

Marketing through social media in China



by Yintong Betser

THESE days I am often on my mobile phone, like a teenager, sending voicemails, participating in group discussions and sharing experiences and views with my friends and colleagues in China and the UK. It's all because of the discovery of a new mobile app – WeChat. Fortunately I am not alone. This new invention, from Tencent, a Chinese company based in Shenzhen, has become a huge phenomenon of late, hitting the 300 million mark in January this year with its last 100 million users being added in just four months.

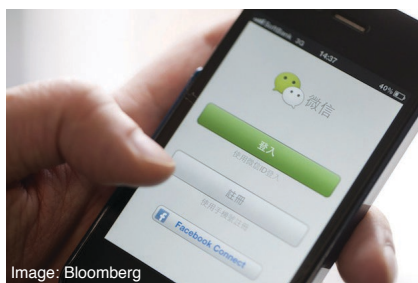


Image: Bloomberg

But why has social media become such a phenomenon in China? How do Chinese users differ from their counterparts in the West? And how do companies market their products in China through social media? This fascinating subject provided the basis of my first discussion with Clara Wang, the founder of Kai Communication, a PR company based in China, on the history of social media in China, the main features of which are:

- It was first introduced in China in 1994 through a variety of online forums and communities
- In 1999 instant messaging kicked in
- User review sites became popular in 2003
- Blogging was introduced in 2004

Chinese people tend to make decisions collectively, and spend a great deal of time talking to each other.

- In 2005 social networking sites such as Renren enabled online chatting
- Sina Weibo offered micro-blogging with multimedia in 2009
- Location-based services such as Jiepan appeared in 2010
- In 2011 WeChat was originated in Shenzhen with a special feature of voice messaging
- In March 2013, it has become the largest mobile app with registered users in over 100 countries conversing in fifteen languages.

It is not surprising that China offers the most active environment for social media – the country has the world's biggest internet user base of over 500 million, 300 million of whom are social media users. Four out of five social media users have multiple social media accounts, and they spend more than 40 per cent of their time on social media, according to a report by McKinsey Quarterly. What is behind this active involvement in the social media in China?

The collective nature of Chinese culture: Chinese people tend to make decisions collectively, and spend a great deal of time talking to each other. Consequently, recommendation plays a critical role in their decision making process. An independent survey stated that 66 per cent of Chinese consumers rely on recommendations; a figure that is far higher than that of the States and Japan.

Freedom of speech: many believe that freedom of speech politically is a key motivator. I feel, however, that the opportunity of expressing oneself generally is a major step forward for Chinese people. With a population of 1.3 billion, a huge geographical spread and the collective nature of the culture, individuals do not have many opportunities to make their voices heard. With the equal opportunity provided by social media, anybody can make a statement and even become an overnight sensation. Increased mobile social media tools and devices also give users the flexibility to check, communicate and interact with one another at any time and in anywhere in China, or the world. Perhaps that's why it was forecasted year-on-year growth of 30 per cent from 2010.

Immediate connection: by comparison with traditional Chinese media channels, social media enables a vast amount of first-hand information to be shared immediately with no time and geographic limitations. For China this symbolises an evolution of communication methods from one-way broadcast, to a two-way dialogue, now to group discussions.

The popularity of voice messaging: typing in English on a small mobile device can be a nuisance; the process of writing in Chinese on a phone is even more complicated. Not only do apps like WeChat enable the user to combine many methods to interact with one another, but the user experience has also significantly improved. With many Chinese people travelling between one city and another and international jet-setters roaming around the world; this particular method is having an amazing effect on people's lives.

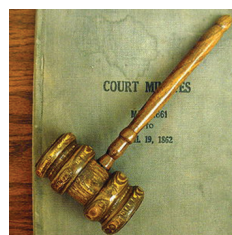
In next month's *London Business Matters* Yintong Betser takes an in-depth look at the Chinese social media landscape.

Yintong Betser is a marketing and communications specialist in the Anglo-Chinese community and the author of a series of books on doing business in China and the UK. She is managing director of ACTIVE Anglo Chinese Communications

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For information on CBA contact Vivi Qi:
vqi@londonchamber.co.uk

Using social media to win Chinese business

In last month's *London Business Matters* Yintong Betser explained how social media had become such a phenomenon in China. Below she advises how business can be won



WHILE the Chinese social media scene is vastly different from that in the West, the ingredients for winning business are more familiar. As in the West, social media influences consumers' decision-making journeys at every stage and the basic rules for engaging with them are similar. This is because ultimately the key questions for all marketers remain the same worldwide. Where and how can you find your target audience? What are the best ways to engage with the audience and convert them to sales? How do you measure the effect of your marketing efforts, especially through social media? To help demystify how companies market themselves and their products through social media in China, let's take a look at the Chinese social media landscape.

The popular social media platforms and tools enjoyed in the West such as Facebook, Twitter, YouTube and Google are not available in China. Instead there is a range of local equivalents – Sina Weibo and Tencent Weibo, Renren and Kaixin, WeChat, Youku/Tudou and Baidu.com (a Chinese search engine). According to McKinsey's China's Social-Media Boom report, active social media users in China are mainly divided into four groups: social enthusiasts, researchers, readers and opinionated users. Therefore, companies will need to investigate and decide on the right channel for their research or message delivery before proceeding.

"Companies are using social media to serve a variety of marketing and PR purposes, in the West as well as China," Clara Wang of Kai Communication explains. "For example, through selected platforms, many companies are able to create a buzz before the arrival of their new product or

pave the way for a successful introduction." With the interactivity of social media, companies can learn from the feedback received from real customers or conduct research to ensure that new products are suitable for their customers.

