



ROOTS Asia Pacific Trend Report 2019

In collaboration with **ROOTS PR & DEX VENTURES**

Prologue

In this report, we aim to give you a balanced view of some obvious and some not so obvious trends to expect in 2019. Our consultants from each field have chipped in their observations about the current state of their industries along with recommendations on opportunities surrounding each trend. The views expressed within are based on experience with our roster of clientele, informed by a global awareness. As such, this trendwatch is specific to local contexts and relevant to the very type of sectors that made up the study - yourself - yet draws connections with contemporary currents elsewhere.

Under PR, we consider how influencer marketing can be done better. In Events, we look at the role of activation as an evolution of the events model. In Content & Creative, we discuss how it is possible to increase output at minimal cost to quality. And finally, in Digital & Tech, we put the question to rest about what role martech plays for organisations that have gone digital.

In some parts, we raise questions that could direct your 2019 problem statement - amid dwindling media attendance, how can you bring a full brand experience to the media? If digital was all you had, how would you maximise its impact on your business? These are designed not to give answers, but to flag pivotal areas that teams should be working on to solve together.

Among all the trends, there is one common driver - digitalisation and technology, without which these trends would not have been possible. If there is one clear trend to rule them all, it is that technology is rewriting the narrative for industries and giving birth to new opportunities. How fast we adapt is entirely up to ourselves.

Cheers to 2019.

Foreword from the Partners

As we usher in a new year, please accept our deepest gratitude especially to our client partners for your support over the past years. As an independent agency group, the privilege of our clients' trust and support is the greatest pride we can have as we continue to push ourselves to deliver on our purpose of helping them build their business & brand for the future.

During this period of time, it is usual for us to take a step back into reflective state and look in anticipation of new challenges on the horizon. 2018 continues to pave way for more changes within the environment - nimbler campaigns, ecommerce growth, on-ground experiences with tech such as VR, AR & MR as well as personalised content.

Also, we see brands torn between *riding on trends vs staying true to their DNA*. The world is truly in a beautiful mess. However, we believe a consolidation is around the corner - back to simplicity. With that as a background, here are a few areas that we believe will be important in the next 12 months. We hope that you will find some of these views useful in your endeavor of building the most effective marketing plan for your business.

Key Message Commitment

The best brands commit and live the message. This includes a continuous effort to explore different ways to deliver one clear message. Internal communications is equally important as external. Our people are our best ambassadors when translating the brand message and culture to the world - through media, partners, organizations, KOLs - they must all carry our brand DNA and core message. Today, there are constant distractions to sway brands off their path of commitment. Be conscious of playing to the crowd too often and strive to defend your core message.

Foreword from the Partners

The World as an Experience of Your Brand

Welcome to an age of constant sensory triggers. Take a step back and look around - we are constantly being stimulated by different messages from a plethora of campaigns. In the physical world, our priority is to translate intent into high quality experiences with the customer at the center. With each physical interaction we should then be curious: *"How can we improve the delivery of our physical brand experience?"*. Look for small opportunities that can capture the emotions of the customer in a meaningful way.

Creative as a Tool of Speed

Set the creative identity and deploy for each customer segment & scenario. Gone are the days of long discussions and brainstorming towards perfection. By and large, most campaigns will probably be forgotten in 2 months' time. Therefore, the *commitment to an initial strong creative identity will pave way for small and quick iterative improvements* in each phase of the marketing roadmap. This way, you can evolve without diluting the core while addressing a market that's fragmented in the shortest time possible. The best brand managers will have the ability to see micro and macro details while serving as brand guardians.

Technology as a Bridge

Brands will ultimately be forced to commit to a set of core technologies for customer experience management. It is simply not possible for any business that intends to grow wanting to tackle data, multi-channel marketing, evolving behaviors and personalized content without the right technology stack. Inflection point will arrive when the cost of status quo becomes higher than the cost of implementing key solutions. Higher cost in this case being loss of market share, lower margins, brand dilution, competition and so on. Technology therefore isn't just a bridge for our marketing channels but but a bridge into the future.

Foreword from the Partners

Corporate Strength, Startup Mentality

The best brands in 2019 we believe will demonstrate some of these characteristics:

1. Clarity of thought and action through a commitment to their key message
2. A consistent and seamless brand experience across offline and online spaces
3. Strong creative identity complemented by unparalleled speed to execution
4. Core technology stack for tackling multiple market segments and needs in real time
5. Nimble and agile - leveraging on corporate strengths with agency teams collaborating with a startup mentality - ability to recover from mistakes fast and iterate along the journey

Moving into 2019

So how can we compete? What should companies and brands do then amidst this beautiful mess? The world is getting exciting with infinite opportunities presented to us every single moment. We must continuously learn. We can't hide behind our comfort walls and ignore the changes around us and use "technical" as an excuse. The intersection between creativity and technology is happening as we speak and we look forward to learning from you as much as we hope that you will learn from us.

This report serves as our capstone of thought from all the people and partners at ROOTS & DEX. Our goal is to continuously share our views with the intent of helping our clients build their business and brand for the future. In a way, that's how we got here - an agency that is run by hardworking & driven people who truly just want the best for our clients.

Thank you.

From the **partners and teammates of ROOTS Asia Pacific, DEX Ventures & ROOTS PR**

Trends | Public Relations

Trends | Events & Brand Activation

Trends | Content & Creative

Trends | Digital & Tech



Trends | Public Relations



Media **downsizing** is pushing brands to fight harder to get positive media attendance at events.

The print publishing space is seeing the impact from declining advertising revenue and sales. Publishers are downsizing as their readership continues to shrink and move to other formats.

The landscape is streamlining, and a leaner headcount limits the media's capacity to mobilise manpower for media events. This means that brands are having to fight harder to get positive media attendance. We are seeing this happening even among interesting consumer brands with pull factor.

"It used to be that a smartphone product launch could attract 100 pax easy, but not anymore," says Angel Ng, PR Manager at ROOTS PR. It is becoming more challenging to get a full brand experience in front of the media.

The most effective brands will continuously seek to create a symbiotic relationship with the media. Win-win is the new norm.

