Vol.3
CHINA DIGITAL
PERSPECTIVE
digital crew.

FOREWORD

Working with Australian and international brands, Digital Crew understands the challenges and opportunities brought about by the Chinese market, whether in Mainland China or otherwise. With the China Digital Perspective, we share our collective knowledge with the digital industry.

This 3rd edition of China Digital Perspective will walk you through the key aspects of Chinese digital marketing, which include marketing with WeChat, e-commerce in China and the new marketing era. China is a big market. Facing it without proper knowledge, practice, and expertise can be overwhelming. Our aim is to create a path that will make you succeed.

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ABOUT US

Digital Crew is Australia's fastest-growing multilingual digital marketing firm working with Australian, US, Japanese and South-East Asian companies marketing into other cultures, including China. The multi-award-winning firm was established in 2014 in Sydney and now has offices in Melbourne, New York, Tokyo, Guangzhou, Hong Kong and Mumbai.

We help brands Go Global by being Multi-Local in Chinese, Japanese, English, Hinglish and more.

Global Offices with Local Focus
We understand the challenges you face. Our full service in-house team aim to deliver the highest quality of work and ensure the best communication with your business.

Highly Qualified
All Digital Crew team members speak English and Chinese professionally, some of us speak more than two languages. We are one of the first Baidu Certified Senior SEM Consultants in Australia, Google Partners, Ali Cloud Partner, Tencent Agency Partner and Professional Translators accredited by NAATI. Most importantly, Digital Crew is a NSW government service provider. We hold various bachelor and master degrees in marketing from universities in Australia.

Bespoke Services
There are no one-size-fit-all solutions when it comes to entering a foreign market. We work with you to determine the best approach, from research, to strategy, to campaign execution, and to on-going management.

Awards: Digital Crew is Winner of NSW Business Award 2017; Winner of City of Sydney Business Award 2017; finalist in the 2017 Australia-China Business Awards;Westpac Business of Tomorrow 2018 and 2018 Australia-China Business Award.

CREDENTIALS

We know the difficulties of entering a new market, especially a big market like China where guanxi or having good relationships is important. We are certified partners of strategic and well-established media channels like Baidu, Alibaba, Tencent, and Google. We have also addressed the issue of language barriers by hiring professional and NAATI certified translators who can help present your brand with premium quality contents.

NSW GOVERNMENT Premier & Cabinet

NSW Government Qualified Service Provider

Baidu 百度

Baidu Search Engine Marketing Certified

腾讯社交广告 Tencent Social Ads

Certified Tencent Agency Partner

Alibaba Cloud aliyun.com

Ali-Cloud Channel Partner

Google Partner

Certified Google partner

National Accreditation Authority for Translators and Interpreters LTD

Bi-lingual highly qualified copywriters

OUR CLIENTS

TOLL

WESTERN UNION
WU

FRASERS
PROPERTY

CHIME
长隆LONG

L'ORÉAL

CHEMIST
WAREHOUSE
DISCOUNT
CHEMIST

JLL
仲量聯行

Cancer
Council

SERVCORP

IELTS

Pauls

COUNTRY
GARDEN
碧桂園

LANCÔME
PARIS

Kiehl's
SINCE 1851

CEBU
PACIFIC

UTS
UNIVERSITY OF TECHNOLOGY SYDNEY

idp
IDP Education:
Open your world

Charles Sturt
University

New Zealand
TRADE & ENTERPRISE

STUDY MELBOURNE
Australia

AUSTRADE

Ray White

Caruso's
NATURAL HEALTH

CELLARMASTERS

metricon

EY
Building a better
working world

RMIT
UNIVERSITY

VICTORIA
State
Government

WeChat marketing to the Chinese audience

How to get a WeChat account?

1. You will require either a Chinese ID or a business that is registered in China, or to partner with someone who does.

2. Now, the WeChat OA Platform has transformed into an international OA platform allowing both mainland Chinese and overseas OAs to coexist on the same platform and to reach users worldwide – both in and outside of China.

3. Verified accounts are only available to China-registered businesses. A 'verified' WeChat account provides more functionality, such as the WeChat payment system. However, companies overseas can now register through the 'whitelist' account application.

