

Sweet profits, thanks to the Indonesian sweet tooth.

Casinos and toll-roads are highly rated by entrepreneurs as guaranteed money-makers, second only to the mint itself. Candy would probably come close, if you stop to ask yourself how much it could have actually cost to produce that popular little lozenge you're about to pop into your mouth.

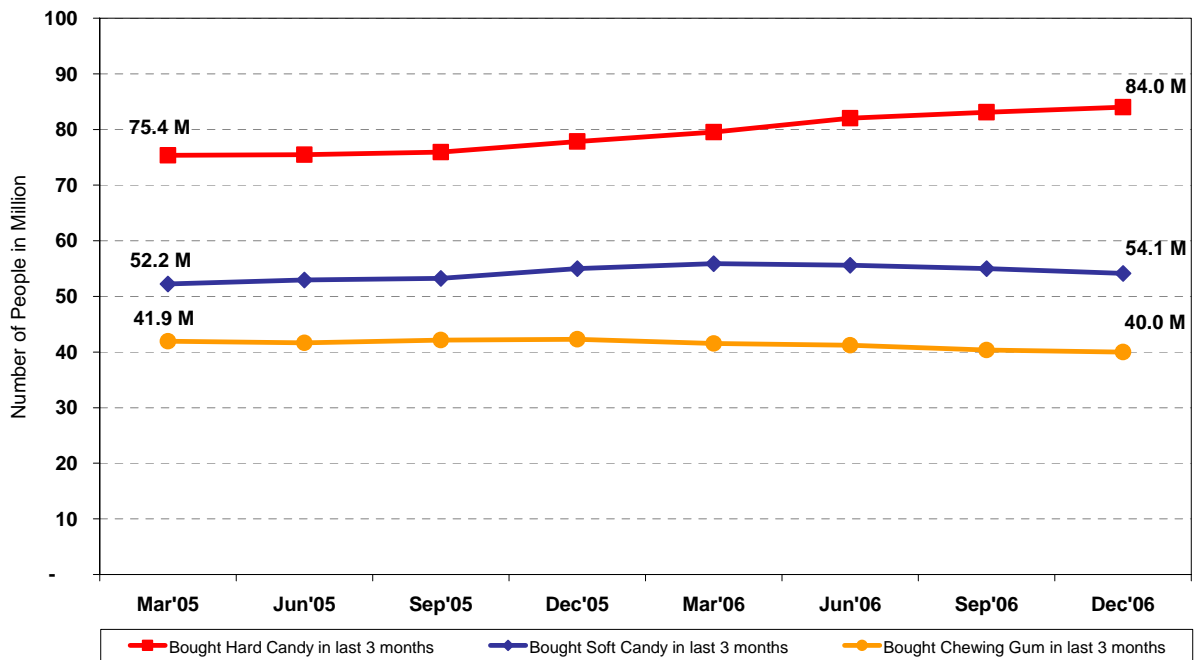
There's evidence to suggest that regardless of cultures, people around the world tend to eat more sweets when times are hard or when they're feeling low. As products go, this is one inflation-proof category. That's certainly true in Indonesia. Just about every product category felt the consumers tighten their belts after the second fuel price hike of September 2005. Not candies. They simply continued their long march forward. In fact, they attracted more users and continue to do so to this day. There are at least 85 million Indonesians above the age of 14, who frequently buy candy. Add tens of millions of children who eat sweets everyday and a clearer picture of Indonesia's money-making candy industry will begin to emerge.

Hard candies continue to grow while the number of people buying soft candies and chewing gums has flattened. Across all the three types of candies, half the consumers live in rural Indonesia. With direct distribution usually stopping at smaller towns, most manufacturers of popular candies would find it difficult to accept that reality. Another revelation that might shatter a popular myth is the fact that female buyers of candy outnumber the males by only a small margin. With 14-17 year olds and the over 50s accounting for 15 per cent of candy buyers, the rest are even spread in between.

These observations are based on Roy Morgan Single Source, Indonesia's largest syndicated survey now expanding to include over 27,000 respondents annually, projected to reflect 90% of the population over the age of 14.