Malaysian print media that downsized in 2018

Utusan Malaysia downsized to a thinner, more compact tabloid size. Star decreased pages

Star Media Group shut down printing ops in Penang as part of an ongoing cost rationalisation exercise.

Malay Mail ceased print on December 1, 2018 and has gone fully digital since.

Public Relations

Media Landscape Changes

Opportunity

While traditional revenue streams are downsizing, media publishers are strengthening their competitiveness by investing in digital operations instead, with several key joint partnerships and acquisitions established over the last one year.

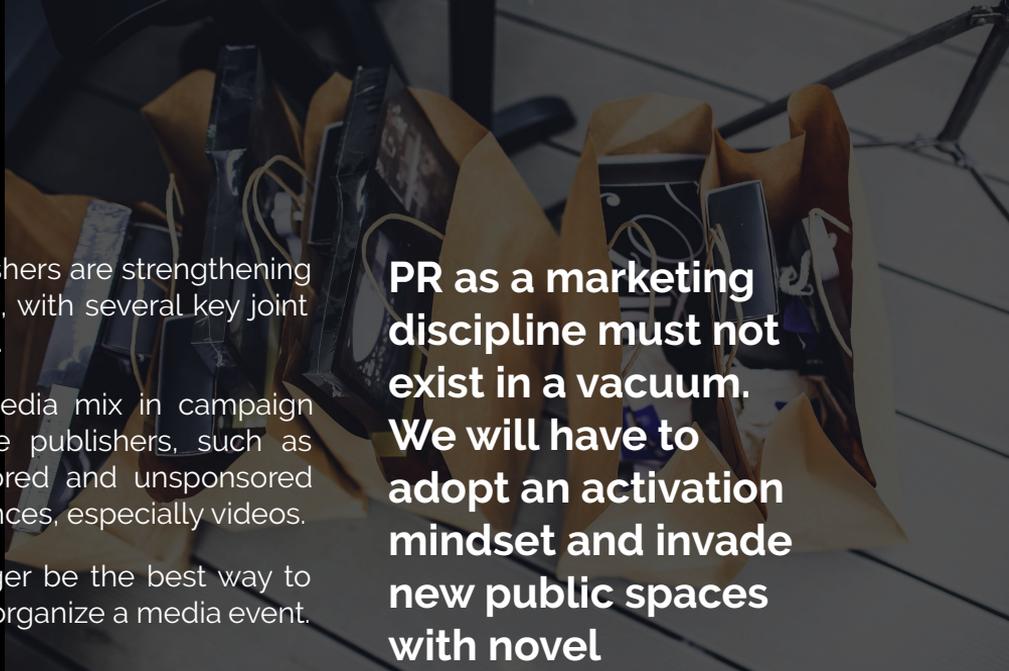
This is an opportunity for brands to use a more diverse media mix in campaign strategies by exploring newer and less conventional online publishers, such as Millennials of KL which maintains a good balance of sponsored and unsponsored content. This would mean adapting PR content for digital audiences, especially videos.

Brands need to acknowledge that media events may no longer be the best way to reach their audience. They need to have a very good reason to organize a media event.

Some questions worth asking:

If you need to launch a product, what other ways can you reach the media? Media drops for product reviews are common, but how can you bring the full brand experience to them instead of making them go to you?

PR as a marketing discipline must not exist in a vacuum. We will have to adopt an activation mindset and invade new public spaces with novel concepts, and bring those concepts to the media's attention, which will allow PR the breathing room to evolve along with the narrowing media landscape.



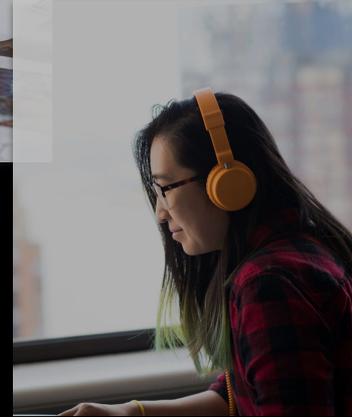
PR as a marketing discipline must not exist in a vacuum. We will have to adopt an activation mindset and invade new public spaces with novel concepts, and bring those concepts to the media's attention

**The media is looking
for more story, less
brand names**

While the media is looking for more variety in angles, brands still insist on speaking from a brand POV. Press releases are stubbornly product-driven and delivered in traditional format.

This doesn't sit well with an environment that is rapidly digitalising. Key messaging needs to be strong enough to compete against the plethora of content online, and brand angles are just not first choice for the way people consume content on the internet.

There is a discrepancy between what brands are doing and what publishers want. The media wants special angles and reader-relevant content. Content from a brand's business perspective is less as newsworthy.



Opportunity

Think more story, less brand names. This may be counter-intuitive - brand names appearing in published content is, after all, a core measure of ROI for PR practitioners.

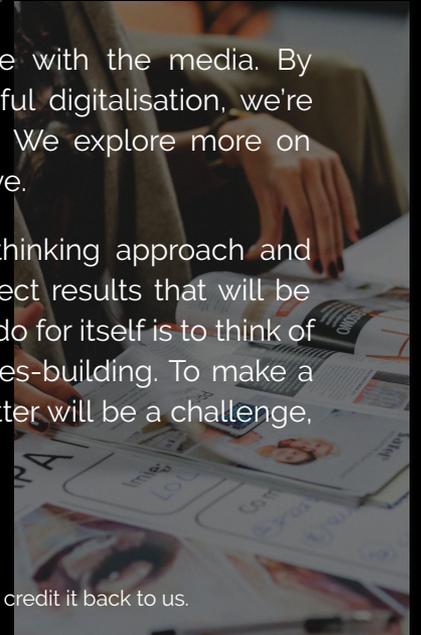
But a shift in content paradigm and content delivery will bring numerous creative opportunities to create content that both media and audiences love, without losing out on brand memorability. We're talking about taking a content-first approach to PR.

Brands that pump up on special angles and deliver their messages in unconventional ways, such as a product sheet in a video or an infographic, will have an edge over brands that are stuck in the present.



We need to evolve our content to keep pace with the media. By providing the media what it needs for successful digitalisation, we're creating room to co-exist in the digital sphere. We explore more on digital content in the section on Content & Creative.

