

**KANTAR**

**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.



Weekly update on how COVID-19 impacting Indonesian behavior and attitudes, covering 2183 consumers across Rural & Urban Indonesia



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

## BRANDZ

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

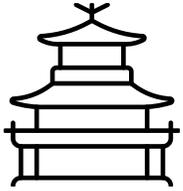


Thought-leadership, analysis, and intelligence on the most critical emerging trends, growth segments and opportunities



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 ?

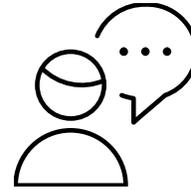
What similarity and difference we can expect in Indonesia?



2.

## How are Indonesians shopping ?

What are the myths and what are the facts? And what likely to change?



3.

## How are Indonesians feeling?

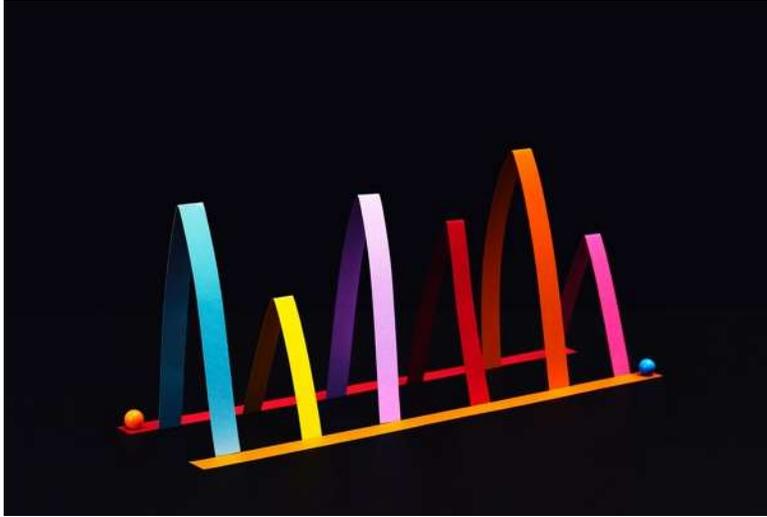
What differentiates Indonesians from other neighboring countries?



4.

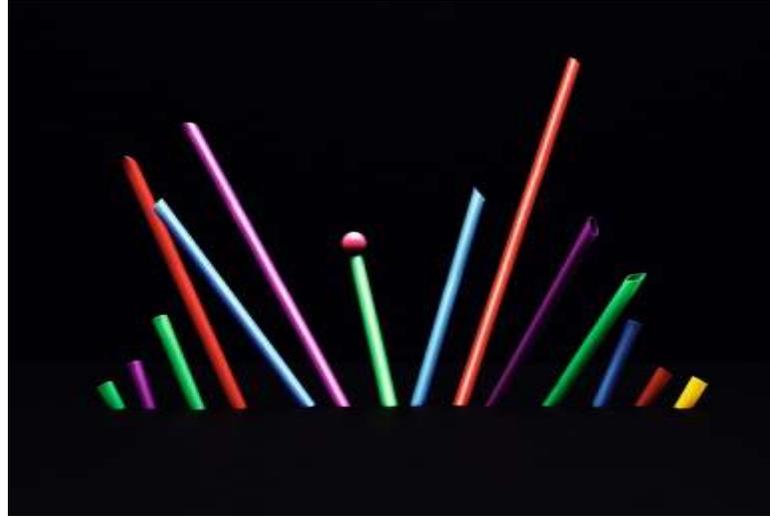
## How should brands react?

# What you will hear today – key theme across



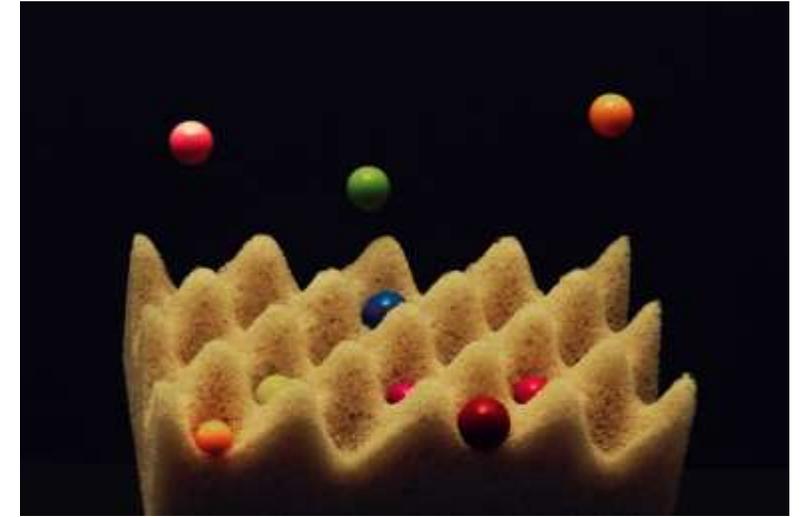
**Constant CHANGING on attitude and behaviour is unrelenting**

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.

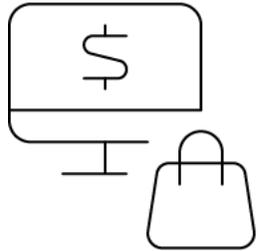
# KANTAR

## WHAT WE CAN LEARN FROM CHINA?

Nadya Ardianti  
Chief Client Officer



# The Context Matters – China: Digital First Economy



**28%**

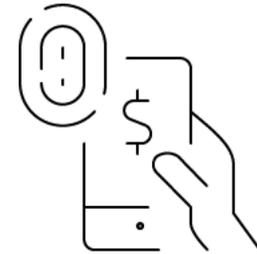
eCommerce %  
to Total Retail Sales



**14%**

eCommerce %  
to Total FMCG Sales

Less than 1% for Indonesia



**42%**

Mobile Payment  
Penetration

36% at Top 10 Cities Indonesia

# The Context Matters – China: Sophisticated Omni Channel Landscape

## Sophisticated O2O retail

Online & Offline	Offline to Online		Online to Offline
	Platform	Offline Retail Partnership	
Self-run new retail store	Digitalizing physical store		Introducing online portfolio to offline for experience and consumer education
  		       	 
 	  	     	  

## Traditional GT digital transformation



# The Context Matters – China: Agility To Respond Rapidly Toward Emergency

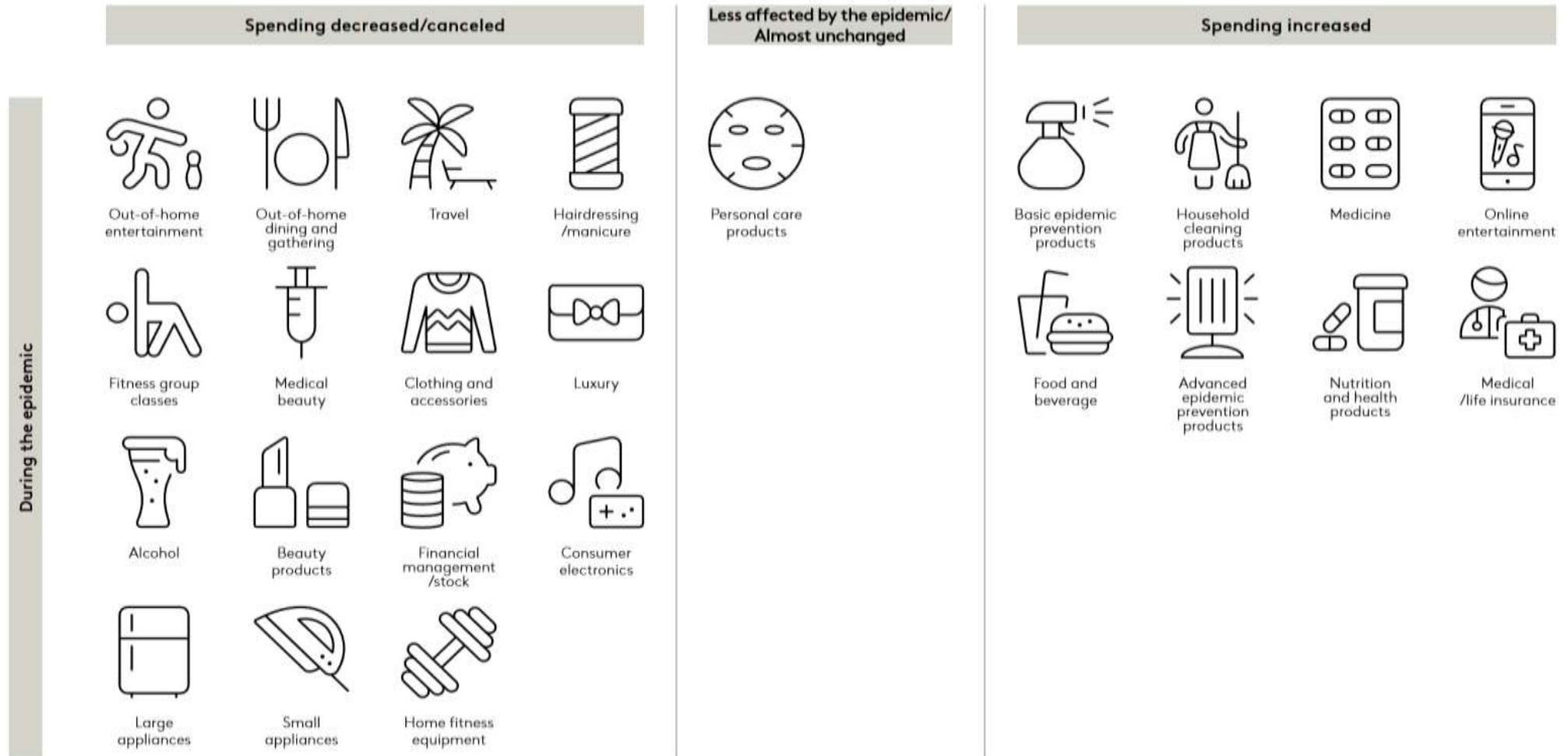
COVID-19 COUNTRIES RANKING / 29th March 2020

10 MOST SAFE COUNTRIES TO STAY	10 COUNTRIES WITH THE MOST EFFICIENT TREATMENT	10 MOST RISKY COUNTRIES TO STAY
ISRAEL	SINGAPORE	ITALY
SINGAPORE	SOUTH KOREA	INDONESIA
SLOVAKIA	HONG KONG	SPAIN
NEW ZEALAND	TAIWAN	IRAQ
HONG KONG	CHINA	IRAN
TAIWAN	JAPAN	NETHERLANDS
HUNGARY	GERMANY	FRANCE
AUSTRIA	AUSTRIA	USA
GERMANY	UAE	UK
GREENLAND	BAHRAIN	PHILIPPINES

SOURCE: WWW.DKVGLOBAL/COVID



# The impact on certain sectors was profound during the pandemic in China



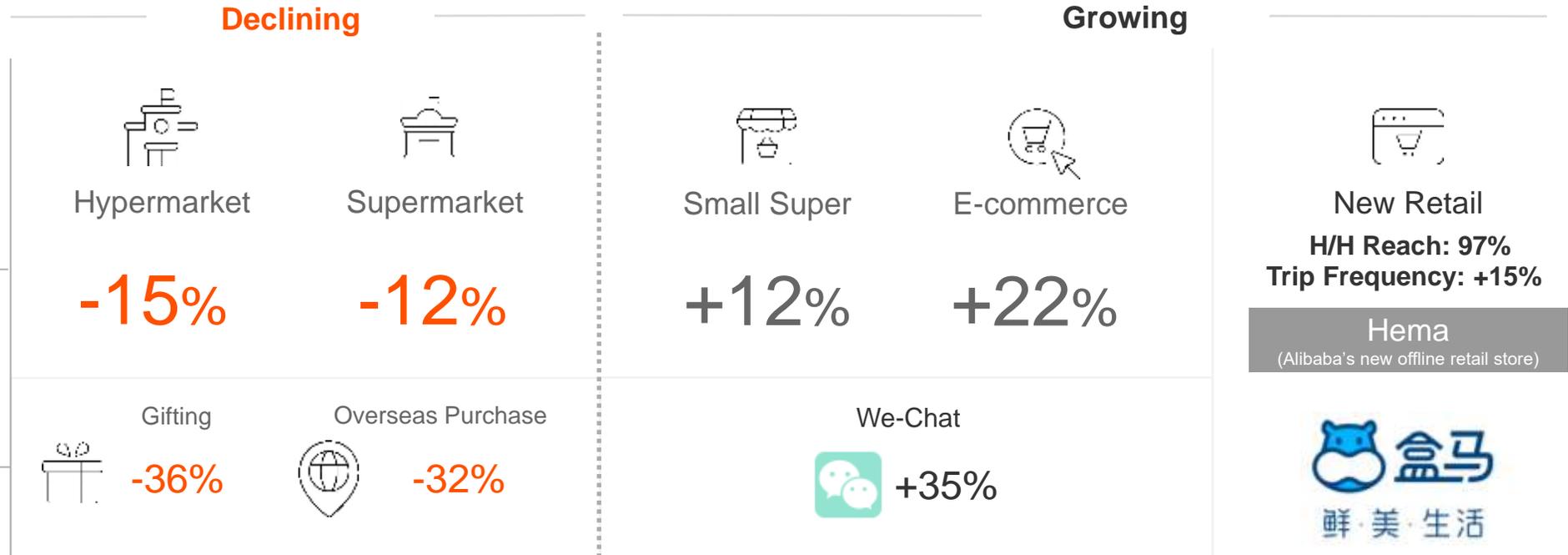
# Across categories, safety first is the first consideration for channel choice

Time | Measure: Spend

2 week Year on Year Comparison	Start	End
Start of Lockdown 2020	25 01	07 02
2019 Comparable Weeks	02 03	15 03

Main Shopping Channels

Selected Specific Channels



# 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

## Spending increased



Out-of-home dining and gathering



Travel



Out-of-home entertainment



Basic epidemic prevention products



Food and beverage



Medical /life insurance



Clothing and accessories



Advanced epidemic prevention products



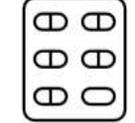
Nutrition and health products



Household cleaning products



Personal care products



Medicine



Fitness group classes



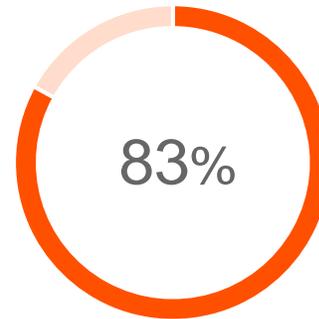
Financial management /stock



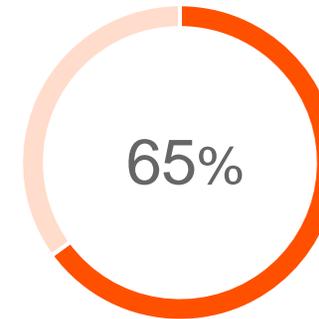
Hairdressing /manicure



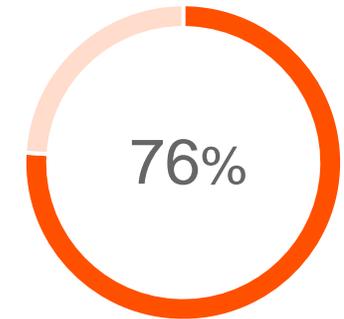
Beauty products



Still buy masks and disinfectant for storage at home



Turn wearing masks into a daily habit



Pay more attention to the sterilization and disinfection



## Lesson from China and Implication for Indonesia

“If Winter comes,  
can Spring  
be far  
behind?”

