



# The Ultimate Guide to China Social Media Marketing 2022

 KAWO



6 Months of Research

332 Carefully Selected Sources

18 Interviews with Expert Contributors

25 Social Platforms

112 Beautifully Designed Pages

7 Breaking News Updates

75 Links to Further Reading



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## A year of incredible change...

*In May, as we began writing this guide, we had no idea what was to come – in the past 12 months China's digital landscape has seen unprecedented change... New regulations, multiple crackdowns and the seemingly unstoppable rise of Douyin. We almost tore our hair out as page after page had to be rewritten or discarded. We set out to tell you what you need to know in 2022, but we're not in the fortune telling business, so in the end we tried to give you the best picture we could of where the ecosystem in China is at right now. In these uncertain times, one thing we can reassure you of is – marketing hasn't fundamentally changed. Speaking to our expert contributors, the same theme came up time and again: success ultimately depends on great content. We hope you enjoy reading the guide as much as we enjoyed writing it!*

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[S] At KAWO, trust is really important to us.

Just as we work hard to ensure our users trust the data inside our platform we've worked hard to make sure you can trust the credibility of the information in our guide. Wherever you see a [S] you'll find the link to the source of the information we used for a specific stat or insight. If you think we got something wrong, please let us know: [guide@kawo.com](mailto:guide@kawo.com)

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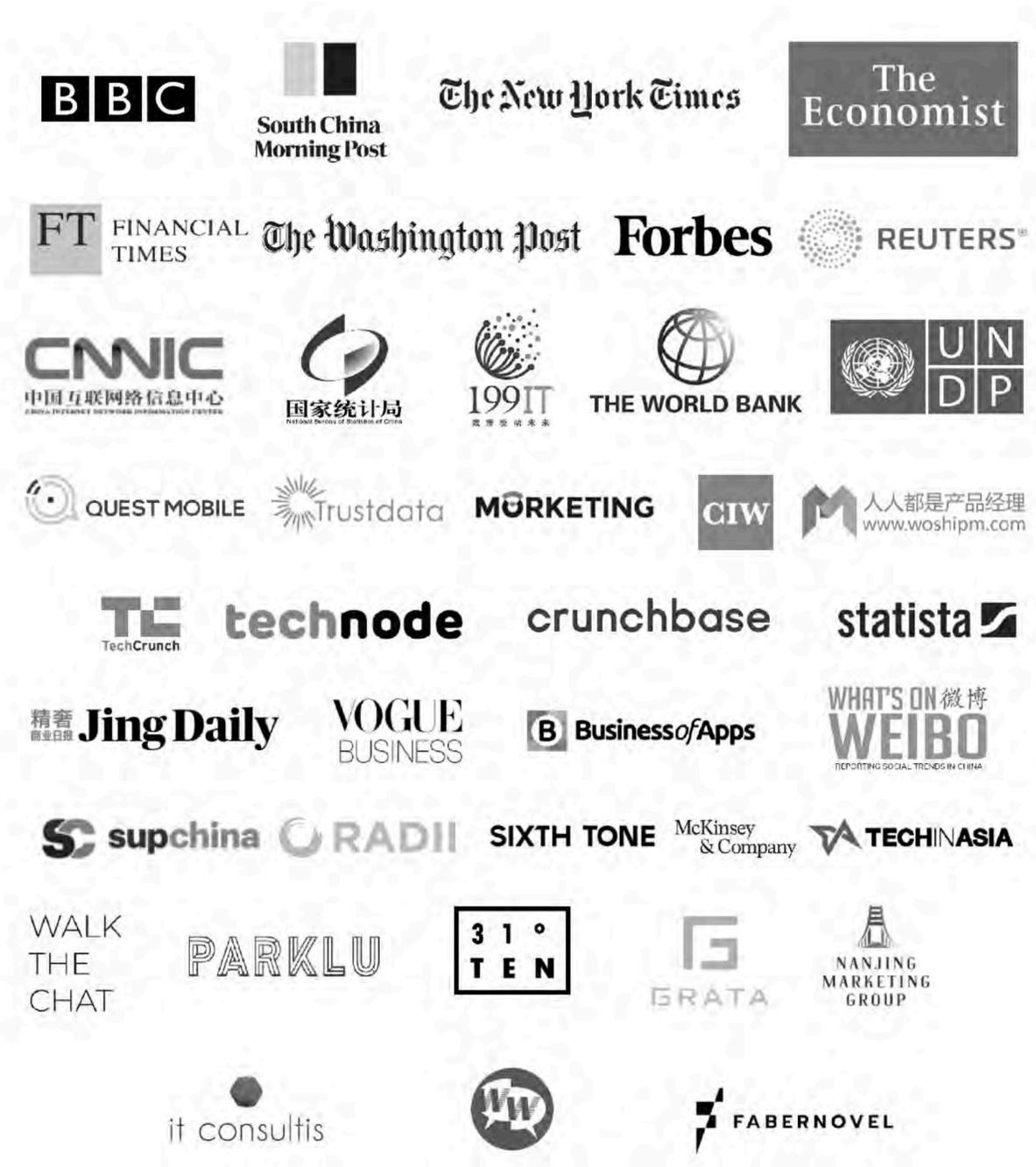
## Special Thanks

To all of our expert contributors who shared their expertise with us and agreed to be featured in this guide.

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## Credits

Our research for this guide drew on hundreds of sources which we've studied and referenced over the following pages:



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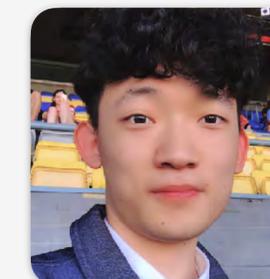
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# Internet in China

## TL;DR

China's internet has evolved at breakneck speed to be truly unique. From the country side to the elderly, everyone is on social media and ecommerce.

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## 1 billion Chinese are online and 22 million joined in the last 6 months!

Internet penetration in China is still only 71.6%, compared to over 90% in Europe and North America [S], so there's clearly still room for growth. Fastest growth was among rural users, where internet penetration jumped by 48%, and among the over-50 year olds, growing by 5.2 percentage points since 2020 [S].

### USEFUL DEFINITION

**"Netizens"** 网民 wǎng mín

Chinese internet users are colloquially called "netizens". Love it or hate it, it's a word that is here to stay.

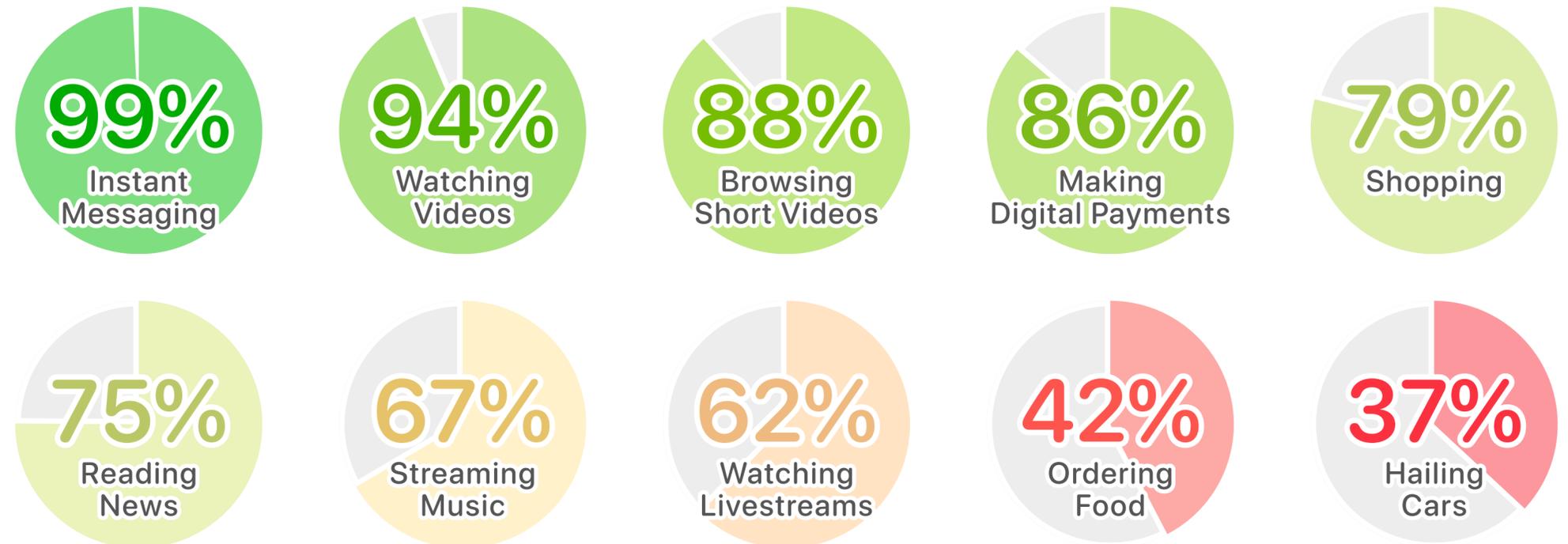
### WHATS ON WEIBO

Chinese Online Communities and the Use of 'Netizens'

[WhatsOnWeibo.com/netizens-or-not...](http://WhatsOnWeibo.com/netizens-or-not...)



## Here is what those Chinese 'netizens' are doing online...

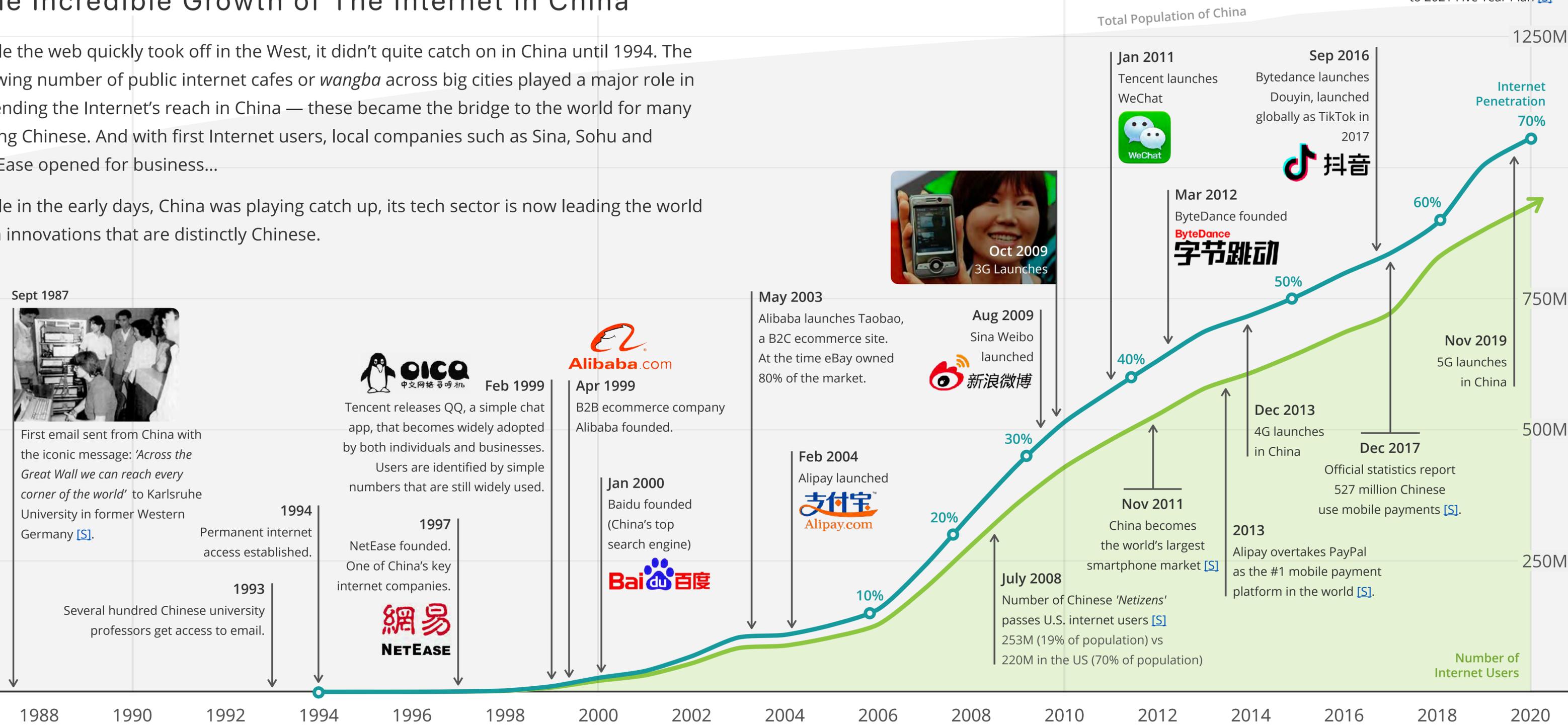


# The Incredible Growth of The Internet in China

While the web quickly took off in the West, it didn't quite catch on in China until 1994. The growing number of public internet cafes or *wangba* across big cities played a major role in extending the Internet's reach in China — these became the bridge to the world for many young Chinese. And with first Internet users, local companies such as Sina, Sohu and NetEase opened for business...

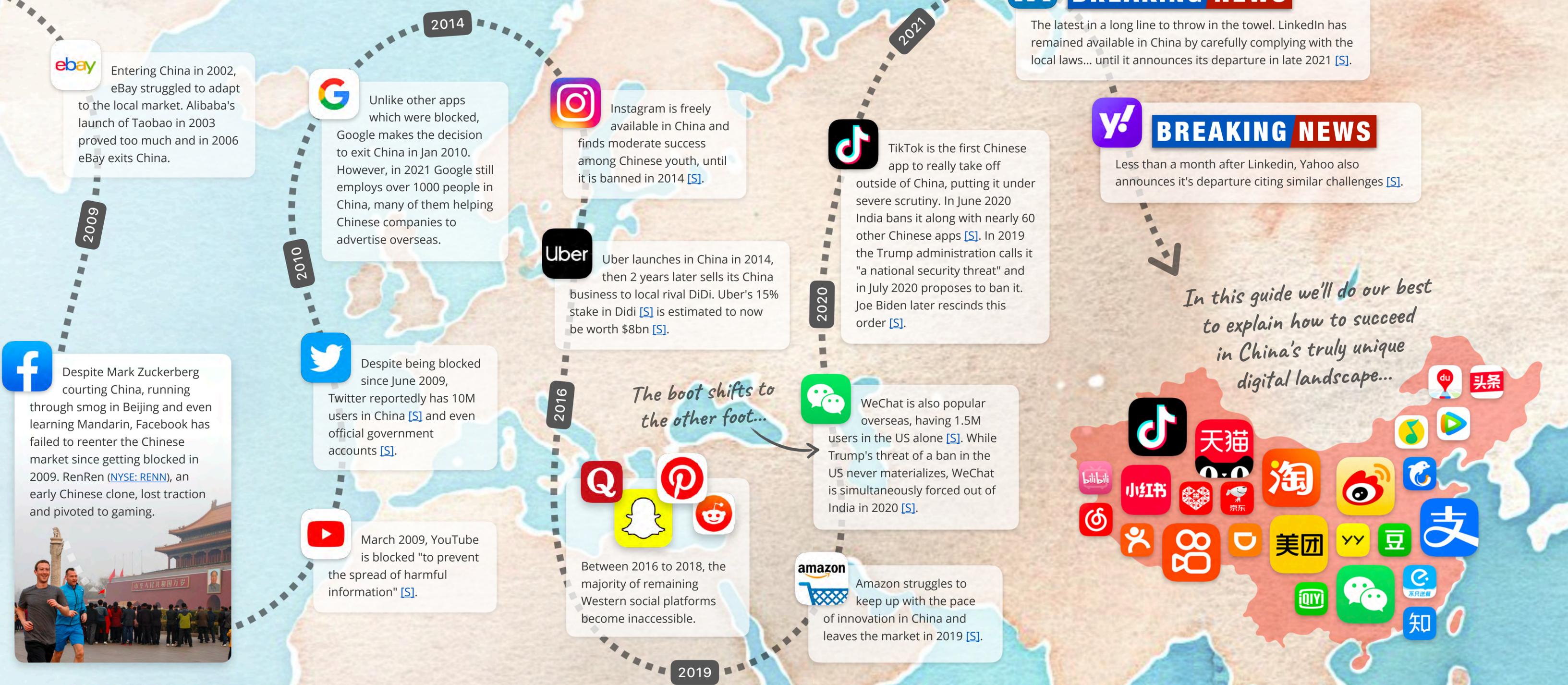
While in the early days, China was playing catch up, its tech sector is now leading the world with innovations that are distinctly Chinese.

March 2021  
Beijing adds digital economy to 2021 Five Year Plan [S]



Source: China Internet Network Information Center

# The Evolution of China's Unique Social Media Ecosystem



**2009**  
**ebay** Entering China in 2002, eBay struggled to adapt to the local market. Alibaba's launch of Taobao in 2003 proved too much and in 2006 eBay exits China.

**2010**  
**G** Unlike other apps which were blocked, Google makes the decision to exit China in Jan 2010. However, in 2021 Google still employs over 1000 people in China, many of them helping Chinese companies to advertise overseas.

**2014**  
**Instagram** Instagram is freely available in China and finds moderate success among Chinese youth, until it is banned in 2014 [S].

**Uber** Uber launches in China in 2014, then 2 years later sells its China business to local rival DiDi. Uber's 15% stake in Didi [S] is estimated to now be worth \$8bn [S].

**2009**  
**f** Despite Mark Zuckerberg courting China, running through smog in Beijing and even learning Mandarin, Facebook has failed to reenter the Chinese market since getting blocked in 2009. RenRen (NYSE: RENN), an early Chinese clone, lost traction and pivoted to gaming.

**2010**  
**Twitter** Despite being blocked since June 2009, Twitter reportedly has 10M users in China [S] and even official government accounts [S].

**2016**  
*The boot shifts to the other foot...*

Between 2016 to 2018, the majority of remaining Western social platforms become inaccessible.

**2009**  
**YouTube** March 2009, YouTube is blocked "to prevent the spread of harmful information" [S].

**2020**  
**WeChat** WeChat is also popular overseas, having 1.5M users in the US alone [S]. While Trump's threat of a ban in the US never materializes, WeChat is simultaneously forced out of India in 2020 [S].

**2019**  
**amazon** Amazon struggles to keep up with the pace of innovation in China and leaves the market in 2019 [S].

**2020**  
**TikTok** TikTok is the first Chinese app to really take off outside of China, putting it under severe scrutiny. In June 2020 India bans it along with nearly 60 other Chinese apps [S]. In 2019 the Trump administration calls it "a national security threat" and in July 2020 proposes to ban it. Joe Biden later rescinds this order [S].

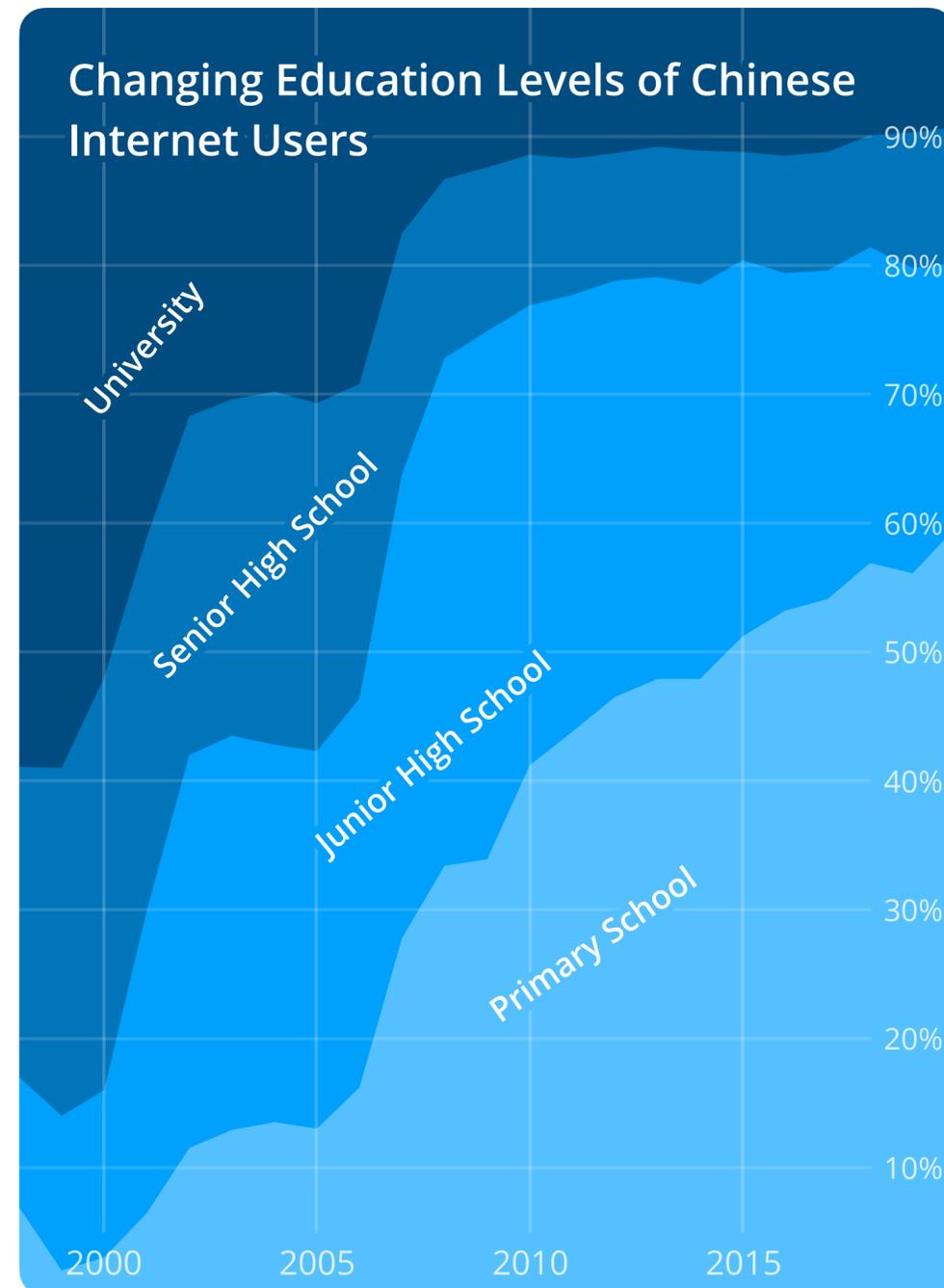
**2021**  
**in** **BREAKING NEWS**  
The latest in a long line to throw in the towel. LinkedIn has remained available in China by carefully complying with the local laws... until it announces its departure in late 2021 [S].

**2021**  
**y!** **BREAKING NEWS**  
Less than a month after LinkedIn, Yahoo also announces it's departure citing similar challenges [S].

*In this guide we'll do our best to explain how to succeed in China's truly unique digital landscape...*



## The Changing Nature of Chinese Netizens



Sources: [cac.gov.cn](http://cac.gov.cn), [cnnic.cn](http://cnnic.cn)

As internet penetration has grown there has been a significant shift in the types of new users coming online. Long before affordable mobile devices and high speed data were widely available, the internet was only accessible to the “elite”. Nearly 60% of internet users in 2000 were college-educated, many of these likely university students with access through computers on campus. 20 years later, the share of internet users with a college degree has dropped to just 10%. In 2020, nearly half of internet users had only the 9 years of mandatory education. With 31% of netizens coming from rural areas and a shift in education level of those accessing the internet, the content online is also changing...



One celebrity, “Uncle Huang”, a tea farmer from Hunan livestreams to 20 million viewers per month making up to \$1,500 per week with his videos [S].

### KAWO HOT TIP

Chinese Social Media platforms have quite limited targeting options and with China's new privacy laws you know even less about your audience. So you may need to ensure your content strategy includes a range of content targeted to different users. Messages that work for a middle class, college educated city dweller are likely to be very different from content targeting newer consumers in more rural parts of China. Even consider creating separate social channels for your different audiences.



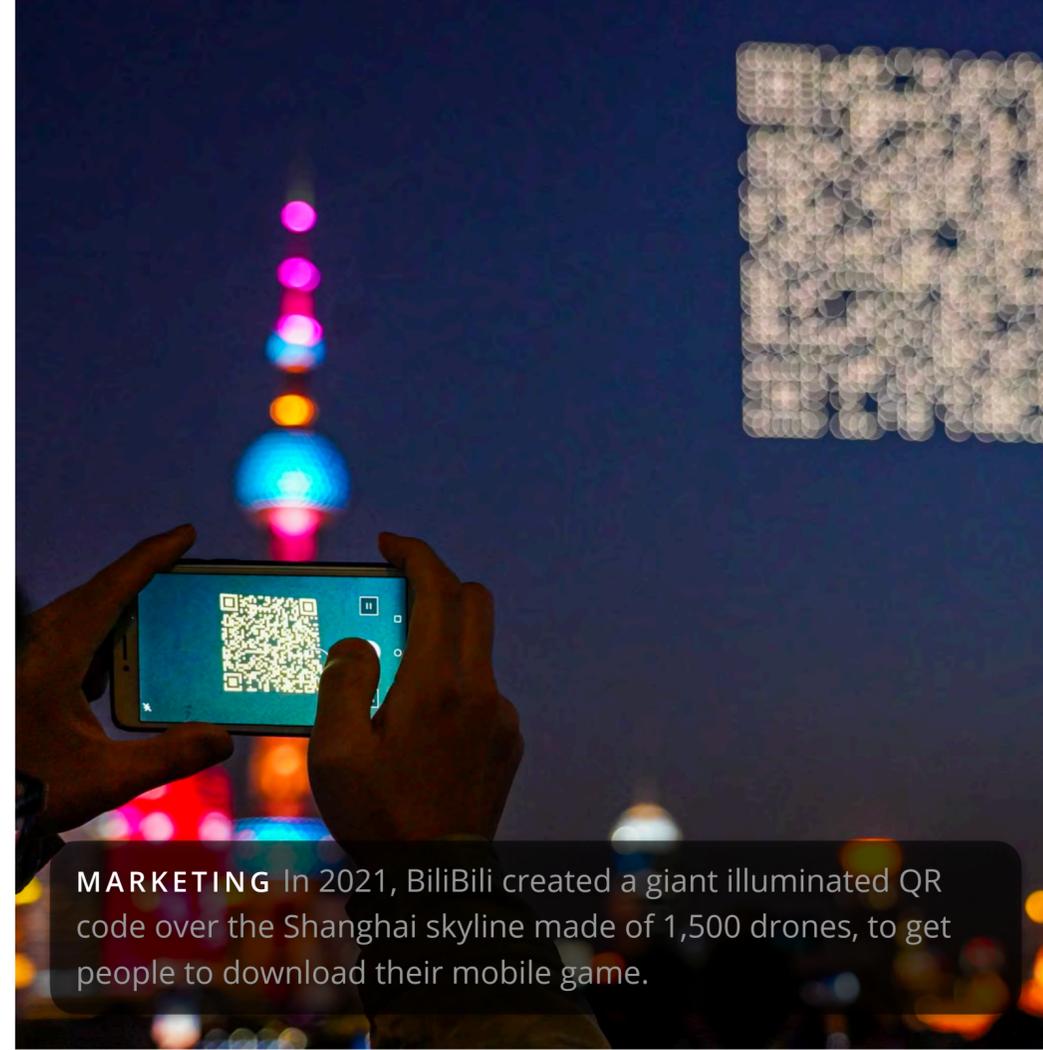
With more affordable mobile phones, “rural livestreaming” or *cūnbō* (村播) has taken off. Chinese netizens have become particularly fond of some of these countryside “presenters”.

## The Almighty QR Codes

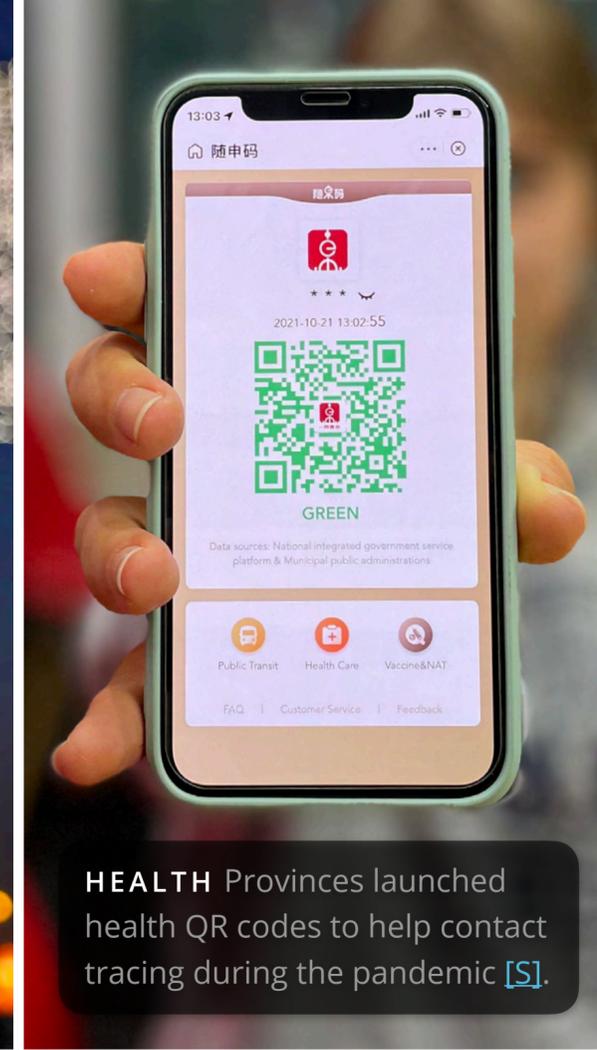
The ubiquitous QR originated in Japan in the mid-90s, initially aimed at helping factories with manufacturing [S]. Having seen slow adoption everywhere else in the world, QR codes are an essential part of daily life in China, seamlessly connecting offline with online.

QR codes are often criticized for being ugly, but their true beauty lies in their simplicity and how easily recognizable they are. Unlike overseas payment methods that use NFC, QR codes are dead simple, they can easily be printed on a basic printer and everyone knows what to do with a QR code as soon as they see one.

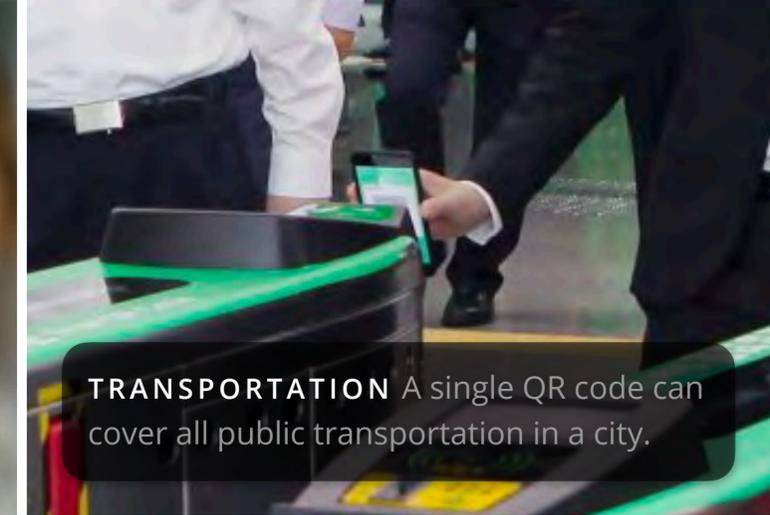
The QR code's success in China began with cashless payment alternatives. QR codes exploded in the mid 2000s as a way to replace China's heavy reliance on cash. Although new regulation coming in March 2022 threatens this simplicity (see page 103).



**MARKETING** In 2021, Bilibili created a giant illuminated QR code over the Shanghai skyline made of 1,500 drones, to get people to download their mobile game.



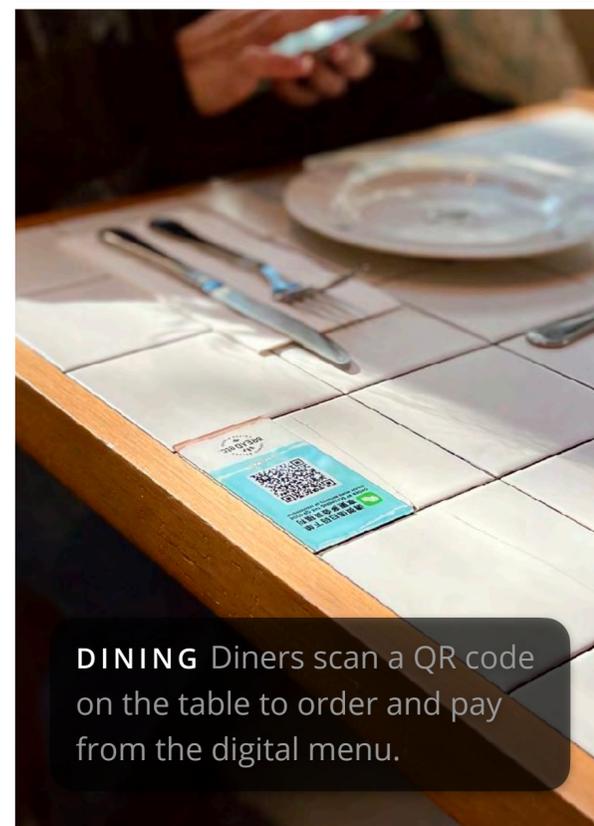
**HEALTH** Provinces launched health QR codes to help contact tracing during the pandemic [S].



**TRANSPORTATION** A single QR code can cover all public transportation in a city.



**SHARING ECONOMY** QR codes let users access shared items such as bikes, charging banks and even umbrellas.



**DINING** Diners scan a QR code on the table to order and pay from the digital menu.



**AFTERLIFE** Tombstone QR open obituaries with photos and videos of the deceased [S].



**BEGGING** Nobody carries cash, so beggars have switched to carrying QR codes.



**SMALL BUSINESS** Tiny shops use simple printed QR codes for customers to pay.

## How Technology Helped China Weather the COVID Pandemic

As COVID cases surged, China turned to its big tech companies. While the rest of the world tried to develop their own national systems to tackle the pandemic, the Chinese government deployed their pre-existing tech solutions, which needed little adjusting.

### Fast Implementation of QR codes

In order to curb the spread of the virus, citizens were assigned a QR code based on their recent movements.

Generated in WeChat and Alipay, a green code (*see right*) meant an individual is not at risk, while amber and red codes mean a person may have been exposed to COVID. More recently, people's vaccination status is also shown on the health code.

### Services at consumer's fingertips

The Chinese had no issues with stockpiling essentials, as Chinese ecommerce platforms were already equipped to handle the surge in online orders, thanks to supply chains and logistics developed during their many shopping festivals.



### Impact on Internet Usage

Since the beginning of the pandemic, more than 70% of Chinese Millennials reported that they went from “buying only for themselves” to “buying necessities for the whole family” [S]. This may indicate that digital-savvy youth were helping out their elderly relatives stocking up on supplies. Helping their parents engage with the internet and online shopping potentially contributed to the surge of internet users in China over 2020 [S].

### Online Reviving the Economy

Once China eased its lockdown in the spring of 2020, China kicked off the spring season with an online shopping festival

with the goal of boosting the national economy [S]. Digital coupons were also distributed to citizens via WeChat and Alipay, which could then be redeemed for discounts [S].

While the crisis brought innovative solutions into the retail sector, the pressure for digital transformation in businesses dissipated quickly enough, with only 19% of Chinese companies citing COVID as a driver for change [S].

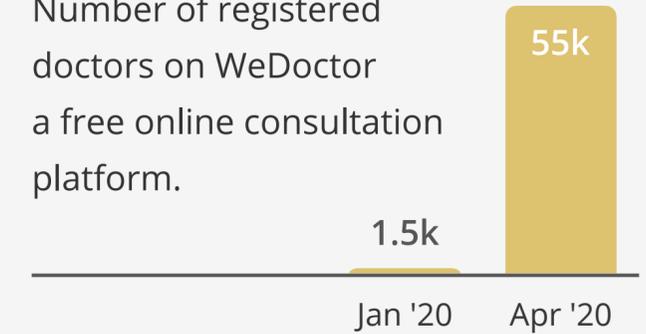


### COVID Accelerated the Use of Digital Touch Points by Traditional Businesses

According to a report by McKinsey many different businesses saw a dramatic shift to digital...

#### Online Medical Consultations

Number of registered doctors on WeDoctor a free online consultation platform.



#### Virtual Property Tours

35x increase in VR house tours between agents and prospective buyers on platform Beike VR.



Source: [McKinsey China](#)

CHAPTER TWO

# Diversity of China

TL;DR

Although China is one country, from a marketing perspective there is immense diversity, though not necessarily in the same way that it exists in Western countries.

## China is a single country the size of a continent

China became the 2nd largest economy in the world in 2011 and is forecast to become the world's largest economy in 2028 [5]. Some of China's provinces by themselves would rank fairly high in the global league — if Guangdong were a country, its economy alone would be comparable to Canada, the 9th largest economy in the world. This map shows the provinces of Mainland China ranked in order of GDP and the closest equivalent foreign country by GDP. In this chapter we hope to give you a sense of the scale of China and also illustrate the immense diversity that exists across this vast country.



Nominal GDP Data: World Bank; China National Bureau of Statistics

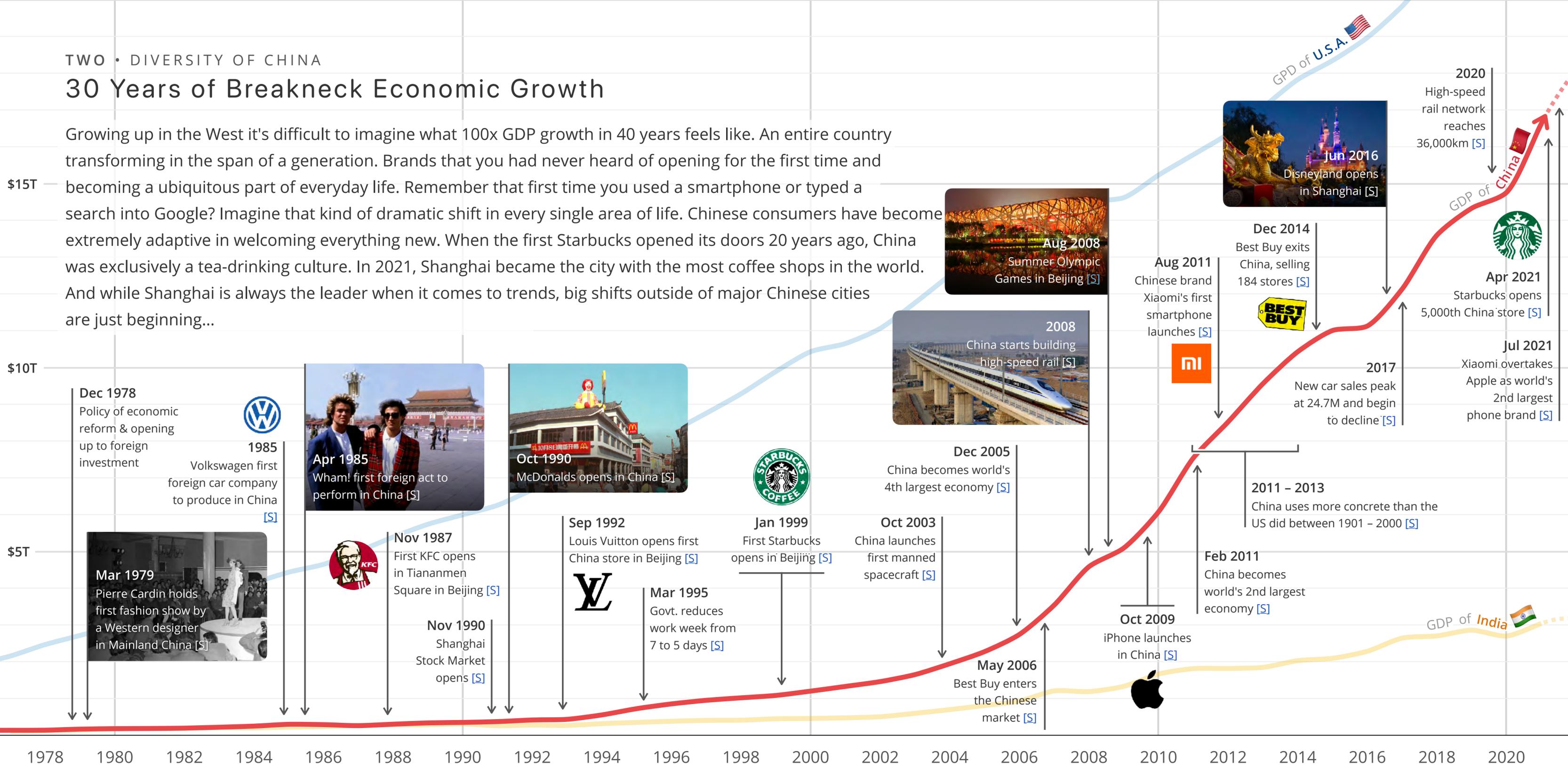
Map Key			GDP in Billions of USD			Global Ranking		
GDP	Chinese Province	Country of Equivalent GDP						
\$1,606	1 Guangdong	9 Canada	\$561	10 Shanghai	23 Poland	\$256	21 Shanxi	45 Colombia
\$1,489	2 Jiangsu	11 Russia	\$561	11 Anhui	24 Sweden	\$252	22 Inner Mongolia	46 Romania
\$1,060	3 Shandong	15 Indonesia	\$525	12 Hebei	25 Thailand	\$204	23 Tianjin	49 Portugal
\$937	4 Zhejiang	16 Mexico	\$523	13 Beijing	26 Belgium	\$200	24 Xinjiang	51 Greece
\$797	5 Henan	17 Netherlands	\$380	14 Shaanxi	31 Argentina	\$199	25 Heilongjiang	52 New Zealand
\$705	6 Sichuan	18 Switzerland	\$372	15 Jiangxi	32 Philippines	\$178	26 Jilin	53 Iraq
\$637	7 Fujian	19 Saudi Arabia	\$364	16 Liaoning	33 Norway	\$131	27 Gansu	58 Ukraine
\$630	8 Hubei	20 Turkey	\$363	17 Chongqing	34 Egypt	\$80	28 Hainan	66 Sri Lanka
\$606	9 Hunan	22 Iran	\$356	18 Yunnan	36 United Arab Emirates	\$57	29 Ningxia	81 Croatia
			\$321	19 Guangxi	39 Denmark	\$44	30 Qinghai	89 Jordan
			\$258	20 Guizhou	44 Finland	\$28	31 Tibet	100 Estonia

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# 30 Years of Breakneck Economic Growth

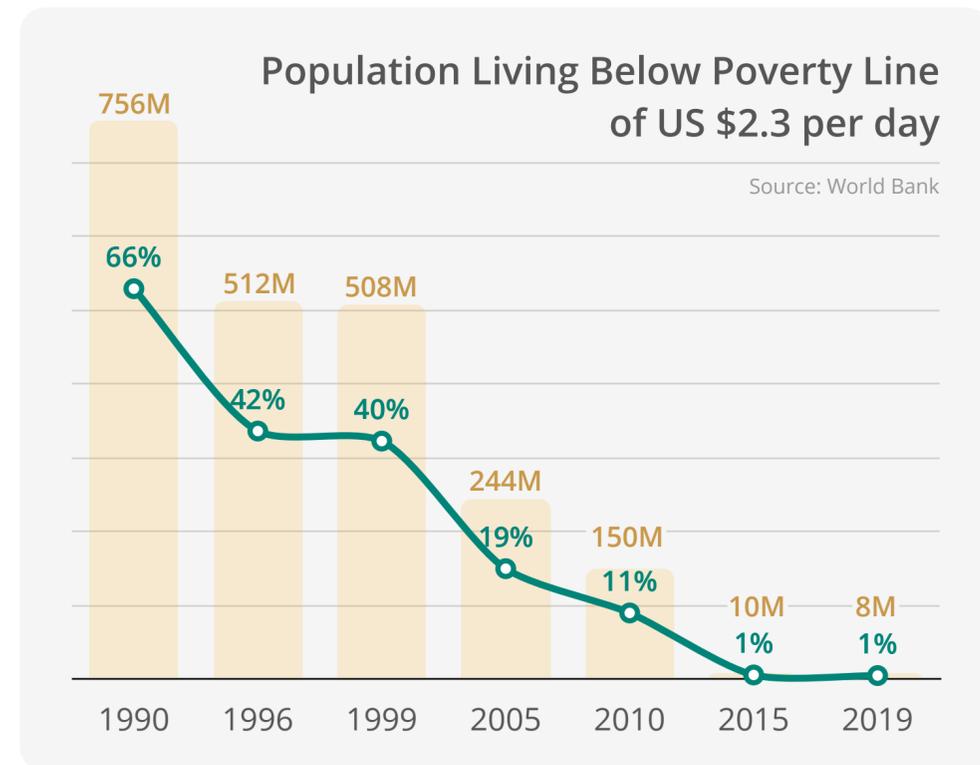
Growing up in the West it's difficult to imagine what 100x GDP growth in 40 years feels like. An entire country transforming in the span of a generation. Brands that you had never heard of opening for the first time and becoming a ubiquitous part of everyday life. Remember that first time you used a smartphone or typed a search into Google? Imagine that kind of dramatic shift in every single area of life. Chinese consumers have become extremely adaptive in welcoming everything new. When the first Starbucks opened its doors 20 years ago, China was exclusively a tea-drinking culture. In 2021, Shanghai became the city with the most coffee shops in the world. And while Shanghai is always the leader when it comes to trends, big shifts outside of major Chinese cities are just beginning...



GDP Source: World Bank via macro trends.net

## China's Journey to Prosperity

The growth of China's economy since 1978 has now outperformed every other long economic upswing in modern history. As of 2020, more than 800 million people have been lifted out of poverty — it is now an upper-middle income country [S]. This has been further aided by heavy investments in infrastructure, further boosting growth in rural areas. According to government figures, 99.5% of villages are now linked to the outside world with paved roads, and 96.5% have at least one bus service [S].



Brands often target the rapidly growing middle class. However, there are around 600 million people — 40% of the population — who earn just \$150 a month. They should not be overlooked.

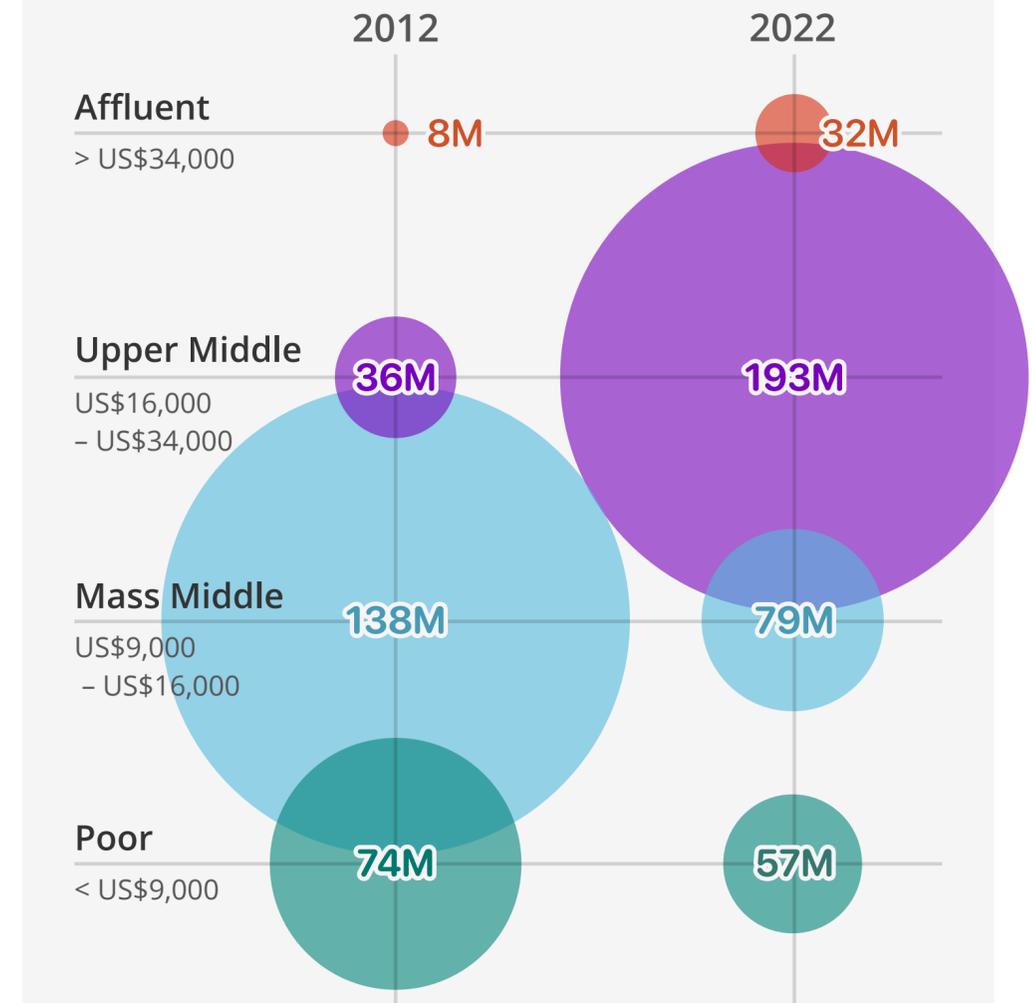
Called the “sinking market”, these consumers hold a massive potential for growth, as they too are becoming more brand-aware and have more free time at their disposal than their counterparts in higher tier cities (see slide 13).

By 2016, most Chinese could be classified as middle class. About 730 million urban Chinese in 2018 fell into the income categories of “aspirants” and “affluents”. A large portion of the growth is driven by increased salaries as workers shift to more productive jobs.

Other indicators of a growing middle class in China:

- China is the world’s biggest smartphone market, accounting for 20% of Apple’s iPhone sales [S].
- Over 90% of Chinese own their own home [S]. Home ownership is seen as a status symbol, to which parents and families often chip in, especially to help out a young couple. 70% of millennials in China own their own home, compared to only 35% in the United States [S].

## China Household Earning Distribution



Source: McKinsey & Company

INTERESTING ARTICLE  
[Is China Rich or Poor?](#)



## Lower Tier Cities Driving Future Growth

Only 6% of China's population live in the West of the country

50% of the population live in cities along the East coast



In 1980 only 194M (19%) Chinese people lived in cities. By 2020 this had risen to 920M (62%) people. China has over 700 cities, of which 113 have a population of over 1 million people. Compare this to just 10 cities in the US and just 1 in the UK — London [S].

## Chinese Population by City Tier

39% of China live in rural areas

New Tier 1 cities rival economic importance & cultural influence of top four cities



	CITIES	POPULATION	% of TOTAL
<b>Tier 1</b>	4	75M	5%
<b>New Tier 1</b>	15	122M	9%
<b>Tier 2</b>	30	115M	8%
<b>Tier 3</b>	70	185M	13%
<b>Tier 4</b>	90	158M	11%
<b>Tier 5</b>	128	103M	7%
<b>The Rest</b>		654M	46%

Source: Seventh National Population Census of the People's Republic of China 2020

The unofficial tier classification of Chinese cities considers differences in income level, consumer behavior, sophistication, business opportunities and infrastructure. First-tier cities are home to the most affluent consumers and are the largest, most developed and densely populated.

