

MARCH 2022

THE PULSE

Monthly Insights 



Being a working woman has created new opportunities for Thao Nguyen, our Country Manager in Vietnam. It has enabled her to have a wide network, take strategic risks and be better informed about what is going on in the world. 79% of women in Vietnam between the ages of 15 and 64 are in the labour force, and women play a key role in business and commerce in the capacity of business owners, CEOs and senior executives.

INSIDE

Women's history month: Empowerment of Southeast Asian women



The Decathlon Nudge to Take Up Sports

⌚ 5-minute read



Survival Guide for the 3rd Party Cookie Apocalypse

⌚ 3-minute read



NFT Artists Build Digital Communities In SE Asia

⌚ 5-minute read



Philippines Elections: Good news for investors?

⌚ 7-minute read

About ASEAN

A GLIMPSE OF SOUTHEAST ASIA'S PATH TO WOMEN'S EMPOWERMENT



Thailand saw more than half – 53% of senior executive roles being filled by women in 2020.



Through the pandemic year, Philippines closed 78% of its overall gender gap from 2019 to 2021.



In 2020, Vietnam ranked second in Southeast Asia and 25th globally in terms of women's business ownership.



Women's participation on the boards of the top 100 listed companies in Singapore showed an increase from 15.2% in 2018 to 17.6% in 2020.



The overall gender equality improved to 71.4% in 2020 in select domains in Malaysia.



Women owned 60% of the Indonesia's registered micro, small and medium-sized enterprises.

THE DECATHLON NUDGE TO TAKE UP SPORTS



Image credit: Sepaktakraw 1/flickr

Singaporeans experienced their first-ever nationwide virtual sports carnival between July–August 2021. Many ran their first virtual marathons or cycled to virtual landmarks, while others played sports such as football, basketball, and badminton. While the initiative was promoted by a youth ministry body, Sport Singapore. It was Decathlon Singapore that completely handled the event.

This was the very first instance of a government entity partnering with a private company for a country-wide activity. The name of the partner, Decathlon, however, doesn't come as a surprise.

Set up in 1976 in France's Lille, Decathlon is now the world's largest sporting goods retailer. Running, cycling, skating, snowboarding, or even skiing — name the sport and Decathlon has the requisite gear to get started.

While the athletic goods company entered Southeast Asia only in 2015 with a store in Thailand, it quickly made its mark and set up a flagship store in Singapore. With a 35,000 square feet area, the Singapore store soon became a megastore in the region.

Cut to 2022. Decathlon has stores in Singapore, Malaysia, Thailand, Vietnam, Indonesia and the Philippines. In fact, Singapore alone has 14 stores. And there are no signs of stopping.

The group's annual revenue was \$17.8 billion in 2020, even as e-commerce sales continued to surge.

THE PUSH TO SPORTS

When Southeast Asia started hosting major sporting events, the interests of locals were piqued. Countries such as the Philippines started getting more serious about international sporting events such as the Tokyo Olympics held in 2021.

For retailers, this was a golden opportunity to promote sports, and Decathlon took a big leap. Stores were quickly opened in locations such as Malaysia in 2016, the Philippines and Indonesia in 2017, and Vietnam in 2019.

The market was ripe because while sports were gaining prominence, amateur sportspersons did not know where and how to start. Brands such as Nike existed, but these catered to sports apparel and footwear.

At a crucial juncture where Southeast Asians were looking for basics of each sport, Decathlon sprinted ahead of the competition by training their staff to interact with locals in each country.

Being connected to the community also helped create a behavioural change and eventually boosted sales.

Prior to Decathlon's entry into the region, the sports goods industry was fragmented. There were brands such as Nike, Puma, and Adidas offering sports apparel and branded merchandise, while distant competitors such as Under Armour offered a mix of apparel, footwear, and accessories. What was missing was the personalised attention, and that's where Decathlon's popularity rose quickly.

For example, the company has a team member in Vietnam who is a roadrunner and also part of the road running team at Decathlon. He develops the products of the sport he practices every day, collecting feedback from the runner community.

