

MEGA GUIDE:

CHINA E-COMMERCE AND DIGITAL MARKETING Q1 2021

HELLO!

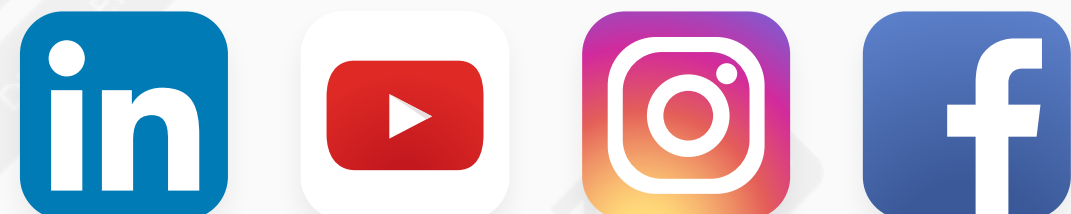
Due to Covid-19, last year became a turning point for many industries. Sudden transitions and emerging opportunities fuelled digitalization, changed consumer behaviour and reshaped business models. My team and I gathered the latest insights to help brands and companies prepare their China strategy for 2021 and to start acting on it. Apart from sharing our observations, my team has interviewed over 50 China experts to make sure the insights are exhaustive and represent the collective wisdom of top China watchers. A big thanks to all of them. Enjoy.

Ashley Galina Dudarenok

Founder, Alarice and ChoZan, LinkedIn Top Voice




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AN OVERVIEW OF CHINA'S ECONOMY

INTRODUCTION

EXPERT BITES



ASHLEY DUDARENOK

Founder of Alarice and ChoZan,
LinkedIn Top Voice, 3x best-selling author

Q: WHAT MAKES YOU FEEL EXCITED ABOUT CHINA IN 2021?

Technology implementation on a massive scale. Social media platforms have become more advanced with new tools and functionalities. **Algorithms now understand better what consumers want and help manufacturers produce desired products faster.** The development of 5G and its broad adoption fueled the development of autonomous vehicles. Traditional sectors such as manufacturing became more digitalized. **I'm also excited about emerging consumer groups such as powerful women and the tech-savvy silver-haired generation.**

EXPERT BITES



BANFF CHAN
Financial Executive at
Alarice and ChoZan

Q: IN YOUR VIEW, WHAT WILL CHINA'S Q1 LOOK LIKE IN TERMS OF DEMAND, E-COMMERCE AND GROWTH?

China's e-commerce market is growing steadily, leading the world in the online millennium, however, the coronavirus has affected factory production and supply chains.

Due to fears of infection, in Q1, Chinese consumers avoided physical shopping and shifted to buying household items such as food and medicine online. As they stayed home, they also shopped online for their favorite foreign fashion, accessories and beauty products. Paired with popular cross-border e-commerce shopping and with fewer restrictions in the medical sector, this opens up opportunities for foreign businesses to export goods to China and expand their market.

OVERVIEW

CHINA'S ECONOMY

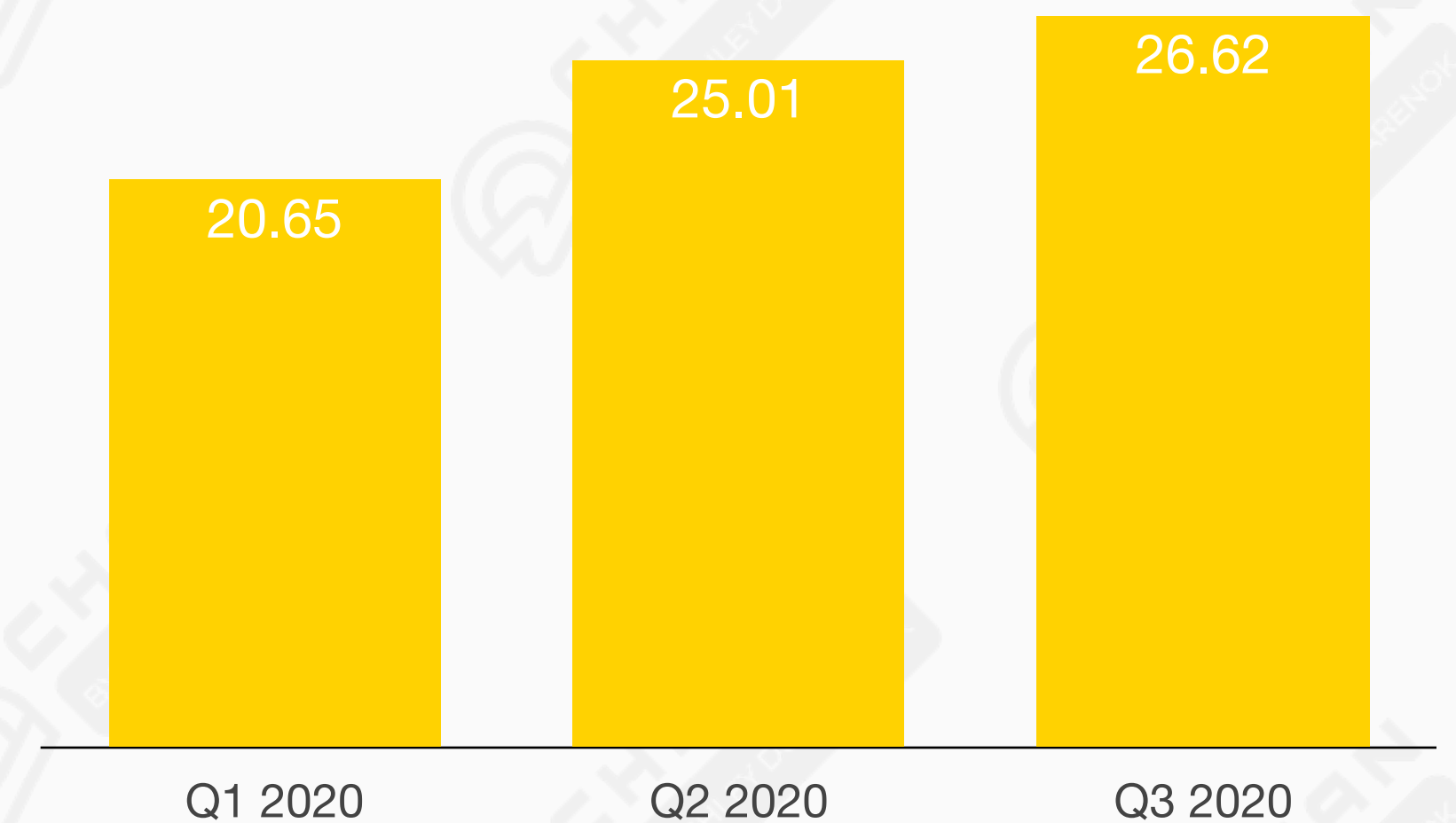
Since 1978, China's GDP has risen from US\$223 to US\$7,603 per capita, while its population grew by almost 400 million people.

From 1970 to 2010, the country's export economy grew 954%. According to the World Bank data, exports accounted for less than 3% of its GDP in 1970 and over 26% in 2010, down from a high of 36% in 2006.

CHINA'S PER CAPITA GDP



CHINA'S GDP (IN TRILLIONS, RMB)

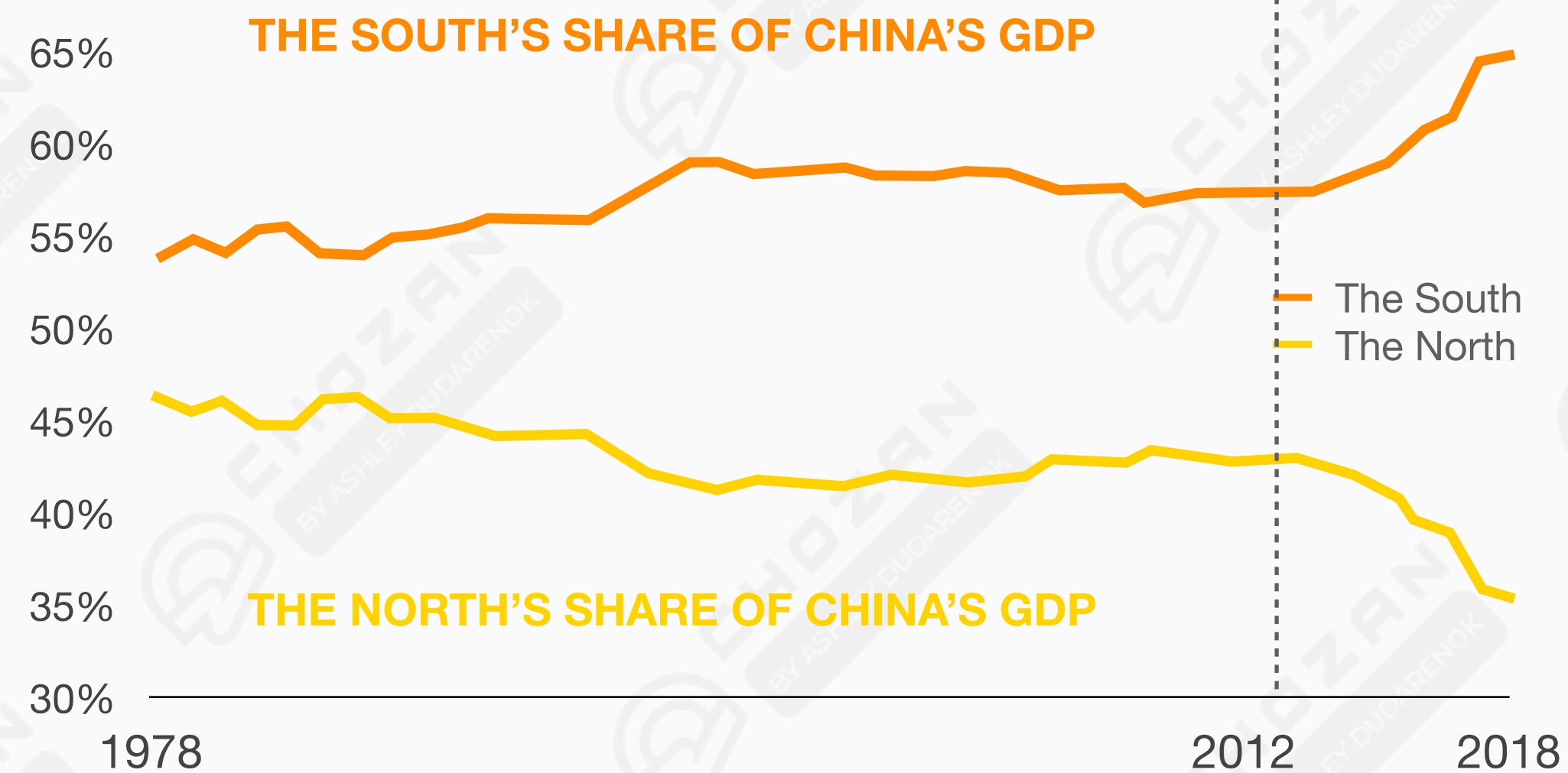


OVERVIEW

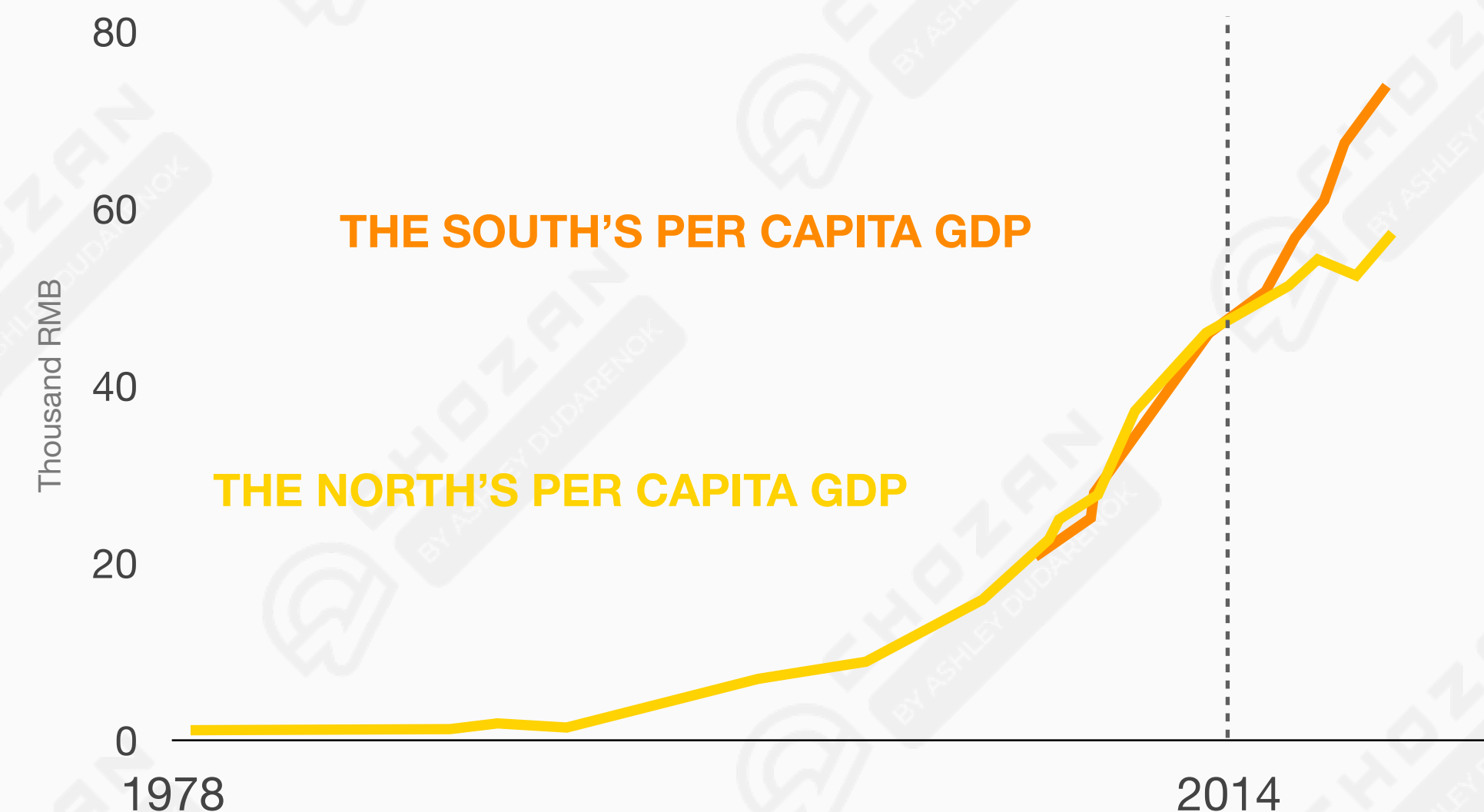
CHINA'S ECONOMY

The gap between aggregate and per capita GDP is widening between the north and south of China, with the south of China advancing in both metrics.

A WIDENING AGGREGATE GAP BETWEEN THE NORTH AND SOUTH OF CHINA



A WIDENING PER CAPITA GAP BETWEEN THE NORTH AND SOUTH OF CHINA

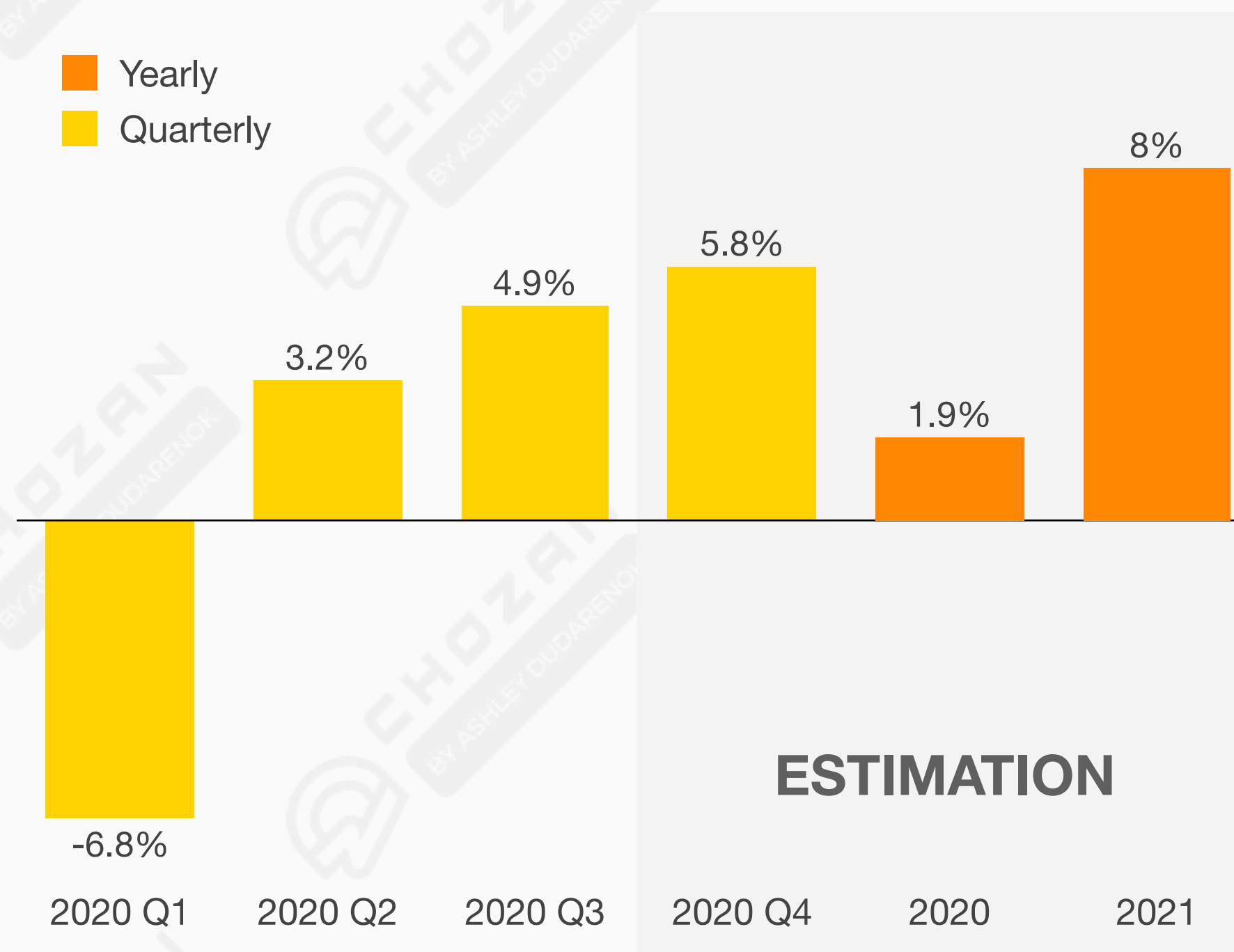


OVERVIEW

CHINA'S ECONOMY

China's economy is recovering quickly and is likely to be the only major global economy to post positive overall GDP growth despite the hit of the pandemic in 2020.

CHINA'S QUARTERLY AND YEARLY GDP GROWTH



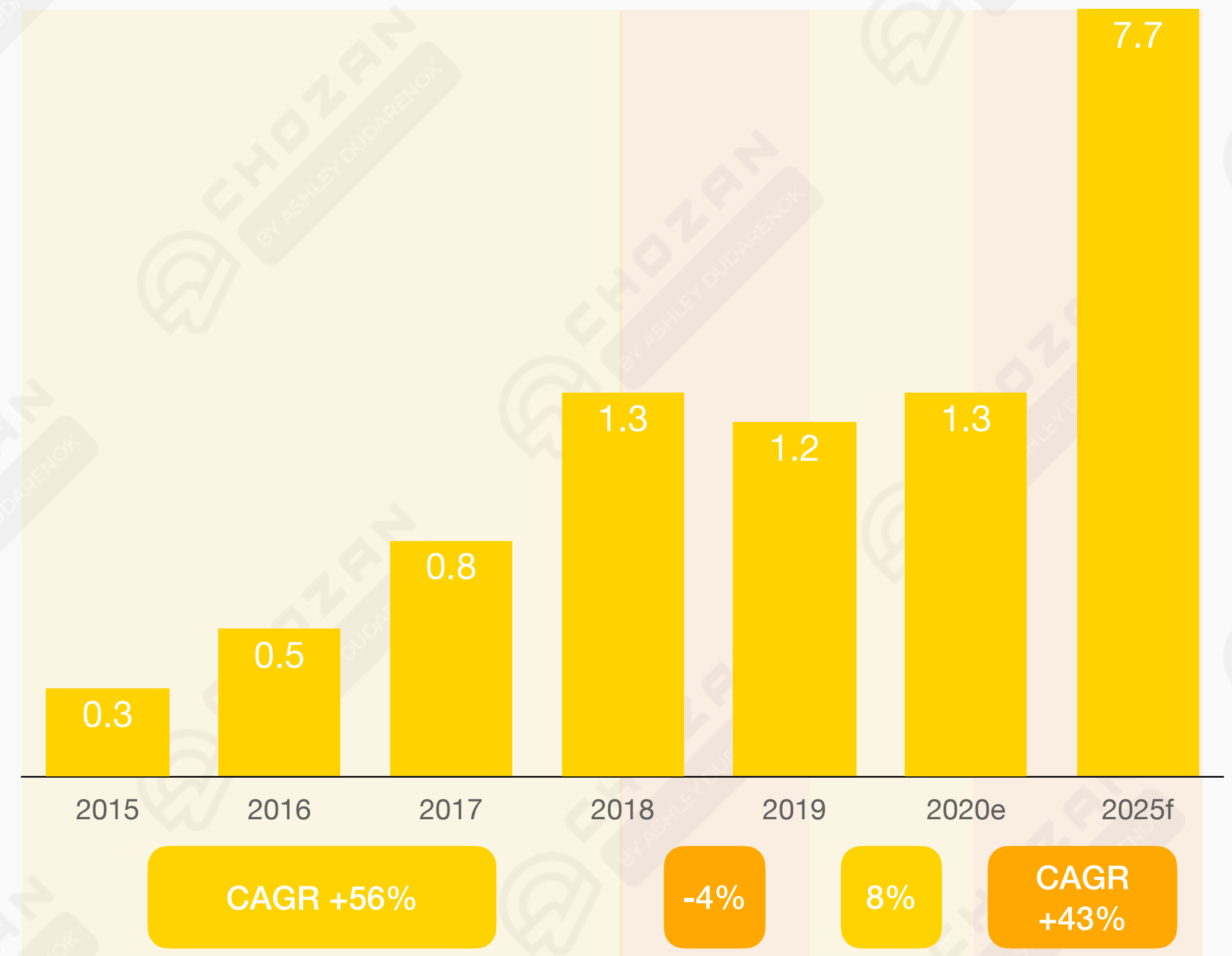
2019 GDP RANKING	COUNTRY	2020 Q2 GDP YOY GROWTH
1	United States	-9.5%
3	Japan	-9.1%
4	Germany	-11.7%
6	Great Britain	-18.4%
7	France	-13.8%
8	Italy	-18%
9	Brazil	-11.4%
10	Canada	-38.7%
11	Russia	-8%

OVERVIEW

CHINA'S ECONOMY

China's neighbourhood electric vehicle sales has a maintained strong growth in the previous years. It is estimated the growth will continue to increase.

CHINA E-MOBILITY SALES VOLUME (MIO UNITS)

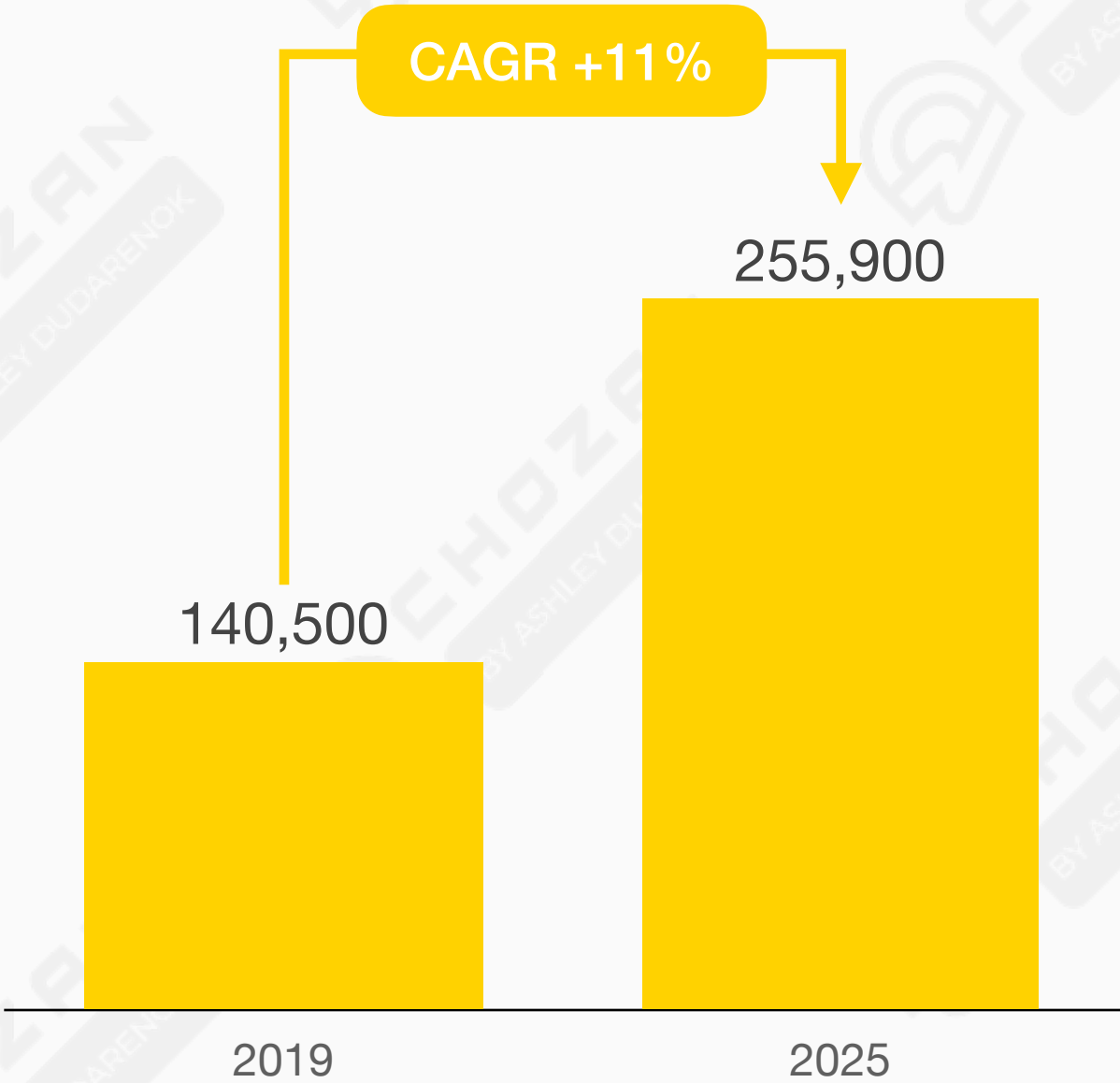


OVERVIEW

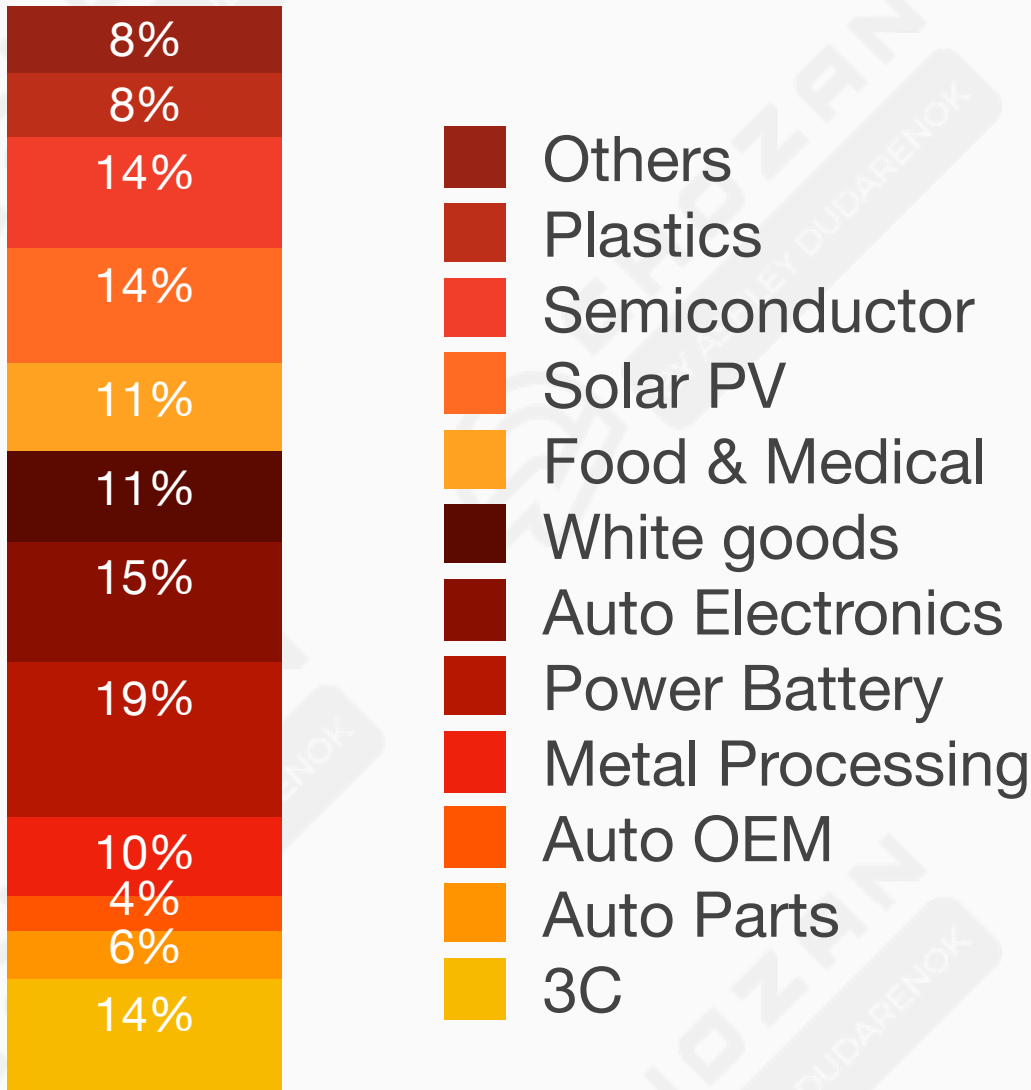
CHINA'S ECONOMY

Chinese robotic market is continue growing with the rise of 5G technology. The demand for power, batteries and automotive electronics market is also expected to grow further due to the accelerating speed towards E-mobility.

INDUSTRIAL ROBOTS MARKET SIZE (NEW UNITS)



CAGR 2019-2025

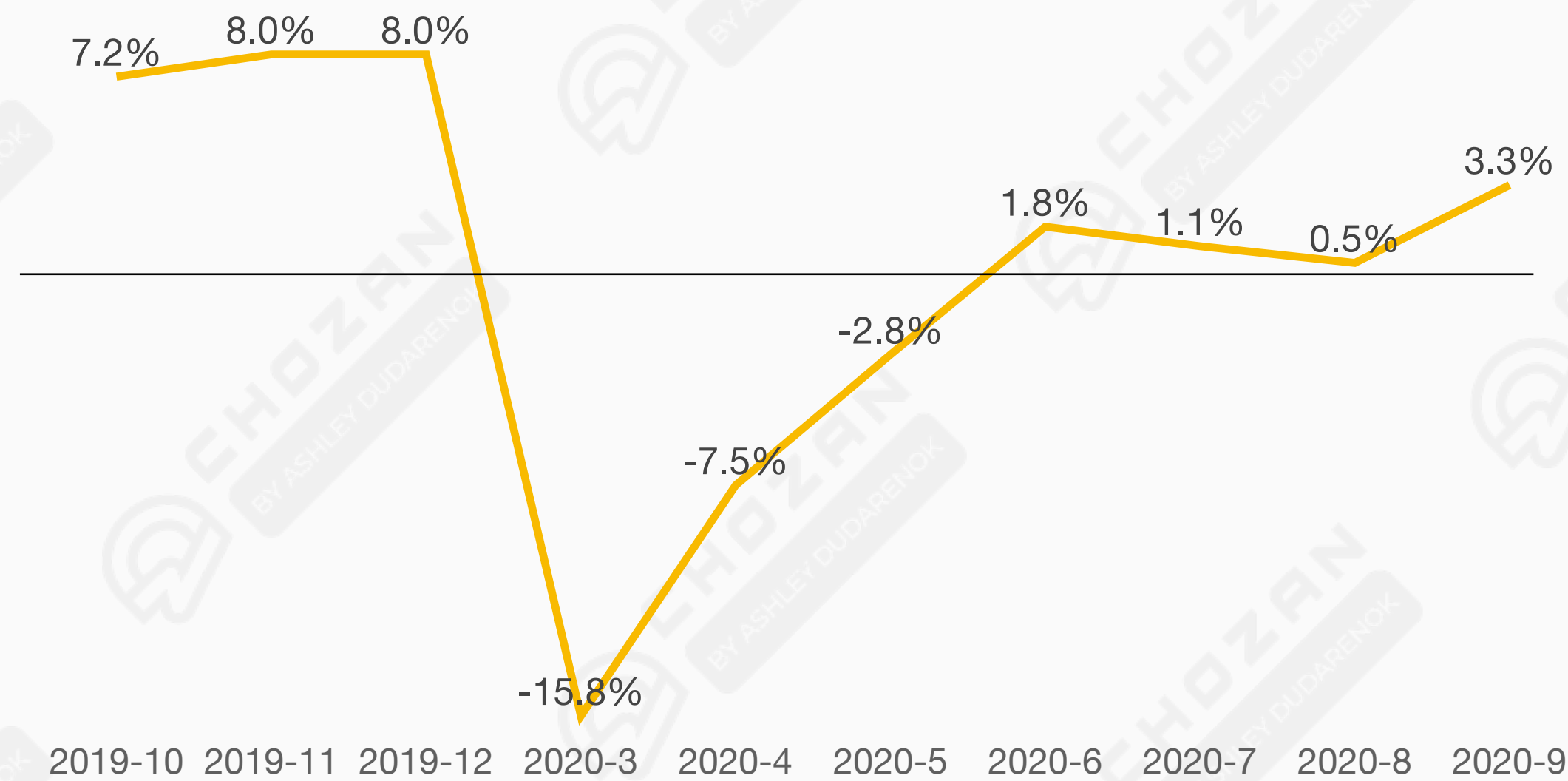


OVERVIEW

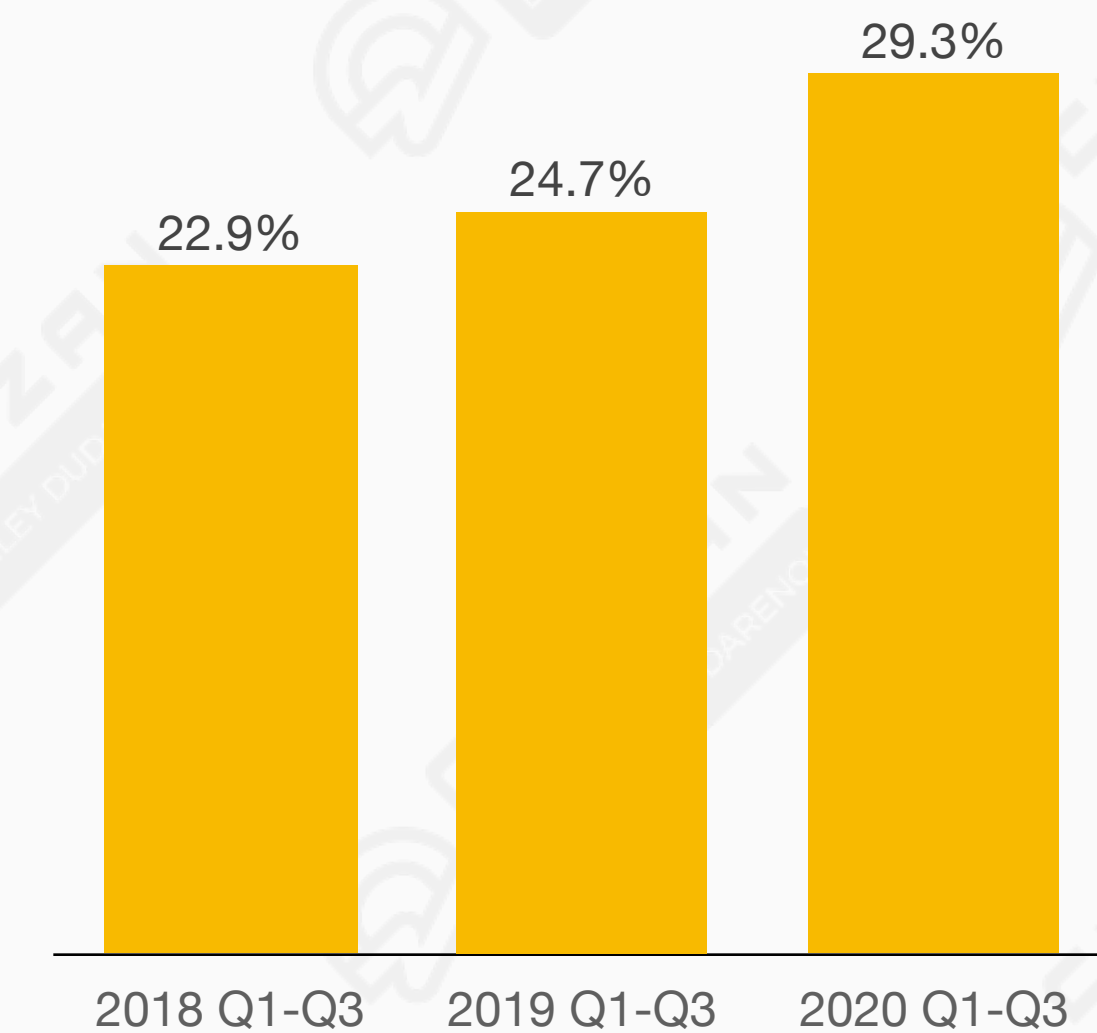
CHINA'S ECONOMY

China's domestic consumption demand is rapidly recovering and, in comparison to previous years, even showing positive YoY growth.

**YOY GROWTH IN TOTAL RETAIL SALES
OF CONSUMER GOODS IN CHINA, 2019-2020**



**YOY GROWTH IN TOTAL ONLINE RETAIL SALES
OF CONSUMER GOODS IN CHINA, Q1-Q3 2019-2020**

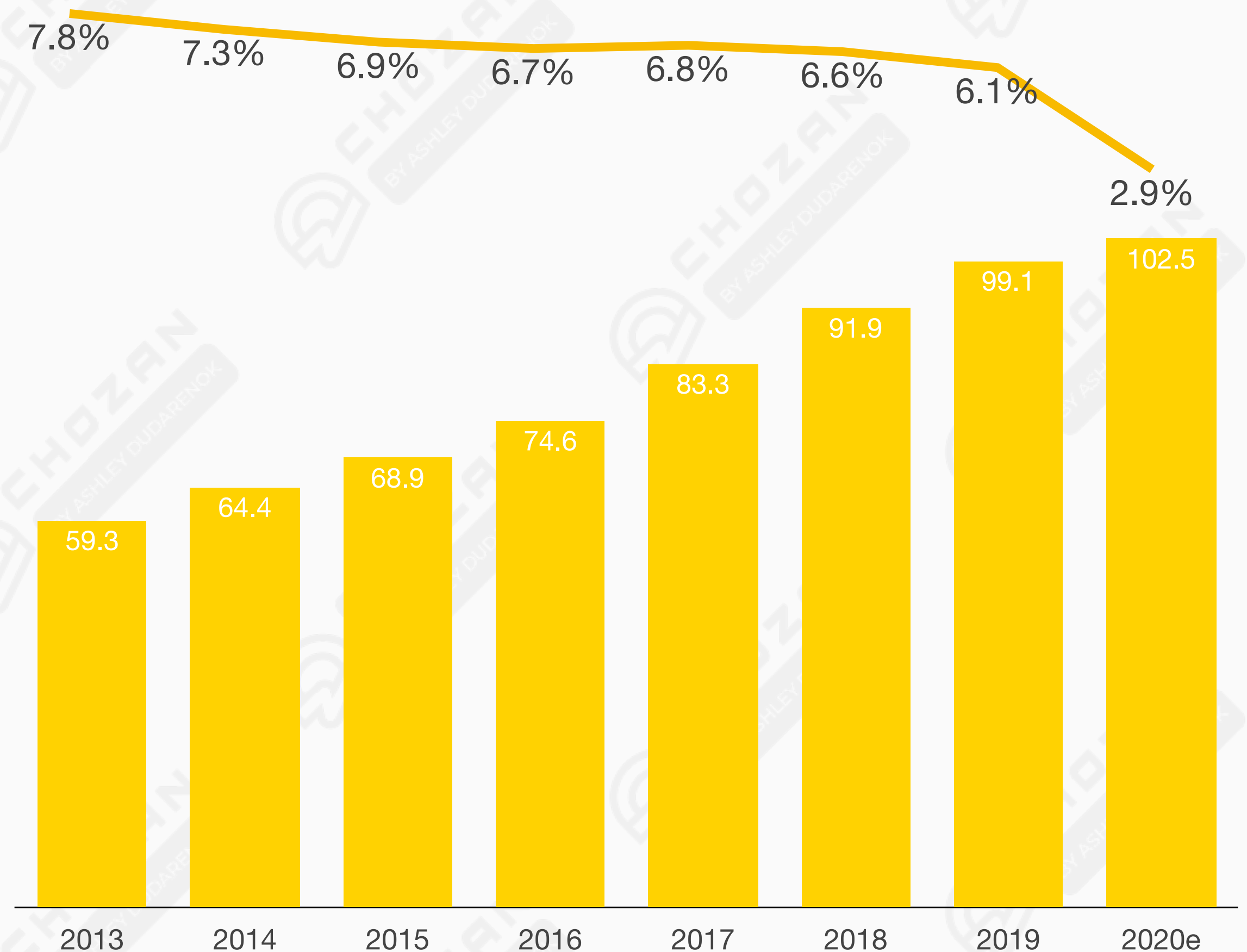


OVERVIEW

CHINA'S ECONOMY

Covid-19 caused a significant drop of China's GDP growth in 2020. However according to Nomura and the China International Capital Corporation, China's GDP is expected to expand by 9% in 2021.

2013 - 2020 CHINA'S GDP AND GROWTH RATE (IN BILLION, IN RMB)



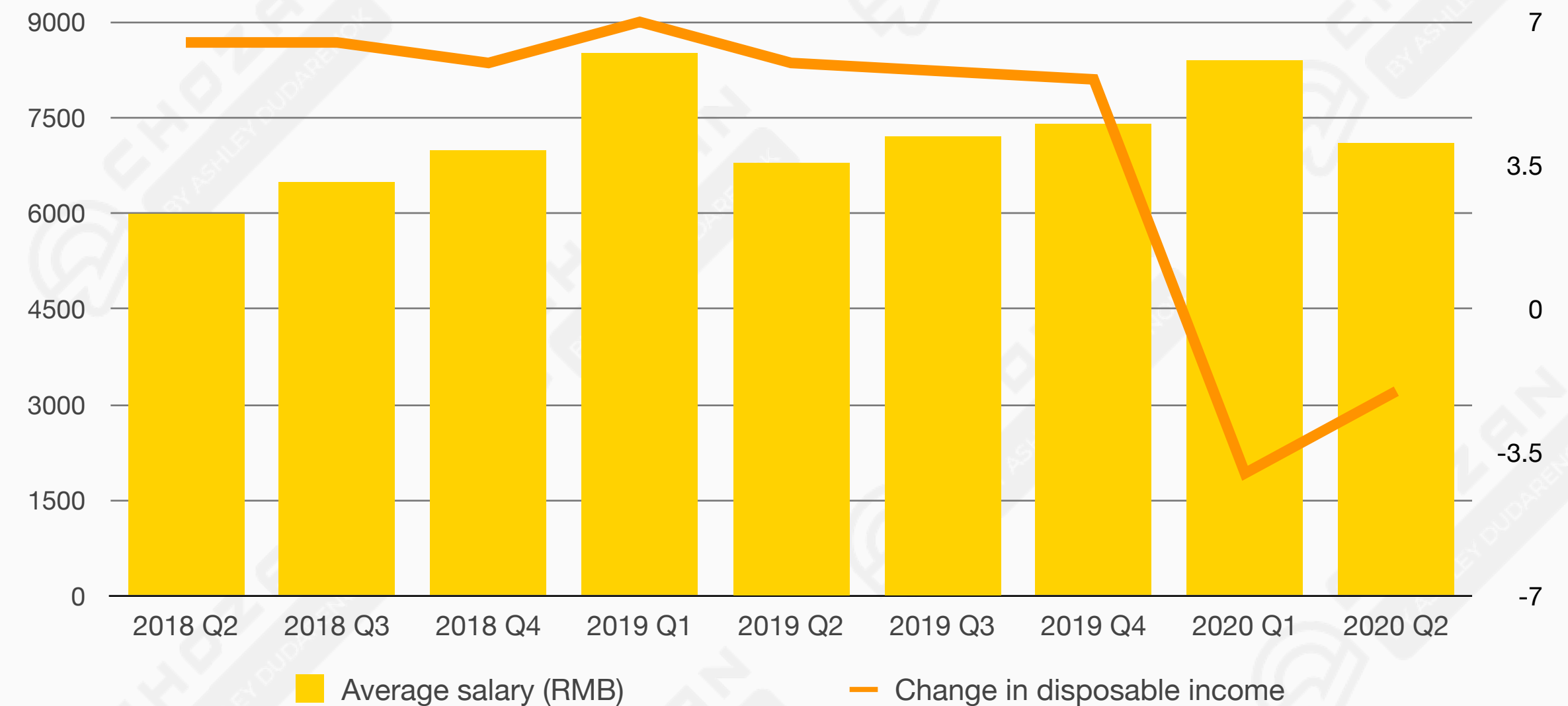
OVERVIEW

CHINA'S ECONOMY

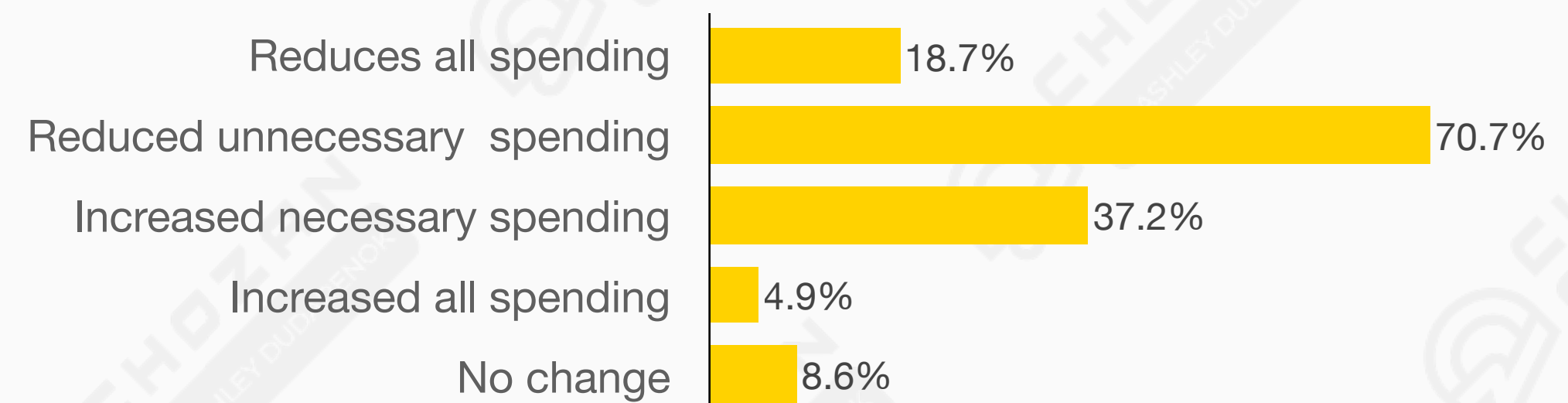
The pandemic caused a big change in Chinese consumers' spending behaviour. Due to decreased income during the pandemic, most consumers are becoming more prudent in terms of personal financial management, especially Gen Z. 78.8% of Post-95s decreased their unnecessary spending since the pandemic.

Due to restricted offline financial services, interest in online financial management products has increased and will continue to receive attention from younger consumers.

CHINESE CONSUMERS' CHANGE IN AVERAGE INCOME, 2018 Q3-2020 Q2



SPENDING BEHAVIOUR OF CHINESE CONSUMERS AFTER THE PANDEMIC



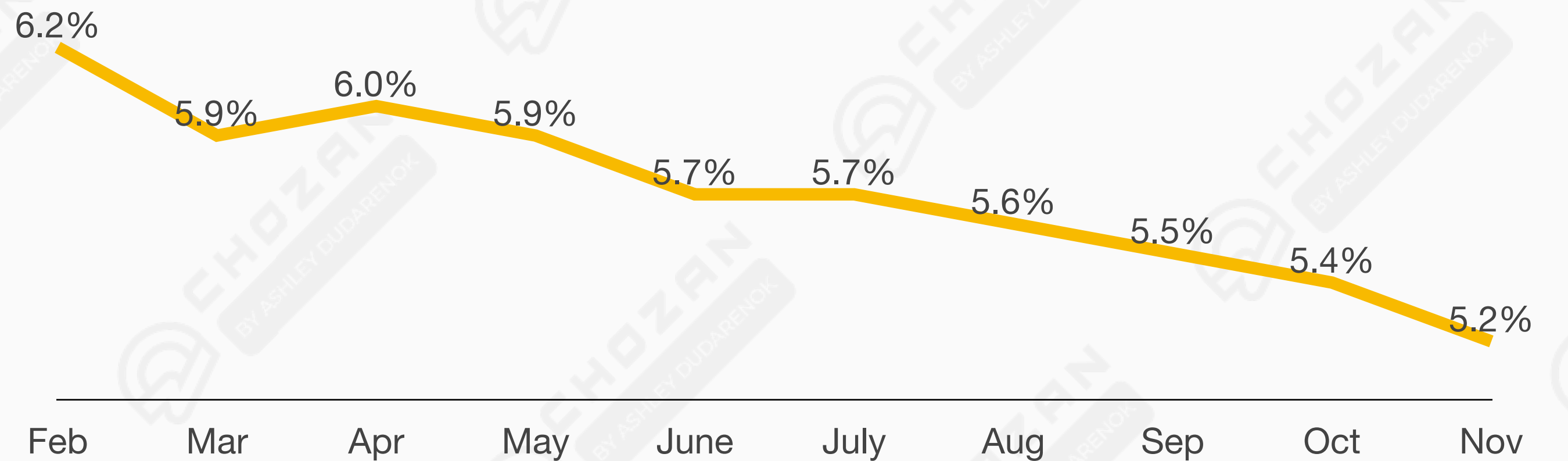
OVERVIEW

CHINA'S ECONOMY

The unemployment rate has dropped for four months in a row, as the Chinese economy continues to recover from its COVID-19 slump. China's 2020 unemployment rate dropped from 6.2% in February to 5.2% in November.

A total of 10.99 million new urban jobs were created in the first 11 months, completing 122.1 percent of the target set for the whole year, according to China's National Bureau of Statistics.

CHINA CITY UNEMPLOYMENT RATE, 2020

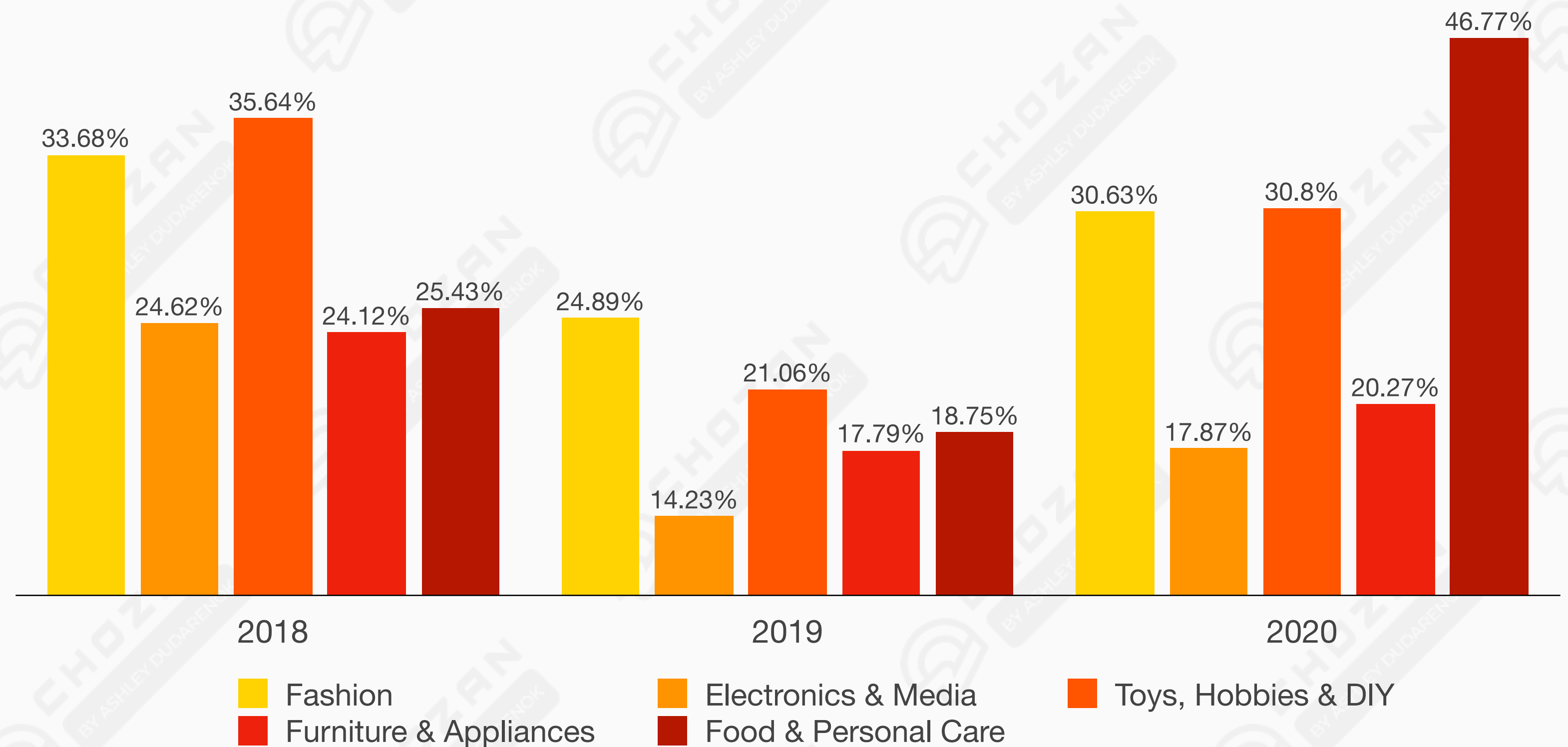


OVERVIEW

REVENUE GROWTH

Covid-19 meant that people started caring more about personal hygiene so food and personal care revenue rose rapidly in 2020.

REVENUE GROWTH FOR DIFFERENT INDUSTRIES IN CHINA, 2018-2020

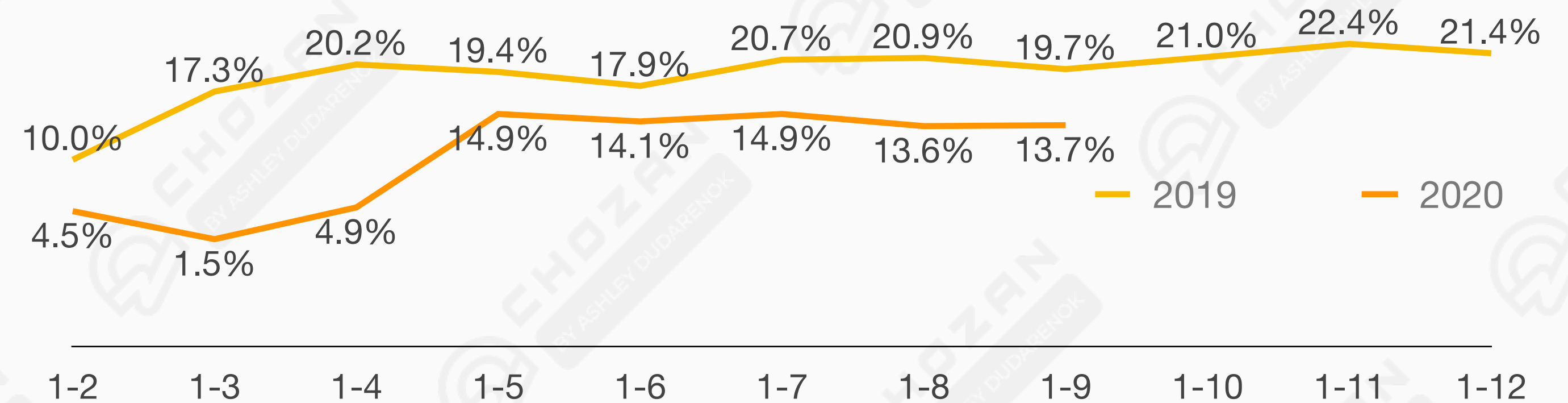


OVERVIEW

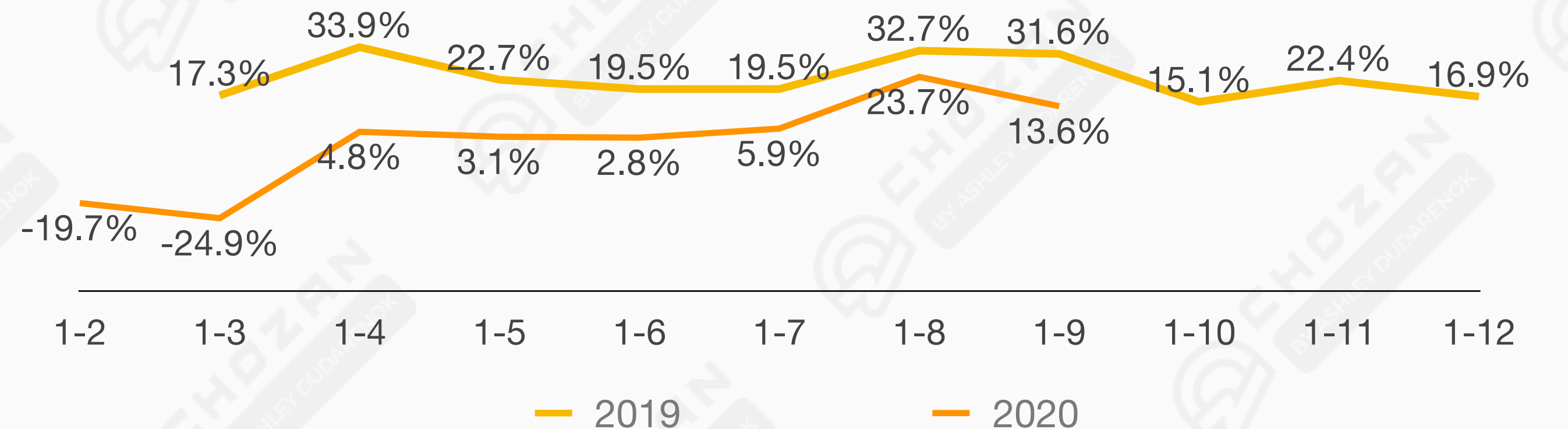
CHINA'S ECONOMY

Digital services related to cinemas, domestic tourism and education accelerated. Already established digitalization in other industries also deepened. Revenue for internet businesses and services grew 13.7% while profit grew 13.6% in the first 3 quarters of 2020.

**YoY GROWTH OF DIGITAL BUSINESS / DIGITAL SERVICES REVENUE
(2019-2020)**



**YoY PROFIT GROWTH FOR DIGITAL BUSINESSES AND SERVICES
(2019-2020)**

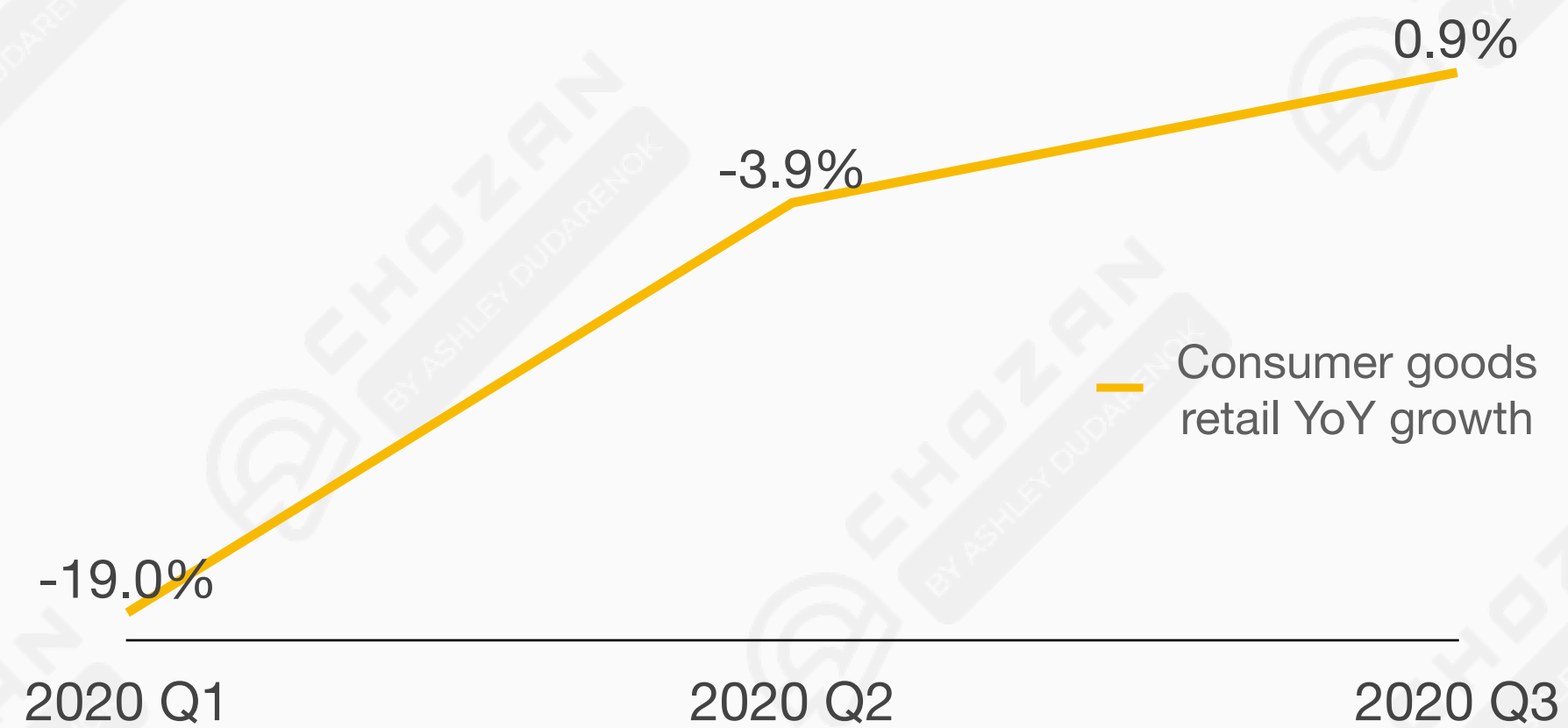


OVERVIEW

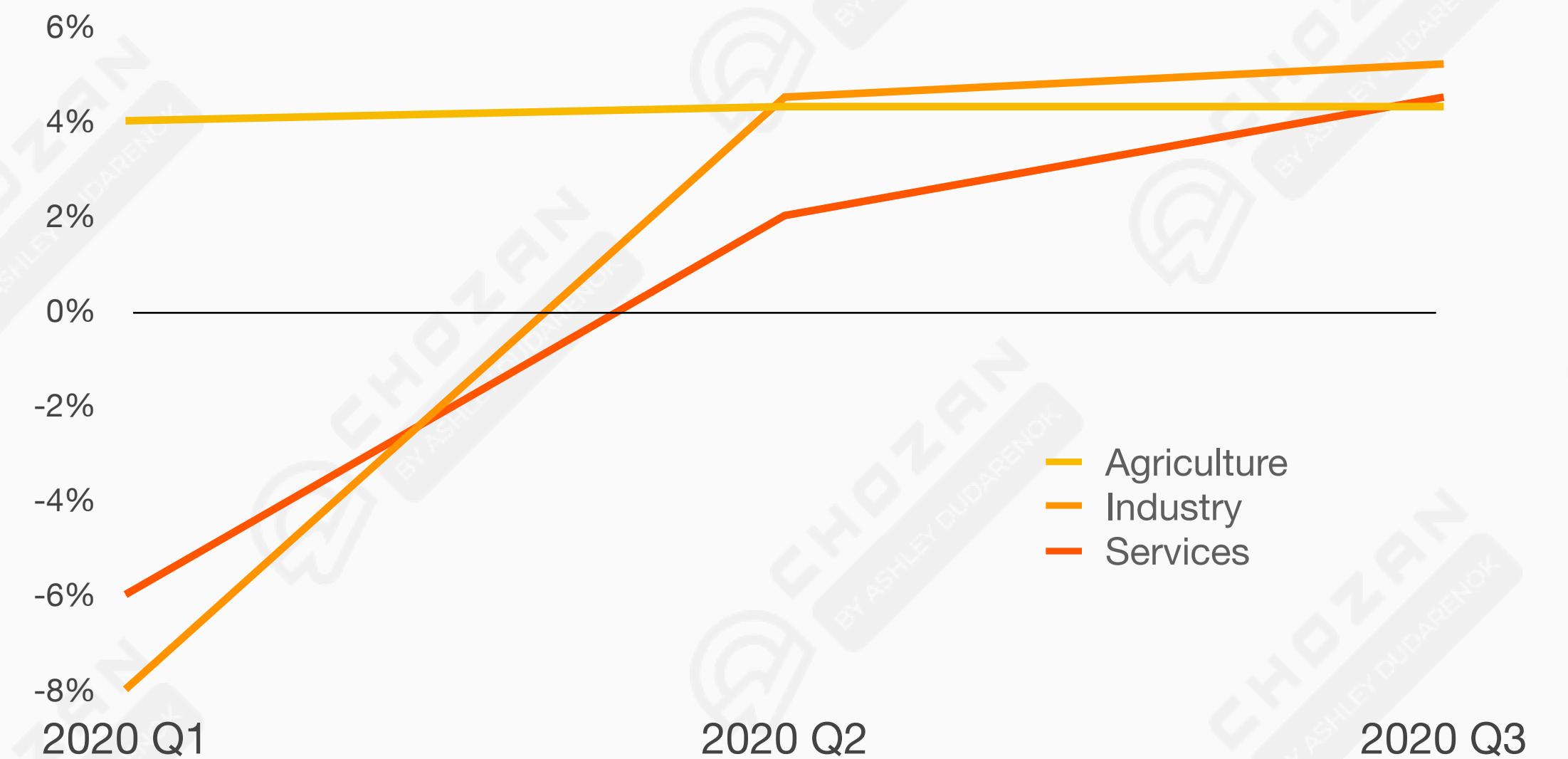
CHINA'S ECONOMY

China's secondary and tertiary industrial sectors were suspended, causing a huge impact on the economy, but the economy started to steadily recover in Q2 2020. China is prioritizing retail sales of consumer goods to maintain this growth.

GROWTH RATE OF INDUSTRIES IN CHINA, 2020



SECTOR GROWTH RATES IN CHINA, 2020



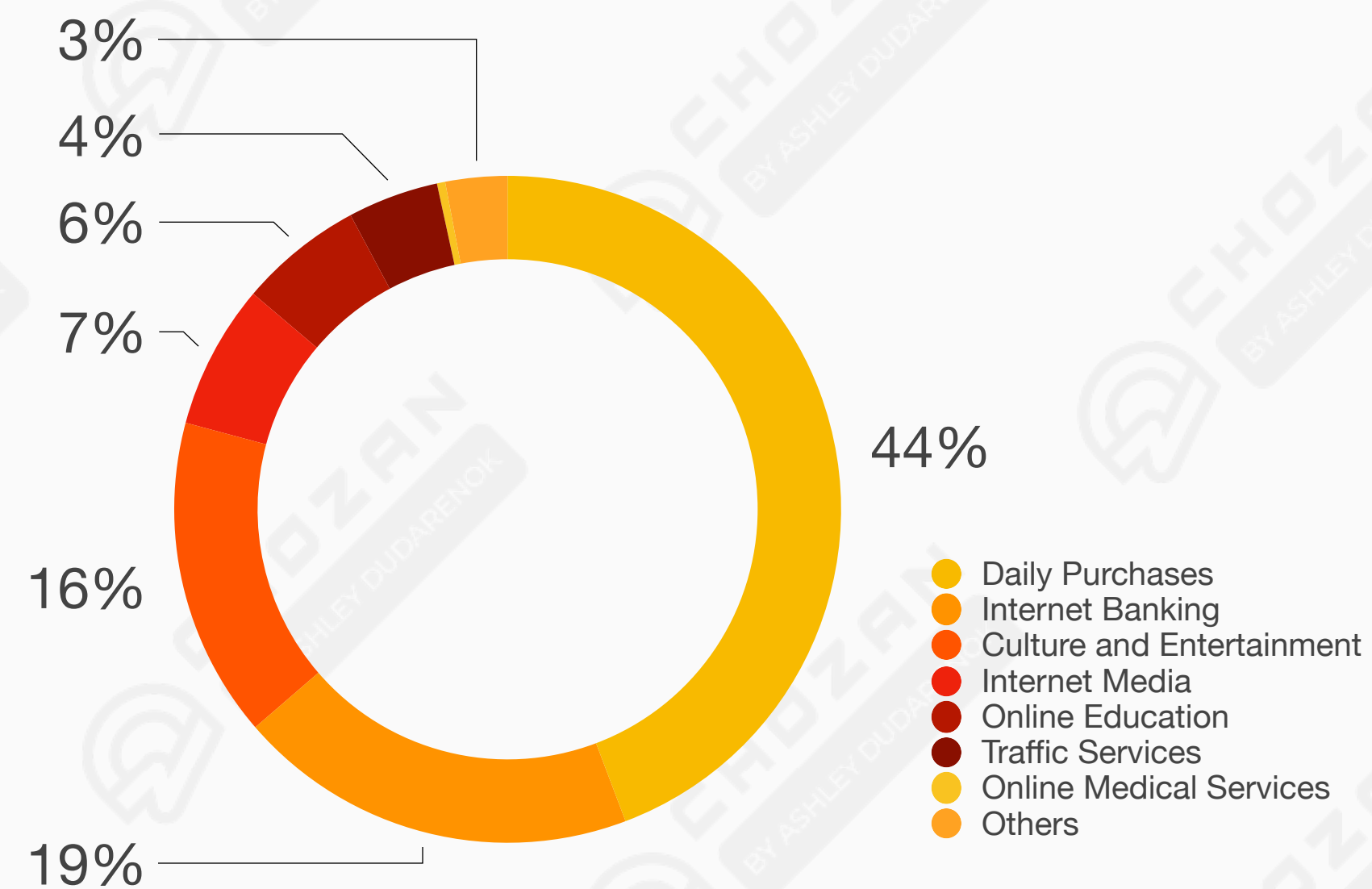
OVERVIEW

CHINA'S INTERNET SECTOR

Business revenue generated by companies from the internet sector reached 472 billion RMB in H1 2020.

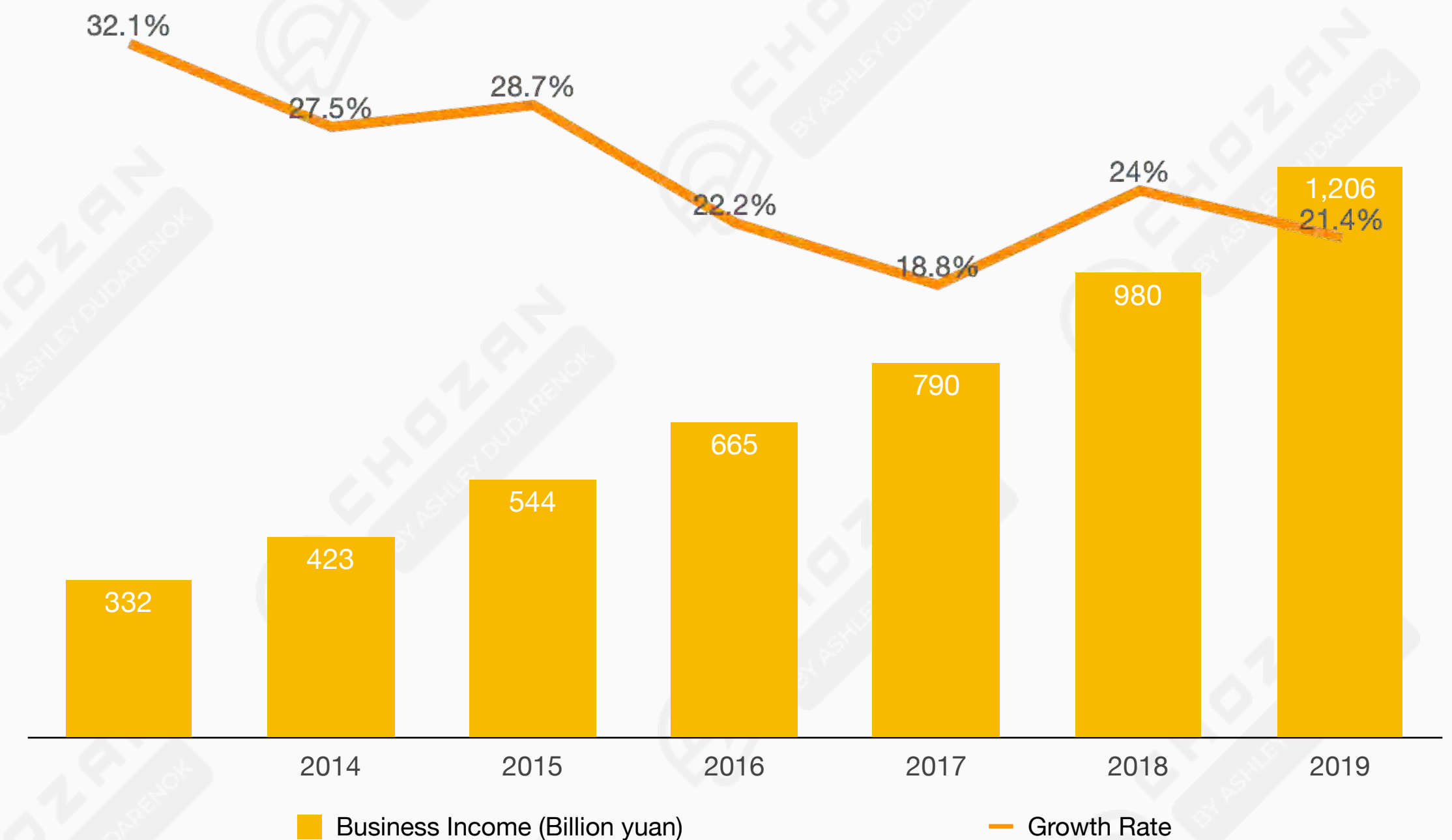
REVENUE STRUCTURE OF CHINA'S ONLINE ECONOMY

(2019)



GROWTH RATE OF INTERNET BUSINESS REVENUE

(2013-2019)



Sources:

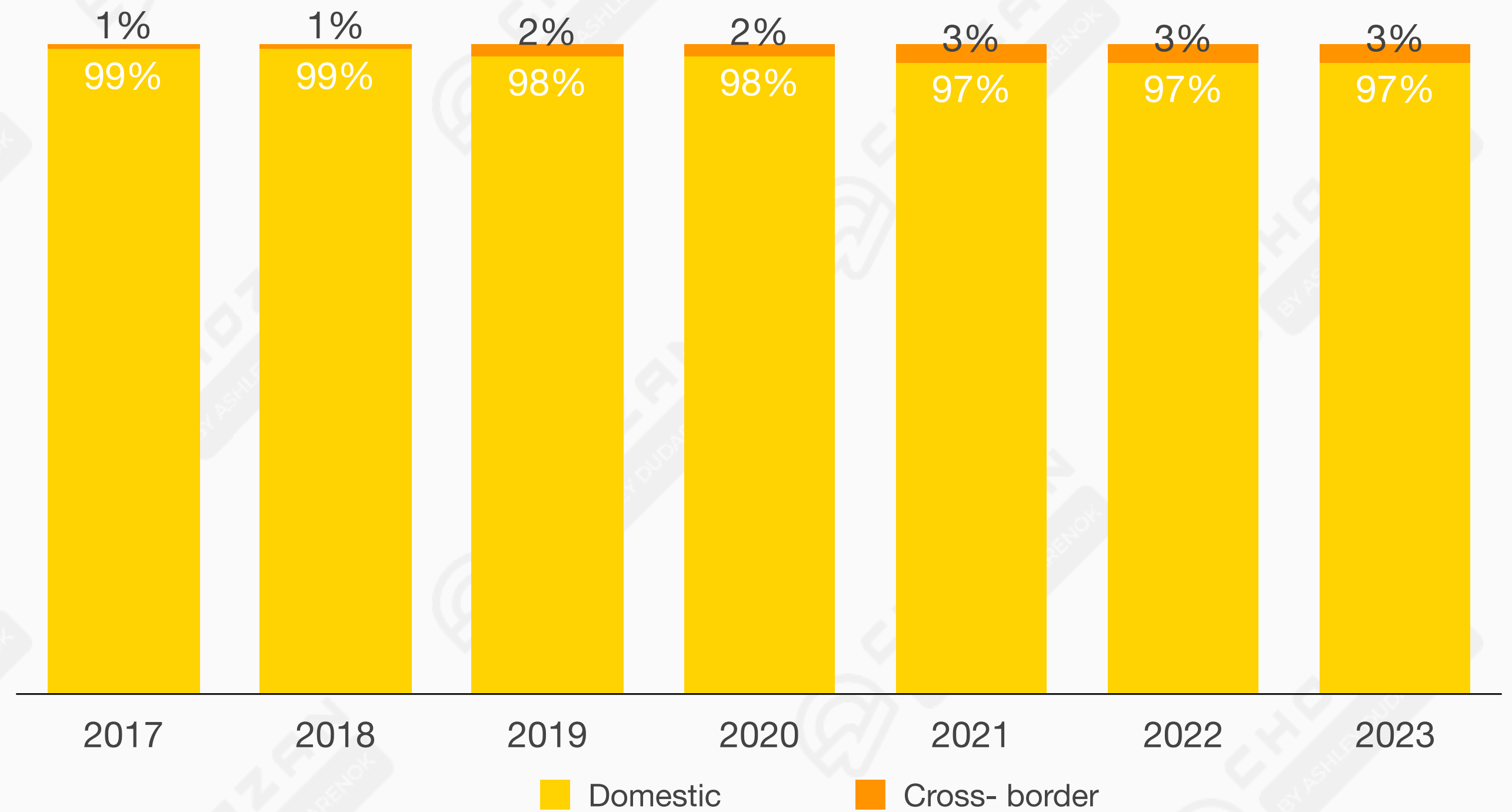
1) PWC China Economic Quarterly Q2/Q3 report

2) iResearch China's Internet Economy Report

OVERVIEW

SHARE OF CROSS-BORDER E-COMMERCE

SHARE OF CROSS-BORDER E-COMMERCE IN CHINA, 2017-2023



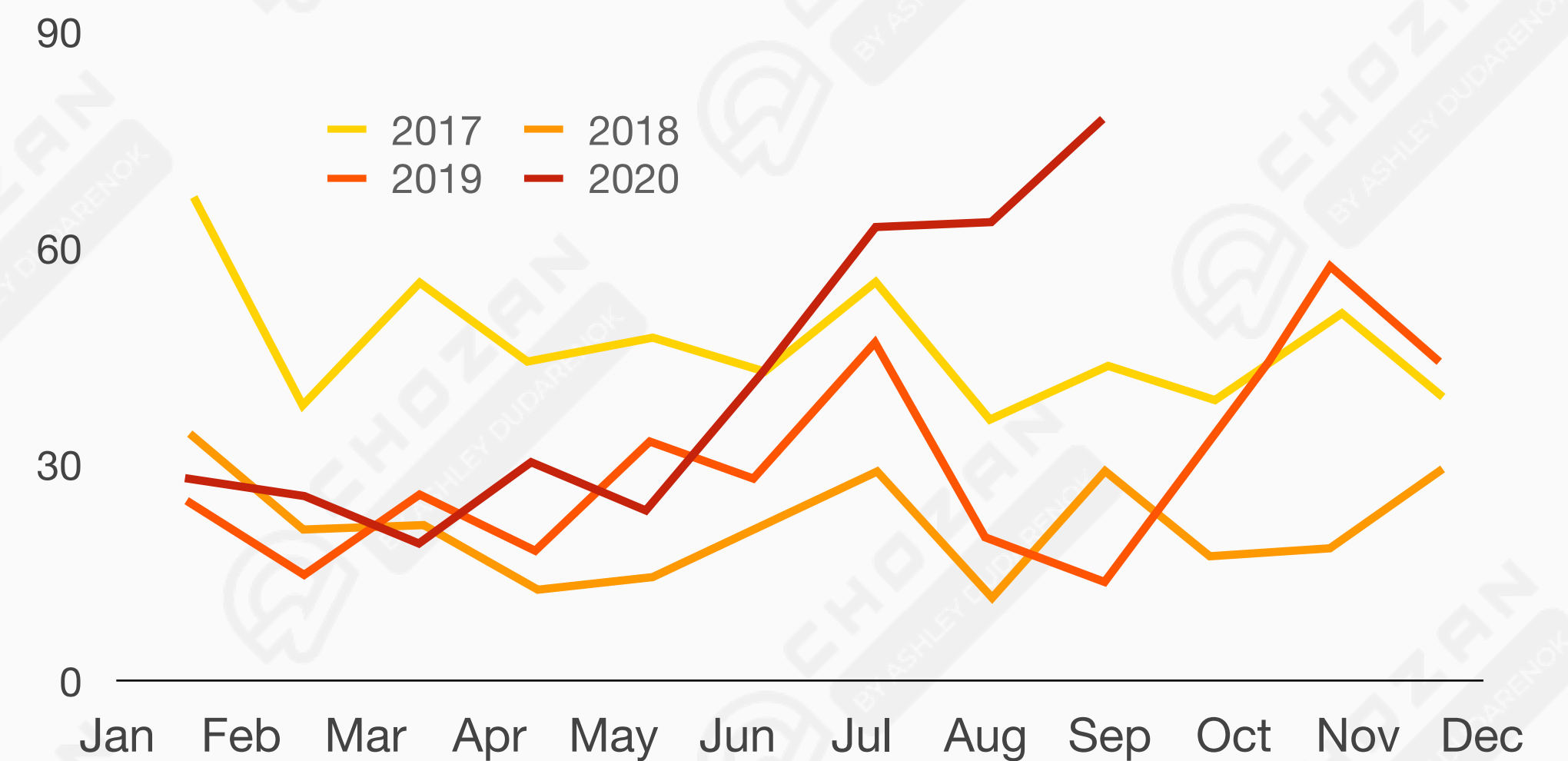
People can more easily access foreign products through e-commerce, and the trend is rising.

OVERVIEW

IPOs FOR CHINESE COMPANIES

Starting in June, there was a new wave of Chinese companies filing for IPOs. And this boom will stay high in 2021. According to Ernst and Young, the average first-day return rate for IPOs in 2020 was 187% for the Shanghai Stock Exchange's Nasdaq-style STAR Market.

NUMBER OF LISTED COMPANIES IN CHINA

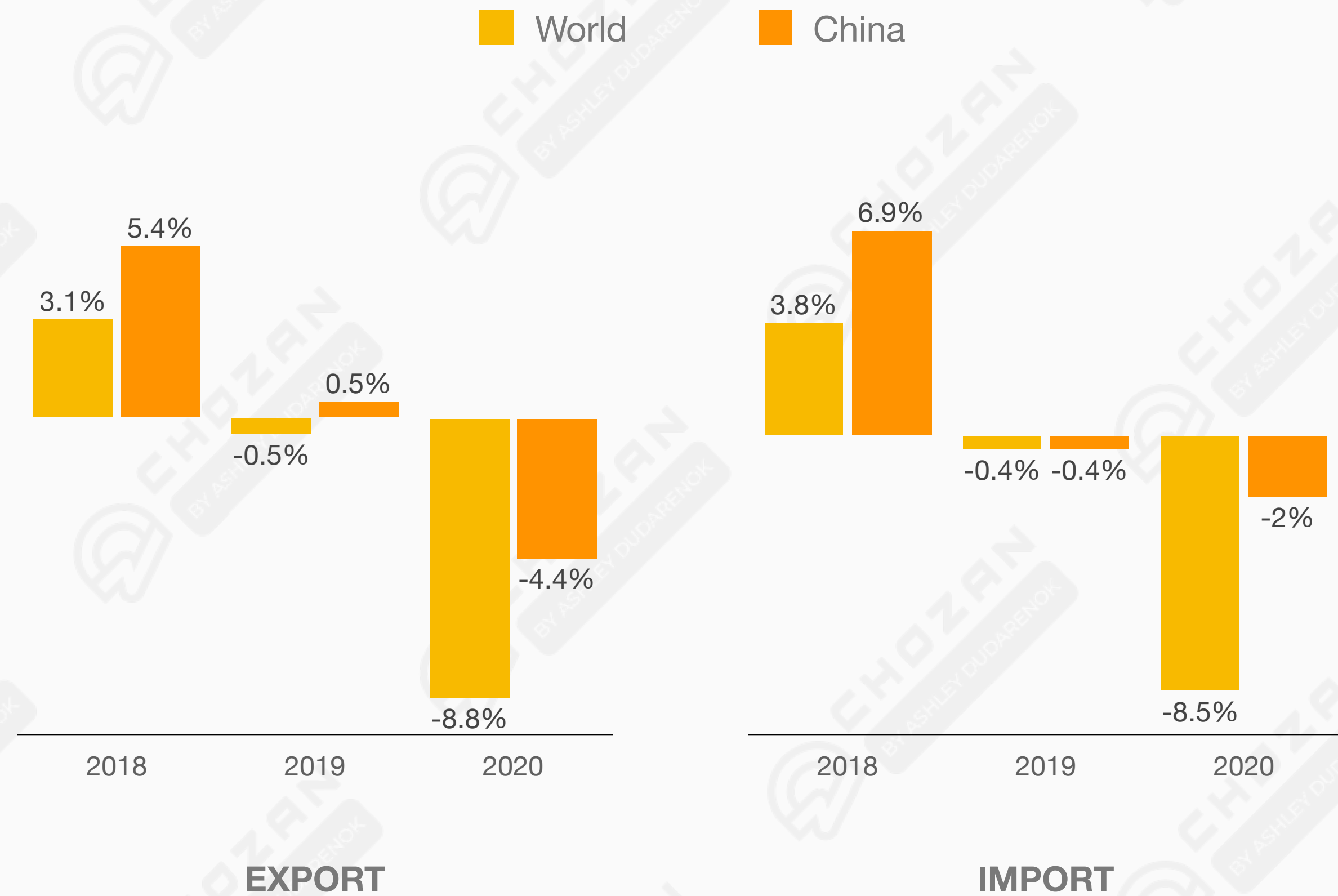


OVERVIEW

CHINA'S ECONOMY

Covid-19 significantly affected not only economic growth, it also negatively impacted trade relationships.

2018-2020 GLOBAL TRADE VOLUME GROWTH RATE



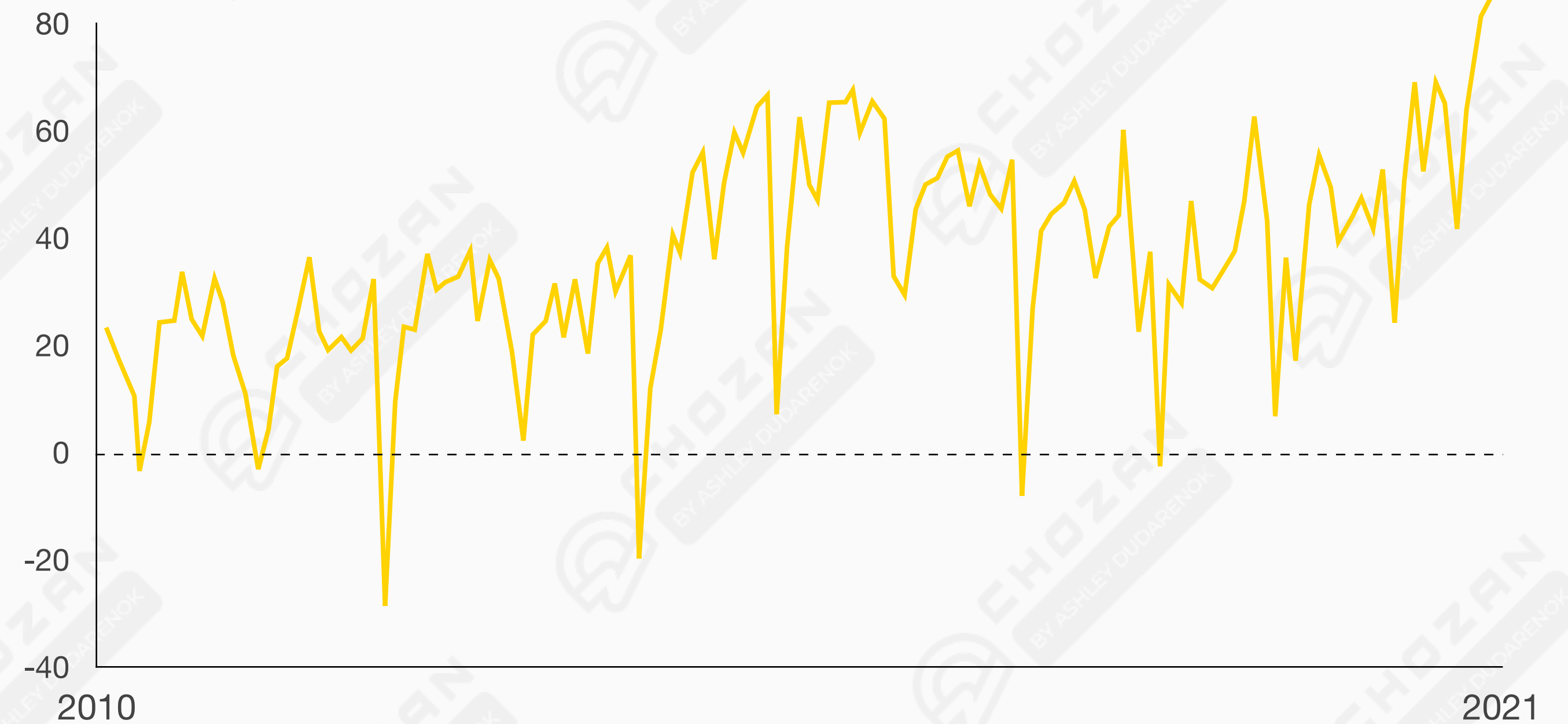


OVERVIEW

CHINA'S ECONOMY

Following increases in purchases of pandemic-related goods, in December 2020 China showed a record high trade surplus, becoming the world's best performer among the major economies.

CHINA'S TRADE SURPLUS, 2010-2021

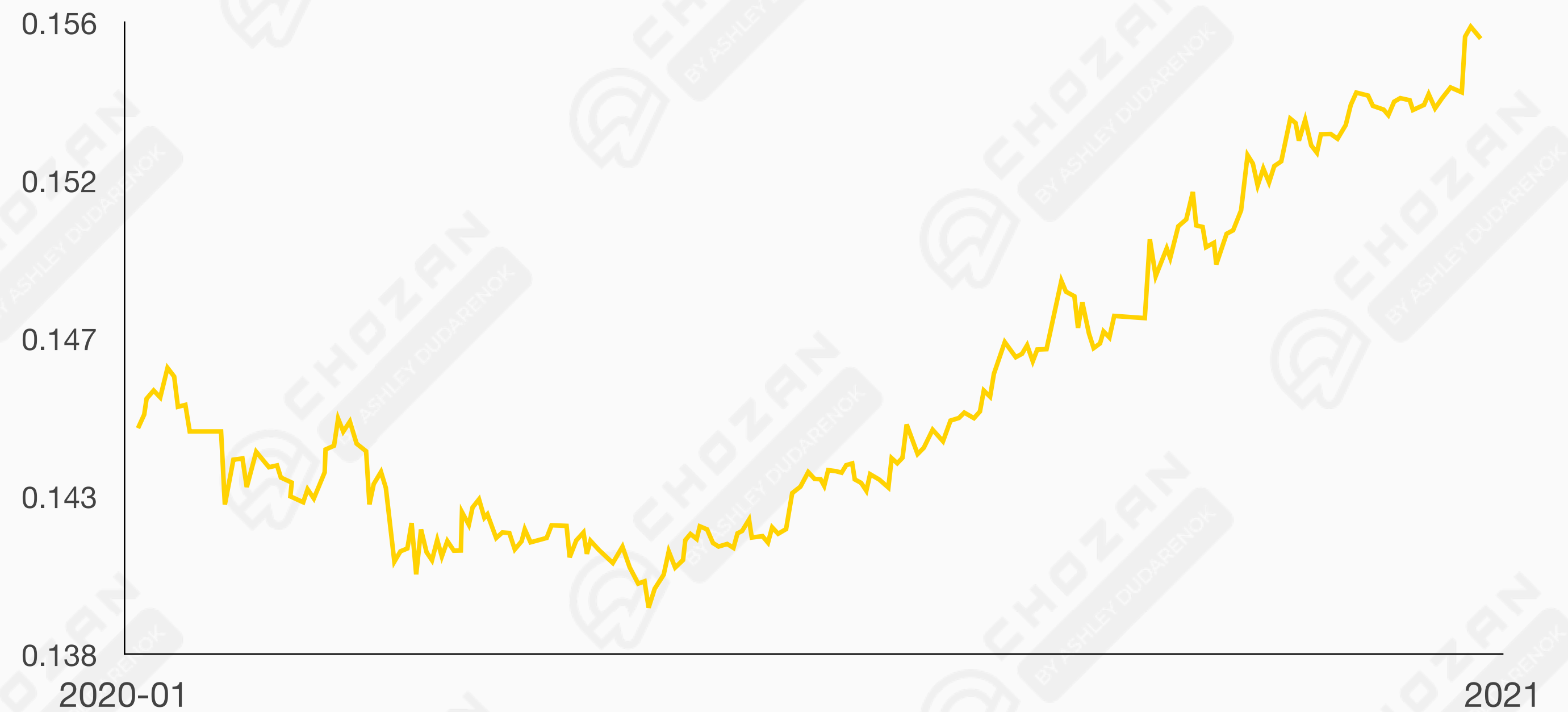


OVERVIEW

CHINA'S ECONOMY

The yuan strengthened 150 pips to 6.7675 against the U.S. dollar, the strongest level since May 9, 2019, according to China's Foreign Exchange Trade System.

1 CHINESE YUAN = __ US DOLLARS, 2020-2021



EXPERT BITES

Q: HOW OPTIMISTIC ARE YOU ABOUT THE ECONOMY IN CHINA IN Q1 2021?

While there are pockets of the economy that we think are concerning, **it's our view that China's economy is resilient and has shrugged off most pandemic-related impacts.** In terms of the year ahead, one of the indicators **we are looking at is the size of bonuses given at Chinese New Year.** A return to pre-pandemic bonus levels may herald a boost for consumer confidence and consumption.



MICHAEL NORRIS

Research and Strategy Manager at
AgencyChina

EXPERT BITES

Q: HOW OPTIMISTIC ARE YOU ABOUT THE ECONOMY IN CHINA IN Q1 2021? WHICH SECTORS ARE YOU PARTICULARLY BULLISH ABOUT?

The consumer, technology and automotive sectors will outperform. **The frontrunners are definitely electric vehicles (EVs), online shopping and e-commerce**, and internet services which are spurred by domestic consumption growth. In terms of forecast, **I agree with the International Monetary Fund's (IMF) latest assessment and expect China's GDP growth to accelerate to 8.2 percent in 2021 thanks to a faster-than-expected recovery.**



MARTINA FUCHS

TV Anchor and
Business Journalist

EXPERT BITES

Q: HOW OPTIMISTIC ARE YOU ABOUT THE ECONOMY IN CHINA IN Q1 2021? WHICH SECTORS ARE YOU PARTICULARLY BULLISH ABOUT?

We should see a strong 2021 in terms of economic growth for China. I'd guess that Q1 should be quite strong given that there is quite a bit of pent up consumer demand in China. **Given the rebound in China's economy and the measured approach to stimulus taken by the government we're likely to see somewhere in the realm of 7-8% GDP growth next year. Consumer spending should also rebound in 2021 though I would still expect it to lag recovery in other parts of the economy** as consumers in certain demographics are still cautious about their job prospects going into next year. **I think we're going to see a big growth shift in China in 2021 towards content sales** and we're likely to see paid content taking an increasingly bigger share of the e-commerce space. Beyond that **I'd expect wellness products to continue performing well.**



BEN CAVENDER
Managing Director
China Market Research Group

EXPERT BITES

Q: WHAT SHOULD PEOPLE WATCH OUT FOR IN 2021 IN THE TECH AND STARTUP SPACE IN CHINA?

Enterprise software and SaaS will continue to take off from a low base as Chinese companies become more and more open to leveraging third party tools to remain competitive. **Look to see turmoil around government anti-monopoly campaigns attacking the siloed Tencent and Alibaba ecosystems.**



WILLIAM BAO BEN

General Partner SOSV MD
Chinaccelerator and MOX

EXPERT BITES

Q: HOW WILL Q1 LOOK WHEN IT COMES TO US-CHINA RELATIONSHIPS AND TRADE WITH THE NEW PRESIDENT TAKING OFFICE?

There will be a redefinition of the U.S.-China relationship which won't happen overnight. Decoupling trends will ease with Joe Biden in the White House and a new administration, but **it will take two to tango and resolve the trade and technology wars between the world's two superpowers.**



MARTINA FUCHS

TV Anchor and
Business Journalist

EXPERT BITES

Q: HOW WILL Q1 LOOK WHEN IT COMES TO US-CHINA RELATIONSHIPS AND TRADE WITH NEW PRESIDENT TAKING OFFICE?

The bipartisan passage of the legislation that requires all foreign listed companies to comply with standard audits for three years in a row or risking delisting from US markets is a sign that there is support for dealing with China in a firm way in both parties. **It's too early to say what exactly the new administration and cabinet has in mind, but the hope is that tensions will be rolled back and that good faith negotiations and progress toward a fair and healthy mix of competition and cooperation will define the next four years.**



MICHAEL ZAKKOUR
Founder of 5 New Digital and
China BrightStar

EXPERT BITES

Q: HOW WILL UK-CHINA RELATIONS DEVELOP IN THE NEW YEAR?

Despite ongoing Covid-19 and Brexit issues in 2021, Chinese investors' appetite for UK investment will remain stable and strong, thanks to the UK's well-established legal and education infrastructure. The number of Chinese students coming to study in the UK is expected to increase in 2021, as it's predicted that fewer students will go to traditionally popular countries such as the US and Australia due to less favourable political relations in these countries in recent times. The latest figures show that **Chinese companies had invested \$8.3 billion in the UK between January and August 2019**, compared to \$6.1 billion for the whole of 2018. The figures are expected to remain the same, if not higher, in 2021



SALLY MAIER-YIP

Founder and Managing Director at
China PR and Communications
Agency, 11K Consulting



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AN OVERVIEW OF DIGITAL CHINA

EXPERT BITES



BANFF CHAN
Financial Executive at
Alarice and ChoZan

Q: HOW WILL CHANGES IN THE VALUE OF THE YUAN AFFECT CHINA'S ECONOMY?

The strong appreciation of the renminbi against the US dollar reflects **cyclical differences (i.e interest rate differentials) between economies.** China has also taken the lead in controlling Covid-19 and has led the global economy to recover from the epidemic. **The expansion of the current account surplus is also a reason for the strength of the renminbi. This reflects the global demand for Chinese medical and technology exports, the shift of some production to China, low oil prices and travel restrictions.** This has led to a narrowing of the service trade deficit.

OVERVIEW

CHINA'S DIGITAL SPACE AT GLANCE

China's digital economy grew 15.6% in 2019, while the total economic growth rate was only 6.1%. This comparison shows that China's digital transformation is accelerating.

China's digital economy was 12.7 times bigger in 2019 than it was in 2005, while its GDP over the same period only grew 4.3 times larger.

THE SCALE OF CHINA'S DIGITAL ECONOMY (2019)

↑15.6%

12.7

TIMES BIGGER THAN 2005

OVERVIEW

CHINA'S DIGITAL SPACE AT GLANCE

TOTAL VALUE OF CHINA'S DIGITAL ECONOMY

35.8
TRILLION RMB

36.2%
OF GDP

The economic value added to China's digital economy reached 35.8 trillion RMB (\$5.11 trillion USD) in 2019, accounting for 36.2% of GDP.

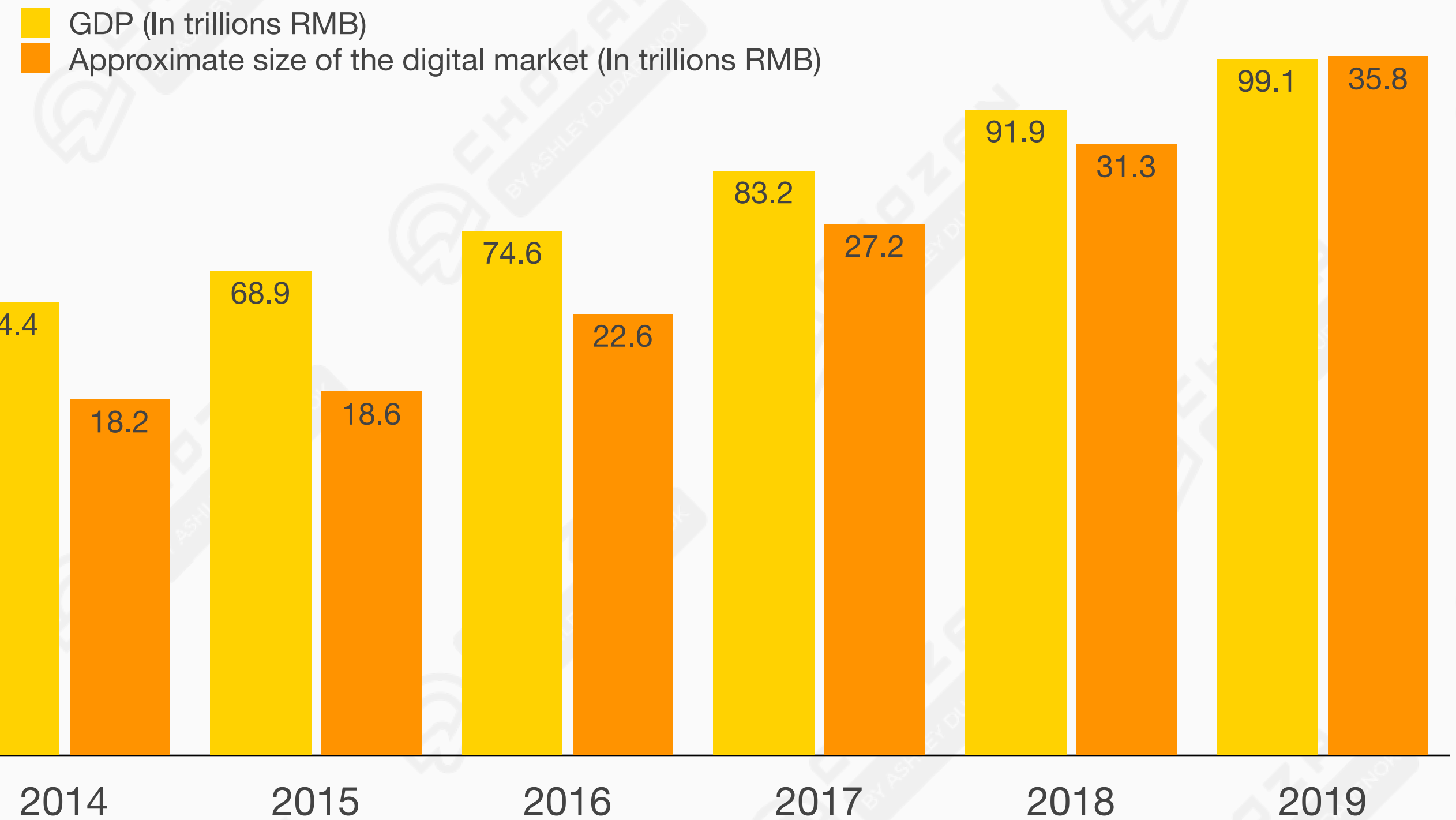
By 2027, it's expected that the digital economy will account for about half of China's GDP and become the main driver of the country's economic growth.

OVERVIEW

CHINA'S DIGITAL SPACE AT GLANCE

According to CAICT's 2020 white paper on the development of China's digital economy, since 2014, China's digital economy has accounted for more than 50% of China's economic growth and contributed around 67.7% of China's economic growth in 2019.

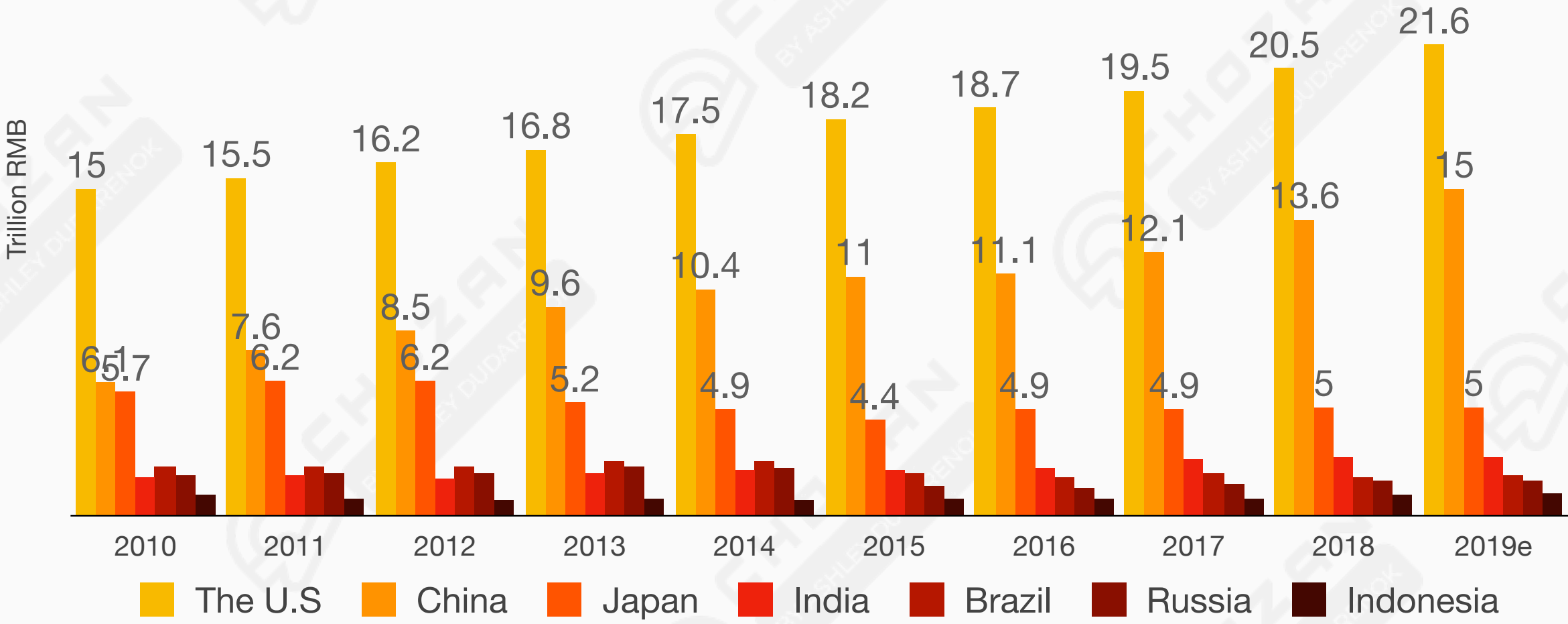
CONTRIBUTION OF CHINA'S DIGITAL ECONOMY TO GDP



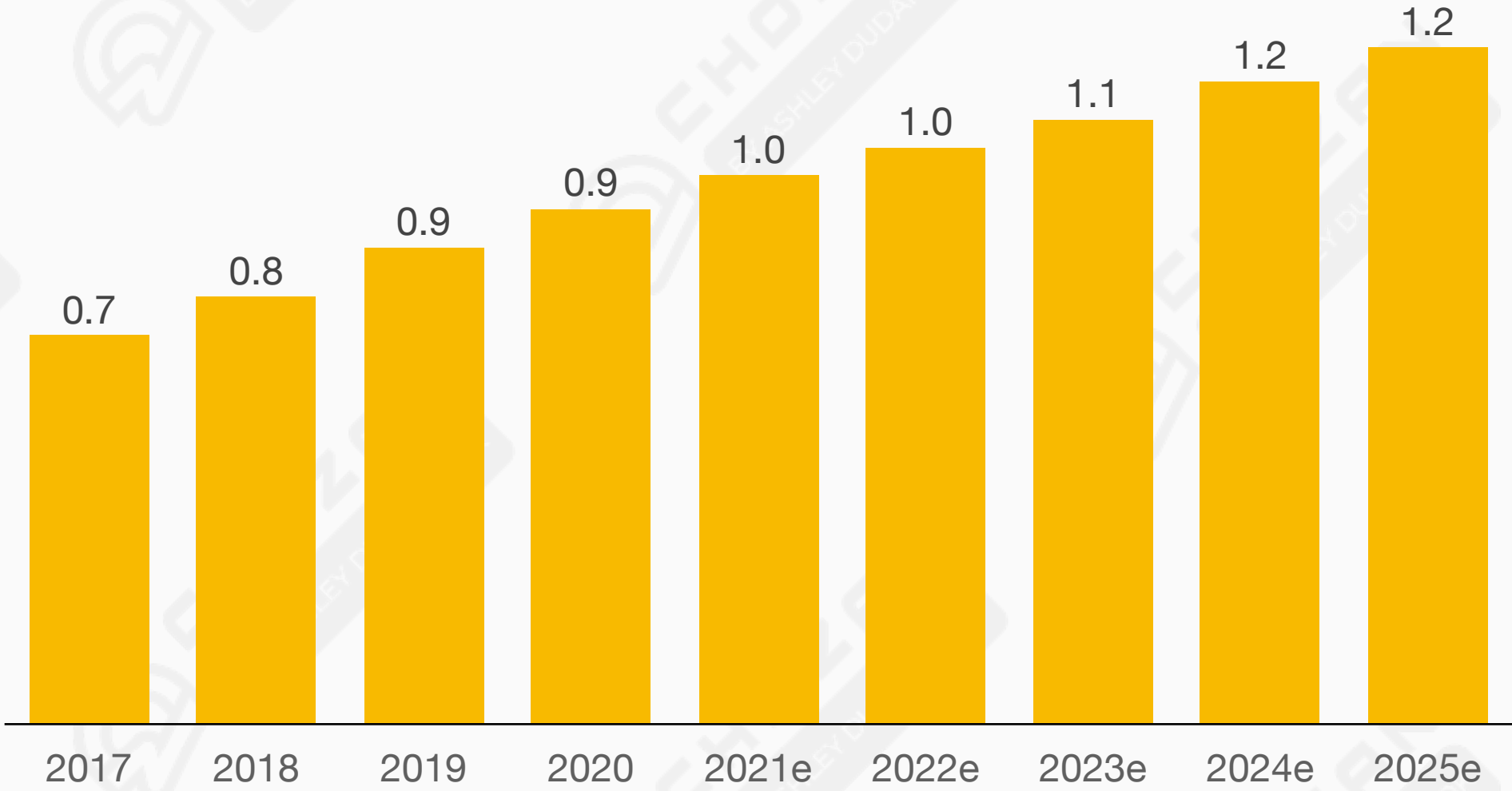
OVERVIEW

CHINA'S DIGITAL ECONOMY

GDP GROWTH IN INTERNET MARKETS WITH
OVER 100 MILLION INTERNET USERS
(2010 TO 2019)



CHINA INTERNET MARKET USERS, 2017-2025 (IN BILLIONS)



Source:
1.iResearch China's Internet Economy Report
2.Statistia, China Market Revenue

OVERVIEW

CHINA'S DIGITAL SPACE AT GLANCE

Covid-19 changed consumer habits and increased their reliance on the internet. From January to May, 2020, stay at home policies led to a peak in daily internet users, usage time and the number of apps used every month.

2019-2020 WORLD MOBILE INTERNET USAGE



**DAILY AVERAGE USAGE (IN HOURS)
INCREASED FROM**

5.9 $\xrightarrow{+3.4\%}$ **6.1**



**THE AVERAGE NUMBER OF APPS
OPENED MONTHLY INCREASED FROM**

24.7 $\xrightarrow{+1.6\%}$ **25.1**

OVERVIEW

CHINA'S ONLINE CONSUMERS AT A GLANCE

In March 2020, China's internet penetration rate reached 64.5%, covering nearly two-thirds of the country's citizens.

In June 2020, the number of independent devices reached 1.426 billion units.



64.5%

INTERNET PENETRATION RATE IN CHINA



+43%

IN RURAL INTERNET USERS SINCE 2014



285 MILLION

RURAL INTERNET USERS

Sources:

1) iResearch 2020 H1 China Mobile Internet Semi-annual Traffic Report

2) Hootsuite China Digital Report 2020

3) CGTN / CINIC, Oct. 5, 2020

OVERVIEW

CHINA'S DIGITAL SPACE AT GLANCE

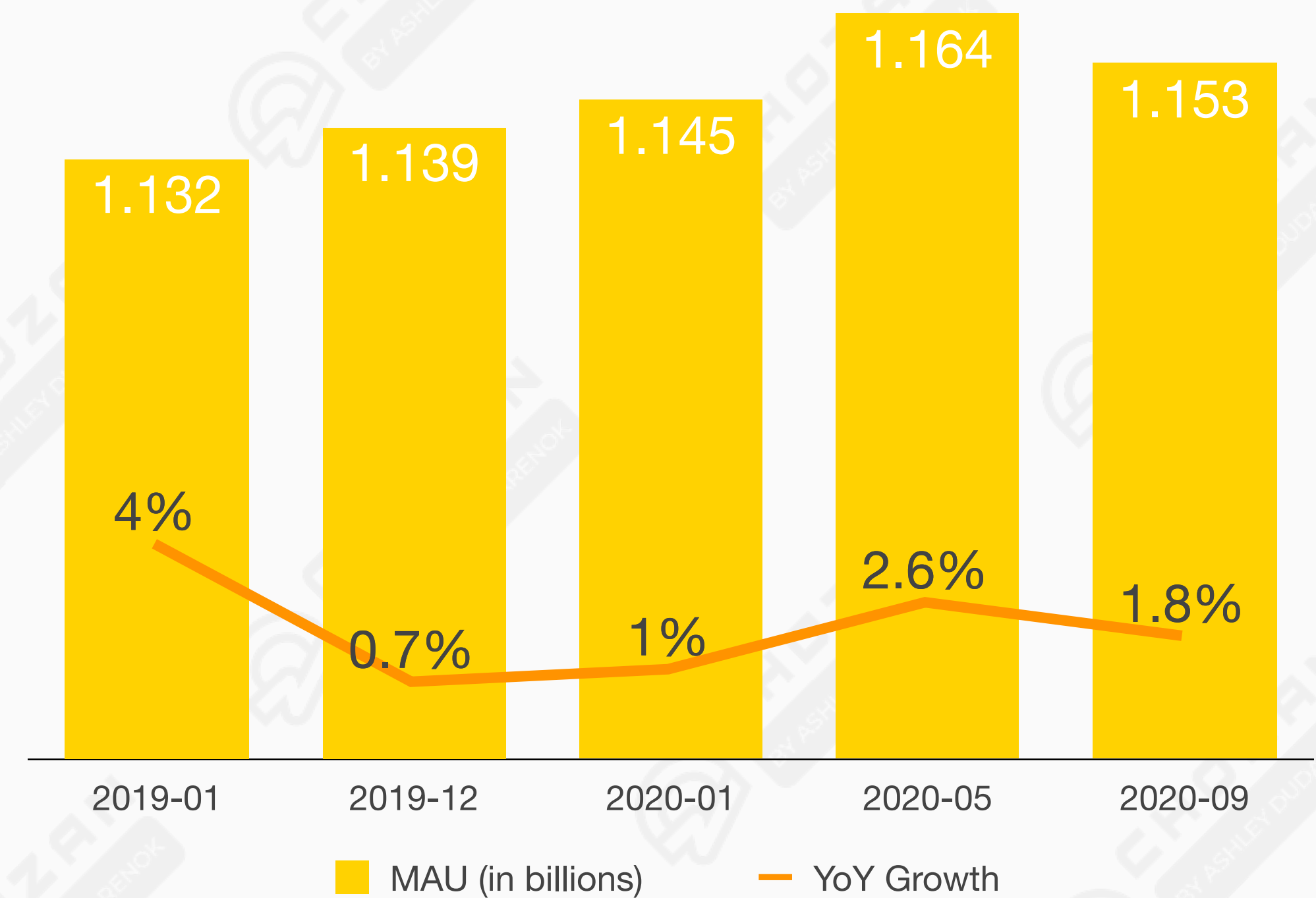
The number of active internet users increased during the recovery as well. From January to September 2020, the increase in users exceeded that of 2019 as a whole.

CHINESE INTERNET MONTHLY ACTIVE USER GROWTH

↑ 7.04 MILLION
MORE USERS IN 2019

↑ 7.96 MILLION
MORE USERS FROM JAN.-SEPT. 2020

CHINESE INTERNET MONTHLY ACTIVE USERS

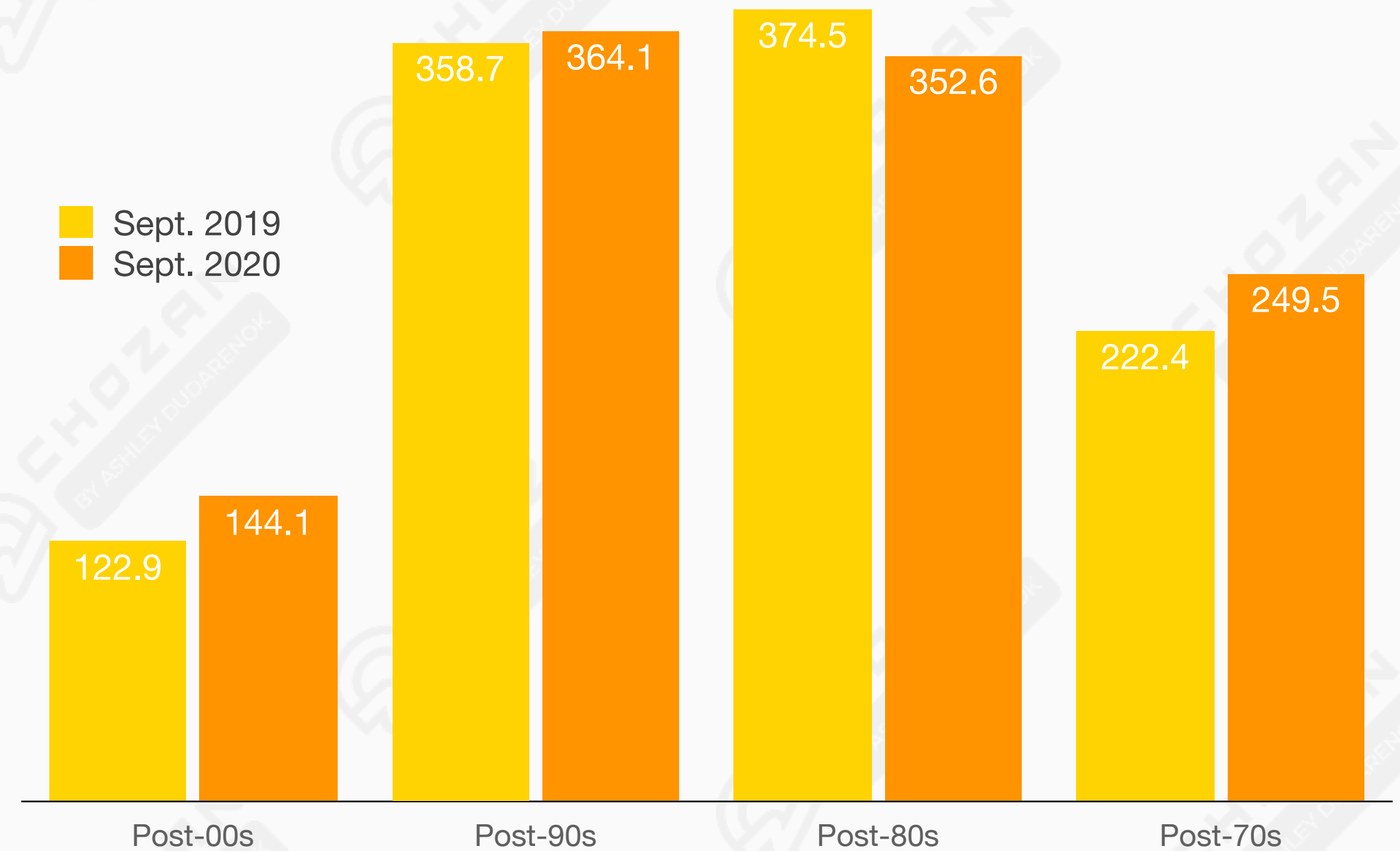


OVERVIEW

CHINA'S DIGITAL SPACE AT GLANCE

Post-90s are the dominant group among China's internet users.

AGE GROUP DISTRIBUTION (IN MILLIONS)

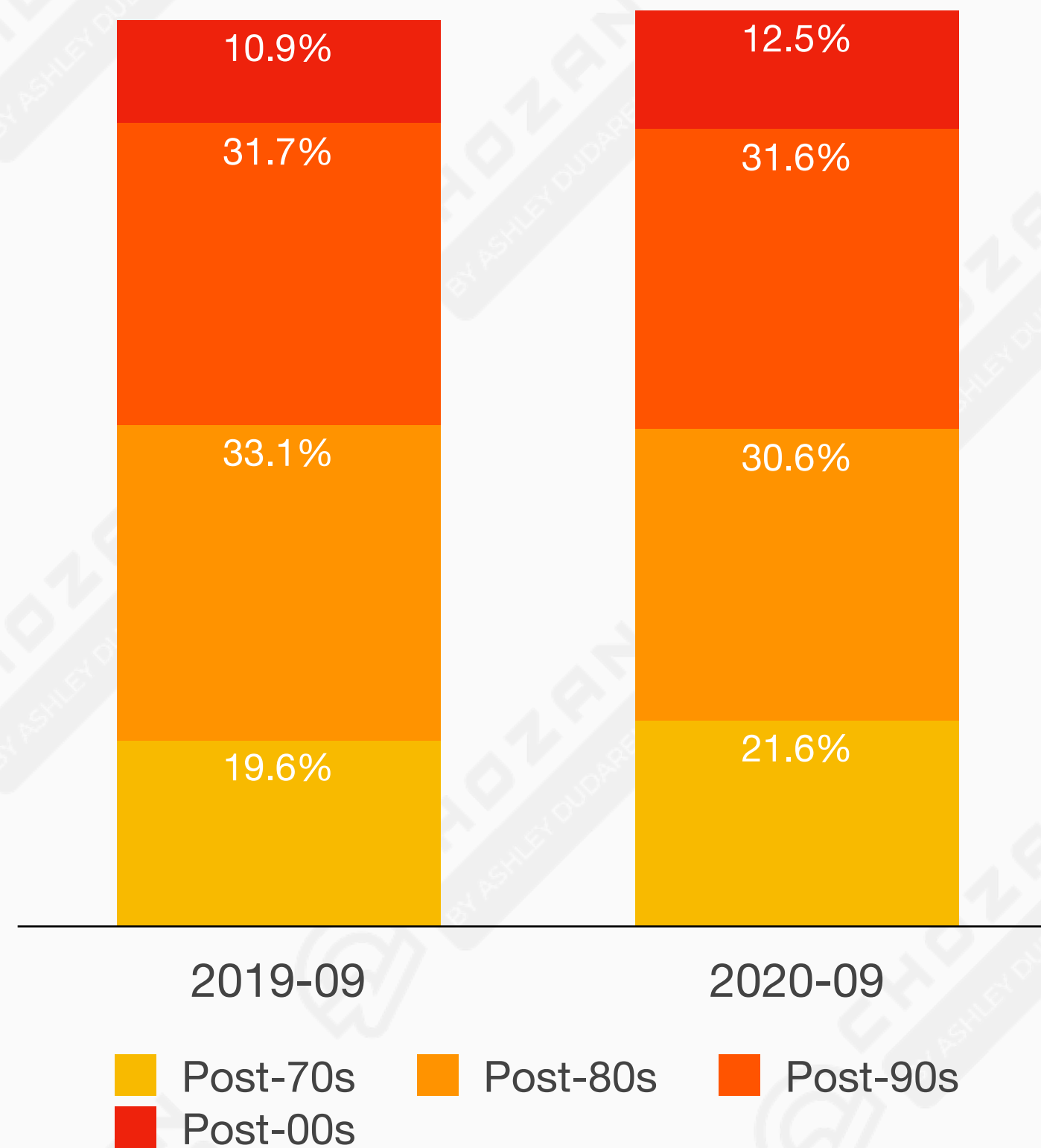


OVERVIEW

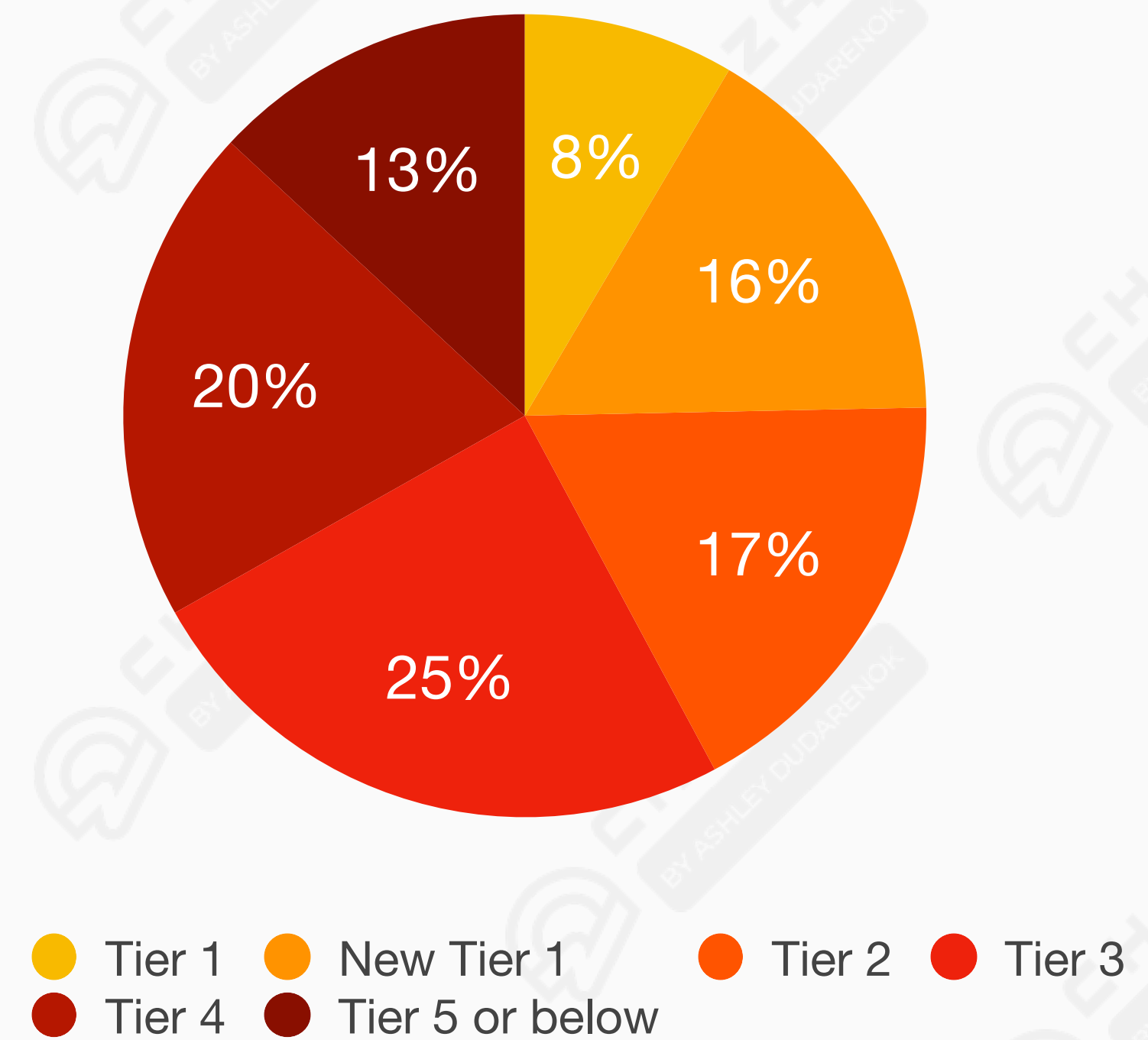
CHINA'S DIGITAL SPACE AT GLANCE

The number of Post-00s and Post-70s internet users keeps growing as does the number of users from lower tier cities.

AGE GROUP DISTRIBUTION



CITY DISTRIBUTION (AS OF SEPTEMBER 2020)

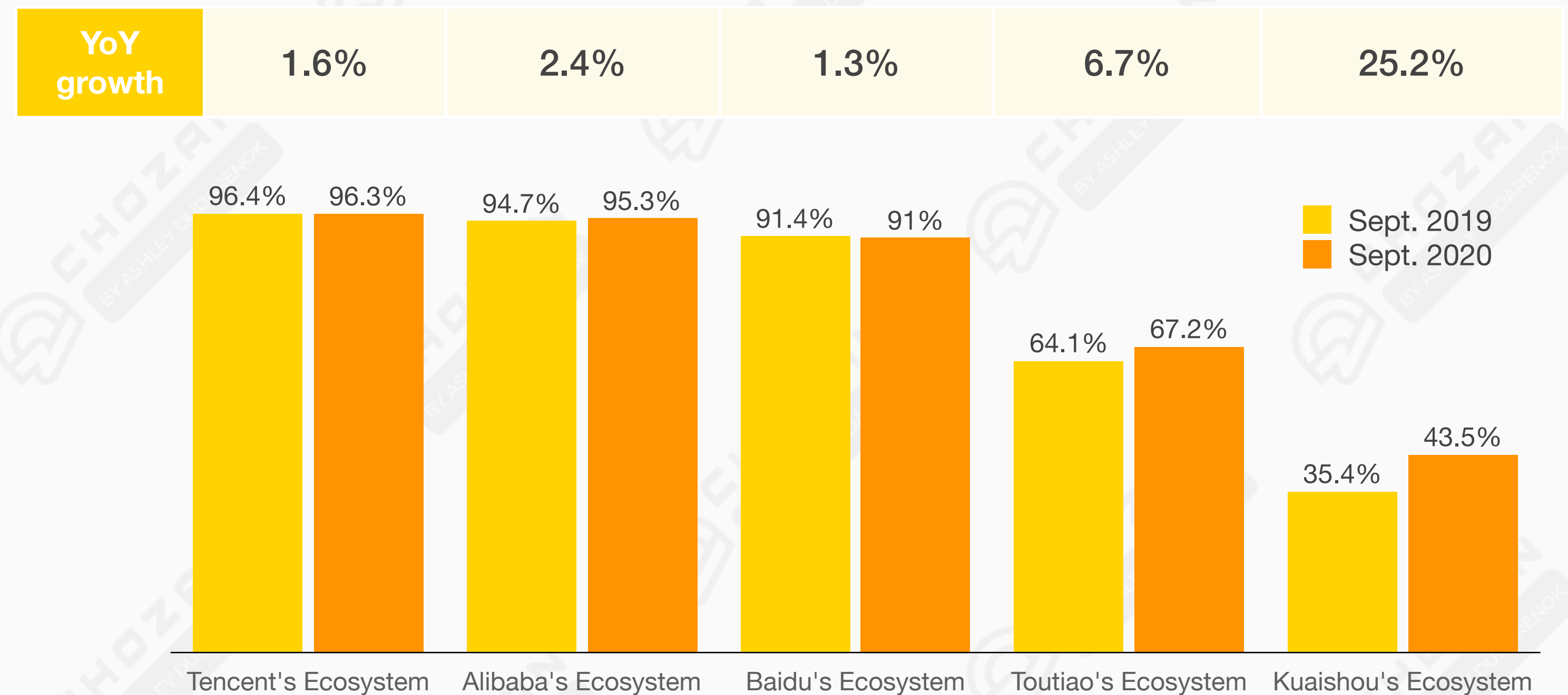


OVERVIEW

CHINA'S DIGITAL SPACE AT GLANCE

BAT - Baidu, Alibaba and Tencent - are at saturation point and their user growth has slowed down. Short video platform ecosystems are gaining momentum and user growth was most noticeable for Toutiao and Kuaishou.

CHANGES IN THE PENETRATION RATE FOR CHINA'S INTERNET GIANTS

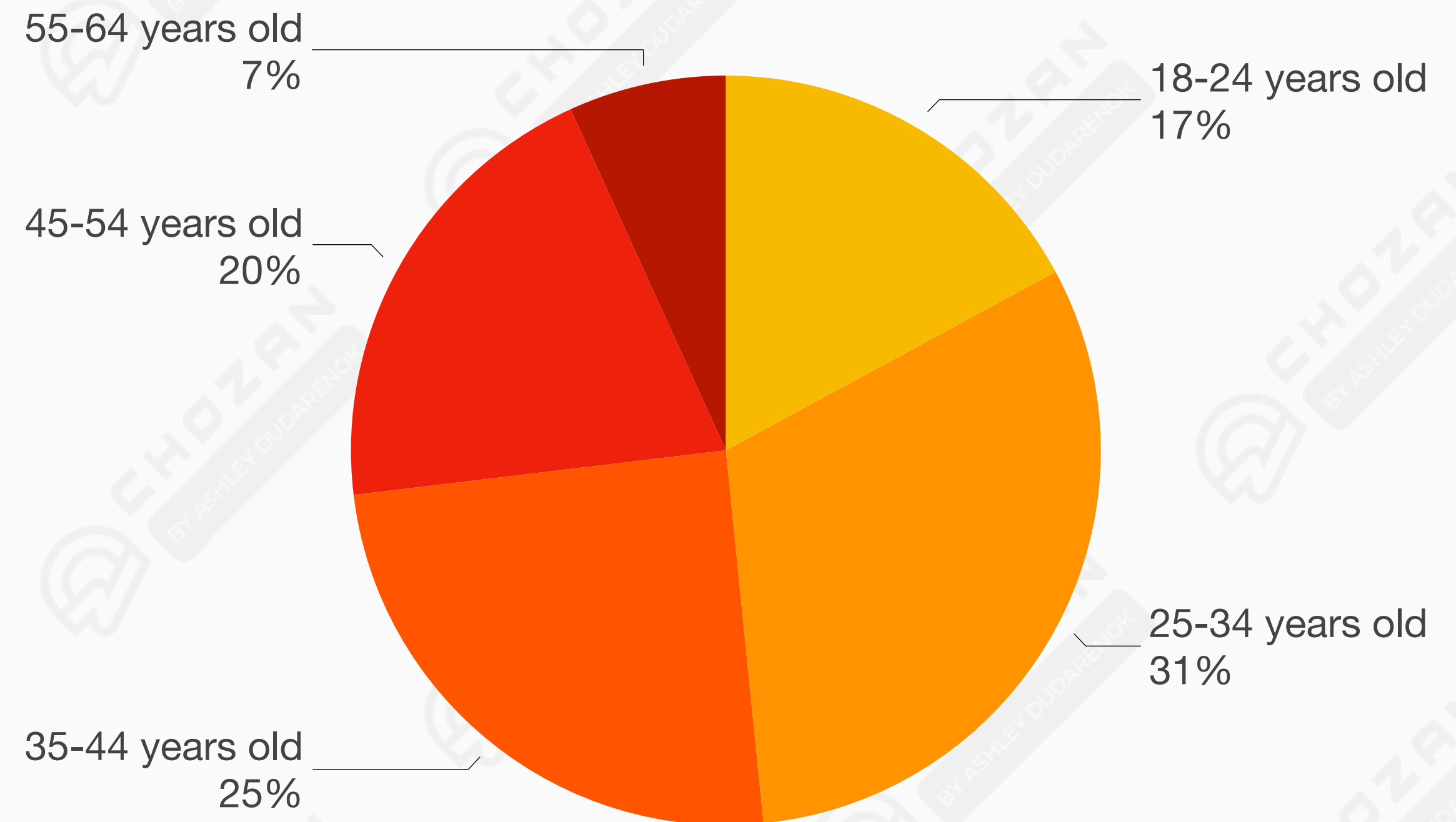


OVERVIEW

CHINESE E-COMMERCE USERS

The most popular e-commerce age group are those from 25 to 34 years old because they're young with enough financial resources to enable them to spend.

CHINESE E-COMMERCE USERS BY AGE GROUP



OVERVIEW

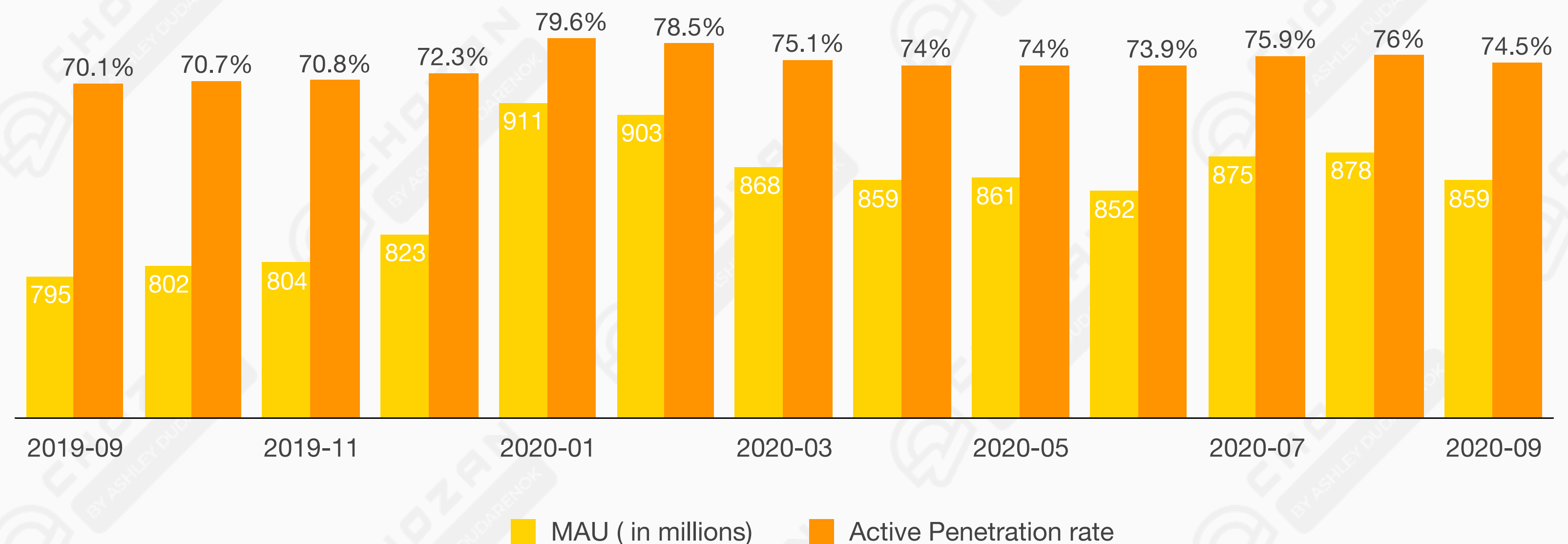
CHINA'S DIGITAL SPACE AT GLANCE

The number of short video users increased rapidly from December 2019 to February 2020 when the pandemic hit the hardest. More people at home with limited access to physical stores led to increased demand for online services and entertainment.

