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Landscaping Mobile Social Media and Mobile Payments in Indonesia (Further Thoughts)

Permalink

https://escholarship.org/uc/item/2f7547k5

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Publication Date

2013-02-01

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Peer reviewed

Further Thoughts on Landscaping Mobile Social Media and Mobile Payments in Indonesia

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February 2013

At the September 2012 workshop: Khanis Suvianita, Tom Boellstorff, Amelia Damayanti Ihsan, Nurul Ilmi Idrus, Andreas Mahardika, Wulan Widaningrum, Theresia Pratiwi, and Dédé Oetomo.

Introduction

This report, which precedes the final report for this project, explores further discussions and research of the research terms for the "Landscaping Mobile Social Media and Mobile Payments in Indonesia" project. It draws particularly on insights emerging from the workshop "Landscaping Mobile Social Media and Mobile Payments in Indonesia," which took place in Surabaya, Indonesia, on September 28 and 29, 2012. In attendance at that workshop were four members of the Surabaya research team (Andreas Mahardika, Wulan Widaningrum, Theresia Pratiwi, and Dédé Oetomo), two members of the Makassar research team (Amelia Damayanti Ihsan and Nurul Ilmi Idrus), and myself (Tom Boellstorff from the University of California, Irvine).

As befits the interim nature of this report on research in progress, I will use the discussions of the workshop to frame the discussion.

Overview presentation and discussion of preliminary findings
The workshop began with a PowerPoint presentation, "Mobile Social Media and Mobile Payments in Indonesia: An Introduction." That presentation addressed the significant history of technology in Indonesia (see, for instance, Barker 2005; Mrázek 1997), then presented some general information regarding the rapid global growth of mobile technology use, including examples like M-PESA in Kenya (which is not well known in Indonesia).

Following this presentation, the research teams reported back on their findings thus far. Key insights about which we are currently completing additional research include the following:

1) The dominance of BlackBerry
While the dominance of BlackBerry was discussed in the Interim Report, it is clear that we will revisit this topic and discuss it in even more detail in the final report. In regard to mobile technology, one of the most striking differences between Indonesia and many other nation-states has been that BlackBerry is not only holding its own in comparison to Android phones (Samsung, HTC, etc.) Nokia, Apple, and others, but is actually increasing and solidifying its market share. In fact the word *handpon* ("HP" for short), the most common everyday word for mobile phones in the Indonesian language, is commonly treated as a different category from BlackBerry ("BB" for short). In other words, Indonesians can ask "do you have a HP or a BB": Blackberrys are treated as a class in themselves. A common overall term for these devices is *gadget*: so *handpon* and *BB* are two subcategories of "gadget":

Semantic field for "gadgets" in contemporary Indonesia
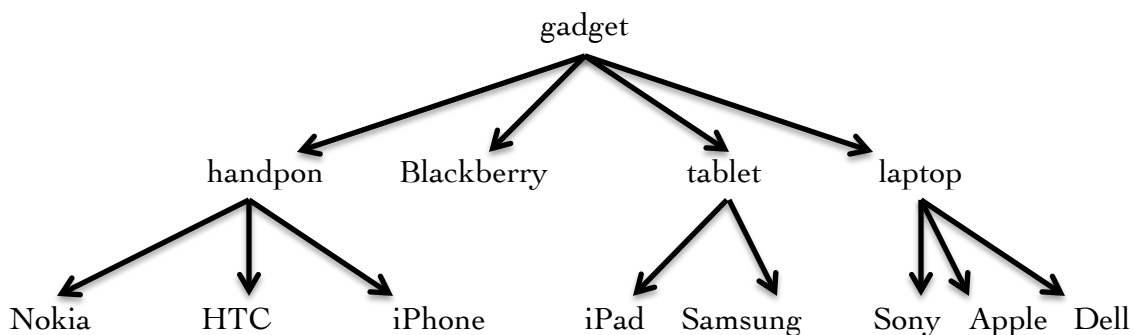
It appears that one of the main reasons Blackberry is so dominant in Indonesia is the heavy use of BlackBerry messenger (BBM). BBM allows unlimited free messaging between BlackBerry users, with other functions like "apps" that are used by Indonesians for shopping purposes. It seems that quite unlike the dominant

stereotypes of BlackBerry usage in the United States, Indonesians rarely use BlackBerry phones for email—BBM is the primary mode of communication used.


