



AstraDigital

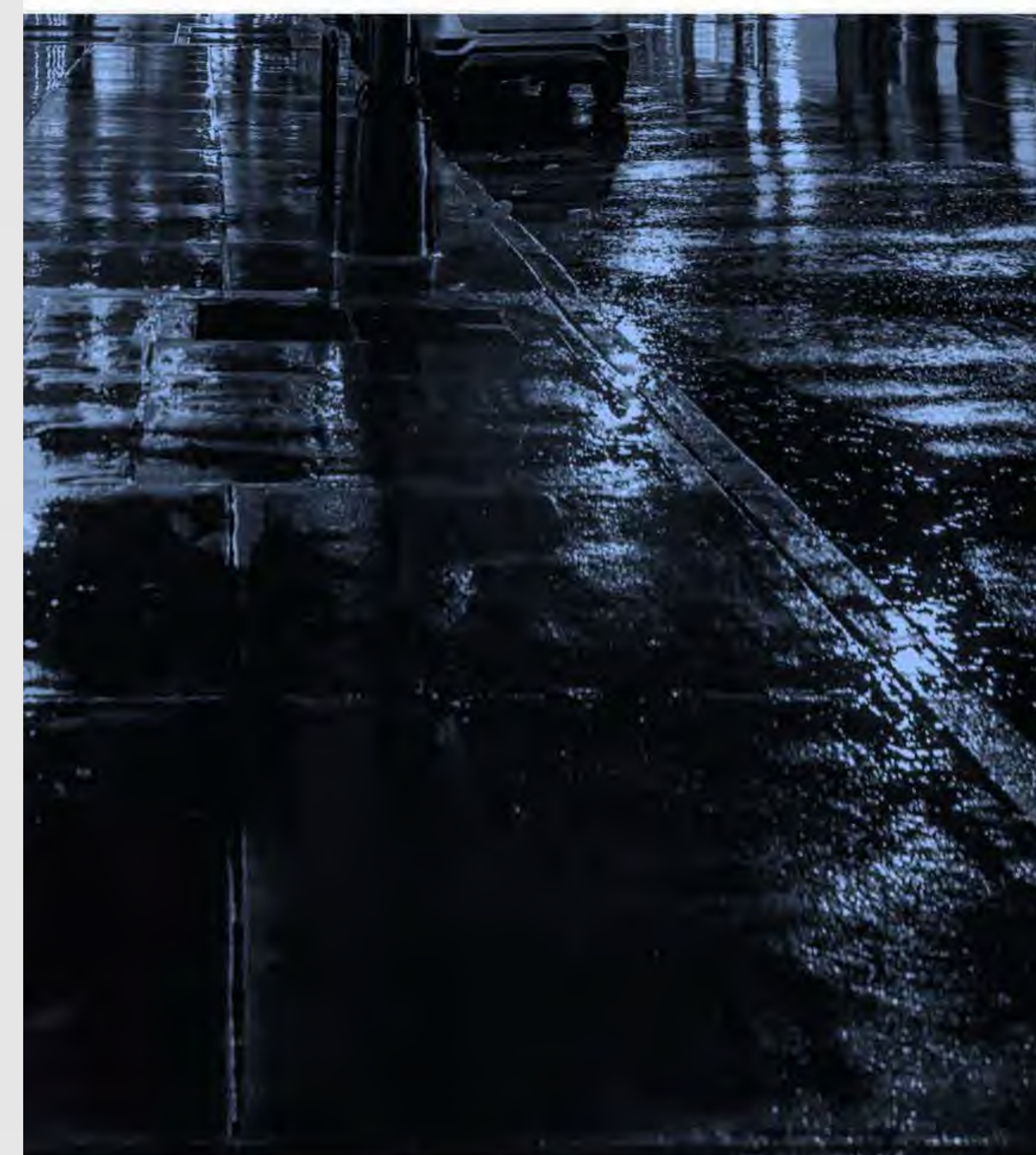
Future – Ready Marketing
**Unlocking Growth Through
Emerging Digital Marketing Trends**

2024 Digital Landscape | 2025 Strategic Outlook

Astra Digital

Astra Digital (PT Astra Digital Internasional), was established on 19 April 2018 as a digital and strategy arm of Astra Group. Astra Digital aims to be at the forefront of digital innovation and delivers new value propositions to Astra customers. By upholding 6 Digital Pillars, namely Digital Ventures, Venture Building, Strategy and Consulting, Digital Marketing, Data Intelligence, and Academy and Technology, we aim to support the digitalization efforts of Astra Business Units. In addition, we also operate digital ventures with full support from Astra Group businesses.

For an enhanced experience, scan the QR code provided.



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Executive Summary

The digital marketing landscape is evolving at an unprecedented pace, shaped by economic shifts, technological advancements, and Changing Consumer Preferences. Businesses must embrace agility, innovation, and a customer-centric mindset to thrive in this dynamic environment. This executive summary highlights key drivers of transformation and outlines actionable strategies to ensure competitiveness and relevance in a rapidly digitizing world.

1 Riding the Wave of Economic Growth

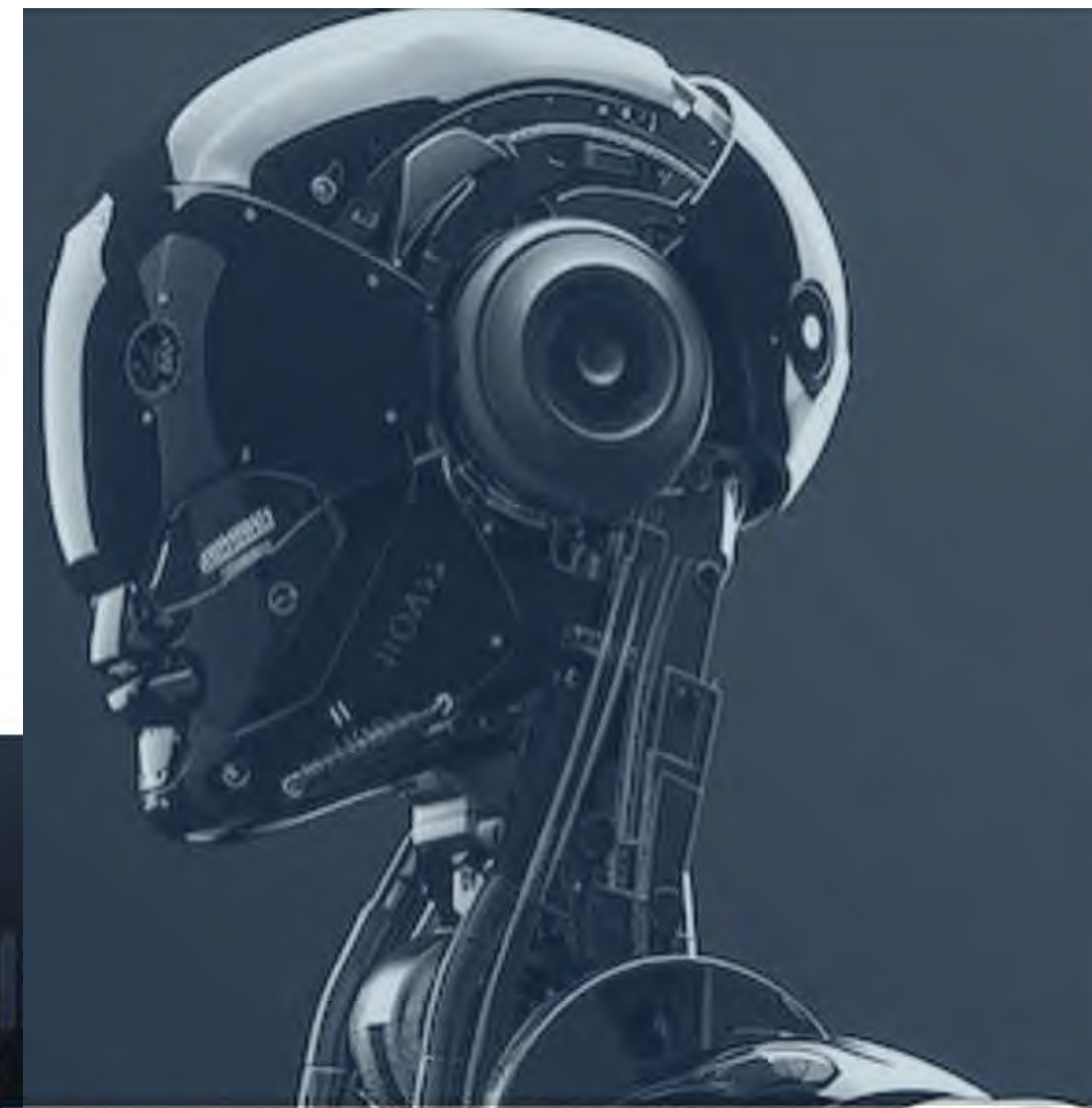
Global economic growth, driven by strong consumption and digital expansion, underscores the need for businesses to leverage the rapid rise of e-commerce and digital marketing to stay competitive. Economic growth will have a profound impact on marketing strategies. Companies must adapt by monitoring customer confidence (which influences spending patterns), addressing protectionism through localized production and digital strategies, leveraging opportunities from global alliances, enhancing customer experiences with advanced technologies in offline and online to respond to both economic trends and customer behaviors effectively.



2 Shaping customer Experiences



customers today demand personalized, value-driven experiences influenced by generational preferences and the rise of social commerce. With attention spans becoming shorter, traditional blogs and long-form written content are losing traction as short, engaging content on platforms like TikTok continues to rise in popularity. Businesses must blend global trends with local insights, leveraging AR/VR for immersive experiences and personalization to meet diverse expectations. With polarized behaviors (premium-focused and price-sensitive segments) efficient segmentation and relevant personalization are crucial. Social media's influence will remain pivotal, enabling brands to connect authentically and shape customer trends effectively.



4 Maximizing Social Media Impact

Social media continues to drive digital marketing innovation, with platforms like TikTok and Instagram dominating customer attention. Businesses need to optimize influencer marketing, create engaging content, and leverage social commerce to stay relevant. As micro- and nano-influencers gain prominence in 2025, brands have an opportunity to build deeper, more authentic connections with their target audiences.



5 Adapting to Evolving Regulatory Standards for Privacy

Evolving data privacy regulations require businesses prioritize transparency and ethical data handling. With the shift to a cookieless future, companies must embrace first-party data strategies. By adhering to global standards, companies can foster trust and ensure lasting customer loyalty. In 2025, regulatory scrutiny on AI fairness and data compliance will heighten, making responsible data practices a critical differentiator in the digital economy.



Conclusion

To thrive in today's rapidly evolving digital landscape, businesses must embrace innovation, adopt customer-centric strategies, and establish trust through transparent and ethical data practices. By leveraging cutting-edge technologies like AI, tapping into emerging economic opportunities, and harnessing the power of social media to foster engagement, businesses can sustain growth and maintain a competitive edge.

3 Powering Growth with Technology

Technological advancements, such as AI and machine learning, are transforming marketing and customer interactions, driving rapid digital economy growth. These technologies enable smarter automation, predictive analytics, and personalized experiences, enhancing engagement and optimizing strategies. Enhanced global connectivity and widespread mobile use have fueled smartphone reliance, making them key touchpoints. Innovations like AR, VR, and IoT power experiential marketing, while generative AI addresses market fragmentation by tailoring solutions to diverse needs. Metaverse integration and Web3 will further revolutionize digital storytelling, offering new opportunities for immersive engagement in a hyper-connected world.

Harnessing Momentum:

The Rapid Evolution of Digital Marketing Advertising

2014-2015

- **Refining Search Engine Optimization** in local search engine results by location-based search
- **Targeting audience surge** using predictive analytics
- **Social Media Marketing Growth:** Facebook acquired WhatsApp, LinkedIn introduced a number of changes (e.g.: customized advertisements, publishing platform, LinkedIn Contacts)
- **Big data is getting bigger**, with predictions suggesting it could double every two years. By 2020, it was projected grow to around 44 trillion gigabytes

2016-2017

- The rise of **Social Media Influencers and Influencer Marketing**
- The rise of **TikTok** (merger between Musical.ly and Douyin)

2018 - 2019

- **Content becomes the key** of brand management (e.g.: sponsored content, user-generated content on brand responses) and effective SEO campaign (long-term value content)
- Rise of **social media platforms (Vine, Google+)**

2019-2021

- **Increased internet usage:** Daily time of people spent increase by 4% in 2020
- **E-Commerce Surge:** Commerce sales increased 58% from 2019 to 2021
- **Social Media Advertising Growth:** Social media ads spending doubled. TikTok experienced a remarkable and rapid surge in growth
- **Content Trends:** Video and streaming content emerged as dominant formats
- **customer Behavioral Shifts:** customers prioritizing affordability and convenience

2022-2023

- **AI-driven marketing** (chatbots, recommendation systems)
- Expansion of **omnichannel marketing and shoppable content**
- **Privacy concerns lead to stricter regulations** (Apple's iOS 14.5 update, end of third-party cookies)

2024

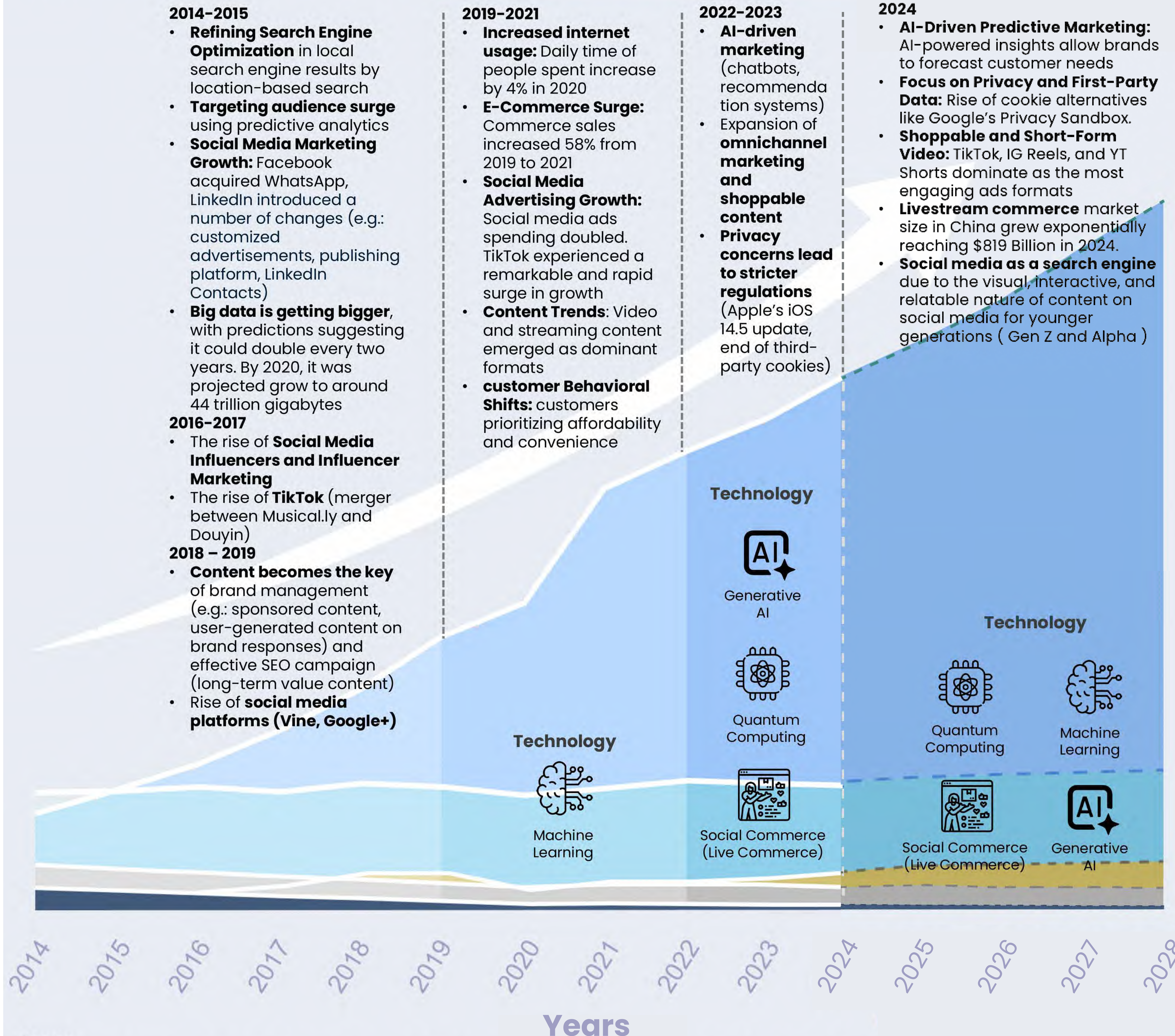
- **AI-Driven Predictive Marketing:** AI-powered insights allow brands to forecast customer needs
- **Focus on Privacy and First-Party Data:** Rise of cookie alternatives like Google's Privacy Sandbox.
- **Shoppable and Short-Form Video:** TikTok, IG Reels, and YT Shorts dominate as the most engaging ads formats
- **Livestream commerce** market size in China grew exponentially reaching \$819 Billion in 2024.
- **Social media as a search engine** due to the visual, interactive, and relatable nature of content on social media for younger generations (Gen Z and Alpha)

2025-2028

- **AI and Machine Learning:** Artificial Intelligence (AI) will dominate marketing strategies with smarter automation, predictive analytics, and personalized recommendations, improving customer targeting and experiences.
- **Omnichannel Marketing Integration:** Businesses will focus on seamless, connected customer experiences across multiple platforms
- **Data Privacy and Ethical Marketing:** Growing regulations like GDPR will push businesses toward greater transparency, ensuring secure data handling while building customer trust

Key Growth Drivers:

1. **Economic Factors** -- Rising global and Indonesian economic growth, driven by strong consumption and buying power, along with the rapid expansion of e-commerce, digital payment transaction, digital transformation, underscores the need for businesses to enhance their digital marketing efforts to remain competitive.
2. **Changing Consumer Preferences** -- customers now expect immediate responses and seamless shopping experiences, which live commerce fulfills through real-time engagement. Shoppers increasingly value real-time interaction with sellers and influencers during live-streamed sessions.
3. **Technological Advancements** -- Technological advancements have accelerated global connectivity, driving the digital economy's rapid growth including utilization of AI and Machine Learning.
4. **Social Media and Content Platformss** -- The rapid growth in Social Media worldwide contributes to the raise of influencer marketing and social commerce. Social media plays an important role in redefining new customer decision journey.
5. **Regulatory and Data Privacy Evolution** -- Global and Indonesian regulation related to data privacy, customer consent forms (iOS, Google), and the rise of first-party data in marketing.

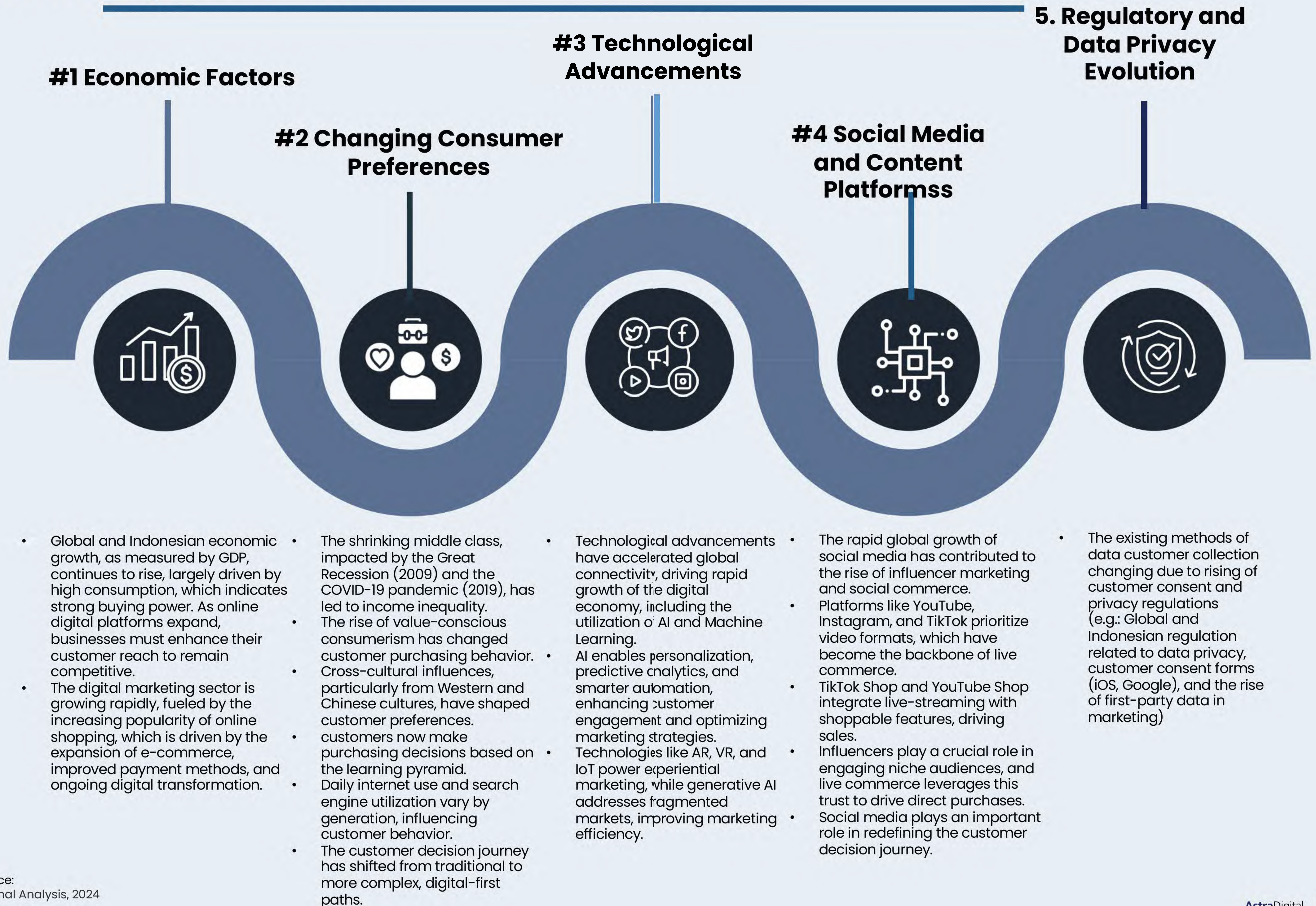


Source:

Statista, 2024; Salesforce 7th state of marketing research, 2019; Audience project: New Covid19 study tiktok conquers th 2020; IMF, 2023, Researchgate – Content is King, 2019;EminentSEO, 2021, Dataversity, 2020

Harnessing Momentum:

