

Spotlight on

INDONESIA



theInsights



theEvents



theService

"Mini"market but major success!

The proximity of traditional stores like warungs and traditional markets has turned Indonesians into extremely frequent purchasers. How can modern trade benefits from this **thrilling opportunity**?

Bain Event and Brand Footprint

There were two big things happening at Kantar Worldpanel Indonesia in the first quarter this year.

Our joint effort with **Bain & Company** has turned into an exciting event in May.

Kantar Worldpanel Indonesia was also proud to contribute to our global **Brand Footprint Report** in May, using our exclusive Consumer Reach Point measure.

The Purchase + Solution

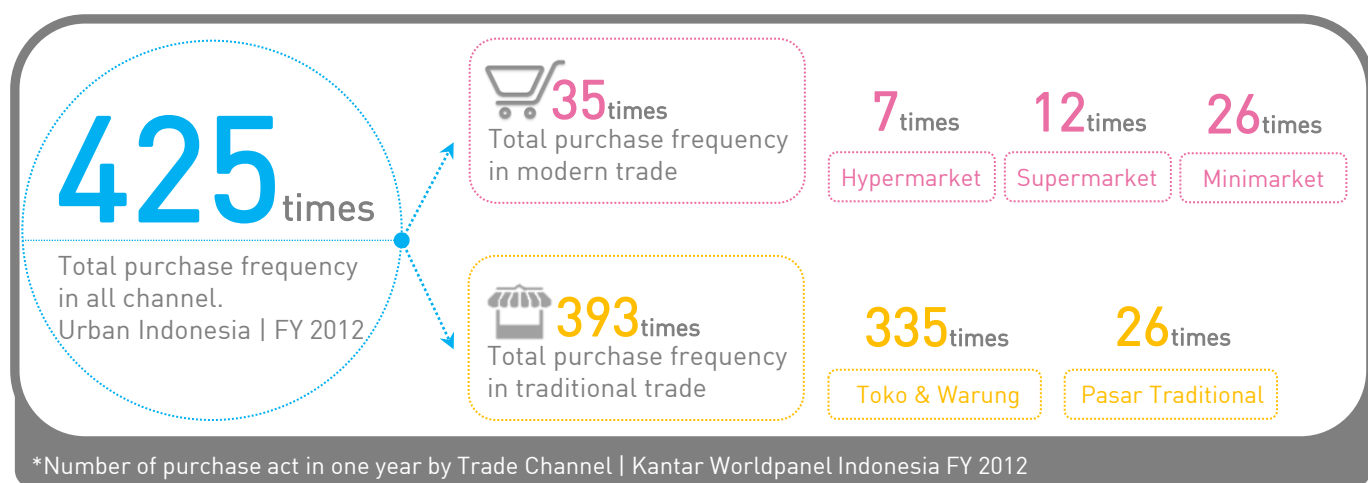
In Kantar Worldpanel Indonesia, we continuously capture **"User"** and **"Purchaser"** information. See how this information could help you to deeply understand your consumers.

“MINI”MARKET BUT MAJOR SUCCESS!

Purchasing FMCG (fast moving consumer goods) is without any doubt part of Indonesian daily habits. The proximity of traditional trade stores through warung, toko tradisional and traditional market turned Indonesian shoppers into compulsive constant purchasers. According to Kantar Worldpanel Indonesia, the number of purchases of FMCG products reaches **425 times** a year in average for urban households, even excluding fresh food items: more than one purchase act every day!

trade strategies: below the line promotion, improvement of visibility... all trade levers which are difficult to activate in traditional but key in minimarkets.

Another factor to explain the appeal of minimarkets for manufacturers is the 'in between' profile of its shoppers: not too upmarket, not too down-market. Highest revenues households contribute more to their turnover than for traditional trade but less than



The success of minimarkets can be probably explained by the number of outlets and the proximity factor, but not only. Hypermarkets chains may have found their ways into Indonesia retail landscape, but they have not changed the way Indonesian shoppers purchase FMCG products: The basket size in hypermarkets is still limited to a budget of 98,713 IDR, seven times a year. Almost nothing in regard of the wide choice of products! Shoppers still prefer to come more frequently with lower budgets, unless our neighbors from Malaysia, Philippines or Vietnam who shop more frequently with bigger baskets.

A very favorable context for Minimarkets, which now reach a value market share of 56% among modern trade with 85% of the urban population visiting them. As a matter of fact, Minimarkets are now keys for all manufacturers as they all predict a rising continuous success for this channel. A channel to approach with specific

for hypermarkets. The perfect target in the exciting context of a high potential rising middle-class.

