



Ipsos Indonesia



28 Jan 2014

by: Iwan Murty



- Asia Pacific Marketers' Views of 2014
- Indonesian Consumer Confidence Study
- Beauty in Indonesia



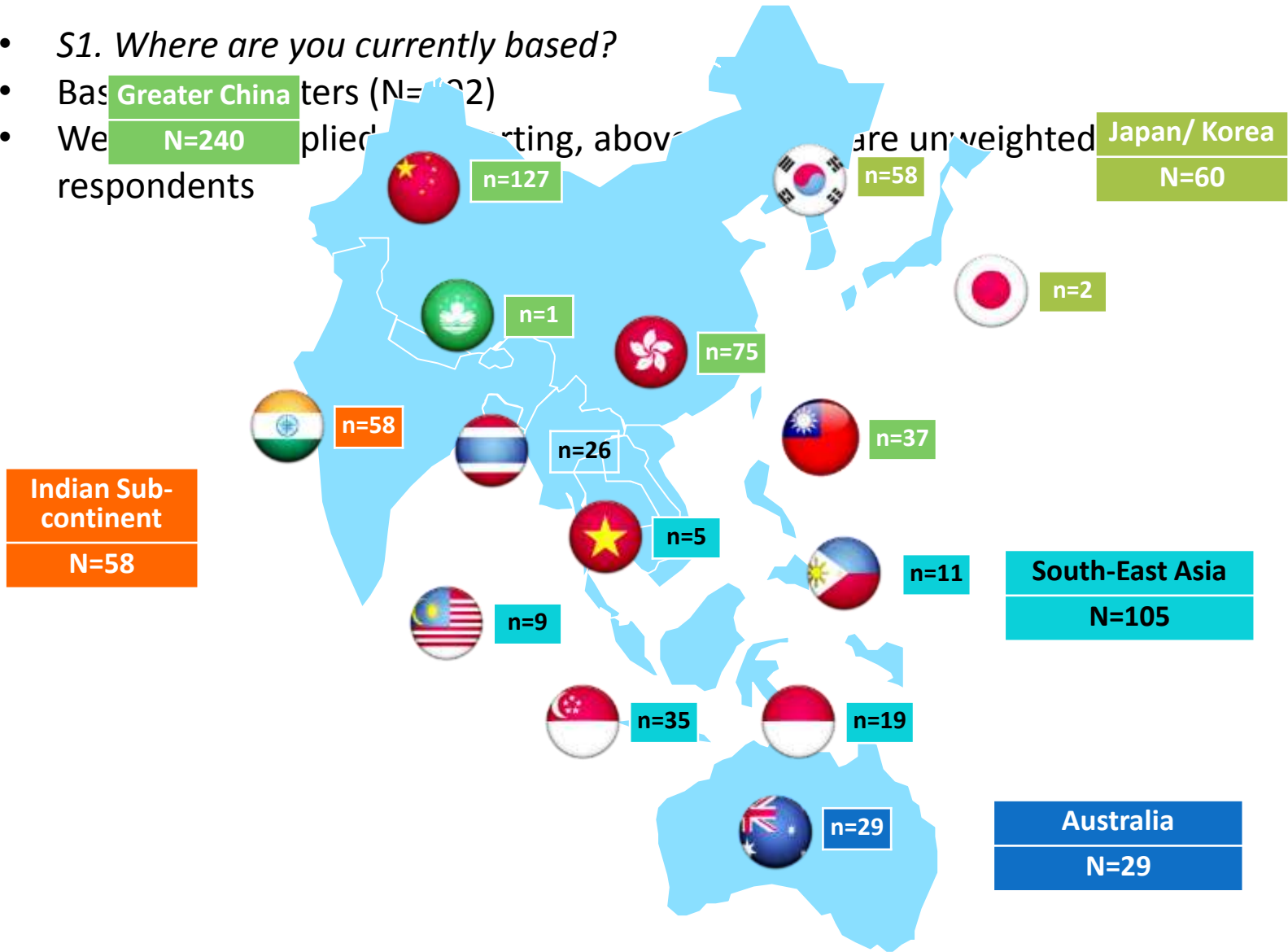


Economic Outlook 2014

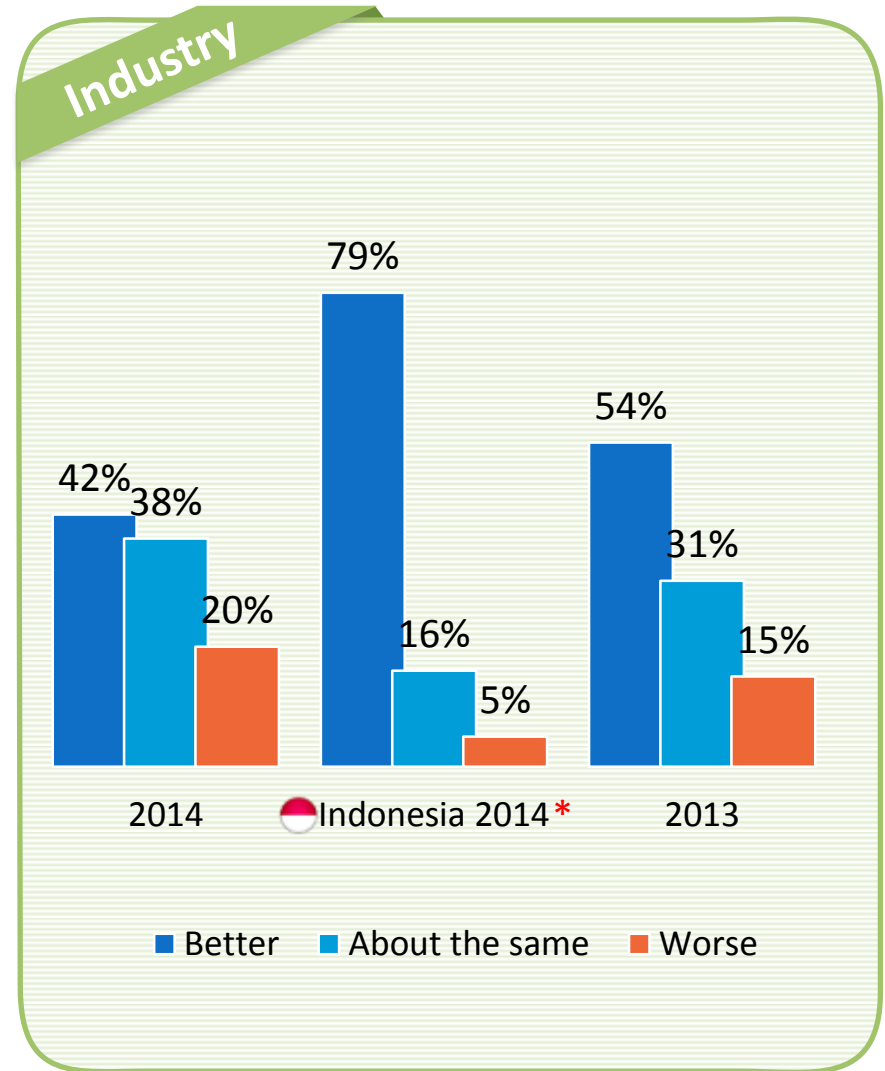
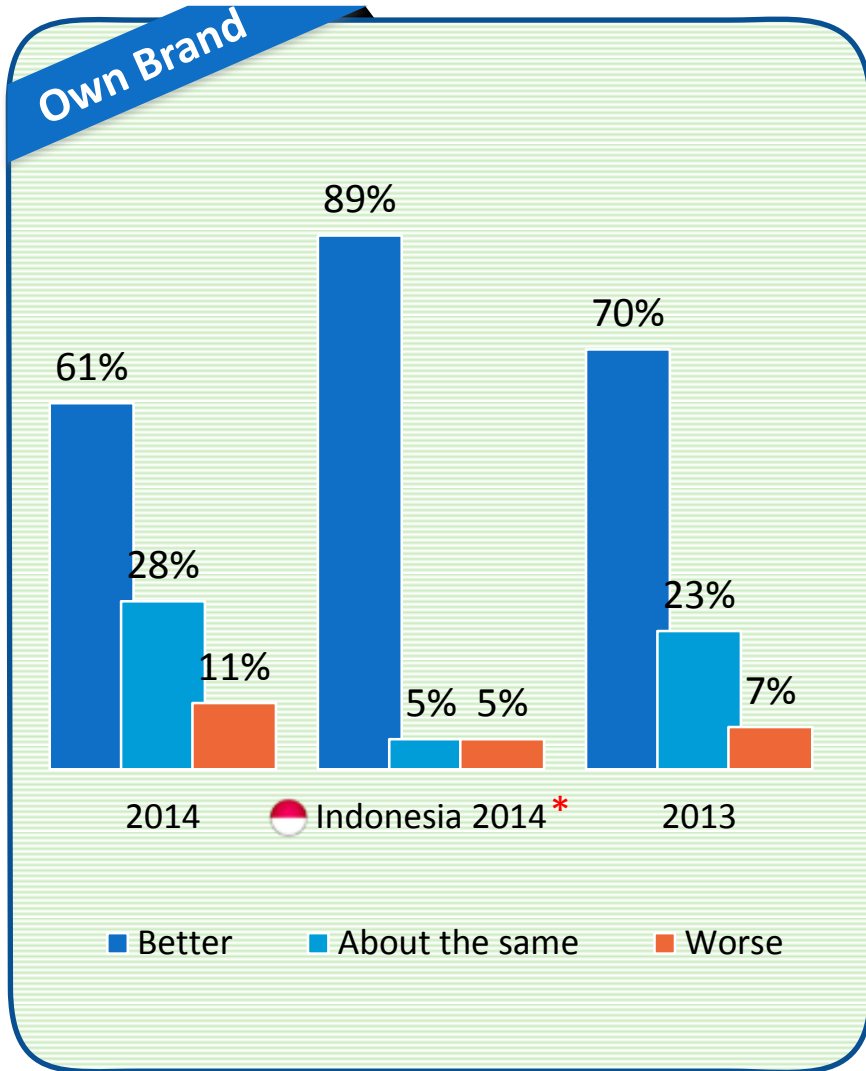
Survey in Conjunction with
Campaign Asia Magazine
<http://www.campaignasia.com>

Country Coverage for the Research

- S1. Where are you currently based?
- Base: **Greater China** (N=122)
- We **N=240** applied weighting, above are unweighted respondents