SOUTH CHINA MORNING POST  
[China's Tiered City System Explained...](#)



## 下沉 “xià chén”

### The next wave of consumption in China?

Top tier cities are now saturated and competitive markets, pushing many companies to tap into the blue ocean of consumers in lower tier cities. Known as “xiachen”; literally meaning “to sink”, the name refers to moving down market to reach less developed urban and rural areas, totaling up to 930 million people (2/3 of China's population) [S]. There is immense potential in China's less developed regions, consumption in these areas is expected to surge — from US \$3.3T in 2017 to US \$8.4T by 2030 [S].

DAXUE CONSULTING  
[Awakening the Dragon of Rural Consumption...](#)



## Uniquely Chinese Consumer Profiles

When we talk about diversity, regional differences and socioeconomic pressures are far more impactful features than ethnic diversity in China. Where people live, who they interact with and what they are exposed to are what render some of the most uniquely Chinese consumer profiles.

Understanding your target customers and building empathy for them is at the heart of marketing. Every brand will have its own subtly different target consumer across this vast and diverse country. However we wanted to give you a feel so here are seven interesting customer archetypes and the factors that shape them.

**MUST READ GUIDE**  
[The Many Faces of The Chinese Consumer...](#)

McKinsey  
& Company



### White Collar Workers

Office workers, often pictured having a leisurely lifestyle, a nice apartment and good pay. In reality, they are often underpaid, put up with crowded commutes, and live on the outskirts to save on rent. They work (often overtime) toward “the Chinese Dream” — house, car, marriage, children [S].

With the huge gap between the dream and reality, white collars are becoming disillusioned with this lifestyle. Young Chinese have started reassessing their priorities in life; retiring early is becoming more coveted than a life of labor [S].

**READ MORE**  
[Employment Market Conundrum](#)  
What's on Weibo



### "Sea Turtles"

Chinese students who went to study abroad and have now returned to China. In 2018, China saw 519,400 “sea turtles” coming back home [S].

Returnees are cosmopolitan, often a mix of East and West. Growing up in China, they've now been immersed in Western social media, pop culture and trends — elements they bring back with them to China.

Many “turtles” are struggling on the job market. With so many returnees, employers are not impressed by foreign diplomas, yet the returnees' salary expectations remain high [S].

**READ MORE**  
[Existential Struggles of Sea Turtles](#)  
RADII



### Silver Spenders

By 2050, one in three people in China, or 487 million people, will be over the age of 60 -- more than the population of the United States [S].

Combined with rising incomes and living standards, China's senior citizens will have significant purchasing power in the upcoming decades.

Once expected to stay home and look after the grandchildren, seniors have become a coveted market for products such as clothing, fashion accessories, cosmetics and travel.

**READ MORE**  
[China's Silver Generation Has Money...](#)  
East West Bank





## Little Emperors

Due to the now-abolished one-child policy, many young adults in China have grown up without a sibling. This changed the family dynamics, resulting in a phenomenon called “Little Emperor Syndrome” [S]. As the sole focus of their parents’ attention, these children were the object of their family’s hopes. This cultivated feelings of both entitlement and anxiety in these children, as they grew up exposed to an extremely competitive environment. Surveys among grown-up “Little Emperors” have brought to light their struggles with loneliness and compromise in adulthood [S].

READ MORE

[Biggest Losers From China's Aging Crisis](#)

Sixth Tone



## “Leftover Women”

Unmarried women in their late 20s are called *sheng nv*. This is a derogatory term, describing successful millennial women who have decided to seek education, economic freedom and a more unconventional life path than their parents. Brands have launched marketing campaigns addressing the stigma single women face attempting to empower them instead, giving rise to the “she economy”. Despite the society becoming more progressive, parents still believe being single in your late 20s is shameful, revealing a major generation gap.

READ MORE

[Lunar New Year - Dread to Leftover...](#)

Washington Post



## Fù'èrdài

The children of (newly) wealthy Chinese are known as *fu'erdai* which translates into “rich second generation”. They’re known for their extravagant lifestyles and spending, often portrayed as decked out in logo-covered luxury clothes and gold-plated items. *Tuhao* is a word often used to poke fun at their tackiness and tastelessness.

The *fu'erdai* are typically grouped with the Post-80s and Post-90s. For a long time they were seen as the core group of luxury consumers in China, as they wanted to be seen as the elite through brands that flatter their ego.

READ MORE

[Why It's No Longer Cool to be Crazy Rich](#)

BBC



## Tiger Parents

China’s ultra competitive school system and strict family planning regulations have taken helicopter parenting to the next level. Anxious to ensure their children get into the best schools, the stressed out parents are willing to splash large sums on their children. More than 1/5 of Chinese families admit to spending over 20% of their household income on their kids [S]. It’s common to hear stories of babies and toddlers taking on extracurricular activities, as competitive tiger parents pressure them from an early age to perform better than the other kids in class.

READ MORE

[Tiger Mom 2.0 - China's Shunyi Mom](#)

Jing Daily



## China's Floating Population



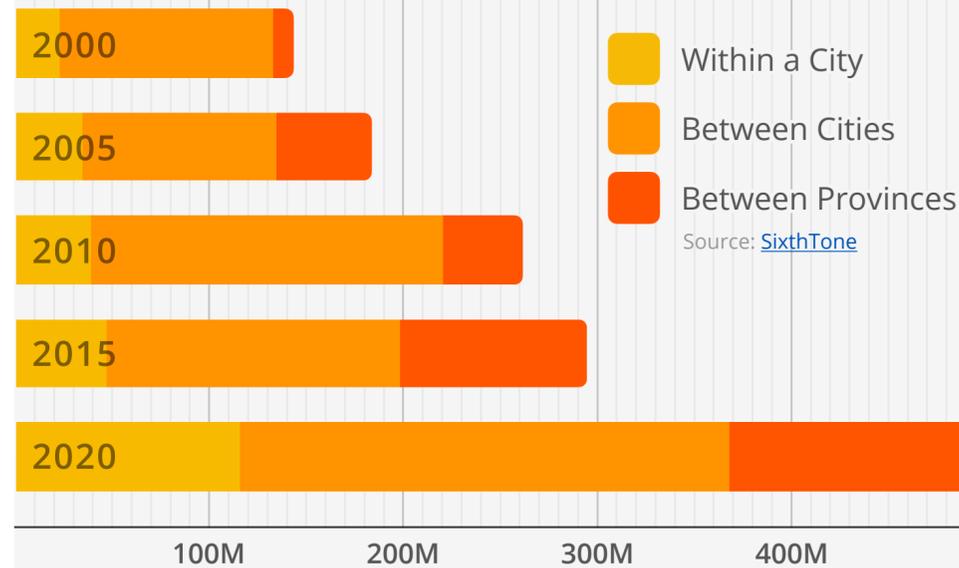
493 million people, almost of third of China, live and work away from where they are officially registered [S]

Human migration has been a defining factor of the past 40 years of Chinese history. China's floating population is largely made up of rural-to-urban migrants. In fact it's estimated that by 2025 another 243 million migrants will move from rural areas to cities [S].

### HUKOU SYSTEM

China's *hukou* household registration system is used to determine which benefits, such as healthcare and education, are available to an individual based on where they are registered. A resident's status can be either rural or urban based on their registered birthplace. In practice, this has an especially huge impact on migrant workers — for example, a migrant worker from the countryside is not entitled to public services in Shanghai, despite working and living in the city.

### China's Migrant Population



While surveys had suggested China's migration trends were beginning to reverse, the 2020 census revealed that relative to the total population, the proportion of migrants is still on the rise. Previously urbanization had been driving migration, but since 2015 more migrants are instead moving between cities.

Of the 493 million migrant workers 117 million are living in different parts of the cities in which they are registered. The remaining 376 million have migrated farther, with 124 million having left their home provinces or province-level regions entirely.

### LEFT-BEHIND CHILDREN

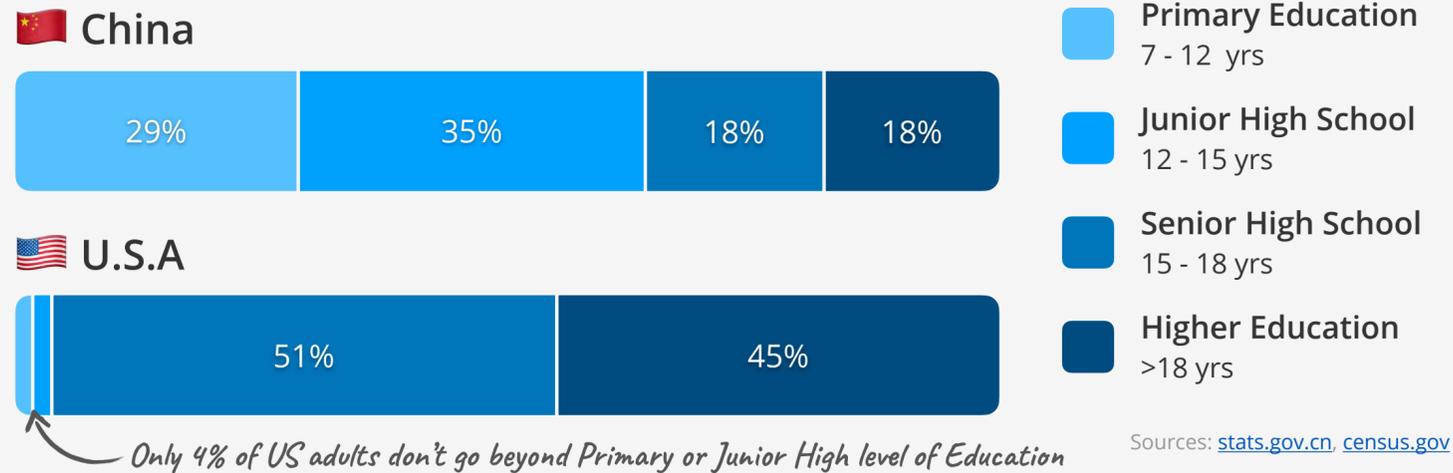
As their parents head to work in urban areas, many children remain behind in rural regions of China. They are taken care of by either grandparents or extended family, and often only get to see their parents once a year during the Lunar New Year festival. In 2017, approx. 69 million children [S] were left behind by one or both of their parents due to migration.

### HUKOU REFORM

In order to eliminate the inequality and institutional discrimination against migrant workers, China has committed to a *hukou* policy reform [S], allowing migrant workers to obtain an urban residency. This aims to grant rural *hukou* owners living in cities rights to access welfare housing, and health care. It also allowed many left-behind children to attend urban schools so that they can be reunited with their migrant parents.

## Investing Heavily in Education

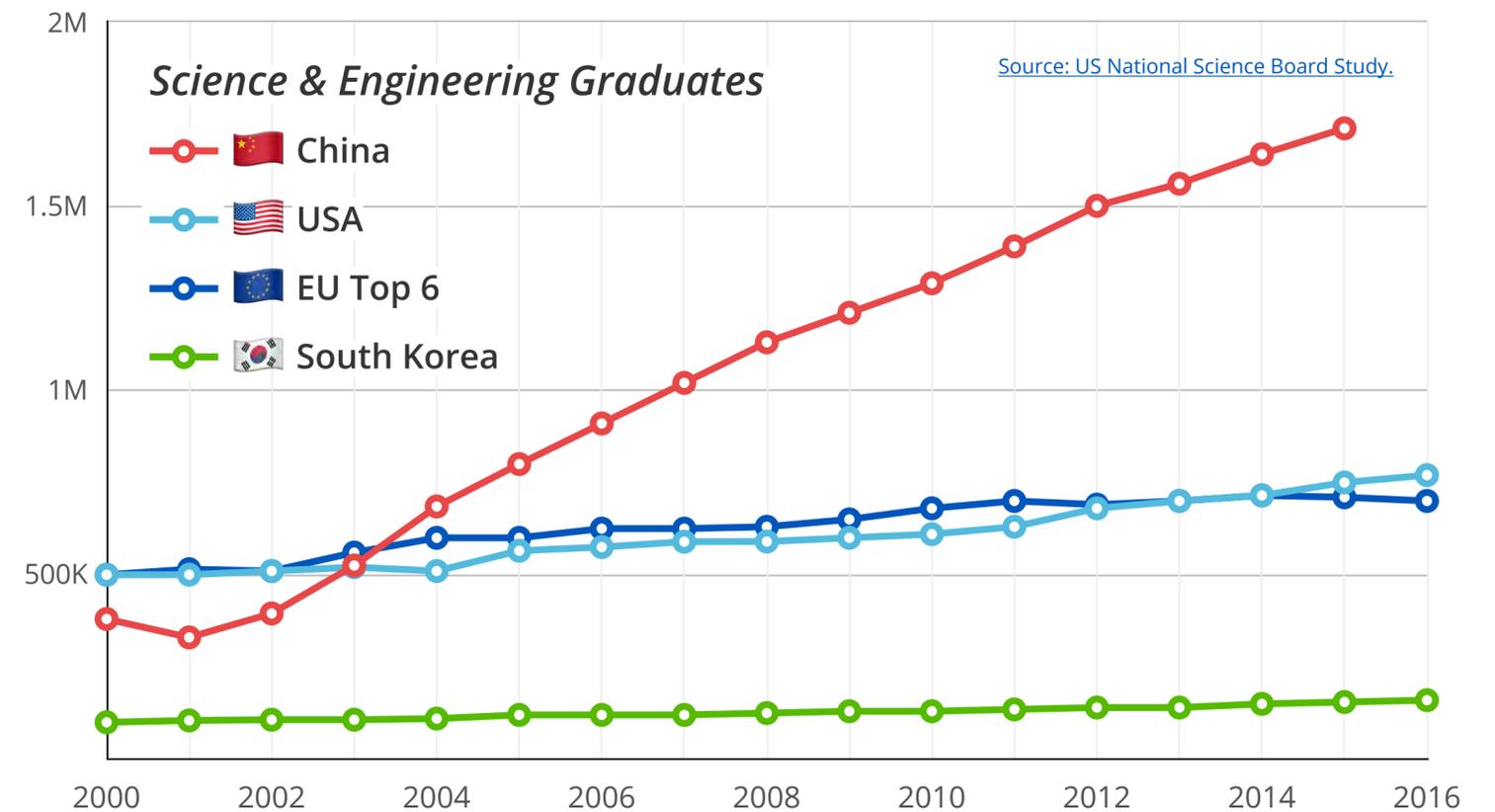
### Highest Level of Education Obtained



Although spending has increased dramatically in recent years, education levels in China still generally lag behind other major economies. 28% of the population left school at just 11 years old and the length of compulsory education is still only 9 years, instead of 12 like in most of the developed world. In 2018 China spent 4.1% of GDP on education compared to an OECD average of 5%. To catch up, China has invested heavily in higher education, with the number of universities more than doubling [S] and government spending on education increasing by 490% between 2003 to 2014 [S]. Private spending on education is also booming. In 2019, more than 700,000 Chinese students moved abroad for study. In 2020, despite the global pandemic, there was still an increase in the number of secondary-school students taking courses and exams to study abroad [S].

### FOCUS ON TECH

To boost its technological and scientific innovation capabilities, China has been putting resources into developing a well-educated workforce. The number of science and engineering graduates has nearly doubled over the last 10 years. Much of the increase has been in engineering, which accounted for nearly 70% of China's science and engineering undergraduate degrees [S]. There are also numerous initiatives designed to raise research standards and cultivate *rencai* (people with talent) [S].



*The focus in education on technology makes it challenging for brands to hire and retain marketing talent [see slide 31](#) 🙌*

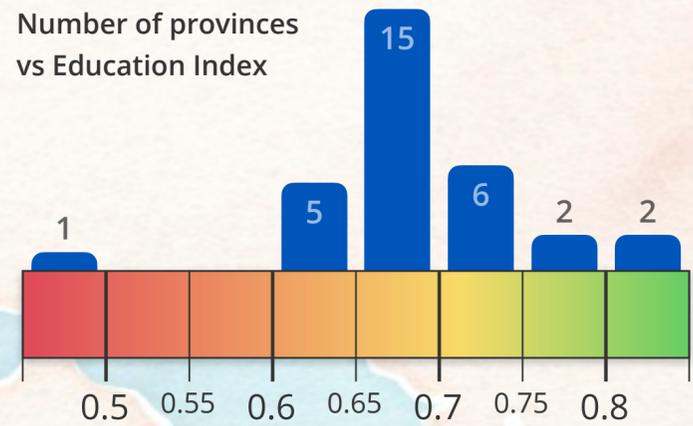
## Uneven Access to Education

### Mainland China Provinces by UN Education Index [S]



The UN counts education a major component of well-being and a measure of quality of life. The education index is measured by combining average adult years of schooling with expected years of schooling for students under the age of 25.

Number of provinces vs Education Index



Source: UNDP China Human Development Report



Students born into affluent families have greater access to high-quality education than those from lower income backgrounds. China offers nine years of free mandatory education, but impoverished children are more prone to drop out after primary school than their urban counterparts [S]. Due to remoteness and lower salaries, rural schools have a hard time attracting experienced

teachers. While urban classrooms have up-to-date technology at their disposal, rural schools often lack basic resources to create a stimulating learning space. This rural-urban education gap makes it hard for rural youth to catch up. University attendance by students from rural area is as low as 5%, compared to 70% in urban areas [S].

## BREAKING NEWS

### Crackdown on Private Tutoring

As this guide went to press the government issued sweeping new regulations targeting China's booming USD \$120bn industry [S].

After-school tutoring has aided middle-class families give their children an edge in national tests that determine their futures. However, not only was private tutoring adding pressure to young Chinese children's already study-intensive lives, it had also become a costly expense for parents. While tutoring prices were going up, the educational divide between rural and urban kept growing.

The government's sudden decision banned for-profit tutoring and all institutions had to register as non-profit organizations. New rules prohibit after-school tutoring during weekends, public holidays and school vacations [S]. Billions of dollars were erased from a once-lucrative industry and the longer term effects of this new policy have yet to be fully felt.

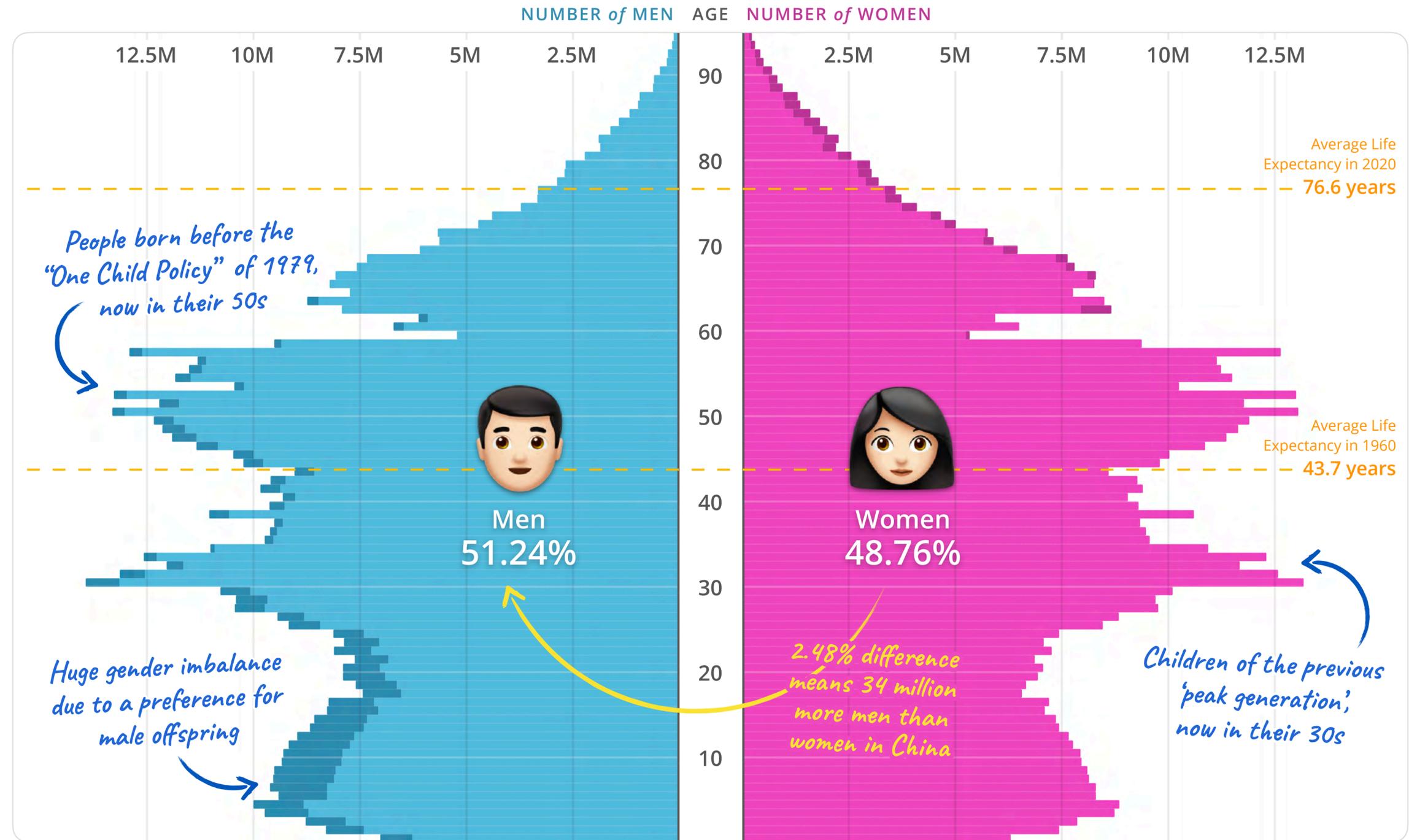
READ MORE  
[Casualties of China's Education Crackdown](#)  
 TechCrunch

## Demographic Pressures

China's "population pyramid" is not really a pyramid at all – in the coming decades, it'll look more like a single pillar propping up a burgeoning elderly demographic of people born before 1979.

In the span of a generation, Chinese families have become much less populous than ever before. According to China's last population census [5], the average number of people living in a Chinese household has dropped from 4.5 in 1980s to 2.6 in 2021. In order to hinder the rapid aging of the population, the Two-Child Policy was introduced in 2016. Just 5 years later, the Three-Child Policy followed.

More and more couples enjoy being a DINK-family (Double Income, No Kids), which leaves them with more time to pursue their careers and hobbies, rather than being sandwiched between taking care of both their children and elderly parents.



Source: Seventh National Population Census of the People's Republic of China 2020

# How We Talk About Generations in China



## 90后

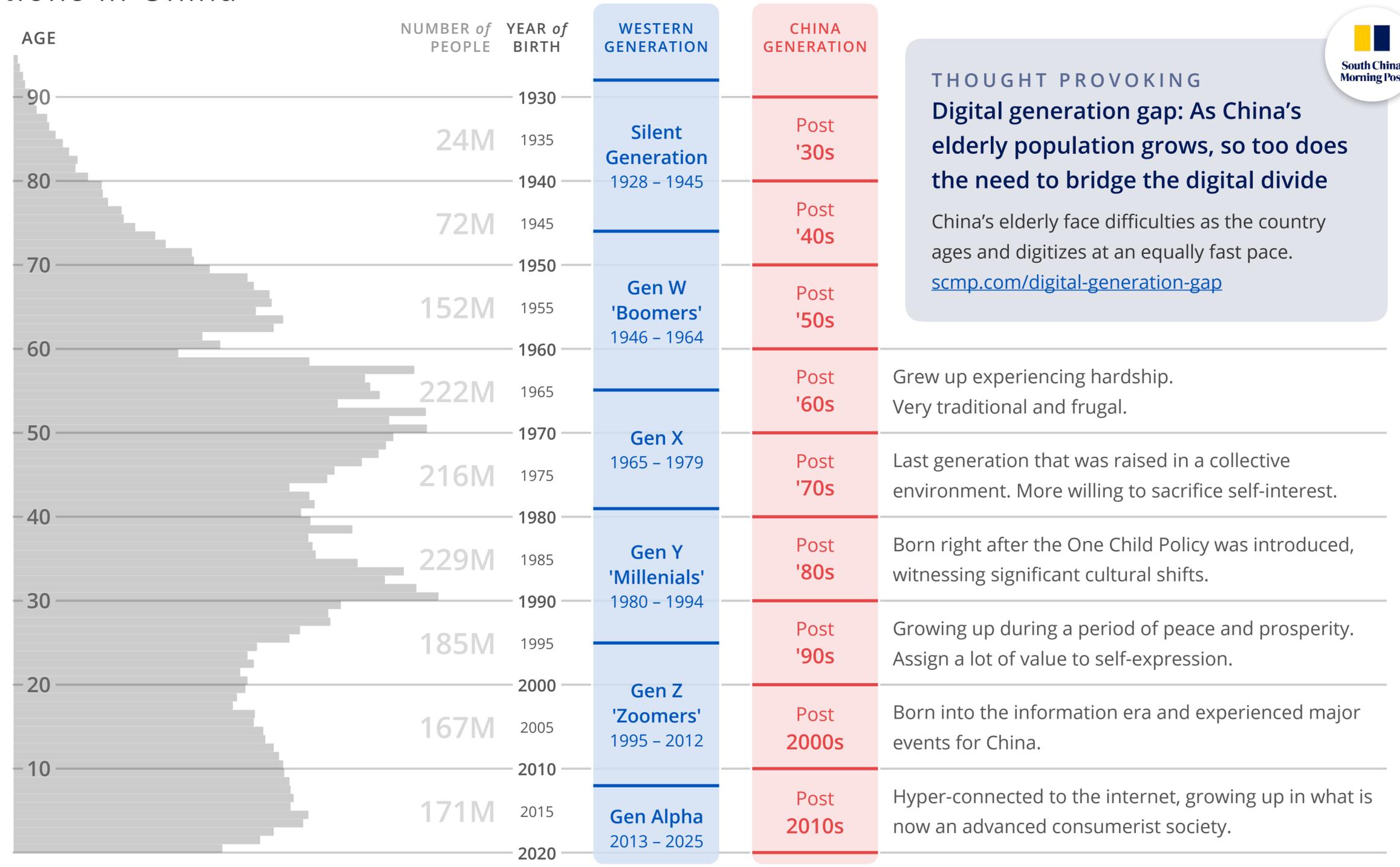
“joe-ling-hoe”

With so much change in such a short period of time it's understandable that 25 years would be too long to describe a generation in China.

While the concept of generational differences is universal, what defines these generations remains specific to a given society.

The U.S.-centric model of Boomer, Gen X and Gen Y are meaningless in China's context. Instead, distinct generational groupings are defined with 后 (hòu). The character '后' means "after". So instead of "Baby Boomers" or "Millennials", in China we typically talk about generations in decades e.g. "after 90's".

You'll even hear people discussing 95后 — or post 1995 — so rapid are the changes!



**THOUGHT PROVOKING**  
**Digital generation gap: As China's elderly population grows, so too does the need to bridge the digital divide**  
 China's elderly face difficulties as the country ages and digitizes at an equally fast pace.  
[scmp.com/digital-generation-gap](http://scmp.com/digital-generation-gap)

## Dominant Consumer Generations

### Post '80

Born after One Child Policy, witnessing significant cultural shifts.

The first generation in China to come of age in a consumer society. This was a time of openness and reforms: private ownership and Special Economic Zones emerged to introduce capitalist investment. By mid-80s, living standards, and literacy rates were up, as an urban middle class was growing. This was also the first generation to experience the surge in education, as parents pampered their only children, earning them the name “Little Emperors”.



### Post '90

A generation growing up during peace and prosperity.

Thanks to China's openness, they also have richer international experience and a chance to grow up with the internet. The Post-90s are a very individualistic generation, where the stable and affluent environment has enabled them to pursue their needs - they expect more from their careers than just making ends meet [S]. The Post '90s women particularly are a strong driving force of the “She Economy”, spending more than any other age group on personal interests, health and beauty [S].



### Post '00

Born into the information era, experienced major events for China, e.g. the Beijing Olympic Games.

As China's global status and clout improves, this generation has a high sense of national confidence and identity. Having witnessed the boom of the internet, they've been exposed to large amounts of information and are digitally savvy. Online, they are exposed to a wide variety of people and pursuits, and so they discover their own interests early on, which they then use to define themselves [S].

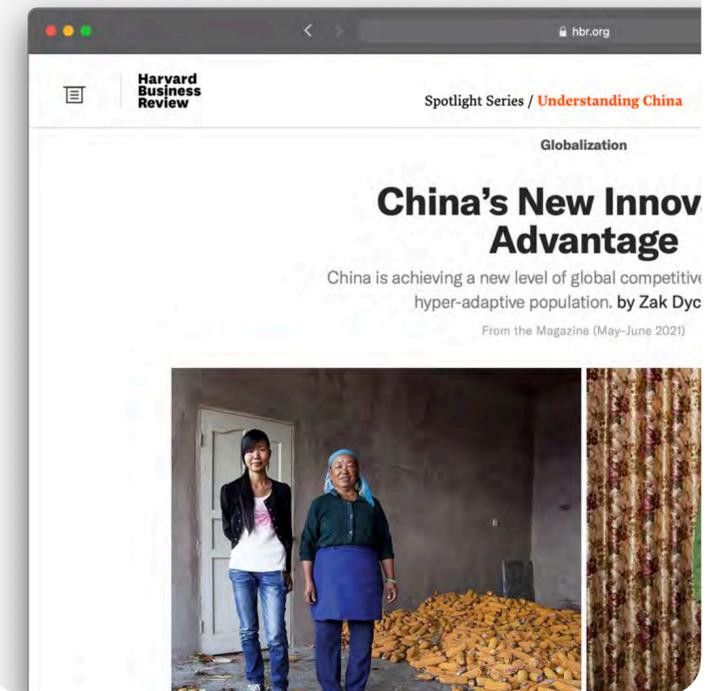


DIG DEEPER

## China's New Innovation Advantage

China's youth carries a massive potential. Read why this will be the generation to help the nation to claim its name as the global innovator.

[hbr.org/chinas-new-innovation...](https://hbr.org/chinas-new-innovation...)



# Tech Rivalries in China

TL;DR

Chinese tech giants have had a turbulent year with new regulations and government crackdowns throwing the big players off-balance. This could mean more competition and new marketing opportunities.

BRING THE GUIDE TO LIFE  
Schedule a Webinar With Our Team  
[kawo.com/webinar](http://kawo.com/webinar)

While the rest of the World has...



in China we have...



As the internet outside of China has been shaped by tech titans and their visionary founders, so too has China's online world. However, you can forget about Facebook Meta and Mark Zuckerberg; China's internet was built by an entirely different set of companies and founders. They built huge walled gardens with a contrasting set of rules and even different revenue streams. From overseas, this ecosystem sometimes looks completely upside down. Imagine if Amazon was the biggest player in digital advertising and if the biggest social platform made only one sixth of its revenue from advertising...

FURTHER READING - THE MOTLEY FOOL  
[How Alibaba Quietly Leads China's Digital Advert...](#)

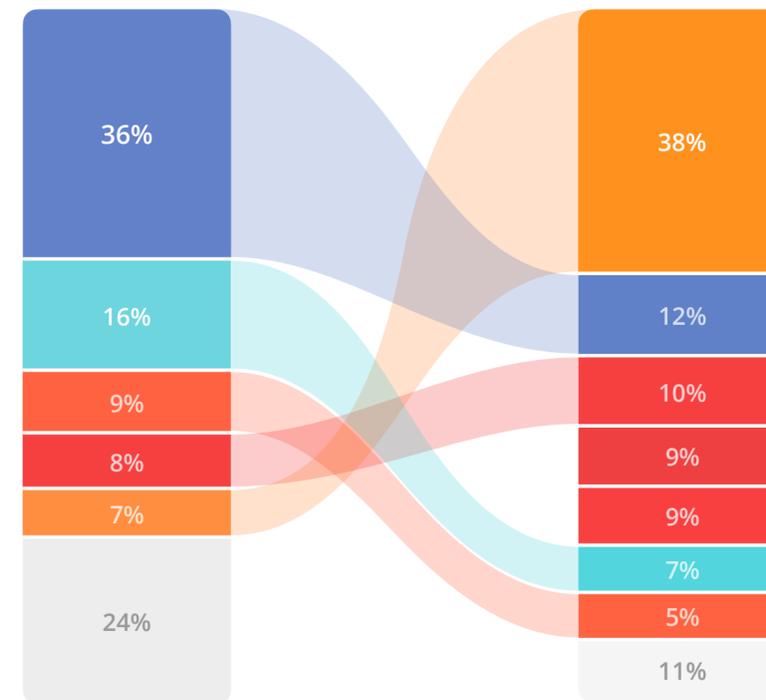


Share of Attention



RANK	COMPANY	SHARE
1	<b>Tencent</b> Social Media & Gaming	36%
2	<b>Bytedance</b> Short Video	16%
3	<b>Kuaishou</b> Short Video	9%
4	<b>Baidu</b> Search	8%
5	<b>Alibaba</b> Ecommerce	7%
	Others	24%

VS



Share of Digital Ad Revenue

RANK	COMPANY	SHARE
1	<b>Alibaba</b> Ecommerce	38%
2	<b>Tencent</b> Social Media & Gaming	12%
3	<b>Baidu</b> Search	10%
4	<b>JD.com</b> Ecommerce	9%
5	<b>Pinduoduo</b> Ecommerce	9%
6	<b>ByteDance</b> Short Video	7%
7	<b>Kuaishou</b> Short Video	5%
	Others	11%

[QuestMobile China Mobile Internet Annual Report 2020.](#)

[Marketing China Internet Ad Revenue List H1 2021.](#)

THREE • TECH RIVALRIES IN CHINA

# China's Tech Titans

As China embraced the dot-com boom in the late 90s, three major internet companies emerged. These early players are collectively known as BAT — Baidu, Alibaba and Tencent. For years seen as unassailable, the BAT-trinity now faces new challengers, all founded in the late 2010s.

THE OLD GUARD



**Alibaba Group**  
阿里巴巴集团

CORE BUSINESS  
**Ecommerce**

FOUNDED IN  
**1999**

CURRENT CEO  
**张勇 Daniel Zhang**

FOUNDED BY  
**马云 Jack Ma**

STATUS  
**Public**  
[NYSE: BABA](#)  
Mkt Cap \$358bn (Nov 2021)  
- 51% past 12 months




**Tencent 腾讯**

CORE BUSINESS  
**Social Media & Gaming**

FOUNDED IN  
**1998**

FOUNDER & CURRENT CEO  
**马化腾 Pony Ma**

STATUS  
**Public**  
[OTCMKTS: TCEHY](#)  
Mkt Cap \$562bn (Nov 2021)  
- 19% past 12 months




**Baidu 百度**

CORE BUSINESS  
**Search**

FOUNDED IN  
**2000**

FOUNDER & CURRENT CEO  
**李彦宏 Robin Li**

STATUS  
**Public**  
[NASDAQ: BIDU](#)  
Mkt Cap \$52bn (Nov 2021)  
+ 64% past 12 months



NEW CHALLENGERS



**ByteDance**  
字节跳动

CORE BUSINESS  
**Short Video**

FOUNDED IN  
**2012**

CURRENT CEO  
**梁汝波 Liang Rubo**

FOUNDED BY  
**张一鸣 Zhang Yiming**

STATUS  
**Private**  
~ \$400bn (Nov 2021) [S]  
+ 45% over past 12 months




**美团 美团** Měituán

CORE BUSINESS  
**Food Delivery**

FOUNDED IN  
**2010**

FOUNDER & CURRENT CEO  
**王兴 Wang Xing**

STATUS  
**Public**  
[SEHK: 3690](#)  
Mkt Cap \$186bn (Nov 2021)  
- 15% past 12 months




**拼多多** Pīnduōduō

CORE BUSINESS  
**Group Buying**

FOUNDED IN  
**2015**

CURRENT CEO  
**陈磊 Lei Chen**

FOUNDED BY  
**黄峥 Colin Huang**

STATUS  
**Public**  
[NASDAQ: PDD](#)  
Mkt Cap \$90bn (Nov 2021)  
-20% past 12 months




**快手** Kuàishǒu

CORE BUSINESS  
**Short Video**

FOUNDED IN  
**2011**

CURRENT CEO  
**程一笑 Cheng Yixiao**

FOUNDED BY  
**宿华 Su Hua**

STATUS  
**Public**  
[SEHK: 1024](#)  
Mkt Cap \$46bn (Nov 2021)  
-74% past 12 months



# The Battle for Digital Dominance

Baidu, Alibaba and Tencent — each of them initially dominated three major verticals of the Internet: Search, Ecommerce and Social Media. With time, they all went beyond their core businesses and now do just about anything, from digital payments to cloud computing. However, the ground under BAT has become shaky. The three tech titans are now faced with industry challengers — a new wave of companies founded in the 2010s.

马化腾 Pony Ma  
Tencent

马云 Jack Ma  
Alibaba

李彦宏 Robin Li  
Baidu



## Winners & Losers



**Meituan** continued expanding its food delivery and travel booking business [S], but was fined \$530M for monopolistic practices after it was found to be punishing merchants on its platform who also worked with Meituan's competitors [S].



**Alibaba** has had a rollercoaster year. Once the megastar of China's tech world, the government fined Alibaba a record \$2.8B for its anti-competitive practices, resulting in shares sinking to a record low [S].



**Tencent** is known as the company behind WeChat, but it's also the world's largest gaming company, bringing in \$30B revenue in 2020 [S]. Tencent shares were hit hard by China's crackdown on the gaming sector, limiting under 18s to just 3hrs of video games per week [S].



**Baidu** once the search-giant of China, Baidu has ventured into autonomous driving in an attempt to diversify its revenue. In 2021, Baidu made headlines by launching driverless taxis in Beijing [S].

**ByteDance**, after its success in the short video sector with Douyin/TikTok, are now challenging Baidu's core business by launching a search engine [S], exploring VR [S] & smart vehicles [S].

**Kuaishou** surprised everyone in 2021 with the world's biggest internet IPO since Uber [S] and is now aggressively targeting Latin America [S] and Southeast Asia.



**Pinduoduo's** ecommerce business carved out a huge market share in a sector that was previously dominated by Alibaba and JD.com. Alibaba still has the highest MAU, but Pinduoduo's annual active buyers have outnumbered Alibaba by 9.4M, reaching 788.4M in Q4 2020 [S].

**Bilibili** used to be a niche platform for anime and gaming fans. Its base was a core of dedicated content creators, many of them born post 2000, looking for a platform. Bilibili is now more mainstream, becoming something like China's equivalent to YouTube [S].

## China's Big Tech Under Fire

We'll never know whether the chaos happening overseas influenced the government's decision, but the first signs of a crackdown on Big Tech in China came in the Autumn of 2020 when Ant Group's USD \$3 trillion IPO was put on hold [S]. Jack Ma, its once outspoken founder, went silent for months, sending the rumor mill into overdrive [S]. In July Didi's blockbuster New York IPO quickly turned into a disaster when it triggered massive investigations by The Chinese authorities. Didi's App was removed from app stores sending their share price tumbling [S].

Over the course of 2021, Tencent, Alibaba, Baidu and others have been publicly called out for their excessive data collection practices [S]. China's long proposed strict Personal Information Privacy Law (PIPL), was brought forward, coming into effect on November 1st (see slide 38).

Companies have been instructed to introduce measures to regulate minors from spending too much time on gaming and social media [S], but also to take better care of their employees and stop forcing them to work overtime [S].

The line graph in the background of this slide shows the halving in value of the Nasdaq Golden Dragon Index (HXC) which is mostly comprised of Chinese Tech stocks. Source: NASDAQ.

EXPERT CONTRIBUTOR



### Rui Ma 马睿

China Tech Analyst & Founder of TechBuzz China

Rui has 15+ years of experience in investment banking and investing. She started Tech Buzz China to educate investors, funds and entrepreneurs on Chinese tech companies.

 [Twitter @Rui Ma 马睿](#)

 [TechBuzzChina.com](#)

 [Rui Ma 马睿](#)



### Motivations for the Crackdown

A lot of the growth in the last two decades of China tech was the result of very little regulation. As the sector matures, China wants to catch up with regulating internet platform businesses, which have proven to be socially and economically disruptive. It also wants more even, controlled growth across the entire country and spread over more sectors, versus for all capital to be accumulated in the hands of a handful of dominant businesses who abuse their market position.

### New Opportunities

It remains to be seen if the regulations achieve their goal of creating a more competitive environment. Ideally, the regulations will create more space for for entrepreneurs to build new businesses that would otherwise have been throttled by the dominant internet platforms. However, tech entrepreneurship has been steadily shifting away from mobile internet in the last five years, instead focusing on healthcare, advanced manufacturing, and enterprise software as the top areas of activity. There's a lot more growth to be had in these areas.

### Potential Downsides

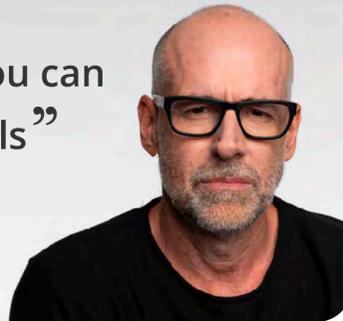
All regulations are a balancing act because so many stakeholders are involved. There are often adverse effects, such as slowing innovation, investment, and even fortifying instead of weakening unhealthy monopolies. I think it is important to constantly monitor the situation as impacts unfold, and not to jump to conclusions when new policies are announced. But I do think that this new direction of increased regulatory scrutiny is here to stay and players should accept it as the new norm.

## How Tech Rivalries Impact Marketing

“When you control the rails you can decide who travels on your rails”

— Scott Galloway

Author & Professor of Marketing at NYU



Chinese tech companies are notoriously fierce competitors. Way back in 2008 tech giants started building “walled gardens” to protect their ecosystems [S]. If you think it was petty when Twitter stopped showing Instagram previews after it was acquired by Facebook, this is nothing compared to China. Arch rivals Alibaba and Tencent went to new extremes; clicking a link to Alibaba-owned Taobao inside Tencent-owned WeChat would open an error page where the link couldn't even be copied and then pasted into the native browser.



The digital payment market was also dominated by Alibaba’s Alipay and Tencent’s WeChat Pay, until newcomers started treading on their heels. In early 2021, Douyin launched its own payment service within its app [S]. Other big tech companies including Ctrip, Bilibili, Kuaishou and Pinduoduo have also started acquiring payment licenses to break free from relying on Alibaba and Tencent’s payment systems [S].

### KAWO KEY TAKEAWAY

For the most brands, you won't have the resources to be everywhere. Although regulation is breaking down the walled gardens, don't expect it to be easy promoting a Tmall store on WeChat. Think carefully about which ecosystem you want to focus your efforts on. The consumer journey will always be smoother when you keep your them inside one platform (see page 36).

## BREAKING NEWS

### Walled Gardens Begin to Open

For years, China’s tech companies have been working on building elaborate barriers around their ecosystems to keep out the competitors. The walls have now started to crumble, as Chinese regulators ordered platforms to stop blocking external links [S], as these created unfair competition and infringed upon the rights of users.

**What are the changes?** The new laws prohibits companies from forcing merchants to choose between the country’s top internet ecommerce marketplaces, a common practice in the market. The notice also prohibits companies from price fixing, restricting technologies and using data & algorithms to manipulate the market.

**Is it working?** In early 2021, Taobao was allegedly working on a Mini Program to launch within WeChat — it’s still not available. Taobao links are now viewable within the WeChat ecosystem [S], while Taobao has introduced a Taobao Feed, which can be synced with WeChat contacts to share one’s purchases. As of now, neither of the platforms have added the possibility to support payment methods of their rivals.

# The Revenue Streams of Big Tech

“If you are not paying for it, you’re not the customer; you’re the product being sold.”

— Andrew Lewis, Journalist [S]

In a tech world that’s dominated by advertising supported business models, Tencent stands out — their biggest revenue streams are games and payments. Even though it charges very low transaction fees of around 0.1%, WeChat Pay still generates billions of dollars in revenue a year. This has allowed WeChat to prioritize the experience of its users over the wants of advertisers — strongly protecting user privacy and avoiding bombarding them with ads.

This user focus is a key reason for the unique place WeChat occupies in the daily lives of 1.2 Billion Chinese people.

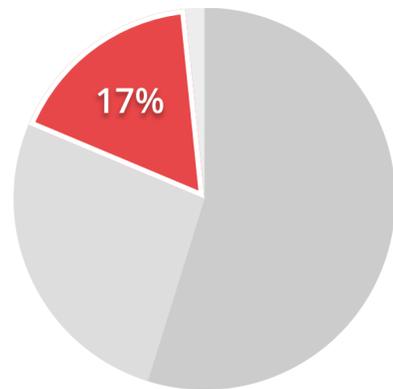
“If we analyze [users’ chat history], we can bring great advertising revenue to the company. But we don’t do that, as WeChat cares a lot about user privacy.”

— Allen Zhang, Founder of WeChat [S]

The majority of other social apps haven’t taken — or their business model hasn’t allowed them to take — this principled approach. Invasive ads are a common feature for many. China’s new PIPL law (see page 38) makes it harder to collect and store user information — this could have knock on implications for ad targeting and put more pressure on the ad creative to deliver better ROI.

## Tech Company Advertising Revenue

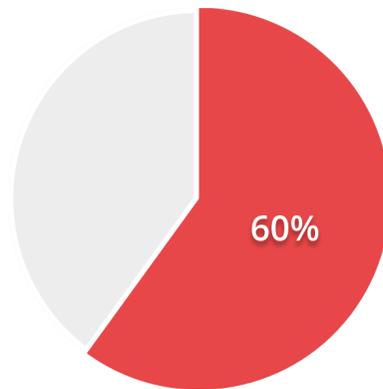
**Tencent 腾讯**



Gaming	\$41B	55%
Payments	\$20B	27%
Advertising	\$13B	17%
Others	\$1B	2%

Source: Tencent

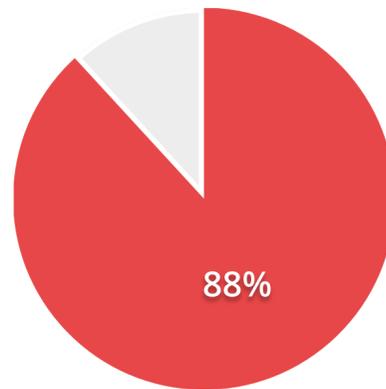
**Alibaba Group 阿里巴巴集团**



Advertising	60%
Other	40%

Source: motleyfool.com

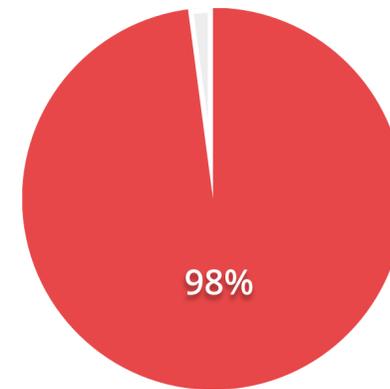
**新浪微博 weibo.com**



Advertising	\$1.5B	88%
Other	\$0.2B	12%

Source: Weibo

**Meta**



Advertising	\$84B	98%
Other	\$1B	2%

Source: Statista

An obnoxious opening screen ad where users must wait 3 seconds before getting into the app.



## “Fast Apps” for Slower Connections

There has been a surge in companies releasing lighter versions of their most popular apps. The developers usually add 极速版 (*jísù bǎn*), literally meaning "super speedy edition", to the app name.

### BLOATED APPS

Apps in China have a tendency to add a lot of features, mainly in an attempt to lock in users. However, this makes the apps really heavy on the phone storage, driving away users who own lower-priced phone models.

As some of the apps have seen a slowdown in their user acquisition, they've shifted their focus to the so-called "sinking market" (see slide 13). These are users from 3rd and 4th Tier cities, who often have budget-friendlier mobile devices. Compared to flagship phones at US\$800 - \$1000, these devices usually cost around US\$150 and have performance limitations. The complex interfaces of many apps also set an entry barrier to consumers from less developed regions.

### STRIPPED BACK TO THE ESSENTIALS

Fast apps strip away all the non-essential functions (e.g. ecommerce, mini programs etc.) and focus on the core purpose of the app. So, there are less distractions on the lite edition, or the so called "fast app" [S].

"Fast apps" also have monetary incentives to keep users on the app for longer. Users from 3rd and 4th Tier cities have more leisure time and are easily persuaded into spending more time on an app in exchange of "red envelopes" and discounts [S]. The lite version of Kuaishou, Baidu,

Toutiao, Tencent News all have a task center to earn red envelopes, and so a user can earn around CNY10 (USD1.6) per day [S]. The speedy version of Douyin even replaces the prominent "shoot video" button with a red money purse — prioritizing incentivizing user participation over sharing [S].

### Famous blogger Li Ziqi's profile on Weibo vs Weibo Lite App



EXPERT CONTRIBUTOR

Rich Bishop

AppInChina.co CEO

In 2019 tech platforms started shifting their focus to growth in lower tier cities and began releasing 'speedy' apps for users with cheaper phones. China big data platform Aurora Mobile ranks the most downloaded apps in China, and these 5 fast apps made it into the top 100 most downloaded [S] —

-  今日头条极速版 Toutiao Lite
-  快手极速版 Kuaishou Lite
-  抖音极速版 Douyin Lite
-  百度极速版 Baidu Lite
-  淘宝特价版 Taobao Special Offers

Toutiao's lite version app has seen 330% growth over the past two years [S].



CHAPTER FOUR

# Marketing in China

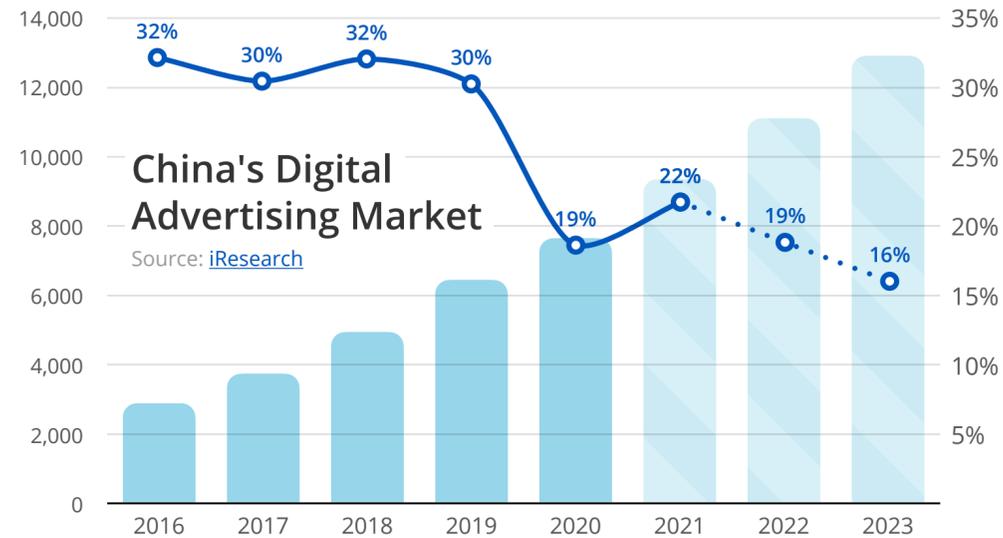
TL;DR

China's huge and fast growing market isn't as impenetrable as you might have heard, but watch out: endless trends, inexperienced marketing teams, new privacy laws and fearless local brands make it a super challenging environment.

