



# 2012 AFAA ASIAN TREND REPORT (SAMPLE VERSION)

**afaa**

ASIAN FEDERATION OF  
ADVERTISING ASSOCIATIONS

Knowledge partner



# Asian best practice from AFAA and Warc



**A** weaker global environment and changing media consumption patterns mean marketers face a tough time selecting the best strategy to retail their products and services.

In view of the challenges faced by our members, AFAA is taking the lead to provide marketing and communications insights and recommendations to improve your businesses.

We have teamed up with Warc as our Official Knowledge Partner to provide this report to all member associations. The report (of which this document is a sample) identifies trends relevant to brand owners and agencies across Asia. It explains their importance and demonstrates how leading brands are responding. The report draws from Warc's global 2012 Toolkit, and focuses on trends relevant to Asian brands. We hope it will assist brand owners and agencies in acquiring the skillsets they need to succeed.

**Pradeep Guha, Chairman, AFAA**

Warc Trends >> Asia Toolkit 2012

### At a glance Using social media

**KEY INSIGHTS**

- 1 Social has many uses, and metrics will vary accordingly. It is often used to 'one play' work in other media, but reach claims may be a poor guide to social media effectiveness.
- 2 Campaigns from Mercedes and Intel's Dad have shown the potential of social networks in Asia.
- 3 Online word-of-mouth is particularly powerful in China, and luxury brands have used this to their advantage.
- 4 A campaign by Philips in Indonesia showed that Twitter could be the focus of a value-driving campaign in an emerging market.

“People are always looking for ways to show the uniqueness in their selves. Business, Manager of Advertisement Dept Progress, Ind”

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### Case study Nissan

**Challenge**  
A new car range of brand premium across the region, which in 2011 was a Global Media Centre in Tokyo, added responsibility and demand. The initiative was a response to customer and market demand in Singapore based on sales, and a campaign that has brand been in place to drive customer interest.

**Solution**  
The brand's comprehensive advertising mix and other factors for social media like traditional brand engagement and other key aspects for Nissan, such as the #iDad campaign, participation with real user behavior.

**Results**  
The advertising mix was for the brand's new car range in Singapore, but will continue around the world and in other markets.

**Observations**  
Nissan, the car's sales, China, Singapore, a luxury car, and a luxury car.

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### TV and online drive growth

**ASIA ADSPER BY MEDIUM, %**

**ASIA ADSPER: GROWTH BY MEDIUM, YEAR-ON-YEAR % CHANGE**

**KEY FACTS**

- Television is by far the largest medium in terms of advertising investment. TV spend has been growing faster than any other medium in Asia.
- When it comes to digital, the other major growth area. Digital advertising has been growing rapidly in Asia.
- Print has been the most consistent medium in Asia. Print advertising has been growing steadily in Asia.

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WARC TRENDS

# ASIA TOOLKIT 2012 (SAMPLE VERSION)

>> How the world's leading brands are rising to the Asian challenge





# Executive summary

This is a sample version of Warc's Asia Toolkit 2012 Trend Report

The full version is available to subscribers of [warc.com](http://warc.com)

**W**arc's Asia Toolkit 2012 is a guide to the key challenges facing Asian brands. It identifies trends relevant to brand owners and agencies across the region, looks at why they are important, and demonstrates how leading brands are responding to them.

This report builds on the [global 2012 Toolkit report](#) Warc launched at the start of the year. It has been edited, revised and updated to focus on trends relevant to Asian brands, using Asian data and case studies.

Economic growth in 'emerging' Asia – China and India, plus fast-growth economies such as Indonesia – means the region is now a priority for multinational companies. But the dynamism of the market leads to a number of challenges.

For a start, markets like China and India are no longer 'new'. Their big cities are cosmopolitan hubs full of sophisticated consumers. Increasingly, growth will come from beyond the major cities, in smaller towns and rural areas. Winning over these 'new consumers', who may be coming into product categories for the first time, is key to brand growth (Chapter 1). Adidas in China is a good example; it has developed a strategy specifi-



Maybelline saw success in China



Shangri-La used cultural insight

cally for lower tiers. Many of the lessons from China and India will apply to Indonesia and other markets full of newly created middle-classes.

