ASIA BRAND POWER

KANTAR WORLDPANEL

MEET THE 'ASIAN GIANTS' – THE LOCAL FMCG BRANDS THAT ARE WINNING CONSUMERS' HEARTS AND MARKET SHARE ACROSS THIS DYNAMIC REGION. WE'VE CREATED THIS REPORT TO SHOWCASE THESE HOME-GROWN PLAYERS AND THE STRATEGIES BEHIND THEIR SUCCESS. TURN THE PAGES AND LEARN ABOUT THEM, LEARN FROM THEM, AND BE INSPIRED BY THEM.

The butterfly on the cover of this book is a stunning image, but it represents so much more. It's a symbol of the metamorphosis that Asian manufacturers have undergone – the journey of change to become the consumer-led, innovative and loved brands they are today, flexing their wings strongly and confidently, ready to fly to new lands.

In the past few years we at Kantar Worldpanel have witnessed a shift in Asia's unique competitive landscape. Our Asian Brand Power 2015 report, a joint initiative with Kantar in Asia, is the first publication to chart this shift. Although FMCG growth across all world markets has cooled, local brands in Asia have gained ground over global brands and are growing at a much faster pace.

We've been following their emergence and proliferation, and we're now ready to recognise – and open the eyes of the business world to – their skill and their power.

Covering nine countries, the report features exclusive interviews with CEOs of 11 Asian Giants, who tell the fascinating stories of their transformation and reveal their roadmaps for future success. It was an absolute privilege to speak with these leaders, and I'd like to thank t hem for their time.

You'll also find profiles of 30 more brands from across the continent that have made their mark – they're all extremely fast growing, or are already purchased by the majority of shoppers in their home market.

We've also singled out the five 'power levers' driving the growth of the region's dominant players, and drawn up a 'master-brand manifesto' for ambitious companies.

This is an exciting turning point for Asian brands, and they're shining in the spotlight. Whether you're one of their peers, or a global brand looking to win in the region, I invite you to read these uplifting and enlightening stories, and if you'd like to know more then please contact us.

M.K.

Marcy Kou
CEO Kantar Worldpane Asia

Tim Kelsall
–
Chief Client Officer
Kantar Asia
–

In recent years we have witnessed the unparalleled growth of Asian companies and this book marks the stories of those companies. They have found competitive advantage in connecting with local culture, tastes, trends and needs that have fused the best of both worlds: traditions and technology. Growth has been underpinned by their ability and passion for better connecting and understanding today's consumers and putting them at the heart of their growth strategies. Asian Brands are charting a new speed of growth and inspiring us with their courage, determination and passion to serve the consumer better and more fully that is resulting in a new paradigm of consumer growth. It's a story the rest of the world has underestimated and we want to celebrate and learn from them to develop more future paths to growth.

ASIAN GIANTS

THE 5 'POWER LEVERS' THAT ARE CHANGING THE GAME

In Asia, local brands attract 74% of shoppers' FMCG spend, and they are growing at twice the rate of multinational brands. The growth metrics tell a powerful story. The most compelling stories of all, however, are those behind the numbers: the experiences shared by the CEOs of the winning companies at the heart of the action.

Our conversations with these leaders were enlightening and inspiring. Open and candid, they talked about their successes and their concerns. All of them are extremely proud of what has been achieved, and have a clear vision of where they are heading next.

The Asian Giants operate in a variety of sectors – from ready-to-drink tea to home care. They range in size from state-owned companies to family businesses, originate from disparate geographies, and are at different stages of development – from new to well-established. To our surprise, they all had more commonalities in terms of their strategy, approach, challenges and vision of the future than differences.

There was also a clear pattern to the factors that have driven their success. Five key broad themes emerged, each rich with valuable lessons for their peers in other Asian countries and brands from overseas alike.

1. MASTERS OF METAMORPHOSIS

"I GUESS WE EXCEL AT SPEED – REVIEWING OFTEN, FIXING FAST, AND MOVING ON."
Mr Andre Sukendra Atmaja, President Director, Mayora

Asian companies have learned from and caught up with multinational brands much more quickly than expected. Demonstrating courage, determination and passion, they may have started small but they have big ambitions.

Our 11 Asian Giants have all gone through a transformation: shifting attention and innovation from manufacturing to the brand, and moving from a factory-centric to consumer-centric operation. As Asian consumers evolve – increasing their sophistication, optimism, empowerment and expectations – these companies, so deeply rooted in society, are close enough to feel the pulse of the change.

The management and leadership of these organisations are strong. They set a clear course, then unite the company around a shared vision, investing in the resources and top talent necessary to achieve the goal. An intrinsic part of their success is a willingness to experiment with new business models. They move fast, and if something isn't working they adjust and try again.

Expanding beyond their country of origin with complete confidence, Asian companies are defining a new type of organisation – the 'emerging markets multinational', which operates in multiple fast-growth markets. Wherever their consumers move to, they follow, establishing a strong presence in overseas communities.

Power levers: Be willing to change and adapt, and don't be afraid to fail. Decide where you are going, commit to the change and steer the company towards the goal in a cohesive way.

"WHEN THE ENVIRONMENT SHIFTS, YOU HAVE TO BE PREPARED TO CHANGE YOUR PLANS. YOU HAVE TO BE AGILE ENOUGH TO COME BACK, REGROUP AND RE-GROW. THAT SPEED IS CRITICAL AND RELIES ON THE ABILITY OF THE ORGANISATION TO GEL TOGETHER AS A SINGLE FIGHTING UNIT."
Mr Sameer Satpathy, Cmo, Marico

2. BUILD THE NATION, BUILD THE BRAND

Consumers in Asia feel a strong sense of collective responsibility, and expect companies to actively participate in building a better society. Asian Giants respect and care for consumers and their families, and help to improve their lives. They seek to uplift individuals, the community, and even the nation as a whole.

Successful FMCG manufacturers in Asia are 'democratising' their categories, making brands and products accessible and affordable to everyone. They are incredibly inclusive, treating an entire nation as their 'target segment' to reach more shoppers.

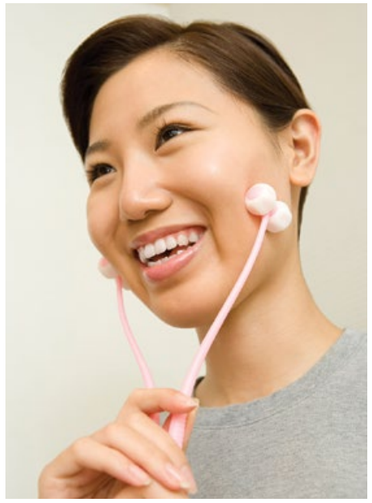
Asian companies are also better placed to penetrate emerging non-traditional distribution channels, such as the co-operative buying groups being formed by independent retailers.

Power levers: Decide on the role your brand will play in society, then define it. Create a brand 'for all': change the pack size, positioning, price, distribution...whatever it takes to make your products available to the widest consumer base.

"WE COULD HAVE MARKETED OUR NATURAL CLEANSING PRODUCT AS A NICHE PRODUCT, BUT WE DIDN'T. WE FEEL, TO MAKE A REAL IMPACT TO THE PEOPLE AND THE LAND HERE THAT HAS TO BECOME MAINSTREAM. WE ARE RESPONSIBLE FOR FUTURE GENERATIONS" Mr. Felix Ho, Chairman, YFY

"BECAUSE THEY PAY US WITH THEIR HARD EARNED MONEY, WE SHOULD RESPECT WHAT THEY GIVE TO US. GIVE MORE VALUE TO THEM" Mr. Andre Sukendra Atmaja, President Director, Mayora

3. WORLD-CLASS INNOVATION WITH A LOCAL TWIST



"WE FIRMLY BELIEVE THAT CONSUMERS STILL NEED BASICS, CONSUMER IMPULSES REMAIN THE SAME." Mr Sameer Satpathy, Cmo, Marico

"THE FIRST THING IS TO KNOW WHAT CONSUMERS LIKE AND DISLIKE ABOUT OUR PRODUCTS VERSUS COMPETITORS. THE NEXT IS TO CONCENTRATE ON R&D IN ORDER TO ANSWER THEIR REQUIREMENTS." Mr Jonathan Ng, President, Rebisco

"WE GO WRONG WHEN WE TRY TO PLACE TOO MANY BETS ON THE TABLE. YOU MUST ENVISION THE FUTURE AND THEN ASK WHETHER YOUR PORTFOLIO IS IN LINE WITH THIS FUTURE." Mr Satpathy, Marico

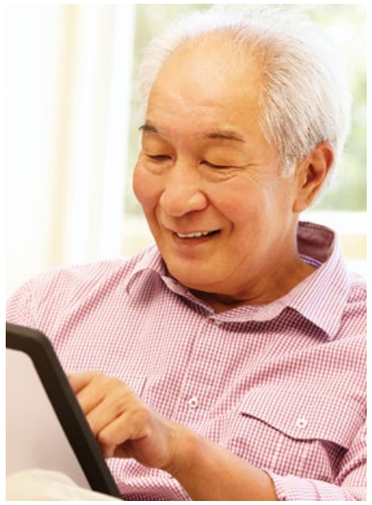
Reflecting national culture, pride and values in an authentic way plays a critical part in the success of Asian Giants. They also create culture – identifying the intrinsic, often unspoken cultural truths that run through daily life, and embedding them in their brand narrative.

Asian companies recognise that consumers want to move with the times, but without sacrificing traditions. They find competitive advantage by blending old with new, and embracing the best of both worlds: respecting heritage, while using technology to deliver new levels of sophistication.

Unafraid to experiment with new things, these companies prioritise rapid, consumer-driven innovation.They are not copycats – instead they follow an 'Imitation Plus' approach, taking the things consumers love about products from global brands then adding something of extra value, often with a local twist. This has led to the development of breakthrough categories such as white coffee, whitening facial masks, jasmine RTD-green tea, hair colorant in sachet format, halal cosmetics, seafood-flavour snacks, coffee candies, herbal toothpaste, to name a few. Because Asian consumers refuse to compromise on quality, innovation is always aligned with international standards.

Power levers: Improve your cultural awareness, and leverage its power. Align your products and marketing with local values, in a sincere and genuinely Asian way, while also reflecting the latest trends. Accelerate innovation with micro-launches – testing and learning fast. But choose your battles; you can't do everything.

4. DIGITISE AND HUMANISE



Experimenting in the digital world is essential as consumers become more tech-savvy – but the winning Asian brands add a human touch that helps them forge powerful connections with consumers, generating real affection and brand loyalty.

Our Asian Giants give their teams the resources and space to learn how to apply digital technologies, both to create and sell products and to engage consumers. They excel at exploiting highly interactive, two-way communication to build relationships and become part of consumers' lives. They also listen to the feedback they receive on social media, for instance, and use it to adapt their approach.

While it is still important to demonstrate and promote superior functionality in advertising, this needs to be done with an emotional overlay – telling a brand story that is compelling, personally relatable and memorable.

Power levers: Use ecommerce as a channel for creatively interactive communication. Find ways to bond with consumers through your website and social media platforms – provide advice, feature personal stories, ask for reviews, or add a chat function.

"ADDING HUMAN FACTOR IS IMPORTANT IN FMCG AND LOCAL COMPANIES VALUE HUMAN CONNECTIONS. WHAT WE DO IS ´HUMAN BUSINESS´ WITH ´HUMAN MISTAKES´ AND ´HUMAN SUCCESSES´". Mr. Seokhee Won, Ceo, Masan Consumer Corporation

"WE USE ALL KIND OF MEDIA TO REACH AND INTERACT WITH CONSUMERS, TO MAKE SURE WE ARE PART OF THEIR LIFE" Mr. Tan Passakornnatee, Ceo, Ichitan

"I BELIEVE THE COMPANIES WILLING TO EXPERIMENT, IN TERMS OF MARKETING, IN TERMS OF TOUCHPOINTS, ARE THE COMPANIES WHICH WILL SUCCEED." Mr Sunil Kataria, Coo, Godrej

5. DATA-LED INTUITION

"REBISCO IS VERY INFORMATION-DRIVEN WITH A CULTURE WHERE EVERYONE NATURALLY ASKS 'WHY?' AND MOVES WITH THE FACTS." Mr Ng, Rebisco

Living side by side with the consumers they serve gives Asian companies an advantage. The ability to observe and listen to them first hand, and familiarity with local tastes and desires, brings an instinctive understanding of what will work.

The Asian Giants we interviewed have not lost this intuition. However, they have combined this with ongoing market research that provides unbiased, actionable consumer insights. These help them to grasp cultural truths as they evolve, understand what consumers want, and set simple performance indicators against which they can measure performance.

Power levers: Your R&D activities should be led by insights gained in a thorough study of consumers. Carry out research, run panels and focus groups – and develop the ability to read between the lines.

"OUR FORMULA TODAY IS 50% INTUITION PLUS 50% RESEARCH, WHILE IT WAS 100% INTUITION IN MY DAD'S DAY." Mr Atmaja, Mayora

These Asian Giants are now poised to expand international. The next big question will be how to sustain their winning growth as they do. They need to be ready to face the same concerns and challenges as the multinational brands entering Asia today – such as the difficulty of unseating strongly-rooted local favourites, and the need to localise products. To operate successfully in multiple countries they will need to keep on transforming, and they must not lose their agility, dynamism and entrepreneurial spirit as they get bigger.

THE ASIAN MASTER-BRAND MANIFESTO

#1 BE WILLING TO CHANGE AND ADAPT, AND NOT AFRAID TO FAIL. Define the goal, commit to the change and steer the company towards it with a 'can-do' spirit.

#2 DEMOCRATISE YOUR CATEGORIES. Create 'brands for everyone'. Revisit your pack size, pack-type, positioning, price point, distribution – whatever it takes to reach the widest consumer base.

#3 PURPOSE IS POWER. Decide on the role your brand will play in society, then define it.

#4 HELP PEOPLE MODERNISE, WITHOUT ABANDONING THE PAST. Align products and marketing with local values, in a genuinely Asian way, while reflecting the latest trends and technologies.

#5 INNOVATE AT LIGHTNING SPEED. Accelerate development with micro-launches, testing and learning fast. But choose your battles; you can't do everything.

#6 USE DIGITAL FOR CREATIVELY INTERACTIVE COMMUNICATION. Bond with consumers through your website and social media platforms – provide advice, feature personal stories, ask for reviews, or add a chat function.

#7 STUDY CONSUMERS TO SHED LIGHT ON THE FUTURE. Carry out research, run panels and hold focus groups – listen to and understand consumers, especially your non-buyers.

#8 AN 'EMOTIONAL WRAPPER' IS VITAL. Demonstrate core product truths and functional benefits, but always within a compelling brand story that is embedded in local culture.

#9 NEVER COMPROMISE ON QUALITY. Be bold, and try new things – but your execution must be flawless.

#10 INVEST IN THE FUTURE. Attract the best talent, reinvest in the brand in times of growth, and empower your teams to experiment with new models and in the digital world.

Virginia Garavaglia
–
Marketing Director Asia,
Kantar Worldpanel

FMCG in Asia: Consumption is cooling, but local brands are gaining ground

While it is still growing strongly compared with developed markets – most notably those in Europe – the rise in FMCG consumption is slowing significantly across emerging markets. In Asia, the pace of growth in FMCG spend has halved in just two years, from 10% in 2012/13 to 4.6% in 2014/15. This deceleration can be seen in all sub-regions, with growth in North Asia reducing from 9.1% to 4.6%, driven by China, and South East Asia from 19.4% to 4.6%, mainly driven by Indonesia.

ASIA: FMCG GROWING AT HALF THE PACE THAN TWO YEARS AGO

Value Growth%

Source: Kantar Worldpanel Asia / FMCG / MAT Q2 2015

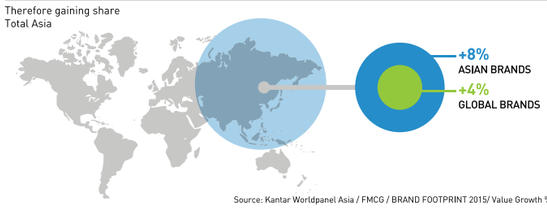
This slowdown has been felt most acutely in China, where FMCG growth has fallen by a third in two years, from 15.8% in 2011/12 to 5.4% today. China is still responsible for 75% of total FMCG growth in the Asia region, however.

A shift in the competitive landscape

There are still pockets of rising growth amidst the stories of slackening speed. Asian brands are reinforcing their dominance in most markets, particularly China: 74% of Asian shoppers' FMCG spend is on domestic brands, which are growing at twice the rate (8%) of global brands (4%), and therefore winning a greater share. In China, 70% of local FMCG brands are growing, compared with 50% of the global brands operating in the country.

ASIAN BRANDS ARE GROWING AT TWICE THE PACE THAN GLOBAL BRANDS

Therefore gaining share
Total Asia



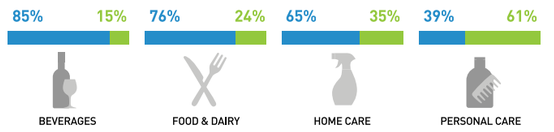
Source: Kantar Worldpanel Asia / FMCG / BRAND FOOTPRINT 2015/ Value Growth %

Rulers of the food and beverage sectors

Consumers in Asia are real foodies – they love home-cooked tastes and original recipes 'like mum makes'. Asian brands excel at catering to the local palate, and as a result they lead in the many categories that are uniquely popular in the region – such as coconut milk, RTD tea, soy milk, seasonings, table sauces (e.g. fish sauce, oyster sauce, soy sauce) and instant noodles. The biscuits and snacks categories are also largely dominated by Asian brands, which satisfy local tastes with flavors such as seafood and coconut.

ASIAN BRANDS LARGELY DOMINATE IN FOOD&BEVERAGE

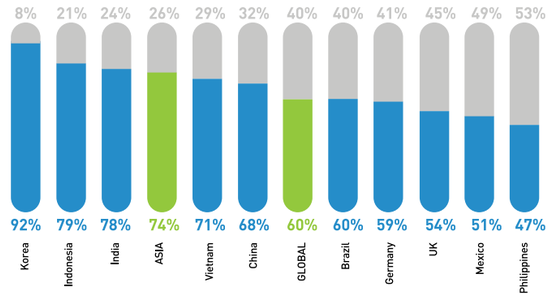
While personal care in hands of global players
Total Asia



Source: Kantar Worldpanel Asia / FMCG / BRAND FOOTPRINT 2015/ Value Share %

ASIA IS DIFFERENT

Home grown brands dominate the FMCG market



Source: Kantar Worldpanel Asia / FMCG / BRAND FOOTPRINT 2015/ Value % Local Brands

THERE ARE 4.4 BILLION SHOPPERS IN ASIA. THE MORE OF THEM BRANDS CAN WIN AS CUSTOMERS, THE CLOSER THEY WILL GET TO WINNING THE BATTLE FOR FMCG MARKET SHARE.

PROF. QUELCH INTERVIEW

PROFESSOR JOHN QUELCH EXPLAINS THE FORCES BEHIND THE EBB AND FLOW OF THE TIDE IN CHINA'S FMCG MARKET. PROFESSOR QUELCH IS A FACULTY MEMBER OF BUSINESS ADMINISTRATION AT HARVARD BUSINESS SCHOOL. IN ADDITION, HE IS A FELLOW OF THE HARVARD CHINA FUND, A MEMBER OF THE HARVARD CHINA ADVISORY BOARD AND AN ASSOCIATE IN RESEARCH AT THE FAIRBANK CENTER FOR CHINESE STUDIES.

Professor John Quelch, Harvard Business School

Q: Arguably one of the most dramatic changes in the FMCG landscape in China over the past few years is that local manufacturers are beating foreign player to lead in many categories. How did that happen?
A: This can be summarized into 2 areas: first, multinationals underestimated the speed with which the Chinese companies would learn and catch up; secondly, they probably under-invested in terms of 2 things – a) the bench strength of the talent. They didn't invest enough in putting more excellent local people at the heart of the organisation; as a result, top talent is leaving to go to local companies as they don't believe that they'll be able to get the top jobs in these Multinational subsidiaries; b) shifting global decision-making responsibility and leadership for innovation into this market. Although they pretended that if China came up with some new products they would be happy to take it to the rest of the network, they actually didn't have the courage to put as much emphasis into local adaptation.

