

Victims of our own conditioning, we believe what we like to believe.

In our everyday lives, we are all deeply influenced by the context within which we exist. We believe what we want to believe, we tend to instinctively ignore or reject anything contrary to our views. Leaders use this reality to their advantage, pulling unquestioning followers around by the proverbial nose. This is probably as true in a cabinet meeting as it tends to be in a marketing conference.

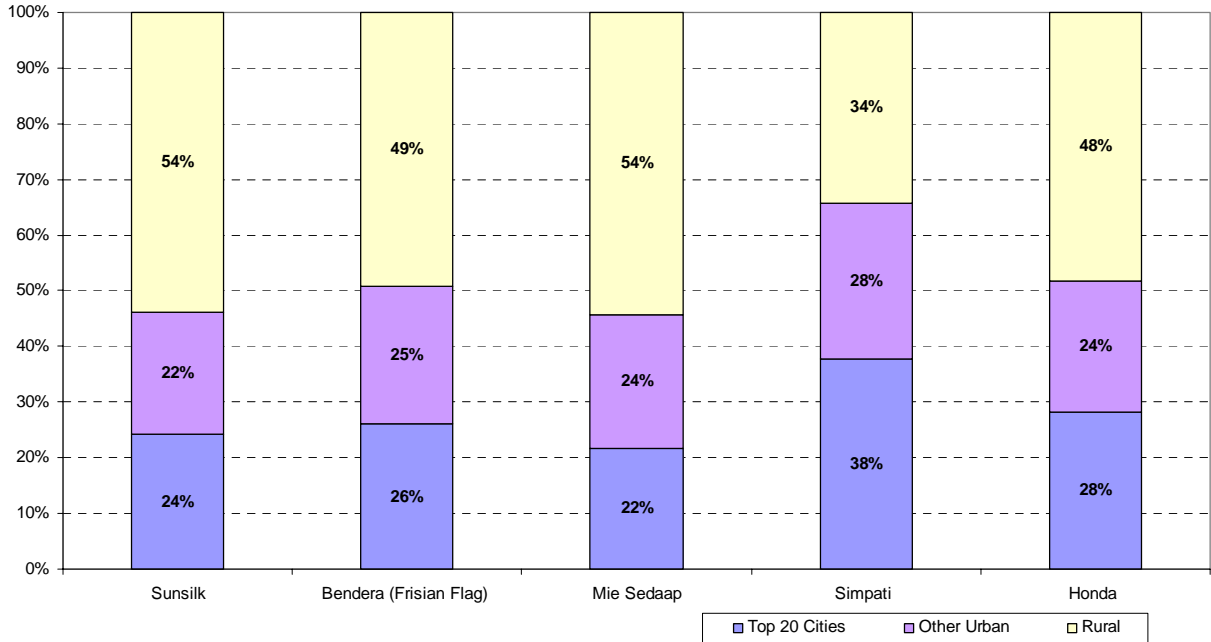
Marketers complain of consumer inertia. Having spent all of my working life in marketing services, I find the most of the former more inert than the latter. Given value, convenience, pleasure or a combination of such benefits, consumers vote with their wallets. Any product or service that has no reason to be, or is now deemed a has-been, faces extinction at varying speeds of demise. All consumers make these choices for themselves, parting with their money, not just words. In contrast, many marketers are guilty of encouraging the status quo, simply because it helps keep the working day relatively painless. Always, stakeholders of brands will chant that the key to success lies in “understanding the consumer”.

For most marketers this side of the world, that understanding is garnered and monitored from the big cities almost exclusively. Anybody who professes to watch society from a marketing perspective will agree that the urban-rural divide is simplistic. Even within urban definitions, life in a big city is different from life in a small town, not just different to living in a village. On the other hand, labelling China as 38 different “markets” is to over-complicate the task of managing brands. By those yardsticks, India with its kaleidoscopic cultural, linguistic and religious layers would be a hundred markets perhaps. Attention-seeking presentations can be injurious to the health of your brand.

Most dangerous of these are those trotted out by global pundits jockeying for position, staking their claims in the cleverness stakes. In their desire to portray themselves as people-watchers, they conveniently forget who they are watching and where they are doing their watching. If you are attending one of these global or regional conferences, remember to ask if yourself if the view is warped. For example, some would like you to believe that the Ipod-world is about to be replaced by the Wii-world, a new revolution in the making while we sleep unaware. This may indeed be true for some in Europe, North America and Australasia, for a privileged few in the cities of Asia and South America. But stop for a moment and ask yourself how many people live in the developing world, what the lives of the majority are really like. A back-of-the-envelope scribble will remind you that roughly, very roughly, five of the world’s six billion people have other things on their mind. Of these five billion, at least three billion just get by, brushing their teeth, going to work and paying their bills every month. Another two billion live in degrees of misery and are consumers of precious little. Those sad numbers continue to grow not diminish, the inequalities widening not narrowing.

These are the residual numbers in my head, accessed while I write, so I’m conscious of the fact that I could easily be challenged. Accepting this overall perspective of the world we live in is neither glamorous nor pleasant, especially in a boardroom. For most city-living marketing people, their world is the centre of the universe. Their life is the way most people would want to live and aspire to, wouldn’t they? The truth out there is in fact quite different.

Market Leaders & Their Customers



Indonesia is a good representative of the world's developing economies, from a marketing viewpoint. Well over half the population lives in areas classified rural, though many may indeed be physically close to urban areas. The rest, the urban population, is split almost evenly between the big cities and smaller towns. Life, as it is led in each of these three distinct classifications is different for their residents, influenced not only by personal income and household expenditure, but also by their proximity to available products and services. Their attitudes and aspirations are also influenced by where they live.

Understanding the consumer, the customer, the owner is an intricate business but closer to common-sense than rocket-science. Measuring and monitoring information in geography appropriate to the product, is a good place to begin. Yet, most marketing decisions taken and advertising budgets spent in Indonesia, are based on data gathered from the cities alone. A look at the customers of five selected brands, each of them leaders in their category will tell you what the reality is. Half the buyers of Sunsilk shampoo, Frisian Flag milk and Mie Sedaap noodles live in rural Indonesia, as do the main riders of Honda motorcycles. Today, even the Simpati cellular network has only 38 per cent of its customers living in the Top 20 cities, but far away from Wii. For most of Asia, the picture isn't dramatically different. Is it time for you take the reality check some marketers are now taking?

These conclusions are based on Roy Morgan Single Source, the country's largest syndicated survey with over 27,000 Indonesian respondents annually, projected to reflect almost 90% of the population over the age of 14. That is a universe of 140 million people. The results are updated every 90 days. The opinions expressed are my own.

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