BRING THE GUIDE TO LIFE  
Schedule a Webinar With Our Team  
[kawo.com/webinar](http://kawo.com/webinar)



China's \$5 trillion market is huge and still growing [S]. Digital marketing opportunities are among the most sophisticated in the world, but with great opportunities come great challenges.



Ecommerce is extremely developed and integrated into every Chinese social platform, but most marketing teams are very focused on sales, and failing to consider if consumers are even ready to buy their products.

Ecosystems like WeChat and Alibaba give you powerful ways to connect with your customers. However, just like in the West, tightening regulations limit marketers' ability to collect and store consumer data.



PT worked in China for 17 years and was formerly Nike's Head of Media for Greater China. He now lives in Holland and still works for Nike as Senior Director, Integrated Media EMEA.

Nike entered China in 1981.

In 2007 I was running a research firm that was hired by Nike to dive into running as we were approaching the 2008 Beijing Olympics.

I presented our findings to Nike's VP of Marketing and on my final slide I summarized the problem...

She instantly replied...

*“Easy! Change China. Nike is too hard to change.”*

Sure enough, China did change. In 2018 over 7 million runners participated in 1,828 marathons held across Mainland China [S] and today running is a central pillar of Nike's business in China.

**Nike is a running company.  
China doesn't run.  
Change China  
or change Nike.**

## Is Marketing Fundamentally Different in China?

Short Answer: NO

### Lets take a step back...

So where does this notion even come from?



“There are thousands of "experts" who claim they can do marketing in China, 90% of them are just burning your money. Marketing guys will always tell you what you want to hear.”

— Eduard Konovalov, MEL Science

## We believe marketing has not fundamentally changed for 5,000 years.

All the way back to the oldest written advert ever discovered. Written by hand on papyrus by a fabric merchant in ancient Greece [\[S\]](#).



In it, a seller of fabrics called Hapu, claimed he would give a reward — a whole piece of gold — to those who report the whereabouts of his slave Shem and return him to his store — "where the most beautiful fabrics are woven for each person's taste".

## Advertising Pioneers of Ancient China

Dating back to China's Song Dynasty (960 AD), this bronze plate is generally recognized as the first printed advert in world history. It advertised Jinan Liu's Fine Needle Shop —



“we buy high-quality steel rods & make fine-quality needles that are ready for use at home in no time.”

This ad featured one of the earliest examples of branding with a logo of a rabbit holding a needle. The white rabbit was a reference to a myth at the time and was intended to imply the product was of superior quality. Not only that, but this brand was even trademarked [\[S\]](#).

During the Song Dynasty, China developed a consumerist culture, where a high level of consumption was attainable for a wide section of society rather than just the elite. The rise of consumerism increased the pressure on merchants to differentiate their offering. This led them to invest in carefully managing their image, including creating and trademarking their own brands [\[S\]](#).

## Marketing in Modern China

No different to anywhere else on earth, or at any time throughout history —

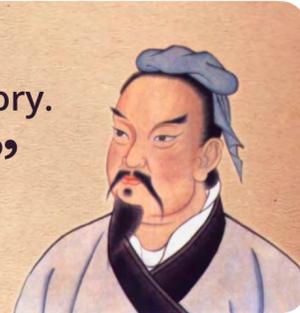
**The fundamental purpose of marketing is to create value for and build trust with customers.**

Brands who are in a rush, desperate to not be left behind by 'China Speed' should take a moment to remember that China has been a market for thousands of years and while the channels might be different, the fundamentals remain the same.

# The State of Marketing Teams in China

“Strategy without tactics is the slowest route to victory.  
Tactics without strategy is the noise before defeat.”

— Sun Tzu, The Art of War



## YOUNG INEXPERIENCED WORKFORCE

One of the rarely talked about challenges brands and agencies face is finding qualified people to manage social media accounts. Marketing as an industry barely existed 15 years ago, so it's predominantly a young person's field, with 85% of industry workers born in the 90s [S]. While many marketers are heavy social media users themselves, they lack a fundamental understanding of marketing and are easily distracted by the latest fads.

## RISING WAGES, BURNOUT & HIGH TURNOVER

The culture of overwork has been so endemic in modern China that it has its own term: "996". The issue has been covered in the media quite openly, leading to government intervention to stop the unlawful practice [S]. Tech companies, synonymous for overwork, have publicly stated they will end the practice [S].

The turnover rate in Chinese advertising agencies is notoriously high: on average 1/3 of employees churn every year. This means additional effort is needed in just training and supervising these young job-hopping marketers. At the same time, there is intense competition for talent which has driven a decade of annual double-digit wage growth.

### USEFUL DEFINITION

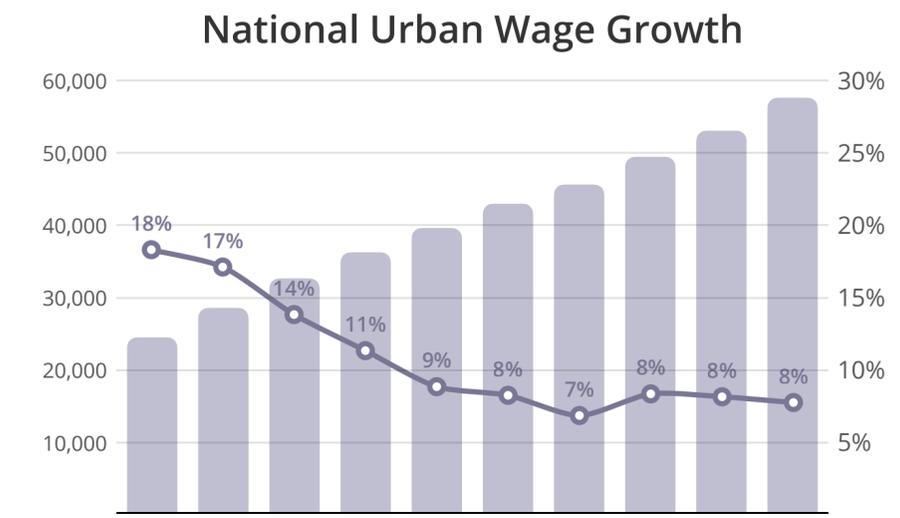
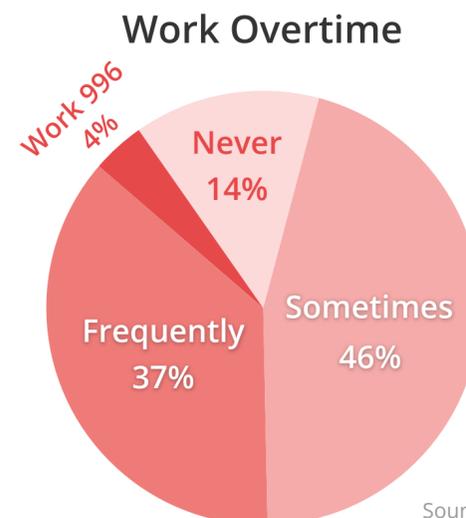
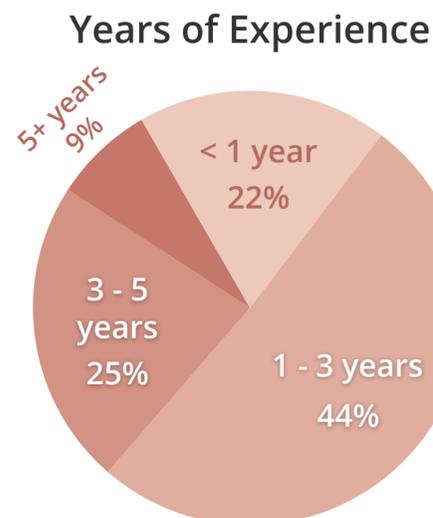
**996** jiǔ jiǔ liù

The practice of working from 9am to 9pm, 6 days per week.



GENERATION	AGE	% of TOTAL
Post 80s	43 - 52	1%
Post 90s	33 - 42	12%
Post 90s	27 - 32	50%
Post 95s	23 - 27	36%
Post 00s	< 22	~2%

Source: [36kr](#)



## Bridging the Gap Between East & West

EXPERT CONTRIBUTOR



### Carol Shen

President  
Gucci China  
2012 – 2014

Managing Director  
Estée Lauder China  
2001 - 2012

Now Carol divides her time between sitting on the board of LimeCrime and advising beauty brands on their China strategy.

### How can Global HQ and China teams work together more harmoniously?

Both sides need to be transparent and comfortable sharing mistakes — there's no use in hiding what didn't work. Global need to encourage new ideas, even if they may seem off-brand. Social media isn't about being perfect, so don't take it too seriously. It's important to take risks and sometimes make mistakes, then learn and move on.

“Make small mistakes & be honest about them or you'll end up making big mistakes”

HQ teams need to be humble and willing to learn, and China teams need to know how to maintain an open dialogue. If they know the original message might not work in China, it's the China team's responsibility to update and educate HQ.

### Are China teams overly focused on sales at the expense of brand building?

There are a lot of digitally savvy marketers in China, but they focus too much on ROI and chasing clicks. Real branding talent in China is scarce. Social teams are sometimes also built in a confusing way. At times sales is leading social, other times — when it's pure marketers on the team — they neglect the

ecommerce side. Maintaining brand integrity while ensuring customers buy products is a huge challenge. Both the HQ and China teams need to figure out their purpose for social — driving revenue or branding?

*We've all heard about China speed — stories about crazy growth and everything happening really fast, chaotically, not always in the right order.*

### Do brands need to adapt to 'China Speed'?

Not all things built quickly are built to last. In some industries, like F&B, China speed can make sense. Unicorns that grow fast by buying traffic do so at the expense of long term brand building — this kind of speed is not sustainable. You have to start with the basics — does your brand really have a soul, a meaningful message?

*Many overseas brands are built on principles like sustainability and inclusion which are hard to translate or just don't connect with consumers in China.*

### How can brands localize for China without losing their essence?

You have to maintain your brand values — a brand with value and soul should stay the same around the globe. It cannot be changed just for China. At the same time understand that HQ doesn't necessarily know what will work in China. One way could be to use local celebrities to create awareness, but don't

rely on them. Ask: can this collaboration successfully expose the brand to new consumers? Be careful what kind of KOLs you work with — for example, fans of “little fresh meat” influencers will buy whatever products the KOL is advertising, but they do it for the KOL, not the brand. You might make sales, but you're not increasing longer term brand awareness.

### What advice do you have for HQs?

Find a balance. Trust your local team and give them space, but stay involved. If you give too much control away, you might find a few years later that your brand in China has changed drastically.

### Any advice to China teams?

Stop focusing on pure ROI and engage in deeper dialogue with HQ. They might not understand the local market, and so it's on the China team to educate HQ and keep them updated.

“There is too much focus on quick tactics over longterm strategy.”

Middle management are often focused on boosting their own track records and padding their resume as they look for their next job. Building a brand really takes time, you have to think strategically, it's not something that can be rushed.

## Entering The Chinese Market

EXPERT CONTRIBUTOR



### Eduard Konovalov

China Ecommerce  
& BD Director

Eduard is a fluent Mandarin speaker with 20 years living & working in China.

Most recently he worked with MEL Science, a brand that creates home science kits to inspire both kids & parents.



### What advice would you have for any company planning to enter China?

First, think twice. Then think again, and be absolutely certain you want to do this. Dreaming of quick success in China is a big mistake.

#### 1) Prepare Thoroughly

Spend 12-18 months researching and planning before getting started. Measure twice, cut once.

#### 2) Pick the Right Partners

There are thousands of "experts" who claim they can do marketing in China, 90% of them are just burning your money. Marketing guys will always tell you what you want to hear. There's rarely any real "win-win" situations.

As a smaller brand entering the market, you'll likely fare better with picking a boutique partner, who can grow with you. Everyone paints a very bright picture when you first meet, but you need to be patient.

#### 3) Ensure You have The Resources

Starting with finances — budget double what you think it will cost, and even then make sure you have additional funds available in case you need them. Also, make sure you have the support and resources from across the entire business. You can't enter China as a "side project" of your company.

#### 4) Careful Positioning

There's a lot of competition on the market – how will your product stand out? Honestly, the demand for foreign brands in China is smaller than supply. The consumers here are conservative, so without trust, there will be no organic traffic. Be patient or prepare to spend a lot of money to generate traffic.

Be certain about which platforms you want to invest in. Brands feel like they need to be on all platforms — instead, choose just a few channels, and do them well. Don't try to occupy space on all platforms, even if your China partner insists on doing so. Zhihu worked surprisingly well for MEL Science, despite not being very ecommerce driven. It generated great search results for us on Baidu.

For Tmall, you'll have to work with a Tmall Partner (TP) who, aside from their fees and platform fees, will also want you to commit a big budget for traffic acquisition. In the first year, expect to spend more than you make in top-line revenue.

At one point we made the mistake of focusing too much on WeChat. The barriers of entry on WeChat appear to be much lower than on other platforms. It's fairly quick and simple to setup an account, but WeChat followers usually aren't looking to buy things. It ended up being the most expensive platform to achieve conversions.

Focus on quality rather than quantity and keep oversight of your brand. Your agency will probably charge you per post and will push you to post more frequently — don't.

#### 5) Get Your Paperwork in Order

If you're making a long term investment in China you need to build a solid foundation. Business compliance in China is totally different to the US/EU and if you don't have everything clear and transparent it's guaranteed to hurt you in the long run. For example, even if you have trademarked your brand globally, you will also need a trademark for China before you can open a store on Tmall or JD. You can achieve this quickly with a local partner, but that comes with additional risk further down the line. Especially if you do become successful later on.

#### Any final thoughts?

Don't be afraid of competition. The great thing about an established market is that the rules of the game are clear. All you have to do is find and leverage your competitive advantage. With a unique product, there's no competition, but there is also no roadmap, so your marketing budget will go to experimenting and developing the market.

## The Rise of Chinese Brands

In 2020, sales for domestic Chinese FMCG brands increased by 2% and foreign brands shrank by 6% [S]. Affinity for domestic brands is especially strong among Chinese born after 2000 — more than a half of them consider domestic brands just as good as foreign brands [S].

### WHAT IS BEHIND THE SHIFT?

Their ascent is supported by movements like *guo chao* (see slide ...) and Chinese influencers, like Austin Li, urging their fans to buy local [S]. Domestic brands are usually more affordable than the foreign equivalents, more reactive to trends and take into consideration local preferences. Social media and D2C ecommerce (see page 94) have fueled the meteoric rise of domestic brands.

### FOREIGN BRANDS STILL PREMIUM

Despite the shift, foreign brands are still perceived as being better. A combination of constantly innovative products and years of China-devoted marketing (and dollars spent) have molded undeniable brand premiums, which have translated into generous product mark-ups.

DIG DEEPER - FINANCIAL TIMES [PAYWALL]  
[Social Media Influencers Help Chinese Brands...](#)

FT

### LULULEMON

Entered China in 2015. Perceived as a premium athleisure wear brand in China. China is considered Lululemon's multiyear growth market [S].



### MAIA ACTIVE

Activewear brand, founded in 2016. This D2C brand is designed to fit Asian women's bodies and is priced about 3x less than Lululemon.



### STARBUCKS

#1 premium coffee brand in China. While more specialist coffee shops have emerged, Starbucks retains the lead with 36% share of the market [S].



### HEYTEA

Founded in 2012, made tea drinking cool among Post-00s with its innovative drinks — its most famous offering is the "cheese tea" [S].



**NIKE** Nike's China-presence dates back to 1981, sponsoring local teams and supporting the build of sports culture in the country — it's deeply embedded in China's culture [S].



**LI-NING** Created in 1989, Li-Ning is the pioneer of domestic sportswear brands and a household name in China. It's often featured on runways in Paris and New York [S].



**APPLE** Launched in China in 2009. It even courted consumers with products custom-designed for the market. Apple's earnings in China continue to grow [S].



**XIAOMI** Founded in 2010 and sometimes called the "Apple of the East", Xiaomi makes it no secret they've been inspired by Apple [S], but have since expanded into home appliances.



# Three Major Marketing Trends

## Guochao 国潮 (guó cháo)

Literally translated as "national trend", *Guochao* is the increased consumer favoritism towards Chinese brands, designs and culture. *Guochao* consumers embrace Chinese cultural designs and products made in China. Brands like Li-Ning, Huawei and Florasis are often regarded as *Guochao*. Even foreign brands have started adopting Chinese elements in their products to appeal to Gen Z, the main consumers of *Guochao*.

AWESOME GUIDE - DAXUE CONSULTING  
[How to do Guochao Marketing...](#)



## Hanfu 汉服 (hàn fú)

The revival of 1,000 year-old *hanfu* gowns started in 2003, when a newspaper ran a story of a Zhengzhou man wearing *hanfu* in public. This inspired a Han Chinese cultural renaissance. Now, enthusiasts dress up in *hanfu* to reenact ancient scenes for photos. Thousands of online stores have sprung up to sell *hanfu* clothing and special social platforms for *hanfu* fans have been launched [S].

FURTHER READING - VOGUE

[How The Return of Hanfu Represents a Shift in...](#)



## Lying Flat 躺平 (tǎng píng)

Disillusioned with the pressures of modern life, young Chinese take a stance against societal pressures. "Lying flat" is a silent form of rebellion, where Gen Z goes against the hustle and agrees to earn less in exchange for a simpler, calmer life. In this light, camping and fishing have become popular among the youth. In some ways, similar to the *sang* trend [S] from a few years ago, *lyingflatism* has also sparked an abundance of memes.

Even its own heroes — Lelush, the Russian model who was 'stuck' in a Chinese boyband reality TV show, won over the hearts of Chinese with his sulky attitude, which ultimately won him an endorsement deal with Luckin Coffee.

UNDERSTAND IT BETTER - VOA NEWS  
[China Youth 'Lie Flat' as Good Life...](#)



## Private Traffic

(a.k.a. Retention, Customer Care & Community Management)

While customer service is an essential part of ecommerce in China there is rarely talk of community management or customer care. Instead you're very likely to hear the term "Private Traffic".

### KEY DEFINITIONS

#### Public Traffic

公域流量 *gōng yù liúliàng*

Channels or touch points, typically on large platforms, that allow you to reach a wide range of customers. On the downside they are more restricted (e.g. algorithmic) and have higher acquisition cost.

#### Private Traffic

私域流量 *sī yù liúliàng*

Channels or touch points with customers where you have greater control and negligible costs. Suitable for community management and retention marketing.

There are two key motivations behind this marketing trend:

- 1) High Cost of Tmall:** While it has the traffic, you have to play by Alibaba's rules. Expensive ads and algorithms make it a challenging place to do business — so it's not surprising that brands try to find ways to lure repeat customers away from Tmall.
- 2) WeChat OA Restrictions:** Only being able to post 4 times per month, brands looked for ways to engage with their fans more frequently.



#### WeCom Group Chats

An activity that was previously happening unofficially on WeChat personal accounts can now be done legitimately. Brands can host chat groups on WeChat, where they can build a community of loyal followers. Once established, these mini-communities let brands market directly to their consumers in a more personal way and with less restrictions and costs than through official accounts.



#### WeChat Mini Programs

Allows companies to provide a branded customer experience directly inside WeChat. Giving followers of your WeChat OA or fans from a WeChat group to immediately purchase products without switching platforms. Seen as an attractive alternative to Tmall due to the lower transaction fees and greater control over customer acquisition. Learn more from our expert contributor on [page 70](#).

### Further Reading

#### IT CONSULTIS

[Will Private Traffic Become a Trend in China?](#)

#### AZOYA GROUP

[Private Traffic - Why It's a China Marketing Buzzword?](#)

#### DAXUE CONSULTING

[Private Traffic in China: Own your customer traffic](#)

#### PROTOCOL

[China's new obsession: 'Private traffic'](#)



EXPERT CONTRIBUTOR

**Andrew Schorr**

Grata Co-founder & CEO

[Connect on LinkedIn...](#)

### Andrew shares his thoughts on customer care in China...

We see a big disconnect between customer care and marketing. For example, marketing teams will push out a big campaign late in the evening and brand channels will get flooded with messages at a time when there are minimal support staff on shift to reply.

One-on-one interactions are an essential part of the experience, especially for high-touch brands, e.g. luxury retail. However customer care is currently mostly reactive, jumping in when a customer has a problem and brand reputation is at stake.

WeCom is a fantastic tool for brands to be proactive. They can bring the WeChat conversations with customers and front line staff, that have always been taking place, into a solution that empowers their teams and is closely integrated with marketing.

## B2B Marketing in China

B2B marketing is traditionally very high touch and in this regard, China is very similar to the West. Being a "high context" society [S], relationships are central to doing business. These days, much of this relationship building takes place online - as expected, long before LinkedIn announced its withdrawal from the Chinese market, WeChat was the main place where business got done. China's B2B ecommerce platforms, like Alibaba-owned 1688.com, allow brands to built their product portfolio and website. Most of these platforms have a powerful search engine and a chance to build a brand page to publish product information.

DAXUE CONSULTING

[A guide to B2B marketing in China](#)


### FOSTER RELATIONSHIPS THROUGH WECHAT

LinkedIn and email marketing may be the B2B tools in the West, but these are less common in China. WeChat is an essential channel for just about any brand and not just for discovery. It's essentially your main channel to foster existing relationships. Customers who opt into following a WeChat Official Account (OA) are engaged and invested in your brand and tend to be more receptive towards content posted. Treat the WeChat OA as a mini-website for your brand: use it share industry insights and updates on brand products. Consider also utilizing WeCom, WeChat's ecommerce, advertising and sCRM functions.

FABERNOVEL

[How to Leverage WeChat For Successful B2B...](#)


### DISCOVERY

The internet is the primary means for product research, so online presence matters. The Chinese website should be more than just a translation of a brand's original website, but fully optimized for the Chinese web and search engines. While Baidu Search Marketing is an option, SEM/SEO is not as straight-forward as in the West with Google - search in China is defragmented and takes frequently place on a large variety of different platforms [S]. And so, setting up accounts on relevant social media channels, such as Weibo, Zhihu or Bilibili, will allow customers discover the brand easily as they conduct research and yield better ROI than SEM/SEO.

NANJING MARKETING GROUP

[Top 10 Chinese B2B Marketing Tactics for 2021](#)


*See how WeCom on [page 71](#) 🖱️ and sCRM on [page 74](#) 🖱️  
can complement B2B marketing*

## China's Internet Privacy Laws Surpass GDPR

The Chinese government has introduced three waves of technology legislation, each with a different focus.

1ST JUN 2017

### Cyber Security Law (CSL)

Being the first out of three key frameworks regulating the Chinese internet, it requires firms to improve the security of their data networks [S].

1ST SEP 2021

### Data Security Law (DSL)

All companies operating in China are subject to the Data Security Law (DSL), outlining how corporations should manage their data. The law classifies data according to its relevance to national security. However, there are few details on how to categorize data or how to obtain approval to transfer data across borders [S].

1ST NOV 2021

### Personal Info Privacy Law (PIPL)

Similar to GPDR, the law sets out rules for how companies should handle consumers' personal information, with a big emphasis on user consent [S]. Large companies are required to hire a full time Data Protection Officer (DPO) and penalties for breaking the law include fine up to 5% of global revenue and 14 years in jail [S].

## KAWO ADVICE

### More Data ≠ Better Marketing

With PIPL, your already limited demographic data and targeting options are getting even fewer.

- 1) Don't stress over data you can't get, focus on the metrics that are available.
- 2) Your content strategy should include a range of content targeted to different users. Consider creating separate social channels aimed at different audiences.

EXPERT CONTRIBUTOR



### Steve Mushero

Founder of China PIPL  
& CEO of Wapiti Systems

Steve is a serial entrepreneur & global technologist who worked in China for 15 years. He was CTO of video sharing platform Tudou and co-founded ChinaNetCloud.

 [ChinaPIPL.com](https://ChinaPIPL.com)

 [Steve Mushero](#)

 [Steve Mushero](#)

### IMPACT OF PIPL

The new laws are well-intentioned, introducing principles of transparency and purpose to data collection: companies can only collect personal information for a reasonable and disclosed purpose, having explicit user consent. The PIPL also expands its application to off-shored data, so companies with no China-based operations, dealing with Chinese consumers will also be subject to this law.

### MINIMIZE WHAT YOU COLLECT

The PIPL coming into effect is a great time to revise your data collection process and what kind of data you're collecting. Really understand why certain data points are needed, map them out. Stop collecting any data you can't justify with an actual use case - any additional data you collect adds a layer of complexity to your business.

### HOW YOU COLLECT DATA

According to the PIPL, you'll need to get a customer's consent for data collection. Be mindful in how you do it, as an individual will always have the option to just say no. Simply throwing a pop up asking for permission it not a good approach. Make a strong case of why it's worth it for them to opt in with permission priming.

## FOUR • MARKETING IN CHINA

# China 2022

## Marketing Calendar

Marketing calendars in China are packed to the brim — nearly every holiday is worth celebrating with a sale. And if there's nothing to cheer about, Chinese tech companies have become crafty in creating their own shopping festivals — after Singles Day (11.11), came 520, then 618 and now even 12.12.

### FRI 4 FEB – TUE 22 FEB

#### 2022 Beijing Winter Olympics

Beijing has spent years building a state-of-the-art winter arena from scratch.

### MON 31 JAN

#### 除夕 Chinese New Year's Eve

The day before Chinese New Year, celebrated with a big family dinner.

### TUE 1 FEB – SUN 6 FEB

#### 春节 Spring Festival

Also known as Chinese New Year, or Lunar New Year, this 7-day national holiday is China's biggest and most important.

### TUE 15 FEB

#### 元宵节 Lantern Festival

Celebration of the 15th lunisolar day of the 1st lunar month.

### TUE 8 MAR

#### 国际妇女节 Women's Day

In China, many women, especially white collar workers, get a half-day off work and often gifts of fruit/flowers.

### SUN 3 APR – TUE 5 APR

#### 清明节 Tomb Sweeping Day

A time to pay respect to ancestors. A day off to go tend to graves (though many don't).

### SAT 30 APR – WED 4 MAY

#### 五一劳动节 May Day Festival

Labour Day is celebrated with a day off.

### WED 4 MAY

#### 青年节 Youth Day

Celebrated with a day off from school. The same day commemorates the May Fourth Movement.

### SUN 8 MAY

#### 母亲节 Mother's Day

### FRI 20 MAY

#### 520 Modern Valentine's Day

([see next page](#))

### WED 1 JUN

#### 六一儿童节 Children's Day

### FRI 3 JUN – SUN 5 JUN

#### 端午节 Dragon Boat Festival

5th day of the 5th lunar month, celebrated with wrapped, steamed rice treats called *zongzi*.

### TUE 7 JUN – WED 8 JUN

#### 高考 National College Entrance Examination

The day of the critical high-school *gaokao* examinations in China. Brands post messages supporting test-takers.

### SAT 18 JUN

#### JD's 618 Festival

([see next page](#))

### SUN 19 JUN

#### 父亲节 Father's Day

### FRI 1 JUL

#### 建党节 CPC Founding Day

Celebrating the founding of The Communist Party of China.

### THU 4 AUG

#### 七夕 Chinese Valentine's Day

([see next page](#))

### THU 18 AUG

#### Suning's 818 Festival

Shopping festival created by Suning.

### SAT 10 SEP

#### 教师节 Teachers' Day

A national celebration to express gratitude towards educators and teachers.

### SAT 10 SEP – MON 12 SEP

#### 中秋节 Mid-Autumn Festival

Also "Moon Festival," the festival celebrates family reunions. Everyone is momentarily obsessed with mooncakes.

### SAT 1 OCT

#### 国庆节 National Day

Commemorating the founding of the People's Republic of China in 1949.

### SUN 2 OCT – FRI 7 OCT

#### 黄金周 Golden Week

The biggest week for tourism in China, as people have a week off to take trips.

### MON 31 OCT

#### 万圣节前夜 Halloween

In recent years, Halloween has been gaining traction. Cheap costume sales spike.

### SAT 5 NOV – THU 10 NOV

#### 中国国际进口博览会 China International Import EXPO

The world's first import-themed expo, coincides with increased government scrutiny.

### FRI 11 NOV

#### 双11/光棍节 Singles day

([see next page](#))

### THU 24 NOV

#### 感恩节 US Thanksgiving

Some higher-tier cities celebrate US Thanksgiving similar to the way they celebrate Christmas: for the trappings and the dinner!

### MON 12 DEC

#### 双十二 Double 12

The sequel to Double 11.

### SUN 25 DEC

#### 圣诞节 Christmas Day

China readily adopted Christmas with markets, Santa Claus and, naturally, the shopping.

### SAT 31 DEC

#### 元旦前夕 New Year's Eve

The KAWO platform can help your teams to better plan and schedule content on your China social channels.  
[Request a Demo to Learn More...](#)

## Chinese Ecommerce Festivals You Need to Know



MAY 5TH EVERY YEAR

5.20 Modern Valentine's Day

The combination 520 sounds phonetically similar to “wo ai ni” or “I love you”, hence celebrated among Chinese couples as a romantic holiday.

It's now bigger than the Western Valentine's Day, with brands releasing special 520 edition items. The holiday often transitions into the 618 sales promotions.

VOGUE BUSINESS

[520 Overtakes Valentines Day](#)


JUNE 18 EVERY YEAR

6.18 JD's Shopping Festival

Seeing how Singles Day was such a phenomenal success for Alibaba's so JD.com launched its own shopping holiday to compete. They chose 18th June to celebrate JD.com's founding date. It's since spread far beyond JD.com to other platforms. For consumers it's importance is second only to Singles Day.

THE EGG

[How Did the 618 Shopping Festival...](#)


AUGUST 4 2022

七夕 Qixi Love Festival

Celebrated on the seventh day of the seventh month of the lunar calendar, it's the “Chinese Valentine's Day” and is the third occasion on China's calendar to celebrate love and romance. It's also a huge retail event, with sales jumping by up to 120% for some brands [\[S\]](#).

This day has become a battleground for promotions and marketing, where brands leverage digital capabilities on social, celebrities and by opening up physical pop-up stores.

OTT PAY

[Qixi Love Festival Driving Sales](#)


NOVEMBER 11 EVERY YEAR

11.11 Single's Day

The most extravagant shopping festival in China that still breaks sales records every year. It started as an offline event in the 90s, celebrated among students and was picked up by Alibaba in 2009. The message is that Singles should treat themselves! Promotions start weeks earlier, while on 11.11 a huge star-studded gala is held to wrap up the event. Previous galas included appearances by Taylor Swift, Kobe Bryant, David Beckham and other A-list celebs.

With so many shopping festivals taking place all year round, could the significance of 11.11 be fading? 2021 sales figures reported their slowest growth yet [\[S\]](#).

THE DIPLOMAT

[Can Singles Day Go Green](#)

EXPERT CONTRIBUTOR



**Brian van Damme**  
KAWO Co-founder & CTO

### You know you need to be on social media, but what is the return on investment?

Since founding KAWO in 2013 we've helped hundreds of MNCs measure their social media metrics across WeChat, Weibo, Douyin & Kuaishou. Here are the six most common misconceptions we encounter...

#### 1) Western Expectations of Data

One specific example: while Facebook and YouTube give you detailed watch stats, in China most networks will give you only a simple "video views" metric with no indication of watch time.

#### 2) Demographics & Targeting

With less advertising dependent business models, China's social networks have always exposed less user data. With the PIPL, this has become even more limited (see slide 37).

#### 3) Using Ecommerce Metrics

Most social channels (especially WeChat OA) are more suited to top and middle of the funnel awareness and education. Too much of a short term focus on conversion misses the true brand building power of social media.

#### 4) Concerns over Fake Data

Similar to when Bieber lost 3.5M Instagram followers [S], platforms in China have also taken steps to stop accounts from faking data [S]. It's often marketing teams, under pressure to hit KPIs, who resort to buying fake data [S]. Reduce your focus on simple vanity metrics and look at a wider range of metrics that better measure the quality of your social presence. This will both reduce the pressure on teams to hit your targets and make it much harder to artificially boost results.

#### 5) Social Listening

Often called "dark social", the vast majority of conversations in China happen within WeChat's very closed ecosystem. While social listening is possible, the aggressive anti-scraping by some platforms and overall lack of open data severely limits its usefulness.

#### 6) Obsession Over Competitors

This is the #1 mistake we see teams make. Comparing metrics on your own channels to what your competitors are doing is so limited as to be misleading. For example on WeChat:



So as Alibaba's founder Jack Ma put it...



## China's "Water Army"

Fake followers are an open secret in the Chinese digital marketing circles. Colloquially called the "Water Army" for their ability to flood the internet with comments, they are comprised of either paid ghostwriters or bots, used to artificially boost the engagement of an account [S]. It's a problem often traced to KOLs and agency executives, driven by KPI's set to chase vanity metrics (e.g. followers, comments, impressions), who are then forced to artificially inflate the performance numbers to keep brands happy. Brands shouldn't attach much value to vanity metrics that just make them look good to others — they don't provide insight into the true performance of a brand's content. Work out what are actionable metrics and what value these deliver to your business — together with the marketing team — before setting out KPI's.



When you open a new Weibo account offers like this from people selling fake followers will flood your inbox

# Influencer Marketing

## TL;DR

China has taken influencer marketing to a whole new level. Even big international brands fawn over these homegrown superstars who can generate enormous sales. But has it gone too far?

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[kawo.com/webinar](http://kawo.com/webinar)

## Seemingly unstoppable growth of KOL marketing...



2020 size of China's KOL economy [\[S\]](#).



of China's Gen Z prefer shopping on social [\[S\]](#).



increase in conversion rate of KOLs during 2020 [\[S\]](#).

Before we dig in let's start with some acronyms...

### KOL

#### Key Opinion Leader

Content creators who have built their following on social media networks. There is no single standardized definition — a KOL can be a blogger, content creator, influencer, wanghong, vlogger, live streamer... KOL are in the business of building and monetizing influence and not necessarily true fans of the brands they work with.

### KOC

#### Key Opinion Consumer

Sometimes called "Micro-KOL", these are actual consumers with genuine brand loyalty. They evangelize the brand and guide their audience on better purchase decisions through word-of-mouth and user-generated content. KOC may be smaller and less polished than KOL but build more customer lifetime value.

### KOS

#### Key Opinion Sales

Creators with professional sales capabilities who possess a large amount of vertical industry and brand knowledge. Many KOS are 'in-house' influencers for a specific brand. Basically they serve as sales, but also create high-quality content. This allows the brands to cut back on KOL collaboration.

### MCN

#### Multi-Channel Network

Companies that manage and consolidate KOL resources across platforms. The majority of top- and mid-tier KOLs in China are working with an MCN. MCNs in China function as a mix of entertainment agencies, production companies, and sometimes even as marketing firms that handle sales promotions of other companies.

## Why Influencer Marketing is SO Popular in China

EXPERT CONTRIBUTOR



**Elijah Whaley**

VP Marketing APAC

Elijah's unique approach to marketing, media, & technology has made him a thought leader in China's KOL industry.

 [Launchmetrics](#)

 [Elijah Whaley](#)

 [ElijahWhaley.com](#)

**PARKLU**  
by LAUNCHMETRICS

### 1) Trust

China is a "High Context" society where relationships are more important than clear written communication [S]. KOLs work hard to build a relationship of trust with their fans.

### 2) Expertise

With the rapid rise in income, so many consumers don't know how to spend their newfound wealth. They turn to KOLs for expertise, to literally tell them what they should be buying.

### 3) Content

Free from brand's self-imposed restrictions, KOLs create more engaging content. Social media lets them use images, videos and livestreaming to demonstrate how a product really works.

### 4) Direct Interaction

KOLs must engage with their fans. This can make or break a sale [S]. They will spend a significant amount of time answering comments and questions to build a following.

### And of course... 5) Price

As KOLs build trust with their fans, they get more competitive leverage to negotiate with brands. Lower prices and exclusive deals allow KOLs to sell more products during livestreams and ensure a steady number of viewers tuning into their livestream.

## Measuring ROI

The true value of KOL marketing is hard to grasp. Many marketers fall into the trap of measuring KOLs like a media channel, purely on metrics like conversions or clicks.

### DIRECT ROI

While megastar KOLs like Viya and Li Jiaqi are famous for driving massive sales [S], it's important to remember that livestreaming is often an impulse purchase or much further down the buyer's journey, right at the decision-making stage. This won't hold true on other social platforms where consumers are probably in the discovery phase. Measuring KOLs on a direct conversion basis risks missing their true value.

### MEDIA VALUE

An alternative way to measure ROI is with equivalent media value. As a general principle if your brand pays a KOL for a post, you can assume the Media Value will be 2x to 6x the fee charged by the influencer. Rather than obsessing over direct conversion ROI, Media Value gives you a metric to measure the value of longer term partnerships with KOLs which are more likely to result in greater affinity for your brand.

LAUNCH METRICS

[What is Media Impact Value or MIV?](#)



## FIVE • INFLUENCER MARKETING KOLs Who Became Celebrities

### The Appeal of Being a KOL

More young Chinese are rejecting the traditional job market and instead opting for a KOL career. As twenty-somethings reach graduation and face the anxieties of competing for a job, family pressure and low salaries, becoming a KOL seems like a welcome escape. More than immediate earnings, becoming a KOL holds the potential for long-term opportunities, while the white-collar rat race seems like a dead end.



**Austin Li**  
李佳琦  
lì jiā qí

One of the most sought-after KOLs in China. Austin was a simple sales assistant working at a cosmetics store when he started livestreaming on Taobao in 2017. He rose to fame in 2019, trying on 380 lipsticks during a 2-hour livestream, thus earning the title “Lipstick King”. For the 2021 Singles’ Day 12-hour kickoff livestream, Austin sold \$1.7 billion in goods [S].

**Taobao Live** 60 Million Followers

**Douyin** 46 Million Followers

**Weibo** 30 Million Followers



**Viya**  
薇娅  
wēi yà

Viya has been active since 2016, selling absolutely everything — rice, home appliances, even space rockets. Her ability to sell has been recognized globally, with celebrities like Kim Kardashian reaching out to Viya to promote her products [S]. For the 2021 Singles’ Day 14-hour kickoff livestream, Viya sold \$1.25 billion worth of goods [S].

**Taobao Live** 92 Million Followers

**Douyin** 42 Million Followers

**Weibo** 19 Million Followers



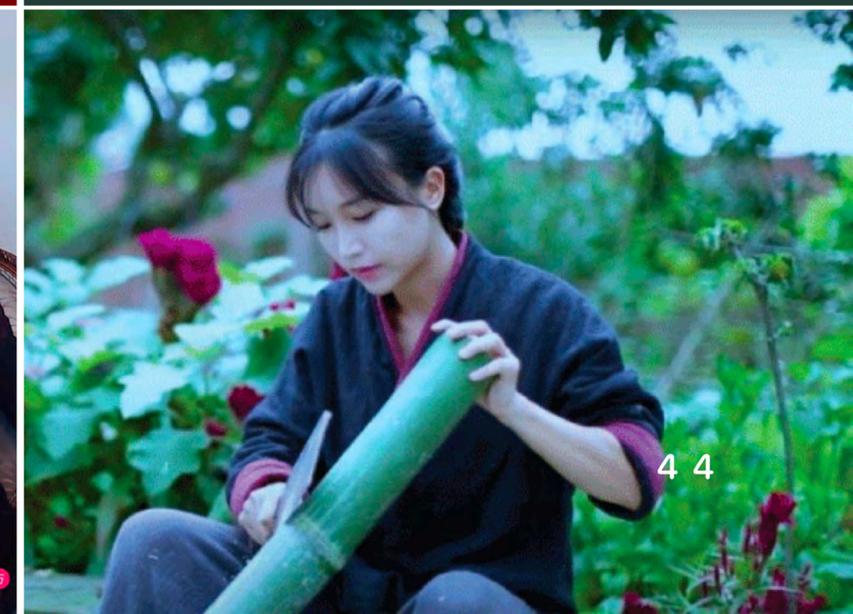
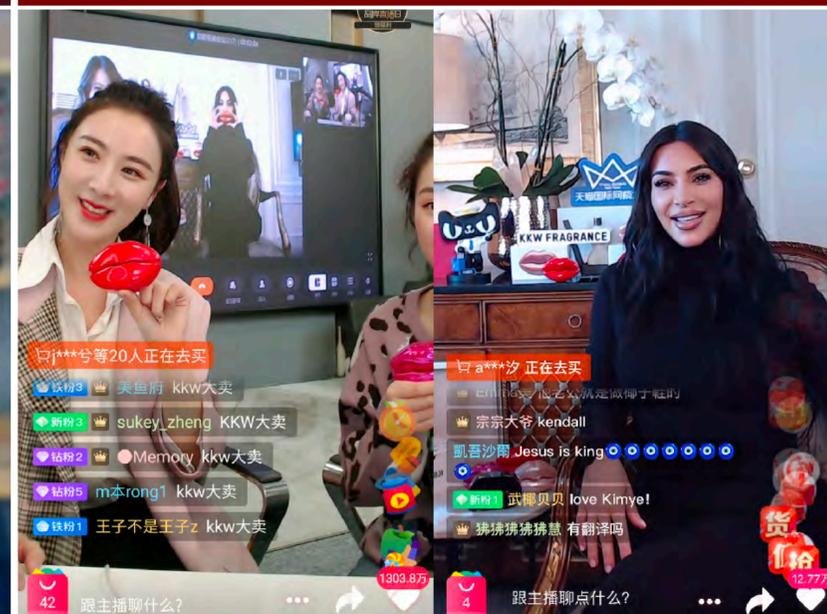
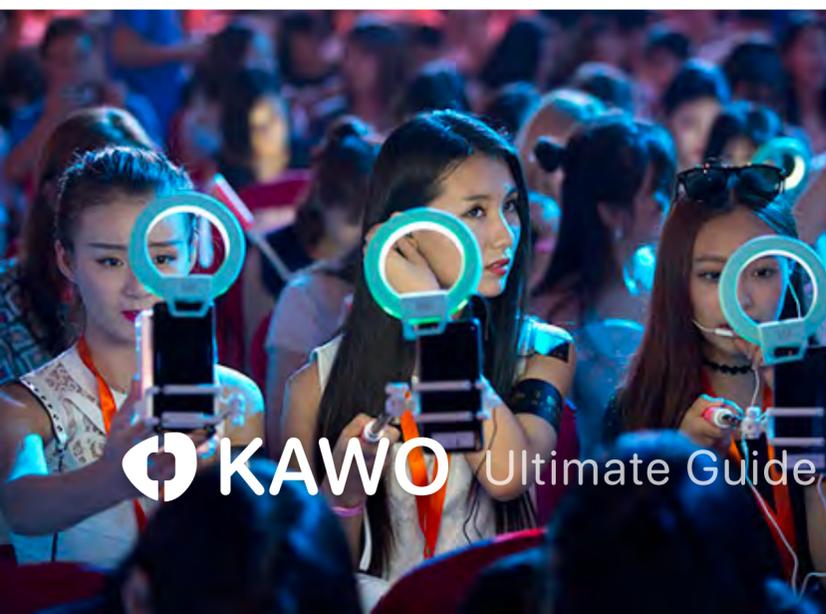
**Li Ziqi**  
李子柒  
lǐ zǐ qī

Li Ziqi, one of China’s most darling vloggers, lives a seemingly idyllic life in rural China. Her fame has traveled beyond China, with her YouTube channel drawing 16 million subscribers [S]. While she seemingly lives off-grid, Li Ziqi is a brand, managed by an MCN: her online store features prepackaged hot-pot mixes, noodles and scented candles [S].

**Douyin** 55 Million Followers

**Bilibili** 8 Million Followers

**YouTube** 16 Million Followers



# A KOL's Tips on How to Work With Chinese Influencers

EXPERT CONTRIBUTOR



**荔枝 LizZ**

Fitness & Lifestyle KOL

荔枝LizZ is a fitness and lifestyle influencer on Keep & Little Red Book. After working in PR & advertising for 6 years, she left her office job to become a full-time influencer.

**LizFitness** (245k)

**KEEP LINK** (371k)

**Liz Zhao**

## What advice do you have for brands working with KOLs?

Respect the creator's thoughts. Many brands, especially new ones, tend to give very strict content guidelines to creators. But followers will be able to tell when something doesn't come off as authentic, when it's clearly an ad. The content should be based on my genuine experience, rather than what the brand thinks they need to tell the audience. I will personally use the products over a period of time, before I am able to form an honest opinion and create content about it.



## What are the best brand collaborations like?

Most of them are enjoyable, but a lot of preparation is involved before approving any collaboration. I'm careful who I work with and say "no" when the brand is not a good fit for me and my audience. My favorite collaborations are with brands I've been using for years and who reach out for partnerships because they like what I do — content is king! Before any collaboration is approved, I take time to align on the brief and discuss with the brand how I would like to talk about the product to my audience. I need to be careful about the partnerships I accept, and do my research about the brand and its products to not make any false claims.

## Are overseas brands still hot in China?

It depends — for healthcare products and food supplements, there is a continued preference towards overseas brands. They are perceived to be safer. It's gotten to a point where some local brands falsely claim that they are an overseas brand, just to appeal to the consumers. I always research the brand and if any of them claim to originate from overseas, I run a search for them on foreign websites to check if it's true.

Chinese brands are on the rise [see page 34](#) 🙌

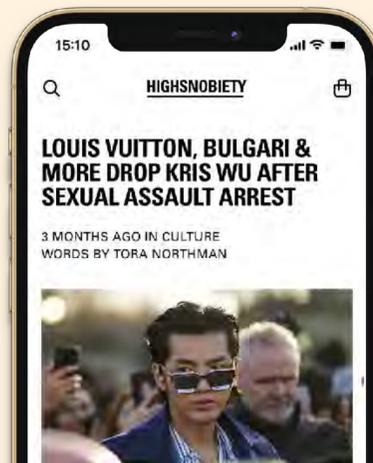
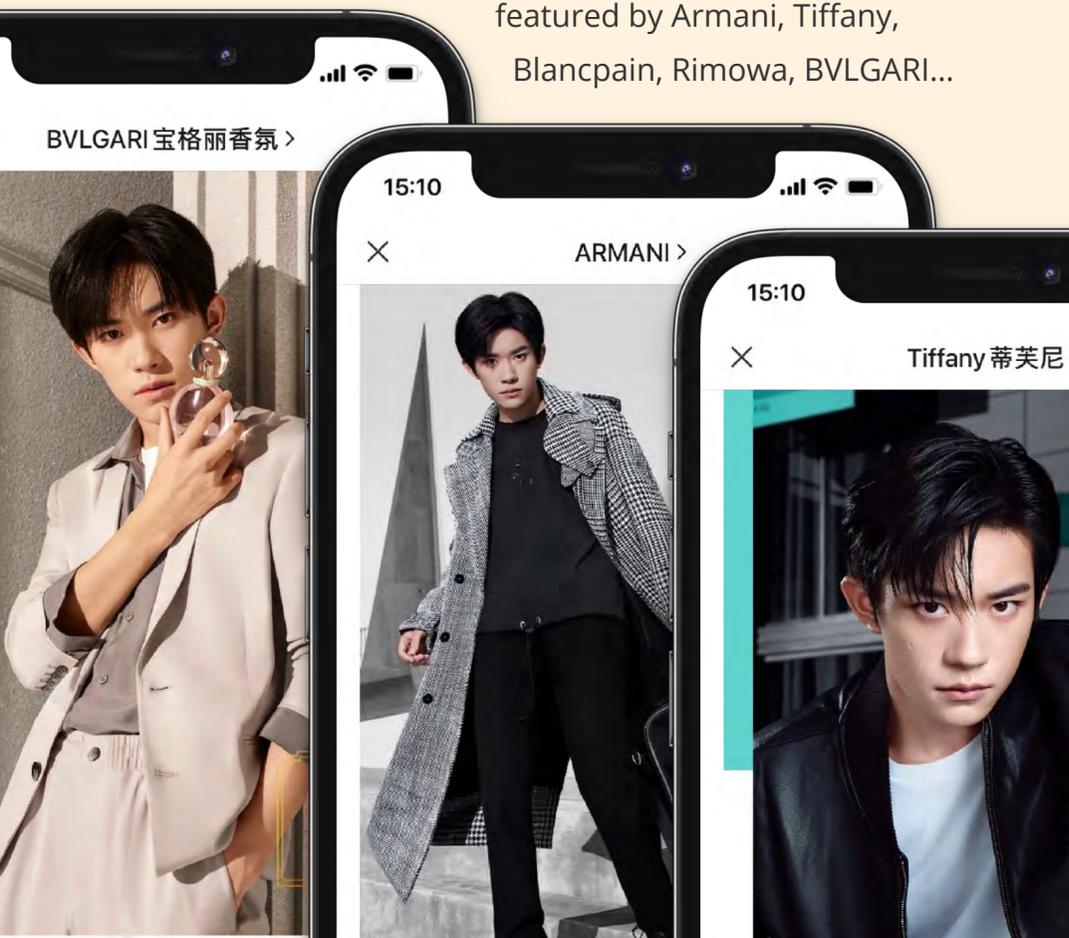
## FIVE • INFLUENCER MARKETING KOL Marketing Challenges

### Who is Really in Charge?

After 11/11 in 2021, Austin Li and Viya faced a backlash after their fans discovered they could buy the same products more cheaply direct from L'Oreal. The brand was forced to make a public apology to the two mega-KOLs [S].

### Promiscuous KOLs

It's not unusual for popular influencers to accumulate multiple directly conflicting partnerships. During 2020 Jackson Yee was featured by Armani, Tiffany, Blancpain, Rimowa, BVLGARI...



### KOL Crises Damage Brands

From bad behavior to tax evasion and more serious crimes, KOLs attract a lot of public scrutiny which can pose a huge risk to brands [S].

### Looking Out for #1

KOLs are brands in their own right. As soon as a company they collaborate with finds itself in hot water, they are quick to release public statements terminating their partnership to protect their personal brand [S].



## KAWO OPINION

The addiction by so many brands to the traffic generated by KOLs is coming at the expense of real brand building. The strength of KOLs building a personal connection with their audience is simultaneously a danger to brands as the consumers' loyalty is to the KOL. Some KOLs have become so strong they have gone on to launch their own brands directly competing with their former patrons. Companies operating in China need to learn how to build their own brand following.



KAWO Co-founder Alex Duncan & Elijah Whaley discuss this topic in depth on [The China Influencer Marketing Podcast...](#)

## BREAKING NEWS

### Crackdown on Celebrities and Fan Culture

Chinese cyberspace authorities have ordered a crackdown on the country's fandom culture, hoping to curb what they have called "toxic idol worship". Amid allegations of celebrity tax evasion and other issues, the government is concerned about the fan frenzy surrounding idols, especially among younger fans. In June 2021, the Cyberspace Administration of China made a statement that the fan culture phenomenon "harmed the mental and physical health of young people." [S]. Under new rules, teenagers are banned from joining fan clubs and celebrities have very strict rules on how they are allowed to promote their fan merchandise [S].

Since these rules came out, platforms like Weibo, Douyin and Kuaishou have removed their celebrity ranking lists [S]. Xiaohongshu has been improving its algorithms to detect 'wealth flaunting' content and began actively flagging it [S].

ESSENTIAL READING - SUPCHINA  
[Idol Worship and Fan Culture, Explained](#)



# Part Two Apps & Platforms

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CHAPTER SIX

# WeChat

微信 wēixìn

MONTHLY ACTIVE USERS

## 1.25 Billion [\[S\]](#)

TL;DR

WeChat is China's most powerful social media platform with an extensive list of features. Its ecosystem is comprehensive, integrated and indispensable. Leaving home without it is like forgetting your keys.

