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BAPEPAM-LK



Investing in the Future

Workshop & Executive Presentation

June 2012

SEADI RFP No .003

Support to Bapepam-LK on its Socialization Program

Purpose

Assess Bapepam-LK's socialization efforts to promote broader awareness of financial markets

Examine the target audience's financial literacy

Determine the role of education in increasing financial literacy

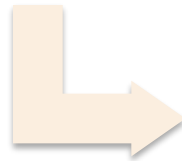
Process Methodology

PRISMA

**Designed and
conducted research**



**Evaluated current practices
against industry practices**



**Presented findings at
workshop with Bapepam-LK
communications personnel
(cross-bureau)**



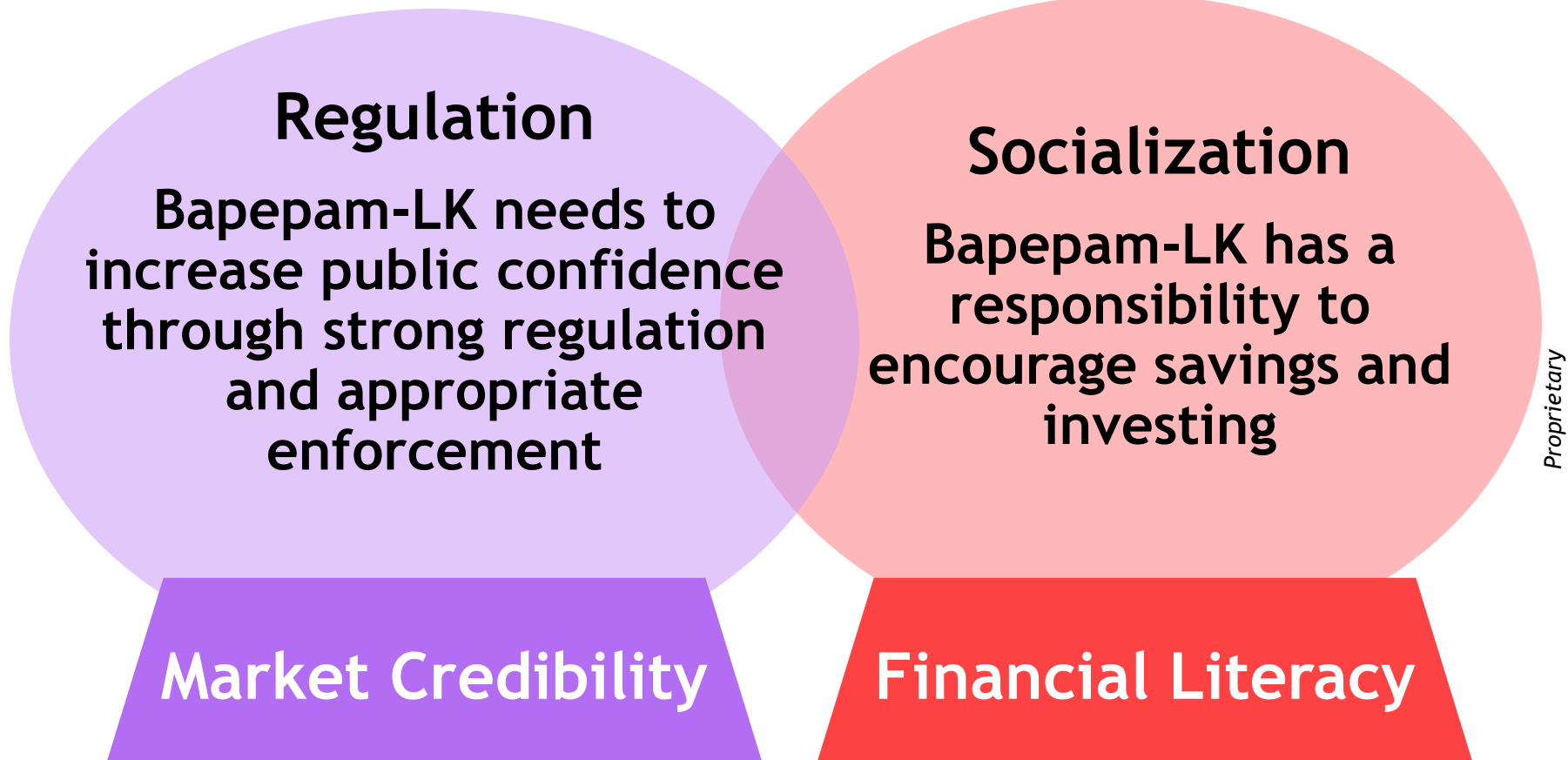
**Outcome:
Developed
recommendations**

Bapepam-LK's Communications Role

PRISMA

As consumers' understanding increases, the intensity of regulation needed decreases

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Clarifying Survey Terminology

SES A	Households with more than IDR 3 million in monthly expenditures
Random	Adults in the ABC1 SES expenditure group (46% of urban population)
Potential	People who intend on investing in a NBFi product within 5 years
Active	People currently investing in NBFi products