4 Key WeChat Official Account types

1. Corporate / Enterprise account

For internal use, such as project management and private group chat.
It is not designed for marketing.

2. Subscription account

For content pushing (1 message to followers per day)
A basic account type which can be opened by individuals and organizations

3. Service account

This account is for organizations to use (4 messages per month) and offers high level functions including QR code generation, geo-location features and voice recognition. It is recommended for e-retailers and WeChat pay integration.

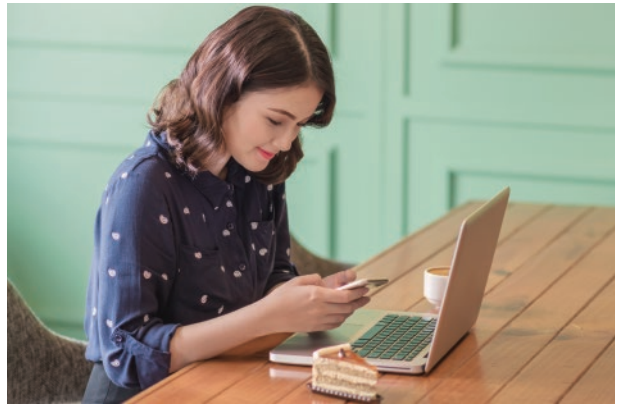
4. Whitelist Account

Companies registered outside of Mainland China can also apply for a WeChat Official account visible from China through a special whitelist application.
It usually takes about 2 months and the outcome will be a verified service account.

Tick the original feature option for your Official account

A. This option is an original content feature. This option lets the user decide whether other people can share your content. A link is automatically added to your WeChat official account if they do share the content. This feature was introduced to help original content publishers get more visibility and to maintain the authenticity of the content.

B. If the Official Account whitelists your account to share an article, then you can share the entire article unlike the standard sharing option that only displays the first 140 characters through the push notification.



There are two additional options to whitelisted sharing

Displaying a link to the original Official Account: The original content creator needs your account to include a link to their Official Account at the end of your article (the link will be automatically added)

Permission to edit: The original content created can give your account the permission to edit the article (or it will be forwarded exactly as the original version)

4 quick tips for how to get up and running on WeChat

1. Register an official account

- There are two types of official accounts available for marketers – service accounts and subscription accounts.
- Service accounts can post up to four messages per month, while subscription accounts can send one message per day to followers.

2. Set up a WeChat store

WeChat store allows consumers to shop and pay without leaving the app. There are free online stores available to set up and use as well as some that require a subscription.

3. Integrate WeChat's payment systems

WeChat's payment systems such as WeChat Wallet allow buyers to pay directly and conveniently without using credit cards or switching to other apps.

4. Consider WeChat mini-programs

Mini-programs allow developers to create scaled-down versions of apps that take up considerably less space and which users can access without needing to install them or leave WeChat.

A Brief Guide to WeChat Mini-programs in China

What are mini-programs?

Mini-programs are sub-applications within the WeChat eco-system that provide advanced features to users like e-commerce, task management, coupons etc.

The features include:
Videos and music that let you watch episodes of your favorite show online by scanning a QR code. It provides **Voice translation programs** that lets travelers communicate overseas. Users can shop through the **Retail mini-programs** giving Taobao and Tmall a serious competition. Users can access a **Travel and Audio** guide for directions while travelling. The **Bike-Sharing** features lets users access the Mobike bicycle service. **Supermarket shopping**, **Fast-food discount coupons, Surveys, Photo-filters** and **Time-checkers** for public transport are the other additional services that users enjoy while using the mini-programs.

Potential benefits of mini-programs

The capacity to leverage off WeChat's popularity, in turn increases the opportunities for social commerce in China. The current fragmented nature of China's app market and the banning of Google Play could make mini-programs a more viable option. It could be easier and cheaper to develop apps within WeChat, especially for businesses that lack coding skills. M-commerce customers can be linked to public WeChat accounts, increasing the number of touch points businesses form with consumers.

How to optimize your content?

What Social Media Users in China Want from WeChat Content

Research by Tencent found that due to higher competition, 75% of content providers were now finding it harder to acquire a considerable amount of traffic, while 48% said that their content engagement was low and another 48% stated that the content tended to be all similar[1] .