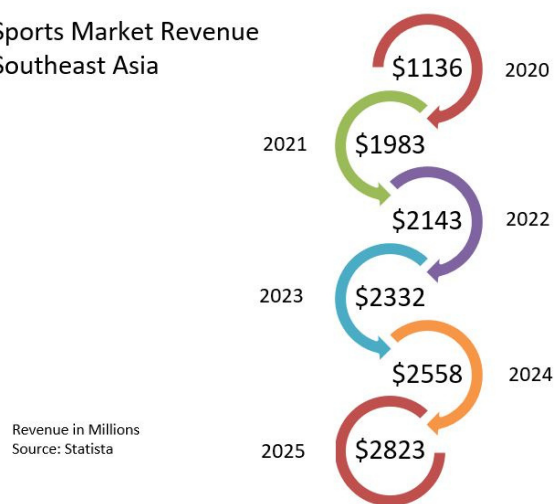
MOVE TO AN ACTIVE LIFESTYLE

Not all individuals who play a sport compete professionally. Few do it purely for the love of the sport, while many others practice sports just to stay active. And the 'all for sports, sports for all' tagline of Decathlon fits perfectly here.

The World Health Organisation (WHO) said in a January 2022 report that insufficient physical activity is a leading risk factor for noncommunicable diseases (NCDs) in Southeast Asia, where NCDs cause around 8.5 million deaths every year.

Southeast Asia's sports market is sprinting

Sports Market Revenue
Southeast Asia



Here, WHO advises that 'sports for all' through a mix of government programmes and private participation should be encouraged among all countries in the region. At a time when the world is still battling the coronavirus pandemic, staying fit has been shown to maintain general health.

After months under lockdown, sports are also helping Southeast Asians get the community feeling, be it a quick run with a neighbour or a football match with friends. And where do they buy equipment from? Decathlon.

The economic impact of the pandemic has led to many retailers shutting down stores in the region. On the other hand, Decathlon is opening new stores. The company is also engaged in building new solutions to improve the customer experience while reducing the total task-based activities at stores.

Some of these innovations include deploying robotics to detect total sports goods stock in stores and 3D printing technology. With government backing in countries such as Singapore, the brand has also been able to set up R&D labs. For instance, customers in Singapore can get a foot scan to get the exact shoe size in stores.

Designing, testing, manufacturing, and retailing — everything is done in-house by the brand depending on the country of sales and sport. The ease of buying all sports equipment in one store assisted by field-experienced staff is probably what sets the brand apart and makes it tick in price-sensitive markets such as Asia.

Even as rivals such as apparel & footwear maker ASICS expand into designer accessories tying up with artists from the Asia-Pacific region, Decathlon is involved in a mix of store expansion and merchandising partnerships.

In Singapore, Decathlon is planning to more than double its store network to 37 over the next few years. Multiple store openings are also planned in the Philippines in the near future.

Moreover, in January 2021, the National Basketball Association entered into a multi-year merchandising partnership with Decathlon. This partnership designates Decathlon as an official licensee globally and includes a wide range of dedicated NBA merchandise collections, designed in-house by the sports goods firm.

Decathlon's expansion story is not over yet. With the new CEO Barbara Martin Coppola taking over in March 2022, the race to grow and sustain the number one position will stay intact. And the Asia Pacific, which is among the largest markets for recreational sports globally, will be an important piece of this puzzle.

SURVIVAL GUIDE FOR THE 3RD PARTY COOKIE APOCALYPSE

VOJTECH KURKA – MEIRO



Image credit: Canva

It's quite a bit of a clickbait to say that Google killed the cookie. What's more apt would be that Google made a landmark move against bad cookies – in favour of user privacy. The truth is, the crackdown is focused solely on 3rd party cookies, which according to us (and we're sure for several responsible internet agencies) bodes well for consumers and makes the internet a much safer place.

To fully understand the move it's important to realize just what a 3rd party cookie is, and who uses it. A 3rd party cookie is one that's created by domains other than the one visited by the user at that time, and are usually used for tracking and ad serving purposes. Which of course makes such cookies a favourite for organizations building huge databases of users – where they go & what they do on the internet. Tracking and harvesting activities of users to build rich user profiles – which are very valuable for advertising & retargeting. Beginning to see how this could also be dangerous, right? (if not, we recommend some Netflix and spine-chilling. Watch 'The Great Hack'.)

