

CONSUMER
CONNECTION



2014

KANTAR WORLDPANEL'S CLIENT DAY



AGENDA:

1

THE FIELD IS RIPE FOR HARVEST

By: Soon Lee Lim
General Manager of Kantar Worldpanel Indonesia

2

SEE, THINK, SHOP: 3 BRAND STORIES

By: Andrew Ridsdale Smith
Head of Regional Centre of Excellence Kantar Worldpanel

3

DIGITAL WORLD

By: Sudesh Puthran
Technical Advisor of Mindshare Indonesia



THE FIELD IS RIPE FOR HARVEST

BRAND SUCCESS STORIES TO INSPIRE YOU

Soon Lee Lim



stay
tuned

Big fund managers bullish about Indonesia

Satria Sambijantoro, The Jakarta Post, Jakarta | Business | Mon, August 18 2014, 10:23 AM

Business News

Rupiah strengthens to 12,194 per dollar in morning trade

Despite Indonesia's widening current-account deficit, major fund managers globally are holding on to their rupiah assets as they maintain a bullish outlook about the country, arguing that the latest economic pressures are cyclical in nature and may be short-lived.



In a survey released this week by the American Chamber of Commerce in Singapore and the US Chamber of Commerce, US-based companies ranked Indonesia as the top destination in southeast Asia for future expansion.

Photo: Supri/Reuters

US companies still bullish on Indonesia

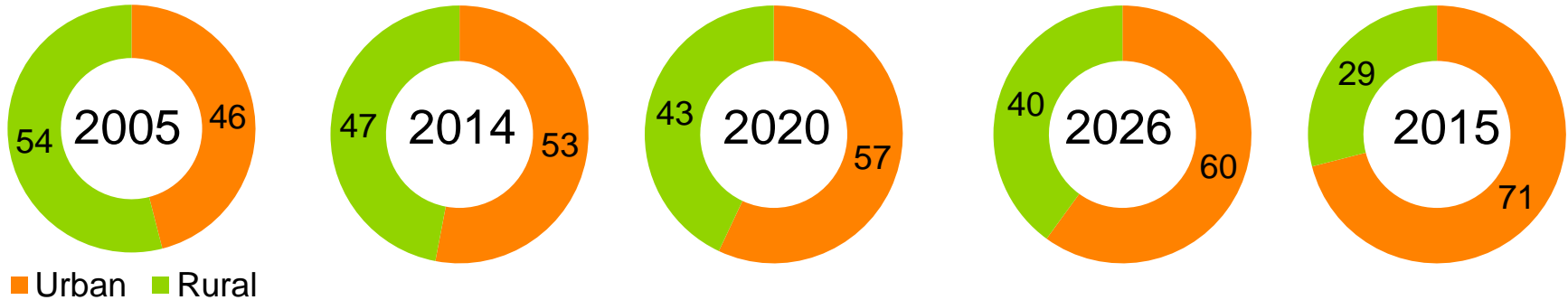
Posted September 03, 2014 by [Joseph Schatz](#)

Indonesia's reputation with investors took a bit of a beating in the run-up to this year's presidential elections, as multinationals criticized export restrictions on minerals and other nationalist economic policies.

But that's not turning away US investors. Indeed, in a [survey released this week](#) by the American Chamber of Commerce in Singapore and the US Chamber of

Increasing Urbanization, growing population and doubling of middle class consumers

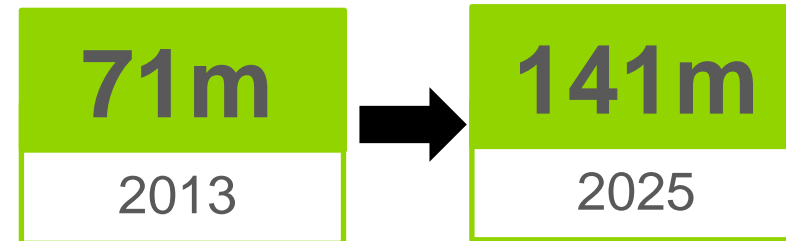
Population Split



**Another 23m population in 10 years
4 more Singapore!**

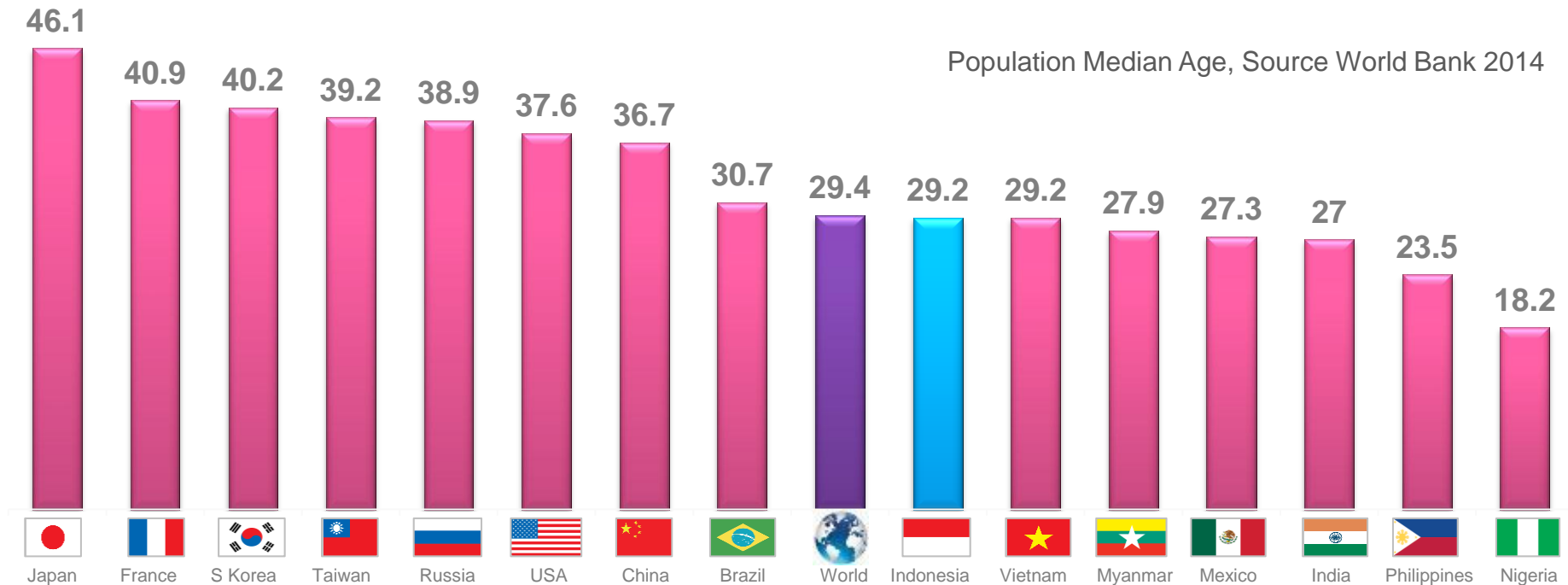
Population in Million					Growth 2050 vs 2015
	2000	2015	2025	2050	
India	1,009	1,230	1,352	1,572	28
China	1,275	1,410	1,471	1,462	4
USA	283	321	347	397	24
Pakistan	141	204	251	344	68
Indonesia	212	250	273	311	25

**Middle Class &
Affluent Consumers**



Source: World Bank, BCG

Young population – an attractive market not only for potential manufacturers but also existing ones

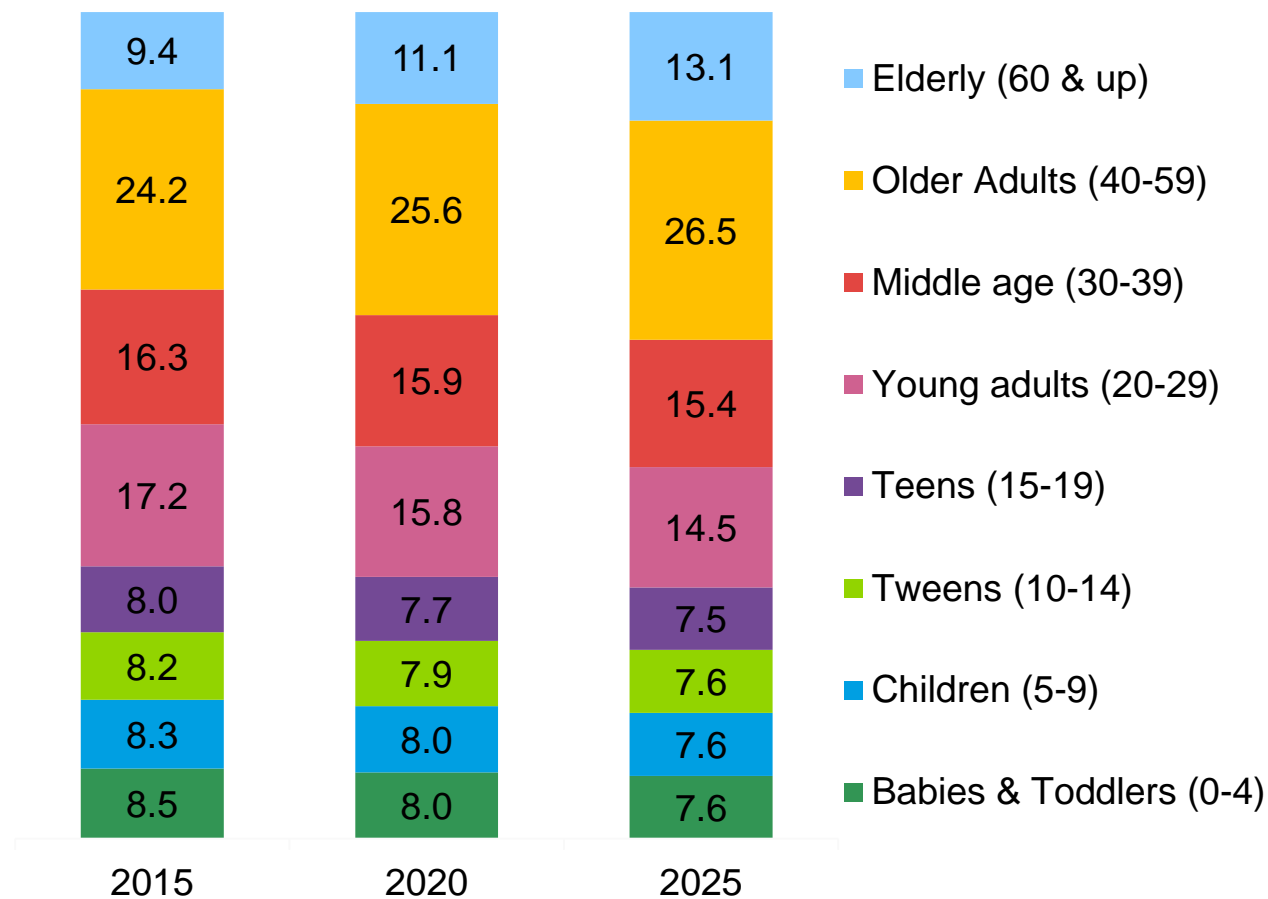


If a company doesn't look at Indonesia as a potential investment destination, I think they are missing a great opportunity...



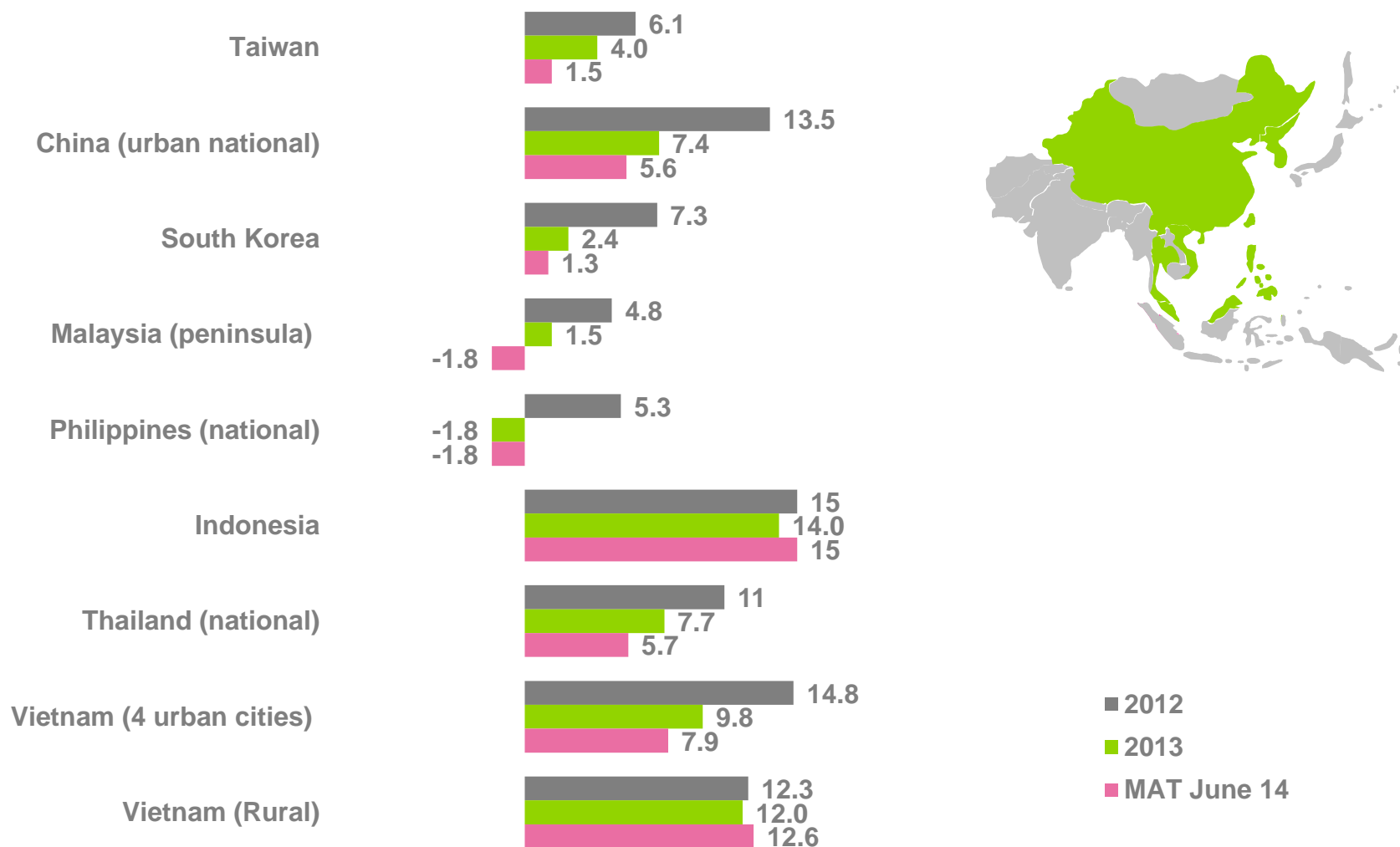
Giuseppe Nicolosi, Country Managing Partner, EY Indonesia

And will still continue to be a young country in the years to come



Indonesia is amazing!