Know your target audience

You should understand what your audiences are interested in, what drives them, how they think and take actions. Next steps would be to understand what sort of content they engage with. Video content has gained popularity in China for a reason and this should be able to give marketeers a cue regarding what works well with Chinese consumers. You should also incorporate games and other entertainment into your content.

Develop mini-programs

There are embedded apps that offer a wide variety of services. For example, you can watch you favorite TV shows, shop online, access bike-sharing services, etc. The users can access these without installing or leaving the apps[7] .

Keep your customers hooked to your content

Your content must have eyeball-grabbing headlines that are descriptive and attractive. Offering incentives like loyalty rewards and e-coupons not only grab customer's interests but also keep them asking for more. Customers love convenience and the use of QR codes let customers access events, virtual stores, special deals, mini-programs, games, competitions and payments all with one scan. A QR code incorporation in your content is one of the most important content hooks. M-commerce providers should simplify the payment process for users[7] .

Who uses WeChat, How Why and When

WHO

36% of WeChat users being female and 64% male, a ratio of 1:1.8. The average age of users is 26 years. 90% of users are below 36. However, only 2% are younger than 18. WeChat users are predominantly working within private enterprise (32%), followed by the self-employed (28%) and students (20%). Unsurprisingly, both private enterprises and the self-employed are using WeChat for promotional purposes[3] .

HOW

Majority of the users favor WeChat Moments. The other uses of WeChat are accessing trending news, sharing useful information. The app has also automated the booking of cabs, trips, making payments, splitting restaurant bills, mobile payments, sending money (red packets), paying utilities, bills and making donations. A high concentration of use also lies in WeChat Payments. WeChat Wallet is quick and easy to use, and it may enable users to access discounts and specials. It can also be used in many overseas countries, allowing users to forego credit card charges and fees[2] .

WHY

People in China embrace the feeling of belongingness and the concept of a community. This is one of the main reasons the app has gained immense popularity. Statistics claim that 41% of the people use WeChat to connect to new people and 29% of them use it to get a 'sense of belonging'[2] .

WHEN

CIW statistics show 50% of people use WeChat for more than 1.5 hours each day, and around 35% for more than 4 hours a day! Many users open the app as many as 30 times each day as they go about their tasks[2] .

WeChat Pay

WeChat Pay

WeChat pay is an in-app payment feature available in WeChat to help facilitate payments within the app. This feature is enabled through the WeChat wallet section of the application.

The following features are available to users using WeChat pay:

- Mobile recharge
- E-commerce website transactions
- Water & electricity bill payments
- Booking of cabs
- Booking of trains and flights
- Booking of hotels
- Booking movie tickets
- Transferring money to friends (red packets during Chinese festivals)
- Investment in wealth management funds

WeChat Pay for a company

The Company WeChat pay account lets users settle a payment in the company's bank account directly through its linkage to a company's website, app or a WeChat shop[6] .

There are 4 types of payment options available with the company WeChat account:

QR code scanning

This type of payment option is enabled when customers are shopping on a desktop website. The WeChat payment system generates a QR code that needs to be scanned with WeChat to complete the payment[5] .

In-app web-based payment

This payment option can be embedded in a WeChat shop. When users make a payment, they will need to enter the 6-digit pin code or a finger-print scan to complete the payment.

In-app payment

WeChat pay can be integrated into the apps. Customers can complete the payments within the app using this feature.

QuickPay

This is the fastest mode of WeChat payment. This payment solution can be connected to the POS system. A user can scan the WeChat payment QR code of without entering the 6-digit pin code for the payment approval.

GEN Z China: a new generation of influential shoppers

Profile of GEN Z: Very tech-savvy, love mobile, and typically interact with others online more than offline. About 62% are less inclined than older generations to see financial and career success as main indicators of personal achievement and fulfillment. More than 94% believe brands should be committed to sustainability and environmental care. They place value on life-meaning, inspiration, and social responsibility (value experiences over the gathering of material goods)[4] .

Gen Z consumer trends

70% indicate they like to purchase goods online via social media sites (while the global average is 44%). 31% see social media as important for product inspiration. 40% prefer to get information about products directly from brand websites rather than third-party sites. Approximately 65% expect brands to build human connections. 31% enjoy shopping in bricks-and-mortar stores. 34% would like same-day delivery for items ordered online, while 27% want delivery within half a day. Around 33% like video live-streaming when it comes to bargain hunting[13] .

