

KANTAR

**COVID-19 Impact
on Indonesian
Attitude &
Behaviours**

**What is different in
Ramadan 2020?**

Kantar Indonesia
May 15, 2020



Your KANTAR team today



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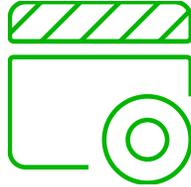


Helmy Herman
Account Director

Before we start....



Please refresh the link in case it stalls



You will receive a recording of the webinar post the session to watch on demand and the copy of the presentation



Please feel free to ask your questions in the Q&A box and we will try to address as many questions as possible at the end of the webinar or via email post the webinar

What we are going to talk through in the next 45 minutes...



1.

Life Stories of 2020 Ramadan & Eid

Reveal 8 life stories of Indonesian Muslim during 2020 Ramadan in the age of Covid-19 which change everything that we know and are used to



2.

2020 Ramadan Communication in the Shadow of Covid-19

Learning from Ramadan 2020 moment to continue having brand communication that will remain relevant in the next few months



3.

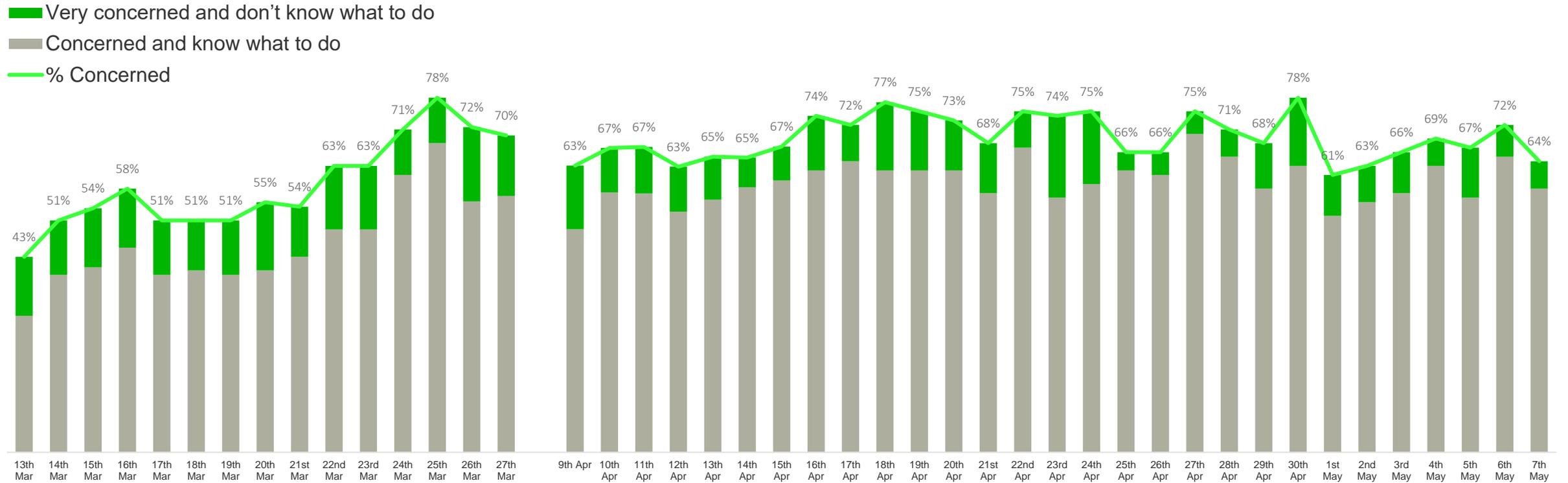
FMCG Shopping Behaviour during 2020 Ramadan & Eid

We observe six consistent patterns observed during Ramadan Festive throughout the years - *How will these patterns differ in 2020 due to Covid-19 outbreak?*

A decline in concern levels over the last 10 days.

Is COVID-19 fatigue setting in? Is Ramadan providing the distraction?

COVID-19 Anxiety Meter: Total Indonesia Trends



COVID-19: An unforeseen impact on how Indonesian Muslims experience the holy month and Eid

Ramadan in Isolation

PSBB is implemented throughout Indonesia in more cities restrict social interaction

Finance Hardship

Millions lose jobs and more lose income, impacting consumer spending and attitude toward Ramadan

Religious observance at home

Closure of mosques to public makes home become the center of religious activities

No Mudik

Government not encourage and even restricts all long-distance traveling (*mudik/pulang kampung*)



Indonesian emotional journey during Covid-19 outbreak: How is it translate to Indonesian Muslim attitude and behaviour during Ramadan 2020?



#1 Disruption

(Short term)

- Lifestyle changes
- Loss of freedom
- Quarantined living



#2 Confusion & Uncertainty

(Mid-term)

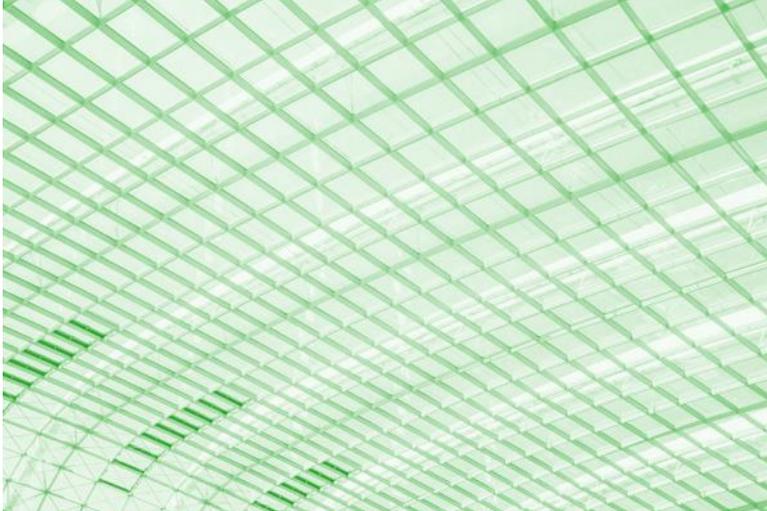
- Mental fatigue – prolonged lockdown
- Economic impact
- Life vs Livelihood

#3 Acceptance of the New Normal

(Long term)

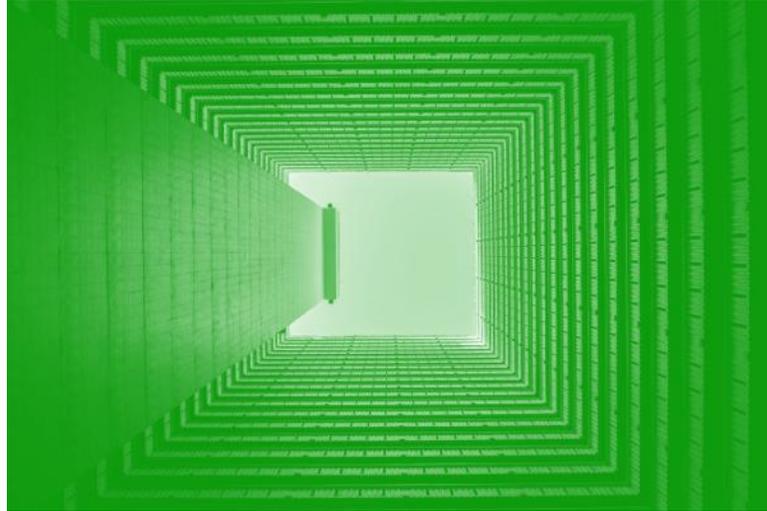
- Long term behavioural shifts
- New outlook to life

What you will hear consistently today



Look beyond the obvious

Look beyond the obvious impact of Covid-19 to the way Indonesian Muslim experience Ramadan



Look deeper

React to the obvious changes but pay attention to the deeper understanding and manifestation of the changes



Look ahead

Use the month of Ramadan as the indicator of likely future impact of current changes

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8 Life Stories during Ramadan & Eid 2020

Eimira R Choesin

Associate Director

Astrid Novianti

Group Director – Qualitative



The background of the slide is a photograph showing the silhouettes of mosque minarets and a dome against a bright, orange-hued sunset sky. The sun is on the left side, creating a strong glow. The minarets are tall and slender, with small balconies. The dome is visible on the left side of the frame. In the distance, there are silhouettes of mountains and buildings.

**Ramadan 2020 vs
Ramadan we used to
know...**

...Looking at the obvious

Let's take a look on Ramadan & Eid – context in a nut shell and the religious meaning of it...



Ramadan...

is about one month trial of repressing worldly desires through fasting. Nuanced with getting together socially for buka puasa and religiously for night praying in mosques.



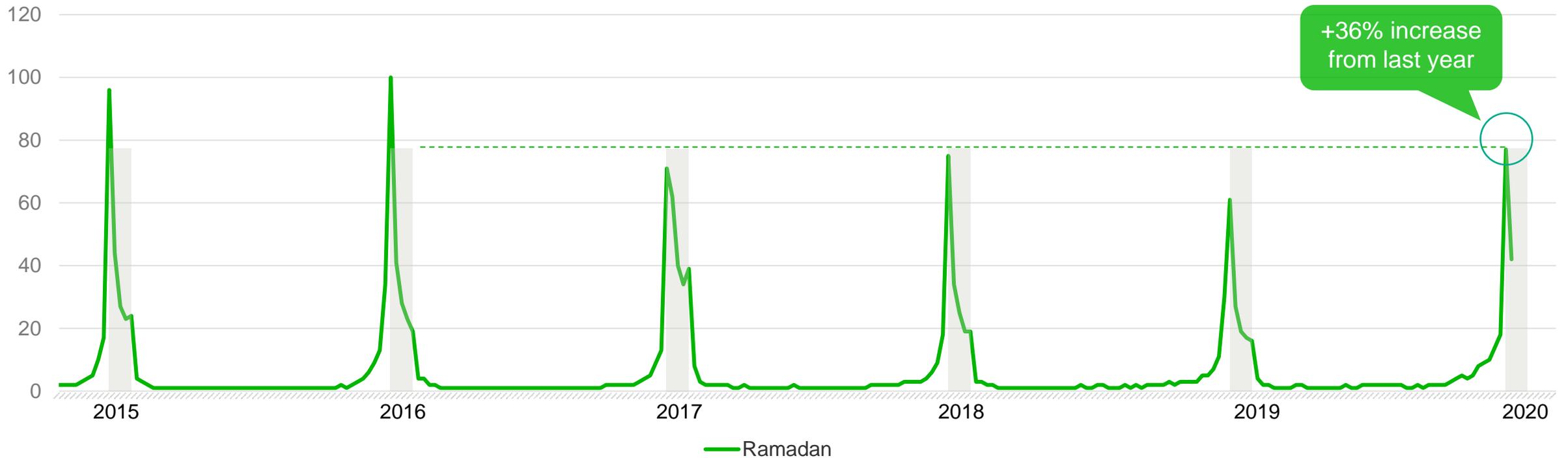
Eid..

