



Indonesia 2018,
Dealing with the opposites.

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Guide Ipsos Flair: Understand to Foresee

The global economy is undergoing a major change as the relative weight of developing countries shifts rapidly upwards. Indonesia is one of the largest and most important of these emerging market economies.

We are very pleased to publish an edition of Ipsos Flair focusing on Indonesia. This publication summarises the knowledge and experience gained by our research teams in Indonesia. It is part of a series of books published by Ipsos around the world: the Ipsos Flair programme.

Launched in France in 2005, the Ipsos Flair name was chosen because 'flair' is about instinct and intuition. It is the ability to capture the mood, to perceive the right direction, to know when to act... It is also another way of looking.

Ipsos Flair explores the many different facets of individuals, be they consumers, citizens, spectators or employees. Debunking stereotypes, "Flair" showcases the knowledge, experience and competence of our Ipsos experts.

Ipsos is uniquely positioned around five major specialisations: marketing; customer and employee satisfaction; media and advertising; public opinion research; and survey management. By bringing together these diverse yet complementary perspectives, the Ipsos Flair series helps our clients to formulate and to fine tune strategic planning approaches.

Ipsos is an independent market research company controlled and managed by research professionals. Ipsos teams assess market potential and interpret market trends, combining a variety of methods from surveys to qualitative and social media sources, to name a few, with know-how and technology. They help clients develop and strengthen brands and build long-term relationships with their customers. They test advertising and study audience responses to various media and they measure public opinion around the globe.

Founded in France in 1975, Ipsos has grown into a worldwide research group with a strong presence in all key markets and offices in 89 countries. Ipsos has been in Indonesia since 2008 as a full-service agency with in-house data collection and data processing. We are among the top three research agencies in Indonesia with 130+ full-time employees, all based in Jakarta. Ipsos conducts qualitative and quantitative research among the general public and specific targets (business, professional, farmers etc.).

Three years after the President Jokowi elections, at a key moment in the economic life of the country, we are happy to develop Flair in Indonesia and share our experience and passion for this country.

Enjoy your reading!

Henri Wallard
Deputy CEO

[Editorial]

Indonesia is not often in the spotlight. This is not too surprising because Indonesians have a quote: "tong kosong nyaring bunyinya" or "empty barrel makes a lot noise".

The other analogy is of paddy rice; when it is full and ready for harvesting, it cannot stand straight up but bows down. Likewise, Indonesian people say that a person full of knowledge is not bragging, but he/she is humble like a full paddy rice. If you draw too much attention to yourself, you are not like someone with a lot of knowledge; it is like an "empty barrel which makes a lot of noise".

The older generations have been brought up with that thinking; it influences society in general, but it is changing slowly.

However, the country is well represented: if we search "Indonesia" on English sites, we will find more than 1,580,000,000 results.

The contents reflect the paradox that drives Indonesia but concerns all so-called "emerging" countries.

On the one hand, they prove that this country made of 13,466 islands has cultures and ancient traditions that are perpetuated faithfully. They have nothing "emerging", existing before the development of the West.

The list is inexhaustible. Batak¹ architecture, Songket² and Batik Keris³, Wayang⁴, Angklung⁵, Phinisi⁶, religious and popular festivals, Pencak-silat⁷, ceremonies to honour the gods and ancestors, Nyepi⁸, Segehans⁹ and beliefs in demons, dances, peace or war...

On the other side, they show that Indonesia is still not the key player in the area, due to agricultural and industrial competition from Malaysia, Vietnam, the Philippines and Thailand. All these countries are competing to keep investors and tourists.

Another paradox exists in Indonesia:

¹ The Batak Toba house is organised vertically into three distinct zones (the underworld, human world, and spiritual world), all decorated with great attention to the symbolism (e.g. the bindu matoga, a diagrammatic representation of the cosmic order, is a model for spatial organization and orientation)

² Hand-woven fabric in silk or cotton intricately patterned with gold or silver threads.

³ Wax-resist dyeing applied to traditional fabrics

⁴ Theatrical performance with puppets or human dancers

⁵ Musical instrument made of a varying number of bamboo tubes

⁶ Two-masted sailing ship

⁷ Fighting art

⁸ "Day of Silence" that is commemorated every new year in Bali

⁹ In Bali also, a daily morning ritual offering flowers and food to gods, demons or ancestors in front of houses, trees, restaurants, shops, etc.

- Indonesia is the world's fourth most populous country, with more than 261 million people, and a member of the G20 bloc of major industrial and developing economies. The country is 40% of the GDP of ASEAN, with a middle class that could treble in size by 2030. On this point, the futurists are confident: "The World in 2050" report by analysts at PwC, an accounting and auditing firm, highlights a shift in the global economic domination of the G7 countries (the United States, Japan, Germany, the United Kingdom, France, Italy, Canada) to the group of emerging economies named "E7", namely China, India, Brazil, Russia, Mexico, Indonesia and Turkey.

By 2050, the United States will give India its second place in terms of world GDP, while China will remain the world's largest economy. Japan will move from 8th to 4th place, and Germany will fall from 5th to 9th. Brazil and Indonesia will climb to 4th and 5th respectively. France, which now occupies 10th place, will leave the top 10 in 2050.

In terms of demography, the Asia Oceania proportion of world population is expecting to grow from 55% (2010) to 61% (2050), while Europe will decrease from 11% to 7%, with the Americas remaining stable (13% to 14%).

Indonesia will play a crucial role in this progression of the APAC region, with population growth expected to rise from 257m inhabitants in 2010 to 322m in 2050. Other predictions from the region include Japan (126m in 2015, 107 in 2050), China (1.38bn in 2015, 1.35bn in 2050) and India (1.31bn to 1.70bn).

- On the other hand, it should be noted that the GDP per capita remains at 107th in the world, with 100 million Indonesians (of 260) who live below or at the limit of the poverty line.

Social and economic inequalities are unbelievable. For instance, (and it is a point which has social networks buzzing globally), the four richest men in Indonesia are richer than the 100 million poorest people¹⁰.

Social disparities are much less acceptable and much less accepted in the contemporary world: information circulates, critical thinking develops, tensions become radicalised.

It is the biggest challenge for the government and the overall policies: how to harmonise these two figures, or rather how to make rapid progress in the second indicator while maintaining the quality and strength of the first? It's the principle and the condition to empower Indonesia and Indonesian people, to reduce the gaps between the territories and the cities.

Fortunately, the signs are positive¹¹. After 5% in 2016, the growth of the economy reached 5.1% in 2017 thanks to a dynamic end of the year for exports (+8.5%) and investment (+7.3%). "In detail, fourth-quarter statistics show an increase in household consumption, government spending and investment growth," said

¹⁰ Oxfam – NGO, 2017 February 23rd

Gareth Leather, analyst at Capital Economics. This is the best performance of the Indonesian economy since the arrival of Joko Widodo in 2014.

Finance Minister Sri Mulyani Indrawati is counting on growth of +5.5% in 2018. Private consumption will be a key driver for growth, with growing demographics, increasing urbanisation and also a rise in GDP per person that allows for the emergence of a middle class. Contained inflation (+4.1%) should support this private demand.

It is easy to see the aspiration to growth and to emerge as fast as possible through the infrastructures in progress (the sky train and underground in Jakarta) and in the buildings (condominiums, luxury shopping malls, new homes and new districts). And this is not only happening in the capital city of Jakarta.

Everything is still to be done in Indonesia, with the ambition and will for a mammoth undertaking: to clean Citarum, the world's most polluted river. "There are about 2,000 factories, including textile plants, along the river that dump their waste into the water and, according to Dadan, some 500 are within the Bandung basin region. The Citarum river and its tributaries serve as an important water supply to roughly 27.5 million inhabitants in the greater area of Bandung, the provincial capital of West Java, and the greater Jakarta region. It supplies 80 percent of water to the Indonesian capital, Jakarta, and irrigates around 420,000 hectares of rice farms¹¹".

The challenges are tremendous and require effective tools.

There is growth but poverty and malnutrition, remain significant handicaps for the country.

Governance issues persist in Indonesia and has "stunted" investment but it praised the overall stability that has emerged in Indonesian society following the chaotic end of decades of military dictatorship in 1998.

*This is not the only paradox. Hence the title of this Ipsos Flair, "**Dealing with the opposites**" to echo the current situation:*

- *A country on the fast track to catch up (a popular sentence there about President Jokowi is: "He did more in three years than the predecessors in 50 years")*
- *A country on a tight rope between:*
 - *The lucky facets thanks to the natural resources diversity (agricultural, energy, mining), the high competitiveness (i.e. low labour costs), dynamic tourism, dynamic internal market, strengthening banking sector, education plans*
 - *And the dark facets because of the structural weaknesses of the economy, bottlenecks, corruption, ecological disasters due to the fire forests, poverty and social tensions...*
- *A society where on the one hand, we are going to meet people more uninhibited and open minded, on the other, we will talk about piety and strict observance.*

¹¹ <http://www.arabnews.com/node/1258981/world>

Let's now look at our first Ipsos Flair for Indonesia, designed for this purpose: exploring, with the help of Ipsos Indonesia experts, ways to offer solutions to our clients:

- The various opinions people hold regarding brands, ads, companies and institutions.*
- The elements that help us understand messages, and attitudes towards them (favourable/unfavourable, trusting/skeptical, positive/critical etc.).*
- The consequences we should learn, to define a strategy of influence (marketing, media, ads, etc.).*

Yves Bardon
Ipsos Flair Program Director – Ipsos Knowledge Center

The point of view of Soeprapto Tan, Country Manager of Indonesia

Indonesia, still growing!

The economy is booming; the unemployment rate is declining; increasing: the infrastructures, roads, ports, airports. The investors are coming, more than before. Jakarta is not the only one city concerned, the second level cities are also involved. This is a general trend that can be compared to an elevator. The lower floors also rise, gradually catching up the accumulated backlog.

The politics are progressively changing: more transparent, more smart, with an open-minded President who knows the country and its gap, who wants to introduce far-reaching reforms of the system.

The social situation is changing, with main evolutions: health and security programme, free education for kids, employment opportunities with the infrastructures development throughout the country.

Stepping up the fight against corruption re-allocates money: 80% of the financial resources comes from the taxes, in other words, from a regular practice of the funds. The less money is diverted into corruption, the more is used to complete the major improvements that the country needs for a prosperous future.

The upper middle class increases, creating demand for higher-end goods. The lower middle class is growing, opening opportunities for the local and the international brands. Both are curious and excited by the international players, as we can see with the French department store, Les Galeries Lafayette occupying the shopping mall Pacific Place since 2013. Summed up by figures, it represents 55-60 million people.

