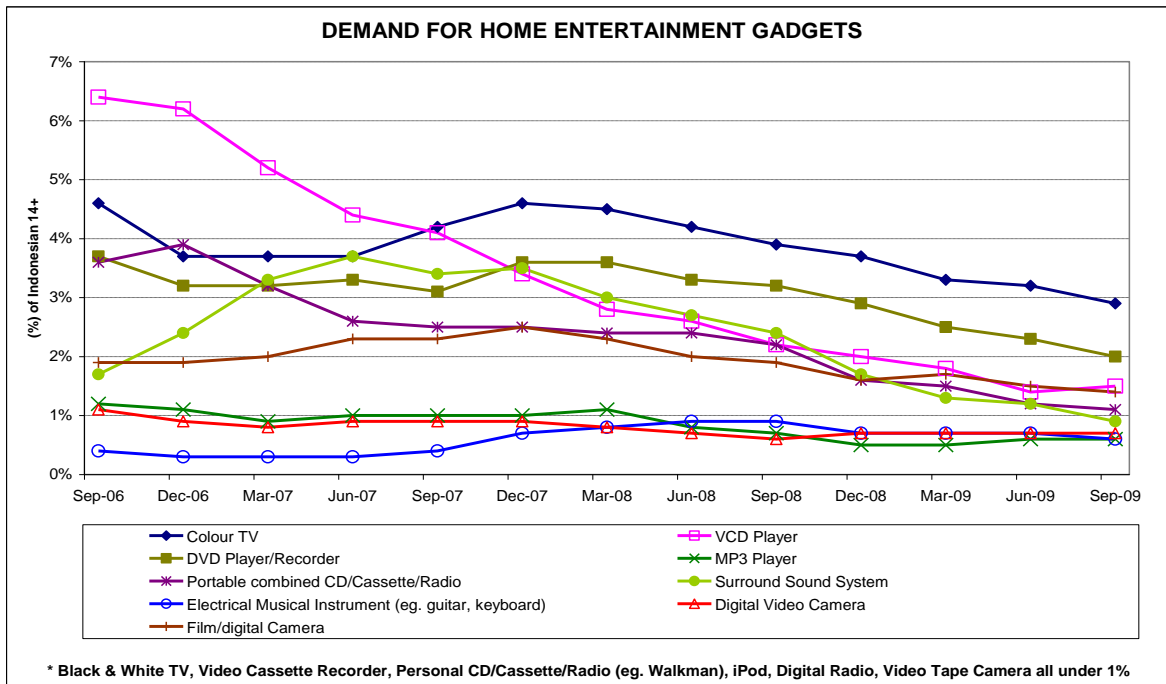


Most pictures reflect where we are, some where we want to be.

A major indicator of national health, even wealth, is the presence or absence of domestic appliances in people’s homes. If you measure this facet of life in only the big cities you get one picture. Throw light across the nation, cities, towns and villages alike and you get another. In understanding this country of extremes, of unimaginable wealth and abject poverty, those distinctions are crucially important.

On the eve of another new decade, a peep inside Indonesia’s homes tells us where the comfort levels are, quite literally. Nine out of ten households have a colour TV set today. 93 per cent, to be precise. In an environment where the box is the center of attention almost every waking hour in the home, the old black-&-white is now almost extinct as a species. In the millions of extended families, even the poor are watching the news in colour. In other words, it could be said that 7 per cent are the most unfortunate of all Indonesians today. Though that kind of statement can belittle the pain they live in everyday, it is nonetheless a remarkable reality.

Trailing not too far behind in the world of home entertainment gadgets is the old VCD player. From 65 per cent of homes with a deck in December 2007, the number is down to 58 per cent today. That’s because the DVD player has rocketed upwards in recent times, with 26 per cent of homes now owning one. For the last five years, no other household appliance has made such rapid strides. It will soon overtake the other old trusty tool, the portable radio-cassette player, still entertaining millions everyday. 46 per cent still have one, down from 51 per cent just two years ago. Similarly, the personal CD or cassette player, like the old Walkman, has its days numbered too. From over 20 per cent owning one three years ago, just 13 per cent are still using them. Not surprisingsly, the MP3 (or 4) as well as the iPod is taking over.



The picture is quite different in the kitchen. While every home has an appliance to cook with, gas replacing kerosene by the millions, the oven is still a luxury. Only 2 per cent of the population, or less than 1 per cent of households has one. On the other hand, 2 per cent of 230 million is a lot bigger than Singapore. 39 per cent, and climbing, has a refrigerator at home, with over 70 per cent having “other small appliances” in the kitchen as well. Some 8 per cent have a toaster. The dishwasher is only for the rich, and they too have it mostly on display with the household help actually doing the cleaning up. At over 25 per cent, the blender/food processor is much more popular, for when *Ibu* wants to bake a cake presumably. Just 10 per cent has a washing machine, for all the same reasons but 9 out of ten homes has the ubiquitous electric iron in the laundry.

But it is the future demand for appliances in the home that is most exciting, representing Indonesia’s aspirations in no small but significant way. Optimising that potential, making those dreams come true will not only create many more jobs but it can stimulate the consumer economy. The replacement market as well as the new market is still very big, for both white and brown goods. For example, 3 per cent of all Indonesians 14 years and older want to buy a colour TV in the next 12 months. 2 per cent a DVD player. 6 per cent want to buy a refrigerator. 5 per cent are in the market for a washing machine. These are large numbers. For many, these hopes will remain unachieved.

Consumer credit can make the difference between dream and reality. A small beginning has already been made, but financing of household appliances lags way behind the revolution credit has stimulated in the world of motorcycles. This is where marketing minds need to come together, from the financial services, retail and manufacturing sectors. Working together, more pressure needs to be applied on legislators so that greater protection for lenders can work for the greater good of all concerned. That simple fact can make an enormous difference to Indonesia as a whole. It will create jobs, create wealth, create joy.

Progress is being made, but all too slowly. Perhaps the biggest hurdle of all is the individual marketer’s desire to outsmart the other. Working as we do with so many from across different sectors of industry, it is all too painfully clear to this writer. What escapes most marketers is the sheer size of the potential, and the need to work together to exploit it. There is more than enough room for growth, for all. When was the last time KADIN led a mixed group of industry specialists to meet the right group of legislators to press a well-thought case for better laws to protect providers of consumer credit? When was the last time a group of manufacturers, retailers and bankers got together to explore opportunities together? The absence of credible and active industry associations are a sorry reminder of the lack of maturity across the marketing fraternity at large. There are too many square pegs in round holes, misguidedly nursing textbook buzz-phrases like “first-mover advantage”.

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 marketplace. Almost 90 per cent of the population is covered, in the cities, towns and villages, separately.

The writer can be contacted at Debnath.Guharoy@roymorgan.com