**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

# KANTAR

## How are we shopping

Adisti Bramanti  
Client Leader



# BUSTING THE MYTHS



1 Is FMCG growth negatively impacted by COVID-19?

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2 Are Indonesians panic buying?

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3 What does panic buying mean? Are people expanding their basket size?

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4 Are germ-killing categories the only ones benefiting from COVID-19?

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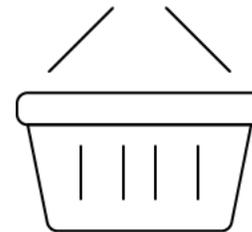
5 Is category growth only temporary?

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6 Is Online the only channel that is growing?

# Identifying changes in purchase behavior on a week-by-week period

P2 (4 w/e Feb 23)				P3 (4 w/e Mar 22)			
Week 1	Week 2	Week 3	Week 4	Week 1	Week 2	Week 3	Week 4
2-Feb-20	9-Feb-20	16-Feb-20	23-Feb-20	1-Mar-20	8-Mar-20	15-Mar-20	22-Mar-20
Payday Jan	Pre COVID	Pre COVID	Pre COVID	Payday Feb	1 <sup>st</sup> 2 COVID cases	117 cases confirmed	514 cases confirmed
Pre COVID-19				COVID-19 outbreak			



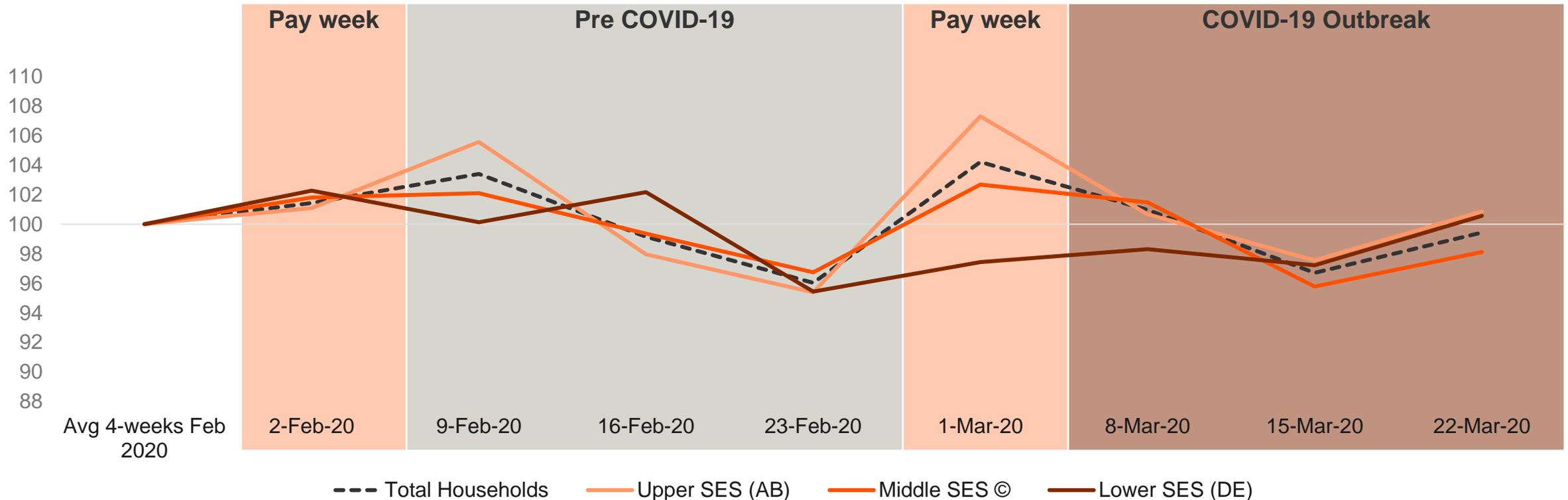
## 1 Big week

(bought more in a single week than at any point during last 8 weeks in comparison to average of 4 weeks Pre COVID-19)

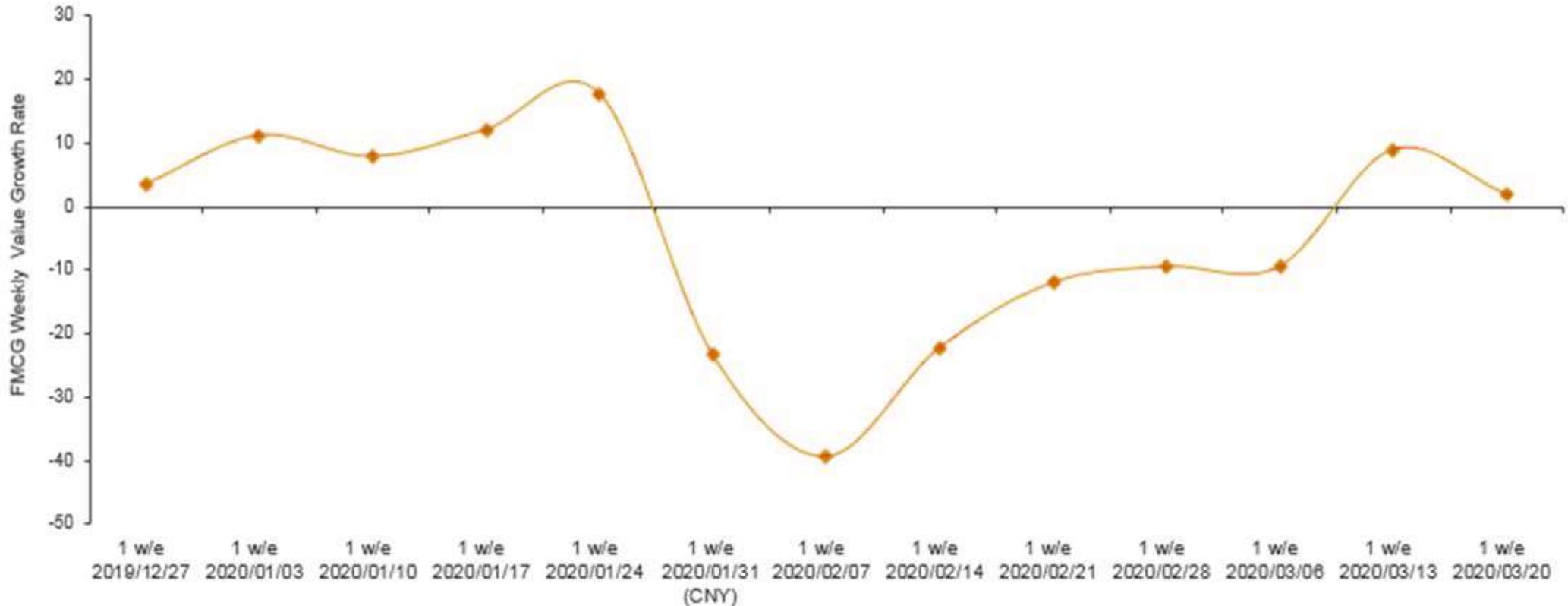
1

# 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.

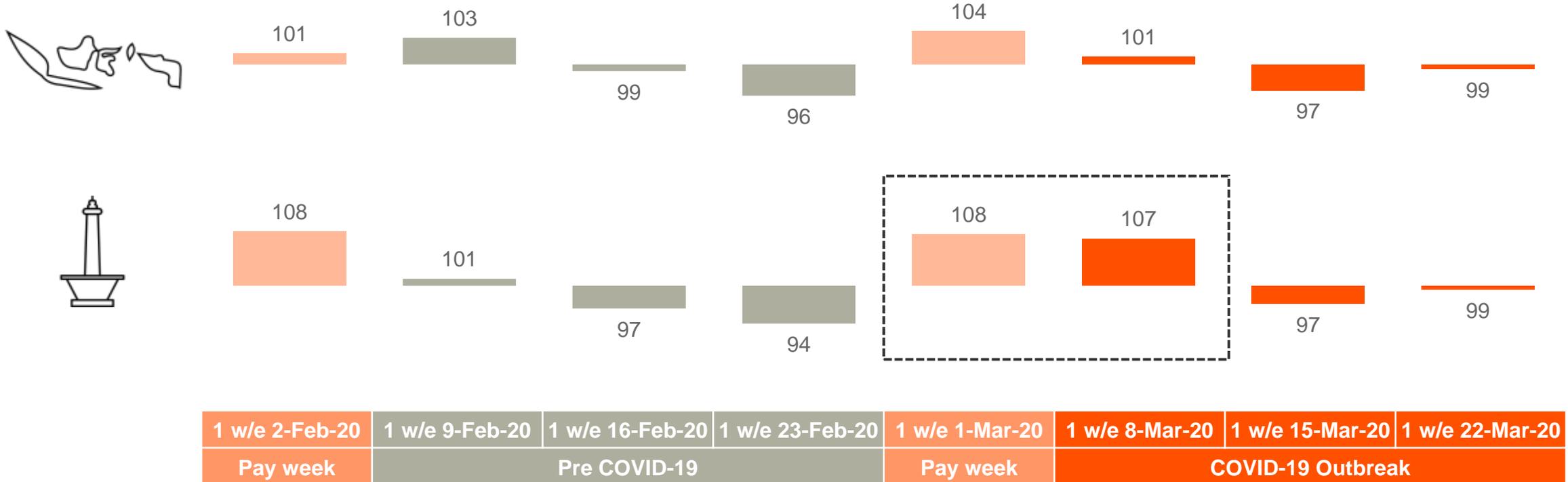


Note: The weekly Growth Rates based on the equivalent period in 2019 with the week of CNY aligned

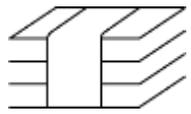
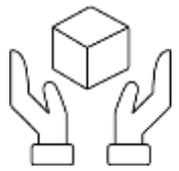
2

## Are Indonesians are panic buying?

An extended uplift after pay-week is seen in the 1<sup>st</sup> week after the outbreak only in **Jakarta Greater**. We can expect similar pattern rolling out in other regions as they apply quarantine.



### 3 What does panic buying mean? Are people expanding their basket size? Higher spend of Jakarta Greater in the week of Mar 8<sup>th</sup> is driven by **bigger basket size**.

Total FMCG Week Ending Mar 8 <sup>th</sup> vs. Pre COVID	 Unit/Trip Index	 Spend/Trip Index	 Trip Index	 # of Categories Bought
	100	102	99	100
	<b>104</b>	<b>106</b>	101	<b>103</b>

# 4 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.

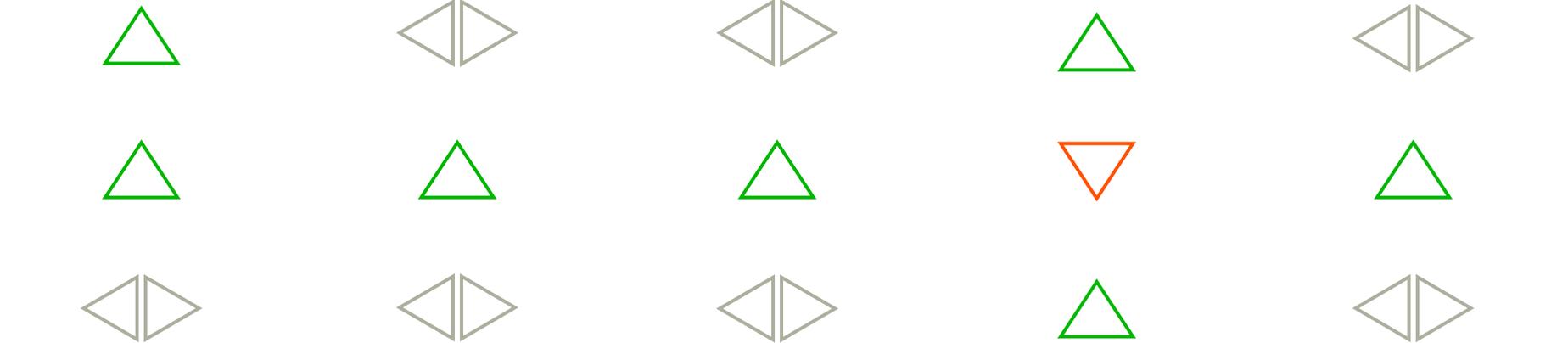
Value Index



Unit/Trip Index

Vol/Trip Index

Trip Index



Top 3 Growing Categories

1. Liq. 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

# 5

## 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.

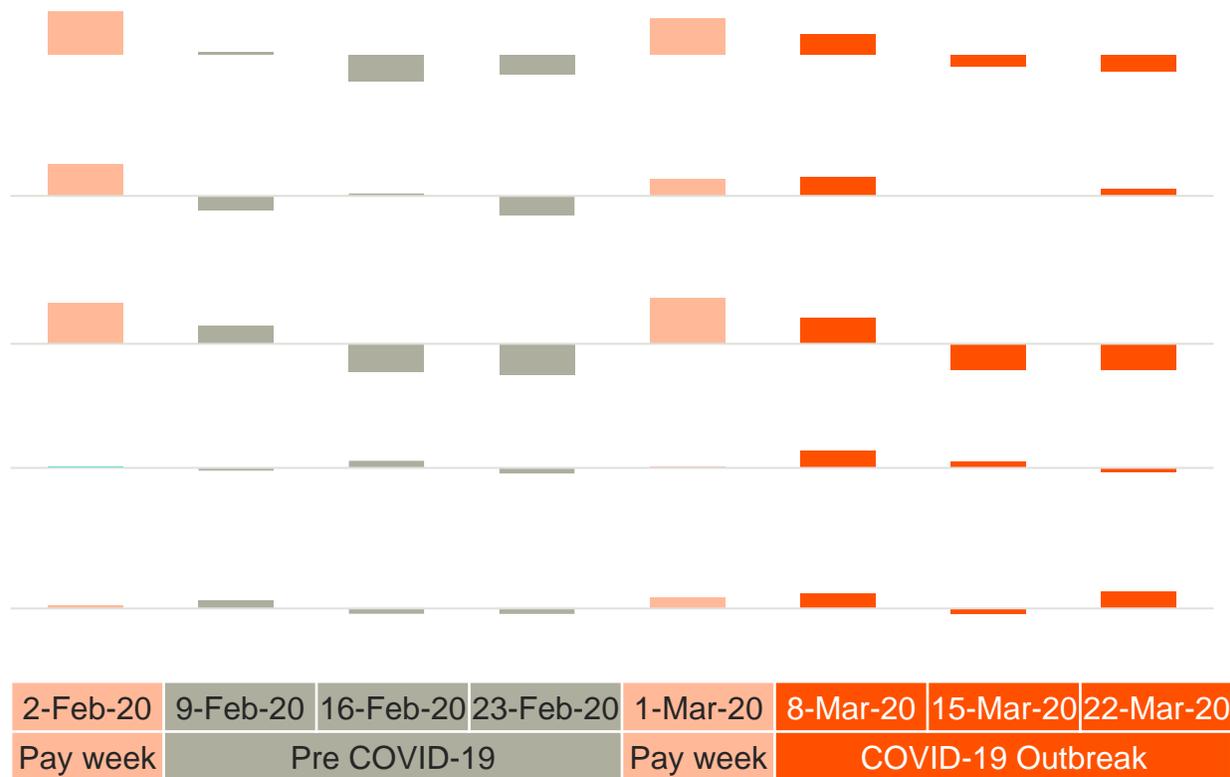
**PERSONAL CARE**  
*Short Term Stockpiling*

