



# HARNESSING INFLUENCE IN ASIA PACIFIC

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ASIA PACIFIC INFLUENCE IMPACT REPORT 2017

ALLISON+  
PARTNERS




# EXECUTIVE SUMMARY

Marketing communicators throughout Asia are increasingly recognizing the power of influencers or key opinion leaders (KOLs) to impact consumer preferences, behavior and loyalty. Yet the dynamics of influence remain only partly understood. What kinds of influencers have the greatest and deepest impact? How do consumers weigh the influence of third parties with that of their friends, families and peers? Where does traditional media, whether online or offline, fit into the picture? And ultimately, how does influence translate into word-of-mouth buzz, shares and recommendations for brands and products?

Allison+Partners set out to shed light on these dynamics across China, Japan and Singapore. We looked at general consumer preferences across the online population, and took a deeper dive into four product categories: consumer electronics and mobile devices, travel and leisure, food and beverage and financial services.

What emerges is a compelling portrait of how influence works in the region, and how brands can best take advantage:

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- The path of influence surrounding brands, products and services takes place in two phases, beginning with the initial contact brands have with consumers. This contact often occurs via third parties, including traditional media (online and offline), or reviews by experts and opinion leaders. The second phase takes place via word-of-mouth between consumers and their peers, both directly and through consumers' own social media networks of friends and followers. In this phase, brand messages can be reinforced and magnified through the influence of consumers' immediate networks.
  - Every avenue of influence has varying degrees of importance and power. A blend of third-party exposure and peer-to-peer amplification can result in not just brand awareness, but ultimately, affinity for specific brands or products.
  - Social media continues to be an essential, go-to place for information on new products, making it a significant driver of the first phase of influence. 46% of Asian consumers say the statement "I hear about new products on social media before I hear about them through traditional media sources" describes them extremely or very well.
  - KOLs are critical, particularly in China, in terms of awareness. However, they have widely varying levels of reach, relevance, authority and power to drive word-of-mouth and preference.

In such a complex environment, it's clear that no single approach to influencer marketing is likely to be successful. The data, however, enable us to identify a powerful category of Asian consumers. We call them "Engaged Enthusiasts," who are more likely to be influenced by brands and KOLs on social media and other channels. Critically, members of this group also have disproportionate power to influence their family, friends, co-workers and their own social media contacts about all-important brand and product decisions.

In this report, we introduce the dynamics of influence at a regional and local levels, explain how influence is transmitted from brands to word-of-mouth and suggest practical, rigorous, and measurable ways for marketing communicators to implement influence-driven campaigns.

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## Methodology

Allison+Partners compiled this report based on an online survey of 3,065 Chinese, Japanese and Singaporean internet users in October and November 2017 using the Qualtrics Insight Platform, which also provided the consumer panel.



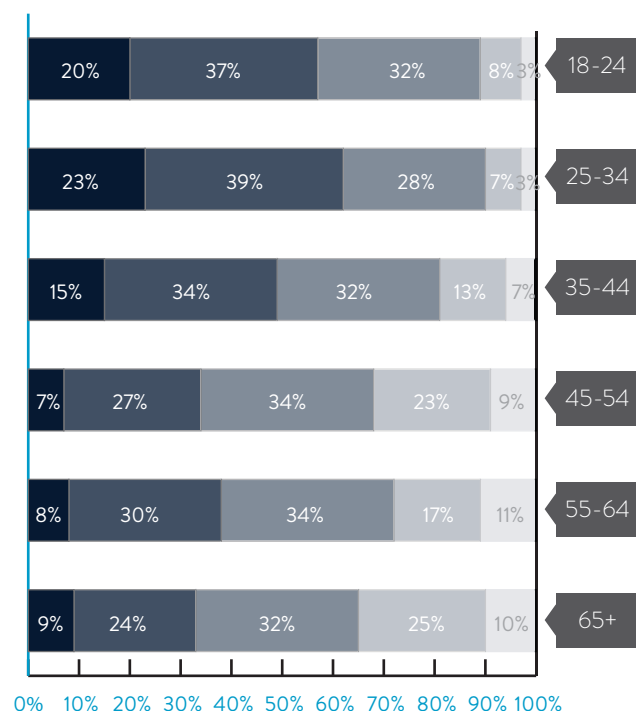
# THE DYNAMICS OF INFLUENCE IN ASIA

## The Asian consumer is social and brand-conscious

Q

*I hear about new products on social media before I hear about them through traditional media sources.*

Social media is today the essential platform for product awareness. Agreeing that the statement fits them “extremely” to “moderately” well, 86 percent of survey respondents in the 18 to 44-year-old age group say they hear about new products on social media before they hear about them through traditional media sources. Sixty-five percent of respondents aged 65 or above answer similarly. The power of social is strongest among the 25 to 34-year-old demographic, with 90 percent agreeing with the statement.

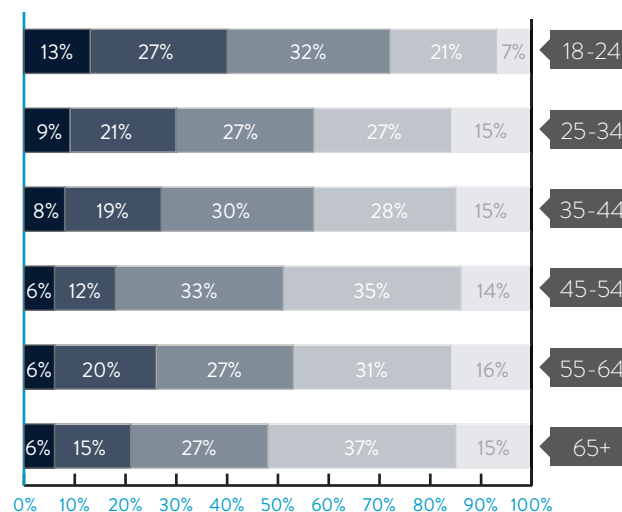


Q

*I get nervous or anxious when things around me change.*

Asian consumers also appear to be relatively conservative. Agreeing that the statement describes them “extremely” to “moderately” well, the majority of respondents aged 18 to 64 said that they get nervous or anxious when things around them change.

Extremely well   Very well   Moderately well  
Slightly well   Not well at all

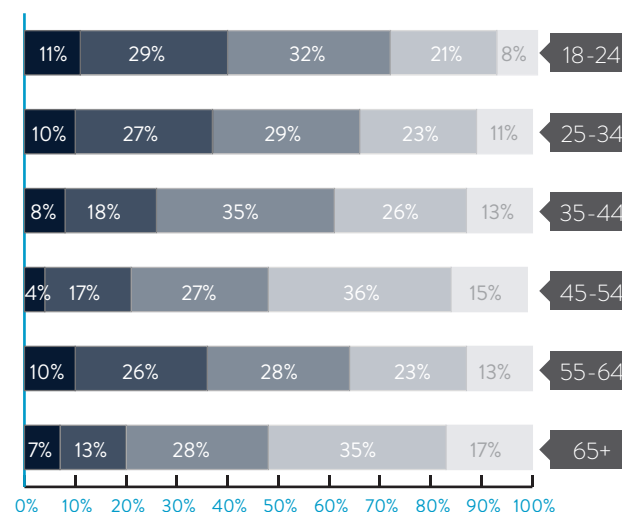


Q

*I only buy items that others have bought and tested first.*

When asked about buying behavior, younger respondents appear to seek peer validation. Young people are more likely to agree with the statement “I only buy items that others have bought and tested first.” Respondents aged 45 to 54 and 65 and over are most likely to say the statement fits them “slightly well” to “not well at all.”

Extremely well   Very well   Moderately well  
Slightly well   Not well at all

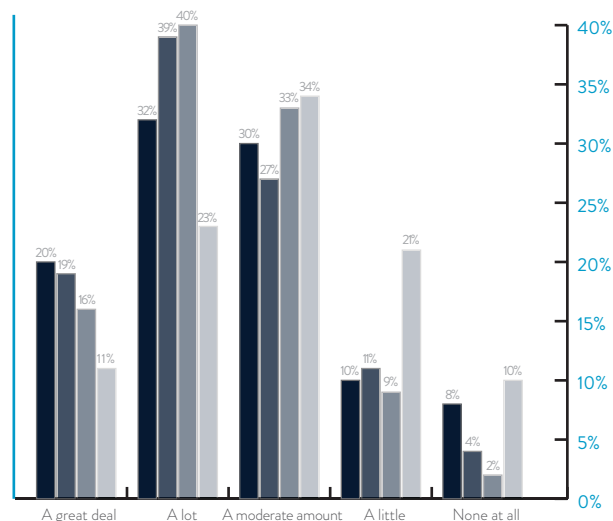


Q

*Generally speaking, when you are looking for a new product or service [in each product category], how much research do you do before making a purchase?*

It's therefore not surprising that Asian consumers like to thoroughly research new products and services.

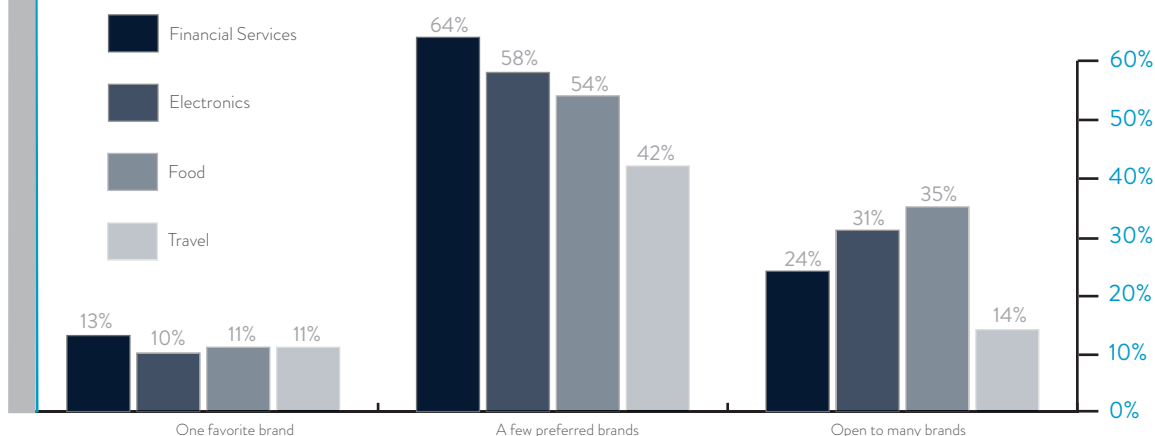
Financial Services   Travel  
Electronics   Food



Q

When it comes to [each product category], would you say that you have one favorite brand, a few preferred brands that you like, or are you open to many brands?