This tracking occurs when your web browser loads an advertisement or accesses a web server and generates a cookie. Then, even after you end the session and access any other page showing an ad using this server, that little cookie sneakily continues to track your path & behaviour across domains. A bit creepy yes, but for long this represented a huge source of user behavioural data.

So what makes this move such a truly watershed moment? Consider this: Chrome is today the most-used browser, owned of course, by Google whose Google Ads is by far the largest advertising player in the world. The sheer immensity of the decision is sure to have correlating ramifications, that will affect organizations and users alike in the years to come.

But. But. But. We're here to tell you advertisers and marketers that... It's really not that big a problem. RELAX.

Your Google Analytics and/or Facebook Pixel will continue to work as both JavaScript trackers have been using first-party cookies since 2017 and 2018 respectively. Which means these law-abiding JS trackers will ask for your consent and only then use first-party cookies. While the big bad DMPs who've been collecting and profiling your browsing history & data without consent will have a much harder time.

However, it's only a matter of time before first-party cookies too face the same kind of crackdown, and become severely limited, if not blocked altogether. Already most browsers have enacted some sort of restriction – like Apple releasing the Intelligent Tracking Prevention feature for Safari – so that first-party cookies set by JavaScript expire in only a few days. One solution would be to set a 2-year expiration date of cookies like in the days before (read: circa 2007), via a script from the main domain of your website (not loaded from a 3rd party server), or set by a HTTP protocol instead of JavaScript.

Which is exactly what Meiro does. We deploy complete tracking solutions – not just JavaScript trackers, but also back-end solutions for each client. Of course, there's no way we could create such complete, rich (or dangerous/creepy) profiles like DMPs. But we can reliably measure behaviour of users on our clients' websites, so seamlessly that it seems a part of the website itself.

This is the only way forward for advertisers, after the 'death' of third-party cookies and the inevitable demise of first-party cookies too. Not to track and store 'Everything I can know about everyone across the internet', because the danger is that such comprehensive data could be misused (or stolen), and well also... stalker alert. But instead, to collect only the data you absolutely need – about your own customers and visitors to your website, or limited to your website/mobile app, etc.

To conclude, we welcome the change. It's not a death knell for advertisers but instead a welcome chime, ushering a new internet – one that's safer and more privacy abiding. One that asks customers to happily and willingly share – instead of slyly stealing from them.

This article has been republished from [Meiro's blog](#) with permission from the organisation.

