5 ASIAN TRENDS FOR 2018

2018 rising to the east.

It's a time for wrap-ups and round-ups, and it's no different for us at TrendWatching Asia. We have been hard at work to identify these five trends that will shape Asian consumerism in 2018, so *you* can get a head start on your innovation journey ;)

1. SHOPSTREAMING
Asia's social consumers embrace a new shopping stream

2. CITIES IN THE CLOUD
What if the most important infrastructure of future Asian cities are no longer physical structures, but data and connectivity?

3. WORLD ON WHEELS
Asian commuters embrace real-time solutions for wheel-time

4. ASIAN BLOCK PARTY
In chains Asian consumers trust

5. ANIMAL KINGDOMS
So hot right meow: Asians' love lavished towards their pets.

Featuring best-in-class innovations from Bangkok to Bangalore, each trend represents a powerful, actionable opportunity for your brand.

We hope this edition inspires you to launch trend-driven innovations of your own. Take it back to your team and be empowered to hit the ground running in 2018.

Good luck!

SHOPSTREAMING

In 2018, two of Asia's biggest digital waves - e-commerce and livestreaming - are merging. This is spelling out the next direction for both online shopping and social connections: interactive, experiential, and in real time. One market in particular is offering a window into that future, but the rest of Asia is soon to follow.

Why Now?

SOCIAL SHOPPERS

Asians are social shoppers - they rely on social media recommendations for their purchase decisions. For many, the ability to talk to sellers and buyers can build trust and allay fears about counterfeit goods. In Southeast Asia, 30% of e-commerce sales are started on social media and completed in messaging apps (WARC, June 2017).

SUGGESTION SHIFTS

Across Asia, shoppers consider social networking sites to be more influential than word-of-mouth recommendations from friends when it comes to choosing where to shop: in Thailand, 52% of shoppers trust social media, versus the 15% who prefer recommendations (Mastercard, April 2017).

LIVESTREAMING BOOM

China's livestreaming market is projected to grow to USD 15 billion by 2020 (Goldman Sachs, August 2017). In July, BigoLIVE announced it had more than 150 million subscribers with 45 million monthly active users, most in Southeast Asia.

Examples

JIUQU VILLAGE — January 2017 saw Jiuqu Village in China's Fujian province hop on Alibaba-owned Rural Taobao program to sell home-grown kumquats via livestreaming. In the run up to Chinese New Year, a livestream hosted by Italian chef Riccardo Messina included a cooking demonstration and interviews with local producers to assure quality and authenticity.

PEARL BRO — Xinda Zhan, one of the thousands of entrepreneurs utilizing livestreaming, broadcasts the process of harvesting pearls and has grown a devoted audience. Customers pay CNY 58 (USD 8.50) for a mussel and then watch live to see if it contains a pearl or several. A June 2017 BBC report cited Xinda Zhan, also known as 'Pearl Bro', made USD 4.4 million in six months.

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Your response?

EXPERIENTIAL E-COMMERCE

Gone are the days when experiential shopping was only for brick-and-mortar retail. Pearl Bro turned buying a mussel into an exciting and competitive shared experience - can you create similar moments of delight?

NEW NEW NORMAL

Now supported by increased 4G penetration in Asia, livestreaming offers a very authentic window for people to look through. Think about how you can go beyond transactional shopping and allow consumers a real look into relevant local issues and topics - kumquat farming, anyone?

PLAYFUL PARTICIPATION

This trend points towards a deeper consumer expectation for interactive social content. Even if you are not jumping on the SHOPSTREAMING bandwagon, can you shift your social strategies to meet this demand? See how XL Axiata in Indonesia livestreamed a game show that required real-time viewer participation.

CITIES IN THE CLOUD

An array of challenges (traffic jams! poor infrastructure!) are plaguing Asian cities. At the same time, tech companies (think Gojek, Grab, and WeChat) are connecting consumers on the cloud and harnessing massive data on their platforms. Overwhelmed urbanites will welcome brands that leverage connected platforms - their own or via partners - to create innovative data-driven services and solutions for urban living.

Why Now?

SOCIAL SHOPPERS

China's sharing economy is predicted to grow about 40% in 2017 to USD 705 billion (Reuters, July 2017). From shared basketballs, umbrellas, chargers, and fans, dense Asian cities provide the perfect home for access-based services, which give off more data than ownership-based models. This data is key for creating new civic solutions.

OPEN GOVERNMENT

Waking up to the power of platforms, Asian governments are collaborating with them to build smart cities. The World Bank partnered with Grab to provide free traffic solutions for Asian governments, powered by Grab's drivers' data from 34 cities. As more of these partnerships are formed, consumer expectations on what brands can (and must) do for their cities will heighten.