Across the product categories we surveyed, Asian consumers are seldom fans of one single brand. Instead, they tend to prefer a few brands, with a small, but clearly important set of consumers who are open to many brands. These consumers act as agents of change.

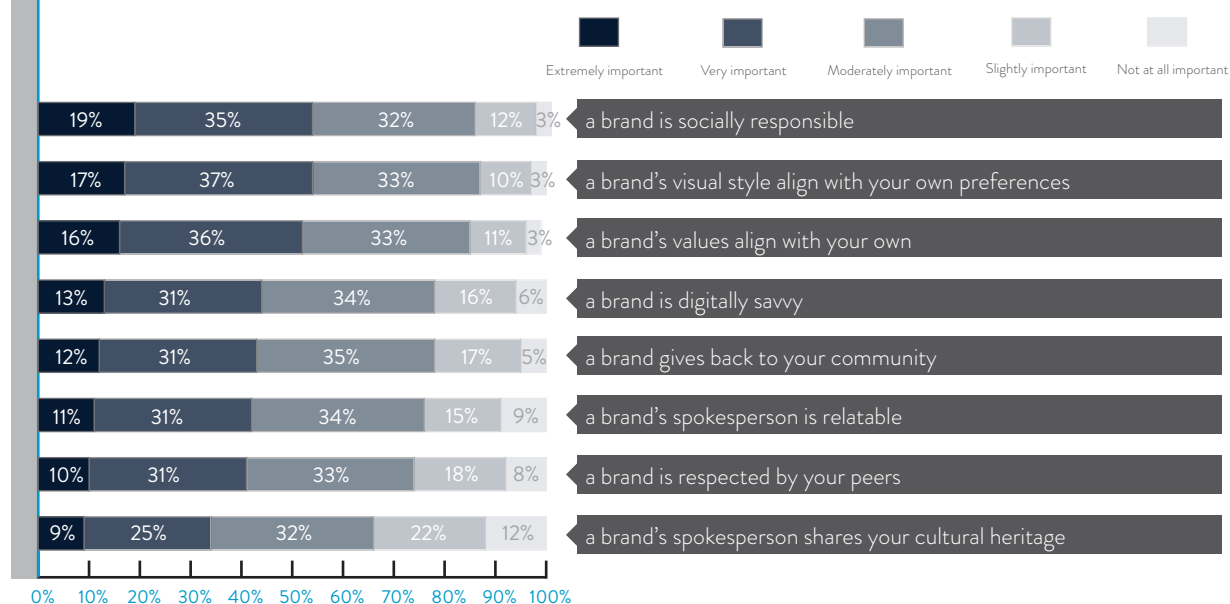


## Brand perception drivers

Q

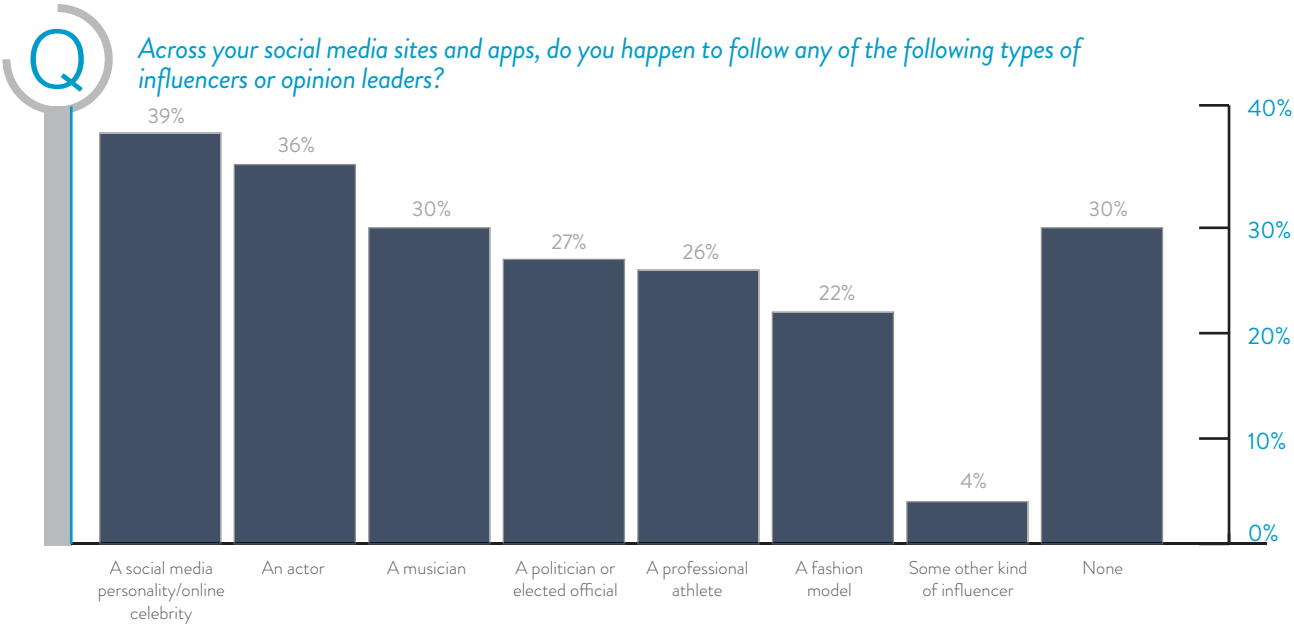
How important is it that...

The survey reveals that consumers are not only brand conscious, but also articulate about what attributes of the brand matter most. When asked about a selection of possible brand perception drivers, whether a brand's visual style aligned with their preferences is ranked as most important, followed by whether a brand's values aligned with their own and whether that brand is socially responsible. Surprisingly, respondents rank having a brand spokesperson that aligns with their cultural heritage as least important. In Japan and Singapore, only 21 and 26 percent respectively saying that it's either extremely or very important that a brand's spokesperson aligns with their cultural heritage, compared with China respondents at 52 percent.



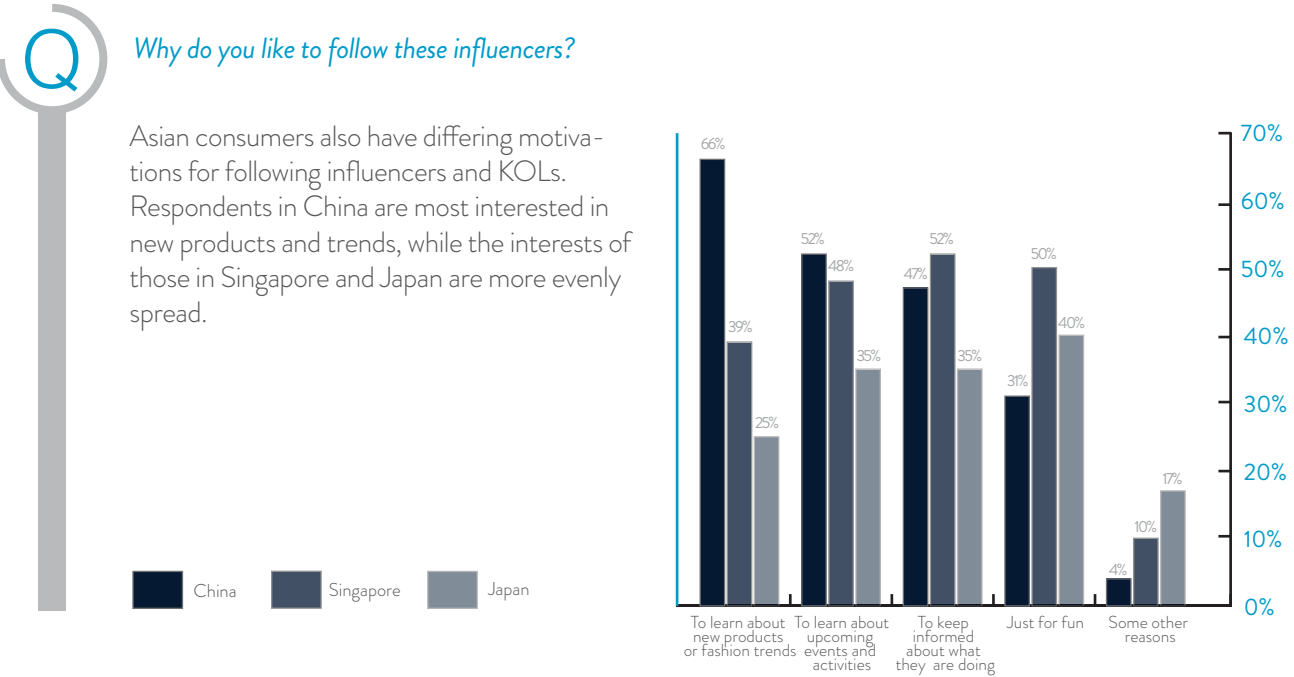
# The sources of influence

Respondents follow a broad range of influencers on social media, especially online personalities and actors.



Across the region, those who follow social media influencers are more adventurous than other internet users. Sixty-five percent say they like to try new things, compared to 26 percent of those who don't follow social media influencers. In terms of brand choices, 52 percent of social media influencer followers describe themselves as being “extremely” or “very” open to trying new brands in the product categories surveyed, compared to just 21 percent of other internet users.

