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## Asian Licensing Conference gathers global experts *Industry figures discuss how licensing can boost competitiveness*

**7 January 2020** – In recent years, manufacturers, retailers, edu-tainment companies and food and beverage businesses have been actively seeking collaborations with brands to add value to their products and services, while the range of brands seeking licensing collaborations has diversified from characters and animations to art, culture, corporates, collegiate and music properties. Organised by the Hong Kong Trade Development Council (HKTDC), the Asian Licensing Conference kicked off yesterday (6 January) with two plenary sessions focusing on the latest market trend and opportunities in the region through the lens of some of the industry’s top licensees and project owners. The experts shared their strategies for extending branding from daily products into intangible services to help create unique brand experiences.

### Asian licensing industry maintains strong growth

Addressing the opening ceremony of the conference were **Margaret Fong**, HKTDC Executive Director, and **Eliza Lee**, Permanent Secretary for Commerce and Economic Development (Communications and Creative Industries) of the Hong Kong Special Administrative Region. In her welcome remarks, Ms Fong said: “As an increasing number of businesses explore licensing as a way to move up the value chain, Hong Kong will have a key role to play in facilitating the growth of the industry.”

She added that Hong Kong provides the ideal platform for global brands and top licensors to access markets across the region as the city benefits from factors such as a rigorous intellectual property protection regime, robust legal system, professional expertise and proximity to Mainland China and other key Asian economies. “Despite the current global economic sentiments and the impact of the Sino-US trade conflict, the licensing industry continues to flourish. In fact, licensing adds value to businesses, helping to boost their competitiveness during challenging times.” Ms Fong said.

According to the latest annual global research report from Licensing International, Asia accounted for 12% of the US\$280 billion in global retail sales of licensed merchandise in 2018. Mainland China is now the second-biggest licensing market in Asia, after Japan.

### Licensing as a marketing strategy

At the first plenary session yesterday, “Asian Licensing Market Outlook”, **Lisa Reiner**, Managing Director, Europe & Asia Pacific, Beanstalk, pointed out that in North America, corporate trademark licensing is 75% of character and entertainment (C&E) licensing, while in Asia it accounts for only 25%. She encouraged enterprises to get a deeper understanding of brand licensing as part of a new marketing strategy.

“Corporate brands have proprietary products that are unique to the brand,” she explained. “The primary goal of licensing is brand building, and the goal is to establish long-term partnerships since they are the most successful. Entertainment licensing, in contrast, focuses on images, artwork, characters, and so forth, and the primary goal is to receive royalties. Changes in products and licensees are more frequent than for corporate licensing.”

Ms Reiner stressed that “brand licensing offers a long-term business model for profitable, sustained growth”, giving three points of advice for brand owners. The first is to be open to products that are relevant to local consumers; the second is to be active in protecting trademarks; and the third is to be willing to explore other routes to consumers, such as e-commerce and multiple distributor networks. Her advice to licensees was to be a strategic partner to the licensor and deliver consumer insights to show why the collaboration makes sense. She also stressed the need to invest in innovation to solve unmet customer needs instead of just copying what someone else is doing, and to always be active in protecting trademarks.

### **How brand stories can provoke consumer interest**

**Mark Coleman**, Vice President, Asia Pacific and Middle East at National Geographic, summarised three consumer trends. “Consumers expect brands to stand for something; they want to purchase products that have a story and purpose with which they can identify; and consumers are increasingly seeking a deeper relationship with the brands they interact with. Also, consumers now have a greater awareness and concern about their ‘human footprint’ and the sort of world they are leaving for future generations,” he explained.

Based on these trends, Mr Coleman said that Nat Geo has developed a range of sustainability products with its licensees to help reduce the human footprint, including skincare products with all natural ingredients and no animal testing; luggage and apparel made from plastic bottles sourced from waste streams; and packaging made from corn starch, which is biodegradable.

Mr Coleman reviewed some of Nat Geo's licensing deals in Korea, the mainland, Taiwan and Hong Kong. In Korea, the company's largest market so far, it has 178 Nat Geo-branded retail outlets and 1,350 products, including apparel for adults and kids, bags and luggage, headwear and footwear, accessories, camping goods, water sports and skincare products. It opened its first store in the K11 mall in Hong Kong in November 2019, and despite the retail slump, sales have gone very well, he said. Nat Geo intends to open more stores in Hong Kong and Macao.