SPEAK TO OUR EXPERTS

100,000 Articles Published on WeChat

[Schedule a Chat with our team...](#)



## The most powerful app on earth...

Every Day on WeChat...



**120M**  
users post on their Moments

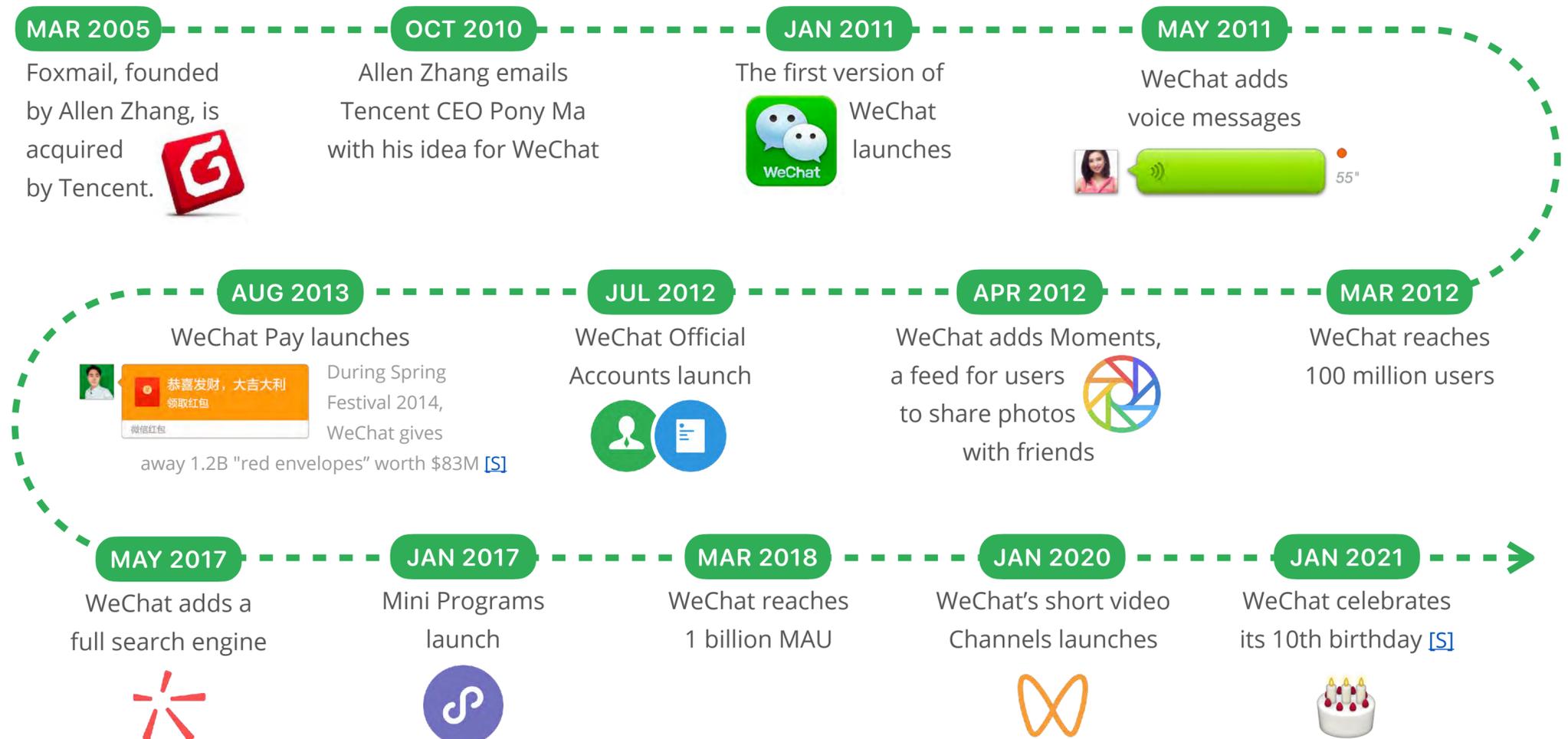


**360M**  
users read Official Accounts



**400M**  
users access Mini-Programs

## Quick History of WeChat



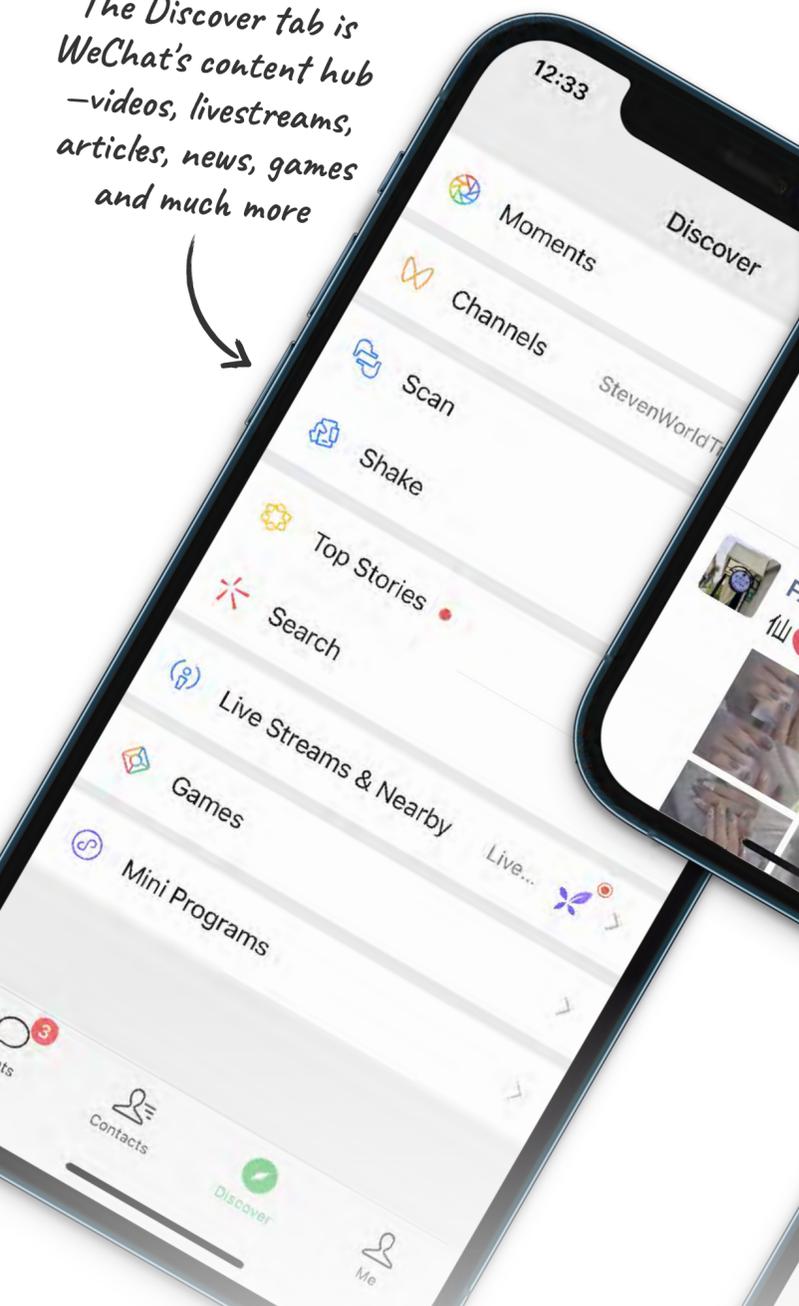


SIX • WECHAT

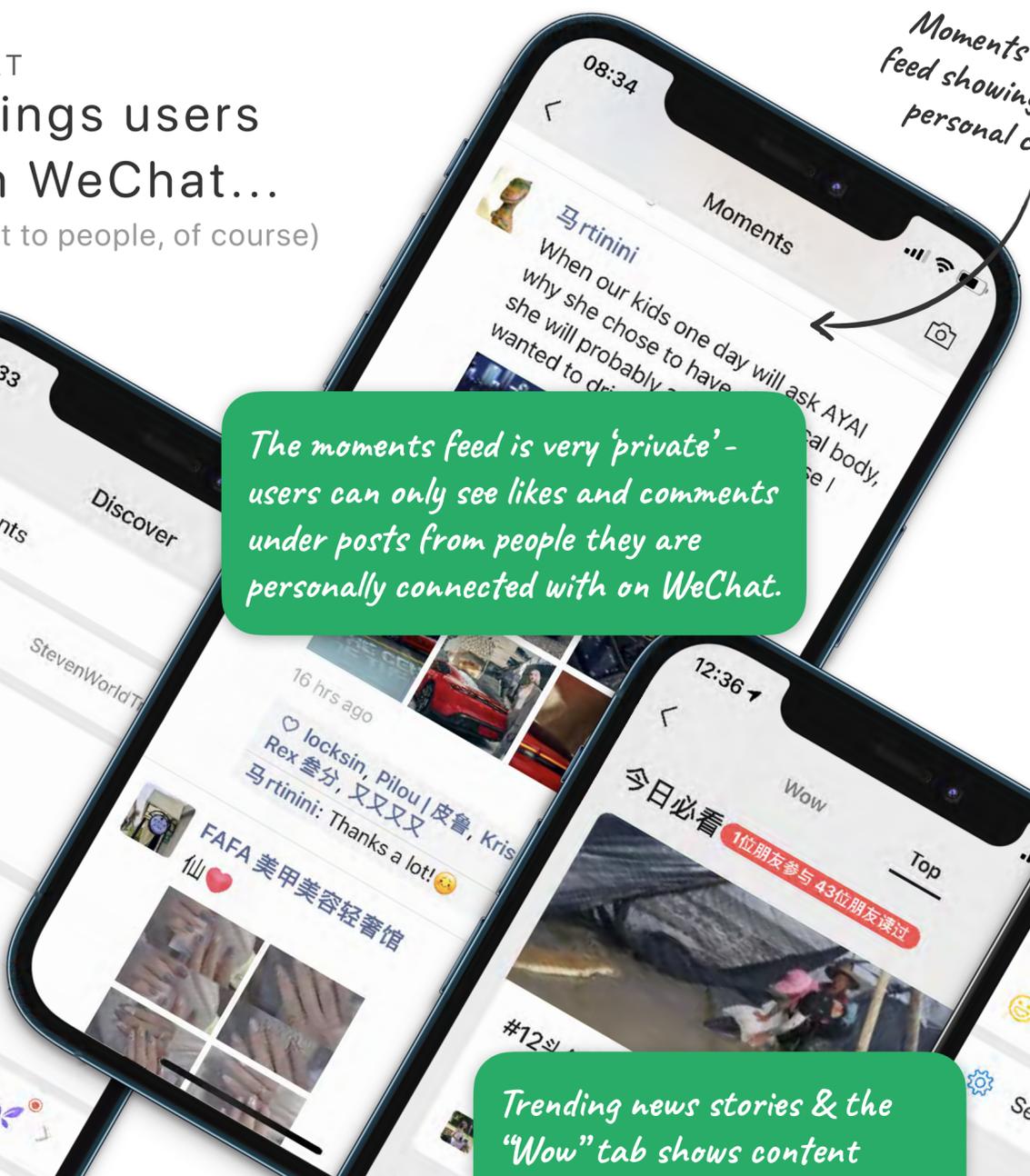
# A Few things users can do in WeChat...

(apart from chat to people, of course)

The Discover tab is WeChat's content hub - videos, livestreams, articles, news, games and much more



The moments feed is very 'private' - users can only see likes and comments under posts from people they are personally connected with on WeChat.

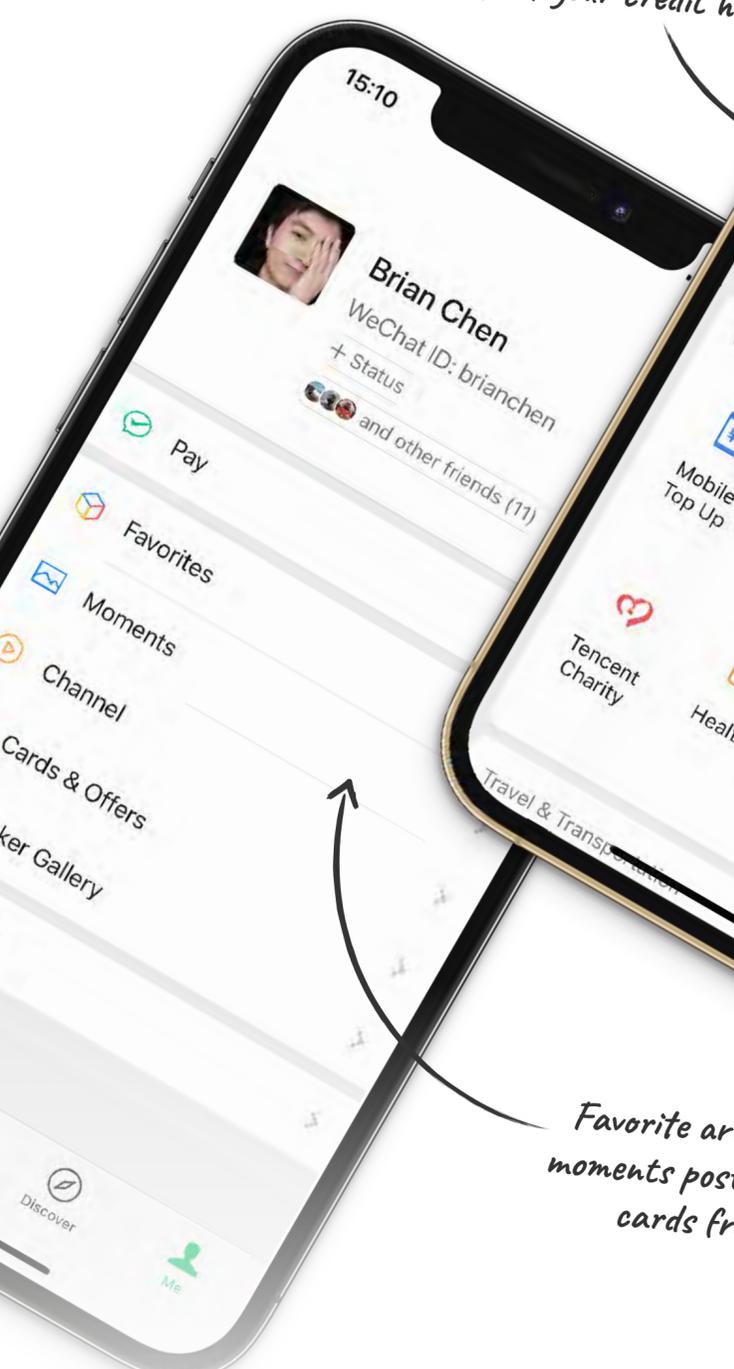


Moments is a private feed showing posts from personal contacts.

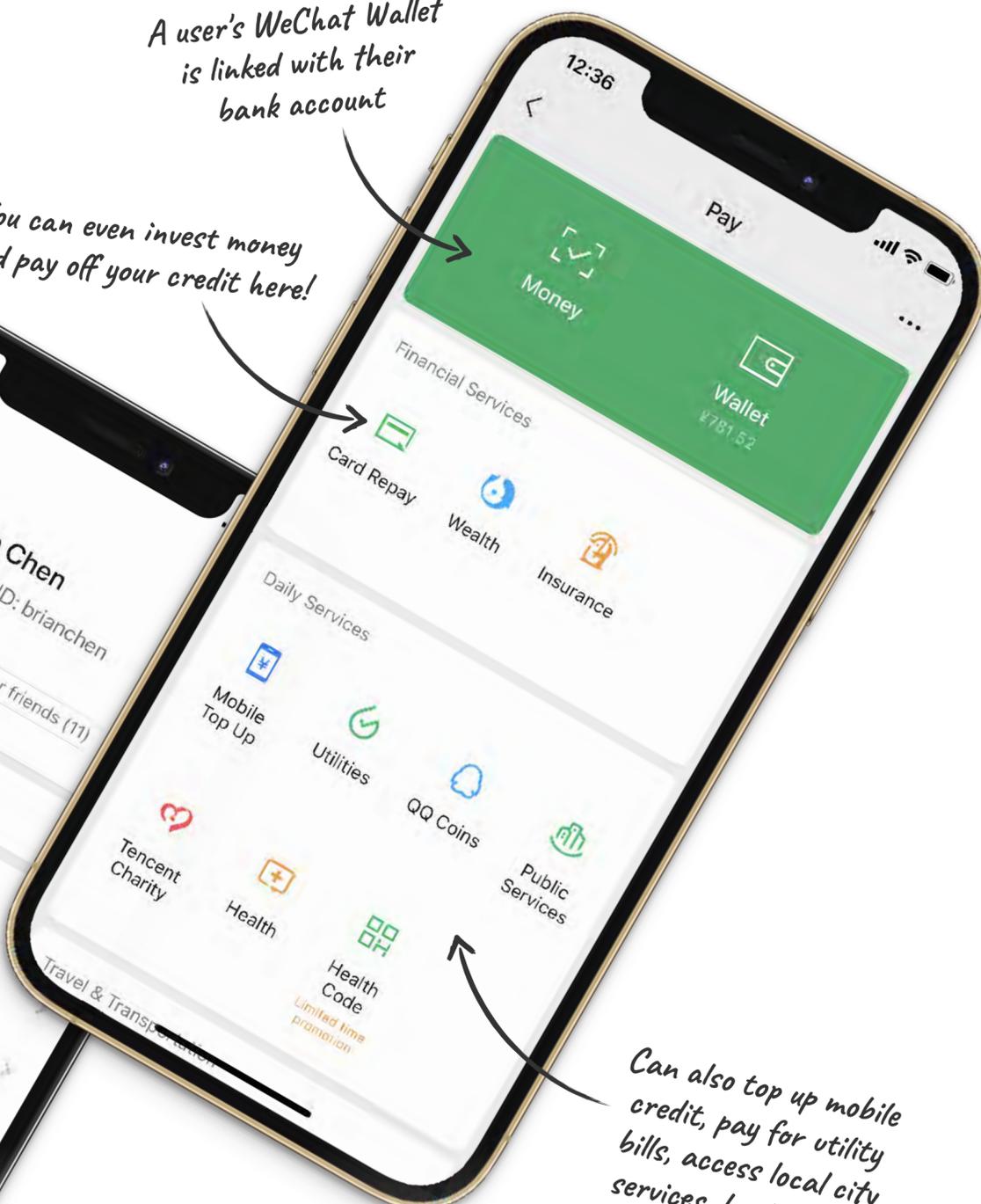
Trending news stories & the "Wow" tab shows content 'recommendations' from friends.



You can even invest money and pay off your credit here!



A user's WeChat Wallet is linked with their bank account



Can also top up mobile credit, pay for utility bills, access local city services, book trains, hotels, movie tickets, order takeout...

Favorite articles, your own moments posts & membership cards from brands.

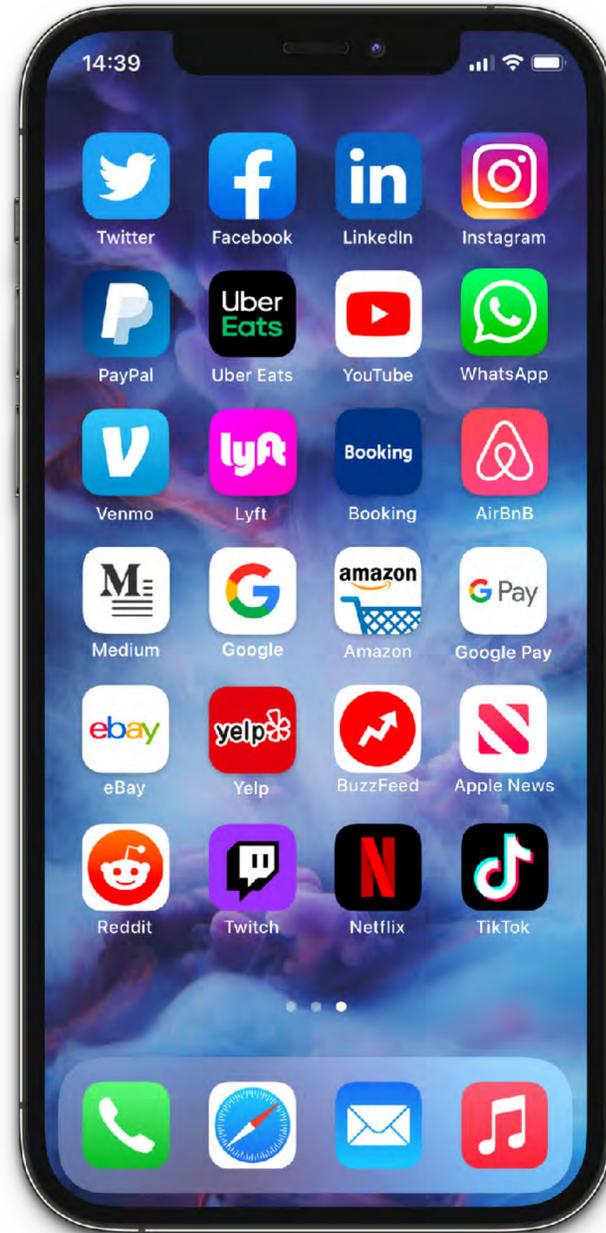


SIX • WECHAT

# One Super App to Solve Everything

*Imagine if just this...*

*...could replace all of these!*



*While you're on a video call,  
you message your friend,  
book a taxi,  
order food to your doorstep,  
post a status update,  
pay your electricity bill,  
renew your health insurance,  
check your stocks  
and book a doctor's appointment.*

In China, these are just a few of the things you can do all without leaving the WeChat app.

WeChat is not just another messaging app. It's necessary for survival.

This is not just limited to WeChat — Alipay and Meituan are also competing to be do-it-all super apps.

A super app is a platform for everyday use where a consumer can have all of their needs managed. These apps often merge social networking, financial and ecommerce functions, but also provide access to third-party merchants. And so, they eliminate the need for users to download separate apps. With each new extension, super apps try to get more attention, time and in turn make more money from a user. Retaining users with a wider range of functions spreads the customer acquisition cost [5].

Not only do super apps lock in their customers — the convenience also attracts businesses to set up their services within the super app ecosystem. For example — the ride hailing app Didi can be found within Alipay's ecosystem and Pinduoduo is accessible through a Mini Program inside WeChat. Similar to the way Western companies leverage the scale of Apple's App Store — by building inside these super apps, services instantly get access to their massive user base with very little acquisition costs.



## Rivals That Tried to Compete, but Failed



WeChat has had competitors — similar to they way tech giant Google launched Google+ to try and compete with Facebook and Twitter. Both Alibaba and Xiaomi created apps to compete with Tencent’s WeChat and just like Google+ they failed.



Before Xiaomi was synonymous with mobile phones, it tried to conquer the Chinese IM market. Launched in Dec 2010, 42 days before WeChat, Xiaomi’s MiTalk got a head start. It enjoyed a brief moment in the spotlight, introducing the ‘push to talk’ feature first, since Chinese input methods make text messages harder to compose. Some say MiTalk grew too fast, and lost millions of followers [S]. Meanwhile, WeChat ended 2011 with 20 million users to MiTalk’s 7 million [S]. MiTalk went silent for a few years and made one last attempt at a comeback in 2018 with major updates that included a social feed, similar to WeChat Moments. On 19 Feb 2021, the same day WeChat celebrated its 10th anniversary, MiTalk shut down their service [S].



To promote Alibaba’s own messaging app, Jack Ma shut down his WeChat account and demanded all Alibaba's employees gather 100 external contacts on Laiwang before the end of the year to receive their annual bonus.

**“I consider those who fail to reach the 100 mark as automatically giving up their bonus”**

— Jack Ma, CEO Alibaba

After a failed acquisition of the \$10B app Momo, and an investment in American messaging app Tango, Alibaba gradually changed Laiwang's strategy to get out of the direct messaging market [S].



Not ready to give up, Alibaba quietly launched a new app, Real (Ruwo in Chinese) in 2019 targeted at campus students and hoping to tap into Gen Z’s need for “authenticity.” They app promises users can share “real people, real things and real feelings” [S].

Let’s see if it does better than Laiwang...



SIX • WECHAT

## WeChat's Visionary Creator

It's impossible to talk about the incredible success of WeChat without mentioning Allen Zhang (张小龙, Zhāng Xiǎolóng), the tech visionary who created it. The rockstar programmer who got his start with Foxmail, is now famous for his user-centric design ethos and for giving insight packed 4-hour lectures.

When working on WeChat in 2010, he pitched the communication app people needed, not the one they thought they wanted — simple, user-friendly and customer-oriented. He insisted that WeChat's menu bar should never have more than four icons, Moments should have minimal ads, and that product managers constantly interview and gather experience data from end-users [5]. When brands, frustrated with the app's perceived limitations as a marketing or sales tool, ask why they can't do something in WeChat, the answer is often found in Zhang's policy of protecting and elevating user experience.

Where other popular products (including, by his own admission, Foxmail) gradually turn into a cluttered and unfocused mess, Zhang has kept

WeChat's broad ecosystem well-integrated and user-focused. That ideological, grand design-thinking worked out in the end: in 2021, with 1 billion daily active users, WeChat is the most important app in China.

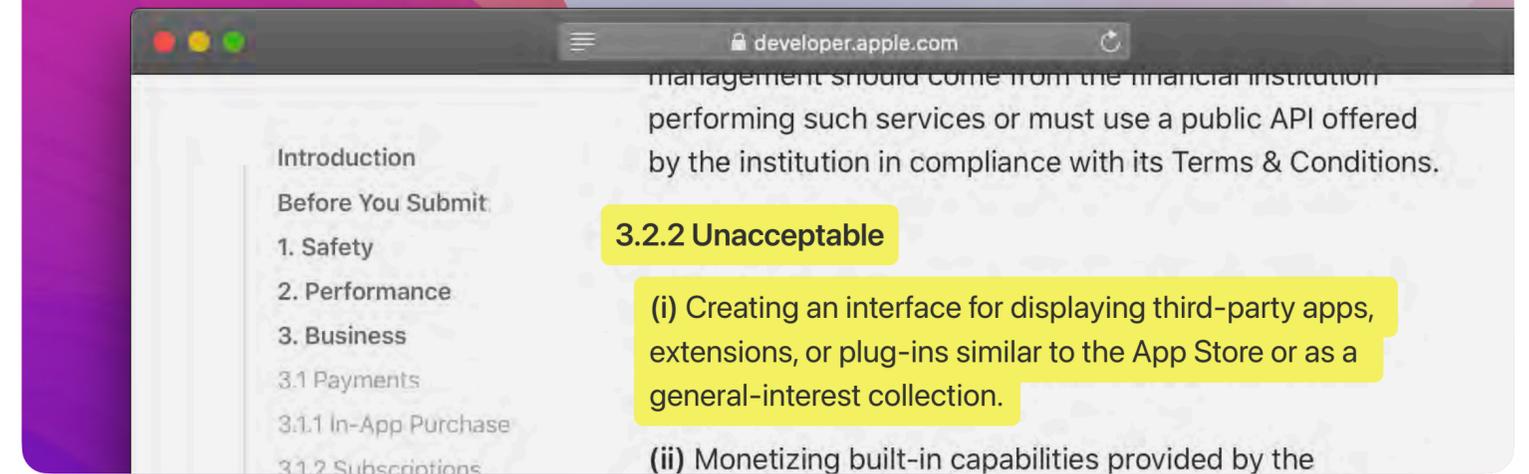
"I am the only senior executive I know of who sits in meetings with front line product managers to go through each and every detail.

I want to build the best product.

A good product requires a certain degree of 'dictatorship', otherwise it will embody all sorts of different, conflicting opinions and its personality will become fragmented"



Allen Zhang,  
Creator of WeChat



### Is WeChat a Threat to Apple?

WeChat Mini Programs must be a huge headache for Apple — the rules for developers strictly prohibit iOS apps that allow “third-party apps... similar to the App Store”. Apple claims this is for ‘safety reasons’, but the App Store is a major source of revenue, generating \$50bn globally in 2019. When Mini Programs first launched, they didn't seem like a threat. However, as Allen Zhang and his team have tweaked and improved Mini Programs, things have changed. WeChat now offers 2.4M Mini Programs, more capable and available in more places throughout WeChat.

WeChat is essential to daily life in China and although Apple only has ~10% market share, there are still estimated to be over 100m iPhone users in the country. Plus, iPhone users typically spend more than the average WeChat user.

WeChat and Apple need each other. Although WeChat's Mini Programs have effectively evolved into a rival App Store within WeChat — an app Trojan Horse — Apple can't ban WeChat. Meanwhile, WeChat can't risk being unavailable on the iPhone — both would lose millions of users. **For now, it's a Mexican stand-off.**





SIX • WECHAT

# The WeChat Ecosystem

What started out as a simple messaging app has over the years grown into a carefully crafted lifestyle platform.

All of its individual elements integrate with each other seamlessly, allowing WeChat users to share bits of their lives, follow celebrities and brands, order food, book doctor appointments, play games, send money, pay bills, receive coupons and, of course, send messages to family, friends and strangers. All without leaving WeChat.

It's tempting to compare WeChat's elements to stand-alone apps, but you can't look at any piece of WeChat in isolation. Tencent has thoughtfully created a vast, integrated, interconnected ecosystem.



WECHAT WIKI

Fantastic Repository of Resources

[WeChatWiki.com](http://WeChatWiki.com)



*Sadly, we didn't have time to cover Mini Games 😞*

# How WeChat Redefines The Marketing Funnel

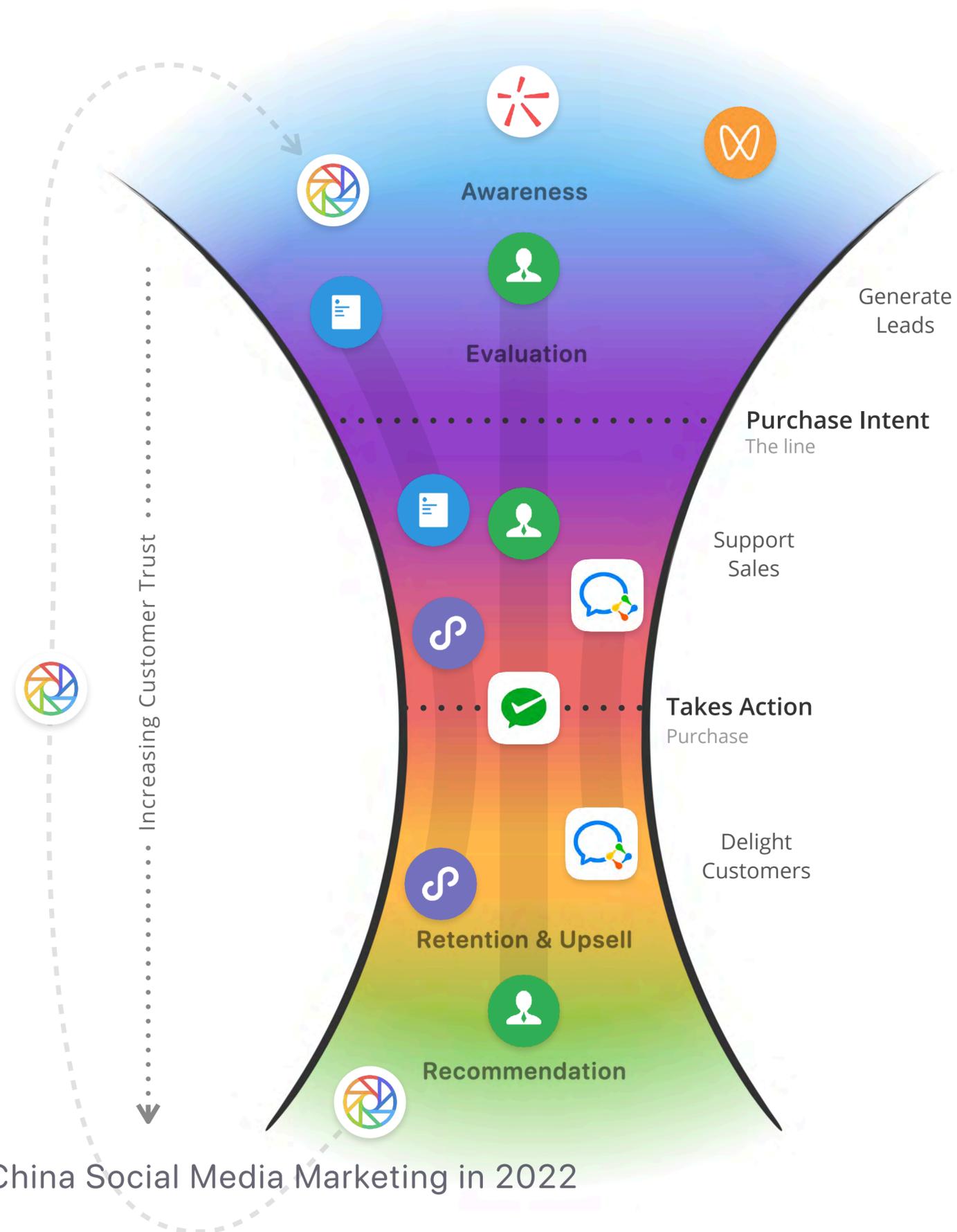
The sales journey is often visualized as a funnel, where marketers distinguish between **Above The Line (ATL)** and **Below The Line (BTL)** marketing tactics.

In WeChat's ecosystem the terms ATL and BTL don't apply. It's better to think of WeChat as a **Through The Line (TTL)** platform where the entire customer journey takes place virtually.

**Moments** is a feed where your customers share personal updates (and anything you create!) with their immediate circle of WeChat friends.

“ Word of mouth may be more powerful in China [...] An independent survey of moisturizer purchases [...] observed that **66% of Chinese consumers rely on recommendations from friends and family.**”

Source: [McKinsey Report on China's new pragmatic consumers.](#)



**Channels** are algorithmically driven short videos, providing a rare opportunity to reach new audiences inside the WeChat ecosystem.

**Search** is a key part of discovery within WeChat. Consumers can find your Official Account, articles or videos you've published.

**Subscription Official Accounts** can publish articles more frequently, showing up in your follower's dedicated Official Accounts feed.

**Service Official Accounts** straddle the line between evaluation and post-sales service. They provide a place for followers to reach out for help, and your articles are pushed directly onto their chat feed.

**WeCom** is a great way for customer-facing staff to create communities and build high-touch individual relationships with customers.

**Mini Programs** provide rich app-like functionality, including ecommerce conveniently integrated within WeChat.

**WeChat Payments** lets you collect money from customers online and offline.

# SIX • WECHAT Channels

## INDUSTRIES

**B2C** **B2B** Lifestyle, Music, News, Fashion & Art.

## CONTENT FORMAT

Up to 1h long videos, livestreaming, photos (up to 9)

## CONTENT MARKETING OPPORTUNITIES

Reach a wider audience with short videos, which are easily sharable with in WeChat

## MARKETING FUNNEL

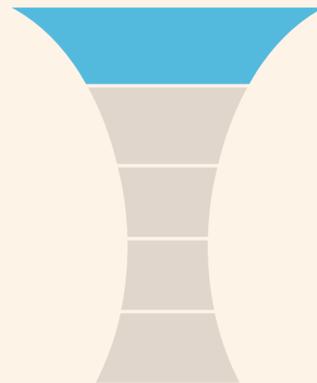
Awareness

Evaluation

Purchase

Retention

Advocate



The only place inside WeChat to easily reach a wider audience

## PAID AD OPTIONS

Promote Video on Channels feed, starting from only

## KEY METRIC

 Video Views

Launched in 2020, Channels is WeChat's newest addition to its ecosystem.

Channels is a video feed within WeChat that lets users create and share short video clips. Its algorithmic feed allows to reach an audience beyond a users' circle of WeChat friends/followers.

## Opportunities for Brands

Modeled after the Douyin and Kuaishou, the Channels feature is not considered a serious competitor to either. However, it does benefit from the deep integration within the WeChat universe. Channel account and videos can be linked to the Official Account and have its contents embedded in WeChat articles, then link to WeCom/Mini Programs.

## Advanced Features

The feature also has a web interface for content management, scheduling and basic performance stats, which multiple team members can access. WeChat has developed a simple advertising feature which lets individuals and brands promote their content on WeChat Mini Programs and Moments Feed.

## The Video Feeds

Channels breaks down into 4 tabs with different feeds:

### 1. Following

Videos from the WeChat Channels accounts you specifically follow.

### 2. Friends (default)

The videos most liked & commented on by videos by your WeChat friends.

### 3. Hot

Popular videos curated by WeChat & videos receiving many likes and comments from all WeChat users.

### 4. Local

Videos published by accounts nearby your current location.





SIX • WECHAT

# Experience Running a Popular WeChat Channel

EXPERT CONTRIBUTOR



**Steven Yan**

Growth Communications  
Dentsu Shanghai

A community builder with a passion for creative advertising campaigns that he shares through his WeChat Channel.

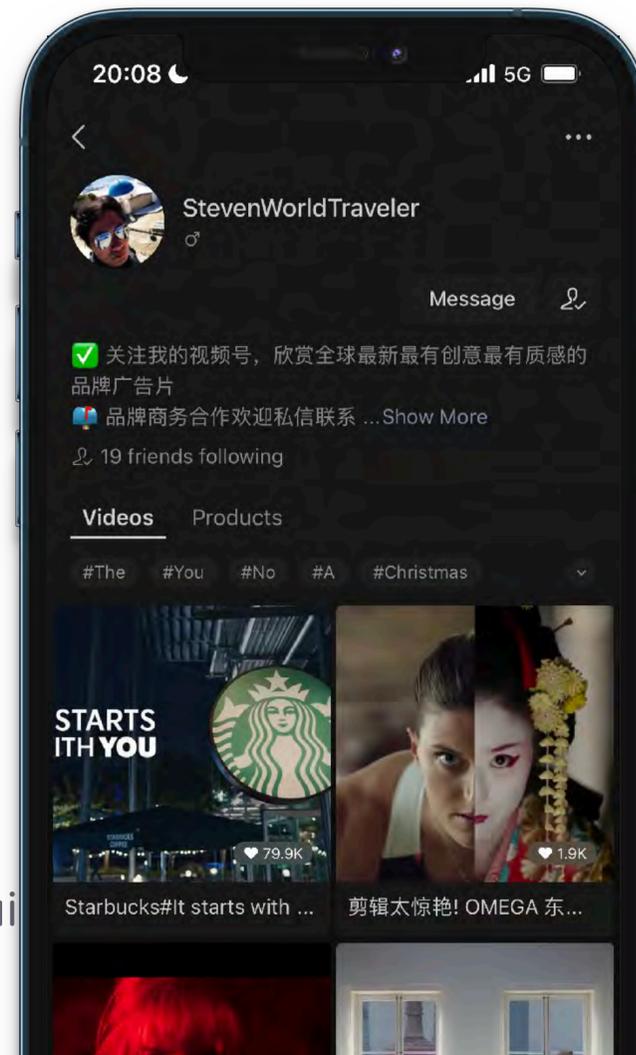
[Steven Yan](#)

Follow Steven's Channel



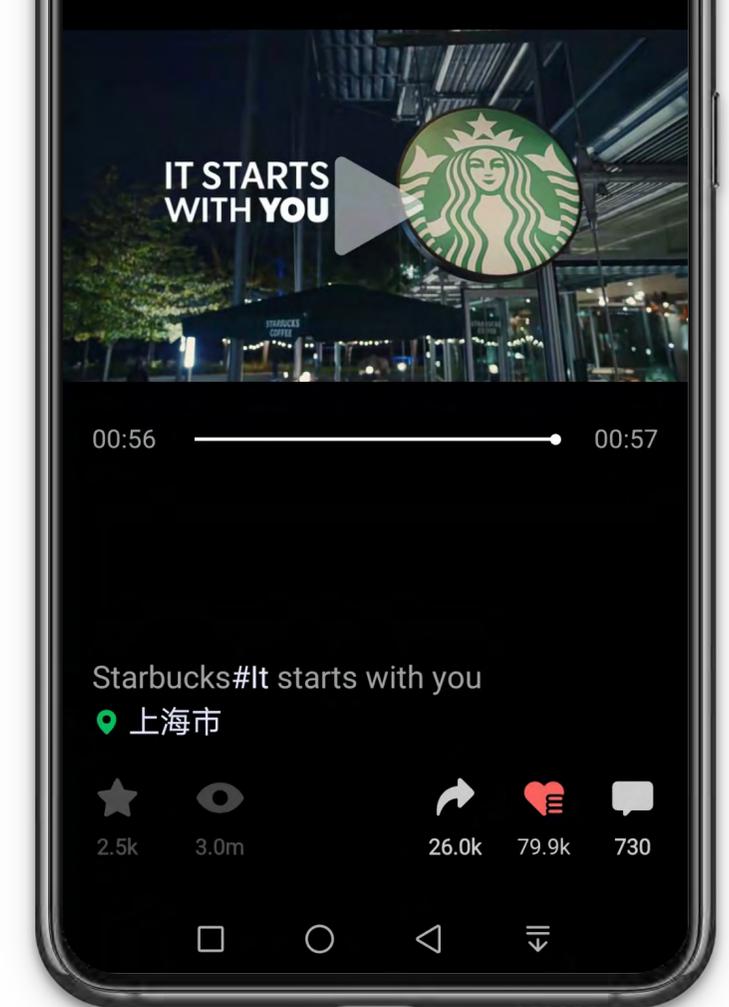
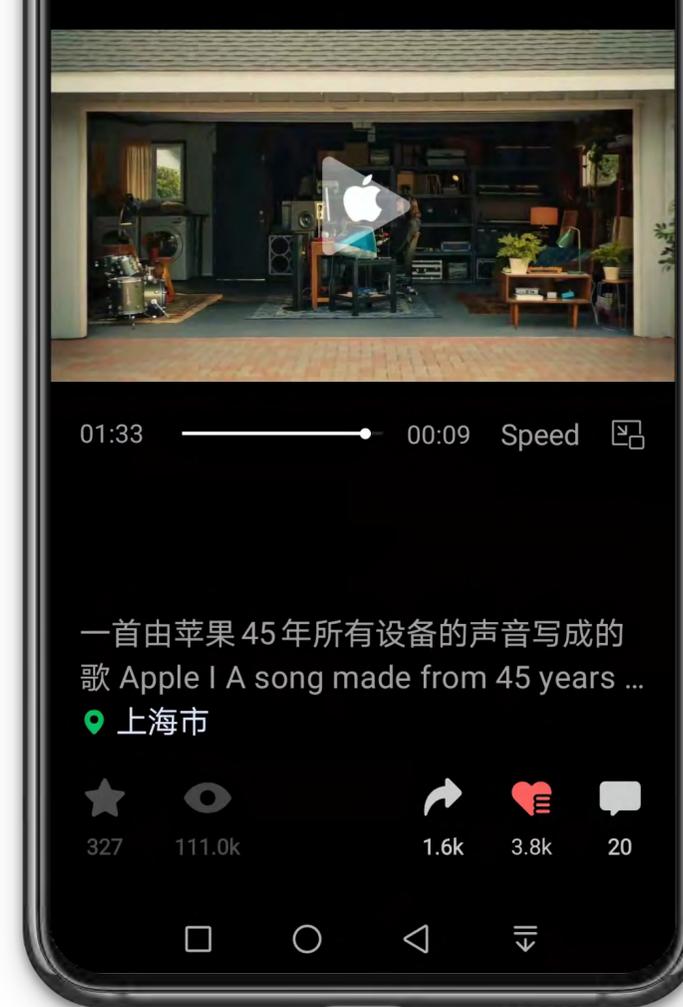
## Why did you start the channel?

I currently run two WeChat groups for the marketing community. Each has about 500 members and I frequently post videos in the groups of inspirational ads from around the world. However, I couldn't get any stats on how many saw the videos and how they were shared. After starting my WeChat Channel I can now see clearly which videos are more popular and if can reach a wider audience. My account has organically grown to about 10K followers.



## How popular is your Channel?

Just like with Douyin, the follower count is not that important - thanks to algorithms, the content can reach an audience beyond the Channel's followers. A couple of my videos have gone viral and received millions of views. Channels have a messaging feature, and a large number of people reach out to me. Some just to tell me they enjoy my content and find it inspirational, while others reach out for commercial collaborations.



## Have you discovered any hacks that helped your channel grow?

Quality of the content is crucial. The video cover image and the title copy - it helps if you put the time in to make it more engaging. Make use of hashtags, location tags and tag the relevant brands accounts in the copy. But the only real secret is to share good quality content, which people will engage with. Know your audience well and give them what they want.

# SIX • WECHAT WeChat Search

## Why WeChat Search Matters

**500M** Monthly active users on WeChat Search [S]

**32%** Use it as their primary search engine [S]

**46%** Use WeChat as a general purpose search engine [S]

With more than 20 million WeChat Official Accounts publishing content, WeChat has a massive content library [S] and no good way to search it. Currently, WeChat deliberately restricts outside access to content within its ecosystem (see slide 26), though authorities are pressuring Tencent to open up [S].

To help its users navigate this enormous amount of material, WeChat has been honing its native search feature.

## Evolution of WeChat Search

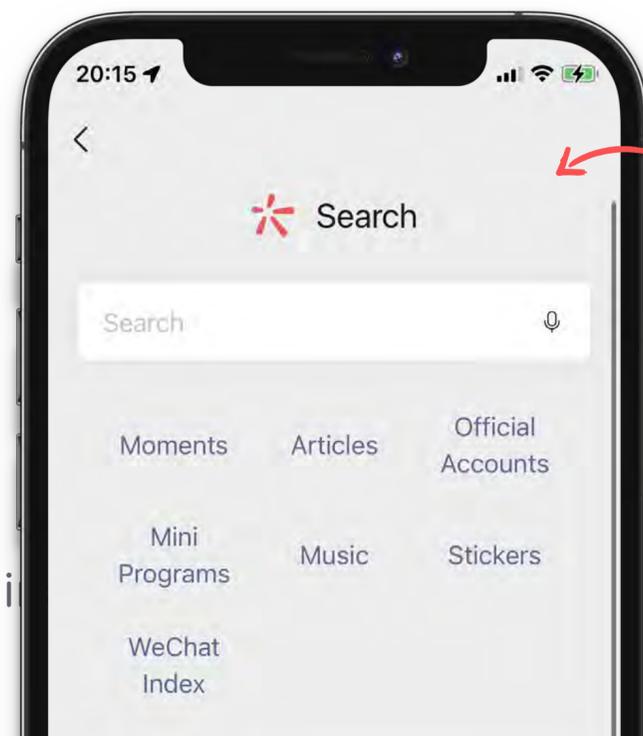
- JUN 2014**  
Search bar appears on WeChat for the first time, mainly to support users finding content within chat conversations.
- SEP 2014**  
Search includes a user's saved items and articles published by Official Accounts.
- JAN 2015**  
Search expands to display results from Moments and nearby restaurants.
- JAN 2017**  
Music and stickers are include in search.
- MAY 2017**  
WeChat Search launches as a standalone search engine.

## Search Becomes Social

WeChat Search doesn't work like other search engines. Google and Baidu often prioritize ads and lead users to external pages. WeChat Search is just another way for WeChat to keep users inside its ecosystem [S]. Results heavily favor recent WeChat articles and mentions of the search term by the user's WeChat contacts. Search aims to aggregate everything published and shared on WeChat so that users don't need to leave the ecosystem — if possible, external links will still display in WeChat's browser. The "walled gardens" of China's tech world are crumbling, but WeChat is determined to stay closed — when WeChat content briefly appeared on Google and Bing search results, Tencent claimed it was a bug and fixed the error quickly [S].

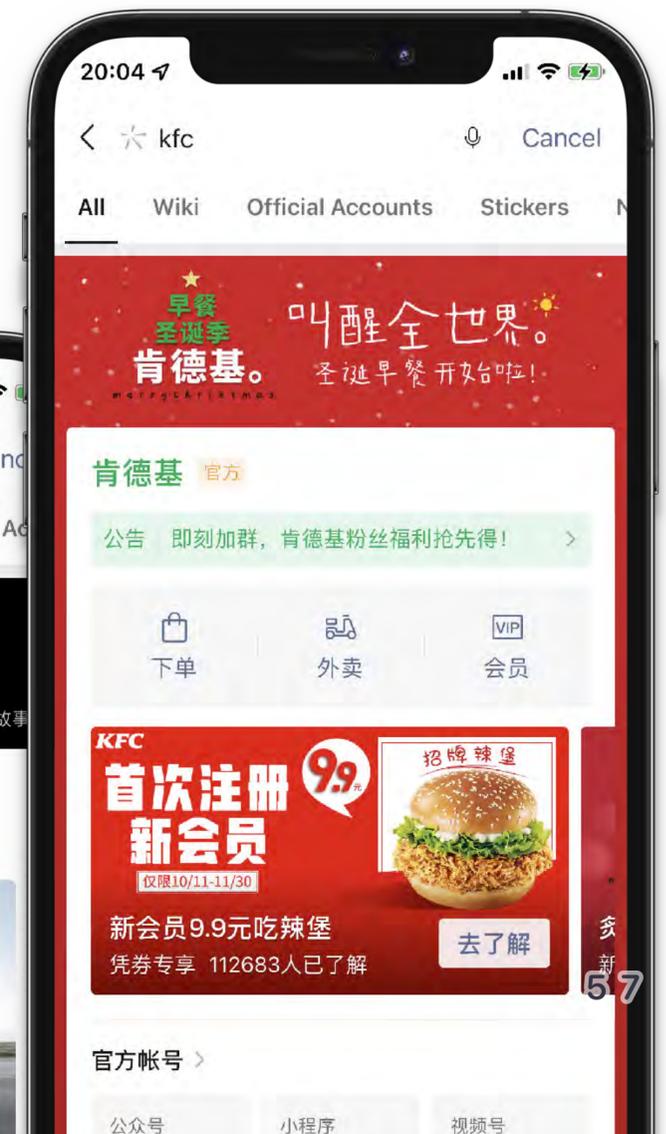
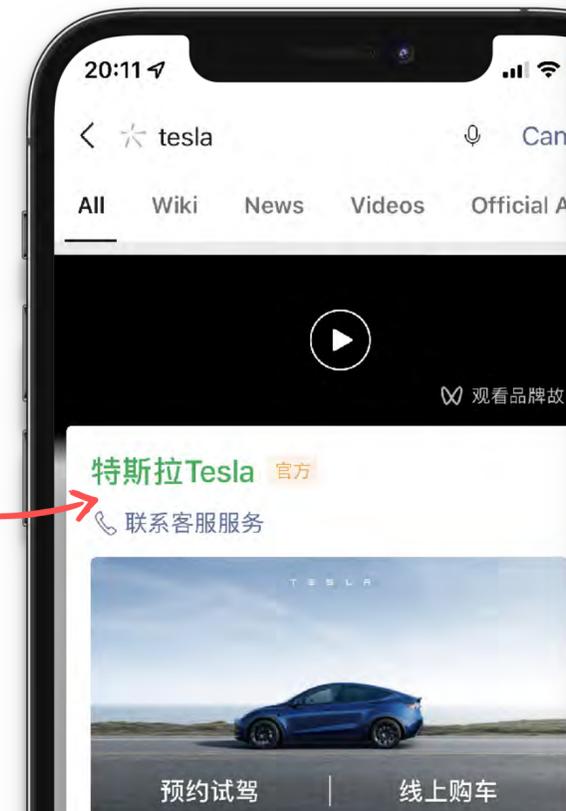
## WeChat Brand Zone

WeChat Search does offer brands the option to customize a sizable box at the top of the results page when users search a brand name (or related terms). Brands design a custom background, display their OA, Mini Programs, WeChat Channels, physical locations and new products, all featured in the Brand Zone. This provides a great opportunity for brands to capture the users attention at the point where they're actively looking.



