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CHINADAILY

中國日報

ASIA WEEKLY

MARCH 25-31, 2016

VOL 7 • NO 11

www.chinadailyasia.com

Published by China Daily Asia Pacific Limited

Into the world

TO SELL THEMSELVES ON THE GLOBAL MARKET ASIAN COMPANIES NEED TO AIM FOR INTERNATIONAL RECOGNITION

By **KARL WILSON** in Sydney
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If asked to name five iconic global brands, one (or more) of these are likely to spring to mind: Coca-Cola, Nike, Google, Apple and McDonald's.

Of course there are many more you could throw into the mix, such as Pepsi and Adidas for example.

But when focusing on global Asian brands, and leaving aside Japanese and South Korean companies such as Sony and Samsung for the moment, what comes to mind?

One is Singapore Airlines and its iconic Singapore Girl advertising slogan, but you would be hard pressed to name four others.

That perception, however, is starting to change.

For decades, Western companies have used branding to capture markets and millions of consumers globally. How can Coca-Cola, for example, virtually capture an entire global market and hold that market for generations?

Although most Asian countries have their own soft drink brands, none command the same presence as Coke.

Martin Roll, one of Asia's leading experts on branding and the author of *Asian Brand Strategy*, said Asian companies that were once back end workhorses, manufacturing goods cheaply for Western companies, are now realizing the benefits of branding as they "design and market their own distinct products".

"Ten years ago, few firms in Asia knew what it meant to be a brand driven, customer-centric company," he told *China Daily Asia Weekly*.

Japan, South Korea and Singapore caught on decades earlier, Roll said, when they ceased to be cheap manufacturing centers and moved up the value chain with their own distinct products.

"Even China is only now starting to realize the value of branding. Who had heard of companies such as Alibaba, Huawei or Lenovo a decade ago?"

Some analysts, however, believe it could be years before Chinese companies develop brands strong enough to compete on the world stage.

Vic Edward, visiting fellow at the University of New South Wales Business School in Sydney, said many companies in China aim to develop their own brands "but it is going to be a long road".

Brad VanAuken, chief brand strategist with the US-based brand consultancy The Blake Project, said Japan's success in building brands is due to its "intuitive sense of consumer needs".



SEE "STRATEGY" P5

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Strategy: Promoting Asian names

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Japanese brands conduct a great deal of research into new products, he added, to “better meet those needs, especially in cultures outside of their own”.

“When marketing consumer products, it is very important to build strong brands. Many of Japan’s most well-known brands are consumer product brands — especially (in the field of) consumer electronics.”

It is the same with cars, he added. Japan and South Korea both produce leading automotive brands such as Toyota and Hyundai.

“Many automobile brands are self-expression vehicles for their owners. Having said that, Japanese and Korean automakers have developed models that appeal to an unusually large cross-section of consumers.”

Benjamin Kartono, a senior lecturer at SIM University (UniSIM) in Singapore, said Asian businesses have traditionally focused on “growing short-term profitability and building functional, commodity products”.

However, with a growing middle class and an increasingly educated and globalized customer base, this mindset has since changed.

“Many Asian companies now recognize the importance of creating a unique brand identity and value proposition.”

This not only differentiates them from the competition, he added, but also builds long-term customer goodwill and loyalty — which is the essence of branding.

A successful Asian product today needs to fulfill more than just a utilitarian need — it needs to appeal to the customer in a meaningful way.

“More and more companies are realizing this and investing in brand-building efforts,” Kartono said.

Roll, the branding expert, said brand building is “all about product” and “being able to tell a story”.

“Asia is late to the table and the world has already got cars and mobile phones. The question is: What makes your product better than the others, what differentiates it? That is the story.”

Roll said the challenge for corporate Asia is to “find the distinct brand equity and a compelling story ... find something promising to market, something that is of high quality, is supply chain transparent, has the right governance and all of that.”

“The point is that whatever you bring to the market today will be under massive scrutiny thanks to social media. You also have to tell (the consumer) what you stand for and be able to do it over a period of time.”