Where growths are challenged in other Asian countries, Indonesia still delivers despite its own difficulties faced



GDP growth that is ahead of developing countries' average

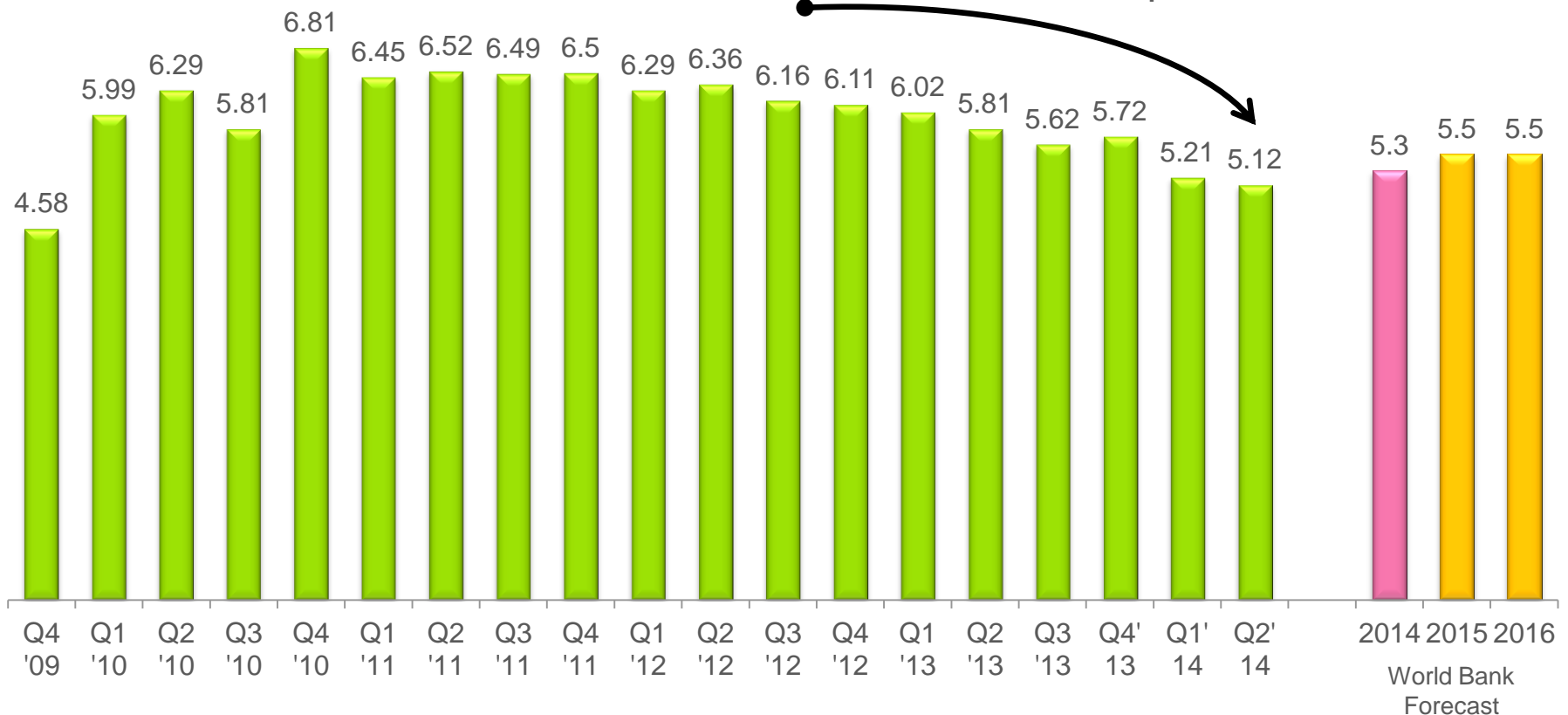
2014 Forecast

World: **2.8%**

Developing: **4.8%**

Developed countries: **1.9%**

Indonesia GDP Growth Rate



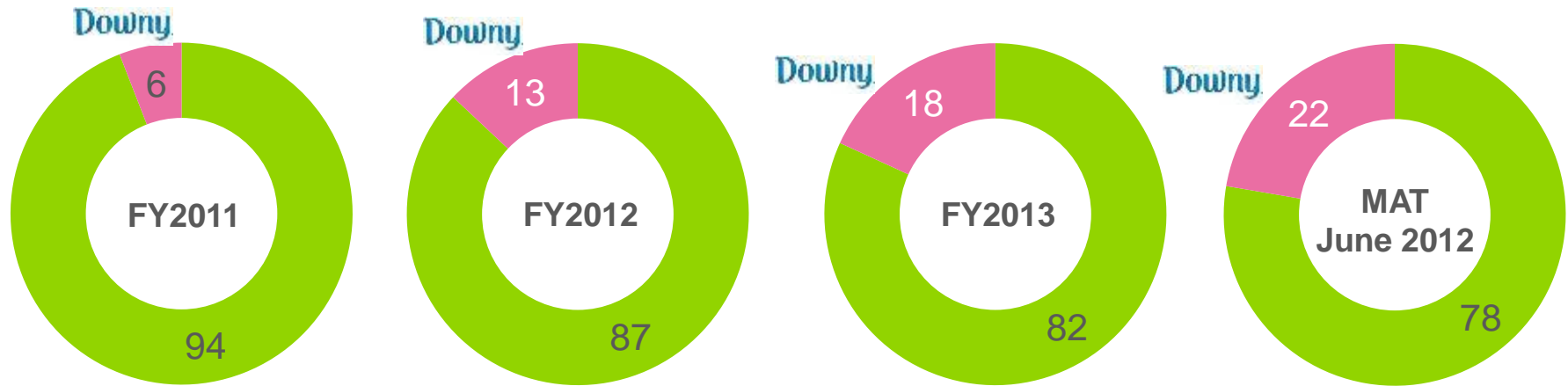
WE HAVE EVERYTHING WORKING FOR US IN THIS COUNTRY
IT IS... THE TIME OF YOUR LIFE
TO COME ALIVE
TO TASTE EVERY MOMENT
AND LIVE IT OUT LOUD
TO BE MORE THAN A NAME OR A FACE IN THE CROWD
BECAUSE THIS IS THE TIME OF YOUR LIFE



DRAWING INSPIRATION FROM BRAND SUCCESS STORIES

YOU CAN DO IT TOO

3.5 years and still going strong...



Volume %, Urban Indonesia HHS, Fabric Conditioner

48% Penetration in Year 1 of launch

81% Penetration in Year 3.5 of launch



Global leadership claims brings legitimacy & credibility to brand; amongst the many reasons behind Downy's success story

LEVERAGED
NO 1 BRAND IN
THE WORLD IN
COMMUNI-
CATIONS

REDISCOVER
THE CAT –
BROUGHT
BACK SMELLS
GOOD

TOTALLY NEW
VARIANTS –
ANTI BAC &
SUNRISE
FRESH

NEW CLAIMS –
ANTI BAC AND
EASY IRONING

OPPORTUNE
TIME OF
LAUNCH

MOMS ARE
ALREADY
ENGAGED IN
CATEGORY

GOOD
AVAILABILITY

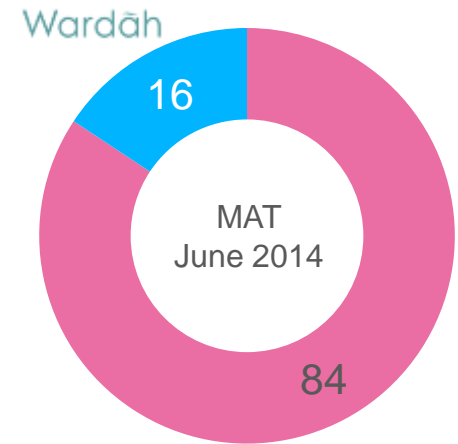
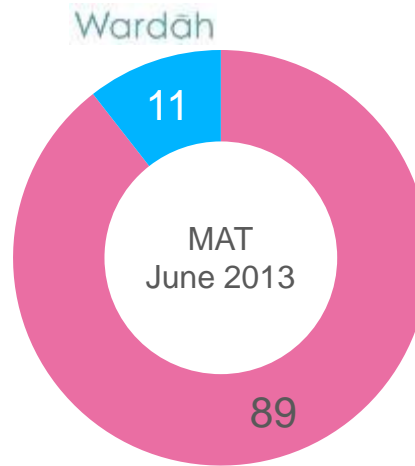
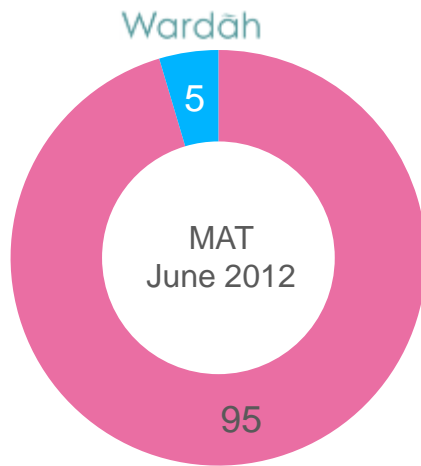
PRODUCT
DELIVERS;
HAPPY
CONSUMERS –
HIGH REPEAT
BUYING

Not only Downy leveraging claims as No 1 brand in the world... but also

MODENA[®]
smart living

✓ **Rexona**

PT Pusaka Tradisi Ibu – best performing manufacturer 79% Value Growth YoY... Total personal care at 17% YoY



National Urban Total Make Up, Value %

4% Penetration in Year 1 of launch
amongst Make Up buyers

15% Penetration in Year 3 of launch
amongst Make Up buyers

Inspiring Woman



Innovate, be authentic, enter new territories, catch on the next big trend

INNOVATIVE -
FIRST TO
CLAIM HALAL
IN MAKE UP

RIDING ON
“HIJAB” TREND

RELATIVELY
PREMIUM
OFFERING

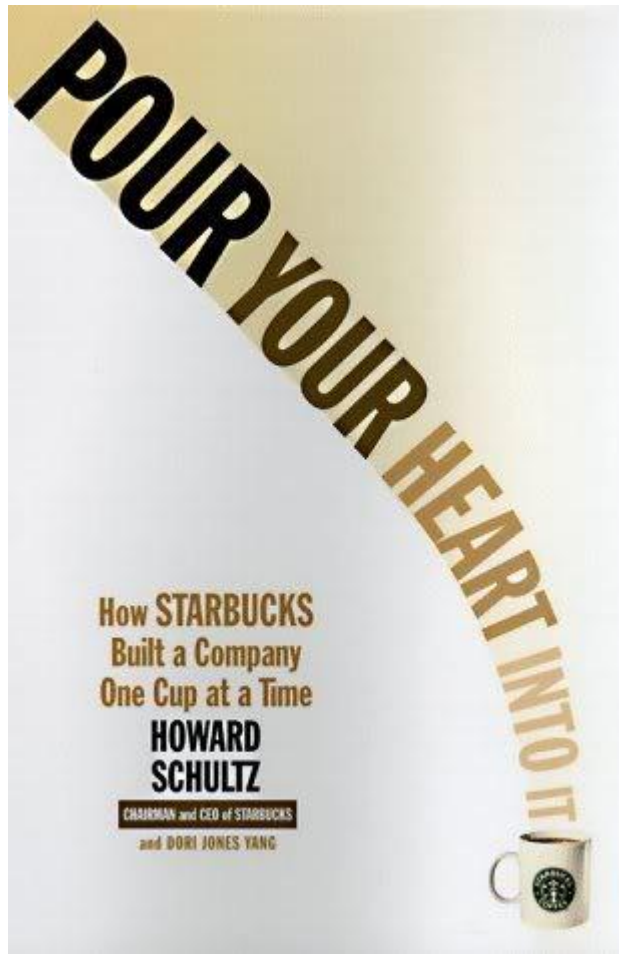
YIN – YANG:
HIJAB YET
ULTRA
STYLISH AND
MODERN

CELEBRITY
ENDORSEMENT

GOOD ALL
ROUND
SUPPORT

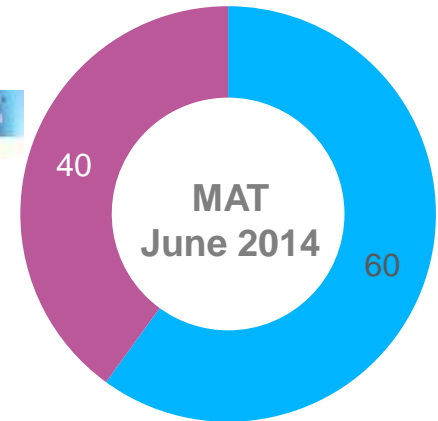
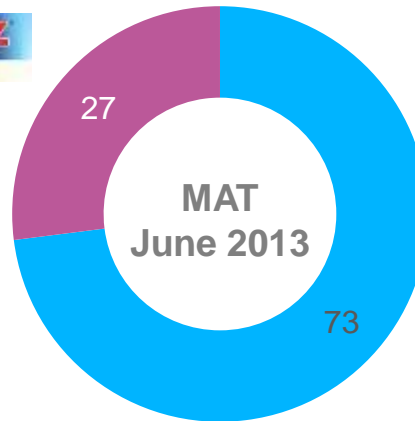
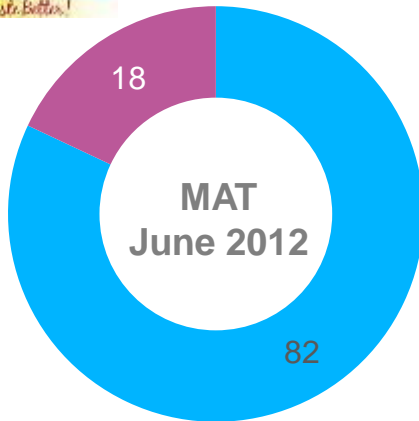
NATURAL ON
SKIN CLAIM