**DAIRY**  
*In-Home Occasion  
Increased Demand*

**HOME CARE**  
*Short Term Stockpiling*

**BEVERAGES**  
*Short Term Stockpiling*

**PACKAGED FOOD**  
*In-Home Occasion  
Increased Demand*



### Predictions for Upcoming 1 Month

Stocking Up on next April Pay Day only

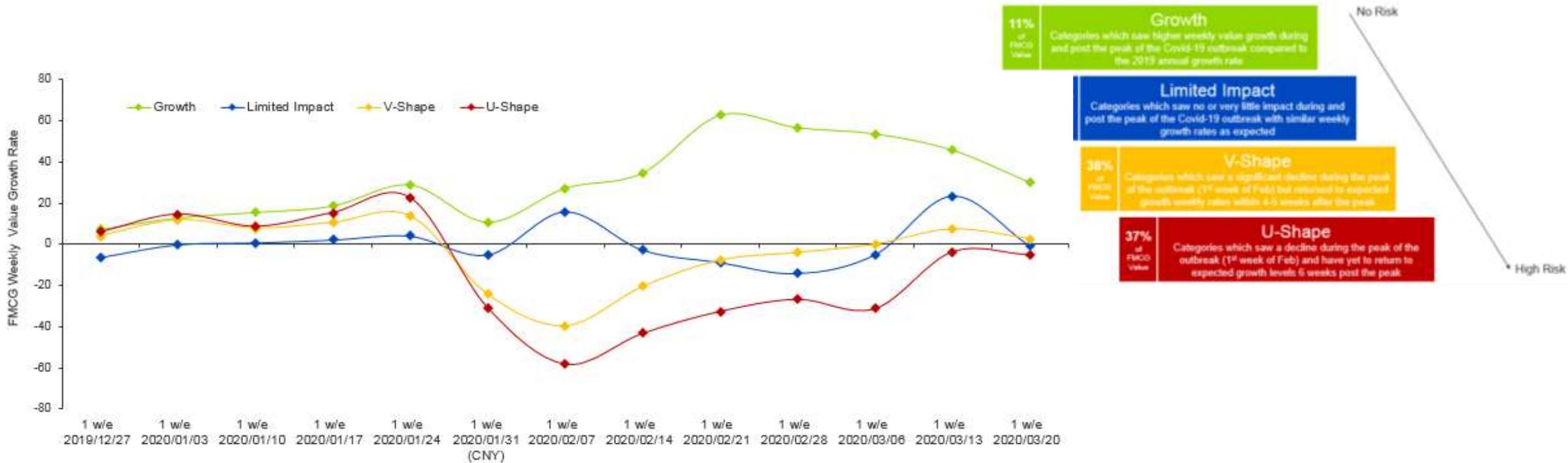
Permanent as we approach Ramadhan

Stocking Up on next April Pay Day only

Slow growth except for festive categories

Permanent as we approach Ramadhan

# Looking ahead and learning from China, if Indonesia government enforces stricter quarantine, we can expect to see different impact to FMCG categories



Note: The weekly Growth Rates based on the equivalent period in 2019 with the week of CNY aligned

6

# 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.



## Yang Dilarang & Tidak Saat PSBB\*

DKI Jakarta resmi mendapatkan persetujuan dari Menkes Terawan untuk menerapkan Pembatasan Sosial Berskala Besar mulai Selasa <sup>(7/4)</sup> ini.

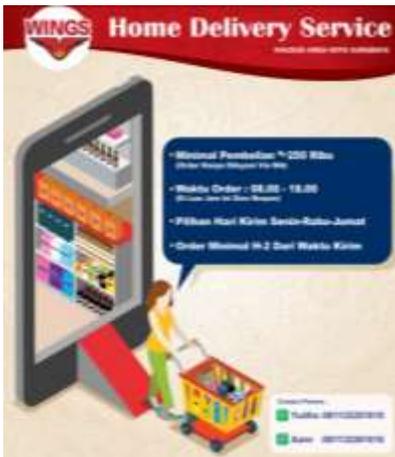
Tempat Usaha yang Boleh Beroperasi*	Tempat Usaha yang Dilarang
<ul style="list-style-type: none"> <li>Supermarket/ minimarket/ pasar/ toko bahan pangan atau bahan pokok.</li> <li>Apotek dan toko peralatan medis.</li> <li>Layanan ekspedisi barang.</li> <li>Distributor bahan bakar/ minyak/ gas dan energi (termasuk pompa bensin).</li> </ul>	<ul style="list-style-type: none"> <li>Pembangkit listrik, unit, dan layanan transmisi dan distribusi.</li> <li>Penyedia layanan internet, penyiaran, dan layanan kabel.</li> <li>Bank, kantor asuransi, penyelenggara sistem pembayaran, dan ATM.</li> <li>Toko bangunan serta toko ternak dan pertanian.</li> <li>RS, Puskesmas, dan faskes umum.</li> <li>Bank, asuransi, ATM, penyelenggara sistem pembayaran, layanan pasar modal (ditentukan oleh BEI).</li> <li>Media cetak dan elektronik.</li> </ul>

\*dengan pengaturan jarak orang

# Looking ahead, creativity kicks in for retailers and manufacturers to experiment alternative ways to reach their shoppers

## 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

**THE FOODHALL**  
PLEASE PLACE ORDER VIA WHATSAPP IN YOUR AREA

NO.	STORE	BM / BNI	PHONE NO.
<b>THE FOODHALL</b>			
1	PLAZA INDONESIA	Sukanto	08170000271
2	PLAZA SENAYAN	Taopik Hidayat	083899422021
3	KELAPA GADING	Nanilang Prihartono	081219791802
4	PONDOK INDAH MALL	Yuliana Mazan	0811140306
5	SENAYAN CITY	Fahmi Firsada Manan	081319442347
6	GRAND INDONESIA	Subenyi	081288739537
7	KEBON JERUK	Wawan Mustiawan	081317185084

## PD Pasar Jaya (Wet Market)

Order via phone, delivered via ojek



Direktur Utama PD Pasar Jaya, Arif Nasrudin mengklaim banyak pasar yang sudah memberlakukan prosedur pencegahan Covid-19. Pasar Jaya juga gencar memperkenalkan cara belanja via daring untuk mengurangi kontak langsung antara penjual dan pembeli. Masyarakat bisa memesan produk yang ingin dibeli dengan menghubungi langsung pedagang atau koordinatormya. Pesanan dapat diantar dengan menggunakan ojek daring.

## BUSTING THE MYTHS + Implications

1.

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Is FMCG growth negatively impacted by COVID-19?

### Myth / Fact?

#### Fact (Partial)

FMCG growth is still seen for Upper-Mid SES, but slowing down for Lower SES

### What's Next?

Lower SES will be most impacted in the long run if quarantine continues to limit daily income.

2.

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Are Indonesians panic buying?

#### Fact (Partial)

So far only Jakarta Greater shows different behavior, with additional uplift after pay day.

Expect to see similar pattern in other regions as and when they apply quarantine

3.

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What does panic buying mean? Are people expanding their basket size?

#### Fact

Shoppers are opting for bigger volume and expanding their category repertoire.

Ensure availability of big packs in store to cater needs of shoppers seeking to upsize

4.

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Are germ-killing categories the only ones benefiting from COVID-19?

#### Myth

Personal Care is not the only sector growing! Consumers are also stocking up other categories to accompany more activities at home.

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).

5.

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Is category growth only temporary?

#### Myth (to be proven)

Some categories see a bounce back entering April, but too soon to conclude as pandemic has not reached its peak.

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

6.

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Is Online the only channel that is growing?

#### Myth

Online is the fastest growing channel but not the only one growing! MT and Gifting

Be creative in expanding different types of distribution channels that give a solution to barriers for consumers to have access to your product.

# KANTAR

## 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.

**2<sup>nd</sup> March**  
First official case



4.

**17<sup>th</sup> March**  
Extension on COVID-19 Emergency

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

BY: BEB/TASKU  
MARCH 17, 2020

**Jakarta.** The Indonesian government has decided to extend the national emergency for the Covid-19 outbreak until May 29 as the number of confirmed cases in the country rose to 172 on Tuesday, up by 36 from yesterday.

The new cases were mostly found in Jakarta, followed by East Java, Central Java and Riau Islands, a government spokesman said in a daily news conference in Jakarta.

The government has appointed 13 laboratories in different cities to conduct the swab tests for suspected coronavirus infections.

2.

**12<sup>th</sup> March**  
Numbers boomed after 10 days

**Kasus Positif Corona di Indonesia Meroket Dua Kali Lipat jadi 69 Orang**

Penulis: Dimas Jarot Bayu  
Editor: Ameidy Daud  
© 13/3/2020, 17:43 WIB

Ada 3 orang pasien yakni nomor 35, 36, dan 50 telah meninggal dunia.

5.

**8<sup>th</sup> April**  
And now the number of death has crossed 200 within a little over a month

	Indonesia	Worldwide
Total Cases	<b>3842</b>	1.7 Mio
Total Deaths	<b>327</b>	108,837
Total Recover	<b>286</b>	404,448
Active Cases	<b>3229</b>	1.2 Mio

3.

**13<sup>th</sup> March**  
And now cases have reached >100 two weeks after first detection\*

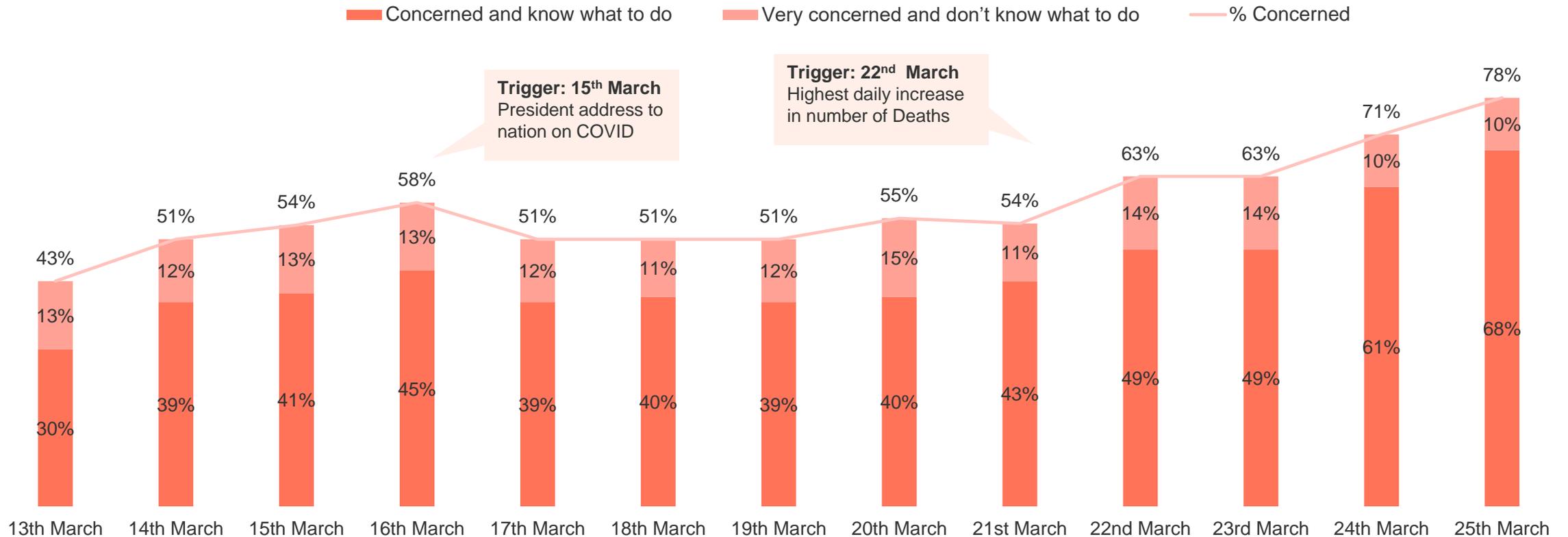
	Indonesia	Worldwide
Total Cases	<b>117</b>	169,610
Total Deaths	<b>5</b>	6,518
Total Recover	<b>3</b>	77,776
Active Cases	<b>104</b>	85,316

