2012: Busting Three Myths About Asia

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A growing number of Asian companies are poised to emerge as global technology leaders, with their own cutting-edge products and a growing reputation for innovation. The rise of these new Asian innovators comes as markets across Asia, including Indonesia and India, see explosive demand for computing of all kinds, with far-reaching implications for the technology industry and the region. To understand why these changes are happening, and what they mean, some widely held misconceptions about Asia need to be dispelled.

The first myth that needs to be busted is the misperception of Asia as a manufacturing location and not a hub of innovation. Asian technology companies have long been the world's factories, producing tens of millions of PCs, servers and smart phones each year. But Asian companies already play an important role in technology R&D and design and engineer many of the products that get sold in the U.S. and Europe by brand-name companies.

The recent introduction of Ultrabook is one example of how Asian companies are driving global technology innovation. Ultrabooks are a new breed of computer that combines best-in-class performance and improved responsiveness within, elegant, must-have mobile designs. The first Ultrabook systems started to hit markets in Asia and elsewhere during last September, and the response has been overwhelmingly positive. Critics and reviewers love the sleek, powerful designs and retail shops have struggled to keep them on shelves as consumers snap them up. This wave of Ultrabook devices brings Intel one step closer to delivering on the industry wide, multi-year endeavour to deliver a no-compromise, must-have computing experience. Ultrabooks, compare to laptops, are not only slimmer and more stylish, but they are also more responsive, protected and mobile. They offer increased media and graphics performance and a long battery life.

The first companies to bring Ultrabook systems to market are all based in Asia. Acer, Asus, Lenovo and Toshiba were the first to recognize that Ultrabooks meet a growing demand for performance and mobility without compromises. As the Ultrabook evolves and new capabilities and features are added to these systems, Asian companies will continue to lead the way forward. More than 60 Ultrabook designs are planned for release next year and nearly every one of these systems will be designed and manufactured in Asia, a testament to the region's strategic position at the heart of the global technology supply chain.

Another myth that needs to be dispelled is the misconception that buyers in emerging markets are only interested in buying cheap devices, not high-end products. Rising income levels and a desire for access to the latest technologies make emerging markets more important than ever. Buyers in these countries often want the latest and most advanced technology available in the market. In Malaysia, we saw lines of people queuing to get their hands on the first Ultrabooks. In Bangladesh also the new devices have been highly appreciated. There is visible market demand for Ultrabooks here and it's increasing. Basically, the high end product seekers and high income people are expressing their interest to have these devices. Already HP, Acer, Toshiba, Samsung are bringing Ultrabooks in Bangladesh market and hope to say all others will hit the market soon.

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Over the next few years, emerging markets like Southeast Asia, China and India, will account for two-thirds of global PC market growth. This demand is largely fuelled by the region's growing middle class. Market watchers have predicted that Asia's middle class will grow from 570 million people in 2011 to 945 million by 2015, an increase of 66% in less than five years. This rising middle class is also highly connected. Asian countries lead the world in the adoption of mobile Internet access due to the fast development of broadband and digital infrastructure. The region is home to 44% of global Internet users, with more than 900 million people online.

The combination of agility and velocity that made Asian companies leaders in Ultrabook, combined with their insight into Asian markets, gives them a unique opportunity to capitalize on the rise of Asia's middle class and other changes affecting the global technology industry during 2012.

Asian applications developers and content producers also stand to benefit from rising demand for technology across the region. Asian users want local content and applications that fit their lifestyle, not localized versions of apps that were originally designed for users in Europe or North America. One example is Animoca, a Hong Kong-based application developer launched more than 100 applications this year, including one – Cinderella Café – that ranks No. 29 worldwide among the most popular free apps on Apple's App Store.

As richer content and applications become more widely available across Asia during 2012 and beyond, Asian and multinational PC makers alike will benefit. In many Asian countries, such as Indonesia, smartphone adoption is high. With rising incomes and a desire for access to technology now fuel double-digit growth in PC sales across Asia and that growth will continue for years to come. Asian users realize that the Internet experience on a 4-inch screen does not deliver the rich, engaging experience that these new local applications and content promise. They want the larger screen and higher performance that only a PC or an Ultrabook can offer.

Here lies the third, and most important, myth that needs to be dispelled. When it comes to the device that Asian consumers will choose to purchase, it's not a question of whether they will buy an Ultrabook or a smartphone. They will purchase both. Rising incomes will enable Asian consumers to own multiple devices, and this creates a tremendous market opportunity during 2012 – and Asian technology companies and entrepreneurs must rise to the occasion.

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