ALARICE BY ASHLEY DUDARENOK

CHOZAN BY ASHLEY DUDARENOK

2021

MEGA GUIDE:

CHINA E-COMMERCE AND DIGITAL MARKETING Q3 2021

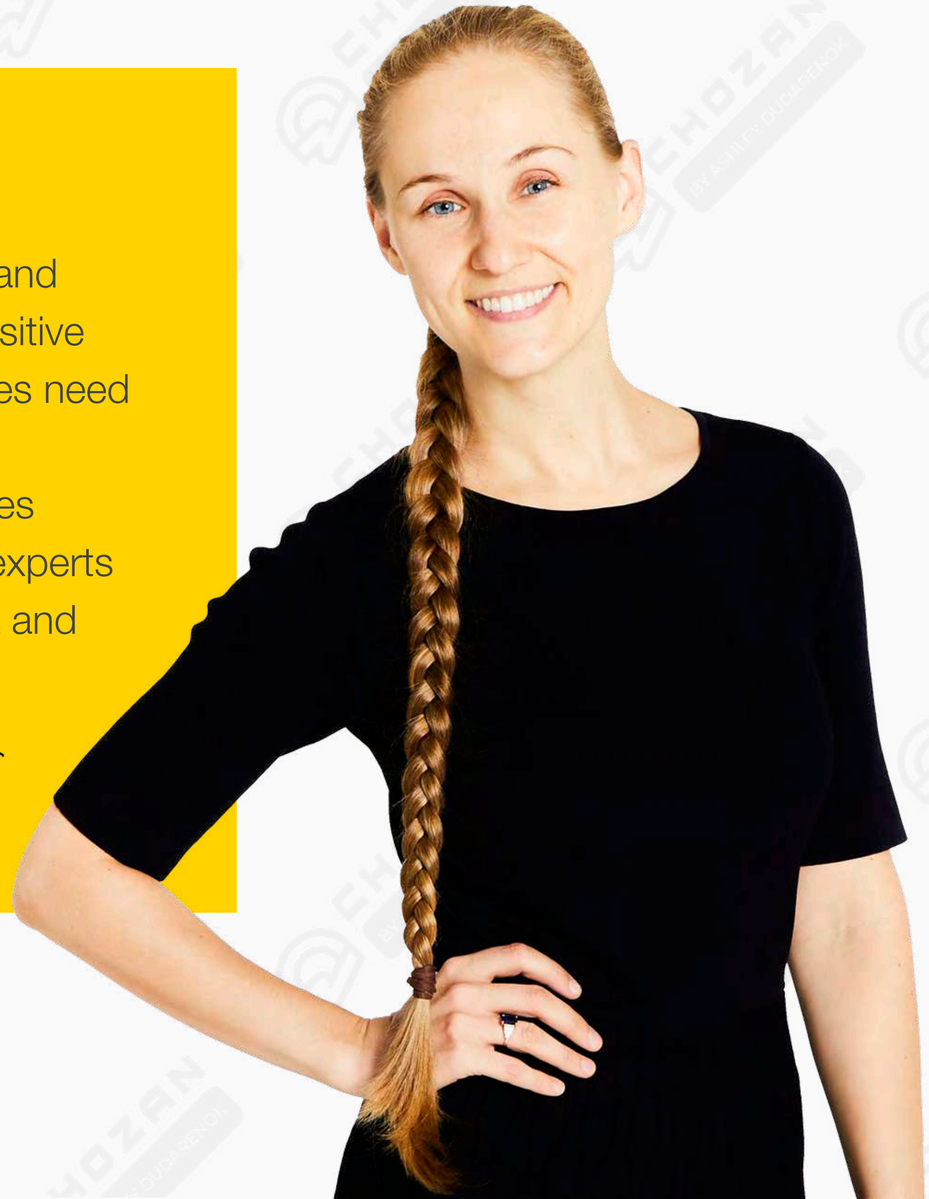
Q3

HELLO!

In Q3 of 2021 China's digital space was retransformed by new regulations, rules and consumers demands. While China's major economic indicators keep showing positive growth, Covid-19 caused shifts in consumers behaviour towards which companies need to keep close attention to.

In this report ChoZan team monitor latest insights in Q3 of 2021 to help companies identify new opportunities and act on it. You'll also find opinion of over 50 China experts about China's economy, modern Chinese consumers, e-commerce, social media and New Retail. A big thanks to all of them. Let's go get them!

Ashley Galina Dudarenok
Founder, Alarice and ChoZan, LinkedIn Top Voice



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OUR CHINA MARKETING SOLUTIONS

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MARKETING RESEARCH AND STRATEGY

Our China marketing research and strategy team gives you a detailed framework that will allow you to start and grow your business in mainland China.

SOCIAL MEDIA MARKETING

We help you to localize messages, strengthen your brand image and reach out to target audiences through Chinese social media.

INFLUENCER MARKETING AND CAMPAIGNS

We help you to establish goal-specific social marketing campaigns and fruitful collaboration with Chinese KOLs and influencers.

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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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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.

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**GOT A QUESTION?
DROP US AN EMAIL BY
SCANNING THE QR CODE**

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 ARE THE MOST IMPORTANT CHANGES THAT HAPPENED IN CHINA IN Q2?

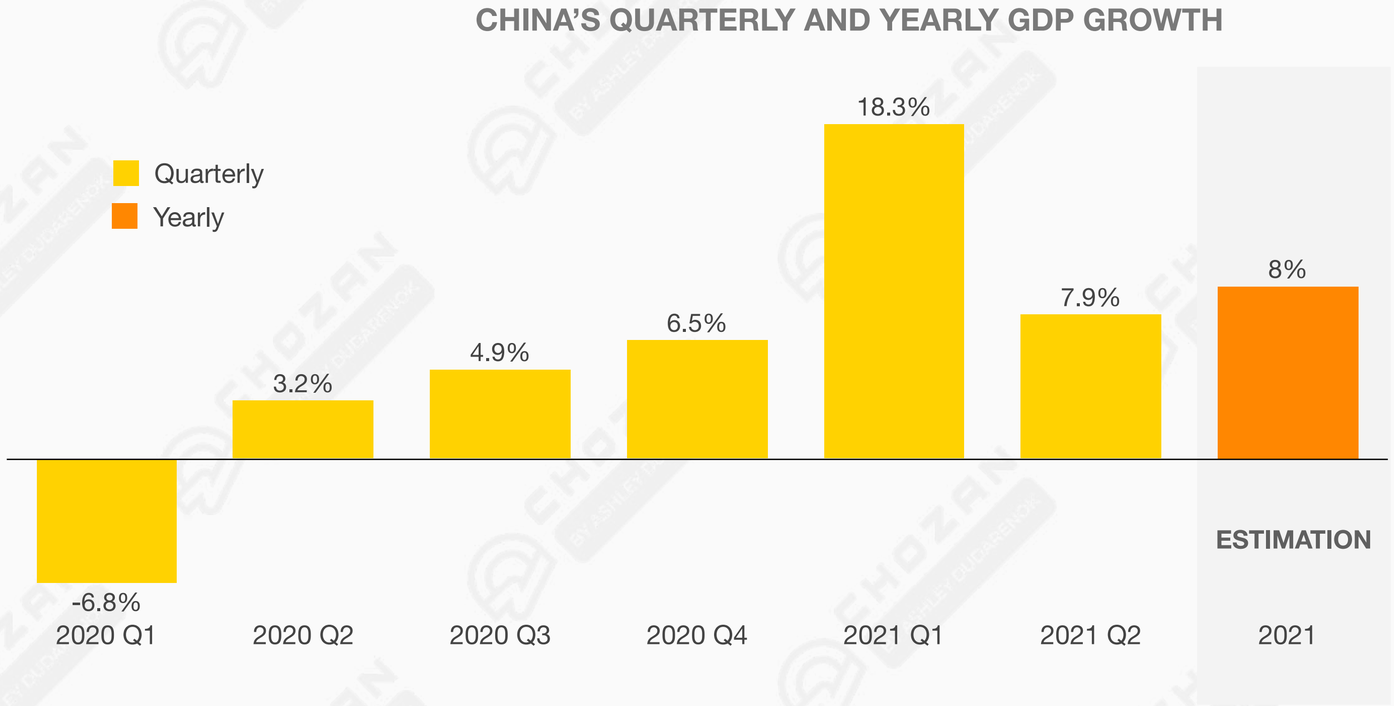
Q2 2021 has been marked by a variety of important events, showing shifts in economy, policy, demographics and consumers' mindset. China has published their 7th census, whose findings have directed the Chinese government in introducing the three child policy. New goals have been set in the 14th Five-Year Plan. It's expected that China will achieve 10% from the digital economy for economic output and by 2035 become one of the leading countries of innovation. There also will be more efforts put in to achieve a low carbon economy. In terms of consumption, lower-tier markets will be further stimulated through e-commerce. China's digital space is going through the process of establishing clear market regulation rules. Companies need to be prepared for review before filing for IPO in the US. Also we observe a tendency for Chinese consumers to expect businesses to practise social responsibility. A good example is the recent flood in Henan and the donation from Chinese sports brand Erke, shooting it to a national hero status and rewarding it with a 52 times jump in sales.

GOT A QUESTION? DROP ASHLEY AN EMAIL BY SCANNING THE QR CODE

OVERVIEW

CHINA'S ECONOMY

China’s economy is recovering quickly and the GDP is expected to grow 8% in 2021

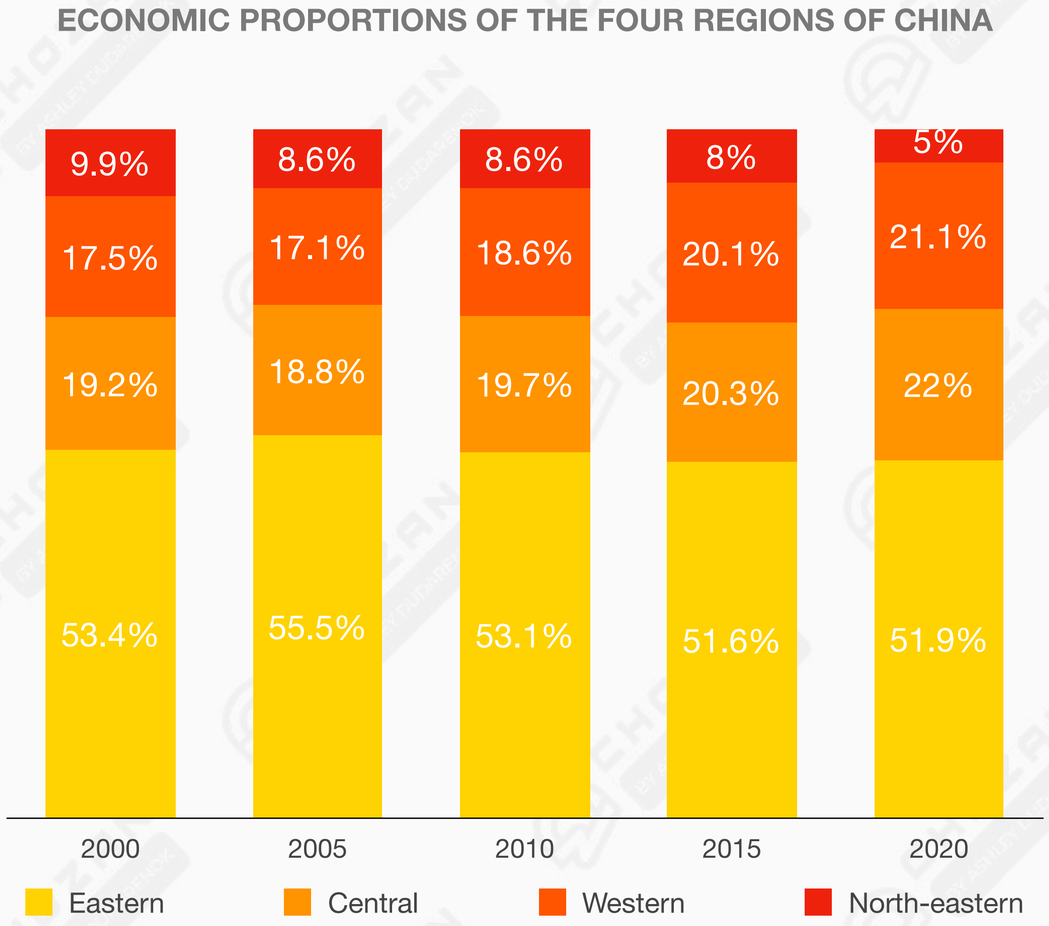


Source:KPMG, China's Economic Monitor Q3 2021

OVERVIEW

ECONOMIC PROPORTIONS IN CHINA

More than half of China’s economic proportion goes to the Eastern part of China.



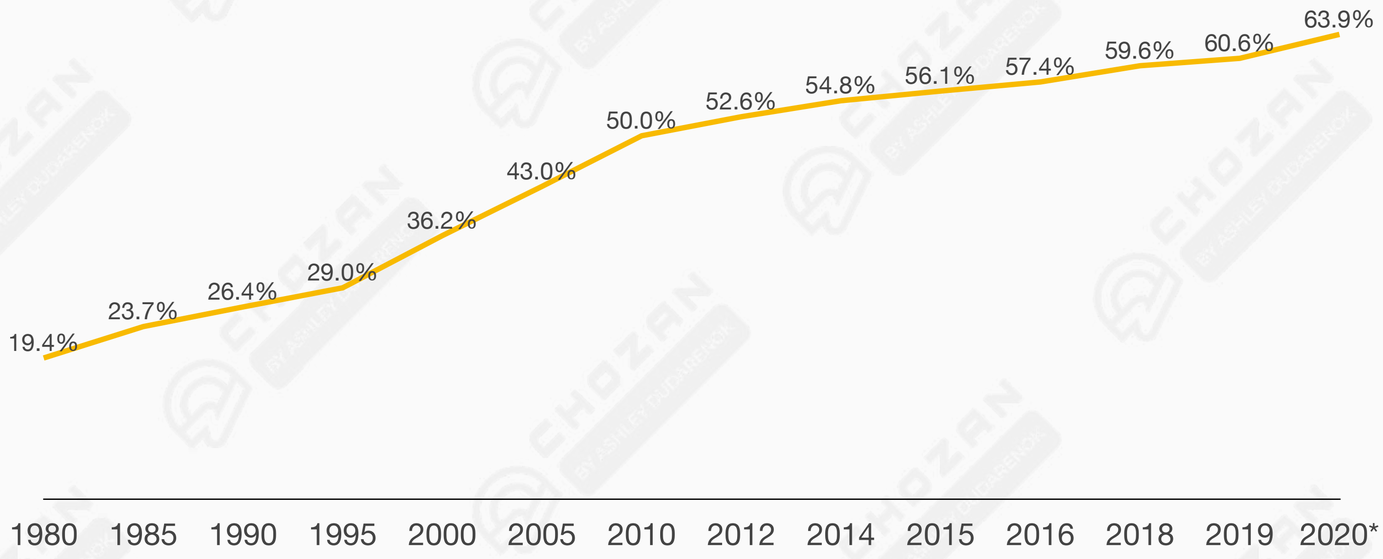
Source: KPMG, The 14th Five-Year Plan: Macro Trends and Opportunities

OVERVIEW

CHINA DIGITAL SPACE AT GLANCE

According to the Seventh Population Census conducted in 2020, about 63.9% of the total population in China lived in cities that same year. The urbanisation rate has increased steadily in China over the last decades.

DEGREE OF URBANISATION IN CHINA, 1980-2020

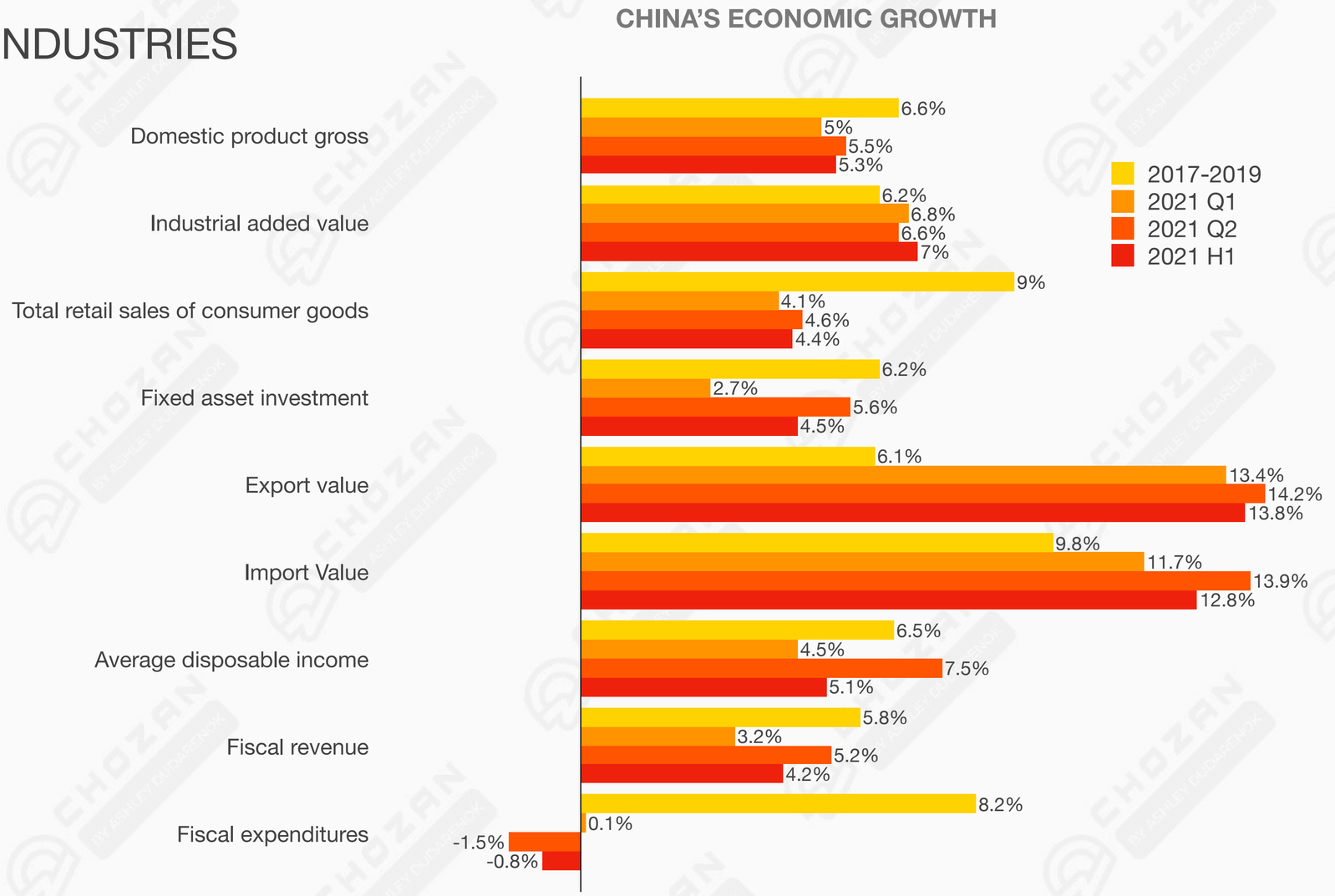


Source: PWC,China Economic Quarterly Q1 2021, Statista

OVERVIEW

ECONOMIC GROWTH WITHIN INDUSTRIES

Import and export goods increased the most between 2017-2021.



Source: KMPG, 2021 Q3 China Economic Monitor

OVERVIEW

IMPORT AND EXPORTS

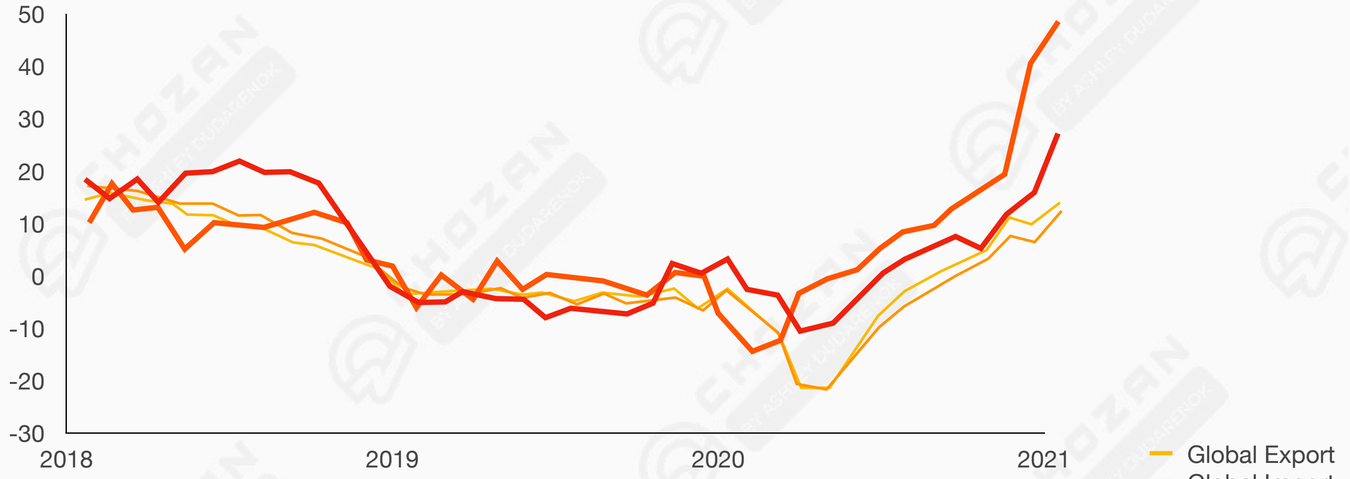
GOODS

The growth of China exported/imported goods have increased significantly comparing to global imported/ exported good, reaching almost US$50 billion.

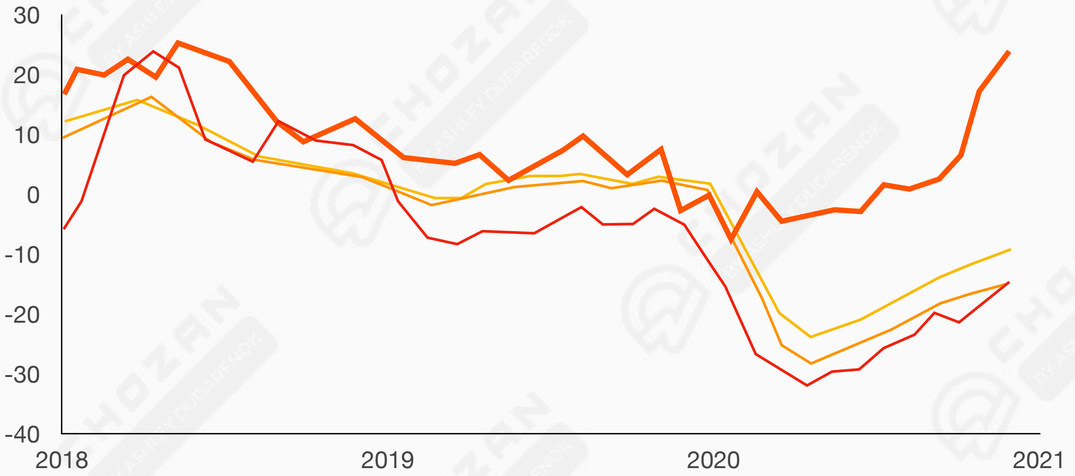
SERVICES

The growth of China's service exports has surpassed global service exports/imports, reaching more than US$20 billion.

GROWTH OF EXPORTED AND IMPORTED GOODS (US BILLIONS)



GROWTH OF SERVICE EXPORTS AND IMPORTS (US BILLIONS)



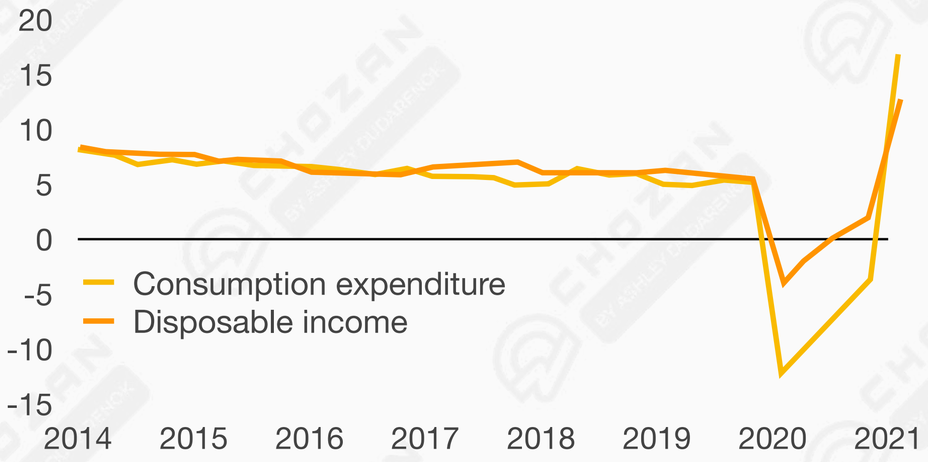
OVERVIEW

CONSUMER GOODS AND CATERING SERVICES

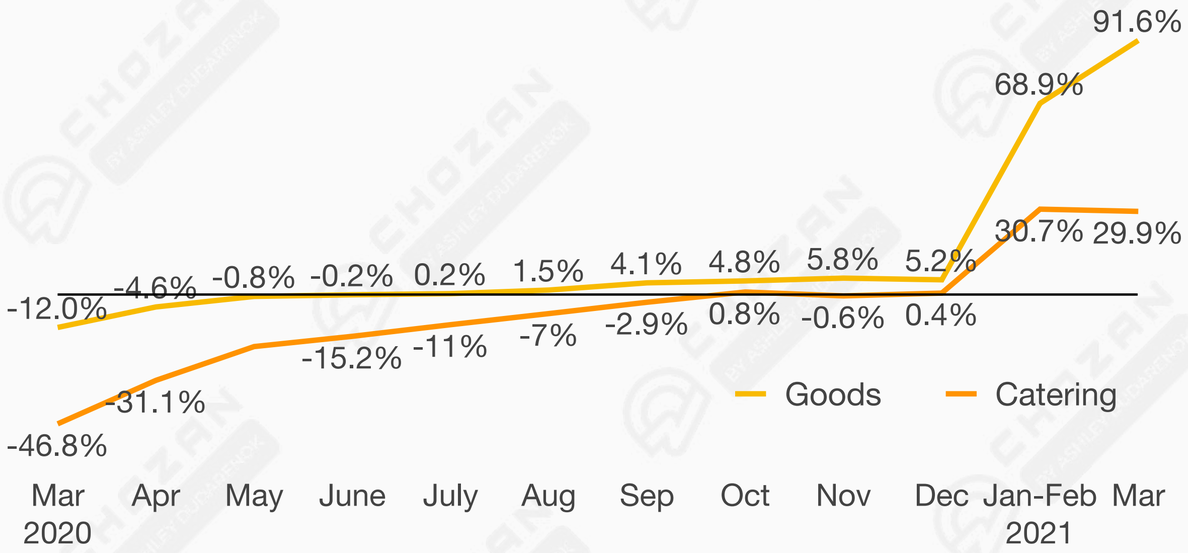
With the quarantine measures further loosened, the labour market continues to improve and people are regaining their jobs, which increases the average disposable income.

This also leads to the rebound of service consumption and catering services in Q1 2021, exceeding the monthly sales before Covid-19 hit in 2020.

GROWTH OF CONSUMPTION EXPENDITURE AND DISPOSABLE INCOME PER CAPITA (YOY %)



GROWTH OF GOODS AND CATERING SALES (MONTHLY YOY)



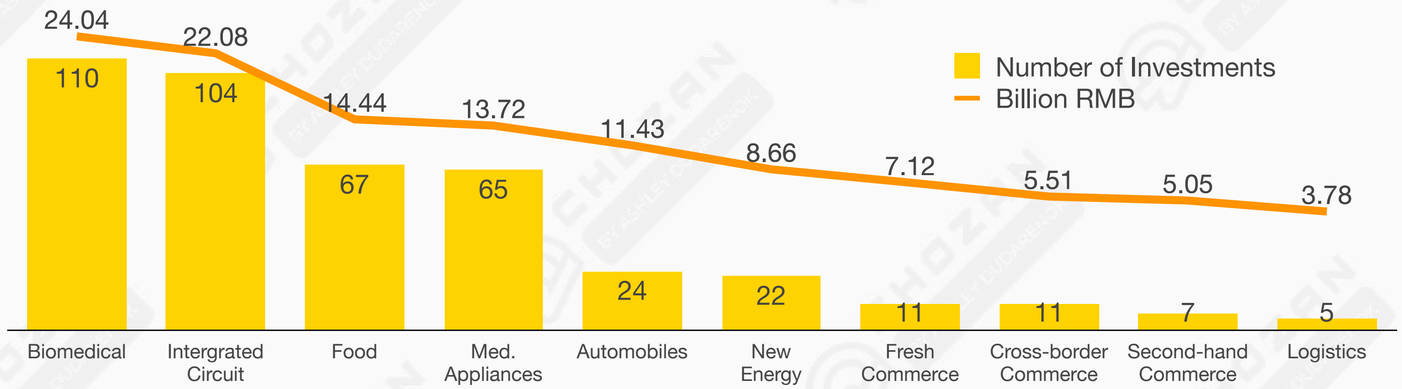
Source: KPMG, China Economic Monitor Q2 2021 & China Government

OVERVIEW

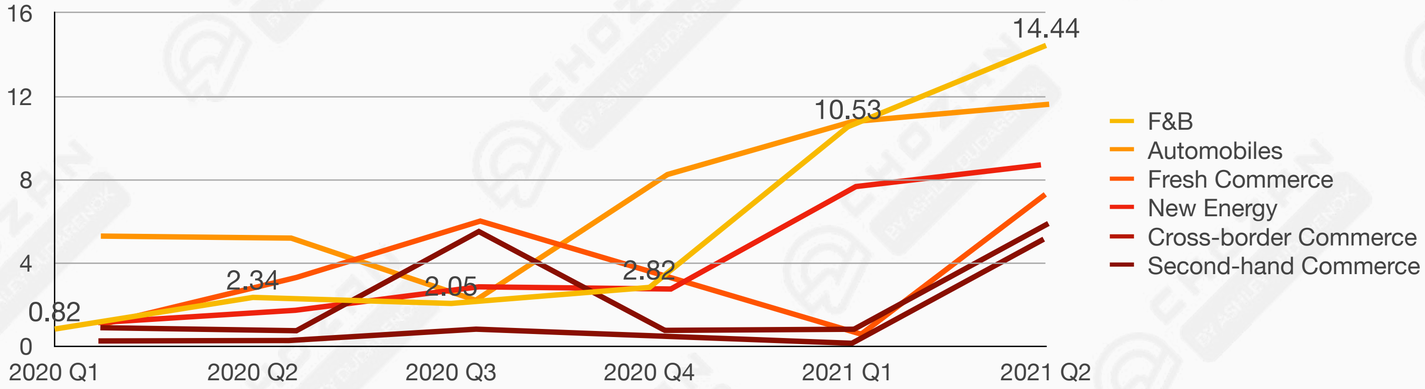
CHINA'S ECONOMY

The most popular investment in Q2 2021 is biomedical, fresh food commerce and the F&B industry.

2021 Q2 CHINA NEW ECONOMY TOP INVESTMENT INDUSTRIES (IN BILLIONS)



INVESTMENT TRENDS AMONG MAJOR INDUSTRIES



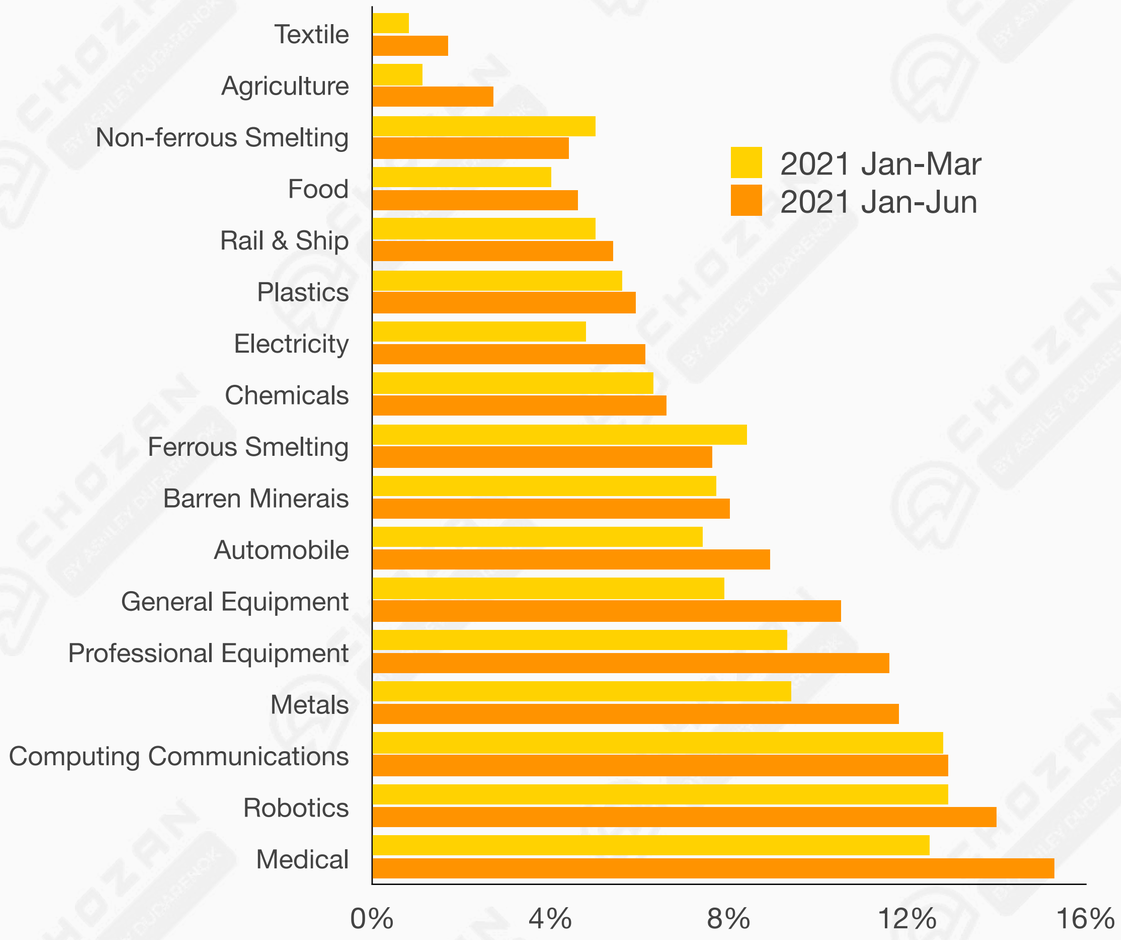
Source: ItJuzi, 2021 Q2 China New Economy Report

OVERVIEW

INDUSTRY GROWTH

China’s automobile, equipment, computing communication and medical industry are growing in the first half of 2021.

CHINA’S MAJOR INDUSTRIES GROWTH IN 2021



Source: KMPG, 2021 Q3 China Economic Monitor

OVERVIEW

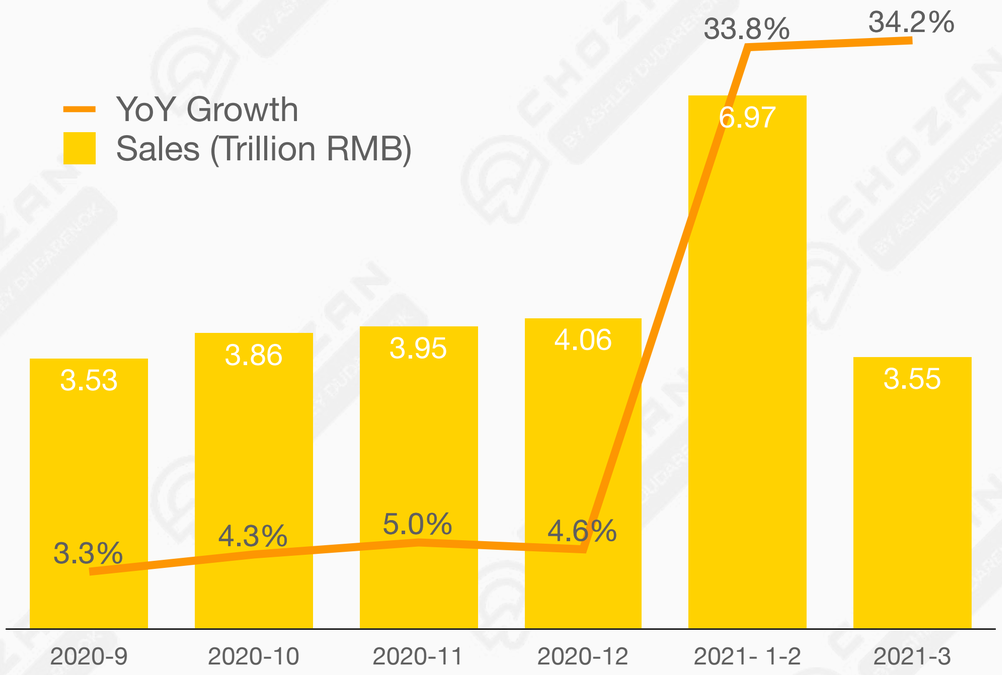
CHINA'S ECONOMY

China’s domestic consumption demand is rapidly recovering and, in comparison to previous years, even showing positive YoY growth. The total online retail sales of consumer goods reached 10.5 billion RMB, with 33.9% YoY growth in 2021 Q1.

3.5 TRILLION RMB

ONLINE RETAIL SALES OF CONSUMER GOODS IN Q1 2021

TOTAL ONLINE RETAIL SALES OF CONSUMER GOODS IN CHINA, 2020 SEP TO 2021 MAR

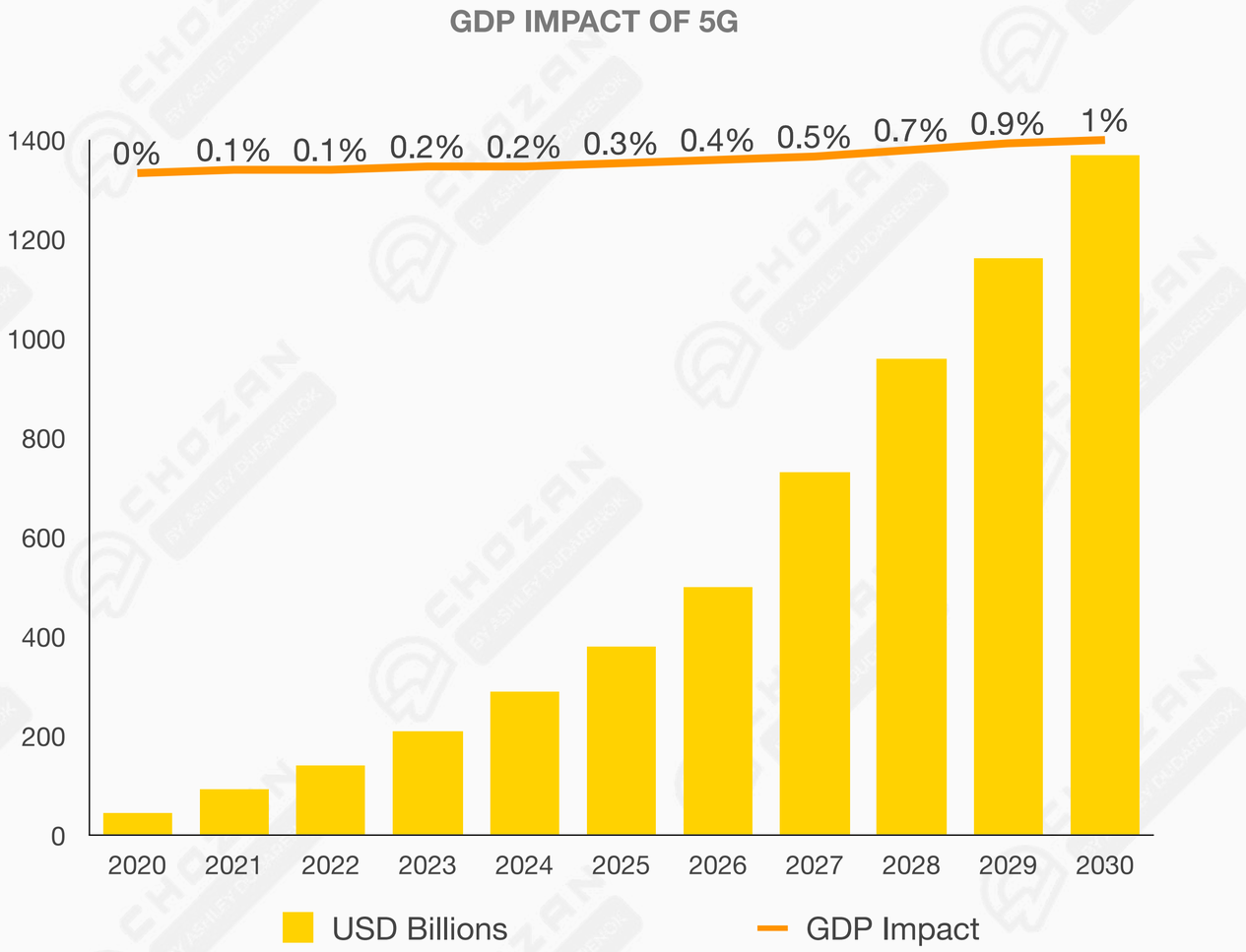


Source: QuestMobile, Chinese Internet Report, Q3 2020 & China Government

OVERVIEW

GLOBAL ECONOMIC IMPACT OF 5G

The 5G technology is making limited impact to world's GDP growth since it is still in its infancy. It is expected that impact will arrive in 2025 when the technology develops into maturity.

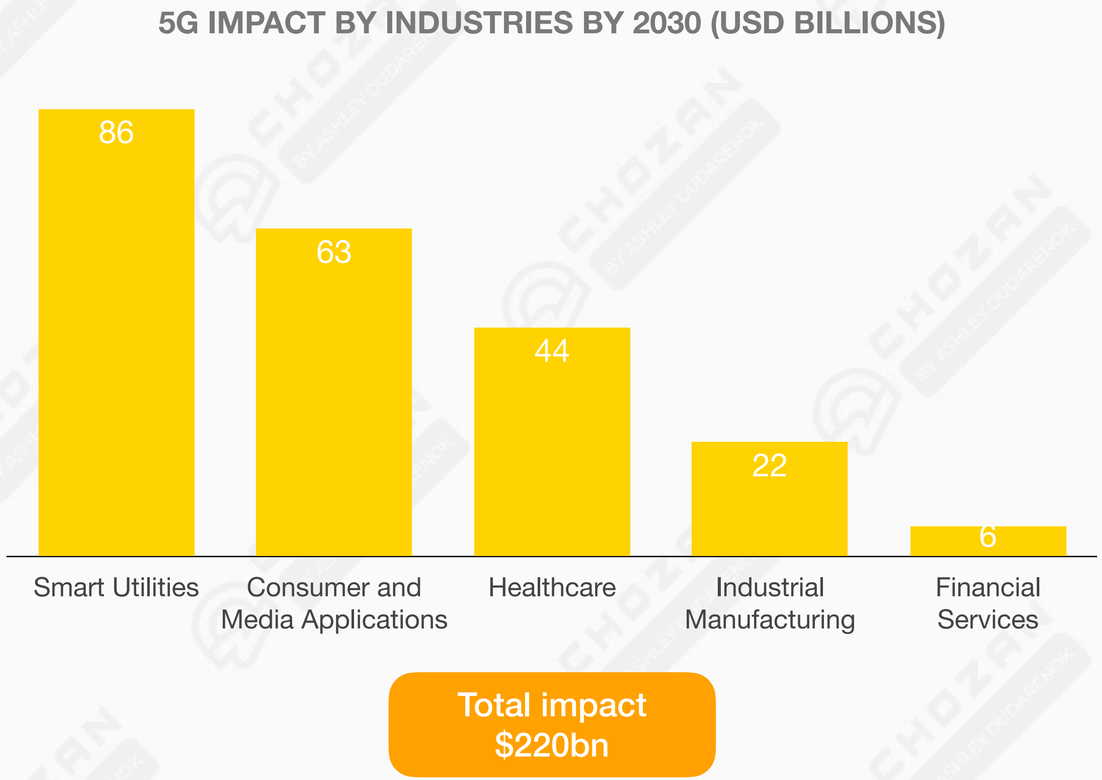


Source: PWC,The global economic impact of 5G: China report

OVERVIEW

5G IMPACT BY INDUSTRIES

5G is expected to make total impact of US$220 billion to China's GDP industry by 2030.

