

INSIGHTS INTO SOUTHEAST ASIA

A selection of Mintel's latest research, innovations and trends in the SEA market, brought to you by Mintel's expert analysts.

MINTEL



Join Mintel every quarter, where we'll walk you through the biggest trends impacting APAC in our webinar programme.

Coming to you soon in both English and Mandarin.

Email infoasia@mintel.com to register your place.



CONTENTS

- 02 Cutting down on waste across Asia Pacific
- 04 The future of Asia is natural
- 08 Science Fare
- 10 Premium for the masses
- 12 7 exciting new products showcasing innovation in Southeast Asia
- 15 About the authors

CUTTING DOWN ON WASTE ACROSS ASIA PACIFIC

In our increasingly busy, instant-gratification culture, we are consuming more than ever, but there is also more rhetoric than ever before about the impact of these behaviours on the environment.

Mintel Trend 'Hungry Planet' explains how today's throwaway culture is becoming a contentious issue and consumers are looking for ways to conserve the planet's resources. In addition to that, Mintel's 2018 Global Packaging Trend 'Sea Change' discusses that plastic packaging adrift in the world's oceans will become

the catalyst driving brands to rethink packaging in a context consumers can understand and act upon.

Here, we discuss the efforts made across Asia Pacific to cut down the amount of waste contributed to the world's environment.

SAVE YOUR CITY

MYANMAR

The strong economic growth Myanmar has enjoyed since its political and social liberalisation in 2011 has brought many benefits to the country, but it has also had some negative consequences, including mounting waste. Changing lifestyles mean that consumers are eating more ready-made food and throwing away more plastic in a country that lacks an effective waste management system. The Yangon City Development Committee, for example, revealed in 2016 that the city's 5.21 million people produce 1,981 tonnes of garbage a day, equivalent to 0.41kg per person, up from 0.34kg in 2012.

City Mart, a retailer in Myanmar, has launched a new kit designed to encourage shoppers to use less plastic. Called the City Hero kit, it contains a reusable water bottle and a recyclable bag. While only available for a limited period of time in participating stores, the money raised was allocated to environmental projects.

EDIBLE PACKAGING

INDONESIA

According to Mintel research, one in three Indonesians said that being environmentally friendly is a reason to pay a premium price for everyday goods. The Indonesian government is well aware of the damage caused by plastic pollution, and has pledged to reduce plastic debris by 70% by 2025. This offers brands an opportunity to work with government officials in creating eco-friendly initiatives.

In Indonesia, start-up company Evoware launched edible packaging made using seaweed last year. The company focuses on creating sustainable and innovative packaging through the use of seaweed. Not only is the packaging edible, offering a range of nutritional benefits, it will also naturally biodegrade if it ends up being thrown away. Since the packaging dissolves in hot water, the start-up is currently exploring other uses, such as instant noodle seasoning sachets and instant coffee, where the entire packaging can simply be dropped into hot water and cooked.

VENDING IN REVERSE

AUSTRALIA

According to Australian government data, in New South Wales alone, 168 million drink containers end up as litter every year. Such figures suggest that any scheme that can partly reduce the impact of plastics on the environment will likely be welcomed by most consumers.

Reverse vending machines that dispense 10 cents for every bottle returned have been rolled out across New South Wales, Australia, with Woolworths alone installing more than 180. The 'Return and Earn' scheme aims to reduce the amount of litter in the Australian state by 40% by 2020.

As wastage and environmental damage come under scrutiny from today's educated consumers, more are choosing to side with companies and governments that are taking up this challenge to launch innovative eco-friendly products or services.

The key lesson for brands remains that customers want to do the right thing, and to reduce the impact they're having on the environment—but will need companies and governments to make it easy for them to do so.

As more attention is being paid to the rapidly deteriorating planet, consumers, companies and governments are all stepping in to protect the environment. Finding a balance between cost and environmental responsibility is not always going to be easy, but ensuring a company has the smallest environmental footprint possible is essential in the modern consumer world.



The key lesson for brands remains that customers want to do the right thing, and to reduce the impact they're having on the environment—but will need companies and governments to make it easy for them to do so.