*Dedicated WeChat search page*

*Examples of Brand-zone*



# SIX • WECHAT Official Accounts

## INDUSTRIES

**B2C** **B2B** Lifestyle, Music, News, Fashion & Art.

## CONTENT FORMAT

Posts with up to 8 long HTML articles with images, video, gifs & interactive elements

## CONTENT MARKETING OPPORTUNITIES

(See right side)

## MARKETING FUNNEL



## PAID AD OPTIONS

- Account Promotion on User Moments
- Bottom-of-the-Article Banner
- Mid-article banners

## KEY METRIC

- Reshares
- Reads

WeChat Official Accounts (also known as “OA”) provide brands with a way to build a following inside WeChat’s walled garden — but you still have to follow their rules.

*From our research, WeChat seems to be the world’s only social network that limits how often brands can publish content.*

## KEY STATS

- Over 20 million active WeChat OA
- 80% of WeChat users follow at least 1
- 40% of WeChat users spend more than 30 minutes per day reading articles published by OA.

Possibly due to the long form nature of the content these percentages are higher in Tier 1 cities than the rest of China.

## Tough Competition

According to research by QuestMobile, out of the 20 million OAs, 73% of WeChat users only follow up to 20 OAs [5]. 41% of users follow OAs based on recommendations from friends. Being on of the few accounts a user follows is therefore very competitive.

	 <b>Subscription</b> 订阅号 dīngyuè hào	 <b>Service</b> 服务号 fúwù hào
<b>Key Purpose</b>	Regular sharing of information. e.g. News, Sports updates etc	Customer service, ecommerce & higher touch services.
<b>Number of Broadcasts</b>	<b>1 per day</b>	<b>4 per month</b>
<b>User Segmentation</b>	<b>Yes</b> but segmented push count towards 1-broadcast-per-day quota	<b>Yes</b> up to 100 segmented pushes per day, but each follower will only receive max 4 messages per month
<b>Notifications</b>	<b>No</b> only small red dot on subscription folder	<b>Yes</b> user receives a push notification and account is in main chat feed
<b>Account Menu</b>	<b>Yes</b>	<b>Yes</b>
<b>Trackable QR codes</b>	<b>No</b>	<b>Yes</b>
<b>Native Ecommerce</b>	<b>No</b>	<b>Yes</b>
<b>WeChat Pay</b>	<b>No</b>	<b>Yes</b>
<b>Which one is right for you?</b>	You want to provide more regular timely updates to existing customers.	You want to build and maintain deeper relationships with customers.



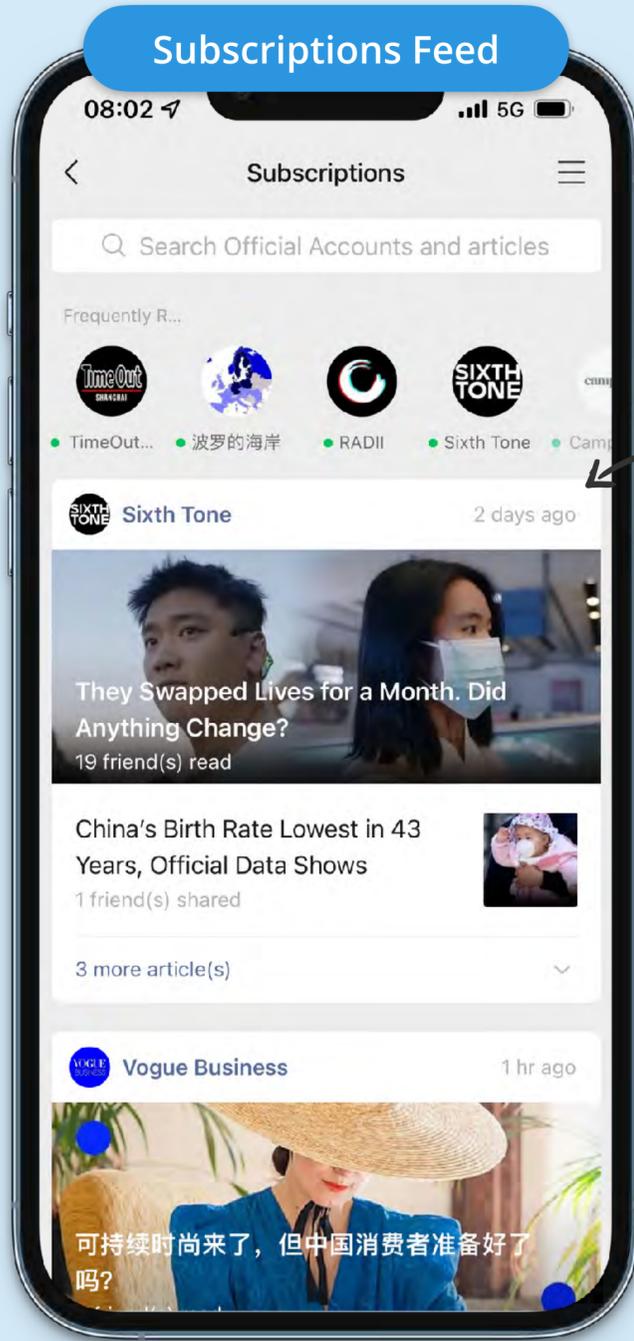
SIX • WECHAT

# WeChat OA Compared



## WORD OF CAUTION

WeChat Service Accounts occupy a very special place in the feeds of your WeChat followers. Sometimes pushing a weak article just reminds them to unfollow you. [Learn more on page 62](#)

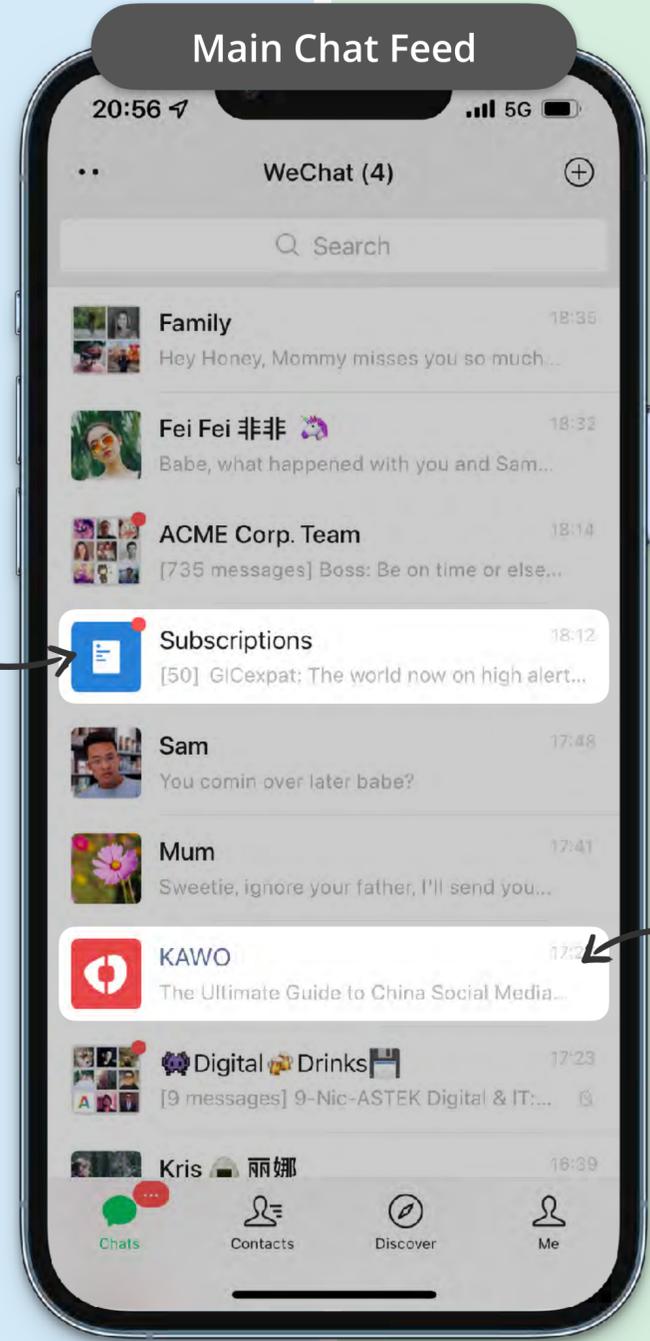


### Subscriptions Feed

*Originally in chronological order, as of May 2020 WeChat switched this feed to be ordered algorithmically.*

*Content published by subscription accounts appears in the Subscriptions folder*

*Although Subscription OAs are able to include 8 articles in each push, only the top 2 articles are visible and the user must click to reveal the rest.*

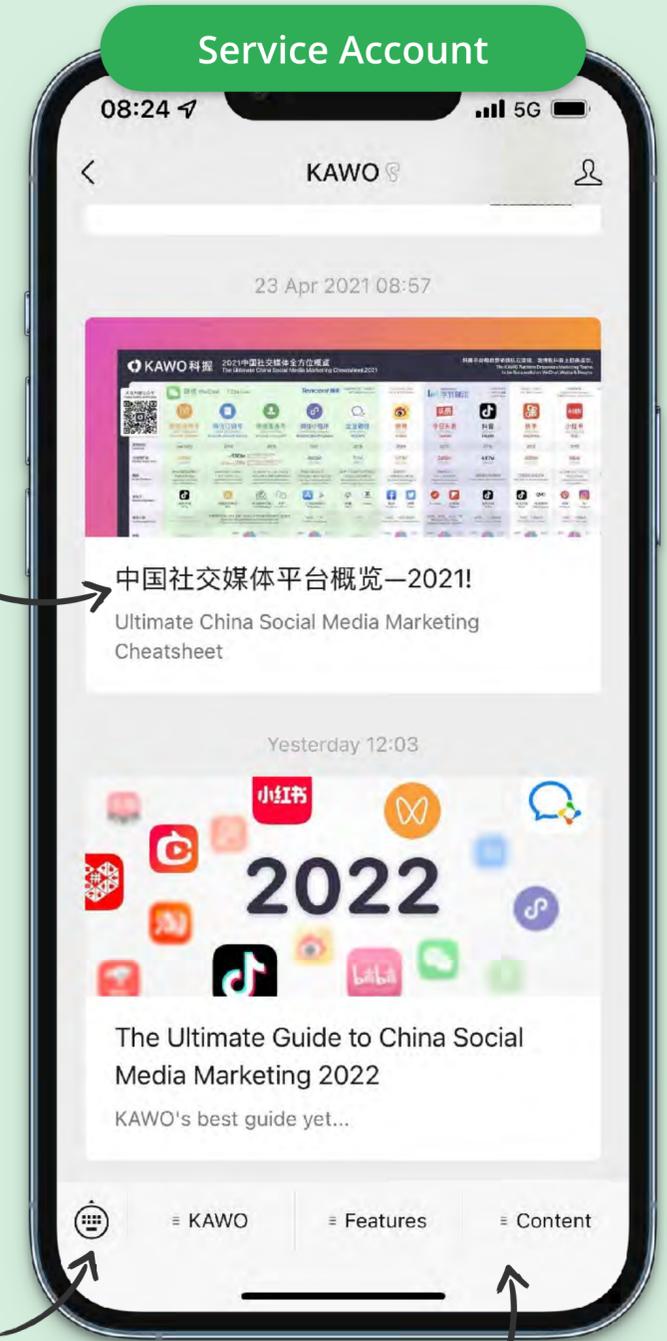


### Main Chat Feed

*When you 'push' to your followers they receive a card inside the chat-like interface of your OA.*

*Service Accounts live in a users' main "Chats" feed, among their friends and group chats. This makes them much more prominent than Subscription Accounts.*

*This is also where followers can send messages and interact with customer support.*



### Service Account

*Learn about the importance of the Menu [on slide 61](#)*



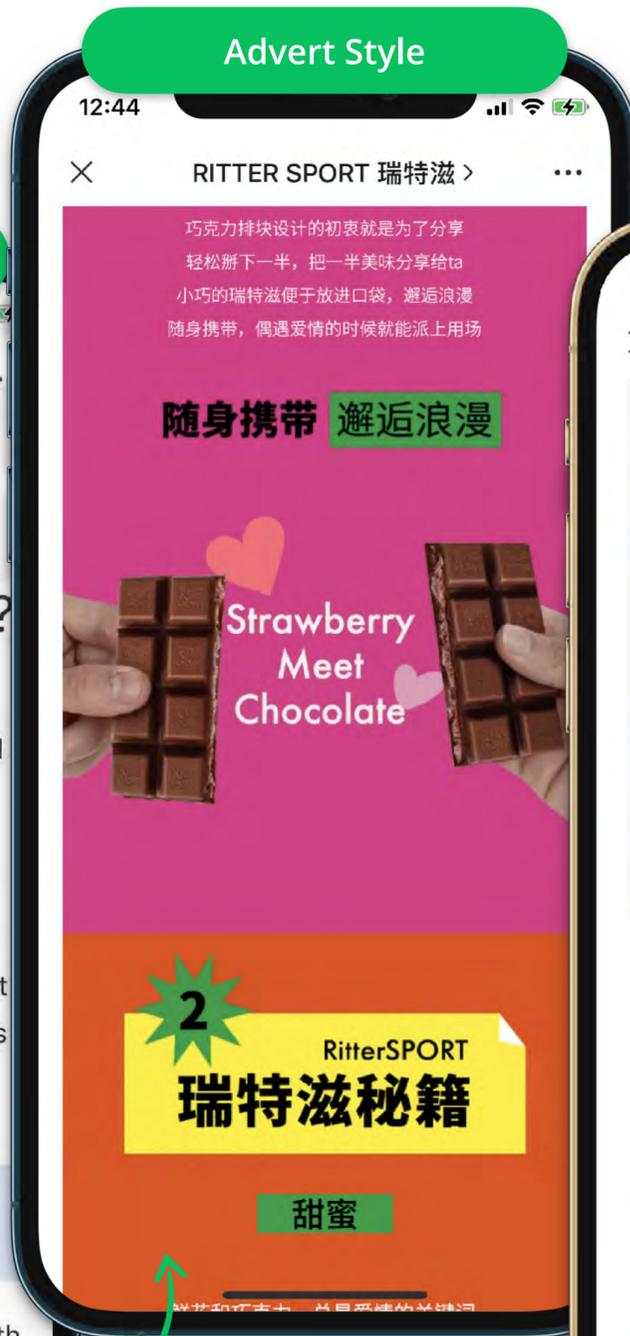
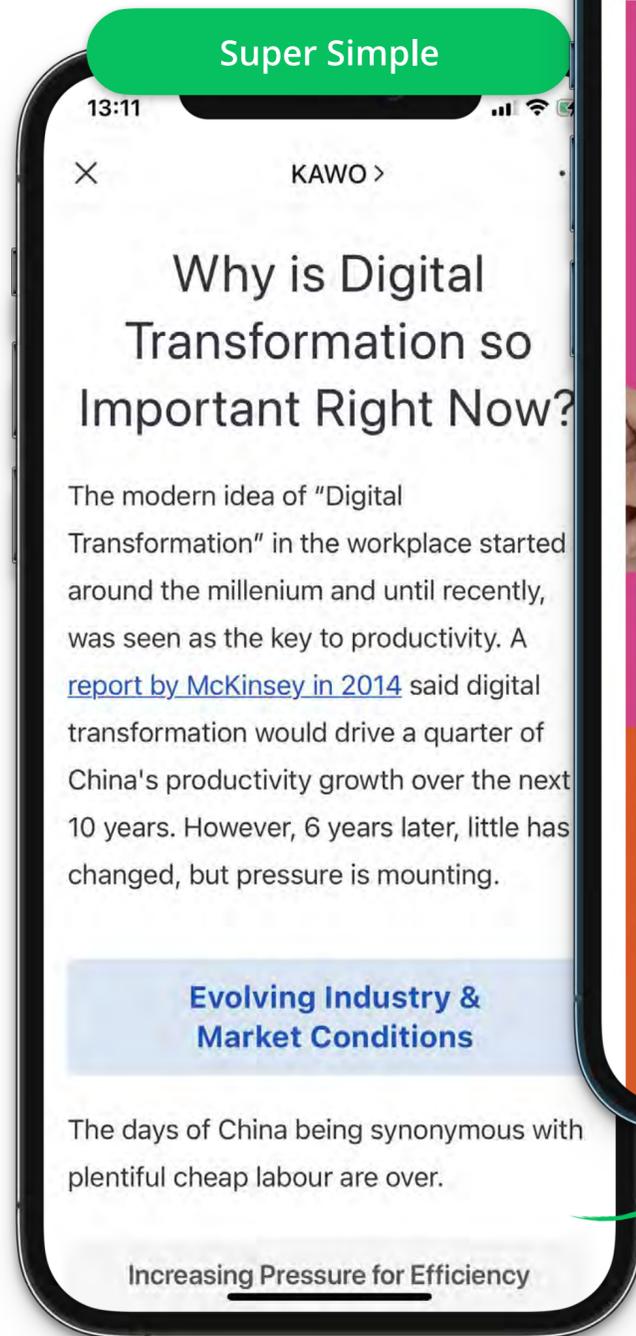
SIX • WECHAT

# What is a WeChat Article?

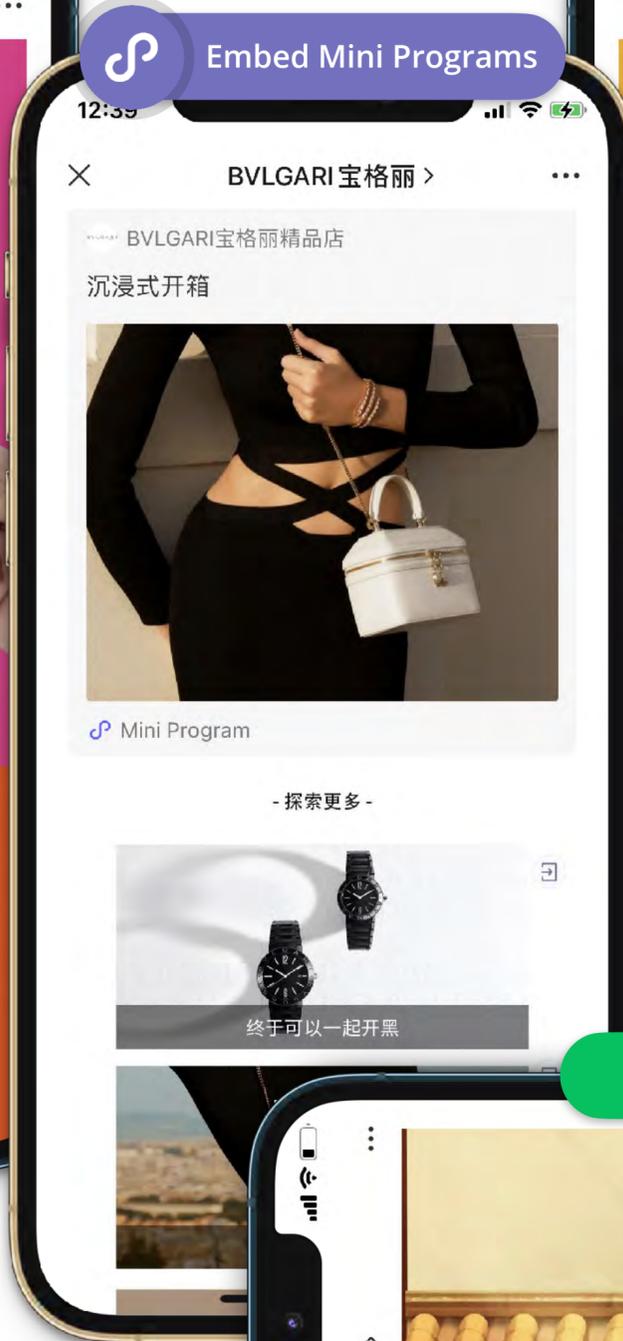
Think of WeChat articles as a cross between blog post and newsletter.

Articles can be super-simple, containing just text and a few images. More complex articles contain HTML, H5, video, audio and even embedded Mini Programs and WeChat Channels content. As mobile-first content, article creators have also learned to play with display size (e.g. horizontal layouts).

Partially due to the limited formatting options of WeChat articles, they've developed a style unique from any other social media platform post format.



*Formatting of articles can range from super simple to very complex*





SIX • WECHAT

## Quality Content is King

EXPERT CONTRIBUTOR



**Olivia Plotnick**

Founder  
WaiSocial

Founder of WaiSocial, a social media marketing agency helping brands thrive on social in China.

[WaiSocial.com](http://WaiSocial.com)

[Olivia Plotnick](#)



### What is the state of content marketing on WeChat Official Accounts (OA)?

We continue seeing a decrease in open rates. Follower growth has slowed down a lot, a trend we've observed over the years. While content can still get decent reads, it's harder to convert readers into followers. However, if they do follow from content, they tend to be more loyal.

### Should accounts post less frequently?

We actually advise our clients to post less, even if it means we make less money. Brands feel like they need to broadcast every week. Just because they can, doesn't mean they should. In fact, it could be doing more harm than good. Realistically, brands should be aiming to create 2-3 pieces of high quality, value-driven content per month.

### What's a mistake brands should avoid?

Use the WeChat OA menu better! This is where most people will start exploring your brand, or come to get their questions answered. Treat your brand's OA like your website, don't just slap a generic "About Us" section there, and don't link outside of WeChat to a website!



*Use the WeChat OA menu better!*

Create menu articles within WeChat. Research what your Chinese customers have questions about, what products they love the most and what they are searching. Keep tracking how many clicks each menu item is getting, adjust and test — especially the placement of your main CTA.

### How should brands approach creating awesome WeChat content?

Too many marketers approach content with the thought: "This is what we want people to know". Brands want to talk too much about themselves. The focus should be on creating value. I've seen some brands set up a vote and let their audience decide what topics they want to read about. This gives the marketing team some good insights, and makes the audience feel invested, like they were involved in the content creation process.

### Should you be worried about losing followers when you push?

We're very aware of this, as it happens a lot. Each time an OA pushes an article, it's like a reminder to the followers to unfollow yet another account. If that happens, we always look at the stats — what day was the article posted on, was there anything about the article title that annoyed the followers, how many followers did the account lose? Sounds concerning, but generally, the follower rate doesn't matter that much — we care more about the quality of followers. There are accounts where the read rates are going up every month, but the follower count is consistently dropping, indicating that the remaining followers are extremely engaged.

### Any advice to brands for 2022?

Video is big — I know we marketers have been saying that for years now, but video is now essential. WeChat Channels are constantly adding useful new features. Sure, WeChat as a video platform is unlikely to compete with Douyin or Bilibili, but Channels being inside the WeChat ecosystem create a seamless customer journey. Keep an eye on WeChat Search — millions of users are searching via WeChat every day. Optimize article titles and look out for trending topics.

**Ultimately, content is still king! 🏆**



SIX • WECHAT

# Practicing What We Preach

KAWO HELPS YOU BE SMARTER ON WECHAT

[Schedule a chat with our team to learn more...](#)

In the past year we've published twice on KAWO's Official Account. Both articles took ~3 weeks to create, but had drastically different outcomes...

## FIRST PUSH - 29 DEC 2020

### Digital Transformation

Were we preaching instead of providing value? Not enough visuals? We received positive feedback, but the drop in followers told us this is probably not what our followers want...

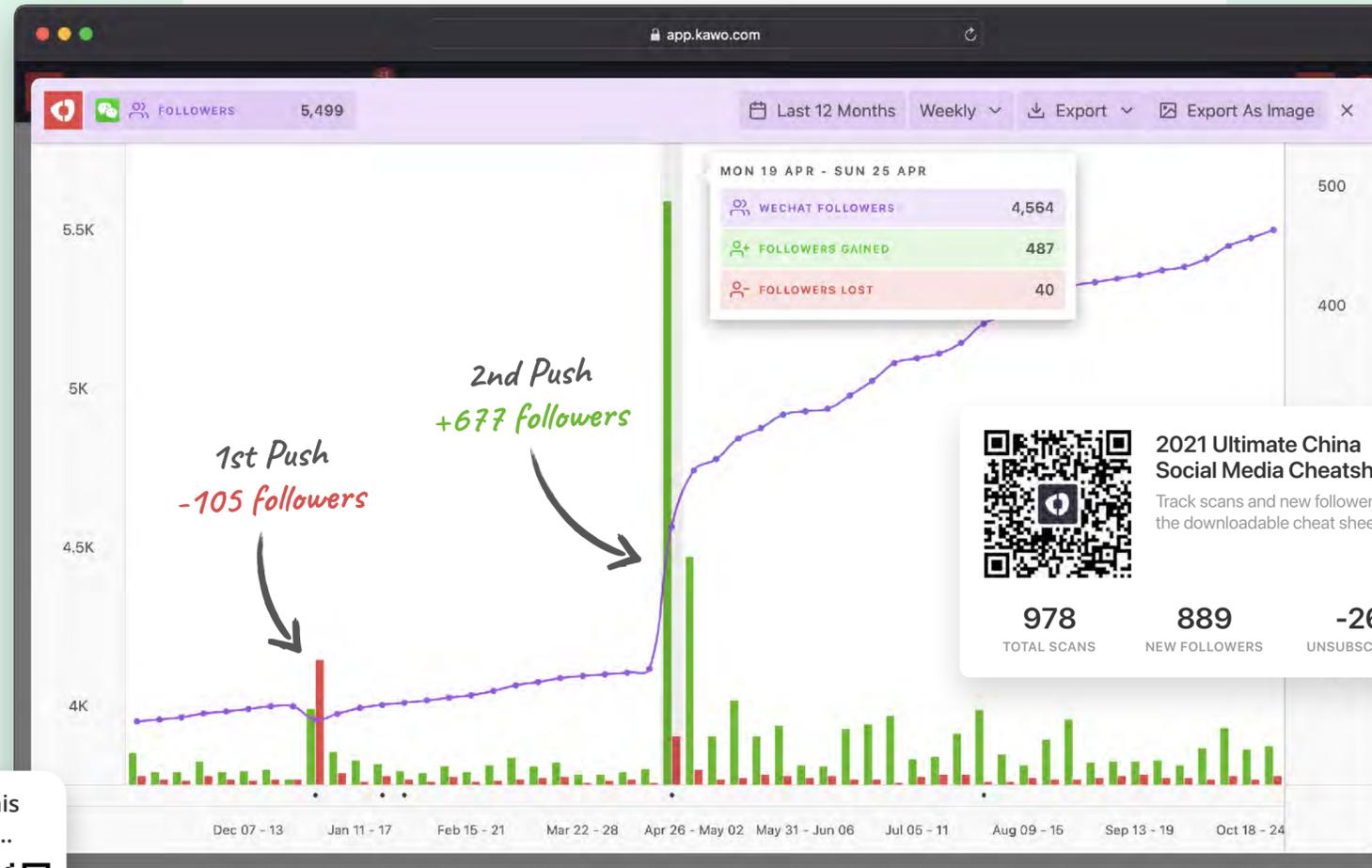
5.3% OPEN RATE | 1,457 READS | 188 SHARES

#### Why is Digital Transformation so Hard in China?

Alex Duncan KAWO 2020-12-29

Everyone in marketing is talking about digital transformation, but few are really doing it.

2021 is the year when genuine digital transformation is needed more than ever. Marketing teams in China currently operate in a state of chaos and chronic inefficiency. When the work was easy and the money



## SECOND PUSH - 23 APR 2021

### China Social Cheatsheet

This time we focused on purely providing value. We really worked hard to make our cheatsheet better than others out there and were rewarded with a big bump in followers.

20% OPEN RATE | 3,469 READS | 337 SHARES

#### 中国社交媒体平台概览—2021!

KAWO 4/23

#### Ultimate China Social Media Marketing Cheatsheet 2021

这可能是你今年下载到的最棒的1.5MB!  
Probably the Best 1.5MB  
You'll Download this Year!



We're not advocating for only publishing twice per year, but we do believe you shouldn't post content unless you have something good to say.



SIX • WECHAT

## WeChat Account Verification

As a brand, it is important to get verified on WeChat. The little yellow tick lets users know this is the official brand account and its content is legitimate.

However, WeChat's verification process is rather complicated. You can verify with a mainland Chinese business license or an overseas business license. Unlike Mainland accounts, overseas accounts can only create Service Accounts.

Subscription accounts can only be verified with a Chinese Business license and each business license can register & verify up to 5 WeChat Official Accounts. It is possible to use a third-party agent to circumvent this problem.

### Mainland Verifier

Takes about 1 week, costs 50USD/year.

Access to the full range of options offered by WeChat (WeChat store, payments, coupons, mini programs, copyright protection, IoT, etc.)

### Overseas Verified

Takes about 3 months, costs 99 USD/year.

Only Service Account available with limited functionality. Some features available are WeChat Advertising, instant store, customer service etc.

UNDERSTAND WECHAT

[Difference Between Personal and Official Accounts](#)



MUST READ GUIDE

[How to Register a WeChat Account](#)



EXPERT CONTRIBUTOR

Alex Duncan

Co-founder of KAWO

### 4 Articles Per Month is a **Limit** not a **KPI**

WeChat service accounts live in the main chats screen — a very person place in your follower's WeChat accounts. If you publish a post to your users and they don't find it interesting, it could just serve as a reminder to unfollow you.

### Focus on Quality & Providing Value

Brands can really maximize their content marketing ROI by focusing on quality over quantity. Instead of rushing to post every week just for the sake of posting something — to stand out amongst the noise, focus on providing pure value.

### Consider the Size of Your Images

We saw on [page 28](#) how big tech companies are investing resources into building lite apps to conserve bandwidth and resources on cheaper smart phones in lower tier cities.

Earlier this year we did research into WeChat articles and discovered the average size was ~10MB and some were as large as 150MB. While this content likely loads quickly on the high end phone of a marketer working in Shanghai, the experience of users in other cities could be very different. Teams should consider reducing the number and size of images in articles — especially animated gifs.

ENTERPRISE WECHAT OA MANAGEMENT

**We built KAWO to be the best solution for teams to manage WeChat official accounts.**

KAWO is a secure SaaS platform to help your teams plan, collaborate, schedule, approve and measure performance on WeChat.

[Arrange a Demo to Learn More...](#)



SIX • WECHAT

# Mini Programs

## INDUSTRIES

**B2C** **B2B** E-commerce, Services & Gaming

## CONTENT FORMAT

Lightweight apps integrated with WeChat functions  
e.g. payments

## CONTENT MARKETING OPPORTUNITIES

Seamless O2O experience, Loyalty Programmes & E-commerce

## MARKETING FUNNEL



## PAID AD OPTIONS

- Promote on Moments, in OA Articles
- Within MiniProgram:
  - Banner Ads
  - Pop-up Ads

## KEY METRIC

**Conversions**

WeChat Mini Programs are an easier-to-use alternative to stand-alone apps; think of these as “sub-applications” within the WeChat ecosystem. Mini programs are an important channel for main apps, especially those offering high-frequency lifestyle services like food delivery or transportation.

## 3 KEY ADVANTAGES OF MINI PROGRAMS

### 1. Load Instantly

Mini programs are restricted in size to ensure they can load instantly even on a slower internet connection. No messy sign up process; in just one click users can login with their WeChat account and get on with whatever they were trying to achieve.

### 2. Easy to Develop

They can be built quickly and easily using web technologies like HTML, Javascript and CSS on top of a framework provided by WeChat with access to powerful APIs e.g. WeChat payments.

### 3. Deeply Integrated into WeChat

WeChat have gradually added touch points throughout the app for users to discover, share and interact with mini programs.

UDACITY & TENCENT

[Free WeChat Mini Program Development Course](#)



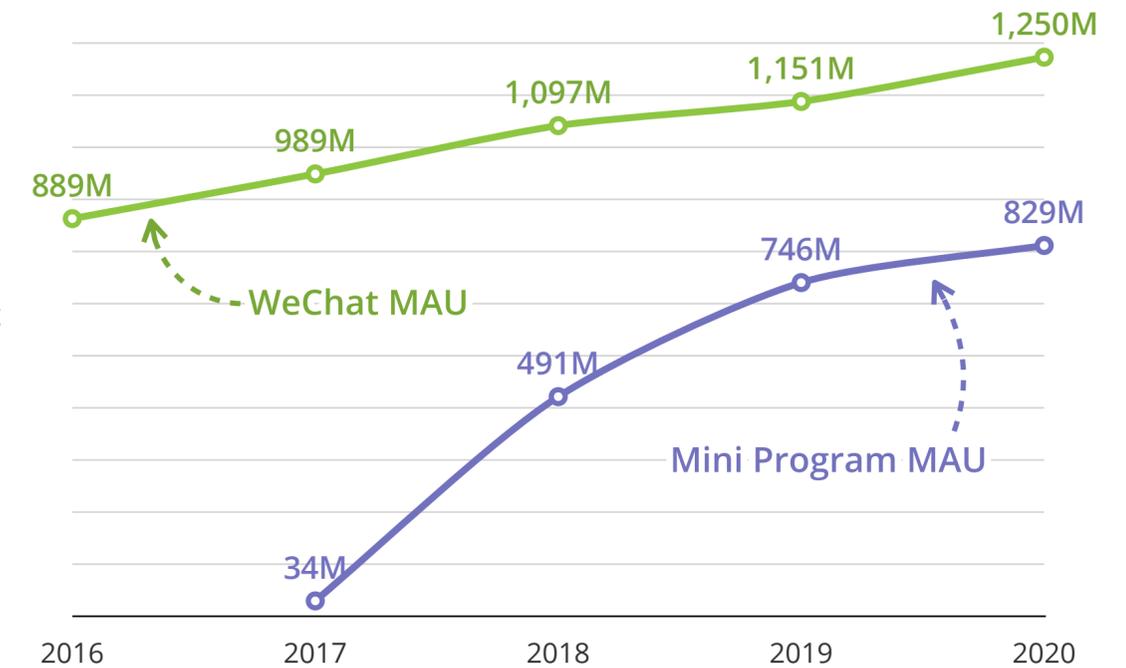
FABERNOVEL

[The WeChat Mini Program Bible](#)



## Rapid Growth

Mini programs were launched in January 2017 and still face a significant growth, where their MAU in 2020 experienced 12% Year over year growth.



## EXPERT OPINION



“ Mini Programs provide 80% of the functionality of a native app, but with only 20% of the development effort ”

— Thibault Genaitay, Le Wagon China

Ecommerce marketplaces in China are extremely competitive and oversaturated, which makes it hard for brands to stand out. Marketplaces also make it really hard for brands to leverage the client relationships on their platforms — brands and clients are forced to play by the marketplace rules, which are set in their own favor.

As a part of the private traffic marketing strategy (see slide 36), more brands have started developing their own ecommerce Mini Programs within WeChat's ecosystem, hoping to win back control of traffic.

While there are a variety of out-of-the box ecommerce solutions (similar to Shopify), larger brands often hire a development agency to build their custom Mini Program.

## WeChat Ecommerce SaaS Solutions

WeChat also offers ecommerce solutions, whether it's through their own native WeStore or the many third party ecommerce platforms on the market.



WeStore, an online store Mini Program, was launched in 2020. The platform is open to enterprises, businesses and individuals who can manage their store via phone or desktop. Supported features include livestreaming, order management, transaction tracking, coupons, promotions and more. WeStores are free apart from a 0.6% transaction fee [S]. They are also the easiest store to connect to a WeChat Channel.

[Shop.Weixin.QQ.com](http://Shop.Weixin.QQ.com)



Tencent has a 7.7% stake in Weimob, which provides a general WeChat Mini Program-based ecommerce solution for brands, but also specialized solutions for industries like beauty, lifestyle and catering [S]. The platform also has targeted marketing services that work closely with Tencent Advertisement [S].

[Weimob.com](http://Weimob.com)

TECH BUZZ CHINA PODCAST

## Ep. 75: China E-Commerce SaaS

A deep-dive into the various ecommerce SaaS players in China.

[Pandaily.com/ep-75-china-e-commerce-saas](http://Pandaily.com/ep-75-china-e-commerce-saas)

Tech  
Buzz  
China



Youzan, through Weixiaodian, is the largest provider for merchants looking to establish, operate, manage, and promote a WeChat store. It's an all-in-one. The platform offers a standard storefront with some customization, as well as services related to CRM, coupons, livestreaming, delivery, customer service, etc.

[Youzan.com](http://Youzan.com)

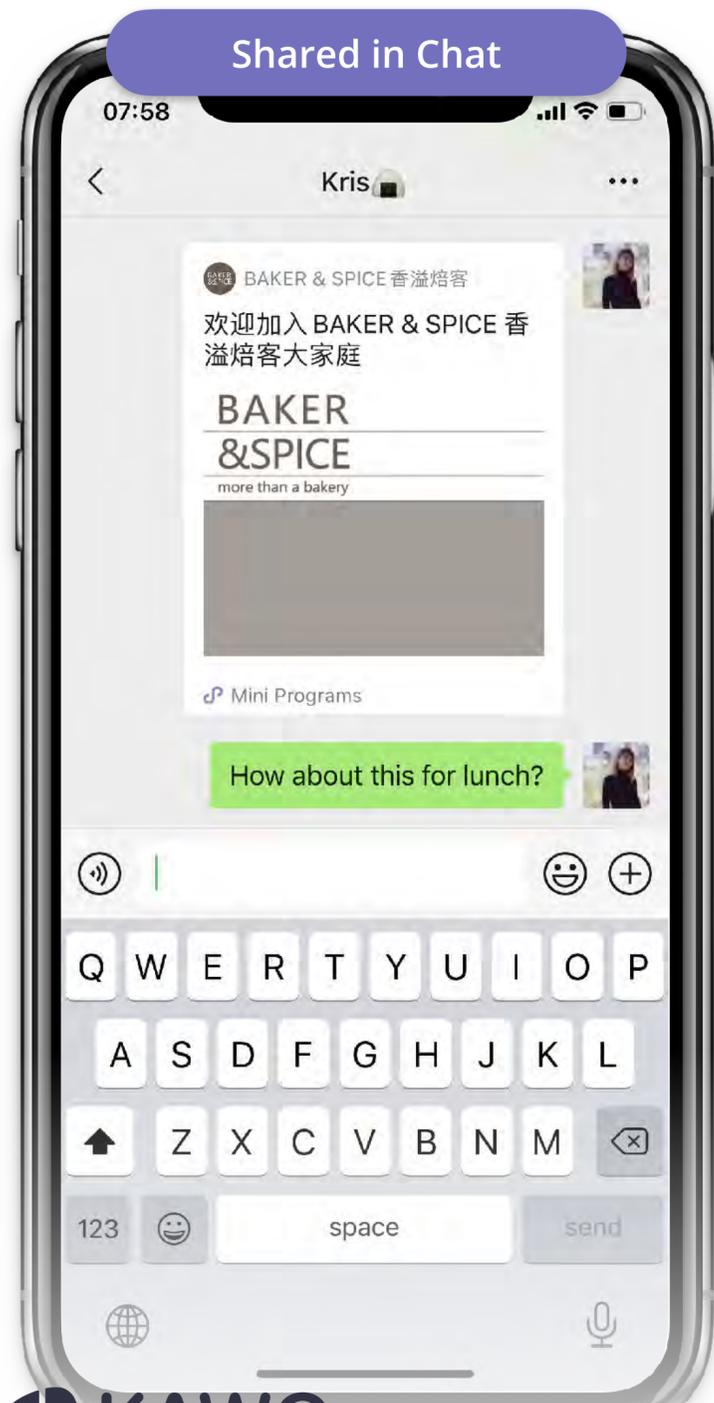


Weidian is the largest SaaS ecommerce platform on WeChat, providing free tools to create ecommerce stores. The name sounds like WeChat, but has little to no relation with WeChat — though Tencent is an investor [S]. They host 80 million stores, most small- to medium-sized companies from Tier 1 & 2 cities.

[Weidian.com](http://Weidian.com)



# Mini-Programs are Deeply Integrated into WeChat





SIX • WECHAT / MINI PROGRAMS

# Restaurant Loyalty Program

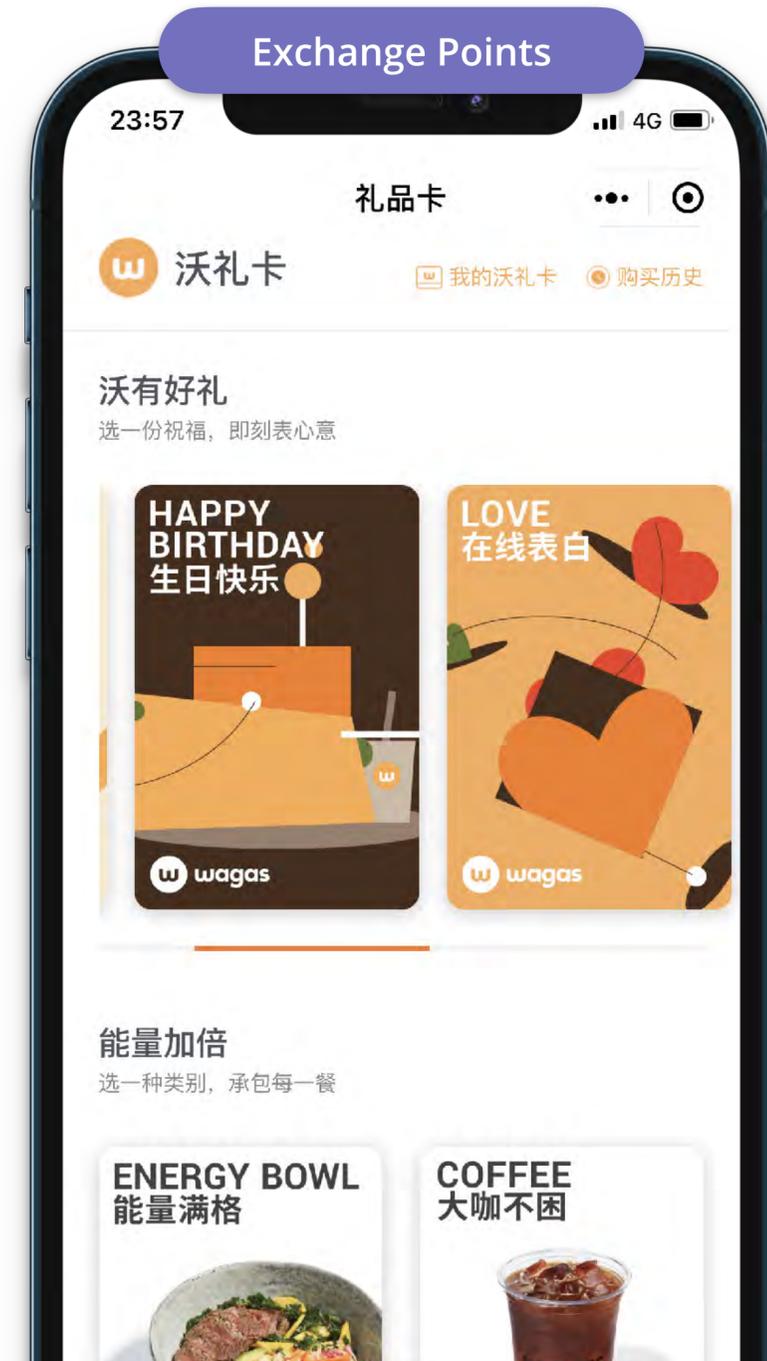
## Landing Page



## Member Profile



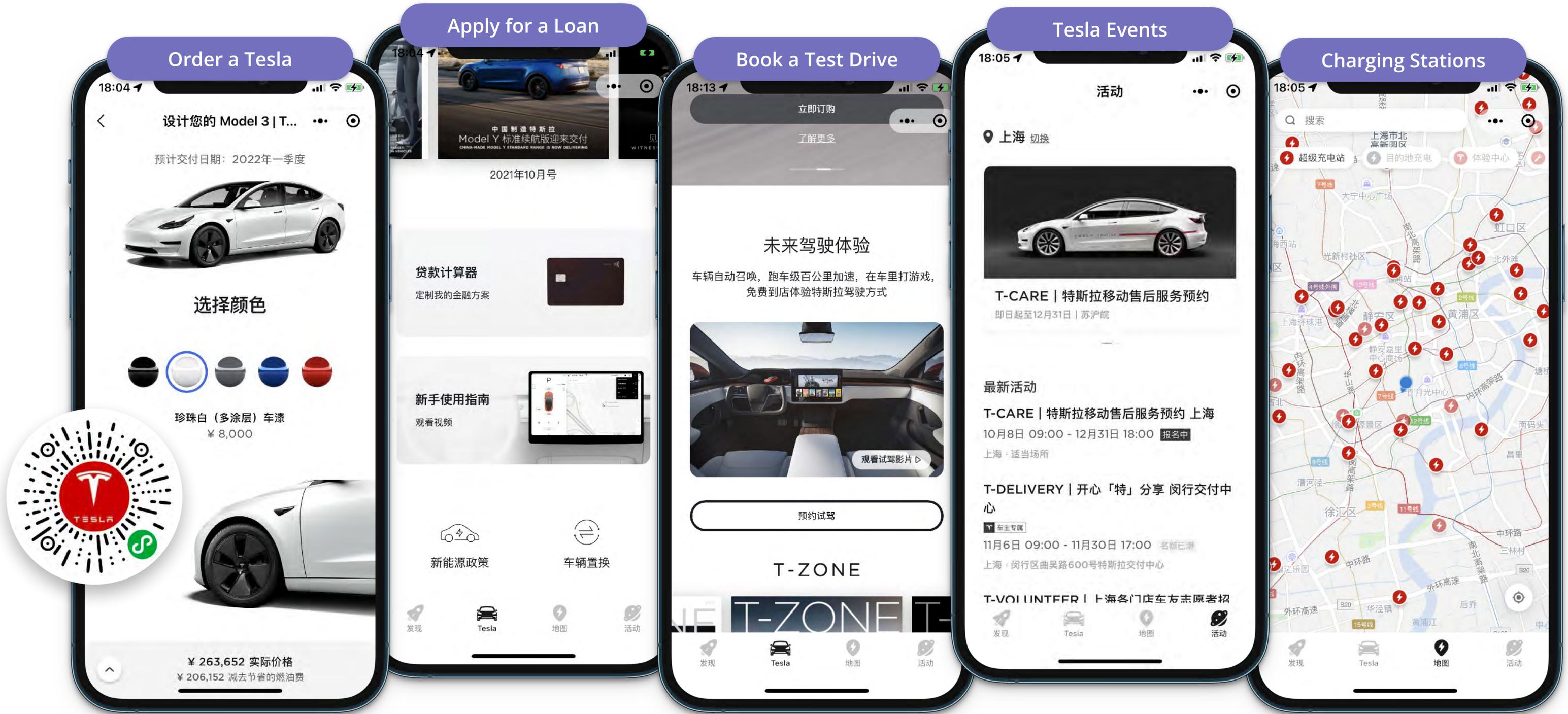
## Exchange Points



cial Media Marketing in 2022



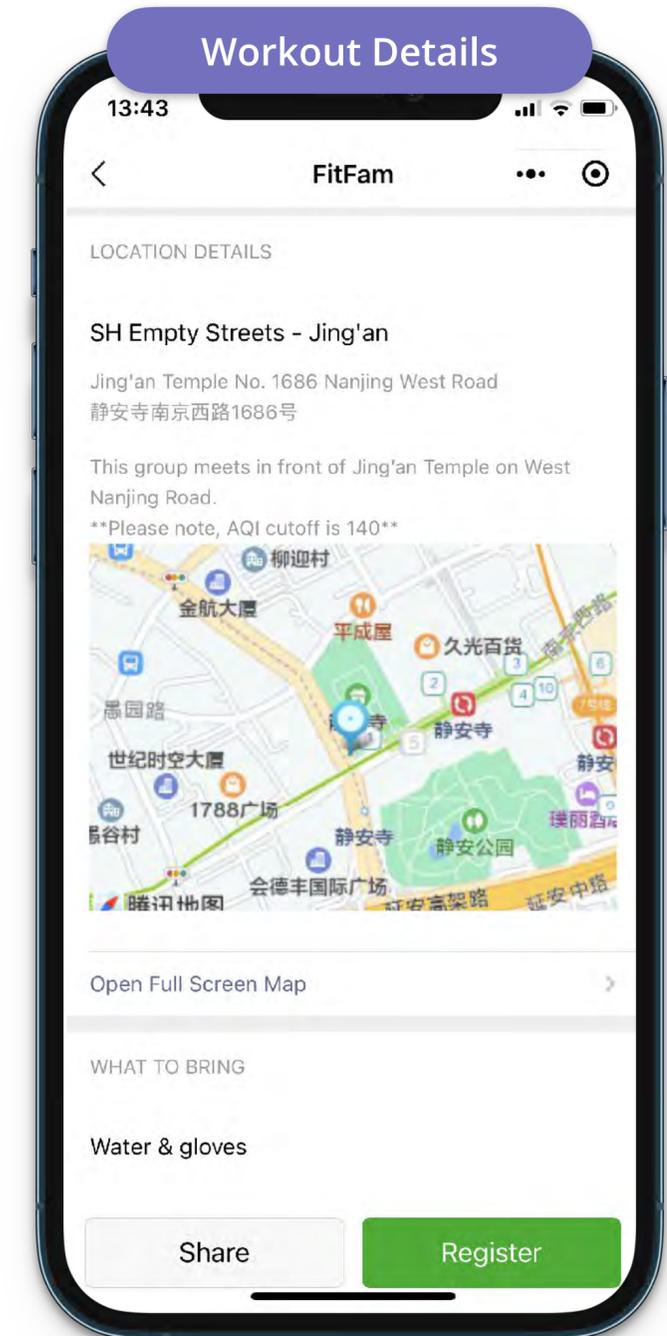
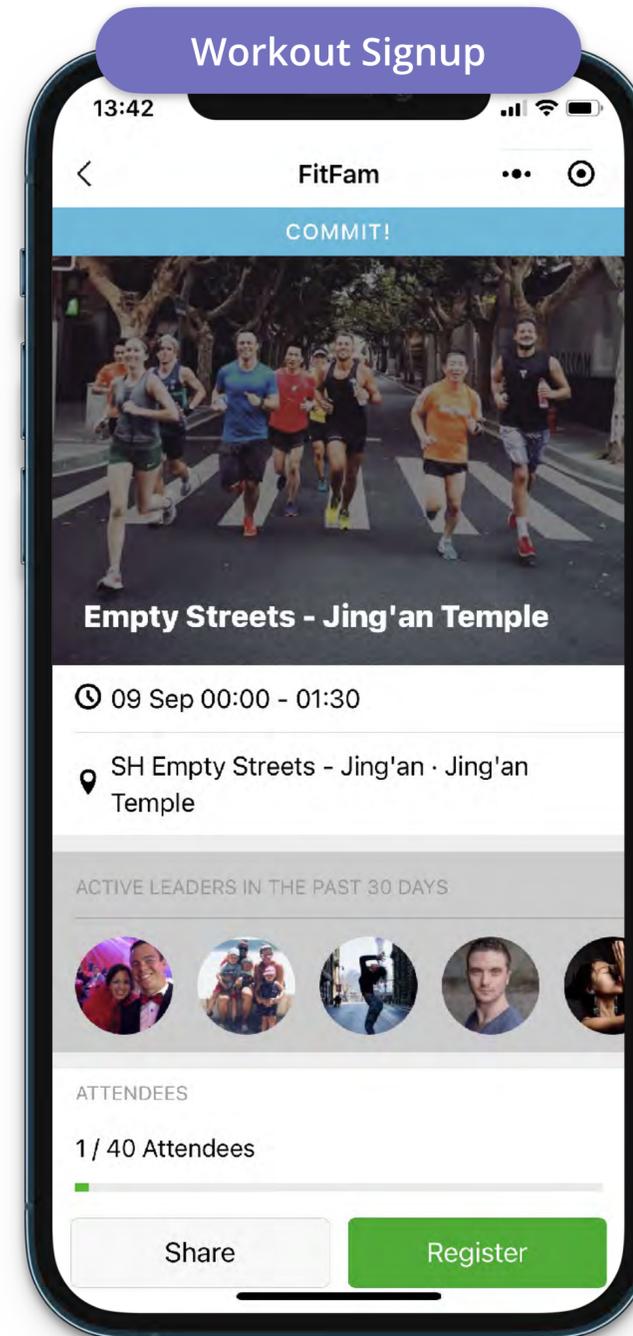
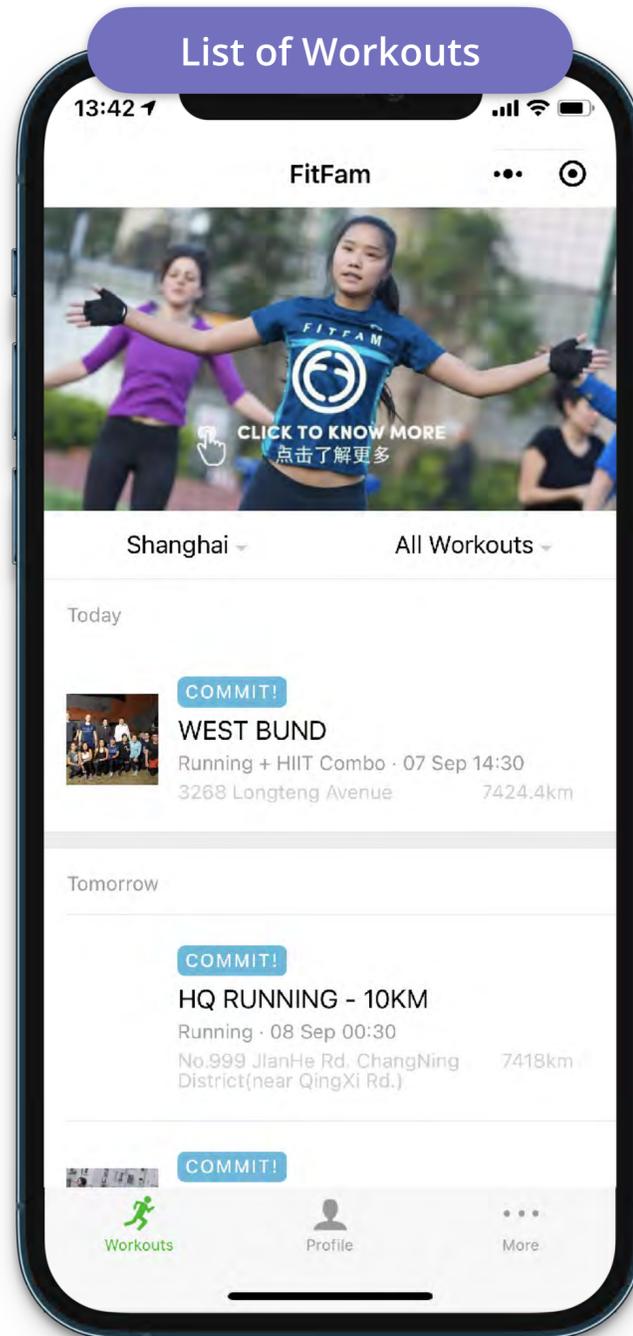
# Tesla's Mini Program





# Fitness Community

Mini programs are also an awesome way to connect communities. "FitFam" is a free fitness community founded in Shanghai. They saw a huge rise in membership when they streamlined their signup process to a WeChat Mini Program.