The Five Key Growth Drivers



Growth Drivers and Trends

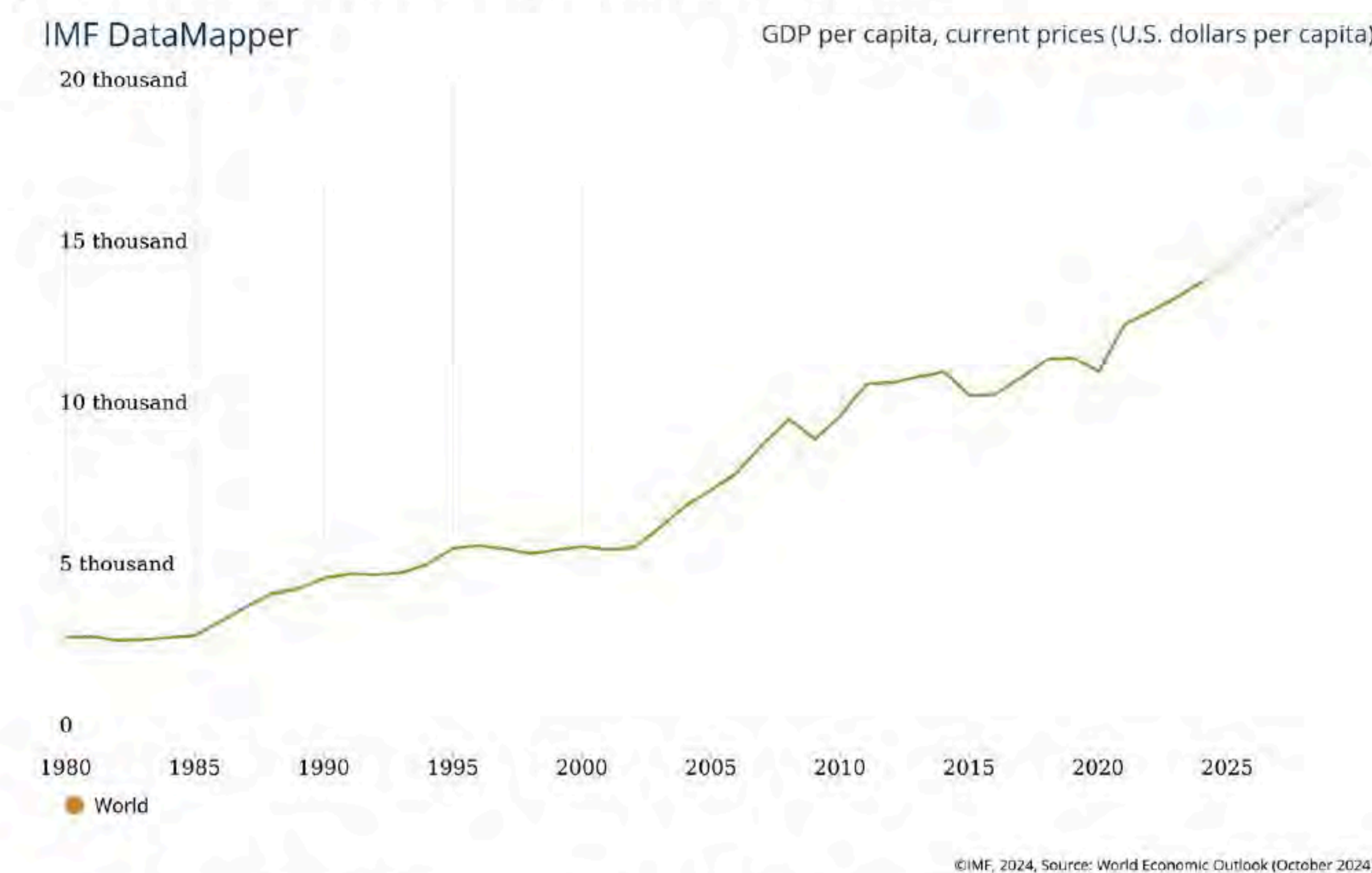
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#1 Economic Factors

Growth Drivers and Trends

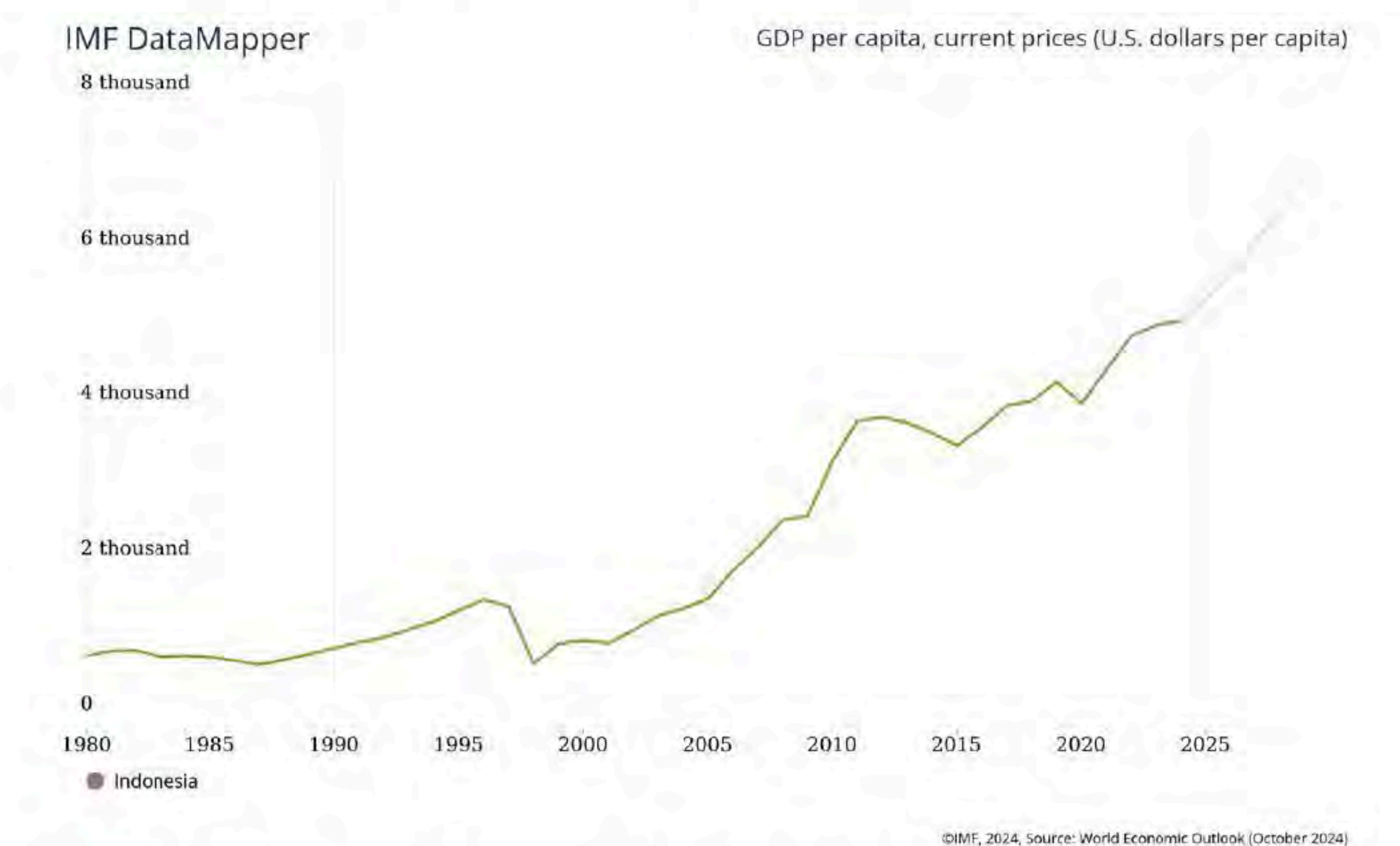
Global

Global GDP per capita is projected to rise steadily, reaching \$14.45 thousand in 2025 with a growth rate of 3.9%. In 2024, GDP per capita has also risen to \$13.9 thousand, but growth remains lower compared to 2025, driven by advanced economies adopting tighter monetary policies and reducing fiscal support. Lower global GDP growth was influenced by multiple factors, including a decline in Foreign Direct Investment (FDI). FDI as a share of global GDP decreased significantly, falling from 3.3% in the early 2000s to only 0.8% in 2023, a result of factors such as the global financial crisis, the emergence of fintech, the U.S.-China trade war, the COVID-19 pandemic, and the Ukraine war.



Indonesia

Despite a slowing global economy, Indonesia's economy grew by 5.05% in 2023, with GDP per capita at \$4.92 thousand. The country targets 5.2% growth in 2024, with GDP per capita projected at \$4.98 thousand, driven by **consumption** (57% of GDP in 2023) and **investment** (30.6%). Rising minimum wages and government social assistance have bolstered household consumption, maintaining purchasing power. However, FDI as a share of GDP declined from 2.8% in 2014 to 1.6% in 2023, attributed to political and economic uncertainties, currency volatility, and competition from Vietnam, where FDI rose from 3.9% to 4.3% during the same period.



Economic growth and globalization created opportunities for increased consumption and accessibility by driving higher employment and wages. Maslow's Hierarchy of Needs explains how rising income allows customers to prioritize convenience, connectivity, and mobility. With continuous economic growth and advancing technology, people's purchasing power is increased, and products can be produced more quickly and easily, leading to faster adoption. Everett Rogers' Diffusion of Innovation theory emphasizes that as a product becomes more affordable and accessible, its adoption rate grows. As a result, more people can easily purchase products or services to meet their needs for convenience and mobility, significantly boosting customer spending on durable goods such as cars and electronics.

The rise in customer spending has direct implications for marketing strategies. Businesses need to adjust their strategies and investments to meet the changing preferences and behaviors of more affluent, discerning customers. With increased buying power, these customers spend more time researching and shopping online, prompting businesses to prioritize larger budgets for digital advertising. Financial reports from major tech companies indicate that the digital advertising market could be approaching the higher estimate of 1.1% of GDP, with this share expected to grow in the coming years. Businesses view digital marketing as a critical investment for driving growth, fostering adaptability, and maintaining competitiveness in the modern economy.

Economic growth and globalization are **increasing customer buying power, leading to higher spending**, which drives the need for businesses to adjust their marketing strategies.

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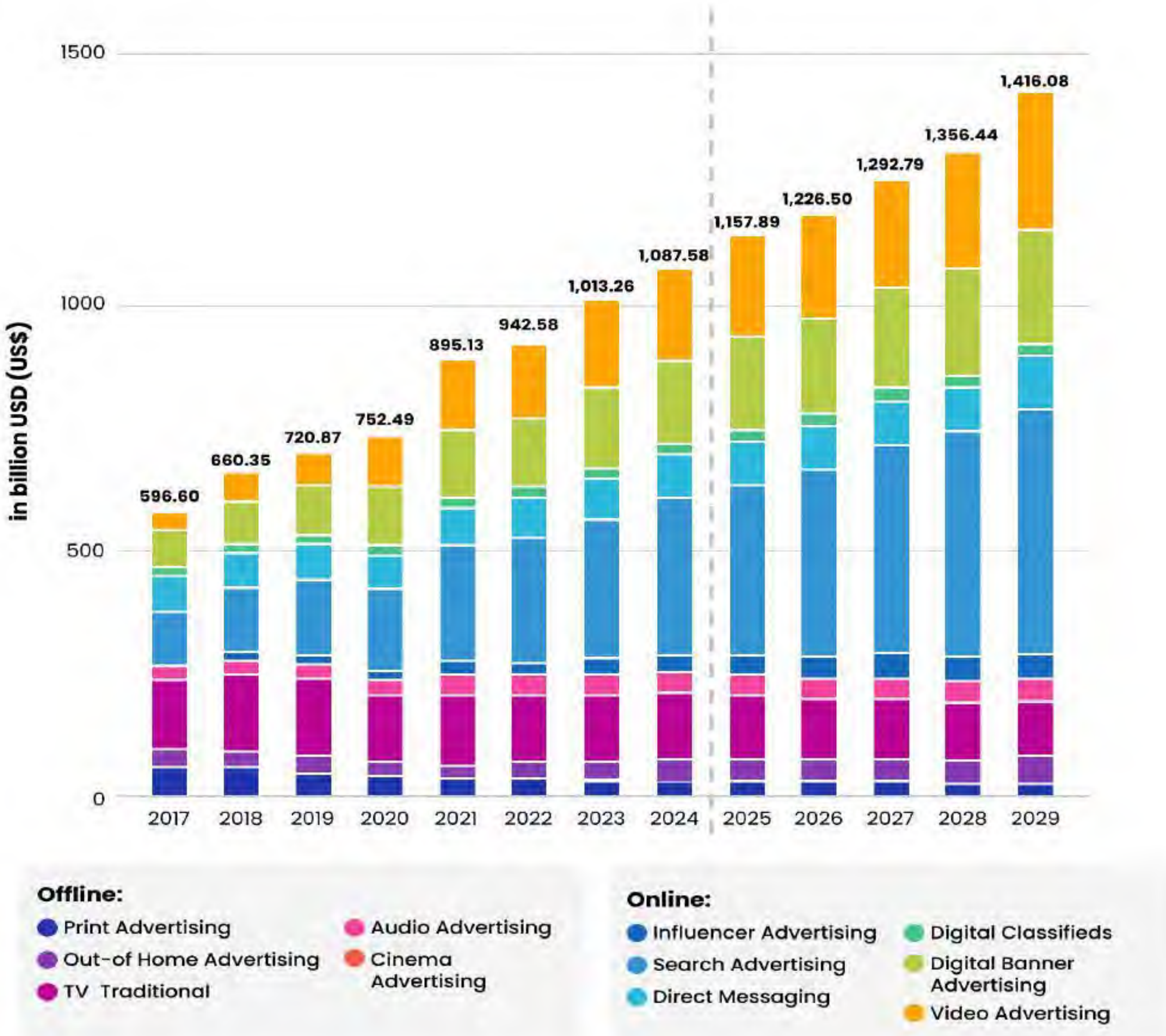
PwC, 2024; Journal of modern science, 2024; IMF, 2024; Journal of Informatics Education and Research · May 2024; Statista, 2024; Google and Accenture, 2024; Insider, 2024; SAP, 2024, [Indonesia] Trends and Benchmarks of Influencer Marketing in 2024, Ceicdata, World Bank Group; Forbes; Trading Economics, 2024

Advertising spending is rising globally, particularly in the U.S., China, and Indonesia. The advertising markets in these countries exhibit similar trends, with video, search, digital banner ads, and influencer marketing leading the way, driven by evolving customer preferences, e-commerce growth, and technological advancements. Both online and offline media present opportunities in the market, however, despite the rapid growth of offline channels, online media remains the dominant platform.

Advertising spending between Global, U.S., China and Indonesia 2017–2029

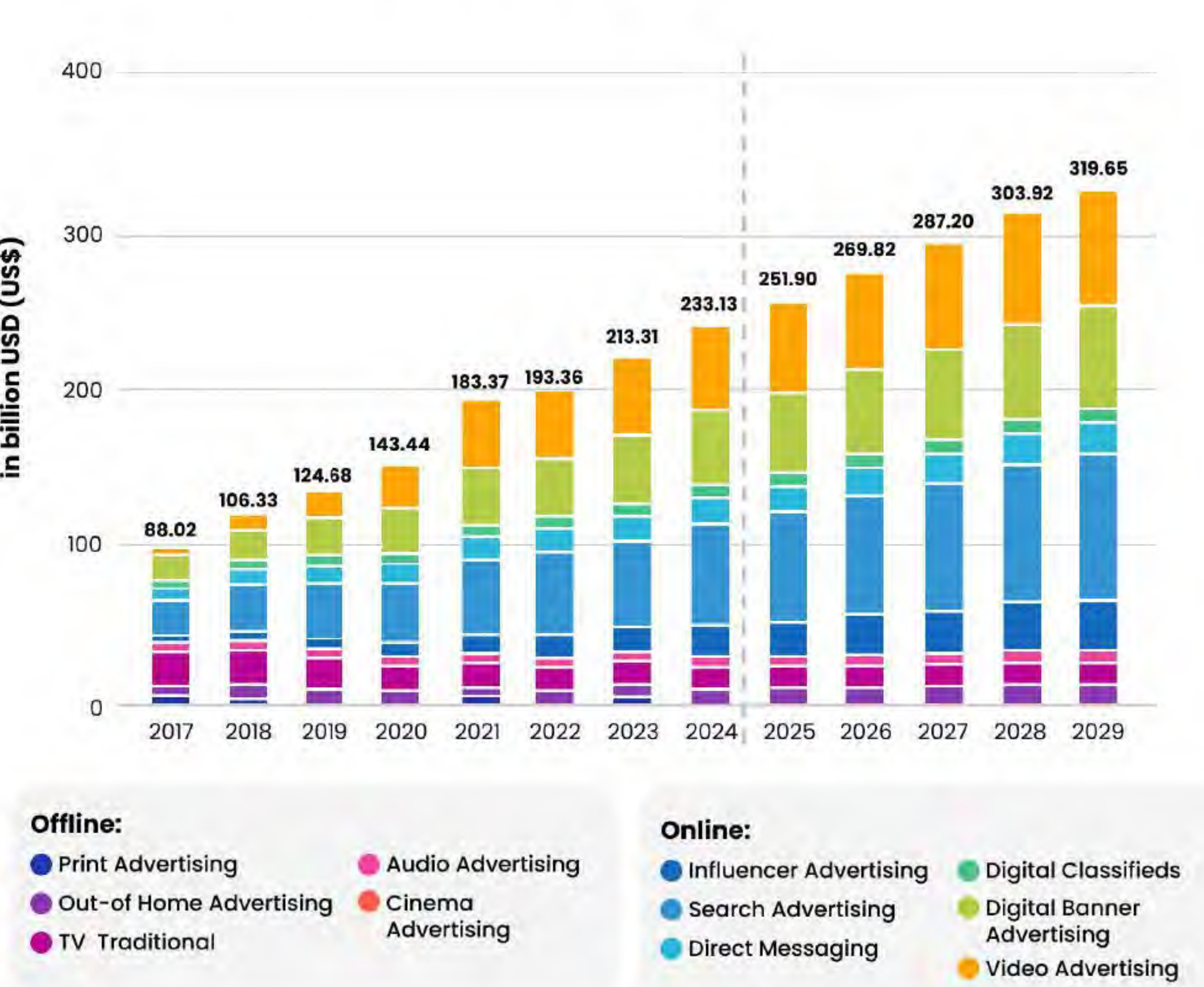
Global in Billion USD

ads spending grew by 7.3% YoY in 2024, reaching \$1,087.58 Billion, and is expected to scale up to 30% by 2026. Online media is now leading the growth, while offline media remains stagnant.



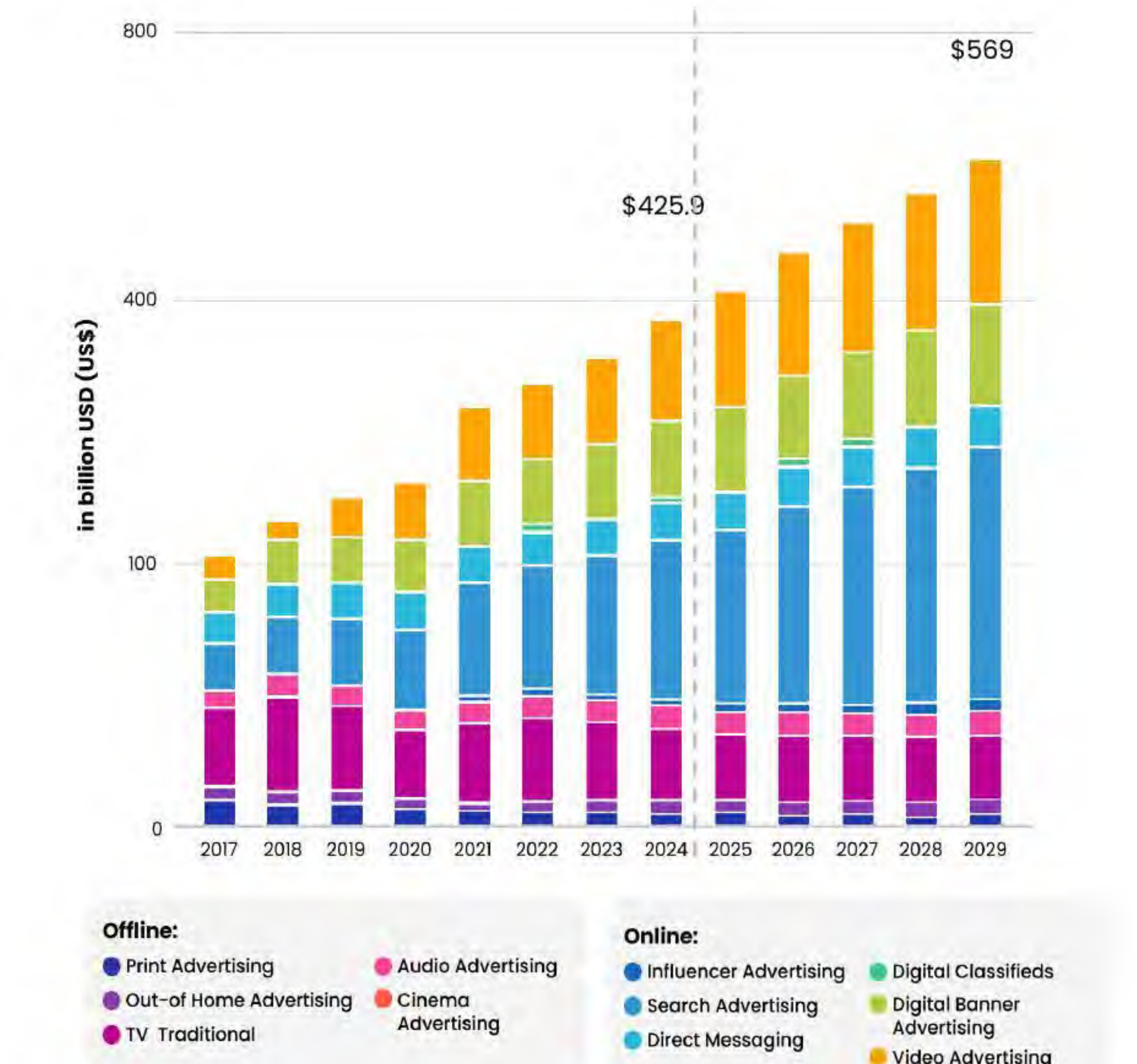
China in Billion USD

China, the second-largest advertising market, is projected to reach an estimated \$233.1 Billion in 2024. The market increasingly relies on data analytics and AI technology.



