Through the waves, towards a sea of opportunity

Tawirin ang mga alon papunta sa dagat ng oportunidad
Content

4. Methodology / Pamamaraan

5. English

11. Filipino
Reference

e-Conomy SEA is a multi-year research programme launched by Google and Temasek in 2016. Bain & Company joined the programme as lead research partner in 2019. The research leverages Temasek insights, Bain analysis, Google Trends, primary research, expert interviews, and industry sources to shed light on the digital economy in Southeast Asia. The information included in this report is sourced as ‘Google, Temasek and Bain, e-Conomy SEA 2022’, unless otherwise specified.

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Philippines: Digital consumers in numbers

Usage intent 1
Intent to use the service in the next 12 months

- Less
- Same
- More

<table>
<thead>
<tr>
<th>Service</th>
<th>Less</th>
<th>Same</th>
<th>More</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-commerce</td>
<td>29%</td>
<td>51%</td>
<td>20%</td>
</tr>
<tr>
<td>Groceries</td>
<td>30%</td>
<td>56%</td>
<td>14%</td>
</tr>
<tr>
<td>Transport</td>
<td>32%</td>
<td>39%</td>
<td>29%</td>
</tr>
<tr>
<td>Food delivery</td>
<td>29%</td>
<td>60%</td>
<td>11%</td>
</tr>
</tbody>
</table>

% adoption across urban digital users

<table>
<thead>
<tr>
<th>Service</th>
<th>Adoption</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-commerce</td>
<td>88%</td>
</tr>
<tr>
<td>Groceries</td>
<td>57%</td>
</tr>
<tr>
<td>Transport</td>
<td>48%</td>
</tr>
<tr>
<td>Food delivery</td>
<td>69%</td>
</tr>
<tr>
<td>Travel</td>
<td>48%</td>
</tr>
<tr>
<td>Video-on-demand</td>
<td>58%</td>
</tr>
<tr>
<td>Music-on-demand</td>
<td>48%</td>
</tr>
<tr>
<td>Gaming</td>
<td>50%</td>
</tr>
</tbody>
</table>

Media usage frequency 2
% using at least once a week

<table>
<thead>
<tr>
<th>Media</th>
<th>SEA average</th>
<th>Philippines</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-commerce</td>
<td>33%</td>
<td>39%</td>
</tr>
<tr>
<td>Music-on-demand</td>
<td>28%</td>
<td>33%</td>
</tr>
<tr>
<td>Gaming</td>
<td>29%</td>
<td>37%</td>
</tr>
</tbody>
</table>

Media usage time 3
% using >1 hour per day

<table>
<thead>
<tr>
<th>Media</th>
<th>SEA average</th>
<th>Philippines</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-commerce</td>
<td>23%</td>
<td>29%</td>
</tr>
<tr>
<td>Music-on-demand</td>
<td>12%</td>
<td>19%</td>
</tr>
<tr>
<td>Gaming</td>
<td>18%</td>
<td>28%</td>
</tr>
</tbody>
</table>

Declared willingness to pay more for a sustainable product or service 4
42%

Questions: 1 - X10. How would you describe your intent to use [e-commerce, online groceries, transport, food delivery] in the next 12 months?; 2, 3 - 'Usage' derived from adoption of Xusage frequency/time (among paying users in the past three months); 4 - On average, how much more would you be willing to pay for products/services that are more sustainable (e.g. reducing fuel/carbon emissions, etc)?

Base: Users by verticals in Philippines, n=1,233
Source: Google-commissioned Ipsos e-Conomy SEA Research 2022
The digital decade continues its upward trend at 20% YoY to reach $20B this year, with e-commerce propelling it to $35B by 2025.

GMV ($B)

**Overall digital economy**

- GMV: 8, 16, 20, 35, 100-150
- CAGR: 47%, 22%, 20%

**E-commerce**

- GMV: 3, 12, 14, 22
- CAGR: 110%, 17%, 17%

**Transport and food**

- GMV: 1, 1.5, 1.9, 4
- CAGR: 30%, 21%, 29%

**Online travel**

- GMV: 2, 0.4, 1, 4
- CAGR: -58%, 180%, 44%

**Online media**

- GMV: 2, 2.6, 3.1, 5
- CAGR: 29%, 17%, 18%

Source: Bain analysis
Sustained DFS growth with lending and remittance hitting ~$8B each (as part of a U-shaped recovery for the latter); digital investments still nascent

Digital financial services ($B)

Payments (GTV)

