

Synovate Hotspots Indonesia



lifetolife

Bringing Indonesia to life



Bringing Indonesia to life

- This document outlines some of the prevailing issues in Indonesia today. It is designed to give you a flavour of the country, its people and some of the trends Synovate is observing.
- The core source of information is 'LifeWorlds' (Synovate's ethnographic approach) but it is complemented with Synovate's broader understanding of this country's culture.
- It is designed to help you think about researching consumers in this market and also developing products designed for the people who live there.
- Our discussion has three main parts:
 - 'Big Ideas' - important insights that will help you better understand Indonesia
 - Implications for research
 - Data



Section I: Big Ideas

Big Ideas

- Faith in numbers
- Islam with Indonesian characteristics
- Love me, love my T-shirt
- Hello? Operator?
- Tips for success

Big Ideas

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Faith in numbers

Most people know that China and India are the world's most populous countries, and many would correctly select the United States as number three. The country in the number four spot, though familiar to marketing professionals, often surprises the average person.

It is, of course, Indonesia, home to 245 million people.



Faith in numbers

But before you think that's the end of the story, guess how many different languages Indonesians speak? (Answer: more than 250.) How many islands do they live on? (Answer: 6,000 out of a total of 18,000 islands in the archipelago.) How many cities are there? (Answer: 550.)

Indonesian consumer behaviour is as varied as the population, reflecting the widely different income levels and lifestyles found across the country. The white-collar professional in Jakarta has access to the latest cellphone models and may enjoy Western films and TV. But he has little in common with the people of Banda Aceh who live in traditional fishing villages, or Irian Jayans who are only one generation removed from the Stone Age. Islam is the nearest thing to a unifying power, but even faith is fragmented. The country has 20 million Christians concentrated in five main areas across the archipelago, and most of Bali's 3.1 million residents are Hindu.



Faith in numbers

Once you've made sense of the kaleidoscope of Indonesian consumers and their behaviour, you still have to deal with the country's sprawling geography. The world's largest archipelago, Indonesia is connected by a largely Third World infrastructure. Getting products to consumers can be almost comically complicated. There are an estimated two million distribution outlets for consumer goods nationwide. Traditional *pasars* (large markets) and *warungs* (tiny stalls) are still the dominant retail channels rather than modern stores.

It took Unilever Indonesia many years to build its distribution network. The company now manages partnerships with 10,000-12,000 wholesalers and has access to 800,000 shops across the country. Most of these shops are far smaller than the outlets Unilever normally deals with in other countries.



The traditional market



synovate

Research reinvented

Faith in numbers

The distribution story doesn't end with this network of hundreds of thousands of *warungs*. At still lower levels of the retail chain, many consumer items are sold by street vendors – often from the middle of the street to motorists stuck in Indonesia's many traffic jams. These micro vendors stock everything from bags of shrimp-flavoured snacks to sachets of shampoo.



Street vendors



Warung (tiny stalls)

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Islam with Indonesian characteristics

Ninety per cent of Indonesia's 245 million people are Muslim, making it the world's most populous Muslim country. But there is no national ban on alcohol, only a minority of women wear head scarves, and men and women mix freely in public. McDonald's has a presence in the country, selling both its traditional beef burgers and a stand-alone chicken-based menu. Welcome to Islam, Indonesian-style.



Selling alcohol freely



Men and Women mix freely in public



Fashion for women with head scarves

Islam with Indonesian characteristics

Within the framework of the Islamic faith shared by Muslims across the world, the Shia form of Islam practiced in Indonesia is moderate, with relaxed sanctions for wrongdoing – for example, no finger-cutting for stealing, no punishment by whipping. Moreover, the separation of mosque and state was a founding principle of modern Indonesia from the time it achieved independence from the Dutch in 1949. When drafting the constitution, the country's founders explicitly decided against making *sharia* law a component of the document. Despite occasional intercommunal tensions that sometimes flare into violence, Indonesians pride themselves on living in a multicultural state. 'Unity in diversity' is the national motto.



Syariah Bank



Moslem party convoy

Courtesy to: anakbangsa69.wordpress.com



After Friday prayer

Islam with Indonesian characteristics

Indonesia may have a secular government, but it would be a mistake to think of this as a secular society. Religious beliefs run deep. A bank received bomb threats after it ran a printed advertisement showing a bulldog guarding a safe deposit box (in Islamic countries, keeping a dog indoors is taboo). Cultural sensitivities arising from marketing images are not confined to Muslims. Popular Indonesian band Dewa was boycotted in Bali for having a symbol of a Hindu deity on an album cover.



Dewa Band with symbol of a Hindu deity
Courtesy to : oachonk.wordpress.com



Using dog as security
Courtesy to : washingtonpost.com

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Love me, love my T-shirt

Why blending in trumps standing out

Western culture celebrates the spirit of individualism. Westerners often see consumer choices as a way to assert their unique identity and stand out from the crowd, and many marketers actively encourage them in this.

This approach will not work with Indonesians, though. Belonging to a group is one of the strongest bonds in Indonesian society. Indonesians are unconcerned about distinguishing themselves – rather, they seek acceptance. Though many Asian cultures avoid confrontation and value the group over self, the Indonesian desire to fit in is especially pronounced. In an influential study by the Dutch social scientist Geert Hofstede – demonstrating how values in the workplace are influenced by culture, Indonesia had one of the world's lowest rankings for individualism.



Colorful crocs,
everyone has a pair



A group of schoolmates
hanging out after school

Love me, love my T-shirt

Why blending in trumps standing out

How does this manifest itself in everyday life or business? You will rarely hear an Indonesian say “No” even to an apparently innocuous question. For example, ask someone if they are married and they might answer “Not yet”. Smiles abound, and even bad news is often delivered with a giggle. Confrontation or expressions of anger are looked down upon. Anyone who visibly loses their temper will be considered ‘crazy’ and pointedly ignored.



Doing things in groups is always preferred to doing them alone. Even a trip to the corner store requires a companion, and it is common to see friends of the same sex strolling with linked hands or arms around one another. Groups of friends or work colleagues wearing identical T-shirts, jackets or ties is a common sight. Choosing the same tie as your friend is considered a happy rather than an embarrassing coincidence, a clear sign of how well you fit in with the group.

Love me, love my T-shirt

Why blending in trumps standing out

Understanding this thinking is critical when marketing to Indonesian consumers. An international company may promise American consumers that its product will help them express their 'inner you.' Indonesian consumers, in direct contrast, are always looking for things that help them fit in!

In Indonesia, it is extremely difficult to dislodge a brand that has become the market leader. The mere fact that it is the one everyone likes makes its success self-perpetuating.



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Hello? Operator?

Making your marketing messages heard

The rainy season is a bad time to surf the internet in Indonesia. Jakarta's copper line infrastructure is so poor that when it pours, calls get dropped and web access and speed fall dramatically. The problem is so severe that PT Telkom, the government-owned phone company, no longer expands its network with landlines. Instead, new residential users are added via wireless local loop technology.

Although five-star hotels and shining skyscrapers crowd Jakarta's horizon, the capital and the country struggle to overcome their Third World infrastructure. Jakarta lacks a modern transport system and experiences frequent brownouts, major losses of power to the electricity grid.



Jakarta's Public Transportation



Le Meridien, a five-star hotel in Jakarta

Hello? Operator?

Making your marketing messages heard

Outside major cities, transport and communications are rudimentary. What appears as a major highway on a map of Java is likely to be a poorly paved twolane road. More than 40 per cent of routes are still unsurfaced. The limited transport infrastructure means that distributing goods across the archipelago can take weeks or months, rather than days.

These structural limitations have spawned some unique solutions. Mobile telephony has revolutionized communication, and many families will purchase a mobile phone before they get a fixed-line handset. Business cards list half a dozen different phone numbers as trunk lines are so frequently overloaded. Every major hotel or apartment block has its own electricity generator in case of power-grid failure.



Farmers with mobile phones

Hello? Operator?

Making your marketing messages heard

Since internet access by landline is so unreliable, many schools have set up their own Wi-Fi hotspots so that students can go online. Numerous home users living close to schools were in the habit of 'piggybacking' onto these hotspots. The phenomenon became so widespread that many schools administering Wi-Fi now charge for the service they were unwittingly providing to their neighbours.



Hot Spot at 'UKI',
one of the big
University in Jakarta

What does all this mean for companies doing business in Indonesia? How you communicate information on your products or services may be very different from how you do it in other countries. With such a wide selection of media – ranging from ten national and 43 local TV stations, down to store banners in family-run *warungs* – managing your brand image can be extremely complicated. Below the-line activities often require just as much of a brand manager's time and attention as TV and print media.



Esia banner at warung (local
telco provider)



'A-Mild' banner at local warung
(a cigarette-brand)

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Tips for success

What's the difference between tipping someone after receiving help and paying that person in advance to ensure good service is provided?

An Indonesian facing the bureaucratic challenge of getting a driver's license may offer a chronically underpaid government clerk a small fee to speed up the paperwork. Such acts are not regarded as corruption – just a way to get things done. Immigration officials may feel that foreigners really should pay a little extra at the border. Most outsiders earn more than Indonesian travelers, and reviewing their papers requires more time and effort.



Immigration office is well-known to be corrupt and prone to gratifications. Same case with Department of Tax or Export & Import



Tipping is a common practice for Indonesians. Meaning of tipping often blurred with gratification or bribery.

Image courtesy of
www.inmagine.com

Tips for success

These little ‘expediting fees’ are a fact of life in Indonesia – an accepted if not always openly acknowledged part of the system. It is not unheard of to see passengers heading towards the ‘crew only’ immigration desk at the airport with a banknote sticking out of their passport!

People may not expect large sums for the favors or services they provide, but ignore their requests at your peril. In one case, a foreign executive didn’t realize that he was supposed to take certain government officials to lunch once a quarter. After the lunch invitation had been omitted a couple of times, the phone service to his call centers was cut off. Once the restaurant reservations had been made, it was promptly restored.



Trial on corruption is a common sight during SBY governance.

