

Seven trends in social media in China

OPINION SOCIAL

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Which trends are worth paying attention to in China's rapidly changing social media marketing environment? MediaCom China's Leon Zhang explains...

Social media has always been a rapidly changing sector that presents businesses with new marketing and sales opportunities. We recently reviewed noteworthy trends in China's social media marketing sector for company training purposes. These trends can be summed up in seven key phrases.

1. Paid Social is overtaking organic

Driven by social media platforms, paid social (such as ads and influencers) is becoming ever more important

POE (Paid, Owned and Earned) is a classic way of categorising media. When applied to the social media sector, the resulting categories are paid social, owned social, and earned social. Owned social means social media platforms owned and operated by the brands themselves, such as official WeChat accounts; paid social refers to social media marketing methods that involve paying for promotion, such as influencers and ads; and earned social means communications or word-of-mouth reputation generated by internet users. According to research forecasts from iResearch Consulting Group, brand investment in paid social ads will continue to increase over the next few years.

In recent years, advertisers have clearly seen the increasing development efforts of media for paid ads products. As Facebook has encouraged brands to use paid promotional methods on its platform in other countries, a similar trend has taken shape on social media platforms in China.

For example, Weibo's Weirenwu ("Microtask", which is effectively Weibo's official influencers booking system) has been found to reduce views or even hide content published by influencers who accept orders through channels other than Weirenwu. The major social media platforms have launched a variety of ad formats that they encourage brands to use, including news feed ads, display ads and search ads.

This has inspired brands to do a number of things in their marketing:

- Change the mindset of "when budget is small, use social marketing". When the prevailing trend is towards paid social media, social media marketing needs to be supported by an ample budget.
- Follow the media rules, i.e. comply with the rules laid down by social media platforms. Examples include complying with requirements to buy influencers on Weibo through the Wei-Task platform and combining the use of celebrities with Fans Headline ads (a Weibo feed ads format to ensure the celebrities' Weibo post for brands is shown at the top of his/her fans' Weibo feed stream homepage).

- Consider using paid promotion for always-on content, rather than only promoting campaigns, and using biddable ad formats (such as optimisable feed ads) with flexible budgeting.
- Manage expectations with regard to free “viral communication”. It is increasingly difficult for brand content to spread in an organically “viral” manner in today’s crowded media environment. Even content that has the potential to snowball needs an initial push via paid promotion.

2. Commercialisation accelerates

Media platforms continue to commercialise their products to support brand marketing.

The most recent financial reports for all the major social media platforms show strong sales growth. This is linked to their efforts to commercialise products and functions and boost ad revenues. For example, Weibo’s financial report for the first quarter of 2018 shows that paid social ads accounted for 87% of Weibo’s total revenue.

WeChat has also stepped up the pace of its commercialisation efforts. WeChat launched Moments (also known as Friend Circle) in April 2012, but the company took nearly three years to commercialise the feature with the launch of Moment Ads in January 2015, while the commercialisation of the Mini Game (Jump Jump or Tiao Yi Tiao) feature took just three months.

The commercialisation of platforms is not only reflected in advertising products, but also in support for third-party content creators within the ecosystem. Figures issued by Weibo at its V-Power Influencer Summit in December 2017 show that Weibo’s 2017 revenues from empowering self-media totalled RMB 2.07 billion, while Weibo also announced that it would invest RMB 3 billion in a fund to support multi-channel networks (MCNs).

These developments have brought about a number of changes in terms of companies’ marketing thinking:

- Allocating part of their budgets for “trials”, i.e. trialling new commercial

products. For example, some companies allocate their budgets on a 70/20/10 split, with 70% spent on media that safeguard KPIs, 20% spent on new methods that other brands have used successfully but have not been used by themselves yet, and 10% spent on methods where they are the first company to test the water. This means that even in a worst-case scenario where the results of this 10% are poor, the company can still ensure its success in terms of campaign KPIs, while the 10-30% spent on innovation could potentially achieve results that surpass those of the 70% spent on conventional methods.

- Grabbing the opportunity to be the first to try out new commercial products. Media platforms eager to create success stories are always willing to provide greater support to the first group of brands in an industry to try out new commercial products, while brands that are willing to test the water in this way also get a lot of free industry exposure.
- Working with media platforms to create customised promotion solutions. Companies do not necessarily stick to simple ad purchases; they may give media partners greater room to manoeuvre in terms of commercialised products, allowing them to create customised promotion solution packages for their brands.
- Using an “agile marketing” philosophy, which is similar to “agile development”, whereby companies rapidly trial, adjust and optimise innovations and media to better adapt to the fast-paced media environment.

