

CREAM

IN FOCUS



The Asian evolution

The rise of digital, changing consumer trends and the best campaigns in Asia

JANUARY 2013

Welcome



Asians lead the way when it comes to social adoption. Taobao.com, China's biggest online retailer, sells 48,000 items every minute. As of October 2012, 78.7 million users in India had accessed the internet from a mobile device in the previous month. Indonesia's automobile sales – a key economic indicator – remained robust throughout last year. The Philippines' social media penetration, meanwhile, is something to write home about, with more than 90% of its internet users visiting a social networking site every month. These statistics indicate a galloping growth rate in Asian economies, holding promise for potential branding opportunities – enough for international marketers to take note and cater to the hunger Asians are displaying for brands and branded experiences.


This report explores the major role that digital media is playing in this upswing, the growing intolerance for the mediocre in Asian markets and what a marketer should keep in mind while wooing Asian consumers.

Devina Joshi

Contents

- 03 Knowledge** How Asian media consumption and brand preferences are changing
- 06 Case studies** Case studies from Jaeger-LeCoultre, P&G, Nokia and more

Author: **Devina Joshi**
Head of design & production: **Gee Ibrahim**
Senior designer: **Simone Sanseverino**
Cream marketing & subscription enquiries:
Danielle Redwood (danielle@csquared.cc)

www.creamglobal.com
blog.creamglobal.com
 @CreamHQ

C Squared Holdings
1st floor
115 Southwark Bridge Road
London SE1 0AX, UK
+44 (0)20 7367 6990
www.csquared.cc

FEATURE

THE RISE OF THE ASIAN MARKET

The Asian mindset, media consumption habits and brand preferences are changing. Here's a look at how marketers can leverage this transformation, reports Devina Joshi

Consider this: towards the end of 2012, China became the world's biggest luxury market, overtaking the US – it yielded roughly 27% of global spending on luxury goods and services, versus 20% for the US (source: Bain & Company).

With aspirations flying high and a thirst to match the West, Asian markets are contributing sizeably to global consumption, and international marketers can't afford to overlook this growth. The continent's current contribution to global ad spends stands at around 20%. Apart from that, the consumption of digital media is fast becoming something of a rage, with 'Introvert Asia' becoming 'Extrovert Asia', according to Grey Worldwide's study titled 'Eye on Asia 2012'. This is because Asian consumers' online personas are becoming more expressive, with increased social interactions.

In this report, we examine just what makes Asia tick, the digital behaviour of Asians, the emergence of China as the fastest-growing Asian market, and what marketers should keep in mind while exploring this vastly diverse continent.

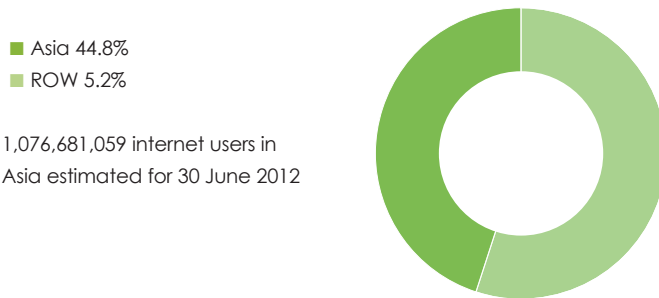
Digitally speaking

44.8% of the world's internet users come from Asia. In China, the most ordered online products are clothes; in Japan, it's food; in India it's mobile phones, clothes and tickets. "Digital as a medium is growing very fast with Asian countries including China, Taiwan, Japan and Korea being very advanced and savvy when it comes to digital consumption," says Rahul Welde, vice-president, media, Unilever Asia, Africa, Middle East, Turkey and Russia. "Among all these, the transformation in China has been spectacular," he adds.

Even if some of the platforms Asians use are copies of those in the



Internet users in Asia, Q2, 2012



1,076,681,059 internet users in Asia estimated for 30 June 2012

Source: www.internetworldstats.com/stats3.htm © 2012 Miniwatts Marketing Group

West, the sheer number of people logging on to the web in the continent, makes it a potential brand paradise. China has well above 500 million people online and studies show that Chinese 'netizens' are far more inclined to create and consume social content than those elsewhere. "For our clients in China, getting 10 million people to participate in an online campaign is not so rare – sometimes reaching well beyond a hundred million," says Jeff Bradley, chief operating officer, Leo Burnett China.

Asians are also more experimental and change-tolerant, because they are accustomed to a high rate of change. In the early 1980s many Asian consumers were buying 1950s technology. Now they are consuming 2013 technology in 2013, which spells 60 years of technological advancement in the space of 30 years.

"When you grow up in the context of such rapid change, you tend to be pretty comfortable jumping into the next new thing," says Bradley. "Speaking of new, one must keep an eye on QQ and Tencent. We Chat is a good example of a platform that's huge in Asia but not elsewhere, though it is available globally."

Consumers in Asia don't tend to share the western cynicism regarding brands. For many, brands became more prominent in their lives around the time that living standards improved. So when it comes to engaging with brands online, there is a lot more willingness from people to open up in a personal way to branded platforms online, to share opinions as well as data.