Process Methodology

RANDOM and INVESTORS

Survey results from 500+ ABC1 men and women in Surabaya and Jakarta

Three groups of respondents: Random Population; Active Investors; Potential Investors

Four focus group discussions with active and potential investors (including students)

SOCIAL/DIGITAL MEDIA

Interviewed financial planners
Analyzed web metrics

Medan mall survey
Semarang mall survey

TRADITIONAL MEDIA

Interviewed journalists
Observed media briefings
Reviewed media coverage

1A

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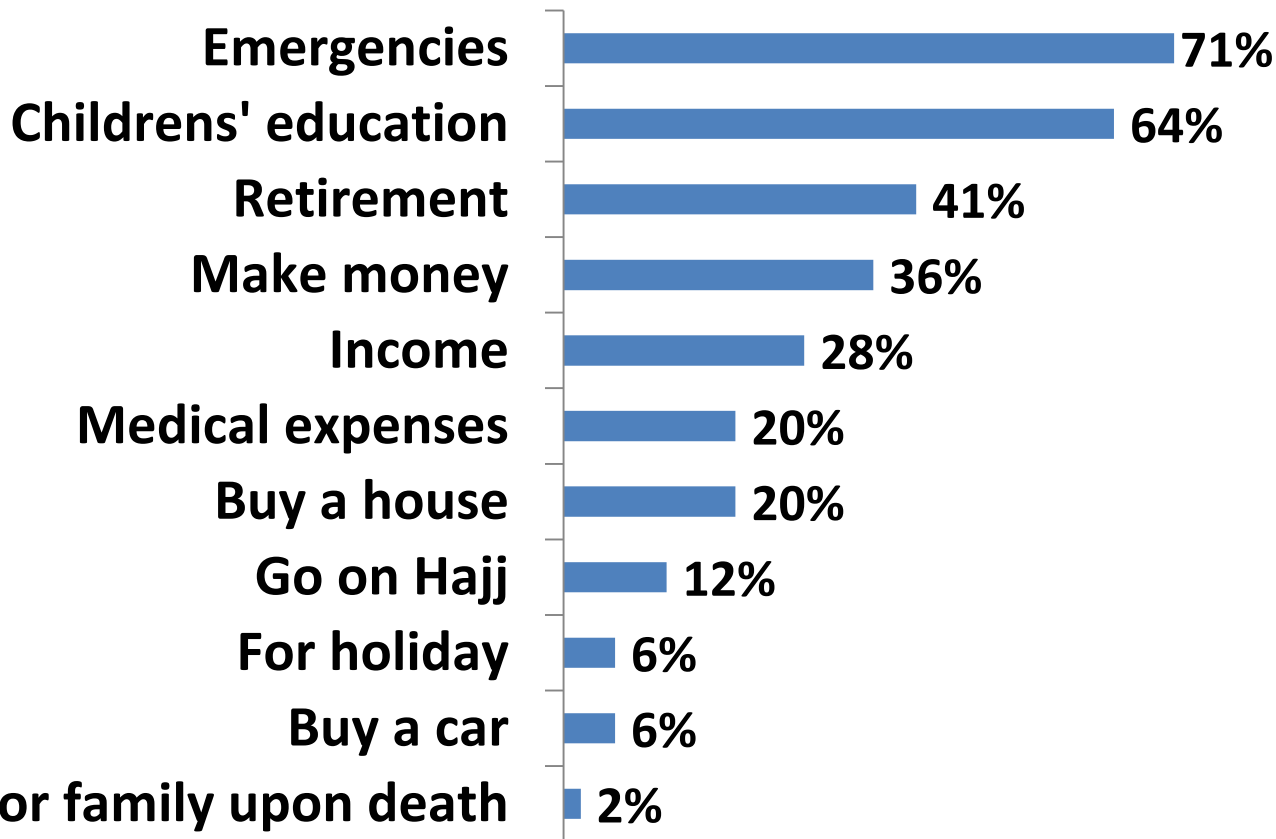


Key Facts: Understanding the ABC1 Population

PRISMA

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Reasons for Savings & Investing



