Indonesia: The Consumer Marketplace

Debnath Guharoy, Melbourne, 14 September 2006
What We Do in Indonesia: From Oct’2004

- Urban & Rural: 2000 respondents per month in 16 provinces including the Top 20 cities, 20 small towns and rural surroundings.

- 90% coverage of 14+ population: 25,000 respondents expanding to 30,000. A universe of 138 million people (actual over 158 million).

- Three parts, two visits: with the same respondent, over a 7-day period comprising Assisted Self-Completion and Media Diary.

- Firsts in Indonesia: Single Source; biggest continuous survey; Urban & Rural; Personal Income; Life Cycle; Quarterly updates…

- Adaptation of Australian Survey: replicated proven success, refined over 15 years. Over 300 clients, including government bodies…
Single Source: 360-degree View

CORE DATA
- DEMOGRAPHIC
- ATTITUDES & OPINIONS
- SPORTS & LEISURE
- PRODUCTS CONSUMED
- MEDIA

Appliances ➔ Retail ➔ Travel & Tourism ➔ Finance ➔ Automotive ➔ Beverages ➔ Fast Food ➔ Personal Care ➔ Healthcare ➔ Household ➔ Telecommunications ➔ Utilities

Discover your edge
Economic Insights: Examples
Financial Services: Penetration

Number of People in Millions

Only one in five people have a bank account but the sector is growing again

- TOTAL have Account
- TOTAL have Card
- TOTAL have Loan
- TOTAL Have Insurance
- TOTAL Have Investment

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Only one in five people have a mobile phone, but demand remains strong.
Vehicle Ownership: Penetration

Both industries recovering well after recent petrol price hikes
Home Appliances: Penetration

Big numbers, even though appliances are shared by families, not owned by individuals
Food Eaten, Last 7 Days: Penetration

Number of People in Millions

Recent inflation pushed beef down… rice, noodles, veggies and fish upwards
Big numbers across all categories but biscuits affected by recent inflation
FMCG – Personal Products: Penetration

Number of People in Millions

- Bought Shampoo in the last 6 months
- Bought Toothpaste in the last 6 months
- Bought Vitamins in the last 6 months
- Bought Sanitary Napkins in last 12 months
- Bought Analgesic, Pain Relief and Flu Medicine in last 12 months

Big numbers across all categories, growing demand for pharmaceuticals
Use of Public Transportation: Penetration

High demand for all transport but aviation caters primarily to the elite

Number of People in Millions

January 2005 to March 2005
April 2005 to June 2005
July 2005 to September 2005
October 2005 to December 2005
January 2006 to March 2006
April 2006 to June 2006

Travelled by air
Travelled by bus
Travelled by train
Travelled by taxi

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Indonesians “enjoy shopping”, even for groceries
Diagnostic Capabilities:

“What impact has foreign-owned supermarkets had on grocery shopping behaviour?”
Types of Stores Visited in Last 4 Weeks

Stores and Retailers Visited in Last 4 Weeks

Less than 25% of urban Indonesia visits a supermarket each month

Source: Roy Morgan Single Source Indonesia Q1 2006
Base: Indonesian 14+
Sample size, n= 25,232

* Convenience Store is defined as: Toko 24 Jam / Mini Market
Supermarket Stores where “Mainly or Sometimes Shop”: National Share

The multinationals cater for only a small proportion of all supermarket shoppers

Source: Roy Morgan Single Source Indonesia Q1 2006
Base: Grocery Buyer 14+
Sample size, n= 4,329

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Other Retailers Visited by Those “Mainly/Sometimes Shop at Carrefour”

Of all of Carrefour customers, 93% have also shopped elsewhere in the last month.

Source: Roy Morgan Single Source Indonesia Q1 2006
Base: Grocery Buyer who Mainly or Sometimes Shopped at Carrefour
Sample size, n=767
The majority of supermarket shoppers, even in Jakarta, patronise Indonesian-owned supermarkets.
Profile of Those “Mainly/Sometimes Shop at Carrefour”: Household Expenditure

Of all Carrefour shoppers, the vast majority are from the Middle Class

Source: Roy Morgan Single Source Indonesia Q1 2006
Base: Grocery Buyer who Mainly or Sometimes Shopped at Carrefour
Sample size, n= 767
Attitudes to Shopping of those “Mainly or Sometimes Shop at Carrefour”

Profile of those who Mainly or Sometimes Shopped at Carrefour - Attitudes to Shopping