**Claire Gilchrist**, Vice President, Asia Pacific of Hasbro Consumer Products, also shared her observations on consumer trends, saying that factors such as urbanisation, new technology, simplicity and digital mistrust will all affect business interaction with consumers. She added that due to technology diffusion, millennials are no longer the main focus of online marketing.

Ms Gilchrist concluded that Asian consumers will increasingly put their trust in new technologies such as artificial intelligence and algorithms. “Asian consumers will expect real value that goes beyond

functionality," she said. At the same time, companies must be considerate of cultural and religious beliefs, committed to sustainability, connected to the digital ecosystem, and offer quick solutions.

### **Classic brand reborn in museum collection**

At the second plenary session yesterday, "From Brand Licensing to Lifestyle Experience", several enterprises were invited to share their licensing success stories, including Royal Selangor Marketing Sdn Bhd, a Malaysian company with a 135-year history that specialises in quality pewter. Its Executive Director, Tien Yue Chen, shared how the company collaborates with world-class museums, entertainment companies and designers to boost its customer base.

Mr Chen said Royal Selangor collaborated with one of the world's most famous museums, the Victoria and Albert Museum in London, England, to develop collections of wine accessories inspired by original works in the museum. It also collaborated with the British Museum to reinterpret various artefacts from the museums to create home decor products in pewter that reflect a contemporary lifestyle. Entertainment brands such as Marvel Comics, Warner Bros, Walt Disney Company and the Saul Zaentz Company have also worked on projects with Royal Selangor, producing a collection of pewter figurines, lapel pins, keychains, and even a Star Wars chess set using many popular iconic characters.

"Such collaborations have resulted in pop culture becoming part of home décor," Mr Chen said. "Though customers might not be very interested in pewter, these collaborations have helped to bring us new customers. At the same time, we add value to our licensors through the design approach we take and our customer-engagement activities. This forms the basis for long-term partnerships."

### **Football club evolves into a lifestyle brand through licensing**

Another speaker, **Stefania Perletto**, Licensing Manager at Italian football club AS Roma, said she is working for an entity that is much more than a football club: "It is a content and media company, as well as a lifestyle brand," she said. The company's goal is to go beyond traditional sports marketing to build new international audiences, with successful long-term global partnerships already cemented with international brands such as Qatar Airways, Nike and Hyundai, as well as with many local and regional partners, offering a wide range of training apparel, leisurewear, accessories and gifts with the iconic AS Roma logo and colours.

Ms Perletto said that product execution involves building a lifestyle mood that transcends the product and the team, through style, design and fashion. "We want to build new partnerships in different ways through co-branding and brand collaboration," she said, explaining that the tools AS Roma employs are its intellectual property (IP), product design and quality, distribution and marketing campaigns. She reminded the audience that while licensees provide added value, brands need to ensure they select partners with connected core values.

### **Licensing collaborations bring characters and fans together**

**Robert Goodchild**, Head of Licensing at Aardman Animations Limited, is responsible for the global merchandise programmes for several major Aardman brands including Shaun the Sheep, Wallace &

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Gromit, Timmy Time and Morph, among others. The company now has more than 180 licensees across 30 territories. "We work with many brands all over the world," he said, "and it's all about bringing colour and character to campaigns. By bringing character to a campaign we can reach new audiences and build commercially successful partnerships."

One recent example of a successful partnership was Aardman's collaboration with premium British lifestyle brand Joules last Christmas, which celebrated the 30<sup>th</sup> anniversary of both Joules and Aardman's hugely popular Wallace & Gromit animation. Aardman also created a bespoke photoshoot with British retailer Harvey Nichols, and used its characters and humour to bring a lifestyle brand to life in a collaboration with British sofa brand DFS, emphasising the fact that both brands produce everything in the United Kingdom.

"Licensing has the benefit of bringing brands and fans together. For example, bringing Shaun the Sheep to a theme park brings an audience along with it," Mr Goodchild added.

### **Internet disrupts the music licensing ecosystem**

**Yu Chen-lai**, General Manager of Fine Entertainment Limited, pointed out that the evolution of the internet has had an impact on the music licensing market. Song licences used to be controlled by the record company, but now artists can retain copyrights for their own songs. This phenomenon is still at an early stage in Asia and the market potential is still to be fully realised. Mr Yu said he is looking forward to seeing a more mature licensing market in Asia, with strengthened channels bringing benefits to artists and project owners. "If more people understand the benefits that licensing brings, it will generate a positive impact to the development of the industry in the long run," he said.

