COVID19 Impact on Indonesian Attitudes & Behaviours:
Learning for Brands

Kantar Indonesia
April 14, 2020
Your KANTAR team today

Nadya Ardianti
Chief Client Officer

Adisti Bramanti
Client Leader

Plaban Mohanty
Client Partner

Karthik Narayan
Executive Director

Adji Saputro
Brand Guidance Lead
How we have built the story

The leading syndicated study on how COVID-19 is influencing consumer behaviour, attitudes and expectations, covering over 50 markets.


Using our shopper behaviour expert and our Worldpanel data to understand the effects on purchase behaviour.

Using the world’s largest brand equity database to bring you learnings on the importance of strong brands during this time.

Thought-leadership, analysis, and intelligence on the most critical emerging trends, growth segments and opportunities.

Using KANTAR social media listening to understand what people are really getting up to in self isolation.
What we are going to talk you through over the next hour

1. **What we can learn from China?**
   - What similarity and difference we can expect in Indonesia?

2. **How are Indonesians shopping?**
   - What are the myths and what are the facts? And what likely to change?

3. **How are Indonesians feeling?**
   - What differentiates Indonesians from other neighboring countries?

4. **How should brands react?**
What you will hear today – key theme across

Constant CHANGING on attitude and behaviour is unrelenting
Pay attention and adapt to the changes ASAP

A “NEW NORMAL” is steadily forming…
React to the short-term change but don’t lose sight of the long term

Find the ‘NEW WAY’
Redefine your strategy and tactic to adapt to the new normal, be agile and creative.
WHAT WE CAN LEARN FROM CHINA?

Nadya Ardianti
Chief Client Officer
The Context Matters – China: Digital First Economy

- 28% eCommerce % to Total Retail Sales
- 14% eCommerce % to Total FMCG Sales
- 42% Mobile Payment Penetration

Less than 1% for Indonesia

36% at Top 10 Cities Indonesia
The Context Matters – China: Sophisticated Omni Channel Landscape

Sophisticated O2O retail

<table>
<thead>
<tr>
<th>Online &amp; Offline</th>
<th>Offline to Online</th>
<th>Online to Offline</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Platform</td>
<td></td>
</tr>
<tr>
<td>Self-run new retail store</td>
<td>Digitalizing physical store</td>
<td>Introducing online portfolio to offline for experience and consumer education</td>
</tr>
</tbody>
</table>

Traditional GT digital transformation

Traditional grocery store with limited assortment and inefficient operation

1. Standardized retail banner
2. Renovated and modern layout
3. Improved assortment with internet products
4. Data management system and POS
5. Rich services available within AI/BD ecosystem
6. Connect with delivery platforms to boost sell-out

KANTAR
The Context Matters – China: Agility To Respond Rapidly Toward Emergency
The impact on certain sectors was profound during the pandemic in China.

During the epidemic:
- Out of home entertainment
- Medical beauty
- Beauty products
- Financial management/Stock
- Large appliances

Spending decreased/canceled:
- Out of home dining and gathering
- Travel
- Hairdressing/manicure
- Consumer electronics
- Home fitness equipment

Less affected by the epidemic/Almost unchanged:
- Personal care products

Spending increased:
- Basic epidemic prevention products
- Household cleaning products
- Food and beverage
- Advanced epidemic prevention products
- Nutrition and health products
- Medical and life insurance
Across categories, safety first is the first consideration for channel choice.

### Time | Measure: Spend

<table>
<thead>
<tr>
<th>2 week Year on Year Comparison</th>
<th>Start</th>
<th>End</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start of Lockdown 2020</td>
<td>25/01</td>
<td>07/02</td>
</tr>
<tr>
<td>2019 Comparable Weeks</td>
<td>02/03</td>
<td>15/03</td>
</tr>
</tbody>
</table>

#### Main Shopping Channels

<table>
<thead>
<tr>
<th>Channel</th>
<th>Spend Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hypermarket</td>
<td>-15%</td>
</tr>
<tr>
<td>Supermarket</td>
<td>-12%</td>
</tr>
</tbody>
</table>

#### Selected Specific Channels

<table>
<thead>
<tr>
<th>Channel</th>
<th>Spend Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gifting</td>
<td>-36%</td>
</tr>
<tr>
<td>Overseas Purchase</td>
<td>-32%</td>
</tr>
</tbody>
</table>

#### Growing Channels

<table>
<thead>
<tr>
<th>Channel</th>
<th>Spend Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small Super</td>
<td>+12%</td>
</tr>
<tr>
<td>E-commerce</td>
<td>+22%</td>
</tr>
</tbody>
</table>

#### New Retail

- H/H Reach: 97%
- Trip Frequency: +15%

Hema (Alibaba’s new offline retail store)
Many China consumers tried new things

- **34%** Online consultation
- **33%** Online education courses
- **29%** Telecommuting software
- **26%** Pay for online entertainment
- **21%** Watch live broadcast through mobile phone
- **18%** Social e-commerce/Community groups
- **14%** Buy indoor fitness equipment
- **13%** Try online banking
After the pandemic, huge potential for rebound and some behaviour will stay:

- **83%** Still buy masks and disinfectant for storage at home
- **65%** Turn wearing masks into a daily habit
- **76%** Pay more attention to the sterilization and disinfection
Lesson from China and Implication for Indonesia

PAY ATTENTION to the changes of consumer mindsets, consumption behaviour and lifestyles

ACCELERATE digital transformation and bring digital initiatives into the real business

STRENGTHEN brand-owned digital platform and embrace social commerce including community-based eCommerce.