THE FUTURE OF ASIA IS NATURAL

Rooted in history and heritage of the land, Mintel's Global Beauty & Personal Care Trend 'Playing Mother Nature' becomes the global staging ground for well-known Asian herbal philosophies TCM, Ayurveda and Jamu.

Asia's bio-tech scene is moving in tandem with global awareness of Asia's herbal expertise. With multiple patents and discoveries adding notches to its belt, it is creating a synergy where naturals are the first spark of groundbreaking technological innovations.

Mintel forecasts a beauty future where Asia will be front and centre in the global market for naturals as the region's biotech and beauty sectors collaborate to create tomorrow's leading-edge products.

PLAYING MOTHER NATURE

There is a demand for naturals today but tomorrow, the future of naturals will evolve and advance. With consumers increasingly scrutinising ingredients lists for safety and purity, beauty will return to the laboratory to enhance and rediscover what science has to offer the naturals market.

The rich heritage and culture that Asia holds generates interest among consumers globally, and over the recent years, we have seen the discovery and reinvention of many Asian ingredients to meet the growing demands of consumers and the overall beauty industry. Some of these ingredients include ginseng, pearl powder, turmeric, Ayurvedic herbs, as well as thanaka.

HOME GROWN BRAND - RE:ERTH

RE:ERTH, short form for "Re-encountering Earth" embraces 'mindfulness' in their brand and products, curating a line of six products with the essential basics for daily usage using nature-derived skincare formulas spanning from Japan, Denmark and the UK. The star product, The Multi-Targeted Elixir, is formulated with the key ingredient—Japanese White Turmeric Root that is sourced and harnessed from Mount Aso in Kyushu. The brand founder, Mr. Shinki Yamasaki, uncovered this rare Japanese White Turmeric plant; the leaves and root extracts of which have the ability to slow the breakdown of hyaluronic acid present in our skin, while stimulating cellular activity and collagen production for a dramatically firmer and more supple skin texture. Re-encountering Nature has led to the mindful formulation of RE:ERTH's all-star Multi-Targeted Elixir.

Nature is ever changing and ever challenged. It is widely agreed that natural resources will eventually run dry. The beauty industry will need to find alternative sources and supplies to acquire natural ingredients to feed the rising consumer demand for naturals and organic.

While harnessing the biosphere is not newsworthy for beauty companies, putting it across to consumers, making it more visible for them within the beauty industry will be an interesting space to watch. How brands market their ingredients and supply chain, explain technical scientific concepts with efficiency and impact, will influence a product's success in the market.

According to Mintel Global New Products Database, **41%** of product launches in Thailand featured botanical or herb ingredients in 2017, considerably more than the global average of 25%.

RE:ERTH's Multi-Targeted Elixir is formulated with Japanese White Turmeric Root, a key ingredient at the heart of their nature-derived skincare formula that is sourced and harnessed from Mount Aso in Kyushu.



At present, most brands are cashing in on nature. However, there is an underlying layer of biotechnology within the beauty industry that hasn't yet been brought to light.

While the beauty industries are still taking from nature directly, provenance adds to the marketing stories detailing the origins, local growers and more insights into the country or region.

Mintel's 2018 Global Beauty & Personal Care Trend 'Playing Mother Nature' unearths Asia's heritage in herbal philosophies such as TCM, Ayurveda and Jamu to spotlight ingredients that will trend strongly in the industry and with consumers. Regional bio-tech scenes are shaping up to render support for regional innovations on the use of naturals.

Asia holds the potential to lead the global market with 'Playing Mother Nature' as both the natural sphere and biotechnology developments synthesise a future of innovations that may impact the rest of the world.

TAIWAN BRAND – REISE

Reise (pronounced as rice) from Taiwan is an early sign of the 'Playing Mother Nature' trend. It discusses the use of local approaches with technological developments to present an enhanced concept of natural ingredients. Reise connects the traditional routine of using rice water with new technology. It openly shares the benefits of rice bran and the extraction process of rice bran ingredients to give more visibility to the science behind it.



