

Tenggara Strategics Research: Demand for food delivery services remains high post-pandemic

GoFood has become the market leader of online food services in Indonesia with the highest transaction value of Rp 30.65 trillion (US\$2.16 billion) a year, outperforming its competitors.

Jakarta, June 15, 2022, - **Tenggara Strategics**, a research institution subsidiary of the Centre for Strategic and International Studies (CSIS) and Universitas Prasetiya Mulya, projects that online food delivery (OFD) services will continue to be in high demand among Indonesian consumers post-COVID-19 pandemic, which implies the continuous growth of the OFD service industry in the nation.

This finding was revealed in the **Online Food Delivery (OFD) Consumption Behavior and Perception Survey in Indonesia** research that was conducted by Tenggara Strategics to examine the behavior of Indonesian consumers in using OFD services.

Based on the research, Tenggara Strategics also reports that in the middle of the COVID-19 pandemic, GoFood stood out as the market leader among OFD services in Indonesia with the highest transaction value. In 2021, Tenggara estimates the gross merchandise value (GMV) of the OFD sector was Rp 78.4 trillion¹ (US\$5.5 billion), and the GMV of the GoFood platform – a part of the GoTo ecosystem, was equal to Rp 30.65 trillion (US\$2.16 billion), more than other OFD service providers such as GrabFood and ShopeeFood.

Riyadi Suparno – executive director of Tenggara Strategics explained, “Online food delivery services are one of the drivers of growth in Indonesia’s digital economy. During the pandemic, OFD proved to be an essential service for people who had to work from home and helped SMEs [small and medium enterprises] to stay in business. We conducted this research to determine the extent to which consumers had continued using OFD services after they began returning to offices and resuming activities outside of the house as a result of the relaxation of regulations. The answer we learned from this research is that consumers will continue to use OFD services due to the ease and convenience they offer.”

¹ Estimation was calculated based on a research by Google, Bain, and Temasek (2021)

Continuing Riyadi's explanation, **Stella Kusumawardhani, M.IDEc** — economic research lead, **Tenggara Strategics** elaborated on the other findings from their research on online food delivery, mainly:

- **Online food delivery services have become an inseparable part of consumers' daily activities.** The majority of consumers use OFD services to support productivity, explore the latest culinary trends and to socialize. More than half of consumers use OFD services at least once a week.
- **Online food delivery services are used by almost everyone with a stable income across all income brackets.** In which, the majority of users are Generation Z (43 percent) and millennials (39 percent).

Meanwhile, related to the OFD industry, Tenggara Strategics also noted several main findings regarding the industry players, such as:

- **GoFood has become the most preferred platform for consumers, with the highest transaction value reaching Rp 30.65 trillion (US\$2.16 billion).**
 - According to the research, GoFood is used by more consumers even though they have also installed other OFD applications.
 - Not only that, GoFood has become the *top of mind* (50 percent) and the most *downloaded* (76 percent) platform by consumers, and provides the most convenience and the most variety of food.
- **ShopeeFood stands in second place with transaction value equal to Rp 26.49 trillion (US\$1.87 billion).**
 - As many as 28 percent of respondents have ShopeeFood as their *top of mind* OFD platform and it is generally considered by consumers as the platform that provides the most promotions.
- **GrabFood comes in third place with transaction value equal to Rp 20.93 trillion (US\$1.47 billion).**
 - As many as 22 percent of respondents consider GrabFood as their *top of mind* OFD platform.

Stella continued, "We project the OFD industry to continue to grow. Our survey results find that the majority of consumers (99 percent) intend to continue and increase usage (96 percent) of OFD services in the future."

Commenting on the research findings, **Dr. Handyanto Widjojo - research fellow, Tenggara Strategics** said, "Although the research was conducted during the pandemic, I believe several things previously mentioned, such as convenience and ease of use, will remain as consumer considerations in the coming period, as these consumption habits have been formed, especially for matters relating to food."

This OFD services research used a face-to-face interview method by trained interviewers for data collection, with the number of respondents selected through random sampling reaching 1,200 spread



across six cities, conducted from Jan. 10 to 14 2022. With a confidence interval of 95 percent, this research has a margin of error (MoE) of +/- 2.8 percent.

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About Us

Tenggara Strategics is a business and investment research and advisory institute established by the Centre for Strategic and International Studies (CSIS), *The Jakarta Post* and Prasetiya Mulya University. Combining the capabilities of the three organizations, we aim to provide the business community with the most reliable and comprehensive business intelligence related to areas that will help business leaders make strategic decisions. Tenggara Strategics services include political, business and social research, a weekly report on politics and economic-business matters, Tenggara Backgrounder, and the organization of strategic activities for business leaders.

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