PROACTIVELY ADOPT new digital commerce tools
How are we shopping

Adisti Bramanti
Client Leader
BUSTING THE MYTHS

1. Is FMCG growth negatively impacted by COVID-19?
2. Are Indonesians panic buying?
3. What does panic buying mean? Are people expanding their basket size?
4. Are germ-killing categories the only ones benefiting from COVID-19?
5. Is category growth only temporary?
6. Is Online the only channel that is growing?
Identifying changes in purchase behavior on a week-by-week period

<table>
<thead>
<tr>
<th>P2 (4 w/e Feb 23)</th>
<th>P3 (4 w/e Mar 22)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Week 1</strong></td>
<td><strong>Week 1</strong></td>
</tr>
<tr>
<td>2-Feb-20</td>
<td>1-Mar-20</td>
</tr>
<tr>
<td>Payday Jan</td>
<td>Payday Feb</td>
</tr>
<tr>
<td>Pre COVID</td>
<td>1st 2 COVID cases</td>
</tr>
<tr>
<td><strong>Week 2</strong></td>
<td><strong>Week 2</strong></td>
</tr>
<tr>
<td>9-Feb-20</td>
<td>8-Mar-20</td>
</tr>
<tr>
<td>Pre COVID</td>
<td>117 cases confirmed</td>
</tr>
<tr>
<td><strong>Week 3</strong></td>
<td><strong>Week 3</strong></td>
</tr>
<tr>
<td>16-Feb-20</td>
<td>15-Mar-20</td>
</tr>
<tr>
<td>Pre COVID</td>
<td>514 cases confirmed</td>
</tr>
<tr>
<td><strong>Week 4</strong></td>
<td><strong>Week 4</strong></td>
</tr>
<tr>
<td>23-Feb-20</td>
<td>22-Mar-20</td>
</tr>
<tr>
<td>Pre COVID</td>
<td></td>
</tr>
</tbody>
</table>

**1 Big week**
(bought more in a single week than at any point during last 8 weeks in comparison to average of 4 weeks Pre COVID-19)
Is FMCG growth negatively impacted COVID-19?

FMCG is still growing among Upper SES and Middle SES, but slow-down is expected to hit Lower SES if quarantine continues to limit activity of consumers relying on daily income.
China went through a more extreme lockdown situation, where FMCG experienced a decline for 6 weeks before bouncing back to normal.
Are Indonesians are panic buying?

An extended uplift after pay-week is seen in the 1st week after the outbreak only in Jakarta Greater. We can expect similar pattern rolling out in other regions as they apply quarantine.
What does panic buying mean? Are people expanding their basket size?
Higher spend of Jakarta Greater in the week of Mar 8th is driven by **bigger basket size**.

<table>
<thead>
<tr>
<th>Total FMCG</th>
<th>Week Ending Mar 8th</th>
<th>vs. Pre COVID</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit/Trip Index</td>
<td>100</td>
<td>104</td>
</tr>
<tr>
<td>Spend/Trip Index</td>
<td>102</td>
<td>106</td>
</tr>
<tr>
<td>Trip Index</td>
<td>99</td>
<td>101</td>
</tr>
<tr>
<td># of Categories Bought</td>
<td>100</td>
<td>103</td>
</tr>
</tbody>
</table>
Are germ-killing categories the only ones benefiting from COVID-19?
An uplift is also seen across categories to accompany consumers to spend time #dirumahaja.

Value Index

- Total FMCG: 107
- PERSONAL CARE: 110
- DAIRY: 109
- HOME CARE: 108
- BEVERAGES: 107
- PACKAGED FOOD: 106

Unit/Trip Index

-三角

Vol/Trip Index

-三角

Trip Index

-倒三角

Top 3 Growing Categories

1. Liqu. Soap+Sanitizer
2. Baby Wipes
3. Tissue

1. Cheese
2. Growing Up Milk
3. Margarine

1. Detergent
2. Floor Cleaner
3. Dishwash

1. RTD Tea
2. Isotonic Drink
3. Powder Beverage

1. Canned Food
2. Breakfast Cereal
3. Snacks
Is category growth only temporary?
If quarantine continues as we enter Ramadhan, we can expect to see selected categories growing in the next month to accompany daily activities centralized at home.

Predictions for Upcoming 1 Month
- Stocking Up on next April Pay Day only
- Permanent as we approach Ramadhan
- Stocking Up on next April Pay Day only
- Slow growth except for festive categories
- Permanent as we approach Ramadhan

<table>
<thead>
<tr>
<th>Category</th>
<th>Pre COVID-19</th>
<th>COVID-19 Outbreak</th>
</tr>
</thead>
<tbody>
<tr>
<td>PERSONAL CARE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DAIRY</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HOME CARE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BEVERAGES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PACKAGED FOOD</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Legend:*
- Gray: Pre COVID-19
- Red: COVID-19 Outbreak

*Note:*
- 2-Feb-20 to 9-Feb-20
- 16-Feb-20 to 23-Feb-20
- 1-Mar-20 to 8-Mar-20
- 15-Mar-20 to 22-Mar-20
Looking ahead and learning from China, if Indonesia government enforces stricter quarantine, we can expect to see different impact to FMCG categories.
Is Online the only channel that is growing? Despite fastest growth coming from Online, a majority of consumers still shop in Traditional Trade and Modern Trade.