However, the numbers dropped right after the government had contained the outbreak in Wuhan in March. Businesses then started to promote more products and content on short video platforms to increase their monthly active users.

MONTHLY ACTIVE SHORT VIDEO USERS IN CHINA,

SEPT 2019 TO 2020



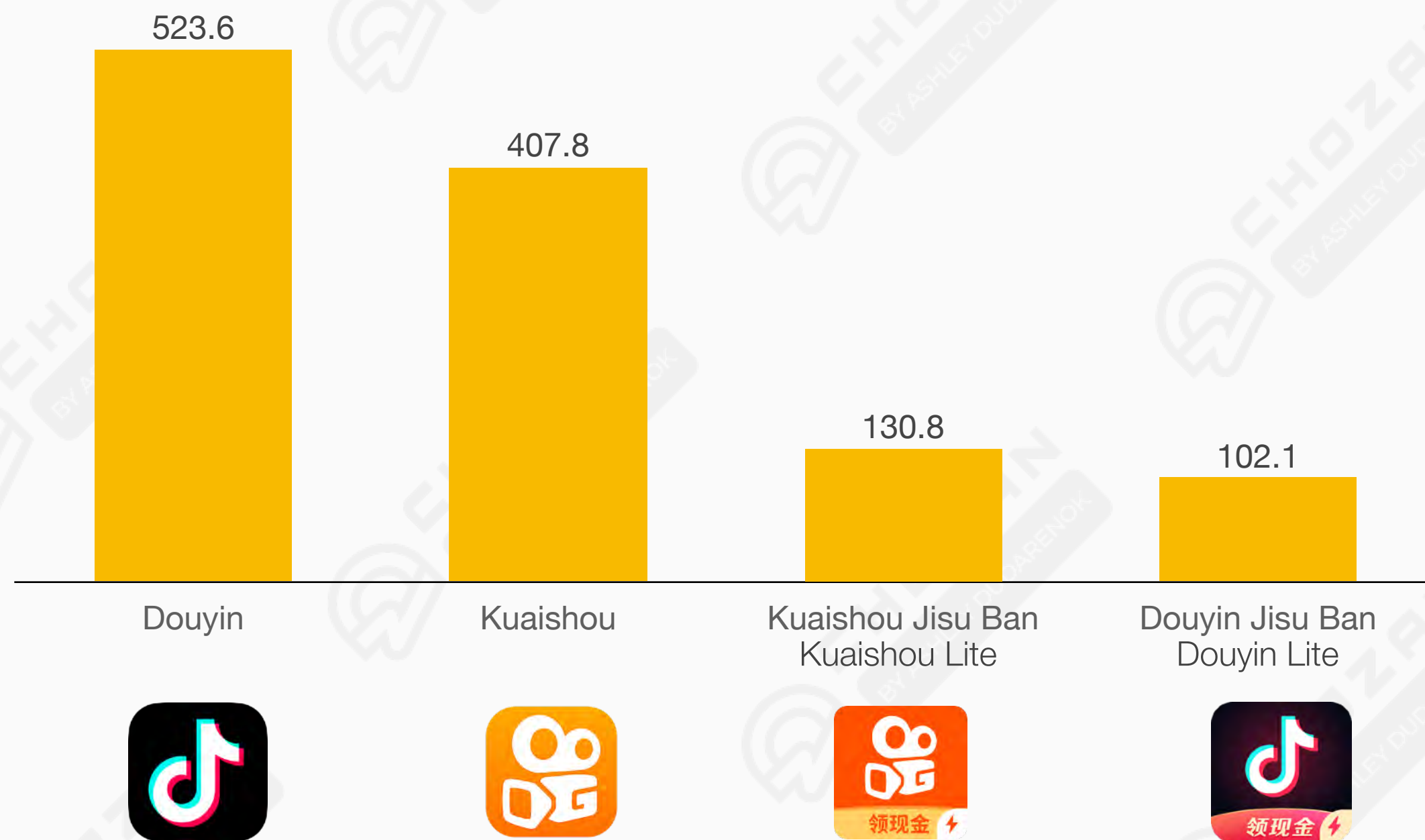
OVERVIEW

CHINA'S DIGITAL SPACE AT GLANCE

SHORT VIDEO APPS MONTHLY ACTIVE USERS

YOY INCREASE (IN MILLIONS)	40.9	69	79	93
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The competition between Douyin and Kuaishou became even fiercer in 2020.



EXPERT BITES

Q: HOW OPTIMISTIC ARE YOU ABOUT THE ECONOMY IN CHINA IN Q1 2021? WHICH SECTORS ARE YOU PARTICULARLY BULLISH ABOUT?

Every Q1 in China is determined by Chinese New Year and 2021 won't be any different. Cross-border e-commerce was instrumental in 2020 to compensate for lack of travel abroad, so **foreign brands that engage with KOLs and KOCs will see big increases in sales** as influencer marketing will still play a big role.

Personal care will be more and more important and Chinese consumers will **continue to spend more time and money purchasing safe, eco-friendly products and eating more healthily** after the crisis. And the lack of appetite for risk among the younger generation will drive sales for longer-term benefit rather than immediate satisfaction.



ALBERTO ANTINUCCI
Digital Innovation Strategist
and China Expert

EXPERT BITES

Q: WHAT DO YOU EXPECT TO SEE IN Q1 IN TERMS OF CONSUMER BEHAVIOUR, E-COMMERCE AND SOCIAL MEDIA DEVELOPMENTS IN CHINA?

Most of the key economic indicators in China are positive and pointing to a continued recovery in the overall economy which should boost consumer spending. The consumer confidence index hit 121.7 in October, inching closer to its pre-Covid-19 high of 126 in December 2019. The holiday shopping festival season provided a good preview of consumer sentiment through Alibaba and JD. China was the first in and first out of the Covid-19 crisis and that's being reflected in life largely returning to normal. **Restaurants, bars, and gyms are open, which has provided protection from the worst effects of the pandemic seen in other countries. Domestic travel, and the spending that accompanies it has also rebounded, boosting economic sectors that are still suffering in the West.** Investment that the government made in infrastructure, supporting the manufacturing sector and no big exodus of foreign producers means that employment is healthy, and consumers are spending freely again.



MICHAEL ZAKKOUR
Founder of 5 New Digital and
China BrightStar

EXPERT BITES

Q: FOR MARKETERS IN CHINA, HOW WILL 2021 BE DIFFERENT FROM 2020 AND 2019?

Post-Covid, I think the biggest changes heading into 2021 will be the shifts in consumer mindsets. For brands, the changes might be more subtle, unless they aim to play into the shifts in consumer mindsets and reformulate product offerings, messaging and engagement tactics.

- 1) **For brands, I think one of the larger issues in 2021 will be an increase in the volume of low cost competition (excluding luxury).** This is the result of more local brands, more brands aiming to ramp up sales volume in recovery, and a sense that China is a place to make up for lost ground elsewhere globally.
- 2) **Physical, like pop-ups and events, are also likely to make a sharp recovery as way to build brands and re-engage.**



CHRIS BAKER
Founder Totem Media

EXPERT BITES

Q: HOW OPTIMISTIC ARE YOU ABOUT THE ECONOMY IN CHINA IN Q1 2021? WHICH SECTORS ARE YOU PARTICULARLY BULLISH ABOUT?

If I may rephrase the first part of the question, "Why are we optimistic about the economy in Q1 2021?" **China is learning how to deal with greater uncertainty by moving up its efforts to shift the economy from one that's reliant on exports to one driven by domestic consumption by its own people.** They call it 'dual circulation'. There's internal circulation boosting China's domestic market and external circulation boosting trade with other countries. **3 sectors I'm bullish about in terms of domestic demand and autonomous/AI/self service enabled options are tourism, health, wellness and fitness tech and educational tech.**

Given that the population has already started to get vaccinated **social gatherings have opened up like pre-Covid times, bank loans are being accelerated to keep the machines running and facilitate greater domestic consumption.**



NISHTHA MEHTA

Corporate Innovation Coach
Trainer
Change Facilitator

EXPERT BITES

Q: WHICH SECTORS ARE YOU BULLISH ABOUT IN CHINA IN Q1 2021?

We expect skincare, haircare, pet care, nutrition and luxury to remain opportunity-rich for imported brands. However, imported brands can't rest on their laurels. They **need distinctive approaches to strengthen their position in-market and to spot the new opportunities** that China's shifting demand landscape brings.



MICHAEL NORRIS

Research and Strategy Manager at
AgencyChina

EXPERT BITES

Q: IN YOUR VIEW, WHAT WILL CHINA'S Q1 LOOK LIKE IN TERMS OF DEMAND, CONSUMER SENTIMENT, E-COMMERCE AND GROWTH?

Although we all hoped that the new year would usher in a return to 'normal', it looks as though many restrictions will remain in place during the first quarter of 2021 to prevent a second wave of Covid-19. Nonetheless, I'm optimistic that we will see consumer sentiment and demand stabilize into new patterns as the year goes on. **I'm looking forward to discovering whether – and how – the government's stimulus efforts, monthly shopping festivals and boom in 'see now, buy now' livestreaming in 2020 have changed consumers' longer-term mindset and buying behaviours.**



MEHA VERGHESE
Growth and Innovation Lead,
MediaCom China

EXPERT BITES

Q: HOW OPTIMISTIC ARE YOU ABOUT THE ECONOMY IN CHINA IN Q1 2021? WHICH SECTORS ARE YOU PARTICULARLY BULLISH ABOUT?

China's economy is the strongest in the world based on domestic consumer consumption and resumption of exports as Covid related logistics challenges have receded. I think that **travel will rebound and consumer brand plays will do well** based on a flood of investment over the second half of 2020.



WILLIAM BAO BEN

General Partner SOSV MD
Chinaccelerator and MOX



CHINA'S TRENDS IN Q4 2020-2021

EXPERT BITES



ASHLEY DUDARENOK

Founder of Alarice and ChoZan,
LinkedIn Top Voice, 3x best-selling author

Q: WHAT TECHNOLOGIES DO WE NEED TO PAY ATTENTION TO THAT WILL SHAPE RETAIL IN 2021?

Smart cities, large scale adoption of 5G, 6G development progress, LED and holographic display technology, autonomous vehicle technologies and the integration of the social ranking system into digital service **provisions**. Social credit rankings were implemented across the country on Jan. 1st, 2021.

THE MADE IN CHINA 2025 INITIATIVE

NEW INFRASTRUCTURE STIMULUS, 5G, IOT AND BIG DATA DEVELOPMENT INITIATIVES SUPPORTED BY THE GOVERNMENT

EXPERT BITES

Q: IN GENERAL, WHAT DO YOU THINK WILL BE DIFFERENT IN 2021 IN CHINA?

In 2021, China's 5G network will be fully deployed. There are 175 million 5G smartphone users in over 300 cities with full coverage already. 2021 will be the year where new applications enabled by 5G and IoT will enable new models of consumer and business services. It will make product personalization easier with 3D and smart factories, enabling AR/VR/MR, gaming everywhere, autonomous deliveries and much more. **In 2021, China will enter the era of augmented realities, invisible interfaces and zero consumer effort.**



PASCAL COPPENS

Partner at nexxworks, author
of *China's New Normal*

EXPERT BITES

Q: IN GENERAL, WHAT DO YOU THINK WILL BE DIFFERENT IN CHINA IN 2021 COMPARED TO 2020?

Unlike many other large consumer markets in the world, **China is now “Covid free” and will therefore be the first to return to holding major live events across the country.** We will see China return to normal in 2021 but with the confidence, knowledge and safety that comes from having been the first to experience and conquer the Covid-19 virus. **Watch out for some major new trends emerging from live events and O2O marketing in 2021!**



DAVID THOMAS
China Expert and author of
China Bites

2 TECH GIANT ANTI-MONOPOLY PROBES AND NEW DIGITAL LAWS AND REGULATIONS

**IN Q4, 2020 SEVERAL
TECH GIANTS WERE
FINED EITHER FOR
UNFAIR PRICE
COMPETITION OR FOR
TAKING ADVANTAGE
OF USERS' PRIVATE
DATA**

EXPERT BITES

Q: WHAT DO YOU EXPECT TO SEE IN Q1 IN TERMS OF CONSUMER BEHAVIOUR, E-COMMERCE AND SOCIAL MEDIA DEVELOPMENTS?

Q1 2021, we'll see the start of many new laws and regulations in China from anti-monopoly laws and fintech regulations to cybersecurity and divorce laws.

E-commerce and social media platforms will need Q1 to do self-reviews and align with national development strategies.

In the meantime, consumer behaviour will be **further influenced by social media reviews, comments and reposts as more consumers will want to make sure they can trust the brands and platforms they buy from.**

Q1 looks to be a moment of transition, reflection and debate.



PASCAL COPPENS

Partner at nexxworks, author
of *China's New Normal*

EXPERT BITES

Q: WHAT ARE THE MOST SIGNIFICANT LEGAL/REGULATORY CHANGES IN CHINA IN 2020 THAT BUSINESSES SHOULD BE AWARE OF?

For my sector there are **2 big changes** that have been imposed: **The New Foreign Investment Law** which was implemented Jan 1st, 2020 but in practicality, not formally executed, and the **new accounting standards for business enterprises** that are to be implemented Jan 1st, 2021. The foreign investment law impacts not only companies that are entering the Chinese market, but also companies already registered in China. **My emphasis is to highlight to these companies to start taking action restructuring their businesses to comply accordingly. Starting January 1st, 2021, several new accounting standards regarding revenue, leases, and financial instruments, will soon apply to all entities that have already adopted the Chinese Accounting Standards for Business Enterprises (CAS).** Many companies still follow the Small Business Accounting Standards. This new law doesn't apply to them.



KRISTINA KOEHLER-COLUCCIA

Head of Business Advisory at
Woodburn Accountants & Advisors

EXPERT BITES

Q: IN GENERAL, WHAT DO YOU THINK WILL BE DIFFERENT IN CHINA IN 2021 COMPARED TO 2020?

Though we've been hearing about this since 2019, 2021 will see stricter **data localization, security rules and compliance with further internet censorship rules.** Also, companies with Chinese operations may have to disclose information about the security of their networks in other countries. Companies with operations in China can already be required to have their cybersecurity operations certified by government appointed certification bodies. Under the proposed law, firms with operations in China may also be asked to disclose details of their network security overseas in order to qualify for a certificate. **Chinese police will have powers to issue fines of \$150,000 on companies that are in violation of Chinese cybersecurity laws and could potentially close down organizations that fail to comply.**



NISHTHA MEHTA

Corporate Innovation Coach
Trainer
Change Facilitator

3

THE LAUNCH OF
DCEP -
DIGITAL
CURRENCY
ELECTRONIC
PAYMENTS

**CHINA BECAME THE
FIRST MAJOR
ECONOMY TO
INTRODUCE A
SOVEREIGN DIGITAL
CURRENCY**

EXPERT BITES

Q: IN GENERAL, WHAT DO YOU THINK WILL BE DIFFERENT IN 2021 IN CHINA?

China's digital ecosystems and innovation machines will roll on at a breakneck speed and ignite even more after Covid-19. I expect to see **an acceleration in the development of 5G networks**, pioneering new social apps, and a stronger push for AI, machine learning and Big Data technologies backed by the central government's 14th Five-Year Plan for 2021-2025. **The Digital Currency Electronic Payment (DC/EP), or e-yuan, will see rapid progress** as China aims to **become the first country to issue a digital currency in its push to internationalise the RMB** and reduce the dependence on the global USD payment system.



MARTINA FUCHS

TV Anchor and
Business Journalist

4

**CARBON
NEUTRAL BY
2060**

**CHINA IS EXPLORING
ALTERNATIVE
SOURCES OF ENERGY
AND SUPPORTING EV
INITIATIVES**

EXPERT BITES

Q: HOW OPTIMISTIC ARE YOU ABOUT CHINA'S ECONOMY IN Q1 2021? WHICH SECTORS ARE YOU PARTICULARLY BULLISH ABOUT?

I'm fairly bullish about the economy in general. **Despite the global situation, China's output has still increased, albeit at a slower pace.** This could be an advantage on the domestic front with the Dual Circulation Strategy to develop the market internally. It shows **the Chinese government is serious about being less reliant on foreign technology and wants to produce vital components at home rather than continue to buy them from abroad.** So, exports will still be a major driver for China's growth going forward, but there will be more dependence on domestic demand than there has been since before the Reform and Opening Up period. **2021 could be a positive year for consumer goods in China. In terms of other sectors, the electric vehicle market in China is a sleeping giant.** Sales of electric vehicles were up 80% from last year, while for the first time since the Reform and Opening Up period, sales of fossil fuel vehicles were actually down last year. One Chinese brand called Nio is turning heads and electric vehicles are heavily subsidized in China.



MATTHIEU DAVID-EXPERTON
CEO and President at Daxue
Consulting

5

THE RISE OF DOMESTIC TRAVEL AND LOCAL TOURISM

**IT'S EXPECTED THAT
IN 2021, CHINESE
CONSUMERS WILL
TRAVEL MORE
LOCALLY**

EXPERT BITES

Q: IN GENERAL, WHAT DO YOU THINK WILL BE DIFFERENT IN CHINA IN 2021?

One potential major change is the extent to which the government works to reform competition, anti-trust and the role of fintech. For the last few years fintech has existed in a gray area between e-commerce, technology and payment services. Recent draft laws, fines and statements of intent to ensure SMEs can be competitive could have significant repercussions in the industry. **Another key element is how relations evolve between China, the West and China's neighbours.** It's no secret that relations, especially between China and the US and, more recently, with Australia and Europe, have been strained. How things improve or not will help determine which products and services from outside of China consumers will desire and have access to. **I expect that the opening of international travel in Q3 and Q4 will give a boost to consumption and provide openings for newer, smaller brands to be discovered by Chinese travellers. I also expect cross-border e-commerce to continue to grow exponentially in 2021** as Chinese consumers continue to seek out quality, authentic, premium products and experiences from overseas.



MICHAEL ZAKKOUR
Founder of 5 New Digital and
China BrightStar

6

CONSUMPTION STIMULUS

**LOCAL
GOVERNMENTS ARE
GIVING E-VOUCHERS
IN COOPERATION
WITH TECH GIANTS IN
ORDER TO STIMULATE
CONSUMPTION**

EXPERT BITES

Q: HOW OPTIMISTIC ARE YOU ABOUT THE ECONOMY IN CHINA IN Q1 2021? WHICH SECTORS ARE YOU PARTICULARLY BULLISH ABOUT?

Economic momentum will continue to build at the start of 2021 and throughout the year. **China, alongside the US, are the two economies that are showing growth that is not contingent on government stimulus packages – that is, real consumer-led growth.** Personally, I'm confident that **we'll continue to see a strong level of personal investment in health and wellness.** Importantly, this **will continue to be weighted towards international brands in terms of premium ingredients and products, supplements, skin care products and dedicated products for children.**



JERRY CLODE
Founder of The Solution

7

**A NEW WAVE OF
CHINESE IPOs**

**BY ATTRACTING NEW
SOURCES OF
FUNDING, CHINA'S
TECH GIANTS WILL
GROW EVEN BIGGER**



ALARICE
BY ASHLEY DUDARENOK



CHOZAN
BY ASHLEY DUDARENOK

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CONSUMER INSIGHTS

UNDERSTANDING CHINESE CONSUMERS

EXPERT BITES



JACQUELINE CHAN

Project Director at
Alarice and ChoZan

Q: WHAT ARE YOUR RECOMMENDATIONS FOR BRANDS WANTING TO IDENTIFY THEIR CONSUMER GROUPS IN CHINA AND BUILD COMMUNICATION WITH THEM?

In order to define the brand's Chinese consumers, the brand first **needs to have a comprehensive understanding** of the development of its industry in China and **analyze its competitors**. After that, **the brand can further understand consumers and their consumer journey through online surveys, one-on-one interviews or focus-groups**.

EXPERT BITES



SEAN FAN

Copywriter/Data Analyst at
Alarice and ChoZan

Q: HOW DO YOU SEE A FEW OF THE MAIN CONSUMER GROUPS IN CHINA IN 2021? WHICH PRODUCT CATEGORIES ARE MOST ATTRACTIVE TO THEM?

Gen Z from Tier 2, 3 and 4 cities will contribute a lot in terms of digital products, beauty items and travel. Born in the digital era, they're used to getting information from social media, they're quite positive about their future and they want to explore the world.

A generation of hard-working young people are emerging in cyberspace who deserve attention. **They work hard at the office and want to save money so they prefer fast, convenient products with great cost performance.**

Attractive convenient products, like energy drinks, alcohol and fast food, definitely win with them.

EXPERT BITES



ESTELLE SUEN
Copywriter at
Alarice and ChoZan

Q: WHAT WERE SOME BIG CONSUMPTION TRENDS YOU SAW FOR KEY CONSUMER GROUPS IN CHINA IN 2020 WHICH WILL STILL BE IMPORTANT IN 2021?

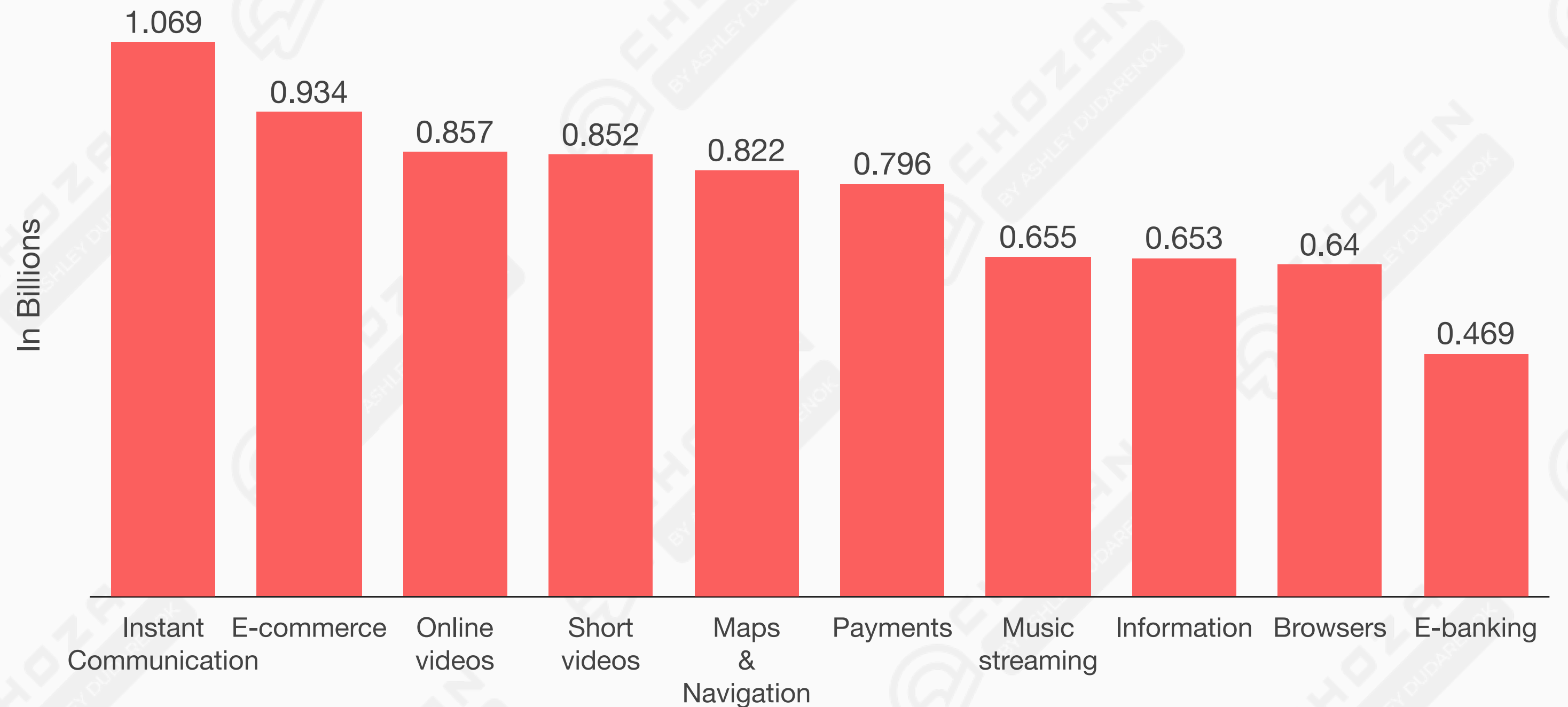
- **The rise of the consumer power of Generation Z**, who focus on product appearance and are willing to pay for the things they're interested in, **has given rise to the development of innovative new sectors like trendy toys and virtual idols.**
- Young people in lower-tier cities are upgrading their consumption and will pay more attention to consumption quality in the future.
- **The silver-haired generation** is willing to pay for quality, invest in health and their interests. **Their social needs deserve to be taken seriously.**
- **Every consumer group is paying more attention to their health. Food and beverages that focus on health will maintain high growth in 2021.**

CONSUMER INSIGHTS

MOBILE INTERNET AS A PRIORITY

With access to instant, diversified communication, social media, and entertainment, mobile internet users embrace mobile communication and e-commerce thanks to their accessibility, mobility, and ease-of-use.

ACTIVE MOBILE INTERNET USERS IN CHINA, 2020

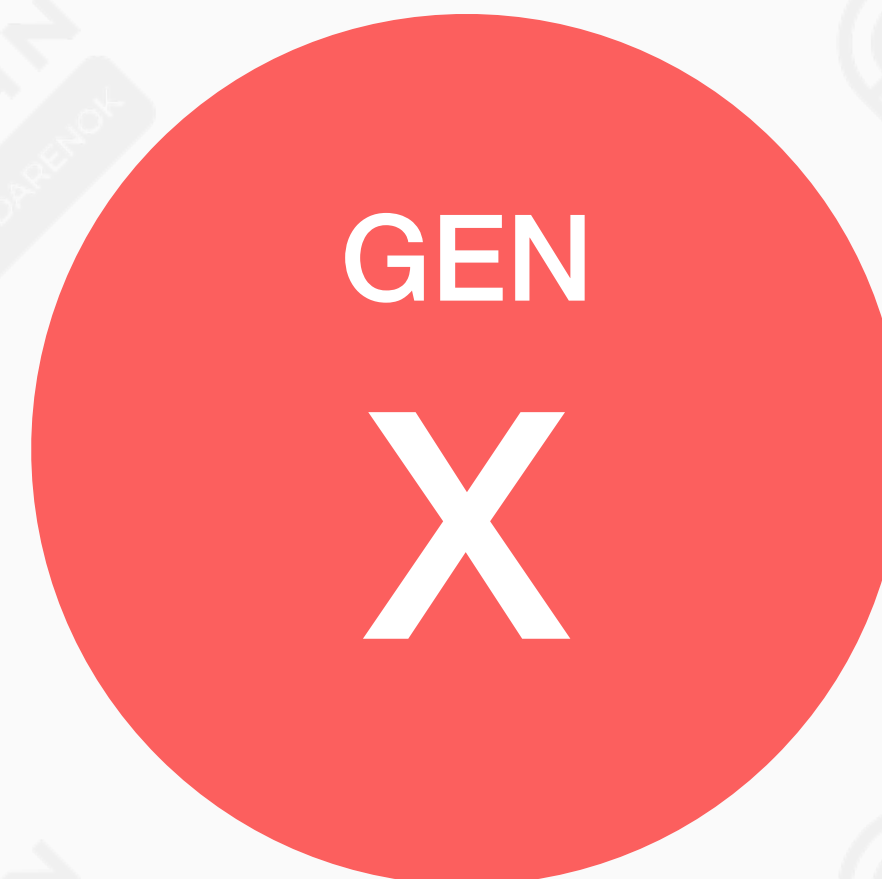


CONSUMER INSIGHTS

OTHER GROUPS TO PAY ATTENTION TO

From Alibaba's data, Bain identified eight strategic segments of China's online consumers that collectively account for 80% of FMCG platform users and represent over 90% of gross merchandise volume.

- Rookie White Collars
- Wealthy Middle Class
- Supermoms
- Small Town Young People
- Gen Z
- Urban Seniors /
The Silver Haired Generation
- The Small Town Mature Crowd
- Urban Blue Collars



1965-1980

Labour is an honour
Loyal and patriotic
Phone, SMS
Desktop computer



1981-1995

Work-life balance
Angry youth (愤青), non-mainstream,
Internet, Mobile network
Tablets and Smartphones



1996-2010

Free and flexible life
Indoorsy, depressed, Buddha-like
Mobile network
Smartphones and 5G mobile phones

CONSUMER INSIGHTS

CONSUMER GROUPS

There are dozens of distinct consumer groups in China and lots of analysts believe that they're the most sophisticated and demanding consumers in the world. Here are a few of our favourite Chinese consumer groups:

Our Personal Favourites

- The Silver Haired Generation (65 and up)
- Lower Tier City Young People (Tier 3-5)
- Super Moms

Dynamic Internal Progress in 2020-21

- Singles From Higher Tier Cities (Tier 1-2)
- Patriotic / Domestic Brand Lovers
- Guilt-free Consumers (Eco-conscious)

EXPERT BITES

Q: IN GENERAL, WHAT DO YOU THINK CHINESE CONSUMERS WILL FOCUS ON IN 2021? WHICH SECTORS ARE YOU PARTICULARLY BULLISH ABOUT?

Consumers focus on quality not just for products but also experiences. **Brands and platforms that offer a unique experience to consumers, whether it's in-store or online, have a unique opportunity for interaction.** New products, especially ones developed through big data analysis initiatives, such as through JD's Consumer-to-Manufacturer (C2M), are attractive to consumers, who have increasingly precise needs. **The demand for high quality logistics services remains high, while changing consumer habits are driving innovation in delivery formats, shopping formats and more.** Chinese New Year gifting has become more diversified, providing another good opportunity for brands across categories from electronics, to fashion, cosmetics and more.



ELLA KIDRON

Global Corporate Affairs,
JD.com

EXPERT BITES

Q: HOW OPTIMISTIC ARE YOU ABOUT THE CHINA MARKET IN 2021, WHEN IT COMES TO CONSUMER SENTIMENT AND DEMAND?

2020 witnessed many brands falling down while other brands achieved great success. **Covid-19 has made Chinese consumers' less inclined to shop impulsively and they're purchasing things and doing activities that improve their quality of life.** The record-breaking results of last year's 618 and Double 11 may have been a bit of revenge shopping. **I think 2021 may not be this exaggerated but the demand will still grow**, especially domestic luxury consumption, which Bain recently reported grew 48% year over year.



KEJIE YI

Content Manager at
China Marketing Insights

EXPERT BITES

Q: WHAT WAS YOUR BIGGEST SURPRISE IN 2020 WHEN IT COMES TO CHINESE CONSUMERS / BEHAVIOUR / SENTIMENT?

The rise of environmental awareness during Covid. Whereas it took a back seat to the pandemic in many markets, consumers connected sustainable products with healthy and clean characteristics. In addition, **many Chinese saw Covid as a sign from Mother Nature to stay in line.**



MARK TANNER

Founder and Managing Director
at China Skinny

EXPERT BITES

Q: WHAT IMPORTANT CHANGES IN CONSUMER BEHAVIOUR DO YOU SEE NOW THAT WILL AFFECT 2021?

2020 has been the first real economic crisis for the Chinese people so we expect their consumption to mature. Millennials are the drivers of the boom in livestream commerce which shows a desire for human interaction despite it being an online purchase. **Gen Z** are more open to new and different styles and are very receptive to imported products. **The silver generation** began to spend money online in the last few years and Covid-19 means they'll do more of their grocery shopping online. Elderly consumers prefer to spend more each time and buy less frequently and like platforms such as Pinduoduo. According to Tmall, they're also big spenders when it comes to fitness. **Super moms** spend big in the parenting and infant care sector. Lots of parents will exclusively buy imported clothing and food for their children. **Lower-tier city young people** are more price sensitive. When they purchase luxury goods, they look for longevity rather than being motivated by what others are doing. They're comfortable making purchases on Douyin.



MATTHIEU DAVID-EXPERTON
CEO and President at Daxue Consulting

EXPERT BITES

Q: WHAT'S YOUR FAVOURITE CONSUMER GROUP IN CHINA IN 2020? WHY?

My absolute favourite is the **physically active consumer group**, who displays preferences for healthy choices beyond fitness. Lots of growth and opportunities in this space.



JAN SMEJKAL

Founder of YCG&Co

1 MILLENNIALS

China's 400+ million millennials represent a huge and emerging consumer group with a large impact on the economy. Most millennials own smartphones that are constantly in use and used in more versatile ways than their counterparts in the West.

Millennials enjoy luxury brands. Forecasts expect them to make up 40% of global luxury goods sales by 2024, with around 58% of that group aged 18 to 30.

It's key for brands to understand the consumer behaviours of millennials.



EXPERT BITES



STELLA ZHAN

Copywriter/Researcher at
Alarice and ChoZan

Q: WHAT TIPS DO YOU HAVE FOR MARKETING TO MILLENNIALS?

- Look for stories that resonate with them. **Choose stories related to trending topics and use social media to talk to customers instead rather than sell to them.**
- **Catch their attention with vivid visual content** like high-quality video and personalized design.
- **Dive into their niche needs deeply and provide personalized and customized services or products.**

CONSUMER INSIGHTS

MILLENNIALS - INTRODUCTION

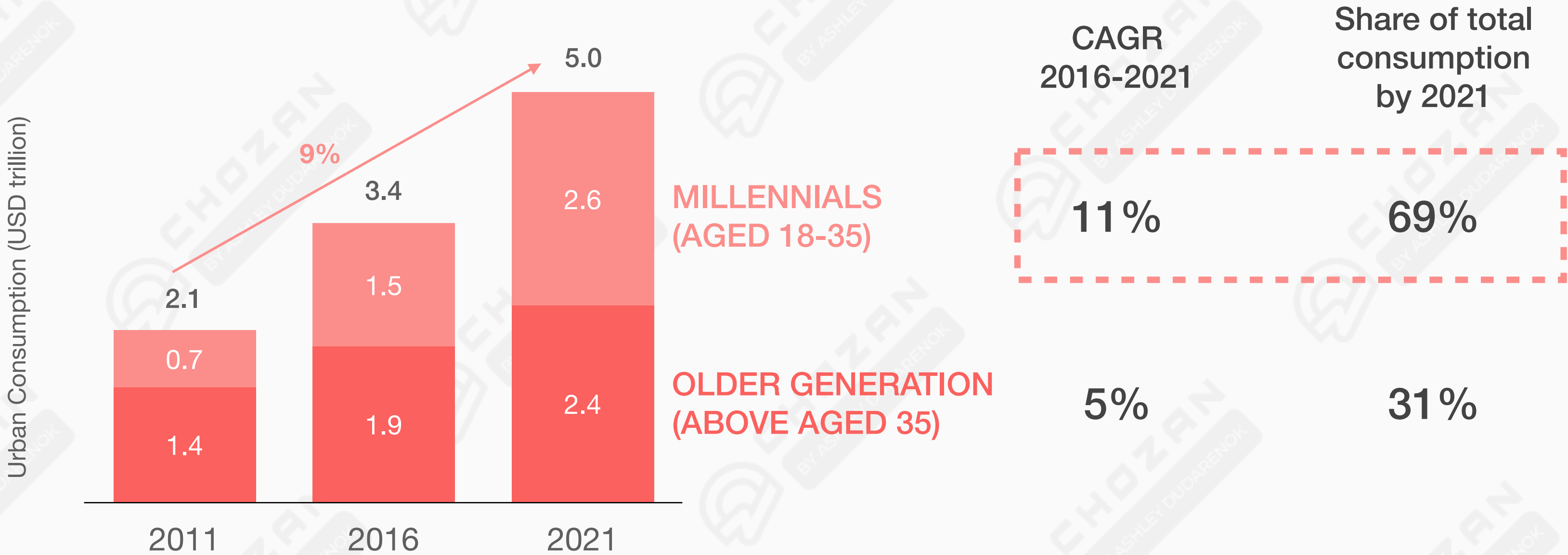
Interesting facts	Shopping attitudes and behaviours	What are they interested in purchasing?
Chinese millennials are the country's largest consumer group with over 350 million people. 54% of Chinese millennials are internet shoppers.	Chinese millennials are digitally savvy and the major driving power behind luxury products. They rely heavily on community recommendations. In the next few years most of them will have families and it's expected that they will be a major consumer group for family consumption as well.	<div>1) Services</div> <div>2) Educational training</div> <div>3) Health supplements</div> <div>4) Pet products</div> <div>5) Small home appliances</div>

CONSUMER INSIGHTS

MILLENNIALS

Chinese millennials are set to become the dominant consumer force and most influential consumer segment.

MILLENNIAL'S AND THE OLDER GENERATION'S SHARE OF CHINA'S URBAN CONSUMPTION



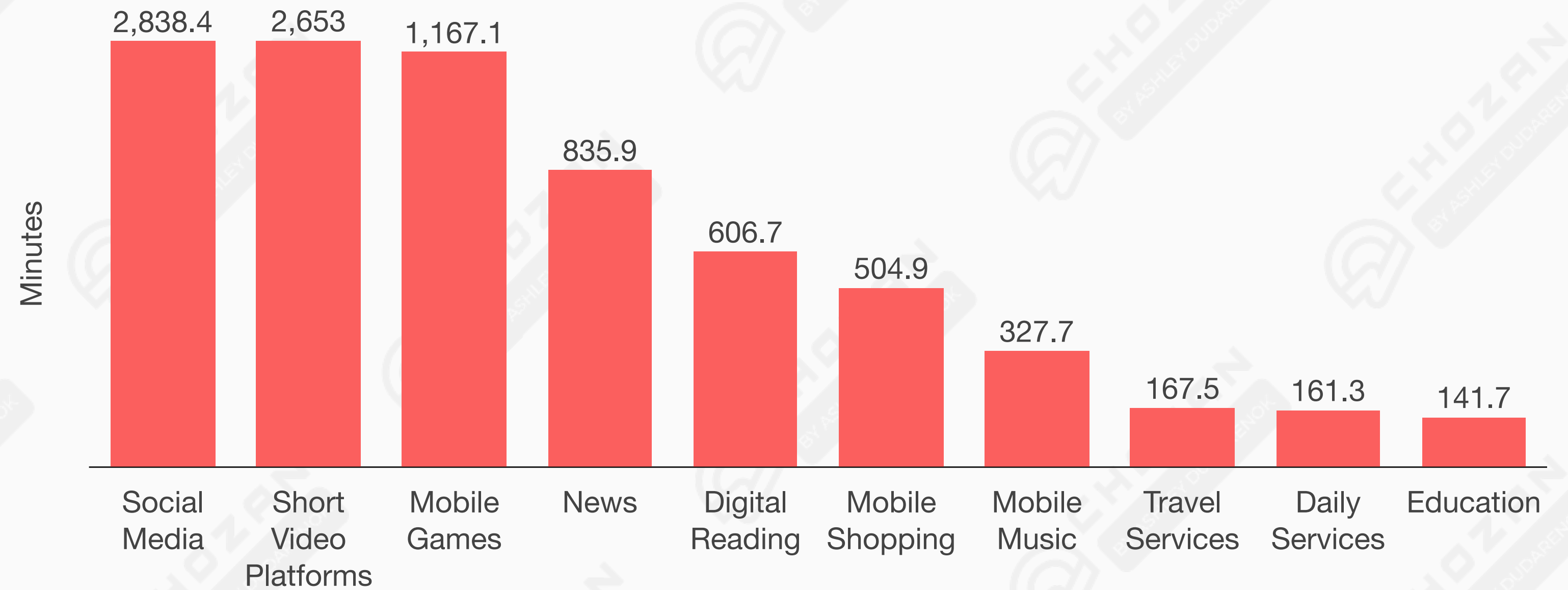
Source: Fung Business Intelligence, Understanding China's new consuming class, Asia Distribution and Retail June 2017

CONSUMER INSIGHTS

MILLENNIALS

Post-90s mainly spend their internet time on social apps, short video platforms and mobile games.

**POST-90s AVERAGE MONTHLY USAGE TIME PER PERSON
BY CATEGORY (SEPT. 2020)**

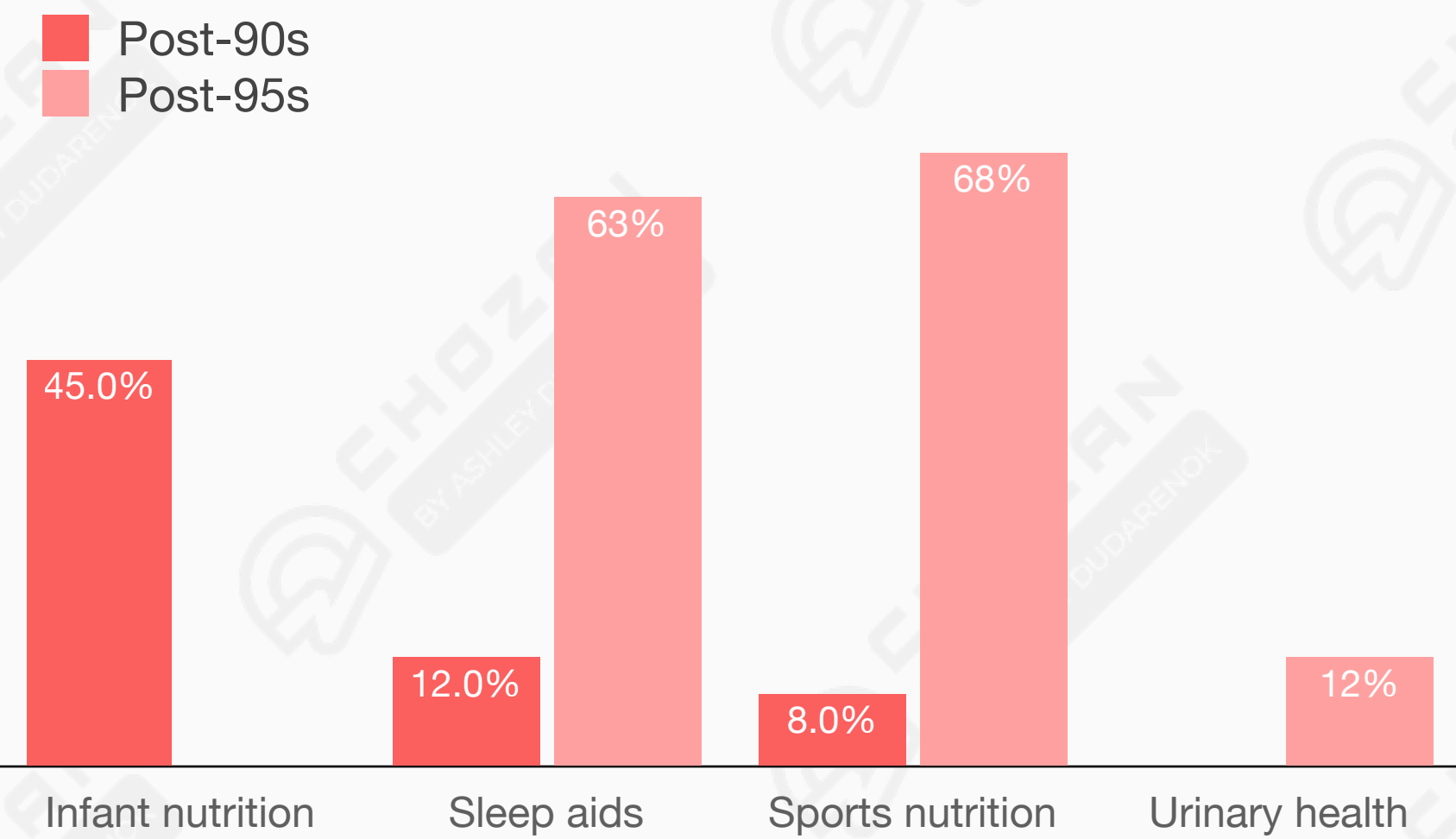


CONSUMER INSIGHTS

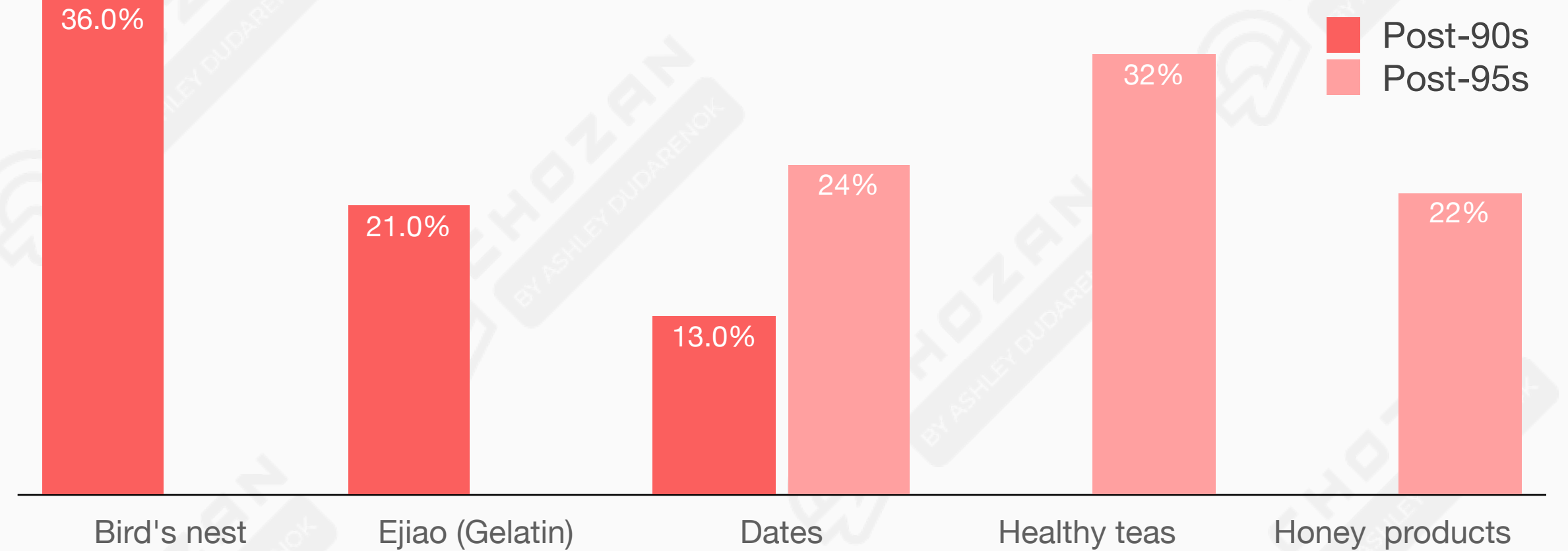
MILLENNIALS

Chinese consumers have become more health conscious. As a result, some consumption habits have been transformed. Post-90s and Post-95s are driving the consumption of health related products.

THE TOP 3 ONLINE HEALTH PRODUCTS FOR POST-90s AND POST-95s
MAT 2020



THE TOP 3 ONLINE TRADITIONAL SUPPLEMENTS FOR POST-90s AND POST-95s
MAT2020



CONSUMER INSIGHTS

MILLENNIALS - TOP 4 CHARACTERISTICS IN 2020

1 Lifestyle Upgrade

With rapid growth in service consumption and the pursuit of healthy lifestyles, millennials **demand premium goods and services** that enhance their personal sense of well-being, and are **inclined to spend on travel experiences**.

1 Prefer premium products and services

2 A growing interest in healthy lifestyles

3 Rapid growth in service consumption

4 Spending on travel is on the rise

2 Demand for Uniqueness

Their demands for quality give millennials a sense of superiority as they purchase more personalised products.

CONSUMER INSIGHTS

MILLENNIALS - TOP 4 CHARACTERISTICS IN 2020

3 Experience-oriented

With a larger portion of discretionary income spent on “retailtainment” compared to older generations, millennials are **convenience-driven** in the social, entertainment and e-commerce sectors. Their main purpose and motivation for spending are experiences.

4 Locked in to Social Media

Social media and **mobile shopping** are millennials' **major consumption channels**. They're the heaviest social media users from livestreaming to photo sharing with a lot of trust in influencers and KOLs.

EXPERT BITES



OSCAR LIN
Copywriter/Researcher at
Alarice and ChoZan

Q: WHAT MARKETING ADVICE DO YOU HAVE FOR BRANDS TARGETTING MILLENNIALS?

Millennials are the largest consumer group in China. Most of them are internet shoppers and rely heavily on community recommendations. **Word of mouth marketing is very important and cooperating with popular social media KOLs on the platforms they usually use, including Red, Douyin and Weibo, is an effective approach.**

EXPERT BITES

Q: WHICH CONSUMER GROUPS DO YOU EXPECT TO DRIVE CONSUMPTION IN CHINA IN 2021?

It's always the same consumer group, **Chinese Millennials, the 350 million young people born in the 1990s, who drive China's online retail market and there will be no change in 2021.** However, another less obvious group, **Digital Refugees, the 249 million senior citizens aged 60 or above, 17.9%** of the country's total population which will rise to 587 million by 2050, are **starting to have an impact as they embrace technology** and start spending their hard earned and saved up cash.



DAVID THOMAS
China Expert and author of
China Bites

EXPERT BITES

Q: WHAT CONSUMER GROUPS DO YOU EXPECT TO DRIVE CONSUMPTION IN CHINA IN 2021?

I expect young Millennials and Gen Z entering the workforce to drive consumption in 2021. They're the first ones buying 5G phones, appreciating local brands and without a child or spouse to worry about yet. As was amplified during the pandemic, **they're also influencing older generations in their online consumption behaviour.** They have personal branded lifestyles and are in search of life purpose, which should drive new consumption after the 2020 crisis.



PASCAL COPPENS

Partner at nexxworks, author
of *China's New Normal*



2 GEN Z

Post-95s, Gen Z, or Dotcom kids. They go by many names and are a truly global generation, shaped by the technology of the 21st century.

- Gen Z will make up 27% of the population by 2025
- About half will earn an university degree
- They'll have an average of 18 jobs across 6 careers and 15 homes
- Around 2,000,000,000 Gen Zs globally



EXPERT BITES



SYCA JIANG

Copywriter/Researcher at
Alarice and ChoZan

Q: HOW DO YOU THINK GEN Z'S BEHAVIOUR HAS CHANGED FROM THE BEGINNING OF 2020 TO THE BEGINNING OF 2021?

Due to the impact of Covid-19, Gen Z has become more health-conscious. According to sales data from Double Eleven 2020, they were the main consumers buying traditional-style health foods that are returning to popularity, like instant bird's nests, and apparel like thermal underwear. **They didn't buy them only for themselves but also for family members. At the same time, they're more risk-conscious and are paying more attention to saving money, financial management and insurance.**

CONSUMER INSIGHTS

POST-95s / GEN Z - INTRODUCTION

Interesting facts	Shopping attitudes and behaviours	What are they interested in purchasing?
<p>This group of young consumers represent the fastest-growing consumer segment in many product categories, from skin care and cosmetics to fashion to daily necessities.</p> <p>According to McKinsey, China's young generation will account for over 20 percent of total spending growth in China from 2017 to 2030.</p>	<p>Because of the pandemic, there's been a change in the purchase intentions of Post-95s. More than 70% of them are now buying for their families instead of just for themselves. According to JD's sales statistics, young consumers mostly spent on their kitchens during last year's 618 Shopping Festival. There was a big increase in sales of kitchen towels as well as cleaning and disinfecting products.</p> <p>Data also shows that Post-95s are the major consumers of cosmetics and skin care products in China. Anti-aging concepts are popular these days, and there's growing demand from Post-95s for anti-aging skin care products, facials, and hair treatments.</p> <p>In terms of shopping behaviours, many Post-95s are willing to spend on their interests and entertainment, such as sports, gaming, and ACG. They, and their purchase decisions are mostly influenced by their idols and KOLs. For instance, they want to have the same T-shirt that their idol wears.</p>	<ol style="list-style-type: none"> 1) Travel products and services 2) They love to try new products 3) The same products as stars and KOLs 4) Animation 5) Foreign products 6) Guochan products

CONSUMER INSIGHTS

GEN Z - SUPER Z TEENS

SUPER Z TEENS

Zuo - Flamboyant

Zui - Creative

Zing - Energetic

Zealous - Enthusiastic

There's a group of super teens within Gen Z - the super “Zuo”, creative, unique, and playful. Their imagination is out of this world. We classify this enthusiastic group as “Super Z Teens”.

SUPER Z TEENS AND THEIR ELECTRONIC DEVICES



88%

Own a smartphone



41%

Own a tablet



33%

Own a smart watch/
learning device

CONSUMER INSIGHTS

GEN Z

248
CELEBRITY TGI

174.9 HOURS
MONTHLY AVERAGE DEVICE

320 MILLION
NUMBER OF USERS



74.5%
E-COMMERCE SPENDING

133
GAMES TGI

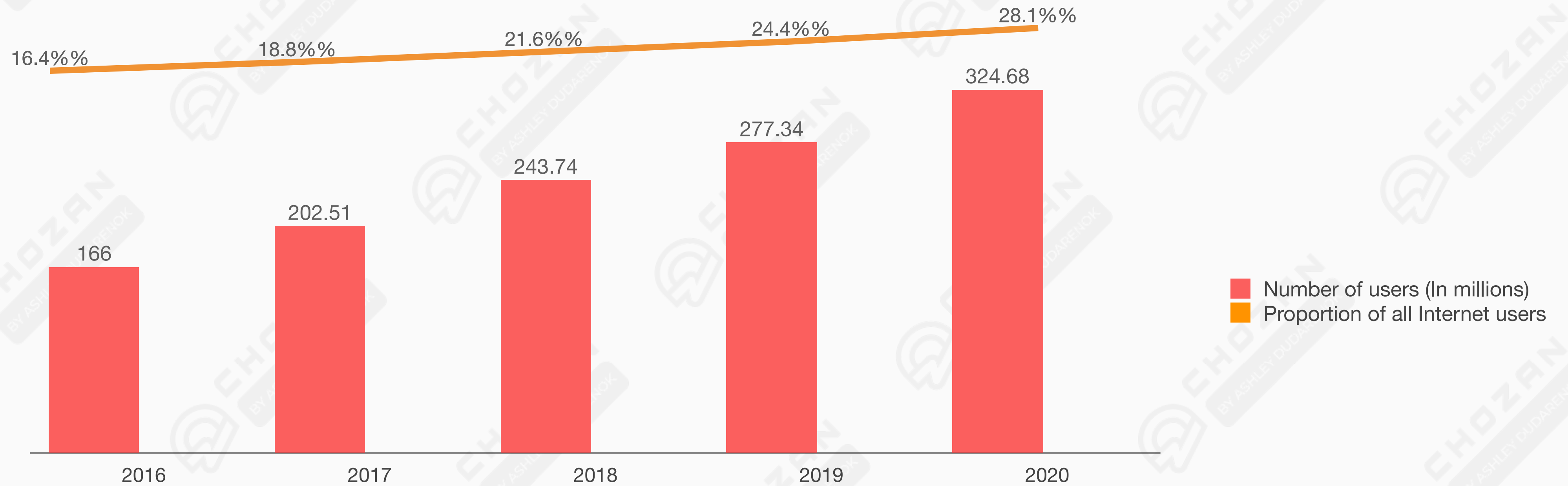
183
ANIME TGI

CONSUMER INSIGHTS

GEN Z

Gen Z is one of the fastest growing internet user groups.

**THE NUMBER AND PROPORTION OF GEN Z INTERNET USERS
(2016-2020)**

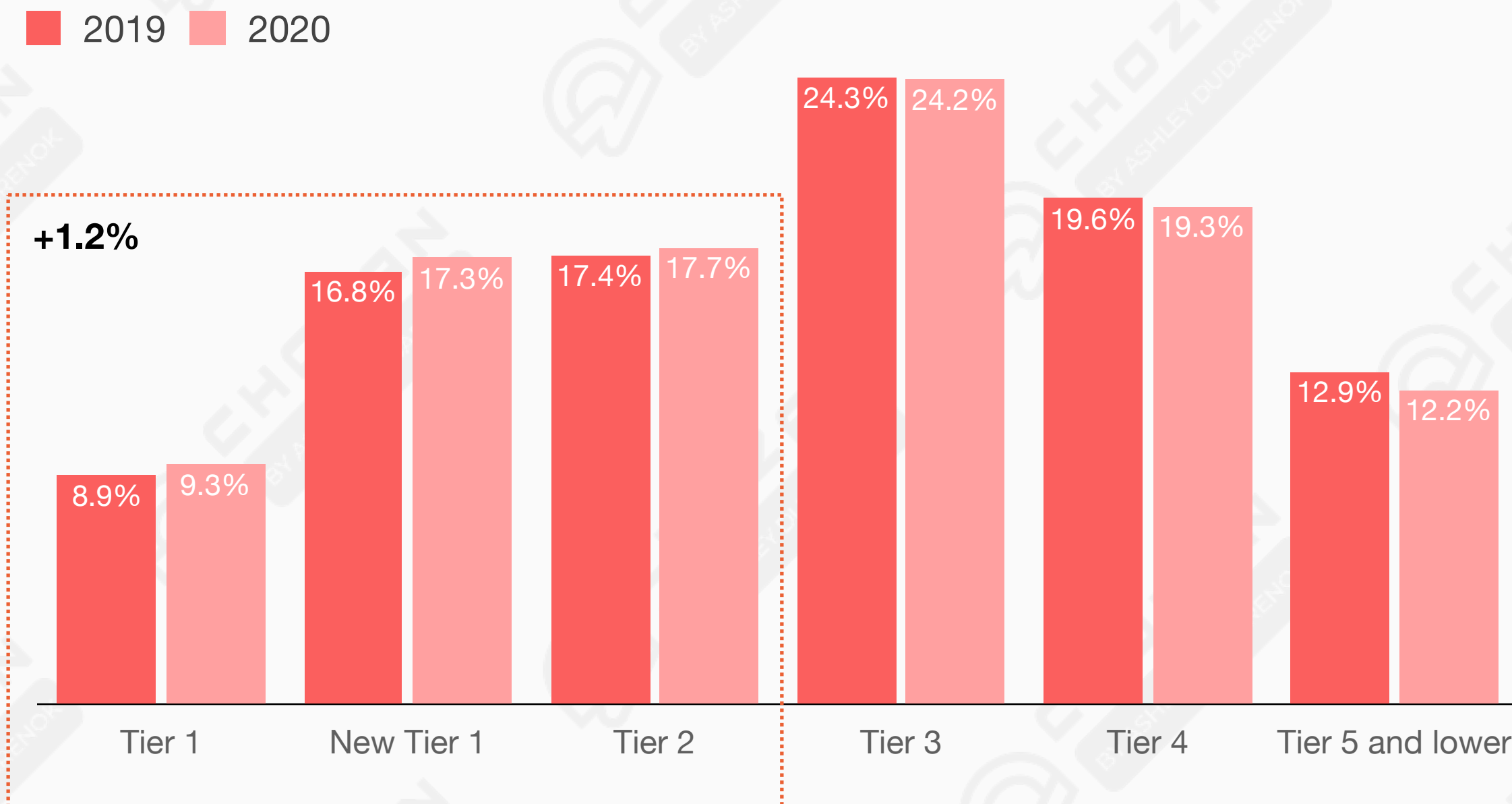


CONSUMER INSIGHTS

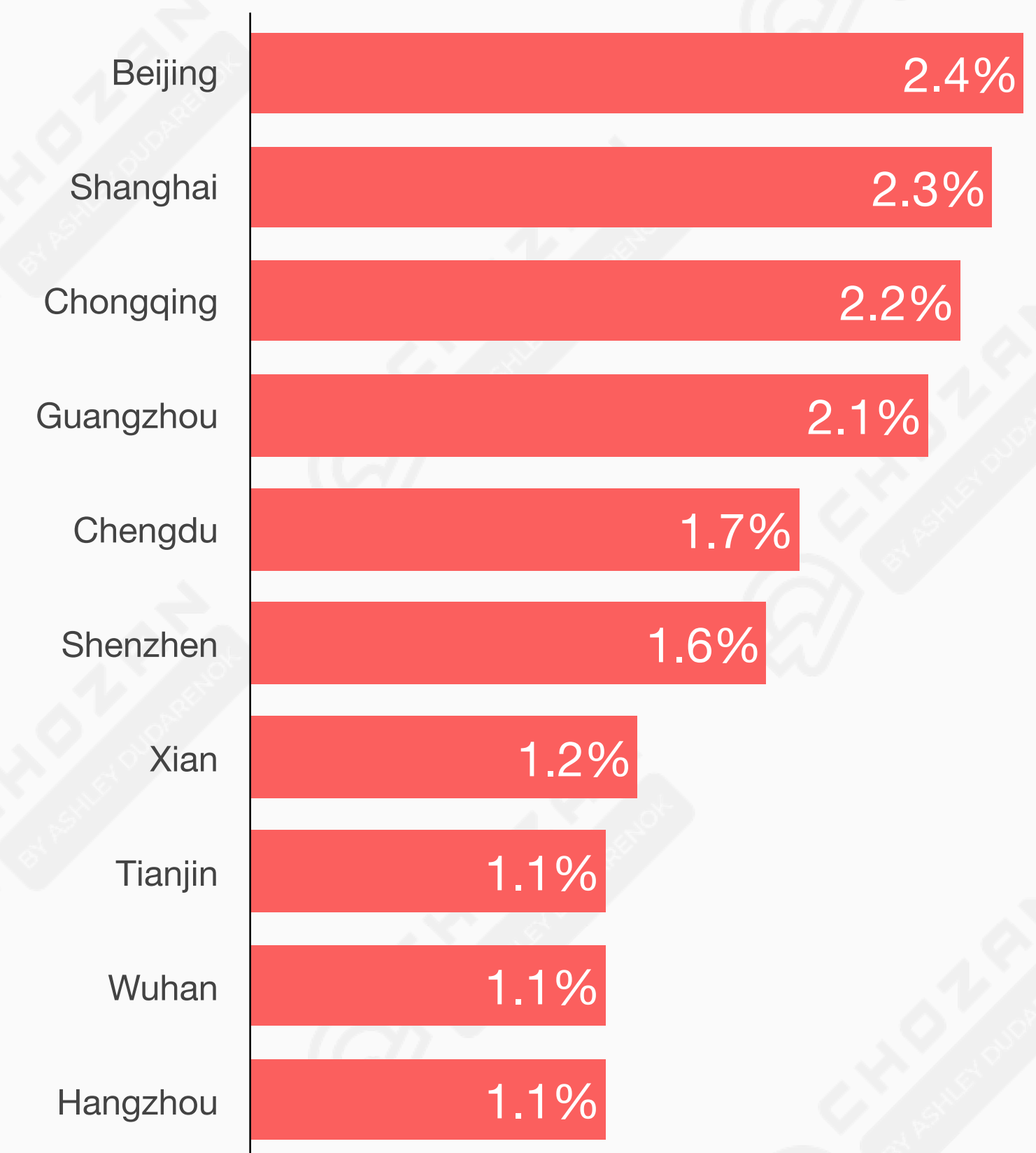
GEN Z - USER LOCATIONS

While a lot of Gen Z e-commerce and social media users are in Tier 1 cities like Beijing, a growing number are in lower tier cities.

**RATIO OF GEN Z MOBILE INTERNET USERS BY CITY TIER
(NOVEMBER 2020)**



THE TOP 10 CITIES FOR POST-90s USERS (JULY 2020)

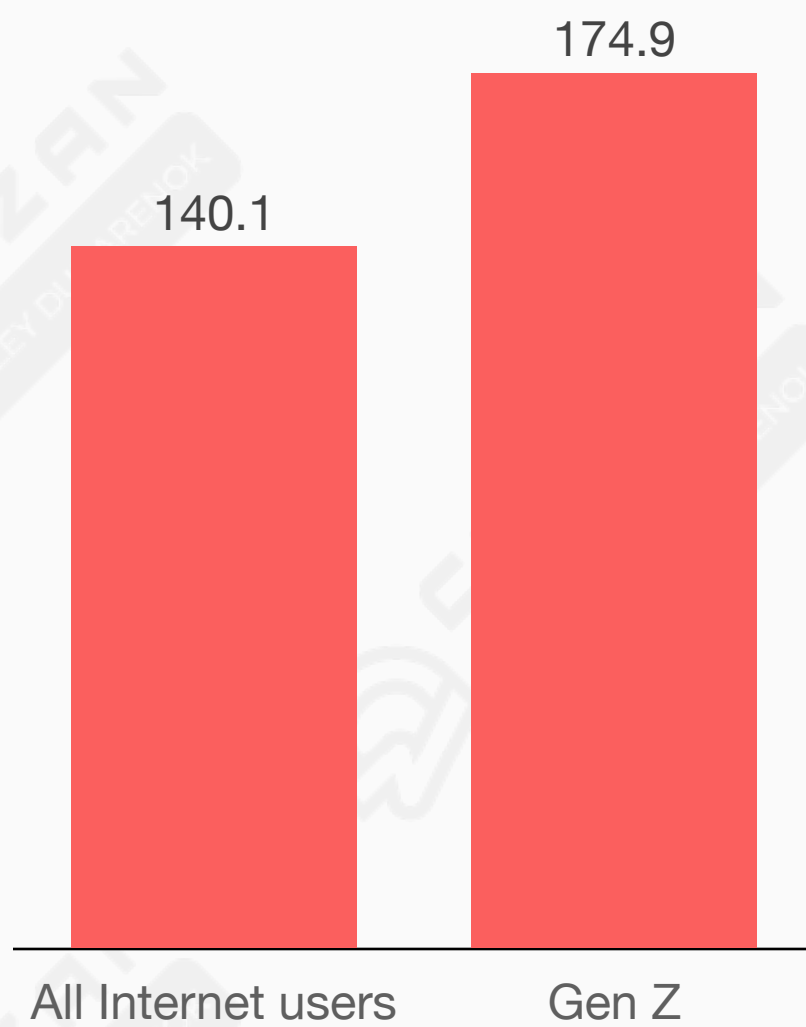


CONSUMER INSIGHTS

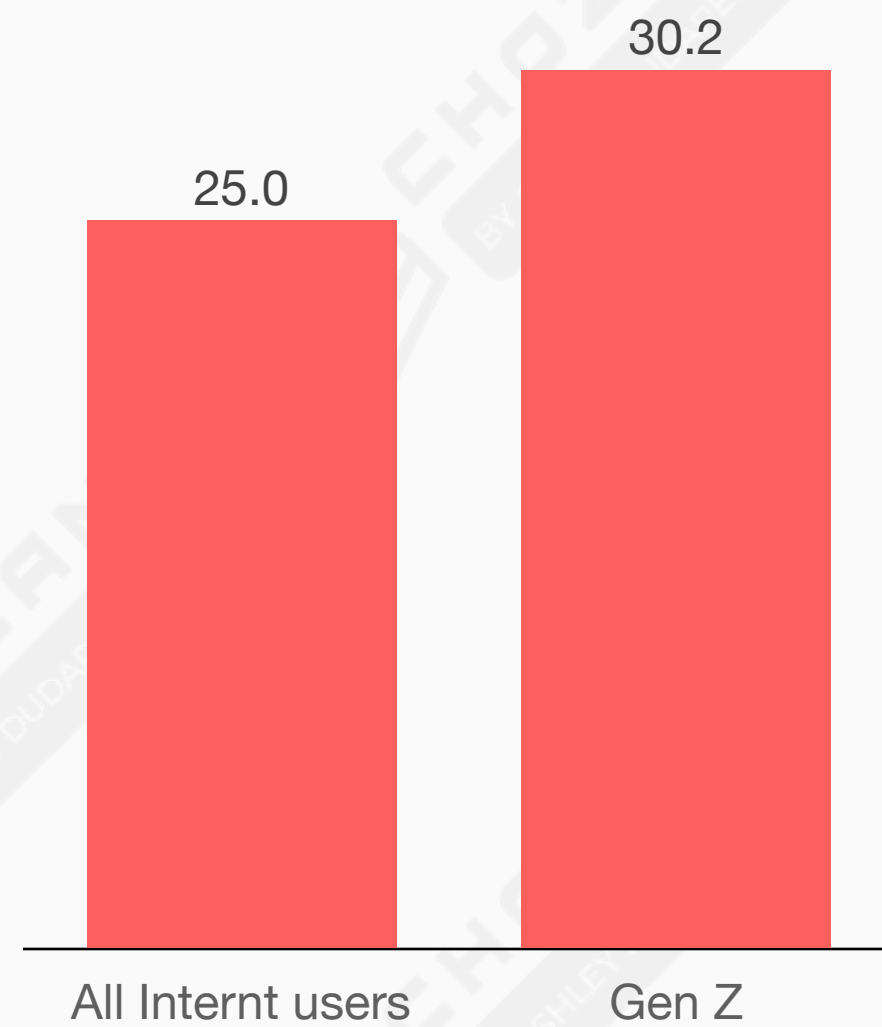
GEN Z

Gen Z are some of the most active internet users and their interests are reflected in the apps they use.

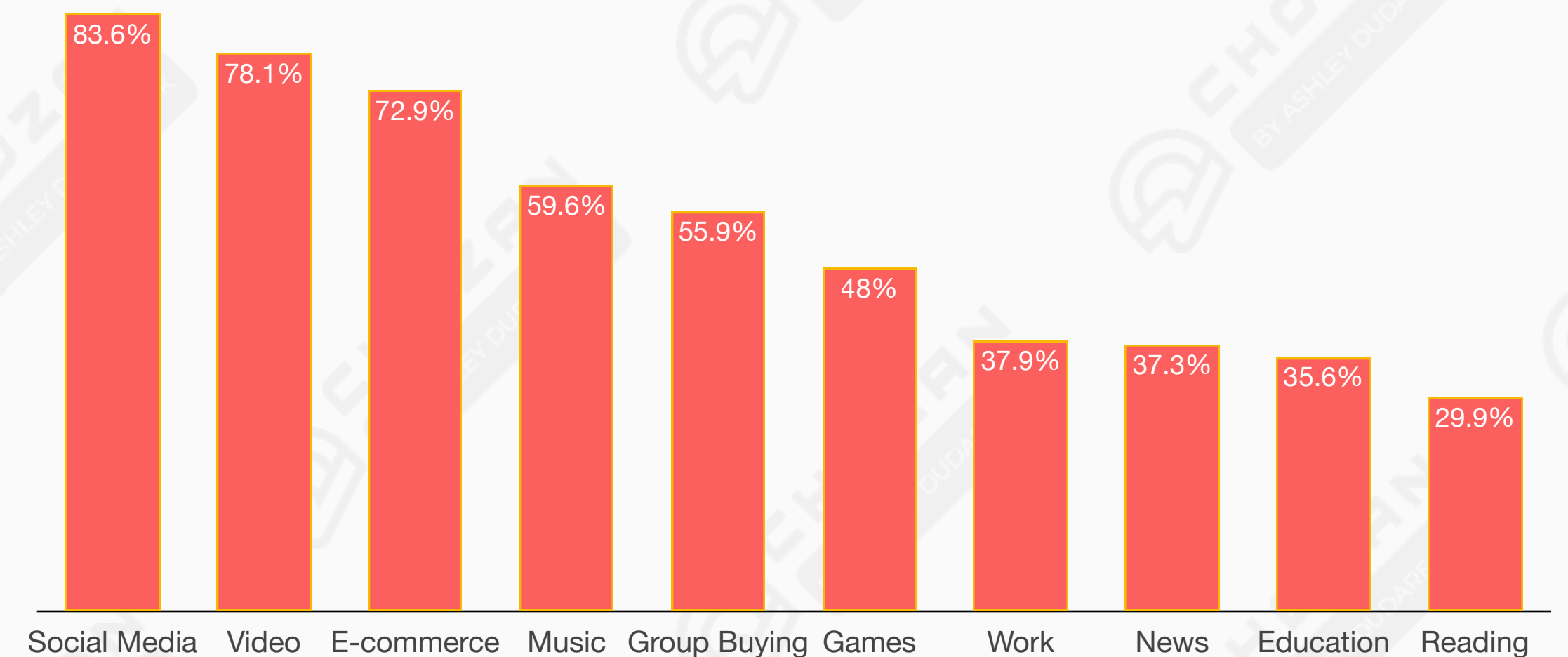
**AVERAGE MONTHLY INTERNET TIME
2020 (IN HOURS)**



**AVERAGE NUMBER OF APPS USED PER
MONTH 2020**



GEN Z'S TOP TEN INTERNET INTERESTS AND PREFERENCES (2020)

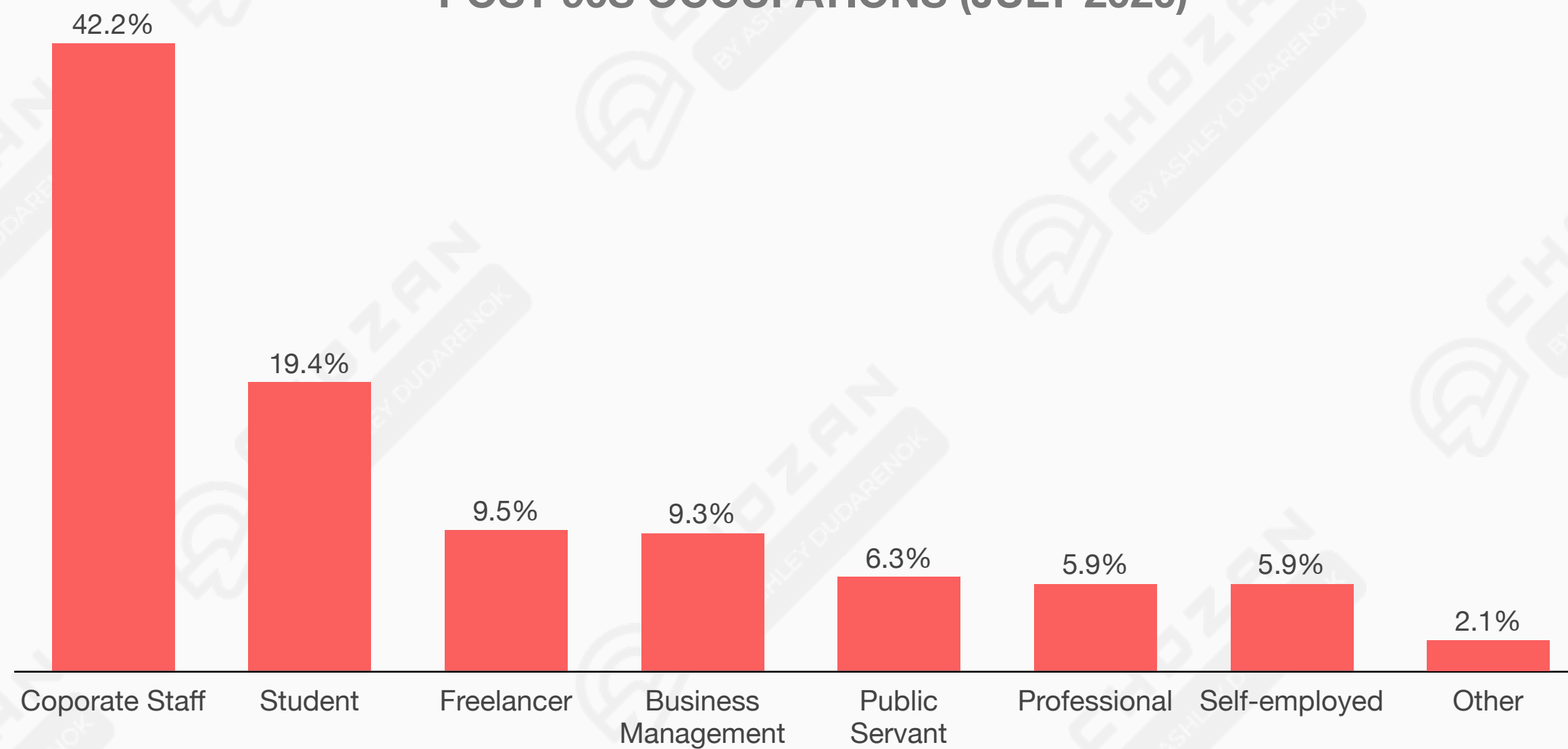


CONSUMER INSIGHTS

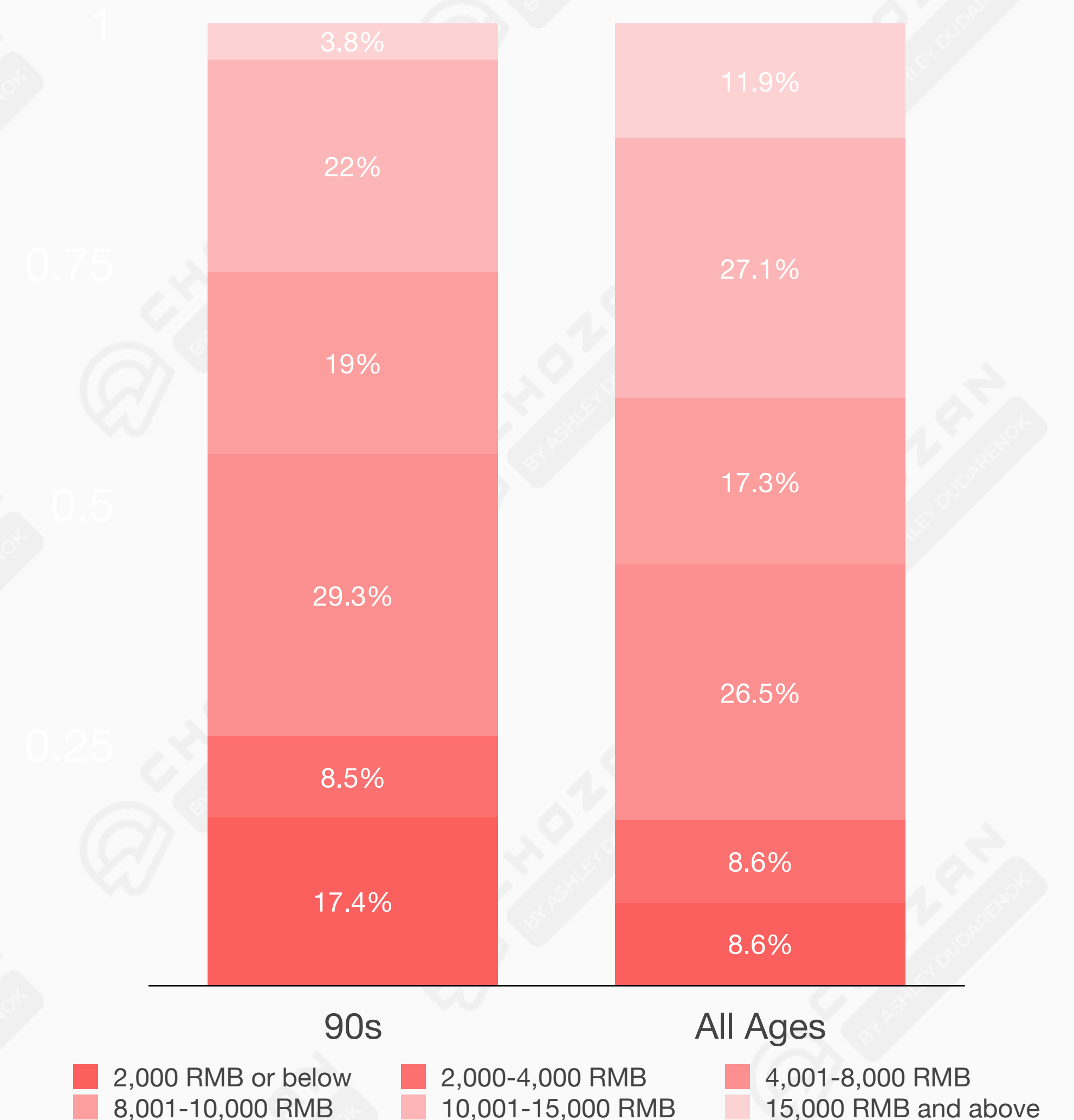
GEN Z - CAREER AND INCOME

While Gen Z is still young and in the early stages of their careers, they seem to be motivated, hard-working, studious and independent.

POST-90S OCCUPATIONS (JULY 2020)



POST-90S INCOME (JULY 2020)

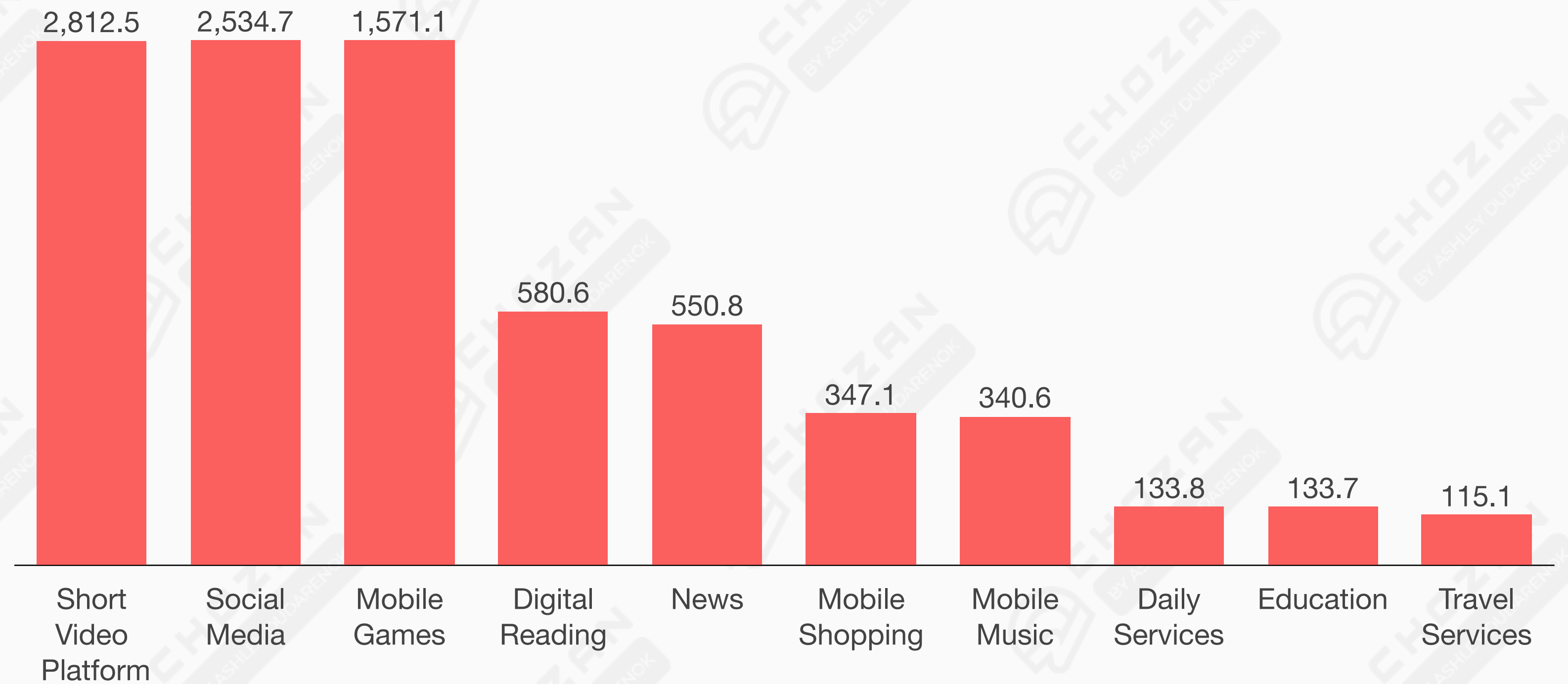


CONSUMER INSIGHTS

GEN Z

Post-00s mainly spend their time on short video platforms.

POST-00s AVERAGE MONTHLY USAGE TIME PER PERSON BY CONTENT TYPE
(SEPT. 2020) (IN MINUTES)

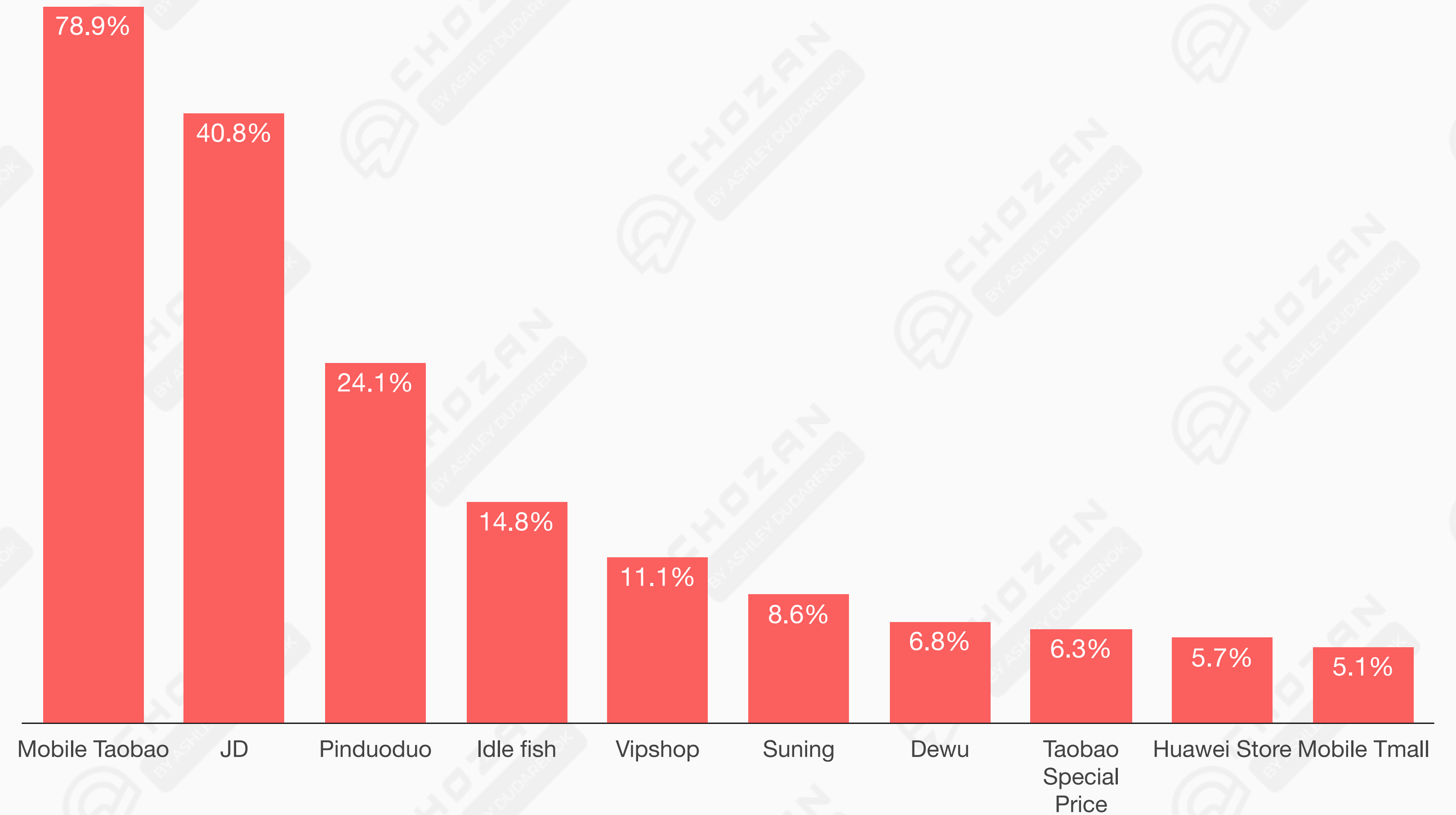


CONSUMER INSIGHTS

GEN Z

Like most other internet users, Gen Z prefers integrated e-commerce platforms to do their online shopping.

THE TOP TEN E-COMMERCE APPS BY GEN Z USER RATIO
(2020)

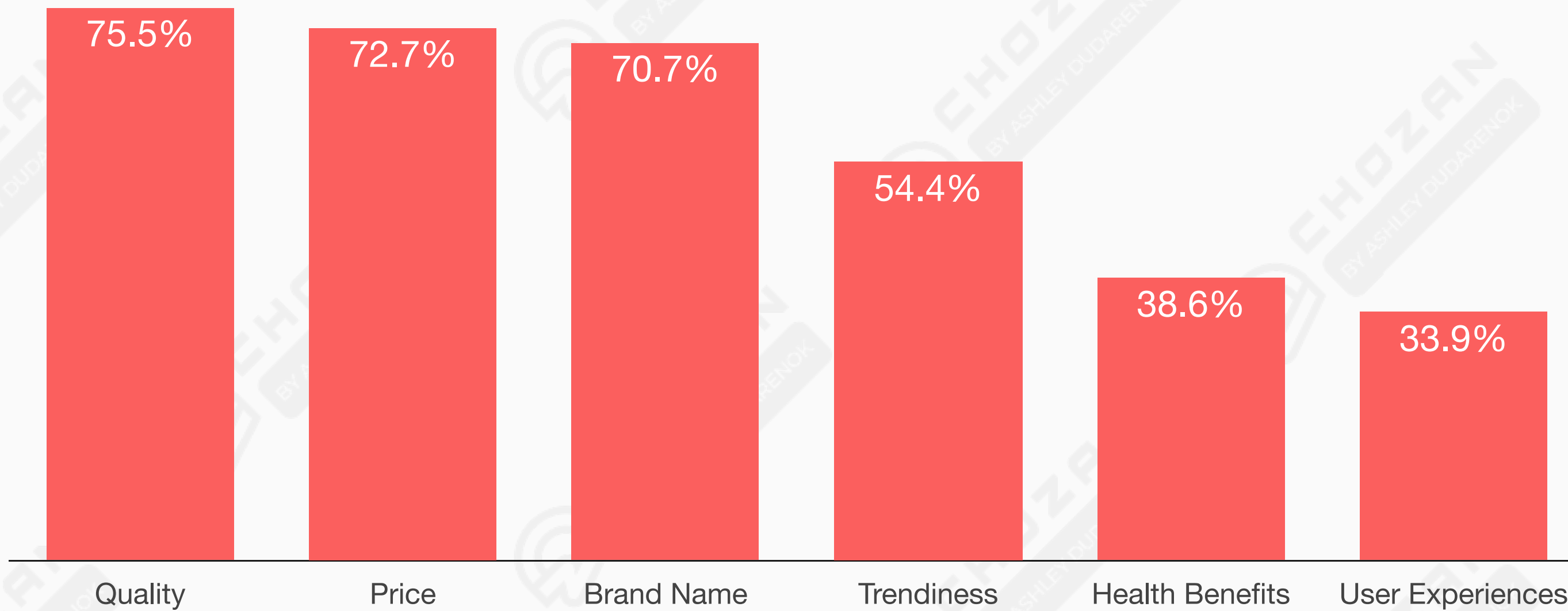


CONSUMER INSIGHTS

GEN Z

As active online buyers, Gen Z pays the most attention to quality and price.

THE TOP PURCHASING FACTORS FOR GEN Z (2020)



THE TOP 5 ONLINE CONSUMER PRODUCTS FOR GEN Z
(MAT 2020)

WOMEN'S CLOTHING

MEN'S CLOTHING

SKIN CARE

COSMETICS

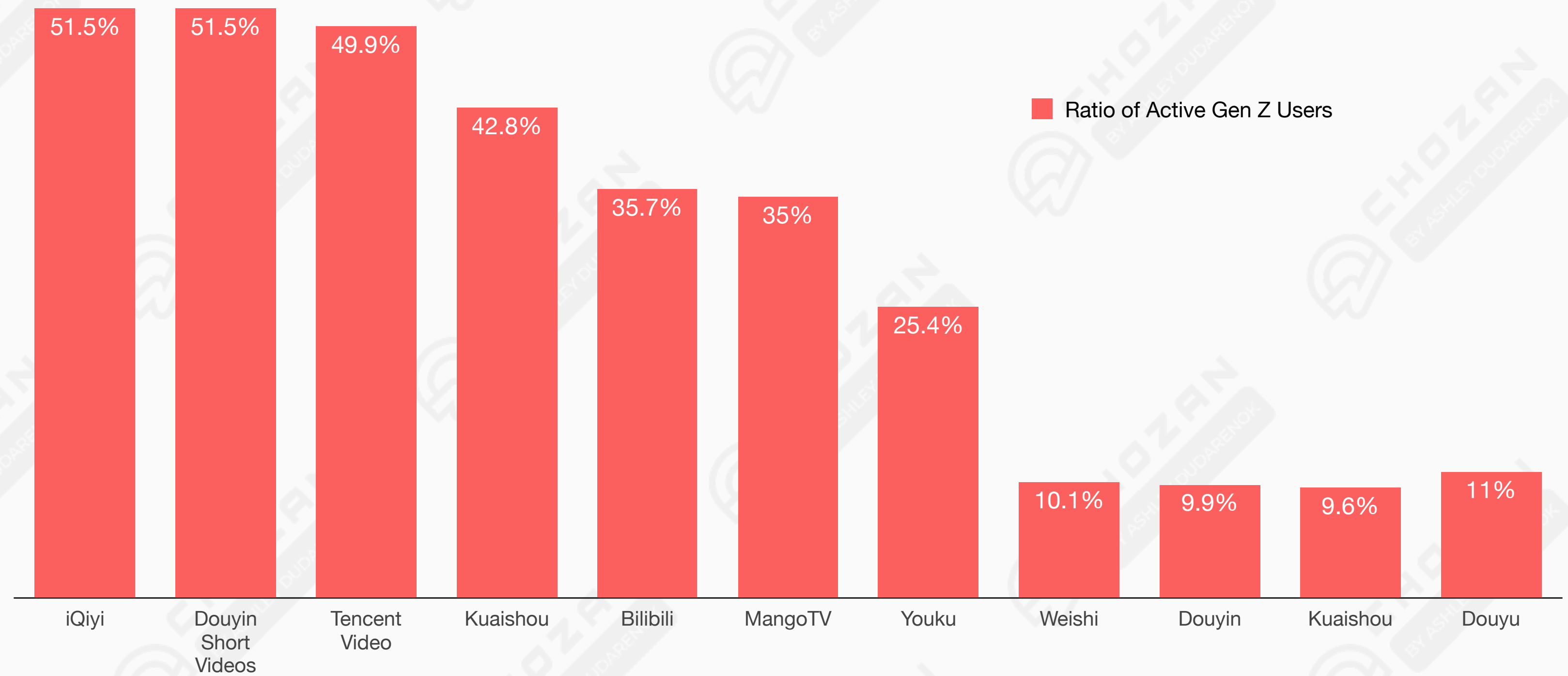
SPORTS SHOES

CONSUMER INSIGHTS

GEN Z - ONLINE PREFERENCES

Gen Z is the primary internet user group on short video platforms.

**GEN Z'S FAVOURITE VIDEO WATCHING PLATFORMS
(NOV. 2020)**



EXPERT BITES



BEVERLY LAW

Senior Digital Marketing Executive at
Alarice and ChoZan

Q: WHAT'S TRENDING WITH GEN Z RIGHT NOW THAT MARKETERS NEED TO KEEP IN MIND FOR THEIR MARKETING COMMUNICATION STRATEGY?

Personalized experiences and Guochao. Gen Z has a high preference for unique experiences that help them stand out from the crowd. They're also **much more willing to pay** for these experiences compared to other generations. This pursuit of uniqueness applies to products so they're seeking **customized and limited edition products** as opposed to mainstream products that feature flashy logos or brand names. Guochao isn't just a fashion trend. It also reflects a strong appreciation and recognition of Chinese culture. **Marketers can appeal to Gen Z by launching Guochao-inspired collabs showcasing Chinese culture.**

EXPERT BITES

Q: WHAT ARE YOUR FAVORITE CONSUMER GROUPS IN CHINA FOR 2021?

China's Gen Z consumers (born from 1995-2010) were raised during a time of unprecedented prosperity, rapid economic growth, and increased disposable income. As digital natives, they love products promoted by KOLs and love sharing their experiences online. Statistics show among Xiaohongshu's more than 100 million monthly active users, 50% are Gen Z. **The Gen Z demographic has grown into a mighty consumer force in China.**

With multiple identities and consumption concepts, their consumption demands are more personalized and segmented. They have relatively low brand loyalty and prefer trendy, insurgent brands. They're willing to show their attitudes with strong consumption power and spend more on appearances and self-indulgence. **Brands with insights into the needs of Gen Z will lead future consumption trends.**



SHINE HU

ChemLinked Market Research
Analyst

EXPERT BITES

Q: WHAT'S YOUR FAVORITE CONSUMER GROUP IN CHINA FOR 2021?

Gen Z will still be my favorite consumer group. They're well-educated, innovative and eager to express themselves. **Win Gen Z's heart if you want to win the future!**



MIRO LI

Founder of Double V
Consulting & CHINable
Academy

EXPERT BITES

Q: WHAT OVERLOOKED CONSUMER GROUPS WOULD YOU ADVISE MARKETERS TO MONITOR IN CHINA IN Q1 2021?

One group marketers should pay special attention to is Gen Z. Coming out of Covid, **Gen Z will be an essential barometer to assess how Chinese consumers consider international brands moving forward.** More global than their older generations, **Gen Z will be key to maintaining the premium status of international brands in categories such as luxury, autos and travel.**



JERRY CLODE
Founder of The Solution



3

THE SILVER-HAIRED GENERATION

Chinese seniors are eager to benefit from China's fast-growing mobile technology. Accounting for 13% of the population in 2015 and with 255 million in 2020, the senior group is expected to account for 25% by 2050. With such eagerness to adopt new technology and tools, brands should look to meet the needs of the older generations, who desire experiences, social connections and learning opportunities.



EXPERT BITES



WENDY CHEN
Marketing Manager at
Alarice and ChoZan

Q: AT THE START OF 2021, HOW WOULD YOU DESCRIBE THE SILVER-HAIRED GENERATION IN CHINA?

Since the epidemic, growth in the number of people over 60 using online channels has far exceeded that of other age groups. Their consumption potential shouldn't be ignored. **Although older people are accelerating their digital life, a considerable proportion of the elderly still face a digital gap.** The government announced that in 2021, apps used in China, especially those related to required services, must have simplified versions with larger letters and other features so that they're easier for older people and people with disabilities to use. This also applies to apps and services like WeChat and Alipay. **This means that in the next few years, apps should be easier for them to use and there will be more diverse channels for the silver-haired generation.**

CONSUMER INSIGHTS

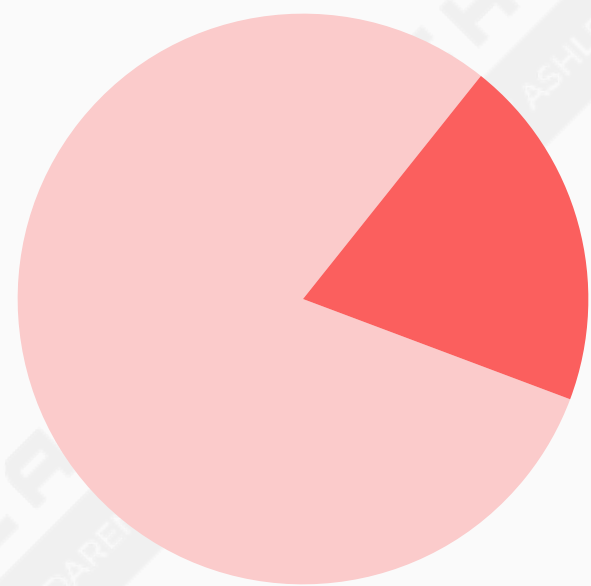
THE SILVER-HAIRED GENERATION - INTRODUCTION

Interesting facts	Shopping attitudes and behaviours	What are they interested in purchasing?
<p>Seniors represent one of the fastest-growing segments of mobile netizens in China.</p> <p>Among these senior netizens, there are significantly more female users than male (57.1% v.s. 42.9%). Around 43% of the active senior netizens are from Tier 1 and Tier 2 cities.</p> <p>These senior netizens use a variety of applications for social networking (WeChat and QQ), videos (iQiyi), and information gathering. More than 40% of them also use Taobao and Alipay.</p>	<p>More and more senior consumers are becoming a part of the online shopping force, especially during the height of the epidemic in China. Most of them use Taobao for online shopping, followed by JD and Pinduoduo.</p>	<ol style="list-style-type: none"> 1) Home appliances 2) Health supplements 3) Travel products and services 4) Insurance and financial products

CONSUMER INSIGHTS

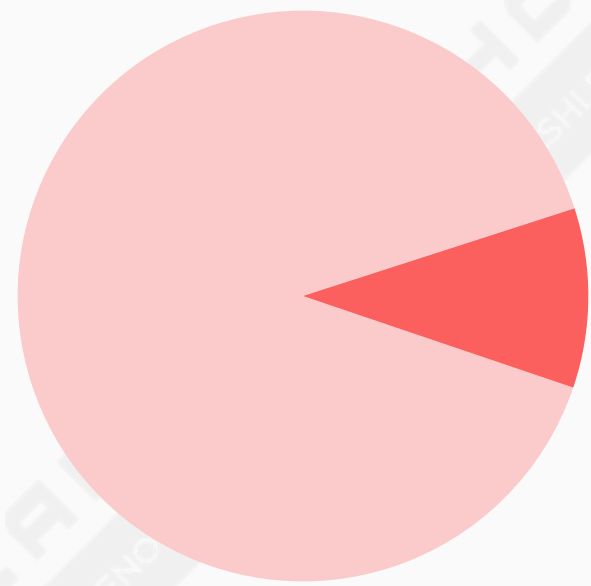
THE SILVER-HAIRED GENERATION

According to forecasts from the World Health Organization, by 2050, 35% of China's population will be over 60 years old.



254 MILLION

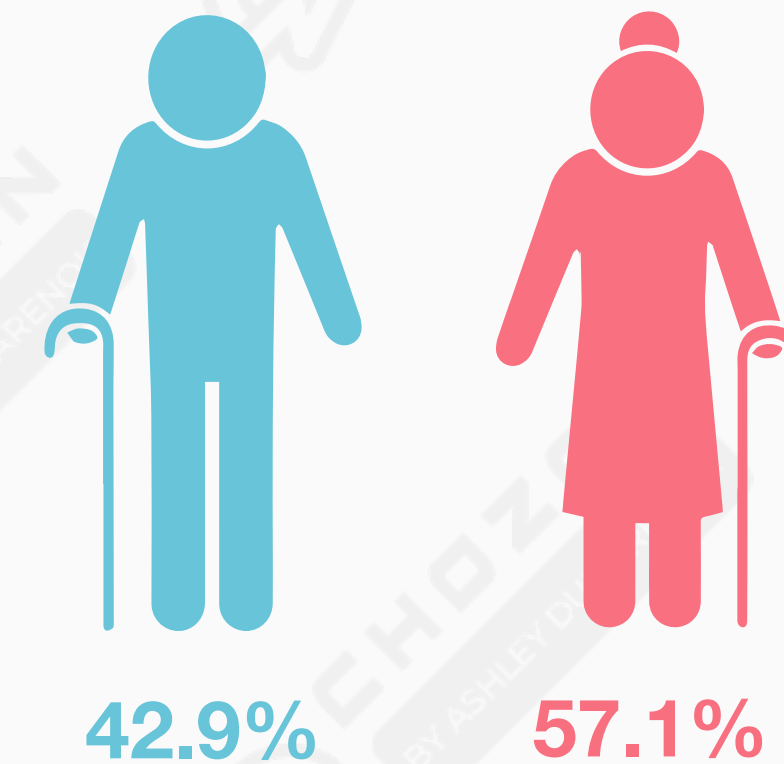
18% OF CHINA'S POPULATION WAS OVER 60 BY THE END OF 2019



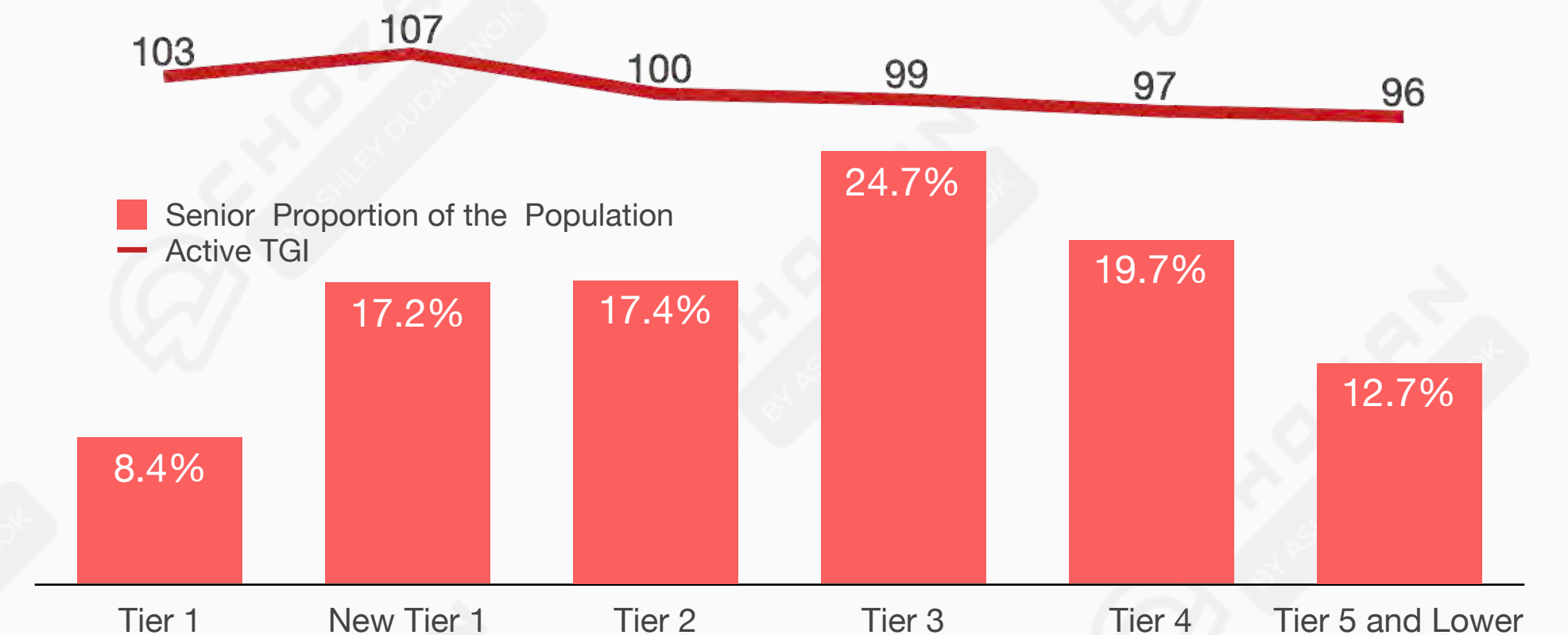
10.3%

OF INTERNET USERS WERE OVER 60

GENDER RATIO OF OLDER NETIZENS (MAY 2020)



SILVER-HAIRED NETIZENS BY CITY TIER (JUNE 2020)

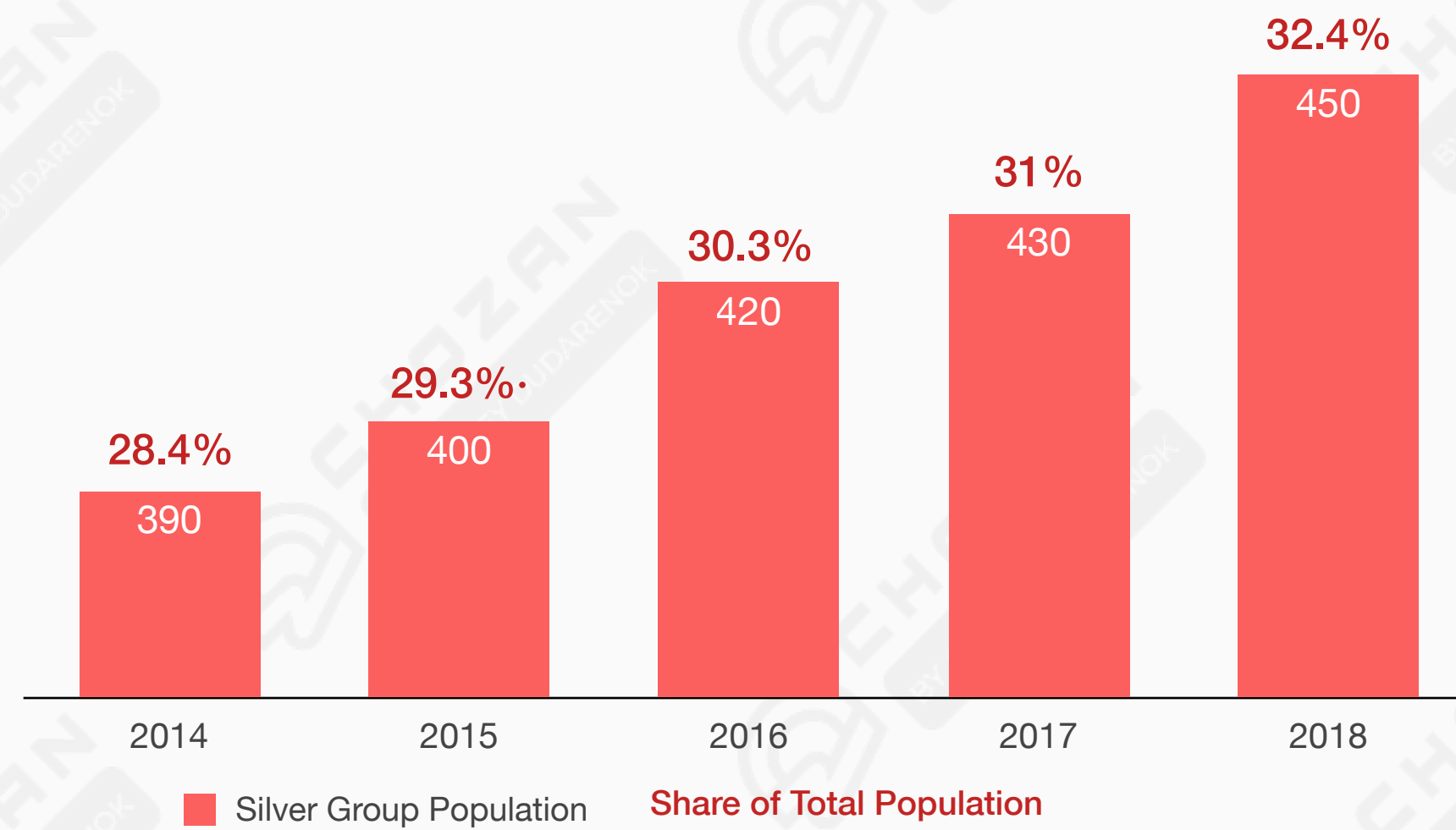


CONSUMER INSIGHTS

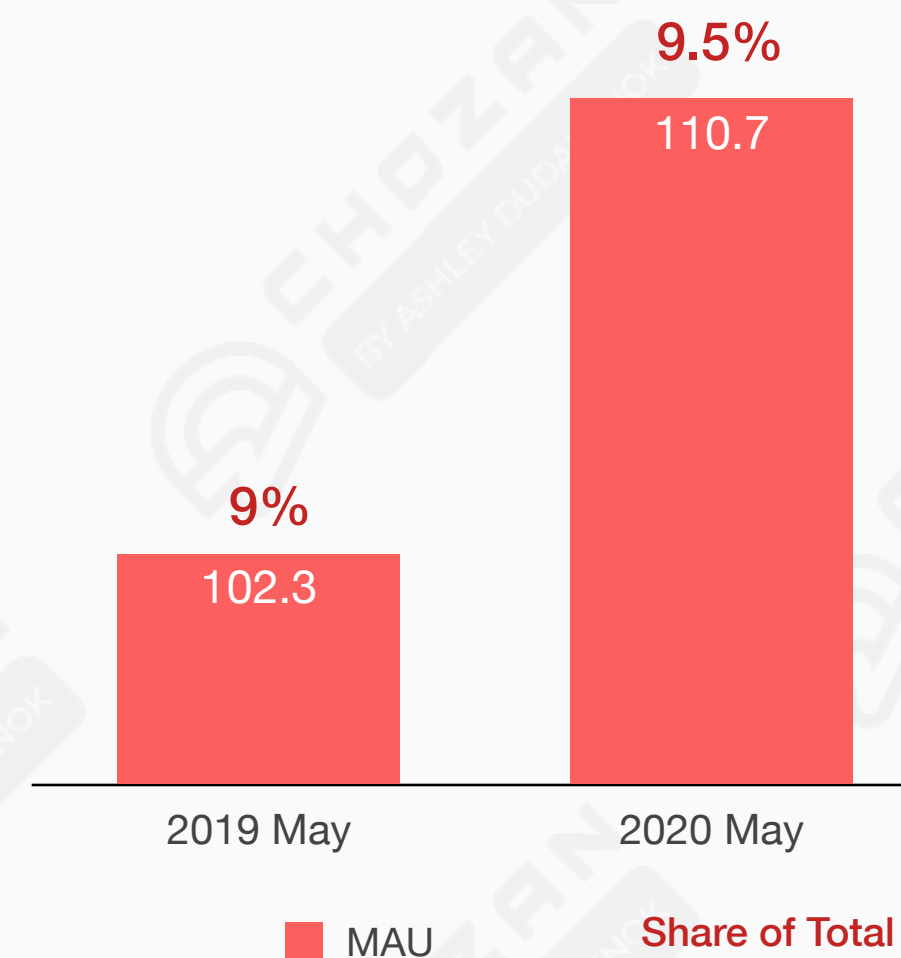
THE SILVER-HAIRED GENERATION - GROWTH

With a third of the population reaching over the age of 50, China's senior population is fast-growing and a solid source of online opportunities for the elderly economy.

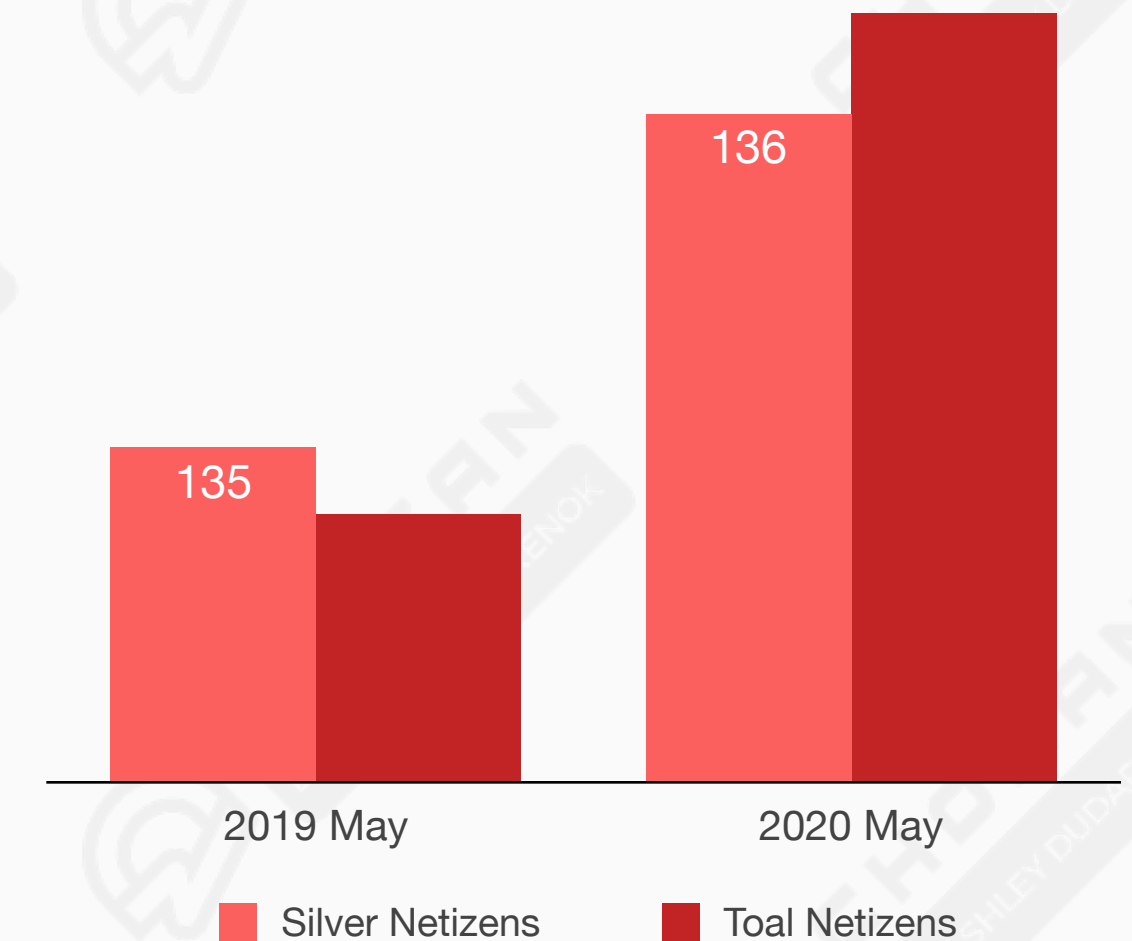
THE SENIOR POPULATION (2020, IN MILLIONS)



SENIOR NETIZENS WHO ARE MONTHLY ACTIVE USERS (2020, IN MILLIONS)



SENIOR NETIZENS' AVERAGE USE TIME (IN HOURS)

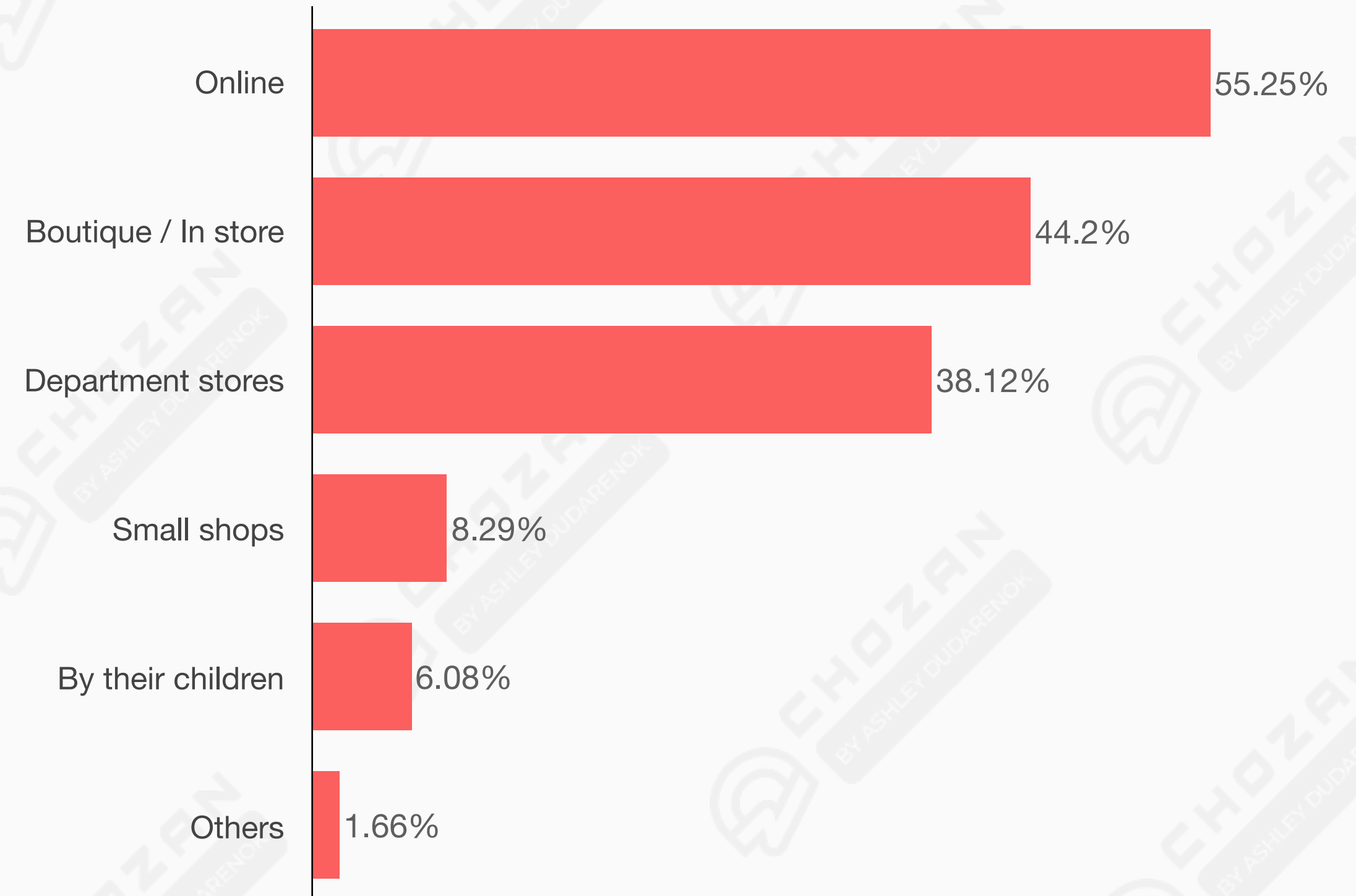


CONSUMER INSIGHTS

THE SILVER-HAIRED GENERATION - ONLINE LUXURY SHOPPING DOMINATES

Chinese seniors are performing a significant portion of their Chanel purchases online. It's indicative of an overall preference among silver-haired netizens to shop online for luxury brands and products.

CHINESE SENIORS' APPAREL PURCHASE METHODS - CHANEL, H1 2020



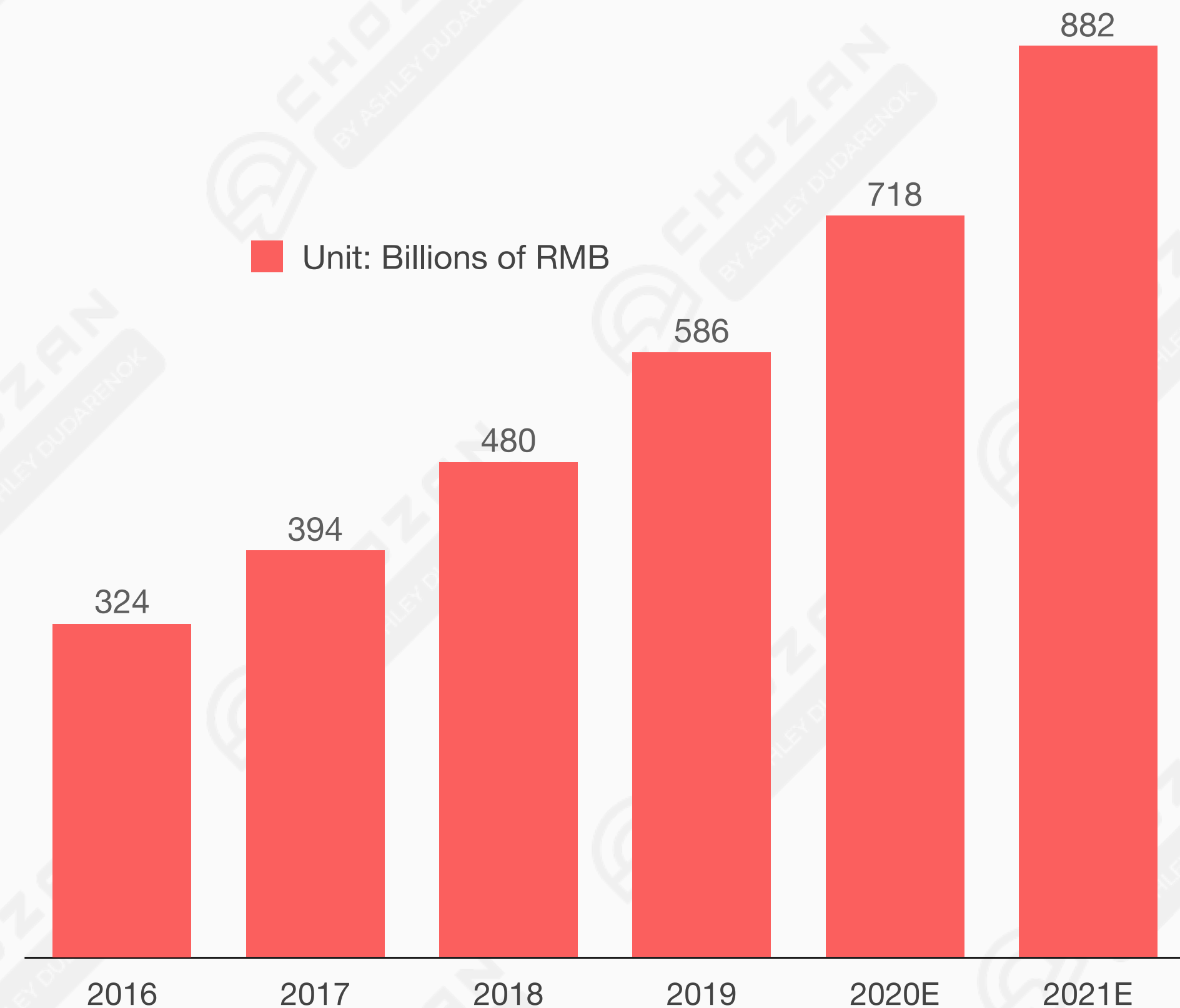
CONSUMER INSIGHTS

THE SILVER-HAIRED GENERATION - SOCIAL ENTERTAINMENT

China's seniors' social entertainment market was 324 billion RMB in 2016 and is expected to reach 882 billion RMB in 2021. iiMedia Consulting analysts believe that as the aging of the population gains pace, the level of entertainment consumption and needs of the elderly will no longer be limited to basic care. Brands will pay more attention to seniors' physical and mental needs in the social entertainment sphere.

SOCIAL ENTERTAINMENT FOR SENIORS

MARKET SIZE AND FORECAST (2016 TO 2021)



CONSUMER INSIGHTS

THE SILVER-HAIRED GENERATION - PURCHASING TRENDS

MONTHLY CONSUMPTION EXPENDITURE STRUCTURE FOR THE ELDERLY (H1 2020)

In addition to daily necessities such as clothing and food, the elderly in China also consume health products, electronic products and educational services. Their average monthly consumption is predominantly in the less than 500 to 1,000 RMB range. iiMedia Consulting analysts believe that with an improvement in the living standards of the elderly and changes in consumption habits, their future consumption will diversify, increasing their consumption expenditures.

	< 500 RMB	500-1,000 RMB	1,000-2,000 RMB	> 2,000 RMB
Apparel	42.7%	25.47%	26%	2.8%
Food	21%	38.7%	29.8%	8.8%
Supplements	35.4%	21%	12.7%	3.3%
Electronics	35.4%	28.7%	14.9%	12.2%
Elderly Education	21.6%	18.2%	11.1%	3.3%
Other	34.8%	24.9%	8.8%	3.3%

EXPERT BITES



MASON KU
Marketing Manager at
Alarice and ChoZan

Q: WHAT ARE YOUR MARKETING RECOMMENDATIONS FOR BRANDS TARGETTING THE SILVER-HAIRED GENERATION?

The silver-haired generation has become more digitally savvy and is spending more time on the Internet. According to a report co-published by Qutoutiao and The Paper in 2020, **those over 60 use the internet for an average of 64.8 minutes per day, which is 16.2 minutes longer than users over 40. It's also higher than the average usage time of all users.** And there's still lots of room for further growth. **Many of them are consuming short videos on social media platforms such as Douyin and Kuaishou.** Douyin recently allocated more resources to provide more relevant content for elderly users in specific provinces so brands should consider creating and integrating short video content as part of their marketing strategies for older consumers. Older consumers are less price-sensitive and tend to focus on functionality. **Customer service is important as is transparency in pricing. It's also beneficial for brands to highlight post-purchase services such as installation and maintenance.**



EXPERT BITES

Q: WHAT CONSUMPTION TRENDS YOU ARE MOST EXCITED ABOUT IN 2021?

I'm excited about and interested in the **silver generation** and their **continued move online**. In other markets, this sector is largely still using offline channels so I'm interested to see how Alibaba, JD and Pinduoduo try to access this valuable market segment.



HENDRIK LAUBSCHER

Founder and Chief Analyst at
Blue Cape Venture

EXPERT BITES

Q: WHICH CONSUMER GROUPS HAVE CHANGED MOST IN 2020, AND WHO WILL BE THE CENTER OF ATTENTION IN 2021?

Because of Covid, for much of the year, the majority of consumption shifted online. And when it comes to offline shopping, people are encouraged to use Alipay or WeChat Pay for the purpose of staying contactless. **This had a strong impact on the older generation. Most of them don't know how to use smartphones and they're complaining that change is occurring too quickly and by forcing this change, society isn't taking them into consideration.** While some are able to adapt, others increasingly rely on family members to help them do the shopping. Millennials and Gen Z will be the centre of attention in 2021. **As a Chinese Millennial, I can tell you that we know what we like and we're willing to pay for whatever makes us happy.** We also love niche brands, whether they're international or Chinese brands.



KEJIE YI

Content Manager at
China Marketing Insights

4 CHINESE MEN

Chinese men are starting to care more about their appearance and this trend will continue in 2021. In 2020, about 30% of cosmetic medicine consumers in China were male.



EXPERT BITES



MASON KU
Marketing Manager at
Alarice and ChoZan

Q: WHAT IMPORTANT CHANGES HAPPENED IN 2020 FOR CHINESE MEN OVER 40 THAT ARE CRUCIAL TO KNOW IN 2021?

After 40, many men have accumulated wealth and social status so their spending power is much higher than men in other age groups. In China, the proportion of men over 40 is constantly increasing, contributing to the rise of markets oriented to them. Data from China UnionPay shows that **23% of men spend more than 5,000 RMB on online shopping every month** while only 15% of women do. Men in China are also paying more attention to their appearance. **It's expected that the market for men's grooming and skincare will continue to grow rapidly in 2021** and more and more brands have launched men's grooming and skincare product lines. Aftershave and fragrances are also appealing to this group.

User-friendly product education is important to attract new customers. Promote products through product **recommendations and word-of-mouth** to gain attention of middle-aged male consumers.

CONSUMER INSIGHTS

CHINESE MEN (OVER 40) - INTRODUCTION

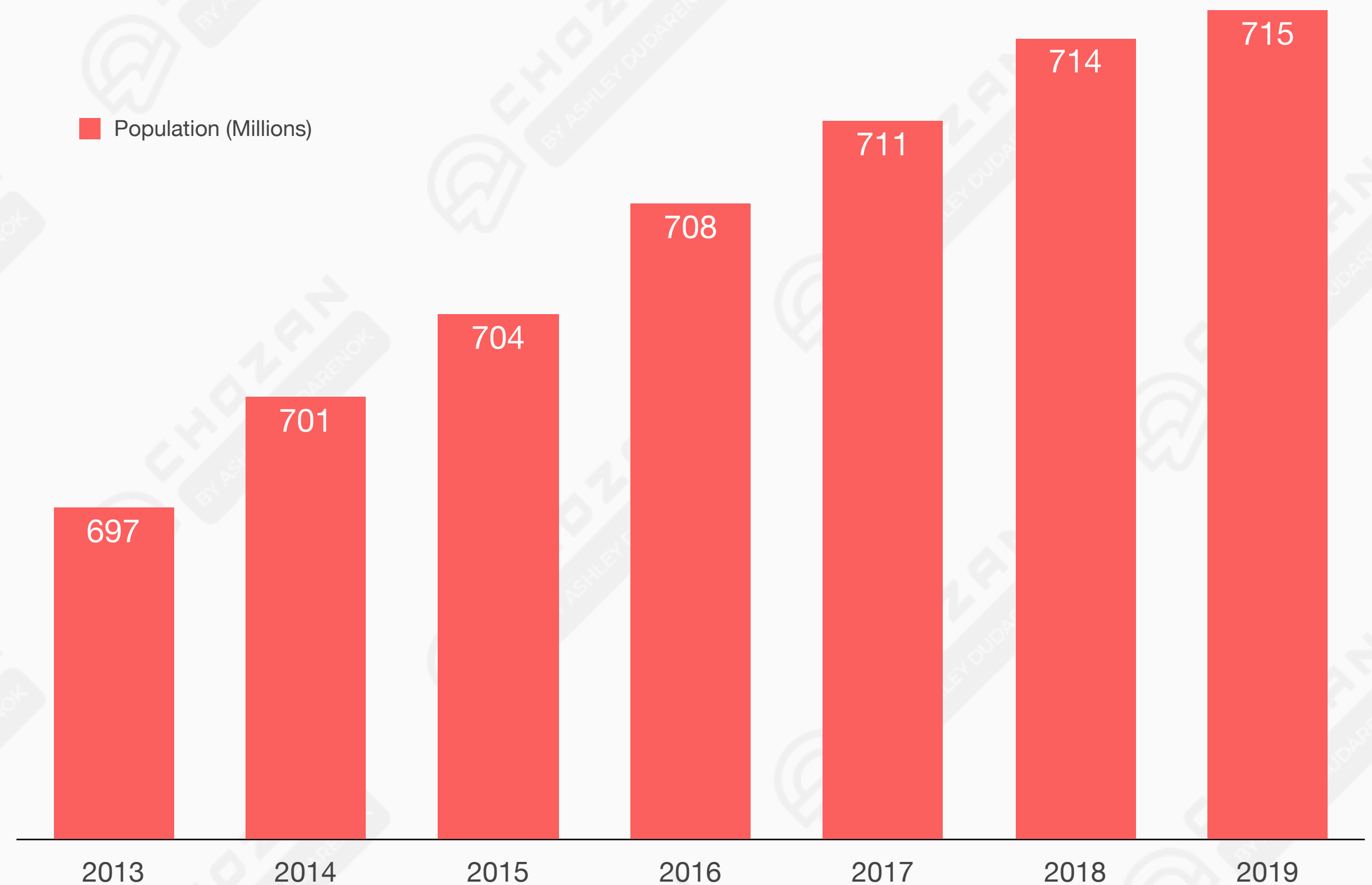
Interesting facts	Shopping attitudes and behaviours	What are they interested in purchasing?
<p>Men are keen on advanced consumption and are the major consumers of high-end products.</p> <p>Whether its PCs or mobile phones, there are more male consumers than female consumers.</p>	<p>Male consumers have varied and detailed consumption preferences that change with age. Men of different ages desire different types of products.</p> <p>Male consumers are more curious about new brands and products than their female counterparts.</p>	<ol style="list-style-type: none"> 1) 3C products 2) Home appliances 3) Auto accessories 4) Tobacco & alcohol 5) Skin care products

CONSUMER INSIGHTS

CHINESE MEN (OVER 40) - POPULATION

The number of older men is growing as the population ages and, because they outnumber women, they're a more diverse group.

OLDER MALE POPULATION FROM 2013-2019



CONSUMER INSIGHTS

CHINESE MEN (OVER 30) - SELF-IMAGE

Over 60% of older male netizens have a positive attitude when it comes to improving their appearance and there's been a lot of promotion for products and services to help men maintain or improve their appearance. Personal image management and appearance enhancement for men in China is a huge space to tap, but current market development is still relatively slow. As image management acumen increases, the market will continue to develop.