In terms of goods, some dreams do come true: to purchase a car, a new scooter or motorcycle, an apartment, air conditioner, fridge, washing machine, etc. thanks to a steady line of work or a regular job, making possible consumer credit.

Land developers and automakers are happy. The demand for apartments is higher than for single-family homes, a first in Indonesia, in line with the style of life of the Millennials and Baby Boomers. Vehicle sales are growing, as in the five other largest countries in Southeast Asia (Thailand, Malaysia, the Philippines, Vietnam and Singapore) increased by 13% in February to 259,746 units, posting their first double-digit increase for eight months.

March is good also in Indonesia: car sales in Indonesia rose 7.9 percent in March from a year earlier.

These evolutions require infrastructure able to balance the growth in properties and automotive, to connect people and to reduce the amount of traffic jams.

In terms of expectations, status, image and self-esteem are the keys to succeed with consumers. The substantial increase in average incomes made people ever more demanding: it is no longer unusual to earn as much as US\$2000 or US\$2500 a month. The consumers want more value for their money: this has a direct impact on the level of service, quality and psychological well-being they expect and desire.

More and more people are gaining access to luxury products or to sectors with a luxury image. Before, only rich people and celebrities could afford aerobics, fitness centres, spas, beauty parlours, etc. Now, all these services are democratising: the result is more customer choice and lower fares.

This picture encourages us to move forward. Ipsos has already developed tools in line with the predictable evolutions of the people: mobile, tablets, specific apps... to make data collection less burdensome and provide more operational information. The consultancy part is growing also, to provide high added value advice to our clients.

The development of the "Public Affairs" specialisation is a new step in the Ipsos offer, able to explore and to spot the main trends as well as the early signals. Asiabus is a typical representative of a new generation of surveys at the intersection of the two researches. They explore and spot main trends as early signals and research using mobile, tablets, specific apps to make data collection less burdensome and provide more operational information.

Simplicity, Security, Speed and Substance are the core value of Ipsos, making us game changers in a still growing country.



Ampera bridge Palembang

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[User Guide]

« This country, the Republic of Indonesia, does not belong to any group, nor to any religions, nor to any ethnic groups, nor to any group with customs and traditions, but it is the property of all of us from Sabang to Merauke! »

Soekarno

[Indonesian facets]

The country

Indonesia is the largest archipelago country in the world. It's a good reason to explain its multi-cultural tradition, with a lot of various ethnic cultures making Indonesia unique.

Multiple is a useful word to understand Indonesia.

Multiple in its geography, from the Jakarta megalopolis to the uninhabited microphone-islands.

Multiple in its cultural, aesthetic, culinary or artistic, differences.

Multiple in its religions, even if Indonesia is a Muslim-majority country (90%) with a secular constitution and a democratic political process.

Multiple in its infrastructures, with disparities which make it complicated to move from one city to another, from one island to another, from a poor area to a rich region.

Multiple in its equipment, as shown by the electricity cuts in Medan (Sumatra) and in the area, every day for three hours. In revanche, in Jakarta, it is an exceptional phenomenon which the inhabitants would not accept.

Multiple in its lifestyles, with the competition between the Western way of life and the antiquated methods, as the forest fires which destroyed 2.6 million hectares of forest in 2015, boosted by El Nino. Despite the laws, 4,058 fires were detected in 2016, polluting all of South-East Asia.

Lot of airports are closed and flights delayed because of the fog, in parallel with a batch of disasters, causing human, animal and environmental damages.

Multiple in its economy, with half of all Indonesians living on less than two dollars per day, a middle class which worries, millionaires richer than last year.

Multiple in its gastronomies: spicy food comes from Padang and sweet food from the Javanese. It's like the trade, more of the spiciness from the Sumatra and Sulawesi, it's there; the Javanese is more known for liking sweet food.

Multiple in its multiple ways of living and expressing themselves: Javanese is known for acceptance, but from the east or the west side, people are more confrontational, saying what they want to say.

Multiple in its maritime and land wealth, in economic and diplomatic opportunities that arise in a moving geopolitical context.

But three points are unambiguous:

- Indonesia is too modest, maybe because of the Dutch colonisation for three and a half centuries, maybe because it don't have habit of making records. For instance, writing is not a habit that Indonesians have, thus the historical story is not as good in comparison with China or European nations where a lot of the things that happened in the past have been recorded in written format.
- The country's reputation is going to increase, to strengthen the touristic attractiveness in a context of competition with Thailand or Cambodia. In 2016, 11.5 million people visited Indonesia, after 10m in 2015, and 9.4m in 2014. Among them, 250,921 French travelers, 19.8% more than in 2015. The Ministry of Tourism can be satisfied: its target of 250,000 in 2016 was reached and exceeded. Now, the authorities' objective is to reach 20 million visitors by 2019, by abolishing visas and building new airports.
- Indonesia is going to play a new role in the region, becoming a major hub in the area, with powerful diplomatic and economic partnerships. The visits of great personalities in few months is no coincidence: Prime Minister Shinzō Abe (Japan), HM King Salman bin Abdulaziz Al Saud (Saudi Arabia), Maithripala Sirisena (Sri Lanka), Vice-President Mohammad Hamid Ansari (India), President Jacob Zuma (South Africa), Prime Minister Malcolm Turnbull (Australia), Prime Minister Sheikh Hasina (Bangladesh), former President François Hollande (France)... The group is impressive.

Moreover, it is not excluded that Donald Trump's protectionist policy accelerates new alliances and strengthens the existing axes. Celebrating the 20th Anniversary of the Indian Ocean Rim Association, the Indian Ocean Rim Association Leaders' Summit (5-7 March) reflected the adaptation of new strategies.

INTERVIEW with Siddhartha Ghosh, Qualitative

Qualitative in a nutshell

With 1,000 world-class researchers in over 80 countries, Ipsos is the world's leading qualitative community, with the biggest share of insights.

Always striving to bring Life to Life, we love the power of context to explore real people in real life. We love using technology to get closer to people and to their eco-system of influences, and we always apply for both HOT and COLD techniques to unearth the freshest insights. Ipsos Qualitative is founded on intellectual generosity, powered by strategic thinking and built for change.

Hot: More Feel than think

- Insight generation - pushing respondents out of their comfort zone using raw, intuitive, disruptive qualitative techniques
- Insight Activation - bringing it back to life, connecting it with other research, including quantitative results, so everyone can feel and experience the research undiluted

Cold: More Think than feel

- Analytical Frameworks - for insight analysis we apply robust, rational, logical and reasoned analytical frameworks
- Strategic Activation - and workshops for strategic brand planning

From Thailand to Indonesia! The last time I saw you was in Bangkok. This is a good starting point: your "fresh eyes report" on Indonesia?

Frankly, I've had a great time so far. Interestingly, there is a gap between what I imagined (based on what some people had told me) and what I discovered.

Indonesia has a bad press in the media. It is a country that has been the real toast of Asia, despite its size and 263 million inhabitants. Bali's beaches, Jakarta's traffic... not much in the popular press otherwise, unlike my previous home, Thailand, or the regional powerhouse, Singapore.

It is when you are there, in contact with people, immersed in their lives, you see how much is unsaid!

Yes, for a very long time, the country has been lagging. But for the past few years, it is moving, and it is moving very fast. We see an Indonesia that is very eager to move ahead and claim its place in the sun.

We know the reasons:

- *the development of a middle class, which consumes, buys, spends = an economic engine;*
- *a population with a dynamic birth rate = growing needs;*
- *an ambitious infrastructure policy = reducing gaps and increasing growth; and*
- *a vibrant capital city = a pole of attraction for the region and for the tourists.*

Indonesia needs to capture the opportunities and I think it is possible because the President is at it, and trying to get everybody on board. He is very mindful of the stakes, the gap between super-rich and super-poor. Development to be sustainable must be inclusive, but achieving this is what takes the most time. We are seeing that in India too.

If we look at the people, their consumption is so nuanced and varied. Let us take women. Look at the number of them comfortable with wearing glasses. Much more than I have seen in other Asian countries. It indicates that the average Indonesian woman is very or much more comfortable under her skin, being her real self. One would argue that they also wear make-up, and post themselves on Instagram like the rest of Asia. Of course, they do! However, the extent of use, rising from lower octane motivations is lower. This directly impacts the communication and the benefits promised by the brands... Whether they mask, nurture or emphasise.

There are growing aspirations. But an economic slowdown is also a reality. Economic growth currently stands at 5.1%, lower than the heydays of 7%. And that has made people think again. And put pressure on marketers to get the value-story right.

Let us take for example, the growth of lower-end modern trade, the mini-markets. On the one hand, they have made packaged goods and retail services really accessible to the lower middle class. One need not go far to top up for milk or bread or biscuits. However, such small outlets do not fan their growing aspirations. They would rather do their main shopping at larger supermarkets as they provide better assortment and a one-stop leisure and entertainment destination for the family.

Yes, ideally we ought to have a virtuous circle. But with stable wages, rising incomes, new sectors are expanding: the marketing of real estate, for example. There is great competition because the middle classes want to own an apartment. It is a very significant sign of status. But though it is high on the list of priorities, economic concerns are also making many youngsters postpone the "move" and remain at their parents' homes for longer.

Such an environment creates stronger competition between international and local companies. Major groups in the FMCG sector, growing until recently, are confronted by this slowdown. Local brands offer good value for money for daily life products (washing, cleaning...). Big brand status is important, but along with that comes the expectation of differentiation and justification for any premium charged.

Also true is the younger generation's fun in discovering the new... In products, services and experiences. To take an example, a new breed of entrepreneurs is creating superior experiences in food and beverages. Pushing the envelope in design and ambience. Many of them have worked in foreign countries, and have an international outlook. We feel the vibrancy of the people every time we conduct Censydiam studies.

Censydiam framework is totally focused on the person and reveals what human motivations are activated in a specific category.

This framework is internationally validated and helps our clients to understand consumers in depth, obtaining workable insights that will guide future strategies.



'Enjoyment' relates to maximising the pleasure that one gets out of life and only thinking about having a good time, without concern for the consequences.

There are times when I let myself go, I am spontaneous and I follow my instincts. The aim behind consumption is abundance and enjoyment.

'Conviviality' relates to wanting to connect with other people.

For me, meeting people is a pleasure. I really like sharing enjoyable moments with good friends and people I care about. Exchanging and sharing experiences means leaving behind any differences that we might have.

'Belonging' is related to seeing myself surrounded by people who accept me as I am, as an equal, and who make me feel welcome.

A sense of belonging is related to the need to be part of a society or group. One area of this is related to following the norms and traditions simply because we are part of a culture or group.

'Security' is related to the experience of being relaxed, feeling calm and secure.

At these moments one feels the need to step back and recharge. One seeks a calming, comforting experience that removes the stress and pressure of one's busy life.

