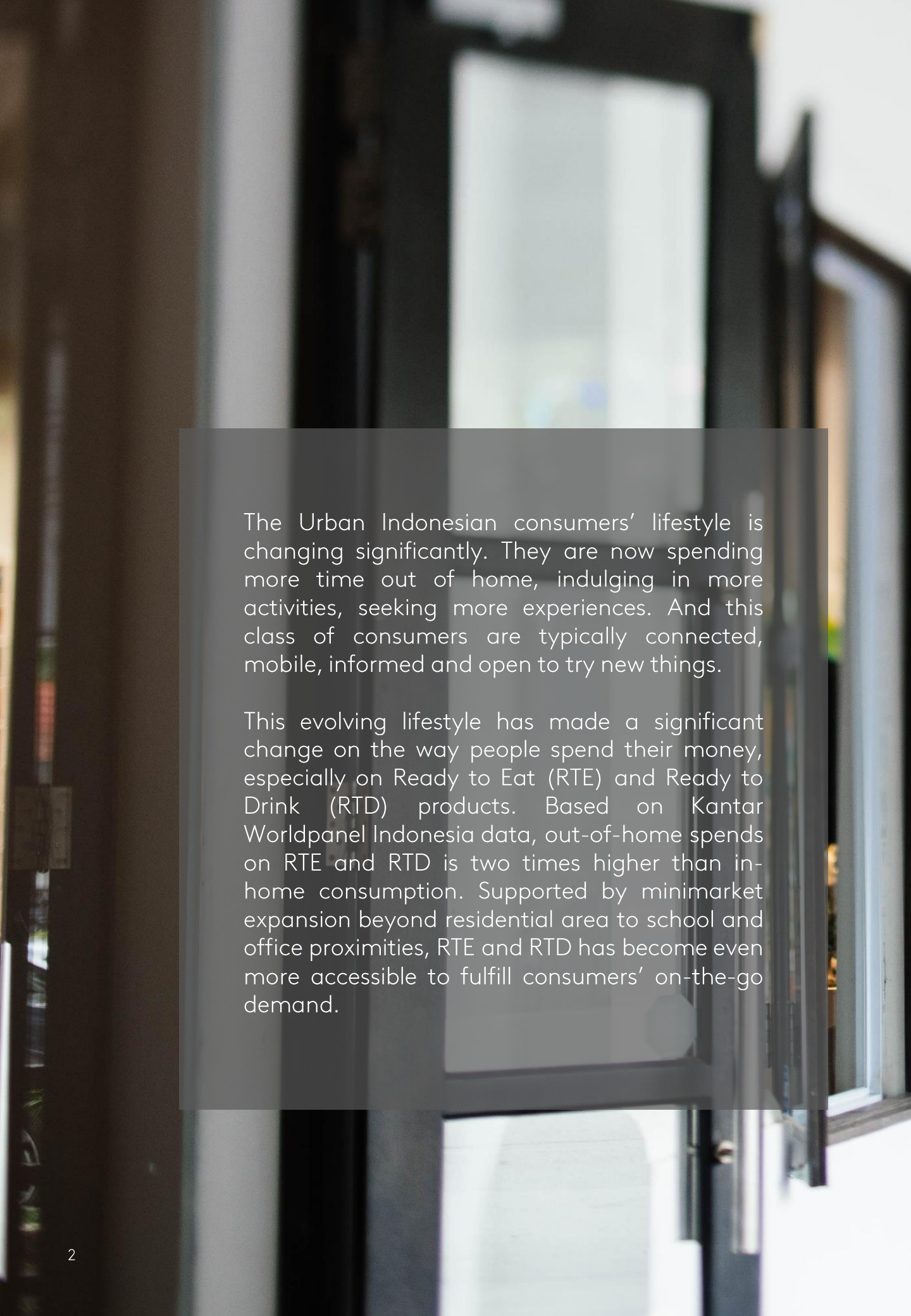




LEVERAGING THE OUT-OF-HOME MOMENTS


KANTAR WORLDPANEL
INDONESIA

Thought Leadership Series




The Urban Indonesian consumers' lifestyle is changing significantly. They are now spending more time out of home, indulging in more activities, seeking more experiences. And this class of consumers are typically connected, mobile, informed and open to try new things.