Tips for reaching Gen Z consumers in China

In order to reach out to Gen Z consumers in China, it is imperative to establish a brand presence on social media especially Weibo and WeChat. Customers also appreciate fast delivery options. A commitment to sustainability and environmental care will gain a higher response. Brands should make genuine connections and build long lasting relationships with customers through social media which classifies as a holistic customer experience rather than just a mere delivery of goods[14] .

Aims & Activities of New Retail

China's new retail integrates online stores, offline stores, inventory, logistics and payments into a single model. An establishment of partnerships that allow stores to experiment with different models, share data, and explore new retail opportunities. It blurs the lines between online and offline shopping in the process creating seamless 'omni-channel' experiences for customers to create more personalized experiences for customers.

Easier payment systems like the availability of Alipay at partner stores in combination with the store's existing payment systems makes shopping convenient. Exploration of new retail concepts and innovations through technology, such as AI (artificial intelligence), IoT (the Internet of Things) and Big Data has enhanced the whole shopping experience.

How New Retail Manifests in China

Smart pop-up stores

Alibaba tested 60 of its pop-up stores at the Double 11 Festival in November 2017. These are small physical stores that blend offline and online. For example, customers can use a 'magic mirror' to virtually try on clothing, sunglasses[9] .

Blending retail and entertainment

New retail aims to make shopping more than just shopping, but to intertwine it with socialising and entertainment. Double 11 is a classic example, with its mix of shows, entertainment and celebrations before and during the festival[15] .

Personalised marketing and participation

New retail is very customer-centric and more individualised than in a traditional model. For example, consumers can get personalised feeds based on past searches and behaviour, and discounts on preferred items[9] .

Extra services

New retail involves expanding in-store experiences through complementary services such as libraries and cafes, which may encourage shoppers to linger longer.

Popular E-commerce platform: The Little Red Book or Xiaohongshu

Xiaohongshu is also known as Chinese Pinterest. According to China's SAFE data, overseas shopping increased to US$165 billion in 2014. In 2015, Accenture's report predicts that the global B2C e-commerce market will maintain an average annual growth rate of 15% in the next few years and China is expected to become the world's largest cross-border B2C consumer market[22] .

Xiaohongshu used information asymmetry, starting with the shopping sharing community and recommending products worth buying overseas.

What Xiaohongshu created was basically a forum of discussion amongst international shopping enthusiasts who were mainly women between the age group of 18 to 35 years.

What is its unique strategy

Muscular Marketing Men

Xiaohongshu deployed a team of muscular men to deliver the products to their customers. This information spread like wildfire among the women who purchased these products and their friends. This marketing move triggered the most basic but powerful marketing tactic[22] .

A Reliable Community

When the founder of Xiaohongshu found that a simple guide-type product is still not enough for the relatively time-sensitive scene of shopping, Xiaohongshu transformed into a small red book shopping note. From the small red book shopping guide to the small red book shopping notes, it is the insiders that spread valuable shopping information overseas. For the outsiders of the community, these insiders are opinion leaders and experts, who spread more knowledge about overseas shopping. Every user in the community distributes their own opinions, insights and expertise about products thereby encouraging value shopping.

A CEO Led Marketing Team

Xiaohongshu's marketing team has completed a systematic marketing campaign with great execution and this is a rarity among start-ups. Most of their team members are a group of young entrepreneurs with great imagination and execution.

-

Selling your products through the Tmall platform

Tmall is a premium online B2C shopping mall owned by Alibaba – China's biggest e-commerce group. It is China's most dominant B2C platform, with a 57% market share in the region ahead of JD.com and Suning.com, according to data from Statista[4] .

Tmall's focus is on quality branded products – including Calvin Klein, Zara, Apple, Nike, Levis, Estee Lauder and even Costco wholesale. Demand is high for clothing and accessories, household goods, luxury cars, wine, western foods, and maternity products.

To operate a Tmall store, you need to be a brand owner or authorised distributor and have a corporate identity outside mainland China.