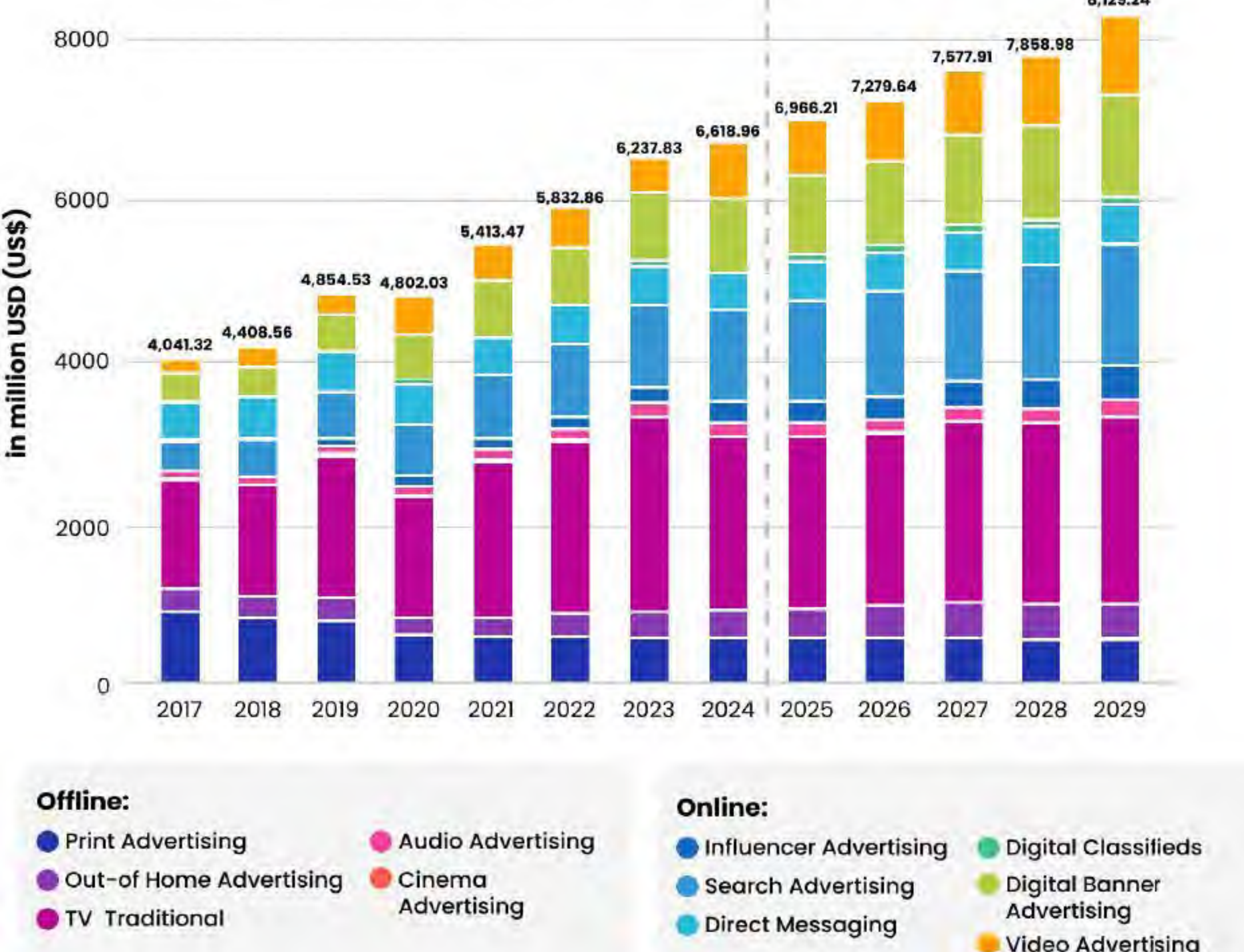
United States in Billion USD

The U.S. is the leading advertising market, projected to reach an estimated \$425.9 Billion in 2024. The market is increasingly shifting toward more personalized and targeted digital campaigns.



Indonesia in Million USD

Indonesia's digital ads spend surged by 6.1% in 2024 (\$6,618 Million), with online media leading the growth. While digital is on the rise, TV advertising continues to hold a significant position in Indonesia, as it remains a primary source of entertainment in rural areas.



While advertising market trends show no significant differences among the three countries, we observed several distinctions in how advertising operates in the U.S., China, and Indonesia. These differences are clearly reflected in customer behavior, market demographics, and the digital landscape, including the advertising growth in both online and offline channels.

	United States	China	Indonesia
Customer Behavior	Tech-savvy, demand personalized and interactive ads.	Brand-conscious, value-driven customers, aspiring to align with brand identity and lifestyle.	Discerning, selective, seeking personalized and targeted advertisements.
Market Demographics	Large, diverse customer market with various segments.	Rapid urbanization, diverse population, and complex regional preferences.	Young, tech-savvy population with diverse cultures and languages.
Digital Landscape and Platforms	77% of advertising is dominated by online media (digital video ads, search, influencer, direct messaging, digital classified, and digital banner), While the remaining 23% is contributed by offline media (Traditional TV, Print, OOH, audio and cinema). Online spending is growing faster than offline, with an 11.1% increase over the past year compared to 0.8% for offline. In 2024, search advertising leads with \$132 Billion (41% of U.S. ads spending), while influencer marketing is start to rise at \$5.6 Billion (1.7% of U.S. digital spending).	Online media are expanding and forecasted to grow in 2024 (89% of overall ads dominated by online). China is leading the digital show by the largest growth in influencers, and is expected to gain the highest influencers ads spending in 2024 (\$19.16 Billion). Country-specific platforms like WeChat, Weibo, and Alipay are also rising in China and becoming some of the most popular apps in the country.	Online media expected growth in Indonesia with market volume of \$3,493 Million in 2024 (53% of Indonesia ads spending and forecasted to reach 56% in 2029). The largest market is search, followed by digital banner, digital video ads, direct messaging, and influencer along with internet penetration, smartphone usage, and diverse cultural regions and languages. Meanwhile, offline media ads remain important in Indonesia, with Traditional TV, print and OOH ads being the major market with total volume \$3,128 Million (47% of Indonesia ads spending).
Advertising Trends	Focus on programmatic advertising and data-driven advertising strategies.	Shift towards mobile advertising with strong reliance on influencer marketing, data analytics and AI for personalization.	Mobile advertising dominates, with influencer marketing leading as a key strategy to connect with younger, tech-savvy customers.
Influencer Marketing	Increasing adoption of influencer marketing for more targeted outreach.	Strong adoption of influencer marketing.	Dominant in the advertising market, with influencers playing a significant role in campaigns across industries.

Each country has **unique customer behaviors, demographics, and digital landscape differences**, all of which play a significant role in shaping their advertising conditions and strategies.

The digital marketing sector is experiencing substantial growth due to several key drivers. One significant factor is the Increasing preference for online shopping among customers, driving a greater need for advanced digital marketing solutions. The increase in online shopping is fueled by growth in the **e-commerce market, digital payment transaction and digital transformation**.

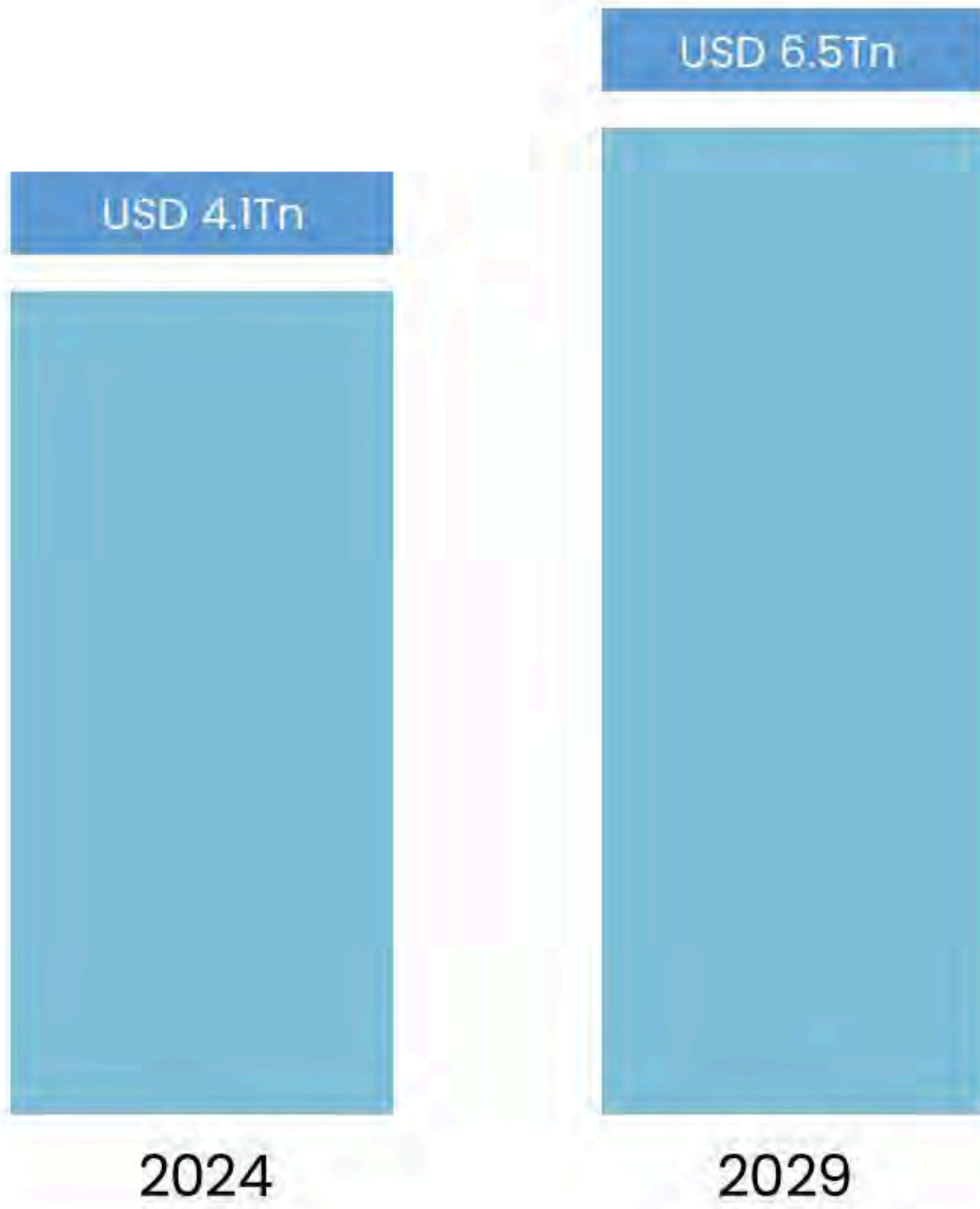
E-commerce market

Global

In 2024, global e-commerce sales reached an estimated \$4.1 Trillion. Revenue projections are expected to show an annual growth rate of 7.83%, with estimates reaching \$6.5 Trillion by 2029.

E-Commerce Market

Market Size in USD Trillion
CAGR 7.83%



The drivers of this market growth include increasing internet penetration and smartphone usage, which have influenced consumer preferences to shift toward online shopping. Various e-commerce platforms are leveraging evolving technologies, such as virtual shopping and augmented and virtual retail, to enhance consumer engagement and improve customer experiences across platforms.

The increased adoption of smartphones and tablets is also driving the growth of online retail. Innovations such as branded shopping apps, 5G connectivity, and social shopping has made mobile shopping seamless for customers. These developments benefit retailers by increasing sales, improving conversion rates, building customer loyalty, and enabling accurate customer data tracking for targeted marketing.

Indonesia

The e-commerce market in Southeast Asia (SEA) was expected to grow in 2024, with the gross merchandise value (GMV) of the region's digital economy projected to increase by 15% to \$263 Billion. This growth is reflected in Indonesia, which is projected to reach \$79.3 Billion by 2029.

E-Commerce Market

Market Size in USD Billion
CAGR 9.57%



Source: Statista, 2024; Worldpay, 2024; PYMNTS INTELLIGENCE, 2024; Economy SEA, 2024; ECDB, 2024

Digital Payment Transaction

Digital wallets are experiencing significant growth, with projections of over 5.3 Billion users in 2026. The rise of digital wallet usage is closely linked to the **surge of mobile commerce**. An increasing number of younger customers rely on debit cards as their primary payment method when using digital wallets for daily transactions.

Digital wallets have reached 50% of the global transaction value in 2023, with a projected 15% CAGR through 2027. Increasing digital adoption has impacted customer overall buying journeys, leading to a shift in payment methods. Businesses can more effectively predict changes in purchasing behaviors by understanding payment preferences across different age groups worldwide.

42%

Younger generations (Gen Z and Millennials) favor debit cards for shopping over credit and cash.

Global E-commerce transaction value

\$6.1 trillion

2023 e-commerce transaction value

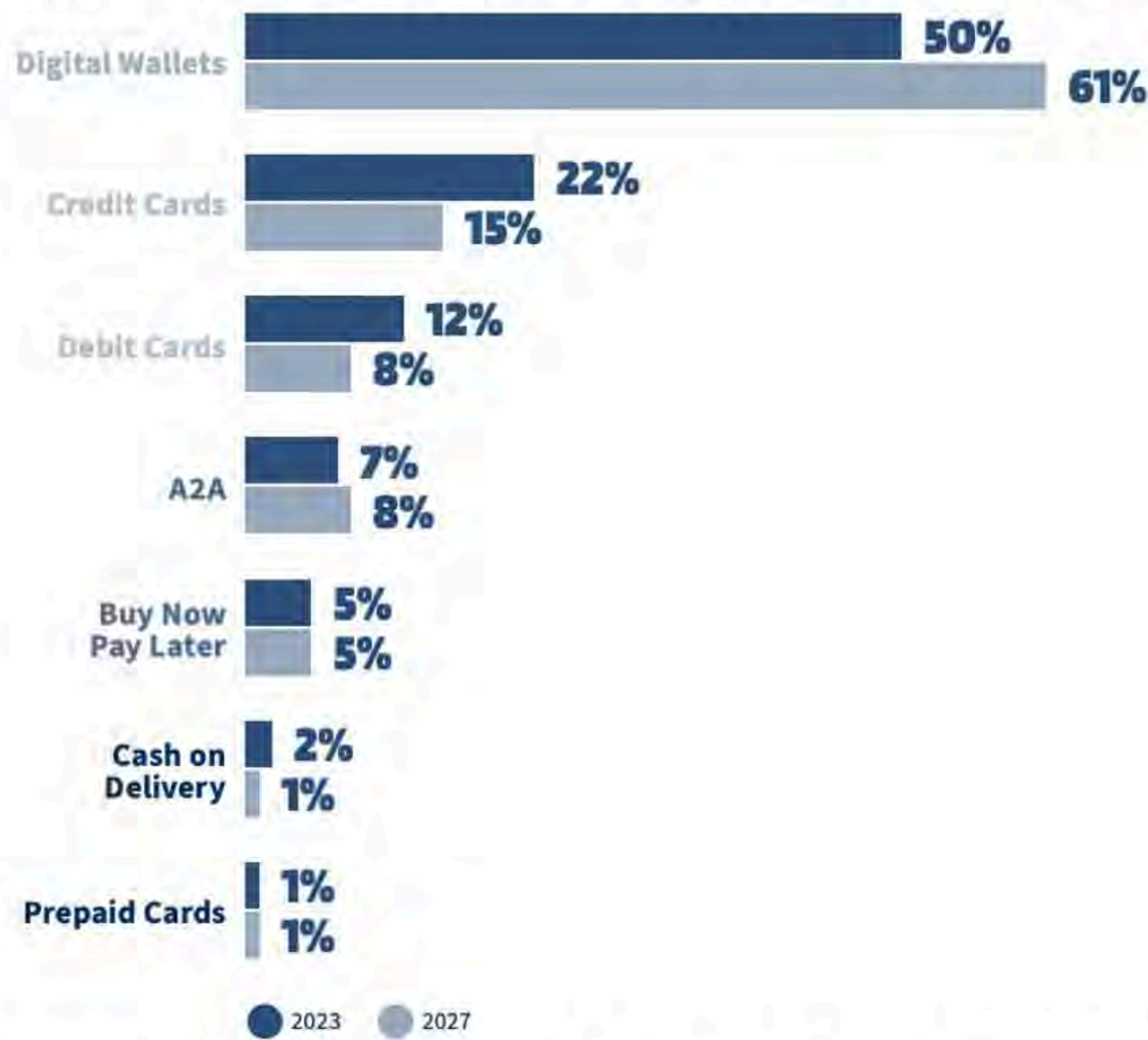
9% CAGR

2023-2027 growth forecast

\$8.8 trillion

2027 transaction value forecast

Global E-commerce Payment Method



The rise of digital wallets in **global e-commerce is largely driven by China**. The total transaction value in the digital payments market is expected to reach \$17.72 trillion in 2024, with China leading for the highest cumulative transaction value at \$8.58 trillion. As e-commerce, digital payments, and ride-hailing apps expand, **Indonesia is rapidly shifting from traditional (cash) to digital payments**, projected to grow by 18.9 percentage points between 2024 and 2028. Popular leading digital wallets platforms like GoPay, and OVO, coupled with the increasing adoption of Buy now Pay Later (BNPL) solutions, are accelerating Indonesia's shift toward a cashless economy.

Globally, digital wallet adoption varies due to technological infrastructure, regulatory policies, and cultural factors. For example, In the Asia-Pacific (APAC) region, Alipay and WeChat Pay's strong presence in China has driven digital wallet usage up by 92% and 86%, respectively, with each company having 1.3 Billion total users worldwide. As digital payments evolve, PayLater services like Kredivo and Akulaku are reshaping consumer spending by offering flexible, short-term financing. With the convenience of interest-free installments, PayLater has gained traction among Gen Z, particularly for recreational and self-reward purchases. Even digital wallets are integrating PayLater options to meet growing demand. The future of **payments will be hybrid**, blending traditional and digital options for seamless global transactions. Marketers must prepare to support this hybrid approach with strategies tailored to meet the demands of this transformation.

Digital Transformation

The digital transformation services market is projected to grow by \$1.38 Billion, with a CAGR of 28.99% from 2023 to 2028. This factor is one of the significant drivers for substantial growth in the digital marketing sector. This rapid expansion is driven by the rising demand to modernize outdated technologies. Businesses that adopt the technology experience significant growth by streamlining operations and increasing productivity. This market includes a range of solutions, including **cloud computing, machine learning, the Internet of Things (IoT), and big data tools**.

#2 Changing Consumer Preferences

Growth Drivers and Trends

Spotted Around the World, the Middle Class is Shrinking

The global **middle class** has been **shrinking** since the 2008 financial crisis. The Great Recession, further worsened by the COVID-19 pandemic and a prolonged period of slow economic recovery, has increased **global income inequality and relative poverty**. In Indonesia, the middle class has also declined, and vulnerability has risen in 2024 compared to 2019. By 2024, Indonesia's middle class had declined to 47.85 Million people, representing a significant reduction of nearly 10 Million individuals over the past five years. Many countries face the risk of falling into the **middle-income trap**, caught between the rapidly advancing technologies of wealthy nations and competition in mature industries from low-wage countries. This trap results in **stagnating growth** after reaching middle-income status, hindering progress to high-income levels.

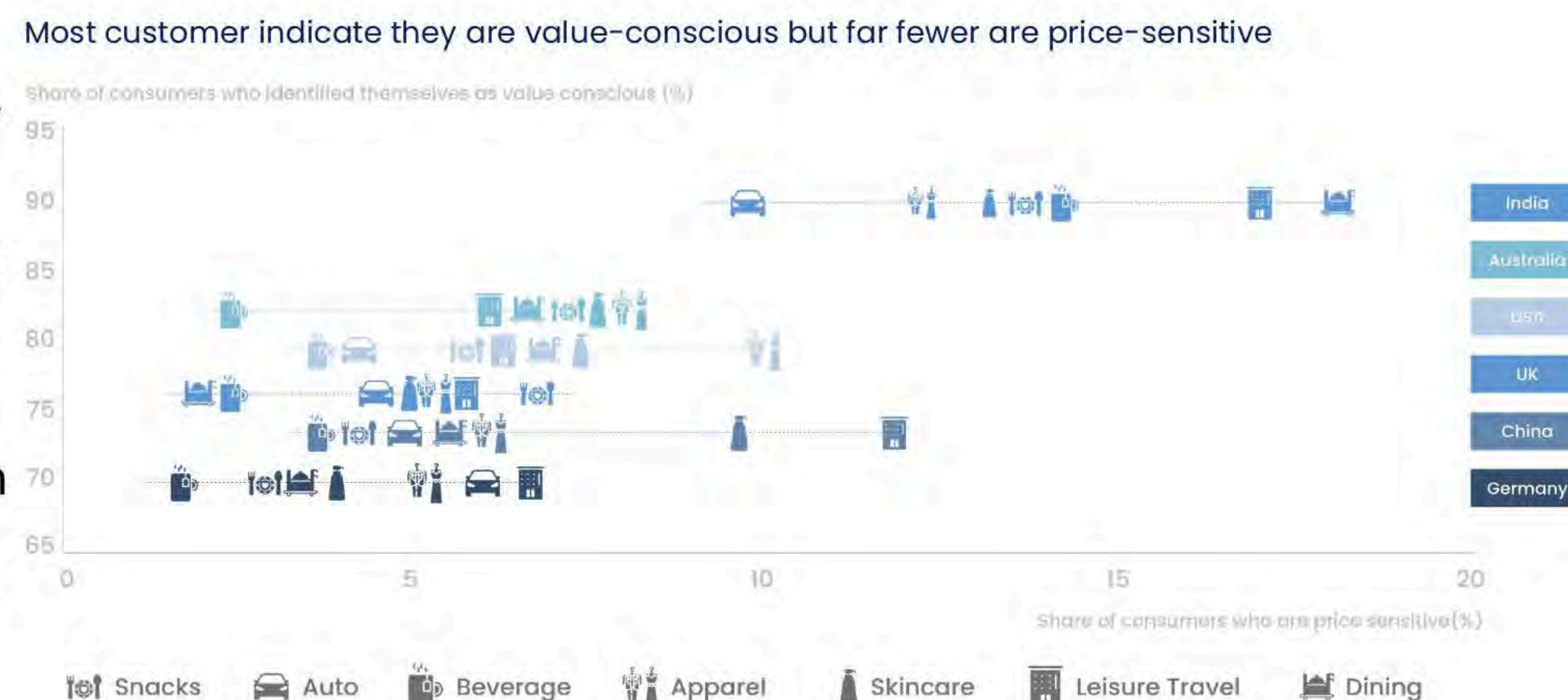
Marketers need to adapt their strategies by **emphasizing unique value propositions** and **building credibility** through customer testimonials. Additionally, leveraging insights into customer cash flow timing and seasonality can help align offerings with **customer purchasing patterns**, maximizing momentum in a challenging economic environment.

Rise of Value-conscious Consumerism

The pandemic and slow economic growth have further pressured the middle and lower-income groups, increasing their preference for value-based purchases. This situation increased value-conscious consumerism which prioritizes getting the best value for their money, often balancing cost with quality and other benefits. Customer who state that they are **value-conscious do not mean** that they will always choose the **cheapest option**, as there are several other factors considered by value-conscious customers, such as price, simplicity of purchase, authenticity of the brand, etc.



Research shows that while around 73% of Chinese customer are value-conscious, only about 10% identify as price-sensitive. They can also be quality-minded and brand-conscious as they might also enjoy convenience or be interested in environmental sustainability. When making an actual purchase, they need to evaluate the options in front of them and make trade-offs between price and other factors they value.