AUTHENTIC
WITH UNIQUE
POSITIONING



“MASS ADVERTISING
CAN HELP BUILD
BRANDS, BUT
AUTHENTICITY IS WHAT
MAKES THEM LAST”

40% market share in 3 years - phenomenal



National Urban Total Cheese, Volume %

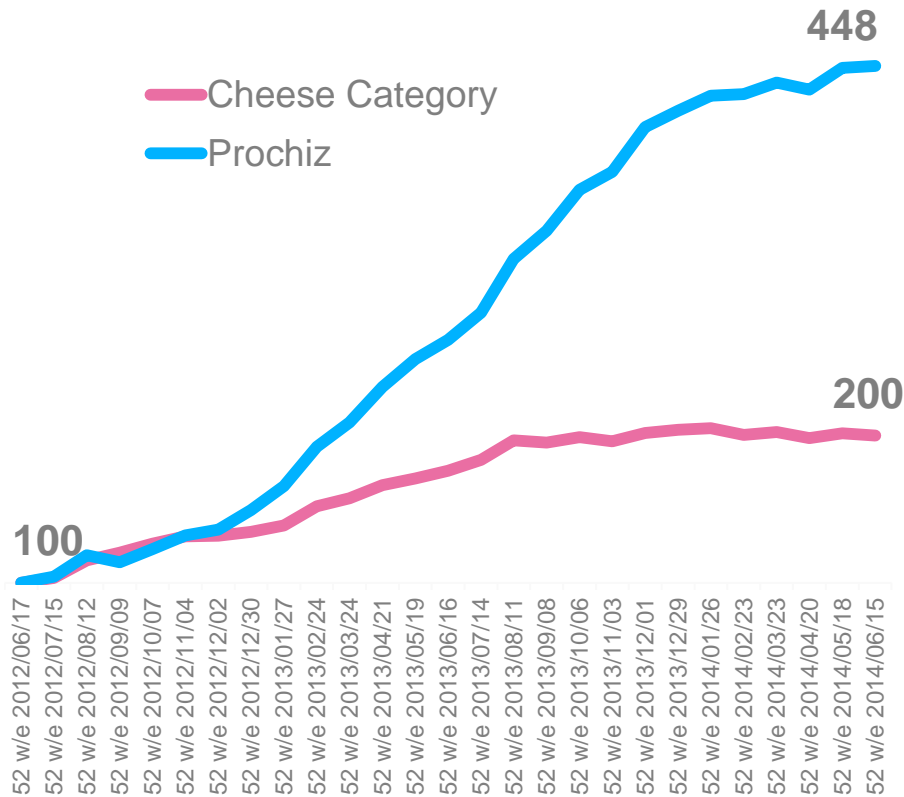
18% Penetration in Year 1 of launch
amongst Cheese buyers

46% Penetration in Year 3 of launch
amongst Cheese buyers

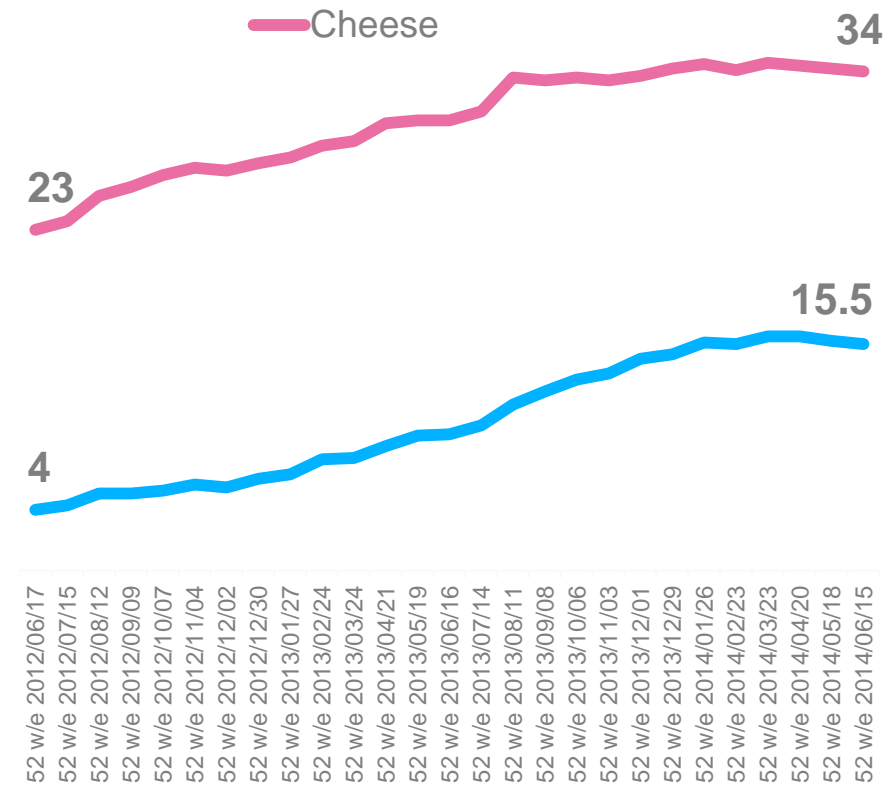


Prochiz drove market development for Cheese category in a significant way – drawing more consumers into category

Volume Indexed to First Data Point, Urban Indonesia



Penetration %, Urban Indonesia



Prochiz all rounded support launch with affordable pricing for a “premium” category... simple claim “Taste Better”

PRICE INDEX
84 VS
CATEGORY

PRICE INDEX
76 VS MARKET
LEADER -
AFFORDABLE

“TASTE
BETTER”
CLAIM

CELEBRITY
CHEF
ENDORSEMENT

NOT YET A
MATURE
CATEGORY

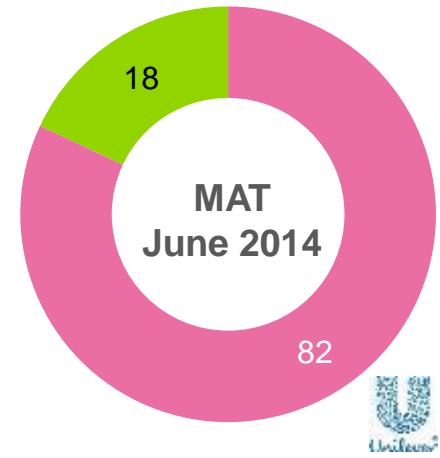
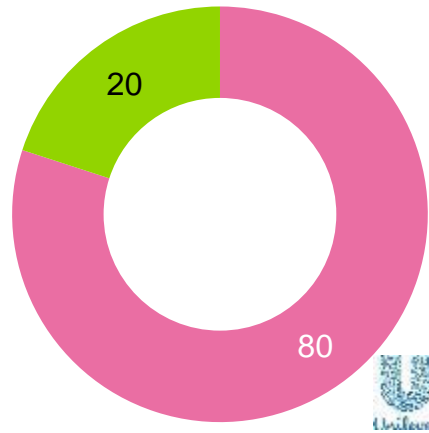
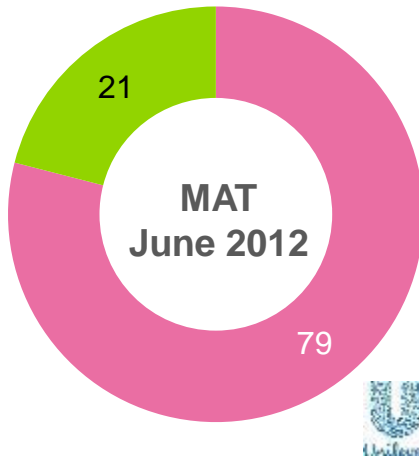
SIMPLE
MESSAGE IN
COMMUNI-
CATION

STRONG ON
THE GROUND
ACTIVATION,
ATL SUPPORT

AFFORDABLE
FOR A PREMIUM
CATEGORY

Pepsodent pushes premiumization/niche benefits

National Urban Total Toothpaste, Volume %



+3%
Volume change YoY
Total Toothpaste

+21%
Volume change YoY
Complete Care

+15%
Volume change YoY
Sensitive



Indonesian consumers are trading up - seeking benefits

Penetration %
Solus BASIC ANTI CAVITY Buyers

39%
MAT June 2012



36%
MAT June 2013



34%
MAT June 2014

PUSHING
CONSUMERS
TO EXPERT
PRODUCTS

RECEPTIVENESS
OF
INDONESIAN
CONSUMERS

MASSIVE
SUPPORT FOR
NICHE
BENEFITS

RIDING ON
PREMIUM
TRENDS

INCREMENTALITY
FOR
GROWTH –
NOT MERELY
FOR VOLUMES

SCIENTIFIC
COMMUNI-
CATION



I END WITH THIS SONG TO SPEAK TO YOUR HEARTS
TO INSPIRE YOU JUST AS MUCH AS YOU HAVE INSPIRED
ME IN THE LAST 10 YEARS IN THIS COUNTRY

THIS IS THE TIME – THE FIELD IS RIPE FOR HARVEST
TIME OF YOUR LIFE... TO TASTE EVERY MOMENT AND
LIVE IT OUT LOUD... TO BE MORE THAN A NAME, OR A
FACE IN THE CROWD... THAT YOUR BRANDS WILL STAND
OUT, RISE, RUN...

The Time Of My Life - David Cook

I've been waiting for my dreams
To turn into something I could believe in
And looking for that magic rainbow
On the horizon, I couldn't see it
Until I let go, gave in to love
Watched all the bitterness burn
Now I'm coming alive, body and soul
Feeling my world start to turn
And I'll taste every moment and live it out loud
I know this is the time, this is the time to be
More than a name or a face in the crowd
I know this is the time, this is the time of my
life
The time of my life
Holding on to things that vanished
Into the air, left me in pieces
But now I'm rising from the ashes
Finding my wings and all that I needed
Was there all along, within my reach
As close as the beat of my heart

And I'll taste every moment and live it out loud
I know this is the time, this is the time to be
More than a name or a face in the crowd
I know this is the time, this is the time of my life
The time of my life
And now I'm out on the edge of forever
Ready to run
Keeping my feet on the ground, arms open wide
Facing the sun
And I'll taste every moment and live it out loud
I know this is the time, this is the time to be
More than a name or a face in the crowd
I know this is the time, this is the time of my life,
my life
More than a name or a face in the crowd
I know this is the time, this is the time of my life!
This is the time of my life!
The time of my life, the time of my life

MAY YOU DRAW ENERGY
AND INSPIRATION FROM
THE DIFFERENT BRAND
SUCCESS STORIES







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See, Think, Shop: 3 Brand Stories

Insights from Single Source behavioural panels

Andrew Ridsdale-Smith



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We look to understand how
purchasing behaviour can
influenced by changes in
branding, communication and
price / promotions

Media Exposure,
Touchpoints



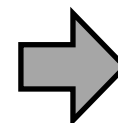
SEE



Brand Perceptions
Needs and habits

THINK

Purchase



SHOP

Promotions, Place,
Price,



SEE

TV show sponsorship



THINK

Messages that drive sales



SHOP

Winning Trial purchase

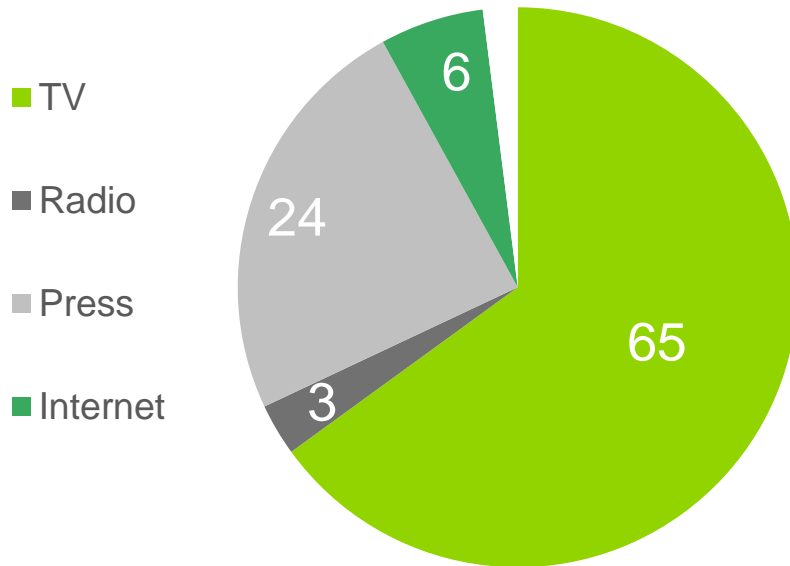
DOES TV SPONSORSHIP DRIVE SALES?

China Reality Shows



Indonesia media spend

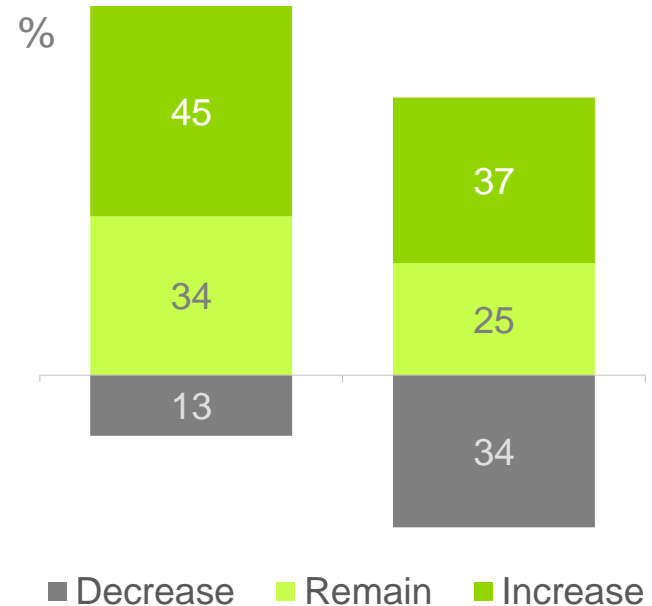
Share of Media Spend (2014f) %



TV spend shifting away from spot advertising

TV sponsorship/
product placement

TV spot
advertising



% advertisers claimed to increased budget on.