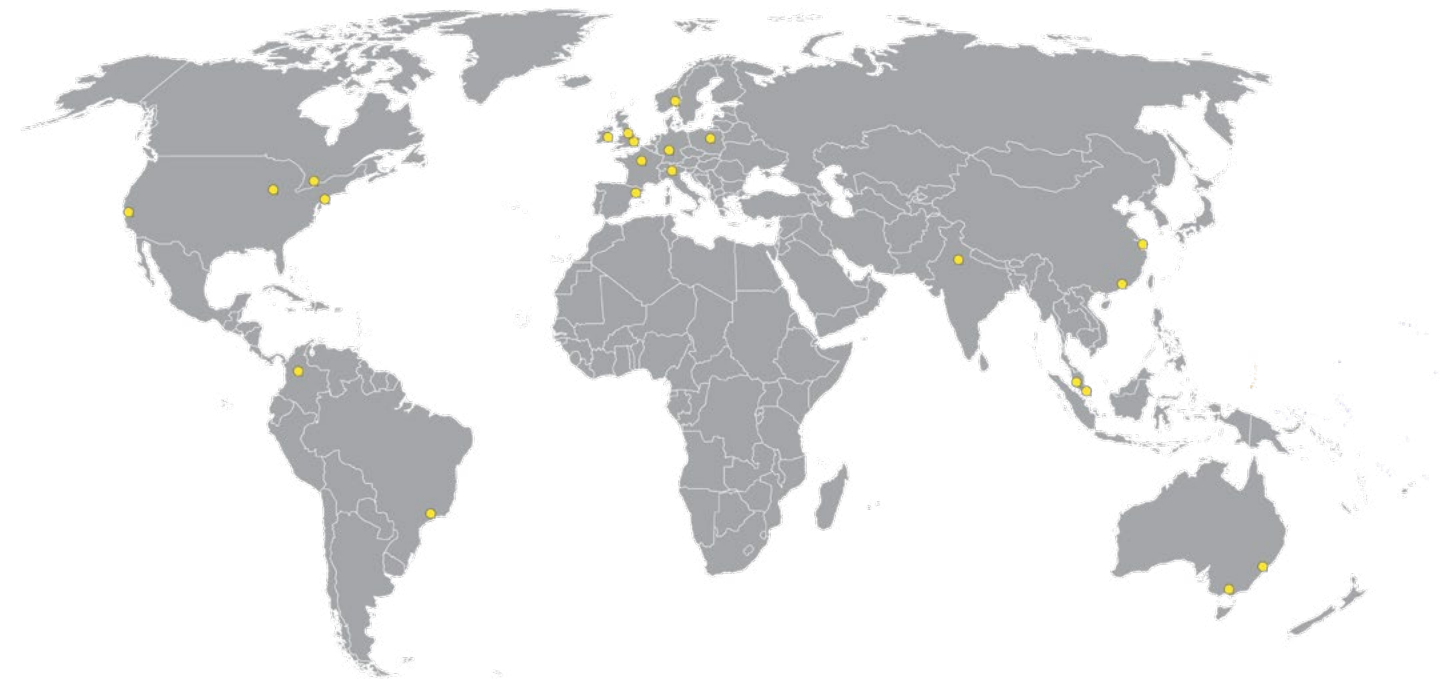
Reise is set to succeed with its strong brand concept and extensive sustainability efforts that multiply mid – to long-range trends. It's a perfect example of the Hungry Planet trend in terms of 'waste not, want not', and Mintel's 2018 Global BPC Trend: Playing Mother Nature, which explains how clean ingredients and technology will develop in the ever-demanding natural space.

Reise is closely linked to the island of Taiwan, and in particular its extensive rice fields. Rice extracts are the key ingredient in all of the brand's products, even the bottles, which are the world's first low-carbon, green bottles made with rice bran. It maintains a harmonious balance between producing products and preserving nature.



MINTEL BIG CONVERSATIONS

Get insight and inspiration, engage in meaningful conversations and explore the potential for your business to grow.