![Graph showing the growth of different channels.]
Looking ahead, creativity kicks in for retailers and manufacturers to experiment alternative ways to reach their shoppers

<table>
<thead>
<tr>
<th>Direct Manufacturer Selling</th>
<th>Food Hall (MT Supermarket)</th>
<th>PD Pasar Jaya (Wet Market)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order via whatsapp directly to manufacturer’s sales representative</td>
<td>Whatsapp number of store manager shared to consumers for quicker order with direct access on product availability</td>
<td>Order via phone, delivered via ojek</td>
</tr>
</tbody>
</table>

**Direct Manufacturer Selling**

Order via whatsapp directly to manufacturer’s sales representative

**Food Hall (MT Supermarket)**

Whatsapp number of store manager shared to consumers for quicker order with direct access on product availability

**PD Pasar Jaya (Wet Market)**

Order via phone, delivered via ojek
## BUSTING THE MYTHS + Implications

<table>
<thead>
<tr>
<th>Number</th>
<th>Question</th>
<th>Myth / Fact?</th>
<th>Fact (Partial)</th>
<th>Fact</th>
<th>Myth (to be proven)</th>
<th>Myth</th>
<th>What's Next?</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Is FMCG growth negatively impacted by COVID-19?</td>
<td><strong>Fact (Partial)</strong></td>
<td>FMCG growth is still seen for Upper-Mid SES, but slowing down for Lower SES</td>
<td>So far only Jakarta Greater shows different behavior, with additional uplift after pay day.</td>
<td>Some categories see a bounce back entering April, but too soon to conclude as pandemic has not reached its peak.</td>
<td>Personal Care is not the only sector growing! Consumers are also stocking up other categories to accompany more activities at home.</td>
<td>Lower SES will be most impacted in the long run if quarantine continues to limit daily income.</td>
</tr>
<tr>
<td>2.</td>
<td>Are Indonesians panic buying?</td>
<td><strong>Fact</strong></td>
<td>Shoppers are opting for bigger volume and expanding their category repertoire.</td>
<td>Ensure availability of big packs in store to cater needs of shoppers seeking to upsize</td>
<td>Less Out of Home, more In Home with positive outlook for categories catering specific purpose: Protect (germ-kill), Prevent (nutrition), Comfort Eating (ready to eat / easy to cook).</td>
<td>Dairy, Packaged Food and Beverages expected to grow as we enter Ramadhan with more time spent at home, though possibly at a slower rate than last year</td>
<td>Expect to see similar pattern in other regions as and when they apply quarantine</td>
</tr>
<tr>
<td>3.</td>
<td>What does panic buying mean? Are people expanding their basket size?</td>
<td><strong>Fact</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Expect to see similar pattern in other regions as and when they apply quarantine</td>
</tr>
<tr>
<td>4.</td>
<td>Are germ-killing categories the only ones benefitting from COVID-19?</td>
<td><strong>Myth</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Ensure availability of big packs in store to cater needs of shoppers seeking to upsize</td>
</tr>
<tr>
<td>5.</td>
<td>Is category growth only temporary?</td>
<td><strong>Myth</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Less Out of Home, more In Home with positive outlook for categories catering specific purpose: Protect (germ-kill), Prevent (nutrition), Comfort Eating (ready to eat / easy to cook).</td>
</tr>
<tr>
<td>6.</td>
<td>Is Online the only channel that is growing?</td>
<td><strong>Myth</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Be creative in expanding different types of distribution channels that give a solution to barriers for consumers to have access to your product.</td>
</tr>
</tbody>
</table>
How are Indonesians feeling?

Plaban Mohanty
Client Partner
Indonesia is the fastest to reach 100 cases – and Govt actions has been aimed at controlling the pandemic. Despite all the measures, it has already reported 300+ deaths

1. 2nd March
   First official case

2. 12th March
   Numbers boomed after 10 days

3. 13th March
   And now cases have reached >100 two weeks after first detection*

4. 17th March
   Extension on COVID-19 Emergency

   Indonesia Extends Covid-19 Emergency to May 29 as Cases Rise to 172

   BY BRITTA KANTAR
   MARCH 25, 2020

   Jakarta: The Indonesian government has decided to extend the national emergency for the Covid-19 epidemic until May 29 after the situation continues to worsen in the last 14 days, with new cases reported daily. The actions were mostly focused in Jakarta, Bandung, Tangerang and other large cities. The government has ordered 10 provinces in different cities to extend the lockdown for selected counties. A new set of rules and regulations have been introduced to prevent the spread of the virus.

5. 8th April
   And now the number of death has crossed 200 within a little over a month

   Indonesia
   Worldwide

   Total Cases 3842 1.7 Mio
   Total Deaths 327 108,837
   Total Recover 286 404,448
   Active Cases 3229 1.2 Mio

Indonesia Is the Fastest to 100 Verified Cases

47 43 42 38
25 20 8

Indonesia
Worldwide
Despite the stark numbers… we see Indonesians to be concerned but assured