Many brand owners have concluded that they require new ways of working to meet these challenges (Chapter 2). The 'glocal' model of a global brand idea handed down from headquarters for local interpretation is being replaced by something more subtle. PepsiCo, for example, uses India to experiment with new ideas, then looks for similar markets they can be applied in. Maybelline launched a successful BB Cream in China, then reapplied the concept around the world.

## Cultural understanding

Local relevance requires better insight (Chapter 3). A growing number of cases from Asia show efforts to develop a deeper understanding of cultures in Asia and apply the findings to brands. Shangri-La is an example of a brand that started with the cultural context of its brand and developed an idea around it.

As in most parts of the world, Asia has seen explosive growth in digital channels. The communications possibilities have grown exponentially. ▶

“ This is a world abundant in opportunity, if we know how to navigate it  
Indra Nooyi,  
Chairman and  
CEO, PepsiCo



# Executive summary (continued)

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So how should a brand navigate this complexity, and what does 'integration' mean when there are so many channels available (Chapter 4)?

The answer may be 'orchestration'; this approach requires a core brand idea that can be interpreted in different ways in different media. This allows media to play to their strengths, rather than force a 'matching luggage' approach onto diverse channels. Johnnie Walker is a good example of a brand that understands this in Asia.

## Social by design

Social media throws up fresh challenges: how best to use it, and how to measure it. There is a growing realisation that communications strategies need to be 'social by design' (Chapter 5). That means planning for online word-of-mouth, and what a brand will do with it, from the start.

The rise of social has led many brands to see themselves as content producers (Chapter 6). The 'brand journalism' trend is particularly evident in Asia, with brands such as Nokia, Nissan and IBM using sophisticated content strategies.

Sponsorship, either of events or sports properties, can be a good way

*Nokia is one brand with a content strategy*

to generate that content. Sponsorship is growing into a big business in Asia (Chapter 7), though measuring its effectiveness remains difficult. The key is not just the 'fit' between the brand and the property, but the sophistication of the activation. A great example is Hero Honda's sponsorship of hockey in India; the partnership helped to revive the sport and generate interest in the brand.

The report concludes with a look at advertising expenditure trends

around the region (Chapter 8). The headline trends are across-the-board rises in TV and online spend, with patchier performance among other media. Despite global economic volatility, Asia as a whole continues to grow as an advertising market.

For both home-grown and international brands, the challenge is getting the most out of these budgets in a fast-moving market. The Asia Toolkit, it is hoped, will inspire them to meet this challenge.





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SAMPLE CHAPTER

ASIA'S NETWORKED

CONSUMERS

>> How should brands respond to the explosion of social media in Asia?



# At a glance Using social media

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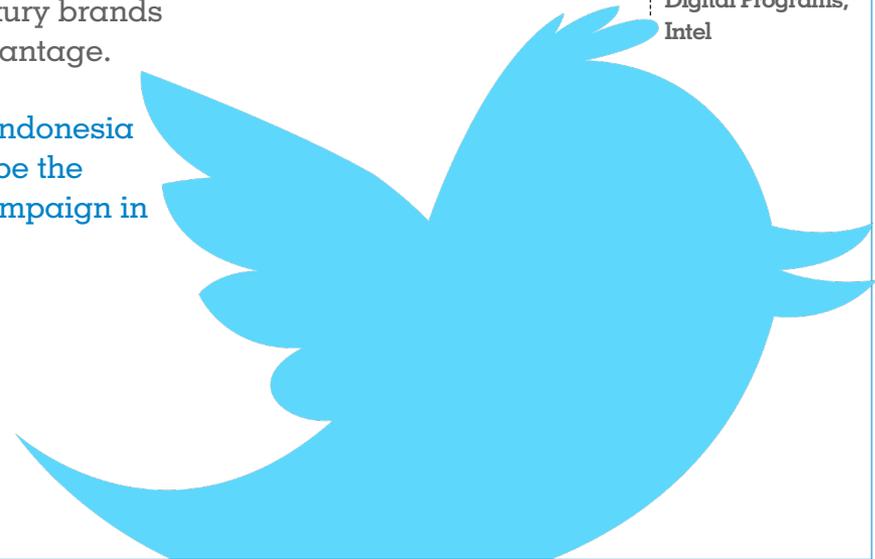
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## KEY INSIGHTS