Data Source: CTR Media Intelligence 2014年广告主营销调研

Data Source: GroupM; This Year, Next Year <Autumn 2013>

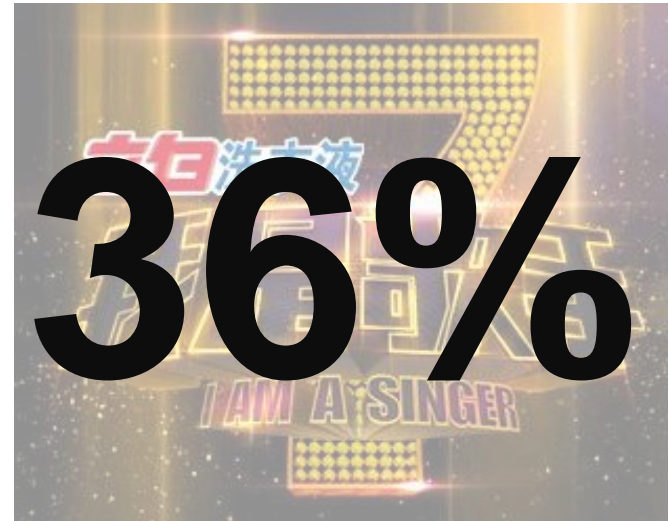


Does TV sponsorship deliver
sales increases?



Two case studies.

liby 立白



娃哈哈®
Wahaha

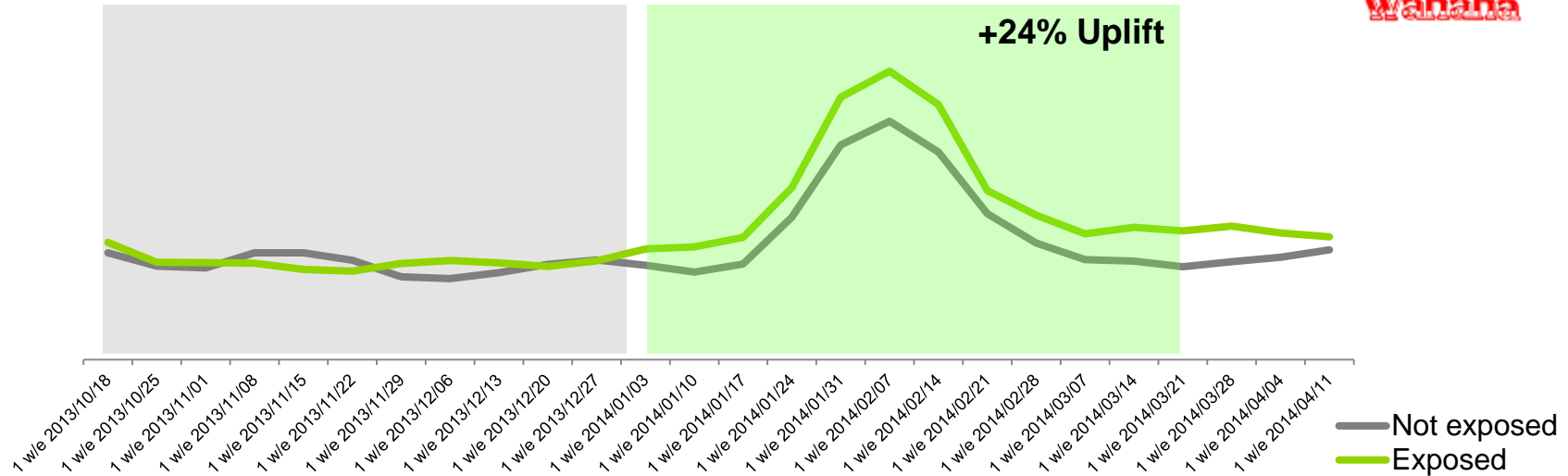
1) 'Sing a Song' delivered greater uplifts

Brand 3-weekly Rolling Spend

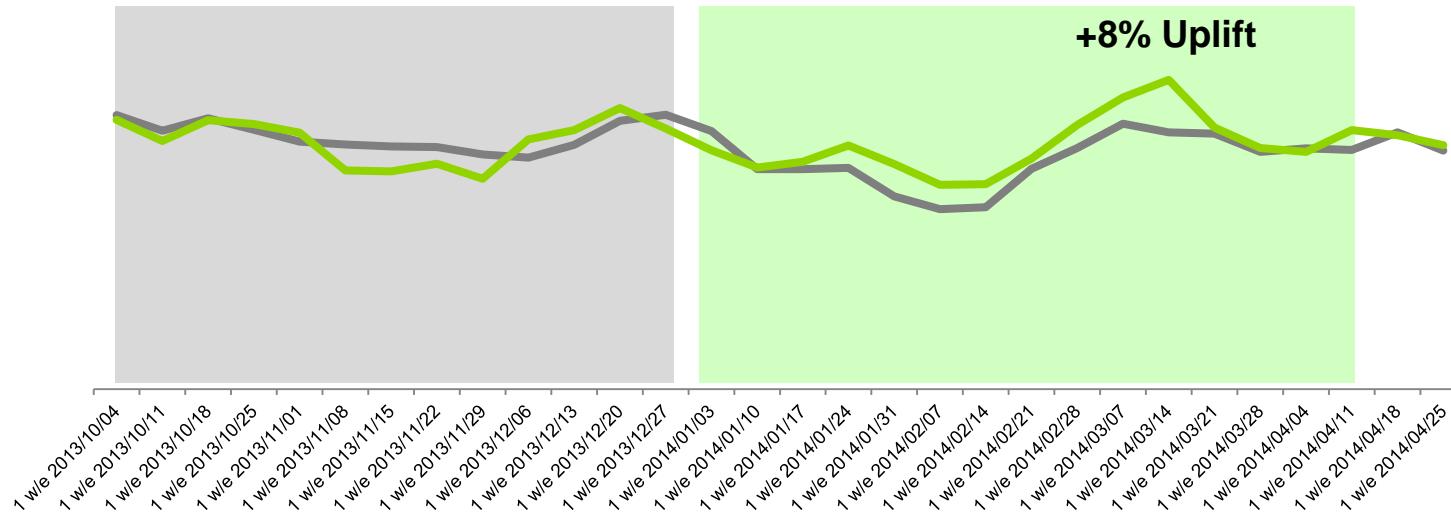
'Pre-air'

'On-air'

