

Confident consumers seem happy to stay at home.

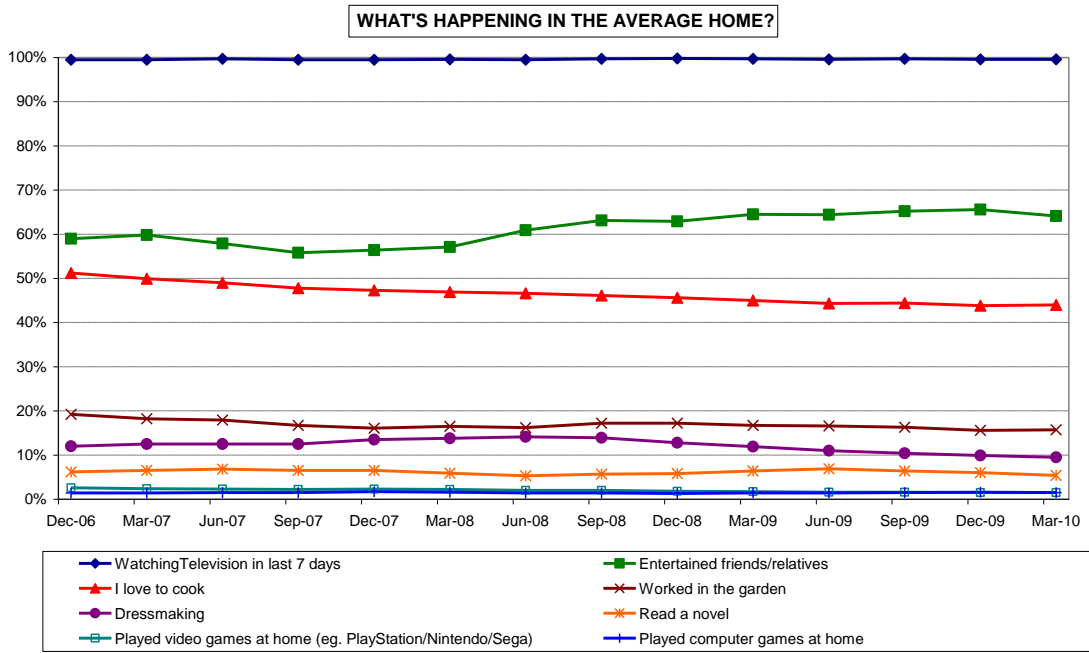
Can consumers be confident about tomorrow while tightening their purse-strings today? Yes, they can, as illustrated in last week's column. But if people aren't spending more, if they aren't going out more, what are they doing?

It's no secret that life for the average Indonesian isn't exactly a bed of roses, at the best of times. In fact, most indicators would lead us to conclude these are indeed the best of times. All the signs predict another good year for the manufacturers of everyday essentials. It would be logical to assume that the service sector, especially the entertainment and leisure sectors, would also enjoy similar fortunes. Sadly, that is not so except for the fortunate few. The reason? The everyday essentials are costing so much, most people are being compelled to stay home. They are earning more, but spending more as well. No wonder the government has decided not to increase the price of fuel even while subsidies hurt the treasury.

58 per cent of the population "don't buy luxuries anymore". Down from three years ago, this is a view that's trending gradually upwards again. 37 per cent believe "I was born to shop", trending upwards, while both visitors and buyers at shopping malls are in fact declining. 49 per cent "enjoy grocery shopping", also trending upwards to the joy of retailers everywhere. Life's simpler pleasures are the order of the day. Which is why 76 per cent of the people are "visiting friends and relatives", while 64 per cent have "entertained friends and relatives" in the last four weeks. Even that humble pastime took a small dip in recent months.

While the affluent few continue to visit restaurants and fast food outlets as usual, the average Indonesian who constitutes the overwhelming majority, is going out to eat less often than before. Overall, 8 per cent of the population who went to a restaurant three years ago has declined to 9 per cent. The big exception is takeaway food from the modest *warung*, the only kind of *warung* that is gaining in popularity. 44 per cent of the population visited one to take food away in the last four weeks, up from 37 per cent five years ago. The fact that the lady of the house is also buying these inexpensive meals leads to the simple conclusion that it is often cheaper, not just less of a bother, to buy rather than cook the family meal. This phenomenon of sometimes buying rather than cooking has gone up from just 41 per cent of 'main grocery buyers' in 2006 to 53 per cent today.

The spirit is also dampening the body. Health and fitness is also taking a beating. 26 per cent of the population "played a sport" a year ago. The enthusiasts have plummeted, to just 23 per cent. Fitness, in the form of running, cycling or the gym has also dipped, with "did some formal exercise" down from 18 per cent in September 2008 to 15 per cent as at March 2010. Other leisure activities, like reading, going to the seaside or the zoo have either remained flat or declined a little in recent months. These are activities usually indulged in by less than 10 per cent of the population. While a robust 61 per cent "like to take holidays within Indonesia", the 26 per cent in June 2009 who "like to go away for weekends" has dipped to 24 per cent this year. "Played a musical instrument or sung in a band" remains steady, more or less at 3 per cent, despite some presidential urging in recent months. The same is true of the 2 per cent who "played computer games at home".



More people staying home more often would appear to be good news for at least the media industry. Not much joy there either, except for the ever-popular TV set. Print continues to decline as a whole, with only a few notable exceptions like Jawa Pos. The internet is failing to pick up the slack, its true potential severely hampered by high costs and slow speeds. If the average man and woman isn't doing much with their free time, could they have turned to prayer instead? If they are praying more, we wouldn't know. But the evidence shows that a steady 67 per cent of the population has "been to a formal place of worship" like a mosque, church or temple, in the last four weeks. That hasn't changed much.

What is glaringly obvious is that more people in the household now have to work more, to earn more, to pay the same bills. The gap between the average main income earner's wage and his household's monthly expenditure has widened in recent months. If your wallet's running on empty, where's the will to do anything else? Other than chat with friends and relatives or watch TV together? The everyday reality of a population under pressure should be a sober reminder to those of us who are more fortunate who continue to enjoy the lifestyles we are accustomed to. That good fortune should not cloud the decisions we need to take, affecting not just our businesses but the lives of millions of consumers as well. The forecast for the consumer economy remains strong, underpinned by mass-market weatherproof products ranging from motorcycles and refrigerators, cellular phones and cooking oil, to milk and shampoo. These are essentials now, not just for a minority.

These conclusions are based on data collected by Roy Morgan Single Source, the country's only syndicated survey that covers the cities, towns and villages of Indonesia. It covers over 15 major industries, over 150 product categories. With over 25,000 respondents each year, the data is updated every 90 days.

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