



CREATIVE
CULTURE

RECOGNISING CHINA'S SOCIAL MEDIA LANDSCAPE

July 2018



INTRODUCTION

WHY DO BUSINESS IN CHINA?

The recent economic growth that China has experienced makes it an irresistible market for businesses, with cross-border retail expected to reach 59 billion pounds by the end of 2018. The Chinese retail market will soon comprise more than 50% of the world's online retail market, and it has twice as many internet users than the US (731 million to be exact).

However, according to the Committee to Protect Journalists, Chinese internet censorship is considered to be among the strictest in the world.

The censorship is used in two ways: firstly, it prevents opposition to the Communist Party from sharing information and organising rallies. Secondly, it helps to promote domestic rather than international businesses. Topics which tend to generate the most censorship include Falun Gong (a Chinese spiritual movement that teaches truthfulness, compassion and tolerance), pornographic material, democracy and anything seen to incite collective action.

Examples of censorship legislation are abundant, with numerous religious leaders, human rights activists and lawyers being jailed as a result of these notoriously strict laws. Some specific instances of day-to-day censorship include the removal of foreign TV shows from online platforms, forcing users to register their real names on platforms and holding chat administrators accountable for their spaces.

Simply speaking, Chinese censorship has resulted in the ban of Western platforms and the formation of Chinese alternatives which conform to censorship policy. This complicates the social media landscape for Western companies looking to expand into China by using social media.

Special thanks to Yuhan Fang for providing specialist cultural insight.

PROBLEM DEFINITION

CHINA'S SOCIAL MEDIA LANDSCAPE

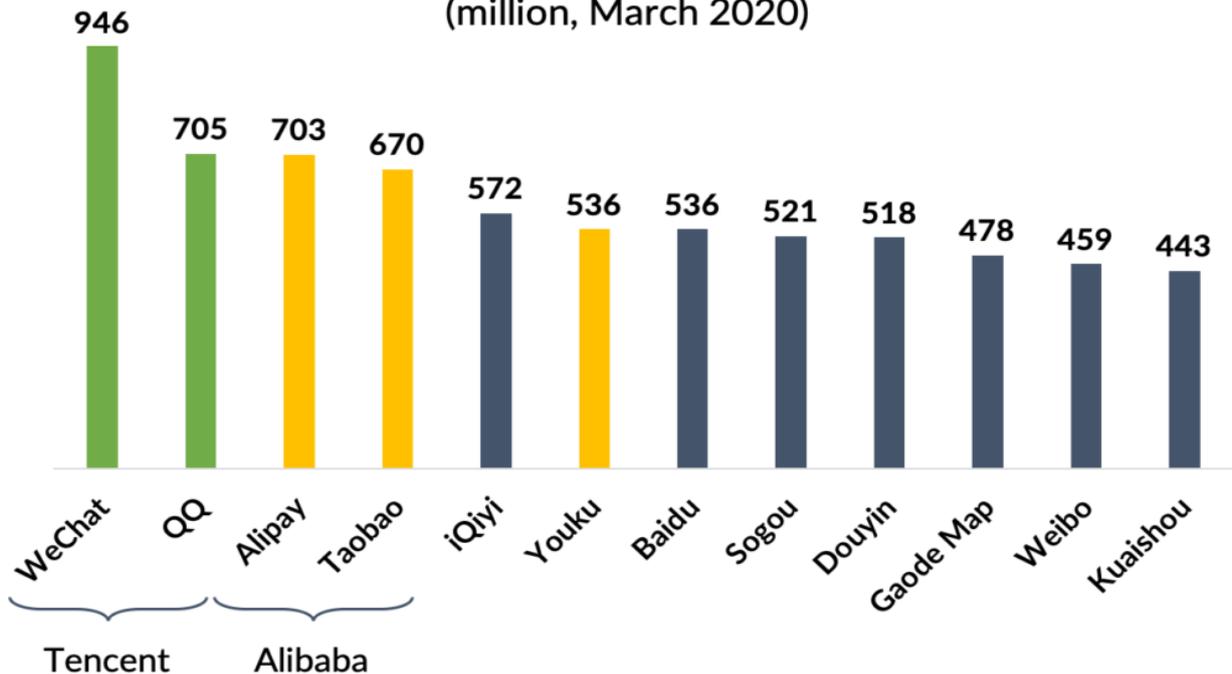
Trying to understand social media can be a complicated task in and of itself. Add an international edge to that, and you may find yourself quickly overwhelmed.