Symbolizes winning of overcoming the trial.

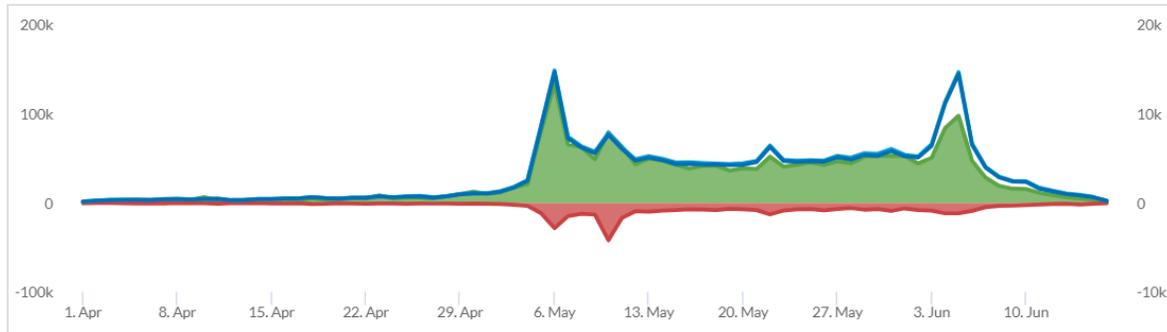
Treated as a **Big Celebration** involving heavy & intense social interactions.

Higher interest towards Ramadan much earlier before it starts this year – possibly preparing fasting.

Earlier start of interest on Ramadan searches in 2020.

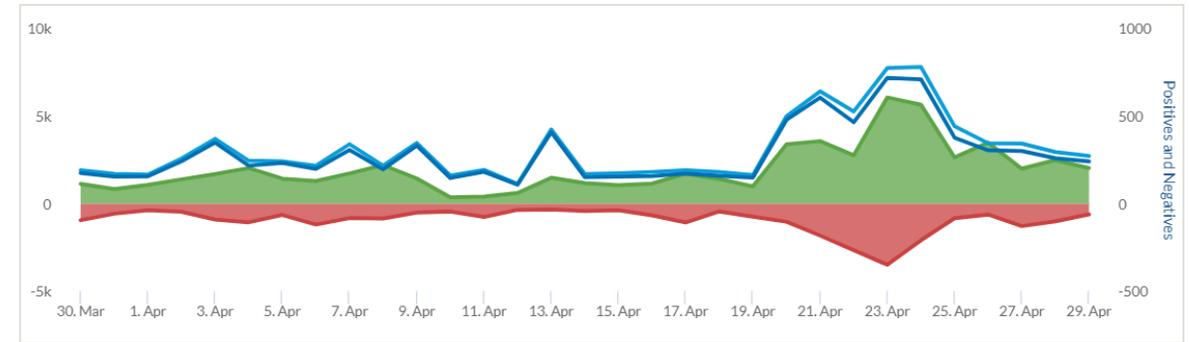


Ramadan 2019 chatters are more about positivity and unity during Ramadan moment while in 2020 are more about social distancing.



Ramadan chatters in 2019

General, positivity, and unity during Ramadan moment. Chatters are all about greetings for **happy breaking fast**, **thinking about holiday**, **mudik**, **going for Tarawih together**, **food or drinks to eat**, **social gathering and reunion**, or just **sleeping all day long**.



Ramadan chatters in 2020, with focus on Covid

Meanwhile in 2020, mostly people talk about **social distancing**, **inability to gather with others or praying in Mosques**, or **going back to hometown (mudik)**. **Home-made food are becoming popular**. Some negative mentions in this Ramadan season.

Togetherness and “ngabuburit” feelings are really missed this year. Nevertheless, people are taking the chances to spend with families and be thankful.



People's chatters:

“Welcoming Ramadan. Hope during this Ramadan month, we still can fast even though the pandemic is still going on. Hope we can pray even more religiously, and we can share more to the others...”

“No fun in this year’s fasting because of this covid...”

“If we are missing each other, let’s just do video call and not leaving our houses, because of we have to break this corona chain together...”

“I really miss doing ngabuburit... looking for something to eat for breakfast... Now what I can do is to order food online through Go-Food...”

“Sad cannot be with friends for bukber, but taking the chances to spend fasting month with family...”

Stories of Ramadan 2020



Story #1

Strong resilience



Before Ramadan, **positivity** was demonstrated and during Ramadan people are becoming more accepting with some chill out thoughts.

How has everyone's mood changing from time to time?

"Yes, Corona will go away once we are entering Ramadan month.."

"Please go far away Corona, I want a peaceful Ramadan!"

"Please think before you act. Don't go back for mudik, we have to break the chain!"

From demonstrate positive resilience, beacons of hope..



"People are getting mad because they are not allowed to pray in Mosques. But please, understand it as it is the only way for this.."

"Everyone is between sad and happy, staying at home and can spend fasting with family.."

"We still feel grateful because God has promised that with difficulties there is always ease"

...and accepting things, being grateful...



"I don't care how it will be during Eid. I will still buy my new clothes for the celebration!"

"Joking around with my family, telling them that I am saving the world by not going to Mosques during pandemic. I rarely go there too anyway previously :D"

"It's okay if you are not going back to hometown, as long as your money is going back to hometown :D"

...and still take it easy a little bit, with sense of humor.

Story #2

Time to be more religious, be more spiritual retreat.

- **47%** of people get closer to religion through worship
 - SEC AB – 51%
 - SEC CDE – 38%
- **51%** of people do all religious activities only at home
 - SEC AB – 54%
 - SEC CDE – 45%



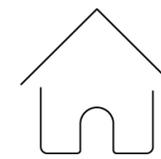
There are many, many chatters showing different approaches on being more religious



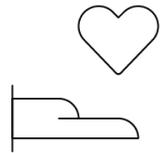
“ *There is no excuse to not do night praying because of buka bersama.* ”



“ *There is no excuse to not listen to any religious talk as I can only click it anytime* ”



“ *I will do more religious activities at home with the family and be closer to them* ”



“ *I will do more contemplation. I appreciate what I have now. This is the moment to really feel close to my loved ones* ”



“ *It's already the 10th day of fasting. With more praying, I hope we all can pass through this with good health and condition* ”

Through these expressions consumers are taking the chances to find hopes, praying, while also spending togetherness at home.



Being religious not only for oneself but also together with others

Consumers are doing more religious activities at home, as lesser chances to go out - **which brings people closer to their family too.**



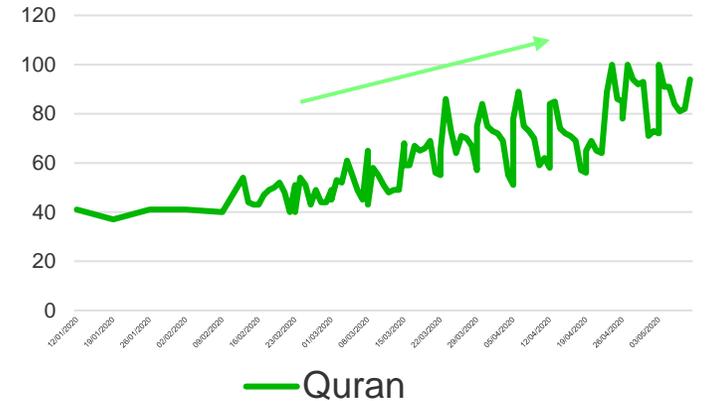
Hoping and seek guidance through religion

Consumers are taking more chances to do spiritual retreat, **find guidance, comfort and hope in religion.**



Contemplation and hope to pass through the trial

Moment to do more contemplation, pray more, **hoping that everyone can be healthy and pass through this pandemic**



Looking for the meaning of the pandemic even deeper

Search related to Quran has increased in the last 90 days - primarily from Western Sumatra, Gorontalo, and Lampung. Corona related-verse also popped up – **possibly looking for the meaning of current pandemic.**

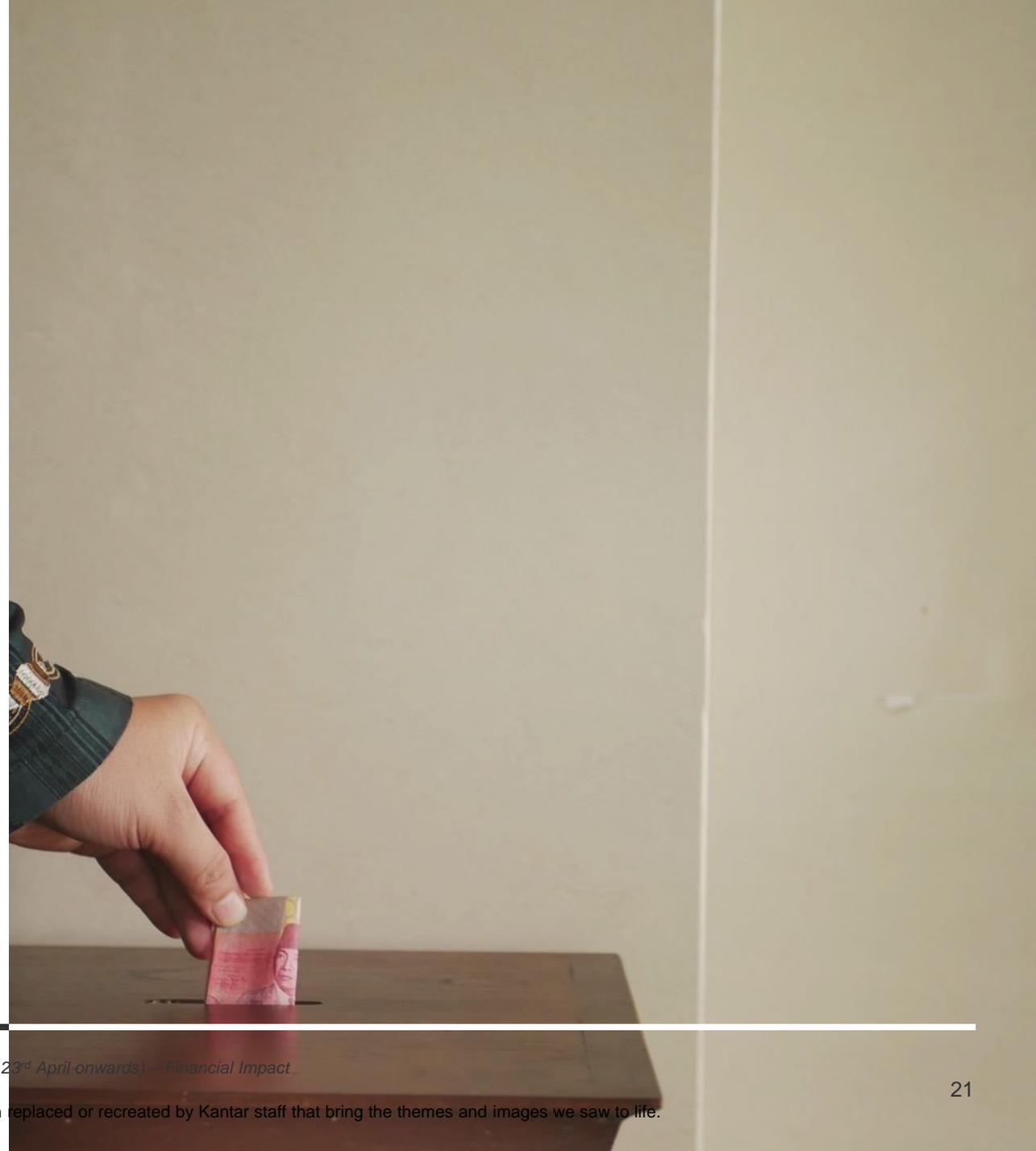
Story #3

Financial impact. A wake-up call to relook at priorities.