**COVID Anxiety Meter: Total Indonesia Trends**

<table>
<thead>
<tr>
<th>Date</th>
<th>Concerned and know what to do</th>
<th>Very concerned and don’t know what to do</th>
<th>% Concerned</th>
</tr>
</thead>
<tbody>
<tr>
<td>13th March</td>
<td>13%</td>
<td>39%</td>
<td>43%</td>
</tr>
<tr>
<td>14th March</td>
<td>12%</td>
<td>41%</td>
<td>30%</td>
</tr>
<tr>
<td>15th March</td>
<td>13%</td>
<td>45%</td>
<td>13%</td>
</tr>
<tr>
<td>16th March</td>
<td>51%</td>
<td>39%</td>
<td>54%</td>
</tr>
<tr>
<td>17th March</td>
<td>12%</td>
<td>40%</td>
<td>58%</td>
</tr>
<tr>
<td>18th March</td>
<td>11%</td>
<td>51%</td>
<td>51%</td>
</tr>
<tr>
<td>19th March</td>
<td>12%</td>
<td>51%</td>
<td>51%</td>
</tr>
<tr>
<td>20th March</td>
<td>15%</td>
<td>55%</td>
<td>51%</td>
</tr>
<tr>
<td>21st March</td>
<td>11%</td>
<td>54%</td>
<td>51%</td>
</tr>
<tr>
<td>22nd March</td>
<td>14%</td>
<td>63%</td>
<td>55%</td>
</tr>
<tr>
<td>23rd March</td>
<td>14%</td>
<td>63%</td>
<td>63%</td>
</tr>
<tr>
<td>24th March</td>
<td>10%</td>
<td>71%</td>
<td>78%</td>
</tr>
<tr>
<td>25th March</td>
<td>61%</td>
<td>10%</td>
<td>88%</td>
</tr>
</tbody>
</table>

*Note: Sample size of 6428*
Indonesia & Malaysia are the only countries in the region which have maintained a Net-positive sentiment in their Social media chatter about COVID
Nearly half the population feel the disruption in daily life, financial security is being raised as a major concern. Health and Scarcity are low on concern.

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>The current situation is not impacting my day-to-day life that much</td>
<td>This situation has had no impact on how I think about financial planning</td>
<td>It will take a long time for the economy to recover and there will be a long term impact</td>
<td>I am confident that I will stay safe by taking precautions and looking after my hygiene</td>
<td>I do not see the need to stock up and have not adjusted my shopping behavior</td>
</tr>
<tr>
<td>49%</td>
<td>35%</td>
<td>25%</td>
<td>13%</td>
<td>19%</td>
</tr>
<tr>
<td>32%</td>
<td>43%</td>
<td>30%</td>
<td>30%</td>
<td>33%</td>
</tr>
<tr>
<td>7%</td>
<td>9%</td>
<td>15%</td>
<td>15%</td>
<td>19%</td>
</tr>
<tr>
<td>7%</td>
<td>9%</td>
<td>25%</td>
<td>25%</td>
<td>19%</td>
</tr>
</tbody>
</table>

People find that sense of security, and freedom for socializing and leaving the house are the most difficult thing to give up in their daily lives.

Q23. Which of the following have been the hardest to give up because of the effects of the coronavirus? Please select 3 things you have found the hardest to give up:

- Social interaction (47)
- Sense of safety (46)
- Leaving the house (39)
- Freedom (36)
- Convenience (30)
- Routine (29)
- Big plans (29)
- Children going to school (15)
- Flexibility (13)
- Practice sport (6)
Q23. Which of the following have been the hardest to give up because of the effects of the coronavirus? Please select 3 things you have found the hardest to give up.

- Social interaction
- Sense of safety
- Leaving the house
- Freedom
- Convenience
- Routine
- Big plans
- Children going to school
- Flexibility
- Practice sport
Indonesians feel that information would help them stay prepared and positive through this period

Being prepared and well informed is most important now: 54
I am ready; in these moments you have to react: 19
I am sure I will come out stronger: 14
I am worried about myself and loves ones: 6
We have to do it together: 6
There is too much fear; it will not become serious: 1

Q2: Which statement best describes your current feelings?
...and most information search are around identification and prevention of COVID-19

Statement best describes current feelings

Q2: Which statement best describes your current feelings?

- Being prepared and well informed is most important now: 54%
- I am ready; in these moments you have to react: 19%
- I am sure I will come out stronger: 14%
- I am worried about myself and loves ones: 6%
- We have to do it together: 6%
- There is too much fear; it will not become serious: 1%

Diagnosis:
- What are the symptoms?: 52%
- How likely am I to catch the virus?: 43%
- How do I self isolate?: 34%

Prevention:
- How long does the virus live on surfaces?: 38%
- Who is at risk of severe illness?: 29%
- Am I at risk from products shipped from abroad?: 17%

Behaviour:
- How should I wash my hands?: 28%
- Should I wear a facemask?: 23%
Official sources such as Government agency websites, National media channels, and International advisory body websites deemed to be the most trustworthy messengers about COVID-19.

Most trusted sources for COVID-19 information

- Government agency websites: 73
- National media channels: 69
- International advisory body websites: 68
- Digital Healthcare platforms (free): 45
- Digital Healthcare platforms (paid): 33
- Social media - people I know: 32
- My friends and family: 31
- My doctor: 30
- Social media - influencers: 25
- Healthcare phoneline: 23
- My healthcare provider: 18
- Pharmacist: 16
- Other: 4

Q14. What are your most trusted sources of information about Coronavirus?
Claims of search gets validated – symptoms high on search in Indonesia

The peak in the later part might be impacted by more at-home population
Nearly 80% Indonesians spending Most of their Time at home!