Concerned about security and safety

Not “get rich” schemes

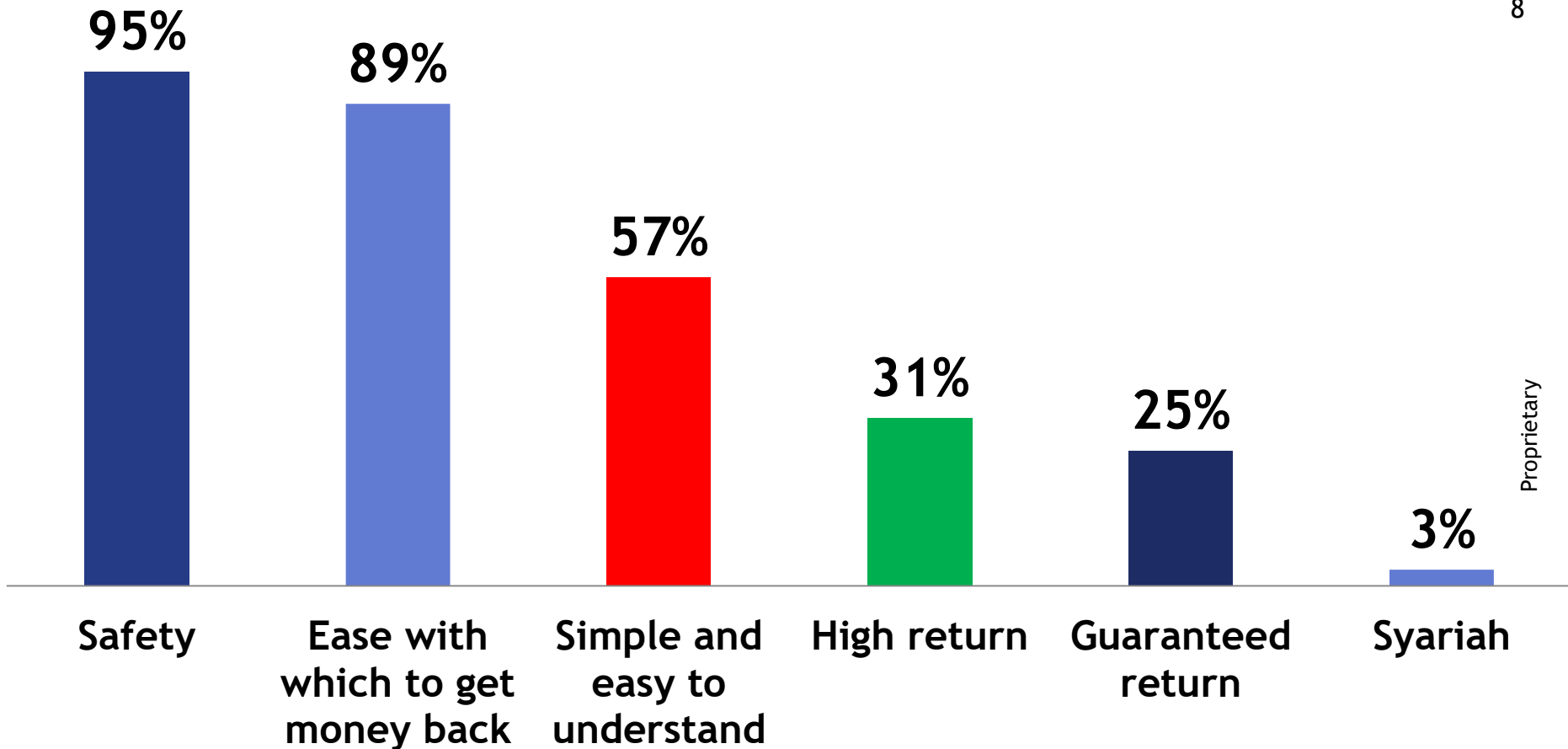
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Key Facts: Understanding the ABC1 Population