Also, they didn't have enough courage to put the emphasis on to spearhead the new product development for the entire world rather than just local adaptation. On the other hand, the rapid growth in China gives a lot of domestic companies headroom to begin and grow businesses locally. It also gives headroom for innovation – knowing that you'll have 7-10% growth each year should give you the money and confidence to be more innovative.

Of course the local companies are scrambling to get ahead, so in many cases they're pretty nimble and pretty innovative while the speed of Multinationals' innovation has been "as-usual", and "as-usual" has not been fast enough. China is innovating in the internet in particular, software and hardware technologies. These have become high involvement personal devices in the 21st century, in some sense competing with automobiles and fashions for the attention and love of consumers. What I find is that, if you take the brands that consumers are interested in, there's a core set of trust in brands that you stick with over time. But then, around the periphery of that is a whole set of new and different brands that represent the variety we are seeking.

For example, new brands that come onto the scene; you don't admit them to your trusted core for some time until they've really proven themselves over many years and sustained your interests with high quality and innovative products. If you take women's cosmetics for instance, women want to find the regime and the brand that does the best job for them and make that brand part of their trusted core.

Now they might try things on the periphery as well, but generally speaking, once you find something that works, say in your skin care regime, you're going to be loyal to it. On the other hand, with the hi-tech, hi-touch software apps, these are very involving products in a sense that they eat up a lot of your time each day, but there's endless variety and I don't see any of those being admitted to consumers trusted core of brands, even though they are high involvement products based on the amount of time you spend with them.

> MULTINATIONALS UNDERESTIMATED THE SPEED WITH WHICH THE CHINESE COMPANIES WOULD LEARN AND CATCH UP

This is a new phenomenon of branding where you have hi-involvement categories and hi-involvement brands but there's no sustained loyalty until over several years once they've proven themselves. I think even a brand like Xiaomi, for instance, which has very high market share, but 3 years from now if they don't keep up with the innovation, they could fall down to have a very modest market share.

Q: In terms of the strategy, should companies invest in one single brand or multiple brands?
A: I'm a big supporter of Samsung's approach that you just invest in one brand. Make it simple. You just put everything behind one brand to ensure product quality and the innovation you bring out meets the expectations of consumers for that brand.

Q: Many Asian brands sometimes struggle to unlock the love associated with some strong Western brands like Coca-Cola and Apple. How would you advise them?
A: Two things: first, those Asian brands haven't necessarily hung around long enough to earn the love; secondly, many of the Asian brands, I think, are technical brands. Engineers are not the most emotive people on earth. They have a lot of difficulties injecting an emotional overlay into the product. When they have superior functional performance, at least in their eyes, they want to emphasize that to consumers and internally as well.

It's a tendency to put more emphasis on functional performance instead of humanizing the brand. One difference in Asia is because of the high cost of small-size apartments and houses, relatively speaking, that the percentage of your income that you're going to spend on household durables, furnishings, etc., may be lower than it is in the West. Therefore you get more to spend on experiential categories like tele-communications and travel, eating out, and cultural activities.

Q: Do you think, therefore, that the role of marketing in humanizing the product is even harder in Asia due to the fact that hi-tech performance is so valued?
A: Yes, the dominance of engineers in these companies is significant, but the opportunity is they actually need expertise even more in order to humanize these brands. There's lots of evidence to suggest that when investment is made in humanizing the brands, actually the brand loyalty and adherence increase significantly and that's to the benefit of the shareholders.

> IT´S A TENDENCY TO PUT MORE EMPHASIS ON FUNCIONAL PERFORMANCE INSTEAD OF HUMANISING THE BRAND.

Q: Those Multinationals that were so dominant 10 years ago are trying hard to turn around. What do you see would make them succeed?
A: I think they face big challenges. I'm not sure I'll be optimistic about their long-term growth in China, certainly not in terms of market share growth. The reason is two-fold: one, the science underpinning what they do is pretty easy to imitate; secondly, their brands are not yet locked in as leading national brands in all of China because only about half of the country is penetrated at most by these Multinational Companies.

I think they have to be more realistic. It's a matter of the quality of share rather than absolute numbers, meaning you want to have high unit margin per sale. So you may have 20% in volume but 30% in value. Innovation has to come in, as well as outstanding advertising, and product localisation.

They have to continuously invest in these things in order to stay where they are. Many of these companies put in a lot of effort at the front end with the belief that "after 3-4 years we'll start to reap the rewards and take our profits out" – but obviously that's never going to happen as the Chinese are going to be too smart to allow that to happen.

Q: What's your advice to local brands to reach that trusted core?
A: What I would do is an "Imitation-Plus strategy". To set forth the argument for an almost new product category is actually harder to do than if you just have incrementality and improvement over what's been already defined as the basis for the choice by the Multinational Companies. The foreign brands set the table, educating consumers what the criteria are for sensible product selection in that category. As local brands, you want to come along and deliver satisfactory performance on all these aspects but add something additional which might be a new flavor, package size, or a new product variant. You have to basically do imitation-plus, as well as be very fast moving, and to get a foothold in some of the non-traditional distribution networks that increasingly will exist. Over time, they'll be organized into co-operative buying units where each store remains independent but part of a consortium, like the IGA in Europe, a network of independent grocery stores, or SPAR, another network in Europe. Just as we see more hypermarkets appearing in the major cities, at the same time you'll see these independent small storesbecome buying cooperatives to get better prices from the manufacturers. It strikes me that local brands are much more able to co-opperate with these types of local networks. Also, there's a certain percentage of consumers in China who do buy national. They don't buy foreign brands out of patriotism, not price differentials, if there's a quality equivalent. Only the top 10% of consumers are chasing international brands at any price. That gives a lot of room for local brands to exploit when you have that kind of national sentiment.

KANTAR WORLDPANEL | ASIA BRAND POWER 2015

ICHITAN

a game changer in Thailand's ready-to-drink tea

It took Ichitan only 18 months from its launch to gain the largest share in the ready-to-drink (RTD) green tea category. Nowadays, the brand is purchased by 46% Thai households.

Ichitan's surge is partly due to Thai consumers' embracing RTD tea with their average spend doubling in 2 years. At the heart of its success is Mr. Tan Passakornnatee, Ichitan's founder and CEO. Mr. Tan fronts its adverts and in 2013 he launched a promotion to give away one billion baht (about USD $29 million) to 60 individuals over 60 days, and he amplified its effect by showcasing the winners' personal stories on his Facebook page which has now reached over 3.5 million likes. **Also, the fact that Mr. Tan owns a nationwide network of restaurants helps Ichitan build a powerful supply chain.**

Committed to be a leader of quality drinks and innovation, Ichitan uses organic green tea certified by the Department of Agriculture and applies a brewing process that fully maintains its aroma and flavor.

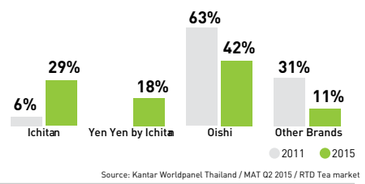
Progress towards internationalisation is now well under way with its joint venture company with Indonesia's PT Atri Pasifix, Ichitan Indonesia, to be set up by end of 2015. At Ichitan, more than 90% of employees own shares: a good source of motivation to continue to drive the brand forward.

Asia: hotspot for RTD Tea players

RTD tea has attracted consumers across the globe with its healthy positioning versus other soft drinks, and convenience when compared to traditional teas driven by the ability to consume on the go.
It is local brands that are driving RTD tea growth, thanks to their strong market focus, effective distribution networks and familiarity with local tastes and consumption habits. Leading Asian brands include Zero Degrees and C2 in Vietnam, Uni-President in Taiwan, Ichitan and Oishi in Thailand, and Teh Gelas, Teh Pucuk Harum and Teh Botol in Indonesia.

ICHITAN IS TODAY MARKET LEADER IN THAILAND´S RTD TEA MARKET

VALUE SHARE %



Source: Kantar Worldpanel Thailand / MAT Q2 2015 / RTD Tea market

From innovation comes a competitive edge

RTD tea brands are making the most of the beverage's versatility, launching products in a huge variety of flavours including jasmine, oolong, ginseng, herbal, black tea and honey. These are often skilfully tailored to local tastes, and many are based on natural ingredients that offer health benefits. Green tea flavour is extremely popular, and is available in a number of variants including green tea with a touch of lemon and green tea with ginger.

THAILAND, INDONESIA AND MALAYSIA : THE MARKETS WITH FASTEST GROWTH

	PENETRATION % 2014	PENETRATION CHANGE VS 2012
Indonesia	92%	8 pts
China	85%	-
Taiwan	85%	-
Thailand	65%	8 pts
Vietnam	60%	3 pts
Malaysia	35%	5 pts
Philippines	33%	0.6 pts

Source: Kantar Worldpanel Asia

DIGITAL CHANNELS ALLOW A TWO-WAY COMMUNICATION, IT´S A GREAT WAY TO GET FEEDBACK FROM OUR CONSUMERS. WE LEARN WHAT THEY LIKE AND WHAT THEY HATE, AND WE ADAPT BASED ON WHAT THEY WANT.

KEY FACTS | ICHITAN GROUP PCL

COUNTRY OF ORIGIN: Thailand. Area served: Thailand. Indonesia next. Founded: 2010

INDUSTRY: Beverages, ready-to-drink tea

TRADED AS: ICHI

WEBSITE: http://www.ichitangroup.com/

FACEBOOK: 3.5 m followers

REVENUE: (TBH bn): 7.9 – USD 242m Growth%: 21.4% in 2015

OPERATING EBIT : (THB bn): 1.1

SHOPPER BASE: 12,000,000 households (43% penetrarion 2014)

ANNUAL PRODUCTION: 800M pieces a year

BRANDS: Ichitan Double Drink, Ichitan Green Tea, Ichitan Dragon Black Tea and Yen Yen

ACQUISITIONS: Bireley trademark and its beverage formula from sunny herb international beverage co., ltd. May 2014

INTERESTING FACT: Supports a sustainable career for Thai's hill-tribe farmers

ICHITAN INTERVIEW

MR. TAN PASSAKORNNATEE, CEO OF ICHITAN GROUP IN THAILAND, MADE US SEE HOW A COMPANY WOULD THRIVE WITH A STRONG SENSE OF SOCIAL RESPONSIBILITY.

Mr. Tan Passakornnatee, CEO of Ichitan Group

Q: It took Ichitan only one-and-a-half years from the start of its production to gain the largest share in the ready-to-drink green tea market in Thailand. How did that happen?
A: Focus, with clear goals and great efforts from everyone in the company; I see them as my partners.

Q: How did you lead everyone through the process?
A: Nothing is impossible for me but I also know that not everything shall turn out the way we expect. The attitude is what distinguishes winners from losers. You reap whatever you sow if you don't give up. That's how we conquered the challenges from the flood in 2011, economic recession, political turmoil and all other blows.
As a leader, you need to point out clearly where you are going. Everyone in the company shares my view that we are responsible for making a better society. It's also something consumers expect to see from businesses nowadays.

Q: We notice you´ve got a strong digital footprint. Why does Ichitan embraces Digital Media so much?
A: In order to "touch" our consumers, we must use all kind of media to interact with them as much as we can, in order to be part of their lives. Digital media is cheap, and provides two-way communication. We can get feedback from our consumers to know what they like and what they hate so we can adapt based on what they want. Above all, it's what our key consumers – the teens - rely on. We are trying our best to make sure we catch up with its development in order to be really interactive with consumers.

Q: How do you view markets abroad?
A: The AEC (ASEAN Economic Community) is where we are now, with lots of opportunities and threats there. One cannot choose not to play in that bigger pond – your competitors will do anyway, and you will diminish. We need to enlarge our competitive advantage by lowering down the costs, fast.

Q: Your advice to young generations who want to start new businesses?
A: 1. Focus – on what your heart believes in and where your specialty lies;
2. Invest in education and knowledge – it's now a world where you could become big via a laptop, like Alibaba.

"ICHITAN STORY IS A GREAT EXAMPLE OF HOW FAST THE COMPETITIVE LANDSCAPE CAN CHANGE IN ASIA"

Howard Chang,
General Manager, Kantar Worldpanel Thailand

MAYORA INTERVIEW

MR. ANDRE SUKENDRA ATMAJA DOESN'T SEE HIS COMPANY AS ANY MORE SPECIAL THAN OTHERS. FROM OUR CONVERSATION, HOWEVER, WE BELIEVE IT'S THEIR GENUINE PASSION TO DELIGHT CONSUMERS AND THEIR FOCUS ON EXECUTION THAT MAKES MAYORA SO EXTRAORDINARY.

Mr. Andre Sukendra Atmadja,
President Director, PT Mayora Indah Tbk

Q: One might argue that a 40-year history is not short, yet it's incredible for a local company to grow from being a nobody to being a global player reaching 99% of Indonesian households and 49 countries in such a time frame. Was it a smooth path?
A: It hasn't been smooth at all. To err is human and we made a lot of mistakes along the way. I guess we excel at speed – reviewing often, fixing fast, and moving on. It's an advantage against Multinational Companies who are restricted by rules and complex structures. We had to be practical as we were short of resources.

Another key factor is the understanding of consumers. Delighting consumers is our mission, and knowing them is the first step. Our formula today is 50% intuition plus 50% research. While it was 100% intuition in my dad's day, they were successful by staying really close to consumers, observing them at first-hand.

Q: 50% research – so how do you define a good research partner?
A: Understanding consumers is the most important and difficult thing, and that's where good research partners step in - to shed light on the future for us, not just offering historical data.
Mayora has to attribute its success to the launch of coffee candy – thanks to my dad´s intuition that made him turn down the advice from the research expert he hired from the US.

Q: It's impressive that Mayora sells in more than 49 markets, as far as the Americas and Europe. Would you tell us the vision behind this achievement?
A: Mayora has aimed to be a global player ever since my dad's time. This ambition is woven into the Corporate ID he designed with doors that open onto the world. We expanded little by little as we couldn't afford to lose big. Overseas sales account for 40% of our total sales now. We aim to grow our business to another level, and to have a strong presence outside Southeast Asia.

Q: What are the challenges facing Mayora today?
A: 1. Understanding consumers who are changing all the time;
2. Maintaining growth without sacrificing speed;
3. Recruiting and retaining talent - we have to fight not only with Multinationals, but also with local players;
4. New (digital) media – we know it's so important yet we are still in a stage of learning how to make use of it.

"THE MAYORA GROUP HAS PROGRESSIVELY TRANSFORMED FROM A HUMBLE HOME BISCUIT INDUSTRY INTO ONE OF THE BIGGEST FAST MOVING CONSUMER GOODS COMPANIES, OPERATING IN MORE THAN 49 COUNTRIES. EVERY COMPANY IN THE BISCUIT AND BEVERAGE CATEGORIES SHOULD KEEP AN EYE ON MAYORA'S BRAND INITIATIVES"

Soon Lee Lim, General Manager,
Kantar Worldpanel Indonesia

TEH PUCUK HARUM
tough new player

In a market where 500+ brands are available for tea, Teh Pucuk Harum (abbreviated as TPH) quickly climbed the ladder of success from its launch in 2011 to achieve 46% penetration by 2015, 22 points more than 3 years ago.

One of the many successful FMCG products produced by Mayora - a well known player in Indonesia since 1977.

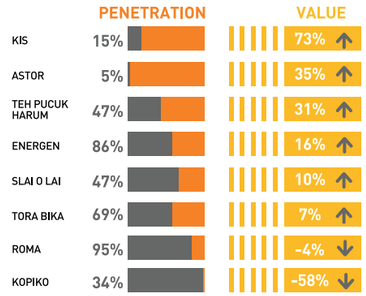
TPH clearly knows what needs to be done to win the game:

- TPH was the first ready-to-drink (RTD) tea brand to use tips of tea leaves as the main ingredients ("Pucuk" is in Bahasa, which means "tips"). It's made from the best organic Tips of tea leaves making it a high quality RTD tea with a unique jasmine tea flavor and a similar taste to the Sweet Ice Tea offered by restaurant and cafés;
- With the Advanced Sterilizing Technology (AST), Mayora ensures that TPH is highly hygienic without any preservatives or artificial sugar;
- One of the first economical priced PET bottle teas – it's currently available in easy-to-carry 350 ml & 480 ml plastic bottles, unique sizes and thus attractively priced;
- The "cute worm" character chasing the tea tree tips in its TV commercial became iconic. Now TPH has launched a free online cute worm game;
- TPH actively interacts with consumers via its website and integrated social media.

MAYORA BRANDS PENETRATE 99% INDONESIAN HOUSEHOLDS

MEET MAYORA POWERBRANDS

Thanks to a wide portfolio Mayora penetrates 99% Indonesian households



Source: Kantar Worldpanel Indonesia / MAT P5 2015

KEY FACTS | MAYORA INDAH TBK

COUNTRY OF ORIGIN: Indonesia. Area served: 49 countries. Founded in 1977 by Jogi Hendra Atmadja

INDUSTRY: Biscuit, Candies, Wafers, Chocolates, Hot Cereal, RTD Tea

TRADED AS: MYOR

WEBSITE: http://www.mayora.com/

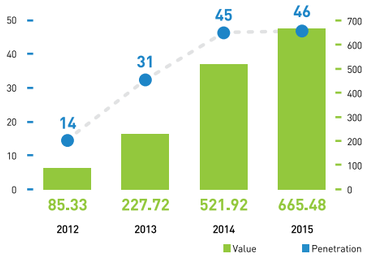
EMPLOYEES: 11,133

SHOPPER BASE: 51,300,000 households in Indonesia (99% Penetration 2014)

BRANDS: Roma, Tora Bika, Kopiko, Kis, Choki Choki, Energen, Astor, Tamarin, Slai O´Lai, Beng Beng, Teh Pucuk Harum, Danisa, Marie Susu, Cofeejoy, Biskuit Kelapa, etc

INTERESTING FACT: Mayora owns the largest Biscuit Plant in Southeast Asia

TEH PUCUK RAPID GROWTH IN NUMBERS



Source: Kantar Worldpanel Indonesia / MAT Q2 2015 / Value in Bn IDR

ORION
different is beautiful

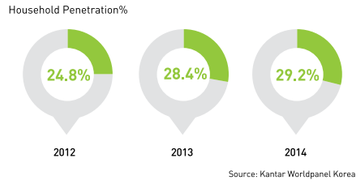
One of the oldest companies in Korea, Orion attributes its success to its simple philosophy "Different is Beautiful" which they refer to internally as "Only Orion" - both ideas and actions must be distinctive.

Today it runs production facilities in China, Russia, Vietnam, and Korea; its brands are exported to 60+ countries with overseas turnover exceeding 50% of total sales since 2009. Choco Pie, its most popular brand, led the way in overseas expansion, building the "Choco Pie road", and broke the 85% share mark in China. It went head-to-head with the Chinese brand 'Haoliyou', meaning 'Good Friend', which is so popular people use it as a wedding gift. OFL (Orion Frito-Lay), the joint company with Pepsico, scored the highest sales in snacks in Korea with its first product, Cheetos. Pocachip, the first potato snack containing 95% Korea-grown potatoes, has outstripped all competitors since launch.

Recently, they are marking another turning point in Korean market by successfully offering a "healthier" option to consumers with their fast-growing premium brands "Dr. You" and "Market O".

Orion is not just a heavyweight in Korea's confectionery and snack category with over 50% household penetration, it's also prominent in Entertainment (owning 10 major TV channels) and Restaurant & Sports (owning 'the Orions', a Pro Baseball Team).

POCACHIP IS THE No. 1 SNACK BRAND IN KOREA



CHOCOPIE PRODUCTS ARE PURCHASED BY 37% VIETNAMESE, 22% KOREAN AND 19% CHINESE HOUSEHOLDS.

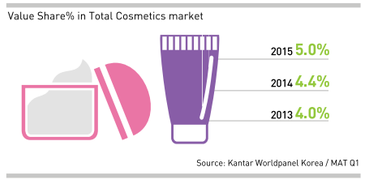
AMORE PACIFIC
changing the world through beauty

On her way to Hong Kong for business, Ms. Lee stops by the duty free shops in the airport to pick up some personal care items as usual. What's not so usual is that she doesn't go for a mix of those premium French brands; instead, she picks up all she needs from Sulwhasoo only.