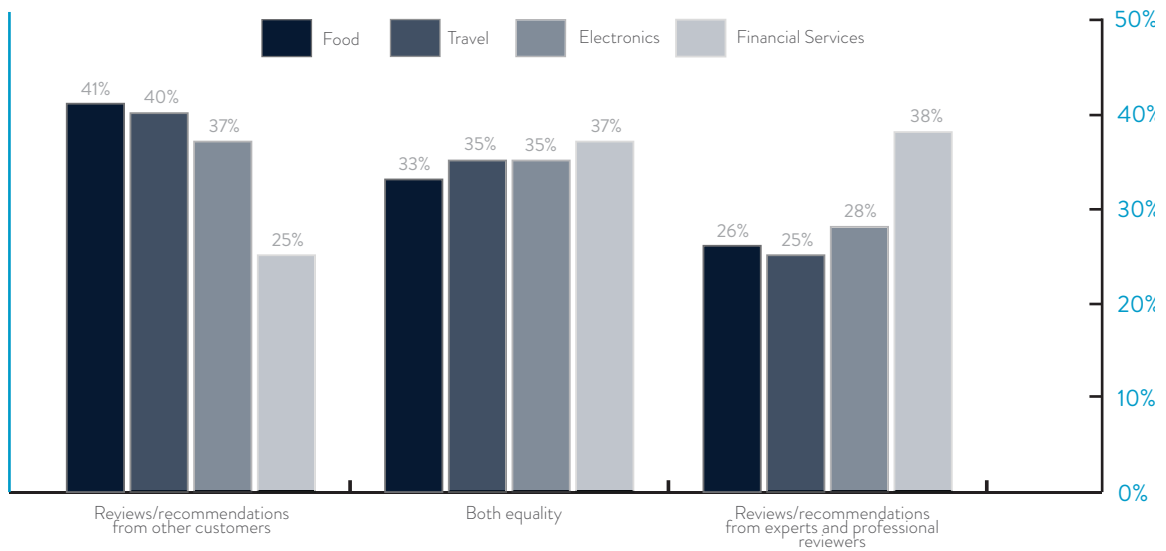
But social media influencers and KOLs are usually not enough to close a sale. Sixty-eight percent of social media followers say they do a lot or a great deal of research when looking for a new product or service, compared to 34 percent who don't. They also report a significantly higher preference for recommendations from experts and professional reviewers.



Q

Generally speaking, when it comes to each product category, what kind of reviews and recommendations do you trust more?

When it comes to purchasing decisions, across the region and each of the product categories surveyed, reviews and recommendations from experts and professional reviewers are critical in influencing Asian consumers. Yet reviews and recommendations from other customers are almost as trusted, especially in the case of consumer electronics and mobile devices – and among consumers in Singapore – even more so.

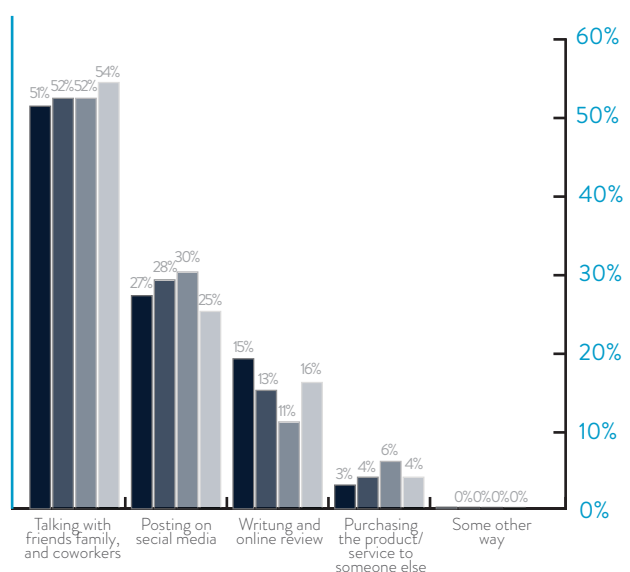


## From influence to word of mouth

Q

In which of the following ways are you most likely to recommend products or services?

Across all categories, direct word-of-mouth remains the most prevalent way for Asian consumers to recommend products or services. This underscores the pivotal importance of interpersonal relationships in influencing consumer behavior. Social media is the second most common way consumers make recommendations, although experiential categories such as food & beverage and travel clearly lend themselves to quick and easy social recommendations.



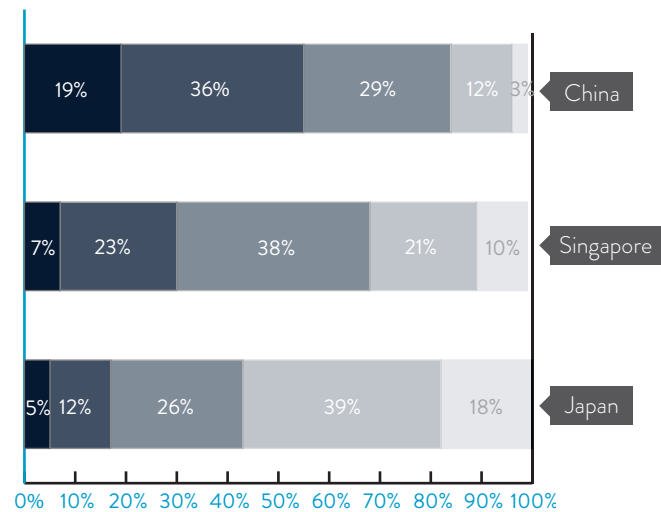


Q

*How well does the following statement describe you: people often ask my opinion about what products, brands or services they should use?*

A significant proportion of survey respondents report being asked for opinions about products and services with others, with the opinions of those in China being the most in demand from their peers.

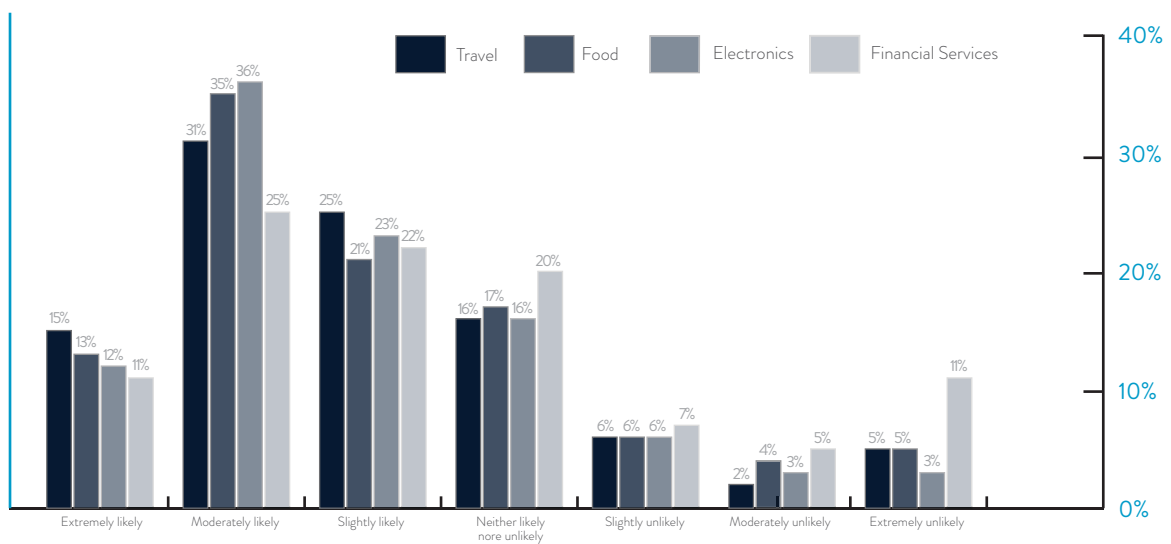
Extremely well   Very well   Moderately well  
Slightly well   Not well at all



Q

*When it comes to each product category, how likely are you to make recommendations to others?*

But consumer endorsement is not always easy to achieve, and the likelihood of respondents to recommend different products is largely based on the product category. While more people are likely to make recommendations in the travel, food and electronics spaces, only 36 percent are “extremely” to “moderately” likely to for financial services.





Asian consumers who follow social media influencers are significantly more likely to be influencers in their own personal networks

Survey respondents who follow social media influencers are more than twice as likely to make recommendations to others about products and services in the categories surveyed. As many as 60 percent of social media influencer followers said they are “extremely” or “very” likely to make recommendations, compared to just 24 percent of other internet users.

Meanwhile, 54 percent of consumers who follow social media influencers said they are “extremely” or “very” likely to share news on new products and events with others, compared to 14 percent of those who don’t follow social media influencers.

And while direct word-of-mouth remains the most prevalent form of recommendation, followers of social media influencers are almost three times as likely to post their recommendations on their own social media networks, thereby significantly extending the reach of their own influence.

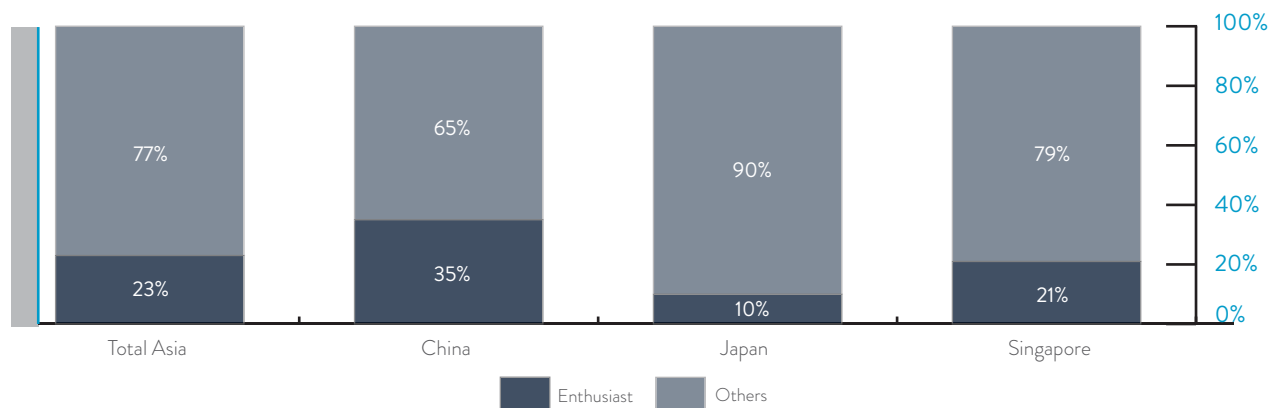
In conclusion, marketing communicators seeking to harness influence in Asia face some significant challenges. Audiences are online and rely on digital and social channels to get information about new products and services, yet they are also conservative and seek validation in terms of choices about both products and brands. Additionally, consumers frequently follow social influencers and KOLs and seek product recommendations from online and offline sources, yet word-of-mouth endorsement from those efforts remains elusive. A more detailed analysis of the survey data, however, suggests some directions to narrow these gaps.

