

An Analysis of the Opportunities for Brand Business Development within the Chinese Social Media Landscape¹

By Natasha Graham²

Social media has emerged as a massive phenomenon that is progressively altering the way that society interacts. It is increasingly becoming an intrinsic part of global culture, and China is no exception to this. The government censorship and limitations on foreign websites such as Google, Facebook, Twitter and YouTube have not eliminated the presence of social media within China. On the contrary, these limitations have allowed for demand to be met by Chinese social media platforms that have now blossomed onto the government approved Internet network. Urban conglomerations are rapidly expanding in China, and there are now over half a billion internet users and counting. A consumer base this large will entice many firms, both domestic and international, to develop their businesses in a way that appeals to the online consumer base. This large consumer base coupled with the booming Chinese economy makes the country a prime opportunity within the global social media landscape. For firms to successfully encourage brand awareness and loyalty from this generation of consumers, they will need to be utilising social media to distribute their message. In order to take advantage of, and market to, the booming demographic of online 'netizens' (Chinese citizens who are online), both foreign and domestic companies need to understand the social media mediums popular with the Chinese population.

China's relationship with social media

China boasts the world's largest social media scene, despite the market using different tools to its Western counterpart. With the 'Great Firewall of China' blocking several of the most popular Western social media sites, China's unique digital landscape is one that firms need to understand. With these restrictions against foreign social networking platforms, Chinese owned social media networks have thrived in attracting users from the largest population in the world. China has 618 million people online, a number that makes it the largest internet user base in the world (Chiu, Ip, & Silverman, 2012). This seriously overshadows the United States twofold, and is the equivalent of the French, German, Spanish, Italian and English online population combined (Chiu, Ip, & Silverman, 2012). Similarly, China hosts the most active social media users, who spend more than 40% of their time online on social media platforms (Chiu, Ip, & Silverman, 2012). These numbers indicate the potential for a company's business development in China. Duncan Clark, the chairman of BDA China in Beijing, argues that "the internet's centre of gravity is shifting toward China. China has almost

¹ The views in *The Culture Mandala* are those of the author(s) and do not necessarily reflect the views, position or policies of the *Centre for East-West Cultural and Economic Studies*. Bearing in mind the controversial debates now occurring in International Relations and East-West studies, the editors publish diverse, critical and dissenting views so long as these meet academic criteria.

² Natasha Graham completed a Bond University (Queensland, Australia) supervised internship in 2014 at a Shanghai company marketing on social media.

double the number of US Internet subscribers. That concentration matters.” (Bloomberg News, 2010).

China’s huge online presence is reflected in its social network global rankings. Four of the top 12 social networks³ globally are based in China (Heggestuen, 2013). The top five social networks in China are:

Top Five Social Networks in China		
Social Network	Number of users	Western social network counterpart
Qzone	629 million monthly average users	Facebook
Weixin (WeChat)	236 million monthly average users	WhatsApp
Tencent Weibo	220 million monthly average users	Twitter
Renren	54 million monthly average users	Facebook
Sina Weibo	54 million daily average users	Twitter/Facebook

(Heggestuen, 2013)

There are subtle, yet intricate differences between Chinese and Western social media networks. An analysis of the more popular networks provides insight into the ways that businesses can appeal to their consumer demographics. The reasons that Western consumers may find themselves on YouTube and Twitter are different to the reasons that Chinese consumers are attracted to Youku, Tudou and Sina Weibo.

Youku and Tudou are user-generated web streaming platforms that can be seen as the Chinese version of YouTube. While users of YouTube tend to use the platform as a means to view amateur, user-generated videos of cute animals eating food, nearly 70% of the videos on Youku and Tudou are professionally produced (Bloomberg News, 2010). Furthermore, Mark Natkin, the managing director of Marbridge Consulting Ltd⁴, stated that around 60% of the content on these Chinese websites is much longer, often the length of television series and movies (Bloomberg News, 2010). Often, consumers will use Youku and Tudou as a replacement for traditional television sets, and watch full length TV shows and movies online. In fact, these two social media platforms appear to market themselves more as a free version of Netflix or Sidereel, as opposed to a YouTube equivalent. Moreover, users of these websites tend to spend at least an hour daily on these websites, compared to their Western counterparts who spend 15 minutes (Crampton, 2011). This slight difference between YouTube and Youku/Tudou is important for businesses to understand. If consumers are turning to the Internet to satiate their daily television and movie needs, this means that traditional media platforms (such as actual television channels) are less likely to reach relevant demographics. As such, businesses will need to take this into account when considering ways to reach consumers to boost business revenue in China.