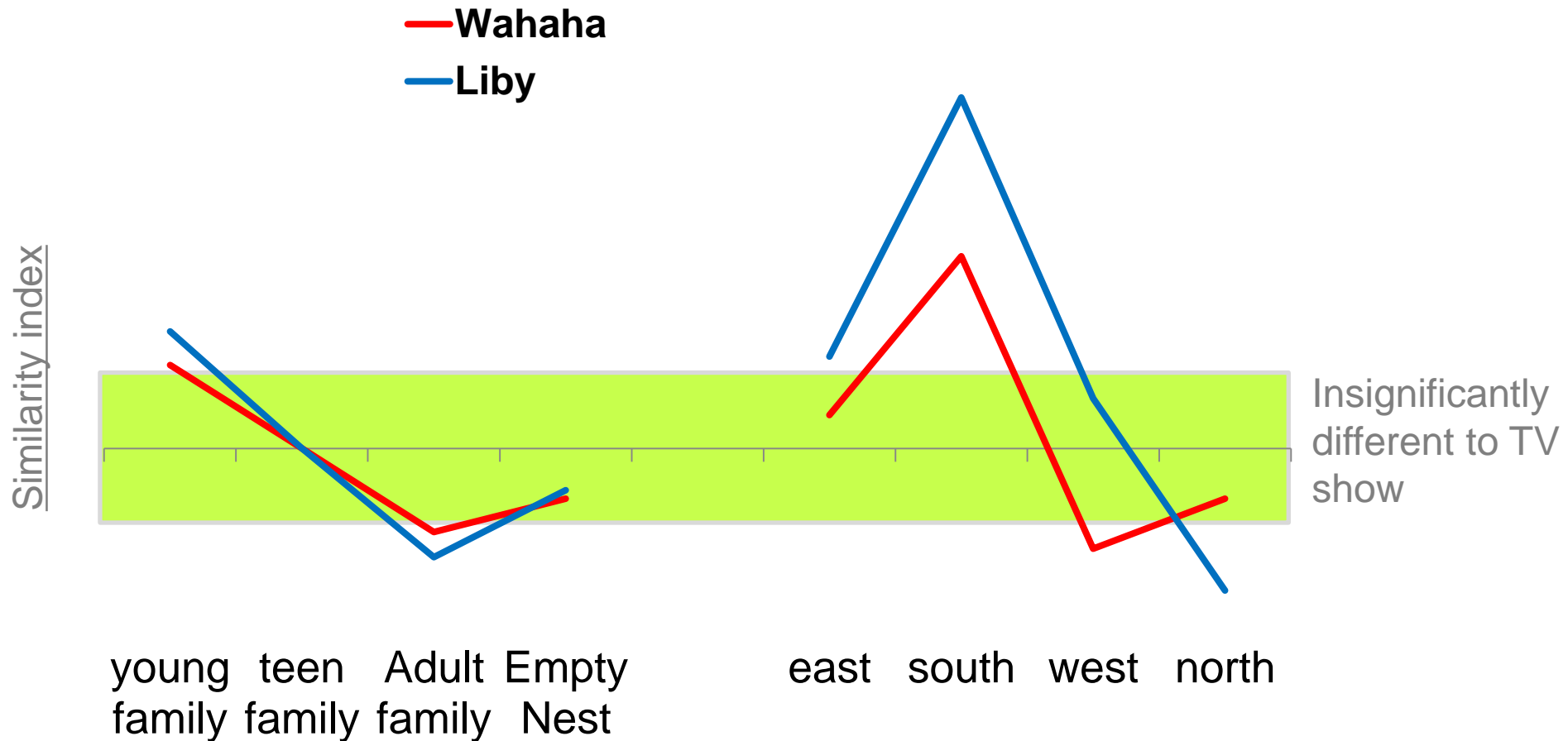
+24% Uplift



+8% Uplift



2) As Wahaha's profile is closer to their sponsored TV show than Liby's





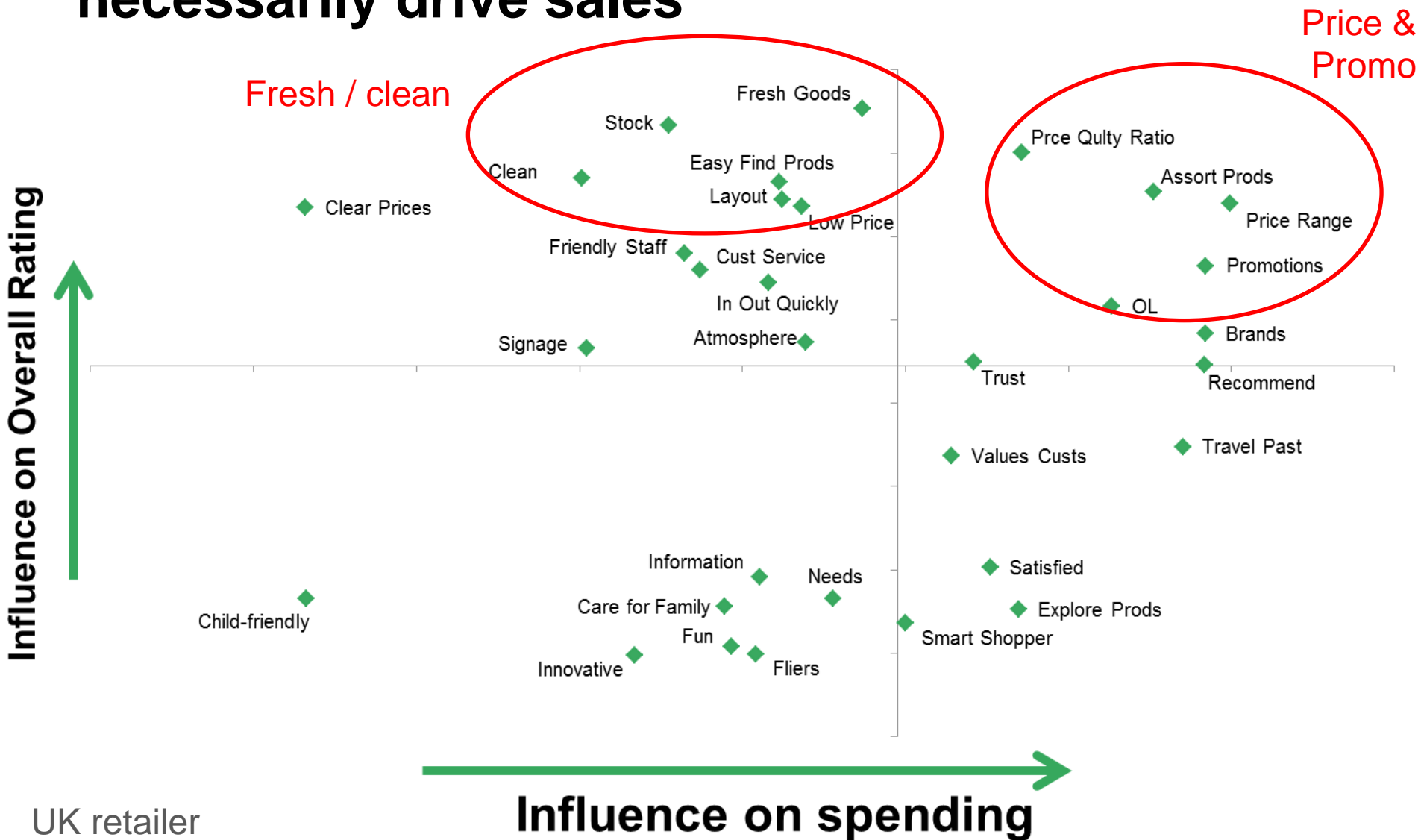
Match the TV show to the brand

MESSAGES THAT DRIVE SALES

Vietnam Oralcare



What drives overall brand perception does not necessarily drive sales



Our client's brand

Youthful,
independent



Communicates confidence
– fresh breath / white teeth



+/- 1%

Share movement over
last 3 years

-2,000

users each month

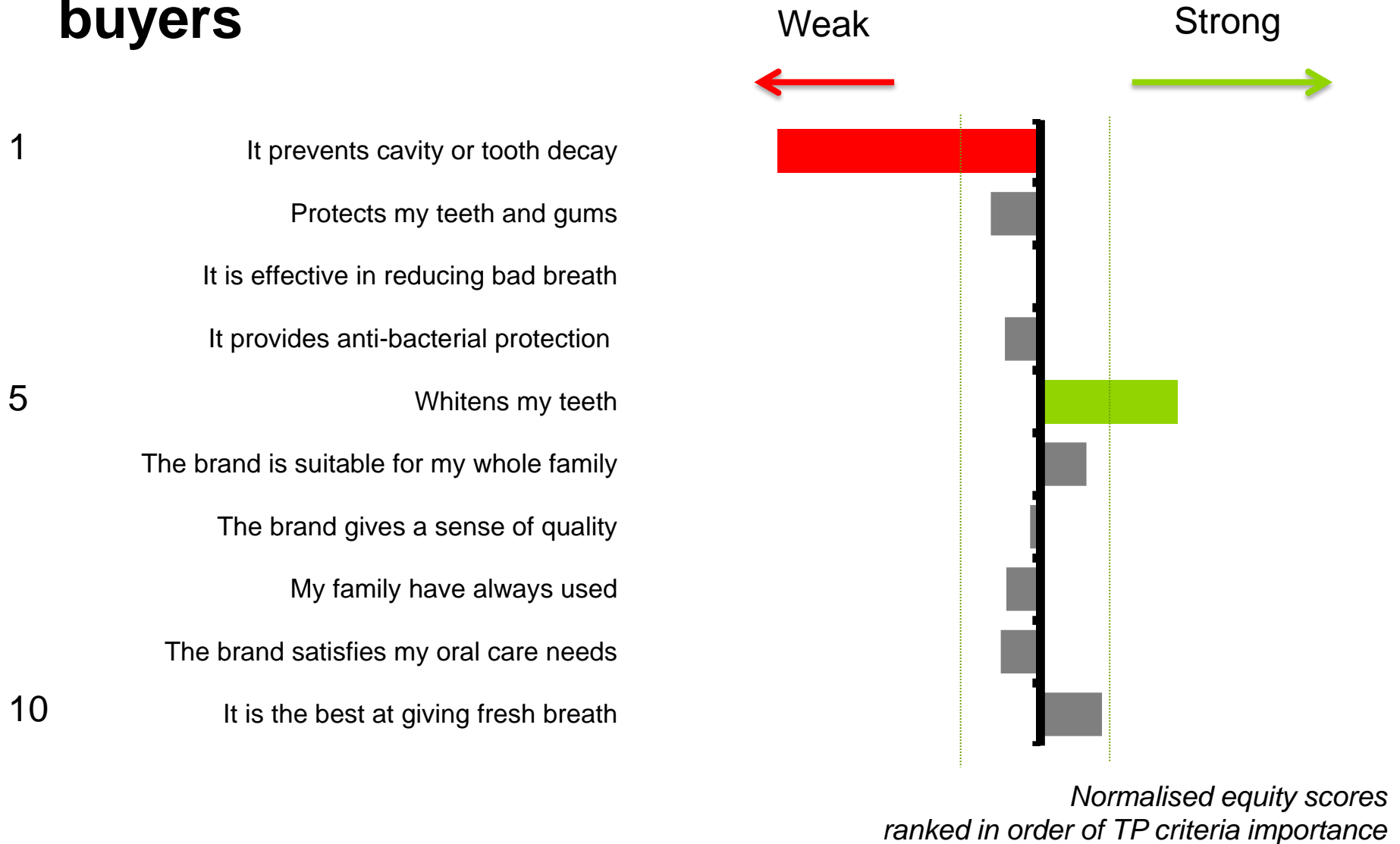
We are not growing.
What is the right message to
communicate in order to win
back lapsed users?



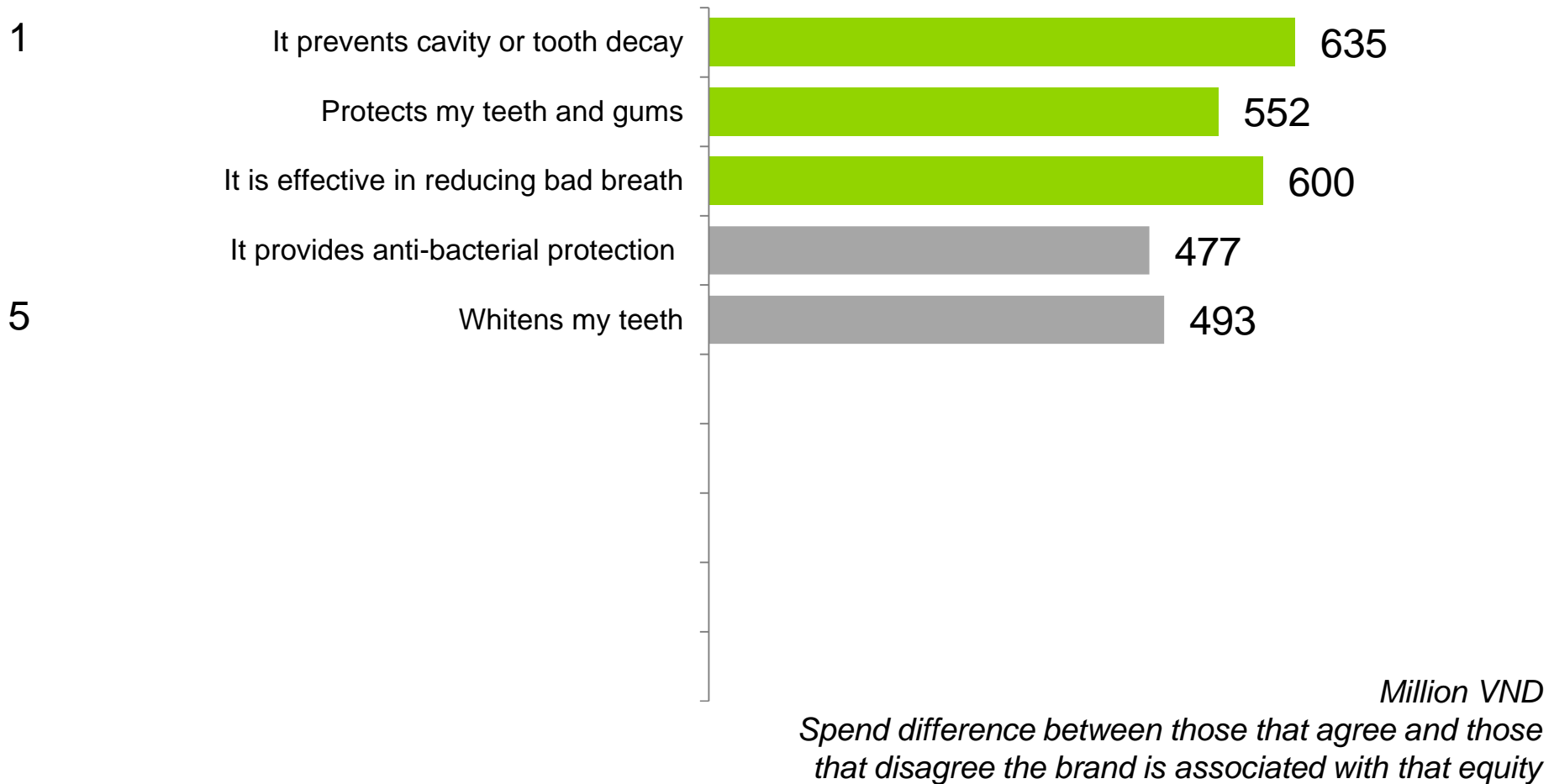
1) The key brand message is not a category sales driver

Dental Health	28%
Family / Trust	19%
Aesthetics	19%
Dentist recommends	15%
Value for Money	14%
Fresh Breath / Confidence	5%

2) We are not meeting the needs of lapsed buyers



Which message gives us greatest sales potential within the lapsers?





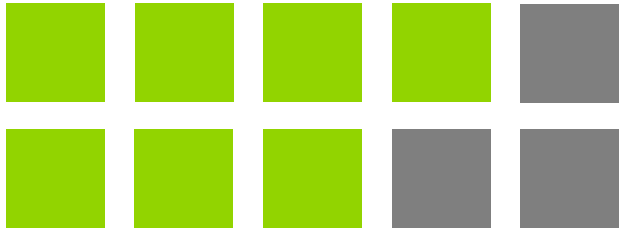
Attributes that drive sales can be different from those that drive overall brand perception



TRIAL LEARNINGS

Penetration is the #1
predictor of brand share

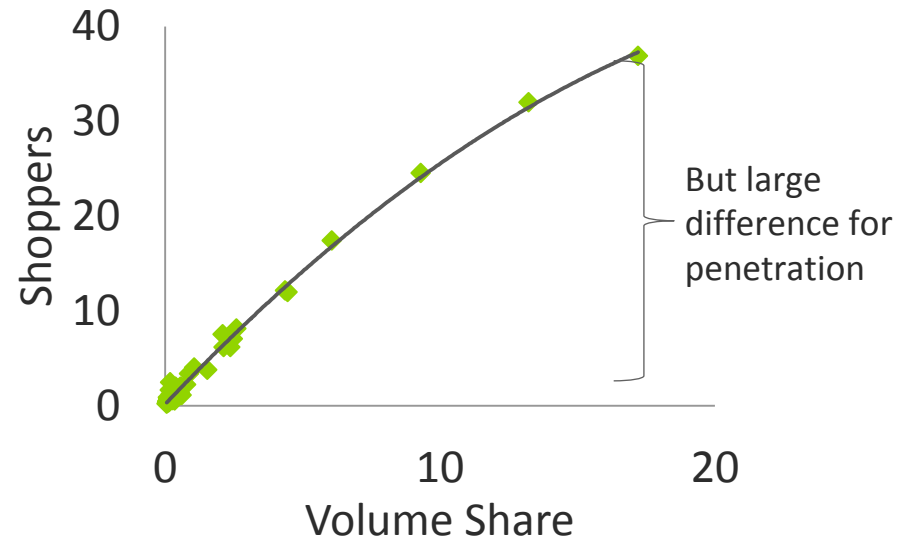
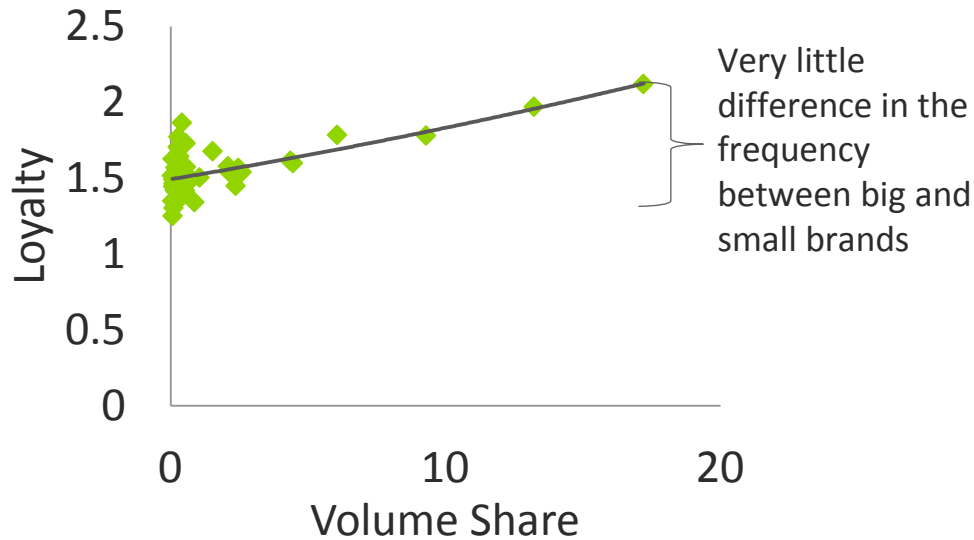
1 Trial is THE driver of growth in FMCG categories



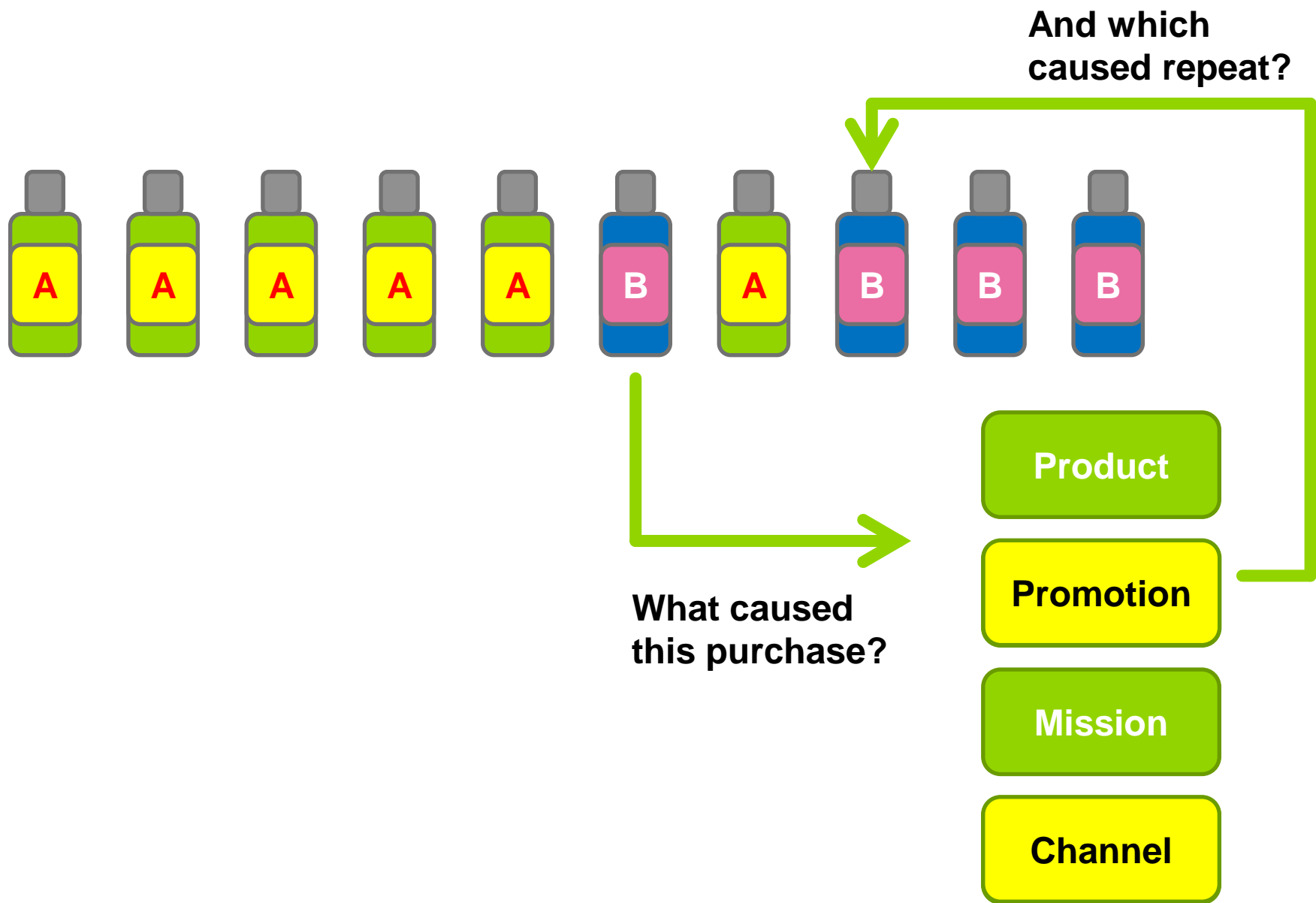
64%

of all growth in shampoo category is from new brand trial
Only 36% is from existing users