With such scenes happening every day in recent years, Sulwhasoo has won several loyalty awards for its manufacturer, Amore Pacific. Amore Pacific has never ceased to strive to make the true beauty of Asia known to the whole world. Amore Pacific has led Korea's cosmetics industry by taking a special interest in Asian natural ingredients. With a portfolio of 30+ brands, Amore Pacific has driven a global brand strategy by prioritising five Global Champion Brands (Sulwhasoo, Laneige, Mamonde, Etude House, Innisfree) and establishing production and research bases in China and France. Today, these brands can be found not only in Asia, but also in North America and Europe.

Aspiring to be known by the world as the "Asian Beauty Creator", Amore Pacific is now transforming itself into a "Great Global Brand Company" that develops innovative solutions drawn from the rich Asian heritage and providing them to customers around the world, helping them enjoy a truly beautiful and healthy life. People interested to experience Amore Pacific's world-changing journey can do so in their Story Garden, an exhibition hall opened in Sept 2013 in commemoration of its 68th Anniversary.

IOPE CONSISTENTLY GAINS SHARE IN COSMETICS MARKET IN KOREA



AEKYUNG INTERVIEW

MR. SEOK-JOO LEE, MANAGING DIRECTOR OF AEKYUNG IN KOREA, SHARES HOW AEKYUNG HAS BEEN REALIZING ITS COMMITMENT TO HELP ITS CUSTOMERS ENJOY CLEANER AND MORE COMFORTABLE LIVES

Mr. Seok-Joo Lee, Managing Director Aekyung In Korea

Q: In 65 years Aekyung grew from a detergent maker to one of the best commodities and cosmetics enterprises in Korea. Would you reveal the key to its success?
A: Aekyung is built on the love and respect of consumers. We firmly believe that understanding consumers should be the fundamental for everything, and then we back that up with strong innovation.

Aekyung was established after the war aiming to help the deprived families – housewives in particular – enjoy high-quality household products. **We are determined to be innovative instead of being a copycat.** We only produce things with good value to consumers. It might be a long process sometimes, but authenticity is what we promise to consumers and ourselves.

Q: How do you stay ahead of the game with such fierce competition?
A: It's all about knowing the Korean consumers. You have to know consumers in the first place and you have to adjust over time based on their feedback. It's where we do better than MNCs who tend to be slow to react as they have global standards to follow and they missed some unique characteristics of Korea consumers, I think. For example, with a thorough research, we found that Korean housewives much preferred 2x concentrated (liquid detergent) than 3x, the most popular SKU abroad, out of a concern not shared by consumers anywhere else. MNCs didn't realize that until quite late.

Q: What's the big change amongst consumers recently?
A: Thanks to the insight Kantar Worldpanel shared 3 years ago, we learnt that even household products were impacted significantly by "digitalisation". We thus set up a new sales division to manage the online channel, and trained online experts for each department from R&D to marketing and communication. It's now our top business priority to maximize the opportunity online – we have that written on walls in the rooms in our office.

Q: How do you manage communications these days?
A: It's getting more and more difficult to master marketing and communication. We've been learning. While it seems inevitable to increase marketing budgets to maintain effective reach points, I think we need to focus more on product basics – i.e. the product itself, its quality and design. And we need to pick where to concentrate when investing in communication to sharpen the positioning and concept of the product. This is where a partner like Kantar Worldpanel is needed to help us get insights that we can't easily figure out by ourselves. We also expect to get unbiased views from such partners to avoid marketing myopia.

KEY FACTS | AEKYUNG PCL

COUNTRY OF ORIGIN: South Korea. Serves China through online channel

FOUNDED: in 1954 by Youngshin Chang

INDUSTRY: Laundry & Dishwashing Detergent, Dental, Body & Hair care, Cosmetics

TRADED AS: AEKYUNG

WEBSITE: http://www.aekyung.co.kr

EMPLOYEES: 631

REVENUE: KRW 391.3 billion – USD 360 million

OPERATING EBIT : KRW 10.5 billion

SHOPPER BASE: 18,000,000 households in South Korea

ANNUAL PRODUCTION: 159.2 billion Ton

BRANDS: Dental 2080, Kerasys, Trio, LiQ, Soonsaem, Shower Mate, Age 20'

INTERESTING FACT: Aekyung created the concept of 'number marketing' through the 2080 brand

"AEKYUNG TOOK ACCOUNT OF ON-LINE CHANNEL. AEKYUNG LAUNCHED AN EXCLUSIVE ITEM UNDER 2080 BRAND IN ON-LINE TO PROVIDE CONSUMERS WITH VALUABLE PRICE. IT CONTRIBUTED TO ITS GROWTH IN TOTAL DENTAL MARKET."

Francis Oh,
General Manager,
Kantar Worldpanel Korea

BLUE MOON
quality life with smart cleansing

As the leader of household detergent in China, Blue Moon reached 46% penetration in 2014, or 156.6 million households, with sales value growing by 23% versus previous year.

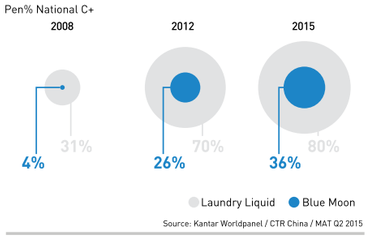
Blue Moon – manufactured by Guangzhou Blue Moon Industry Co. Ltd - is engaged in producing best quality goods in three categories: fabric detergent, personal care cleansing, and household cleansing. It promises to help its customers enjoy a quality life free of burdens and exhaustion from cleansing. So the brand develops its distinctive characters of being easy, powerful, and protective.

Blue Moon can be labeled as Chinese startup, since started operations in 2008. Blue Moon is a liquid detergent initially targeted for those who prefer to wash clothes by hand, considered that washing machine ownership is 77% in China.

- Blue Moon focuses strongly on innovation to further develop the liquid format, including "hand wash liquid", "travel package" and "baby clothes".
- Blue Moon has upgraded the market from powder and bar soap formats to a more advanced segment: liquid.
- Strong in-store promotion to drive trial: Blue Moon promotional girls engage shoppers at the point of purchase – encouraging them to smell the brand as if it were a fine perfume.
- Blue Moon has gained share from 8% per cent in 2008 to 50% in 2015.

Blue Moon takes social responsibility seriously. It has been a major sponsor for all kinds of charitable events to improve the right to education, child welfare, social security and environment.

ONLY LAUNCHED IN 2008, TODAY BLUE MOON IS THE MARKET LEADER IN URBAN CHINA



BLUE MOON IS THE HOME CARE BRAND THAT RECRUITED MOST SHOPPERS IN CHINA IN 2014

GREAT TASTE
makes white coffee great

Great Taste is a long-standing brand in the Philippines. The first to launch 3 in1 coffee mixes in 2005, it brought sought-after FMCG convenience to a coffee-loving nation.

After a hugely successful 2014, which saw Great Taste add three million households, the brand continued its journey from challenger to leader following a familiar path. New packaging innovations such coffee in resealable single use pack, twin pack and agglomerated 3 in1 coffee in bulk pack.

In 2014 it launched three new adverts focusing on its convenience brands, in particular its hero product, Great Taste White.

Fueling the trend away from the traditional black 'pure coffee' that had dominated in the Philippines, Great Taste showed a new young and affluent generation of Filipinos choosing white coffee.

Great Taste made its debut in the country's top five chosen brands. It is the fastest growing brand, increasing 32% in sales in 2015.

THE SUCCESS OF GREAT TASTE IS PROPELLED BY THE SHIFT FROM TRADITIONAL "PURE BLACK COFFEE" TO 3-IN-1 COFFEE MIXES, PARTICULARLY GREAT TASTE WHITE AND THE INTRODUCTION OF MULTI-SERVE PACKAGING FORMATS.

CHAO-NENG
unlocking true potential

Chao-neng, meaning "superpower" in Chinese, entered the top 10 of China's most popular homecare brands two years after its launch in 2006. Chao-neng laundry sales rose by 24% year-over-year in May 2015 thanks to the healthy growth of its liquid detergent (+46%). Owned by Zhejiang Nice group, Chao-neng has emerged as the third largest liquid detergent brand in China by exceeding OMO from Unilever.

The brand's achievement is mainly driven by the following factors:

1. Inviting packaging: the easy-to-carry and refillable plastic pouch with a screw cap with a competitive price triggers an immediate purchase response. 40% of Chao-neng liquid detergent users go for this package format.

2. Consistent product innovation: committed to "enhancing people's lives" and to "protecting the environment", Chao-neng keeps injecting the "new elements for a healthy life" in its products with advanced innovation – and makes the price premium justifiable in consumers' eyes. Their baby range launched in late 2014 proves it right.

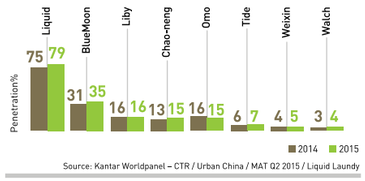
3. Integrated marketing communications – its various promotional methods are finely coordinated and they successfully reinforce each other. For instance, its "Super Women" campaign combines the following:

- Subway displays at one major station in Shanghai, showcasing extraordinary life stories from ordinary women
- Pre-roll ads on Youku (China's equivalent of YouTube) Magazine columns devoted to related stories
- A 90-sec TV Commercial of 5 female celebrities like Sun Li "China's queen of television",sharing their life stories, calling for women to unlock their full potential

Online participatory marketing which asks women to upload their stories of transformation

CHAO-NENG HAS EMERGED AS THE THIRD LARGEST LIQUID DETERGENT BRAND IN CHINA

Blue Moon and Chao-neng among top rising brands in China



KOPI LUWAK
creating a new coffee segment in Indonesia

Indonesia is one of the world's biggest coffee-drinking nations. With over 700 coffee brands available in the market it is difficult to make an impact. Yet Kopi Luwak has entered the Top 50 most chosen Indonesian brands as a result of its low-acid White Koffie.

ASIAN COFFEE BRANDS ENJOYING DOUBLE DIGIT GROWTH

Kopi Luwak White Koffie, which is sold in single-serve sachets and can be enjoyed hot or cold. White coffee doesn't mean 'with milk': it refers to the way the coffee beans are prepared. By freezing them to -40 C the acid content is reduced to 80%, meaning drinkers get a caffeine hit which is less harsh on the stomach.

Kopi Luwak has positioned itself as an affordable drink which is "healthy for the stomach and the heart". Its advertising has drawn public attention by using local celebrities. Since launching in 2011 it has gone from just 0.7% volume share of the coffee market to 19% in 2015. Other brands have followed Kopi Luwak's lead and introduced their own versions of white coffee.

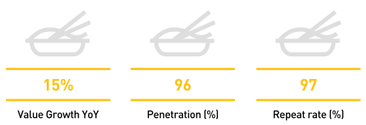
Indonesia's white coffee-drinking is predicted to spread. With a strong coffee culture in Vietnam and the Philippines this innovative coffee is likely to become

KOPI LUWAK IS PURCHASED BY 88% HOUSEHOLDS IN INDONESIA.

INDOFOOD
total food solutions

Over the last four decades since its establishment in 1969, PT. Indofood Sukses Makmur Tbk ("Indofood") has progressively transformed itself into a Total Food Solutions company. It operates with five complementary strategic business groups: Consumer Branded Products ("CBP"), Bogasari (producing wheat flour and pasta), Agribusiness, Distribution, Cultivation & Processed Vegetables.

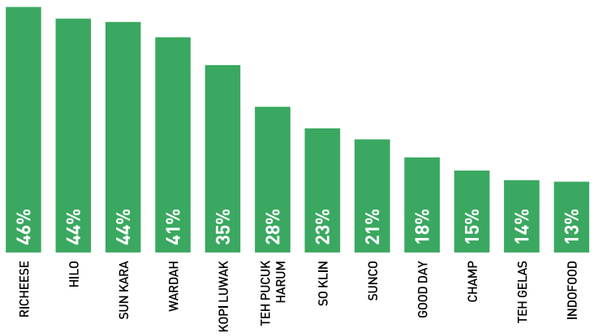
INDOMIE IS THE MOST PURCHASED INSTANT NOODLE BRAND IN INDONESIA AND YET STILL DELIVERS DOUBLE DIGIT GROWTH IN 2015



Source: Kantar Worldpanel Indonesia / MAT Q2 2015 / Value in Bn IDR

MEET TOP RISER INDONESIAN BRANDS

By Value Growth in 2015 – National Indonesia



Source: Kantar Worldpanel Indonesia – 2014

The CBP group includes seven divisions: noodles, dairy, food seasonings, snack foods, nutrition & special foods, beverage and packaging. Many brands enjoy significant mindshare in Indonesia. Among them, Indomie instant noodle stands out with 96% penetration, winning countless awards and contributing 46% of total Indofood sales. Other well known brands Indofood produces include Sarimi, Indomilk, Chitato, Cheetos, Lays, Bimoli, Indofood Bumbu Racik, Maggi, La Fonte, Club, Pepsi, Ichi Ocha, just to name a few.

Indofood keeps forming joint-venture companies to accelerate its development. Partners include Asahi, Nestle SA & PepsiCo.

Its products are exported to over 60 countries around the world. Key markets beyond Southeast Asia: Australia, China, Egypt, Hong Kong, Japan, Kenya, Netherlands, New Zealand, Saudi Arabia, US.

SO KLIN
quality affordable

Launched in 1990, So Klin powder detergent has evolved to have 5 varieties with more than 10 sub-varieties. From high concentrated to fitting for all kinds of washing machines, from soothing smells to anti-germs to protecting colors and preserving fabric fibers, So Klin offers a whole range of benefits catering to every Indonesian mama's laundry needs. So Klin is now fighting its way to gain the top spot in this market from its current number three.

Under the brand So Klin, there are a series of products in various categories: fabric and room odour absorber, softener, ironing aid, bleach, and floor cleaning.

Wings Corporation, the manufacturer, is one of the most reputable businesses in Indonesia. Wings has grown to be a power player in household care, personal care and food market, competing head-to-head with major multinationals.

SO KLIN REVENUE HAS DOUBLED IN 2 YEARS, THANKS TO ADDING ON 4 M HOUSEHOLDS TO ITS SHOPPER BASE. THAT EQUALS PORTUGAL'S POPULATION.

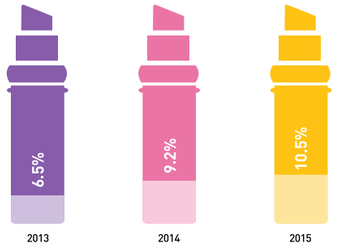
WARDAH
cultural authenticity behind continued success

Halal cosmetics and celebrity partnerships help local Indonesian cosmetics manufacturer Wardah challenge category leaders Pixy.

Indonesian cosmetics brand Wardah has demonstrated that aligning brand values with local cultural influences can be extremely profitable. Marketing a Halal product in the world's largest Muslim country (Wardah is really famous for advertising the Halal value) and tapping into the associated Hijabers style – chic, fashionable and beauty conscious – has seen the company grow its sales by 24% in 2015.

WARDAH SUCCESS IS PROVED BY INCREASED SHOPPER TRIAL

Household Penetration%



Source: Kantar Worldpanel Urban Indonesia

With a growing middle class demographic and large youth population in Indonesia, the brand's marketing strategy centres on the entertainment industry. The company has backed a rising pop star, Tulus, producing his music video and sponsoring his Indonesian tour, and sponsoring a major Indonesian movie production, shot in Europe. Wardah has appointed a number of high profile hijab-wearing actresses, models and celebrities to launch and endorse its products and star in the brand's TV advertising campaigns. Many exotic scenes across Europe are shown in its TV commercials – so appealing to most local Indonesians who dream of going there one day. Wardah is also heavily engaging with consumers through its website and social media platforms, providing make-up tutorials, beauty advice, special offers and promotions.

The brand has secured the biggest share of all local cosmetics brands in Matahari, one of Indonesia's largest department store operators, a significant factor in the brand's leap of 26 places in the Indonesia top 50 most chosen brands ranking by Kantar Worldpanel.

"THE MUSLIM POPULATION IS EXPECTED TO GROW TWICE AS FAST AS THE REST OF THE WORLD'S POPULATION BETWEEN NOW AND 2050. BY THEN, MUSLIMS WILL ACCOUNT FOR 10 PERCENT OF EUROPE'S POPULATION, A REASON FOR ALL COSMETICS PLAYERS TO TAP INTO HALAL BEAUTY"

Fanny Murhayati, New Business Development Director, Kantar Worldpanel Indonesia

TAPPING INTO THE HIJABERS STYLE – CHIC, FASHIONABLE AND BEAUTY CONSCIOUS – HAS SEEN THE COMPANY GROW ITS SALES BY 24% IN 2015

LG HOUSEHOLD & HEALTHCARE
beauty and dreams

LG has become a household name not only in Korea but across Asia. Much to many people's surprise, is a power player not only in household goods but also in cosmetics, personal care and beverages. Encompassing various categories, it grew up to be one of the companies with the largest customer base in Korea, now being picked up by almost 90% of Korean households.

It is LG's ambition to be the best "life culture" company to help realise customers' beauty and dreams by serving them values that are Healthy, Beautiful and Refreshing.

Its fabric detergent brand "Hanib", which means "a bite" in Korean, shook up the highly competitive concentrate liquid detergent market, with its communication of "mild care for cloths" that targets those who wash their cloths every day after wearing them only once.

Its premium cosmetics brand "The History of Whoo" is actively building its presence overseas, mainly in China, competing with its rival brands from Amore Pacific.

In his 2015 New Year speech, Mr. Cha (CEO and Vice-Chairman) emphasized the importance of overseas business for LG's core business. LG has continuously sought new business opportunities that create synergy. Significant merger and acquisition includes: Coca-Cola Bottling Korea; The Face Shop; Haitai Beverage; 3 Japanese Cosmetics Companies: Ginza Stephanie Inc., Everlife Co., R&Y; CNP; and Fruits & Passion, a Canadian cosmetics company.

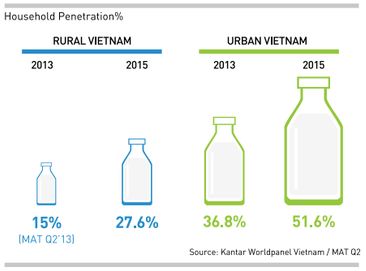
TH TRUE MILK
hi-tech nutrition

TH True Milk was certified by the Indian-based Asia Book of Records organization as the largest hi-tech dairy cow facility in Asia earlier this year, beating many contenders from China, Mongolia, India, and the Middle East. This is quite an achievement for a business that is only 6 years old.
With revenue of USD 200M in 2014, **TH True Milk has been top rising brand in urban Vietnam, according to Kantar Worldpanel´s Brand Footprint 2014,** with household penetration surpassing 50% and a repurchase rate of 70%. It succeeds by winning the hearts of its target consumers, the higher income level, and 40% share of the total fresh milk market. It benefits from a booming demand from rural area were TH True Milk´s shopper base has grown by 21% in 2015.

TH True Milk's clean and fresh milk plant has the world's leading technology with state-of-the-art equipment from developed countries. Its farm applies auto and professional cow-raising technologies from Israel and a veterinary management process of New Zealand standards. Moreover, the TH Group has invested and developed a sales channel that meets international standards to ensure the products are stored in the safest and best conditions. It's a food chain called "TH True Mart" which is expected to increase to 1000 stores in 2015-2016.

TH True Milk aims to achieve revenues of USD 1 Billion, to account for 50% of the domestic market, and raise 203,000 cows by 2020.

TH TRUE MILK KEEPS ENLARGING SHOPPER BASE ACROSS VIETNAM SINCE ITS LAUNCH IN 2009



IN ORDER TO WIN BIG IN VIETNAM, BRANDS NEED TO WIN WITH RURAL SHOPPERS. TH TRUE MILK GREW BY 39% IN RURAL VIETNAM IN 2015

POCARI SWEAT
a winning sports drink formula in Indonesia

The peculiarly-named sports drink brand Pocari Sweat reaches is the most successful drink of its kind in Indonesia.