Image courtesy of
www.infokorupsi.com



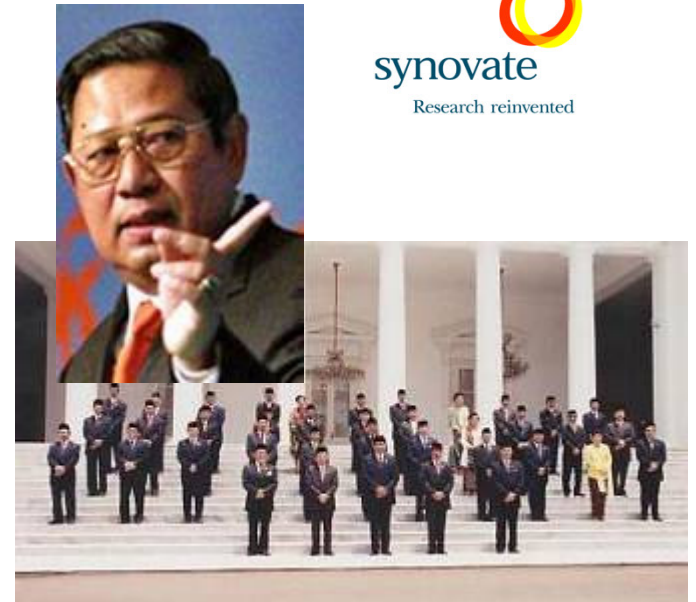
Corruption cases is suspected to be always involving government officials.

Image courtesy of www.bkn.go.id

Tips for success

Indonesia's current president has pledged to eradicate this inherited culture of payback from his government. Bureaucrats are beginning to act more professionally and the worst forms of corruption are receding. Change may be gradual, but all agree that it is necessary if Indonesia wants to successfully compete for foreign investment.

In Indonesia, where special 'expediting fees' are openly and frequently used to smooth the way in everyday life, it is sometimes hard to draw a distinction between what's just common sense and what's corrupt.



SBY and his ministers.
Image courtesy of www.bkn.go.id



KPK Building. The legitimate corruption watch organization, founded during SBY governance.

Image courtesy of www.bkn.go.id



Other Interesting Ideas:

- Main stream lifestyle
- Cultural influences
- Contemporary trends doing research

Mainstream Lifestyle: Religion as part of life

- While the majority of Indonesians are Moslems, Indonesians practice religious freedom for all. Aceh (Sumatra), however, continues to enforce strict Moslem religious practices, e.g. religious police ensuring women are all covered up.
- However, in most major cities, mosques, temples and churches happily co-exist together.



Mosque, Chinese Temple and Catholic Church close vicinity in Bogor

Mainstream Lifestyle: Religion as part of life

- Moslems pray 5 times a day, and most offices and malls provide a prayer room (musollah) for this purpose.
- Friday is the day when all men are expected to go to the Mosque at lunch time.
- Religious Influence permeates through much of the cultural values and lifestyle, e.g.:
 - Halal trademark is an important issue for consumers, even for the international food products such as McDonald's.
 - Men are the providers and protectors of their families
 - Giving to the poor



Friday praying is A MUST.
"Every male should go for Friday praying. I've been doing that since I was a kid. I try my best not to miss Friday praying, except if I'm stuck in the traffic."



Mc'D's is Halal



Two Elementary School girls wearing Jilbab—expected on Friday



Beggars are commonly seen during Friday praying. Moslems are expected to give away some money to those in need.

Mainstream Lifestyle: Urban & Rural



High rise buildings

- Urban 48.1% and rural 51.9% (2005). It is estimated that, in 2010, the percentage of urban will be higher (53.7%) than rural 46.3%
- There is an increase in the migration from the villages to the major cities in search of better paying jobs and lifestyles.
- However, the ties to their villages are very strong – leading to mass exit from the cities back to their villages every Lebaran (Most important Moslem holiday)



Harvesting rice – working together



Graffiti



Urban Crawl



Vegetable gardener



Collecting firework – fishing community

Mainstream Lifestyle: Living with traffic & floods



Rubbish clogged drains
– a problem

- Living with bad traffic conditions and floods is part of life in most major cities.
- Poor infrastructure and the rubbish from clogged drains also results in floods every monsoon.



Flooded Main Roads are a major problem during the Monsoon season



Wild weather: vehicle pass through floodwater. Heavy rains has caused wide scale flooding in Jakarta in recent weeks which has contributed to increased traffic delays. Jakarta Post, 15 Nov, 2007

Mainstream Lifestyle: Living with traffic & floods



Jakarta Post, 13 November, 2007
A typical day in Jakarta

- Traffic congestion is mainly due to the growth in population, without an improvement and growth in the infrastructure.
- Roads are poorly maintained with potholes and uneven pavements.
- In Jakarta, efforts are being made to alleviate this problem, e.g. 3 passengers in 1 car policy during peak hours into the city, special lanes for Transjakarta Buses. But this has made little impact on the number of vehicles on the roads.



Motorbike is the most popular transportation in both urban and rural areas - practical and faster to reach the destination.



Spill-over from a crowded train

Mainstream Lifestyle: Weekends at the Mall

- Shopping at the mall is the favorite past time for most Indonesians. Shopping is an integral part of family recreation and entertainment.
- Most are attracted by the comfort, security, restaurants and entertainment facilities for children offered by most shopping malls.
- Further in most major cities, there is a limited number of public parks available for family recreation. (source: Jakarta Post, 26 March, 2008)



Entertainment for kids at the mall, e.g. Time Zone and KFC a favorite family restaurant

Typical Mall – a place to hang out for the family during weekends



Cultural Influences : Family and Togetherness

- Collectivism as opposed to individualism strongly holds the community together.
- Although, the number of nuclear families is on the increase, there are very strong ties to their extended families as reflected in the ads on the right.
- As Indonesia embraces globalization, togetherness and family will continue to be strongly rooted in the Indonesian psyche.



Accompanying wife to the market, with baby in tow in Bogor

- Relatively traditional values of the man being the provider and protector and head of the household continue.
- However, in recent times, men are becoming more active in caring for their children.



Daihatsu XENIA VVT-i

"Anytime, Xenia is ready to escort the family. Driving your **children and nephews** become more fun!"



Toyota Kijang Innova

"So Comfortable, Powerful, Not noisy and Environmental Friendly Here is the ideal diesel car for family. Made for your whole family's comfort..."

Cultural Influences : Mish Mash of cultures



A model presents a creation by Indonesian designer Mardiana Ika made from recycled plastic or organic materials during the Eco Chic Fashion show in Jakarta, March 2008

- The rich fusion of cultures is reflected in fashion; culinary taste and adoption of the latest electronic devices from Japan or the West.
- Westernization is associated to being modern, cool and hip.
- Westernization has brought with it the popularity of American fast food with a difference, e.g. McD's fried chicken served with rice and chili sauce.



McD's fried chicken & rice



Modern Electronic Store in a Mall



McD's –Skate Boarding, a cool activity



Harry Potter, a favorite with kids

Cultural Influences: Western Infusion in a Moslem Society



Various magazines: Note the combination of both English and Bahasa Indonesia used here



Protest against the launching of Playboy in Jakarta

- Language has revolved and adapted to include words from the English Language (e.g. permissi – permission, informasi – information) as well as using a combination of both Bahasa Indonesia and English.
- Being a Dutch colony in the past, many of the Indonesian words also originated from Dutch (e.g. Kamar - room and gratis - free).
- While there are many magazines which are liberal in their expression of sex and relationships, Indonesia is still pretty conservative in its attitudes to sex and display of flesh, particularly in rural areas.

Cultural Influences: Something Old Something New



KFC & Holland Bakery



Modern Supermarket



Modern Hypermarket

- Westernization is associated with being modern; but the old and new ways of doing things are juxtaposed comfortably.
- For example:
 - Women shop in traditional markets for everyday fresh produce and the modern supermarkets for other groceries.
 - Families eat at modern western restaurants – Pizza Hut, KFC and McD's and traditional restaurants and side stalls.



Shops in a typical SEC A suburb



Traditional Market



Road Side Stall – familiar sight along the street

Cultural Influences : Shifts in cultural values

- Westernization has shifted cultural values to freely express:
 - Equality and social mobility – education to improve one's current status
 - Women's rights and equal access to employment
 - Although still confined to a small percentage of the community, care for the environment – recycling, going green, cleanliness
 - Open relationship between parents and children



Julia Suryakusuma, author of *Sex, Power and Nation*, A prominent women activist, feminist, and sociologist, is a regular contributor to Jakarta Post and writes liberally on women, sex, Indonesian culture and politics.



Freedom of expression: Graffiti a common sight in Cities like Jakarta and Yogyakarta



Jakarta Post, Tues, 19 Feb, 2008



Solar Energy

Cultural Influences: The Elite



Pacific Place: An upscale mall with most of the international brands represented here

- Less than 1% of the population are part of the Elite group, earning more than IDR10m (US\$1000) per month.
- In a typically hierarchical society, many products and brands are used to symbolize position and wealth.
- Many upscale malls and stores exist in major cities, e.g. Jakarta, to cater to the needs of a growing elite group.
- This group is characterized by their ostentatious consumption – fashion labels, luxury cars, restaurants, platinum credit cards, palatial residences, number of household staff, and, overseas education for their children.



Upscale residential area sprouting in many parts of Jakarta

Cultural Influences: The Growing Middle Class

- Around 8% of the population belong to the SEC A, spending over IDR3m (USD325) per month.
- The SEC B and C represents the bulk of the population, (34%, expenditure of between IDR1 and 3m - USD110 and 325 - per month).
- The demands of the middle class vary from the Elite group only in terms of the size of their budget. Their desire for “bling” and status symbols are similar, but due to budget constraints, may opt for “genuine fakes”, shop at factory outlets, live in smaller houses, have one maid instead of three, and drive a Toyota rather than a Mercedes.