More cautious this year, but not overly pessimistic



▪ B1. How do you feel about the outlook for your brand/ industry sector in next year?
 ▪ Base: All marketers (Outlook of 2013: N=372; Outlook of 2014: N=492)

* = caution small base for Indonesia (n=19)

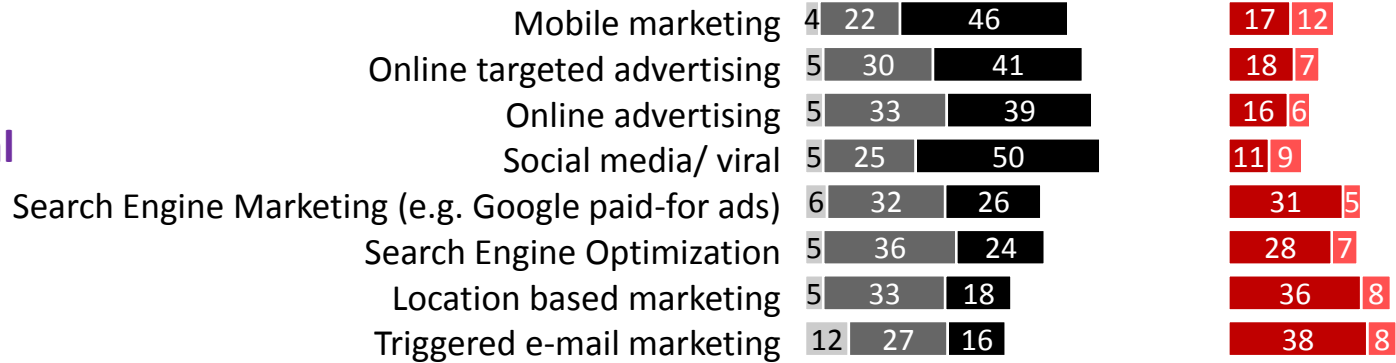
Key challenges for marketers in 2014



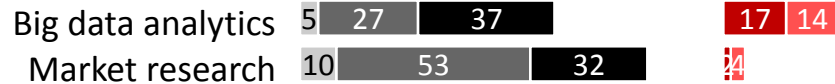
Channels to utilize in 2014

■ Lower than in 2013 ■ Same ■ Higher than in 2013 ■ Starting to use ■ Not considered