The battle is then on several levels : distributors such as Alfamart and Indomaret are fighting against each other to get the highest number of point of sales, while manufacturers are fighting to get the best exposure...for consumers sake? ❖

KANTAR WORLD PANEL JOINT EFFORT EVENT WITH BAIN & COMPANY and THE BRAND FOOTPRINT RANK TAKEN PLACE IN MAY 2013

-Kantar Worldpanel Indonesia – Bain & Company joint effort event

KANTAR WORLD PANEL

BAIN & COMPANY

As a result of our joint effort with top management consulting firm from USA, Bain & Company, we have held an event at Ritz-Carlton Hotel Jakarta on May 24, 2013. A good opportunity for us and Bain to share some new insights about Indonesian Shoppers Behavior, which attracted attention from various business industries in Indonesia, including FMCG (Fast Moving Consumer Goods), automotive, and resources company.

One crucial topic discussed during the event was that FMCG manufacturers are now targeting Indonesia as the next big emerging market with its stable economic growth, young population and growing middle class. Emerging markets in Asia

usually include China and India, while Indonesia is one of the leading emerging economies in Southeast Asia.

We have also revealed six critical characteristics of Indonesian consumers : willingness to pay more for brands, homogenous in what they buy, strong brand loyalty, preference for small packs, high purchase frequency and influenced by social media. Beside those characteristics, one particular aspect of Indonesian consumer habits is that 85 percent of consumer goods are still bought in traditional trade, with many specific issues to deal with for manufacturers such as the limited shelves space, resulting in a very high competition.

Many predicted that if Indonesia continues to grow at the current level, it could become the 9th largest economy in the world within 10 years. However, some challenges still need to be addressed, including infrastructure inadequacy and workforce's productivity. ❖



*Kantar Worldpanel Indonesia
Brand Footprint Ranking 2012*

Kantar Worldpanel has unveiled its new FMCG Brand Ranking for 2012, under the name Kantar Worldpanel Brand Footprint in May 2, 2013. This report was conducted in 32 countries globally including Indonesia across the food, beverage, health and beauty, as well as homecare categories. In Indonesia, the ranking was obtained from measuring in home consumption of 7,000 households across the country representing 79% of total Indonesia households in both urban and rural areas.

The measurement of the Brand Footprint ranking

is using our CRP (Consumer Reach Point) measure, using penetration (how many buyers) and frequency (how often the purchase occasion) and frequency to calculate the reach points with shoppers of each brand in the market. This unique calculation results in a global ranking of the most chosen consumer brands, providing a different point of view compared with the usual market shares.

Coca Cola ranks as the global #1 brand in terms of CRP, with more than 5 billion CRP in 2012. For Indonesia, the top 10 brands include instant noodles, seasoning, instant coffee, milk, biscuit, soap, and detergent, simply the most essential categories. CRP provides unique point of view for marketers and CEOs of FMCG companies with a clear, straight forward and objective indication of a brand's competitive strength. ❖

PURCHASE + : BECAUSE YOUR BRAND BUYERS ARE NOT THE USERS

Understanding our consumers is something that us, marketers, intend to do to make our life easier. It just like how to win a woman's heart, which most people say that we need to understand her first to get the heart. It also works for winning consumers' heart, understanding them in the first place is a must thing to do before we can think of what strategy that we can do to approach them.

In Kantar Worldpanel, we have so many things to help manufacturers understand their consumers. In our data, we record what consumers buy, when, where, how much, and more importantly, who are they demographically (the profile of the consumers)? Knowing the profile of the buyers is one of the uniqueness of Kantar Worldpanel. By knowing the profile of the consumers, the marketers could learn more about their target market, thus they may have broader insight to

develop their marketing strategy.

We really know that this would not be enough to break the curiosity of the marketers to fully understand their consumers. At this point, we also agree and we think that we need to provide our clients with more advance analysis : **The Purchase +**. A definitely advance analysis to deeply understand the consumers from their actual purchasing behavior. With this Purchase +, clients will be able to know who's purchasing their product in the retailer and who's using it at home. This information will be very important for clients, especially to understand more about their target market, because this method will not only record the purchaser but also the 'real user' at home. So how we do it? Please check the infographic below. ❖

PURCHASE +

HOW DO WE MEASURE PURCHASE +?