MALE WEB USERS' ATTITUDES TOWARD IMPROVING THEIR APPEARANCE (Q1 2020)

Support	%
Aged 25 or below	74.4%
26-35 years old	65.4%
36-45 years old	63.6%
Aged 46 or above	61.1%

MALE WEB USERS' POSITIVE ATTITUDES TO BUYING APPEARANCE-RELATED PRODUCTS (Q1 2020)



76.8%

Aged 25 or below



52.1%

25-35 years old



55.6%

36-45 years old



38.2%

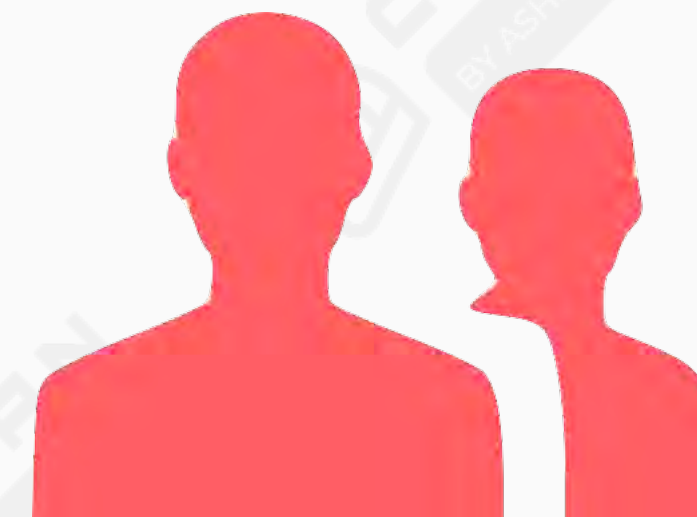
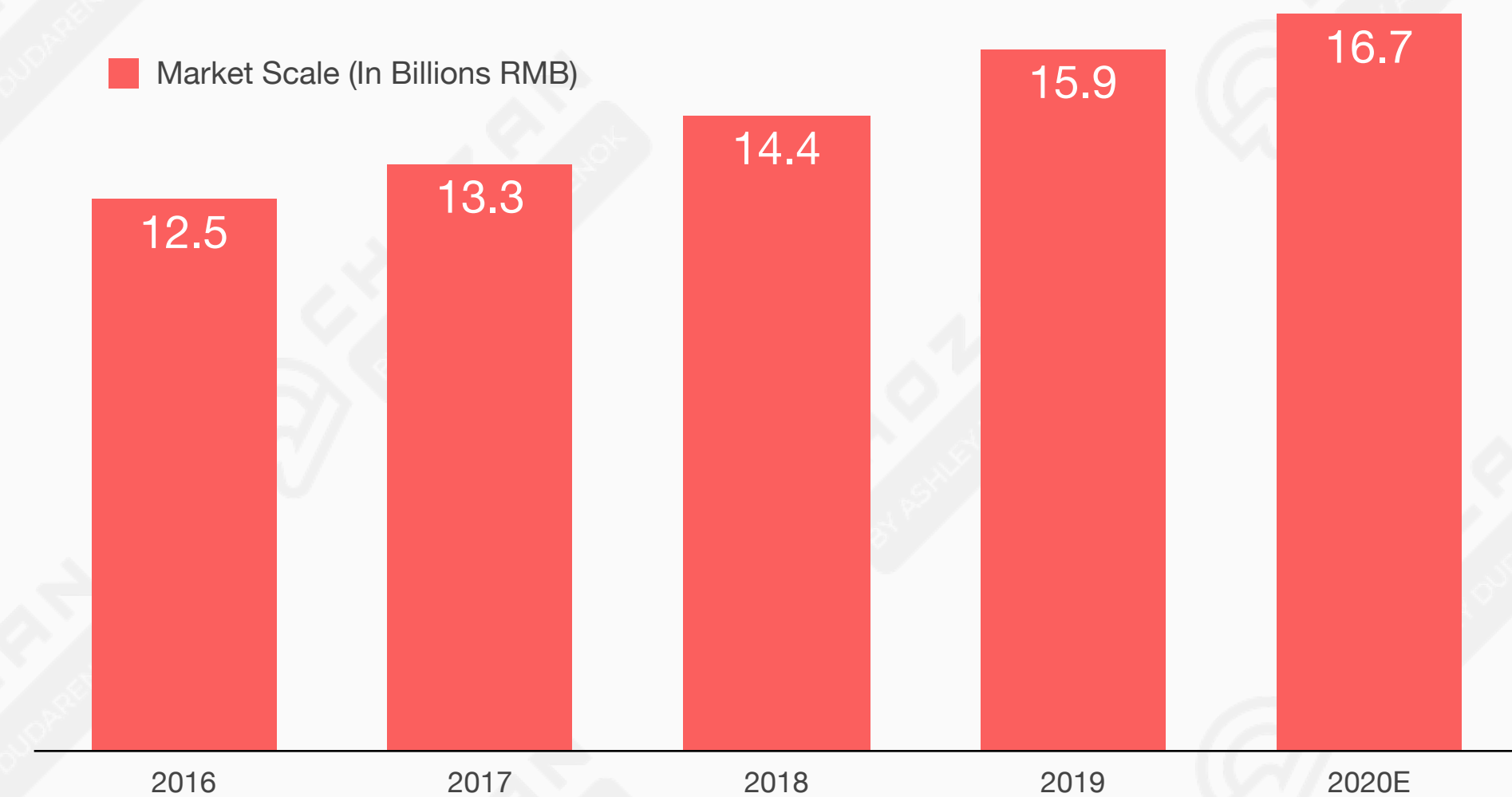
Aged 46 or above

CONSUMER INSIGHTS

CHINESE MEN (OVER 30) - SELF-IMAGE

The male grooming sector reached 15.89 billion RMB in 2019 and is expected to reach 16.72 billion RMB in 2020, according to data from iiMedia Research. iiMedia Consulting analysts have found that men's willingness to consume grooming and skin care products has increased, and beauty products for men are appearing in the market. However, market growth is still relatively slow. For the grooming market to fully take off, concepts of male image management and trends for male self care need to take deeper hold.

MARKET SCALE AND FORECAST FOR MALE GROOMING RETAIL SALES (2016-2020)



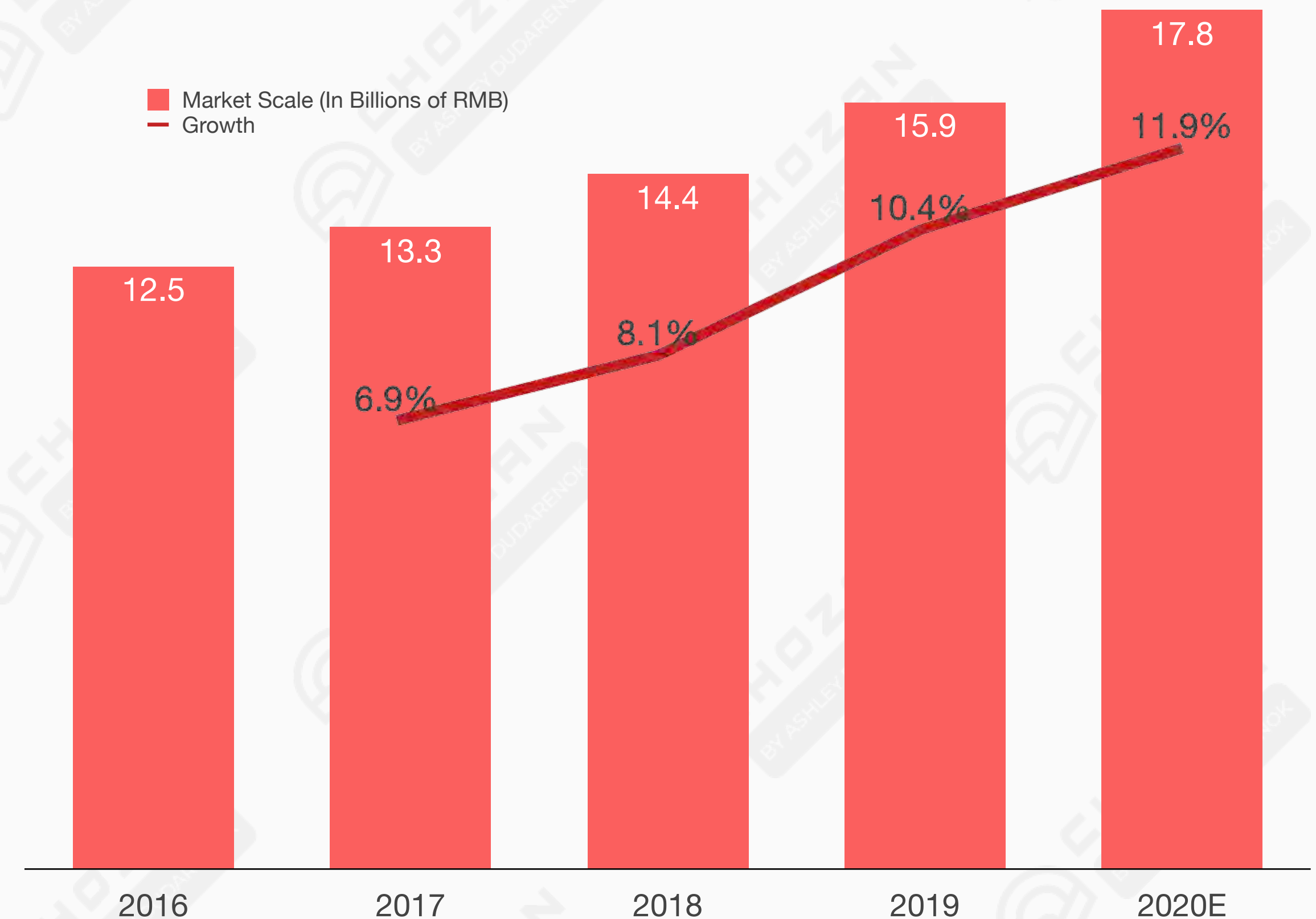
65.1%
OF MEN HAVE A POSITIVE
ATTITUDE TOWARD
IMPROVING THEIR
APPEARANCE

CONSUMER INSIGHTS

CHINESE MEN (OVER 30) - THE GROWTH OF GROOMING

What's often referred to as the "male beauty" sector in China has a new dad group that's been paying more attention to personal care, grooming and skin care products. Sales for these kinds of products has increased year by year. This is clearly reflected in an increase in the number of new personal care products labelled for and targetting this group of new dads. This upward trend also reflects the vitality and development potential of the overall market.

CHINESE MEN'S GROOMING RETAIL SCALE AND FORECAST (2016-2020)



CONSUMER INSIGHTS

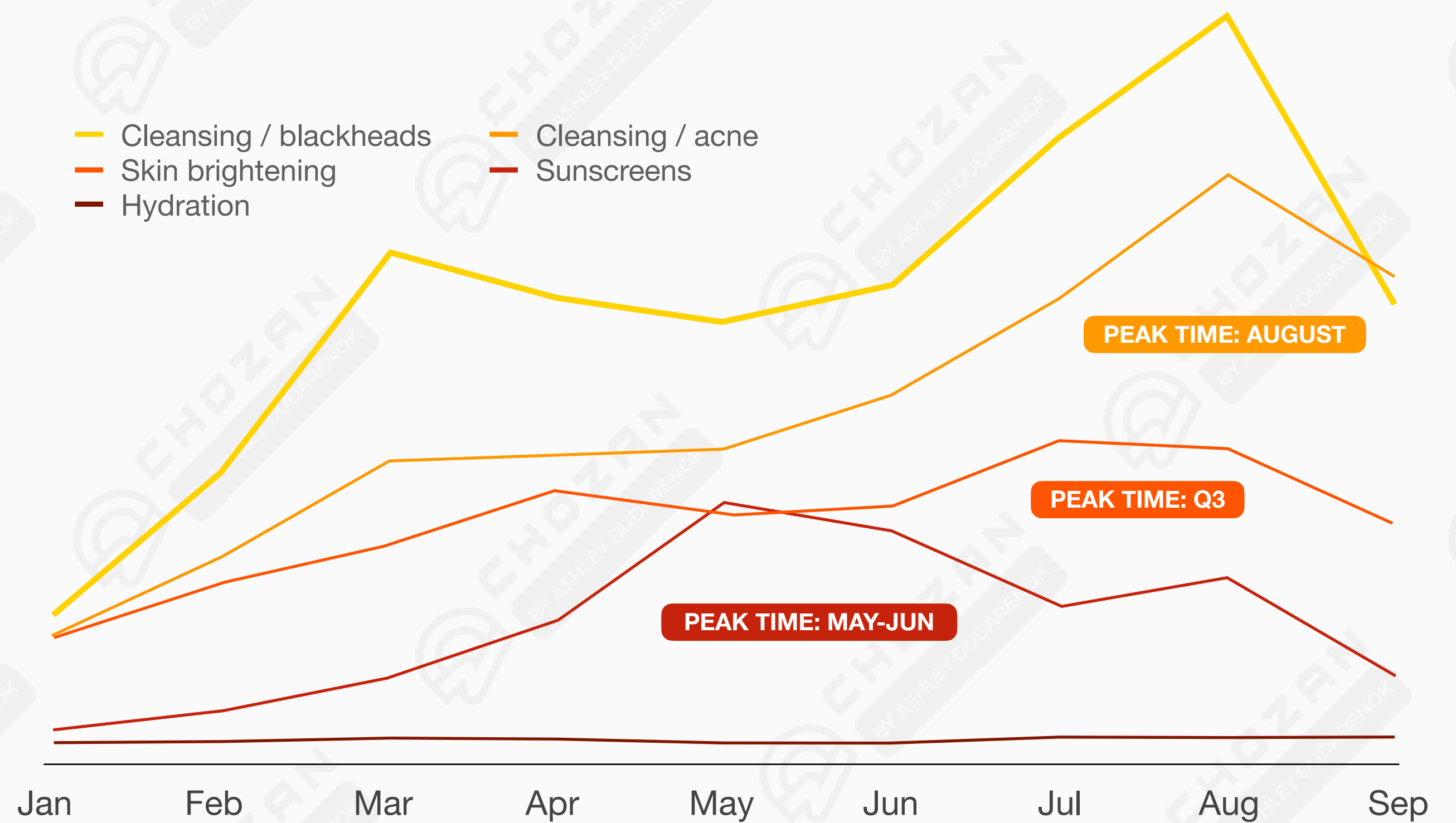
CHINESE MEN - SKINCARE

Men's skincare is trending and brands should target their marketing for peak shopping months to maximize results.

YOY GROWTH IN SUBSCRIPTIONS AND TRAFFIC FOR BEAUTY CONTENT BY GENDER (Q3 2020)

	MALE	FEMALE
Skincare	+58%	+28%
Cosmetics	+12%	+37%

SEARCH TRENDS FOR MEN'S SKINCARE TOPICS ON DOUYIN (JAN.-SEPT. 2020)

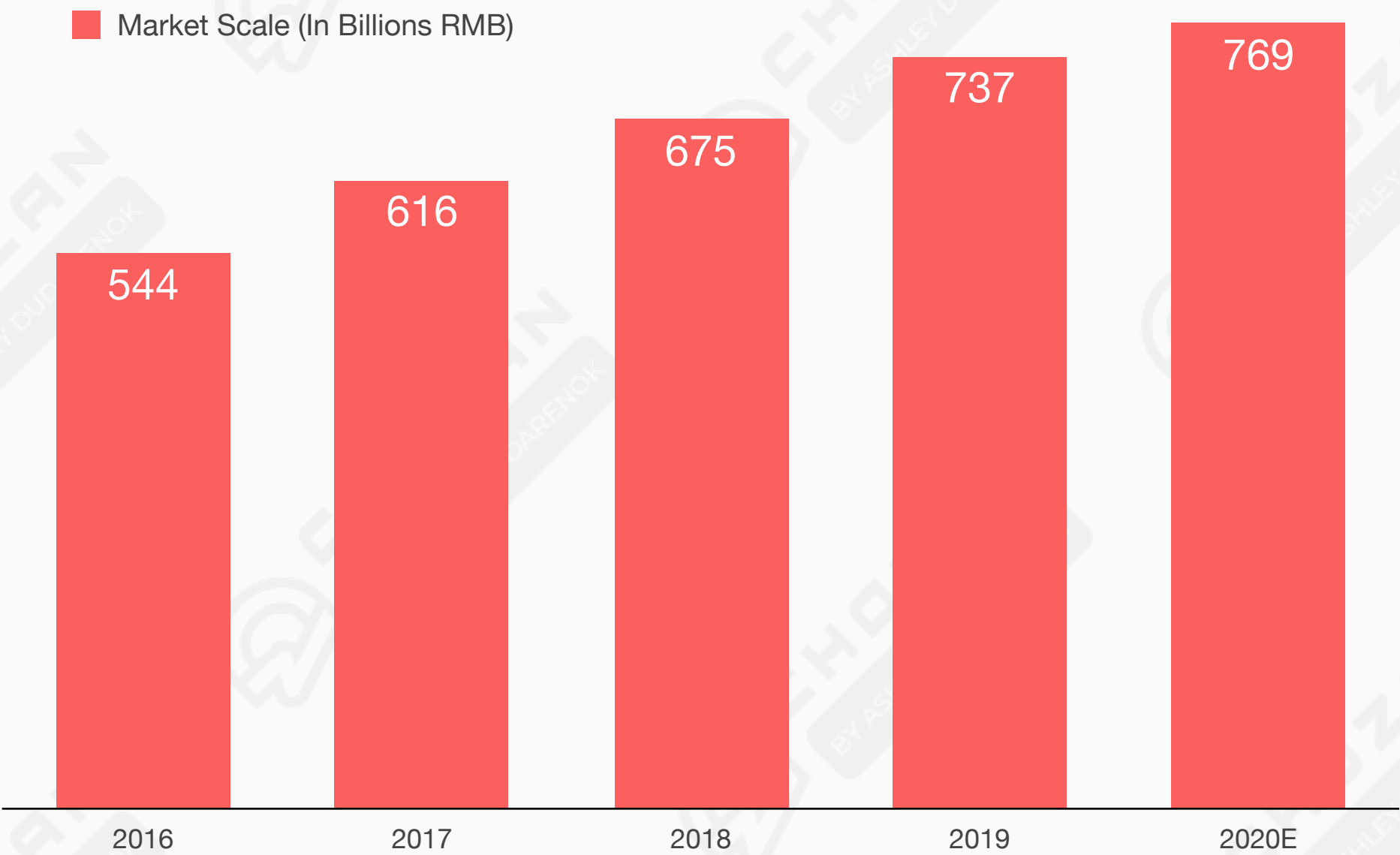


CONSUMER INSIGHTS

CHINESE MEN (OVER 30) - CLOTHING PREFERENCES

There's steady growth in men's clothing sales, with brands such as Heilan Home and Youngor experiencing the highest demand.

MENSWEAR SALES VOLUME (2016-2020)



REVENUE OF CHINA'S TOP MEN'S AND SPORTSWEAR COMPANIES (H1 2019)

	Revenue (RMB)	Revenue Growth	Business
Heilan Home	10.7 Billion	7.07%	Menswear
Youngor	4.6 Billion	27.8%	Menswear
Semir Garment Co	8.2 Billion	48.6%	Sports
Anta Sports	14.8 Billion	40.3%	Sports
Li-Ning	6.3 Billion	32.7%	Sports

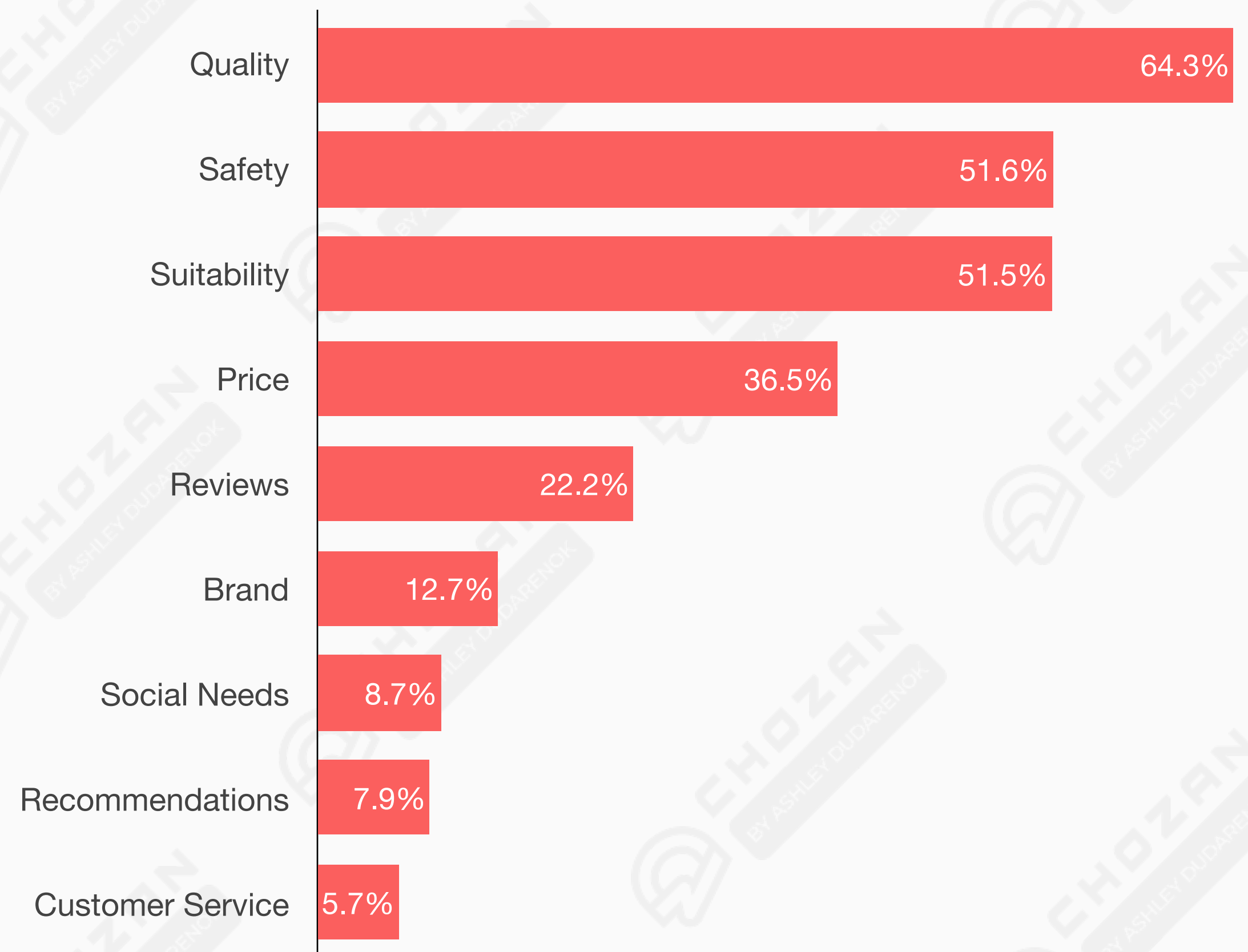
CONSUMER INSIGHTS

CHINESE MEN (OVER 30) - FORMING DEMAND

Young men have a great desire to improve their appearance. In a survey, 74.4% of male netizens under the age of 25 have a positive attitude toward improving their appearance and 76.8% want to buy male grooming products.

Male netizens over the age of 45 have the lowest demand conversion rate. Although over 60% have favourable attitudes toward improving their appearance, less than 40% are willing to buy grooming products. Young male consumers are the main force in this sector and pay more attention to their image. Companies should keep a close eye on young consumers while actively exploring the middle-aged male market.

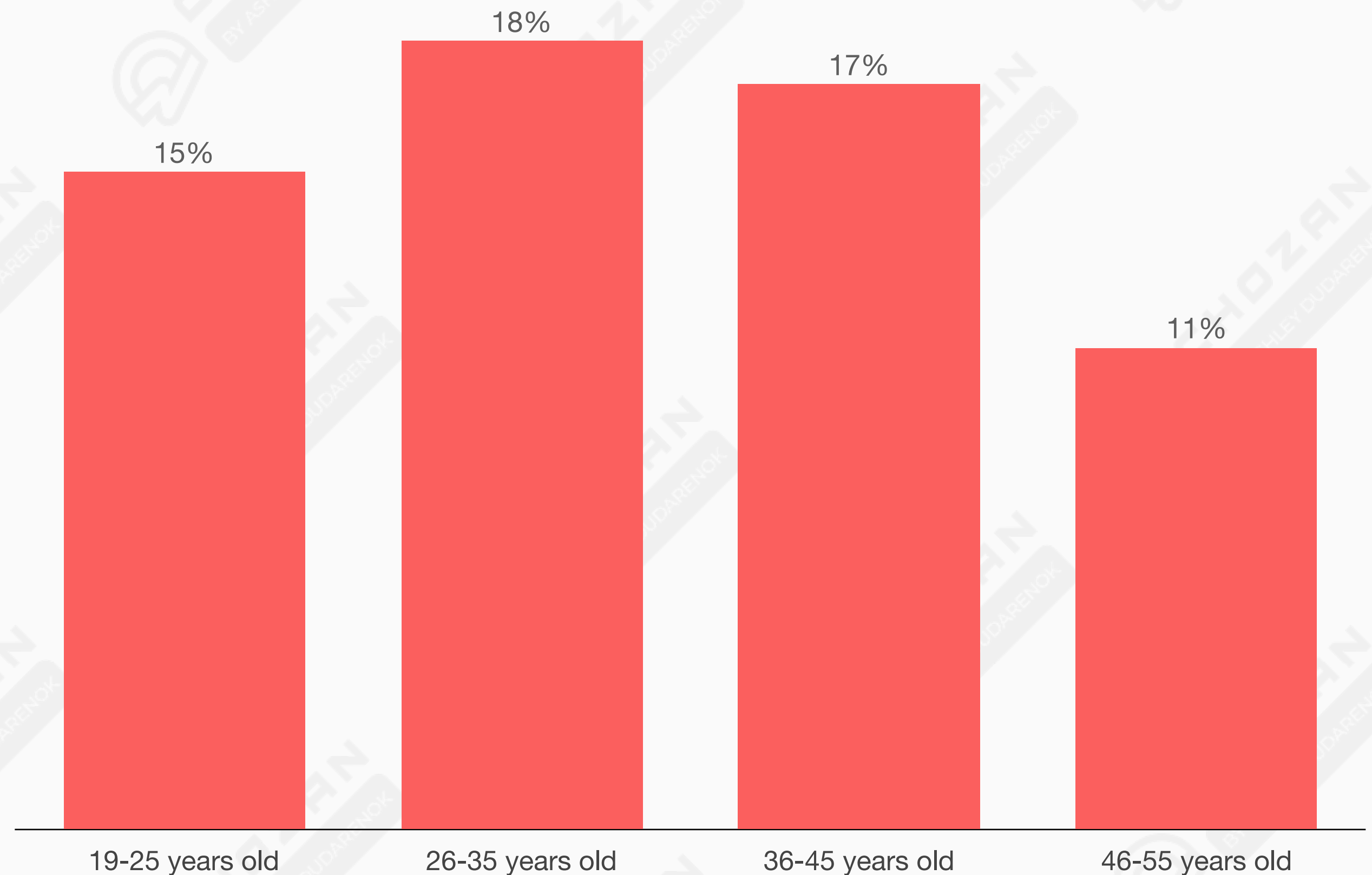
FACTORS INFLUENCING THE CHOICES OF MALE WEB USERS FOR GROOMING PRODUCTS (Q1 2020)



CONSUMER INSIGHTS

Men older than 36 years old are active online shoppers who account for around 28% of online e-commerce activity.

E-COMMERCE ACTIVITY BY AGE GROUP





5 POWER WOMEN

Chinese women with higher education and greater participation in the workforce have more financial autonomy and personal freedom. 56% of the female population completed secondary school and enrolled in tertiary education, while only 46% of men do so.

Women are spending more on themselves. Cosmetics sales rose 13% in 2019, while aesthetic medical services have grown 24% in five years. Not only are women spending on themselves, but they're also responsible for three quarters of household purchasing decisions. Women represent a significant power in China's market.



EXPERT BITES



JACQUELINE CHAN

Project Director at
Alarice and ChoZan

Q: WHAT ARE POWERFUL WOMEN FOCUSING ON Q1 2021?

Powerful women are pursuing their best selves. “Youthful looking”, “fitness guru”, “psychotherapist”, “nutritionist”, the sisters never stop adding labels and skills they can apply to themselves and their lives. **We insist on self-improvement, from our appearance and fitness to upgrading our professional skills and cultivating our talents, to make the best of ourselves inside and out.** Powerful women are willing to pay to enhance their quality of life with products like smart home appliances for example.

CONSUMER INSIGHTS

POWER WOMEN - INTRODUCTION

Interesting facts

The number of female Internet users has been growing. According to QuestMobile, in February, the average amount of time women spent on the internet also increased 43% YoY, 5% higher than average.

The apps most commonly used by women focus on social networking, videos and e-commerce. Among them, women are very interested in short videos, and the amount of time spent on Douyin is second only to WeChat.

The female user portrait has changed. There's an increasing number of female users from Tier 3 cities and lower. The age structure is becoming more balanced, with more teenagers and senior women using the mobile internet.

Shopping attitudes and behaviours

Women have increasingly extensive channels to understand merchandise. Recommendations, promotions, group buying and livestreaming have great influence on female consumers.

They love social-sharing shopping, which is fully reflected in WeChat mini-programs. Female users account for more than a half of Jingxi and Pinduoduo WeChat mini-programs, both of which are famous for group buying.

What are they interested in purchasing?

- 1) Luxury products
- 2) Products that improve quality of life
- 3) Small home appliances
- 4) Educational courses
- 5) Fitness-related products

CONSUMER INSIGHTS

POWER WOMEN - INTRODUCTION

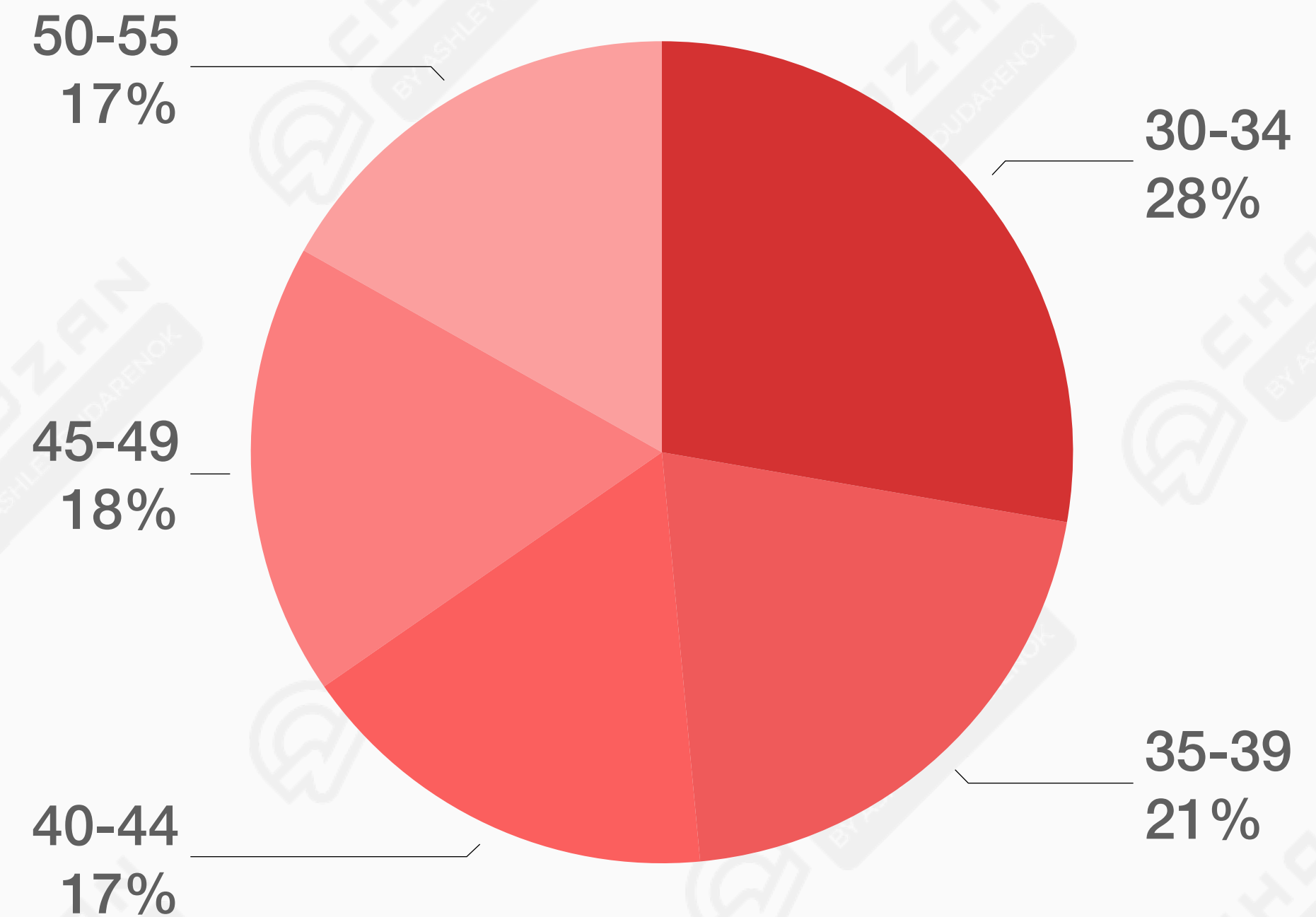
According to 2019 population data, there are around 278 million women in the 30-55 age range.



278 MILLION
WOMEN AGED 30-55

Source: 30+ sophisticated women insight report

WOMEN FROM 30-55 BY AGE GROUP



CONSUMER INSIGHTS

POWER WOMEN - LUXURY FOCUSED

The modern Chinese woman is an economic powerhouse with more financial and social independence, social stability, and higher disposable income, meaning women now spend more on themselves. Luxury brands are benefiting most from the 70% of global luxury spending growth courtesy of China's affluent middle class, millennials and female consumers.



CONSUMER INSIGHTS

POWER WOMEN - FINANCIAL FREE

China has produced the highest number of self-made female billionaires in the world. The Julius Bar Group describes the face of wealth in China as "young, self-made, and female". Brands can expect a positive future as more women achieve financial freedom.

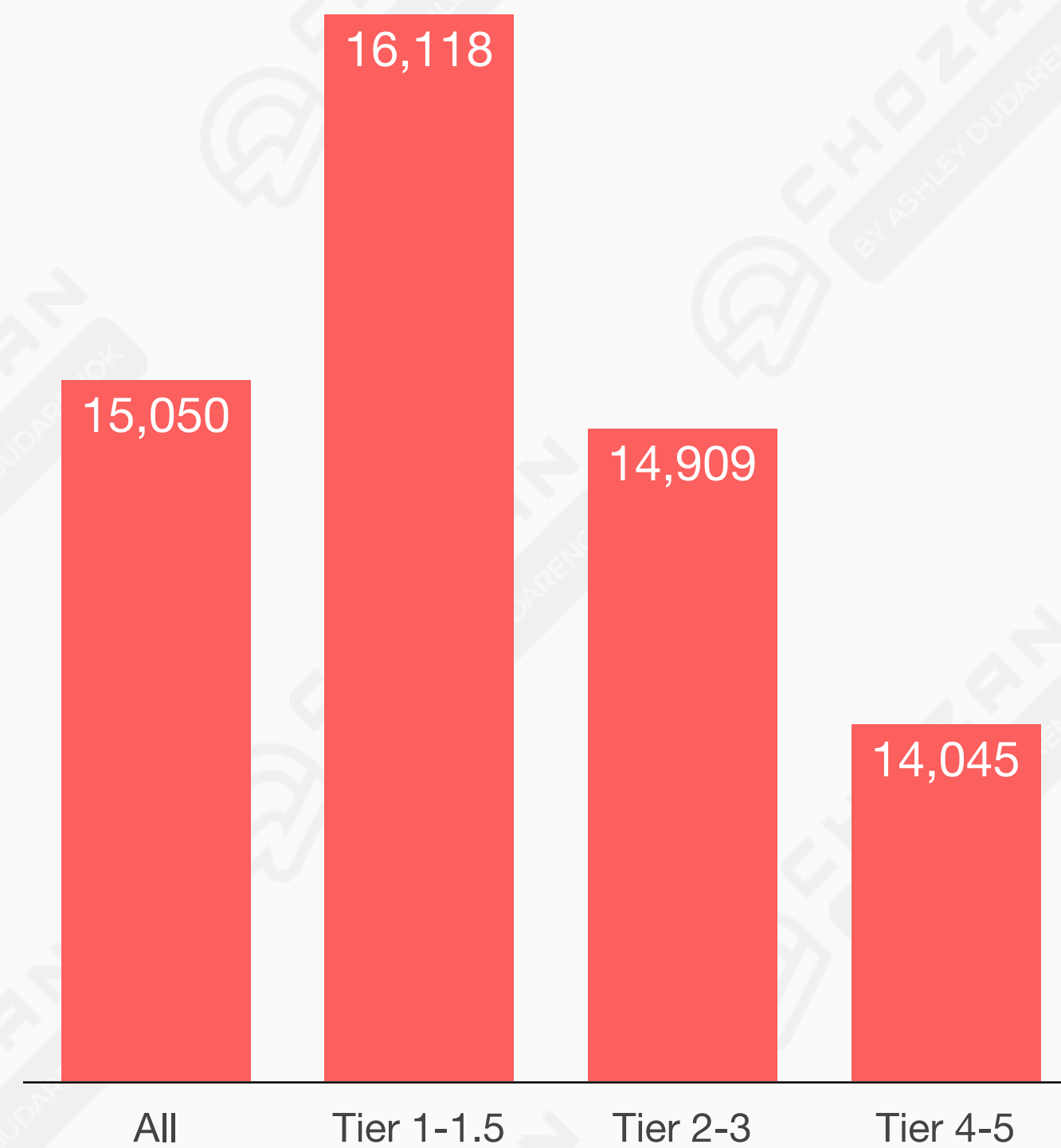


**CHINESE WOMEN MAKE UP 57%
OF THE SELF-MADE FEMALE
BILLIONAIRES GLOBALLY**

CONSUMER INSIGHTS

POWER WOMEN - FINANCIAL FREE

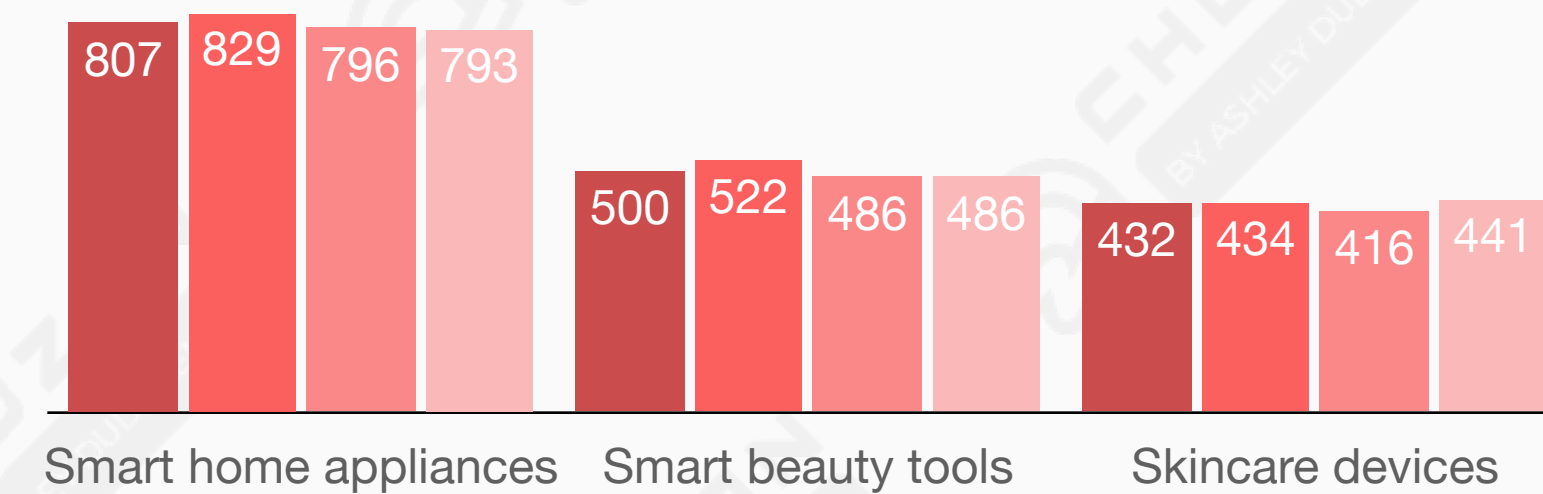
AVERAGE MONTHLY SPENDING FOR WOMEN OVER 30 YRS OLD (IN RMB)



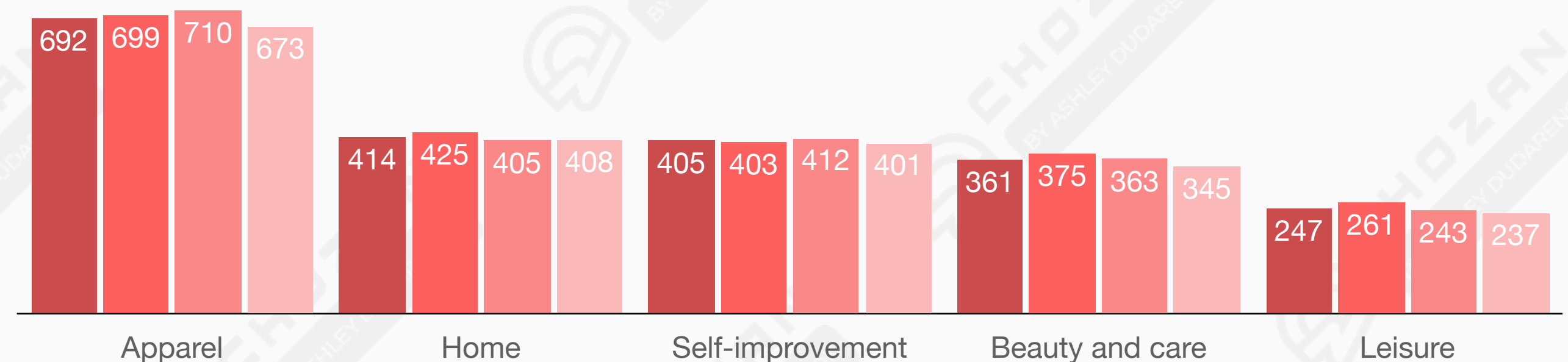
EXPENDITURE ON DIFFERENT CATEGORIES BY WOMEN OVER 30 BY CITY TIER

MONTHLY EXPENDITURES BY CATEGORY

All
 Tier 1-1.5
 Tier 2-3
 Tier 4-5



YEARLY EXPENDITURES BY CATEGORY

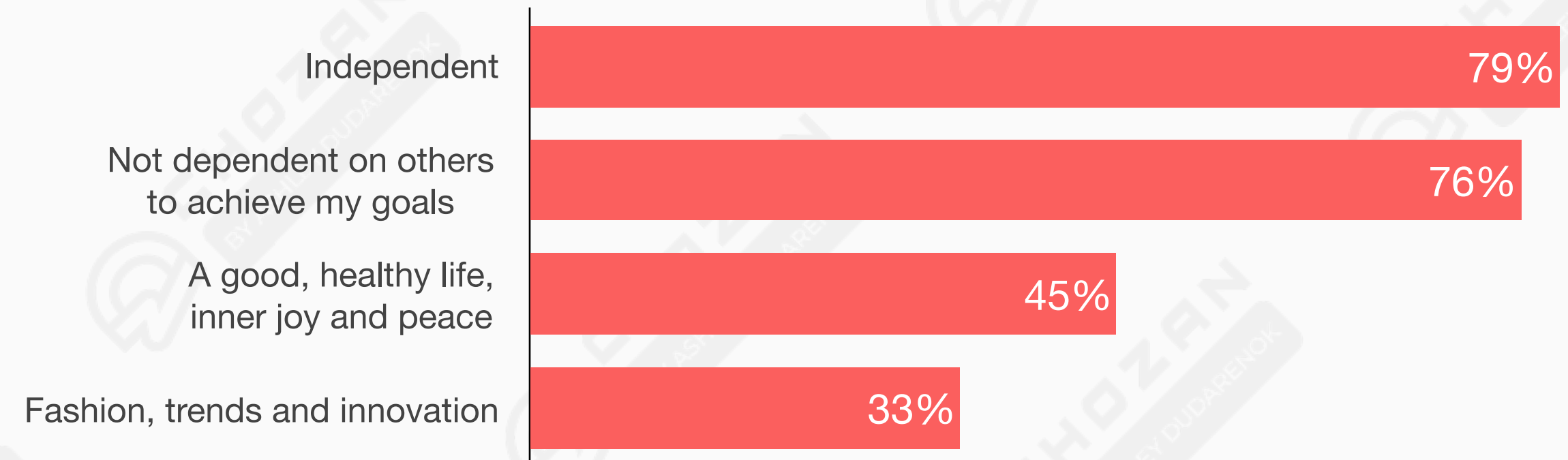


CONSUMER INSIGHTS

POWER WOMEN

Compared to women in their 20s, women over 30 are focused more on self-love, and elevating all aspects of their life.

VALUES AND ATTITUDES OF WOMEN OVER 30 IN CHINA



MONTHLY SPENDING FOR WOMEN OVER 30



692 RMB
FASHION/ APPAREL



414 RMB
HOUSEHOLD



405 RMB
SELF-IMPROVEMENT



361 RMB
BEAUTY AND CARE



247 RMB
LEISURE/ ENTERTAINMENT

CONSUMER INSIGHTS

POWER WOMEN - SOPHISTICATED QUEENS

Sophisticated queens are consumers who strive for quality and status. They pay particular attention to details and are willing to spend more on any product that makes them happy or improves their life.

PERSONAL CARE APPLIANCES

Index 105 (83%)

HOUSEHOLD APPLIANCES

Index 106 (69%)

BEAUTY TECH APPLIANCES

Index 126 (54%)



12,128 RMB
MONTHLY AVERAGE INCOME

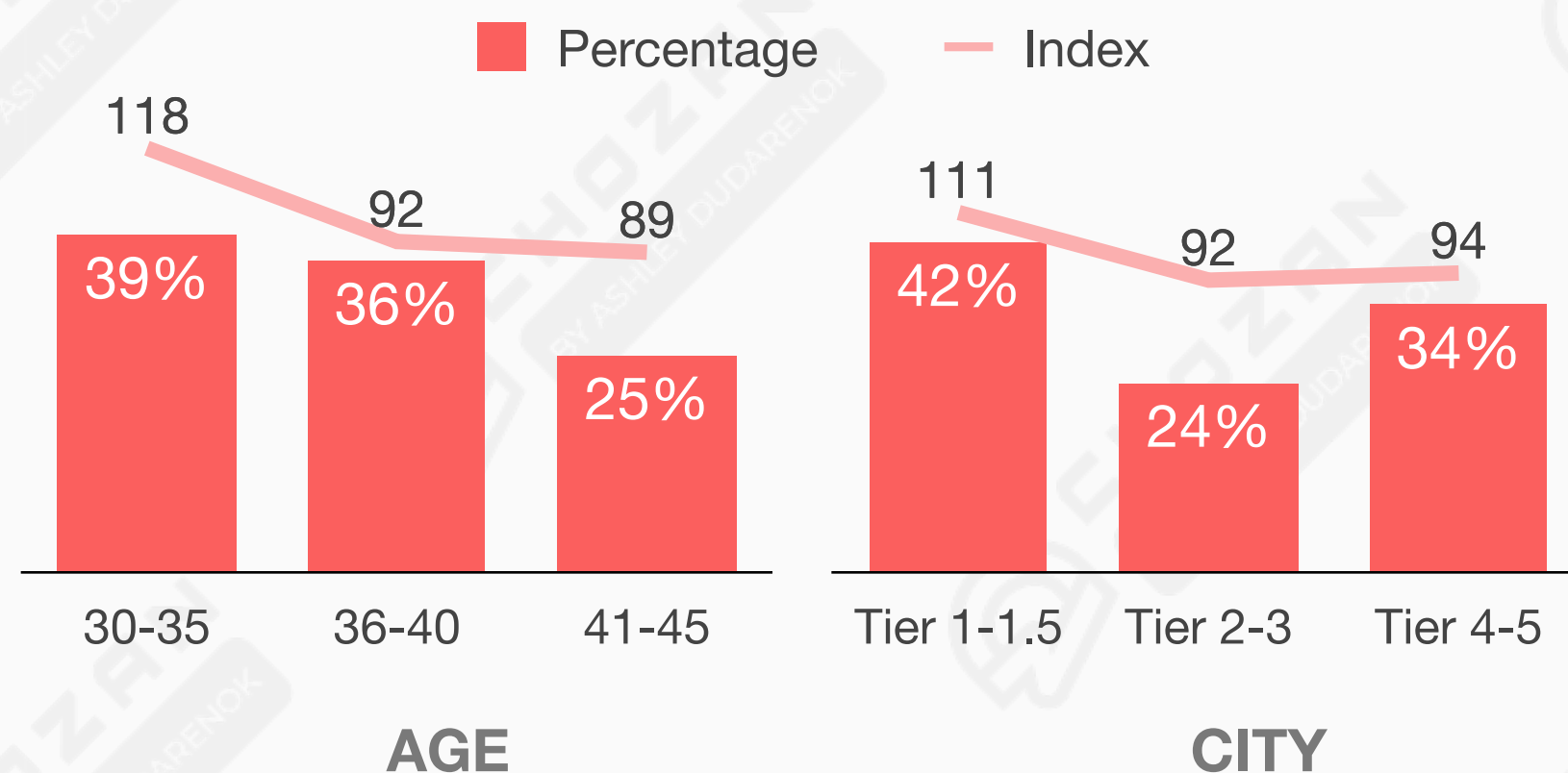
RECENT APPLIANCE PURCHASES BY SOPHISTICATED QUEENS

Oral care	Massage	Hair care
Index 105 63%	Index 118 47%	Index 118 15%

Smart floor cleaners, mops, air fryers, blenders etc
Index 106 69%

Body care	Cleaning	Care	Cosmetics
Index 142 37%	Index 140 28%	Index 156 14%	Index 163 13%

SOPHISTICATED QUEENS PORTRAIT

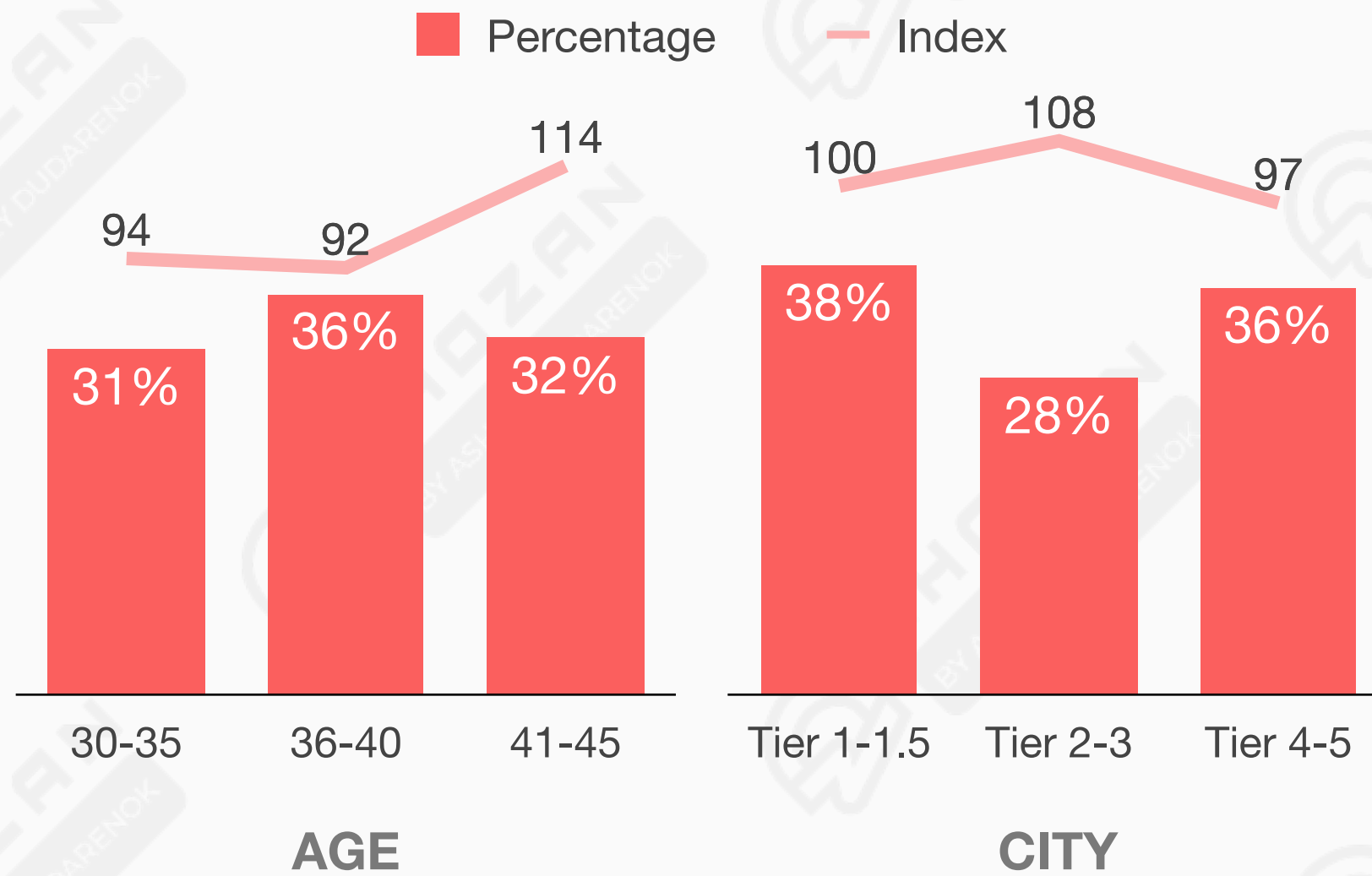


CONSUMER INSIGHTS

POWER WOMEN - CAREFREE WOMEN

Carefree women are consumers who strive for a healthy lifestyle (养生). They have a stable financial status and a lot of leisure time. They tend to focus on products that improve the comfort and health of the family.

CAREFREE WOMEN PORTRAIT



8.1 HOURS

OF WEEKLY ONLINE ENTERTAINMENT

RECENT APPLIANCE PURCHASES BY CAREFREE WOMEN

**BEAUTY TECH
APPLIANCES**
Index 98 (42%)

Body care	Cleaning	Care	Cosmetics
Index 92 24%	Index 95 19%	Index 100 9%	Index 100 8%

**HOUSEHOLD/
APPLIANCES**
Index 97 (63%)

Smart floor cleaners, mops, air fryers, blenders etc
Index 97 63%

**PERSONAL CARE
APPLIANCES**
Index 96 (76%)

Oral care	Massage	Hair care
Index 98 59%	Index 95 38%	Index 88 7%

CONSUMER INSIGHTS

TARGETING POWER WOMEN

Although both sophisticated queens and carefree women fall into the same ‘power women’ consumer group, they're very different and brands should market to them differently

SOPHISTICATED QUEENS	PERSONAL CARE APPLIANCES	HOUSEHOLD APPLIANCES	BEAUTY TECH APPLIANCES
CONSUMER JOURNEY	Brand reputation-> recommendations from community-> content seeding-> purchase	Brand reputation-> video content seeding-> direct to e-commerce platforms-> purchase	Content seeding on social media platforms-> direct to e-commerce platforms-> purchase
FOCUS	Brand reputation, consumer preferences, content comparing and testing products, practicality	Brand power, brand IP, prefer well-known brands	Brand exposure, KOL/influencer/celebrity recommendations, video content
CAREFREE WOMEN			
CONSUMER JOURNEY	Seeding through social media content and post discussions from friends/official accounts-> direct to e-commerce platforms-> purchase	Brand reputation-> video content seeding-> direct to e-commerce platforms-> purchase	Content seeding on social media platforms and official accounts-> direct purchase through links or WeChat friends
FOCUS	Brand reputation, information from social media, affordability	Modernity and features, content comparing and testing products, practicality	Video content, spokesperson, KOL/influencer/celebrity recommendations, innovative products

CONSUMER INSIGHTS

POWER WOMEN - FOREIGN BRAND PREFERENCES

Foreign niche brands are mostly consumed by a population of young, active, women, mostly students and makeup enthusiasts, who have low income and independence to make purchase decisions.

While consumer profiles differ for brands, expensive brands from Europe and America, like Charlotte Tilbury, attract young, high earning consumers from Tier 1 cities. Lower maintenance brands are popular among lower tier city groups who are older with lower incomes.

Young women under 30 mostly students and makeup fans

LOHAS-minded, with extensive interests including food, travel and sports

Over 80% focus on pleasure when shopping

Prefer niche brands with distinctive style

EXPERT BITES



WENDY CHEN
Marketing Manager at
Alarice and ChoZan

Q: WHAT ARE YOUR MARKETING RECOMMENDATIONS FOR BRANDS TARGETTING POWERFUL WOMEN IN Q1?

Powerful women have really strong consumption ability and are more eager to shop as a form of relaxation and to get a break from the rapid **pace of modern life**. But they don't have as much time as students to do research so their requirements are more straightforward. Niche products can meet their need to show their unique style. Luxury goods and beautiful merchandise can easily attract their attention. **Key marketing talking points are personal value and self-improvement.**

EXPERT BITES

Q: WHAT CHINA CONSUMER TRENDS ARE YOU MOST EXCITED ABOUT IN 2021?

Amidst all of the upheaval in 2020, there have been **some exciting cultural shifts in modern Chinese society. Sisters Making Waves (乘风破浪的姐姐) and Nothing But Thirty (三十而已)** shone a spotlight on the limitless potential of women **over thirty** while netizens also took note of **‘single aristocrats’ (单身贵族) defying conventions to craft a lifestyle that perfectly suits their desires.** What’s more, passions like **e-sports and street dance and unconventional pursuits, like livestreaming, increasingly gained acceptance as legitimate career choices.** As **the definition of success continues to evolve and expand in 2021,** I’m looking forward to seeing how brands will innovate across communications, products and experiences to connect with these rising consumer groups with high spending power.



MEHA VERGHESE
Growth and Innovation Lead,
MediaCom China



6

SUPER MOMS AND DADS

The replacement of China's one child policy with the two child policy in 2015 has created an organic push for the maternity and baby products market. The sector is expected to maintain an annual growth rate of 20-30% for the next ten years.

Post-90s super moms account for 70% of related product categories, according to JD platform data. They have become a major market force, preferring trendy products while being less price-sensitive.



EXPERT BITES



YVONNE WU
Copywriter at
Alarice and ChoZan

Q: HOW DO YOU SEE SUPER MOMS AND SUPER DADS IN 2021 AND 2022?

Super moms know how to look after their children, help them learn, cook for their families and they like to dress well. In addition to high-level fitness regimes and top notch time management, they also need to maintain good relationships with their relatives.

This may seem tiring, but with the widespread phenomena of comparing children, competitive parenting and the influence of public opinion, often highlighted online and on TV variety shows, **super moms and dad have higher and higher expectations for themselves, and are increasing their spending on fitness, nutritious food, and online education.**

CONSUMER INSIGHTS

SUPER MOMS AND DADS - INTRODUCTION

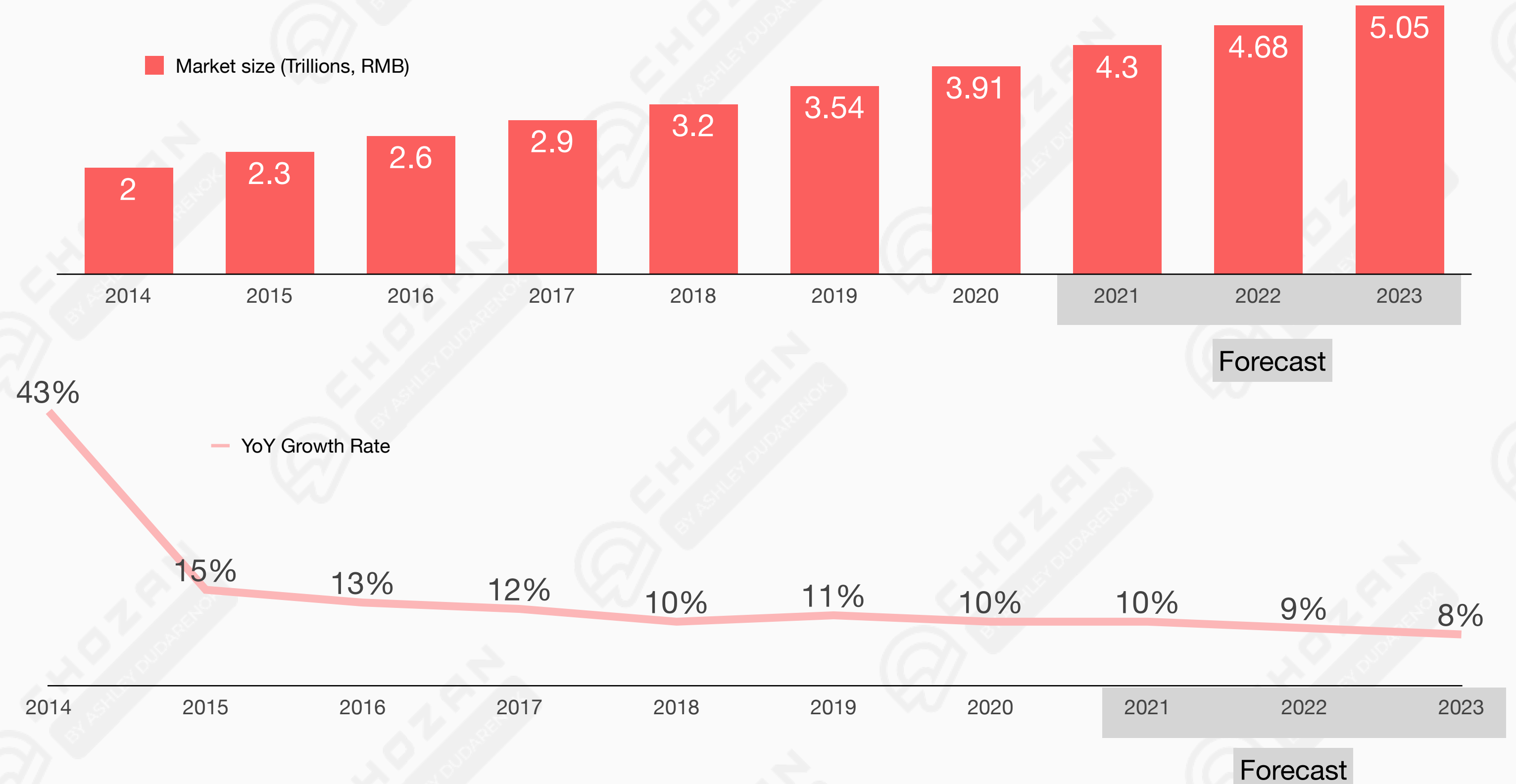
Interesting facts	Shopping attitudes and behaviours	What are they interested in purchasing?
<p>Parents aged 25-40 with kids aged 0-12 are one of the biggest groups of mobile internet users, with 300 million active users online. According to QuestMobile, in April, the average monthly time spent on the Internet by parents with kids aged 0-12 rose 13.1% YoY.</p> <p>Similar to other internet user groups, more than half of parents with young children live in Tier 3 cities or below. Most of these parents were born in the 1980s and 1990s.</p>	<p>Expenditures related to their children account for a huge portion of family spending. Most families spend 1,000-5,000 RMB on their children monthly. The amount spent on daily necessities and education is almost the same.</p> <p>These parents usually purchase children's products through e-commerce. Word-of-mouth and quality assurances are essential factors in purchasing decisions for children's products.</p>	<ol style="list-style-type: none"> 1) Children's clothing 2) Food supplements 3) Educational products 4) High-tech wearable devices 5) Fitness-related products

CONSUMER INSIGHTS

SUPER MOMS - MATERNITY AND INFANT CARE (MIC) MARKET GROWTH

MATERNITY/INFANT PRODUCT MARKET SIZE AND YoY GROWTH RATE, 2020 MAY

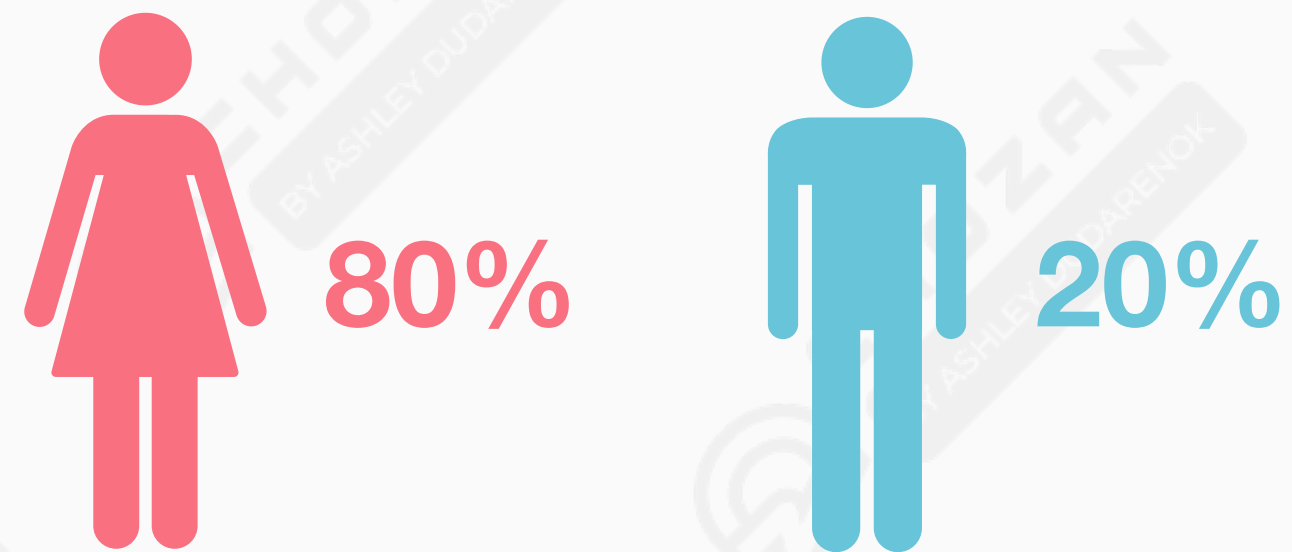
The market for maternity and infant care (MIC) products is expected to maintain steady growth and reach approximately 3.91 trillion RMB in revenue by the end of 2020.



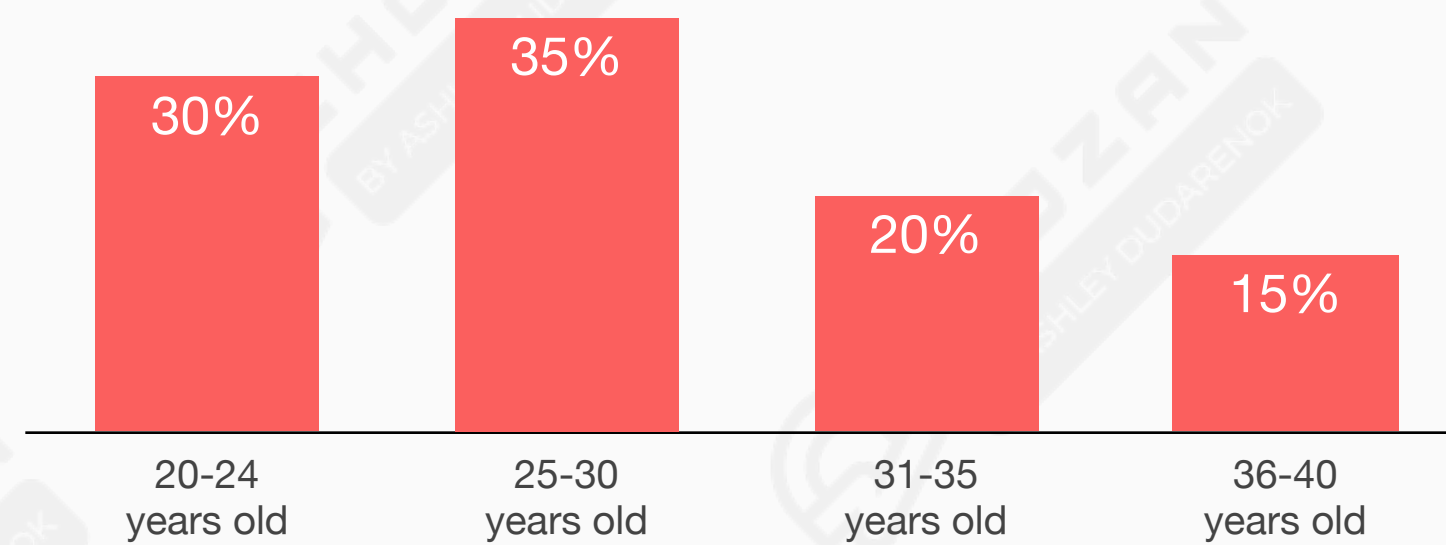
CONSUMER INSIGHTS

MIC APP USER PORTRAIT

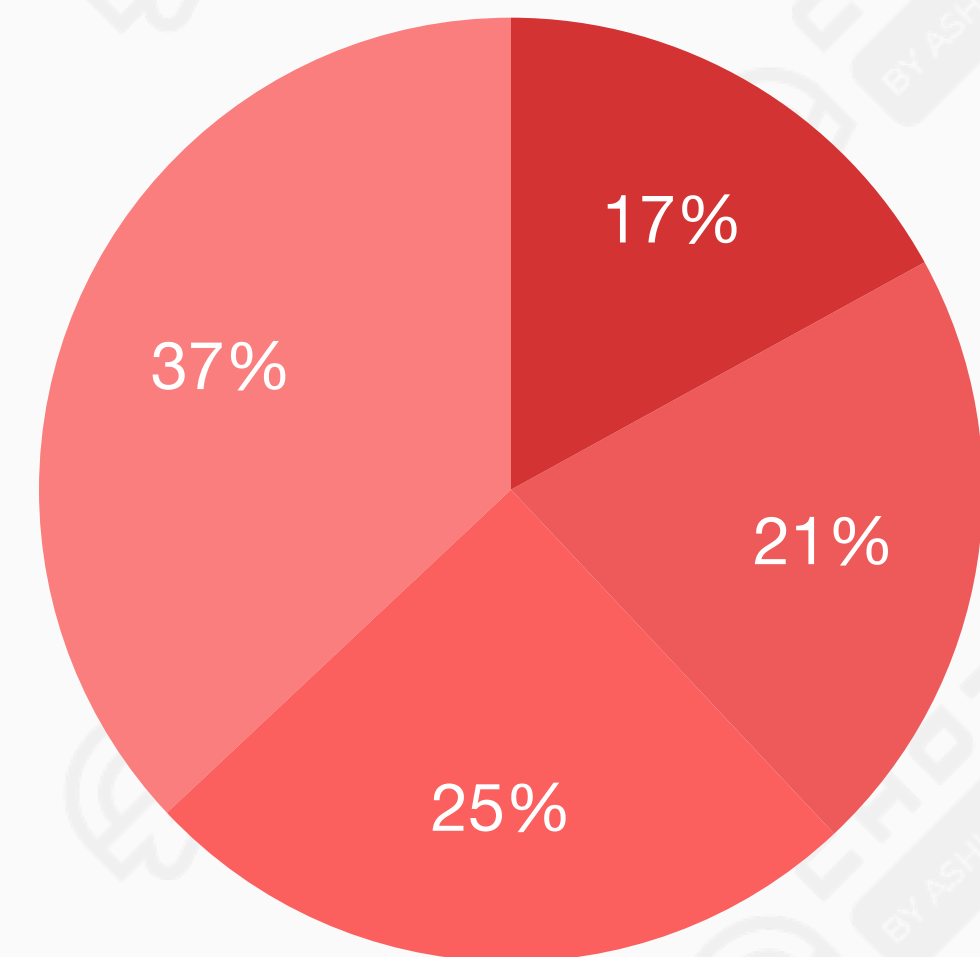
GENDER DISTRIBUTION



AGE DISTRIBUTION

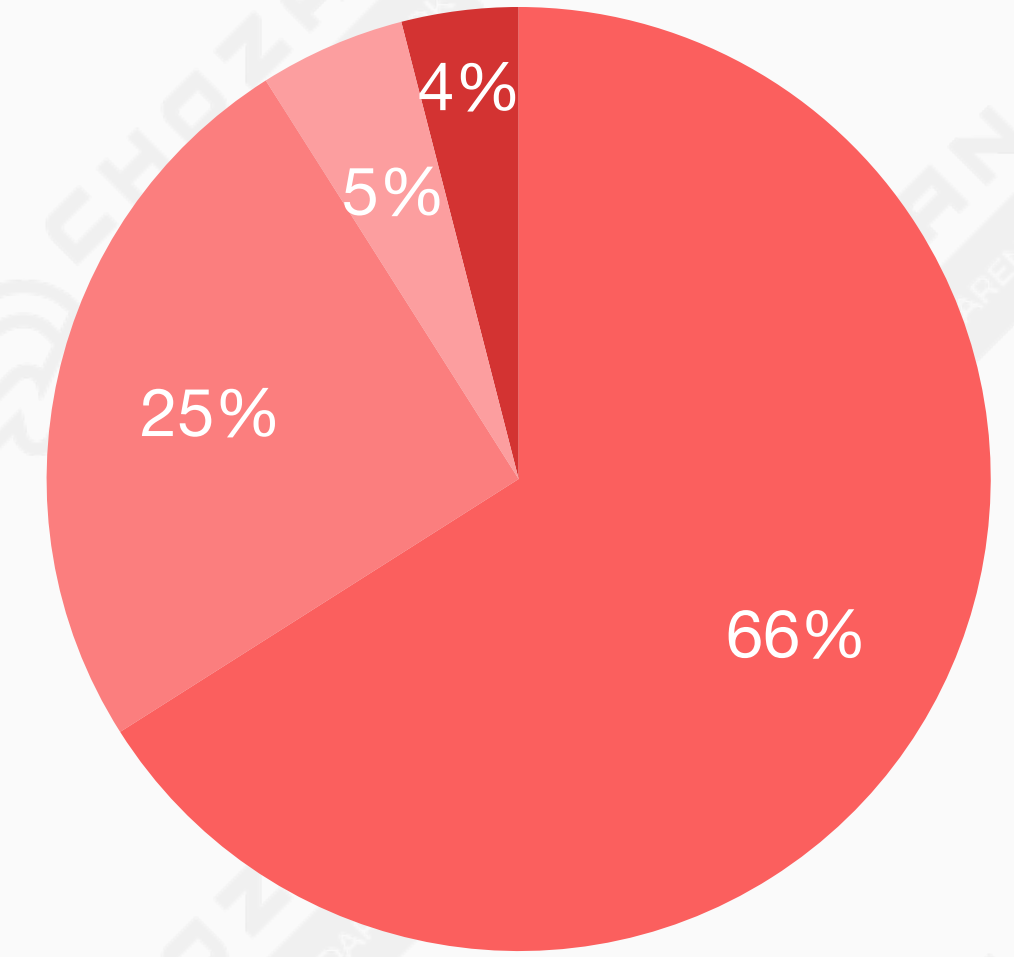


CITY TIER DISTRIBUTION



● Tier 1 cities
● Tier 2 cities
● New Tier 1 cities
● Lower-tier cities

EDUCATIONAL BACKGROUND



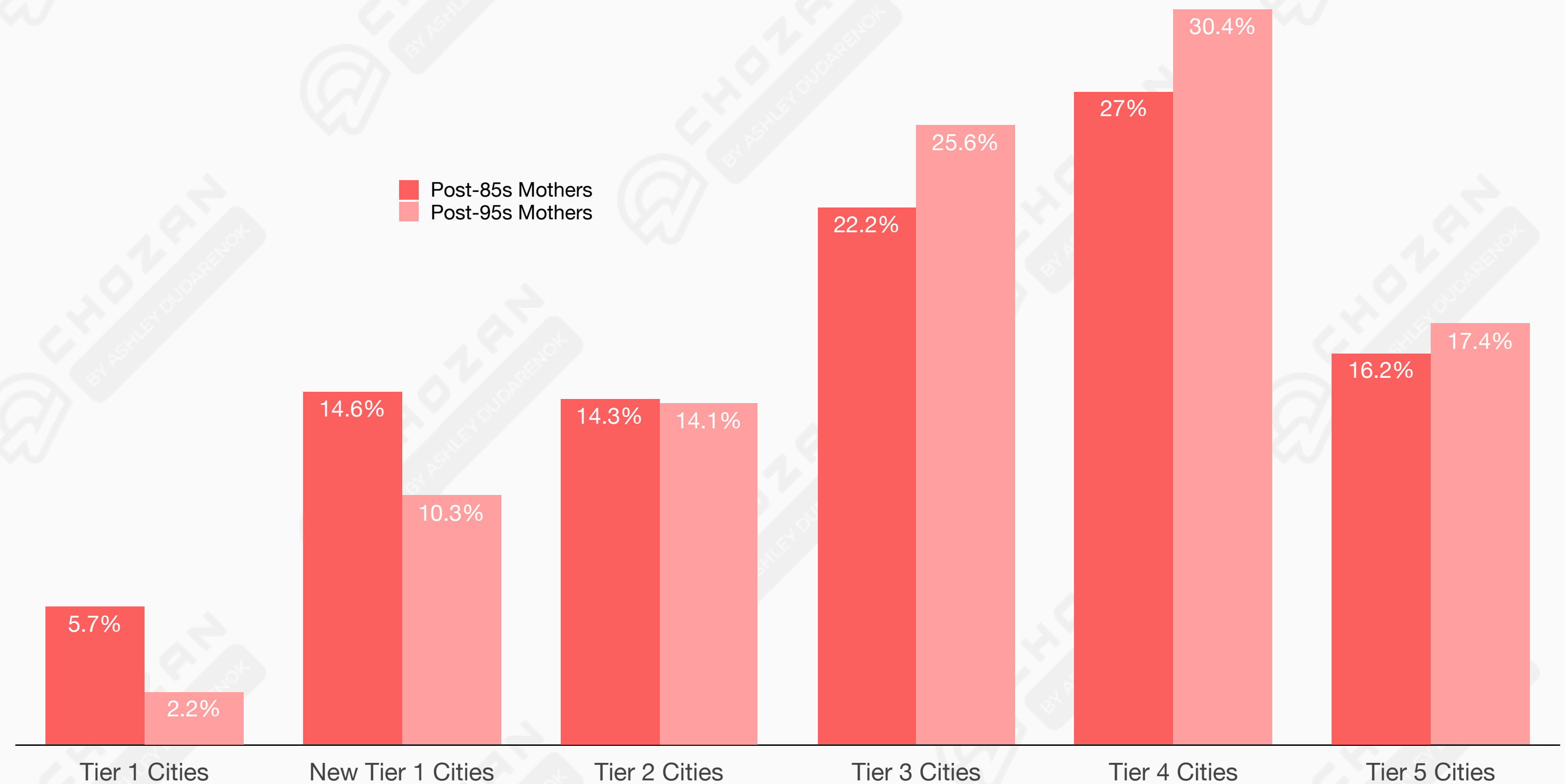
● Undergraduate
● High School
● College
● PhD

CONSUMER INSIGHTS

SUPER MOMS - CITY DISTRIBUTION

As a result of lower costs of living in lower tier cities and a recent switch to the more lenient two child policy, there are more mothers and more young mothers in lower tier cities.

POST-85s AND POST-95s MOTHERS BY CITY TIER



CONSUMER INSIGHTS

SUPER MOMS: KEY FACTS ABOUT AFFLUENT MOTHERS

1

Affluent mothers in China live by the word of mouth they read in trusted WeChat groups. They're keen to be in a WeChat group with their social peers. There's usually a leader who makes recommendations based on what celebrities are doing.

2

Education and betterment is everything. Everything is upgrading and looking for a way to display the elite standing of oneself and one's child/children. This creates a reason to make luxury purchases.

3

For the right investment in their child's experiences, there's no limit for affluent Chinese parents. No price is too great if it will deliver a truly elite, WeChat post-worthy moment for their child.

CONSUMER INSIGHTS

SUPER MOMS: EMERGING DEMOGRAPHICS

China is approaching a boom of Millennial mamas or, in their own words, Spicy Moms(辣妈) or Hot Mamas. These terms don't have the racy connotations that their English translations do and are more about mothers who don't conform to traditional norms or feel obligated to give up their hobbies, interests or fashion sense just because they're mothers. They're the new generation of Post-90s moms.

To understand this new demographic of affluent, modern Chinese parents, luxury brands need to understand the size of the social shift. Imagine the difference in parenting in the West between the 1950s and the 1970s. We're talking about the first generation of parents that are asking new questions about parenthood, rather than simply accepting what was done before.

MILLENNIAL MAMAS

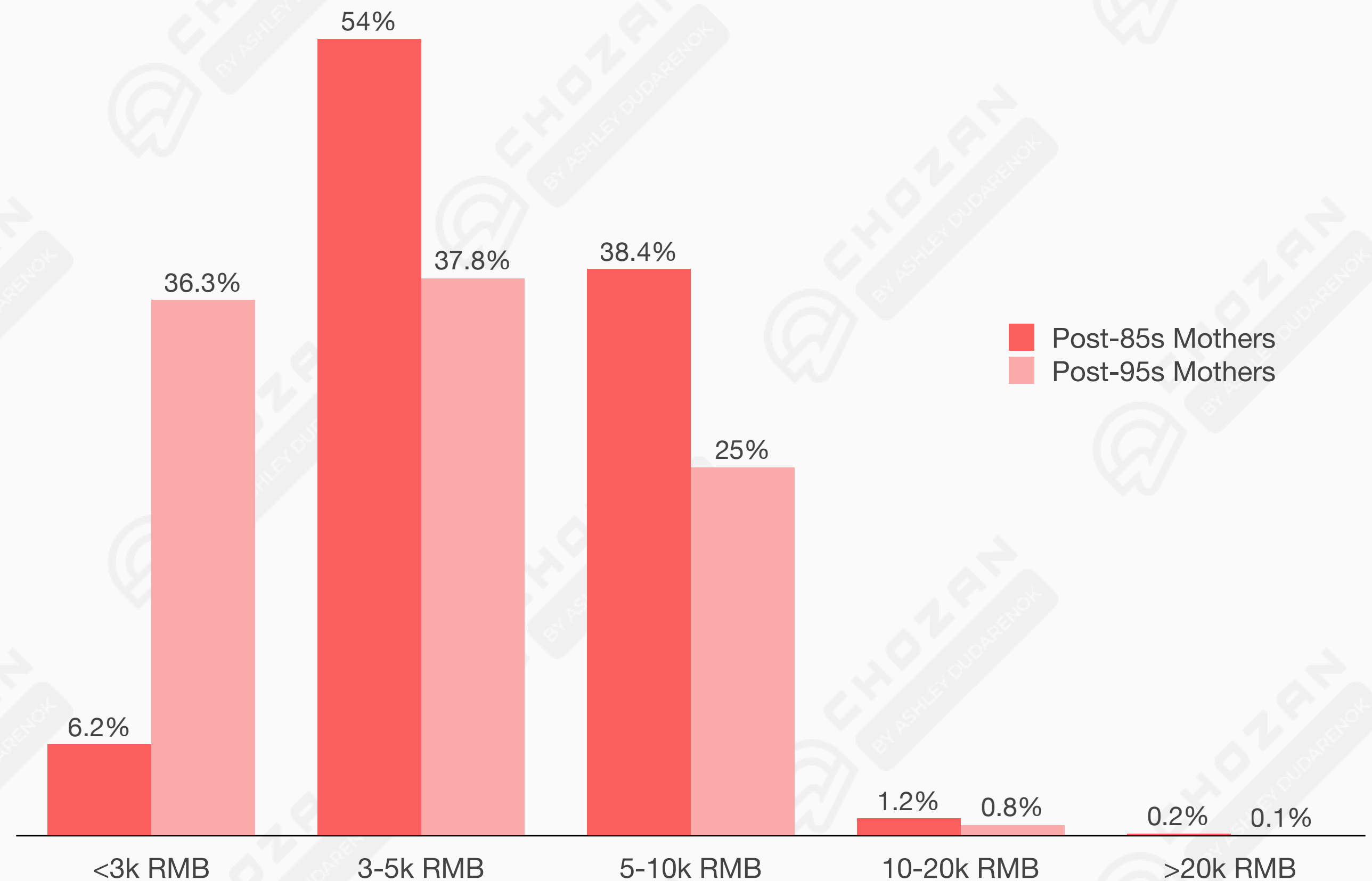


CONSUMER INSIGHTS

SUPER MOMS - INCOME

While Post-85s mothers have higher incomes, Post-95s mothers are catching up in some income brackets.

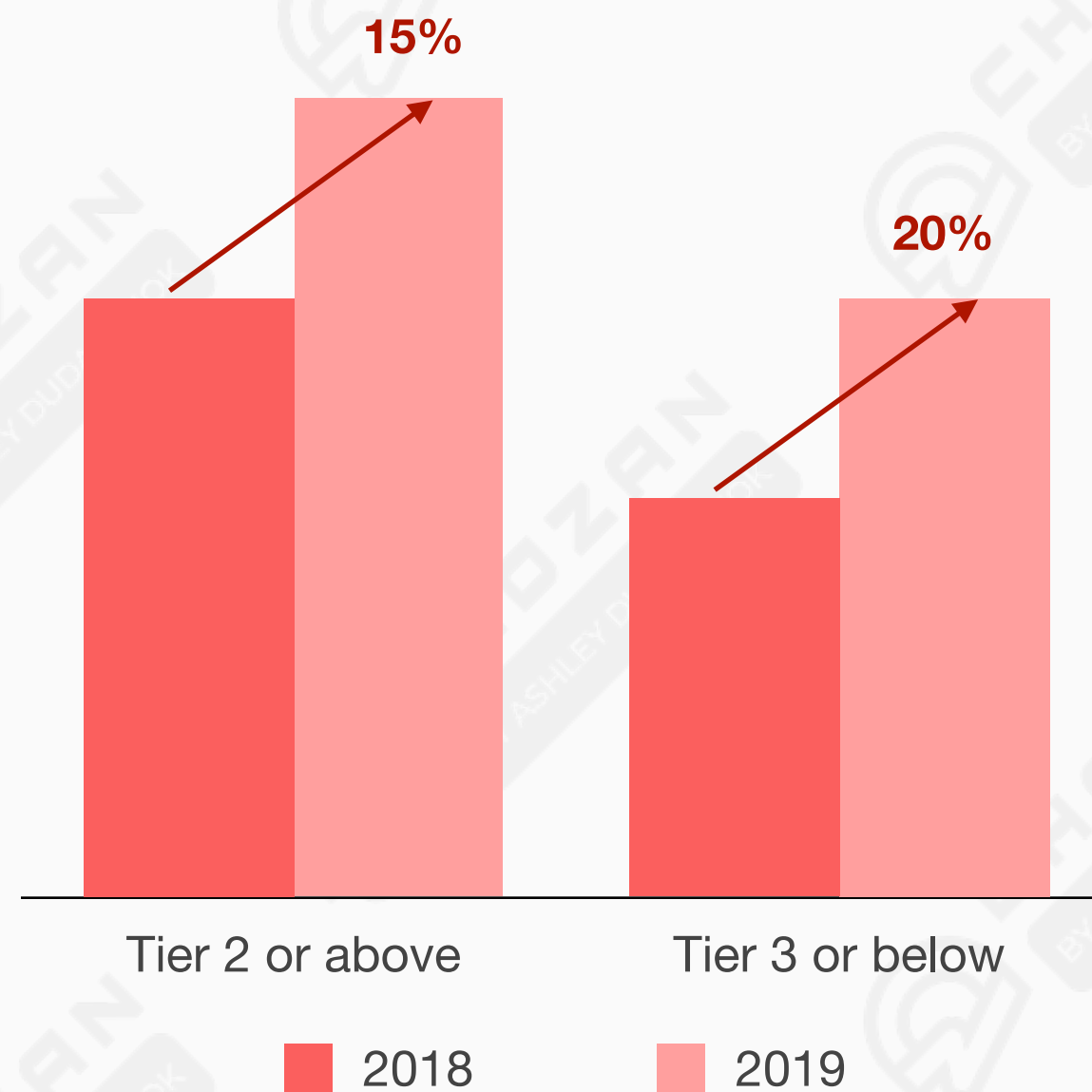
POST-85s AND POST-95s MOTHERS' MONTHLY INCOME



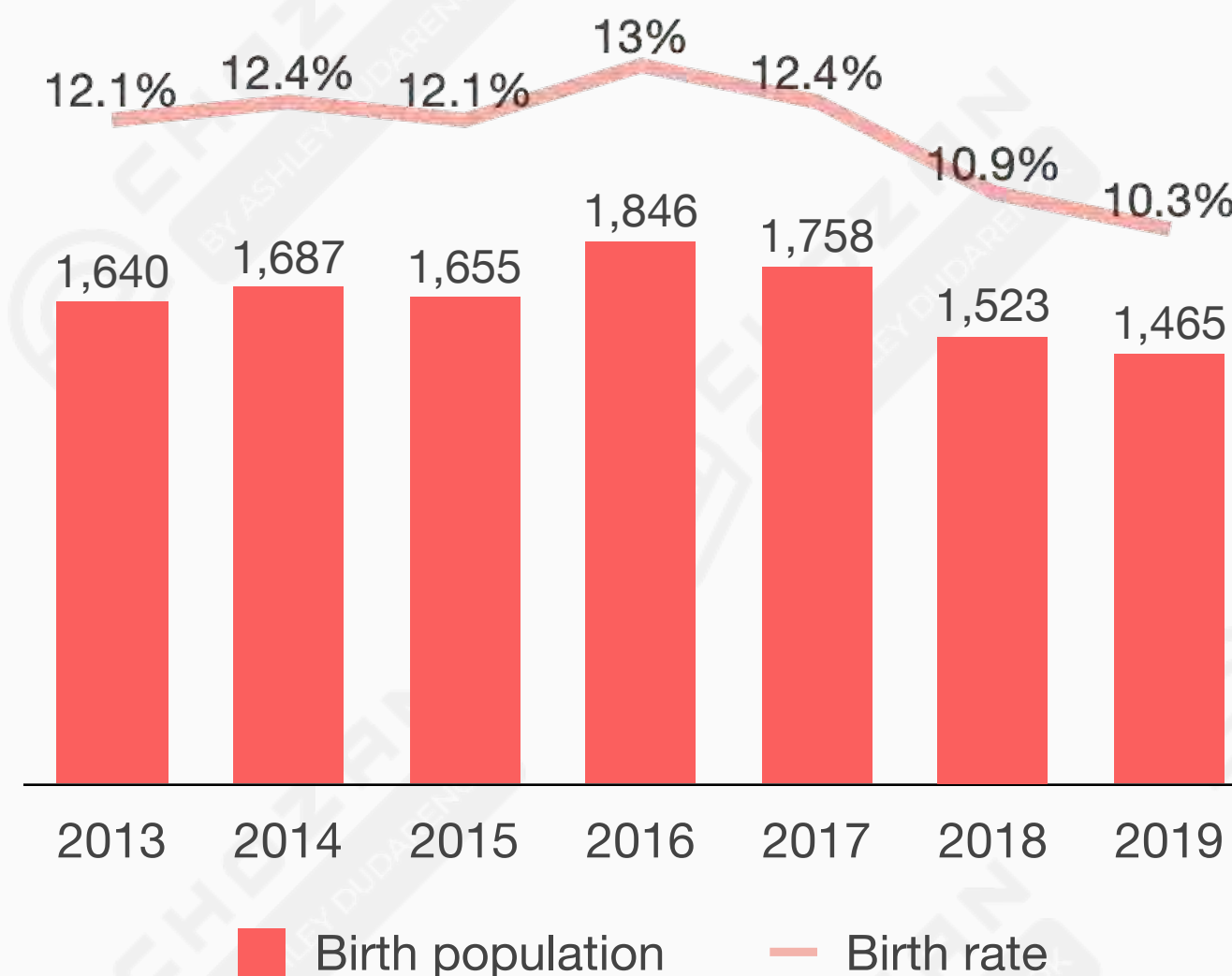
CONSUMER INSIGHTS

SUPER MOMS: MATERNITY AND INFANT CARE (MIC) PRODUCTS

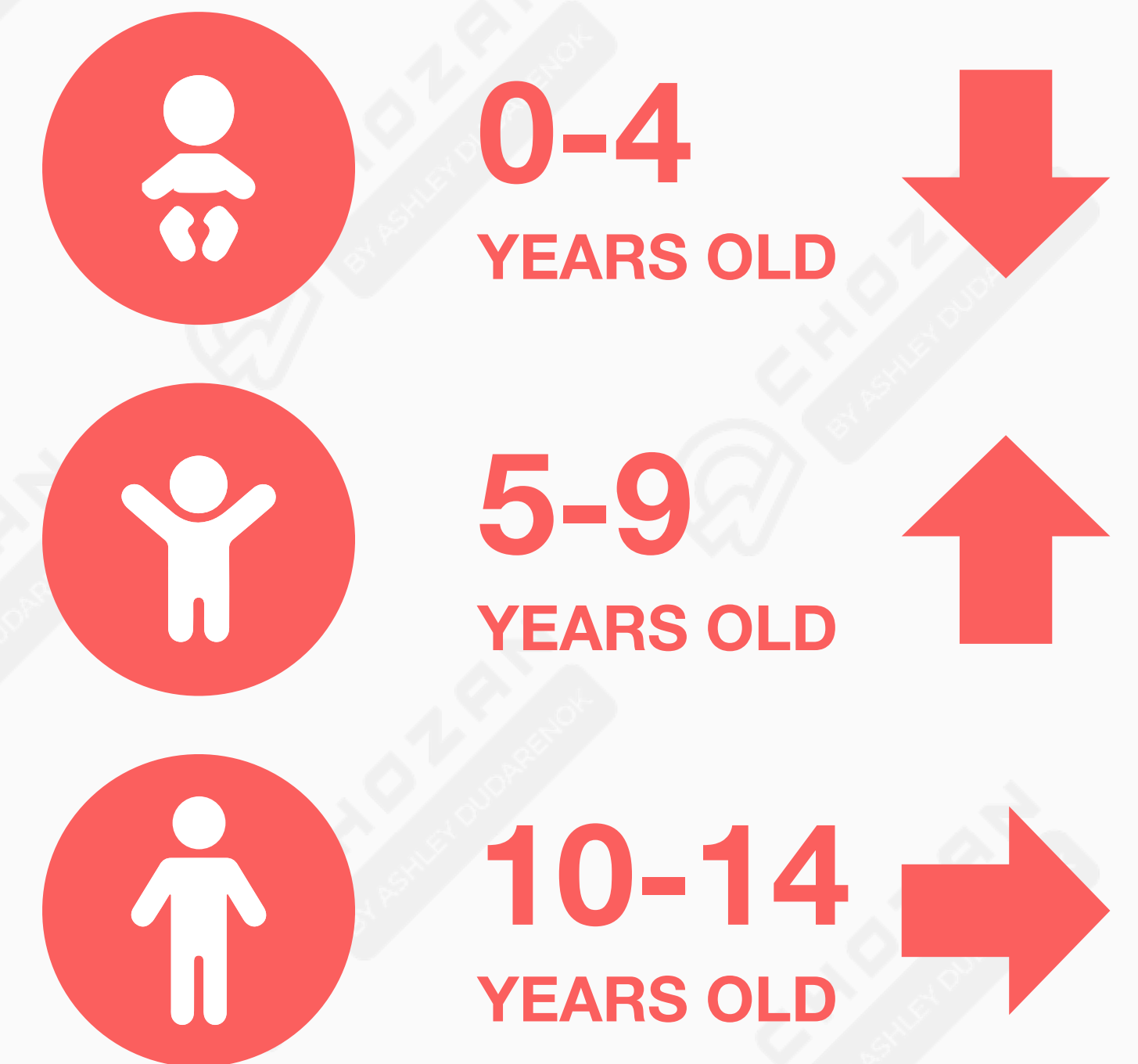
MIC MARKET PENETRATION GROWTH RATE
BY CITY TIER



BIRTH POPULATION AND RATE IN CHINA
(2013-2019)



CHILD POPULATION GROWTH TRENDS IN
THE NEXT 5 YEARS

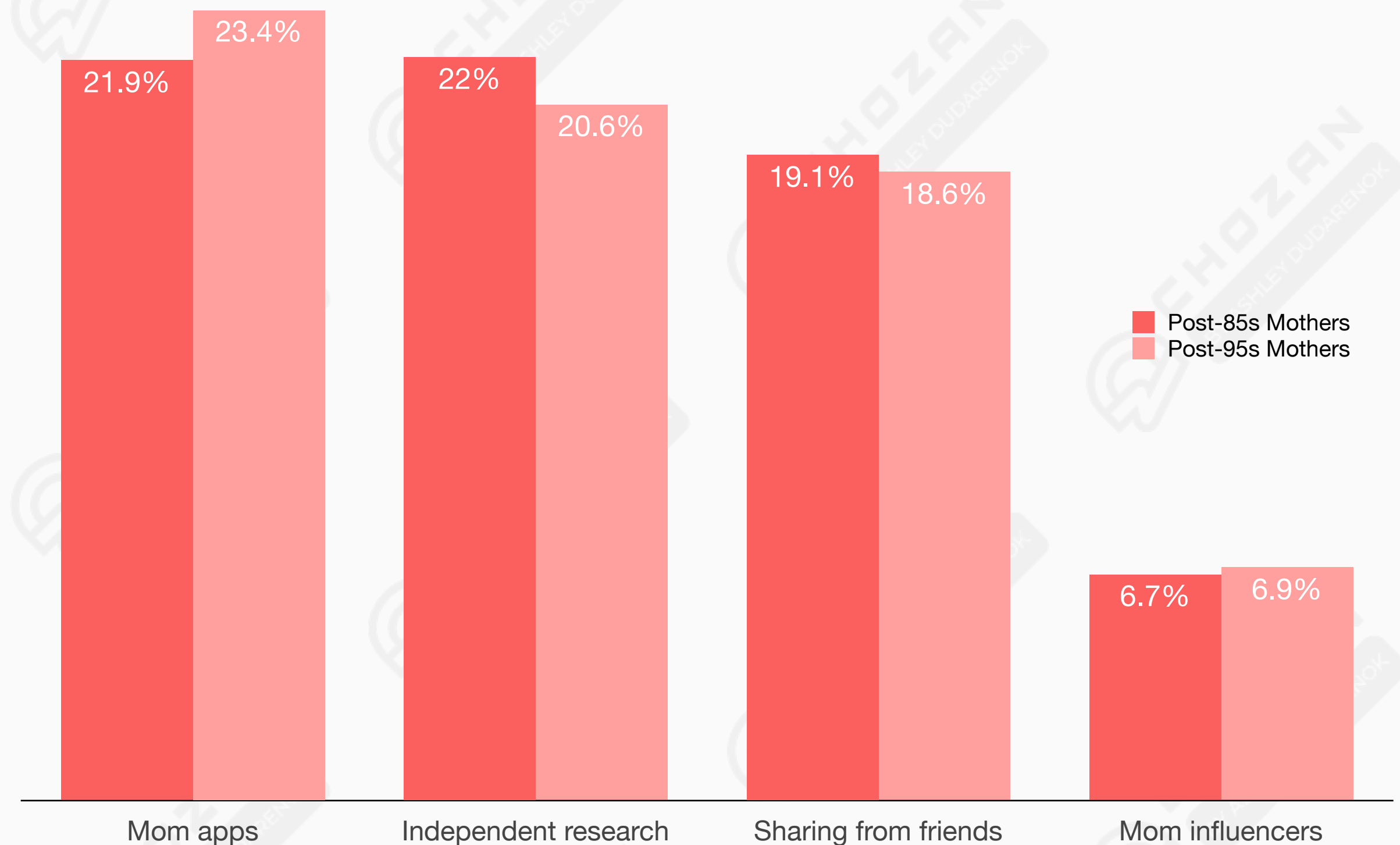


SOCIAL MEDIA INSIGHTS

TOP INFORMATION CHANNELS

Post-85s and Post-95s mothers value apps, independent research and recommendations from friends the most. Post-95s mothers rely a bit more on apps while Post-85s mothers trust their own independent research to a slightly greater degree.

POST-85s AND POST-95s MOTHERS TOP 4 INFORMATION CHANNELS

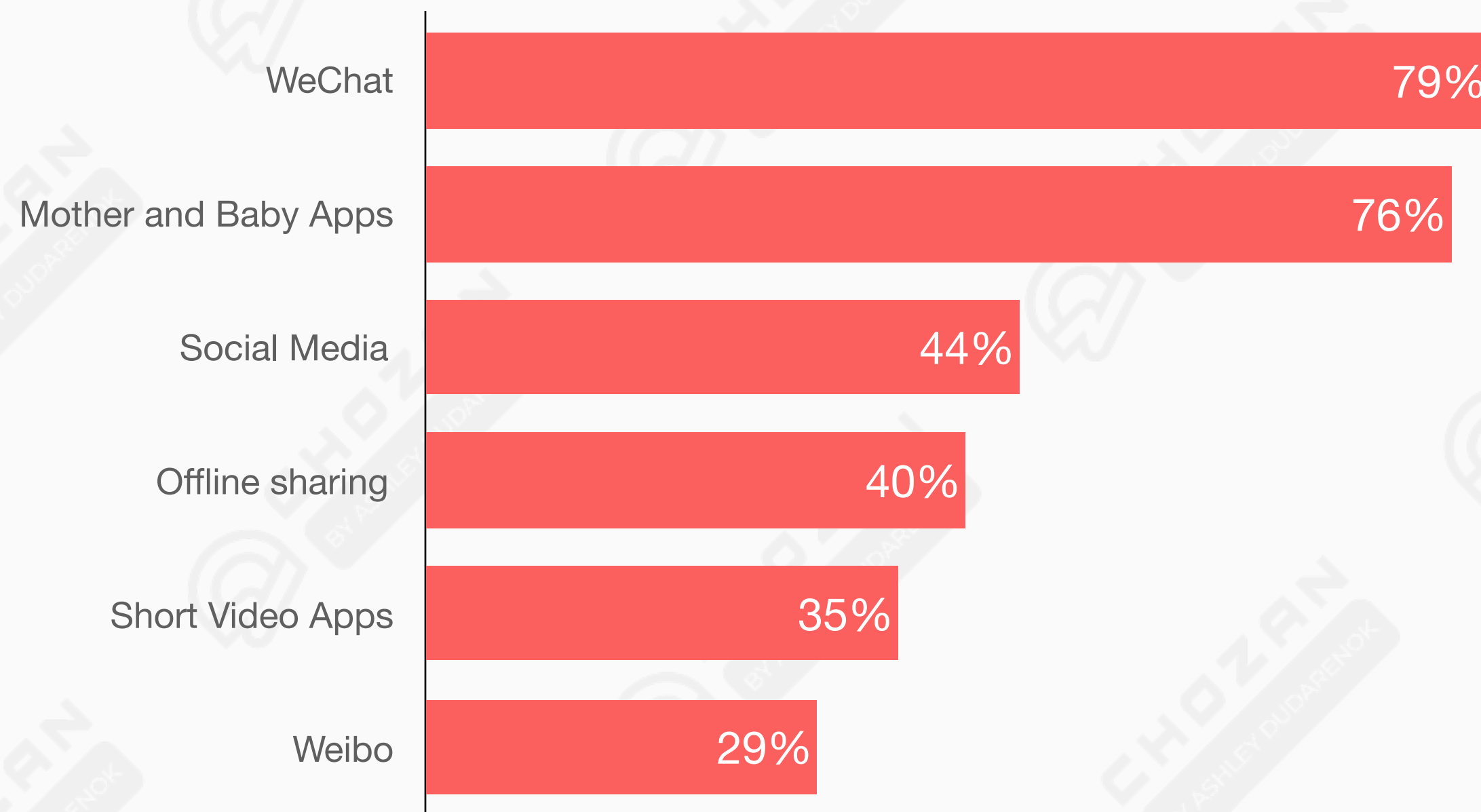


SOCIAL MEDIA INSIGHTS

SOCIAL CHANNELS

MIC consumers mainly use WeChat and apps for mothers and parents to share information, mainly maternity questions and pregnancy experiences. 64% of parent consumers share information.

2020 SOCIAL CHANNELS FOR MIC CONSUMERS



2020 MIC CONSUMERS SOCIAL SHARING BEHAVIOUR

79%

**ASK PREGNANCY
QUESTIONS AND
GET ADVICE**

60%

SHARING FEELINGS

64%

**PREGNANCY
EXPERIENCE
SHARING**

57%

"SHARENTING"

CONSUMER INSIGHTS

SUPER MOMS - E-COMMERCE

Horizontal E-commerce



Vertical E-commerce



Brand E-commerce



Content E-commerce



O2O E-commerce



Social E-commerce



CONSUMER INSIGHTS

SUPER MOMS - E-COMMERCE PREFERENCES

Post-95s mothers prefer international, high quality, fresh products, as opposed to Post-85s mothers who prefer social opinions and maternity and child care e-commerce retailers.

POST-85s MOTHERS E-COMMERCE PREFERENCES



POST-95s MOTHERS E-COMMERCE PREFERENCES



EXPERT BITES



SEAN FAN

Copywriter/Data Analyst at
Alarice and ChoZan

Q: WHAT DO BRANDS MAKING MATERNITY, PARENTING AND CHILD CARE PRODUCTS NEED TO KEEP IN MIND WHEN PLANNING THEIR STRATEGY FOR 2021?

Since Covid is still a concern, parents are still focused on personal hygiene.

Maternity, parenting and child care brands need to show their expertise and professional knowledge when it comes to health protection.



EXPERT BITES

Q: WHAT IMPORTANT CHANGES IN BEHAVIOUR DO YOU SEE IN SUPER MOMS RIGHT NOW THAT WILL IMPACT THE WAY THEY LIVE AND SHOP IN 2021?

In terms of Super Moms, I'm seeing from my ethnographic interviews that they've adopted a **"no compromises" mindset for certain products focussed on their children**. This set of must have products is now **extending to skin care, washing powder and dedicated nutrition**. For marketers, it's essential to understand the current benchmark of being a Super Mom and how **brands can become a psychological assurance in terms of meeting this ever-expanding definition of what it means to be a successful modern parent**.



JERRY CLODE
Founder of The Solution

EXPERT BITES

Q: WHAT OVERLOOKED CONSUMER GROUPS WOULD YOU ADVISE MARKETERS TO MONITOR IN CHINA IN Q1 2021?

Undoubtedly, the super moms. They were on the frontline with their children during the short pandemic in China and are fighting daily between job and family life. Also, the elderly. They trust online shopping more and more.



EDOUARD DE MEZERAC

Managing Partner
Artefact, China and Asia.



7

CHINA'S PET LOVERS

China's pet lovers share overlaps with millennials and happy singles. The pet industry is growing but there's still lots of untapped potential. Pet lovers are creating unique lifestyles and communities that include socializing and accessorising. Additionally, pet owners are willing to pay for quality products.



EXPERT BITES



MASON KU
Marketing Manager at
Alarice and ChoZan

Q: WHAT ARE YOUR MARKETING RECOMMENDATIONS FOR BRANDS TARGETING PET LOVERS?

71% of Chinese pet owners consume pet-related content online as do 58% of pet lovers who don't have pets. If people do this obsessively, it's sometimes called virtual "pet-sniffing" (吸寵物) and it's a growing trend in China. According to a report by **Kuaishou**, **pet-related short videos on the platform have had as may as 7 billion daily views.** There's also a lot of pet-related live streaming on Kuaishou.

Original content created on platforms such as WeChat, Zhihu, and Douban is also popular among pet lovers. The content helps people learn about pet care and boosts the online sales of featured products. When it comes to purchases, many pet owners purchase pet supplies online. For instance, **83.9% of consumers purchase pet food on Tmall/Taobao.**

CONSUMER INSIGHTS

PET LOVERS - INTRODUCTION

Interesting facts	Shopping attitudes and behaviours	What are they interested in purchasing?
The market for pet products in China reached 202.4 billion RMB in 2019. A YoY increase of 18.5% with online sales exceeding 30 billion RMB.	The pet economy is thriving in China. If companies want to succeed in this market they need to pay attention not only to pet related products, but also to special collaborations producing products for pet owners with animal images.	Chinese pet lovers are buying all kinds of pet related products, including luxury products for pets.

MARKET INSIGHTS

THE DRIVERS IN THE PET ECONOMY

Changing perceptions of pet ownership:

The development of the pet economy rode on consumers' patterns of delayed marriage or plans to stay single. More and more pet owners now consider pets as their life companions. 41% of Chinese pet owners are singles.

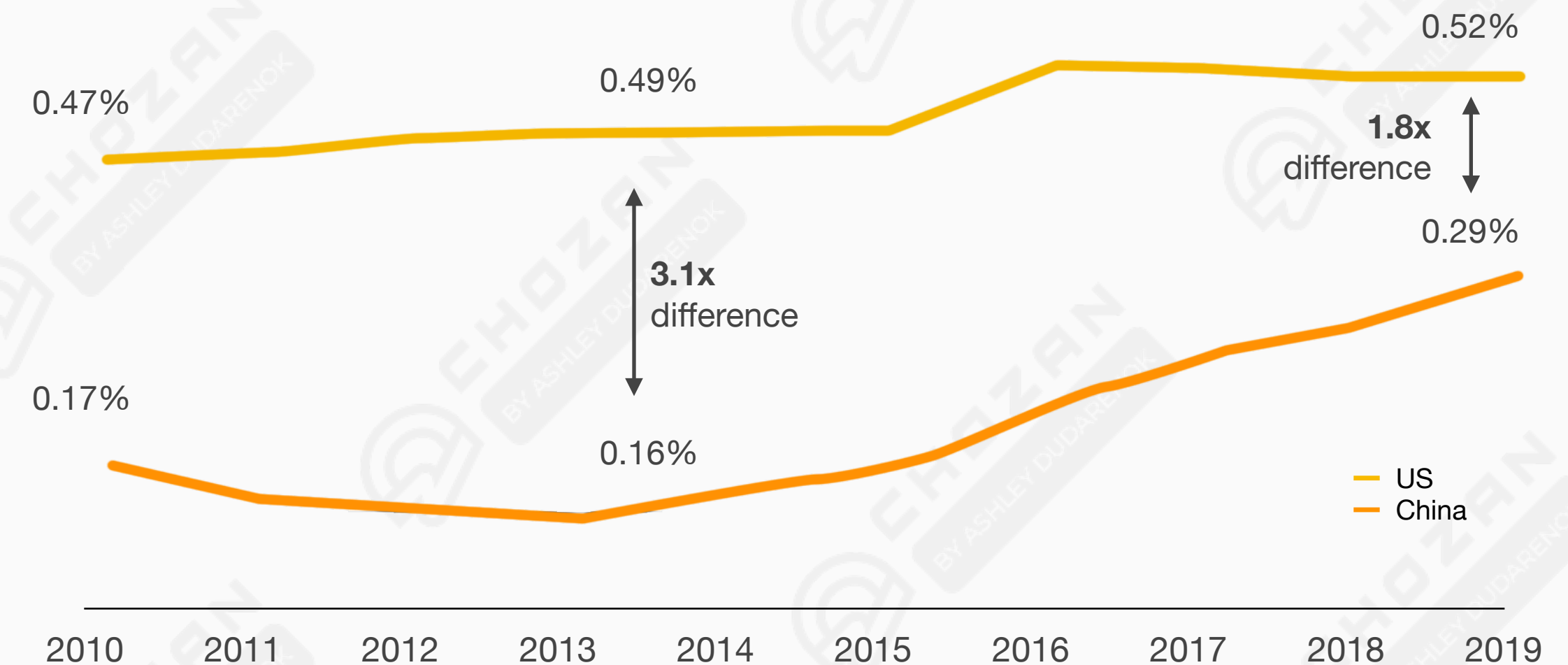
The rising popularity of pet ownership:

The pet ownership rate in China is still very low compared to other countries. On average, only around 4-5% Chinese families own pet(s), so pet ownership is still expected to increase.

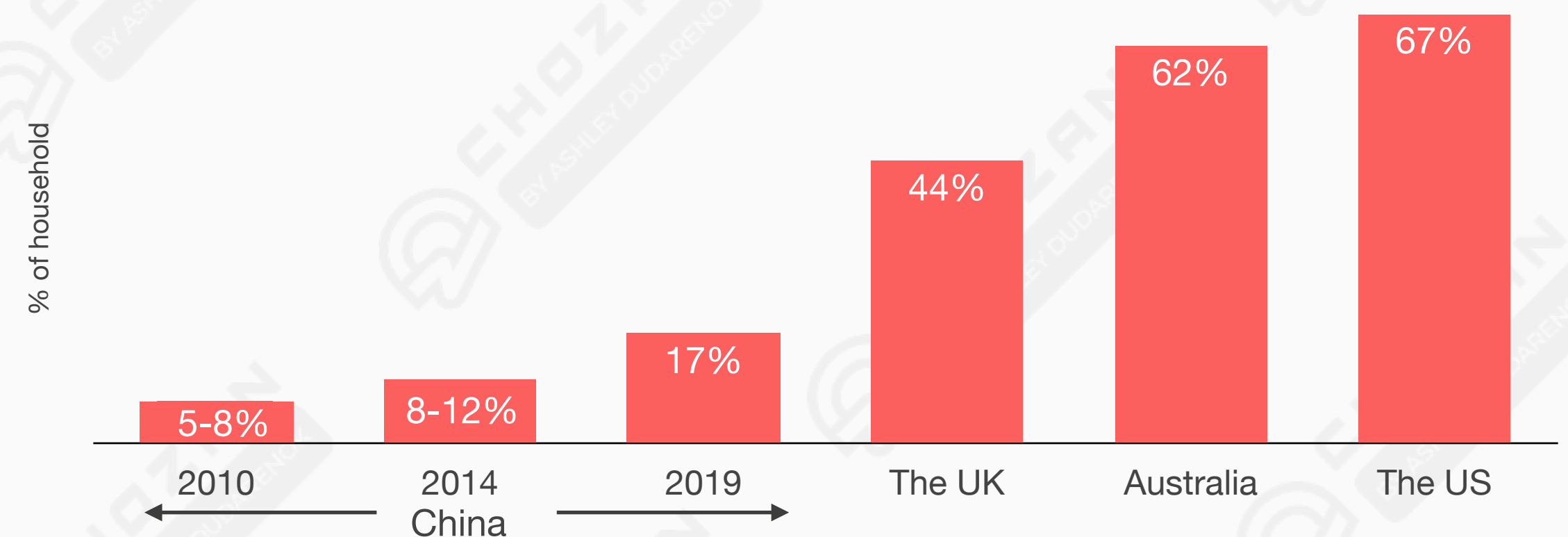
The willingness to increase spending on their pets:

The ratio of pet spending to household expenditures in China is gradually catching up with the US, but there's still room for growth.

CHINA VS US PET SPENDING TO HOUSEHOLD EXPENDITURE
(2010-2019)



PET OWNERSHIP RATE



CONSUMER INSIGHTS

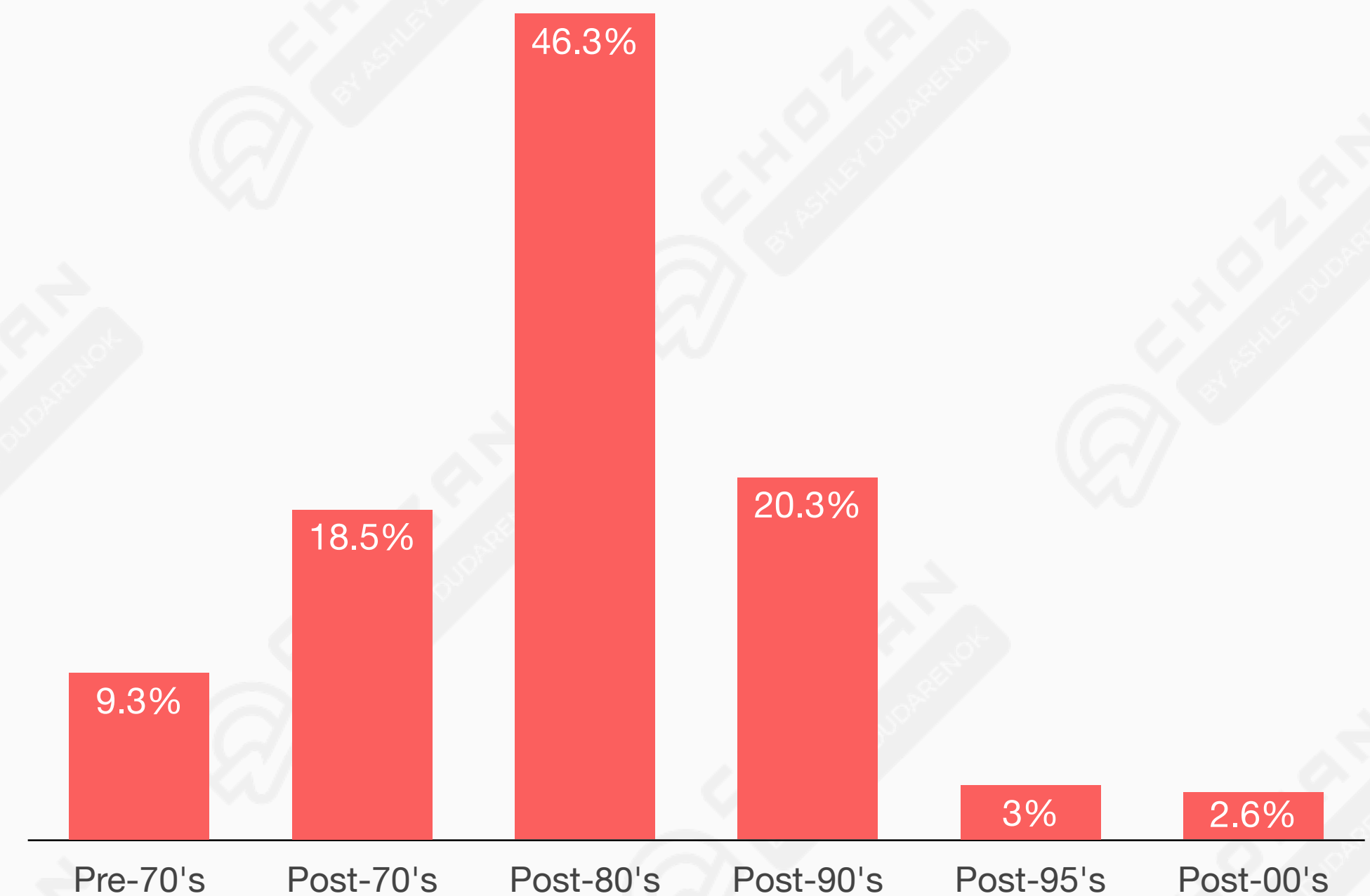
USER PORTRAITS OF CHINESE PET OWNERS IN 2020

Chinese pet owners are becoming younger. 46.3% are Post-80s and 20.3% are Post-90s. The age distribution of pet owners shows that more young consumers are entering the market. Post-95s consumers will soon be the key drivers of market growth.

Young pet owners focus on being caring "parents" to their pets and older generations put a priority on pet companionship. They prioritize animal welfare, with almost 40% of pet adoptions completed by individuals under the age of 24, as found by CBNDData.

Other than time, these young pet-owners are eager to spend money on products they trust to provide the best lifestyle for their pets.

PET OWNERS BY GENERATION



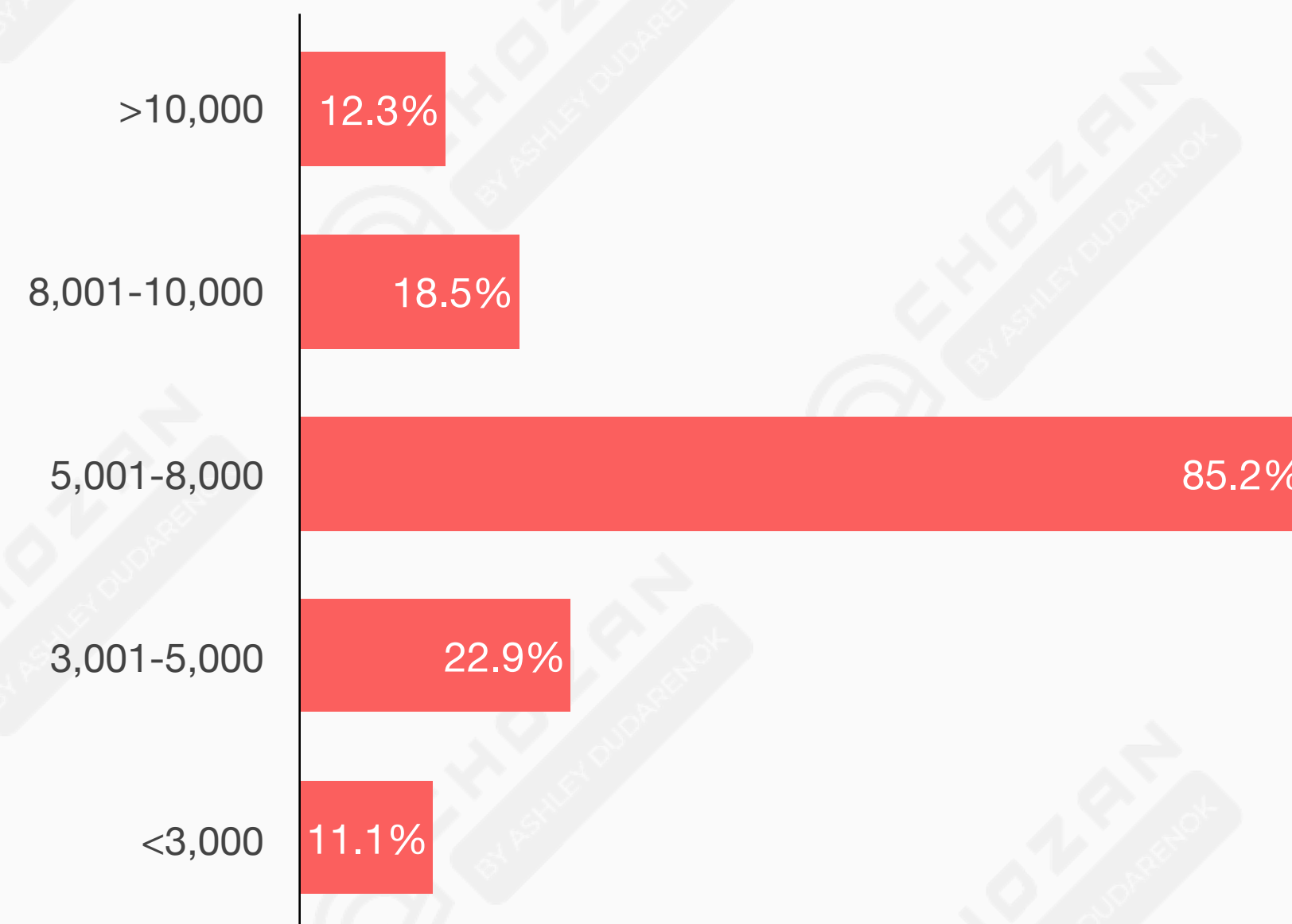
CONSUMER INSIGHTS

USER PORTRAITS OF CHINESE PET OWNERS IN 2020

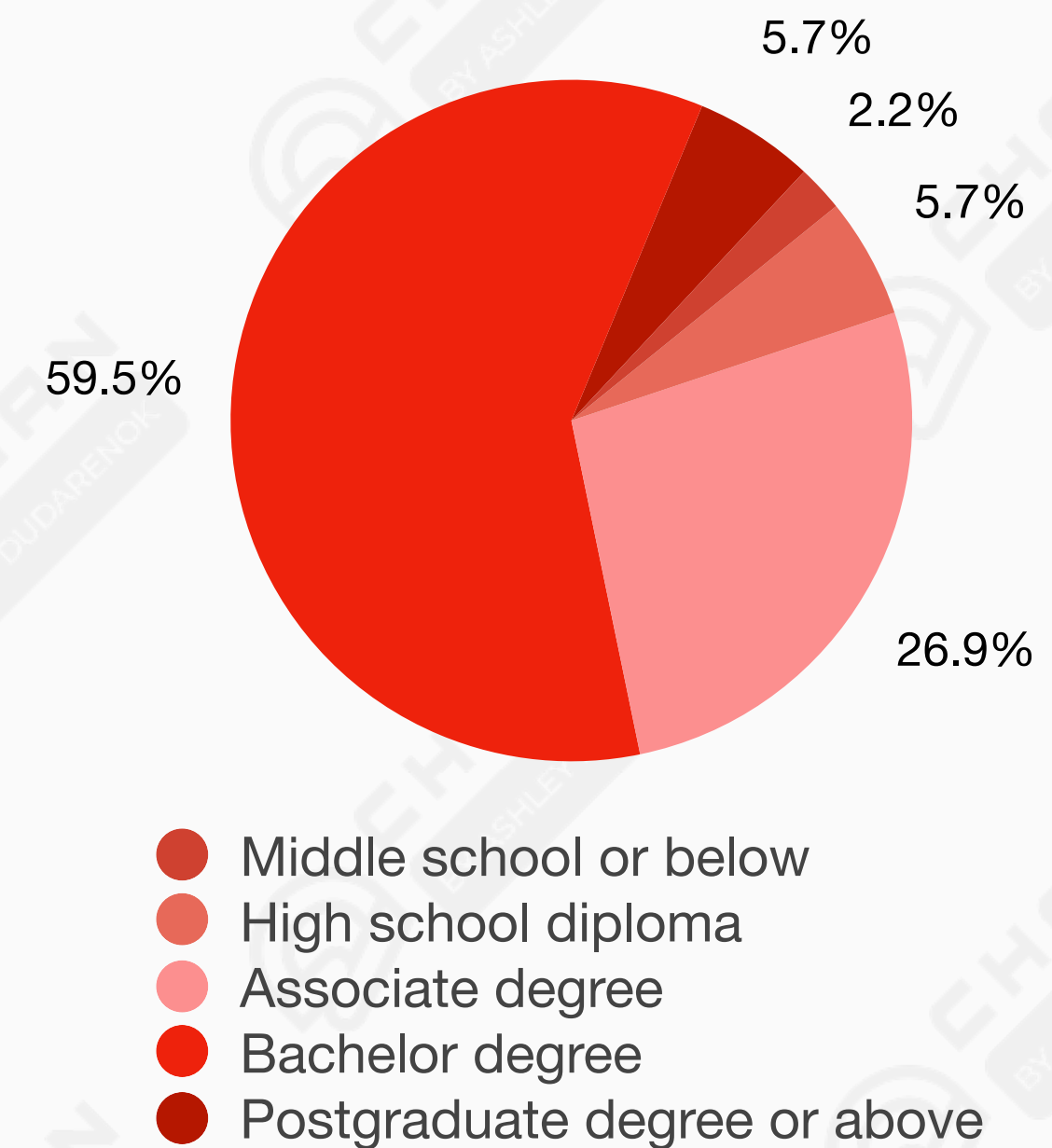
Pet owners have higher incomes and higher education levels. About one third of them make over 8,000 RMB per month. 59.5% and 5.7% pet owners are bachelor and postgraduate degree holders respectively. Pet owners are predominately women and those with high incomes and high education levels are more committed to taking good care of their pets.



MONTHLY INCOMES OF PET OWNERS (IN RMB)



THE HIGHEST LEVEL OF EDUCATION
ATTAINED BY CHINESE PET OWNERS IN 2020



CONSUMER INSIGHTS

PET OWNERS BY CITIES

The number of pets and pet owners in China are growing. The China Pet Association found that pet owners are typically found in developed cities and provinces along the coast, such as Shanghai (12.4%), Beijing (11.2%), Guangdong (10.1%), Jiangsu (8.1%), Shandong (7.8%), Zhejiang (5.3%), Hebei (4.7%), Fujian (4.7%), Henan (3.6%), and Hubei (2.9%).



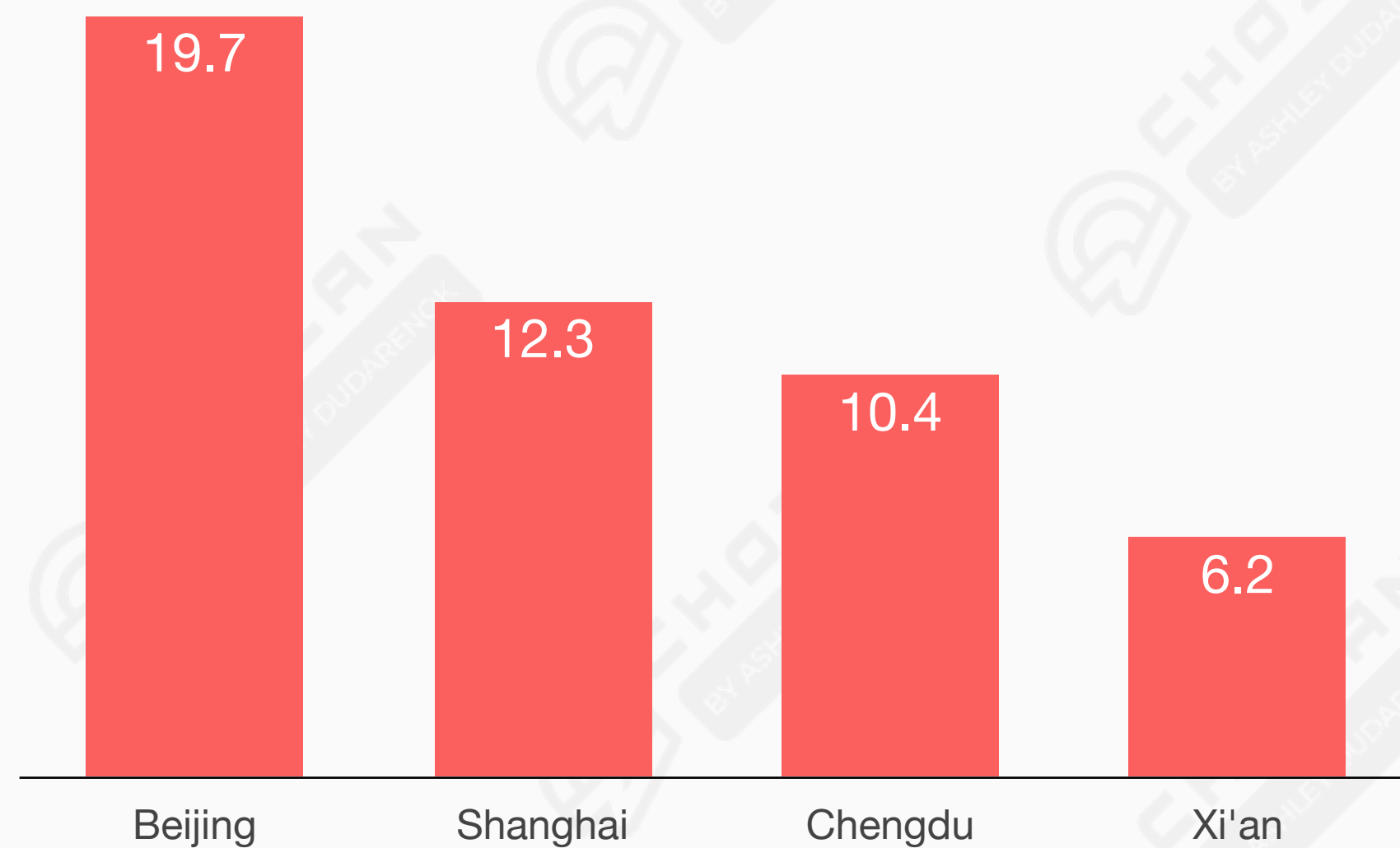
Cities and Provinces	Pet Ownership
Shanghai	12.4%
Beijing	11.2%
Guangdong	10.1%
Jiangsu	8.1%
Shandong	7.8%
Zhejiang	5.3%
Hebei	4.7%
Fujian	4.7%
Henan	3.6%
Hubei	2.9%

CONSUMERS INSIGHTS

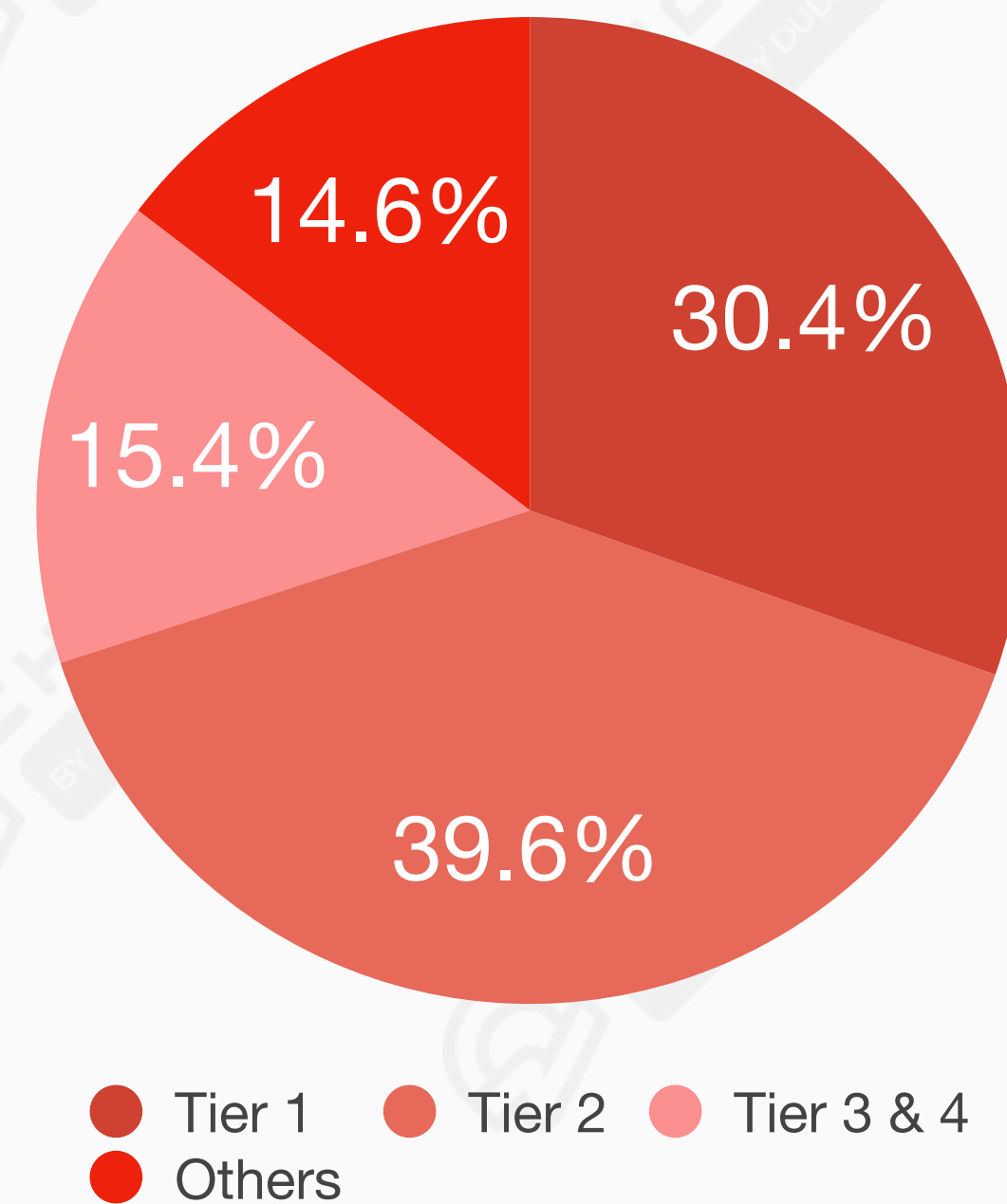
PET OWNERS BY CITY TIERS

In 2019, the combined pet market for Shanghai, Beijing, Xi'an and Chengdu exceeded 50 billion RMB. Over half of pet owners are based in Tier 1 and Tier 2 cities. 39.6% of pet owners are located in Tier 2 cities, while 30.4% are in Tier 1 cities.

PET MARKET SIZE IN MAJOR CITIES (IN BILLIONS, RMB)



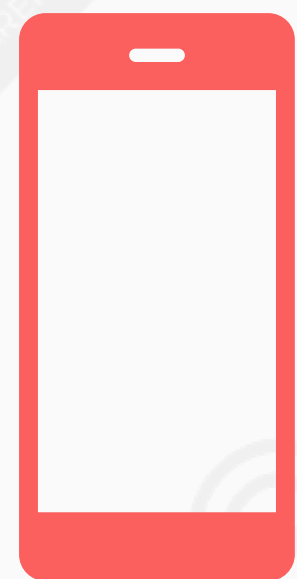
DISTRIBUTION OF CHINESE PET OWNERS BY CITY TIER



CONSUMER INSIGHTS

PURCHASING CHANNELS FOR PET OWNERS

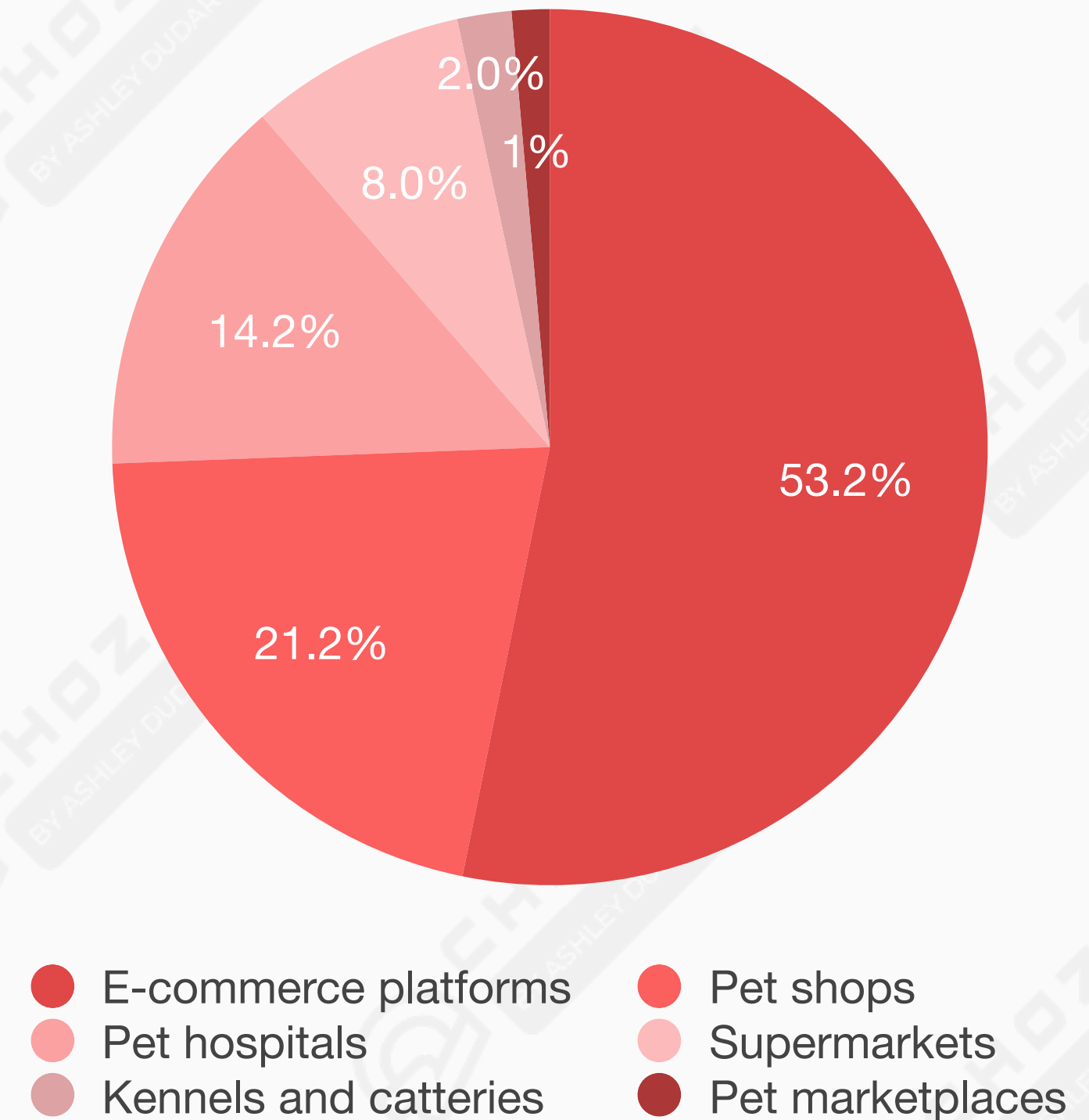
Pet owners are digitally savvy and tend to purchase products from major e-commerce platforms like Taobao, Tmall, JD, etc. They also purchase products from vertical marketplaces such as Boqii Mall (波奇商城) and Epet (E宠商城).