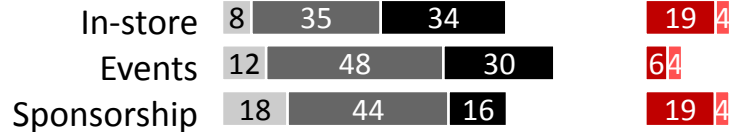
Digital



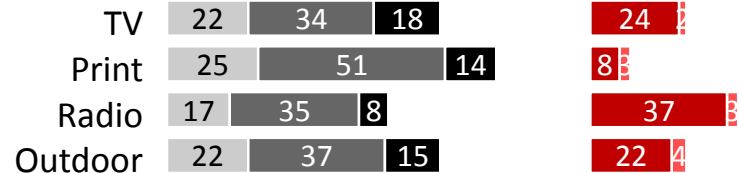
Research



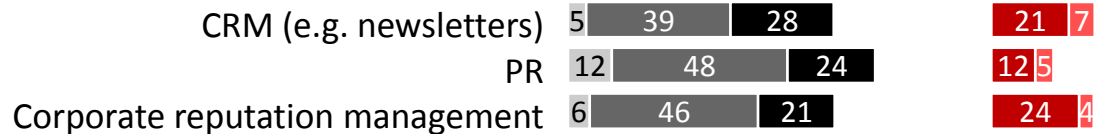
Events



Traditional Channel

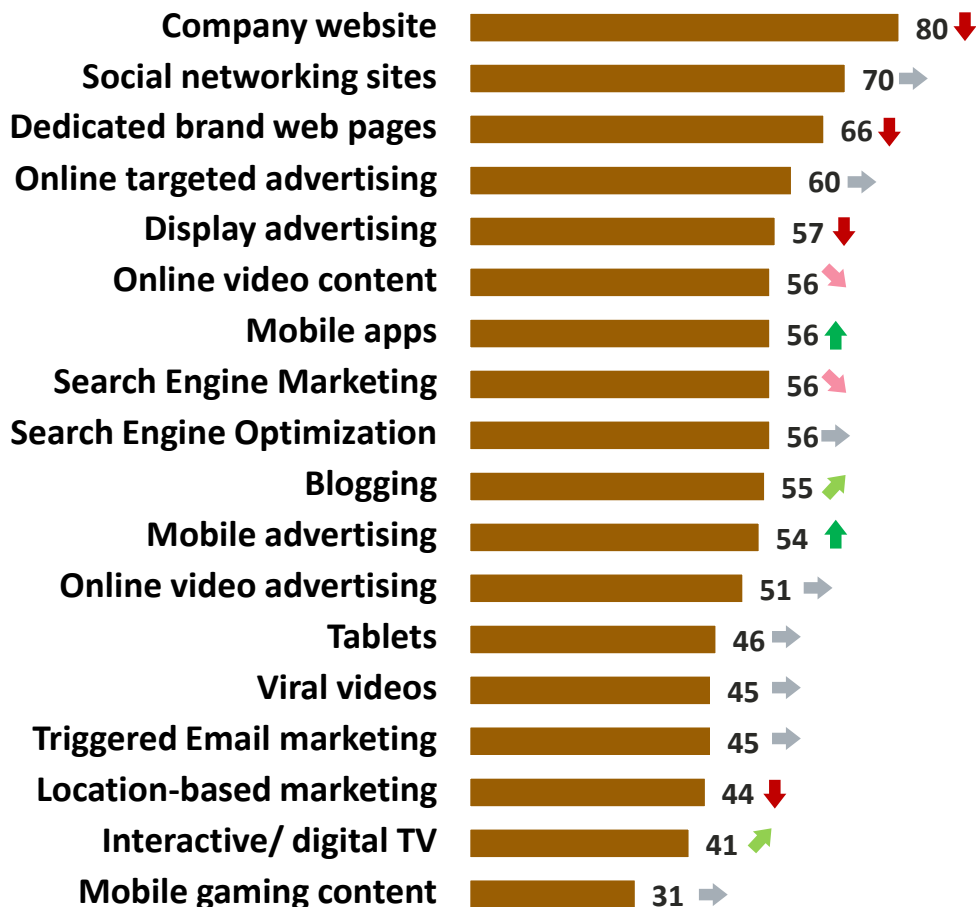


Loyalty



- B4. The following are various types of media strategies. How would you describe their role in your marketing communications plan for 2014?
- Base: All marketers (N=492)