Facts about Asians

There are a few common pitfalls that companies new to Asia fall into. First is the assumption that Asian consumers are monolithic. Within India alone, the brand and consumer landscape can be dramatically different from city to city, and most Asian markets are not dissimilar in this regard. Second, is the idea that consumers need something more basic or 'simple' versus consumers in the West. The reality is quite the opposite.

Consumption in Asia will move very gradually away from materialistic pursuits toward more experiential ones. Japan is well down this path where there is less focus on buying the latest thing, and more interest in spending on experiences. So, the categories likely to grow there include travel and education. But most Asian markets are insatiable for technology and computer/PC/mobile products are bound to do well there. If gauged solely by the propensity to spend and consume, the biggest growth markets are clearly China and India. This should



China has well above 500 million people online and studies show that Chinese 'netizens' are far more inclined to create and consume social content

We Chat (left) is one global platform that is huge in Asia but not elsewhere; Mercedes' Smart car (right)



not be a surprise, not only because of their sheer size, but also the fact that these two have been growing consistently over the past decade. If you wanted to add numbers three and four, Korea and Indonesia figure in the list – Korea because consumers are spending-happy despite the downturn and Indonesia because of size and potential.

On a per capita basis, no country seems to move toward consumerism faster than Mongolia and the nomadic spirit there means people and companies are extremely nimble. The Philippines, too, seems to be on a roll, and with Myanmar and Burma opening up, all of Indo-china looks vibrant. But the most interesting Asian market that seems to tower above the rest in terms of its hunger and aspiration to be 'big', is undoubtedly China.

Why China is taking off

Steve Yi, chief strategy officer, Grey Group Korea says that given Japan's stagnant growth, overall drop in consumer confidence, and its 2012 Tsunami disaster, it was just a matter of time until China figured as one of the most promising Asian markets. Bradley has an interesting theory on consumption trends in China. "For Chinese consumers who grew up pre-cultural revolution, luxury goods represent something bigger. They are compensation for the frugal nature of life in an earlier time. They often seek the big brands that everyone talks about, and wear those brands as a badge, celebrating their 'arrival' in a prosperous new era," he says. "However, younger consumers in China don't necessarily care, and in many cases see the 'louder' luxury brands as a sign of hubris/corruption."

Another insight is that in places like China, consumers have realised that they can snag really good bargains by pooling their purchasing power. Kunal Sinha, chief knowledge officer, Ogilvy China and regional cultural insights director, Ogilvy & Mather Asia Pacific says, "When Mercedes Benz launched a group buying promotion for its Smart car in China, it offered a discount of \$10,000 if 10 buyers came together and ordered the car. It expected to sell around 300 cars on offer in a month. The cars were all gone in four hours."

To conclude, Sinha warns marketers to avoid these myths about Asians generally: that they are collectivist, their choices are very rational, they are not terribly creative, they are strongly influenced by celebrities and that they only want deals.

The following are examples of case studies by brands that were quick to identify the uniqueness of Asian consumers, leveraging the three media vehicles that work like magic in the continent: digital, events and experiential marketing. ●



When it comes to engaging with brands online, there is a lot more willingness from people to open up in a personal way to branded platforms

CASE STUDIES

MULTI-PLATFORM CONTENT PARTNERSHIP

Brand: Luxury watch brand Jaeger-LeCoultre wanted to increase brand and product awareness among international influencers and consumers across EMEA and Asia. The brand needed to do more than the typical glossy print advertisements in high-end magazines. It was decided that a strong and long-term brand association was required with a

Agency: ZenithOptimedia

Region: Asia Pacific, EMEA

Date: March 2011-
Jan 2012

leading international media owner. CNN provided a solution that complemented the unique spirit of Jaeger-LeCoultre's Reverso watch and created conversation around content that reflected the product and brand values. The result was an award-winning, cross-platform and social media brand campaign that had audience engagement at its heart. ●



Engaging with luxury consumers

PEPSICO BRINGS HAPPINESS HOME



Tugging on Chinese heart strings

Brands: Lays, Tropicana, Pepsi

Agency: BBDO

Region: China

Date: Dec 2011-
Feb 2012

In China, Chinese New Year is the most important and traditional festival in the lunar calendar. It's also a time when many businesses and brands fight for market share. Traditionally at this time of year people eat with their family in the evening, but a growing trend is for young people to make their own plans. PepsiCo used the insight that parents still expect their

children to be with them during the festival to create an emotive, family-based mini-movie. The campaign premiered in cinemas and then officially launched through online, print and PR, OOH, online and TV. Huge online engagement – including five million discussions, conversations and news-related citations – generated over \$2.8m worth of media coverage. ●

SNICKERS HUNGER BLUNDERS

Brand: How do you make a global proposition for the world's biggest chocolate bar relevant to a local market without any local copy, and sell more Snickers? That was the challenge Snickers faced in Australia. The brand had a global campaign and positioning, centred around the idea of 'You're not you, when you're hungry', meaning that people can't function properly if they