To find out more information on any Big Conversation event email: bigconversations@mintel.com



SCIENCE FARE

Greenfield Farms, a meat company in the UK, recently ran a TV advert promoting meat free Mondays. The ad explains that in order to continue enjoying meat, consumers will have to start eating less, and embrace meat free Mondays. Encouraging consumers to eat less runs completely counter to the profit motive of any organisation. However, that is the situation facing the meat industry. It is a key product being impacted by the revolution taking place in the production of food and drink.

Traditional methods of producing protein will not be able to meet the needs of a growing global population. Furthermore, these methods are also proving inefficient, requiring far too many precious resources. Developments that engineer rather than harvest food and drink staples, are referred to as cellular agriculture and include products such as laboratory-grown meat and animal-free dairy. Such innovations have grabbed headlines, but the resulting products are often expensive and some are still years away from widespread commercial availability. However, investments, such as those made by General Mills, Tyson, Cargill, Unilever and tech billionaire Bill Gates, will help to the hasten the availability of scientifically engineered food and drink.

In the meantime, there is a strong emphasis on developing plant protein alternatives.

Beyond Meat, a range of products built on plant proteins and associated with celebrities such as Leonardo Di Caprio, is having a positive impact by promoting the environmental, ethical and health benefits of substituting meat for plant-based alternatives. In 2017, 24% of urban Indonesians were planning to follow more of a plant-based or vegetarian diet, while in Thailand, 34% of urban consumers said they were eating more non-animal sources of protein. Furthermore, in February 2018, the Singaporean state-owned investment firm Temasek led the group of investors who raised US\$24.7 million in Series A funding for Perfect Day Foods—a start-up that is producing milk without cows. And in 2015 it was the Filipino food company Monde Nissin that bought UK alternative meat brand Quorn.

With this change, regulators will need to revisit the very definition of meat. In major markets such as the EU and China, the animal is inextricably linked to definitions of meat.

And so, in the US the beef industry is taking aim at companies producing lab-made meat alternatives, arguing for stricter regulations when it comes to labeling this increasingly popular product. Both the National Cattlemen's Beef Association (NCBA) and the United States Cattlemen's Association (USCA) are taking action to mark a stronger differentiation between their meat product and those designed to look and taste just like it.

The Good Food Institute doesn't want to use the term 'fake meat'. The advocacy group breaks it down to two categories: clean meat and plant-based meats.

Clean meat—refers to meat grown in small amount of animal cells in the lab. It's not in the market yet but it's in development.



The Beyond Burger™ is the world's first plant-based burger that looks, cooks, and tastes like a fresh beef burger. It claims to have all the juicy, meat deliciousness of a traditional burger, but comes with the upsides of a plant-based meal. The Beyond Burger™ packs 20 g of plant-based protein and has no GMOs, soy or gluten.

Plant-based meat—is anything that mimics traditional meat, but is made mainly using plant or plant-based ingredients.

Plant-based proteins and the possibilities of cellular agriculture are causing disruption in the food and drink industry, and the momentum behind this change is growing. Consumers are getting on board with the need to change for the sake of the environment and health. Regulatory hurdles about the definition of meat and consumer education about the new production processes are likely to be the two biggest hurdles in bringing these foods to market. Companies are now faced with the exciting challenge of translating technical possibilities into commercial reality.

24% of urban Indonesian consumers planned to follow a plant-based/vegetarian diet in 2017.

PREMIUM FOR THE MASSES

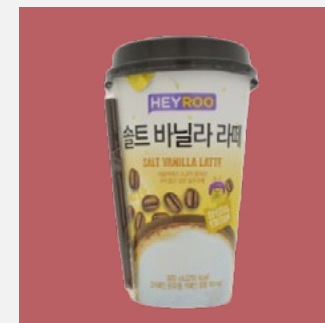
Private label products are being upgraded as consumers shift from a purely low price approach to weighing a brand's overall value proposition.

Private label has reached a new stage in evolution as consumers expect them to be on a par with, or even surpass, the quality of national brands.

With shoppers' attitudes continuing to evolve, retailers look to upgrade their private label ranges as consumers want premium quality, but they also want these products to be affordable.