- I was born to shop: 55.6%
- I have favourite brands for most things I buy and I tend to stick to them: 55.8%
- I would like to buy a home computer: 56.6%
- I don't buy luxuries anymore: 64.8%
- I am always ready to try new and different products: 70.6%
- I enjoy clothes shopping: 72.3%
- I enjoy grocery shopping: 74.2%
- I'll go out of my way in search of a bargain: 74.2%
- I try to buy Indonesian made products as often as possible: 86.8%
- I believe quality is more important than price: 92.2%

Source: Roy Morgan Single Source Indonesia Q1 2006
Base: Grocery Buyer who Mainly or Sometimes Shopped at Carrefour
Sample size, n= 767

Almost all shoppers at Carrefour try to buy locally made products.
Economic Indicators: Examples of Demand Projection
Motorcycles: Demand

Demand for new motorcycles has recovered after the petrol price-hike dip
Financial Services: Demand

Demand for financial services recovering, but ‘Intention to start new business’ is down.
Household Appliances: Demand

Demand is currently flat, but the absolute numbers are still big.
Consumer Confidence
Consumer Confidence: Apr-Jun ‘06

Heading upwards again after Oct-Dec dive. The ‘neutral’ rating is 100.
Unemployment & Poverty
“Looking For Work”: By Urban, Rural

% of People Looking for Work in National, Urban, Rural Regions. No. of People in Millions

Difference in definition shows 6 Million unemployed, in contrast with census data

January 2005 to March 2006
April 2006 to June 2006
July 2005 to September 2005
October 2005 to December 2005
January 2006 to March 2006

Looking for Full Time work (Nat)
Looking for Part Time work (Nat)
Looking for Full Time work (U)
Looking for Part Time work (U)
Looking for Full Time work (R)
Looking for Part Time work (R)

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"Looking For Work": By Education Level

People with less education are the most in need of work

Number of People Looking for Work in Millions

- January 2005 to March 2005
- April 2005 to June 2005
- July 2005 to September 2005
- October 2005 to December 2005
- January 2006 to March 2006
- April 2006 to June 2006

Primary School or less: 1.2
Middle school: 1.4
High school: 3
Vocational institute: 0.2
Some/Now at University: 0.1
Have Diploma or Degree: 0.2

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“Looking For Work”: By Gender

Large numbers of full-time housewives create less demand for jobs by women

Number of People Looking for Work in Millions

- Male
- Female

Data points:
- January 2006 to March 2006: Male 6, Female 2
- April 2006 to June 2006: Male 6, Female 4
- July 2005 to September 2005: Male 4, Female 2
- October 2005 to December 2005: Male 2, Female 1
- January 2006 to March 2006: Male 4, Female 2
- April 2006 to June 2006: Male 4, Female 2
Demand by older workforce trending down, but new entrants continue to create pressure.
Income & Expenditure: National Average

Household Expenditure is moving upwards, but so are Incomes. Money is filtering down.
Contrary to census data, the poorest of the poor are not growing in number.
Social Issues: Examples
A widely religious country, views on morality are influenced by religion.
Fear of cancer and dengue is high but so is satisfaction with healthcare resources
Social Attitudes

The fundamental values of our society are under serious threat

- Obedience and respect for authority are the most important virtues children should learn
- There's too much change going on these days

People aren’t looking for Change, traditional values remain very strong
Most people are very conscious of the environment and their role in it.
Political Issues: Examples
"I don't trust the current Government"

The pain from the price hikes is receding, the relatively high level of trust is growing again.
Running the Country

"The Government is doing a good job running the country"

This relatively high score is also recovering from the Oct-Dec ‘05 dip
"Democracy is working in Indonesia"

The faith in democracy remains high, with Rural leading the resounding vote.
"Corruption is one of the major problems facing this country"

The No 1 Issue isn’t getting any better in the minds of the People

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* Number of people are in Million
Rich Vs Poor

"I think the gap between rich and poor is growing"

Always high but trending upwards, this perception needs urgent attention and action

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"I'm optimistic about the future"

A very optimistic people, (also ranks high among the most generous and forgiving)
Support for the Jobless

"I think it is the Government's duty to support those who can't find work"

Almost a unanimous view, scores as high as traditional views on worship, obedience, charity…
Only God Knows What Goes On In Indonesia, Everyday. (Try asking Him).

Every 90 Days, We Know Quite A Bit.
(And We’re More Interactive!)