The people's car project

One recent success story is that of Volkswagen. Their 2010 marketing campaign started with a core brand proposition. Instead of 'making cars for the people', Volkswagen launched a campaign 'build the cars with the people, for the people', called 'the people's car project'.

VW stimulated and participated in millions of conversations on relevant social networks, listening to what potential users had to say. They then challenged the local community to come up with ideas focusing on car designs and functions. The enthusiasts were given online design tools to create ideas, supplemented with videos, pictures or words if the ideas were too complex to convey. Then the ideas were shared again via social media for further discussion, with engagement incentivised by badges, points and test driving experiences. As a result, they received 50,000 ideas and 450,000 votes on unique and interesting ideas. Their fan base reached 2.9 million. The national campaign of their new models of cars also involves these very ideas. It is unsurprising that these clips were watched by more than three million people, creating 19 million views and clicks. With such a dedicated online following, 173,000 people made visits to their promotional events, generating 700 articles of PR exposure which was worth \$8 million in value. Clearly their ROI would have been significant.

What can we learn from this? Certainly participation and involvement on a large scale is key to engagement with a Chinese audience. Although, as the sheer volume of the population in China can be overwhelming, having the right number of peo-

"The Chinese audience is more curious and expressive than almost any other, but they can be just as unforgiving if you get it wrong."

ple working behind the scenes with robust software and equipment is fundamental. Arnold Ma, director of Anglo Chinese digital marketing agency Qumin, echoes this observation: "The Chinese audience is more curious and expressive than almost any other, but they can be just as unforgiving if you get it wrong. Therefore, it is important to engage with suitable talent in China and the UK, taking advantage of the latest technology, and be fastest, cleverest and first in front of the audience."

Integration

Meantime, online and offline marketing activities must also be integrated and complementary to each other to ensure effective outcomes. In addition, international sophistication must work hand-in-hand with local talent to ensure the right level of localisation. Ma emphasises the fact that marketing campaigns must take into account a wide range of factors that are intrinsically in line with the local culture and consumer behaviour. "For example, perceiving Sina Weibo, Renren and Youku literally as the equivalent of what we know in the West – YouTube, Facebook etc., or applying the same strategies simply wouldn't work. Overlaying what worked in the West is not necessarily a recipe for success in China."

Other challenges particular to China also exist. According to McKinsey's research, the lack of analytical devices provided by Google and Facebook can be an issue and limited transparency in leading platforms can also be barriers. But this is no different from many other markets.

With the unstoppable economic momentum in China and the fact that social media is spreading at an explosive pace, it is vitally important for senior business executives to gain a good understanding of how social media works and how to apply various marketing tools in China.

Yintong Betser is a marketing and communications specialist in the Anglo-Chinese community and the author of a series of books on doing business in China and the UK. She is managing director of ACTIVE Anglo Chinese Communications

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SPONSORED COLUMN

Employing non-European Economic Area (EEA) nationals: what do you need to know?

By Jamie Lynch, Pitmans Business Immigration

Immigration and visa requirements play an ever increasing role in the recruitment process. An employer's ability to recruit key personnel within the time frame demanded is a crucial factor in its continued success. Those dealing with recruitment must have a good knowledge of immigration law so that they can assess how realistic it will be to employ migrants within the time frame required.

Q: I want to employ a worker from a non-EEA country in the UK – where do I start?

A: All employers who wish to recruit non-EEA workers are required to apply for a sponsor licence from the UK Border Agency (UKBA).

Q: What does the sponsor licence process involve?

A: Businesses wishing to apply for a sponsor licence will need to complete an online application form and pay a fee of up to £1,500.

Once the application has been submitted, the business needs to send specified "supporting documents" to the UKBA to verify the information provided in the online form.

The UKBA usually takes between 4 and 6 weeks to determine the outcome of a sponsor licence application.

Q: What checks will the UKBA make?

A: The UKBA will make various checks to ensure that the business is a genuine operation and can be trusted to take on the responsibility of employing non-EEA nationals.

A UKBA compliance officer may visit a prospective sponsor's offices to assess the quality of their human resources systems to ensure that the business will be able to handle their duties under a licence.

Q: What are the ongoing responsibilities of a licensed sponsor?

A: When a business with a sponsor licence employs a non-EEA national, that business effectively takes over the task of monitoring the individual for immigration purposes. There are stringent reporting requirements which compel the employer to disclose certain information to the UKBA when relevant.

If a business fails to comply with its sponsor obligations then the UKBA may decide to suspend or revoke its licence. Revocation would have a dramatic impact upon any non-EEA nationals employed by the business as their leave to remain would be curtailed.

Civil and criminal penalties may be imposed on businesses who illegally employ workers.

PBI (www.pbivisa.com) specialise in Business Immigration in the UK. If you have a specific Immigration concern please contact our team: +44 (0)207 634 4599 or email enquiry@pbivisa.com.



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For information on CBA contact Vivi Qi: vqi@londonchamber.co.uk



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Spencer Dale, chief economist of the Bank of England
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The world's property market

Registration Opening Hours

Pre-opening Hours:
- 10 March: 14.00 - 19.00
- 11 March: 9.00 - 19.00

Opening Hours:
- 12 March: 8.30 - 20.00
- 13 March: 8.30 - 19.00
- 14 March: 9.00 - 19.00
- 15 March: 9.00 - 13.00

Registration

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A large photograph of a man in a dark suit, white shirt, and dark tie, speaking at a wooden podium. He is looking slightly to his right. In the background, a large screen displays a presentation with the London Chamber of Commerce and Industry logo and some text. The lighting is bright, typical of a conference or event.

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with the Deputy Prime Minister**
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