- 1 Social has many uses, and metrics will vary accordingly. It is often used to 'amplify' work in other media, but reach alone may be a poor guide to social media effectiveness.
- 2 Campaigns from Mercedes and Intel/Dell have shown the potential of social commerce in Asia.
- 3 Online word-of-mouth is particularly powerful in China, and luxury brands have used this to their advantage.
- 4 A campaign by Philips in Indonesia showed that Twitter could be the basis of a sales-driving campaign in an emerging market.

“  
People are always looking for ways to show the uniqueness in themselves.

Stephanie Gan,  
Manager of Advertising and Digital Programs, Intel





# Making friends with social

This is a sample version of Warc's Asia Toolkit 2012 Trend Report. The full version is available to subscribers of [warc.com](http://warc.com)

**The growth of social sites such as Facebook or China's Sina Weibo has been astonishing. The question for marketers is how to use them.**

Much has been written about social ROI – calculating the value of a Facebook fan, for example. That's not surprising, as brands have been racing to accumulate social media followings. But there are no catch-all metrics for social; the measures used should depend on a brand's objectives in using it.

Some brands want to use social for reach – pushing content to followers and hoping it is shared. In this way it can be used to 'amplify' work in other media – a good example is the way Vodafone in India built on the success of the [Zoozoo characters](#).

Others have used social as a standalone brand-building medium. An example is [Intel's 'Museum of me'](#), which allowed people to turn their Facebook profiles into videos. The campaign launched in Asia but spread virally around the world.

Social can be a community tool, allowing brands to reward followers with offers or experiences. And for PR practitioners, it can be a crisis-management tool.



*Intel's 'Museum of me' spread virally from Asia; Vodafone used social to amplify work featuring its Zoozoo characters in India*



Asia also has good examples of social commerce. Group-buying is big in China, and [Mercedes-Benz](#) boosted Smart car sales by 106% after a group-buying offer. And Singapore was the venue for [Intel](#) and [Dell's 'Swarm' campaign](#), which let consumers band together to get cheaper prices.

A common approach to social is to encourage consumers to recommend or share a brand's message. A current trend is 'social by design', where planning for WOM or recommendations is not a bolt-on, but a programme's central purpose.

## Social by design strategies

This is an idea that companies such as Facebook are very keen to push. Indeed, Facebook's recent initiatives, such as [Timeline and Open Graph](#), are designed to change the way people discover content and receive recommendations. If brands aim to be 'social by design', Facebook wants to be the tool of choice.

Online WOM arguably has greater influence in Asia than in the West. China is a [good example](#): there are low levels of trust in official information sources; also, the one-child policy means smaller families, giving virtual networks greater power.

Several studies have looked into Chinese WOM strategies. GroupM and CIC conducted [an in-depth study](#) into how luxury brands were driving online recommendations on platforms such as Sina Weibo. Burberry was identified as a brand that used these platforms well.