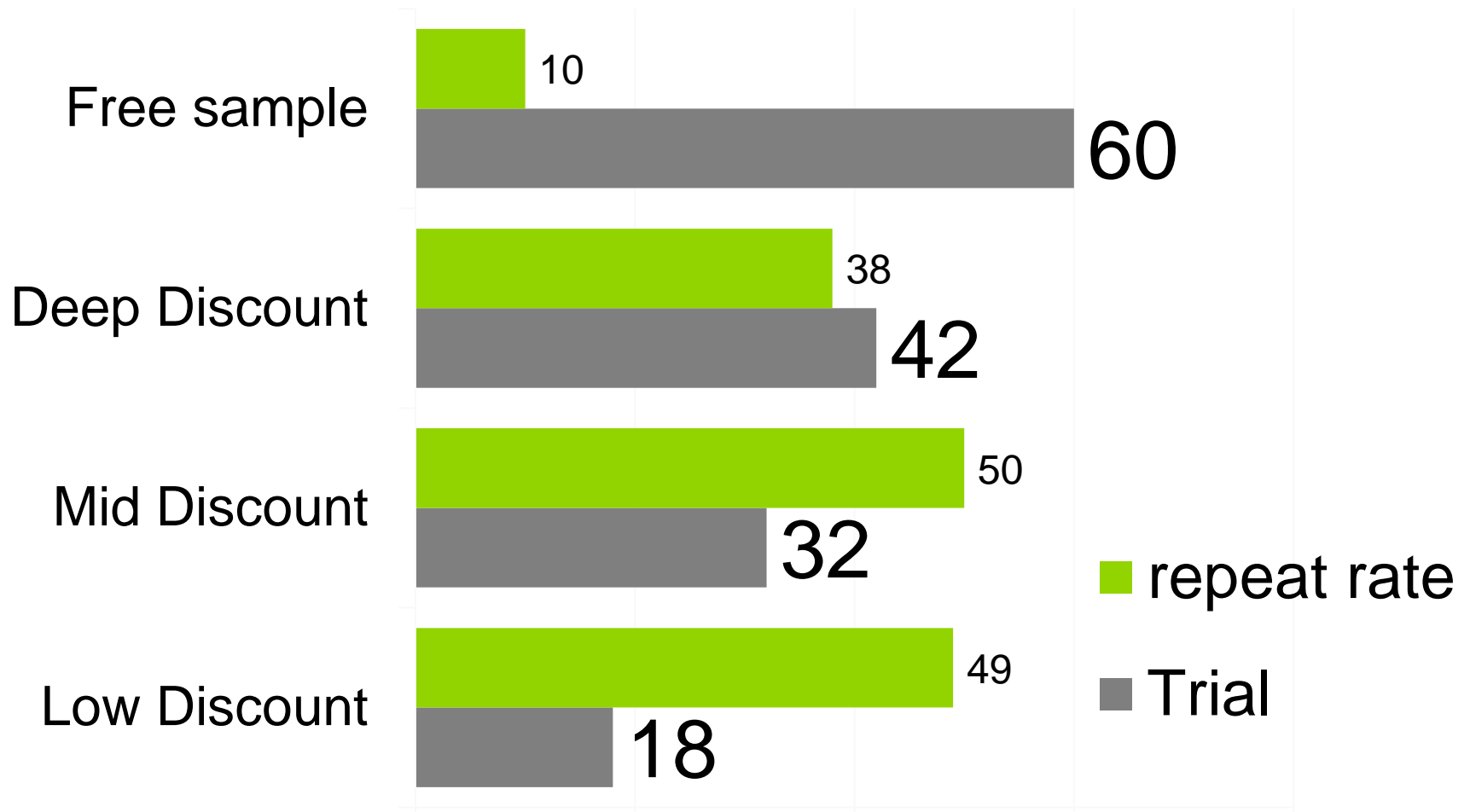
2 Long term brand success defined by penetration NOT consumption



What are the most effective
activities for driving trial?

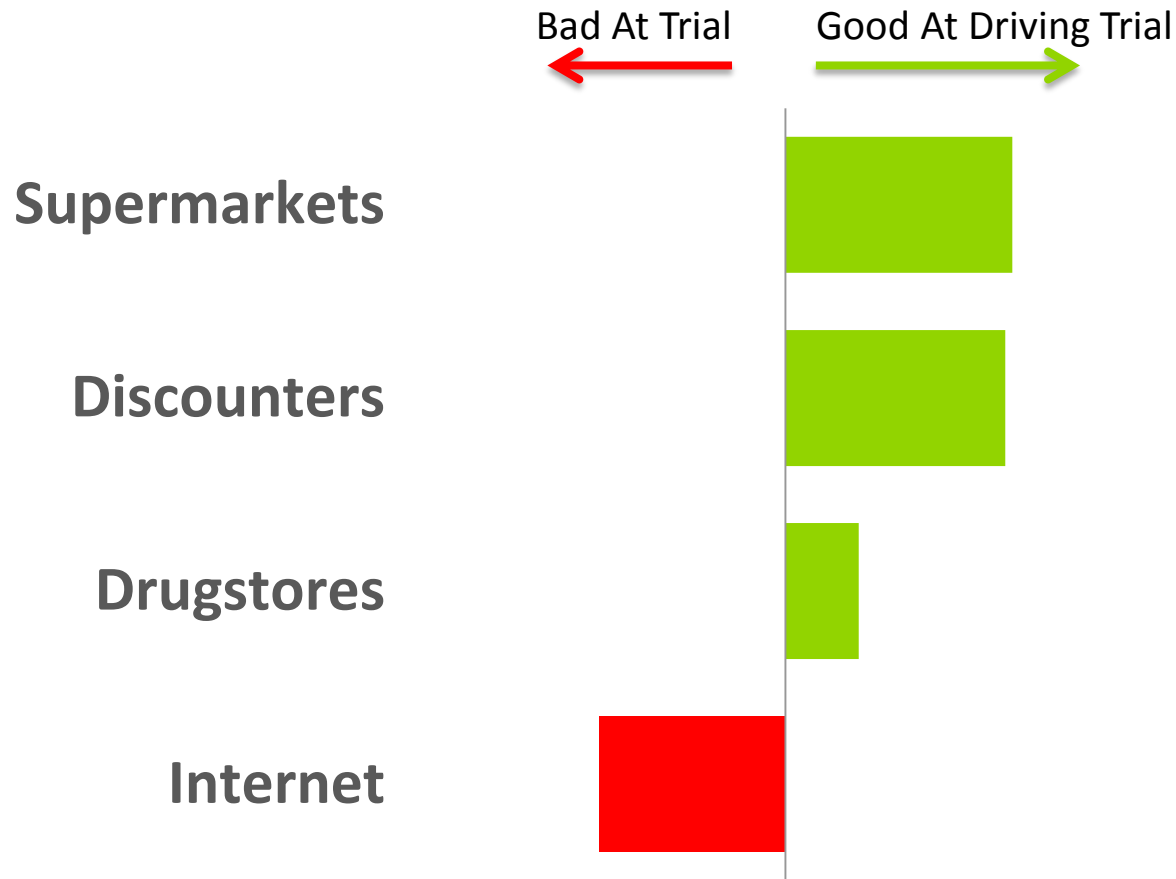


Promotion drivers: Thailand Haircare



Thailand haircare brand

Channel Drivers: Japan Haircare



Regression Model For Brand Trial In Japanese Shampoo Market
Beta Co-Efficients For Product Attributes Influence On Trial Index



Deep discounts will erode brand loyalty



WHAT HAVE WE LEARNT?

1

Match the TV show to the brand

2

Attributes that drive sales can be different from those that drive overall brand perception

3

Deep discounts will erode brand loyalty



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DIGITAL WORLD

Sudesh Puthran

* stay
tuned

DIGITAL WORLD

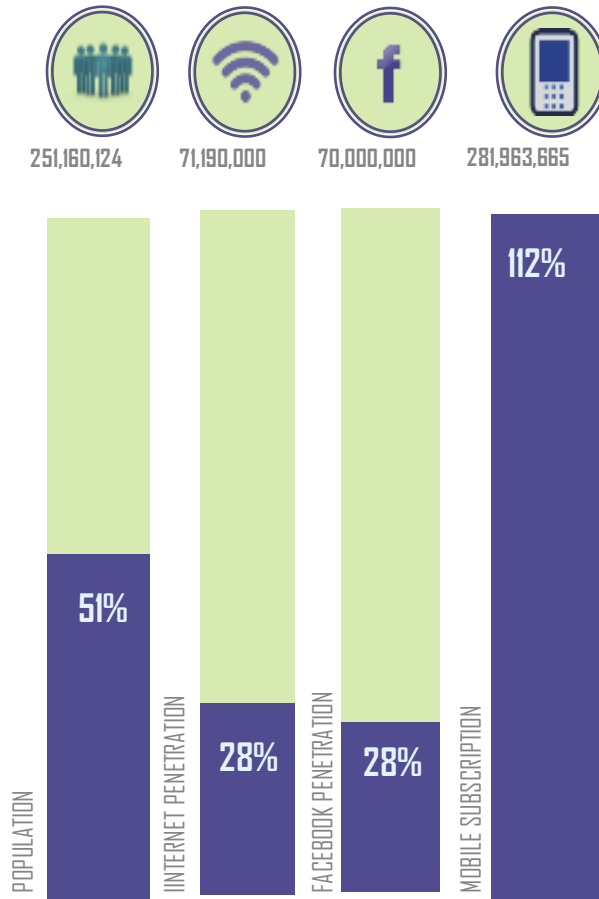


DIGITAL TRENDS



INDONESIA DIGITAL POPULATION

POPULATION SNAPSHOT



2hrs 30mins

Average time spent using
mobile internet each day

94%

Searching for local
information

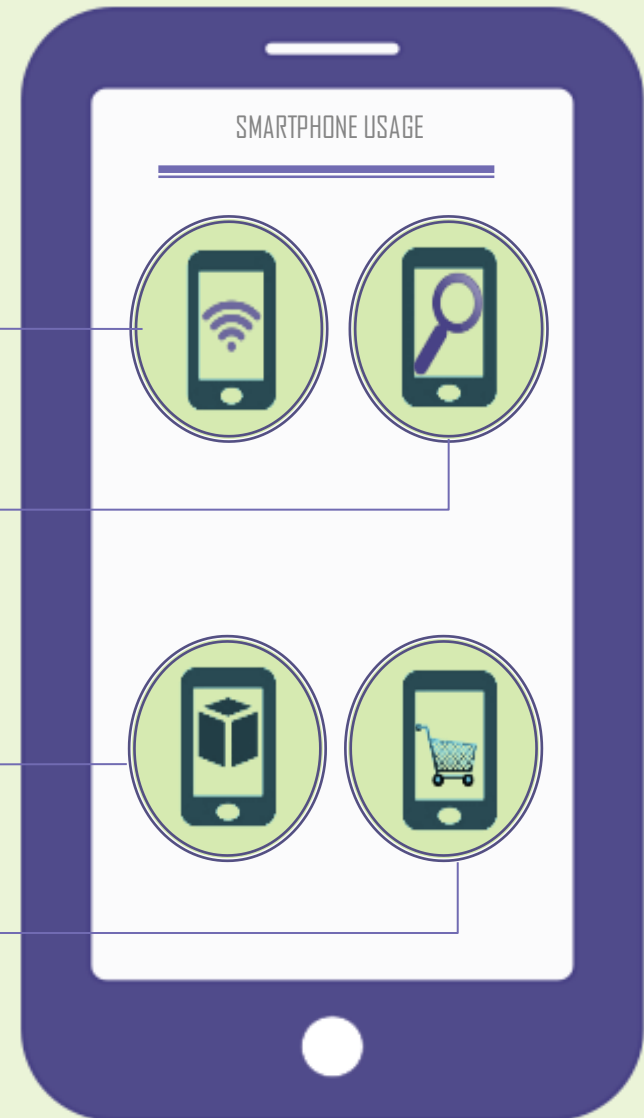
95%

Searching for product
information

57%

Have made purchase
through their phone

SMARTPHONE USAGE



5 KEY TRENDS



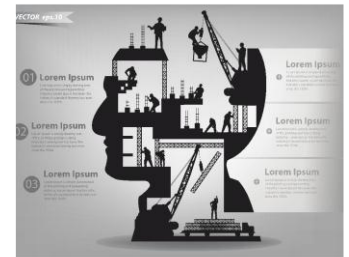
Mobile First



Multiscreen



P2P commerce



Measured Digital



Digitization

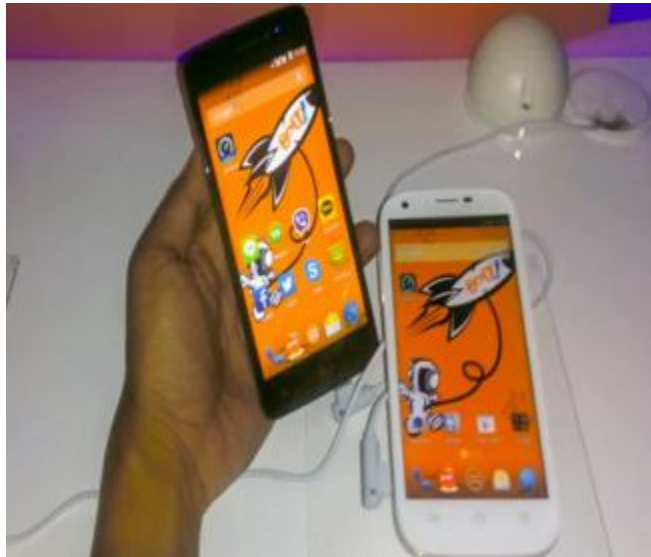
MOBILE FIRST



AGGRESSIVE 2015-2018 4G LAUNCH BY TELECOM OPERATOR



AGGRESSIVE 2015-2018 4G DEVICE AND HANDSET ARE GETTING LAUNCHED



AGGRESSIVE 2015-2018 GOOGLE ANDROID PLANNED ENTRY WITH 70\$ PHONE



AGGRESSIVE 2015-2018 FACEBOOK NEW MOBILE PRODUCT LAUNCH



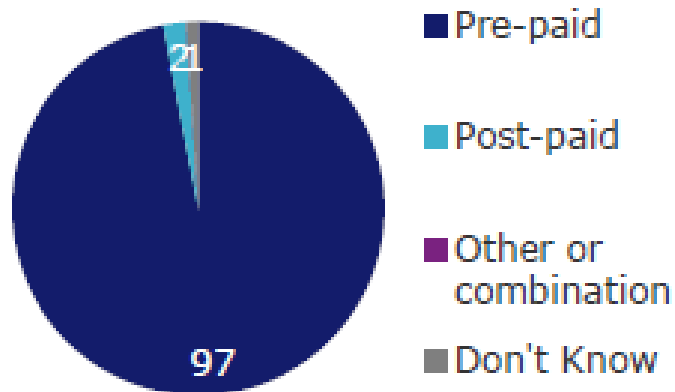
New click to call features by devices
Custom Audience targeting

