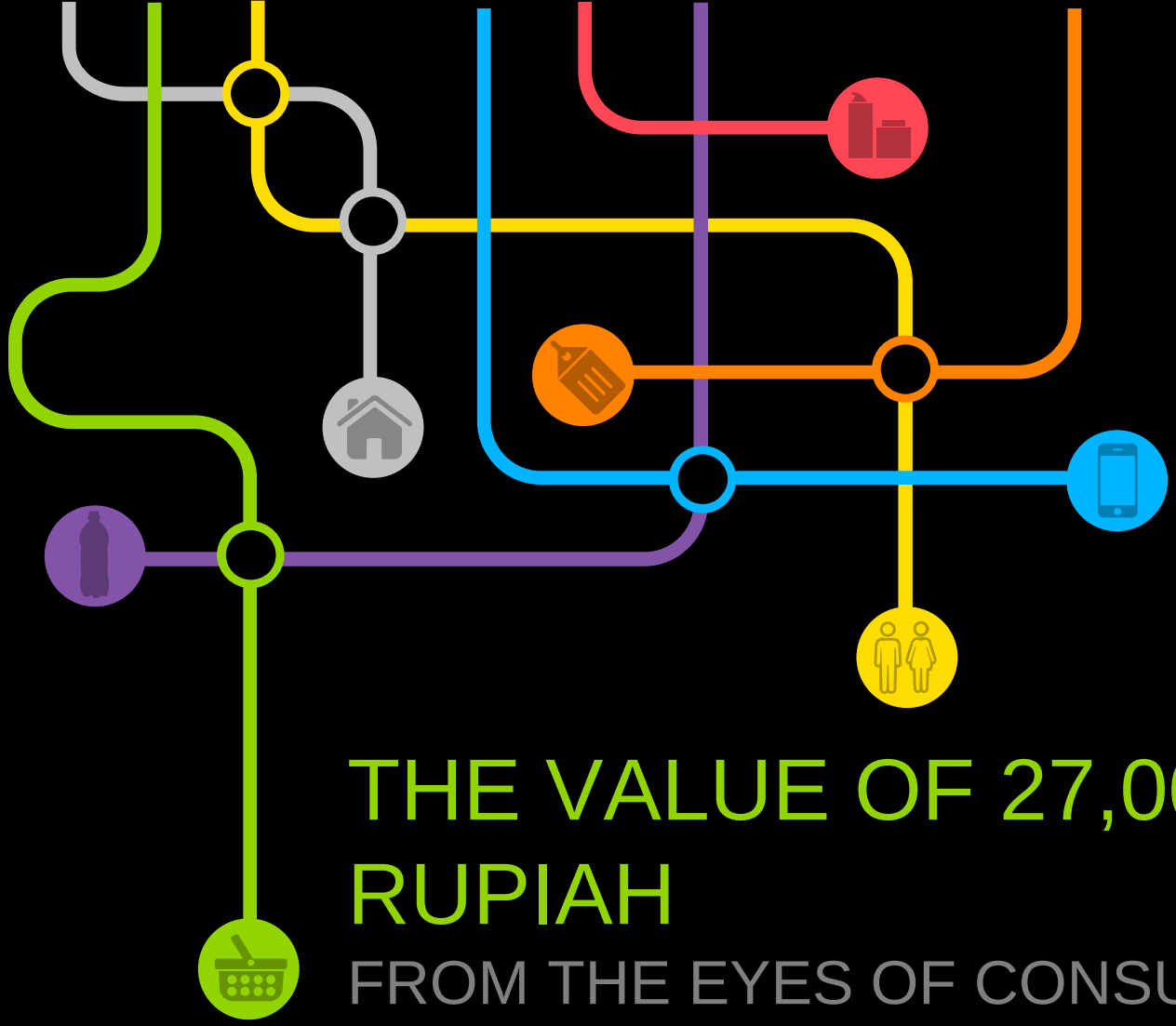
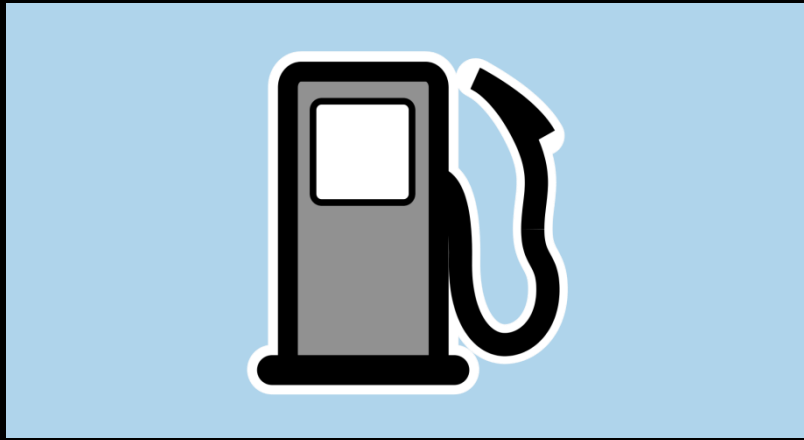


THE VALUE OF 27,000 RUPIAH

FROM THE EYES OF CONSUMERS

SOONLEE LIM

#LOOKING BACK HALF A YEAR AGO…



The “full tank” rush before…

FUEL PRICE INCREASED

IN JUNE 2012, FUEL PRICE INCREASED BY A WHOPPING

44%

The story starts here but does not end here…
The real impact on people's lives sometimes remains untold

the economy is SLOWING DOWN!