Images from a shopping mall in Surabaya: BlackBerry predominating and associated with cutting-edge devices. The rupiah exchanges for approximately 1 US$ = 9,500 Indonesian rupiah. Photos by Tom Boellstorff.

2) The importance of providers and websites

While there is understandably considerable research regarding mobile devices, it is clear that providers are very important to how Indonesians use mobile technology for shopping and other financial purposes (and more generally). For instance, when meeting someone or making small talk, it is now common for Indonesians to ask not "what kind of handphone do you have?" but "what provider do you have?" For instance, Simpati is often seen as the provider with the strongest signal.

It is, of course, the importance of providers that fuels the phenomenon of SIM card-swapping. Several cell phone providers now provide models in Indonesia that allow for two or more SIM cards, and switching SIM cards physically is also common. Certain websites (like http://www.tokobagus.com/) also play an important role in mobile shopping.

During the workshop, we developed the following diagram as a way to illustrate how mobile devices (often termed *gadget* in Indonesian) are part of a larger technological ecosystem that includes providers and media (like websites):

Gadget — **Provider** — **Media**
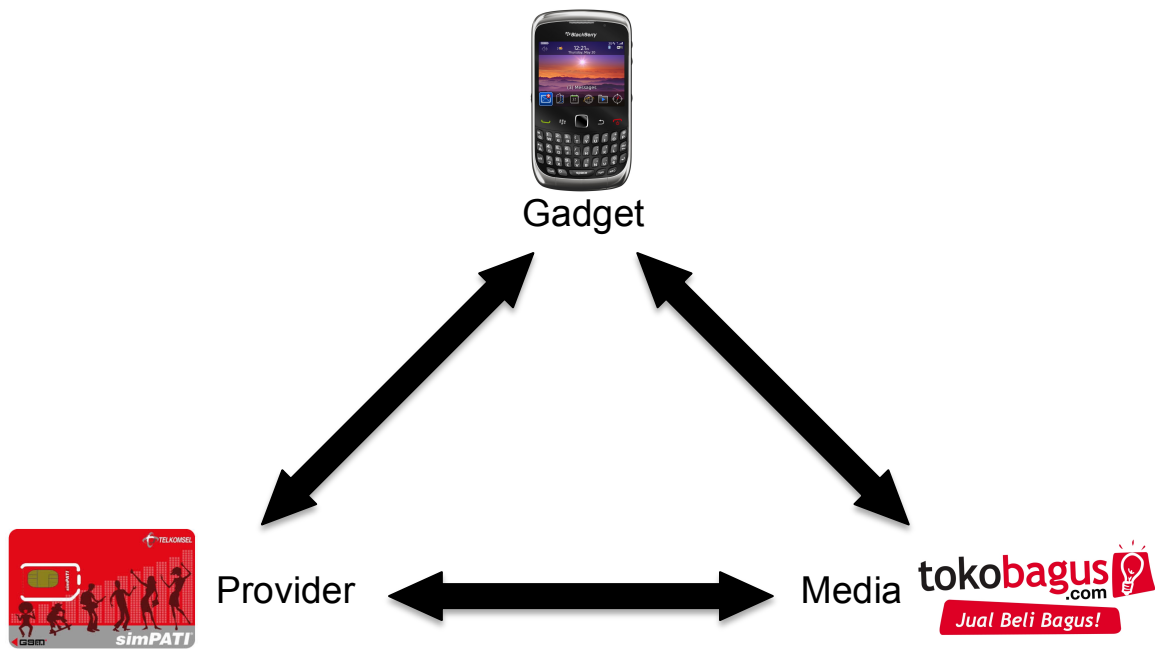
3) Place and time
With regard to place, it is striking that mobile shopping can be both localizing and globalizing. On one hand, we found many cases of Indonesians using mobile devices to order snacks from a nearby food kiosk, or otherwise purchasing items from their own neighborhood (even in one case, selling a car). On the other hand, for many of the groups studied there was a clear preference for using mobile shopping to purchase goods from outside Indonesia, such as the United States and Korea (this included items like makeup and jewelry).