53.2%

PREFER TO BUY PET PRODUCTS FROM E-COMMERCE PLATFORMS

PET OWNERS' PREFERRED PURCHASING CHANNELS FOR PET PRODUCTS

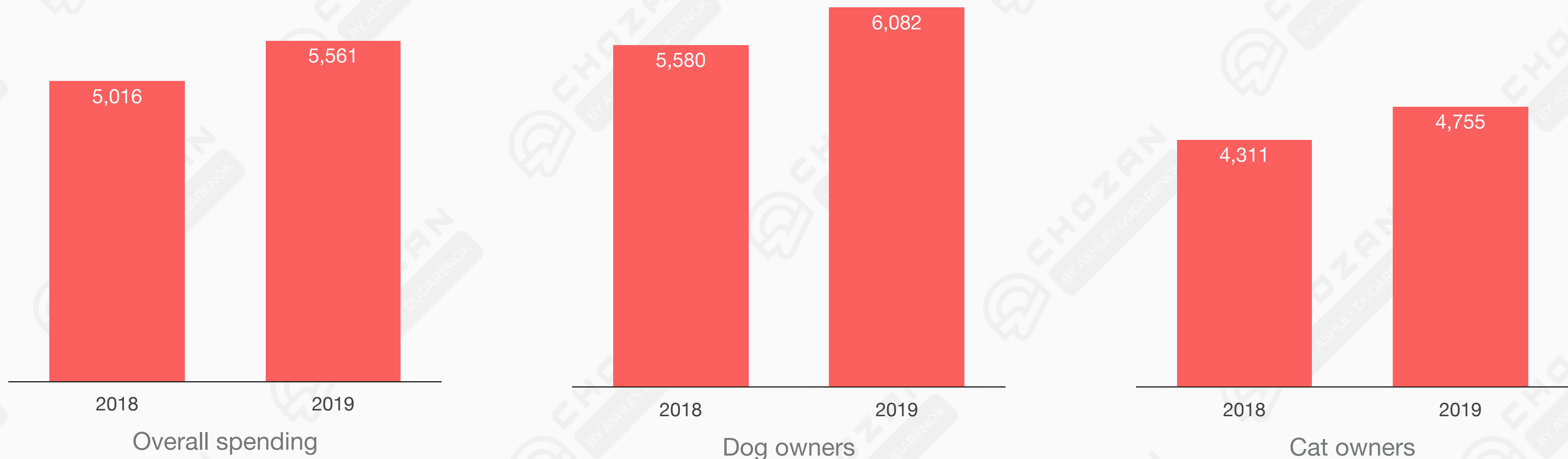


CONSUMER INSIGHTS

AVERAGE YEARLY SPENDING - CATS VS DOGS

According to Youzan Research, the average yearly spending on each pet increased by 545 RMB, a 10.9% growth rate from 2018 to 2019. Dog owners' yearly spending grew 9.0% in 2019 while cat owners' spending increased 10.3%. The average monthly spending on each pet in 2019 was 463.4 RMB. Dog owners spend more than cat owners on average.

YEARLY AVERAGE SPENDING PER PET (IN RMB)



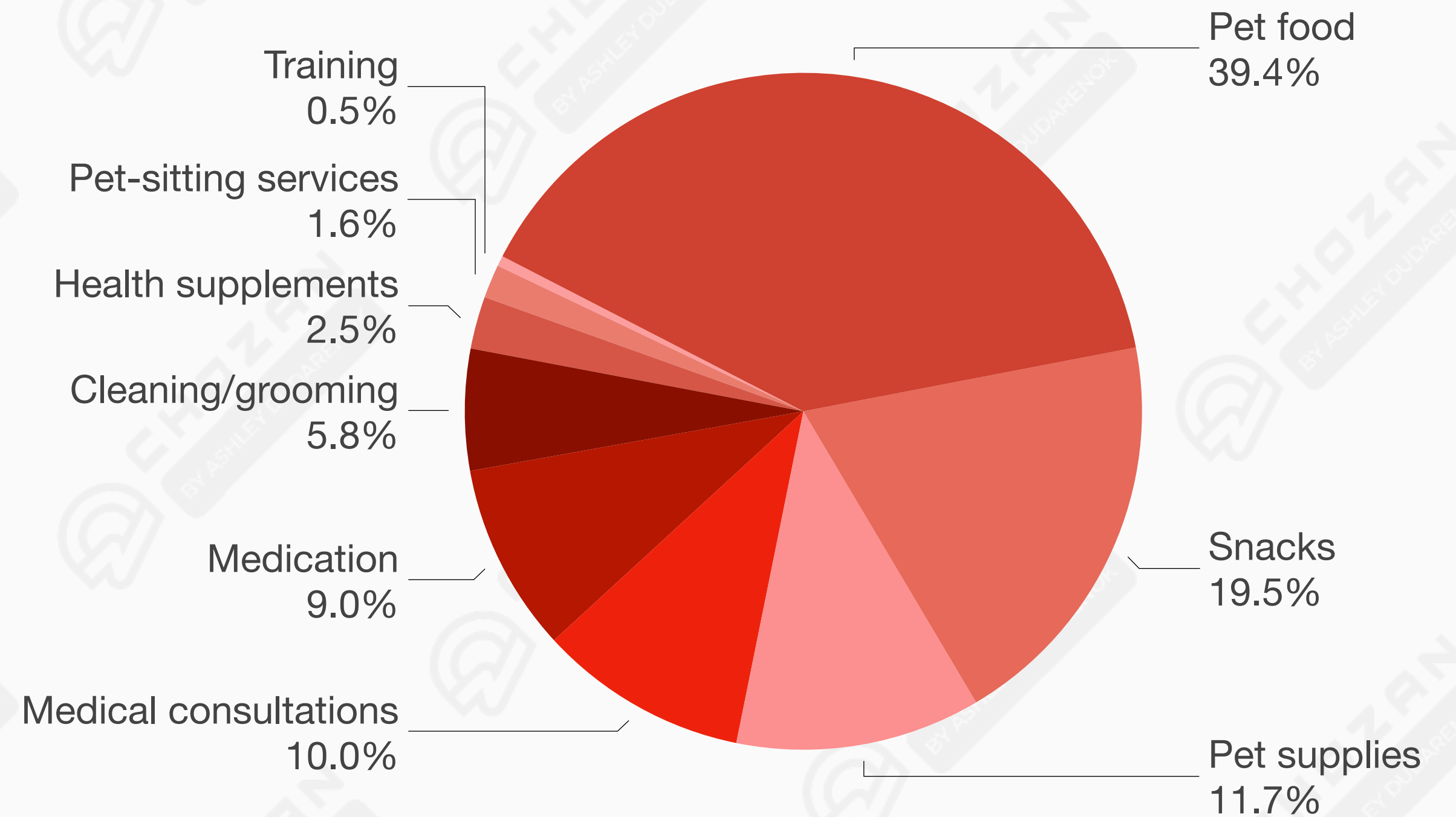
CONSUMER INSIGHTS

PET SPENDING BY CATEGORY

There's a “humanization” trend in the pet market, indicating more sophisticated pet owner purchasing behaviour.

In 2019, pet food (39.4%) remains the biggest pet expense. Snacks (19.5%), supplies (11.7%) and medical consultations (10%) follow.

SPENDING ON PETS BY CATEGORY (2019)



EXPERT BITES



BEVERLY LAW

Senior Digital Marketing Executive at
Alarice and ChoZan

Q: WHICH SOCIAL MEDIA PLATFORMS ARE THE BEST TO MARKET TO PET LOVERS AND WHY?

WeChat, Weibo and Douyin. In 2019, 83.1% of pet owners browsed pet-related information through WeChat, 25.7% through Weibo and 22.1% through Douyin. That said, Kuaishou is on the rise to become a key social media platform for pet lovers. **The number of short pet videos on Kuaishou grew 32% from September 2019 to May 2020.** There's also one pet livestreaming session on Kuaishou every 5.4 seconds on average. Marketers should post popular content types such as pet care information and entertainment on social media for the best user engagement.

EXPERT BITES

Q: WHAT ARE YOUR FAVORITE CONSUMER GROUPS IN CHINA FOR 2021?

I'd have to say pet owners. During the lockdown in the early stages of Covid, owners' **relationships with their pets became closer than ever.** They were a source of companionship, comfort and entertainment that helped people through an emotional and uncertain time. As a result, **spending on pets and their related paraphernalia and services continues to soar,** with many characteristics **mirroring the maternity, parenting and baby care category.**



MARK TANNER

Founder and Managing Director
at China Skinny



8 LOWER TIER CITY YOUNG PEOPLE

930 million Chinese people live in cities designated third tier or lower and in rural areas, but this previously overlooked group has had significant growth in recent years with consumption expected to reach US\$8.4 trillion by 2030.

Lower tier city young people in what the Chinese call "sinking cities" aren't sinking at all. They're spearheading this growth.



EXPERT BITES



STELLA ZHAN

Copywriter/Researcher at
Alarice and ChoZan

Q: WHAT IMPORTANT CHANGES HAVE YOU SEEN IN CONSUMER BEHAVIOUR IN LOWER-TIER CITIES?

- **People there tend to buy premium products and are willing to pay for extra services or good customer service.**
- People there prefer to buy imported products.
- There's more focus on health-related products.
- **People are willing to pay more, even amounts close to their salary, as they don't have strong plans to save money.**

CONSUMER INSIGHTS

LOWER TIER CITY YOUNG PEOPLE - INTRODUCTION

Interesting facts

The Xiachen market (literally translated as the "sinking market") of lower tier cities, is the biggest source of new online shoppers. According to Digitaling, the number of internet users in Tier 3 and below increased by 24.61 million in March. 70% of new users on Taobao and JD.com came from Tier 3 cities and below.

The lower tier city market is also a great opportunity for the development of China's luxury market in the future. According to the 2020 China Luxury Report, consumers' confidence in luxury purchases will weaken in 2020, but users from lower tier cities have strong purchasing power, with annual luxury purchases in Tier 3 cities and below coming in around 393,900 RMB, compared to 344,100 RMB in Tier 1 cities and 275,000 RMB in Tier 2 cities.

Shopping attitudes and behaviours

In terms of beauty consumption, young consumers in Tier 3 cities and below prefer domestic brands, and Post-95s are the main consumer group.

The consumption of electric appliances by young people in lower tier cities has been increasing year by year, and the proportion of appliance consumption is obviously higher than that of young people in Tier 1 and Tier 2 cities, and they prefer family appliances.

What are they interested in purchasing?

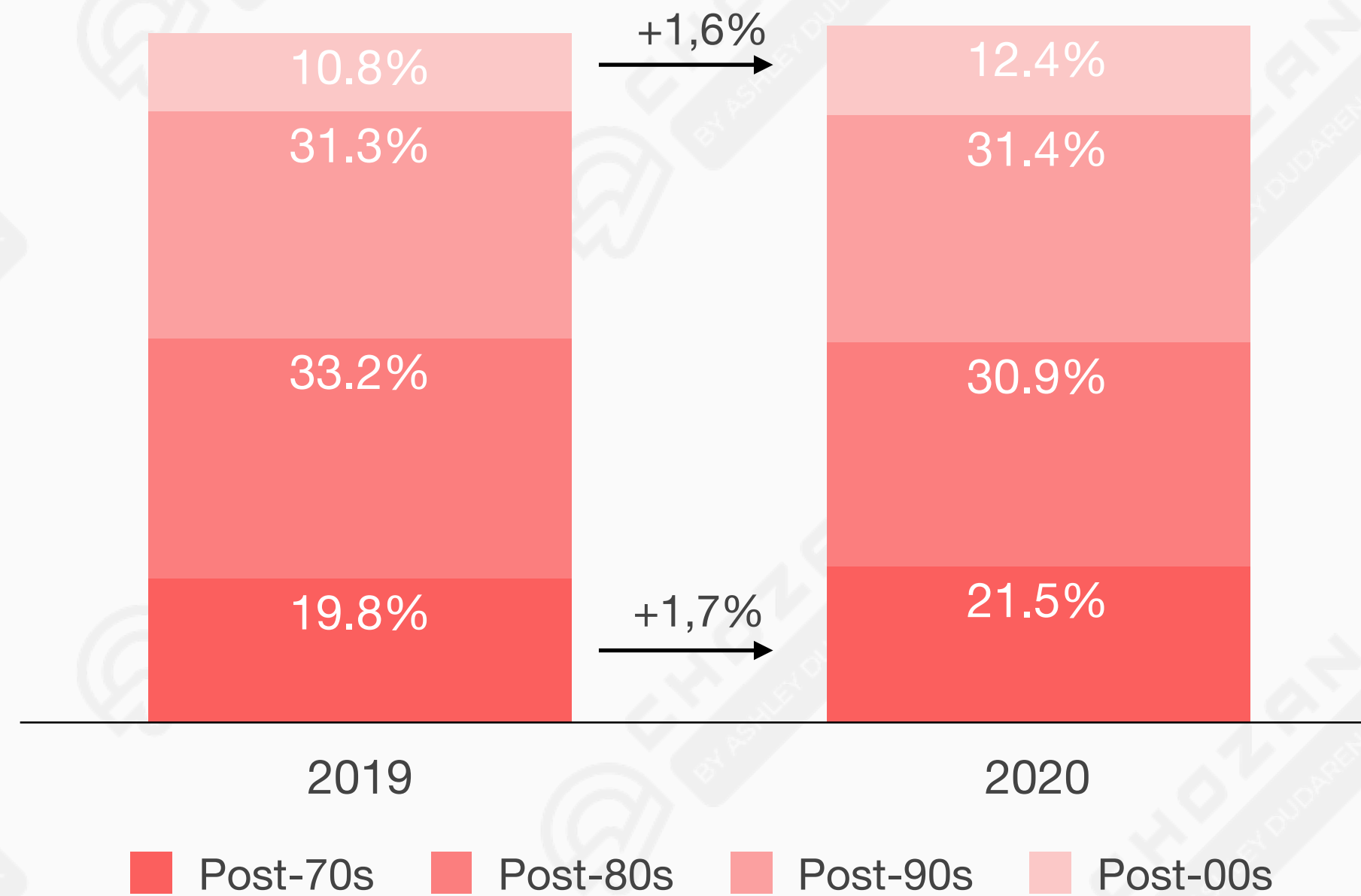
- 1) Entertainment products
- 2) Real estate
- 3) Cars
- 4) Products from short video platforms

CONSUMER INSIGHTS

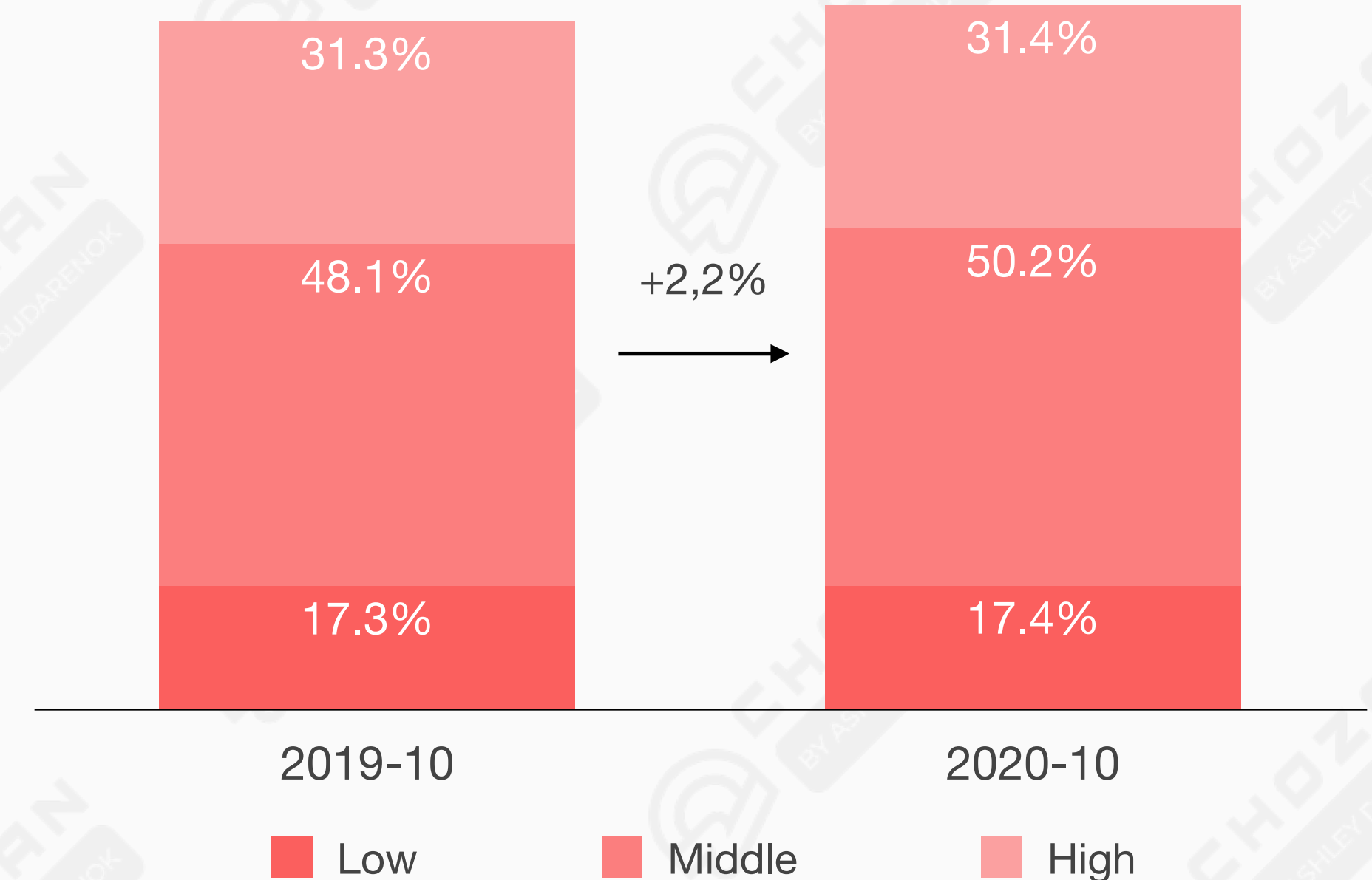
LOWER TIER CITY YOUNG PEOPLE - INTRODUCTION

Post-00s and Post-70s are the fastest-growing potential consumer groups in the lower tier markets.

AGE GROUP DISTRIBUTION



ONLINE SPENDING WILLINGNESS

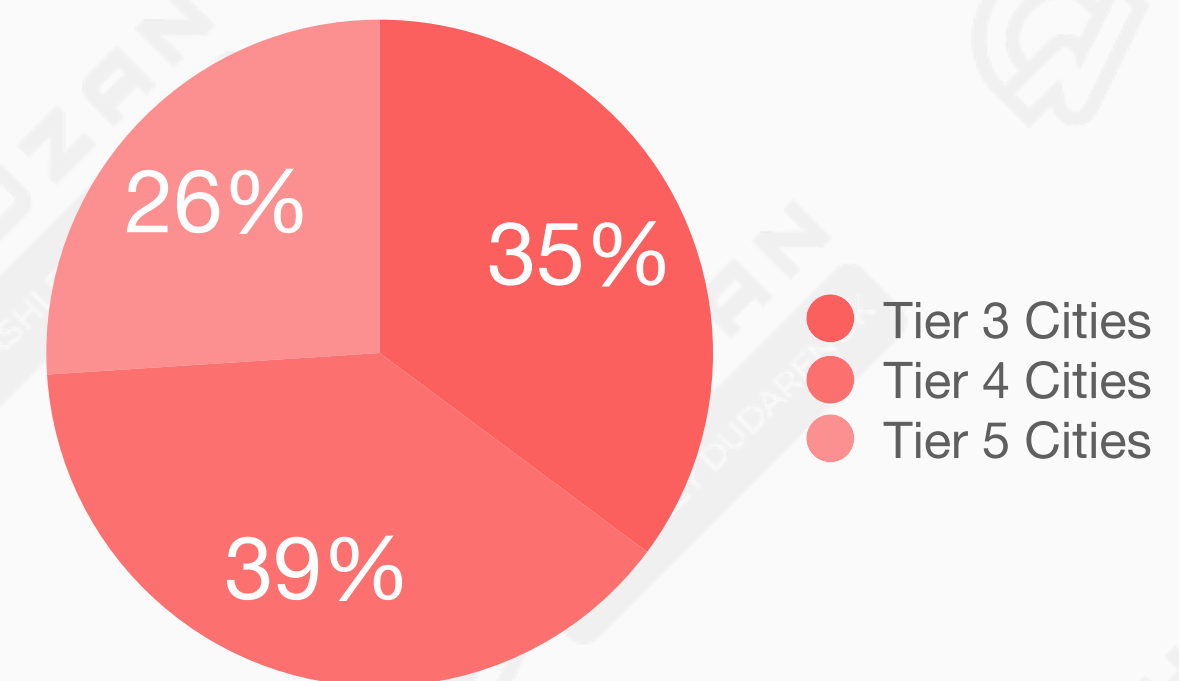


CONSUMER INSIGHTS

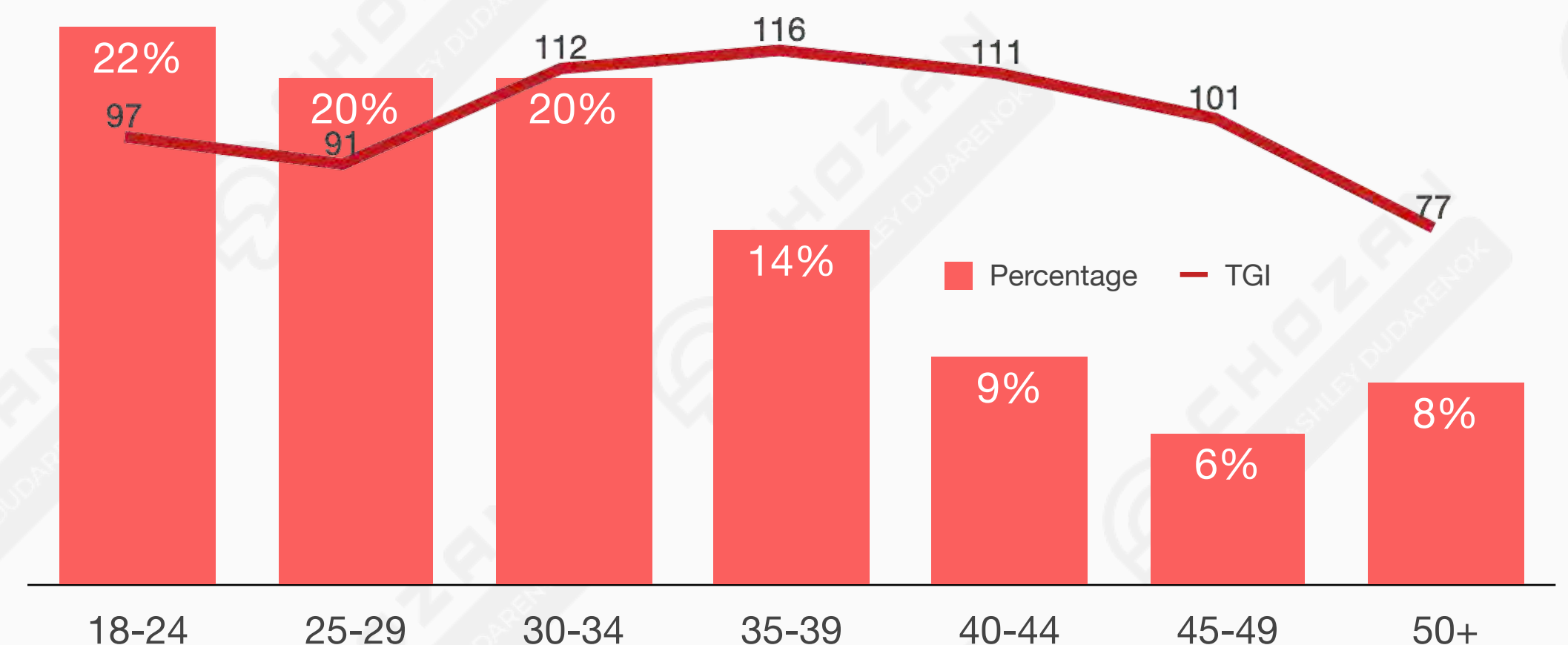
THE YOUNG IN LOWER TIER CITIES - THE XIACHEN MARKET

The Xiachen market is mostly made up of young, single consumers, while middle-aged, married consumers tend to have higher TGIs.

THE XIACHEN MARKET BY CITY TIER



THE XIACHEN MARKET BY AGE GROUP



51.7% (TGI 100)
MALE

48.3% (TGI 100)
FEMALE

44.3% (TGI 106)
SINGLES

55.3% (TGI 96)
MARRIED

28.4% (TGI 121)
HAVE A VEHICLE

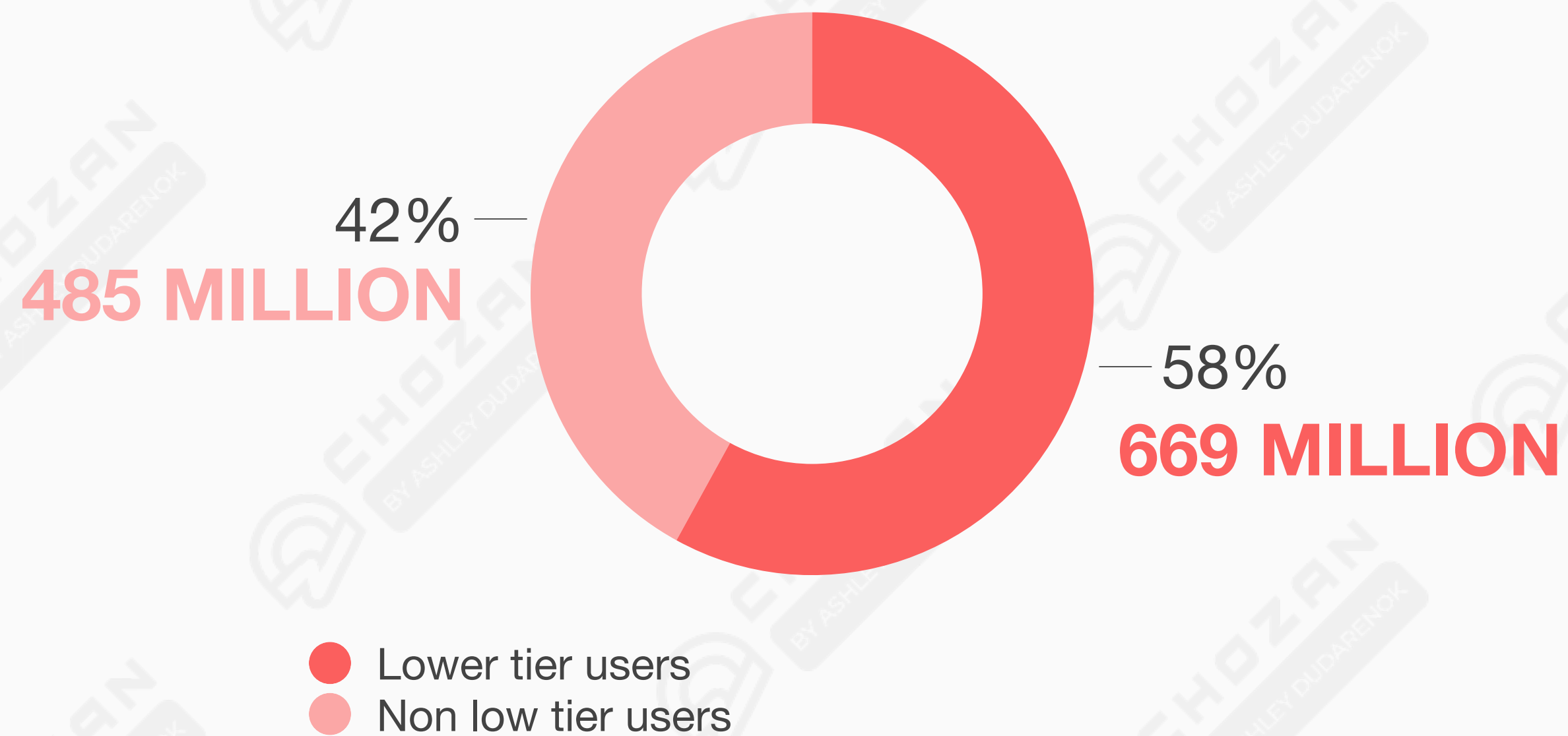
71.6% (TGI 94)
HAVE NO VEHICLE

CONSUMER INSIGHTS

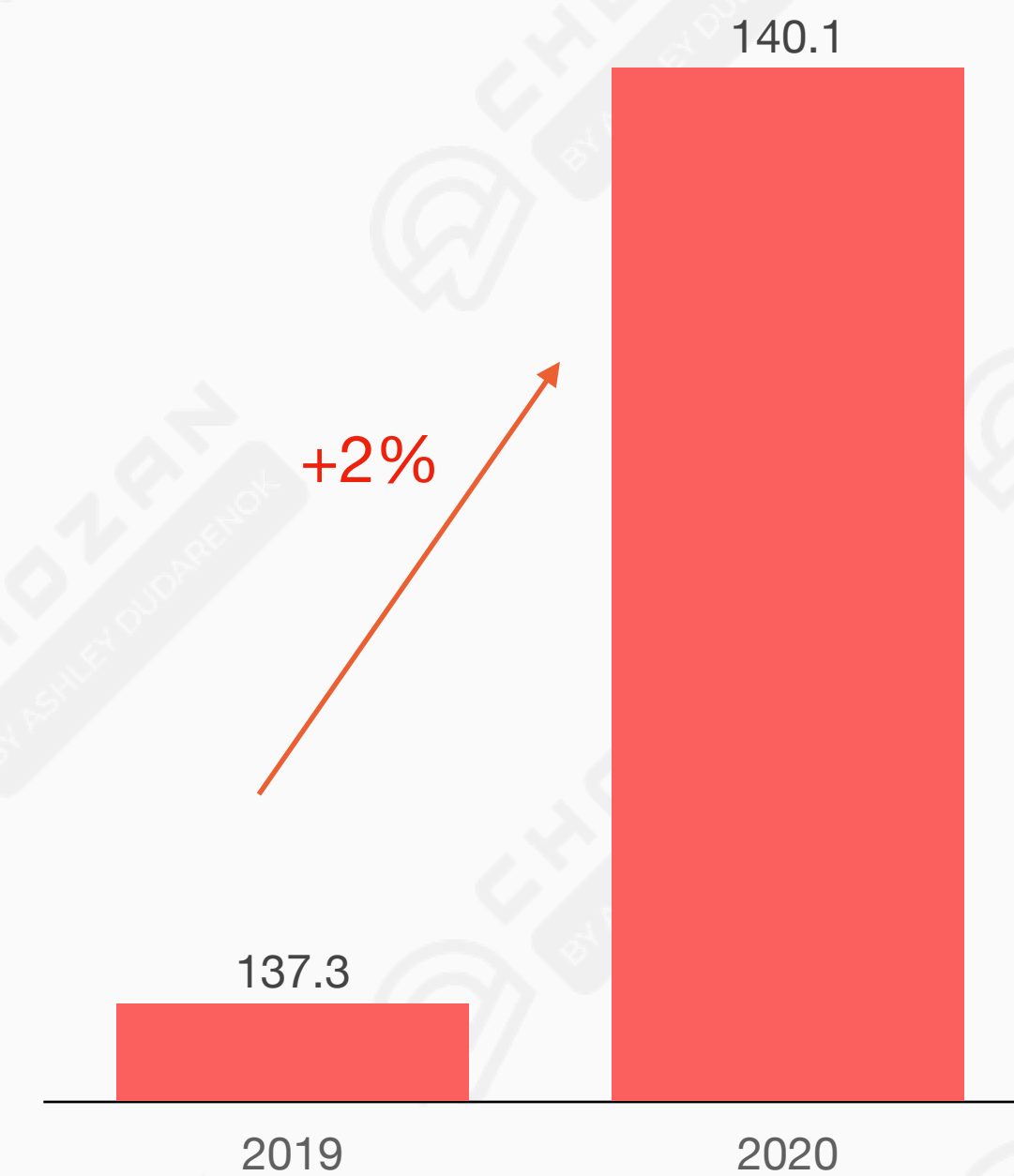
LOWER TIER CITY YOUNG PEOPLE

While users from lower tier cities make up a significant part of the mobile market, there's still lots of potential for development.

RATIO OF USERS BY CITY TIER (2020)



AVERAGE MONTHLY TIME SPENT ONLINE (IN HOURS)

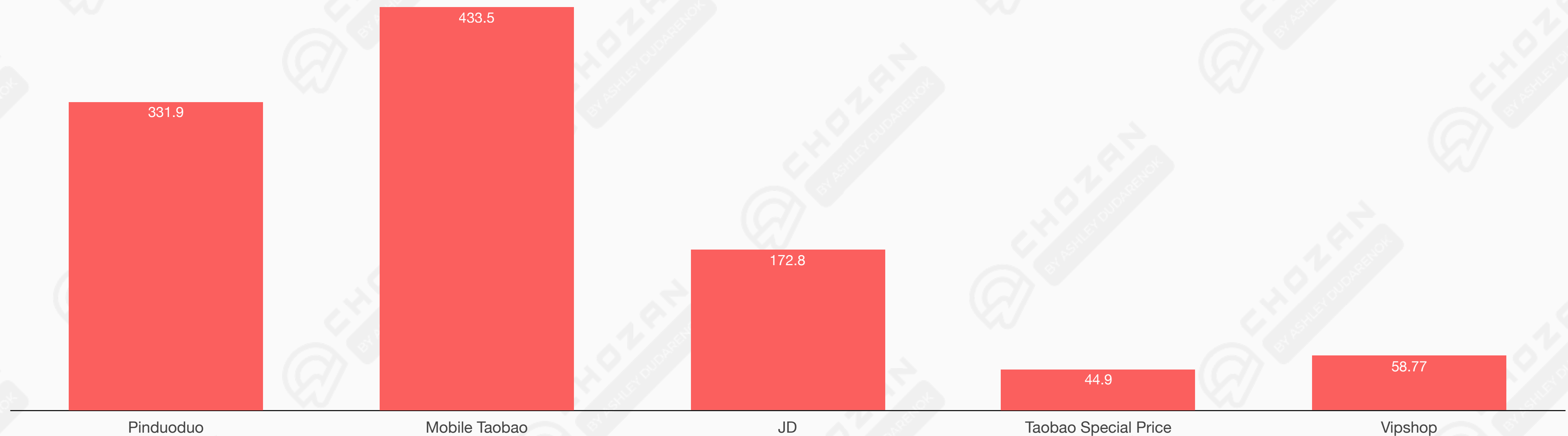


CONSUMER INSIGHTS

LOWER TIER CITY YOUNG PEOPLE

Mobile e-commerce apps are being used more by lower tier city users.

THE TOP 5 LOWER TIER MARKET MOBILE SHOPPING APPS BY MONTHLY ACTIVE USERS (2020)

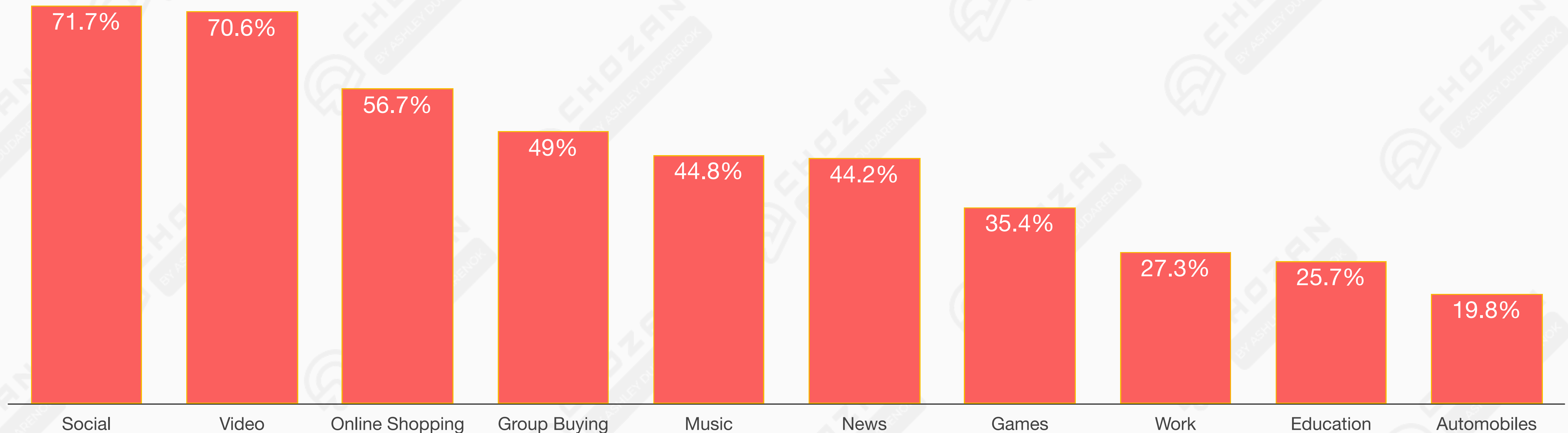


CONSUMER INSIGHTS

LOWER TIER CITY YOUNG PEOPLE

Deepening internet reliance also reflects increasing interest in social media, short videos and online shopping

LOWER TIER CITY USER INTERNET PREFERRED CONTENT TYPES (2020)



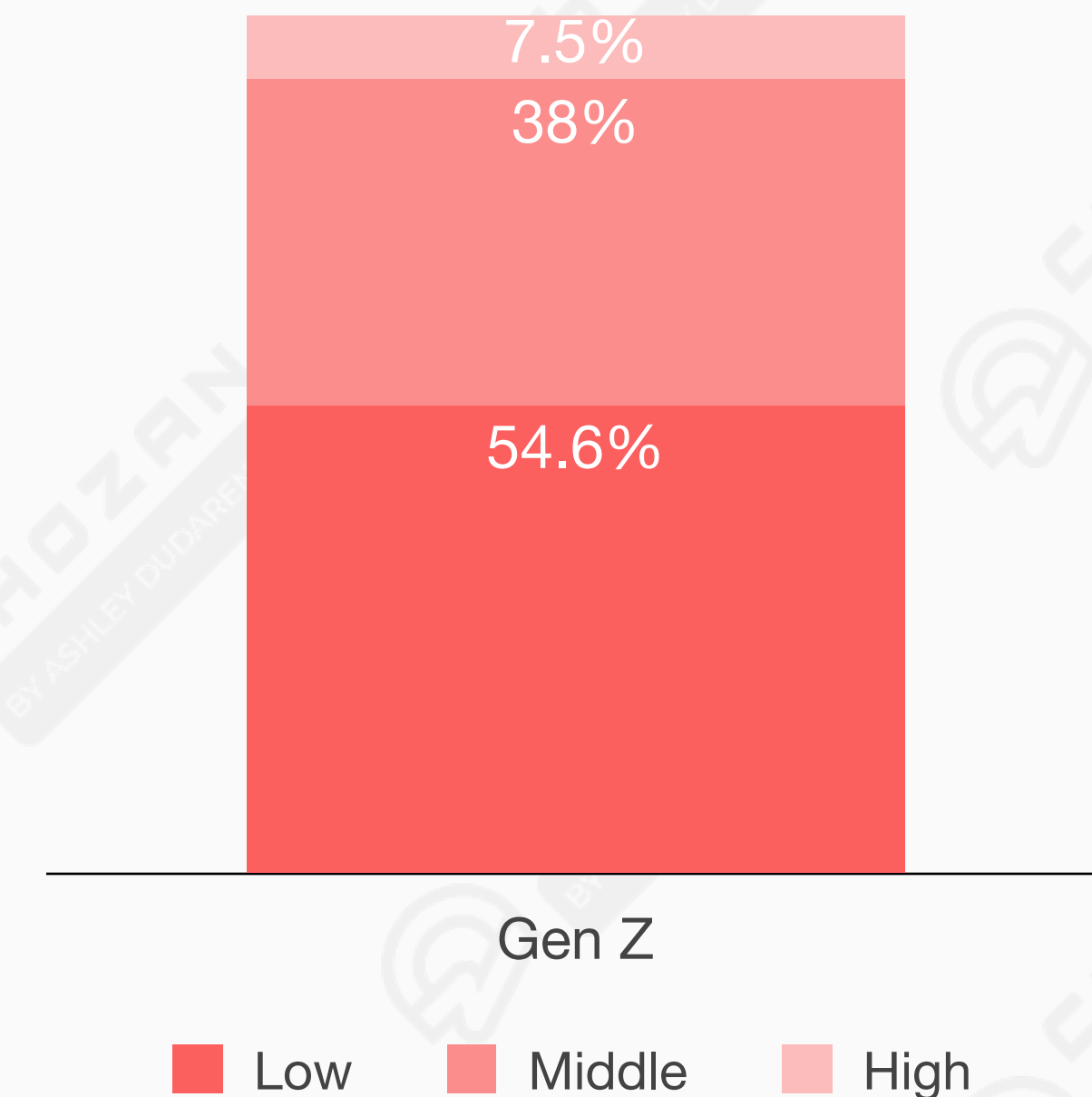
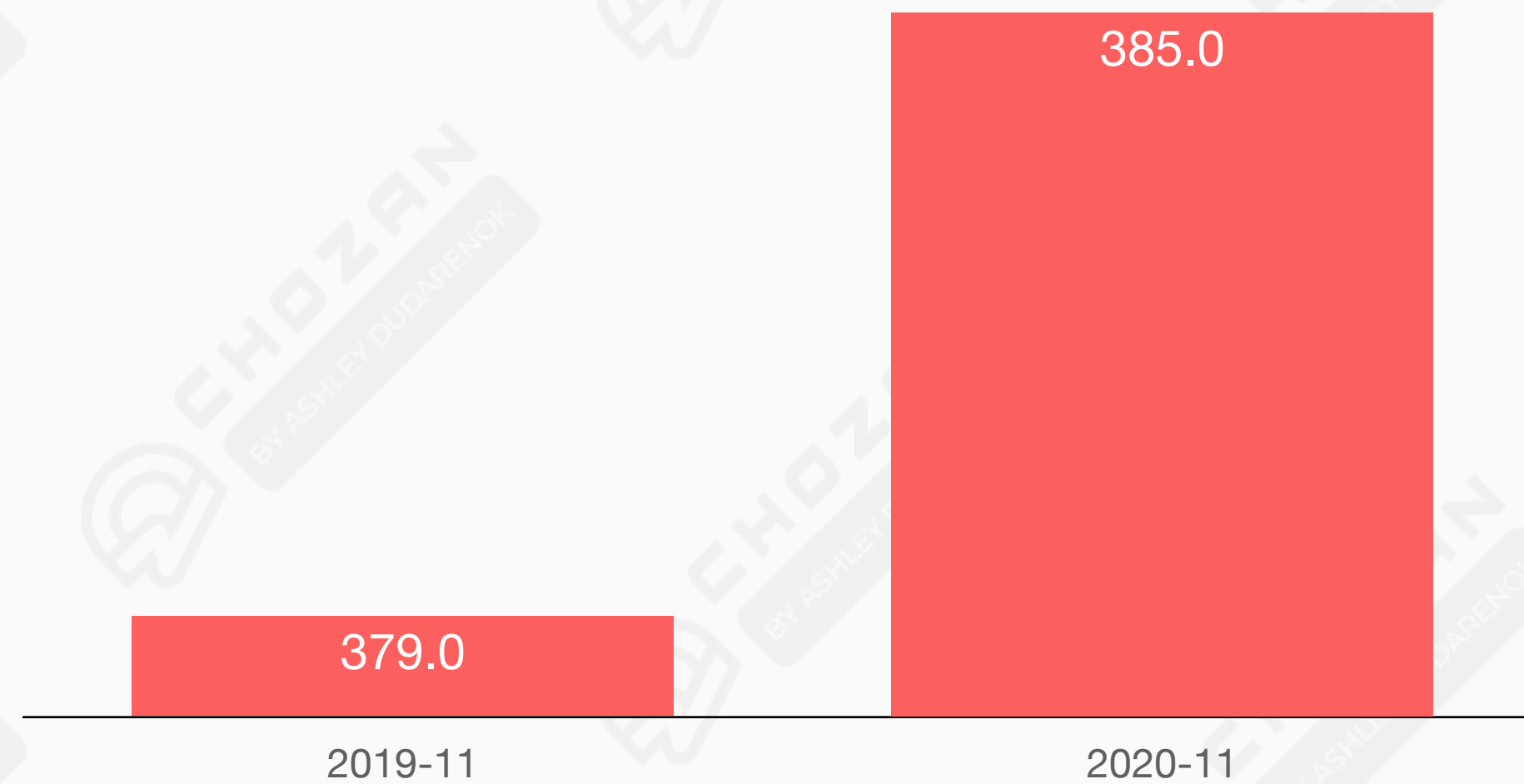
CONSUMER INSIGHT

LOWER TIER CITY YOUNG PEOPLE

Deepening internet reliance is also reflected in increasing interest in social media, short videos and online shopping.

GEN Z AND LOWER TIER CITY YOUNG MOBILE INTERNET USER SCALE AND SPENDING POWER (2019-2020)

NUMBER OF ACTIVE USERS (IN MILLIONS)

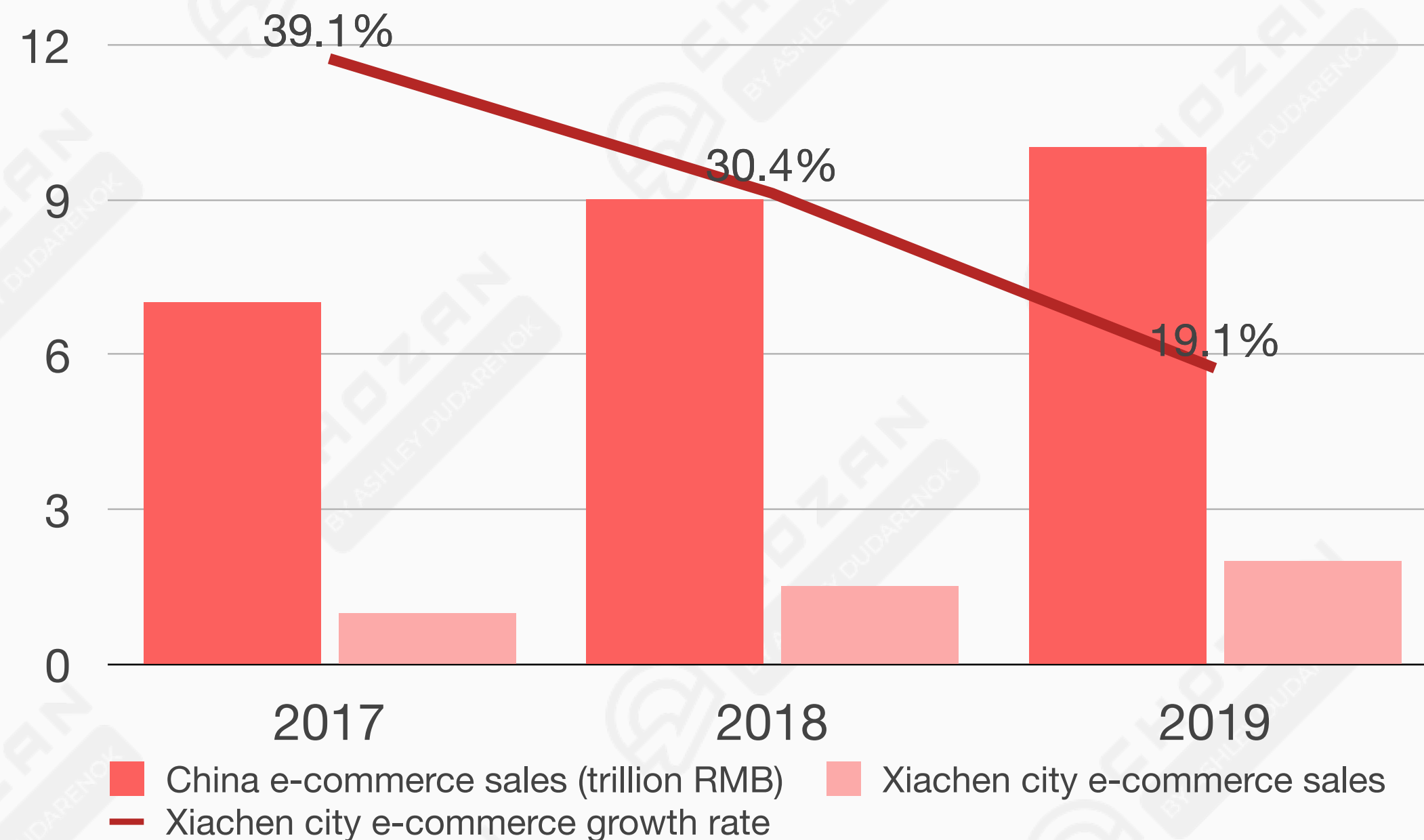


CONSUMER INSIGHTS

LOWER TIER / XIACHEN CITIES

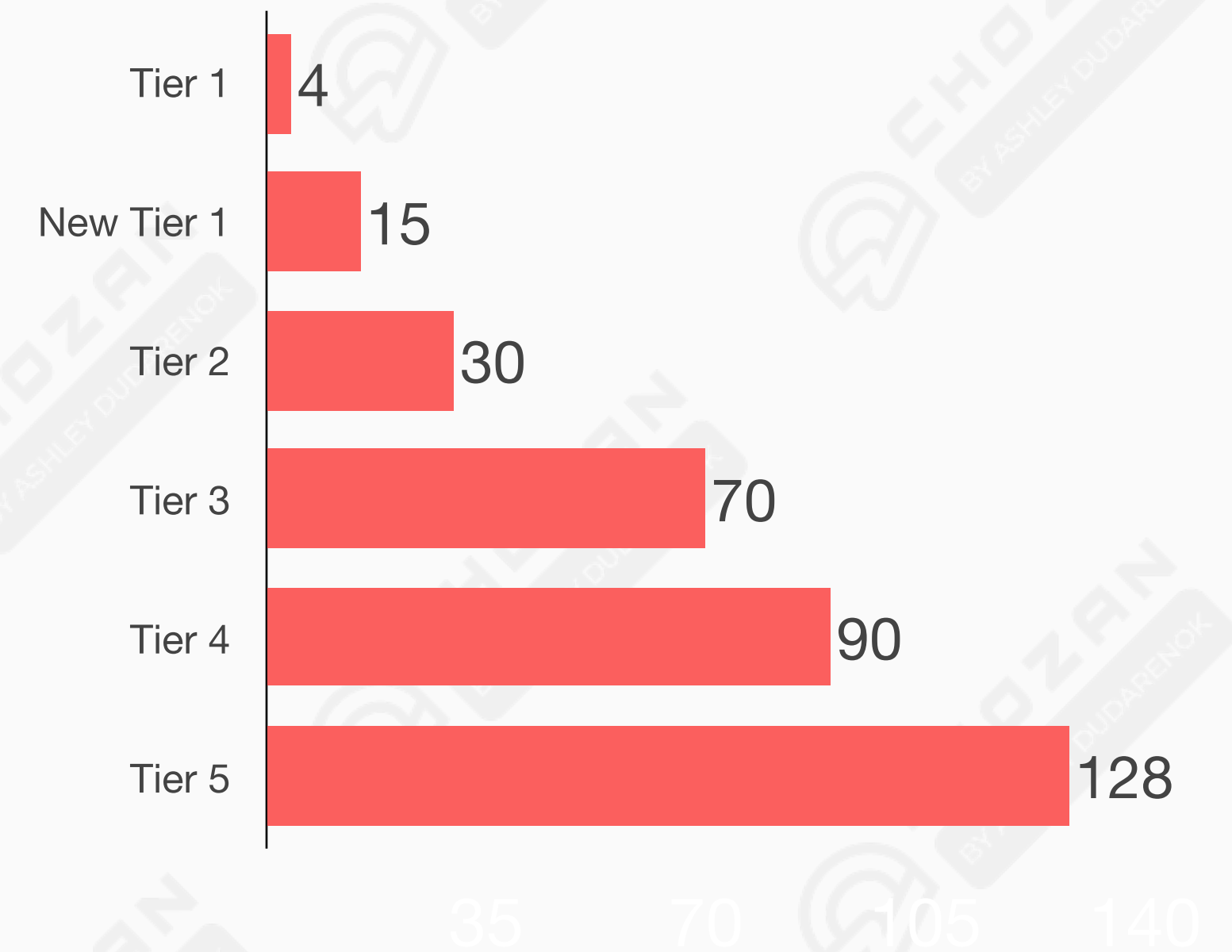
Those in the lower tiers account for 228 out of 257 cities, which means there's very big market potential there.

XIACHEN CITY E-COMMERCE SALES AND GROWTH RATE



	NON- XIACHEN CITIES	XIACHEN CITIES AND RURAL AREAS
POPULATION	390 million	1.04 billion
PROPORTION	28%	72%

NUMBER OF CITIES IN DIFFERENT TIERS

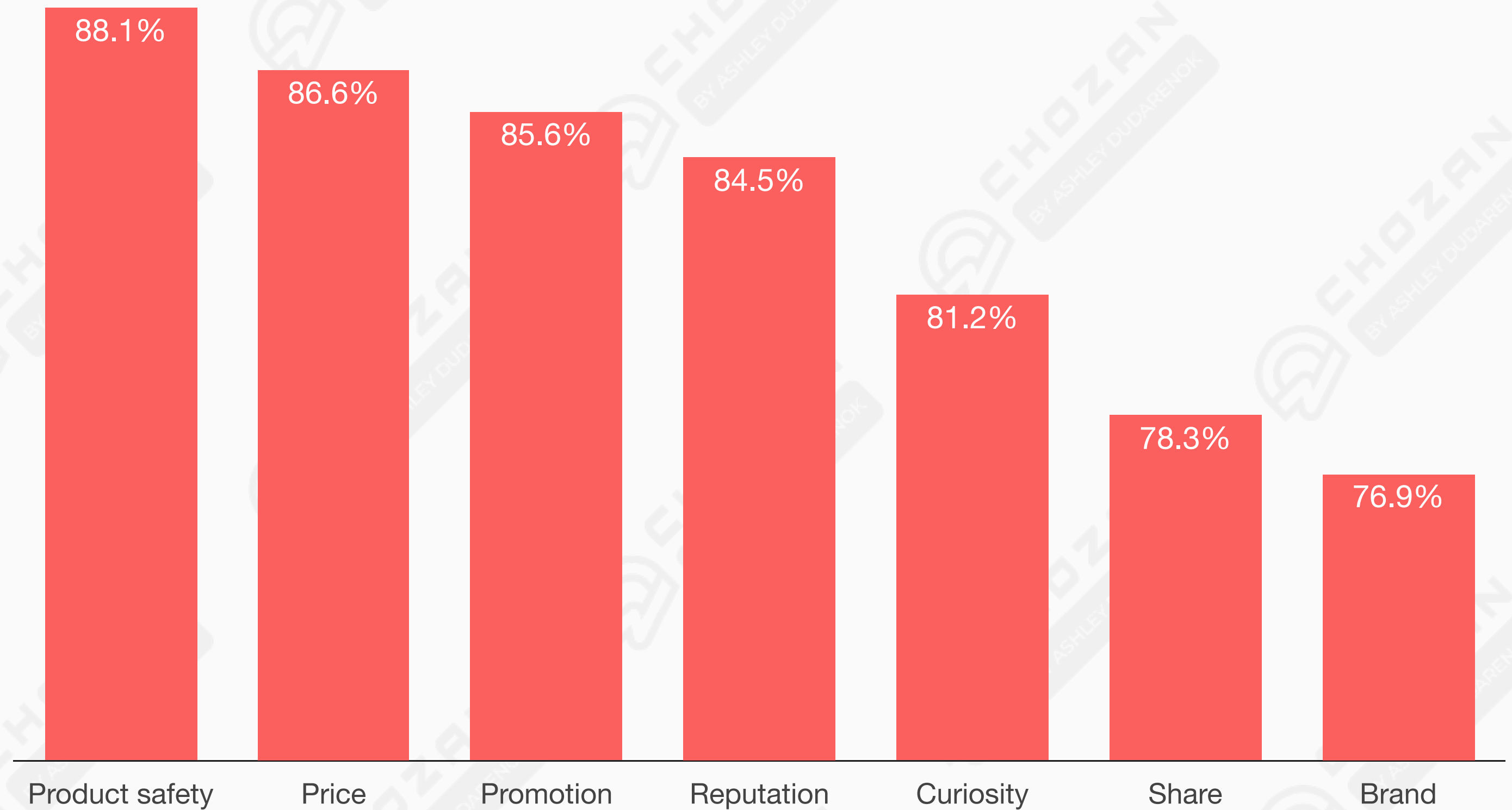


CONSUMER INSIGHTS

LOWER TIER / XIACHEN CITIES

Xiachen residents buy things online based mostly on product safety and price.

XIACHEN CITY CONSUMER SPENDING ATTITUDES

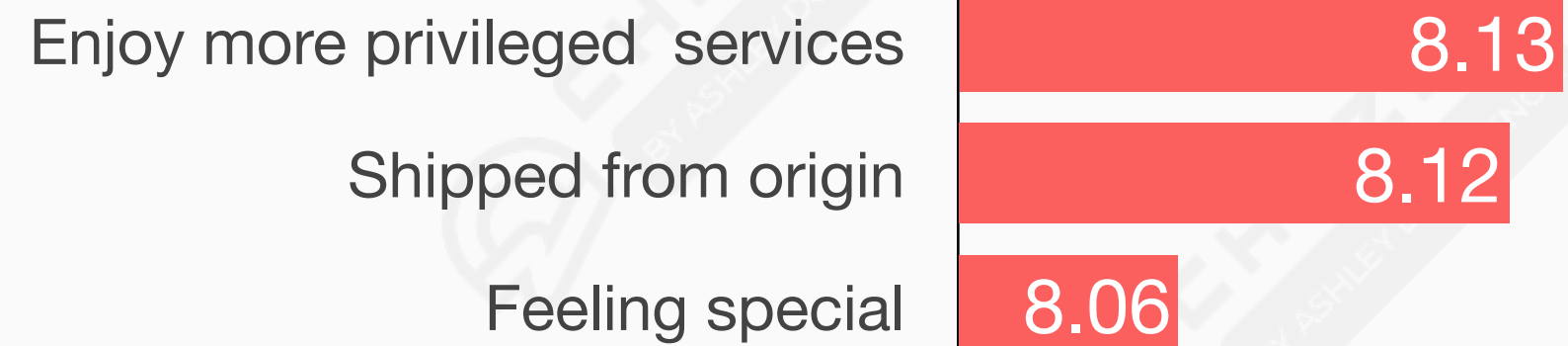


CONSUMER INSIGHTS

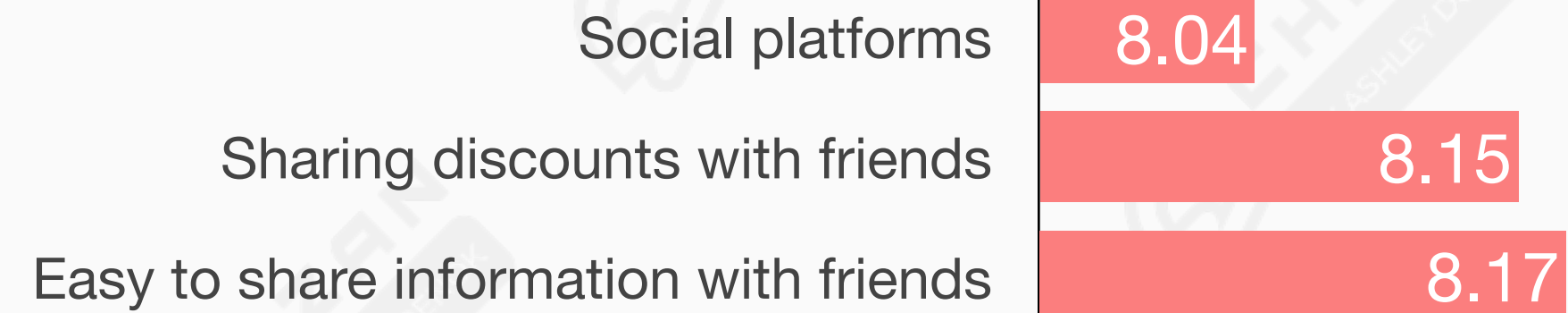
XIACHEN CITY CONSUMER PREFERENCES

XIACHEN CITY CONSUMER PREFERENCES FOR E-COMMERCE SPENDING

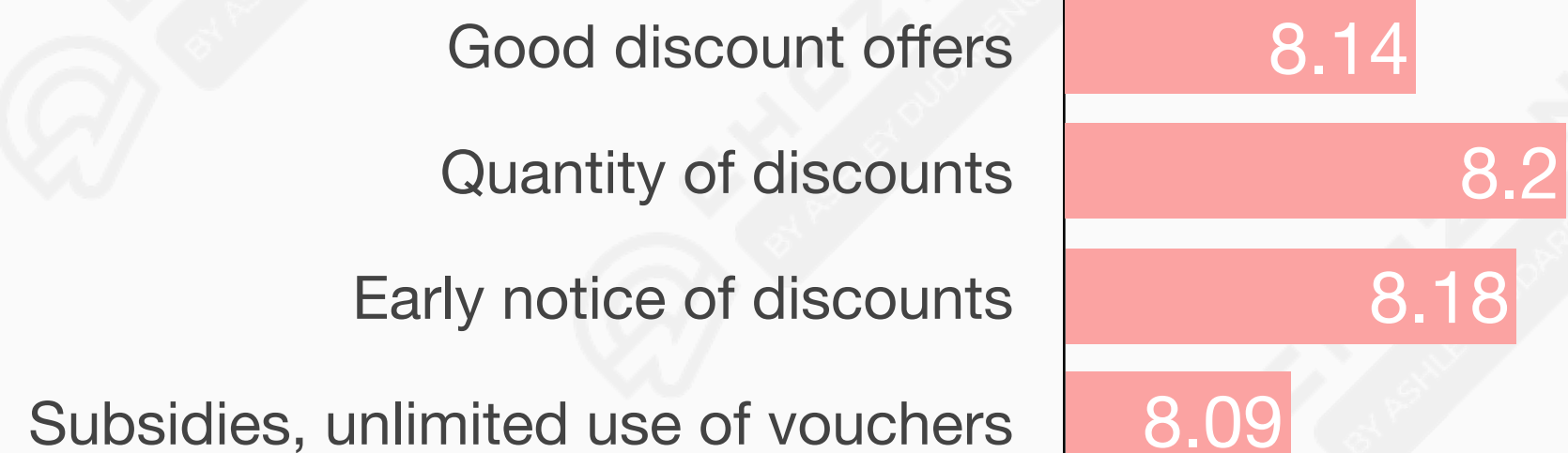
QUALITY



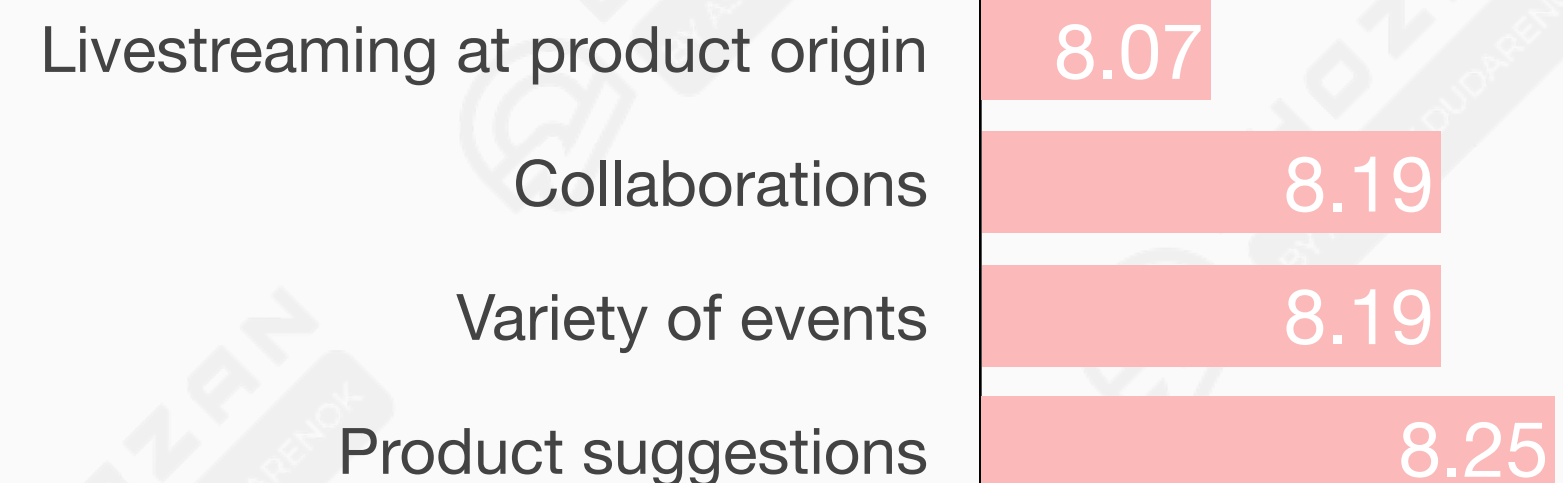
SOCIAL EXPERIENCE



DISCOUNTS



ENTERTAINMENT



EXPERT BITES



SYCA JIANG

Copywriter/Researcher at
Alarice and ChoZan

Q: WHAT SHOULD MARKETERS AVOID WHEN TARGETING YOUNG PEOPLE IN LOWER-TIER CITIES?

Young people in lower-tier cities are upgrading their consumption. In the past, they paid more attention to prices and were more price-sensitive. **Now, they aren't just concerned about the price, but also the brand, the quality and the overall cost performance.** Marketers need to keep up with this upgrade to understand the characteristics and consumption tendencies of young people in lower-tier cities and **avoid using strategies that are outdated or undifferentiated from approaches used in higher-tier cities.**

EXPERT BITES

Q: WHAT CONSUMER GROUPS DO YOU EXPECT TO DRIVE CONSUMPTION IN CHINA IN 2021?

With the development of China's economy and the implementation of the dual circulation policy, we expect to see consumption growth in the next few years from **China's rising middle class's consumption upgrades and increased income for consumers in lower-tier cities.**



EDWARD TSE
Chairman and CEO,
Gao Feng Advisory



9 HAPPY SINGLES

The 260 million single adults in China generally have more disposable income and are spending on shopping, socializing and travelling. Chinese singles are looking for experiences, enjoyment, and fulfilment. Men account for the majority of the single population.



EXPERT BITES



YVONNE WU
Copywriter at
Alarice and ChoZan

Q: HOW WOULD YOU DESCRIBE THE CONSUMPTION HABITS OF THE HAPPILY SINGLE CONSUMER GROUP?

Single people consume to please themselves and for leisure and entertainment, such as travel and watching movies. This group is growing and currently exceeds 240 million people. Most of them don't have the pressure of old-age care or children's education and put a low priority on save money. They tend to spend more than married people. **Their consumption is mainly reflected in sectors like mini-appliances, pets and one-person meals.**

CONSUMER INSIGHTS

HAPPY SINGLES - QUALITY DEMAND

Higher disposable incomes mean consumers have more to spend on personal needs and interests. Single people are more willing to buy high-quality products. 75% of singles have plans to buy fashion at higher quality and prices, compared to non-singles at 65%.

75%
SINGLES

65%
NON-SINGLES

WILLING TO BUY HIGH-QUALITY PRODUCTS



CONSUMER INSIGHTS

HAPPY SINGLES - ELECTRONICS

Chinese singles (50%) also indicate a higher willingness to purchase quality high cost electronics as compared to non-singles (43%).

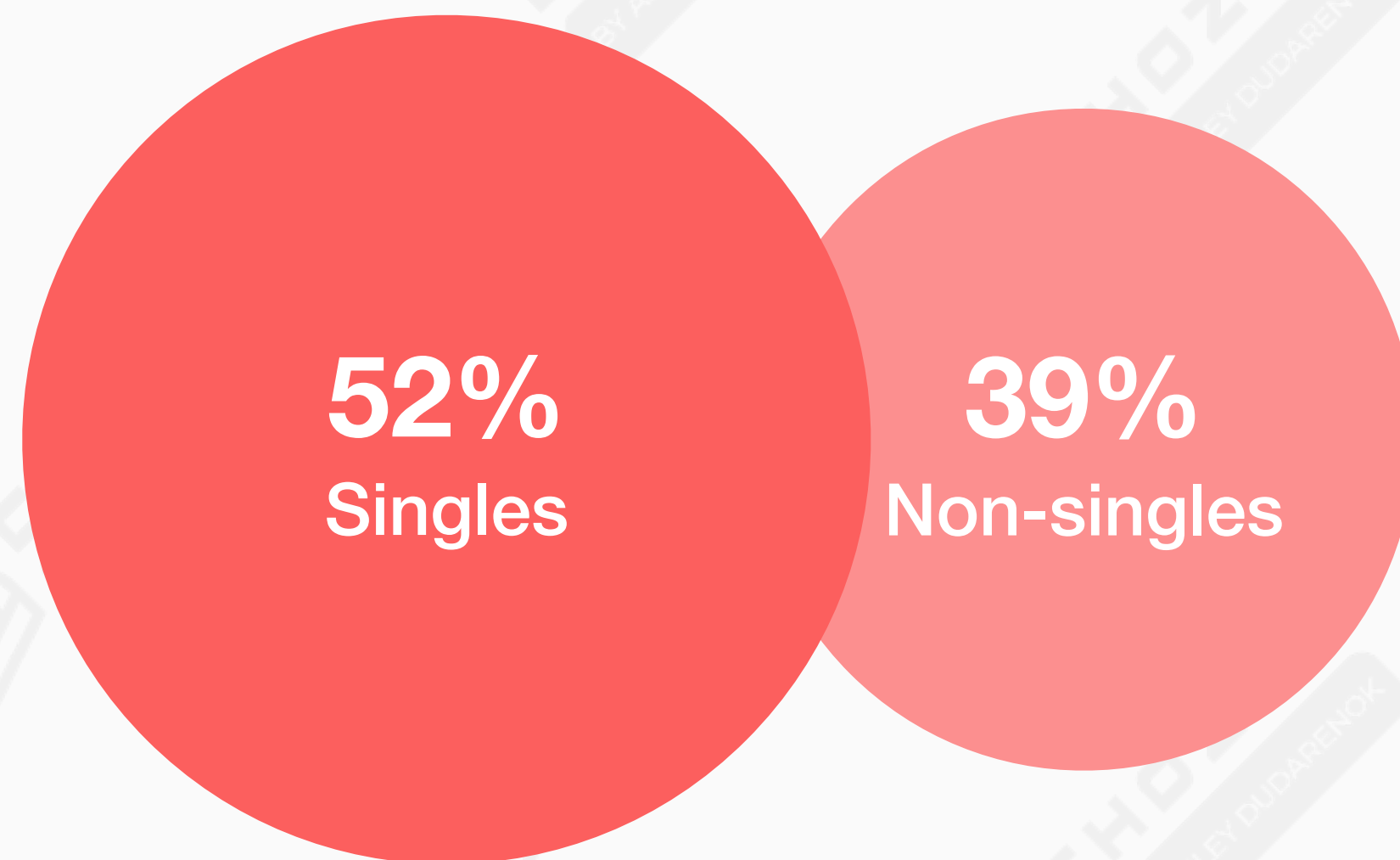


50%
**OF SINGLES ARE WILLING TO
PURCHASE HIGH QUALITY
ELECTRONICS**

CONSUMER INSIGHTS

HAPPY SINGLES - CONVENIENCE

According to Nielsen data, 52% of single people and 39% of non-singles are more willing to pay to make life more convenient and time efficient. Additionally, as a third of single people live alone, they have a strong need for company, which encourages them to pay for pets and socializing activities.



SINGLES ARE MORE WILLING TO SPEND FOR CONVENIENCE

CONSUMER INSIGHTS

HAPPY SINGLES - NIGHTLIFE

Single people are big promoters of the night economy as they are more likely to eat out, spend on outdoor activities, and engage in other cultural and recreational activities.



EATING OUT



**OUTDOOR
ACTIVITIES**



**RECREATIONAL
ACTIVITIES**

EXPERT BITES



OSCAR LIN
Copywriter/Researcher at
Alarice and ChoZan

Q: WHAT DO YOU THINK THE TOP 3 PRODUCT CATEGORIES FOR HAPPY SINGLES ARE IN Q1 2021?

In my opinion, as single adults have more disposable income, **they prefer to spend more money satisfying their physical and emotional needs by buying things like clothes and health products like vitamins.** They'll pay for pets as well. As they sometimes feel lonely, some like to have a cat or dog as company, so **products for pets, such as pet food, pet clothes etc, are in the top 3 for happy singles in Q1 2021.**

EXPERT BITES

Q: GIVE US ONE INSIGHT ABOUT CHINESE CONSUMERS THAT MOST SURPRISED YOU IN 2020.

I think the shift in attitudes to singledom remains poorly understood. To be blunt, we've moved quickly from a conception of singles as 'rejects' to being a type of choosy elite, as epitomized by the term "单身贵族" (single aristocrats). **I'm on the lookout for brands that can move with that change in sentiment and augment single life.**



MICHAEL NORRIS

Research and Strategy Manager at
AgencyChina

EXPERT BITES

Q: WHAT WAS YOUR BIGGEST SURPRISE IN 2020 WHEN IT COMES TO CHINESE CONSUMERS, BEHAVIOUR OR SENTIMENT?

I was most impressed by Chinese consumers' **commitment to healthier lifestyles**. The epidemic has prompted Chinese consumers to pay more attention to health and seek long-term fitness. They're focussing on nutrition, product quality, and immunity enhancement. In the food sector, **concepts like "sugar-free", "plant-based", "fresh", "organic", and "high-protein" are gaining traction**. The runaway success of plant-based milk, especially oat milk, is a prominent example. According to Nielsen, during the 31 weeks ending on October 3rd (about seven months since the outbreak), **oat milk was the fastest-growing category in the food and beverage sector, with an increase of 212%**. It reflects consumers' growing demand for products that foster health and wellness.



SHINE HU

ChemLinked Market Research
Analyst

EXPERT BITES

Q: WHAT DO YOU EXPECT TO SEE IN Q1 IN TERMS OF CONSUMER BEHAVIOUR, E-COMMERCE AND SOCIAL MEDIA DEVELOPMENTS IN CHINA?

The pandemic has enhanced consumers' preferences for online shopping, and social media has also become an inherent part of consumers' digital lives. Therefore, **digital marketing has become increasingly critical to both domestic and foreign brands.**



EDWARD TSE
Chairman and CEO,
Gao Feng Advisory

EXPERT BITES

Q: GIVE US ONE INSIGHT ABOUT CHINESE CONSUMERS THAT MOST SURPRISED YOU IN 2020.

Travel switched to domestic journeys within the mainland and that won't stop. On the other hand, **international travel will be impacted for a long as Chinese people find ways to enjoy travel within China** with all the infrastructure they can enjoy overseas.



MATTHIEU DAVID-EXPERTON
CEO and President at Daxue
Consultig.



KEY CONSUMPTION TRENDS

THE SLEEP ECONOMY

1

**POST-90S LIKE TO
STAY UP LATE BUT
ALSO WANT TO
MAINTAIN THEIR
HEALTH. THE SLEEP
ECONOMY
PROMOTES SLEEP
RELATED PRODUCTS.**

2

BLIND BOXES

**GEN Z LIKES TO BUY
BLIND BOXES, WHICH
USUALLY CONTAIN
TRENDY TOYS, AND
THEY'RE POPULAR IN
THE SECOND-HAND
MARKET TOO.**

3

**THE
DEVELOPMENT
OF THE HOME
ECONOMY**

**THE SALES OF SMALL
HOME APPLIANCES,
SUCH AS SANDWICH
MAKERS, AIR FRYERS
AND THE LIKE, ARE
GROWING RAPIDLY.**

4

NEW FOOD HABITS

**THE CONSUMPTION
OF MEAL
REPLACEMENT
FOODS IS
INCREASING.**

5

**THE GUOCHAO
TREND OF
GOING LOCAL AND
LOCAL PRIDE**

**BRANDS NEED TO
REMEMBER
CHINESE ELEMENTS
AND CULTURAL
COMPONENTS IN
PRODUCT DESIGNS
AND CAMPAIGNS.**

EXPERT BITES

Q: WHAT CONSUMPTION TRENDS YOU ARE MOST EXCITED ABOUT IN 2021?

What I'm most excited about in 2021 is that **I hope to see more consumers enjoy a wider selection of value-for-money and high-quality products online**, especially products that weren't easily accessible or affordable to many consumers online before, like specially sourced, high-quality fresh produce. I'm also excited to see **more consumers recognize and purchase more local brands** too.



ADA YANG

Head of Social Community,
Pinduoduo

6

**CHINESE
CONSUMERS
BECOMING
MORE HEALTH
CONSCIOUS**

**PAY ATTENTION TO
HEALTH AND
SUSTAINABILITY IN
YOUR MARKETING
CAMPAIGNS**

EXPERT BITES

Q: WHAT 5 TRENDS ARE YOU SEEING IN CHINA NOW THAT WILL BOOM IN Q1 2021?

- 1) Domestic tourism.** Domestic tourism will boom due to the well-controlled epidemic and stalled outbound tourism. Skiing and hot springs will be the most popular.
- 2) Livestreaming continues to make gains.** Livestreaming played a crucial role in the Double 11 Shopping Festival and the third CIIE. Although the country is tightening its livestreaming industry regulation, it will continue to grow as an effective stimulus for domestic consumption.
- 3) Healthy online e-commerce and O2O (online-to-offline) consumption.** Covid-19 helped spur growth in online shopping and O2O retailing. This will continue.
- 4) Surging community group-buying.** In H2, 2020, internet giants flocked into this segment, including Meituan, Didi, Alibaba, Pinduoduo, and JD, which would extend its momentum.
- 5) The entry of more imported brands in H1, 2020.** The number of new overseas brands joining Tmall Global increased by 64% year-on-year. I think foreign brand entry will continue in Q1 2021, especially niche brands aligned with segmented consumer demands.



SHINE HU

ChemLinked Market Research
Analyst

STAY ON TOP OF EMERGING CONSUMER GROUPS AND THEIR CHANGES

BRANDS GO MUCH DEEPER WHEN THEY CREATE SPECIFIC CONSUMER PROFILES AND JOURNEYS.

EXPERT BITES

Q: WHAT CONSUMPTION TRENDS ARE YOU MOST EXCITED ABOUT IN 2021?

Next year we'll see brands engaging on a much deeper level with their audience. Consumers no longer just want a quick and easy online shopping experience. They're **increasingly looking to be inspired, entertained, and educated while online.** We expect this trend to continue to grow during the next 12 months. This expectation has resulted in **the growth of brands using technologies such as livestreaming, 3D shopping and augmented reality, to create more interactive experiences for their customers while shopping online.** AR technology has become increasingly important following the pandemic – particularly for brands in the fashion and beauty sectors. Through Tmall's upgraded storefront, brands can personalize their flagship stores to include more interactive features, like mobile games or augmented-reality technology that allow consumers to virtually try on makeup. **On Tmall, brands that tapped AR-enabled features, Estée Lauder for example, have seen consumers spending more time on their product pages, staying from an average of 30 seconds to longer than 70 seconds per visit.**



MICHELLE LAU

Senior Strategic Partnership Manager,
Alibaba

EXPERT BITES

Q: WHICH LUXURY PRODUCT CATEGORIES WILL PERFORM WELL IN 2021, IN YOUR VIEW?

In the luxury sector, female driven sub-sectors like cosmetics, handbags and high-end jewelry should be a particular area of focus for 2021 and beyond.



ERWAN RAMBOURG
Author of *Future Luxe*

8

**LUXURY
CONSUMPTION
WILL BE
DOMESTIC**

**DUE TO COVID-19
TRAVEL
RESTRICTIONS,
CHINA'S LOCAL
LUXURY MARKET IS
GOING TO THRIVE IN
2021**

EXPERT BITES

Q: HOW OPTIMISTIC ARE YOU ABOUT THE ECONOMY IN CHINA IN Q1 2021? WHICH LUXURY SECTORS OR PRODUCT CATEGORIES ARE YOU PARTICULARLY BULLISH ABOUT? WHICH SECTORS, IF ANY, WILL SINK?

Many brands were unable to catch the post Covid-19 rebound in China because of supply chain issues. Even amidst uncertainty about how the situation will evolve globally, **the luxury fashion industry and hard luxury categories are now better prepared in the way they approach 2021 as budget shifts to China have been confirmed.** So I think **it's going to be a great first quarter for the luxury industry in China.**



PABLO MAURON

Partner and Managing Director at China DLG (Digital Luxury Group)

EXPERT BITES

Q: WHAT'S YOUR PREDICTION FOR THE LUXURY SECTOR IN CHINA IN 2021? WHAT ARE SOME OF THE TRENDS YOU'RE SEEING?

I have no doubt that there will be good growth with Chinese consumers in 2021. The question of growth in mainland China itself is very much correlated to how quickly the world will reopen in a post-Covid era. Given relatively poor visibility on outbound travel at present, **I think it's quite clear that growth in mainland China should be very solid double digits at least throughout H1 and likely beyond.** Domestic travel should be well supported and after an initial explosion of sales in Hainan following a freeze on international travel and a swift evolution of regulation, it's likely that retail projects there will continue to flourish.



ERWAN RAMBOURG
Author of *Future Luxe*

EXPERT BITES

Q: WHAT'S YOUR PREDICTION FOR THE LUXURY SECTOR IN CHINA IN 2021? WHAT ARE SOME OF THE TRENDS YOU'RE SEEING?

Two trends drove very strong growth in 2020 and they are both Covid related - **an increase in China purchases and accelerated brand digitalization.**

Unfortunately, when it comes to Covid, China is the exception in having it relatively under control so we can expect the local purchase trend to continue in 2021.

Digitalization has proven very successful and has opened many brands eyes to the possibilities of new channels for sales, and customer engagement, particularly in the WeChat/WeChat Work ecosystem, and an increased willingness to experiment. **This deep digitalization trend will continue in 2021 since it's been successful and is a multi-year effort which many brands have just begun.**



AARON CHANG
CEO and Founder
Jing Digital

EXPERT BITES

Q: WHAT'S YOUR PREDICTION FOR THE LUXURY SECTOR IN CHINA IN 2021? WHAT ARE SOME OF THE TRENDS YOU'RE SEEING?

The luxury sector in China will surely continue to grow in 2021, while Europe and the USA are still recovering from the aftermath of Covid-19. The main motivators for Chinese consumers to buy luxury goods will increasingly be **skewed towards enhancing well-being, happiness and unique experiences, as opposed to just for the sake of owning a branded luxury item.** Because of their Covid-19 experiences, Chinese luxury consumers will care more about the social impact and efforts of local and foreign luxury goods companies and whether they're **doing their part to make society a better, safer and happier place for the next generation.**



SALLY MAIER-YIP

Founder and Managing Director at
China PR and Communications
Agency, 11K Consulting

EXPERT BITES

Q: WHAT CONSUMER GROUPS IN CHINA SHOULD LUXURY BRANDS TARGET IN 2021? WHY?

Youth and female consumers remain the key consumer cohorts to follow as, just in the rest of the world, **women are responsible for the bulk of incremental sales in the sector and young consumers are keen to spend on luxury as the "selfie" generation takes over** and new ways of selling, like social commerce and livestreaming, are emerging that are adapted to very young consumers.



ERWAN RAMBOURG
Author of *Future Luxe*

EXPERT BITES

Q: WHAT'S YOUR PREDICTION FOR THE LUXURY SECTOR IN CHINA IN 2021? WHAT ARE SOME OF THE TRENDS YOU'RE SEEING?

The category will continue to grow, mostly fuelled by continued restrictions on travel, but also as a result of smaller, niche brands accelerating their efforts in China. We will also see an increasing number of luxury brands entering the market with a **digital-only approach**.



PABLO MAURON

Partner and Managing Director at
China DLG (Digital Luxury Group)



ALARICE
BY ASHLEY DUDARENOK



CHOZAN
BY ASHLEY DUDARENOK

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E-COMMERCE

EXPERT BITES



ASHLEY DUDARENOK

Founder of Alarice and ChoZan,
LinkedIn Top Voice, 3x best-selling author

Q: WHAT MAKES YOU EXCITED ABOUT THE DEVELOPMENT OF CHINA'S TECH GIANTS?

Their product and technology development for **lower-tier cities and rural areas** and the **further merging of short video, livestreaming and e-commerce**.

Tech giants will also have to sort out their compliance with **antitrust guidelines** in 2021, which will bring some interesting changes.

EXPERT BITES



BANFF CHAN
Financial Executive at
Alarice and ChoZan

Q: IN YOUR VIEW, HOW WILL DCEP (DIGITAL CURRENCY/ ELECTRONIC PAYMENTS) WORK IN CHINA?

Cryptocurrency miners and users face strong regulation in China. As with social network platforms, designated Chinese search engines like Baidu and other China-specific tools and regulations, China is seeking new solutions for its country and market in terms of digital currencies.

First introduced as a concept five years ago, China is now finalizing its preparation for the release of its DCEP (Digital Currency/Electronic Payments). However, unlike Bitcoin and related currencies, DCEP is sanctioned by the government. **The government is likely to distribute the new currency through traditional banks, making it fully centralized and on a par with traditional paper money.**

As China expands its global trade through the BRI and other development initiatives, DCEP has the potential to **create significant financial autonomy and reduce exposure to the American financial system.**

EXPERT BITES



WENDY CHEN
Marketing Manager at
Alarice and ChoZan

Q: WHAT ARE SOME E-COMMERCE TRENDS THAT YOU RECOMMEND MARKETERS PAY ATTENTION TO IN Q1?

In 2020, brands that couldn't sell offline due to the epidemic used live streaming. However, **the fast-growing live streaming industry also exposed lots of problems.** Sales of counterfeit products by top KOLs reduced consumers' trust. Phenomena such as order and data fraud are common. Top KOLs dominated platform traffic, causing the costs of live streaming to rise day by day. And brands were overwhelmed.

As regulatory authorities enact stronger rules, live streaming will return to rationality in 2021 and enter a stage of healthy development. For brands, live streaming will become a basic marketing tool. **In 2021, the key goal of many brands is to reduce or eliminate dependence on top influencers or single channels and build an anchor pyramid covering celebrities, KOLs, CEOs and employees. Integration of new channels, like WeChat mini programs, will speed up.**

EXPERT BITES

Q: IN YOUR VIEW, WHICH SECTORS HAVE THE MOST POTENTIAL IN Q1 ON TMALL, JD, PINDUODUO OR KUAISHOU? WHY?

I still say food, more specifically snacks and beverages. Because those are items with low unit prices that people purchase on a regular basis. **Through livestreams, people can watch how food is grown and packed and shipped,** and more local brands will emerge. So I would pay attention to the food and beverage sector.



QIMEI LUO

Livestreaming Industry Marketer
and PR Expert

E-COMMERCE

OVERVIEW - COVID-19'S IMPACT

E-commerce has been widely used, especially during lockdowns, by consumers to access products and services.

Even before COVID-19, China had one of the largest and fastest growing e-commerce markets in the world, with online sales of goods and services accounting for over 20 percent of total retail sales in 2019.

CHINA'S E-COMMERCE EXPECTED MARKET SIZE IN 2024

US\$ 1.6 TRILLION

INCREASE IN USE OF CROSS-BORDER E-COMMERCE IN H1

65%

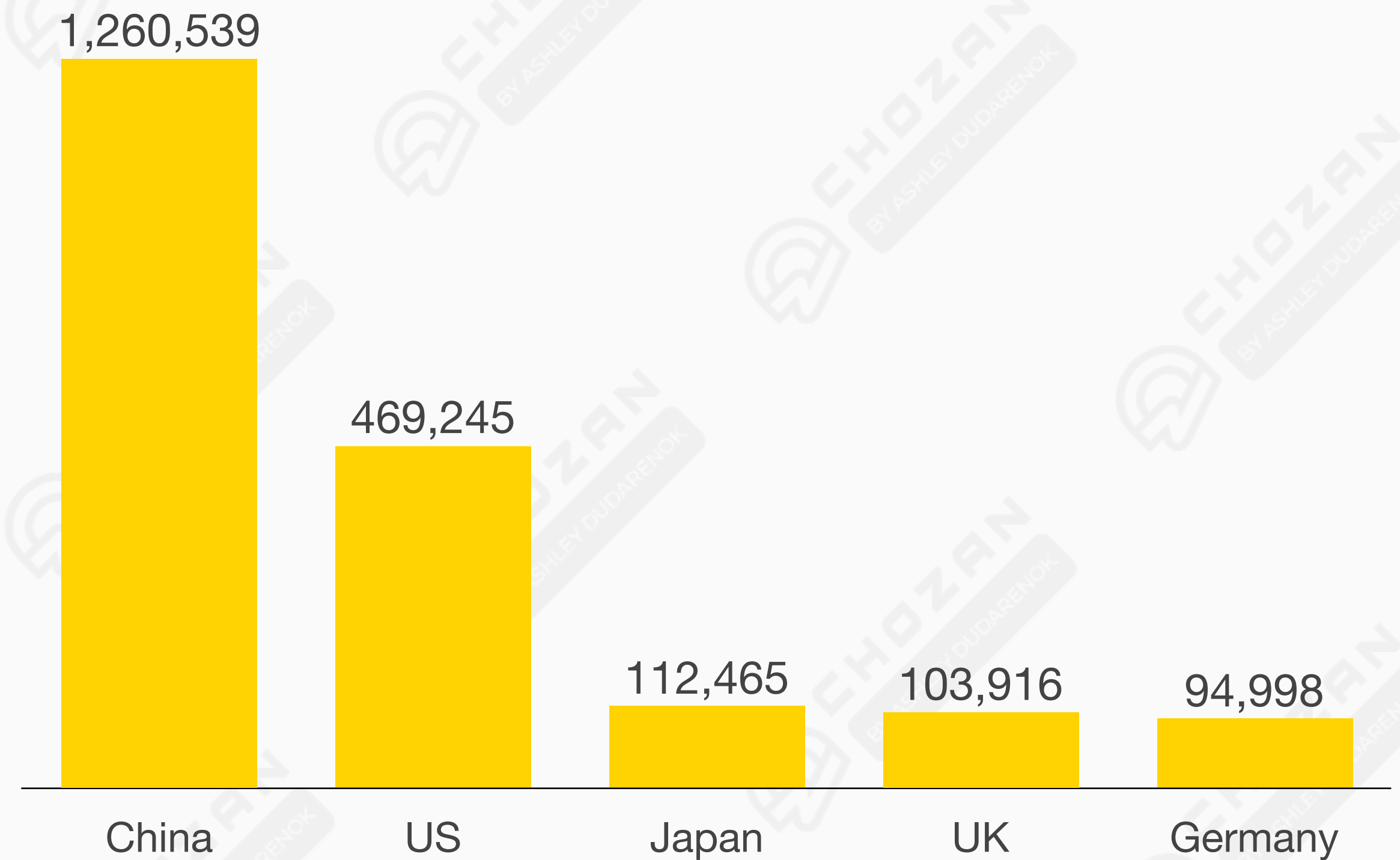
E-COMMERCE

OVERVIEW - 2021 PROJECTION REVENUE IN MILLION

Revenue in the e-commerce market is projected to reach USD 1,260,539 m in 2021.

Far exceeding that of major players The US and Japan.

PROJECTION REVENUE OF DIFFERENT COUNTRIES, (IN USD MILLIONS)

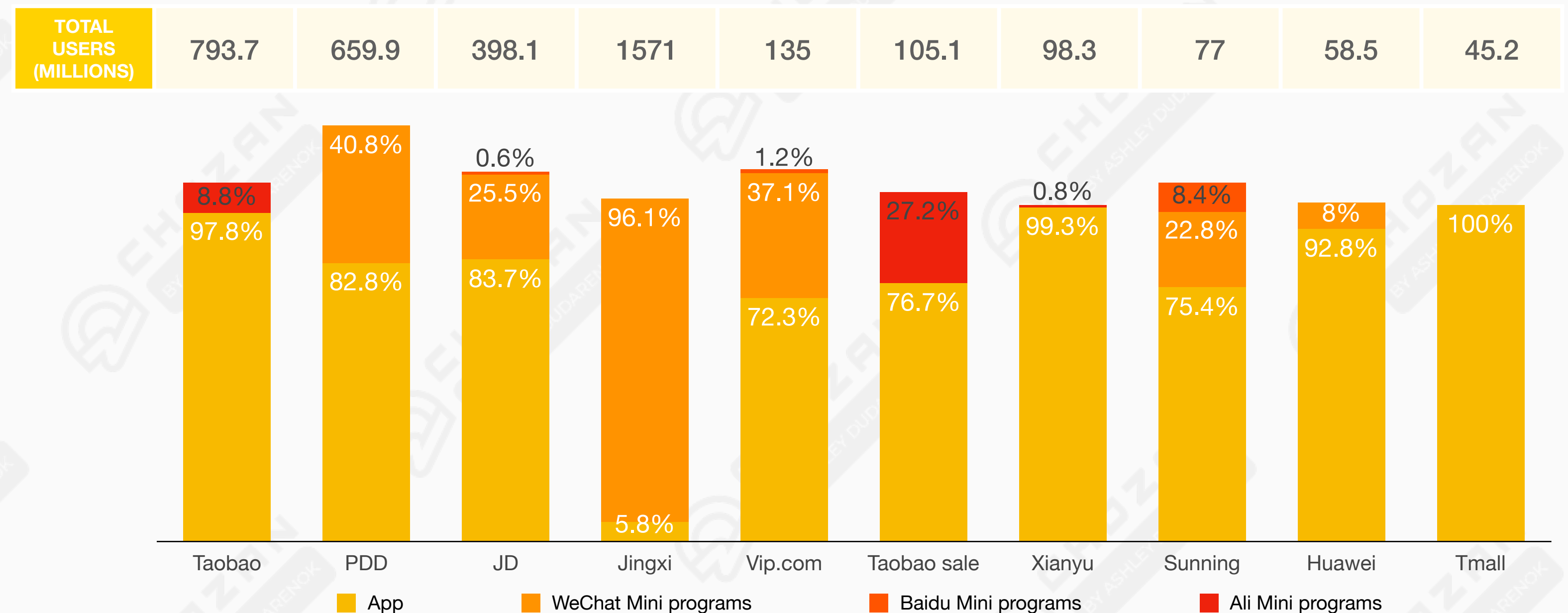


E-COMMERCE

OVERVIEW - CHINA'S NEW RETAIL

The rise of WeChat mini programs supported e-commerce app traffic. The traffic of e-commerce apps such as Pinduoduo, JD.com, Vip.com and Sunning has significantly risen after mini programs from WeChat, Baidu and Ali were introduced.

TOP 10 E-COMMERCE APPS TRAFFIC AMONG MINI PROGRAMS AND APPS, OCT 2020

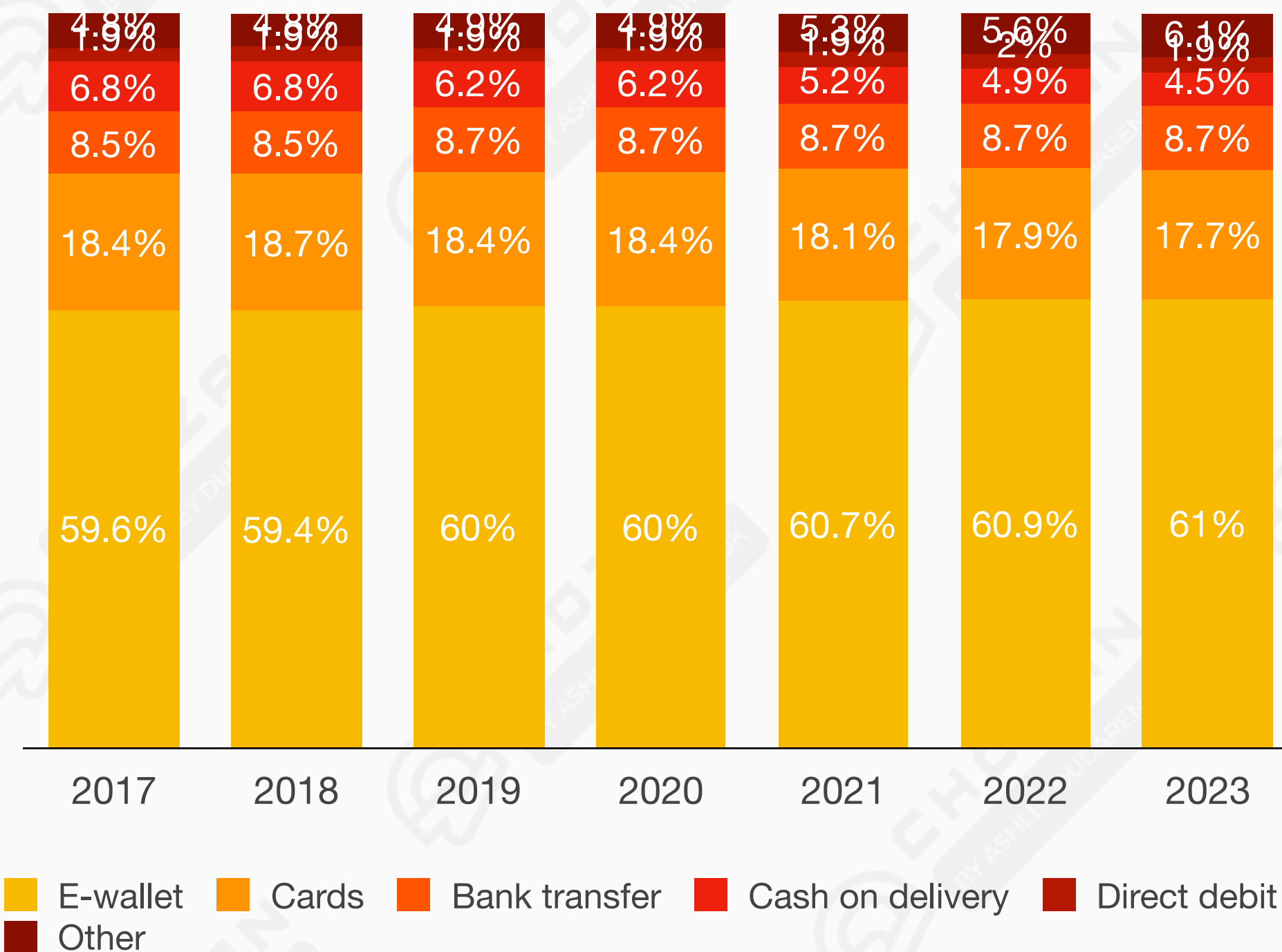


E-COMMERCE

OVERVIEW - CHINA DIGITAL SPACE AT GLANCE

Financial technology and innovation which aims to compete with traditional methods to deliver financial services are on the rise. In particular, payment methods like WePay and Alipay.

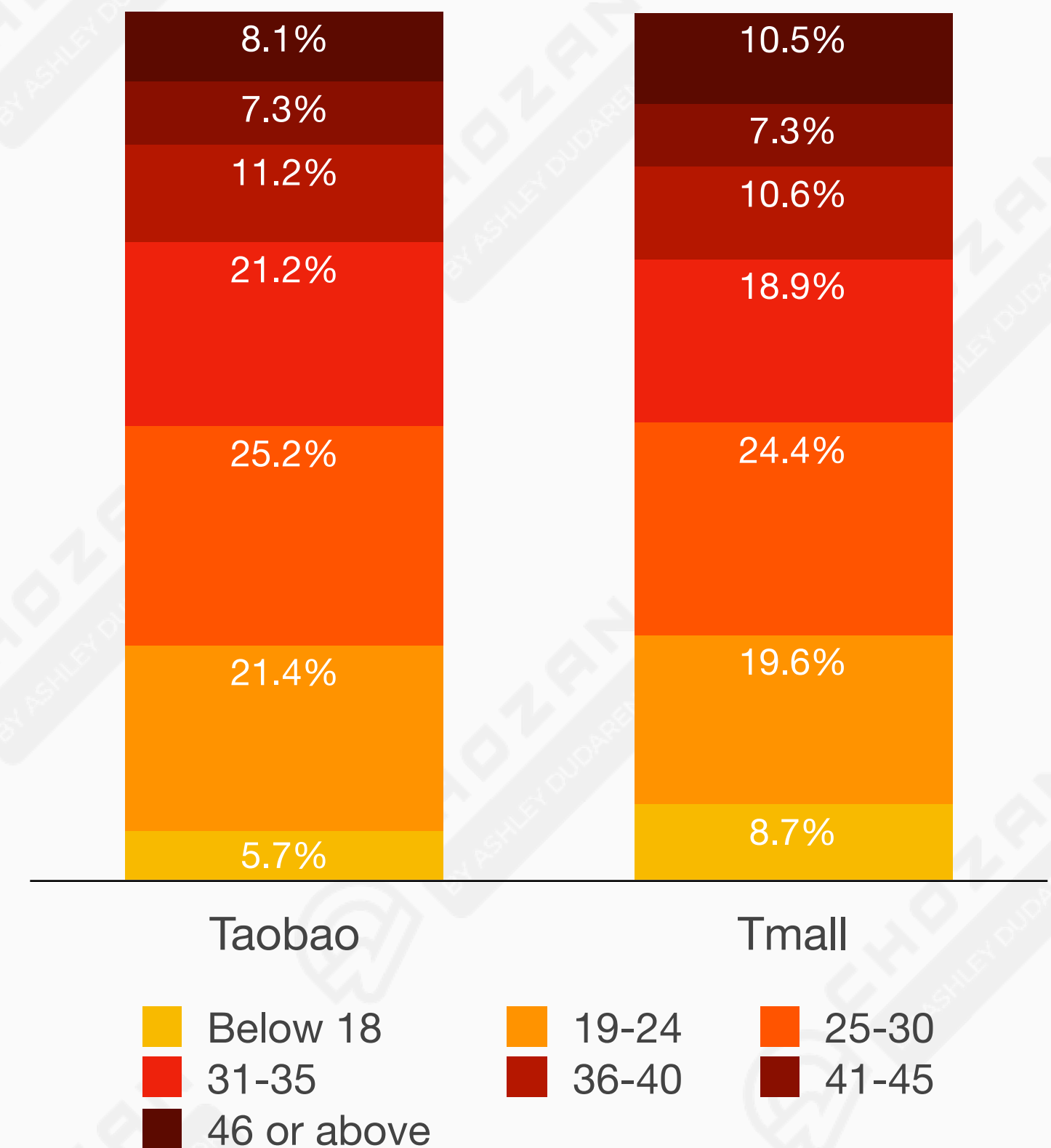
CHINESE USERS PREFERRED PAYMENT METHODS, 2017-2023



Source: Statista, China Market Revenue

Source: QuestMobile, Apps Traffic Report, 2020

TMALL AND TAOBAO USERS AMONG AGE GROUPS, JUNE 2020

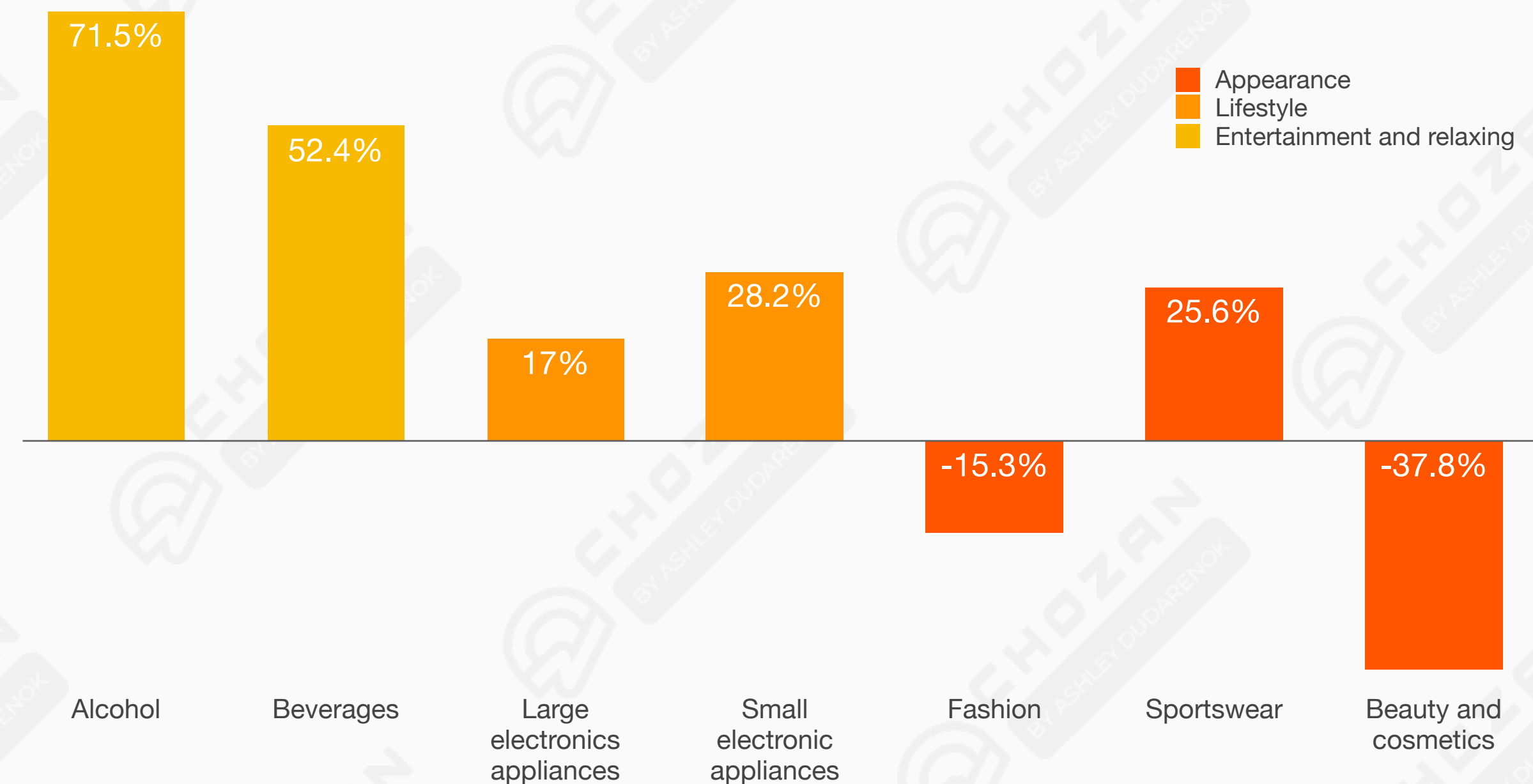


E-COMMERCE

OVERVIEW - CHINA DIGITAL SPACE AT GLANCE

Consumers attitude towards spending is gradually changing.
Interests towards Entertainment and Relaxing are growing significantly, followed by Lifestyle with concern towards fashion and cosmetics giving way to appearing healthy with sportswear.

GMV YOY GROWTH OF TYPICAL INDUSTRIES SALES ON E-COMMERCE PLATFORMS, Q3 2020

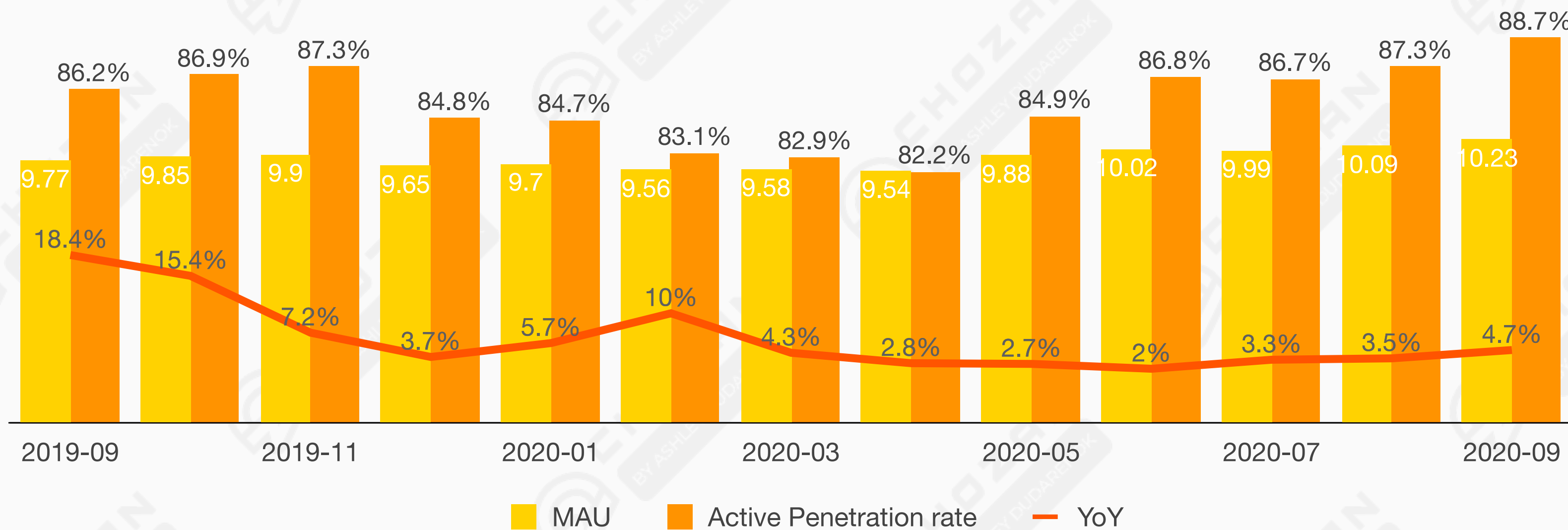


E-COMMERCE

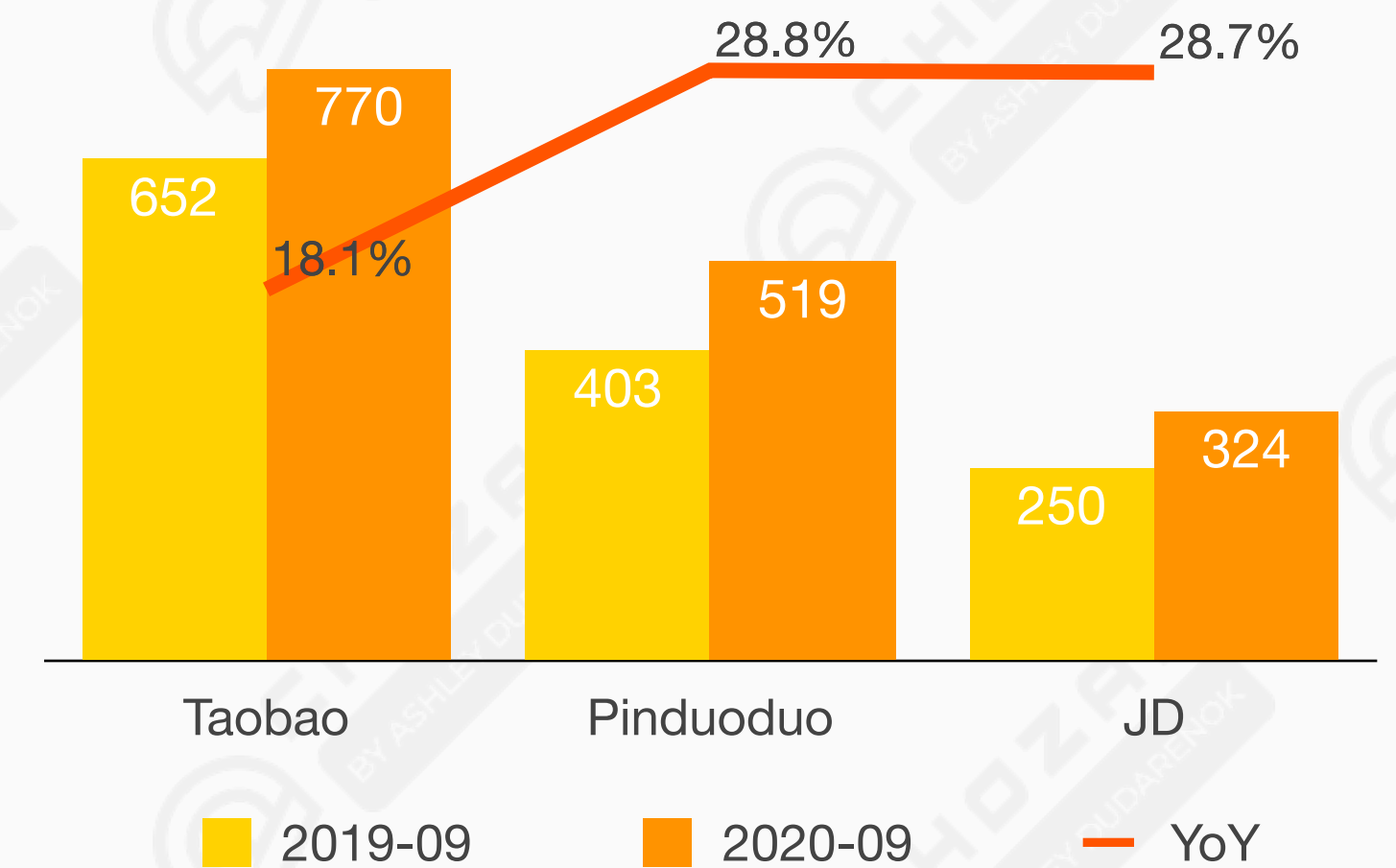
OVERVIEW - CHINA DIGITAL SPACE AT GLANCE

While MAU (monthly active users) remain steady, the active penetration rate is reaching higher, including on all the major platforms.

CHINESE MONTHLY ACTIVE USERS TREND ON E-COMMERCE PLATFORMS, 2019 SEPT TO 2020 SEPT



MAJOR E-COMMERCE PLATFORMS USERS GROWTH, 2019 SEPT TO 2020 SEPT

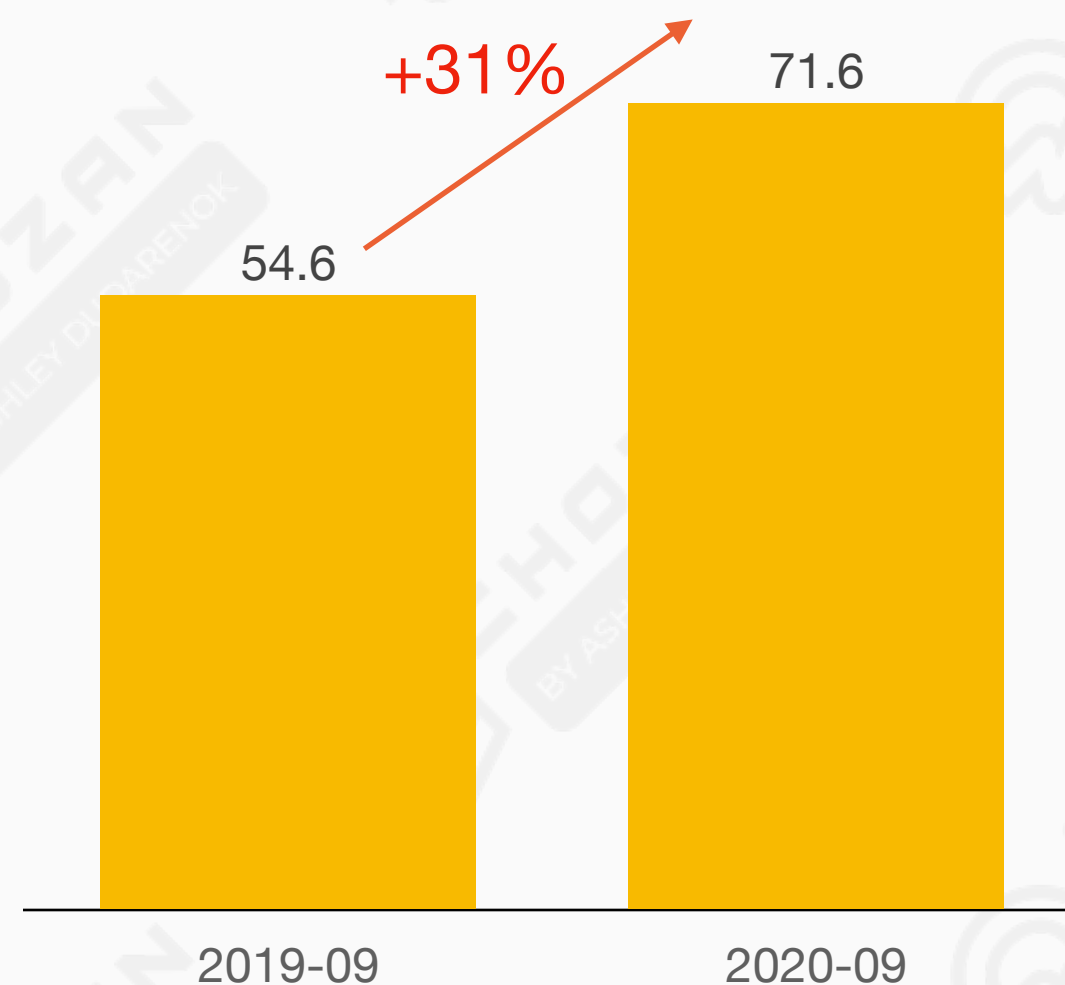


E-COMMERCE

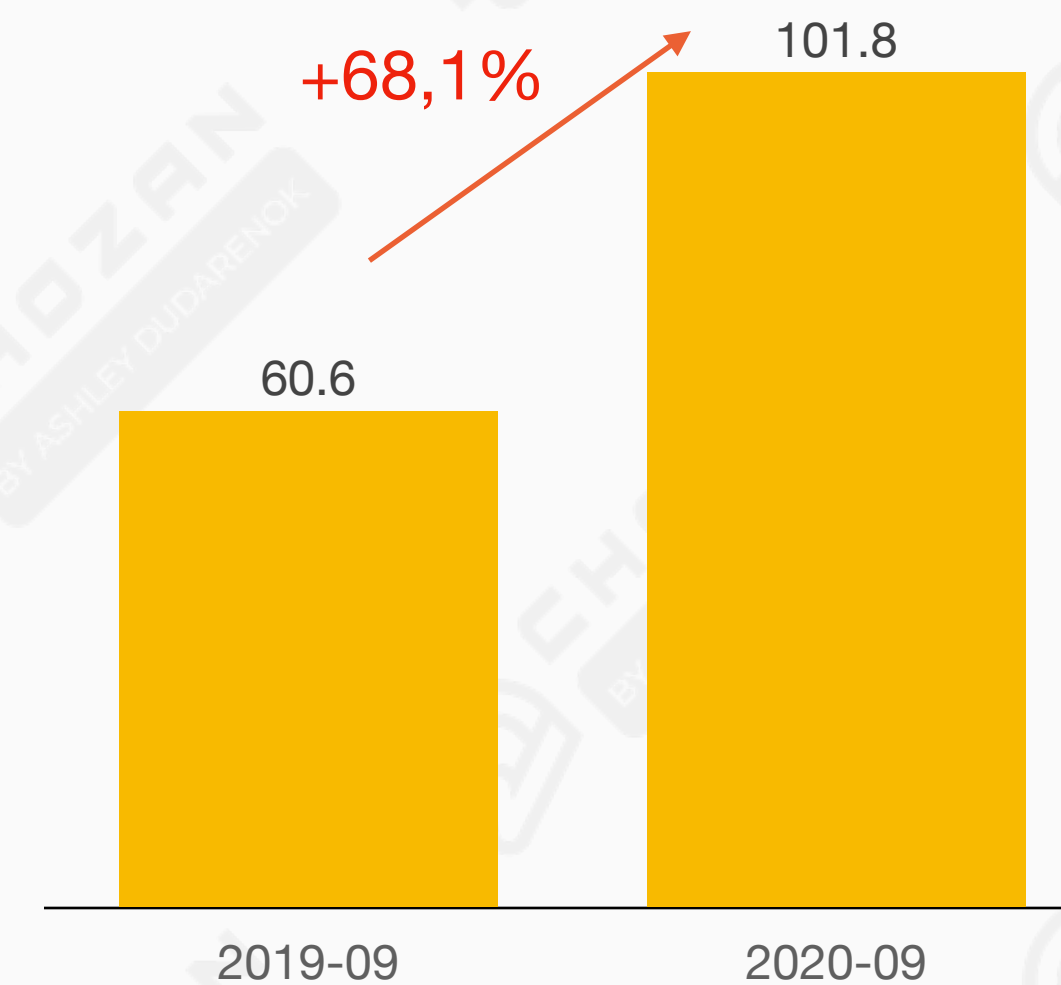
OVERVIEW - FRESH FOOD E-COMMERCE GROWTH

Covid-19 accelerated the fresh grocery e-commerce industry with nearly 70% growth on WeChat compared to the last year. Lockdowns, social isolation, a rapid rise in general health concerns, and a already blossoming delivery economy have culminated in favour of the industry.

MONTHLY ACTIVE USER OF FRESH FOOD E-COMMERCE APP (IN MILLIONS)



THE SCALE OF MONTHLY ACTIVE USERS IN THE FRESH FOOD E-COMMERCE WECHAT MINI PROGRAMS

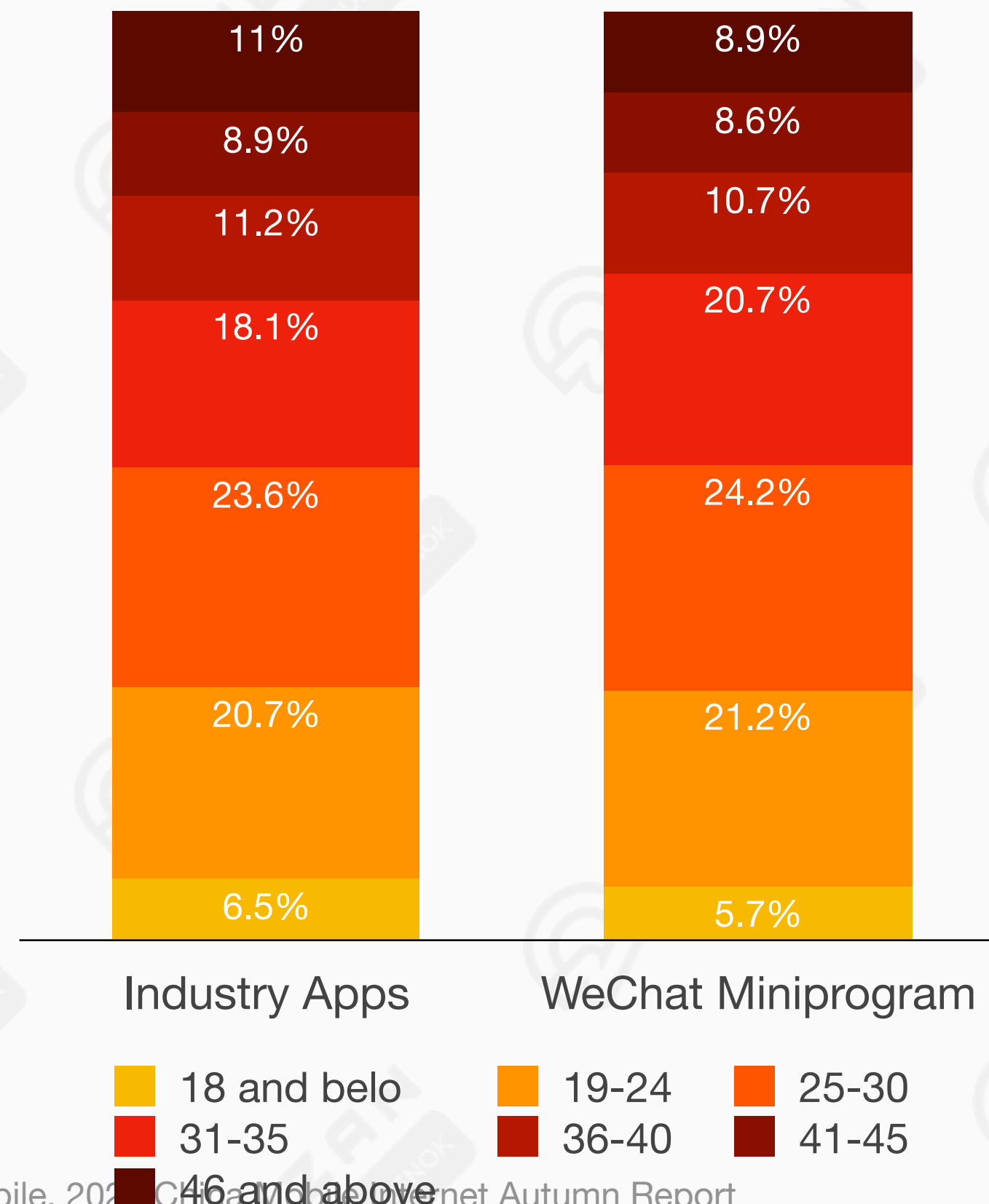


E-COMMERCE

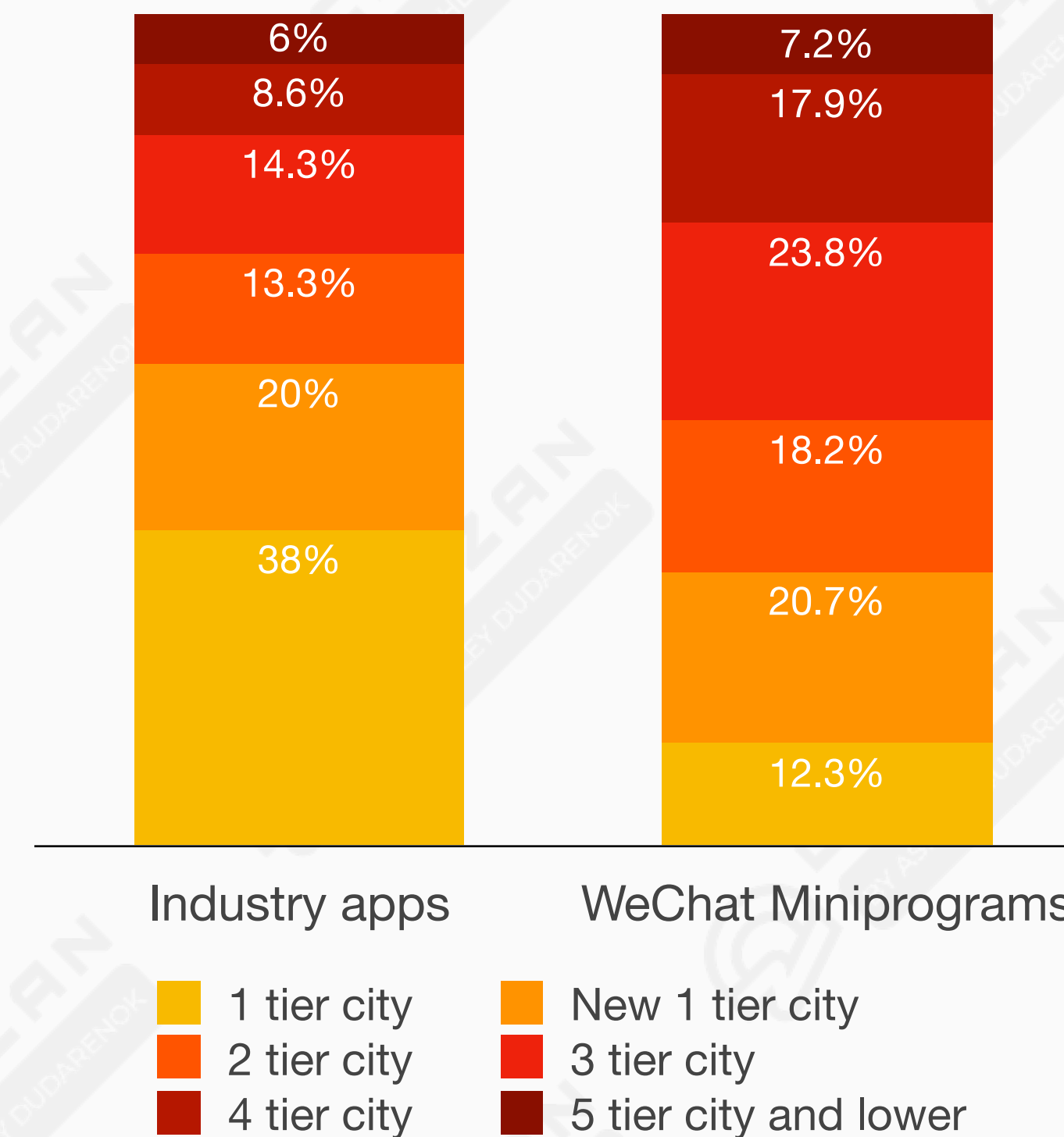
OVERVIEW - FRESH FOOD E-COMMERCE USER DISTRIBUTION

While the age distribution is somewhat predicable with unlikely users youth and elderly at either end of the spectrum and a steady bulk to the middle with the 25-30s, what is of note is that while WeChat mini programs and quite evenly spread among city tiers; industry apps are far more popular in higher tier cities.

2020.9 AGE GROUPS DISTRIBUTION



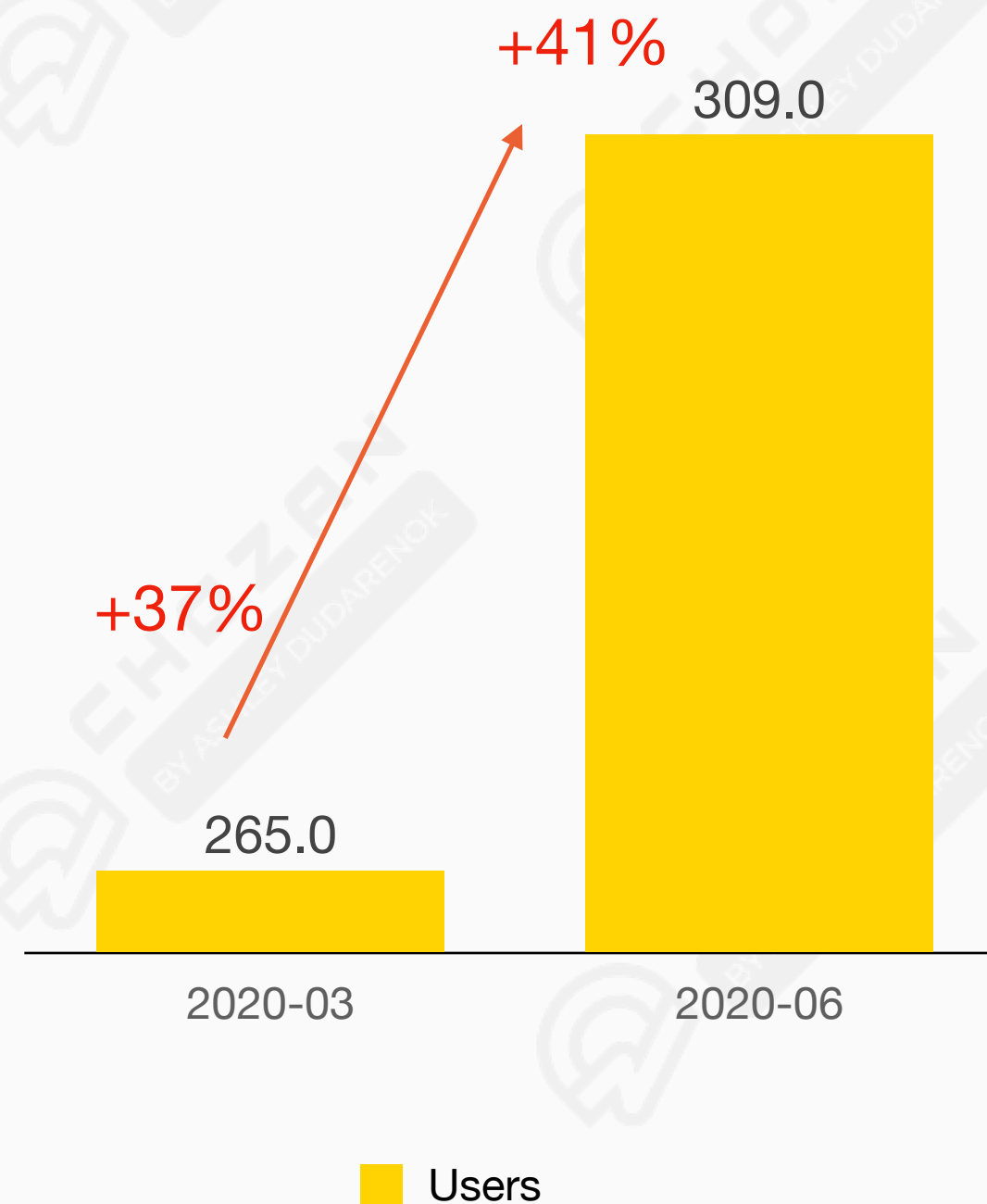
2020.9 CITY DISTRIBUTION



E-COMMERCE

OVERVIEW - POST COVID-19 LIVE-STREAMING GROWTH

POST COVID-19 LIVE-STREAMING USER
SCALE (IN MILLIONS)



**As Covid-19 helped
Fresh grocery delivery, it
has pushed tremendous
growth towards live-
streaming.**

TOP 10 PROVINCE FOR LIVE BROADCAST
RELATED COMPANIES REGISTRATION

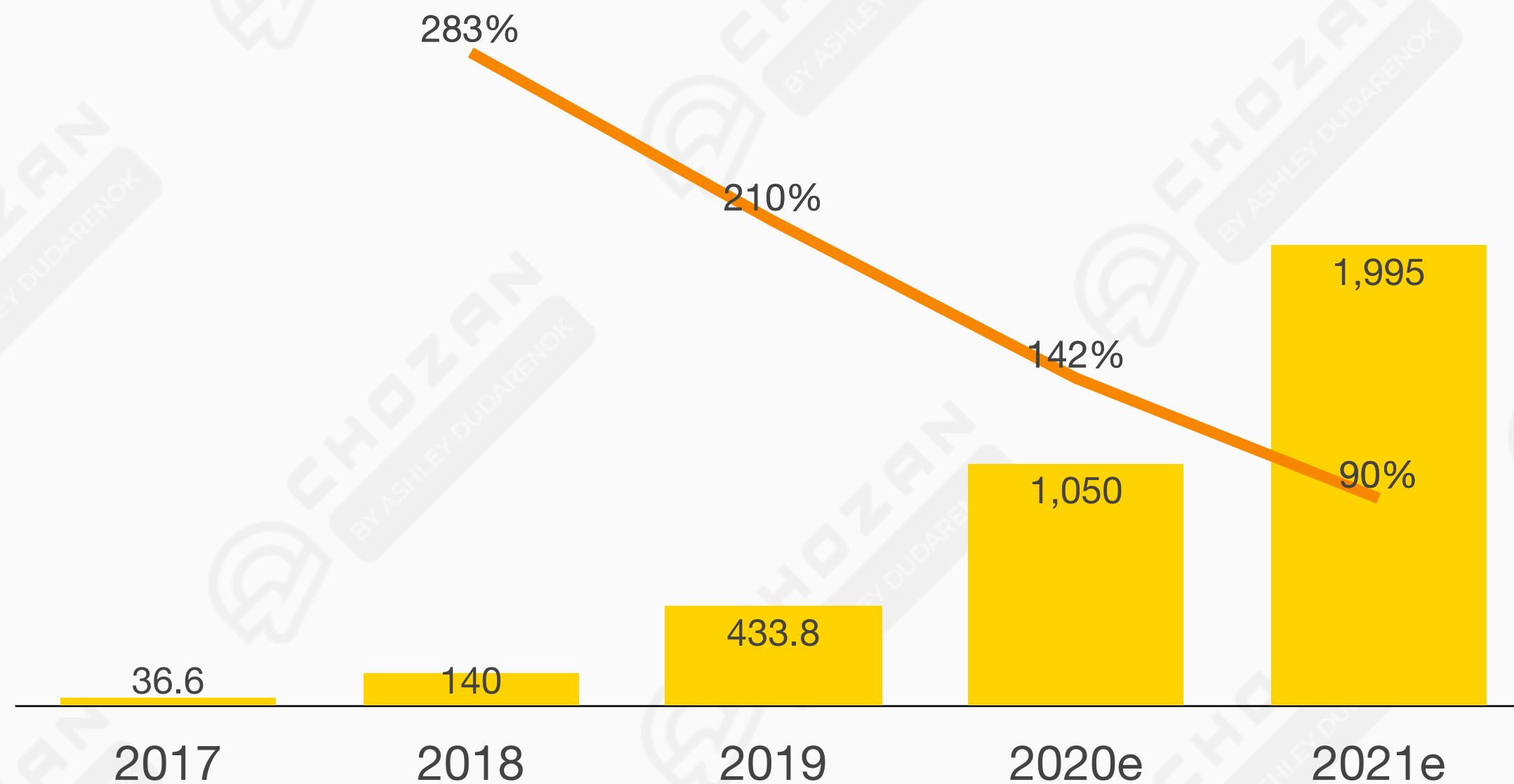
RANKING	PROVINCE
1	Zhejiang
2	Liaoning
3	Shandong
4	Guangdong
5	Jiangsu
6	Fujian
7	Hainan
8	Shanxi
9	Heilongjiang
10	Jiangxi

E-COMMERCE

OVERVIEW - POST COVID-19 LIVE-STREAMING GROWTH

2017-2021 LIVE E-COMMERCE MARKET SCALE

— Growth
■ Market Size (in billion RMB)

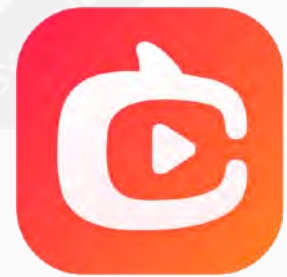


Due to the Covid-19 lockdown, live-streaming e-commerce became one of the most important channels to communicate with consumers. When deprived of physical interaction, users supplemented with relatable live-streaming.

E-COMMERCE

OVERVIEW - LIVE-STREAMING BY PLATFORMS

TOP 5 LIVE-STREAM COMMERCE SALES INDUSTRIES, SEP 2020



Taobao livestream



Douyin



Kuaishou

TOP 1	Jewellery, watches and eyewear	Apparel, shoes and hats	Apparel, shoes and hats
TOP 2	Apparel	Food and beverages	Cosmetics and skincare
TOP 3	Cosmetics	Cosmetics and skincare	Food
TOP 4	Shoes and bags	Home	Home living
TOP 5	Food	Watches and accessories	Home appliances

LIVE-STREAMING FEATURE INTRODUCTION ON EACH PLATFORM

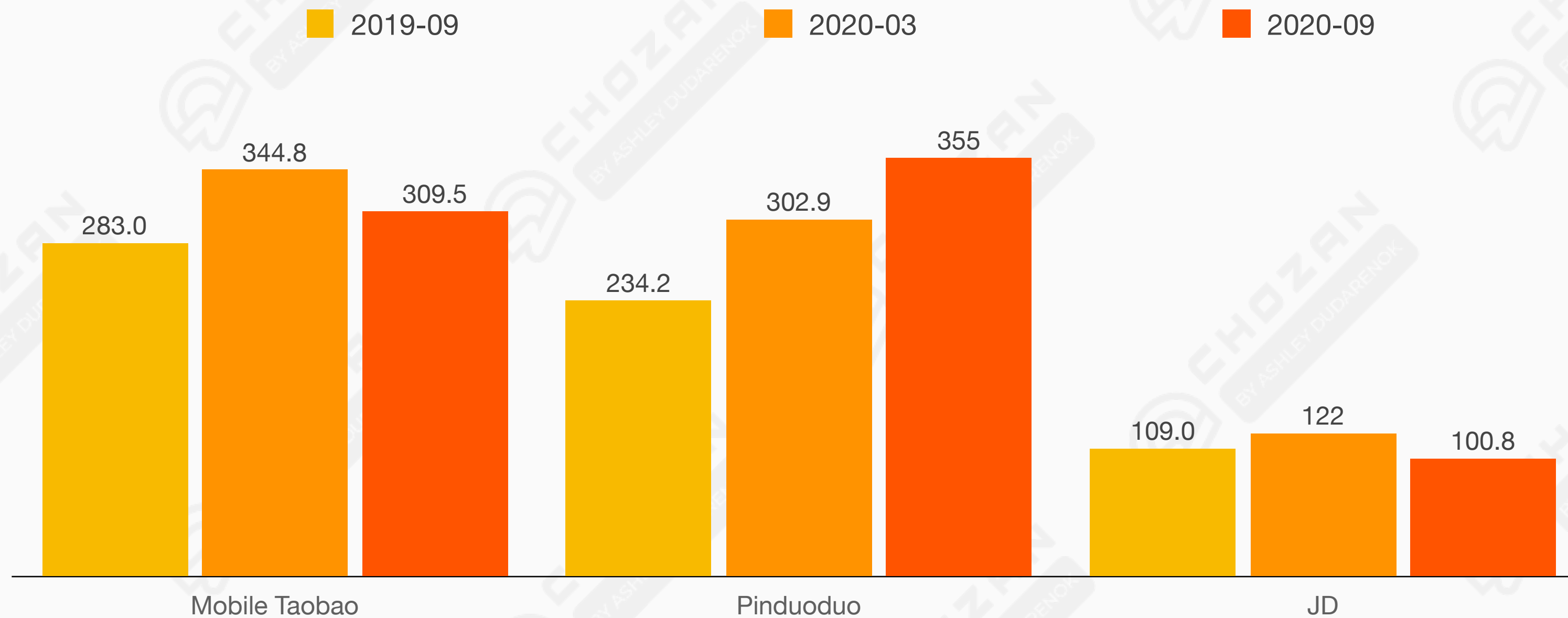


E-COMMERCE

OVERVIEW - MAU E-COMMERCE APP OVERVIEW

In post Covid-19 China, users start spending more time on e-commerce. Pinduoduo is experiencing the most consistent growth in monthly app use time.