Isotonic drinks didn't really exist in the country before Japan's Otsuka Pharmaceutical decided to launch Pocari Sweat. But this turned out to be a genius move, as the overall sports drink category has grown by a factor of 15 to four trillion Indonesian rupiahs, proving there's a real thirst for such drinks in this market.

Promoted by a superhero dressed in the blue and white colours of the brand, the drink is sold in a variety of sizes, including in a sachet format to make it more affordable for rural communities. In the urban areas of Indonesia the 350ml and 500ml bottles are the most purchased sizes.

With Indonesia's internet-obsessed population it makes sense for any brand wanting to make a mark in the country to invest heavily in online marketing. This is something that Pocari Sweat has managed to do successfully, and has the third most popular YouTube channel in Indonesia by views.

The brand has some pretty unique ideas when it comes to consumer campaigns. These are based firmly on an understanding of local consumers' needs that goes deeper than any of its competitors – for instance, recognising the need for rehydration after a fever or fasting. For the Islamic festival of Ramadhan in 2014 has launched a campaign called 'Ada Kaleng Bisa Ngomong' (translated as 'The Speaking Can') which allows consumers to make a confession to anyone they want.

Pocari needs to stand out from the crowd because, while it dominates the isotonic drink market, it is not a lone brand in this category. The biggest competition comes from Mizone, owned by The Coca-Cola Company. But although Mizone spends a lot of money on marketing campaigns, Pocari is still winning 60% of volume share in urban Indonesia.

GODREJ INTERVIEW

AS A NEARLY 120-YEAR-"YOUNG" COMPANY, GODREJ CONSUMER PRODUCTS LIMITED NOT ONLY MAINTAINS ITS STRONGHOLD IN INDIA BUT ALSO GAINS STRONG PRESENCE IN MORE AND MORE MARKETS ABROAD. MR. SUNIL KATARIA, ITS CHIEF OPERATING OFFICER, ELABORATES A JOURNEY CAREFULLY PLANNED AND WITH FOCUS ON EXECUTION – SURROUNDING A VERY CORE VALUE: INNOVATION.

Mr. Sunil Kataria, Chief Operating Officer, Godrej

Q: Godrej's wins are really stunning. Is the success in line with your plan?
A: Yes. Five years back we set up a vision for 2010 to 2020 aiming to grow 10 times, supported by "3 by 3" strategy: 3 core categories – home care, personal care, hair care; and 3 geographies – Asia, Africa, Latin America. We want to be an "emerging markets multinational". So far we saw an annual growth of 25%.

Q: The key success factors would be?
A: 1. Innovation – the very key to our journey. We've been the fastest growth FMCG company in India for the past 2-3 years. One third of the growth came from new products last year. In Godrej innovation is a foundation of our growth, we are an innovation driven company;
2. Flawless execution – cross functions from sales, marketing, manufacturing, supply chain team, we drive it very hard;
3. Enhanced brands – we really invest to highly differentiate our brands;
4. Cost improvement.

Q: And the key drivers to realize the ambition?
A: 1.Brand platforms – there are 10 brands identified as good drivers, they'll become the master brands for us and we'll make them stronger platforms. We carefully studied any chance to differentiate them. A good example: hair color – the most innovative product in India for the past few years. Its distribution was so low but we believe there was huge potential. We asked ourselves critical questions. Then we came out with sachet packaging, a real revolution which boosted hair color's penetration and made MNCs copy us in this format;
2. Sales & Distribution – we make sure we are technology advanced to track sales of every SKU;
3. Marketing – As Indian consumers become more fragmented, we came out with "IMC (Interactive Marketing Communication) approach" – ie one message singularly for each brand, across all media in a very integrated way.

Q: What were the key challenges faced?
A: As we wanted to really accelerate the launch of new products into markets, we faced hard challenges as to prioritize from the many, and to fund for innovation. We launched many projects, and some were so successful to help us overcome the barriers.

Q: Amid the digital era, what's the most important investment to understand consumers?
A: It's so complex. I believe the key success factors would be:
1. Creating space;
2. Creating competency enablers;
3. Give room for experimentation to your team.

Q: Facing the turmoil created by e-Commerce, what would you say to be key to tackle it?
A: One can't insulate himself completely anymore. We actually gained a lot by opening up in the past few years. So we should ask ourselves how to ride the fluctuations to maximize returns in this economy. I believe that Innovation across functions/distributions is the key. Today consumers as we all know are technology savvy...technology revolution is happening right up to small towns and all segments.

"GODREJ HAS BEEN A GAME-CHANGER IN THE HAIR COLORANT MARKET BY INTRODUCING GODREJ EXPERT RICH CRÈME. THEY DEMOCRATISED THE CATEGORY IN INDIA BY OFFERING CRÈME-IN-A-SACHET, A VARIANT AFFORDABLE TO ALL"

Manoj Menon, Group Business Director, IMRB, Kantar Worldpanel India

MONDE NISSIN INTERVIEW

MR. HENRY SOESANTO, CEO OF MONDE NISSIN CORPORATION IN THE PHILIPPINES, QUIETLY MADE US SEE HOW THE COMPANY'S HEART STARTED BEATING WITH ITS FAMILY MEALTIME MATTERS ADVOCACY.

Mr. Sunil Kataria, Chief Operating Officer, Godrej

Q: It's the year Lucky Me!, the flagship brand of Monde Nissin, is celebrating its 25th year. Only 6 years after its launch in 1989, Lucky Me! became the market leader in the category. In the Kantar Worldpanel 2014 Brand Footprint Report, it emerged as the most chosen and most purchased brand in the Philippines, reaching 98% of households. Would you reveal how you chose the category in the first place, and how Lucky Me! has evolved.

A: The market was very small back then, and there was no research to rely on. I traveled across Asia, observing what was hot. Then I believed that there's huge potential in the Instant Noodle category and made the decision to step in, aspiring to be Number One. There are 3 key elements in Lucky Me!'s evolvement:
1. Good product – we pledge to offer only premium quality;
2. Novelty promotion – to gain trial and loyalty;
3. New Variety (Innovation) – with offerings never seen in the market before, such as Instant Fried Noodles.

Q: Instant Fried Noodles immediately became hot sales. How did the idea for such news come to you?

A: Filipinos love fried noodles a lot. We aspire to provide what consumers want. Then it's R&D's job to make sure it is born.

Q: In other words, consumers drive innovation?

A: It says in our mission: to uplift the lives of the people we serve. We want to be their 'reliable partner', for them to count on anytime, anywhere. We are the first in the Philippines communicating to consumers that we care for the happiness and health of their family members, shifting product benefits from the functional to the emotional.
We launched many initiatives to build brand value such as the Lucky Me! Noodle Factory Tour, that allows school children to visit our plant and learn how instant noodles are made; Pack & Play, which goes to schools nationwide to promote the importance of breakfast; and the truly impactful 'Family Mealtime Matters' advocacy which aims to encourage all families to nurture the bond between each member by spending mealtime, especially dinner time, together. Its significance was strengthened with the support from President Benigno Aquino III, and every 4th Monday of September is celebrated as FaMEALy Day all over the country since 2012.

Q: We also see Monde Nissin's footprints on more and more countries. What's the expansion plan?

A: Our products are now sold in 35 markets around the world, basically following where Filipino foreign workers go. We definitely see potential to grow outside ASEAN countries. We aim to have strong presence in all Filipino communities abroad in 5 years.

Q: How do you see e-Commerce platform?

A: We foresee very dynamic competition coming. On the other hand, consumers are getting more and more empowered. A lot of challenges there, with abundant opportunities to be explored as well.

"LUCKY ME! REACHES ALMOST EVERY FILIPINO HOUSEHOLD, WITH 98% PENETRATION. WHY IT'S IN OUR RADAR? MONDE NISSIN IS PREPARING TO DEBUT ON THE LOCAL STOCK EXCHANGE IN 2015-2016"

Alexandre Duterrage, General Manager, Kantar Worldpanel Philippines

VINAMILK
from State-owned to world-class

Honored for the third consecutive year as one of the National Brands in 2014, and the only one from the dairy category, Vinamilk is the number one brand (in Urban 4 key cities) according to Kantar Worldpanel's Brand Footprint Ranking 2015 and it has gained recognition as the leading nutrition group in Vietnam.

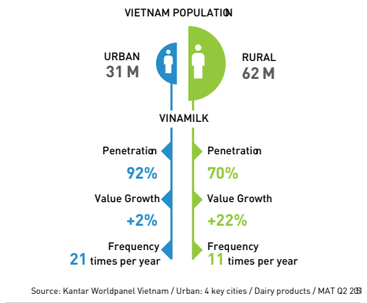
With nearly 40 years of innovation, Vinamilk today generates around USD 1.5 Billion a year in revenue, the most among food makers in Vietnam. It aims to increase its sales to $3 billion by 2017 to join the ranks of the world's 50 biggest dairy companies.

Established in 1976 as a state-owned enterprise, Vinamilk has developed diversified products in various flavours, variants and packaging; priced at an affordable level. Vinamilk has an innovative face: their Milk Powder Weight Loss, Milk Powder Canxi and Vinamilk A&D3 in fino bag format prove it.

Recently the company announced its intention to reduce State ownership to increase its efficiency and competitiveness. Dairy products are relatively new to Vietnamese life and the country has no tradition of dairy farming. In the past, most milk sold in the country was produced using imported powdered milk. Vinamilk changed this by launching the first large-scale dairy farm in Vietnam in 2006.

Vinamilk has a very strong distribution system with 183 distributors and nearly 94,000 retailers. Vinamilk is today the market leader in Vietnam´s dairy market and has ambitious expansion plans. They plan to spend USD 178 M for Mergers & Acquisitions activities, investment cooperation to expand markets and developing material sources for production during this year.

VINAMILK LEADS THE MARKET BUT STILL FACES SIGNIFICANT HEADROOM FOR GROWTH IN RURAL VIETNAM



Vinamilk collaborates with a Milk Fund called "Vietnam Never Stops Growing", in partnership with the National Fund for Vietnamese Children. The programme has already brought over 22 million glasses of milk to over 307,000 children in Vietnam.

JUNLEBAO
the local dairy you can trust

Years after the milk scandal in 2008, Chinese consumers are still concerned about the safety of dairy products, especially those for babies. The scandal boosted the demand for foreign products; after 2009, more than 100 foreign brands flooded into the Chinese market. To revive the badly wounded local dairy industry and to compete with the high-priced imported brands, Junlebao ("JLB") launched its infant formula in April 2014 – which is not only cheaper, but also of a high quality. The newly launched brand was mainly sold online and was listed as the bestselling infant formula brand in "6.18 Party" (mid-year sales promotion) on T-mall (formerly Taobao Mall, an e-Commerce platform of Alibaba Group).

Shijiazhuang Junlebao Dairy Co., Ltd., founded in 1995, produces liquid milk, yogurt, lactic acid bacteria drinks (LAB drinks), and infant formula. Its yogurt ranks fourth in national market, while its LAB drink (under the brand "Meirihuojun", meaning "daily viable bacteria") is third. Penetration kept increasing in 2014: yogurt up to 16.7% from 15.6% a year ago; LAB drinks to 14.1% from 12.9%.

Behind these achievements is JLB's relentless pursuit of innovation. Their annual budget for R&D accounts for 5% of sales ensuring it is capable of developing star products, e.g. Chinese date-flavored yogurt.

Aiming to become China's nutrition and health dairy leader, JLB has built a comprehensive quality management system. In July 2015, it passed the British Retail Consortium (BRC) Global Standards and became the first infant formula manufacturer around the world to hold BRC certification of the highest level.

JUNLEBAO IS AMONGST THE TOP 10 CHINESE BRANDS THAT RECRUITED NEW BUYERS THE MOST IN 2014.

CHIN-SU (NAM NGU)
affordable branded fish sauce

Fish sauce is a staple Vietnamese consumer product. The market contains many small, unbranded local producers whose products are typically sold in traditional trade channels. With the increase in disposable income, the market has shifted significantly to the branded segment, benefiting players like Masan Consumer, Chin-su Nam Ngu's manufacturer.

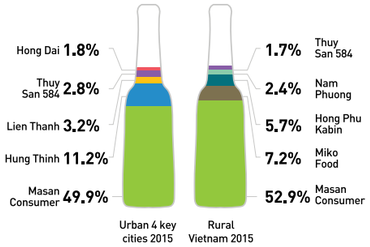
FISH SAUCE IS A TRADITIONAL SEASONING PRODUCT PURCHASED BY 98% VIETNAMESE HOUSEHOLDS. A BASIC INGREDIENT FOR EVERYDAY MEALS.

Although not a pioneer in the fish sauce market in Vietnam, since its launch in 2007 Chin-su Nam Ngu has managed to win consumers' hearts and has quickly become Vietnam's favorite brand, approaching 50% in-home market share today. In Kantar Worldpanel's Brand Footprint 2015, it holds the first place in rural areas and the second in the urban areas.

Differentiated from Chin-su, Nam Ngu, the premium brand aimed at high-end consumers is a mass-market product targeting those looking for an affordable and safe alternative to unbranded fish sauce. In 2012, Chin-su Nam Ngu was launched, marketed as the premium fish sauce with the aim to upgrade Nam Ngu users to the Chin-su brand.
Masan Consumer, established in 2000, is one of the largest Vietnamese FMCG companies. It holds the leading position in the food and beverage industry. It ranks as the 2nd most chosen FMCG manufacturer in rural Vietnam (after Unilever) while the 3rd in urban 4 key cities (following Vinamilk and Unilever), according to Brand Footprint 2015.

MASAN CONSUMER´S FISH SAUCE BRANDS DOMINATE NATIONWIDE

15,000,000 Vietnamese shoppers buy Masan Consumer´s fish sauce
Value Share%



Source: Kantar Worldpanel Vietnam / Fish Sauce / MAT Q2 2015

KEY FACTS | MASAN CONSUMER

COUNTRY OF ORIGIN: Vietnam

AREA SERVED: Vietnam, USA, Canada, France, Middle East, Germany and other Asian countries

FOUNDED IN: 2000

INDUSTRY: Food and beverage products, including soya sauce, fish sauce, chili sauce, instant noodles, instant coffee, instant cereals and bottled beverages

TRADED AS: MSN

WEBSITE: http://masangroup.com/

REVENUE: USD 700 M

SHOPPER BASE: 15 M Households

BRANDS: Chin-Su, Nam Ngu, Tam Thai Tu, Omachi, Kokomi, Vinacafé, Wake Up, Kachi and Vinh Hao

INTERESTING FACT: Masan Consumer was the first player to introduce a fish sauce product in plastic bottle package, to better reach low income consumers.

FAMI
success from a single-minded strategy

Fami was merely a single brand in a wide range of Vinasoy's offerings in the beginning. Like other dairy companies, the 1997-established Vinasoy provided a variety of dairy goods from pasteurized milk, to yogurt, to ice cream. When the company was on the brink of bankruptcy in the early 2000s it shifted its business strategy to focusing on increasing the value of soybeans becoming the first and only company that specialized in soya milk products. Today, Vinasoy not only takes the lead in soymilk production in Vietnam with 80% market share, but also has been listed amongst the five largest soymilk manufacturers in the world.

The Christmas of 2001 marked something of a turning point for Fami when it was selected by the Ministry of Agriculture as the exclusive soymilk provider for the Ministry's "Milk For Vietnamese Schools Program" to provide milk to young students in remote and disadvantaged areas. As the national market leader, Fami has dominated in rural areas with about 90% share - and the demand there is still vigorous. Soy Milk grows by 37% in rural Vietnam, the fastest growth in all Asia.
Fami´s shopper base increased 16% in 2015, thanks to recruiting new buyers mainly in rural Vietnam. Fami reaches the most remote areas thanks to their massive network of 600 distributors throughout 63 provinces.

Fami's success was affirmed when it won several prestigious prizes, including "Top 10 Vietnamese Famous Trademark Winner" in 2013 and 2015, and "Top 20 Asian Famous Trademark" awards in 2013.

Vinasoy's long-term development strategy is to meet the need of domestic market first, and then to export to China where the potential is huge.

MASAN CONSUMER INTERVIEW

MR. SEOKHEE WON, CEO OF MASAN CONSUMER CORPORATION, SHARES THE DRIVERS BEHIND HIS COMPANY, ESTABLISHED ONLY AT THE TURN OF THE MILLENNIUM, WHICH HAS BEEN ORGANICALLY GROWING AT A DOUBLE DIGIT RATE BETWEEN 2006 AND 2012.

Mr. Seokhee Won, CEO of Masan Consumer Corporation

Q: What would you say has contributed to Masan Consumer's amazing growth the most?
A: I think we've done well in 3 critical areas. Firstly, putting Vietnamese consumers first. Staying connected with our Vietnamese consumers across the country. This is the only way we can have a competitive advantage in fulfilling their unmet needs. A seamless blend of meeting their everyday needs with safe and nutritious products at an affordable price available everywhere even in deep rural. Secondly, speed and agility. It's getting more and more important to adjust swiftly to satisfy consumers' ever-changing needs. It's something Masan has an edge over other local companies and Multinationals. Over the years, we have invested heavily behind building our brands strengthening their equities and manufacturing platforms and R&D. This allows us to be fast in innovation development and deployment in route to market. At Masan, we think and benchmark global and serve local. Thirdly, talent management. We have strived to be the destination for top talent and continuously work hard to bring in the best talents in Vietnam to Masan. After all, it's the people behind the brands. It's the people that make, deliver and service our retailers that make us strong. From the factory shop floor to our experienced leaders in the board room we are united in creating better lives for our Vietnamese consumers.

Q: In your view, what is Masan Consumer's biggest achievement?
A: Masan has been successful in serving the Vietnamese consumers to enrich every family's nutritional needs by providing safe and hygienic products to improve their physical and spiritual lives each and every day. The fact that 98% of households in Vietnam consuming at least 1 Masan product is the biggest achievement that we are most proud of. A true testament that at Masan we do well by doing good.

Q: Looking ahead, what's the top challenge for Masan Consumer?
A: Talent acquisition and development remain to be our biggest challenge hence it's also our number one priority. We are obsessed with this agenda. It is our collective mission to attract, coach and develop our own leaders. We must strive to be the best breeding ground for talents in Vietnam. It's our ultimate goal to build a culture where everyone has the spirit of ownership. Secondly, to make the vision and the purpose of Masan truly lived by everyone every day. We need to retain the mindset of how we started the journey. The passion and hunger that we can do better each and every day. We cherish what got us here and constantly challenge ourselves to raise the bar to take Masan to new heights.

Q: Geographically, what's Masan's expansion plan?
A: For Masan, the principle behind expansion is not geographical, it's consumer centric. At the center of everything we do, we truly put our consumers first. If our expertise, technology and R&D platforms and deep local consumer insights can extend to the people in regards to their usage, attitude, taste and preference then we may consider serving the people in that particular country.

"MASAN HAS DEVELOPED A NATIONWIDE DISTRIBUTION NETWORK WITH 230 DISTRIBUTORS, COVERING APPROXIMATELY 230,000 POINTS OF SALE—ONE OF THE LARGEST AND DEEPEST IN VIETNAM'S FMCG SECTOR."

David Anjoubault, General Manager, Kantar Worldpanel Vietnam

YFY INTERVIEW

MR. FELIX HO, CHAIRMAN OF YUEN FOONG YU CONSUMER PRODUCTS GROUP (YFY), REVEALS HOW HE LEADS THE 91-YEAR-OLD ORGANIZATION THROUGH THE PROGRESSION FROM A MANUFACTURER- TO A CONSUMER-DRIVEN-MINDSET.

Felix Ho, Chairman, Yuen Foong Yu (YFY)

Q: From a paper company to "more than a paper company" with a leading household cleaning brand producing natural products, would you tell us about the turning point YFY went through?
A: YFY used to be a manufacturer, very capital-investment driven, kind of commodity business model. It was more than 10 years ago that Taiwanese firms got the idea of branding, realizing the importance of winning consumers' loyalty. From 2007 onwards we learnt that it's not just about consistent quality, but quality that answers consumers' needs. The consumer is the core of everything. If forgotten disasters result. If thinking of it consistently, it´s where you start to build a brand. Obviously, understanding the consumer is a very big portion of that.

