

# Digital marketing in China: key strategies

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By Andrew Jobling, WGSN, 10 April 2014

Immersing yourself in web culture can reveal important insights into Chinese consumers as the market's growing sophistication drives new ideas for social media strategies.



China Connect

## \* WGSN ANALYSIS

- Web culture is both enabling and promoting greater levels of self-expression in China, giving brands the chance to learn key insights about consumers and pitch campaigns in appropriate ways
- The development of ancillary functions around WeChat will be key for brands, with the instant messaging platform likely to play an increasingly central role not just in targeted marketing but also in payments, service and convenience
- The power of celebrity endorsements in China cannot be overstated but the relationship with consumers is changing. It is no longer just a popularity game with brand compatibility now more important, while its essential to take full advantage of social reach and recognise the growing demand for an affinity with local culture

The Chinese market is a key target for many brands but its inherent complexities and fast-evolving nature mean that marketing strategies need constant attention. The digital landscape and its technology is undergoing constant change and consumer attitudes can be expressed more freely.

At the [China Connect](#) conference in Paris, speakers delivered insights into the best ways to succeed in the market, with web culture, social media strategies and the changing nature of celebrity marketing highlights.

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**Understanding web culture & making it work for your brand**



Diaosi messaging, Zuczug Ma Mou Mou campaign, China



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The internet plays an intriguing role in the development of consumer culture in China. Its freedoms drive a greater level of personal expression than is usual in the country and, as a result, the emergence of new tribes and terminologies can be traced directly to it. Retailers that pay close enough attention to 'web culture' can reap the rewards.

"If you want to get an accurate perception of what your customer base is thinking, you have to do an enormous amount of traditional research and that data goes out of date very quickly," said Kevin Gentle, digital strategy director at Labbrand. "But web culture goes to the essence of what Chinese people are thinking, and gives insights instead of abstract figures."

Gentle said that last year, contrary to what is expected in Chinese culture, lots of women were talking online about how proud they were to be single, while similarly a new lifestyle phenomenon called 'diaosi' – which means loser – has emerged through web culture. It is based on self-deprecation and irony and is a response to what young men consider to be the unrealistic expectations placed on them.

"The diaosi phenomenon represents a major cultural shift," said Gentle. "People are openly rebelling. 90% of Chinese students identify as diaosi, so the traditional marketing ideal of a young man in an expensive car and being really rich might not resonate anymore."

A similar thing has happened with conspicuous consumption by Chinese millionaires getting heavy online exposure. The word 'tuhao', loosely translated as nouveau riche, suddenly became hugely popular through web culture. Gentle said that as a direct result luxury consumers have started moving towards lower key brands to avoid the association.

The implications for brands are clear. Make sure you spot the trends that are relevant to you, share the knowledge with the decision makers and take action quickly.

"Brands should think 'how does web culture affect everything that I do?'," said Gentle.

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## Social media: new opportunities for brands



Sam Flemming, founder and CEO, CIC Kantar Media China



Jonathan Smith, director, Hot Pot Digital

**China's social media landscape is fragmented** but two main players dominate, microblogging site Weibo and instant messenger service WeChat. Yet they are both evolving, and so are the best ways for brands to use them.

"Weibo can be seen as a viral media," said Sam Flemming, founder and CEO of CIC Kantar Media China, who added that it is best for keeping a finger on the pulse of what is going on in China. "It's mostly celebrities and media accounts which the grassroots share and retweet."

Its power can be seen in the amount of Weibo accounts that reposted a Chanel ad featuring Brad Pitt. It meant the ad had a reach of 128m people, Flemming said.

WeChat is different and it is getting a lot of attention. It is more about true social media and closed circle conversations with friends, rather than a marketing channel. For brands, that means using it to deliver a personal conversation rather than a broad message.

"WeChat fills the gap that email marketing has left in China," said Jonathan Smith, director at Hot Pot Digital. "That has never been successful in China and for us it replaces that." He also said that WeChat can replace email as the channel for CRM in China and Louis Vuitton is showing how, with consumers able to send a message to it through the platform and have somebody get in contact with them. Burberry also enabled **personalised interactions with consumers during London Fashion Week** in February 2014.

Where WeChat is getting really interesting is in the services beginning to be offered. It is becoming more of a transactional platform for business, with users encouraged to connect their bank details and use it for mobile payment, but there are many other possibilities, with customers of China Southern Airlines already able to use the platform to check in and choose seats. Expect many more service-related aspects to follow as companies and brands aim to leverage the platform to increase convenience for their customers.

"We think everyone should be watching how brands use WeChat for their business," said Flemming. "It's not necessarily going to be for communication, although that may be part of it. Everybody is experimenting now."

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**Celebrity: best practice in the social age**



Janie Ma, entertainment marketing director, Ogilvy Entertainment (China)



Frédéric Layani, manager of international CRM / internet, Tag Heuer

Social media is used by Chinese celebrities as a major channel to connect with their fans, but as the notion of fame changes so is how those celebrities are behaving online. That is important for brands because celebrities and other key influencers play a much greater role in Chinese retail than they do in the West and getting the strategy right is vital.

"Digital has redefined the meaning of celebrity," said Janie Ma, entertainment marketing director at Ogilvy Entertainment (China). "They're not just endorsers but content creators, and they're not just slogan shouters but storytellers."

Ma said that generating social topics and creating personalised content is one of the major ways that celebrity has been changing during the digital era, which has allowed them greater interaction with fans and new channels to build their personalities. The most effective ways to market with them is to take advantage of the greater depth of connections they have with their audience and to engage them more deeply in the product or brand.

Hot Pot Digital's strategy for e-commerce retailer Farfetch followed these lines. It worked with Chinese fashion blogger Gogoboi so that promotional items appeared naturally in his content flow, with him picking items from retailer, pairing them with trendy Korean celebrities and then saying it was all chosen from Farfetch at the end.



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*Sam Flemming, founder & CEO, CIC Kantar Media China*

Ma also said the relationship consumers have with celebrities is evolving, and whereas before the level of fame was the main factor, now there needs to be a more sophisticated approach.

"It's not about who is the biggest star or is this person more famous than another, or are they a Western star or a Chinese star, the most important thing is what's right for your brand," she said.

That might well be changing as consumers become more sophisticated and look increasingly inwards to celebrate their own culture. Whereas once the glamour of an international celebrity may have been enough to win them over, the market is now demanding more.

"In two years the profile of ambassadors in China will be completely different," said Frédéric Layani, manager of international CRM/internet at Tag Heuer. "Chinese people now want people who are more engaged in Chinese society, not just engaged in Hollywood society."

Changing consumer nature is important for all aspects of brand promotion, with Smith saying that its Mulberry social media content strategy for China involved a close-up of Mulberry's famous lock and 'Hello Weibo' text.

"Our approach is to acknowledge the Chinese consumer, rather than be aloof as a Western brand," he said.

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