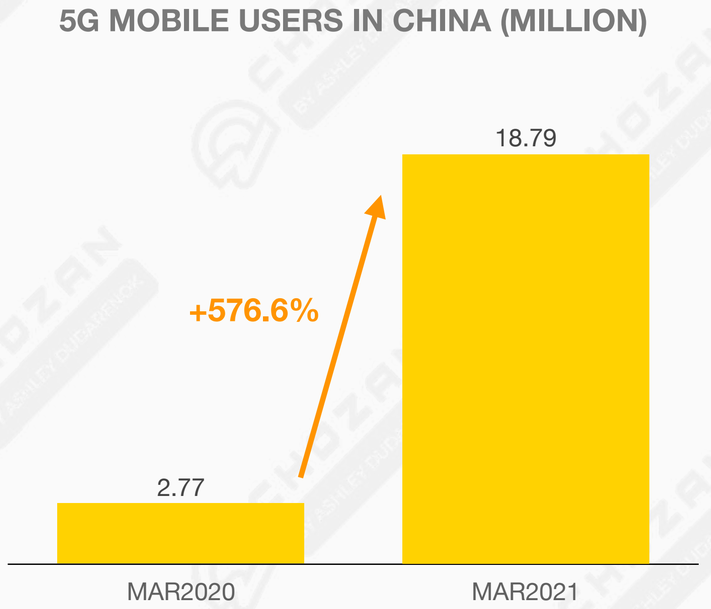


Source: PWC,The global economic impact of 5G: China report

OVERVIEW

CHINA DIGITAL SPACE AT GLANCE

China 5G mobile Users significantly growing over the last year

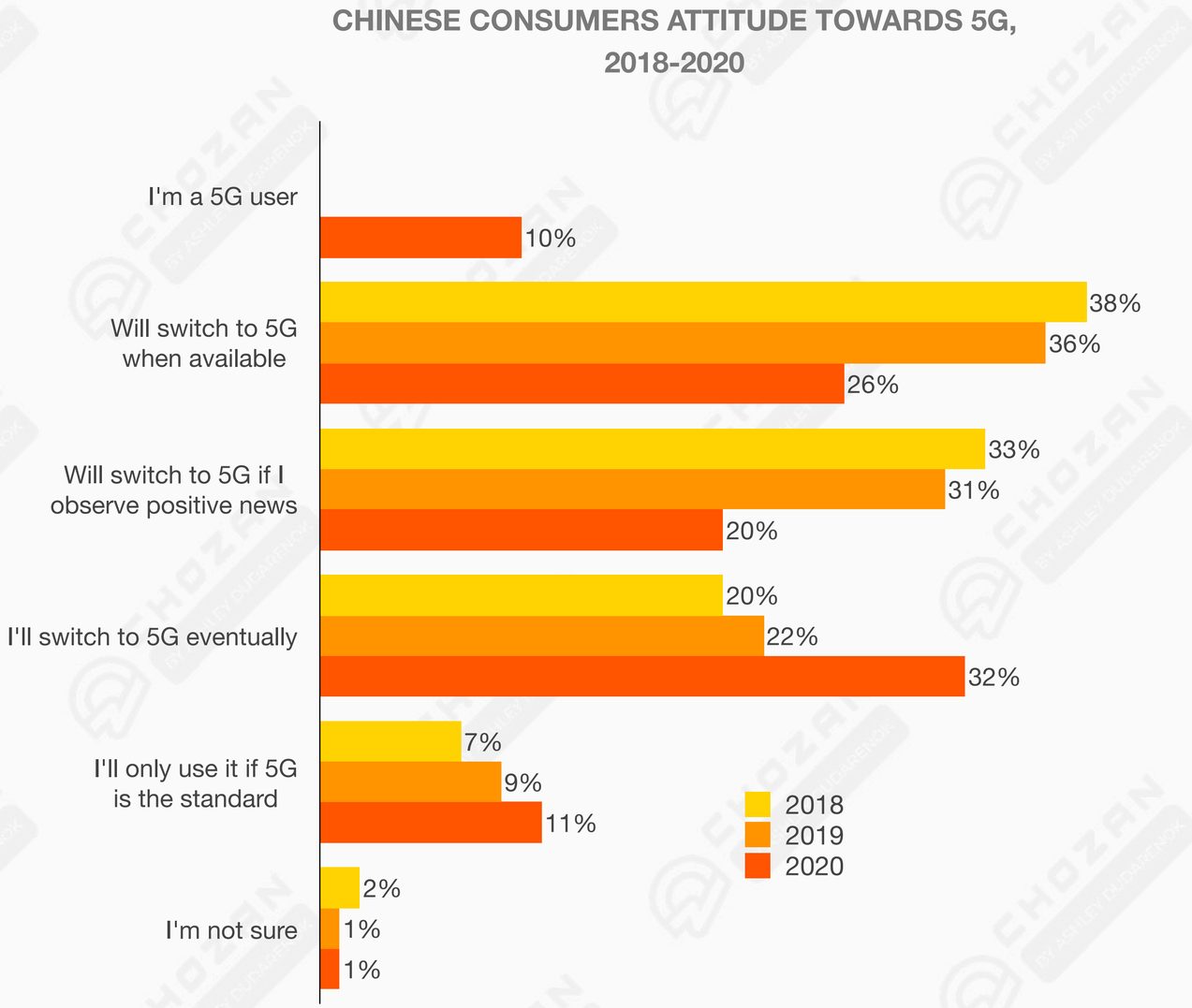


Source: Quest Mobile, Chinese Internet Report, Spring 2021

OVERVIEW

5G PREFERENCE

Chinese netizen's urge for 5G is decreasing.



Source: Deloitte, Chinese Internet Consumers Report

OVERVIEW

IMPACT OF 5G IN CHINA

The integration of 5G with AI, VR/AR, drones and data collection in China is improving the operations of different types of businesses.

SMART BUILDINGS	Property security and smart management
SMART ECO	Monitor natural environments, providing real time data
SMART GOVERNING	Improve user experiences within remote services
SMART SECURITY	Improve the comprehensiveness of data and speed of information delivery
SMART CITY	Improve efficiency and overall city management

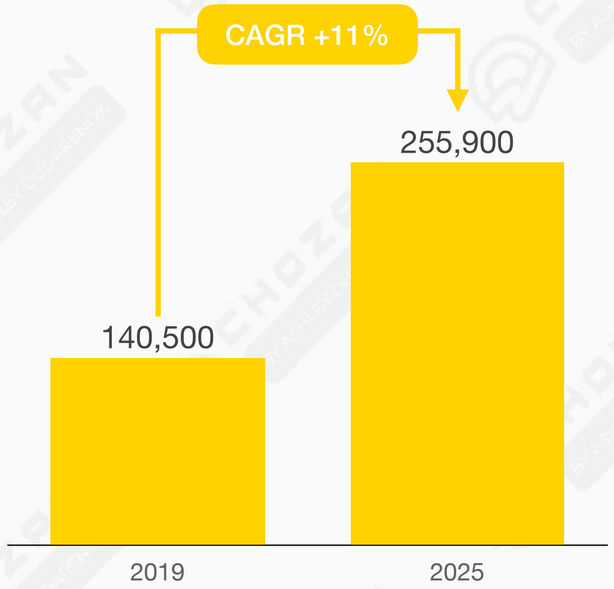
Source: PWC,The global economic impact of 5G: China report

OVERVIEW

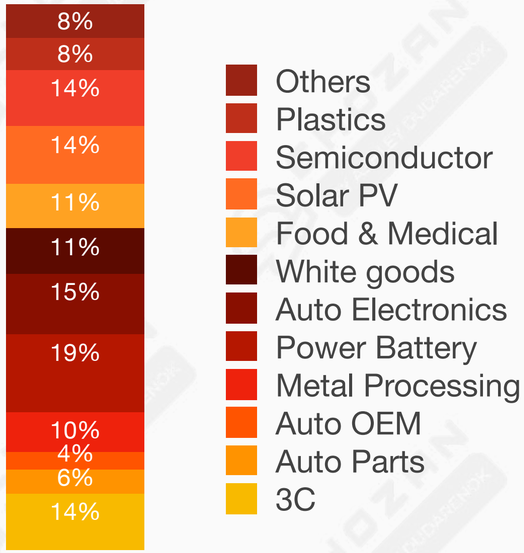
CHINA'S ECONOMY

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

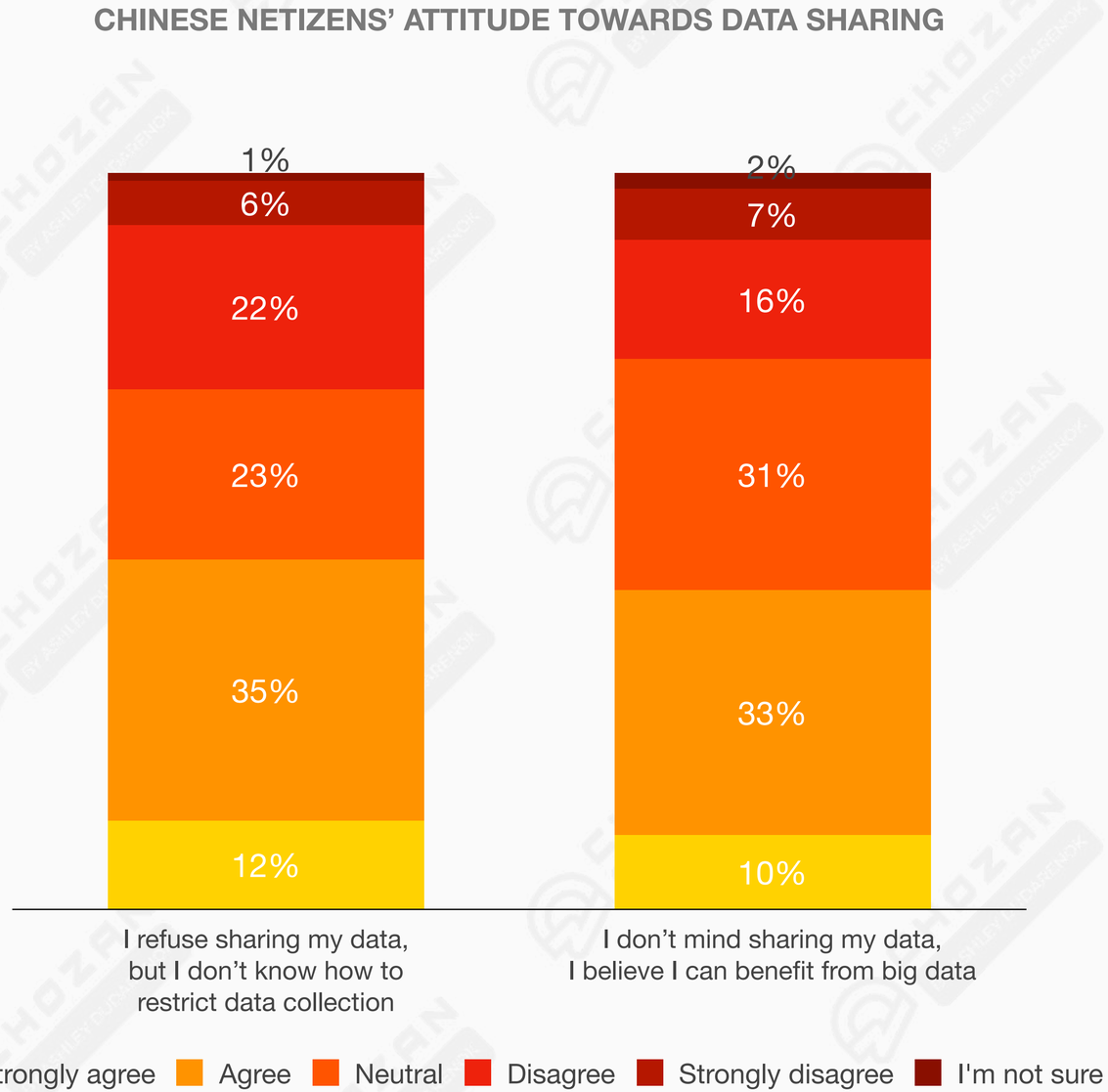


Source: EAC

OVERVIEW
DATA PRIVACY

More than 50% of Chinese netizens refuse sharing their data, but they struggle to find a way to change the privacy settings.

However, there is also another 50% of Chinese netizens who do not mind sharing their data, believing they can benefit from the results of data collection.

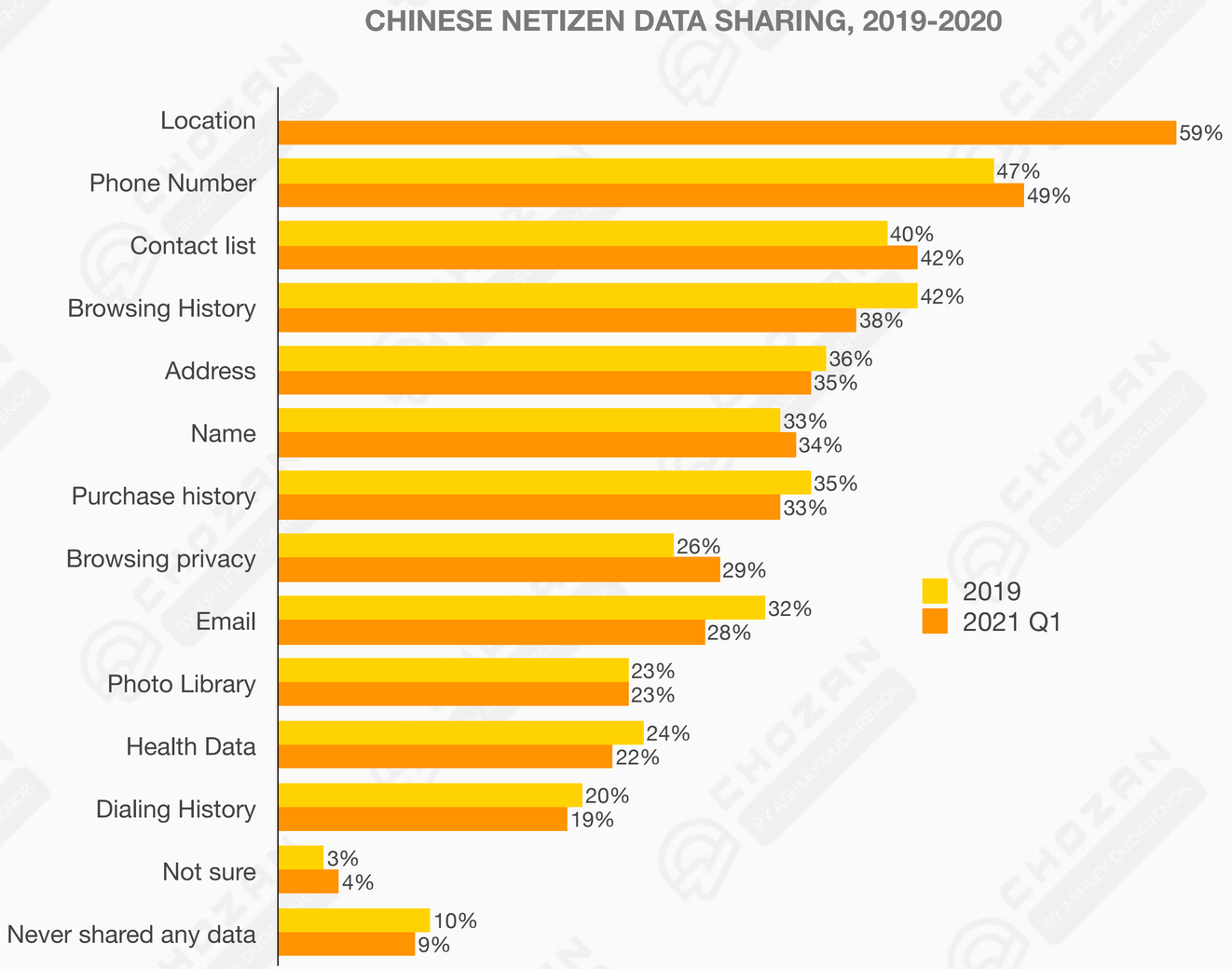


Source: Deloitte, Chinese Internet Consumers Report

OVERVIEW

DATA SHARING

Chinese netizens are in general becoming more comfortable to share their data with online organisations.



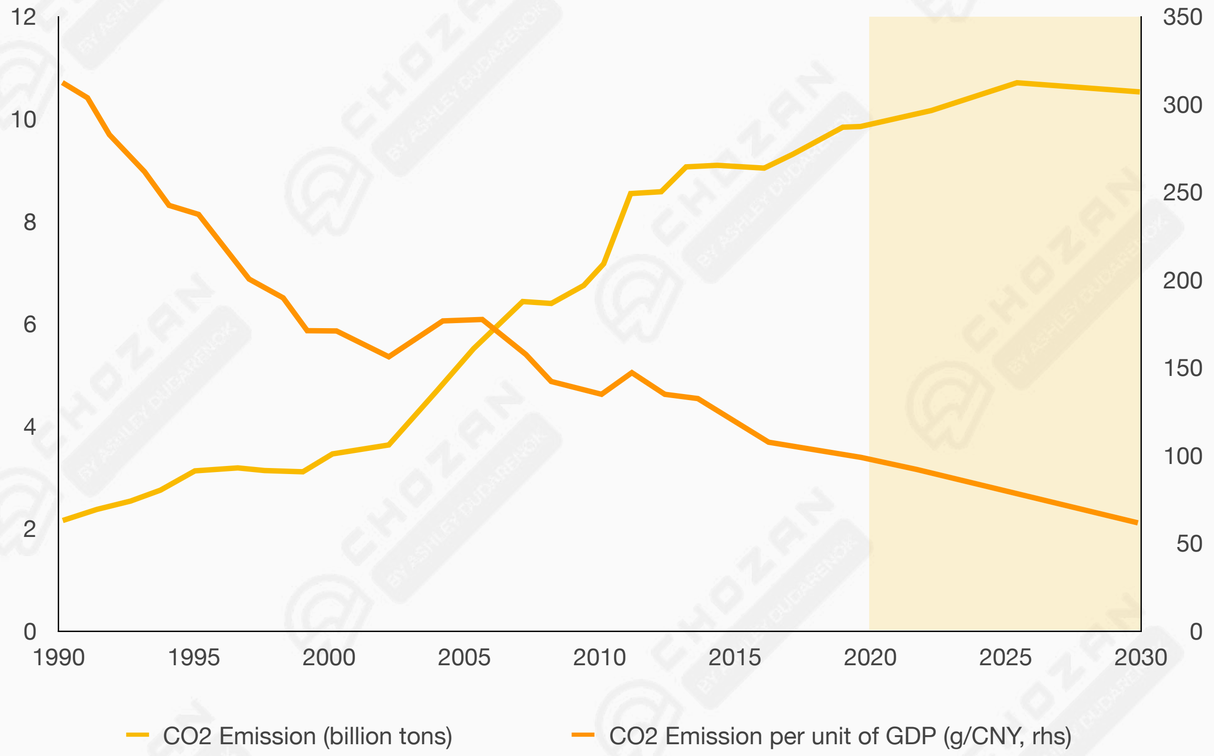
Source: Deloitte, Chinese Internet Consumers Report

OVERVIEW

CO2 ECONOMY

China targets to reach carbon neutrality before 2060. To control both the intensity and volume of carbon emissions, the country will explore non-fossil energy while keeping a balance between economic growth and reductions of carbon emissions

CHINA'S TOTAL CO2 EMISSION AND CO2 EMISSION PER UNIT OF GDP



Source: KPMG, The 14th Five-Year Plan: Macro Trends and Opportunities

OVERVIEW

CARBON TRADE MARKET

China’s national carbon emission trading scheme (ETS) made its debut in Q3 2021 after three years of preparation.

It is the world’s largest carbon market by volume, covering more than 40% of national carbon emissions (4.5 billion tons CO2 a year).

210 MILLION

RMB TURNOVER ON JULY 16

4.1 MILLION

TONS OF CO2 TRADED ON JULY 16

HISTORY OF CARBON TRADING IN CHINA

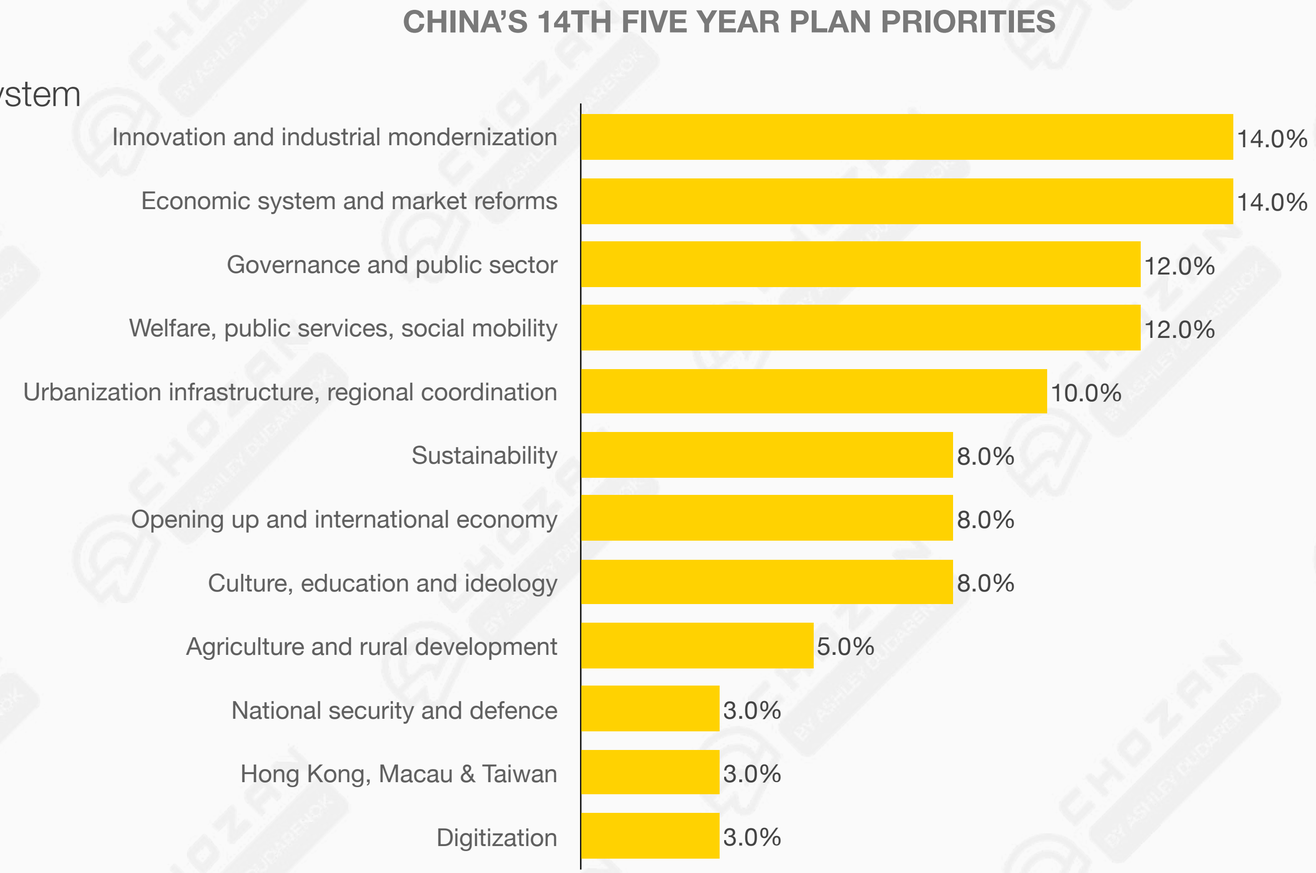
2011	Setting up pilot carbon emission exchanges in Beijing, Tianjin, Shanghai, Chongqing, Guangdong, Hubei and Shenzhen
2013.6	Start testing carbon trade in the seven cities, covering more than 20 industries and 3000 emission units
2016	Set up pilot carbon emission exchanges in Sichuan and Fujian
2017.12	Publishing the "Program for the establishment of a national carbon emissions trading market (power generation industry)"
2020.11	Propose draft of the “Measures for the Administration of Carbon Emissions Trading (for Trial Implementation)”
2021.5	Publishing the “Measures for the Administration of Carbon Emissions Trading (for Trial Implementation)”
2021.7	Launching the China’s carbon trading market

Source: China Government & Qianzhan Research, 2021 Chinese Carbon Trade Market Report

OVERVIEW

CHINA'S 14TH FIVE YEAR PLAN

The priorities of China's 14th Five Year Plan is the economic system and market reform as well as innovation and industrial modernisation.



Source: Metrics, China's 14th Five Year Plan

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.

Source: iResearch, 2020 Q3 China Mobile Internet Traffic , CNBC

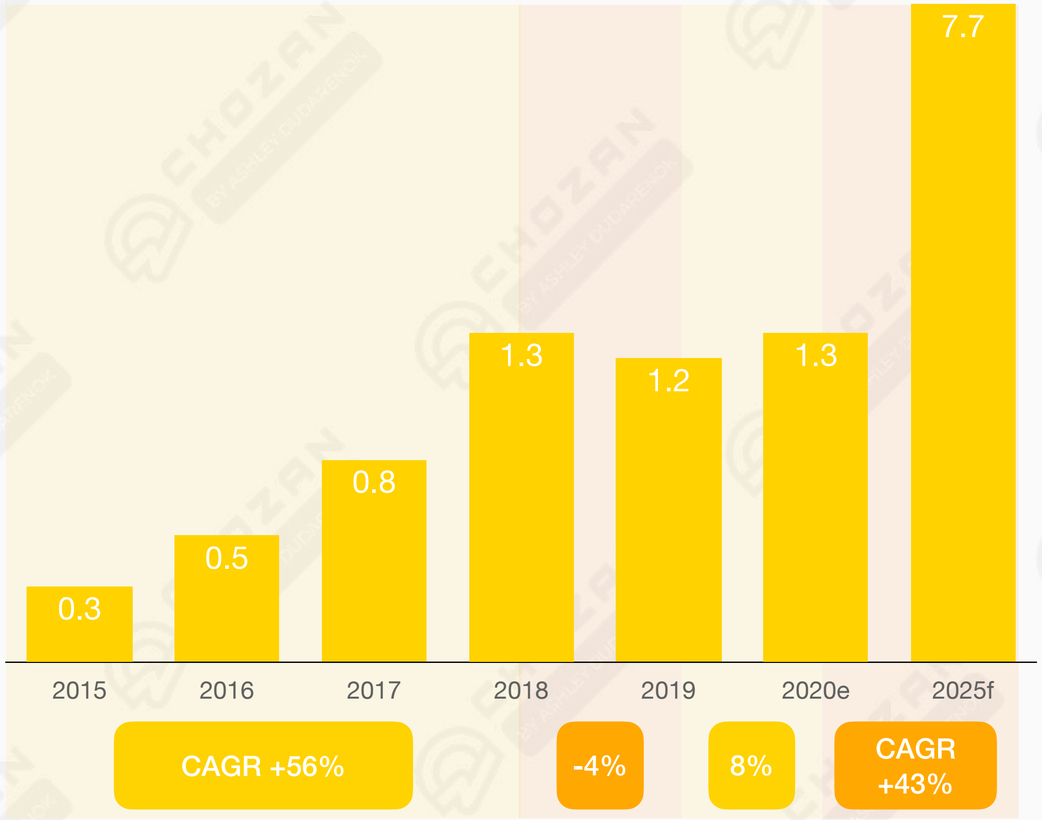
E : info@chozan.co W : www.chozan.co W : www.alarice.com.hk

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)

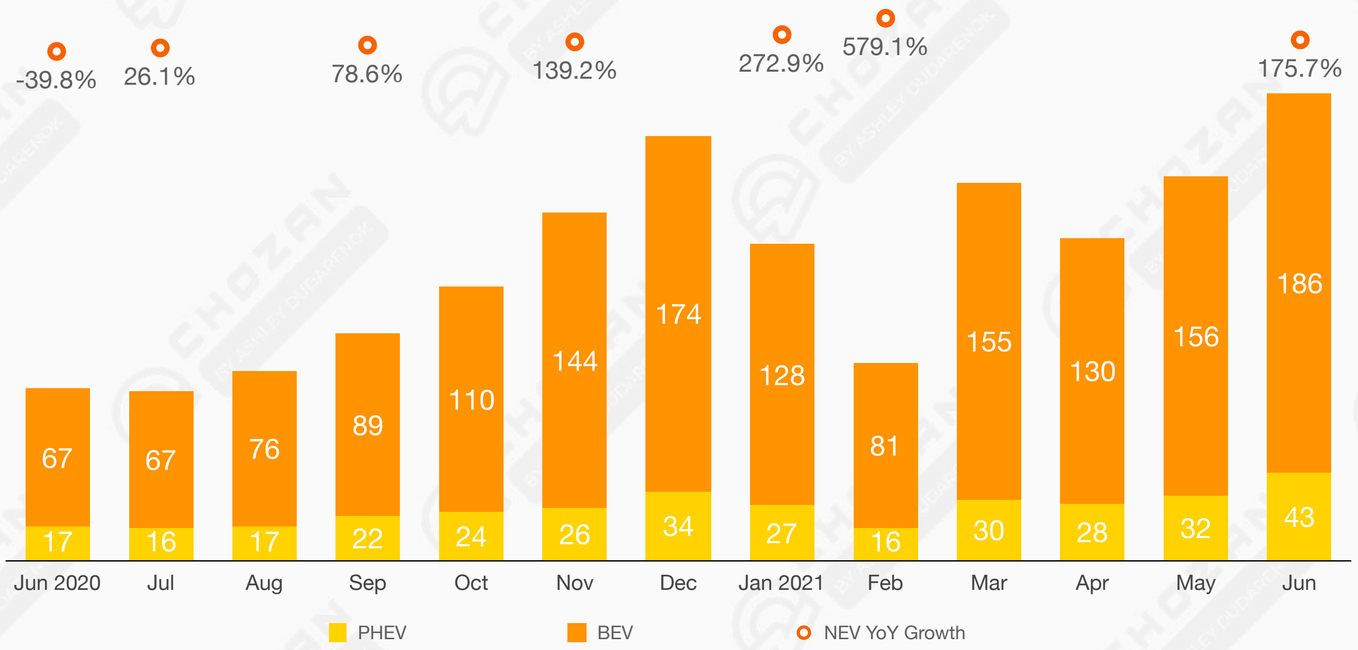


OVERVIEW

NEW ENERGY VEHICLES

BEV (battery-powered electric vehicle) is still leading the NEV market. The retail sales of new energy vehicles is growing steadily in 2021 Q2.

NEW ENERGY VEHICLES RETAIL SALES IN CHINA, JUN 2020-2021



EXPERT BITES

Q: WHAT ARE THE MOST SIGNIFICANT CHANGES THAT HAPPENED IN YOUR VIEW IN CHINA IN Q2?

China has the world largest number of internet users and all of us know how data is important. So China takes a lot of care about it. In June 2021 China officially issued the full text of Data Security Law which shows that China's legal system will continue to be improved in terms of network and information security, providing strong legal support for individual privacy as well as the safe and healthy development of the digital economy.

Those who don't follow the rules will pay a big price.

ANDREI A. PROKHOROVICH

Founder & CEO of Eurasia Development Limited

EXPERT BITES

Q: WHAT DO YOU THINK ABOUT THE RESULT OF THE LATEST CENSUS?

Whilst a slowing of the population growth rate over the past 10 years was the main takeaway picked up by the world's media, there were a number of points that will have escaped anyone who didn't take a closer look. Here are some of the highlights:

- Despite a reduction in the growth rate, China's total population actually increased to 1.41 billion in 2020 from 1.34 billion in 2010
- Whilst there is an increase in those aged 65 and above (from 8.9% to 13.5%) there has also been a small increase in the share of the child population (up to age 14) following the removal of the one child policy in 2016.
- China's rapid urbanisation policy has seen more people move from rural areas into new cities, a major driver of increased efficiency and economic growth. The share of the urban population grew from 49.7% to 63.9% over the past 10 years
- The average size of a family household fell below 3 for the first time, reaching 2.62 from 3.10 ten years ago, due to increased population mobility and improved housing conditions for young people, encouraging them to leave home earlier.

DAVID THOMAS

China Expert And Author Of China Bites

EXPERT BITES

Q: WHAT'S YOUR OPINION ABOUT CHINA'S ECONOMY IN Q3?

While in reality growth in the Chinese economy is down slightly. In terms of consumer spending, I believe this will be robust for the middle class.

For social reasons, consumers will be looking to maintain consumption that signifies status, meaning they will not reduce key discretionary spending.

JERRY CLODE

Founder at
The Solution Consultancy

EXPERT BITES

Q: WHAT DO YOU THINK ABOUT THE RESULT OF THE LATEST CENSUS?

China's seventh national census shows that the 2020 population has reached more than 1.4 billion, accounting for 18 percent of the world's total and making the country maintain its position as the most populous country.

Interesting to note is that the urbanization rate is rising and the population living in urban areas on the mainland totalled 902 million, or 63.9% of the total.

Furthermore, the country can count on an abundant labour force, with China's working-age population (defined as people aged between 16 and 59) reaching 880 million.

China should continue to improve its demographic policies and formulate economic and social development frameworks under the 14th 5-year plan to further increase education levels and mitigate the impacts from an aging population.

MARTINA FUCHS

TV Anchor & Business Journalist,
Event Moderator

EXPERT BITES

Q: WHAT ARE THE MOST SIGNIFICANT CHANGES THAT HAPPENED IN YOUR VIEW IN CHINA IN Q2?

There are still a lot of companies who are putting their China projects on hold and as a consequence are not establishing their entities just yet. With the news from the Chinese government that the borders will still be shut for another year (until June 2022) this is another reason for companies being hesitant. HOWEVER, having said that companies still want staff on the ground in China and there is a greater tendency towards companies using PEO services (employer-of-record services) to hire people.

On the other side there is the news about the new individual income tax regulations which will impact foreigners in China. There are 3 allowances – housing allowance, school fees and language training fees that will no longer be deductible. We are seeing foreigners re-negotiating their contracts and I feel there will be an exodus of expats – particularly those with families on the ground.

KRISTINA KOEHLER-COLUCCIA

Head Of Business Advisory
at Woodburn Accountants &
Advisors

AN OVERVIEW OF DIGITAL CHINA

EXPERT BITES

Q: HOW DO YOU THINK THE NEW REGULATIONS WILL AFFECT CHINA'S DIGITAL SPACE? WHAT DO BRANDS NEED TO BE AWARE OF IN TERMS OF SOCIAL MEDIA/ ECOMMERCE/LIVESTREAMING?

In Q2 we witnessed new regulations being enforced on different aspects of China tech giants' operation. A significant control is applied to user's data privacy and data storage. Users, especially minors, are supposed to be more protected. It's also important to note that previously it was a one-off effort, but in early August China began a six-month campaign together with tech giants to monitor illegal online activity. Brands need to be prepared for changes in the apps' functionalities and advertising policies, like the latest regulation on facial recognition.

ASHLEY DUDARENOK
Founder of Alarice and ChoZan
LinkedIn Top Voice & 3x best-selling author

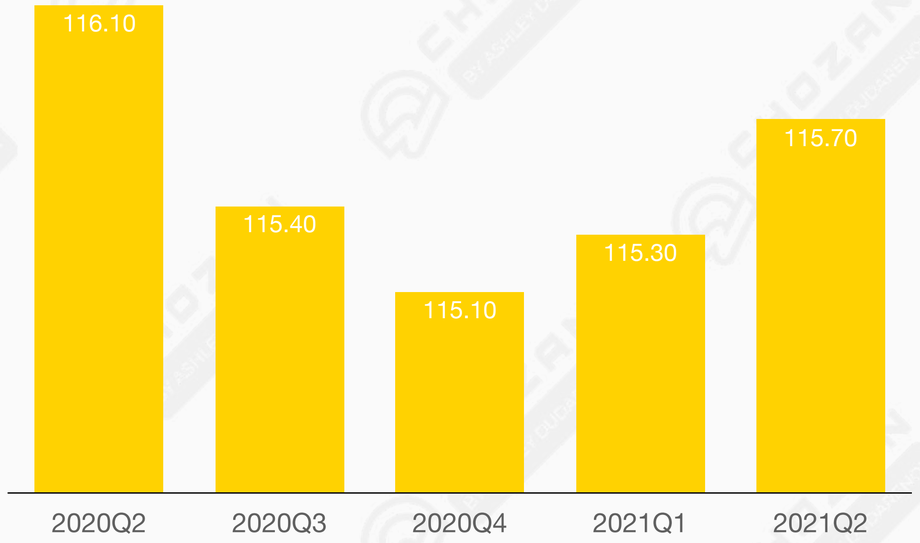
GOT A QUESTION? DROP ASHLEY AN EMAIL BY SCANNING THE QR CODE

CONSUMER INSIGHTS

MONTHLY ACTIVE USERS

The number of Chinese monthly internet users has increased in the first half of 2021 but this number has not exceeded the highest traffic of 116 million active users in 2020 Q2.

CHINESE MONTHLY ACTIVE INTERNET USERS, JUN 2021 (IN MILLIONS)



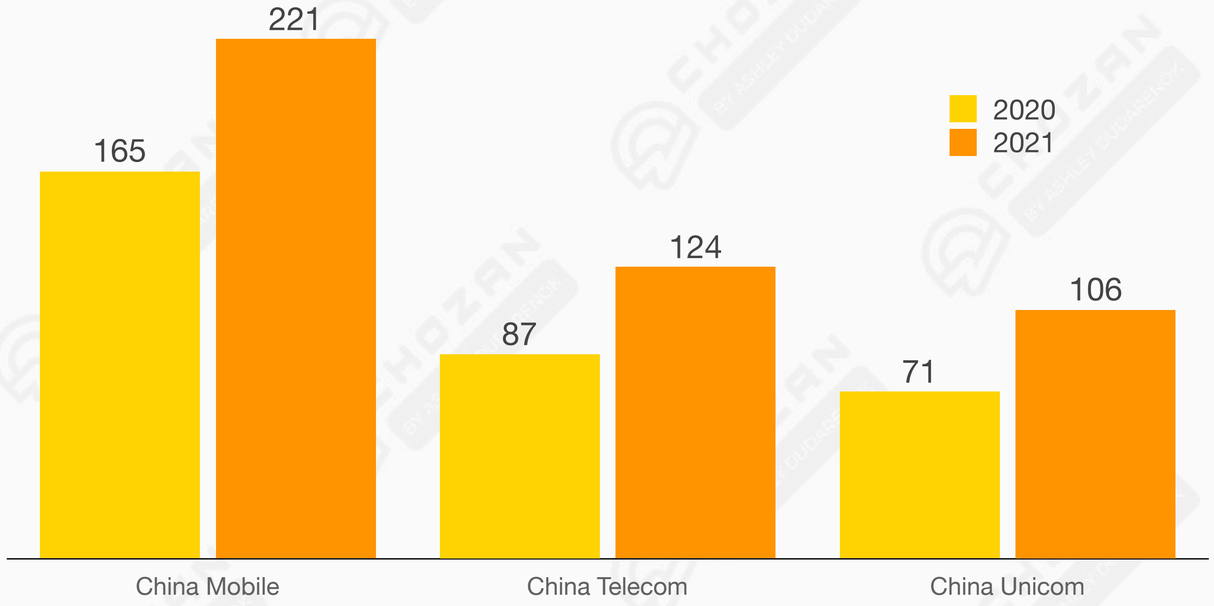
Source: MOB Data

OVERVIEW

5G USERS IN CHINA

5G users are growing as service providers are offering a larger variety of 5G packages.

MAJOR CHINESE INTERNET SERVICE PROVIDER'S 5G USERS (IN MILLIONS)



Source: iResearch, Chinese 5G Users Report

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 DIGITAL SPACE AT GLANCE

WeChat, Alipay and Douyin rank on the top in terms of total business value in H1 2021.

TOP CHINESE MOBILE INTERNET BUSINESS VALUE, JAN-JUN 2021

1	WeChat	11	Gaode Maps
2	Alipay	12	Kuaishou
3	Douyin	13	JD.com
4	Pinduoduo	14	Weibo
5	Baidu	15	QQ Browser
6	Taobao	16	Meituan
7	iQiyi	17	Tencent News
8	QQ	18	Toutiao
9	Tencent Videos	19	58.com
10	Youku Videos	20	UC Browser

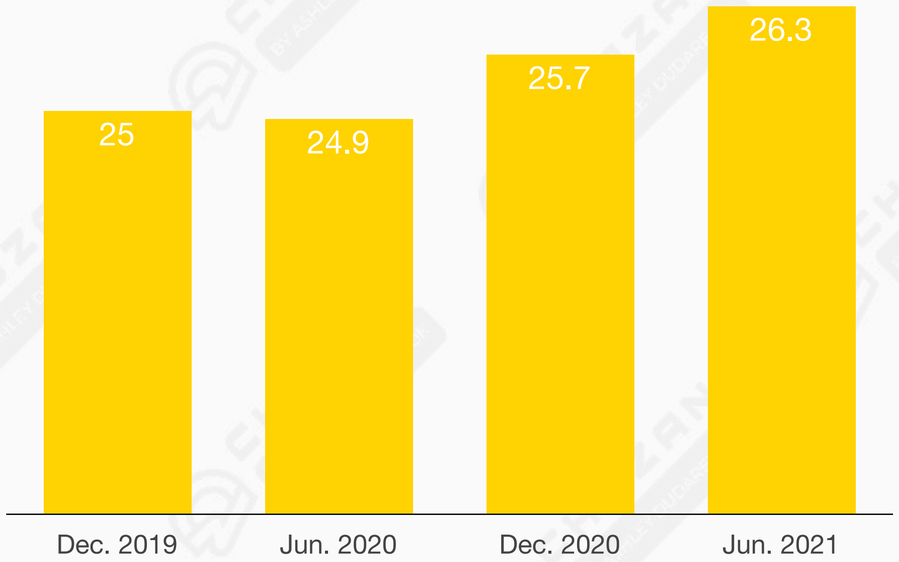
Source: MobTech, H1 2021 Chinese Internet Report

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 the number of apps used every month.

