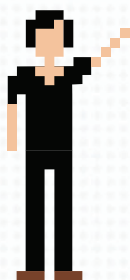




# SAME SAME, BUT DIFFERENT

## Understanding Emerging Markets



TNS

by Carolyn Childs

Sparksheet   
Good ideas about content, media and marketing

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## Foreword

When Sparksheet launched in the tumultuous summer of 2009, our goal was simple. We wanted to create an editorially independent space where media and marketing professionals could explore the ongoing disruption of their industries. The global financial crisis was fresh, the digital revolution had tipped, and it seemed like a good time to take a step back and have an open, honest conversation about where things were headed.

We also realized that the only way for this conversation to be worthwhile was to ensure that Sparksheet was a big tent, so to speak. So the lion's share of "good ideas" that end up on our platforms originate from outside the walls of Spafax, the content marketing agency that publishes the magazine. As award-winning editors, designers and community managers, our role is curatorial. We strive to bring a clear-eyed journalistic perspective to the conversation – a conversation that, nearly three years later, we feel is more important than ever.

Our cross-continental collaboration with Carolyn Childs and her team at TNS Australia is one of the best examples of what Sparksheet is about. With decades worth of insights into the global consumer in transit, Carolyn brings equal measures rigour and empathy to a question that's near and dear to our hearts: How can global brands and marketers engage with emerging markets in a smart, successful and culturally-relevant way? And you'll find plenty of answers in these pages.

It's been a pleasure to help bring this content to life – first through a column on Sparksheet<sup>1</sup> and now through this e-book – and we look forward to continuing the conversation with Carolyn, TNS, and, most importantly, with you.

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**-Dan Levy, Editor**

1. [sprk.sh/traveltouchpoints](http://sprk.sh/traveltouchpoints)



# Introduction

As a researcher, I often find myself in the paradoxical position of needing to sound cautious about topics that I find exciting and full of potential. Often it is a reaction to the tendency for 'groupthink' on hot topics and a need to get clients to apply the kind of evidence-based thinking that they require in all aspects of their business.

"Emerging markets," much like "social media" and "curation," is one of the hottest terms in marketing these days. But as with any hot topic, there's a danger that the hype will overshadow important messages about how to connect profitably – and sensitively – with these complex markets. The South Sea and dot-com bubbles are just two recent examples of this tendency to jump on a current trend without thinking through the fundamentals; time after time, the unwary get their fingers burned and discourage others from connecting as early as they could. Often valuable opportunities are lost.

So what do we mean by "emerging markets"? Too often it seems the term is used as shorthand for China, or China and India. But even beyond the BRIC<sup>2</sup> countries (which include Brazil and Russia), markets in Africa, Asia, the Middle East and Latin America represent significant opportunities for developing long-term relationships with travellers.

Together these places contain roughly 60 percent of the world's population and they're getting stronger. If anything, their growth relative to developed economies has been accelerated by the global economic slowdown. China is already the world's second-largest economy and the International Monetary Fund<sup>3</sup> has predicted that the total GDP of emerging and developing economies will equal those of advanced economies by 2013-14.

In other words, the opportunity to find a culture or consumer that is right for your brand has grown exponentially. But again, that doesn't mean marketers should blindly jump into the fray. Our purpose in this e-book is to share our passion for the potential in emerging markets, while reinforcing that passion with our own experiences and research. Our hope is to inspire long-term, profitable connections that will really build brands.

All of these markets share common characteristics that allow us a "starting point" in dealing with them. But they all have their own unique needs and traits as well. To borrow a well-known emerging markets catchphrase, these places are "same, same... but different!"

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\*Note: Our definition of emerging markets includes the BRIC countries (Brazil, Russia, India and China), Africa, Latin America and the N11 countries: Bangladesh, Egypt, Indonesia, Iran, Mexico, Nigeria, Pakistan, Philippines, South Korea, Turkey and Vietnam.

2. [sprk.sh/bric](http://sprk.sh/bric)

3. [sprk.sh/imf](http://sprk.sh/imf)

# Chapter 1: Branding Lessons from Atticus Finch



I've always loved the book *To Kill a Mockingbird* and as a researcher I find Atticus' advice to Scout very inspiring: "You never really understand a person until you climb inside of his skin and walk around in it."

I learned this lesson with regard to emerging markets when I ran a syndicated airline brand study many years ago. We ran it across a number of different markets, but one year at the request of one of our clients we added Pakistan to the study.

In the eyes of most international airlines, Pakistan was considered high volume, but low yield – even for business travel. The Pakistani business market mostly consisted of small traders who flew economy class once or twice a year and bought on price.

They weren't perceived to be very sophisticated in their branding needs and the few ads aimed at them generally consisted of a picture of a plane, with the destination and price in huge type. But when we looked at the market drivers, price turned out to be number four or five. The factors that really drove decision-making revolved around prestige, service, category leadership and innovation.