# THE POWER OF THE ENGAGED ENTHUSIASTS

Consumers identified their motivations for purchasing new products in a category in several ways. Some are motivated by factors involving utility, such as needing to replace an existing product, or meeting a defined need. Others are motivated by factors involving some form of gratification, such as personal enjoyment, or aligning with personal taste.

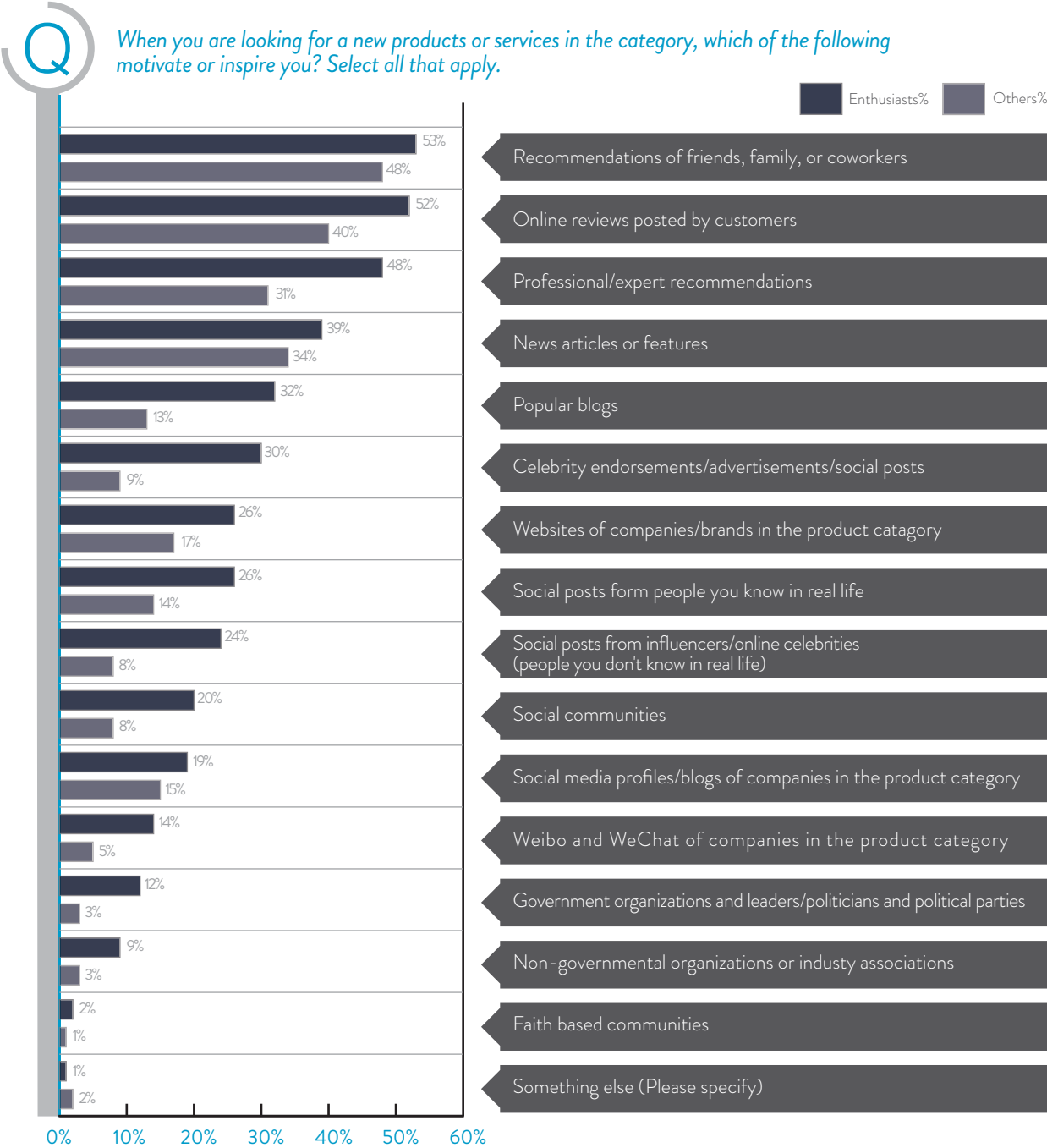
However, one group of consumers define their motivations in more enthusiastic terms. They express a desire to have the “latest and greatest” product or say they can “never get enough.” They also say that people often ask their opinions about what products, brands or services they should use.

Making up 23 percent of total internet users across the region, these Engaged Enthusiasts have disproportionate influence in their ability to spread brand awareness and drive purchase decisions.



They are equally likely to be male or female, and are active in consistent proportions across the product categories we surveyed.

Engaged Enthusiasts are significantly more inspired than other internet users by the channels most commonly used by marketers, both online and offline. One arena where non-enthusiasts are almost equally inspired is the one where marketers have fewer channels to directly influence - personal word-of-mouth.

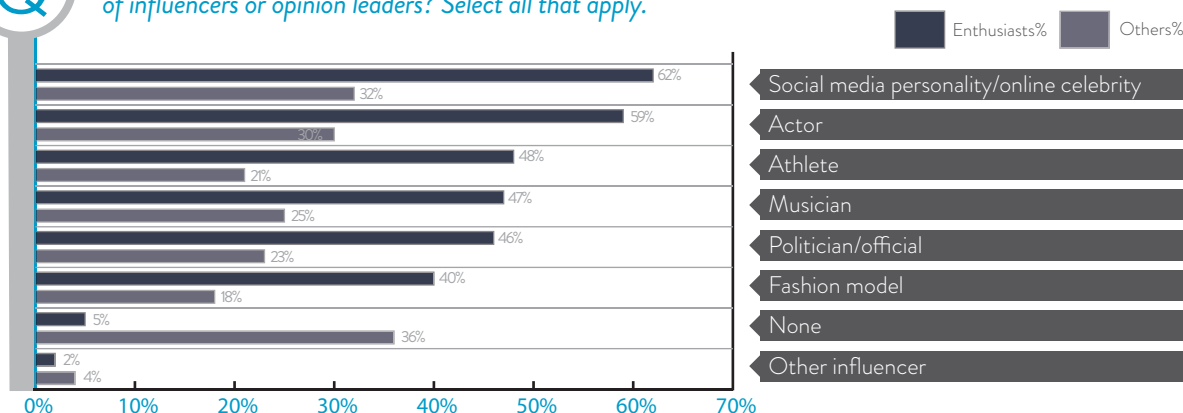


Engaged Enthusiasts spend significantly more time on social media than others. Sixty-eight percent spend three to four hours or more on social media per weekday compared to 42 percent of non-enthusiasts. They are also significantly more likely to follow all major types of social media influencers. Overall, 95 percent follow celebrity or other influencers, compared with 64 percent of other internet users.





Across your social media sites and apps do you happen to follow any of the following types of influencers or opinion leaders? Select all that apply.



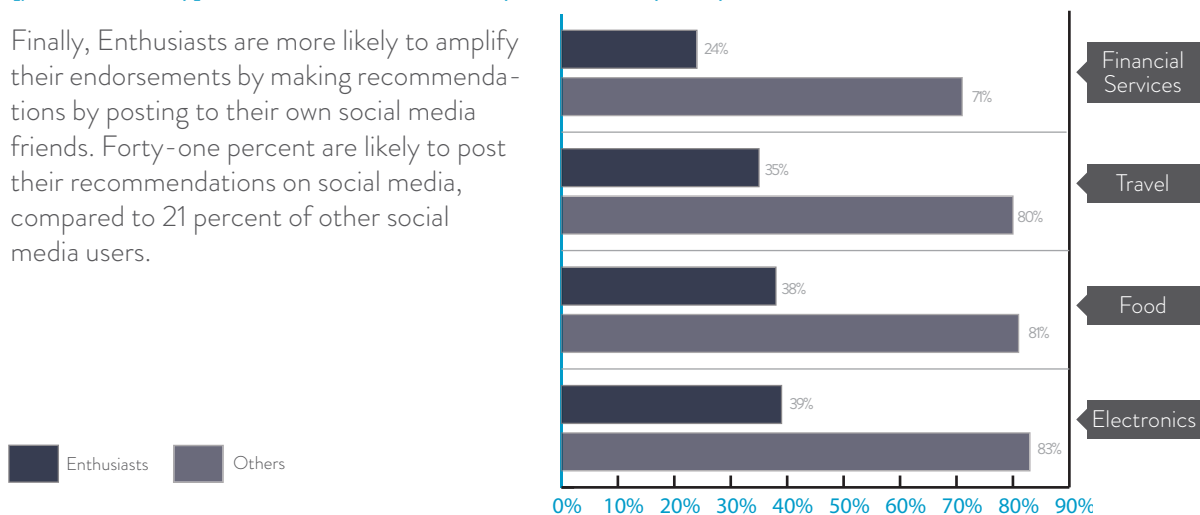
Engaged Enthusiasts are considerably more trusting of the recommendations of social media influencers than other social media users. Seventy-three percent trust recommendations or endorsements from influencers either a “great deal” or “a lot,” compared to 25 percent of other internet users.