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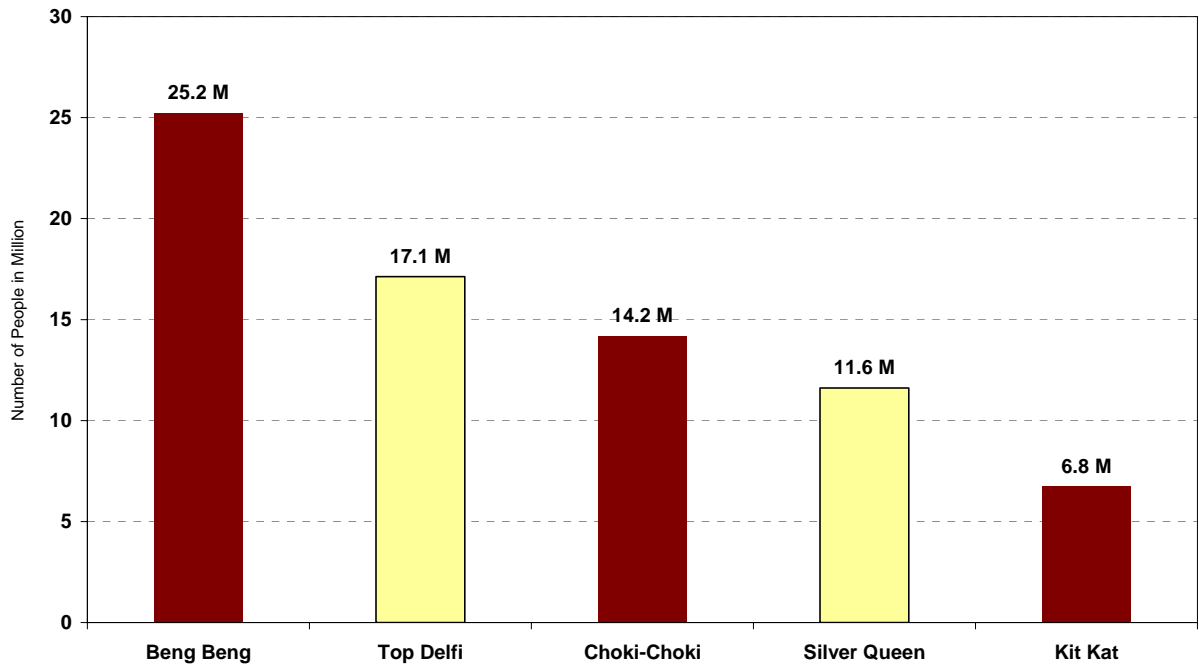
Candies Bought in Last 3 Months



Relaxa and Kopiko are the giants in hard candy, Mentos and Sugus dominate soft candy and Yosan and Big Babol rule the chewing gum category. Then there all the other types of manufactured sweets like chocolates and chocolate-coated wafers, not counting all the cakes and *kue*, ice-cream, *es kacang* and the like.

If memory serves me right, Silver Queen ruled the palate two decades ago. If so, the balance of power in chocolates seems to have shifted in more recent times. Today, Beng-Beng leads with over 25 million buyers in the last four weeks. Chocolate coats are doing better than the real thing, no surprises there. Similarly, Walls have overcome Campina with 11 million and 6 million buyers respectively.

Chocolates Bought in Last 4 Weeks



The fascinating commonality between buyers of candies, chocolates and ice-creams is the concern with weight. Across all three product categories, about half the buyers are either “always watching my weight”, or “like to eat healthy food”, or “always think of the calories”, or “a low-fat diet is a way of life”, or “would like to lose weight”. This weight-consciousness exists in a country where the overwhelming majority is doing very well on Body Mass Index, the universal height to weight ratio. Only a small fraction of Indonesia is in fact overweight, just 13 per cent of the population above the age of 14.

Though these delights are consumed by all sections of society, it is Indonesia’s Middle Class with Household Expenditure between Rp 800,000 and Rp 2.25 million per month that account for over 60 per cent of frequent buyers. That life is literally sweeter for people who are financially better off is another bitter truth for the underprivileged.

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