PRISMA

Mentioned in Top Three Factors for Investing



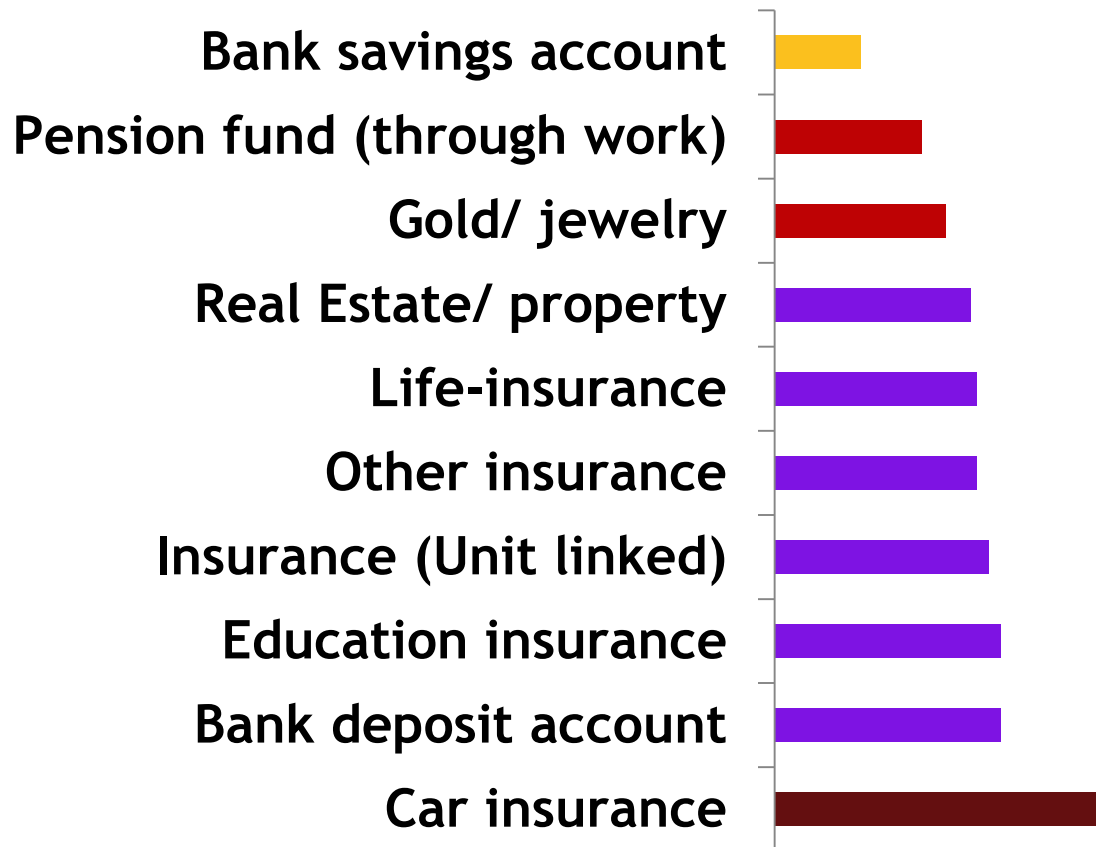
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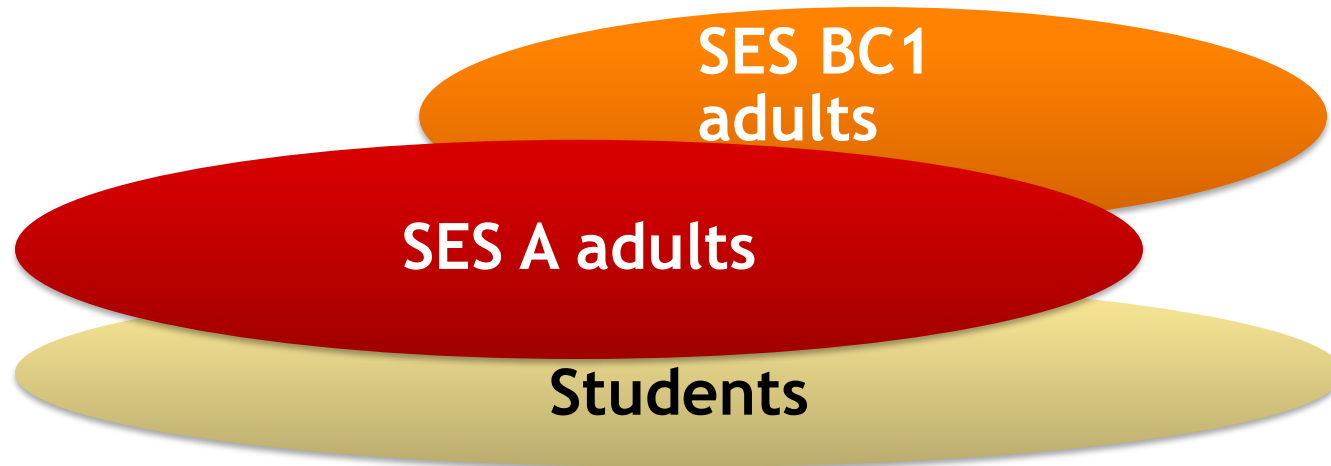
Key Facts: Investment Ladder

Progression of Investing (Investors)



Key Facts: Proposed Target Audiences

PRISMA



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Target both SES A men and women over the age of 25 who are college educated and live in urban areas, due to their high media usage and increased potential to invest