- 45% people reduce their spending and focus on core needs

Highest peak on 2nd week of Ramadan for “**Sadaqah**” compared to last 2 years Ramadan.

Source: Google Trends Search during Ramadan across the year



Preparation and solidarity mode for affluent Muslims. A survival for less affluent.

Less Affluent cut down spending for survival reason

“There is not enough money now. I have to prioritize school fee and foods”

Some manifestations among Affluent Muslims

1. Cutting down spending to prepare for worse
2. Modesty as the right attitude during crisis
3. Helping others as manifestation of *gotong royong* – one core value of Indonesians and Muslims

“It’s inappropriate to buy new clothes when there are lots of unfortunates.”

“I used to save for traveling or gadgets but these are not in my priority anymore because we never know what future brings you. Better prepared than sorry”

Story #4

Home cooking has become part of daily life

- 65% people increase home cooking and reduce outside food

Cooking and recipes searches in 2020 has started to raise earlier during middle March and continue to increase up 1st week of Ramadan. People are sharing their homemade recipes or pictures in social media.



Home cooking is about: 1. To be in control. 2. Make creative use of time.

CONTROL

Home cooking as mandatory to control spending and safety /health

"It is more economical and safe than ordering food from outside"

"With this condition I need to ensure I eat healthy food"

58% people eat more healthy food to keep strong immunity during fasting*

CREATIVITY

Coping with the new normal

"I have lots of idle time. Cooking gives me sanity".

"I used to do it as a side job but now I can do it even more and sell more to compensate my loss of income after PHK"

"It is my hobby and now I have more time to do it and I can even sell it".

Story #5

Mothers are crying for help

- Evidence from the heart of mothers...

*On the next
slide...*



Mothers are expected to become superhumans during Ramadan, and Covid19 compounds the effect.

Multiple Tasks are Multiplied During Ramadan COVID

All day food preparation

I have to wake up early to prepare for sahur. Then for buka puasa. For my young kid, I have to prepare her meal 3 times a day. My time is mostly occupied around food preparation.

Being a home teacher and an entertainer

I have to monitor my kid's assignment, teach him, remind him of his schedule, not to mention when he is throwing tantrum due to boredom.

Being a finance controller yet best provider

One side we need to start thinking of saving but on the other side also wanting to provide the best nutrition and food for the whole family to enjoy.

A good house keeping to ensure comfort

House can't be neat, everytime I tidy things up it gets messy again. I can only clean up once the kids already fall asleep



MOTHERS ARE CRYING FOR HELP FROM BEING TOO STRESSED OUT

"I am very stressful now, I have to do zoom meeting and other work, cook and prepare for sahur and buka puasa, prepare kids for their school, teach them, check their homework, also tidy up the house."

"I need to spin my brain (muter otak) what to cook every day not to bore the family, but I also need to spend less because income is less.

I need to monitor my kids studying and keep the house clean.

And finally, I barely have time for myself."

STORIES OF EID 2020

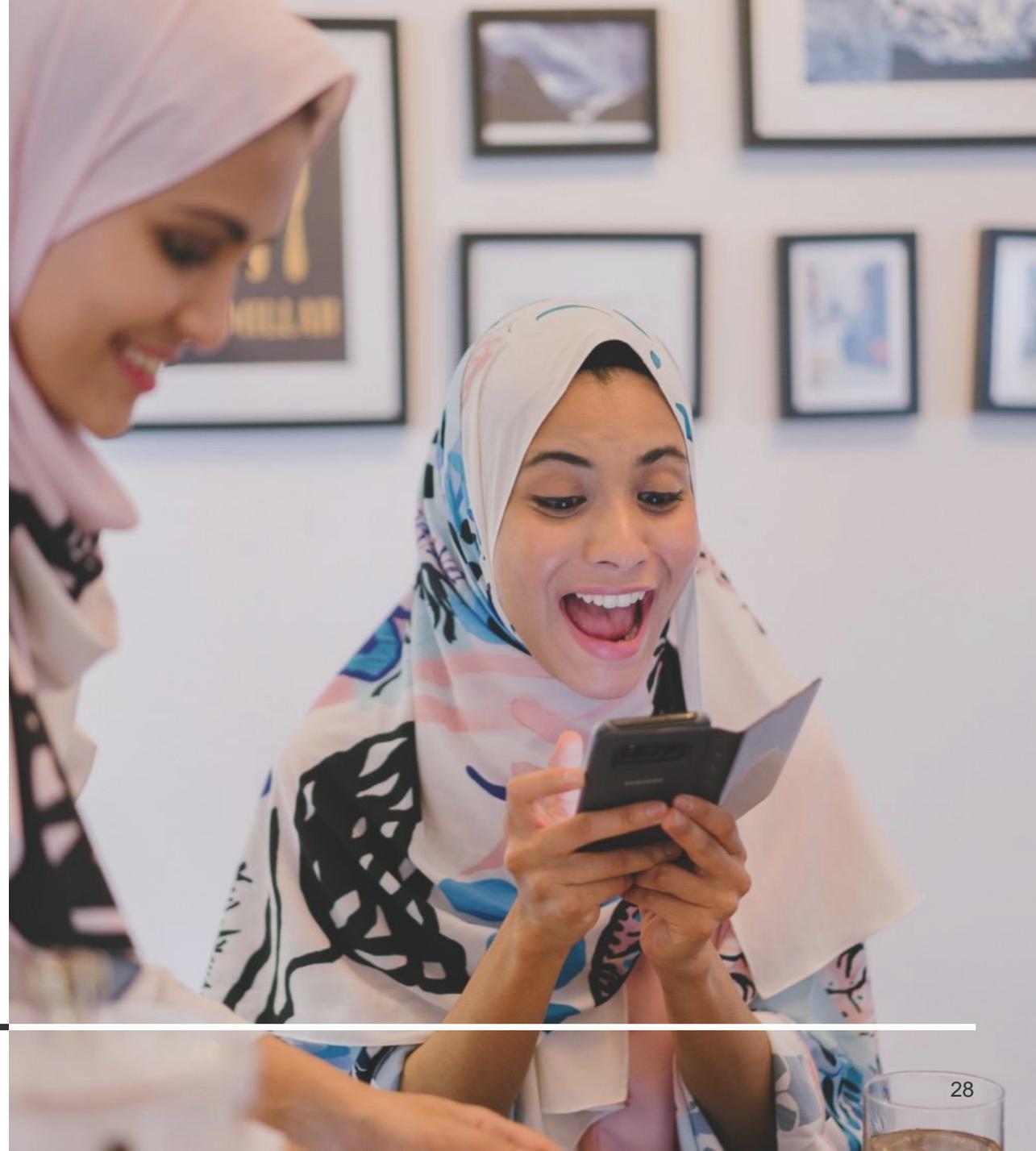
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A nighttime photograph of a large mosque, likely the Sultanah Aminah Mosque in Singapore, illuminated with warm orange lights. The central dome and several minarets are prominent, set against a dark sky. The foreground shows some blurred lights and structures, suggesting an urban setting.

Story #6

Rebounding socializing

- 45% people prefer not to go out for Bukber
- 74% people prefer to visit family/ friends for Eid



Step by step rebound socializing starting from close families and short distance.



The Conditions

Eid is a mix of *silaturahmi* and a duty to pay – mainly to parents and respected families.

Silaturahmi/ face to face interactions with families & friends have been repressed since before and during Ramadan – no bukber.

Technology can only tentatively replace social interactions.

Implementation: step by step socializing starting from the close ones

Visiting parents & close families as part of paying the duty and address the longingness is prioritized.

Post Eid as a momentum for rebound socializing with other families & friends

All done in the same city (red zone) or to nearby towns/ villages (non red zone)

What they say

“I will still go to my parents and my parent in law – it is my duty as a child”

“The warmth and solemnity can never be the same through video call. I will do a delayed halal bi halal family and friends some time after Eid”

“First I will visit my parents as my duty on Eid. Then go to nearby villages to visit families and friends after Eid” (non red zone)