Enthusiasts are also more likely to make recommendations to others. Overall, 79 percent said they are “extremely” or “moderately” likely to make recommendations to others, compared to just 34 percent of other social media users.

Their propensity to recommend is most pronounced in the consumer electronics and mobile devices category, and least so in financial services.



How likely are you to make recommendations to others about products and services in the [product category]? Percent answering Extremely or Moderately Likely



# INFLUENCE IN CHINA

## Local dynamics

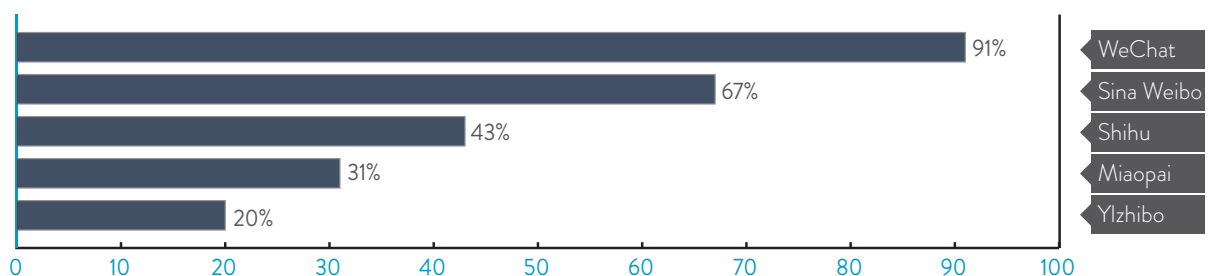
Mainland China is a unique market, not only in terms of culture and economic development, but also because of its home-grown and mobile-oriented social and digital ecosystem. Yet many of the same dynamics revealed in the region are present in China and, in most cases, magnified. It's not surprising that of the three geographies surveyed, Chinese respondents reported the most time spent online per day, with 59 percent reporting they spend three to four hours or more on social media sites and apps on average per weekday.

Q

*Do you happen to use any of the following social media sites?*

Chinese consumers surveyed have a clear preference for WeChat as their social network of choice, with 91 percent of respondents reporting they use the platform, compared to 67 percent that use Sina Weibo.

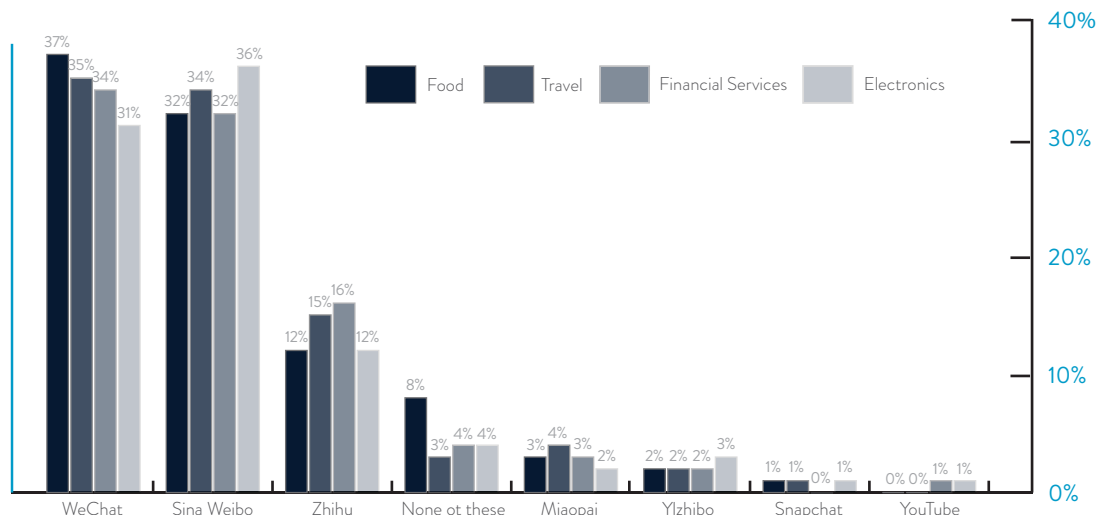
In terms of potential as a platform for influence, the gap between WeChat and Sina Weibo is considerably narrower. Fifty-six percent of Chinese respondents say they follow influencers on WeChat, whereas 53 percent follow influencers on Sina Weibo.



Q

On which of the following social media sites or apps are you most likely to learn about products or services in each product category?

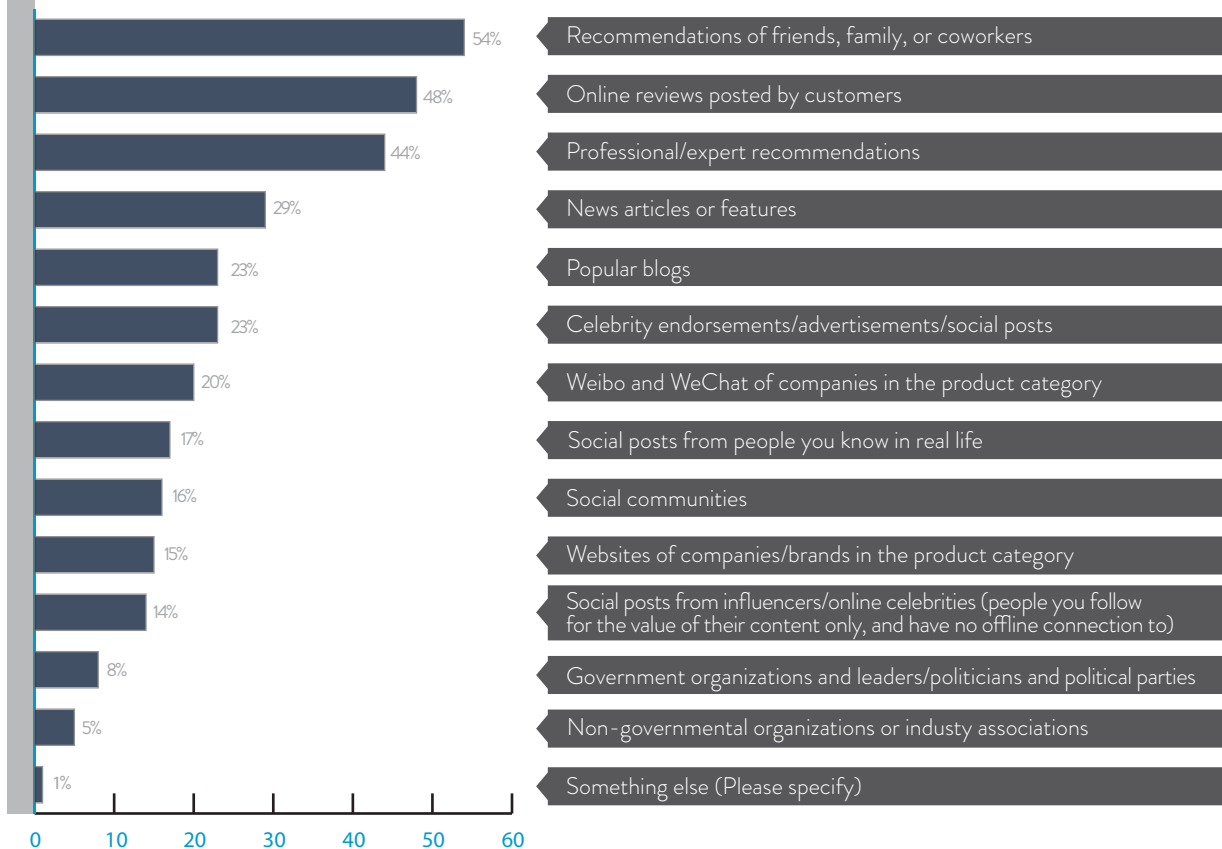
When it comes to finding out about new products and services, Weibo is also not far behind WeChat. In fact, Weibo actually surpasses WeChat as a place for people to learn about consumer electronics and mobile devices (36 percent versus 31 percent, respectively).



Q

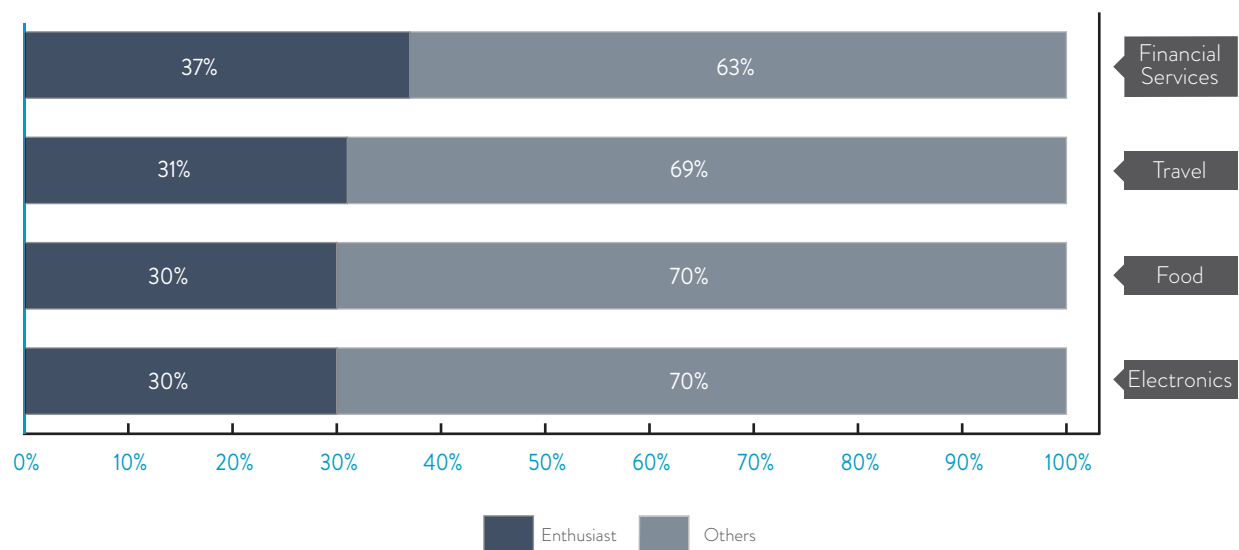
When you are looking for a new products or services in each product category, which of the following motivate or inspire you?