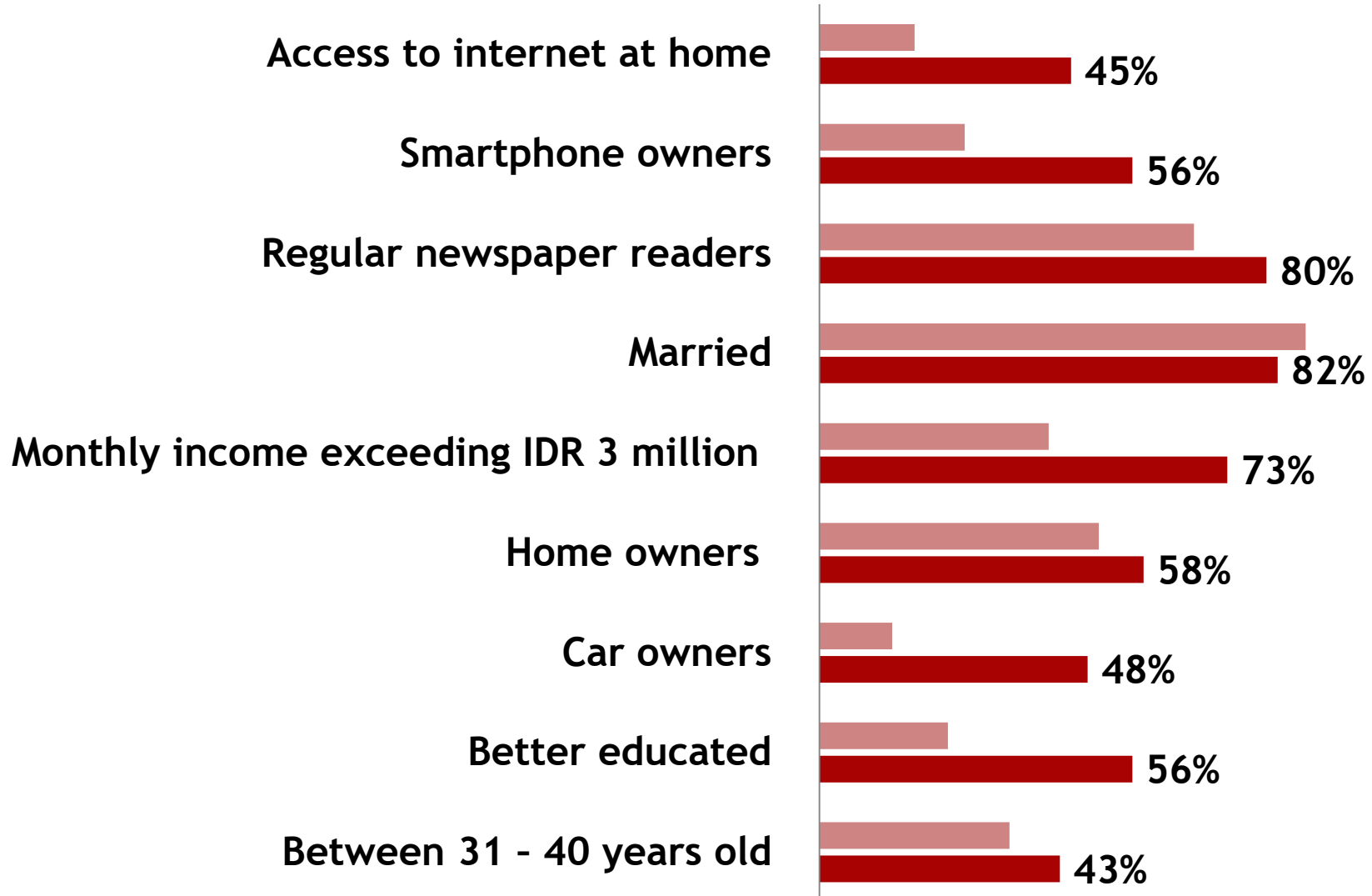
Target students of ages 12 to 25 due to their higher risk tolerance and accessibility



Demographics of Target Audience

target (%) compared to population

PRISMA



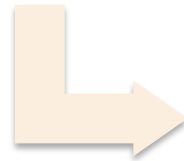
Process Methodology

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Outcome:
Developed
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12

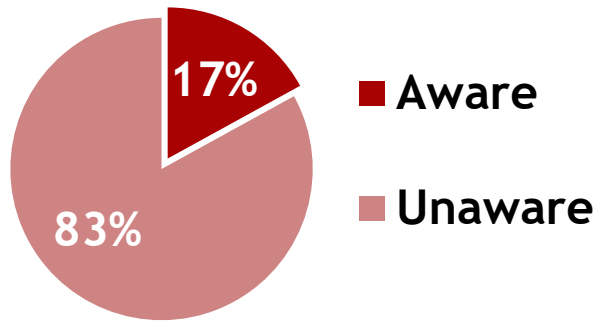
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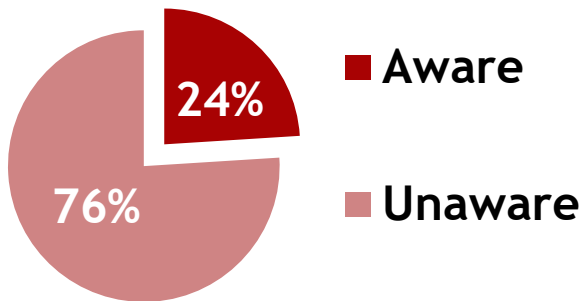
1. Increase Financial Literacy

A. Provide information on basic financial topics

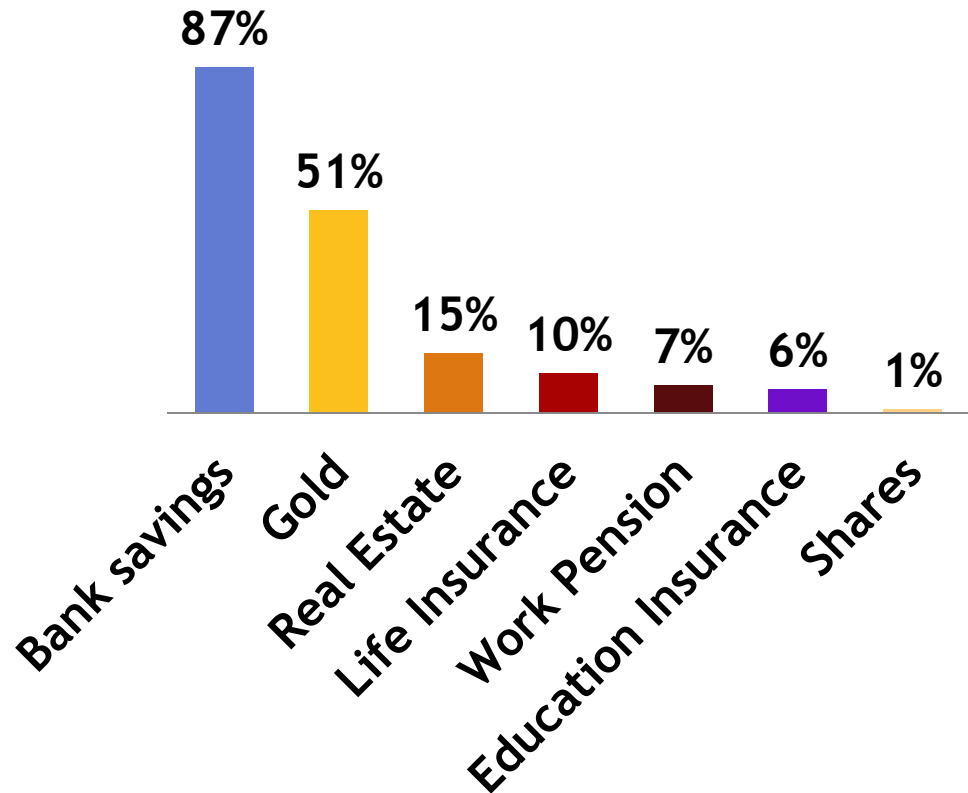
Unaided Awareness of Pension Funds in SES A