NFT ARTISTS BUILD DIGITAL COMMUNITIES IN SE ASIA

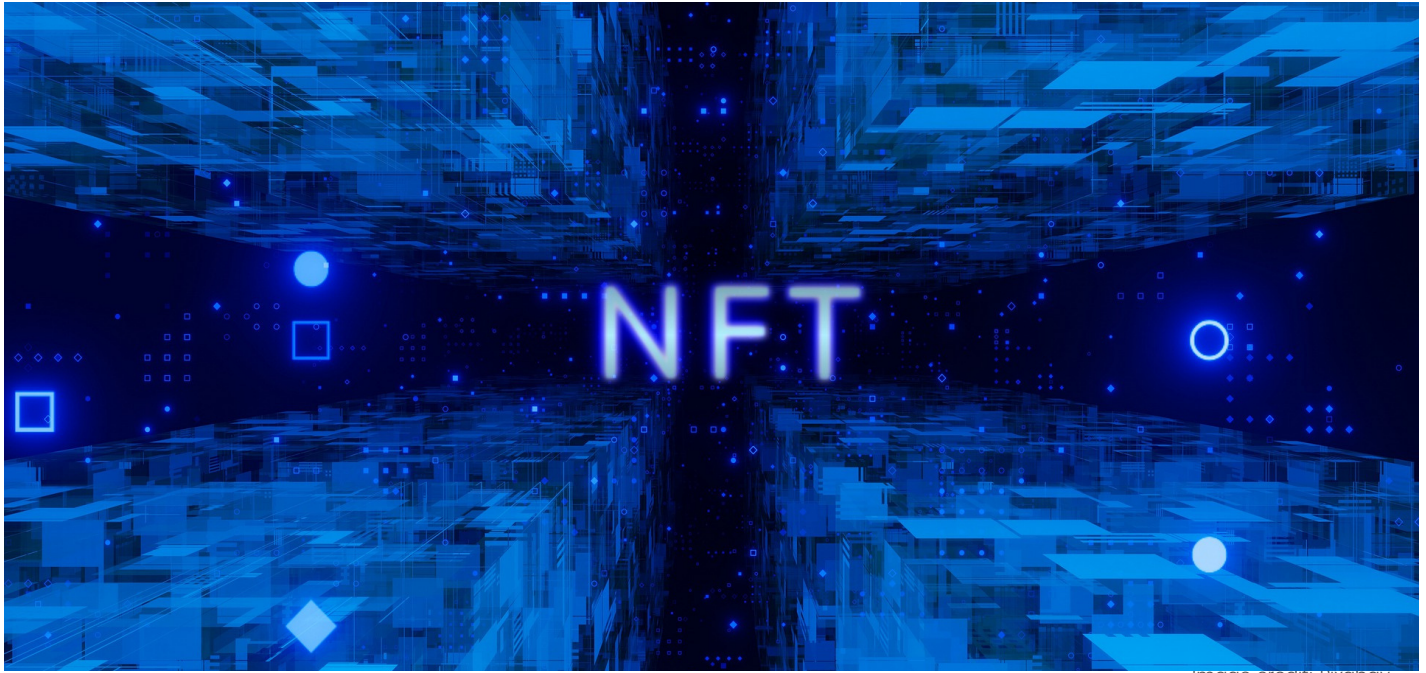


Image credit: Pixabay

Malaysian rapper Namewee became an overnight millionaire in November 2021 by selling his new release 'Fragile' as a Non-Fungible Token (NFT). His collection sold for 209 ETH or roughly \$845,000.

He was probably taking cues from the March NFT sale by digital artist Beeple where the art sold for a record \$69 million at a Christie's auction.

But Indonesia's Ruanth Chrisley Thyssen wasn't so fortunate. Thyssen wanted to raise funds for family members of a disaster-struck Indonesian submarine's crew. He created an NFT artwork to be auctioned online, but it fell short of the \$3,000 target. Instead of being disheartened over the incident, Thyssen went ahead and launched an educational community called MetaRupa. This metaverse community platform also runs NFT exhibitions.

The NFT craze has reached new heights globally. And Southeast Asia is at the forefront of the change. To ensure that seasoned and upcoming artists don't miss out on the financial benefits of NFTs, artists are now creating communities to build the ecosystem together.

According to a report by research company Chainalysis, Central and Southeast Asia contributed 35% of the \$22 billion in the global trade of NFTs last year. Data from Finder found that the Philippines, Thailand, and Malaysia had the largest number of NFT users.

And it is this user community that NFT artists are looking to harness. These unique digital assets encoded with smart contracts are tough to understand for artists who have been typically selling their work online. The community comes together to help create and sell these assets.

THE DIGITAL PITCH

Getting users to experience the NFT community is one way to build awareness. Blockchain adoption firm TZ APAC held an NFT Art exhibition with Southeast Asian artists during the Singapore Art Week in January 2022.

Local artists curated this event in collaboration with an art company S.E.A. Focus, a showcase of Southeast Asia contemporary art, and with CAWA (Crypto Art Week Asia).

Singapore is one of the pioneers in building the online NFT community. NFT Asia, an online art community founded in Singapore in April 2021, has now grown to over 3,300 members in the span of a few months. Through their Discord channel, this community connects artists with collectors and also builds awareness about the digital art model.

Vietnam, too, is not far behind. It launched its exclusive NFT community Cong Troi, where buyers and sellers of art meet. Through Cong Troi, collectors cannot just buy artwork but also a portion from their favourite song curated by the local art community.

These communities run through their strong social network presence to form a guild of NFT artists and promote new artwork. NFT Philippines, for instance, encourages community buy-sell activity by nurturing artists.

Some artists stumble upon NFTs but are not sure of how to enter the space. To bridge the gap, non-profit organisations such as MalaysiaNFT help artists not only understand the basics but also source funds for minting. It also features peer support to empower artists and make relevant pitches for clients. Exclusive funding initiatives such as the First Mint Fund for the artist community are also motivating more artists to take the NFT route.