Tmall's benefits and criteria

- Tmall utilises the familiar Alipay system for payments. This means shoppers do not need a credit card or knowledge of English to pay for goods.
- It is very selective – only verified, genuine brands are permitted.
- The platform comes with excellent analytical tools and sales reports.
- With China having around 600 million internet users, it gives you the potential to tap into a huge market!

Getting set up on Tmall

To start, you will need to establish a wholly foreign-owned enterprise (WFOE).
The WFOE process can take up to several months to complete:

- Reserving a company name with the Administration of Industry and Commerce (AIC).
- Project proposal and feasibility study.
- Obtaining a business licence from the relevant AIC.
- Registration with relevant tax authorities, local foreign exchange administration, finance authorities, and Bureau of Statistics.
- Obtaining import-export licences.
- Opening company bank accounts with a specified minimum amount of capital.

Once you have established a WFOE, the next step is to apply for a store on Tmall:

- Submitting product information for approval.
- Registering with Alipay.
- Signing Agreements.
- Paying fees – this will include a deposit (may be up to $25K), annual fee ($5K or $10K) and any other costs and charges. 5% commission will also be charged on sales.
- Opening and building your store. This includes putting products into categories, setting pricing models, establishing a customer service team, and filling the store page with your products.

Marketing in Tmall

Alibaba's ecosystem provides options for a variety of digital marketing activities. Paid activities include flagship store banners, CPM (cost-per-thousand) banner display ads, affiliate marketing, email or SMS marketing, and Tmall's own Pinterest-style platforms. Indirectly-paid options may include Tmall SEO and coupons. There may also be free deals negotiated directly with Tmall available.

China's leading technology-driven E-commerce company: JD.com

JD.com is said to be China's 4th largest e-commerce company right behind BAT. In 2017, JD.com's revenue grew by 40% and the company got closer to profitability[23].

Despite Tmall being the largest B2C platform and the leading e-retailer by volume, JD.com is the number one leading e-retailer in Asia in terms of direct e-commerce sales (while Tmall/Taobao lead the way in terms of merchandise volume from third party vendors).

JD.com's strategy

JD.com's business model is based on 4 layers inverted triangle:

- Basis: Team
- Supply chain: logistics, IT system and financial system
- Main KPI: Costs and efficiency
- Customer experience: product, price and service

JD.com's 'Asset-Heavy' model vs. Alibaba's 'Asset-Light' model

JD.com focuses on customer experience, the authenticity of its goods and speed of delivery are their secret to maximizing customers' satisfaction. JD.com is essentially a direct online retailer that buys and sells product, placing its emphasis on direct retail, in-house logistics and highly dedicated customer service operations, making it an asset-heavy business model.

Alibaba relies on an asset-light marketplace model, it is fundamentally an online platform for third-party sellers that focuses on technology and third-party logistics partners to deliver goods to consumers. Tmall's competitive advantage is its ability to offer customer of a safe-payment solution via Alipay, and to provide its vendors with a strong infrastructure to support their operations.

JD.com positioning

According to JD.com's customer profile report, the company has slightly more male users than female ones. While for Pinduoduo, Tmall and Vipshop, the number of female users is clearly dominating the number of male users.

JD.com delivery service

People that are familiar with JD.com would know that the company delivers most of their orders directly to customers themselves with 90% same-day or next-day delivery.

The borderless retail alliance

'Our enemy's enemy is our friend.'; JD.com is obviously familiar with this saying. Bearing in mind that Tmall is JD.com's largest competitor, JD.com has successively partnered with two of the dominators of China's tech scene, China's largest search engine Baidu and the social media giant Tencent, also known as Alibaba's number one competitor.

JD.com global partnerships

According to official statistics, JD.com's foreign orders year-on-year growth increased by 375% this year. JD.com has been collaborating with businesses like Walmart and Google.

The partnership will help JD.com accelerate its internationalization and improve its zero-border retail; as JD.com's Chief Strategy Officer said, this cooperation 'marks an important step in the process of modernizing global retails'.

Technology used in new retail

RFID

Virtual reality (VR)

Facial recognition technology

Location-based notifications

QR code scanning

Warehouse robotics

Big data for customer analytics

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ADD TO CART

How ‘Uni Marketing’ works

1. Alibaba uses Uni Marketing to track user behaviour across its platforms including Taobao, Tmall, Youku and Koubei, through a unified ID[16].
Brands using Alibaba's e-commerce platform can then use this data to more accurately identify, target and retain customers and to build and develop improved client relationships.