Online behaviors see a rise but no major swings

Lifestyle choices impacted higher in Big Cities

Financial stress cuts across cities…

% who have changed following behaviors because of COVID

- Spend most of my time at Home: 79%
- Watch a lot more TV: 31%
- Reduced Eating out, cooking more: 43%
- Switched to more Online shopping: 10%
- Increased Online education: 16%
- Consuming more Vitamins/ Jamu: 56%
- Started worrying about Job/ Income: 38%
- Reduced spending to save more: 26%
- Thinking not to Mudik: 20%

Behavioral & Attitudinal Changes Owing to COVID-19
More Indonesians are “in-home” than those at the start of the outbreak

Online adoption on an upward swing

Personal Finance has been a concern from the onset of the outbreak

Rising trend in people re-considering Mudik

% who have changed following behaviors because of COVID

- Spend most of my time at Home: 86%
- Watch a lot more TV: 36%
- Reduced Eating out, cooking more: 47%
- Switched to more Online shopping: 14%
- Increased Online education: 25%
- Consuming more Vitamins/ Jamu: 65%
- Started worrying about Job/ Income: 36%
- Reduced spending to save more: 26%
- Thinking not to Mudik: 25%

Steadily Rising Trend

7-12th April
1-6th April
27-31st March
25-26th March
Majority of Indonesians believe the COVID problem will be resolved in 3 months

But, confidence in early resolution is declining. Small Towns are more confident about earlier resolution

### Indonesians COVID Resolution Outlook

<table>
<thead>
<tr>
<th>I think the COVID problem will get solved/ improve in.....</th>
<th>% saying COVID will resolve in less than 3 months</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>SES A</td>
</tr>
<tr>
<td>-------</td>
<td>-------</td>
</tr>
<tr>
<td>28%</td>
<td>27%</td>
</tr>
<tr>
<td>10%</td>
<td>9%</td>
</tr>
<tr>
<td>20%</td>
<td>21%</td>
</tr>
<tr>
<td>41%</td>
<td>43%</td>
</tr>
<tr>
<td>Not Sure</td>
<td>&gt; 3 months</td>
</tr>
</tbody>
</table>

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% saying COVID will resolve in less than 3 months:

- **28th March**: 63%
- **30th March**: 57%
- **1st April**: 56%
- **3rd April**: 55%
- **6th April**: 54%
- **9-10th April**: 57%
So, How Are Indonesians Feeling?

1. Adjusting
   People take time to Adjust to the new normal that they have been presented with, which saw sudden impact on day-to-day behaviors…

2. Adopting
   With the COVID-19 situation prolonging, people worry about finances more. They prepare to plan long term and let go off heavy spend occasions

3. Aligning
   With the acceptance of the new normal people will move towards more long term alignment, find new ways to manage life
How Brands can respond?

Karthik Narayan
Executive Director
Stages of consumer’s emotional journey

#1 Disruption  
(Short term)

- Lifestyle changes
- Loss of freedom
- Quarantined living

#2 Confusion & Uncertainty  
(Mid-term)

- Mental fatigue – prolonged lockdown
- Economic impact
- Life vs Livelihood

#3 Acceptance of the New Normal  
(Long term)

- Long term behavioural shifts
- New outlook to life
### Role of Brand in each stage

<table>
<thead>
<tr>
<th>#1 Disruption</th>
<th>#2 Confusion &amp; Uncertainty</th>
<th>#3 Acceptance of the New Normal</th>
</tr>
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</table>
| **REASSURE & SUPPORT**  
Help, support with lifestyle changes | **OFFER HOPE**  
Be a catalyst of positivity | **ADAPT & ENABLE**  
Evolve with the consumer & help adapt to the new normal |
1 DISRUPTION

REASSURE & SUPPORT – Make it easy for your consumers to cope up
Consumers are taking the crisis in their stride with a positive outlook rather than being too anxious

### Statement best describes current feelings

<table>
<thead>
<tr>
<th>Statement</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Being prepared &amp; well informed is important</td>
<td>54%</td>
</tr>
<tr>
<td>I am ready; in these moments you have to react</td>
<td>19%</td>
</tr>
<tr>
<td>I am sure I will come out stronger</td>
<td>14%</td>
</tr>
</tbody>
</table>

### Sentiment

- **Positive**: 58%
- **Negative**: 42%

Base: 604,270 posts
They expect the same from brands, create positivity and play its part in supporting consumers

97% want brands to continue advertising.

Consumers want brands to play a proactive and positive role.

- **Offer a positive perspective**: 56%
- **Talk about how they could be helpful in the new everyday life**: 53%
- **Inform about their efforts to face the situation**: 52%
Brands need to respond to the changing circumstances of the consumer by playing a responsible role

1. DEMONSTRATE HOW THE BRAND CAN HELP

2. SHOWCASE THE SOUL OF THE BRAND
Be responsible and make a difference to your consumers everyday life

Brands should…

31% attack the crisis and demonstrate that it can be fought

20% be practical, realistic, and help consumers in their everyday life

Offer practical help to fulfill everyday life needs

Korean BBQ experience at home

Telkomsel & Ruangguru offering free data packs for students
Demonstrate the corporate social responsibility

Consumers expect companies to...