<table>
<thead>
<tr>
<th>Year</th>
<th>Payment (GTV)</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>66</td>
<td>+2%</td>
</tr>
<tr>
<td>2021</td>
<td>69</td>
<td>+9%</td>
</tr>
<tr>
<td>2022</td>
<td>75</td>
<td></td>
</tr>
<tr>
<td>2025</td>
<td>123</td>
<td></td>
</tr>
</tbody>
</table>

Investment (AUM)

<table>
<thead>
<tr>
<th>Year</th>
<th>Investment (AUM)</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>0.02</td>
<td>+189%</td>
</tr>
<tr>
<td>2021</td>
<td>0.2</td>
<td>+50%</td>
</tr>
<tr>
<td>2022</td>
<td>0.3</td>
<td></td>
</tr>
<tr>
<td>2025</td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

Lending loan book

<table>
<thead>
<tr>
<th>Year</th>
<th>Lending loan book</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>0.1</td>
<td>+304%</td>
</tr>
<tr>
<td>2021</td>
<td>1</td>
<td>+63%</td>
</tr>
<tr>
<td>2022</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>2025</td>
<td>8</td>
<td>+53%</td>
</tr>
</tbody>
</table>

Remittance (GTV)

<table>
<thead>
<tr>
<th>Year</th>
<th>Remittance (GTV)</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>7</td>
<td>-30%</td>
</tr>
<tr>
<td>2021</td>
<td>3</td>
<td>+32%</td>
</tr>
<tr>
<td>2022</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>2025</td>
<td>8</td>
<td></td>
</tr>
</tbody>
</table>

Insurance (APE / GWP)

<table>
<thead>
<tr>
<th>Year</th>
<th>Insurance (APE / GWP)</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>0.03</td>
<td>+53%</td>
</tr>
<tr>
<td>2021</td>
<td>0.08</td>
<td>+58%</td>
</tr>
<tr>
<td>2022</td>
<td>0.12</td>
<td></td>
</tr>
<tr>
<td>2025</td>
<td>0.4</td>
<td>+51%</td>
</tr>
</tbody>
</table>

Note: BNPL loan book calculated using ~3 month average loan tenure for BNPL loans. GTV = Gross Transaction Values; AUM = Assets Under Management; APE = Annual Premium Equivalent; GWP = Gross Written Premiums.
Source: Bain analysis
After a two-year digital economy boom, both deal value and deal activity have risen thanks to sizable investments in incumbent players.
DFS captures 56% of total investor funding and raises ~$450M in H1 2022 alone; Web3 is also pulling its weight with a ~12% share of the pie
Filipino
On-demand na video
48% ng gumagamit kahit isang beses sa isang linggo

Tanong 1- X10: Paano mo ilalarawan ang layunin mo sa paggamit ng [eCommerce, Mga Online na Grocery, Pagbiyahe, Pag-deliver ng pagkain] sa susunod na 12 buwan?

2,3 - Nagmula ang paggamit sa adoption x dalas ng paggamit/oras (sa mga user na nagbabayad sa loob ng nakaraang 3 buwan)

4- Sa average, magkano ang handa mong dagdag na ibayad para sa mga produkto / serbisyo na mas sustainable (hal. nagbabawas ng mga fuel / carbon emission, atbp.)?

Base: Mga user ayon sa mga vertical sa Pilipinas n = 1,233
Source: e-Conomy SEA Research 2022 na ipinagawa ng Google sa Ipsos

Philippines: Mga digital konsumyer

Layunin ng paggamit

- Mas Kaunti
- Pareho
- Higit pa

E-commerce
- 29%
- 51%
- 20%

Online groceries
- 30%
- 56%
- 14%

Transportasyon
- 32%
- 39%
- 29%

Food delivery
- 29%
- 60%
- 11%

% ng adopsyon ng gumagamit ng digital sa mga urban na lugar

- E-commerce: 88%
- Mga grocery: 57%
- Transportasyon: 48%
- Food delivery: 69%
- Paglalakbay: 48%
- On-demand na video: 58%
- On-demand na musika: 48%
- Paglalaro: 50%

Dalas ng paggamit ng media

% ng gugamit kahit isang beses sa isang linggo

- SEA average
- Philippines

On-demand na video
- 33%
- 39%

On-demand na musika
- 28%
- 33%

Paglalaro
- 29%
- 37%

Tagal ng paggamit ng media

% na na ginagamit >1 oras bawat araw

- SEA average
- Philippines

On-demand na video
- 23%
- 29%

On-demand na musika
- 12%
- 19%

Paglalaro
- 18%
- 28%

Nagpahayag ng kagustuhan magbayad ng mas malaki para sa produkto o serbisyo

- 42%

Pangkalahatang-ideya

Paglago

Pamumuhunan

Tanong 1- X10: Paano mo ilalarawan ang layunin mo sa paggamit ng [eCommerce, Mga Online na Grocery, Pagbiyahe, Pag-deliver ng pagkain] sa susunod na 12 buwan?