3. Short videos in the spotlight

Short video usage is quickly becoming a new norm among young consumers

It is fair to say that short videos are something of a dark horse in the Chinese internet sector in 2018, with user numbers and levels of activity climbing at breakneck speed. The number of users soared above 400 million in 2017, with further growth occurring in 2018.

Short videos often appear in social feeds. According to data from Nielsen and Facebook, the average user swipes the screen for a period of 1.7-2.5 seconds, which means that if a short video displayed in the feed does not grab the user's attention within three seconds, to the extent that they stop swiping and watch, the user may miss it entirely. This certainly poses a challenge in terms of creative ideas and production for video content, but it also presents an opportunity.

There are some basic rules that should be considered to achieve good communication results with short video content in social media environments:

- Video shape and aspect ratio. Design the shape of the video (i.e. portrait and landscape versions) according to the environment in which it will be displayed.
- The three-second golden rule. Place any gimmicks, including dramatic effect and climactic moments, in the first three seconds, where they will grab the viewer's attention.
- Ensure that the user can understand it even if the sound is off. This is important because many people browse their social feed in silent mode.
- Show the brand. Show the brand as much as possible throughout or in key frames, as viewers will not necessarily watch to the end.
- The total length of the video must be short. Given the trend towards fragmentation, it is difficult for users to concentrate for longer periods of time.

We also have some suggestions for brands planning to trial short video marketing:

- BGC (brand-generated content short videos): It is necessary to follow basic production rules for short-form videos, such as the five rules listed above;
- PGC (professionally-generated content short videos): During the initial trial, think about starting with a specialist influencer short video to ensure

the quality of the video;

- UGC (user-generated content short videos): Before initiating UGC campaigns, such as Tik Tok (Douyin) challenges, it is important to design the rules/templates in advance, to ensure that the themes and quality of the content generated meet your requirements; it is also necessary to moderate content in real time.

4. Mass Personalisation

Customise content for target audience dynamically on a large scale

Large-scale customised content may seem like a contradiction in terms, but this is not actually the case. As ad platforms and big data play a more mature role in social media advertising, agencies and media companies are increasingly able to use user data, such as that from social media and telecoms carriers, to help brands target specific groups with tailor-made content, thereby achieving a balance between scale and customisation.

A method that is currently popular is to create deep links between e-commerce provider data and social media data. Platforms such as Alibaba and Weibo's "U-Wei Scheme" (integration between Uni-Desk and Weibo), and Tencent and JD.com's "Jing-Teng Scheme", are of interest to advertisers. "Group-packet" customisation (campaign target data packets produced by media companies based on the advertiser's specific requirements) has also become a mainstream method.

Relatively accurate group exposure is created by the first ad campaign, and a second targeted round is then performed so that user interactions with the first campaign are used to make the second campaign more targeted. For example, users who clicked through on the first round of ads might be issued with discount vouchers in the second round, in order to entice them back on to the e-commerce platform.

Targeting different groups of people requires different content in scale. DCO (Dynamic Creative Optimisation) can help to achieve this. The basic principle is that every ad can be broken down into different elements, each of which provides various options, so that the

most suitable elements can be automatically matched to user information based on data analysis, and an ad can be built up like putting building blocks together, making ads more likely to appeal to users and result in attention and interaction.

5. Social Media Community Economies

Community economy and traffic is driving social commerce

Social media communities have been developing in China for many years, at least as far back as 2002, when they were mainly based on information sharing and communication in QQ groups. Thanks to social media platforms like WeChat, social media community economies have grown rapidly in recent years.

An iiMedia Research report on social media community economies from some time ago showed that the Chinese social media community economies market was worth more than RMB 300 billion, spanning over 3 million communities and 270 million users, demonstrating that it had already become a complete ecosystem and industry chain.

In a healthy social media community, the relationships between community leaders, opinion leaders and community members, and particularly between members and the community leader, are based on trust. For brands, it is absolutely essential that social media community marketing does not involve ads that use hard-sell techniques, as this would only serve to damage trust within the community, and community leaders would not necessarily be willing to cater to such demands in any case due to long-term considerations.