- Protect employees health: 76%
- Donate to hospitals: 66%
- Support government where possible: 41%

**CottonInk** providing protective equipment

Brand Kosmetik Wardah Bantu Sumbang 40 M untuk Hadapi Corona di Indonesia

Reported: Yuliya Andriani
Date: 29 April 2021 01:35

**7k SHARED**
Be authentic…

Consumers don’t want brands just to be creative & exploit this opportunity

Don’t come across as casual and frivolous; keep an eye for any negative reactions and act immediately

Received social media backlash as was seen as casual and not contributing actively to the cause
Be agile in innovating to deliver to the consumers immediate needs as a result of the lifestyle changes

Stay Safe when You #StayAtHome with Gojek’s Contactless Delivery

Hi Gojekers,

Introducing a contactless delivery option for your added safety and convenience while #stayathome. The contactless delivery option is part of Gojek’s continuous efforts through its GoFood, GoMart, and

Contactless delivery by Gojek & Grab

Tuku launched Tukucur, a 1-litre SKU to cater to in-home consumption. Available online

Martha Tilaar & NIVEA responding to the high demand for hand sanitizers
Quarantined living offers new opportunities; creating new in-home occasions

Lifestyle changes are likely to create new occasions for consumption. Track these behavioural changes to tap into new occasions for your brands.

% who have changed behaviors because of COVID

76%

spend most of my time at Home

Shift from OOH Experiences to In-Home experiential eating.

Besides healthy eating, comfort eating is also increasing as consumers resort to trying new foods.

Adapt to new in-home rituals and experiences for people

Corona virus impact on in-home food consumption

90%
Try to eat healthier

61%
Trying more new recipes

41%
Snack more throughout day

Kantar COVID 19 Sentiment Check in Indonesia – FW period last week March 2020

Kantar COVID 19 Barometer Online study in Indonesia – FW period last week March 2020
More time at home leading to over-exposure to media

Brands should plan their media to avoid over exposure & optimize spends

Change in media consumption

- Social network
- Internet surfing
- Instant messaging systems / apps
- Online videos
- TV
- TV on demand/streaming
- Listening to podcasts /streaming music

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

Synergy between TV and Digital Channels

In normal conditions, synergies between TV & Digital Channels are the strongest. With an increase in viewership of these channels and decrease of OOH Exposure, the synergy is likely to increase.

Kantar COVID 19 Barometer Online study in Indonesia – FW period last week March 2020
## Disruption

Reassure & support consumers to adapt to the changing lifestyle

<table>
<thead>
<tr>
<th>AUTHENTICITY IN ACTION AND POSITIVITY IN COMMUNICATION</th>
<th>INNOVATE TO CATER TO NEW OCCASIONS AND RITUALS</th>
<th>OPTIMIZE MEDIA SPENDS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Bring out the positive spirit in tone of communication.</strong>&lt;br&gt;Resonate with the positive outlook demonstrated by consumers in their response to the crisis</td>
<td><strong>Demonstrate corporate responsibility &amp; contribute actively</strong>&lt;br&gt;Consumers expect brands to play a responsible role.&lt;br&gt;Ease consumers everyday lives through your products &amp; services.&lt;br&gt;Showcase the soul of brand by contributing tangibly</td>
<td><strong>Avoid over-exposure due to rise in TV &amp; Digital consumption</strong>&lt;br&gt;Adapt your media plan to an in-home audience’s higher consumption of media.&lt;br&gt;Re-look at frequency of exposure &amp; monitor inefficiencies due to over-exposure</td>
</tr>
<tr>
<td><strong>Pay attention to home occasion marketing</strong>&lt;br&gt;Innovate to cater to the consumers immediate needs due to a changing lifestyle e.g. in-home occasions, heightened sensitivity to health &amp; hygiene, delivering the experience at home, big packs.</td>
<td><strong>Be agile in innovating</strong>&lt;br&gt;Create new in-home rituals &amp; experiences as in-home occasions have increased.</td>
<td><strong>Optimize media spends</strong>&lt;br&gt;Adapt your media plan to an in-home audience’s higher consumption of media.&lt;br&gt;Re-look at frequency of exposure &amp; monitor inefficiencies due to over-exposure</td>
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<td><strong>Innovate to cater to new occasions and rituals</strong>&lt;br&gt;Cater to the consumers immediate needs due to a changing lifestyle e.g. in-home occasions, heightened sensitivity to health &amp; hygiene, delivering the experience at home, big packs.</td>
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2
UNCERTAINTY

Offer hope & help consumers to bring out their fighting spirit
Consumers seek advertising as a relief & promise of hope

Only 3% of Indonesia consumers believe that companies should stop advertising.

56% expect advertising should offer a positive perspective

Many say that in a constant news cycle about coronavirus, advertising provides a sense of normality, or even distraction and escape.

Help your consumers see the future, give them the confidence to overcome the crisis and look forward to a brighter future.
Tickle & treat through tone of communication to create cheer

Use appropriate humour as it adds positivity & cheer to lives as they struggle with uncertainty

59%

Don’t want advertising to avoid humorous tones during COVID

Communicate hygienic practices in a fun tone

Influencers sharing information with a humorous tone to keep the tension low

Fun challenges like #handwashchallenge also help people to overcome boredom
True to its affiliative culture, Indonesians find the constraints on social interaction as the most difficult lifestyle change.

Top 3 hardest things to give up in daily life as result of COVID 19 effects:

- Social interaction: 47%
- Sense of safety: 46%
- Leaving house: 39%

Social Interaction: Hardest thing to give up across S.E. Asian countries.

- Indonesia: 47%
- Thailand: 34%
- Singapore: 35%
- Philippines: 33%
- Japan: 17%
Brands should seek to be enablers of social interaction & help people bond

Google Chrome extension ‘Netflix Party’ allows friends to simultaneously stream. It has a group chat allowing people to talk at the same time & play/pauses for everyone in the group so you stay synced.

Guinness on St. Patrick’s Day supports the festive celebration in a safe manner and evoking the spirit of togetherness.
Tough times are bringing out the survival spirit as people are taking up-to-pursuing interests and skilling up. Brands should partner consumers through its platforms to **create content & not just consume**.