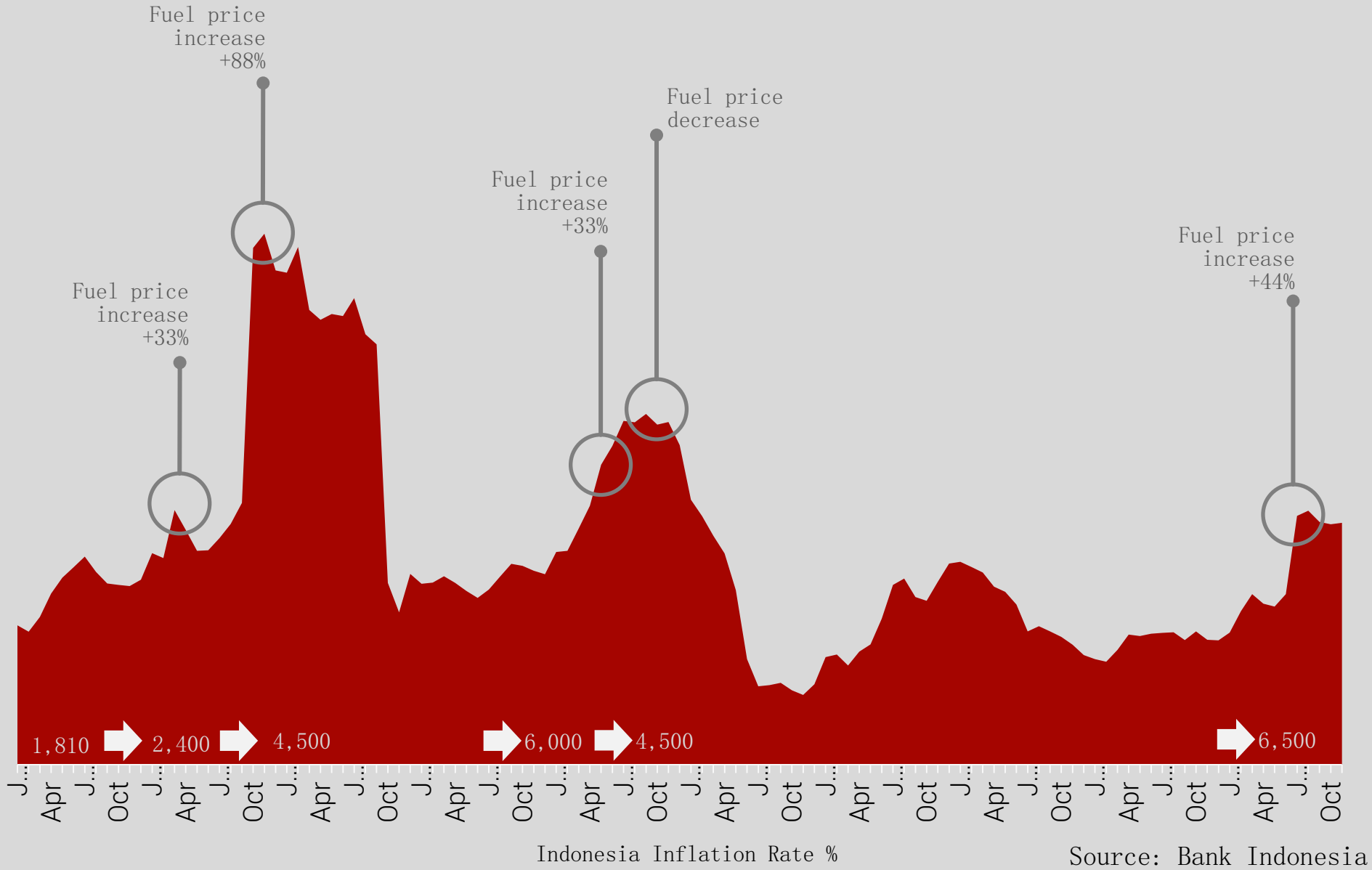
5.62%

Lowest GDP Recorded since Q4 2009

GDP ON DECLINING TREND FOR 5 STRAIGHT QUARTERS

Source

Bank Indonesia



Source: Bank Indonesia

WHAT REALLY HAPPENS BEHIND THE SCENES IN THE LIVES OF OUR BELOVED CONSUMERS

KANTAR WORLDPANEL

CONSUMER CONNECTION 2013

Let’s take a walk into the life of an SES B Household: Ibu Wati from Jakarta

SES B: Monthly Household Expenditure 2.2 – 3.5 mil/month