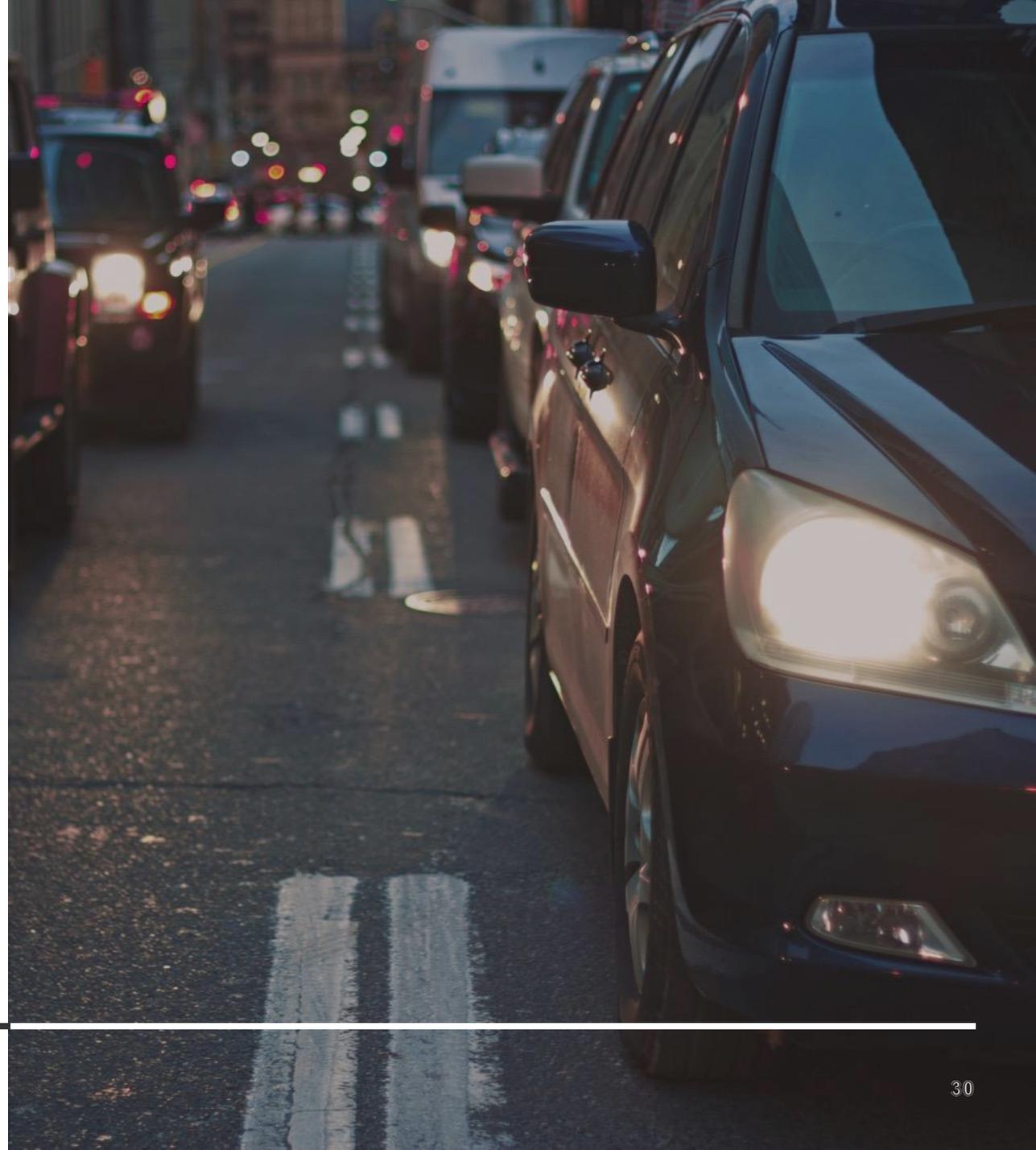
Story #7

Mudik or no Mudik

- **40%** people think not to Mudik

- Big cities – 52%

- Small cities – 31%



Postponed Mudik for big cities. A regular practice for small cities?

Heavy stream of Mudik from big cities is postponed gradually until several months further.

Going back to the essence of Mudik



Mudik is more than socializing



It is a heritage, a cultural ritual



It is a duty to pay sooner or later before the next Ramadan

In small cities or non red zone where Covid19 concern is low, Mudik on the Eid day might still be a practice if it is still (perceived) within a safe distance.

What they say

“It is sad I cannot meet my mother this Lebaran. I will replace it by going home for 3 weeks maybe later near the end of year” (red zone)

“I will do Mudik right after this restriction is released” (red zone)

“I will do less silaturahmi but I am still planning Mudik to meet both my parents” (non red-zone)

“I will go to my parents and my parent in law – it is not far from my village” (non red-zone).

Story #8

Eid is still a celebration of the winning day

- 71% people celebrate Eid in a festive way

SEC AB – 67%

SEC CDE – 80%



Celebratory mindset symbolized by Special Eid Food, with stronger festive spirit among Less Affluent Muslims.

Less Affluent Muslims

- Have fewer moments of celebration – Eid *is* the most festive celebration – if not the only one.
- To provide Special Eid Food on the table requires extra financial effort
- Have lived a modest life, the only way to welcome Eid is with a festive way.

“I will cook ketupat sayur, opor ayam and sambal goreng to celebrate Eid with my family, and have special Eid cookies. I will put aside money bit by bit from now to make it happen”

Affluent Muslims

- There are many other moments of celebration, Eid is one of them.
- Special Eid Food is just a matter of different menu variation without too much of extra financial effort.
- Gifting foods for families & friends to show affections and staples for the unfortunates as a spirit of gotong royong.

“I will celebrate Eid with my family at home having Lebaran food together”
“I send foods to my families to show that I still think of them during this time. But I also give more staples to the unfortunates”

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Creating Meaningful Communication during Crisis

Learning from Ramadan

Ummu Hani
Creative Lead
May 2020



1
The importance of
creating noise during
crisis



Brand is playing critical role in each consumers' emotional stage during crisis

#1 Disruption

(Short term)

- Lifestyle changes
- Loss of freedom
- Quarantined living



REASSURE & SUPPORT

Help, support with lifestyle changes

#2 Confusion & Uncertainty

(Mid-term)

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



OFFER HOPE

Be a catalyst of positivity

#3 Acceptance of the New Normal

(Long term)

- Long term behavioural shifts
- New outlook to life



ADAPT & ENABLE

Evolve with the consumer & help adapt to the new normal



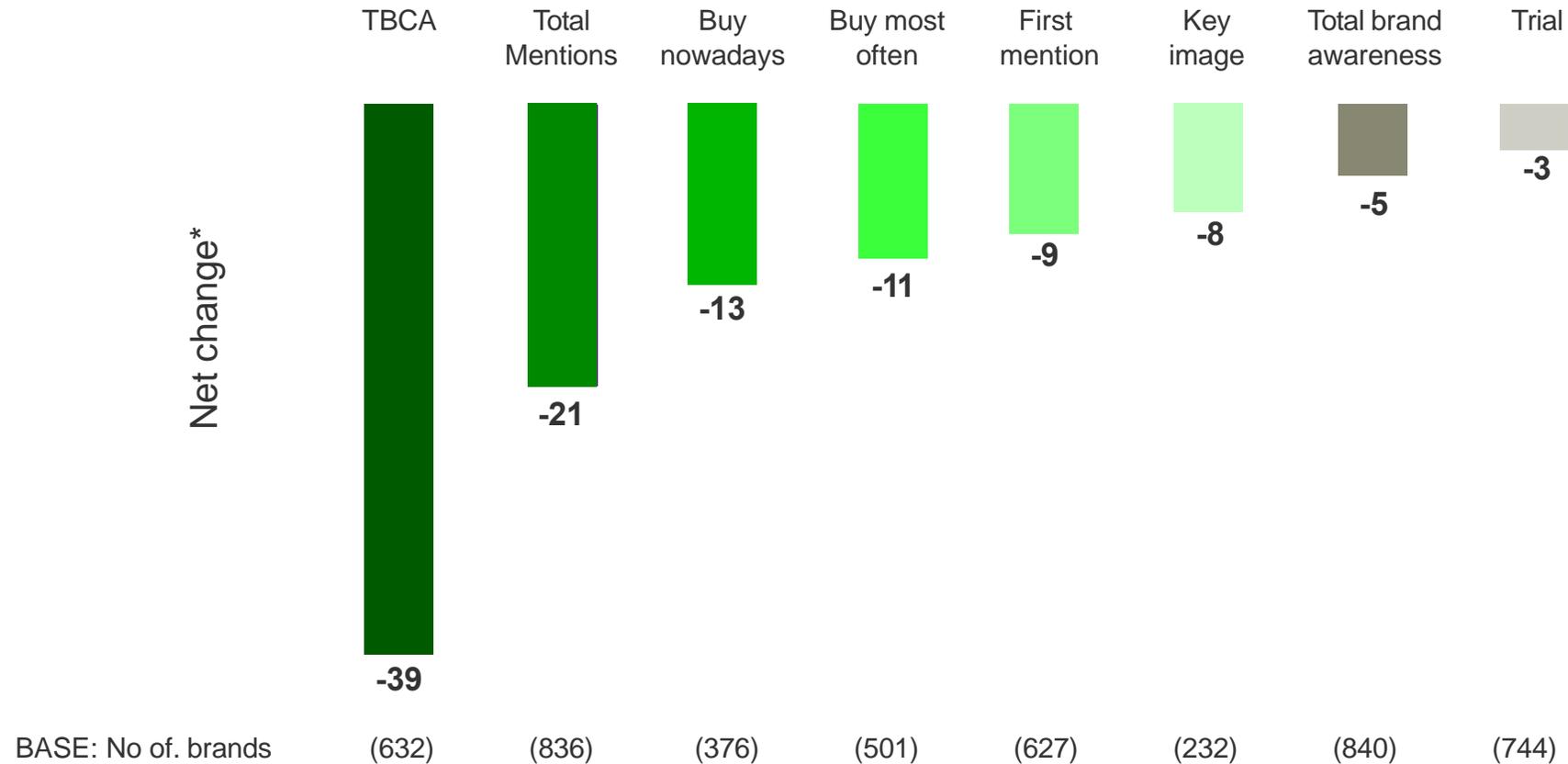
Only

3%

believe that companies should stop advertising

What happen to brand health measures if you stop advertising?

Net effects on brand measures 6 months after stopping TV advertising



And with the current austere condition, some new themes have emerged as recent communication trend

SOME OF KEY HIGHLIGHTS OF MOST LOVED Ramadan ADS

RECENT TREND

2018

- **Simple kindness** in daily life
- **Creative new perspective** of Ramadan theme
- Story of **togetherness** cutting through differences
- Riding the trend and being **nostalgic**

2019

- **Personal story** with closest relationships
- **Being authentic** under the philosophy of Ramadan
- **Being bold** in showing tensions, even if it means being silly

2020

- **Longing of togetherness**
- **Deeper sense of altruism**
- **Catalyst of positivity**

2

What sort of advertising
resonates right now?