Source:

Pew Research Center, 2012-2021; International Monetary Fund, 2024; World Economic Forum, 2019; Organisation for Economic Co-operation and Development, 2024; RBC BlueBay Asset Management, 2024; BCG, 2021; McCrindle Research, 2024; NoGood IO, 2024; Forbes, 2024; Reuters, 2024; Our World In Data, 2024; BPS, 2024

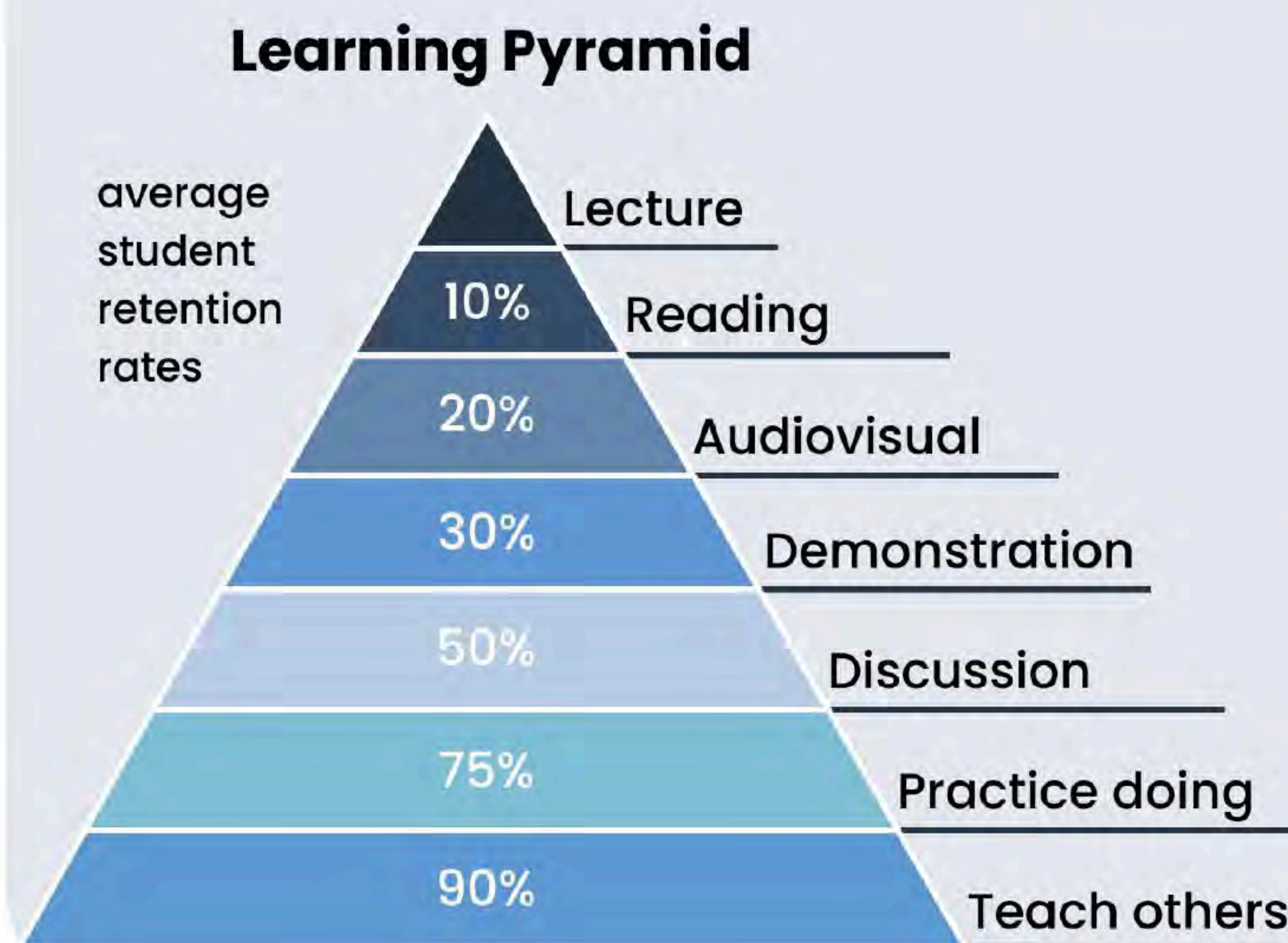
Cross-cultural Influences

With the rise of value-conscious consumerism, customer behavior is increasingly shaped by cross-cultural influences, particularly from the **convergence of Western and Chinese cultures**. This blending of cultural values has given rise to hybrid customer preferences, merging Western ideals of individualism, innovation, and brand storytelling with Chinese values of community, efficiency, and practicality.

For example, the **Western focus on aspirational branding** has driven global demand for luxury goods and lifestyle-oriented experiences, while **Chinese** digital ecosystems, such as super apps like WeChat and mobile commerce innovations, have popularized integrated, **convenience-driven purchasing journeys**.

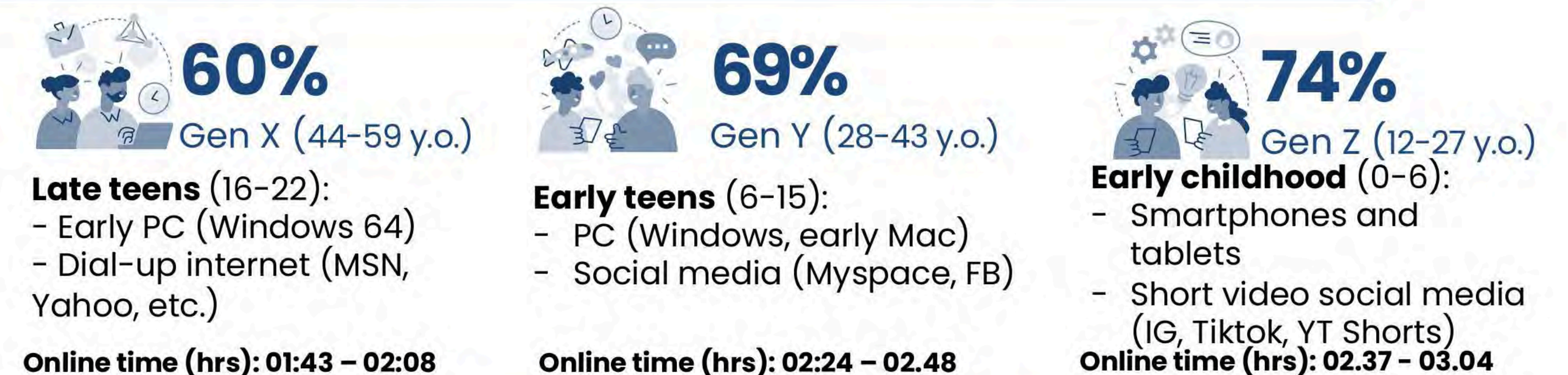
In Indonesia, the most popular skincare brand has effectively combined halal lifestyle portrait with a comprehensive marketing strategy that includes livestreams on e-commerce, social media, and traditional media such as TV and print. This approach successfully enhanced its popularity among Indonesian customers by resonating with local cultural values and mirrors successful tactics from Chinese digital ecosystems and Western lifestyle-oriented experiences.

Selection Criteria of Value-conscious Consumerism



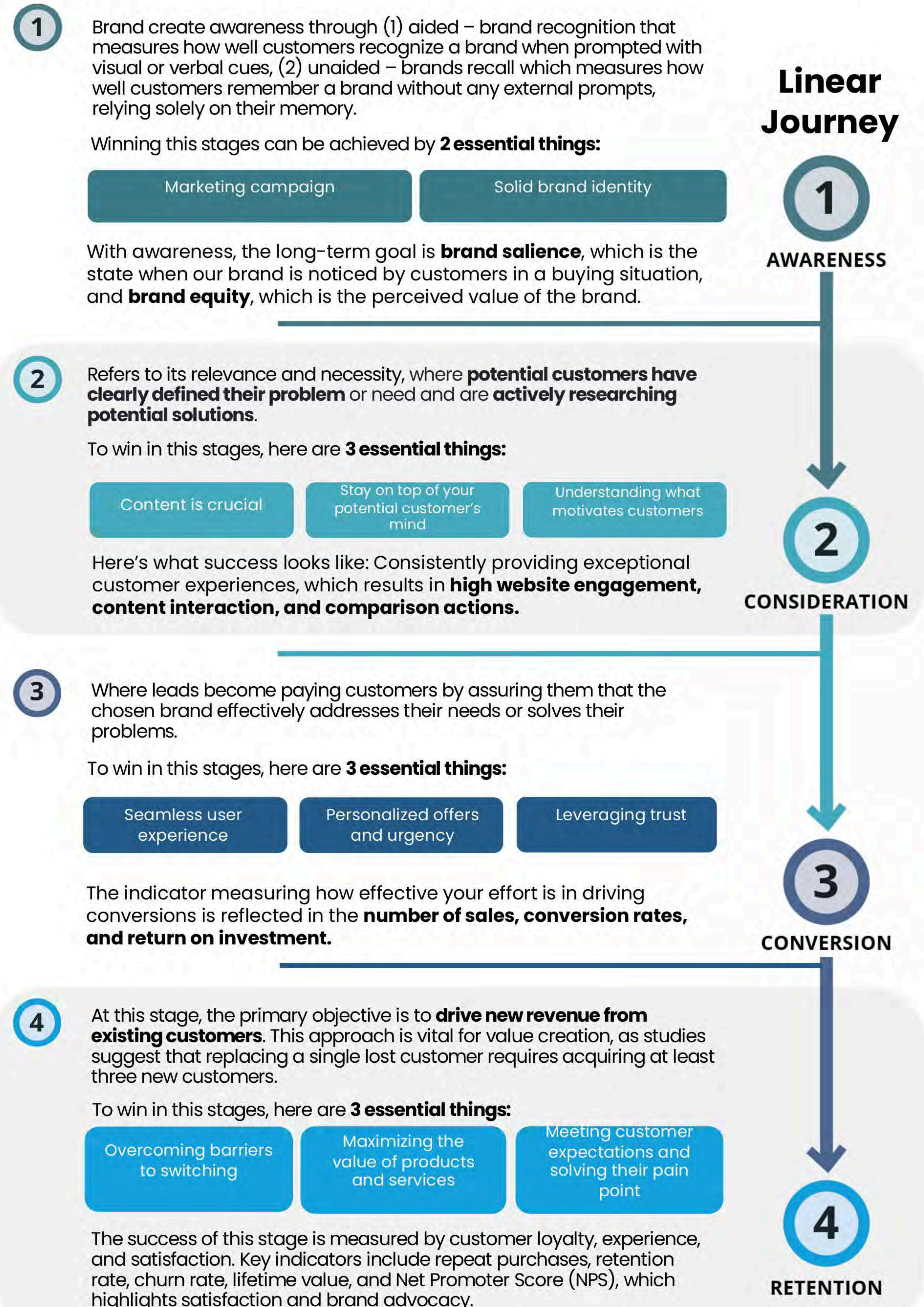
For value-conscious customers, the findings from the learning pyramid model highlight the **importance of experiential and interactive marketing strategies**. These customers, who prioritize quality and cost efficiency, are more likely to connect with brands that engage them through **participatory experiences** and clear, **relatable messaging**. This model underscores the necessity of interactive approaches to capture attention, build trust, and foster loyalty among the audience. With the technological advancement of AI, ML and NLP, it is possible to push further down the learning pyramid into "Discussion" and "Practice doing" in the future through metaverse.

Generational Insights: Value-conscious Customer and Their 1st Interactions

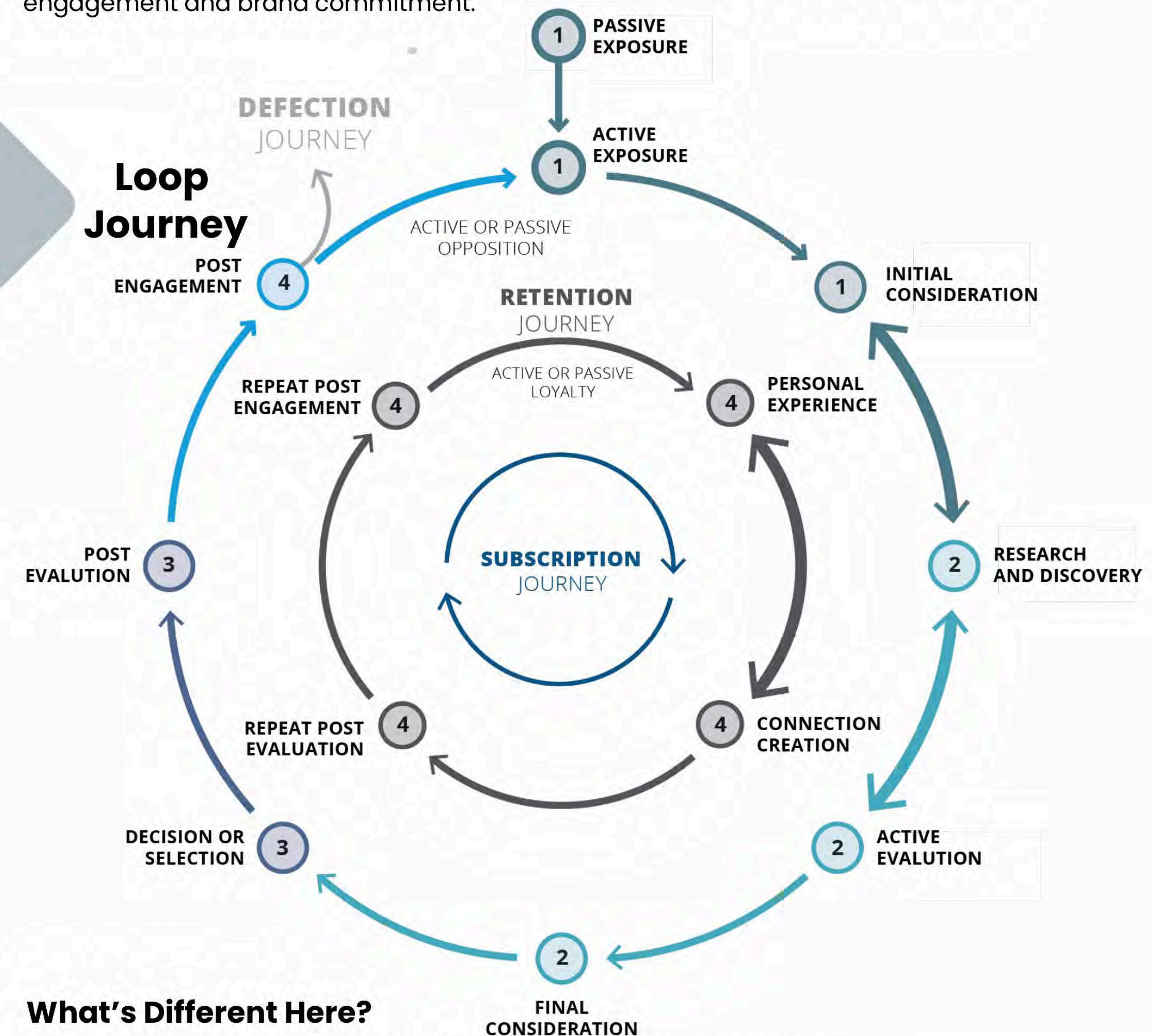


Younger generations, having interacted with technology earlier and spending more time online, show **increased digital nativeness**. Gen X and Y prefer Google Search, while Gen Z favors Instagram and TikTok. With attention spans shortening, traditional blogs and long-form written content are losing popularity, as customers increasingly prefer more interactive, engaging audiovisual formats like videos and live-streaming.

The rise of value-conscious consumerism and internet penetration have changed customers' purchasing behavior, redefining the customer journey to be more complex, iterative, and interactive. In the **traditional customer journey**, customers spend significant time in the consideration and evaluation phases before either entering the loyalty loop or restarting the process to consider and evaluate other brands for their next purchase.



The **new customer decision journey** has evolved into a **loop**, distinct from the traditional linear model. It is more **complex, iterative, and interactive**, streamlining the consideration phase and minimizing or eliminating the evaluation step. This approach directs customers into a more **end-to-end experience** leading to a **subscription loop**, fostering continuous engagement and brand commitment.



What's Different Here?

- Two-way communication between marketer and customer**
Customers now navigate a **complex decision-making journey** shaped by **two types of pressure**: 1. **passive exposure** (gathered info from brand exposure in daily activities) and 2. **active exposure** (actively engaging with the information and starting to have a selection criteria). To effectively capture customer, the ABCD rule— Attract quickly, insert the brand naturally, connect authentically, and provide a clear CTA— can be utilized
- Active consideration loop**
Customer changes of brand according to their selection criteria be done **by research and discovery** where customer use multitude of source to gather new information. After empower themselves, they do **active evaluation** by weight competing products against each other until they find the **final consideration**. To gain a competitive edge here, suspense and humor has proved giving higher ads recall
- Community as key to connect with selective customer**
customers are increasingly **value-conscious**, seeking **inspiration** and conducting thorough **exploration** to **validate** their purchases. This shift underscores the **importance of brand testimonials and user communities** in **influencing decision-making**. When making a purchase, **customers carefully weigh trade-offs between factors** such as price, quality, convenience, and sustainability.
- Loyalty loop and brand advocate**
This new model emphasizes the creation of **personal connections** with customers, fostering loyalty through **repeated evaluation and post-purchase engagement** to nurture customers into **brand advocates**. This continues until another short-cycle or subset of the Retention Journey, called the Subscription Journey.

#3 Technological Advancements

Growth Drivers and Trends

Technology Affects Economic Growth

Technological advancements have accelerated global connectivity, driving the digital economy's rapid growth. These innovations expand markets, boost productivity, and enhance economic activity by enabling businesses to reach global audience efficiently. At the macro level, technology fuels economic growth, while at the micro level, increases profits and market share, creating new opportunities for businesses to thrive in an increasingly connected world.

Global Information Technology Value

\$0.6 trillion

2023 Information technology value

14.7% CAGR

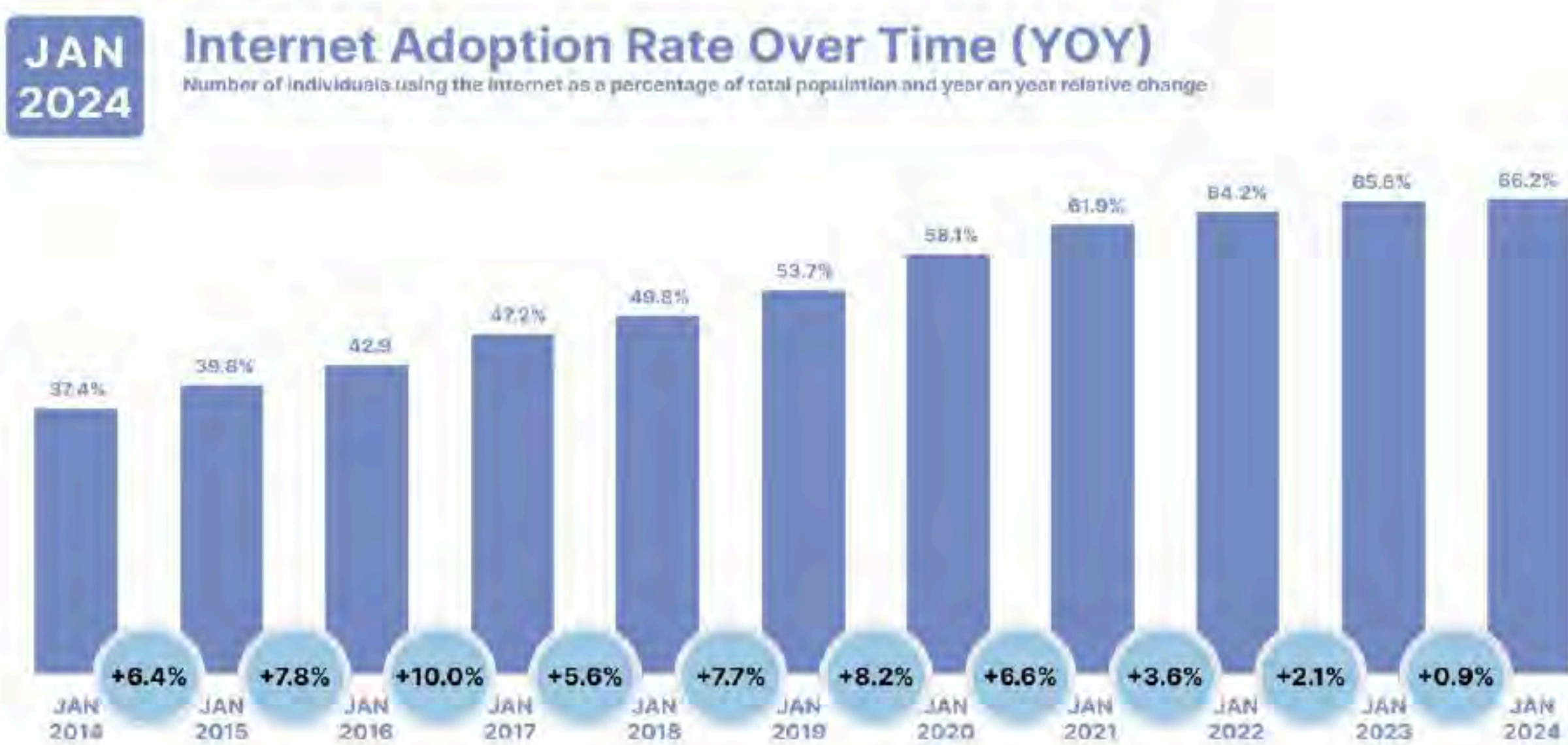
2023-2030 growth forecast

\$1.6 trillion

2030 information technology forecast

Online Technology Evidence – Internet Penetration

Connectivity is evident in the exponential growth of internet adoption since the first website launched in 1992. Today, global internet adoption has reached 66%, with 5.3 Billion users. However, the growth rate has gradually slowed as penetration nears saturation in many regions.



54%

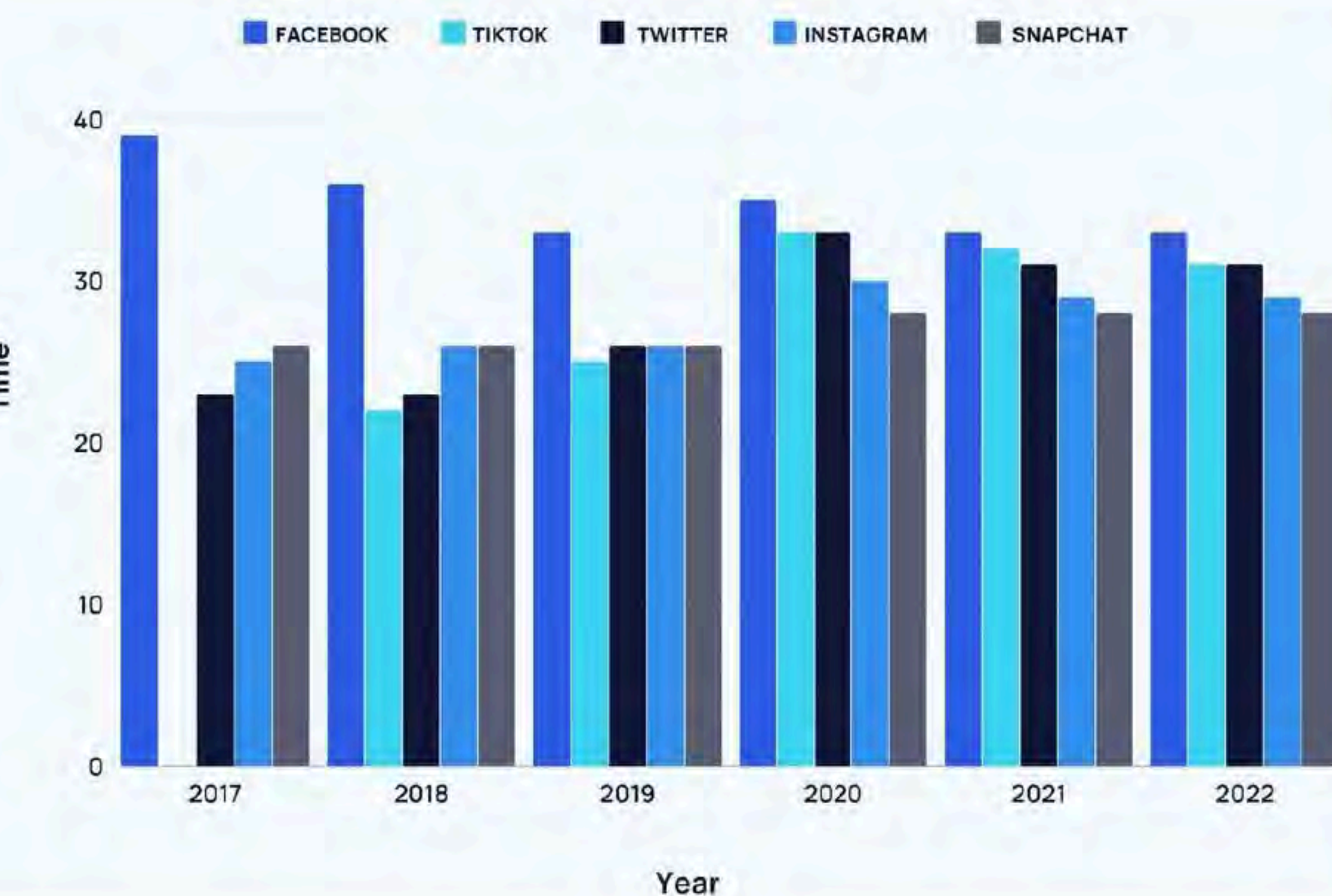
The distribution of internet users in 2024 is dominated by younger generations (Gen Z and Millennials), with an age range of 18-34 years globally.