Unaided Awareness of Shares in SES A



Percent Ownership of Investments in Population



1. Increase Financial Literacy

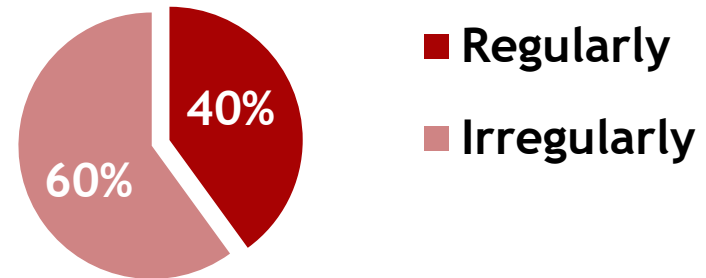
A. Provide information on basic financial topics

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Average Monthly Savings

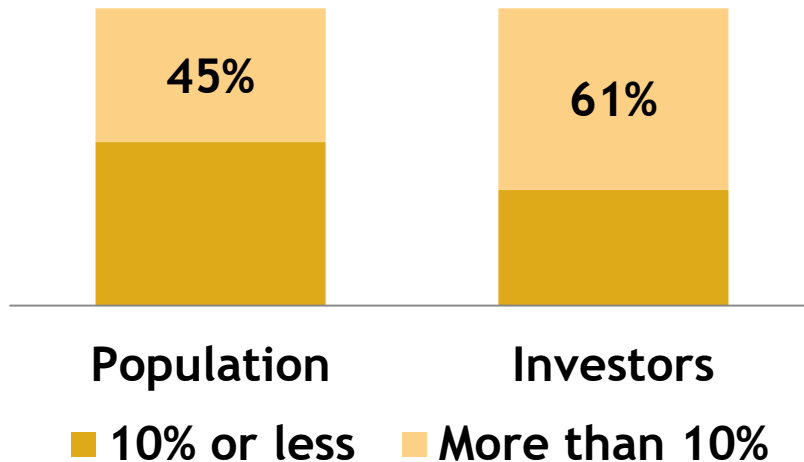
IDR 670.000 Population
IDR 1.250.000 Investors

Saving Behavior of Population

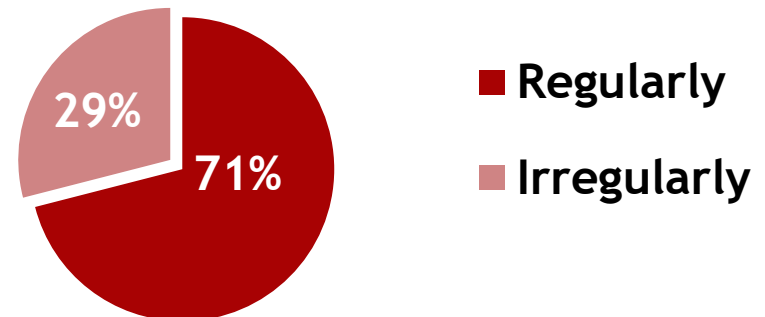


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Percent of Income Saved



Savings Behavior of Investors



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1. Increase Financial Literacy

A. Provide information on basic financial topics

Capital Market	Too complicated	78%
	Risky/high potential for fraud	70%
Pension Funds	Don't know enough about it	46%
	Too complicated	35%
Mutual Funds	Don't know enough about it	78%
	Too complicated	65%
Insurance	Too complicated	34%
	High potential for scams	32%

1. Increase Financial Literacy

A. Provide information on basic financial topics

Gold	No need for paperwork	76%
	Easy to understand	69%
Real Estate	Good long-term investment	73%
	Make a lot of money	71%
Syariah Bank	Allowed by religion	63%
	Safe	26%
Bank Account	Safe	80%
	Convenient	77%

1. Increase Financial Literacy

PRISMA

B. Reach out to students and young adults

“Bapepam-LK should educate about investing and financial planning from an early age.”

Financial Planners

“Include capital market and NBFIs education in the curriculum from elementary to university levels.”