**Indonesia Is the Fastest to 100 Verified Cases**



# Despite the stark numbers... we see Indonesians to be concerned but assured

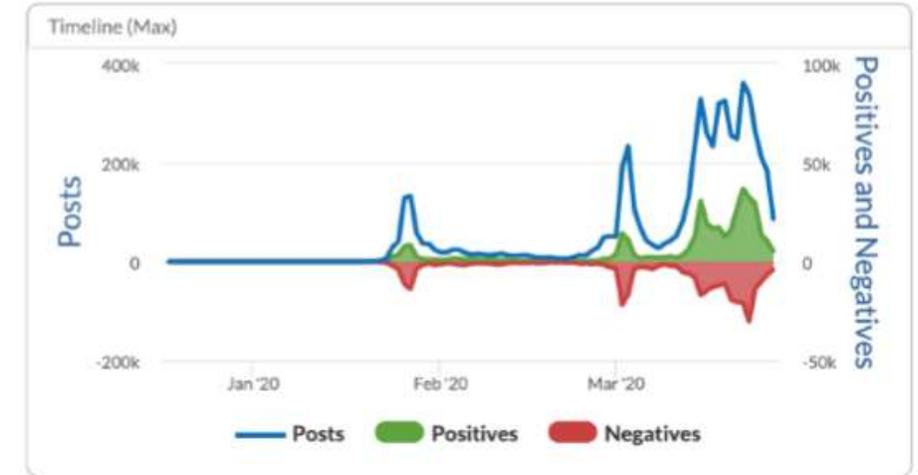
## COVID Anxiety Meter: Total Indonesia Trends



# Indonesia & Malaysia are the only countries in the region which have maintained a Net-positive sentiment in their Social media chatter about COVID

Topic Comparison (NASEAP)

		Posts (Total)	Posts (%Share)	Posts (Trend)	Authors	Net Sentiment
1	Thailand	11,535,744	34%		898,809	-30%
2	<b>Indonesia</b>	5,743,269	17%		1,383,768	7%
3	Malaysia	4,370,428	13%		700,939	8%
4	Japan	3,641,944	11%		1,073,742	-30%
5	Australia	3,248,300	10%		521,816	-16%
6	Philippines	2,346,246	7%		720,086	-10%
7	Korea	1,851,660	5%		310,987	-8%
8	Singapore	535,185	2%		105,032	-22%
9	Vietnam	478,617	1%		183,067	-39%
10	New Zealand	353,557	1%		69,281	-7%



# 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.

## Impact on Daily Life

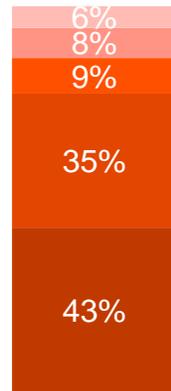
The current situation is not impacting my day-to-day life that much



The current situation is impacting my day-to-day life

## Financial Security

This situation has had no impact on how I think about financial planning



This situation demands us to be even more proactive about financial planning

## Economic Recession

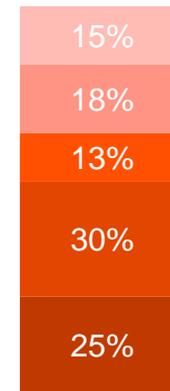
It will take a long time for the economy to recover and there will be a long term impact



I believe the economy will recover quickly once coronavirus situation has died down

## Impact on Health

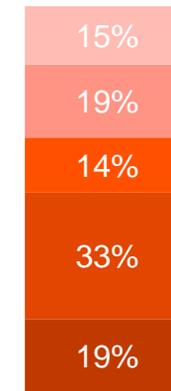
I am confident that I will stay safe by taking precautions and looking after my hygiene



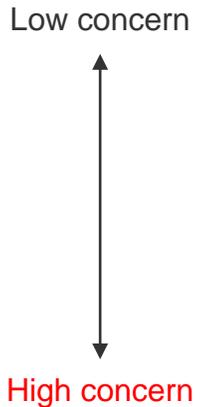
I am worried about falling sick no matter how much I take care of myself

## Scarcity

I do not see the need to stock up and have not adjusted my shopping behavior

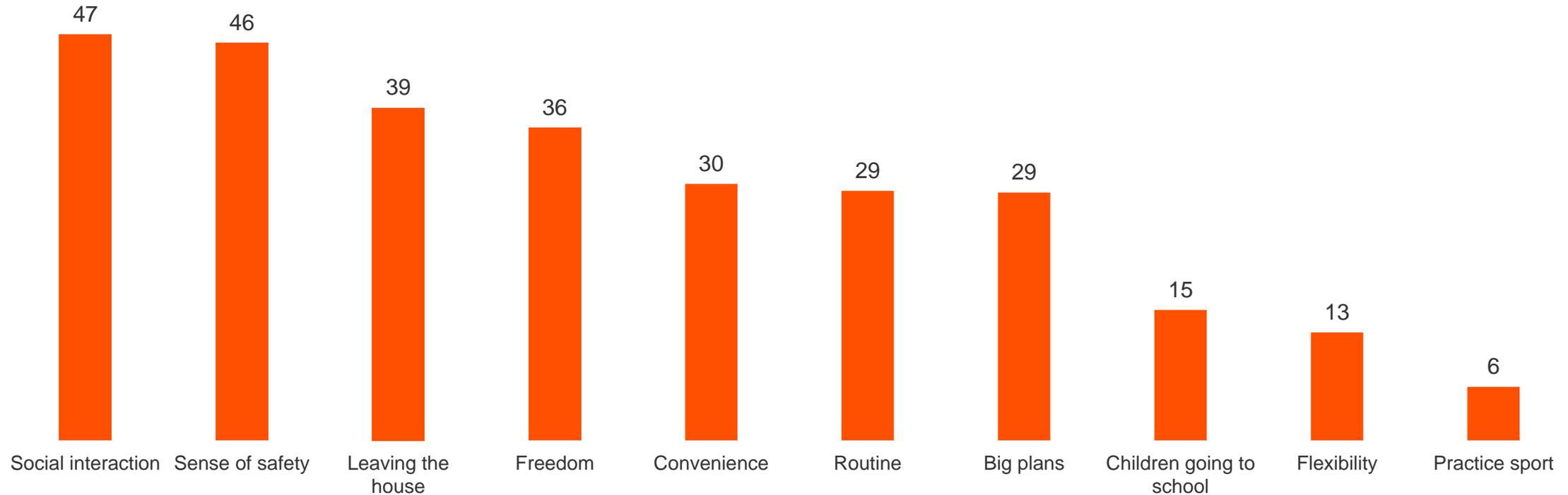


I have bought a lot of extra items to be prepared



# 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.

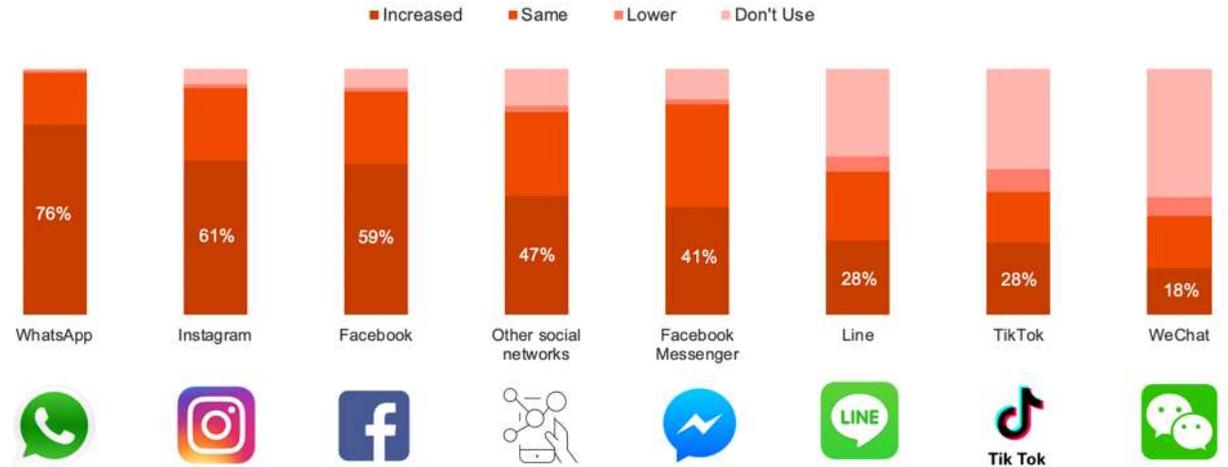
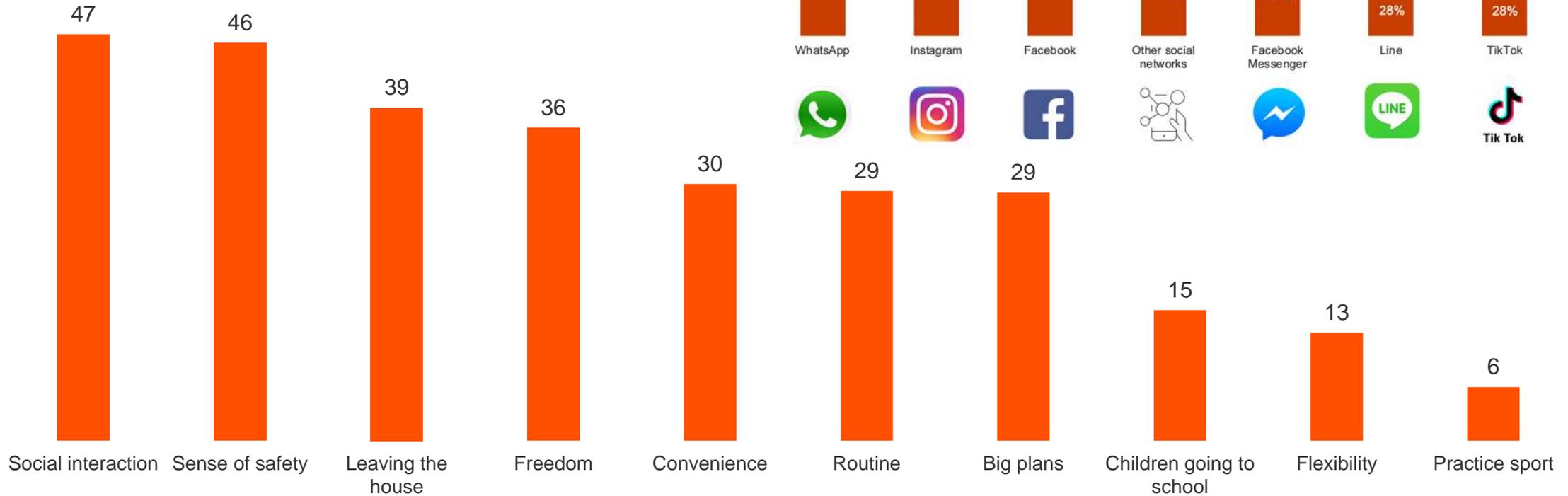
## Hardest Thing to Give Up in Daily Life



# Staying connected socially is now moving Online...

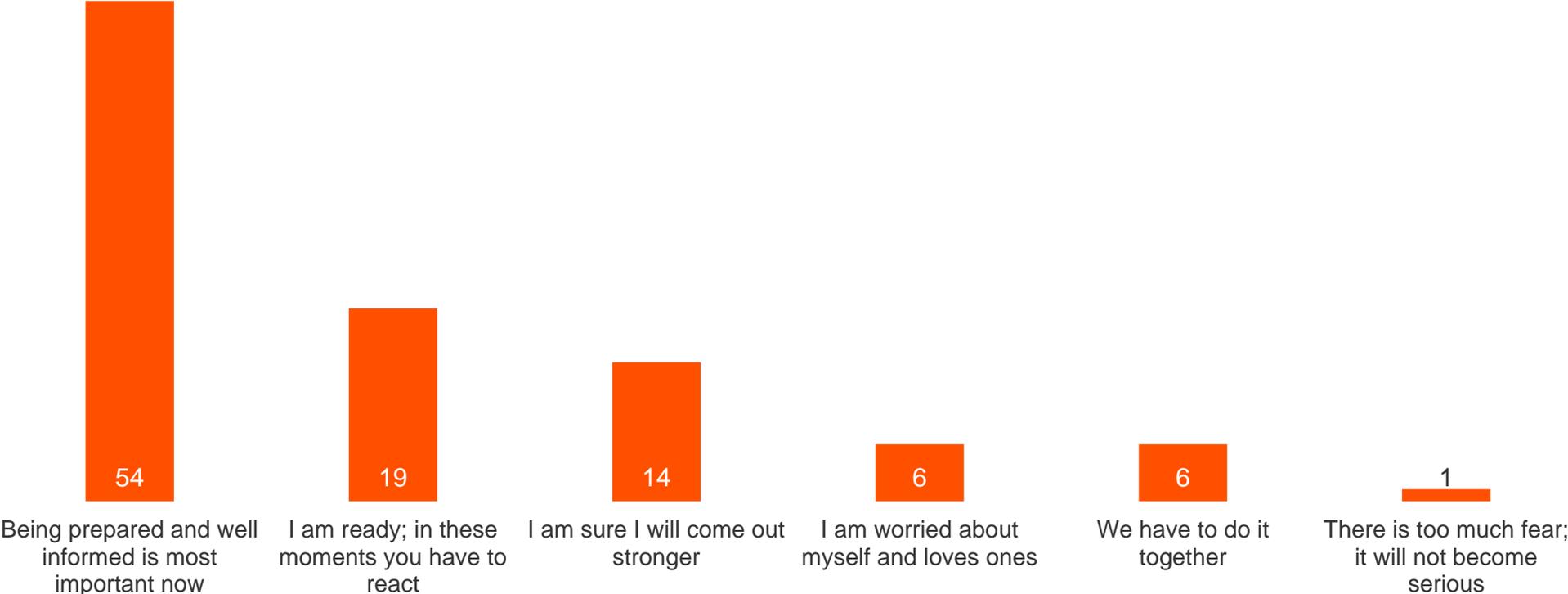
Change in social platform usage

## Hardest Thing to Give Up in Daily Life



# Indonesians feel that information would help them stay prepared and positive through this period

Statement best describes current feelings



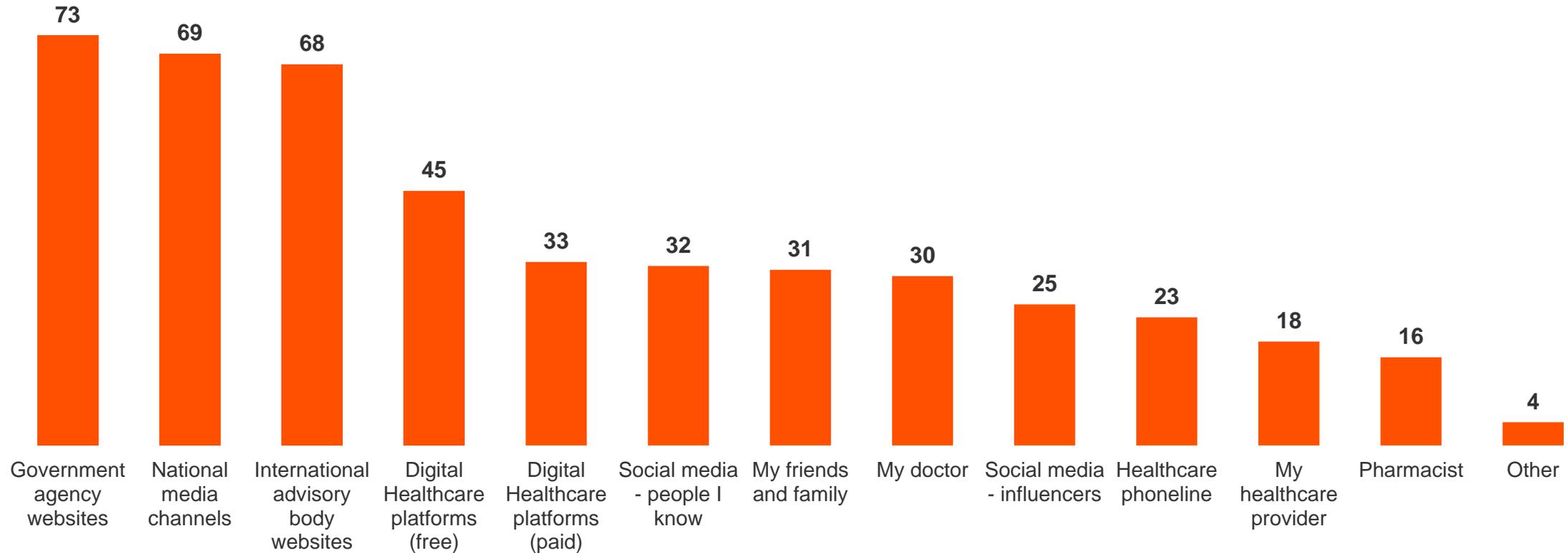
# ...and most information search are around identification and prevention of COVID-19