35%

Older generations (Gen X and Baby Boomers), with an age range of 35-54 years, are also using the internet as of 2024 globally.

Online Technology Evidence – Mobile Devices Penetration

With increased smartphone affordability, improved mobile connectivity, and the growth of mobile-first app services, the **daily time spent on mobile internet** surpassed 50% in 2020, **dominating internet usage over computers**. The widespread adoption of smartphones has revolutionized customer behavior, enabling constant connectivity and access to digital content which further push the technology advancement such as direct to cellphone connectivity (e.g., Starlink). The increasing reliance on smartphones highlights their penetration into everyday life.



Source:

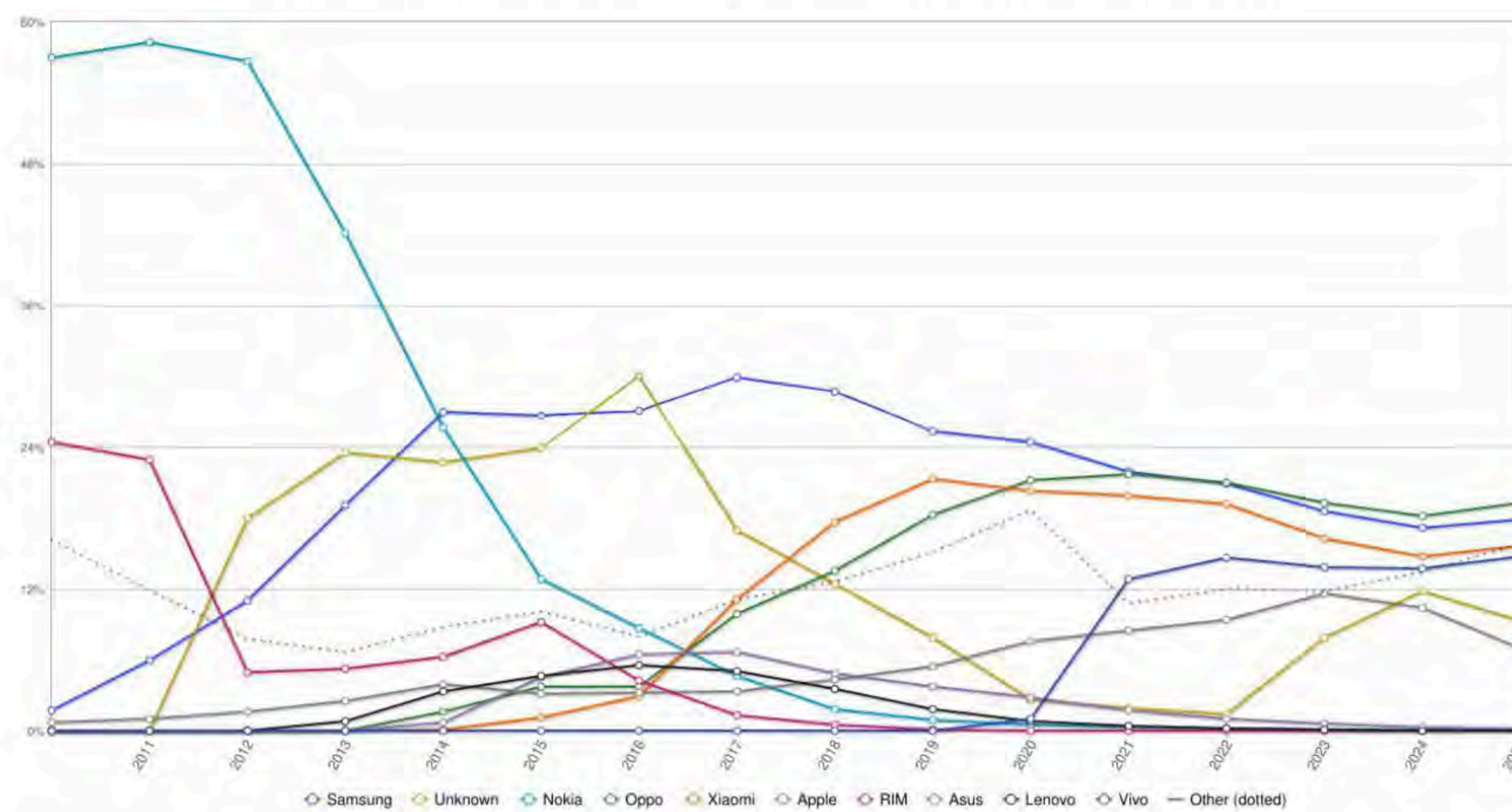
Maximize Market Research, 2023; Journal of Social and Behavioral Science, 2015; Research FDI, 2023; Bulletin of Business and Economics, 2023; We Are Social, 2020-2024; Our World in Data, 2023; Statista, 2024; International Journal of Research in Science, Communication and Technology, 2021; International Monetary Fund, 2023; Market and markets, 2nd markets, 2023; Accenture, 2024; PwC, 2024; International Finance Corporation, 2019; Journal Responsible Design Use of Information and Communication Technology, 2020; Qualtrics, 2024; GS StatCounter, 2024; Forbes, 2021; Gartner, 2024; Martechmap, 2024

Technology and Market Fragmentation

Constant **connectivity and rapid technological advancements** have **reshaped customer behavior**. With unprecedented access to information and on-demand services customer become empowered to **demand higher quality products** and expect immediate fulfillment of needs (**instant gratification**) with a touch of **personalized experiences**.

The evolution of customer behavior has led to **market fragmentation**, driven by the emergence of new segments catering to specific needs. This shift acts as a double-edged sword for businesses, serving as a **catalyst for innovation while also intensifying competition**. For instance, in Indonesia's early smartphone market, Nokia and RIM dominated, but today it has expanded to include at least six additional brands, reflecting the dynamic and competitive nature of fragmented markets.

Indonesia's Mobile Vendor Market Share 2010 - 2025



AI Utilization in Marketing

To remain competitive, businesses must leverage technology to address fragmented, moment-to-moment marketing efforts. Among the most transformative advancements is generative AI, which is estimated to boost marketing productivity by 5-15% of total marketing spending. The top four categories of AI tools driving this progress include:

Content Marketing

Sales Automation Enablement and Intelligence

Business/Customer Intelligence and Data Science

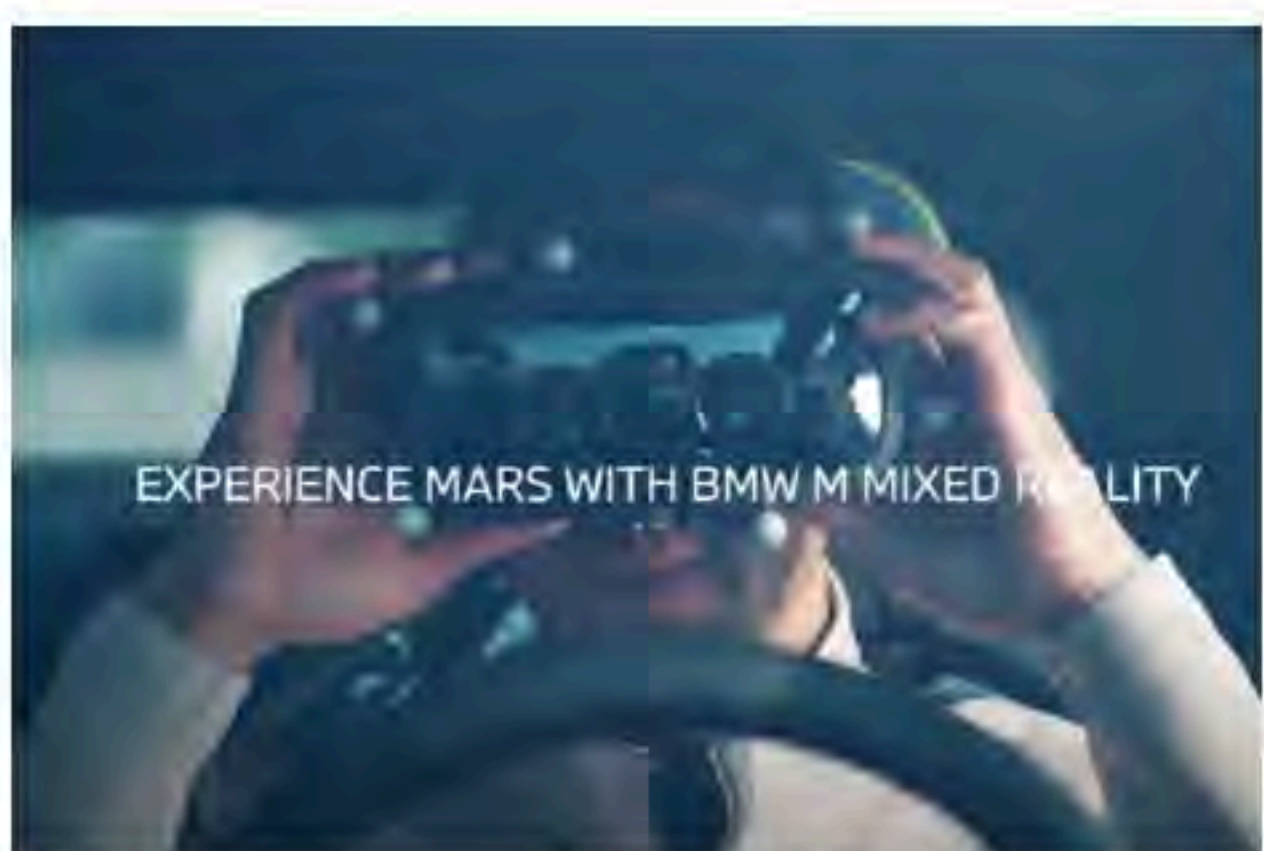
Live Chat and Chatbots

With key activities of each AI tool being:

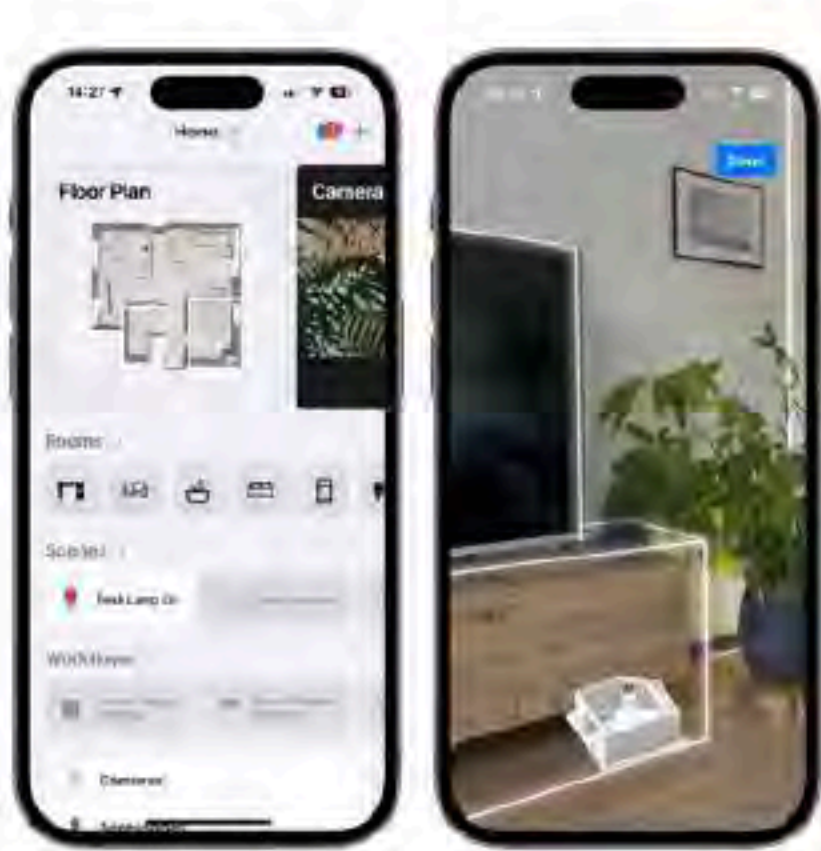
- Content draft generation
- Content optimization
- Lead prioritization
- Sales outreach personalization
- Predictive analysis
- Market research and competitive analysis
- Lead generation
- 24/7 customer support

Other Technology for Marketing

Besides AI, there are also a few other technologies that are becoming part of experiential marketing. This type of marketing helps showcase the brand's originality while increasing connection with customers, as it allows brands to interact directly with consumers and gather real-time feedback. The notable ones include AR, VR, and IoT.



BMW M Mixed Reality uses VR to enable an immersive game-like in-car experience



IKEA's AR-enabled app to help customers visualize furniture.



Starbucks uses IoT geo-fencing marketing to send personalized offers

#4 Social Media and Content Platforms

Growth Drivers and Trends

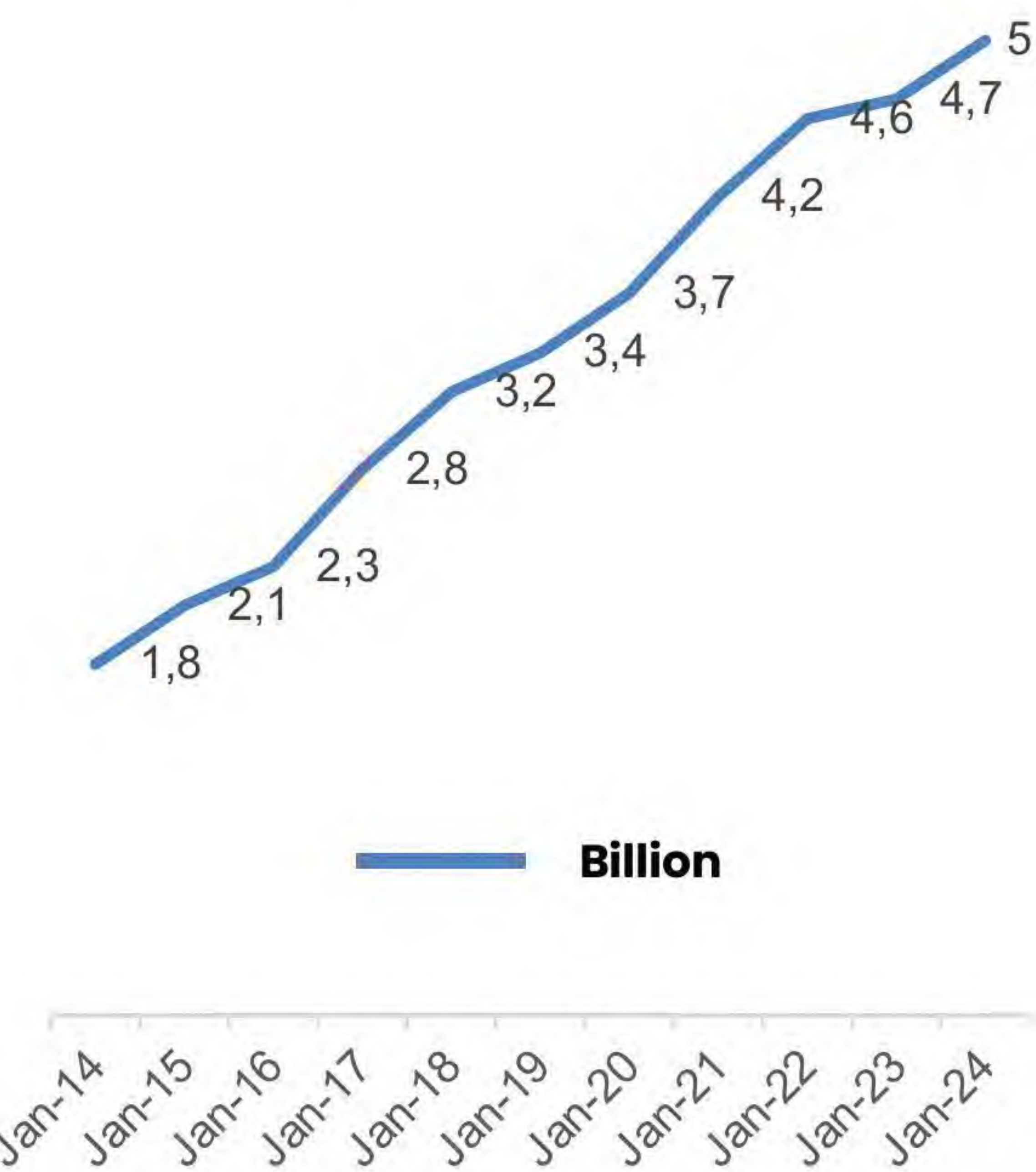
More than half of the world uses social media (62.6%). The number of social media users globally grew from 4.7 Billion in January 2023 to 5.04 Billion in January 2024. Social media platforms continue to evolve to address a broader range of customer needs, highlighting the significant value these platforms add to daily life—an opportunity marketers can increasingly leverage.

In terms of audience demographic, different generations show different social media preferences. Millennials are the most active demographic on social media, With an estimated 68% of them using social media in 2024. In terms of daily time spent on social media, Gen Z tops the list with 35% using it for more than two hours daily. **TikTok and Snapchat** were the most popular social media platforms amongst younger audiences (**gen Z and Millennials**), while LinkedIn was the least used platform by those aged 18 to 29 in the United States as of 2023.

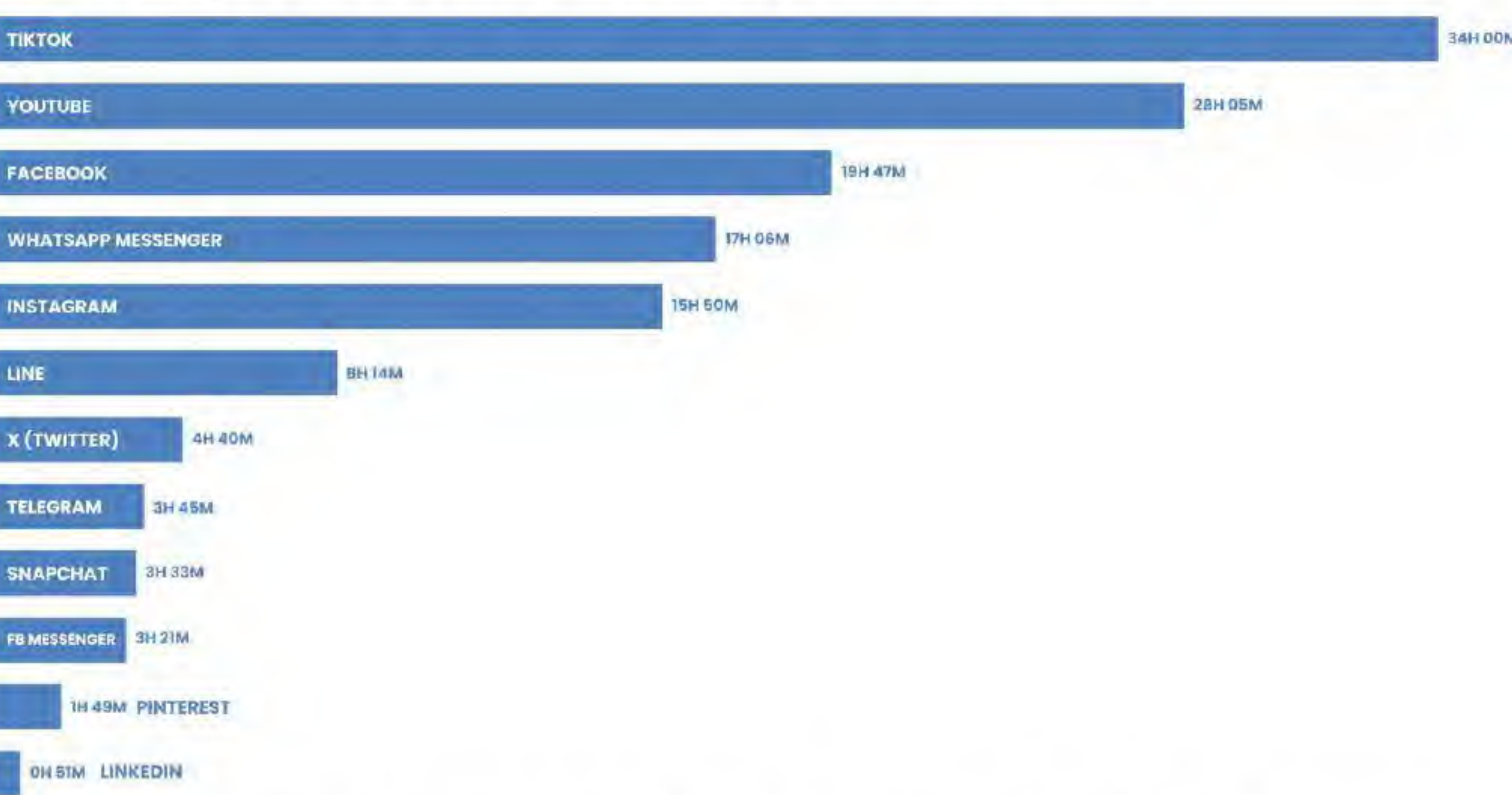
In 2024, people spent an average of 143 minutes or 27 minutes on social media daily. **TikTok** is leading the way as the social media platform where has the highest average time per user which the average time spent on TikTok is forecasted to be 58 minutes, the amount of this daily time spent has increased twohold since 2019.

In 2024, global social media revenues are expected to reach \$700 Billion, reflecting a 23% increase from 2023, with a projected total GMV of \$3.8 trillion by the end of 2024. The most popular platforms also have the highest return on investments. This true for **YouTube, Instagram, Facebook, and TikTok** which offer the best value for the time and money spent.

