

An upbeat media industry is also defying the odds.

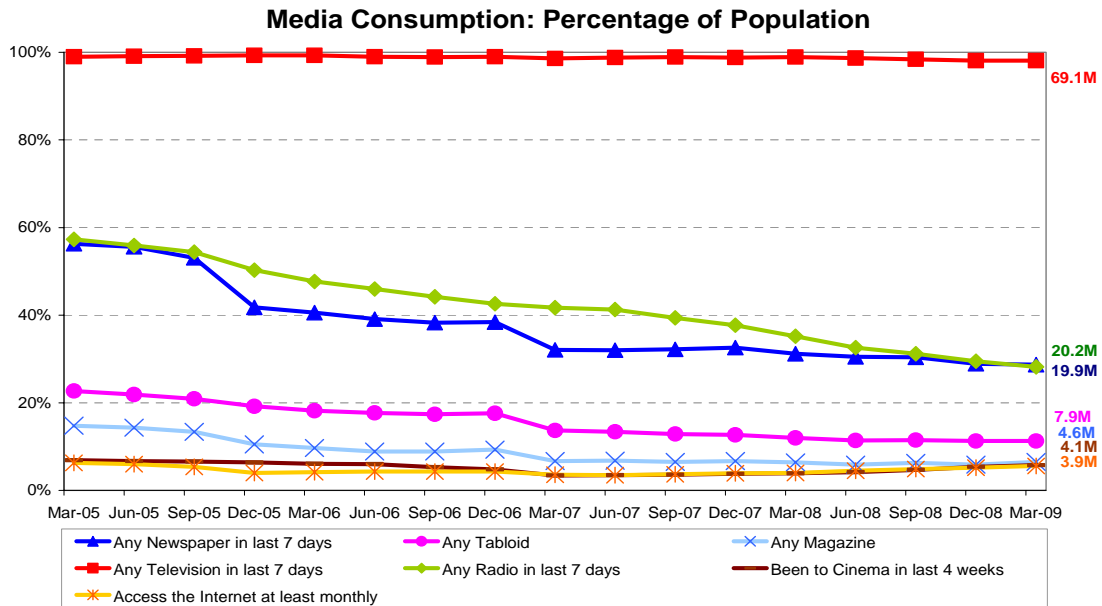
The subtle but visible changes in the last two quarters, October-December 2008 and January-March 2009, are especially noteworthy. In those six months, over 12,000 respondents from around the country representing the population 14 years of age and older were interviewed. The statistical reliability of those findings by Roy Morgan Research cannot be easily challenged.

For media watchers, media owners, media buyers and advertisers, there are four significant developments of particular interest. First, the steady decline in the readership of newspapers accelerated by the twin fuel price hikes of 2005, appears to be plateauing. For the first time in four years, most major titles seem to have picked up in January-March the readers they had lost in October-December. This includes Kompas with 2,093,000 readers during the January-March quarter, in comparison with 2,046,000 readers in the preceding quarter. The steady march forward for Jawa Pos continues, with 2,729,000 up from 2,692,000 readers during the same period. It continues to reconfirm its position as the most-read newspaper in the country in an average week. The only damage suffered was by a handful of small local titles, losing out to the icons. The interest in political commentary leading up to the legislative election would be a plausible explanation of the recovery.

Social commentators will join newspaper owners in breathing a sigh of relief, hoping this augurs some sign of permanence. Other well-wishers will celebrate it at least as a temporary halt in the dumbing down of society, almost everywhere around the world. If claimed circulation by publishers are to be believed, then pass-along readers per copy of newspaper continues to be static as well. This conclusion can be reconfirmed by the Roy Morgan Readership survey, which continues to report that the concentration of readers is entrenched at the top 29 per cent of the population, socio-economically speaking. That is still a sizeable section of society, economically powerful, a major driver of the consumer economy. The power of the printed word, held by the hand as it were, remains under-valued by a large number of marketers and their media agencies.

For similar reasons, magazines as a media category also registered a halt in decline during the first quarter of 2009, recovering some ground lost in the previous quarter. While newsmagazines saw some recovery, there was also a major jump upwards for the leading women's titles. While the tabloids did not do as well, they witnessed a slower rate of decline. Regardless of what the cynics will label a temporary respite for 'the written word', the third major revelation is that the number of regular users of the internet is continuing its rapid climb upwards, signalling its growing importance as a medium in Indonesia.

This is perhaps the best news for Indonesia's media industry, with potential web converts held back in the past by high costs. Cost remains a barrier, but in the world's largest archipelago, infrastructure development is no small challenge. With competition in the cellular world increasing every month, the internet will receive more attention from the big telecommunications players looking for profitable growth in revenues.



Consequently, news off the web will grow as a habit, a reality that is finally gathering momentum in Indonesia. Newspaper owners need to remind themselves that they are in the news business, not the paper industry. The internet is not the enemy, it is simply another medium that requires an appropriate business model. Easier said than done, but it is a critical problem begging for a solution around the world. Caught in the middle, it's no surprise that radio continues to lose listeners. It has neither the all-powerful picture, nor the interaction. The car is an ideal environment for radio, but the small growth in the car population each year is too little to compensate for the losses.

The fourth development of note is the nudge registered in cinema. There has been a gradual but steady growth in the number of patrons watching the big screen, consistently over the last five quarters. Now, with 4.1 million people who have “been to the cinema in the last four weeks”, the recovery has brought the medium almost back at par with the number of people using the internet regularly. Only 23 per cent are people common to both media.

These conclusions are based on Roy Morgan Single Source, a syndicated survey with over 25,000 Indonesians 14 years and older interviewed each year. That national database is updated every quarter, reflecting changes as they occur in these difficult times. Almost 90 per cent of the population is covered, in urban as well as rural Indonesia, one of the reasons why the survey is used by more marketers and media agencies than any other.

The recent gains in media are in keeping with Indonesia's resilience in the face of the global economic downturn. The elections have added a timely stimulus to both the economy as well as the media industry this year, developments that will bolster democracy. Feeding off each other to mutual gain, real progress is being made despite the odds.

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