This evolving lifestyle has made a significant change on the way people spend their money, especially on Ready to Eat (RTE) and Ready to Drink (RTD) products. Based on Kantar Worldpanel Indonesia data, out-of-home spends on RTE and RTD is two times higher than in-home consumption. Supported by minimarket expansion beyond residential area to school and office proximities, RTE and RTD has become even more accessible to fulfill consumers' on-the-go demand.

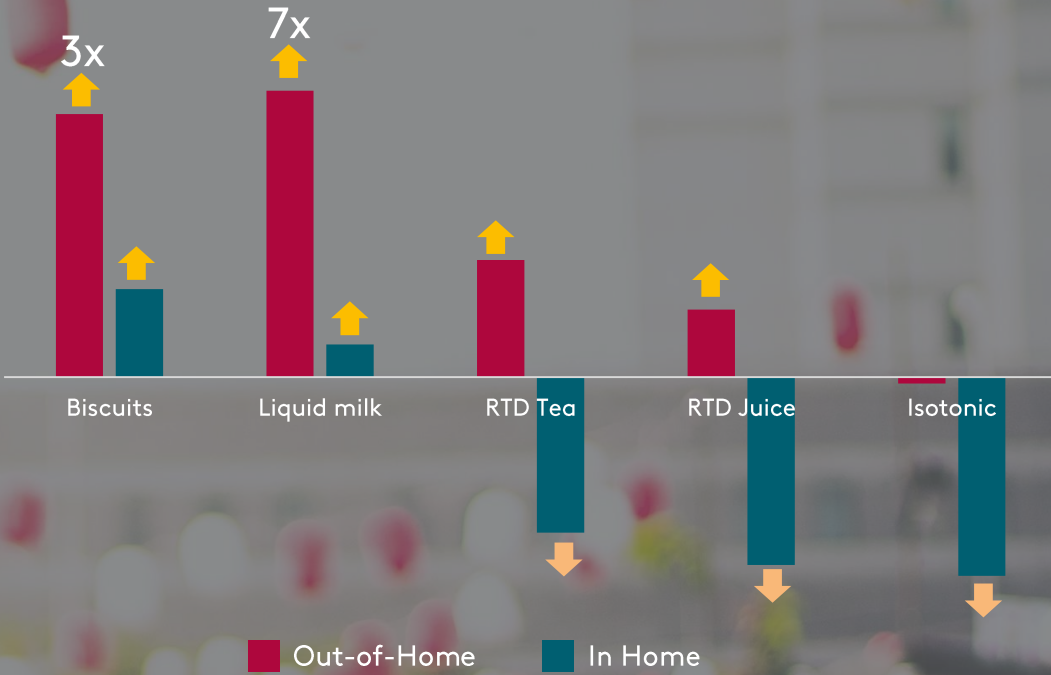
The background of the page is a blurred photograph of an outdoor cafe or restaurant. In the foreground, a woman in a striped tank top and red shorts sits on a wooden bench. Several tables with black chairs are occupied by other patrons, including a man in a green shirt and a woman in a blue shirt. The scene is brightly lit, suggesting daytime. A semi-transparent dark grey box with a light green corner is overlaid on the image, containing the text.

The evolving lifestyle has made a significant change on the way people spend their money.



Over the years out-of-home market has become much bigger compared to in-home market. This year out-of-home consumption contributes to 61% of RTE and RTD market value and is expected to keep increasing. Some of the categories are able to post three times faster growth in out-of-home market as compared to their in-home performance. Not only beneficial for growing categories, out-of-home consumption has also benefited categories which have had stable to poor performance. RTD juice volume displays a declining rate within in-home market, however it still manages to grow in out-of-home consumption, driven by the increase of purchase frequency.