AVERAGE MONTHLY TIME SPEND ON E-COMMERCE APP



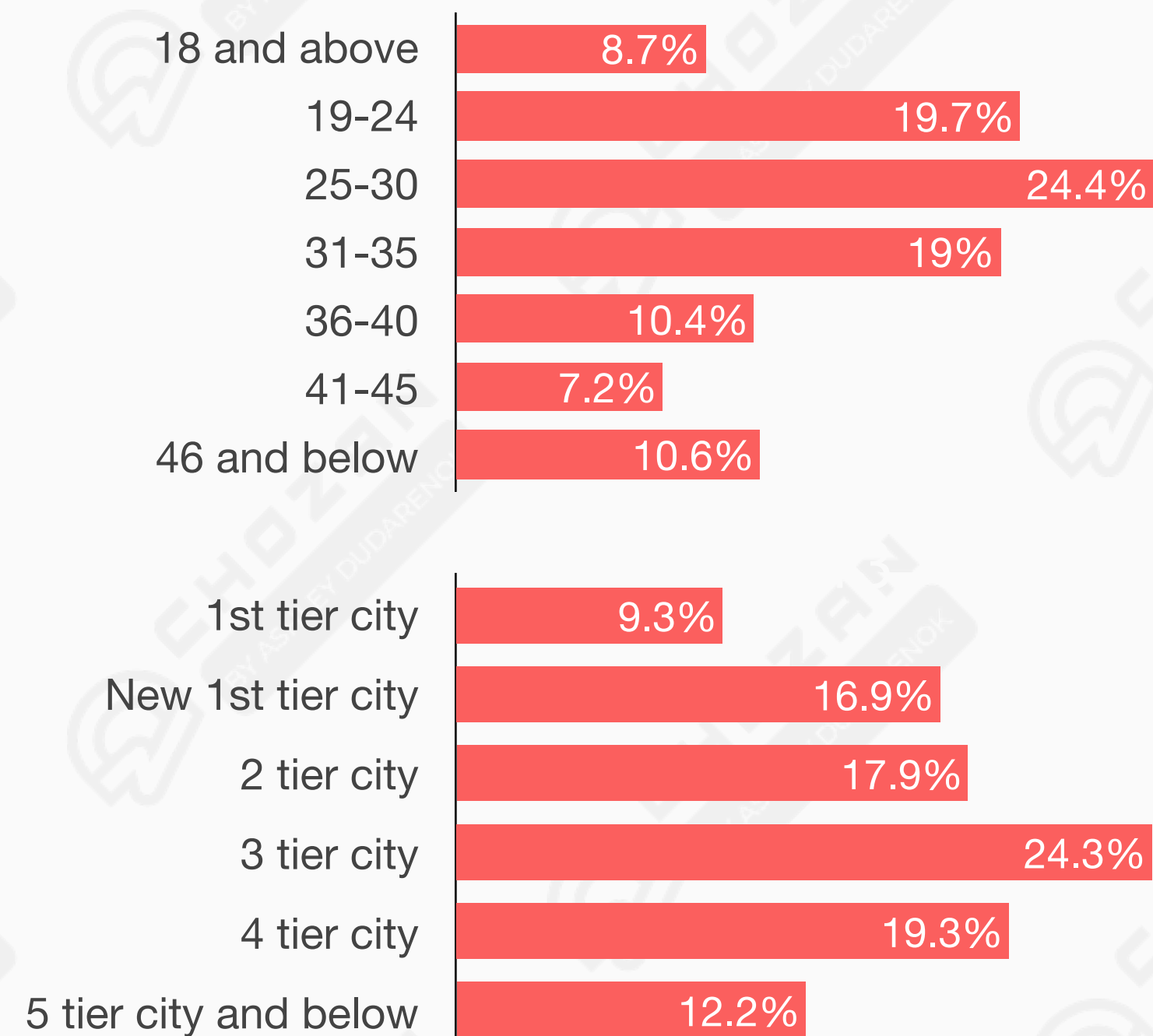
E-COMMERCE

OVERVIEW - E-COMMERCE APP USER PORTRAIT

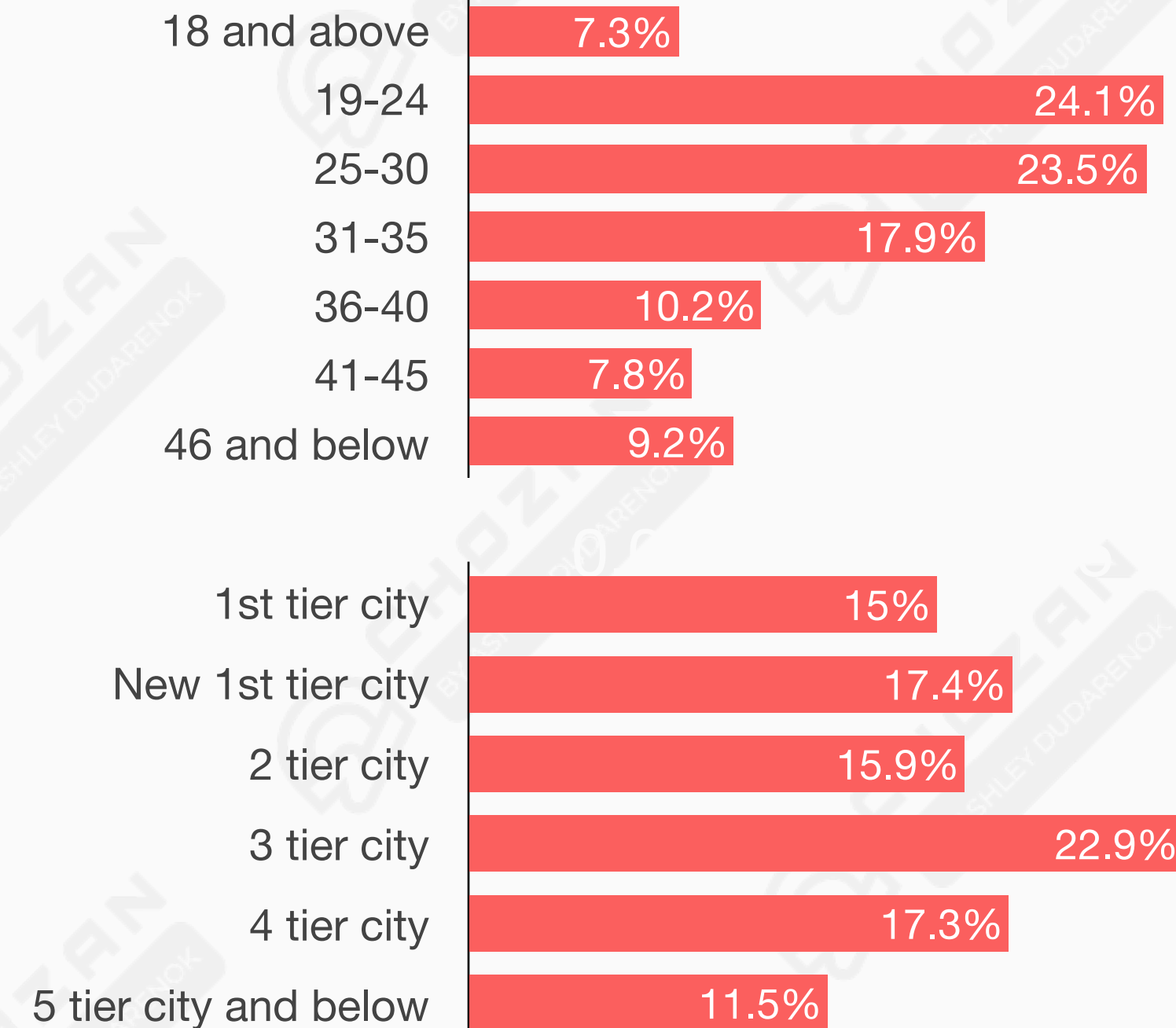
Lower tier cities have seen significant user penetration - especially among their youth.

2020.9 E-COMMERCE APP USER PORTRAITS

MOBILE TAOBAO APP



JD APP



E-COMMERCE

OVERVIEW - TOP KEYWORDS ABOUT CONSUMPTION ECOLOGY IN 2020

The keywords equal the post Covid-19 life of consumers, with health, home, quality, online, and shopping at the forefront.

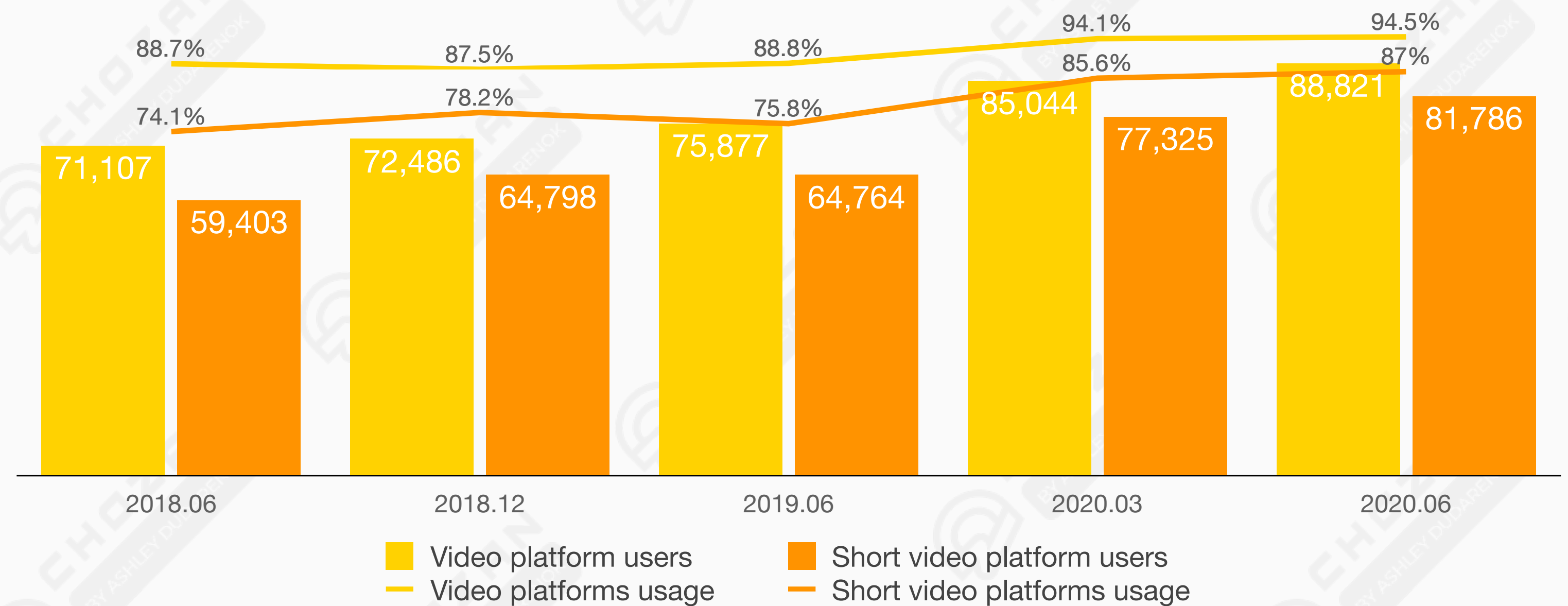


E-COMMERCE

OVERVIEW - SHORT VIDEO GROWTH

Related to live-streaming, short video users are steadily growing.

CHINESE VIDEO PLATFORM USERS AND USAGE



E-COMMERCE

OVERVIEW - ONLINE RETAIL

GO TO THE CUSTOMERS - ONLINE MARKETPLACES

Online consumption is growing at a rapid rate, but Chinese consumers require trustworthy and accessible shopping destinations. Marketplaces provide verified brand stores that give consumers a one-stop-shop. Brands need to be involved in such marketplaces for exposure and legitimacy.

THE LARGEST ONLINE MARKETPLACES IN CHINA (CHINA VISITS/MONTH)



Taobao

455.1M



Pinduoduo

287.6M



JD.com

284.7M



Tmall

177.1M



Amazon

144.5M



Vipshop

4.9M



Kaola

2.5M

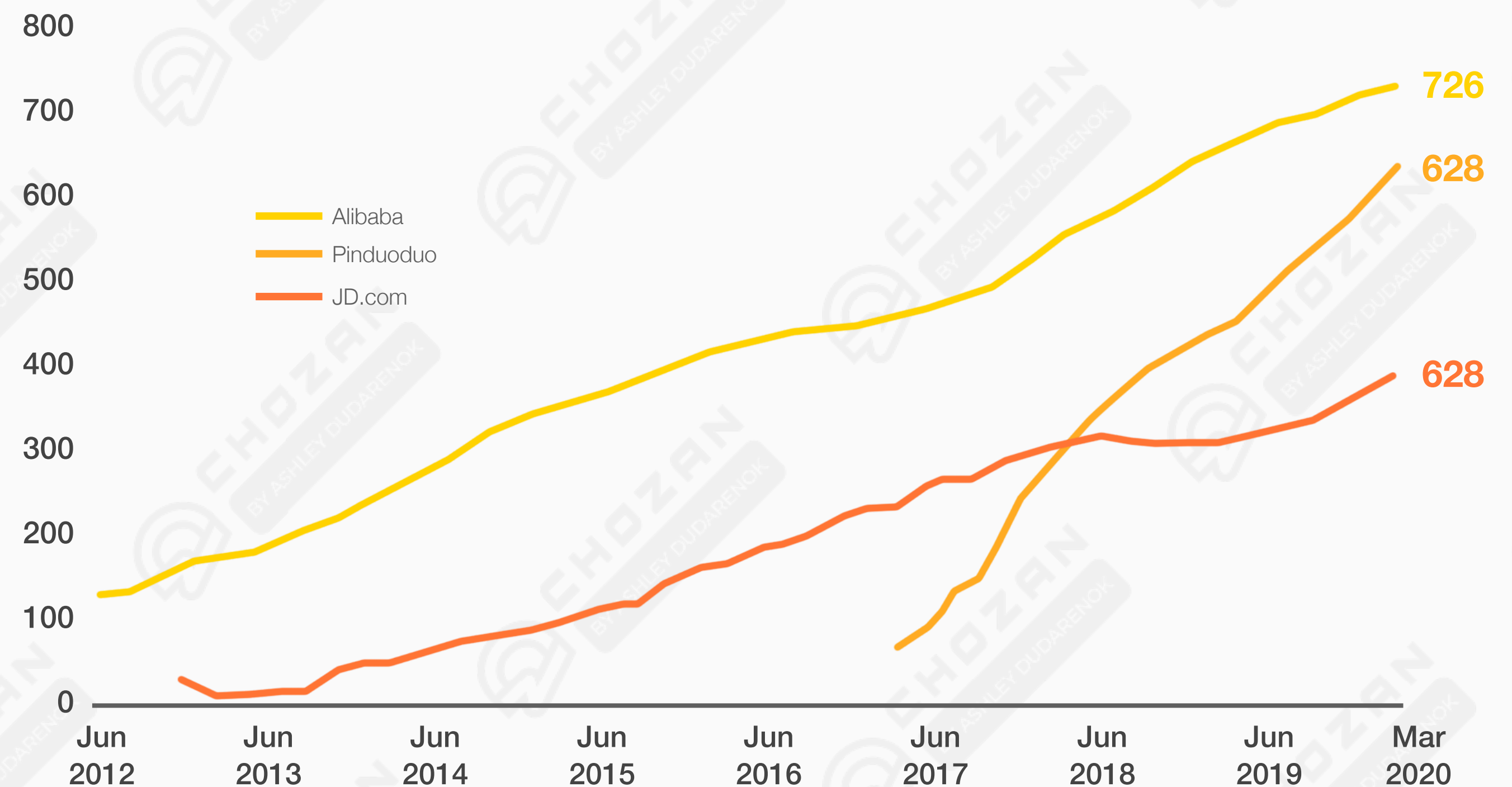
E-COMMERCE

OVERVIEW - CHINA'S NEW RETAIL

New Retail is blossoming in China. Spearheaded by Alibaba, Pinduoduo and JD.com, it involves business models that aim to extensively merge online and offline retail experiences. Specific examples include databases, customer relationship and loyalty, transactions and logistics.

As can be seen in the graph, active buyer numbers are soaring for these tech giants as they, and due to, continue the introduction of *New Retail* models that better attract and retain customers.

ANNUAL ACTIVE BUYERS



EXPERT BITES

Q: WHAT SHOULD BRANDS DO ON E-COMMERCE PLATFORMS IN CHINA IN 2021 TO SUCCEED.

Try to be more creative. Buying an influencer's traffic and handing out huge discounts don't work like they did before. You need to find a more individual approach to your customers. They're getting even more sophisticated. Develop your social media accounts and link them with your online stores.



ARTEM ZHDANOV
Founder of LaowaiMe

EXPERT BITES

Q: IN YOUR VIEW, WHAT WILL THE POST COVID19 NEW NORMAL LOOK LIKE IN CHINA IN 2021?

I think the coming year will look a lot like what this past year of Covid-19 recovery looked like -**mass adoption of online grocery shopping and more livestreaming but with better results at the high end and decreasing results at the lower end.**



MICHAEL ZAKKOUR
Founder of 5 New Digital and
China BrightStar

EXPERT BITES

Q: WHAT MARKETING OR COMMERCE TRENDS DO YOU SEE IN CHINA THAT WILL BOOM IN 2021?

Domestic brands will continue to gain a strong foothold locally and premiumization may see a plateau as consumers are growing in affluence and knowledge.

Many of the **playful behaviours seen in China during the pandemic are now flipping from short-term adaptations into longer-term habits** as a greater number of consumers choose to spend more of their time on playful activities. As part of our “The Future of Play” research, **we spoke directly with consumers, explored the cultural nuances, societal tensions and technological advances shaping the future of play in China.** As a result, **8 diverse motivations were uncovered which leads us to five key strategic approaches that brands could use** to enhance the consumer journey through play.



SAW GIN TOH

Head of Insights,
MediaCom China

EXPERT BITES

Q: WHAT SHOULD BRANDS DO ON E-COMMERCE PLATFORMS IN CHINA IN 2021 TO SUCCEED?

We can break it down to “ingredients” and “recipes”. **Some ingredients from 2020 will stay, like livestreaming, KOLs and brands leveraging big data, but more KOLs will be company executives** taking on a more visible role in promoting their products.

The most important changes are in the “recipe”. As costs of customer acquisition on platforms are likely to rise by 20% again, **brands need access to consumer level transaction data, need to build their own first party data, need to avoid wasting money on poorly qualified audiences and need to manage their funnel much better.** Brands need an RARRA funnel (retain – activation – revenue – referral – acquisition) to retain their existing traffic.

In a way, **KOLs are breaking the advantage of selling direct to consumers, as they are acting as “super distributors” and becoming too big to fail for brands.**

This is going backwards. So brands will want to take back control. Some KOLs are aware of this and worried.



EDOUARD DE MEZERAC

Managing Partner
Artefact, China and Asia.



1

ALIBABA

Alibaba started with the goal of becoming an online directory for China's manufacturers and sellers, and has since expanded its product range significantly. The Alibaba Group continues to connect with consumers and sellers in more effective and inventive ways. Two Alibaba market segments include Taobao which is more general and allows consumers to easily search any product they want, while TMall caters more towards premium and high-end product consumers. Tools and infrastructure support are provided by group ecosystem services such as Alibaba Cloud.



E-COMMERCE

ALIBABA - ALIBABA'S 'PETTING ZOO'. HOW MANY DO YOU RECOGNISE?



Juhuasuan
章小聚



Shuqi
小七



Xianyu
Xianyu



Tao Piao Piao
票票



UC
UU



Xiami Music
蝦仔



Youku
Sammi



Alibaba Health
鹿小佳



Alimama
Derdo



Alibaba Cloud
Mini ET



Taobao
Taodoll



Tmall
Tmall Doll



Lazada
Lazzie



Cainiao Network
菜小鳥



B2B
阿牛



Freshippo
Freshippo



Intime
銀小泰



Kaola
考拉



Ant Group
支小寶



Pingtounge
平三勇



Fliggy
Fliggy



Amap
高小德



DingTalk
釘三多



Ele.me
餓小寶



Damai
麥可瘋



Umeng+
友小盟



Alibaba Sports
橙小獅



Lingxi Games
靈小犀

E-COMMERCE

ALIBABA - BUSINESS OVERVIEW

CORE COMMERCE



DIGITAL MEDIA AND ENTERTAINMENT



INNOVATION INITIATIVES



E-COMMERCE

ALIBABA - BUSINESS OVERVIEW

ALIBABA organises its business into 4 operation segments. ALIBABA the brand steps back and pushes subsidiary brands, such as TMall, to the forefront as the accessible faces of ALIBABA.

1

Core Commerce: Chinese retail and wholesale commerce platforms, logistics, global/local, customer and other services. based on what celebrities are doing on Facebook and Instagram.

2

Cloud Computing: Cloud services to customers worldwide. Including database, storage, network, security, management, analytics and other services.

3

Digital Media & Entertainment: Key media distribution platforms segmented by content type and consumer interests.

4

Innovation Initiatives/others: The innovation initiatives and other segments include businesses such as Amap, DingTalk and Tmall Genie.

E-COMMERCE

ALIBABA - A COMPANY WITH A BIG VISION

2024 Strategic Goals



Continue to expand **globalization** efforts



Serve more than **1 billion** consumers through our China consumer business



Facilitate more than **RMB 10 trillion** of annual consumption on our platforms

2036 Vision



Serve **2 billion** global consumers



Enable **10 million** businesses to be profitable



Create **100 million** jobs

E-COMMERCE

ALIBABA - IS GROWING



GMV REACHED
7053 BILLION

780 MILLION

CONSUMERS IN CHINA

180 MILLION+

CONSUMERS IN OUTSIDE CHINA



China Retail Marketplace

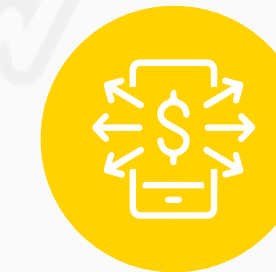
GMV

6589 BILLION



Total Revenue

509.7 BILLION



China Retail Marketplace

MOBILE MAUs

846 MILLION



Non-GAAP

Free Cash Flow

130.9 BILLION

YEAR-OVER-YEAR GROWTH

Core Commerce Revenue

35%

Cloud Computing Revenue

6.2%

Youku Average Daily Subscriber Base

50%

E-COMMERCE

ALIBABA - ALIBABA'S SHOPPING FESTIVALS

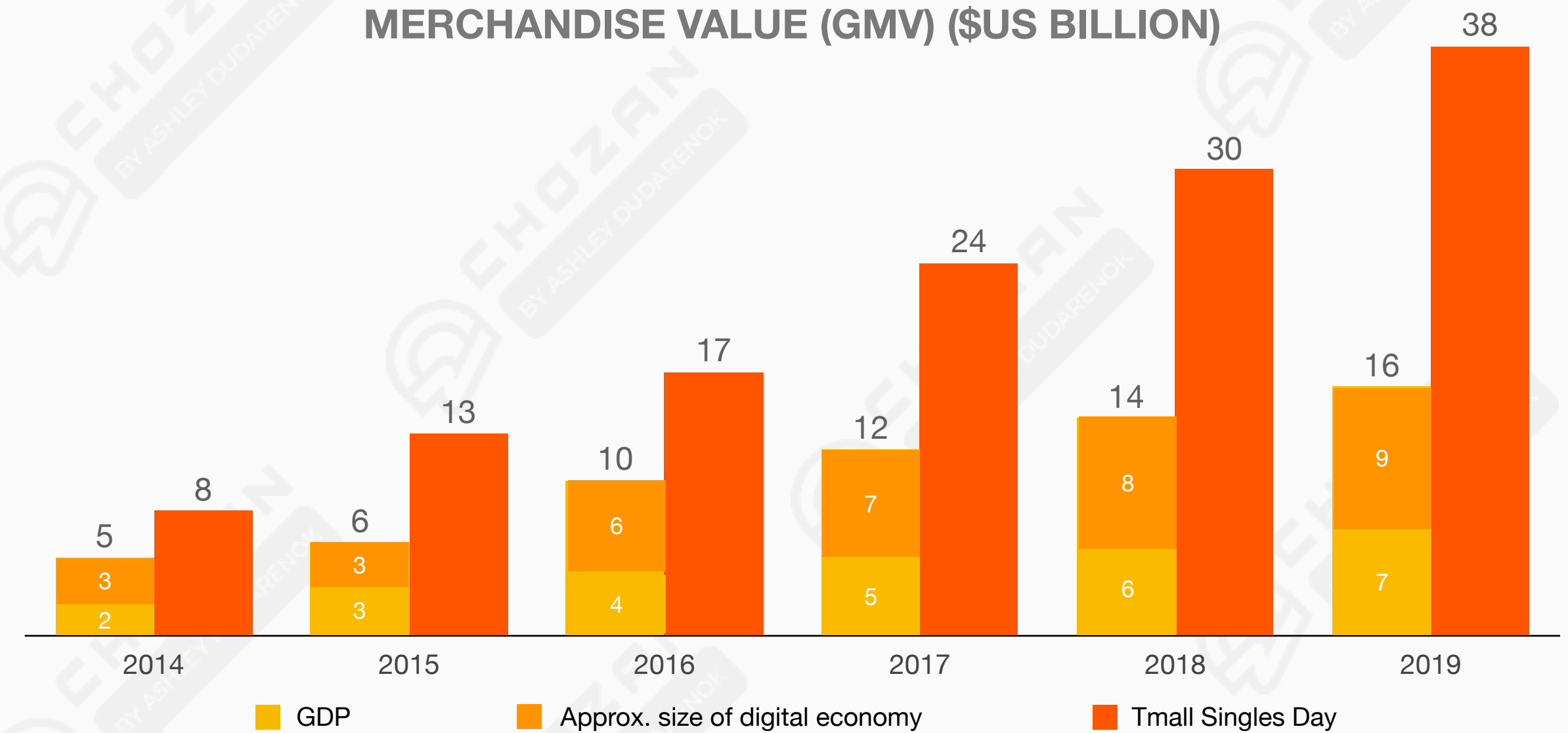
Online shopping festivals provide a great boost in sales.

Alibaba's shopping festivals are increasingly popular and successful:

- Black Friday
- Cyber Monday
- Singles' Day

The graph details the extensive growth of these festivals year-on-year.

SMALL 11/11 VS BLACK FRIDAY VS CYBER MONDAY, GROSS MERCHANDISE VALUE (GMV) (\$US BILLION)



	CAGR (2014-2019)	YoY (2019 vs. 2018)
Small Singles' Day	36%	26%
Black Friday + Cyber Monday	27%%	18%

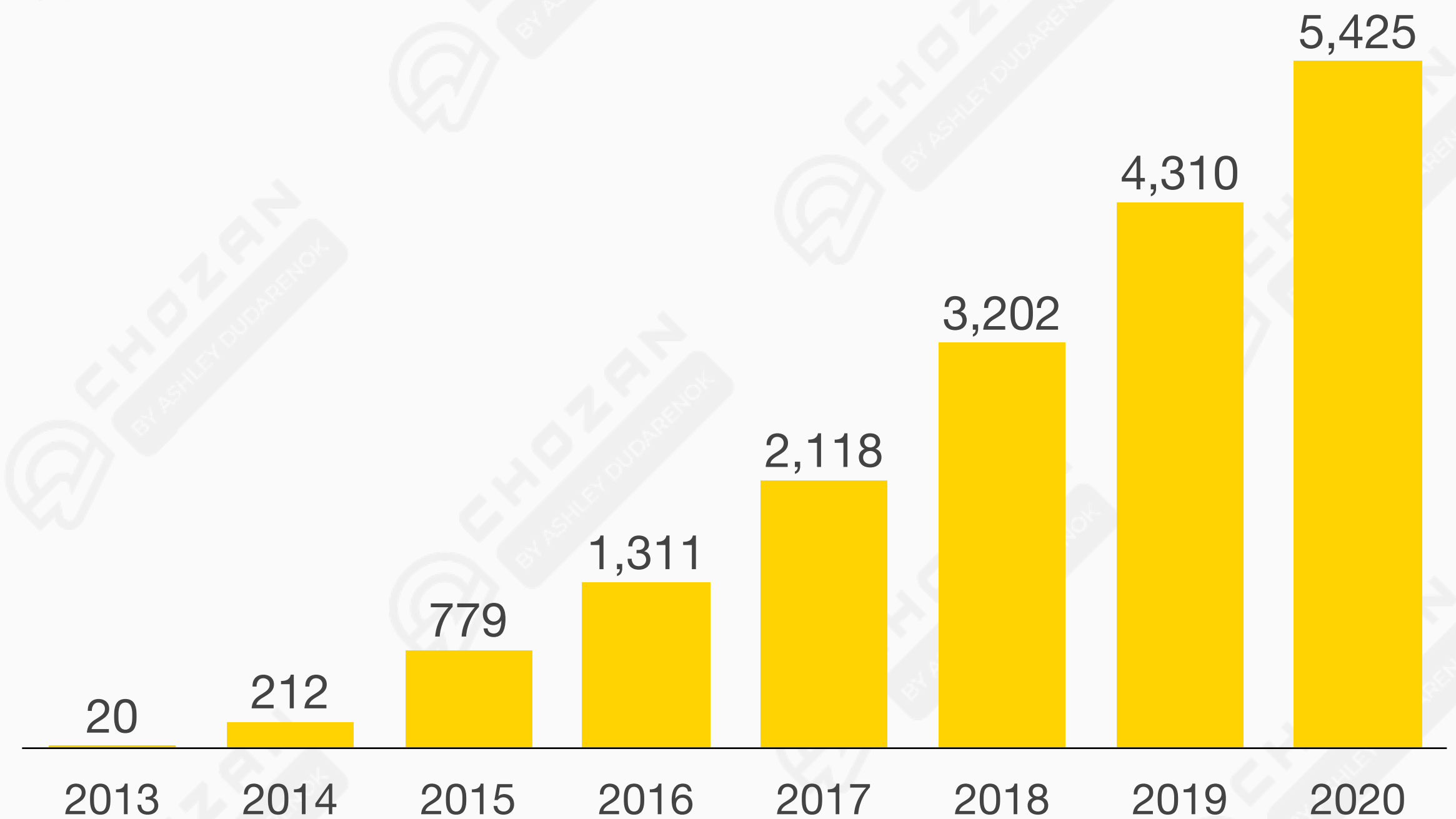
E-COMMERCE

ALIBABA - TAOBAO VILLAGES

The number of Taobao villages in China exceeds 5,000 in 2020.

A Taobao Village is a village that generates RMB 10 million or more in e-commerce sales annually and have 100 or more active online shops on Taobao operated by local residents.

2013-2020.9 NUMBER OF TAOBAO VILLAGES

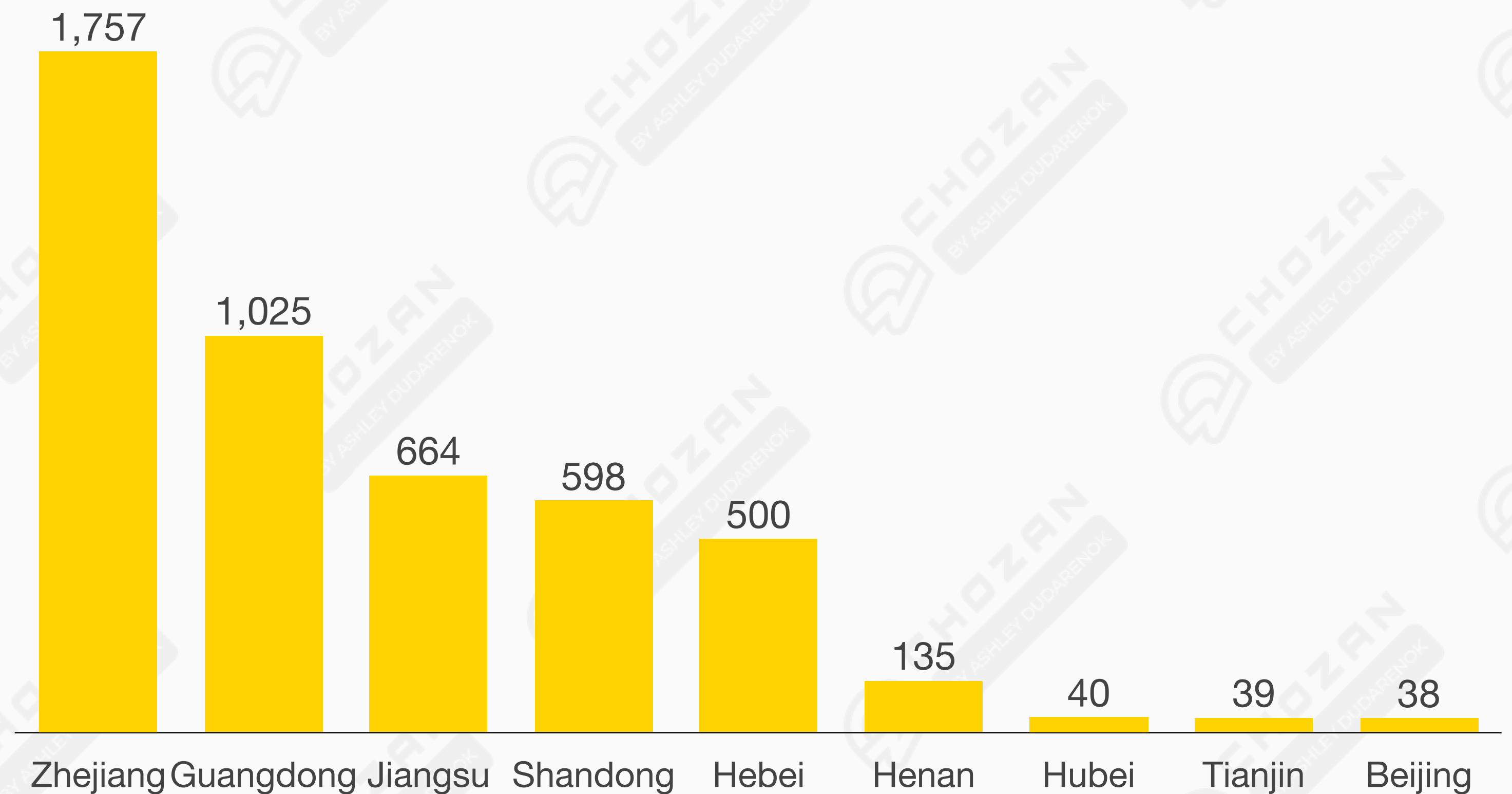


E-COMMERCE

ALIBABA - TAOBAO VILLAGES

In terms of the distribution of Taobao villages, the number of Taobao villages in Zhejiang Province, Guangdong Province and Jiangsu Province ranks in the top three, with 1,757, 1,025 and 664 respectively

2020.9 TAOBAO VILLAGES DISTRIBUTION

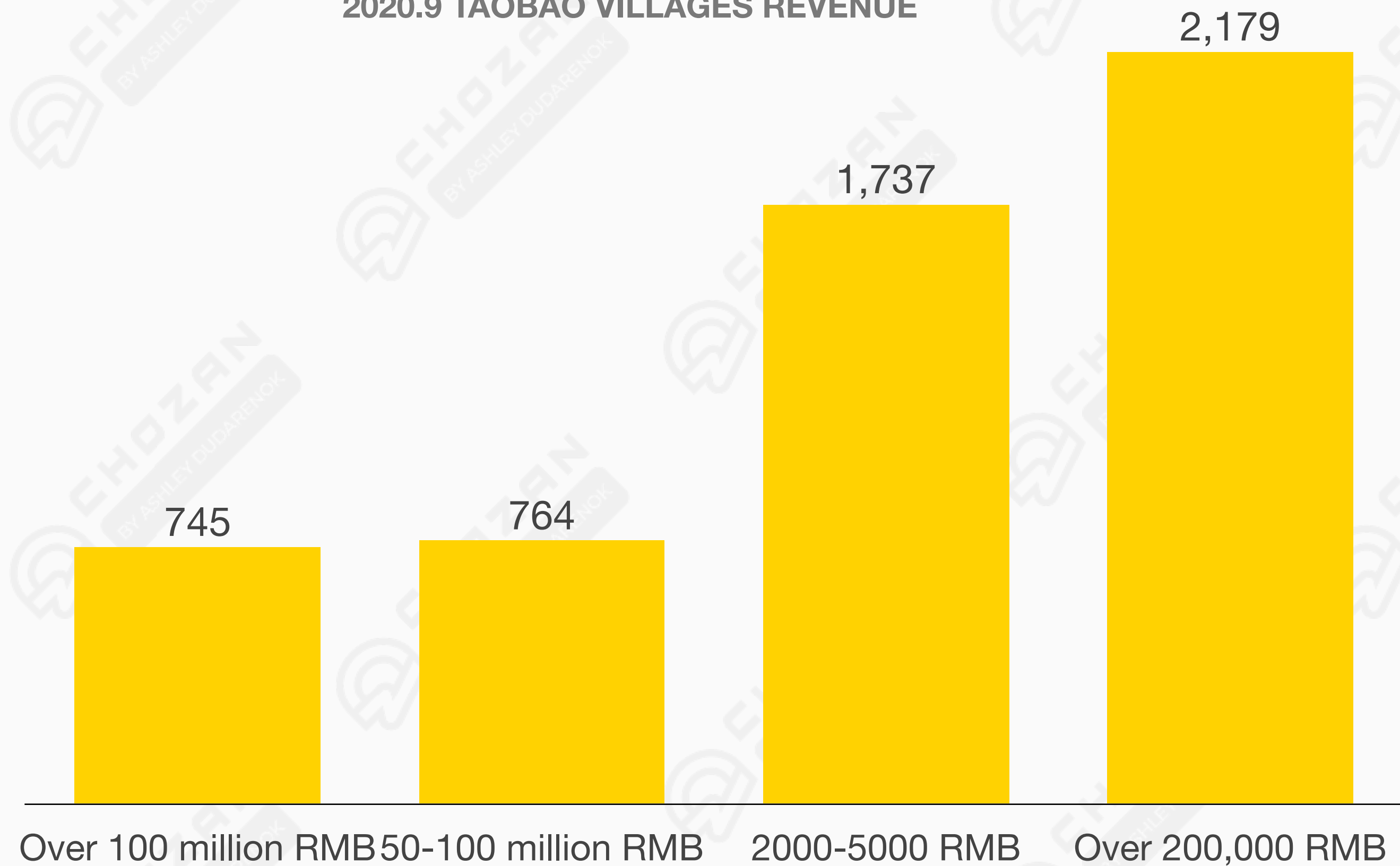


E-COMMERCE

ALIBABA - TAOBAO VILLAGES

From the perspective of transaction scale, from January to September 2020, 72% of Taobao villages have a transaction volume of less than 50 million, and Taobao villages with a transaction volume of less than 20 million accounted for 40%. There are 764 Taobao villages with a transaction volume of 50-100 million yuan, and a total of 745 with a transaction value of more than 100 million yuan.

2020.9 TAOBAO VILLAGES REVENUE



EXPERT BITES

Q: WHAT DO BRANDS NEED TO DO ON E-COMMERCE PLATFORMS LIKE TMALL TO SUCCEED IN CHINA IN 2021?

Covid-19 has rapidly accelerated the speed at which consumers and businesses adopt digital platforms. **Whatever their size or type, it's now imperative for businesses to ensure that they have an online presence and that their platform is both unique and engaging for the audience they're trying to target.** Looking at Tmall specifically, it's **this approach that separates the great brands, from those that are just OK.** Consumers want to shop with the brands that are able to deliver the best online experience. **Brands on Tmall – or elsewhere – will need to work harder than ever to create unique and entertaining online shopping experiences** in a bid to keep their current customers engaged while also attracting new ones.



MICHELLE LAU

Senior Strategic Partnership Manager,
Alibaba

EXPERT BITES

Q: WHAT WAS MOST SURPRISING FOR YOU ABOUT 11.11 IN 2020?

Cross-border e-commerce has had a rough 2020 as Chinese marketplaces focused internally rather than internationally. The fact that **\$5 billion in sales was from US brands on Alibaba's platforms** showcases the demand for quality items from Chinese consumers. **I believe that in 2021, Alibaba's 11.11 Global Shopping Festival will be an 11 day event** as the opportunities showcased in 2020 helped businesses of all sizes.



HENDRIK LAUBSCHER

Founder and Chief Analyst at
Blue Cape Venture

EXPERT BITES

Q: IN YOUR VIEW, WHAT SECTORS HAVE THE MOST POTENTIAL ON TMALL IN Q1 2021?

While China is a digitally native and mobile first nation, there remains significant potential for growth in this area. For example, **Alibaba welcomed 16 million new customers to its platforms during the first quarter of this financial year alone.** One area where we expect to see further growth during the first quarter is luxury. With significant international travel restrictions still in place, **Chinese consumers have gone from making two thirds of their luxury purchases outside of China, to making 70% to 75% of them in China. As a result, we've seen 45 new luxury brands join our Tmall Luxury Pavilion platform since February 2020** as international brands look to connect with Chinese consumers via digital platforms, rather than physical flagship stores. One example of this is Gucci, which recently announced that it will launch two flagship stores on the Tmall Luxury Pavilion platform, broadening the Italian fashion house's customer reach in China.



MICHELLE LAU

Senior Strategic Partnership Manager,
Alibaba

2

JD.COM

JD.com is the largest competitor to Alibaba, positioning itself as a retail firm (as opposed to a marketplace) with a market dominance on electronic goods. Its end-to-end logistics approach makes it easier for JD.com to verify suppliers/distributors and maintain control over goods sold, while a quarter of its inventory is sold through its own platform.



京东

E-COMMERCE

JD.COM - OVERVIEW

Net revenues for the Q3 2020 were RMB 174.2 billion (USD 125.7 billion), an increase of 29.2% from the Q3 2019.

Net revenues from the sales of general merchandise products for the Q3 2020 were RMB 58.1 billion (USD 8.6 billion), an increase of 34.8% from the Q3 2019.

Net service revenues for Q3 2020 were RMB 22.8 billion (USD 3.4 billion), an increase of 42.7% from Q3 2019.

Annual active customer accounts increased by 32.1% to 441.6 million in the twelve months ended September 30, 2020 from 334.4 million in the twelve months ended September 30, 2019.



174 BILLION
RMB NET REVENUE IN Q3 2020



29.2% YoY
NET REVENUE



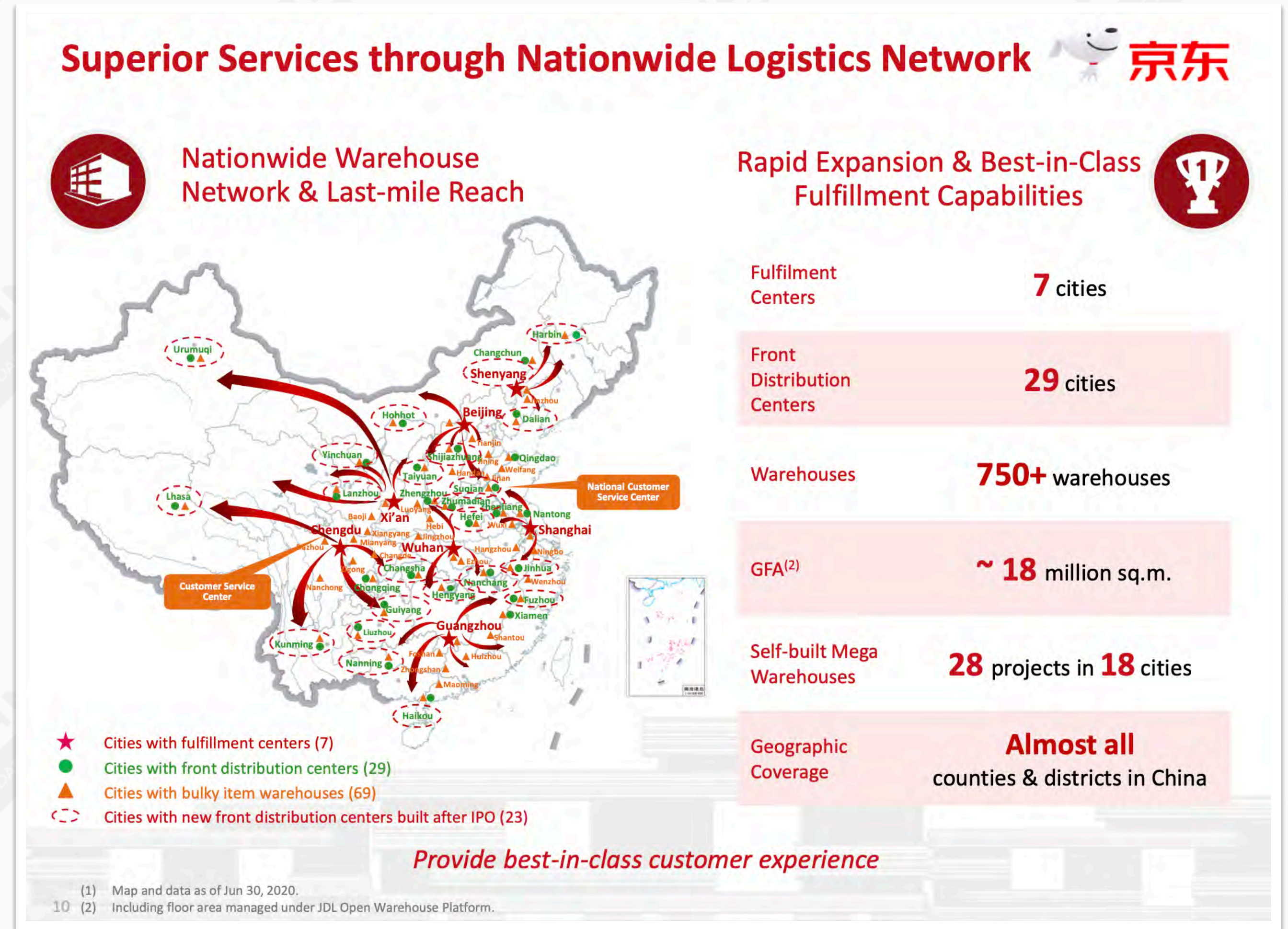
+441 BILLION
ACTIVE CUSTOMERS (32.1% YOY)

E-COMMERCE

JD.COM - THE REAL POWER OF JD: LOGISTICS AND SUPPLY CHAIN NETWORK

As a retailer, JD provides efficient and controlled logistics, well managed inventory and quality control, and high service value for associated brand stores.

The best example to illustrate its advantages is JD Worldwide which aims to support international brands entering the China market by managing implications, such as customs, authorisations, logistics and warehousing, while allowing these brands to never have a physical presence in China.



EXPERT BITES

Q: IN YOUR VIEW, WHAT SECTORS HAVE THE MOST POTENTIAL IN Q1 ON TMALL/JD/ PDD? WHY?

Tmall will continue to offer luxury brands the opportunity to grow in China. Its lead over competitors is something to watch in 2021.

JD will accelerate the growth of beauty products in 2021 as it continues to scale in non-tech sectors.

PDD will aggressively try to grow its grocery and agricultural businesses. As both of these are low margin sectors, expect quarterly results to be impacted heavily.



HENDRIK LAUBSCHER

Founder and Chief Analyst at
Blue Cape Venture

EXPERT BITES

Q: IN YOUR VIEW, HOW WILL CHINESE E-COMMERCE PLATFORMS LIKE TMALL, JD AND OTHERS DEVELOP IN 2021?

I believe **JD** has and will continue to offer a compelling alternative **Alibaba's mass offering by focussing on niche and personal services.** An example is the sale and delivery of fresh produce, particularly international exports in the area of **fresh meat and produce. JD has successfully created a perception amongst consumers that they are more dedicated to delivering products fresh and in an optimal condition.** JD will continue to evolve this strategy as Alibaba becoming known as a mass platform, due the sheer success and dominance of its platforms like Tmall.



JERRY CLODE
Founder of The Solution



3

PINDUODUO

Pinduoduo is a recommendation based third-party platform. Aggregating demand through team purchases, it socially connects demand products to corresponding potential customers as to avoid searching and scrolling through product options. The platform invests heavily into IP infringement minimisation as a priority to maintain the trust with and between customers and users, as well as associated brands/stores.



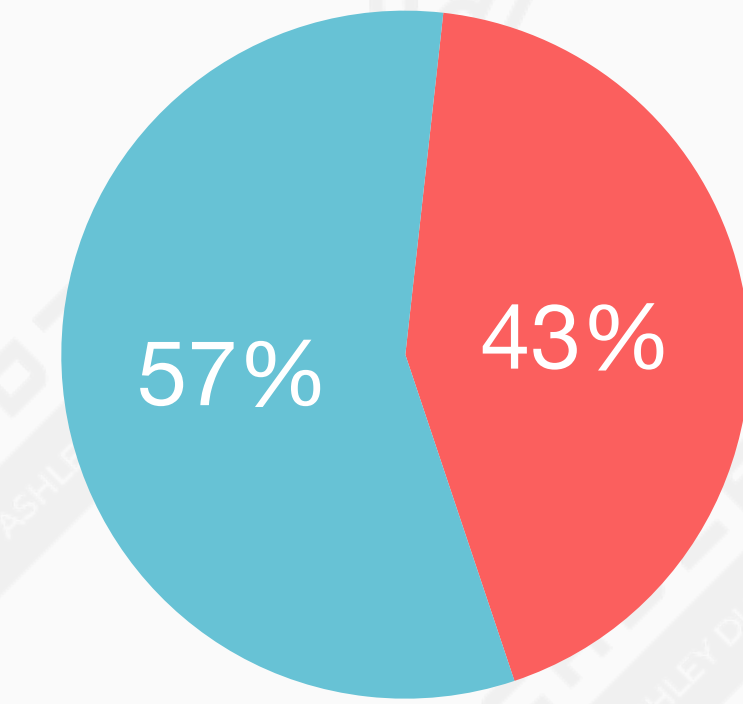
拼多多
拼着买·才便宜

E-COMMERCE

PINDUODUO - USER PORTRAIT

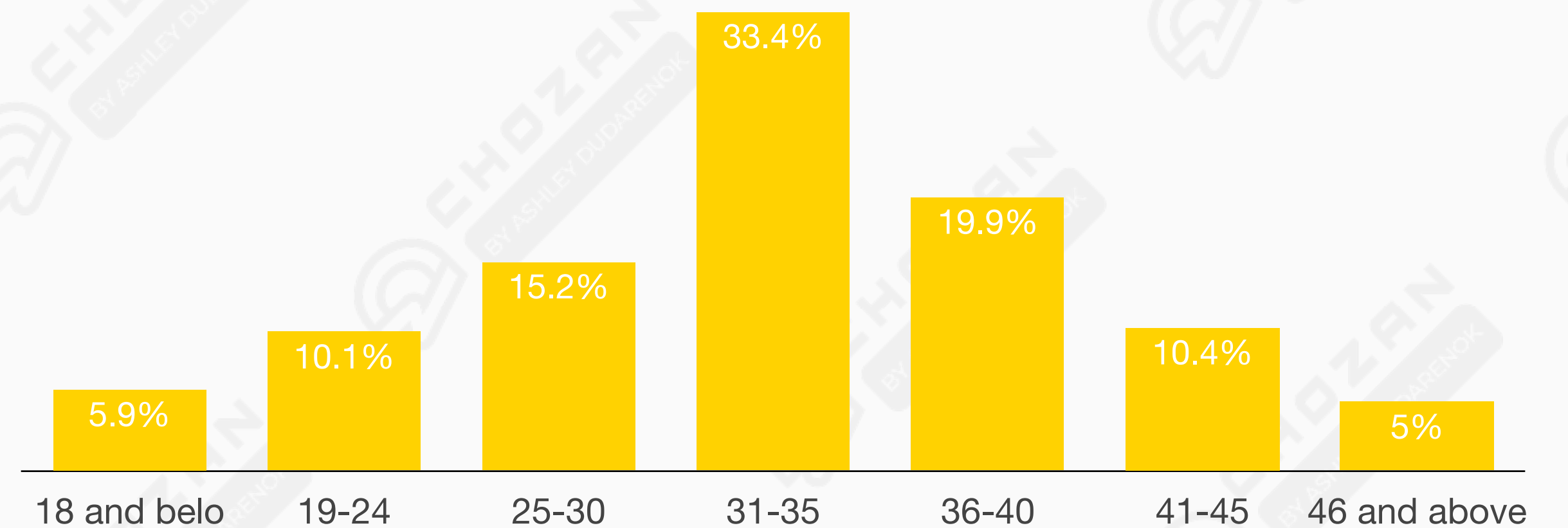
For Cody

2020.10 PINDUODUO USERS PORTRAITS



● Male ● Female

Most of the Pinduoduo Users are female and above 30.



E-COMMERCE

PINDUODUO - USER GROWTH

Pinduoduo users have been increasing greatly, particularly before e-commerce festivals such as October (before Double 11), January (before Chinese New Year and 3.8 International Women's Day) as well as June (before 6.18).

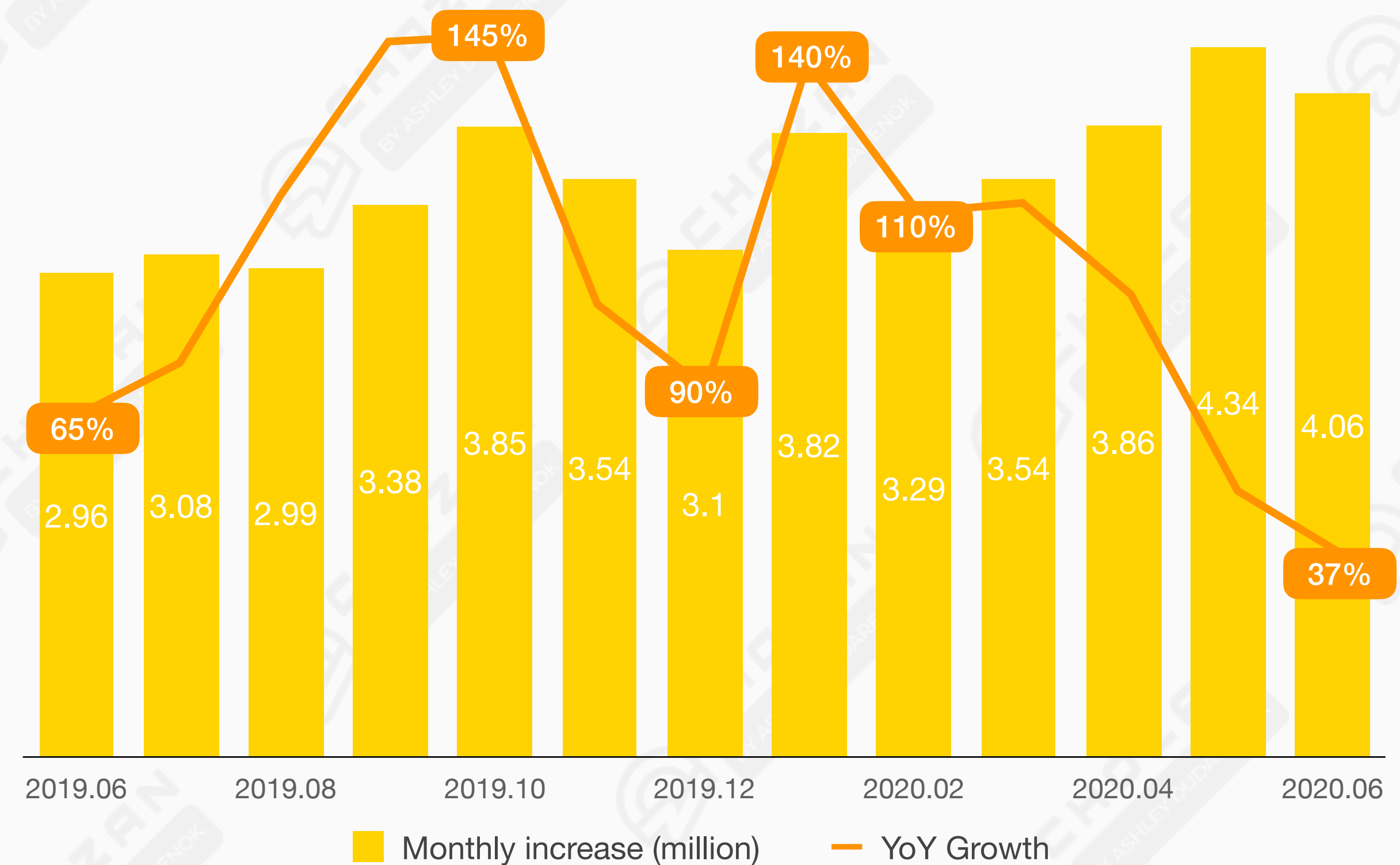
PINDUODUO USERS INCREASE FROM 2017-2019 Q2



+3190%
DAILY ACTIVE USERS

+2170%
MONTHLY ACTIVE USERS

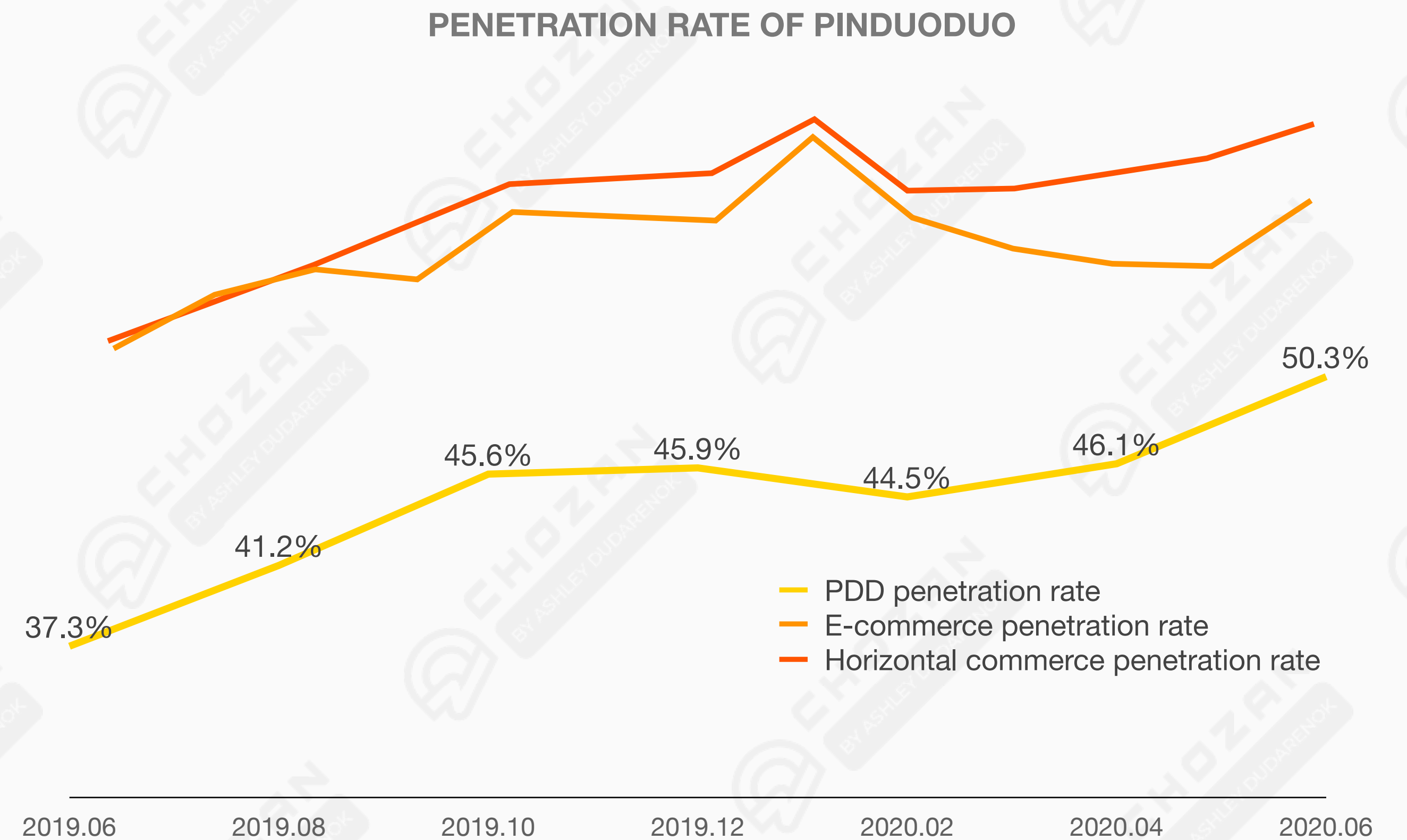
PINDUODUO USERS INCREASE



E-COMMERCE

PINDUODUO - PENETRATION RATE

Pinduoduo penetration rate has shown gradual constant increase throughout the past two years, with the highest penetration rate increase among all e-commerce.

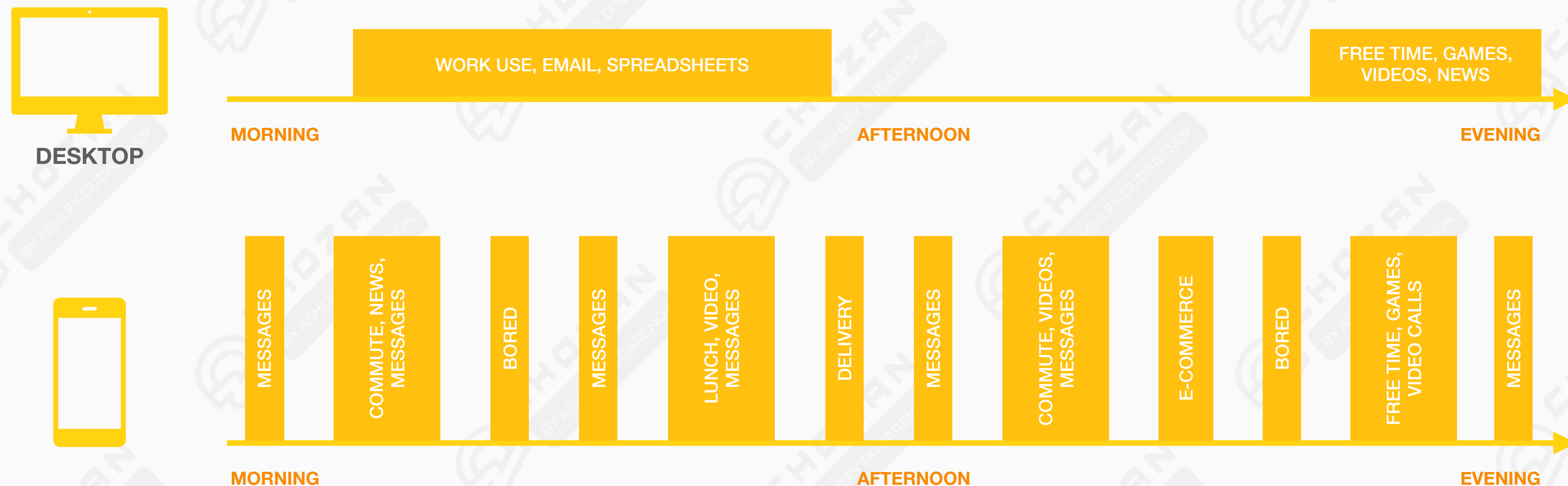


E-COMMERCE

PINDUODUO - THE SMARTPHONE ADVANTAGE

Nearly 89% of internet users in China are accessing via mobile, ahead of desktop and laptop internet users. As can be seen below, adoption of mobile internet has opened the door to feed-based content models as user time online is fragmented and disruptable across many short sessions per day.

Pinduoduo entered the market in 2015 and pushed heavily with mobile technology to gain advantage.

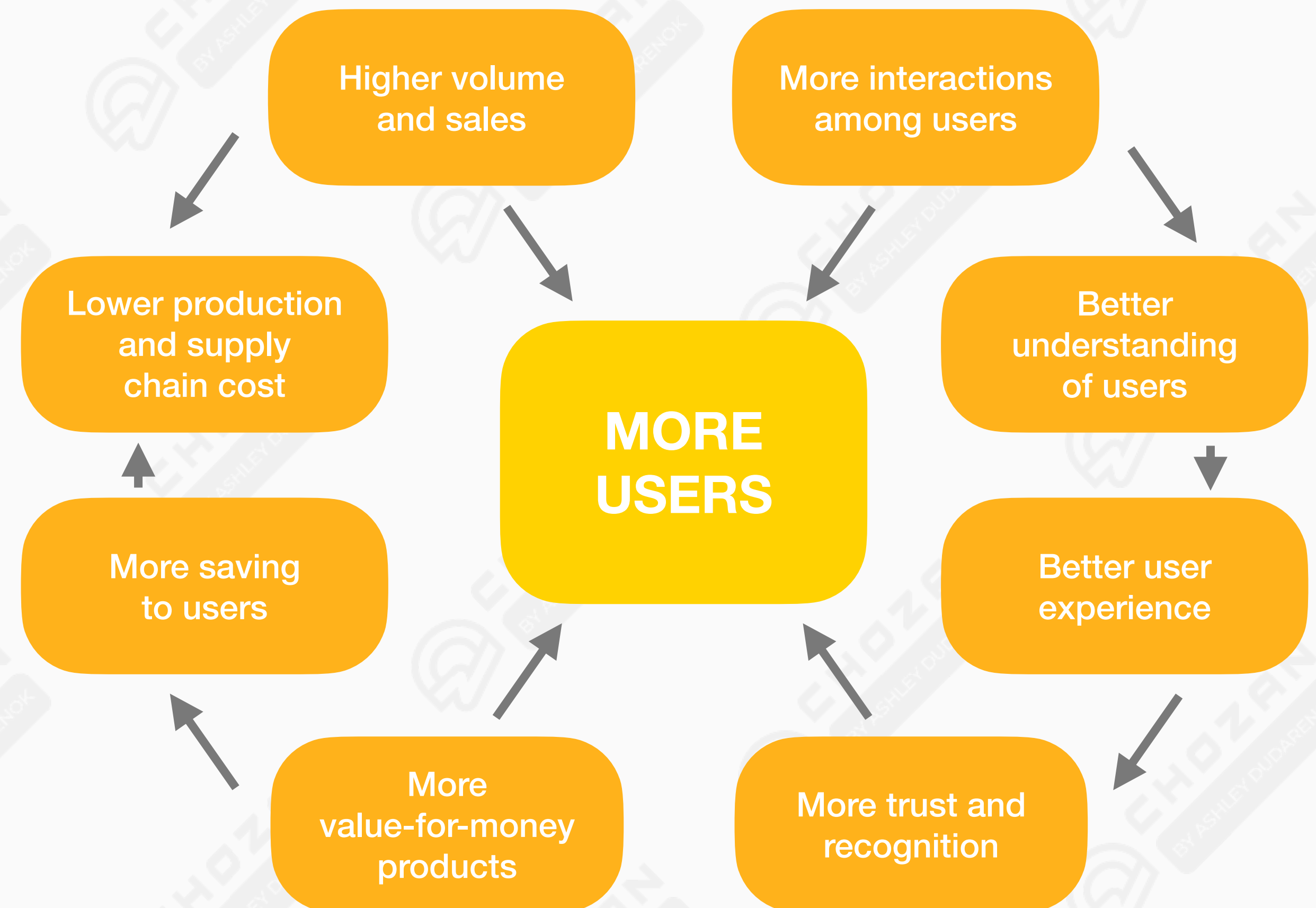


E-COMMERCE

PINDUODUO - TEAM PURCHASE ADVANTAGE

While most platforms often ignore the needs of the down-market Chinese consumer, the team purchase function and associated deals contain universal appeal across age and income demographics as they provide low-cost necessities, such as household basics and food. The regularity of the deals and the frequently purchased items involved mean that customers are more likely to return to the Pinduoduo platform.

TEAM PURCHASE



EXPERT BITES

Q: WHAT DO BRANDS NEED TO DO IN TERMS ON E-COMMERCE PLATFORMS (PDD) TO SUCCEED IN CHINA IN 2021?

PDD will continue to bring more products that are good value for money as well as fun and interactive experiences to consumers. Given our large consumer base with various preferences and tastes, we're open to all brands that can bring value to our increasing user base in a fun and engaging manner.



ADA YANG

Head of Social Community,
Pinduoduo

EXPERT BITES

Q: IN YOUR VIEW, HOW WILL CHINESE E-COMMERCE PLATFORMS (TMALL, JD, PDD, ETC) DEVELOP IN 2021?

Our estimates suggest Pinduoduo's annual active buyers will overtake Alibaba's in the next twelve months. How brands approach and adapt to this reality will be an interesting development to watch over 2021.



MICHAEL NORRIS

Research and Strategy Manager at
AgencyChina

EXPERT BITES

Q: IN YOUR VIEW, WHICH SECTORS HAVE THE MOST POTENTIAL ON PDD IN Q1 2021?

PDD is China's largest e-commerce platform for agricultural produce and **Q1 is holiday season in China** when families and friends gather to celebrate the new year. Usually, **people tend to buy more food, snacks, and gifts for each other.** Therefore, I'd see great potential in a **wider variety of quality agricultural products, local brands, and imported products** doing well during the holiday season, like white rabbit candies, Danisa Danish cookies, passionfruit from Jiangxi province, or coffee from Yunan province, etc. They're all very popular during holiday seasons in Chinese households.



ADA YANG

Head of Social Community,
Pinduoduo

EXPERT BITES

Q: WHICH E-COMMERCE FUNCTIONS (ON PDD) ARE YOU MOST EXCITED ABOUT RIGHT NOW?

I'm most excited about the potential changes that technology can bring to farming, food, and food safety. **PDD has made agriculture a strategic priority because food is the most basic of needs and any improvements in its production, distribution, and consumption will benefit the greatest number of people.** We'd like to see how PDD's recent push into **agri-tech can bring cheaper and better food to our consumers and benefit the livelihood of the growers.**



ADA YANG

Head of Social Community,
Pinduoduo



4

KUAISHOU

One of China's most popular short-video sharing and livestreaming social e-commerce platforms. Key opinion leaders (KOLs) control intense fan loyalty and trust, which makes Kuaishou an excellent promoter platform driving traffic to online stores. Recent decisions to massively increase investment by Kuaishou in livestreaming infrastructure and capabilities indicates its increasing success - especially seen during the recent COVID-19 pandemic.

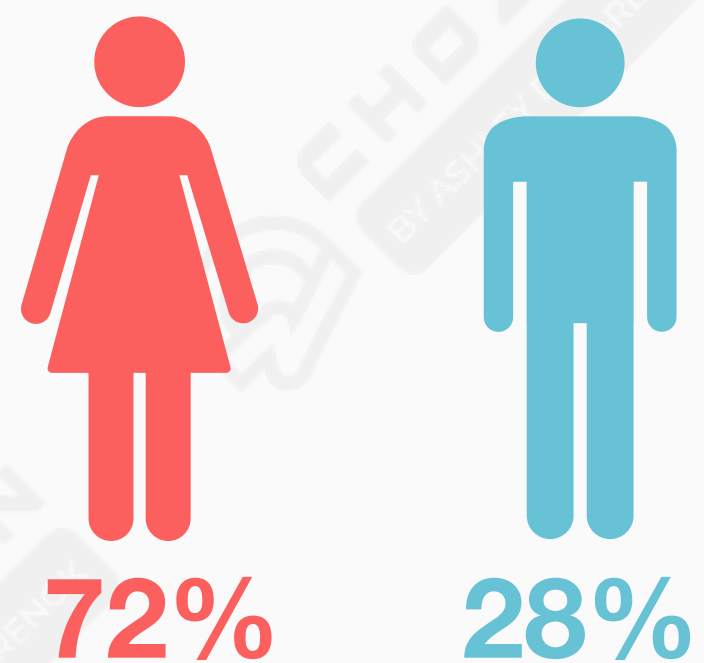
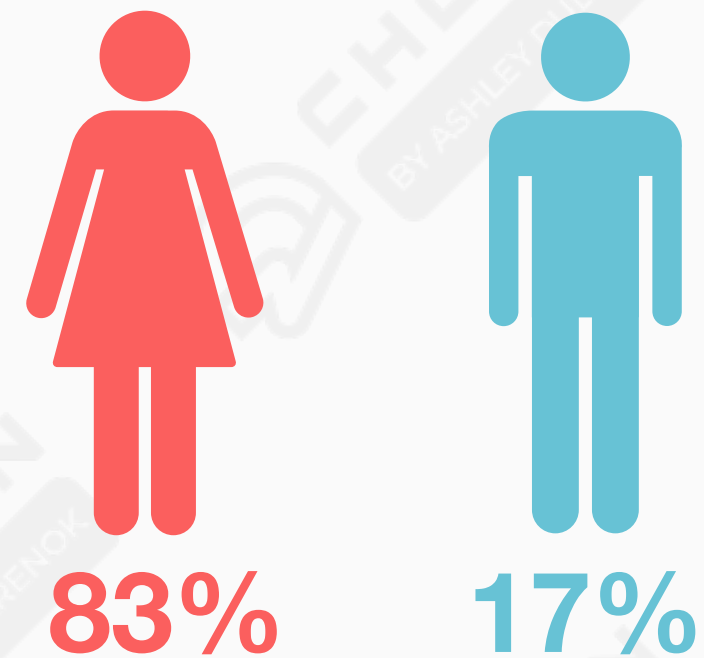


For Cody

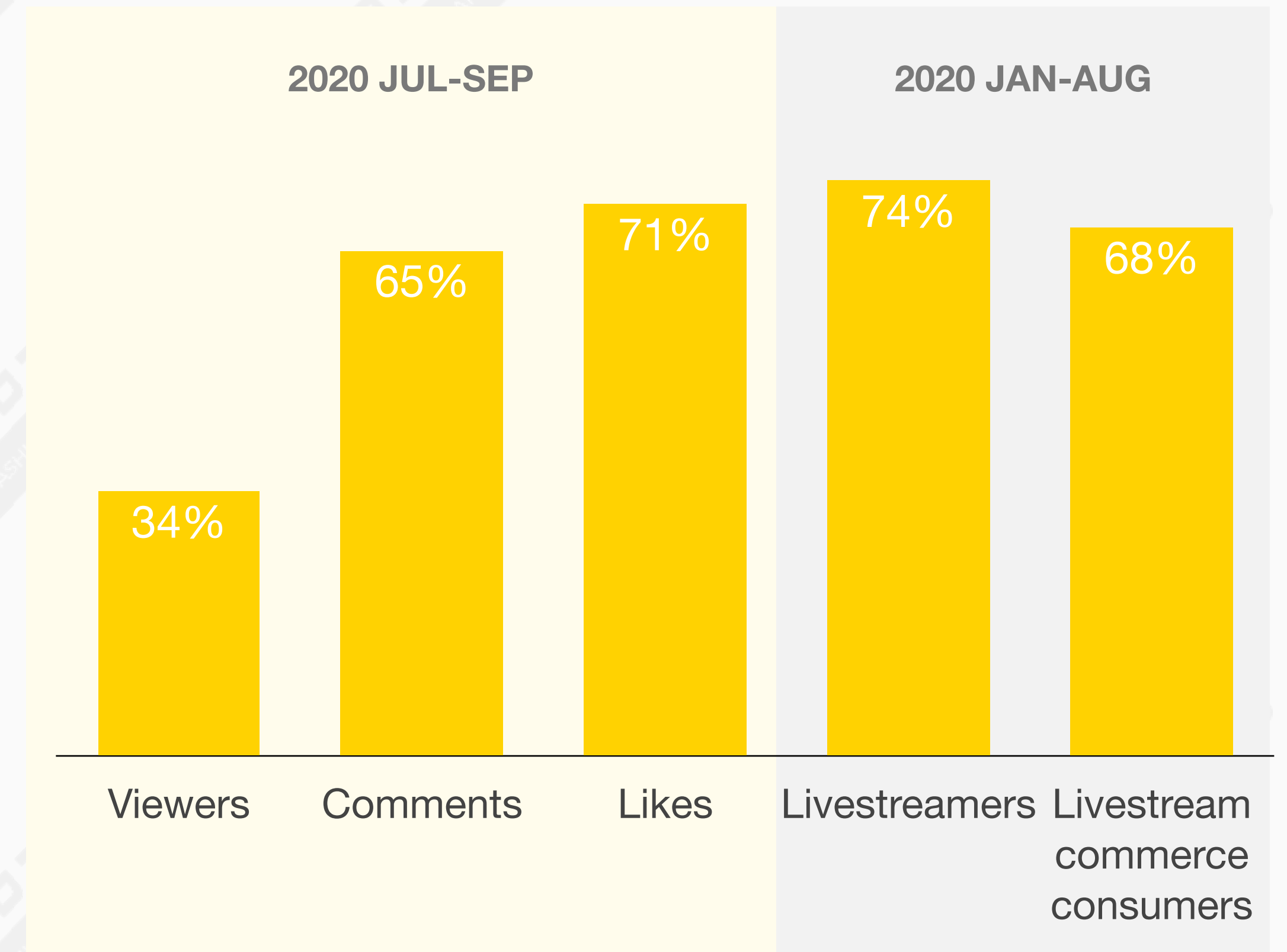
E-COMMERCE

KUAISHOU - USER OVERVIEW

Live-streaming is pushing the growth of Kuaishou with women continuing to be the dominant user group.



GROWTH IN KUAISHOU LIVE-STREAMING, 2020



E-COMMERCE

KUAISHOU - AT A GLANCE

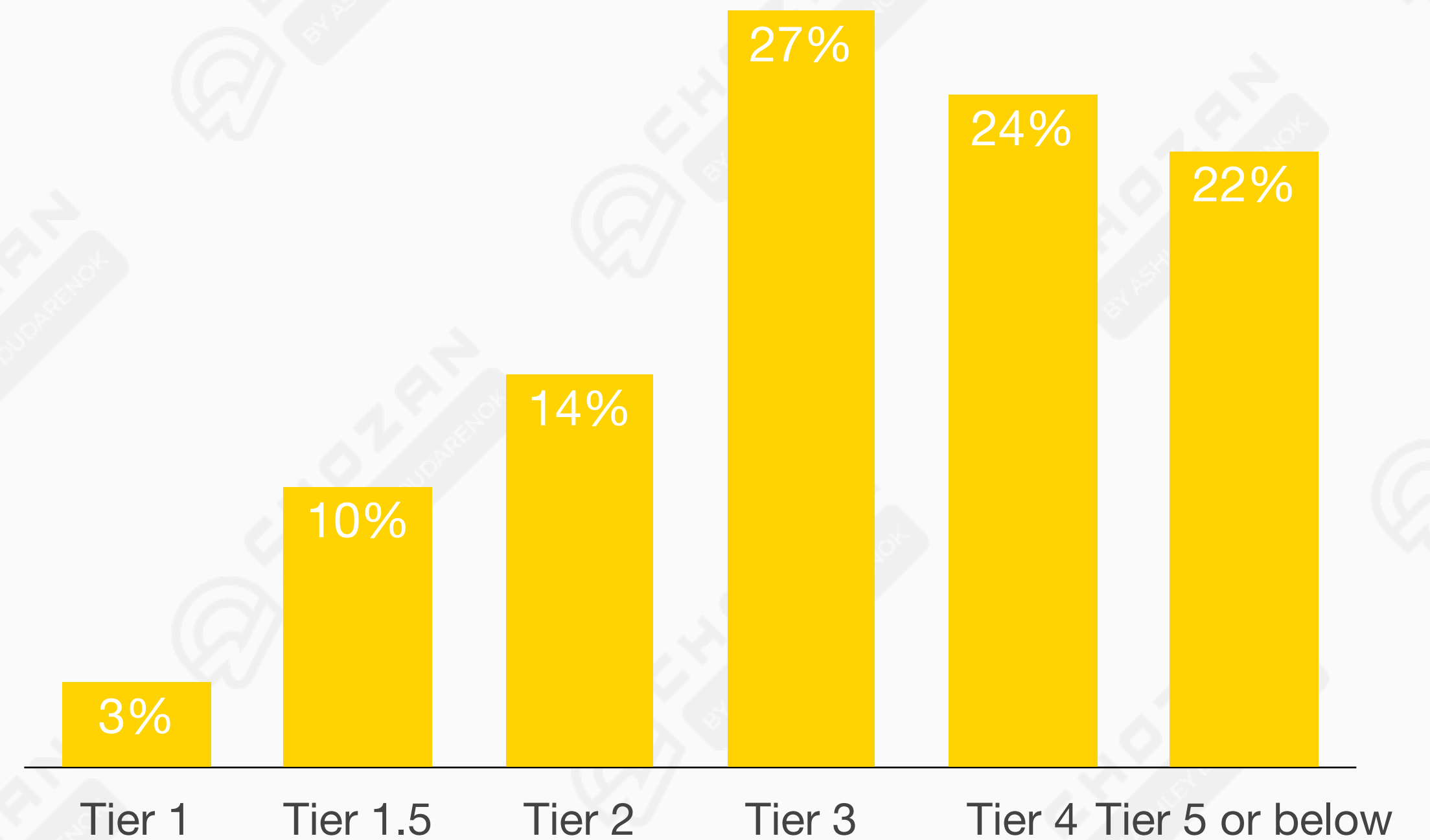
The number of Kuaishou orders has increased more than 254% in 2020. The growth rate was 20% and the majority of these live-streaming sales come from lower tiered cities.



+254%

NUMBER OF ORDERS ON KUAISHOU

NUMBER OF ORDERS ON KUAISHOU AMONG CITY TIERS



E-COMMERCE

KUAISHOU - AT A GLANCE

KUAISHOU USERS AMOUNT SPENT ON EACH CATEGORY (PER PURCHASE) IN 2019

KUAISHOU LIVESTREAMER SALES IN 2020:

- Xinba's livestreaming commerce sales in 2020's '618' reached **1.25 billion** RMB in 10 hours
- Dongmingzhu's livestreaming commerce sales reached **310 million** RMB in 3 hours
- NetEase CEO Ding Lei's livestreaming commerce sales reached over **72 million** RMB in 4 hours
- Xiaochenlong's market GMV reached **132 million** RMB
- Sandage's livestreaming commerce GMV reached over **180 million** RMB



HOME DECORATION
80,000 RMB



FOOD & BEVERAGE
45 RMB



SECOND-HAND VEHICLE
148,000 RMB



ELECTRONIC APPLIANCES
8,999 RMB



PETS
1,500 RMB



EDUCATION
25,800 RMB

E-COMMERCE

KUAISHOU - AT A GLANCE

Many Kuaishou users have positive consumer value and are actively pursuing quality of life, promoting consumption upgrades.

77%

**PURSUE A HIGHER QUALITY OF
LIFE WITHIN THEIR OWN ABILITIES**

71%

**PAY ATTENTION TO LATEST THE
INFORMATION WITHIN THEIR AREA OF
INTEREST**

76%

CULTIVATE HOBBIES TO ENRICH LIFE

55%

ENJOY IN ADVANCE

(Use of credit cards/ pay by instalments)

58%

**CONCERNED ABOUT THE OPINIONS OF
OTHERS**

(What will others think when I use this product)

EXPERT BITES

Q: HOW DO YOU THINK KUAISHOU'S E-COMMERCE WILL DEVELOP IN 2021?

- **Kuaishou's EC is still on trend definitely. Similar to Douyin (Tiktok) and livestreaming, as Chinese consumers are spending more time indoors, they're spending more time on their phones.** Kuaishou is more focussed on lower-tier city target audiences, especially in northern areas, so there's still an opportunity for premiumization.
- Kuaishou's opportunity is even bigger than Douyin's, as the target audience for Douyin and Tmall are super similar. But **Kuaishou is targeting some different groups, so there's less overlap with Tmall / JD.**
- **However, consumers will be more cautious about the categories they purchase after the “bird's nest crisis”** when a top KOL was caught selling fake bird's nest on Kuaishou.



EDOUARD DE MEZERAC

Managing Partner
Artefact, China and Asia.



EXPERT BITES

Q: HOW DO YOU THINK KUAISHOU'S E-COMMERCE WILL DEVELOP IN 2021?

Kuaishou is on its way to going public. The pressure of making revenue will be more severe. However, **Kuaishou's advantage of having so many grassroots livestreamers should help their growth tremendously in 2021.** I also look forward to seeing how Kuaishou develops its ecosystem and e-commerce offerings. For example, we saw **Kuaishou partnered with key MCNs, and partnered with JD.com for logistics.** There should be more chemistry among all the players within this circle happening in 2021.



QIMEI LUO

Livestreaming Industry Marketer
and PR Expert

EXPERT BITES

Q: HOW DO YOU THINK KUAISHOU'S E-COMMERCE WILL DEVELOP IN 2021?

With the strategic partnership with JD.com and its Hong Kong IPO planned in 2021, Kuaishou will become one of the key players in live commerce. You can't ignore 1,000x growth in 2 years. **Kuaishou is already wildly popular among users in China's smaller cities and rural areas** - one of the main consumer groups showing the fastest growth in terms of consumption power. The platform will leverage its consumer base to become one of China's most important brand marketing channels.



JOSH GARDNER

CEO Kung Fu Data

EXPERT BITES

Q: HOW DO YOU THINK KUAISHOU'S E-COMMERCE WILL DEVELOP IN 2021?

I believe that Kuaishou will look to further develop mid-tier livestreamers as they battle Douyin, Taobao streaming and others. The company needs to offer more relevant content for commerce as its short form platform leads to consumers not finding what they want. The company has to grow its revenue as its a public company who have investors who want long term profitability.



HENDRIK LAUBSCHER

Founder and Chief Analyst at
Blue Cape Venture

EXPERT BITES



JACQUELINE CHAN

Project Director at
Alarice and ChoZan

Q: WHAT ARE YOUR RECOMMENDATIONS FOR BRANDS STARTING E-COMMERCE OPERATIONS IN CHINA IN Q1?

The core gene of social e-commerce lies in “sociability”, and trust is the foundation of social e-commerce. **Weitao is the first step to e-commerce success. At the same time, social e-commerce isn't just using social media to drive traffic.** If you ignore the support of new technology and new models, if traffic drops or if you lose market share, social e-commerce can't suddenly rescue you or be a success.

More and more traffic is coming from lower tier cities. We need to pay attention to communication with consumers there. The opportunities are huge. Years ago, logistics hadn't yet solved the last mile problem but now, with improved infrastructure, e-commerce is easily reaching lower-tier cities

EXPERT BITES



MASON KU
Marketing Manager at
Alarice and ChoZan

Q: WHAT ARE SOME POPULAR PRODUCT CATEGORIES ON E-COMMERCE PLATFORMS THAT YOU THINK WILL BE BOOMING IN Q1?

Because of Covid, live streaming took off, with live streaming users and viewers exceeding 500 million. According to iiMedia Research, live streaming has promoted online transactions in categories like **food and beverage, hygiene, personal care products, small household commodities, apparel, bags, and more.** Many of these products have a high purchase frequency and a low unit price. They should continue to do well on Chinese e-commerce platforms in Q1, 2021.

Businesses that originally focused on offline retail have started paving a path to the e-commerce space including large household appliances, musical instruments, sports and outdoor products, and so on. It's also expected that **products with high value products and virtual products will be sold more frequently on e-commerce platforms.** This includes, items like jewelry, automobiles, real estate, leisure tours/travels and insurance.

EXPERT BITES

Q: IN YOUR VIEW, WHICH SECTORS HAVE THE MOST POTENTIAL IN Q1 ON TMALL/JD/PDD? WHY?

Travel, the outdoors and related categories. Demand for domestic travel has reached pre-pandemic levels and people of all ages are willing to travel again. With CNY coming up, more and more **people will look into domestic travel opportunities in Q1 e.g. leisure travel to destinations in Western China and Hainan Province.** This will intensify local activity until borders open up.



JOSH GARDNER

CEO Kung Fu Data

EXPERT BITES

Q: WHY IS OMNICHANNEL CRUCIAL?

In order to drive users and fans from all their touch points and platforms to the chosen one, **brands need to smartly determine how their ecosystems need to evolve, set up a playbook and incentivize users as they guide them to the area where they will be able to trigger a special connection.** Systems need to be meticulously audited to maximize the outcomes of public to private transitions as well as the O2O ones.



AURELIEN RIGART

Co-founder and VP,
IT Consultis



ALARICE
BY ASHLEY DUDARENOK



CHOZAN
BY ASHLEY DUDARENOK

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MEGA ONLINE SHOPPING FESTIVALS

EXPERT BITES

Q: HOW DO YOU THINK CHANGES DURING LAST YEAR'S 11.11 WILL IMPACT SHOPPING FESTIVALS IN 2021?

The impact of Covid-19, along with rapid demographic and lifestyle shifts in China, underpinned new consumer behaviour and trends seen during last year's 11.11 Global Shopping Festival. **Take livestreaming for example. Once a new and merely “nice to have” addition, at last year's festival it played a pivotal role in educating consumers and selling products as more and more consumers sought a fully immersive experience.** This digital acceleration, and consumers' appetite for more meaningful relationships with brands, **will have a huge impact on the format of and expectations for shopping festivals as we move into 2021 and beyond.**



MICHELLE LAU

Senior Strategic Partnership Manager,
Alibaba

EXPERT BITES

Q: WHAT ARE YOUR MARKETING RECOMMENDATIONS FOR BRANDS IN Q1 2021?

There are lots of special holidays in the first quarter of 2021. There's New Year's Day on January 1st, Chinese New Year Golden Week around February 12th, Valentine's Day on February 14th, the Lantern Festival around February 26th, and Mother's Day on May 9th.

Brands should seize the opportunity to launch localized campaigns for Chinese consumers, especially during Chinese New Year which is the most important annual festival in China. However, brands should carefully consider their campaigns. **Avoid clichés and appeal to cultural sentiments surrounding the festival.** Engaging well with consumers during Chinese New Year means a good start for 2021. Apple, Airbnb and FC Barcelona did this with their campaigns in 2020.



ARNOLD MA
Founder and CEO
at Qumin

EXPERT BITES

Q: HOW OPTIMISTIC ARE YOU ABOUT THE ECONOMY IN CHINA IN Q1 2021? WHICH SECTORS ARE YOU PARTICULARLY BULLISH ABOUT?

I think it will be booming! After CNY in February, the psychological obstacle about unlucky 2020 will come down. People and companies will start working with more motivation and enthusiasm. **Entertainment and local tourism will grow a lot** as traveling restrictions for foreign countries are still on. So **people will think about how to entertain themselves in their own country.**



ARTEM ZHDANOV
Founder of LaowaiMe

MAJOR ONLINE SHOPPING FESTIVALS

INTRODUCTION

As estimated by China Internet Watch, by the end of H1 2020 e-commerce reached 25% of all retail consumer sales. In order to succeed in this market it's essential brands know about the major e-commerce festivals. Almost every month brands can participate in a variety of campaigns and promotions arranged by platforms, however, most important shopping festivals are:

1 SINGLE'S DAY (DOUBLE 11)

Alibaba's Double 11 Gala is China's most prominent shopping extravaganza. It was first started as a small-scale promotional event organised by Taobao on November 11th, 2009. Now it's world largest e-commerce festival

2 618

Founded on June 18th, 1998, JD, the second largest e-commerce giant in China after Alibaba, rolls out promotions every year on its birthday. JD's 618 has developed into a big affair on a par with Alibaba's Double 11 Festival.

2 CHINESE NEW YEAR (CNY)

The holiday period always start mega-sales 2 weeks prior. China tech giants arrange different kind of activities and red pocket promotions to enhance sales for family gatherings and presents.

MAJOR ONLINE SHOPPING FESTIVALS

OVERVIEW

SINGLES DAY 2020	JD 618 FESTIVAL 2020	CHINESE NEW YEAR 2019-2020
<p>JD 32% YoY and 271.5 billion RMB in GMV</p> <p>Tmall 26% YoY and 498.2 billion RMB in GMV</p> <p>220% increase number of live-streaming merchants on Taobao Live</p> <p>250,000 brands participated in Double 11 in 2020</p>	<p>2000 BRANDS grew by more than 100% year over year</p> <p>187 BRANDS received more than 100M RMB in orders</p> <p>100 MILLION RMB live-streaming orders within 2 minutes</p> <p>500% GROWTH of orders on JD supermarket</p>	<p>3.4 Billion RMB of digital media spending recorded over the CNY period in 2019 and 3.1 billion yuan in 2020</p> <p>Brands sales dropped by 11.5% YoY</p>

Source:

1) Walk the Chat

 2) Kr Asia, Splashing 1482 billion in one day, China successfully overwrites “Singles’ Day” with “Double eleven”

CNY

Unlike Double 11 and 618, China New Year (or the Spring festival) is predominately a gift giving festival and is China's most important traditional holiday.



EXPERT BITES



ESTELLE SUEN
Copywriter at
Alarice and ChoZan

Q: ASIDE FROM THE STRONG CONTROL OF COVID AND NO LOCKDOWN, WHAT ARE SOME KEY THINGS THAT YOU THINK WILL BE DIFFERENT DURING THIS YEAR'S CNY?

As Covid is mostly under control and the economy is recovering, this year's Spring Festival will have a new wave of consumption, especially in the cultural, travel and catering sectors.

After the film drought in 2020, box office returns on New Year's Day exceeded 600 million RMB. The film industry will also perform well this CNY. Due to restrictions on outbound travel, high-end local tours and customized tour products will be popular. **Pre-CNY purchases will also boost fresh food orders.**

EXPERT BITES



STELLA ZHAN

Copywriter/Researcher at
Alarice and ChoZan








Q: WHAT'S YOUR MARKETING ADVICE FOR THIS YEAR'S CNY?

- **Leverage traditional CNY features** in your marketing, like the colour red, paper cut designs, the zodiac, red packets and others, **and present them in ways that match Chinese aesthetics.**
- Pay attention to the main consumption scenarios for CNY, especially reunion dinners at home and stocking up with new year's goods.
- **Focus on social media interactions** and integrated multi-platform marketing.
- **Spark emotional resonance with consumers in a post-epidemic scenario by giving CNY a positive meaning and emphasizing self-improvement.**

LOOKING AHEAD

MAJOR ONLINE SHOPPING FESTIVALS IN CHINA

RED PACKETS RAIN CASH FOR LUNAR NEW YEAR 2020

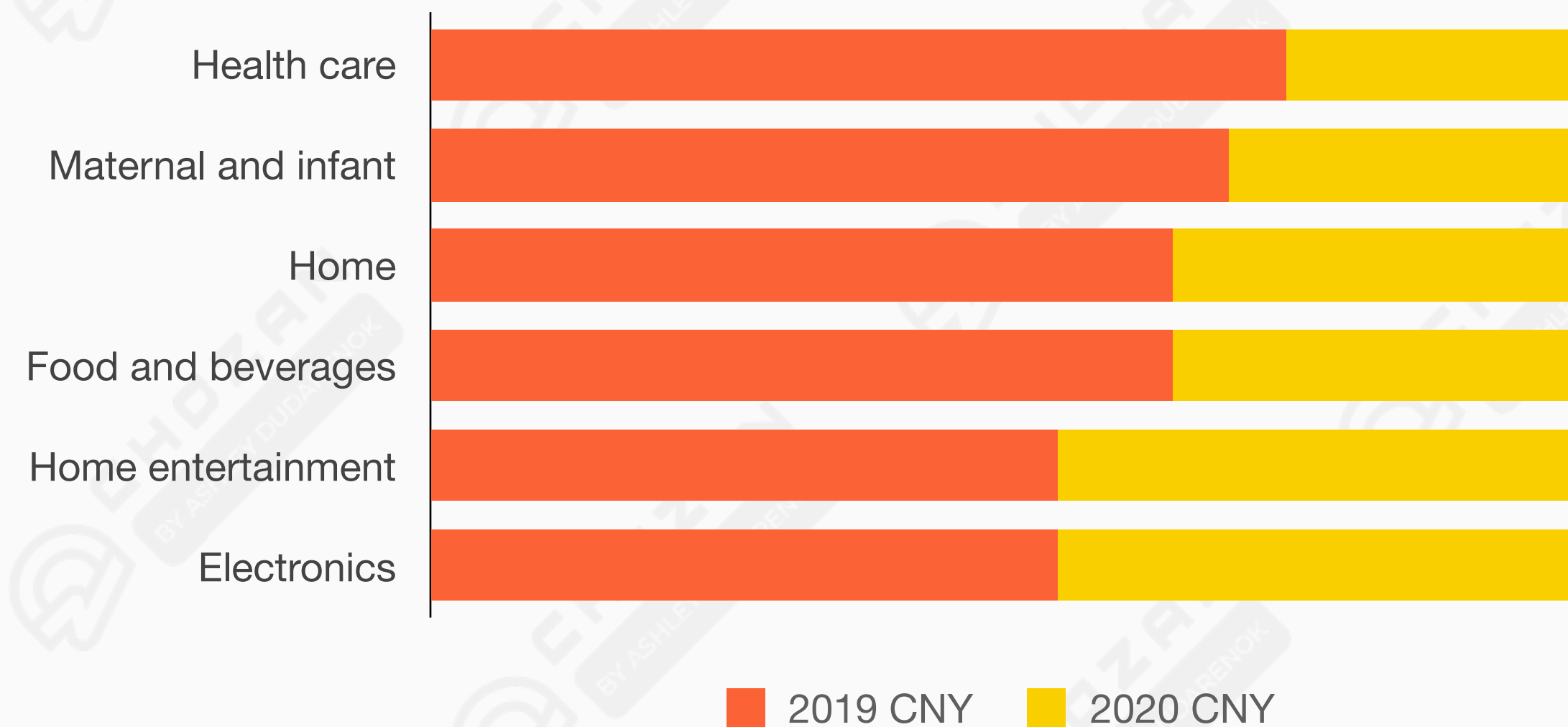
	TOTAL PAYOUT	MAINLY GIFTED AS
Pinduoduo	4 billion	 COUPONS/ GIFT CARDS
Douyin	2 billion	 CASH REWARD
Taobao	2 billion	 COUPONS/ GIFT CARDS
Kuaishou	1.1 billion	 CASH REWARD
Tencent Weishi	1 billion	 CASH REWARD
Baidu	500 million	 CASH REWARD
Alipay	500 million	 CASH REWARD

LOOKING AHEAD

MAJOR ONLINE SHOPPING FESTIVALS IN CHINA

Due to Covid-19 during the Spring Festival, the turnover of livelihood commodities including rice, noodles, grains, oils and dairy products increased by 154%, drinking water increased 2.54 times, edible oil increased 2.43 times, and dairy products increased by about 2 times.

JD STATISTICS: 2020 CHINESE NEW YEAR CONSUMER CHANGE

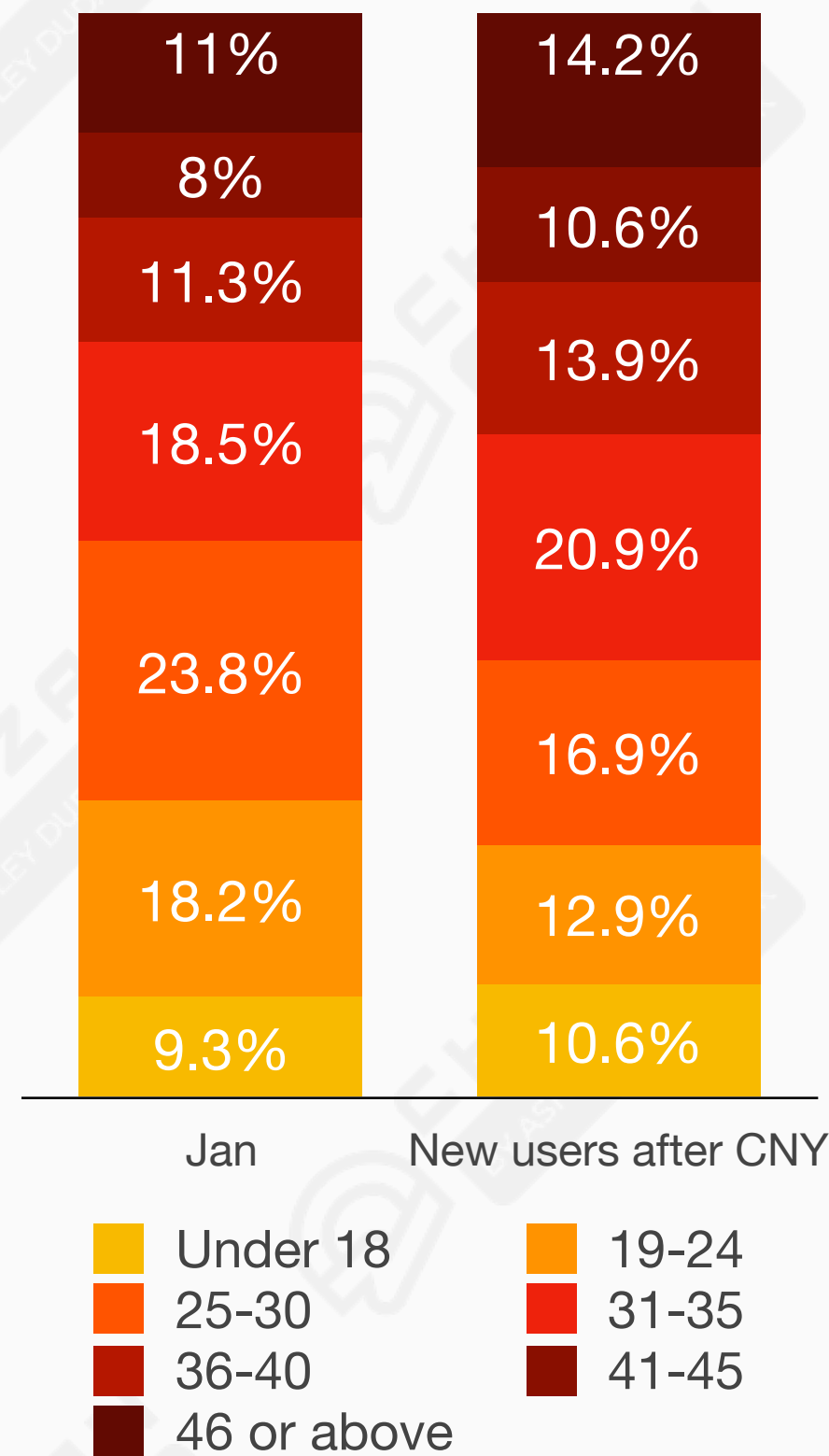


LOOKING AHEAD

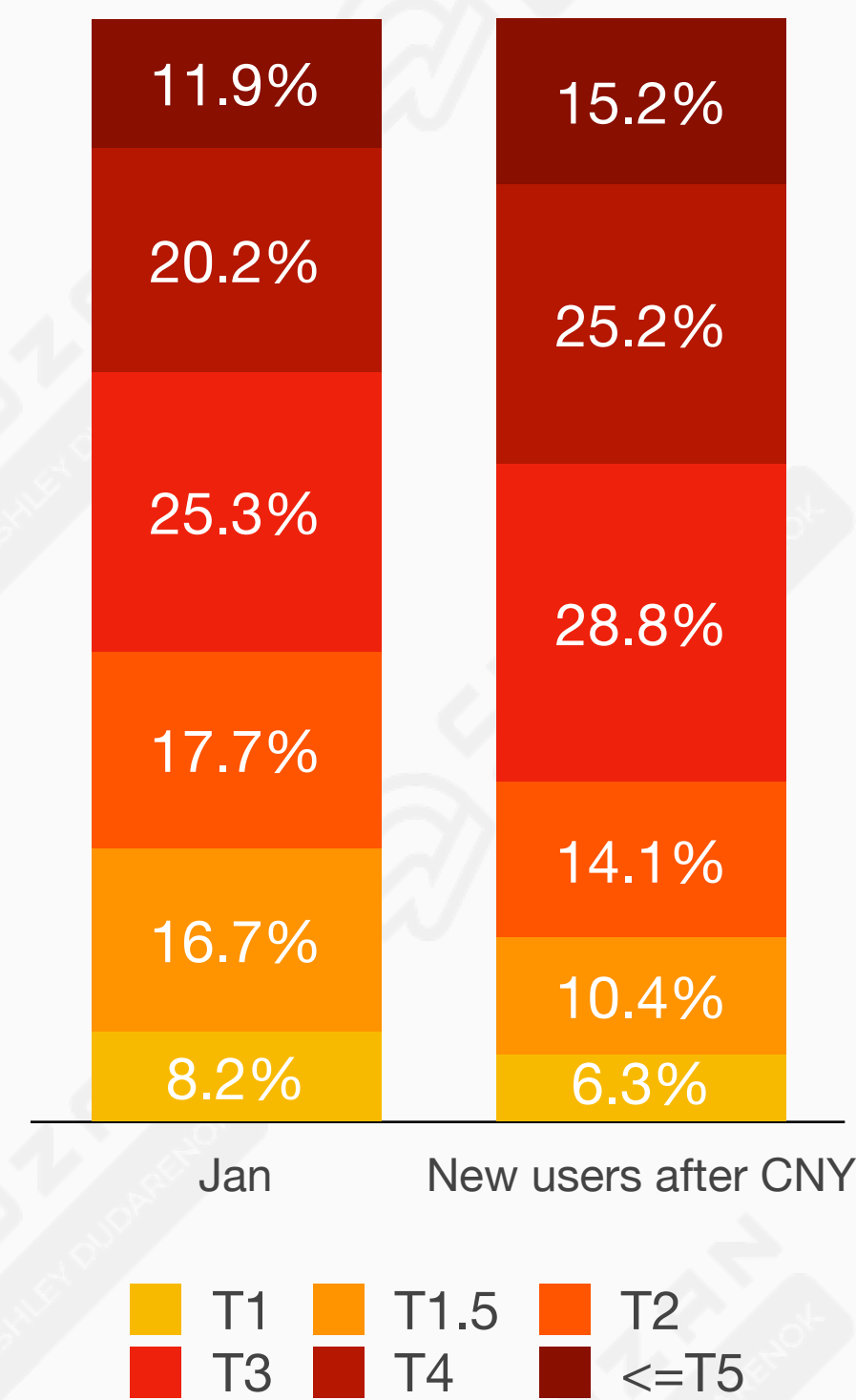
MAJOR ONLINE SHOPPING FESTIVALS IN CHINA

NEW E-COMMERCE PLATFORM USERS AFTER CHINESE NEW YEAR 2020

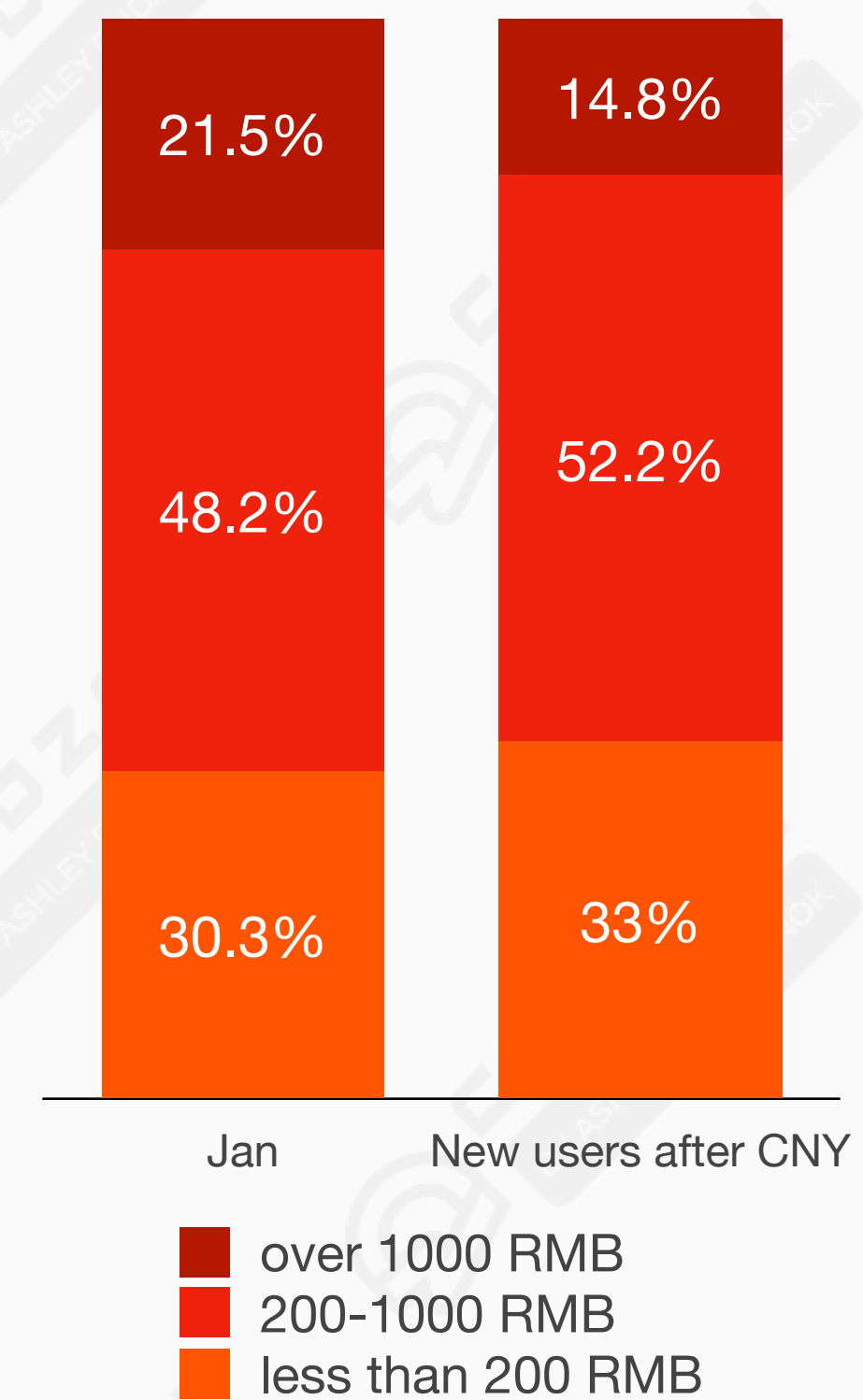
IN AGE GROUPS



IN TIERED CITY GROUPS



ONLINE SPENDING POWER

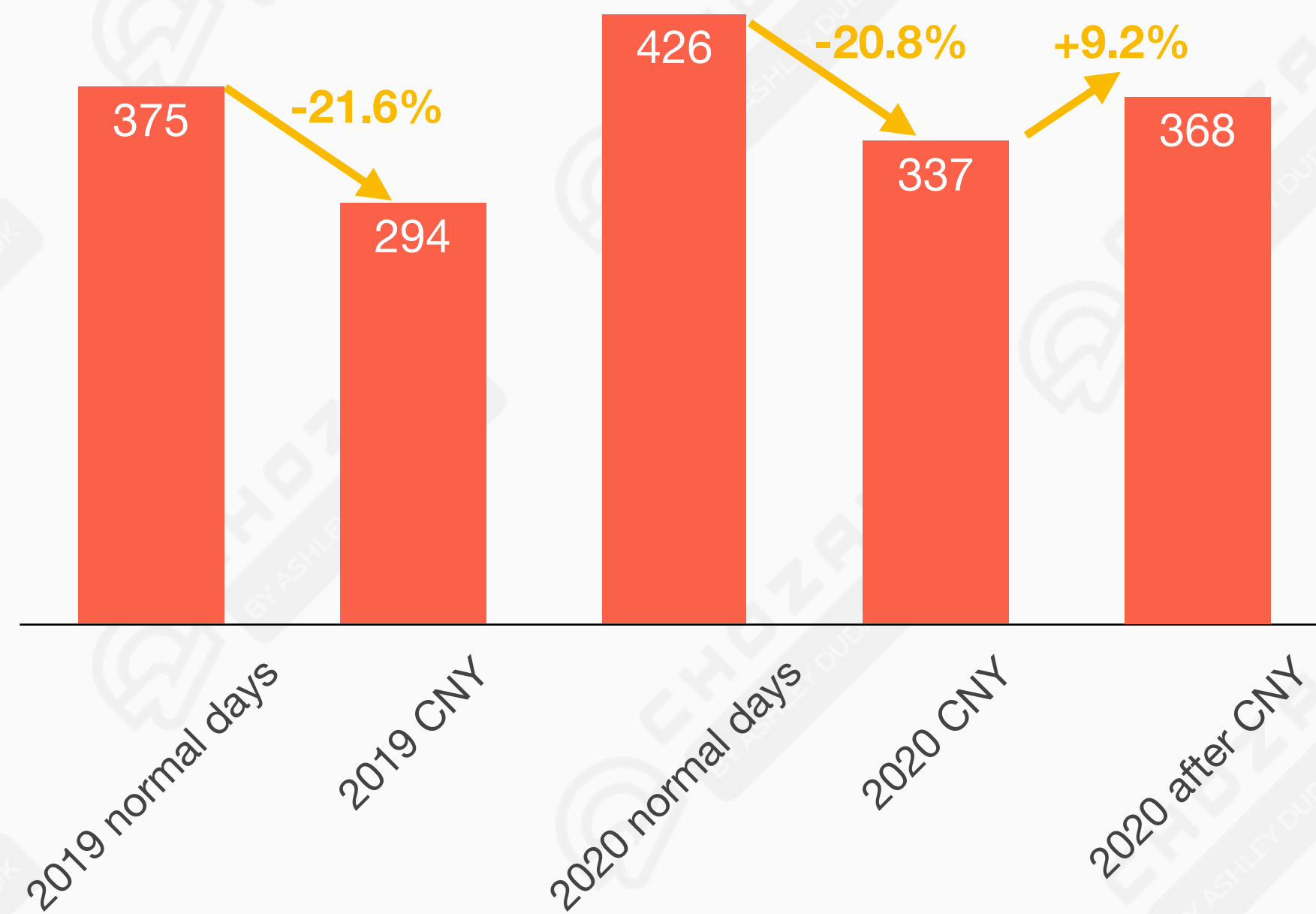


LOOKING AHEAD

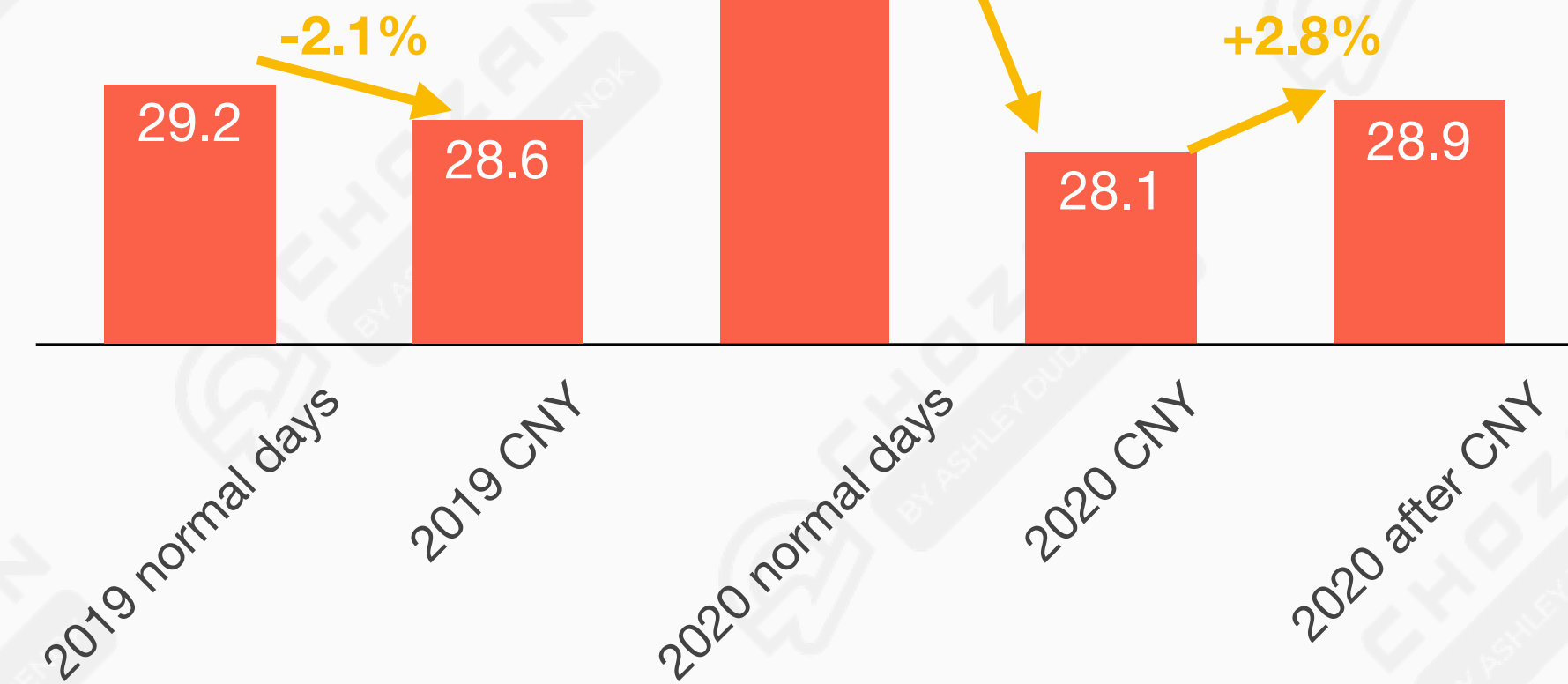
MAJOR ONLINE SHOPPING FESTIVALS IN CHINA

2019-2020 MOBILE SHOPPING SUMMARY IN DIFFERENT TIME OF THE YEAR

DAILY ACTIVE USER SCALE (MILLIONS)



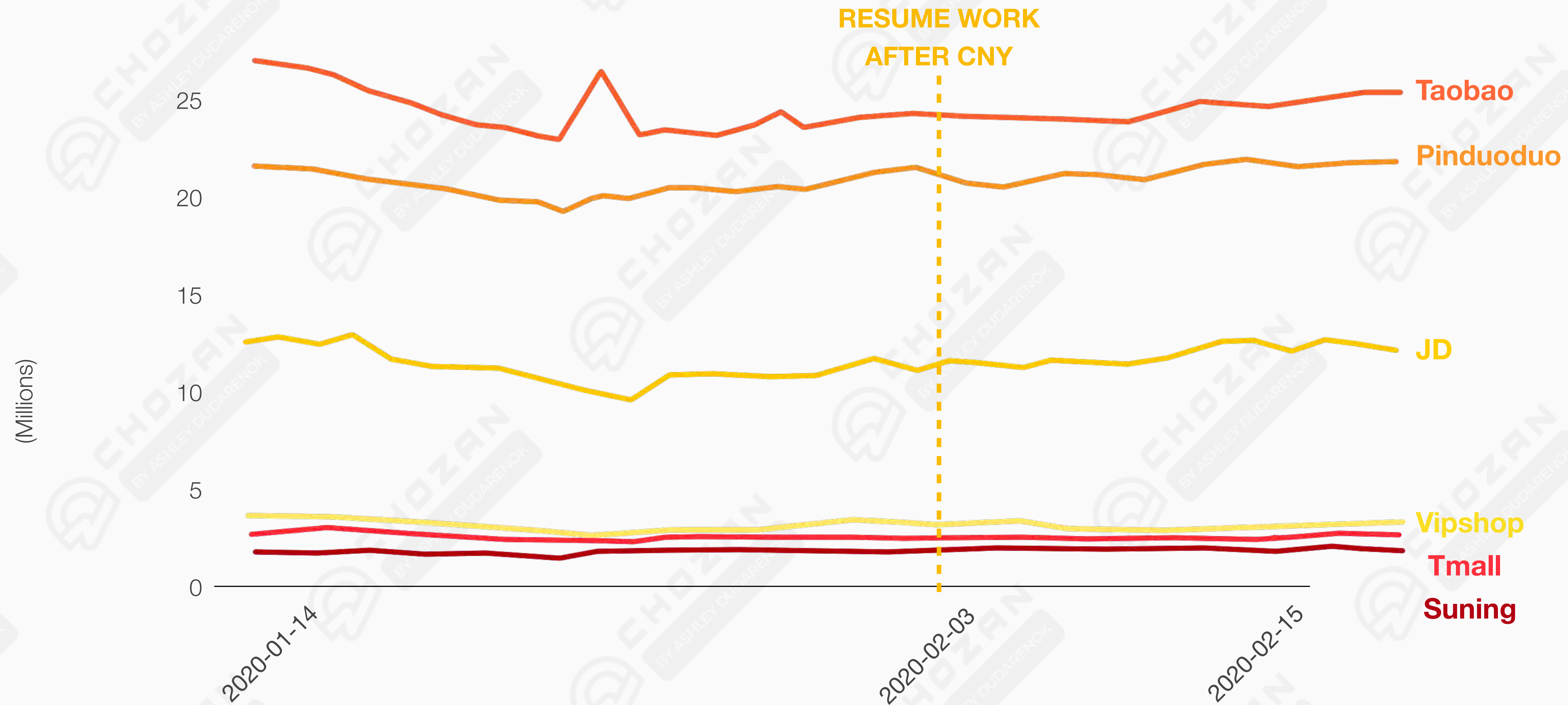
DAILY TIME SPENT (MINS)



LOOKING AHEAD

MAJOR ONLINE SHOPPING FESTIVALS IN CHINA

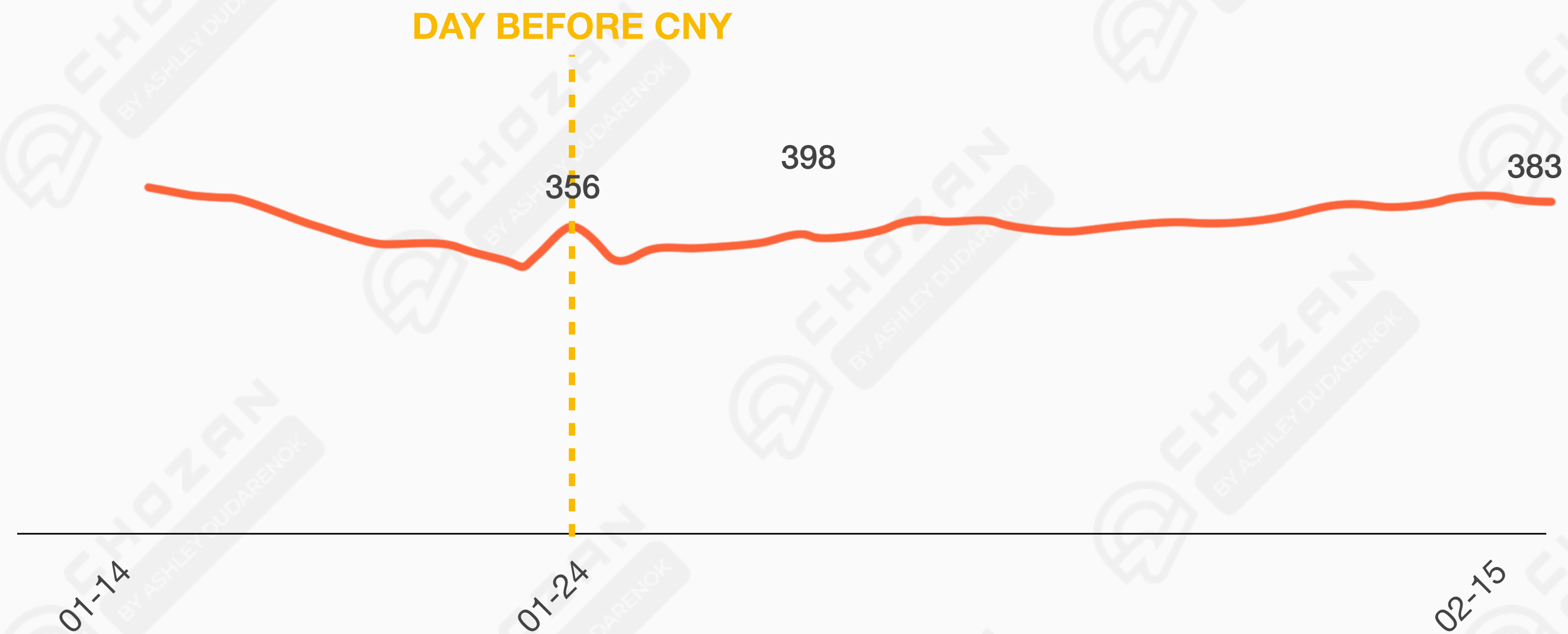
ACTIVE USERS IN ONLINE SHOPPING APPS BEFORE AND AFTER CHINESE NEW YEAR 2020



LOOKING AHEAD

MAJOR ONLINE SHOPPING FESTIVALS IN CHINA

ACTIVE USERS IN ONLINE SHOPPING INDUSTRY BEFORE AND AFTER
CHINESE NEW YEAR 2020 (MILLIONS)



EXPERT BITES

Q: WHAT DO YOU EXPECT IN TERMS OF CONSUMPTION FROM CNY 2021?

- CNY will be another big festival for Chinese consumers. Given the pandemic in 2020, there's huge demand and a strong desire to spend.
- **Food and beverage, including chocolate, biscuits, snacks, sugarless items and sparkling drinks, will be a success** during CNY 2021 thanks to the tradition of gifting and gathering with your family to eat and share the happiness.
- **Travel related categories MIGHT BE another success.** Normally CNY isn't an occasion to spend time outdoors, but this year might be a different story. Millions of Chinese consumers can't go abroad but their desires to travel within China and to go shopping are still high. **They might take this Golden Week opportunity to travel to places like Hainan.**
- **Sports will be another category to watch out for in 2021, especially in CNY and for the 618 shopping festival on June 18th.**



EDOUARD DE MEZERAC

Managing Partner
Artefact, China and Asia.

EXPERT BITES

Q: WHAT ARE YOUR MARKETING RECOMMENDATIONS FOR BRANDS IN CHINA IN Q1 2021?

Aside from the fact that short video and livestreaming are now must-haves for brands and retailers, I would recommend **having limited editions in store for the Q1 holiday sales**. Consumers' purchasing behaviours during the Chinese New Year or Valentine's Day are mainly for gifting demand. They're not sensitive to prices, but **more concerned about whether the products are special and creative**. Brands can launch limited holiday editions, holiday gift boxes, or cooperate with KOLs to launch an exclusive collection.



ELENA GATTI

Managing Director, Europe
at Azoya

EXPERT BITES

Q: WHAT DO YOU EXPECT IN TERMS OF CONSUMPTION FROM CNY 2021?

I can't give my prediction as this is highly depended on if Covid-19 will hit again. What we all have experienced in 2020 taught us that **the future is more unpredictable than ever.**



QIMEI LUO

Livestreaming Industry Marketer
and PR Expert

EXPERT BITES

Q: IN TERMS OF CONSUMPTION, WHAT DO YOU EXPECT FROM CNY 2021?

CNY 2021 will continue China's economic resurgence and recovery. I expect local travel to return to pre-Covid levels. The luxury sector will showcase continued growth which will lead into Q1 2021.



HENDRIK LAUBSCHER

Founder and Chief Analyst at
Blue Cape Venture

EXPERT BITES

Q: IN TERMS OF CONSUMPTION, WHAT DO YOU EXPECT FROM CNY 2021?

CNY 2021 will determine the stability of the country. More security screening, more health checks, Covid-19 vaccinations are all factors that will influence the results a lot. My guess is that vitamins and health supplements will play an important role this year. However, February 12, 2021, is just around the corner, and now the game is done for the merchants. Let's see the results.



ALBERTO ANTINUCCI

Digital Innovation Strategist
and China Expert

EXPERT BITES

Q: IN TERMS OF CONSUMPTION, WHAT DO YOU EXPECT FROM CNY 2021?

Domestic travel will soar. During the seven-day **National Day Golden Week** holiday in October, China saw **660 million domestic tourists spending 549 billion yuan (\$85 billion)**. That's **80 percent higher than last year**, as demand shifted from overseas travel. The most likely scenario for aspiring globe trotters is a trial opening to neighbouring countries for Chinese New Year and then other destinations after Easter based on vaccinations becoming available in December.



JOSH GARDNER

CEO Kung Fu Data

EXPERT BITES

Q: IN TERMS OF CONSUMPTION, WHAT DO YOU EXPECT FROM CNY 2021?

I foresee a rise in preferences for local tastes, Chinese culture, domestic brands, healthier choices, proactive preventive care and insurance services.

This will give fiercer competition to international brands and give them an opportunity to up their game and develop a bigger variety of locally inspired, customized products and services.

McKinsey's recent analysis shows that Covid-19 has forced purchasing trade-offs, with Chinese consumers seeking better quality and healthier options. **More than 70% of respondents in their Covid-19 consumer survey will continue to spend more time and money purchasing safe, eco-friendly products, while three-quarters want to eat more healthily.** JD Health is a great example of both speed and a variety of customized products and services. Demand for online healthcare services has boomed over the pandemic, as people avoided outpatient clinics and pharmacies.



NISHTHA MEHTA

Corporate Innovation Coach
Trainer
Change Facilitator



618

2020's 618 festival provided plenty of new trends and competitive pressures for JD.com. With sales records broken, livestreaming and short video sharing proved to be a key for success. The rise of video sharing app Douyin had somewhat unexpected e-commerce success and potential.

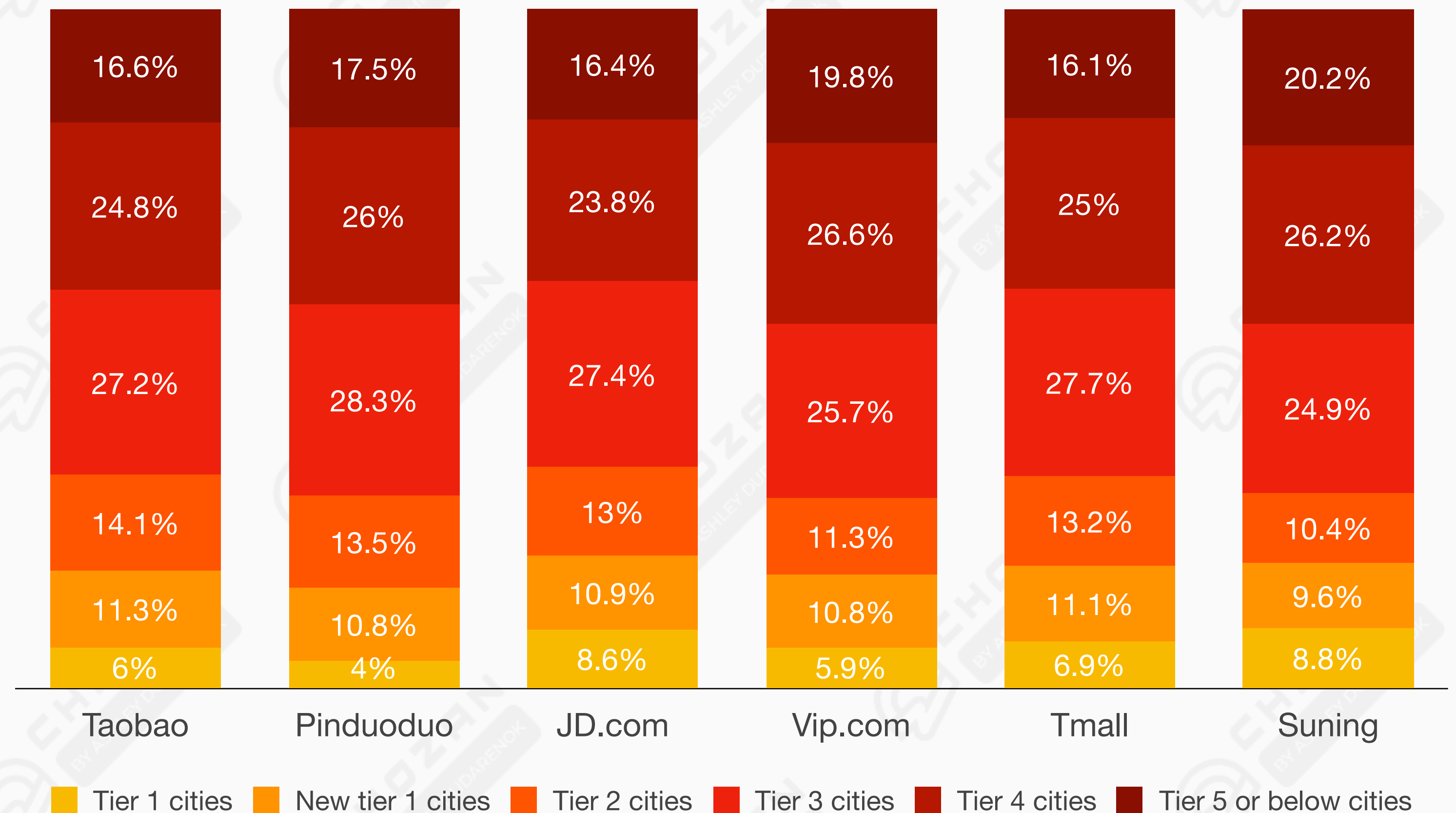


MAJOR ONLINE SHOPPING FESTIVALS

618 - CITY NEW APP ADOPTION

NEW APPS INSTALLED BY DIFFERENCE TIERED-CITY USERS DURING
"618" (2020.05.20-2020.06.18)

Lower tier cities are having increasing purchasing power and demand. The graph illustrates the high rate of download and adoption of e-commerce apps by lower tier cities in particular.



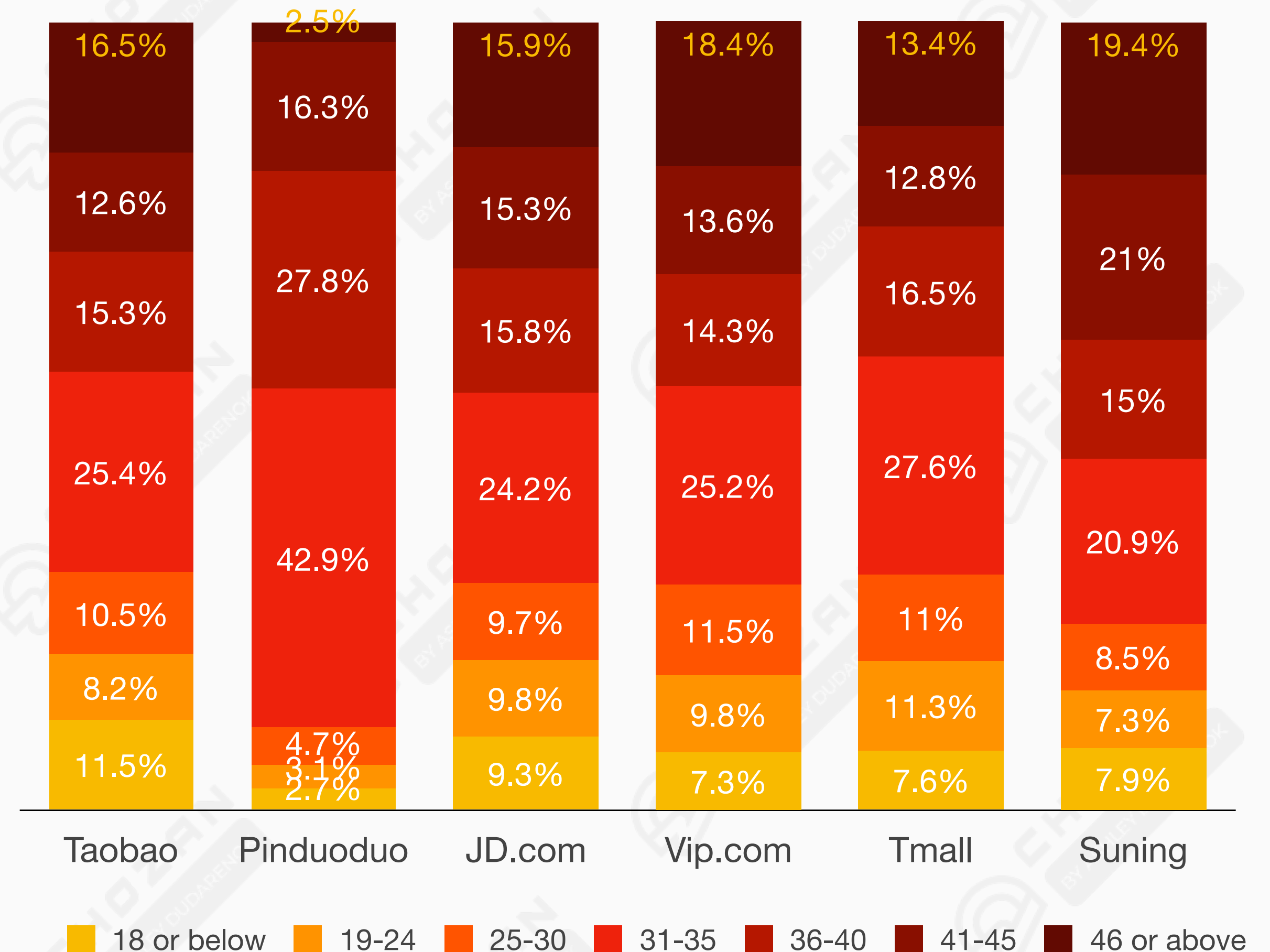
MAJOR ONLINE SHOPPING FESTIVALS

618 - 'SINKER MARKET' NEW APP ADOPTION

Industries continue to dig into the sinking market of mid-older age consumers.

Online spending rose due to COVID-19, with the strategy of price drops, discounts and more, 70% of new app installs during “618” are from the sinking market, while more than 40% are users aged 36 or above.