NUMBER OF APPS USED PER USER PER MONTH

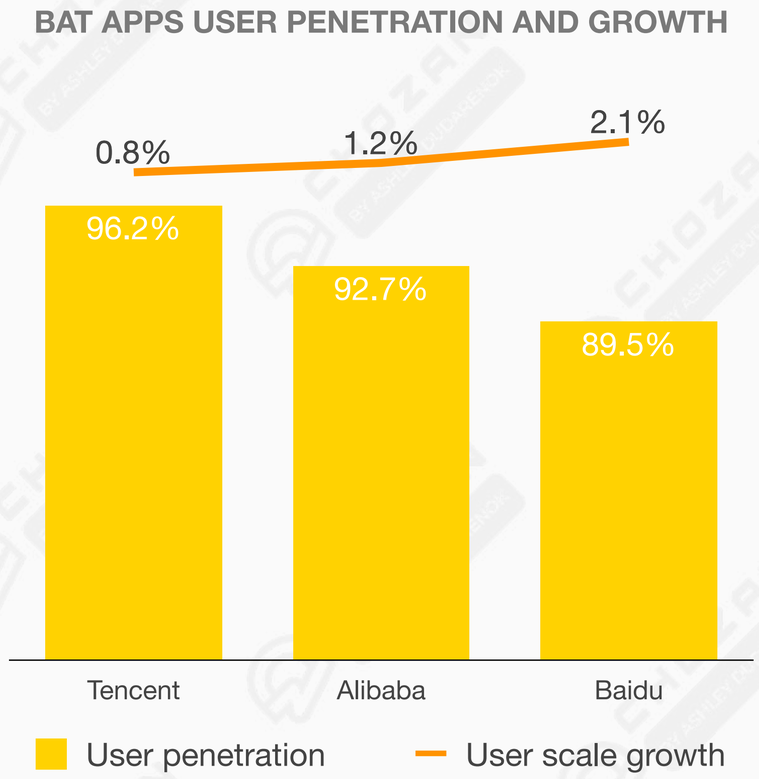


Source: Questmobile, Chinese Internet Semi-annual Report 2021

OVERVIEW

BAT APPS (BAIDU, ALIBABA, TENCENT)

BAT apps user penetration rate has reached almost 90% in last year.



OVERVIEW

CHINA'S DIGITAL SPACE AT GLANCE

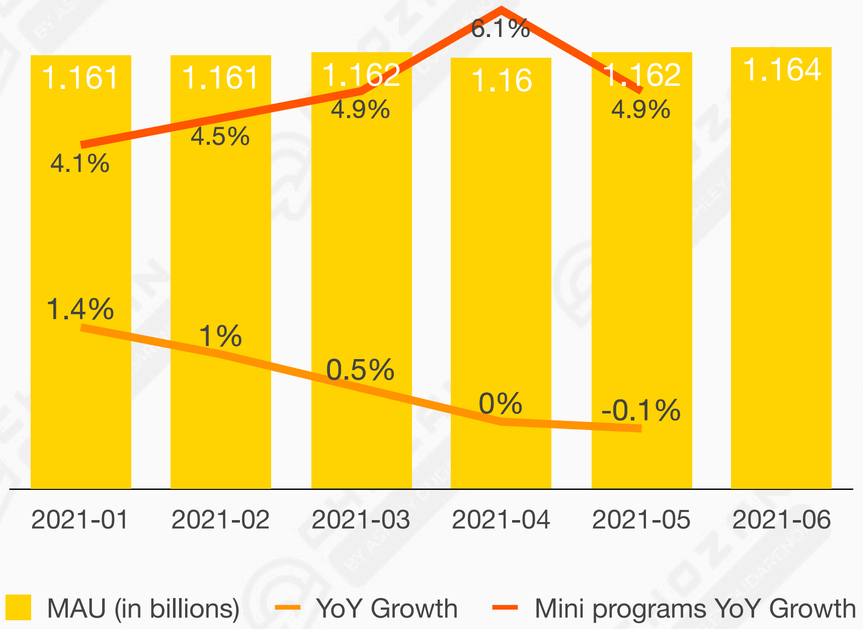
The number of active internet users decreased while mini-programs users are increasing.

68.7%
OF CHINESE POPULATION IS ONLINE

79.1%
INTERNET USERS SHOPPED ONLINE

1/3 (346 MILLION)
OF INTERNET USERS WORK REMOTELY

CHINESE INTERNET MONTHLY ACTIVE USERS



Source: QuestMobile, Chinese Internet Report, Q3 2020
QuestMobile, Chinese Internet Report, Quarterly 2021

OVERVIEW

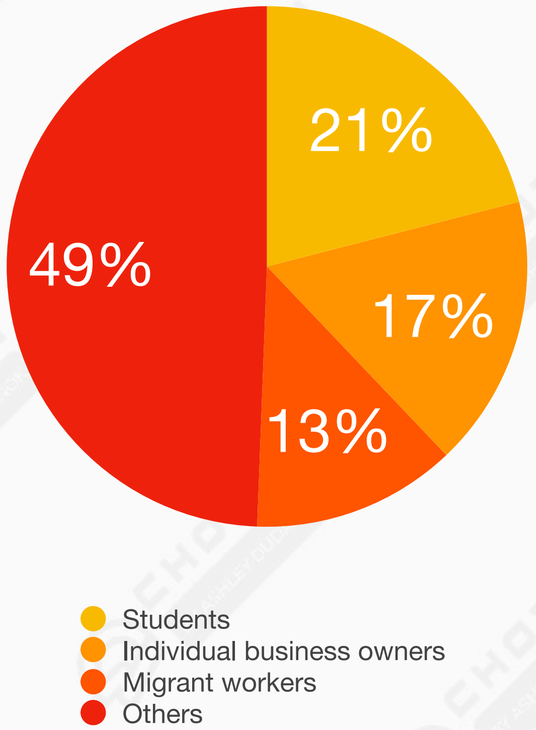
CHINA'S DIGITAL SPACE AT GLANCE

927 MILLION
VIDEO WATCHING, +76.33 MILLION OVER 9 MONTHS

30%
OF INTERNET MADE 5000 RMB OR MORE A MONTH

21%
INTERNET USERS ARE STUDENTS

CHINESE INTERNET USERS OCCUPATION



Source: QuestMobile, Chinese Internet Report, Q3 2020

OVERVIEW

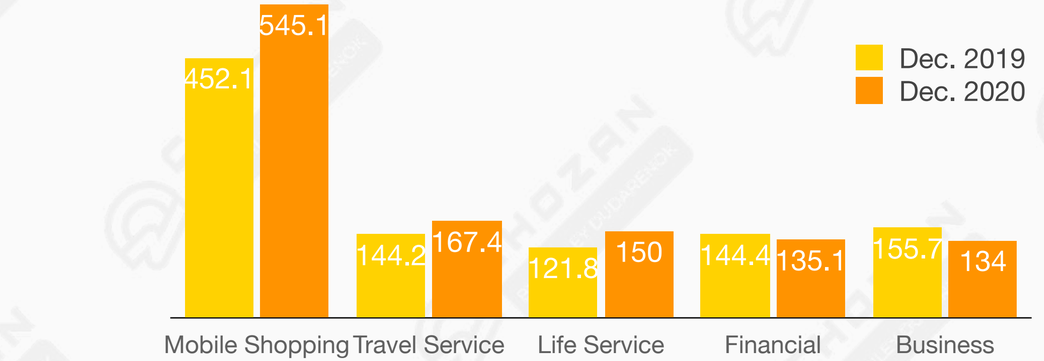
CHINA DIGITAL SPACE AT GLANCE

Reliance on the internet is growing among users. In comparison to 2019 Chinese consumers start spending more time on online shopping.

MONTHLY ACTIVE USERS PORTRAIT AMONG TOP 5 INDUSTRIES

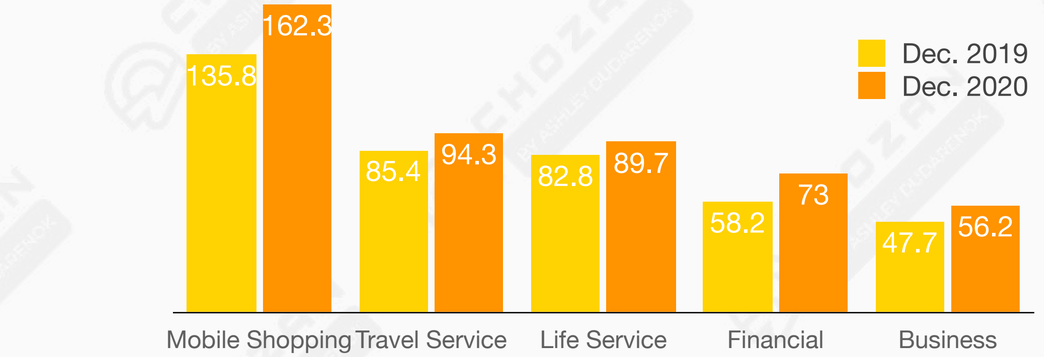
MONTHLY USAGE (IN MINUTES)

	Mobile Shopping	Travel Service	Life Service	Financial	Business
YoY Growth	20.6%	16.1%	23.2%	-6.5%	-13.9%



MONTHLY USAGE (TIMES)

	Mobile Shopping	Travel Service	Life Service	Financial	Business
YoY Growth	19.5%	10.5%	8.3%	25.4%	17.9%

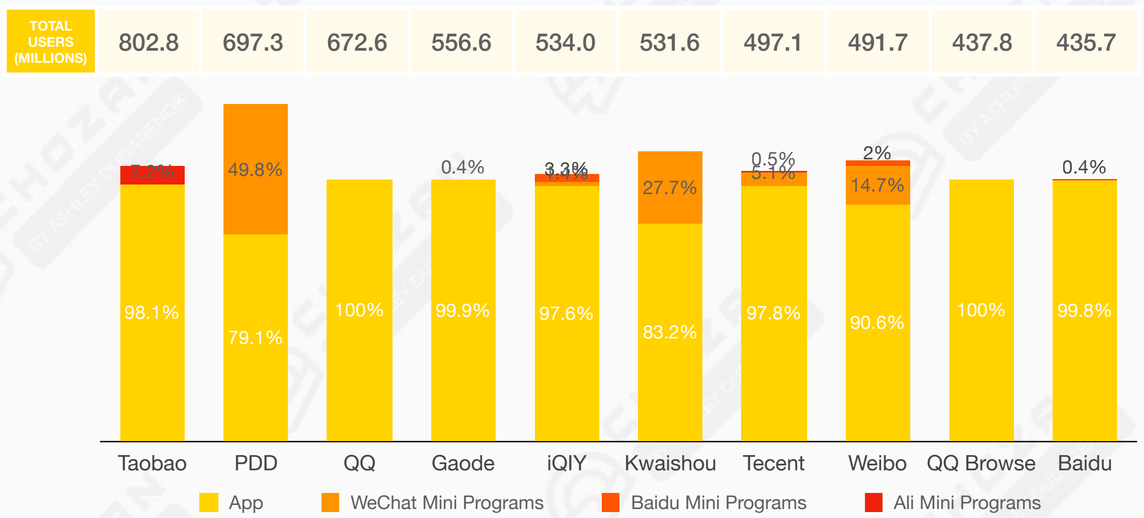


Source: QuestMobile, Chinese Internet Report, 2021

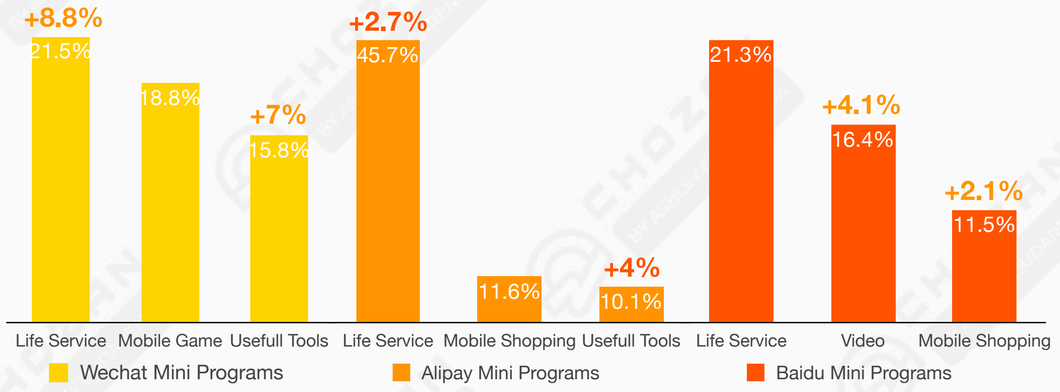
OVERVIEW

In addition to the apps, mini programs become an important part of customer journey in China.

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



TOP 3 INDUSTRIES AMONG BAT MINI PROGRAMS, DEC 2020



Source: QuestMobile, Chinese Internet Report, 2021

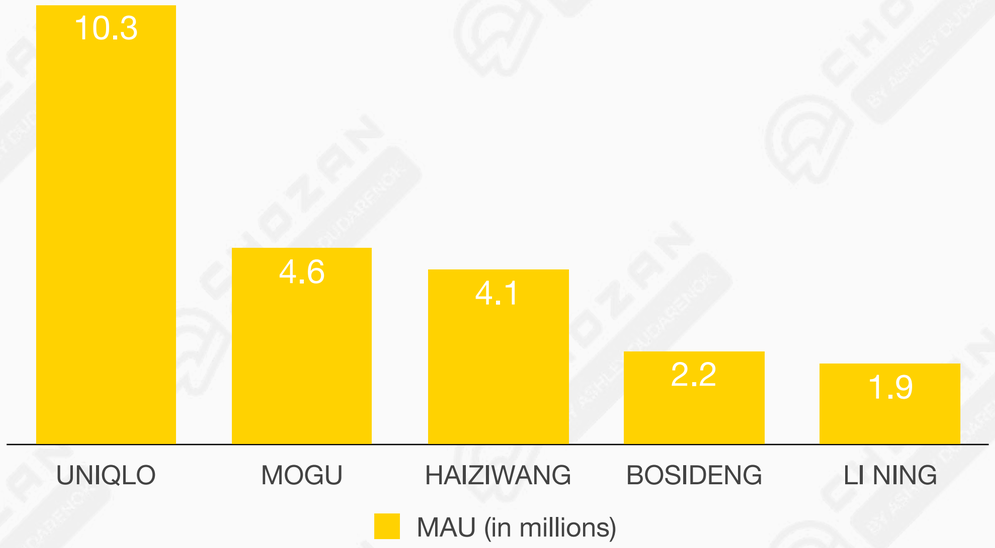
OVERVIEW

E-COMMERCE MINI PROGRAMS ON WECHAT

314.4 MILLION MAU

IN FASHION E-COMMERCE MINI PROGRAMS

TOP 5 FASHION E-COMMERCE WECHAT MINI PROGRAMS



165 MILLION MAU

IN LUXURY E-COMMERCE MINI PROGRAMS

TOP 5 LUXURY E-COMMERCE WECHAT MINI PROGRAMS

Source: QuestMobile, Chinese Internet Report, 2021

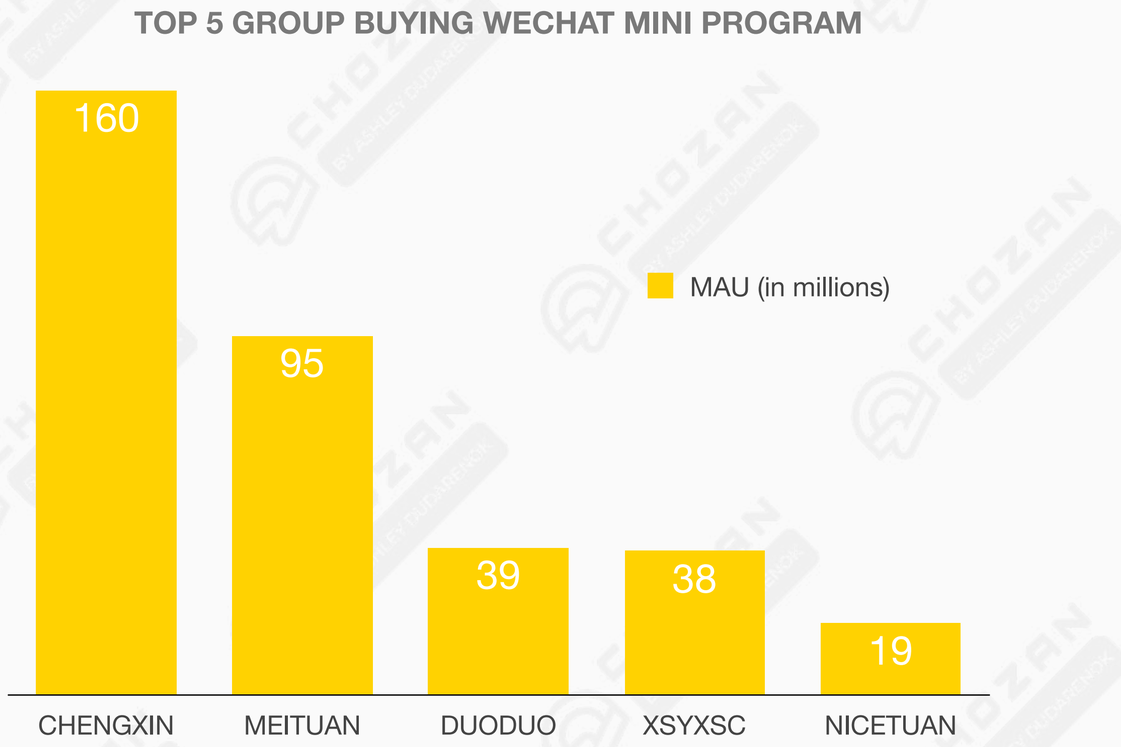
OVERVIEW

GROUP BUYING MINI PROGRAMS ON WECHAT

Community Group buying is in the process of rapid development in China.

253 MILLION

MAU IN DEC2020



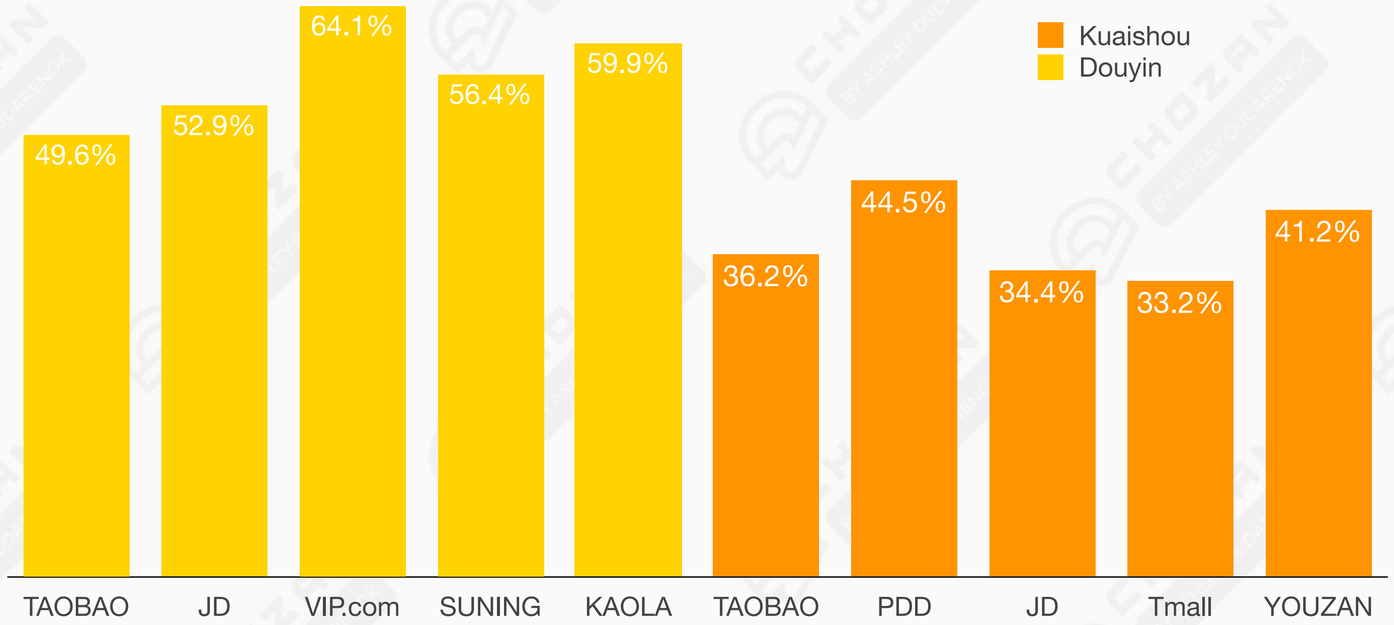
Source: QuestMobile, Chinese Internet Report, 2021

OVERVIEW

CHINA DIGITAL SPACE AT GLANCE

Short video platforms became an important source of traffic for e-commerce sites.

OVERLAP OF USERS ACROSS THIRD PARTY E-COMMERCE PLATFORMS AND SHORT VIDEO PLATFORMS, 2020 DEC



Source: QuestMobile, Chinese Internet Report, 2021

OVERVIEW

NEW CONSUMPTION

The new economy is promoting new consumption opportunities for emerging consumers, new brands and new markets.

30%
CONSUMPTION BY POST-95S (+400% YOY)

50%
GROWTH IN MEN'S BEAUTY DURING 11.11 (+3000% YOY)

357 NEW BRANDS
RANKED TOP 1 IN THEIR CATEGORY DURING 11.11

80%
E-COMMERCE ORDERS DURING COVID-19

300 MILLION
TAOBAO LIVE STREAM USERS

EXPERT BITES

Q: WHAT IMPORTANT CHANGES ARE SEEN IN THE TECH SECTOR?

Important news is SpaceTech - just in Q2 2021 China launched a group of classified Yaogan-30 satellites and one commercial satellite on a Long March 2C rocket, Zhurong rover returns landing footage, sounds and pictures from Mars, China and Russia reveal roadmap for international moon base, and also we get new China's space plan to 2025 from China National Space Administration (CNSA) which is important for all human kind.

Besides, China plans to use a new super heavy-lift Long March 9 rocket to construct a massive space-based solar power station in geostationary orbit by 2030 - this plan impressed me a lot.

ANDREI A. PROKHOROVICH

Founder & CEO of Eurasia Development Limited

EXPERT BITES

Q: WHAT TO WATCH OUT FOR IN 2021 IN THE TECH & STARTUP SPACE IN CHINA?

As an academic observer of entrepreneurial ecosystems, I am always interested in separating out the hype from reality. From talking to various investors, I am sensing a real appetite for finding startups with genuinely cutting-edge technologies. What I expect (and hope) is that as 2021 unfolds, startups with real substance will be rewarded in terms of funding boosts.

SHAMEEN PRASHANTHAM PHD
Associate Dean & Professor of China
Europe International Business School

CHINA'S TRENDS IN Q3 2021

EXPERT BITES

Q: WHAT ARE THE MOST SIGNIFICANT CHANGES THAT HAPPENED IN YOUR VIEW IN CHINA IN Q2?

I can see that China really started to rely more on domestic consumption. Many companies that wanted to expand actively on foreign markets decided to postpone those activities and become stronger locally instead.

SIMON ZAGAINOV
CEO of ExpoPromoter

EXPERT BITES

Q: WHAT HAVE YOU SEEN IN THE CHINESE CULTURE IN THE PAST 1 YEAR - THE CHANGES AND SHIFTS TOWARDS 国潮，躺平， 内卷，凡尔赛，割韭菜 ETC ARE THEY HERE TO STAY, HOW DO THEY EFFECT BUSINESSES OPERATING IN THE COUNTRY?

More than the fact that there are constantly emerging cultural memes or fads, the consumers (and businesses) in 2021S1 were impacted by the brevity of time before these memes are brought under supervision or outright censure. You might be thinking about buying your innocent t-shirt with 躺平-related slogan, but suddenly find out that it was prohibited in major e-comm platform on the pretext that such meme has a corrupting influence on the youth. Should you then go to the party wearing such t-shirt if you were lucky to grab it before? Well, I guess it depends on what party you are going to join.

ALBERT KRISSKOY

Old China Hand, known online as “papahuhu”

1

DATA PRIVACY: NEW REGULATIONS

IN THE LAST MONTH, THE CHINESE GOVERNMENT HAS ISSUED NEW RULES THAT RESTRICT COMPANIES' STORAGE AND USAGE OF USERS' PERSONAL INFORMATION.

2

CARBON NEUTRALITY

IN Q2 CHINA'S CARBON TRADE MARKET STARTED OPERATING. EV IS STILL ON THE RISE.

3

THREE CHILD POLICY

CHINA HAS ANNOUNCED THREE CHILD POLICY. IN COMING MONTHS FAMILIES WILL ALSO BE SUPPORTED BY MONETARY HELP AND ADDITIONAL DAYS LEAVES

4

OLYMPIC GAMES

AFTER OLYMPIC GAMES IN TOKYO CHINA IS AWAITING FOR WINTER OLYMPIC GAMES IN 2022

5

"COUNTRY'S WEALTHYNESS"

COMMON PROSPERITY IN THE PROCESS OF HIGH-QUALITY DEVELOPMENT FOR TAXES

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CONSUMER INSIGHTS

UNDERSTANDING CHINESE CONSUMERS

CONSUMER INSIGHTS

MOBILE INTERNET AS A PRIORITY

BABY BOOM
1949-1965

26%

The baby boom period is marked by the significant increase in the birth rate after the war, and people's career were booming as well, accelerating the economy in China. People born in this generation have high consumption power.

GEN X
1966-1980

25%

Chinese born in this generation are well educated. They've experienced the evolution of technology and science. They're wealthy but humble, they are about quality of life, brand experience and word-of-mouth marketing.

GEN Y/ MILLENIALS
1981-1994

22%

Gen Y's consumption upgrades as they're born with computers and high speed internet. They prefer niche consumption, they are confident, optimistic, assertive and knowledgable.

GEN Z
1995-2009

19%

Gen Z is the major driver for tech and internet. They are materialistic, they are about experience, like to stand out from the crowd and they are a curious group willing to seek new things.

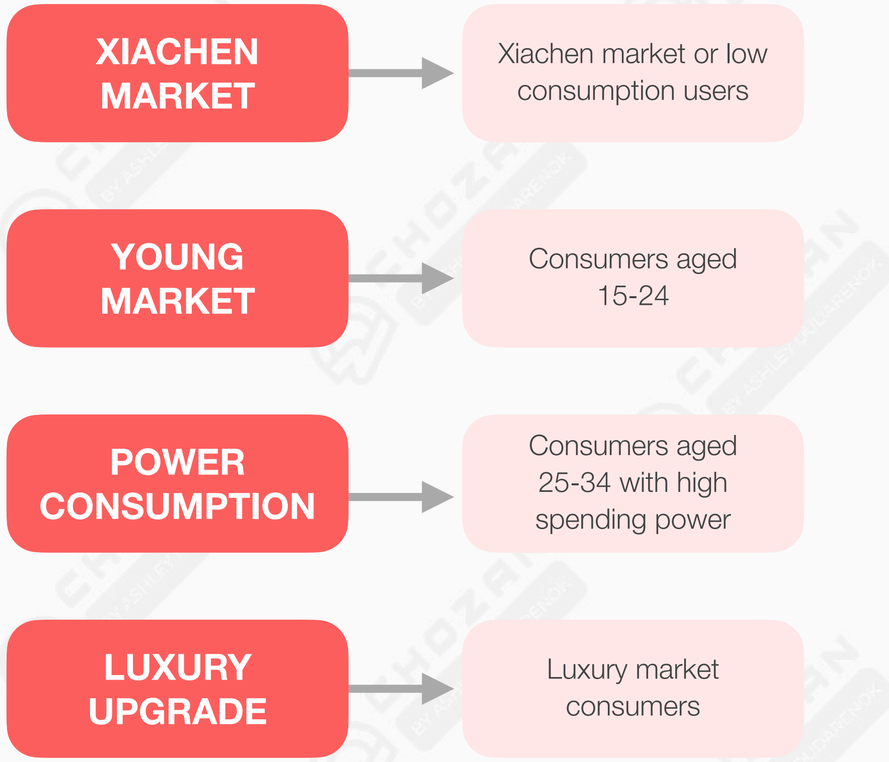
Source: Guotai Junan Securities

CONSUMER INSIGHTS

CONSUMPTION POWER

The beauty, personal care, cleaning and pet industries have been leading and growing in the past three years. Consumer behaviours and market trends are changing with the Xiachen Market, Young Market, Power Consumption and the Luxury Upgrade consumer groups foreseen to be the core market.

CORE MARKET



Source: CBNData

CONSUMER INSIGHTS

CONSUMER GROUPS

There are dozens of distinct consumer groups in China and some analysts claim Chinese consumers are the most sophisticated and demanding in the world. Here are a few of our favourite Chinese consumer groups:

Our Favourite Emerging Consumers

- The Silver Haired Generation (65+) in lower tier cities
- Delicate Men
- Gen Z Moms
- Night owls

EXPERT BITES

Q: WHAT ARE YOUR RECOMMENDATIONS FOR BRANDS THAT HESITATE TO IDENTIFY THEIR TARGETED CONSUMER GROUPS IN CHINA?

Ask for help from Chinese firms with demonstrable experiences for your sector.

Learn about what challenges different target audiences face, what trends they are into, and the different subcultures they are part of.

Do as much as you can to understand both the consumer and Chinese culture - preferably go to China but if not read/watch/engage with Chinese materials and social media platforms.

ARNOLD MA

CEO at
Qumin

EXPERT BITES

Q: WHAT CONSUMER GROUPS IN YOUR VIEW HAVE THE MOST SPENDING POWER RIGHT NOW?

Generally consumers in southern and eastern China are feeling the wealthiest right now: wage and economic growth is typically higher and house prices are generally rising faster than in other regions (as the greatest contributor to wealth, this is important), meaning a more positive consumer sentiment overall.

MARK TANNER

Founder and Managing Director
at China Skinny

EXPERT BITES

Q: WHAT EMERGING CONSUMER GROUPS DO YOU SEE IN CHINA RIGHT NOW?

Generation Alpha. This generation refers to children born between 2010 and 2025. These are the children of the Millennials. Millennial parents spend between 30-50% of their household income on feeding, clothing, and entertaining their children. And Generation Alpha consumers are directly and indirectly influencing family spending on things like holidays, recreation or even automobiles.

JOSH GARDNER

CEO of Kung Fu Data

EXPERT BITES

Q: WHAT OPPORTUNITIES DO YOU SEE FOR FOREIGN BRANDS ENTERING CHINA?

Greying China is a “goldmine” so it is the right time and an amazing opportunity for foreign brands, as this field in Western countries is much more mature than in China. Many products and services for seniors are not that developed in China yet. You can use this situation as an advantage.

ARTEM ZHDANOV

Founder of LaowaiMe

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.

Source: China Today, "Hanfu" Reshapes Chinese Fashion Style, 2020

Photo © Akson on Unsplash

EXPERT BITES

JACKIE CHEN

Digital Marketing & Project Manager
at Alarice & ChoZan

Q: WHAT ARE SOME HOT CONSUMPTION TRENDS FOR MILLENNIALS RIGHT NOW?

- **China-chic** (*Guochao*): Chinese millennials generally have a strong national pride and value unique creativity, so they like products that incorporate traditional Chinese culture in an attractive and creative way.
- **Health-focused** (*yangsheng*): Millennials are paying more attention to their health. They are purchasing healthy and organic foods and ingredients, as well as low-sugar or no-sugar drinks.
- **Luxury products**: According to a survey conducted by Morgan Stanley, 76% of luxury goods shoppers are millennials. Of the millennials interviewed, 89% have bought their home outright or paid off their mortgage.
- **Maternity and babies products**: Compared with past generations, in addition to baby products and education, new mothers are starting to spend more on themselves, on things like cosmetics designed for pregnant women, post-partumn recovery, and their own further education.

GOT A QUESTION? DROP JACKIE AN EMAIL BY SCANNING THE QR CODE

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.	1) Services 2) Educational training 3) Health supplements 4) Pet products 5) Small home appliances

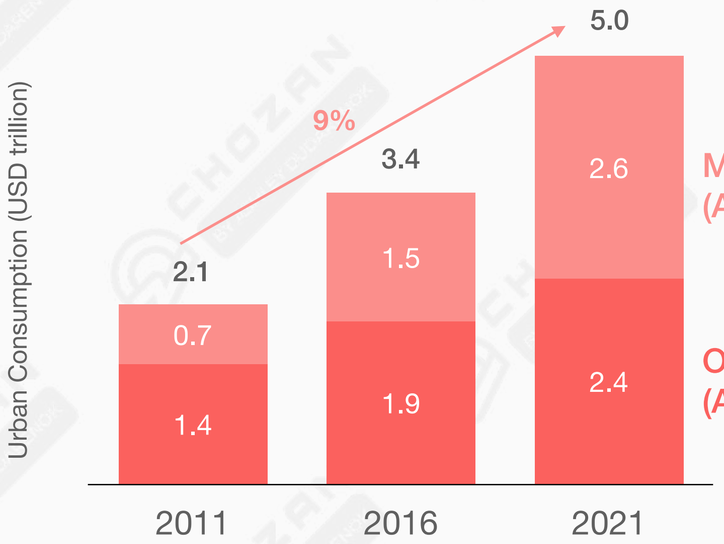
Source: Millennials: China's new economic force

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



	CAGR 2016-2021	Share of total consumption by 2021
MILLENNIALS (AGED 18-35)	11%	69%
OLDER GENERATION (ABOVE AGED 35)	5%	31%

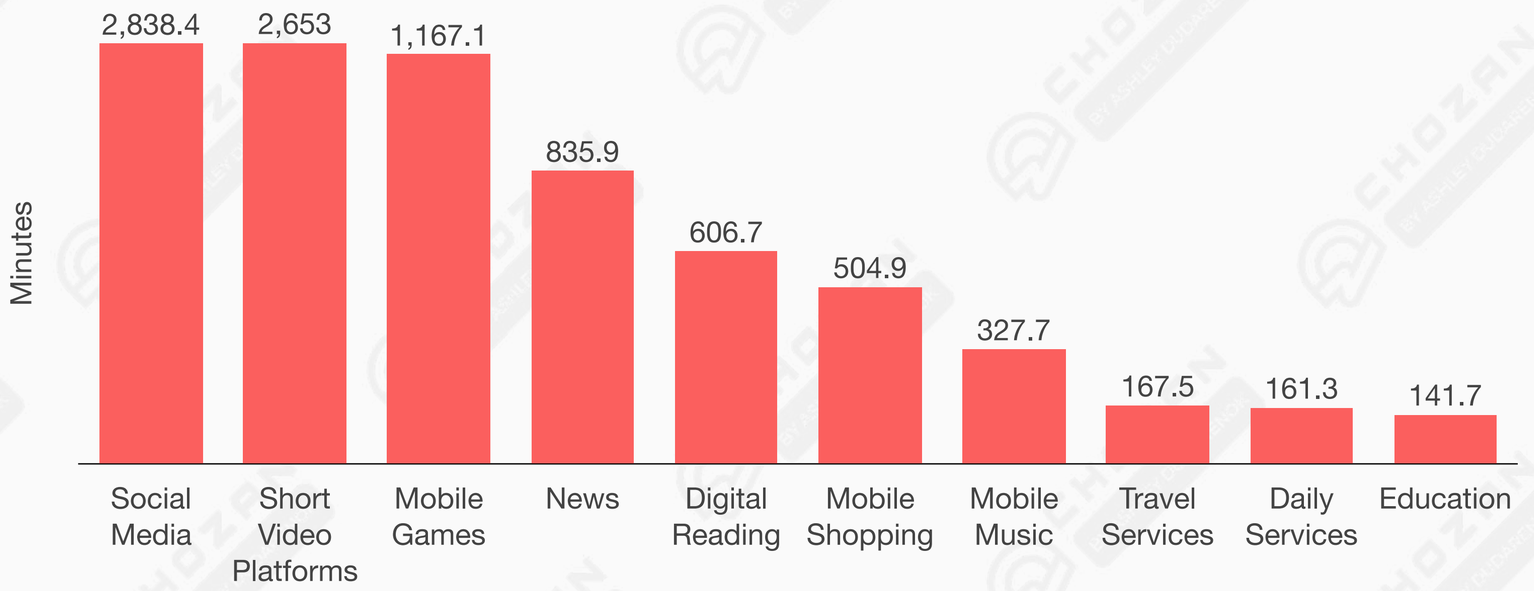
Source: Fung Business Intelligence, Understanding China's new consuming class, Asia Distribution and Retail June 2017

CONSUMER INSIGHTS

MILLENNIALS

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

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



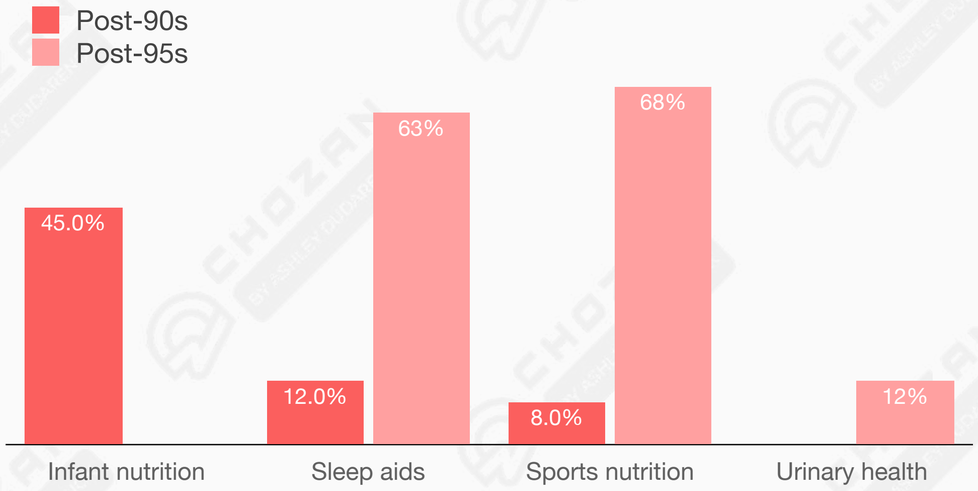
Source: QuestMobile2020 China Mobile Internet Autumn Report

CONSUMER INSIGHTS

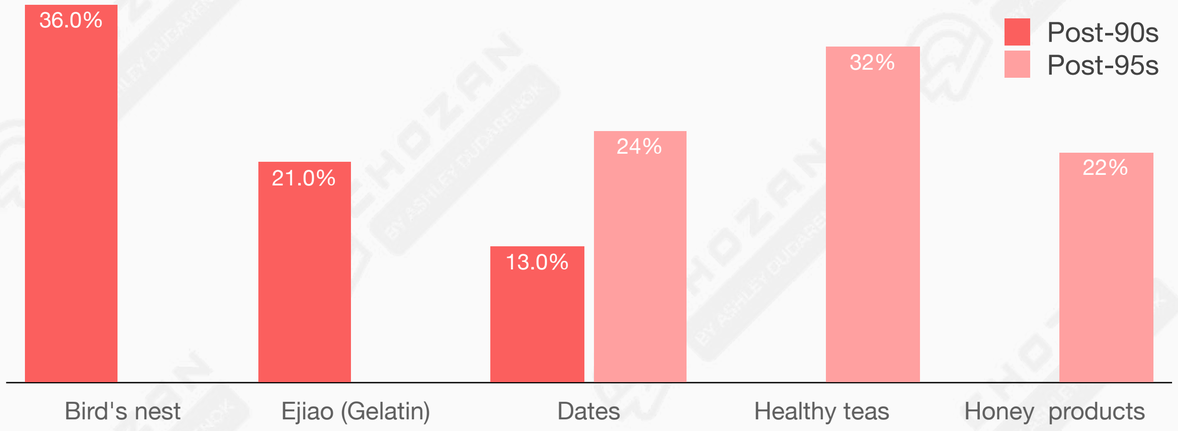
MILLENNIALS

Chinese consumers have became more Interest in Gym. 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



Source: 2020 China Internet Consumption Big Data Report

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.

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

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.

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

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

Photo © Li Lin via Unsplash

EXPERT BITES

JACQUELINE CHAN

Project Director
at Alarice & ChoZan

Q: WHAT MARKETING ADVICE YOU CAN GIVE BRANDS TARGETING GEN Z?

Video content is key. Generation Z spends nearly two hours on video entertainment per day. They have three major consumption preferences: in experience, in beauty, and in idols.

1. **Experience** - blind boxes that are all the craze in recent years provides them with unboxing excitement.
2. **Beauty is everything** - because of their penchant for all thngs concerned with appearance, quality and design, they are the main force behind fashion and beauty consumption.
3. **Fans economy** - Spending on idols is like spending on hobbies. Besides top idols, Gen Z will also pay to support Internet celebrities.

GOT A QUESTION? DROP JACQUELINE AN EMAIL BY SCANNING THE QR CODE

EXPERT BITES

DENISE SUN

Digital Marketing Intern
at Alarice & ChoZan

Q: WHAT ARE SOME HOT CONSUMPTION TRENDS FOR GEN Z RIGHT NOW?

Consumer trend 1: Focus on experience (blind box)

In addition to pursuing product quality, Gen Z is paying attention to consumer experience, willing to pay for pleasure. For example, blind boxes have allowed them to experience the “excitement” aspect in consumption.

Consumer trend 2: Consumption for beauty (beauty products, internet celebrity restaurants, Instagram-style products)

Generation Z values the look, quality and design of products. They purchase a richer variety of skin care products and focus on the products' efficacy, safety, design concepts, brand values and cultural sentiments.

Consumption trend 3: Consumption for idols (internet celebrities, star idols)

Generation Z is willing to pay for their hobbies, which is why the idol economy is gaining in popularity.

GOT A QUESTION? DROP DENISE AN EMAIL BY SCANNING THE QR CODE

CONSUMER INSIGHTS

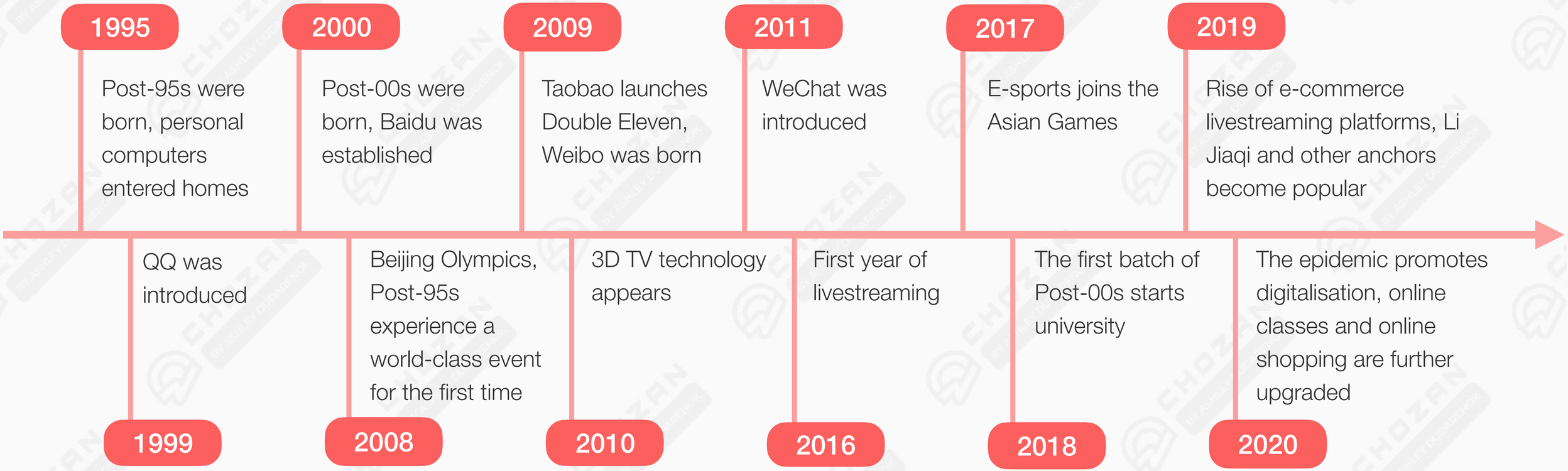
GEN Z - INTRODUCTION

Interesting facts	Shopping attitudes and behaviours	What are they interested in purchasing?
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. According to McKinsey, China's young generation will account for over 20 percent of total spending growth in China from 2017 to 2030.	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. 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. 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.	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

Source: McKinsey, Meet the Chinese consumer of 2020

OVERVIEW

GEN Z - FIRST GENERATION OF TRUE DIGITAL NATIVES



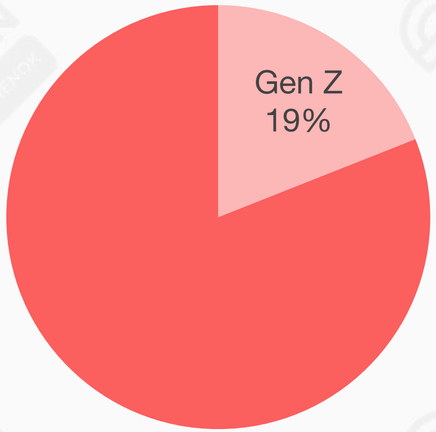
Source: iResearch 2021 Gen Z Beauty and Skincare Consumption Insights Report

OVERVIEW

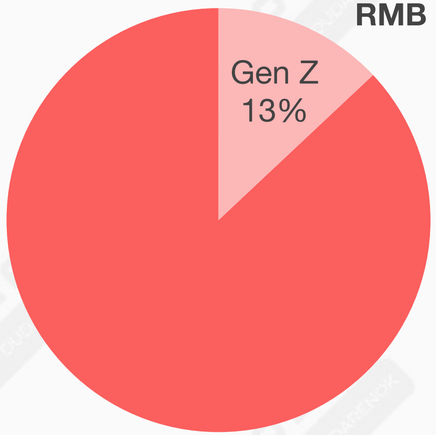
GEN Z SPENDING POWER

Due to their rising spending power, Gen Z represents the **next engine of domestic consumption growth**.