Authenticity, trust and transparency are steadily gaining more importance for consumers. When it comes to

premium private label ranges, retailers increasingly make authenticity a priority, leveraging attributes such as provenance, traditional production methods as well as special items, such as gourmet and heritage ingredients, heirloom vegetable varieties, etc. Also packaging is becoming more sophisticated, communicating a more premium and authentic product appeal to shoppers.



GOURMET INGREDIENTS PROVIDE A UNIQUE AND AUTHENTIC EXPERIENCE

HEYROO SALT VANILLA LATTE

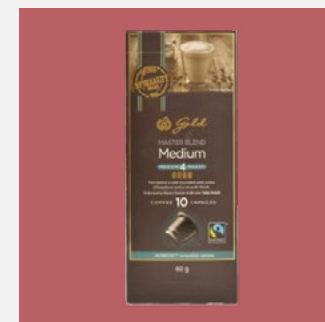
This special edition product from South Korea is made with brewed coffee using premium Brazilian Arabica coffee beans and Himalayan pink salt and natural vanilla extract for a rich flavour.



TRANSPARENCY AND LOCAL SOURCING UNDERPIN PROVENANCE STORY

FAMILYMART COLLECTION PLATINUM LINE AOSA SEAWEED MISO SOUP

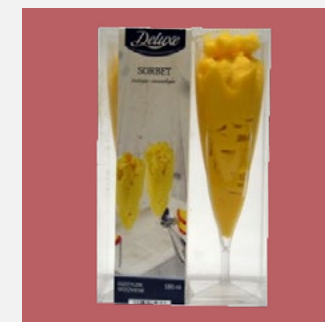
The aromatic product from Japan is made with aosa seaweed from the Ise-Shima region, kombu and rice miso made with GMO-free soybeans.



PRODUCTION METHODS EVOKE TREASURED MOMENTS

WOOLWORTHS GOLD MASTER BLEND MEDIUM 4 ROAST COFFEE CAPSULES

These specialty grade and Fairtrade certified coffee capsules from Australia are compatible with Nespresso machines and are endorsed by Master Roaster and Blender Toby Smith.



LUXURY PACKAGING ADDING A PREMIUM FEEL

DELUXE MANGO AND PASSION FRUIT SORBET

Launched in Poland, the premium mango and passion fruit ice cream is described as an exotic refreshment, and retails in a pack containing two reusable champagne glasses.

As the retail environment continues to become more competitive, grocery retailers are searching for opportunities to stand out from the competition and to create brand exclusivity. Premium private label products are increasingly used to enhance overall shopping experience, with a growing number of retailers investing into novel merchandising strategies that feature premium private label lines as a destination.

Private labels are one of the main areas where retailers can create a point of differentiation and stand out in an increasingly competitive retail market. There are ample opportunities for retailers to use premiumisation to capitalise on shoppers' increasingly sophisticated tastes and to redefine consumer retail brand expectations. With conscious consumption going mainstream, premium private labels with provenance, heritage ingredients and craft credentials can justify a higher price tag for many consumers.

21% of Chinese adults say that premium own brand products are worth buying. Yet, good value for money is the first priority for **31%**.

7 EXCITING NEW PRODUCTS SHOWCASING INNOVATION IN SOUTHEAST ASIA

With a continuous slew of product launches, consumers, today, are spoilt for choice as to what goes into their shopping baskets. Using Mintel's Global New Products Database, we have selected 7 exciting recent launches in vibrant Southeast Asia.

1. YUMMY BITES, STRAWBERRY FLAVOURED TODDLER RICE CRACKERS

INDONESIA

There is a need for better-for-you (BFY) food and drink products targeting children in Asia to help in tackling the region's obesity crisis. The increasing rate of childhood obesity in the region presents an opportunity to formulate and reposition products with L/N/R sugar and L/N/R fat claims to appeal to Asian parents. Suitable for babies from one to five years old, Yummy Bites 123's Strawberry Flavoured Toddler Rice Crackers are low in fat, free from preservatives and easily digestible.