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2. The customer data and insights are available from the Alibaba Data Centre through the Brand Databank app on the Uni Marketing dashboard. There are also other tools, including Uni Strategy for segmenting users into groups, the Uni Communication ad-serving and communications tool, and Uni Operation for developing and delivering personalised content[8].

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3. The suite of apps can be used to:
- Segment audiences and provide unique content and exclusive offers to appeal to specific groups.
- Identify repeat customers and offer exclusive membership deals and loyalty program options. Build and improve customer relationships through having a better idea of their needs, desires and behaviours.
- Develop more accurate overall targeting of potential and existing customers.
- Gain data insights that can assist in developing marketing campaigns outside of Alibaba, such as on WeChat and other social media channels[16].

Facts and stats on Singles Day (Nov 11th, 2017)

What is Singles day?

2017 was the 9th year of China's Singles Day shopping fest that celebrates singlehood in China as opposed to the couples' day celebrated on 14th February all over the world. It continued to grow in annual sales. In 2017, sales were up by 39% from last year's figures, reaching ￥168 billion RMB (AU$33 billion) by the end of the 24-hour period.
Singles Day is driving a lot of the overall growth in online retail in China, which is nearing the ￥1 trillion RMB mark and is expected to grow by up to 25% in 2018 and 2019[12] .

Brand participation

The number of brands that participate on this day are around 140,000 including Apple, Haier, Xiaomi, Uniqlo, Lancôme, Estee Lauder, Nike and Adidas. The product categories included are: apparel, shoes, food, household goods, personal care and cosmetics. Services that were popular are cloud storage and travel. The people that made purchases hailed from 225 countries including the top 5 countries selling to China namely, Japan, USA, Australia, Germany and South Korea. Alibaba orders and payments amounted to: 325,000 orders and 256,000 Alipay payments per second at peak time.

- First 1bn yuan: reached before the first half-minute.
- First 10bn yuan: reached in 3 minutes.
- Mobile transactions accounted for approximately 90% of sales[11] .

New Marketing Era in China

Major Uses of QR codes in China

QR codes are usually used to make instant payments in physical and online stores, and to pay for cab rides, public transport, hospital visits, bike hire and meals, as well as to store information on brands, providing access to discount coupons and plenty more[5] .

Driving the cashless economy

QR codes are a major contributor in the drive to a cashless economy – something China is leading the way in, and that has been fueled by high smartphone ownership and mobile internet. It seems that China has largely bypassed desktop internet in favour of mobile and has also mostly gone past plastic cards in favor of cashless mobile payments. Many vendors are now making the shift from cash to mobile payments, recognizing that it can provide them with greater security (such as protection against cash theft).

Security issues

Cashless payments are not without risk either though. For example, there are reports that QR code fraud and scams are on the rise. Alipay and WeChat have responded to the threat by tightening security over their system-generated QR codes, and by informing consumers if a code is likely to be risky after they scan it.

Enabling cashless payments

Digital marketers should not overlook the importance of preferred payment methods in China. Consumers want not only to be able to purchase goods and services but to do so conveniently and quickly - particularly through smart phone apps and machine-readable codes.

Hundreds of millions of surveillance cameras have already been installed by both businesses and the government in China and are being utilized to create massive databases of individuals through image capture[17] .

How does the software work?

Facial recognition software works by analyzing the characteristics of a person's face – such as by measuring the distances between facial features and the overall structure of the face. This technology has been providing some useful applications for law enforcement. There have been reports of facial recognition software enabling the government to track down wanted criminals. It can still be used by enterprises in commercial area[18] .

Commercial Uses of Facial Recognition[18]

1. Security systems – for home, workplace and financial institutions.
2. Instant payments – such as Alipay's 'Scan your face to pay' system.
3. Market research – analyzing reactions and emotions by facial expression.
4. Improved ability for marketers to target customers – such as use the software to identify a customer as soon as they walk into a store.

Digital video ad trends

Digital video ads are growing faster than online display ads and is expected to account for more than 13% of all ad spending by 2021[19] .

