

HOW TO DEAL WITH UNCERTAINTY

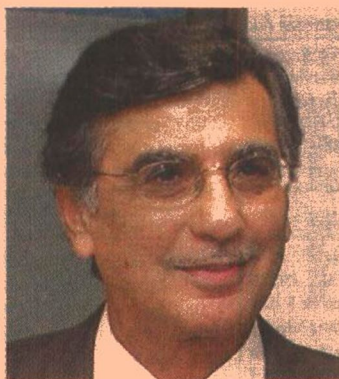
As developing markets take centre stage, global experts offer insights on the new idiom of marketing

PRIYANKA SINGH
New Delhi, 8 November

What is scarier to a marketer than a market crash? The answer: 'uncertainty.' No surprises, therefore, that the common theme at AdAsia 2011, which came to India after eight long years, was how to prepare marketers for an uncertain future.

Listen to Harish Manwani, chief operating officer of Unilever and chairman, Hindustan Unilever. "Companies are not competing for market share today, they are competing with non-consumption. Our main challenge is to create products that are affordable and accessible to all segments of society," Manwani says, adding 90 per cent of the economic growth is forecast to come from developing economies by 2020. The major challenge in these economies is diverse markets and handling of different layers of pyramid with different needs.

Management guru Ram Charan agrees that global majors have no option but to shift their marketing focus to growing economies. "The



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unstoppable influx of foreign direct investment towards southern countries like India, China, South Africa, Indonesia, Australia etc implies that the focus of money lies here", Ram Charan adds.

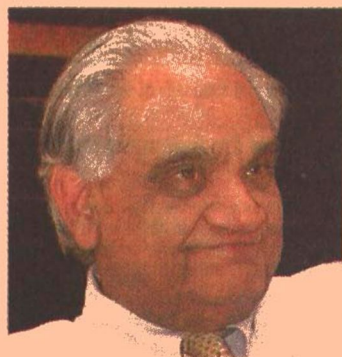
Speakers at AdAsia dwelt on various innovative ideas to deal with the prevailing uncertainty. A report from the Boston Consulting Group highlighted how two-thirds of global consumption is being controlled by women. While this percentage in developed economies is 75 per cent, it is much lower in Asia. Yeonhee Kim, senior partner-BCG Korea

says, "Women in Asia are optimistic about their country as compared to their global counterparts. She needs more customised products across categories like consumer durables, kids clothing, personal care, home care and financial services. One can win this opportunity by making propositions that connect with her emotionally."

Ram Charan adds one more challenge that marketer face in these uncertain times and that is, the power of digitisation. "Companies have to take a close, hard look at their social media game plan as digitisation

can force a radical change in the business models of firms," he says.

These trends hold more relevance against the backdrop of the latest report from McKinsey which focuses on the new age consumer in Asia. According to the report, China has the world's largest internet user population (485 million) followed by the US (245 million) and India (100 million). The users will increase to 750 million in China and 350 million in India by 2015. While an individual in the US spends 797 minutes online per day, the score is much less in India with just 220 minutes per day. In Asia, about 700 bil-



Get ready for the power of digitisation. Companies all over the world have to take a close, hard look at their social media game plan as digitisation can force a radical change in the business models of firms

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Management Guru

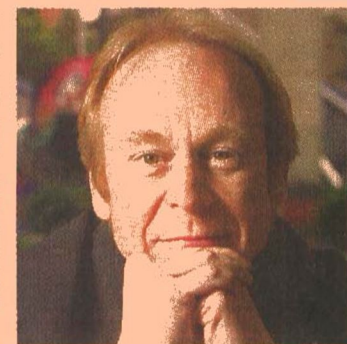
lion minutes are spent on Facebook every month and about 2.9 million emails are sent every second.

The McKinsey report says today's consumers like to research online before shopping in markets. About 60 per cent of Asians make purchasing decisions online. The worldwide CEO of OMD, Marinardo De Nardis, says, "The challenge is to reach and measure communities on these sites and make sure that most people have access to tools of mobility like tablets, smartphones etc." Some companies of course have taken a head start on online and mobile platforms to draw new rules of

engagement to sustain consumers' interest. For instance, Coca Cola, the beverage leader, is trying to associate its brand with various popular cultures around the world like sports, music etc. It successfully composed the anthem of the FIFA world cup last year. It is working in association with the World Wildlife Fund to create an arctic refuge for polar bears. It is also promoting a culture of music by fusing sounds through its musical 'Coke Studio.'

The company has also chalked out a 'Liquid and Linked' strategy based on the fact that people are interconnected these days through digital media making them highly liquid and mobile. Its executive vice president and chief marketing and commercial officer, Joseph Tripodi says, "The plan focuses on creating rich content which can engage consumers and tell the story on a massive scale. It will help us double our business by 2020." The company already has 35 million Facebook members.

The final challenge in developing markets, experts say, is the issue of talent shortage. Kelly Clark, worldwide CEO-Maxus, says the biggest issue in Asian market is finding talent — people who are curious, interested in change and able to navigate through the complex media environment. Creative biggies emphasise the need to realise the value of big ideas and nurture new talents. Robert Senior, creative chairman of the leading UK based ad-



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ROBERT SENIOR,
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Saatchi and Saatchi

vertising agency-Saatchi and Saatchi, says, "The focus of our group is to have the right people on the board, give them the right support and nurture their talent. It's an opportunity for big ideas to offer some clarity against the backdrop where there is so much confusion."