



The average Indonesian millionaire isn't far away from the slumdog.

That's because the average breadwinner earns a million rupiah each month nowadays, but that barely covers the average household's expenses. Leaving nothing saved for a rainy day, nothing invested for a better future. On survival mode it could be said, just one step away from the acute pain of an unplanned emergency.

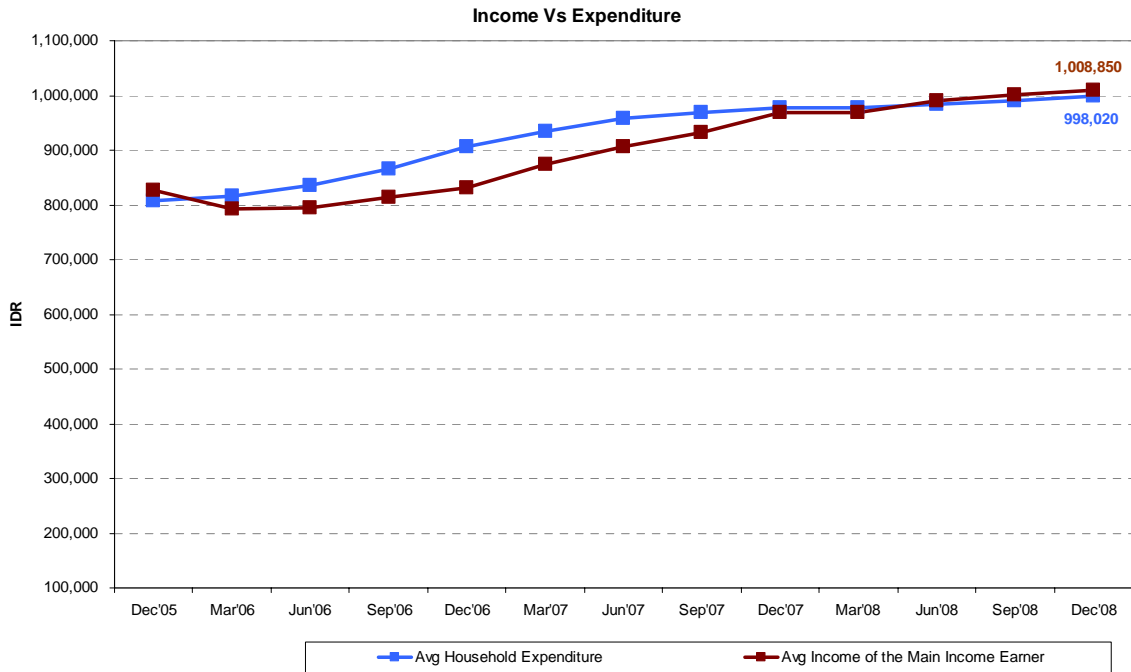
My usual working day in Jakarta gets me in front of marketing minds in a boardroom environment. It never fails to amaze me how disconnected so many of them are from the immediate reality of their marketplace, from the very consumers they are supposed to know. It's as if they've forgotten that very few Indonesians, a handful of the fortunate few, will ever go to the swanky new Buddha Bar, or see the bright lights of Kemang. There is talk of "The Death of Advertising", of Seth Godin, of "DINKS".and "nuclear families".

It is to them that I dedicate this week's column. A member of the top 3 per cent of Indonesian society, they really should go out more. Outside of their "global village", to the real villages of Indonesia, I mean. The towns, the smaller cities. There, they would learn what life is really like for the average Indonesian. That applies just as much to the expatriate manager who hasn't gone beyond "Terima Kasih", a breed potentially dangerous to brand health.

Common-sense would lead the curious marketing mind to put the text-book aside and explore some obvious realities about this wonderful country and its myriad tapestries. Glaring at us everyday, poverty is real. Find out for instance what percentage lives in abject poverty, on less than one dollar a day per capita. Or two dollars a day. I could feed that information, but it strikes me that most managers are accustomed to be fed, the lesser the effort the better. A deeper search will reveal that the country's steady growth in GDP has benefited the affluent few in the main, the fortunate often called socio-economic strata 'A'. Some trickle-down has lifted the spending power of 'B', but there it has seemingly run out of steam.

Not much has trickled further south, in real terms, after you account for inflationary pressures on the family budget. Trying to sweep reality beneath the carpet or to remain ignorant of it despite the education we were fortunate to receive is tantamount to criminal offence, professionally speaking. We didn't create the inequality, but to ignore the reality on the ground or to actively perpetuate it, would be disgraceful indeed. Not good for business, either. A simple way to remember one of the most fundamental of Indonesian marketing truths is to remember the millionaire. The average Junaidi earns a million rupiah now and spends it, month after month. Barely enough to make ends meet. Then, remember he's better off than the tens of millions who aren't nearly as lucky as him.

These opinions are based on insights regularly gathered from around the country. Roy Morgan Single Source watches society, products and consumers, every week. With over 25,000 respondents annually, it is projected to reflect the views of almost 90% of the population 14 years and older, both urban and rural. The reports are updated every 90 days.



In a male-dominated society like Indonesia, most men barely able to support their families on their own probably feel socially emasculated. But in marketing terms, weather-proof products like shampoo and toothpaste, milk powder and cooking oil, have and will continue to flourish though there is evidence of down-trading. Purchase of instant noodles has slowed down, as has the demand for new motorcycles. New entrants continue to join the cellular world, but the number of “intenders” for the next 12 months has remained flat at 10 million for some time now. They are still very robust numbers, especially in the face of a global financial crisis raging around the world.

With a large internal combustion engine as it were, Indonesia will fare better than most Asian neighbours so dependent on exports to America and Europe. But despite the continuing loss of jobs that are inevitably going to affect the country’s export sectors in the months ahead, the country will not be writhing in economic agony. That’s largely due to the fact that most Indonesians live on the fringe of financial pain on a good day. Harsh and callous as that may sound, that is the reality. For an industry body to proclaim that there are 25 million regular internet users in Indonesia defies common-sense. It is equally ridiculous to make pronouncements like “the top 10 per cent of Indonesians now earn over \$7000 per capita each year”, as seen recently in this newspaper.

Today, just about everybody watches free-to-air television everyday. Tomorrow, in harder times, The “Death of Advertising” in Indonesia will become an even more distant prospect. So let’s keep it real, the necessary hyperbole aside. Isn’t that a basic tenet of marketing?

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