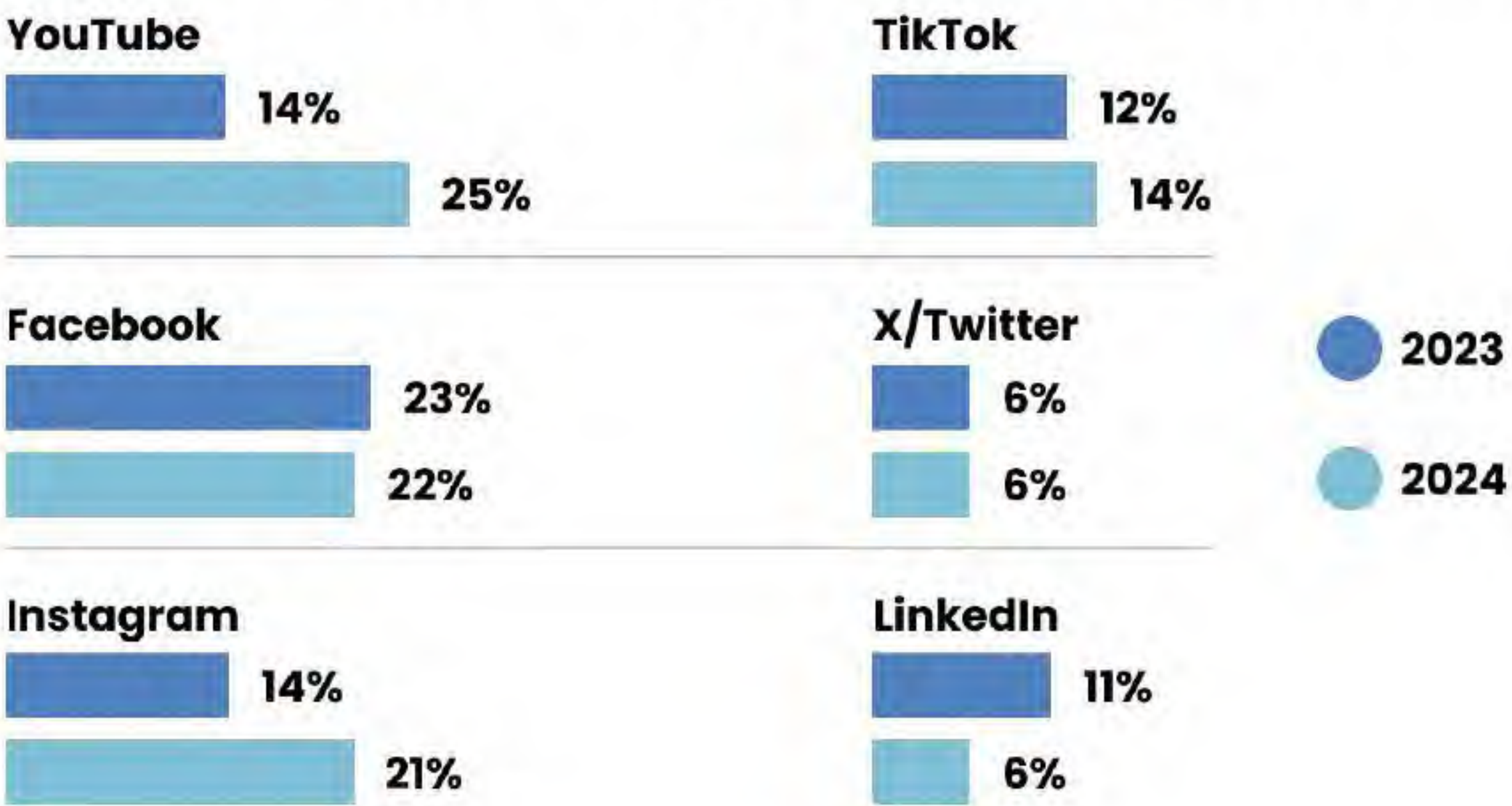
Number of Social Media Users



Time Spent on Social Media in 2024



Highest ROI Among Social Media Platforms

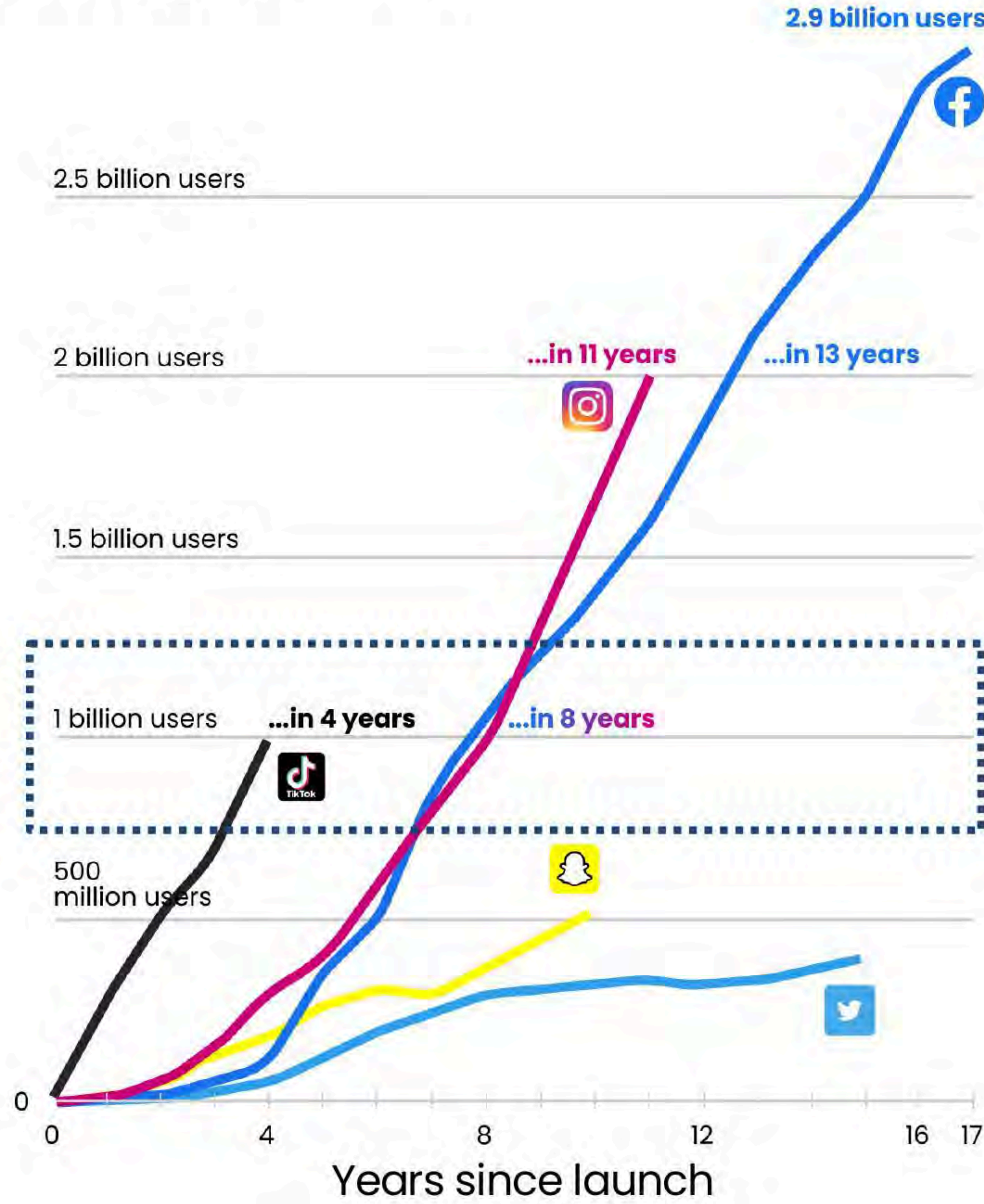


TikTok is one of the fastest-growing social media app in the world. As of 2024, it has **1 Billion monthly active users globally**, achieving this growth within just five years since 2021. By the end of 2024, the platform was expected to reach 1.8 Billion monthly active users. As of April 2024, ByteDance, the Chinese tech company behind TikTok, was valued at approximately **\$220 Billion**, making it the world's most valuable unicorn.

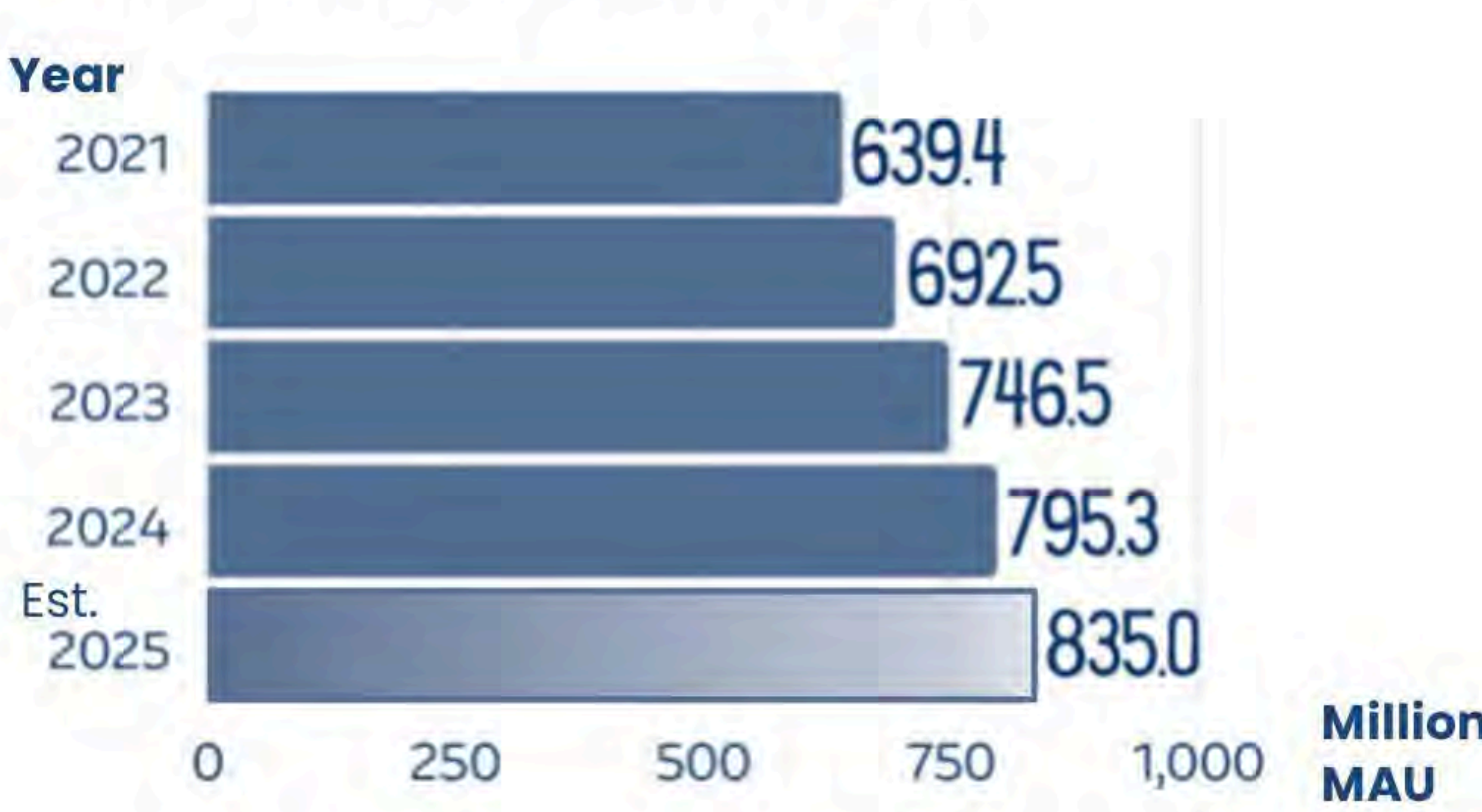
China is leading the digital landscape, as evidenced by the rise of Douyin, China's version of TikTok, launched in 2016 by ByteDance. Douyin, often referred to as the "mother app," had 746.5 million monthly active users in 2023 and is forecasted to exceed 835 million users by 2026. A recent Deloitte report on e-commerce in China highlights that Douyin users are significantly more active in online shopping and spend more than global users on other social media platforms. Chinese TikTok users are more likely to spend over 5,000 RMB annually, compared to the global average of 2,000 RMB. Douyin's ability to drive sales is attributed to its engaging short-form videos, effective influencer marketing strategies, and seamless e-commerce integration.

Recognizing the growing influence of social commerce, global platforms are adapting to this shift. In January 2025, eBay partnered with Meta to integrate listings into Facebook Marketplace across the U.S., Germany, and France. This move grants eBay sellers access to Facebook Marketplace's with over 1 billion monthly visitors, boosting visibility and GMV.

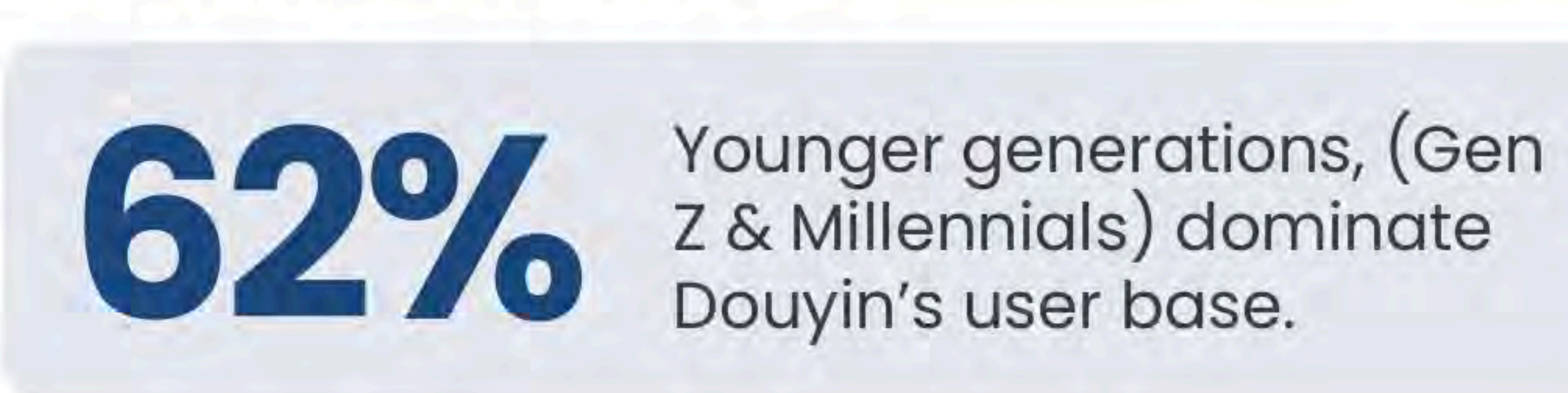
How Long Does It Take to Hit a Billion Monthly Active Users?



Douyin Monthly Active Users



Douyin Age Distribution



Douyin E-Commerce GMV



Social media advertising in Indonesia is growing rapidly, with spending projected to reach \$1.24 billion in 2024 and \$1.92 billion by 2029 (CAGR 9.14%). This growth is driven by emerging trends, local dynamics, and shifting consumer preferences. As social media platforms increasingly function as search tools—especially among Gen Z, who prefer them over traditional search engines—content strategies are evolving. Short videos boost awareness, while long-form content like case studies nurtures leads and drives conversions. With users actively searching for authentic, visually engaging content, businesses are optimizing discoverability through hashtags, interactive formats, and community engagement. As social media reshapes the customer journey, its role in marketing will only strengthen, fueling continued market expansion.

The rapid growth of Social Media worldwide has contributed to the **rise of influencer marketing, social commerce, changing customer shopping habits, and technological advancements.**

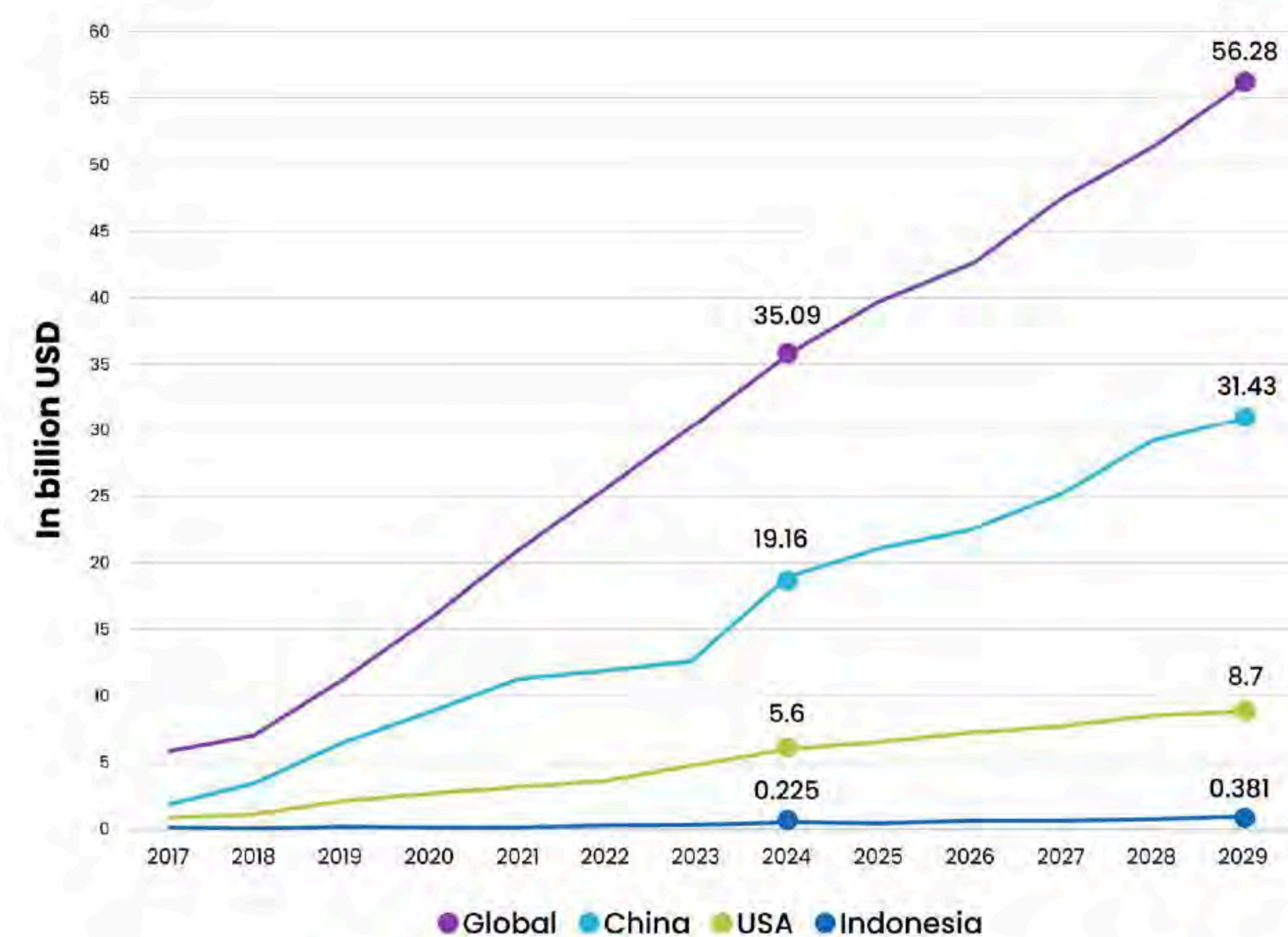
Source: Statista, 2024; Hubspot, 2024; McKinsey, 2022; Stadafa, 2022

Influencer Marketing

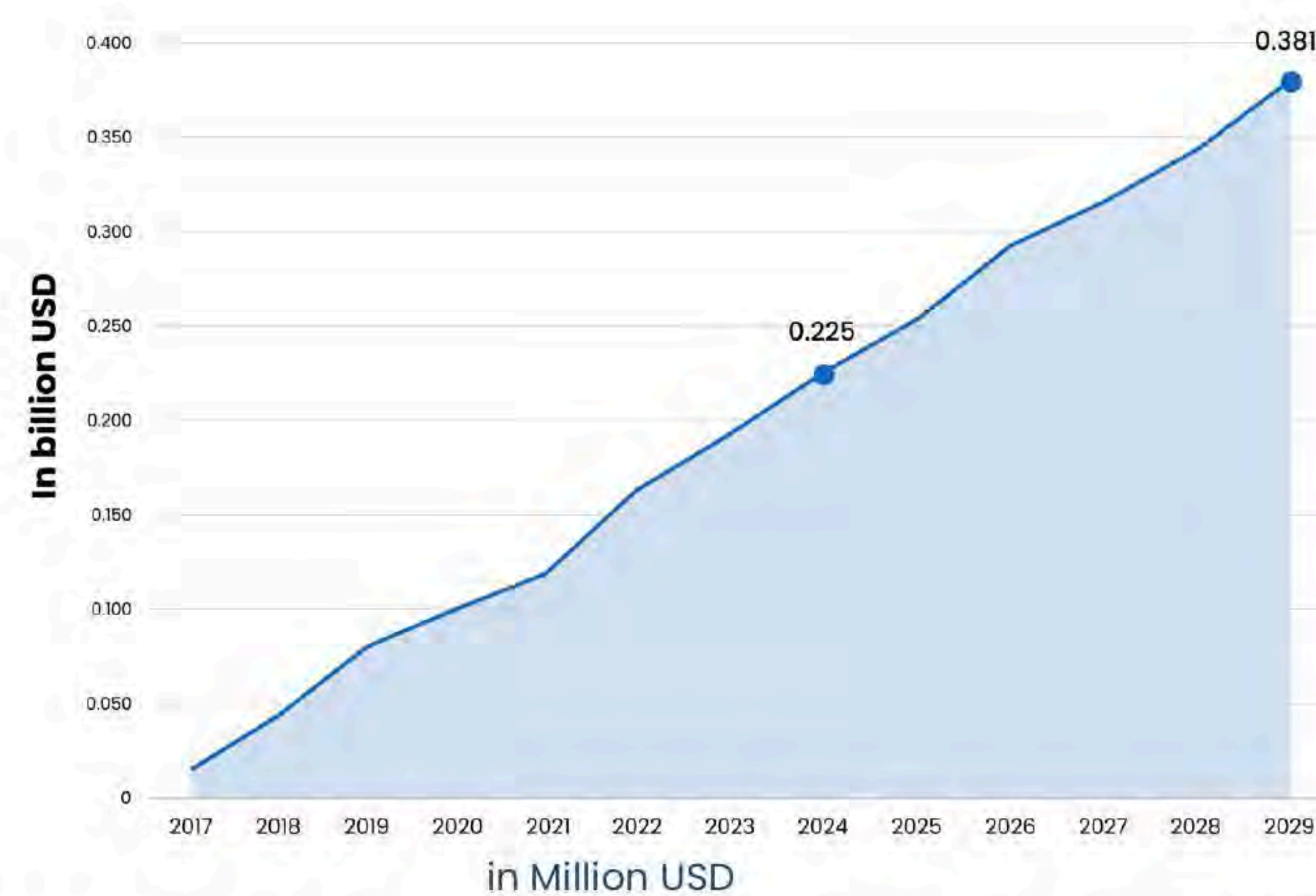
The global influencer marketing market size has more than tripled since 2019, reaching \$6.5 Billion. In 2024, the market was estimated to reach a record of \$24 Billion, and is expected to reach \$91.97 Billion by 2030, growing at a CAGR of 30.7% during the forecast period. Influencer marketing has become a global phenomenon, with **the U.S. and China expected to hold the highest share** in the global influencer market, accounting for 70% of total spending worldwide. China's influencer advertising market is projected to grow to \$19.1 Billion, while the U.S. is expected to reach \$5.6 Billion, showing a smaller increase.

Influencer Marketing Market Size by Region

Global, China, U.S., Indonesia



Indonesia



Some factors contributing to the growth of influencer marketing include social media's rapid expansion. With Millions of internet users browsing social media platforms daily for entertainment, inspiration, and product recommendations, it is no surprise that marketers are harnessing the power of social media's most recognizable faces for promotion. Additionally, the growth of AI integration and the influence of prominent social media figures further drive the expansion of influencer marketing. One success story in **influencer marketing** comes from **China, Li Jiaqi**, popularly known as "Lipstick Brother," has achieved remarkable success as a male beauty influencer. In October 2021, during Alibaba's Annual Shopping Festival, Li Jiaqi sold nearly \$1.9 Billion worth of products in a single day through livestreams. His success comes from building trust through honest reviews and fostering strong connections with his followers, showcasing how digital platforms can transform personal brands into major business success stories. However, Li Jiaqi's 2023 controversy emphasizes the importance of sensitivity and authenticity for influencers. His remark damaged both his reputation and sales, highlighting the need to align with audience expectations to preserve trust and ensure continued success.