'Control' is related to staying within limits, restricting my emotions and feeling. It doesn't mean not having feelings, but simply not letting them show so that other people can see them.

'Recognition' is related to feeling unique, special and different.

The recognition dimension reflects the need to stand out in a crowd and break the mould. Recognition is about feeling proud about one's own special ability, one's intellectual, cultural and material depth.

'Power' is related to the need to be the best.

It is related to the desire to be respected, praised and recognised for one's achievements. The power dimension reflects my status and the need to be an authority and a leader.

'Vitality' is about adventure, pushing my limits to the test and discovering new things.

It is related to leaving our comfort zone, to explore our environment and achieve independence (far from the rest). Therefore we travel and experience exotic and unusual situations, in order to be stimulated and excited.

To sum up:

- The horizontal axis defines us, where on the one hand, the extreme is where the motivation of **belonging** leads, that is, the desire to feel accepted, treated as an equal, feeling that you belong, and on the other hand, the opposite extreme where the motivation is **power**, the need to stand out, to be better, to succeed and be recognised for it.
- The vertical axis is influenced by the Sigmund Freud theory and his **liberation and repression mechanism**, resulting in an extreme, where the person seeks to enjoy, maximising the pleasure that is obtained in life without worrying about the consequences and the opposite extreme of the control that is related to hiding emotions and feelings, having a sense of being completely in control of the situation, disciplined and adhering to routines.

Where to position Indonesian consumers?

'Conviviality' has for a long time been in the DNA of Indonesia, a melting pot of people living together. 'Recognition' and 'Vitality' are the emerging drivers now.

'Recognition' *refers to Customisation, being recognised for what one is, and obtaining products and services that are a better fit with one's needs, rather than one size fits all. It also refers to specialist solutions, and products made from superior ingredients. While this has always been there in bigger ticket purchases such as automotives, luxury products, technologies, FMCG brands are surely but steadily tapping on to this need and developing more value-added, and hence, revenue-generating products, for the slightly more discerning consumers.*

'Vitality' *explains why Indonesians are courting the new, be it products, services or even mobile phone apps. Many of which may not be available at the store near them, but with online suppliers. China and India are among the most frequent online purchasers, 17% and 16% buying goods or service more than five times a month; Indonesia is already n°6 with 9%.*

Digitalisation and technologies universalise the world, connect people to all kinds of influences, trends, goods... The Internet is the provider able to answer to any kind of question or desire, as we can see in the same survey conducted by Ipsos¹², "Internet Security & Trust":

- *65% of Indonesians trust the Internet (vs. 34% of Koreans or 32% of Japanese)*
- *Number 1 in the world, 95% of Indonesian are likely to use mobile payment systems on their smartphone in the next year (vs. 86% in China or in India, 44% in Australia, 29% in Japan, 27% of German or French)*
- *Internet users in Tunisia (15%), Indonesia (14%) and Mexico (8%) are the most likely online shoppers to prefer paying with cryptocurrencies such as Bitcoin.*

A last point?

Yes, very significant: more and more local brands are getting more and more research savvy, opening themselves up to new research methodologies. While pockets of conservatism still exist in the choice of approaches, local companies and their managers now want to fight on equal ground with their (foreign) competitors, not merely play catch-up.

So along with safe bets (the old methodologies, very tangible, as the focus groups, home visits, etc) innovative solutions exploring the socmed, consumer emotions, retail behaviour are being adopted. But locally adapted and locally relevant. From this point of view, it is interesting that 61% of Indonesians are most likely to prefer goods and services that are from their own country (vs. 48% in China).

The people

Unlike another countries dominated by one ethnicity, Indonesia is diverse:

- In terms of ethnicities (the main group integrates Javanese 40,1%; Sundanese 15,5%; Mala 3,7; Batak 3,6%)
- And also of the languages used for daily conversation (approximately 700).

But if people talk about Indonesia, it's: *"There are Javanese people, there are Sundanese, and each of them have their own characteristics, but in the end we are committed to be one Indonesia."*

¹² "Internet Security & Trust" was conducted by Ipsos on behalf of the Centre for International Governance Innovation ("CIGI") between December 23, 2016, and March 21, 2017. The survey was conducted in 24 economies — Australia, Brazil, Canada, China, Egypt, France, Germany, Great Britain, Hong Kong (China), India, Indonesia, Italy, Japan, Kenya, Mexico, Nigeria, Pakistan, Poland, South Africa, South Korea, Sweden, Tunisia, Turkey and the United States — and involved 24,225 Internet users.

This is because Indonesians assert values of being harmonious like togetherness, tolerance and a relaxed mind.

Until now, the belief "*with a lot of acceptance, you will be happier, you will be less aggressive because you accept things*" structures the relationships and points of view.

From the outside this relaxed attitude might seem over the top! For instance, there is one small island which has a conflict with Malaysia. Indonesia let Malaysia take the island. The same thing applies to the cloth decorating technique names Batik: Malaysia quickly patented Batik, and Indonesians were unhappy because Batik comes from Indonesia.

Indonesians eventually fought back and obtained acknowledgement from UNESCO. Batik was inscribed on the UNESCO Representative List of the Intangible Cultural Heritage of Humanity (2009, October 2th).

The mood

Three things are able to impact the mood of the society in a country:

- The present: economic turbulences, high level of unemployment, migrants, stimulating withdrawal and feelings, terrorism risks... or **not**.
- Globalisation and the Internet: external influences and comparison encouraging competition, debates, disputes, frustration... or **not**.
- The vision of the future: the bad outlooks for the children, the fear of downgrading, the risky changes in the cultural pillars (e.g. in Europe with the migrants or the demography), dreams that will never become true... or **not**.

If Yes, you have Donald Trump's election, Brexit and the high level of populist leaders (e.g. France, Italy, Austria, Netherland, the Philippines...), you have an increasing gap between the elites and the population, a state of permanent crisis. If yes, the recurrent words are "efforts," "crises," "austerity," "taxes," "defiance," "declassification," "caps," "loss of influence," "freeze," not forgetting "recession," "bankruptcies," "anemia," "boredom", "nostalgia". And now: "terrorism attacks", "migrant invasion", "increasing xenophobia" ... If yes, the psychological mind is about withdrawal.

If Not, all is OK. People are confident in the situation and the leaders, feel happy and think a good way is opening for the country, their family, themselves: incidents, turbulences, hazards do not matter, this is the luck of the draw. If Not, the words most commonly heard in the media are "*conquest,*" "*success,*" "*progress,*" "*development,*" "*rebirth,*" "*confidence,*" "*success,*" "*international recognition,*" "*surpassing,*", "*action,*" "*determination,*" "*opportunities,*" "*renewal,*" "*courage,*" "*resolve,*" "*pleasure,*", "*excess,*" "*difference*". If not, the psychological mind is about expansion.

Until now, Indonesia remains happy, open-minded and optimistic.

< I N T E R V I E W *Andi Sukma, Ipsos Field and Tab/Observer*

Ipsos Field and Tab/Observer in a nutshell

Ipsos Field and Tab/Observer specialises in survey management, data collection and delivery.

Our aim is to lead the market in information-gathering, through a commitment to providing high quality research at a competitive price, in a format which allows our clients to make decisions quickly and accurately.

To do so we offer several approaches:

- Project Management
- Field and tab
- Omnibus
- Online Panel

How about the mindset of Indonesians today?

Indonesians are quite optimistic people, because they think that things are heading in the right direction.

After 30 years, to move quickly to make up for lost time establishes a positive climate in the country. People feel the effects of changes in their daily life. New jobs, more business, business women and men, Uber or Go-Jek, growth, investments, new buildings... the country hurries to catch up. This desire for progress and professionalisation can be seen, for instance, in the Bachelor of Business Administration Program, to increase the level of business. The level of income is growing, progressively, for everyone, like the standing of life.

Most importantly, all regions are concerned. Papua was never a developed province, but things are changing with an ambitious program. "Construction of three huge hydro power schemes is proposed, as part of the government's goal of increasing household access to electricity from currently 12 per cent to 70 per cent by 2030, and to provide a reliable electricity supply across the country¹³".

It turns Indonesians into more globalized, more open minded people, less afraid of foreigners, tourists or investors. The engineers and the foremen are often expats: Italian, German, Japanese, Indian. It creates a blend, a "mini-globalisation" opening Indonesia to the world.

This also changes the tolerance threshold. Many "traditional" things are not worthy of a developed country: the poor, beggars, out-of-school children. The government see these problems. What is better: to go to the hometown to work

¹³ <http://www.emtv.com.pg/business/2017/04/papua-new-guinea-using-multiple-energy-sources-to-meet-growing-need-2/>

(or to try to work) or to remain miserable by relying on charity? It develops education programs, empower the families, build new schools.

Another point of this trend is linked with the new players. Major yards also give work to new categories of the population, such as Uber, Go-Jek and Grab. People without a diploma can have a job that gives them a qualification and have a new positive outlook. Men and women are involved in this virtuous loop that changes the social rules; the number of housewives is reducing and they have access to a personal income: it transforms the traditional man/woman relationship.

What is changing?

Society is moving towards greater individualism. People are less and less social and more and more focusing on her/himself. Thus, status and uniqueness are key to success because Indonesians are hungry for new things, even if they do not need to change. They will not keep a mobile phone for more than two years, although it still works very well. But the next one is there and people must show that we already have it. We also see this trend in the automobile. It is the success of the Japanese brands. The neighbours' eyes and envy are powerful springs. It is a competition and a sprint!

It challenges the happiness?

Not so much, thanks to religion, family, spiritual and physical being. For a lot of analysts and experts, one explanation is about believing in one God. Everybody have religion here in Indonesia: it makes people to have a more 'relaxed' view about life and when facing competition. "Everybody has own his/her own portion of blessing in life. So if God did not give you this blessing, no matter how hard you pursue to get it, you will not get it, and vice versa." – this is something people say commonly.

What are the consequences for us?

One of the main consequences is that people express themselves more and more easily because they are demanding and because the Internet encourages to express him/herself without taboos thanks to the anonymous answer. It's much easier to express yourself online than in the face-to-face interview. But the face-to-face is a must in the provinces that are still poorly equipped with the Internet, when we need to question housewives, elders, less educated people.

In each case, we need to create conditions for sincerity and to balance computer-assisted interviews and online panels, until the complete penetration of online.

We need also to spot the influencers and the way the influence works with friends, community, surroundings, family... They are concentric circles, from the closest to the furthest... But the one who influences most is no longer

automatically the closest. The Internet has changed the rules of proximity: now, the opinion of a foreigner or gossiping people at the other end of the country matter more than that the views of the mother or the big brother.