Evolving your content requires a longer-term thinking approach and marketing plans will likely have to adjust to reflect results that will be less immediate. The greatest favour a brand can do for itself is to think of its mandate as relationship-building, not just sales-building. To make a business case for how the former leads to the latter will be a challenge, but will help PR adapt to the state of the media.



Sustained engagements enjoy better results than **campaign-based engagements**.

Brands that take a piecemeal approach to their PR strategy don't see as much impact as those that consistently work together with a dedicated agency for an extended period of time.

Brands that have in-house PR teams with their own roadmap fall into the trap of poor alignment with their external agencies. Failing to enlighten their agency on their entire vision, the partnership cannot contribute to the overall long-term strategy.



Sometimes brands fail to keep the different agencies they work with fully informed about each other, choosing to deal with each separately. This limits the potential for impact and relegates each agency to operational and divisional work rather than integrated strategy.

Opportunity

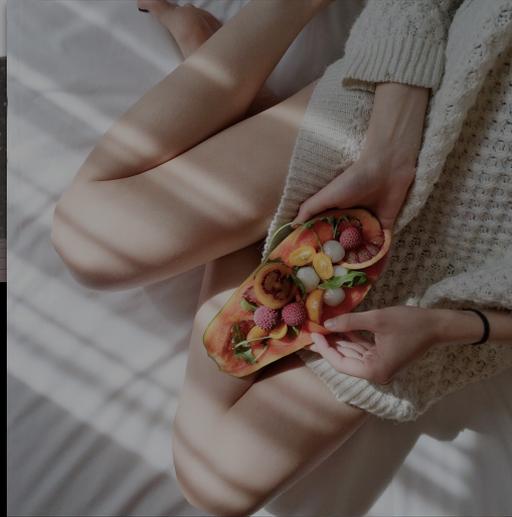
Work with longevity in mind. Brands and agencies that work on a longer term basis are better at identifying issues together and keeping the roadmap in check.

When working on short engagements, involve PR (and for that matter, any specialisation) right from the first phase of planning.

Some brands go ahead to plan an event without consulting PR in the process, leaving the PR team to work with weak media angles at the very end.

Public Relations

Industry Observations



Influencer Marketing

Jumping on the bandwagon for no good reason

Micro-influencers are overriding KOLs in preference, but brands don't often know how influencers should fit into their overall brand plan. There is no intent that informs strategy, so brands that approach influencer marketing like a commodity are more likely to see insignificant gains stemming from their shortsightedness.



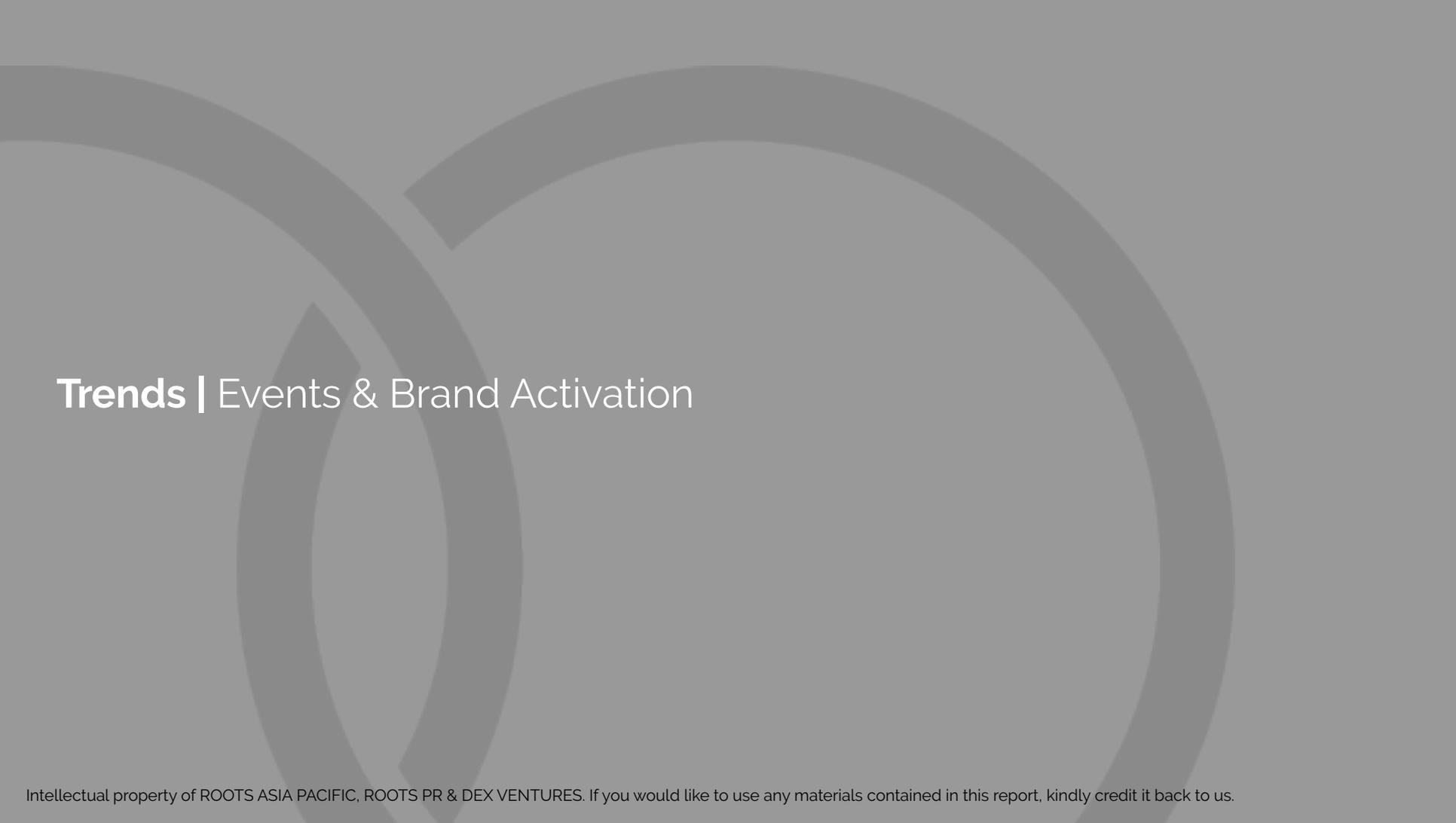
Allow time for followers to commit to your brand story, a story driven by strong characters whom they can love and remember.