20% of Urban Households

Income increase led to strong val & vol growth

Striving for a better life

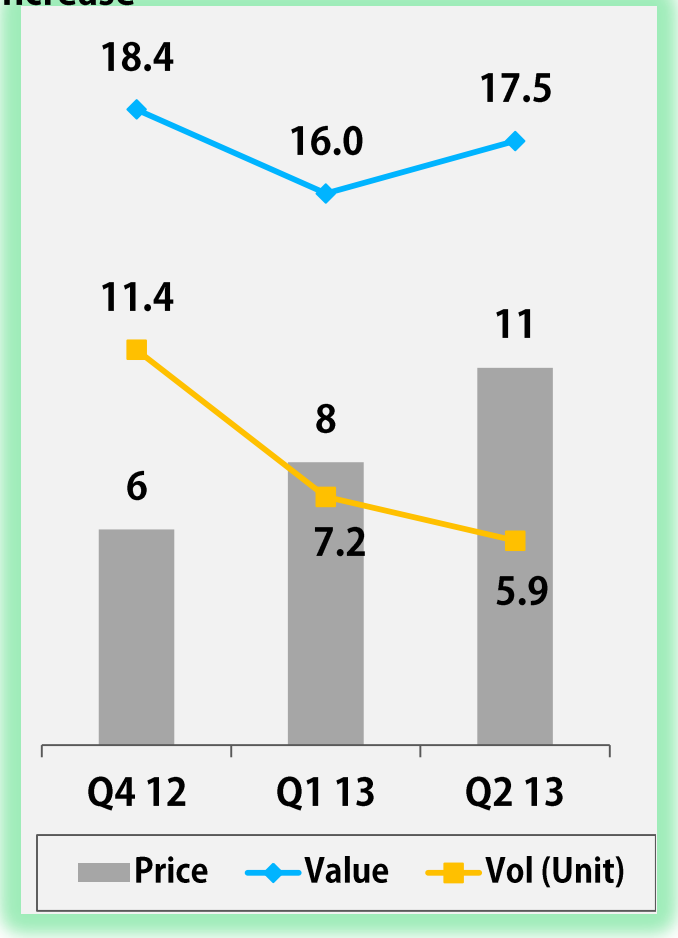
Aspiring HH

Spends about 1.4mil per Quarter for FMCG needs (excludes fresh foods & some commodities)

Spends on average about 14k per shopping trip

Makes 33 shopping trips per 28 days

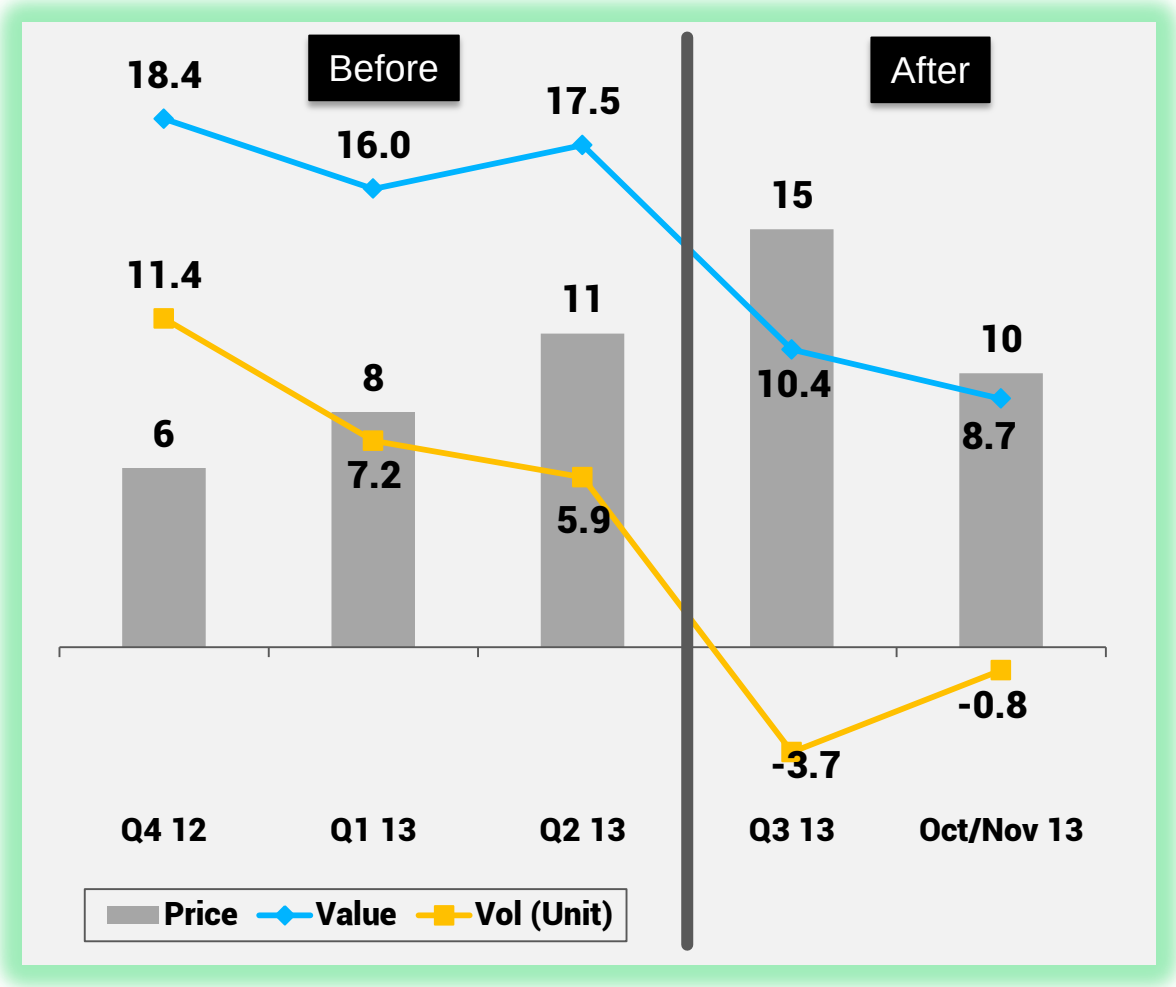
Growth vs YA - before Fuel price increase



What happened post fuel price increase?