NEW APPS INSTALLED BY DIFFERENCE AGED USERS
DURING “618” (2020.05.20-2020.06.18)

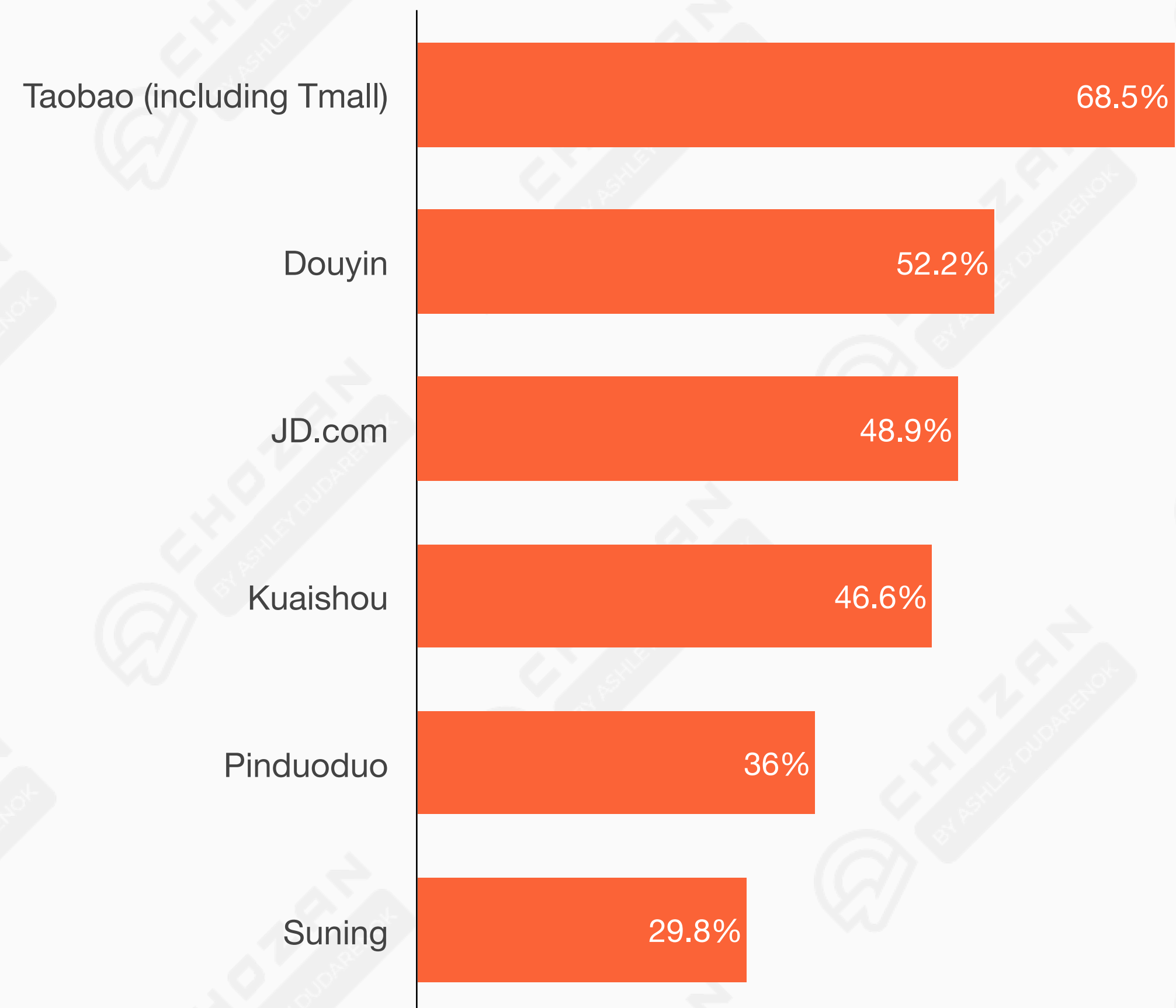


MAJOR ONLINE SHOPPING FESTIVALS

618 - LIVESTREAMING PLATFORMS

Taobao proved to be the most popular livestreaming platform used to watch 618 livestreams. Followed by Douyin and JD.com.

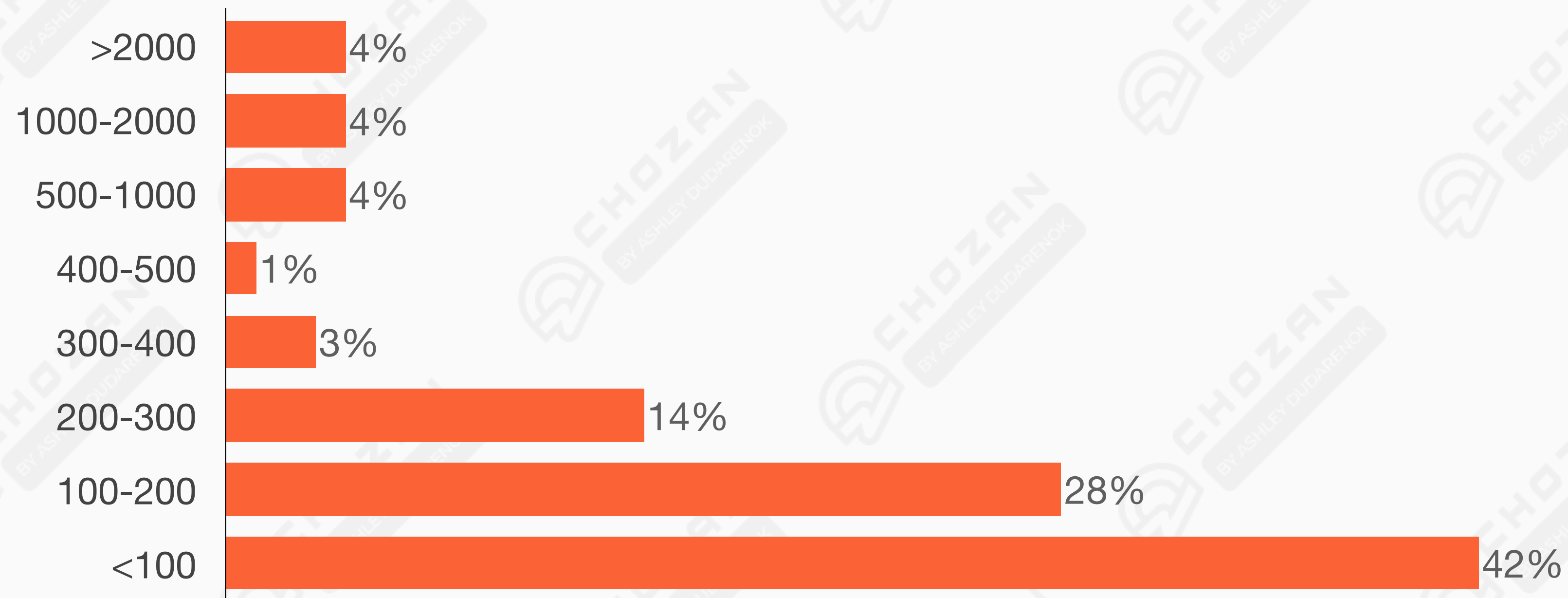
PLATFORMS USED TO WATCH “618” LIVESTREAMS



MAJOR ONLINE SHOPPING FESTIVALS

618 - LIVESTREAMING: DOUYIN UNEXPECTED STAR OF 2020

616-618 DOUYIN LIVE SALES SALES TOP 100 BRAND CUSTOMER UNIT PRICE DISTRIBUTION (RMB)

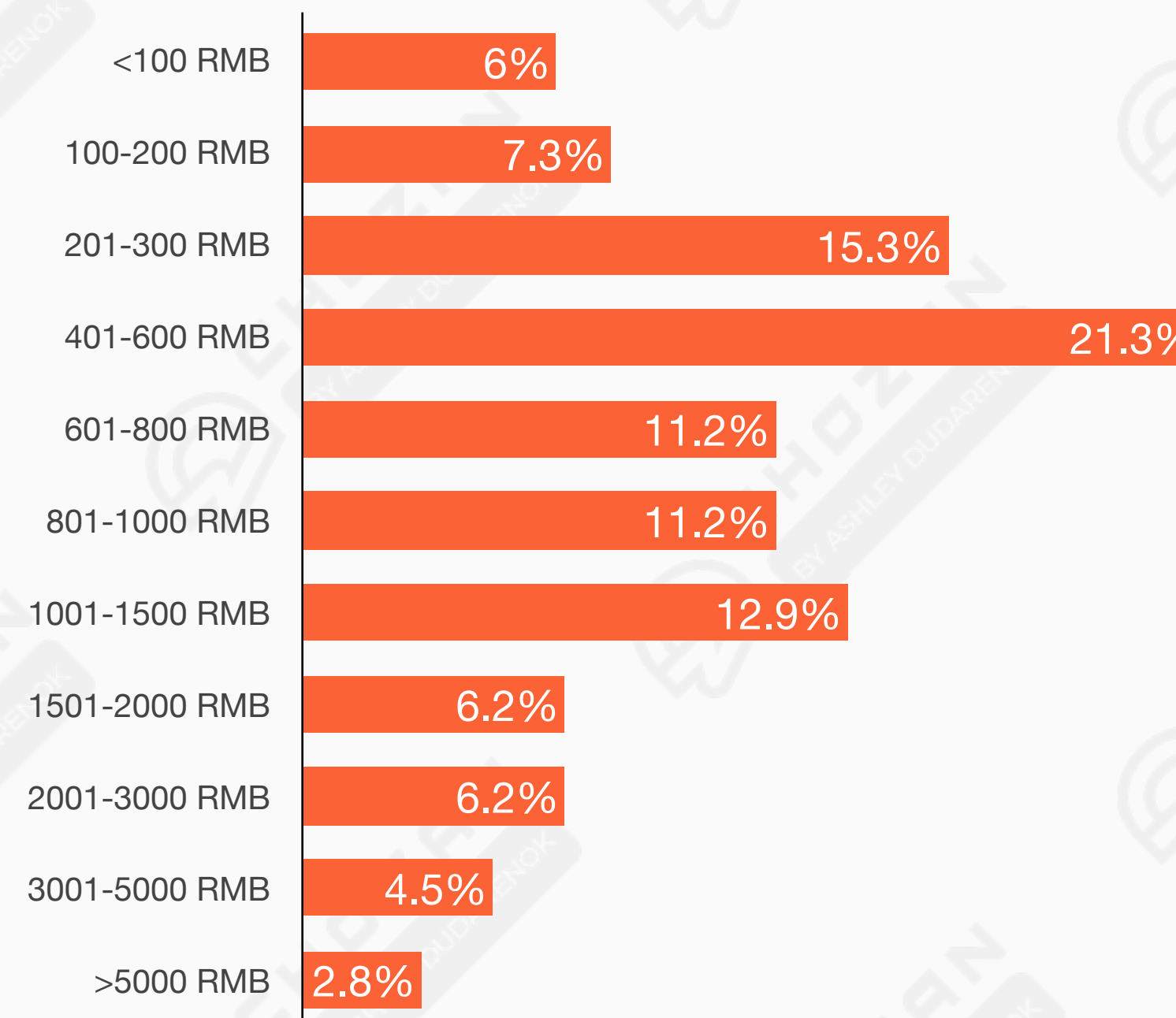


MAJOR ONLINE SHOPPING FESTIVALS

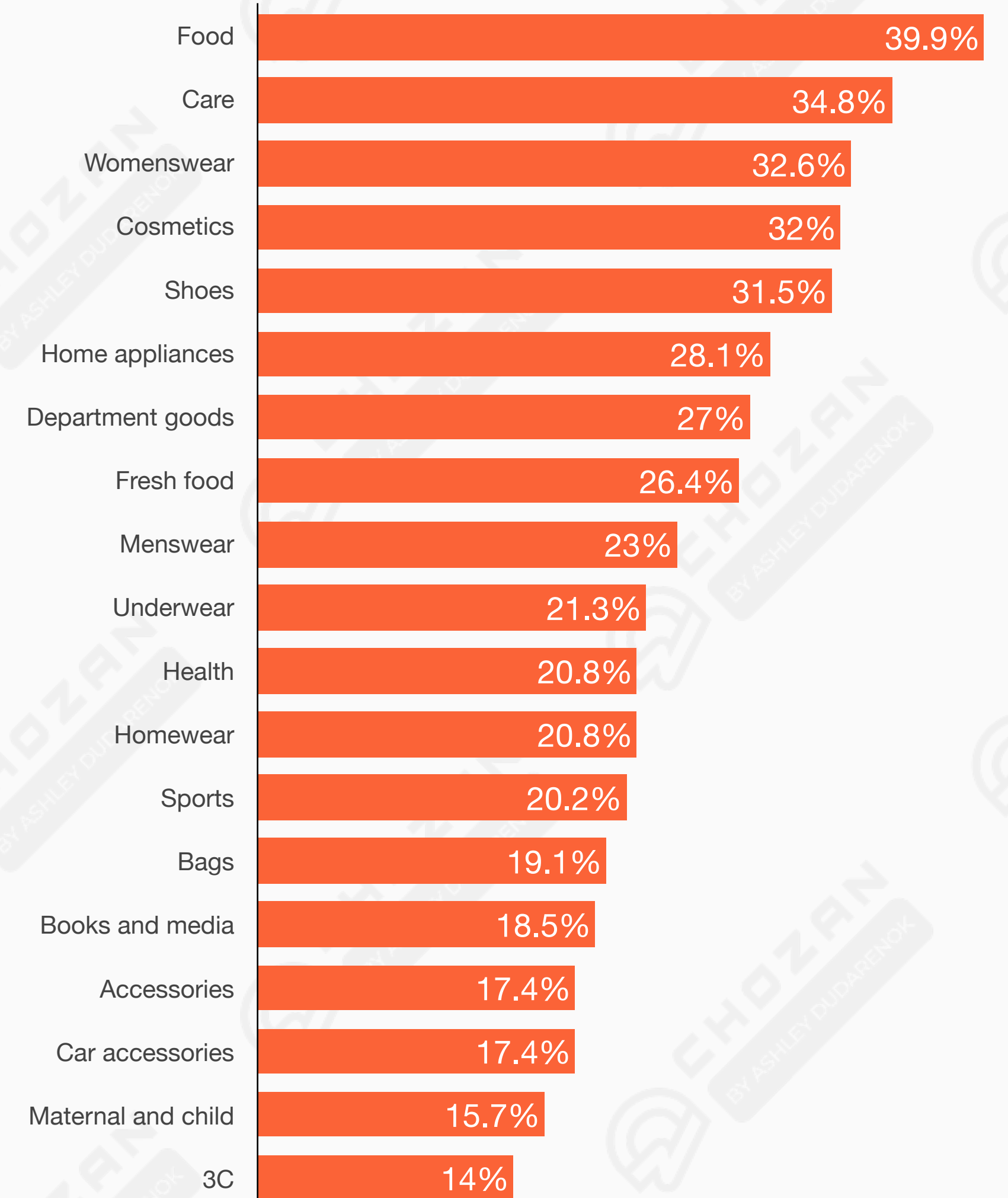
618 - LIVESTREAMING PURCHASES

Food, Care, and Womenswear products were the highest purchased categories from 618 livestreams with 36.6% of user order amounts from livestreams between 201-600 RMB.

**USERS ORDER AMOUNTS
DURING “618” LIVESTREAM**



**TYPES OF PRODUCTS PURCHASED
DURING “618” LIVESTREAM**



MAJOR ONLINE SHOPPING FESTIVALS

618 - LIVESTREAMING OVERVIEW IN 2020

JD.com	Tmall.com
<ul style="list-style-type: none"> - 269.2 billion revenue between June 1-18 on JD - JD livestream reached 100 million revenue in 2 minutes - During JD x Kuaishou special sale on June 16, revenue of influencers such as Zhangyuqi and Xinba reached 1.42 billion - Number of livestreams from JD during June 1-18 reached more than 25 thousand 	<ul style="list-style-type: none"> - 698.2 billion revenue during 618 - Taobao livestreams reached 510 thousand revenue on June 1 - Revenue grew by more than 250% by June 17 - 13 livestreams reached 1 billion revenue - Brands exceeded yearly deals in the first hour of livestreaming - More than 600 CEOs of brands and shops participated in livestreaming

MAJOR ONLINE SHOPPING FESTIVALS

618 - LIVESTREAMING: SHORT-VIDEO SHARING

LIVESTREAMING BROUGHT AMAZING RESULTS TO SHORT VIDEOS PLATFORMS DURING 618



5.1 BILLION+

Taobao livestream GMV

250%

Taobao livestream
GMV growth



14 TIMES

more JD livestream
views daily

21 TIMES

more JD livestreaming
commerce growth



350 MILLION

Douyin stars livestream
GMV

10,000+

numbers of Douyin
livestreams



3.1 BILLION+

Kuaishou stars
livestreams GMV

1.4 BILLION+

numbers of Kuaishou
livestreams during 6.16



140 MILLION

livestreaming record by
Zhoutao during 6.6

390 MILLION

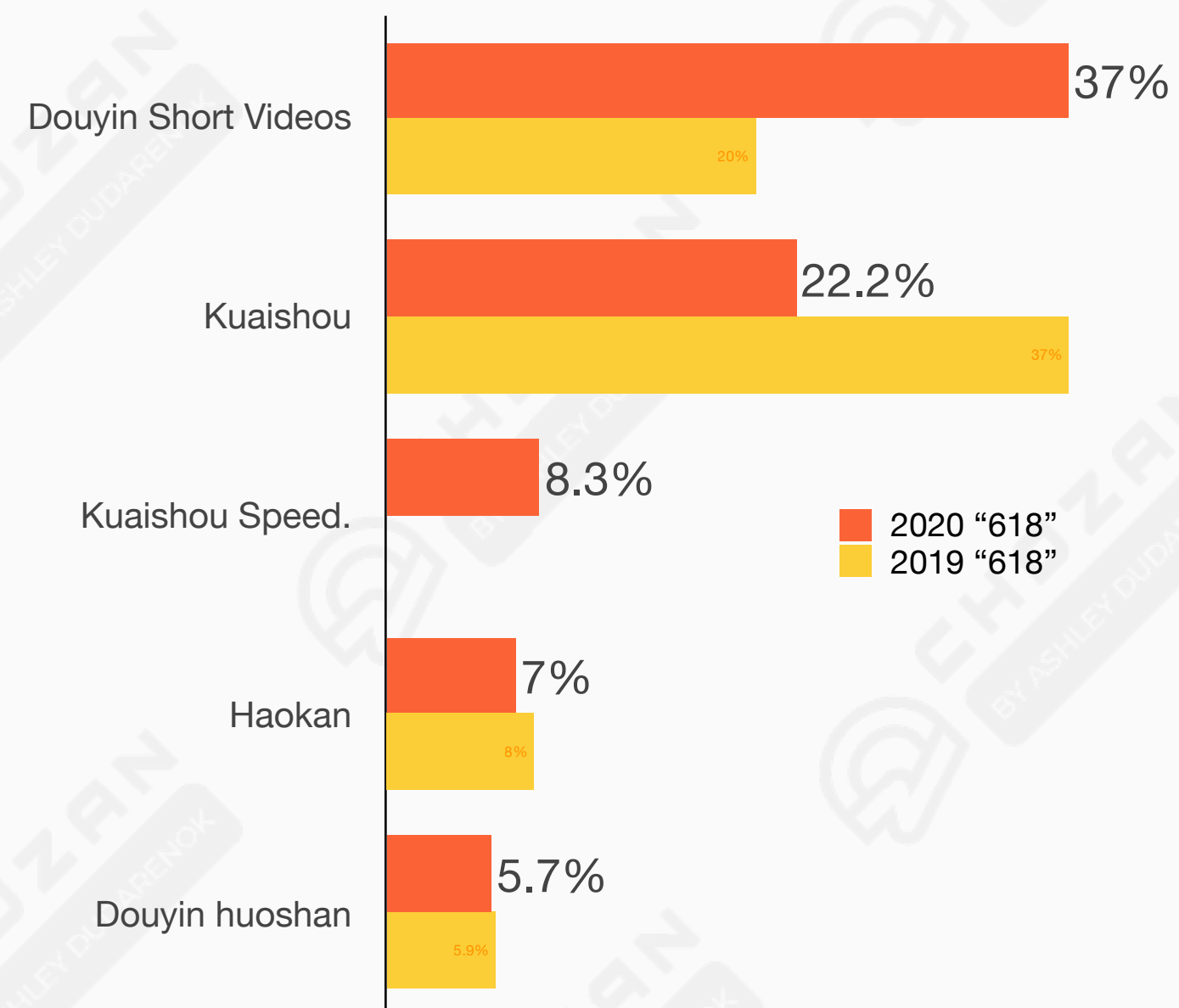
revenue during
Qinhailu's livestream

MAJOR ONLINE SHOPPING FESTIVALS

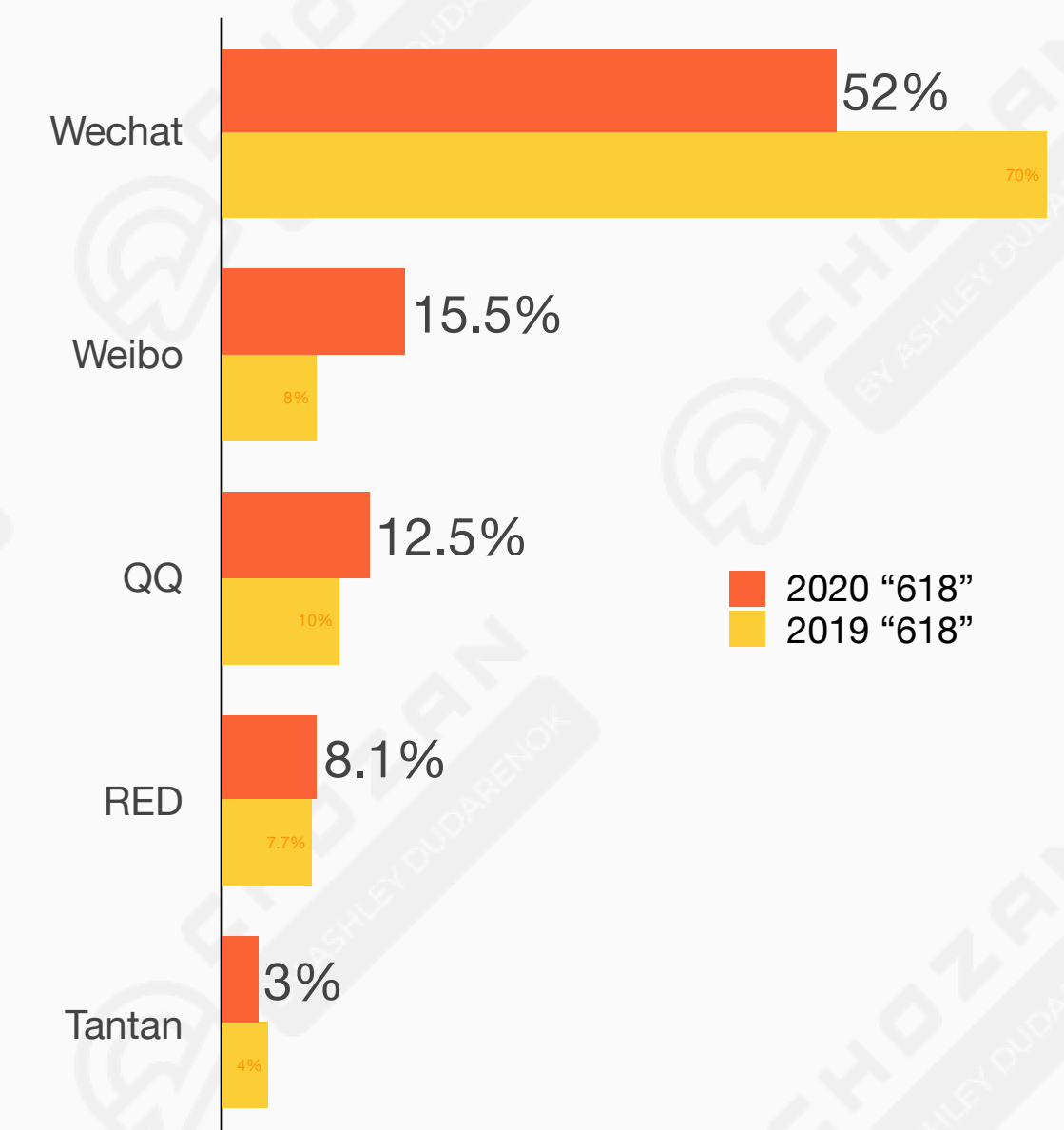
618 - LIVESTREAMING: SHORT-VIDEO SHARING

Social recommendations and Short Videos has become the key to raising the efficiency of the shopping experience.

TOP 5 SHORT VIDEOS APPS DURING
“618” (2020.05.20-2020.06.18)



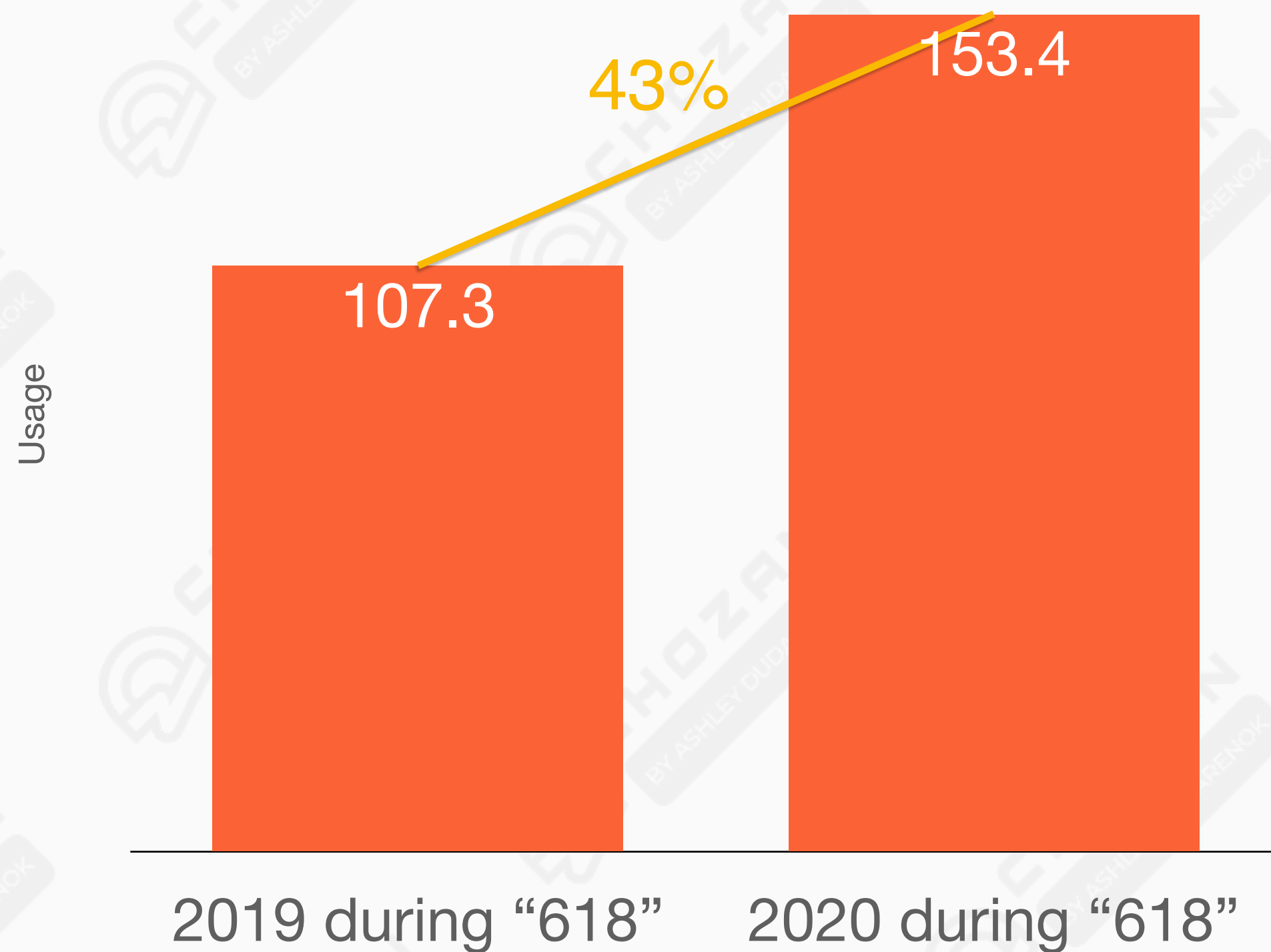
TOP 5 SOCIAL APPS DURING “618”
(2020.05.20-2020.06.18)



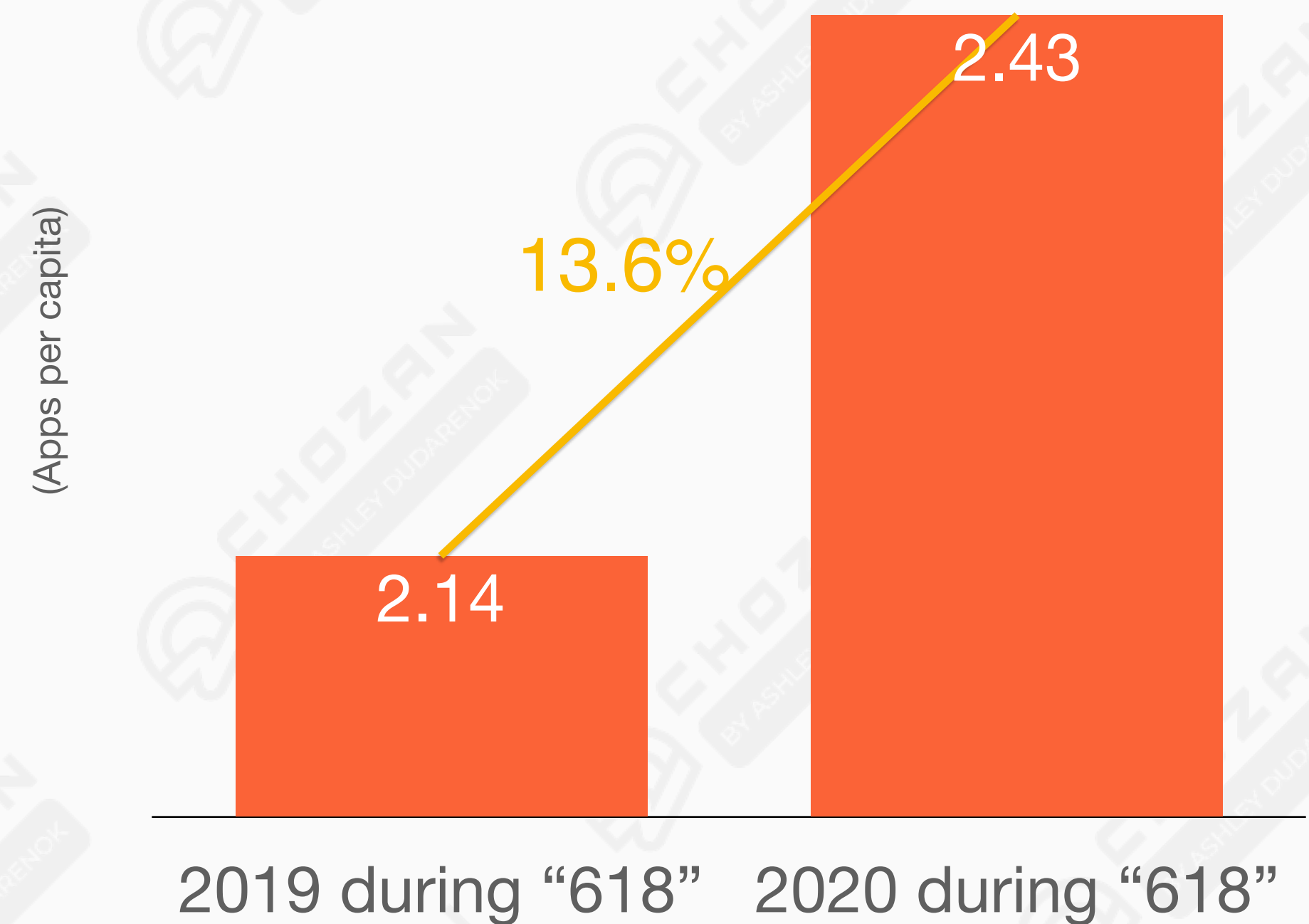
MAJOR ONLINE SHOPPING FESTIVALS

618 - LIVESTREAMING E-COMMERCE VIA MOBILE

PER CAPITA USAGE OF MOBILE SHOPPING APP



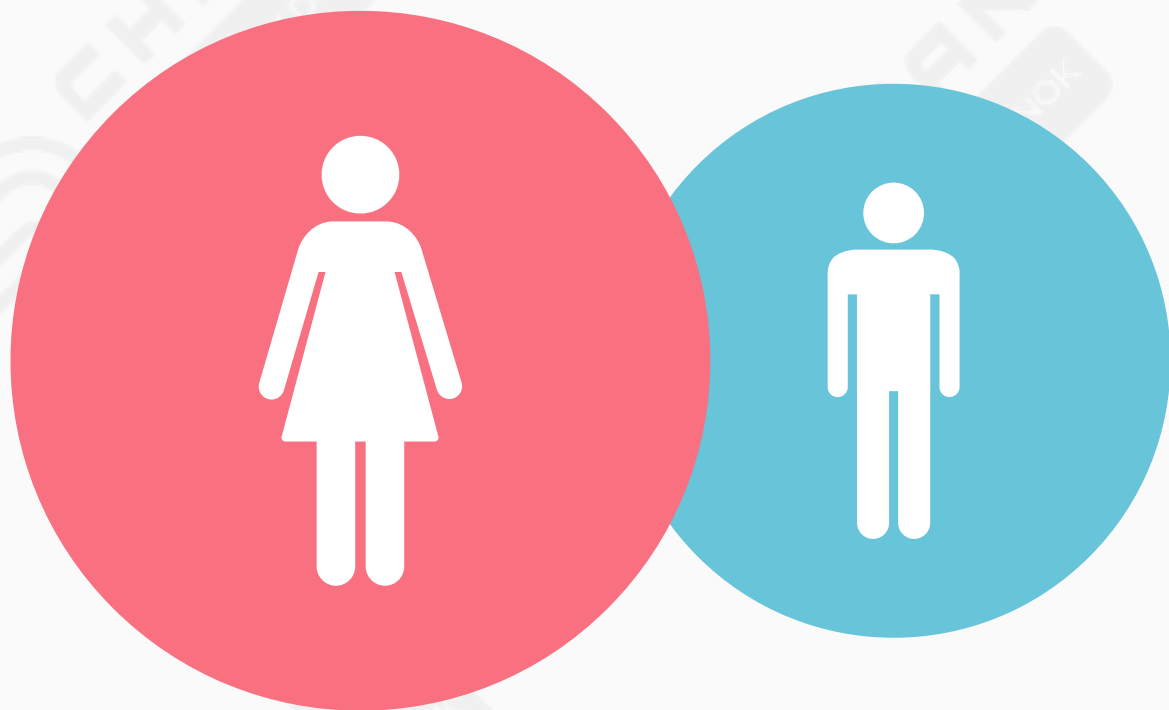
NUMBER OF MOBILE SHOPPING APPS OPENED PER CAPITA



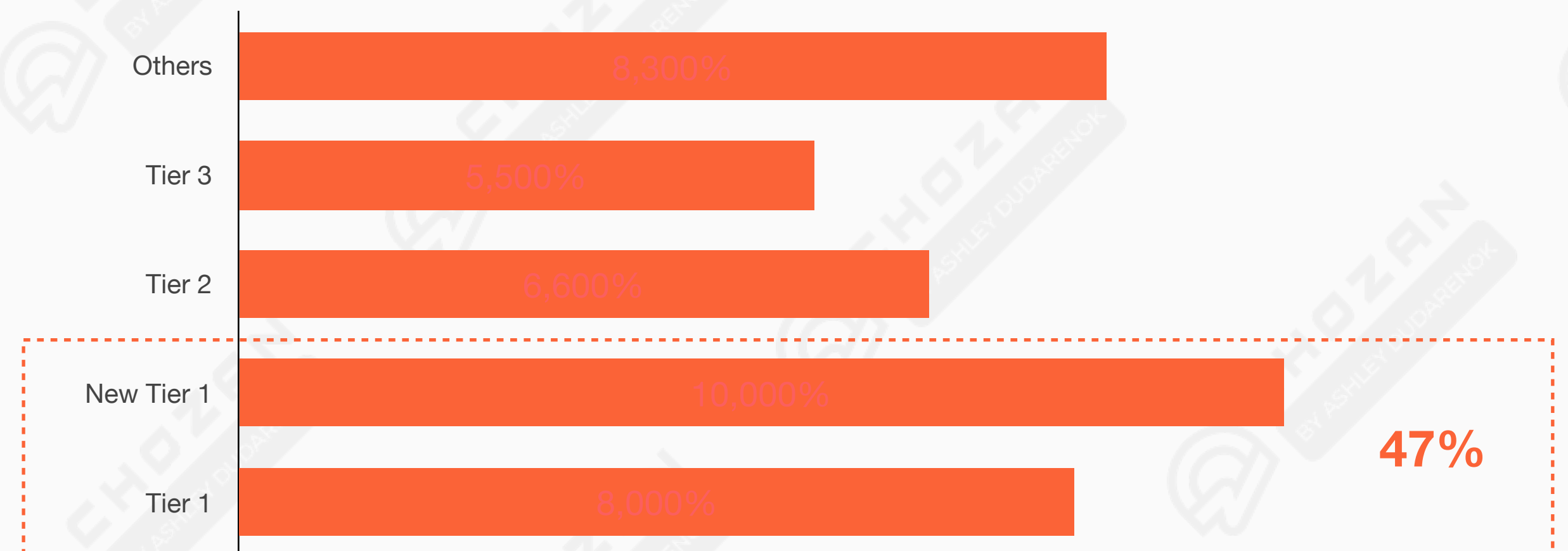
MAJOR ONLINE SHOPPING FESTIVALS

618 - DOUYIN LIVESTREAMER DEMOGRAPHICS

MORE FEMALE DOUYIN LIVESTREAMERS DURING 618



DOUYIN LIVESTREAMERS DURING 618 AMONG CITIES



TOP 10 CITIES WITH MOST DOUYIN LIVESTREAMERS DURING 618



■ Tier 1 cities

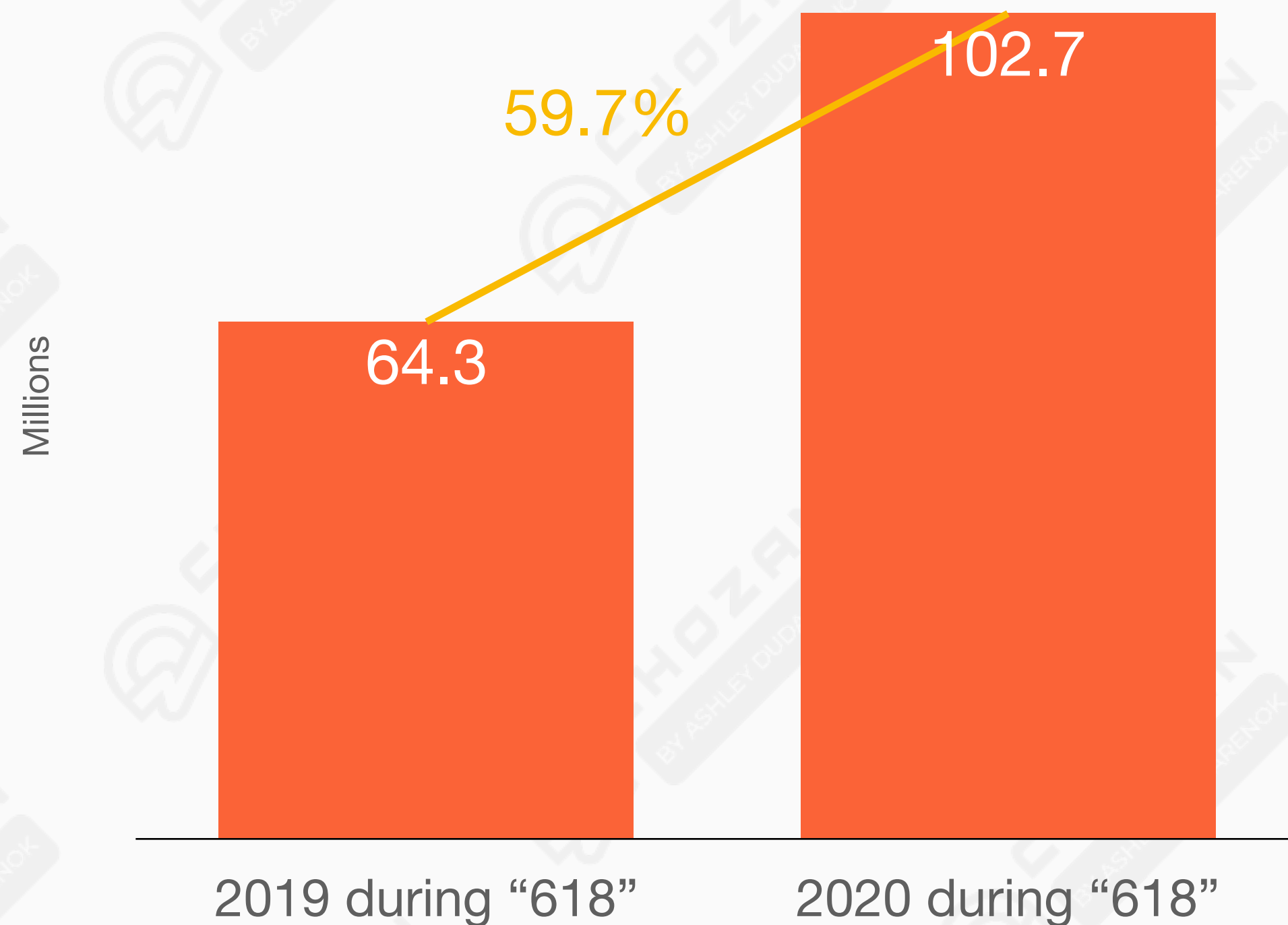
■ New Tier 1 cities

■ Tier 2 cities

MAJOR ONLINE SHOPPING FESTIVALS

618 - LIVESTREAMING: JD.COM

JD & KUAISHOU APP COINCIDES WITH THE USER SCALE



DURING THE "618", JD.COM SOURCES THE TOP5 APP IN THE SHORT VIDEO INDUSTRY





DOUBLE 11

Alibaba's singles' day (or Double 11) is the most popular e-commerce shopping festival in China. It is a day of intense potential for brands and retailers, and enthusiastic involvement by ever growing participants each year. For ALIBABA it is a day for innovation, system potential testing, and future re-adjustment. With pre-sales becoming more profitable in the warm up periods each year, live-streaming will continue to contribute greatly to the market.



MAJOR ONLINE SHOPPING FESTIVALS

DOUBLE 11 - TURNOVER DURING 2020 SINGLES' DAY FESTIVAL

During last year's Double 11, major e-commerce players set new records:

- Tmall - 498 billion RMB in GMV, 85.6% YoY growth
- JD.com - 271 billion RMB in GMV, 32.8% YoY growth

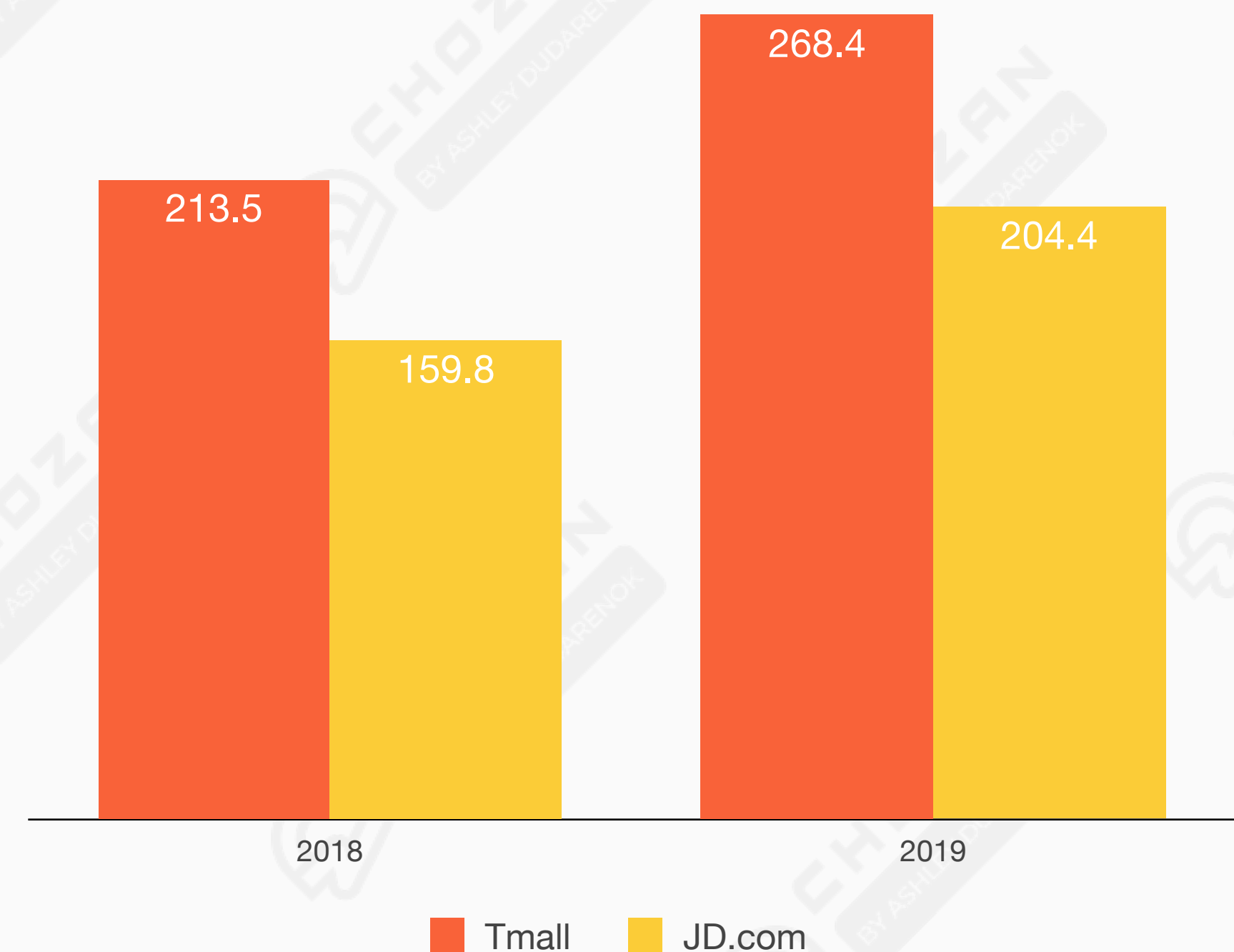


498.2
BILLION
RMB



271.5
BILLION
RMB

**TURNOVER DURING THE SINGLES' DAY FESTIVAL,
2018-2019 (IN BILLIONS RMB)**

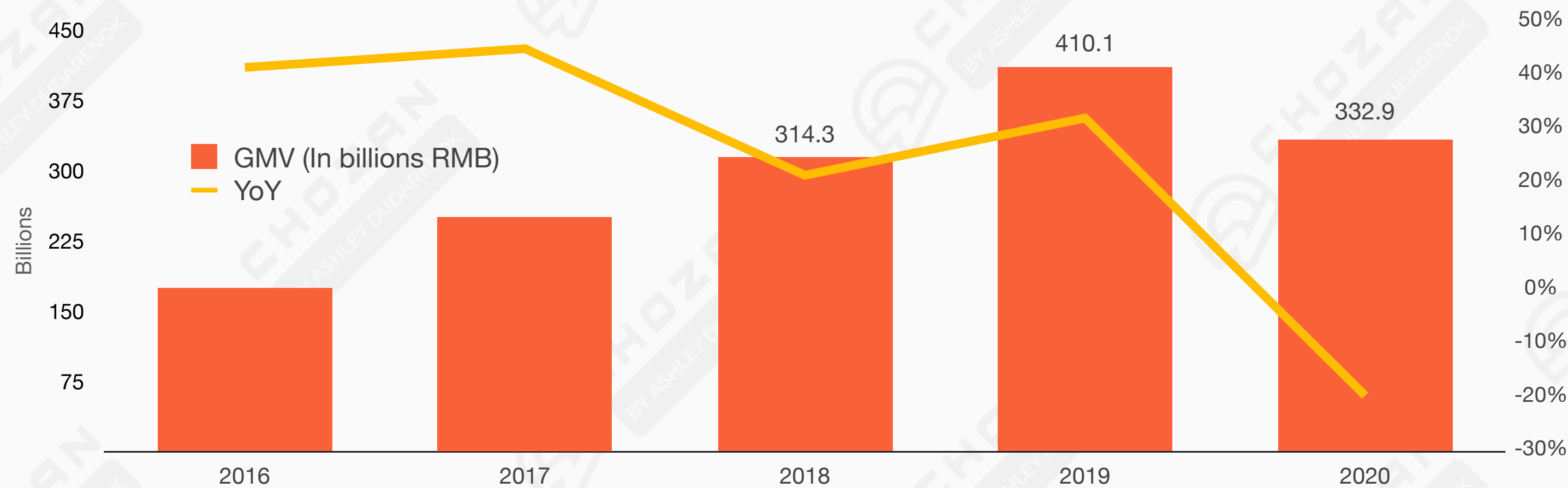


MAJOR ONLINE SHOPPING FESTIVALS

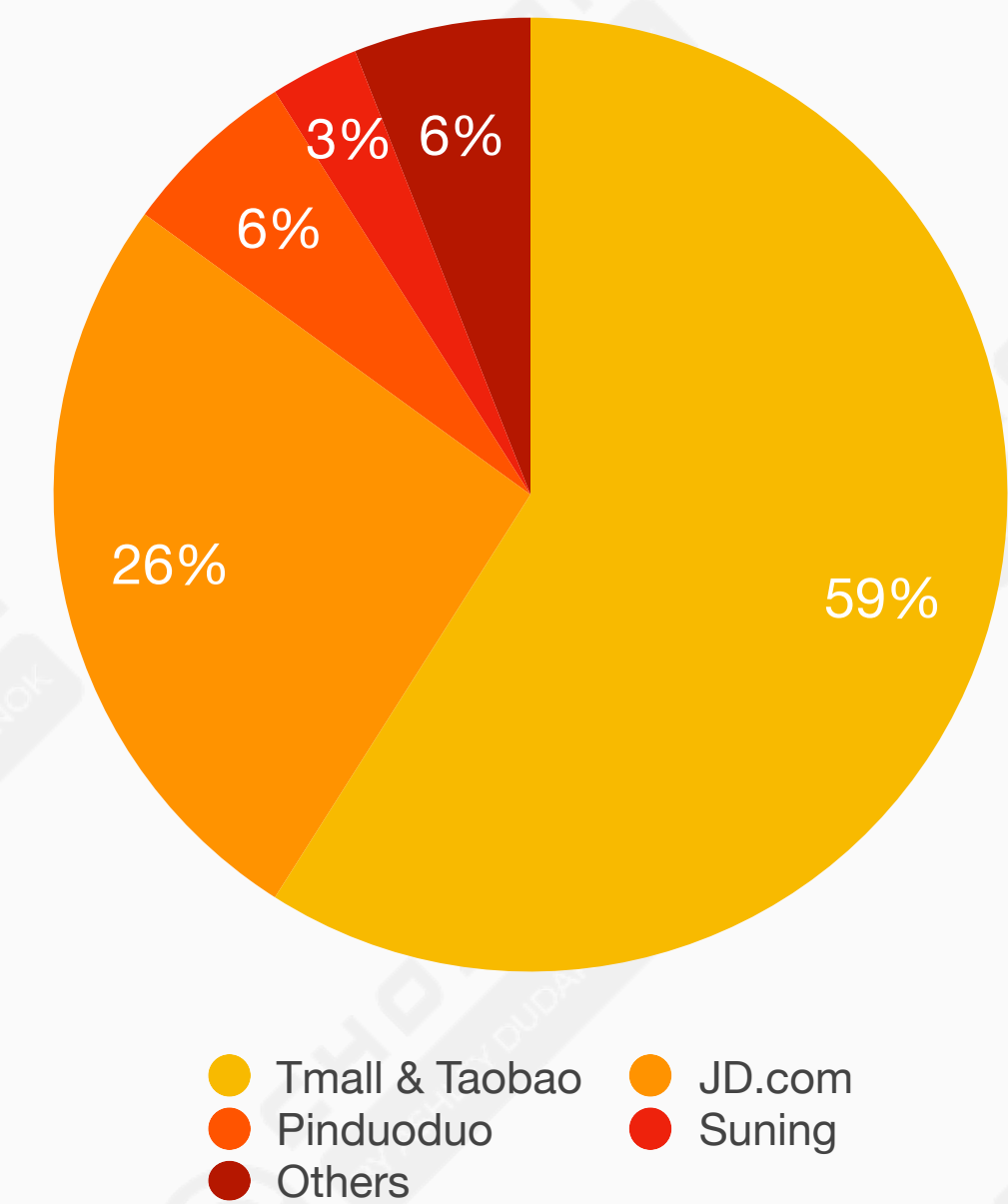
DOUBLE 11 - TURNOVER DURING 2020 SINGLES' DAY FESTIVAL

Last year Singles' Day had a longer shopping period so the one-day sales figures on 11.11 dropped in comparison to previous years.

2016-2020 GMV ON NOV 11TH AND YoY GROWTH



MARKET SHARE AMONG PLATFORMS
DOUBLE 11 2020



MAJOR ONLINE SHOPPING FESTIVALS

DOUBLE 11 - SALES DURING 2020 SINGLES' DAY FESTIVAL



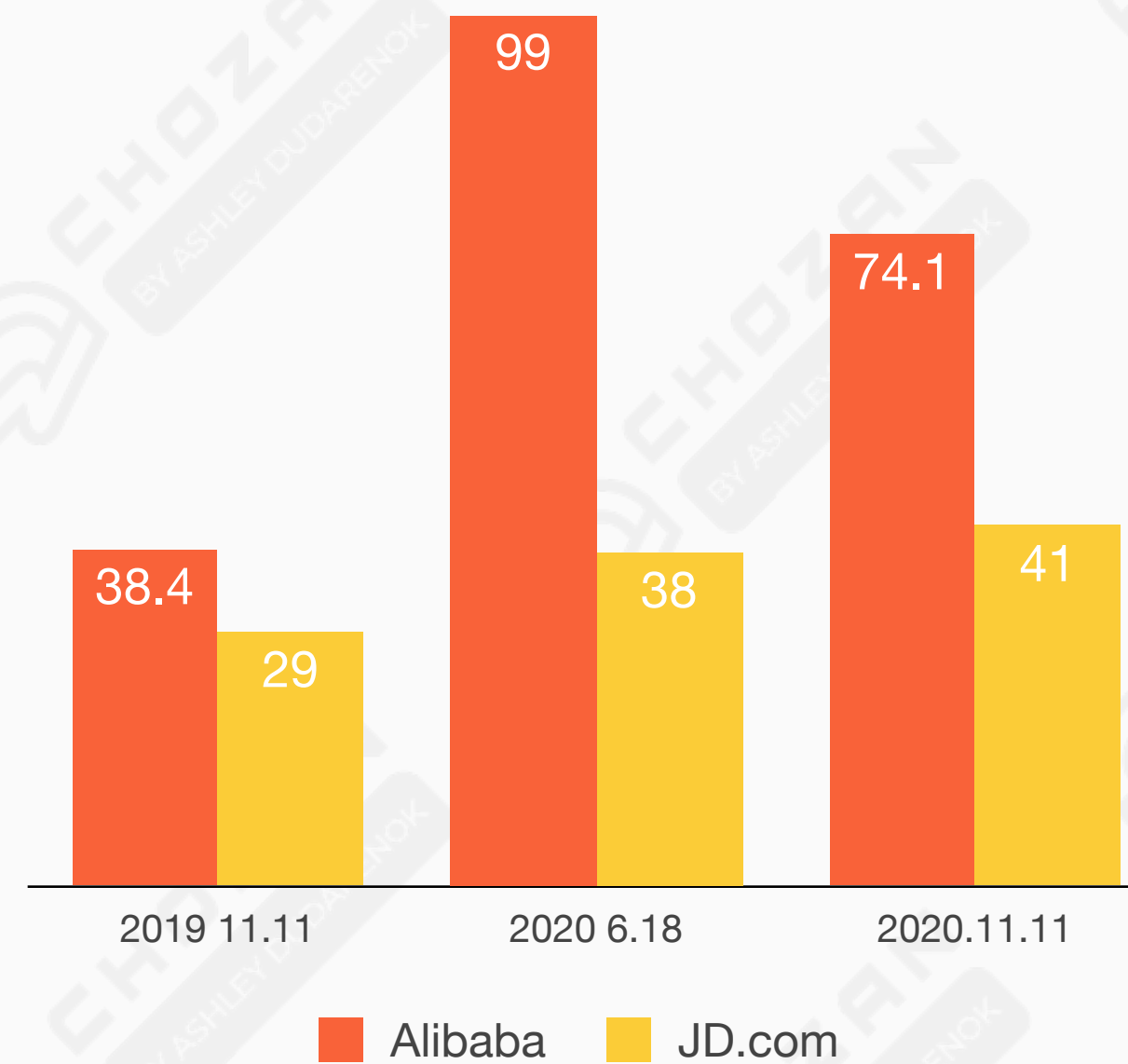
840
MILLION
RMB

TOTAL SALES

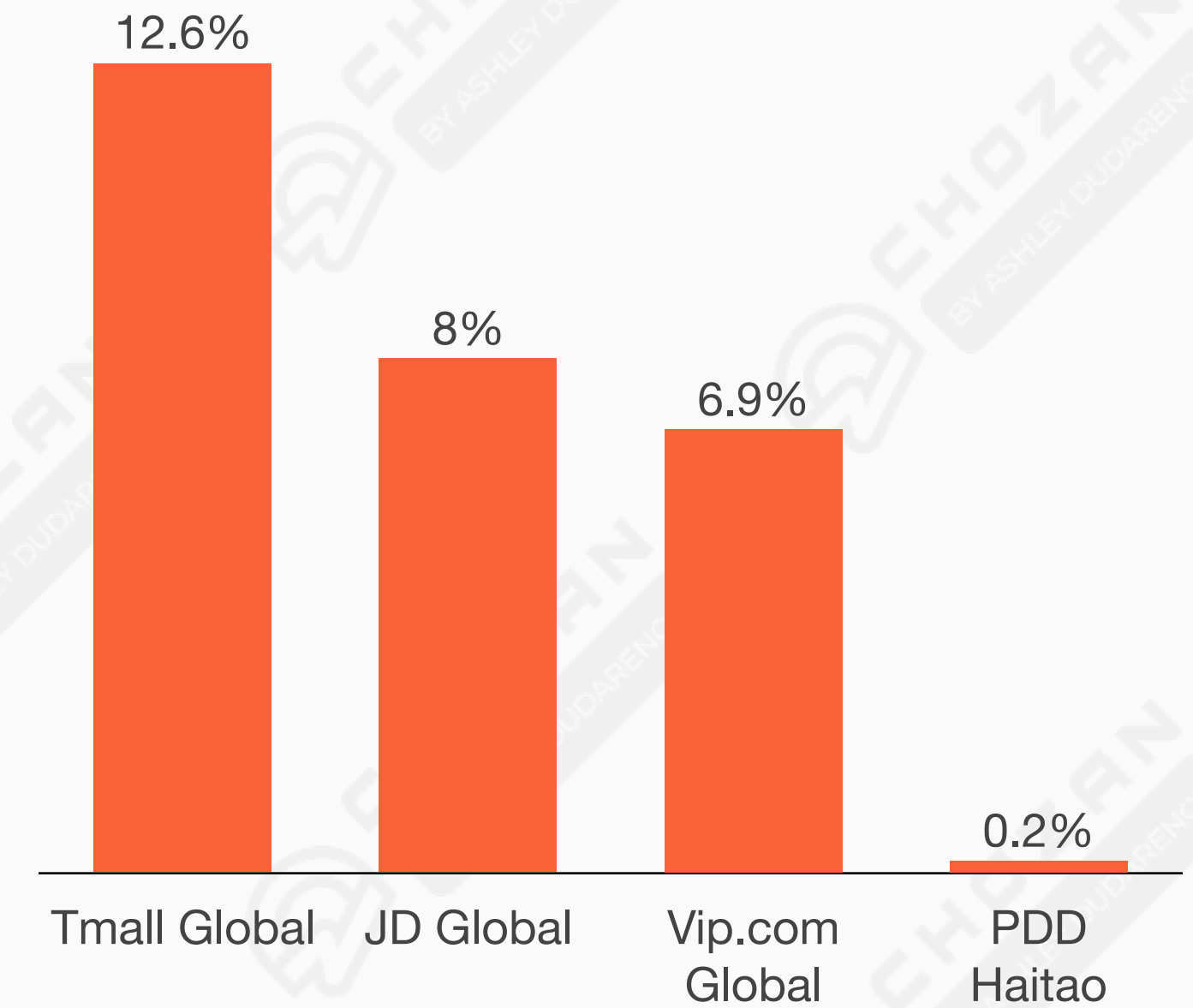


+29%
YOY GROWTH

**BIGGEST ONLINE SHOPPING FESTIVALS BY SALES
(IN BILLIONS, USD)**



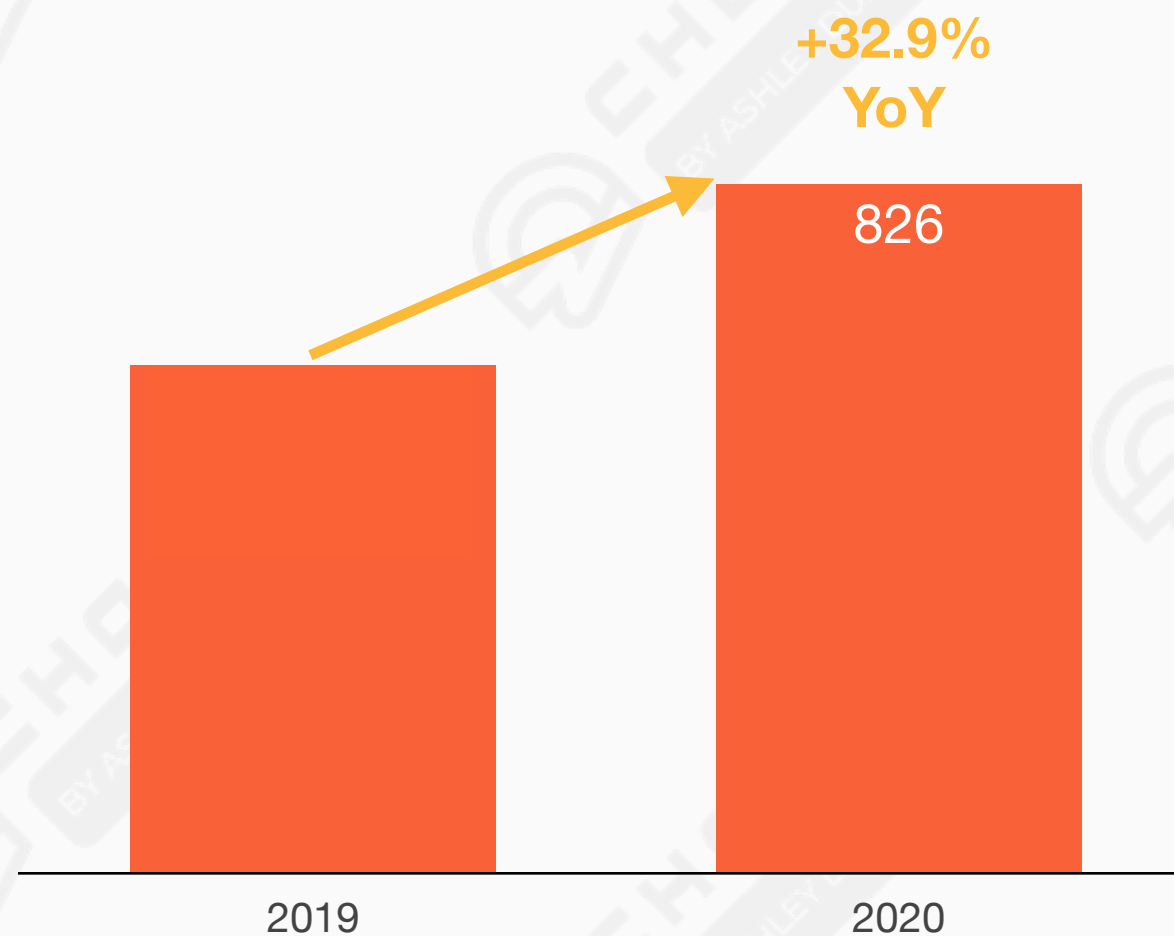
**CROSS-BORDER E-COMMERCE
PLATFORM PORTION OF TOTAL SALES
DURING 11.11**



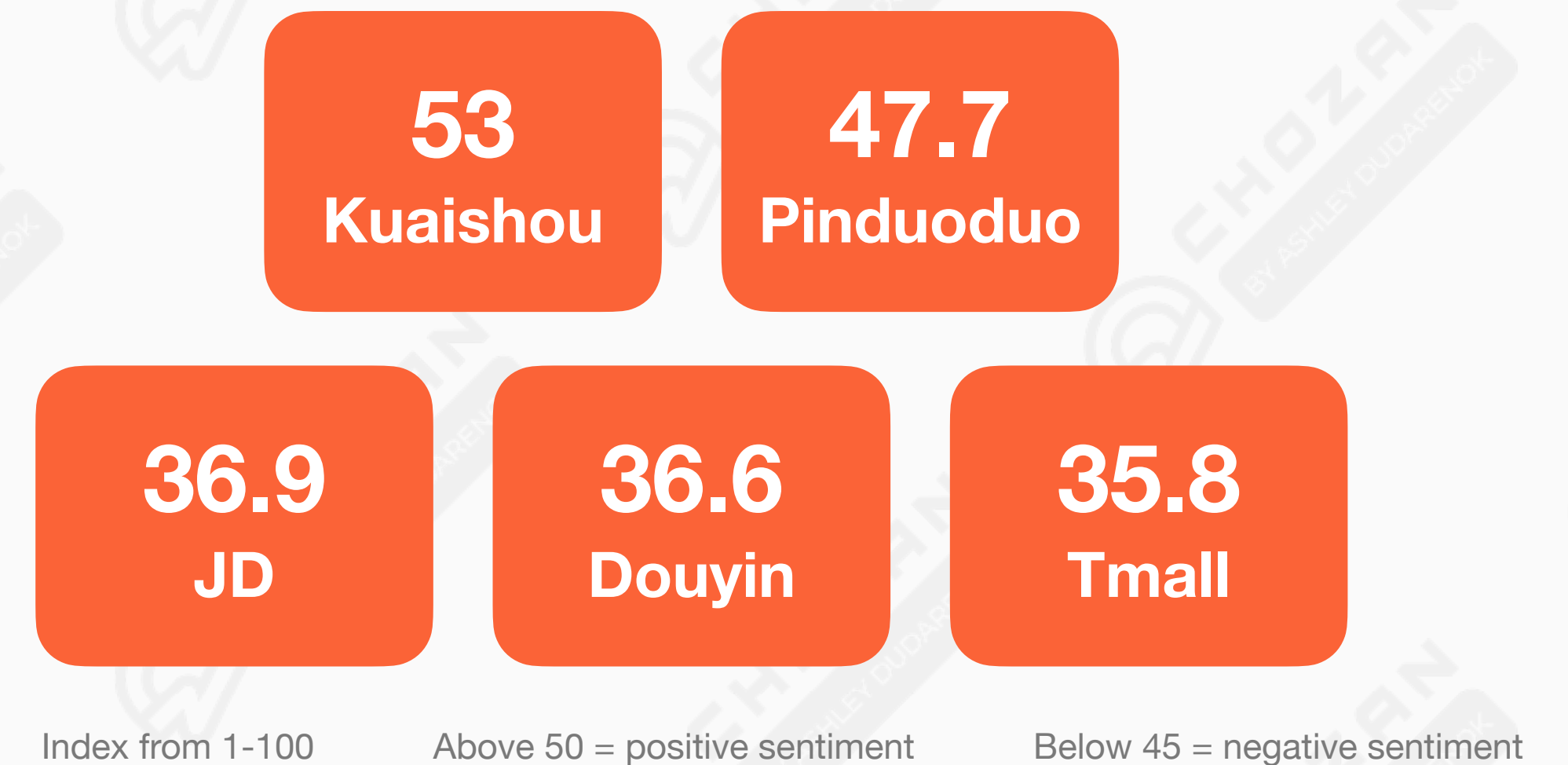
MAJOR ONLINE SHOPPING FESTIVALS

DOUBLE 11 - PARTICIPATION

ACTIVE USERS ON E-COMMERCE DURING DOUBLE 11
2019-2020 (IN MILLIONS)



POSITIVE SENTIMENT TOWARD BIG
PLATFORM PROMOTIONS 11.11 2020



MAJOR ONLINE SHOPPING FESTIVALS

DOUBLE 11 - SALES PERIOD FOR E-COMMERCE PLATFORMS



10.21 - 10.31

ROUND 1 PRESALE

(Posting ads → Add to cart)

11.01 - 11.03

SNAP UP

(Placing orders)

11.04 - 11.10

ROUND 2 PRESALE

(Warm up → Add to cart)

11.11

FINAL SNAP UP

(Purchasing)



10.21 - 10.31

PRESALE

(Posting ads → Add to cart)

11.01 - 11.03

START

(Placing orders)

11.04 - 11.08

SPECIAL EVENT PERIOD

(Presale in different categories)

11.09 - 11.11

PEAK PERIOD

(Purchasing)



10.20 - 10.31

PRESALE

(Posting ads → Add to cart)

11.01 - 11.10

WARM UP PERIOD

(Warm up → Add to cart)

11.11

SALE PERIOD

(Purchasing)



10.21 - 10.30

ROUND 1 PRESALE

(Posting ads → Add to cart)

10.31 - 11.03

START

(Placing orders)

11.04 - 11.10

ROUND 2 PRESALE

(Warm up → Add to cart)

11.11

SALE

(Purchasing)



10.19 - 10.30

GETTING DISCOUNTS IN RED PACKETS

(Posting ads → Add to cart)

10.31 - 11.04

GRAND OPENING

(Placing orders)

11.04 - 11.10

BRAND FESTIVAL ROTATION

(Warm up → Add to cart)

11.11

FINAL SALE

(Purchasing)

MAJOR ONLINE SHOPPING FESTIVALS

DOUBLE 11 - SINGLES' DAY RECORDS



TMALL

In 1 hour, more than 1 million smart home devices were sold

On November 1st, over 100 brands exceed 100 million RMB in sales in 2 hours

The number of live-streaming merchants increased by 220%

Over 250,000 brands participated

375 emerging brands became top sellers



JD.COM

JD Plus membership reached 20 million

New JD Plus members increased by 113% YoY on November 1st

JD's international business saw transaction volume increase more than 120% YoY in the first 10 minutes

JD's luxury sales grow 138% YoY on November 1st



SUNING

Suning had sales of 5 billion RMB across all channels 19 minutes after the start of 11.11

It gained 100,000 new Super members in 8 minutes

MAJOR ONLINE SHOPPING FESTIVALS

DOUBLE 11 - TOP INDUSTRIES DURING 11.11

During 2020 the most popular products were home appliances and personal care products.

TOP 10 INDUSTRIES FOR TOTAL SALES

- | | | | |
|----------|-----------------------------|-----------|--------------------|
| 1 | HOME APPLIANCES | 6 | SHOES AND BAGS |
| 2 | MOBILE ELECTRONICS | 7 | FOOD AND BEVERAGE |
| 3 | APPAREL | 8 | OFFICE ELECTRONICS |
| 4 | PERSONAL CARE AND COSMETICS | 9 | BABY TOYS |
| 5 | FURNITURE & DIY | 10 | SPORTS AND OUTDOOR |

TOP 4 INDUSTRIES FOR SALES GROWTH

- | | | |
|---|----------|---------------------------|
|  | 1 | PERSONAL CARE |
|  | 2 | MAKEUP AND COSMETICS |
|  | 3 | COOKING OIL AND SEASONING |
|  | 4 | ALCOHOL |

MAJOR ONLINE SHOPPING FESTIVALS

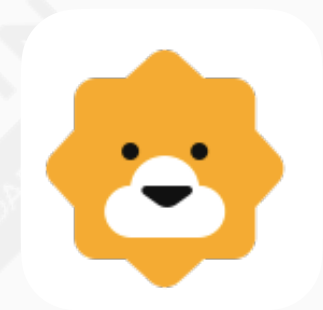
DOUBLE 11 - LIVE-STREAMING DATA

During 2020 Double 11 live-streaming went to the new level.



800 MILLION

RMB IN GMV BY SUPER BUYERS



50,000+

LIVE-STREAMS IN ALL CATEGORIES



70,000+

LIVE-STREAMERS DAILY IN ALL CATEGORIES



1,660 YEARS

WORTH OF TAOBAO LIVE-STREAMING HOURS

60,000+

LIVE-STREAMERS DAILY DURING PRESALE

100,000

LIVE STREAMS WITHOUT KOL SUPPORT



300 MILLION

PEOPLE WATCHED LIVE STREAMS

30+ LIVE ROOMS

EXCEEDED 100 MILLION SALES

+509.34%

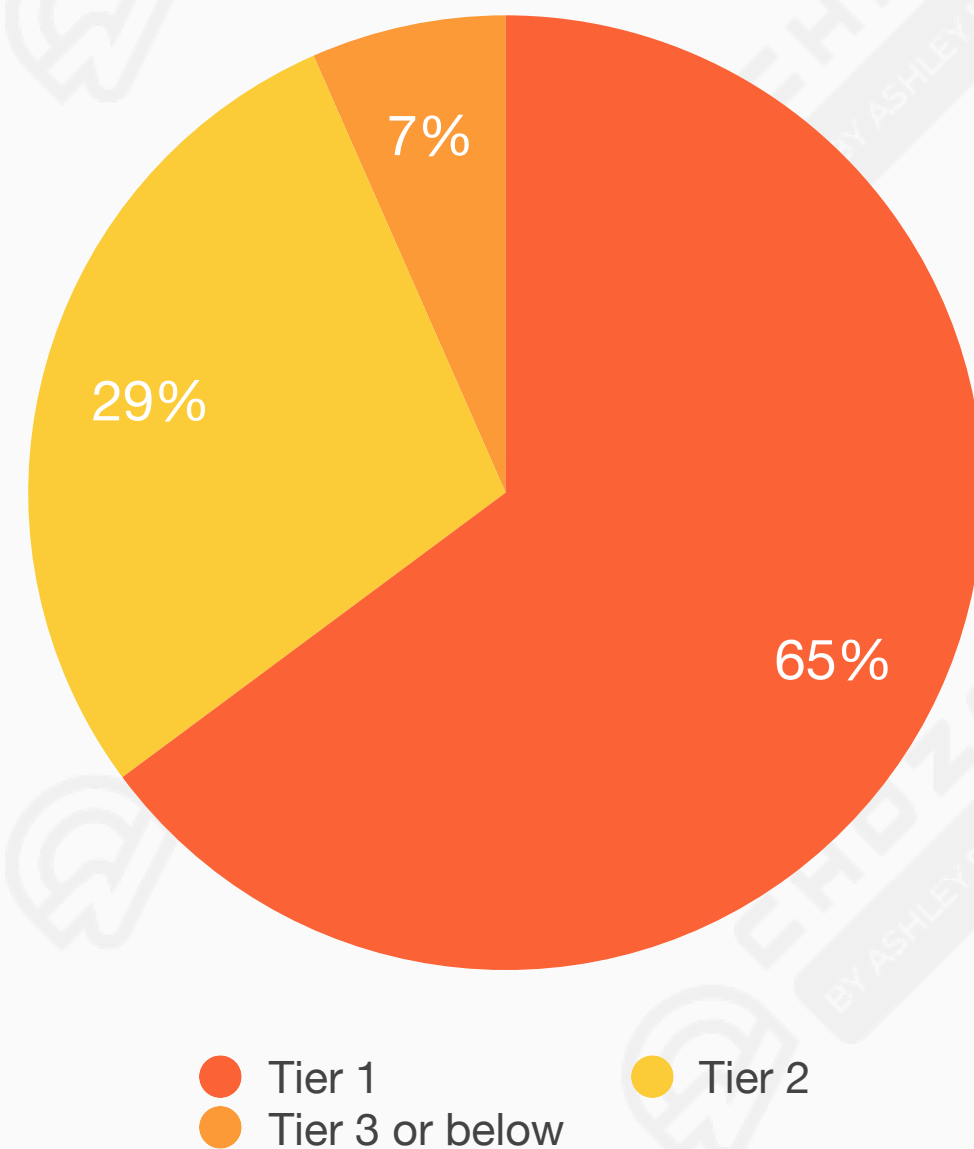
GMV OF STORES OWN LIVESTREAMING

MAJOR ONLINE SHOPPING FESTIVALS

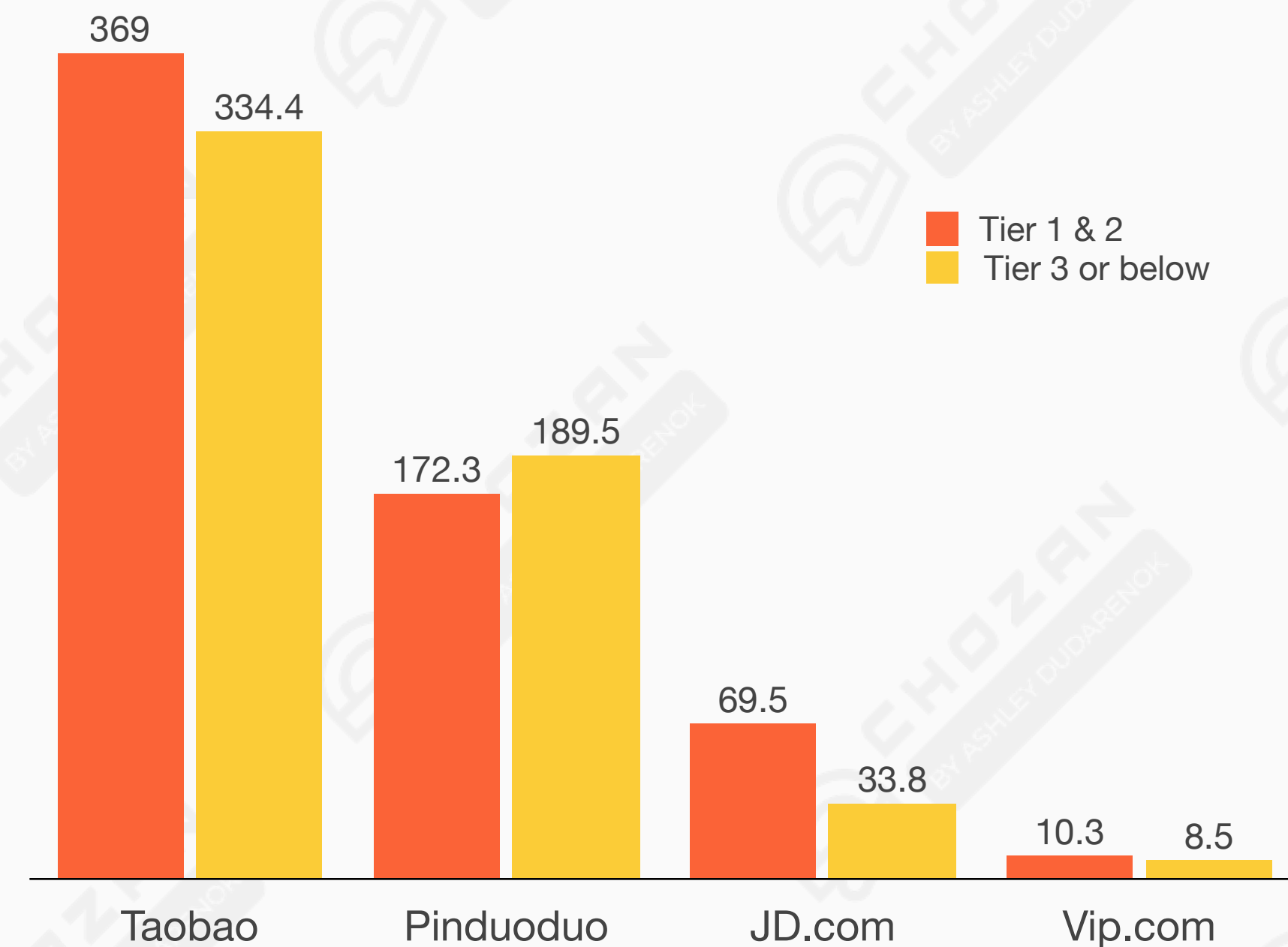
DOUBLE 11 - CONSUMPTION RECOVERY - THE LOWER-TIER MARKET AS A DRIVING FORCE

MAJOR ONLINE SHOPPING FESTIVALS

ACTIVE DOUBLE 11 ONLINE SHOPPERS
BY CITY TIER, 2020



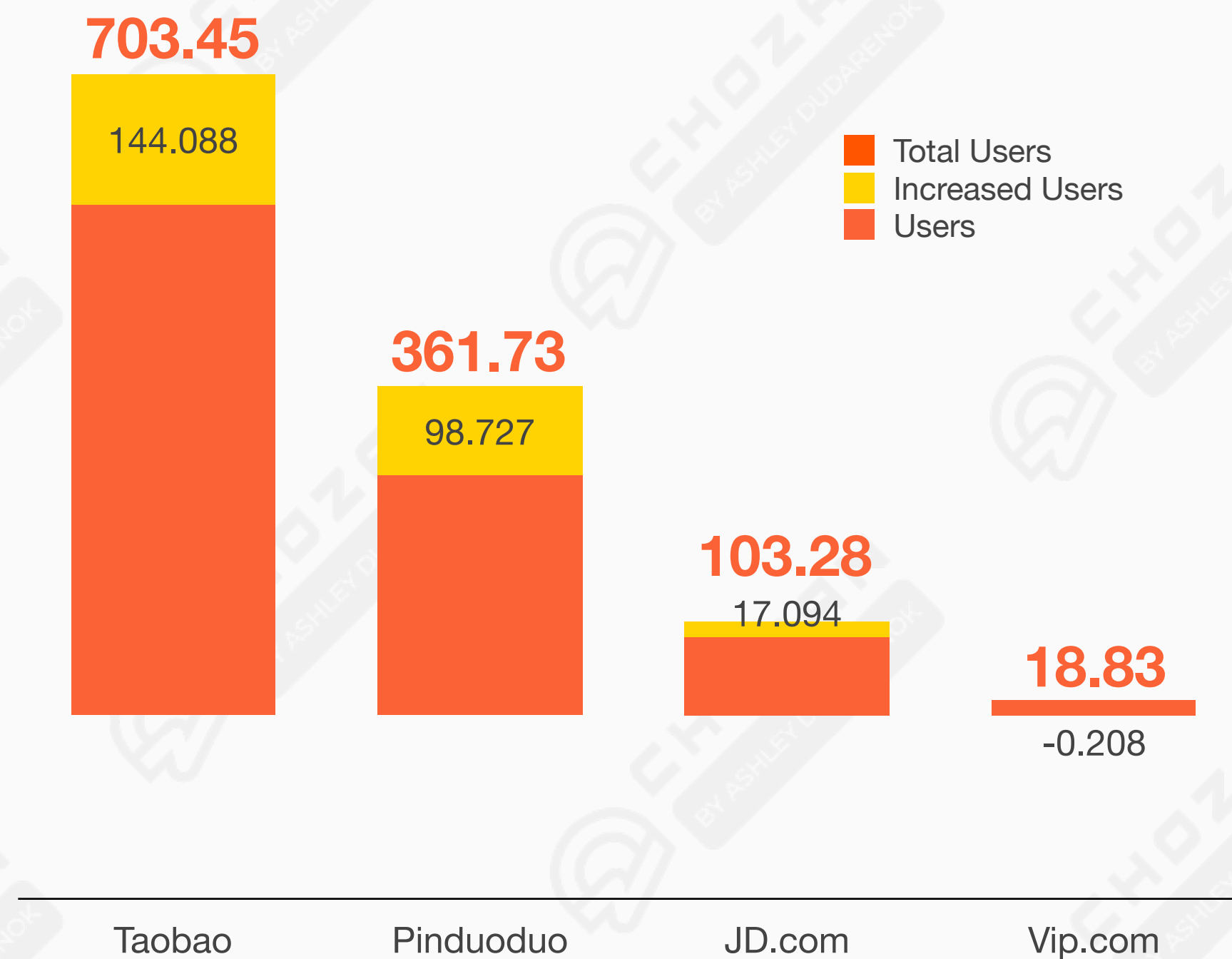
THE DOUBLE 11 ELECTRONICS MARKET BY PLATFORM AND CITY
(IN MILLIONS RMB)



MAJOR ONLINE SHOPPING FESTIVALS

DOUBLE 11 - CONSUMPTION RECOVERY - USER BEHAVIOUR DURING 11.11

INCREASE IN ACTIVE USERS DURING
DOUBLE 11, 2020 (IN MILLIONS)



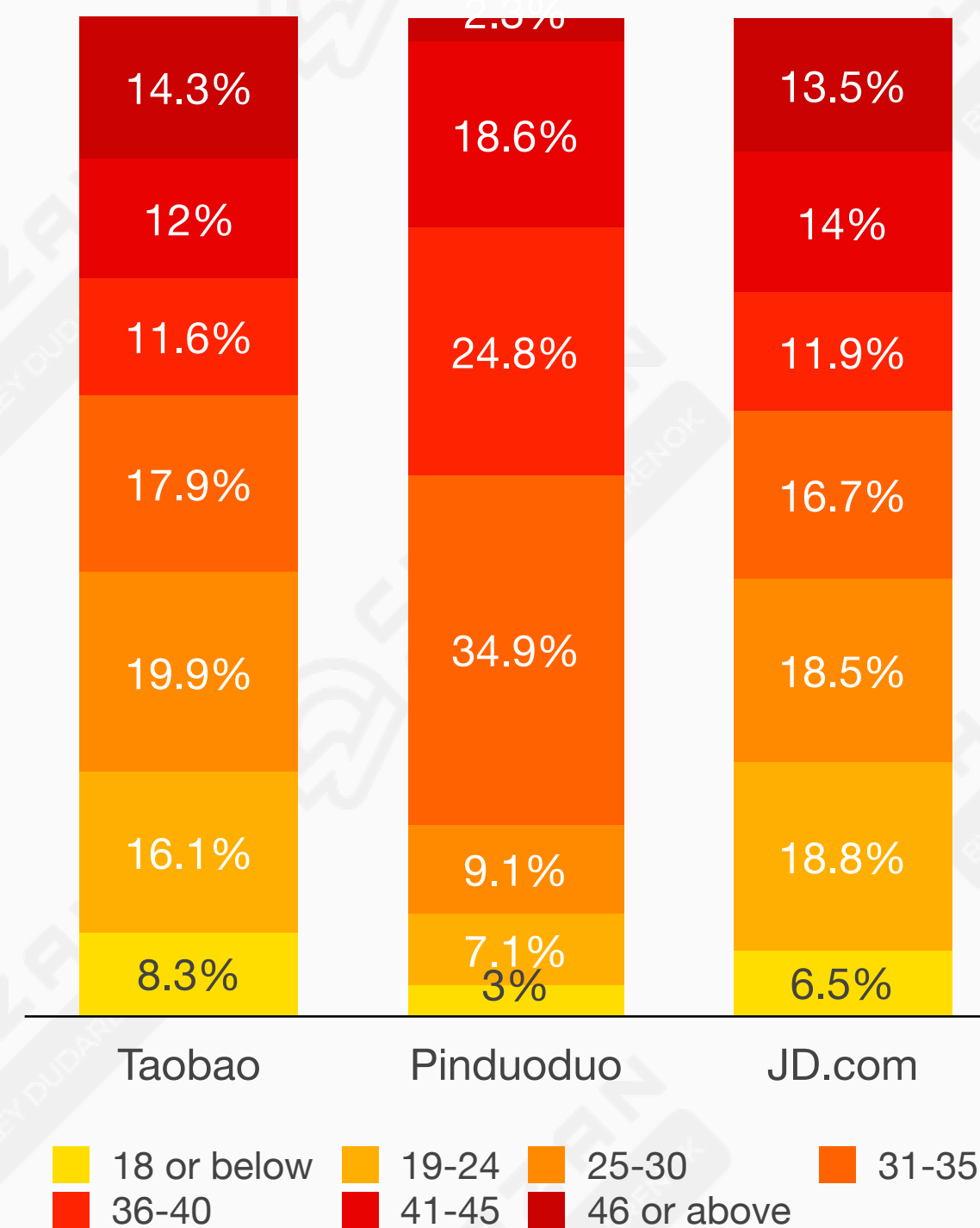
Last year gamification and promotions attracted new users to participate in the shopping festival.

MAJOR ONLINE SHOPPING FESTIVALS

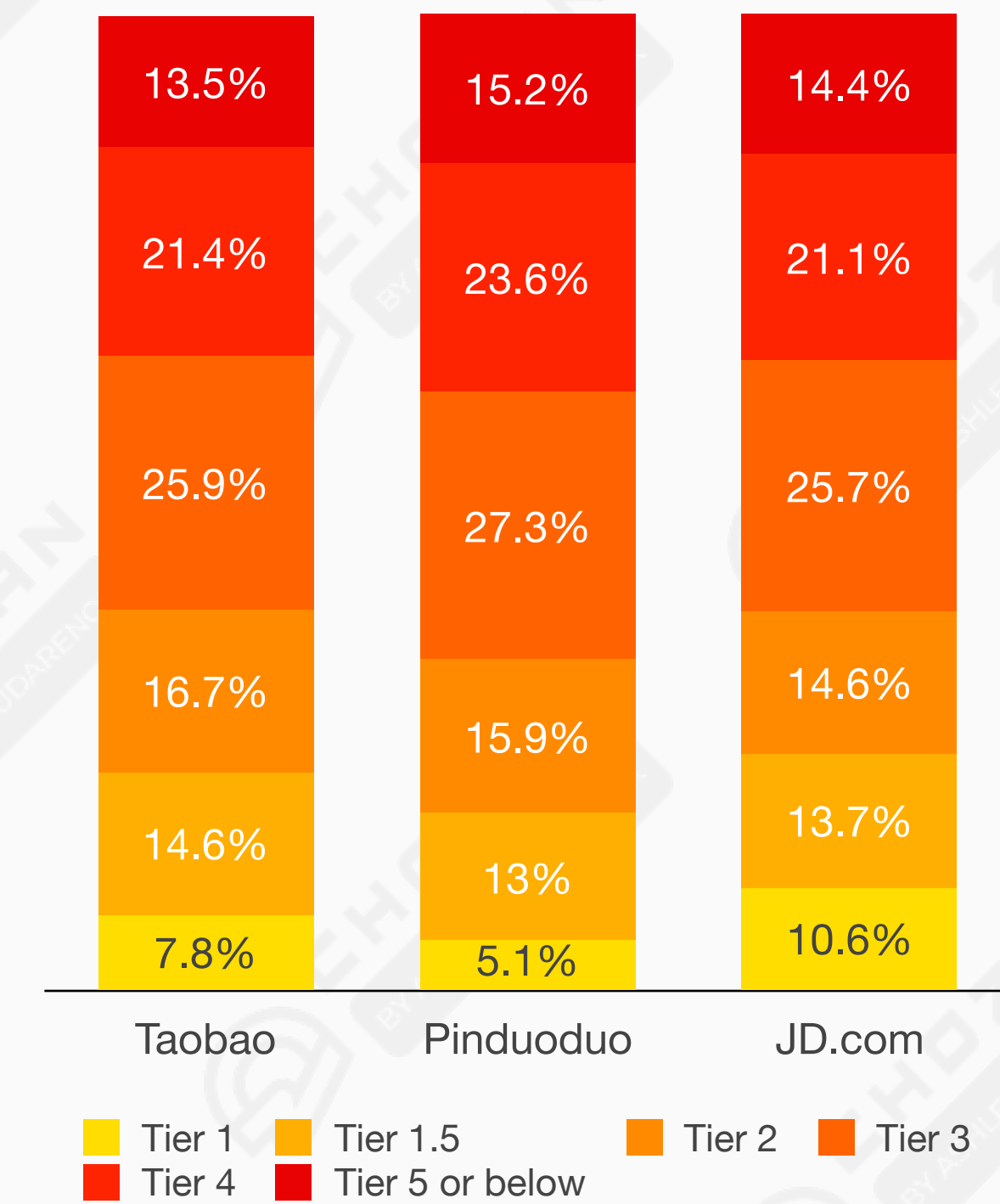
DOUBLE 11 - CONSUMPTION RECOVERY - USER BEHAVIOUR DURING 11.11

NEW APP USERS DURING DOUBLE 11

BY AGE



BY CITY TIER



Lower tier city users are rapidly adopting e-commerce apps.

EXPERT BITES

Q: WHAT WAS MOST SURPRISING FOR YOU ABOUT 11.11 2020?

- 1) **Double 11 is going global!** 31,766 overseas brands from 84 places were on Alibaba's cross-border platforms. Livestreams on AliExpress were in English, French, Spanish, Russian and more.
- 2) **D11 is going luxury.** Luxury brands resisted mainstream e-commerce until... 2020! One after the other, they launched Tmall flagship stores. Nearly 200 luxury and designer brands, double last year's number, participated and for many, it was the first time. Most were happy, but they'll need to match these Tmall consumers to their first party assets, and engage with them online AND offline. This will challenge them.
- 3) **D11 is going smarter.** Year after year, it becomes more difficult, more challenging and more expensive. I was amazed by the amount of money spent on the wrong audiences. Databank in the past 18 months shows that Ali is willing to help brands play smarter by connecting with first party data etc. But make no mistake, **if you leave it up to Ali, you may end up giving them the keys to drive your car.** So, brands need to build their own first party data assets if they want to operate in China long-term.



EDOUARD DE MEZERAC
Managing Partner
Artefact, China and Asia.

EXPERT BITES

Q: IN YOUR VIEW, HOW WILL CHANGES DURING 11.11 LAST YEAR IMPACT/CHANGE SHOPPING FESTIVALS IN 2021?

There will be **deeper collaborations between platforms, more unique and interesting mash ups and other high-tech wizardry** to drive cross-platform traffic and consumption.



JOSH GARDNER

CEO Kung Fu Data

EXPERT BITES

Q: IN YOUR VIEW, HOW WILL CHANGES IN 11.11 LAST YEAR IMPACT SHOPPING FESTIVALS IN 2021?

Chinese shopping festivals will continue to showcase international brands and products due to the appetite from consumers. Alibaba will continue to have an 11 day festival to help consumers and businesses of all sizes to leverage its scale.

Pinduoduo's continued lack of 11.11 will continue as the brand struggles to compete against better capitalized rivals.



HENDRIK LAUBSCHER

Founder and Chief Analyst at
Blue Cape Venture

EXPERT BITES

Q: IN YOUR VIEW, HOW WILL CHANGES FROM 11.11 LAST YEAR IMPACT SHOPPING FESTIVALS IN 2021?

Regulations have tightened since 11.11 and there are more rules and compliance standards that sellers and platforms need to follow. So **in 2021, people will look deeper into how healthy sales data is, instead of how big it is.**



QIMEI LUO

Livestreaming Industry Marketer
and PR Expert

EXPERT BITES

Q: WHAT WAS MOST SURPRISING FOR YOU ABOUT 11.11 IN 2020?

100% GMV growth. Given the gloomy retail climate outside China, this was welcome news. **A new sales window was added from November 1 to 3 on TaoBao/TMall** with the aim to create more opportunities for new merchants to showcase their products.

There were increasing complaints about the complexity of promotion rules. The shopping spree was extended to help boost sales but complaints from consumers grew considerably on social media about the complicated rules and retailers' savvy strategies to control discounting. While catchy promotions and strikingly low prices are common teaser strategies on the description page, a fair amount of calculation is involved as well. **The duration of 11.11 livestreaming sessions on Taobao totaled 1,660 YEARS.**



JOSH GARDNER
CEO Kung Fu Data



SOCIAL MEDIA

UP-TO-DATE FEATURES OF
DIFFERENT SMM PLATFORMS

EXPERT BITES



ASHLEY DUDARENOK

Founder of Alarice and ChoZan,
LinkedIn Top Voice, 3x best-selling author

Q: WHAT ARE YOUR RECOMMENDATIONS IN TERMS OF MARKETING FOR COMPANIES THAT WANT TO ENTER CHINA IN 2021?

Identify your target audience, do preparation, understand who they are, what they do and how they communicate before doing any marketing strategies or spending. China is not a cheap market, and it's very easy to spend dollars on the wrong platform while not reaching your consumers. The concept of "the more, the better" will not work in China. **Select 2-3 communication channels and focus on them. Follow hot topics and trends** on this platform to create engaging content and increase brand awareness. **Use videos and, as always, stay creative and connect with your audience on an emotional level.** There are no shortcuts to great social media presence in China. It's all about consistently developing outstanding content, and **hosting a few strategic campaigns a year to support shopping festivals** such as Super Brand Day, 618 and 11.11.

EXPERT BITES





WENDY CHEN
Marketing Manager at
Alarice and ChoZan

Q: WHAT DO BRANDS NEED TO DO TO AVOID MISTAKES IN COMMUNICATION WITH CONSUMERS IN Q1 2021?

Although the Covid situation is much better in China, **empathy is still very important. Avoid epidemic related topics** and avoid references and examples from 2020 that might evoke bad experiences. It's still sensitive in China and off-limits for attempts at humour. **However, 2020's internet slang and marketing trends have become very important. Brands need to understand this balance.**



SOCIAL MEDIA

OVERVIEW - PLATFORMS AT A GLANCE

	 Weibo	 WeChat
Platform type	Social media	Social platform
Content production characteristics	Text, pictures, videos, etc.	Voice, text, picture, video, etc.
Product presentation format	Waterfall interface	/
Content recommendation mechanism	Distribution based on social and interest	Based on social and content Based on location
2020 H1 big move	Launched video account and planet video APP	Launched video account
Strong content categories	Entertainment, stars, social intelligence information	Knowledge and life



SOCIAL MEDIA

OVERVIEW - PLATFORMS AT A GLANCE

	 Douyin	 Kuaishou
Platform type	Short video platform	Short video platform
Content production characteristics	Short video: 15 seconds to 1 minute Long video: within 5 minutes, within 15 minutes Transition from UGC to PUGC, PGC	Short video: 11 - 57 seconds, within 5 minutes Long video: within 10 minutes Transition from UGC to PUGC, PGC
Product presentation format	Single split + auto play (information flow interface) Vertical screen	Double column + click to play (waterfall interface) Vertical screen
Content recommendation mechanism	Based on content quality distribution	Distribution based on social and interest
Latest DAU	400 million +	300 million +
Strong content categories	Strong media attributes	Strong community attributes



SOCIAL MEDIA

OVERVIEW - PLATFORMS AT A GLANCE

	 Bilibili	 Xigua
Platform type	Comprehensive video community	PUGC video platform
Content production characteristics	PUGC-based Long video mainly	PUGC-based Long video mainly
Product presentation format	Click to play (Waterfall interface) Landscape-oriented	Click to play (Waterfall interface) Horizontal screen + Vertical screen
Content recommendation mechanism	Distribution based on social and interest	Distribution based on content and interests
2020 H1 big move	New Knowledge Zone section	Open up TouTiao system traffic
Strong content categories	Two-dimensional, knowledge	Beachcombing, film and television variety shows

SOCIAL MEDIA

OVERVIEW - PLATFORMS AT A GLANCE

	 Haokan	 Xiaohongshu
Platform type	Short video platform	Life sharing community
Content production characteristics	PUGC-based Mainly knowledge-based content	Graphic, short video (within 5 minutes) UGC, PUGC mainly
Product presentation format	Content aggregation square, click to play	Waterfall interface
Content recommendation mechanism	Horizontal screen + vertical screen	Distribution based on content and interests
2020 H1 big move	Dig through with iQiyi	Decentralization
Strong content categories	Knowledge, positive energy	Beauty, fashion

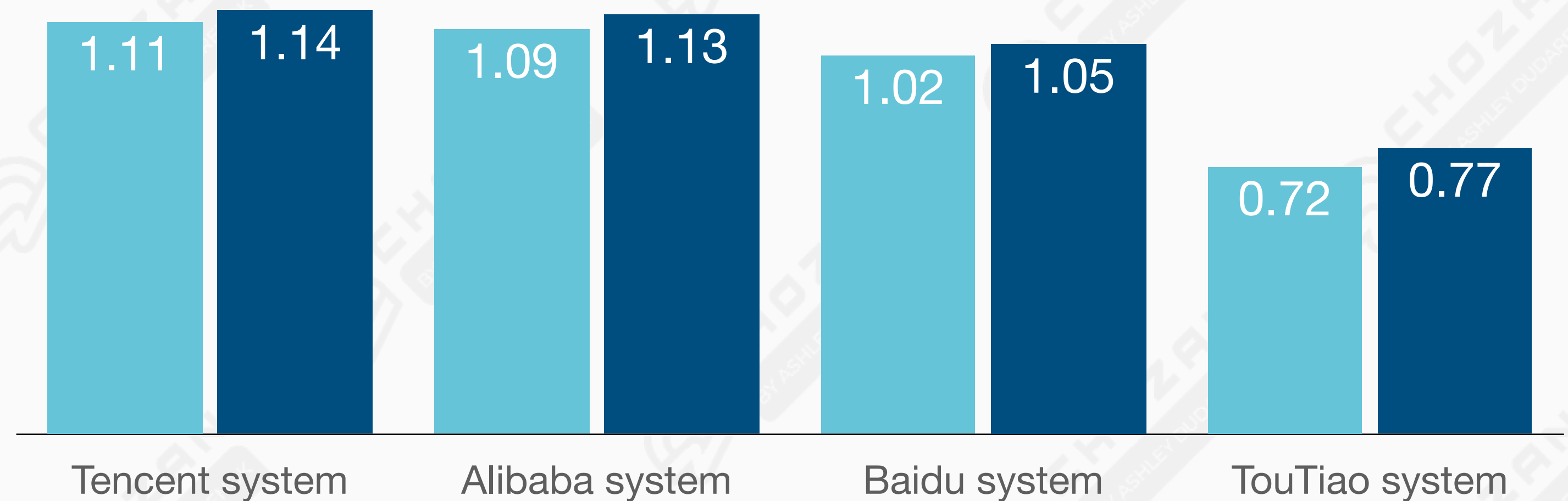
Source: [CBNData, Content Development for Short Videos, 2020](#)

SOCIAL MEDIA

OVERVIEW - DEVELOPMENT OF MINI PROGRAMS

The scale of the three BAT users has exceeded 1 billion, and the TouTiao system has increased by 7.1% year-on-year. The traffic advantage is significant. The mini program has become an important area for the giants to dig deeper into user value and to empower ecological construction.

MONTHLY ACTIVE USERS OF MOBILE APP SCALE (BY BILLIONS)



SOCIAL MEDIA

OVERVIEW - DEVELOPMENT OF MINI PROGRAMS

Growing platform functions allow further commercialisation of Mini Programs.

	PLATFORM FEATURES	BUSINESS EMPOWERMENT UPGRADE
WECHAT MINI PROGRAMS	<ol style="list-style-type: none"> 1. Various entrance methods 2. Social fission 3. Diverse types 	<ul style="list-style-type: none"> ● Publish video number, mini program live plug-in ● Optimised functions, such as adjusting the “subscribe message” function, adding “favourite”, “add to my applet” and other functions ● Enterprise WeChat and WeChat intercommunication upgrade
ALIPAY MINI PROGRAMS	<ol style="list-style-type: none"> 1. Consumption + Finance 2. New retail expansion to enrich offline scenarios 	<ul style="list-style-type: none"> ● Open Taobao livestreaming capabilities ● Two revisions of Alipay. Home page displays life service applications ● Open application centre and upgrade coupons
BAIDU SMART MINI PROGRAMS	<ol style="list-style-type: none"> 1. Search + information flow 2. Open source 	<ul style="list-style-type: none"> ● Increase support for live e-commerce ● Launched "Baidu Service Center", which aggregates life service functions such as medical and health care, express delivery services, etc. ● Launched the "brand new official website" solution

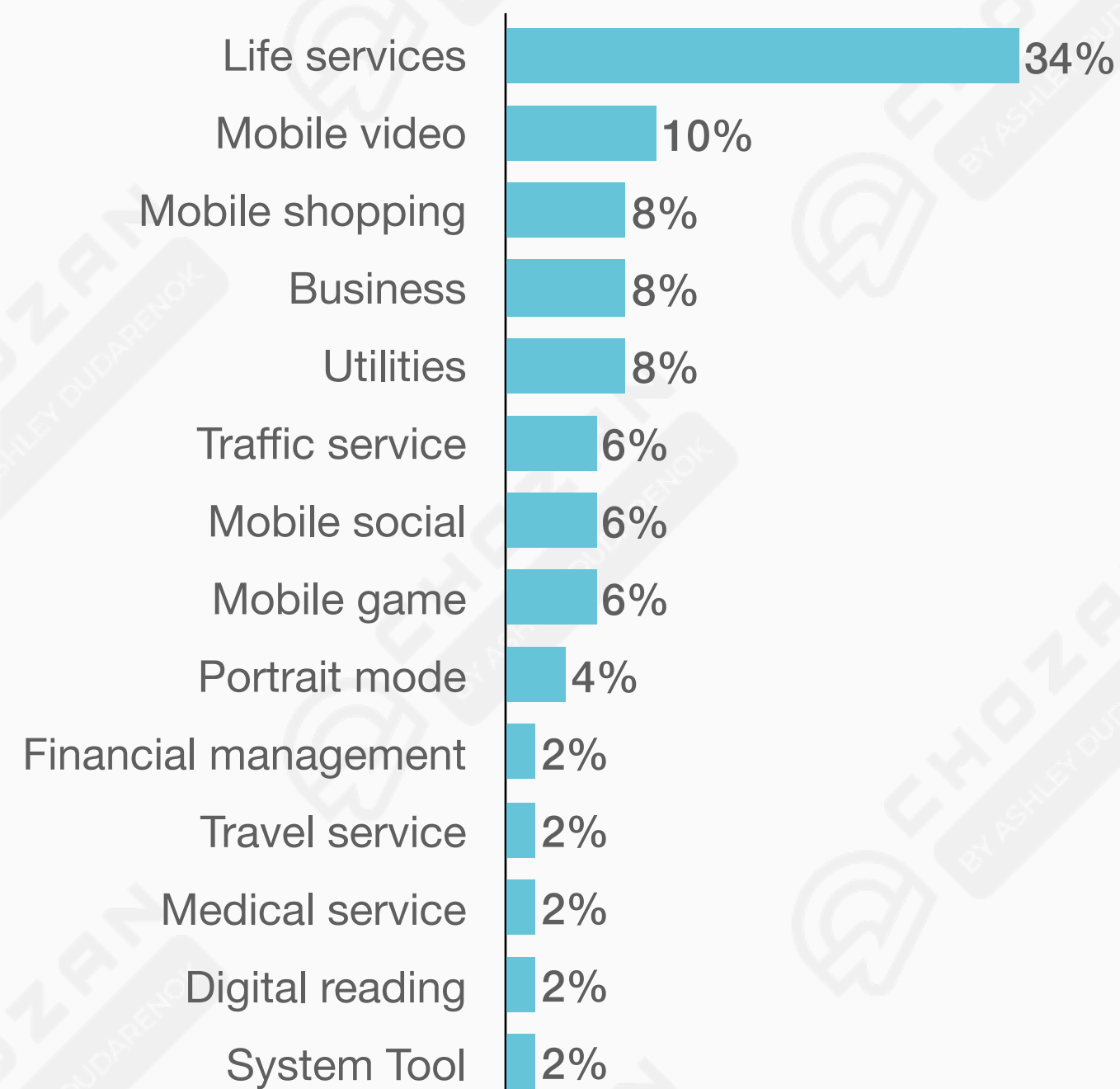
SOCIAL MEDIA

OVERVIEW - DEVELOPMENT OF MINI PROGRAMS

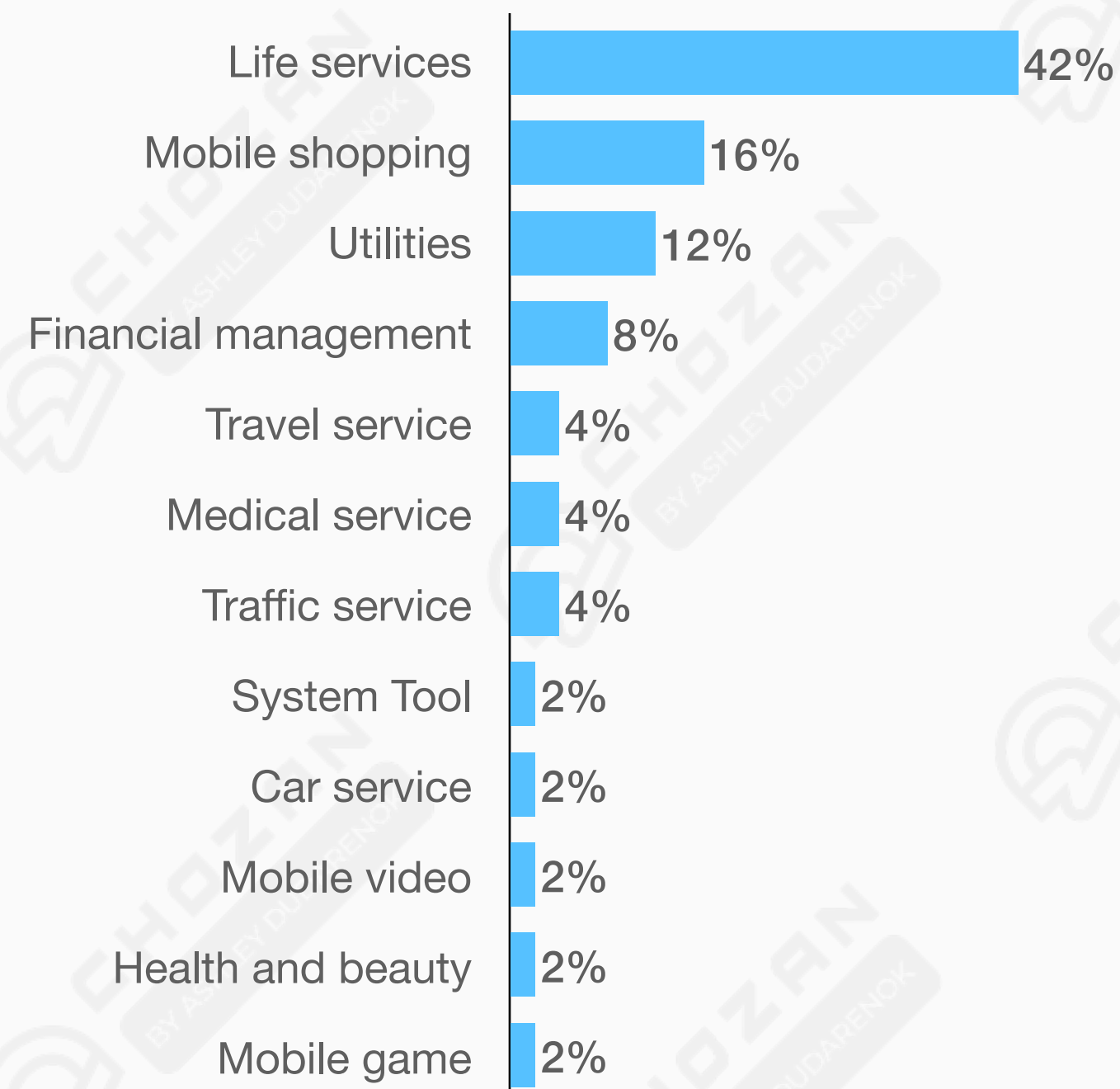
Most popular sections across digital spaces: Lifestyle services and mobile shopping

DISTRIBUTION OF TYPICAL APPLICATION INDUSTRIES OF BAT MINI PROGRAMS IN JUNE 2020

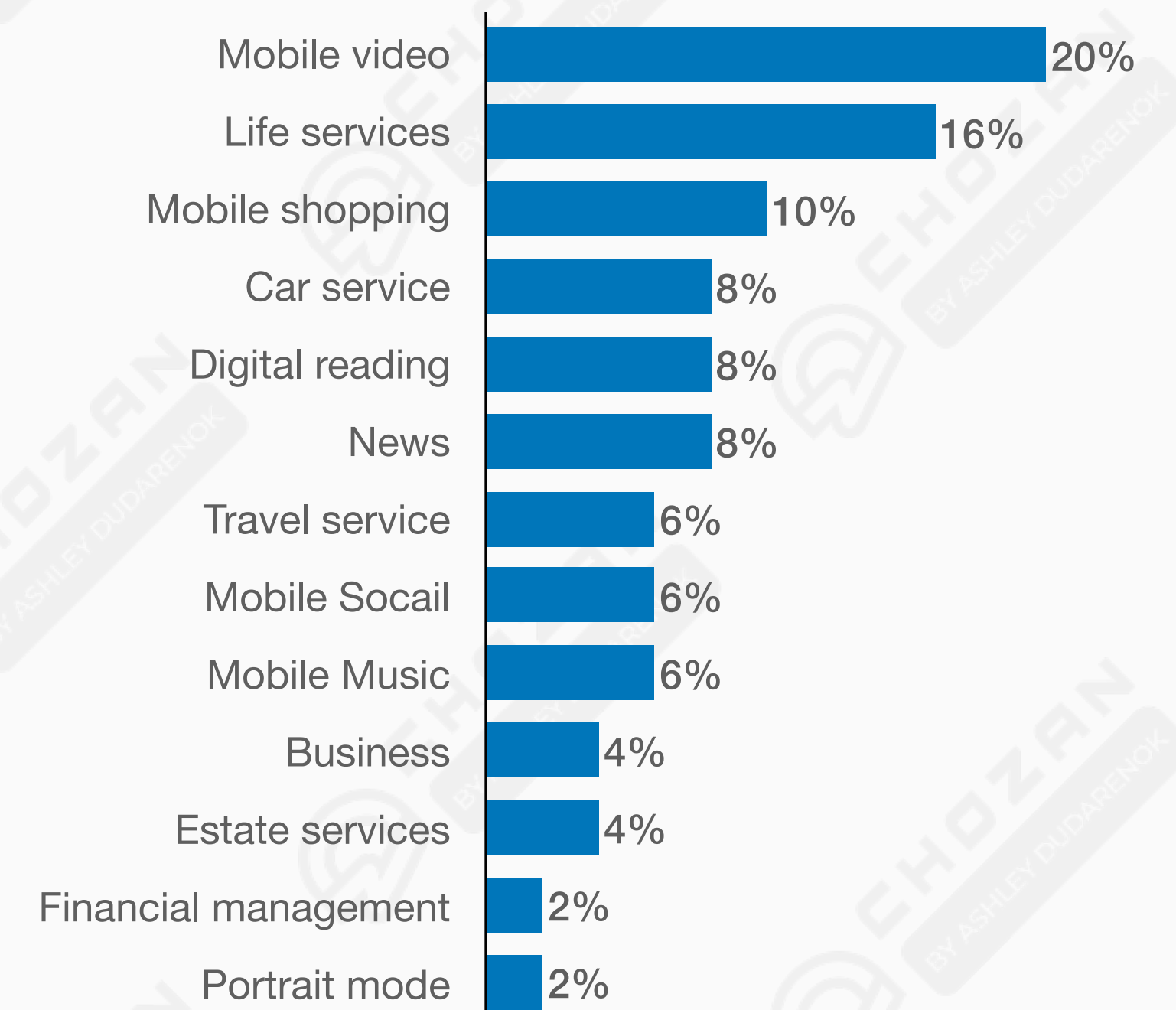
WECHAT MINI PROGRAMS



ALIPAY MINI PROGRAMS



BAIDU SMART MINI PROGRAMS



EXPERT BITES

Q: IN YOUR VIEW, WHAT WERE THE MOST IMPORTANT UPDATES ON SOCIAL MEDIA IN CHINA IN 2020? HOW WILL THEY IMPACT 2021?

Social media marketing in 2020 is still very effective for building brand awareness in the China market. **In 2021, we need to understand the fierce competition in getting effective results on traditional social media platforms.**

Meanwhile, we also are recommended keeping an eye on newer but widely adopted social media such as Douyin, Bilibili and Meituan, etc.



RICHIE YUNG

Chairman, The Asian General Chamber of New Retail (ANR)

EXPERT BITES

Q: IN YOUR VIEW, WHAT WERE THE MOST IMPORTANT UPDATES ON SOCIAL MEDIA IN CHINA IN 2020? HOW WILL THEY IMPACT 2021?

For me, there are a couple of developments in social that stood out in 2020:

- 1) How fully Bilibili has emerged in the zeitgeist for Gen Z.**
- 2) How productive RED has become in fuelling the growth of brands, especially smaller, niche brands.**



CHRIS BAKER
Founder Totem Media

EXPERT BITES

Q: HOW HAS KOL MARKETING EVOLVED IN 2020 AND WHAT DOES IT MEAN FOR BRANDS TODAY?

2020 boosted the KOL sector. We had more enquiries in 2020 than we did in 2019. That's all due to the fact that **brick and mortar businesses were closed** down and **it was time for e-commerce to take over.** The best way to convert is by using KOLs. This basically means that brands need to have a smart KOL strategy in place. It's not just about the fan base anymore. **Longtail KOLs have picked up the pace and have better conversions than some larger KOLs** in the industry.



DAVID GULASI

CEO of DaveGulasi.com and
China KOL

EXPERT BITES

Q: IN YOUR VIEW, WHAT WERE THE MOST IMPORTANT UPDATES TO SOCIAL MEDIA IN CHINA IN 2020? HOW WILL THEY IMPACT 2021?

The top 3 Chinese social media trends we observed in 2020 are live streaming, AI, and selling to lower-tier cities. The China market consists of a scattered, yet integrated, ecosystem clusters with all-in-one super apps, putting search, sharing, influencers, entertainment and marketplace commerce together for the convenience of consumers. **There will be more consolidation and restructuring in 2021, and whichever app captures most consumer values will dominate the market.**



JASMINE ZHU

Founder and Head of Brand
at CI Brand Management

PLATFORM

WECHAT



EXPERT BITES



OSCAR LIN
Copywriter/Researcher at
Alarice and ChoZan

Q: WHAT ARE YOU MOST EXCITED ABOUT WHEN IT COMES TO WECHAT IN Q1 2021?

On December 24th, WeChat had a new round of updates and some of these made me excited, especially the new **“Live Streams & People Nearby” function in the “Discover” tab**. This means there's one more path for people to easily see WeChat short videos and live streams. In the next few months, **I believe that WeChat video will become more popular and marketing campaigns on WeChat will become even more entertaining.**

SOCIAL MEDIA

WECHAT PLATFORM - AT A GLANCE

The WeChat ecosystem was forced to rapidly expand and upgrade software due to COVID-19. Followed by a 30% increase in average usage time, this adaptability and effectiveness clearly indicates why WeChat is a market leader.



WECHAT ECOSYSTEM

1.2 BILLION+

MONTHLY ACTIVE USERS

60 MILLION+

ACTIVE USERS OF WECHAT WORK

20 MILLION+

OFFICIAL ACCOUNTS

2.5 MILLION

COMPANIES USED WECHAT WORK

1 MILLION+

MINI PROGRAMS

50 MILLION+

MONTHLY ACTIVE MERCHANTS ON WECHAT PAY

400 MILLION+

DAILY ACTIVE USERS OF MINI PROGRAMS

1 BILLION

DAILY COMMERCIAL TRANSACTIONS ON WECHAT PAY

SOCIAL MEDIA

WECHAT PLATFORM - MAIN FUNCTIONS

1

A messaging app which provides text messaging, hold-to-talk voice messaging, broadcast (one-to-many) messaging, video calls and conferencing, video games, photograph and video sharing, as well as location sharing.

2

A social media platform with **WeChat Moment** which allows users to post images, text, and short videos taken by users. The Chinese translation of Moment is known as “Friends' circle”, which allows users to share and get access to accepted WeChat friend information, creating an intimate and private communicating circle within the user choice of close friends.

3

A multi-purpose platform with ranging features. **Public Accounts**, which push feeds to subscribers, interact with subscribers and provide them with services. **Mini Program** is an app within an app. Business owners can do their business through a Mini Program, while users can enjoy other functions. **Channels**, a new feature WeChat launched recently where people can enjoy short videos shared by friends and business.

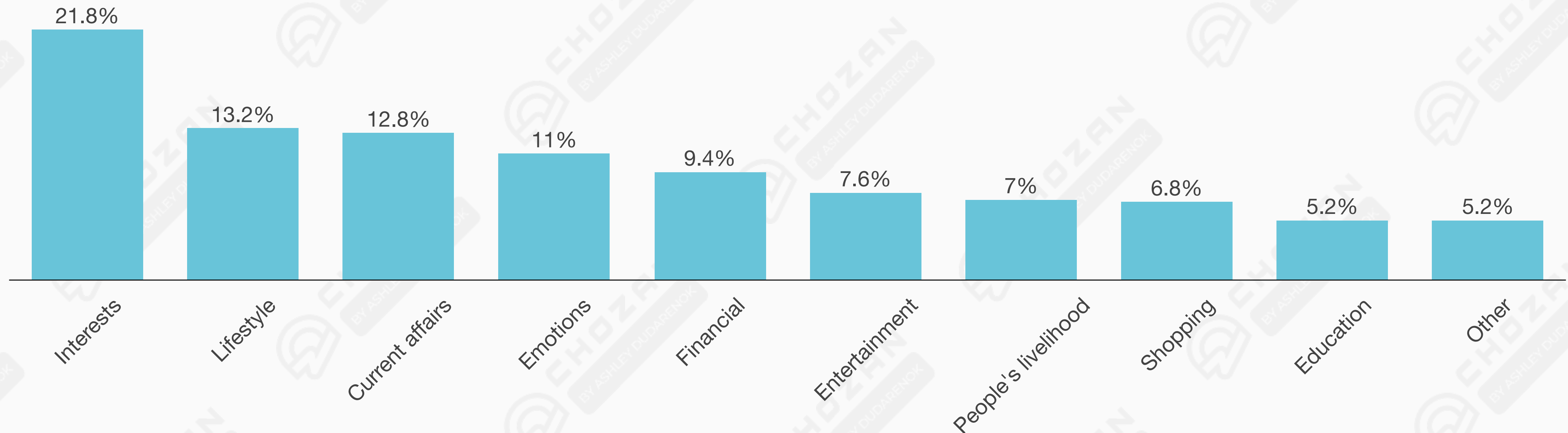


SOCIAL MEDIA

WECHAT PLATFORM - ACCOUNT DISTRIBUTION BY INDUSTRY

The industries with the highest number of public accounts include Interests, Lifestyle and Current affairs. This high frequency in the Interests segment is reflective of user engagement directions.

INDUSTY DISTRIBUTION OF TOP 500 PUBLIC ACCOUNTS

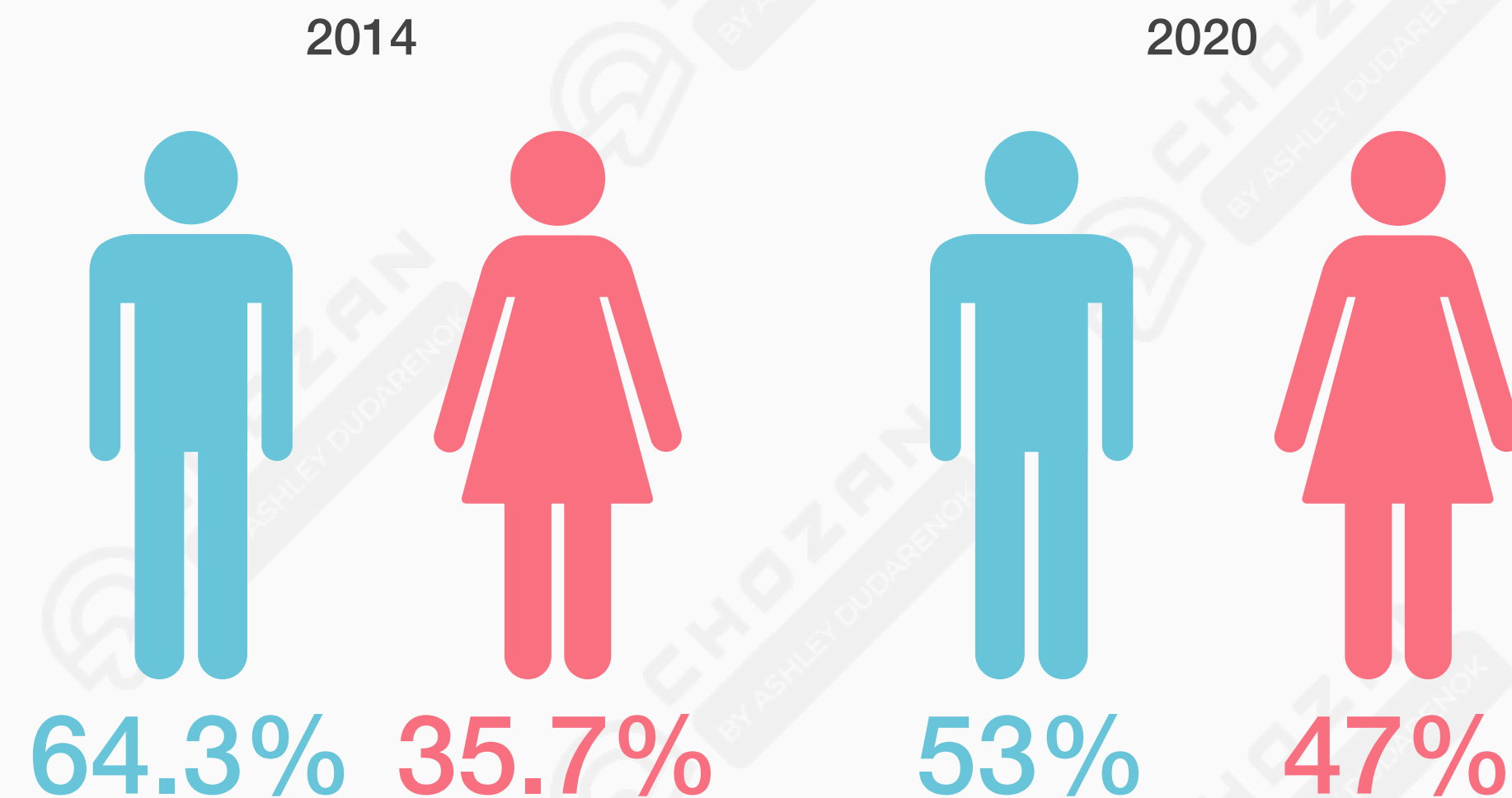


SOCIAL MEDIA

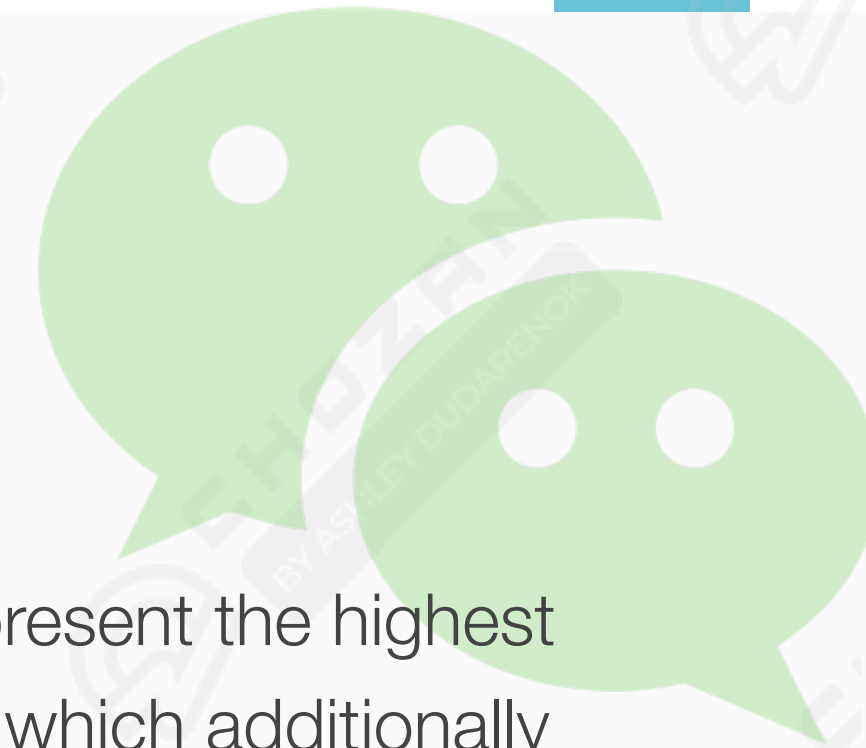
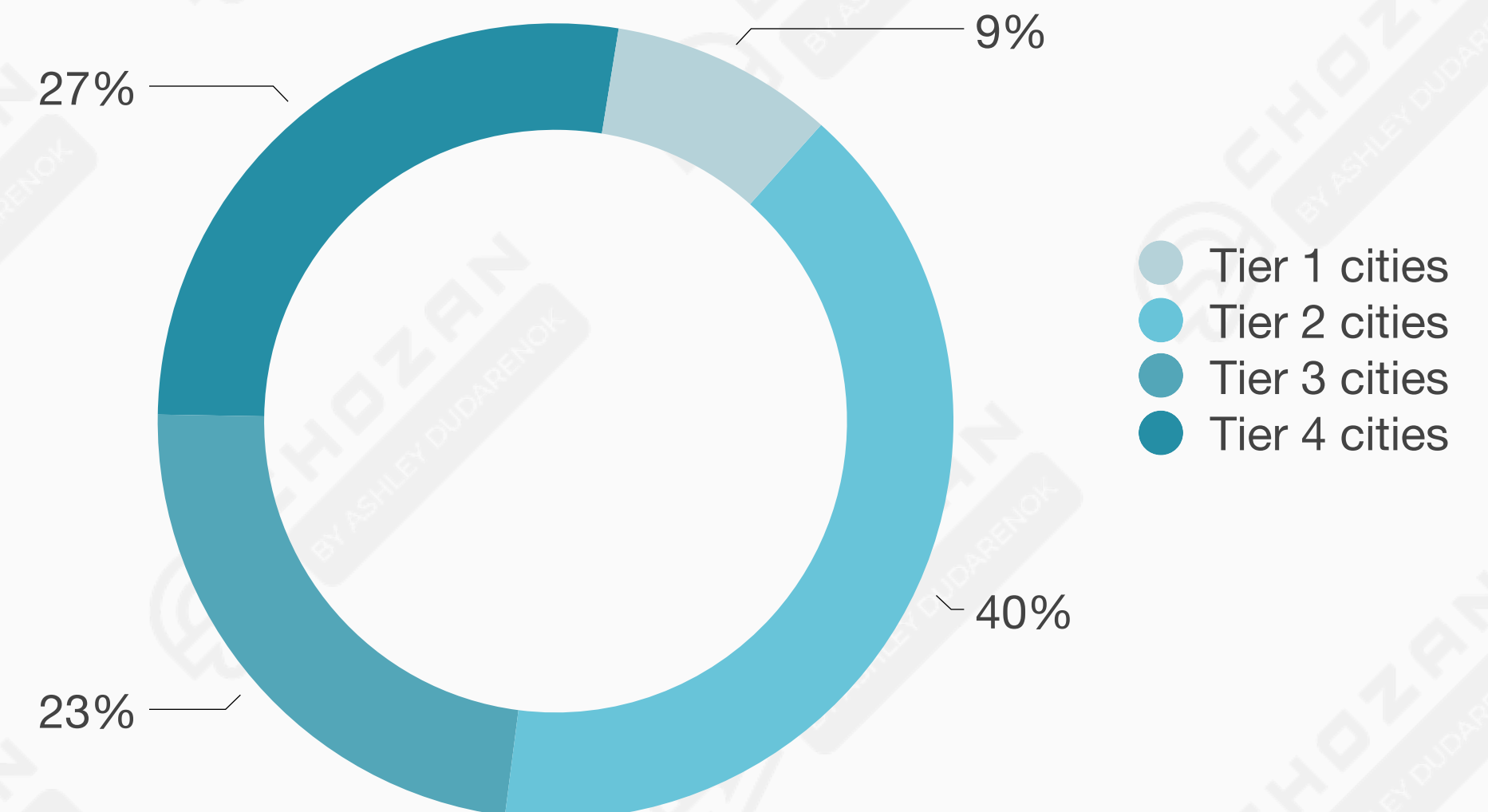
WECHAT PLATFORM - USER DEMOGRAPHICS

Between 2014 and 2020 the gender ratio has included increasingly more females to almost equal male users. Tier 2 cities represent the highest user percentage while tier 1 cities have the lowest. This correlates with the growth in lower tier city app users and customers, which additionally coincides with growth in women driven consumer groups.

CHANGE IN THE GENDER RATIO FROM 2004 TO 2020



WECHAT FOLLOWERS BY CITY TIER



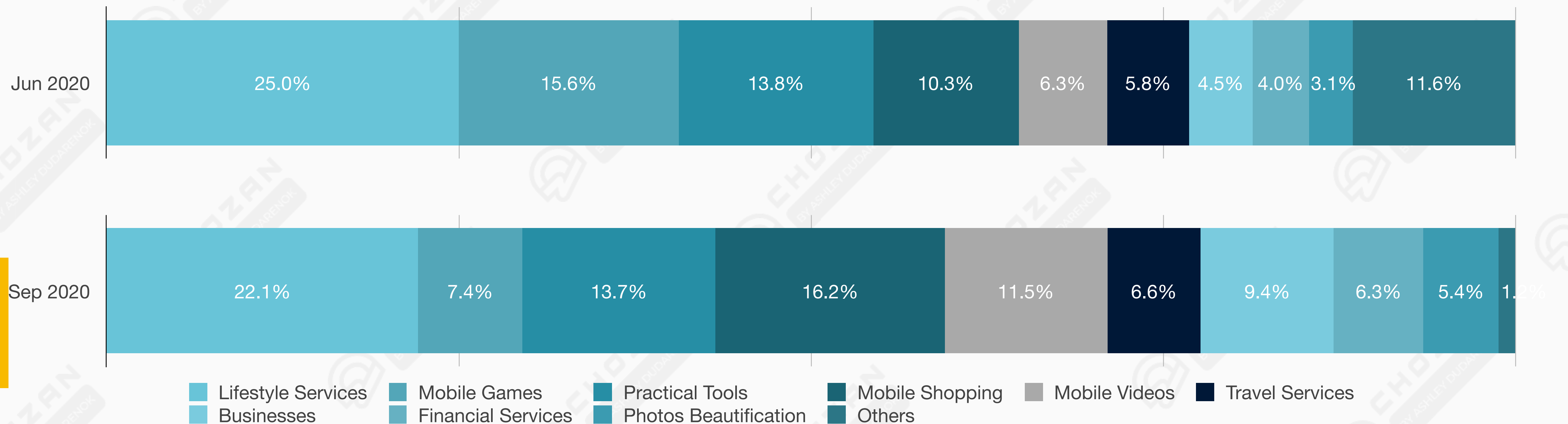
SOCIAL MEDIA

WECHAT PLATFORM - MINI PROGRAM MAU BY INDUSTRY

Mini program industry segments with the highest monthly-active-users are Lifestyle services and Mobile gaming. Additionally, Lifestyle services, Mobile gaming and Practical tools all grew in MAUs from June 2020 to Sep 2020.



MAU>500 WECHAT MINI-PROGRAM INDUSTRIES



SOCIAL MEDIA

WECHAT PLATFORM - POPULAR MINI PROGRAMS



Travel service and Mobile video are the top categories associated with the top ranking Mini Programs.

Ranking	Mini Programs	Categories
1	DIDI CHUXING	Travel service
2	Kan Yi Kan	Mobile video
3	Shenghuo Jiaofei	Piratical tool
4	Tongxing Luxing	Travel service
5	Pin Duo Duo	Mobile Shopping
6	Wechat City service	Lifestyle service
7	Jingxi	Mobile Shopping
8	MeituanWaimai	Lifestyle service
9	SF Express	Lifestyle service
10	Jinshan Wendang	Business



SOCIAL MEDIA

WECHAT PLATFORM - TOP MARKETING METHODS



**Take
Advantage of
Mini Programs**

Work on Customer Engagement

Companies can promote their products through carefully curated campaigns that contain highly shareable keywords.

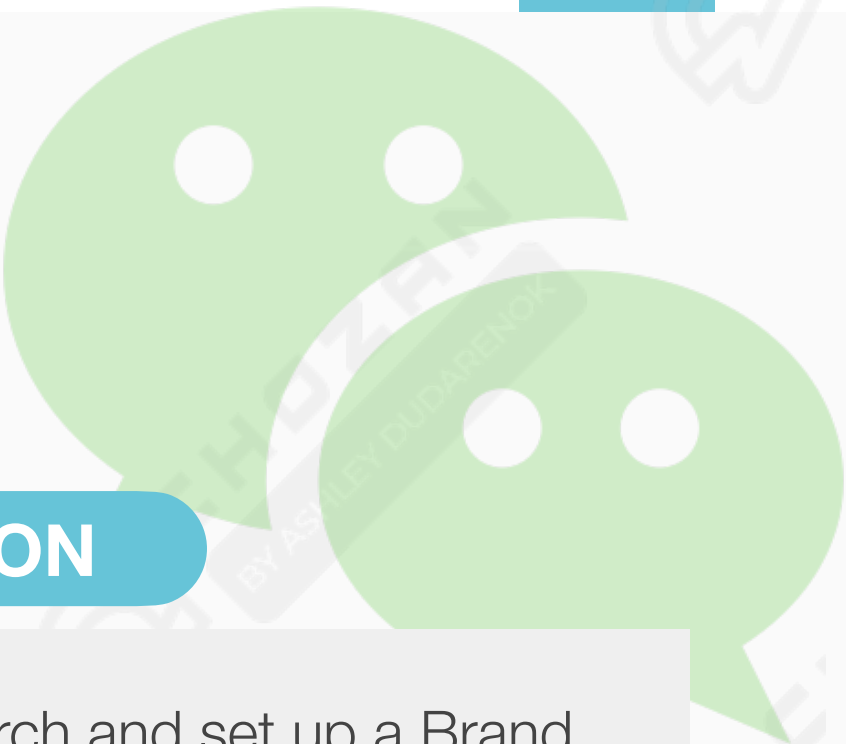
**Build Your
Private Pools**

SOCIAL MEDIA

WECHAT PLATFORM - TOUCHPOINTS

Touch-points represent the two-way methods customers interact with the business within channels, and are critical in building trust.