Importance of Digital Media Channels



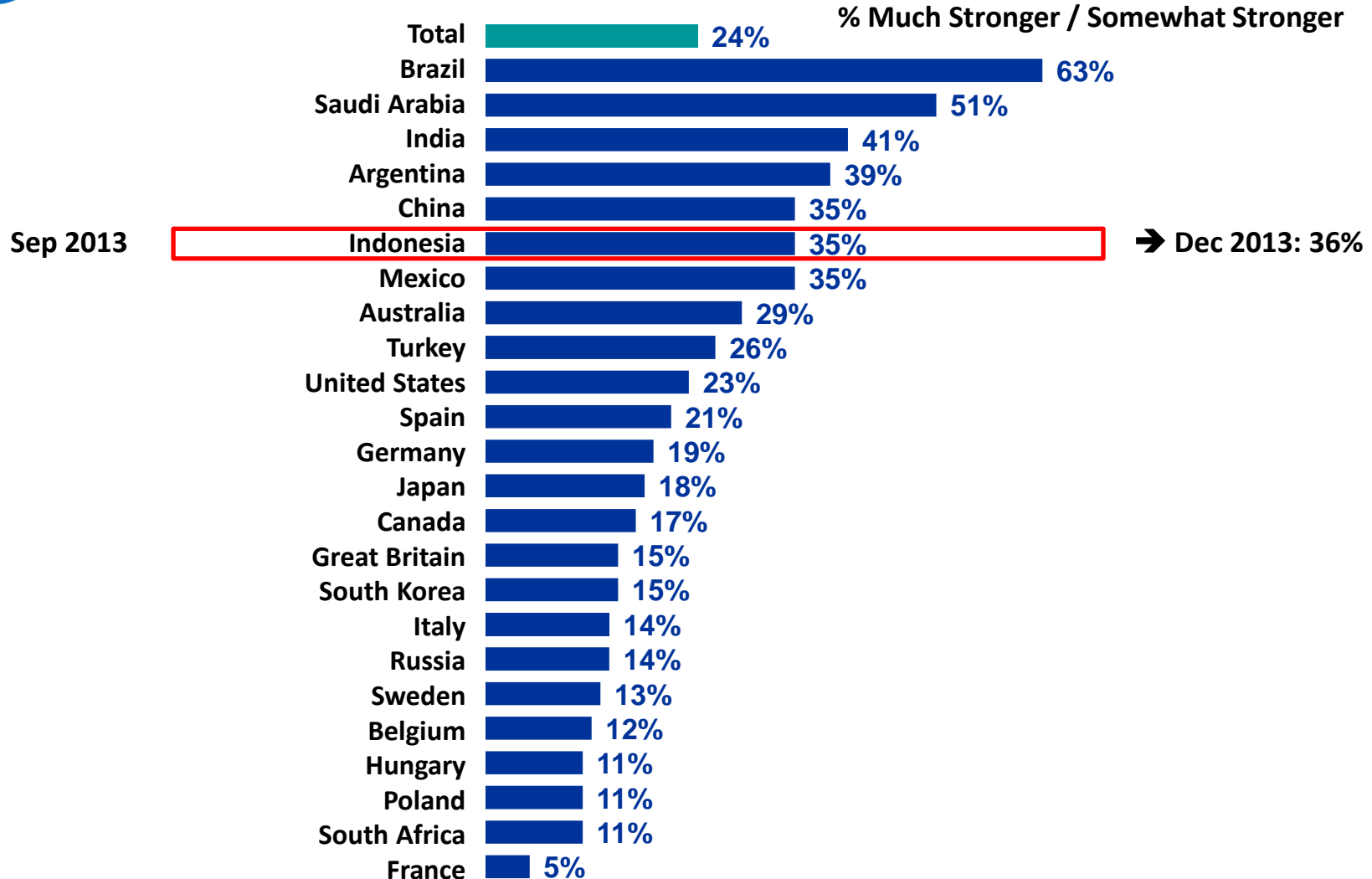


Indonesian Consumer Confidence

Ipsos Indonesia Report

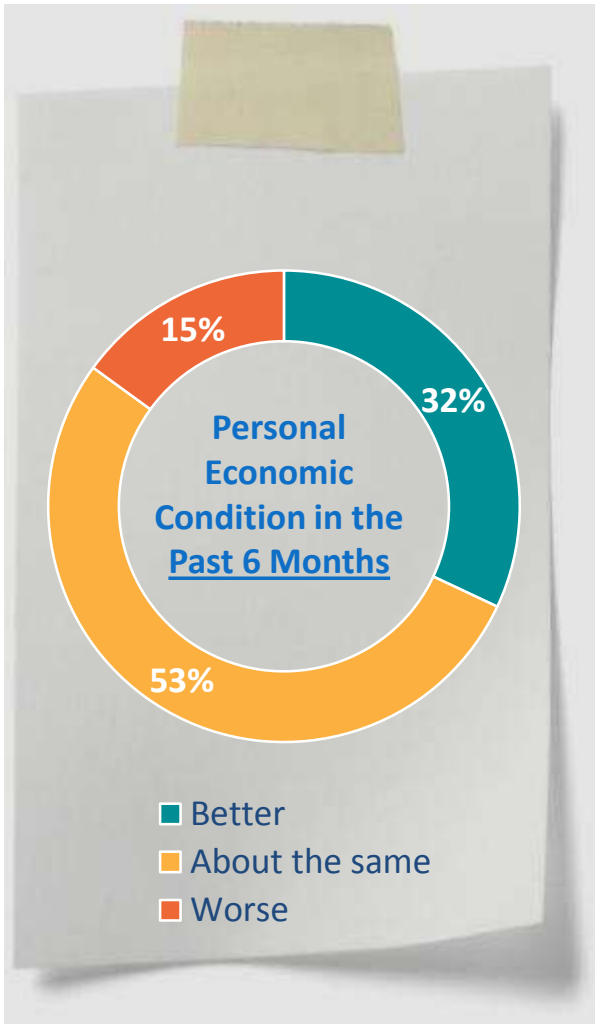
Indonesia – global comparison

Citizen Consumers Who Say The Economy in the Local Area to be Stronger in The Next Six Months...



Looking ahead 6 months from now, do you expect the economy in your local area to be much stronger, somewhat stronger, about the same, somewhat weaker, or much weaker than it is now?

Consumers remain optimistic with their own personal finance, but not necessarily with the country economy



Base : UnWTD n = 1049; WTD n = 20,066,644

Base: All Respondents

EQ1. If you think about your economic / financial condition now compared to 6 months ago, how would you describe it? (SA)

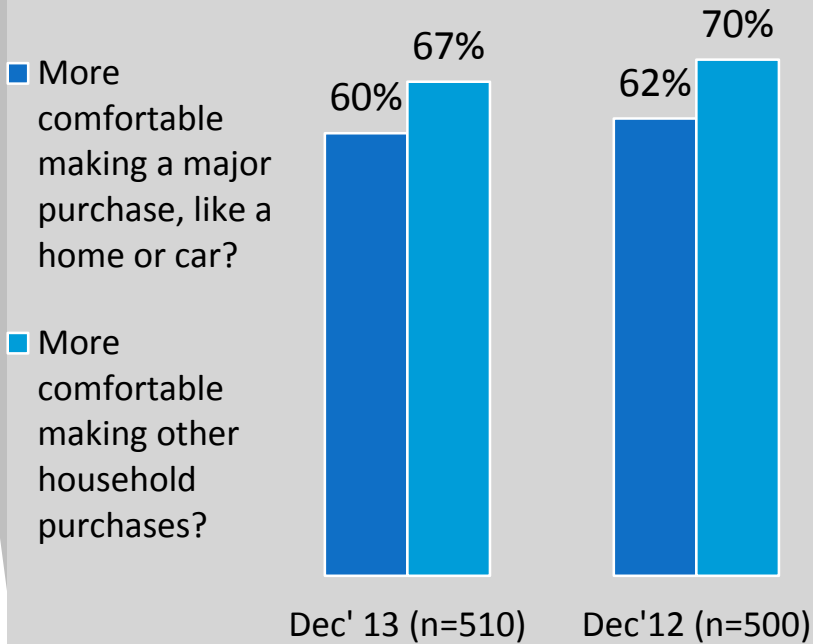
EQ3. Seeing the next 6 months, do you think your economic / financial condition will be much better, somewhat better, about the same, somewhat worse, or much worse? (SA)

EQ5. Now, seeing the next 6 months, do you think economic / financial condition of this nation will be much better, somewhat better, about the same, somewhat worse, or much worse? (SA)

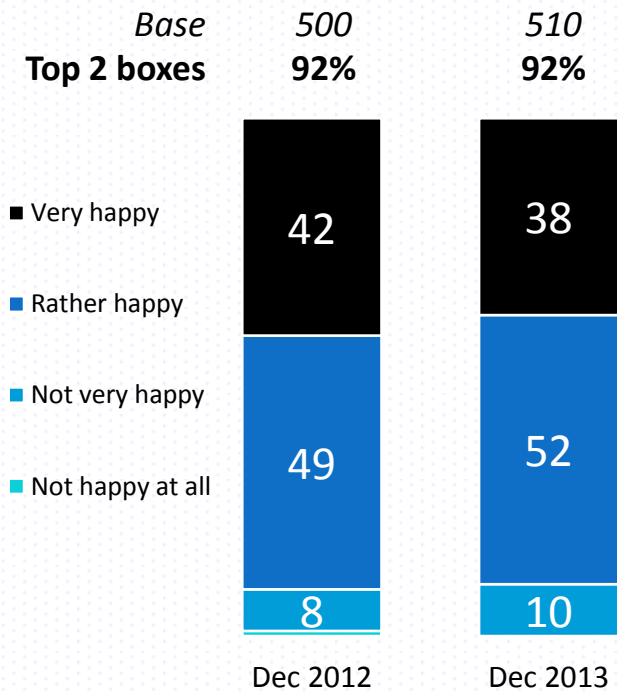
No strong sign of slowing down at the moment

- Consumers still feel comfortable to spend on major purchases this year compared to 12 months ago

