

## The country cousins we ignore contribute the bottomline, in fact.

They account for 60 per cent of the national population and half the population of Java. By rule of thumb, they would account for at least 40 per cent of all consumers and 30 per cent of sales revenue for most products and services. If they disappeared, so would the black ink from the bottomline of many balance sheets. Yet, city-focussed marketing and advertising people seem not to care, bother to understand or focus any of their efforts at them.

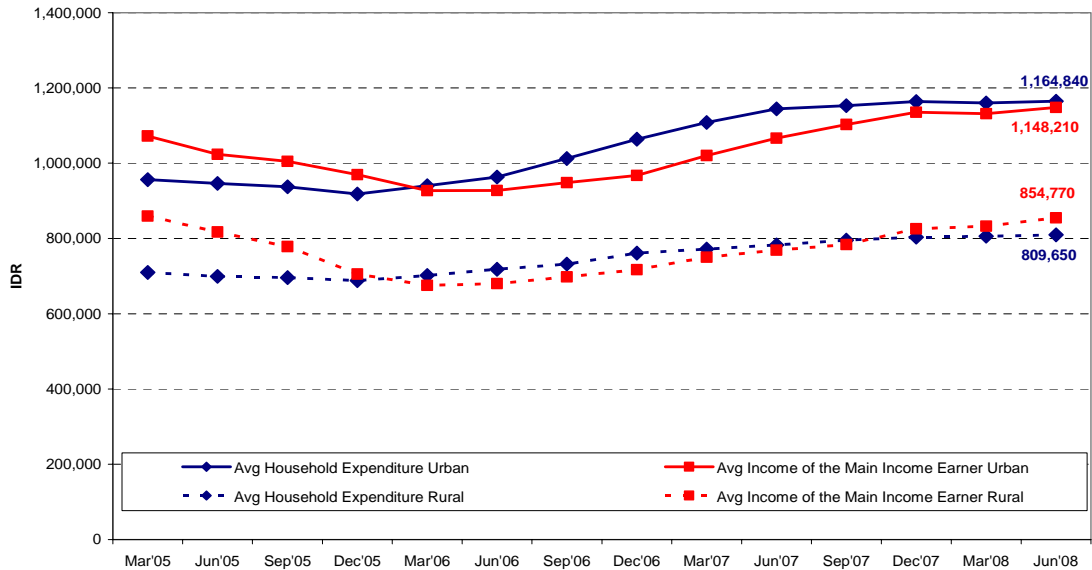
They are Indonesia's rural consumers. With the exception of luxury cars, overseas travel, credit cards and other luxury goods, they're in the market for just about everything else. With their ignorance in full display, some marketing and advertising people have difficulty understanding the simple census classifications of *kota* (urban) and *desa* (rural). That 'urban' comprises both big cities as well as smaller towns is a distinction many seem unable to make. That life in a big city is different from life in a small town, and different again in a village, escapes their imagination. That many who live in rural addresses are daily commuters to the city nearby remains a reality too often disregarded.

Nobody would deny that a larger proportion of the poor majority live in rural, not urban Indonesia. But the teeming millions of the urban poor have a much tougher time, day after day. It could easily be argued that the quality of life for most Indonesians, particularly the poor, is considerably better outside the big cities. Living in wider open spaces, with more green and blue in their everyday lives, most *desa* residents get much better value for their money than their counterparts in the city. Only the affluent few and the comfortable middle-class could perhaps disagree that their country cousins are better off, all things considered. What cannot be debated is that the Roy Morgan Consumer Confidence index as at June 2008 shows rural Indonesians at 103 in comparison to 101 for urban Indonesians. Equally important is the fact that the average main income earner in rural is having less trouble paying household bills than the average urban breadwinner.

The contribution to sales revenue by the rural consumer maybe more, maybe less, depending on the product, service or brand. This is true for products ranging from shampoo to motorcycles, as well as services ranging from banks to cellular networks. In a marketplace where distribution itself accounts for half the success even today, a company like Unilever remains unchallenged by an aspiring competitor like Procter & Gamble, outside urban boundaries. For the same reason, Bank Rakyat Indonesia not only has the lion's share of banking relationships but also the highest proportion of satisfied customers. Financial constraints may mean that the size of each purchase or transaction is smaller in rural than it is in urban Indonesia, but the sheer number of consumers using these myriad products and services continues to grow.

This is even more true of future demand. Across the spectrum, whether it is a cellular handset, a motorcycle or a bank account, the intentions of rural consumers offer robust comparisons with their urban counterparts. Further removed from the tremors emanating from Wall Street, it could be said that their plans are more firm. Few would question the fact that they lead simpler lives, with fewer pressures, needs or wants.

Main Earner Income & Household Expenditure (Urban Vs Rural)



Those are no reasons however, to simply take them for granted. But every plan, almost without exception, is focussed on the urban consumer. This is equally true of the country's biggest consumer goods manufacturer, the biggest advertising agency, the biggest media owner. Shocking though it may sound, none of them have access to any reliable source of information that continuously feeds them with insights on the rural consumer behaviour, their habits and attitudes, or media usage. It's as if they don't exist, their opinions don't matter. It doesn't take much expertise to leverage billions in an advertising budget for discounts on network airtime and throw them at the highest-rated television programs, measured only in the bigger cities. Surely, it would make sense to identify people with particular brand preferences or purchase intentions, then connect them with appropriate activities, interests and channels of contact?

That simple premise for constructing a marketing or communications plan is all too often ignored. As for monitoring returns on investment and taking corrective actions, that is just jargon parroted at the annual presentation and conveniently forgotten for the rest of the year. Even by the biggest, supposedly the brightest. But the relevant resource for addressing those vital questions actually exists. Roy Morgan Single Source, the country's largest syndicated survey with over 27,000 Indonesian respondents annually, projected to reflect almost 90% of the population over the age of 14, both urban and rural, is updated every 90 days. The survey is used by more marketers and advertising agencies than any other survey in the country.

Now that the truth is out, the likely urge of a few of the marketing community's illustrious leaders will be to shoot the messenger. Or, to be generous, simply ignore it. That is a reflection of where Indonesia's marketing and communications prowess really lies, in the 21<sup>st</sup> century.

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