Learning from Ramadan moment



Learning from this Ramadan, there are camps of brand communication that will remain relevant in the next few months



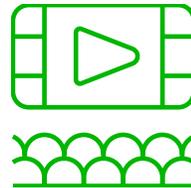
#1 Guide them through inspiration

- Deliver the news consumers can use
- Value of co creation
- Be a partner to adapt with in-home activities



#2 Be a beacon of hope

- Showcase positivity, this too shall pass
- Depict togetherness in a different way



#3 Create a moment of escape

- Keep the tension low, despite of serious messaging
- Entertain through storytelling



#4 Highlight more personal story

- Showcase stronger family bond
- Make smaller celebration matters



#5 Being benevolent in wider coverage

- Channelling the good deed in everyday moment
- Covering wider aspect of the unfortunates

1. Guide Them Through Inspiration

In consumers quest for information, brands should inspire consumers to take action and not just consume messages



Deliver news I can use



Marjan

Marjan giving tricks and tips on how to teach your kids fasting



Kraft

Sharing menu inspiration



Value of co creation



Royco

Encourage consumers to share recipe while enabling donation

1. Guide Them Through Inspiration

It's more important than ever for brands to help consumers cope with disruptive lifestyle, but in authentic manner



Be a partner to adapt with in-home activities



https://www.youtube.com/watch?v=_yBkb-p6CJc&feature=youtu.be

L-Men – Puasa #AlwaysStrong

Shows how the brand helps to do in-home activities during Ramadan



<https://www.youtube.com/watch?v=m7FgxdzsiYg>

Tokopedia – Kembalikan Semangat Ramadanmu

Show how Tokopedia supports consumers to get things, end even send goods while staying at home

2. Be a Beacon of Hope

Brands are expected to deliver comfort and positivity as tension reliever



Showcase positivity, *this too shall pass*



<https://www.youtube.com/watch?v=wFfdlZ0Zjp4>

Wardah – Selalu ada bahagia

The ad portrays the nuance of ‘there will always be a rainbow despite all the sorrow’



Adi yang selalu bahagia



Menurut Adi yang selalu bahagia, kebahagiaan

<https://www.youtube.com/watch?v=RcEcm5fF9UE>

Teh Botol Sosro – Memberikan kebahagiaan adalah kebahagiaan

Taking different lens of crisis, highlighting the happiness amongst the corona warriors

2. Be a Beacon of Hope

Brands are expected to deliver comfort and positivity as tension reliever



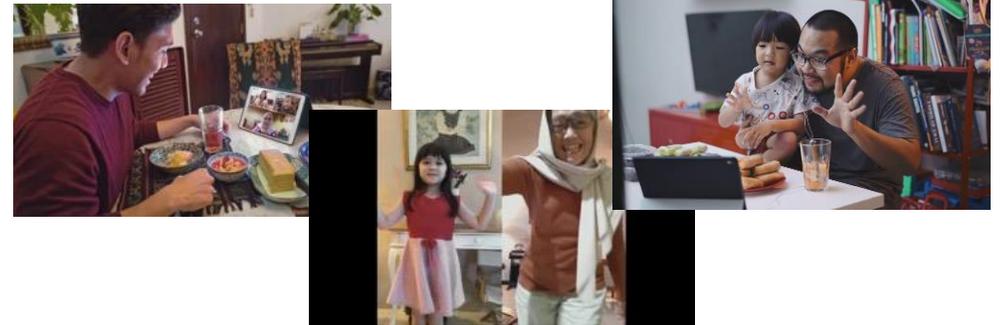
Stay connected through distance



<https://www.youtube.com/watch?v=wFdlZ0Zjp4>

Indosat IM3 – Silaturahmi setiap hari

Showcasing how this Ramadan is going to be different, silaturahmi can be done through online



<https://www.youtube.com/watch?v=XrtprRKABAK>

Telkomsel – Terus Jalankan Kebaikan

Encourage people to keep connected and doing contactless good deeds during this Ramadan

3. Create a Moment of Escape

As consumers are looking for source of escapism, brands need to facilitate the needs of entertainment, even if the message is important



Keep tensions low by wrapping serious information with humor



Some of the most viral memes actually have serious messaging underneath which is masked by humor



Entertain through storytelling



Marjan – Purbasari Series

Similar to previous Ramadan, Marjan creates an array of 60 second ads which tells Indonesian folk tales



<https://www.youtube.com/watch?v=9x7Etcp4IXA>

Gojek – eBadah Ramadan di rumah aja

Through nostalgic nuance in a comic-themed format, Gojek delivers entertainment value

4. Highlight More Personal Story

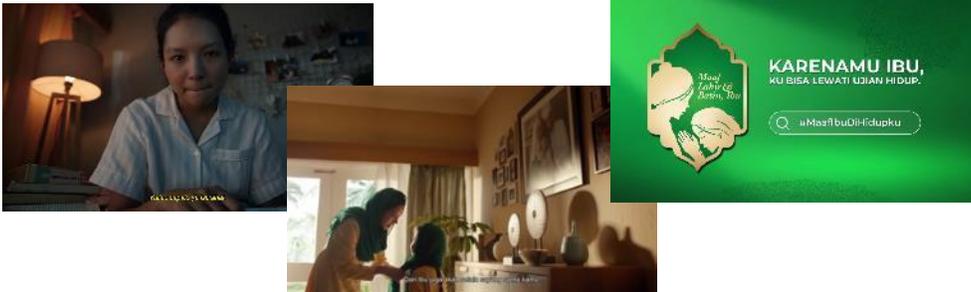
Brands can act as an enabler to create deeper connection with closest relationships, and create meaningful moment of the smaller celebration at home



Showcase stronger family bond



Make smaller celebration matters



<https://www.youtube.com/watch?v=AmOyeGc45sg>

P&G – Maaf ibu di hidupku

Likewise last year, P&G takes an emotional route and personal Eid celebration



<https://www.youtube.com/watch?v=AeHriigzSA&feature=youtu.be>

Matahari – Lebaran di Rumah Aja

Using old footages, Matahari urges consumers to celebrate Eid at home

5. Being Benevolent in Wider Coverage

'Good deeds' is a form of gratitude - an important value of Ramadan. But this time it should be 'contactless'

It needs to start with closest people around... and not necessarily the famous ones (e.g. online drivers)...

... and can even be started with small numbers (small, but matters)

NEWS / Nasional / Metropolitan / Internasional

Kerja di Rumah, Warganet Mulai Melakukan Gerakan Pesan Makanan untuk Ojol

Dany Garjito | Fita Nofiana

Jum'at, 20 Maret 2020 | 12:33 WIB



Hafidz Sumbang Tabungan Untuk Covid-19, Emil: Sungguh, Akhlaknya Mencerminkan Namanya

NEWS / Nasional / Metropolitan / Internasional



5. Being Benevolent in Wider Coverage

Brands should become an enabler for consumer to channel their intention to do a good deeds during Ramadan and reach beyond their circle



Channel the good deed in everyday moment



Indosat IM3 Ooredoo

Enabling people to do donation by buying vouchers



Shopee

Shopee provides convenience for people who want to do charity without leaving the house through digital donation



Cover wider aspect of the unfortunates



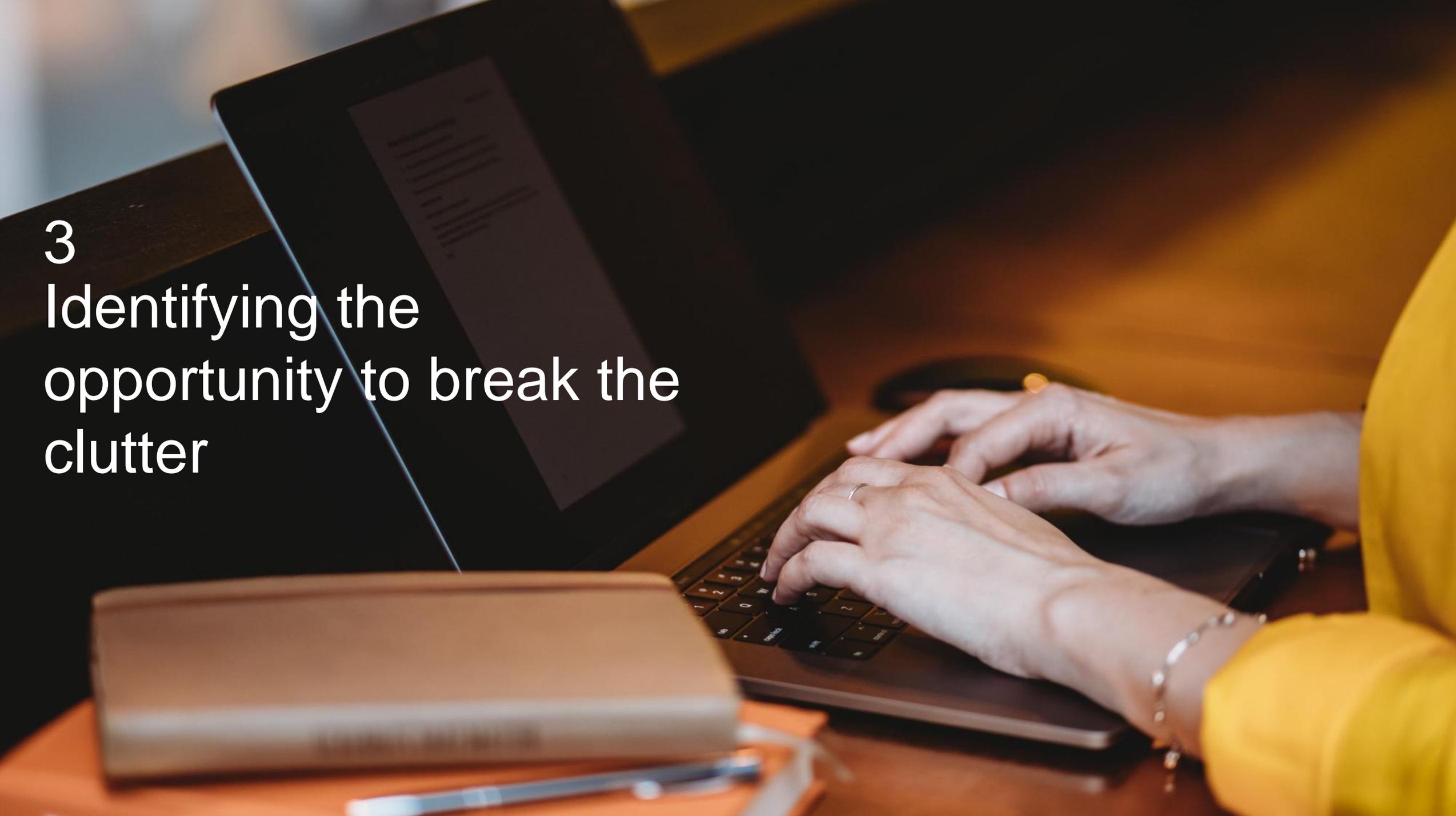
https://www.youtube.com/watch?v=J_cARAO30H0

OVO, Tokopedia, Grab

These 3 companies are joining together to create THR donation to the unfortunates

3

Identifying the
opportunity to break the
clutter



This time is for authenticity : especially if you talk about COVID-19, ensure you can help in a meaningful way, or there is the risk of a backlash...