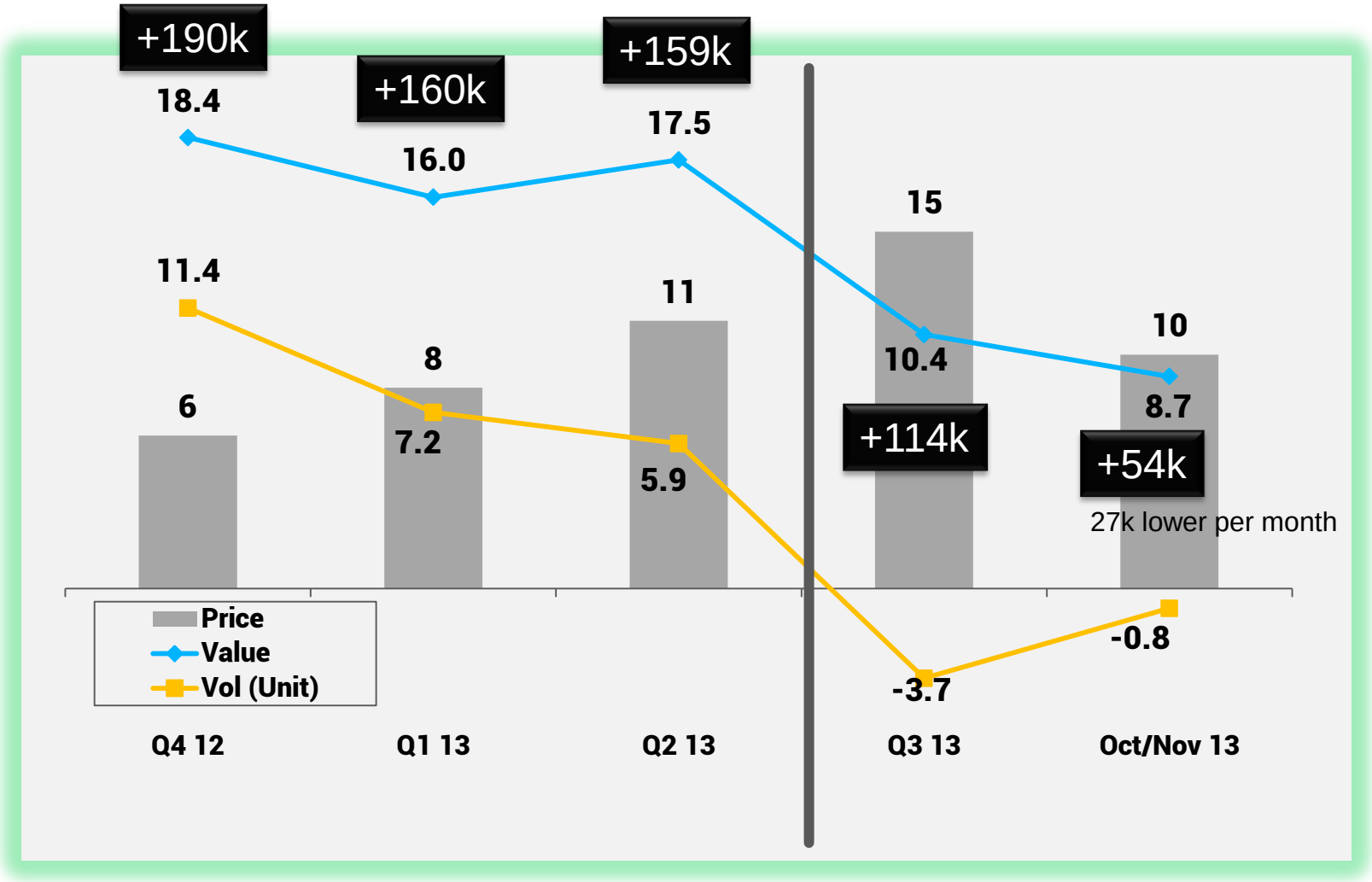
Significant drop in value growth, negative Units growth as inflation and fuel price increase “challenged” the lives of Indonesians…

Growth vs YA



©James David Phenicle

Unable to keep same level of absolute growth – as transportation costs, fresh foods cost, commodity costs have also increased… Rather heartbreaking because this is what an "Ibu Wati" can manage for the time being…