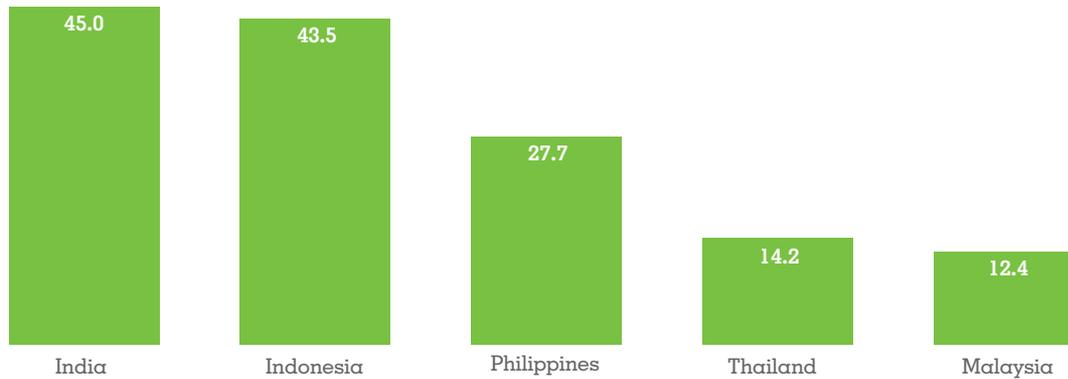


# The rise and rise of the social giants

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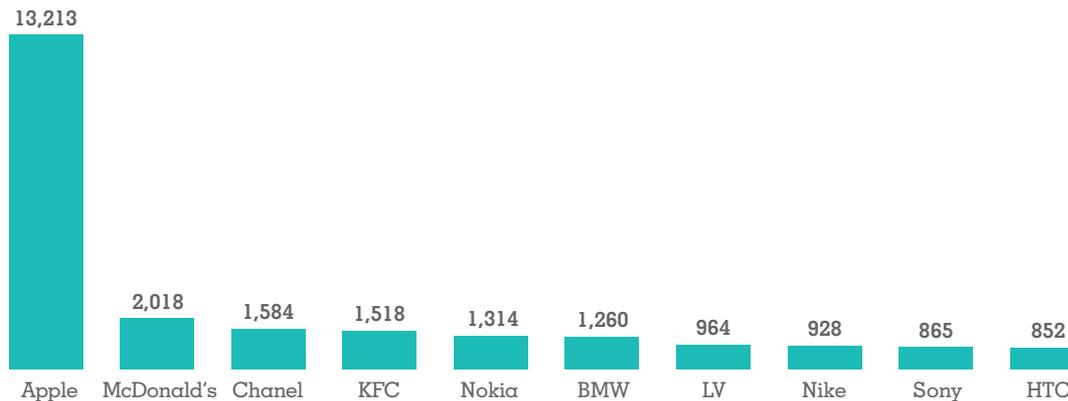
## SOCIAL MEDIA IN ASIA

Facebook's top-five Asian markets (millions of users)



Source: Source: Socialbakers (as of April 2012)

Most talked-about brands on Sina Weibo (number of tweets)



Source: GroupM/CIC (2000 youth sample, Jan-Jun 2011), [quoted on Warc](#)

## KEY FACTS

- Facebook took time to establish itself in Asia (Friendster and Orkut were popular in many markets for several years). However, it is now the dominant social network, with Indians and Indonesians in particular taking to the service.
- There is still huge potential for growth – penetration in both the top two markets is below 20%.
- In China, weibo (microblogs) have become the lead social networking medium, with 300 million people signed up. Sina Weibo is the dominant platform.
- A study of brand mentions on Sina Weibo found that Apple was by some distance the most talked-about brand.



# Case study Philips

This is a sample version of Warc's Asia Toolkit 2012 Trend Report

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**An Indonesian Twitter-based campaign showed how powerful social media can be as a marketing tool in Asia's fast-growth markets.**

## CHALLENGE

Indonesia's huge population and growing purchasing power make it one of the most appealing markets for electronic goods makers.

Philips, which was known as a lighting brand in the market, wanted to extend into healthcare and lifestyle. It invested in a revamped website in Indonesia, but few people visited it because the brand was simply being out-advertised by South Korean producers.

Philips needed to boost website traffic, and from there lift sales.

## SOLUTION

Twitter has gained a huge following in Indonesia, which according to some reports is the world's most Twitter-addicted market. As a result, Philips decided to use Twitter as the basis of a social commerce initiative.

The hook was the new year celebration, and Philips challenged Indonesians to tweet (using the hashtag #semangat2011) about the things they aspired to do to improve

**SEMANGAT 2011**

Share your New Year resolution on how to improve your health and well-being in 2011 and win!

1. Tweet your New Year resolution.
2. The more resolutions you tweet, the more prizes you unlock.
3. Winners are determined by the number of retweets.
4. Get the most number of retweets to win a Philips product to help you improve your health and well-being in 2011.