## Statement best describes current feelings



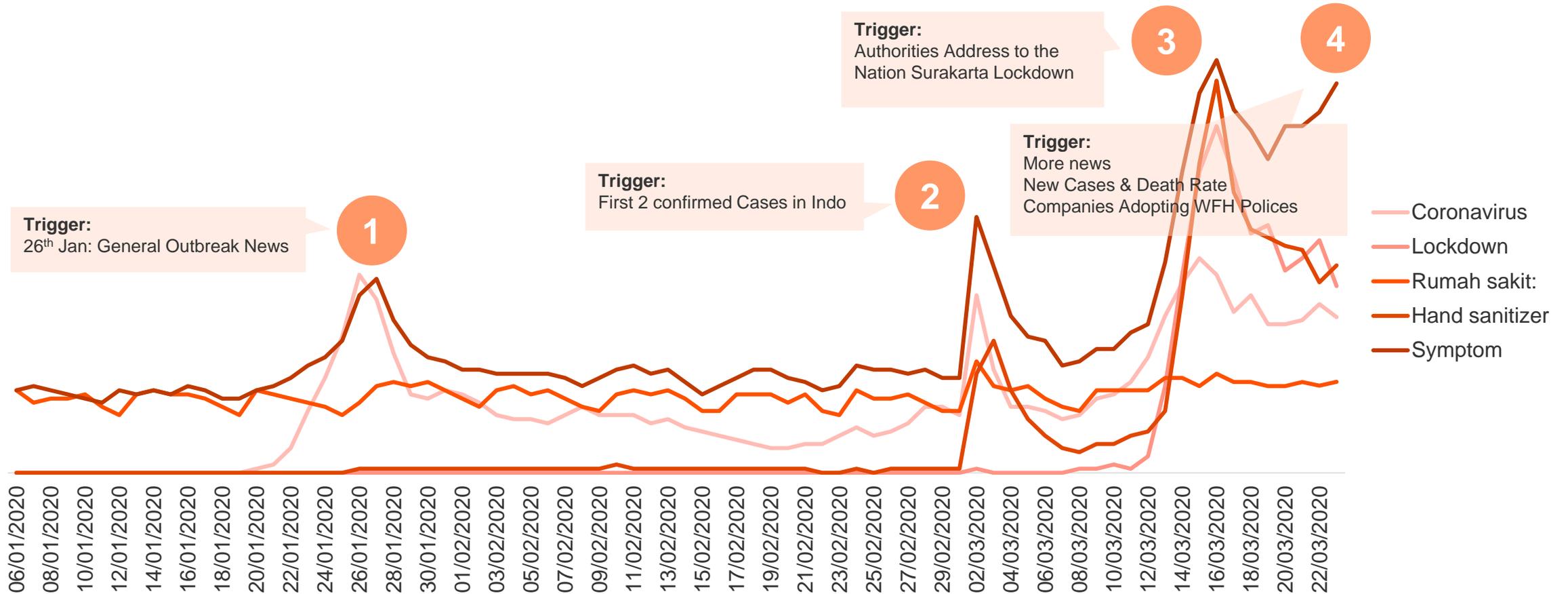
# Official sources such as Government agency websites, National media channels, and International advisory body websites deemed to be the most trustworthy messengers about COVID-19.

Most trusted sources for COVID-19 information



# 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



# Behavioral & Attitudinal Changes Owing to COVID-19

Nearly 80% Indonesians spending Most of their Time at home!

**Staying at Home Impact** 

Online behaviors see a rise but no major swings

**Changing Online Behaviors** 

Lifestyle choices impacted higher in Big Cities

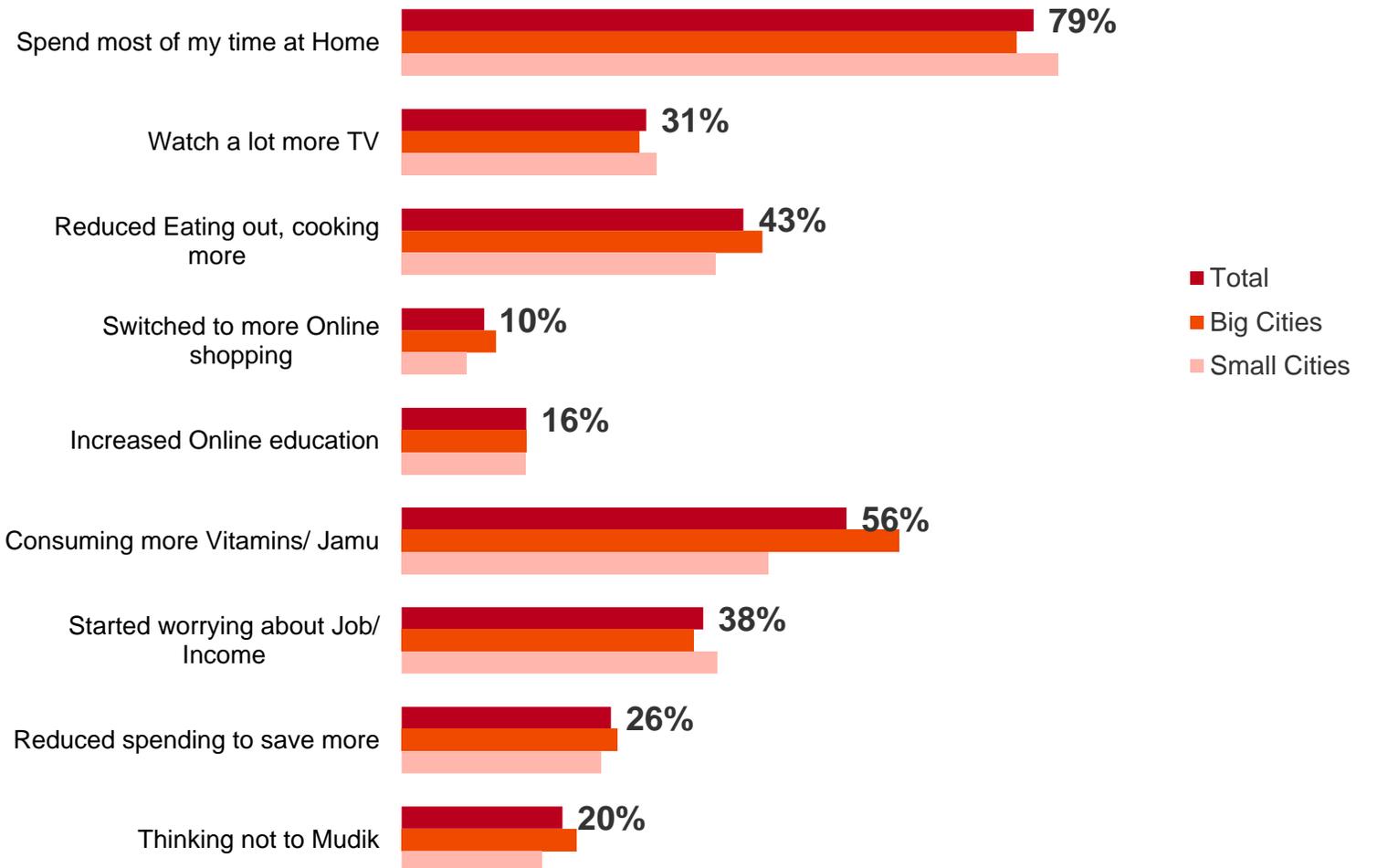
**Nutrition** 

**Financial Concerns** 

Financial stress cuts across cities...

