



Reality check for the telecommunications industry.

This writer is convinced that “plain English” is a more suitable language for market research than “elegant Javanese”. When used dispassionately in this column, the net result is sometimes deemed intimidating or predatory. Fortunately, people in search of the truth are far greater in number than those keen to disregard it, discolour it or smother it. The mail I receive from readers is proof of that conviction. Similarly, I remain convinced that without the protests of tiger lovers, the entire species would be literally stuffed by now.

But the urge to distort the truth to the point it is more fiction than fact, continues unabated. The masters of spin remain unimpressed by the mountains of debris left behind by the internet bubble and the recent global financial crisis. Their instinct to hoodwink shareholders, financiers, customers and staff alike has not been chastened. In Indonesia, it would appear that many of these accomplished spinners are not Indonesian, they have brought their special skills with them to Java. They represent the biggest names in business, in industry after industry. They are far more powerful, more often heard or read than this column. But even they cannot doctor the facts.

Anybody who trawls the internet as often as I do would notice the conflicting numbers, not merely the different views on the same issues. But it requires very little effort to unmask the real truth. The telecommunications industry is a case in point. Just because most of the operators are clients who use Roy Morgan Single Source, should not mean that I should tread more carefully than I usually do. If you believed everything you get to read about the industry on individual websites, you would probably conclude that there were at least 160 million mobile phone subscribers at the end of 2009. If the projections are to be believed, then there will be 200 million subscribers by the end of 2010. The cavalier use of the word ‘subscriber’, indicating members of the human species, defies logic.

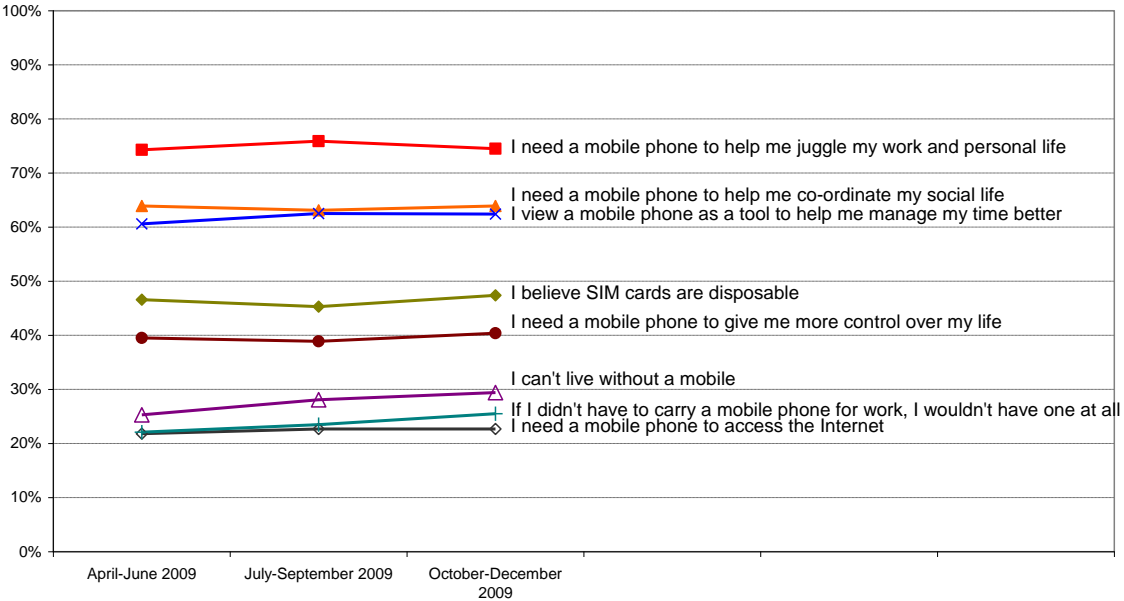
Have the authors of such information lost touch with common sense? Back-of-the-envelope scribbles would soon tell you that this is impossible in a country of 230 million people, give or take. Little children below the age of 10 and senior citizens over the age of 75 account for 20 per cent of the Indonesian population. In numbers, they would account for at least 40 million very unlikely candidates for a mobile phone. If they were removed from the argument, we would be left with a universe of 190 million people 10-75 years in age. Are we to believe that all of them would have mobile phones by the end of this year? Will all the toddlers and all the grannies be busy texting too? Or is there a plan to annex neighbouring countries that the rest of us are unaware of?

Even if we trash World Bank reports on poverty as well as abject poverty, ignore the fact that cellular coverage isn’t available everywhere in the archipelago, it would be difficult to believe that there were anywhere near 160 million people with a cellular phone in 2009. That would certainly require a far bigger imagination than mine, and I used to run one of the biggest advertising agencies in this country not all that long ago. People with multiple ‘connections’ would still not add up to 160 million, unless of schizophrenia is of epidemic proportions I am unaware of. If people aren’t what they mean, why use the misleading word ‘subscriber’ instead of ‘connections’? I protest, because the conundrum hurts my head.

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Attitudes of Mobile Phone Users Today



Here's the sober reality. At year's end, the number of cellular subscribers in Indonesia stood at 65 million. That's according to Roy Morgan Single Source. With interviews conducted among Indonesians 14 years and older in provinces that are home to 86 per cent of the population, the 65 million number could fall short of reality by 15 per cent at best. If cellular coverage was uniformly available from Sabang to Merauke, the Roy Morgan number could at most be 75 million. To round off, generously, include 5 million children below the age of 14 and you would end up with 80 million subscribers. That is exactly half of the 160 million number floating out there in cyberspace. According to Roy Morgan, there are currently 8 million Indonesians 14 years and older who are intending to enter the cellular world in the next 12 months, for the first time. Round off at 10 million, and you still have a number that is one-fourth of the growth projected by industry leaders.

If there is a plausible explanation for the cavernous gap between the numbers, the chart above may shed some light. Almost half of all cellular subscribers believe that "SIM cards are disposable". The Roy Morgan estimate for the number of people who threw at least one SIM card away in the last quarter is about 20 million. That's 80 million people in the year. If you add 80 plus 80, you arrive at the magical 160 million "subscribers" that were supposedly out there. But that's only if you choose to ignore the 80 million people who threw at least one SIM card away in 2009, whose 'connections' are no longer alive. Is delivering the truth make us party-poopers? Quite the opposite. There is a lot of room to grow in the years ahead, at a realistic pace. The market is far from saturated, even as competition heats up.

These conclusions are based on Roy Morgan Single Source, a syndicated survey with over 24,000 Indonesians 14 years and older interviewed each year. That national database is updated every quarter.

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