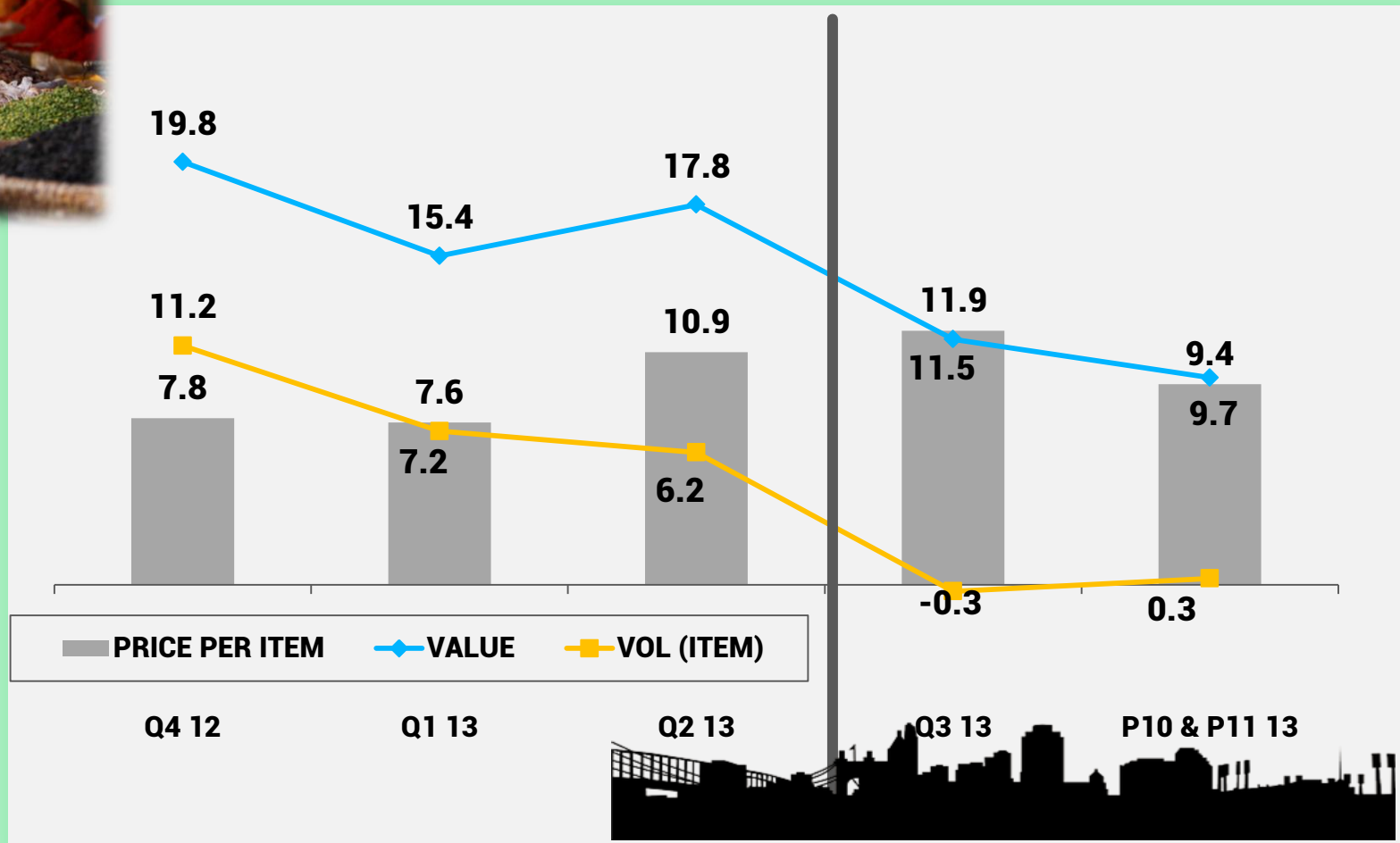
It turns out that 27,000 Rupiahs can mean a lot more than we probably could imagine…

SES B HHs are not alone… Their stories as told are also shared by other layers of the society…

SES A1	SES A2	SES C1	SES C2	SES D
20%	16%	19%	16%	17%
↓	↓	↓	↓	↓
15%	5%	13%	8%	15%

Value growth Q2 2013 (before fuel price increase)
Value growth Oct/Nov 2013 (after fuel price increase)