---

**AI image analytics using Instagram posts**

**CREATIVITY AND CRAFT**

As the days grow longer with little to do and nowhere to go, people turn to their own creativity to keep entertained.

Typical posts: Crafts, drawings, baking & cooking, creative digital content, lockdown diaries, online workouts, home baked, carpentry,

---

**Indonesia Google Search trends in March**

**LEARNING** – Home Learning, e-learning, new skills

**COOKING** – Recipes, new cooking techniques
Address the paradox of DESIRE vs SCARCITY

Extended lockdown will give rise to tensions & trade-offs

TRADE OFF BETWEEN...

**DESIRE**
Indulge, old habits

**SCARCITY/ BARRIERS**
Supply shortage, lockdown, shrinking income

Brands need to relook at pricing, format innovations (small affordable indulgence) to feed this desire within the constraints of the situation
Uncertainty
Offer hope through advertising and partner with consumers to celebrate their survival spirit

<table>
<thead>
<tr>
<th>Entertain &amp; engage through advertising</th>
<th>Tickle &amp; treat through tone of communication</th>
<th>Enable consumers to bond &amp; socialize</th>
<th>Partner consumers in creating content, not just consume</th>
<th>Address Desire vs Scarcity tensions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use creative channels to offer distraction &amp; escape from the crisis.</td>
<td>Use of appropriate humour is acceptable as it adds cheer &amp; positivity to lives as they struggle with uncertain times.</td>
<td>Through communication &amp; leveraging its digital channels brands should enable consumers to interact with others; the affiliative spirit of Indonesians.</td>
<td>Consumers are looking to learn new skills as they have more time. Provide a platform to encourage and take part in this wave of creativity for your consumers.</td>
<td>Prolonged lock down will give rise to consumer desires/ urges. Prevailing short supply, lockdown &amp; shrinking income will pose constraints to fulfill this desire. Address this tensions, with pricing, format innovations (small affordable indulgence).</td>
</tr>
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Content doesn’t need to specifically reference coronavirus as people are all too aware of the situation.
Enable consumers to adapt to the new normal
The crisis has necessitated new behaviours leading to long term irreversible shifts. Monitor these signals of change.

Brands need to identify behavioral changes becoming the new normal.

Coronavirus impact on shopping habits

**Behaviours**

- Avoid superstores & malls: 46%
- Prefer shopping groceries in supermarkets near home: 42%
- Prefer playing with credit / debit cards, debit cards & mobile apps instead of cash: 31%

**Attitude**

- Pay more attention to prices: 39%
- Purchase more sanitizing products: 37%
- Purchase more long-shelf-life food: 33%
- Pay more attention to the origin of the products: 30%
- Pay more attention to products on sale: 22%

Signs to watch out for:

- Uptrading to reputed brands
- Shifting brand loyalties
- Performance as drivers of brand choice
- Changes in consideration set

Kantar COVID 19 Barometer Online study in Indonesia – FW period last week March 2020
We can expect long term orientation gaining importance with the consumer becoming more discerning towards brand choices.

Safe and secure expectations gaining importance.

Recent search trends indicate consumers state-of-mind, actively pursuing topics with a long-term orientation.

In the near-term consumer brand choice drivers can expect some shifts

*From instant gratifying experiences to sustainable long term benefits*

Safety, health, hygiene, sustainability will gain popularity.
Consumers would have learnt & evolved through the experience; need to adapt

**Laptop Living** – AI image analytics using Instagram posts

In Indonesia lifestyle changes like Zoom Arisan sessions, Virtual Nongkrong, Virtual aerobic sessions / classrooms are observed

**Online Shopping** – New buyers of…

- 21% OTC Pharma products
- 18% Cosmetics & personal care
- 17% Food & beverages
- 17% Clothing & accessories
- 12% Electronics

New opportunities would take birth, a surge in digital commerce

Experiment with new delivery & media channels to cater to new lifestyles.
## Acceptance Stage
Enable & adapt to the changing consumer needs

### MONITOR SIGNALS OF CHANGING BEHAVIOURS AND MINDSETS

<table>
<thead>
<tr>
<th>Look out for irreversible behavioural shifts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Understand shifts in consumer decision criteria leading to a new normal in consumer behaviour.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Keep finger on the changing pulse of consumers towards long termism</th>
</tr>
</thead>
<tbody>
<tr>
<td>Be prepared to serve a more discerning and selective customer</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Embrace shift towards safety, health, hygiene &amp; sustainable products</th>
</tr>
</thead>
<tbody>
<tr>
<td>These themes should be considered for future product development</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Adapt to an evolved consumer – experiment with new delivery &amp; media channels</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brands will need to accelerate their learning on how to market to a more digitally savvy consumer.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Be digitally prepared – make online shopping immersive to mirror offline shopping</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proactively adopt new tools such as e-commerce, immersive experience to restore the physical store shopping experience for online shopping.</td>
</tr>
</tbody>
</table>

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**KANTAR**

73
# How Brands Can Respond

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<td><strong>ADAPT &amp; ENABLE</strong></td>
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<td>• Communicate your contribution &amp; responsible action</td>
<td>• Communicate to be catalyst of hope</td>
<td>• Evolve with the consumer and help adapt to the new normal</td>
</tr>
<tr>
<td>• Innovate to support consumers adapt with the disruption</td>
<td>• Innovate to address tensions of Desire vs Scarcity</td>
<td>• Experiment with the new delivery and media channels.</td>
</tr>
<tr>
<td>• Review media to optimize</td>
<td>• Help consumers to create content, than just consume through your media channels</td>
<td>• Relook at digital as an engine of delivery of your brand promise</td>
</tr>
</tbody>
</table>
Stay close to your consumers in these tough times

- Communicate to them & be a companion
- Renovate your offer to adapt to their changing needs
- Reach out to them efficiently with change in media consumption
How Brands Should React?