THESE CHANGES WILL POWER MORE TIME SPENT ON MOBILE

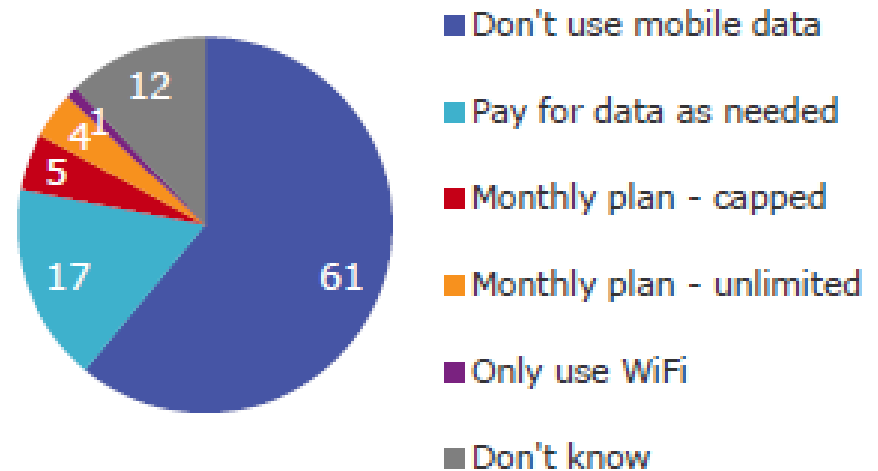


INFRASTRUCTURE WILL FUEL THE DATA CONSUMPTION FURTHER

Mobile payment plans used



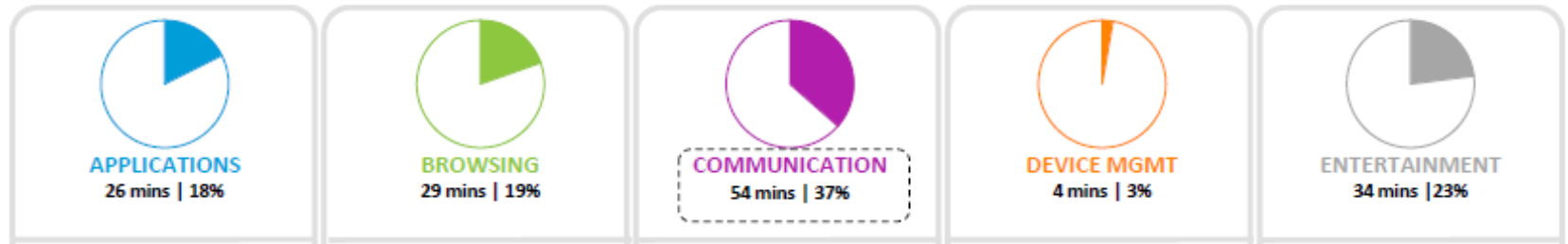
Mobile data plans used



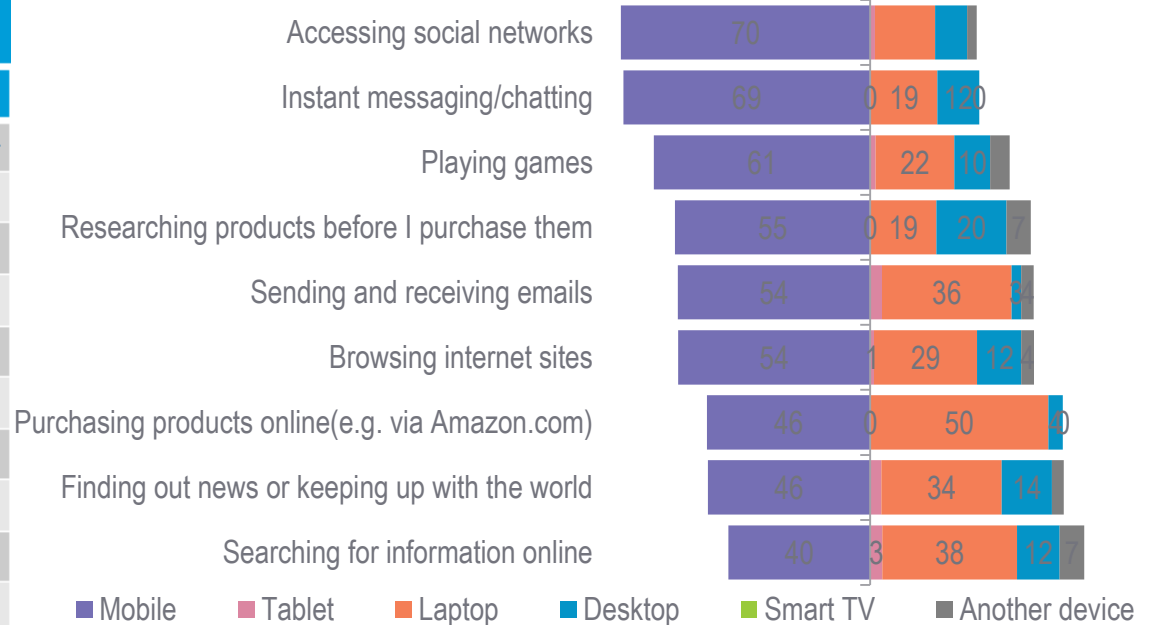
Indonesia/Females 20-35

TNS Mobile Life Study 2013

MOBILE WILL BE BECOME NEW SCREEN FOR COMMUNICATION AND ENTERTAINMENT



2013 Q4		2014 Q1	
Rank	App Name	Rank	App Name
1	Facebook app	1	BlackberryMessenger
2	BlackberryMessenger	2	Facebook app
3	WhatsApp	3	WhatsApp
4	Google Play Store	4	Google Play Store
5	BlackBerry World	5	Twitter
6	LINE	6	BlackBerry World
7	WeChat	7	Google search
8	Twitter	8	Gmail
9	Google Search	9	LINE
10	Gmail	10	WeChat



MOBILE FIRST ASSET



Plan two screen strategy for communication
TV+ Mobile at the heart of every plan

TWO SCREEN STRATEGY

Feature Phone



Smart Phone



True View/Skippable Video Ad



In Stream Search Ad



5 KEY TRENDS



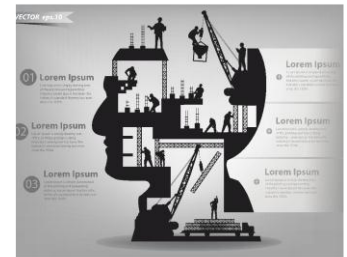
Mobile First



Multiscreen



P2P commerce



Measured Digital

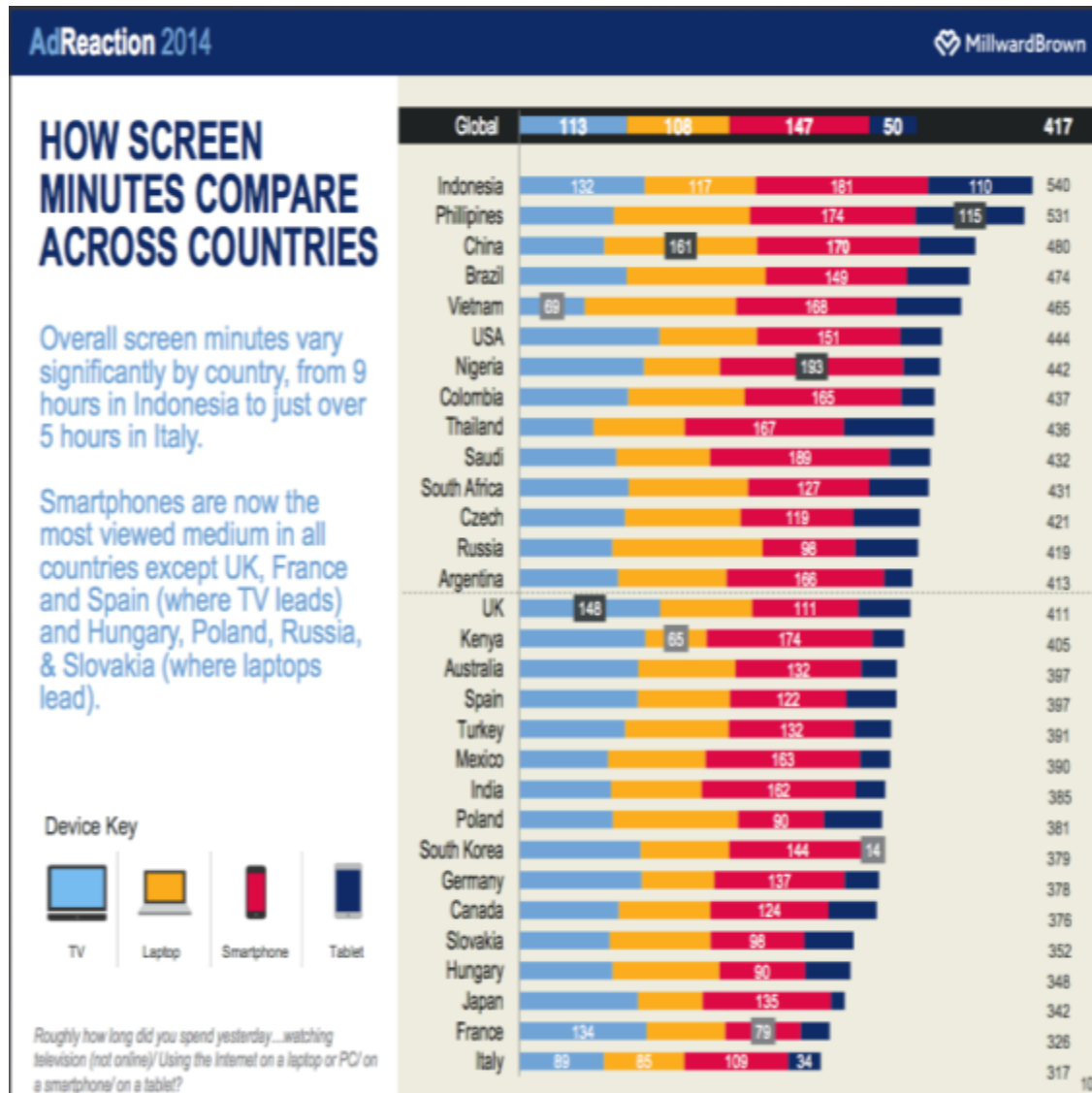


Digitization

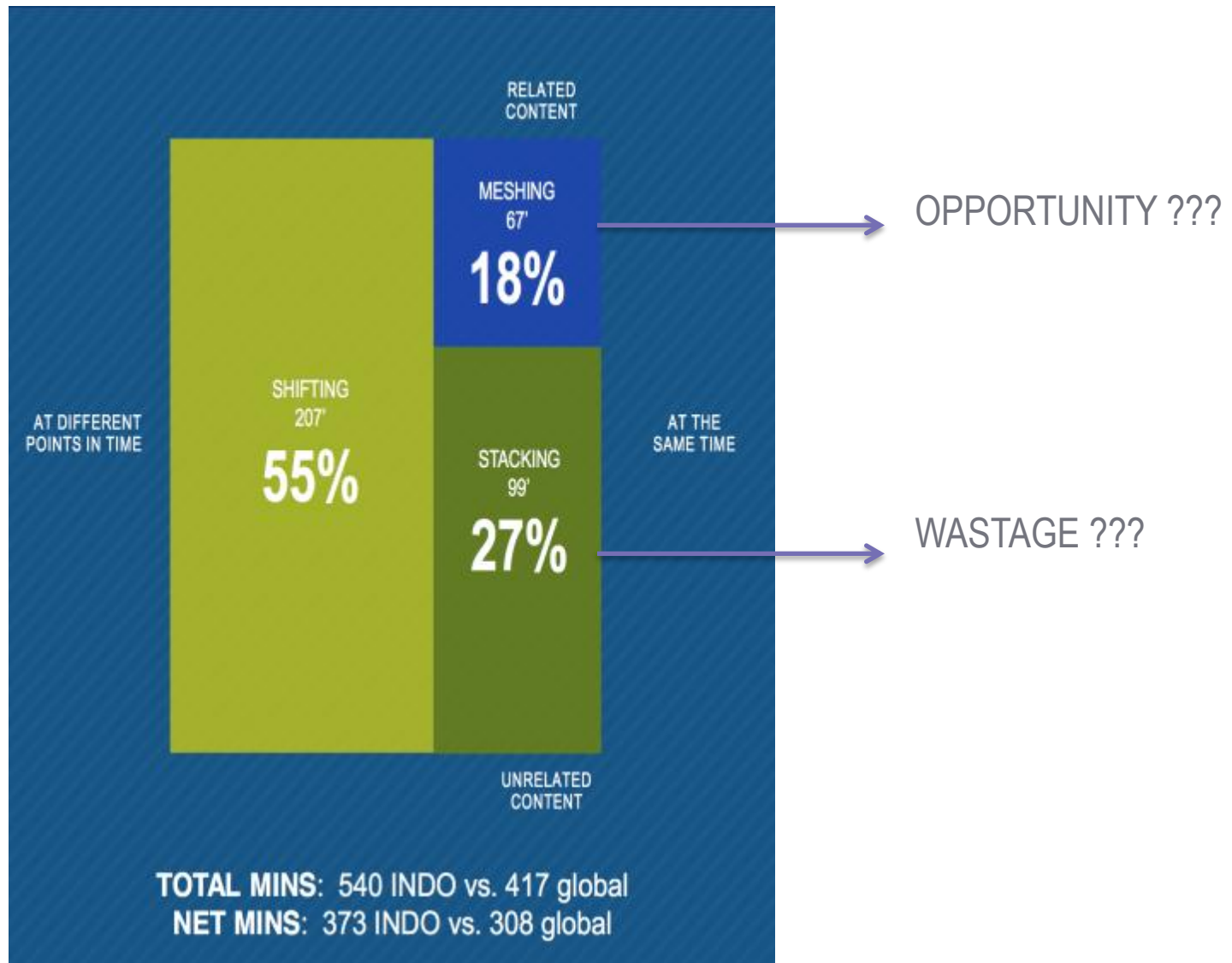
MULTI SCREEN PLANNING



HIGHEST MULTI SCREEN BEHAVIOUR IN INDONESIA



ALMOST 30% OF AUDIENCE LOSS



KEY POINTS TO PONDER

Reaching a consumer 5 times on 1 Screen

< = >

Reaching on TV 3 times + Reaching on Mobile / Video 2 Times

What kind of messaging is best for each screen ?

