	**Medium (100-500)**	**Large (500-1,000)**	**Metropolitan (>1,000)**	
Location	**West**	Sungai Penuh	Banda Aceh**	Batam**	Medan Jakarta** Semarang Surabaya	*7 cities in West Indonesia*
	Central		Mataram Manado	Denpasar** Balikpapan**	Makassar**	*5 cities in Central Indonesia*
	East	Tidore Kepulauan	Jayapura Ambon**			*3 cities in East Indonesia*
		2 small cities	*5 medium cities*	*3 large cities*	*5 metropolitan cities*	***Total: 15 cities***

*Note: ** Cities where FGDs were conducted – see below.*

3. FGDs and Interviews

FGDs were carried out to further explore the survey results for community organizations and businesses in 7 out of the 15 cities where the surveys were conducted.The cities were selected based on regional socio-economic diversity. The FGDs aim to provide more context and nuance on how Facebook apps impact social and economic aspects in businesses and community organizations, and to complement the findings from the survey.

Appendix B:

Facebook Features

Below is an explanation of all Facebook features mentioned in this Report.

Table 5_ Facebook features

Features	Definition
Community Help	Tools in the Crisis Response center where people can ask for and give help to communities affected by the crisis.
Create a Poll	A feature that allows people to add a poll to their stories to ask a question, customize the answers and let people vote for their favorite option.
Create Event	A feature in Facebook Group to create an event, fill in the event details, and inform people about the event.
Crisis Response	Crisis Response is a Facebook center where people can find more information about recent crises and access Facebook crisis response tools – including Safety Check, Community Help and Fundraisers to support crisis recovery – all in one place.
Custom Audience	An ad targeting option that lets people find people who already know about them on Facebook apps.
Facebook Ads	Paid advertising feature in Facebook.
Facebook Business Page	Facebook Business Page is a free and public way to reach audience on their desktop computer and phone. It is specifically designed for businesses, brands, celebrities, causes and organizations.
Facebook Group	Facebook Groups are the place for small group communication and for people to share their common interests and express their opinions. Groups allow people to come together around a common cause, issue or activity to organize, express objectives, discuss issues, post photos and share related content.
Facebook Live	Facebook Live is a live video streaming feature on Facebook that allows people to broadcast a live video out to their audience.
Facebook Page	Facebook Pages enable public figures, businesses, organizations and other entities to create an authentic and public presence on Facebook.
Hashtags	A hashtag is a label for content. It helps others who are interested in a certain topic, quickly find content on that same topic.
Lead Ads	Lead ads allow business to collect information from potential customers. The information business can collect includes, but isn't limited to, names, email addresses, phone numbers, and more. Lead ads can be used to collect sign-ups for newsletters, price estimates and business information.
Marketplace	Marketplace is a single place on Facebook that makes it easy for people to discover, buy and sell goods and services locally.
Safety Check	An easy way to let people's friends and family know they're safe during a crisis. Once activated, Safety Check is featured at the top of each crisis page if they are in an affected area.

Table 6_ Instagram features

Features	Definition
Carousel	The carousel ad format is available for Facebook, Instagram, Messenger and Audience Network where people can swipe to view additional photos or videos in a single ad.
Custom Audiences	Feature within IG Ads. A Facebook Custom Audience is a targeted advertising service that allows businesses to import user email addresses for retargeting on the social media platform. Custom Audiences are an effective way for online businesses to interact with relevant users across multiple channels.
Direct Messages	Direct Messages let you send messages to one or more people.
Hashtag (#)	A hashtag is a label for content. It helps others who are interested in a certain topic, quickly find content on that same topic. Other than using hashtag in posts and story, Instagram users are now able to follow hashtag they are interested in.
Instagram Ads	Instagram advertising is a way of posting sponsored content on the Instagram platform to reach a larger and more targeted audience.
Instagram Explore	Explore considers the universe of content posted to Instagram every day and surfaces what's most relevant to the user.
Instagram Live	Instagram Live is a feature on Instagram Story that allows users to stream video to followers and engage with them in real time.
Instagram Story	Instagram Stories is a feature within the Instagram app where users can capture and post related images and video content in a slideshow format.
Instagram Story Highlights	Stories Highlights allows user to group old stories together in a new section that sits below said user Instagram bio.
Instagram Post	Posts can contain photos and/or videos with text and location data.
Poll	A feature on Instagram Story to add a poll for people to vote.
Questions	A feature on Instagram Story to add a question box for people to ask question to the user using the feature.
Video Ads	Video ads are any advertisements containing video content. They can vary in objective, format, placement, and targeting.