The rise of technology, economic development and increased consumption have all been fundamental to the changing landscape of social media in China, but perhaps the most influential factor is the censorship enforced by the Chinese government.

On the surface it may seem that there are many Chinese equivalents to traditional Western social media platforms, but to what extent can these be treated in the same way? Do they offer any extra services? How should their audiences be treated? Does the content differ in any way?



Monthly Active Users of largest Chinese apps
(million, March 2020)



Source: QuestMobile2020中国移动互联网春季大报告
Note: only includes monthly active users located in Mainland China

CHINESE PLATFORMS

WHATSAPP TO WECHAT

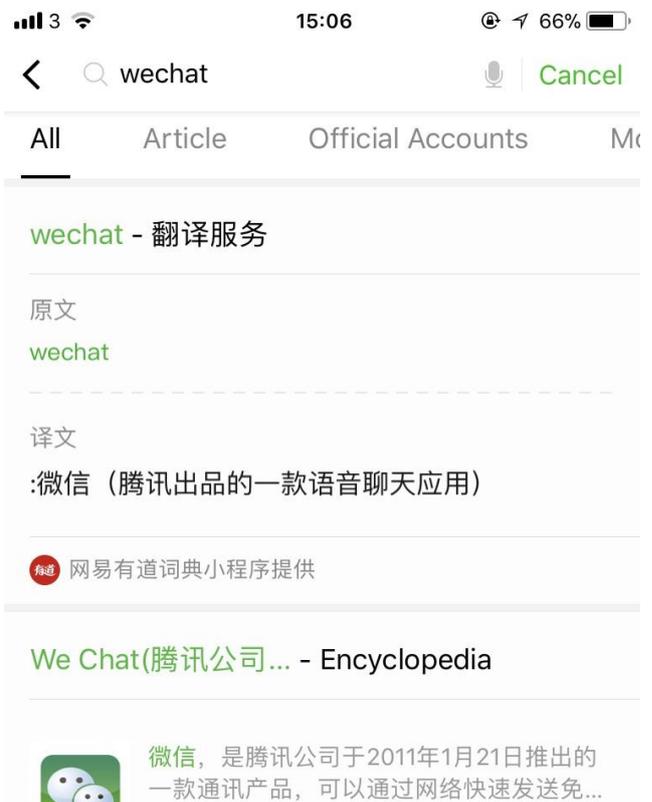
Released in 2011, WeChat now boasts 980 million users and is counted as one of the biggest mobile apps.

There are currently more than 1.1 billion WeChat accounts, of which around 600 million are using the platform on a daily basis, normally via mobile phone. Impressively, 'Marketing to China' states that 93% of the Chinese online population uses the platform, but there are also 70 million users outside of China thanks to the 20 language variations available. According to the same company, 54% spend more than an hour browsing content and interacting with other users and 60% open the application on more than 10 occasions throughout the day.

The platform is dominated by mainly male users, who make up nearly 65% of the audience, and the largest age group is 20-29 year olds, closely followed by 30-39 year olds.

WeChat is a blend of messaging, social media and social gaming services. It offers a similar service to WhatsApp, as well as a wider range of features such as VoicePrint (a voice activated password service for WeChat), WeChat Payments and QuickPay (both used for various different types of payments, e.g. utility payments, sending cash to friends, etc.). Payment services like these are so popular that 80% of e-commerce transactions are occurring through mobile devices, which is an important factor for businesses to consider.

Western businesses, which tend to favour payment services such as PayPal, Apple Pay and Google Pay, often overlook the importance of Chinese payment services like WeChat Payments. Global businesses should understand the difference in payment services worldwide, to further capture the attention of this highly lucrative market.



CHINESE PLATFORMS

TWITTER TO SINA WEIBO

Sina Weibo arose after a ban was placed on Twitter and Facebook, platforms that were used by independence activists, and are believed to have contributed to the tragic Urumqi riots of July 2009.