2,3 - Nagmula ang paggamit sa adoption x dalas ng paggamit/oras (sa mga user na nagbabayad sa loob ng nakaraang 3 buwan)

4- Sa average, magkano ang handa mong dagdag na ibayad para sa mga produkto / serbisyo na mas sustainable (hal. nagbabawas ng mga fuel / carbon emission, atbp.)?

Base: Mga user ayon sa mga vertical sa Pilipinas n = 1,233
Source: e-Conomy SEA Research 2022 na ipinagawa ng Google sa Ipsos
Patuloy ang pagsulong ng digital na tinatayang aabot ng $20B ngayong 2022, at lalaki ng 20% YoY hanggang $35B sa 2025 dala ng e-commerce

Source: Bain analysis

GMV per sector ($B)

Overall na digital na ekonomiya

E-commerce

Transportasyon at pagkain

Online na paglalakbay

Online na media
Tuloy ang paglago ng DFS kung saan ang lending at remittance ay tinatayang aabot ng ~$8B bawat isa; samantalahang ang digital investments ay nagsisimula pa lang umusbong

Mga digital na serbisyon pinansiyal ($B)

Payments (GTV)

- CAGR +2%
- CAGR +9%
- CAGR +18%

Investment (AUM)

- CAGR +189%
- CAGR +63%
- CAGR +50%

Lending loan book

- CAGR +53%

Remittance (GTV)

- CAGR -30%
- CAGR +32%
- CAGR +25%

Insurance (APE / GWP)

- CAGR +53%
- CAGR +58%
- CAGR +51%

Tandaan: Kinalkula ang BNPL loanbook gamit ang ~3 buwang avg. na loan tenure para sa mga BNPL loan;
Source: Bain Analysis
Pagkalipas ng dalawang taong paglago ng digital na ekonomiya, parehong lumaki ang dami at halaga ng mga funding deal dahil sa investment sa mga incumbent na player.

### Halaga ng pribadong funding ($B)

<table>
<thead>
<tr>
<th>Bilang ng deal</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>H1 2021</th>
<th>H2 2021</th>
<th>H1 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>72</td>
<td>0.2</td>
<td>0.4</td>
<td>0.9</td>
<td>0.5</td>
<td>0.5</td>
<td>0.8</td>
</tr>
<tr>
<td>73</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>125</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>59</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>66</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>68</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Bain analysis
Kinukuha ng DFS ang 56% ng kabuuang funding ng investor, na tumaas sa ~$450M sa H1 2022; Malaking nakukuha ng Web 3 sa bahagi nito ng pie na ~12%

Halaga ng pribadong funding ($B)

- DFS
- E-commerce
- Transport
- Digital media
- Paglalakbay
- Iba pa

<table>
<thead>
<tr>
<th>Year</th>
<th>Bilang ng deal</th>
<th>DFS</th>
<th>E-commerce</th>
<th>Transport</th>
<th>Digital media</th>
<th>Paglalakbay</th>
<th>Iba pa</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>72</td>
<td>0.2</td>
<td>38%</td>
<td>13%</td>
<td>16%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>2020</td>
<td>73</td>
<td>0.4</td>
<td>36%</td>
<td>10%</td>
<td>6%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>2021</td>
<td>125</td>
<td>0.9</td>
<td>74%</td>
<td>5%</td>
<td>1%</td>
<td>6%</td>
<td>0%</td>
</tr>
<tr>
<td>H1 2021</td>
<td>59</td>
<td>0.5</td>
<td>16%</td>
<td>0%</td>
<td>4%</td>
<td>7%</td>
<td>0%</td>
</tr>
<tr>
<td>H2 2021</td>
<td>66</td>
<td>0.5</td>
<td>13%</td>
<td>5%</td>
<td>2%</td>
<td>4%</td>
<td>0%</td>
</tr>
<tr>
<td>H1 2022</td>
<td>68</td>
<td>0.8</td>
<td>10%</td>
<td>1%</td>
<td>2%</td>
<td>32%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Tandaan: (1) Kasama sa ‘Iba pa’ ang Foodtech, B2B SaaS, Web 3, Cleantech, Agritech, atbp; Source: Bain Analysis