The total picture sums of the story… Value growth is not as "rosy" as before…



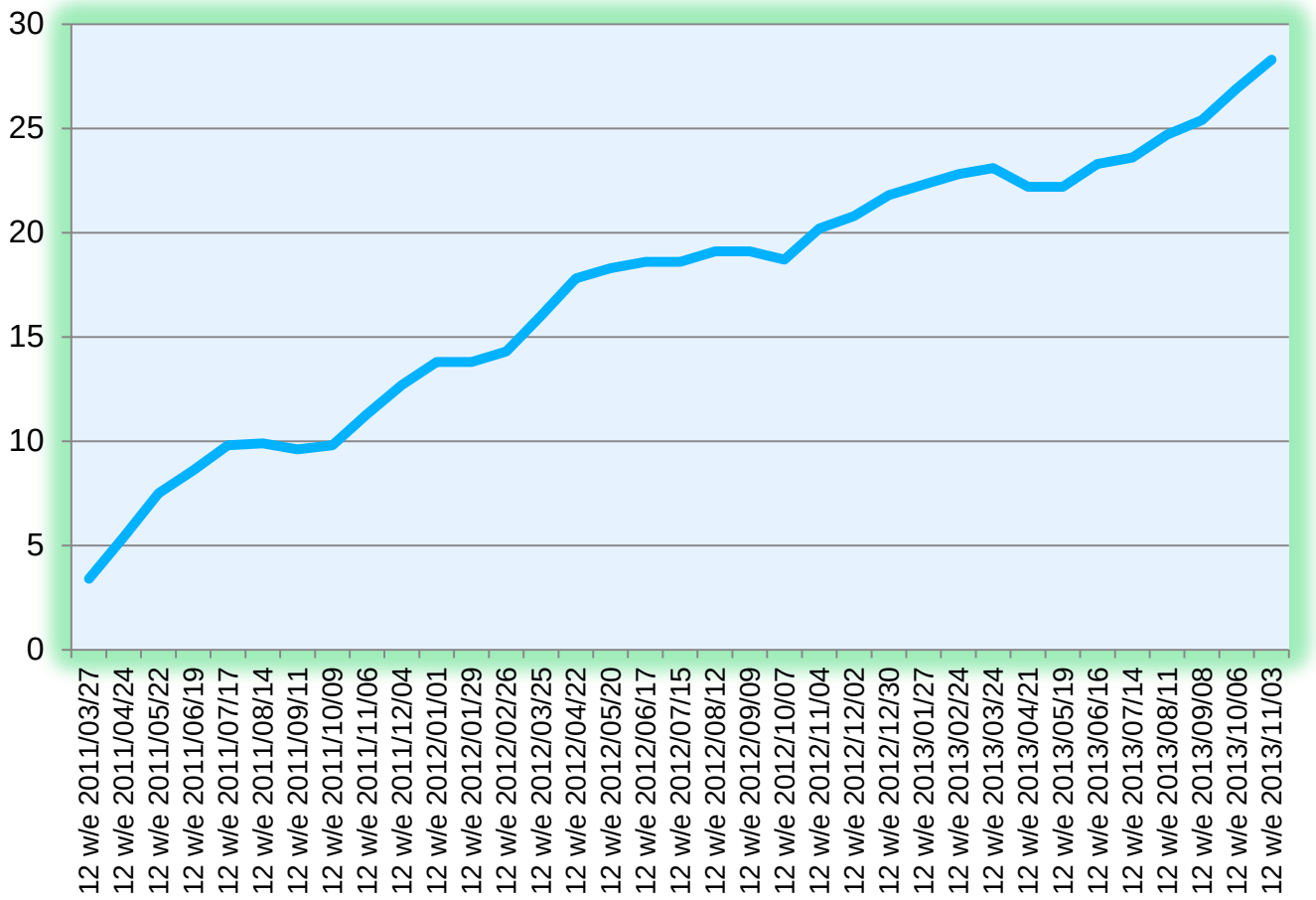
Total Urban Indonesia, Change vs YA

So what can you do in the midst of challenges?

