

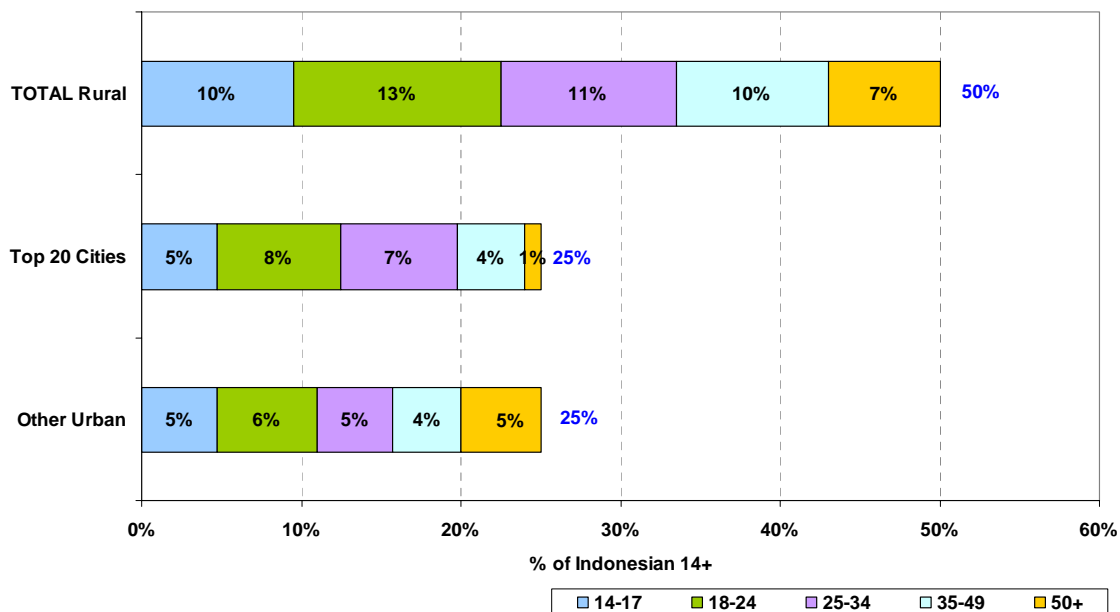
The Head Office: Where All Too Often, Ignorance is Bliss.

Last week, I was told by a reader that people do not go around making other people poor. Delivered with a smile, it was a jocular jab at my recent urgings in this column. It did not fail to make its mark. It made me think.

While she was of course right in the main, there are two major distinctions we should make. First, there are indeed people who make others poor, consciously. These are not just the corrupt politicians and bureaucrats, but corrupt businessmen as well. By taking and giving bribes, by not paying taxes, they consciously rob the poor of funds that should otherwise have gone to the development of better and cheaper infrastructure, like healthcare, education and transportation. The building of those common resources with public funds is an integral facet of the capitalist system, at the lowest price and not the highest possible cost.

Second, there are employers who systematically try to cheat, every chance they get. For example, they terminate staff just before it becomes mandatory to employ them permanently. This is in fact a violation of the law, in letter and spirit. In any country where laws can be enforced, such a scenario would be ripe for class-action suits because it is just another way to keep labour costs low and the poor, poor. So I'd say that good people do not make people poor, but with an emphasis on the word 'good'.

Demand for GSM SIM Cards: 33.2M Intenders



But what about professional dishonesty, or ignorance, or incompetence? Or all of the above? Managers have obligations to their shareholders. While the man on the street can understand core issues and separate fact from fiction on election day, it amazes me all too often to see big businesses unquestioningly ignore the most obvious of realities around them. For instance, the majority of both current consumers and future intenders for most consumer goods and services are people who reside outside the cities of Indonesia. This is true for cellular networks, motorcycles, shampoo, milk, instant noodles and even bank accounts.

Just because current conventional distribution ends within urban boundaries all too often, many marketers remain clueless about the re-distribution that occurs beyond. While the lack of knowledge about the small town and rural consumer may have been understandable in yesteryears, today it is both unprofessional and unforgivable. It gives a whole new meaning to that old saying, 'where ignorance is bliss'. Testimony to that view is the reality that almost all expenditure on consumer research is spent on understanding customers in the cities, regardless of life in smaller towns let alone the villages. Not what you would call a conscious effort to improve the quality of life where opportunities exist, both urban and rural.

After all, where are Indonesia's consumer tracking studies conducted? Or the brand health monitors? Do you know where the set-top boxes that measure TV viewership are located? Does anybody care about the programs rural consumers "love to watch"? You will have guessed right. Yet, pronouncements are made in boardrooms about "the Indonesian consumer", with scant respect to the fact that nobody has bothered to venture beyond the cities to find out the real truth. They are the same people who accuse the politicians of not being in touch with the people, or appreciating their aspirations. They are the same people who ignore the fact that more than half their consumers today live outside the cities they devote all their energies toward. More importantly, they fail to recognise that 50-70 per cent of their future growth will come from outside the cities. This is of true of Indonesia, like most of Asia, where wealth continues to trickle down.

These observations are based on Roy Morgan Single Source, the country's largest syndicated survey with over 27,000 Indonesian respondents annually, projected to reflect 90% of the population over the age of 14. That is a universe of 140 million people. The results are updated every 90 days and used by more marketers, media and creative agencies than any other syndicated survey.

The one hallmark of all the great marketing minds I have met is their unending thirst to holistically understand their consumers as people. Not just as "wallets" or "teeth" or "passengers" or "riders" or "subscribers". They are the professionals who have the ability to ask the relevant questions, get the reliable answers. They understand simple concepts like statistical reliability, not just broad definitions like urban and rural, rich and poor. They know that the socio-economic class of a household in Asia has little meaning if two-and-a-half meagre incomes in an extended household of six hungry mouths add up to their being classified way above their true spending power.

It is important therefore to ask the right questions, at the right places. And ask them often enough to make timely course corrections, to be truly accountable to shareholders. Doing things by rote or by paying lip service to the right jargon can only fool the ignorant at the head office for that long and no more.

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