Toyota. A popular car with the middle class



SEC C Residence



SEC A Residence

Contemporary trends : Democracy & the Freedom of Expression

The Facts

- The past 10 years, since 1998, Indonesia has emerged from being a guided democracy, under the Soeharto regime, to a nation keen to move forward to become a modern, fully democratic and thriving economy.
- This has given rise to a country where people openly demonstrate and express their views without fear of the authorities.



Freedom to Hold Demonstrations

So what?

- A fairly open society, interested in trying out new things, as long as it does not contradict their religious beliefs
- Materialism, individualism, freedom of religion



Recent Ad (2007) – projecting individualistic values of fun just for self satisfaction

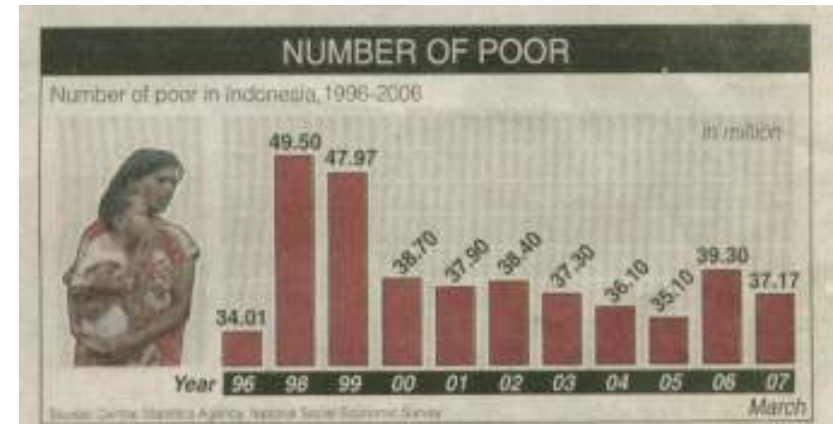
Contemporary trends : Democracy & Social Structure

The Facts

- Indonesia faces similar social problems as most emerging economies – underemployment, huge income gap, poverty, corruption, poor infrastructure and pollution.
- The government is taking steps to resolve these issues and as the nation's youth becomes more educated, as the foreign investment increases in pace with economic and social reforms, the country will continue to improve and grow.
- While there is a huge gap between the rich and the poor, there is a growing middle class and a slow decline in poverty.
- To provide for their families, many Indonesians have opted to work overseas as migrant domestic workers (next slide).

So what?

- Many of the lower SEC Indonesians do not have bank accounts, and basically live from “hand to mouth”, however, most would have access to a television set.
- Most would purchase households groceries in small quantities daily or when required, e.g. sachets of shampoo, soy sauce, individual packets of milk.



Jakarta Post, Tues, 3 July, 2007



Stall selling small bottles of petrol – common sight

Contemporary Trends: Jakarta – city bursting at its seams due to migration, both foreign and local



Jakarta – Land of contrast, ultra modern buildings act as backdrop to the existing low lying older housing



The Facts!

- Population of Jakarta is growing more rapidly than the growth of its infrastructure mainly due to the influx of people from other parts of Indonesia in search of the “good life”.

So what?

- Jakarta:
 - A vibrant city, cosmopolitan, diverse, and modern is faced with bad traffic conditions, squatter areas, rubbish clogged drains
 - Trendsetter – music, fashion, food. e.g. the annual Java Jazz Festival
 - The city is quiet during public holidays, especially Lebaran, when many return to their home towns and villages for the Moslem holidays



Contemporary Trends : Migrant Workers

The Facts!

- In 2007, the number of migrant workers to Singapore, Malaysia, Hong Kong, Taiwan and Saudi Arabia reached a startling 4.3 million, 70% of whom are female domestic workers.
- Working away from home in order to provide a better home for their loved ones, they return to a hero's welcome during their vacation once every 2 to 3 years, usually during Lebaran.

So what?

- These large numbers will have a positive influence on Indonesia because of its significant contribution to its economic welfare.

Implications :

- International remittance of money to families in all parts of Indonesia.



Indonesian domestic workers protest the WTO on international migrant rights day.



Migrants send home US\$1.5 billion

Indonesian migrant workers continue to contribute to the country's economy by sending money home. According to Bank Indonesia, they remitted US\$1.5 billion during the second quarter of this year, a 5.4 percent increase from the same period last year. Of the total amount, some 73 percent or US\$1.1 billion came from Indonesians in Malaysia and Saudi Arabia. About 83 percent of the 4.7 million regular Indonesian migrants work in the two countries. On the other hand, foreign workers in Indonesia remitted US\$224 million to their home countries in the second quarter, a 19 percent drop from the same period last year. <http://www.smc.org.ph/amnews/amn071031/south-east/indonesia071031.htm>

Contemporary Trends: Launching Products in Indonesia

- There is greater opportunity for new products in Indonesia if they...
 - Hint to being Western but adapted to Indonesian taste
 - Respect Islamic beliefs, Certified Halal – for food
 - Resonate values of collectivism – community and commonalities, with a hint of individualism
 - Emphasize the functional benefits
 - If targeting the ordinary Indonesian, it must not be overly expensive, and if possible, divisible into smaller size packs to be affordable
 - If targeting the elite, it should reflect one's social standing in society – full of “bling”



Section II: Implications for research

Implications for qualitative research in Indonesia

1. Be aware of the city you are choosing – it may not be representative of the whole country!
 - Jakarta can be vastly different to towns and cities in other parts of Indonesia, but being the center of commerce, trends and fashion, it is very likely that most research would need to include Jakarta.
 - Other cities, representing different islands and ethnicities should be considered to understand Indonesia:
 - In Java: Surabaya, although similar to Jakarta is included because of its strong buying power, while Yogyakarta is usually included as a secondary city in Java.
 - In Sumatera: Medan is the main city which represents Western Indonesia. Its secondary cities are Padang and Palembang.
 - In Sulawesi: Makassar is the gateway of this island, representing Middle and Eastern Indonesia
 - Depending on the research topic, consideration must be given to rural areas since their characteristics differ to those in the cities.
 - Bali is usually considered an exception and has a culture unique to itself mainly because: 1) Bali is predominantly Hindu – festivals and celebrations are distinctly different to other parts of Indonesia. Pork and dog meat is freely consumed. 2) Being a favourite spot for tourists, especially Australians, it leans rather heavily to Western taste and influence. Ubud, in Bali, is a place for poets, artists and jewelers – both local and western immigrants.
- Cont....

Implications for qualitative research in Indonesia

2. Starting time is just a reference! Be prepared to have a fluid schedule, e.g. unexpected delays and cancellations caused by traffic jams and floods, especially during the rainy season
3. In the middle of a group discussion, be prepared to have a break for prayer.
4. During Lebaran (Moslem fasting month), respondents break fast together. Also, be sensitive – no research on food
5. Accept the hospitality of respondents in their homes – they may serve drinks, snacks and may even invite you to lunch
6. In most homes, shoes should be removed before entering the house
7. Dress appropriately outside of Jakarta and in rural areas – sleeves to cover at least the shoulders and avoid tight fitted and short clothes

How to do research in Indonesia

Representative samples are difficult to achieve in Indonesia because of its sprawling geography.

Focusing on the 70-80 per cent of economically active consumers who live in the four major cities is more cost effective.

Interview methodologies

Door-to-door (D2D)

This is the most commonly used interviewing method. Respondents are normally too polite to decline a personal visit by a decently dressed interviewer.

In smaller cities, they even serve tea or water to the visitor. Only ethnic minorities are resistant to this approach, usually for reasons of security. As a result, they may be underrepresented in such surveys. Respondents are usually given a small gift as a token of appreciation at the end of the interview. The value can be anywhere between US\$1 and US\$5 depending on the length of the interview and the status of the respondent.

When conducting interviews in a lower socio-economic area, it is common for family members and neighbours to join the session. Sometimes, the respondent 'consults' other family members before giving an answer. The work of researchers often must be validated by supervisors, adding to fieldwork costs.

Interview methodologies

Central location tests (CLT)

In the major cities of Jakarta, Surabaya, Bandung and Medan, shopping malls rent out space for research. Malls are commonly situated near a bus terminal or train station, and are visited by a wide cross section of the population.

Costs are quite high. There is normally an unofficial rental fee for a security guard to ensure recruiters can work uninterrupted. This method can produce 30 respondents a day during weekdays and 50 at the weekend.

If respondents can be recruited on the spot, CLT is cost efficient. If the respondent criteria is more rigid and requires pre-recruitment, then transport to and from the location may be needed, making the cost of CLT prohibitive. Computer-aided personal interviewing (CAPI) is recommended when doing CLT. Parallel tests by Synovate suggest both research accuracy and speed are higher than pen and paper methods.

Interview methodologies

Telephone

Telephone penetration is relatively low compared with other Asian countries because building the infrastructure is so costly, given Indonesia's challenging geography. Landline penetration in Jakarta is only around 60 per cent. In other regional capital cities, it drops to 20-50 per cent. This means telephone surveys do not yield a representative sample and at best reach only the A and B socio- economic class. Mobile-phone penetration is increasing and now surpasses that of landlines. The cost of calling a GSM cellular phone, however, is about 20 times more expensive than a landline.

Telephone surveys are conducted within and from Jakarta. Synovate has 18 CATI (computer-aided telephone interview) stations there. In other cities, pen and paper interviews are the norm. The most suitable types of studies are B2B (business-to-business) among office employees (though not high-ranking executives), B2C (business-to-consumer) where the client has a valid consumer database (eg, bank customers, car buyers), and upper-class consumers. Such respondents can usually be interviewed by phone for up to 30 minutes.

Interview methodologies

Focus groups

Indonesians in general do not express themselves articulately. When screening respondents, you must insist that they be expressive, otherwise the group will be dominated by a few speakers, no matter how well trained the moderator.

Quality control of respondents is necessary to achieve the desired profile. Those responsible for QC should visit the nominated persons and personally deliver the invitation. This provides an opportunity to check if the respondent really is eligible and fits all the criteria.