1



2



2. SOLUBALL ENGLISH LAVENDER CLEANING SOLUTION BALLS

SINGAPORE

Soluball English Lavender Cleaning Solution Balls are 100% biodegradable and said to be gentle and safe for babies. The rinse-free product has 99.9% antibacterial and anti-allergy properties. It can be used by just dropping one soluball into a bucket of water to clean any hard surface.

3. PURE FOODS THAI CHILI & CHEESE SANDWICH SPREAD

THAILAND

With interest driven by the foodservice industry, food brands in Thailand are leveraging cheese's growing popularity among consumers and are using it as an ingredient or a flavour in their products. Cheese is also appearing in new food categories like spreads. Pure Foods' Thai Chilli & Cheese Sandwich Spread contains 1% Parmesan, and is made of soybean oil and roasted curry.

3



4. AZALEA INSPIRED BY NATUR HAIR HIJAB MIST

INDONESIA

Products with special formats like sprays, mists and spritzes are on the rise in Indonesia's hair care segment. From hair treatments to shampoo and hair protectors, new spray formats are being released. This product from Azalea Inspired by Natur is a daily care for hijab hair that claims to offer a cooling and refreshing sensation by reducing unpleasant odour around the head.

4



5



5. PRAN LYCHEE DRINK WITH BASIL SEED

VIETNAM

Basil seeds have the potential to flourish as a seed ingredient like chia seeds. Brands are starting to capitalise on this seed ingredient, which is a good source of micronutrients like iron and magnesium, and are also rich in antioxidants. Basil seeds are pipped to second place by chia seeds as the foremost seeds emerging in global food and drink launches. Pran Lychee Drink with Basil Seed is one such example.

6



6. DATU PUTI VINEGAR + SOY SAUCE STACKABLE DUO PACK

PHILIPPINES

Datu Puti's Vinegar + Soy Sauce Stackable Duo Pack retails in a pack with 500ml vinegar and 500ml soy sauce. Vinegar and soy sauce are the essentials in creating the signature Filipino adobo recipe. This product won the Packaging Institute of the Philippines' 2017 Winner for Excellence in Packaging Innovation.

7



7. SNOWGIRL MATTE CUSHION TO POWDER SPF 45

THAILAND

This matte cushion from Snowgirl transforms into powder upon application, delivering a true matte and poreless finish. It is said to also adjust skin tones and conceal dark spots and pores. It claims to control sebum and leaves the skin with a smooth, radiant finish all day long.

ABOUT THE AUTHORS

Mintel's analysts look at the latest consumer research, market information, company news and product data to help you drive your business forward.



DELON WANG

TRENDS MANAGER,
ASIA PACIFIC

Delon manages the APAC Mintel Trends team which consists of analysts and trend spotters. They make observations of new products and services in the region that apply to a changing consumer mindset which helps inspire the creation of innovative products and marketing strategy.



SHARON KWEK

SENIOR INNOVATION AND INSIGHT
ANALYST (BEAUTY AND PERSONAL CARE)

Sharon joined Mintel in 2015. She brings eight years of experience in the FMCG industry, helping manufacturers, retailers and brand owners to develop their beauty businesses in Southeast Asia. At Mintel, Sharon is responsible for providing regional trend insights and analysis in Beauty and Personal Care categories to key clients within the Southeast Asia region.