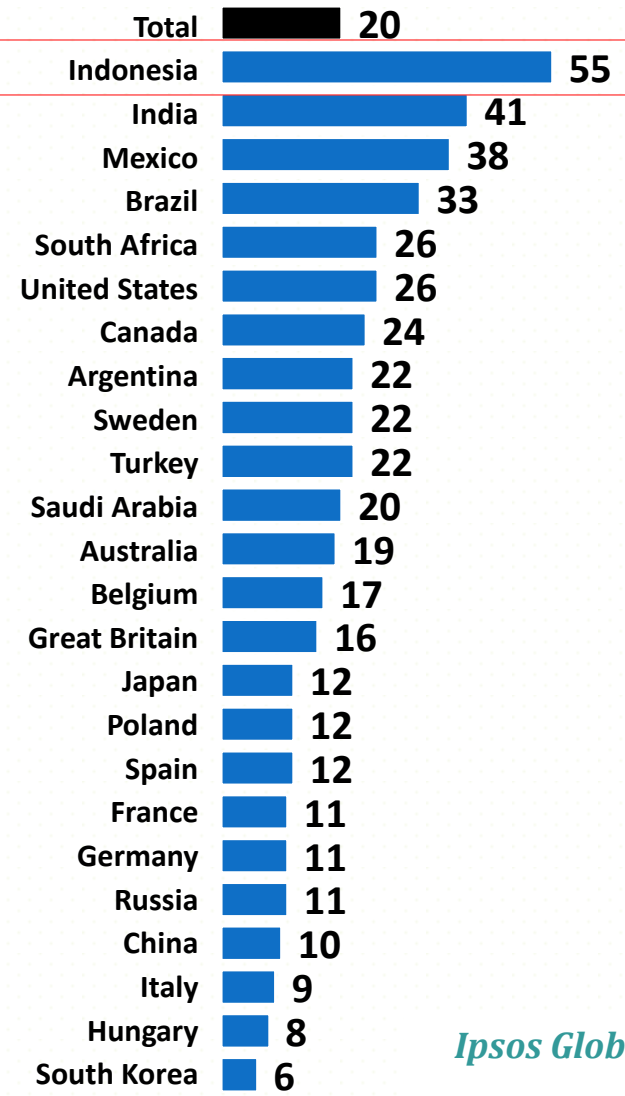
Citizen Consumers Who Say The Economy in Compared to 6 months ago, are you NOW...



Asiabus Study in Indonesia



%Very Happy



Behavior in 'difficult' economic times

- During difficult economic times, consumers cut their spending in order of importance of spending posts



Tertiary posts
(recreation, shoes)



Secondary posts
(e.g. milk, snack)



Primary posts
(for survival)



- Cut spending through consumption reduction, tertiary posts cut, changed brands, changed pack size

During good times...

- Tertiary spending increases first... look-good and feel-good factors
 - Expressive gratification first, for recognition
 - Then internal gratification

Starting to use or consume products which have never been used before 34%

Added the amount or frequency of usage for several products 21%

Changed to better bands 16%

More expenditure posts 16%

Purchased bigger sizes of products 11%

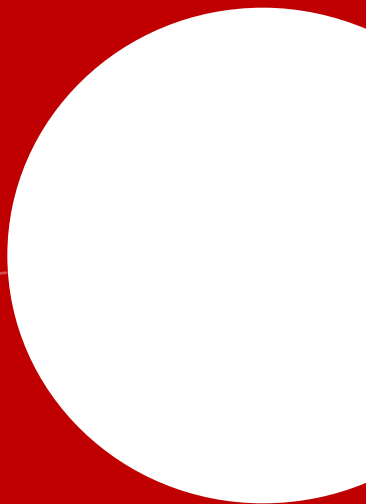


Woman and Beauty in Indonesia



Three Topics

- What is Beauty for Indonesians
- Online shopping trend in beauty
- A glimpse on male grooming



What is Beauty ?

Beauty for Indonesian Women



ATTITUDE & BEHAVIOR

- ◆ Courteous, poise, graceful, confident, feminine, soft-spoken



LIFESTYLE

- ◆ Active, smart, dynamic – successful working woman or active housewife
- ◆ Harmonious relationship with family and others



PHYSICAL CHARACTERISTICS

- ◆ Slim, but still curvy, not too skinny
- ◆ Long, straight, glossy and sleek black hair
- ◆ Flawless and glowing skin – fair / white skin tone



RELIGION

- ◆ inner beauty – pious and spiritual woman is seen more beautiful

What is the Ideal Skin in Indonesia?

Indonesian



- Radiant
- White
- No dullness
- Natural
- Fresh



- No skin problem
- Moist
- Smooth
- Soft
- No oiliness



- Firm
- Supple/elastic skin
- No wrinkles

Thai



- Soft
- Aura
- Pinkish White
- Pinkish/ Blushing
- Clear



- Smooth
- Even Tone
- Moisturized
- Strong
- Clean



Sources of information for skin care and cosmetics

Stronger influence



Peers



Family Member



Social Media



TVC/magazine



SPG/ BA

Weaker influence



Media helps delivering images from different countries



Western vs. Japanese vs. Korean

- Western and Japanese brands ...**credible and higher in quality**
- Japanese... seen more relevant to Indonesian skin than western
- Korean.. Growing popularity, more affordable

Preference on skin care and cosmetic



Range of products

VS



**A products offering
Many benefits**

Preference on skin care and cosmetic



'Natural' look when applying make-up is the ideal...less is more



**Anti-ageing ...
shift to younger age groups**

Preference on skin care and cosmetic



“Whitening” (brightening) benefit still popular



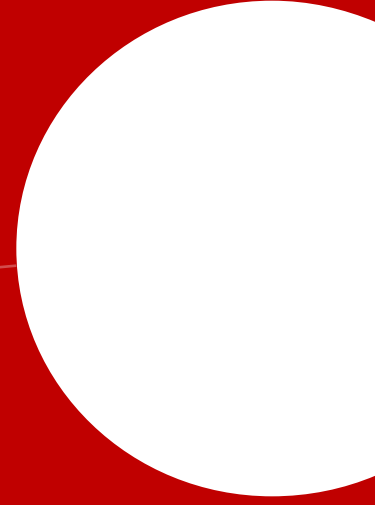
Growing popularity of BB Cream... mixed perceptions on its exact role



Moisturizer benefits... beyond the current benefits

- Holds an emotional role
 - Enhances one's image (high-class perception) and self-confidence
 - 'Express' one's identity. Can hint someone's personality
 - Stirs nostalgic memories, e.g. sweet moments with loved ones
- However, usage is mostly reserved for special occasions
 - Driven by price
 - 'Lose' its special-ness if used everyday





Trends and Future in Beauty



HOW THE INTERNET IS INFLUENCING PURCHASING DECISIONS IN THE WORLD

28% don't trust user reviews on third-party websites

48% leave feedback online about products or services they have used

41% don't trust user reviews on companies' own websites

52% read professional online reviews of products or services they are interested in before making a purchase