Here's where climbing inside the skin of Pakistan's business travel community was so important. In a country where GDP per person is US\$2,400 per annum and 43 percent of people work in agriculture (according to the [CIA World Factbook](http://sprk.sh/worldfactbook)<sup>4</sup>), a small businessman who runs a garment factory and travels overseas a few times a year (even in economy class) is a very big deal. He sees himself as entrepreneurial and successful: the Tony Fernandes or Richard Branson of Karachi. And, if he can, he wants to fly with an airline that demonstrates that success to others.

That's why the few airlines that put a message out beyond price were able to charge more than their competitors. We're not talking great multiples, but in an industry with moderate margins and high fixed costs, enough to make a significant difference and (here's the kicker) with little or no extra cost.

"It's worth remembering that travellers from emerging markets are often still surrounded by daily evidence of what it's like to not have."

## Sleep cheap, shop chic

My Pakistan experience came back to me recently when I read the *The Economist's* Christmas feature on the new Chinese travellers<sup>5</sup>. The article identified two characteristics that most emerging markets share and which are very important for those of us in the airline and tourism industries to keep in mind.

First, make sure you understand the cultural value that your brand (and the destinations and experiences it offers) has in the eyes of emerging consumers. For

example, *The Economist* mentions how Chinese travellers like to visit a particular Cambridge college where a famous Chinese poet studied. Similarly, Indian travellers are often drawn to sites the Mahatma visited. And both Anfield (Liverpool) and Old Trafford (Manchester United) are on the tourist trail for many international soccer fans.

Second, it's worth remembering that travellers from emerging markets are often still surrounded by daily evidence of what it's like to not have. As a result, they make different trade-offs around what they spend their holiday money on than developed market travellers, with a higher focus on tangible souvenirs from their trip.

Many adopt a "sleep cheap, shop expensive" approach: They'll buy that handbag from the original Prada store in Milan but it may mean sleeping in a no-frills hotel to afford it.

The challenge for travel brands is to find ways to cater to this pragmatic mindset – and to retain a deep respect for those customers while they do. This is the lesson my airline clients learned in Pakistan – and it helped them make money in one of the toughest outbound markets in the world.

So when you want to connect with these very different travellers, remember to look under the skin of a world that can appear, on the surface, very same same.

4. [sprk.sh/worldfactbook](http://sprk.sh/worldfactbook)

5. [sprk.sh/chinesetravellers](http://sprk.sh/chinesetravellers)



## Chapter 2: Sex Still Sells



Many years ago I attended a presentation by a futurologist. In identifying differences between the generations, he compared the typical first sexual experiences of generations gone by (on their wedding night) to those of Generation Y (under their parents' roof).

This insight about shifting attitudes toward sex came back to me when I was thinking about the many ways in which emerging markets differ from one another. Generally, the perception is that emerging markets are quite conservative when it comes to sexual imagery.

But the old advertising adage of "sex sells" remains true pretty much anywhere in the world. You just have to get the message right – for both your audience and your brand.

### Overtly sexual

In some emerging markets, you can be a lot more direct in your appeal to sex than in many industrialized

**"India's tradition of sensuality (think Tantra) means that it is possible to make sexy ads that are culturally referenced and don't upset the censors."**

countries. I remember the market research manager of a Central American airline telling me that the way he got good response rates for his inflight surveys was

to have pretty girls in short skirts hand them out.

Depending on whether your Internet filters let you, check out Russian airline Avia Nova's recent commercial<sup>6</sup>. As a female business traveller, I hate the ad, which depicts bikini-clad female flight attendants lathering up a plane while a brigade of male firemen look on. But the ad knows its target audience (most

business travellers in Russia are likely to be men and, shall we say, not necessarily worried about political correctness) and it certainly has a clear message that differentiates the airline from its competitors (albeit one that the crew may not wish to live up to).

Another example of the overt approach saw beer brand Devassa using Paris Hilton to sell beer to Brazilians. In the voyeuristic television commercial,

Hilton cools herself with an ice cold can in full view of a crowded street, and appears to enjoy the experience almost as much as her horde of onlookers.

Marketers in Africa can get away with a surprisingly overt approach to sex as well, providing certain sensitivities towards STIs and the more repressed role of women are observed. A little gem of an ad for condom manufacturer Trust<sup>7</sup> went viral a couple of years ago now, involving an umbrella, a condom, and two cheeky strangers on a crowded street.

### Subtly sexual

In contrast, China is a more traditional culture where talking about sex overtly is



6. [sprk.sh/avianovaad](http://sprk.sh/avianovaad)

7. [sprk.sh/trustcondomad](http://sprk.sh/trustcondomad)

usually considered to be in poor taste. But using innuendo and relying on the audience to connect the dots can be a very engaging strategy. McDonald's, for example, pushed the boundaries with their Feel the Beef ad, which depicted a Chinese couple sharing an intimate moment with a Quarter Pounder. And they got away with it.

Knowing how far a brand can go comes down to understanding the unique histories and nuances of a place. At first glance, India might seem like a highly socially conservative market. But India's tradition of sensuality (think Tantra) means that it is possible to make sexy ads that are culturally referenced and don't upset the censors.