Respondents should be brought from their home and back by taxi. They are Usually served refreshments and/or a full meal if the group starts at a mealtime. At the end of the session, offer small gifts as a token of appreciation. Lower socio-economic classes prefer cash. When recruiting working people who are Muslims, you can start at 6:30am, after dawn prayers. With housewives, it is possible to run two groups a day. At weekends, other respondents can also be used for twice daily sessions.

Gender mixing is possible if the subject matter being discussed is neutral. Children cannot attend a full group, but must be interviewed in pairs or in a small group. Elite respondents are easier to recruit if invited to a five-star hotel, and given a meal before the session begins.

Interview methodologies

In-depth interviews (IDI)

These work well with doctors and other professionals, high net-worth individuals and senior businesspeople. Bringing respondents like these together in a group is extremely difficult, and IDI is more convenient for all parties.

IDI can also be used when the subject matter is too sensitive or personal to discuss in a group. Synovate has conducted IDI with sex workers and their minders for market research into HIV/AIDS.

IDI is increasingly popular in Indonesia. However, care must be taken to ensure that the respondent shows his/her true behaviour during the session. In one case a respondent who normally used recycled cooking oil suddenly claimed she used fresh oil.

Videotaping is possible, though permission must always be sought. Once the session begins, respondents often forget that they are being recorded.

Online

Online surveys are possible among corporate employees.

Ethnic and religious

Indonesia has many ethnic groups and religions, but this is not a serious barrier to cross-cultural surveys. Product testing should not be conducted during Ramadan (the month of fasting based on the lunar calendar). Nor should Muslims be asked to sample pork products. Imposing quotas based on ethnicity or religion is unnecessary – indeed, it could cause offence as most people prefer to be treated as simply Indonesian.

Although ethnic Chinese Indonesians represent only five per cent of the total population their presence is significant in big cities where they have a high profile in retailing. Most do not speak Chinese except for a few words or phrases. Treating this group as different from other Indonesians could be considered insulting.

Questionnaires

Here are five key considerations when designing questionnaires:

- Maximum length by method: D2D, 120 minutes; CLT, 60 minutes; telephone, 30 minutes; street intercept, 15 minutes; focus groups, up to 2.5 hours and in-depth interviews, up to 1 hour
- Target respondents. Although a high percentage of the population is literate, the ability to digest rather complex issues may be limited
- Subject matter. Extra caution is needed when researching sex, religion, race, ethnicity or politics

Language

Indonesian (called Bahasa Indonesia) was created as a national language so that the archipelago's 300 ethnic groups could easily communicate in a common tongue.

Interviewers may need to translate some terms when dealing with rural populations. Interviewing in English, even if the respondent speaks English fluently, is often interpreted as a competency test and therefore one of 'face.'
English is therefore best avoided.

Schedules

Indonesian Public Holidays 2009

- **1 Jan** New Year's Day
- **26 Jan** Chinese New Year
- **9 Mar** The birthday of the Prophet Muhammad
- **26 Mar** Saka New Year
- **10 Apr** Good Friday
- **9 May** Vasak Day
- **21 May** Ascension of Jesus Christ.
- **20 July** Isra Mi'raj of the Prophet Muhammad
- **17 Aug** Independence Day
- **21-22 Sept** Idul Fitri (1 Syawal)
- **27 Nov** Idul Adha
- **18 Dec** Islamic New Year
- **25 Dec** Christmas Day

The background is a solid teal color. On the left side, there are several abstract, overlapping shapes in a lighter shade of teal. These include a large, curved shape that resembles a stylized 'P' or a bracket, and a smaller circle at the bottom left.

Section III: Data

Sources

This data is assembled from a Synovate telephone survey of a representative sample of adults in Jakarta, Surabaya, Medan and Bandung conducted in April 2006.

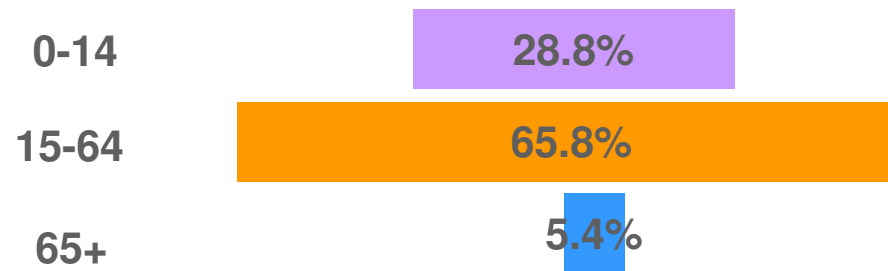
It is supplemented with some basic country facts, as well as economic, population and communications data from the Central Intelligence Agency's **World Factbook**.

Some numbers

- Total Population : 234 million, fourth most populous nation in the world
- Archipelago of 17,508 islands (6,000 inhabited)
- Top 4 cities and populations
 - Jakarta : 10 million, with surrounding areas (Jabodetabek) 14m
 - Surabaya: 5 million, with surrounding areas 7 million
 - Bandung: 4 million
 - Medan: 2.5 million
- Ethnic mix
 - 300 distinct ethnic groups, Javanese is the largest (41%). Sundanese (15%), Malays (7%) Madurese (7.5%) are the largest non-Javanese groups. The Chinese are an influential minority group (3%), but only 0.5% speak their own dialect, controlling much of the private commerce and wealth
- Religion
 - 86% Moslem, 5% Catholic 6% Protestant, 2% Hindu, 1% Buddhist



Population distribution by age (2006)



Average household income/ expenditure

- Urban: USD100 per month (Jakarta USD130 per month)
- Rural: USD60 per month
- 18% of the population below poverty line
- 49% live on less than USD2 per day

Literacy rate:

- 90.4% of the population over 15 are literate
- Sources: CIA World Factbook Indonesia Sept 2007, BPS (Stats Indonesia)

Communications (2005)

- Telephone – landlines: 12.8 million
- Telephone – mobile: 46.9 million
- TV broadcast stations: 54
- Internet users: 16 million