As with elsewhere in the region, Chinese consumers are influenced by broad range of sources. When it comes to drivers of product decisions, word-of-mouth is king, whether among friends and family or co-workers, or via the online reviews of existing customers. Reviews by professional experts are not far behind, along with news articles and features, and popular blogs. Celebrity endorsements are significant, but are ranked behind each of the above sources.



# Engaged Enthusiasts in China

China is home to the highest proportion of Engaged Enthusiasts of the markets we surveyed, representing 35 percent of internet users. This offers marketing communicators a broad range of opportunities to leverage and maximize the impact of influence in their campaigns.



Of the four product categories surveyed, financial services appears to have the largest proportion of Engaged Enthusiasts, which can perhaps be attributed to the fast-growing consumer economy, particularly the innovation in China’s online payments sector.

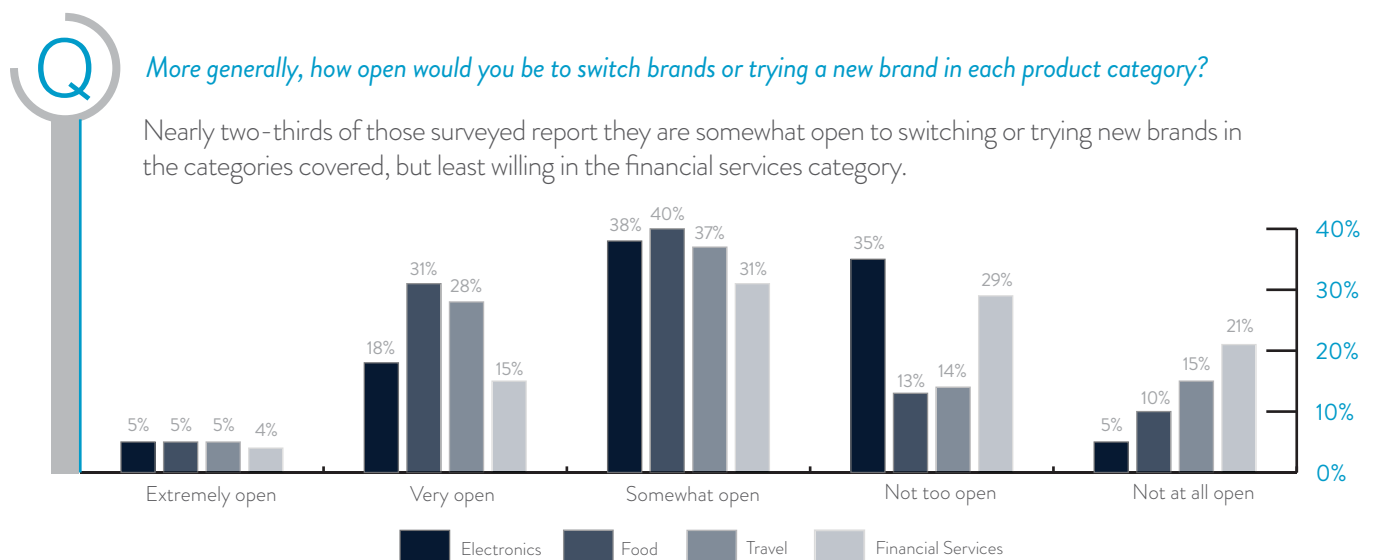


# INFLUENCE IN JAPAN

## Local dynamics

Sixty percent of Japanese consumers surveyed reported that they use social media sites and apps for at least one to two hours on average per weekday. Looking at the younger demographic, 45 percent of adults under 45 spend an average of three to four hours per weekday on social media sites and apps.

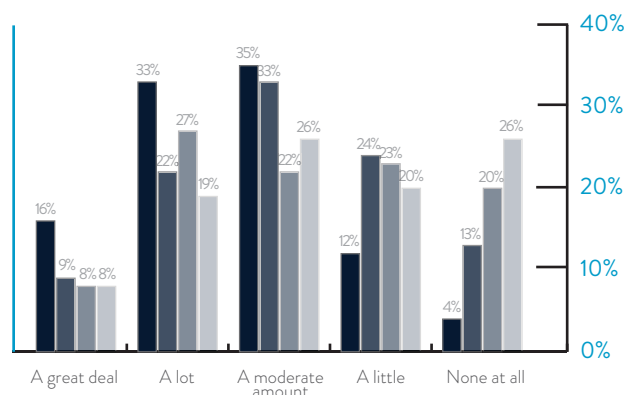
Among social platforms involving a high degree of networking and interaction, Japanese consumers prefer Line (57 percent) and Twitter (54 percent). Facebook is used by only 45 percent of consumers surveyed.



Q

Generally speaking, when you are looking for a new product or service in each product category, how much research do you do before making a purchase?

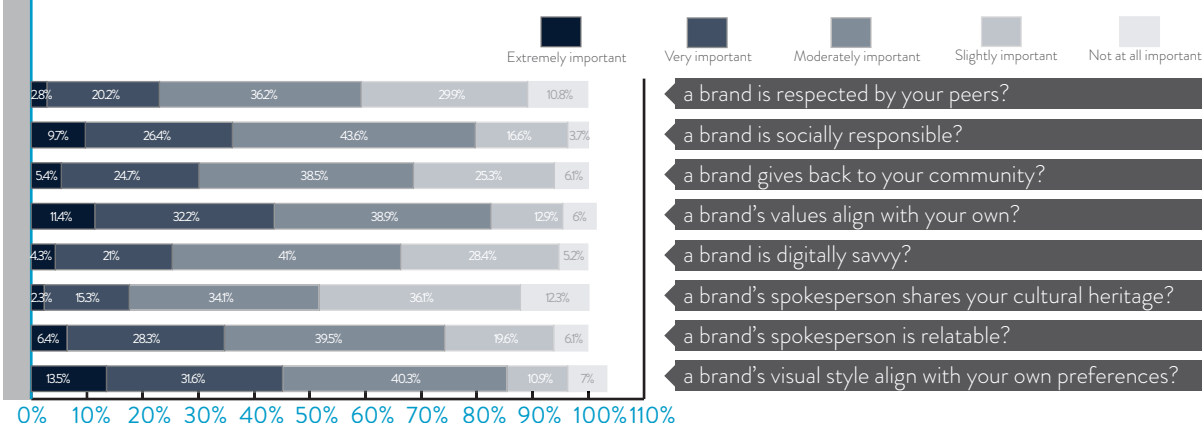
Consumers in Japan also do considerable research before they commit to a new product or service. Consumer electronics and mobile devices is the category where most research takes place, while consumers interested in food and beverage and travel and tourism appear somewhat equally split between those who research a lot, and those who do very little.



Q

How important is it that...

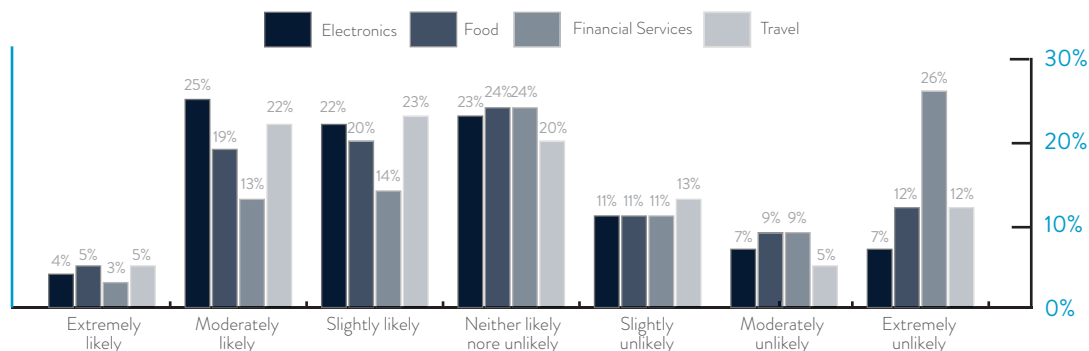
In terms of brand attributes, Japanese consumers tend to assign the most importance to brands that align with their own values and visual style. Brand social responsibility is also key, with almost 80 percent of respondents noting that it is “extremely,” “very” or “moderately” important to them. Respondents in Japan appear to place surprisingly low importance on whether a brand’s spokesperson shares their cultural heritage.



Q

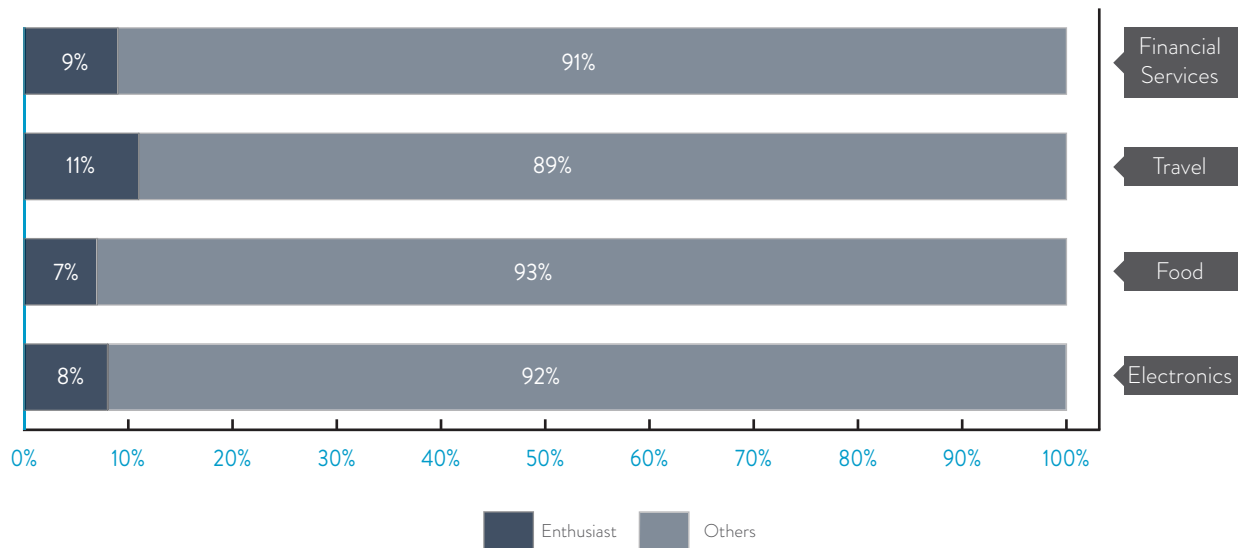
When it comes to each product category, how likely are you to make recommendations to others?