³ The top 12 global social media platforms in 2013 were: (1) Facebook, with 1.15 billion monthly active users (MAUs); (2) YouTube, with 1 billion MAUs; (3) Qzone, with 712 million total users; (4) Sina Weibo, with 500 million total users; (5) WhatsApp, with 350 million MAUs; (6) Google+, with 327 million MAUs; (7) Tumblr, with 300 million MAUs; (8) LINE, with 275 million total users; (9) Twitter, with 240 million MAUs; (10) WeChat, with 236 million MAUs; (11) Tencent Weibo, with 220 MAUs; and, (12) LinkedIn, with 184 million MAUs. For more information, see: Smith, C. (2013, November 29). *The Planet’s 24 Largest Social Media Sites*. Retrieved from Business Insider: <http://www.businessinsider.com/a-global-social-media-census-2013-10>.

⁴ A Beijing based market research firm.

Similarly, China's Sina Weibo often draws comparisons to Twitter. Both platforms allow for 140 character posts, where users can follow friends, celebrities and companies, as well as share posts. On Sina Weibo, users also have the opportunity to upload videos and comment on other user's updates. Fifty percent of the updates are sent via mobile Internet, which is a significant number in comparison to the 20% of Twitter updates made on mobile devices in America (Crampton, 2011). However, the main distinction between the two social media networks is through the language and communication capabilities. One hundred and forty characters in Chinese allow a lot more detail and description than 140 characters in English. For example when analysing Samsung's social media promotion for the Galaxy S5, Twitter's SamsungMobileUS post reads:

"Other phones may have HDR quality cameras, but the #GalaxyS5 lets you see the HDR results before the shutter clicks." (SamsungMobileUS, 2014).

This nearly breaks the bank at 119 characters. By contrast, Samsung's Weibo account posted this (in Mandarin, which has been translated into English):

"The dustproof and waterproof S5 will record every bittersweet moment so that your memories are always with you. Share this with three friends and write your own love story along with it. Eight people will receive the Note3 as a prize. Act now!" (Samsung, 2014).

This post is nearly double the English version at 232 characters when translated. However, in Mandarin, it is a mere 94 characters. These longer "tweets" allow companies to write more, providing a larger opportunity when marketing their product, as well as a greater opportunity to entice their audience.

Chinese consumers' relationship with social media

China is a booming, consumerist society that has a growing middle class who are exposed to a greater amount of disposable income. Society is being driven by a new generation of younger, more independent consumers. The Chinese government is now actively encouraging more consumers to spend, with a goal for consumption to account for 60% of GDP by 2020 (Li, 2014). This will cause a strong push to expand urbanisation trends into rural areas, thrusting millions more into a consumerist lifestyle. The growth of China's middle class has also created a new set of lifestyle aspirations, including a high quality of life. The rise of social media will have a significant impact on consumption. A KPMG survey indicates that 70% of potential consumers search for luxury brands on the Internet at least once a month (KPMG, 2012). Moreover, Chinese consumers are increasingly using mobile technologies to find the best value for products. Online social media also assists consumers to buy products as a result of word-of-mouth. (Hulme, 2013).

In spite of the large censorship restrictions regulated by the Chinese government, social media use has skyrocketed in the past decade. The main reasons for the increase in social media include rural to urban migration that has separated families, the loneliness of the one-child generation, and distrust of information from government-controlled media (Crampton, 2011). These reasons are strong motivators for netizens to access the world-wide-web as a means of establishing social connections. The statistics on Chinese internet consumers illustrate the potential for companies to make use of the online networks to boost business development. China's internet population hit 618 million by the end of 2013 (Hong, 2014). Nearly 91% of the online population in China has an account on a social media site (Millward, 2013). Similarly, nearly 81% of the online