Ipsos Internet monitoring tools are valuable in identifying the most useful vectors for brands and the best strategies.

Could you spot a relevant trend?

Indonesians are optimistic, as we can see in the Ipsos Future Optimism Index 2017¹⁴, contrary to France, who always seem to be positioned as the most pessimistic country in the world.

It is a real issue, philosophically and sociologically speaking, influencing the way of life and the way people look at the authorities, the brands, the companies... all the players in the consumer society.

For example, election episodes tend to curb consumption, as we can see comparing January/April 2017 year on year: consumer spending declining affects most big FMCGs:

Food	Beauty & Care	Home
- Instant Noodle -3.4 %	- Shampoo -2.7%	- Detergent -1.9%
- Mineral water -0.7%	- Soap - 2.4%	
- Powder Milk -0.3%	- Facial Product -2.1%	
	- Cologne - 2.1%	

I N T E R V I E W with Diani Savitri, Qualitative

As sociologist, if you had a list of thesis topics to give to students, what would you choose?

It would be a great challenge for the students, because Indonesia has plenty of contradictions!

¹⁴ Ipsos Global trends 2017™. Base: 18,810 participants aged 16-64 in 23 countries, September-October 2016. The figures aggregate net better score on optimism for "today's youth" (Q6, Q107a-k).

The country and people are in a special moment of brewing: more educated people, ideas coming from the West, new styles of life, and the inheritance of traditional and spiritual values.

For instance, after years of discretion as a culture, social networks lead them into the world of self-exposure and showing off. This is new for Indonesian people...

Thanks to economic growth, people are more opportunistic; they can find justifications for everything they do. Is it cynicism or pragmatism?

Information circulates and diffuses, it can give new ideas, cast doubt, everything depends on the point. More inspiration for "light" topics (fashion, decoration, music), more critical perspective and judgments for the government's policy.

You can see that there is no shortage of subjects! A list to complete, connecting sociological situation, new trends and the actual impact for our clients:

1. *Jakarta melting pot: the consumer journey in a Megapole.*
2. *Western influences: tradition and compromises.*
3. *The "Nouveaux Riches": successful people and luxury.*
4. *The Lower class: Stress and Self-indulgence, to spend more to forget a stressing urban life.*
5. *The power of kids: the child-as-king and youth culture, when parents lose their authority.*
6. *The consumerism storm: the pillars of the country and the new models.*
7. *"The Lord God will take care": optimism and confidence as way of life.*
8. *The power of emotion to create loyalty.*

What are the main concerns of the clients, impacted by the sociological mutations?

See my point 8: a lack of loyalty is an actual concern, because the consumers are less and less loyal.

The more brands, the more temptations they have. This is the reason why the image is much more significant than the information in packaging. It needs to be

immediately appealing. The picture of a celebrity is a powerful stimulus to capture the shopping consumers!

The other concern is the increasing individualism and the mutation of the influences system.

The traditional society rests on the groups, by concentric circles from the nearest (parents, family, friends, colleagues) to the most remote (media, foreigners). Before, it was simple: the closest ones had the most influence.

Today, the Internet changes the game. The farthest can have maximum influence because his/her authority is far superior to the family. Between a famous YouTuber at the other end of the world and the mother sitting next to her daughter, who wins, in your opinion?

To elucidate the links in the new circles of influence is very significant; as is finding the influence strategies for brands in this virtually-connected (and very real) society. Now, the sociology works online, thanks to the solutions Ipsos has developed, in particular with web listening.

To take risks or not?

Because we are speaking of France as the "dark side of the mirror" in comparison with Indonesia, it is interesting to note that French are the most "risk phobic" population of Europe.

79% think of the word "danger" when risks are mentioned (as opposed to 70% overall), and 43% of "fear" (as opposed to 33% overall); 62% consider that risk is more of a danger to be avoided, as opposed to 51% overall. Finally, while 70% of Europeans claim to "take risks in their life", the figure is only 58% in France.

Elsewhere, in Greece for example, and despite an amazing crisis whose real effects have been much harder than in France, risk-taking is highly valued, with risk viewed as an artifact in successfully extricating oneself. 77% of Greeks think that risk is "more of a stimulant" (cf. only 49% of Europeans), 68% of Greeks think of the word "chance" (cf. 37%) and 51% of "ambition" (cf. 30%) when risks are mentioned.

Note also that France is the only country in the world to have written the precautionary principle into its Constitution (article 5): *"When the occurrence of any damage, albeit unpredictable in the current state of scientific knowledge, may seriously and irreversibly harm the environment, public authorities shall, with due respect for the principle of precaution and the areas within their jurisdiction, ensure the implementation of procedures for risk assessment and the adoption of temporary measures commensurate with the risk involved in order to deal with the occurrence of such damage."*

Had it been applied earlier, this principle of defiance considered as a universal premise would have slapped a death warrant on the steam engine: as a veritable bomb on wheels, a steam locomotive required constant surveillance of the fire to prevent the formation of clinker or the accumulation of ashes, along with the water level. If the water level is low, the safety fuses in the firebox melt, causing steam to extinguish the fire, but not always fast enough to prevent the boiler from exploding!

The same about electricity, aviation, most vaccines, or even the wheel: indeed, what could be more dangerous than a circular mechanical part revolving around an axis that passes through its center?

INTERVIEW with Douglas Cassidy, Market and Consumer Understanding

Market and Consumer Understanding in a nutshell

Business Consulting provides practical advice for your business or organisation built on fact-based consulting approaches. We help business leaders and organisations worldwide build, compete, and grow in the marketplace by making idiosyncratic, permanent, and significant improvements in overall performance.

Our process involves areas such as business strategy, top line and bottom line growth, and differentiation.

These are effectively supported by our Business Consulting solutions including:

- Business Unit Strategy
- Competitive Insight
- Go-to-Market
- Innovation Scouting
- Sales & Marketing

Ipsos also offer our Sector Expertise in numerous industries:

- Agribusiness
- Automotive
- Construction
- Energy
- Healthcare
- Industrial
- Others

To start, a few words on your feelings about Indonesia?

The country has made huge strides over the past decade and this has brought economic benefits to many, although significant economic inequalities still persist: the middle class is growing fast, but a lot of people still have not seen enough benefit from economic development. Significant scope remains for improving

social mobility, and this will be a vital component of the country's transition to a more fully-developed state.

Corruption remains an issue, hindering growth and development and diverting resources from productive investment, although the Jokowi administration has made notable achievements in tackling it and in making Indonesia an easier place in which to do business. At time of writing, the governor of Jakarta has just been convicted of blasphemy, highlighting religious tensions in the country.

In terms of the economic outlook, the country continues to attract significant investment, particularly from Japan, China and Singapore. The digital economy is growing, ports, roads and airports are benefiting from the government's infrastructure investments and the country continues to reap the benefits of its substantial natural resource riches in terms of forestry, agriculture, energy, mining and fisheries.

Indonesia is a challenging market for investors: the competition is fierce, the regulatory and legal environment difficult for those unfamiliar with it. With the right planning, however, the nation presents a great opportunity for future growth across all sectors of the economy.

From your point of view, what is the main issue for the business?

We provide advice on business and marketing strategy to companies who seek to ensure they make decisions based on the best information available. It is essential that foreign investors have the right advice and information inputs if they are to successfully understand and enter this market

Business consulting helps to see more clearly...

Yes, our clients want to know:

- How to assess the market?*
- Which strategy to adopt to succeed in the market, based on their capabilities?*
- How to manage the risks in devising and implementing their strategy.*

[The changes]

Dealing with the opposites 1



TV remains the main media as entertainment, offering dramas, soap, Indian movies, Bollywood, musicals, "The Voice", etc. TV is the mass media amusing the public, ideal to avoid getting worked up.



On line is the place to seek and to share information, news, points of views. The election of the governors, especially in Jakarta, has shown this dichotomy.

[The media + the technologies = a new consumer]

Smartphones' expansion, a new challenge for marketing.

Smartphones are becoming more successful in Indonesia, thanks to the rising purchasing power of the middle class.

After an increase of 20% from 2014-2015, the number of smartphone users will rise from 55 million in 2015 to 92 million in 2019. Indonesia has already become the third largest smartphone market in the Asia-Pacific region (after China and India).

One quarter are Samsung, in competition with local brands Smartfren and Evercross. Samsung has even created a new factory for the assembly of its smartphones, to be located close to the requesting consumers.

According to Lee Kang, the Vice Chairman of the Indonesian Cellular Phone Association (APSI), *"the number of smartphone users in Indonesia has been growing between 30 and 50 percent each year and this growth momentum will remain intact due to the availability of affordable 4G smartphones on the Indonesian market and further development of Indonesia's 4G network¹⁵".*

The Palapa Ring project encourages the development of smartphones broadbanding services for all 514 regency and municipal capital cities across the country by 2019.

That said, there are differences in usage that overlap differences across regions.

To simplify, users in urban areas are the most versatile. Smartphones have become essentials: e-commerce, video calling, streaming, chats... the online uses have no limits and involve fast changes, in particular in terms of digital marketing. Jakarta is the busiest tweeting capital in the world; of course, Facebook adoption is very quick.

In the other regions, the majority of people doesn't use of all the possibilities and focus on voice and text messages.

The "click power"

Indonesia is in transition to forget the past and to start to embrace becoming a more modern country. But now technology spreads information very quickly. Unlike before, when a company or an ad cheated here and there, it was sophisticated to check and to go deeper.

Now just by clicking once everybody in the whole nation knows what has happened.

The older generation still feel worried but the younger generation already catchable with gadgets and electronics. Millennials are forgetting the past and starting to

¹⁵ <http://www.indonesia-investments.com/news/todays-headlines/indonesia-is-the-3rd-largest-smartphone-market-in-the-asia-pacific/item6777?>

embrace the fact of becoming a more modern country. Things change gradually: nowadays in even the most traditional groceries stall owner in Indonesia owns one mobile phone and they use it not only to connect but also to use Facebook and YouTube

The most important is the influence of such equipment on consumers. Everywhere, the trend is the same, according to the level of information and the access to the backstage of companies, brands, and in politics.

Consumers' life is becoming more complex and consumers are becoming more critical, thanks to a number of factors:

- access to the Internet
- the influence of different social media
- the availability of information
- the possibility of learning about different brands or companies, checking all kinds of information
- the possibility to compare all with one unique objective: to find the cheapest price.

What are the main changes? How to manage the development of new technologies? How to manage a new generation of attitudes?

To answer, we need to spot the main changes.

The transfer of information

70% percent of the population uses TV to get their information, and the most effective way to have an ad is through TV, because 70% of the nation use a TV, with ten or more national TV channels and a variety of shows.