Many brands in India are testing the waters, including Wild Stone deodorant with its ad featuring a married woman fantasizing about a handsome stranger<sup>8</sup>. While a direct approach to sex may be taboo in India, fantasy and innuendo fit within cultural norms and beliefs.

Another idiosyncrasy to note is that the same rules don't always apply to ads from other places as they do to ads from the homeland. For instance, an Indian businessman might want to fly with Avia Nova after seeing the Russian airline's ad, but doesn't necessarily want an ad for an Indian airline to look like that.

Similarly, tourism ads can't look like they promote the country as a sex tourism destination. The perception has to be that it's all about fantasy (even if it isn't).

So what's the takeaway? While sex may sell everywhere, it sells differently depending on where you are in the world. But the real story is still "same, same but different," because the motivation underneath it all remains universal.



Image via adweek.com

8. [sprk.sh/wildstonead](http://sprk.sh/wildstonead)

# Chapter 3:

## The Mobile Leap



Thanks to its accessibility, relatively low cost and multifunctional nature, the mobile phone may be the most sought-after device the world has ever known.

In developed nations, consumers are hungry to adopt new mobile technologies such as video, apps and location awareness as they become available. In emerging markets, consumers are bypassing devices, opting for mobiles over PCs where income constraints prevent them from getting both.

The mobile phone is having a transformative effect in many emerging markets, empowering people with information and connectivity. In Africa, it's a factor in the continent's amazing renaissance (in the decade leading up to 2010, six of the 10 fastest growing economies were in Africa and in the next decade it is anticipated that Africa's growth rate may outstrip Asia's). Mobile has given farmers access to information on prices and weather patterns that enables them to plan better and, by extension, make more money.

Mobile phone banking has made it cost effective for banks to offer services to many more people and for much smaller transactions. This is transforming Africa from a cash economy to a mobile one with none of the intermediary steps – from cheque books to credit cards – that developed markets had to go through.

As a result, mobile is available everywhere in Africa. In fact, when I sat in a tent in the Serengeti last year, I got a better signal than I usually get in the centre of Sydney.

With the legacy of the PC weak in emerging markets, mobile is the preferred platform for many online activities. Digital consumers in Emerging Asia, India and Sub-Saharan Africa (SSA) are particularly high on mobile, preferring to surf the Internet on their mobile devices rather than on a computer.

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### Mobile culture

What's interesting is how well mobile is nesting with traditional cultures. It's actually pretty common to see a Masai warrior in traditional clothes whipping a mobile phone out of his belt to check up on his brother with the cows. But not only does mobile help people in emerging markets connect to each other and the world, it also creates opportunities for those of us in the travel industry to connect to them.

It means that a digital strategy that taps into mobile is becoming as relevant in emerging markets as it is in the developed world.

But as I discussed in previous chapters, emerging markets cannot be treated as a homogeneous lump; there are cultural and infrastructural differences that brands and marketers must take into account.

### Ready to engage

Internet penetration varies markedly across emerging markets, from 7 percent in India and 10 percent in Kenya to 31 percent in China and 38 percent in Brazil.

What varies less, however, is the engagement level among those who have Internet access. Engagement is very high in emerging markets, considerably higher than in most developed nations. So given the population size of most emerging nations, there are hundreds of millions of highly engaged people just waiting to connect with your brand online.

Consumers in emerging markets are often more open to connecting with brands compared to people in developed markets, who are typically more guarded.

This is also a leap of sorts. Consumers in these markets are engaging with brands at a time when



brands are more customer-centric and concerned about connecting with their customers in an open and honest way. So these people have good reason to feel comfortable with brands.

In emerging markets, the percentage of online users who are considered "highly engaged" is far greater than in the developing world. Digital engagement is a measure of how involved people are with the Internet, based on usage, behaviour and attitudes toward digital media.