**Festive Changes** 

% who have changed following behaviors because of COVID



# Behavioral & Attitudinal Changes – Tracking the Trend

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

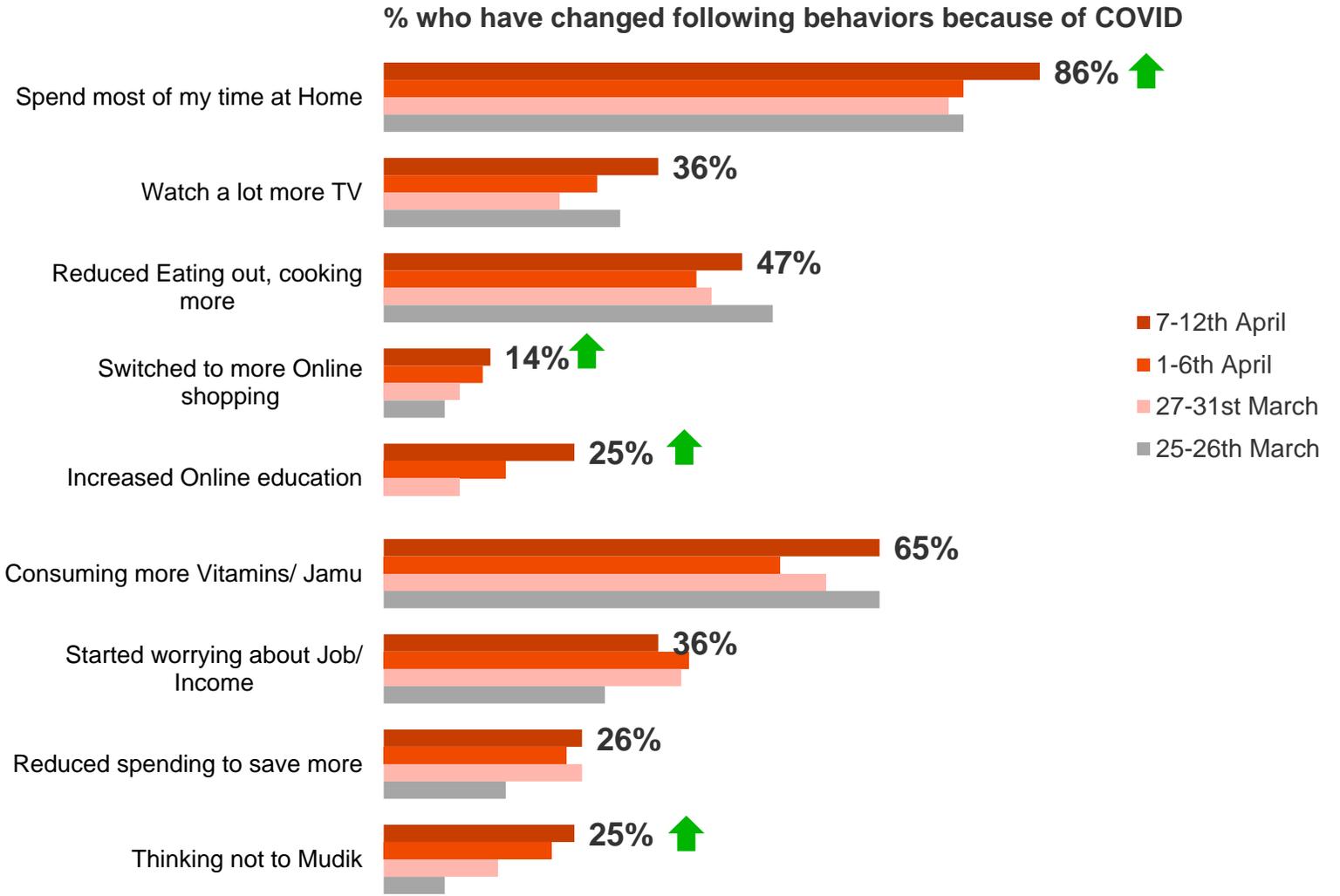
- Staying at Home Impact

- Changing Online Behaviors

- Nutrition

- Financial Concerns

- Festive Changes

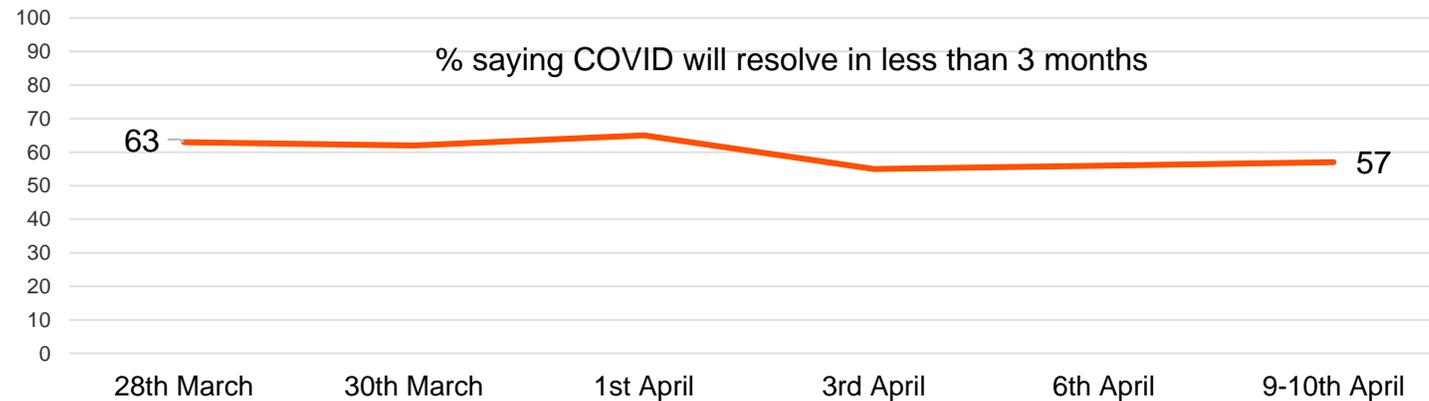
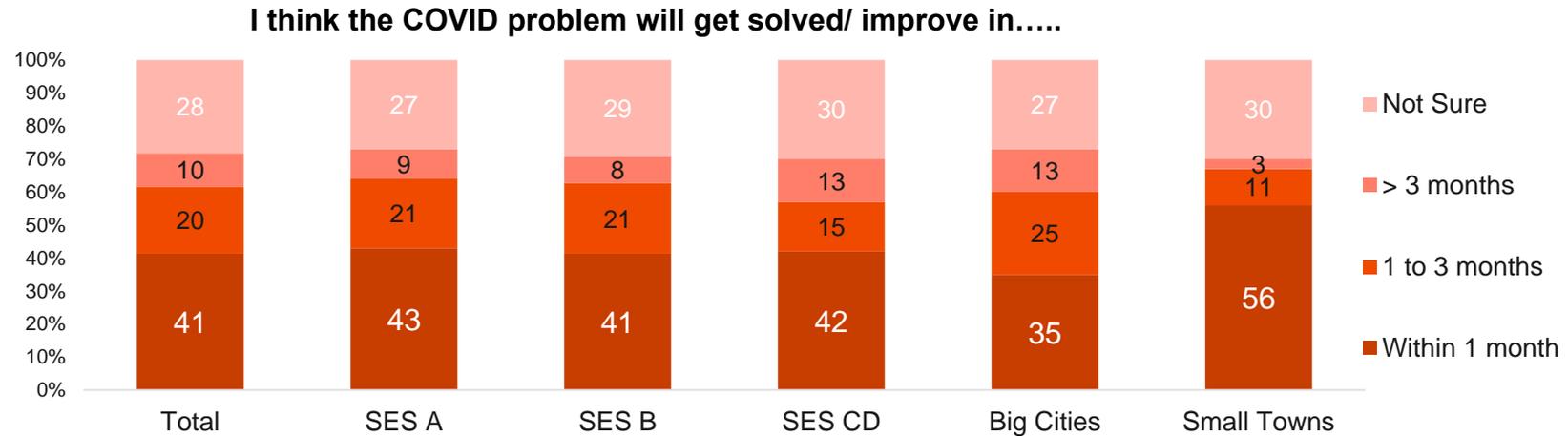



↑ Steadily Rising Trend

# 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



# 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*

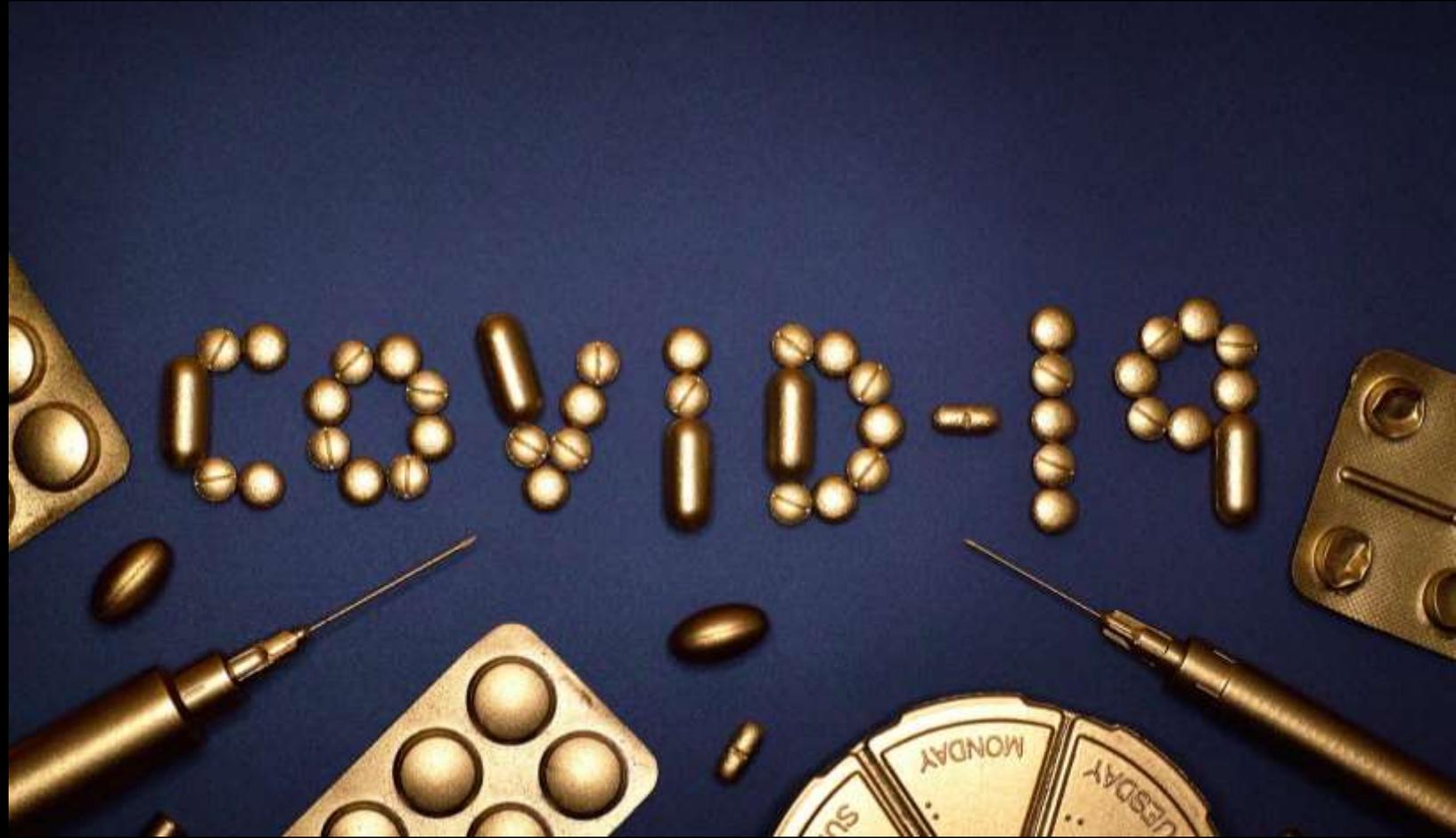
## 3. Aligning

With the acceptance of the new normal people will move towards more long term alignment, *find new ways to manage life*

# KANTAR

## 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

## #1 Disruption

---

### REASSURE & SUPPORT

Help, support with lifestyle changes

## #2 Confusion & Uncertainty

---

### OFFER HOPE

Be a catalyst of positivity

## #3 Acceptance of the New Normal

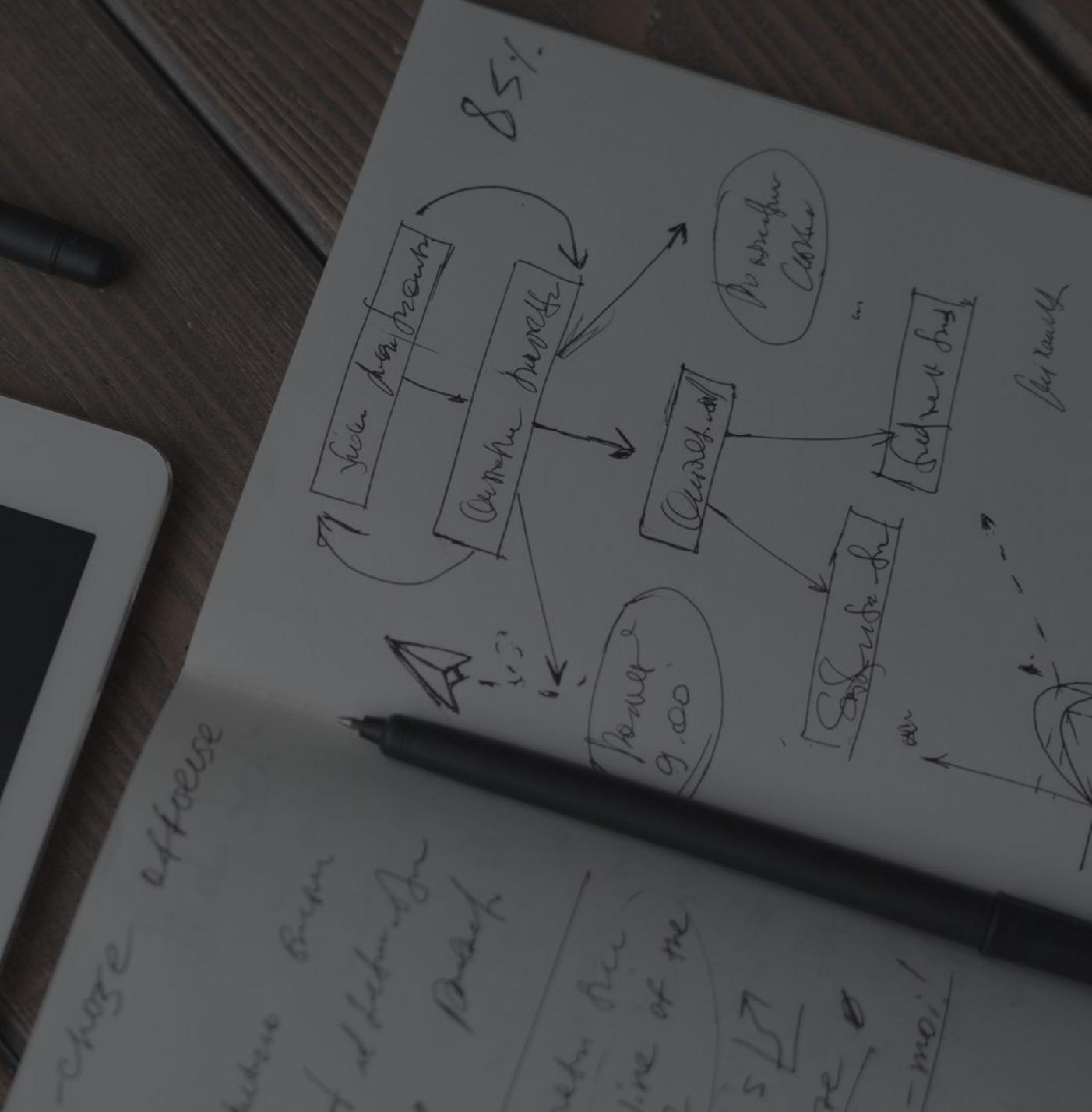
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### ADAPT & ENABLE

Evolve with the consumer & help adapt to the new normal

# 1 DISRUPTION

**REASSURE & SUPPORT** – Make it easy for your consumers to cope up





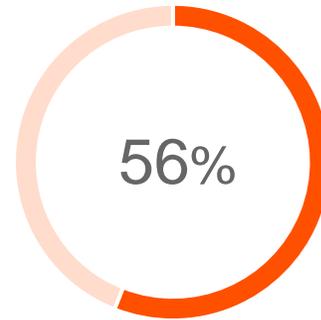
# They expect the same from brands, create positivity and play its part in supporting consumers

97%

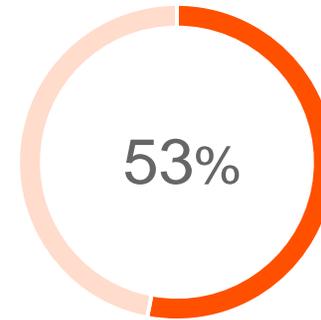
want brands to continue advertising

## Consumers want brands to play a proactive and positive role

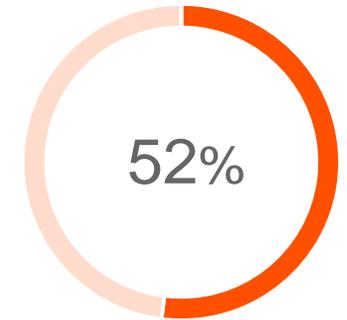
Advertising should...



Offer a positive perspective



Talk about how they could be helpful in the new everyday life



Inform about their efforts to face the situation

# 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...

▶ Offer practical help to fulfill everyday life needs

# 31%

attack the crisis and demonstrate that it can be fought

# 20%

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



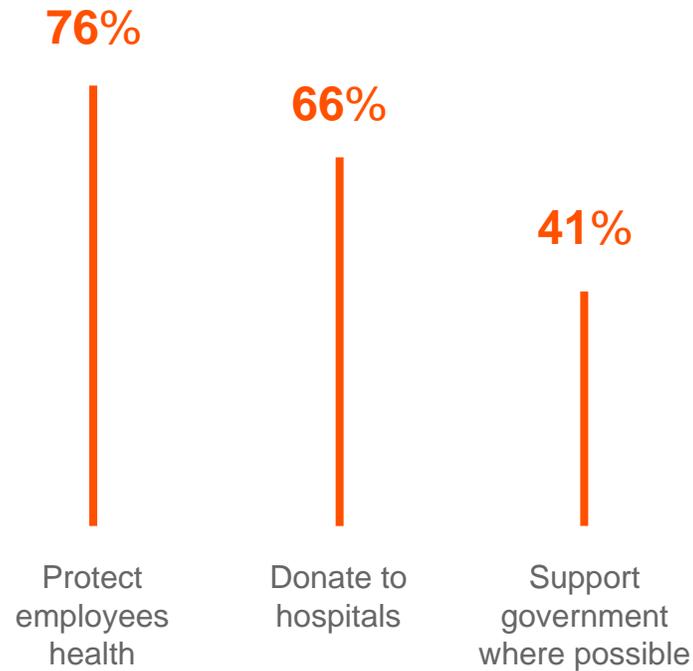
Korean BBQ experience at home



Telkomsel & Ruangguru offering free data packs for students

# Demonstrate the corporate social responsibility

▶ Consumers expect companies to...