Top Brands for Key Categories

1. Mobile Phone



6. Internet



2. TV & Fridge



7. Shampoo



3. Noodles



8. Soap



4. Toothpaste



9. Football Shoes



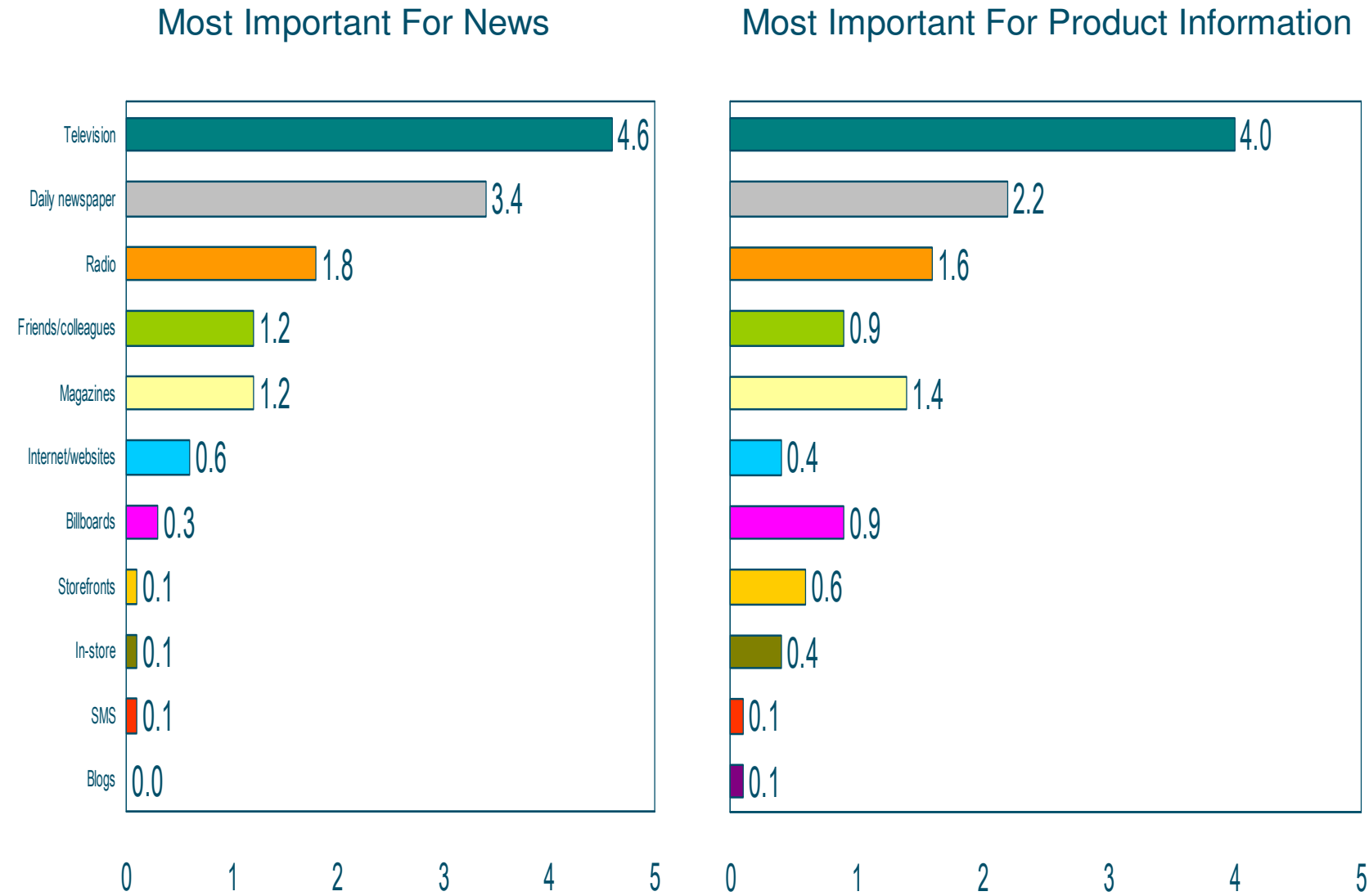
5. Automotive



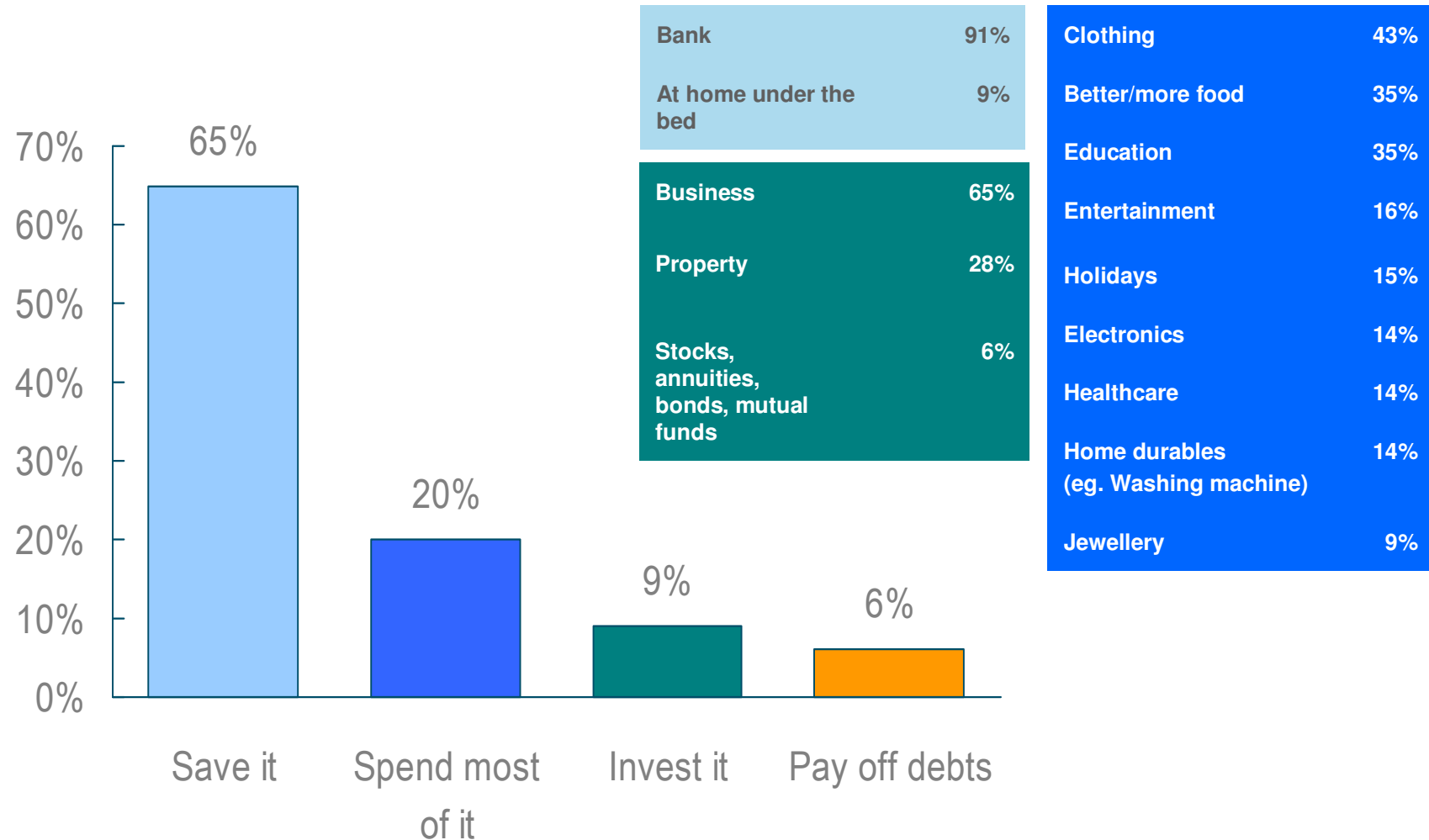
10. Bank & Credit Card



Most important media sources (5= Most used)



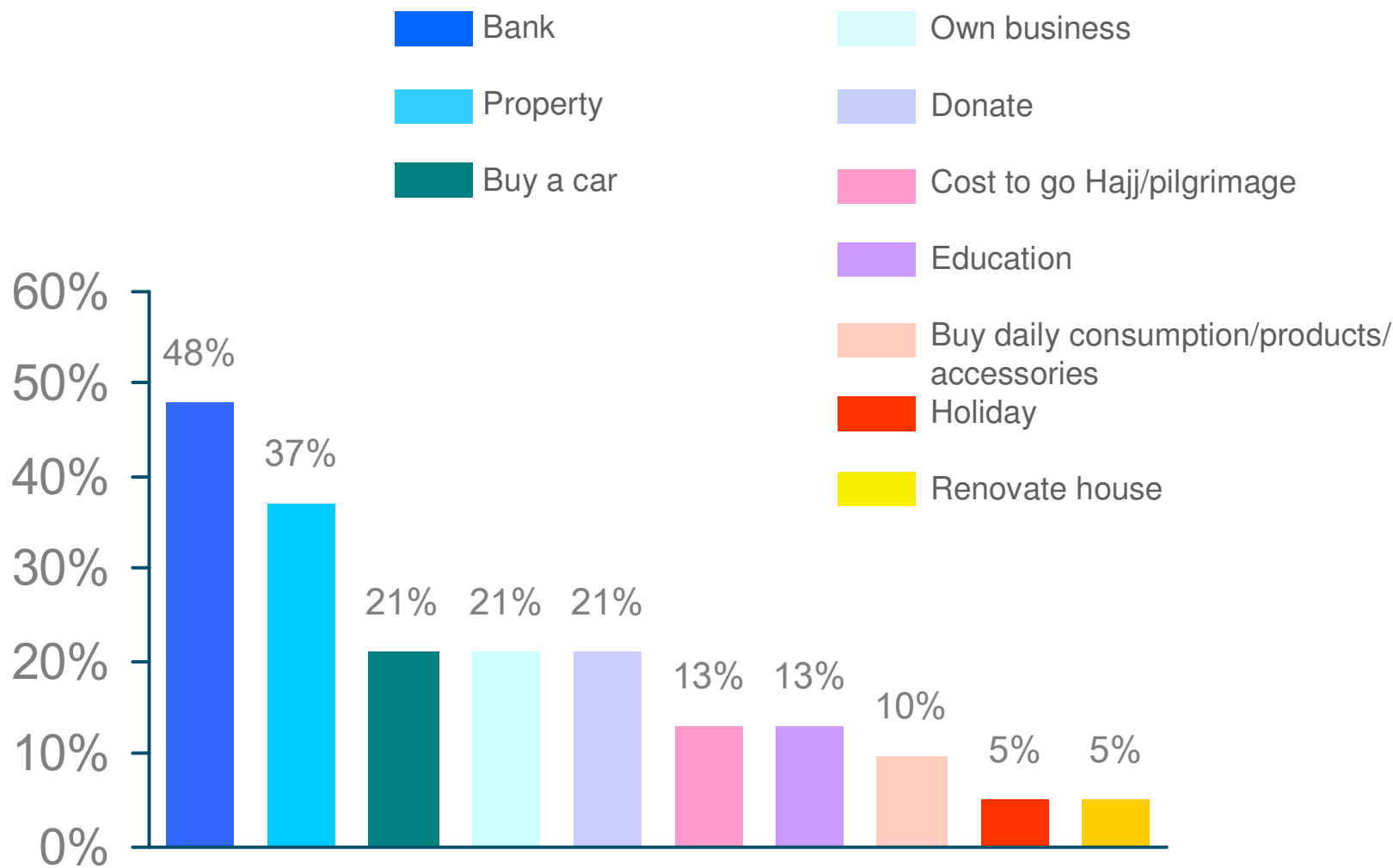
What would you do with 20% more household income?