Table 7_ Whatsapp/Whatsapp Business features

Features	Definition
Away Message	Feature that allow user to set away messages to automatically send messages to all their contacts or certain ones. User can also schedule an away message to turn on automatically during certain times.
Business Profile	Feature that allows businesses to create a profile that contains information related to the business (e.g. address, hours of operation, business description, email address, and website).
Chat List Filters	Feature that gives users the ability to sort by groups, broadcast lists, or unread messages.
Label	Feature that allow users to organize and easily find chats and messages with certain labels.
Messaging Tools	Messaging templates that allow businesses to build key conversations in advance.
Metrics	Feature that gives businesses important information (e.g. rate of message replies or link clicks), so that they could analyze how their business conversations are performing.
WhatsApp Business	WhatsApp Business is a free to download app on Android and iOS. The app was built with the small business in mind. The app helps businesses to make communication and interaction with customers easier.
WhatsApp Group	Feature that allow user to invite people into a group chat and everyone can chat together.
WhatsApp Story	WhatsApp's 'Status-stories' feature allows users to share text, photos, videos and animated GIFs that lasts only for a day.
Quick Reply	The feature allows users to receive the full content of a message in the background.

Appendix C:
Facebook's commitment in Indonesia

Facebook's mission is to give people the power to build communities and bring the world closer together, and we are inspired by how our mission is brought to life in Indonesia. Through a multi-pronged approach, involving local partnerships, programs, and initiatives, we are committed to supporting Indonesians across three key pillars, which complement and support the core apps:

1. **Community building and social impact efforts**
   Communities give us a sense that we are part of something bigger than ourselves, that we are not alone, that we have something better ahead to work for. Facebook is mission-driven and focused on creating innovative services for Indonesians as they are turning to Facebook as a force for good.
   Over the years, Facebook has introduced tools and products to support Indonesians to connect through meaningful interactions (see Appendix B). Additionally, we have also introduced our Hubs Ecosystem program which provides Indonesians with two collaborative spaces for them to grow their communities and develop their skills online and offline:
   - *Ruang Komunal Indonesia* (*RUKI*): first opened to the public on 23 May 2018, RUKI is a physical space for communities to gather and connect in meaningful ways. Within one year of opening, 4,387 individuals from 860 communities in Greater Jakarta area have used the facilities provided to interact, share knowledge and stories. RUKI has also run more than 200 programs, hosted by Facebook and the communities themselves.
   - *Lab Innovation Indonesia*: a physical space for start-ups, developers, and innovators to collaborate, learn, and share ideas to help them in developing skills and networking, which was established on 24 June 2019.

2. **Integrity, safety, and digital literacy**
   Maintaining safe and informed community spaces in which Indonesians are able to connect and share on Facebook apps is absolutely critical for Facebook. Programs like *Think Before You Share* support Indonesians in enhancing their digital literacy and empowering them with the skills they need to be informed and stay safe online. Facebook also works with safety experts, community leaders, civil society groups, and youth organizations to develop and deliver education programs, which amplify their capability to do good.

3. **Economic initiatives for small and large businesses**
   Facebook enables large and small businesses to enhance their digital capabilities through programs and solutions to help them connect in a more meaningful way with their consumers and, in turn, create economic impact that will enable Indonesia to thrive and embrace the future. Programs we have delivered to support large and small businesses in Indonesian include *#SheMeansBusiness, Facebook Blueprint* training modules for all members of the Indonesian Advertising Companies Association, and *Akademi Instagram*.

   In addition, *Facebook Laju Digital* empowers local businesses and members of communities across Indonesia with digital skills to help them interact successfully and safely online. It enables them to grow their networks, get training that meets their needs, and learn and improve their digital and social media skills. To date, we have engaged more than 12,000 students, businesses, community leaders, and regional government officials and 40,000 entrepreneurs and SMBs in 41 cities across 27 provinces in Indonesia. Through Instagram Academy, we have also trained 1,300 entrepreneurs under 35 years old in Jakarta, Bandung, and Yogyakarta, using a curriculum designed to empower young businesses to grow their sales both domestically and abroad.

These and other programs and initiatives reflect Facebook's commitment to Indonesia, as the country embraces the power and impact of digitalization. Facebook is eager to continue working with Indonesians and the Government of Indonesia to further enhance its positive social and economic impact across the country. Appendix D of this report provides a description of all Facebook programs mentioned in this report.

Appendix D:

Facebook Programs in Indonesia

Below is an explanation of all Facebook programs mentioned in this Report.