Examples

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DIDI CHUXING — May 2017 saw Didi Chuxing partner with local government to power smart traffic lights in real-time and control the flow of traffic using data from its drivers. In the pilot program (debuted in the city of Jinan), the China-based ride-sharing platform could predict traffic patterns and reduce congestion by approximately 11%.

INDUSTRIAL DESIGN CENTRE — In January 2017, India's Industrial Design Centre created an internet-of-things network to connect stores in Dhavari, Mumbai (one of Asia's largest slums). Multiple beacon devices are stationed around the shanty-towns, pushing notifications about the offers and products in nearby stores to potential customers in the area.

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Your response?

DATA FOR ALL

Who would've thought that a ride-sharing platform could help governments control a city's traffic flow? Can you use your data to deliver solutions that improve the experience not only for your customers, but for everyone?

TRADITIONAL MEETS TECH

Can you use a combination of traditional media (posters!) and tech (beacons!) to connect areas that once stayed offline - think slums and wet markets - to the cloud? All consumers will come to expect data-driven services that facilitate a more seamless experience!

CITIZEN-POWERED SOLUTIONS

It doesn't have to be all on you! Hawa Badlo encourages citizens to report pollution incidences. Empower urbanites to share useful data and improve their home cities.

WORLD ON WHEELS

There is no shortage of stories about Asia's traffic, from governments limiting the number of cars on the road, to taxing shopping malls for allegedly causing

congestion, and heads of state reduced to traveling on foot due to horrible traffic. Congestion isn't going away in 2018, so consumers are welcoming products, services, and initiatives that inject fun and productivity into their commute.

Why Now?

CONGESTED CITIES

Six of the world's top 10 most congested cities are in Asia. And as incomes rise, Asians will only buy more cars. The Nissan-Mitsubishi-Renault alliance is projecting to sell 40% more cars by 2020, with the highest growth coming from China, India and Southeast Asia.

COMMUTE CENTRAL

Five of the top 10 countries with longest commute in the world are in Asia. As Asian metropolises continue to grow, millions more will continue to commute in and out of these cities.

ALWAYS ENTERTAINED

In India, Netflix streaming peaks during rush hour. Just one indicator that, thanks to mobile, consumers can now access content and expect to be entertained everywhere.

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WHIM — Launching in Singapore in early 2018, Finland-based Whim allows travelers to access various transport services - including public transport, taxis, bikes and more - via a single smartphone application. Users can choose from a pay-as-you go or monthly plan options. According to Whim's founders, the company hopes to simplify transport options and discourage private cars.

OLA & MICROSOFT — India-based ride-hailing platform Ola have partnered with Microsoft to expand its internet-connected vehicle platform, Ola Play, and introduce Ola's systems to car manufacturers. The partnership will allow riders to access entertainment and use Skype for Business and Office 365 during car rides.

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Your response?

COMMUTE CHANNEL

Commuting is a new channel for your brand to reach consumers in creative ways. Help consumers make the best use of their commute - with entertainment, productive activities, relaxation, self-improvement initiatives, and more.

DETAILS MATTER

Can you improve the overall commute experience by fixing the little details? From tollbooth flyswatters to traffic-controlling robots, what part of a consumer's commute can you create tools and services for?

ESCAPE ROUTE

Help consumers shorten their commute or escape their regular journeys altogether. PunMuang App helps people cycle through Bangkok's network of shortcuts so they can avoid traffic. Are there alternative routes or modes of transportation you can facilitate?

ASIA BLOCK PARTY

Trust is hard to come by, thanks to issues from rampant corruption to food scares to non-existent record-keeping of important information. But consumers are waking up to the power of P2P-enabled trust that blockchain affords via decentralized record-keeping. In 2018, rising numbers will demand brands harness the technology to deliver new levels of transparency and traceability.

Why now?

TRUST CRISIS

In 2017, the Edelman Trust Barometer recorded that Asian consumers' trust in four major institutions - governments, brands, media, and non-profits - was falling. In China, 73% of consumers think corruption has increased recently (Transparency International, March 2017).

BITCOIN AWARENESS

Bitcoin prices skyrocketed in 2017, raising awareness of cryptocurrencies in mainstream markets. Suddenly, street stalls accept bitcoins and co-working spaces dedicate themselves to bitcoin education.

P2P MINDSET

Asia's communal culture means people are no strangers to the power of community in solving problems. The recent growth of the P2P economy has empowered individuals to work together to create value, further fueling the crowd-powered problem-solving mindset. Now, blockchain technology will enable a new level of trust.

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JD.COM — In May 2017, Chinese etail giant JD.com announced that blockchain would allow customers to trace frozen beef products back to their source, combating food safety concerns. JD.com customers in Beijing, Shanghai, and Guangzhou can scan a QR code on their packet of frozen beef, and trace the product to a specific farm and cow, identified by a unique code.