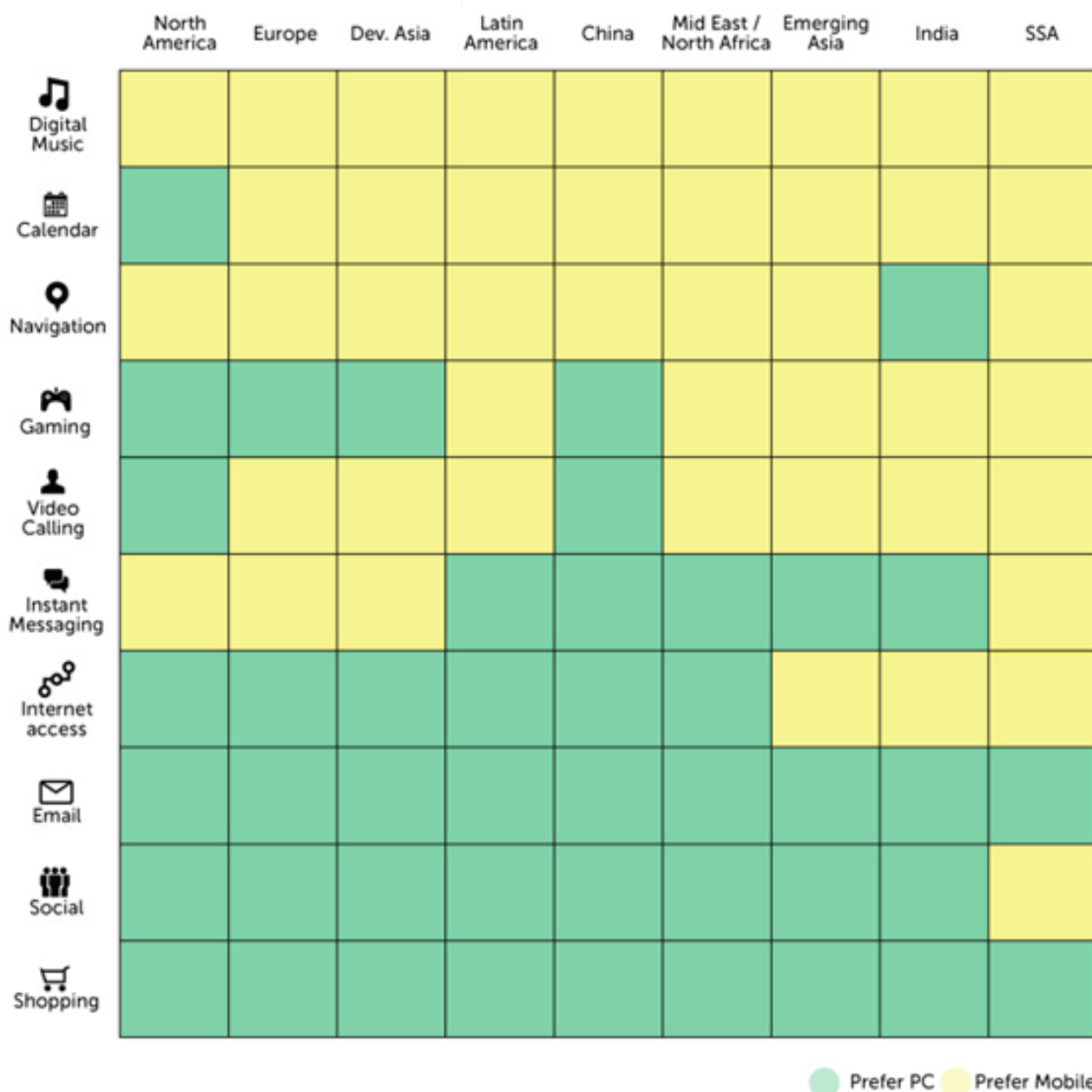
## The mobile journey

This affinity for mobile among emerging-market consumers creates amazing opportunities for brands to connect, particularly in the travel space. Travel brands can create tools that help enrich and

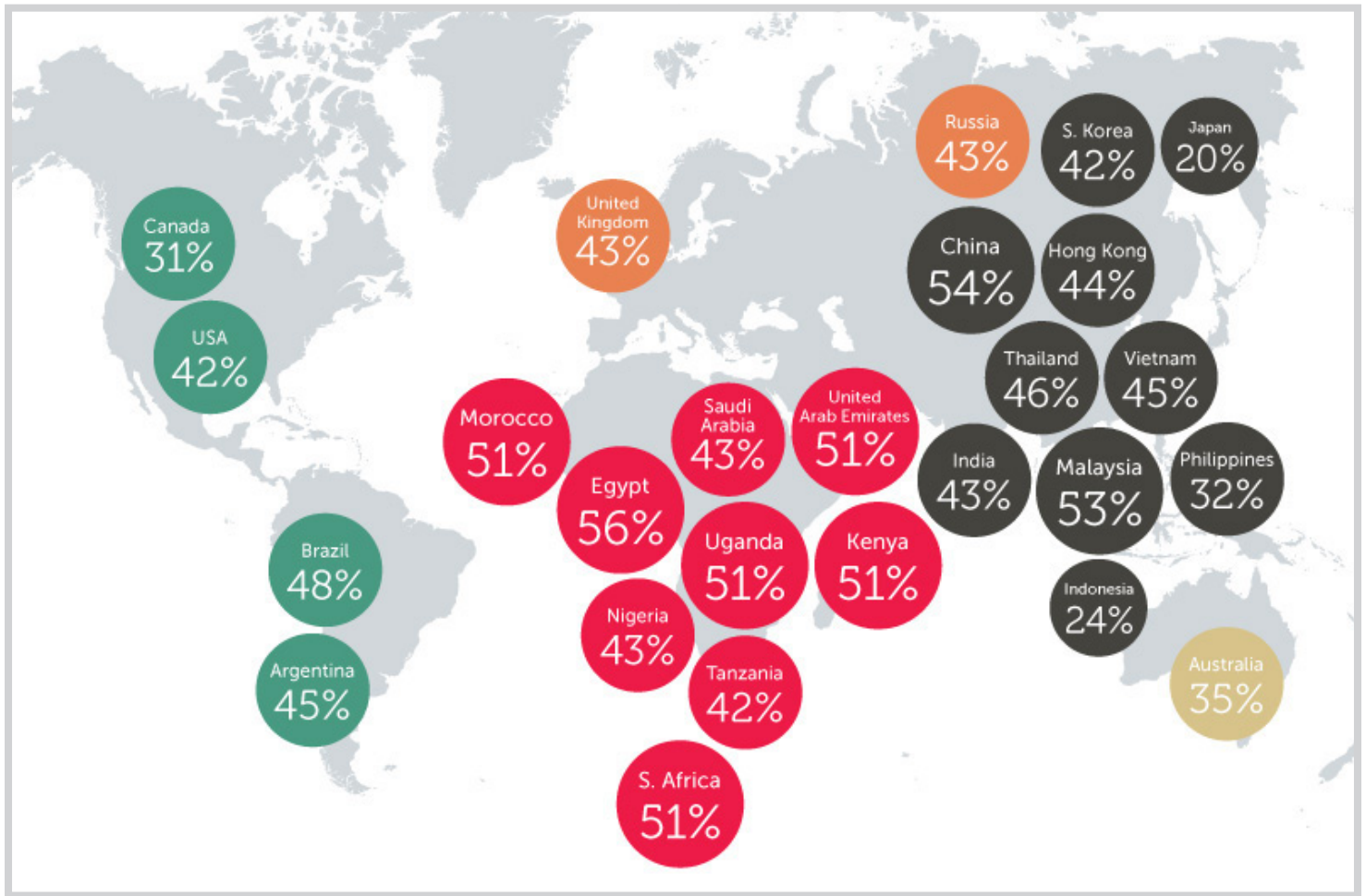
streamline every step of the journey. Apps and the mobile Web can be used to keep travellers informed, enable self-service and to make travel paperless and more convenient.