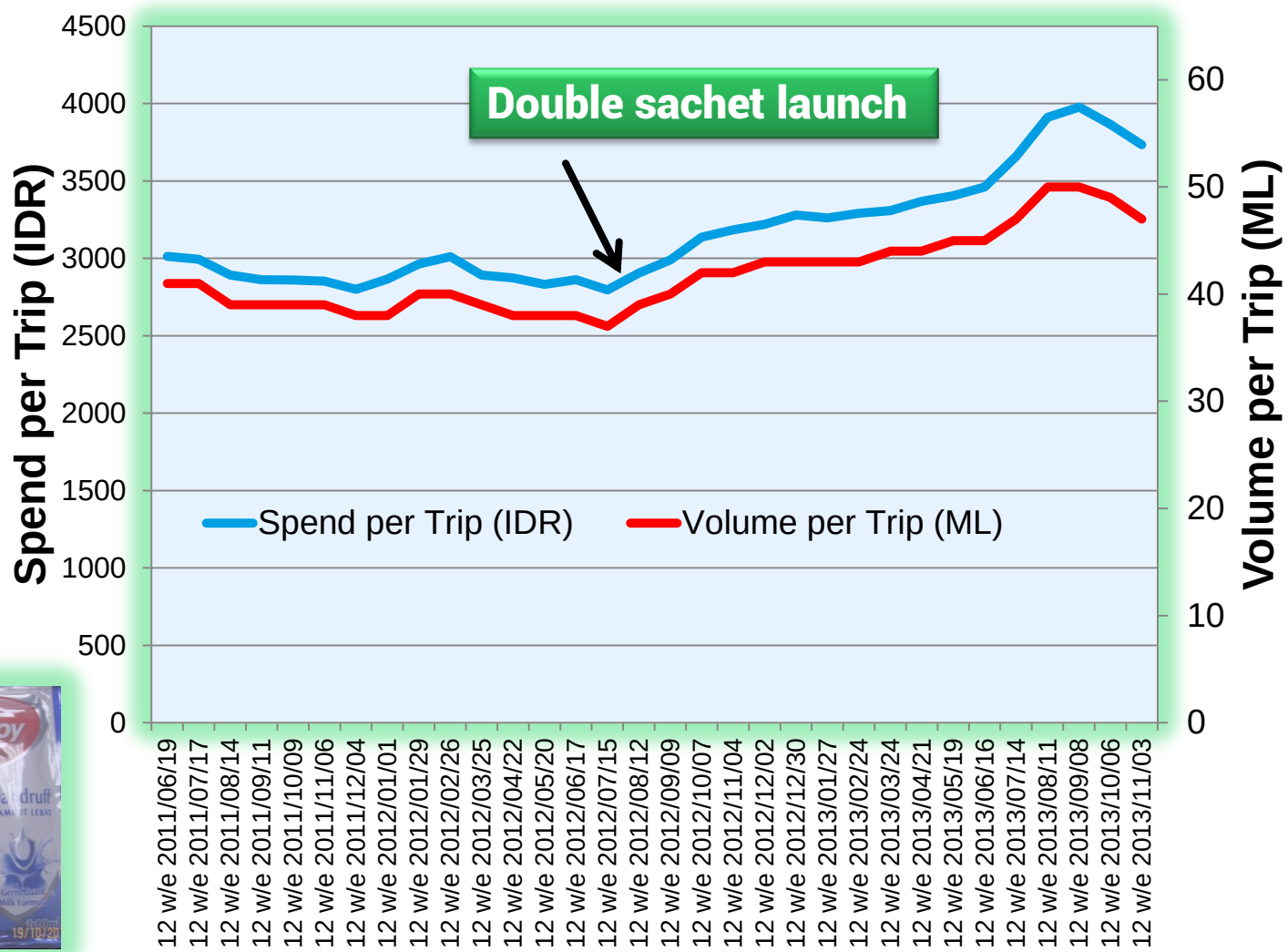
1

Dream big! New launch brand claim No 2 spot in LESS THAN 2 years after launch

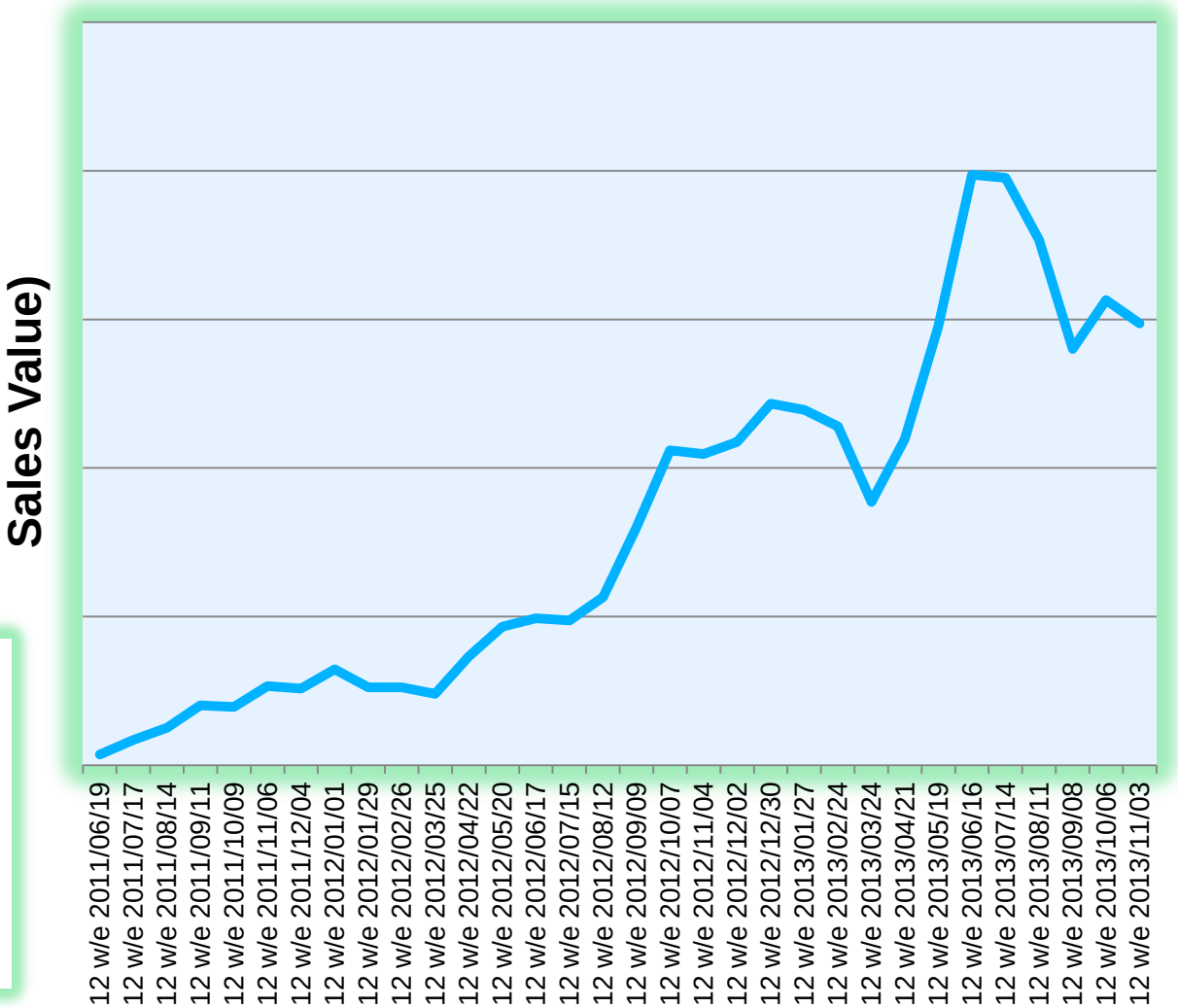
→ Look out for opportunities where you can innovate/new launch; or others might do it for you…