CHINA'S POPULATION



CHINA'S EXPENDITURE



4 TRILLION
RMB SPENDING

19% OF POPULATION
IN CHINA ARE GEN Z

51.3 THOUSAND
RMB SPENT YEARLY PER GEN Z

3501
AVERAGE MONTHLY DISPOSABLE INCOME

49.36%
THAN OTHER CHINESE CONSUMERS

Sources:
1) Tencent "In-depth Analysis of Gen Z and Future Marketing Trends", March 31, 2021
2) McKinsey China Consumer Report 2021
3) L Catterton Consumer Insights Report, Feb. 2021
4) Guotai Junan Securities, March 2021

OVERVIEW

GEN Z INTERNET USAGE

Gen Z are some of the **most active internet users:**

320 MILLION

MONTHLY ACTIVE DEVICES (28.1% OF ALL USERS)

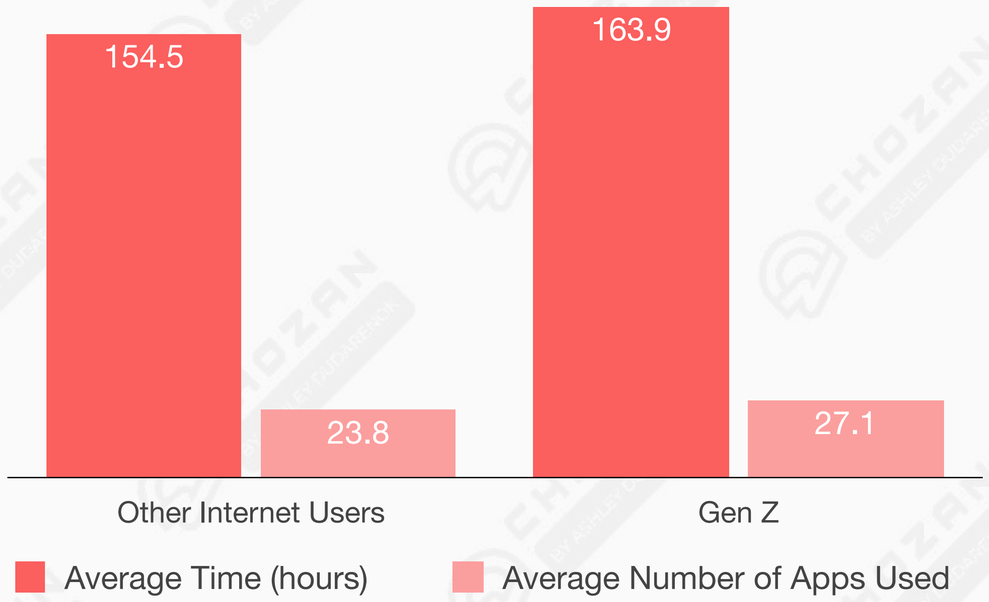
163.9 HOURS

SPENT ON MOBILE INTERNET PER MONTH

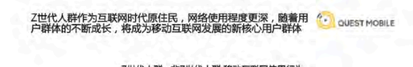
5.46 HOURS

SPENT DAILY BY A TYPICAL GEN Z

GEN Z AVERAGE MONTHLY INTERNET USAGE (JUNE 2021)



Sources:
1) QuestMobile China Mobile Internet 2021 Semi-Annual Report
2) Tencent "In-depth Analysis of Gen Z and Future Marketing Trends", March 31, 2021
3) eMarketer "The kids are online: Mobile Internet use in China across Generations", Feb. 2021

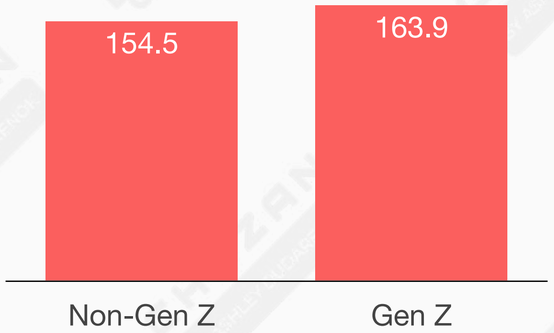


CONSUMER INSIGHTS

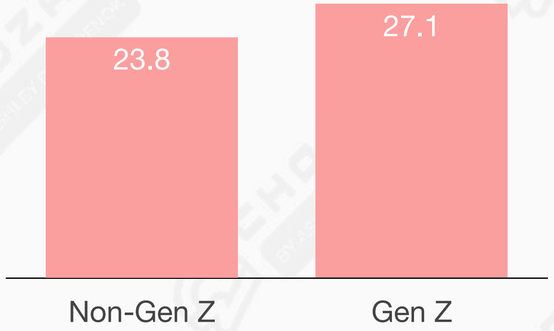
GEN Z - INTERNET USAGE

The number of apps and time spent on the internet is higher amongst Gen Z users.

MONTHLY USAGE ON INTERNET (BY HOUR)



NUMBER OF APP USING MONTHLY



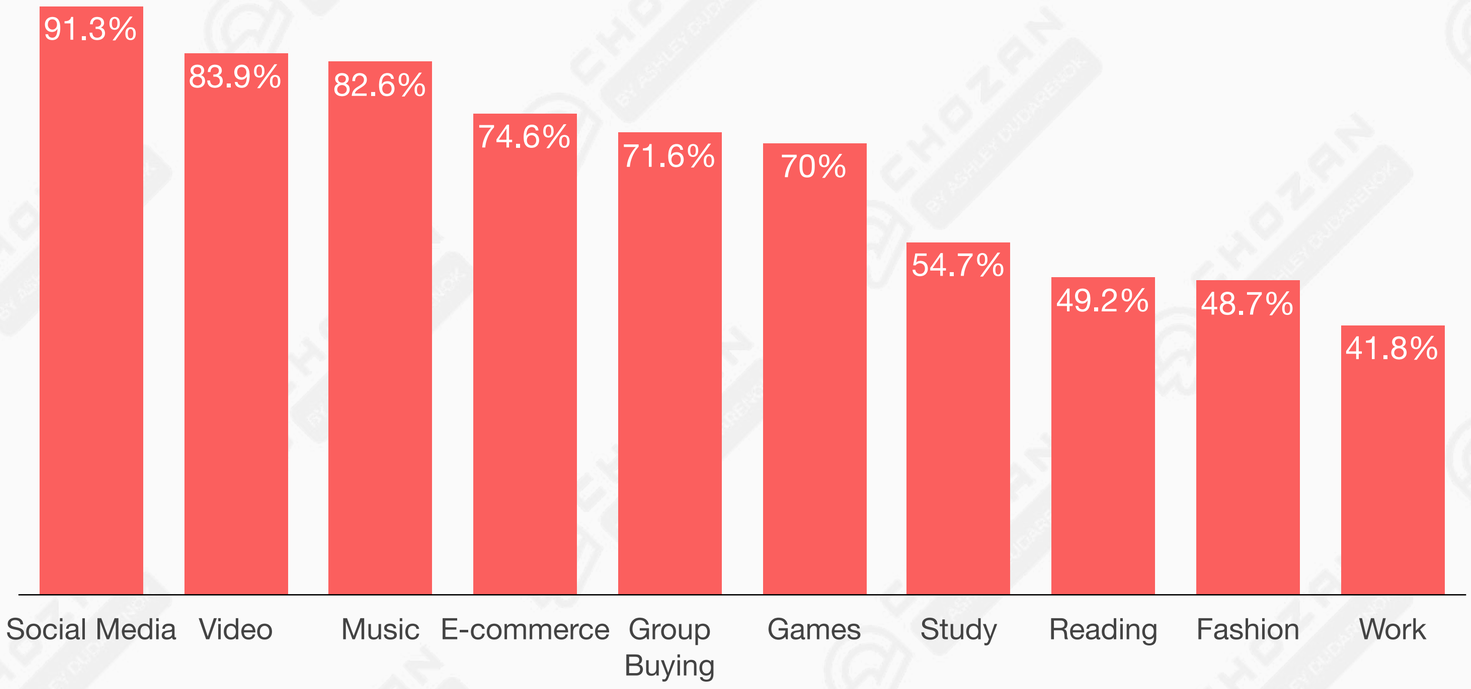
Source: QuestMobile

CONSUMER INSIGHTS

GEN Z INTERNET USAGE

Gen Z have a **wide range of hobbies**, especially relating to social media, entertainment and shopping. This means they have an active presence across several fields online.

GEN Z TOP 10 INTERNET INTERESTS AND PREFERENCES (JUNE 2021)

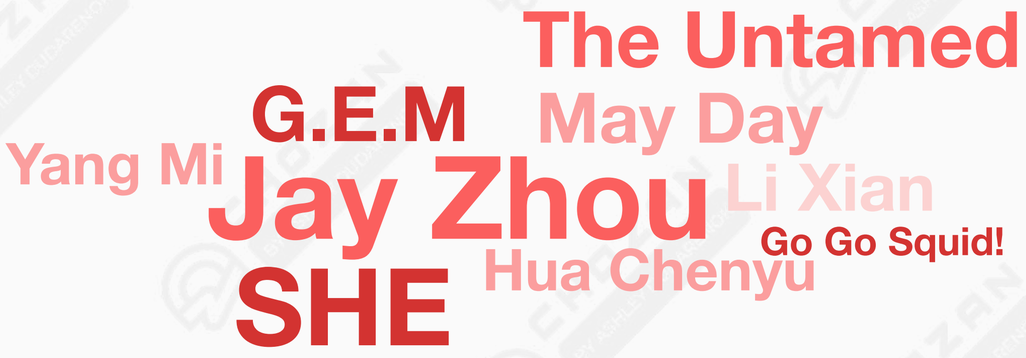


Sources:
1) QuestMobile China Mobile Internet 2021 Semi-Annual Report
2) Tencent "Eight Major Trends, Insiders into New Consumer Brands' Strategy", April 26, 2021
3) Kantar "How can creativity win Gen Z and low-tier city consumers", April 16, 2021

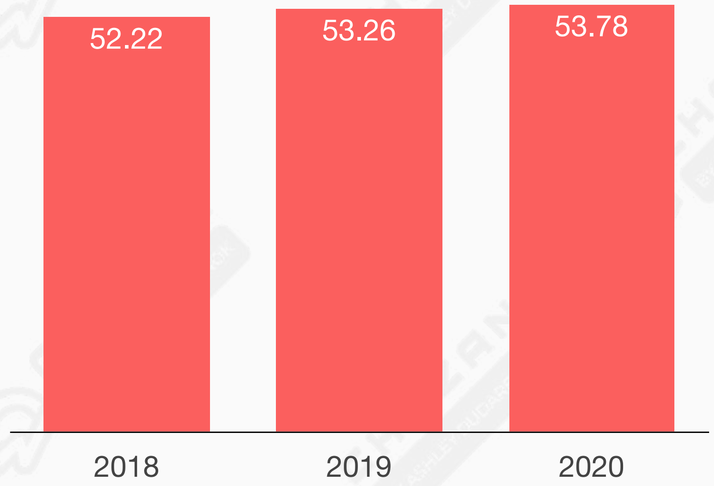
CONSUMER INSIGHTS

GEN Z FEMALE USERS

Post-95 female monthly active mobile internet users amounted to **53.78 million** in 2020. Gen Z women are gradually stepping out of higher education and entering society and the workforce.



POST-95 FEMALE MONTHLY ACTIVE MOBILE INTERNET USERS (IN MILLIONS) (2018-2020)



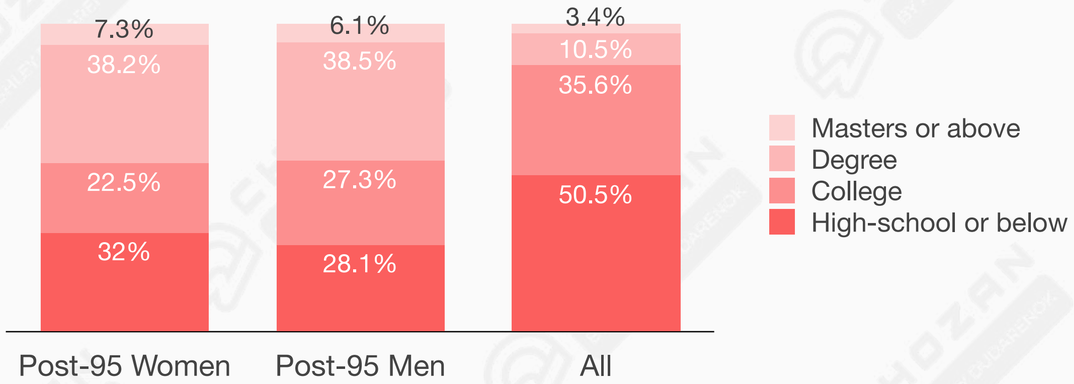
Source: MobTech, Post-95 Women report, 2021

CONSUMER INSIGHTS

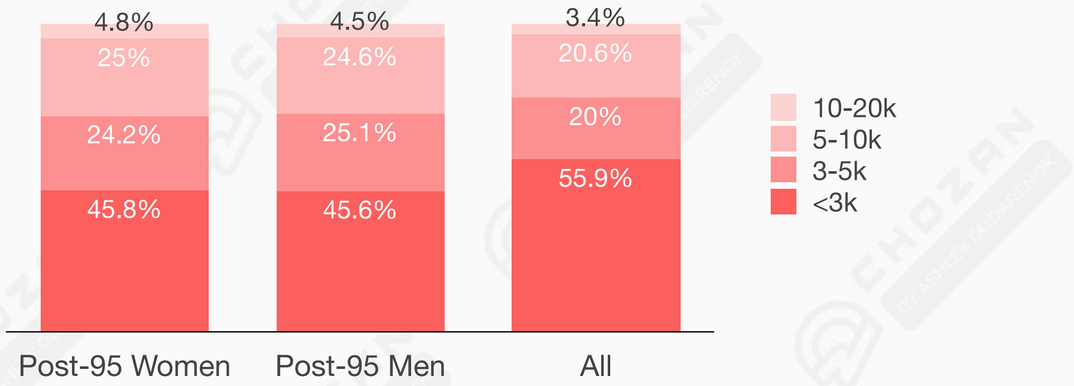
EDUCATION AND INCOME OF POST-95S

Post-95 women have a **higher education background and monthly income** compared to other Chinese netizens.

EDUCATION BACKGROUND OF CHINESE NETIZENS



MONTHLY INCOME OF CHINESE NETIZENS (IN RMB)

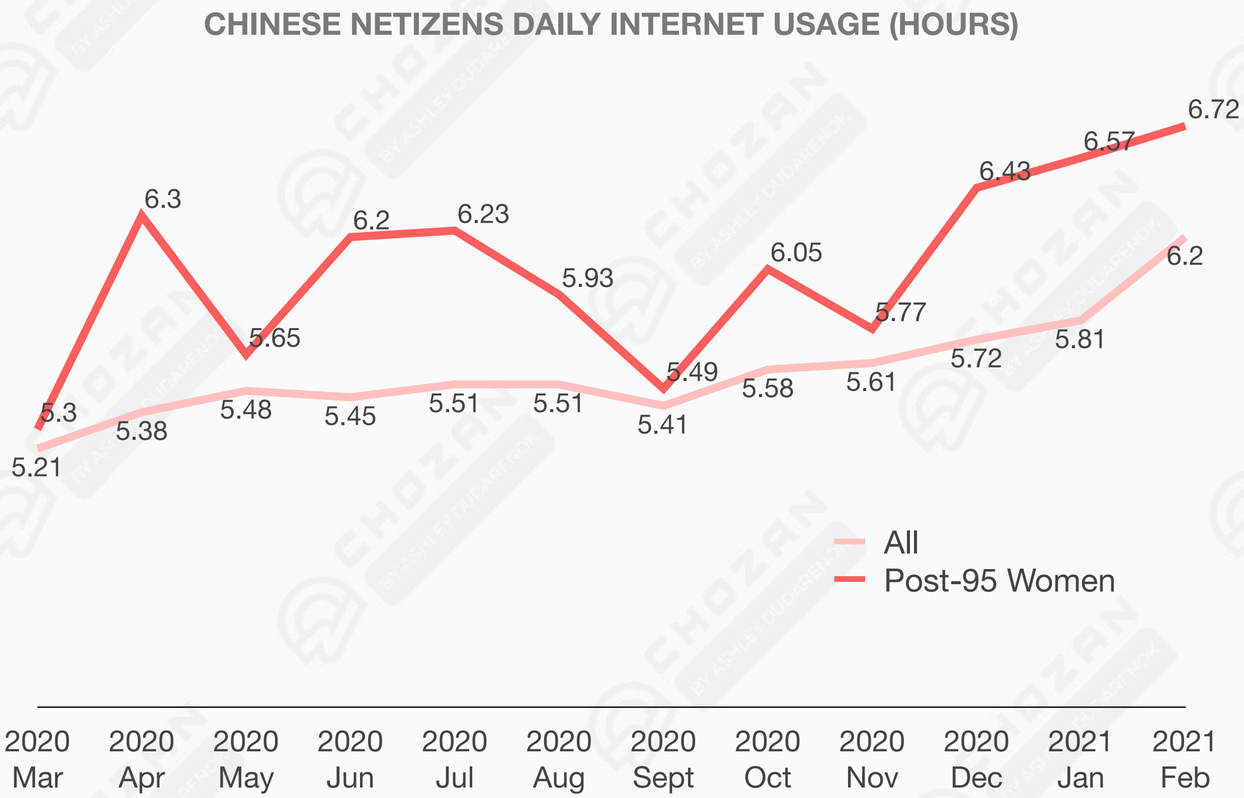


Source: MobTech, Post-95 Women report, 2021

CONSUMER INSIGHTS

GEN Z WOMEN INTERNET USAGE

Post-95 women have a **higher internet usage** than other netizens with an **average of 6.7 hours per day**.



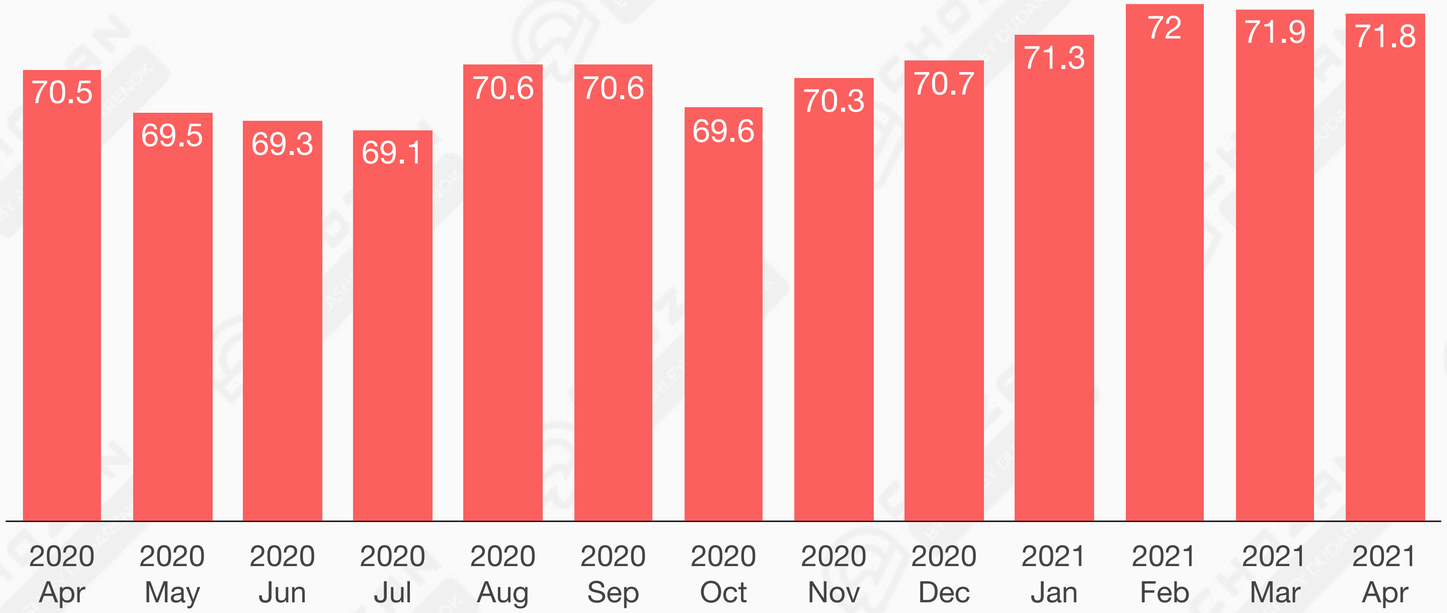
Source: MobTech, Post-95 Women report, 2021

CONSUMER INSIGHTS

POST-95 MALE NETIZENS

The number of **Post-95 male mobile internet active users exceeds 70 million**. They are important participants and a rising force in the online landscape.

POST-95 MALE NETIZENS USER SCALE (IN MILLIONS)



Source: MobTech, "He Economy" report, 2021

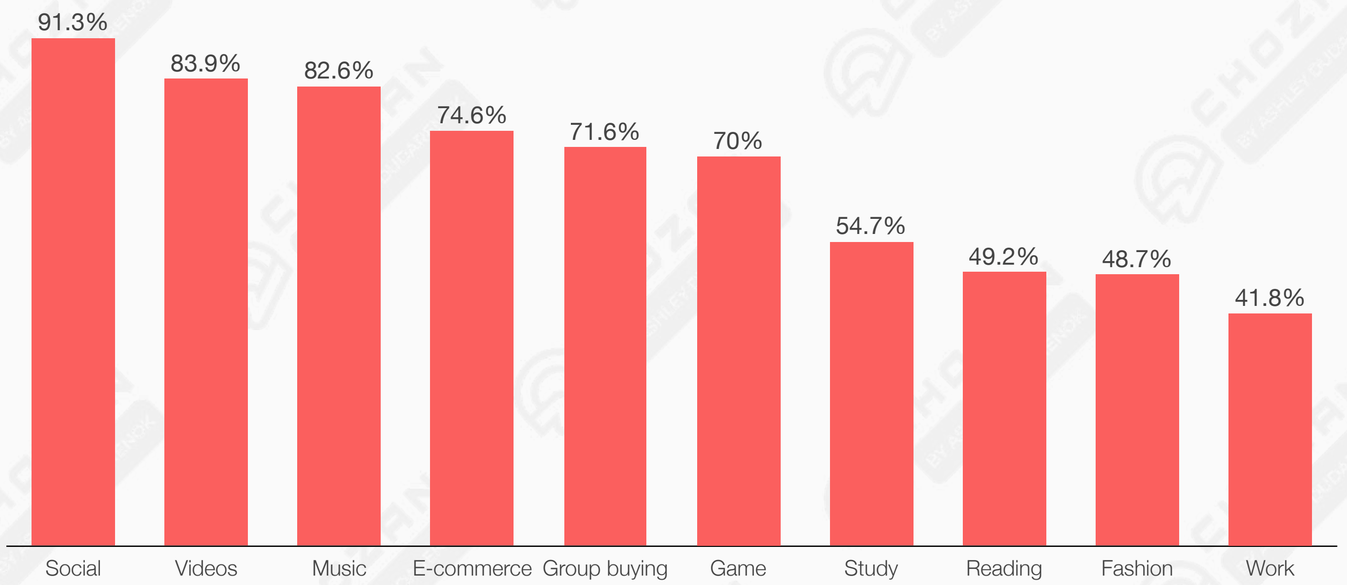
CONSUMER INSIGHTS

GEN Z INTERESTS

Gen Z are most interested in social and video apps.

TOP 10 APP PREFERENCES OF GEN Z

TGI	126	121	143	117	121	**172**	**185**	**175**	**160**	128

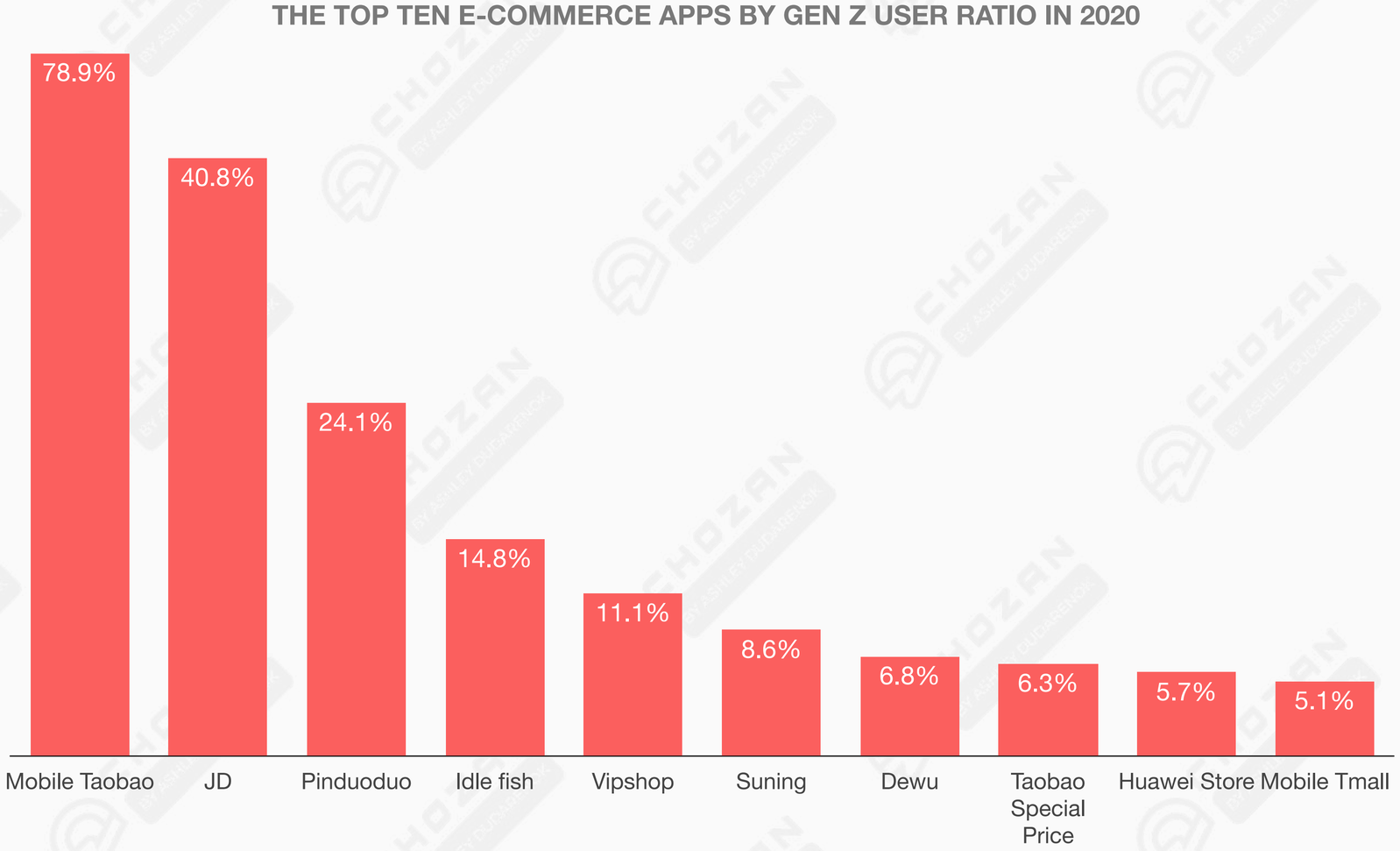


Source: QuestMobile

CONSUMER INSIGHTS

GEN Z

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



Source: QuestMobile,2020 Gen Z Insight Report

EXPERT BITES

Q: WHAT CONSUMPTION GROUPS DO YOU ADVISE MARKETERS TO MONITOR IN 2021 Q3?

MICHAEL ZAKKOUR

Founder of
5 New Digital & China Brightstar

It goes without saying that virtually all brands must continue to focus on and tailor their offerings to Gen Y and Z consumers. My focus now is on the China Gen Z cohort - the digital natives. They are earning well, they have kids and they are making decisions on family spending and needs. We are also paying close attention to the “elder class”. The retirement age in China is much younger than in the West. This cohort has very specific and unique needs. The elder market is still quite underserved and we have a moral and financial obligation to help them.

Finally, I am really interested in pursuing the night economy crowd. Every generation, in China and globally, develops a unique timetable for how they work, talk, gather, shop. Those most affected by the rapidly changing economy, work culture and technology are seeking new ways to socialize. Shopping, entertainment and socializing for many of these consumers can only happen at night.

On a related note, while not as profound as in the US and elsewhere, the effect COVID has had on how people value their time, their health, and their work-life balance, and the resulting recalibrations is something to keep an eye on. More people may may choose a ‘slower’ lifestyle, a more extended family oriented lifestyle, they may choose remote work. This is a macro trend worth tracking and staying ahead of.

EXPERT BITES

Q: WHAT EMERGING CONSUMER GROUPS DO YOU SEE IN CHINA RIGHT NOW?

Looking at China, Generation Z – people born between 1995 and 2009 - is gradually becoming the main force of China's consumer market. China has 264 million Gen Z-ers, accounting for 19% of the total population. They tend to have bolder consumption concepts and higher consumption levels. They will pay for their interests and pay more attention to product quality. In addition, Gen Z relies more on social media to complete purchases and recognizing the brand and understanding the brand can be done on social touchpoints. Through the product-seeding behaviour of acquaintances, they also directly generate brand awareness.

ELENA GATTI

Managing Director Europe at Azoya

EXPERT BITES

Q: WHAT CONSUMER GROUPS IN YOUR VIEW HAVE THE MOST SPENDING POWER RIGHT NOW?

China's Gen Z. They are the engine of China’s booming luxury economy with 13% of household income discretionary, versus just 4% in the US and Britain. They carry high personal debt with confidence and see the fruits of consumption as part of their unique identity and source of recognition.

JOSH GARDNER

CEO of Kung Fu Data

EXPERT BITES

Q: WHAT ARE YOUR THOUGHTS ABOUT CONSUMER BEHAVIOR AND SOCIAL MEDIA DEVELOPMENTS IN 2021?

More than ever, Chinese consumer behavior in 2021 has shown increased favoritism towards Chinese Brands, Design, and Culture. This trend is best known in China as Guochao. Guochao consumers are fueled by Gen-Z and the trendy attire of the top Chinese celebrities. This trend underlines how Chinese Gen-Z now considers the quality and the appearance of domestic products to be equal or even superior to foreign brands. We should also consider how increasing international tension between China and the rest of the world has caused stronger domestic consumption because of strengthened patriotism.

ALBERTO ANTINUCCI

Digital Innovation Strategist and China Expert

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.

Photo © Jaddy Liu on Unsplash

EXPERT BITES

SYCA JIANG

Marketing Executive
at Alarice & ChoZan

Q: WHAT MARKETING ADVICE CAN YOU GIVE BRANDS TARGETING LOWER-TIER CITIES CONSUMERS?

Keep an eye on communication platforms and approaches. Compared with first- and second-tier consumers, consumers in the lower cities are more likely to make purchases due to blogger recommendations and IP co-branding.

According to research conducted by Taobao and Tmall, the proportion of young people in third- and fourth-tier cities who are recommended to buy a snack by their favorite bloggers through short videos buy more than twice the amount of the same product as their first- and second-tier cities' counterparts.

GOT A QUESTION? DROP SYCA AN EMAIL BY SCANNING THE QR CODE

EXPERT BITES

STELLA ZHAN
Social Media Marketing Manager
at Alarice & ChoZan

Q: WHAT ARE SOME HOT CONSUMPTION TRENDS FOR THE SILVER-HAIR GENERATION RIGHT NOW?

Intelligent home appliances are popular among the elderly, as they offer them a convenient lifestyle. Haier has launched a series of product like smart door lock. After opening it by fingerprint, it turns on the living room air conditioner and lights; even the TV automatically jumps to the program that was not finished last time.

Another hot consumption trend is portable intelligent electronic products which monitor users' health conditions. Take intelligent watches: they offer real-time positioning, heart rate and blood pressure monitors and fall detection - all practical for the elderly.

GOT A QUESTION? DROP STELLA AN EMAIL BY SCANNING THE QR CODE

EXPERT BITES

Q: WHAT MARKETING ADVICE CAN YOU GIVE BRANDS TARGETING THE SILVER-HAIR GENERATION?

The silver-hair generation spend more time online nowadays. As of the end of 2018, the average monthly usage time of mobile Internet among silver-haired people was 118 hours. 86% of the elderly use WeChat every day, so content marketing is becoming crucial.

Their preference for news and mobile video content is particularly prominent, with healthcare and body care being the most popular. Relevant content needs to be displayed in large fonts and published in channels that are easy to forward and share.

ESTELLE SUEN

Social Media Marketing Researcher
at Alarice & ChoZan

GOT A QUESTION? DROP ESTELLE AN EMAIL BY SCANNING THE QR CODE

CONSUMER INSIGHTS

THE SILVER-HAIRED GENERATION - INTRODUCTION

INTERESTING FACTS	SHOPPING ATTITUDES AND BEHAVIOURS	WHAT ARE THEY INTERESTED IN PURCHASING?
Seniors represent one of the fastes-growing segments of mobile netizens in China. 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. 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.	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.	1) Home appliances 2) Health supplements 3) Travel products and services 4) Insurance and financial products

Source: People,cn

CONSUMER INSIGHTS

THE SILVER-HAIRED GENERATION

255 MILLION

ELDERLY POPULATION OF CHINA BY 2020

487 MILLION

ELDERLY POPULATION OF CHINA BY 2053

STAGES OF CHINA'S AGEING SOCIETY

- RAPID AGEING 1999-2022
- FIERCE AGEING 2022-2036
- DEEP AGEING 2036-2053

Source: WAVEMAKER, 银发经济

CONSUMER INSIGHTS

THE ELDERLY

264 MILLION

SIZE OF SILVER HAIRED POPULATION
18.7% OF TOTAL CHINA POPULATION

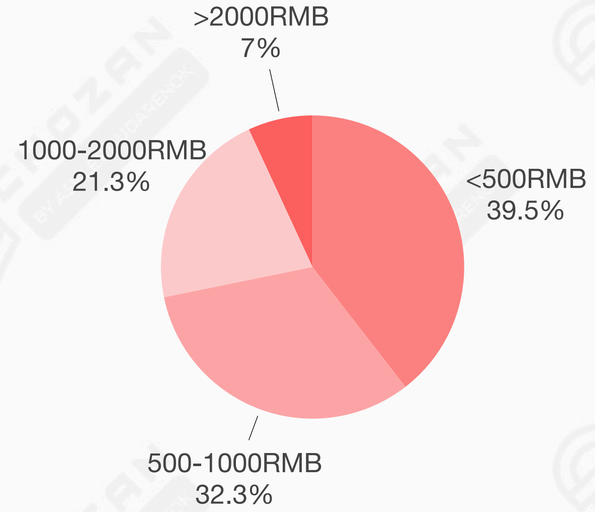
487 MILLION

EXPECTED SIZE OF SILVER HAIRED POPULATION IN 2050

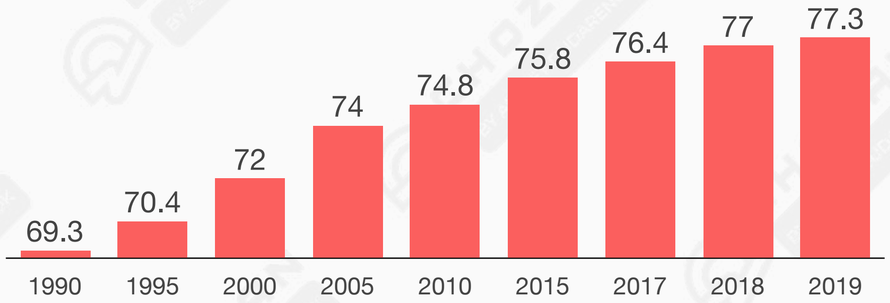
999 MILLION

NUMBER RECEIVING NATIONAL OLD-AGE INSURANCE

AVERAGE MONTHLY DISPOSABLE INCOME OF SILVER HAIRED GROUP BY 2021



AVERAGE LIFE EXPECTANCY IN CHINA

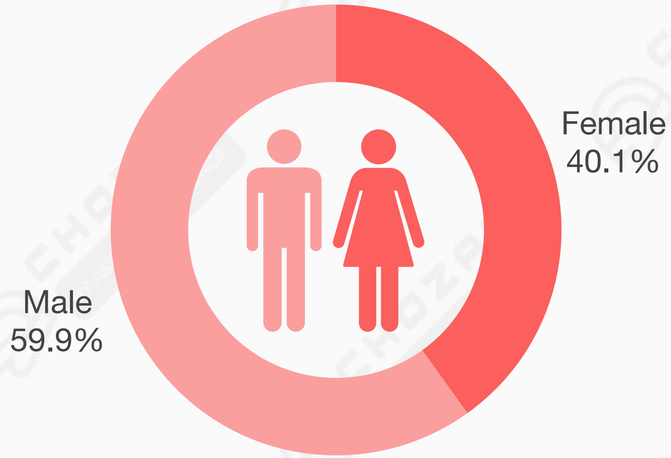


CONSUMER INSIGHTS

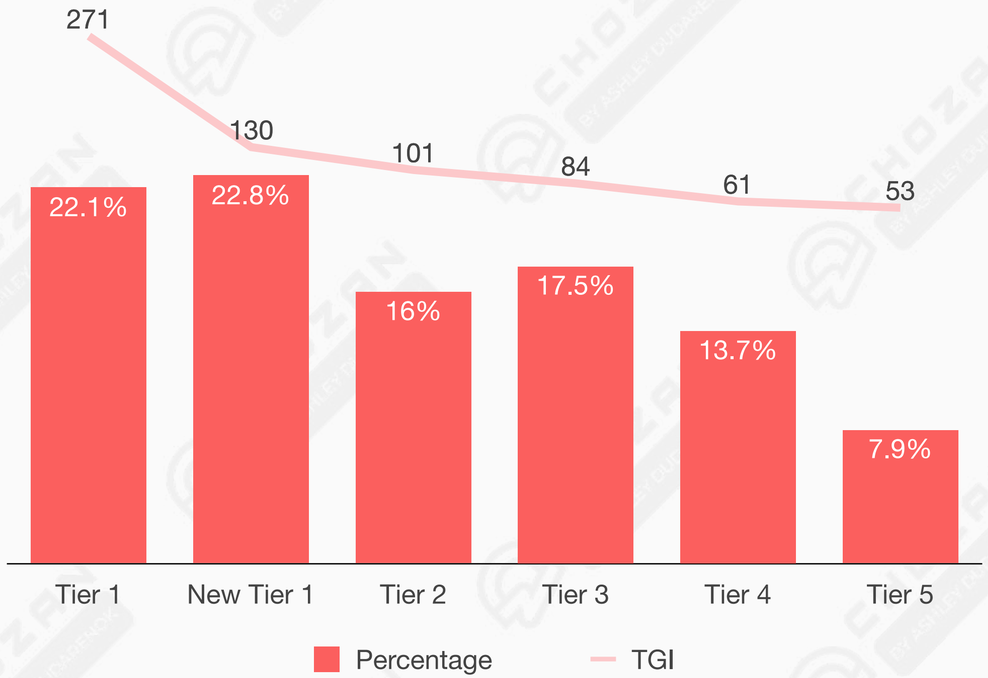
SILVER-HAIRED GENERATION USER PORTRAIT

More than half of the silver-haired generation are male users and are located in higher tier cities.

GENDER DISTRIBUTION OF SILVER-HAIRED GENERATION



CITY TIER DISTRIBUTION OF SILVER-HAIRED GENERATION



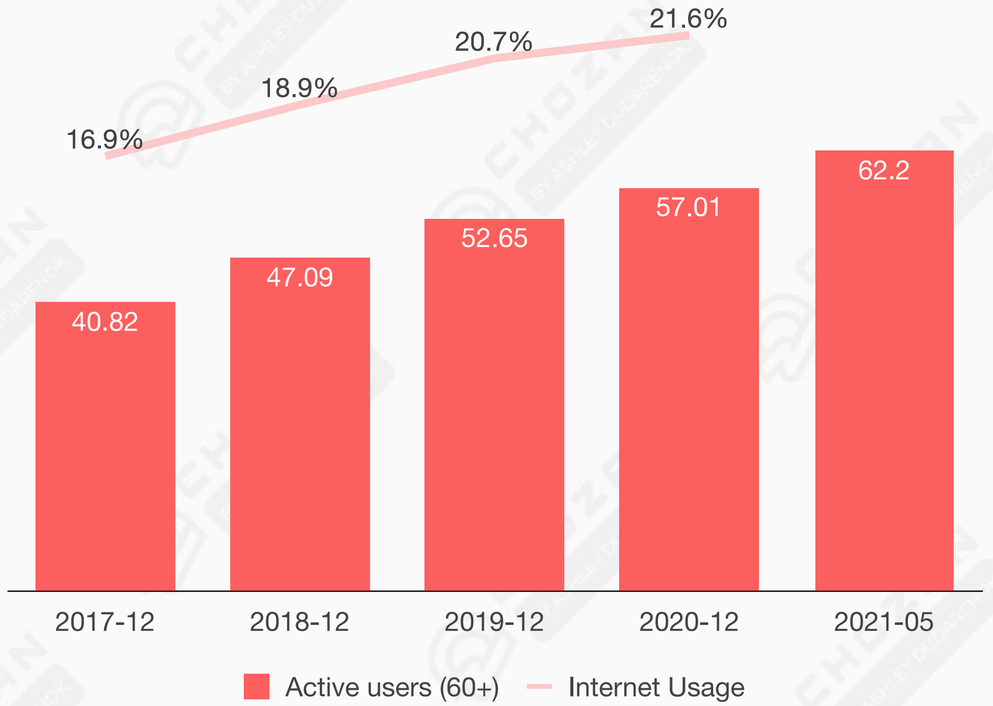
Source: MobTech, 2021 Silver-haired Generation Report

CONSUMER INSIGHTS

SILVER-HAIRED GENERATION MARKET SIZE

China’s silver-haired market size is growing, making up more than 20% of internet usage in 2020.