After TV, newspapers have the most access to information. Maybe 30% are still using newspapers; these are typically people who don't use the internet. Usually newspapers are talking about, on the first page, politics. Except if there's a mass disaster event like an earthquake, but usually it's politics, corruption, guys being caught by KPK, the agency for the anti-corruption.

But the monopoly is weakened: for instance, there's always a crime right now, but people don't know in which island the crime is happening. With Twitter, people are able to know exactly where, when, and how it happened.

If someone has an accident, the newspaper goes into details, people really know how to get that information. Children and teenagers know how to search for something on the Internet.

The influence of soap opera

At first, there were soap operas from Spain (e.g. Alejandro), from India (e.g. Mohabbatain), and then Indonesians created their own soap operas, such as Gojek.

Love stories glue the viewers to the screen and the celebrities inspire the teenagers to take their looks and styles. The effective ad campaigns are using those “mini” or real stars.

The increasing social networks and word of mouth

Family and friend recommendations have been important for a long time. Now, the advice of an unknown in social media is significant and relevant also: they value his/her opinion because, he/she has tried it.

To spot and explore what people are sharing is key. Big data analytics derive from Facebook and Twitter to help to spot word of mouth about one brand or service.

INTERVIEW with Ika Jatmikasari, Media and Advertising

Her team specialises in measuring and amplifying how media, brands and people connect through compelling content, great communication and relevant media planning so that clients can build great campaigns, that impact brand success both through sales and boosting brand relationships, and great content to attract audiences and deliver economic value for media owners and advertisers alike.

Our solutions put people at the heart of strategy for media and advertisers.

Audience & Platform, Measurement and Understanding. As a global leader in audience measurement, we provide critical information for advertisers needing to target their messages, to media owners pricing their advertising inventory and to the agencies that plan and buy media on behalf of advertisers.

Plan and Create Content & Communications. Great content and campaigns start with ideas that resonate. Whether you are creating a big idea to guide your multi-touchpoint campaign and content or planning the most effective media strategy to reach the right audience against your core campaign objectives, Ipsos provides you with the insights to do it better.

Test your Content and Communications to Refine and Optimise before Launch. Today there are many ways to develop and deliver different executions to attract and influence people, reinforcing or disrupting the way they think about and choose your brands. Ipsos

provides a range of validated, market-leading solutions to develop, optimise and assess the propensity of your creative, content or campaigns for in-market success.

Measure In-Market Performance to Manage your Brands. Brands do not exist in a vacuum. The consumer and competitive landscape are in constant flux which impacts how well brands and their brand communications perform. Management has ready access to more metrics than ever before; but the key is to integrate all of this knowledge to know how to set the appropriate strategy for the future brand growth.

In a few words, what can you tell us about the audiovisual landscape in Indonesia?

Most of Indonesia is improving due to the new presidency policy. A new political elite is emerging, caring for the people, animated by one ambitious will: to develop the country as quickly as possible. It involves the infrastructure and telecoms everywhere, from Jakarta to the borders of the country.

The economy is growing in the secondary cities: the decentralisation starts to work; each province can do their own policy. Even the Papuans are beginning to catch up.

What aspect strikes you most?

Clearly, the swiftness of the transformation in information and communication technologies, their increasing power, versatility and non-stop penetration in the general audience.

Technologies are everywhere. Go-Jek, Uber, Grab, have all changed the lives of people with more and more services, massages, food, home cleaning. Transportation is only one facet of an expanding portfolio.

Technologies change the way we communicate. One of the main changes is the influence of social media, in combination with the very high level of Internet and mobile phone penetration.

It tends to divide the landscape into two "cultures". TV remains the main media as entertainment, offering dramas, soap, Indian movies, Bollywood, musicals, "The Voice", etc. TV is the mass media amusing the public, ideal if you want to avoid getting worked up. Online is the place to seek and to share information, news, points of views. The election of the governors, especially in Jakarta, has shown this dichotomy.

TV is still very conventional, asymmetrical, with a system founded on the artists and the official guests vs. the audience. The core value and the contents really doesn't change, existing in their own private world.

The Internet is founded on the people, on current news, on real life, with a participatory manner, in a symmetrical network. The Internet offers a lot of options. Everyone can be an expert, a leader, a trend maker, awarded by the famous "15 minutes of fame", as Andy Warhol said! Facebook is the place to be for 90% of Indonesians.

The Internet is much more connected to the values and new attitudes of people than the TV. The Millennials generation help to spot new issues: health, poverty, sport (running, basketball), style of life (fashion, dining), individualism. How to be more stand up, for instance, is a growing point, in competition with the traditional togetherness...

What is the impact on our clients' communication strategies?

The clients are moving to digital, because the digital space is a multifunctional hall. People are at the same time consumers, publishers, purchasers, sellers, tourists. The booming of the e-commerce business and of social media provide endless opportunities in terms of marketing, advertising, and sales contacts. For instance, over 85% of Internet users in China, India or Indonesia expect to make mobile payments on their smartphones in the next year vs. 30% in France, Germany and Japan.

They need to manage two fronts simultaneously:

- The digital marketing, asking for the best practices to reach their consumers, to spot their expectations and to provide good solutions.*
- The traditional channels... How to be sure that the good old TV is a 'has been'? There is always the temptation to move all the communication program online. But the elders, the seniors, the consumers in the small cities remain loyal to the TV screen: the mass communication does a good job.*

And for Ipsos in Indonesia?

The point is to be sure of the ad effectiveness. Performance is the main challenge for the clients moving to digital and for us, the fine tuning of big data is key. It demands highly developed tools Ipsos can provide, as a global company and main player in the industry.

The methodologies Ipsos have in its toolbox answer the two main issues thanks to mixed mode solutions: online panels, face-to-face, tracking and web listening, and geolocational surveys.

The consumer voice and the experience feedback will no longer be a mystery!

Dealing with the opposites 2



Condominiums. The demand for apartments is higher than for single-family homes, a first in Indonesia, in line with the style of life of the Millennials and the baby-boomers.



To renovate or to tear down? Time seems to have stopped in many cities, even regional capitals, if tourism or business leaves them on the brink of growth.

Increasing criticism and individualism

Thanks to (or because of!) Internet access, people get more knowledge, and people get criticised more.

There is an increasing amount in middle class society: people can also compare local and foreign brands; this affects what they choose.

The middle class society makes simple research, to find out which one is good, such as whether it has value or not, luxurious brand or not. If it wants to have a luxurious brand, it must make a big effort because it is quite expensive, and its current salary is not enough to buy those things.

INTERVIEW with Ika Jatmikasari, Social & Opinion Research

You are now in charge of Social and Opinion Research development in Indonesia. Could you tell us more about your mission?

We specialises in conducting public opinion, elite stakeholder, corporate, and media opinion research to help clients manage an issue, or advance their reputation. To be a little educational, people needs to know more about our organisation:

- *Social Research Institute: a world leader in understanding the perceptions of citizens, public service users and other stakeholders, including members, constituents, employees, donors, health professionals, and voters.*
- *Global Reputation Centre: for business leaders who aspire to better decision-making in reputation, corporate communications and corporate policy development, the GRC is the insight industry's most trusted source of specialist research and guidance.*
- *International Research: Ipsos has conducted years of global research work in international trends. Supported by established products and backed by a global network of Ipsos experts, we are uniquely designed to help support the needs of the public and private sectors, agencies, organizations, and governments.*
- *Local Syndicated Surveys: Ipsos offers a suite of syndicated (multi-client) surveys locally and globally, covering a broad range of topics, sectors, industries and trends.*

The development of Social and Opinion Research in Indonesia coincides with the rise of the country. How to surf on these trends?

It is a super opportunity for at least three reasons:

- *We explore public opinion at the best time; people's opinion can be expressed directly in social networks and in all channels opened by technologies.*
- *Political and sociological surveys represent a global trend: the organisation and the companies need more and more information to tune their policy or industry.*
- *The social research to widen the client's business is more interesting and exciting when people are positive and optimistic! This is the case in Indonesia.*

The social media show the pillars and the changes in Indonesia. About the pillars, religion and radicalisation are on the agenda; about the new influences, western fashion, information about the other countries, communities and blogs or social TV, curiosity for democracy, internationalisation... This cocktail is creating a borderless country. An interesting point is to know if these trends are contradictory or complementary.

The election of the Governor in Jakarta is a very good example of choice. If his performances and results in the city capital had been seen, he would have won the vote because a dispassionate judgement. Focusing on the metaphysical consequences of a political choice, voters chose his opponent.

The reality is that Indonesians remain very optimistic, and quite unconsciously... I remember an anecdote: terrorists involved in a shootout with the police, and people "selfieing" during the fight. This is a sign of amazing self confidence!

It is very reflective of the times: a mix of believing in goodness, there being better economic conditions, positive spirit, increasing style of life, helping each other, and decreasing poverty. People are at the same time still loyal to the traditional social links and entering in a new, more individualistic society.

What are the consequences for Ipsos tools and Solutions?

Ipsos is a key player and can help our local and international clients with standardised, tested and reliable methods, such as ethnography, online panels and emotion trackers.

Thanks to a more open-minded opinion, we encourage collaborative Solutions, involving local consumers-citizens in workshops. It's a good mix to blend public opinion and operational actions, as customising offers or services.

Public opinion, marketing and communication are closely related, as we follow with Brand Image.

Before launching a new cooking oil, for instance, the clients need to know if health is a concern or not, need to spot the "education" of the consumers about this point, need to forecast and to integrate the trends. The differences between the generations, the provinces, the values are definitively key to understand the society, locally and in comparison, with the other countries or regions. It is the best way to develop business inside and outside, thanks to the transferable solutions. Ipsos Global@dvisor is a masterful tool serving this end, from macro to micro, from global to local.

It is a reflex for the international players, such as Procter & Gamble, Nestlé or Unilever. It is a new culture for the Indonesian local companies and Ipsos is here to support and simplify this expectation.

Dealing with the opposites 3



To take the time is a challenge. Coffee shops owned by young entrepreneurs are emerging with a promise: to enjoy the moment.



Waiting for the new underground and skytrains lines, a lot of **time is lost** because of amazing traffic jams.

Ipsos Issues Collection

Imagine an enormous ship, a super tanker, for instance. Its trajectory is bent by degrees, leading to progressive changes. This is the situation in Indonesia now, with cyclical and structural changes.

Of course, the tempo is not the same in Jakarta or in a small town close to the Toba lake, but all people are feeling that the traditional landmarks are challenged by the globalisation, by a new look on the pillars of the society, by the Internet.

The free spirit and the open mind of the online networks influence the offline world, in particular the youngsters and the working women, more and more connected. It is able to involve a new contract between the social actors, the politicians, the brands, the companies... and the consumer-citizens.