62% read feedback online about products or services before making a purchase



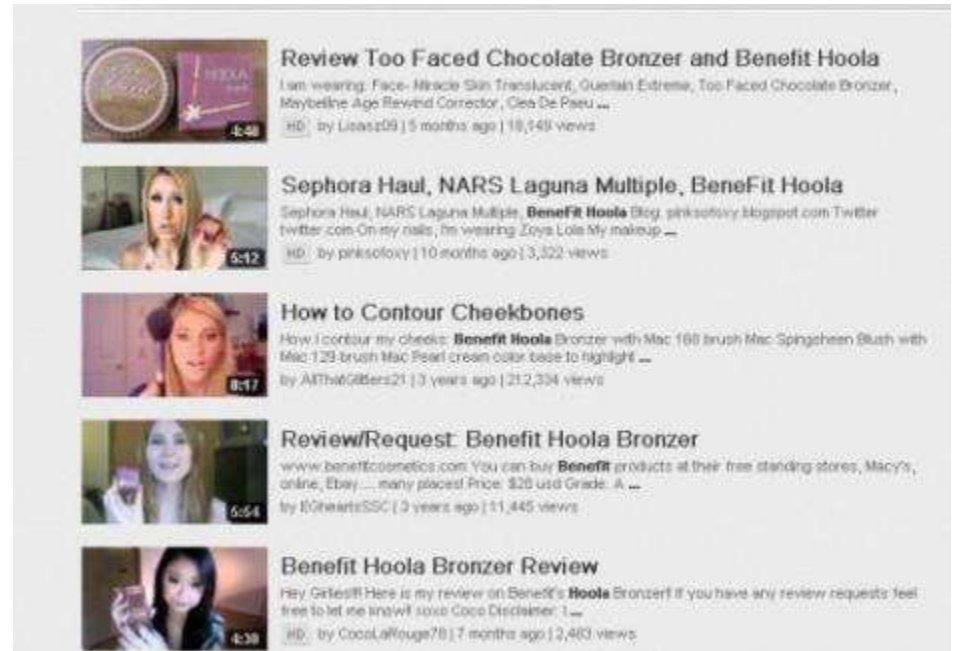
BRAND WEBSITES ARE BECOMING MORE INTERACTIVE

Brands are have already developed internet based tools that let users play with virtual beauty products in private. L'Oréal has launched iPhone applications, Estée Lauder's website allows users to upload their own photos and OPI provides step-by-step guidance to using its products and consumers can also play with different shades on different skin tones and nail lengths. MAC helps users find the right foundation with the help of video footage and can participate in live chat.



MAKE-UP TUTORIALS AND REVIEWS ARE FLOODING YOUTUBE

- Videos which actually show vloggers apply their make up eliminate the mystery surrounding a woman's private rituals, documenting the application process in minute detail.
- YouTube is swamped with make-up tutorial videos and reviews; the most prolific reviewers have their own channels and millions of hits.



2,370 results on search: "Benefit Hoola"

34 million YouTube hits in 18 months



Lauren Luke, a 27-year-old single mother from Northeast England became a YouTube sensation after she quit her job as a taxi dispatcher and started selling make-up on Ebay. When buyers began asking for help, she began giving lessons.

Her YouTube channel is now among the most popular on the site, beating Barack Obama and National Geographic.

How about in Indonesia?

- More featured on the world
 - Brows
 - Brows brand
- Social media inspiration
 - Highly
 - Short
 - Search

reviewers



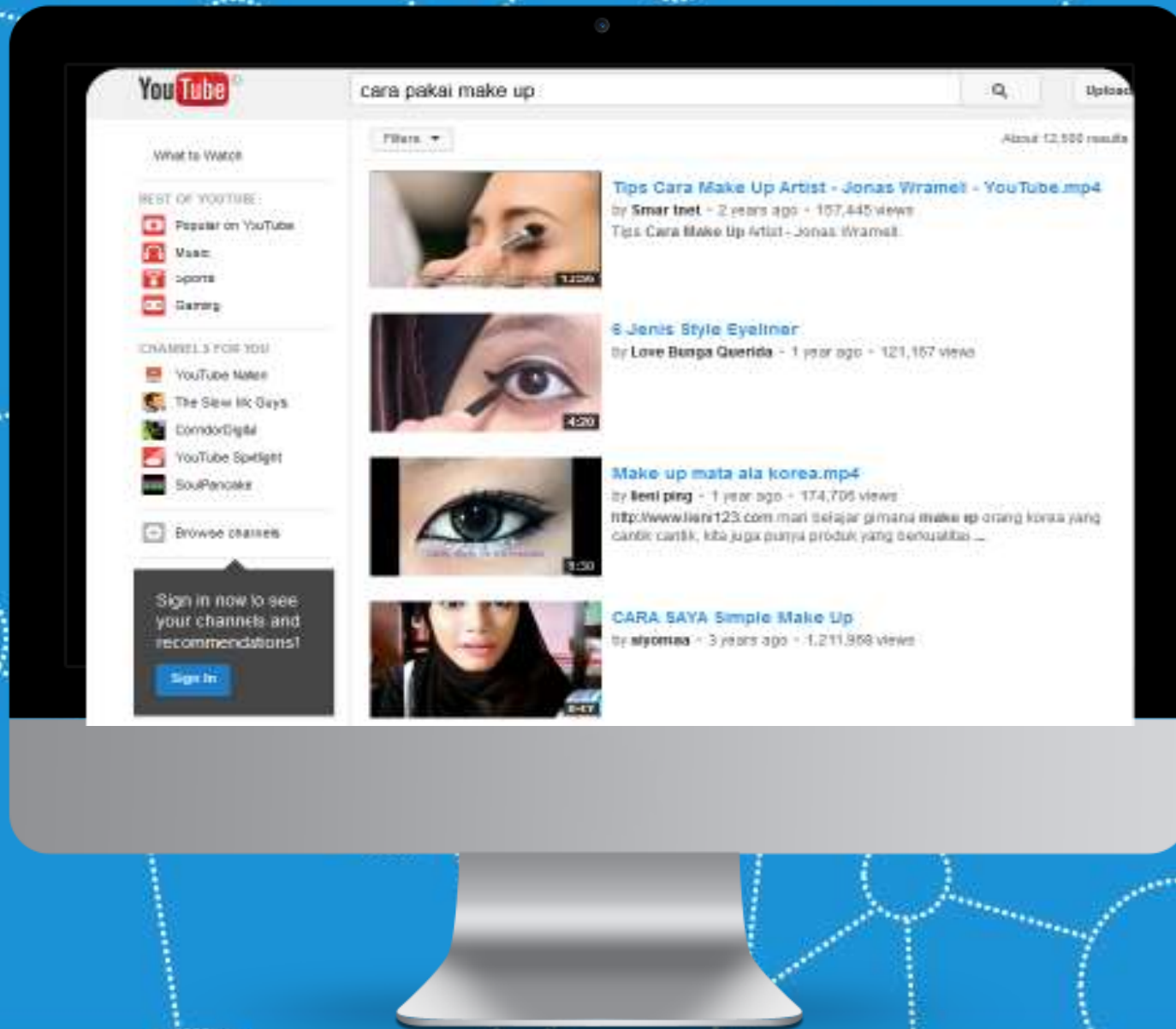
More consumers research products online

Beauty and cosmetic items (such as shampoo, make-up, perfume, etc.)