While survey data suggest that word-of-mouth remains the leading source of influence in Japan, consumer recommendations are relatively hard to come by. Only 29 percent of Japanese respondents report being “extremely” or “moderately” likely to make a product recommendation to others. Japanese consumers are most likely to make recommendations in the consumer electronics category, and least likely to do so in financial services.



# Engaged Enthusiasts in Japan

Among Japanese consumers, Engaged Enthusiasts represent a relatively small but highly influential minority, representing between seven and 11 percent of online consumers in the categories surveyed.



It’s worth noting, however, that if internet users aged 65 and over are excluded, the proportion of Engaged Enthusiasts in Japan overall increases to 12 percent.



# INFLUENCE IN SINGAPORE

## Local dynamics

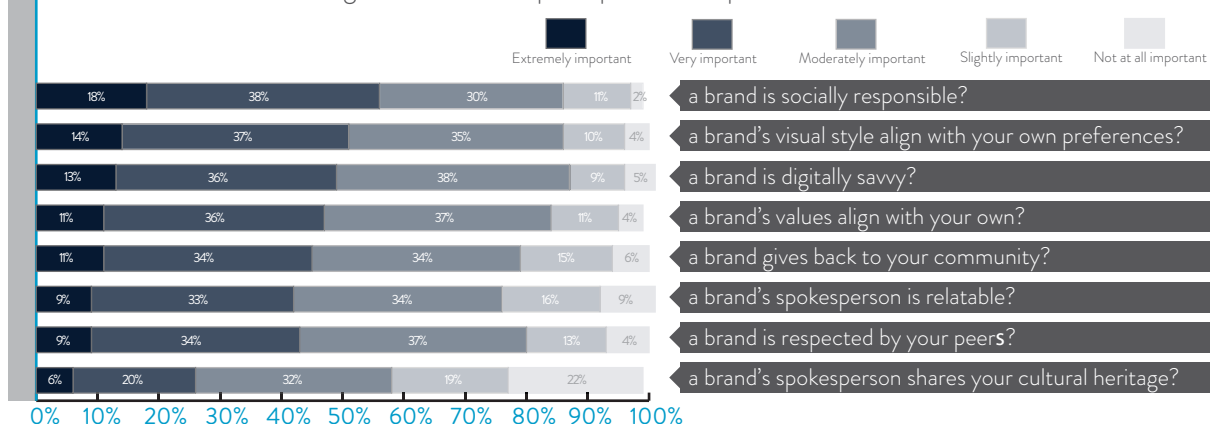
As a highly developed city-state, Singapore has long boasted high internet and mobile penetration rates, while its English common language makes it significantly more international than the other markets covered in the survey. Not surprisingly, social media preferences are broadly in line with much of the Western world, with Facebook and YouTube as the dominant social platforms, followed by Instagram.

Singaporean consumer preferences indicate attitudes that lie somewhere in-between those of the larger Chinese and Japanese markets, but are also culturally distinct and unique.



### How important is it that...

Among the brand attributes explored, Singaporean consumers place the highest emphasis on the social responsibility of the brands they choose, with 56 percent of respondents saying this is “extremely” or “very” important to them. However, perhaps as a result of Singapore’s cultural mix, only 26 percent say a shared cultural heritage with a brand’s spokesperson is important.



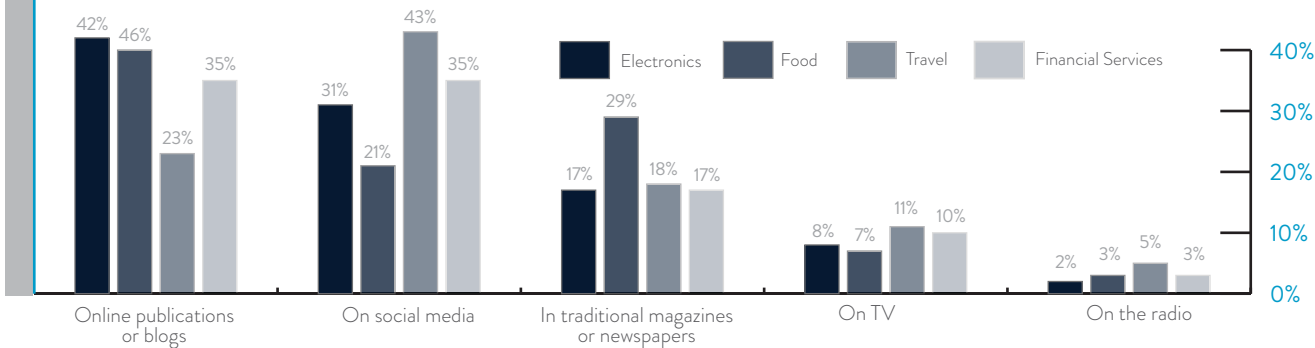


Singaporeans are highly social, particularly online. Fifty-four percent of respondents to the survey said they spend an average of at least three to four hours on social media per workday.

Q

When it comes to each product category, where do you see the most helpful news coverage?

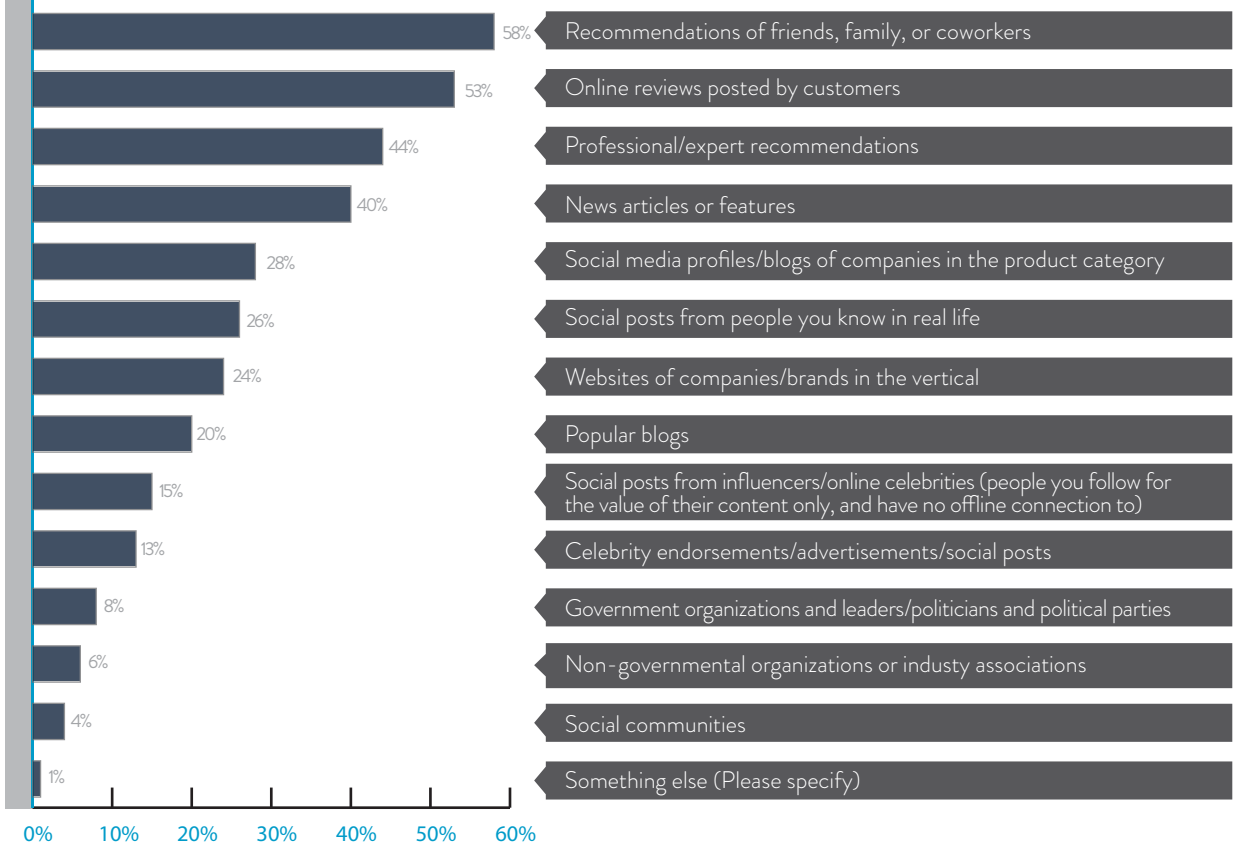
Singaporeans are also voracious consumers of digital information about products. Across the four product categories covered in the survey, Singaporean consumers find digital channels the most useful to get news about products in those categories. Even for financial services, where traditional media are the most respected, online publications have a significant advantage.



Q

When you are looking for a new products or services in each category, which of the following motivate or inspire you? Select all that apply.