It is the reason why Ipsos wants to spot some points, to better know how to succeed, in terms of communication, marketing, advertising.

[The youngsters]

Are the 30-year-olds taking power?

Thirty years is the median age in Indonesia (29.3 years old for men, 30.5 for women), making it a “young” country, at least younger than some neighbours, such as Japan (45.2/47.9), China (36/37.7), or Thailand (35.7/37.7).

The people hope for more figures that represent the younger generation. The youngest governor now is 35 years old. There are some prominent academics, and one of the famous ones is Anis, who is also representing the younger generation.

Twitter or Facebook has been adopted so fast here because suddenly Indonesia, in particular the younger ones, find a channel to express themselves. A lot of the time when you meet face to face people become very quiet. But when they come into social media, they become outspoken. When they open Facebook, they quickly have a strong opinion about the President, the government, the corruption, the companies, and a lot of other “taboos”.

Advertising is gradually integrating these changes.

On the one hand, in line with their “freedom of tone”, youngsters like funny, sometimes tacky advertisements.

On the other hand, the strategists need to consider that young people need to dream, to project themselves, to desire.

People want ads that will inspire them. For instance, an ad for baby milk is not focusing on the milk itself but on the child’s dreams, what the child wants, what they want to be when they grow up. Now it’s merged to advertisement that shows aspiration for the women...

I N T E R V I E W with Dewi Sakuntala, Human Resources

What advice would you give to understand the world of work in Indonesia?

Differences between the generations are increasing and it shows in the way they are working and behaving in the workplace. The older generation is still conventional; they are looking into stability, harmony and showed more resilience in the way they are working. For the older ones, loyalty and harmony are priorities. While the new generation is more fully digitalised, demonstrate strong self-confidence, are strongly demanding and, highly interested to know what is happen outside Indonesia or globally, the main characteristic is a “digital reflex” to share, to learn, to push the limits. For the newer generation, the dynamic and the feeling as part of the citizen of the world are the priorities.

This cultural gap is reflected by the geography: the small cities and towns remain traditional, and growing thanks to tourism, promoting their uniqueness, but still devoted to customs. The new generation is curious about foreigners; it wants to know more. When the young or teenagers come across tourists, it is not uncommon to hear them asking: "Where are you from?"!

The new generation in big cities is more demanding: smartphones, headphones, Facebook, and other social media are significant attractions to them... all is on an equal footing. The model of mass consumption is becoming widespread and the companies are no exception to this.

So, the condition of the workplace in Indonesia recently with the new generation starting to enter the workforce, it has become more dynamic, more globally connected and more demanding. Though most of the older generation are still holding leadership roles, being committed and maintaining harmony are still strong ethics at the workplace. It is an ongoing effort to any organisation operating in Indonesia to strike a balance between the two workforce generations.

What are the main differences between the old and new generations at work?

For the older generation, the company was the place where they would work all their lives; commitment, respect and loyalty were significant values.

For the new generation, development plans, career acceleration, promotions and position, to grasp every opportunity, are immediately the major issue: in the digital age, everything must go fast. The private sector is much more appealing and more fair than the public sector.

The image of institutions and administrations is quite negative because of corruption. The private sector is synonymous with success, money, empowerment. Young people do not want to take risks, but they feel more self-confidence, more self-esteem, more potential than the elderly.

What is a company for the younger generation?

For young people, it is a kind of school of best practice, where they can learn to manage people, manage problems, meet the needs of clients, bring solutions, create an impact. A big company is a training field where the Juniors learn ways to copy in managing people, managing problems, meeting the clients' needs (building a network of clients on the way), bring solutions, and create impact. It is no secret, because their intentions are quite real and obvious. When they think they have reached the next level, they go without any consideration for those who formed them and taught them everything.

They have two reasons in general:

- Take over businesses from their parents,*
- Create their own business or boutique with friends, brother or sister.*

The rhythm of the big companies is different but the young generation is influenced by the "Uberization", the startups, the boutiques, self-employment. Juniors feel they are already experts. They feel by making a business of their own, they will create a much bigger impact than being part of an organisation where they are bound by the organisation's rules.

They are very impatient because they have a consumerist approach, as if the company was a packaging in a department, to take or leave. But it takes time to move from a fixed-term contract to a permanent employee contract. Albeit, "Employee Contract" is the keyword opening the doors of the banks and the credits.

A few words to conclude?

Growth in Indonesia opens real outlooks and gives many opportunities. If we look around, between Malaysia falling behind and Singapore already very mature, I think it is possible to compare Indonesia to Thailand when it accelerated its development by attracting investors and developing its infrastructure several years ago.

Indonesia is writing a new page of its history: the new generations already have the pen in their hands. All they need to learn is loyalty and commitment that is so highly notable from the earlier generations.

Dealing with the opposites 4



With over 40 million app downloads, **GO-JEK** is one of the most innovative and successful company in the world thanks to an amazing spectrum of services (carriage of passengers, food delivery, one-hour courier delivery, grocery delivery...). It has partnered with over 300,000 two wheel and four wheel drivers and 5,000 trucks across Indonesia, collectively cover an average distance of 7 million kilometers each day. GO-JEK is now the largest food delivery company in the world outside the China market. <https://www.go-jek.com/>



Sinabung volcano. The infrastructure point is crucial in Indonesia. 139 volcanoes are active, of which 18 are particularly dangerous: roads can be blocked by lava torrents or car-sized stones. Not to mention the human victims of eruptions...

[The empowerment of women]

The emerging middle class relates to the empowerment of women.

Traditionally, Indonesia is a patrilineal country. So formerly it was the man who went to work as the bread winner, as women usually didn't have sufficient education. It was often said that it's not necessary for women to go for higher education, she will be married anyway, she will just stay at home, cooking and taking care of the children and the husband.

It's now changing, both from desire and necessity.

Desire: women are not completely living their fate, like taking care of the children and husband, but she wants both, a career and a family. She wants to have her own money to spend as well as supporting the family. Women believe that they can have both without sacrificing the other.

Necessity: the real estate prices increase with urbanisation (in particular at the heart of Jakarta), the living cost is higher, the children's education is expensive. Unless it is very high, the single wage of a man is not enough.

It is easier for the upper class, who are able to enroll their children in school since babies. From six months old, they already go to school, but for middle to low they just send kids starting from elementary school. They can take the public school but for higher upper class people they want private school, especially international and bilingual schools. Everything that has an international label is better than the local one.

It is an element of what Indonesians call "gengsi": the pride to have over visible appearance or visible things, the race among each other to send their kids to courses, like ballet, Mandarin, piano or Japanese.

The microwave civilisation

Another change is the relationship between time and decision. A woman staying at home will care for her family, will take every responsibility at home: what food to prepare, what kitchen utilities to buy...

A woman who works no longer has the time to cook, to prepare good dishes; she is not always the first decision maker. With it, the civilisation of the microwave arrives.

Frozen dishes, practicality, speed are the three main expectations. This explains the success of chicken nuggets or a food which women just need to fry, or just need to heat in the microwave.

The lifestyle is going to change compared to the past, tense years because a lot of working moms will try to show that they can manage both their working life and also their family life, as well as her personal life.

Television programs are a good indicator. A lot of TV programs are about cooking. A few years ago, it was more how to cook this type of food, how to get Rendang Beef right the first time. Now, it's about the best place to buy, which restaurant provides the best food, who can deliver at home, etc. Women no longer have time to prepare all these traditional dishes requiring hours of preparation.

Saving time is the service expected by the microwave generation: how to prepare the kids' breakfast in ten minutes? How to waste as little time as possible?

The answer is a real challenge for brands: promising quality, pleasure, taste, balanced nutrition and speed at the same time. This in a context where, with a higher purchasing power, consumers are more demanding.

「The keys to succeed」

Marketing and beliefs

By *Diani Savitri, Qualitative*

“Religiosity” going hand-in-hand with “Secularism”

The Indonesian reformation in 1998 had brought the country the many groups and subgroups claiming their own identities. “Religiosity” and religion-base are ones amongst the many groupings. Being the country with the largest Muslim population in the world, Islam as a group identity has seen its upheaval too during this time.

‘Indonesian Islam’ is unique since it is flourished at the same time when other social phenomena spread: consumerism and globalism are the two dominating themes affecting different cultures and societies. Thus the restrengthening of religiosity in Indonesia had multiple facets, not least including a praxis of consumerism, a channel for social image building. These facets, applied along with the daily Islam practice, play almost like a balance, a moderation.

Unlike a pendulum that goes alternately to either one of extreme duality, and more like a weighing scale that constantly juxtaposes two sides, this worldly exertion of Islam promptly is met by the more spiritual side. Transmitted more easily than ever via social media platforms in the free world of web in the reformation era, are the Islamic teachings with various interpretations and versions, stretches from more extreme to less, combining if not merging the more religious ideas with less.

The rise of the “Brands for Muslims”

Wardah may well be a success story of a truly local brand with truly local identity. More specifically; Indonesian Muslim identity.

Established in 1985 and starting as a door-to-door selling brand, Wardah immediately gained trust from its customers for its claim of being a *halaal* cosmetic brand, the first one of its kind. Initially it was considered superfluous, yet at the same time this claim was appealing more because of its uniqueness. This direct claim was also translated to quality assurance – one which was well proven by its product performance.

Since Wardah, other beauty brands started to follow suit. The most immediately affected category was hair products, and thus shampoo brands started to launch a special variant for hijab-wearing women. Sunsilk and Sari Ayu even dedicated a separate sub-brand with ‘Hijab’ as the denomination.

These brands do not just offer relevance at functional level. They connect with their consumers at a deeper level: they offer them emotional relevance of personal and social identity, building a certain credibility and quality assurance, to the extent of almost combining the best of both worlds of ‘heaven’ and ‘earth’.

Dealing with the opposites 5



Jakarta and Palembang are going to welcome the 18th Asian Games from 18 August to 2 September 2018 in Indonesia. The renovated Gelora Bung Karno Main Stadium in Jakarta will host the opening and closing ceremonies of the Games.



The **Batak houses** at Ambarita, Lake Toba (Sumatra Island) welcome tourists who love traditional architecture.

How to manage a new generation of consumers?

Market and Consumer Understanding specialises in addressing issues related to innovation, market understanding and path to purchase. This area helps clients to define their marketing strategy, identify new opportunities, understand buying behavior, develop brands, services and products and optimise the allocation of their marketing expenditures.

Market Understanding represents the foundation of nearly all marketing activities. Ipsos aims at understanding people, brands and markets to drive business growth.

Brand Strategy: People's behavior is undergoing a revolution fostered by technology and globalisation, which makes it challenging to manage brands. Ipsos helps you to build stronger brands in today's increasingly complex world.