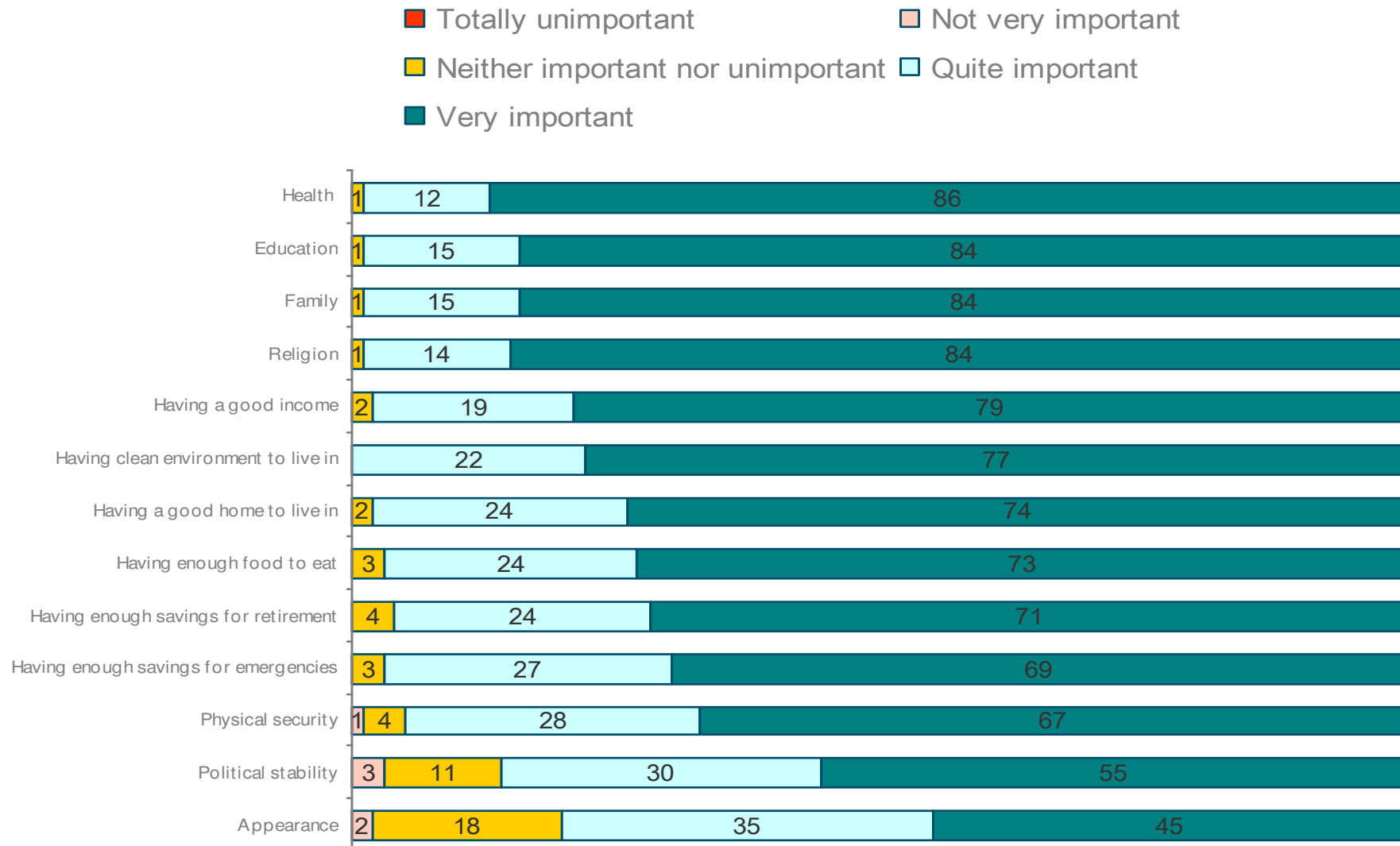


synovate
Research reinvented

What would you do if you won US\$100,000 in a lottery?

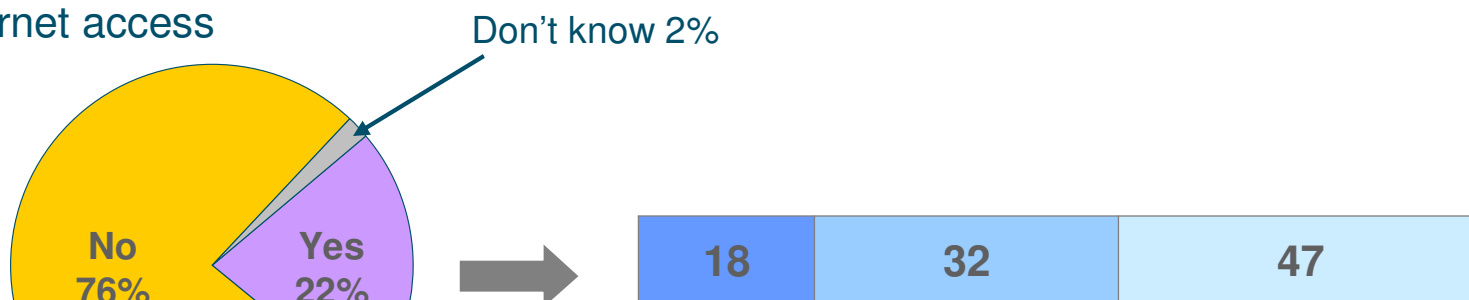


Lifestyle personal importance (numbers in percent)

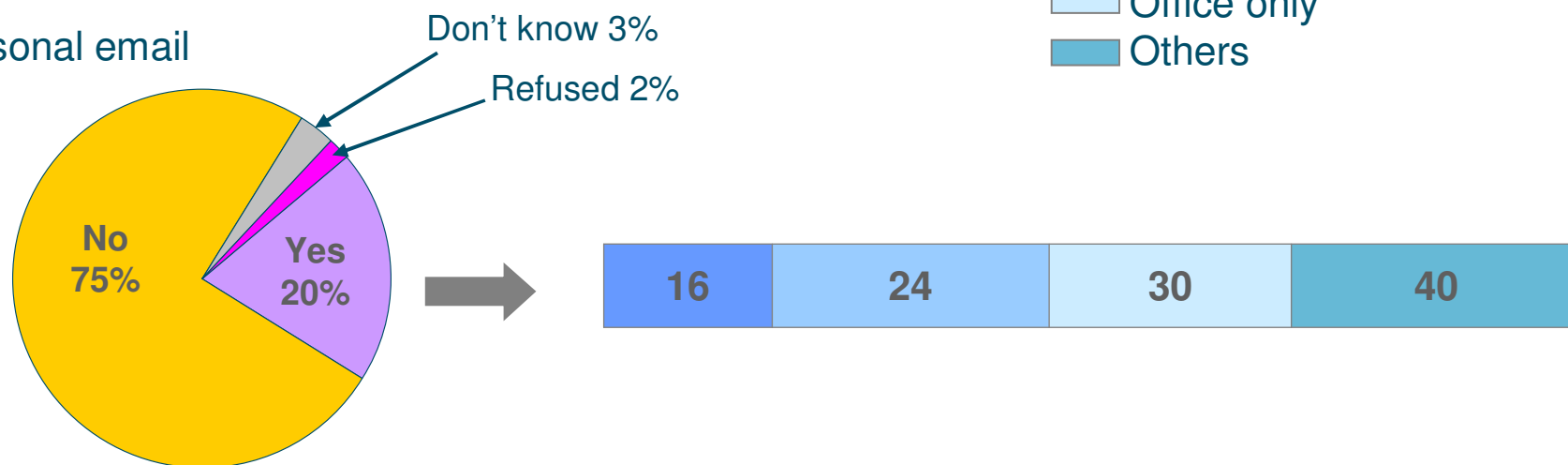


Cyberspace

Internet access



Personal email



■ Both home and office
■ Home only
■ Office only
■ Others











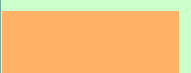
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Products and services – usage during past three months and brand image





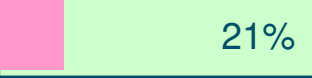

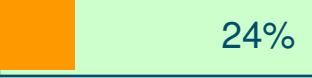
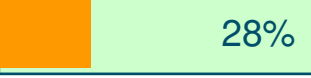
	Used past 3 months	Best Brand	2nd Brand	3rd Brand
Travel				
Hotel Group	 13%	Grand Hyatt	Hilton	Sheraton/Gran Melia
Airline	 8%	Garuda Indonesia	Lion Air	Singapore Airlines/ Adam Air
Alcohol				
Beer	 9%	Bintang	Anker Bir	Guinness



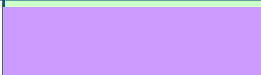

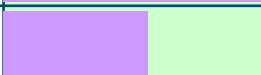
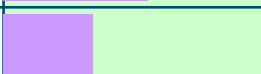
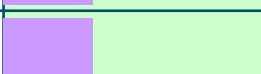
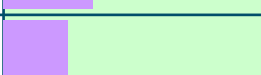
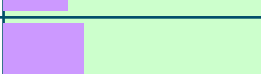
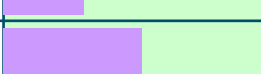
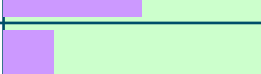
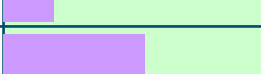
Products and services – usage during past three months and brand image

	Used past 3 months	Best Brand	2nd Brand	3rd Brand
Soft Drinks				
Fruit Juice	 57%	Buavita	Berri Juice	NutriSari
RTD Tea	 65%	SariWangi	Teh Botol Sosro	Bendera
RTD Coffe	 47%	Kapal Api	Nescafé	ABC
Cola & syrup	 62%	Coca-Cola	Fanta	Pepsi Cola
Lemonade	 20%	ABC	Marjan	Lemon Tea
Auto				
Fuel for your car/ motorcycle	 71%	Premium	Permatex	Permatex Plus
Motorcycle	 66%	Honda	Yamaha	Suzuki
Car/Pick-up Truck/ SUV	 31%	Toyota	Honda	Suzuki
Lubricant for your car/motorcycle	 66%	Top 1	Mesran	Castrol

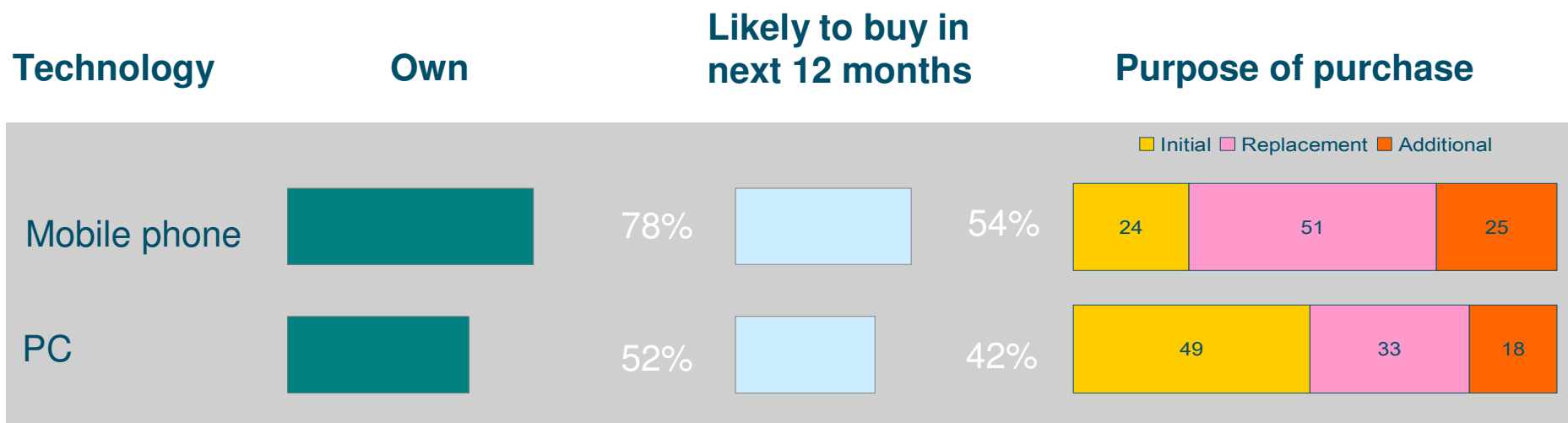
Products and services – usage during past three months and brand image