**PRIZES**

12,945 tweets

their health and well-being over the coming 12 months.

Products available for 'sale' depended on the number of tweets and retweets made. As the number of tweets grew, Philips would unlock a product of increasing value. The person with the highest number of retweets could 'purchase' the product by paying in tweets.

Conversations were also seeded into social platforms, such as Indonesia's most popular forum,

Kaskus, and the Facebook page of Philips Lighting.

## RESULTS

The campaign was able to deliver the desired boost to the Philips website, with a 45% increase in visits, and nearly 13,000 contest submissions were made.

The surge in interest led to a rise in sales, with Philips exceeding its sales targets.

[View the full case study](#)

## Campaign

Semangat

## Advertiser

Philips

## Agency

DDB Singapore

## Market

Indonesia

## Other examples:

[Motorola](#), ME511 launch, China  
[McDonald's](#), The Hunt for Dim Jack, Hong Kong



# Implications Better social strategies

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- 1 BE 'SOCIAL BY DESIGN'**

The 'social by design' trend means planning for recommendations and sharing from the outset – that means making it easy for consumers to pass on content if they enjoy it (and sometimes even rewarding them for doing so). However, it's important that budgets are focused on building sharable content and programmes, rather than on building fanbases. Fans or followers have little value unless there is a plan to use them.
- 2 STAY RELEVANT**

The Philips Semangat campaign in Indonesia showed how brands could make use of major events (such as new year) as a hook for topical social campaigns. It is important to focus activity on events and ideas that are important to consumers, rather than using social media simply to push out company news.
- 3 PLAN FOR THE METRICS MINEFIELD**

There is no single social ROI measure that can cover aims as varied as reach, loyalty and sales. And there is no sign of one being developed soon. Brands should vary metrics according to their objectives, and be realistic about the limitations of the data.
- 4 TEST IN SOCIAL-CRAZY MARKETS**

While social channels have gained ground across Asia, they are particularly powerful in China and Indonesia. These markets may serve as useful testbeds for social strategies.



# Read more in the full Asia Toolkit 2012

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## FEATURED CASE STUDIES



**1 Intel, The Larger India, India**



**2 Maybelline, BB Kong, China**



**3 Cadbury, Shubh Aarambh, India**



**4 I-Lohas, Crush Eco, Japan**



**5 Philips, Semangat, Indonesia**



**6 Nissan, Global Media Center, Japan**



**7 Hero Honda, Phir Dil Do Hockey Ko, India**

## Contents

Warc's Asia Toolkit 2012 features eight chapters, focusing on key challenges and trends within Asian marketing. It looks at some of the biggest issues, and uses Warc's insight and case studies to show how the best brands are rising to the challenge.

- 1 Consumers**  
Asia's new middle-classes
- 2 Brand management**  
Rethinking 'glocal'
- 3 Insight**  
Cultural connection
- 4 Integration**  
Orchestration
- 5 Social media**  
Asia's networked consumers
- 6 Content**  
Brand journalism
- 7 Effectiveness**  
Return on sponsorship
- 8 Adspend**  
Key investment trends



# More from Warc...

## THE WARC PRIZE FOR ASIAN STRATEGY 2012

The Warc Prize for Asian Strategy is Asia's first dedicated award for great insight and strategic thinking in marketing. The 2012 Prize offers US\$5,000 for the best example of strategic thinking from the region, plus a US\$2,000 reward for the best example of strategy on a low budget.

Warc expects to announce the winners and publish the case studies in September 2012. [Visit the Prize website.](#)

## IN THE WARC TRENDS SERIES



### **MOBILE MARKETING**

Warc's report on the latest trends in mobile marketing. Includes case studies and data showing how consumers and brands are using mobile. Available in Full and Summary versions.

[Download the report](#)

## CASE FINDER

Pinpoint the exact case study you need by searching Warc's unrivalled database of award-winning cases, organised by campaign objective, country, industry sector, audience, media channels, budget and campaign. [Find a case.](#)

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