## Mini Programs Should be Part of Your Broader Ecosystem

EXPERT CONTRIBUTOR



**Aurélien Rigart**

Vice President  
IT Consultis

He's a serial entrepreneur, responsible for the growth and development of IT Consultis.

[it-consultis.com](http://it-consultis.com)

 [Aurélien Rigart](#)



### Does every brand need a mini program?

There is too much expectation placed on mini programs. I'd guess 90% of the Mini Programs built at the peak of the hype have failed by now. A mini program is just one touchpoint in the WeChat ecosystem — it should be an extension of your brand's core business. You need to think more broadly than just the mini program — consider the entire customer journey. Map out all the touchpoints you have with the customer and where your mini program fits into the overall experience.

### So what digital touch points must a brand have in China?

A website is nice to have, but not essential. Your overall WeChat presence is more important. If there are not enough resources to maintain both, then focus on WeChat and let the website redirect customers there. For ecommerce, think of a mini program as another front end to your existing store. Only build a store backend and business logic if the inventory can't be seamlessly synchronized with your existing backend.

Users in WeChat typically aren't as close to the point of purchase so mini programs shouldn't necessarily recreate the entire store. Use it as a part of your ecommerce more closely tied to WeChat marketing for example promotions, limited edition products or flash sales.

### How important is integrating customer support into the mini program?

Essential. Similar to Tmall, customers need to be able to easily connect with a real person either through your WeChat Service Official Account or with a member of staff on WeCom. The key purpose of social CRM (sCRM) is to convert marketing qualified leads (MQL) to sales qualified leads (SQL). You can allocate points to each step a user completes and when they pass a certain threshold you can create an opportunity to engage directly.

### What are some major challenges with mini program ecommerce?

It can be hard to migrate customers to a branded mini program ecommerce experience — they're just so accustomed to the experience of Taobao & Tmall. Shopping on WeChat can actually be more challenging for customers as they need to adjust to your store interface. Even though it's convenient, you need to differentiate the offering to incentivize your users to learn to use your mini program.

### What advice do you have for brands setting out to build a mini program?

The approach should be strategic and lean. Have a longer term plan for how your mini program fits into the overall customer experience, but start small, iterate and learn. Leverage your existing infrastructure. Ideally your mini program should just be a frontend, don't build a complex, bespoke backend unless there is a real need. Ultimately, make sure your mini program fits in and plays to the strengths of your company.



INDUSTRIES

**B2C** **B2B** Luxury & High Touch Services

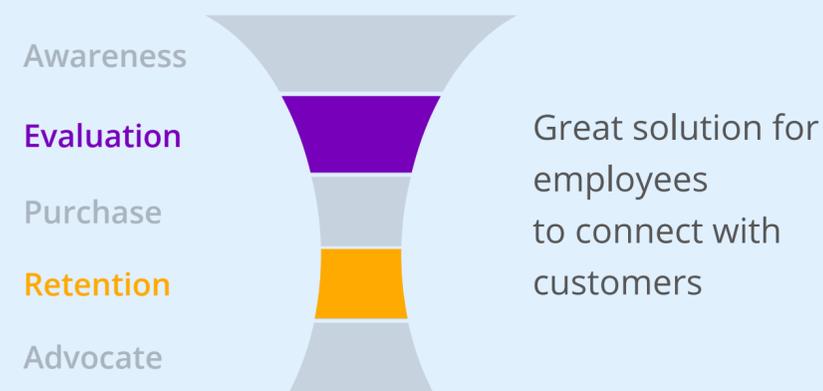
CONTENT FORMAT

Send purchase-driven content (including Channels, OA Articles & MP) to individual or group chats

CONTENT MARKETING OPPORTUNITIES

Pre-sales, post-sales & customer support integrated with WeChat ecosystem

MARKETING FUNNEL



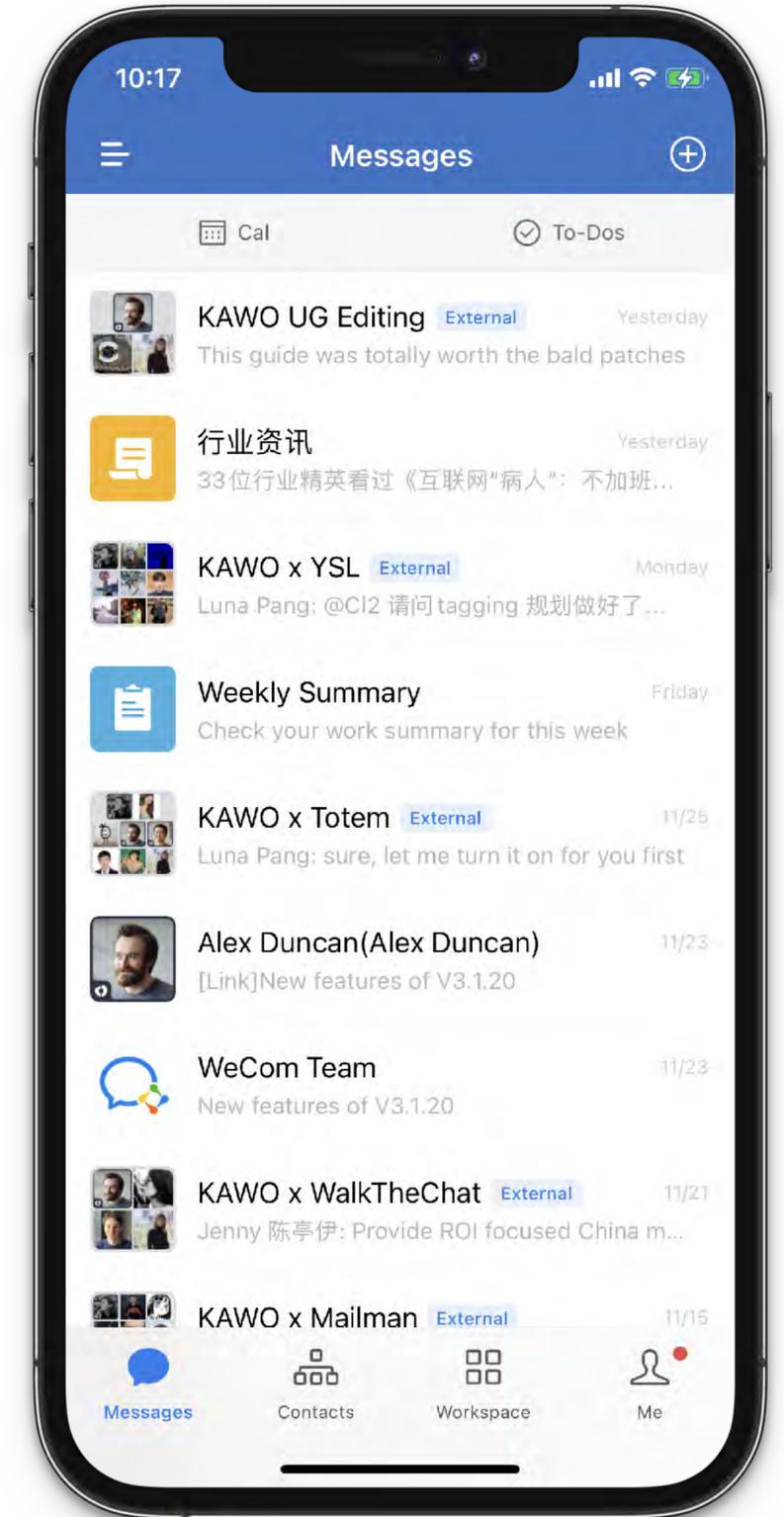
Due to its mass adoption in China, WeChat has been used as a business tool on a daily basis. Many people still have messages between their team members and customer on their WeChat personal account. However, WeChat was actually not designed with this objective in mind, but as a social messaging app [S].

WeCom, on the other hand, was created for work purposes only. It is a separate app from the WeChat app.

WeCom features specific functions to manage communications within companies, to leverage internal performances, and to boost business relations. It is a good choice for companies' employees who wish to have business communication separated from their private life.

WeCom is equipped with a wide array of third-party applications and over 200 APIs for enterprises to access and run their own applications [S].

It's also directly integrated with WeChat, providing unmatched connectivity that facilitates management and smart services for enterprises. The WeChat integration means that chats, Mini Programs and WeChat Pay can be seamlessly used between both WeChat and WeCom.





SIX • WECHAT

# Key Benefits of WeCom

## Internal Communication

Internal communication function can add up to 2000 users to group chats.

Productivity functions include double-clicking a message to add a to-do list or setting calendar events.

Has several functions that can be used for effective user management: internal contacts can be divided into different departments and assigned different permission levels. Allows separating internal contacts from external.

Administrator users can access exclusive company management functions, such as adding or adjusting departments, setting user roles, or viewing weekly membership usage summaries.

## External Communication

Can directly add customers' WeChat as friends. Provide customers with services through single chats or group chats. Enterprises can view and manage WeChat customers added by members, and reassign customers of departing members.

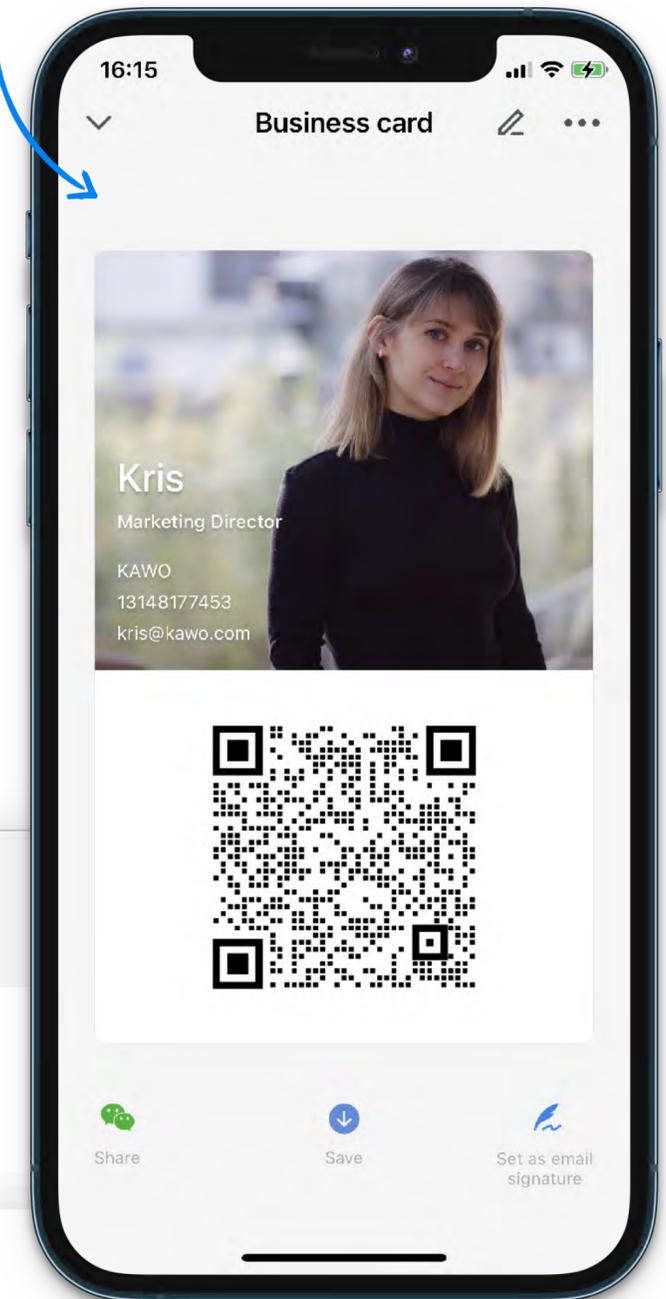
Enterprises can view and manage group chats of employees. Can also directly invite customers using WeChat to join group chats. The maximum number of members for a customer group is 200.

## Organizational Needs

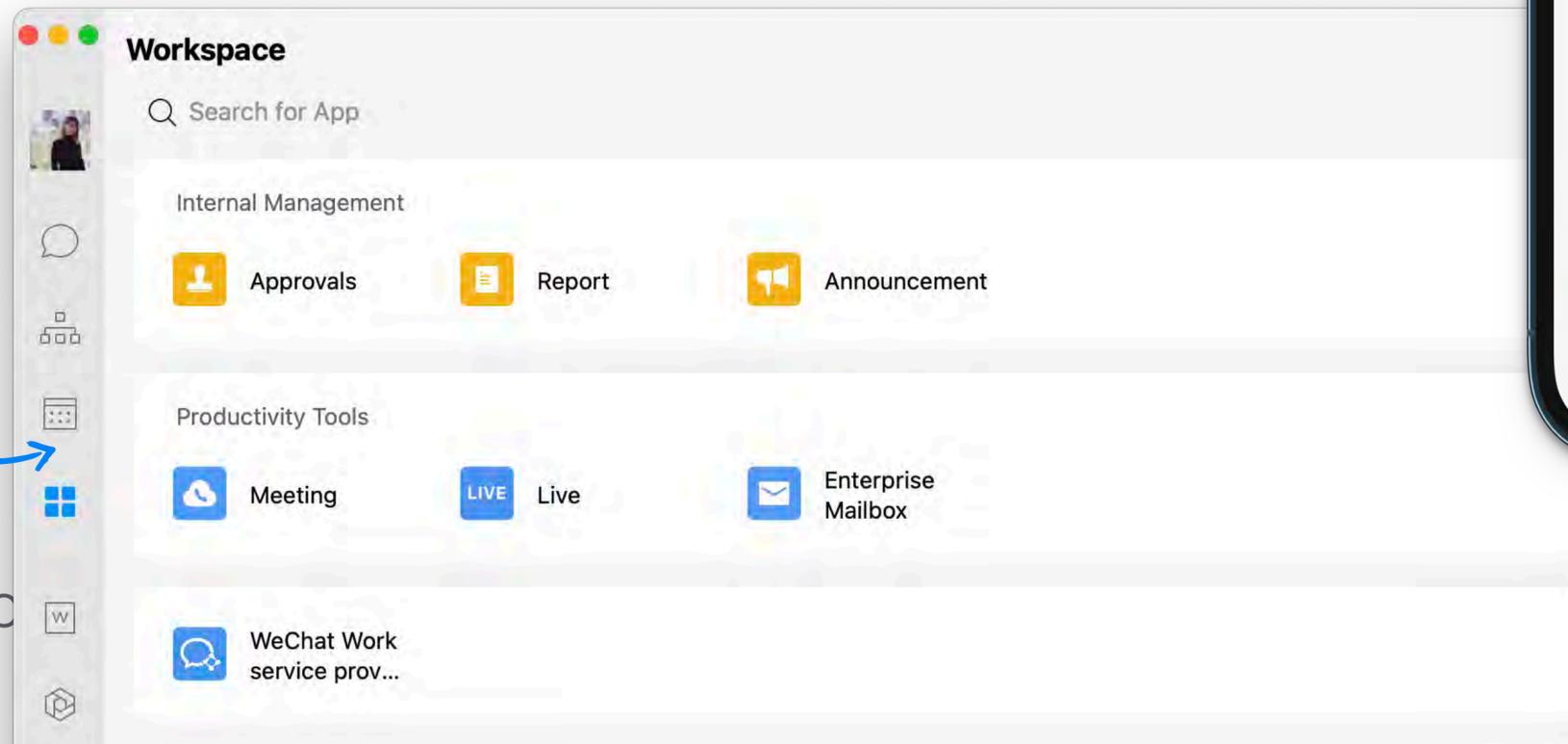
A wide range of applications tailored for business operations, e.g. reports, business expense approval, employee check-in/check-out, company pay phone calls, and corporate email. Plus a rich set of APIs allow further customizations to suit a company's needs.

Companies can further expand WeCom's advantages by seamlessly integrating the brand WeChat Official Account and the enterprise WeChat platform.

*Employees have a digital business card to add any user on WeChat*



*Desktop version of WeCom*

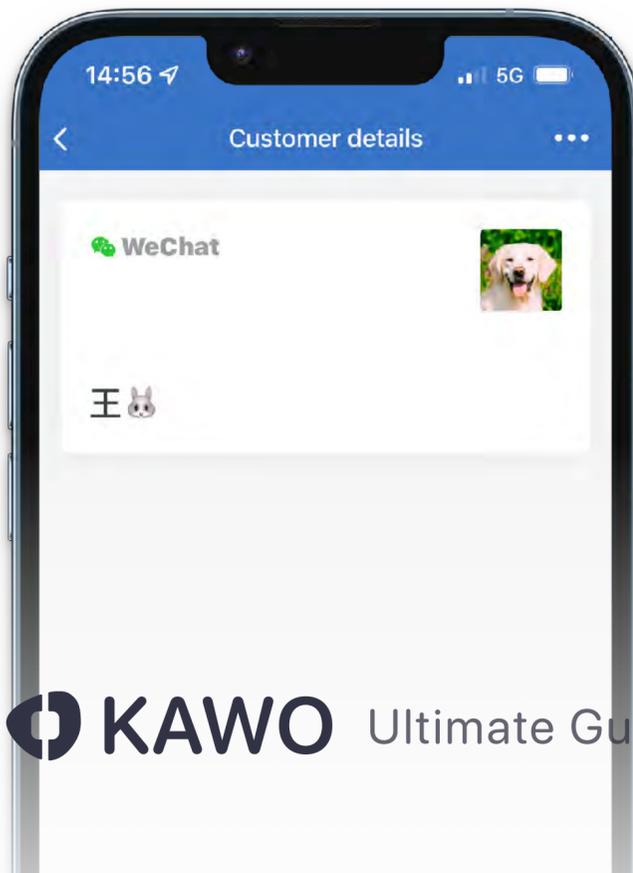




# WeChat Open Platform

WeChat's open platform brings together all the different WeChat touch points you have with your customer. If you're looking for rich user demographics like Facebook you'll be disappointed. Likely driven by Allen Zhang's relentless user focus ([see page 52](#)) — the data WeChat gives you about individual followers is incredibly limited. However, WeChat's Open Platform provides a comprehensive set of APIs. Companies to engage with and react to followers input allowing you create a seamless experience between Channels, Official Accounts, Mini Programs, Payments and WeCom.

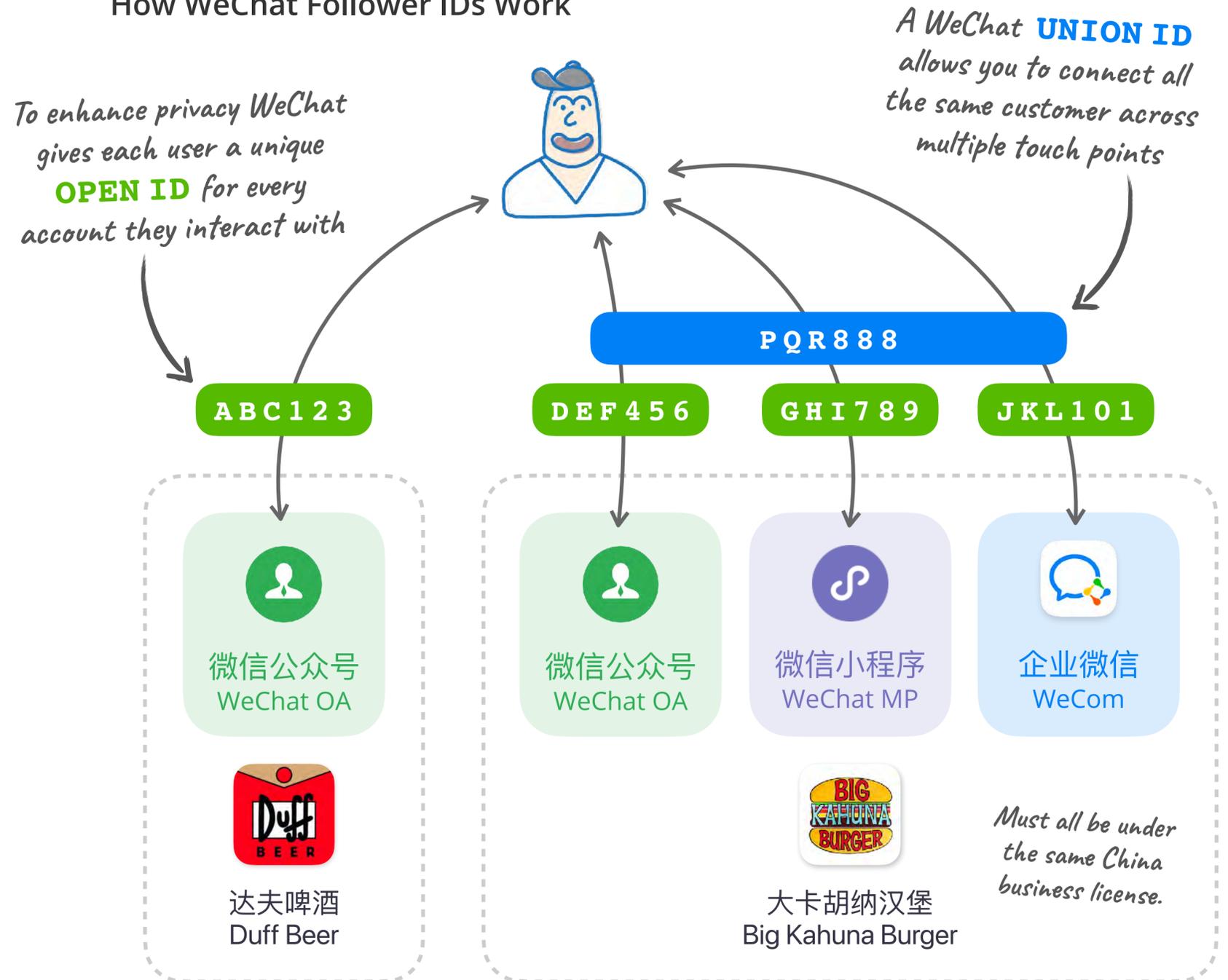
Even before PIPL ([see page 38](#)) WeChat was ahead in protecting user privacy — making you explicitly request permission from the user to access their phone's GPS location and phone number.



◀ Example of the default info available on WeChat followers.

- **Open ID**  
*(see right)*
- **Profile Photo**  
*(quite likely to be of a pet)*
- **WeChat Name**  
*(rarely their real name)*

## How WeChat Follower IDs Work





SIX • WECHAT

## Social CRM on WeChat (Marketing Automation)

WeChat's open platform provides powerful ways to connect with your customers. Known as marketing automation in the West, in China you'll commonly hear it called Social CRM and it offers 3 key advantages:

### 1) Better Understanding of the Customer

Connect all the touch points you have on a customer into a single profile, starting from how they initially followed you all the way to mini-program purchases. You can use this data to segment your users or qualify them as leads.

### 2) Better Experience for Customers

#### CUSTOM ONBOARDING JOURNEYS

Instead of replying with a generic "Thanks for following us"-message, you can create an automated journey to engage your new follower and learn more about them. For B2B, depending on their answers, this can also help qualify them as a sales lead.

#### SEGMENTED PUSH MESSAGES

Send targeted marketing content to users based on the unified profiles. This is where enriching data from your main CRM can also add immense value.

### 3) Better Measure Marketing ROI

In both B2B or B2C, there are so many different ways customers can interact with you. By creating trackable QR codes and links, you can easily measure the effectiveness of different campaigns — over time optimizing your marketing ROI.

EXPERT CONTRIBUTOR



**Aaron Chang**

Founder  
JINGdigital

Aaron began his career in advertising in New York. He moved to Shanghai in 2006 and started a web development agency. In 2014 he founded JINGdigital a SaaS platform for WeChat marketing automation.

[JingDigital.com](http://JingDigital.com)

[Aaron Chang](#)



### How has social CRM changed?

Social CRM is becoming more specialized by industry. With the rise of livestreaming and ecommerce on Douyin, B2C brands are starting to try to unify their customer profiles across multiple channels. Many teams have also tried to merge their CRM and CDP solutions to give a complete view of customer behavior.

### What are you advising clients to focus on in 2022?

In the past couple of years, we've seen a lot of companies getting setup with the basics of omni-channel acquisition. In the coming year they need to start thinking WeCom first. In a country where relationships are so important, customers in China appreciate the personal touch. Our clients have seen from 30x to as high as 500x better engagement from switching their front line teams to WeCom. Previously companies were directing all of their traffic to a WeChat Official Account, but ultimately people want to do

business with people. Instead of asking your customers to follow a faceless brand account they can add your sales person directly via WeCom. We're not talking about AI Chatbots. Interacting with your customers through WeCom obviously still requires a real person, but your marketing team can now empower that person with automated replies. You're also capturing all of this activity as part of the broader customer journey.

### How does the new PIPL impact social CRM?

Simply, it's pretty neutral. You need to ensure you're asking for clear permissions up-front, but WeChat has already worked in this way from the beginning. It is a good chance for brands to update their terms and conditions. You also need to make sure you're managing permissions across multiple touch points. You don't want to add friction by asking for information they've already given you.

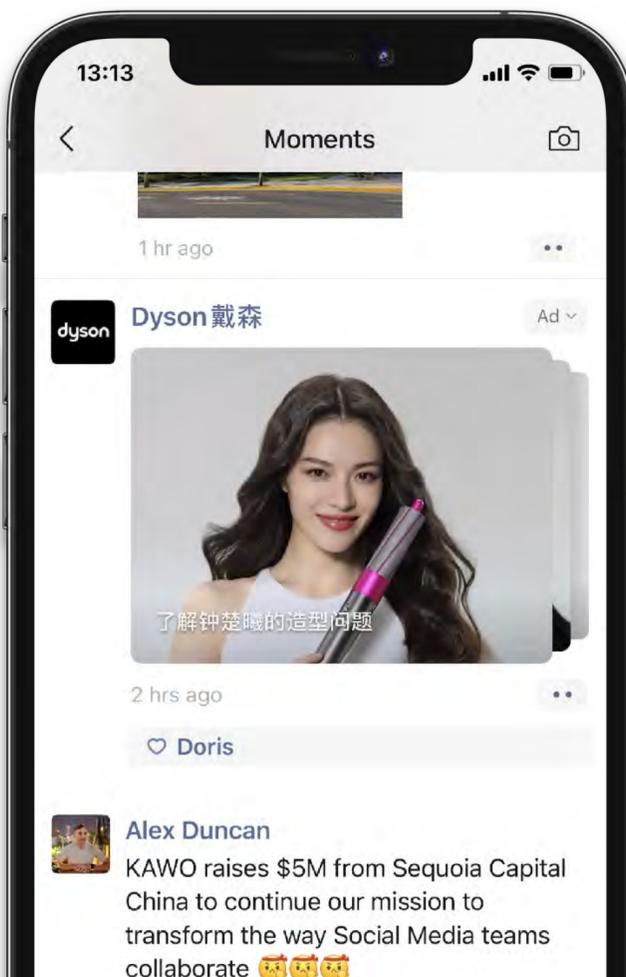


SIX • WECHAT

# Paid Advertising on WeChat

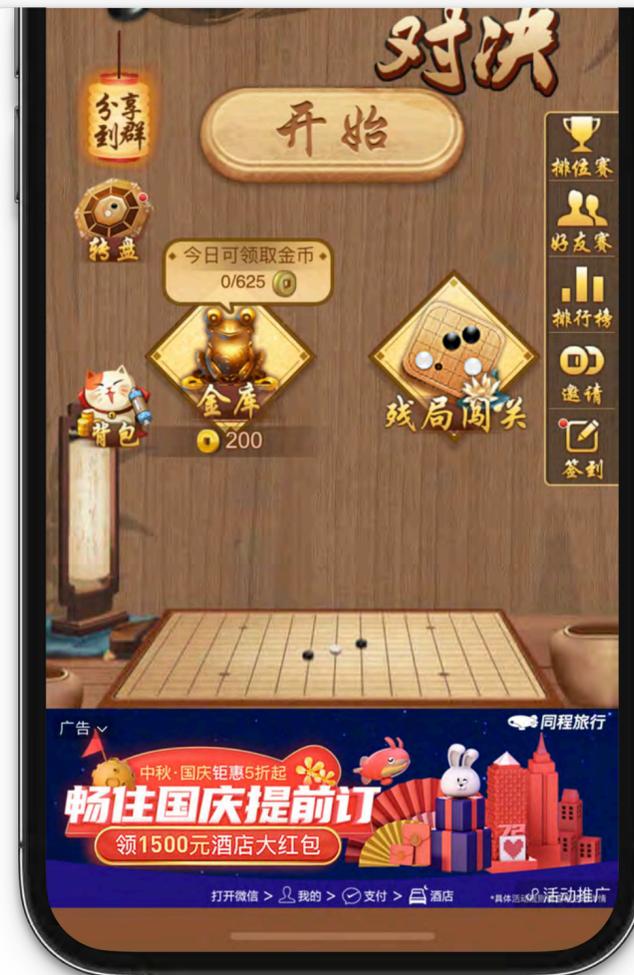
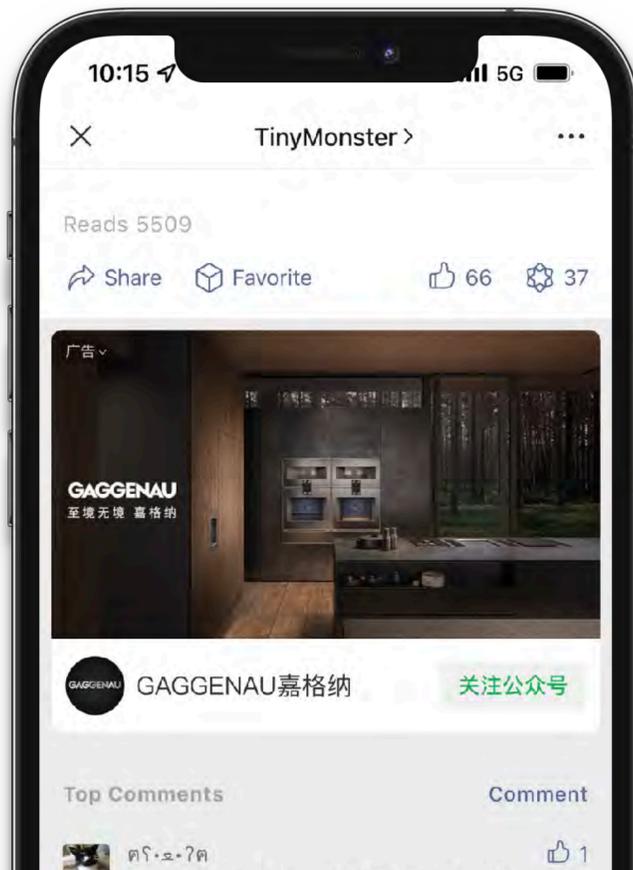
## Moments Ads

Except for an "Ad" icon on the top right corner, they look similar to "normal" posts on users' WeChat moments.



## Official Accounts

This format entails buying/bidding for a banner ad spot on certain account's articles. It's based on algorithms, placing the banners under articles that the target audience will most likely follow and read.



## Mini Program Ads

You can advertise through mini programs, with banner ads, mini-game ads or pop-ups while using the mini program.

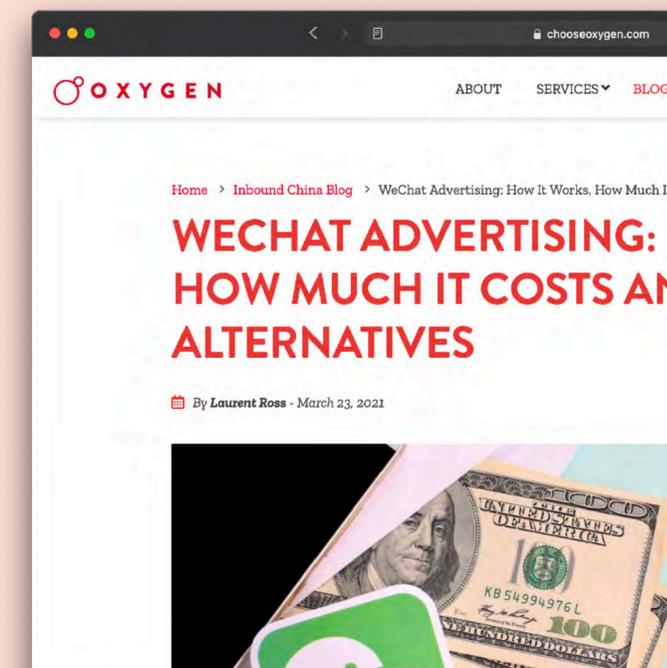
OXYGEN

MUST READ GUIDE

## WeChat Advertising: How it Works, How Much it Costs and the Alternatives

Are WeChat ads for you? Read this concise overview by Oxygen to get an idea how WeChat ads work.

[chooseoxygen.com/wechat-advertising](https://chooseoxygen.com/wechat-advertising)





CHAPTER SEVEN

# Weibo

## TL;DR

China's longest-running and thriving social media platform. A place for netizens to gather and discuss hot trending topics. Presents brands with a wide range of opportunities to engage with customers.

SPEAK TO OUR EXPERTS

8+ Years of Experience with Weibo

[Schedule a Chat with our team...](#)



## 12 years after it was founded, why is Weibo still relevant?

Weibo was launched in August 2009 to fill the void after Twitter was blocked.

Upon its launch, Weibo was quite similar to Twitter where it adopted all the core features: the 140-character limit, talking to other people using "@UserName" format, adding hashtags with a format of "#Hashtag#," following other people to make his/her posts appear in users' own timeline, and retweeting.

The platform quickly rose to prominence as an online space for public discourse and it continues to hold that status today. The platforms' openness and emphasis to push trending topics to its audience is why many netizens still turn to Weibo to discuss, celebrate or complain about just about anything.

**READ & FOLLOW**

**The Tibetan Heartthrob that Won Over Weibo**

A handsome Tibetan farmer found accidental Weibo fame after being captured in a blogger's photography session in Tibet.



**READ MORE**

[Tibetan Horse Prince Becomes a Weibo Celebrity](#)

What's on Weibo

**USEFUL GUIDE**

**How to Use Weibo for China Marketing**

How does Weibo work? What are Weibo user habits? How should I get started?

**READ MORE**

[Guide to Weibo Marketing](#)

Nanjing Marketing Group



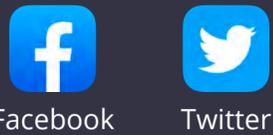


微博  
Wēi bó

MAU  
**302M** Sep 2021 [S]

LAUNCHED  
2009

COMPARABLE TO



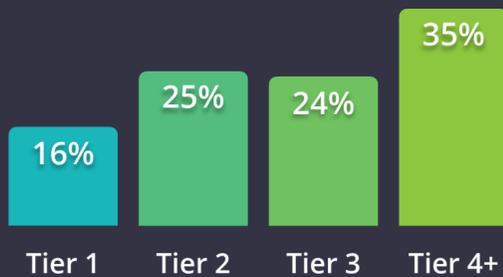
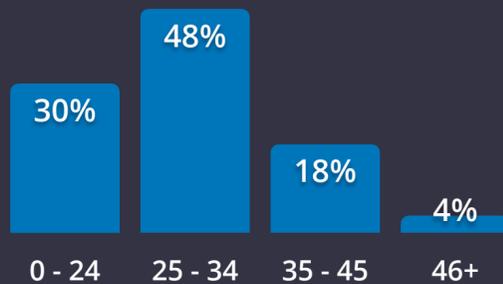
INTRODUCTION  
The biggest newsfeed, microblogging and social network platform in China

OWNERSHIP

Private

- Investment by Tencent (31% stock share)

DEMOGRAPHICS



OPPORTUNITIES FOR BRANDS

- B2B** INDUSTRIES
- B2C** All industries

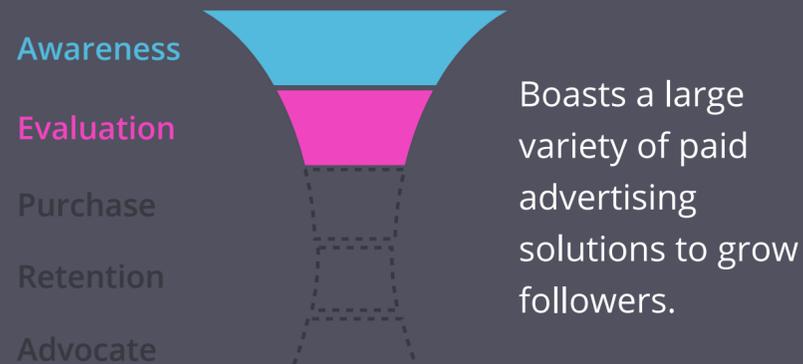
CONTENT FORMAT

Simple text, images, videos & polls.

CONTENT MARKETING OPPORTUNITIES

Share realtime updated, engage in conversations & participate in trending topics.

MARKETING FUNNEL



PAID AD OPTIONS

- Open Screen Ads
- Banner Ads
- Search Promotions
- Promo to Followers
- Targeted Promotions KOL/KOC

KEY METRIC





SEVEN • WEIBO

# Quick Look at Weibo

MANAGE YOUR WEIBO WITH KAWO  
[Schedule a Chat with our team to learn more...](#)



◀ Weibo's main feed is algorithmic showing users a mix of content from accounts they follow, content engaged with by people they follow, hot posts and promoted posts.

*A lot of marketers pay close attention to Weibo's Hot or Trending Topics hoping to gain extra attention by capturing the zeitgeist.*

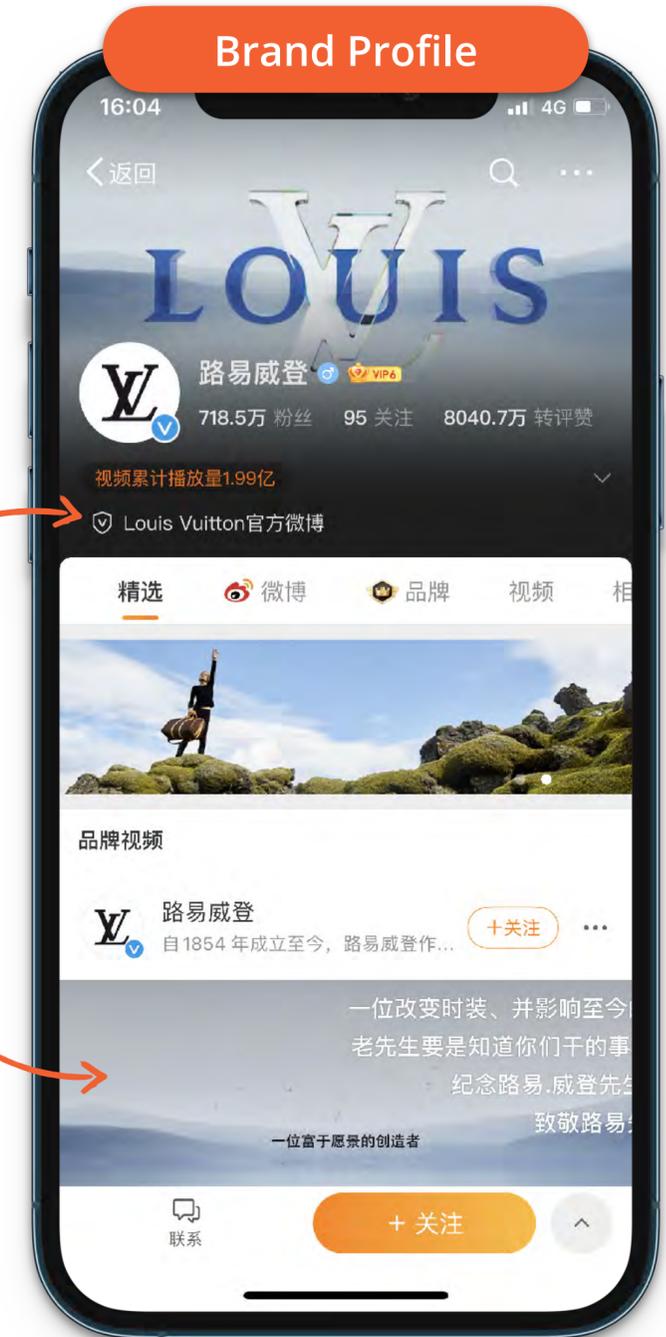
*Mega-addictive feed with content ranging from text, images, and more frequently, videos with bullet comments.*



Each account has ▶ its own profile page that can be styled to match the brand.

*Account Verification is an important way to establish authenticity*

*Content can be pinned to the top of the feed*





SEVEN • WEIBO

## Weibo Paid Ads

In Q2 of 2021, Weibo made about 88% of their revenue through advertising [S]. Being on the market for such a long time, their advertising platform is quite sophisticated and can yield great results, even with limited budgets.

### AN EASY ENTRY POINT

The starting costs for Weibo are low and are based on CPM and CPE. This makes it a great place for brands just entering China and testing the waters to try out without investing a lot upfront.

### ADVANCED TARGETING

Weibo offers a wide range of different demographic targeting options, helping marketers really refine their advertising message. Brands can target based on: Age, gender, location, device, hobbies or interests, specific followers and competitors.

### BOOSTS ORGANIC GROWTH

The openness and publicity of Weibo, compared to a platform like WeChat, allows paid ads to reach a wider audience than planned for. Anything that users engage with, comment and like, will live on the platform longer. And of course, it's a place for brands to interact with their fans in real-time.

NEAL SCHAFFER  
[Guide to Weibo Advertising](#)

*Video ad for an online game popping into the feed*



*Ad showing up in the slider for hot & trending topics*





CHAPTER EIGHT

# Little Red Book (RED)

TL;DR

The home of beauty and fashion shopping for China's consumers. While many hail it as an ecommerce platform, REDs true strength lies in the user generated content it hosts, thus serving more as a discovery platform.

BRING THE GUIDE TO LIFE  
Schedule a Webinar With Our Team  
[kawo.com/webinar](http://kawo.com/webinar)



## With only 5.3% of China's Internet Users, why is XHS so important?

Xiaohongsu's birth was inspired by a surge of Chinese tourists traveling overseas and their increased spending - in 2012, Chinese tourists spent \$102 billion while traveling (that's 41% more than in 2011) and overtook Germans as world's biggest-spending travelers [S]. As more Chinese traveled abroad, they also discovered new products, yet unknown in China.

In 2013, the Xiaohongshu team launched the first iteration of the platform - which then was a simple PDF file. The founding team had gathered a handful of shopping experts to compile shopping guides for 8 countries or regions, and users could download the document for offline reading. The file had nearly half a million downloads within one month [S].

Seeing an opportunity, the platform founders launched an app shortly after, in the hopes of activating the *daigou* community and help them create UGC content for their platform.

As the Xiaohongshu platform community grew, the content also went through changes - product descriptions became more creative. Some Xiaohongshu content creators started becoming recognized for their unique tone of voice, and thus became key opinion leaders. Xiaohongshu also shifted from pure ecommerce, more to a lifestyle platform.

Ultimate Guide to China Social Media Marketing in 2022

### USEFUL DEFINITION

**"Daigou"** 代购 *dài gòu*

Translates as "buy on behalf of". Buyers who purchase sought-after products abroad & resell them back home for profit.

VICE

[The 'Daigou' Sellers Making Thousands By Buying Luxury...](#)





# Little Red Book (RED)

小红书 xiǎo hóng shū

MAU

**53.6M** Sep 2021 [S]

LAUNCHED  
June 2013

COMPARABLE TO



Pinterest



Instagram

INTRODUCTION

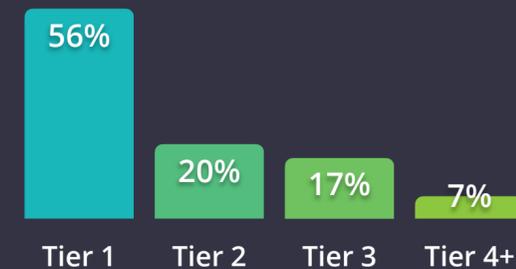
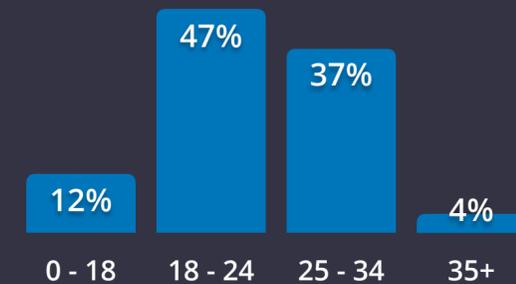
Lifestyle focused content sharing platform

OWNERSHIP

**Private**

- Investment by Alibaba (US\$300M)
- Investment by Tencent (amount unknown)

DEMOGRAPHICS



## OPPORTUNITIES FOR BRANDS

**B2C** INDUSTRIES  
Beauty, Fashion & Lifestyle

CONTENT FORMAT

Images, video, reviews, blogs & long posts.

CONTENT MARKETING OPPORTUNITIES

Curate UGC content & product reviews.  
Share updates & sell in embedded store.

MARKETING FUNNEL

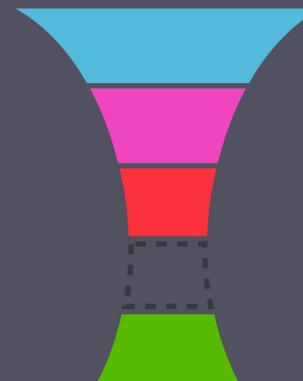
Awareness

Evaluation

Purchase

Retention

Advocate



Most content is from KOLs or UGC.

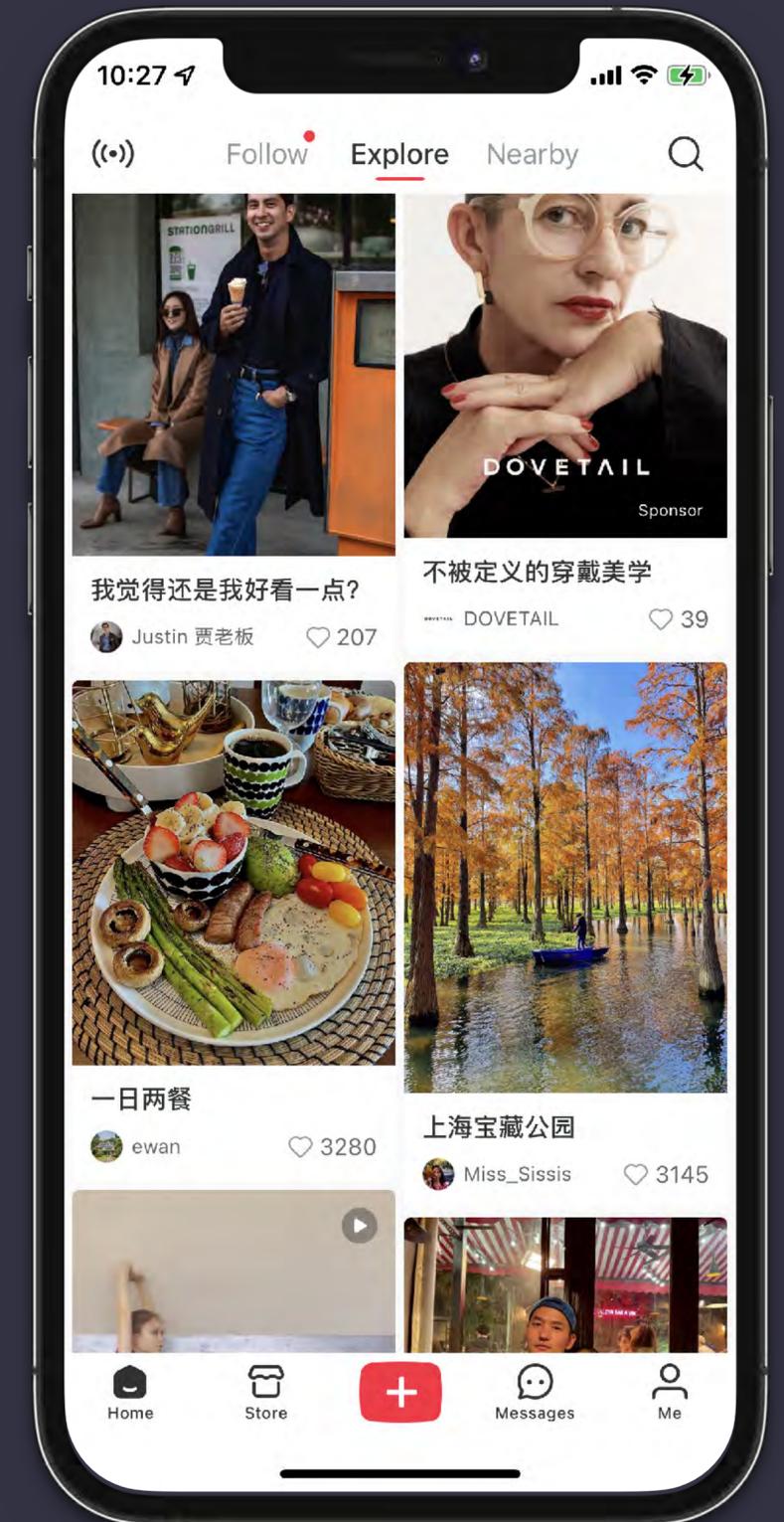
Majority of shops are resellers, not brands.