<https://www.youtube.com/watch?v=vM3J9jDoaTA&feature=youtu.be>

... and some themes are still within white space, while it's a bit harder to break the clutter for the others



WHITE SPACE

Not many brands are talking about this

#1 Guide them through inspiration

- Delivering the news consumers can use
- Value of co-creation
- Being a partner to adapt with in-home Ramadan

#2 Be a beacon of hope

- Showcasing positivity, this too shall pass
- Depicting togetherness in a different way

#3 Create a moment of escape

- Keep the tension low, despite of serious messaging
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WHITE SPACE

Not many brands are talking about this

#4 Highlighting more personal story

- Showcasing stronger family bond
- Make smaller celebration matters

#5 Being benevolent in wider coverage

- Channelling the good deed in everyday moment
- Covering wider aspect of the unfortunates



Festive 2020 Shopping Behaviour
Thought Leadership

Celebration in Isolation

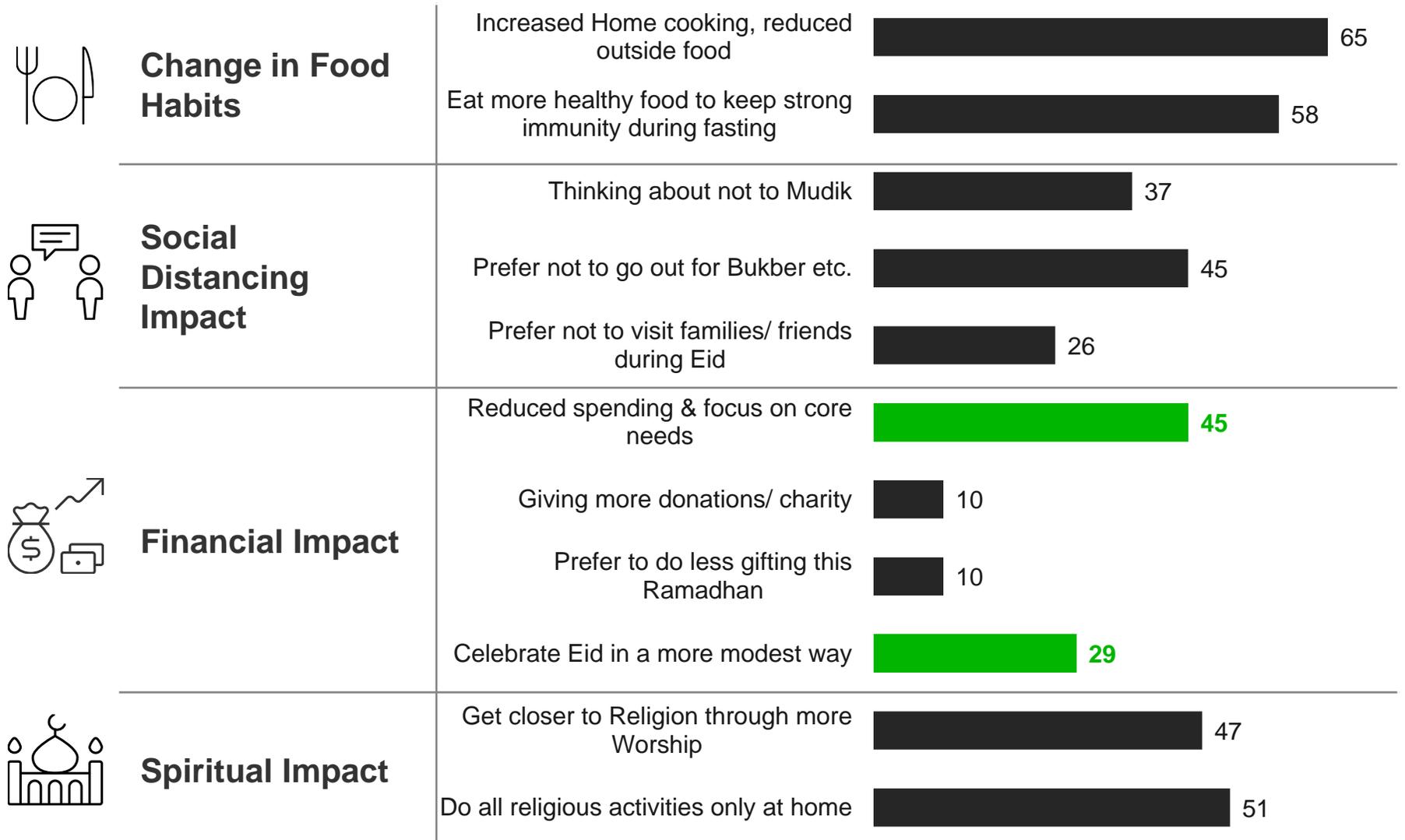
Helmy Herman
Account Director



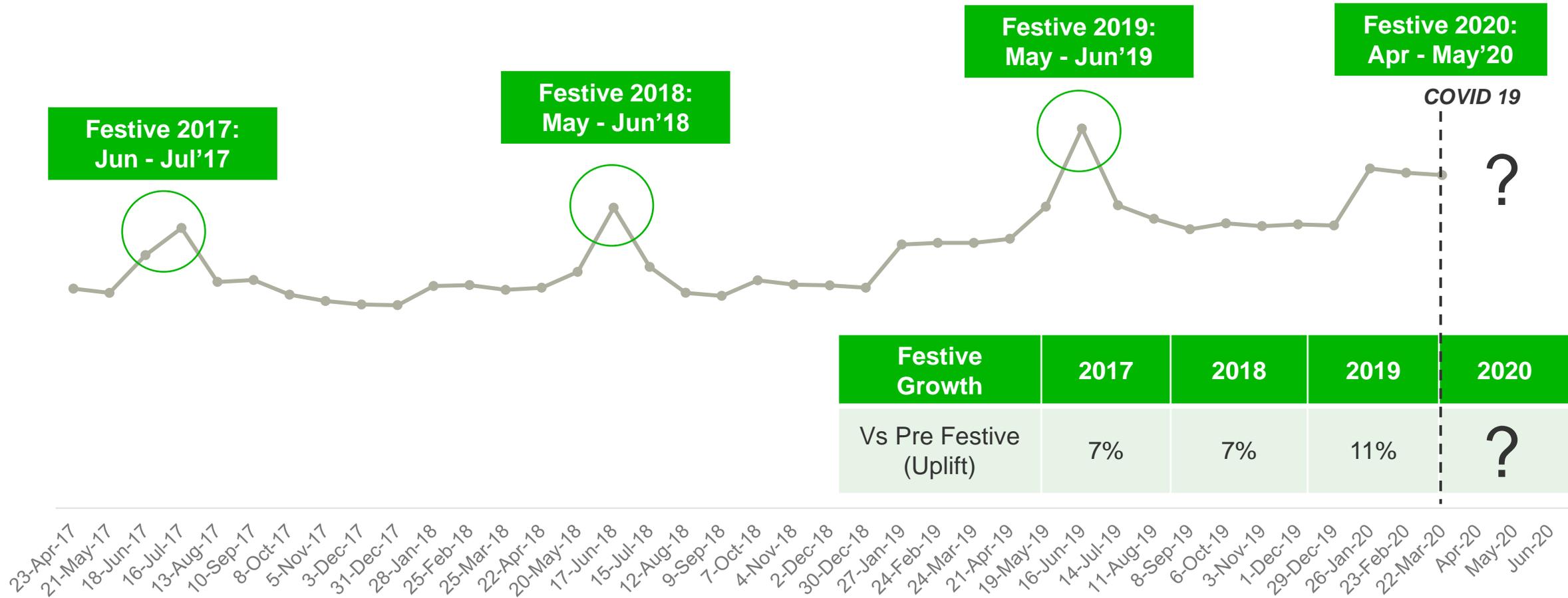
CONTEXT

Despite Covid 19 situation, most Indonesian consumers are still willing to spend and celebrate Eid with some / little adjustments.

What would & is changing about Ramadan this year?



**FMCG always sees an uplift peak in sales during Festive period.
Will Festive 2020 show similar pattern? Or will the peak period be prolonged?**



In the last 3 years, there were several factors driving spending growth in Festive. Festive 2020, has COVID-19 as an unpredicted factor, but it also has similarities to timeline of Festive 2017.

	2017	2018	2019	2020
Other events	“More holidays”	“More needs”	“Ramadan as the other event”	“Ramadan in Isolation”
	Longest Eid holiday from government	Longest gap from THR to next pay day	General Election	COVID-19
Ramadan	26 May-23 Jun	16 May-13 Jun	5 May-4 Jun	24 Apr-22 May
Idul Fitri	24-25 Jun (Sat-Sun)	14-15 Jun (Thu-Fri)	5-6 Jun (Wed-Thu)	23-24 May (Sat-Sun)
Official government “Cuti Bersama”	6 days	4 days	3 days	Moved to end of year
THR	15 Jun	28 May	24 May	13 May
+/- days from THR to Eid	9	17	10	10
+/- days from THR to previous payday	21	3	29	18
+/- days from THR to next payday	10	28	1	12

Zooming into Festive 2020, we are celebrating a different kind of Ramadan

Quarantine

More cities are implementing PSBB (Area Based Restrictions). This means more time at home, no break fasting outside, less occasions to cater guests at home, and less shopping frequency



Mudik

Government restricts all passenger traveling (mudik/exodus) to curb the spread of COVID-19.

Indonesia suspends all passenger travel across cities to prevent Ramadan exodus

Alya Nurbalti and Riza Roidila
The Jakarta Post



THR

Public sectors to receive THR 10 days before Eid. Government has allowed private sectors to postpone THR until end of 2020

Pemerintah Resmi Iizinkan Pengusaha Kecil dan Tunda THR

CNN Indonesia | Kamis, 07/05/2020 08:55 WIB

Bagikan : [f](#) [t](#)



Ilustrasi Tunjangan Hari Raya. (CNN Indonesia/Heidi Rika)

Jakarta, CNN Indonesia -- Menteri Ketenagakerjaan **Ida Fauziah** resmi mengizinkan perusahaan swasta melakukan tunda atau cicil pembayaran Tunjangan Hari Raya (THR) keagamaan pada tahun ini. Namun, pembayaran THR yang dicicil atau ditunda ini tetap harus diselesaikan dalam tahun 2020.

Izin ini tertuang dalam Surat Edaran (SE) Menteri Ketenagakerjaan Nomor M/6/HI.00.01/W/2020 tentang Pelaksanaan Pemberian Tunjangan Hari Raya Keagamaan Tahun 2020 di Perusahaan dalam Masa Pandemi Corona Virus Disease 2019 (Covid-19).

Iklan ditutup oleh Google

Unemployment

Millions to lose jobs, impacting consumer spending power and household expenditure prioritization

Up to 9 million people to fall into poverty, unemployment as COVID-19 hits: Sri Mulyani

Marchio Irfan Gorbiano
The Jakarta Post



Despite the different growth factors along the years, there are **6 consistent patterns** observed during Ramadan Festive.