Q: What were your key strategies that delivered breakthrough over the past 10 years?
A: 1. Investing in research. It's a crucial investment to understand consumers;
2. Distribution – to make sure products are available for consumers to purchase;
3. Investing in communication – consumers won't buy it if they don't know about it.

Resistance from within shareholders was huge. It was a tough call to invest in communication and marketing which can't be depreciated over years when this organization had only been doing manufacturing for nearly 50 years. By showcasing small wins you'll convince everyone to do a bit more, and more. That's the progression not only within the organization but also with consumers. Brand equity is the trust that consumers place in you. That's slow to gain, internally and externally. I've been determined that fulfilling consumer needs and creating that value for consumers, will bring value to shareholders.

Q: We feel your genuine desire to fulfill consumer needs – something wonderful to see. Do you think that's what makes what you are today?
A: We did what most Multinational Companies did. Success can be copied if you are persistent. The difference is that being a local company means you are closer to consumers. You understand them better and you feel the pulse of the environment better. We are responsible for future generations. We could have marketed our natural cleansing product as a niche product, but we didn't. We feel, to make a real impact to the people and the land here that has to become mainstream.

Q: How does YFY step into the era of digital media?
A: We've been watching this for a decade and were probably one of the earliest to build an internet team. It's truly difficult to harness. Our key learnings are:
1. Be genuine. You have to do it right from the heart. A Brand is like a person.
2. Distribution – like physical products, communication needs to be distributed as well. It has to be two-way by being highly interactive with consumers. For consumer goods, people won't follow you. You have to let it flow naturally.
3. You need to prepare in advance before being questioned or challenged by consumers.

Q: What are your ambitions for growth?
A: Growth is a benchmark indicating whether you've had provided the values consumers want. I'm less interested in growing for the sake of growing geographically, but more interested in growing in density or variety.

"YFY ARE DEVELOPING A BLUEPRINT FOR A GREEN BUSINESS, AND THIS FORCES OTHER MANUFACTURERS TO FOLLOW"

Yvonne Wang, General Manager, Kantar Worldpanel Taiwan

UNI-PRESIDENT ENTERPRISES CORP.
built on core values

It's its founder's belief that a company wouldn't be able to succeed without values. For his company, a small flour mill back then, he insisted that the values would be: Good quality, Good credibility, Good Service and Fairness. With that at its heart, Uni-President Enterprises Corporation ("UPEC") has evolved to be one of the top food conglomerates in Asia with products exported to over 30 countries around the world.

UPEC has about 200 subsidiaries and affiliates worldwide under its six major divisions: Provisions group, Dairy & Beverage, Instant Food, General Food, Consumer Health and Logistic group. Taiwanese in their 40's grew up with UPEC instant noodles and puddings. It's still the No.1 brand in several categories: Instant Noodle, RTD tea (68% and 72% penetration respectively), Pudding and Drinking Yogurt (67% and 62% value share). It took the top spot in the 2013 and 2014 Brand Footprint Report, Taiwan, with another four of its brands sitting in the top 20.

Aiming to be a truly global player, UPEC keeps reinventing itself by harnessing innovation and investing in related businesses. It's a superpower not only in FMCG food but also in Retailing (7-11, COSMED the personal care chain, Dream Mall, Hankyu Department Store, MUJI furniture, etc). And it's a game changer: The way 7-11 operates re-defines convenience stores: It's no longer news that people can get tickets for entertainment or mass transportation, pay their bills, or have laundry taken care of at 7-11.

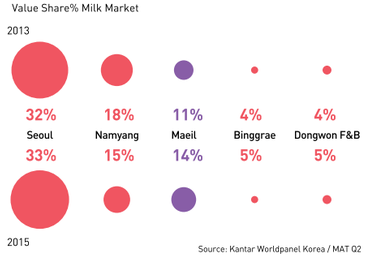
MAEIL DAIRY
everyday health keeper

Maeil or Mae-il is a Korean word meaning "everyday".

Maeil Dairies Co., Ltd. is mainly engaged in the manufacture and marketing of dairy products. Established with government support in 1969, Maeil's mission has always been to provide Koreans with healthy fresh milk at reasonable prices. Its continuous efforts to advance the production system for high quality dairy products has won it a wider consumer base and higher loyalty. National penetration has increased from 56.7% to 58.9% over the past 3 years.

Maeil's product portfolio consists of infant food, milk, beverages, cheese, wine and others. Maeil grew its shopper base from 55.8% to 56.7% in the saturated milk market in Korea. It's also taking the lead in baby powdered milk with high loyalty of moms. The company's products are highly recognized not only in domestic market but also in many of the 20 global markets it exports to around the world. In Saudi Arabia, for instance, Maeil ranks the 4th most popular diary producer.

MAEIL HAS GAINED 3 SHAREPOINTS IN THE PAST 2 YEARS



MIE SEDAAP
daring to challenge the no.1 in the market

Hardly anyone would have believed that Mie Sedaap would one day be fighting head to head the leading position of Indomie, the "legendary brand" that had dominated the instant noodle market in Indonesia for three decades, when it was launched in 2003. To people's amazement, it grabbed a significant share from the leader within only two years of launch. This was not a fluke: Mie Sedaap, along with Indomie, remain in the top spot of the most chosen brands of the year (Brand Footprint 2015 Ranking).

Changing lifestyles of Indonesians to pursue convenience is no doubt a main driver for Mie Sedaap's success. On the other hand, the effectiveness of its own strategy when launched is has been key to its success:

- Penetration – focusing on rural areas;
- Offering – bigger pack size; cheaper price

Mie Sedaap is the only instant noodle having an ISO 22000 certification in Indonesia.

BRIGHT
new kid on the block

Bright, a state owned dairy company, saw rapid growth in the last year pushing it up two places in Kantar Worldpanel´s Brand Footprint ranking to become the sixth most widely purchased brand in China.

Bright has traditionally lagged behind key competitors Yili and Mengniu, a situation compounded by missing out on the rapid development of the UHT milk market in China. Learning from this experience Bright developed and launched the new UHT brand, Momchilovtsi Yoghurt, capitalizing on Chinese consumers' willingness to pay premium prices for products offering international credibility.

Momchilovtsi originated from the eponymous village in Bulgaria. Locals here are famed for their apparent longevity, reputedly attributable to their consumption of local yoghurt. Bright creatively built this into a convincing brand story, utilizing the Bulgarian origin of their bacteria to convince Chinese shoppers to pay a premium for UHT yoghurt. The brand's rapid success ensured the emergence of a new segment in yoghurt - ambient drinking yoghurt- (meaning that can be stored at room temperature) with Yili and Mengniu soon developing their own ´me too´ versions of Momchilovtsi.
In 2015 Momchilovtsi has continued to perform well driving overall Bright growth. The use of UHT has allowed the brand to overcome traditional barriers posed by the limited availability of refrigeration units. Momchilovtsi has aggressively expanded distribution across Eastern China into more remote regions and lower city tiers, enabling it to bring in a whole new set of consumers to Bright.

THE TOP 10 RISE LOCAL BRANDS

	Brand	CRP	CRP Growth	Penetration
1	Bluemoon	190.993.422	19	46,5
2	Junlebao	184.524.965	13	23,3
3	Sanquan	160.008.460	12	37,2
4	Space 7	163.895.109	12	32,4
5	Lee Kum Kee	160.463.218	9	35,4
6	Taoli	138.799.070	8	17,6
7	Haday	394.520.793	7	64,5
8	Vinda	264.116.787	6	46,2
9	Bright	505.399.209	5	47,5
10	Daliyuan	346.413.162	3	59,7

Source: Kantar Worldpanel – CTR China / Brand Footprint Ranking 2015

Overcoming the barriers of limited availability of refrigeration units in more remote regions and lower city tiers in China, the use of UHT has allowed Bright to aggressively expand the brands' distribution.

ABC
focusing on the basics

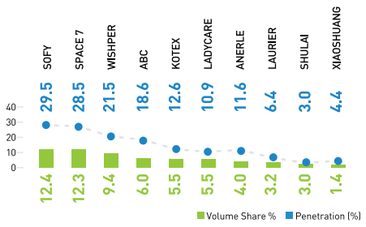
Launched in 2002, ABC now ranks as the 4th sanitary napkin brand in China with a surge in volume sales in fiscal year 2014/15 (year-on-year +5.1%) while the total market stayed flat. The fact that its push in key channels yields such a favorable outcome demonstrates its value perception by consumers. And yet, it's not a brand that was built by heavy advertising in the first place.

The Kingdom Sanitary Products Co., Ltd, Guangdong, ABC's parent company, was founded in 1998. The market was dominated by Multinational Companies when Kingdom launched ABC. With no money for large-scale advertising, Kingdom knew it had to get the basics right especially on two fronts: the product, and the target consumer.

Kingdom's target is the young female, mostly the only child under China's family policy. To appeal to their sense of beauty, Kingdom hired a renowned fashion designer from Hong Kong to give its product a fashionable look and feel. It also set up a website to engage these young women with all sorts of beauty and social tips as well as product information.

More importantly, Kingdom differentiates itself by the fact it's the only pads manufacturer that uses "KMS" disinfectant, a formula developed by a pre-eminent institution, the Sun Yat-sen University. It proves that ABC pads are not just brilliant on the surface. Another peculiarity about ABC is their "tea tree essence" product line. Sales grew exponentially as users' positive experiences spread by word of mouth.

ABC AND SPACE 7:
CHINESE BRANDS GROWING THE FASTEST IN THE SANITARY PROTECTION MARKET IN URBAN CHINA



Kantar Worldpanel - CTR China / MAT Q2 2015 / Pads

ABC, originally standing for "Always Being Clean", has now extended its brand identify to "always being Charming, Cheerful, Comfortable, and Confident". Let's guess how many women there are who would identify with these traits!

REBISCO INTERVIEW

COMMITTED TO MAKE PEOPLE DELIGHTED WITH HIS PRODUCTS, MR. JONATHAN NG, PRESIDENT OF THE REPUBLIC BISCUITS CORPORATION (REBISCO), TALKS ABOUT HIS JOURNEY TO DECODE CONSUMERS' THOUGHTS.

Mr. Jonathan Ng, President of the Republic Biscuits Corporation

Q: One of the largest biscuit and snack manufacturers in the Philippines, Rebisco has 3 brands listed in Kantar Worldpanel's Brand Footprint Ranking 2015. Among numerous players in the snack category, only six made it to the list. How did you get to this point?
A: We started very small in a small area with my dad making traditional biscuit. In two years we relocated to a bigger facility becoming a volume builder. About 10-15 years ago many sophisticated players stepped in and we said: "Volume is not enough. We have to look after consumers." The first thing is to know what consumers like and dislike about our products versus competitors. The next is to concentrate on R&D in order to answer their requirements. We thus transformed from a 'just selling' mode to 'consumer marketing' by managing consumer's expectations.

Q: Consumers' expectations are never easy to manage. How did you break through?
A: We do a lot of research, and we develop new products all the time. We run many panels, focus groups, test market, etc. We have transcended looking at just developing basic products, but to get products you see outside the country, try to bring them in, and develop them with quality at a very popular price, so people can enjoy. We ´Filipinize´ them. It takes much experience to interpret – consumers might very well say one thing and do something different. Luckily we've developed the ability to read between the lines.
It's our commitment to make delightful moments possible, everyday and everywhere, including markets abroad. Being more than 50 years old in this business, we have become some sort of a Filipino favorite already, with OFWs going abroad, giving them a taste of home, so they won't be homesick too much. Now our products are now present in 51 countries. And we are working on the 'brand essence' for our major brands. We want more and more people to feel comfort and delight with our product offerings.

Q: During the transformation, was there much resistance or was it a smooth process?
A: Quite smooth actually. Rebisco is very information-driven with a culture where everyone naturally asks 'why?' and moves with facts.

Q: How would you envisage Rebisco in 5 to 10 years?
A: 1. A dominant player in the A: Our vision 6-7 years ago was very local -- to be the biggest player in the Philippines. Then after a while, we said we are here already, so what's next? So we crafted a new one telling us to go further away, open up new doors, new horizons, not just in the Philippines, but around the world. So, again, using the strategy of using the OFWs to first have a sense of home, and from there build on and go mainstream, put in marketing and promotions support for it, and we'll see how it goes from there. Our motivation is expressed in our vision which recognizes the heritage we've built and our people committed to making best value and delicious-tasting products, to delight as many people around the world as we can, everyday.

"WITH A DIASPORA OF SOME 10 MILLION, REBISCO FOCUS ON EXPORTS TO SERVE THE OFWS, GIVING THEM A TASTE OF HOME. REBISCO AIM TO GROW FROM THE CURRENT 5% OF THE COMPANY'S REVENUE TO 20% IN THE NEXT FIVE YEARS."

Fabrice Carrasco, Managing Director, Kantar Worldpanel Philippines, Vietnam and Indonesia

MARICO INTERVIEW

MARICO IS ONE OF INDIA'S DYNAMOS TIPPED TO GO GLOBAL. ITS CHIEF MARKETING OFFICER, SAMEER SATPATHY, SHARES HIS VIEWS ON HOW TO BUILD A GLOBAL BRAND FROM EAST TO WEST.

Sameer Satpathy, Chief Marketing Officer at Marico

Q: Tell us what success looks like for you?
A: Marico has embarked on a very distinct journey. We are now operating in 27 countries and it's been a very consistent, organic growth. The key to our success is having a clear strategic mission from the beginning: a unity throughout the organisation. You need to know what you want to do. Does it take a portfolio of brands to do it? Do you want to grow a single brand? Do you want to do it through value growth or volume growth? Do you want to try a combination? Which route you take is up to you. But clarity and unity of vision are crucial.

Q: Where do you see the opportunity for growth within existing markets?
A: In the past few years our core objective has been to grow market share. Now we are leaders in most of our categories, in most of our markets,nd that puts the onus on us to develop the market.

In under-penetrated categories the game is to get more consumers. Having a clear proposition will give you a set of values which will appeal to a certain sector of people. A sense of uniqueness about your brands and positioning gives you scope to develop and appeal to new consumers.

We go wrong when we try to place too many bets on the table. You must envision the future and then ask whether your portfolio is in line with this future.

Q:What advantages are there to being a relatively young brand-owner?
A: Social, economic and political environments have always been volatile in some countries and that naturally affects the future and the fortunes of FMCG markets across the world. What is required of a company in this context is nimble-footedness, resilience and people who are committed to the long term.

We firmly believe that consumers still need basics; consumer impulses remain the same. The need for hygiene is still there. The need to be presentable is still there. The need to eat every day is still there. And as long as we keep focusing on the consumer and their needs, the short term disruption should not impact us.

When the environment shifts, you have to be prepared to change your plans. If oil drops to $40 from $100, is that going to impact business? Yes. Some say it will be positive; some say it will be negative but it will definitely change your plans. You have to be agile enough to come back, regroup and re-grow.

That speed is critical and relies on the ability of the organisation to gel together as a single fighting unit. If everyone understands the cause, they understand why the change is required and it's implemented very quickly.

Q: How are you planning for global expansion?
A: There are some countries where we are dominant leaders and those where we are not. We need to share this knowledge to effectively manage the category and drive innovation in our portfolio across the globe.

We are looking at how we best operate in multiple markets in a manner that is still fast, entrepreneurial, yet enjoys all the advantages of scale. That requires some innovation in the way we structure ourselves, a lot of internal trust, and a culture which encourages cooperation.

Critical to this is intelligence, innovation and talent. Talent in the end is the main ingredient to build a brand footprint across the world: global expertise has to come from people.

Critical to this is intelligence, innovation and talent. Talent in the end is the main ingredient to build a brand footprint across the world: global expertise has to come from people.

"MARICO SEEKS GROWTH BY DIVERSIFYING AND ENTERING NEW CATEGORIES"

Manoj Menon, Group Business Director, IMRB, Kantar Worldpanel India

NIHAR HAIR CARE

benefiting from the increasing popularity of personal care products

A rise in disposable incomes in India, particularly in non-metro areas, is fueling a significant change in Personal Care purchasing habits.
One brand reaping the rewards of this change is Nihar Naturals, a portfolio of hair care products including Coconut Hair Oil and Shanti Badam Amia Hair Oil. Positioned as a "quality solution for the needs of the progressive woman", the brand is capitalising on the growing confidence of women and mothers in the region.

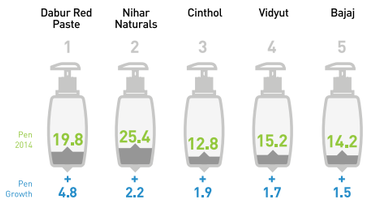
Nihar Naturals continues to invest in its marketing activity, with television ads featuring the brand's celebrity ambassador, Vidya Balan, a Bollywood movie actress and branded social media channels providing tips on keeping hair healthy. The company also launched a promotional campaign that supports schools and pupils with uniforms, books and stationery.

The brand is one of India's fastest risers, thanks to expanding its shopper base (increased 2 penetration points last year).

PERSONAL CARE GROWS FASTER IN NON-METRO INDIAN REGIONS

Source: IMRB Kantar Worldpanel India / MAT Q2,15 vs. Year ago

TOP 5 LOCAL RECRUITERS IN THE HEALTH & BEAUTY SECTOR IN INDIA



Source: IMRB Kantar Worldpanel India / Brand Footprint 2015

ONE IN FOUR INDIAN HOUSEHOLDS PURCHASE NIHAR PRODUCTS.

KEY FACTS | MARICO

COUNTRY OF ORIGIN: India

AREA SERVED: 25 countries in emerging markets

INDUSTRY: Hair Oils, Hair Styling, Hair Colorants, Body Lotions, Deodrants, Cooking Oil, Oats, Muesli, homecare

TRADED AS: MARICO

WEBSITE: http://marico.com/

REVENUE: (INR M): 46,870

OPERATING EBIT: (INR M): 8058

EMPLOYEES: 3200

SHOPPER BASE: 146M Households (57% Penetrarion In 2014)

BRANDS: Parachute Advansed, Saffola, Hair & Care, Nihar, Mediker, Revive, Manjal, Setwet, Zatak and Livon. Marico's international portfolio includes Parachute, Hair Code, Fiancee, Caivil, Hercules, BlackChic, Code 10, Ingwe, X-Men, L'Ovite and Thuan Phat

INTERESTING FACT: Marico Innovation Foundation works with social organizations, philanthropic institutions and social entrepreneurs to nurture Innovation. The end goal is to benefit underserved communities

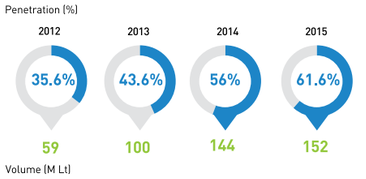
TEH GELAS
simple choice of taste and high-tech

Entering the 4th year from its launch in 2007, Teh Gelas succeeded in becoming No 1 in a very tight RTD tea category in Indonesia. Today, it leads in both in-home and out-of-home consumption, with 25% value share and 62% penetration in 2015. That, Teh Gelas claims, is a result of its commitment to use only the best quality ingredients and its relentless pursuing of innovation.

Influenced by a trend in developed Asian countries where people look for functional drinks which are proven good for health and beauty, and by a changing lifestyle in urban areas where convenience goods are valued, more and more of Indonesian population had consumed RTD drinks, tea in particular. PT CS2 Pola Sehat, a subsidiary of Orang Tua Group, took note and launched Teh Gelas – a healthy tea, rich in natural antioxidants, brewed from quality all-natural tea with 100% cane sugar – in cup packaging, reflecting a focus on consumer needs. Encouraged by its quick wins and RTD team's fast growth, Teh Gelas continued to launch in carton pack in 2013 and PET packaging the next year, to cater to customer's needs anytime and anywhere.

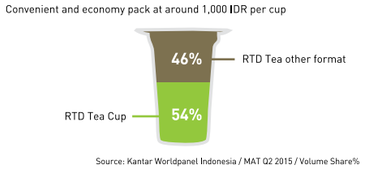
And one might be amazed to know that the triumph of Teh Gelas tea has been reached by 2 variants only: original, and green.