How should the messaging evolve in the Path to Purchase ?

5 KEY TRENDS



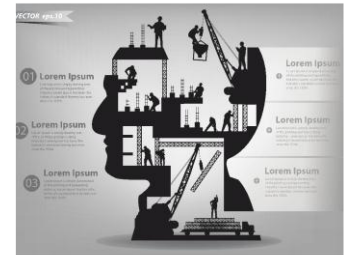
Mobile First



Multiscreen



P2P e-commerce



Measured Digital



Digitization

ECOMMERCE BOOM



ECOMMERCE BOOM WILL CHANGE PATH TO PURCHASE (P2P)

Southeast Asia's E-commerce Market in 2013

The market for online shopping in Southeast Asia could be worth \$21.8 billion, a new UBS report says.

Country	Population, millions	Online users, millions (share of population)	Retail sales, in billions of dollars	E-commerce, % of retail	Opportunity, in billions of dollars*
Indonesia	244.8	75.9 (31%)	\$100.2	0.1%	\$5
Singapore	5.3	3.9 (74)	29.6	1.0	1.5
Philippines	97.7	33.6 (34.4)	34	0.3	1.7
Vietnam	88.8	31 (35)	79.6	0.1	4
Thailand	67.9	31.2 (46)	94.4	0.2	4.7
Malaysia	29.5	18.5 (62.6)	98.2	0.2	4.9
Aggregate	534	194.2 (36.4)	436	0.2	21.8
China	1,344	618 (46)	3,812	8.0	N/A

*At 5% of retail sales Source: UBS

The Wall Street Journal

SECURED TRANSACTION WILL ACCELERATE ECOMMERCE

Major banks on track to use six-digit PIN for credit cards

Tassia Sipahutar, The Jakarta Post, Jakarta | Business | Wed, August 20 2014, 11:46 AM

Business News

Garuda, ASEAN-China center team up to better serve Chinese tourists to RI

Pertamina prepares for shift to 3-kg LPG canisters ahead of 12-kg LPG price increase

Rupiah appreciates to 11,649 per dollar Friday morning

Major lenders — Bank Central Asia (BCA), Bank Negara Indonesia (BNI) and Bank Mandiri — are on track to comply with the central bank's regulation that will require the use of a six-digit personal identification number (PIN) for credit card transactions, their senior executives said.

The regulation, which was issued by Bank Indonesia (BI) in 2012, stipulated that all credit card-issuing banks must implement the six-digit PIN by Dec. 31, 2014 at the latest for all credit card transactions.

The central bank claims that the use of PINs will provide higher security for customers during each transaction.

At the moment, the use of PIN is only required for cash advances at ATMs, while other transactions still use a customer's signature for validation.

MAJOR PLAYERS ENTRY AND CONSOLIDATION



IMPACT ON CONSUMER PATH TO PURCHASE

30%

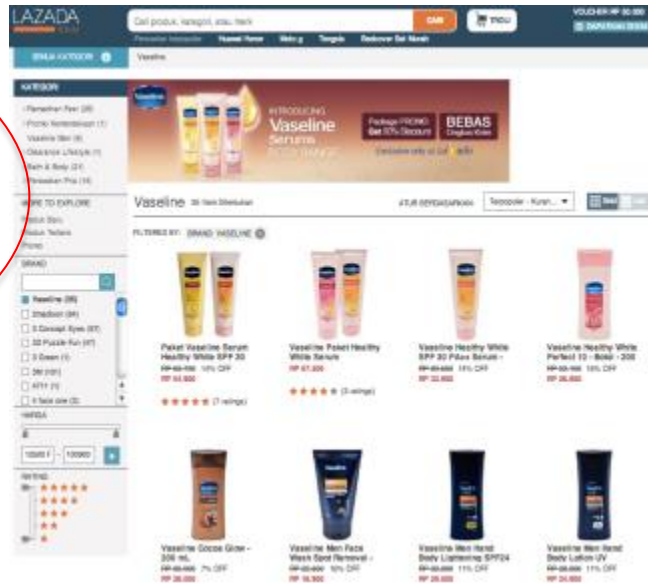
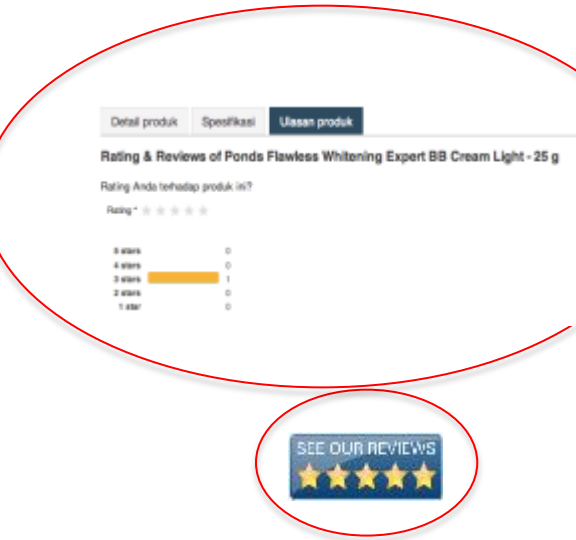
Read product reviews

20%

Visit
retailer/ecommerce
sites

30%

Click on ad links on social media



Research online purchase offline study, TNS & Google

5 KEY TRENDS



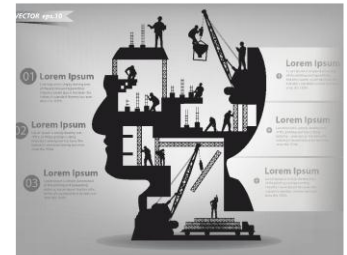
Mobile First



Multiscreen



P2P e-commerce



Measured Digital



Digitization

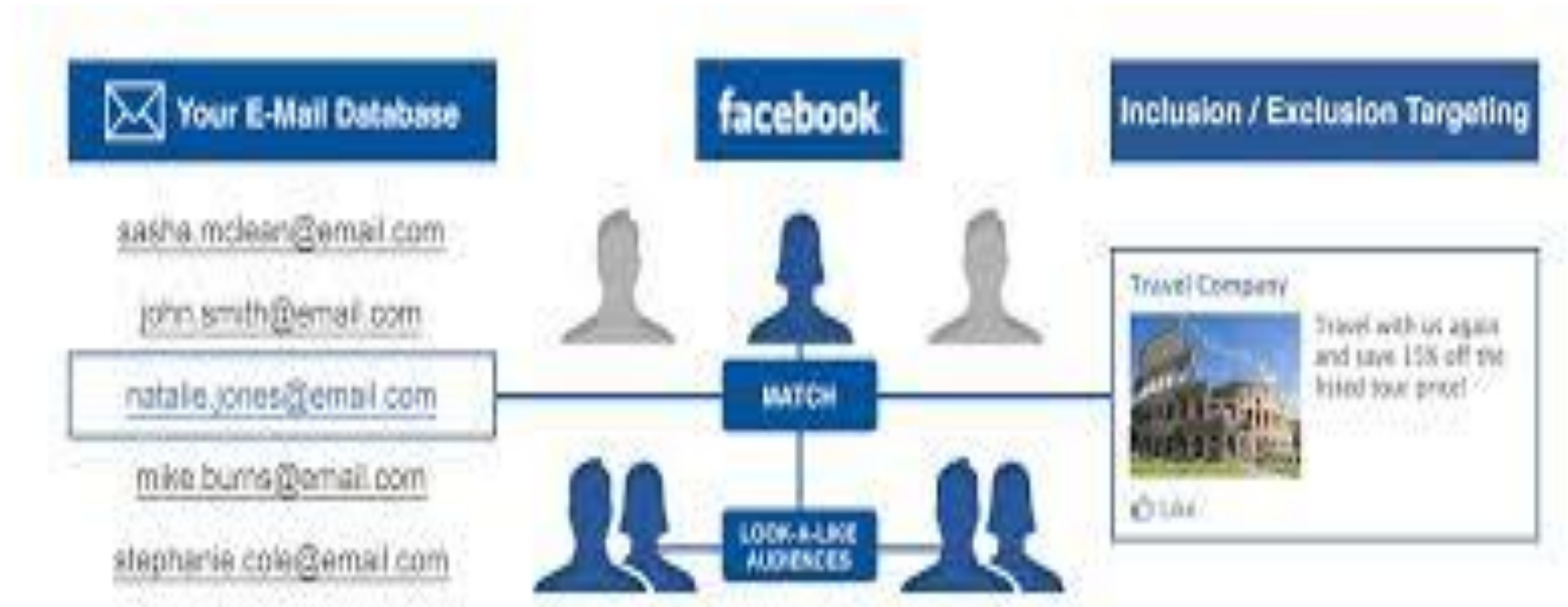
DIGITAL MEASUREMENT



"From the dawn of civilization to 2003, five exabytes of data were created. The same amount was created in the last two days."

--Google CEO Eric Schmidt

From demographic to people/interest targeting



Facebook Custom Audience

The race for data is on...



One sign-in for all Google services



Sign-in with Twitter? Facebook?

Big Data = Smart Data

Segmenting

Profiling

Targetting

Action



Smart
Data

Upsell

Crossell

Retarget

5 KEY TRENDS



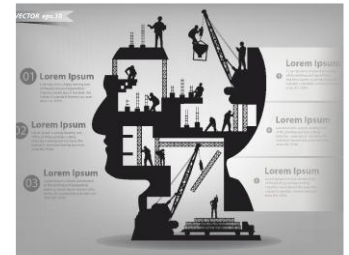
Mobile First



Multiscreen



P2P e-commerce



Measured Digital



Digitization

DIGITIZATION



IN 3 YEARS 24 TB/SECOND DATA IN INDONESIA

Telkom joins SE Asia-Europe cable network



Through a subsidiary, stateowned telecommunications provider PT Telekomunikasi Indonesia (Telkom) has joined a consortium of 14 telecommunications operators worldwide to construct a submarine fiber optic cable network connecting Southeast Asia and Europe.

The subsidiary, PT Telekomunikasi Indonesia International (Telin), signed contracts for the project in Kuala Lumpur, Malaysia, on March 7. Other signatories were the 12 Asian and two European telecommunications companies incorporated in the consortium known as Southeast Asia–Middle East–Western Europe 5 (SEA-ME-WE 5).

Telin president director, Syarif Syarial Ahmad, said that the value of the entire project was approximately US\$511 million. “We are contributing \$63.4 million, and we are expecting an earnings before interest, taxes, depreciation and amortization [EBITDA] margin of roughly 30 percent on average for this investment,” he told The Jakarta Post.

He added that having access to the cable system would bring greater efficiency to the Telkom Group, considering that the group has been leasing certain cable systems connecting Indonesia to international networks.

“By owning access, we could save up to a third of the cost as compared to leasing,” he said.

Indonesia has not been involved in the construction of international submarine cable systems for around 10 years. Once completed, the SEAME-WE 5 will be integrated with cable systems that Telin has been running, such as the Asia America Gateway (AAG),

MULTISCREEN CONTENT SYNDICATION WITH TRADITIONAL TV (YOU TUBE STAR WITH RCTI)

My Favorite **You Tube** Stars



TheGamerFromMars
TheJWittz
TheStickyPaddle
Yuriofwind
Rosanna Pansino
Tats TopsVideos
Toonsmyth

And here are some
honorable mentions.
"look above"



MULTISCREEN CASTING CONTENT



SEPARATE DIGITAL FEED ON MOBILE & ON GROUND SCREENING



Jakarta set to host Asian Games 2018

Sita W Dewi, The Jakarta Post, Jakarta | Sports | Fri, August 08 2014, 7:44 AM

Sports News

RI's soccer team in
Group E with
Thailand, Maldives,
Timor Leste

Ice bucket challenge

Excitement builds for
MetaMan Bintan race

After undergoing a thorough assessment, Jakarta is deemed ready to host the Asian Games 2018, an official has said.

After a meeting with Governor Joko "Jokowi" Widodo at City Hall on Thursday, Wei Jizhong, the honorary vice-president of the Olympic Council of Asia (OCA), said that Jakarta's bid to host the second-largest multi-sport event after the Olympic Games would soon be approved by the highest authority.

"After two inspections by me on behalf of the OCA, we consider Jakarta is almost ready to host the 2018 Asian Games," Wei told reporters after the meeting.

"Jakarta infrastructure already met all requirements of the OCA. So the OCA is confident that Indonesia and Jakarta can deliver a wonderful and clean Asian Games in 2018," he said, adding that the official decision would be made by the General Assembly of the OCA.

"In China we will have an assembly. All decisions will be made by the General Assembly of the OCA," he said without elaborating further.

Indonesia Olympic Committee (KOI) chairwoman Rita Subowo said that the official announcement would be made during the 2014 Asian Games in Incheon, South Korea, which will take place from Sept. 19 to Oct. 4.



5 KEY TRENDS



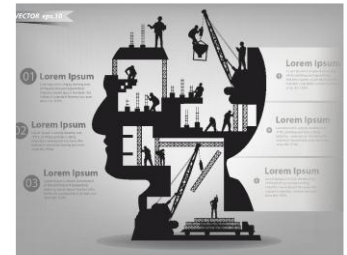
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Sudesh Puthran



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THANK YOU