With regard to time, we discussed our growing body of data regarding how respondents felt that shopping using the mobile channel could be a means of both "saving time" and "wasting time." On the one hand, mobile shopping could be a way not just to purchase items that could not be obtained otherwise (such as items from outside Indonesia), but to avoid *"pergi-pergi,"* wasting time driving around town or looking around in a shopping mall. On the other hand, the time spent online shopping could become a waste of time in its own right. It appears that in some cases, one reason mobile shoppers become resellers themselves is to justify to themselves the time they spend shopping online.

Another issue emerging from our data thus far is that online shopping almost never happens in isolation. It almost always takes place in the context of multitasking: watching TV, working at the office, sitting in a course at university, and so on.

Using one cellphone to charge a friend's cellphone in Surabaya. Technological infrastructure (including electricity) is relatively robust and improving in Indonesia, but challenges remain, forcing creative solutions.

Photo by Tom Boellstorff.

4) Risk and reward
Our Indonesian respondents are quite willing to take significant risks when shopping, considering losses to be a "risk of shopping" (*risiko belanja*). This could happen when items purchased were never delivered or were defective. This could often be on the order of 200–300,000 rupiah ($20–30, not an insignificant amount for Indonesians) but there were cases involving trading shares involving losses 100 times as high (20 million rupiah or more, so $2,000 and up). What is surprising from a comparative perspective is that particularly for the smaller amounts, this is seen as a "risk of shopping" that does not generate strong attempts to recover the money or use a ratings system to warn off other potential customers from the seller in question.

Modifying research questions
Based upon our discussions and research conducted to date, we discussed the list of questions that we are using in interviews and focus groups, and which guide the participant observation research as well. This was very helpful because some of the original questions were designed with a mobile finance system like M-PESA in mind, and were not appropriate for this research project.

Here are a few examples of key modified or new questions that emerged from this discussion (translated into English):

> When did you begin using gadgets?
> When did you begin using the internet?
> When did you begin making online transactions?
> (*We are asking these three questions to look at the time discrepancies between using devices and going online, versus specifically shopping online.*)

What motivated you to make transactions online?
(*We ask this question based on data we've already obtained regarding things like becoming addicted to shopping or becoming a reseller as well as a buyer of online commodities.*)

Are there particular times when you cannot shop online? What are you doing when online shopping?
(*We ask this question based on data we've already obtained regarding how online shopping almost always happens in the context of other activities.*)

What kinds of transactions do you make online (shopping, sending money, paying bills, etc.)?
(*We ask this question because it appears that the use of mobile for economic purposes other than shopping (like sending money) is less prevalent than in some other national contexts.*)

Have you ever thought about stopping shopping online? Have you ever thought about reselling things that you purchase online?
(*We ask these questions to address both questions of risk and addiction, and also the phenomenon of reselling, which appears to be a surprisingly common strategy amongst those Indonesians who particularly enjoy online shopping.*)

What funds do you use for shopping online? How do you or your friends pay for online shopping if you don't have money at hand?
(*We ask these questions because we want to gain a better understanding as to whether or not people set aside special funds for online shopping, and also if there are any borrowing practices between friends, acquaintances, and family members specifically around online shopping.*)

Future research plans
At present we are collecting, organizing, and analyzing data from the latter stages of the project. We would mention in passing that we have also discussed possible future research projects that could build upon this work. One possibility we are particularly excited about would involve overseas Indonesian workers. There are substantial communities of such overseas Indonesian workers in Hong Kong and South Korea, and in both cases we have connections that would allow us entrée into those communities. How these workers use mobile shopping in their everyday lives and to connect with family and friends back in Indonesia could represent a fascinating research project that would provide a different and valuable perspective on the phenomenon of mobile technologies and economic migration.

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