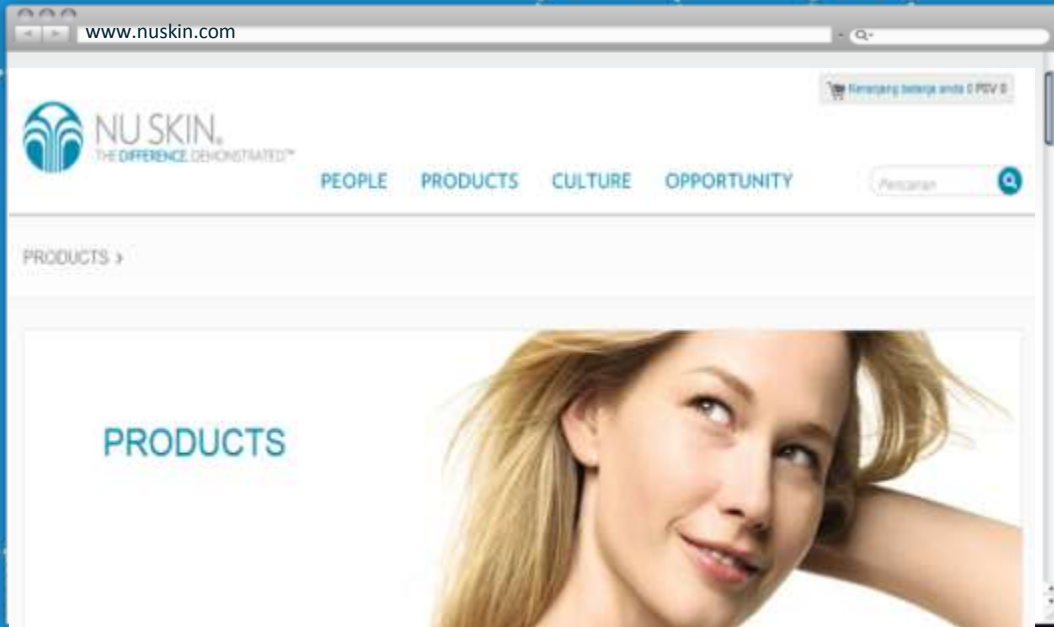
	2013	2011
Researched product via smartphone and purchased it online via smartphone afterwards	13%	9%
Researched product via smartphone and purchased it online via computer, laptop or tablet afterwards	20%	13%
Researched product via smartphone and purchased it offline in shop or via telephone	26%	19%
Researched product via smartphone but did not purchase it after research	21%	10%
Did not research this product via smartphone	34%	49%

Base: around n=500 smartphone users, Jan-Feb 2013

Tutorials in Bahasa



Company websites



Online stores



StroberiNET

PERAWATAN KULIT MAKE UP PERAWATAN RAMBUT PARFUM PERAWATAN KULIT PRIA COLOGNE PRIA KADO DARI SPESIAL PRODUK TERBARU LAYARAN KONSOSHEN KEMALANGAN BELAJAR

Masukkan nama merek/produk atau jenis produk **Cari**

SPESIAL HARIAN!

Payot - Perawatan Kulit Resoruce Minerale Masque Espant Rides - Perawatan (Ukuran 50 - 100g) x 1 Rp. 1.200.000 - HEMAT 43% Rp. 734.275	Anna Sui - Parfum Wanita Secret Wish Fairy Dance Eau De Toilette Semprot 100ml x 1 Rp. 800.000 - HEMAT 35% Rp. 606.825
Fusion Beauty - Make Up Lip Fusion Infusion Liquid Shine Multi Action Lip Pallener - 1.5oz x 1 Rp. 1.500.000 - HEMAT 71% Rp. 118.925	Sisley - Perawatan Kulit Pria Sisleyam for Men Anti-Age Global Rehydrator Krim Malam Hari - 100ml x 1 Rp. 3.500.000 - HEMAT 50% Rp. 1.729.125
Phyto - Perawatan Rambut Phyto Plaga Pembunuh Pelintab Rambut & Tumbuh Rambut Rp. 300.000 - HEMAT 50% Rp. 150.075	Burberry - Cologne Pria Burberry Blue Water for Men - 100ml x 1 Rp. 2.400.000 - HEMAT 65% Rp. 234.900

Selamat datang di toko kecantikan online
No.1 di dunia

Cepat! Hari ini saja

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BEBAS KIRIM

HINGGA 5% EKSTRA OFF



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- Beauty Tools
- Perfumes
- Body
- Skincare
- Skincare
- Skincare
- Skincare
- Skincare





Understanding Male and Personal Care



MEN ARE BECOMING MORE CONCERNED WITH MAINTAINING

The 1990s saw the rise of 'lad' culture, the 2000's the rise of the 'metrosexual'. Now

men are returning to more traditional ideas of masculinity but have brought some baggage along the way.

THEIR APPEARANCE TOO

Men are have become more comfortable with the idea of taking care of their appearance, the idea of which has become more gender neutral. The biggest increases can be seen in the men's skincare category.

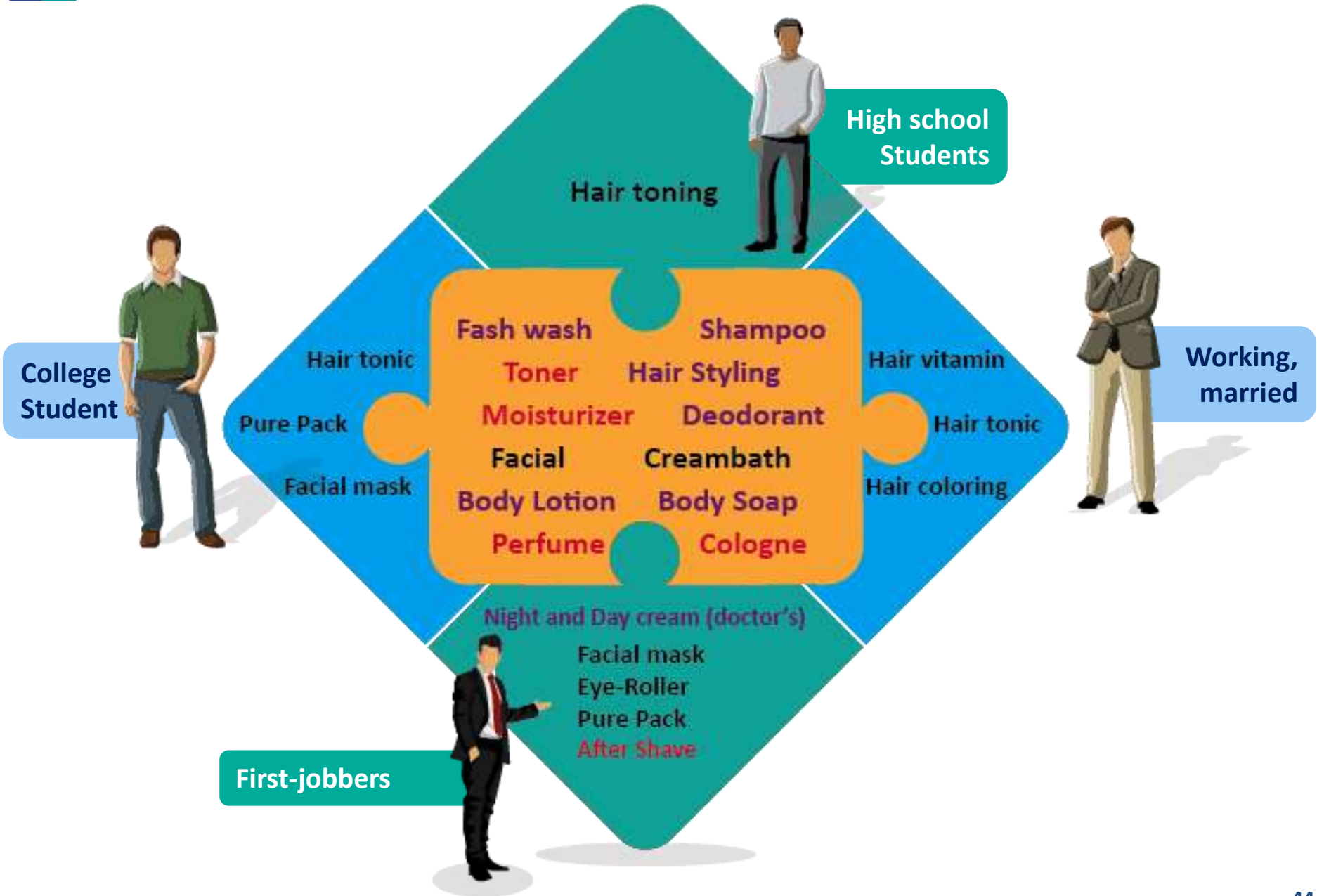
In Europe, sales of men's skincare products increased by 45% between 2005 and 2010, reaching €420 million.