We've seen greater success when influencers are used on a longer term basis as brand spokespersons rather than in one-off engagements. The idea is to build a community with strong loyalty, led by recognisable influencer(s) who embody the brand's lifestyle.

Long-term partnerships allow the influencer to build deeper ties with the business and create stronger secondary association.

adidas Runners KL works with the same influencers regularly to lead their growing community of runners. It has worked tremendously for creating a tightly bonded community of runners who identify with adidas and who become brand ambassadors.

Don't kill off your protagonist too soon. Allow time for followers to commit to your brand story, a story driven by strong characters whom they can love and remember.



Trends | Events & Brand Activation

Events & Brand Activation

Industry Observations

Creative concepts are no longer an option - they're a requirement

Brands want to see fresh ideas. It's no longer about paying the project fee for event delivery - they expect the creative element to be a given.

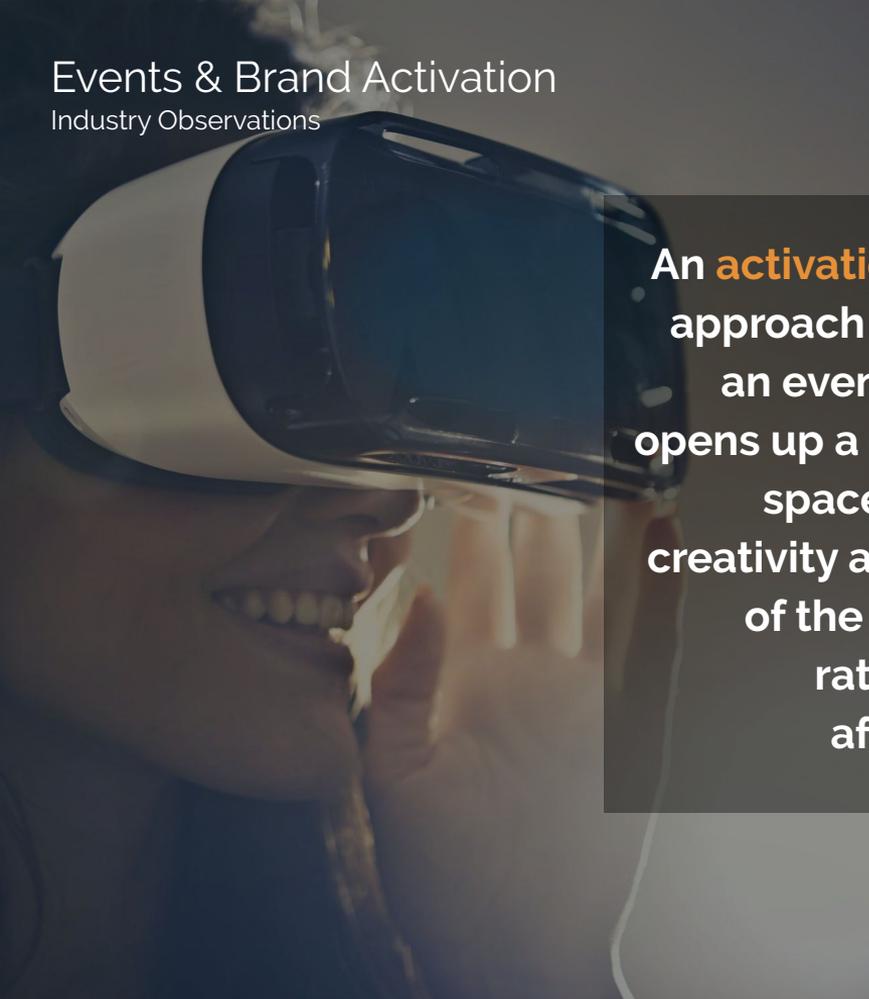
In the past, when a brand wanted to educate their audience at an event, they'd put up a backdrop. But today, they're playing with audio guides, games, and the experiential journey.

AR and VR are being incorporated to add dimension to the event experience. Lucky draws are tried and tired; clients want interactivity that emphasises brand experience and brand impression.



Events & Brand Activation

Industry Observations



An activation-focused approach rather than an event approach opens up a conceptual space to think of creativity as the driver of the experience rather than an afterthought.

Opportunity

Brands that seamlessly integrate AR/VR into events with an understanding of how it can enhance the experience of their product or service will have a clear advantage over others.

Aside from AR and VR, brands willing to explore with creative activations are on the right path, although care should be taken to always have the right intent - piling on the activations for the sake of interactivity, with no direction of how they lead up to business goals, does little justice to event branding.

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Events & Brand Activation

Industry Observations

Project Miller

Traditional activations revolve around supply POSM, trade and merchant engagements - but things are catching up.

Marketers are beginning to see that brand experience extends beyond the event and that merchant POS are fair play.

Project Miller was a special operation involving marketing of a heavily regulated product in unconventional ways. The ROOTS Brand Activation team crafted a conceptual drink based on the product's theme, bamboo charcoal, serving it exclusively at partner bars and inviting KOLs to sample. The project blurred the lines between various marketing disciplines, demonstrating what activation could be, independent of an event-centric focus.



Events & Brand Activation

Industry Observations



Digitalisation in 4 main areas

- Cloud-based management solutions
- Augmented reality & virtual reality
- Live streaming
- **Event management apps**

In particular, aside from AR and VR spatial experience, we've noticed a trending demand for event management apps. User-friendly apps that help event organisers manage, gamify, or personalise events are becoming more in use. 76% of event professionals who do not use an event app intend on adopting one in the next year.*

Event management apps are not new to conferences, which use them to automate certain processes such as self check-in. The source of the demand stems from a desire to digitalise events, which may not be practical for smaller events.