2017-2021 CHINESE SILVER-HAIRED GENERATION MOBILE USERS MARKET SIZE (IN MILLIONS)



Source: MobTech, 2021 Silver-haired Generation Report

CONSUMER INSIGHTS

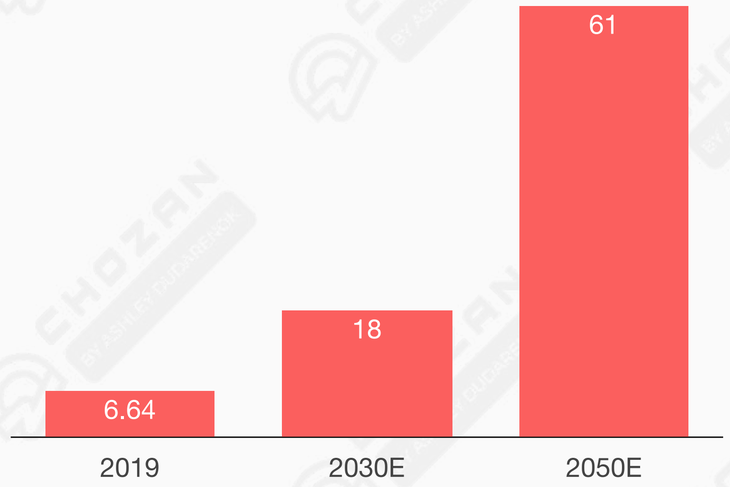
THE SILVER-HAIRED GENERATION

China’s silver economy has great growth potential. The market is growing and the silver-haired generation’s spending power is expected to reach 18 trillion in 2030.

61 TRILLION

SPENDING POWER OF ELDERLY POPULATION AT 2050

CHINESE SILVER-HAIRED GENERATION EXPECTED SPENDING POWER (IN TRILLION RMB)



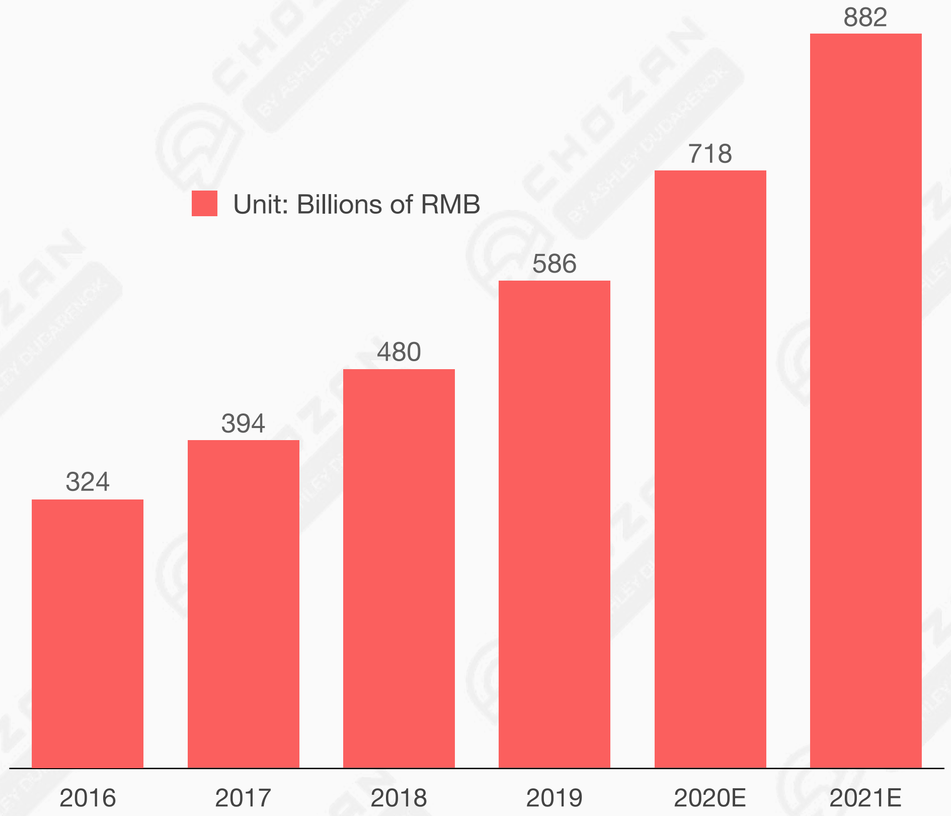
Source: WAVEMAKER, 银发经济

CONSUMER INSIGHTS

THE SILVER-HAIRED GENERATION - SOCIAL ENTERTAINMENT

China's seniors' social entertainment market was valued at 324 billion RMB in 2016 and is expected to reach 882 billion RMB in 2021. iiMedia Consulting analysts believe that as the ageing 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)



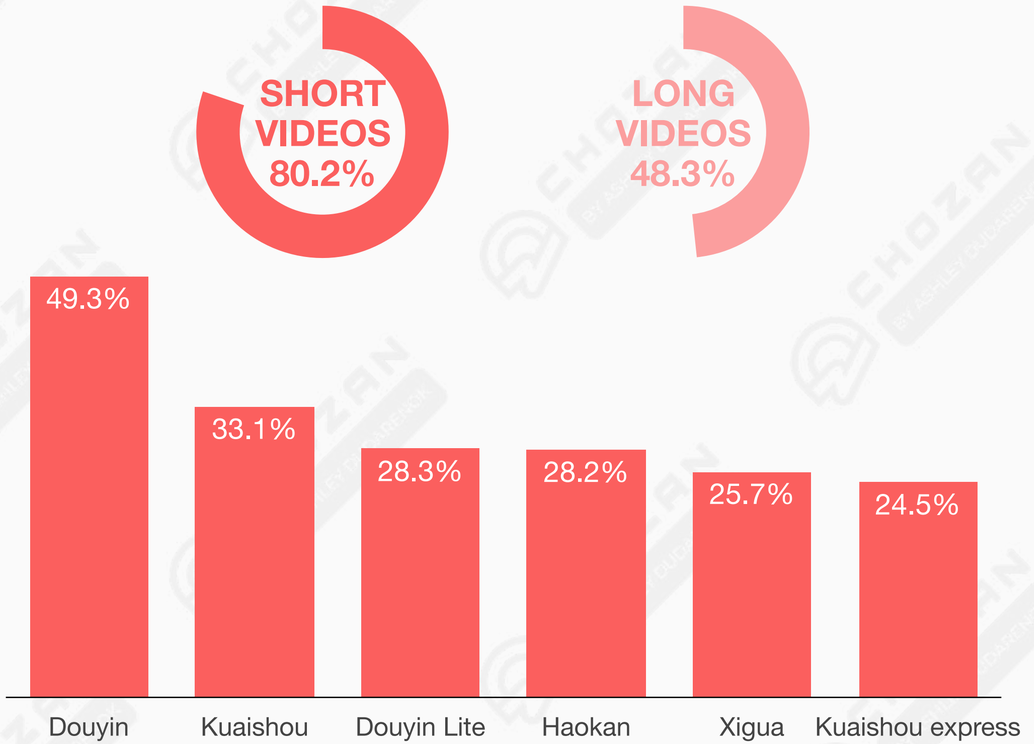
Source: iiMedia, 2020 H1 Senior Consumer Analysis Report

CONSUMER INSIGHTS

SILVER-HAIRED GENERATION SHORT VIDEO APPS

80% of the silver-haired generation prefer short videos and their favourite app to use is Douyin.

SHORT VIDEO APP PREFERENCES OF SILVER-HAIRED GENERATION IN CHINA



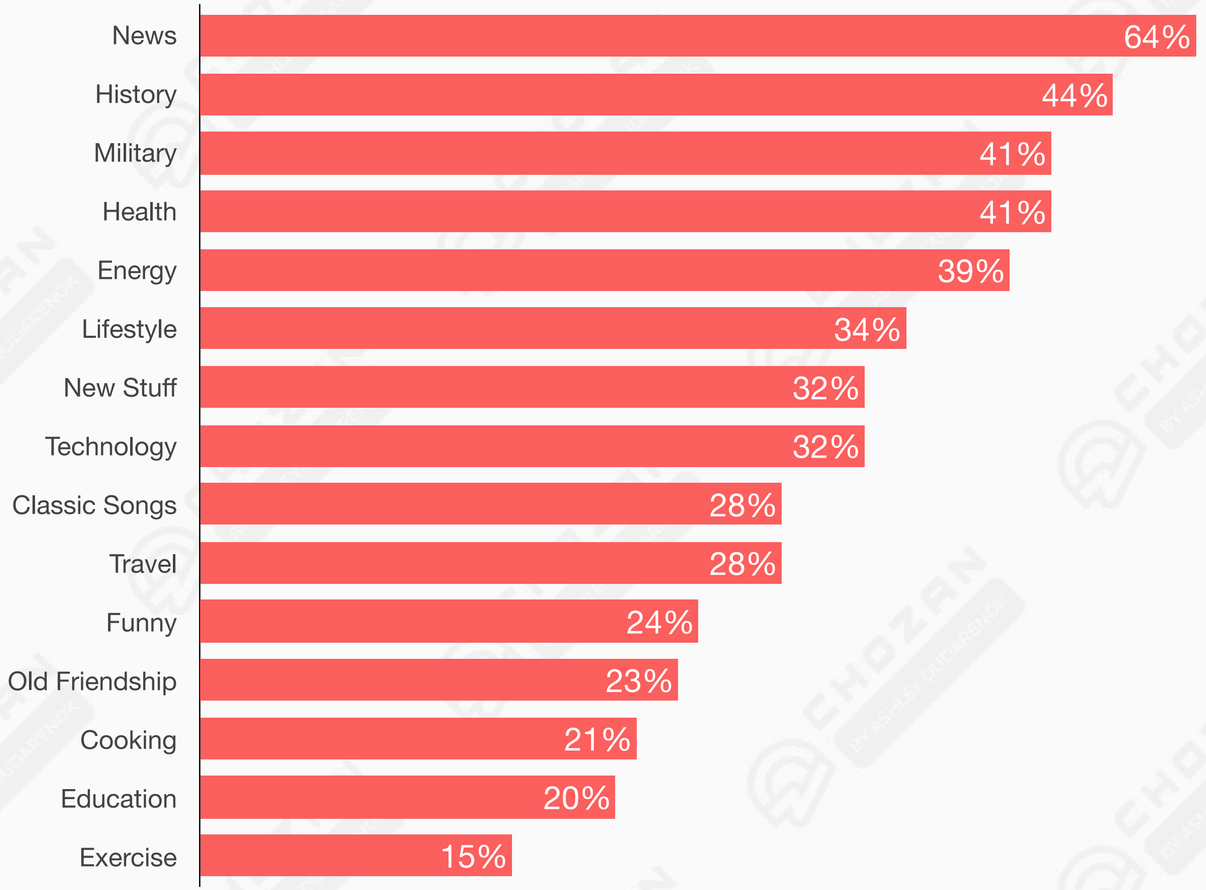
Source: MobTech, 2021 Silver-haired Generation Report

CONSUMER INSIGHTS

APP PREFERENCES

Silver-haired generation users prefer watching content relating to hot news and history/culture.

SHORT VIDEO CONTENT PREFERENCES OF SILVER-HAIRED GENERATION IN CHINA



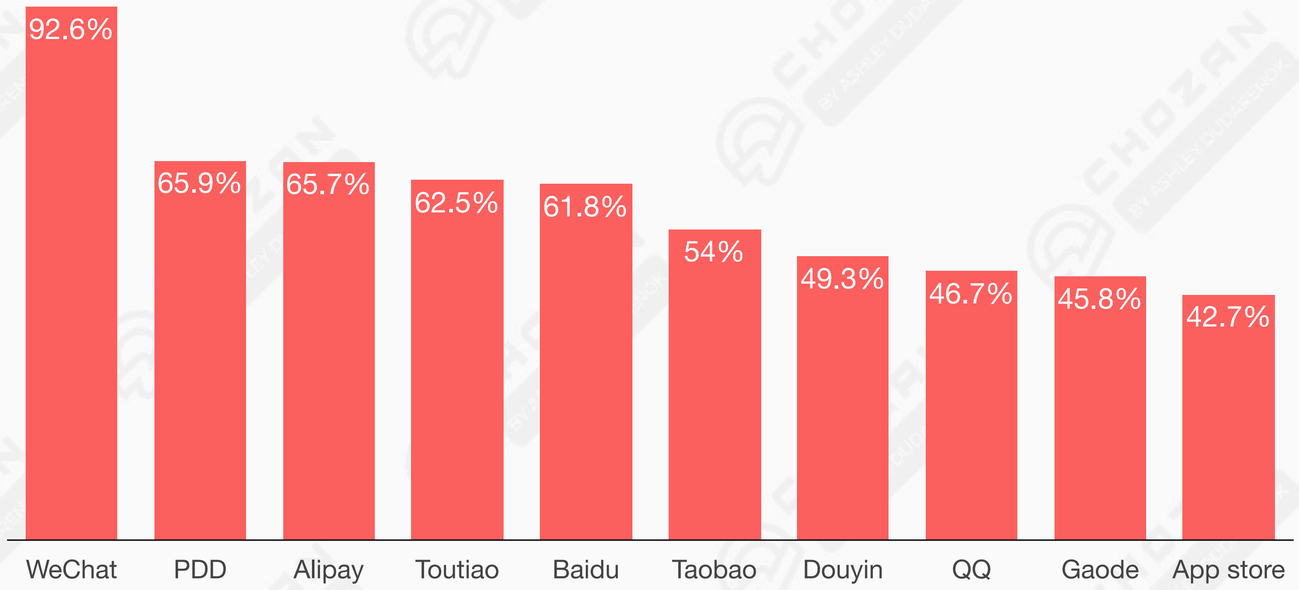
Source: MobTech, 2021 Silver-haired Generation Report

CONSUMER INSIGHTS

APPS PENETRATIONS

The most popular apps among silver-haired generation users are WeChat and Pinduoduo.

TOP APPS MARKET PENETRATION FOR SILVER-HAIRED GENERATIONS USERS

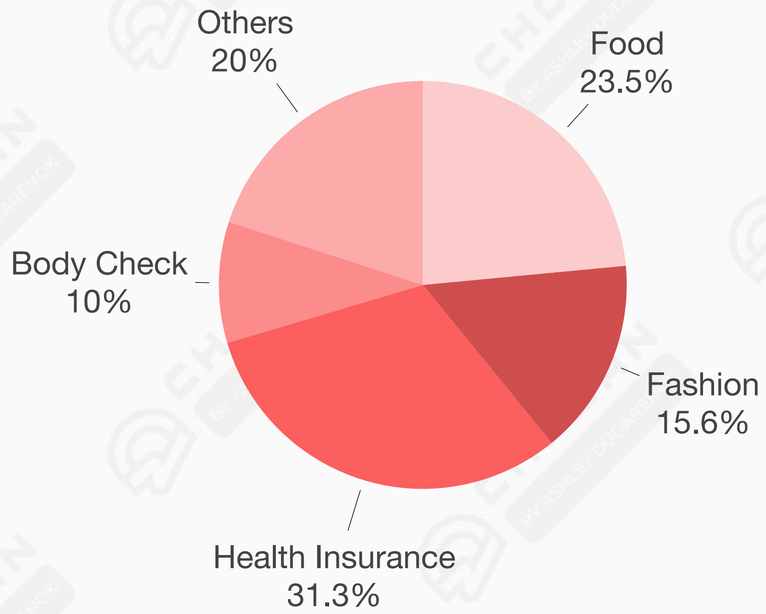


Source: MobTech, 2021 Silver-haired Generation Report

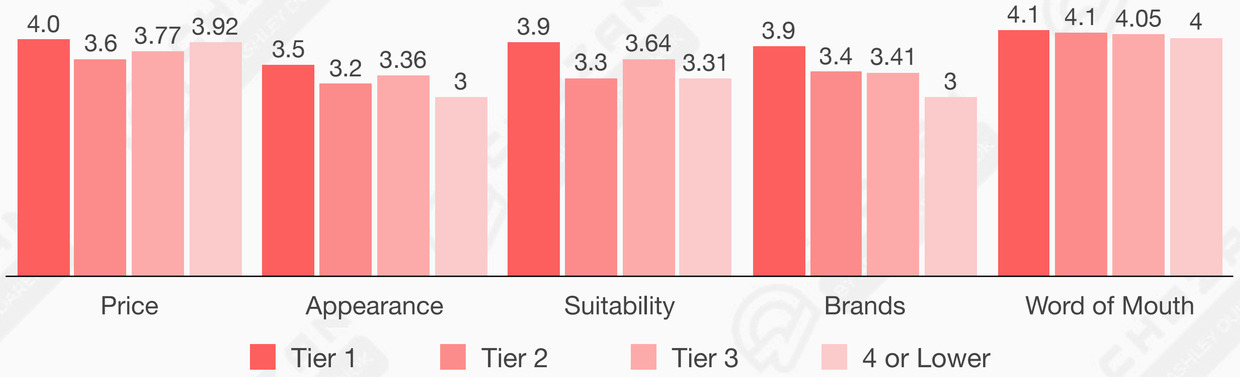
EMERGING CONSUMER GROUPS

THE ELDERLY - CONSUMPTION HABITS

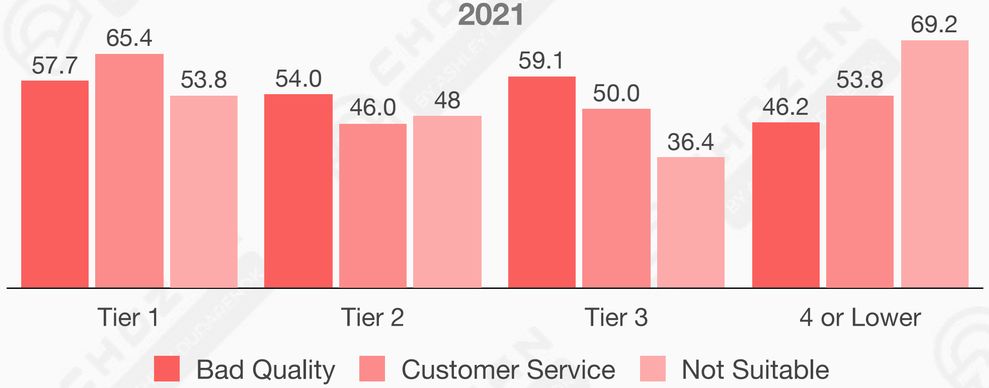
PROPORTION OF ELDERLY POPULATION'S SPENDING ON DIFFERENT CONSUMER GOODS BY 2021



FACTORS AFFECTING THE DAILY CONSUMPTION OF SILVER HAIRED GROUP BY 2021



REGIONAL DIFFERENCES IN ISSUES THAT AFFECT DAILY CONSUMPTION OF SILVER HAIRED GROUP BY 2021



Source: CBNData, Silver Economy in China 2021

EMERGING CONSUMER GROUPS

THE ELDERLY - NEW CONSUMPTION TREND

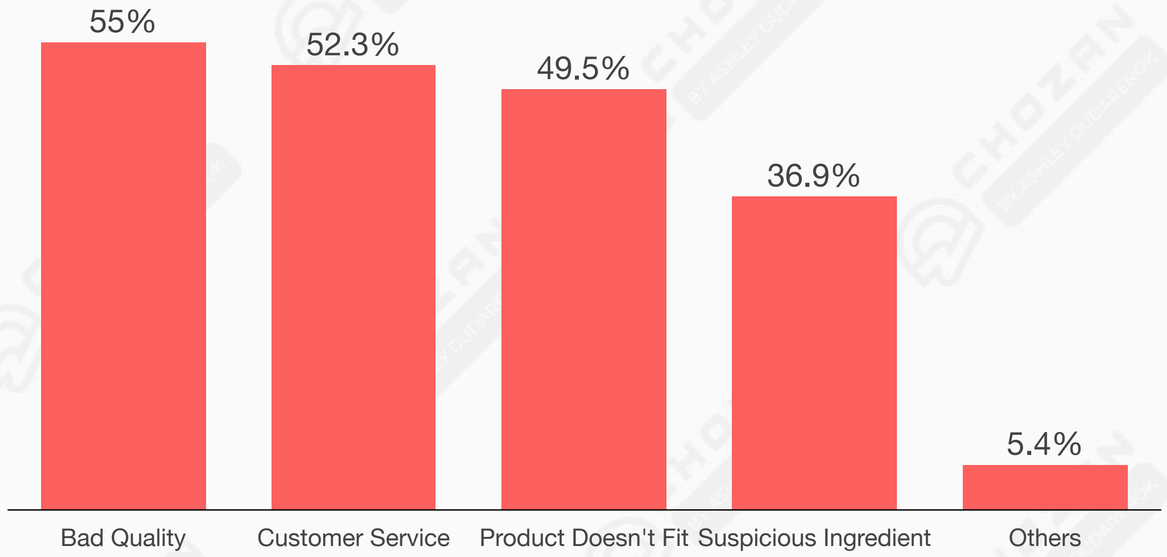
+24.3%

HEALTH CARE SPENDING OF SILVER HAIRED GROUP

120-200 MILLION RMB

HEALTH CARE MARKET SALES OF SILVER HAIR GROUP BY 2021

PROBLEMS ENCOUNTERED IN THE CONSUMPTION OF DAILY NECESSITIES FOR MIDDLE-AGED AND OLD PEOPLE IN 2021



Source: CBNData, Silver Economy in China 2021

EXPERT BITES

Q: WHAT ARE THE MOST SIGNIFICANT CHANGES THAT HAPPENED IN YOUR VIEW IN CHINA IN Q2?

In Q2, the most significant change was the release of China's latest census data. Citizens, policymakers and businesspeople now know China's population is aging, due to lower births and longer life expectancy. Forward-thinking trailblazers across public policy and business should be about how this growing cohort's multitude of needs can best be served.

MICHAEL NORRIS

Research and Strategy Manager
at AgencyChina

EXPERT BITES

Q: WHAT EMERGING CONSUMER GROUPS DO YOU SEE IN CHINA RIGHT NOW?

As China's population ages gracefully, an emerging consumer group to watch is the silver-haired generation (65 years old and up). After local lockdowns forced older users to quickly adapt to the digital space, many took to online commerce and short-video apps in storm. Now the group represents over 20% of the total live-streaming e-commerce users in China and are diversified across upper- and lower-tiered cities. Brands who don't already have a segment strategy to address the silver-haired generation in China will certainly be missing out in Q3 2021 and beyond.

MICHELLE CASTILLO

Director of Marketing at Neat and Collidescope.io

EXPERT BITES

Q: WHAT DO YOU THINK ABOUT THE RESULT OF THE LATEST CENSUS?

Nothing surprising, just one more proof that China is getting older - and staying older. This means there may be an increased demand for health and social care. Silver Economy is growing very fast.

ARTEM ZHDANOV

Founder of LaowaiMe

EXPERT BITES

Q: WHAT DO YOU THINK ABOUT THE RESULT OF THE LATEST CENSUS?

The latest census made clear that the ageing population and declining working population is a systemic problem of China. This resulted in a decision to raise the two child-policy to a three-child policy, and initiated heated dialogues in the government, at companies and between netizens on how to tackle this. It was another wake-up call for China to urgently enhance innovation, automation, and robotization to increase its labor productivity.

PASCAL COPPENS

Partner at nexxworks, author of China's New Normal

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.

Source: China Internet Watch

Photo: 上海图虫网络科技有限公司

EXPERT BITES

JACKIE CHEN

Digital Marketing & Project Manager
at Alarice & ChoZan

Q: WHAT MARKETING ADVICE CAN YOU GIVE TO BRANDS TARGETING MIDDLE AGED MEN?

Male consumers tend to be rational and have very clear shopping objectives. Middle aged men tend to consider the investment value of their purchases, showing interest in items like alcohol, watches and automobiles that reflect their taste and social status, pointing to low purchase frequency and niche, high-ticket items. Most spend on their own families: wives, children, household items. They pay close attention to current affairs and have strong national pride, so they also prefer domestic products. What's more, they seldom share what they've bought on social media.

In order to market to middle aged men:

- Devise strategies to match their consumption needs and behaviours, as defined above
- Engage celebrities (usually middle aged males) and KOLs who can present a high-end businessman image
- Create content around their daily lives (like the pressures they are facing, stories of successful businessmen), for better resonance.

GOT A QUESTION? DROP JACKIE AN EMAIL BY SCANNING THE QR CODE

EXPERT BITES

OSCAR LIN
Social Media Marketing Manager
at Alarice & ChoZan

Q: WHAT ARE SOME HOT CONSUMPTION TRENDS FOR MALE CONSUMERS IN CHINA RIGHT NOW?

It is interesting to see that the male consumer is paying more attention to their appearance these days. During the 618 shopping festival, the number of times keywords such as “mask” and “moisturizer” were searched by them increased by 300% YoY. In particular, we observe more male make-up bloggers appearing on social media platforms such as Weibo, WeChat, Douyin and Red, a testimony to how common it is for men to use cosmetics.

GOT A QUESTION? DROP OSCAR AN EMAIL BY SCANNING THE QR CODE

CONSUMER INSIGHTS

CHINESE MEN - INTRODUCTION

INTERESTING FACTS	SHOPPING ATTITUDES AND BEHAVIOURS	WHAT ARE THEY INTERESTED IN PURCHASING?
Men are keen on advanced consumption and are the major consumers of high-end products. Whether its PCs or mobile phones, there are more male consumers than female consumers.	Male consumers have varied and detailed consumption preferences that change with age. Men of different ages desire different types of products. Male consumers are more curious about new brands and products than their female counterparts.	1) 3C products 2) Home appliances 3) Auto accessories 4) Tobacco & alcohol 5) Skin care products

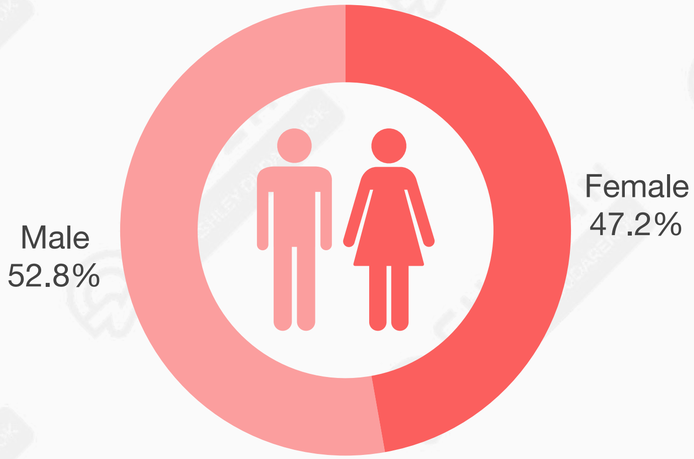
CONSUMER INSIGHTS

CHINESE MEN - USER PORTRAIT

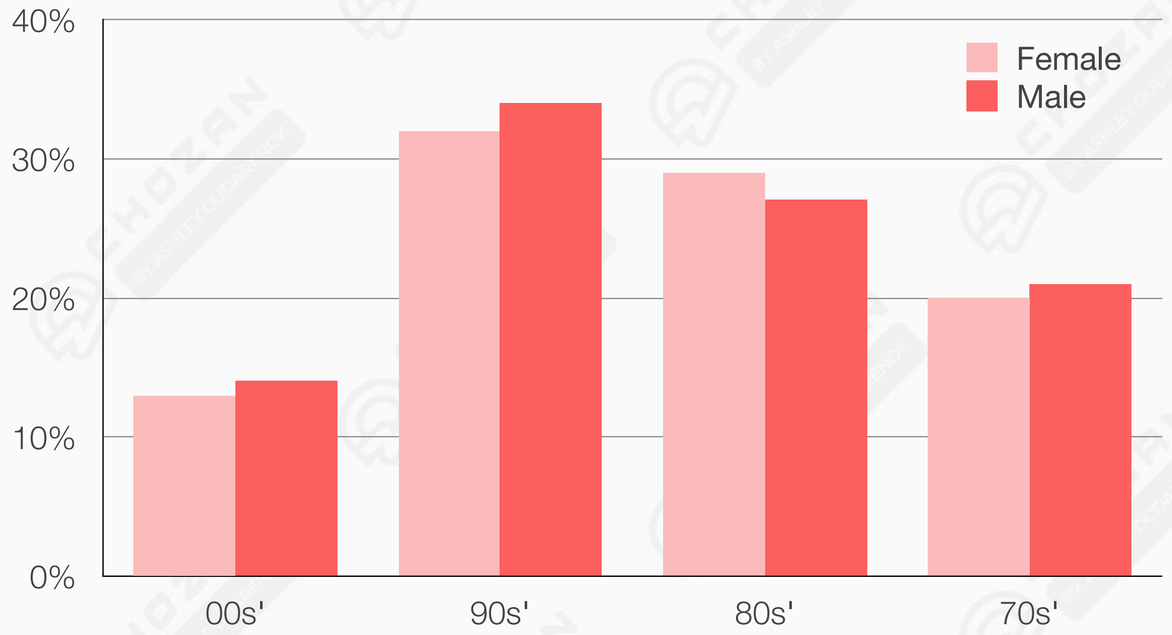
CHINA MOBILE INTERNET USAGE BY GENDER (APR 2021)

613 MILLION

MAU OF CHINA MOBILE INTERNET



TGI	12.5	102.0	97.7	101.4



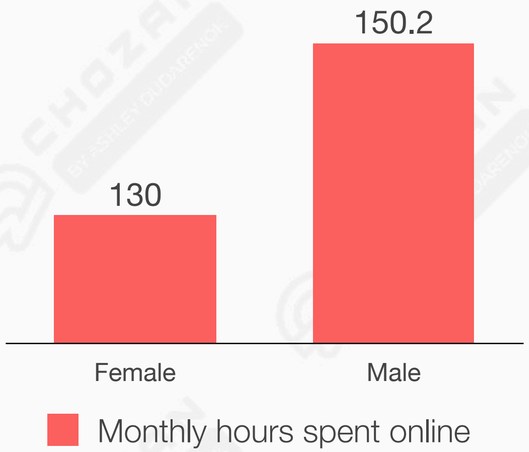
Source:Quest Mobile

CONSUMER INSIGHTS

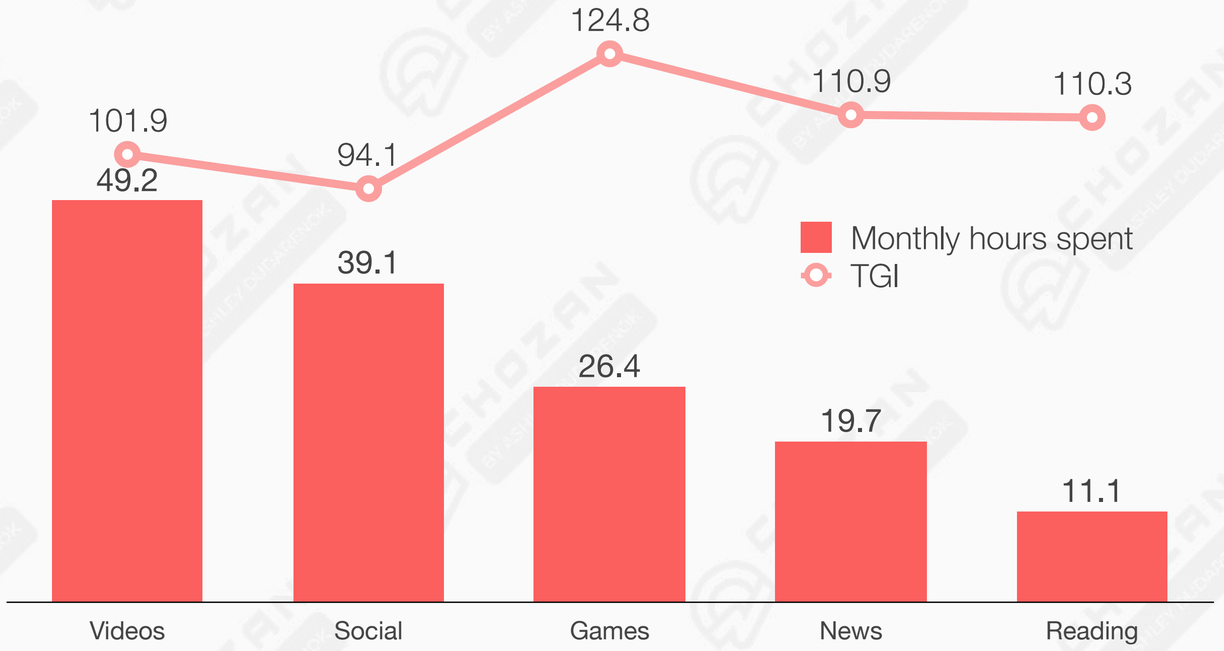
CHINESE MEN - INTERNET USAGE

Male internet users spend more time online than female users. The most popular type of app is video related.

AVERAGE NUMBER OF HOURS SPENT ONLINE (APR 2021)



TOP 5 TYPES OF APP WITH MALE USERS (APR 2021)

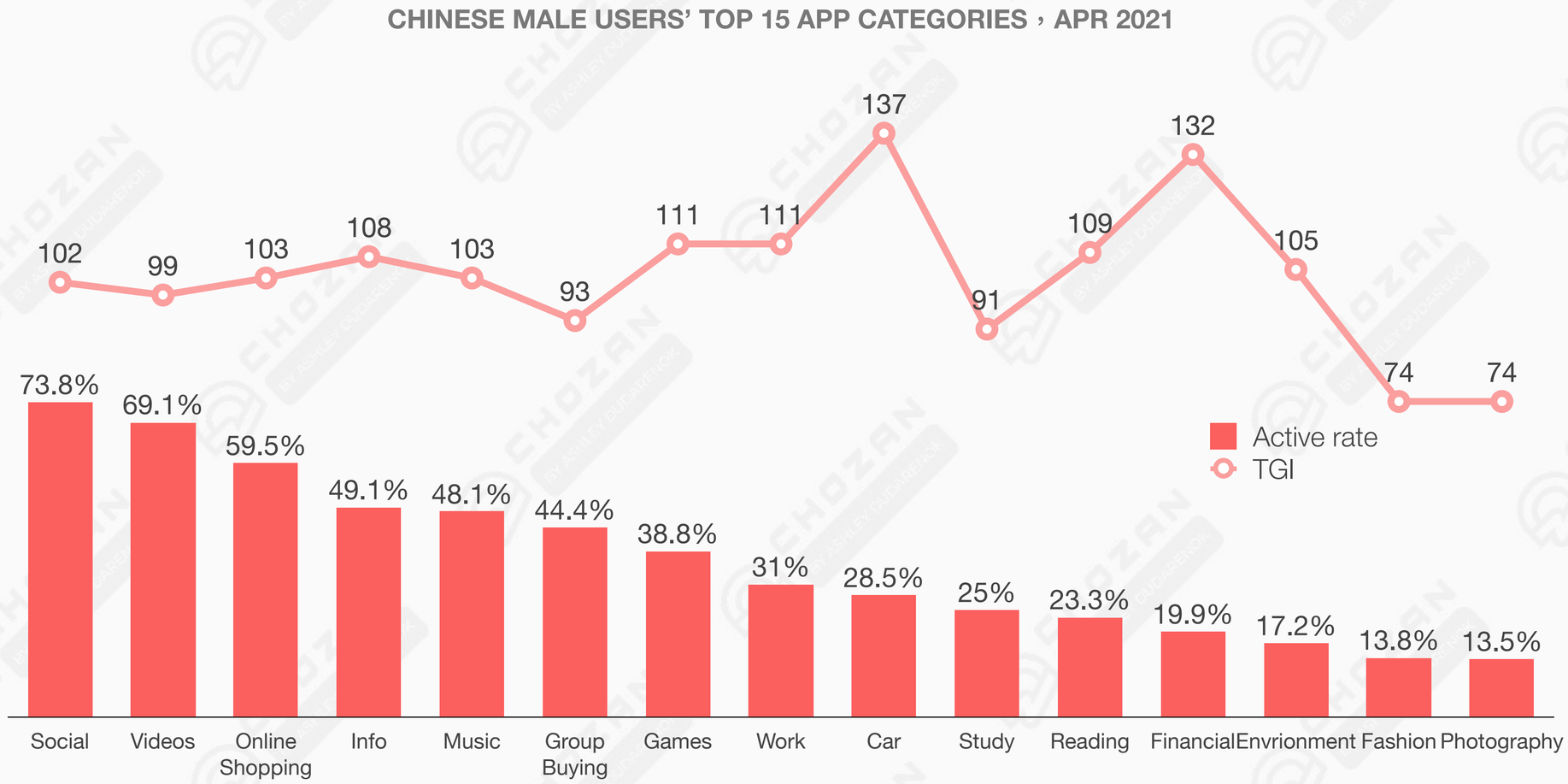


Source:Quest Mobile

CONSUMER INSIGHTS

CHINESE MEN - TOP APPS

Chinese men are most interested in using social apps, followed by videos and shopping apps.



Source:Quest Mobile

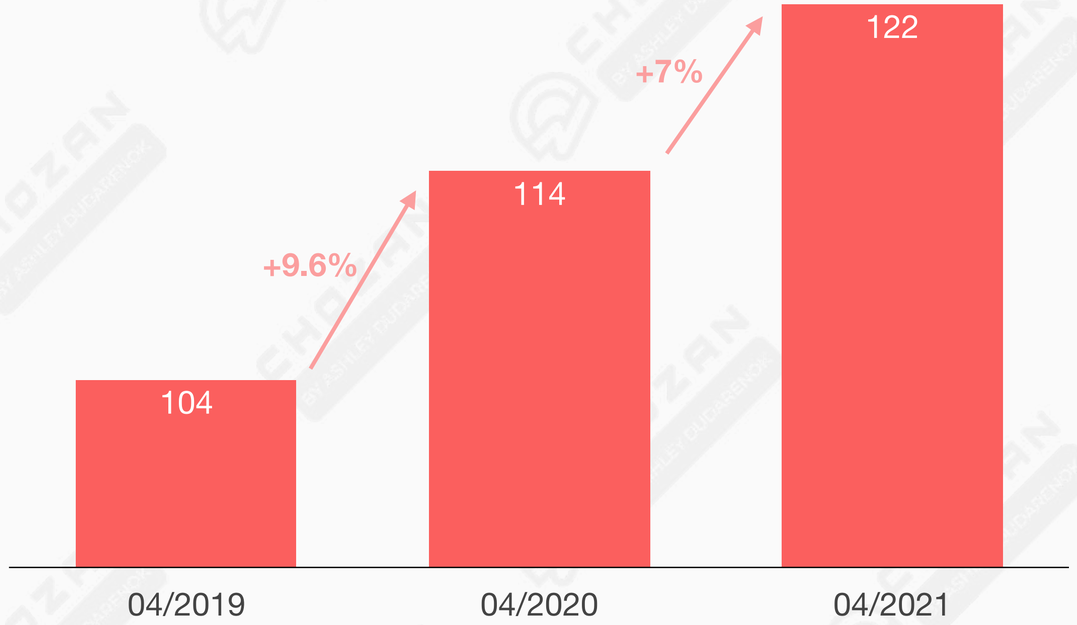
CONSUMER INSIGHTS

CHINESE MEN - SPENDING POWER

The consumption power of Chinese male users is growing and they tend to spend more than female users.

ONLINE CONSUMPTION >1000RMB BY GENDER

CHINESE MALE ONLINE CONSUMPTION >1000RMB (MILLION)

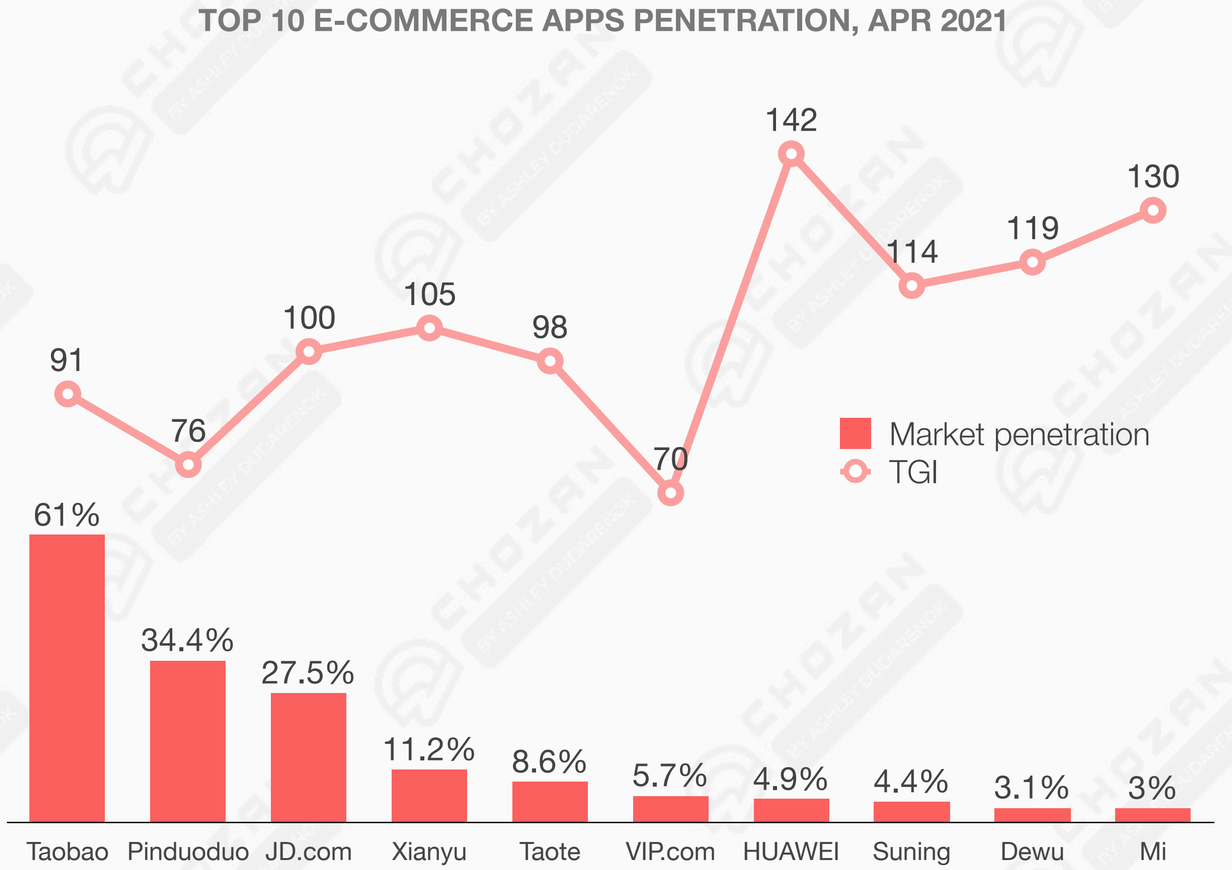


Source:Quest Mobile

CONSUMER INSIGHTS

CHINESE MEN - E-COMMERCE

The most popular app among male netizens in China is Taobao, followed by Pinduoduo and JD.com.