Mr Yu said the development of 5G will benefit the streaming of media such as music and videos and is expected to expand the market for commercial music. He explained that the music platform 24Cmusic, run by Fine Entertainment, will expand into the mainland and Southeast Asian markets within the next five years. Based on the platform's existing resources, the company's business expansion will take three directions: first, integrating the pop music licensed commercial channels, second by nurturing the creative force in creating soundtracks, and third by bringing specialist Asian music to the global market.

**Photo download:** <https://bit.ly/2SZ692D>



The 18<sup>th</sup> edition of the HKTDC Hong Kong International Licensing Show and the ninth Asian Licensing Conference opened yesterday (6 January). Global licensing experts gathered at the plenary session, bringing participants up to date on the latest market trends and sharing licensing success stories



**Lisa Reiner**, Managing Director, Europe & Asia Pacific, Beanstalk



**Mark Coleman**, Vice President, Asia Pacific and Middle East, National Geographic



**Claire Gilchrist**, Vice President, Asia Pacific, Hasbro Consumer Products





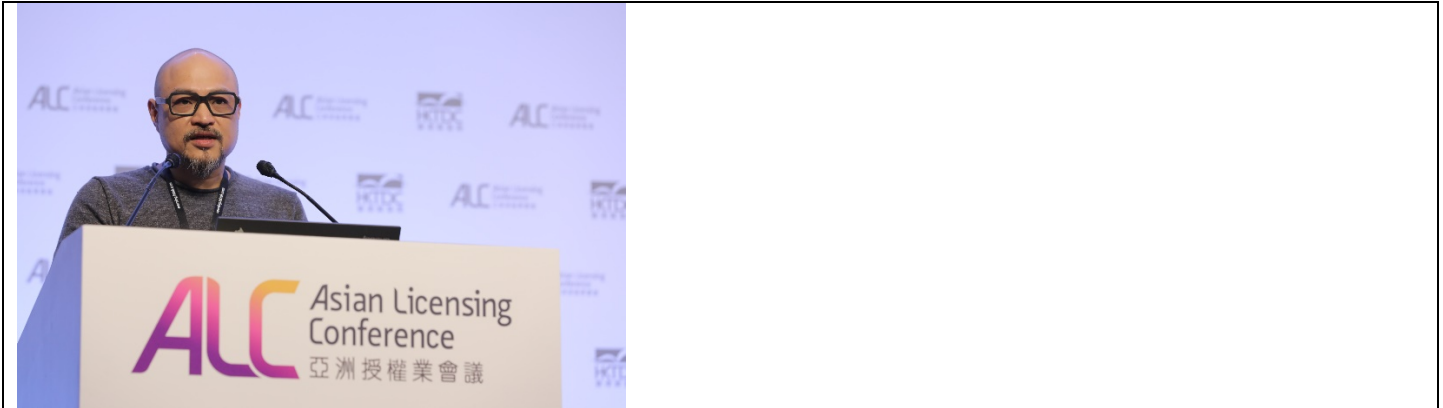
**Tien Yue Chen**, Executive Director, Royal Selangor Marketing Sdn Bhd



**Stefania Perletto**, Licensing Manager, AS Roma



**Robert Goodchild**, Head of Licensing, Aardman



**Yu Chen-lai**, General Manager, Fine Entertainment Limited

## Websites

- Asian Licensing Conference: [www.hktdc.com/fair/alc-en](http://www.hktdc.com/fair/alc-en)
- Hong Kong International Licensing Show: [www.hktdc.com/fair/hklicensingshow-en](http://www.hktdc.com/fair/hklicensingshow-en)

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## About HKTDC

Established in 1966, the Hong Kong Trade Development Council (HKTDC) is a statutory body dedicated to creating opportunities for Hong Kong's businesses. With 50 [offices](#) globally, including 13 in Mainland China, the HKTDC promotes Hong Kong as a platform for doing business with the mainland, Asia and the world. With more than 50 years of experience, the HKTDC organises [international exhibitions](#), [conferences](#) and [business missions](#) to provide companies, particularly SMEs, with business opportunities in the mainland and international markets, while providing business insights and information via [trade publications](#), [research reports](#) and [digital channels](#) including the [media room](#). For more information, please visit: [www.hktdc.com/aboutus](http://www.hktdc.com/aboutus). Follow us on

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