Indonesia presents significant potential for influencer marketing, offering a compelling look into the growing role of digital influence in daily life, as evidenced by successful campaigns from brands like Tokopedia and Dettol. A recent survey highlights that 94% of audience acknowledge the impact of Indonesian influencers on user behavior and purchasing decisions. In 2024, the influencer marketing industry in Indonesia was projected to grow significantly, reaching a market volume of \$0.38 Billion by 2029. While this **value is still relatively small** compared to global markets such as the U.S. and China, it underscores the **immense growth potential within Indonesia's digital ecosystem**. A notable trend **is the rise of smaller-scale influencers, or micro-influencers**, who build authentic connections and trust with their audience. Aligning with this trend, 56% of marketers in Indonesia plan to engage micro-influencers, leveraging their ability to emphasize local culture and values. This growing opportunity has also spurred the expansion of influencer marketing platforms, integrating seamless e-commerce features, often referred to as **social commerce**, and **ushering in the emergence of virtual influencers**. As the market continues to mature, Indonesia is poised to play a more prominent role in the global influencer marketing landscape.

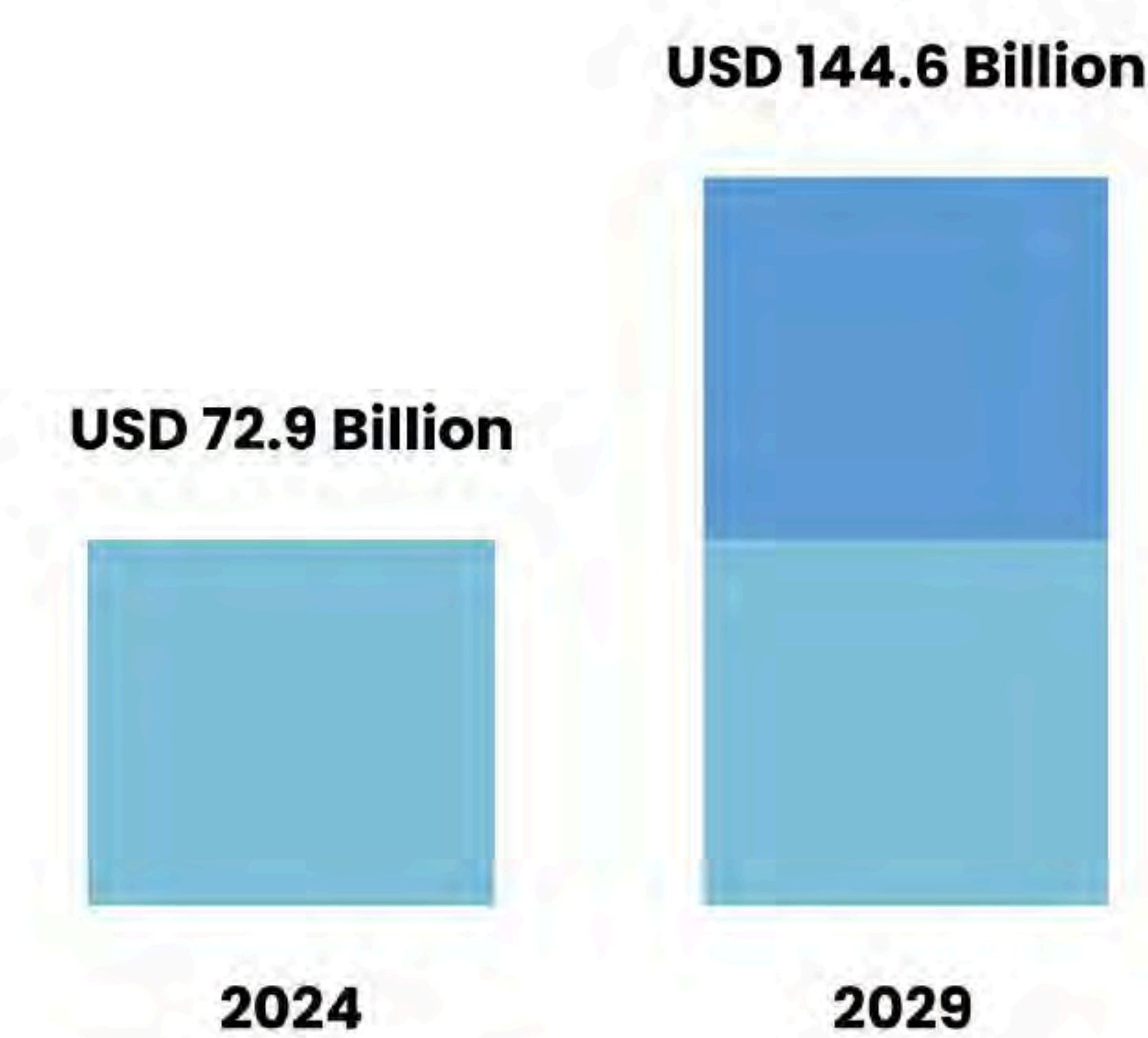
Social Commerce

Social commerce offers more than just a new shopping experience, enabling customers to discover products and complete transactions directly through social media and content creation platforms within a single app. Globally, social commerce GMV is projected to reach \$1,339 billion by 2029, up from \$642 billion in 2023..

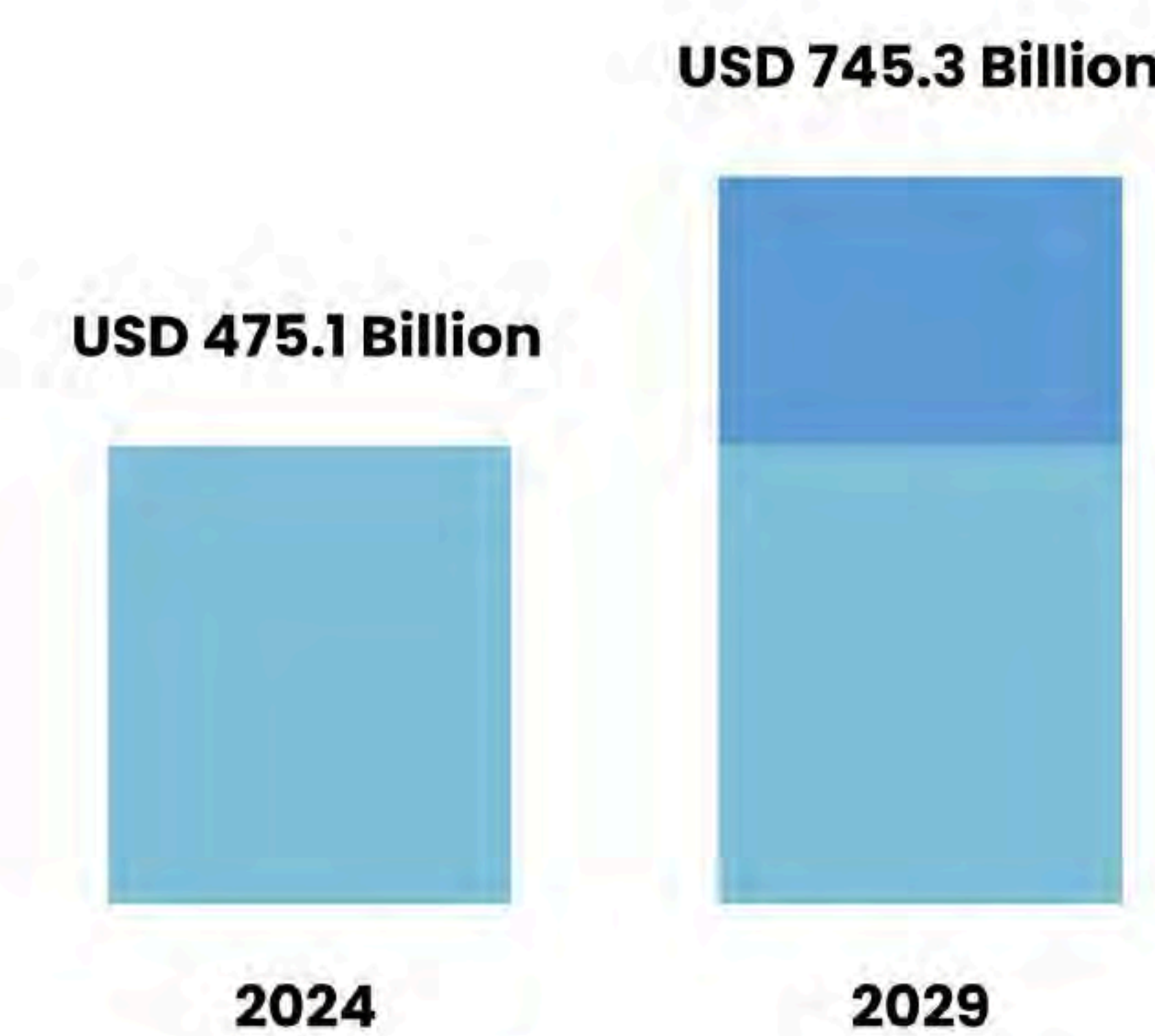
The concept of social commerce was pioneered in China and has also been adopted by the U.S. in recent years. Social commerce in the U.S. is forecasted to reach a GMV of \$144 billion by 2029, doubling its value from 2024. Over the past few years, the U.S. social and creator platforms, such as Meta, YouTube, and Pinterest, have explored opportunities in social commerce but have faced many challenges. Popular in China, social media shopping has grown nearly 40% year-on-year, with almost half of Gen Z and Millennials reporting making purchases directly on social media in the past three months. In China, live-stream shopping accounted for \$132 Billion, or 5% of total e-commerce GMV last year. Overall social commerce spending reached \$475 Billion in 2024, representing 13% of total e-commerce spending. It is forecasted to reach \$745 Billion in 2029, exceeding the GDP of major nations such as Poland, Argentina, Sweden, Norway, and Belgium.

Social Commerce Transaction Value by Region

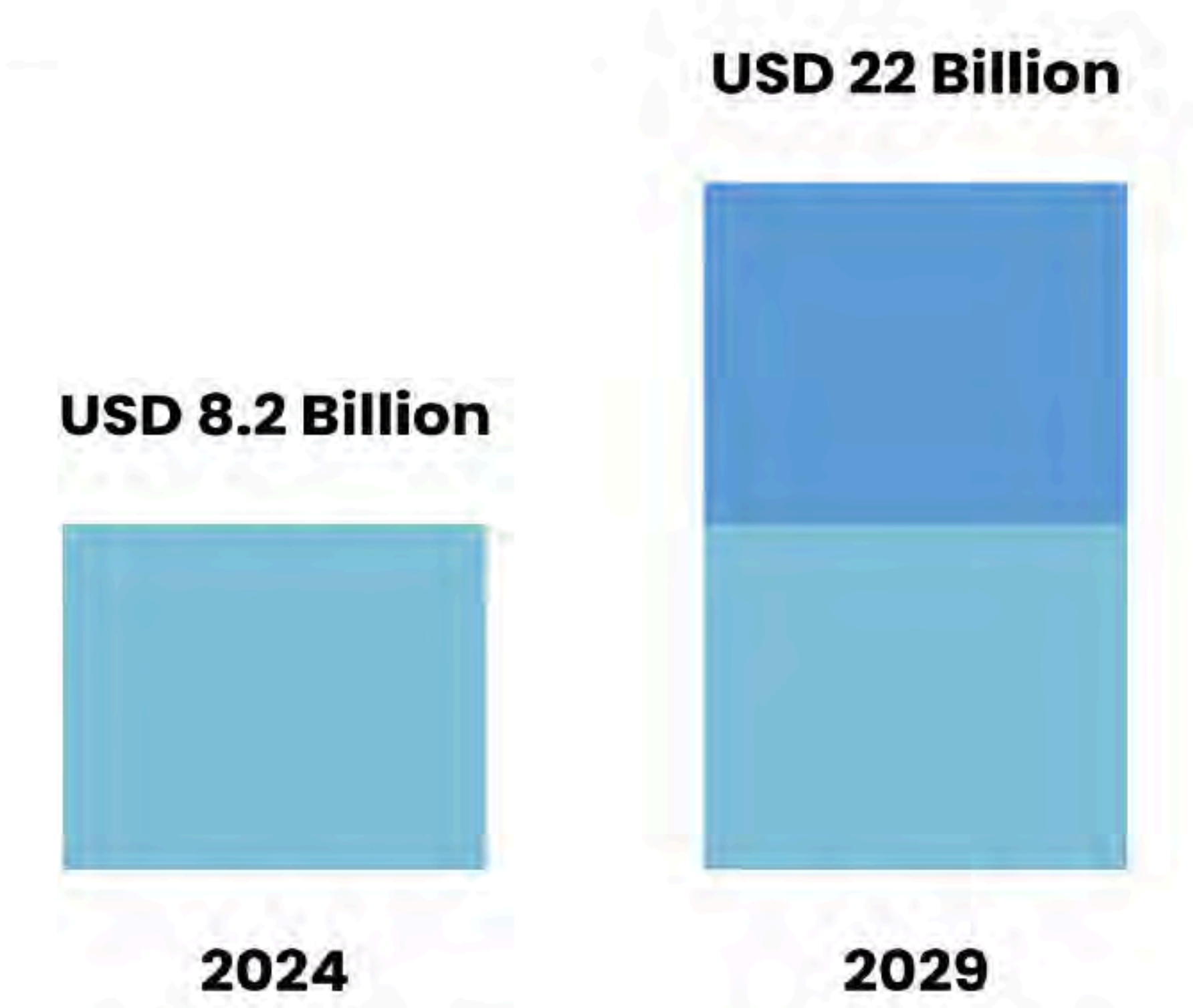
United States



China



Indonesia



How Social Commerce is Growing in China

Some of the drivers behind the rapid expansion social commerce in China are unique to the country's particular circumstances, such as its vast population, rapid economic growth, and its role as a valuable market for learning and inspiration. Additionally, China has built global capabilities by experimenting within its domestic market and has developed a holistic influencer marketing strategy through in-depth analysis of KOLs and KOCs, including measuring their performance impact.

In recent years, social commerce has grown rapidly in Indonesia as well, driven by the increasing number of social media users and the widespread adoption of influencer marketing by brands as part of their business strategies. In 2023, Indonesia's social commerce GMV was around \$8.2 Billion and is expected to nearly triple to \$22 Billion by 2028. TikTok was the most used social media platform for social commerce in Indonesia, followed by Instagram and Facebook. As consumers rapidly shift from traditional e-commerce to social commerce across the globe, businesses must adapt to minimize the risk of missing out on the growing opportunities in digital spending.

Social media and content creation platforms can serve as powerful tools for brand marketers to drive substantial product growth.

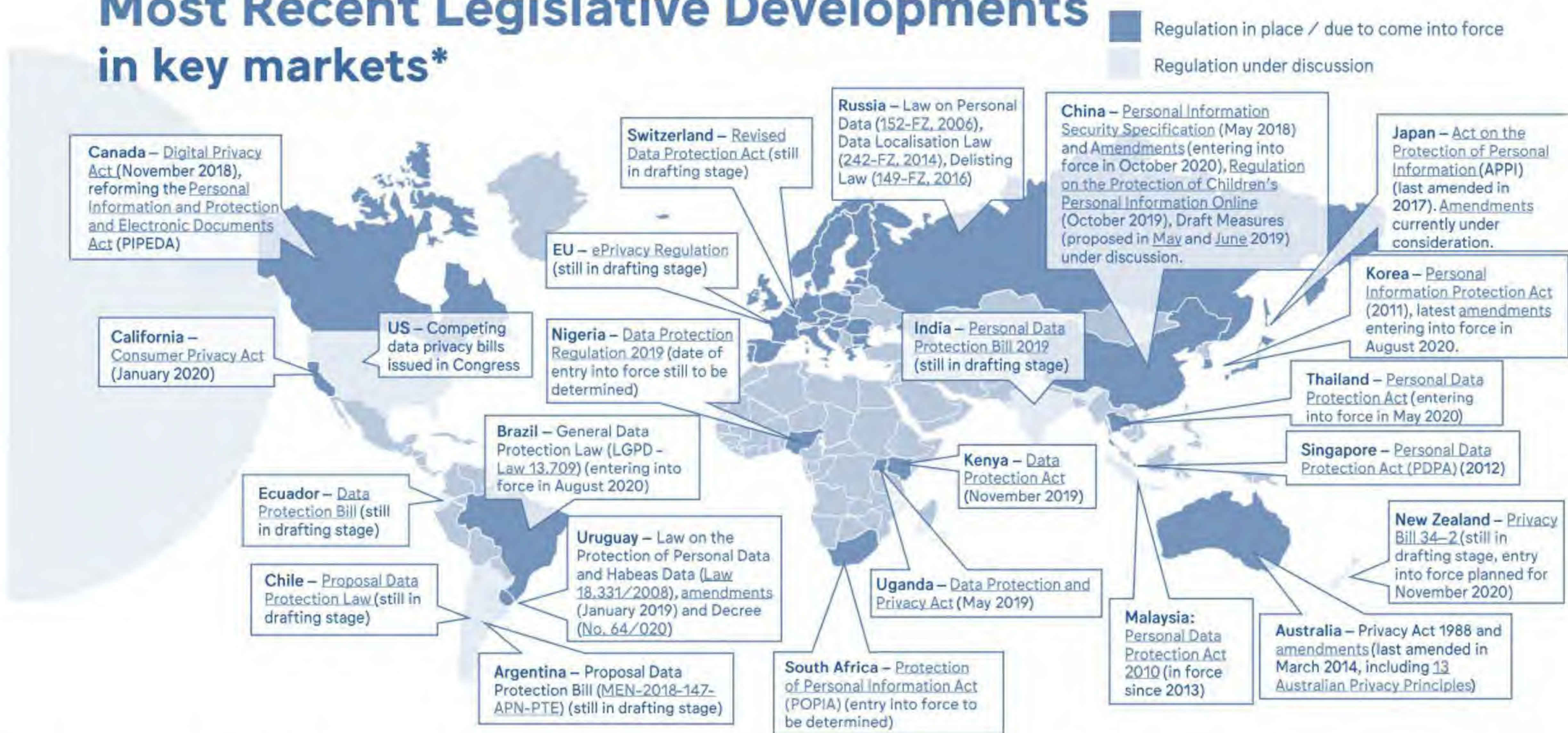
#5 Regulatory and Data Privacy Evolution

Growth Drivers and Trends

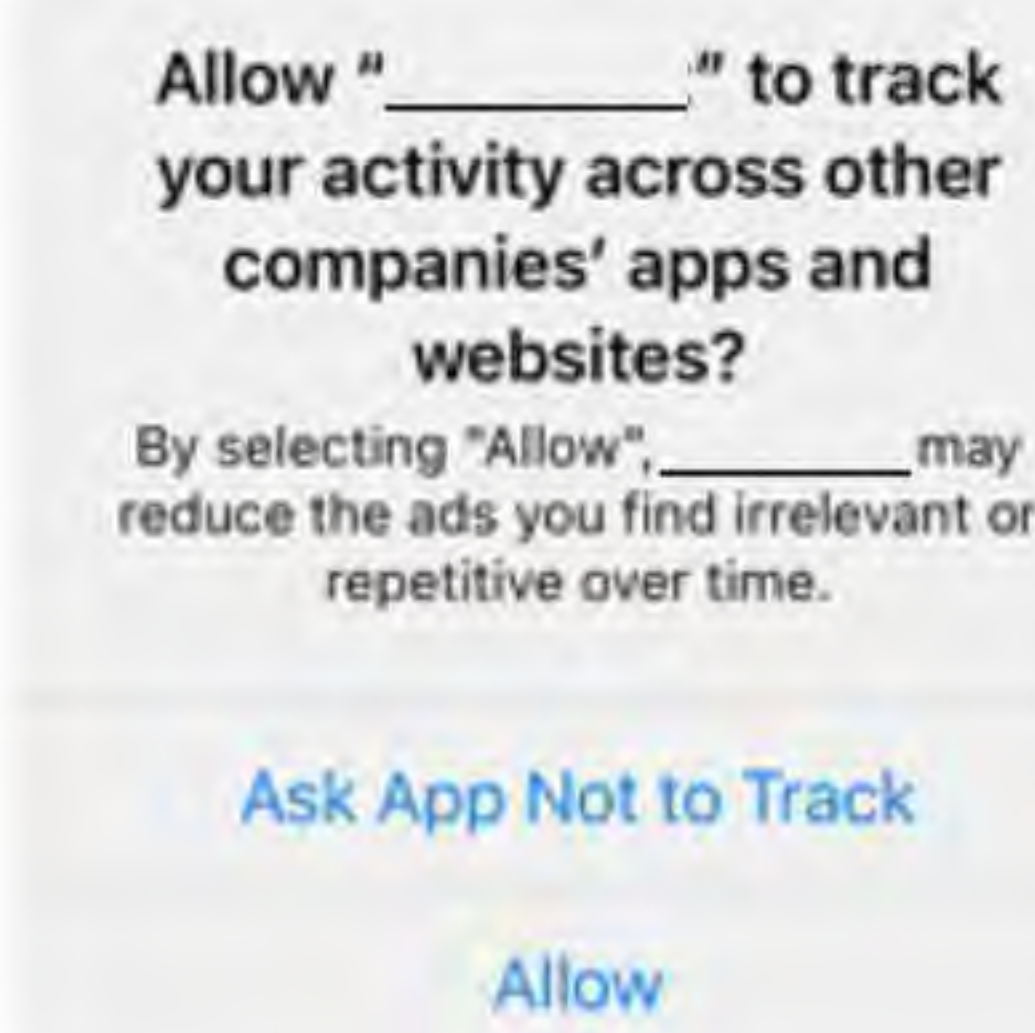
Global Evolution of Data Privacy

Global regulation regarding data privacy began as early as 1890, with the primary concern at the time being "the right to be left alone". Over the years, with globalization and the widespread use of social media, information began to spread rapidly, prompting renewed attention to data privacy and protection. This gave rise to new concerns, including "the right to be forgotten" and "the right to be informed."

Most Recent Legislative Developments in key markets*



The first major action on data privacy in technology was initiated by the leading smartphone brands, Apple. In April 2021, they introduced its App Tracking Transparency (ATT) feature through a software update. While the feature does not eliminate tracking entirely, it limits it by giving users the option to opt out of sharing their unique device identifier, known as the Identifier for Advertisers (IDFA). This shift has transformed the marketing landscape, driving the rise of first-party data usage. As privacy concerns grow, this move has also paved the way for a **cookieless future**, where businesses rely more on **first-party data and consent-based tracking**.



Indonesia's Personal Data Protection Law and Its Implications

Indonesia has taken significant steps to strengthen data privacy with the enactment of **Law No. 27 of 2022 on Personal Data Protection (PDP Law)**. Inspired by the EU regulation, GDPR, this comprehensive legislation safeguards personal data across electronic and non-electronic systems. In Indonesia, unauthorized use of personal data without user consent can result in **fines of up to IDR 5 Billion or imprisonment of up to 5 years**.

The right to be informed of utilization	The right to correct data	The right to access data	The right to delete data
The right to withdraw consent	The right to object usage	The right to limit usage	The right to sue/compensate

Source:
International Network of Privacy Law Professional, 2024; World Federation of Advertising, 2024; Vox, 2022; Forrester, 2024; Chambers Practice Guide, 2024; Osano, 2024

How Should Businesses Take Action?



How should businesses take action?

#3 Technological Advancements

Key Takeaways

The rapid advancement of technology and global connectivity has revolutionized business landscapes, unlocking new markets and optimizing operations. To thrive in this digital economy, businesses must harness these opportunities to expand their reach, deliver superior customer experiences, and boost productivity. However, the complexity of customer journeys and the necessity for sophisticated, multi-channel approaches require constant innovation and monitoring.