	Used past 3 months	Best Brand	2nd Brand	3rd Brand
Retail				
Convenience store	 10%	Indomaret	Alfamaret	Matahari
Everyday clothing store	 28%	Matahari	Yogya	Ramayana
Designer clothing store	 2%	-	-	-
Fast food chain	 56%	Kentucky Fried Chicken	MacDonald's	Pizza Hut
Grocery	 21%	Marko/ Alfa Grosir	Carrefour	Giant
Technology				
Mobile phones	 75%	Nokia	Sony Ericsson	Samsung
MP3 player	 24%	Sony	Samsung	Toshiba
Large screen/Flat TV	 28%	Sony	Toshiba	Sharp/ Samsung

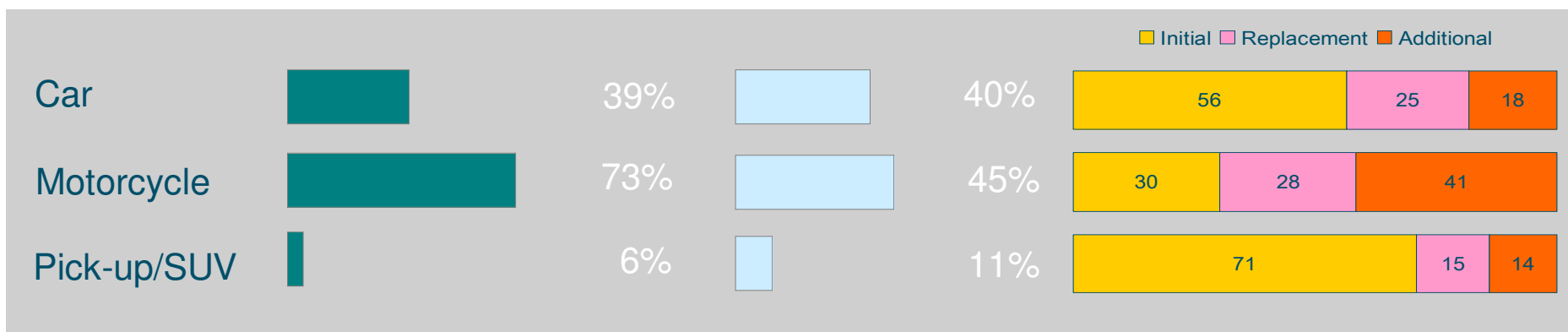
Products and services – usage during past three months and brand image

	Used past 3 months	Best Brand	2nd Brand	3rd Brand
Personal Care				
Soap	 97%	Lux	Lifebuoy	Nuovo
Shampoo	 97%	Sunsilk	Pantene	Clear
Lipstick	 41%	Revlon	SariAyu	Mirabella/Avon
Conditioner	 26%	Pantene	Sunsilk	Rejoice
Face Powder	 26%	SariAyu	Revlon/Mars/Viva/Johnson	Pixy/My Baby
Eye Make-up	 16%	Revlon	SariAyu	Oriflame
Face Make-up	 24%	SariAyu	Olay	Mustika Ratu
Facial Moisturiser	 40%	Pond's/SariAyu	Olay	Mustika Ratu
Shower Gel	 14%	Lux	Biore	Lifebuoy
Facial Cleanser	 43%	Pond's	SariAyu	Biore

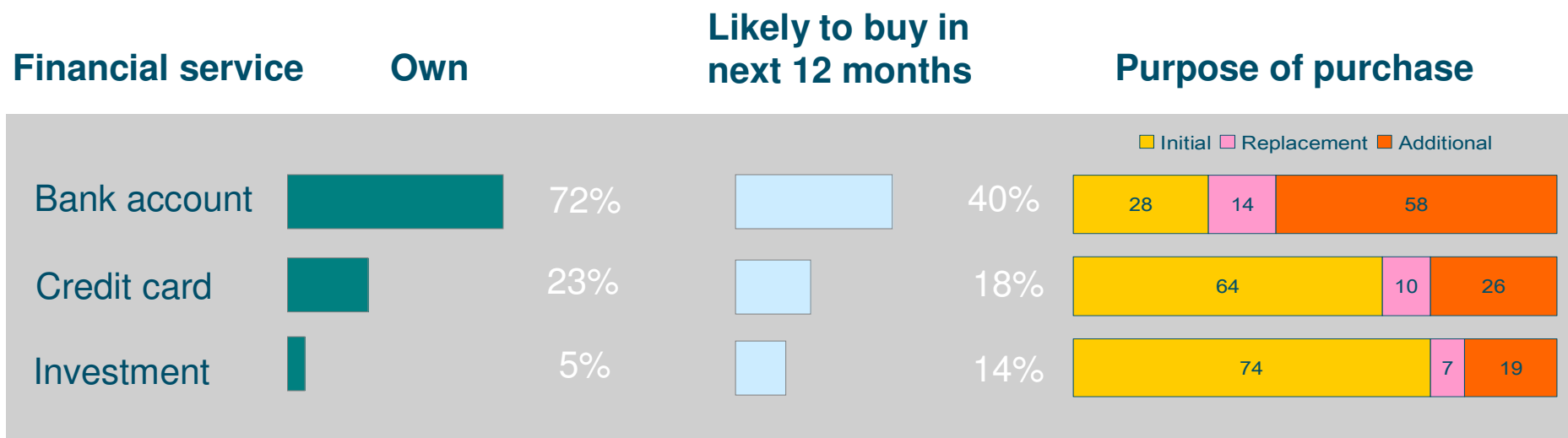
Product ownership



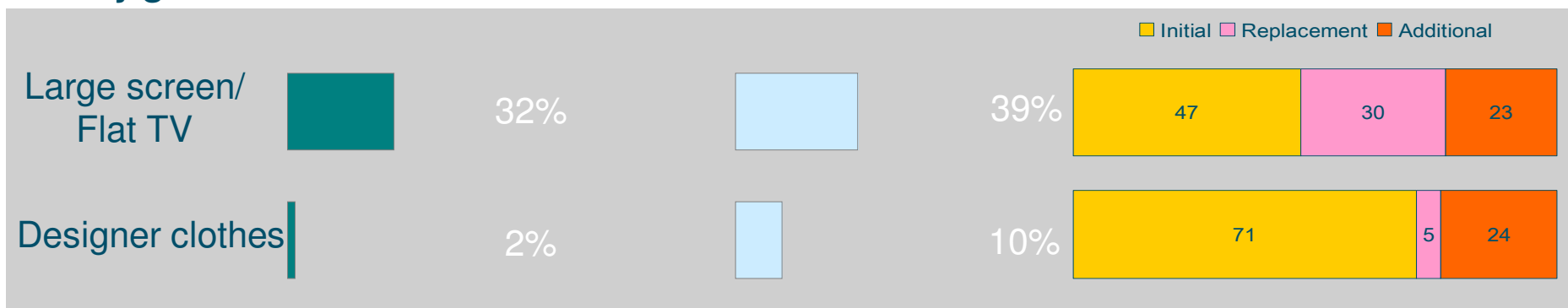
Vehicle



Product ownership



Luxury goods



Global retailers' image

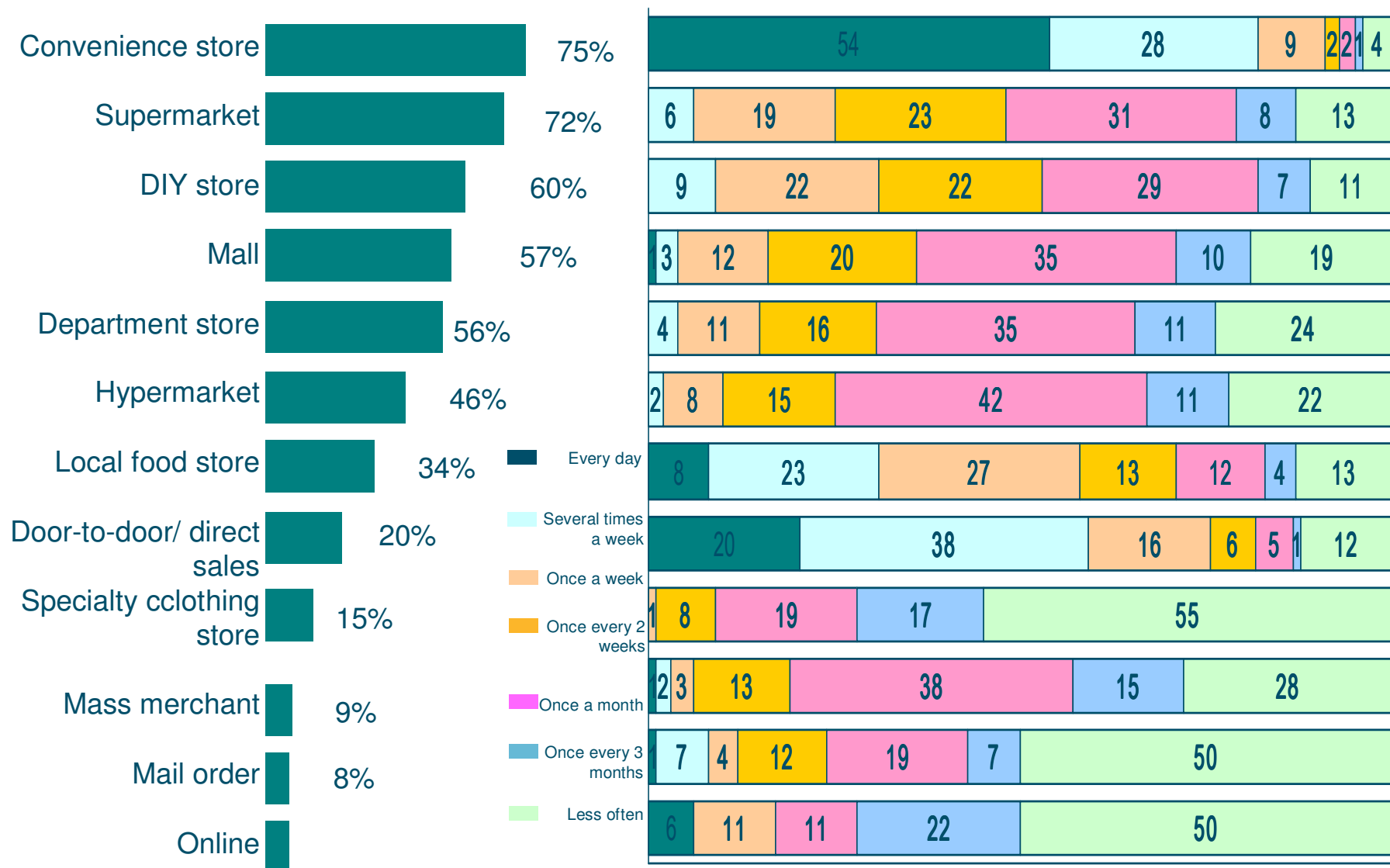
	Awareness	Very positive	Positive	Neutral	Negative	Very Negative
Carrefour	97	20	54	20	5	1