Elison Lim, assistant professor of



What is common to brands (like AirAsia and Uniqlo) is a strategy of steady market expansion coupled with a seemingly effective approach to building high-brand recognition.

BENJAMIN KARTONO
SENIOR LECTURER, SIM UNIVERSITY
IN SINGAPORE



When marketing consumer products, it is very important to build strong brands. Many of Japan’s most well-known brands are consumer product brands.

BRAD VANAUKEN
CHIEF BRAND STRATEGIST,
THE BLAKE PROJECT



It is important that Asian brands retain and sharpen their brand identity and stay true to their core brand values in the midst of growth.

ELISON LIM
ASSISTANT PROFESSOR OF MARKETING
AND INTERNATIONAL BUSINESS
AT NANYANG BUSINESS SCHOOL
IN SINGAPORE



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MARTIN ROLL
AUTHOR OF ASIA BRAND STRATEGY

marketing and international business at Nanyang Business School in Singapore, compared regional brands expanding outward to someone who is used to swimming in a river but now swims in the open sea.

“The open sea is deeper and the winds are stronger, and it takes much more than just good swimming skills to survive there,” she told *China Daily Asia Weekly*.

“To do well globally, regional brands need to be able to adapt to different market conditions, the presence of stronger competitors and different consumer needs.”

Lim pointed out that the huge capital investments required to fund global expansion efforts can impose a limit on how fast brands grow.

“Brands should therefore consider being more open to collaborations or partnerships with other companies that have the resources or networks they lack to penetrate into foreign markets.”

Online shopping is fast becoming the way consumers purchase goods and this is another way to reach global consumers without physically operating stores overseas, Lim said.

“Asian brands must be prepared to take on a more open mindset when

sourcing for solutions to new challenges imposed by the global expansion.

“However, at the same time, it is important that Asian brands retain and sharpen their brand identity and stay true to their core brand values in the midst of growth.”

Lim said successful global brands like Coca-Cola understand the key aspect of their products such as a perceived taste that appeals to consumers from all over the world.

At the same time, they also understand that consumers around the world are different, and make allowances for such cultural differences in their advertising strategies.

For brands seeking global growth, the focus should first be placed on developing a strong brand with a clear brand offering — what is it about the brand that really appeals to consumers in the first place?

Can this key aspect of the brand offering be made appealing to consumers from other markets in the world? If the answer is yes, then the brand has a chance to develop globally.

Besides being forward looking and open-minded, brands with global goals must first know who they are

and what they do best, so they can maintain a clear brand offering consistency over time and space.

Lim said that Asian companies understand the difficulties of operating under highly competitive conditions and the value of having a clear brand strategy in helping them break from the crowd.

The professor cited three examples of Asian companies that have succeeded on the global stage.

Singapore Airlines, as noted earlier, has created a successful global brand which has won numerous awards and recognitions in the travel and tourism industry.

Another is Charles & Keith. From a single store in 1996, the Singaporean fast-fashion brand has expanded globally, and now has stores in cities including Tokyo, Shanghai and Dubai.

A third example is Haier, a China-based company with a strong and clear global presence in the white goods market.

Regional beer brands that have also made waves globally are Tiger (Asia Pacific Breweries, Singapore), Kingfisher (United Breweries Group, India) and Chang (Thai Beverage, Thailand).

According to UniSIM’s Kartono, the global consumer today is “more demanding, connected and well-informed than ever before” with better access to alternative products and services.

A major difficulty Asian brands face, he said, is their sense of uncertainty about what they stand for and what they can offer on the global stage.

“Next, it is crucial for any brand establishing a global presence to maintain a consistent brand image across different markets.

“Added to this is the need to adapt to differing consumer tastes, cultures and government regulations across markets in Asia and beyond, and the problem becomes more complicated.”

Kartono said a number of Asian brands are worth watching and range across many sectors, such as AirAsia, Huawei, BreadTalk and Uniqlo.

“What is common to these brands is a strategy of steady market expansion coupled with a seemingly effective approach to building high-brand recognition and establishing a strong value proposition that is consistent across markets,” he said.