What signals about brands should we be monitoring even closely now?

Adji Saputro
Brand Guidance Lead
What do we know about brands in Indonesia?

In times of crisis, stronger brands will prevail..

...and understanding the elements that build strong brands in Indonesia is critical..

..but marketers need to know, when to balance the pursuit of building brand strength and justifying price.

After the 2015 crisis, our portfolio of strong Indonesia brands are able to financially recover faster compared to the average performers.

Source: BrandZ Indonesia 2019

Source: Kantar equity framework

Source: BrandZ Indonesia 2019 : 18 tracked categories
Dettol, which saw its brand building efforts in the past being justified in these recent periods, is likely to get through these tough times.

Dettol – how it communicates the brand

Dettol has inherently started as a germ protection brand giving it uniqueness compared to others. ..but it has also positioned itself as a brand with a purpose, showing how it fits into people’s lives.

Stand for something unique Make people’s lives better

40% 61%

Communications Index Purpose Index

Overtime, the brand building effort of Dettol has resulted in the growing communications and purpose perceptions of Dettol.

2015 2017 2019

103 105 111

113 115 120

Index legend (100 = average for category)

Price Index : 118

Premium Index : 114

Even with a higher price index, Dettol is able to justify its price through the strength of its brand.

Thus with the added relevance of the situation, pull through this crisis.

Source: BrandZ Indonesia 2015 - 2019 – Personal hygiene category
However, there is a market shift due to COVID, and it becomes more important to know what consumers are thinking about your brand these days.

COVID is increasingly looking like the ‘trend breaker’ that spans across categories.

Brands need to lock-in on the important brand signals during these critical moments.

Take into account your category and brand context as well, as always ‘one size fits all’ solutions are not the best solutions.

Category Relevance + Brand Relevance = Tailored Action

Look into **too much** and we will be **overwhelmed**, BUT

Look into **too little** and we will be **under-informed**.

What this means: consumer brand metrics and perceptions might not behave as it was before!

Source: COVID 19 Barometer – March 2020 - Indonesia
Kantar recommends brands to focus on these signals and metrics, during each phase of brand adjustment, assessment, & recovery

**Short Term (now – 3 months)**
Manage expectations of impact and adjusting

**Key Question & Metric to focus on**

- What’s the competitive pressure like now?
  - Awareness, Trials, Usage
  - Consideration
  - Media communications
  - In-market volume flow
  - Purchase channels*

- Is your brand helping your consumers?
  - Imageries on purpose
  - Affinity/Meet Needs
  - Perceived authenticity

**Medium Term (now – 6 months)**
Assessing extent of change and minimizing brand disruption

- What has been disrupted in your category?
  - Category importance (relevance)
  - Needs based salience
  - Category penetration*

- Is your equity strong enough to recover?
  - Brand Power
  - Meaningful Difference Salience

**Long Term (3 –12 months)**
Navigating recovery and activating growth

- Are you justifying what you charge?
  - Premium Index
  - Price Perception
  - Actual Price Index*

- How well does equity translate to sales?
  - Equity to volume flow
  - Volume share*

*can be sourced from consumer panel data
So, to wrap it all up, here are 4 key points on what brands need to do

| 1. | Play the long game, do not negate investment in your brand |
| 2. | Know when to trade on brand and when to trade on price |
| 3. | Change is eminent, and the competition doesn’t stand still |
| 4. | Change can be temporary or permanent |

Your brand health is important and can get you through tough times. Know your brand strength levers and understand how you can maintain or dial up these levers.

If it’s time to make a tough call and justify price, focus on the levers that we know will help your brand. Be unique and purposeful, keeping in mind your perceived price and actual price in the market.

Now, more than ever, you need to tune into competitor actions and performances to keep a finger on the pulse of fluctuating category dynamics, so you can stay ahead of the game through the crisis and upon recovery.

Arm your brand with both a short-term and long-term plan, consumers’ attitudes and behaviors are changing and some of these changes will endure – understand how to mitigate temporary changes and course-correct to respond to permanent changes.

---

**Invest in your brand health**  |  **Embrace the winning plays of balancing brand and price**  |  **Be in the know**  |  **Be prepared**
Finally, let’s remember where we started

Constant CHANGING on attitude and behaviour is unrelenting
Pay attention and adapt to the changes ASAP

A “NEW NORMAL” is steadily forming…
React to the short-term change but don’t lose sight of the long term

Find ‘NEW WAY’
Redefine your strategy and tactic to adapt to the new normal, be agile and creative
We are here to help – additional resources and further content

- There is a huge amount of content on Kantar.com/inspiration/coronavirus

- **Indonesia Covid19 pulse**
  A true representative of Indonesian is available

- Our global Covid19 barometer understanding **the impact for brands** is running in 50 markets

- Access our Covid-19 **daily news alert** launching this week

- Next webinars is on **how Covid19 affect Ramadhan** look out for invitations
See you soon..
In the meantime, stay safe

Kantar Indonesia
April 14, 2020