MICHELLE TEODORO

FOOD SCIENCE &
NUTRITION ANALYST

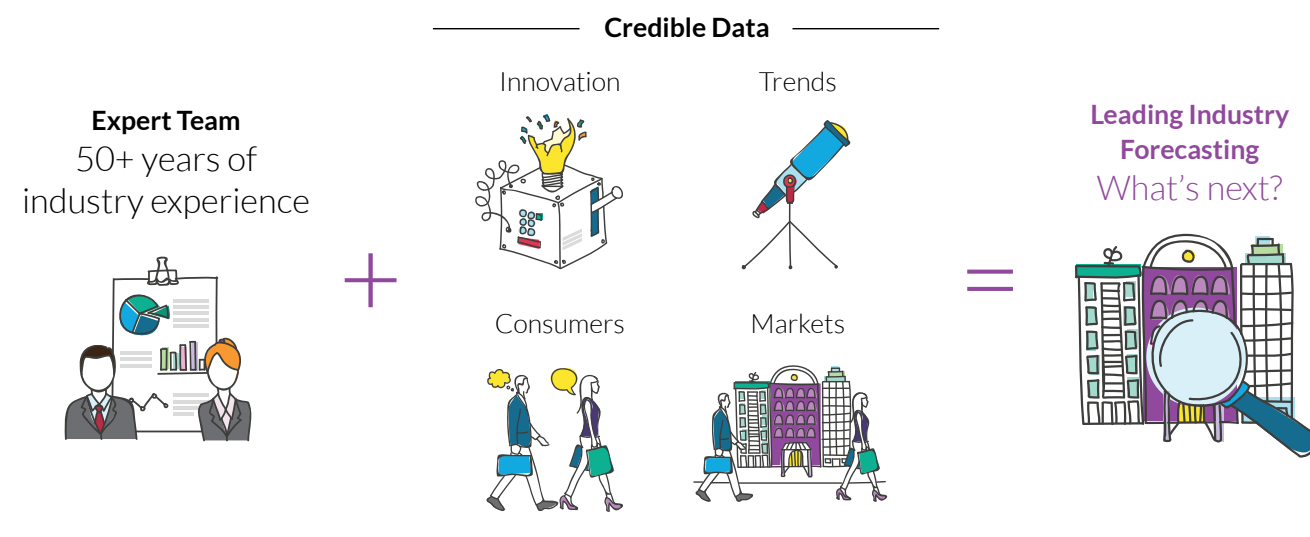
Michelle brings over five years of experience in the food and nutrition industry. Equipped with a wealth of food science and nutrition knowledge, she is responsible for analysing and providing insights on health, diet and nutrition trends, regulations, and food science advances.

The world's leading market intelligence agency

What you need to know about consumers, markets and innovation, now and in the future.

How do we do it?

Mintel's global, specialist team of world-class analysts use the most credible source of data, news and opinion. They mine that data for innovation, trends and inspiration, so they can give you a clear insight into what's next.



How we can help you

- ✓ What's happening in all the key markets?
- ✓ Who's innovating – in marketing and new product development?
- ✓ How are your consumers behaving, what are their influences and how are they changing?
- ✓ Where are the opportunities and challenges for your business – and how you can respond to them?
- ✓ What's coming next?

Mintel Products

A range of research and insight services available on demand, online. Designed to help you grow your business.

MINTEL GLOBAL NEW PRODUCTS DATABASE

A global database of new product launches in 62 countries, for the consumer packaged goods industry.

MINTEL TRENDS

Trend analysis that monitors, tracks and interprets consumer behaviour.

MINTEL REPORTS

A comprehensive guide to in-depth market analysis and consumer trends in 11 countries.

MINTEL MARKET SIZES

Market Size, market share and market forecasts for 34 of the world's most dynamic markets.

Industry Specific Solutions:

BEAUTY & PERSONAL CARE, FOOD & DRINK, HOUSEHOLD & PERSONAL CARE.

The singular focus of our industry solutions gives our specialist team of world-class analysts a licence to dig deeper, look further and think harder in search of the white space and unseen opportunities you need to really succeed. They also give you access to all of Mintel's portfolio at no extra cost.

Our clients

4 OUT OF 5
of the world's largest FMCG companies

4 OUT OF 5
of the world's largest retailers

THE TOP 25
global beauty brands

7 OUT OF 10
of the world's most successful financial institutions

17
of the world's Top Twenty most effective advertising agency networks

70,000 marketers, product developers and strategists work every day with Mintel

mintel.com



We hope you enjoyed 'Insights into Southeast Asia'. If you'd like to find out more about the food, drink or beauty market, please get in contact.

© 2018 Mintel Group Ltd. All rights reserved.

Visit: [mintel.com](https://www.mintel.com)
Call: +65 6653 3600
Email: infoasia@mintel.com

MINTEL