CottonInk providing protective equipment

COVID-19; Gojek Bosses to Give 25 Percent of Salary to Drivers



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

Report: Wika Muliya  
Anal. 20 Maret 2020 12:25

7k  
SHARES



## Be authentic...

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



Received social media backlash as was seen as casual and not contributing actively to the cause

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

# Be agile in innovating to deliver to the consumers immediate needs as a result of the lifestyle changes



GoFood · 17 Mar 2020

## 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.

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**

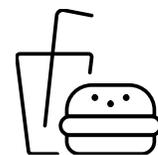
% who have changed behaviors because of COVID

**76%**

spend most of my time at Home

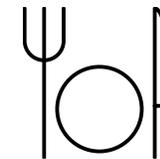
Kantar COVID 19 Sentiment Check in Indonesia – FW period last week March 2020

Corona virus impact on in-home food consumption



**90%**

Try to eat healthier



**61%**

Trying more new recipes



**41%**

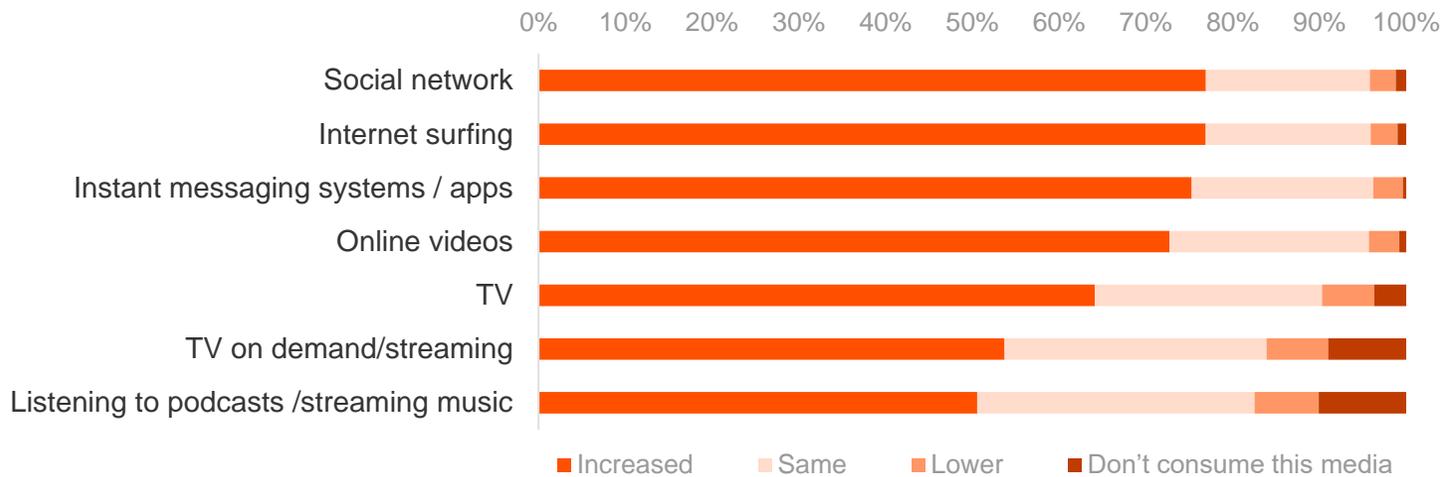
Snack more throughout day

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

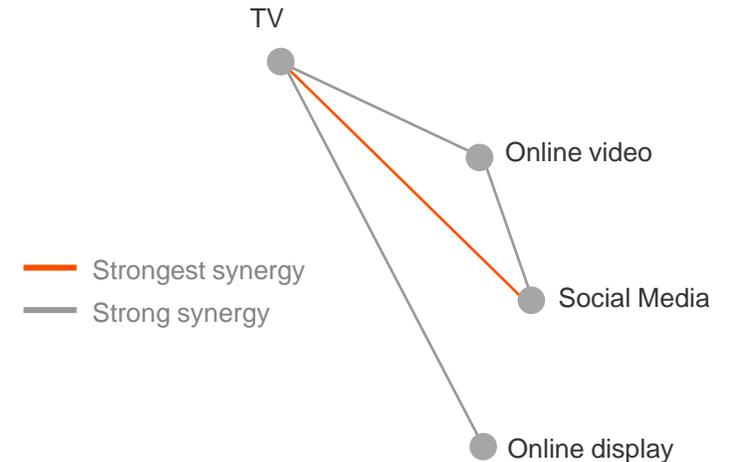
# More time at home leading to over-exposure to media

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

## Change in media consumption



## 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

# Disruption

Reassure & support consumers to adapt to the changing lifestyle

## AUTHENTICITY IN ACTION AND POSITIVITY IN COMMUNICATION

### Bring out the positive spirit in tone of communication

Resonate with the positive outlook demonstrated by consumers in their response to the crisis

### Demonstrate corporate responsibility & contribute actively

Consumers expect brands to play a responsible role.

Ease consumers everyday lives through your products & services.

Showcase the soul of brand by contributing tangibly

## INNOVATE TO CATER TO NEW OCCASIONS AND RITUALS

### Be agile in innovating

Innovate to cater to the consumers immediate needs due to a changing lifestyle e.g. in-home occasions, heightened sensitivity to health & hygiene, delivering the experience at home, big packs.

### Pay attention to home occasion marketing

Create new in-home rituals & experiences as in-home occasions have increased.

## OPTIMIZE MEDIA SPENDS

### Avoid over-exposure due to rise in TV & Digital consumption

Adapt your media plan to an in-home audience's higher consumption of media.

Re-look at frequency of exposure & monitor inefficiencies due to over-exposure

**2**

# UNCERTAINTY

**Offer hope & help consumers to bring out their fighting spirit**



# Consumers seek advertising as a relief & promise of hope

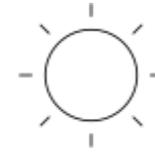
Only 3% of Indonesia consumers believe that companies should stop advertising.

**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



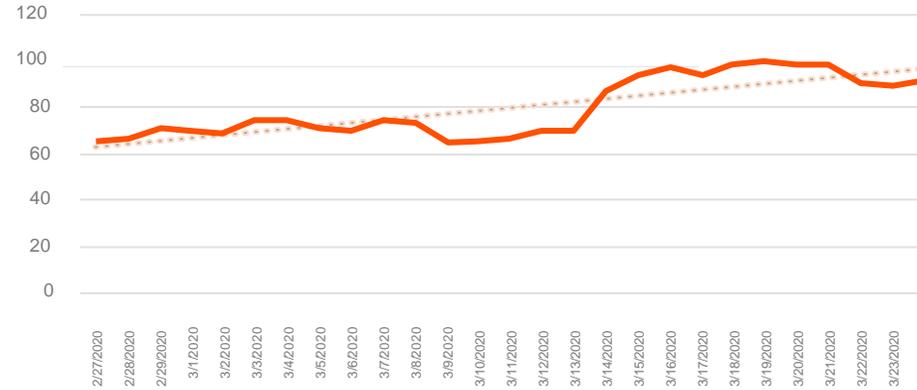
Help your consumers see the future, give them the confidence to overcome the crisis and look forward to a brighter future.

# 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



## GOOGLE SEARCH RESULTS

*HUMOUR - Memes, Comic strips, funny pictures, photos.*



Communicate hygienic practices in a fun tone



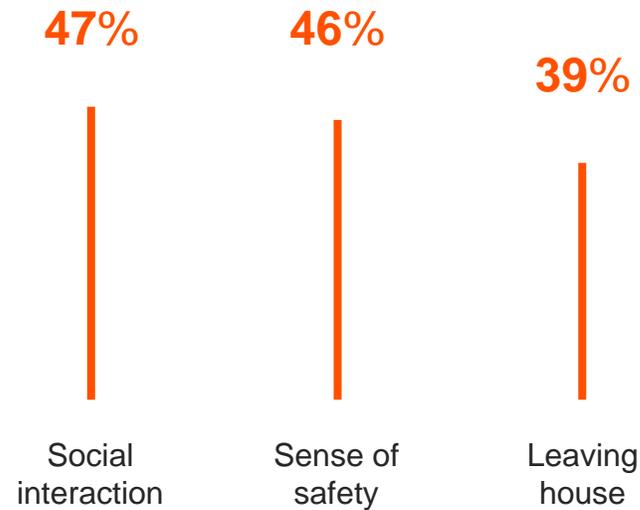
Influencers sharing information with a humorous tone to keep the tension low



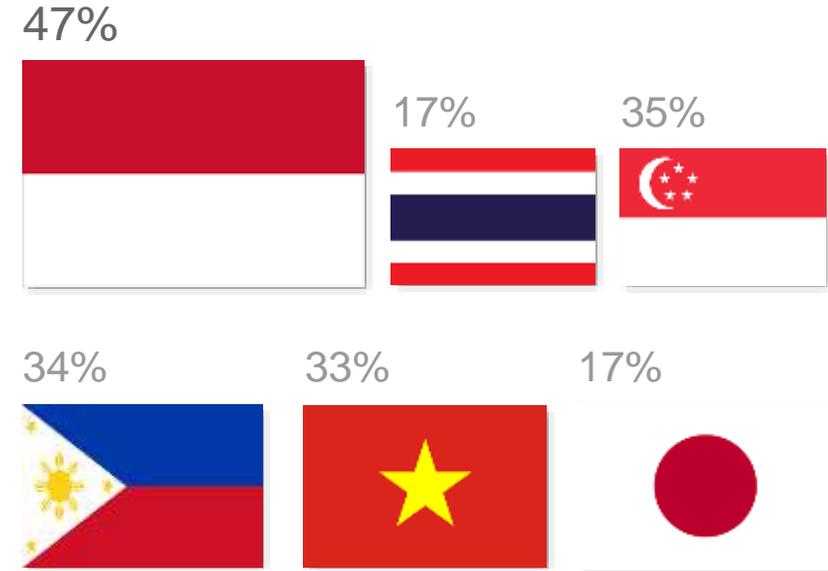
Fun challenges like #handwashchallenge also help people to overcome boredom

# 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**  
Hardest thing to give up across S.E. Asian countries



# 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

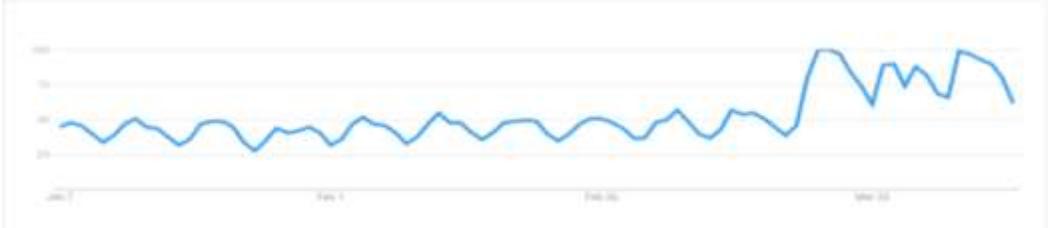
As the days grow longer with little to do and nowhere to go people turn to their own creativity to keep entertained.

Typical posts: Crafts, drawings, baking & cooking, creative digital content  
Hashtags: #crafts, #knittingfans, homebaked, coronart

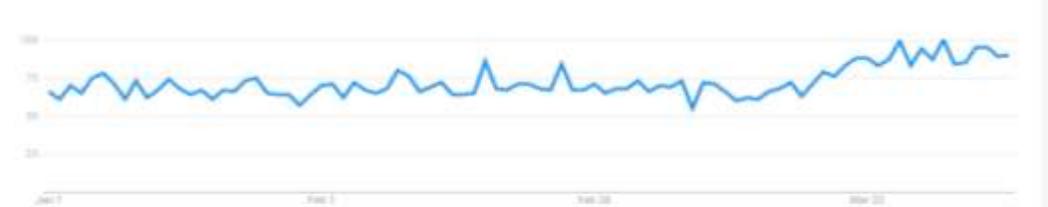


## Indonesia Google Search trends in March

**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

## COMMUNICATE TO OFFER HOPE & AN ESCAPE FROM THE NEGATIVITY

### Entertain & engage through advertising

Use creative channels to offer distraction & escape from the crisis.

Content doesn't need to specifically reference coronavirus as people are all too aware of the situation.

### Tickle & treat through tone of communication

Use of appropriate humour is acceptable as it adds cheer & positivity to lives as they struggle with uncertain times

### Enable consumers to bond & socialize

Through communication & leveraging its digital channels brands should enable consumers to interact with others; the affiliative spirit of Indonesians