Innovation and Forecasting help clients to accelerate innovation for today's changing world. Ipsos expertise relies on our innovative approaches, including overnight and device agnostic surveys, neuroscience and the integration of solutions.

Product Testing: As the world's leading product testing advisor, Ipsos tests 7,000 products annually and has successfully launched 20,000 products.

Package Testing: Building on decades of package research experience, Ipsos helps clients to optimise their packaging so it can reach its full potential as a key consumer touchpoint.

Path to Purchase & Shopper Research: Ipsos has developed a strong global expertise in Path-to-Purchase and Shopper Research. We help you to connect with savvy, well-informed consumers in the new retail reality.

Healthcare Solutions: Operating in over 40 countries, our 600 experts support our clients throughout the brand lifecycle – from early-stage strategy, to launch, to performance optimisation.

Retail Performance is one of the world's leading retail analytics consultancies, specialising in footfall monitoring and shopper behaviour in a world of pure technology providers. Working with global brands across 50+ countries, our expertise in consumer intelligence helps identify shopper trends and retail insights to improve the whole customer experience.

By Lina Wati, Ipsos Field and Tab/Observer

Reason and emotion

The Jokowi election three years ago was a positive event. People are now more open about politics, more confident in the country, and are waiting for more acknowledgment from the world of being one of the most promising market, of an emerging market, of all the facets of a positive reputation.

Of course, the picture is not all bright and much work remains to be done, but the overall feeling is good. People are finding that many things are changing around them: building sites, infrastructures, development of public spaces, large apartment complexes, even in the secondary level cities. It supports both job creation and economic activity, creating an emerging middle class and consolidating the middle and upper classes. Together, these findings paint a picture of a conducive environment and a dynamic society, opening new opportunities.

It is beneficial to all the players, brands, retailers, marketers... at all levels. Each category of consumers wants to be certain they're getting as much as possible for the price they're paying, from most expensive to least expensive. Here, too, the social network is a real source of knowledge to check value for money.

Brands adapt to target all budgets: smaller package to be cheaper, normal size at a higher price. In both, the consumer will be able to afford the same brand regardless of its purchasing power, regardless of its original social category. The strategy of affordability creates a real link between the brands and the consumer, translated into proximity and loyalty.

To access a brand perceived as "too expensive" creates a positive emotion, a kind of euphoria. Online, the e-commerce speeds up this feeling because people doesn't need to wait for special offers or to negotiate face-to-face with the vendor. They can buy the same product in this digital world of discount, promotions, cheap prices.

Status and self-esteem

Indonesian people like to show their status. They must feel proud to buy something expensive, drink a cocktail in a prestigious place, or pay for an international brand. There is a personal pleasure, but above all there is the echo of social networks. The friends or family opinion are impacting and the purchase will be amplified from friends to friends.

A brand able to create this pride is successful, automatically. It is the reason why the brand has an immediate impact, a "wow effect". Pride stems from the image of the brand, its reputation, and its way of communicating. It is important to be able to identify with a star, a celebrity. The magic of the brand is to transform the client into a celebrity, from the most unapproachable, like Julia Roberts, Angelina Jolie or Charlize Theron, to the closest and youthful, like Anggun, Bunga Citra Lestari or

Raline Shah. Each target has its own muse; even a politician can become a muse today!

At the same time, the status and the dream can conflict with the values of the family, the tradition, the religion, the effective purchasing power. A choice is a crisis...

Internet, blending virtuality and reality

The consumer sees in the same place at the same time the ad and the retail. In life, you see ad on the TV or in the street; later you go shopping. Online, all the stimuli work together. You see a commercial, you click, you go to the website, you visit the comments, or vice versa. It is a fluent and interactive place. The moderation by the brand is key in this context.

It is the reason why brands tend to advertise more and more online, to reduce the time between curiosity for the product and the action to buy.

Consequently, our clients are more and more engaged on social media and want to highlight the new practices and the new trends of the consumers. The consumer is versatile, mobile: it is not so simple to capture a butterfly novelty-seeking, status-seeking, "wow"-seeking! The first brand able to fulfil these conditions wins, until the following one, and then the one following that. To know exactly how to keep the consumer loyal is key.

The clients want to explore and to refine the process of choice, the external influences (ad, social network, opinions, impact of the competitors...). Fortunately, to track the consumer online journey is now simple thanks to the tools Ipsos developed in the big data analytics, from the visit of the commercial website to comments on Facebook.

A deeper understanding of the mechanism feeling/thinking/acting is more urgent today. A new generation of consumers is coming, or, to be more precise, a new "culture". I don't think only about the Millennials, but about all people mastering or using technologies, social networks, open minded, suggestible and influencer.

How to advertise today and tomorrow?

< I N T E R V I E W Lioni Halim, Media & Advertising

The influence of social networks is underlined by all our experts, whatever their specialisation: Internet and smartphone progression is rapidly changing consumer attitudes. What is the main effect for brands?

Very clearly, social networks directly influence the success of brands. People talk about a brand or a product, and exchange opinions and advice. Of course, we talk a lot about people's experiences, but we forget something: Pleasure and Status.

Internet and social networks are not only spaces of rational testimony. It is a space where people discover what others love. It is a birth basket of trends. Indonesians discover the trends of Singapore, Korea and Japan. They are fascinated to discover everything that is done everywhere. Public awareness is increasing, per fashion phenomenon, YouTubers, brands' creation.

It explains why people don't care if the product is good, efficient, good quality, cheap or expensive, because they "must have" it.

It explains some nuances in terms of perception of the media and channels of communication:

- *Brands are considered more creative on the Internet (in their websites, on YouTube or elsewhere) than in television commercials.*
- *People criticise social networks less than traditional communication: television always influences people, but the way people look at it is more rational and critical. A TV ad is perceived as an exclusively commercial oriented communication.*
- *There is benevolence for the Internet, because it does not immediately seem commercial, but a place to share spontaneous feelings or friendly advice.*
- *The "YouTubers" are successful, because they are at the same time experts, close, belonging to the same generation and sharing a priori the same interest: beauty, fashion, trends, international...*

Does the style of advertising communications change?

Not really... People change but the advertising does not change, at least on TV. There is no creative porosity between the media. Theoretically, it's easy to shock to emerge. Some marketers even think that it is the secret to make a very fast buzz! It is true that there are examples, especially in Europe, but there is no question of touching taboos.

Families, children, good feelings, sharing, joy, the pleasure of being together are always drivers. The public is more educated, looking for something more modern, but the cultural values and traditions remain strong. To be shocking would be disastrous for a brand, including on the Internet, and the direct consequence would be simple: to lose consumers.

You know the three rules of advertising: global (everywhere the same commercial), local (one country = one commercial), glocal (a local adaptation of the global main ad, for instance with a local star vs. western star). What is the trend now in Indonesia?

It is changing... If we think of Coca-Cola and the traditional Christmas worldwide commercial: it transferred directly before. Now, the global brand would need to consider the cultural values or the cultural festivity to bring the brand closer and

more relevant to consumers. A subject like sport (soccer in particular) is still possible as it is close to the heart of Indonesians.

Some things seem obvious in Western or American culture that inspires most commercials. The presence of gay people (e.g. advertising for a furniture store), women careerists (e.g. bank's manager), a man doing the ironing (e.g. appliance's brand) or cleaning the home (e.g. maintenance products), sarcastic irony in a couple (car's brand)... all this can be shocking in Indonesia, but in many countries of the region as well. Teased or made fun of, spoken to meanly, embarrassed or threatened, a lot of "standard drivers" in the western ad are against the grain there, unnatural and counterproductive.

And at the same time, you said things are changing!

We are in a moment of transition that advertisers must consider.

On the one hand, there are still some men who believe women should fulfil the traditional role as home-maker.

On the other hand, there are new basic trends:

- *A middle class more open minded, more educated, more "international".*
- *Women who want to do what they want to do.*
 - *The emerging new sectors give women more opportunities (services, beauty salons, fashion... everything that accompanies the desire for comfort and status of a middle class)*
 - *Women are more financially independent and feel free to decide on their spending without the worry of putting more financial burden on their husband. In a way, for these women it is more about self-actualisation.*
- *Millennials, the children of the Internet, who are curious about everything. They embody a cultural revolution that is going very fast and involves the millions of teenagers of this generation, born and developing simultaneously with technologies. Millennials influence Asia, clearly!¹⁶*
- *Hyperconnection. Social networks and the online networks are replacing concrete infrastructures. If there is no bridge, no road, no railway or no ferry, there is no communication possible. Digital technologies are the new bridges, which create new links. The gap between small and large cities, large cities and capital persists, of course, but the Internet opens a new world that abolishes geographical differences.*

Concretely speaking, someone who lives in main cities or in secondary cities may know the same thing, buy the same thing, follow the same trend. The price is the same everywhere thanks to e-commerce and this eventually equalises purchasing power and hence equalises the opportunity for brand.

¹⁶ <https://www.ipsos.com/en/millennial-influence-asia-2017>

- *Emerging activities in an emerging country. The empowerment of women, Millennials, Hyperconnection promoting new markets, e-commerce, new ways to communicate.*

If we cross all these changes, we look at a world faster and cheaper, more enthusiastic, connected, which want to embrace more things than the last generation. In two words, a new spirit.

How do our clients react in this context?

They still believe in traditional marketing and TV commercials, because that remains the "reflex solution": there are over 200 million people listening to their brands on the television or the radio.

They develop in-store promotions and merchandising which are more and more accurate and precise, because the competition online is on the agenda. In-store purchases are still effective for a majority of consumers, because Mrs. & Mr. John Q. Public (orang biasa) is not a Millennial or a technofan! They continue to go to stores, in particular to buy food.

The big companies show who is who: the leaders do their utmost to inspire more confidence, more know-how, more quality. A leader is expected to innovate, meet specific needs, have a broad and attractive range of products, with a good pricing policy.

A new concern now is about the local players. More and more are operating, are marketing educated, strong and competitive, close to people in terms of culture, and more familiar than the big global anonymous companies.

What is the main expectation of the marketers?

They are focused and obsessed by big data and geo-marketing: they want to have very specific information about their consumers to fine-tune their approach.

It is the reason why Ipsos is changing the segmentation. It is not only about urban or not, but connected or not; how people are living and how to work the influence mechanisms, including gossip, are key to managing the best strategy.

[The 3 Jewels]

By Bipradeep Chakraborty, Ipsos Marketing

It is interesting to compare Indonesia with Malaysia, where I worked before. Indonesia offers far greater growth opportunities than Malaysia, because the population is much bigger, and the business map is much larger – in fact, it is the fourth largest country in terms of population. Imagine that 15 million of people are living in Jakarta! It is a super scope for our clients.