Table 8_ Facebook Programs

Program	Definition
Asah Digital	Program to elevate digital literacy among Indonesians and to equip them with all the necessary skills to be safe online. In partnership with YCAB Siberkreasi, and Persatuan Guru Republik Indonesia (PGRI), this program provides workshops open to all Indonesians, for both new or existing internet users; also teachers, students, and parents. Facebook also collaborates with experts, academics, non-governmental organizations (NGOs), and civil society organizations across Asia Pacific to develop modules as learning resources for this program. Asah Digital is part of We Think Digital, a global program which has been modified according to local needs. See: https://wethinkdigital.fb.com/id/id-id/
Developer Circles	Program created to equip local developers community with world-class tech skills that could help them grow their career faster and more effectively. See: https://developers.facebook.com/developercircles/
Digital Literacy Library	Facebook launched a Digital Literacy Library in 2018 in partnership with the Youth and Media team at the Berkman Klein Center for Internet & Society at Harvard University. The ready-to-use lessons is a resource for educators looking to address digital literacy and help young people build the skills needed to be informed and stay safe online. For more information, please visit: https://facebook.com/safety/educators
Facebook Blueprint	Training and certification programs about marketing on Facebook and Instagram. There are 3 ways to learn on Facebook Blueprint, including Blueprint eLearning, Blueprint Certification and Blueprint Live. Participants can also choose learning paths such as Digital Planner, Creative and Strategic Planner, Data Driven Marketing, Brand Marketer, etc. For further information, please visit: https://www.facebook.com/business/learn
Facebook Community Leadership Program (FCLP)	The Facebook Community Leadership Program is designed to empower leaders from around the world who are building communities through the Facebook family of apps and services. It includes: Residency and Fellowship opportunities offer training, support and funding for community leaders from around the world. For more information, please visit: https://communities.fb.com/
Facebook Journalism Project	Facebook Journalism Project was launched in 2017 to strengthen our engagement with the news industry through collaboration and training programs. Through this initiative, we have collaborated with news organizations to develop tools and products for newsrooms, supported high quality journalism, and worked with publishers and educators to equip people with the knowledge they need to be informed readers in the digital age.

Program	Definition
Facebook Laju Digital	Facebook Laju Digital program aims to improve the digital skills of SMB owners, job seekers, community leaders, students, and the Government. Through hands-on workshops, Facebook trains participants on how to grow businesses, how to build community, and on innovative ways in interacting with citizens online. The program is conducted across Indonesia, with a focus to reach East Indonesian cities. The program is supported by the Executive Office of the President, Ministry of ICT, Ministry of Education and Culture, and Ministry of Cooperatives and SMEs. To implement the program, Facebook collaborates with Siberkreasi, Center for Digital Society, Relawan TIK, YCAB Foundation, and idEA. See: https://www.facebook.com/boost
Instagram Academy	A training program aimed at improving the digital skills of young entrepreneurs in Indonesia. Instagram brings together experts and gatherers to share insights about the creative industries, digital marketing techniques, creative content creation, and advertising techniques on Instagram and Facebook. Through Instagram Academy, we have trained 1,300 entrepreneurs under 35 y/o in Jakarta, Bandung, and Jogjakarta using a curriculum designed to empower young businesses to grow their sales both domestically and abroad.
Lab Innovation Indonesia	A physical space for developers, innovators, and tech community to collaborate, learn, and share ideas to help them in developing skills and networking, which was established on 24 June 2019. In partnership with CoHive, HACKTIV8, and various tech communities, Lab Innovation Indonesia aim to empower Indonesia's tech ecosystem to grow and thrive.
Ruang Komunal Indonesia	First opened to the public on 23 May 2018, Ruang Komunal Indonesia is a space for communities to gather and connect in meaningful ways. Within one year of opening, 4,387 individuals from 860 communities in Greater Jakarta area have used the facilities provided to interact, share knowledge and stories in programs hosted by Facebook or communities themselves. For more information, please visit: http://fb.me/ruangkomunalindonesia
#SheMeansBusiness	#SheMeansBusiness program has been launched in 21 countries around the world, including Indonesia, and is designed to reach both aspiring and established women entrepreneurs through a series of workshops and online resources that will arm them with the knowledge, skills, connections, and technology required to build and grow their business. Until mid-2019, Facebook has implemented more than 100 program activities and trained 28,000 women entrepreneurs in 20 cities, collaborating with Ikatan Wanita Pengusaha Indonesia (IWAPI), Pahlawan Ekonomi Surabaya, Wanita Wirausaha Femina, and Girls in Tech Indonesia. See: https://shemeansbusiness.fb.com
Think Before You Share	Facebook, YCAB Foundation, Sudah Dong, and Do Something Indonesia introduced the Think Before You Share program for the first time in 2016. The Think Before You Share program focuses on increasing digital literacy in order to build wiser communities on social media activities. Together with various partners, including the Ministry of Education and Culture and the Ministry of Religion since, the program has reached 33,000 youth, students, teachers and parents in schools in seven provinces throughout Indonesia.

Design by **www.fuse-lab.com**

FACEBOOK