As artists enter the digital realm and start making money, physical galleries have also taken notice. Indonesia's Bali is now home to Southeast Asia's first physical NFT art gallery. Pop-up shows such as Bangkok's NFT Art Festival are also playing a role in helping artists come together to help each other.

With the region becoming the central focus for global NFT activity, it is the local communities that will make the switch to digital. Earning an artistic livelihood online is now a reality, thanks to the power of association.

PHILIPPINES ELECTIONS: GOOD NEWS FOR INVESTORS?



Image credit: Pixabay

The island nation of the Philippines is at a crossroads. The Presidential election scheduled for May 2022 holds the key to a complete economic recovery of the country that has been impacted by the coronavirus pandemic.

Running for elections this time are candidates with niche supporters. The front-runner is Ferdinand 'Bongbong' Marcos Jr., son of former president Ferdinand Marcos. The other contenders are current vice president Leni Robredo, Manila mayor Francisco 'Isko' Moreno Domagoso and retired boxing icon Manny Pacquiao.

With the effects of the pandemic still raging in the form of slowing growth, election-related spending is expected to boost growth. Beating its own forecast, the 2021 GDP growth for the Philippines stood at 5.6% as against the government's 5-5.5% estimate. For 2022, the country is looking to clock GDP growth of 7-9% on the back of the election momentum and higher vaccination rates aiding full reopening.

Following the election results, the new government is expected to announce whether the policies of outgoing president Rodrigo Duterte will be continued.

WHAT'S AT STAKE?

Investors are watching these elections for the recovery signals. The poll promises of Ferdinand Marcos Jr. are also being scrutinised closely considering that his father is the late Philippines dictator Ferdinand Marcos.

Recent opinion polls showed that Ferdinand Marcos Jr. garnered a 44-point lead over Vice President Leni Robredo. This is an 11-point increase compared with the previous poll in early December conducted by independent pollster Pulse Asia.

On the financial front, some early signs of improvement have been seen in 2021. The future economic policies of the winning candidate will drive the FDI inflows in the near future.

The inflow data released on February 10 showed that the Philippines' FDI net inflows in November surged by 96% to \$1.095 billion. On a quarterly basis, it grew by 28% compared to \$855 million in October. This was the highest in absolute terms since December 2019.

However, concerns remain around how fast the fiscal turnaround would be. The Philippines was placed last among 121 countries in Nikkei Asia's COVID-19 Recovery Index. It also took the last place among 53 countries in a Bloomberg study on economic resilience during COVID-19.

Within the first four to six weeks after swearing-in, the president-elect will announce the policy plans and investment outlay for the near future.

THE BIG PROMISES

Typhoon Rai wreaked havoc in the Philippines in December 2021, making it the second-deadliest natural disaster of 2021 globally. President hopeful Ferdinand Marcos Jr. and his vice-president candidate Sara Duterte have said that unity is the only way to get out of the pandemic-typhoon crisis.

Meanwhile, Isko Moreno has urged voters to not give old-timers a chance and give him a chance instead. Affordable housing, employment, and accessible education, with a special focus on Manila, were his poll promises.

At the other end, former boxing champion Manny Pacquiao is doubling down on his anti-corruption stance, stating that he will jail all corrupt officials once elected. He has also promised a reduction in corporate taxes despite limited fiscal room to do so.

The Philippines is currently in a phase of cautious optimism. In just three months, the country could potentially witness a sea-change in the way policies are framed and businesses are run.

As an ING report points out, election-related spending may indeed support economic activity in the first half of the year as the campaign season peaks in April 2022. A status quo on the current bank interest rates coupled with stable policies to reinvigorate the economy is what will hold the key to the country's future.

ABOUT US



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We are a team of top-class professionals with expertise in different industries. Our executives have worked as CEOs, CFOs and in other senior positions in top multi-national companies and represent the best talent available globally. Our founder, Sumit Dutta, is an ex-HSBC CEO who has worked in Indonesia, Vietnam, Hong Kong, India, and the US. A majority of our team and country experts are former senior-level executives from multinational corporations.

We are passionate about the ASEAN region, one of the highest growth markets in the world, and believe it will be the market of choice for all forward-looking international companies. We seek to create value for our clients and their customers in ASEAN, and so contribute to the prosperity of ASEAN nations and their people.

Please take a moment to review our website. If there is any way we can assist you, please reach out to us.

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