



Price is often the easy but expensive weapon of choice.

How consumers see brands and how marketers see them and their choices are often markedly different. Thirty years of watching them in action has taught me a few things about consumer behaviour. But the inner workings of the marketer's mind leaves much to be desired.

In category after category, the rationale for actions taken isn't easy to comprehend, none more bewildering than Indonesia's cellular industry. Recently, No.1 network brand Simpati dropped the price of a starter pack to just Rp.5000. That's less than a tube of toothpaste, a pack of chips, a bowl of noodles on the street. Not the kind of equation you're likely to see in too many places in the world, not even in today's Wild East. To lose market share, to lose rank is not good for careers. It's no fun when the boss can no longer say "we own half the market" at a cocktail party. The consequence? Tens of millions of starter packs will be bought, used, and thrown away in days if not minutes. In the ensuing turmoil, claims of more subscribers than there are people, will rage on. Winning brand or lost market leader? Is the shareholder as impressed as the bank?

Brands form relationships. It's the phenomenon at the very core of marketing. Different people with different needs and wants relate to different brands with different personalities and promises. That evidence is clearly seen in product categories where change is more gradual, more easily understood. Shampoos, for example. Because everybody who has hair likes it clean, it's big business. If clean hair was all it was about, why would brands be so important? I'd be the first to agree that in a market the size and shape of Indonesia, consistent product quality and extensive distribution add up to much more than half the reasons for success. But the role of marketing is perhaps best illustrated by taking a helicopter view of the shampoo category and how it has changed in just five years. With 77 per cent of all people 14 years and older having bought a shampoo in the last four weeks, change continues.

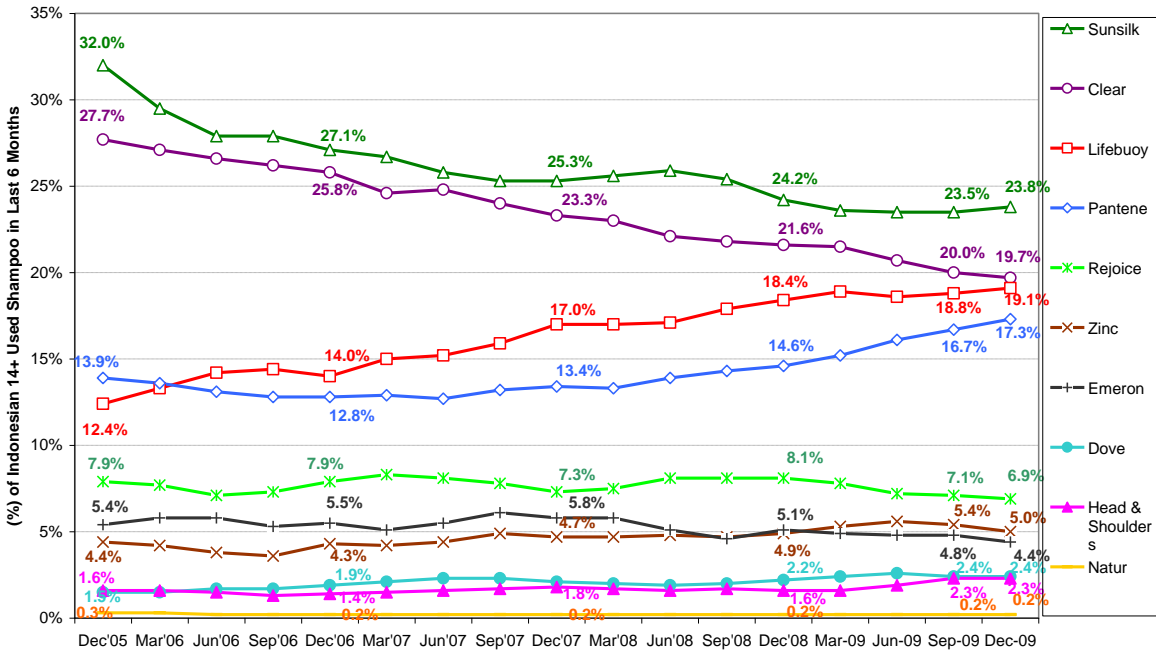
The launch of a 'family' brand leveraging the equity of a trusted old name made Lifebuoy a runaway success for Unilever. Perhaps more of a success than had been budgeted for. Cheaper on the shelf, it cannibalised the company's beautiful but ageing lady, Sunsilk. Modest families left in droves, ageing Sunsilk's loyal core even further. Growing numbers of young males continued to help build the company's portfolio with Clear anti-dandruff, not too many women. Begs the question what makes Clear so markedly male?

But there were still niches left for the mighty challenger Procter & Gamble to carve its own share. The three-pronged attack from Pantene, Rejoice and Head& Shoulders quickly gave the company a foothold in the shampoo market. In the initial years, limited distribution left Unilever virtually unchallenged in the vast rural hinterlands. The introduction of the Pantene sachet finally changed the dynamics. The low-unit price of premium brand Pantene switched millions of young ladies, from Indonesia's big cities, towns and villages. But the bottle in the supermarket still commands the premium it always has. What makes Pantene a giant in the making is its dominance among young women. 30 per cent of its regular users are from the "Look at Me Segment", 25 per cent are young parents from "Conventional Family Life", 17 percent from "Visible Achievement". These are good indicators of brand health from Roy Morgan Values Segments, a psychographic map of Indonesian society.

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TOP 10 SHAMPOO "BRANDS USED MOST OFTEN"



Armchair marketers still nurse the myth that affluent people live exclusively in the big cities and poor people live only in the *kampungs*. A visit to an urban shack in Jakarta would shatter that notion. Would every marketer who has seen the inside of one please raise his or her hand? Anybody who has wouldn't have seen a shower, a bucket at best. It would surprise many of them to know that this is true of the overwhelming majority of Indonesian homes, the middle-class included. They are the same marketers still talking demographics when they define target audiences, as if all 25-year old urban females all behave like clones of each other. If demographics are all we are as people, why would so many young men choose one brand of anti-dandruff shampoo over another, almost to the exclusion of women young and old? Among other things, a shampoo is also a sensory experience. Knowingly or sub-consciously, we form relationships with our brands of shampoo. Good marketers understand the nuances, beyond geography, demographics and price alone. Today, they would even know that "Muslimah" isn't a Top 10 program Pantene users or buyers "really love to watch", but very popular among those who favour Sunsilk and Lifebuoy.

That kind of sniper's rifle is indeed available, yet yesterday's marketers are still pulling the price trigger too quickly even today. You don't need a salesman to give it away.

These conclusions are based on findings from Roy Morgan Single Source, the country's largest syndicated survey with over 25,000 Indonesian respondents annually, projected to reflect almost 90% of the population over the age of 14. The survey is used by more marketers and advertising agencies than any other survey in the country.

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