ITEM	KPI	DESCRIPTION
WeChat Search	+ Acquisition	Optimize how a DMO is found via WeChat search and set up a Brand Zone to showcase all 1st party content. Make sue mini programs are linked in search.
48-Hour Journeys	+ Bindings + Conversions - Unfollow Rate	Create personalised 1:1 journeys based on the follower’s status, location, CRM binding, transactions and entry into the account. Drive action such as grabbing a coupon, purchasing a ticket, or checking out an itinerary.
The Menu Bar	+ Engagement Rate + Conversions	Design a menu bar that makes key information easy to find. Link all mini programs for quick access. Create custom menus for different user segment to increase engagement and conversion.
Customer Service	+ Increase visitor satisfaction - Unfollow Rate	Setup and deploy autoresponders to answer FAQs and help consumers navigate the account. Offer a customer service mini program with a combination of live and chatbot support.
Conversions	+ Track Conversions + Provide Incentives - Friction	Offer coupons exclusive to WeChat to be redeemed at various attractions. Offer direct link to ticketing & reservation and the ability to pay with WeChat Pay. Create a UGC mini program or H5 page where visitors can share photos and reviews.



SOCIAL MEDIA

WECHAT PLATFORM - CONTENT BEST PRACTICES

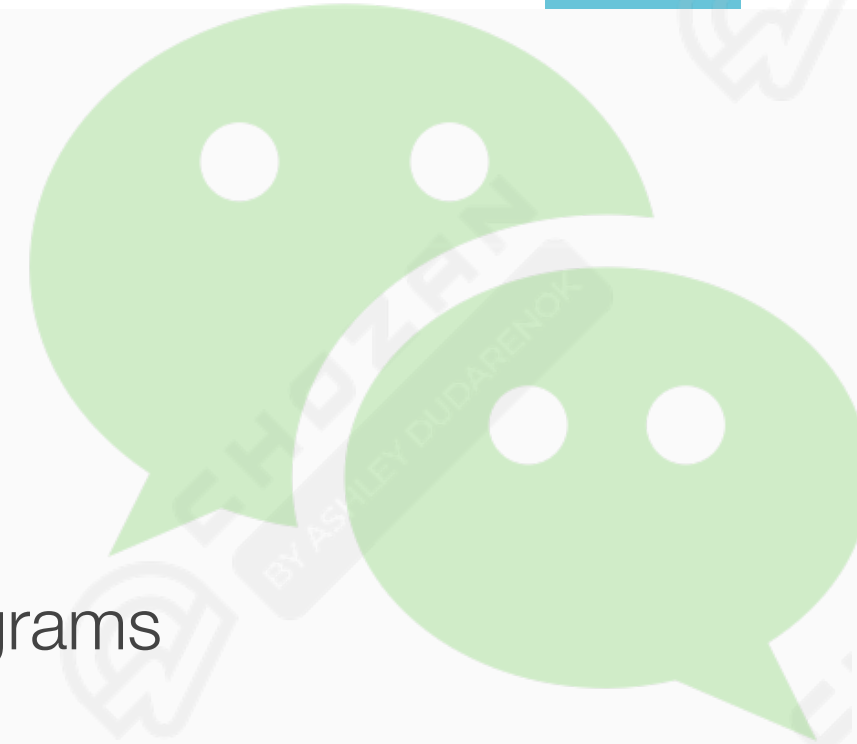
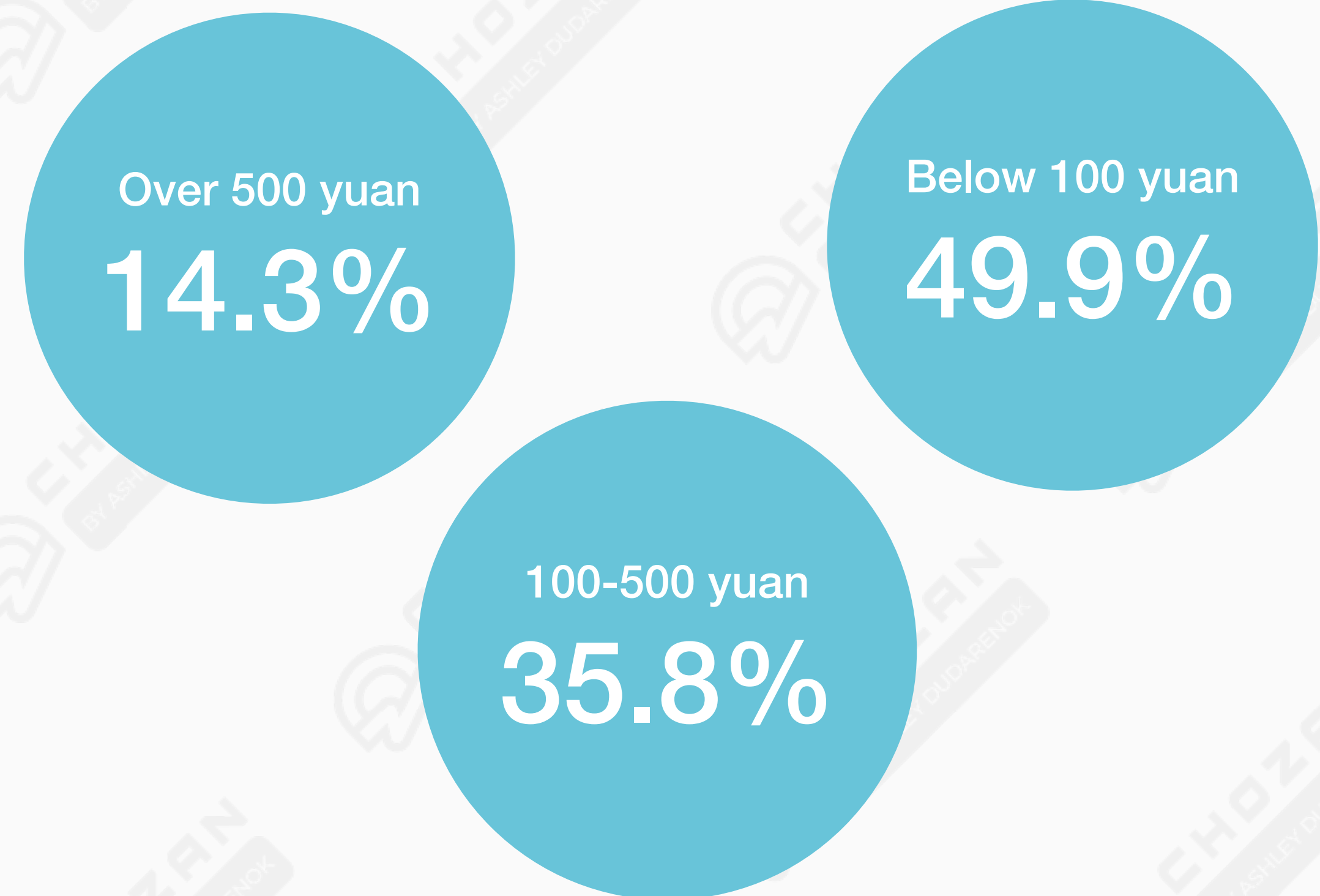
1. Livestreaming in Mini Programs

By March 8 last year, livestreaming in Mini Programs already delivered satisfactory results for business; over 2,000 anchors totalling nearly 900 hours of livestreaming, attracting an average of 280 likes per user, along with 20,000 sharing - the highest number seen in livestreaming. Some brands observed nearly 12 times increase in sales through the impact of Mini Programs, while the transaction value of other brands increased 5 times.

Livestreaming in Mini Program comes with various forms of audience engagement, such as **lucky draws, coupons, gifts, like and comment interaction, friend sharing, WeChat Moment advertising, and brand zone.**

Combined with the social advantages of WeChat, Mini Program can achieve comprehensive consumer reach.

Monthly consumption of users of WeChat Mini Programs



SOCIAL MEDIA

WECHAT PLATFORM - CONTENT BEST PRACTICES



2. Public Account

The era of paid knowledge has arrived. WeChat has long launched rewarding functions - last year, we were seeing **paid reading**.

By the end of June, a public account received a total of 1.09 million yuan of income from paid reading alone. In addition, the highest number of people paying for a single article reached 130,000, and the highest single article income reached 260,000 yuan, from the categories of fiction and entertainment movies. The paid reading business model is a prime example of good content ecology where valuable content is rewarded accordingly while kept sustainable.

3. The future of Channels

The future of Channels will not open up a separate function of livestreaming, but instead directly connect with Mini Program livestreaming, and eventually form a closed loop of **Channels + official accounts + Mini Program's live + Community**. Brands and business users will rely on Channels to release live preheating information, connect users through the official accounts, allowing users to buy in Mini Program.

SOCIAL MEDIA

WECHAT PLATFORM - SALES INTEGRATION



Four major segments of e-commerce layout on WeChat:

- 1 Third-party platforms.** Third-party platforms such as Pinduoduo, JD.com, Meituan and others have all entered the market as Mini Programs.
- 2 Business owners who have their own brands.** The birth of WeChat's Mini program has given many business owners the opportunity to "make profits" in this system. These users are mainly in the supermarket, catering and fresh food industries, such as KFC, Carrefour and Multipoint. They have high brand awareness and a good base of loyal user groups, coupled with the high-frequency or cyclical nature of business consumption, making it easier to retain and operate WeChat users.
- 3 SaaS service providers.** Large SaaS service providers, such as Youzan and Weimob, and the hundreds of thousands of small and medium-sized businesses behind them. WeChat's previously owned e-commerce tools have lagged in development, providing room for SaaS service providers to survive. They help merchants to open stores in WeChat in order to gain revenue from technical service fees. 2019 YouZhan financial report shows that more than 8,200 stock paid merchants, a total of 64.5 billion yuan of GMV.
- 4 E-commerce tools owned by WeChat.** The former WeChat small shop and Mini shop now.

SOCIAL MEDIA

WECHAT PLATFORM - REGULATIONS / UPDATES

'MINI SHOP'

As long as users have the certified official account of enterprises they can open a 'Mini shop'.

The ability is currently in beta testing, but it will allow businesses to leverage the advantages of mini programs with no costs or development restrictions.

The main feature of the store is the ability to launch WeChat livestreaming linking to the store.

Right after the release of Mini Shop, Youzan and Weimob's stock fell 10% and 12%. Investors see this feature as a threat to the 3rd party WeChat store business model.

CURRENT PROMOTABLE SCENARIOS ON MINI SHOP

System Access

QR code

Search

LBS

Sharing

Public Account

Enterprise
WeChat

Advertisements

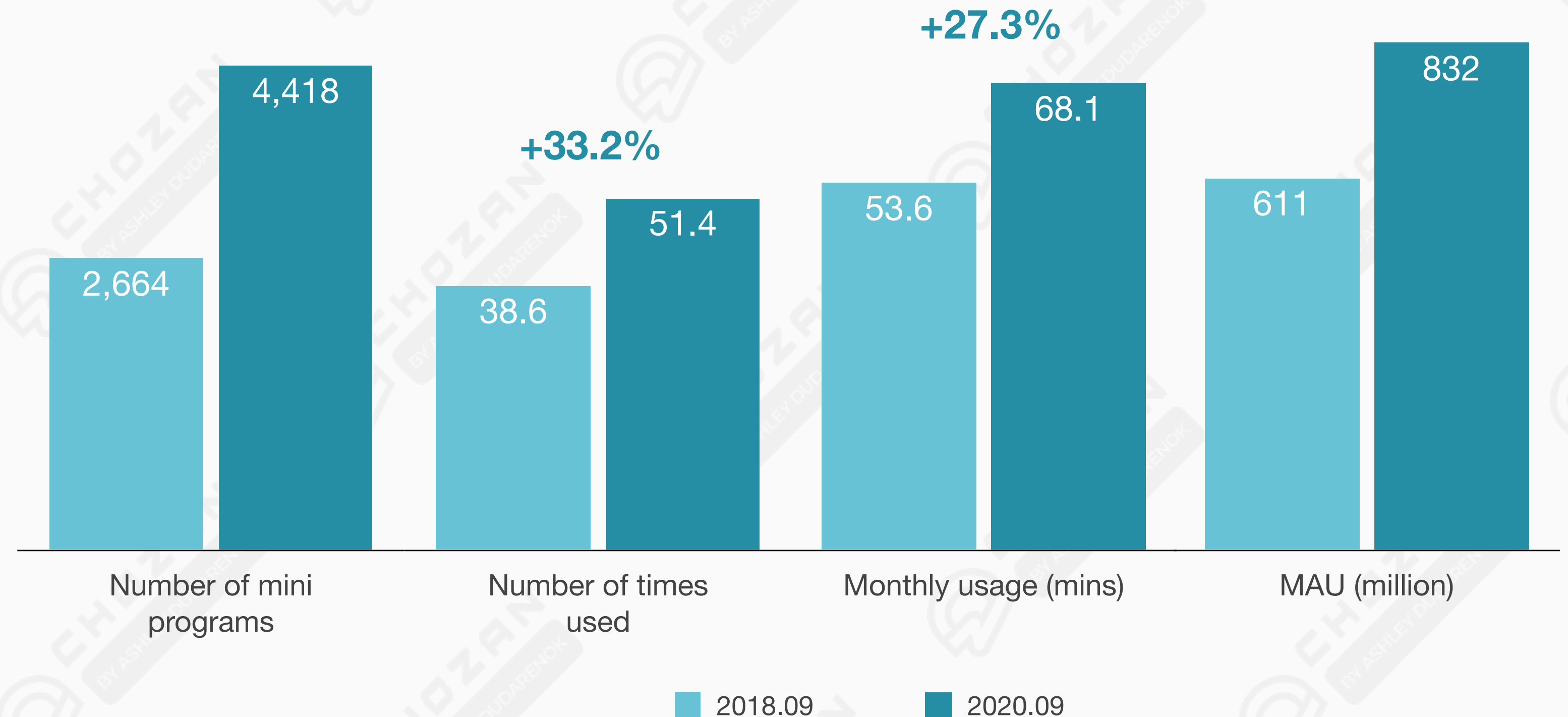


SOCIAL MEDIA

WECHAT PLATFORM - WECHAT MINI PROGRAMS

The trend of using WeChat mini programs is rapidly rising as the number of mini programs and usage has significantly increased.

WECHAT MINI PROGRAMS AND USER USAGE

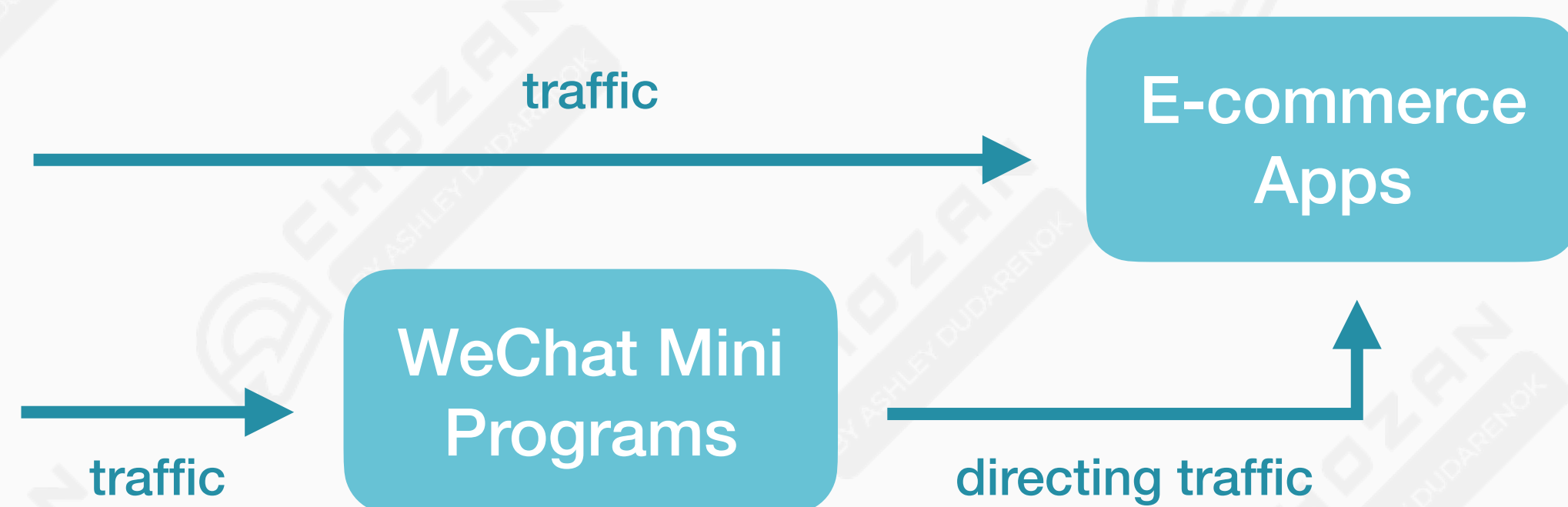


SOCIAL MEDIA

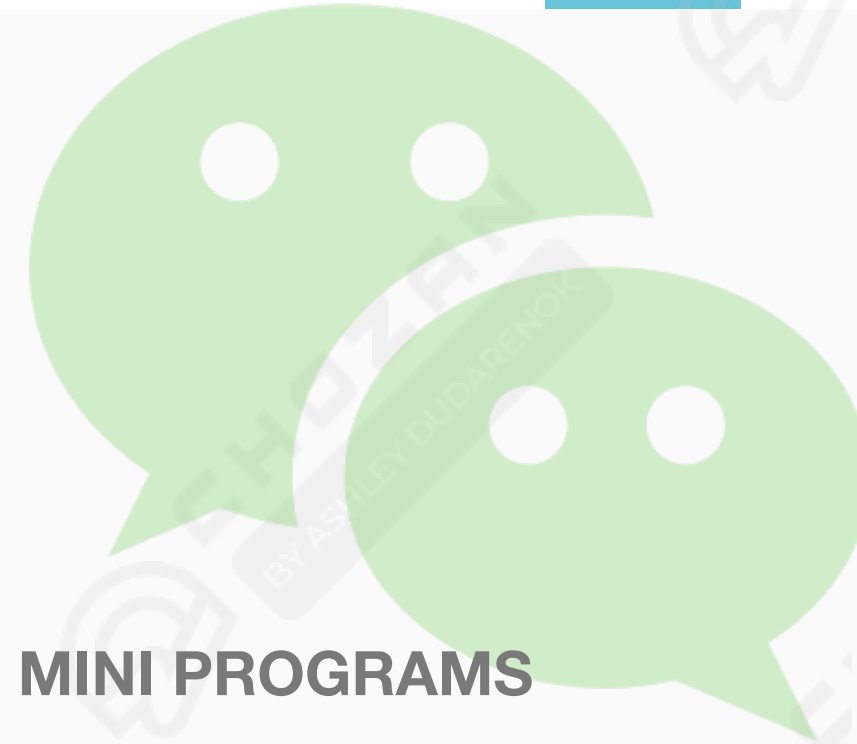
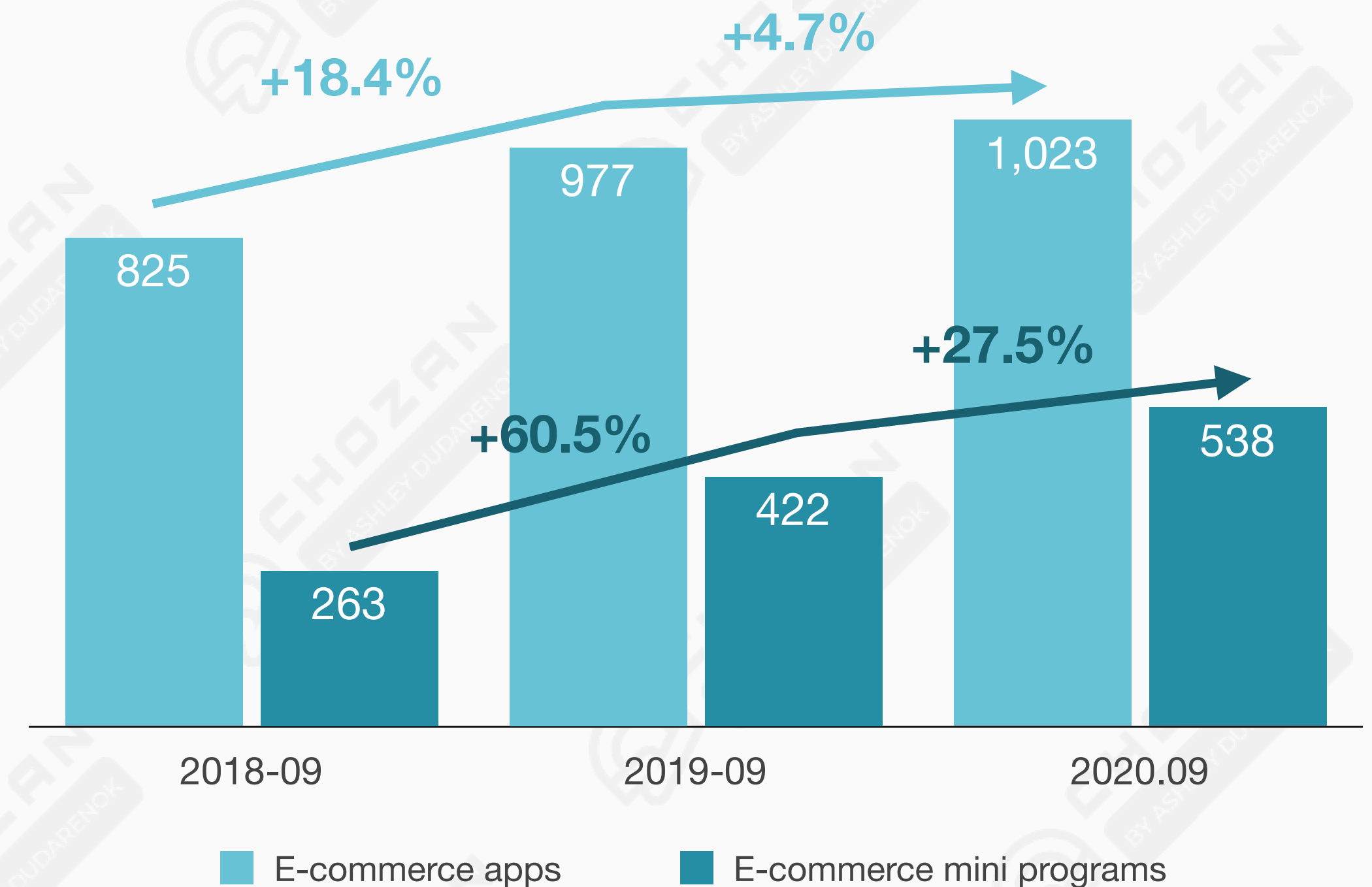
WECHAT PLATFORM - WECHAT MINI PROGRAMS

As the e-commerce industry is growing rapidly, more WeChat mini program are being developed, acting as a supporting tool to increase traffic to e-commerce apps.

WECHAT MINI PROGRAMS DIRECTING TRAFFIC TO E-COMMERCE APPS



E-COMMERCE APPS AND E-COMMERCE MINI PROGRAMS INDUSTRY SIZE



EXPERT BITES

Q: IN YOUR VIEW, WHAT WERE THE MOST IMPORTANT UPDATES ON SOCIAL MEDIA IN CHINA IN 2020? HOW WILL THEY IMPACT 2021?

WeChat Channels. Unlike their failure with Time capsules, WeChat's previous attempt at short video, Channels have been immensely more successful.

Similar to how Mini Programs gradually spread into almost every corner of WeChat, Channels are already starting to appear in more places. With such a massive user base, **if they keep iterating and improving them. Channels could potentially chip away at the usage of Douyin and Kuaishou.**



ALEX DUNCAN

Co-founder of
KAWO

EXPERT BITES

Q: WHAT'S YOUR ADVICE FOR MARKETERS WORKING ON WECHAT IN Q1 2021?

As WeChat's content market is getting saturated, KOL collaborations are becoming more important than publishing articles on WeChat. Despite the competition from Douyin and Kuaishou, WeChat still yields a healthy ROI (200% to 500%) for KOL sales campaigns focusing on premium products. **Combining targetted WeChat campaigns with product gifting on Red is a winning combination for most premium brands.**



THOMAS GRAZIANI
CEO of WalktheChat

EXPERT BITES

Q: HOW SHOULD BRANDS LEVERAGE WECHAT IN Q1 2021 FOR THE BEST RESULTS?

Brands need to reconsider how they engage with their WeChat followers and stop treating the channel as just another content channel. **WeChat at its core is a chat application between friends and family. Brands are allowed to coexist in this space, but few treat their fans as a true friend.** To build these relationships **communication needs to be personalized for the follower and educated based on what the follower has communicated.** It's a shame for the consumer to entrust so much of their personal information to a brand and for the company to fail in acknowledging or adding value to that user's customer journey.



TOM KRUGER
VP of Strategy at ChatLabs

EXPERT BITES

Q: WHY IS WECHAT THE NUMBER 1 PRIVATE TRAFFIC ENVIRONMENT FOR E-COMMERCE?

In 2019, 120 billion US dollars was spent through Mini Programs and in 2020, this figure should be above 300 billion USD. Setting up a full ecosystem to **super power your official WeChat account with loyalty, marketing automation, data powered user journeys** and the right Mini Program is necessary in order to be at the forefront of this battle to capture the time and attention of the fans. Making this transition from public to private traffic, **brands need to have a step by step approach leveraging all their existing systems, from their order management system to their customer service support and call center.** Being ROI driven will enable brands to make this pivot while still having strong returns.



AURELIEN RIGART

Co-founder and VP,
IT Consultis

EXPERT BITES

Q: WHAT'S YOUR ADVICE FOR MARKETERS ON WECHAT IN Q1 2021?

For heaven's sake, LOOK at what the data is telling you!

Content marketing on WeChat continues to get harder, but according to Tencent's own data it still drives 40% of sales in WeChat. **Don't keep doing the same thing you've been doing for the past years and expecting a different result.** Also don't waste too much time worrying about what other brands are doing on WeChat. As Jack Ma famously once said, **"Forget about your competitors. Focus on your customers."** In our recent article about digital transformation in China's marketing industry, we shared a fantastic example of where a simple data-based decision could increase article reads by 25%.



ALEX DUNCAN

Co-founder of
KAWO



EXPERT BITES

Q: WHAT CONSUMER GROUPS ARE YOU WATCHING MOST CLOSELY ON WECHAT FOR NEXT YEAR?

I personally notice **a rising trend in healthy living**. My WeChat Moments feed is filled with friends joining workout communities, like CrossFit, or showing off their latest health program. **I'm closely watching which brands will rise as leaders in athleisure in China and what impact that will have on the fashion community.**



TOM KRUGER
VP of Strategy at ChatLabs

EXPERT BITES

Q: WHAT'S YOUR ADVICE FOR MARKETERS WORKING ON WECHAT IN Q1 2021?

Every brand and merchant must have an official WeChat account. It's more important than having an official .cn website. **WeChat is well suited to executing OMO (online merge offline) marketing activities. It can establish a direct social connection with your fans, customers and VIPs and it's a powerful social CRM tool. It can be extended to work like your branded social commerce store** if you have a good dedicated management team. The challenge is your patience and ability to invest to grow your followers. So it can be used for social media marketing, social commerce and OMO, the three New Retail pillars.



RICHIE YUNG

Chairman, The Asian General Chamber of New Retail (ANR)

EXPERT BITES

Q: WHAT ARE SOME OPPORTUNITIES AND CHALLENGES ON WECHAT FOR BRANDS IN 2021?

Coming out of 2020, I'm seeing the rise of private traffic as the next frontier in social commerce and brand engagement. **Brands need to start thinking about building communities.** Communities **that encourage participation and bring together fans to form friendships.** WeCom is a great tool to build on in the new year. It enables the value of private traffic but supports the requirements of a large enterprise. **If a brand cannot build an engaged community, they will lose the user to other apps, platforms, or even competitors who can curate this attention.**



TOM KRUGER
VP of Strategy at ChatLabs

PLATFORM

WEIBO



EXPERT BITES



YVONNE WU
Copywriter at
Alarice and ChoZan

Q: WHAT ARE YOU MOST EXCITED ABOUT FOR WEIBO IN Q1?

For now, what I look forward to most on Weibo is the **growth of the fan economy**. In Q1 this year, a **large-scale talent show "Creation Camp 2021"** will be broadcast, which is expected to create a wave of Weibo users chasing new stars.

SOCIAL MEDIA

WEIBO PLATFORM - INTRODUCTION

"Weibo" means microblog in Chinese. It was launched in 2009 and quickly rose to popularity. Similar to Twitter, Weibo is where fresh news finds its audience any time, anywhere. It's fast paced, allows people to see the world and behind the scene stories, enables self-expression, and helps people share their opinions. These qualities also make Weibo the perfect platform for celebrities, idols and influencers to communicate with their fans.

As of March 2020, Weibo has...

Daily active users:



241 MILLION

Daily active users



34 MILLION

Year on year increase



Monthly active users:



550 MILLION

Monthly active users



85 MILLION

Year on year increase



94%

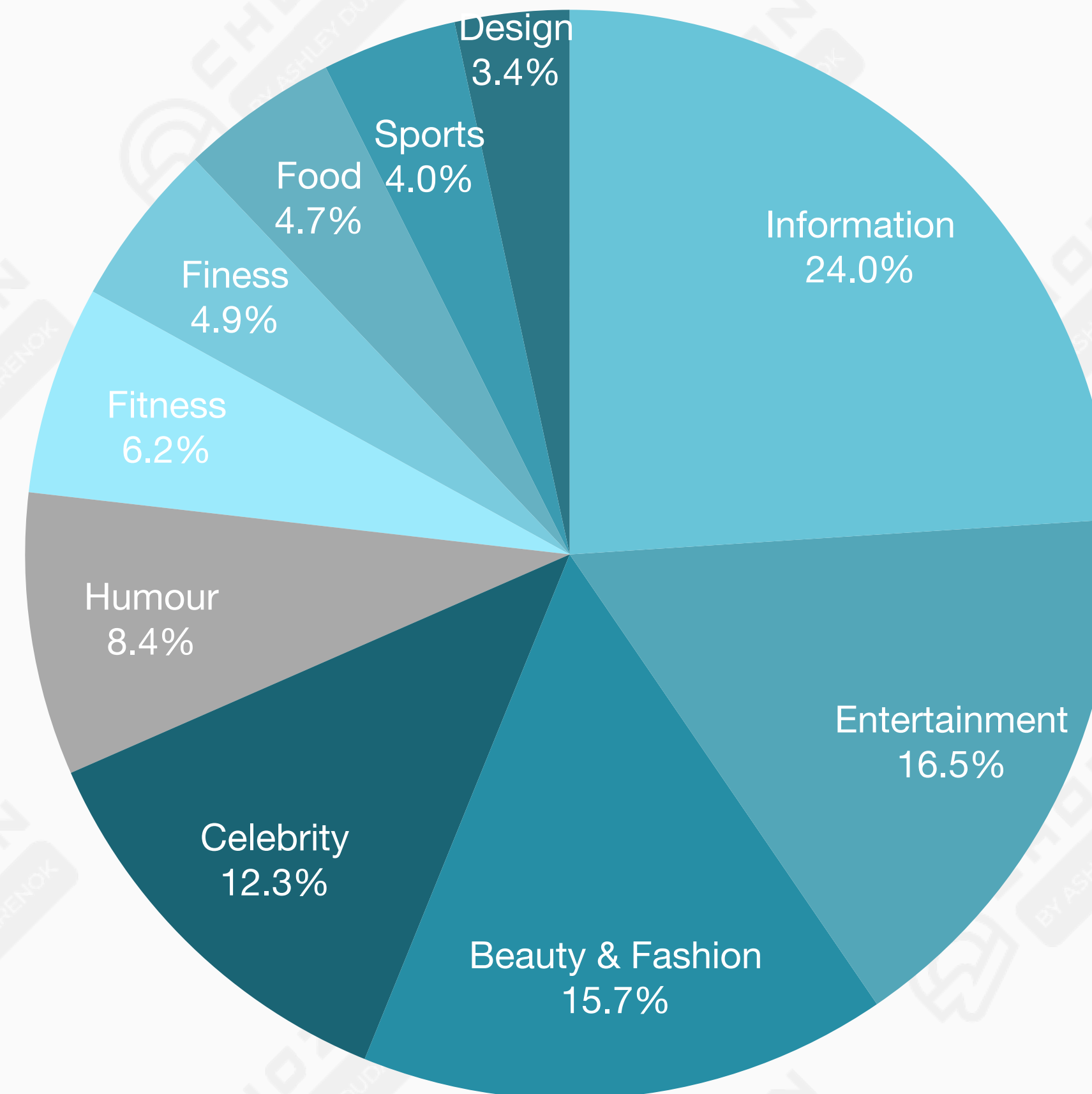
mobile users

SOCIAL MEDIA

WEIBO PLATFORM - POPULAR CONTENT CATEGORIES

Information, entertainment, and beauty & fashion are some of the most popular categories on Weibo. These influencers have higher sensitivity towards trends and can better create viral content.

WEIBO INFLUENCERS BY INDUSTRY



SOCIAL MEDIA

WEIBO PLATFORM - TOP MARKETING METHODS

In the past 10 years, Weibo has remained in a leading position in the industry in terms of number of active users and influence. While the recent rise of the short video market has posed some challenges to the scene, Weibo's highly social nature continues to act as the key channel for trending content and brand exposure. In fact, Weibo remains very effective in increasing brand awareness, product interest, customer loyalty and stimulating conversion.

Weibo influencers

Collaborate with influencers to capture followers outside of your typical follower base. There are lots of active influencers across a wide range of categories. Their number of followers should not be the sole factor you consider when choosing who to work with. You should also consider their follower composition, credibility, expertise and image, etc.

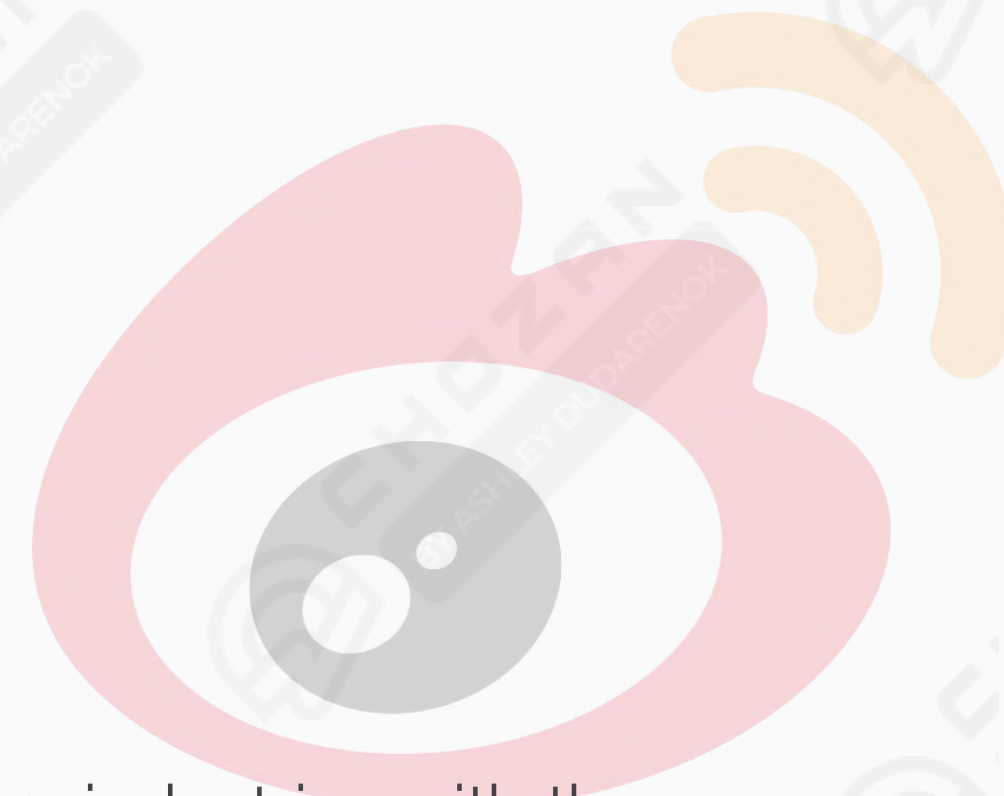
Weibo advertising

There are several advertising options on Weibo to help you expand your reach. Lots of businesses have been active in doing

ads on Weibo. The top industries with the most number of ads in 2020 Q1 are food and beverage, daily products, skincare and cosmetics, and fashion, accounting for over 80% of the total ads.

Weibo lottery

Encourage engagement and generate discussions around your brand by doing Weibo lotteries in times of product launches, offline sales events or just for brand promotion.



SOCIAL MEDIA

WEIBO PLATFORM - CONTENT BEST PRACTICES

Brands on the platform post thousands of articles each day, making it hard to stand out. Most top-performing business accounts have managed to **maintain a regular posting frequency** by **posting interactive content** to **foster a sense of community with its followers**.

Here are some additional points for posting on Weibo:

Utilise the multiple images layout

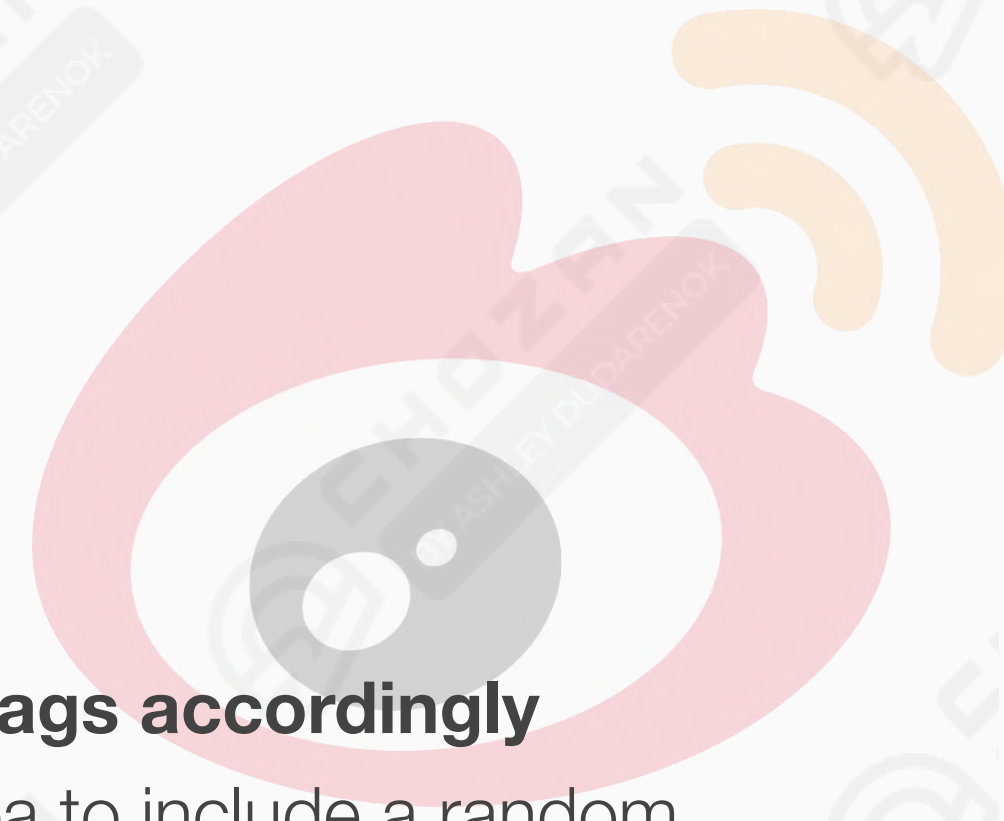
Up to 9 images can be fully displayed on your Weibo post. Uploading 9 high-quality pictures as opposed to just one would make your content more informative, while also better your chances in triggering your reader's interest.

Incorporate videos

More businesses are posting video content on Weibo as videos are engaging to followers. The auto-play function also helps capture the attention of the ones who mindlessly scroll on Weibo.

Use relevant hashtags accordingly

It is never a good idea to include a random trending hashtag just to tag along the traffic. You should only use relevant hashtags, or you may risk jeopardising your brand image as being a clout chaser.



EXPERT BITES

Q: WHAT'S YOUR ADVICE FOR MARKETERS WORKING ON WEIBO IN Q1 2021?

Talking about Weibo, WeChat and RED, they're the most common social media platforms that brands invest in. **For Weibo, if you have a big enough budget, it's worth it to reserve some of it to do KOL marketing as long as those posts can still be linked to a TMall store or product page.**



RICHIE YUNG

Chairman, The Asian General Chamber of New Retail (ANR)

EXPERT BITES

Q: WHAT'S YOUR ADVICE FOR MARKETERS WORKING ON WEIBO IN Q1 2021?

- 1) **Do more contests, games and challenges** using special hashtags related to your brand message.
- 2) **Post less, but post better**, and sponsor all posts.
- 3) Connect Weibo with Tmall/Taobao, and Tmall/Taobao with Weibo
- 4) **Do co-branding. It really works.** Partner with other brands or with influencers.



OLIVIER VEROT

Founder of GMA
(Gentlemen Marketing Agency)

EXPERT BITES

Q: WHAT'S YOUR ADVICE FOR MARKETERS WORKING ON WEIBO IN Q1 2021?

Users' attention is split across more platforms these days. Therefore, **it's best to keep campaigns focused on relevant topics while also leveraging the hot topics of the day/week.**



TAIT LAWTON
Founder,
Nanjing Marketing Group

EXPERT BITES

Q: WHAT'S YOUR ADVICE FOR MARKETERS WORKING ON WEIBO IN Q1 2021?

Marketers from big companies can use Weibo livestreaming to launch new products following the success of many brands in 2020. Cartier, Louis Vuitton, Chanel, GUCCI and Prada did livestreams on Weibo to launch their fashion shows and promote campaigns. Aside from the luxury fashion industry, car brands BMW, Mercedes-Benz and Tesla also livestreamed on Weibo to promote new products.



ARNOLD MA
Founder and CEO
at Qumin



EXPERT BITES

Q: WHAT'S YOUR ADVICE FOR MARKETERS ON WEIBO IN Q1 2021??

Despite it's age, Weibo continues to dominate a unique part of the Chinese social media landscape. **It's still the go-to platform for news, trends and hot gossip. For brands it continues to be a relatively inexpensive and effective place to generate attention,** although it lags behind on e-commerce. **In May, 2020, they announced Weibo Xiaodian to boost their ability to drive traffic to other platforms. We expect this to continue to be a priority in 2021.**



ALEX DUNCAN

Co-founder of
KAWO

EXPERT BITES

Q: WHAT'S YOUR ADVICE FOR MARKETERS WORKING ON WEIBO IN Q1 2021?

Weibo is still relevant! We like to talk about all these emerging platforms, but these are platforms that should be adopted in addition to Weibo not in place of Weibo.

We expect to see greater adoption of social commerce features and functions. We advise brands to continue to invest in Weibo ads to build exposure and use it to partner with larger scale KOLs, but save KOCs for other channels.



JIMMY ROBINSON
Co-founder and Director at
PingPong Digital



PLATFORM

DOUYIN



EXPERT BITES



ESTELLE SUEN
Copywriter at
Alarice and ChoZan

Q: WHAT ARE YOU MOST EXCITED ABOUT ON DOUYIN IN Q1?

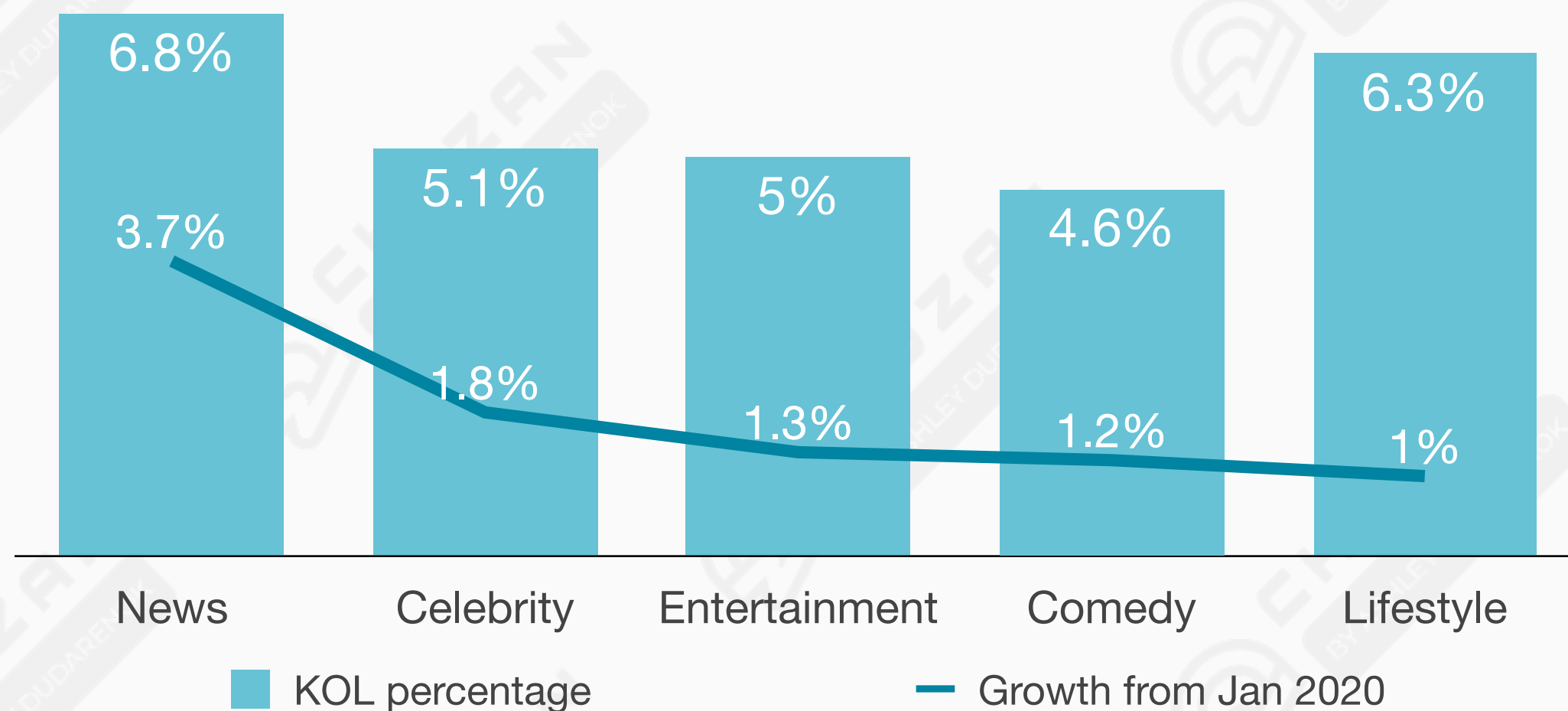
- **Search engine advertising will grow further in Q1** as the average number of daily **video searches on Douyin exceeded 400 million in December, 2020.**
- Douyin's daily active users and average daily use time will increase during the Spring Festival holidays.
- Douyin's e-commerce offerings will experience new growth in the first quarter.
- **On January 4th, Douyin's e-commerce wing announced its first New Year's Festival.** They've invested hundreds of millions of yuan to boost traffic. The festival will last 17 days with the last day being January 20th. **Douyin has launched an artisanal section where jade jewelry, Chinese costumes, ceramics and other traditional handcrafted New Year's goods will be sold through livestreaming by artists,** promoting the further development of Douyin's e-commerce.

SOCIAL MEDIA

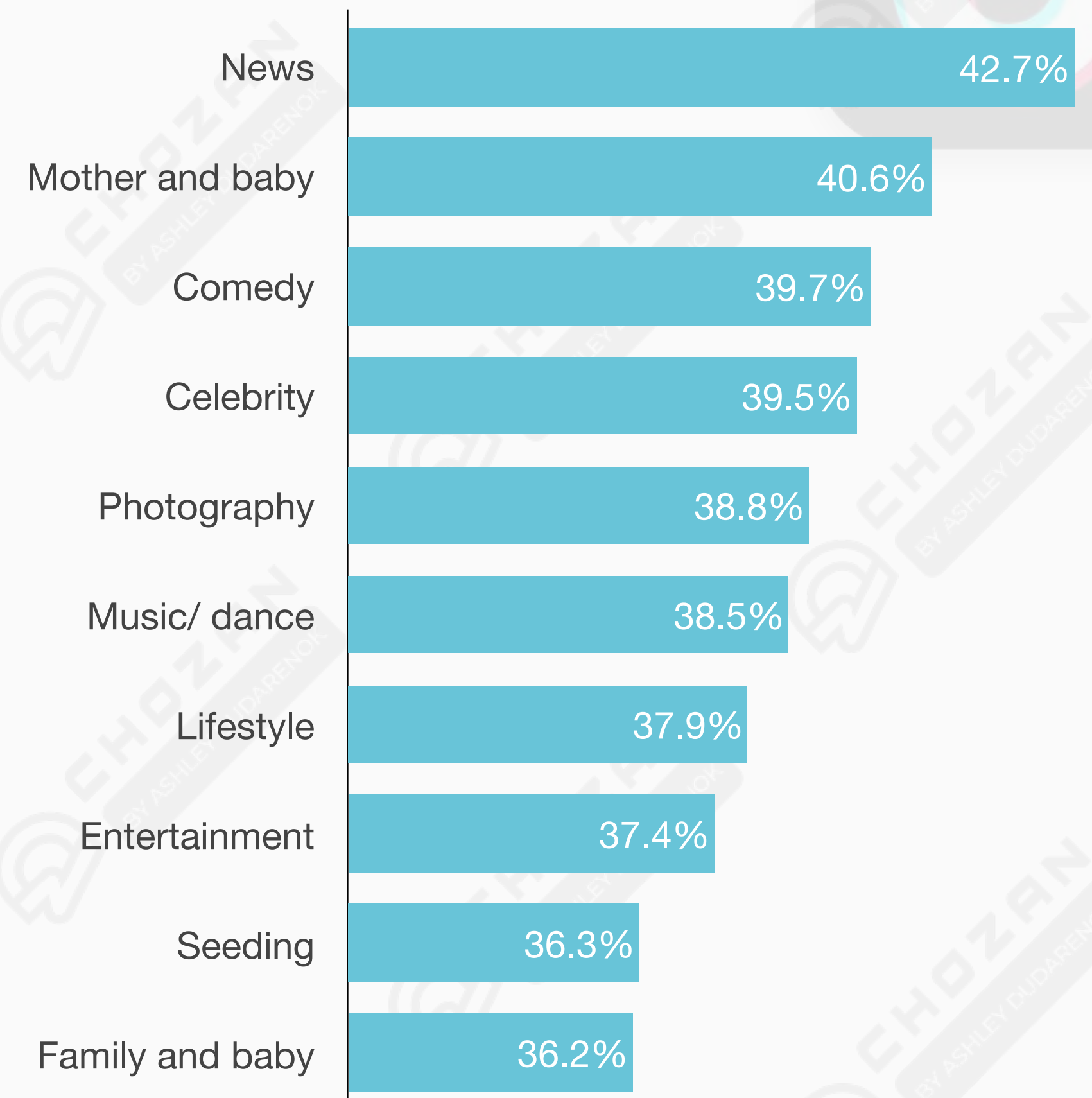
DOUYIN PLATFORM - INTRODUCTION

The short video industry continues to rise due to normalisation of Covid-19 realities. Penetration rates and the increasing number of KOLS in the news industry is showing short video platforms like Douyin becoming one of the major platforms to share the most updated content/ news.

PERCENTAGE OF KOLS IN DIFFERENT INDUSTRIES ON DOUYIN, 2020 SEP



ACTIVE PENETRATION RATE OF DIFFERENT INDUSTRIES ON DOUYIN, 2020 SEP









SOCIAL MEDIA

DOUYIN PLATFORM - ECOSYSTEM

Douyin has been expanding their ecosystem in throughout 2020, collaborating with more platforms to expand their business.



TIMELINE	COLLABORATING PLATFORMS	OWN PLATFORM
<div> <div>JUN</div> <div>Developed e-commerce department</div> </div> <div> <div>JUL</div> <div>Collaborated closely with Sunning</div> </div> <div> <div>AUG-SEP</div> <div>Took over Yibao Technology Co. and obtained 3rd payment license</div> </div> <div> <div>OCT</div> <div>Cut off direct links to other 3rd party platforms</div> </div>	<div>    </div> <div>   </div>	<div>  </div>

SOCIAL MEDIA

DOUYIN PLATFORM - USER INFORMATION



SUNDAY 8-9 PM

IS USERS FAVOURITE TIME TO USE DOUYIN



600 MILLION

DAILY ACTIVE USERS



400 MILLION

DAILY SEARCHES



DOUYIN USERS CONTENT PREFERENCES

	LIKES TO POST CONTENT ABOUT	LIKES TO WATCH CONTENT ABOUT
POST 00S	Anime	Anime
POST 90S	Cute babies	News
POST 80S	Landscape	Fashion
POST 70S	Food	Wedding
POST 60S	Dance	Cute babies

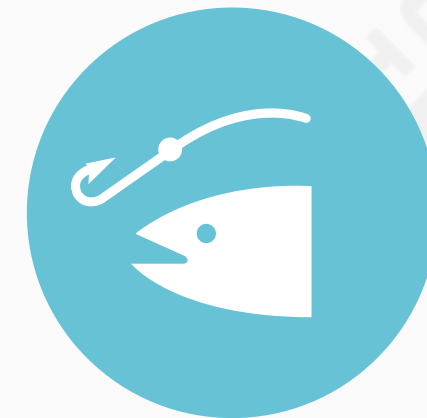
SOCIAL MEDIA

DOUYIN PLATFORM - POPULAR CONTENT



9.3 BILLION

VIDEO PLAYS ON RICE COOKER RECIPES



800 MILLION

LIKES ON FISHING CONTENT



14.46 MILLION

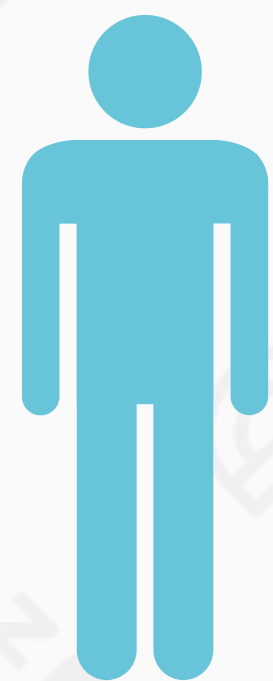
USERS PARTICIPATING IN FITNESS
ACTIVITIES

SOCIAL MEDIA

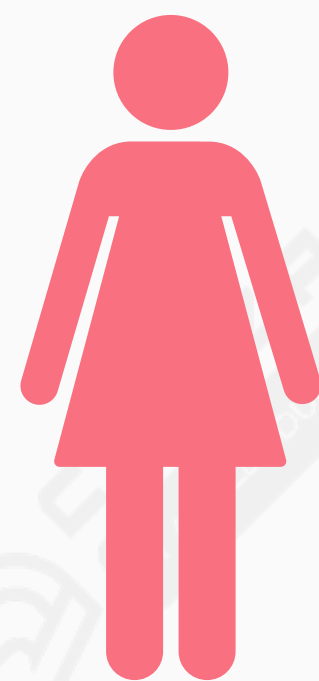
DOUYIN PLATFORM - CONTENT CREATORS

The majority of Douyin content creators are Gen Z (60%) and from lower-tiered cities (tier 4 or below - 44%)

DOUYIN CONTENT CREATORS GENDER RATIO AND INCREASED PERCENTAGE, 2018-2020

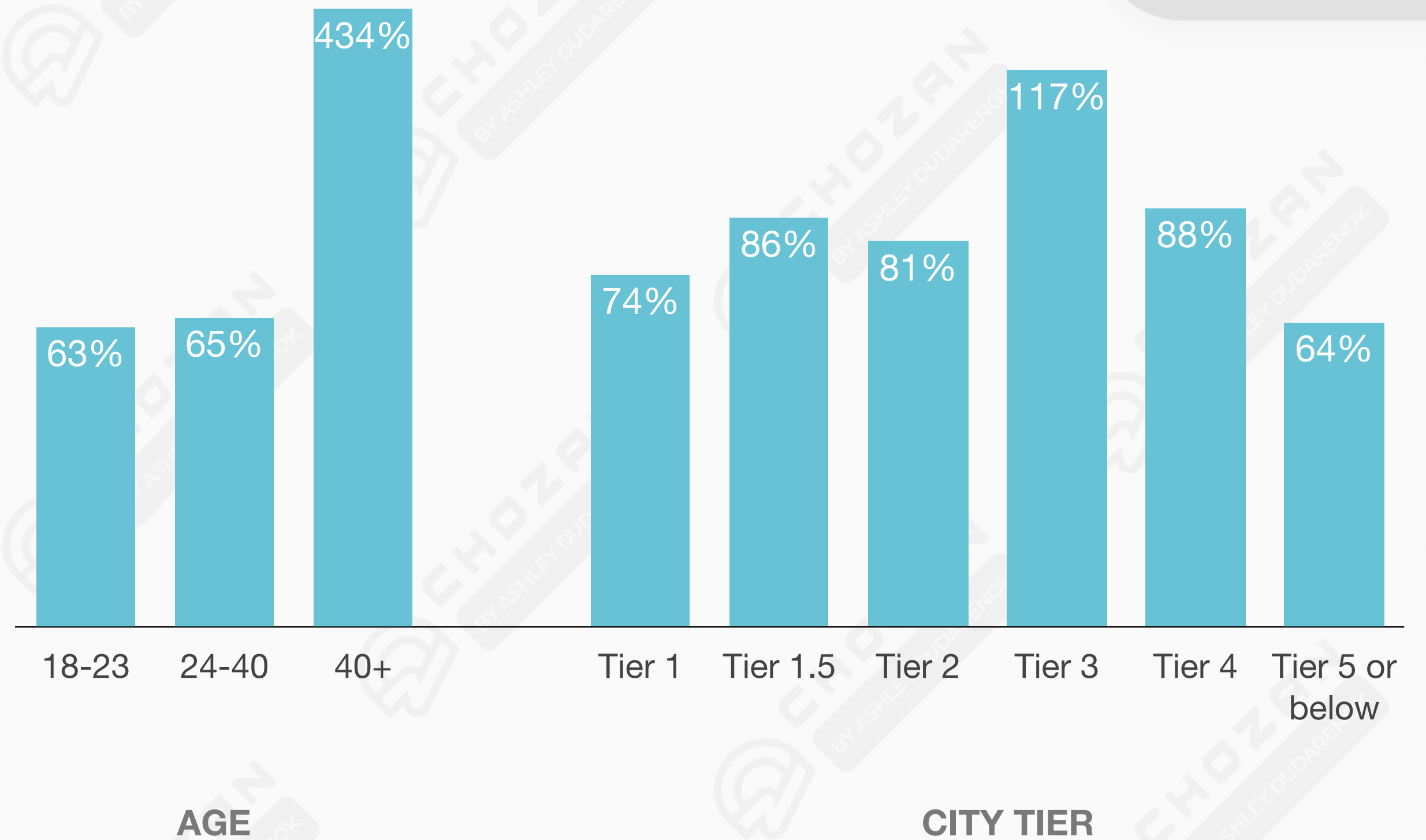


48%
(+120%)



52%
(+70%)

INCREASED PERCENTAGE OF DOUYIN CONTENT CREATORS, 2018-2020



SOCIAL MEDIA

DOUYIN PLATFORM - INTRODUCTION

Douyin is a short video sharing application developed by ByteDance. The application entered the Chinese market in 2016. It then released worldwide with the name TikTok in 2018, after merging with a similar application named Musical.ly. Douyin allows users to create and share videos up to 60 seconds, with most of these videos being related to music, dancing, lip-sync and comedy. Douyin is very popular across the globe; together with TikTok, the application has more than 738 million downloads in 2019.

As of June 2020, Douyin has...



513.4 MILLION

Monthly active users



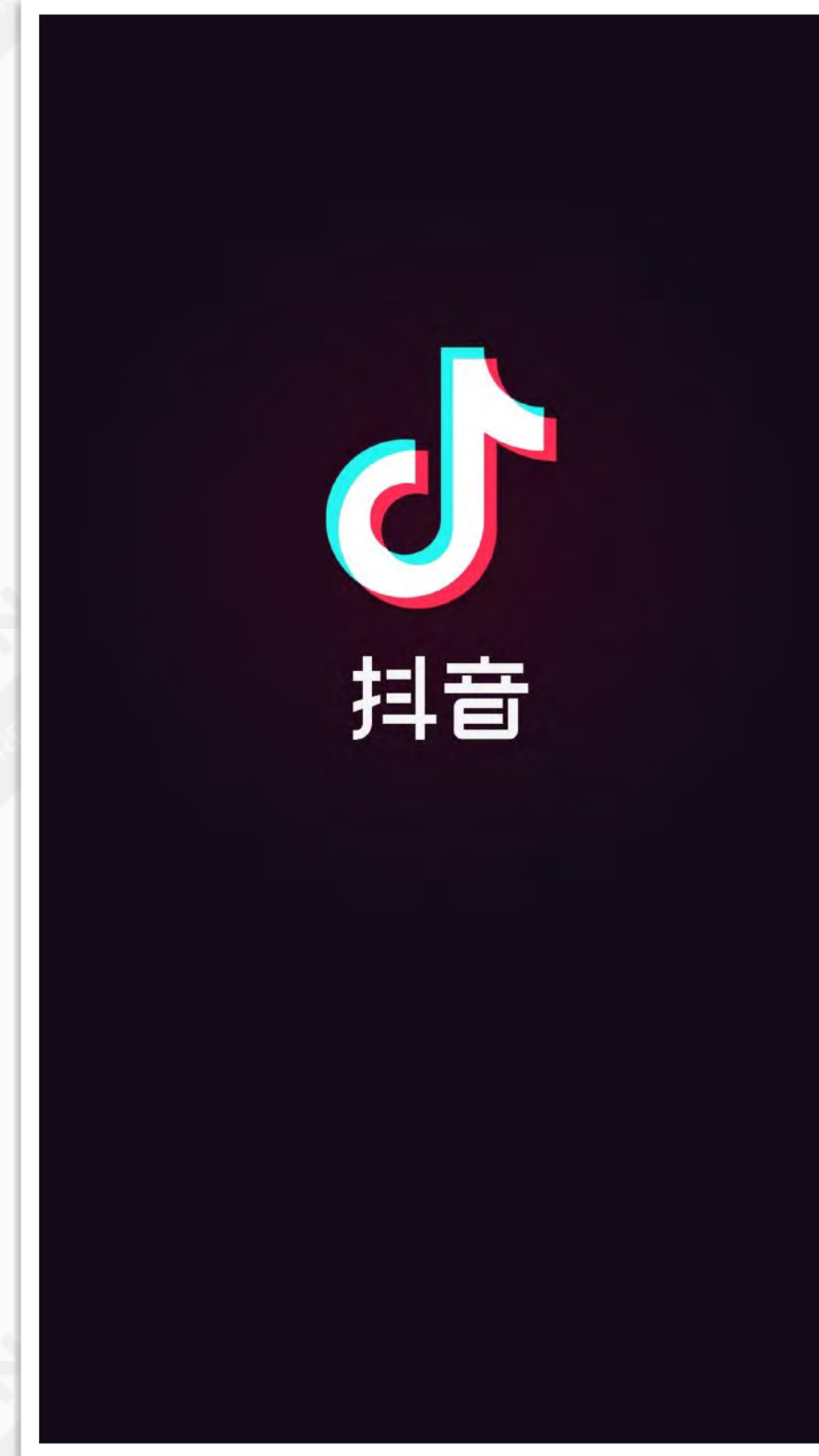
57.5%

Active rate



26.2 HOURS

Monthly average usage



SOCIAL MEDIA

DOUYIN PLATFORM - TYPES OF ACCOUNTS



TYPES OF DOUYIN ACCOUNTS



TOP PROFESSIONALLY-GENERATED CONTENT ON DOUYIN



SOCIAL MEDIA

DOUYIN PLATFORM - TOP MARKETING METHODS

Work with Influencers

Working with Influencers is the most direct way of doing marketing on Douyin. The fame of influencers, including KOLs and celebrities, naturally draws lots of attention on the platform. Large amounts of follows and high views in their account will create promising results through partnerships.

Start a Competition

Numbers of competitions are promoted by Douyin everyday, where brands create specific hashtags, and users participate using the same hashtags. Usually, the videos with high views or high shares win the competition. Allowing users to win prizes by creating videos about certain topics can draw

with highest views or highest shares win the competition. These competitions allow users to win prizes by creating videos surrounding certain topics, which draw lots of attention to the brands.

Create Stickers

Stickers are a major function on Douyin. Users can add different stickers, such as eyewear, goggles and face expressions, to their videos. Brands can create their own stickers, and therefore more users will know the brands when they use these stickers in the videos

E-commerce

Douyin has a product sharing function. After activating the function, user's can add products link to their video. This link can direct user's to either a product in Taobao store, or inside Douyin Store.



SOCIAL MEDIA

DOUYIN PLATFORM - TOP MARKETING METHODS

Livestreaming on Douyin

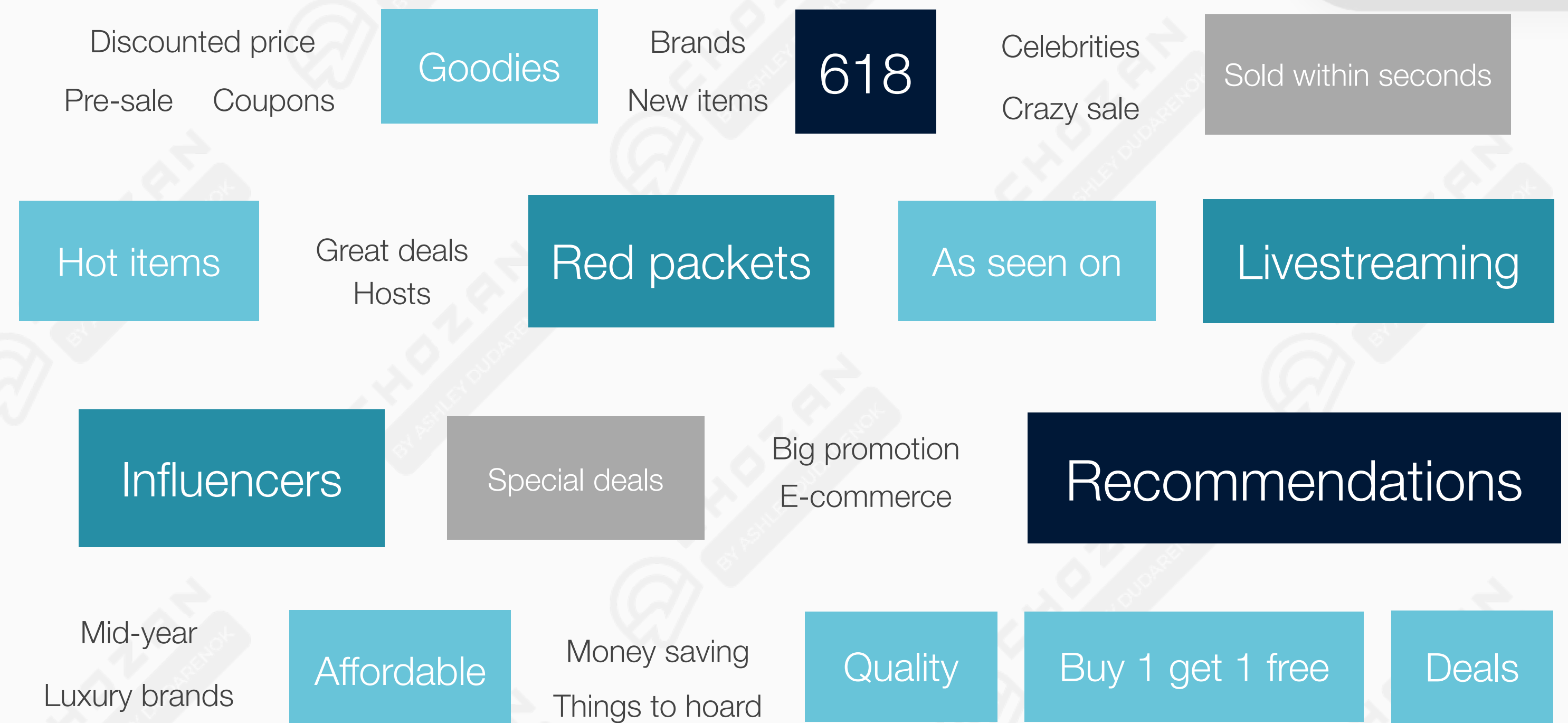
Livestreaming substantially strengthens the e-commerce network and sales cycle.

The number of users after activating 'shopping cart' functions on Douyin showed a 101% increase from December 2019 to June 2020.

The number of short videos on Douyin with 'shopping cart' features showed a 173% increase from June 2019 to June 2020.

The number of livestreaming sessions on Douyin with 'shopping cart' features showed a 876% increase from December 2019 to June 2020.

KEYWORD POPULARITY FOR SHORT VIDEOS ON DOUYIN IN JUNE 2020 - MOST PUBLISHED CONTENT



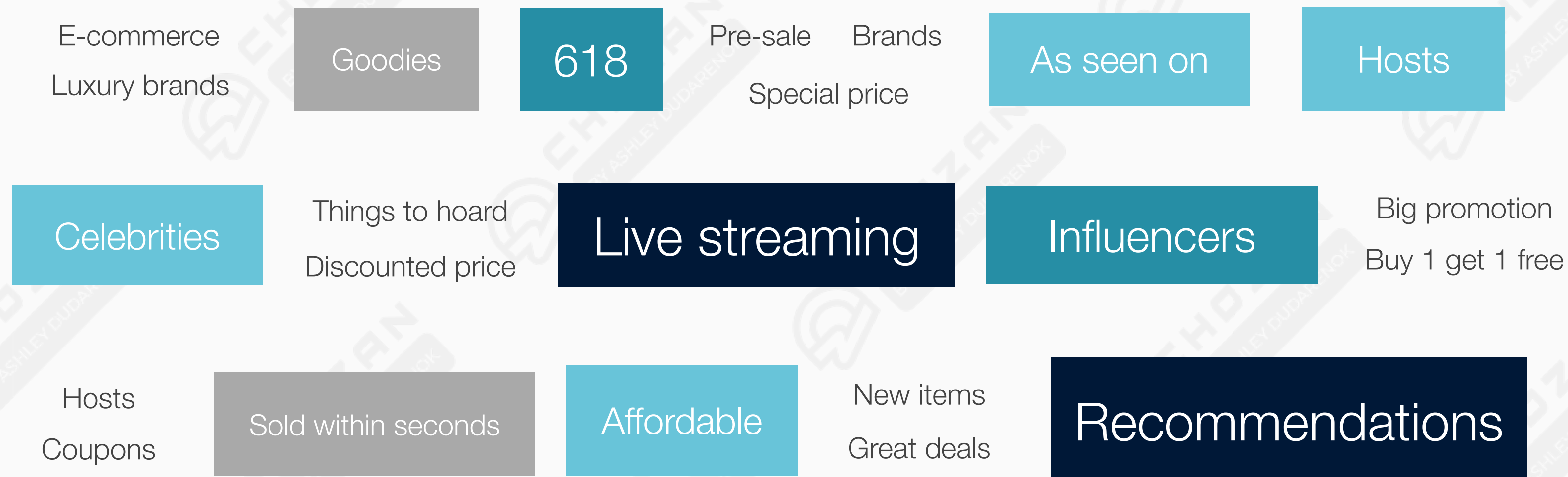
* Font size correlates with the number of videos

SOCIAL MEDIA

DOUYIN PLATFORM - TOP MARKETING METHODS



KEYWORD POPULARITY FOR SHORT VIDEOS ON DOUYIN IN JUNE 2020 - MOST VIEWED CONTENT



Trending video themes & respective views

“Live streaming”

39 billion+ views

“Influencers”

10 billion+ views

“As seen on”

6.5 billion+ views

“Celebrities”

6 billion+ views

“Sold within seconds”

4 billion+ views

* Font size correlates with video views

SOCIAL MEDIA

DOUYIN PLATFORM - TOP MARKETING METHODS



LIVESTREAMING SHOPPING PREFERENCES FOR DIFFERENT AGE GROUPS

Aged
18 - 23

Prefers purchasing:
beauty products

Category	TGI
Skincare	268
Men's apparel	196
Women's apparel	182

Aged
24 - 30

Prefers purchasing:
baby products

Category	TGI
Children's clothing	229
Men's apparel	199
Fashion accessories	174

Aged
31 - 40

Prefers purchasing:
accessories

Category	TGI
Apparels & accessories	224
Oil & condiments	224
Fashion accessories	134

Aged
41 - 50

Prefers purchasing:
household products

Category	TGI
Cleaning products	219
Daily misc. products	196
Shampoo & conditioner	174

Aged
50+

Prefers purchasing:
gifts & presents

Category	TGI
Gifts & presents	317
Men's shoes	208
Women's apparels	172

TGI is the Target Group Index. A high TGI value indicates the target group has a high shopping preference in that particular category as compared to the reference group.

SOCIAL MEDIA

DOUYIN PLATFORM - TOP MARKETING METHODS



LIVESTREAMING SHOPPING PREFERENCES FOR DIFFERENT CITY TIERS

Tier 1

Category	TGI
Men's apparel	127
Skincare products	124
Women's apparel	120

New tier 1

Category	TGI
Pre-owned luxury products	342
Underwear	278
Leisure food	194

Aged 31 - 40

Category	TGI
Men's shoes	183
Leisure food	170
Gifts	134

Tier 2

Category	TGI
Women's apparels	151
Jades & jewellery	150
Shampoo & conditioner	102

Tier 3 & 4

Category	TGI
Men's apparels	136
Women's apparels	112
Skincare products	112

TGI is the Target Group Index. A high TGI value indicates the target group has a high shopping preference in that particular category as compared to the reference group.

EXPERT BITES

Q: WHEN IT COMES TO BRAND PROMOTION, WHAT'S THE WINNING FORMULA FOR VIDEO CONTENT IN 2021?

Speed, speed and speed. The shorter the video the better. The faster the better. The quicker you get to the point, the quicker you can convert views to sales. I cannot stress how important this is for video content in China or any social media channel. **Storytelling is great for TV but not for social media,** especially with the rise of TikTok / Douyin.

Brands need to make sure that the KOL selection process isn't handed over to the agencies they hire. **They need to have direct involvement themselves to make sure that the influencers can carry the weight of the brand.**



DAVID GULASI

CEO of DaveGulasi.com and
China KOL

EXPERT BITES

Q: WHAT'S YOUR ADVICE FOR MARKETERS WORKING ON DOUYIN IN Q1 2021?

We've found Douyin to be useful for hiring, and it's a great place to showcase a company's culture. For any company that wants to attract young, new employees, **I'd recommend creating an account on Douyin and posting several creative, bite-sized videos per week to show off company culture and work life.**



TAIT LAWTON
Founder,
Nanjing Marketing Group

EXPERT BITES

Q: WHAT'S YOUR ADVICE FOR MARKETERS WORKING ON DOUYIN IN Q1 2021?

As many brands launched on Douyin to reach Chinese Gen Z and Millennials, **it's crucial for brands to launch special, innovative videos to attract users. Brands can launch limited edition products** for Chinese New Year and Valentine's Day with creative videos or **cooperate with KOLs or domestic celebrities. Cross-promotional marketing is also an alternative.** Gucci, for example, cooperated with quite a lot of Chinese celebrities and launched short videos on its Douyin account.



ELENA GATTI

Managing Director, Europe
at Azoya

EXPERT BITES

Q: WHAT'S YOUR ADVICE FOR MARKETERS WORKING ON DOUYIN IN Q1 2021?

Marketers should **keep focusing on KOLs** and understanding Douyin's analytics tools is central to having a strong presence on the platform and learning more about your audience. For example, **completion rates, average play time etc. play a huge role in how Douyin distributes the videos on its FYP (For You Page), which drives more than 90% of the traffic for viral videos. Douyin is also a good platform for luxury brands and it has a luxury brand ranking.**

Create your own hashtag campaign. Cartier launched a hashtag #方圆battle等你来舞 (Inviting users to a dance battle) and encouraged them to use the hashtag to show off their dance moves with Cartier's filter.

Create VIP rooms. VIP rooms on Douyin can promote luxury brands' latest campaigns, fashion shows, collections and exhibitions via the brand's official website.

Link your account to the brand's official website and customer service using online messages or telephone calls.



ARNOLD MA
Founder and CEO
at Qumin

PLATFORM

RED



EXPERT BITES



BEVERLY LAW

Senior Digital Marketing Executive at
Alarice and ChoZan

Q: WHAT ARE YOU MOST EXCITED ABOUT ON RED IN Q1?

The e-commerce and livestreaming developments on RED. These are still relatively new features on the platform and their potential hasn't yet been fully realized. For instance, **last July, RED allowed free registration of enterprise accounts for a short period of time and lowered the base commission for RED stores to 5%.** Then, last November, **RED supported the inclusion of Taobao product links on notes and drove more traffic to the platform during Double 11.** I'm excited to see improved conversion rates on RED in the near future.

SOCIAL MEDIA

RED PLATFORM - INTRODUCTION

Xiaohongshu, also known as RED, is a social media and e-commerce platform. This platform allows users to share product reviews, lifestyle stories, as well as creative short videos and photos. RED has updated a new livestreaming, WOW Card, Lucky draw tool and Enterprise Account set up on April 2020.



SOCIAL MEDIA

RED PLATFORM - USER DEMOGRAPHICS

Influential and high-value users are gathered in Xiaohongshu



300 million+
registered users



100 million
monthly active user

90%

of user collect their
consumer information

56%

of user from tier one
and tier two city

72%

of them are Millennials
(Generation Y)

SOCIAL MEDIA

RED PLATFORM - POPULAR CONTENT CATEGORIES



Makeup



Food



Fashion



Health care



Travel



Baby Products

SOCIAL MEDIA

RED PLATFORM - TOP MARKETING METHODS

Enterprise Account

The commercial ecology of Xiaohongshu is based on the closed loop of the "enterprise account"



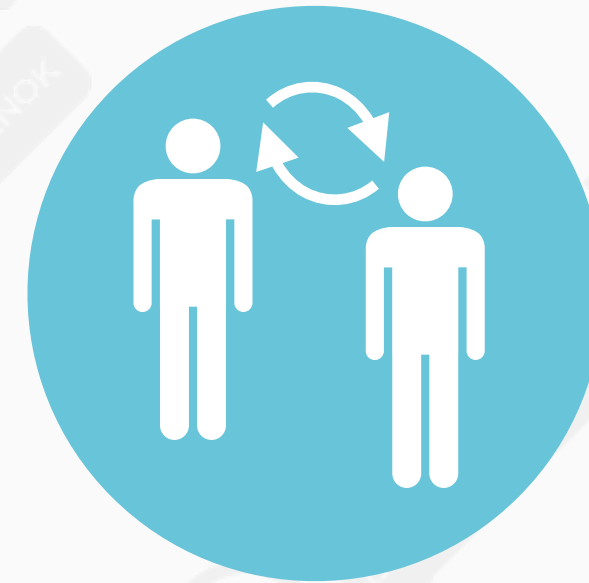
Official Certification

Official certification logo
with more display entrances



Content Release

Content promotion
and commercial cooperation



Fan Interaction

Hashtag, create campaign,
private message to
engage with fans



Data Insight

Multi-dimensional data report
for data-driven operations



Traffic Conversion

Binding malls, etc. to
achieve transaction conversion
POI offline diversion

SOCIAL MEDIA

RED PLATFORM - TOP MARKETING METHODS

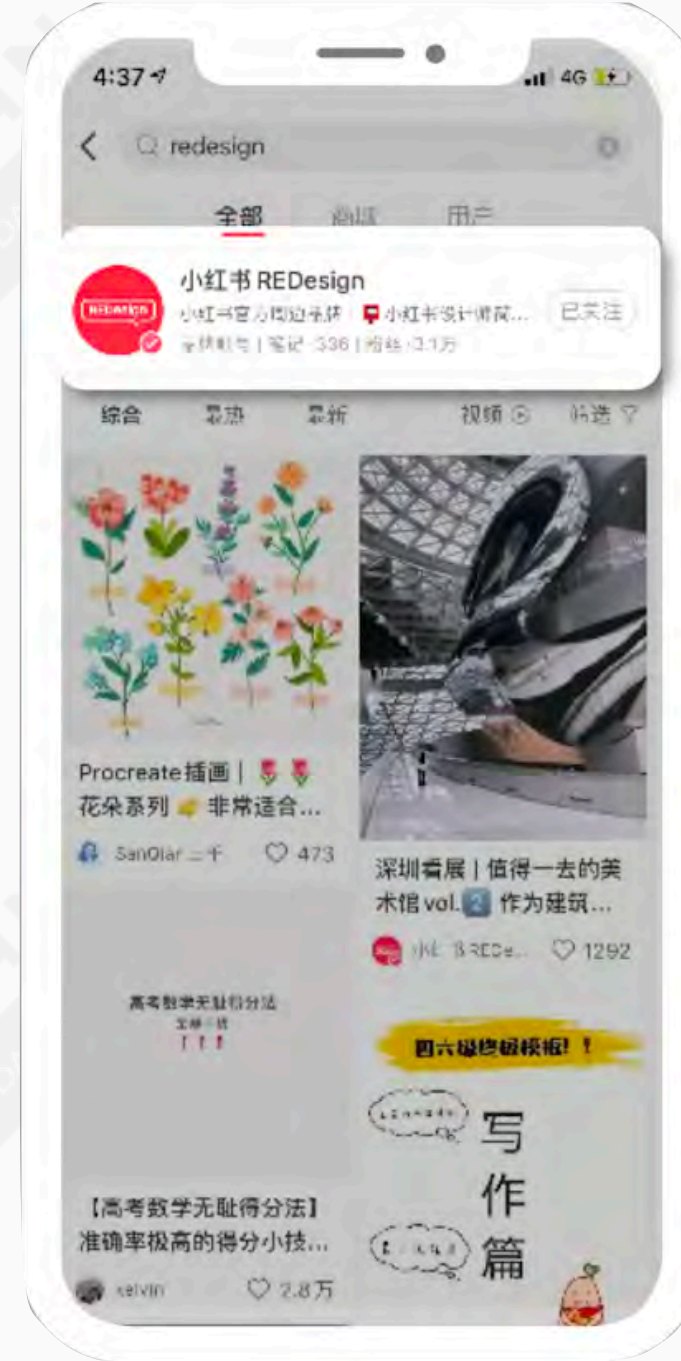
Official Certification - Official certification logo with more display entrances



Search Page
Fuzzy search guide



Search results page
Account follow guide



Brand Page
Account Follow Guide



SOCIAL MEDIA

RED PLATFORM - TOP MARKETING METHODS

Content Release

Content promotion and commercial cooperation

Double Row Posts



Share Brand Story

Share New Product Information

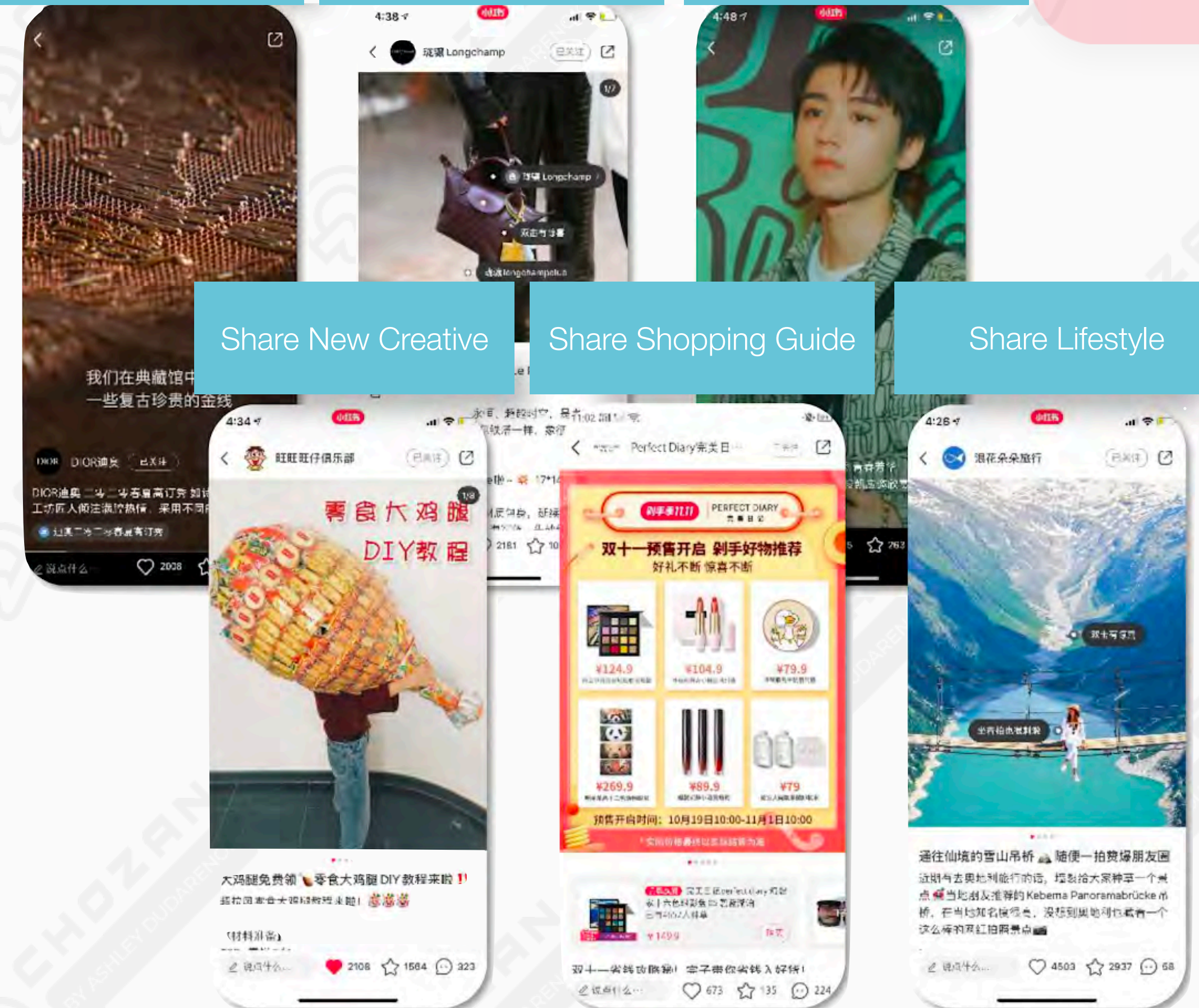
Share the Latest News

Share New Creative

Share Shopping Guide

Share Lifestyle

小红书

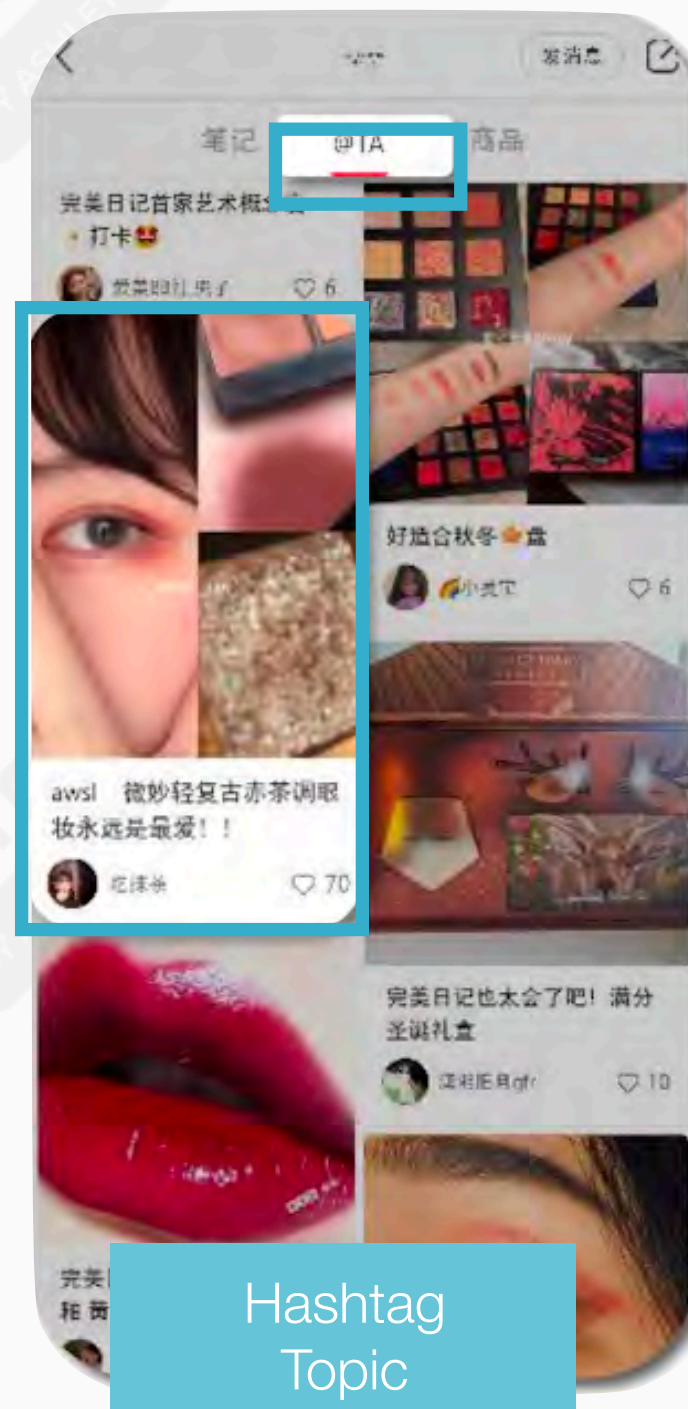


SOCIAL MEDIA

RED PLATFORM - TOP MARKETING METHODS

Fan interaction

Hashtag Topic, create campaign, private message and exclusive fan benefits to engage with fans



SOCIAL MEDIA

RED PLATFORM - TOP MARKETING METHODS

Data insight

Multi-dimensional data report for data-driven operations

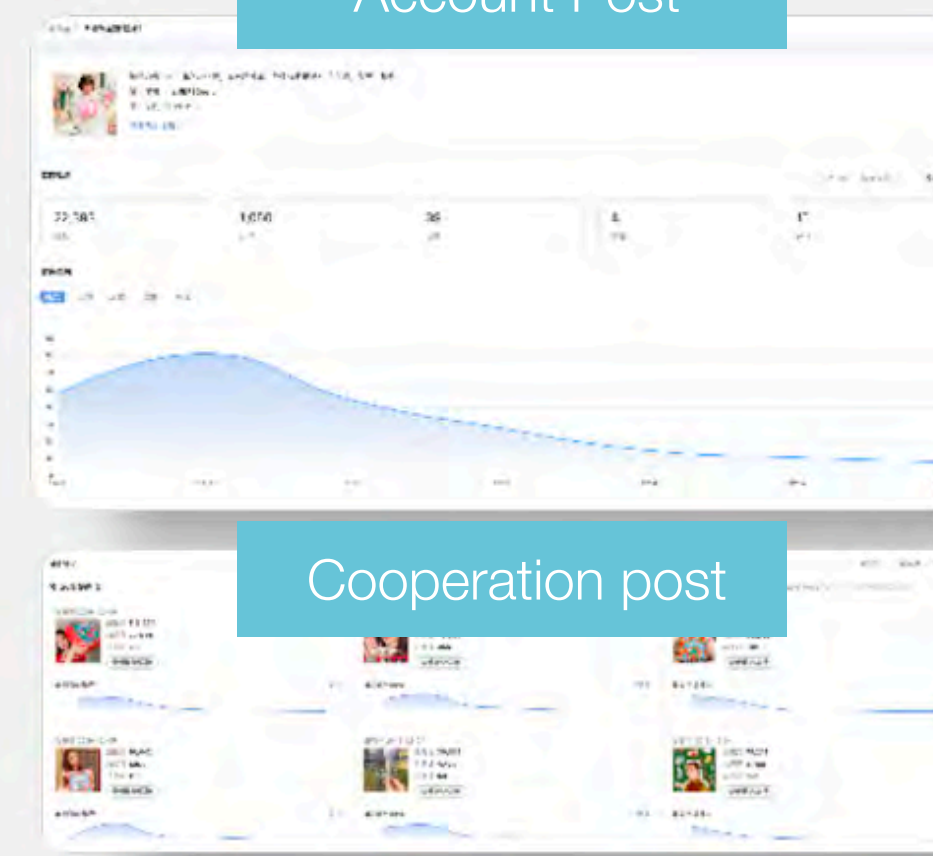
The tool to summarise operations through data functions, and use data insights to correct operational directions



Fan Trend



Account Post



Hashtag Topic



SOCIAL MEDIA

RED PLATFORM - TOP MARKETING METHODS

Traffic conversion

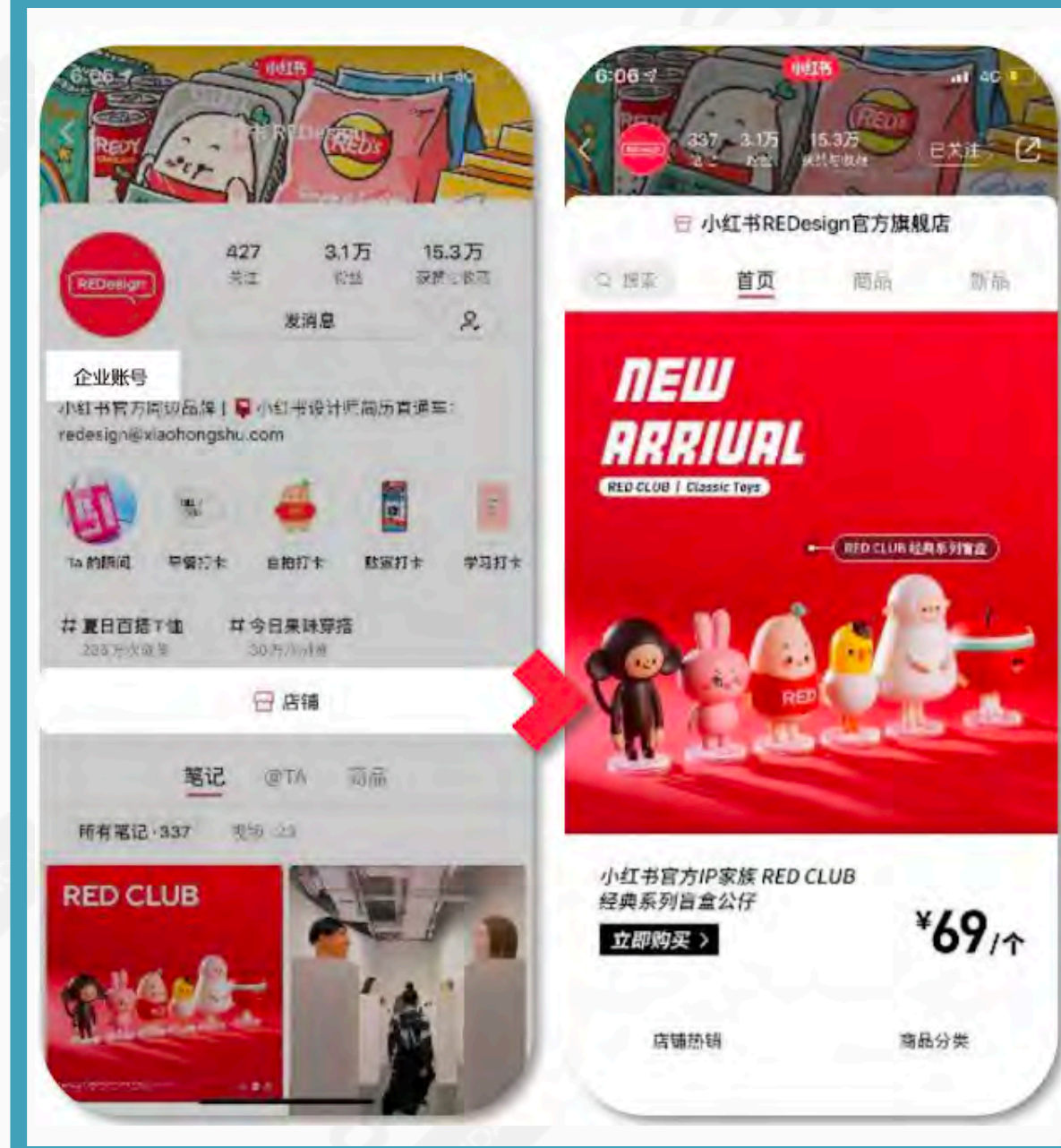
Binding malls, etc. to achieve transaction
conversion POI offline diversion

Draining E-commerce & Offline

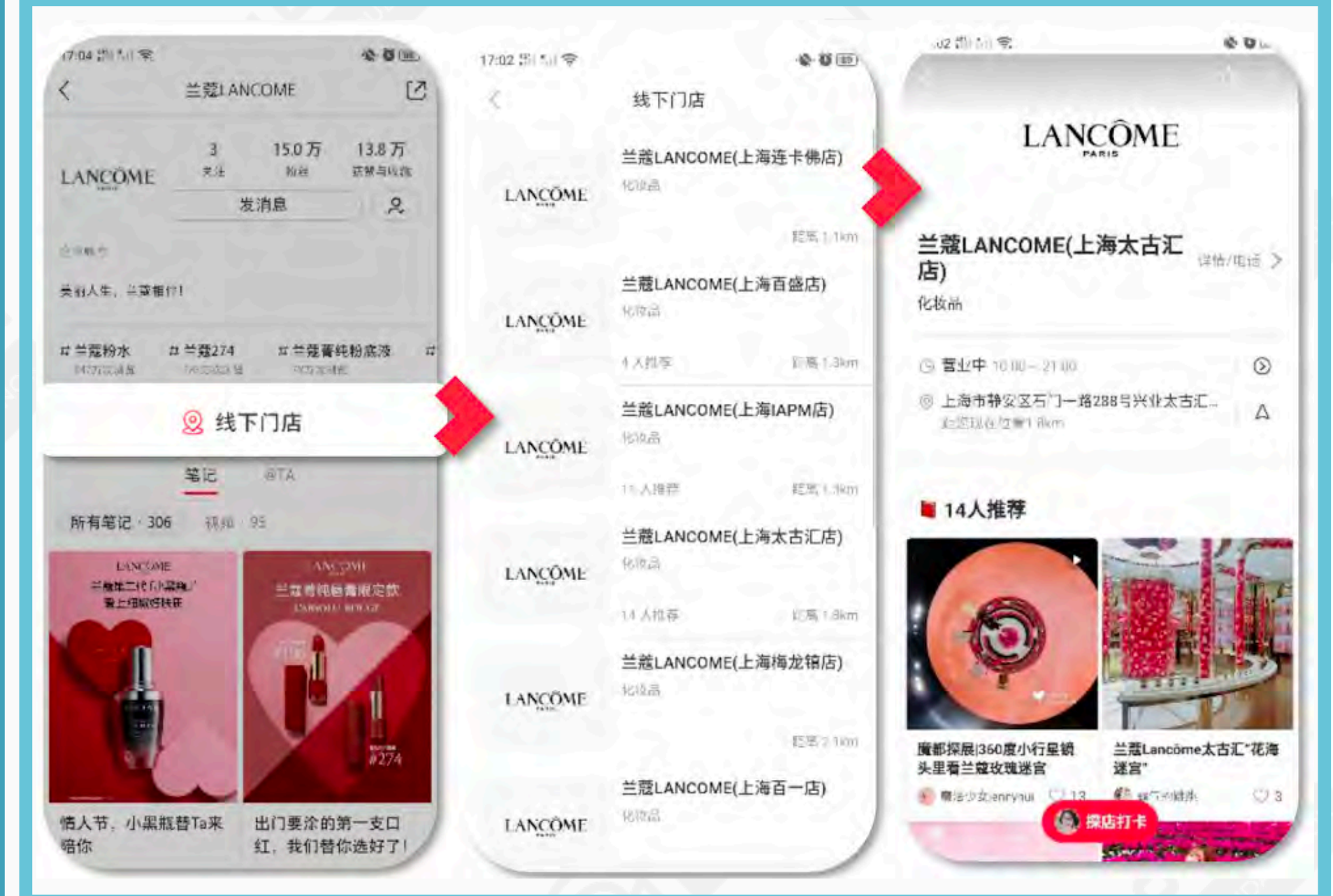
Online to offline store have the shortest
consumption decision chain

小红书

Main page to online store



POI drainage offline stores and check-in notes



SOCIAL MEDIA

RED PLATFORM - REGULATIONS / UPDATES



1. Live Streaming



2. WOW Card



3. Lucky Draw Tool



SOCIAL MEDIA

RED - REGULATIONS / UPDATES

Live + Post linkage

Binding malls, etc. to achieve transaction conversion
POI offline diversion



Livestreaming Together

Can connect with another host



E-commerce Livestreaming

You can add the online store link of Xiaohongshu



Lucky draw

Increase the duration of users watching live broadcasts



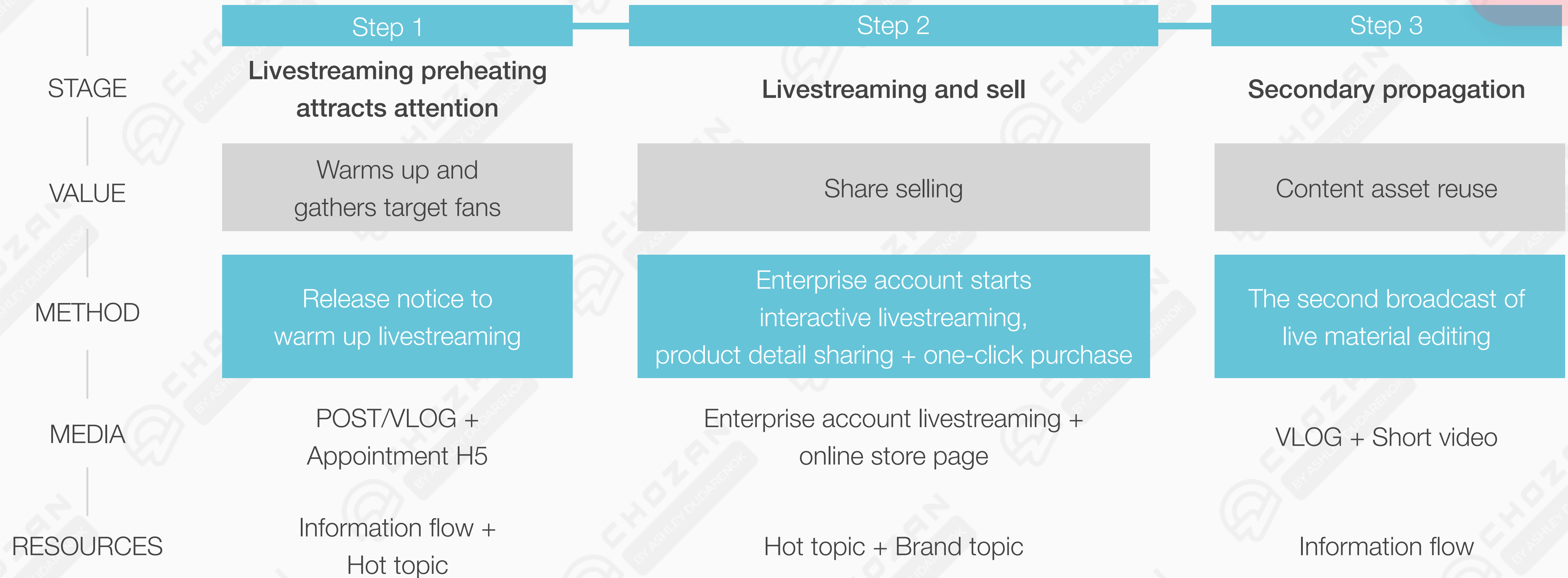
小红书

SOCIAL MEDIA

RED PLATFORM - REGULATIONS / UPDATES



Marketing flow livestreaming



SOCIAL MEDIA

RED PLATFORM - REGULATIONS / UPDATES

Livestreaming Case Studies Perfect Diary - Sales break 2 million

Using livestreaming to promote their new product, Perfect Diary sold ten thousand boxes in five minutes.

Step 1: Bloggers to share their product reviews

Step 2 : Release notice to warm up the livestreaming. Use the lucky draw feature to attract people to subscribe to the page.

Step 3 : New product promotion - buy one get the second with a dollar

Step 4 : Live Streamer share their reviews, while the lucky draw interacts with viewers at the same time

Step 5 : Buyers share their invoices and their posts demonstrate the promotion a success



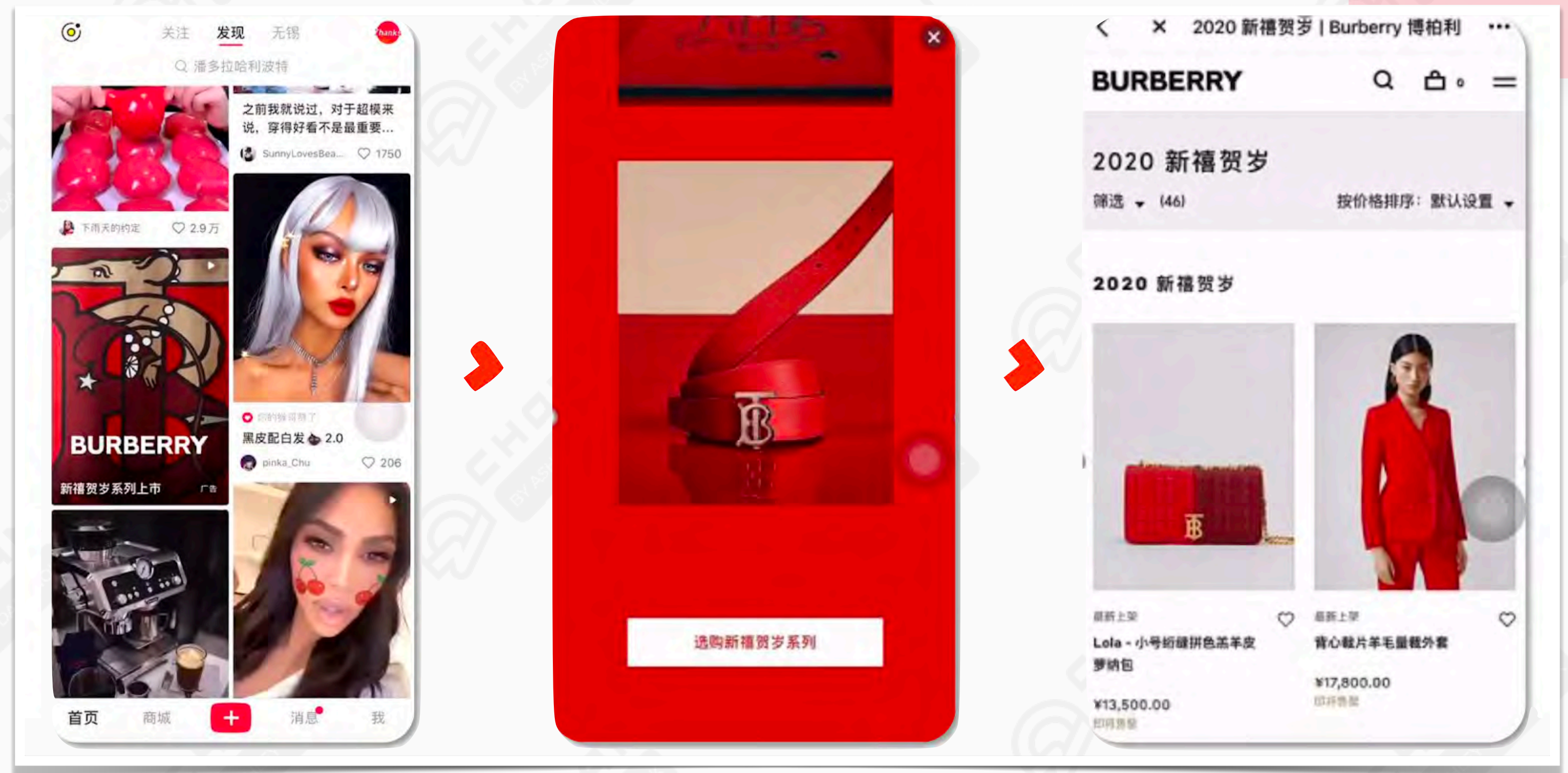
SOCIAL MEDIA

RED PLATFORM - REGULATIONS / UPDATES

WOW Card

- Spokesperson official announcement
- New product launch
- Creative marketing campaign release
- Click to the aggregation page
- Scroll down the page to display the product
- Go directly to the store to reserve funds

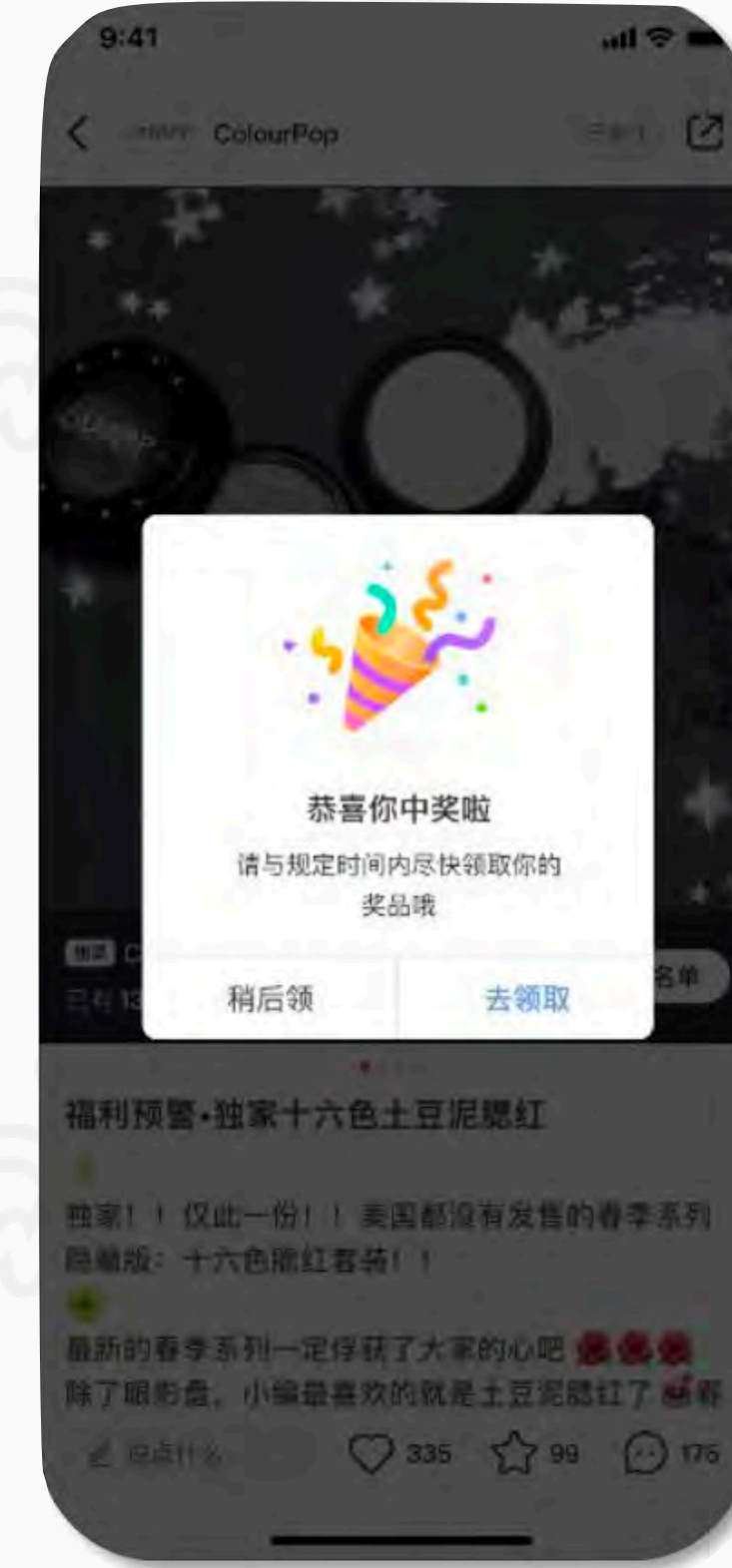
小红书



SOCIAL MEDIA

RED PLATFORM - REGULATIONS / UPDATES

Lucky Draw - Invite attention, post, and participate in activities



EXPERT BITES

Q: IN YOUR VIEW, WHAT WERE THE MOST IMPORTANT UPDATES ON SOCIAL MEDIA IN CHINA IN 2020? HOW WILL THEY IMPACT 2021?

Social media platforms have realized the importance of short-form video and livestreaming so the majority have put a new focus on promoting them. Xiaohongshu (Red) launched its video creator support scheme to help increase traffic to the platform and added video channels to encourage more creators to join. Weibo launched a short-form video section and WeChat developed WeChat Channels for users to upload videos and do livestreams.

Video content has been one of the most effective types of media content for marketing this year because **Chinese consumers spend a lot of time watching it on social media platforms. They spend an average of 4.9 hours per day on online leisure activities.**



ARNOLD MA
Founder and CEO
at Qumin

EXPERT BITES

Q: WHAT'S YOUR ADVICE FOR MARKETERS WORKING ON RED IN Q1 2021?

Work hard on RED as it can open the opportunity to join exclusive, invite-only activations. They have been experimenting with **exclusive, new functionalities like RED surprise boxes**, combining consumers' taste for newness, interactivity, celebrity power, and timely activation. **The result is outstanding - a 22-fold fan increase in our client's case.**



RACHEL DAYDOU
Partner and China GM
Fabernovel

EXPERT BITES

Q: WHAT'S YOUR ADVICE FOR MARKETERS WORKING ON RED IN Q1 2021?

RED is a customer review platform with lots of UGC, KOLs and KOCs. **An imported brand can't afford not to have a presence and exposure on RED.** Nevertheless, RED blocked links to stores from Alibaba's ecosystem in 2020. **It's the marketer's job to route traffic to the brands' existing e-commerce platforms.** The rise of RED's social commerce should also be taken into account.



RICHIE YUNG

Chairman, The Asian General Chamber of New Retail (ANR)



EXPERT BITES

Q: WHAT'S YOUR ADVICE FOR MARKETERS WORKING ON RED IN Q1 2021?

The rise of the KOC isn't going anywhere any time soon and RED is leading the charge in this area. **We expect more maturity from it's e-commerce feature, which to date hasn't really taken off. Early adopters of this e-commerce function could find it really paying off for them in 2021.**



JIMMY ROBINSON

Co-founder and Director at
PingPong Digital

EXPERT BITES

Q: WHAT'S YOUR ADVICE FOR MARKETERS WORKING ON RED IN Q1 2021?

Xiaohongshu is in the midst of transforming from a UCG platform to a social commerce platform so brands should expand their presence by opening a store. Work with KOLs to produce video content for Xiaohongshu as it launched its video channel function in August and has recently put a bigger focus on livestreaming content. **Its video channel provides lots of benefits to creators, such as more exposure, one-on-one video editing training and business cooperation.**



ARNOLD MA

Founder and CEO
at Qumin

PLATFORM

BILIBILI



EXPERT BITES



WENDY CHEN
Marketing Manager at
Alarice and ChoZan

Q: WHAT ARE YOU MOST EXCITED ABOUT ON BILIBILI IN Q1?

Bilibili issued a recruitment announcement for the silver-haired group in 2020, stating that **it hopes to recruit seniors aged 50-60 to join Bilibili. On the surface it's a marketing event, but on a deeper level, there's an urgent need for Bilibili to expand its user base and seek out new markets. For Q1, 2021, the top priority for Bilibili**, which started out as a platform for anime, comics and gaming culture (ACG), **is to expand into the silver-haired market, which will lead to changes in functions and content expansion.**

SOCIAL MEDIA

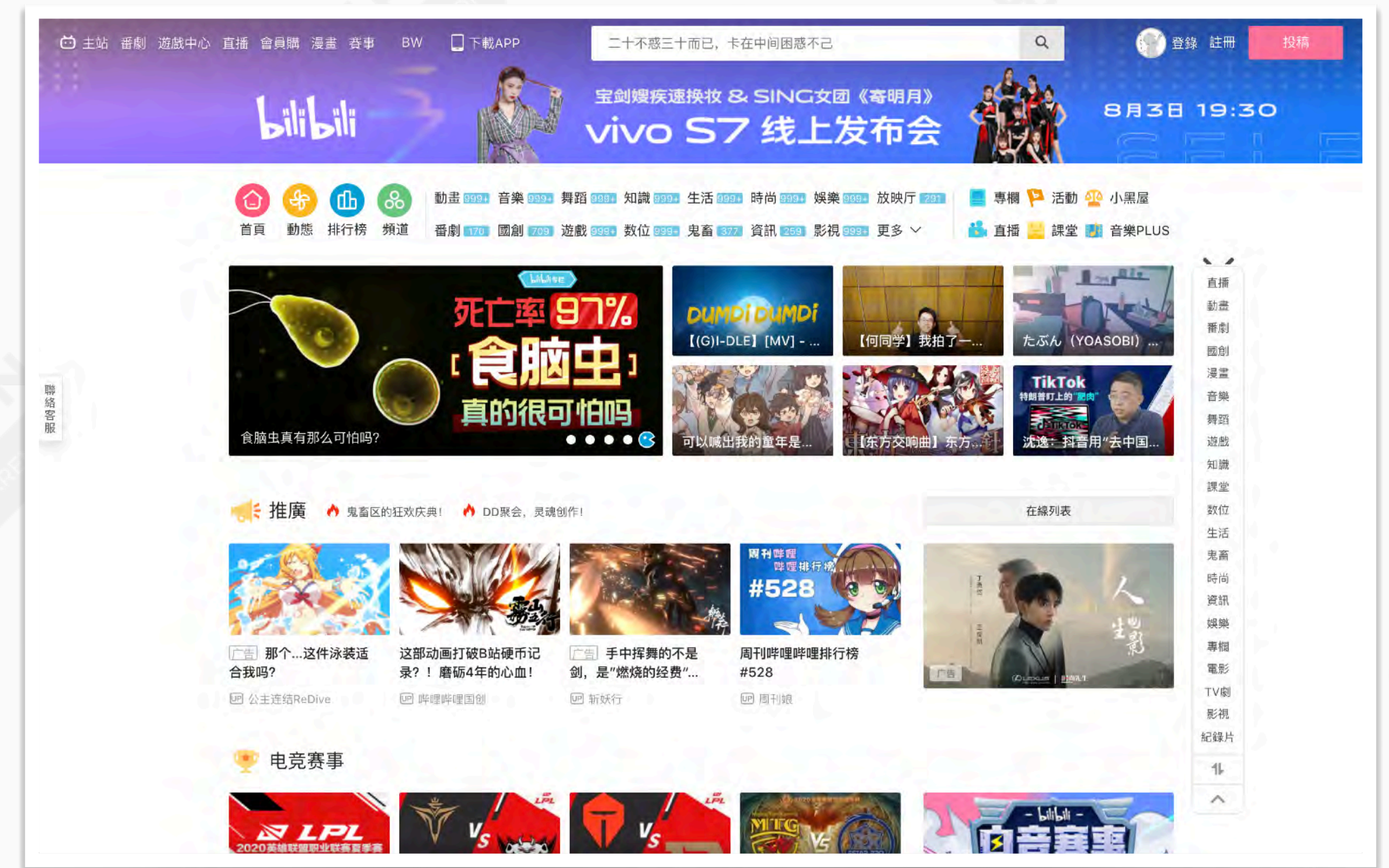
BILIBILI PLATFORM - INTRODUCTION

Bilibili, nicknamed B Site (Chinese: B站), is a Chinese video sharing website based in Shanghai, themed around animation, comic, and games (ACG), where users can submit, view and add overlaid commentary on videos.

Bilibili is a full-spectrum online entertainment world, covering a wide array of genres and media formats, including videos, live broadcasting and mobile games. Bilibili provides an immersive entertainment experience and high-quality content that cater to the evolving and diversified interests

of its users and communities. Bilibili has built its platform on the strong emotional connections of its users to the content and communities on the platform.

Starting from ACG culture, B Station has grown into a cultural community for young people with 15 content zones and over 7,000 cultural circles, with an active user base of 110 million in Q2. Among them, 90% of the plays come from PUGV (Professional User Generated Video) content created by Ups (users who produce content).



SOCIAL MEDIA

BILIBILI PLATFORM - USER DEMOGRAPHICS

In the first quarter of 2020, Bilibili's monthly active users grew 70% year-on-year to 172 million, while mobile monthly active users grew 77% year-on-year to 156 million. Meanwhile, daily active users passed the 50 million milestone, reaching 51 million, achieving 69% year-over-year growth.

Users are typically found in economically developed areas, and they are typically high qualify, intelligent and knowledgeable. The ratio of male to female users is 57:43. 78% of users aged 18-35, and the proportion of undergraduates and above is 10 percentage points higher than that of the entire network.

As B site has a very high threshold for users to enter the site, they must first pass a test of at least half an hour before having the ability to send bullet comments. However, the retention rate of users who passed the test and became full members was over 79% in the twelfth month. This shows that if a video has a high density of pop-ups, users would be interested in and engage with the content. For this reason, when judging the quality of B-site content or the effectiveness of its distribution, it is important to look not only at the number of views, but also at the number of bullet comments.



1.1 BILLION

Average daily video viewership

113%

year-on-year increase

4.9 BILLION

Number of monthly interactions

260%

year-on-year increase

82 MILLION

"official members" who passed the website membership test

66%

year-on-year increase

OVER 80%

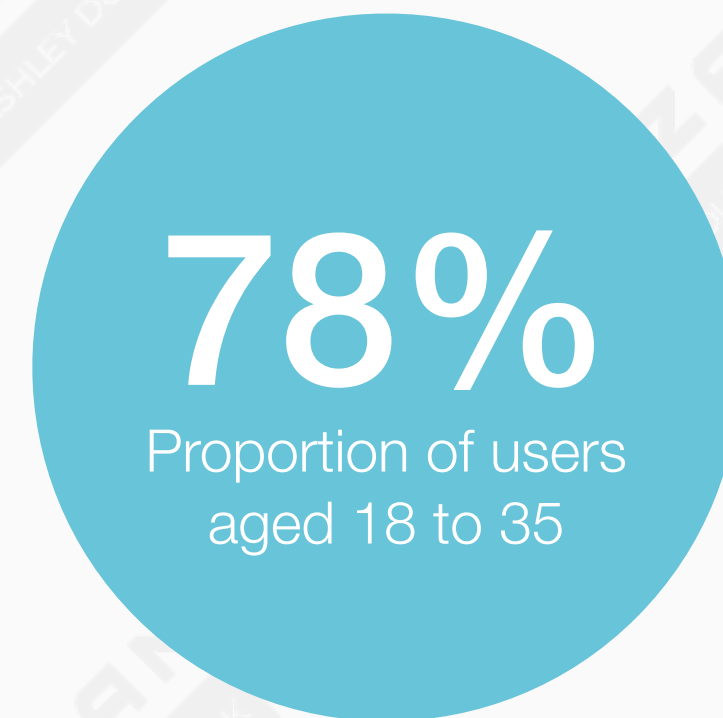
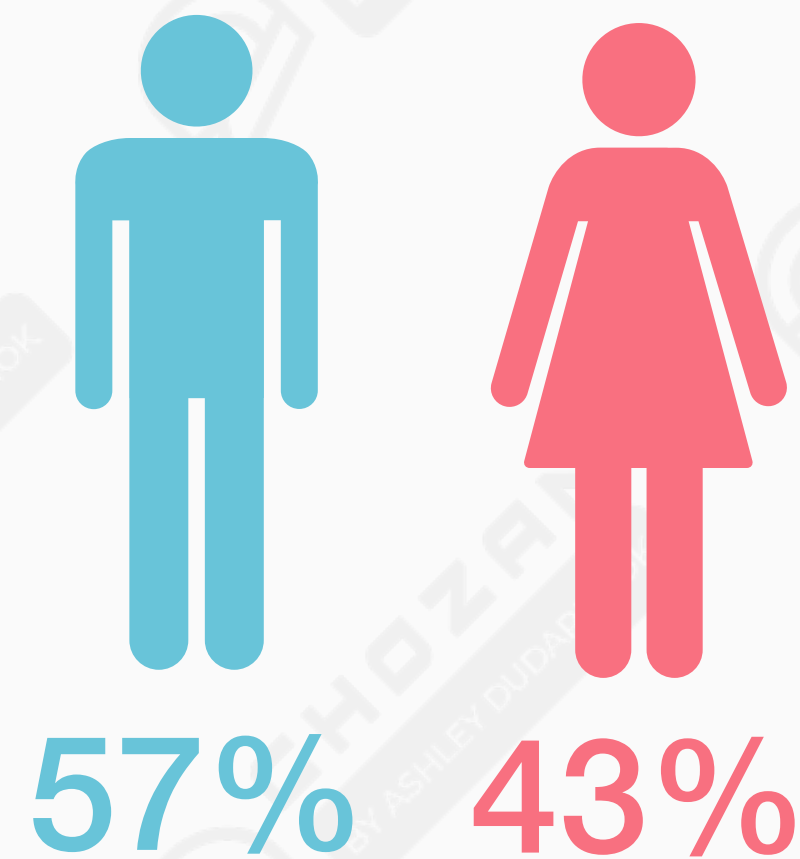
Twelfth month retention rate

SOCIAL MEDIA

BILIBILI PLATFORM - USER DEMOGRAPHICS

Users are typically high IQ, high knowledge base, and found in economically developed areas.

Ratio of male to female users:

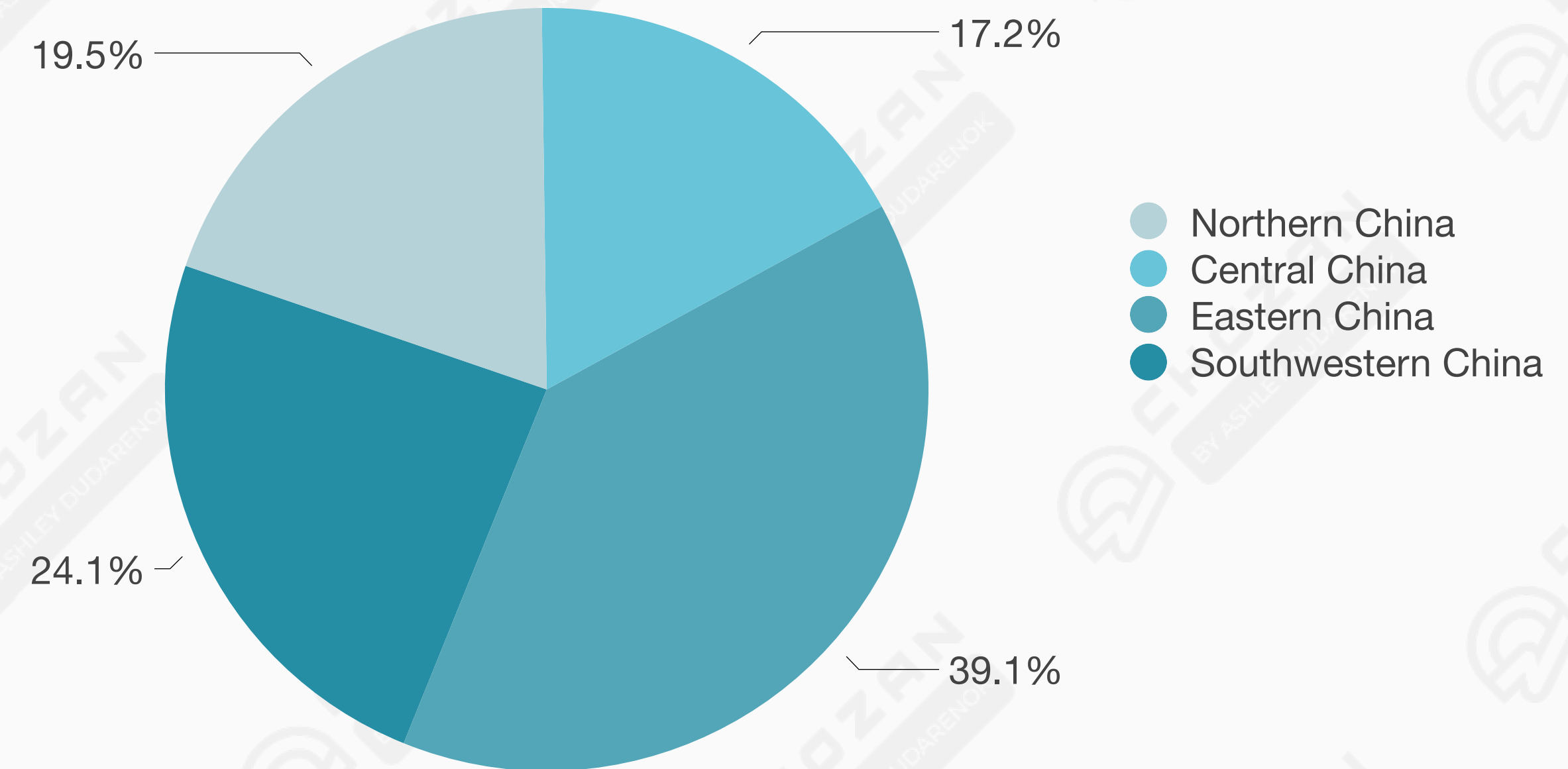


The proportion of users with a bachelor's degree or higher is

10% higher than that of the whole network.



USER DISTRIBUTION



SOCIAL MEDIA

BILIBILI PLATFORM - USER DEMOGRAPHICS



EVERYTHING CAN BE ON
BILIBILI:

TAKE UPS AS THE CORE,
FOCUS ON THE CIRCLE OF
YOUNG USERS

90%

Share of viewership
of PUGV

93%

Year-over-year growth
in monthly active Ups

83%

Year-over-year
increase in monthly
active Ups'
submissions

SOCIAL MEDIA

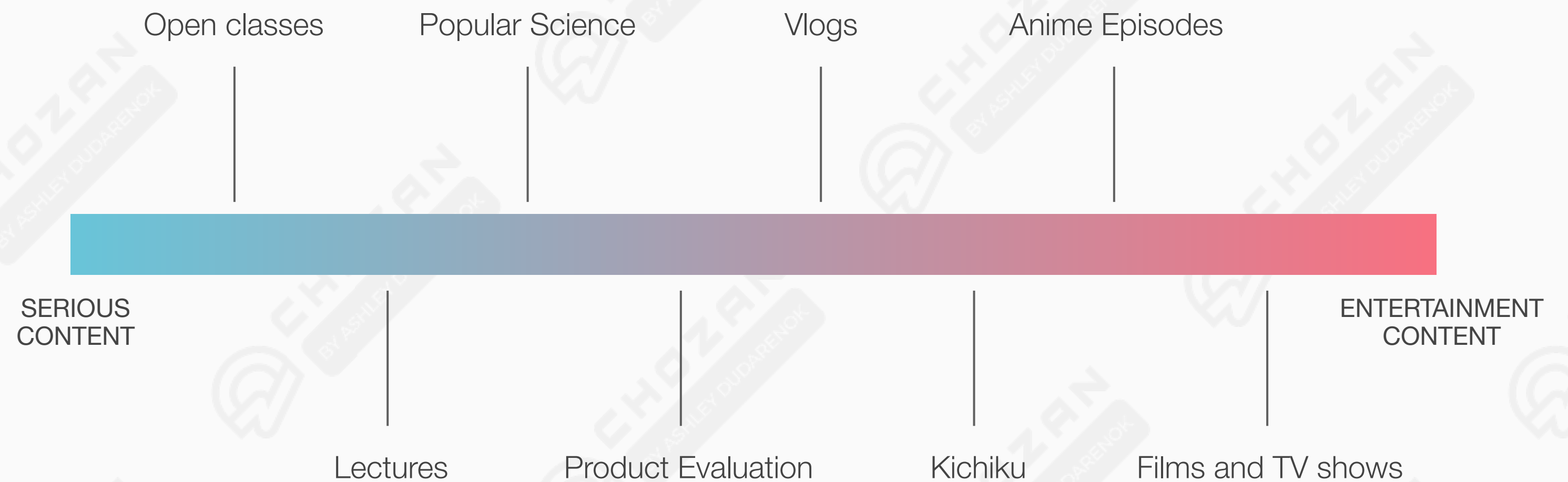
BILIBILI PLATFORM - POPULAR CONTENT CATEGORIES



The top six most-viewed divisions are Games, Life, Entertainment, Movies and TV shows, Drama and Technology. In fact, among the top 6 divisions, except for the drama divisions, all are main contributors of original content for up owners. Brands from all industries can be found in the top 6 divisions

On June 5, Bilibili officially established a knowledge partition with six secondary partitions, including science, social science and humanities, finance and economics, campus learning, vocational workplace, and wild technology association, to share knowledge, experience, skills, opinions, and humanities.

SPECTRUM OF BILIBILI CONTENT TYPES



SOCIAL MEDIA

BILIBILI PLATFORM - TYPES OF ACCOUNTS



Official Accounts on Bilibili	Followers (Million)	Viewership (Million)	Number of likes (Million)	Start of operation
Xiaomi	0.79	24.4	0.14	2016
Huawei	0.41	7.55	1.4	2017
Oppo	0.17	1.6	0.25	2018
Vivo	0.12	0.77	0.21	2018
Alibaba	0.33	20.68	1.02	2018
Tencent	0.06	1.52	0.12	2019

Source:[B 站品牌营销指南](#)

SOCIAL MEDIA

BILIBILI PLATFORM - TOP MARKETING METHODS



1. Targeting Gen Z. The heavy use of the Internet makes Generation Z more willing to trust user-originated content and the opinions of netizens they follow, such as KOLs. They are more sensitive to online information and are more likely to distinguish between true and false information. Younger consumers are more likely to engage in interactive behaviours related to product consumption, are more willing to interact and share, and are more proactive in their evaluations. In addition to actively seeking and posting information on social media channels, young Gen Z consumers are less brand-loyal and

are more likely to try new products than mainstream consumers.

2. Pay attention to PUGV content cooperation. Keep the content native during the cooperation. Avoid changing the style of the publisher due to commercial cooperation. Ensure the content is valuable, interesting and knowledge-based.

3. Livestreaming + bullet comments. These interactions cultivate a sense of engagement, has been the mainstream way of brand marketing. Durex, millet, Zhihu and other

brands have done livestreaming on Bilibili, such as Durex's "three hundred people for three hours" air broadcast, and Lei Jun's live conference.

SOCIAL MEDIA

BILIBILI PLATFORM - CONTENT BEST PRACTICES

Three Kinds of Marketing Practices on Bilibili:

1. PUGV content cooperation

Users call this kind of videos “Content for Surviving” (for the Ups to survive) : On one hand, users are very tolerant of such videos and want their favourite ups to earn money; on the other hand, they can be very harsh. If the quality of the content is not up to the usual standard, or if there are obvious problems with the products of the cooperating brands, and the owner point out the issues, users will call the owner out for "earning unethically."



SOCIAL MEDIA

BILIBILI PLATFORM - CONTENT BEST PRACTICES



2. The brand's own official account

Brands whose products have content features are applicable.

1 Digital brands

There is a lot of digital product content on Bilibili, and popular digital products come with their own traffic. The videos of evaluation of the products, function explanation are all accessible to these brands.

2 Beauty and fashion brands

Beauty and fashion content is one of the main features of Bilibili. Beauty and fashion is also known as the "video version of Little Red Book". With a large number of young users and unlimited length of content, Bilibili is naturally suitable for the production of beauty and fashion videos.

3 Professional service brands

A brand of online educational tutoring, knowledge services, and professional content output in law and health. Bilibili's users have the habit of browsing long videos and are eager to learn various types of knowledge on it.

4 Entertainment service brands

Game, movie and music brands are all suitable for Bilibili. The game partition has long been one of the most popular partitions on Bilibili.

5 Official OGV content

Copyrighted film and television content purchased by B Station includes anime, documentaries, self-produced web series, and e-sports events. OGV content business cooperation is more suitable for powerful and well-known brands to cooperate.

SOCIAL MEDIA

BILIBILI PLATFORM - SALES INTEGRATION



1

Bilibili's commercial advertising platform, Huahuo has officially launched, and invites MCN agencies and agencies to take part in the "Take Off Plan". Partnered organisations in the "Takeoff Plan" can enjoy the platform's support for its accounts, as well as support for commercial advertisements by providing promotion to help expose commercial content effectively.

2

Bilibili cooperates with Taobao in the field of IP commercialisation and content e-commerce, and supports UPs who sign up with the platform to set up certified Taobao Da Ren accounts, thus directing external traffic and realising business monetisation.

3

Product links can also be added under the personal homepage, dynamic page, column page and video player page of UPs.

SOCIAL MEDIA

BILIBILI - TRENDS / CASE STUDY



1

Interesting Marketing Practice:

Coca-Cola invited Jing Hanqing to review its new Coca-Cola coffee. In the video, up owner Jing Hanqing poured Coke coffee into a humidifier and worked in a humidifier-fumigated office to test whether it would have an invigorating effect. The video has been viewed by over 3 million people and has reached the highest daily ranking of 17 on the site.

2

Knowledge-based marketing

@PaperClip: Flexible marketing through the dissemination of relevant knowledge

EXPERT BITES

Q: WHEN IT COMES TO BRAND PROMOTION, WHAT'S THE WINNING FORMULA FOR VIDEO CONTENT IN 2021?

This really depends on what your brand does, but one thing I can tell you is that **you need a professional team to create winning video content.** The right director, scriptwriter, actors, equipment and storytelling is not optional if you want to see viral videos on your channel. **Many brands believe somehow that the receptionist can pull them out of a hat.**



WILLIAM AUGUST
Founder Of Outlandish Studios

EXPERT BITES

**Q: WHAT SHOULD BRANDS DO TO SUCCEED ON RED IN 2021?
HOW ABOUT BILIBILI?**

On RED, brands can try to **post more video content and collaborate with KOCs**. On Bilibili, try to **work with Bilibili's IP, such as animation or a reality show produced by Bilibili**.



MIRO LI

Founder of Double V
Consulting & CHINable
Academy

EXPERT BITES

Q: WHAT OTHER NICHE SOCIAL MEDIA PLATFORMS SHOULD PEOPLE KNOW IN 2021?

Blued - the largest gay community social app in China and the world.



MIRO LI

Founder of Double V
Consulting & CHINable
Academy

EXPERT BITES

Q: IN YOUR VIEW, HOW WILL CHINESE SOCIAL MEDIA PLATFORMS DEVELOP IN 2021?

I think the demand for long-form video will grow. People are tired of swiping endless short TikTok style videos. Even on Douyin, the average length of videos is growing. **Because of these trends, Bilibili is getting much more powerful. It's not a niche anime platform anymore. It's a mix of Youtube and Netflix** and this trend will be clearer soon



ARTEM ZHDANOV
Founder of LaowaiMe



PLATFORM

ZHIHU

知乎

EXPERT BITES



MASON KU
Marketing Manager at
Alarice and ChoZan

Q: WHAT ARE YOU MOST EXCITED ABOUT IN TERMS OF ZHIHU IN Q1?