*Event MB

Events & Brand Activation

Industry Observations

Event apps - a matter of feature and scale

Features are the most important consideration for event organisers. The top 3 features in an event app that organisers want are onsite registration (19%), in-app registration (16%), and content capture (13%).*

But for event apps, the demand is for highly personalised features that allow for specific kinds of games and interactivity, in addition to the basic registration features. Not a single app has features robust enough to meet *all* the varied demands of large and small scale events - yet.

The apps on the market cater to larger conferences, which lack personalised features that more intimate events require such as participant voting (e.g. for Best Dressed contests) and seat selection options.

That aside, the feasibility of using apps for smaller events is a matter of scale - the per head cost, divided among fewer people, is naturally higher than the per head cost for a conference.

*Event MB



Events & Brand Activation

Industry Observations

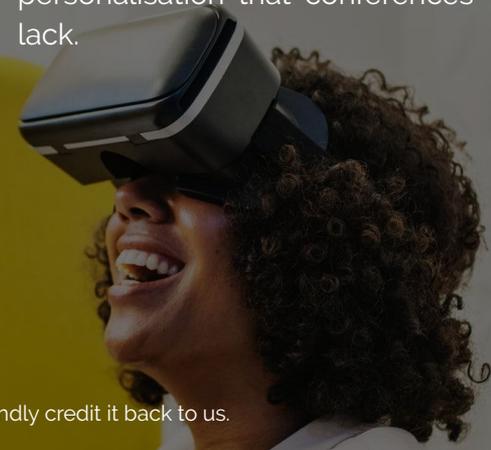
Opportunity

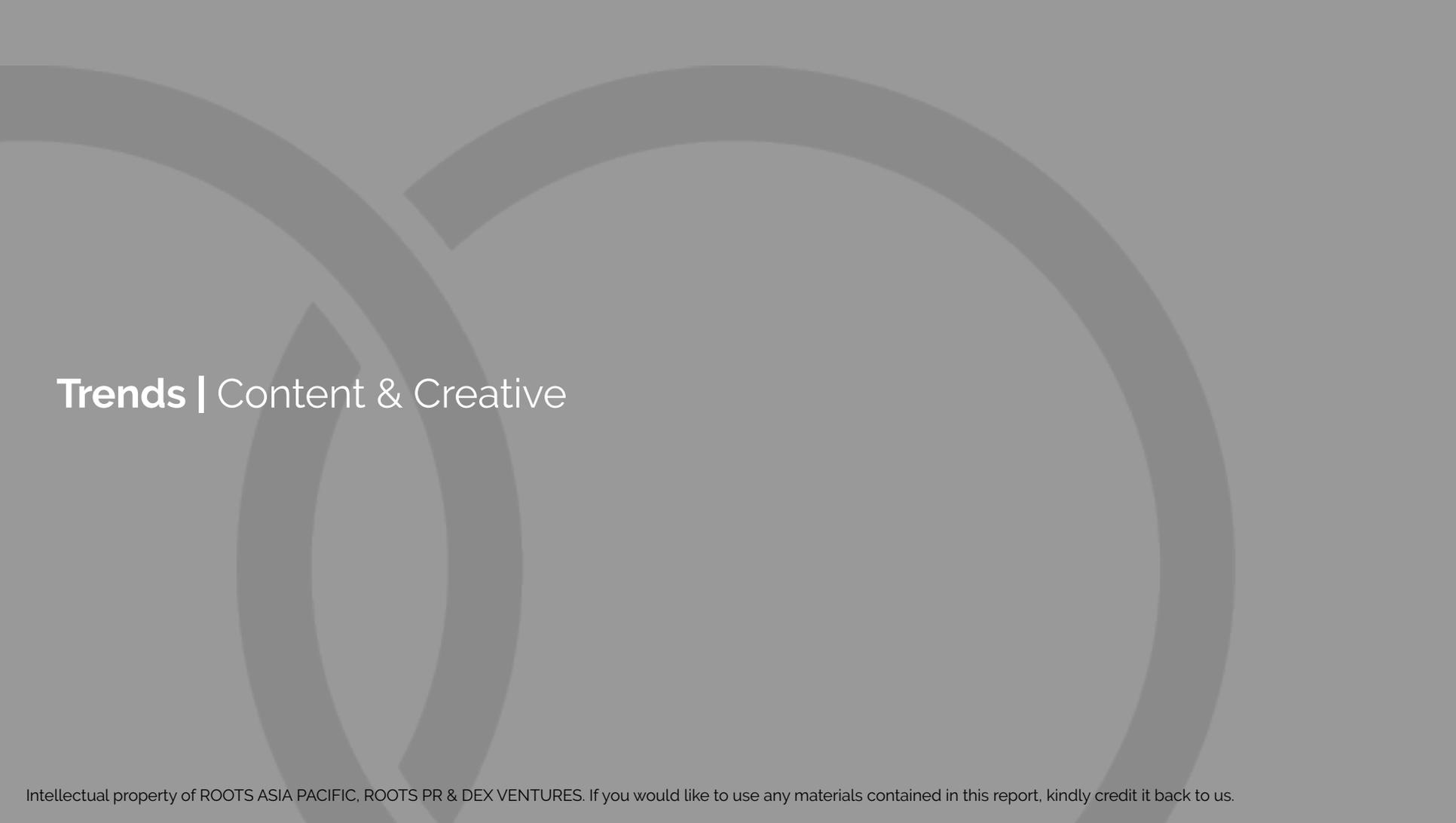
91% of event planners say that adopting a mobile event app has provided a positive ROI.* Despite the extremely encouraging outlook, cost is a major factor for the easy adoption of dinner apps. Since only 1.2% of the event budget for each attendee is allocated for event apps, the pay-off from using these apps only once may not be enough to offset the higher 'rental' price.*

*Global Experience Specialists

Some event companies that specialise in dinner events have developed their own proprietary event management software to meet this demand. The upfront cost of building their own app will eventually be offset by the rental accumulated over some time. In the long-run when the development cost has been covered, the owner can leverage on the app as a part of the service offering instead of charging per use, thus bolstering their value-added services.

Meanwhile, the amount of event apps has grown 20% year on year.* At this rate, it's only a matter of time that the gap will be filled for rentable apps at an affordable price that strike the right balance between the efficiency of conferences and the personalisation that conferences lack.