The platform recently exploded in popularity, and in the first quarter of 2017, it overtook Twitter in terms of users – 340 million compared to 328 million at the time. The site boasts 154 million daily users, with 91% accessing it from a mobile device. In terms of audience, the platform is split quite equally with 49.90% female and 50.10% male.

Due to its large audience, it's no surprise that many companies are reaching out to Sina Weibo in their digital media campaigns. One specific example comes from Tourism New Zealand, who in 2011 decided to use the famous Chinese actress Yao Chen as a brand ambassador. Yao Chen was invited to take a tour of New Zealand, which she documented for her 40 million followers on her Sina Weibo account. As a result of this collaboration, Yao Chen raised the profile of New Zealand among her followers, directing half a million users to a microsite created by the brand, and in turn, generating 20,000 referrals.

Sina Weibo is often compared to WeChat, on the grounds that the two platforms offer similar services. However, although similarities exist, the nature of the two differs.



Weibo was initially created as a microblogging site similar to Twitter, and WeChat expanded from an instant messaging app to feature aspects of social media such as WeChat Moments.

In terms of audience, Weibo is a lot more public, with news posts produced from official sources. In contrast, WeChat is used by families and friends to share 'Moments' and therefore enjoys far higher engagement than Sina Weibo.

Similarly to WeChat, Sina Weibo has tried to remain competitive by diversifying its services. This has taken the form of introducing a similar payment system to WeChat payments, through a partnership with Chinese giant Alibaba, which owns 31.4% stake in the company. Considering the competition from WeChat, Sina Weibo has also invested in a live streaming service – a feature considered controversial due to the role that videos on social media have played in the diffusion of political ideas.



CHINESE PLATFORMS

YOUTUBE TO YOUKU

YouTube was first blocked for several months in China between 15th October 2007 and 22nd March 2008 in reaction to the Tibetan independence riots, which were violent protests demanding greater rights for Tibetans. On 24th March 2009, YouTube was blocked again and has not since been accessible. The Chinese government has refused to comment on its censorship of YouTube, however speculation suggests that this was due to videos of protests that the Chinese government felt may influence other similar acts across the country. Although blocked throughout most of China, YouTube is still available in Taiwan, Hong Kong and Macau.

The Chinese equivalent, Youku, was founded in March 2006 and initially featured user-produced videos similar to that of YouTube; however, the platform now focuses on partnering with more professional content providers, such as the BBC. It was announced in 2017 that the BBC would provide some of BBC Earth's best programmes to a Chinese audience.

Digital Agency L2 highlights the popularity of video sharing services, noting that Chinese users spend more time watching videos than any other country in the world. According to L2, live streaming dominates the platform, as well as short 'Vine-like' videos produced by independent users and brands. Data from L2 also suggests that the relevancy of Youku for brands might be diminishing.

Among the 75 global brands it has been tracking since 2014, 16% now no longer maintain an official channel. The agency also remarks that this figure is 10% below that of WeChat and Sina Weibo. Nonetheless, this channel still remains relevant, with 23.6 billion monthly views, and the majority (60%) of its users below the age of 30. Despite being a notable platform, Youku is losing its grip on the market with competitors such as Iqiyi and Tencent Video becoming more popular. Platforms like Douyin and Miaopai, which feature shorter length videos, have also recently flourished.



YOUKU 优酷

CHINESE PLATFORMS

TENCENT QQ

As one of China's oldest social networks, Tencent QQ was established in 1999 (five years before Facebook) under the name OICQ, offering a very similar service to Facebook today. Since then, QQ has diversified its services, branching out into chat rooms, games, online storage and even dating services. In the first quarter of 2017, Tencent recorded 861 million users, and interestingly also holds the Guinness World Record for the most users simultaneously on an instant messaging programme – 210,212,085 to be exact.

Who TENCENT QQ	What 210,212,085 PEOPLE
Where CHINA MAINLAND ()	When 03 JULY 2014

The most users simultaneously online on a single instant messenger service is 210,212,085 users and was achieved by Tencent QQ (China) on 3 July 2014.

Tencent also owns WeChat, which was created due to worries that desktop-native QQ would not easily transfer to mobile. As a result, WeChat represents a shift in perspective – from desktop to mobile – and is gradually rendering QQ more and more irrelevant as time goes on. The fact that QQ is exclusively available on desktops affects how its audience should be approached.

