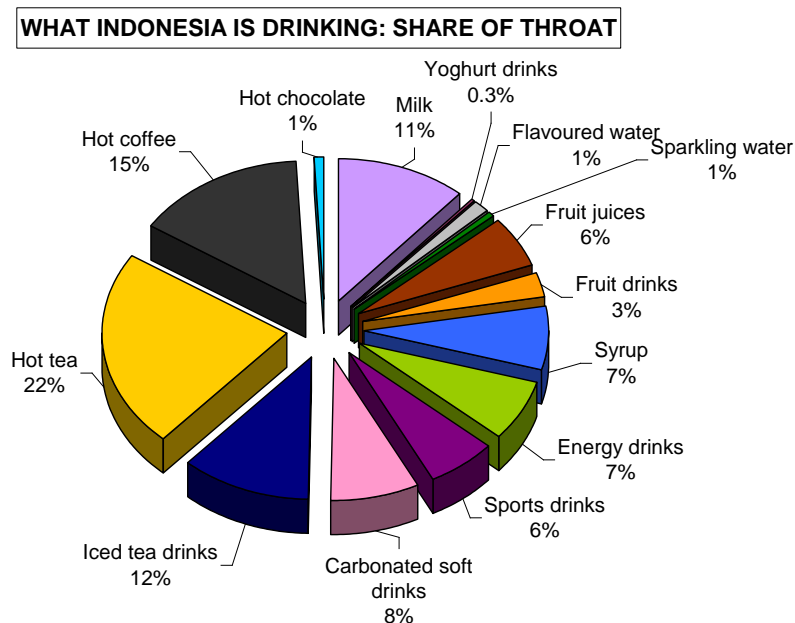


## If we are what we drink, Indonesia is getting wiser.

“We are what we eat”, the saying goes. As food habits change gradually, over time and with age, an entire nation can become more healthy. Or not.

In Indonesia, all the evidence shows that a more health-conscious people are gradually making more intelligent choices. What they decide what to put in their mouths is an issue they are thinking about, more and more, as the years go by. This week I will focus on drinks the country is consuming, on food the week after. Against the backdrop of these reassuring trends, the country’s addiction to cigarettes is indeed bewildering. Considering that the smoking habit is overwhelmingly a male affliction, it would be logical to conclude that the women in this country are not just the fairer sex, they are the more intelligent gender as well. This view is reconfirmed again, in the patterns of food and beverage consumption.

The alcohol market is very small, in the country with the world’s biggest population of Muslims. Less than 1 per cent of the population has had any alcohol in the last seven days. But it could easily be argued that 1 per cent of 235 million is still a lot of people. With the latest round of crushing taxes imposed on alcoholic beverages, this coalition government’s motive is raising eyebrows. In Turkey, another beacon of moderate Islam, the actions of the pro-Islamic ruling party are obvious. Careful not to tamper with its secular constitution, conscious of the military quiet in the barracks, Turkey’s party in power is using an administrative tool like taxes on alcohol to impose their moral values on society. The price of alcohol has rocketed up by as much as 800 per cent in three years, making their popular *raki* unaffordable to many middle-class homes. Casual conversations in Istanbul last week reflect the concern that “purified families” will subsequently become more Islamic in their social conduct, over time. A worrying piece of social engineering, at a time when ideas are travelling across borders more quickly than ever before.



**\*Share of Non Alcoholic Beverages Consumed In The Last 7 Days (excluding still water)**

Moving away from the small alcohol market to the enormous non-alcoholic beverages business, the picture is literally getting healthier by the year. If we exclude water consumed by all everyday, and try to determine the 'share-of-throat' that *all* the other types of drinks have captured in a 7-day period, a fascinating picture emerges. While the usual 74 per cent of the entire population 14 years and older continues to drink Hot Tea, it rules the non-alcoholic beverage market with a 22 per cent 'share-of-throat', in the last 7 days. Hot tea has become even more popular, up 2 percentage share points in just three years. The share of Iced Tea consumption also grew by 1 per cent during that time, with 12 per cent of all beverage drinkers consuming it at least once a week. While hot coffee consumption is growing across the country, its 'share-of-throat' has also grown by 1 per cent to a 15 share of the beverage market. To underline the obvious, many who drink tea also drink coffee, as well as many of the other choices available.

Similarly, the consumption of milk is also on an even course. But within the 11 per cent share of grown-ups drinking nature's most bountiful gift, the good news is that fresh milk is steadily growing. Then, hot chocolate has another 1 per cent share, equally steady like the yogurt drinks at 0.3 per cent. The news gets better, as the juice market continues to grow. Consumers of fruit juice have grown from 4 per cent share in 2007 to 6 per cent today. That makes the category the fastest growing in the non-alcoholic beverages market. The growing number of fruit-juice drinkers and the declining number of fruit-drink consumers is yet any other indication of a more mature, a more discerning marketplace. Fruit-drinks are down from 4 per cent share in March 2007 to 3 per cent in March 2010. Not surprisingly, syrups are also down 2 percentage points during the same period, to just 7 per cent today.

An interesting switch of fortunes is also taking place in the sports and energy drinks fields. Three years ago, energy drinks were popular with an 8 per cent share, and sports drinks at 5. Today, energy drinks are down to 7 while sports drinks have climbed up to 6 per cent 'share-of-throat'. Carbonated drinks are down too, from 9 per cent to 8 per cent. Colas are flat, Coke Zero is so small it couldn't be measured as a percentage of this large country. Flavoured waters are down from 3 per cent to 1 per cent, with sparkling waters on a holding pattern of 1 per cent share. Though everybody drinks still water, the picture would not be complete without a mention of the obvious. Everybody is on aqua everyday, but the Aqua brand dominates with a 63 per cent share of all bottled water consumers, even today.

When you look at the non-alcoholic beverages market from a marketing perspective, an interesting but not so obvious reality emerges. It is the locals, not the multinationals, who built the biggest brands in almost every category. It is the sign of our times that the multinationals acquired many of these market leaders from the locals, over the years. Sari Wangi, Aqua and Buavita spring to mind. Says very little about the marketing prowess of the big globals and a lot about world domination, doesn't it?

The opinions are based on Roy Morgan Single Source, the country's largest syndicated consumer survey with over 25,000 respondents annually. Interviews are conducted face-to-face each week, continuously, with results released every quarter. The findings are projected to reflect over 85% of the population, 14 years of age and older. The writer can be contacted at [Debnath.Guharoy@roymorgan.com](mailto:Debnath.Guharoy@roymorgan.com)