2 Drive the change that is needed; it is POSSIBLE!



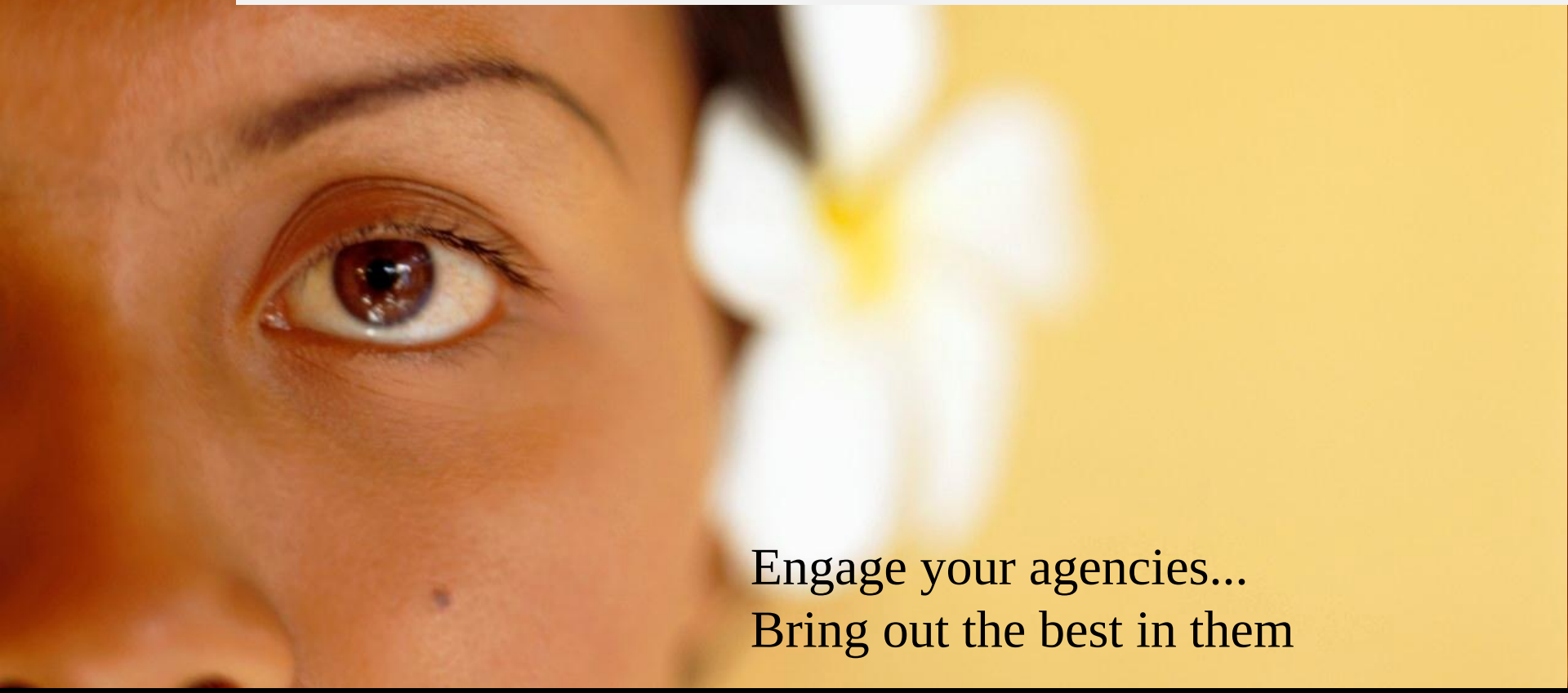
3 Ride on the growing segment
Garnier Men now taking no 1 spot in Men's cleanser



4

Understatement to say that today's market environment is a lot more challenging…

Innovation is part of our daily lives – inseparable; same applies for market research



Engage your agencies...
Bring out the best in them

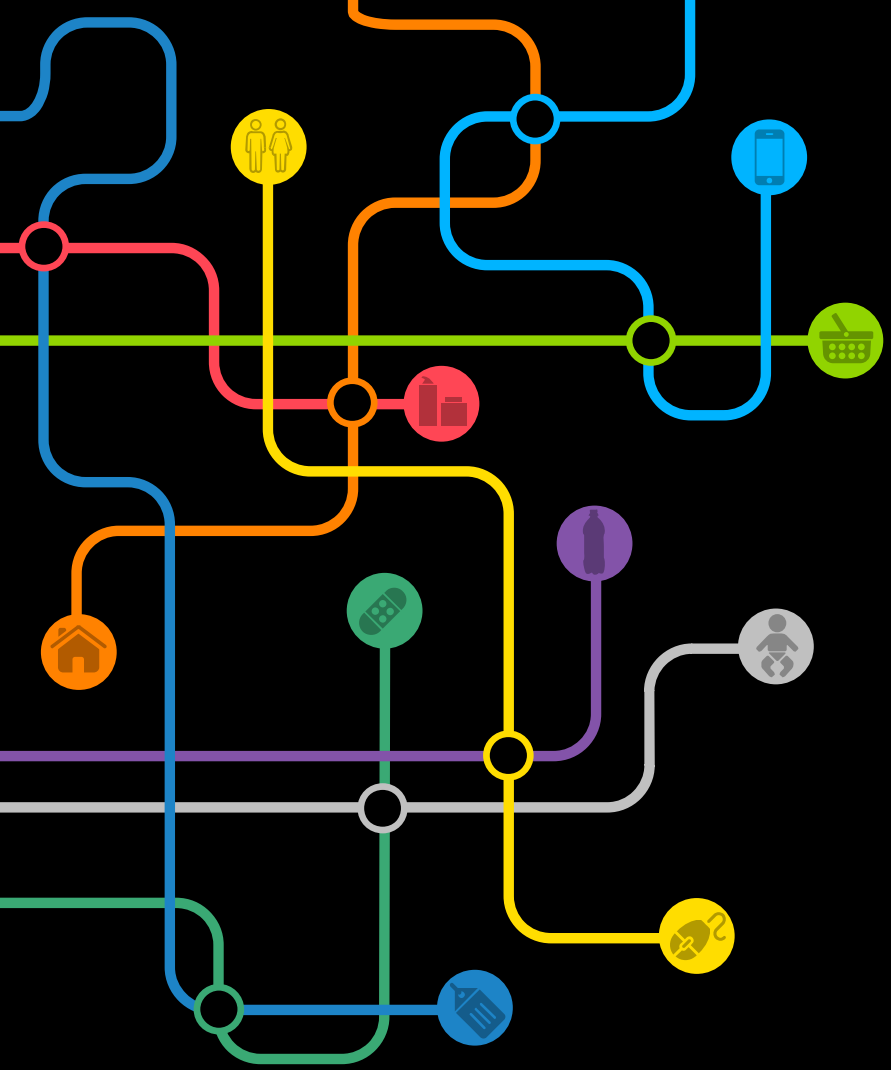
5

Indonesians are simply amazing

Sail through challenges
Do what it takes to make ends meet
Find ways to keep up with life's difficulties

Find promotions
Maintain cash outlay, but lower quality
Reduce consumption
Buy smaller packs

And most importantly, at the end of the day…
Indonesia is still a very appealing market



Soon Lee LIM

+62 811 940 7829

Soonlee.lim@kantarworldpanel.com