While some of these tools might relate to services travel brands offer themselves (mobile booking, mobile boarding passes, mobile check-in for hotels and airlines), I believe some of the strongest relationship builders might be providing information about or links to other services that ensure a great journey experience.

Perhaps the most obvious example is the proliferation of online translation tools, from Google translate to my favourite, [Word Lens](http://www.wordlens.com)<sup>9</sup>, where you hold up your phone and the app reads a sign for you.



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Travellers from emerging markets are often less confident when travelling overseas, and navigating foreign languages can be a concern. A simple translation tool can help them enjoy their experience all the more.

Similarly, travellers from emerging markets often enjoy a little bit of home when they travel. According to The Economist, Chinese tourists<sup>10</sup> seeking home-style cuisine are transforming London's Chinatown, creating a demand for authentic Chinese food rather than the Westernized versions favoured by Britons.

A mobile app that directs Chinese travellers to local restaurants serving their home cuisine could help take them off the beaten path and give them some great bragging rights back home.

## Different content for different cultures

When creating content or tailoring services

for emerging-market travellers, it's important for brands to remember that people use technology for different reasons.

In China, Russia and to a certain extent India, digital engagement is strongly driven by the need for self-expression, so encouraging these travellers to share content and engage through social media can be a great way to connect. In Tanzania, it's about connecting and learning, which is pretty similar to Brazil. In neighbouring Uganda, it's still very much about the basics – so if you want to connect with these travellers, give them lots of facts and useful travel tips before and during their journey.

With usage levels in places like China, Brazil and U.A.E. already matching mature markets (and some even moving ahead), mobile is the key to connecting with emerging market consumers now, and on their own terms. There's never been a better time to join that technology leap.

10. [sprk.sh/chinesetourists](http://sprk.sh/chinesetourists)

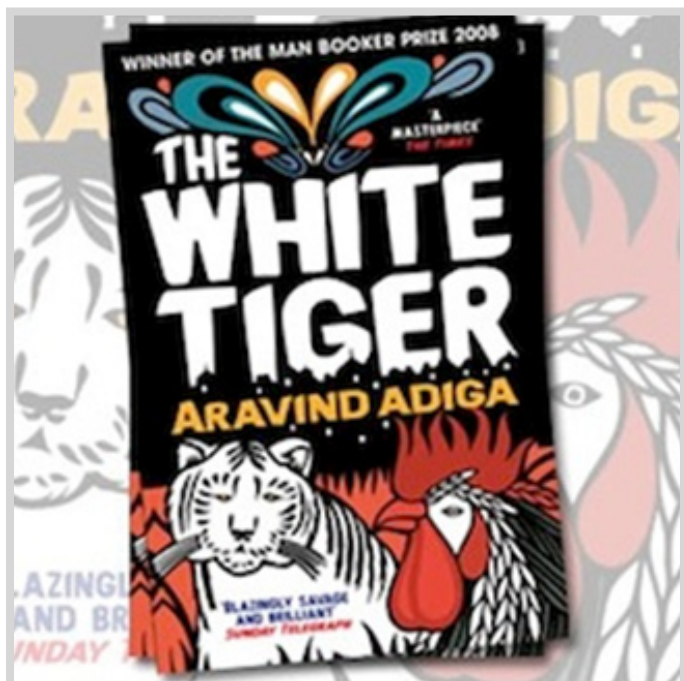
# Chapter 4:

## Branding Success



The economic growth of emerging markets has created a dramatic change in the social hierarchy of these nations.