Bapepam-LK workshop participants

C. Tailor messages according to audience’s needs

Beginning investors need different information than advanced investors

1. Increase Financial Literacy

MA

A. Provide information on basic financial topics

Develop standard materials on: reducing risk, saving money, taking out loans, NBFIs products, and diversification

B. Reach out to students and young adults

Develop and distribute basic financial information to schools and colleges through road sessions, presentations, and materials

C. Tailor messages according to audience's needs

Develop relevant materials and messages for businesses, novice investors, and advanced investors

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2. Leverage Socialization Efforts

A. Establish PR division as “go-to” source of information, especially on non-technical topics

“The PR division is not the main source for information or confirmation on issues”
Journalists

“The spokespersons’ authority was limited”
Journalists

“Spokespersons were not familiar with the topics”
Journalists

2. Leverage Socialization Efforts

PRISMA

B. Develop One Voice “Rules of Engagement”

Divisions lack internal coordination

Press kits are not distributed during media briefings

Trained spokespersons deliver better and more consistent messages

Industry practices recommend establishing guidelines for engaging with the media

**One Channel
One Voice**

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2. Leverage Socialization Efforts

PRISMA

C. Authorize Humas spokespersons to deliver information on socialization

Per policy, Bapepam-LK does not distribute press releases related to socialization activities

None of the journalists had heard about Bapepam-LK's socialization efforts

D. Engage journalists in socialization efforts

Many journalists lack knowledge on the basics of investing

2. Leverage Socialization Efforts

A. Empower PR division as a go-to source of information, especially on non-technical topics

Train PR division to set communications agenda

B. Develop One Voice “Rules of Engagement”

Develop policy and standard operating procedures
Ensure uniform and consistent messaging across organization and divisions

– One Channel, One Voice;

Create FAQs and train spokespersons

C. Authorize Humas spokespersons to deliver information on socialization

Use press releases and media briefings to convey non-technical messages;

Distribute stories to regional papers

D. Engage journalists in socialization efforts

▲ ▲ ▲ Educate journalists through workshops

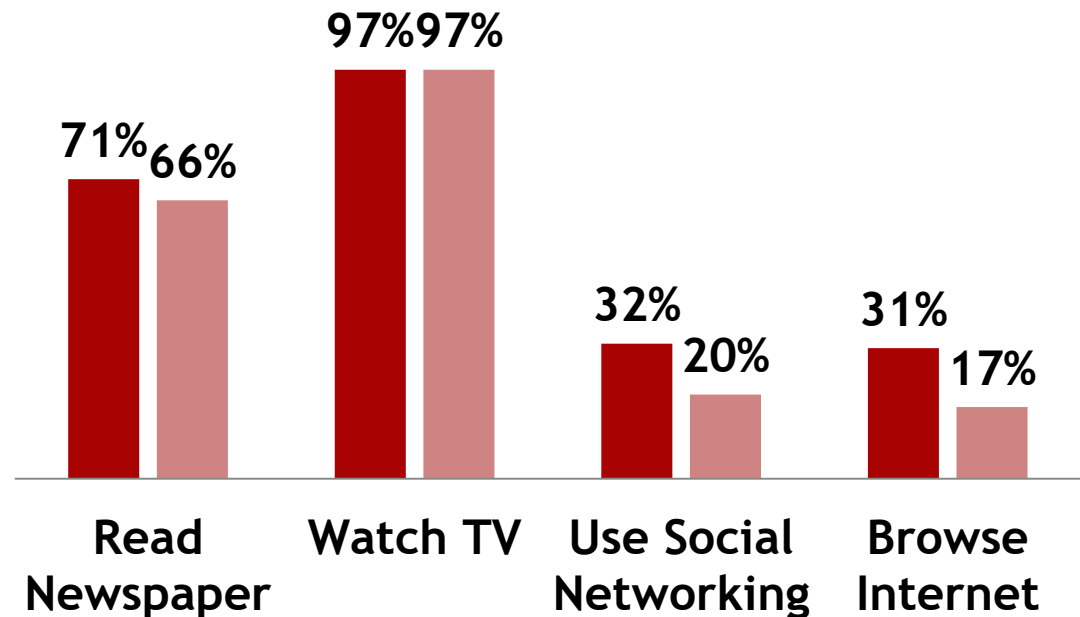
3. Ensure awareness of socialization efforts

A. Increase Bapepam-LK's online presence

Media Usage Across SES

■ SES A ■ SES B

Website	Rank (RI)
Facebook	1
Bank Mandiri	23
Bank Indonesia	792
IDX	882
Bappenas	2,211
Bapepam-LK	5,460



3. Ensure awareness of socialization efforts

B. Develop an integrated socialization effort

“People often pay to gain information on investing through seminars.”
Financial Planners

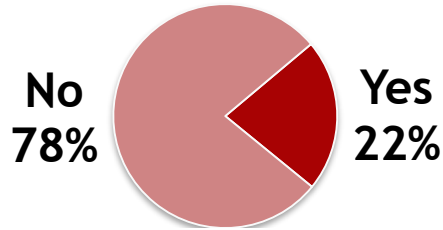
“Utilize all media, including seminars and exhibitions, to meet directly with the public .”
Financial Planners