CARBON CONSERVATION & DAPPBASE — November 2017 saw Carbon Conservation partner with tech platform Dappbase to fight forest fires in Indonesia using blockchain. A smart contract (a set of rules used to verify the terms of the contract on the blockchain) will automatically distribute funding to villages when they successfully reduce incidences of fire, monitored via satellite imaging technology.

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Your response?

CLEAN SLATE COUNTRIES

Few developing countries have legacy systems that keep important records (think payments, votes, contracts, and more) in a secure, transparent, and enforceable way. Carbon Conservation and Dappbase use blockchain to solve this. Are there any local gaps you can fill?

TRANSPARENT SYSTEMS

Even if you are not adopting blockchain technology tomorrow, the emerging expectations around traceability will soon be at your door (if not already). Can you make your existing processes more trustworthy?

TWO-WAY TRACEABILITY

Beyond tracing where their purchases come from, consumers will also expect to see their impact in the circular economy. Can you use blockchain-powered systems to show them where their buy-one-gift-one (to charity) shoes were sent?

ANIMAL KINGDOMS

Animal lovers rejoice! Asians are lavishing more and more love on their pets. Pet ownership is booming. According to research from Euromonitor, the number of pet dogs in emerging market countries has jumped 51% to 243 million since 2003. And with increasing stress, urbanization-driven loneliness, and distrust towards other people, a growing segment consumers is turning to pets for companionship and therapy.

Why Now?

RISING MIDDLE CLASS

Rising income for the middle class means they now can splurge for their pets. Chinese consumers spent CNY 122 billion on pets and related products and

services in 2016, and this is expected to rise on average 20.5% yearly (yc.cn, June 2017)

STRESS & LONELINESS

Singapore has one of the longest average working hours in the world. In 2016, Singaporeans clocked up 2,371.2 hours, compared to Taiwan's 2,163 hours, Japan's 1,735 hours and South Korea's 2,193 hours (Ministry of Manpower, July 2017). In these fast-paced societies, stress levels are on the rise. Pets help consumers combat loneliness, boost productivity, and get healthier.

PET HUMANIZATION

From paying SGD600 for cremations to subscribing their pets to healthy meal plans, Asians (that can afford to) are spoiling and treating their pets like humans.

Example

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HONG KONG TOURISM BOARD — August 2017 saw Hong Kong Tourism Board launch a video campaign starring five shiba inu dogs as Old Town Central local residents. The dogs went around enjoying what the area has to offer, taking photos and videos along the way using tail-activated cameras. The campaign also included free walking tours for humans, introducing them to the area's food, art, and heritage.

HARPER COLLINS INDIA — Designed to encourage responsible pet adoption, Harper Collins India introduced paid leave for employees with new pets in April 2017. 'Pawternity Leave' entitles employees to five working days' paid leave if they have just adopted a cat, dog or other types of pets. Staff can also bring their pets to the office, where they are kept in a designated area for the day.

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Your response?

BROADEN YOUR OFFERINGS

Human products can be for pets too! Could you expand your offering by creating a complementary version for the pets? Before you brush this off as absurd, remember you could be missing out on a booming segment of animal lovers.

PET LENS

One pattern you've surely spotted in previous trends that we've published: consumer attention is increasingly difficult to attract. Make your products or campaigns more exciting by delivering them through the lens of pets. See the Old Town campaign for inspiration.

PETS-TER POWER

Since owners love their pets, can you create products, services or campaigns that are attractive to pets, to get the owner's' attention?

THE BIGGER PICTURE

The 5 trends featured here are important, but they represent just a small fraction of the consumer landscape.

Clients of our Premium Service have an instant global Trend Department at their fingertips. They have access to our entire Trend Framework, built around the 16 mega-trends that define modern consumerism. Beneath these sit 120+ actionable trends (the trends featured here, along with a host of others we continue to track), all illustrated with 15,000+ hand-curated, best practice innovations. If you're serious about trends, it's a no-brainer.

OVER TO YOU

As always, we wrap up these annual Trend Briefings with a call to action…

While it's our job just to watch trends, ambitious business professionals should read this Briefing with only one thing in mind: how to apply these trends to create compelling new innovations that will delight your customers (and win new ones!).

In March 2018, we're hosting a full-day Trend Seminar in Singapore, where participants learn more about – and work with – 2018's biggest trends.

Otherwise, what are you waiting for? Time to make 2018 your best year yet!

Cheers! Proost! 干杯! Salud! Skål! 건배! Santé! Prost! Şerefe! Mabuhay! Saúde! Chok dee!

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IT TAKES A TEAM

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