PAID AD OPTIONS

- Open Screen Ads
- Discover Page Screen
- In-stream Ads
- KOL/KOC

KEY METRIC

Engagement



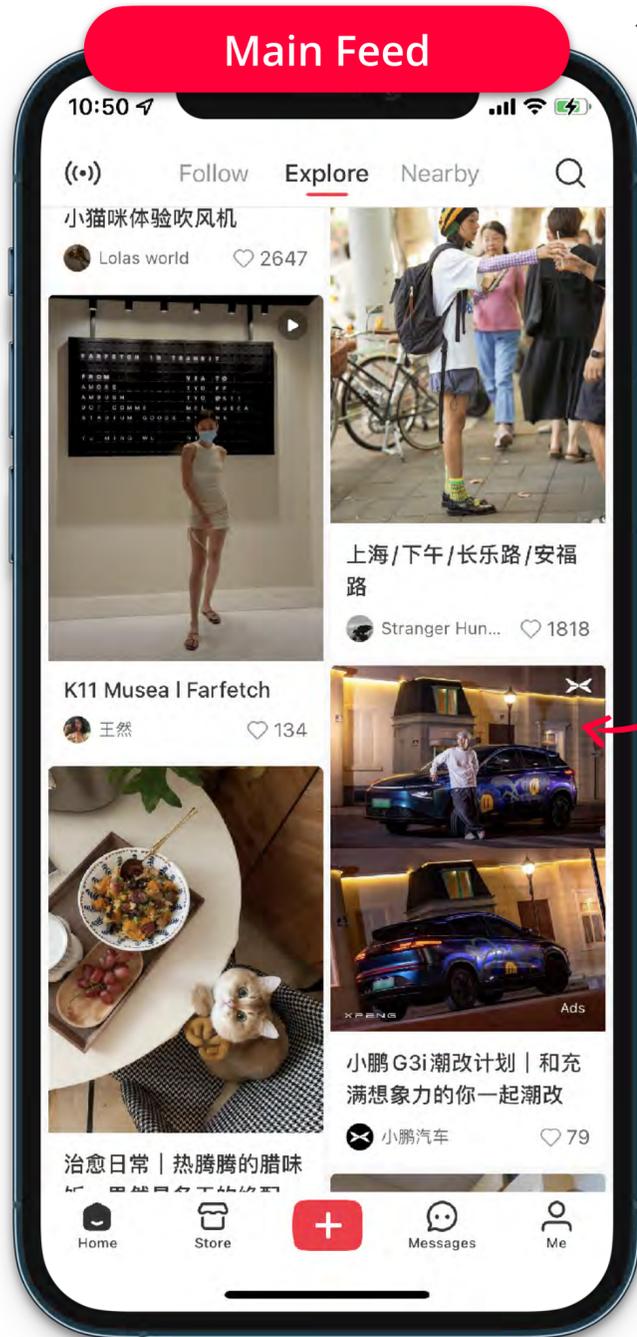


EIGHT • LITTLE RED BOOK

# Quick Look at Little Red Book

Much like how one would use Pinterest, users can explore a variety of topics through a visual-first ecosystem. Xiaohongshu often serves as a validation tool to research new brands and products before purchase.

The Store features a wide range of products, usually from smaller merchants and resellers.

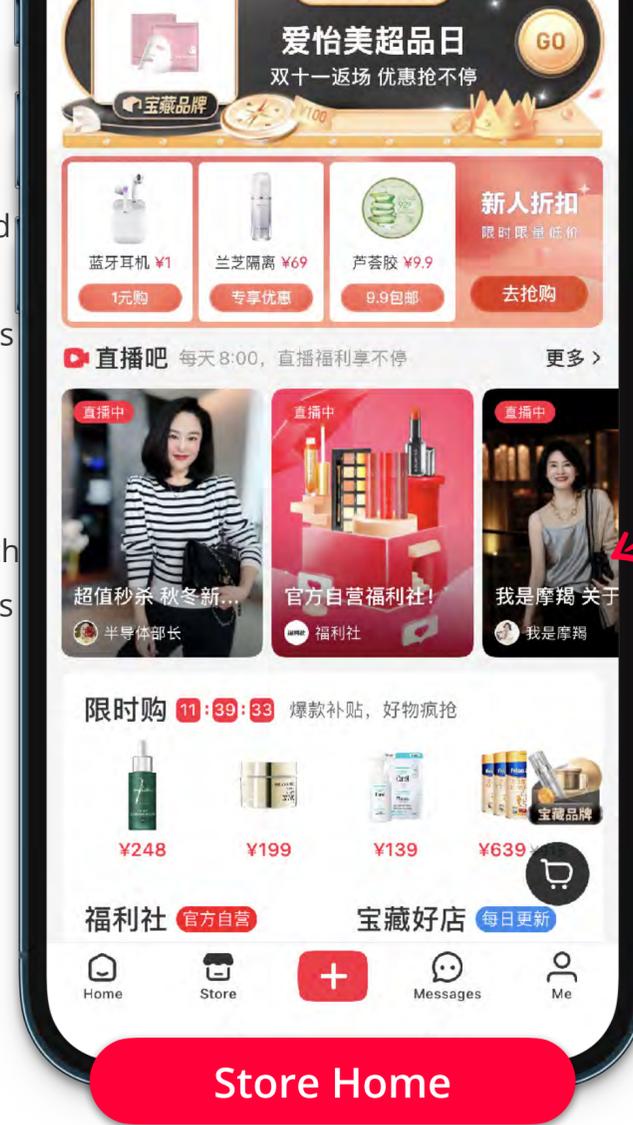


Algorithmic feed showing users a mix of content from accounts they follow, trending posts, content they might like and content from nearby creators.

*On a rare occasion, users might stumble on a sponsored post in their feed*



*Can add items or images of interest to be added as "notes" to wishlists, personalizing each user's feed and experience.*



*Users can easily tune into livestream shopping*



Profiles feature a collection of a brand's posted content, tagged UGC, and sometimes, the link to their shop.



EIGHT • LITTLE RED BOOK

## Springboard for Niche Brands

Niche brands like Réalisation Par (1600), Drunk Elephant (40K), Skinceuticals (10K) have gotten a huge boost in their China market-entry with the help of trendy followers and organic content on Little Red Book (RED).

Instagram and other major Western platforms are not available in China, so the global crossover of information (e.g. fashion trends) is limited, and often driven by Chinese netizens.

However, there is a type of sophisticated and well-traveled KOLs who have access to platforms like Instagram. They are generally also more fashion-forward and use niche fashion brands as a way to build reputation online.

Niche brands are also seeing a huge increase in popularity among post-90s and Gen-Z consumers [S], who want personalization and novelty. Consumption is often a form of self-expression, which is further validated by posting on social media.

JING DAILY

[How Mercedes-Benz Won Over Women...](#)



### CASE STUDY

## How GANNI, a Danish brand with no China presence became the darling of Chinese “it girls”

GANNI is Danish brand, popularizing the Copenhagen cool-girl style among global fashionistas. Until 2018, its main markets were Scandinavia, EMEA and North America, while sales in the Asia market only contributed 3% of their total revenue [S]. Somehow, the brand got picked up by Chinese fashionistas, who have started turning to labels that are unavailable in China. The sentiment is that labeling a brand “niche” makes the brand feel more premier — to many people, the same as “bespoke” [S].

GANNI did not have an official presence in China on any social or ecommerce platforms, but started making huge waves among fashionistas. Thousands of organic posts (currently more than 10k) were created by KOLs on RED and WeChat, without the brand putting any direct effort into marketing to the Chinese market.

GANNI eventually picked up on the success of their label and finally opened their official Weibo, RED and WeChat accounts in the spring of 2021, coinciding with the launch of their Tmall store on May 13, 2021.



# Video & Livestreaming

## TL;DR

The video format is one of the most beloved content types in China. Short video steals the show with Douyin and Kuaishou. Livestream shopping is leading the way for experiential marketing.

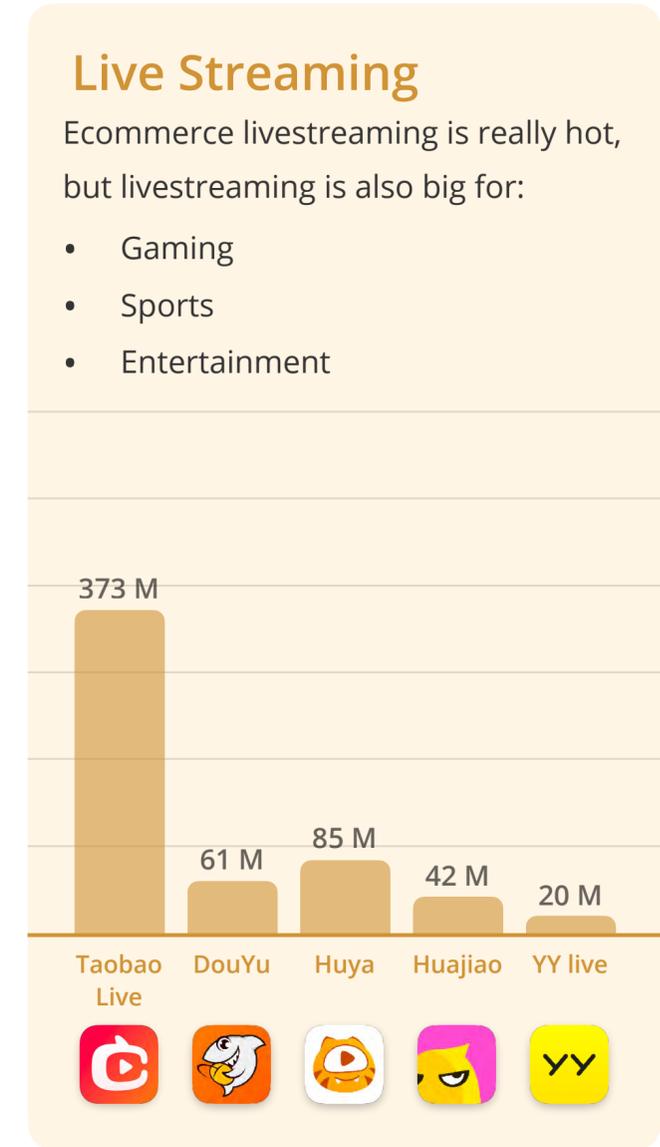
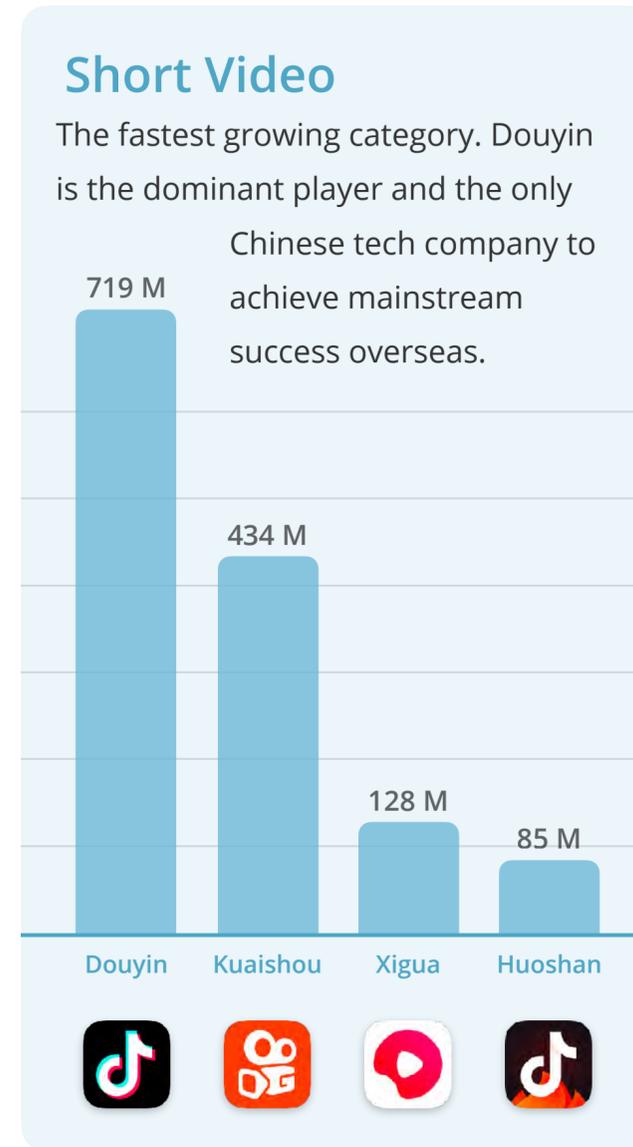
BRING THE GUIDE TO LIFE  
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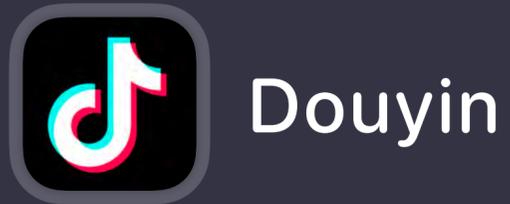
The Average Chinese Netizens spends 2 hrs a day watching short video [S]

94% watch videos [S]

88% watch short videos [S]

62% watch livestreams [S]





抖音  
Dǒu yīn

MAU  
**719M** Sep 2021 [5]  
*(Douyin & Douyin Lite combined)*  
LAUNCHED  
2016

OWNERSHIP  
**ByteDance**

COMPARABLE TO



Tik-Tok

INTRODUCTION

The biggest short video and live-streaming app in China

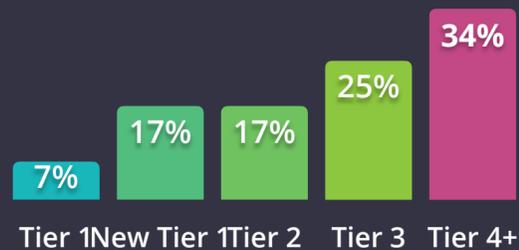
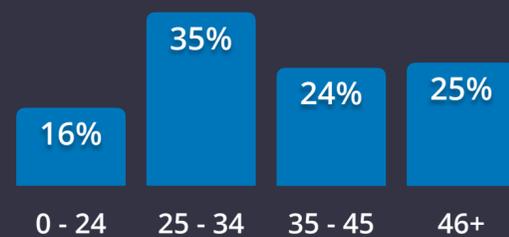
DEEP DIVE

[How We Created A Product with A Billion Views A Day...](#)

ESSENTIAL READ

[Attention Factory by Matthew Brennan](#)

DEMOGRAPHICS



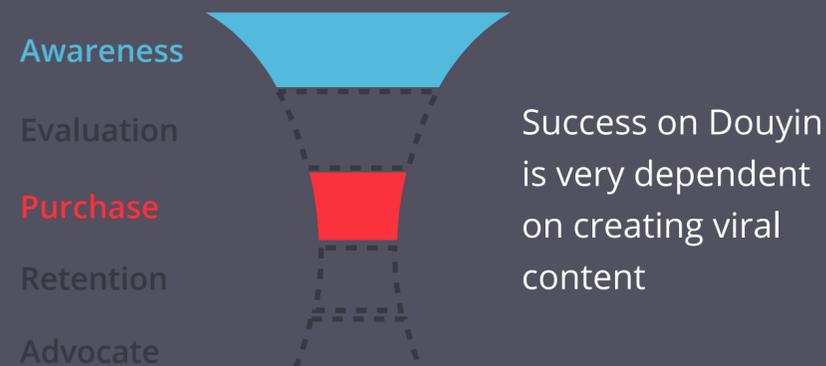
OPPORTUNITIES FOR BRANDS

**B2C** INDUSTRIES  
All industries

CONTENT FORMAT  
Short-format video, live-streaming.

CONTENT MARKETING OPPORTUNITIES  
Generate brand awareness with short viral videos.

MARKETING FUNNEL



PAID AD OPTIONS

- Open Screen Ads
- Sticker Ads
- Music Ads
- Feed Ads
- KOL/KOC

KEY METRIC





NINE • VIDEO & LIVESTREAMING

## Much more than a “Chinese TikTok”

Many often refer to Douyin as “the Chinese TikTok”, and while Bytedance presents both platforms as the same product, they are actually completely separate entities. If Douyin was born in 2016, then TikTok was a 2018 rebrand [S]. of another short-video app called Musical.ly, which had been acquired by Bytedance a year earlier [S]. The app was already popular among teens in the US, and with its overnight rebrand and new UI, existing Musical.ly user accounts were migrated over into TikTok [S].

### Two Completely Separate Apps

Douyin is available on the Chinese app store and only users with a Chinese phone number can sign up. Similarly, TikTok is only available on the overseas versions of app stores. The content on both apps is completely different, overseas TikTok can't access the Chinese Douyin user content and vice versa. Douyin also has so many more features which are not available on TikTok, ranging from better livestreaming, ecommerce and a geotagged services tab or “points of interest” (POI) section.

### Completely Different Content

Douyin allows uploading content of up to 15 minutes in length, while TikTok's videos are limited to 3 minutes [S]. There's also significantly more professional user generated content (PUGC) on Douyin than on TikTok, meaning the production value of a video tends to be higher on Douyin. So while TikTok's limitations are ideal for memes and challenges, Douyin's content is often similar to what is found on YouTube [S].

### Livestreaming

As of 2020, 85% of Douyin users view livestreams [S] — a format that is still picking up in the West. The Douyin app is built in a way that allows to easily access livestreams and keeps their viewer stats permanently onscreen. Discovery of new streams and pure audio rooms (which do not exist on TikTok) have been simplified and streams with giveaways are marked with a red packet.



### Local Services

Launched early 2021, the points of interest (POI) feature allows businesses linked with the POI tag to offer ticket sales and group by deals inside the app.

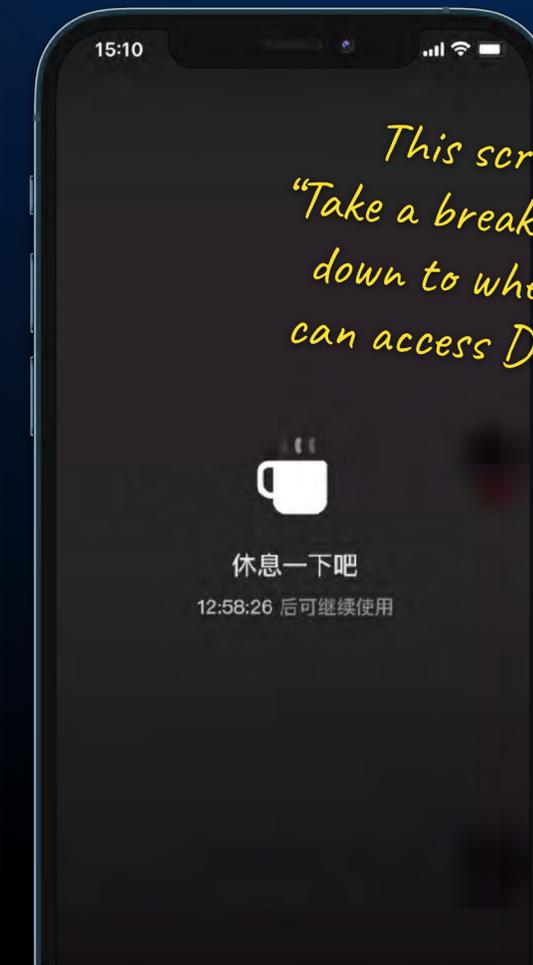
### Gamification

Users who spend more money within the app get a higher ‘status’. Some perks of a high status include entering a livestream chat with a splash - instead of getting buried in the chat, their name will float onscreen in a big font [S].

## BREAKING NEWS

### ‘Youth Mode’ to Fight Addiction

In line with China's recent restrictions for video games, Douyin introduced ‘youth mode’ which limits users aged 14 and below to 40 mins on its platform every day [S]. ‘Youth mode’ also locks users under 14 out of the app from 10pm to 6am daily and will present users with curated content, such as science experiments, exhibitions from museums and sharing knowledge about history and geography [S].



*This screen says “Take a break” and counts down to when the user can access Douyin again*



**Kuaishou** 快手  
Kuài shǒu

MONTHLY ACTIVE USERS

**434M** Sep 2021 [S]  
*(Kuaishou & Kuaishou Lite combined)*

LAUNCHED  
2011

COMPARABLE TO



Tik-Tok

INTRODUCTION

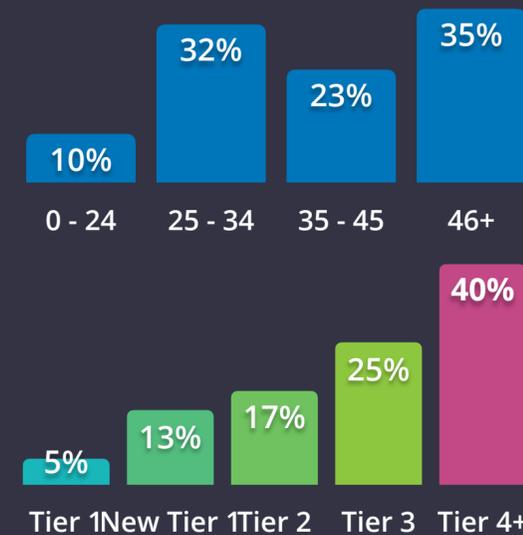
The second biggest short video and live-streaming app in China

OWNERSHIP

**Kwai group**

- Investment by Tencent (22% stock share)
- Investment by Alibaba

DEMOGRAPHICS



OPPORTUNITIES FOR BRANDS

**B2C** INDUSTRIES  
FMCG, Personal care

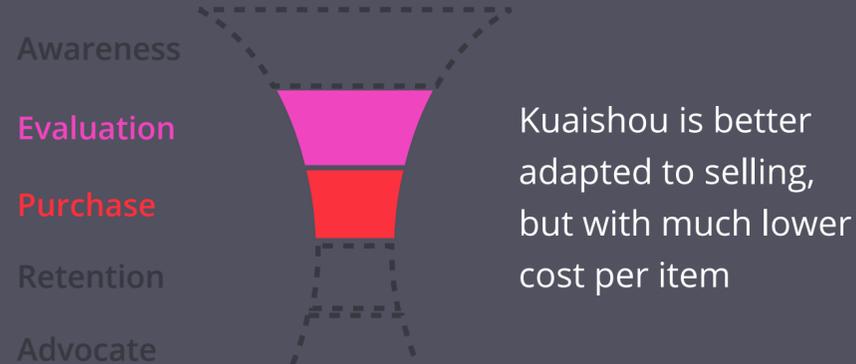
CONTENT FORMAT

Short-format video, live-streaming.

CONTENT MARKETING OPPORTUNITIES

Create short viral videos & sell via embedded ecommerce

MARKETING FUNNEL



PAID AD OPTIONS

- Open Screen Ads
- Feed Ads
- News Banner Ads
- KOL/KOC

KEY METRIC

Video Views

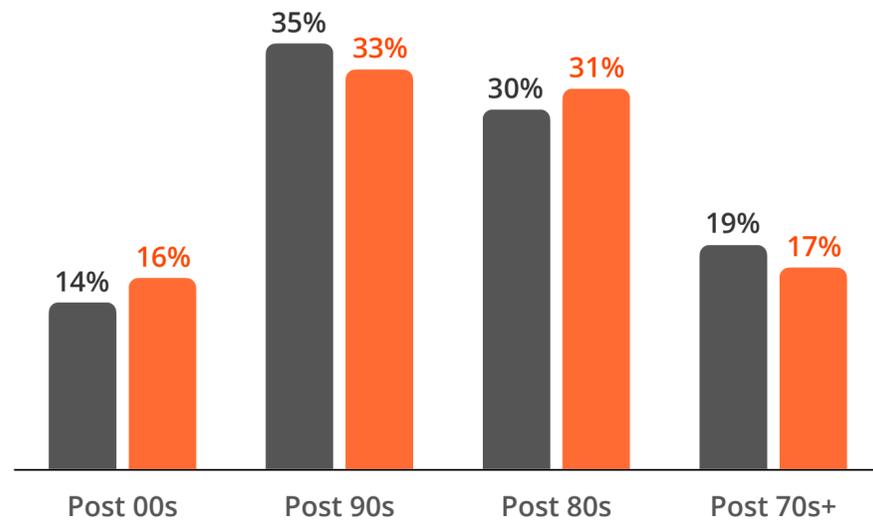




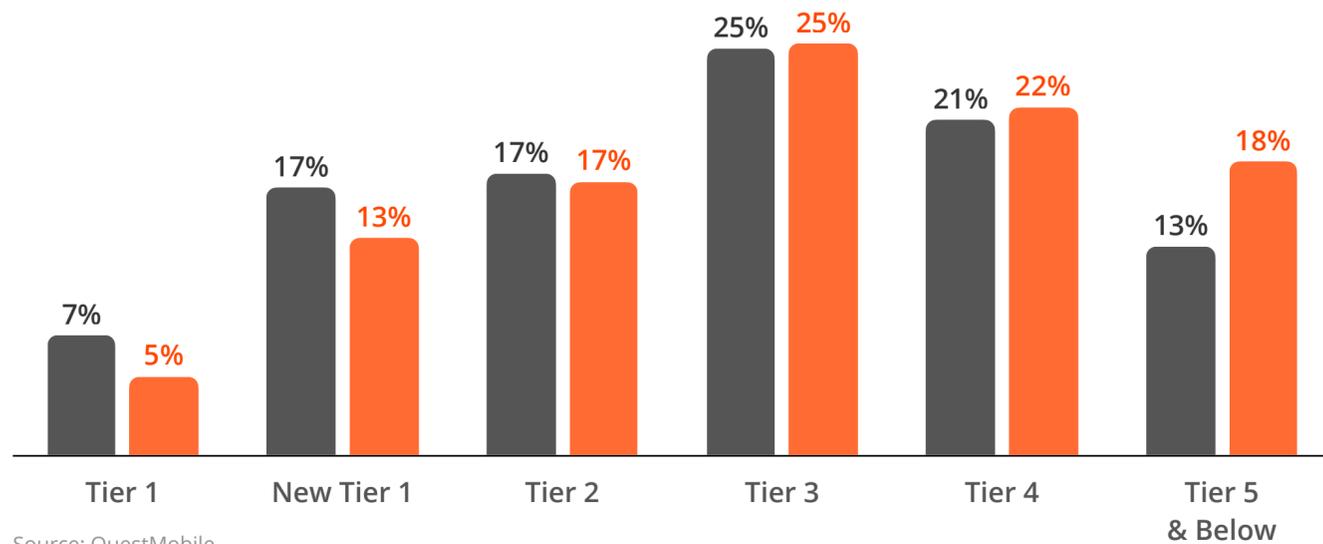
# Which Should You Choose?

China's two major short video players continue to grow and increasingly encroach on each other's territory. Douyin was formerly considered more "upscale" and trendy while Kuaishou was seen as a platform to target China's rural populations. The data suggests these assumptions are no longer true...

### Douyin vs Kuaishou Generation Distribution



### Douyin vs Kuaishou City Tier Distribution



Source: QuestMobile

EXPERT CONTRIBUTOR



## Yujun Wu

Senior Business Director  
Mailman Group

Yujun has a passion for sports & tech. She has worked in social media across China, Germany & Spain, serving large sports clients including FIFA, Olympics & WWE.

[MailmanGroup.com](http://MailmanGroup.com)

[Yujun Wu](#)



### What are the key differences between Douyin & Kuaishou?

There used to be this perception that Douyin was for targeting audiences in Tier 1 cities, while Kuaishou was more xiachen, with most users in lower tier cities. We've seen a lot of brands refuse to open a Kuaishou account for that reason. Over the course of this year, the user base of both apps have started overlapping, so many of Douyin users are now from lower tier cities, and vice versa. This has made brands more open to trying out Kuaishou as well.

### What has warmed brands up towards Kuaishou?

Kuaishou invested in huge sports partnerships like the Olympics and the NBA — not because their content is sports-focused, but it has increased their credibility and helped them compete with Douyin.

### How should brands approach content creation on these platforms?

The focus should always be on UGC and PUGC. Successful brands give up the usual polished, high production value and get actual creators to make content. Brands need to speak authentically. There's also a huge shift towards ecommerce livestreaming on both platforms. Kuaishou especially appeals to price sensitive consumers.

### Does it make sense to be on both platforms?

Sure, but they require different content strategies. Some brands might still look down on Kuaishou, but it's a great place raise brand and product awareness, to reach and educate new consumers. Your brand's Douyin experience should be more advanced and integrated with ecommerce.

## Live Streaming Platforms

 <b>TaobaoLive</b> 淘宝直播	 <b>Douyu</b> 斗鱼	 <b>Huya</b> 虎牙	 <b>Huajiao</b> 花椒	 <b>YY</b> 歪歪直播
<p><b>OWNERSHIP</b> Alibaba Group</p>	<p><b>OWNERSHIP</b> <a href="#">NASDAQ: DOYU</a> 37% by Tencent <a href="#">[S]</a></p>	<p><b>OWNERSHIP</b> <a href="#">NYSE: HUYA</a> 57% by Tencent <a href="#">[S]</a></p>	<p><b>OWNERSHIP</b> Private</p>	<p><b>OWNERSHIP</b> <a href="#">NASDAQ: YY</a></p>
<p><b>MONTHLY ACTIVE USERS</b> <b>~ 373 million</b> 🙋 A survey found 46% of Taobao's 806M users frequently watch Taobao live <a href="#">[S]</a>.</p>	<p><b>MONTHLY ACTIVE USERS</b> <b>60.7 million</b> Q2 2021 <a href="#">[S]</a></p>	<p><b>MONTHLY ACTIVE USERS</b> <b>85.1 million</b> Q3 2021 <a href="#">[S]</a></p>	<p><b>MONTHLY ACTIVE USERS</b> <b>28.7 million</b> Oct, 2021 <a href="#">[S]</a></p>	<p><b>MONTHLY ACTIVE USERS</b> <b>19.7 million</b> Sep, 2021 <a href="#">[S]</a></p>
<p><b>KEY FACTS</b></p> <ul style="list-style-type: none"> <li>• Founded in 2016</li> <li>• Kickstarted the ecommerce livestreaming craze</li> <li>• Generated RMB 400 B GMV in 2020 <a href="#">[S]</a></li> </ul>	<p><b>KEY FACTS</b></p> <ul style="list-style-type: none"> <li>• Founded in 2013</li> <li>• Largest IPO of any Chinese company on Wall Street in 2019 <a href="#">[S]</a></li> <li>• "The Chinese Twitch"</li> <li>• Planned merger with Huya terminated due to antitrust regulation risks <a href="#">[S]</a></li> </ul>	<p><b>KEY FACTS</b></p> <ul style="list-style-type: none"> <li>• Started from YY, independent from 2014</li> <li>• Partnered with League of Legends esports in China <a href="#">[S]</a></li> <li>• Partners with one of the most valuable esports teams in the world, Team Liquid <a href="#">[S]</a></li> </ul>	<p><b>KEY FACTS</b></p> <ul style="list-style-type: none"> <li>• Has not yet received investment from one of the major players</li> <li>• Lifestyle oriented</li> <li>• Founded in 2015</li> <li>• Original content through contests</li> </ul>	<p><b>KEY FACTS</b></p> <ul style="list-style-type: none"> <li>• Founded in 2002 <a href="#">[S]</a></li> <li>• Started as a social network for gamers.</li> <li>• Innovative live chat system</li> <li>• Platform for concerts, fashion and sports</li> <li>• The live streaming section of YY.com social network</li> </ul>

# Confessions of a Livestream Shopping Addict



**Elissa Wu** (not her real name)

Works as the operations manager for a foreign MNC. In her late 30s, she is married with one daughter.

## What attracts you to livestream shopping?

First and foremost, I want to get the cheapest price — I don't have time to do research and go to stores. During the livestream, I can see what's trending and what the product looks like. But mainly I look for what's cheap: livestream prices are always lower, and you get a ton of free extras and gifts with the purchase.

## Do you plan your purchases ahead?

Not for livestreams, it's always spontaneous. I tune in to livestreams to be told what to buy. I spend a few hours every evening before bedtime, hopping in and out of different livestreams. For daily necessities, though, I won't wait — I'll place orders immediately on Taobao. But all the "nice to have" items, like branded skin care products and cosmetics, I'll wait for the livestream to get the best price. These are not the kind of products I would buy for a normal price.

## Do you prefer livestreams hosted by brands or KOLs?

There are two big KOLs that I always watch — Li Jiaqi and Viya. They are knowledgeable and their teams do a lot of research about the products, so there is a quality guarantee. There are a lot of small KOLs, but I don't trust them like I trust these two. I also watch *daigou* livestreamers — overseas shoppers, who resell products in China without the import tax. I do a lot of price comparisons between their livestreams and brand livestreams to find the cheapest offer.

## Which livestream platforms do you prefer?

It's been Taobao Live for a long time, but I've been watching more Douyin shopping livestreams recently. It's a new feature Douyin has introduced, trying to attract people from Taobao with bigger discounts.

*Austin Li selling a Michael Kors bag on a livestream during 11.11*



*Shiseido's branded livestream during 11.11 on Taobao Live*



*L'Occitane's livestream during 11.11 on Taobao Live*





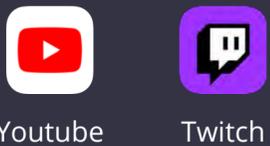
哔哩哔哩  
Bili bili

MAU  
**62M** Sep 2021 [S]

OWNERSHIP  
**Private**

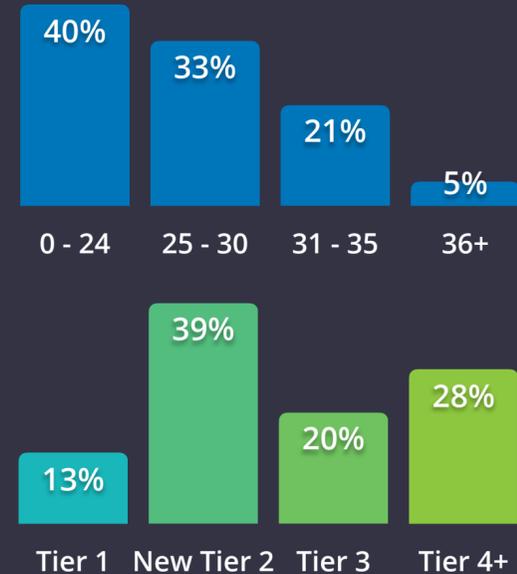
LAUNCHED  
2009

COMPARABLE TO



**INTRODUCTION**  
Bilibili, also nicknamed "B Site", is a video sharing website. It's mainly themed around animation, comics, and games and users can add and engage via "bullet comments" on videos.

DEMOGRAPHICS



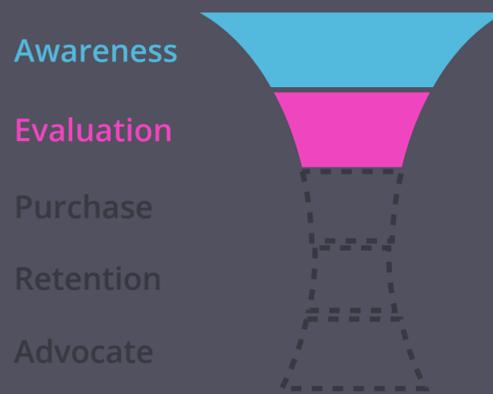
OPPORTUNITIES FOR BRANDS

**B2C** INDUSTRIES  
Entertainment, Lifestyle, Popular Science, Gaming & Anime

CONTENT FORMAT  
Long-format videos

CONTENT MARKETING OPPORTUNITIES  
User Generated Content,

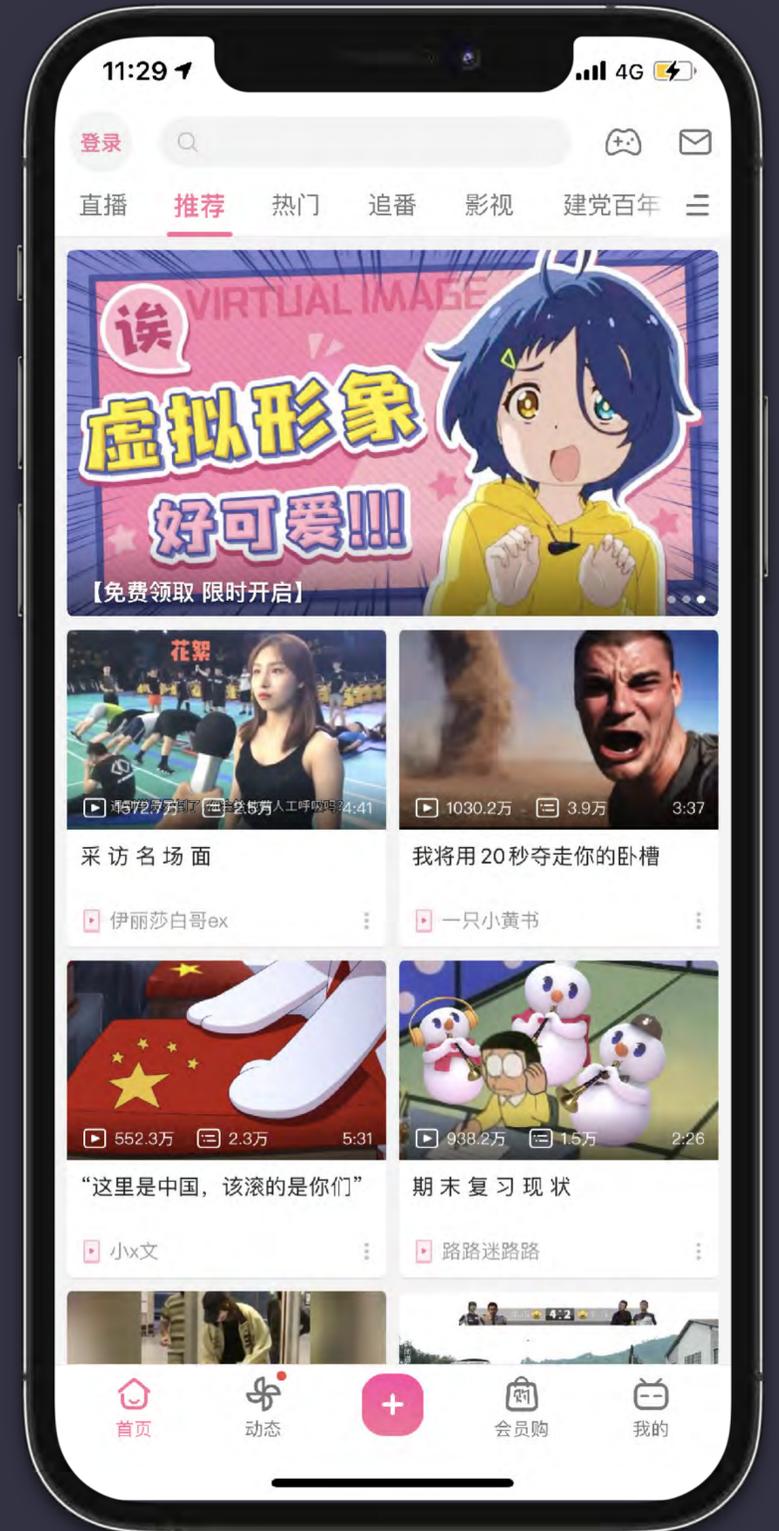
MARKETING FUNNEL



PAID AD OPTIONS

- KOL
- Open Screen Ads
- Discovery Feed Ads
- Banner Ads

KEY METRIC



## Streaming Platforms

Since YouTube and many other Western video platforms have been unavailable in China since 2009, the three internet giants of China, collectively known as BAT, stepped in to fill in the gap.

Streaming platforms in China resemble YouTube a lot, allowing users to upload their own content, but also host a wide variety of locally produced TV series and a limited selection of foreign produced shows and movies.

THE ECONOMIST

[Tencent Video battles iQiyi in China's streaming...](#)



SIXTH TONE

[iQiyi Cancels Idol Competitions, Online Voting](#)



BBC NEWS

[China streaming site accused of copying Squid...](#)



### OWNERSHIP

56% by Baidu [\[S\]](#)

### MONTHLY ACTIVE USERS

**239 million**

Sep, 2021 [\[S\]](#)

### KEY FACTS

iQIYI is often dubbed China's Netflix - the two had actually partnered up a few years earlier for content distribution, which ended soon after [\[S\]](#). Currently, iQiyi is expanding into SEA and eyeing to become an online Disney in the next decade [\[S\]](#).



### OWNERSHIP

Tencent

### MONTHLY ACTIVE USERS

**182 million**

Jul, 2021 [\[S\]](#)

### KEY FACTS

The second largest video streaming platform in China. It also develops original content and home made dramas. Tencent Video owns the copyrights of many great IPs (especially Chinese comics) which they make new Shows from.



### OWNERSHIP

100% by Alibaba

### MONTHLY ACTIVE USERS

**72 million**

Sep, 2021 [\[S\]](#)

### KEY FACTS

The oldest streaming platform, former leader before iQIYI overtook it 2015. Post-80s and Post-90 consider Youku as the YouTube of China, as it used to host a lot of UGC in early years. Youku now focuses on building a solid content library of foreign shows to stream.

# Ecommerce

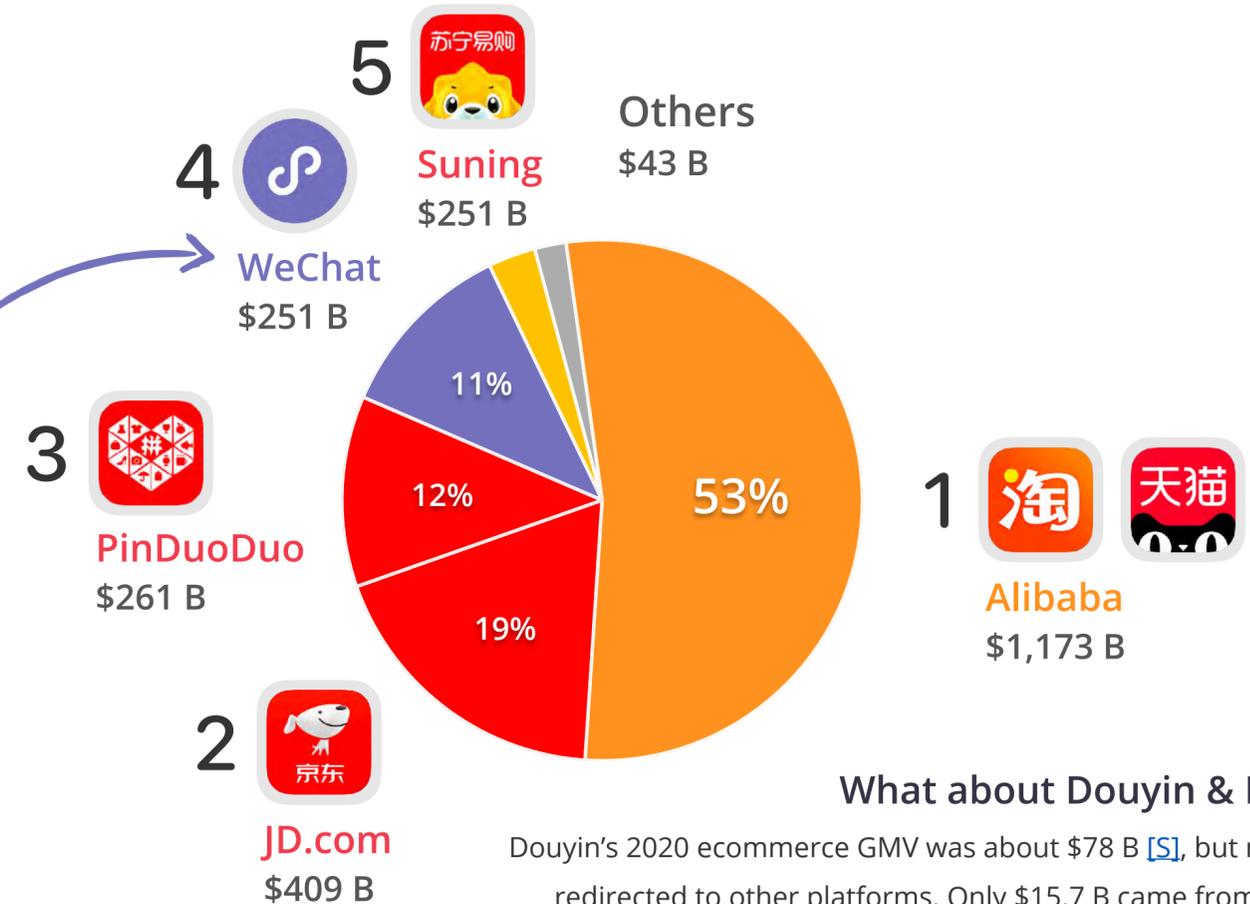
TL;DR

China's ecommerce market is fiercely competitive. Still dominated by the likes of Alibaba and JD.com, ecommerce in China is advanced and prone to explosive growth, with livestream shopping being the latest (pandemic-boosted) craze.

BRING THE GUIDE TO LIFE  
Schedule a Webinar With Our Team  
[kawo.com/webinar](http://kawo.com/webinar)

### Is the 800lb Gorilla under threat?

*It's very difficult to get an accurate figure for total sales volume through WeChat because the stores are all mini programs operated by individual brands. This number is just an estimate based on unofficial sources.*



#### What about Douyin & Kuaishou?!?

Douyin's 2020 ecommerce GMV was about \$78 B [S], but most of that was redirected to other platforms. Only \$15.7 B came from Douyin's native ecommerce shops, accounting to just 0.7% of the market share here.

### Marketplaces

Launch a store on one of the major ecommerce platforms and gain access to their audience.



### Social Commerce

Brands leverage the power of influencers and social networks to drive sales.



### Sell Direct

Brands develop their own website, app or mini program where they have full control.



## The Rise of New Ecommerce Models

The Chinese market has been particularly receptive to business model innovations, the most prominent one of these being the sharing economy. While the model was not born in China, it quickly took off in China, partly driven by Chinese consumers using their smartphones as digital wallets. Soon, just about anything from bikes, scooters, cars, umbrellas, power banks, office spaces, kitchens and much more were up for rent.

While the sharing craze has faded, China is far from done with trying out new business models.

### D2C

#### Direct to Consumer

A company manufactures and ships their products directly to their customers without relying on any other traditional supply chain intermediaries. This allows the company to keep their price low and maintain full control over production, marketing and distribution of goods. Moreover, the D2C company retains access to all of their first-hand consumer data, allowing them to be nimble and adjust products quickly [S].

READ MORE

[Rise of China's D2C Unicorns](#)

Rethink Retail

### C2M

#### Consumer to Manufacturer

Consumers connect directly to manufacturers through a platform to purchase a personalized product. This model cuts out all middle men and intermediate links like inventory, logistics and distribution, hence letting consumers get high quality products for exceptionally low prices. A pioneer in the field is Biyao, a C2M marketplace launched in 2014 [S]. More recently, Taobao launched its C2M app "Special Offers" [S].

READ MORE

[Pandemic Boosts C2M in China](#)

WARC

### CGB

#### Community Group Buy

A model that groups together a neighborhood into a social media groupchat (usually on WeChat), where one chosen community leader coordinates grocery orders within a district. Ordering items in bulk through designated mini programs allows the products to be priced much lower. The model has also made online shopping more accessible to elderly citizens, as a community leader assists community members with produce pick-up.

READ MORE

[CGB Deep Dive](#)

Chinese Characteristics

*This model especially boomed during the COVID pandemic...*

### O2O

#### Online to Offline

Online content is used for 'discovery', which then drives customers to physical stores to complete their purchase. Chinese social media platforms, many of which are equipped with their own QR code scanners, are perfect for seamlessly connecting the digital with the offline world.

READ MORE

[China's O2O Retail Leads in ...](#)

Jing Daily

## China's Socially Driven Ecommerce

Recommendation algorithms, livestreaming by KOLs, and native ecommerce stores on social media platforms, such as on Douyin, have changed the traditional dynamic - where previously a purchase began with the customer's search for a product [5].

There's been a shift from "Provide what you want" to "Telling you what you should buy", driven by these proactive recommendations. Therefore, content has become an increasingly important part of the consumer journey to drive sales.

JING DAILY

[Could Douyin Give Tmall, JD a Run for...](#)



### Traditional Model of Ecommerce

*"Give me what I want"*



### New Socially Driven Commerce

*"Tell me what I should buy"*



See our interview with a 'Livestream Shopping Addict' on [page 90](#)



## China Ecommerce Expert Advice

EXPERT CONTRIBUTOR



### Jenny Chen

COO & Co-founder  
WalkTheChat

Jenny has been supporting brands with ROI focused China market entry for 7 years.

[WalkTheChat.com](https://www.walkthechat.com)

[Tingyi \(Jenny\) Chen](#)

WALK  
THE  
CHAT

### Should companies entering China focus on branding or just driving revenue?

You can't have both. Many brands try to achieve too much when entering the Chinese market. Your goal should be making sales — surviving.

### What does it mean to put sales first?

Give up on impressions, PR events, fancy concept videos, and big marketing ideas. As a new brand, focus on short-term return based on real sales data. Also, expect different influencers from your global standard: focus on conversion instead of “fit”. Ask for case studies to prove their sales performance, preferably with your competitors.

### How do you choose the right sales channel?

Tmall is the obvious choice for big annual revenue goals. But think about Douyin and WeChat cross-border stores and the Tmall mini store too: lower organic sales traffic but they cost less upfront.

### Any other tips?

Ads can't be your main entry strategy unless your product is cheaper. If your spending plans aren't working, consider a distributor model, buyer stores or even offline channels.

EXPERT CONTRIBUTOR



### Josh Gardner

CEO & Co-Founder  
Kung Fu Data

Josh is the CEO and Co-Founder of Kung Fu Data, an ecommerce partner whose mission is to help brands thrive in China's online marketplaces.

