

8 TOP TRENDS OF MARKETING IN ASIA 2018



Asia Marketing Federation (AMF) and Marketing Association of Thailand (MAT) launch the first special report on the 8 Top Trends of Marketing in Asia 2018. The report is the synthesis of the professional foresight and consolidated wisdom of the Asian marketing fraternity. The project is initiated by AMF Founder and Patron Mr. Hermawan Kartajaya, and significantly contributed from its various member countries in Asia.

Asia Marketing Federation is the networking body of marketing associations in Asia. AMF has a critical mission as the premier regional body which effectively promotes the interests of marketing in Asia and strengthens the Asian marketing fraternity. Its member countries include Bangladesh, Cambodia, China, Hong Kong, Indonesia, Japan, Korea, Malaysia, Mongolia, Myanmar, Philippines, Singapore, Sri Lanka, Taiwan, Thailand and Vietnam.

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1. Digital technology and IoT cast a profound impact on marketing practices

Technology's impact will become stronger and wider in every aspect of business and some areas of job competencies. Technology will also be a strong enabler in supporting consumer-to-consumer business through Internet marketplaces and will provide better one-on-one personalization/customization. The use of artificial intelligence in wide-screen TVs, PCs, smartphones, tablets and other devices will increase in accordance with the availability and affordability of those devices. In some countries, drones, virtual reality, personal robots, etc. will have more practical uses. AI-based technology will also be the key to improve quality of products and services, yet reducing costs at the same time. Marketing will becoming more digital hence the involvement of IT or for marketers to become more technology-competent is a must to create advantages in this digitally-competitive market. Asia has embarked on the journey to develop an Internet of Things (IoT) ecosystem, support advancement of a cloud-based era, and facilitate fixed mobile convergence (FMC). New digital-based business models will continue to disrupt the existence of companies with legacy/conventional business models.

2. The integration of entrepreneurship and marketing is inevitable

Entrepreneurship will play a more crucial role in marketing to achieve business success through creation of products, markets, as well as enhanced diversification. Many smaller companies will implement this entrepreneurial marketing approach in facing their bigger competitors. Entrepreneurial marketing will be strongly adopted by companies undergoing turbulent situations in business, characterized by volatility, uncertainty, complexity, and ambiguity (VUCA). Entrepreneurship is recognized as an underlying factor for innovation and marketing provides a vehicle to penetrate and conquer the market. In short, marketing will not function effectively without entrepreneurship and vice-versa. More companies will adopt this approach to be more proactive in this very dynamic business landscape and ensure that they can benefit from this sufficiently calculated risk-taking attitude.

3. Influence of younger generation with online and social media culture is unstoppable

Online and social media platforms will continue to become stronger in supporting businesses across

sectors and scales. While both of these platforms will not replace conventional marketing platforms but will complement each other. A comprehensive social media presence is becoming a strategic move for companies to stay ahead in this age of borderless competition, at a time when Y and Z generation's decision-making processes are increasingly influenced by existing social media content align with the rise of content marketing. In spite of being more social, paradoxically, individualism will emerge as a stronger personality trait among consumers due to the rise of ever powerful social media platform. Hence, personal branding is on a rise and 'celebgrams' are casting more influence in shaping communities. E-commerce will continue to flourish in accordance with its strong popularity among younger-age groups, forcing marketers to listen to their voices seriously and come on-board with online distribution channels. Startups or SMEs that have gone online will stand to gain from a better competitive edge in seizing the market.

4. Companies are getting more concerned about their return-on-marketing (ROM)

In this super-competitive era, efficiency is becoming an important factor in ensuring that companies are able to reap acceptable profit margins. While conventional analysis is still commonly used in companies, but there is a greater need to also adopt a more data-driven analysis approach to be able to make better-informed and accurate decisions. Hence, the use of much more sophisticated marketing analytics technologies along with the emergence of Big Data is taking place, providing dynamic insights on customer preferences and emerging trends, all the way up to individual level. This in turn is expected will provide higher 'hit rate' and in turn collectively provide a better return on marketing—basically every penny spent for on marketing efforts across all channels over a period of time. This will be the basis for sound decision-making to achieve highest efficiency and effectiveness from all marketing programs.

5. Halal market is getting bigger

Demand of Muslim-friendly and halal-certified products and services—ranging from categories such as food, beauty products, fashion, tourism, banking, etc.—is getting higher in Asia. It is partly attributed to stronger purchasing power of Muslims in the Malay archipelago with around 60% Muslim population and the Indian subcontinent with around 30% Muslim population. Hence, halal certification is being considered important more than ever. It is predicted that going forward, four out of five of the countries with the world's largest Muslim populations will be in the Asia-Pacific region, they are India, Pakistan, Indonesia, and Bangladesh. The advent of Halal products and services in tourism and hospitality industries will also be increasingly adopted in countries with Muslims minority populations, such as South Korea and Thailand. Singapore, for instance, has provided a 'Halal Eating Guide' app to assist travelers looking for halal food in the country. Millennials account for the largest proportion of Muslims travelers, and hence it is important to make the halal-related information available through digital and social media platforms.

6. Customer experience era is here to stay

The metric of good quality is becoming generic and customer experience (or CX) throughout all customer touchpoints and journey is the new way to maintain customer repeat purchase and stronger and more loyal customer relationships. On top of conventional approaches, the digital-based CX management throughout all business levels will become more important in enhancing brand experience. Hence, an excellent omnichannel—a combination between offline and online—experience that is designed based on a meticulous mapping of the customer journey (across all media platforms) is the key to stay ahead of the competition. 'Right here, right now, and personalized' is also one of the mantras to achieve enhanced customer experience, hence CX should be made available everywhere including through mobile technology and ready to be accessed 24×7×365. Customer loyalty program will continue to evolve further from transactional to emotional frameworks highly influenced by big customer data and life stage behavior.

7. Fintech is proliferating resulting in a more advanced cashless society

Most countries are getting ready for this transition. China as well as Japan and South Korea are already ahead in terms of digital payment systems, with several Asian countries in tow. The availability of convenient as well as secure and easy online transactions and mobile payment gateways is becoming commonplace in most big cities in Asia. Mobile financial services are expected to further foster financial inclusion. The presence of Fintech (which will also collaborate with conventional banking) will be stronger in the coming years and might strongly disrupt existing conventional banking systems, forcing banks to review their digital readiness in order to better serve more digital-savvy markets. Increasingly sophisticated information and communication technology in turn will fuel the rise of consumers who prefer to transact non-cash, resulting in the emergence of what we know as cashless society. The popularity of cryptocurrency is also on the rise and it is expected that more and more people will stand to gain from exchange rate leaps of cryptocurrency.

8. Number of young entrepreneurs is increasing

More and more young people (including university graduates) are venturing into the startup space, establishing budding ventures in various fields and areas, facilitated by the growing number of co-working spaces, access to information (via the Internet), and the easiness of market access via online platforms. These startups, in terms of what to offer and how to offer, are also expected to adopt a more creative and innovative approach. Incubation hubs and emergence of a hot start-up scene will be the key driving factors of innovation in some countries (Singapore is a good example). ICT-enabled youth—combined with strong entrepreneurship and smart partnership/collaboration—will be better-served and stand a stronger chance to achieve success. However, unfortunately, the failure rate of startups is still quite high, though this has done little to discourage or abate the interest and enthusiasm of these young people to become entrepreneurs. What is interesting is that many of these startups by young entrepreneurs are established not merely for pure business goals but also to pursue a way to achieve social impact. Being transparent and authentic is a key to success for this kind of a business with purpose.