Trends | Content & Creative

Content & Creative

Industry Observations

The rise of video

The advent of IG and Facebook stories have turned the content landscape in favour of a new type of content that's playful, temporary, and phone-grade quality.

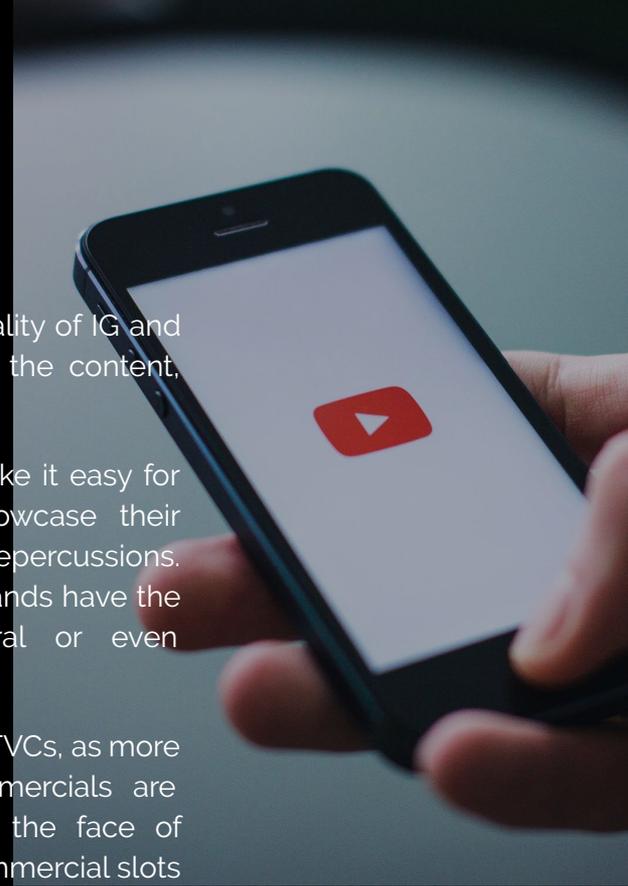
Video-centric apps like TikTok have become trends in their own right, reflecting the dominance of video in content attractiveness.

These quick and short videos are breaking the cost and technical barriers of video production. With this, brands find it less intimidating to incorporate video into their marketing mix, even producing video themselves rather than engaging a production team or studio.

The spontaneous shot-from-my-phone quality of IG and FB stories lend a layer of authenticity to the content, similar to user-generated videos.

The short lifespan of IG and FB stories make it easy for brands to be more playful and to showcase their personality while minimising potential repercussions. Since stories are deleted after 24 hours, brands have the creative freedom to poke fun at viral or even controversial topics.

The rise of video is affecting the viability of TVCs, as more Youtube type videos and Youtube commercials are taking top spot in advertiser choice. In the face of dwindling sales, broadcasters are filling commercial slots to promote their own in-house media products.



Content & Creative

Industry Observations

Opportunity

Despite content marketing taking off in other markets, Malaysian brands still take a very hard-sell approach to their content, running their social media pages like advertising or promotion bulletins. This is driven by sales goals and a traditional conversion mindset.

While brands are keen to explore with more adventurous content, they are still very insistent about pushing the brand logo.

As with our recommendation for PR angles, drop the logo and embrace the story.



It's not that interest in branded content is on the decline. Rather, the data shows that though people are spending less time reading branded content, the decline is consistent across the board for engagement with other unbranded content types.*

Consumption of video content is on the rise, indicating that audiences are not consuming less content, but are consuming content in a different format. They are also more inclined to share unbranded content.

*Simple Reach

Content & Creative

Industry Observations

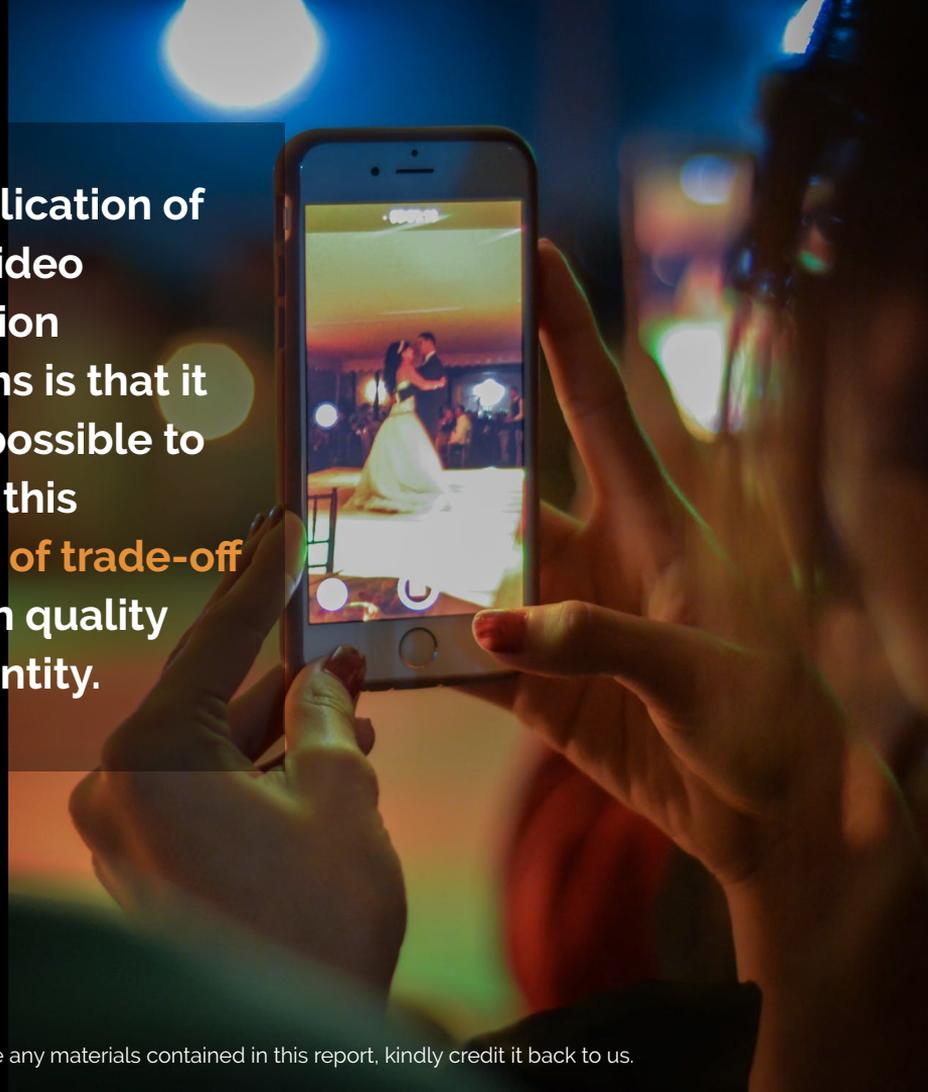
Already, 72% of audiences would rather learn about a product or service through video rather than text, and many brands are on to this.* FMCGs in particular like to do video testimonials or run contests that involve video submissions.

