

Marketers still grumbling have hit their level of incompetence.

From a consumer perspective, there hasn't been a better time in recent history. Ever since the Roy Morgan Consumer Confidence index began in October 2004, a high of 121.9 was recorded back in June of 2005, before the twin fuel price hikes that followed. Just out, the results of the July-September quarter of 2009 puts Indonesia's Consumer Confidence rating at the highest ever, at 122.4.

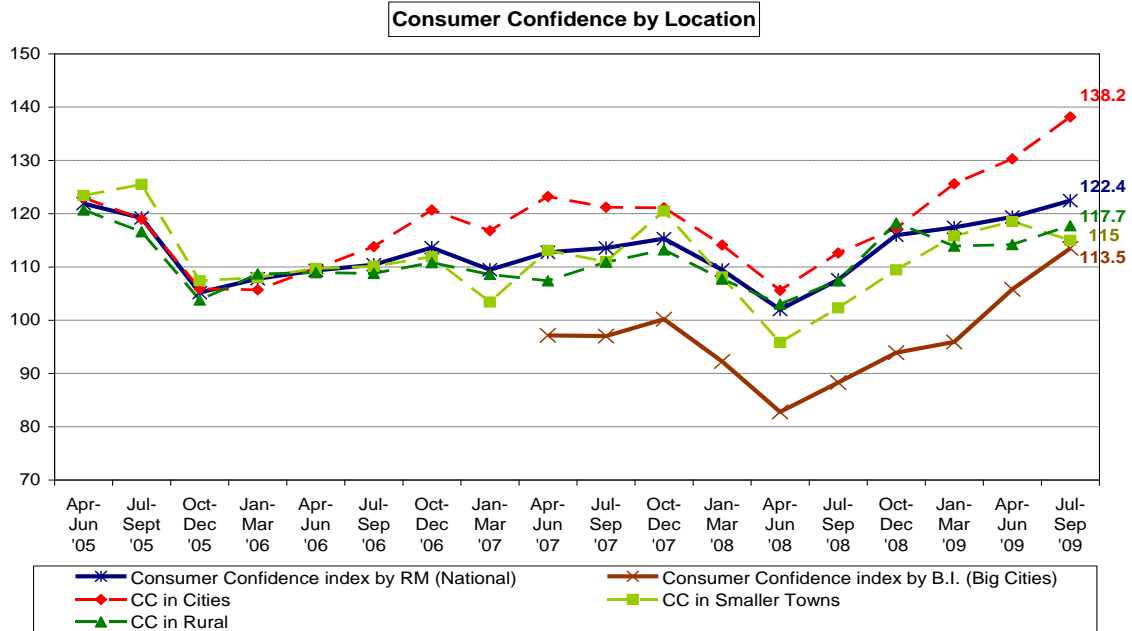
It's almost as if there has been a cosmic alignment of Indonesia's fortunes. Relatively unaffected by the global financial crisis, it has been one of the few G20 nations to stay far away from recession. As a shaken world starts its recovery, Indonesian consumers seem to be creating a stir of their own. Their confidence from different directions. Politically, the re-election of a popular leader has given him a mandate to continue the social changes he has promised. Economically, the common man has seen the runaway prices of essentials retreat. More jobs are becoming available with more adult members of the typical extended family now assets, not liabilities for the household budget.

The confidence is bolstered by the details of the measurement. 20 per cent of Indonesians 14 years and older now say they are "better off than this time last year", up 3 points from the previous quarter. Conversely, 25 per cent, down 5 points, say they are "worse off". 44 per cent "expect to be better off next year", up 1 per cent from the previous quarter. Similarly, only 6 per cent expect to be "worse off", down from 7 per cent in the April-June quarter. 19 per cent now say they "expect good times financially in the next 12 months", identical with the last quarter. On the flip-side, 18 per cent now "expect bad times financially", down 2 points in just three months. Asked to think beyond their personal fortunes, 32 per cent say they "expect good times for Indonesia in the next 5 years" as in the last quarter. Only 7 per cent "expect bad times", down 1 per cent. 35 per cent, down just 1 percent from the preceding quarter, believe now is a "good time to buy major household appliances"

In this climate of consumerism, willing buyers will only keep their wallets shut if marketers fail to attract them. They will have only their own incompetence to blame. Take cars for example. In an average year, some 300,000 families buy a new car. That's not even 1 per cent of Indonesia. They are the rich few. This tiny fraction of society is the most affected by the afflictions of the wealthy, such as global crises, stock market slumps or real estate crashes. They are the people with money, but with recent holes in their pockets. They may be recovering from recent burns, somewhat shy to buy a shiny new set of wheels. In their shadow, just a rung lower, some in the new motorcycle market share similar though not identical fears.

Has any marketer reassured them with an innovative scheme, like a buyback guarantee for example? Has anybody seen a single new offering that addresses the current situation that this small but affluent minority finds itself in? Instead, we hear the doubting Thomases using the dip in car sales as some major economic indicator. In Indonesia, it simply isn't. The rich might think they own the country, social critics might agree, but the reality is quite different. At the other end of the spectrum, a decline in the sales of one brand of mosquito coils cannot be a national economic indicator either. It is often amusing to see how many marketing chiefs

jump to shallow conclusions, based on flimsy data. More often than not, accusations are hurled at the economy, the consumer, anybody but themselves.



The Roy Morgan Consumer Confidence rating tracks consistently above Bank Indonesia’s. BI’s universe of interviews is restricted to big cities in contrast with Roy Morgan’s national canvas. In the 18 big cities where their survey is conducted, BI’s rating stood at 113.5 at the end of September, while Roy Morgan in the same geography was at 138.2. City-folk are presently the most upbeat of all Indonesians, though not always. Only by reading the three different geographies individually does a clear picture emerge, in comparison with a “national average”. Depending on the consumer profile, the geographic sphere of popularity, that knowledge can be invaluable to a brand manager.

Unimaginable for many, it is in fact possible to read the confidence levels of different consumers, by specific brand, not just by geography. But in the main, Indonesia’s marketers are stuck in a time warp, doing things they were taught in textbooks written decades ago, ignoring the tools available at their doorstep today. They are not alone. Many multinationals reveal the blinkers they have on, compelling local managers to follow international dictat and regional formats. The lowest common denominator rules, trampling upon any semblance of local imagination. A few thinkers at HQ are calling the shots, working with blunt tools but big budgets, telling armies of worker ants around the world what not to do. Think, that is.

These opinions 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 the topsy-turvy times we live in. Almost 90 per cent of the population is covered, in the cities, towns and villages, separately.

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