How do I spend my weekday/weekend (hours)

	Media/Information			Sleeping
	Reading newspapers/magazines	Surfing the Internet	Watching TV	
Weekday	0.81	0.48	2.8	6.88
Weekend	0.85	0.44	3.41	7.12

	Working/school			Exercising/ Playing sports	Staying at home
	Commuting	Housework	Work/school		
Weekday	1.14	1.17	4.95	0.63	6.94
Weekend	1.04	1.48	1.2	0.81	7.1

Retail penetration and frequency (past year)



Local or international

Locally manufactured brands are just as good as international brands



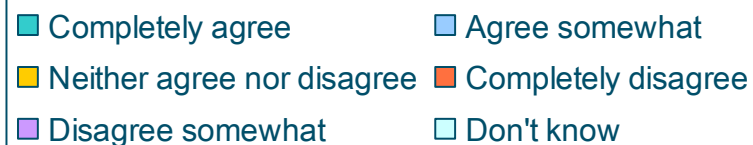
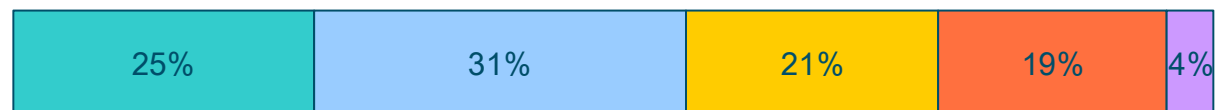
Local retailers are just as good as international retailers



Most people don't know the difference between local and international brands



If a local and international brand are of equal quality and price, I would prefer the local brand

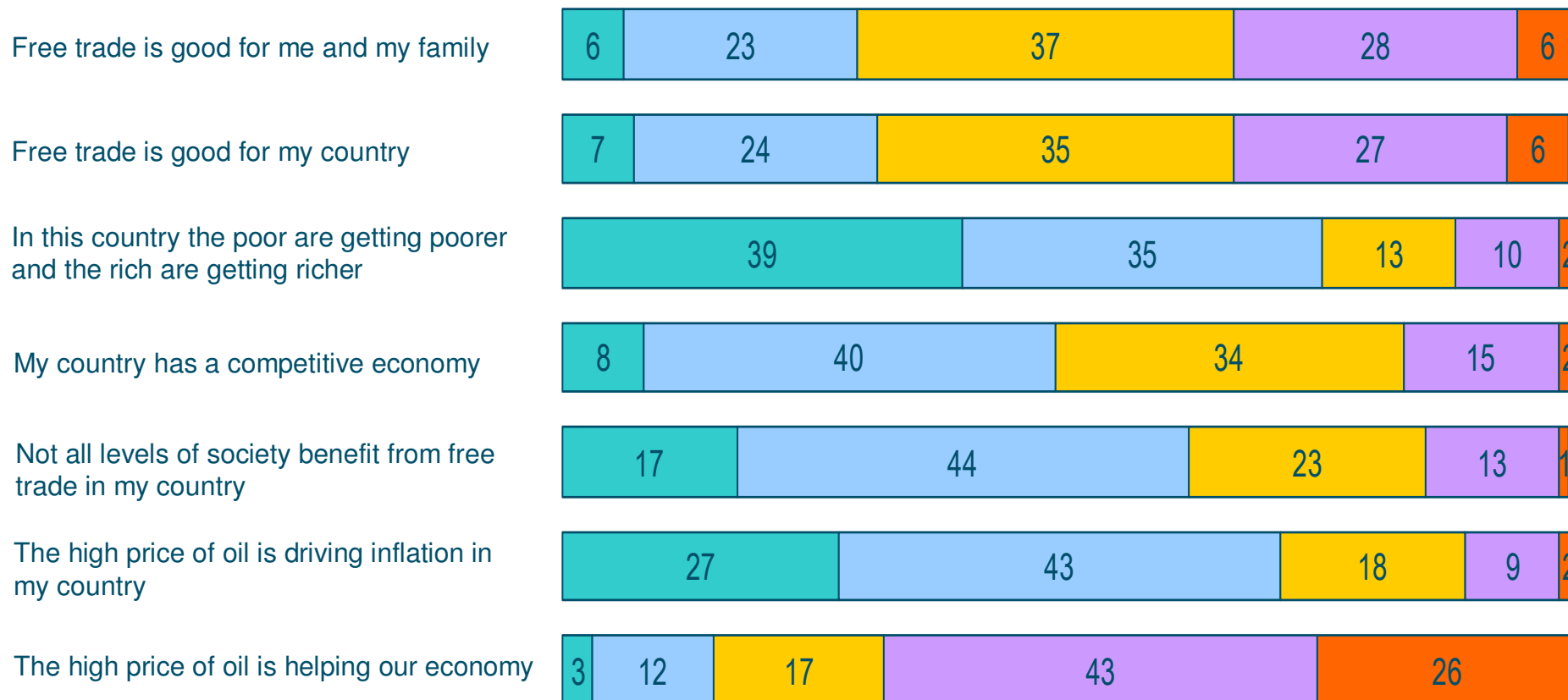
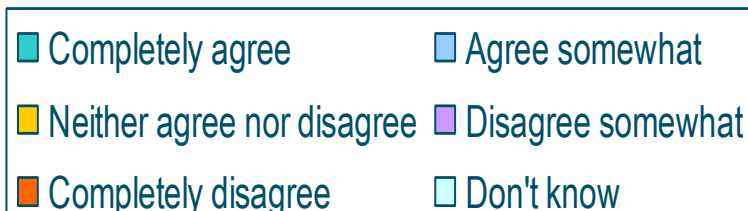


Have you experienced any of these distressing situations in the past year? (figures in per cent)

	Total
None	71
Lost a primary job	11
Had to accept a pay cut	10
Been the victim of a crime	7
Been the victim of discrimination	4
Been asked for bribe by a corrupt official	3
Been sick and could not afford medical attention	3
Been sick and could not get medical attention	3
Had to skip a meal because you did not have money for food	2

Attitudes (figures in percent)

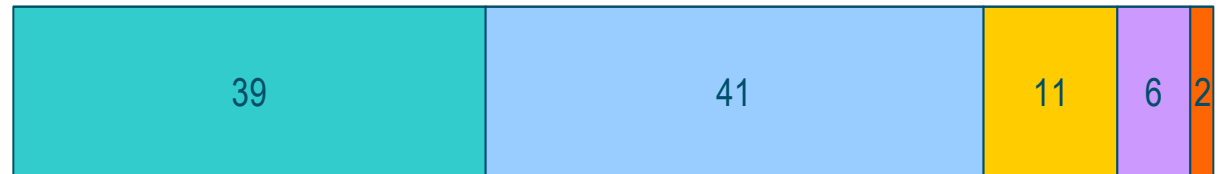
Economy



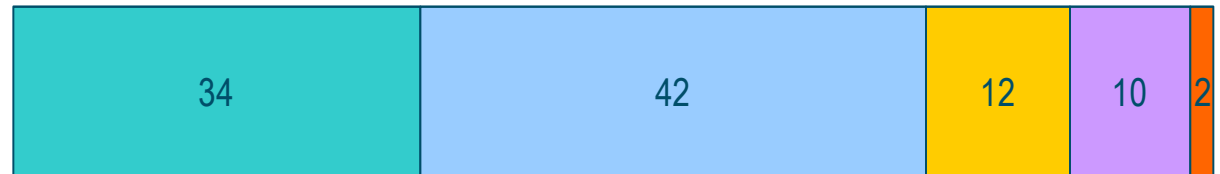
Attitudes

Environment

Environment degradation is a major issue in my country



The environment in my country is too polluted today



There is a good chance that my country will suffer a major natural disaster in the next 12 months



Attitudes

Personal

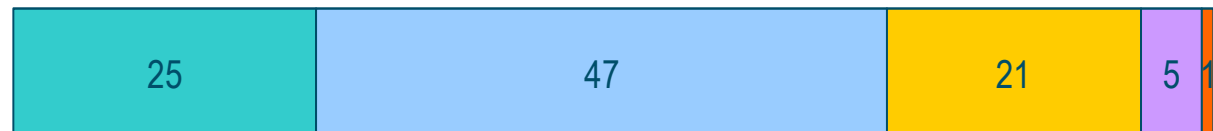
Five years ago things were better for me



I would like to live and work in another country



In five years time things will have improved for me



Today life is good to me and my family



Attitudes

Social

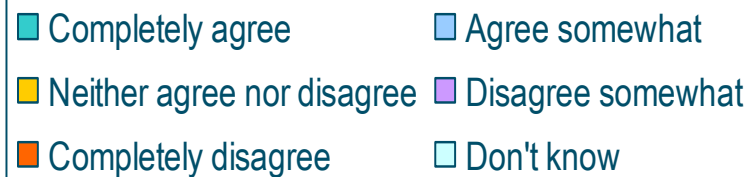
I am proud of what my country has achieved



My country has a bright future



My country is innovative



Bringing
lifetolife



Thank you