“Combine seminars, trainings, and courses with social media.” Financial Planners

3. Ensure awareness of socialization efforts

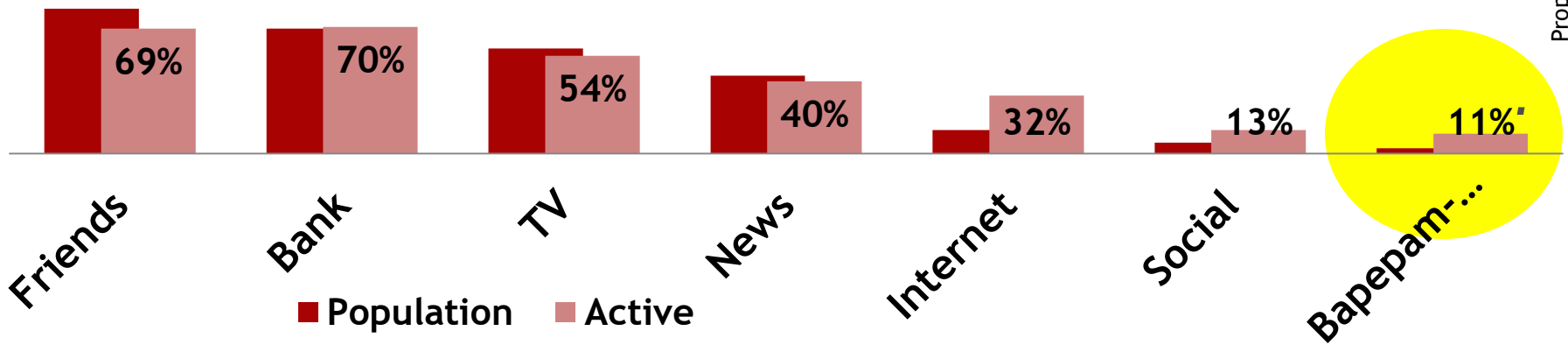
C. Build Bapepam-LK's credibility

ABC1 Awareness of Bapepam-LK



“NBFIs destroy people’s hopes and lives”
“High potential for scams”
Focus Group Discussions

Likelihood of Using as Source of Information



3. Ensure awareness of socialization efforts

PRISMA

A. Increase Bapepam-LK's online presence

Empower social media experts to lead online communications;
Put interesting content such as interactive games and educational videos on website

B. Develop an integrated socialization effort

Utilize workshops, seminars, and exhibitions;
Integrate online, in-person, and traditional media outlets

C. Build Bapepam-LK's credibility

Deliver clear and consistent messages about Bapepam-LK role (with non-technical examples)

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4. Evaluate Bapepam-LK's impact

PRISMA

A. Test message comprehension and relevance

Focus group discussions enable messages to be tested for comprehension and relevance

Understanding the audience's needs and concerns results in more effective messaging

B. Develop effective Key Performance Indicators (KPIs)

KPIs should focus on measuring the “impact” on the target audience

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4. Evaluate Bapepam-LK's impact

PRISMA

A. Test message comprehension and relevance

Hold regular focus group discussions with four groups of 6-8 consumers;
Measure recall and impact of messages;
Test TVCs with audiences beforehand

B. Develop effective Key Performance Indicators (KPIs)

Measure the number of:
people reached
materials distributed
programs conducted
Collect information on which channels the audience obtains information from

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5. Measure Financial Literacy

A. Conduct tracking surveys

Annual tracking surveys measure changes in population's awareness, attitudes, and abilities

There is a need to benchmark current levels of financial knowledge and measure the impact of efforts to improve financial literacy

The World Bank

B. Develop a Financial Literacy Index

A Financial Literacy Index links consumer behavior with economic development

5. Measure Financial Literacy

MA

A. Conduct tracking surveys

Measure changes in SES ABC1 adults in major Indonesian cities on a bi-annual basis through surveys, such as the one used in this research, which can be replicated

B. Develop a Financial Literacy Index

Measure awareness of:
NBFI products
attitudes to investing
abilities to save, plan, budget, and invest
the size of the NBFI markets

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Summary of Recommendations

PRISMA

1. Increase Financial Literacy

- A. Provide information on basic financial topics
- B. Reach out to students and young adults
- C. Tailor messages according to audience's needs

2. Leverage Socialization Efforts

- A. Establish PR division as “go-to” source of information, especially on non-technical topics
- B. Develop One Voice “Rules of Engagement”
- C. Authorize Humas spokespersons to deliver information on socialization
- D. Engage journalists in socialization efforts

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Summary of Recommendations

PRISMA

3. Ensure awareness of socialization efforts

A. Increase Bapepam-LK's online presence

B. Develop an integrated socialization effort

C. Build Bapepam-LK's credibility

4. Evaluate Bapepam-LK's impact

A. Test message comprehension and relevance

B. Develop effective Key Performance Indicators
(KPIs)

5. Measure Financial Literacy

A. Conduct tracking surveys

B. Develop a Financial Literacy Index

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Thank you

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