In Home vs Out of Home Volume Growth
MAT Oct 2017 vs year ago | Urban Indonesia

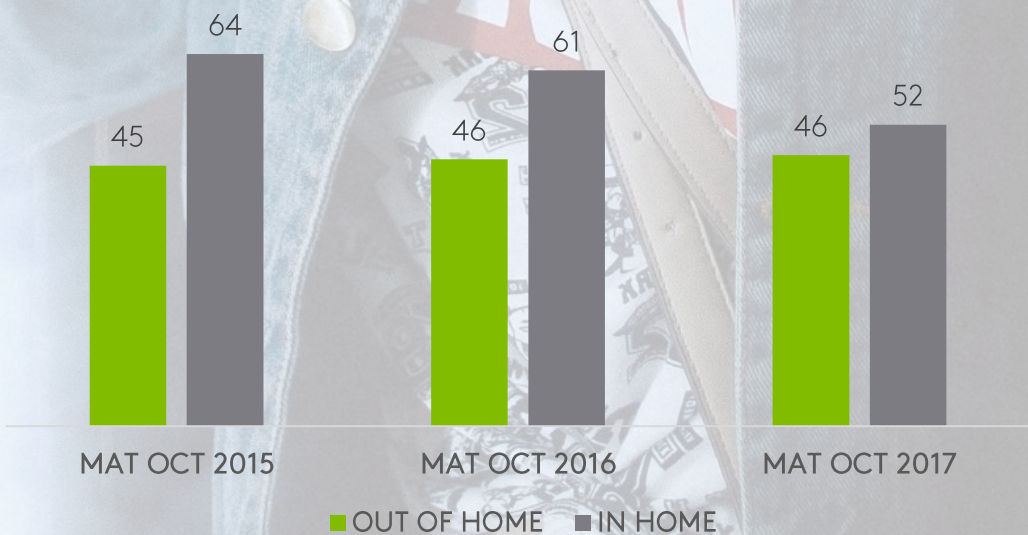




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Frequency is the key growth driver in out-of-home market especially for mature categories. Take RTD beverages as example, the in-home purchase frequency has declined which ultimately led to volume decline. On the other hand, purchase frequency for RTD beverages remains resilient in out-of-home market. To leverage this trend, manufacturers need to expand and tap into more occasions. The market has definitely not reached the limits yet in out-of-home. For example, the consumer in China purchases at twice the frequency in out-of-home as compared to in-home.

**RTD Beverages Frequency
MAT Oct 2017 vs year ago | Urban Indonesia**



As always, opportunity comes with challenges. Number of brands in the RTE and RTD continue to increase, while available space at stores remains limited. While this situation pushes manufacturers to compete for the brand's in-store visibility, it is also critical for manufacturers to build a strong association of their brands to moments and occasions to stay relevant in the consumer mind-space.

The time spent out-of-home will keep increasing and drive the potential of out-of-home market. Let's take a look at the typical activity cycle in a young adult working day: waking up – breakfasting – commuting to work – lunch – afternoon tea/coffee – dinner – hanging out with friends or commuting back home. Which of these moments can we own and do we have a strategy to get there?





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OUR EXPERTS: ANDI SISWANTO & NIKENSASHI ARUMANINGGAR

Kantar Worldpanel is the global expert in shoppers' behavior. Through continuous monitoring, advanced analytics and tailored solutions, Kantar Worldpanel inspires successful decisions by brand owners, retailers, market analysts and government organizations globally.

With over 60 years experience, a team of 3,500, and services covering 60 countries directly or through partners, Kantar Worldpanel turns purchase behavior into competitive advantage in markets as diverse as FMCG, impulse products, fashion, baby, telecommunications and entertainment, among many others. Kantar Worldpanel is part of the Kantar, one of the world's largest insight, information and consultancy networks. Kantar is the data investment management division of WPP.

In Indonesia, Kantar Worldpanel – Inspiring Successful Decision™ tracks household purchase of over 90 different FMCG categories across food and non food from its sample of 11,000 households across urban and rural Indonesia on a weekly basis; representing around 50 million households.

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