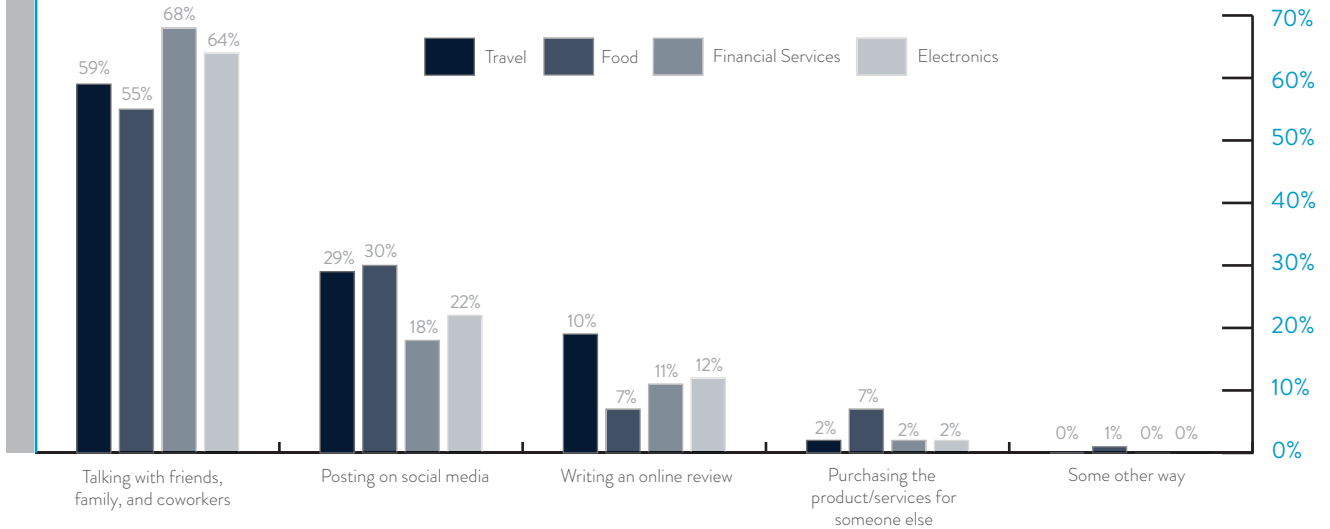
Looking more deeply at the sources of influence in Singapore, recommendations from friends, family and co-workers have the highest influence, but are followed closely by online reviews posted by other customers. Traditional channels of influence also remain strong, with respondents scoring professional/expert recommendations and news articles and features highly. The impact of celebrity KOLs appears to be relatively limited in Singapore, with only 13 percent of Singaporean respondents citing celebrity endorsements, advertisements and social posts as being a source of inspiration or motivation to consider new products in these categories.





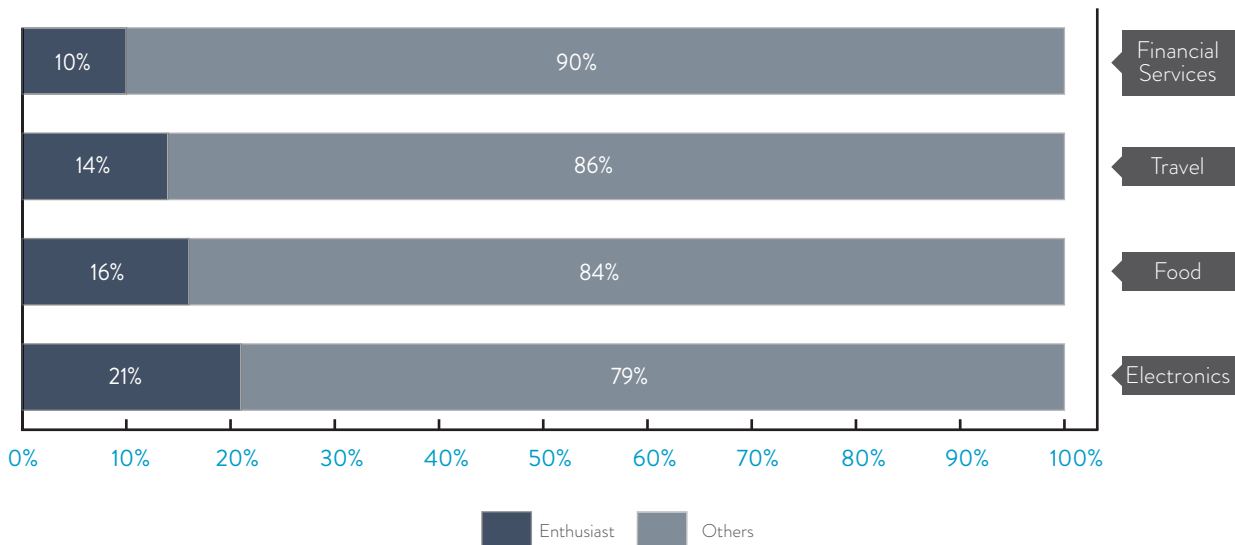
### In which of the following ways are you most likely to recommend products or services in each category?

But while they receive new information about products and services online, they are much less likely to make recommendations online, preferring to share their preferences in person with family, friends and workmates, across all product categories surveyed.



## Engaged Enthusiasts in Singapore

Among Singaporean consumers, Engaged Enthusiasts represent between 10 and 21 percent of online consumers, with the highest proportion in the consumer electronics and mobile devices category.





# SELECTING INFLUENCERS WITH IMPACT

The impact of influence comes from many interrelated sources. A key challenge for marketing communicators is how to best select and prioritize the influencers or KOLs to be targeted for engagement. Asian consumers' preferences are complex and varied, so simplistic KOL selections based on reach alone are unlikely to be successful.

Drawing on hard data about consumer perceptions derived from our original consumer research, Allison+Partners has developed the Influence Impact Score, a tested methodology to shortlist, qualify and rank influencers relevant to a given market segment based on their potential impact. Brands can use the score both as a diagnostic tool to evaluate existing programs, uncover and qualify the effectiveness of future influence programs and identify the optimal mix of channels and content.


$\text{Influence} = [\text{Reach} + \text{Authenticity}] \times \text{Power}$

The Influence Impact Score is based on three dimensions of influence, distilled to a mathematically rigorous and repeatable formula. Those dimensions are:

## Reach, Authenticity, Power

The Influence Impact Score is based on three dimensions of influence, distilled to a mathematically rigorous and repeatable formula. Those dimensions are:

- **Reach:** The quantitative indicator of an individual's personal network, and includes the number of channels augmented by the number of followers/circulation/viewership

- 
- **Authenticity:** The qualitative evaluation of bias, or lack thereof. It is analysis of the source, an individual's personal credibility and the validity of their voice.
  - **Power:** The X factor that relates directly to impact and ultimately determines strength. This ability to take authenticity and reach and amplify them, comes from individuals with multiple channels of influence, a broad network of followers who are influencers themselves and an opportunity to access multiple platforms for storytelling.

By using this simple equation, marketers can better evaluate the potential impact influencers will have on inspiring and activating audiences, and justify their programs accordingly.





# SUMMARY AND TAKE-AWAYS

## Influencers drive word-of-mouth

Consumers in Asia who follow social media influencers are more open to try new brands, more likely to be asked for recommendations by their family and friends and more likely to share information. However, this group also does significantly more research on new products and services, suggesting that while social media influencers can be a powerful means of raising product and brand awareness, communications campaigns need to provide additional content over multiple channels to convert initial buzz into demand.

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## Select the right influencers

Allison+Partners' Influence Impact Score gives marketing communicators a valuable tool to help select and prioritize the influencers and KOLs they engage going beyond reach to understand whether the KOL will be credible, relevant and authoritative. By using a simple equation, marketers can better evaluate the potential impact influencers will have on inspiring and activating audiences, and justify their programs accordingly.



## Augment and enhance with content

Consumers in Asia are generally cautious when evaluating new products or services, with younger consumers more conservative than most, so don't rely solely on news and new product information. Recommendations from other consumers and professional experts and reviewers are the most valued type of content, so maximize these efforts are important. Crowdsourcing content whenever possible to leverage the authentic voice of real customers. Capture and present compelling stories about your brand's values and social responsibility, and invest in social and online content that is visually sophisticated and aligned with your brand.

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## Engage the Enthusiasts

While Engaged Enthusiasts are a minority across the region, they are disproportionately important for marketers. Brands should consider every opportunity to appeal to them, such as:

- Use social listening programs to actively identify and engage them, providing content and reasons for them to share.
- Mine loyalty programs to enlist and qualify them as brand ambassadors.
- Maximize employee engagement programs and empower internal ambassadors with content to share with their personal networks.
- Plan influencer/KOL program strategies that optimize awareness and reach, while encouraging them to share content.
- Use them for beta/user groups for rolling out new features or soft-launch/preview products.
- Find opportunities to surprise and delight through unexpected acts from customer service, knowing they will likely share it online.

## Allison+Partners is here to help.

Whether planning strategic influence programs or meeting more tactical needs, our teams around the region can support your objectives with:

- Audience research and mapping: custom consumer and B2B research to uncover customer motivations, influencers and triggers specific to your market and geography.
- Influencer/KOL identification, scoring and engagement: shortlisting and prioritizing paid and organic influencers, and managing the engagement.
- Social and owned media content programs: content calendar planning, implementation of video, graphics, blog posts and more to maximize brand engagement.
- Customer evidence programs: creating compelling, repeatable and sharable content from all-important customer references, stories and case studies.
- PR and publicity programs: maximizing credible traditional and online coverage for your brand and projects, delivered by award-winning teams regionwide.
- Custom measurement and reporting solutions: customized measurement solutions to track both outputs and outcomes of influence programs, and optimize over time.

### ABOUT ALLISON+PARTNERS

Allison+Partners, an MDC Partners company, is a global marketing and communications agency driven by a collaborative approach to innovation and creativity. The firm was named The Holmes Report's 2017 "Digital Agency of the Year," 2017 "Specialist Agency of the Year" and 2016 "Asia Pacific Corporate Agency of the Year," as well as PRWeek's 2015 "Midsize Agency of the Year." Allison+Partners has 28 offices worldwide and is organized around six practices: Consumer Marketing, Corporate, Global China, Health Care, Public Affairs and Technology. All Told, which combines research, content, creative, digital and measurement expertise into one offering, works across these practices to deliver integrated storytelling for clients. The agency also has a network and deep affiliations with firms worldwide through MDC Partners, a progressive marketing and communications network, championing the most innovative entrepreneurial talent.

For more information, visit [www.allisonpr.com](http://www.allisonpr.com).