Quality content is king – with a key driver of digital ad growth being that of “strong content ” according to eMarketer. Some companies involved in video marketing are seeking professional partnerships to facilitate expansion of their advertising reach and influence.

BAT (Baidu, Alibaba, Tencent) will continue to dominate in the digital ad sphere – especially Alibaba at more than 35% (and tipped to grow to 38% by 2019). Alibaba appears to achieve its dominant position by incorporating video and social media elements into its M-commerce app[24] .

Recommendations for digital marketers

- Make the most of the various digital video apps available to create your own marketing videos or get a professional video producer to assist you.

- It's important not to put all your digital advertising eggs in one basket (so to speak) but to use a mix of digital channels to maximize your reach.

- Incorporate social media advertising into your digital ad strategies.

- Consider partnering with successful companies to increase your advertising influence.

- Always keep abreast of digital advertising in China to see what the trending patterns are.

Examples of the uses of live video streaming

Several big brands are successfully using live streaming to engage with their customers.

Fashion and beauty brands – during New York Fashion Week the Coach brand used two popular Chinese celebrities to visit their showroom and engage with viewers, resulting in about seven million interactions[20] .

Food companies – Oreo used two popular young singers to 'goofball' on live video as a promotion for a new flavor, setting a sales record for Oreos, according to Tmall.

Sportswear – Adidas used a graffiti artist to draw a sneaker on live video, changing the design in line with feedback from the audience.

Social media – live streaming can also be done through Chinese social media apps, such as WeChat, Weibo and Youku, Tudou. Weibo particularly made a rather dramatic 'comeback' in 2016 after expansion of its video services, according to eMarketer.

The Douyin app and how you can use it for business

What is Douyin?

Douyin is a short music app that was launched in 2016 and within 200 days it became the world's top downloaded app. Within 500 days it had over 1 million users[26] .

How marketeers can use it for business

User database – Vast majority of the users are under the age of 24 from Tier 1 and 2 cities.
Brand engagement – Marketers can capitalize on users by leveraging KOLs (Key Opinion Leaders) through the app for brand engagement. Bigger brands making use of Douyin include Audi, Pizza Hut and Michael Kors. Some brands use KOL campaigns for promotions. One of Douyin's key features is Challenges i.e. Themed based hashtags that prompt users to create their own videos or musical content for rewards or prizes[26] .

Examples of brands that have leveraged KOLs to their advantage using Douyin

The famous fashion brand Michael Kors created a competition inviting users to create their own fashion walk videos on Douyin with custom filters. Several key influencers also created walk videos wearing his designs.

Combining Douyin and KOL marketing

Brands can use KOLs and Douyin to reach Gen Z consumers by creating challenges for further engagement or by using live streaming to combine entertainment and marketing. The combination of KOLs and Douyin may provide an opportunity for a campaign to go viral, thus widening your influence online.

Tips for marketers on Getting started with Live Streaming[21]

Firstly, define what it is you want to achieve through live video streaming. Then, set measurable goals to enable you to determine the success of your efforts.

Get Chinese language speakers on board to assist you. Check out local apps such as Meipai and Douyu TV as well as live streaming services through Taobao, Tmall, WeChat and Weibo.

In addition, make sure your content is appropriate for a Chinese audience, particularly when it comes to humor. Comply with government regulations. These may include obtaining an audio-visual publication license and abiding by censorship rules. In recent times the government in China has cracked down on the use of content considered pornographic or violent.

At last, you may consider engaging KOLs (key opinion leaders) to present your live content.

Tips on create engaging video content

Firstly, you need to know your target audience well, including understanding what they want and need, and getting the language right. Make sure you have Chinese speakers involved in the making of your online videos for local Chinese using platforms. YouTube is blocked in China, so video marketing will need to be done through platforms such as Youku, Tudou, Baidu Video, and Video Sina.

In addition, make sure videos are very quickly engaging - preferably within the first few seconds. One of the best ways to find out if yours are engaging is to test them on a Chinese-speaking audience and ask for feedback. Appeal to human emotions. This may include using humor to entertain (make sure it's appropriate to Chinese audiences), and emotive content such as love and nostalgia to tug at people's heart strings.

