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WANGUO

# MARKETING IN CHINA

A BRIEF INTRODUCTION

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# MARKETING IN CHINA

## WHY CHINA

China has emerged from a locked plan economy to the largest consumer market in the world. With almost 1.5 billion, china hosts the largest population in the world. The vast majority of Chinese are native Mandarin speakers, more than 90% of the population speak the Mandarin as their first or second language. However, China is a complex and diverse market. Expanding over an area larger than Europe and packed with rich historic inheritance, China bears a wide variety of cultural and social aspects.

It's size and growth has attracted local and foreign business alike, China has become a highly competitive market. This requires marketing strategies and even products tailored to local preferences. Different levels of wealth, education and sophistication needs have to be considered, as well as a notable gap between first/second tier cities and the more rural areas of the country.

Still, Chinas economy and wealth are growing, offering plenty of opportunities to get a share of the huge market. Opportunities you should not leave behind.

## THE IMPORTANCE OF BRANDING

Chinese are used to follow recommendations from friends and close people who had (positive) experience from a product or brand. They like to focus on brands they know, or they can see often. But China is huge. There are countless of producers and merchants selling everything that is needed for life. Yet the protection of trademarks, intellectual property nor patents is as good as it used to be in the EU and the USA.

Chinese buy brands not only for their functionality and style but also to reflect their social status. They tend to spend a fortune on products from brands that can bring prestige and respect in their social environment. This habit, fuelled by the growing wealth, is the driving force behind the massive growth western luxury brands experienced in China over the past years.

The trust in a brand that the Chinese market demands puts branding top on every launch in China. Scaling up brand recognition and brand satisfaction must be the prior concern at first. This includes a clear brand identity and value. What sets your brand apart? What is the unique value proposition of your brand? These are the key messages to communicate. To communicate the way Chinese consumers will understand.

## DIGITAL IS EVERYTHING

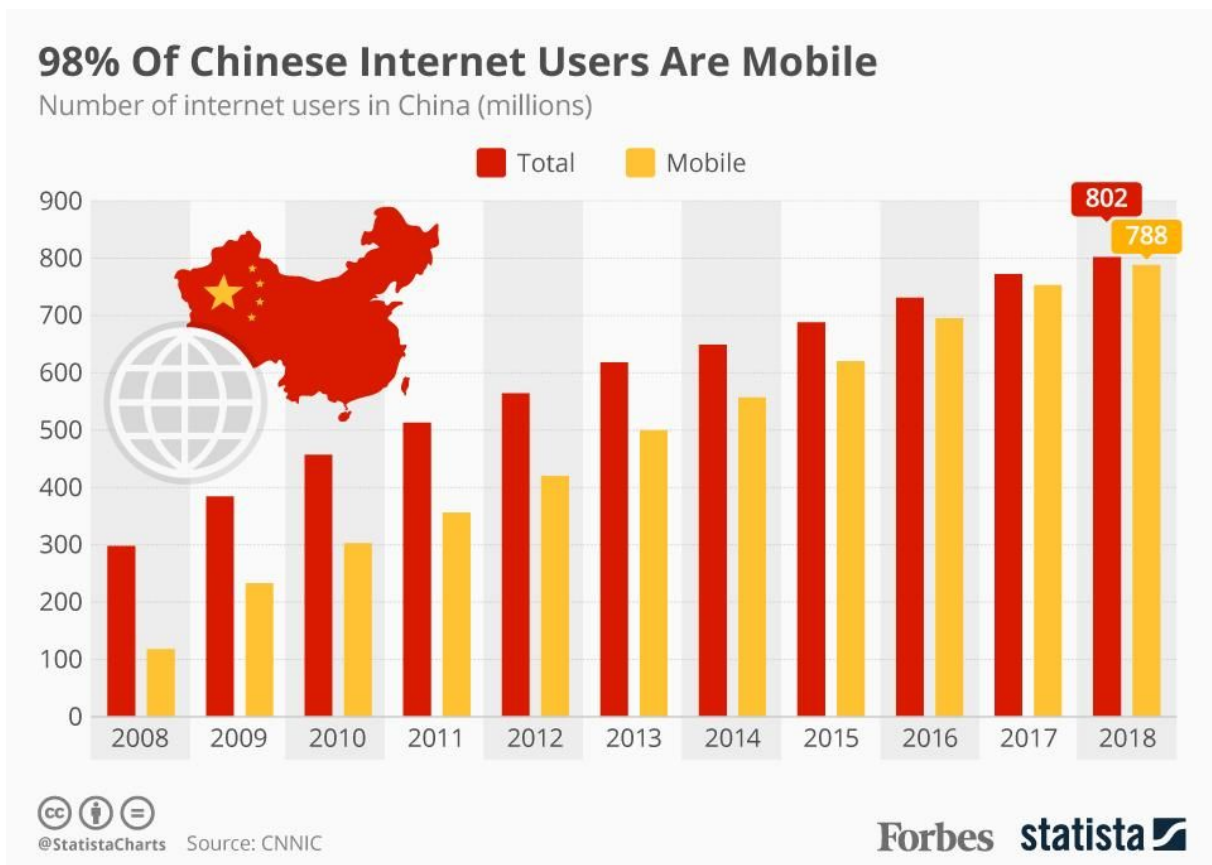


Figure 1: Internet & Mobile users in China

China is digital. And digital in China means mobile. No other country in the world has such a mobile driven consumer market as china. Unlike western countries, China has skipped the personal computer aera and evolved from physical shops directly to the smartphone. Mobile services have conquered even the farthest aspect of everyday life. From online shopping and digital payment, identification as far as government interactions, everything can be done on the smartphone. And those services are used by the Chinese consumers at much larger scale than they are in Europe and the US.