In most of the emerging world the buying power of the middle class has increased so quickly that people can see a direct comparison with their parents and grandparents. So they are very aware of their success. And they want to express it, both to themselves and to others.



### Novel success

One of the obvious ways people can demonstrate success is through their purchase decisions – the categories and brands they choose are conscious choices.

In Aravind Adiga's novel "The White Tiger," the son of a rickshaw puller in India blackmails and murders his way to being a wealthy entrepreneur. In a revelatory moment, he realizes that his assumptions about clothing and its symbolism are all wrong.

Up to this point, his view was that if you could afford a pattern on your t-shirt you went for the jazziest, most colourful one possible. Then he notices his boss wearing a white t-shirt with a single logo.

*"The wealthier and more confident we feel, the more we want to travel and the more unusual the destinations we wish to visit."*

When he has to escape after (spoiler alert) murdering this same boss, he disguises himself by wearing a simple t-shirt so the police assume he can't be a humble driver.

Later, when he is successful, he makes sure he is seen eating pizza even though it makes him sick; pizza is what a successful Indian businessman would eat.

### Externalizing success in China

Of course, there are also many real-world examples of this "expression through consumption." In China, the products and brands that are most successful are very much external ones.

Chinese workers may have small and basic apartments, but they accumulate brands they can



Queuing for Louis Vuitton, Hong Kong/Photo by Pondspider via Flickr

flaunt outside the home such as handbags, scarves or fancy cars.

According to a recent Economist article<sup>11</sup>, some Chinese professionals who work for prestigious companies keep their employee badge on as often as possible. And when it comes to travel, visiting a trendy destination is more important to them than where they stay when they get there.

### Education as status

In many countries, a foreign education is a key status symbol. I remember interviewing a cargo manager of a major freight forwarder in Dubai a few years ago and noticing how clearly he signalled the

11. [sprk.sh/chineseconsumer](http://sprk.sh/chineseconsumer)



fact that he was completing an MBA.

His study books were prominently displayed in his offices, the walls contained certificates for the course modules he had passed so far and he included the degree on his business card.

In travel, we have seen both a growth in outbound travel and a pride in domestic destinations. More and more Indians are visiting Goa, for example. But I think it's fair to say that brands in almost any industry have the opportunity to signal status in a market like India, where even the milk or yogurt you buy says something about you!

## Travel and status

Travel is what economists call a higher good. The wealthier and more confident we feel, the more we want to travel and the more unusual the destinations we wish to visit.

In fact, travel can often be the first big ticket item that newly successful members of the middle class acquire. In markets like Malaysia, where foreign cars attract very high sales taxes, that trip to the U.S. to visit your cousin is a much more affordable way to express success than trying to get a loan for a Mercedes.

On the other hand, many of the measures of status for emerging market travellers are tangible things (a philosophy we summed up in an earlier chapter as "sleep cheap, shop chic"). So travel brands may have to tweak their product a little to include stuff that can be shown off to others.

## Designing success

Well-designed products are a key status symbol in many Asian countries. Owned by low-cost airline Air Asia, The Tune hotel chain charges a low rate for a room but makes you pay for things like air conditioning, TV and towels.



The Tune Hotel in Penang, Malaysia/Photo by SiOW via Flickr

But Tune differs from the North American and European budget hotel chains in some very important ways. First, it focuses on great locations; its UK hotel is just up the road from Buckingham Palace.

Second, Tune hotels don't skimp on design. The rooms may be small, but they will look great in a photograph!

In the same vein, airlines catering to emerging market consumers may want to offer economy clients an add-on chauffeur service that sees them picked up from the office in style. Even some of the smallest details such as luggage tags can be powerful symbols of success.

Outside of travel, watchmaker Hublot uses Argentinian polo players as a benchmark of excellence and status, while Itau, a South American bank,

uses spokespeople who have been successful on the world stage (such as Brazilian actress Alice Braga).

In short, if you want to show middle class consumers in emerging markets that you understand their needs, give them something to show for it.

*"Even some of the smallest details such as luggage tags can be powerful symbols of success."*



Hyderabad, India: Image by byte via Flickr



# Chapter 5:

## Beyond Boomtown



As we've seen in the last four chapters, there's a lot of enthusiasm in the marketing world about engaging in emerging markets – especially at a time when mature markets seem unable to generate anything but gloom. The size of the populations in emerging markets and the rapidity of their growth have big global brands salivating.

Many brands are primarily looking to the major cities of the developing world – and in the travel industry often just the largest two or three cities. But there are millions of potential customers in smaller cities and towns who are largely overlooked.

In China, for example, less than 5 percent of the population lives in the "Tier 1" cities of Shanghai, Beijing and Guangzhou. In total, 113 cities in China have a population of more than 1 million people and at least 50 have a critical mass of high-income consumers. If you include Tier 3 and 4 cities, brands need to consider roughly 2,000 cities and 250 million consumers in their marketing plans.

Many of these cities have industries and services (like manufacturing) that support a burgeoning middle class. At the same time, the operating costs of setting up in these cities are much lower and these largely forsaken consumers are hungry for your attention.