How will Festive 2020 look like based on these patterns?

01 Shift in Household Spending

02 More “Efficient” Shopping Trips

03 Excitement from Middle-Low Class Consumers

04 Category Prioritization

05 Shift in Channel Preference

06 More Gifting Received

1. Shift in Household Spending | Household spends are commonly increasing for Travel, Clothing, and Eating Out during Festive. How will 2020 look like?

Top Growing Sectors Q2 vs. LY based on Worldpanel Household Expenditure Survey

2017	2018	2019	2020
1 Travel 	1 Clothing 	1 Clothing 	
2 Eating Out 	2 Fresh Food 	2 Travel 	
3 Education 	3 Travel 	3 Eating Out 	
			<p>Q1'20 increased spending</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> FMCG</div> <div style="text-align: center;"> Education</div> <div style="text-align: center;"> Housing</div> </div>

Expect Festive 2020 spending priority to be focused towards FMCG and basic necessities and reduction in Experience categories*

This shift towards basic needs happen as consumers are adjusting to this Covid 19 situation.

Apotek dan Ritel Kehabisan Masker Hingga Tisu Basah

CNN Indonesia | Senin, 02/03/2020 18:15 WIB

Bagikan :  



 **Increasing demand for hygiene products**

Masyarakat Tak Belanja Baju Baru di Lebaran 2020, Industri Tekstil Tertekan

Selasa, 21 April 2020 17:35
Reporter : Merdeka



Konsumsi Pakaian Melambat, BPS: Anak Sekarang Lebih Suka 'Nongkrong'

Penulis: Agatha Olivia Victoria
Editor: Agustiyanti



 **Declining trend in fashion consumption**

Kadin Sebut Industri Elektronik Paling 'Terpukul' oleh Corona

CNN Indonesia | Kamis, 05/03/2020 17:50 WIB

Bagikan :  



Rachmat Gobel Sebut Produksi Elektronik RI Turun Akibat Corona: Impor Terganggu

 kumparanBISNIS
Konten Redaksi kumparan

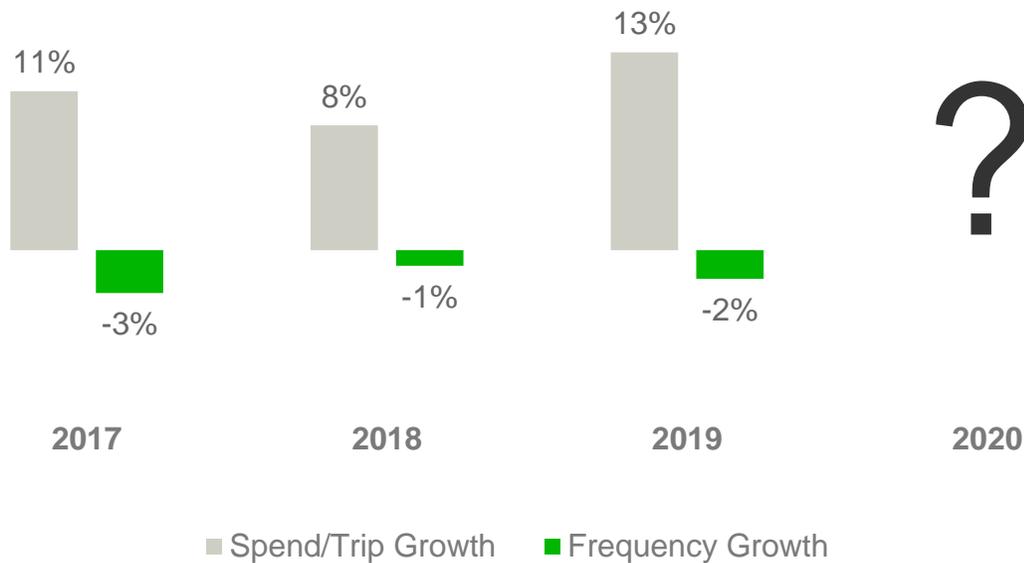


 **Less need for electronic product consumption**

2. More Efficient Trips | Shoppers spend more per trip in lesser shopping occasions during Festive. We can expect similar trend in 2020 though not as high of an increase.

2017-2019 Festive Growth vs. Average Pre-Festive

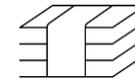
Spend/Trip growth is usually double digit, 11%, while Shopping Trips is down by an average of 2%



2020 Festive

FMCG Weekly 26th Apr indexed to Average 4 Weeks Pre-COVID

107



Spend/Trip Index

97



Trip Index

In Festive 2020, expect shopping trips to **decline** due to more restrictions in place, but FMCG Spend / Trip **will still likely to show growth** but more modest



3. Excitement from Middle-Low Class Consumers | Festive growth has always been driven by Mid-Low consumers. This year, that might change with uncertainty on THR & unemployment.

2017-2019 Festive

3 Years Avg, Spend Growth, Festive vs. Pre-Festive



2020 Festive

FMCG Value Spend Weekly 26th Apr indexed to Average 4 Weeks Pre-COVID



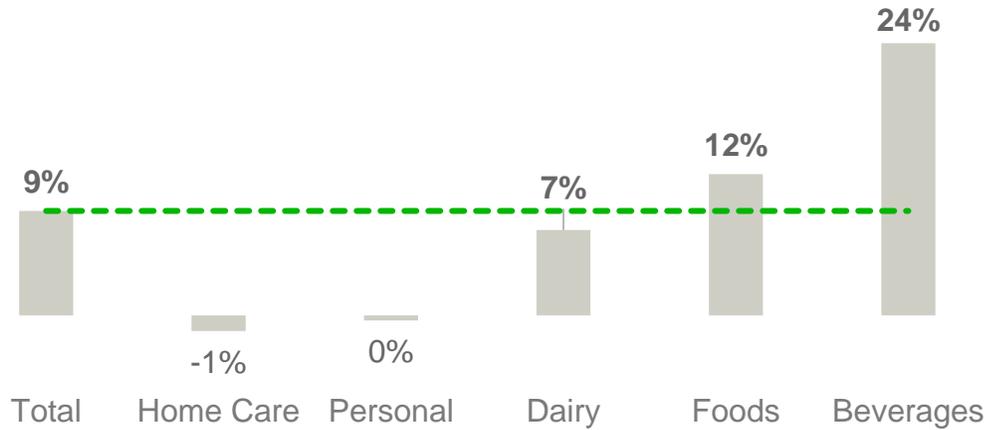
THR and rising unemployment rate are the two factors that will **impact Festive 2020** FCMG spending :

- **High Class** will prioritize less on spending outside FMCG (Travel, Clothing, Eating Out), which could lead to same / higher spending in FMCG
- **Mid-Low Class** will still likely increase their spend for Festive but not as high as previous years due to rise in unemployment and lower spending power.

4. Category Prioritization | Beverages and Food have always been prioritized during Festive. In 2020, Food & Dairy will likely outgrow beverages and there will be non-typical festive categories on the rise.

2017-2019 Festive

3 Years Avg, Spend Growth, Festive vs. Pre-Festive

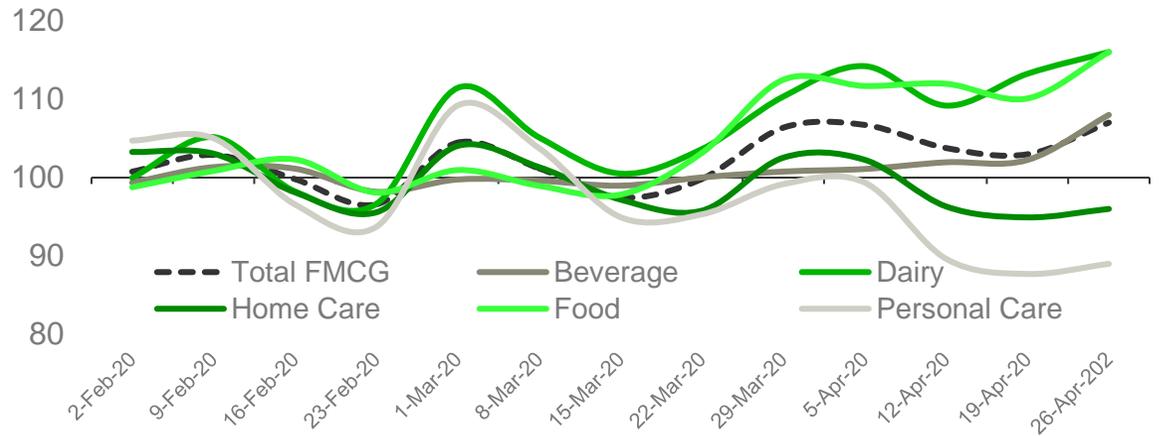


Top Growing Categories*

	2017	2018	2019
	Soft drink	Syrup	Syrup
	Syrup	Soft Drink	Soft Drink
	Mineral Water	Coconut Milk	Margarine

2020 Festive

FMCG Value Spend Weekly 26th Apr indexed to Average 4 Weeks Pre-COVID



Non-typical Festive Categories on the rise



Liquid Milk



Energy Drink

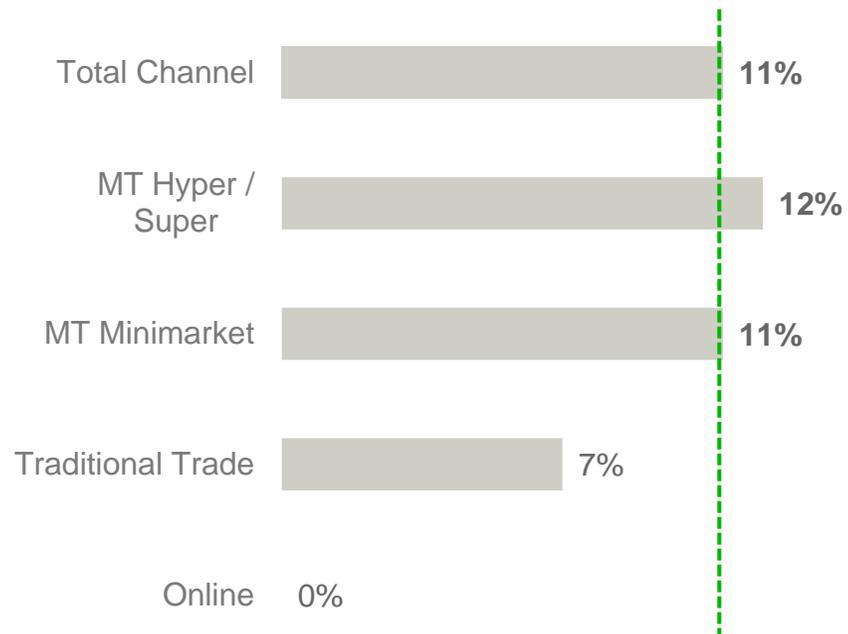


Soap + Sanitizer

5. Shift in Channel Preference | Big format MT stores were a go-to in the past, but this year importance rises in proximity channels (GT & MT Minimarket).