Only 15 per cent of men feel it's unacceptable to use skincare products

Americans spent \$4.8 billion on men's grooming products in 2009.

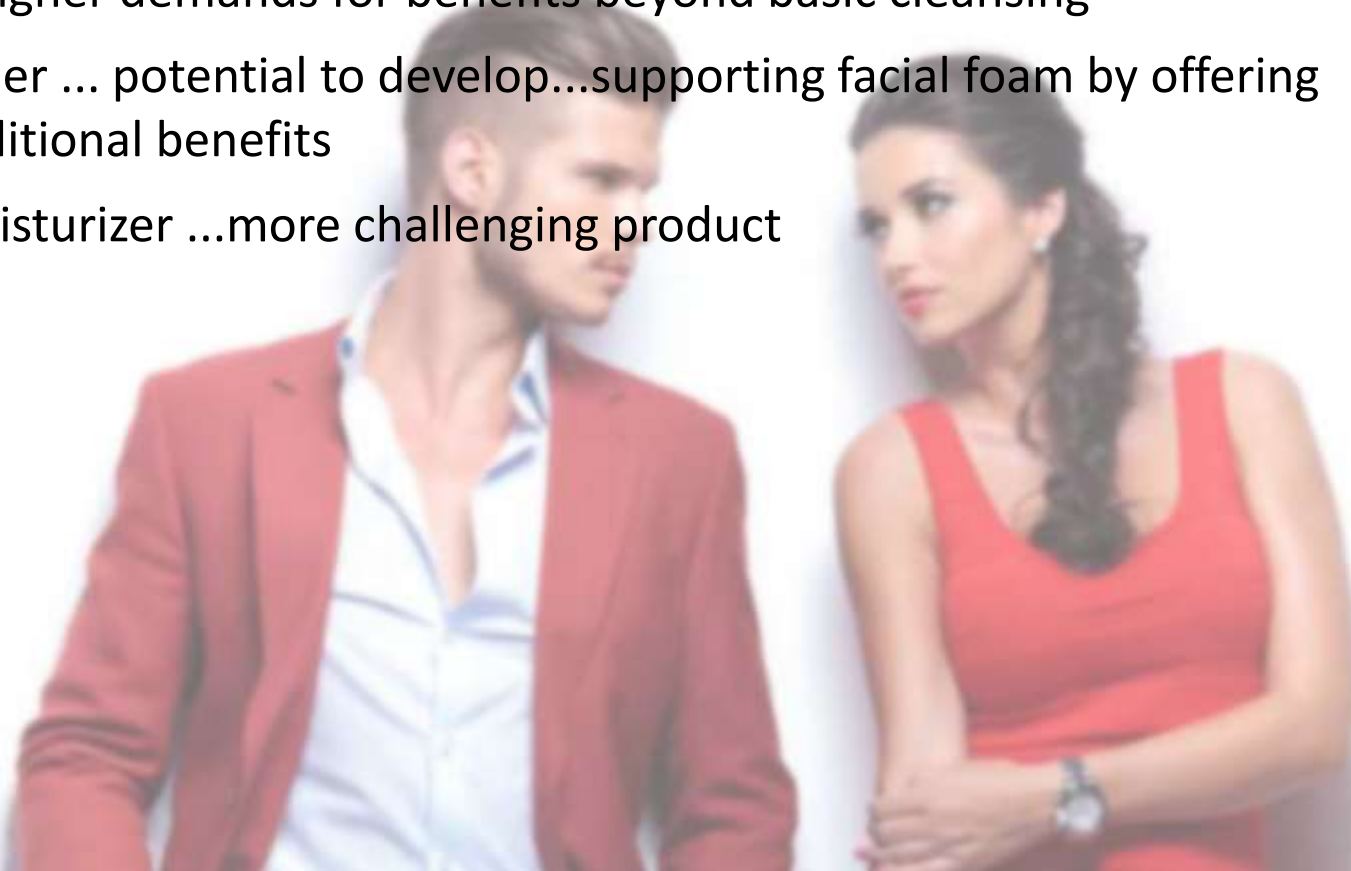
This is twice the figure from 1997.

Products and Regimes: Based on Life-Stages



Current trend of skin care and cosmetic among Indonesian men

- “Safety net” for men
- Challenge for Men Brands → converting women brands’ users
- Face wash ...the most potential: seen as the staple product and it does not have any gender-related stereotypes
 - Higher demands for benefits beyond basic cleansing
- Toner ... potential to develop...supporting facial foam by offering additional benefits
- Moisturizer ...more challenging product



Common benefits sought by men





Key Take-Outs

Summary

- **APAC marketers are a bit more cautious this year, but not overly pessimistic.**
 - Utilizing digital as a new channel is one of the main focus for them this year
- **In Indonesia, the general sentiment remains the same with no strong sign of slowing down, especially among the middle to upper class, and with feel ‘good’ factor**
 - While they are confident about their personal financial condition, consumer seems worried on the country’s economic conditions. This could be because of the election year
- **For Indonesians marketer, we can capture this by having deeper understanding of the consumers and delivering their needs**
 - Beauty for Indonesia is not just ‘skin-deep’, but touches different aspects of women
 - Ideal skin condition for Indonesian women are clear, problem-free, bright/not dull, and youthful/supple
- **Marketers need to pay more attentions on the rise of online role in Indonesian women’ shopping habit**

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Thank You



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