According to digital marketing publication Click Z, most users of QQ are students who don't have access to mobile devices yet. They estimate that 60% of users are under the age of 30 and are less likely to come from China's tier 1 cities. Those at work also tend to use QQ on their desktops, due to its ability to transfer large files quickly.

As with nearly all social media platforms, celebrities and brands also have their own accounts on QQ, with certain Chinese accounts having more followers than Western accounts. An example is with the popular Chinese boy band TFBoys, who have 42 million followers on QQ, compared to One Direction's 38 million on Facebook.

In terms of brand strategy on QQ, Click Z states that this platform should be used mainly for advertising high volume consumer products such as Nike, KFC, or Oreos, and similarly to WeChat, the successful marketing campaigns are those that are interactive and content oriented. As a result of the high standards of advertising, ads on QQ are now so polished that in many cases they resemble short films rather than adverts. Although QQ is now in the shadow of WeChat, it still has its place and the statistics backing it are irrefutable.



Tencent 腾讯

CHINESE PLATFORMS

BAIDU

Although not a social network, it is also necessary to consider Baidu – China’s equivalent to Google. Founded in 2000, the web search engine features services such as query suggestion, instant search, longer/more in-depth answers, English language resources and recommended web searches, as well as providing its own means of social network – although this is nowhere near as popular as those already mentioned.

Baidu accounts for 70% of all search engine traffic in China and offers an extremely similar service to Google (including a translation service and maps). One significant difference to bear in mind is the use of Baidu’s PPC service, which is vastly more successful than Western equivalents. This is mostly due to the fact that it is much harder to differentiate Baidu’s ads from search results. Compared to Google’s sponsored ads, the distinction on Baidu is much more subtle.



It is worth noting that Baidu is considered a controversial platform in China, especially among China’s educated audience. Its search results feature many criminal organisations offering medical treatments, which often end in patients losing significant amounts of money or endangering their health. Surprisingly enough, Baidu is also considered to be among the most censored platforms in China.



CONSUMERS

CONSUMER IMPLICATIONS

With more than 731 million users as of February 2017, China has the world's largest internet user base, dwarfing the US market, which has roughly 290 million users as of 2016. Additionally, Chinese users spend 40% of their time using social media.

This vast market may seem attractive to marketers, but it is not without its implications. In terms of consumer engagement, Chinese users are accustomed to receiving a reply to their posts, and given the scale of the market, this evidently could pose problems. In order to effectively communicate brand identity, respond to complaints and prevent negative press coverage, companies have to invest heavily in customer engagement services. Durex – the condom brand – is a good example of a company that established a committed marketing team dealing with furthering engagement, through responding to messages and creating interesting content.

Due to the scale of the market, China's social media can also be locally specific/fragmented. For each form of social media, there can be several competitors that often use unique areas of focus (e.g. geographical locale) to appeal to users. Essentially, several social media options are available for the same service: for microblogging there is Sina Weibo and Tencent Weibo, for social networking there are several platforms such as RenRen and Kaixin001, and for video streaming/sharing there is Youku, Baidu iQiyi and many others. Although offering the same service, it is important to recognise the different strengths of each platform when rolling out social media campaigns. Fragmentation can also occur in terms of content, and examples of topic-specific social media sites include Xueqiu, an equity and finance social media network, and Mafengwo, which is social media for travellers.

In addition to choosing the best platforms, brands must consider the best language(s) to use in their campaigns. While Mandarin is the lingua franca of China (used by 70%), most provinces have their own regional dialects (the Chinese government lists 150 exactly), which should be considered when producing any content.

Regarding consumers, it is also important to bear in mind differences in Chinese culture. For example, due to the lack of transparency in the Chinese government, McKinsey and Co. argue that Chinese consumers distrust institutions and figures of authority, and instead place higher value on personal recommendations – especially from influencers on social media.

When approaching influencers, it is crucial to remember that they are meant to be representative of your customers, and they should never appear to be bought, but rather working in collaboration with your brand. Tourism New Zealand's collaboration with Yao Chen serves as a perfect demonstration of this approach.

