

Brands And Cyberspace in the Asia-Pacific Region...

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Are They Reaching Consumers or Just Reaching Out?

With the lives of consumers being increasingly technologically saturated, retailers are pulling out all the stops in cyberspace to engage them. From social media to crowdsourcing to good old-fashioned emails, what's working and what's not?

Commercial opportunities

- A bit of good branding never goes astray. The term 'Cyber Monday' was actually created by the e-commerce group Shop.org, but has been adopted by global internet retailers as a generic term. Each year, more businesses start using that term to market their own products;

- Having a Facebook page for a store is becoming incredibly important, and can become a hub for sales if you offer exclusive discounts to your Facebook fans. For example, KeepCup, the Australian company that makes reusable coffee cups, is offering a Cyber Monday deal in which users can access a discount by 'liking' the business on Facebook.

Background

From social media to gamification, retailers are constantly looking for ways to attract the attention of tech-savvy consumers in the Asia-Pacific region. For example, Australian-based digital and creative agency TKM9 has recently created a face recognition 'augmented reality maker' to enable consumers in Indonesia to create their very own personalised BlackBerry avatar. Retailers also aim to establish a regular connection with consumers, giving them a chance to have personalised interactions with companies and a voice to air their opinions.

According to Global media agency network MEC, the rise of social media has seen the Chinese consumer cultivate a sense of individuality in recent years. The Ministry of Industry and Information Technology of China revealed in November 2011 that around 300 million people utilise micro-blogs. 'An ordinary individual can now have his or her own broadcasting platform through blogging,' said MEC. 'Other rising trends identified included gamification and getting rewarded with free products by taking part in online surveys research.' While some other tactics such as crowdsourcing and mobile flash sales have successfully engaged consumers in the region, there are some that have failed or are flagging, such as daily deals sites and email marketing.

Please 'like' us on Facebook

Singapore's first long haul budget airline, Scoot, launched its marketing efforts largely through an online presence to woo travellers for its inaugural flight to Sydney in June. People who post about Scoot's launch on their Facebook walls get a chance to win a pair of return tickets between the two cities.

Destination New South Wales CEO Sandra Chipchase said:

'Scoot's management has made it very clear to us that they want something innovative. They want to do new things, whether it is a campaign through social media, or packaging some of the special events such as theatre and music that we have in Sydney.'

Singaporean tourist Sarah Chong said,

'By being part of my Facebook, I feel like I know the brand more. In the future, I will probably try Scoot instead of Qantas because the fare may be cheaper and the food may be better!'

We listen to you

Sydney-based Stephen Saunders is part of a growing number of hobbyist designer/retailers riding the consumer revolt against what he calls retailing 'mediocrity' through crowdsourcing. The term, invented by Jeff Howe of Wired magazine, means outsourcing a task, often product design, to an undefined group of people who may live anywhere in the world. Stephen's site, Stuff-it, offers shoppers the chance to buy customised clothing and footwear for little or no extra cost.

The merchandise is manufactured in America and shipped to Australia, normally within two weeks. Alternatively, visitors to his site can further tinker with the design of the customised products and then buy those. Take for example a pair of Keds, a popular brand of shoes. A shopper can go to Stuff-it, which provides them with a range of options for customising the basic design of a pair of the shoes. The customer can experiment with different colour and pattern combinations on the soles, stitching, tongue and so on.

Let's bond and bargain

In line with the bargaining culture in China, sites that allow consumers to “group buy” – known as “tuan gou” in Chinese – flourished in the last few years. Typically, shoppers looking for the same items find each other online, then band together offline to negotiate special deals on electronics, home furnishings and automobiles.

According to figures released by The China Internet Network Information Centre, the number of users of group-buying sites reached 42 million as of June 2011. Beijing-based marketing assistant Fiona Li is one such consumer. Recently, Fiona and her brother joined 15 strangers at a store to demand a group discount on a new television, refrigerator and washing machine. After two hours of haggling and several walkouts by group members, she went home satisfied. “We wanted to save money, and we did it with a 15% discount. It’s in our nature, whether we’re rich or poor. If we can save money this way, why not?”

Daily deals or daily duds?

The evolution of the daily deals phenomenon in Australia and New Zealand has created a love-hate relationship between them and consumers. Many people are finding bargains through these sites, but at the same time, many are becoming increasingly annoyed by the incessant emails they received “up to ten in a day” in their inboxes. In addition, daily deals companies are making appearances on Facebook and Twitter so that people can ‘like’ them and be seen on a regular basis. While daily deals are certainly reaching out to consumers, they do not necessarily gain the loyalty of consumers.

42-year old Melbourne housewife Jess Croydon admitted, “I purchase daily deals such as kitchen utensils, bed linens and spa and restaurant vouchers regularly. However, I don’t just rely on one site. I go through the deals every day and buy from whoever gives me the right bargain at the right time.”

On the other hand, Tim Hutchinson, an Auckland-based private tutor, is getting sceptical regarding such sites. “Most of the time, I treat the daily deals emails as spam and delete them immediately. In the past, I have bought things I don’t even need. I thought I was getting a deal and I could not resist. I’m definitely wiser now.”

Still, many major retailers in Australia such as department stores Myer and David Jones, and Starbucks Coffee, are intending to ride on the trend in order to attract more consumers in 2012.

New gimmicks don't impress us much

According to new survey data by information services firm Experian, marketers are disconnected from the attitudes of the consumers they are tasked with reaching. The data is the result of a survey of 1000 consumers and 330 Australian marketing professionals in mid-2011 from the retail, financial services, government, technology, digital and travel industries.

While consumers value print media and direct mail more highly than social media, marketers apparently see print media as one of the least important sources of information, with only 28% naming it an important channel for communicating. The survey also found consumers least trustful of newer channels such as social media and SMS for communicating with brands. Matt Glasner of Experian believes this can be attributed to the relative infancy of social media’s use in marketing in Australia. “Marketers are working hard to ensure their messages are heard, but we think there is still a huge opportunity for marketers to further understand how and when consumers want to engage across all channels, including social media,” says Glasner.

Outlook

The future of China’s group-buying sites may be in question, with the industry plagued by counterfeit goods and coupons. In October 2011, the country saw 456 group-buying sites shut down, taking the total number of busted sites to 1,483, according to group-buying site aggregator Lingtuan. “No investor with the goal of making money is wasting additional money on group buy right now,” said Michael Clendenin, managing director of Shanghai-based consultancy, RedTech Advisors. “I expect these independent companies to continue weakening in the first half of 2012.”

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