With Facebook rolling out a new platform that converts still images into short, snackable videos, radically simplifying the process for SMEs to use video marketing, brands can look forward to more accessible video production.

On the heels of this, we've observed clients expecting greater output of videos and edited images at a cost to quality. Some have responded with the development of platforms that automate creative content, such as adaptation of banner ads and AI-generated headlines. The implication is that these platforms will help us to achieve a balance of trade-off between quality and quantity.

*Hubspot

The implication of newer video production platforms is that it will be possible to achieve this balance of trade-off between quality and quantity.



Content & Creative

Industry Observations



User-generated content (UGC)

Authenticity and user-generated content go hand-in-hand. One recent survey shows that 86% of consumers say authenticity is important when deciding what brands they support, and 60% say user-generated content (UGC) is the most authentic form of content.* By integrating trusted and engaging UGC throughout their multichannel marketing efforts, brands can win their consumers' hearts and wallets.

*Stackla



64%

of consumers actively seek out reviews before making a purchase.*

Some brands take this a step further by building up a community around UGC. Brands that already have a membership system in place can utilize the network to share UGC, creating their own social network filled with member reviews, tips, and recommendations. When done right, influencer endorsements could be perceived as a form of UGC.

Considering the increasing use of adblockers, it is even more necessary to focus efforts on organic content as a way to draw traffic.* Brands should leverage on UGC as one of the most potent SEO tools out there.

*Stackla

Content & Creative

Industry Observations



Involving brand owners in the design process

Developed by Google and used by large tech companies like IBM and Facebook, Design Sprint is a brainstorm and problem-solving framework among mature organisations whose bread and butter is innovation. Similar to agile, Design Sprint is broken down into 5 stages to tackle a bigger issue rather than the minute details.

Through the Sprint approach, the trend is to involve clients into the brainstorming process, as traditionally only agencies adopt Design Sprint for the design process.

Design Sprint lends a design perspective to Agile, another framework similar in nature but which focuses on the solution more than the problem. Design Sprint bridges the idea gap between designers and other roles. Its tenets, however, are not limited to design projects.

Design Sprint for Non-Design Purposes

ROOTS held a workshop with Betadine to plan a strategy and calendar for each quarter for each brand. The Brand Managers were involved in the brainstorm process not just for their own brands but for all products. After going through the 5 stages of the sprint, participants were left with a renewed sense of ownership over the prototypes. We expect to see closer brainstorm sprints with clients in 2019.

Opportunity

Getting brand owners involved in Sprints with their agency has a few benefits:

Everyone is aligned on the project objectives and business goals.

Understand the problem from a design perspective.

Easier to accept the outcome of a sprint.

Shared ownership of the project.

Compare Design Sprint to the traditional waterfall methodology, where each stage of the development process starts only when the previous one has ended, prolonging the time to completion and making the workflow susceptible to failure.

Design Sprint conducts all stages of development simultaneously, so the process is much more responsive to failure.

Brands that take an active part in sprint-based brainstorming with their agencies will save on resources and enjoy a faster project development that stands a stronger chance of survival.



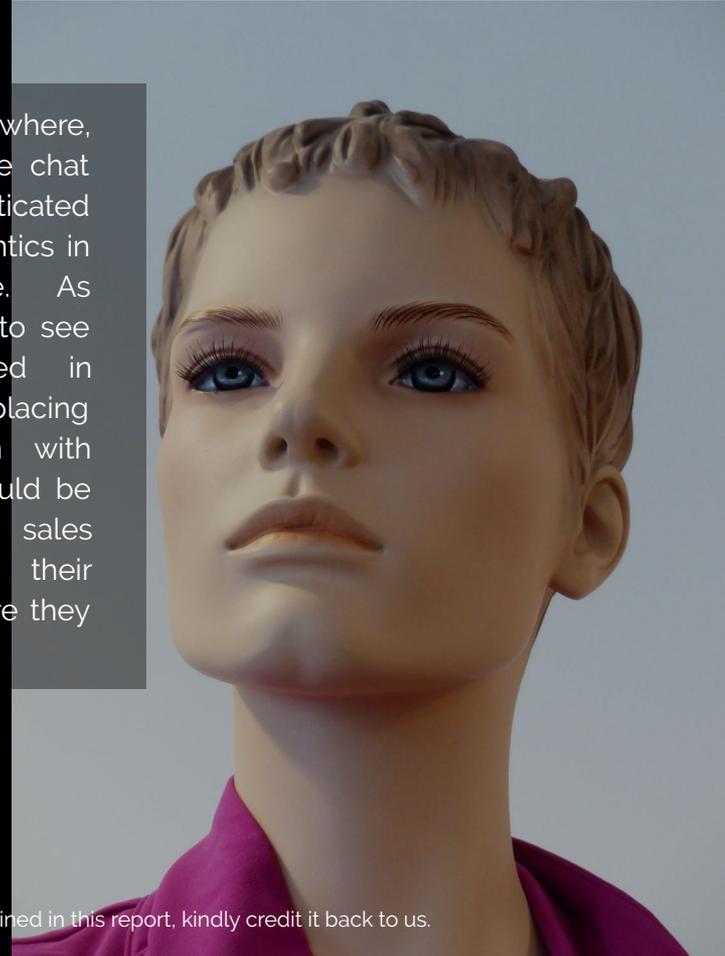


Trends | Digital & Tech

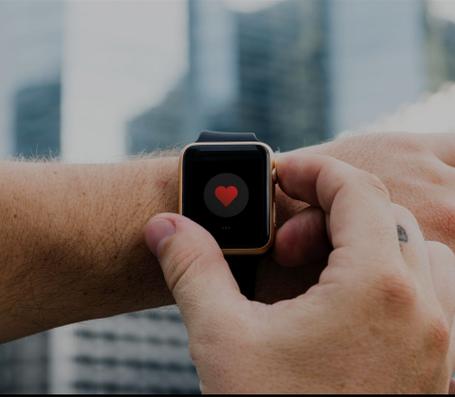
Marketers should be on the front lines embedding sales material and messaging as their company rolls them out.