According to a user data report, Zhihu has accumulated more than 44 million questions and 240 million answers over the past ten years to become a comprehensive platform with a wide variety of functions and diverse content. In 2019, it launched a paid membership function, so-called “盐选会员”, that enabled personalized experiences on the platform, exclusive member functions, and access to more content and resources. In October 2020, Zhihu launched a new tool that let users convert their answers and articles from plain text and pictures into a short video with an option of dubbing.

In 2021, we're expecting Zhihu to further optimize the platform's functions in order to respond to increasing demands for short videos and live streaming among Chinese netizens. At the same time, it will be exciting to see how Zhihu further integrates e-commerce on the platform, given that users now have a chance to unlock a function to insert product recommendations that are connected to JD.com in their answers and articles.

SOCIAL MEDIA

ZHIHU PLATFORM - INTRODUCTION

知乎

As of February 2020, Zhihu has...

Zhihu (知乎), launched in January 2011, is a question-and-answer website like Quora. In Classical Chinese, “Zhihu” means “Do you know”. Its motto is “Share your knowledge, experiences and thoughts with the world.” On Zhihu, questions are created, answered, edited and organized by its users. As time progresses, Zhihu has also advanced and become a super community with social tools, media, services and e-commerce capabilities.



420 MILLION+

Registered users



45 MILLION+

Daily active users



1.3 BILLION+

Daily average page views



70 MINUTES

Daily average usage



560K+

Topics



45 MILLION+

Questions



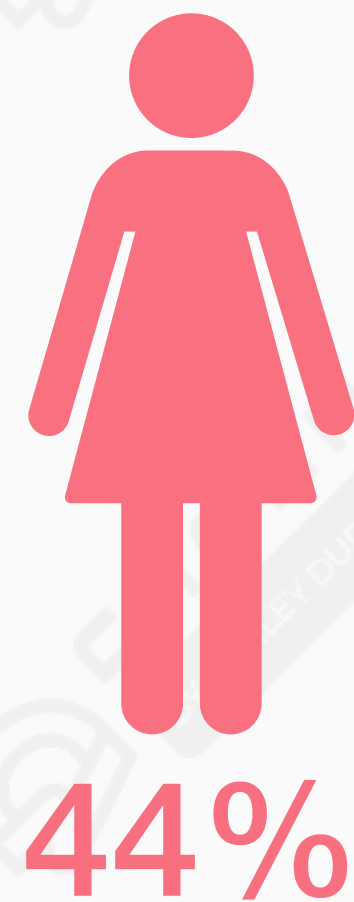
2.1 BILLION+

Answers

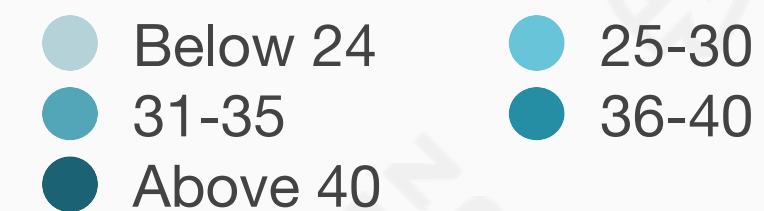
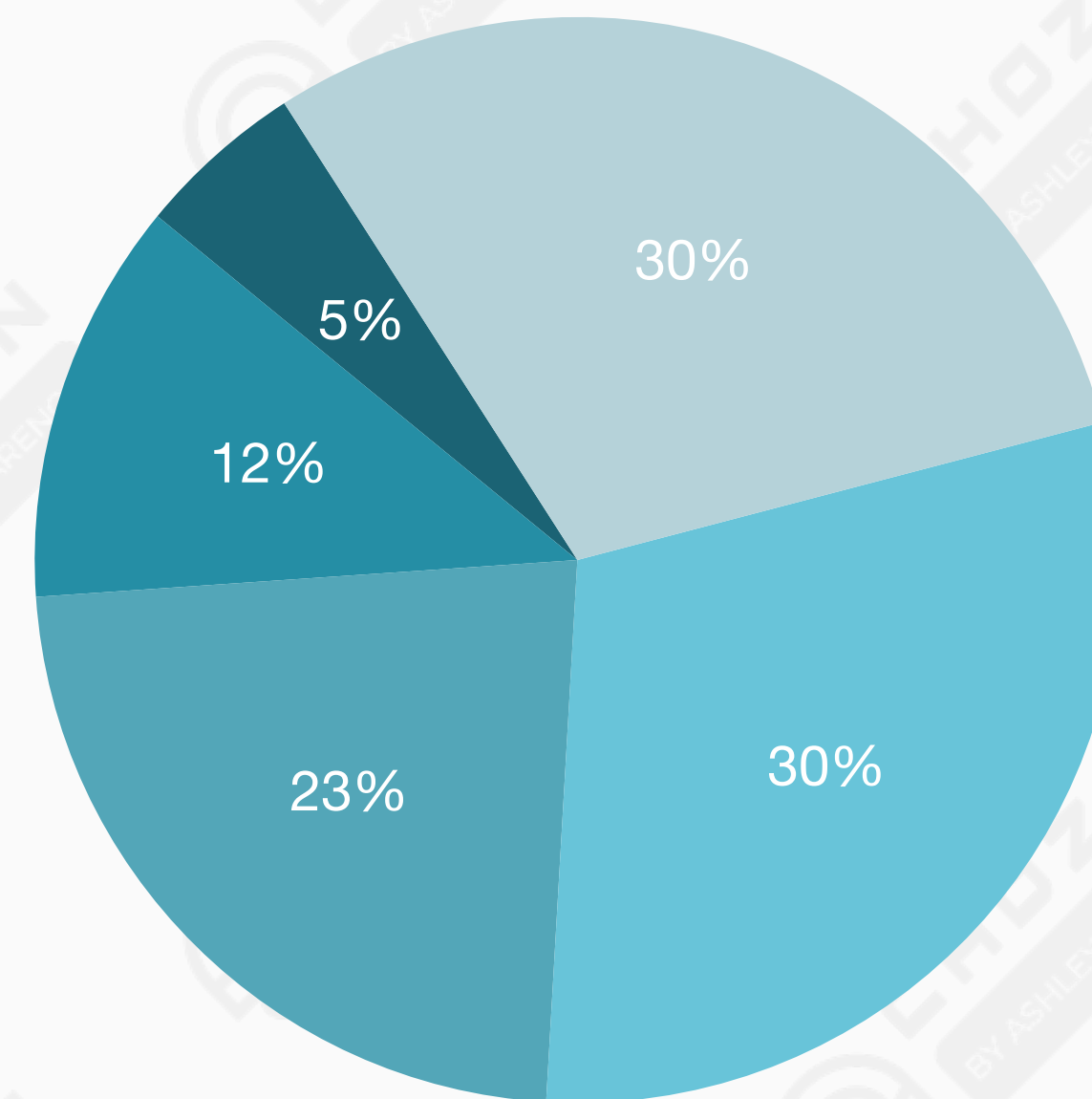
SOCIAL MEDIA

ZHIHU PLATFORM - USER DEMOGRAPHICS

The majority of Zhihu users are degree holders with high incomes and strong purchasing power. They are mostly looking for high-quality, detailed content and insights from the platform.

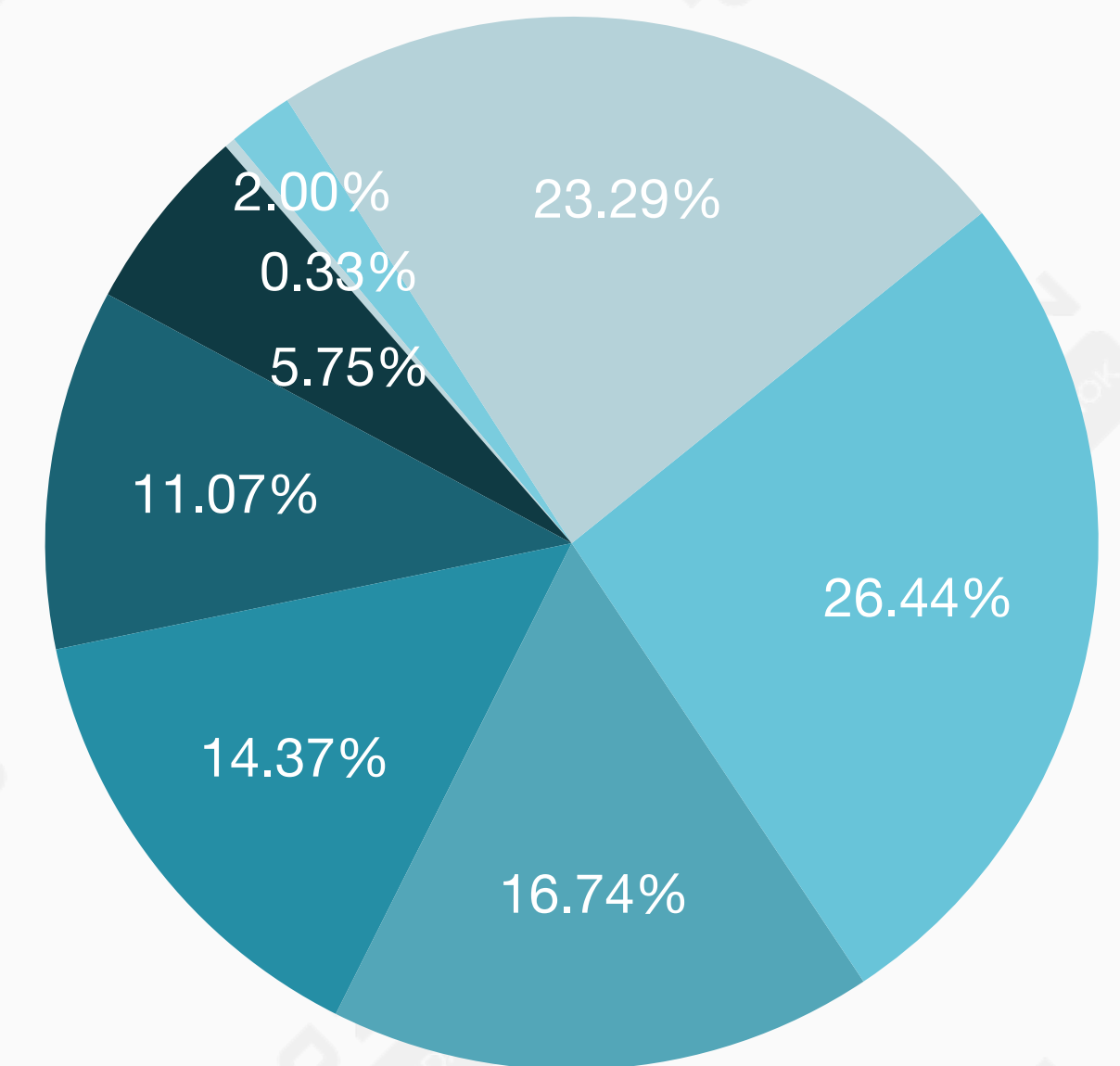


ZHIHU FOLLOWERS AGE DISTRIBUTION



知乎

ZHIHU FOLLOWERS BY CITY TIER



SOCIAL MEDIA

ZHIHU PLATFORM - POPULAR CONTENT CATEGORIES

Many users are searching for useful, practical and reliable information on Zhihu, be it professional insights on certain topics, reviews on new product launches, feedback on trending discussions, etc. It's also important to consider the target audience on Zhihu to determine if it is worthwhile to market your brand on Zhihu.

Zhihu's users highly-educated individuals with high expectations for quality and increased spending power. Some of the more popular topics on Zhihu include social, reading, informational, life-style and career topics.

Zhihu is suitable for



Shopping consumer products that are fairly expensive: Digital, cosmetics, skincare, baby care, electrical appliances, etc.



Speciality consumer products or services: Education, medical, insurance, realty, investment, etc.

知乎

SOCIAL MEDIA

ZHIHU PLATFORM - TYPES OF ACCOUNTS

More brands are starting to notice the value Zhihu brings, and have debuted marketing efforts on the platform.

知乎



SOCIAL MEDIA

ZHIHU PLATFORM - TOP MARKETING METHODS

Zhihu has evolved from a small community for academic elites and professional experts to a large-scale knowledge-sharing platform for consumers. Information on Zhihu does not only consist of textbook facts or industry-specific language, but also includes useful information for everyday lives - information that may affect decision-making processes in consumers' lives.

Unlike other platforms, Zhihu has a loyal user base who is actively searching information to learn more about a wide range of topics. They are highly-educated knowledge-hungry

individuals who have high attention span, who appreciate reading longer-form articles.

These characteristics make Zhihu a great marketing option.

1

Writing articles is a **more cost-efficient** marketing approach than creating a short video.

2

High-quality replies and discussion topics can attract a considerable amount of search and traffic even after a while, creating **a long tail effect** for your marketing message.

知乎

SOCIAL MEDIA

ZHIHU PLATFORM - TOP MARKETING METHODS



1. Q&A Campaigns

Most brands start marketing on Zhihu using its basic question-and-answer function. Brands can establish relationships with users and build reputations. Zhihu also allows brands to promote themselves and [introduce their products in a more professional and technical way](#). Answering questions on Zhihu allows brands to [showcase their expertise and connect with both industry experts and general users](#).



2. In-depth articles

Individuals and brands can [publish articles with in-depth, professional knowledge](#) through Zhihu Column (知乎专栏). A well-designed article published on Zhihu will [see more user engagement](#) than the ones posted on other platforms, as the general public may find niche content boring, or they may lack the kind of professional background necessary to appreciate it.

知乎

SOCIAL MEDIA

ZHIHU PLATFORM - CONTENT BEST PRACTICES

知乎

The basic recipe for success on Zhihu is to provide users with helpful, relevant knowledge, along with sustainable communication. Zhihu is a content-intensive platform, it goes without saying that the content you produce has to have high accuracy and quality, regardless of its format. Additional plus to include the following:

Interact with your audience in a timely manner: Show your readers that you are here to engage with them, elaborate on your point, commit to interactions accordingly.

Use images or infographics to help make your point: a picture speaks a thousand words, and a great way to break the text-heavy flow once in a while.

Share professional insights or company statistics: bring unique content to the discussion and gain authority in front of your readers.

Zhihu also offers great support for marketers through their 'Top Charts' (热榜), 'Editors' recommendations' (编辑推荐), ebooks 'Zhihu Weekly' (知乎周刊) and their official WeChat page. Utilise these official data and resources to better build your brand presence on Zhihu.

SOCIAL MEDIA

ZHIHU PLATFORM - SALES INTEGRATION

知乎

Back in 2019, Zhihu launched the brand new 'Little Blue Star' (小蓝星) function. Users can select “recommend” or “do not recommend” on the product listing page and submit their review. The backend algorithm will then present this data in the format of a rankings list. Currently, the Little Blue Star’s list of recommendations covers digital and beauty products, further broken down into over 30 lists for mobile phones, earphones, lipsticks, facial masks, etc., with over 400 products and 750k ranking reviews. Users only need to search “Little Blue Star” in the Zhihu app to access the ranking lists.

Another function is 'Goodies to Recommend' (好物推荐). Accounts that are authorised to use this function can include product links in their replies, articles or videos. This function currently caters product links to e-commerce sites JD, Taobao and Pinduoduo. For each successful conversion, a small commission would be given to the affiliate content creator. Note that links to different e-commerce platforms would have different commission schemes, so content creators may have a preference in featuring products on a certain e-commerce platform.

SOCIAL MEDIA

ZHIHU PLATFORM - REGULATIONS / UPDATES

知乎

In May 2020, Zhihu announced a series of updates regarding Zhihu Columns (知乎专栏).

1. Broadening the Concept of Content

- Previously, Columns only included 'articles'. With the new upgrade, the new Columns can now automatically include the creators' articles, replies and videos.
- Zhihu is working towards including different formats of content under Columns in the future. These individual pieces of content will also include a link to the Columns, bringing more exposure and driving more traffic to the Columns section.

2. Emphasise the Value of High-Quality Content

- Users who have previously liked a Column article will automatically become the follower of the content creator. This direct conversion gives more recognition to creators and acts as an incentive to create more high-quality content in the future.
- The new Column supports a sharing function, facilitating the spread of great content.

3. Complete ownership for Content Creator

- There will be no more limitations on the theme and creative direction on Columns.
- The 'Follow Column' (关注专栏) function will retire, making the Column a sole property of the creator.

EXPERT BITES

Q: WHAT ARE YOUR FAVORITE SOCIAL MEDIA PLATFORMS FOR Q1 2020, AND WHY?

We work in niches where longer and more thorough educational content resonates best with consumers. So, **we like platforms where we can *kill it* with long-form content, like Zhihu (for answers), WeChat (for articles), and Bilibili (for videos).**



TAIT LAWTON
Founder,
Nanjing Marketing Group

PLATFORM

KUAISHOU



EXPERT BITES



JACQUELINE CHAN

Project Director at
Alarice and ChoZan

Q: WHAT ARE YOU MOST EXCITED ABOUT ON KUAISHOU IN Q1?

More and more Kuaishou users are pursuing quality, buying things they're interested in, buying first and paying later, and finding their own social groups on Kuaishou. However, Xin Ba paid 60 million yuan in compensation and his Kuaishou account was suspended for 60 days for selling fake bird's nest. In 2021, Kuaishou will definitely revise its rules for live stream management.

SOCIAL MEDIA

KUAISHOU PLATFORM - INTRODUCTION

Kuaishou is from Beijing Kuaishou Technology Co., Ltd. The predecessor of Kuaishou, called 'GIF Kuaishou', was born on March 2011. The original app designed and produced shareable GIF pictures. Beginning in 2015, Kuaishou funny videos became a bright spot, taking the "down-to-earth" route for the public. Unlike Douyin's positioning of "recording a good life and fashion trends", Kuaishou promotes "everyone is worthy of being recorded" and "life cannot be judged high or low", and encourages all kinds of original life style videos for all public users.



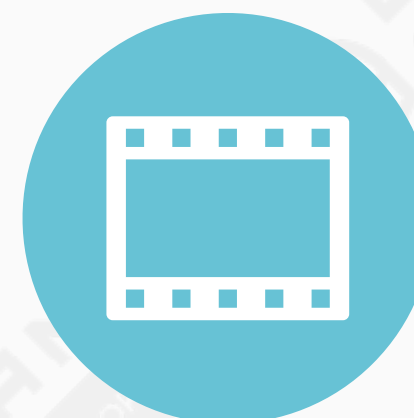
85+ MINUTES
USAGE PER DAY



302 MILLION
DAILY ACTIVE USERS



776 MILLION
MONTHLY ACTIVE USERS



1.1 BILLION
UPLOADS PER MONTH



10 TIMES
APP BEING OPENED DAILY



84%
USERS ARE VIEWERS



SOCIAL MEDIA

KUAISHOU PLATFORM - ECOSYSTEM



Kuaishou is expanding their ecosystem in 2020, collaborating with more platforms to expand their business.

TIMELINE	COLLABORATING PLATFORMS	OWN PLATFORM
<div> <div>JUN-JUL</div> <div> <div>Kuaishou minishop increasing traffic and collaborated with JD.com</div> </div> </div> <div> <div>AUG-SEP</div> <div> <div>Introduced “好物联盟” (like a membership program for better experience), optimising the supply chain</div> </div> </div>	<div> <div>    </div> <div>   </div> </div>	<div> <div>  </div> </div>

SOCIAL MEDIA

KUAISHOU PLATFORM - INTRODUCTION

The similarities between Douyin and Kuaishou:

- Short video, vertical screen browsing.
 - Can be made with music, mainly UGC content.
- Many short videos are uploaded both on Douyin and Kuaishou. These short videos can be with music and created by ordinary users.
- AI+ big data distribution
- Similar to Douyin, Kuaishou also uses user clicks, likes, comments and other data to personalise recommendations for users. After registration, you can follow others and view videos in the same city. The system can record user habits and customise recommendations.



在快手 看见每一种生活



SOCIAL MEDIA

KUAISHOU PLATFORM - INTRODUCTION



The differences between Douyin and Kuaishou:

- **Kuaishou is not a "full-screen auto-play" type**

Kuaishou displays 4 videos on one page. The video starts to play only after the user clicks to enter, while Douyin video is automatically played, and the user does not click to select. The Kuaishou style makes it easier for users to find the video themes they like.

- **Make the content more related to daily life**

Kuaishou evolved from GIF, where videos of lifestyle (food, beauty, cute pets) and other categories account for a relatively high proportion. Users are concentrated in third- and fourth-tier cities, taking the route of "rural surrounding cities". On that note, Kuaishou does not invite celebrities on a large scale, and brand operators do not favour celebrities and big V. the focus is on ordinary users who create original videos.

- **The brand image is different - Kuaishou is more down-to-earth**

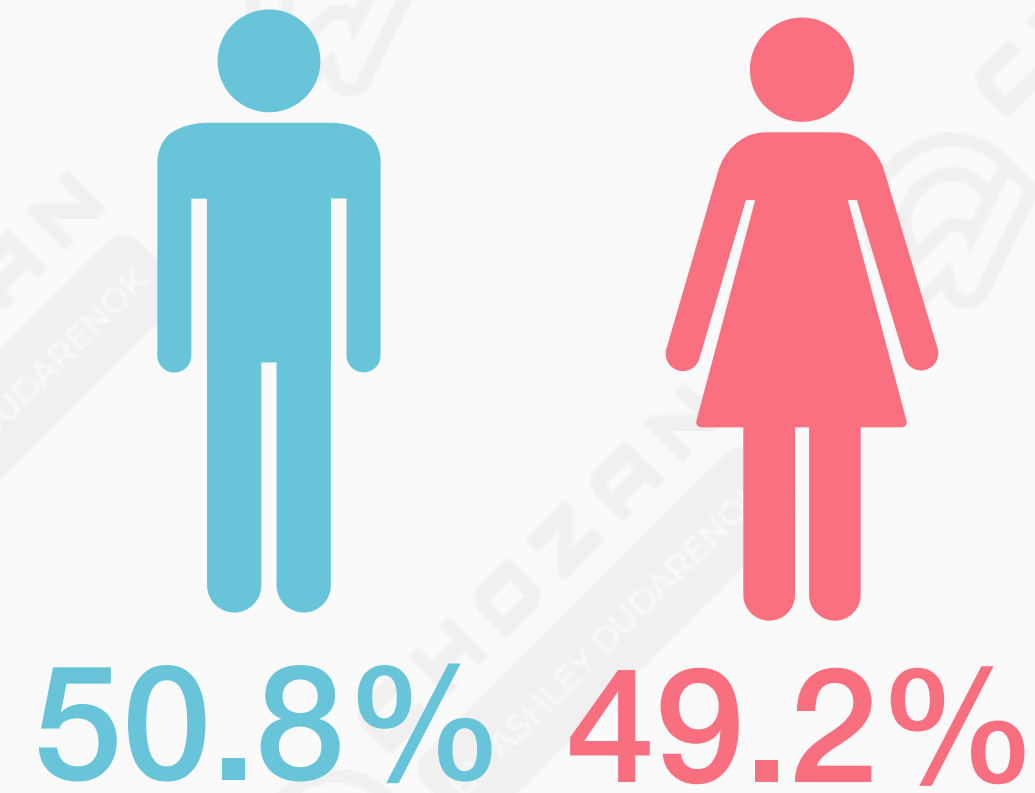
The differences in core user groups, brand marketing and publicity strategies have prompted Kuaishou and Douyin to establish different brand images. Douyin has established a new and fashionable image with star marketing and brand advertising, while Kuaishou has a more daily life centred environment.

SOCIAL MEDIA

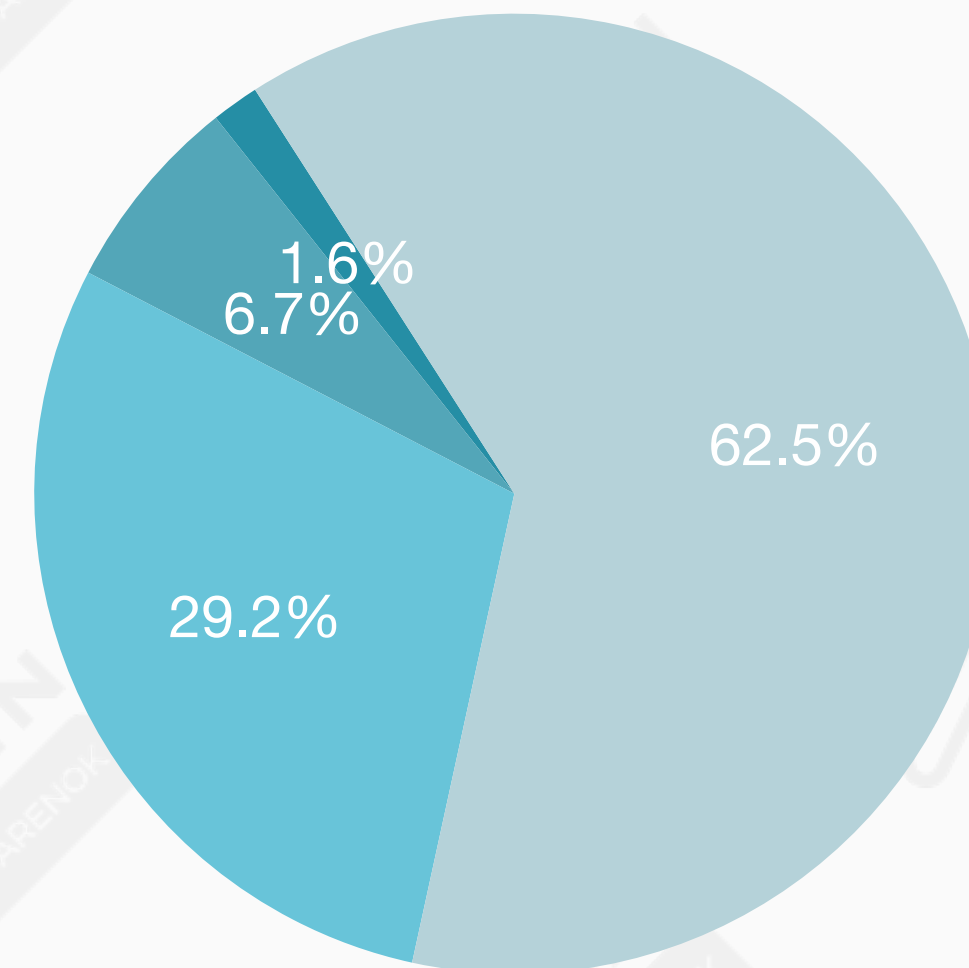
KUAISHOU PLATFORM - USER DEMOGRAPHICS



Gender ratio of Kuaishou users:

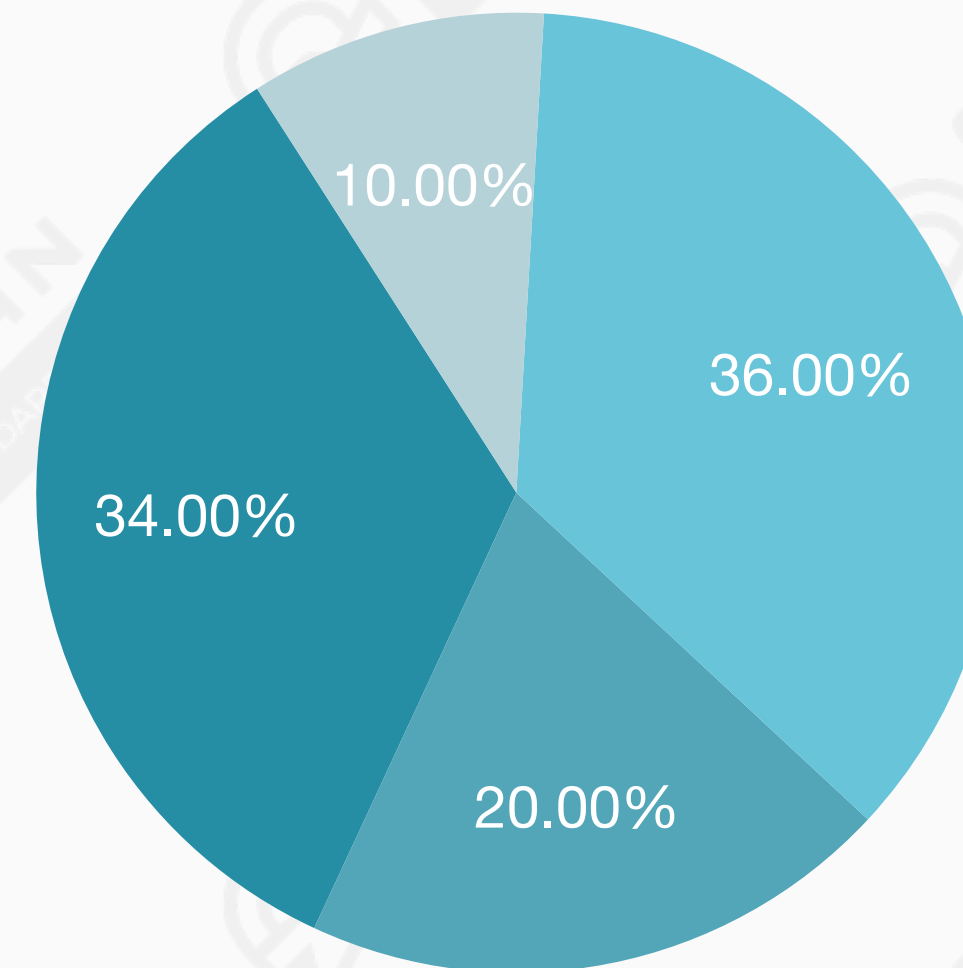


KUAISHOU FOLLOWERS AGE DISTRIBUTION



Below 25 26-35
36-45 Above 46

KUAISHOU FOLLOWERS BY CITY TIER



Tier 1 cities Tier 2 cities
Tier 3 cities Tier 4 or below cities

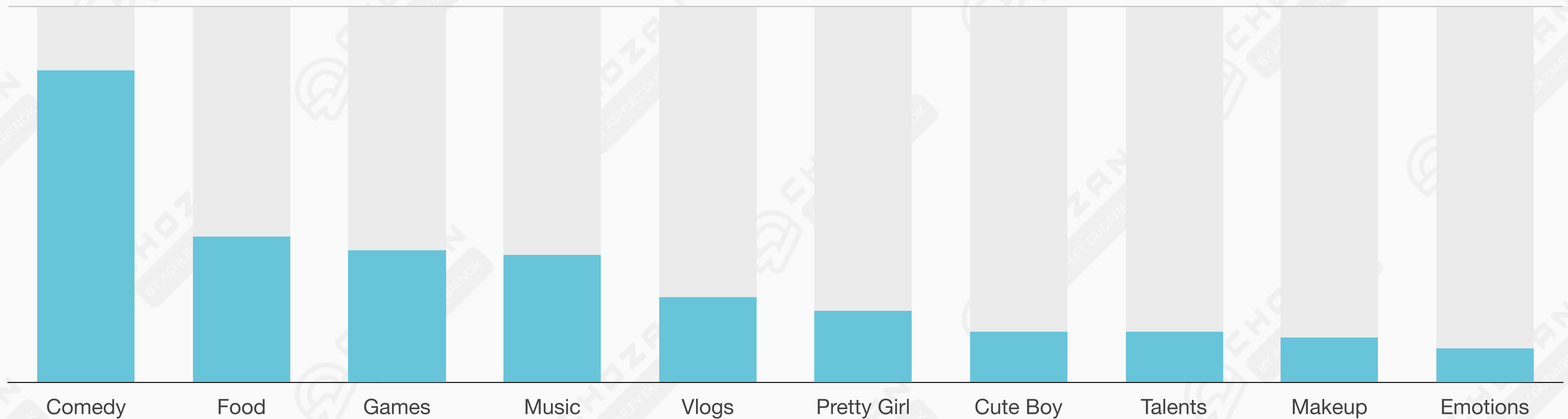
80%+
of the users are Post-90s

SOCIAL MEDIA

KUAISHOU PLATFORM - POPULAR CONTENT CATEGORIES



TOP 500 KOL CONTENT CATEGORIES



SOCIAL MEDIA

KUAISHOU PLATFORM - TOP MARKETING METHODS



1

Decisively and directly do the advertising

The goal of advertising is to achieve brand exposure through payment. This is a very common marketing method, not only for Kuaishou, but also for other short video platforms.

2

Content placement

Content placement is also a very common short video marketing method. Specific manifestations include brand name and logos, oral broadcast implantation, brand exposure, and so on in the KOL and brands' short videos.

3

KOL Promotion

You can also use KOL influence to reach the larger audience that are the fans, by selecting Internet celebrities that match the product. At the same time, KOL partnerships stimulate more engaging participation of users.

4

Content customisation

Content customisation mainly triggers communication by shooting related product content. Compared with long videos, short video customised marketing content pays more attention to stories and plots, typically surrounding the brand product.

SOCIAL MEDIA

KUAISHOU PLATFORM - CONTENT BEST PRACTICES

The viral brand x consumer experience



8.77 MILLION

People taking part in the campaign



30%

sales improving

KUAISHOU X BAIQUELING



SOCIAL MEDIA

KUAISHOU PLATFORM - SALES INTEGRATION



The main features of Kuaishou's e-commerce model are Kuaishou livestreaming and Kuaishou Xiaodian (快手小店).

Kuaishou Livestreaming

Kuaishou's livestreaming e-commerce business has a GMV target of 250 billion in 2020. And the GMV target of Douyin live e-commerce is as high as 200 billion. The GMV of Taobao Live in 2019 is between 200-250 billion, which means that the goals that Douyin and Kuaishou will hit in 2020 can already catch up with the results of Taobao Live last year.

Kuaishou Xiaodian

'Kaishou Xiaodian' is a merchant function launched in the Kuaishou App, which aims to provide convenient merchandise sales services for users of Kuaishou, and efficiently convert their own traffic into revenue.

Cooperation with Jingdong

On May 27, Kuaishou Technology and JD Retail Group formally signed a strategic cooperation agreement. The two parties will conduct in-depth cooperation in the development of the supply chain capabilities of Kuaishou stores, brand marketing and data capabilities, etc., to jointly create a new ecology of short video live streaming e-commerce.

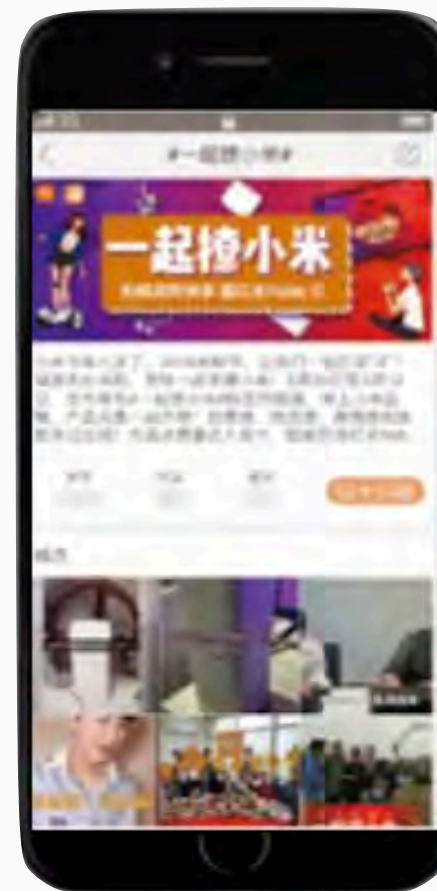
According to the agreement, the two parties will conduct in-depth cooperation in the supply chain. JD Retail will provide superior categories of goods to Kuaishou stores, and the two parties will jointly build a high-quality product pool, which will be selected and sold by Kuaishou anchors. Kuaishou users will be able to purchase JD's self-operated goods directly in the Kuaishou store and enjoy JD's high-quality delivery and after-sales services.

SOCIAL MEDIA

KUAISHOU PLATFORM - REGULATIONS / UPDATES

Hashtags

The hashtag page encourages users to spread hashtags through interactions. This is very suitable for the customised marketing format which allows brands to achieve sales and branding at the same time.



Xiaomi

#Come to play with Xiaomi#



Baiqueling

#Chase your dream#



Haerbin Beer

#Drink Beer together#



Kaidilake

#Just 6.2 seconds you can be famous#



Meilan

#Tell the true story#

SOCIAL MEDIA

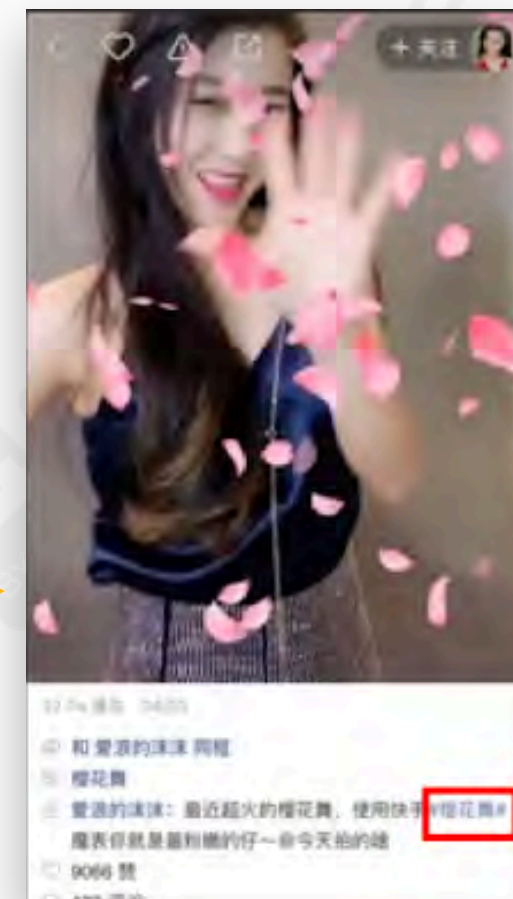
KUAISHOU PLATFORM - REGULATIONS / UPDATES

Hashtags

Using a variety of hashtags makes it more likely to attract the attention of ranging consumer groups and easier to connect them with potential purchases.



News Feeds
Ads



Hashtags in
video



The challenge
page



Hashtags search
ranking 2nd to 5th
place



The hashtag in
home page



SOCIAL MEDIA

KUAISHOU PLATFORM - REGULATIONS / UPDATES

Challenge + sticker interaction

Challenges are started by the top KOLs and brand account content, making it more attractive to users. Magic stickers also encourage people to actively interact with the challenge topic and increase traffic.

Number of participants

94 million+



Number of participants

42 million+



SOCIAL MEDIA

KUAISHOU PLATFORM - PARTNERSHIPS

Cultural and educational content growth

Kuaishou and Zhihu jointly released the '**Kaizhi Project**', introducing the Kuaishou education accounts of related scholars, professors and other groups. The partnership continues the platforms' goals **to provide richer knowledge and education content**.

Cooperation with CCTV and JD

- During the Spring Festival, Kuaishou exclusively cooperated with the CCTV's 2020 Spring Festival Gala. The amount of red envelopes on the **Spring Festival Gala reached 1 billion RMB**, exceeding **Baidu's 900 million** and **Taobao's 600 million**, becoming **the highest amount of red envelopes** in history.
- During the epidemic, Kuaishou and CCTV continued their cooperation and became **the news portal of CCTV**, and **broadcasted official events** such as the construction of the shelter hospital.
- The cooperation with JD.com **represents the further layout of Kuaishou** in the business process.



1 BILLION RMB
SPRING FESTIVAL GALA

EXPERT BITES



WENDY CHEN
Marketing Manager at
Alarice and ChoZan

Q: WHAT ARE YOUR RECOMMENDATIONS FOR KOC MARKETING IN Q1 2021?

With the public failures of Kuaishou's top live streamer Xinba and Austin Li, we have to admit, some bubbles in the social e-commerce area have started to pop.

So the most important first step now is to prove the quality and authenticity of your products.

Then, build your chain, which is clearer and more comprehensive now:
personal/brand image building >> create your community >> manage your content >> build your follower channel(s) >> promote conversions



EXPERT BITES

Q: WHAT ARE YOUR MARKETING RECOMMENDATIONS FOR BRANDS IN Q1 2021?

V-commerce will indeed come into its own as **Douyin and Kuaishou** steal **increasing amounts of market share from Taobao**. As such, video led e-commerce will become a crucial gateway to generating sales. There's a fresh wave coming for all those brands that missed the initial rise of social media. Brands that focus on creating **content that educates, entertains, or, better yet, blends the two, have a significant opportunity to aggregate audiences into brand-owned channels.**



ELIJAH WHALEY

Chief Marketing Officer Parklu

PLATFORM

WEITAO



EXPERT BITES



STELLA ZHAN

Copywriter/Researcher at
Alarice and ChoZan

Q: WHAT ARE YOU MOST EXCITED ABOUT WHEN IT COMES TO WEITAO IN Q1?

I'm excited about the following:

- CNY marketing on Weitao.
- The trend of increasing traffic for Weitao means that **an entrance for the platform will likely to be moved from the bottom of Taobao's home page to the top and renamed "Subscription" to encourage merchants to focus more on Taobao stores and product content marketing.** Merchants will need to create more graphics, articles, videos and other content for their stores and brands to build consumer trust.
- It's likely that **the former Weitao tab will be replaced by a button with a "Shopping" label that will show concrete examples of purchases, reactions, outfits, accessories and people's shopping experiences, enhancing the immersive shopping experience** and helping consumers choose the most suitable lifestyles and trends, especially for CNY-related products in Q1.

SOCIAL MEDIA

WEITAO PLATFORM - INTRODUCTION

Weitao is Taobao and Tmall's built-in social media platform. It was created to create better connections between sellers and consumers. It is an application similar to Wechat and Weibo with social feeds. Weitao allows sellers to list their products on the feeds where consumers can simply click on the post to land on the purchasing page.

The platform can be divided into the public sphere (公域) where one can reach widely popular content, and the private sphere (私域) where one can read content selected based on user preferences.



SOCIAL MEDIA

WEITAO PLATFORM - INTRODUCTION

What does Weitao mean?

To Customers : Weitao serves as a mobile assistant for online shopping in the digital era, giving customers good advice on what to buy, cost-savings, fashion, convenience, and trustworthiness. It symbolises a new era of online mobile shopping. Also, by using Weitao, customers can closely follow their favourite shops, immediately know about promotion events and gain knowledge about their favourite products.

To Brand Owners : Weitao is a good platform to express brand culture, announce

discount events, interact and enhance relationships with their customers. On Weitao, brands can be in touch with many active loyal fans and be able to make their news be immediately noticed by their fans.

To third-parties : Weitao can be used as an observation ground for third-parties to understand the overview of the market, allowing them to provide more accurate advices and recommendations (導購) to their targeted audience.

E-commerce in China has entered an era of content marketing. Both buyers, Taobao and

sellers are having increased demand for high-quality content. By running a Weitao account, brands can send messages to their customers directly, attracting more audiences and making more noise in the market.





SOCIAL MEDIA

WEITAO PLATFORM - USER DEMOGRAPHICS



Weitao users are consumers on Taobao. The number of active users on the Chinese e-commerce platform reached 755 million, of that active consumers account for 674 million.

Accounts on the platform can be divided into three majority categories:

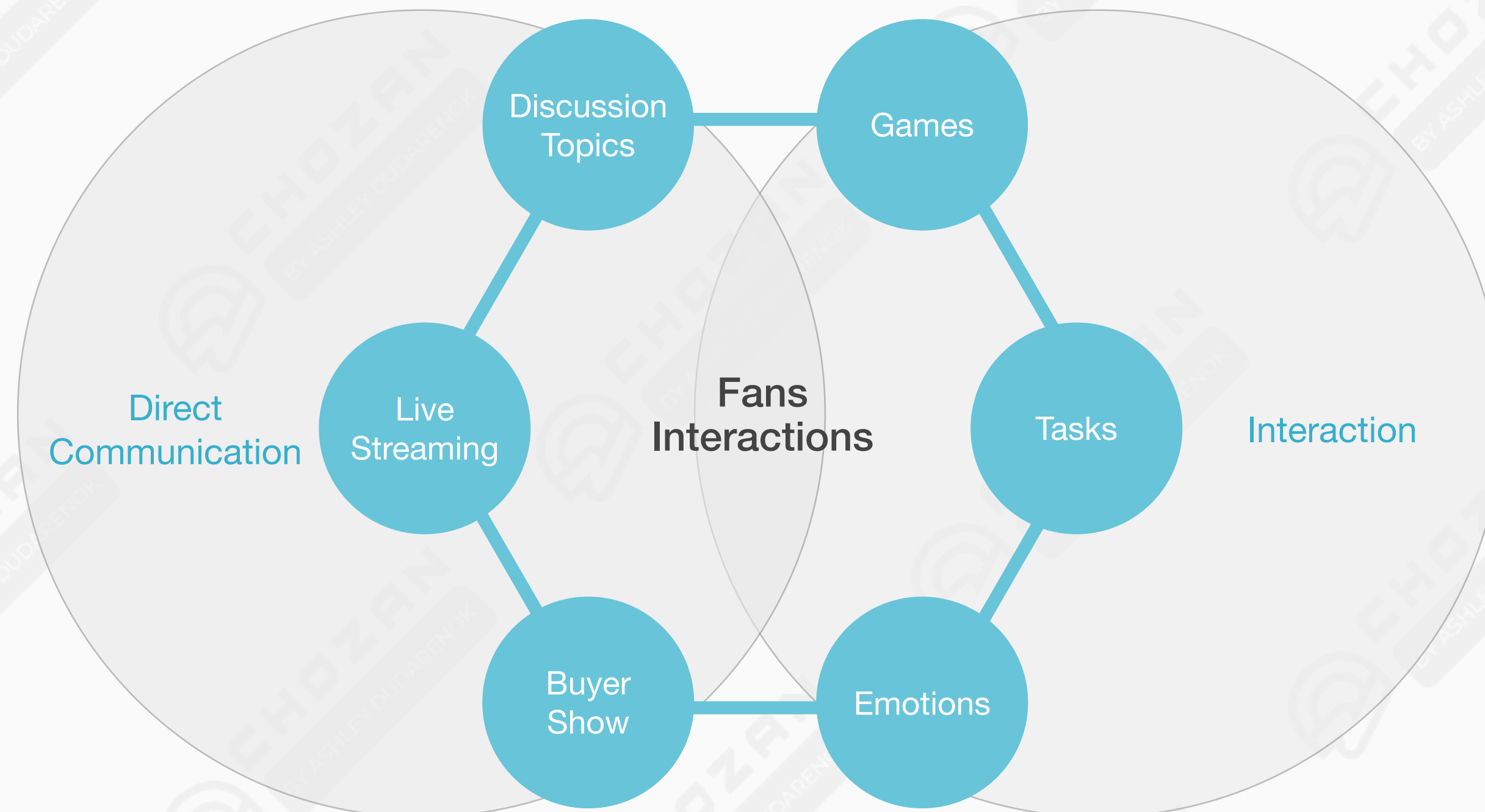
- Business Merchant Account (商家帳號)
- Master's Account (達人帳號)
- Official Account (官方帳號).

SOCIAL MEDIA

WEITAO PLATFORM - TOP MARKETING METHODS

This model shows that fan interactions are achieved by direct communication and interaction.

WAYS TO INTERACT WITH FANS ON WEITAO



SOCIAL MEDIA

WEITAO PLATFORM - TOP MARKETING METHODS

Weitao Levels

Levels range from 0 - 6: The higher the level (indicating the higher quality your Weitao is of), the higher chance your Weitao will be accepted by the public sphere (公域). For more concrete details of the benefits, please take a look on the instructions on the backstage page.

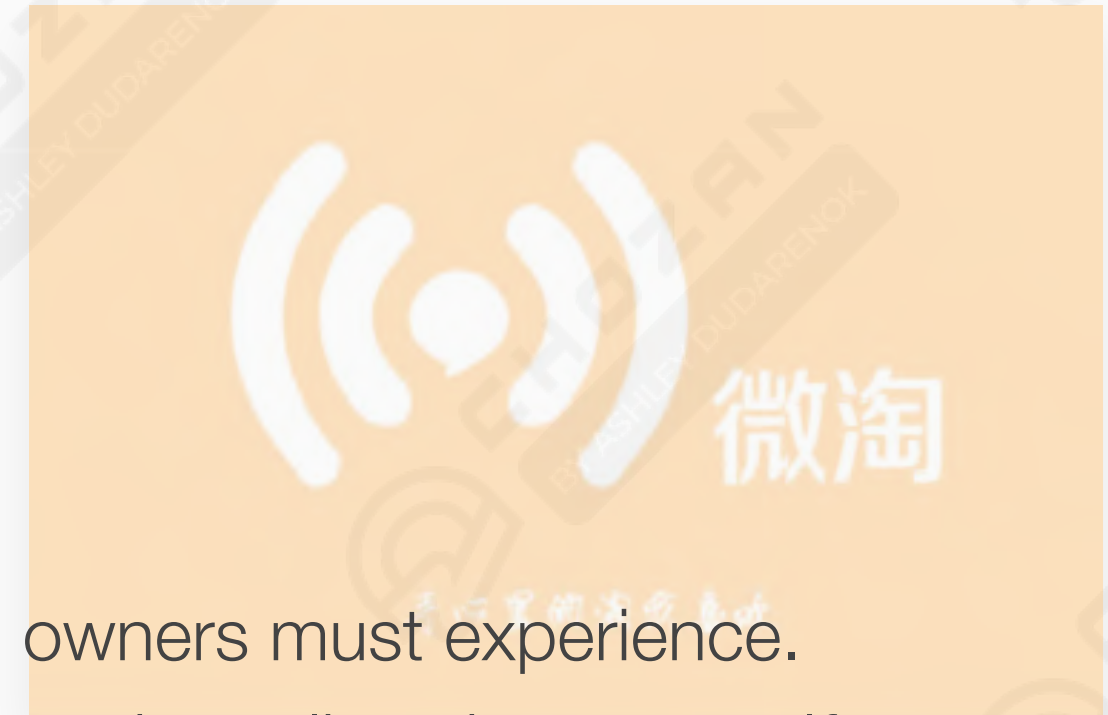
The crucial Weitao levels are L0-L3:

on L1 account owners have access to the Weitao group functions
on L2 accounts are allowed to post 10 Weitao posts
on L3 content on account can be exposed to the public sphere (to those who have not subscribed to you) where more read volume can be rise exponentially.

These 3 levels are essential ones which all owners must experience. New comers shall start at L0 once they open the online shop page. If they persist to write content everyday, keep being active on the platform and get a right sense of ways to run the account in the private sphere, they are very likely to get their level up very quickly after getting a certain amount of fans.

Level Promotion takes time and requires the account owner to have certain skills. They can upgrade and be successful on Weitao quickly if they:

1. Make their positioning and style clear to the fans
2. Persist to write authentic content,
3. Make good use of the tools in Weitao
4. Participate to more activities on the platform
5. Gain more points on the Weitao Merchant Index.



SOCIAL MEDIA

WEITAO PLATFORM - TOP MARKETING METHODS

Weitao Merchant Index (微淘商家指数) reflects the overall performance of the Weitao account in the private sphere. This space can be used to observe the 微淘运营健康度, fans value and content value of the account.

The index is updated every Wednesday, subject to delay on public holidays.

1. Content Value Points (内容价值分)

To attract fan subscription to your page, authenticity is the key. This point system helps with analysing the type of content readers enjoy, and benefit brands whose content entry matches with what is observed.

2. Health Value Points (健康价值分)

This Point indicates the degree of appropriateness shown in the content of the brand's page, which helps businesses avoid some illegal content.

Certain rules must be followed. Merchants can check the management rules of the creation platform in Taobao rules. This is the easiest point to raise on the platform.

3. Fans Value Points (粉丝价值分)

This point indicates the level of connectedness and interaction between your page and your fans. Brand owners should not pose their content only for raising their page level. In-depth analysis must be done in advance (for instance, at what times of the day will users read content 微淘?). To attract more fans, brand owners can organise some promotional events on 微淘. In order to prevent fans from becoming zombies fans (僵尸粉), brand owners should try their best to interact with their fans by, for example, constantly replying to their comments.



SOCIAL MEDIA

WEITAO PLATFORM - CONTENT BEST PRACTICES

Product / Brand New Release (店铺上新)

The strategy can be categorised as New Release and New Release Preview

New Release = List release of new items

Conditions for New Release:

- Must be released on the same day, and the quantity of items released must be 2 or more.
- This must be the first time an item is released on Weibo. Items being put on the shelf for a second time are not applicable.

New Release Preview = notification to fans in the group in forms of pic+text about the release of the new products. It often comes with some new add-ons and discount coupons. Interaction rates with fans increases and attract them to buy by celebrity endorsement of the product (种草).

Conditions for New Release Preview:

- Must release on the same day, and the quantity of items released must be 2 or more.
- Preview show must be placed at least 1 day and at maximum 7 days before the official release time.
- This must be the first time an item is released on Weibo. Items being put on the shelf for a second time are not applicable.



SOCIAL MEDIA

WEITAO PLATFORM - CONTENT BEST PRACTICES

Hot topic (Pic + Products)

Hot topic is likely the most effective way to release your content, via mobile devices.

The best way to conduct this is first to analyse the preference of your group, then release or adjust content accordingly.

You can first discuss the recent hot topics with 3-6 pictures, and add 3 more of your products (altogether in 9). Usage of question sentences can also enhance interactions with fans.

These interactions attract more read volumes, which is a key to successful daily interactions.

Buyer Show

Content release via 'buy show' function is simpler than others. However, one must create content in compliance to regulations from the platform authority, so as to make the release process smoother.

置顶

09月23日 10:00

双十一很快就来啦，各位K星人又想囤什么超好用的产品呢？快快留言分享你的囤货清单，加上走心理由或真实的使用感受，安利给大家，骨头先生将挑选5位小可爱送出神秘奖品哦~

今年双11 囤货好时机

你的必买清单有什么呢？

互动规则

留言分享你**双十一必囤的K星好物**，加上走心推荐理由，骨头先生将选取5位小可爱送出**神秘奖品**~

活动时间

即日起至**9月28日截止**，活动结束后将在30天内开奖，记得多留意微淘动态哦

征集 | 晒出9月好物美照... ▶

27 21

SOCIAL MEDIA

WEITAO PLATFORM - CONTENT BEST PRACTICES

Endorsement List (好货种草 清单)

You can create authentic content first by writing endorsements or reviewing articles on the products you are promoting. Using reviews which reflect the real experiences of users with the product can create resonance within readers, converting them into potential buyers. These articles also allow readers to have a deeper understanding on the reasons and ways to use the products, in turn building a better awareness and understanding on the product. Experience tells that, 好货种草 is a more accepted way to promote content by the system, via two paths: Multiple 种草 (多品种草) and single (单品种草). As 好货种草 is a more professional review, it requires writers to have a better understanding of the product concerned. The word count requirement is higher, focusing on the advantages and the practical usage of the products.

Listing is a major way to release content on Weitao. As for which products to be chosen to be discussed with the hot topic, it is recommended to include at least one popular product in the selection so as to help raise the awareness to other less popular products.



SOCIAL MEDIA

WEITAO PLATFORM - CONTENT BEST PRACTICES

Beware of posting time

Peak hours for Weitao user visits are:

Conversation rates of broadcast content released during these periods are the highest. You should pay close attention to these hours in order to make the best out of your efforts.

Please also make sure your content is attached with at least an image, in forms of pic+text, so as to make it more attractive to the audience, making a higher chance of causing resonance with the fans.



0000 - 0100

0800 - 1000

1300 - 1400

1600 - 1700

1830 - 1930

2200 - 2300

EXPERT BITES

Q: WHAT'S YOUR ADVICE FOR MARKETERS WORKING ON WEITAO IN Q1 2021?

Create high-quality, short videos with product descriptions, the brand's history, KOL's endorsement, etc., and establish the brand's **livestreaming channel**. Though top livestreamers have achieved strong results (Viya and Austin Li generated \$1.17 billion on Oct 21st, in the run up to last year's Singles Day) **surging influencer costs and unstable performance are troubling**. We already see more and more brands and retailers are building their own livestreaming channels.



ELENA GATTI

Managing Director, Europe
at Azoya



EXPERT BITES

Q: WHAT'S YOUR ADVICE FOR MARKETERS WORKING ON WEITAO IN Q1 2021?

With social commerce being one of the big trends from 2020, this is something that brands should look to invest in for 2021 and **Weitao looks well-placed to lead brands on this social commerce journey. Look out for KOL, KOC and branding opportunities on the platform.**



JIMMY ROBINSON

Co-founder and Director at
PingPong Digital

EXPERT BITES

Q: WHICH E-COMMERCE FUNCTION ON TMALL, TAOBAO OR WEITAO ARE YOU MOST EXCITED ABOUT RIGHT NOW?

2020 has been the year of livestreaming. This technology has been central in allowing brands from across the globe to make new connections and strengthen existing ones with Chinese consumers during the last 12 months. Over the course of 2020, we've seen livestreams giving Chinese consumers backstage tours of the Palace of Versailles, the Louvre, and the British Museum, connect with international designers and even give people the chance to interact with rural farmers, and buy their products directly through our platforms. **Whether you're selling fruit or high fashion, livestreaming allows brands to interact with consumers, to tell the story of their products and, crucially for consumers, allow them to ask questions in real time, before making a purchase.** The **interactive element of livestreaming is incredibly powerful** and something we expect brands to continue to use during the months and years ahead.



MICHELLE LAU

Senior Strategic Partnership Manager,
Alibaba

PLATFORM

TOUTIAO



EXPERT BITES



SEAN FAN

Copywriter/Data Analyst at
Alarice and ChoZan

Q: WHAT ARE YOU MOST EXCITED ABOUT ON TOUTIAO IN Q1?

To meet the demand for professional content production and consumption, the platform announced that it will launch the **Toutiao Connoisseur Program**. It will invest **200 million RMB**, enable brand exposure resources worth **2 billion RMB** and direct traffic in the range of **10 billion views** to support professional creators. This will be **quite inspiring for content makers on Toutiao as they'll be encouraged to produce more excellent content.**

SOCIAL MEDIA

TOUTIAO PLATFORM - INTRODUCTION

Created by ByteDance Ltd. in 2012, Toutiao (Today's Headlines) is a mobile platform of content creation, aggregation and distribution, featured by machine learning techniques. By March 2018, the Toutiao app DAU (Daily Active Users) reached over 200 million, with an average opening of 9 times per day and use of 76 minutes per day. Known as the No.1 intelligent content distribution platform in China, it has over 1.1 million accounts, which update over 380,000 pieces of content and achieve 4.2 billion views per day. The incredible success of this smartphone app has grown to be known as one of the next generation of Chinese tech giants, challenging the tech trinity of Baidu, Alibaba and Tencent.

Features:



1. Diverse content, not limited to news reports, and includes articles on music, movies, games and online shopping. Recommendations are based on factors like user interests, locations, gender and occupations.



2. High daily usage, long usage period each time



3. Writers can earn money, and grow with the platform.

How to earn money on Toutiao?

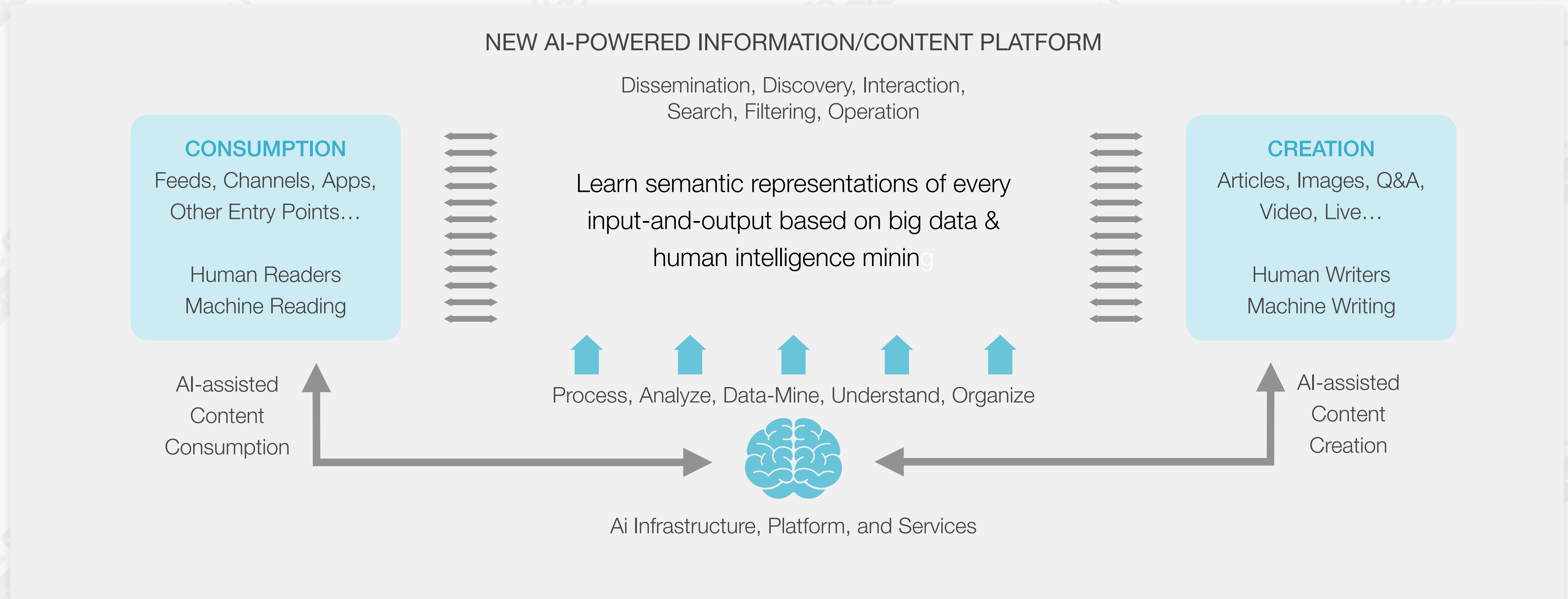
In 5 major ways: Ad Share (广告分成), Signed Authors (签约作者), Ad production, Toutiao E-commerce, Commission.



SOCIAL MEDIA

TOUTIAO PLATFORM - INTRODUCTION

An AI-powered platform surrounding consumption and creation.



SOCIAL MEDIA

TOUTIAO PLATFORM - INTRODUCTION

8 CORE FORMS:

- Graphic Context(圖文)
- Wtoutiao (微頭條)
- Short Video Clip (短視頻)
- Mini Video Clips (小視頻)
- Q & A (問答)
- Live Video Streaming (直播)
- Article Column (專欄)
- Voice Recording (音頻)

ADDITIONAL FUNCTIONS:

- 头条寻人
- 算数功能
- 头条号
- 头条搜索
- 头条百科

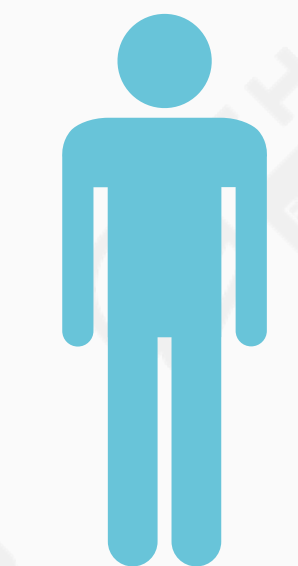


SOCIAL MEDIA

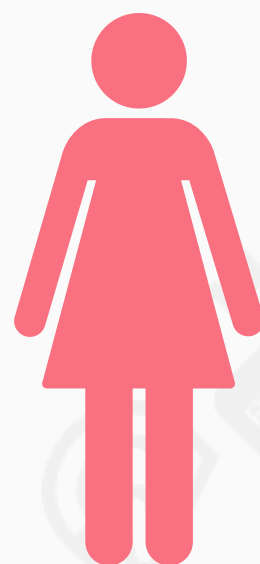
TOUTIAO PLATFORM - USER DEMOGRAPHICS

Enormous User Group: As one of China's most popular content distribution platforms, Toutiao is serving over 120 million of daily-active-users (DAU) and 260 million of monthly-active-users (MAU).

Majority Male Users: Among these users, 62% are male and 38% are female, which is similar to the overall conditions in the Chinese news app market.

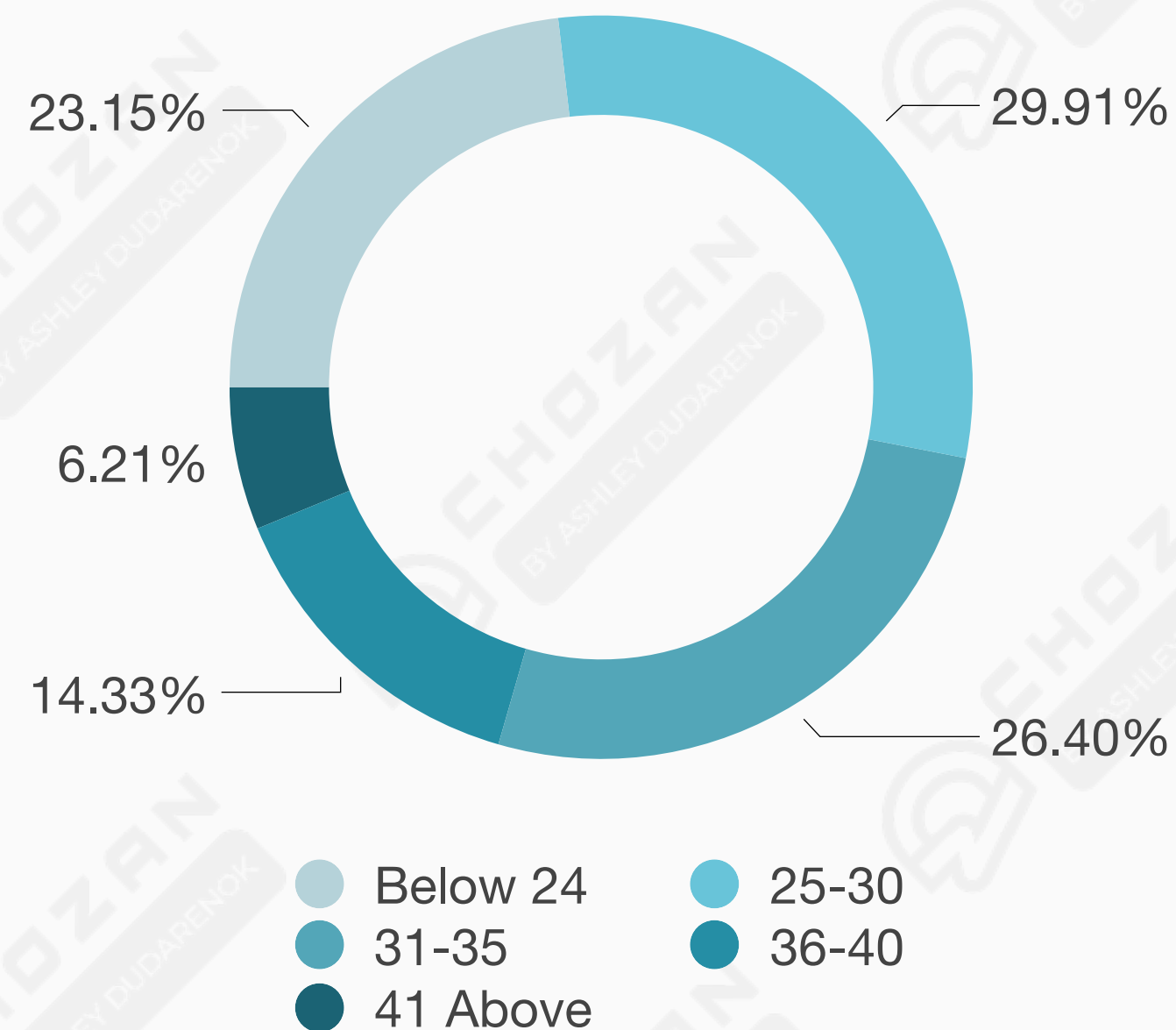


62%



38%

TOUTIAO FOLLOWERS AGE DISTRIBUTION



25-30 is the Largest Age Group:

In terms of age distribution, users on the platform can be divided into the following groups: (Update: 16/Jul/2020)

Concentrated in Eastern Provinces:

Below distribution of users in different regions of the country can be seen.

Guangdong	Jiangsu	Sichuan	
11%	6%	6%	
Shandong	Henan	Zhejiang	
6%	5%	5%	
Hebei	Hunan	Guangxi	Hubei
5%	4%	3%	3%

SOCIAL MEDIA

TOUTIAO PLATFORM - POPULAR CONTENT CATEGORIES

Content on Toutiao can be divided into the following categories:

Humor, Health, Celebrities, Food, Hi-Tech, Sports, Culture, Cars, Travelling, Finance, Household, Military, History, Parenting, etc.

4 popular categories the read rate of which can reach 10 million:



Celebrities



Daily News



Parenting



Social Phenomena

Preferred Content Categories on the platform by Age:

Post-95s = Fashion, Humour, Digital

Post-90s = Current Affairs, Parenting, Cars

Post-80s = Parenting, Health, Cars

Post-70s = Sports, Health, Education

Most Searched Keyword:

"国庆大阅兵"
(National Day Parade)

Most Searched Question Word:

"怎麼"
(How?)



SOCIAL MEDIA

TOUTIAO PLATFORM - TYPES OF ACCOUNTS

Users of Toutiao platform covers:

Government Officials

Commentators

Field Experts

CEOs

Stars

Recommended Industries on Toutiao:

1. Financial Management

2. Exhibition / Events (会展活动)

3. Game

4. App Industry

5. Government

NO. OF ACCOUNTS RELATED TO NATIONAL INSTITUTIONS
AND OTHER ORGANISATIONS REACHES 80,000

In Oct 2014, Toutiao introduced the platform for public information release, inviting party and government offices of all levels to establish their own Toutiao account. With the use of advanced message release technologies, Toutiao made sure that the authorial voice and messages from the government offices can be effectively spread and heard by the targeted group, contributing to the better good of society in a precise and effective manner.

18.9 Million+

Total Amount of Posts

77.8 Billion+

Total Read Volume

320 Million+

Total no. of Favourites

53%

more than same
period in 2018

94%

more than same
period in 2018

25%

more than same
period in 2018

Source: 今日头条数据平台, September, 2019.

SOCIAL MEDIA

TOUTIAO PLATFORM - TOP MARKETING METHODS

1. Recommendations by experts (种草内容): In-depth review (深度评测) and Comments from experts (专家科普) are popular ways to attract reader attention. In most cases, the KOL experts are speaking with detailed facts and evidences to support their claims, so that more valuable interactions and likes from the readers can be initiated, helping the associated brand to build up a better image and loyal customer circle.



Example: Testing of OPPOFindX2 Pro by 楠爷, read volume and commentary reach 156 thousand and 1020 respectively.



SOCIAL MEDIA

TOUTIAO PLATFORM - TOP MARKETING METHODS

2. Making good use of Transformation Components: “商品卡”, “小程序” and “图文带长”(图文带长视频) are transformation components recommended by the platform. They are normally in the form of small links at the end of the article. Users will then reach the landing page by clicking on the link.



SOCIAL MEDIA

TOUTIAO PLATFORM - CONTENT BEST PRACTICES

Want to know how to write good content on Toutiao? Here are some hints:

1 Write about your interested field in the simplest form

At the introduction of your account (which should be within 30 words), outline the features of your blog to attract your targeted audience.

5 Diverse Content Expression

Audiences are from all walks of life, their ways of perceiving message are different. To ensure serving the majority, content creators should allow a flexible expression design for their content (like in forms of text, images, videos, etc.)

2 Write Your Own Content

Authenticity is the foundation to uniquely express your brand and attract your targeted audience.

6 Ensure Stable Budget

Content promotion on Toutiao is a long-term effort, thus ensuring a stable budget for the content creation is a key to its success.

3 Write Stories

Customers loves stories, stories can help customers to understand your message and leave a deeper impression to you.

7 Pay Attention to Backend Data

Make good use of the statistics data provided by the platform on your content, which allows you to understand the popularity of your content and make adjustments where necessary.

4 Think for your audience

Knowing your audience is the first crucial step to a successful promotion. Brand owners should try to put themselves into their audience's shoes to understand what the customers like and need, then write content as a response solution. By doing so, their message can better match the market's demand, giving a higher selling chance to their products.



SOCIAL MEDIA

TOUTIAO PLATFORM - SALES INTEGRATION

Toutiao is attempting to develop into a super app.

One of such attempts is the introduction of the 'Play at Home' section which is designed to meet user demands during the COVID-19 quarantine period.

By analysing the location data of the users and receiving click requests on the button shown in the section, the platform system will automatically send users to external websites where their needs can be satisfied.

For example, by clicking “在家做菜”, users can reach to recipes of home dishes; by clicking “在家健身”, users can then have access to fitness courses; by clicking “在家求职”, users can then look for job opportunities in the market.



SOCIAL MEDIA

TOUTIAO PLATFORM - TRENDS / CASE STUDY

IN 2020, WITH TOUTIAO AS THE CORE,
NEW MULTIDIMENSIONAL MARKETING WAYS ARE CREATED

Coordination with other platforms

In order to keep up with the trend, Toutiao cooperated and combined functions with Tiktok and Xigua video to further diversify the platform's models and attract audiences from the younger generation.

Organising Events in different fields:

To further extend the influence of the platform and explore wider possibilities, Toutiao has jointly organised events of different types (like fashion shows, industry conferences, awards ceremonies, etc.) with various parties.

Internal Collaborations

Creating Word-of-mouth for the product

Discussion Topics +
Reviews by KOLs + Articles

Thoughts for Brands Collaborations

Input by Advanced Intelligences and
Management

Golden Pairs bring exponential growth

Open Screen Ad + Mini Programs

All-round Livestreaming

New Ways of Livestreaming

External Resonance

Naming IP grounds to raise the noise of products

Toutiao + Xigua Videos

Resonance on both ends Great Creation of Festival

Toutiao + Douyin

Platform and Internet Cooperate
Releasing IP Influential Power

Toutiao + Platform-Side Drama Series

Cross-platform volume combination creating new IPs

Toutiao + E-commerce Platforms

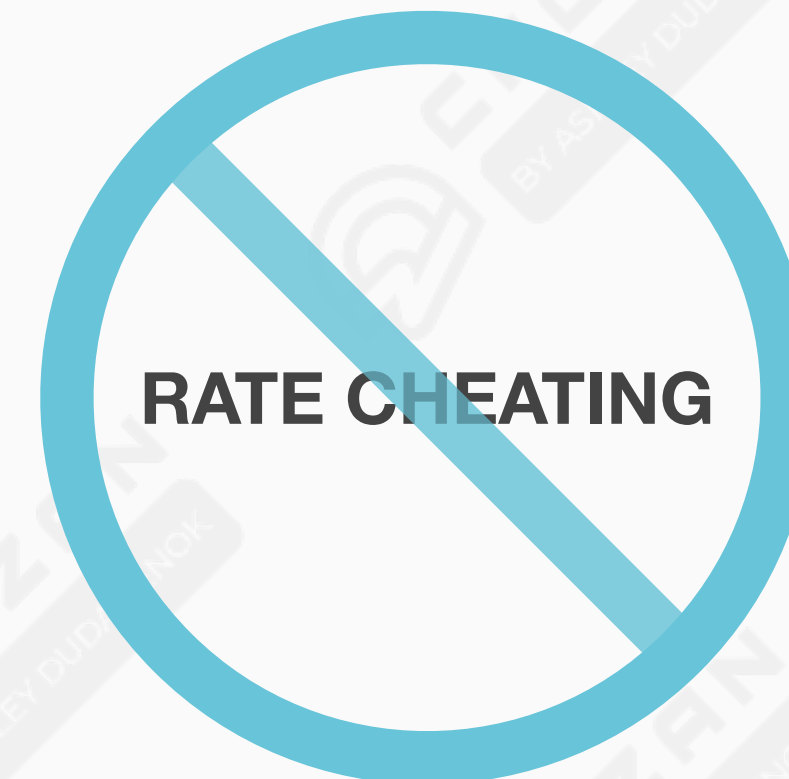


SOCIAL MEDIA

TOUTIAO PLATFORM - REGULATIONS / UPDATES

New Platform regulations:

New regulations has been introduced to the platform on 9 July 2020 in order to tackle the following problems:



Three Major New Updates in 2020:

In order to further assist writers to reach more audiences on the platform, Toutiao has introduced three new functions, namely 頭條加油包, 粉絲必達 and 頭條號外.



SOCIAL MEDIA

TOUTIAO PLATFORM - TOP MARKETING METHODS

Brief Summary on Toutiao Marketing (Concluded by self)			
Tool's Name	Toutiao Extra	Fans-Direct	Toutiao Aid-pack
Production Intro	In the message flow of Toutiao, ensuring content are exposed in a given volume, at a given location and at a given time period	Increasing exposure rates of content to fans	Increasing recommendations of quality conents
Product Impacts	CTR around 3%	Able to reach 65% of the active fans group	CTR 7%+
Advantages	<div>1. Buyable and Savable, how much read volume you buy, how many audience are going to read your content on the platform; in most case, some of the volume shall be wasted, therefore practically speaking, buying more is recommended.</div> <div>2. Ability to set up precise coordination: apart normal categories like locations, gender, business circles, brand owners can also make customized coordination in accordance to their own customer group</div>	Fans brings view base, beneficial to those KOLs with high number of fans	Dou+ on Toutiao has guaranteed authors a given number of read volume as foundation, hoping to bring impacts to promotions at initial stage
Disadvantages	Relatively expensive, need to purchase via cooperative business procurement	Depending on the fans situation of authors, does not bring much benefit to KOLs at middle and lower levels	Currently undergoing internal testing, not yet sold.

Source: [chinaz](#)

SOCIAL MEDIA

TOUTIAO PLATFORM - TOP MARKETING METHODS

1. Toutiao Extra 头条号外

Allows brand owners to buy advertisements at the customer end in order to promote their content to their designated customer group (based on gender, age, location, occupation, brand preference, etc.). The promotion quantity is concrete, depending on how much the brand owner buys from the platform. Applicable to most content on the platform.



SOCIAL MEDIA

TOUTIAO PLATFORM - TOP MARKETING METHODS

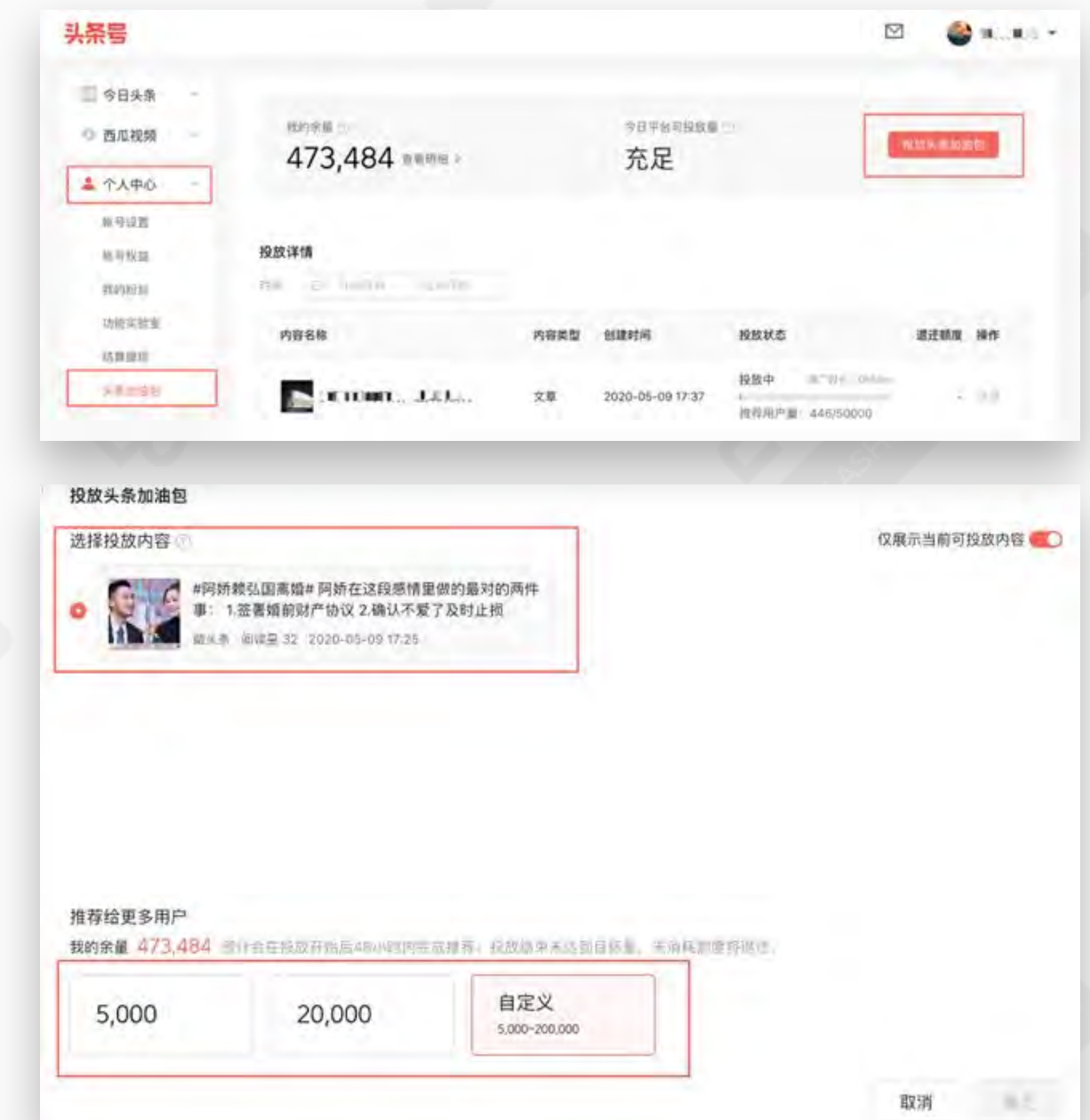
2. Fans-Direct 粉絲必達

Boosts connection rate with fans. Articles which pass verification and with 「粉丝必达」 function activated shall be subject to additional promotion by the system to the writer's fans group. Such promotion can reach more than 65% of the active fans.



3. Toutiao Aid-pack 頭條加油包

加油包 is a new functions of which the platform ensures the writers will gain a given quantity of read volume. For example, if the writer buy a 10M+ package for his/her article, then the article shall be given an additional read volume of 10M on top of its normal volume.





ALARICE
BY ASHLEY DUDARENOK



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CONCLUSION

CONCLUSION

BELOW IS A QUICK SUMMARY OF THE OPERATING MODELS OF CHINESE SOCIAL MEDIA





ANALYSIS OF THE FEATURES OF CHINA’S TYPICAL NEW MEDIA PLATFORMS IN 2021

Platform	Category	Platform features	Content dissemination features	Main marketing methods
 <div>Sina Weibo</div>	Micro-blogging	Strong content diffusion and media attributes. A lot of pan-entertainment users	A high rate of users participate or interact with platform content, making it easy for secondary dissemination and topic creation	Topic discussion
 <div>WeChat</div>	Instant Messaging	The acquaintance relationship chain has a strong social attribute. Mainly to receive daily social information and in-depth understanding of information through official accounts	For articles and long pictures on the platform, users can easily spread to acquaintances through reposting, sharing in Moments, etc.	Articles and pictures
 <div>TikTok</div>	Short video	Strong pan-entertainment content attribute, rich levels of information expression, and strong information dissemination. Daily leisure is the main need of users.	It is easy for pan-entertainment videos to spread and become memorable among users.	Short video recommendation and evaluation

CONCLUSION

BELOW IS A QUICK SUMMARY OF THE OPERATING MODELS OF CHINESE SOCIAL MEDIA

ANALYSIS OF THE FEATURES OF CHINA'S TYPICAL NEW MEDIA PLATFORMS IN 2021

Platform	Category	Platform features	Content dissemination features	Main marketing methods
 Kuaishou	Short video	The contents are mainly about everyday life and pan-entertainment. Most users have a demand for leisure.	Fans have strong trust in the KOLs on the platform, which make it easy for KOLs to guide users' preference and behaviours	Short video recommendation and evaluation
 Bilibili	Aggregated video	Bullet screen communication atmosphere. Many young users with pan-entertainment demand	The content of videos contains rich information. With the uploaders' fan effect the content is delivered to users	Video recommendation and evaluation
 Xiaohongshu	Content e-commerce	Strong product content sharing attribute. Many users need product recommendation guidance	On the basis of the content sharing attribute, the platform's consumption attribute makes the conversion from production promotion to purchase more efficient	Product promotion and consumption guidance
 Taobao	Comprehensive e-commerce	Prominent consumption attribute. Users have strong shopping needs	Consumption layout and continuously strengthened content layout improve the decision-making efficiency for consumers	Product promotion and consumption guidance

CONCLUSION

BELOW IS A QUICK SUMMARY OF THE OPERATING MODELS OF CHINESE SOCIAL MEDIA

ANALYSIS OF MARKETING STRATEGIES OF TYPICAL NEW MEDIA PLATFORMS IN CHINA IN 2021



Sina Weibo

1. Create brand or product- related topics throughout KOLs or official Weibo accounts to trigger discussions:
2. The KOLs guide consumers to complete consumption through images, text and videos, etc.

Features: Widely spread topic, high consumer participation degree



WeChat

1. Create storylines for brands or products through advertorials, long content images, etc. published by official accounts of KOLs
2. Integrate purchase channels, methods and other information in advertorial to guide consumers

Features: Deep degree of content information presentation, fission effect of acquaintances is strong

CONCLUSION

BELOW IS A QUICK SUMMARY OF THE OPERATING MODELS OF CHINESE SOCIAL MEDIA

ANALYSIS OF MARKETING STRATEGIES OF TYPICAL NEW MEDIA PLATFORMS IN CHINA IN 2021



Bilibili

1. Integrate brand or product promotion into KOL's video content;
2. Realise dissemination of content including brands and product information through the display of kichiku videos and animals and imagination videos.

Features: Deep degree content information presentation, diversified content display models



TikTok

1. Integrate brand or product promotion into shot video content by KOLs;
2. KOLs promote products through in-depth explanation such as product display, component analysis, purchase method, etc.

Features: Deep degree of content information presentation, diversified content display models

CONCLUSION

BELOW IS A QUICK SUMMARY OF THE OPERATING MODELS OF CHINESE SOCIAL MEDIA

ANALYSIS OF MARKETING STRATEGIES OF TYPICAL NEW MEDIA PLATFORMS IN CHINA IN 2021



Kuaishou

1. Integrate brand or product promotion into short video content by KOLs;
 2. Promote products using fan trust in KOLs in down-to-earth methods
- Features:** Deep degree content information presentation, diversified content display models



Xiaohongshu

1. Integrate brands or product in the recommended products by KOLs on platforms
2. Realise promotion in the forms of evaluation, sharing, etc.
3. **Features:** Deep degree of content information presentation. Highly efficient conversion from product promotion to purchase



Taobao

1. KOL integrates brand or product information into platform content communities or livestreaming channels;
2. KOLs promote brands of products using their influence through content sharing or time-limited discount on livestreaming videos.
3. **Features:** Deep degree of content information presentation. Highly efficient conversion from product promotion to purchase

EXPERT BITES

Q: WHAT'S THE BIGGEST CONTENT NEED IN CHINA NOW? WHAT SHOULD BRANDS AND MARKETERS DO MORE IN 2021?

Content in China comes in so many different forms. **We're seeing a lot more brands incorporating play elements in their product innovations, marketing approaches, collaborations, in their offline and online retail spaces in order to drive footfall and sales conversions** in the post Covid-19 era. Brands and marketers need to **pay closer attention to the 8 diverse consumer motivations fuelling the play economy** in China in order to **use the power of playfulness to drive brand affinity.**



SAW GIN TOH
Head of Insights,
MediaCom China

EXPERT BITES

Q: WHAT ARE YOUR MARKETING RECOMMENDATIONS FOR BRANDS IN Q1 2021?

Short videos!!! E-commerce is mixing with videos more than ever. If you are stuck on Tmall and Taobao and haven't made the **move over to short video platforms then you have to do that ASAP** before all your competitors have left an impression on your customers.

I would recommend two ways of doing this. One is finding a professional video marketing team to advise you on how to leverage your brand on short video platforms and **create top-quality, high viewer-retention videos**. The second is to **give your customers a reason to share your product with their friends via video**. How can you make your brand a backdrop to influencers? **Make your customers into your influencers.**



WILLIAM AUGUST
Founder Of Outlandish Studios

EXPERT BITES

Q: HOW MUCH WOULD YOU RECOMMEND BRANDS TO BUDGET FOR KOL COLLABORATIONS IN 2021?

For the **major shopping festivals**, I would recommend a budget of **\$45,000** for the year. Then on top of that, I would recommend investing **\$100k to \$150k to make your customers your influencers** and increasing your brand image through short videos on the platforms.



WILLIAM AUGUST
Founder Of Outlandish Studios

EXPERT BITES

Q: WHAT ARE YOUR MARKETING RECOMMENDATIONS FOR BRANDS IN Q1 2021?

E-commerce livestreaming has taken center stage, forcing brands to refine, or in some cases, introduce, D2C strategies that offer personalized, efficient ways for consumers to interact with brands. In 2021, **brands can benefit from developing in-house evangelist KOLs, as well as partnering with existing KOLs for product development, and utilizing new e-commerce livestreaming integrations with mini programs to further differentiate and personalize the consumer experience.**

E-commerce livestreaming will also serve as a brand-building mechanism, showcasing the authenticity, cultural relevance, and values of brands who can harness the high consumer confidence of China's economic rebound. **For new product launches, brands would fare well by offering incentives and subsidies to shoppers to increase brand loyalty.**



MICHELLE CASTILLO
WONDERLAND

Director of Content and Insights at
Nuguru Wellness

EXPERT BITES

Q: WHAT ARE YOUR MARKETING RECOMMENDATIONS FOR BRANDS IN Q1 2021?

Do less, but do it better.

In our recent article about digital transformation in China's marketing industry, we discussed how **despite everyone talking about digital transformation, very few teams are actually doing it. Stuck in a state of inefficiency and chaos, agency teams are working like slaves. There's an immense hunger for data, but almost nobody seems to be getting any insights from it as they continue to make the same poor decisions month after month.** Meanwhile consumers are more bombarded than ever by brands. Everyone should start 2021 with an honest look at what they're doing, cut the fat and focus on being excellent.



ALEX DUNCAN

Co-founder of
KAWO



ALARICE
BY ASHLEY DUDARENOK



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BAIDU IN CHINA Q1

BAIDU IN CHINA

INTRODUCTION 2021

Founded in 2000, Baidu is the worlds largest Chinese search engine and a top AI company. As the world largest Chinese search engine, there are more than 1 billion searches from more than 100+ countries daily.



4+ TIMES
APP BEING OPENED DAILY

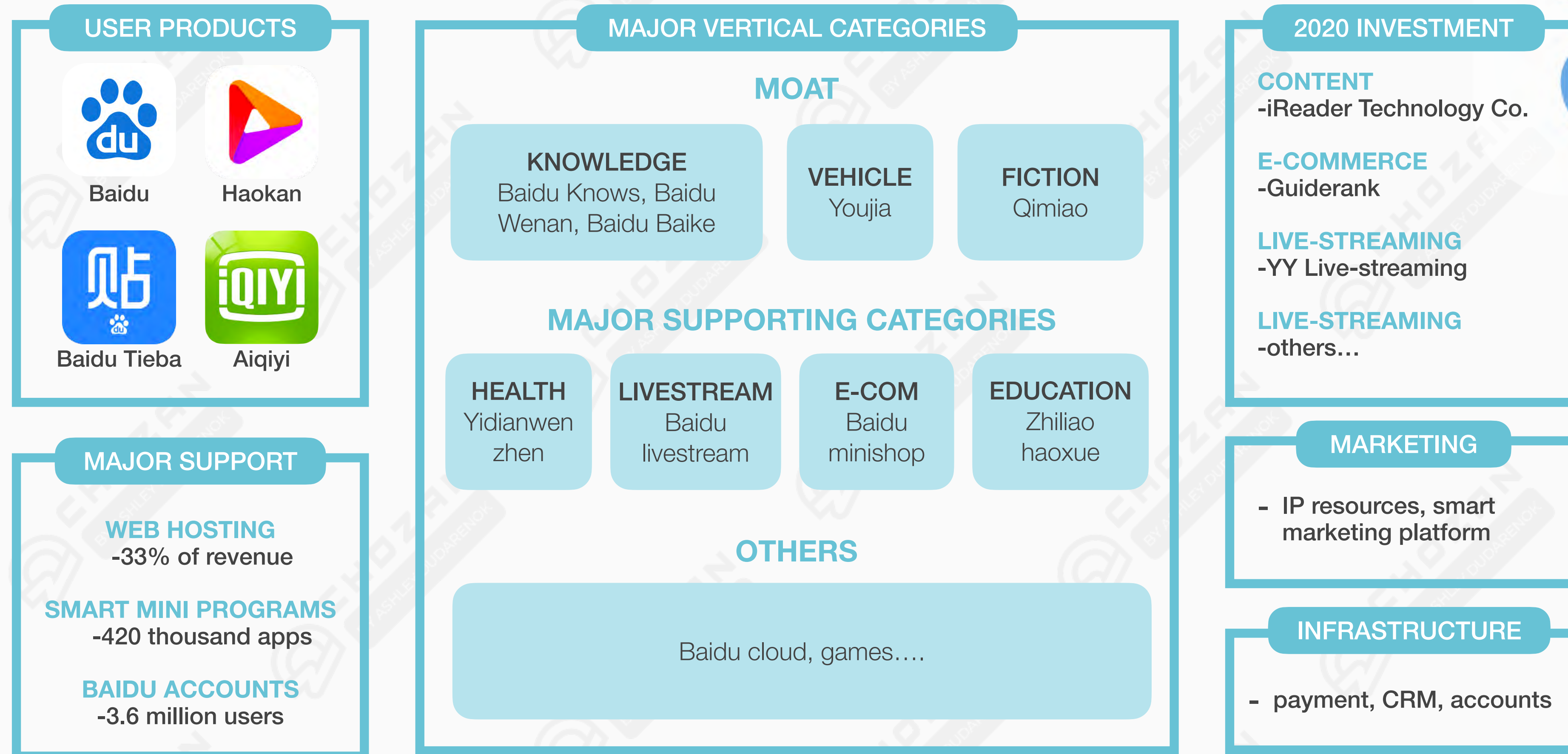


50+ MINUTES
DAILY USAGE



200 MILLION
DAILY ACTIVE USERS

BAIDU IN CHINA ECOSYSTEM



BAIDU IN CHINA

LIVE-STREAMING



+317%
LIVE-STREAMERS

KNOWLEDGE, SERVICES,
CONSUMPTION, ENTERTAINMENT



BAIDU LIVE-
STREAMING
ECOSYSTEM



900 MILLION
PLAYS MONTHLY

COMMENTS, LIKES, SHARES,
SUBSCRIPTIONS, GIFTING

EXPERT BITES

Q: WHAT ARE THE MOST SIGNIFICANT CHANGES IN 2020 THAT THOSE DOING SEO/SEM IN CHINA SHOULD KNOW ABOUT AND ACT ON?

We've seen the big impact of KOLs and livestreaming on social e-commerce and those doing SEO and SEA need to take these things into consideration as well. If a well-known KOL is about to stream for your brand, you should talk about that on your own website as well. **Give the user all information they might be interested in on your website and** make it easy for them to find the right social channels and times for the streams. **This way people using search can find the information more easily and can also join in.**



MARCUS PENTZEK

Chief SEO Consultant at
Searchmetrics

EXPERT BITES

Q: WHAT ARE YOUR RECOMMENDATIONS FOR SEO/SEM MARKETING IN Q1 2021 IN CHINA?

Search engine marketing, SEO and SEA, in Q1 2021 in China will be more challenging than in 2020 and previous years. We've seen Shenma win and lose market share in mobile search in the last two years. And this will happen again.

We must be prepared to see new search engine players enter the market and we must be ready to serve them. That means **websites need to be easy for bots to access, render quickly and display all content without Javascript. We must serve fast websites although 5G is about to make the mobile internet faster.**



MARCUS PENTZEK

Chief SEO Consultant at
Searchmetrics



EXPERT BITES

Q: WHAT'S BETTER FOR MARKETERS IN 2021: SOGOU, BAIDU OR SOCIAL SEARCH THROUGH WECHAT OR BYTEDANCE FOR EXAMPLE?

Nobody will neglect social media marketing as it's a big deal in China.

People use their favorite social apps to be entertained but also to be up-to-date and informed. **But web search on Baidu, Sogou and Zhihu will not go away and will still be extremely important for businesses in 2021.** They're different marketing channels and all of them need to be served well.



MARCUS PENTZEK

Chief SEO Consultant at
Searchmetrics



MARKETING CALENDAR

Q1 2021

EXPERT BITES



JACQUELINE CHAN

Project Director at
Alarice and ChoZan

Q: WHAT ARE YOUR RECOMMENDATIONS FOR BRANDS WHEN IT COMES TO THEIR MARKETING BUDGET FOR CHINA?

Marketing budgets should be a percentage of your brand's revenue from the previous year. **Normally, for new brands, allocate 30-80% of your company earnings when you do ROMI planning.** Perfect Diary spends 68% of its revenue on marketing. I also suggest that brands divide their budget into two parts and **spend 50% outside marketplaces on content creation, training internal staff, advertising and campaigns, and spend 50% inside marketplaces on e-commerce marketing.**

EDITORIAL CALENDAR

Q1 2021

Buzzwords and key themes to pay attention to:

- **New Year:** 2021, Planning , New Year
- **Laba Festival:** Laba Congee, warmth, diet

January

S	M	T	W	T	F	S
					1 New Year Day	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20 Laba Festival	21	22	23
24	25	26	27	28	29	30
31						

EDITORIAL CALENDAR

CREATIVE REFERENCES

New Year Celebration

Screenshot of Pepsi New Year Promotion



January

Screenshot of Perfect Diary



EDITORIAL CALENDAR

Q1 2021

February

Buzzwords and key themes to pay attention to:

- **Spring Festival:** Reunion, returning to home, hometown, family etc.
- **Valentine's Day:** True Love, boy/girlfriend, gifts
- **Lantern Festival:** Lantern, etc.

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12 Spring Festival	13
14 Valentine's Day	15	16	17	18	19	20
21	22	23	24	25	26 Lantern Festival	27
28						

EDITORIAL CALENDAR

CREATIVE REFERENCES

Chinese New Year Celebration

Screenshot of JD AD



February

Screenshot of Cola new product launch





EDITORIAL CALENDAR

CAMPAIGN REFERENCES

MARKETING CALENDAR

FEBRUARY CHINA MARKETING CALENDAR



SPRING FESTIVAL

MARKETING KEYWORDS / THEMES:

#SPRING FESTIVAL # GIFTS
#HOLIDAY TRAVEL (CHUNYUN)
#REUNION #RETURNING HOME
FOOD # FAMILY



CHINESE NEW YEAR, OR LUNAR
NEW YEAR, IS THE BEGINNING OF
THE LUNAR YEAR AND THE MOST
IMPORTANT FESTIVAL FOR
CHINESE PEOPLE.



EDITORIAL CALENDAR

CAMPAIGN REFERENCES

CHINESE NEW YEAR MARKETING SHOULD SEIZE ON HOT TOPICS LIKE **BUYING CHINESE NEW YEAR SUPPLIES**, **GIFT-GIVING**, **THE DIFFICULTY OF RETURNING HOME** AND THE CHALLENGES OF **INTER-GENERATIONAL COMMUNICATION**.



TOOTHPASTE BRAND LENG SUAN LING



CASE STUDY:

LENG SUAN LING, ADS, INTERACTIONS ON WEIBO AND ALIPAY CROSS-PROMOTION

Learn More

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SPRING FESTIVAL 2020 WILL BE UNLIKE PREVIOUS ONES WHEN FAMILY MEMBERS GATHERED AT HOME AND THE STREETS WERE BUSTLING. **"CARE"** HAS BECOME THE WATCHWORD THIS YEAR.



EDITORIAL CALENDAR

CAMPAIGN REFERENCES

1 LENG SUAN LING ADS SHOWCASE THE POWER OF CARE

FAMOUS TOOTHPASTE BRAND
LENG SUAN LING'S SLOGAN IS,
"NO MATTER HOT, COLD, SWEET
OR SOUR, EAT WHATEVER YOU
WANT."

LENG SUAN LING LAUNCHED
#WHO TAKES CARE OF YOUR
COLD, HOT, SWEET AND SOUR#
THEMED ACTIVITIES.

THE BRAND'S ADS TOLD FOUR STORIES ABOUT CARE.

- A GRANDFATHER CARING FOR
HIS GRANDSON SHOWED THE
AFFECTION IN A **FAMILY**.
- A SOLDIER CARING FOR A
COLLEAGUE'S MOTHER
SHOWED CARE FOR ELDERLY
AND **THE COUNTRY**.

- ELECTRIC POWER WORKERS
WERE SHOWN TAKING CARE
OF THE POWER GRID THAT
PROVIDES LIGHT AND HEAT
TO FAMILIES.
- A BUS DRIVER SHOWED
THEIR CARE FOR A STUDENT
BY WAITING FOR THEM WHEN
THEY WERE LATE.

EDITORIAL CALENDAR

CAMPAIGN REFERENCES

ALL THE STORIES HAPPENED DURING THE SPRING FESTIVAL AND SHOWED PEOPLE SHARING **DIFFERENT FOOD**. THE AD SHOWED THAT THERE ARE ALWAYS PEOPLE WHO ARE CARING FOR YOU IN DIFFERENT WAYS.



2 UGC CAMPAIGN

LENG SUAN LING STARTED AN INTERACTIVE TOPIC ON WEIBO AND COOPERATED WITH SEVERAL KOLS WHO SHARED THEIR STORIES ABOUT CARING. HIGH QUALITY CONTENT INSPIRED UGC AND FANS TALKED ABOUT EXAMPLES OF CARE THEY SAW IN THEIR OWN LIVES.



ON WEIBO, THE TOPIC WAS READ **150 MILLION** TIMES AND HAD **46,000** COMMENTS.



Screened by: [Name] | [Date] | [Page Number]





EDITORIAL CALENDAR

CAMPAIGN REFERENCES

3 LENG SUAN LING X ALIPAY

LENG SUAN LING HAS PARTNERED WITH ALIPAY TO BE ONE OF THE FIVE LUCKY BRANDS IN THEIR **LUCKY CARD COLLECTION** PROMOTION. THE PROMOTION HAD **450 MILLION PARTICIPANTS** IN 2019.



- USERS CAN GET **CASH, COUPONS** AND OTHER BENEFITS FROM LENG SUAN LING WHILE PARTICIPATING IN THE LUCKY CARD COLLECTION EVENT.



- LENG SUAN LING USED COUPONS TO INTERACT WITH FANS DURING CHINESE NEW YEAR, WHICH HELPED THEM **BUILD A RELATIONSHIP WITH SOCIAL MEDIA USERS AND CONSUMERS.**





EDITORIAL CALENDAR

CAMPAIGN REFERENCES

4 SOCIAL RESPONSIBILITY

- LENG SUAN LING DONATED **1 MILLION RMB** TO THE RED CROSS, **20** TONS OF DISINFECTANT TO HOSPITALS IN THE EPIDEMIC AREA, AND **120,000** MEDICAL MASKS AND ORAL CARE PRODUCTS FOR FRONT-LINE MEDICAL STAFF.



- LENG SUAN LING LAUNCHED A CAMPAIGN ON WEIBO TO HELP IN THE FIGHT AGAINST COVID BY **TAKING PRACTICAL ACTION** TO CARE FOR MEDICAL WORKERS AND ENCOURAGED PEOPLE TO WASH THEIR HANDS, WEAR MASKS AND TAKE THEIR TEMPERATURE.



VALENTINE'S DAY

MARKETING KEYWORDS / THEMES:

- | | |
|-------------|------------------|
| # TRUE LOVE | # BOY/GIRLFRIEND |
| # SINGLE | # WIFE/HUSBAND |
| # FLOWERS | # GIFTS |





EDITORIAL CALENDAR

CAMPAIGN REFERENCES

BEVERAGE BRAND YOU SUAN RU



MARKETING THEMES:

PERSONALITY, ATTITUDE,
YOUNG PEOPLE

1 YOU SUAN RU X ZHOU DONGYU

- YILI YOGURT DRINK BRAND YOU SUAN RU HAS A TRENDY FRUIT SHAKE THAT'S POPULAR WITH **YOUNG CONSUMERS**.
- THEY LAUNCHED A NEW MANGO AND PEACH FLAVOR.

- **THEY TRIGGERED SOCIAL COMMUNICATION THROUGH A CELEBRITY INFLUENCER**
- **THEY PARTNERED WITH ACTRESS ZHOU DONGYU, KNOWN FOR HER CHARMING, YOUTHFUL LOOK, POPULAR AMONG YOUNG CONSUMERS.**





EDITORIAL CALENDAR

CAMPAIGN REFERENCES

2 VALENTINE'S DAY PROMOTION

- THE BRAND WANTED TO DO SOMETHING DIFFERENT FROM OTHER BRANDS THAT WERE FEATURING THE USUAL TOPICS OF HOW TO SHOW YOUR SPOUSE OR GIRL/BOYFRIEND HOW MUCH YOU LOVE THEM
- THEY DECIDED TO **EMPHASIZE SELF CARE AND SELF LOVE** INSTEAD.



- ON WEIBO, THE BRAND LAUNCHED THE HASHTAGS #ZHOU DONGYU'S CONFESSION AND #LOVE YOURSELF
- FOR EXAMPLE, ONE OF HER POSTS ENCOURAGED PEOPLE TO TAKE CARE ON BUSINESS TRIPS AND NOT STAY UP LATE



USERS POSTED THEIR OWN CONFESSIONS AND SUGGESTIONS. WHEN USER POSTS **CONTAINED CERTAIN KEYWORDS** - YOGURT FRUIT SHAKE, MANGO, PEACH ETC. - **PRODUCT LINKS** APPEARED TO HELP USERS BUY THE DRINK EASILY.



EDITORIAL CALENDAR

CAMPAIGN REFERENCES

- YILI USED A VARIETY OF MARKETING AND ADVERTISING MODES TO ATTRACT TRAFFIC FROM WEIBO'S OPENING PAGE, THEIR SEARCH PAGE, THE NEWSFEED AND MORE.



ZHOU DONGYU DID A LIVESTREAM AND A SPECIAL OFFLINE PARTY. THIS **ONLINE AND OFFLINE** MARKETING EXPANDED THE CAMPAIGN'S IMPACT.

AS OF MARCH 19TH, THE TOPIC #ZHOU DONGYU CONFESSION# WAS VIEWED MORE THAN 650 MILLION TIMES, AND MORE THAN 99% OF THE COMMENTS WERE POSITIVE.

THE PRODUCT AWARENESS RATE INCREASED BY 267.3%, AND THE WILLINGNESS TO PURCHASE THE PRODUCT INCREASED BY 42.4%.

POST-90s, POST-95s AND POST-00s FANS ACCOUNTED FOR 78.3% OF NEW FANS DURING THE CAMPAIGN PERIOD.

EDITORIAL CALENDAR

CAMPAIGN REFERENCES

WHAT WE CAN LEARN



LENG SUAN LING SHOWCASED CARE THROUGH WARM ADS DURING THE SPRING FESTIVAL.

THEY ENGAGED IN A SOCIAL RESPONSIBILITY DRIVE THAT INCLUDED LOTS OF DONATIONS AND ESTABLISHED A GOOD BRAND IMAGE.



WHAT WE CAN LEARN



YOU SUAN RU USED A YOUTH-FRIENDLY MARKETING APPROACH TO DEEPEN COMMUNICATION WITH THEIR TARGET CONSUMERS AND CONVEY BRAND VALUES. THROUGH UGC, ITS SOCIAL VOICE INCREASED SIGNIFICANTLY, WITH A PEAK 300 TIMES HIGHER THAN USUAL.





EDITORIAL CALENDAR

Q1 2021

March

Buzzwords and key themes to pay attention to:

- **Women's Day:** Empowerment, women, flowers, shopping festival.

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8 Women's Day	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

EDITORIAL CALENDAR

CREATIVE REFERENCES

March

Celebration of Women's Day

Women's Day Promotion



EDITORIAL CALENDAR

Q1 2021

April

Buzzwords and key themes to pay attention to:

- **Fool's Day:** Joke, surprise, fun.
- **Qingming Festival:** Ancestor, outing, commemorate.

S	M	T	W	T	F	S
				1 Fool's Day	2	3
4 Qingming Festival	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

EDITORIAL CALENDAR

CREATIVE REFERENCES

April

Celebration of Fool's Day

Hey Tea prepared limited edition product and blind box



EDITORIAL CALENDAR

CREATIVE REFERENCES

Celebration of Qingming Festival

Real Estate company Tang Chen Yi Pin
showing cultural value of the holiday

April





EXPERT BITES

Q: HOW HAS KOL MARKETING EVOLVED IN 2020 AND WHAT DOES IT MEAN FOR BRANDS TODAY?

A lot of attention consolidated at the tip-top of the KOL pyramid. The mega KOLs own a disproportionately large portion of the traffic, which has resulted in sky-high fees for top KOLs. **The opportunity for disproportionately persuasive and inexpensive influence rests in the hands of customers.** Brands should be endeavoring to **activate every customer to advocacy**, which plays well to the new breed of viral-focused algorithms on social content platforms.



ELIJAH WHALEY

Chief Marketing Officer Parklu

EXPERT BITES

Q: HOW HAS KOL MARKETING EVOLVED IN 2020 AND WHAT DOES IT MEAN FOR BRANDS TODAY?

KOLs have been popping up and dying like you wouldn't believe in 2020.

The competition is reaching its peak while the business model is evolving to suit the platforms and the brands more than the KOLs. The few top-level KOLs are making bank this year. However many KOLs have **had to go from making money through video adverts to making money through live streaming and selling products.** This is a major change of direction because it's a more measurable way of seeing your ROI with KOLs. **The platform's algorithms are almost God-like and brands are really enjoying the extra transparency many platforms are able to provide.**



WILLIAM AUGUST
Founder Of Outlandish Studios



CHINA MARKET ENTRY IN 2021

EXPERT BITES



ASHLEY DUDARENOK

Founder of Alarice and ChoZan,
LinkedIn Top Voice, 3x best-selling author

Q: WHAT ARE THE MOST COMMON MISTAKES COMPANIES MAKE DURING THEIR ENTRY TO CHINA? WHICH DO YOU RECOMMEND PAYING ATTENTION TO?

One of the most common mistakes is the **expectation of making an instant profit** in the first few months. **It often takes 9-18 months of losses before you can earn a profit in China.** Be prepared for that.

For marketing mindsets there are two extremes. **Some brands think they know everything about the China market** based on coverage in Western media and **some brands think they know nothing about China.** In the first case, companies don't see the need to do market research or strategic planning, think their products will automatically attract consumers and spend their marketing budget ineffectively or have unrealistic expectations of KOL cooperations. In the second case, companies often give naming rights and marketing responsibilities to distributors who aren't right for the job and end up ruining their brand reputation.

EXPERT BITES



WENDY CHEN
Marketing Manager at
Alarice and ChoZan

Q: WHAT ARE SOME EMERGING TRENDS YOU'RE SEEING ALREADY IN Q1?

The rise of "new consumption brands" and the popularity of domestic brands can't be ignored. New consumption brands make items that target very niche, detailed needs, mostly for young people, like a toothbrush disinfection appliance for example. **These brands got it right. They pounced on the trend for consumption upgrades, rebuilt consumer awareness in specific areas, opened new paths and quickly seized the market.**

For example, Genki Forest, which isn't the first sugar-free beverage brand, uses cane sugar substitutes to solve the contradiction in young people's desires for healthy, delicious drinks that come in a variety of flavours but are sugar-free.

There's intensive cultivation around niche needs now and seizing these "new consumption" trends is expanding the Chinese market for brands.

EXPERT BITES



JACQUELINE CHAN

Project Director at
Alarice and ChoZan

Q: WHAT DO YOU THINK FOREIGN BRANDS NEED TO LEARN FROM THE RISE OF DOMESTIC BRANDS IN CHINA?

Overseas brands should adopt marketing methods that resonate with local consumers. In the milk powder industry, for example, **while foreign companies emphasize the nutritional value of their infant formula in their advertisements, Feihe fosters relationships with consumers through loyalty programmes, support groups for new parents and collections of bedtime stories.** Moreover, Chinese brands are increasingly tailoring their products to the tastes of domestic consumers. **China Mengniu Dairy Co., for example, has stepped up sales of innovative products** such as pineapple cheese and squid cheese, in addition to its basic milk and fruit-flavored yoghurts. **“Thirty years ago, when foreign brands first entered China, they were very innovative,”** Mengniu CEO Lu Minfang said at a media briefing in November 2020. **“But now they are developing more slowly than local brands.”**



1

BE PREPARED

**BRANDS NEED TO DO
PROPER
PREPARATION; DO
RESEARCH ON
TARGET AUDIENCES,
INDUSTRY TRENDS
AND UNDERSTAND
BEST PRACTICES**

EXPERT BITES

Q: WHAT ADVICE WOULD YOU GIVE TO BRANDS JUST ENTERING CHINA IN 2021?

Apart from my usual advice, which is to **conduct extensive consumer research to understand the target market and how buying behaviour is shifting online**, I will be advising brands to **place more emphasis on O2O, “online to offline”, than I have in the past**. It's clear from the projects I'm working on that **you have to establish a compelling online brand presence first**, before you can hope to generate revenue in bricks and mortar stores or via old fashioned relationships with partners, distributors and customers.



DAVID THOMAS
China Expert and author of
China Bites

EXPERT BITES

Q: WHAT'S YOUR ADVICE TO FOREIGN BUSINESSES JUST PLANNING TO SET UP THEIR BUSINESS OPERATIONS IN THE MAINLAND IN 2021?

My advice is to get advice! Setting up an entity in China has been simplified over the years, but this doesn't mean that the key decisions which have to be made can be replicated from overseas jurisdictions. The foreign investment law is very unique compared to other countries, especially in the West. **A foreign investor should work with a lawyer or corporate service provider that can provide insight and tricks of the trade in regards to investing in China.**

Don't rush the process. Take your time to make those key decisions and last but not least take time to analyze whether a company in China will truly facilitate your global operations. Don't let the fact that border controls will prevent you from personally setting up your operations. There are thousands of providers on the ground that can help to get you started. **My favorite quote for China is, "Knowledge is power!"**



KRISTINA KOEHLER-COLUCCIA

Head of Business Advisory at
Woodburn Accountants & Advisors

EXPERT BITES

Q: HOW CAN COMPANIES BUILD A STRONG BRAND FROM ZERO IN CHINA IN 2021?

Building a brand in China in 2021 is going to be more expensive and take longer than you anticipated. Don't be fooled by the flashy numbers and 'get rich quick' stories. Understand that **post-90s Chinese consumers are incredibly sophisticated. They don't buy logos anymore. They buy identities.** Construct clear and consistent storytelling from the start. Understand that creating offline experiences is equally important and must go hand-in-hand with your online communication. Appropriately integrate Chinese culture into your communications and products.



OLIVIA PLOTNICK

Founder Wai Social

EXPERT BITES

Q: WHAT ADVICE WOULD YOU GIVE TO BRANDS ENTERING CHINA FOR THE FIRST TIME IN 2021?

Whether you're a global or local brand, new entrants need to **carefully consider the right marketing model to succeed in the cutthroat and complex Chinese landscape.** Recent challenger brand successes like **Perfect Diary** and **Ubras** have grown via a **reaction-led approach that uses private domain traffic (私域流量) and KOLs/KOCs to cultivate a loyal fanbase through whom brands gain invaluable insights and recruit more users.** However, this marketing model is in sharp contrast to the traditional reach-led approach and requires entirely different resources and ways of working. Therefore, **success in China requires ruthless focus in the face of abundant choices – brands need to make tough decisions about exactly who they want to be, where they want to play and who they want to reach in order to stand out and win over consumers.**



MEHA VERGHESE
Growth and Innovation Lead,
MediaCom China

ANALYSE YOUR CHINESE DOMESTIC COMPETITORS

2

**LOCAL BRANDS ARE
ON THE RISE, SO IT'S
IMPORTANT TO PAY
ATTENTION TO THEIR
MARKETING
CAMPAIGNS AND HOW
THEY COMMUNICATE
WITH CONSUMERS**



EXPERT BITES

Q: WHAT ADVICE WOULD YOU GIVE TO FOREIGN BRANDS JUST ENTERING CHINA IN 2021?

Choose one target group and double down to focus on their needs and wants, rather than trying to be everything to everyone. With travel to China continuing to be challenging in the short-medium term, having trusted feet on the ground has never been more important.

Reduce processes and speed up decision making to better evolve with the constantly changing market and **compete with agile, risk-taking domestic competitors.**



MARK TANNER

Founder and Managing Director
at China Skinny

EXPERT BITES

Q: FROM A BRANDING PERSPECTIVE, HOW CAN FOREIGN BRANDS COMPETE WITH RISING CHINESE DOMESTIC BRANDS AND VICE VERSA?

Be obsessed with brand and product value creation, seeing competition as an opportunity to improve and innovate to best address Chinese consumers' needs. One way to do it is through differentiation. International brands must think differently and **find the “sweet spots” that domestic brands are not able to offer**, such as exclusive ingredients, patented formulas, heritage, craftsmanship, high impact global celebrity endorsements, international networks etc.



JASMINE ZHU

Founder and Head of Brand
at CI Brand Management

3

**SET A REALISTIC
MARKETING
EXPECTATION**

**BE PREPARED TO SEE
POSITIVE ROI AFTER
6-12 MONTHS OF
YOUR WORK IN
CHINA. BE READY TO
INVEST IN MARKETING
YOUR REVENUE
MAXIMISATION**

EXPERT BITES

Q: WHAT'S YOUR ADVICE FOR MARKETERS BUILDING A BRAND IN CHINA THAT WANT TO GET SALES RESULTS TOO. HOW CAN THEY FIND A BALANCE?

When a foreign brand enters the Chinese market, it's a matter of distribution. There are two elements. Brand distribution, if the brand is a zero in China, involves brand building costs. Second is product distribution. Once a brand is known and trusted, that implies sales. You can't expect sales without first having brand traction. **To strike a balance, brands can implement a “block strategy” - find the minimum viable customers in one block, building transactions before moving to another one.**



JASMINE ZHU

Founder and Head of Brand
at CI Brand Management



EXPERT BITES

Q: WHAT WOULD YOUR RECOMMENDATIONS FOR KOL MARKETING IN Q1 2021 BE?

Q1 in China is about laying the foundations for the rest of the year, so without a strong foundation, sales will be affected. For brands that I'm working with, **Q1 is about sending the right message with the right KOLs, not looking for immediate sales** conversions but looking for good interactions online.



DAVID GULASI

CEO of DaveGulasi.com and
China KOL

EXPERT BITES

Q: WHAT ARE YOUR RECOMMENDATIONS FOR KOL MARKETING IN Q1 2021?

Beware of becoming overly ROI performance-focused. The mania around livestreaming e-commerce has been great for platforms as they become stickier. It's fantastic for customers as they can snatch up incredible deals while being entertained. It's a once-in-a-lifetime opportunity for some KOLs as they become super rich from becoming attention brokers. However, brands must contemplate the value of each transaction first by asking, "**Are we building lasting relationships with these customers?**"



ELIJAH WHALEY

Chief Marketing Officer Parklu

**DEVELOP YOUR
MARKETING
STRATEGY
BEFORE GOING
TO ANY
PLATFORM**

4

**GET CLARITY ON
WHAT YOU ARE
TRYING TO ACHIEVE
ON DIFFERENT
COMMUNICATION
CHANNELS, AND HOW
IT WORKS FOR YOUR
CONSUMER JOURNEY**

EXPERT BITES

Q: WHAT SHOULD FOREIGN BRANDS TARGETING HIGH NET WORTH INDIVIDUALS IN CHINA DO TO SUCCEED IN 2021?

Chinese HNW consumers are highly digitally savvy and almost 90% use more than 3 digital devices. **This means foreign brands must have a relevant digital strategy to communicate, build trust and sell to their target Chinese audiences using the right languages, on the right digital channels, at the right times.**

Having said that, offline PR and a great marketing strategy is still vital to ultimate success in China, as Chinese HNW consumers **still very much value brand trust built through real-life experiences and personal relationships**, which can't be replaced by digital-only scenarios. Therefore, the whole strategy must be an integrated, holistic approach in order to win them over in the long term.



SALLY MAIER-YIP

Founder and Managing Director at
China PR and Communications
Agency, 11K Consulting

EXPERT BITES

Q: WHAT ADVICE WOULD YOU GIVE TO BRANDS JUST ENTERING CHINA IN 2021?

Brands should be careful in choosing their positioning as they face severe competition from both foreign brands who have established themselves in China and promising local Chinese brands who are becoming increasingly popular.

Brands that are entering China in 2021 should examine where the white spaces for their products are and understand the needs of Chinese consumers. They shouldn't just copy-and-paste their products from other places.



EDWARD TSE
Chairman and CEO,
Gao Feng Advisory

EXPERT BITES

Q: WHAT ADVICE WOULD YOU GIVE TO FOREIGN BRANDS JUST ENTERING CHINA IN 2021 AND THOSE THAT HAVE ALREADY BEEN THERE FOR SOME TIME?

For brands just entering China, choose 1 or 2 platforms to focus on instead of trying to cover too many. **For brands with a long presence in the market, keep up with the most updated trends and events.** Review and adjust regularly.



MIRO LI

Founder of Double V
Consulting & CHINable
Academy

EXPERT BITES

Q: WHAT ARE YOUR MARKETING RECOMMENDATIONS FOR BRANDS IN Q1 2021?

In an increasingly complex Chinese digital ecosystem, brands must more than ever focus on the mix of channels that work well for their industry and price range. **Luxury brands will focus on** using WeChat as a CRM and official channel and work with targeted Red influencers. **Premium brands will use** WeChat and Tmall as sales channels, and leverage Red and Douyin for exposure. **More affordable brands will focus on** the huge potential of Douyin, Kuaishou and Tmall for exposure and livestreaming.



THOMAS GRAZIANI
CEO of WalktheChat



EXPERT BITES

Q: WHAT ARE YOUR MARKETING RECOMMENDATIONS FOR BRANDS IN Q1 2021?

Despite the relative optimism heading into 2021, **it's still going to be a year of uncertainty**, so brands need to have strong foundational elements in order:

Therefore...

1) Brands should look further into how they can make the most of their key e-commerce engine. For most, this is going to be the Tmall/Alibaba ecosystem. Brands should be looking into how to bring livestreaming, flagships and other features together more effectively. Brands need at least one solid conversion engine running full speed. For most brands, **that means really getting Tmall right.** The same could be said of WeChat, but for most brands Tmall is still the more productive platform.

2) Brands should also look to **build in livestreaming with KOLs, celebrities, and, more importantly, internal routines** to support customer service, brand storytelling and other more brand-centric applications



CHRIS BAKER

Founder Totem Media



ALARICE
BY ASHLEY DUDARENOK



CHOZAN
BY ASHLEY DUDARENOK

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KEY MARKETING TRENDS

HOW TO SUCCEED IN EARLY 2021

EXPERT BITES



ASHLEY DUDARENOK

Founder of Alarice and ChoZan,
LinkedIn Top Voice, 3x Best-selling Author

Q: HOW DO YOU THINK THE LIVESTREAMING TREND IN 2021 WILL BE DIFFERENT FROM LIVESTREAMING IN 2018-2019?

Before, livestreaming was just one of the KOL marketing options. **In 2021, it will be a must-have tool for sales teams.** Livestreaming still has huge potential, as technology keeps advancing. By the end of 2020, we already saw virtual KOLs doing livestreaming and 3D livestreaming. **I think 2021 will be a great year for rural livestreaming.**

LIVE-STREAMING WILL BE MORE ADVANCED

LIVE-STREAMING IS A MUST FOR BRANDS TO MASTER. CHINA IS MOVING TO VIRTUAL KOLS AND 3D LIVE- STREAMING

EXPERT BITES

Q: WHAT CONSUMPTION TRENDS IN CHINA ARE YOU MOST EXCITED ABOUT IN 2021?

I think **live streaming is a very exciting new consumption trend** and, with **5G bandwidth in China, allows brand owners to engage with consumers in ways that could only be imagined in the past.** It's creating a **high barrier to entry for new foreign players** who have to compete in a market which has enormous potential but requires a new way of thinking and a large marketing budget. Chinese consumers are spoilt for choice.



DAVID THOMAS
China Expert and author of
China Bites

EXPERT BITES

Q: IN GENERAL, WHAT DO YOU THINK WILL BE DIFFERENT IN CHINA IN 2021?

2020 had a big impact on both the economy worldwide and the use of social media. However, in China, things went much better than in the rest of the world and economic indicators predict an even better 2021. **The great capability of Chinese people to adapt to a completely different reality helped them to reset and overcome the losses of the lockdown period.**

Livestreaming was indeed the buzzword, not only for famous KOLs but also for very active KOCs. The latter gained a lot of popularity and will definitely drive online (and offline) commerce in 2021. The number of platforms where brands can host livestream sales includes Taobao, Tmall, JD, Weibo, WeChat, Meipai, Momo, Yizhibo, and Kuaishou. **2021 will be the year of livestream commerce that will bring shop owners back to the front lines of commerce.**



ALBERTO ANTINUCCI

Digital Innovation Strategist
and China Expert

EXPERT BITES

Q: IN YOUR VIEW, WHAT WERE THE MOST IMPORTANT UPDATES ON SOCIAL MEDIA IN CHINA IN 2020? HOW WILL THEY IMPACT 2021?

Social commerce and livestreaming sales really took off in 2020 because of Covid. This could make high street retail life in China even more challenging, but it has opened up new opportunities for brands in China and will only help to expedite the cross-border opportunities that exist there.



JIMMY ROBINSON
Co-founder and Director at
PingPong Digital

EXPERT BITES

Q: WHAT ARE YOUR RECOMMENDATIONS FOR KOL MARKETING IN Q1 2021?

Work with KOLs who don't just create great videos but can also push **your products during livestreams**. Now is a good time to get middle-level influencers to work with your brand because by **Q3 this year their prices are going to inflate massively**.



WILLIAM AUGUST
Founder Of Outlandish Studios

EXPERT BITES

Q: WHAT DO YOU EXPECT TO SEE IN Q1 IN TERMS OF CONSUMER BEHAVIOUR, E-COMMERCE AND SOCIAL MEDIA DEVELOPMENTS IN CHINA?

We've already seen **massive shifts and changes in 2020 with live streaming, video marketing, new online platforms and increased online penetration**, so it's hard to imagine even more innovations being launched in Q1 of 2021. The Year of the Ox is often regarded as a consolidation year, after the frenetic Year of the Rat, so **I expect to see more of the same in Q1 in the lead up to Chinese New Year.**



DAVID THOMAS
China Expert and author of
China Bites

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**PROVIDE MORE
PERSONALISED
APPROACHES**

**SPEAK WITH YOUR
AUDIENCE, NOT TO
THEM**

EXPERT BITES

Q: WHAT 5 TRENDS ARE YOU SEEING IN CHINA NOW THAT WILL BOOM IN Q1 2021?

- 1) Continued **fragmentation** of customer tribes and subtribes.
- 2) **Connecting with consumers on an emotional level through both brand purpose and individual purpose.**
- 3) **Polarization** between cheap (C2M, etc) and premium segments across most categories.
- 4) Authentic, data-driven, end-to-end **personalization.**
- 5) **Holistic structural change in businesses driven by digitization and agility.**



MARK TANNER

Founder and Managing Director
at China Skinny

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**GROWING YOUR
PRIVATE POOL IS
KEY**

**BRANDS WILL GROW
EVEN MORE PRIVATE
POOLS THAT CAN BE
REACHED FOR FREE,
DIRECTLY AND
REPEATEDLY**

EXPERT BITES

Q: HOW WILL DIGITAL MARKETING IN 2021 BE DIFFERENT FROM 2020?

2020 showed the value of private traffic to drive social commerce, lowering CACs and creating a robust CRM to monetize traffic and offer highly personalized experiences for consumers. **2021 will evolve private traffic by refining the customer loyalty loop, crafting better relationships with “passion communities” to extend value-led experiences that drive conversions and repurchases.**

Digital marketers will go deeper with targeting in 2021, marketing to diverse customer profiles with specific segmentation characteristics that include previously underserved age, preference, and city-tier categories.

2021 will also see a boost in experiential marketing through 5G experiences that blend VR and AR for unique, e-commerce and O2O shopping experiences.



MICHELLE CASTILLO
WONDERLAND

Director of Content and Insights at
Nuguru Wellness

EXPERT BITES

Q: WHAT SHOULD BRANDS DO IN CHINA IN 2021 TO SUCCEED? WHAT SHOULD THEY DO MORE OR WHAT SHOULD THEY DO LESS?

Private traffic is something that brands should consider in 2021. The online market is very crowded, so unless brands already have a strong reputation, are working with popular celebrities or are known for their quality, consumers won't pay attention to them. Private traffic is more connected with consumers. By adding brands to their WeChat contact lists, consumers are showing their respect for the brand and they usually turn out to be loyal consumers. **Private traffic also doesn't cost as much as public traffic does.**

One thing I would suggest is to open a Bilibili account and created videos that appeal to the platform's users. **Bilibili has lots of young users so some brands have begun Bilibili accounts to get closer to the young generation. Enter the field before it gets crowded.**



KEJIE YI

Content Manager at
China Marketing Insights

EXPERT BITES

Q: WHY DO BRANDS NEEDS TO FOCUS ON PRIVATE TRAFFIC?

First party data is becoming crucial for brands to have deeper **connections with each of their users and speed up routes to the market.** This enables them to set a clear schedule and proper marketing automation to get as many data points as possible on each of their fans in order to provide them the right conversion journeys. **With competition rising in market places, WeChat and its environment is the only place in China enabling this connection.**



AURELIEN RIGART

Co-founder and VP,
IT Consultis

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**PAY ATTENTION
TO GROUP
BUYING**

**YOUNGER
CONSUMERS
AFFECTED BY
COVID-19 WILL PAY
MORE ATTENTION TO
GROUP BUYING**

EXPERT BITES

Q: WHAT CONSUMPTION TRENDS ARE YOU MOST EXCITED ABOUT IN 2021?

The rise of the digital yuan: Nearly 20,000 transactions were made with digital yuan on Dec 11th and 12th on [JD.com](https://www.jd.com) in a real-world trial in Suzhou. According to JD, the first digital yuan transaction took about 0.5 seconds. Most transactions were by Post 80s and 90s consumers and the largest payment exceeded 10,000 yuan.

The rising importance of consumers from lower-tier cities: E-commerce operators are aligned with the national government in developing the rural areas of Western China. JD announced the opening of 185 airports for drone delivery service and Alibaba has invested more than USD 700M to support 80,000 merchants from 18 provinces to sell their products online.

Food brands are entering the eSports industry with more nutritious options: Millennial and Gen Z consumers who are part of the eSports community believe that a healthy diet, rest, and good self-care can give them better cognition, focus, and reflexes. As a result, many are interested in wellness products.



JOSH GARDNER
CEO Kung Fu Data

EXPERT BITES

Q: WHAT CONSUMPTION TRENDS IN CHINA ARE YOU MOST EXCITED ABOUT IN 2021?

With consumers, especially those born in the 80s and 90s, who want increasingly personalized products and services tailored to their specific needs, **the C2M (Consumer-to-Manufacturer) model is on the rise for certain product categories. The C2M model connects manufacturers and consumers for the production of tailored products at lower prices, making mass-customization possible** in China through the application of AI-powered data analytics and the mass data collected via various touchpoints with consumers.



EDWARD TSE
Chairman and CEO,
Gao Feng Advisory

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**BEWARE OF THE
KOL BUBBLE AND
GROW YOUR
OWN BRAND
KOLS**

**INCREASINGLY MORE
BRANDS WILL START
GROWING THEIR IN-
HOUSE INFLUENCERS**

EXPERT BITES

Q: HOW HAS KOL MARKETING EVOLVED IN 2020 AND WHAT DOES IT MEAN FOR BRANDS TODAY?

The WOM (Word of Mouth) and referral element in marketing is rapidly **growing in importance**. Trust continues to play a central role hence KOL marketing will continue to be more dispersed and granular, gravitating towards more genuine KOC voices. **The immediate effect on brands is that they need to rethink KOL marketing and apply it more extensively and diversely than before.** The whole pyramid of KOLs from large to nano, KOCs, to livestreamers, should probably be at least 30% of the total marketing budget. **DTC is the absolute biggest and most important shift this and next year where traffic funnelling and content creation will be vital ingredients to succeed.** Here KOLs/KOCs will play a central integrated part in that ecosystem further growing in importance.



NISHTHA MEHTA

Corporate Innovation Coach
Trainer
Change Facilitator

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**CROSS
PROMOTION
2.0 IS HERE**

**IN 2021 BRANDS WILL
BE DOING MORE
INNOVATIVE
COLLABORATIONS
THAN EVER**

EXPERT BITES

Q: WHAT DO YOU THINK BRANDS SHOULD DO DIFFERENTLY IN 2021 IN CHINA?

In 2020, the key word for brands was 'adapt'. Internet giant innovation and consumer adoption took place in lockstep across more and more platforms, touchpoints and formats while marketers raced to keep up with the rapid social-content-commerce fusion. **In 2021, the key word for brands will be 'ACCELERATE'** as marketers **assess what they learned in 2020 and proactively design a connected consumer journey that delivers frictionless convenience and distinctive experiences at every interaction to meet – and exceed – Chinese consumers' high expectations.**



MEHA VERGHESE
Growth and Innovation Lead,
MediaCom China

EXPERT BITES

Q: WHAT WAS YOUR BIGGEST MARKETING INSIGHT FROM 2020?

Agility is queen. Being very reactive to user movement across channels and hot topics on social media will remain a key success factor in the uncertainty of the near future.



RACHEL DAYDOU
Partner and China GM
Fabernovel



E-COMMERCE AND SOCIAL MEDIA WILL BECOME MORE ALIKE

E-COMMERCE AND SOCIAL MEDIA PLATFORMS ARE LEARNING FROM EACH OTHER SO THEY CAN ESTABLISH A CLOSED LOOP CYCLE

EXPERT BITES

Q: WHAT CONSUMPTION TRENDS IN CHINA ARE YOU MOST EXCITED ABOUT IN 2021?

KOLs, KOCs, social commerce, group buying and livestreaming - these 2020 trends will live on, but get more personal. We should see more private traffic, live KOL encounters, more authentic stories and localization. I expect 2021 to initiate more consumption awareness as **in 2020 people have taken notice of China's social gaps: rich and poor, old and young, man and woman, fair trade and capitalism, big tech and consumers...** what I'm looking forward to in 2021 is emphasis on more social inclusion in consumption.



PASCAL COPPENS

Partner at nexxworks, author
of *China's New Normal*

EXPERT BITES

Q: WHAT CONSUMPTION TRENDS IN CHINA YOU ARE MOST EXCITED ABOUT IN 2021?

Chinese consumers want to buy whatever, whenever and however they want! As a result, purchase journeys are growing shorter and the roles of online and offline touchpoints are increasingly blurred. In 2020, delivery apps like Meituan and ele.me expanded to offer Huawei phones, Sephora beauty products and other new products, and I think the O2O model still holds lots of exciting potential for brands to experiment with in 2021. **I can't wait to get started – we've just seen a decade's worth of innovation in a single year, and there's still much more to explore!**



MEHA VERGHESE
Growth and Innovation Lead,
MediaCom China



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**ALWAYS
PRODUCE
AMAZING
CONTENT**

**CONSISTENTLY
PUBLISHING GREAT
CONTENT LINKED
WITH HOT TOPICS
AND CONTEXT IS
STILL CRUCIAL**



EXPERT BITES

Q: WHAT'S YOUR MARKETING RECOMMENDATION FOR BRANDS IN Q1 2021?

**Play around with the newest possibilities offered by interactive posts.
Your brand will be uplifted and engagement will increase.**



RACHEL DAYDOU
Partner and China GM
Fabernovel

EXPERT BITES

Q: IN TERMS OF CHINESE MARKETING, WHAT WOULD YOU RECOMMEND B2B COMPANIES DO IN 2021?

For B2B lead generation, it's important to integrate social and search marketing. Social marketers aren't always used to thinking about the latter, but with some relatively simple training, they can start pulling in more search traffic (from Baidu, Zhihu, and even WeChat).



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Founder,
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ABOUT US

ALARICE AND CHOZAN

WORK WITH US



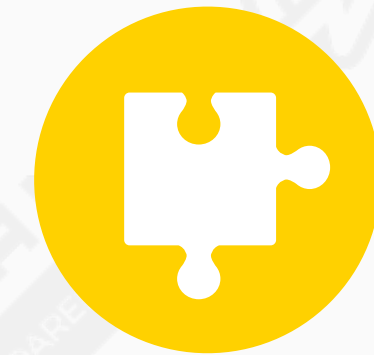
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10 years of experience in China digital marketing

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strategies are based on real situations in the
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the outcomes desired.

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We can increase your expertise on the Chinese market, Chinese consumers and Chinese social media with tailor-made masterclasses that put your team at the forefront. We do this by running courses around the world that you can join and creating corporate training programs for your team.

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A private community on WhatsApp / WeChat that delivers the most relevant, up to the minute information, much of which can't be easily found online or in English. Join us if you're looking for curated insights, trends, strategies and case studies.

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Our founder, Ashley, is a well-known speaker and can deliver keynotes full of energy, insight and inspiration that will transform your event, motivate you and help you achieve your goals.

● CONSULTING CALLS

The quickest way to get your specific, urgent China marketing questions answered. Speak with Ashley or her team if you're under time pressure and need to get on the right track fast.

● 'CHINA DIGITAL' ONLINE COURSES

An 8-module masterclass available to anyone with an internet connection to get them up to speed on China's market, its modern consumers and Chinese social media marketing and selling.

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The most comprehensive books on the market about China's e-commerce landscape, Chinese social media influencers and New Retail. You can also buy our highly detailed WeChat and Weibo guidebooks to gain confidence with China's two most powerful social apps.



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CONNECT WITH US FOR MORE INSIGHTS

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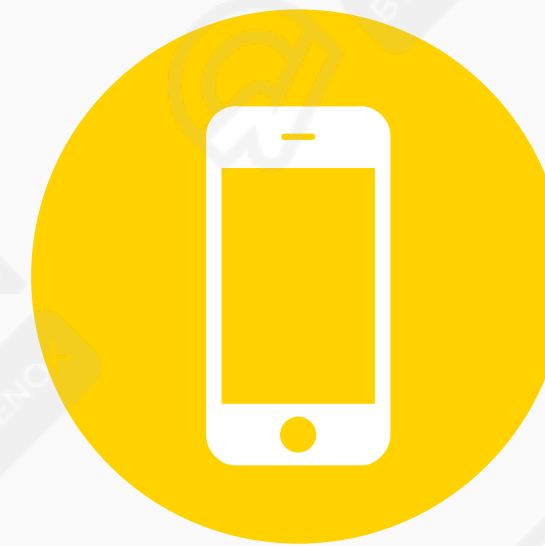
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CHINA E-COMMERCE AND
DIGITAL MARKETING Q1 2021

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