TEH GELAS RAPID GROWTH IN NUMBERS



Source: Kantar Worldpanel Indonesia / MAT Q2 2015

CUP IS THE MOST PURCHASED PACKTYPE IN READY-TO-DRINK TEA MARKET IN INDONESIA



Source: Kantar Worldpanel Indonesia / MAT Q2 2015 / Volume Share%

SIX WALNUTS
touching people's hearts

Founded in 1997, Yang Yuan Beverage Company Limited is devoted to producing healthy drinks to help the public be happier and smarter. The company's diligence and brilliant performance have won it numerous awards and recognition from the government. The brand launched in 2005, Six Walnuts, really marked a significant step in this company's climb to a true.

Six Walnuts, as the brand name suggests, is a product distinguished for its walnut ingredients. Often considered as the "king of nuts", walnuts have proven to contain almost twice as many antioxidants as an equivalent amount of any other commonly consumed nut. Research shows that liquid formats of nutritional supplements have a much greater bodily absorption. That's how Six Walnuts started and it has achieved whirlwind sales. By 2014, Six Walnuts reaches 40 million households, or 26.3% national penetration, while 52.5% of households purchased more than once, based on a Kantar Worldpanel study.

Having Chen Luyu (a Chinese talk show hostess described as "China's Oprah" owing to the popularity of her talk show) as the spokesperson has proved to be highly successful in delivering the brand message. What really drive people's awareness to the brand, however, is probably its marketing keywords: "Drink Six Walnuts often for overworked brains", a homerun message hitting right to the hearts of its target consumers: students, white collar workers and entrepreneurs. Summer time in China used to be a low season for healthy drinks; Six Walnuts reversed the trend and making "the baking season" (for college and high school entrance examinations) its most profitable period each year. Six Walnuts has turned an alternative drinks category, healthy drinks, into a mainstream category.

SIX WALNUT SUSTAINED GROWTH IN CHINA

Source: Kantar Worldpanel - CTR China / Urban China

SANQUAN INTERVIEW

MR. CHEN XI, CEO OF SANQUAN FOOD CO LTD IN CHINA, DISCLOSES HOW HIS COMPANY EVOLVED FROM A FROZEN RICE-BALL MAKER TO A "SOLUTION" SUPPLIER TO HELP BETTER MODERN PEOPLE'S LIVES AT THE DINING TABLE.

Mr. Chen Xi, CEO of Sanquan Food Co. Ltd.

Q: Frozen food grew by more than 10% in value from 2013 to 2014, significantly ahead of overall FMCG in China. Sanquan, as the market leader, was the key contributor. Would you walk us through the path of Sanquan's evolution?
A: Sanquan started with my father inventing frozen rice-balls and mass-producing them 20+ years ago. Back then, goods themselves were brands; anything produced would sell with high margins. That changed in the late '90s when China witnessed overcapacity. Channels became the key to winning. We thus built our own distribution network around the country and were forced to expand the product range in order to have enough sales to support it. We found ourselves being a manufacturer of a full range of frozen food by 1998. Then came the drastic change from consumers. By 2008, Chinese consumers' demand for high-end, premium goods increased fast. We'd noticed that trend since 2004/05. In 2009, we set out our vision to pioneer gourmet offerings, providing meal solutions for time-poor consumers in the modern day.

Q: Sanquan is obviously very good at adapting to change.
A: Born poor, you have no choice but to stay agile. Going with the flow, we transformed from being product-driven to service-driven. We know we have to get really close to consumers, to act more swiftly, and to be a truly energetic brand, otherwise we will be dumped by the highly trendy Chinese consumers. That makes branding more important – so consumers will see who we are immediately.

Q: Would you elaborate a bit about your vision as to be the chief supplier of gourmet ready meals?
A: In the fast-paced business world, it becomes a luxury to have a proper meal, let alone to enjoy it. We want to offer a total solution. To illustrate with a real case: You can place your order for lunch – a Sanquan hot meal – via your smart phone on your way to the office in the morning, and enjoy it from a delivery guy at noon, saving you 30 minutes taking a lift down & up the office building. A case of Online to Offiline (O2O). We move as the market goes. We are now thinking about how to help people save time in dinner preparation to enhance quality family interaction at the table.

Q: We do observe that great local players really know how to take advantage of agility. As Sanquan grows into such a big company, there must be some organizational changes?
A: Yes, many adjustments are done to make us fitter. However, I think we have the following strengths as a company:
1. Flat structure – with 2-layers for decision making;
2. Entrepreneurial spirit is still strong. Everyone is fighting for the same goal. No one would use the objectives of his department as the only KPI.
3. Focus. Even though we're listed on the stock exchange, Sanquan is not reacting to every price fluctuation. We are doing what we really love. It's a blessing in China – the scale here is big enough for you to focus on what you do best. We are driven by a genuine passion to earn consumers' recognition.

Q: The new media/e-Commerce is flying in China. Your comments?
A: It's vital, especially for the youth. We are trying to make the best use of it. Our learning so far: The online channel is different from offline. It won't work if you just put your products online. It takes a whole new thinking, from the product itself to channel management to communication (and language).

"SANQUAN´S WISH IS TO HELP PEOPLE ENJOY THE ESSENCE OF CHINESE GOURMET "

Jason Yu,
General Manager,
Kantar Worldpanel
CTR China

VINDA INTERVIEW

DONG FANG CHANG , CEO OF VINDA GROUP, THE DOMINANT HOUSEHOLD PAPER COMPANY IN CHINA, SHARES HOW VINDA STRIVES TO OFFER CONSUMERS A HEALTHY LIFESTYLE VIA DIVERSIFYING INTO FOUR CATEGORIES.

Dong Fang CHANG , CEO of Vinda Group

Q: The "Ultra-Strong Bus", which travelled to 13 cities for four months in 2012 for consumers to experience the high standard of ultra-strong Vinda was so impressive and it reflected soon in sales. Where do the creative initiatives come from?
A: Vinda was established 30 years ago but it was the first "Five-Year Plan" designed for 2011-2015 that brought a truly profound change to the company. It led Vinda:
1.from a 'production driven' company to 'market driven' one, and
2.from 'commodity driven' to 'brand driven', meaning any R&D is led by a thorough study of consumer insights, then followed by creative, interactive communication with consumers at launch – all based on what consumers want.

Q: Was it a smooth transition? How did you lead the team through the transformation?
A: It's human to resist change. You have to do it from the foundations. We did an internal survey in 2010 in order to clarify our vision/ mission/ core values/ goals so everyone would move in the same direction. Since then it became everyone's mission to make consumers enjoy high-quality hygiene products, and it's clear to all that Vinda's core values are: integrity, environmentally friendly, and innovation. You won't go wrong if you know for sure where you're going.

Q: Where do Vinda's key strengths come from?
A: Vinda's capability is clearly revealed in channel management where it's always strong. During 2002/03 when modern trade (e.g. Carrefour, Walmart) grew fast, Vinda rode the tide. Sales via e-Commerce accounted 7% of total sales for Vinda in 2014, significantly higher than market average.
Secondly, working with the best partners, international and local alike – for R&D, packaging etc. - to ensure the best quality, is also something we believe is a must.

Q: For brands to be successful, teams must execute and learn. This might be difficult for established companies/ brands. What is your advice to encourage employees to learn?
A: I've always encouraged my team to learn from others' strengths, like Multi-National Companies (MNCs) pursuing high standards. On the other hand, I'd like to suggest that MNCs enable local teams more, especially in markets like China, where you see new generations of products emerging in 3 months. Another insight for those who'd like to succeed in China: offer only the best quality, or nothing! 2 examples to clarify my point: 1) iPhone 5C – designed specifically for the huge China market which ended up being phased out in no time; 2) Baby diapers – Chinese parents would travel across Asia to hunt for the premium quality products.

Q: How important is it to be close to consumers to stay No.1 in the China market?
A: From Vinda's experience, there wouldn't be any R&D without consumer insights; all communication & marketing will only be conducted in ways consumers embrace. Staying really close to consumers is the most critical to make branding right. For example, Vinda launched a 3-layer interfolded tissue and 4-layer handkerchief when competitors dared only to offer 1-2 layer products with price promotions. Vinda enjoyed a huge success in this blue ocean because it answered consumers' needs.

Q: Stepping into the baby diaper market, do you have any concerns as you face strong competitors like P&G?
A: Not at all. It's a clear direction for us to diversify. We are entering into:
- Incontinence;
- Feminine Care;
- Baby Care.
All three possess huge market bases with an immense rate of growth. Competition is fierce, however we are sure we offer what consumers desire. Also, this diversification has strong synergies behind it, from material to production to distribution.

Q: With such an impressive growth record, what are the biggest challenges for you to adapt to in the next few years to win in a market changing as fast as China?
A: That's where our next Five-Year Plan (for 2015-2020) steps in. We set clear goals for our brands: be No 1 for Incontinence, and in first tier for Sanitary Napkins and Baby diapers. To achieve this, we will:
- emphasize more on R&D
- widen our global view
- develop only products that meet international standards
- be more interactive and stronger in digital media and e-commerce

Q: How do you ensure employees share that vision and cascade it to retain top talent?
A: 2 weeks ago we communicated in detail our next 5-year plan with all our partners and 10,000+ employees at our 30th Anniversary Seminar, a big event widely covered by all media. We'll keep making the effort to make sure everyone is clear and does his/ her best to achieve the collective goal. Talent-wise, we are open to all international talent to join us to build a better future for the world.

"VINDA IS ONE OF THE FMCG FRONT RUNNERS IN CHINA TO GO FOR ONLINE-OFFLINE INTEGRATED MARKETING AND E-COMMERCE; ITS ONLINE SALES ACCOUNT FOR 7% OF THEIR REVENUE"

Jason Yu,
General Manager,
Kantar Worldpanel
CTR China

Using Innovation, Marketing and Alliances to build Consumer Trust: Dairy in China

The past three decades have seen both dairy production and consumption in China soar, averaging a 12.8% annual growth rate since 2000, and that growth is expected to continue as China's dairy consumption is forecast to increase 38 percent by 2022 (Source IATP). In 2008, however, domestic companies faced a huge setback due to the melamine scandal which rocked consumer confidence and opened the door to foreign imports. The leading local brands have fought back, however, and launched initiatives to address the key consumer concerns of food quality of safety.

BrandZ's "Top 100 most valuable Chinese brands" report shows MengNiu's brand value grew significantly in 2015 driven by some astute business strategies around business expansion and a plethora of innovative initiatives that translated into more value to its customers.

THE TOP 10 RISERS IN BRAND VALUE GROWTH - BRANDZ MOST VALUABLE CHINESE BRANDS 2015

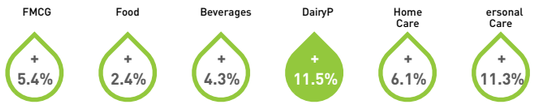
	BrandC	Brand Value % Change 2015 vs. 20'4	ategoryO	wnership	Brand Value US$ MIL	Top 100 Rank 2015
1	Tencent	95%	Technology	Market-Driven Firm	66,077	1
2	Ctrip	71%	Travel Agencie	Market-Driven Firm	1,224	44
3	BYD	69%	Cars	Market-Driven Firm	1,314	41
4	Xuersi	64%	Education	Market-Driven Firm	219	92
5	Ming Jewerly	59%	Jewelry Retail	Market-Driven Firm	260	85
6	Mengniu	57%	Food & Dairy	Competitive SOE	4,869	18
7	New Oriental	56%	Education	Market-Driven Firm	1,179	45
8	Baidu	55%	Technology	Market-Driven Firm	30,897	5
9	Pearl River	48%	Alcohol	Competitive SOE	347	79
10	Hanting	45%	Hotels	Market-Driven Firm	348	78

Source: Millward Brown China - BrandZ

Despite Mengniu's growth, Yili retained its market leadership position in 2014 with a 25% value share of drinking milk. Indeed Yili is place one rank higher than Mengniu in BrandZ's "Top Most Valuable Chinese Brands 2015" with a total Brand Value of US$5.1 Billion.

DAIRY PRODUCTS IS THE SECTOR WITH STRONGEST GROWTH IN CHINA.

Value Change% per basket | MAT Q2 2015 v. Year ago



Source: Kantar Worldpanel China 2015

Expanding horizons by leveraging the Industrial Ecosystem

Both brands have actively formed alliances with overseas food leaders to improve production standards and overcome the consumer trust issues:

MengNiu's strategic expansions have been quite remarkable. It acquired a stake in China Shengmu Organic Milk Ltd; partnered with Arla food, the largest dairy company in Europe; set up a factory in New Zealand; entered a joint venture with White Wave Foods Company, a U.S. organic food producer; and a Joint-venture partnership with Danone. These acquisitions have not only helped MengNiu expand its footprint in the domestic market but also foray into the global marketplace.

Yili's global focus has been insatiable. To further ensure the safety and quality of its products, Yili engaged three international certification groups to oversee its operations. Equally, it has invested in New Zealand, cooperated with Italian dairy giant, Sterilgarda Alimenti S.p.A., launched an overseas R&D Centre in Netherlands in cooperation with Wageningen University and developed alliances with companies and research institutes in the USA.

Building Consumer Trust through Innovation

Both Brands have innovation as a core business building strategy but they have each actioned against it in very different ways:

MengNiu believes innovation is the key to maintain and grow its market leader position in a digital age. MengNiu launched "Featured farm pure milk – Farm on the cloud", cooperating with BaiDu cloud in 2014, whereby consumers could use phones to scan the "identity card" – a QR code on the package - to learn details of how the milk was produced. It not only addressed the food safety concern, but found a way to engage and bond with consumers and resulted in MengNiu being awarded the best Innovative Marketing Company in 2014.

In June of this year, the management team headed by Pan Gang, Chairman of **Yili** Group went to Europe for a 'world benchmarking tour'. Yili visited Unilever, Royal DSM, Robobank, Philips, Friesland and other multinational companies and they toured Food Valley, Wageningen University and Holland Research and Development Centre for gain learnings and exchange ideas regarding innovation, corporate culture, precision management, and food safety. The initiative was designed to further intensifying Yili's innovation capacities and contribute to boosting Yili's all-around innovation and international processes.

Winning Consumers' Hearts and Minds

Both companies have used marketing to drive their connection with consumers using clever associations.

MengNiu Deluxe collaborated with director Jia Zhangke to shoot a humanitarian documentary "Our Age" which depicted achievements of ten people who "dared to think" and reflected the "can do" spirit. These role models chased their dreams for 10 years to finally achieve them. This story of dedication and passion resonated with Chinese middle-class consumers' personal dreams. Deluxe also invited hundreds of elites and celebrities to express their best one hundred days to motivate and encourage people. Association with such positive momentum and life values resulted in enhancing the equity of Deluxe as well. By promoting the spirit of "dare to think", Deluxe enhanced the emotional bond with consumers through their brand essence, and finally achieved business success.

Inner Mongolia **Yili** Industrial Group Co Ltd retained its leadership position in 2014 and posted a 25% value share in drinking milk products, representing a one percentage point rise on the previous year. Driven by the performance of its star brand, Yili, it retained its solid reputation among consumers. Another of its products, the premium UHT milk Satine, also registered growth, which was largely attributable to a heavy marketing campaign. For example, the Chinese singer-songwriter and actress Wang Faye featured as the spokesperson of Satine. Meanwhile, the company also sponsored the reality television show "Dad! Where are we going?" through its flavoured milk drinks QQ Star brand, which is popular among children and parents.

Jenny Ma
Account Director
–
Millward Brown
Beijing

MillwardBrown

KANTAR WORLDPANEL | ASIA BRAND POWER 2015

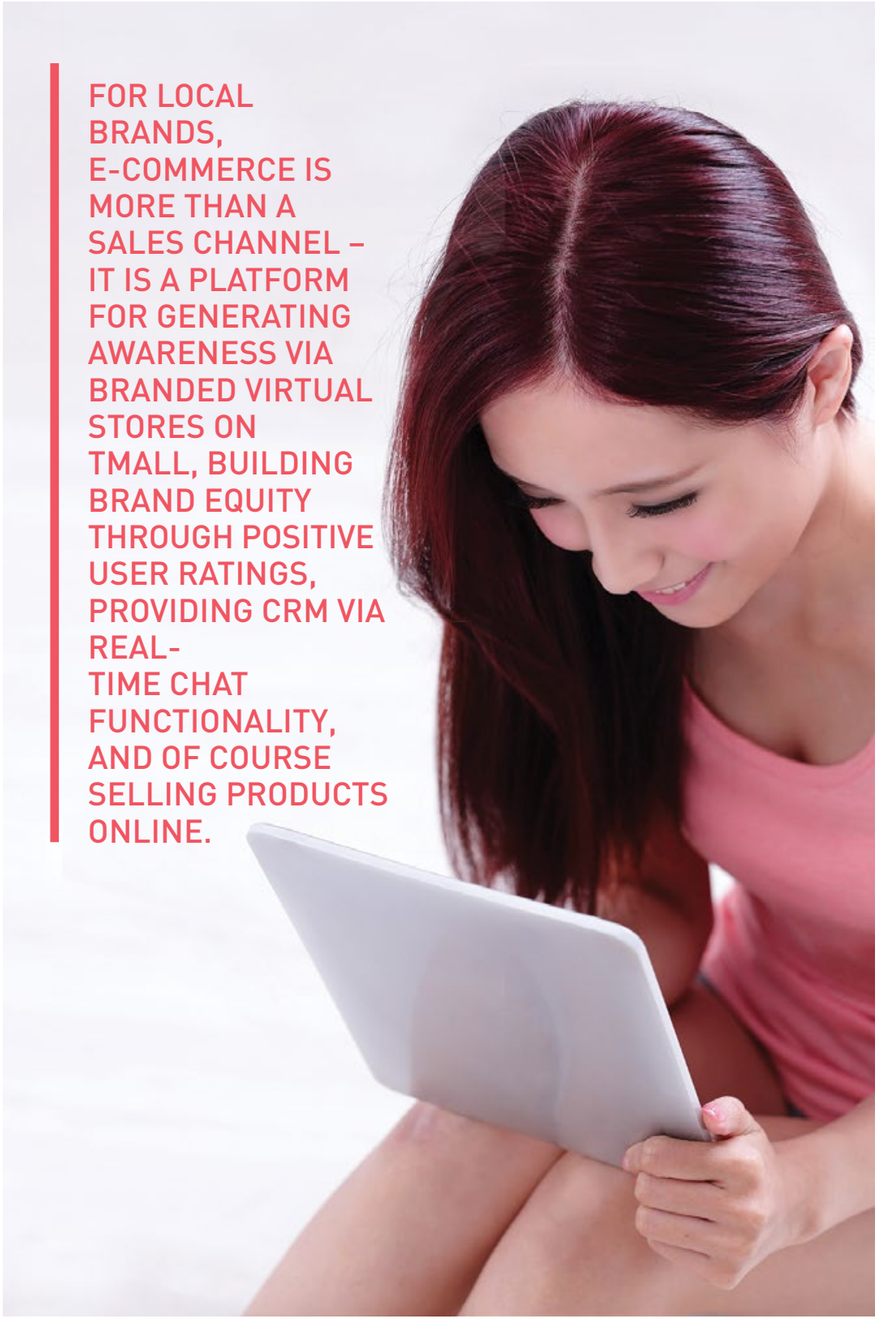
Coco Essence: A David vs. Goliath tale for the digital age

While CocoEssence may not be a household name like many of the large Chinese and Asian brands included in this book, it has been included as it reflects a new era of savvy local brands taking advantage of the rapidly changing digital landscape in China. CocoEssence has built their business relying almost entirely on e-Commerce and digital communication strategies. This wasn't the original business model as the brand was actually launched in Hong Kong in 1983 and it didn't achieve commercial success until 2014 when its aggressive e-Commerce promotions and high user ratings propelled it to the leading brand for haircare and body wash categories on TMALL, the largest B2C e-Commerce site in China. As of September 2015, it was the leading brand for these two categories outselling international brands.

Many of these e-Commerce brands were forced to adopt an approach commonly referred to as "creative constraint." One example of a business built around creative constraint is Twitter with its 140 character limitation for tweets. The creative constraint for CocoEssence was its limited marketing budget. In the case of small, local FMCG brands such as CocoEssence, it is very difficult for them to secure shelf space with modern trade owing to the fact that major retail chains focus on creating economies of scale and stock well-known brands that spend heavily on above-the-line advertising to generate high awareness. Historically, this has relegated smaller FMCG brands to niche status focusing on specialty stores to distribute their products. With the rapid growth of e-Commerce in China however, this has completely changed the industry dynamic and enabled small niche brands to compete directly with well-known international brands.