"Second-tier cities in emerging markets have at least one thing in common with second-tier cities in mature markets: They tend to have a great deal of civic pride."

### Not your big city consumer

People in second-, third- and fourth-tier cities want very different things from brands than their counterparts in Tier 1 cities. Having been bombarded with less information, consumers in lower tier cities are often hungrier for the basics. They want transparent communications from brands that focus on the direct

benefit their products will deliver.

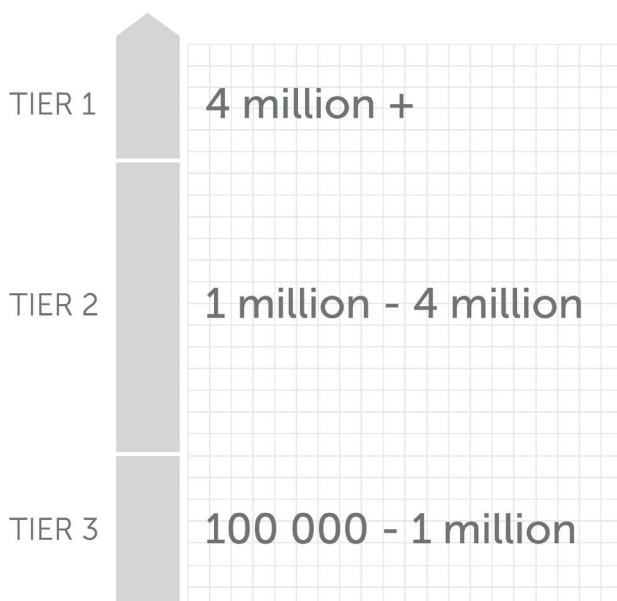
This doesn't mean these consumers lack sophistication, just knowledge and experience. In fact, it turns out that consumers in Tier 2 and 3 cities and towns are actually as likely to say they want experiences as material goods from brands. To reflect this, Nokia has developed a series of apps called Life Tools<sup>12</sup> that are specifically targeted at the needs of consumers outside

major cities. For example, Nokia Education Life Tools offer English courses and tips for exams, while Nokia Entertainment provides content on cricket, Indians' ruling passion. By doing this, Nokia can learn more about its customers while giving them a reason to engage with the brand.

### Reaching out

Many of these newly affluent consumers are trying products and services for the first time. Where information is lacking, they will tend to stick to high profile or familiar brands. They are open to trying new things – but need a reason to break out of the tried and true. Two strategies seem to have worked well in this regard:

**Smaller unit sizes.** The pioneers in this sector have been fast-moving consumer goods companies like P&G and Unilever. They are selling small packages of products like shampoo, which can be bought for a lower absolute cost (but often a higher unit cost). This trend has been marked across almost all the emerging markets they enter. This lower absolute cost 'derisks' the decision for the consumer – and encourages trial. This might initially be hard to apply in travel but a hotel chain expanding to a new city could offer a deal to locals to try its coffee shop, for example.



Cities in emerging markets range in population

12. [sprk.sh/lifetools](http://sprk.sh/lifetools)

**Lower-cost brands.** Many local companies have been among the leaders in developing these secondary brands. This is a way for local brands to defend themselves from the multinationals by exploiting their superior understanding of these markets. (But it is also a good lesson for international brands to learn.) For example, Titan watches in India (part of the Tata group) have started a new brand called Sonata, which is specifically designed to appeal to emerging consumers in these new cities.

The low-cost airline and budget hotel phenomenon can work well with these consumers. Second- and third-tier cities are now on air routes all across India, China and Indonesia with services by smaller aircraft usually packed to capacity.

Lion Air in Indonesia is just one of the airlines that have seized on this trend. This growth is also starting to impact aircraft manufacturers. Not just Boeing and Airbus, but brands like Bombardier and Embraer are all developing products which take into account the needs of these markets and airlines.

*"The operating costs of setting up in these cities are much lower and these largely forsaken consumers are hungry for your attention."*

## Different from each other

Regionality also plays a huge part in shaping consumer behaviour, so cities within a similar region (say Shenzhen and Guangzhou or Hyderabad and Bangalore) will have more in common with one another than with other emerging, second-tier markets. Some scalability is thus possible within regions. This is particularly relevant for a market like China, where the densest concentration of these emerging cities is along China's eastern seaboard.

But remote cities and towns present opportunities of their own. Take Recife, in Brazil's northeastern state of Pernambuco. It's geographically remote, but with a population of nearly 1.3 million inhabitants,

this city has earned the moniker of the "Brazilian Venice" by building its wealth and growth through tourism and other resources. So Recife is a highly attractive target market that sees itself very differently from the second-tier cities of the south. Brands should take account of this.

## Recognize that they're different

Second-tier cities in emerging markets have at least one thing in common with second-tier cities in mature markets: They tend to have a great deal of civic pride.

Being among the first to serve them can build a lasting connection.

Remember the Pakistani businessmen I mentioned in chapter 1 while making a point about walking in your customer's shoes? This is just as true for an entrepreneur in a second city. By coming to his city – or, increasingly in emerging markets, her city – you are explicitly recognizing his success.