Source:Quest Mobile

CONSUMER INSIGHTS

CHINESE MEN - SKINCARE AND COSMETICS

SKIN CARE PRODUCT

75s’		85s’		95s’		05s’	
CLEANSING MILK	66.7%	CLEANSING MILK	83.3%	CLEANSING MILK	82.8%	CLEANSING MILK	52.1%
LOTION	43.2%	MASK	55.6%	LOTION	51.3%	LOTION	31.1%
FACE CREAM	32.1	LOTION	43.1	SUN CREAM	36.2%	SUN CREAM	22.8%

COSMETIC PRODUCT

PERFUME	45.9%	PERFUME	55.6%	EYEBROW PENCIL	52.3%	LIPSTICKS	42.1%
LIPSTICKS	31.6%	EYEBROW PENCIL	40.4%	FOUNDATION	43.6%	PRIMER	29.2%
FOUNDATION	21.9	LIPSTICKS	39.6%	HAIR LINE POWDER	33.2%	FOUNDATION	22.3%

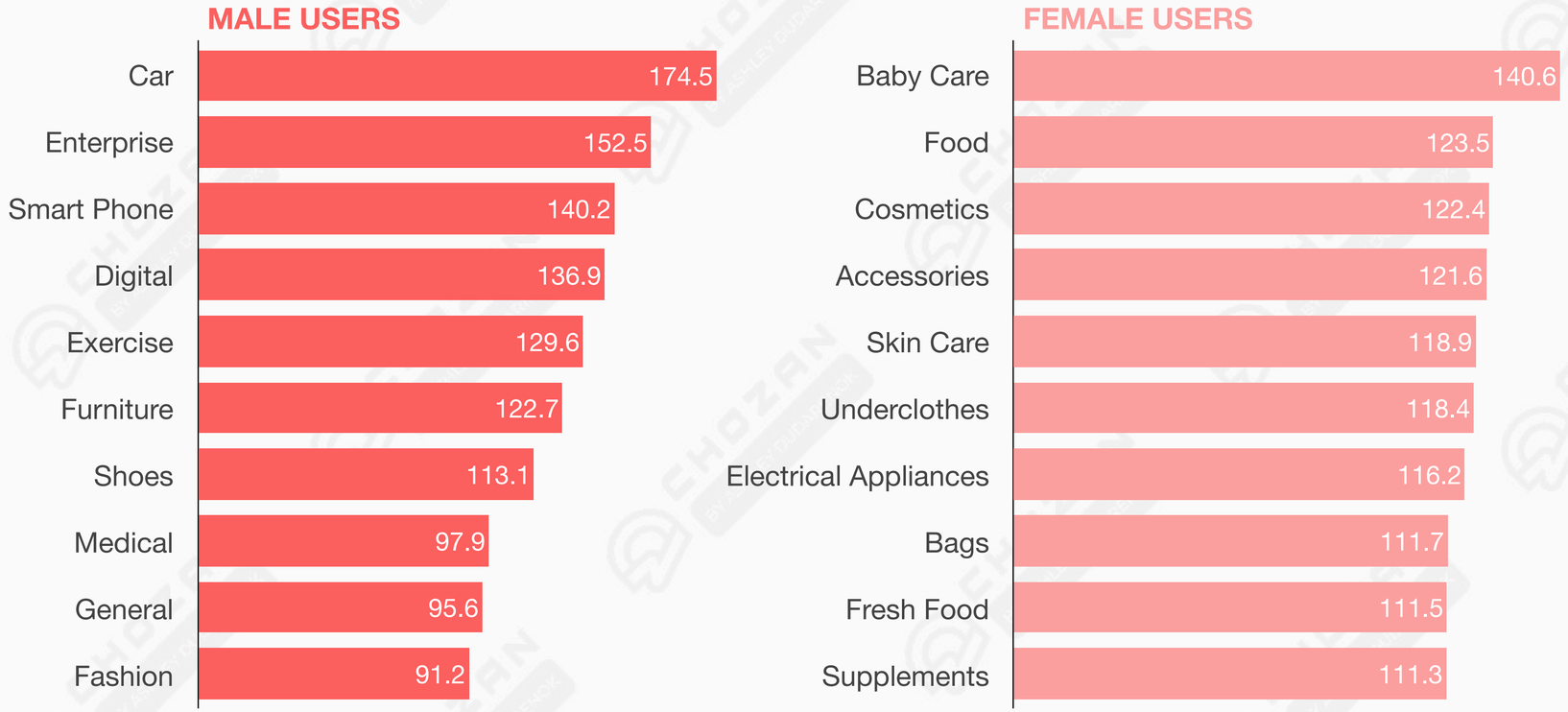
Source:MobTech

CONSUMER INSIGHTS

TOP CONSUMER GOODS

Male consumption leans towards cars and electronics while female users tend to spend on maternity, food and beauty products.

TOP CONSUMER GOODS CATEGORIES TGI, APR 2021

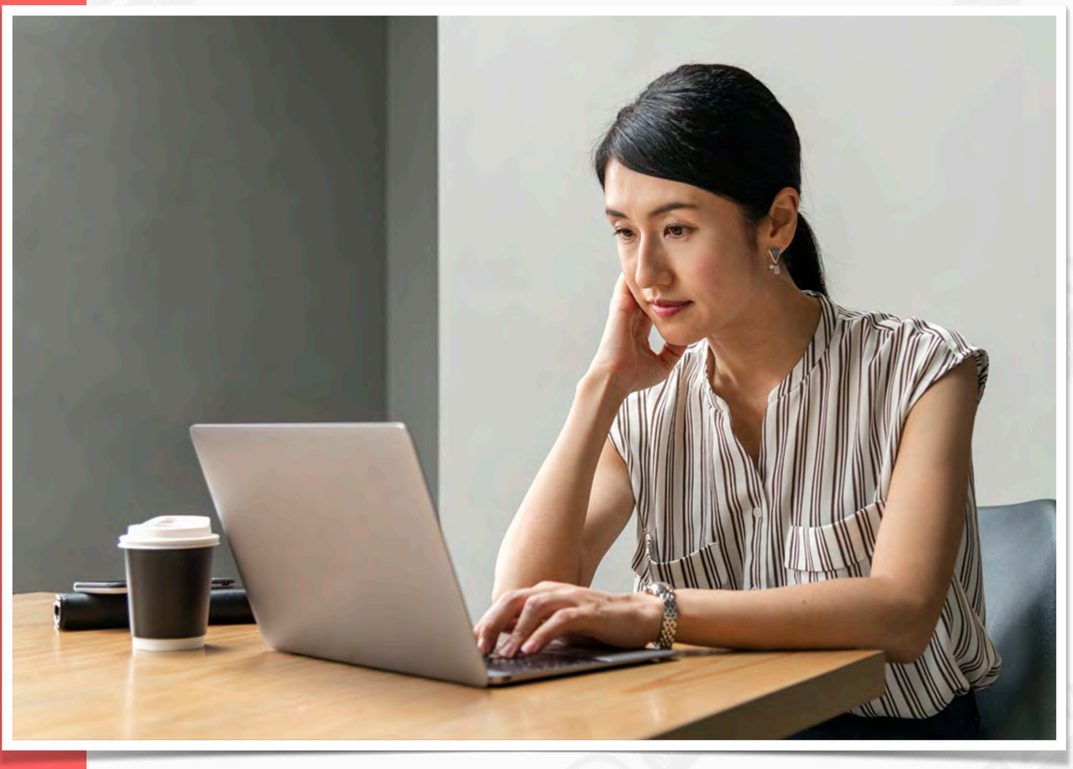


Source:Quest Mobile

5 FEMALE INTERNET USERS

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.



Source: Content Commerce Insider, The Secret Weapon For Brands in China: Thirtysomething Women

Photo: Rawpixel.com

EXPERT BITES

WENDY CHEN

Sr. Marketing Manager
at Alarice & ChoZan

Q: WHAT ARE SOME HOT CONSUMPTION TRENDS FOR FEMALE CONSUMERS IN CHINA RIGHT NOW?

Skin care ingredients

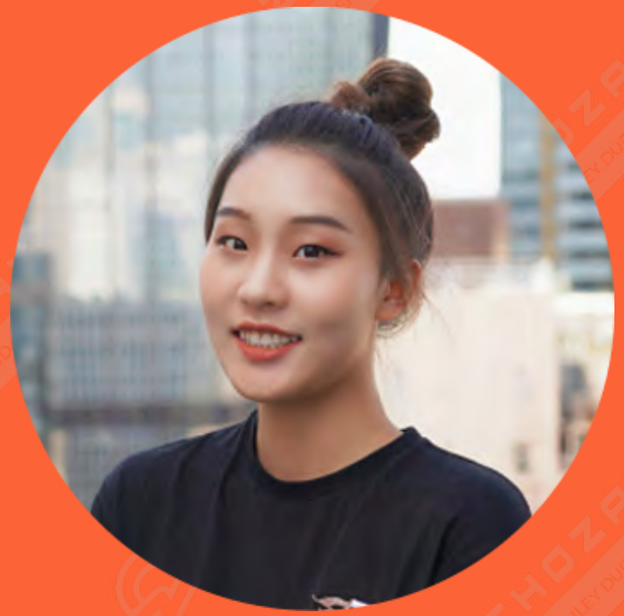
Female are upping their safety awareness in consumables, learning about how to interpret the product ingredients and composition, and gravitating towards natural and clean cosmetics. 72% consumers want brands to take an active role in explaining the efficacy of their ingredients, while more than 60% want them to divulge their origin.

Second-hand luxury

This sector is gaining traction in the past year, especially in the live streaming broadcasts, providing cost-effective shopping options for customers and high conversions and high profits for streaming platforms. The authenticity of the goods have always been a pain point for potential customers. By taking advantage of online live streaming, this issue can be addressed and trust can be slowly built. According to the Survey of China's Second-hand Luxury Industry in 2021, it is estimated that by 2025 the market will reach a scale of about 34.8 billion yuan, at a compound growth rate of 15%.

GOT A QUESTION? DROP WENDY AN EMAIL BY SCANNING THE QR CODE

EXPERT BITES



EUREKA WEN

Marketing Executive
at Alarice & ChoZan

Q: WHAT MARKETING ADVICE CAN YOU GIVE BRANDS TARGETING FEMALE CONSUMERS IN CHINA?

Companies must make sure their market positioning strategy speaks to the characteristics of modern women who focus on both career and family and who pursue both material goods and spiritual satisfaction. Modern women's plight and anxieties need to be understood, and they need to be allowed to speak their minds.

Ubras' Queen's Day marketing theme is #MyComforthasnocircle# (#我的舒适没有圈#). Their poster shows six women of all ages, identities and body types, and uses their different stories to convey a common concept “My Comfort has no circle”. For example, one woman stated: "How does a fat girl dance well? Dance until I'm happy and I'll look good." Ubras addresses the different types of modern day women and expresses their inner voice values.

GOT A QUESTION? DROP EUREKA AN EMAIL BY SCANNING THE QR CODE

CONSUMER INSIGHTS

CHINESE WOMEN - INTRODUCTION

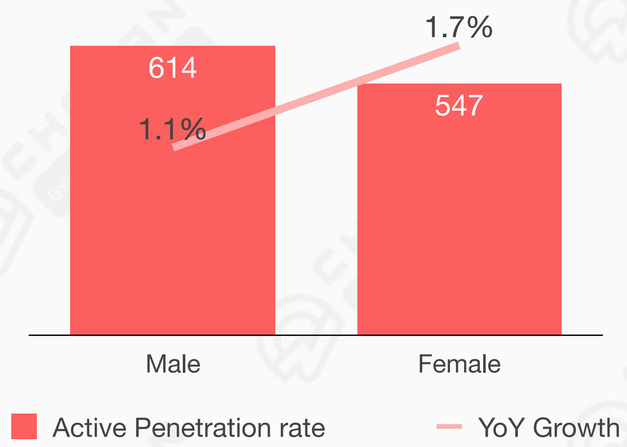
Interesting facts	Shopping attitudes and behaviours	What are they interested in purchasing?
The number of female Internet users has been growing. According to QuestMobile, in February, the average amount of time women spent on the internet also increased 43% YoY, 5% higher than average. The apps most 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.	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.	1) Luxury products 2) Products that improve quality of life 3) Small home appliances 4) Educational courses 5) Fitness-related products

CONSUMER INSIGHTS

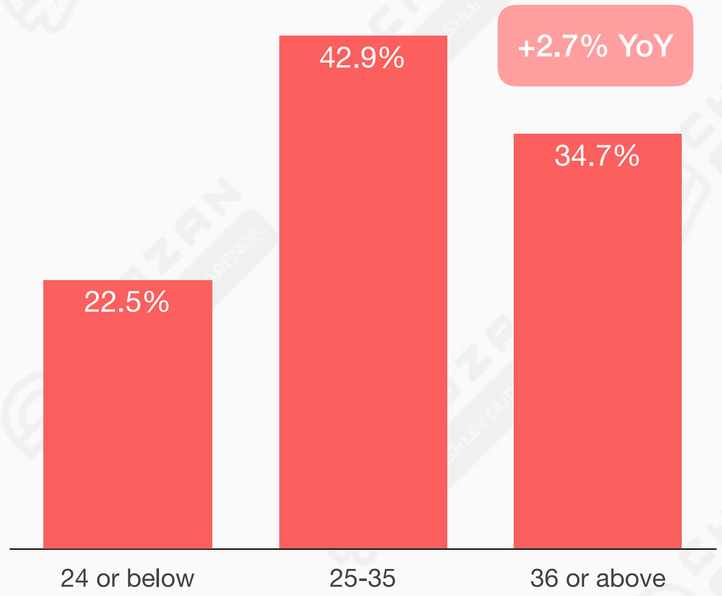
FEMALE INTERNET USERS - AGE GROUPS

Female internet users in China reached 547 million in 2021, female users are mainly those aged 25-35 and female users aged 36 and above is increasing.

INTERNET USERS AMONG GENDER, JAN 2021 (MILLION)



FEMALE INTERNET USERS AMONG AGE GROUP, JAN 2021



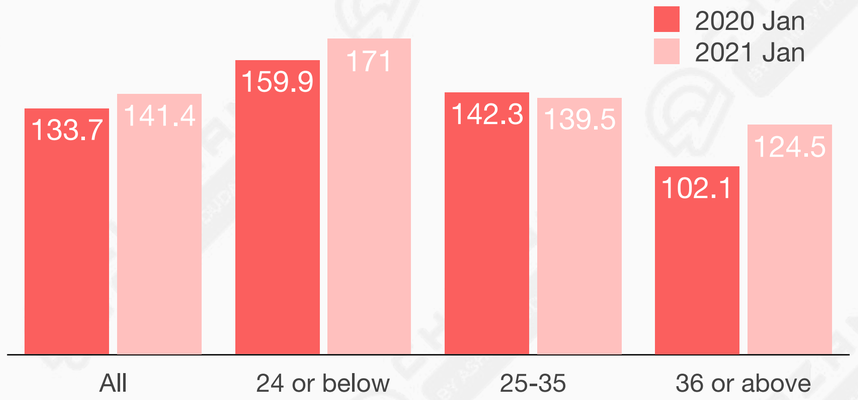
Source: Questmobile 2021, She Economy Report

CONSUMER INSIGHTS

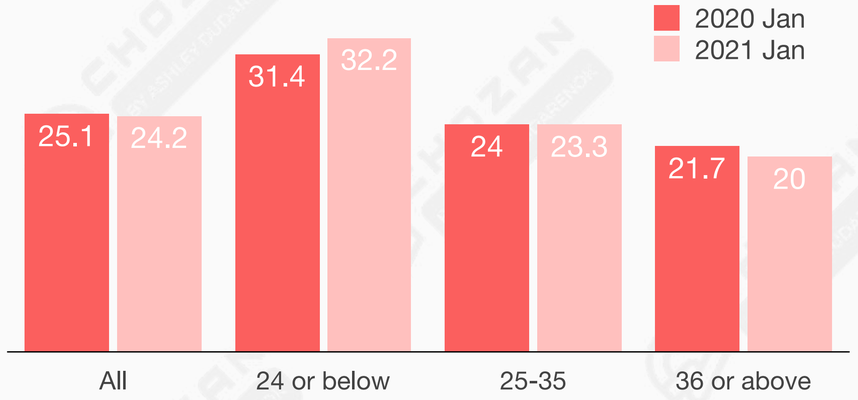
FEMALE INTERNET USERS - USAGE

Chinese female consumers are becoming more dependent on the internet, especially for female users aged 24 or below. The average internet usage per month reached 171 hours and their number of apps used reached more than 30.

MONTHLY INTERNET USAGE AMONG DIFFERENT AGED GROUP FEMALE USERS (HOURS)



NUMBER OF APPS USED PER MONTH AMONG DIFFERENT AGED GROUP FEMALE USERS



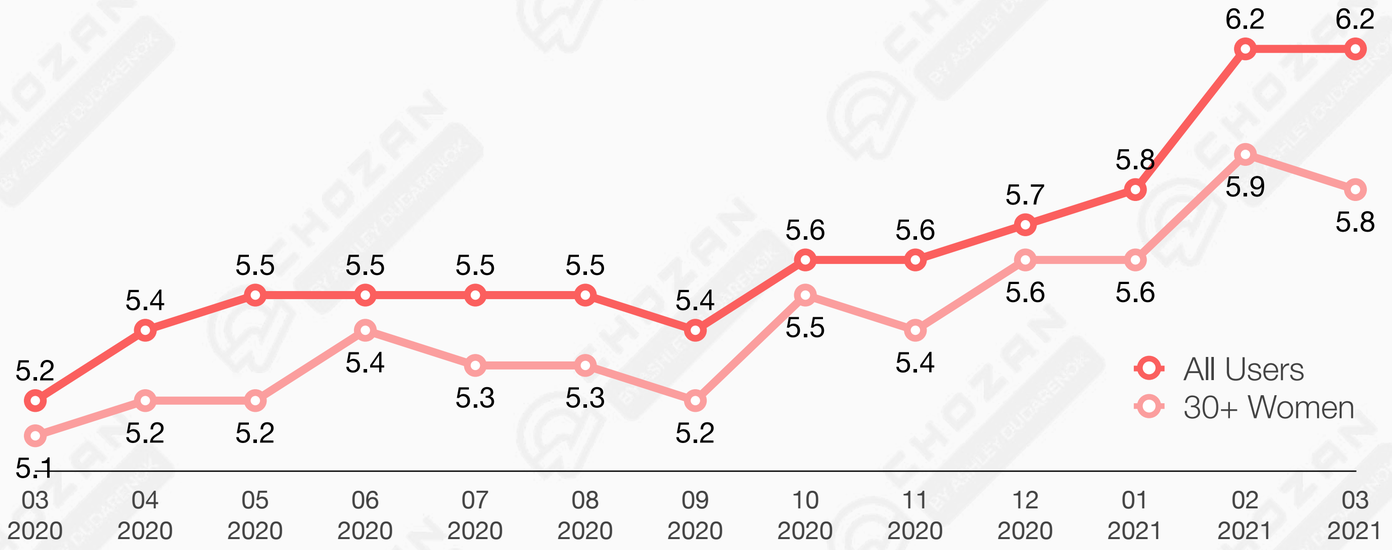
Source: Questmobile 2021, She Economy Report

CONSUMER INSIGHTS

CHINESE WOMEN - INTERNET USAGE

Female users 30+ spend less time online than the overall average for netizens in China.

WOMENS' DAILY AVERAGE TIME SPENT ON INTERNET (IN HOUR)



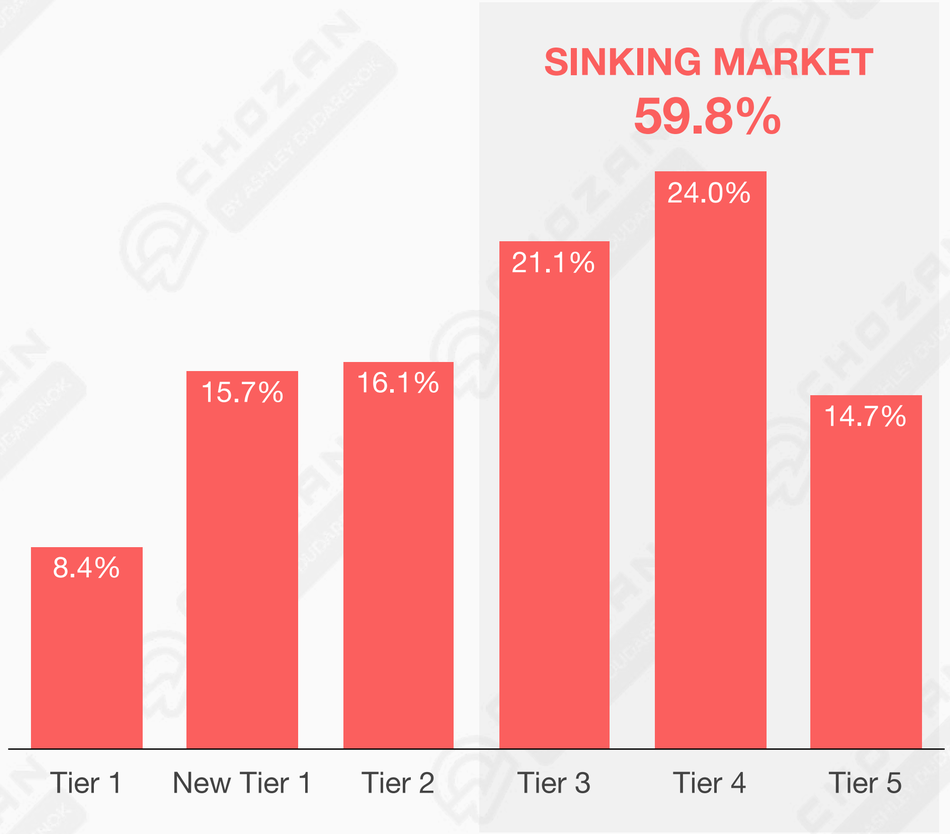
Source:MobTech

CONSUMER INSIGHTS

CHINESE WOMEN - SINKING MARKET

Almost 60% of 30+ female netizens are located in lower-tier cities.

30+ FEMALE INTERNET USERS IN DIFFERENT TIER CITIES



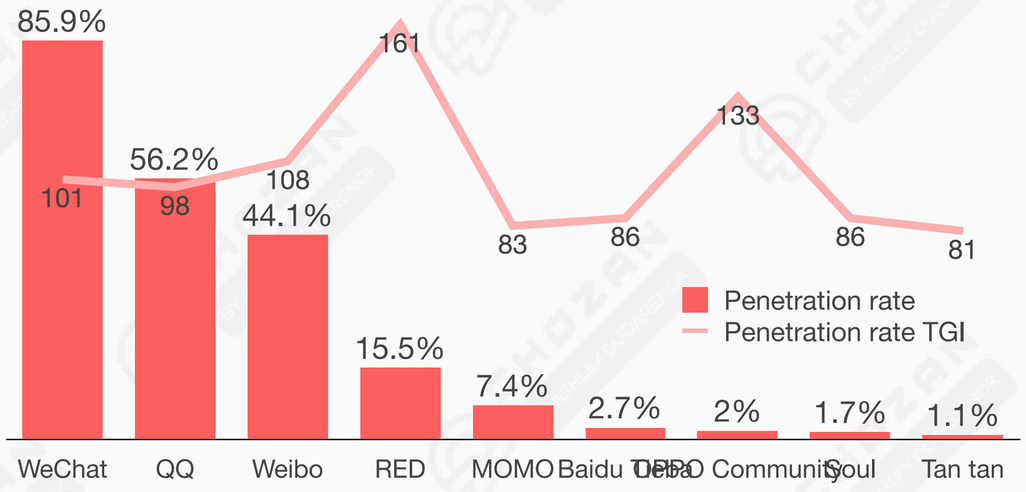
Source:MobTech

CONSUMER INSIGHTS

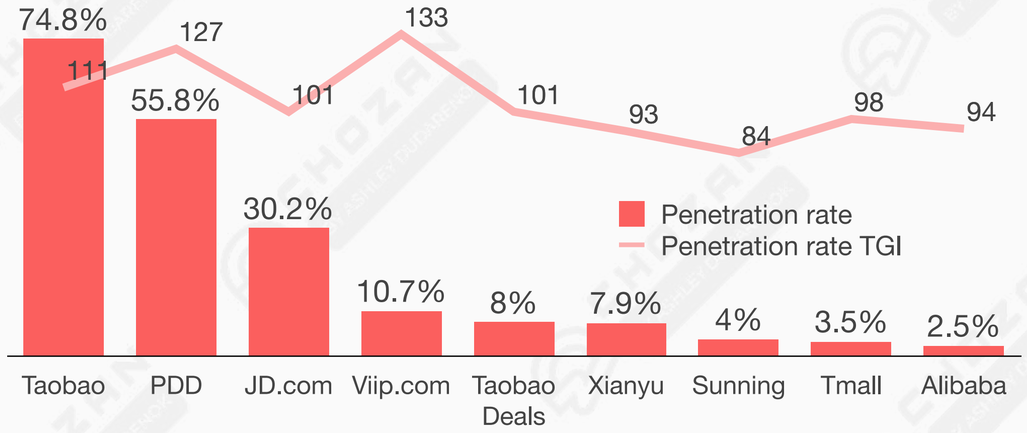
FEMALE INTERNET USERS - ACTIVE USERS

Chinese female consumers are actively spending time on social media platforms and purchasing goods online.

TOP SOCIAL APPS PENETRATION AMONG CHINESE FEMALE USERS, 2021 JAN



TOP E-COMMERCE APPS PENETRATION AMONG CHINESE FEMALE USERS, 2021 JAN



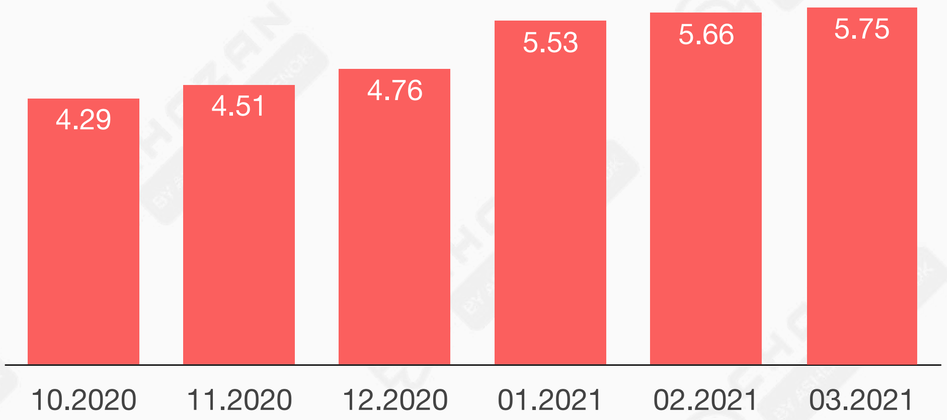
Source: Questmobile 2021, She Economy Report

CONSUMER INSIGHTS

MEDICAL BEAUTY

The medical beauty industry among women 30+ is growing, with botox being the most popular treatment.

30+ FEMALE USER SCALE ON MEDICAL BEAUTY APPS (IN MILLIONS)



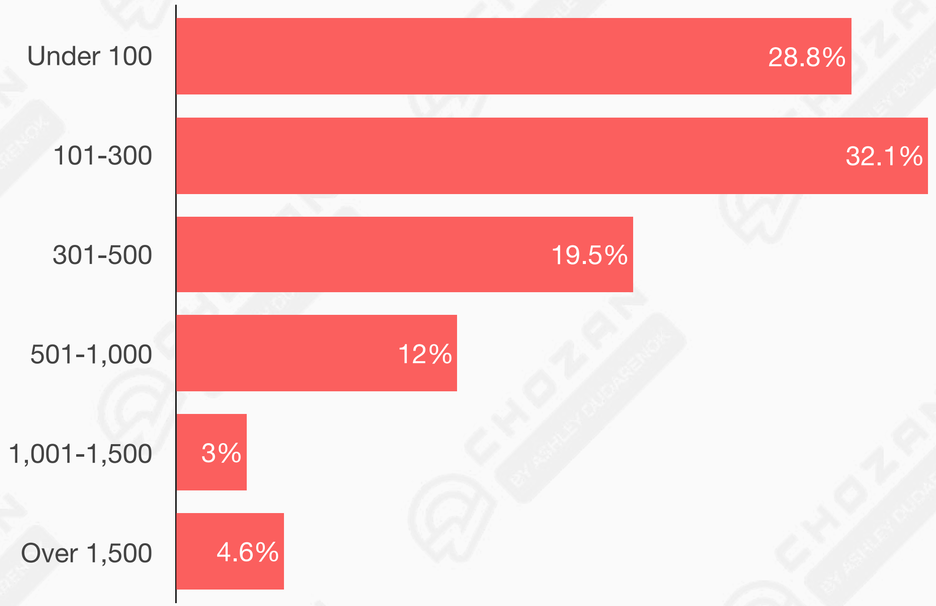
TOP 10 MEDICAL BEAUTY CATEGORIES

Source:MobTech

CONSUMER INSIGHTS

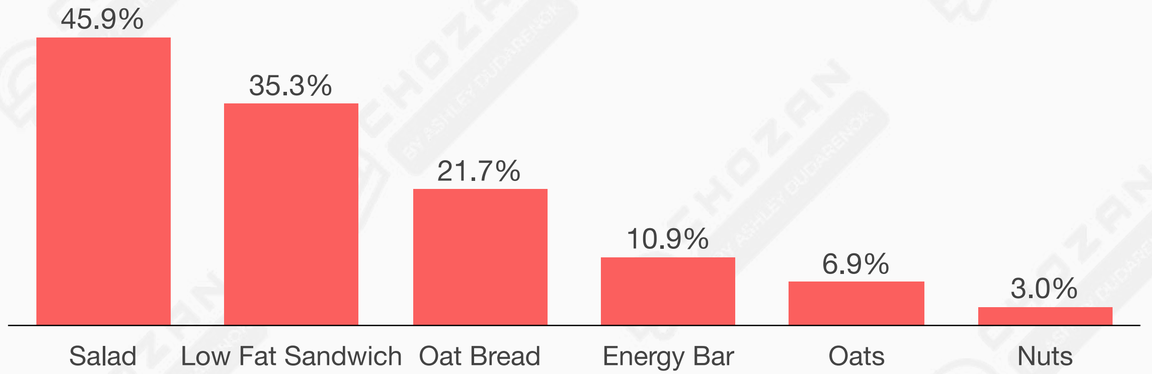
FEMALE SPENDING ON HEALTHY FOOD

30+ FEMALE AVERAGE MONTHLY SPENDING ON HEALTHY FOOD (RMB)



PREFERRED FUNCTIONS OF HEALTHY FOOD

DIET FOOD SPENDING PREFERENCE



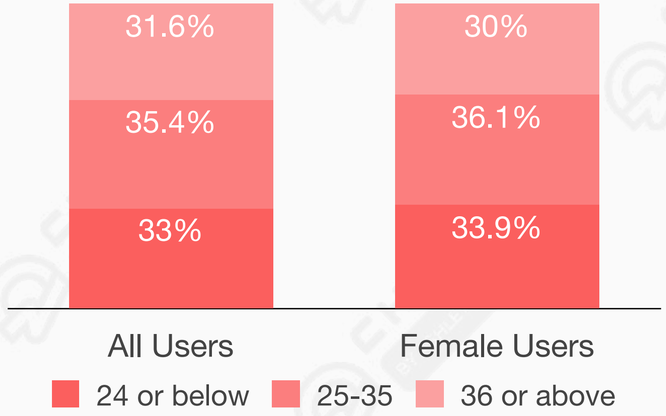
Source:MobTech

CONSUMER INSIGHTS

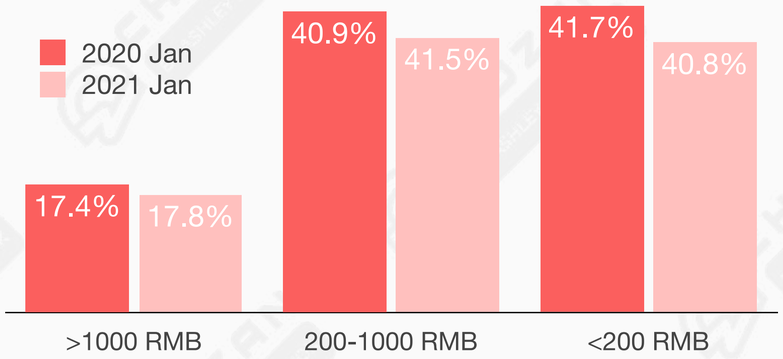
FEMALE INTERNET USERS - CONSUMPTION GROWTH

With the rise of she-economy, already high levels of online consumption continues to rise among Chinese consumers, especially younger female consumers.

USERS WHO ARE WILLING TO SPEND MORE, 2021 JAN



CHINESE FEMALE CONSUMERS ONLINE SPENDING POWER



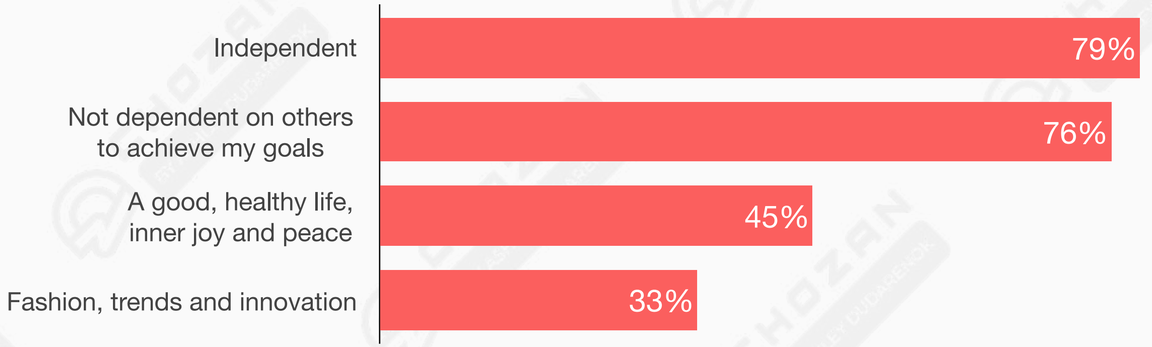
Source: Questmobile 2021, She Economy Report

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

Source: Tencent Marketing Insights, 30+ Women Report

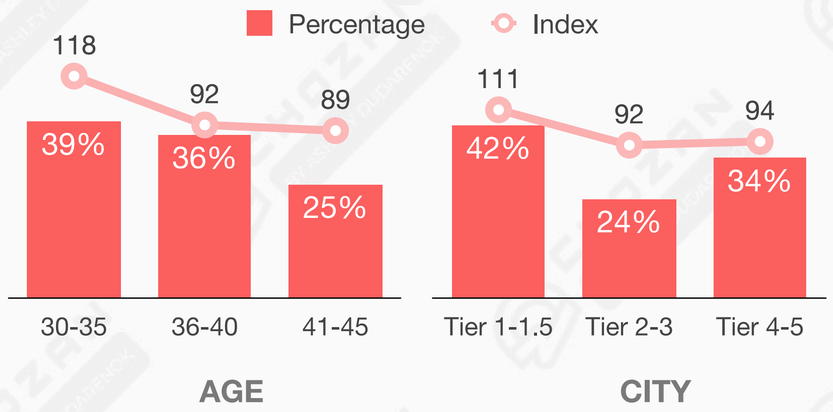
CONSUMER INSIGHTS

POWER WOMEN - SOPHISTICATED QUEENS

12,128 RMB
MONTHLY AVERAGE INCOME

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.

SOPHISTICATED QUEENS PORTRAIT



RECENT APPLIANCE PURCHASES BY SOPHISTICATED QUEENS

PERSONAL CARE APPLIANCES
Index 105 (83%)

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

HOUSEHOLD APPLIANCES
Index 106 (69%)

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

BEAUTY TECH APPLIANCES
Index 126 (54%)

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

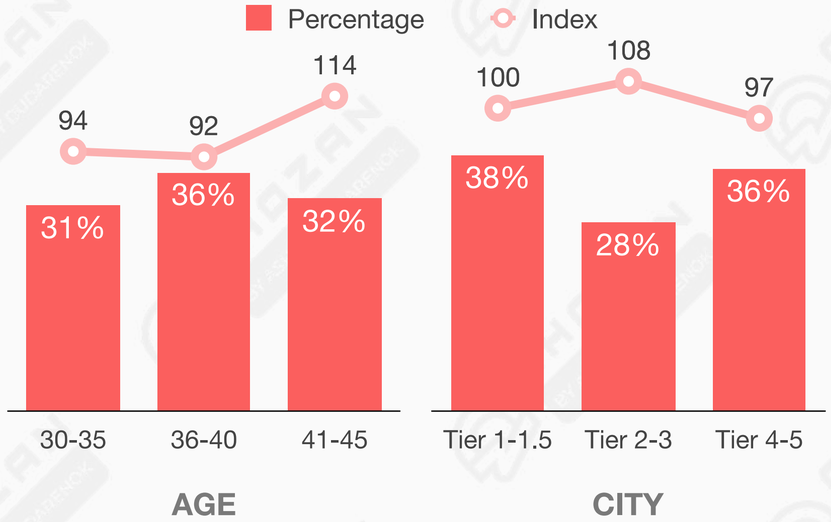
Source: Tencent Marketing Insights, 30+ Women Report

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	Index 95	Index 100	Index 100
24%	19%	9%	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	Index 95	Index 88
59%	38%	7%

Source: Tencent Marketing Insights, 30+ Women Report

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.

Source: The Luxury Conversation, China's 'Hot Mamas': Millennial Parents, The New Force in Luxury Spending

Photo: 上海图虫网络科技有限公司

EXPERT BITES

JACQUELINE CHAN
Project Director
at Alarice & ChoZan

Q: WHAT ARE SOME HOT CONSUMPTION TRENDS FOR SUPER MOMS RIGHT NOW?

Domestic brands are popular - mothers prefer them for baby products, clothes and toys, but in terms of baby food, imported brands are still more favored.

Variety shows and social media expert recommendations are well received.

Survey results show 82% of super moms willing to accept Internet marketing information. In addition, e-commerce site promotion, TV drama product placement and Wechat Moments advertising are choice channels for mother-infant products.

GOT A QUESTION? DROP JACQUELINE AN EMAIL BY SCANNING THE QR CODE

EXPERT BITES

DENISE SUN

Digital Marketing Intern
at Alarice & ChoZan

Q: WHAT MARKETING ADVICE CAN YOU GIVE BRANDS TARGETING SUPER MOMS?

The needs of modern super moms are becoming more and more subdivided. While pursuing brand and quality, they also wish to express their individuality and attitude towards life.

1. Brands to accurately identify mothers' parenting pain points and position products as professional solutions to help improve efficiency and quality of life.
2. Brands can promote by choosing the right KOL or create a community.
3. Designing product packaging and advertisements to be beautiful and exquisite and perhaps consider launching collaboratives series with artists.

GOT A QUESTION? DROP DENISE AN EMAIL BY SCANNING THE QR CODE

CONSUMER INSIGHTS

SUPER MOMS AND DADS - INTRODUCTION

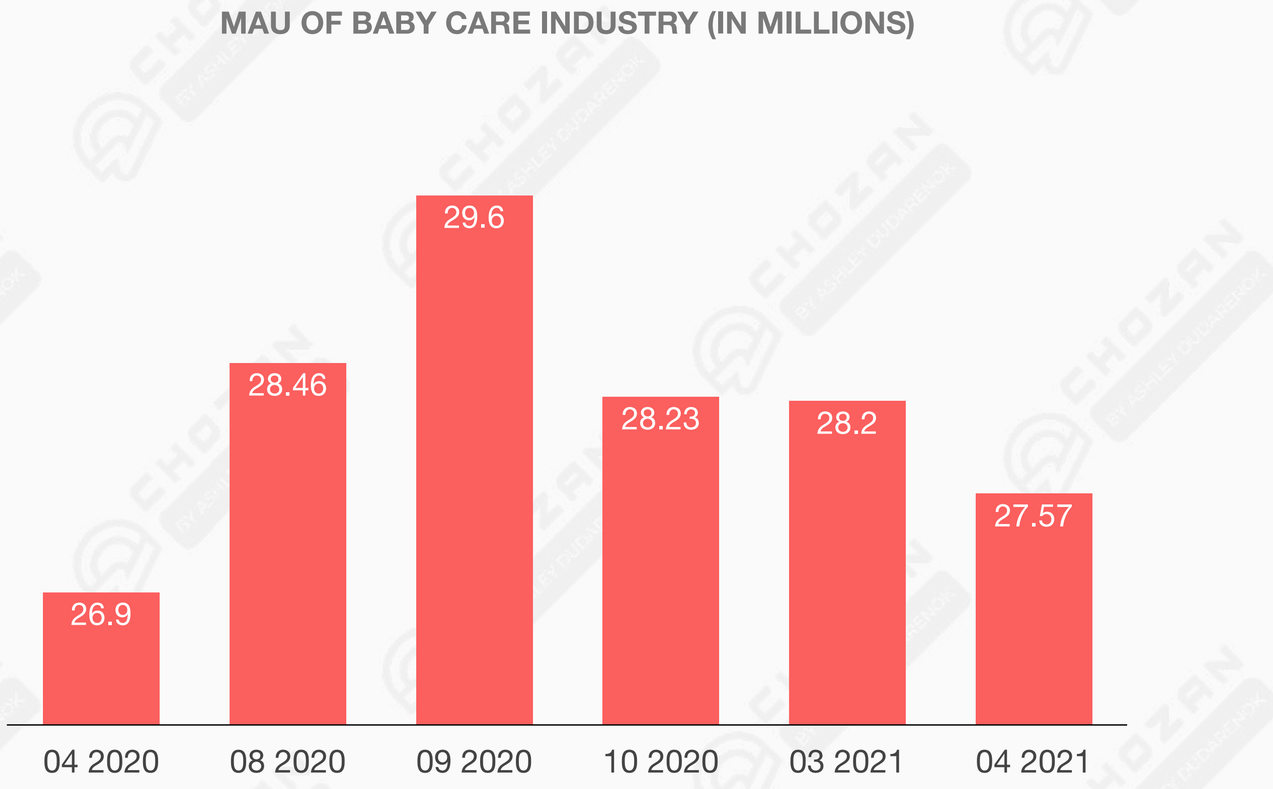
INTERESTING FACTS	SHOPPING ATTITUDES AND BEHAVIOURS	WHAT ARE THEY INTERESTED IN PURCHASING?
Parents aged 25-40 with kids aged 0-12 are one of the biggest groups of mobile internet users, with 300 million active users online. According to QuestMobile, in April, the average monthly time spent on the Internet by parents with kids aged 0-12 rose 13.1% YoY. 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.	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. 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.	1) Children's clothing 2) Food supplements 3) Educational products 4) High-tech wearable devices 5) Fitness-related products

Source: CBNData, 2020 Maternal and Child Industry White Paper

CONSUMER INSIGHTS

MIC APPS

The number of monthly active users within the MIC industry has been decreasing since last year.



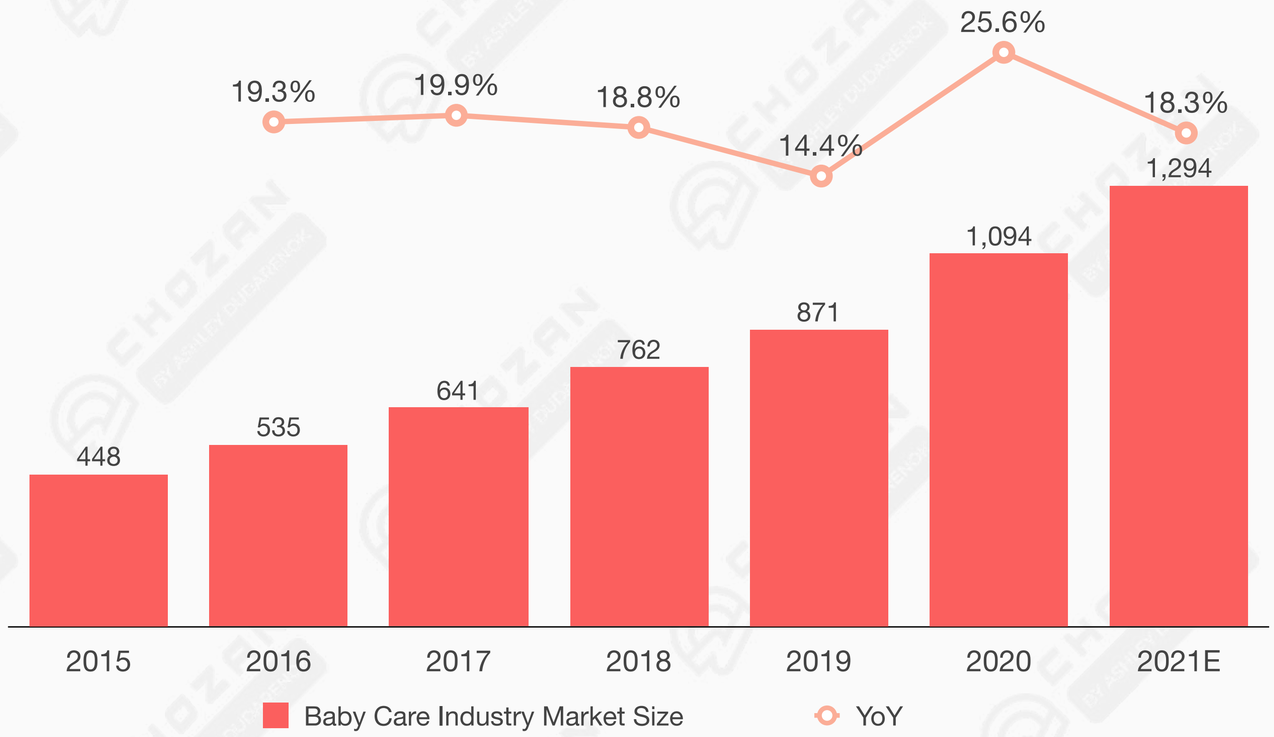
Source: CBNData

NEW CONSUMPTION

MOTHER AND BABY CARE INDUSTRY

The Chinese mother and baby care market size is growing.