population is connecting via mobile Internet (Hong, 2014). Furthermore, the average online user in China spends at least 46 minutes on social networking sites every day (Millward, Check Out the Numbers on China's Top 10 Social Media Sites, 2013). What makes online business development attractive for companies is the fact that social media users tend not to be disturbed by the presence of brands on social media. Far from it, 80% of Sina Weibo users aged 19 and older followed a brand on the network (eMarketer, 2014), and across the social media platforms, users will follow an average of 8 brands (Millward, 2013). Engaging these open-minded consumers requires earning brand trust and loyalty from their friends. Forty-three percent of Chinese netizens are interested in products shared by friends on social networking sites (Millward, 2013). This is something businesses need to take into account when they consider expanding their consumer base in China.

There is an opportunity for organisations in China to reach out to and engage customers online. If consumers do not recoil to seeing brands online, China's new digital landscape will increasingly be considered a profitable frontier for businesses. Sage Brennan, the founder of China Luxury Network argues that "the most powerful consumers in China are young, and they are online, and they are not only the future for these brands, but they are the present in many cases" (Farrar, 2012). From a business development point of view, the social media platforms available to consumers allow companies to increase their brand recognition in a broad community with the opportunity for repeat exposure. Social media is a way that companies can distribute their message to thousands of people, encouraging them to build strong connections and firm loyalty.

Prevalence of 'zombie fans'

With such a large opportunity available online, the competition for consumer attention and engagement is fierce. As a result, many companies use 'zombie followers' as a means to boost their social media profile. The term 'zombie followers' is a colloquial phrase that refers to the number of artificial and counterfeit user profiles that exist on a certain social media site (Doland, 2014). Brands can pay a certain fee to agencies to give their online profile an increase of shares and followers (Jing Daily, 2012). A strong follower base brings forth an implication of a well reputed and popular brand, which companies believe may encourage new consumers to engage with their products.

The disadvantage to using fake followers is that it skews the data in terms of brand performance and in turn, may negate business development opportunities. This is especially important when analysing consumer insights on social media. Moreover, it is detrimental when conducting competitor analyses. Brands run the risk of drawing incorrect conclusions on consumer behaviour and interests. Statistics on the prevalence of zombie followers are often unreliable. On Sina Weibo, for example, several argue that just under 10% of the registered user-base are active users (Millward, 2013). Sam Flemming, the CEO of social media intelligence firm CIC, says "Phase one is looking at social media as media, saying, 'bigger numbers are better'. Phase two is looking at social media and recognising it's also an opportunity for engagement. And if you're going to engage, you'd rather be doing it with real people as opposed to zombies" (Doland, 2014). Furthermore, Chinese users are becoming more reserved about brand campaigns, especially when there is a large rise in followers (Jing Daily, 2012). Artificial followers can do more to hurt a business than help it grow.

Despite the negative effects zombie followers may have, implying that having a large quantity of followers is the sole measure of social media success is short sighted. This is particularly true in China, where evidence shows that consumers are willing to engage with brands online. Success on social media should be measured by the way consumers interact with the brand content, not just the number of followers. Genuine positive response will more likely entice new customers to follow the brand, and therefore build a positive reputation online.

Conclusion

Understanding the online market space is integral to the development of a business, and the Chinese social media network is no exception. For many companies, the Chinese social media landscape may appear to be a cluttered arena of confusion. Over the past decade, social media across the globe has erupted in a twitter and status-update frenzy. China's censorship laws have created an interesting social media environment, full of domestically created platforms. Currently, the landscape is at a state of growth, as the Chinese government continues to push for citizens to connect online. It will continue to grow and expand as the number of internet users in China expands. With this growth comes a flurry of businesses looking to have a slice of this large and unique arena of online consumer engagement. The future of analysing Chinese social media will be increasingly difficult with the swell of zombie followers. It will be up to the companies to decide whether it is worth proving their online credibility and legitimacy to reassure their followers.

Regardless of the prevalence of artificial followers, trends tend to suggest that companies will still need to engage with the online ecosystem in some way if they want to reach younger generations, as well as the growing middle class demographics. Understanding the difference between Chinese and Western online consumer behaviour will become the integral factor between successful and unsuccessful brand-to-consumer engagement.

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