Humanised chatbots

Chatbots are popping up everywhere, both in Facebook and other live chat solutions. They are more sophisticated than ever, using colloquial semantics in place of robotic language. As chat-based AI takes off, expect to see more chatbots being utilized in everything – answering FAQs, placing orders and getting in touch with customer service. Marketers should be on the front lines embedding sales material and messaging as their company rolls them out to ensure they drive real value.



The shift to a **truly digital** mindset is slow but sure.



We are on a steady journey to understanding what 'going digital' really means. For a traditionally brick-and-mortar company, going digital is often misunderstood as having a presence online. This might have been sufficient 10 years ago, but the potential and the demand for smartly designed customer experience cannot be ignored.

We've been seeing brands step up, proactively seeking to understand how they can create an entire digital experience for their customers, anticipate behaviour, and design journeys that produce better results. They are learning that it's no longer the brand that determines the marketing strategy but the consumers who are in the driver's seat.

Thanks to constant immersion in the online environment, digital-born businesses especially e-commerce are faster at picking this up, although efforts are still concentrated mostly on top-of-funnel customer acquisition.

Despite all the talk about Big Data, brands are cautious. There is a common mistrust of social media data and, consequently, inaction. People are used to hard sales numbers; soft numbers like social interactions are tough to credit. The credibility of social media analytics is further undermined by a misleading cover of 'fun', that social engagement is cheap and does not necessarily translate into a sale.

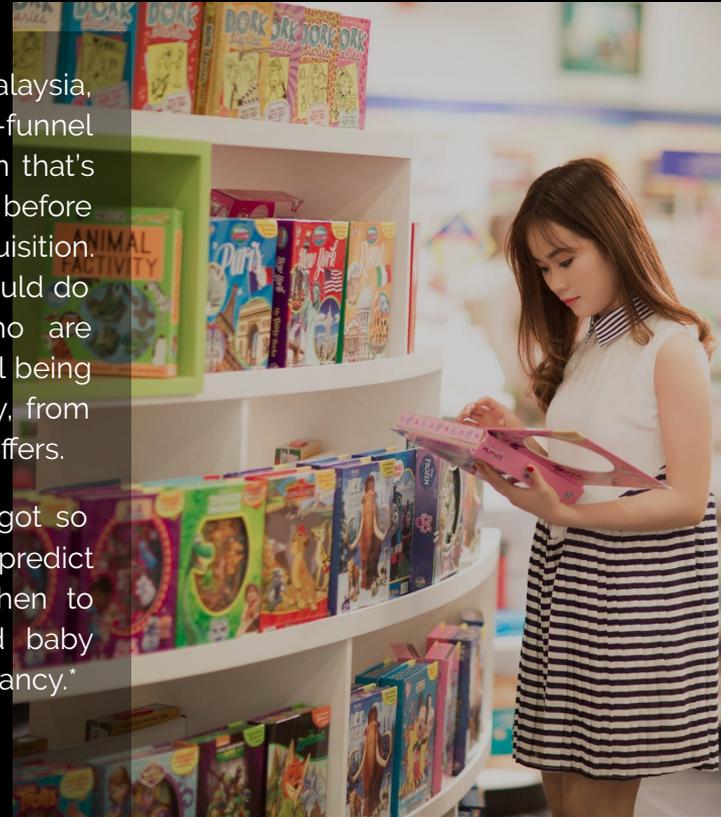


**Be in control of
the entire
customer journey,
from purchase
and search history
to targeted offers...**
**Anticipate
demand even
before it happens.**

The case of PetPet

For the number two diaper brand in Malaysia, PetPet is still focused on top-of-funnel marketing. In a population of 31.6 million that's still growing, this might make sense before finally hitting the ceiling on customer acquisition. To ensure sustained revenues, PetPet would do well to retain existing customers who are expecting *another* child. This would entail being in control of the entire customer journey, from purchase and search history to targeted offers.

U.S. retailer Target's predictive analysis got so good at reading the data that they can predict which customers are pregnant and when to send offers on certain pregnancy and baby products at different stages of their pregnancy.*



*NY Times

Marketing Technology gives data to generate insights that direct the creative approach. On the business side, it helps to lower cost-per-lead and increase efficiency.

Opportunity

Brands need to think like a digital-only business. The single most important question is, *if digital was all you had, how would you maximise its impact on your business?*

Here's an example of making digital really work for you. Instead of spending 10 months on ads to start seeing significant conversion, shorten the time to purchase by targeting personalised ads and thereafter engaging in ways to increase customer lifetime value. To make success sustainable, the process is continually optimised with A/B tests.

The key ingredient is enabling technologies. Martech is a means of reaching an end, not the end goal itself. Digital has always been driven by a strong creative focus. Marketing technology gives data to generate insights that direct the creative approach. On the business side, martech helps to lower cost-per-lead and increase efficiency.

Take AirAsia. The airline uses technology to enable self-service and automate FAQs, thereby filtering thousands of similar requests and manual processes and almost completely removing the need for human touchpoints in the pre-departure experience.

In 2019 and beyond, budgets will move to cover more phases of the funnel, with greater appreciation for the importance of automation that nurtures prospects into loyal customers. There's some way to go, but we're getting there.



ACTIVATION

CREATIVE

DIGITAL

EVENT MANAGEMENT

PUBLIC RELATIONS

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