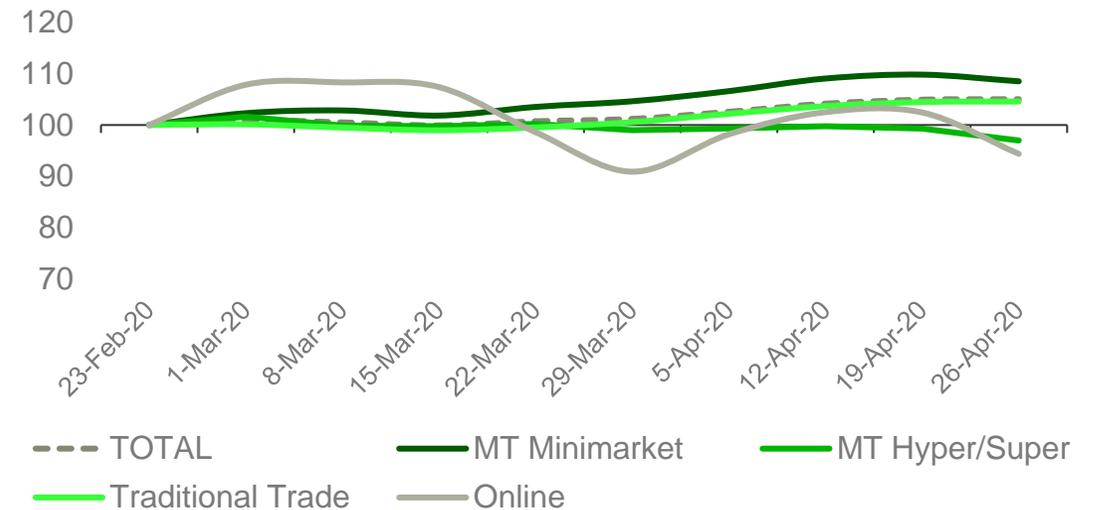
2019 Festive

Spend Growth, Festive vs. Pre-Festive



2020 Festive

FMCG Value Spend Weekly – rolling 4 weeks 26th Apr indexed to Average 4 Weeks Pre-COVID

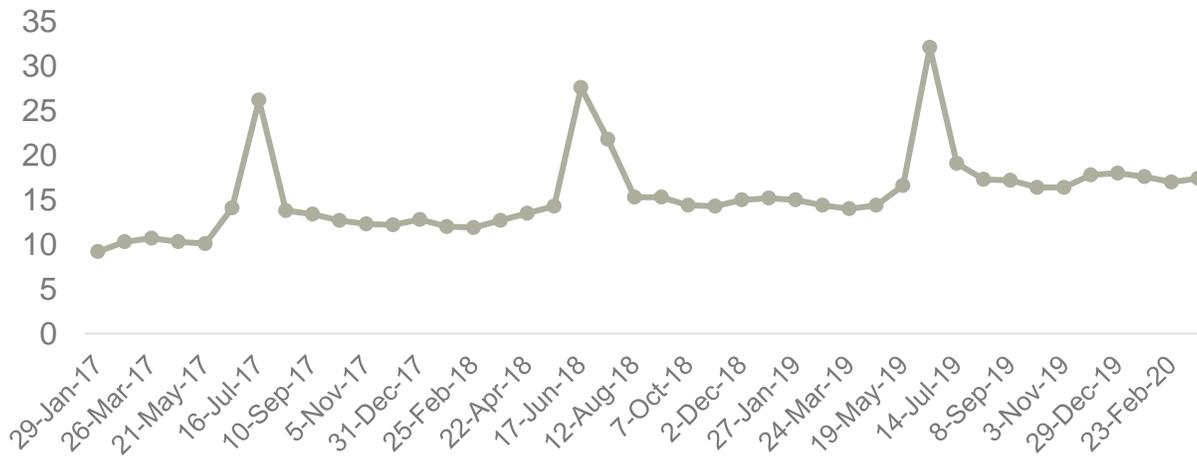


In Festive 2020, growth is still expected to come from MT Minimarket and Traditional Trade. Online seems to peak at beginning of COVID weeks but has normalized since then.

6. More Gifting Received | Gifting always reach its peak in every Festive and normalized on the next period. This year we may also see an uplift in gifting but its period might be prolonged.

2017-2019 Festive

Gifting Penetration% | Total FMCG 4-weekly Trend



2020 Festive

In Festive 2020, more consumers are still expected to receive gifts given the situation of mudik restriction and physical distancing. Period of gifting might be extended as people may want to give gifts directly to their families when the Mudik restrictions are lifted after Eid.

Products received as gifts are likely to be staple goods such as :



Biscuits



Cooking Oil



Instant Noodles



Syrup

Top Gifting Categories in Festive*	2017	2018	2019
	Biscuit	Biscuit	Biscuit
	Syrup	Syrup	Syrup
	Soft Drink	Cooking Oil	Cooking Oil

CELEBRATION IN ISOLATION : Festive 2020 Shopping Behaviour

1.

Shift in Household Spending

What to Expect in Festive 2020

FMCG is likely to gain more spending priority as consumers reduce Entertainment.

2.

More “efficient” shopping trips

With restricted movement from government, shopping trips will continue to decline with increased “stocking up” behavior.

3.

Excitement from Middle – Lower Class Consumers

With Middle and Lower Class likely affected by financial uncertainty, their spending is expected to be lower as previous years.

4.

Category Prioritization

Beverages as previous festive driver is likely to have lower growth as consumers shift towards Food and Health related categories such as Liquid Milk, Energy Drink and Soap + Sanitizers

5.

Shift in Channel Preference

Minimarkets and GT will gain more importance in Festive especially due to their proximity. Online will be an optional channel if consumers can't find products in stores.

6.

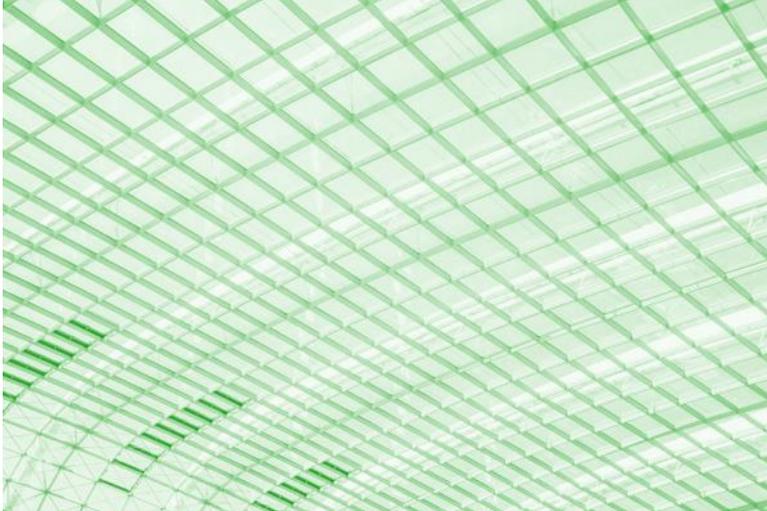
More Gifting Received

More gifts are still likely to happen with a focus towards Staple Needs products. Possibility for a prolonged peak in gifting after Mudik ban is lifted.

Will This Situation Continue in Upcoming Months?

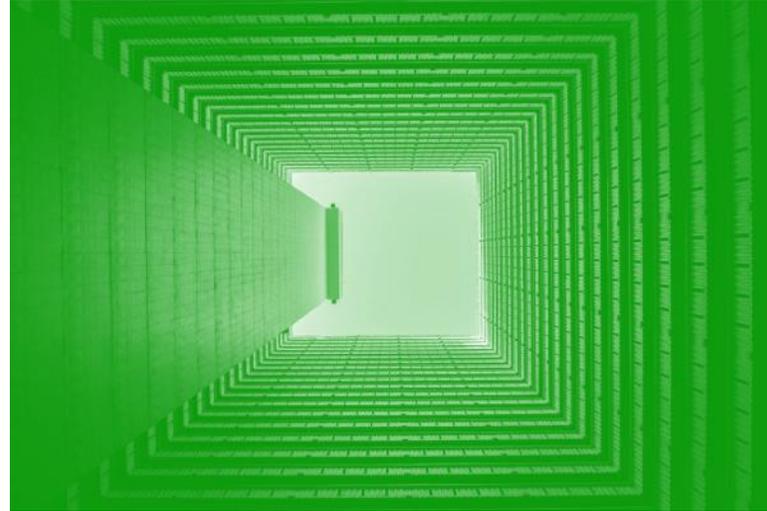
With many uncertainties even after Eid, expect to see consumers' spending to still be focused towards basic needs.

Finally, let's remember where we started



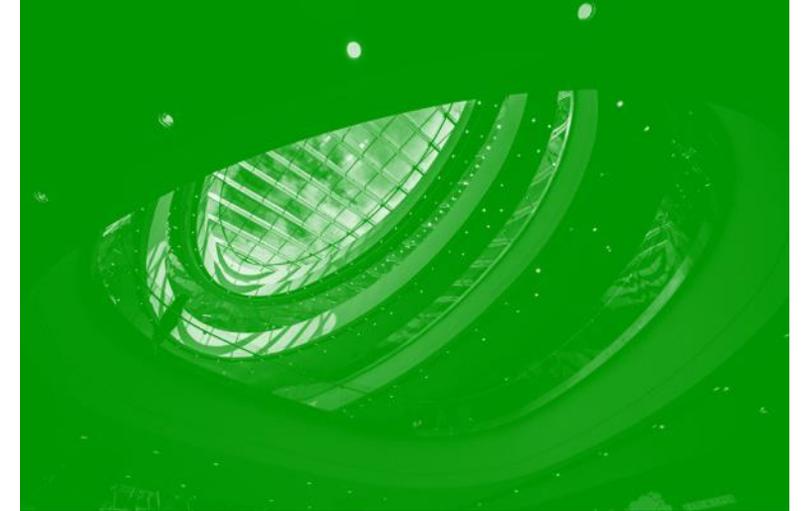
Look beyond the obvious

Look beyond the obvious impact of Covid-19 to the way Indonesian Muslim experience Ramadan



Look deeper

React to the obvious changes but pay attention to the deeper understanding and manifestation of the changes



Look ahead

Use the month of Ramadan as the indicator of likely future impact of current changes

KANTAR

**See you soon..
And Blessed Eid,
in advance**

Kantar Indonesia
May 15, 2020