Once again, the opportunities for travel brands are abundant. By some estimates, international travel out of China's second-tier cities has doubled in the past two years. I heard at the World Air Forum in Amsterdam last year how China Southern Airlines is one of the drivers of this. The airline is building a hub and spoke strategy to connect as many of these cities as possible to welcoming overseas destinations.

## Bring them to you

As a destination, Australia has been among the leaders in recognizing and seizing this opportunity. Organisations like Tourism Australia, Business Events Australia and the Association of Australian Convention Bureaux (AACB) have set their sights on second-tier cities.

The Gulf Cooperation Council (GCC) airlines, led by Emirates, serve Mumbai and Delhi, but they also serve Kozhikode. While this is driven in part by access to labour markets, it also opens up a connection to the wider world for local businesses and continued growth in the Indian diaspora.

What this all means is that consumers in second-, third- and fourth-tier cities are now more connected to the global economy than ever. The time is now to take your business to them. But make sure you understand who you're dealing with. Look before you leap, but don't look too long.



Contrary to popular belief, consumers in smaller emerging markets are looking for experiences from brands as much as products (even more than their big city cohorts).



# Conclusion

Each of the chapters of this book began life as an article in Sparksheet, part of a journey that began with occasional blog posts and has now become a regular column, Travel Touchpoints.

Before drawing any conclusions about what we learned on the way, I can't fail to thank the many people who made this e-book possible: Dan Levy, who was an engaged and passionate editor; my many colleagues around the TNS networks but especially the wonderful Travel and Leisure team here in Sydney; my long-time collaborator Poonam Kumar in Hyderabad; the GEMS team (especially Ashok Sethi), who sourced and connected me to people across the network (such as Rima Gupta in India); and Chris Byrne, who worked with me to develop the content.

In reflecting back on the journey so far, what conclusions can we draw?

First, in engaging with emerging markets, the best approach is to balance passion with reflection. Yes, this is a once in a generation opportunity – and who doesn't want to be part of that? But the very size of the opportunity makes getting it right even more important. The mistakes you make now will determine your future for a long time. When Kelloggs launched its world famous Corn Flakes into the Indian and Chinese markets, it faced a challenge in that consumers in these markets don't use cold milk in the morning. It took a lot of redesigning and time-consuming trial and error to make cornflakes that meet that need.

Second, none of us leaves our culture behind when we consume. As the Kelloggs example and the different ways of expressing ourselves digitally (discussed in Chapter 3) demonstrate, our smallest cultural assumptions can trip a brand up in an emerging market. This doesn't mean you should abandon who you are – just invest the time to work out how that story will feel in a different context. Washpool tried to create a washing machine that worked well across all emerging markets. The company tailored it successfully for China by making it an item to show off (see Chapter 4 on branding success). But the design turned out to be incompatible with Indian clothing (you can read more about these and other examples of cross-cultural design mishaps in "The Washing Machine That Ate My Sari," by Human Factors International).

In this sense, it's very important not to patronise consumers in emerging markets. As we mention in Chapter 5, consumers who want more basic factual information are not ignorant – just ignored. Brands that manage to deliver basic facts in an engaging way (see the Nokia Life Tools example in that chapter) really can seem like friends, like brands a consumer will grow with.

I think one way to approach these emerging markets is to remember the common features of our human psychology. Some desires – to stand out, to achieve success or to love our families – were hardwired into us early on. In Chapter 2 we discussed one of those common desires, which is sex or pleasure. The motivations behind the fantasy seen in Wild Stone's advertising in India and the natural healthy celebration of the body presented in Australia by Jennifer Hawkin's Cozi brand are the same. But the way they're expressed in the two cultures is different.

Sound familiar?



For more good ideas about emerging markets, travel marketing and more, check out [sparksheet.com/author/carolyn-childs](https://sparksheet.com/author/carolyn-childs).

# Carolyn Childs

## Strategic Consultant, Sydney

Carolyn Childs joined TNS on the full acquisition of the Travel Research Centre in May 2007, but had a long prior association with the company, including collaboration and consultancy input on the Tourism Australia brand tracking. In February 2011, she moved aside from leading the Travel & Leisure team to focus on supporting key accounts for the team.

Carolyn has more than 20 years' travel and tourism experience, including a period heading the research function of the International Air Transport Association. She has worked for clients all over the world across all aspects of the industry, including destinations, wholesalers, major international airlines, hotels, intermediaries and ancillary services. Carolyn has spoken at many conferences around the world on destination branding, customer experience and segmentation - most recently as part of a MasterClass on Brand Australia at the Australian Export Awards.

Carolyn holds an Honours Degree in Russian Studies and Politics from Bristol University (including a scholarship to Voronezh State University in Russia). She is a Full Member of the UK MRS, a member of the UNWTO Global Panel of Tourism Experts and a judge in the Greater Sydney Tourism and South Coast Tourism Awards. She is a founding Board Member of the Asia Pacific Chapter of the Travel and Tourism Research Association.

She blogs on all aspects of the tourism industry for Sparksheet and Thumbrella as well as for TNS' own blog:  
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