## INNOVATE YOUR OFFER, TOUCHPOINTS TO BE RELEVANT, AND MEANINGFUL

### Partner consumers in creating content, not just consume

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

### Address Desire vs Scarcity tensions

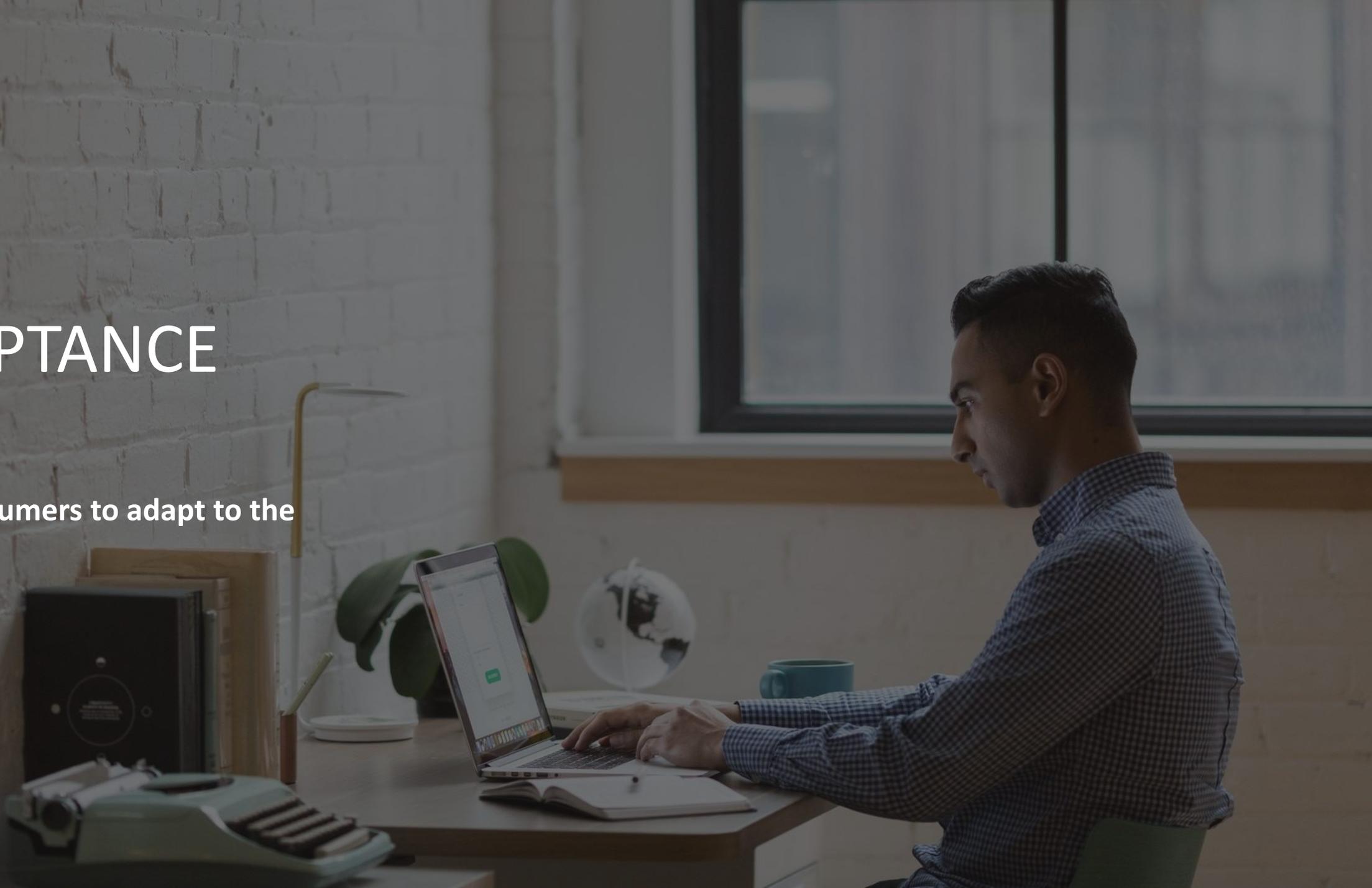
Prolonged lock down will give rise to consumer desires/ urges. Prevailing short supply, lockdown & shrinking income will pose constraints to fulfill this desire.

Address this tensions, with pricing, format innovations (small affordable indulgence)

3

# ACCEPTANCE

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.

## Signs to watch out for:

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

## Coronavirus impact on shopping habits



# We can expect long term orientation gaining importance with the consumer becoming more discerning towards brand choices



**Safe and secure** expectations gaining importance.

Google Search Trends – March 2020



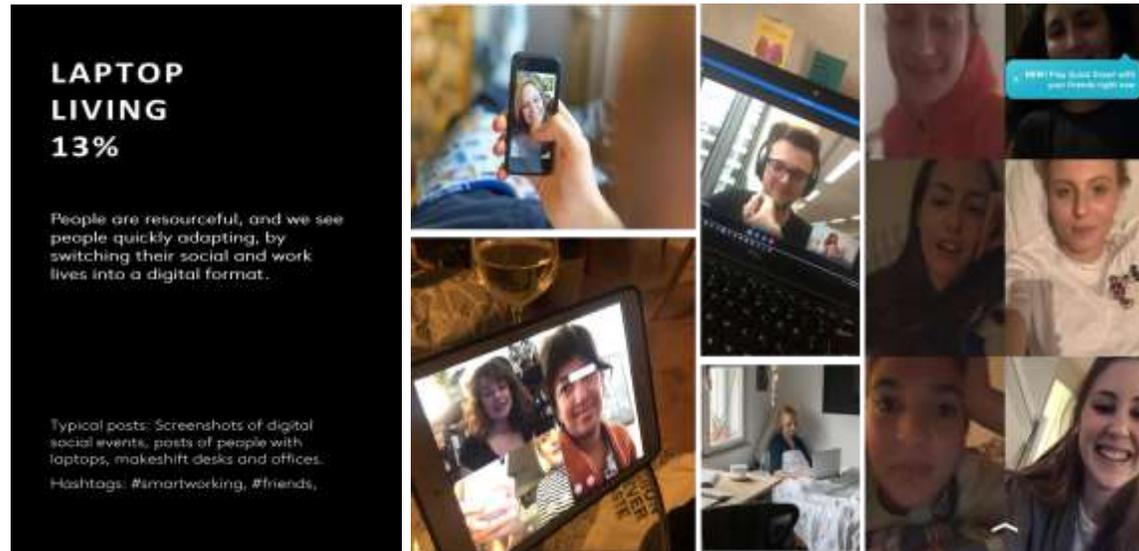
Recent search trends indicate consumers state-of-mind, actively pursuing topics with a long-term orientation.

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...



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

### Look out for irreversible behavioural shifts

Understand shifts in consumer decision criteria leading to a new normal in consumer behaviour.

### Keep finger on the changing pulse of consumers towards long termism

Be prepared to serve a more discerning and selective customer

## DESIGN YOUR OFFER TO CATER TO THE NEW NEEDS

### Embrace shift towards safety, health, hygiene & sustainable products

These themes should be considered for future product development

### Adapt to an evolved consumer – experiment with new delivery & media channels

Brands will need to accelerate their learning on how to market to a more digitally savvy consumer.

## ADOPT DIGITAL AS AN ENGINE OF DELIVERING YOUR PROMISE

### Be digitally prepared – make online shopping immersive to mirror offline shopping

Proactively adopt new tools such as e-commerce, immersive experience to restore the physical store shopping experience for online shopping.

# How Brands Can Respond

## #1 Disruption

---

### REASSURE & SUPPORT

- Communicate your contribution & responsible action
- Innovate to support consumers adapt with the disruption
- Review media to optimize

## #2 Confusion & Uncertainty

---

### OFFER HOPE

- Communicate to be catalyst of hope
- Innovate to address tensions of Desire vs Scarcity
- Help consumers to create content, than just consume through your media channels

## #3 Acceptance of the New Normal

---

### ADAPT & ENABLE

- Evolve with the consumer and help adapt to the new normal
- Experiment with the new delivery and media channels.
- Relook at digital as an engine of delivery of your brand promise



## 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

# KANTAR

## 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..



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

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



Be thought of quickly & easily  
**Be Salient**



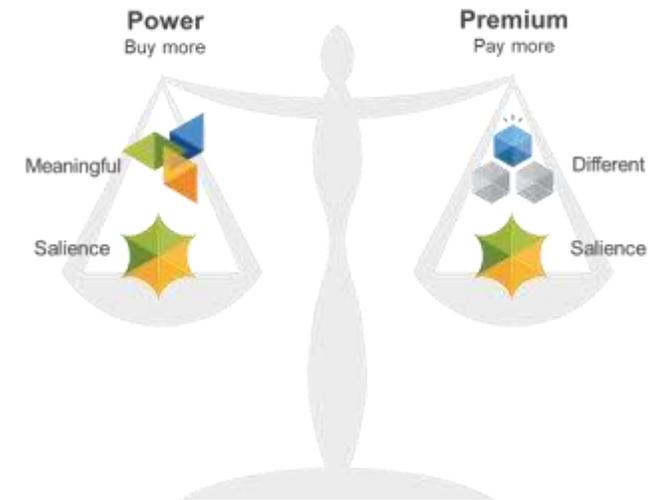
Be appealing & meet needs  
**Be Meaningful**



Stand out & be distinctive  
**Be Different**

Source: Kantar equity framework

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



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

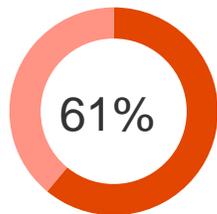
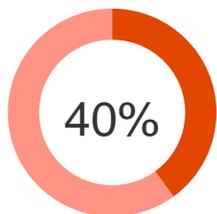
## Dettol – how it communicates the brand



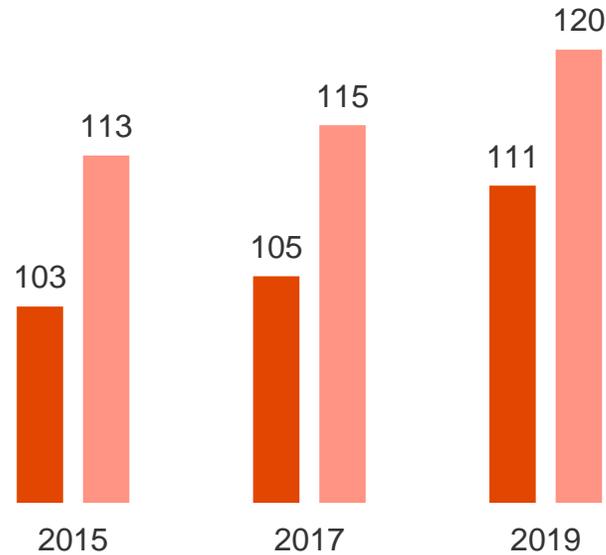
Dettol has inherently started as a germ protection brand giving it uniqueness compared to others..

.. 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

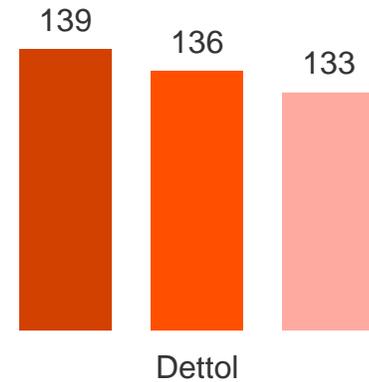


■ Communications Index    ■ Purpose Index



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

■ Meaningful    ■ Different    ■ Salient



Index legend (100 = average for category)



Price Index : 118



Premium Index : 114

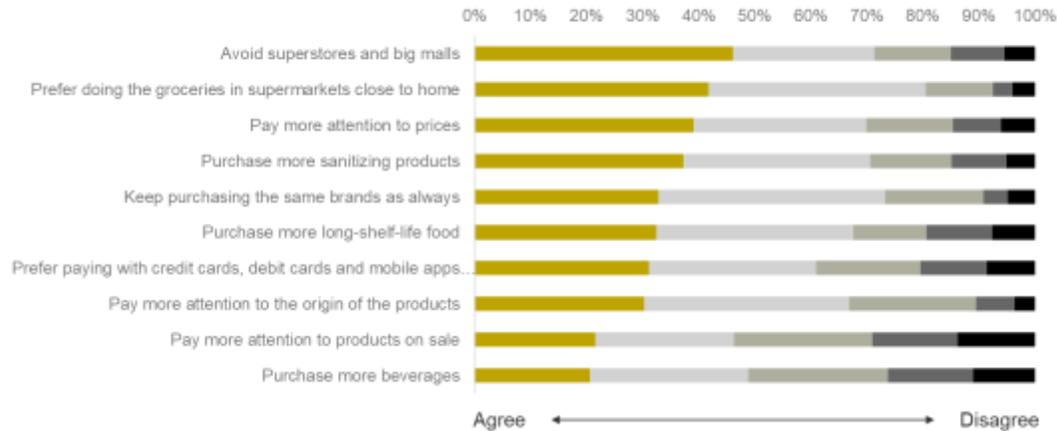
Even with a higher price index, Dettol is able to justify its price through the strength of its brand.

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

# 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

Corona virus impact on shopping habits



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

Source: COVID 19 Barometer – March 2020 - Indonesia

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**



# 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\*

# 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**

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.

*Invest in your brand health*

**2.**

**Know when to trade on brand and when to trade on price**

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.

*Embrace the winning plays of balancing brand and price*

**3.**

**Change is eminent, and the competition doesn't stand still**

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

*Be in the know*

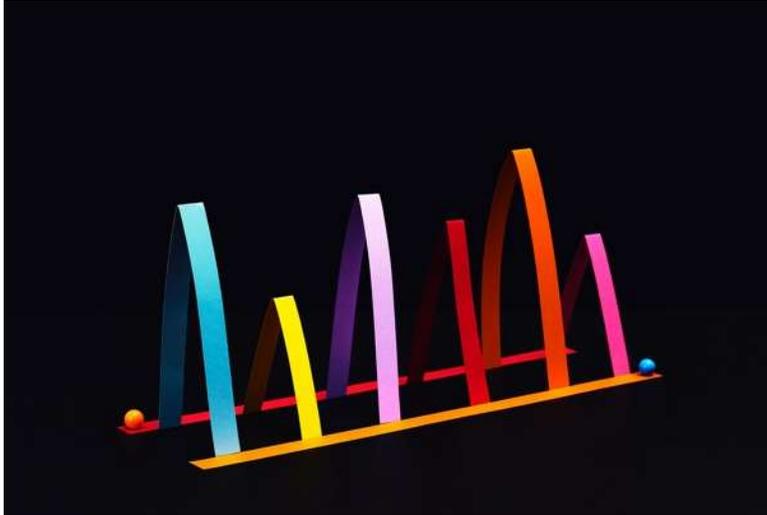
**4.**

**Change can be temporary or permanent**

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.

*Be prepared*

# Finally, let's remember where we started



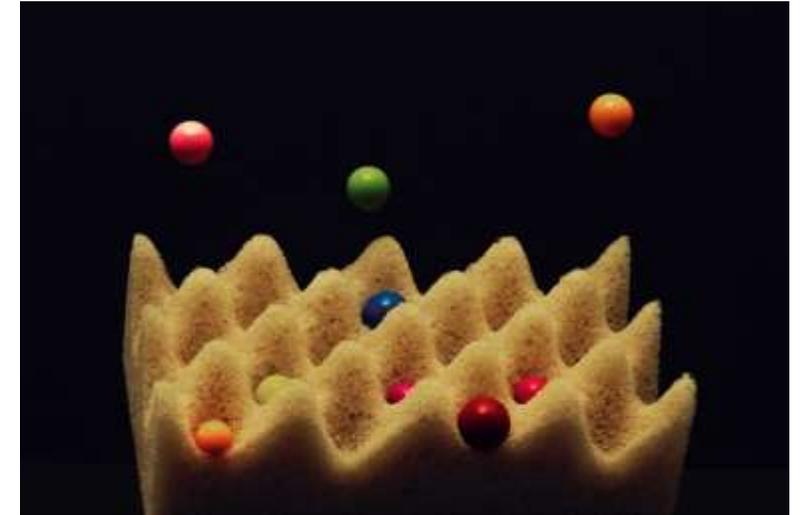
**Constant CHANGING on attitude and behaviour is unrelenting**

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](https://www.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

**KANTAR**

**See you soon..  
In the meantime, stay safe**

**Kantar Indonesia**  
April 14, 2020