Another notable example comes from Pepsi. Their campaign, entitled 'Bring love to home', was a 30 minute long video featuring various Chinese celebrities and calling for Youku users to upload their own videos to express their love for families and friends. By combining influencers with a focus on the Chinese tradition of family, Pepsi's video received thousands of responses and achieved over 100 million views. This was a great example of brand communication via a social media platform, as Pepsi understood its target market and produced content accordingly.

COMPETITION

COMPETITION IMPLICATIONS

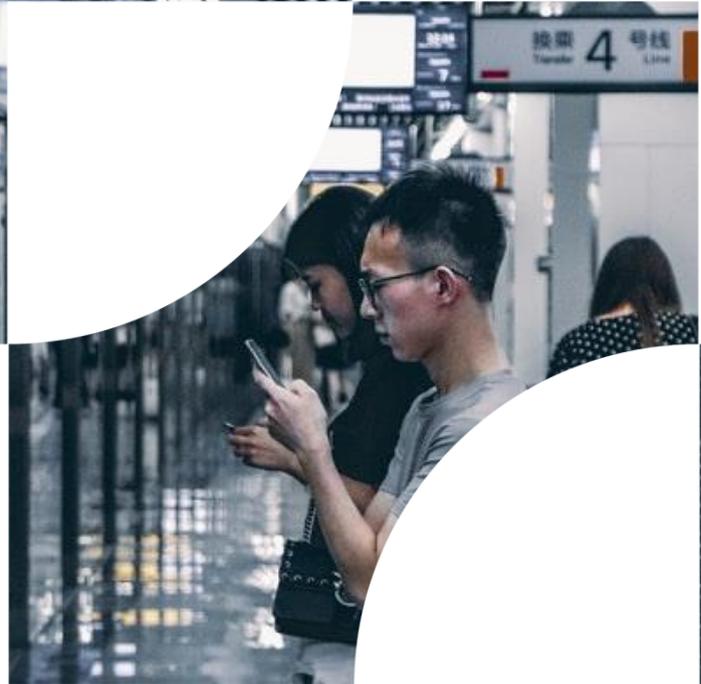
As a result of the high level of influence and popularity of social media platforms, the competition for consumers in China is fierce. This fact can be highlighted by Baidu's new service, called Baidu Industry Bidding/URL Bidding. It enables companies to harness competitors' SEO keywords and use them to benefit their own business. Although considered a 'no go' in the world of AdWords, bidding for your competitors' brand terms is commonplace in China. Considering the Pay Per Click nature of Baidu, it may be worth rethinking your strategy based on this decision.

While this practice is allowed in the country, the use of URL shortening services is not, as it encourages ambiguity regarding URLs, the use of any services blacklisted by the government (Google, Yahoo, SoundCloud, etc.) and politically sensitive topics (civil rights, freedom of speech, universal values, etc). In this regard, Sina Weibo's service is actually considered to allow greater freedom of speech than other media formats, and as a result it is considered a 'preferred platform' for newspapers and TV stations.

Another important strategy to note is that many brands also use artificial writers to produce positive content about themselves and negatively attack competitors. With close inspection, fake profiles can be identified through incomplete or poorly written posts. Marketers and advertisers must consider the impact of these posts, so that they don't get the wrong impression regarding consumer behaviour and brand preferences.



Unlike its Western counterparts, Chinese social media lacks any form of useful metrics to gauge the response and efficacy of campaigns. A report published by research institute Forrester, entitled 'Social Media Measurement in China', revealed that social media measurement is relatively superficial compared to that of the West. Only simple metrics such as followers, fans and engagement are used, whereas more profound statistics can be used to measure business success – essentially measuring the change in brand awareness and the sales contribution.



CONCLUSION

Deloitte's 2016 report on the Chinese E-Retail market successfully summarises the current trends regarding Chinese social media marketing. Channels are becoming more digital, online shopping is much more socialised, consumption is being driven by experience-oriented channels, and there is a clear trend of behaviour personalisation and mobile payments.

The local specificity of consumers, content and platforms can indeed present a confusing landscape to those who do not understand the complexity of China's social media landscape. Nonetheless, there is a real need to understand Chinese laws and culture in order to manage social media campaigns in this market. As Foreign Ministry spokesman Qin Gang once said, *'China is not afraid of the Internet... We manage the Internet according to the law'*. If properly approached, this market is sure to provide significant returns.



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