[KungFuData.com](https://www.kungfudata.com)

[Josh Gardner](#)



### What are the main ecommerce channels for brands?

There's an abundance, but the core are still Alibaba, JD.com and WeChat. What we're seeing now, though, is that Douyin is the real deal, with actual ROI to show.

### Why is every brand doing ecommerce livestreaming?

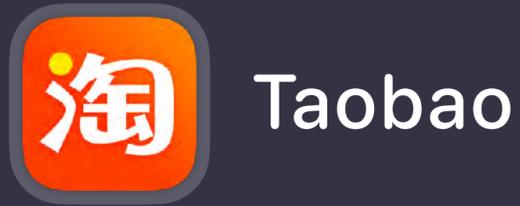
Shopping platforms have become loud, crowded and messy — digital street markets. Shopping livestreams are a way to stand out from the noise, essentially a combination of transactional, event and influencer marketing - it's very experiential.

### Should all brands follow these marketing trends?

No. Brands can't avoid the character of the marketplace, but they can control the customer experience. There are other ways to create demand. Luxury brands in particular absolutely refuse to go after “cheap reach”.

### What should ecommerce teams focus on in 2022?

In ecommerce, people search for brands, not things. Invest in marketing, content, community building, product seeding and influencers — branding. Quality of content is more important than the quantity of content. Brands should also focus on integrating across different platforms as the walled gardens have come down; create a frictionless runway from the point of product discovery all the way to sales.



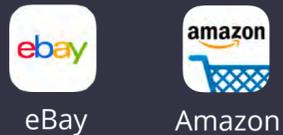
淘宝  
Táobao

MAU  
**806M** Sep 2021 [S]

OWNERSHIP  
**Alibaba**

LAUNCHED  
2003

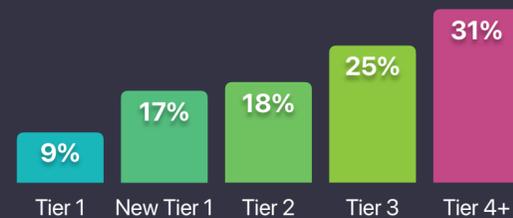
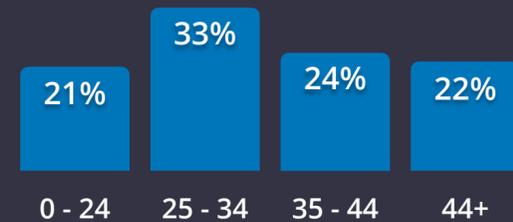
COMPARABLE TO



INTRODUCTION

The biggest B2C and C2C ecommerce platform in China. It charges no transaction fees to either sellers or buyers.

DEMOGRAPHICS



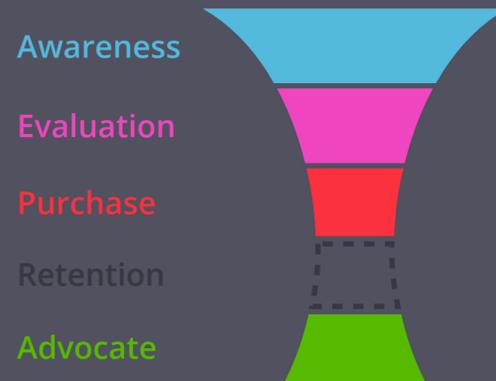
OPPORTUNITIES FOR BRANDS

- B2C** INDUSTRIES
- C2C** All industries

CONTENT FORMAT  
Images, video, product reviews

CONTENT MARKETING OPPORTUNITIES  
Livestreaming, update feed, sales festivals, coupons

MARKETING FUNNEL



- PAID AD OPTIONS
- Discover Page Screen
  - KOL/KOC
  - Promotion & Retargeting
  - Keyword Search Ads

KEY METRIC

- Rating
- Conversion





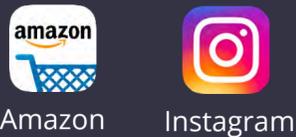
天猫  
Tiān māo

MAU  
**14M** Sep 2021 [S]

OWNERSHIP  
**Alibaba**

LAUNCHED  
2008

COMPARABLE TO

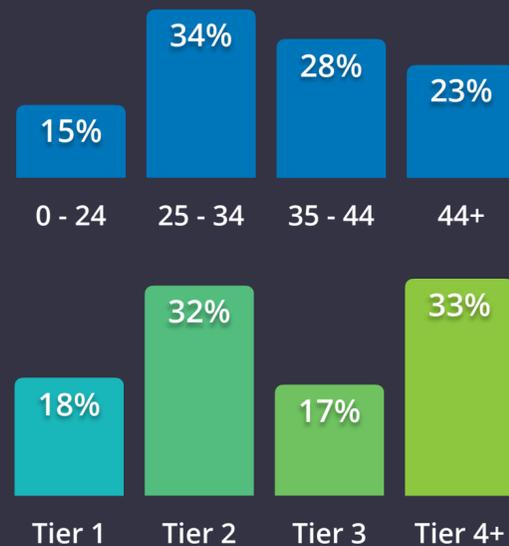


DEMOGRAPHICS



INTRODUCTION

The biggest B2C ecommerce platform in China. An online platform for local Chinese and international businesses, where they can set up flagship stores to sell brand-name goods.



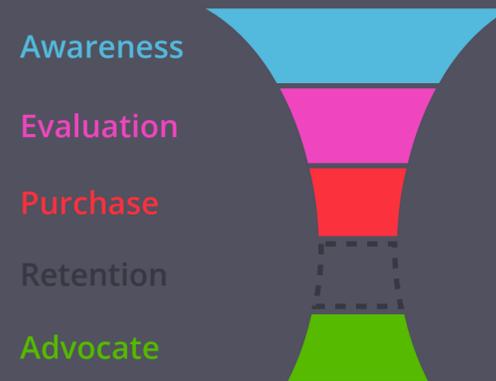
### OPPORTUNITIES FOR BRANDS

**B2C** INDUSTRIES  
All industries

CONTENT FORMAT  
Images, video, product reviews

CONTENT MARKETING OPPORTUNITIES  
Livestreaming, product segmentation, e-commerce festivals, coupons

MARKETING FUNNEL



KEY METRICS



- PAID AD OPTIONS
- Discover Page Screen
  - KOL/KOC
  - Promotion & Retargeting
  - Keyword Search Ads





TEN • ECOMMERCE

# The World's Best Shopping Platform?

## Taobao is more than a shopping app — it's a form of entertainment

JD and American-born Amazon are no match for Taobao's ability to keep their users hooked on the app. Like other shopping platforms, Taobao features products and sales offers, but there's so much more to the app — with its algorithm-powered browsing section, Taobao feels more like an Instagram or RED feed. There's a livestreaming tab full of hawkers, ranging from KOLs pitching lipstick to farmers slicing vegetables with high-pressure hoses [5]. In addition to the quirky items and questionable gadgets, Taobao is a place for merchants to promote services like doing your homework, coaching your League of Legends game or proofreading foreign language documents.

Taobao is a magical place — sometimes literally. Among some of the more bizarre things offered on Taobao include *fengshui* consultations or even services to visit a temple in Japan on a customer's behalf to pray for good luck, whether for college exams or other risky endeavors.



CHAOYANG TRAP  
A Magazine Celebrating Taobao...



# Tmall China's Glitzy Big Brand Shopping Mall

## If Taobao is the vibrant public bazaar, Tmall (as its name suggests) is the glitzy big-brand shopping mall.

Taobao's more sophisticated version launched a few years after Taobao itself. While there are no special requirements for merchants to open a Taobao shop, Tmall is strict in its selection process — all stores are formal enterprises that have passed an audit and get to be called an "official store".

While Taobao no longer requires sellers to pay anything except a deposit, brands looking to open a Tmall store need to go through a Tmall Partner ("TP" for short) and pay a large deposit and service fee to the platform.

Tmall emphasizes authenticity — it has a few compulsory requirements for goods and services sold in the store, e.g. be able to issue invoices, support seven days no-reason returns and exchange, and offer freight insurance. Taobao does not have these mandatory requirements [5].

Although Tmall has a reputation for being higher-quality and more expensive, you can still find some big-ticket items on Taobao. Buyer beware...



RETAIL DIVE  
[What is it about Tmall?](#)



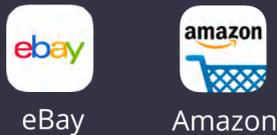


京东  
jīng dōng

MAU  
**145M** Sep 2021 [S]

LAUNCHED  
2013

COMPARABLE TO



INTRODUCTION

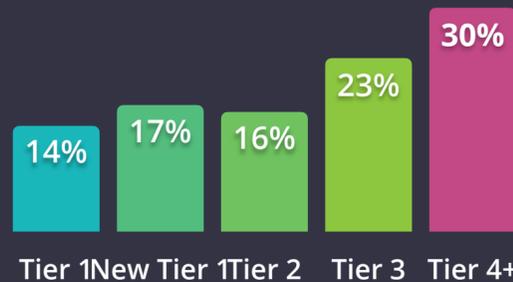
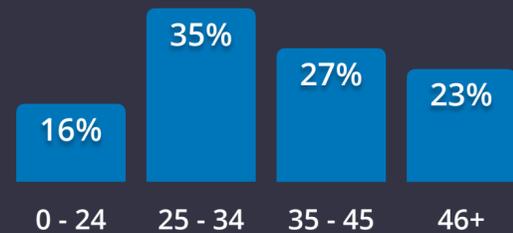
One of the biggest B2C online retailers, mostly specializing in electronics. Known for its efficient parcel delivery, as has massively invested in developing its own delivery infrastructure.

OWNERSHIP

JD group

- Investment by Tencent (17% stock share)
- Investment by Walmart (12% stock share)

DEMOGRAPHICS



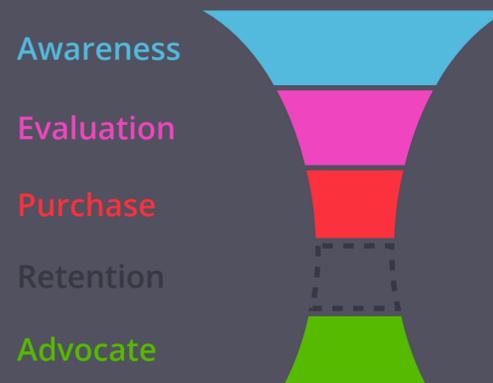
OPPORTUNITIES FOR BRANDS

**B2C** INDUSTRIES  
All industries

CONTENT FORMAT  
Images, video, product reviews

CONTENT MARKETING OPPORTUNITIES  
Livestreaming, e-commerce festivals, coupons

MARKETING FUNNEL



PAID AD OPTIONS

- Open Screen Ads
- Discover Page Screen
- KOL/KOC
- Promotion Ads

KEY METRIC

- ★ Rating
- ⊘ Conversion



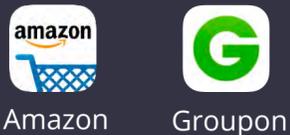


**Pinduoduo** 拼多多  
pīn duō duō

MAU  
**236M** Sep 2021 [S]

LAUNCHED  
2015

COMPARABLE TO

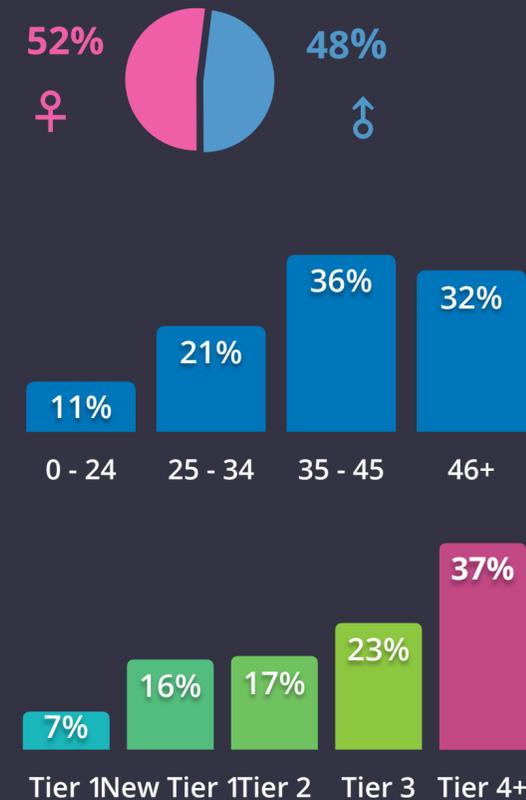


INTRODUCTION

Pinduoduo is the largest agriculture-focused technology platform in China. It has created a platform that connects farmers and distributors with consumers directly through its interactive shopping experience.

OWNERSHIP  
**Pinduoduo Group**

DEMOGRAPHICS



OPPORTUNITIES FOR BRANDS

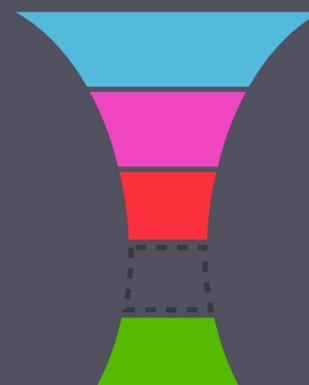
**B2C** INDUSTRIES  
All industries

CONTENT FORMAT  
Images, video, product reviews

CONTENT MARKETING OPPORTUNITIES  
Livestreaming, update feed, sales festivals, coupons, limited time offers

MARKETING FUNNEL

- Awareness
- Evaluation
- Purchase
- Retention
- Advocate



- PAID AD OPTIONS
- Open Screen Ads
  - Discover Page Screen
  - KOL/KOC

KEY METRIC

- ★ Rating
- ⊘ Conversion



# Mobile Payments

## TL;DR

China started out as a largely unbanked country - in 2010 the number of cards issued was only 0.14 per person. It is now the global leader of mobile payments and where cash has become virtually obsolete.

BRING THE GUIDE TO LIFE  
Schedule a Webinar With Our Team  
[kawo.com/webinar](http://kawo.com/webinar)



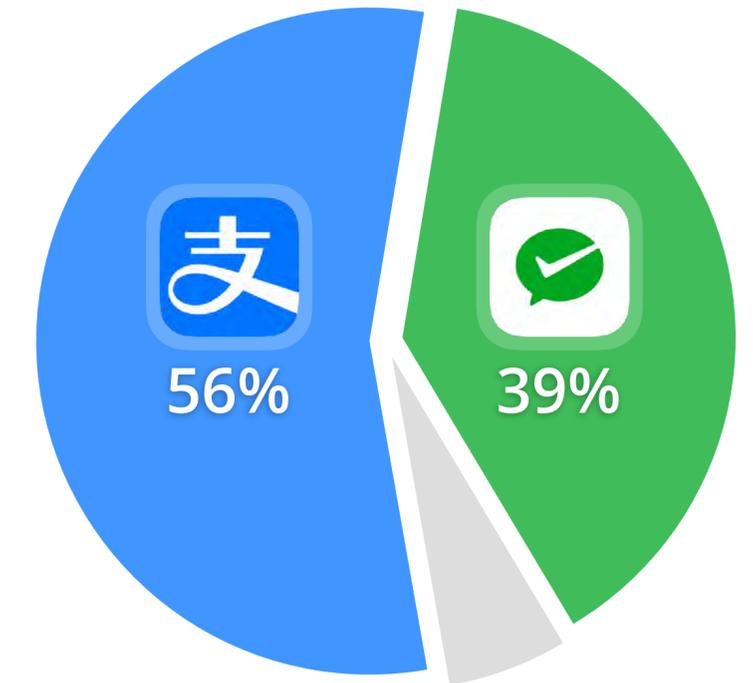
In China in 2020 Mobile Payments Totaled **4 Trillion RMB** (US \$630 Billion) and just 2 players processed 94%

Source: [China Daily](#)

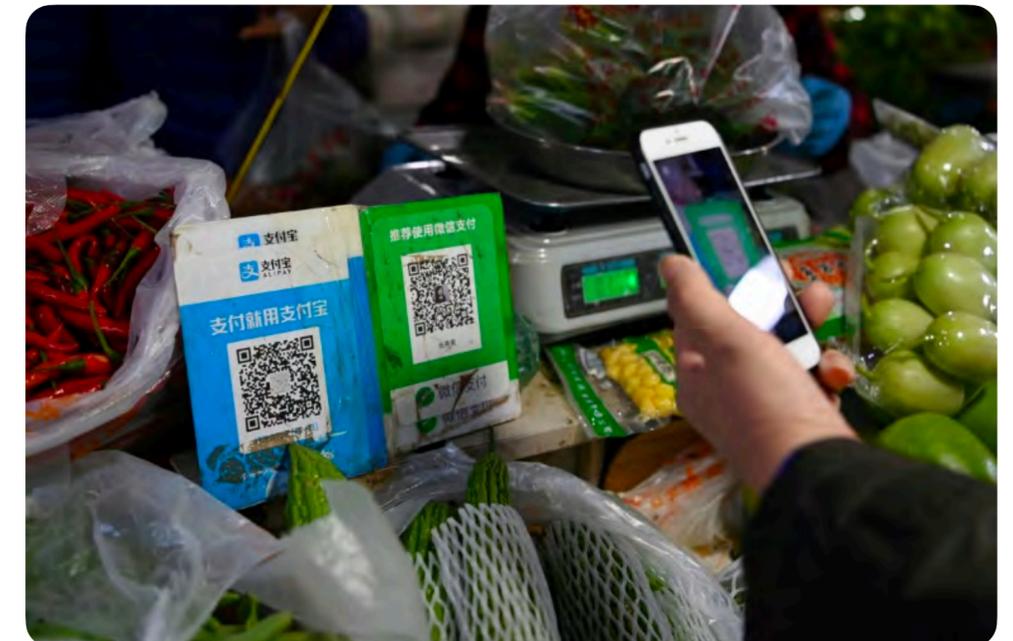
Anyone from street vendors, convenience store clerks, restaurants, and even high-end department stores expect buyers to present their QR code for payment.

A country that had previously been largely unbanked skipped past bank accounts and credit cards, straight into mobile payments [S]. With the rapid increase in digital payments, cash has become virtually obsolete - more than 80,000 ATMs had been removed from operation in 2020 [S].

The digital payment market is dominated by third party players, most notably Alipay and WeChat Pay. However, these are just means to move money electronically. In early 2021, China started rolling out its digital yuan, turning a legal tender into computer code.



Source: [iResearch](#)



## How China Became The Global Leader in Digital Payments

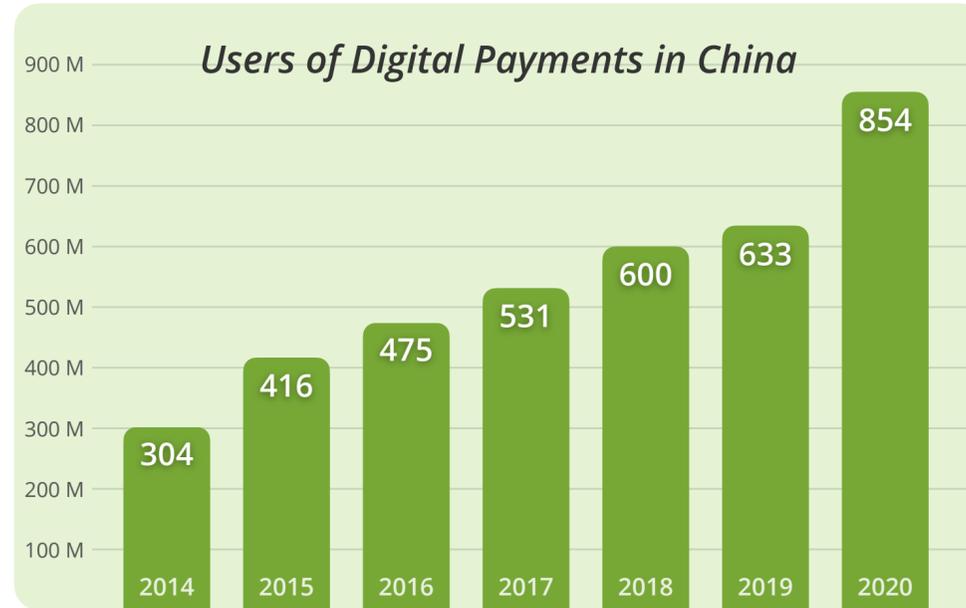
86% of China's 1 Billion internet users make mobile payments compared to just 8% of Americans [S].

68% of Americans instead prefer Debit, Credit or Prepaid cards [S].

When Alipay launched in China in 2004 they helped ensure safe transactions between vendors and sellers on Taobao. Nearly a decade later in 2013 WeChat introduced payments as a natural addition for the millions of users of their chat app. Today, these two solutions dominate China's mobile payments market.

### WHY MOBILE PAYMENTS TOOK OFF

China was largely unbanked. In 2002 only 430,000 credit cards had been issued in Mainland China. As late as 2010 the number of cards issued was still only 0.14 per person, compared to 4.88 in the United States [S]. Similar to the way PayPal rode on the growth of eBay, AliPay and WeChat Pay both benefited from being integrated within existing large ecosystems. Alipay became the payment method of choice on Taobao and WeChat pay really took off when Tencent gave away 1.2 Billion red envelopes during Chinese New Year in February 2014 [S]. The barrier to entry for both services was relatively low — all you needed was a smartphone, only much later did bank accounts become a prerequisite. Unlike the dependence on NFC in The West, QR codes were really key to the success of mobile payments. Instead of



Source: [China Internet Network Information Center](#)

Instead of handling cash, small shops could print out a QR code for their customers to scan and pay — a much cheaper alternative to POS devices.

As Chinese tourists became globally more dominant, WeChat and Alipay followed them abroad. By 2017, Chinese shoppers were able to use their digital wallets in countries like the US, Japan, South Korea, and even Finland.



## BREAKING NEWS

### Crackdown on Static QR Codes for Payment

The People's Bank of China announced new measures for the supervision of digital payments. Among these new measures were regulations for QR code payment options that will go into effect on Mar 1, 2022 [S].

The new regulation will require all businesses to apply for a special QR code to receive money from transactions instead of utilizing QR codes for personal transactions (like the yellow WeChat code below). This requirement is currently in place for large companies. The new measures will then expand to small businesses, such as street vendors and small market stalls, who have been using these QR codes a lot.





# China's Very Own Digital Currency



The financial technology revolution, which was led by the frenetic adoption of Alipay and WeChat Pay, has pushed China in becoming a cashless society. Countering the third party digital payment tools, the government introduced its digital yuan early 2021.

### NOT A CRYPTOCURRENCY

The digital yuan, or e-CNY, is actually a legal tender, backed 1:1 by fiat reserves [S]. The digital yuan resides in cyberspace, available on the owner's mobile phone - or on a card for the less tech-savvy - and spending it doesn't strictly require an online connection. It appears on a screen with a silhouette of Mao Zedong, looking just like the paper money.

### NATIONWIDE ROLLOUT

In tests in recent months, more than 100,000 people in China have downloaded a mobile-phone app from the central bank enabling them to spend small government handouts of digital cash with merchants, including Chinese outlets of Starbucks and McDonald's [S].

JD.com announced in April of 2021, that it will start paying the salary of some of its employees in digital yuan [S].

### OTHER CONSIDERATIONS

The Central Bank won't use the new technology as a way to get more money into circulation, since every yuan issued digitally will essentially cancel one yuan circulating in physical form.

What about volatility? Bitcoin and the likes are famous for that. The Central Bank will strictly control the digital yuan to ensure there aren't valuation differences between it and the paper bills and coins.

REUTERS

[Digital Yuan a Threat to Alipay & WeChat?](#)



WALL STREET JOURNAL

[eCNY: Ant & Tencent in an Awkward Spot](#)





Alipay

支付宝  
zhī fù bǎo

OWNERSHIP  
Alibaba

MAU  
**559M** Sep 2021 [S]

LAUNCHED  
2004

COMPARABLE TO



PayPal

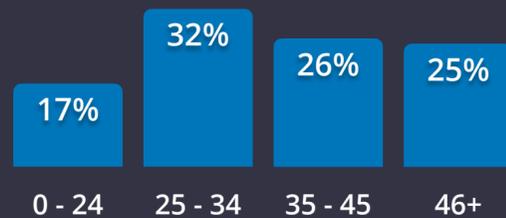


AppStore

INTRODUCTION

The biggest payment app in China. Includes various financial and lifestyle services, such as loans, ride hailing, ecommerce.

DEMOGRAPHICS



OPPORTUNITIES FOR BRANDS

**B2B** INDUSTRIES

**B2C** All industries

CONTENT FORMAT

Photos, video, coupons and personalized offers.

CONTENT MARKETING OPPORTUNITIES

Highly personalized offers, coupons and discounts, retargeting.

MARKETING FUNNEL

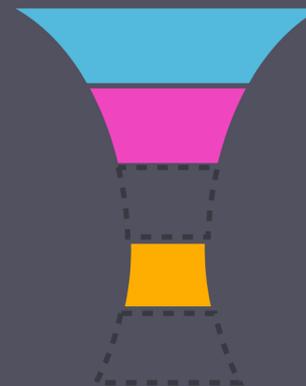
Awareness

Evaluation

Purchase

Retention

Advocate



PAID AD OPTIONS

- Open Screen Ads
- Discover Page Screen





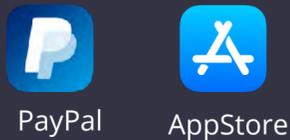
微信支付  
Wēixìn Zhīfù

OWNERSHIP  
Tencent

MAU  
~900M 2018 [S]

LAUNCHED  
2011

COMPARABLE TO



INTRODUCTION

WeChat pay is a mobile payment and digital wallet service by WeChat based in China, that allows users to make mobile payments and on line transactions.

OPPORTUNITIES FOR BRANDS

**B2C** INDUSTRIES  
All industries

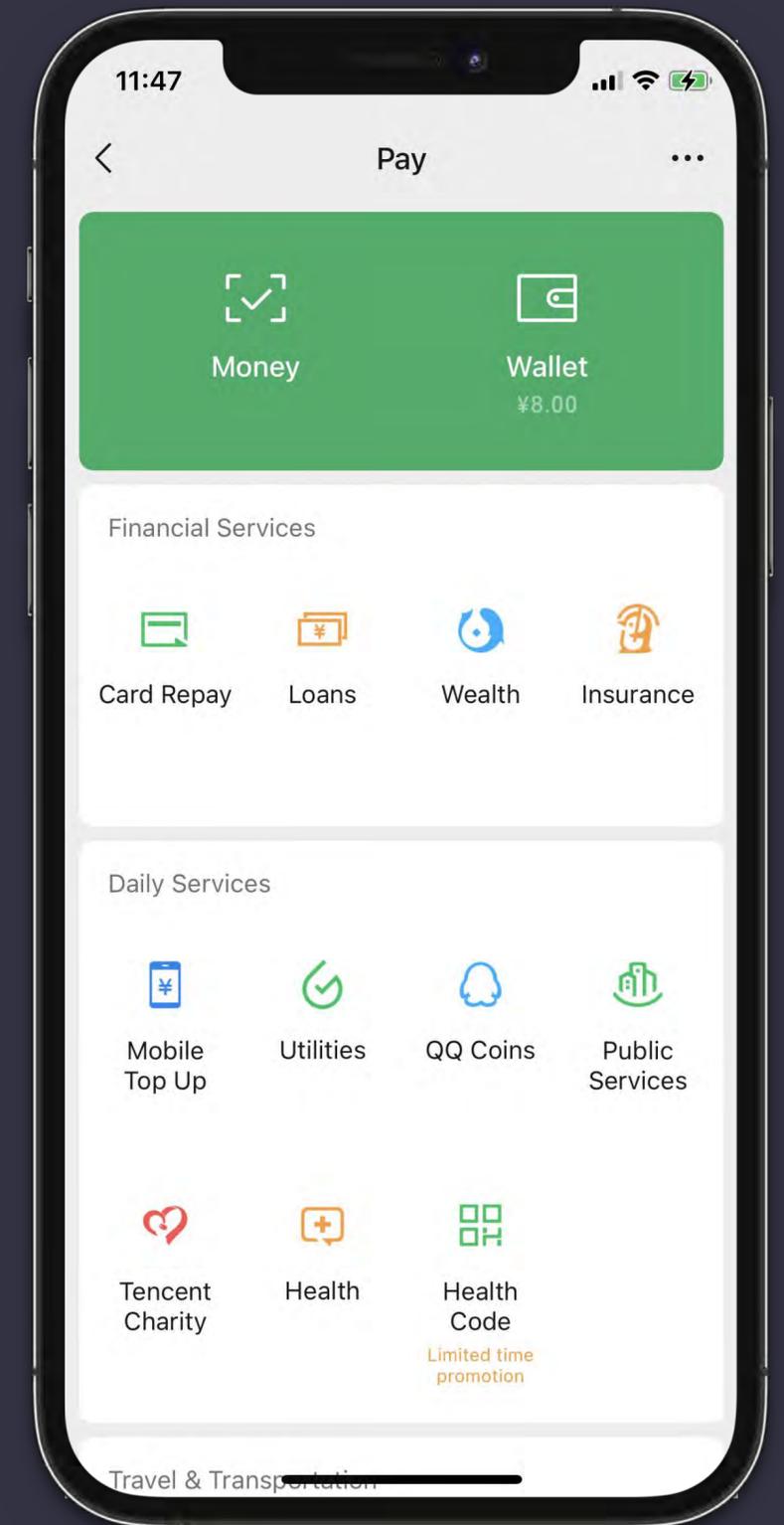
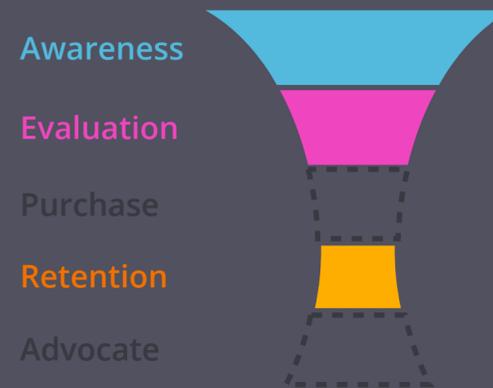
CONTENT FORMAT

Quick pay, QR code payment, Mini Program payment, Official Account payment, In app payment, Web payment.

CONTENT MARKETING OPPORTUNITIES

Coupons and discounts

MARKETING FUNNEL



# Niche Networks

## TL;DR

“Niche” in China takes on a whole new meaning — in a country this big, a niche social media platform can easily mean millions of engaged consumers.

BRING THE GUIDE TO LIFE  
Schedule a Webinar With Our Team  
[kawo.com/webinar](http://kawo.com/webinar)



## Even small niches offer big opportunities in China's noisy digital ecosystem.

### Why Mainstream Brands Should Give Niche Chinese Platforms a Chance

China has specific platforms catering to everything from fitness, books & culture, podcasts or tech. Platforms like that rely on their community and user generated content, so their average user is more engaged. Extending your brand-presence beyond the usual platforms means reaching new, hyper-targeted audiences.

### Audi's "Headlight Company" Campaign

In 2017, Audi launched a Q&A campaign answering questions related to their brand. For example: “How did the brand get the nickname ‘The Head Light Company?’”. Audi submitted answers to these questions in a long-form article with technical illustrations. These content was further enhanced by Zhihu’s users who added additional response based on their own understanding.

### THE CAMPAIGN RESULT

The topic generated 444 responses from different users and the most relevant answers gathered thousands of upvotes. Over 3,500 people followed this specific question and Audi's answer was upvoted nearly 8,000 times. This topic has been viewed nearly 10 million times and other posts by Audi are featured in the related section on the right.

ZHIHU

[Audi's Campaign on Zhihu](#)





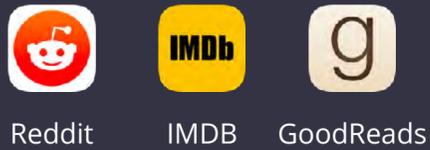
豆瓣  
DòuBàn

MAU  
**58 M** Sep 2021 [S]

OWNERSHIP  
**Private**

LAUNCHED  
2005

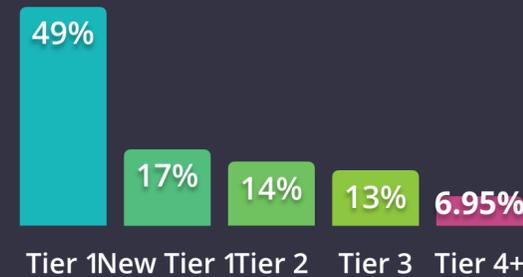
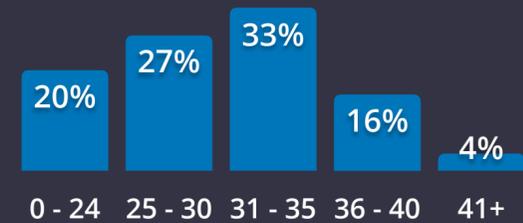
COMPARABLE TO



INTRODUCTION

Douban is a community-focused social network. It allows users to create content and reviews related to film, books, music, recent events and activities in Chinese cities.

DEMOGRAPHICS



OPPORTUNITIES FOR BRANDS

**B2B** INDUSTRIES

**B2C** All industries

CONTENT FORMAT

Reviews, Douban city events, community groups

CONTENT MARKETING OPPORTUNITIES

O2O campaigns, UGC, sales festivals, community management

MARKETING FUNNEL

Awareness

Evaluation

Purchase

Retention

Advocate

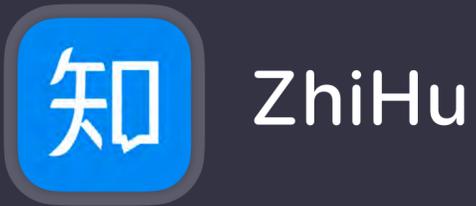


PAID AD OPTIONS

- Open Screen Ads
- Banner Ads
- Brand Station

KEY METRIC





知乎  
Zhī hū

MAU  
**85M** Q1 2021 [S]

LAUNCHED  
2011

COMPARABLE TO



Quora

INTRODUCTION

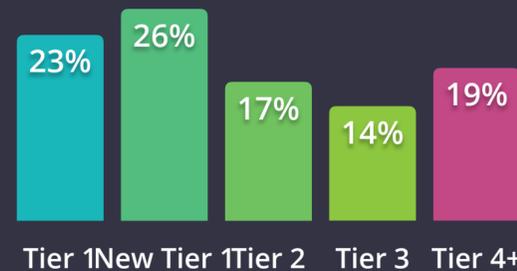
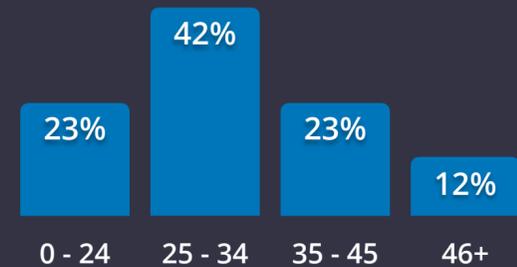
The largest professional question and answer platform in China.

OWNERSHIP

**Private**

- Investment by Tencent (10% of stock share)

DEMOGRAPHICS



OPPORTUNITIES FOR BRANDS

- B2B** INDUSTRIES
- B2C** High end, all industries

CONTENT FORMAT

Q&A, long articles, images & livestreaming

CONTENT MARKETING OPPORTUNITIES

Increase credibility through knowledge-sharing & thought leadership

MARKETING FUNNEL

Awareness

Evaluation

Purchase

Retention

Advocate

Great for B2B and professional services to solve technical problems form consumer.

PAID AD OPTIONS

- News Feed Banner
- 'Card' & Mid Page Ads
- Post Promotion
- Lead gen forms

KEY METRIC





喜马拉雅  
Xīmǎlāyǎ

OWNERSHIP

Private

MAU  
**58 M** Sep 2021 [S]

LAUNCHED  
2012

COMPARABLE TO

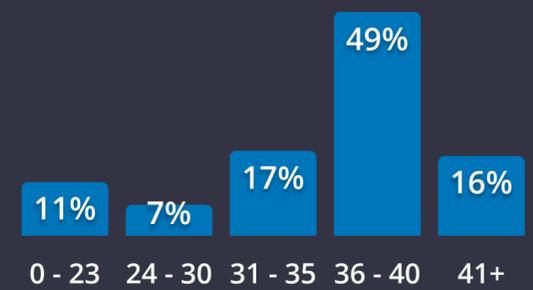


Spotify

INTRODUCTION

Ximalaya is the largest online audio platform in China. It has created a platform that connects content creators with users directly.

DEMOGRAPHICS



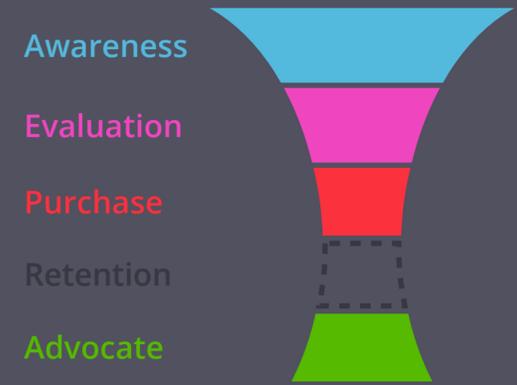
OPPORTUNITIES FOR BRANDS

- B2B** INDUSTRIES
- B2C** All industries, business

CONTENT FORMAT  
Audiobooks, podcasts, audio entertainment, livestreaming, premium knowledge sharing

CONTENT MARKETING OPPORTUNITIES  
Livestreaming, PGC, PUGC, UGC

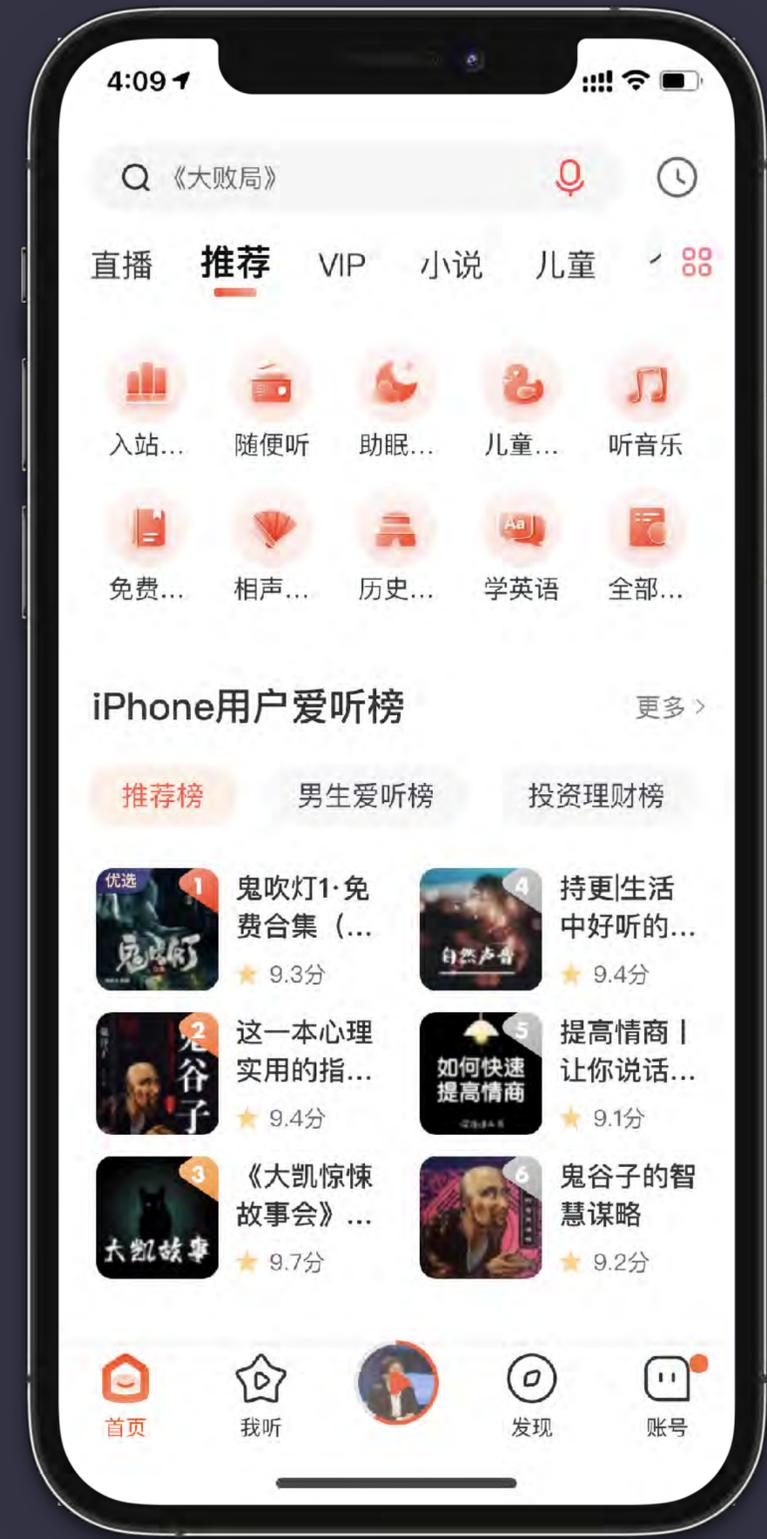
MARKETING FUNNEL



PAID AD OPTIONS

- Open Screen Ads
- Radio Broadcast
- Sound Streaming
- Search Ads

KEY METRIC





**KEEP**

**KEEP 健身**  
KEEP JiànShēn

OWNERSHIP  
**Private**

MAU  
**41M** Aug 2021 [S1]

LAUNCHED  
2014

COMPARABLE TO

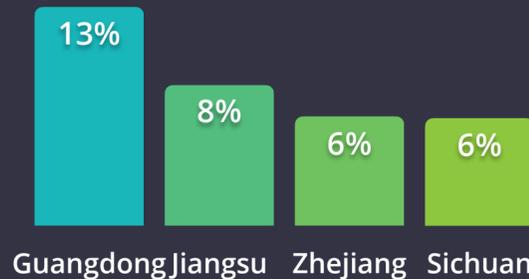
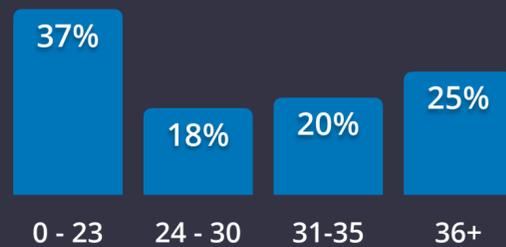


Nike Training Club

INTRODUCTION

Mobile fitness app with workout videos, marketplace for merch and health food.

DEMOGRAPHICS



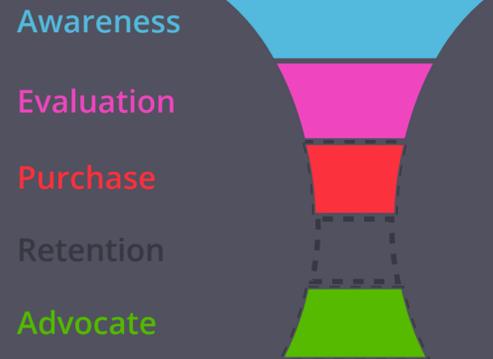
OPPORTUNITIES FOR BRANDS

- B2B** INDUSTRIES
- B2C** Health, lifestyle, beauty

CONTENT FORMAT  
Images & videos

CONTENT MARKETING OPPORTUNITIES  
UGC campaigns, workout challenges, articles, community management

MARKETING FUNNEL



- PAID AD OPTIONS
- In-stream Audio Ads
  - In-stream Video Ads
  - KOL Promotions
  - Platform Festivals/Events

KEY METRIC



SECTION TITLE

## Resources & Essential Reading

### Great Podcasts



**PARKLU CIM Podcast**  
by PARKLU  
<https://pod.link/1314741445>



**The Asia Startup Pulse**  
by Chinaccelerator  
<https://pod.link/1033021352>



**China Tech Investor**  
by TechNode  
<https://pod.link/1440576420>



**Tech Buzz China**  
by Pandaily  
<https://pod.link/1378670805>



**Evolving for the Next Billion**  
by GGV Capital  
<https://pod.link/1336107529>



**Daxue Talks**  
by Daxue Consulting  
<https://pod.link/1492896072>

### China Insights



**Sixth Tone**  
[SixthTone.com](http://SixthTone.com)



**RADII**  
[radiichina.com](http://radiichina.com)

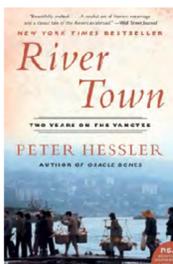


**SupChina**  
[supchina.com](http://supchina.com)



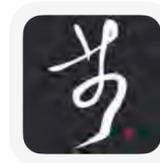
**Young China Watchers**  
[youngchinawatchers.com](http://youngchinawatchers.com)

### Must Read Novel



**River Town**  
by Peter Hessler  
[peterhessler.net/river-town/](http://peterhessler.net/river-town/)

### Interesting Blogs



**Chinese Characteristics**  
[lillianli.substack.com](http://lillianli.substack.com)

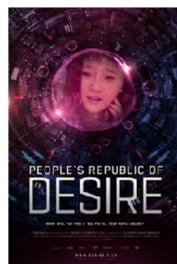


**Slow Chinese Newsletter**  
[newsletter.slowchinese.net](http://newsletter.slowchinese.net)



**Chaoyang Traphouse**  
[chaoyangtrap.house](http://chaoyangtrap.house)

### Fascinating Film

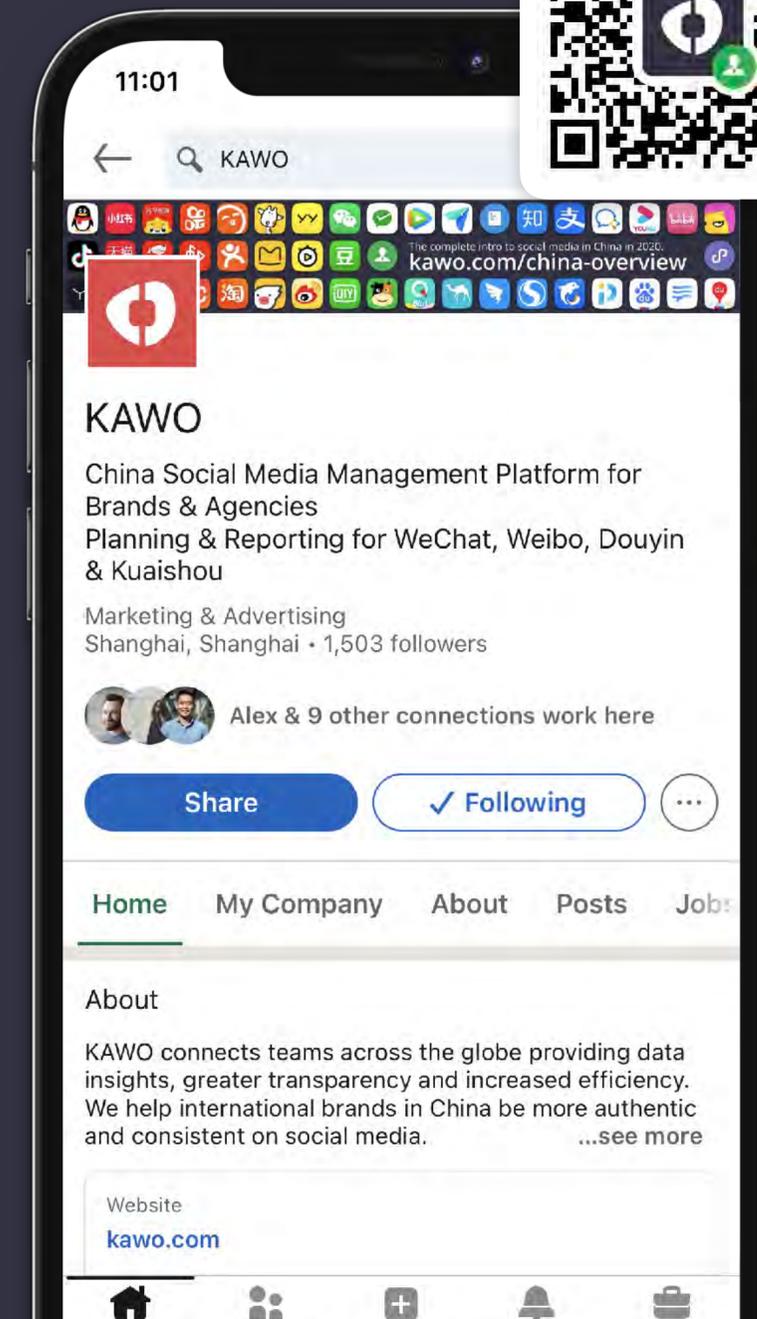


**People's Republic of Desire**  
[desire.film](http://desire.film)

AND OF COURSE...

## Follow KAWO on WeChat or LinkedIn

[LinkedIn.com/KAWO](https://www.linkedin.com/company/kawo)



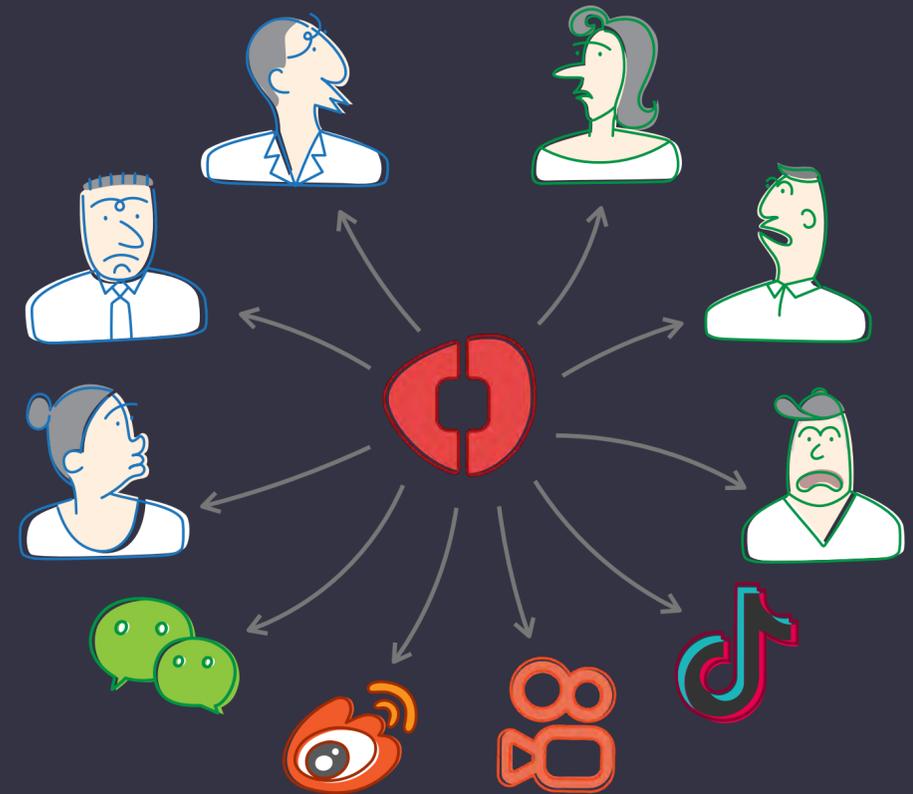
SHAMELESS SELF PROMOTION

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