Agency: Starcom

Region: Australia

Date: Sep 2011-
Aug 2012

haven't eaten. The communications strategy was to use real people, making real mistakes, in real time – linking hunger to sales in an engaging, relevant way. To connect truly with their audience at a local level, the brand leveraged locally-produced, live television to enable fresh content to be integrated in real time. The Snickers Hunger Blunders was born. ●



Real people, real mistakes, real time

CASE STUDIES

CITI CARDS ITARERY & TSUKURSERY

Brand: Premium brand Citi was launching credit cards aimed at Generation Y, its target audience of mass affluent consumers. Because credit cards are typically of low or little interest to this group, something more than the usual credit card marketing was needed. Most credit card communication in Japan focussed on functional benefits or prestige and did not connect on

an emotional level. The challenge was to surprise the audience and stimulate them to take action. Citi's approach was to speak to Generation Y in their own language and style, using online media as the best way to make this connection. The campaign went viral with its use of comical videos based on the two animated characters, Itaresy and Tsukursery. ●

WATCH ME



Two inept young foreigners living in Japan

PROJECT OLAY 360



Blog and reality-based content

Brand: Olay
Agency: ZenithOptimedia
Region: Singapore
Date: June-Sept 2011

Young women knew Olay but perceived the brand as for their mums and irrelevant to their own lifestyles. Olay wanted to counter this indifference with a primary objective of driving consumer involvement, interaction and increasing business share. It launched Project Olay360 – a content series anchored by webisodes with an unscripted,

reality format – in which four bloggers and real women aim to achieve 360-degree skin transformation over six weeks. Specially created video widgets enabled bloggers to share content easily. From its lowest business share point at 13%, Project Olay360 value share increased by 11% versus pre-campaign while market share increased to 16.3%. ●

P&G SHIKSHA 'UNLEARNING TO EDUCATE

Brand: Shiksha is Procter & Gamble's P&G flagship CSR initiative to build and support schools for underprivileged children across India by using donations from the sale of P&G products. Seven years in, however, the main challenge was how to sustain and grow this momentum when audiences were skeptical as to the impact of Shiksha to the children. A simple message and

donation mechanism was created: 'Help India get to 100% education by just giving a missed call and P&G will help build more schools in your state'. Each missed call from a consumer counted as a pledge and the state with the highest number of pledges would be chosen. It was an integrated campaign with traffic driven to the mobile platform via radio and digital. ●

WATCH ME



P&G: Creating fresh momentum

CASE STUDIES

SLIMMING CHALLENGE

Brand: Naturegift is Thailand's coffee drink that helps users to burn fat while following a healthy eating plan.

Agency: Mindshare

Region: Thailand

Date: May-Nov 2011

The theme for this campaign was 'Thailand's happiest weight loss challenge' and aimed to recruit 500 people nationwide to lose a collective 2,554 kilos within 60 days. The primary marketing challenge was to drive traffic to a new website where visitors could

discover more about the challenge, register their interest and receive news and updates about the campaign. The strategy was to integrate the creation of a huge buzz around the campaign with the strong Thai cultural symbol of belt tightening and slenderness, leading to some unmissable OOH. There was a 300% increase in clicks to the campaign website. ●



Belt tightening: a strong Thai cultural symbol

ANGRY BIRDS WORLD RECORD ATTEMPT



The world's most popular online game

Brand: Nokia

Agency: Naked, Carat, JWT, Wunderman, Fleishmann-Hillard

Region: Malaysia

Date: May-July 2011

Nokia's market leading position in Malaysia had been eroded. In 2010, Nokia's growth rate was 2% compared to Apple's iPhone at 90%, with low brand preference among young people. Nokia was a brand in desperate need of revitalising and word of mouth (WOM) value had to be restored. Nokia's problem was familiarity; because its handsets

were so commonplace, the brand had lost its exciting edge. The strategy to reignite interest in the brand made use of the thousands of Nokia handsets in circulation: a huge Angry Birds game event was orchestrated, which at once brought people together, reconnected with the young, and created terrific WOM value in its world record attempt. ●

EMART SUNNY SALE

Brand: Although Emart was one of South Korea's leading retailers, it wanted to strengthen its position and create even better offers and promotions.

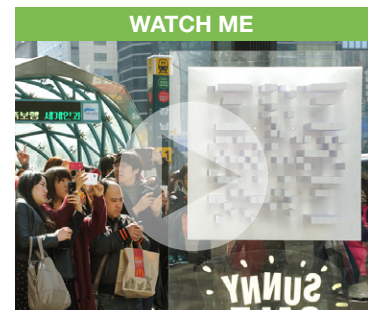
Agency: Cheil Worldwide

Region: South Korea

Date: Feb 2012

One of Emart's weaknesses was that sales dropped dramatically each day, usually during the 12-1pm lunch hour. The retail giant also wanted to change the perception of young customers who thought Emart was 'a place

where my mum goes'. The brand decided to give people a unique shopping experience that was only available at lunchtime. The innovative use of smart technology and commonplace QR codes enabled shoppers to enjoy special offers to purchase items via the Emart mobile app. The campaign was such a hit that it was expanded from 13 to 36 locations. ●



Targeting young people with smart technology