Another point is the morale of the population remaining high. Indonesians are happy, because living conditions are evolving, and because people are satisfied with what they have. At the same time, the Internet is changing the way things are done, growing hugely year-on-year. E-commerce is growing and so is the interaction between Indonesians and the rest of the world – resulting in heightening expectations - foreseeably the "nice and easy to please" consumer may soon be a thing of the past.

The three characteristics of the new generation of consumers

Flexibility and adaptability. The smartphone's penetration opens a lot of opportunities for brands, as per the needs of people in real time. Flexibility is the key to succeed, offering solutions to all kinds of people. For instance, credit card penetration is low in Indonesia. So to order a flight ticket online and to pay cash in a relay store offline in two hours is the solution for people who don't have a credit card. They just need to use the code number. And most local online offers this solution. Of course, more and more people are buying online, and they buy more and more products, clothes, items, etc. But we need to remember that the credit card is not the ideal way to pay among others because the banks' penetration is very low.

Open-minded. Indonesian mindset is not about antipathy but curiosity: people look at foreign brands in a very friendly way. They want to discover a new landscape animated by new players, new offers, new benefits. It is an interesting challenge for the local brands, well-known and long settled., but less "exciting" for the consumers.

Less "shy". Unlike before, people become aware of their power as consumers. The Internet and social networks have opened a virtual forum where they can express themselves. People are less passive and do not hesitate to write negative comments. They check everything and compare. Brands have new challenges: their credibility, their added value in the competitive context. The most concerned are those who interact directly in everyday life: insurance companies, health, services.

The new consumers and the clients' priorities

Of course, the key question is "how to grow?" It is and it will be the main concern of marketers in Indonesia.

The clients want to know more about targets and population, like the Millennials, the active women, the new generation of urban.

They also want to explore the new fields linked with the speed of growth in the Internet space: social media interaction; emerging trends; social monitoring; communities and influences.

It blends sociology, technologies and marketing, implying very exciting solutions that Ipsos is best placed to develop.

[How to go further?]

By *Inka Soemitra, Gita Maharani, Yunita Hapsari, Qualitative*

A new public

It is a pleasure to carry out qualitative surveys here. Our job is very "special": we give people the floor, we listen to them, they react to ideas, proposals, packaging. The pillar of Qual is the freedom of speech, all subjects being in our scope. Whether it is an exploratory study, a pre-test or a post-test, from the most abstract to the most concrete, the common point of consumers is their openness, their curiosity, their desire for novelty, their easy mind. This applies especially to people in their twenties and younger. The younger they are, the more they seek to discover more brands, more choices, more competition. This is motivated by the aspiration to be in-the-know and on trend. Simultaneously, the older they are, the more loyal they are to specific brands especially related to heritage value and comfort using the brand.

However, there is a change with the new generation, the Millennials. Mobility, thanks to smartphones, makes people want to share their experiences. They discover trends, what others like or dislike. They are more critical; they want a "return on investment". It seems that social networks encourage critical thinking! It's a change of mindset, but in both cases, people are open for novelty and innovation, loyal if happy.

Women are another changing population. Of course, the family remains the referent of the majority; Indonesians are faithful to this essential traditional value. However, there is a real difference between the women of the older generation and the new generation, especially regarding children.

The old-fashioned mothers stayed at home, did not work, took care of the home. Mothers "new style" want to continue working, doing business. They respect their husbands as the leader, but they do not want to give up their activities and jobs. Elsewhere, women (e.g. in China or Japan) oppose career and children. Here, they want a balance and a compromise able to make everyone happy.

New issues are increasing

People are more and more focused on health. They worry about food, ingredients, industrial processes and emphasize naturalness. Media and social networks are full of questions about brands, composition, benefits. Even about mayonnaise, the brand must reassure about the ingredients and the health consequences. It involves some evolutions in terms of marketing:

- *"Free" is one of main trends: sugar free, salt free, fat free... It is a good way to show that a minimum of extra ingredients is in the product: nothing can corrupt the true taste or the original benefits.*

- *"Origin" is a synonym for value (or not). People are resisting the "made in China", evoking fake, bad quality, bad food. But it is changing depending on the sectors, as we see in smartphone market.*
- *"Organic" promises the best quality and the healthiest fruits or vegetables, made in Bali in particular. It promises also a hyper local, smart, restricted production: an antidote vs. the massive output of the megabrands. It is not about nostalgia or passion for the tradition, but an answer to the question of health and safety. It questions also the real advantages of western brands facing the local players.*

The guidelines

To be exciting and inspiring is the first key; to generate esteem and self-esteem is number two. It is not easy for the brands of food in the daily life... How to feel esteem from drinking a soup or eating a ready-cooked dish? It is a big challenge for all the medium brands, but they need to follow the rules: beautiful packaging, status symbols, of course without inflation. To be inspiring for brands in people's daily life also means that these brands are capable of helping consumers to be the best version of themselves. It will not dilute the self-esteem. Shampoo for women wearing a hijab, for instance. It is easier for other sectors, like coffee. Illy embodies this premiumisation strategy while remaining accessible: blending self-indulgence and status enhances everyday life.

Customisation is more and more significant for customers. This is a new stage in the consumption scale. At first, there is very little volume of products and people are happy with what they have. Then, big retailers come in and there are more choices, brands, products. This is the famous mass market (Step n°2). But it is a bit frustrating for people: they feel that everyone has, in the end, the same thing. The desire to be unique and different is an archetype of human nature. No one wants to admit that he is a consumer among millions of others. When the primary needs are met, the customisation time comes (Step n°3). Decorations to embellish a jacket, his name on a bottle of perfume, colours made to measure for his automobile, everything is possible to give the consumer the feeling of being unique... as indicated by the price!

Customisation is therefore synonymous with innovation, trends and creativity. It's a goldmine for brands. Here, trend surveys are a major solution to fuel the brands in insights and ideas.

In terms of advertising, the model is an important choice: the local stars are much closer to the common inspiration than the international superstars as consumers can relate better. In cosmetics for example, they relate better with local stars with the same skin tone. They could idolise Korean pop stars or actors but in terms of product choosing, they are more lenient to what fits with them. Local stars that are well known and have promising achievements tend to be more attractive. Understanding local culture is essential in deciding ways to attract a consumer's attention. It's also important to note which side is the consumer's projected self and which is the

consumer's real self. The projected self will help to define an attractive advertisement yet not that far with the real self.

Solutions to go further

On top of all traditional qualitative methods (e.g. face-to-face interviews, focus-group) we have dedicated special attention to advanced approaches:

- Social Intelligence
- Communities
- Ethnography
- Mobile
- Curation
- Activation Workshops
- Motivational Research
- Usability Tests

Just to focus on the Journey Analysis, it is a very good way to be immersed in the real life of people, following the experiences, discovering the lifestyle of the consumers. We capture detailed customer experience 'moments' throughout a specified journey to create maps that overlay attitudes and behaviour. These maps guide customer experience improvement and tracking research revision.

For each of these business questions, we have developed a specific analytical framework aiming at translating observation and deep listening into strategic recommendations and meaningful responses.

Dealing with the opposites 6



Citarum River, a seven-year program aims to clean up the “most polluted river the world”.



Pura Ulun Danu Bratan, Hindu temple, one of famous tourist attraction in Bali.

[The 11 Bets]

One of the experts' favourite activities is making bets. Without hesitation, this is what we have done. The Ups are what will progress faster and faster and the Slowdowns are what will progressively disappear.

UP

At the individual level:

- For men, the rise of male skincare products and luxury brands (see: Hugo Boss);
- For children and babies, dedicated care products;
- For pets: dogs, cats, birds as increasing signs of social status;
- For homes, the development of services (babysitting, cleaning, ironing);
- Holidays and travel (with the development of railways and high-speed trains);
- Holidays and trips abroad (through an increase in purchasing power).

At the institutional level:

- The opening of all Indonesia to international tourism (not only Bali!);
- The development of policies for sustainable development, alternative energy and environmental protection.

SLOWDOWN

- Traditional media;
- Bicycles (not electric);
- Grocery stores.

Dealing with the opposites 7



Money. It is a very well-known fact on social networks globally that the four richest men in Indonesia are richer than the 100 million poorest people.



The GDP per capita remains at 107th in the world, with 100 million Indonesians (of 260m) who live below or at the limit of the poverty line.

Song

Milk Ponds

Not a sea, just milk ponds
The hook and the nets are enough to feed you
There is no storm no hurricane you meet
Fish and shrimp come to you

Not a sea, just milk ponds
The hook and nets are enough to feed you
There is no storm no hurricane you meet
Fish and shrimp come to you

People say our land is land of heaven
Wooden sticks and stones become plants
People say our land is land of heaven
Wooden sticks and stones become plants

Kolam Susu

Bukan lautan hanya kolam susu
Kail dan jala cukup menghidupimu
Tiada badai tiada topan kau temui
Ikan dan udang menghampiri dirimu

Bukan lautan hanya kolam susu
Kail dan jala cukup menghidupmu
Tiada badai tiada topan kau temui
Ikan dan udang menghampiri dirimu

Orang bilang tanah kita tanah surga
Tongkat kayu dan batu jadi tanaman
Orang bilang tanah kita tanah surga
Tongkat kayu dan batu jadi tanaman

Lyrics: Koes Plus™



Wayang Golek, traditional Indonesian puppets

ABOUT IPSOS

Ipsos ranks third in the global research industry. With a strong presence in 89 countries, Ipsos employs more than 16,000 people and has the ability to conduct research programs in more than 100 countries. Founded in France in 1975, Ipsos is controlled and managed by research professionals. They have built a solid Group around a multi-specialist positioning – Media and advertising research; Marketing research; Client and employee relationship management; Opinion & social research; Mobile, Online, Offline data collection and delivery.

Ipsos is listed on Eurolist - NYSE-Euronext. The company is part of the SBF 120 and the Mid-60 index and is eligible for the Deferred Settlement Service (SRD).

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GAME CHANGERS

At Ipsos we are passionately curious about people, markets, brands and society. We deliver information and analysis that makes our complex world easier and faster to navigate and inspires our clients to make smarter decisions.

We believe that our work is important. Security, Simplicity, Speed and Substance applies to everything we do.

Through specialisation, we offer our clients a unique depth of knowledge and expertise. Learning from different experiences gives us perspective and inspires us to boldly call things into question, to be creative.

By nurturing a culture of collaboration and curiosity, we attract the highest calibre of people who have the ability and desire to influence and shape the future.

“Game Changers” – our tagline – summarises our ambition.

Didier Truchot, Ipsos Chairman & Chief Executive Officer



Specialists

Henri Wallard,
Deputy CEO

Bipradeep Chakraborty,
Research Director

Douglas Cassidy,
Head of Business Consulting

Lioni Halim,
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