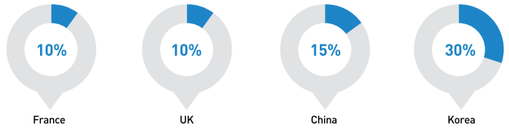
Rather than investing its limited marketing resources on expensive media channels, CocoEssence realized that it needed to think differently and it realized the brand building capability of e-Commerce which was an oversight many international brands made by limiting the focus of e-Commerce to that of a sales channel by assigning responsibility to the sales department. For local brands, e-Commerce is more than a sales channel – it is a platform for generating awareness via branded virtual stores on TMALL, building brand equity through positive user ratings, providing CRM via real-time chat functionality, and of course selling products online. Very few international brands have harnessed the potential of e-Commerce with the same daring and passion of CocoEssence which relied on a 100% digital strategy for all of its branding and communication activities.

For example, CocoEssence quickly capitalized on the popularity of Singles Day which is the equivalent of Digital Monday and the Online Superbowl combined in China. 11/11 was popularized by TMALL as a day for singles to shop away their loneliness by providing massive discounts on selected items. This has led to a high-stakes poker scenario where brands try to outdo each other by providing the biggest and in some cases outrageous promotions. Brands who are successful benefit from the free word-of-mouth and press coverage afforded to companies offering the best bargains.



2025 MARKET SHARE PROJECTION

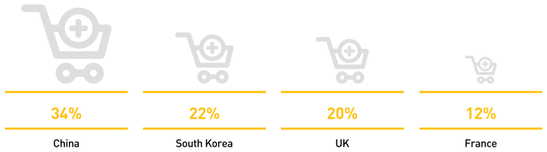
Online's share of FMCG will double in the next 10 years and Kantar Worldpanel estimates online purchasing will reach 30% in South Korea, 15% in China and at least 10% in the UK and France.



Source: Kantar Worldpanel Asia

FASTEST E-COMMERCE GROWTH IN THE WORLD

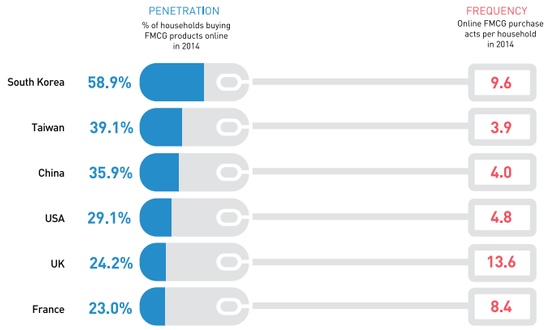
E-commerce Value Growth%



Source: Kantar Worldpanel 2014 v. 2013, FMCG

NORTH ASIAN MARKETS, THE MOST ADVANCED

Over 35% households buy FMCG items online, at least four times a year.



Source: Kantar Worldpanel 2014

CocoEssence is one of the pioneering FMCG brands to capitalize on e-Commerce as a platform. Whether it can continue its rapid growth and achieve its ambition of securing offline shelf-space with modern trade and supplanting an international brand has yet to be seen. What is clear now for many multinational FMCG brands is that e-Commerce is a platform they need to leverage better in order to win in the new digital age. Brands such as CocoEssence have created a blueprint for many emerging local brands to disrupt the traditional FMCG business model relying on big ad budgets and modern trade. International brands should take a cue from these entrepreneurial Chinese brands and use their "lean digital" approach of marketing to adapt to the new age of digital and integrated marketing.

Chris Bonsi,
Chief Client
& Insight Officer
–
TNS APAC

KANTAR WORLDPANEL | ASIA BRAND POWER 2015

Out of the shadows - a new perspective on Indonesian narratives

Tensions give rise to changing consumer truths

It would be easy to imagine that the transformation taking place in the Indonesian consumer landscape is a simple story of progression – from old to new, from developing to developed and, to some extent, from local to global.

Yet to see progress in this way would be to underestimate the complexity of what is going on. For brands in Indonesia, it is essential that when they are building a narrative, they reflect the reality of how people feel about the change that's taking place around them – and within themselves.

We have found that for many people, the economic opportunities that modern Indonesia offers are exciting, but also have led to a pervading sense that Indonesia is at a precipice. There is nostalgia for old Indonesia, a longing for the familiar, and a fear that tradition is at risk of being lost as new values gain ground.

> CONSUMERS WANT TO MOVE WITH THE TIMES, BUT THEY DO NOT WANT TO ABANDON THEIR PAST.

"Everybody acts with less shame... branded clothes and goods, high tech, everything is like glass and identity seems lost; increasingly you feel like you are no longer Indonesian" one woman, Diah, said during a recent Firefly research project, reflecting the anxiety that many Indonesians now feel.

Melding of worlds

Indonesians are experiencing a change in how they see themselves and they perceive others to view them, and this is more complex than simply to conclude that individualism is supplanting traditional collectivism.

"Previously, wearing hijab was perceived as only for a very straight and solehah (pious) girl, but nowadays everyone can wear it. Expectations have changed – we can still be sociable and hang out, even though we wear hijab," said Christina, a student in her late teens.

Consumers want to move with the times, but they do not want to abandon their past.
The tensions driving consumer decision-making were explored in a recent Firefly Millward Brown research project carried out in conversation with Indonesians formally, and informally across Indonesia, using discussion groups, digital conversations and ethnographic diaries. We called this study Project Wayang, after the traditional Javanese shadow puppet shows that tell ancient stories from 2,000 years ago, and that remain popular today.

The findings tell us much about what resonates with consumers as they manage the various cultural pressures in their lives, and underline the importance of brands reflecting those consumer truths if they are to be truly relevant.

> A TRULY INDONESIAN SUCCESS STORY UNITES PERSONAL SUCCESS WITH THE SUCCESS OF OTHERS.

Home truths

There are three consumer truths we have identified as being especially important.

- Indonesians want to feel uplifted and uplifting. This can look like individualism, but is actually about managing the desire for personal success with the desire to support the success of others. The traditional values of 'gotong royong' – providing mutual care within a community – is just as relevant today as ever – as is the sense of togetherness and the desire for cohesion. Consumers want to feel good about focusing on themselves without feeling selfish; a truly Indonesian success story unites personal success with the success of others.

For brands, this means steering clear of the clichéd messages of a conforming collective without moving too far towards the self-serving benefits of a product or service. Bango cooking sauce has managed this well, showing mothers making smart choices that benefit their families. Mothers feel pride in their decisions, and in their ability to pass on their expertise.

- Social recommendation is something that links old and new Indonesia. People aspire to have the wisdom traditionally associated with their elders. We see consumers express a real desire to be 'in the know' and champion the brands they love. Brand recommendations are highly valued by Indonesian consumers, and have a strong influence on decisions to try and buy new brands.
There is a real call to action for brand owners to explore how successfully brand messages are being understood, internalized, and translated into social recommendation. Brand owners can build relationships through social recommendation and validation beyond above-the-line messaging.

- There is great pride in Indonesia, its people and its brands, and many people feel unapologetically Indonesian. As more Indonesians move abroad, they want to feel they are taking the spirit of Indonesia with them, spreading what it means to be Indonesian, rather than leaving it behind. They want to see Indonesian brands and products do well internationally. Makers of traditional clove cigarettes, 'kretek', are among the brands that celebrate their own success – and are celebrated by consumers as a result. Dji Sam Soe is a great example of where we see this working through the message of Mahakarya (Masterpiece), a message that consumers feel easily speaks for them, and feels as contemporary today as it ever has.

Just as the performances of Wayang puppeteers evolve as stories are told and retold, so too do the narratives that engage Indonesian consumers.

Lara-Lee Burn
–
Head of Firefly
Indonesia

MillwardBrown

KANTAR WORLDPANEL | ASIA BRAND POWER 2015

Connecting locally – winning brand strategies in Indonesia

Alignment with local values can be a key factor in defining a brand's connection with its consumers. Indonesia is home to the largest population of Muslims in the world, with its 205,000,000-strong Islamic populace making up 12.7% of the world's Muslims. Some local brands leverage this to their advantage to build relevance and deepen their meaningful connection with consumers.

Wardah has re-shaped the Indonesian cosmetics category by building a brand that speaks directly to modern and confident Hijab-wearing women. The brand also makes strong Halal claims about its products, providing Indonesian women with the opportunity to express themselves and feel beautiful, without compromising their core values and traditions. The brand continues to go from strength to strength, building a market leading position in make-up and in 2014 growing its total cosmetic market share from 5% to 16% in urban areas (source Kantar Worldpanel).

Advertising has enormous power to bring a meaningful brand to life for consumers. To do this successfully, Indonesian advertisers must navigate a delicate balance between reflecting cultural values that resonate across a diverse nation, but at the same time providing an inventive and creative take on things to stand apart in an increasingly cluttered advertising environment.

> ALIGN WITH LOCAL VALUES BUT ENSURE YOUR BRAND HAS A UNIQUE, CREATIVE AND MEMORABLE EXPRESSION THAT SETS IT APART

KEY ACTIONS TO CREATE POWERFUL ADVERTISING THAT GROWS YOUR BRAND IN INDONESIA INCLUDE:

- **Cut-through the clutter with advertising that is personally relatable, emotionally compelling and different**
- **Take care when receiving and airing ads that were developed in other markets – tailor and localise to the unique Indonesian environment**
- **Align with local values but ensure your brand has a unique, creative and memorable expression that sets it apart**
- **Appeal to Indonesia's practical nature by demonstrating core product truths and functional benefits, but always within a compelling emotional wrapper or brand story**
- **Ensure that your creative idea and expression resonate across Indonesia's diverse population with a more nationally representative approach to creative development and research**

Richard McLeod
Account Director
–
Millward Brown
Indonesia

MillwardBrown

KANTAR WORLDPANEL | ASIA BRAND POWER 2015

Domestic brands to "captivate" young people: affability comes before popularity!

Domestic brands may win over young people by keeping close to the ground.

At a launch event in India not long ago, Xiaomi CEO Lei Jun quickly captivated Chinese young hearts with his heavily accented English. Nobody would have expected that the somewhat self-belittling speech would prove to be a marketing success.

In 2014, after an absence of ten years from the TV series, Zhou Xun starred in Red Sorghum. In 2013, Gao Yuanyuan, having stayed away from TV screen for a long time, joined the cast of Marry Me. More movie stars are turning to TV series in an attempt to get closer to the general public.

At the same time, a lot of A-list stars are shifting their interest from international brands to local brands in TV ads. Zhao Wei endorsed Meifubao; Zhang Ziyi, Proya; Xu Jinglei, gN Pearl; and Zhou Xun, Marubi.

These seemingly unrelated events have something in common: to win over young people by making oneself approachable. As we all know, the approval of young people is essential for both products and pop stars to keep developing, and the surest way to impress young people is to "keep grounded". If domestic brands aspire to excel, perhaps it is right time for them to follow the trend and sincerely embrace young people.

Young people believe in "my game; my turf; my rules" when it comes to consumption.

Young people are emerging spenders. If domestic brands aspire to thrive, they cannot afford to neglect young people whose consumption patterns are easier to grasp. With the growing national strength, the global cultural integration and the widely-accepted concept of equality, Chinese young people are showing more and more confidence in their consumer behaviours. In other words, they know better than to follow the herd and blindly go after famous brands. According to CTR China National Residents Survey (CNRS-TGI), the proportion of young people believing "since everybody has it, I should also have it" dropped from 53 percent in 2010 to 48 percent in 2014, and the recognition of well-known brands fell from 60 percent to 54 percent during the same period. On the other hand, young people are caring more about their own needs rather than brands they consume. In 2014, about 60 percent of young people reported that they were "very willing to spend more money on original or unique brands", rising by nearly 10 percent from 2011.

Domestic brands are securing the approval of young people by meeting their needs.

In addition, a recent CNRS-TGI study on the consumer characteristics of different skin care brands showed that the consumers of L'Oreal, Lancome and other international brands are mostly post-70s, while Inoherb, Herborist and other emerging domestic brands are favoured by post-80s and post-90s. Besides the price factor, a more important reason behind this phenomenon is that these domestic brands can accurately grasp young people's skin care needs. As revealed by CNRS-TGI, the proportion of young people reporting "I prefer skin care products containing natural extracts" rose from 64 percent in 2010 to 76 percent in 2014. The green and natural concepts advocated by Inoherb and Herborist are highly aligned with young people's ideas of skin care.

One's consumption concept is rooted in one's living environment. Unlike identity-seeking post-60s and post-70s, young people have a weaker collective concept and are more concerned about their independent personality. In their consumption behaviours they are more practical and are more focused on their own needs. Domestic brands must firmly grasp the consumption characteristics of young people and cater to them with affable product features, brand images and publicity strategies before they can enjoy "popularity".

YOUNG PEOPLE BELIEVE IN 'MY GAME; MY TURF; MY RULES' WHEN IT COMES TO CONSUMPTION

Sophie Shen
General Manager
–
CTR Media & Consumption Behaviour

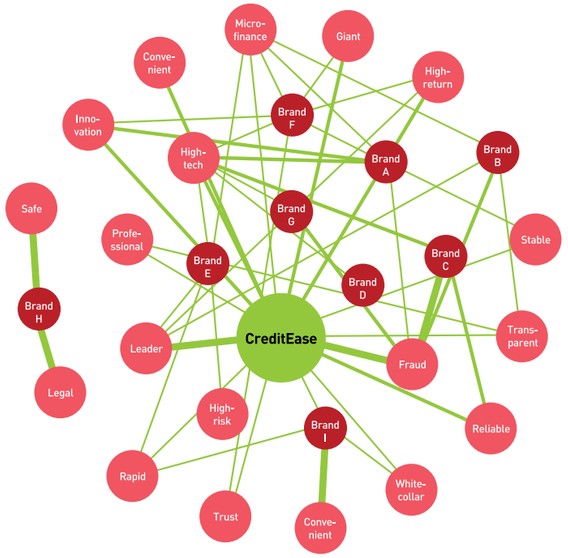
CreditEase

Using social media to win in internet finance in China

With the development of the internet financial industry in recent years, various brands have sprung up in China. CreditEase, the nation's leading company in wealth and credit management, microfinance investment and microcredit loans and servicing, entered the internet financial industry, and is now ranked in the 2nd place for its high degree of brand awareness

THE BRAND IMAGE ANALYSIS OF CREDITEASE AND KEY COMPETITORS.

2014.06-2014.11



Source: CIC CreditEase data panel

Committed to being the leader of quality products, service and innovation in the internet financial industry, CreditEase still faces a challenging environment. So they closely cooperated with Kantar Media CIC, a Chinese leading social business intelligence provider, in order to have a comprehensive overview of the internet financial industry and the CreditEase brand in social media, thus improving the CreditEase consumer experience and online marketing strategy.

Kantar Media CIC focused on providing CreditEase with proven solutions using big data:

1. Brand Equity and Health Audit to measure their industry position and brand perception
2. Pre-Campaign Ideation to determine the campaign design
3. Social Marketing Strategy to identify their target consumers, key communities and key opinion leaders (KOLs) for their marketing strategy

Kantar Media CIC's research showed that CreditEase has a prominent position in the internet financial industry; it has a high level of recognition and preference. What is more, it is seen as a leader, reliable, innovative, delivering a high-return and convenient among netizens. Kantar Media CIC therefore suggested that Creditease continue to strengthen the positive brand image and use differentiated marketing to reinforce their unique selling points

Rapidly moving towards internet financial industry in China

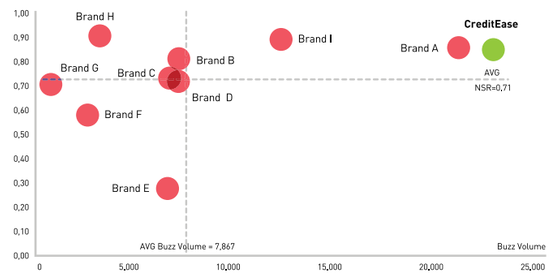
Meanwhile, the research, highlighted that there were also some key concerns amongst netizens regarding CreditEase which needed rectifying. For example Kantar Media CIC recommended changes to campaign design by combining cash rewards with emotional touches to stimulate the interest and engagement of netizens.

In order to optimize the online marketing strategy the characteristics of the target consumers of CreditEase were profiled to gain a clear understanding of their needs. Also, the right social platforms and influential key opinion leaders (KOLs) that target consumers preferred to engage with were leveraged. The result was an online marketing campaign targeting the right consumers via the right platforms and reinforced by the most influential KOLs in order to expand CreditEase's penetration of the market.

Overall, despite some stiff competition in the internet financial industry, CreditEase is delighted to have had an outstanding performance online. By understanding their consumers in the social media space, CreditEase continues to go from strength to strength.

THE HEALTH MATRIX OF CREDITEASE AND KEY COMPETITORS

2014.06-2014.11
Net Sentiment Rate (NSR)



Source: CIC CreditEase data panel

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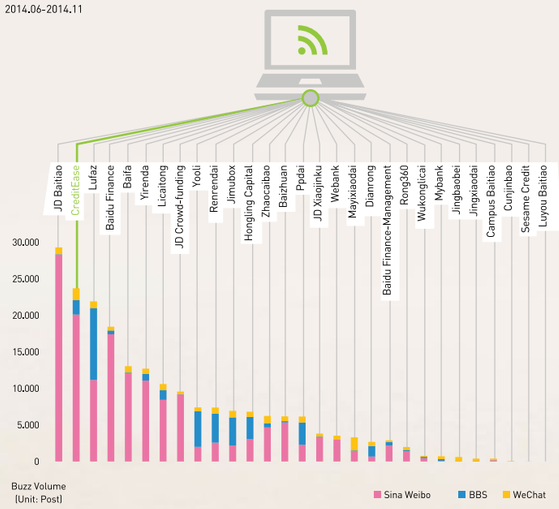
BUZZ VOLUME RANKING OF KEY INTERNET FINANCIAL BRANDS

2014.06-2014.11



Source: CIC CreditEase data panel

"LEADER", "RELIABLE", "INNOVATIVE", "DELIVERING A HIGH-RETURN" AND "CONVENIENT" ARE THE KEY BRAND IMAGES OF CREDITEASE AMONG NETIZENS.

Edward Li,
Director
–
Kantar Media
CIC

'Culturally tapped' - How Asian brands are finding competitive advantage in culture

As the Chinese market evolves and growth continues to slow, the battle for the hearts and minds of consumers is becoming increasingly competitive. Local brands are becoming much stronger and the advantages that used to be an inherent part of being a Western brand are being eroded. Chinese consumers are reaching new levels of sophistication, and as a result are demanding that all brands demonstrate understanding and a willingness to cater to their needs directly.

The success of a brand in the China market of course depends on many factors, but as the relationship between consumers, brands, and the ever-changing world around them becomes more and more complex, there is an opportunity to think differently about how to drive growth and maintain loyalty. Smart brands will prioritize understanding this constant market evolution, from the way they view their broader role within society, construct philosophies and strategies to the way they do research, communicate and innovate. The key for such a shift in thinking and acting lies within culture.

> THE MOST SUCCESSFUL BRANDS ARE THE ONES THAT TAP INTO AND EVEN CREATE CULTURE THEMSELVES, ALLOWING FOR MORE EFFECTIVE CONVERSATIONS WITH CONSUMERS.

Cultural Insight is a way of seeing differently and is an approach that can help us unlock the meanings behind everyday things. Using different methods of cultural analysis from semiotics to anthropology, this approach enables brands to look at their marketing challenges from an entirely differently perspective. Through the lens of culture, rather than consumers, it is possible to understand how meaning is produced within specific cultures and, specifically, how these meanings are evolving. This brings fresh perspectives and inspiring brand thinking, allowing us to understand things consumers can't express, by looking at the world around them and drawing insight based on how that world communicates meaning and evolves through time.

In an ever changing environment, one of the biggest advantages that Chinese and Asian brands have over their Western counterparts is their inherent understanding of local culture and ability to use this knowledge to adapt and further refine their marketing strategies. Not all brands are clearly conscious of the importance of taking advantage of this opportunity, but unconsciously they are still leveraging the power of cultural awareness.