## SOCIAL MEDIA FOR BRANDING

Social media platforms, accessed via mobile phones, have become a central place for interactions with friends and family in China. The asynchronous nature of social media perfectly fits in the bustling, fast moving society that modern china is. Everyone is on the move. Everything needs to be immediate. There's not much time to focus on one topic before moving to the next. The fear to miss the latest hot topic is imminent, always on is the credo.

About 90% of Chinese online users saying they had visited a social media platform in the past six months. Confirming an impressive 1.25 billion social media user base in China, exceeding Europe and US together. And the Chinese social media users are very active. The top 3 most viral social media posts are all from China.

A recent survey of Mc Kinsey Company show that the impact of social media on buying decisions is much higher among Chinese consumers than those from other countries.<sup>1</sup> The social group related society in China (as in many other Asian countries) results in much higher trust in friends and peer recommendations than those from formal institutions or organizations.

## THE POWER OF KOL

Social Media Influencers, in China called “Key Opinion Leaders” (KOL) fill the gap of trusted authorities on scale. There is a large armada of KOL active on Chinese social media. From Superstars with celebrity status and millions of followers, talking about a broad range of topics, to niche players reaching out to smaller audience on a single topic, the range of KOL is huge. Top shots like Mr. Bags, one of the most influential KOL in China talking exclusively about luxury handbags<sup>2</sup>, are able to boost a new brand overnight and drive sales to unprecedented heights.

Because of their reach and trust level, KOL are a preferred starting point when introducing a new brand or product in China. A smart selection of KOL to cooperate with is crucial to increase your brand recognition fast.

## ONE PLATFORM TO RULE THEM ALL

The majority of Chinese social media interaction happens on one Platform: WeChat. Originally launched as a messaging app, it has become the centre of the Chinese mobile ecosystem. Read more about WeChat [here ↗](#)

Although the micro blogging service Weibo (more about Weibo [here ↗](#)) and the short video app douyin (aka TikTok, read more [here ↗](#)) are famous in their specific niche, WeChat is the app that has made it into every aspect of the Chinese online life. WeChat offers far more than social media services, allowing companies to offer a seamless brand experience from the first touchpoint with the brand to a (recurring) purchase.

Having a presence on WeChat with an official account to present your business or product is a must. In addition, if you sell products or services online, a WeChat shop

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<sup>1</sup> <https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/understanding-social-media-in-china>

<sup>2</sup> <http://www.mrbags.com/> / <https://www.scmp.com/lifestyle/fashion-beauty/article/2181494/chinas-mr-bags-talks-about-being-kol-and-countrys-favourite>

integration is highly recommended, as well as allowing to pay in your web shop via WeChat Pay. Mini Programs, a sort of App in App, are recommended for any sort of service providers.

## SEARCH ENGINE MARKETING (SEO/SEA)

What Google is for western countries, Baidu is for China (learn more about Baidu here). Although social media is the preferred source of recommendation and WeChat is the one stop shop for many aspects of the online life, a priority presence on Baidu is still critical to drive traffic to your web site and online shop.

The strategic approach to the two core disciplines of search engine marketing, the search engine optimization (SEA) and the search engine advertising is very similar to western countries. However, the tools provided by Baidu and the technical approach to influence the ranking, especially the content that drives it may vary significantly.

## CONTENT IS KING

As much as anywhere else, content is a key success factor for any brand and product in China. However, the king's rules are different. Chinese consumers have different requirements on the content than their western counterparts.

## TRANSLATION IS NOT ENOUGH

Just translate the existing branding and advertising content to mandarin Chinese will not turn out well. Even hire native speakers for the translation to avoid common lingual pitfalls is not to be recommended.

Chinese expects much more detailed information on a product. Just listing facts and figures is not enough. Telling a story, describing the uniqueness of the product and its positive influence on whatever aspect of the buyer's life in flowery words. Learn what makes the product desirable for the Chinese consumers first. It might be different from the USP that is most relevant to western customers. Then build your content for the Chinese audience around those aspects of your product or service.

## SPEED UP

China is moving fast. Much faster than Europe and the US. This requires advertisers to act quick. It's most often better to have a campaign starting earlier rather than adding another loop for quality improvement. Agile in China does not means following two-



week SCRUM sprint plans but rather launch an entire campaign within two weeks. Especially on social media platforms the lifetime of a campaign is extremely short. It's more advisable to continuously change and optimise live content than spending a big amount of time in building neat and perfectly CI/CD aligned content that then is used unchanged for months or even years.

## COCLUSION

To get started in China you can't just copy paste and translate your campaigns that were successful in western countries. You need to identify what are the USP of your product or service for the Chinese market. Based on that you need to build your branding and scale up your brand recognition. Social media and the KOL in this ecosystem are a key factor for a fast ramp up. A seamless experience from the first touchpoint to the buying process, fully optimized for mobile use is a must have.

We are happy to help you to get your marketing in China off ground.