One of the core principles is known as “win-win”, which involves finding a genuine point of collaboration that enables community leaders to provide benefits to members. For example, to find a social media community with members that genuinely have demand for a particular product, a company may invite community leaders to start a prize draw trial campaign for a new product and ask participants to write a report on their trial; this not only allows the brand to obtain UGC in terms of articles about the product experience but also attracts traffic to the e-commerce platform through the subsequent use of discount offers.

Alibaba and Tencent also attach a great deal of importance to “private domain traffic”. In

reality, “private domain traffic” means this type of social media community traffic, such as traffic on Wei-Tao (Taobao) content pages, live streaming spaces, and group chats. Operational capabilities for private domain traffic have become an important area for Taobao store owners. WeChat groups are also a form of private domain traffic. Managing private domain traffic can result in an excellent return on investment.

During actual operations, we recommend leaving community leaders sufficient room to maximise benefits and avoiding setting too many limits as far as possible. This is because every group has its own habits and methods of interaction, so community leaders are best placed to decide which methods will be most effective. For this reason, once you have established some basic rules (for example, rules on brand usage), it is best to leave the rest in the hands of community leaders.

6. Social Search-ability

Being easy to find on social media has become a vital lesson for brands

As the social media environment has changed, consumers’ search behaviour and habits have also evolved. Search engines are no longer the only way for users to search for information, as the act of searching also takes place on a variety of other platforms, including social media, e-commerce and vertical media. It is imperative to plan for and manage search across different platforms in a systematic manner, rather than on an isolated basis. This is also the philosophy that MediaCom practises.

Taking social media platforms as an example, media companies are investing heavily in the development of search-related consumer-side functions and brand-side commercialised products. For instance, Weibo Search offers popular search package/search ranking packages, search “Easter eggs”, and a range of other ad products. Brands can use various methods to reach and interact with users who have searched for specific keywords, at the same time as running social media theme campaigns and working with opinion leaders, in order to achieve explosive results.

WeChat also launched Brand Zones for brand searches this year. If a brand has enabled this function, when a user searches the brand name within WeChat, the top result will be the

brand's dedicated zone with the brand's official information and links, such as links to its official WeChat account, official Mini Programs, and other brand resources. This ensures a positive impression on users interested in the brand.

As commercial products like this grow in popularity, it is becoming increasingly important for brands to make use of social media search. From the perspective of competition, failing to buy important keywords such as product categories or product names/terms may result in a competitor buying them and diverting many potential high-quality customers away from a brand. For this reason, it is vital to occupy this piece of strategic high ground.

7. Shortened Path to Purchase

From reach to purchase, the distance between social media and e-commerce is getting shorter

In the context of the trends associated with the fragmented reading habits that social media has brought about, users are easily distracted. This has led brands to invest not only in targeted advertising and content to reach customers, but also made it necessary to achieve customer conversions and push sales as quickly as possible within the limited time available.

Five years ago, many brands' social media usage largely consisted of setting up an account and attracting followers, in anticipation that long-term interactions with users would result in conversion to customers. Today, however, increasing numbers of brands (particularly in the fast-moving consumer goods (FMCG) sector) are more concerned with social media e-commerce, and specifically how to create topics and interactions on social media, while also stimulating e-commerce and even offline sales, and this trend has further shortened the path to purchase.

Data from Weibo shows that revenues realised and enabled by influencers on Weibo exceeded RMB 20.7 billion, including RMB 710 million on ad endorsements, RMB 18.7 billion on e-commerce monetisation, and RMB 1.33 billion on paid subscriptions. E-commerce monetisation accounted for the bulk of this total, but this figure includes formats

such as internet celebrity store owners and content-guided purchases.

Programmes such as Tencent and JD.com's Jing-Teng Scheme and Weibo and Alibaba's U-Wei Scheme are also essentially measures aimed at the social media e-commerce sector. They provide an excellent foundation for connecting the underlying data, enabling end-to-end performance monitoring from social media to e-commerce platforms, as well as making possible methods such as targeting social media users from e-commerce platforms to social media based on their e-commerce behaviour, further shortening the distance between social media and e-commerce platforms.

In summary, the social media marketing sector is changing in some ways and remains the same in others. The changing aspects involve new platforms and new ways of using social media, while the unchanging aspects are the key rules concerning consumer demand and experience. We are convinced that as new ways to use social media continue to emerge, brands will become increasingly adept at unearthing its commercial potential.

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