As local brands strive to differentiate themselves, cultural awareness is becoming an integral part of marketing strategy. Herborist, a Chinese cosmetics brand, is inspired by traditional values and knowledge, fusing the wisdom of traditional Chinese medicine with the effectiveness of modern technology to create products that capture the best of both worlds. The brand stands as symbol of the emerging cultural momentum of China that combines pride of the past with optimism for the future.

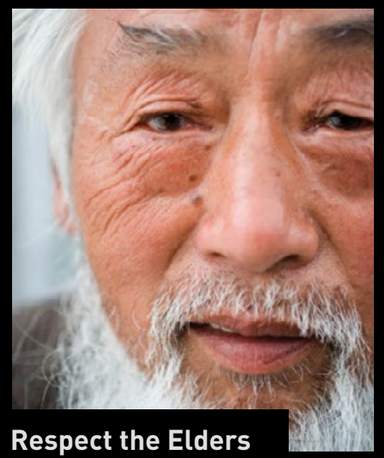
Brands are even turning the more negative aspects of Chinese life into innovative marketing strategies. The pricing of Airpocalypse IPA Beer is directly linked to Beijing's air quality index, the higher the pollution the lower the price, it is even given away free if the pollution reaches a particularly high level.

It is not just Chinese brands that are using culture to drive competitive advantage. Innisfree, a Korean cosmetics brand, has recognised both the cultural desirability of Korea with young females (Korean pop culture is extremely popular) as well as the desire for natural products at an affordable price. All of this is underpinned by consumers desire to experiment, express their individuality, and have fun.

Brands that fail to understand culture exist in a vacuum; brands should draw their meaning and energy from culture as it shifts. The most successful brands are the ones that tap into and even create culture themselves, allowing for more effective conversations with consumers. By recognising the importance of culture, Asian brands are well placed for further growth.

Panos Dimitropoulos
Head of Cultural Insight
–
Added Value China

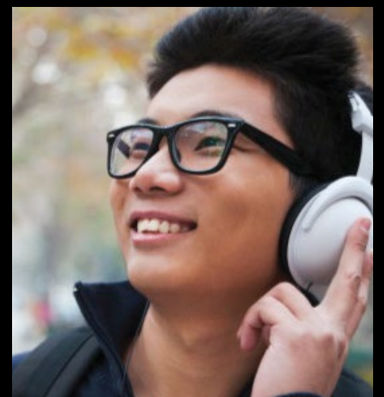
8 TRAITS OF THE ASIAN CONSUMER



Respect the Elders

Hardworkers

Inner Health & Outer Beauty

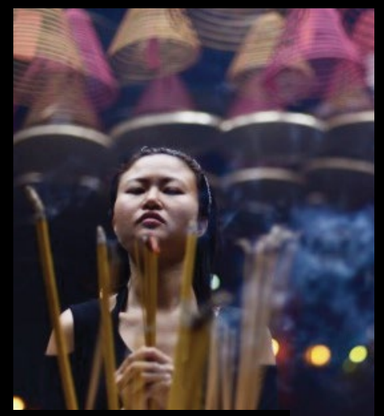


Tech Savvy

Little Emperors

Proud

Foodies



Respect Traditions

Source: Kantar Worldpanel Asia Lifestyle

FMCG in Asia: The transformation journey goes on

You'll see from the beautiful illustrations in this book, that we chose the theme of Butterflies as being a great metaphor for the rise of local Asian Giants. The analogy works perfectly to describe the metamorphosis that these companies have undergone in recent decades.

Many began their "egg" stage with an idea developed by a local entrepreneur that was well adapted to the domestic culture. Indonesia-based Mayora, for example, started with the launch of coffee candy by the current President's Father.

> THROUGHOUT THIS BOOK, WE'VE USED "MULTINATIONALS" TO MEAN FOREIGN BRANDS IN ORDER TO DEMONSTRATE COMPARISONS. IT WOULD BE PATRONISING, HOWEVER, FOR US TO MAINTAIN THIS NOMENCLATURE GOING FORWARD, BECAUSE THESE PLAYERS ARE, OR SOON WILL BE, MULTINATIONALS IN THEIR OWN RIGHT.

These domestic players then quickly moved to the "Caterpillar" stage, gaining share in their local markets. Korean FMCG giant, Aekyung, for example, quickly took a leadership position in the laundry detergent category by understanding the needs of Korean housewives.

All the companies featured in this book then entered the "chrysalis" phase where they made the conscious choice of moving from being manufacturer-led to brand-led organisations. The CEO of one of China's leading paper companies, for example, succinctly described how their first five-year plan changed the business "from a 'production-driven' company to 'market-driven' one".

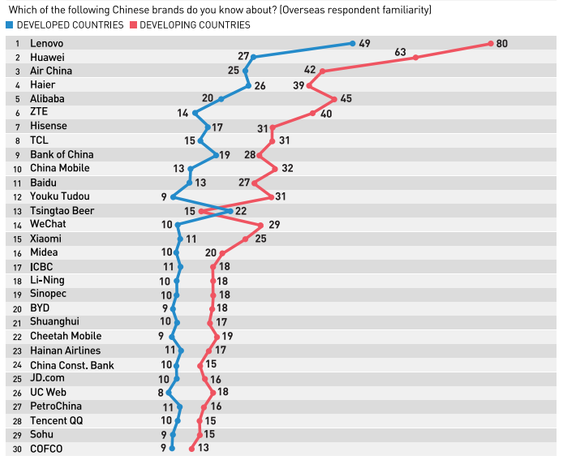
As we all know from our biology lessons, after some time in this stage of metamorphosis, a beautiful butterfly emerges. This is of course a perfect analogy for the companies and brands we've chosen to feature in this book – beautiful butterflies, adapted to their local markets, each unique in their design to win, and agile at unlocking opportunities. They've all achieved significant share growth and household penetration in their respective markets and they've done this using the 5 "power levers" we've summarised in this book.

But perhaps this is where the analogy ends. Butterflies don't tend to have long life spans with some living for only a week or two, whilst other may survive for up to a year. We don't believe that this will be the case with our Asian Giants. In fact, we probably won't be able to adequately define them as "Asian Giants" given many of the companies featured here either already have or plan to have significant global distribution. Throughout this book, we've used "Multinationals" to mean foreign brands in order to demonstrate comparisons. It would be patronising, however, for us to maintain this nomenclature going forward, because these players are, or soon will be, multinationals in their own right.

With these international aspirations, however, come new issues for our Butterflies to contend with. As they migrate overseas, many of the reasons for their domestic success – being highly attuned to the cultural norms of their consumers, for example – may no longer be valid. Monde Nissin, one of the Philippines leading Food Manufacturers, has, for example, followed a very clever international expansion strategy by following the Filipino diaspora to the 35 markets where they now live and work.

TOP CHINESE BRANDS KNOWN OVERSEAS

Which of the following Chinese brands do you know about? (Overseas respondent familiarity)



Source: 2014 China National Image Global Survey / Millward Browth / Lightspeed

The test will be, for all of these businesses, whether their brand and commercial strategies will gain traction within other populations with different cultural norms and nationalistic sentiment. Sometimes the issue will be a lack of awareness for these brands in other markets so advertising will be critical. In the 2014 "China National Global Survey" conducted by Millward Brown and Lightspeed GMI for the Centre of International Communication Studies, for example, of 30 leading Chinese brands, only 8 could be recalled by 15% of respondents in Developed countries.

FACTORS THAT HOLD BACK FOREIGN CONSUMERS FROM BUYING CHINESE PRODUCTS

Source: 2014 China National Image Global Survey / Millward Browth / Lightspeed

In other situations, however, the barrier to entry may be misconceptions held by consumers about your brand. The 2014 "China National Global Survey" showed, that "low quality" and "food safety" remained key factors that held overseas consumers back from choosing Chinese brands.

> AS ASIAN BRANDS MIGRATE OVERSEAS, MANY OF THE REASONS FOR THEIR DOMESTIC SUCCESS – BEING HIGHLY ATTUNED TO THE CULTURAL NORMS OF THEIR CONSUMERS, FOR EXAMPLE – MAY NO LONGER BE VALID.

The keys to overcoming these obstacles to internationalisation, however, are already in the DNA of our Asian Giants.

- Understanding the consumer – the "intuition" that has got many of the Asian companies to where they are today, can no longer be relied upon solely as it needs to be supplemented with research into the cultural insight of the new market, the aspirations of your new consumers, and their unmet needs.

- Experimentation – "launch and learn" models are already the norm for these brands and maintaining that experimental attitude, complemented by their agility to alter and adapt the plan, will allow brands to tailor the approach quickly.

- Connectivity – as the digital world takes over more and more of our consumer's lives, staying connected to them and engaging with them in meaningful ways will continue to dominate commercial plans. What is meaningful in one market may be seen as frivolous in another, however, and so, yet again, consumer understanding is critical.

- Nurturing Talent – the companies featured here have driven a clear vision across their business whilst empowering their people to deliver it rather than restricting them with structures and rules. As businesses expand, however, it can become tempting to develop defined ways of working in order to drive consistency. The trick will be to still deliver the vision whilst energising talent from many cultural backgrounds giving them frameworks to work with whilst allowing flexibility to win locally.

For those Asian Giants with aspirations to continue driving their dominance in their home market, through increase distribution as well as launching into, or indeed creating, new categories, these "keys" also ring true. As economic growth slows down in Asia, identifying new opportunities and unlocking them will also centre on consumer understanding; nurturing talent; agile experimentation; and connectivity.

Kantar and Kantar Worldpanel wish our featured "Butterflies" well and look forward to watching your progress in the coming months. We look forward to grappling with what the right analogy should be for future iterations of this publication and how we will deliver comparisons of "multinationals" versus "multinationals" in a common-sensical way. But these are issues for another day!

THE TRICK WILL BE TO STILL DELIVER THE VISION WHILST ENERGISING TALENT FROM MANY CULTURAL BACKGROUNDS GIVING THEM FRAMEWORKS TO WORK WITH WHILST ALLOWING FLEXIBILITY TO WIN LOCALLY.

Jules Young
–
Kantar Global
Global Account Director
APAC, Kantar

KANTAR COMPANY CONTRIBUTORS

THESE COMPANIES CONTRIBUTED EXPERTISE AND PERSPECTIVE

ADDED VALUE

Added Value is a leading global strategic marketing consultancy providing brand strategy, innovation, insight and communications services. We are driven by one thought – to make marketing that works. Our approaches include qualitative insight and ethnography, segmentation and portfolio planning, brand positioning, cultural insight, innovation, brand equity studies, communications optimization and tracking. Added Value has 17 offices in 11 countries across Europe, North America and Asia-Pacific, and is accredited among "Best Companies to Work For 2014." Added Value is part of Kantar, the data investment management division of WPP, the world leader in marketing communications services.

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CTR

CTR analysts and experts help advertisers, media owners and advertising agencies to measure their media image and impact. Born and raised in China, Chinese culture and values are a part of our DNA. We have witnessed the seismic transformation of the market, experienced numerous industry reforms, whilst building expertise in media management, brand & advertising communications and consumer research. Our in-depth knowledge of the local market with a global perspective enables us to discover the insights that make sense of what is hidden beneath today's developments. We inspire our clients to make informed decisions based on our unparalleled and profound understanding of the critical challenges they face in the Chinese marketplace. This is what we bring you, China insights. We can do this because we know China better.
CHINA INSIGHT is at the core of our brand value. We aim to share unique viewpoints, look behind the numbers, beyond the trends and between the lines. In short, our job is to help companies and brands understand the Chinese market, its people, and to win in China!

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KANTAR MEDIA CIC

Kantar Media CIC is China's leading social and digital business intelligence provider, enabling enterprise to fully leverage the power of social media and other Internet based big data intelligence across the organization. Since 2004, Kantar Media CIC has pioneered social technology, research and consulting. In early 2012, CIC was acquired by WPP's Kantar Media. Kantar Media is a global leader in media intelligence, providing clients with the data they need to make informed decisions on all aspects of media measurement, monitoring and selection. Part of Kantar, the data investment management arm of WPP, Kantar Media provides the most comprehensive and accurate intelligence on media consumption, performance and value.

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KANTAR RETAIL

We are the retail and shopper specialists. We are a leading retail and shopper insight, consulting, and analytics and technology business, part of Kantar Group, the data investment management division of WPP. We work with leading brand manufacturers and retailers to help them sell more effectively and profitably. At Kantar Retail, we track and forecast more than 1,200 retailers globally and have purchase data on more than 200 million shoppers. Amongst our market-leading reports are the annual PoweRanking® survey and the Digital Power Study. Kantar Retail works with more than 400 clients and has 26 offices in 15 markets around the globe.

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KANTAR WORLDPANEL

Kantar Worldpanel is the world leader in continuous consumer panels. Our global team of consultants applies tailored research solutions and advanced analytics to bring you unrivaled sharpness and clarity of insight to both the big picture and the fine detail. We help our clients understand what people buy, what they use and the attitudes behind shopper and consumer behavior. We have more than 60 years' experience in helping companies shape their strategies and manage their tactical decisions; we understand shopper and retailer dynamics; we explore opportunities for growth in terms of products, categories, and regions and within trade environments. Together with our partner relationships, we are present in more than 50 countries – in most of which we are market leaders –which means we can deliver inspiring insights on a local, regional and global scale. In China, we are one of services of CTR.

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LIGHTSPEED GMI

Quality-seeking researchers, marketers and brands choose Lightspeed GMI as their trusted global partner for digital data collection. Our innovative technology, proven sampling methodologies and operational excellence facilitate a deep understanding of consumer opinions and behavior. From award-winning survey engagement to fieldwork management, we add value at every stage of the research process. Focusing on local market knowledge, Lightspeed GMI's proprietary panels deliver access to more than four million online research respondents with unparalleled quality, capacity and targeting. Our comprehensive product suite offers the tools and services needed to generate dependable research results across the consumer, B2B, financial and healthcare business segments. With office locations throughout Asia-Pacific, the Americas and Europe, staffed with experienced local talent, we understand the nuances of each market. Headquartered in Warren, New Jersey, Lightspeed GMI is part of the Kantar Group, the insight, information and consultancy division of WPP, the world leader in marketing communication services.

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MILLWARD BROWN

Millward Brown is a leading global research agency specializing in advertising effectiveness, strategic communication, media and brand equity research. Millward Brown helps clients grow great brands through comprehensive research-based qualitative and quantitative solutions. Specialist global practices include Millward Brown Digital (a leader in digital effectiveness and intelligence), Firefly Millward Brown (our global qualitative network), a Neuroscience Practice (using neuroscience to optimize the value of traditional research techniques), and Millward Brown Vermeer(a strategy consultancy helping companies maximize financial returns on brand and marketing investments). Millward Brown operates in more than 55 countries and is part of Kantar, WPP's data investment management division.

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THE FUTURES COMPANY

The Futures Company is a global consultancy that helps clients profit from change. Our expertise lies in understanding and anticipating change to help companies shape the future and get ahead of competition. We leverage a set of proprietary resources and our team of consultants bring a unique combination of forward looking thinking, outward looking inspiration and people centric understanding to provide a fresh perspective and actionable recommendations to business challenges.
The Futures Company continuously tracks how values and attitudes of Chinese consumers are changing to help companies shape the future of their brands and categories in China.

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TNS

TNS advises clients on specific growth strategies around new market entry, innovation, brand switching and customer and employee relationships, based on long-established expertise and market-leading solutions. TNS pioneers the use of new methodologies to deliver sharper insights and uncover meaningful opportunities in our digital world.
With a presence in over 80 countries, TNS has more conversations with the world's consumers than anyone else and understands individual human behaviours and attitudes across every cultural, economic and political region of the world.
TNS is part of Kantar, the data investment management division of WPP and one of the world's largest insight, information and consultancy groups.

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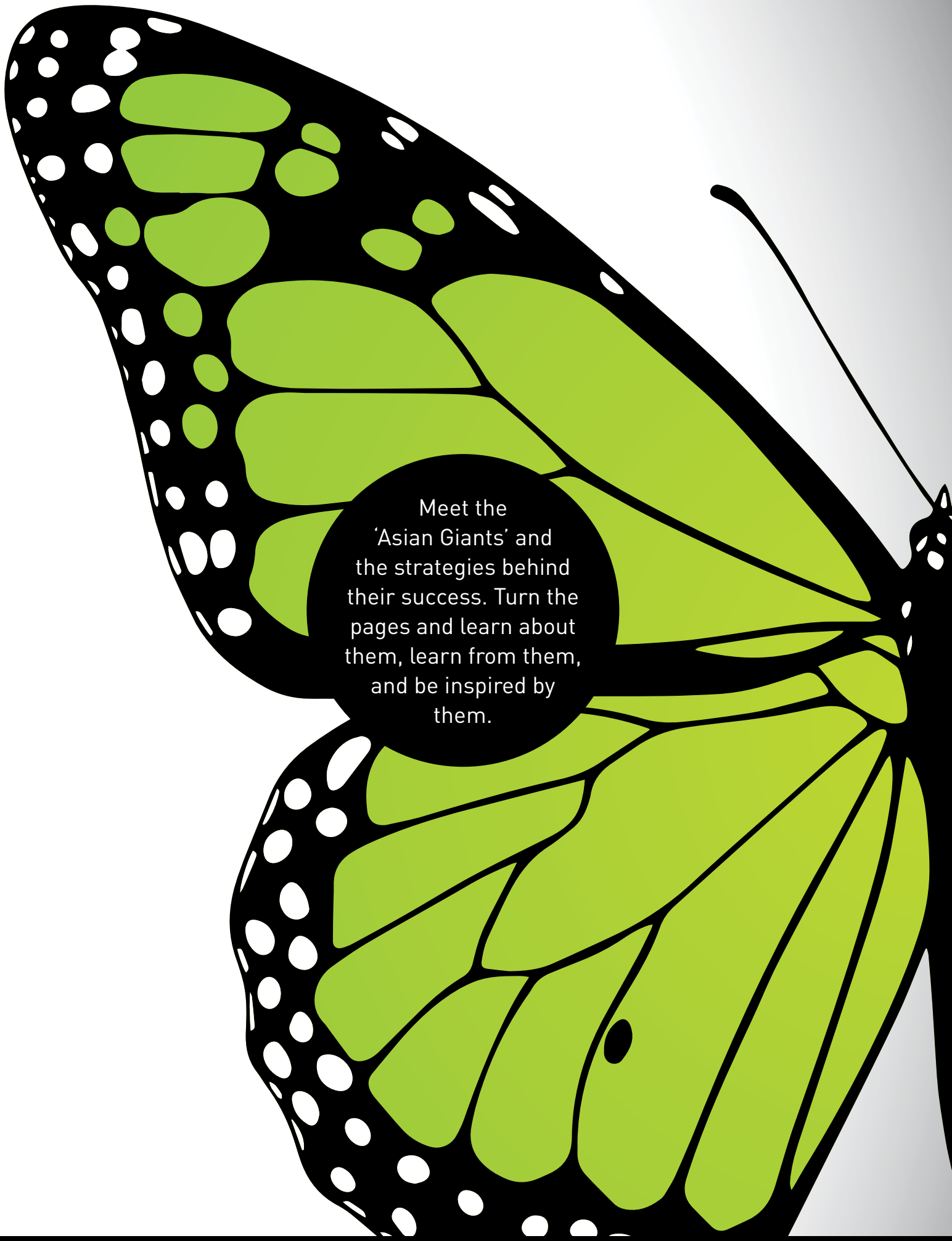
OBS: All 2015 data in this report refers to MAT Q2. Vietnam figures refer to Urban 4 Key Cities, unless Rural Vietnam is stated. Interviews with CEOs were conducted by Marcy Kou (CEO Kantar Worldpanel Asia), face-to-face, between February and July 2015. Asia figures include 9 countries covered by Kantar Worldpanel. All Penetration and Shopper figures in the infographics relate to households, in-home consumption. In case of enquiries please contact: AsiaBrandPower@kantar.com



Meet the 'Asian Giants' and the strategies behind their success. Turn the pages and learn about them, learn from them, and be inspired by them.