MARKET SIZE OF THE BABY CARE INDUSTRY IN CHINA (RMB BILLIONS)

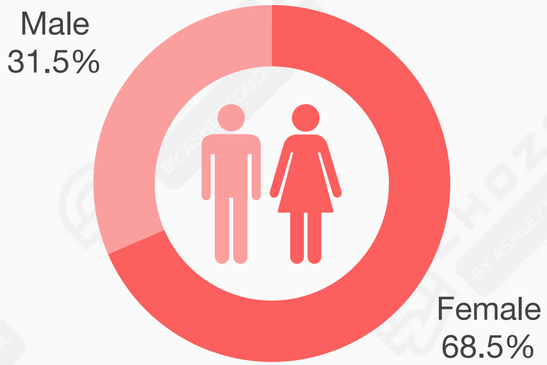


Source: MobTech

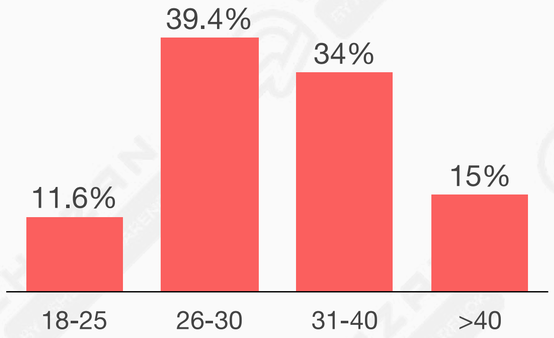
CONSUMER INSIGHTS

SUPER MOMS AND DADS - USER DEMOGRAPHICS

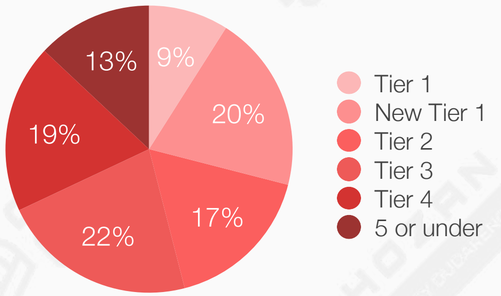
BY GENDER



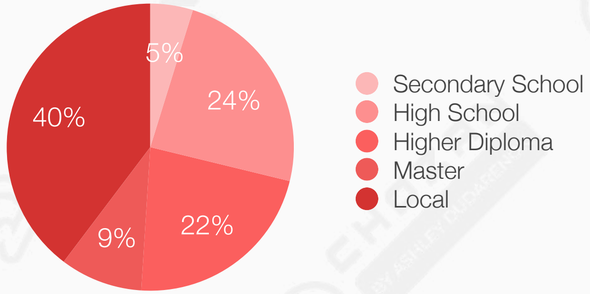
BY AGE



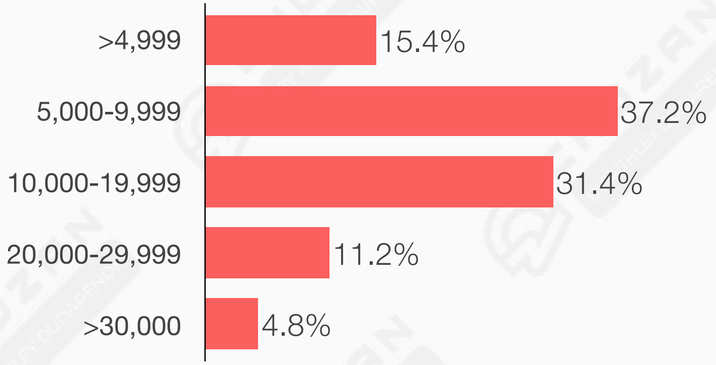
BY CITY TIER



BY EDUCATION



BY FAMILY INCOME (RMB)



Source: CBN Date

NEW CONSUMPTION

MOTHER AND BABY CARE INDUSTRY

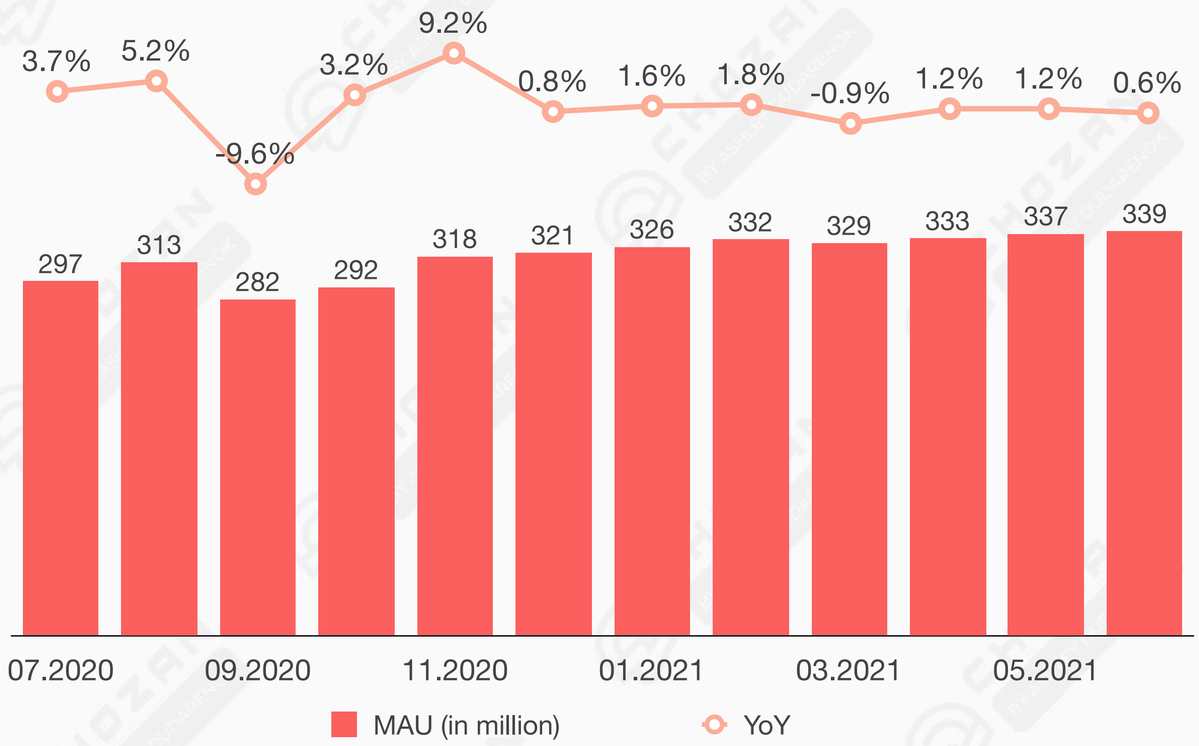
50.4%

OF THE BABY CARE MARKET WAS CONCENTRATED IN TIER 3 OR LOWER CITIES IN JUN 2020

53.5%

OF THE BABY CARE MARKET WAS CONCENTRATED IN TIER 3 OR LOWER CITIES IN JUN 2021

SCALE OF ACTIVE USERS IN BABY CARE INDUSTRY



Source: MobTech

CONSUMER INSIGHTS

SUPER MOMS AND DADS - HIGH POTENTIAL CONSUMERS

POTENTIAL CONSUMERS GROUP AMONG BABY CARE MARKET

90’S CONSUMERS

56% OF THE WHOLE BABY CARE MARKET

LOWER TIERS CITIES YOUTH

227 MILLION, OVER 3 TIMES OF 1 & 2 TIERS CITIES

SECOND BABY FAMILY

>57% OF FIRST BABY FAMILY IN 2019

Source: iResearch, 2021 Maternal and Child Industry Report

CONSUMER INSIGHTS

MIC APPS

MAIN REASONS WHY PEOPLE USE BABY CARE APPS

47%
OBTAIN SCIENTIFIC AND PROFESSIONAL KNOWLEDGE

44%
COMMUNICATE WITH SIMILAR FAMILIES

39%
RECORD PHOTOS OF BABY'S GROWTH

AREAS OF DISSATISFACTION FOR USERS

40%
TOO MUCH ADVERTISING WHILE USING APP

27%
AUTHENTICITY OF CONTENTS

22%
TIMELINESS AND CONVENIENCE OF REACHING THE INFORMATION

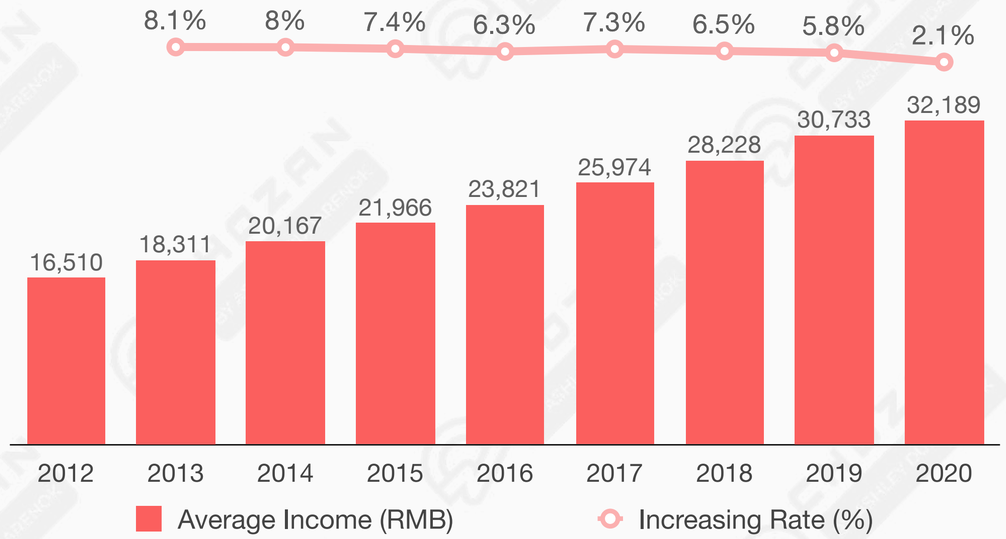
Source: CBNData

CONSUMER INSIGHTS

SUPER MOMS AND DADS - QUALITY FOCUS

They care about the **quality of baby supplies** more than the **price** of the product.

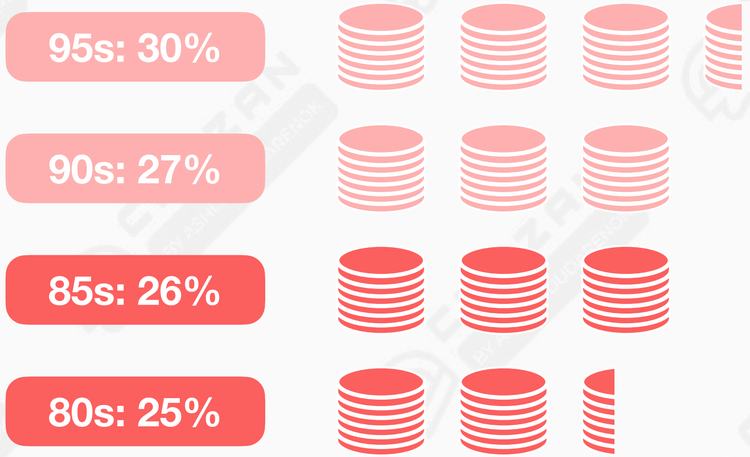
AVERAGE INCOME OF CHINESE PEOPLE FROM 2012-2020



MONTHLY OUTCOME PER EACH FAMILY INCOME

3,456 RMB
SPENDING AMOUNT PER MONTH

26%
OF FAMILY INCOME



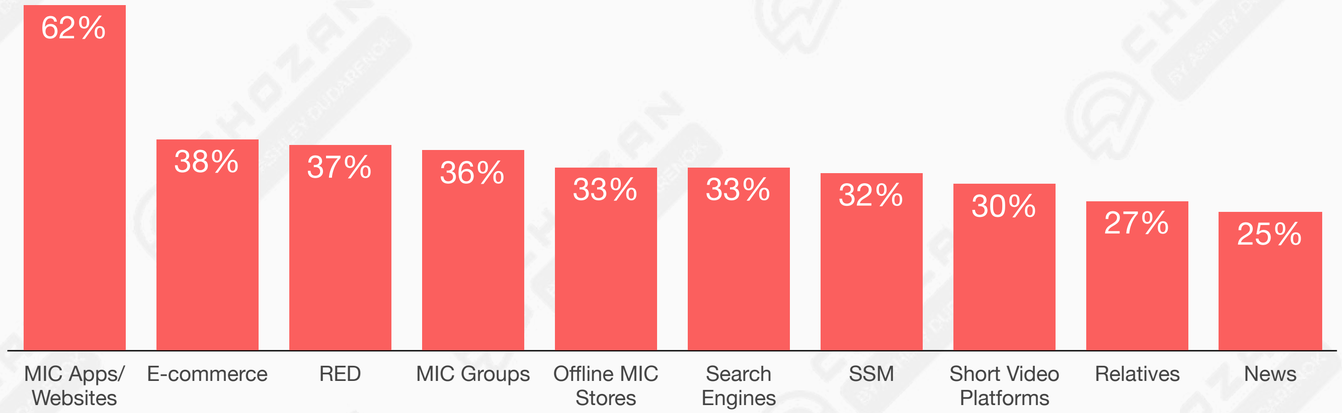
Source: iResearch, 2021 Maternal and Child Industry Report

CONSUMER INSIGHTS

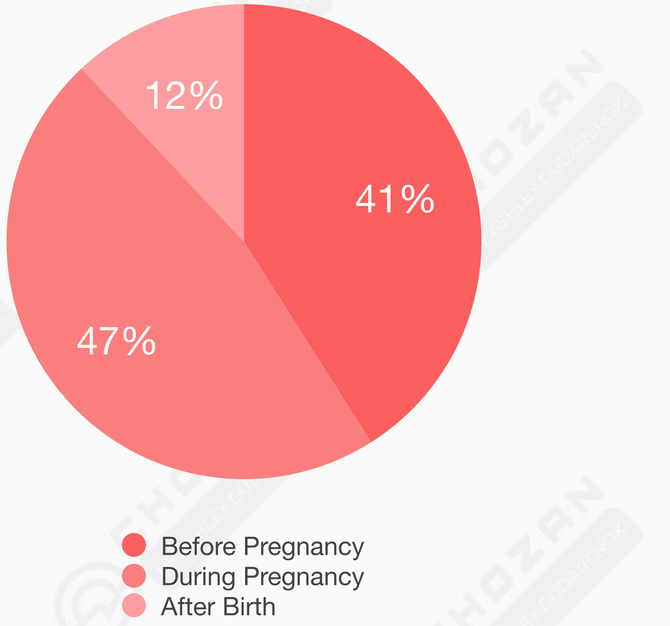
SUPER MOMS AND DADS - EDUCATION

MIC group consumers will start to educated themselves about parenting during pregnancy through MIC apps or websites.

WHERE MIC GROUP LOOK FOR PARENTING INFORMATION



WHEN MIC GROUP START LEARNING ABOUT PARENTING



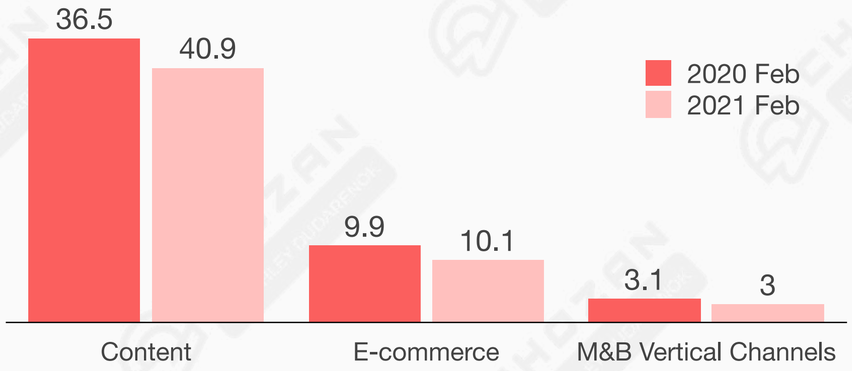
Source: iResearch, 2021 Maternal and Child Industry Report

CONSUMER INSIGHTS

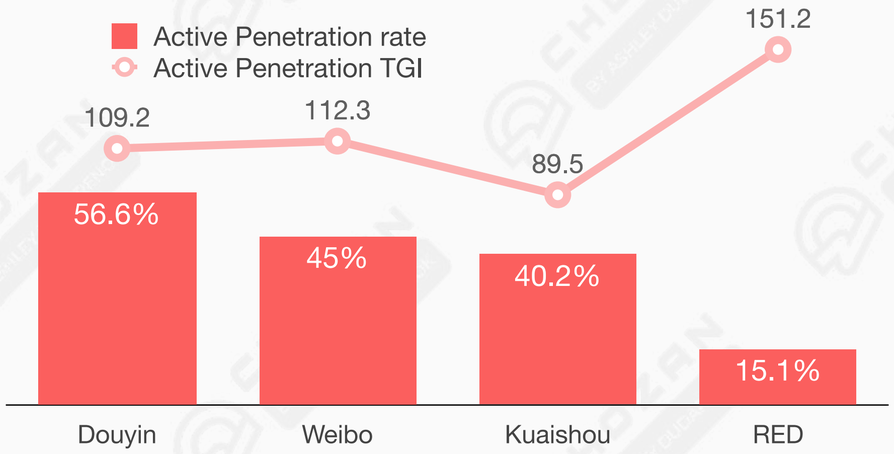
SUPER MOMS AND DADS - CONTENT PLATFORMS

Content platforms, especially Douyin, are most popular among the MIC group. They spend more than 40 hours per month - 400% more than other on platforms.

MIC GROUP CONSUMERS MOST USED PLATFORM CATEGORIES (HOURS PER MONTH)



MIC GROUP CONTENT PLATFORM PENETRATION RATE, FEB 2021



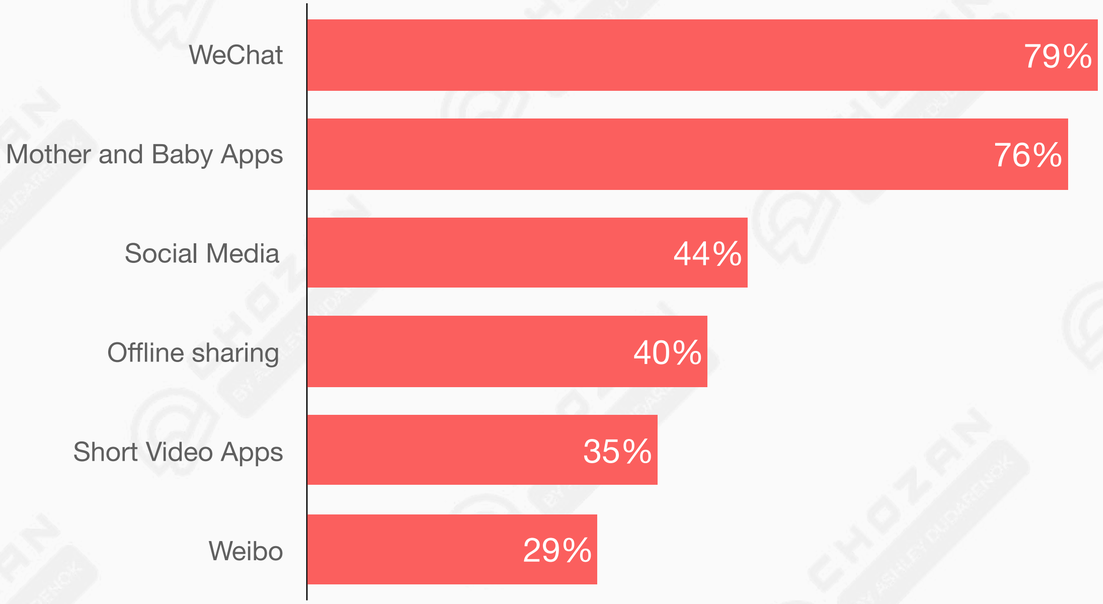
Source: Quest Mobile, 2021 Maternal and Child Industry Report

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

64%
PREGNANCY EXPERIENCE SHARING

60%
SHARING FEELINGS

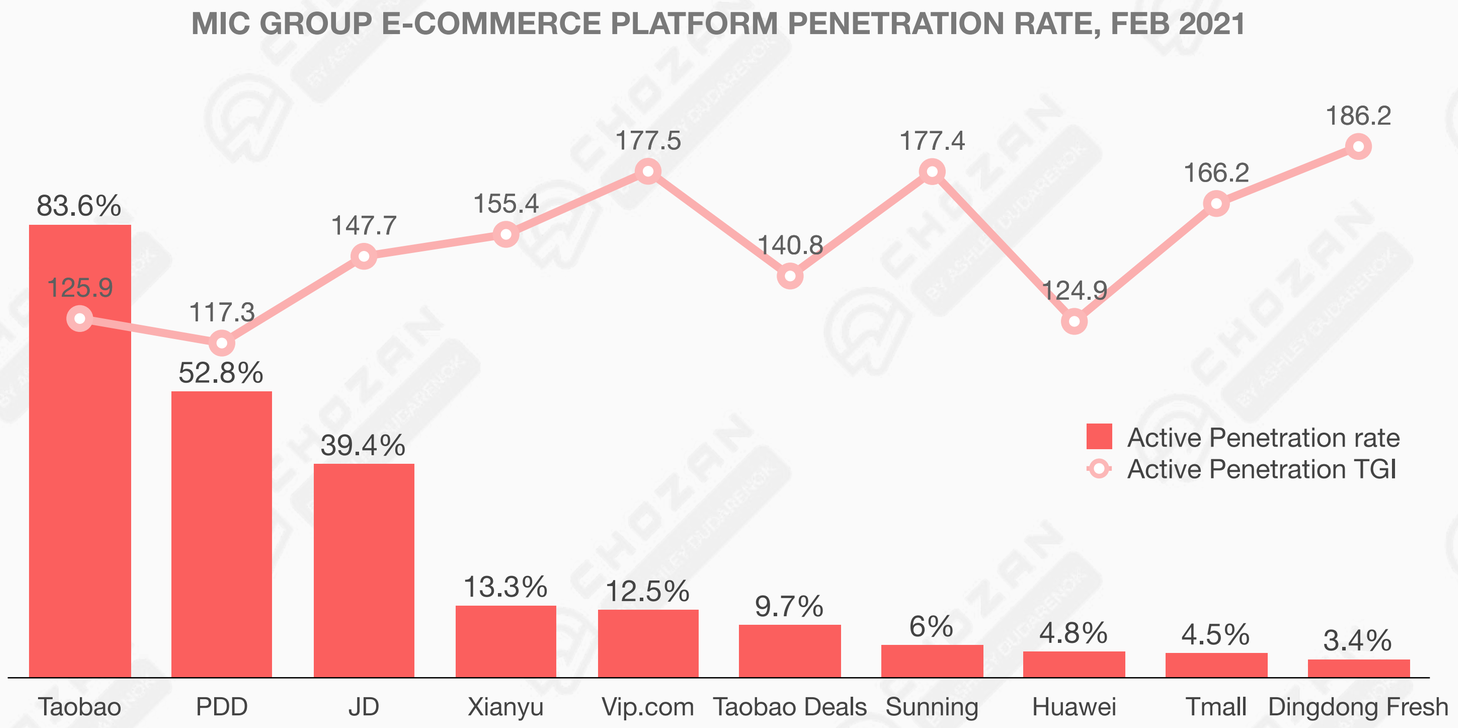
57%
"SHARENTING"

Source: iResearch, 2020 ChinaInternet Maternal and Child New Generation Research

CONSUMER INSIGHTS

SUPER MOMS AND DADS - PLATFORM PENETRATION

Taobao has the highest penetration rate among all other e-commerce platforms, followed by Pinduoduo and JD.

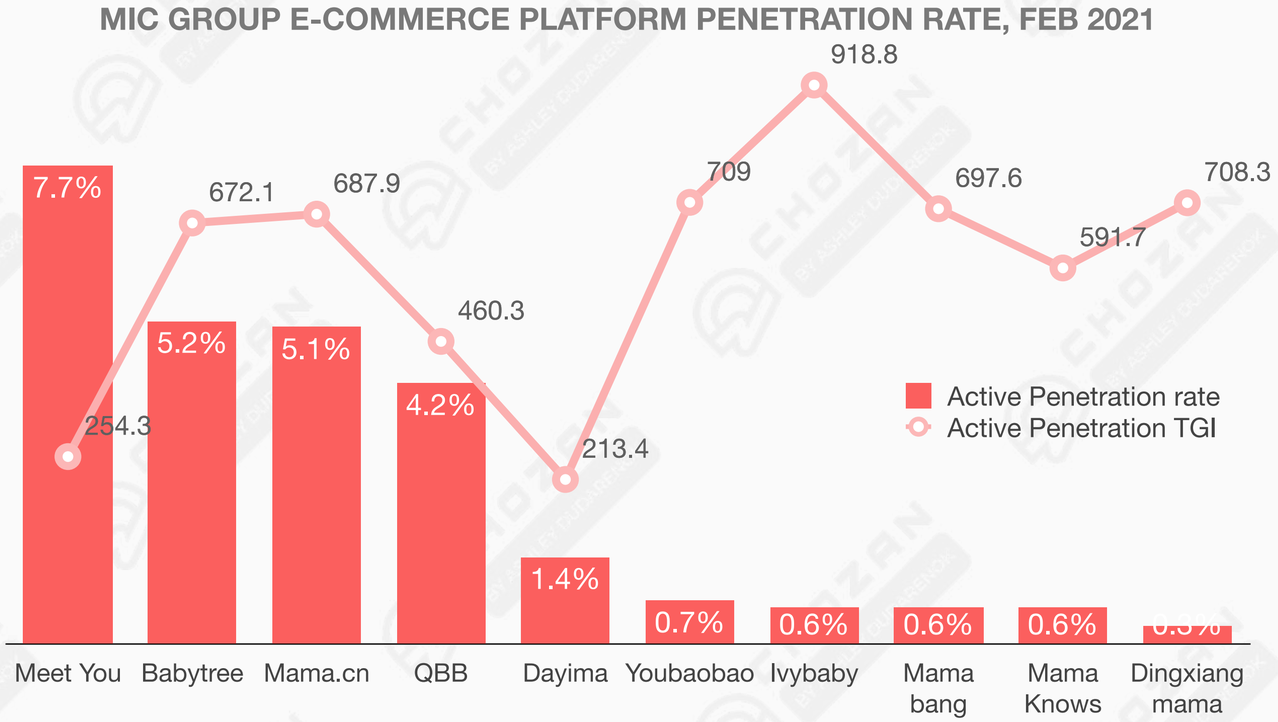


Source: Quest Mobile, 2021 Maternal and Child Industry Report

CONSUMER INSIGHTS

SUPER MOMS AND DADS - PLATFORM PENETRATION

Meet You (美柚) app is most popular among all MIC e-commerce platforms with a 7.7% penetration rate.



Source: Quest Mobile, 2021 Maternal and Child Industry Report

CONSUMER INSIGHTS

SUPER MOMS - E-COMMERCE

Horizontal E-commerce

Vertical E-commerce

Brand E-commerce

Content E-commerce

O2O E-commerce

Social E-commerce

Source: CBNData, 2020 Maternal and Child Industry White Paper

EXPERT BITES

Q: WHAT'S YOUR MARKETING RECOMMENDATION FOR THE MATERNITY INDUSTRY IN CHINA RIGHT NOW?

Brands in maternal categories often compete on scientific formulation and ingredient claims or by positioning their product as a 'must-have' to be a perfect mother. Yet, trying to decipher confusing science and feeling 'less than' cause mums further anxiety at an already stressful time. What's more, mothers often switch brands trying to ensure their baby gets all the advertised benefits.

Instead of causing anxiety, brands need to **show empathy** to new mothers in order to stand out and stay close to them across the 1000+ days of pregnancy and infancy. Marketers should deeply understand the highs and lows of motherhood and find brand- and product-adjacent ways to genuinely solve mum's needs. Using data and creativity to create branded experiences that truly educate, inspire, and engage is ever more crucial to winning over the shrinking pool of Chinese mothers.

MEHA VERGHESE

Growth and Innovation Lead at MediaCom China

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 lifesyles and communities that include socializing and accessorising. Additionally, pet owners are willing to pay for quality products.

Photo: 上海图虫网络科技有限公司

EXPERT BITES

WENDY CHEN
Sr. Marketing Manager
at Alarice & ChoZan

Q: WHAT ARE SOME EMERGING CONSUMER GROUPS YOU SEE RIGHT NOW?

Pet consumers. At the recent 618 shopping festival, sales of smart pet devices went crazy. Tmall's 618 pet products' sales surged by more than 1300%. As per the report "Companion of Pets in the Flowing Era -- Online Consumption Trends and Marketing Insight of the Cat and Dog Pet Industry" released by Tmall and AliMama, cat and dog pet offerings' online market scale will exceed 30 billion yuan in 2020, with a year-on-year growth of 35%. Pet owners are demanding more on top of tending to their own pets - they are looking for pet related content for their own viewing pleasure and for the sustenance of a group of cute pet bloggers and KOLs. In Kuaishou alone, pet merchants represented increased by 157% between September 2019 and April 2020, with more than 1.4 million transactions per month.

GOT A QUESTION? DROP WENDY AN EMAIL BY SCANNING THE QR CODE

EXPERT BITES

STELLA ZHAN
Social Media Marketing Manager
at Alarice & ChoZan

Q: WHAT MARKETING ADVICE CAN YOU GIVE BRANDS TARGETING PET LOVERS?

Brands can invite pet celebrities for endorsement or create a pet image which brands can use for content marketing like livestreaming and videos. Pet lovers enjoy the mental comfort in watching pets, so goodwill towards the brand will be enhanced.

In addition, brands can collaborate with adorable pet related IP and even launch product derivatives with pet assets to grab pet lovers' attention. Examples like Starbucks' cat-paw cup and Disney cartoon characters' collaborative products successfully gain popularity among pet lovers.

Brands can study pet owners' elaborate and personalized needs to define demands for services like custom pet photo portraits or products like pet raincoats.

GOT A QUESTION? DROP STELLA AN EMAIL BY SCANNING THE QR CODE

CONSUMER INSIGHTS

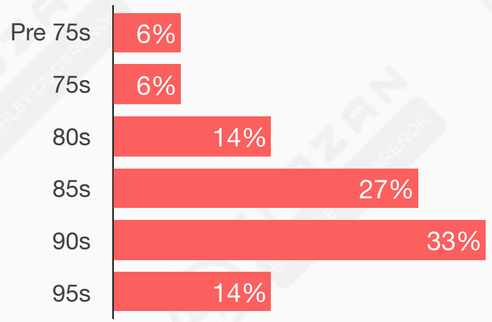
PET LOVERS - INTRODUCTION

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.

CONSUMER INSIGHTS

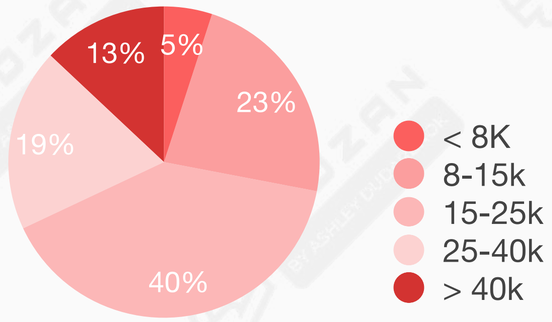
PET OWNERS DEMOGRAPHICS

BY AGE

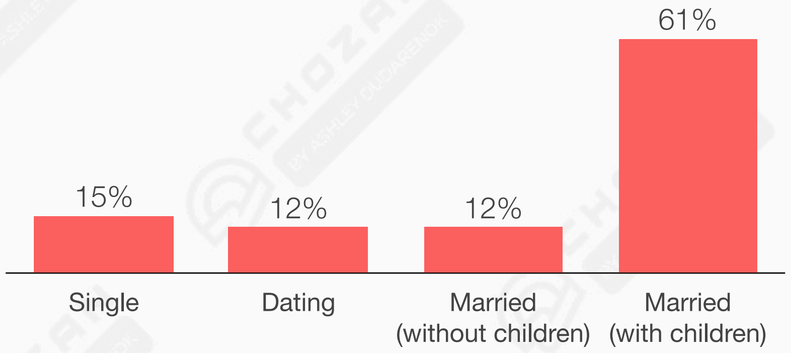


BY GENDER

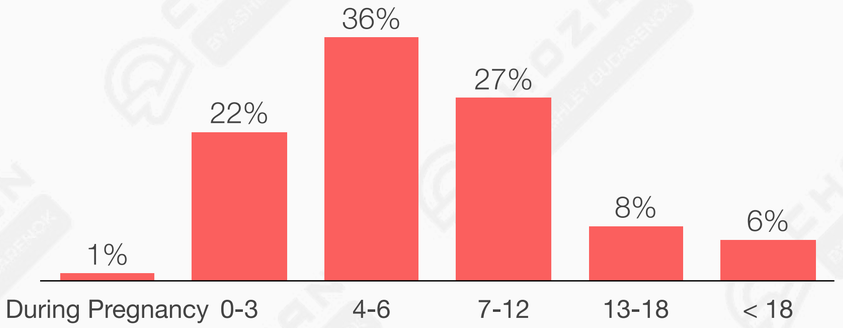
BY INCOME (RMB)



BY RELATIONSHIP STATUS



BY CHILD AGE



Source: iResearch

CONSUMER INSIGHTS

PET LOVERS - PET OWNERS AND LOOKING FORWARD

100 MILLION

SINGLE PEOPLE IN 2021, YOY 8.3%

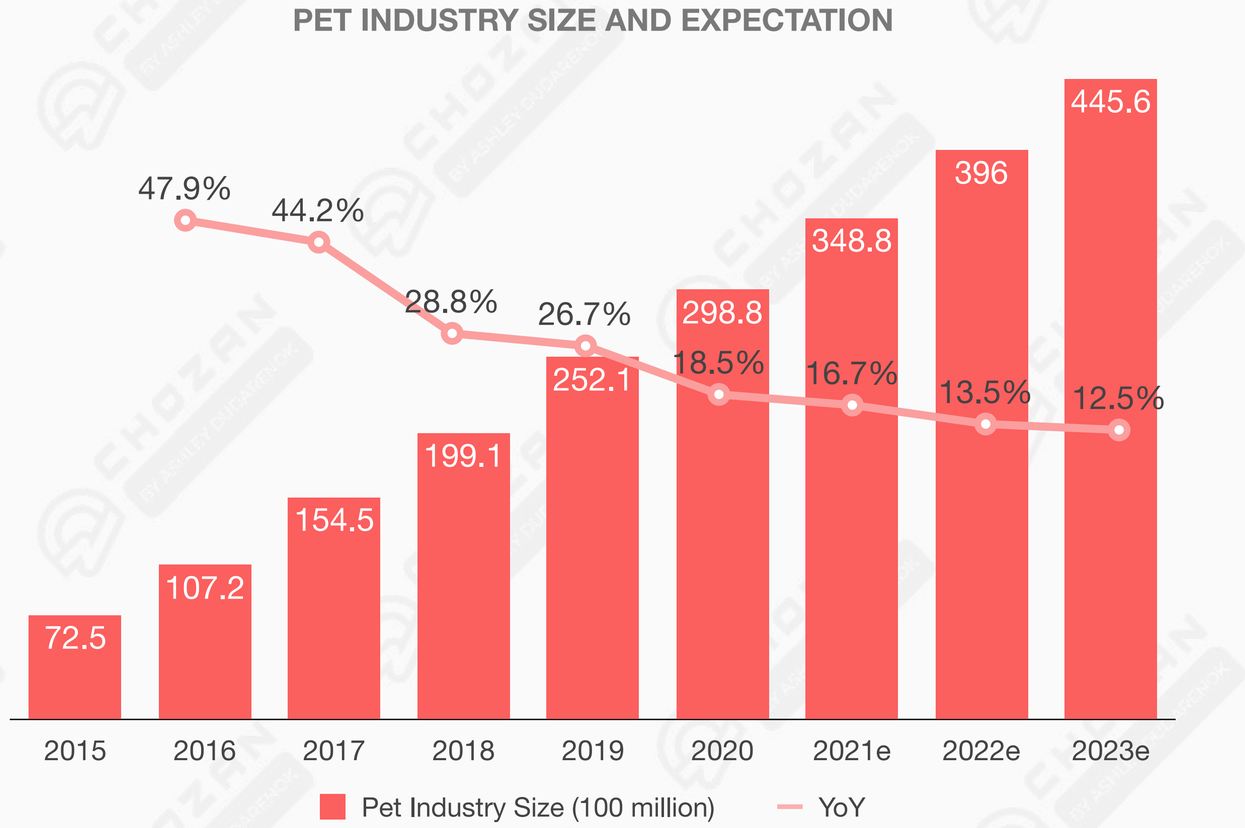
62.9 MILLION

PET OWNERS IN 2020 (DOGS & CATS)

CONSUMER INSIGHTS

PET LOVERS

The pet industry in China is growing and is expected to reach 445.6 billion RMB in 2023.

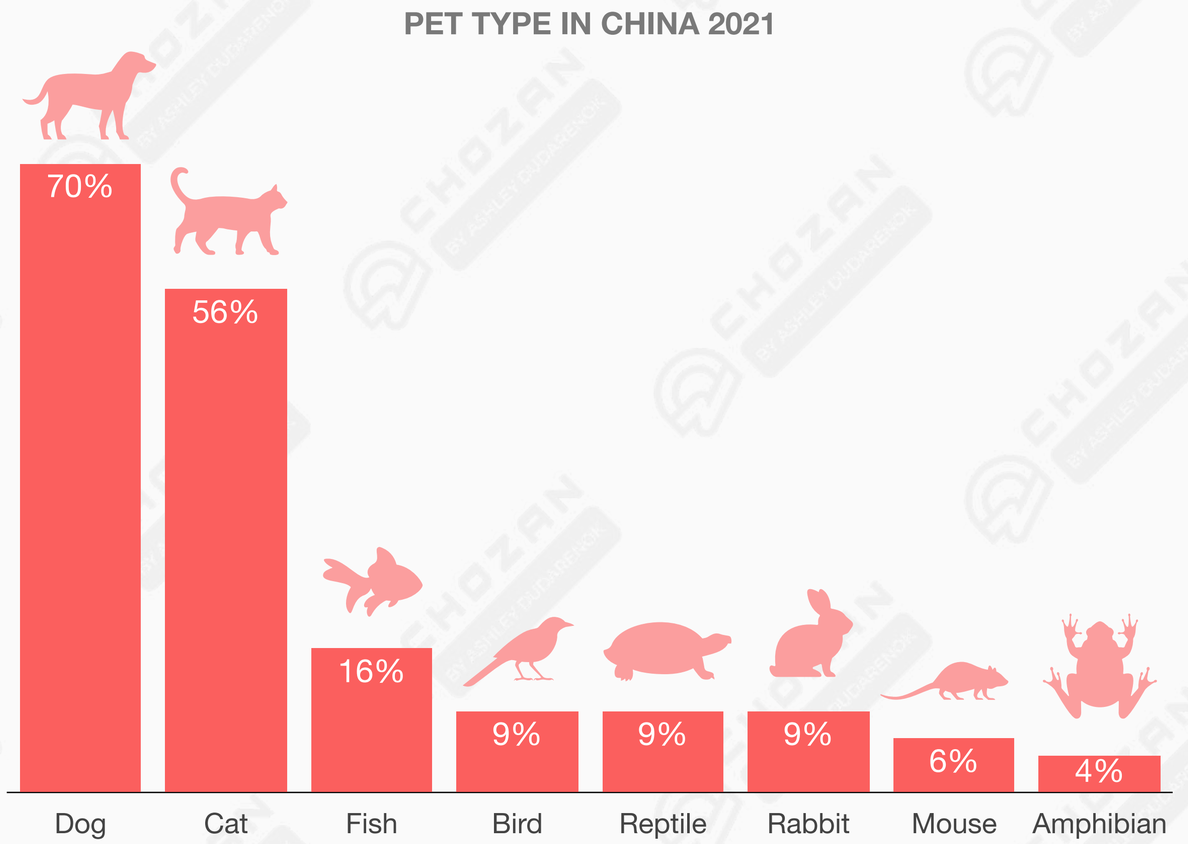


Source: iResearch

CONSUMER INSIGHTS

TYPE OF PETS

The most popular type of pets in China are dogs and cats.

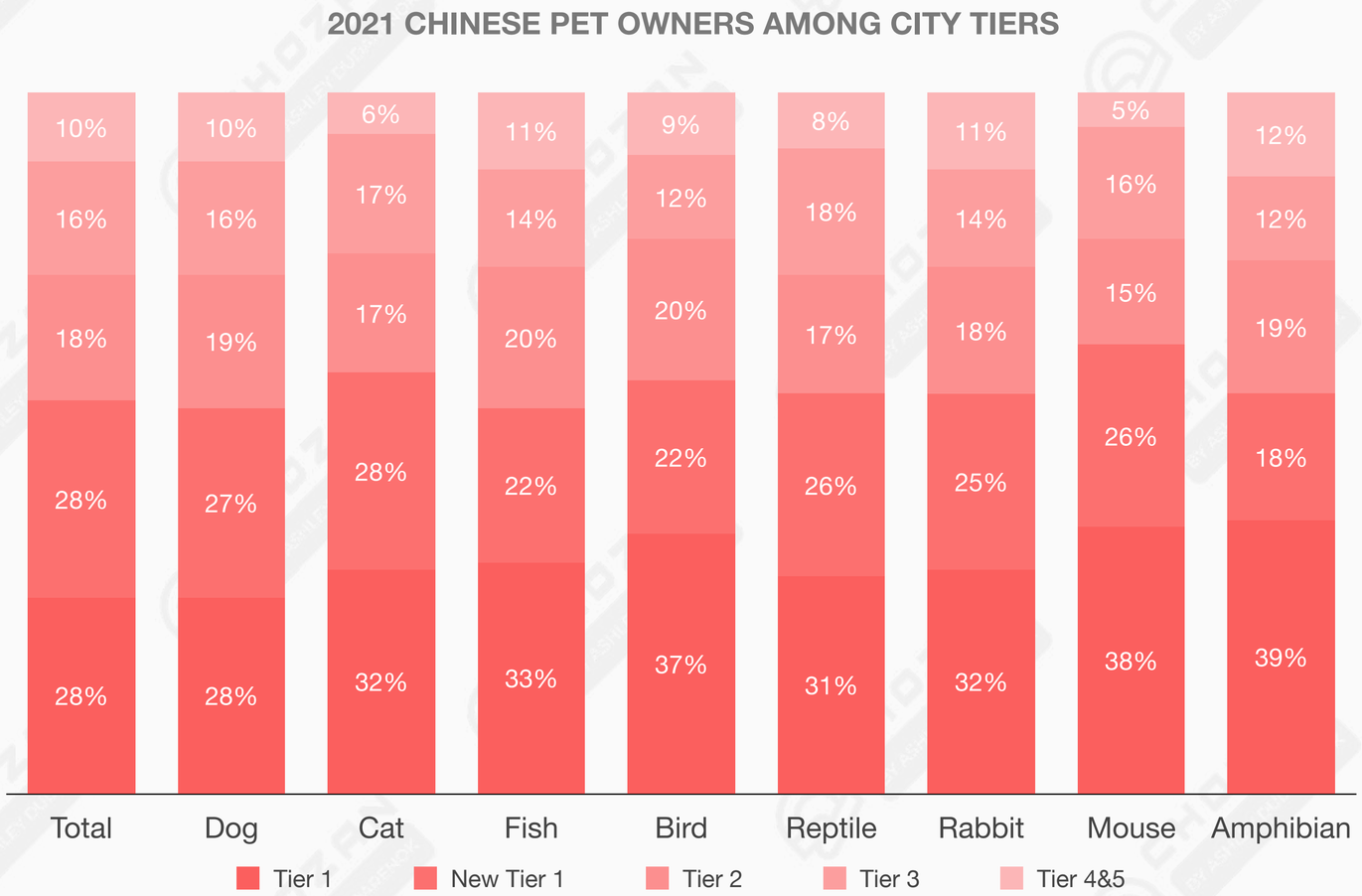


Source: iResearch

CONSUMER INSIGHTS

CITY DISTRIBUTION OF PET OWNERS

Most pet owners are located in higher-tier cities.