Also, make your videos professional. While just about anyone can point a camera and press record, your videos should look good and not like they are 'home-made'. Get help from the experts if you have limited or no experience in producing good video content.
Make sure your videos match your brand and make it shine through.

At last, share on your networks. Your online videos should form part of your content, so provide access to them from your main website and vice versa. Share them through your Chinese social media pages as well, and ensure they are optimized for mobile devices. Measure your results – such as shares and mentions, and the impact on your leads and sales, so that you can keep improving on your video-making skills.

What is programmatic advertising?

Basically, it is the use of software to automate the process of online ad buying and selling. This means instead of negotiating with a human salesperson for ad prices and placements, you make use of technology to decide for you where and when your online ads are placed, based on pre-set goals and targets[10] .

It can be done either through Real-Time Bidding (RTB) on open exchanges or private marketplaces, or by the direct purchase of guaranteed or fixed-rate deals.

What is different in China?

In China, programmatic advertising is relatively new and evolving.

Major players: the marketplace is dominated by the big players of Baidu, Alibaba and Tencent, known collectively as BAT. Examples include Baidu's Exchange Services, Taobao's TANX and Tencent's Tango. There are also more private than open ad exchanges in China.

Data: obtaining data can be more difficult, as the big players are not always too keen on sharing it. The online ad market is more fragmented and there is a lack of standardization when it comes to advert sizes and formats. China also has a relatively complex media environment.

Baidu and its relevance

Baidu is a Chinese search engine which also offers online marketing solutions. The firm operates as an e-commerce platform with an online payment tool, develops and markets web application software, and provides human resource related services. It operates through the following segments: Search Services, Transaction Services and iQiyi.

Baidu SEO[25]

Baidu SEO encompasses criteria that differs from google in a lot of ways. Marketers have to adhere to Baidu's inbuilt products that is leveraged through Baidu Baike (The Baidu Wikipedia), Baidu Zhidao (Baidu's version of Quora) and Tieba – a keyword-based search forum. Baidu's site architecture and functionality are comparatively simpler for users to comprehend. Baidu doesn't deal with flash or JavaScript, so marketers must provide HTML versions of the content. Marketers must avoid the use of Frame and iFrame and also maintain shorter URLs. The use of Pinyins is highly recommended.

Page titles, meta data and links

Simplified Chinese keywords with meta data that fit within the character limit (title tag – 80 characters and meta description – 200 characters) for your website to rank better to Baidu. Alt tags and heading tags are equally prominent factors in Baidu's ranking algorithm.

Link building is another important key factor in Baidu ranking. Target-links from high authority, industry relevant Chinese-based sites increases your website's authenticity for a better ranking. Internal and external link anchor text remains of utmost importance and non-hyperlinked URLs do not contribute to ranking. In addition to all these factors, blog posts with fresh optimized content needs to be pumped on the website from time to time.

Baidu PPC[25]

Baidu PPC (Pay Per Click) Advertising is a fast and effective promotion with instant results. It provides an instant route to gaining quick traffic to your Chinese website to increase views, enquires and generate leads. Baidu PPC lets you reach out to your Chinese audience and increase traffic to your website.

Search Ads

Baidu search ads, a normal sort of PPC Ads, are text ads or graphical ads displayed on search engine results pages. They can appear on the left-hand side, above or below the search results, and body of first search result page.

Display Ads

Baidu display ads are graphical ads that appear on thousands of Display Network websites using Baidu Wangmeng (similar to Google AdSense) allowing your ads to be shown on external websites. Display ads can be created in several formats and sizes using text ads, images, animations or videos etc.

It is important to use the Baidu verified keywords that are simplified, and the performance of the ads have to be monitored. Your PPC performance can be analyzed and improvised with Baidu Tongji (similar to Google Analytics).

Tips for Automated Ad Buying in China

Get expert assistance from a bilingual local partner or trusted adviser, who knows and understands the complexities of the advertising landscape in China. Start with a decent budget and build it up gradually after testing what works and what doesn't. Remember to give preference to larger reputable market leaders, such as the BAT-owned companies. Also, you need to make sure advertising inventory is third-party validated prior to purchase, to reduce the risk of bias.

Finally, always track your results. This way you can optimize better and improve your decision-making.

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