1. Targeting Internet-Active Generations

With global internet penetration at 66%, businesses should focus on Gen Z and Millennials (18-34 years), who dominate internet usage. Tailored strategies for these tech-savvy groups, such as leveraging social media and interactive platforms, can drive engagement and loyalty.

2. Sophisticated, Multi-Channel Marketing

Today's customer decision journey is no longer linear but a dynamic, iterative loop. Businesses must adopt a multi-channel marketing approach to ensure they are present at every touchpoint. This includes creating interactive funnels and designing deeply engaging customer journeys that loop back to the brand, fostering long-term loyalty.

3. Adopting Technology for Digital Transformation

Technology is pivotal in crafting innovative business models and enhancing operational efficiency. Companies should invest in advanced tools such as data analytics, artificial intelligence (AI), and marketing automation to monitor and control the customer journey effectively. Real-time insights from these technologies enable businesses to refine strategies, optimize customer experiences, and deliver continuous value.

4. Tracking, Monitoring, and Control

To navigate complex customer journeys, businesses need to have the capability to measure their digital efforts. By leveraging analytics platforms, businesses can track customer behavior across channels, predict trends, and adjust campaigns in real-time. Maintaining control over the customer journey ensures a deeper connection with audiences and a competitive edge in the market.

Success Story



Netflix's digital marketing success is deeply rooted in its **customer centric data-driven** approach. By **analyzing user viewing history** and preferences through its in-house CRM, Netflix delivers **highly personalized and localized content** recommendations using AI. Netflix amplifies its unique value proposition: **exclusive content. Targeting internet-active generations**, the platform hears customers via social listening and utilizes social media to amplify its content and expanded its platform to include games.

In Birdbox and Squid Game 2, it successfully transforms fan-favorite moments into **shareable experiences** such as memes and GIFs, fueling organic virality. Instagram is employed for teasers, behind-the-scenes contents, and star interactions, while Twitter facilitates real-time conversations with fans, giving a sense of community. **Collaborations with partners** like Naver further expand the reach of Netflix originals. This **multi-layered** strategies to connect with customers and **creative digital engagement** solidify Netflix's position as the leader in content streaming.

Impact: Netflix has significantly boosted its global subscriber base, now exceeding 230 Million users as of 2024. Its **personalized recommendations** also account for 80% of streamed content, **enhancing user satisfaction** and loyalty. Its **loyalty strategy** by utilizing **localized and exclusive content** has unlocked new markets, with over 60% of Netflix's revenue now originating from international subscribers.

How should businesses take action?

#4 Social Media and Content Platforms

Key Takeaways

Social media has grown rapidly worldwide.. This growth is fueled not only by emerging trends, local dynamics and macroeconomic factors, but also by shifting customer behavior. Hence, social media has become a critical element in redefining the customer decision journey, profoundly influencing how customers discover, evaluate, and purchase products or services. It impacts various stages of the decision-making process through several mechanisms, such as providing information, fostering engagement, and offering peer recommendations.

1. Influencer And Peer Recommendations

Influencer marketing and peer recommendations are increasingly important in the customer decision journey. Encourage user-generated content and customer reviews to foster trust and authenticity.

2. Develop Interactive And Valuable Content

Content needs to do more than inform—it must engage, entertain, and add value to customers experience. Interactive content (e.g: live streams) helps build deeper connections.

3. Social Commerce Adoption

Integrate e-commerce functionalities directly within social media posts and ads, allowing users to shop seamlessly from their feeds without having to visit an external website. In 2024, live commerce expanded to include high-value products such as cars and real estate. Its interactive nature and personalized shopping experiences are fueling its fast growth and widespread adoption by businesses and customers alike (e.g: Taobao, The Lipstick King, LG electronics, Amazon).

4. Build Trust And Community

Create branded communities (e.g.: Facebook groups, Discord channels) or forums where customers can connect with the brand and each other.

5. Leverage User-Generated Content

Encourage users to create content around your products, such as reviews, unboxings, or customer stories.

Success Story



TikTok and its Chinese counterpart, Douyin, has evolved from an entertainment platform into a major force in live shopping. This platform leverages a combination of **innovative content creation, advanced e-commerce integration** (seamless integration of content and commerce), and **data-driven personalization** (advanced AI algorithms to analyze user preferences and behaviors) to drive sales, empowering creators and small businesses to promote and sell products effectively. **Live shopping events** have proven highly profitable, with some generating Millions in revenue. This strategy enhances the buying experience by fostering community engagement, hosting live QandA sessions, and leveraging influencer collaborations (e.g: Skintific leverage live streaming platforms to engage with customers in real time, build trust, and drive product sales). TikTok's **algorithm-driven personalization**, known as FYP, maximizes app engagement by testing predictions through user reactions rather than relying solely on likes or viewing history. Its **search algorithm** is visually and behaviorally focused, blending social media discovery with algorithmic recommendations.

Impact: TikTok Shop hits \$100 Million in U.S. sales on Black Friday 2023 and reached 1Billion global active users by 2021 in just 4-5 years, while Douyin excels in driving sales through engaging videos, influencer marketing, and seamless e-commerce integration.

How should businesses take action?

#5 Regulatory and Data Privacy Evolution

Key Takeaways

In today's fast-changing digital landscape, marketing strategies must comply with regulations while adapting to shifts in data privacy. Effective approaches prioritize transparency, user trust, and ethical data usage.

1. Prioritizing First-Party Data

To meet strict data privacy laws, businesses should focus on first-party data collected through owned channels. This ensures compliance, builds trust via explicit user consent, and supports ethical personalization. Reducing reliance on third-party data enhances privacy, strengthens customer relationships, and future-proofs marketing strategies (e.g. Google's initiatives, such as the Google Consent Mode and Privacy Sandbox, aims to create a more user-centric advertising ecosystem that prioritizes privacy while still enabling businesses to reach their target audiences)

2. Data Privacy and Protection Compliance

As laws like GDPR and CCPA evolve, businesses must secure user consent, strengthen data security, and offer clear privacy settings.

3. Personalization with customer Consent

Personalizing content using customer data can boost engagement, but it is important to make sure users are aware of how their data is used and agree to it.

4. Ethical Use of Customer Data

Marketers should use customer data responsibly. Collecting only necessary data is a key part of this approach.

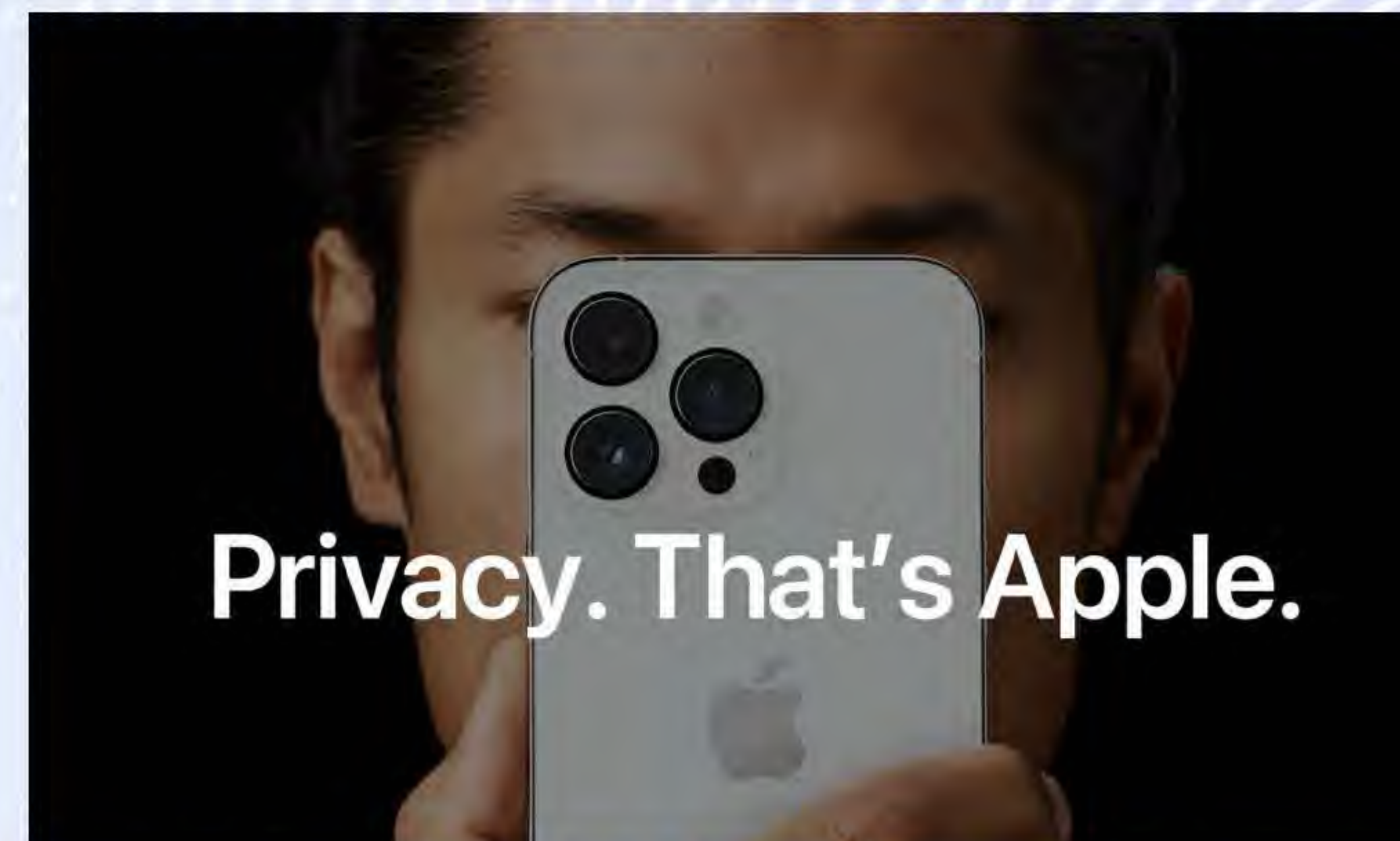
5. Transparency in AI and Automated Marketing

As AI and automation play a bigger role in marketing, businesses must be clear about how these tools are used for targeting and decision-making.

6. User Control Over Data

Giving users control over their own data is essential for trust and regulatory compliance. Marketers should provide simple tools for users to manage their data choices, such as opting in or out of data collection.

Success Story



Apple has positioned data privacy as a fundamental element of its brand identity, establishing itself as a **leader in user protection and transparency**. Since introducing App Tracking Transparency (ATT) in iOS 14.5, Apple has proactively aligned with global regulations like GDPR and CCPA while empowering users to control their data. These measures prevent apps from tracking users without explicit consent, offering enhanced privacy and control over personal information (aside from Siri's private conversation recordings). Apple's **"Privacy. That's iPhone."** campaign leveraged TV ads, billboards, and digital content to emphasize **privacy as a core value**. Ads which are being dramatized as invasive data tracking resonate with privacy-conscious users, while educational resources on Apple's website and YouTube detailed the functionality of its privacy tools. These efforts reinforced Apple's commitment to making privacy accessible and understandable for all users.

Impact: Apple's privacy commitment has strengthened user trust and loyalty, appealing to customers concerned about data misuse. This approach has bolstered sales, particularly among those seeking secure, transparent technology, solidifying Apple's reputation as a trusted tech leader.

Future Trends

03

Future Trends

#1 Economic Factor

Emerging Trends in 2025

In 2025, the global economy is projected to experience significant impact on marketing strategies. Here are the key trends:

1. Uncertainty Condition

The global landscape is marked by political and economic uncertainties. Investors turn to safe havens like gold and bitcoin, while rising U.S. obligations amplify uncertainty by increasing borrowing costs, driving currency volatility, and slowing global growth. In China, the luxury market has experienced slowdown, with spending declining due to economic stagnation and real estate crisis. Businesses must adapt by focusing on localization by value-driven messaging to align with shifting customer behaviors and build trust.

2. The Rise of Protectionism

Protectionism is on the rise, with nearshoring and reshoring increasing due to supply chain disruptions. The luxury market is heavily affected by tariffs and trade barriers because it relies on global sales and supply chains. Companies are shifting productions to in their own countries or back to the U.S. and EU, driven by tax incentives like the CHIPS Act and other similar global policies. Nations like Japan and Taiwan are enforcing stricter regulations to protect the technology industry, while China ramps up chip production. To navigate this trend, businesses should localize production and adapt digital marketing to bypass tariffs and trade barriers.

3. Customer Confidence

Customer confidence influences marketing strategies, as it affects customer spending behavior. When confidence is high, customers spend more on non-essential items. During economic uncertainty, they focus on necessities, look for discounts, and prefer value-driven brands. Marketers should closely monitor key economic indicators such as inflation, unemployment rates, and retail sales to detect potential changes in customer sentiment. Understanding these trends will help brands adjust their messaging, pricing, and promotional tactics accordingly.

4. Changing World Order

The global balance of power is shifting, with Asia taking the lead. China's dominance in patents, technological advancements, and economic stimulus, despite population decline, signals a new world order. Vietnam is emerging as a key investment hub, while India is gaining prominence in technology and innovation. China now surpasses the U.S. in e-commerce GMV, and many Chinese firms are global leaders company in their field. This realignment marks a shift in power from the U.S. and Russia to Asia. The increase of global competition will push business to adapt localization strategies and enhance digital capabilities.

5. Hybrid Retail Experience

The rise of hybrid retail is evident from the integration of digital and physical stores, boosting growth in digital sales. As customers mix online and offline shopping, businesses must create cohesive experiences that encourage both, like Amazon's integration of Amazon Go and Whole Foods. Click and Mortar Experience – physical stores now complement online channels with tools like AR/VR for product trials, self-checkout kiosks, and app-based navigation, combining tangible shopping with digital innovation. Advanced technologies like AR, AI, and interactive displays enable brands to deliver memorable experiences while emphasizing sustainability and ethics.

Source:

Google, 2017; Consultancy Asia, 2024; Determ, 2024; Kantar, 2022; Simon-kucher, 2024; Mckinsey, 2021; Forbes, 2024; Martechzone, 2024; Hubspot, 2024; McKinsey, 2022; McKinsey, 2024; GMG, 2024

Future Trends

#2 Changing Consumer Preference

Emerging Trends in 2025

In 2025, the customer journey has become significantly more complex and multifaceted. customers are empowered with a wealth of information and a multitude of choices, leading to intricate and often non-linear paths to purchase. customers are still exercising selective choices and exploring options through diverse methods. Within this complex journey, customers increasingly favor brands that can provide personalized experiences by remembering their preferences and past purchase behavior.

1. Relevant Personalization In The Complex Multi Channel

Customers will get exposed to multiple choices provided by numerous brand sin today's information-rich environment. Studies show that companies can generate 40% more revenue by providing customers with a personalized brand experience. This customization extends to the individual level, with algorithms and data analysis enabling the creation of unique and targeted experiences for each customer.

2. Shrinking Middle Class – Harder Loyalty Build

The shrinking middle class has reshaped customer behavior, prioritizing value, selective spending, and frugality. Middle-class customers trade quality for quantity, embrace sharing and reselling, and favor experiences over ownership. Bargain-hunting has become both a necessity and a source of excitement, reflecting their resourceful response to economic pressures. Business need to adapt by creating loyalty program that reward frugality and repeat purchases.

3. Polarized Customer Behaviors

With middle market getting squeezed there are two distinct types of customers emerging and polarized. The first group, seeking high-end, continues to purchase with more discretion but remains committed to premium brands. The second group, focused on accessibility, demonstrating increase price sensitivity and opting for cheaper alternatives. Business need to develop segmented marketing approaches to cater the customer extremes.

4. From Feed To Frenzy, Social Media Fuels Consumer Trends

Social media has transformed consumer trends by shaping aspirations and driving demand. Platforms like Instagram and TikTok amplify curated lifestyles influencing purchasing decisions and fostering personal brand connections. For example, viral trends such as quiet luxury and labubu doll on platforms like TikTok can quickly translate into customer demand, impacting product sales and influencing purchasing decisions across various industries.

Actionable Insight

To stay competitive, businesses need to do customer segmentation to group customer based on shared affinity and characteristic. This allows for personalization to be done in a more efficient way. Segmentation also need to consider the customer polarization and customer demand in exclusivity, in order to stay competitive, promotional marketing needs to emphasize on superior quality, unique features, and products benefits compared to private labels. Use marketing campaigns to communicate these differentiators clearly and develop innovative promotions that private labels may not offer such as,, personalized deals based on purchase history or gamified promotions that engage customers and encourage repeat visits

Future Trends

#3 Technological Advancement

Emerging Trends in 2025

In 2025, the digital marketing landscape is undergoing a rapid transformation driven by ground-breaking technological advancements. Key trends include:

1. The Rise of Immersive and Decentralized Experiences

The convergence of the metaverse and Web3 technologies is ushering in a new era of immersive and decentralized digital marketing experiences. Within these virtual worlds, brands can engage customers through interactive storytelling, virtual product launches, and personalized journeys. Blockchain technology underpins these experiences, enabling decentralized data management, secure transactions, and user-owned digital assets (NFTs).

2. The Rise of AI and Machine Learning

AI and ML are no longer just buzzwords. They are fundamentally reshaping the role of digital marketers.

- Automation of Repetitive Tasks:** AI-powered tools automate repetitive tasks like chatbot (utilizing NLP), social media scheduling, email campaigns, and basic data analysis, freeing up marketers to focus on strategic initiatives, creative endeavors, and building stronger customer relationships.
- Data-Driven Decision Making:** AI algorithms analyze vast datasets to identify customer trends, predict future behavior, and optimize campaigns for maximum ROI. Marketers can leverage these insights to make data-driven decisions, personalize customer experiences, and improve campaign performance.
- Enhanced Creativity:** While AI can automate certain tasks, it also empowers marketers with new creative possibilities. AI tools can generate creative content ideas, assist in content creation (e.g.: drafting copy, creating visuals), and personalize content for individual audiences.
- AI powered search experience:** AI is transforming how people search for information and products online. Search Engine Journal study shows that AI tools are changing SEO by focusing on conversational queries, better context understanding, and personalized results.

3. The Evolution of Influencer Marketing

The emergence of AI-powered Key Opinion Leaders (KOLs) is reshaping the influencer landscape. These AI-generated personas can create hyper-personalized content, engage with audiences in real-time, and adapt their messaging based on individual preferences.

4. Customer Data Platforms (CDPs) for Unified Insights

Build a robust data foundation with CDP that consolidate online and offline customer behaviors into a single view. Use this data to predict trends, personalize offers, and streamline marketing efforts, ensuring every touchpoint is optimized for customer satisfaction and retention.

Actionable Insight

To thrive in this dynamic technological landscape, businesses must proactively embrace innovation. This necessitates significant investments in AI and ML, exploring their applications to increase process efficiency across customer segments, predictive analytics, and even automated customer service and content creation. Fostering a culture of innovation within the organization by encouraging experimentation and continuous learning is vital for staying ahead of the curve and maintaining a competitive edge in this rapidly evolving digital landscape.

Future Trends

#4 Social Media and Content Platforms

Emerging Trends in 2025

In 2025, social media platforms are likely to further enhance their shopping features. Brands will increasingly utilize live-stream shopping, shoppable posts, and AI-powered personalization to deliver enhanced shopping experiences. The 2025 social media landscape not only chases on new emerging trends but focuses on establishing it as the central element of your entire marketing strategy. Here are some key trends to focus on in 2025 to foster meaningful connections with our customers:

1. Influencer Shift: Micro- and Nano-Influencers Will Have All the Power

These influencers tend to have higher trust levels with their followers, leading to better engagement rates and more effective marketing campaigns. This shift reflects a broader move towards more targeted, community-driven marketing strategies.

2. Social Commerce Expansion

In 2025, social commerce is expected to play a major role in global sales and influence customer buying behavior. To effectively leverage social commerce, businesses should create engaging, shoppable content that appeals to their audience such as live shopping, influencer partnerships, and interactive product displays. Additionally, using AI to personalize shopping experiences and analyzing data to understand customer preferences will be key to success.

3. AI Dominance

Social media platforms are anticipated to increasingly incorporate artificial intelligence and automation to streamline content creation, enhance user engagement, and provide personalized experiences. In 2025, using Gen AI is a must, business will continue to integrate AI extensively in overall process.

4. Outbound engagement

An outbound engagement strategy in social media involves actively reaching out to potential customers through targeted content, advertisements, and direct interactions like commenting on comments section or beyond social media. According to survey by Hootsuite, engagements on outbound comments are 1.6x higher than original creator replies.

5. Community Building and Personalization

Brands focusing on creating authentic connections such as employee-generated content (EGC) or user-generated content (UGC) and give reliable experiences for their audiences. This approach aims to foster deeper engagement and loyalty among users.

Actionable Insight

In 2025, businesses must make social commerce a core component of their marketing strategy by developing engaging, shoppable content and leveraging AI for personalized experiences that resonate with customers. To stay ahead, brands should harness the power of micro- and nano-influencers for more authentic engagement, implement targeted outbound strategies to increase visibility, and build strong, loyal communities through tailored, value-driven interactions.

Future Trends

#5 Regulatory and Data Privacy Evolution

Emerging Trends in 2025

The digital marketing landscape is undergoing a profound transformation, driven by a confluence of technological advancements and evolving customer expectations. In 2025, this evolution is inextricably linked to a rapidly evolving regulatory landscape.

1. AI and Algorithmic Fairness: The Ethical Imperative

Artificial intelligence (AI) is revolutionizing digital marketing, from hyper-targeted advertising to personalized recommendations. However, the power of AI also carries significant ethical implications. Concerns around algorithmic bias, discrimination, and the potential for AI to perpetuate or amplify existing societal inequalities are increasingly prominent. Expect regulatory scrutiny to intensify, focusing on ensuring fairness, transparency, and accountability in AI-powered marketing applications.

2. Global Data Privacy Regulations: A Rising Tide

The influence of regulations like GDPR (Europe), CCPA (California), and similar laws worldwide is expanding. Expect increased scrutiny of data collection, processing, and sharing practices across borders.

3. Customer Rights and Data Control: Shifting the Power Dynamic

customers are no longer passive recipients of marketing messages. They are increasingly aware of their data rights and demanding greater control. Expect a continued rise in customer expectations around data transparency, data portability (the ability to easily transfer personal data between platforms), and the "right to be forgotten" – the ability to request the deletion of personal data.

4. Enforcement and Penalties: A Focus on Compliance

Regulatory bodies are moving beyond mere warnings and are increasingly enforcing data privacy laws with significant fines and penalties. Non-compliance can have severe financial and reputational consequences for businesses. This heightened enforcement activity will necessitate a proactive and vigilant approach to data privacy compliance.

5. The Rise of Privacy-Enhancing Technologies: Balancing Innovation with Privacy

The need to balance innovation with robust data privacy is driving the development and adoption of privacy-enhancing technologies. Techniques like differential privacy, federated learning, and homomorphic encryption offer promising avenues for businesses to gain valuable insights from data while minimizing privacy risks.

Actionable Insight

To thrive in this evolving landscape, businesses must prioritize data privacy. This requires a comprehensive data audit to understand data flows, robust security measures to prevent breaches, and a commitment to obtaining meaningful consent from individuals. Transparency is key, with clear and accessible privacy policies informing customers about data usage. Embracing privacy-enhancing technologies allows for data-driven insights while minimizing risks. Continuous monitoring of regulations and best practices is essential, and appointing a Data Protection Officer and investing in employee training can ensure ongoing compliance and a data-driven culture that values privacy.

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