Source: iResearch

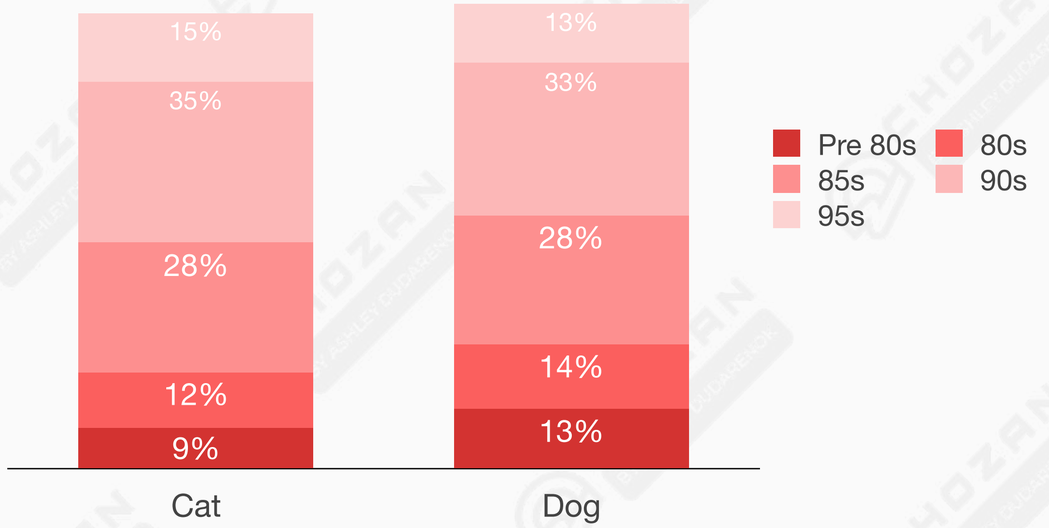
CONSUMER INSIGHTS

DOG AND CAT OWNERS

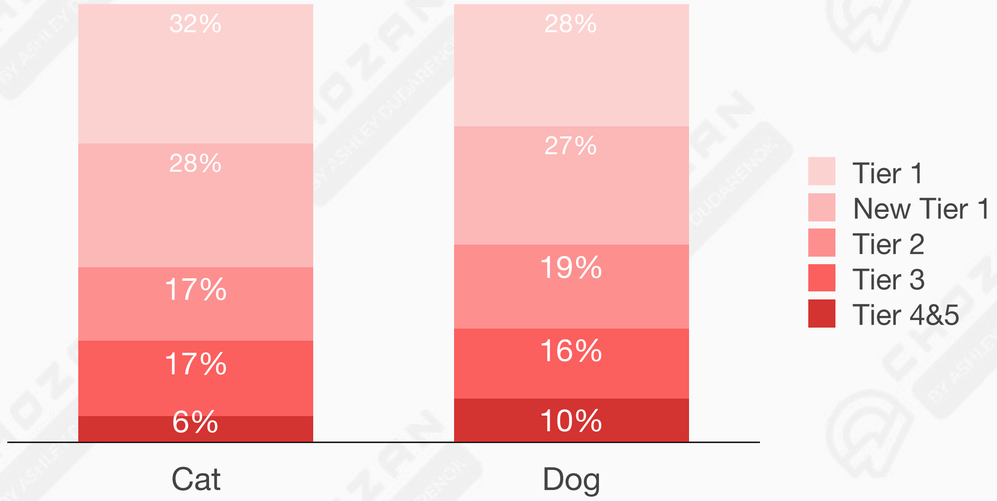
	CAT	DOG
FEMALE	64%	59%
MALE	36%	41%
SINGLE	28%	23%
MARRIED (WITHOUT CHILDREN)	11%	11%
MARRIED (WITH CHILDREN)	61%	65%

Source: iResearch

BY AGE GROUP



BY TIER CITIES



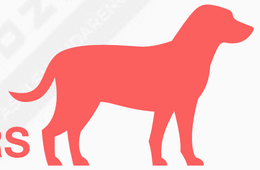
CONSUMER INSIGHTS

CAT AND DOG OWNERS

E-COMMERCE CONSUMER DEMOGRAPHICS: **CAT OWNERS VS DOG OWNERS**

CAT OWNERS

DEMOGRAPHIC	PERCENTAGE	TGI
Female	56%	115
Age 16-25	24%	124
Postgraduate	12%	119
Middle/ High Income	83%	108



DOG OWNERS

DEMOGRAPHIC	PERCENTAGE	TGI
Female	55%	111
Age 46-55	12%	107
Postgraduate	12%	122
Middle/ High Income	82%	108

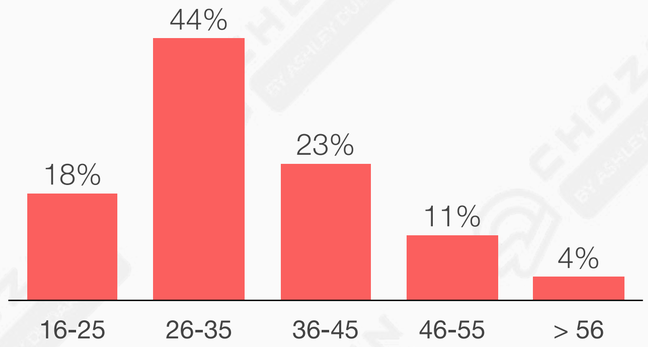
Source: iResearch

CONSUMER INSIGHTS

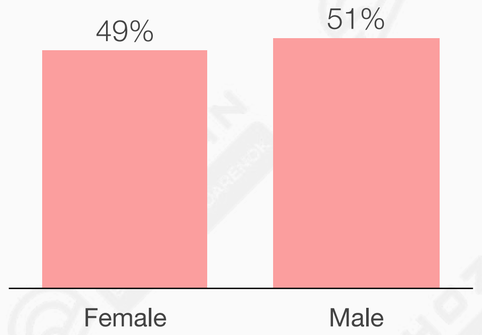
PET OWNERS - JD.COM CONSUMER DEMOGRAPHICS

JD.com pet consumers are young. More than 67% of them have a degree and most are of mid-level spending power.

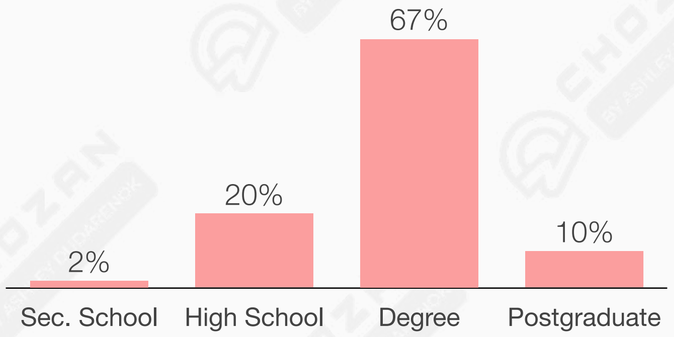
BY AGE



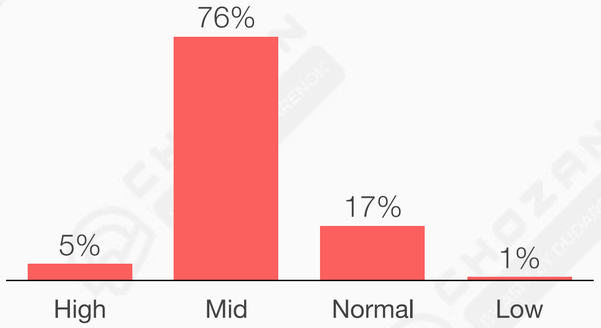
BY GENDER



BY EDUCATION



BY SPENDING POWER



Source: iResearch

FORWARD LOOKING

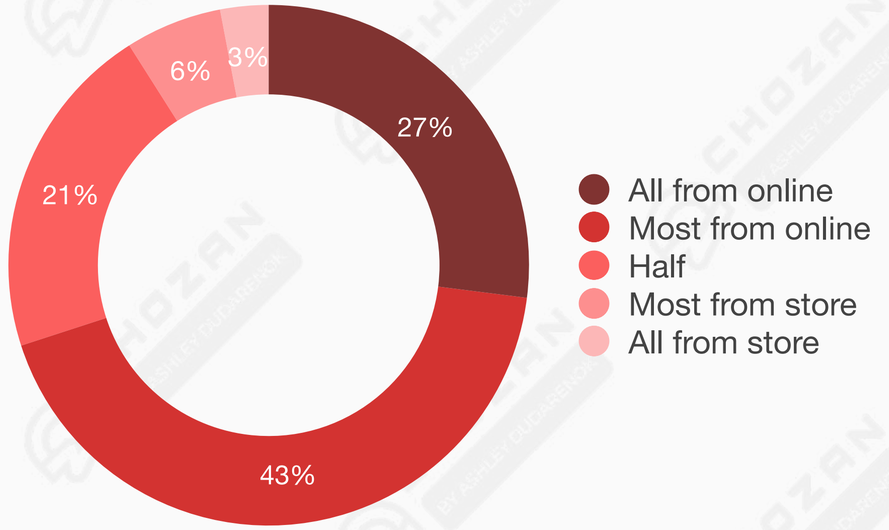
LIVE-STREAMING

Pet food sales are increasing. More than 40% of pet owners prefer to purchase pet food online.

50% (YoY +45%)

STAPLE PET FOOD SALES ON JD.COM

PET FOOD PURCHASING PLATFORM 2021



Source: iResearch

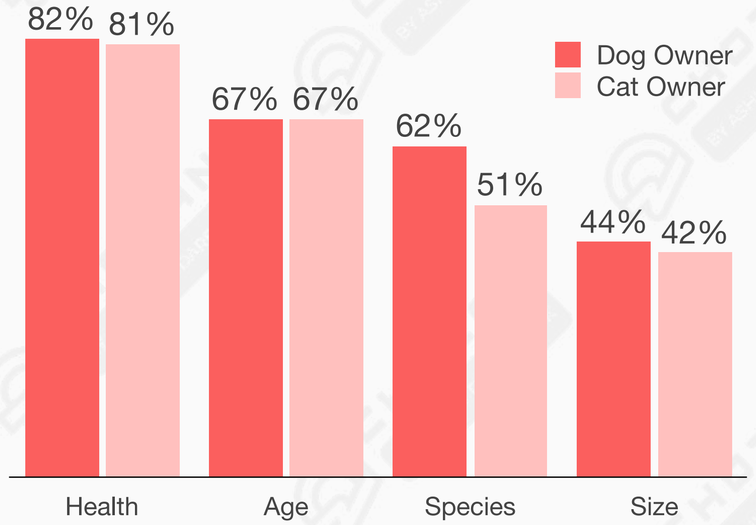
CONSUMER INSIGHTS

PET OWNERS CONSUMPTION UPGRADE

Chinese pet owners are upgrading their consumption for pets. More than 98% of pet owners will purchase custom pet food for their pets.

WILL CHINESE PET OWNERS BUY CUSTOM MADE PET FOOD?

IMPORTANT FACTORS WHEN SELECTING CUSTOM PET FOOD



Source: CBNData

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.

Source: China Labour Bulletin, Employment and Wages

Photo: Freepik

EXPERT BITES

SYCA JIANG

Marketing Executive
at Alarice & ChoZan

Q: WHAT MARKETING ADVICE CAN YOU GIVE BRANDS TARGETING LOWER-TIER CITIES CONSUMERS?

Keep an eye on communication platforms and approaches. Compared with first- and second-tier consumers, consumers in the lower cities are more likely to make purchases due to blogger recommendations and IP co-branding.

According to research conducted by Taobao and Tmall, the proportion of young people in third- and fourth-tier cities who are recommended to buy a snack by their favorite bloggers through short videos buy more than twice the amount of the same product as their first- and second-tier cities' counterparts.

GOT A QUESTION? DROP SYCA AN EMAIL BY SCANNING THE QR CODE

EXPERT BITES

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GOT A QUESTION? DROP SYCA AN EMAIL BY SCANNING THE QR CODE

CONSUMER INSIGHTS

LOWER TIER CITY YOUNG PEOPLE - INTRODUCTION

INTERESTING FACTS	SHOPPING ATTITUDES AND BEHAVIOURS	WHAT ARE THEY INTERESTED IN PURCHASING?
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.	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.	1. Entertainment products 2. Real estate 3. Cars 4. Products from short video platforms

Source: Ruder Finn

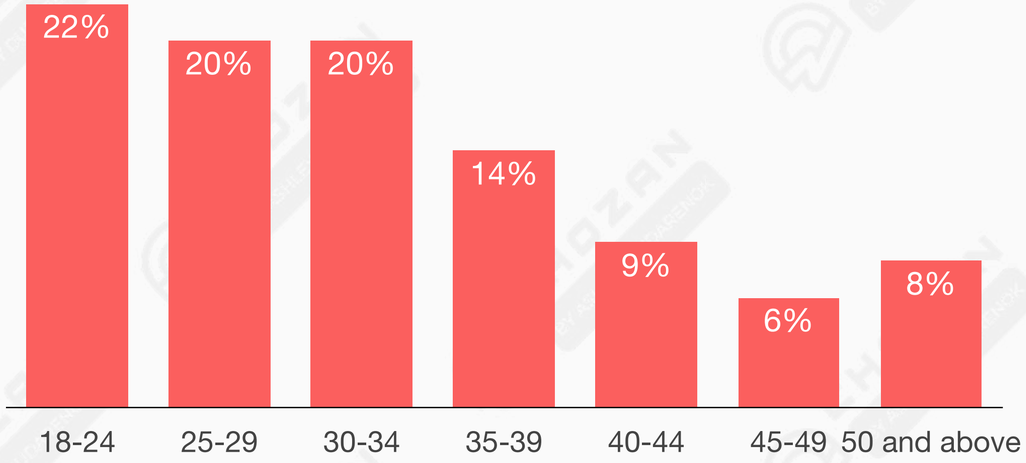
CONSUMER INSIGHTS

LOCATION AND AGE

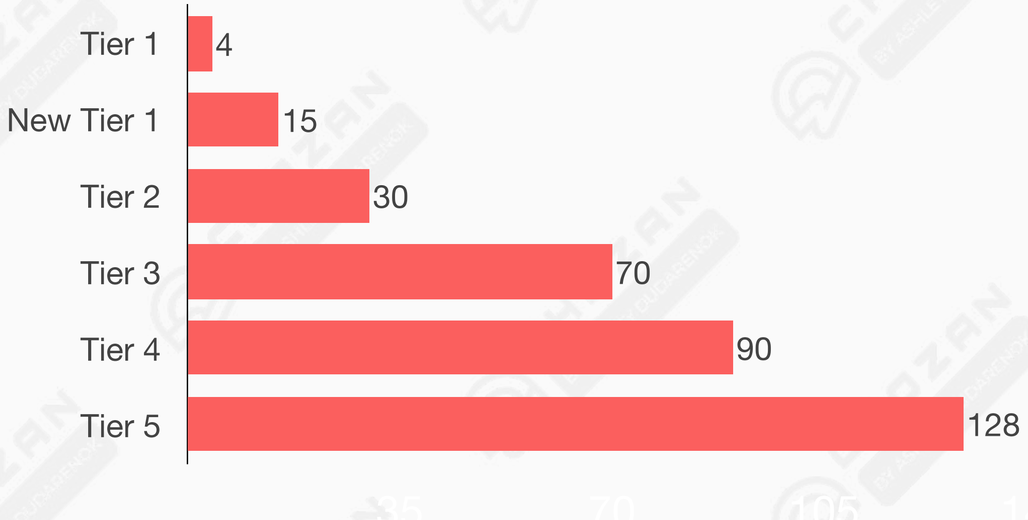
Lower tier city residents represent almost three quarters of the population and over half of them are aged 34 and under.

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

LOWER TIER CITIES AGE DISTRIBUTION %



NUMBER OF CITIES IN DIFFERENT TIERS



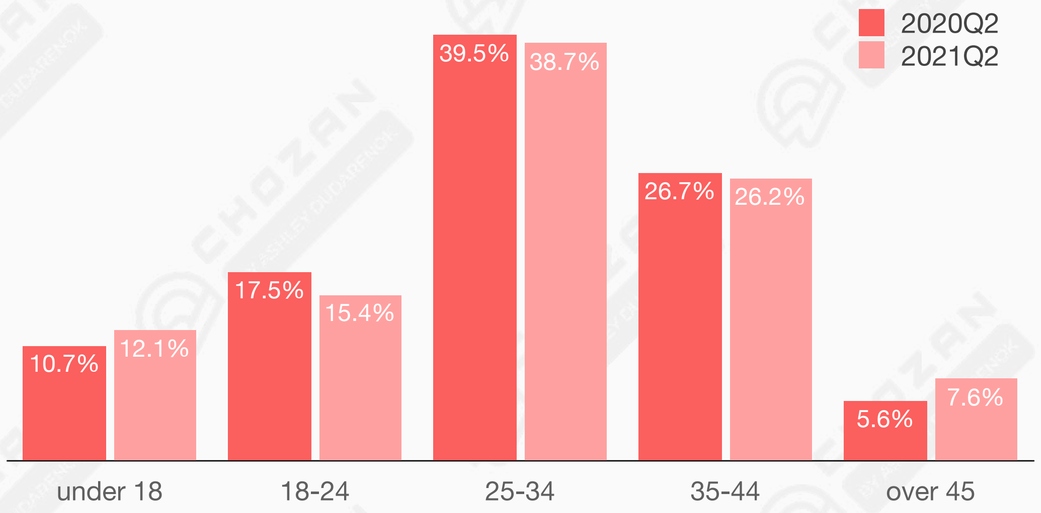
Source: Ebrun Report, TalkingData Report

CONSUMER INSIGHTS

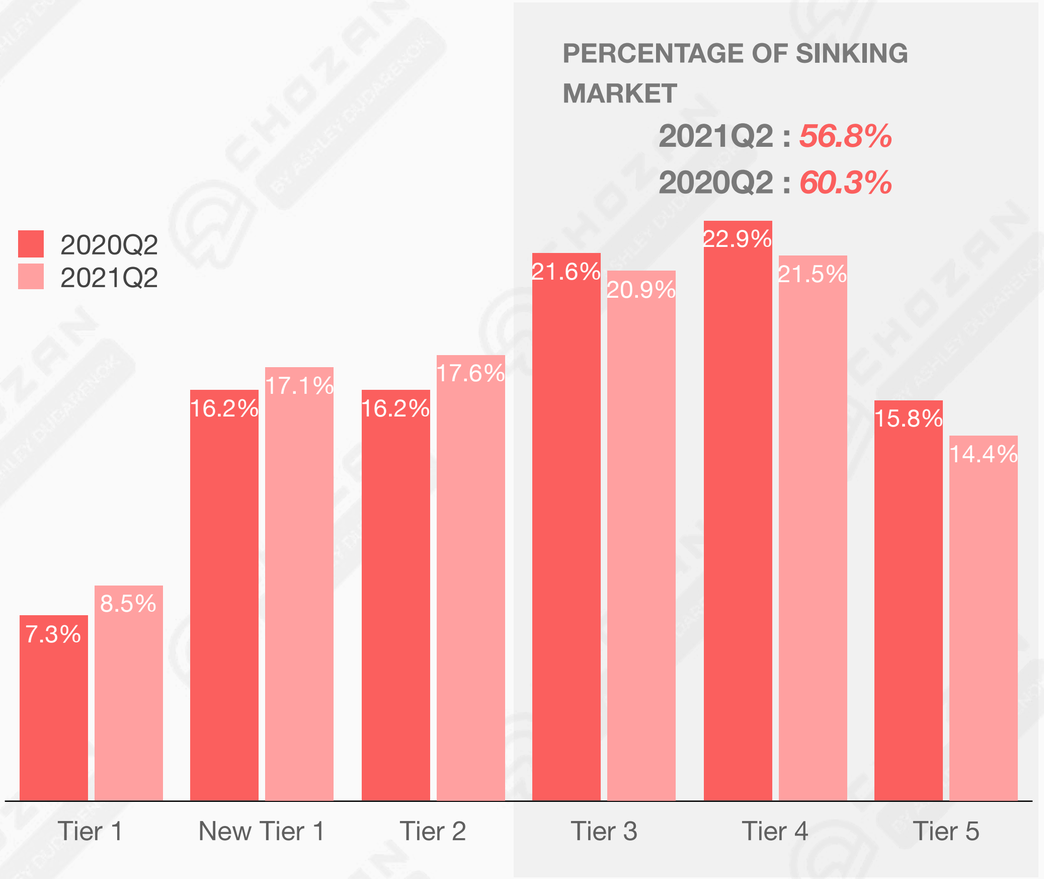
USER PORTRAITS

Young and silver-haired consumers have increased compared to 2020 Q2. The Xiachen market is still leading, making up 56.8% of monthly internet users.

CHINESE INTERNET MAU AMONG AGE, JUN 2021



CHINESE INTERNET MAU BY CITY TIER, JUN 2021



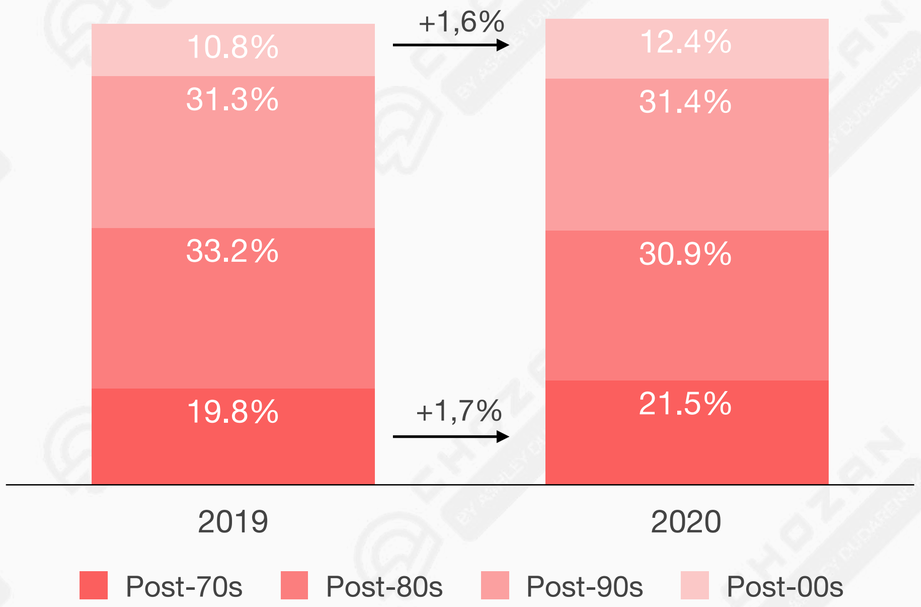
Source: MOB Data

CONSUMER INSIGHTS

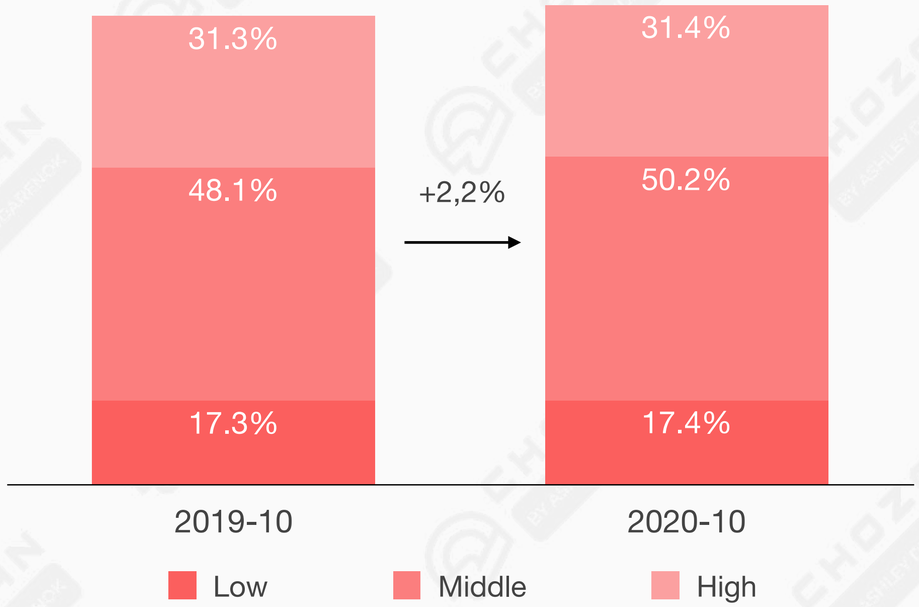
LOWER TIER CITY YOUNG PEOPLE - INTRODUCTION

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

AGE GROUP DISTRIBUTION



ONLINE SPENDING WILLINGNESS

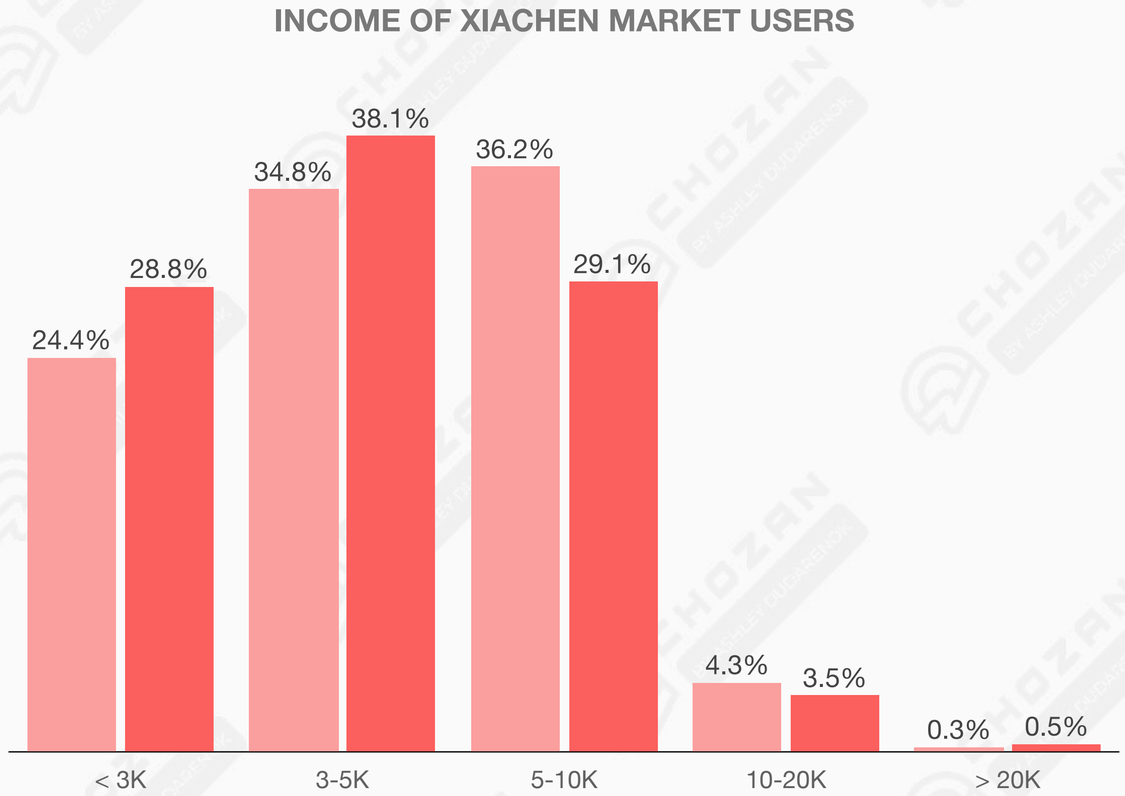


Source: Questmobile, 2020 sinking marketing insight report

MARKET INSIGHTS

INCOME

As of 2020, the highest proportion of lower tier city consumers earn between 3000-5000 RMB a month. Whilst the number of people earning between 5000 and 20,000 RMB in 2020 decreased from the year before, the number of those earning less than 5000 RMB increased. This has been attributed to the rising number of young people in lower tier cities.

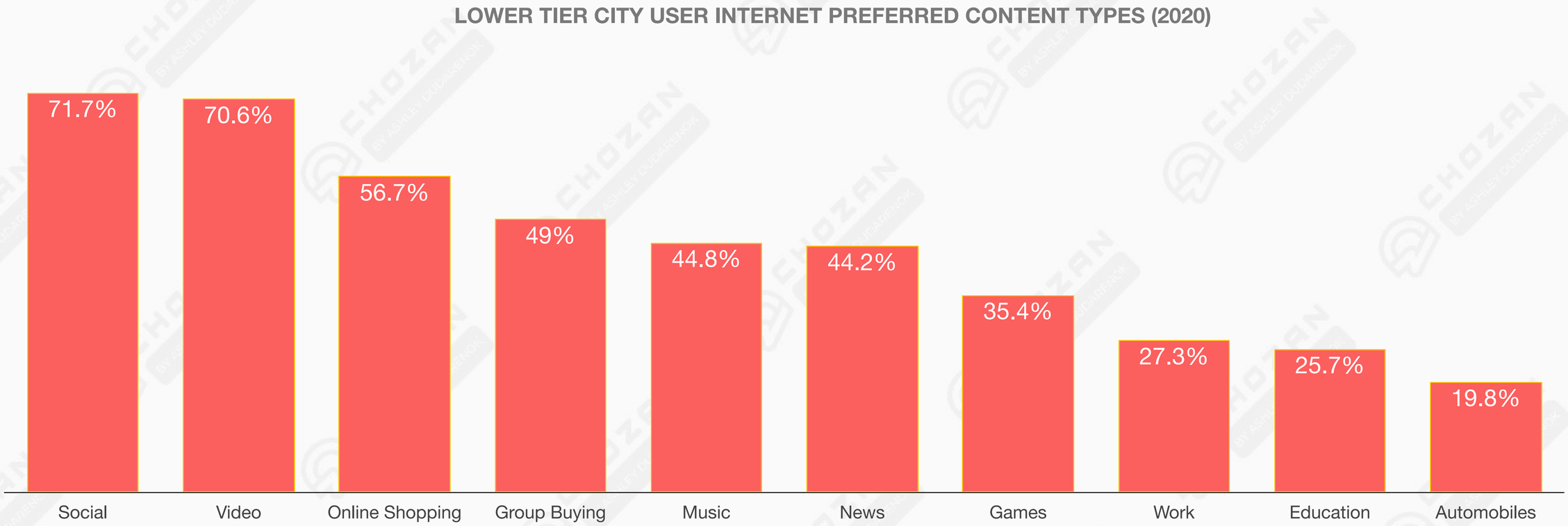


Source: MobTech

CONSUMER INSIGHTS

LOWER TIER CITY YOUNG PEOPLE

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

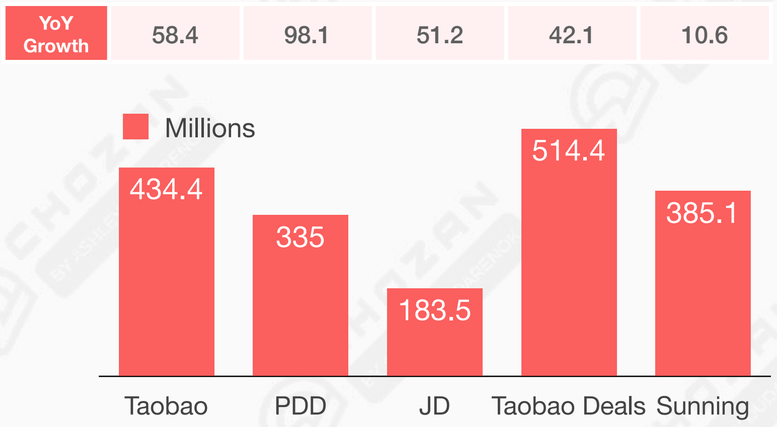


Source: Questmobile, 2020 sinking marketing insight report

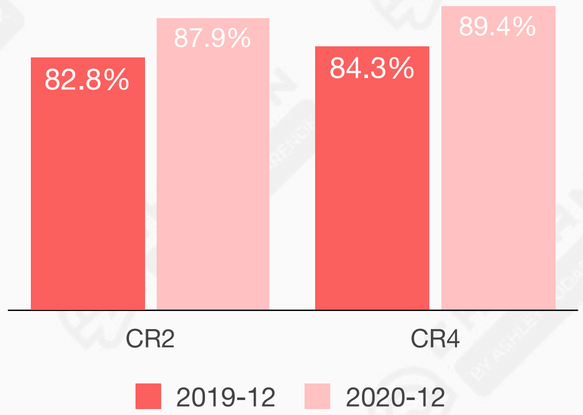
CONSUMER INSIGHTS
LOWER TIER CITY YOUNG PEOPLE - ACTIVE USERS

Lower Tier city consumers are becoming more active in online shopping. They are willing to try new things.

XIACHEN CONSUMERS USER PORTRAIT IN TOP 5 E-COMMERCE APPS



XIACHEN CONSUMERS CLUSTER IN ONLINE SHOPPING INDUSTRY



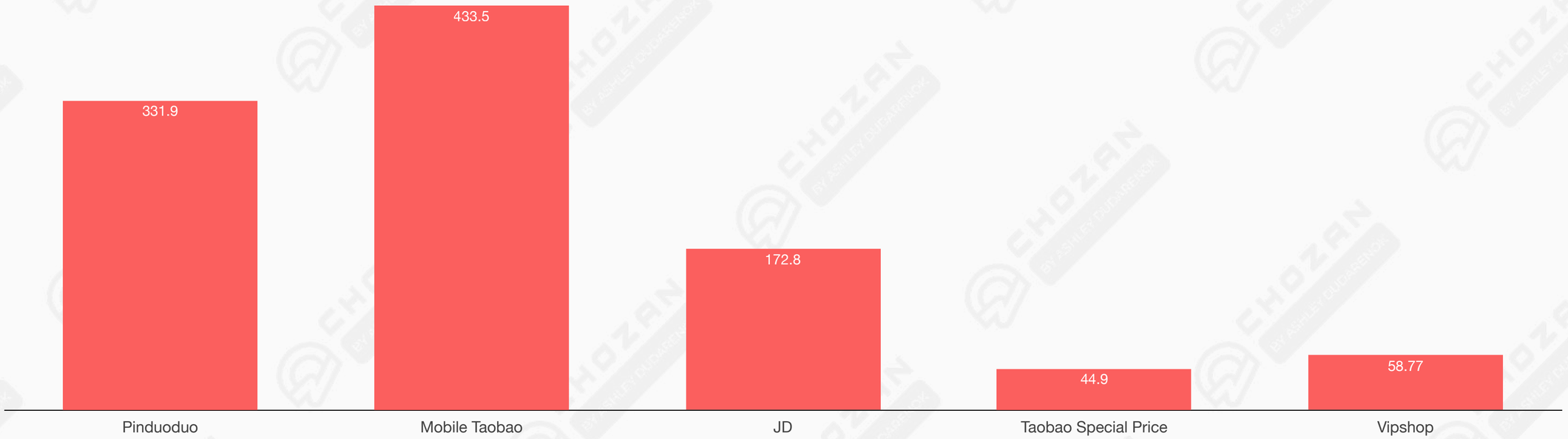
Source: Questmobile, 2020 sinking marketing insight report

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)



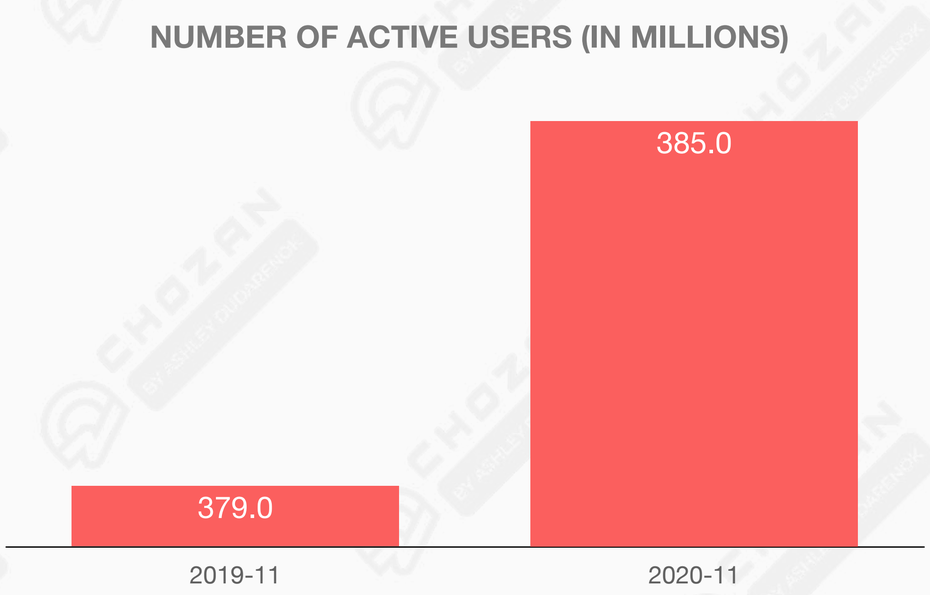
Source: Questmobile, 2020 sinking marketing insight report

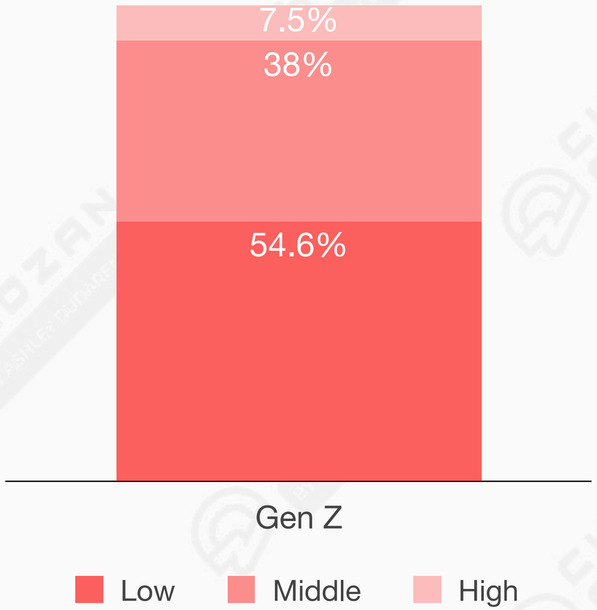
CONSUMER INSIGHT

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)



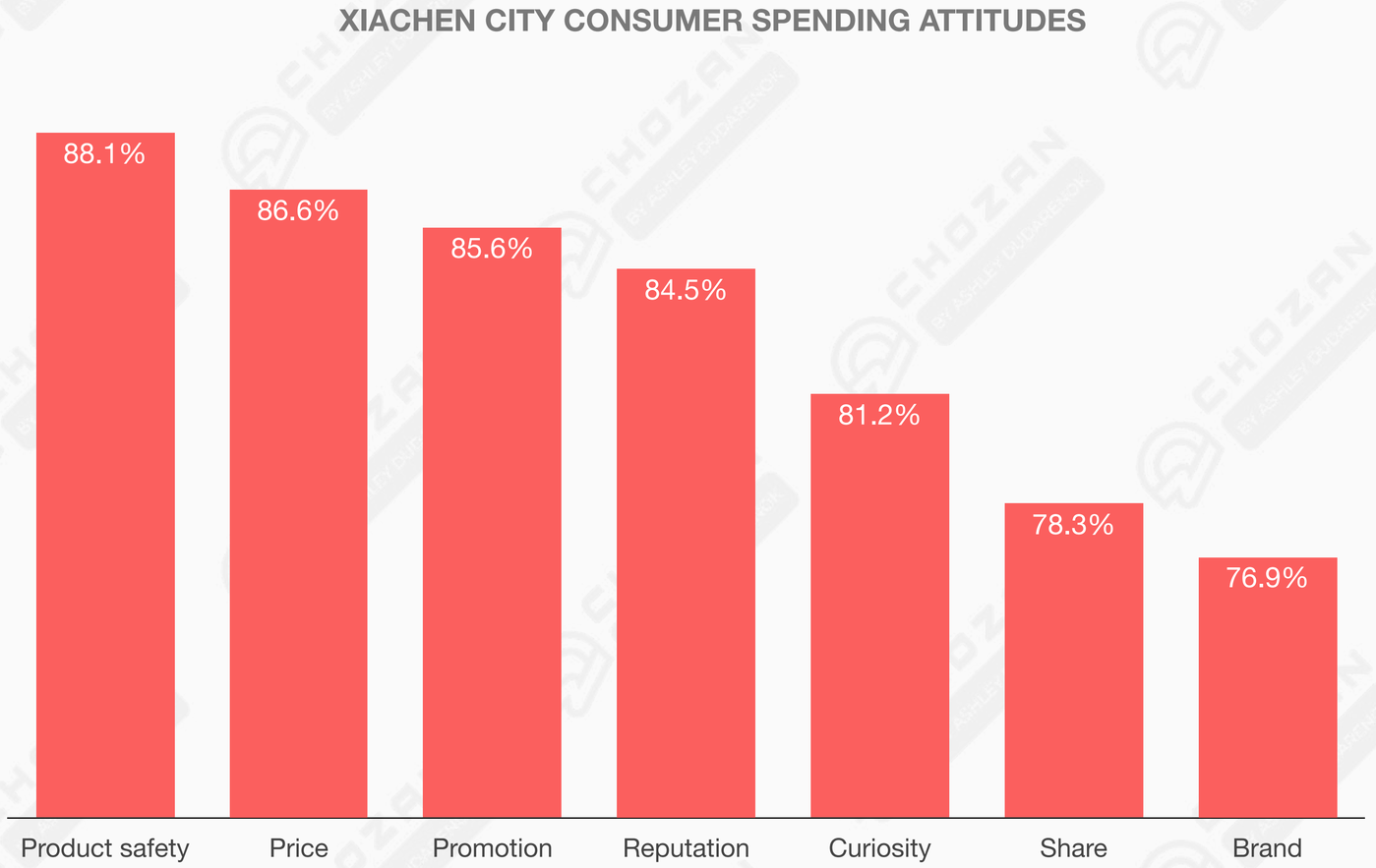


Source: iResearch, 2020 China Internet Marketing, New Consumer Brand

CONSUMER INSIGHTS

LOWER TIER / XIACHEN CITIES

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

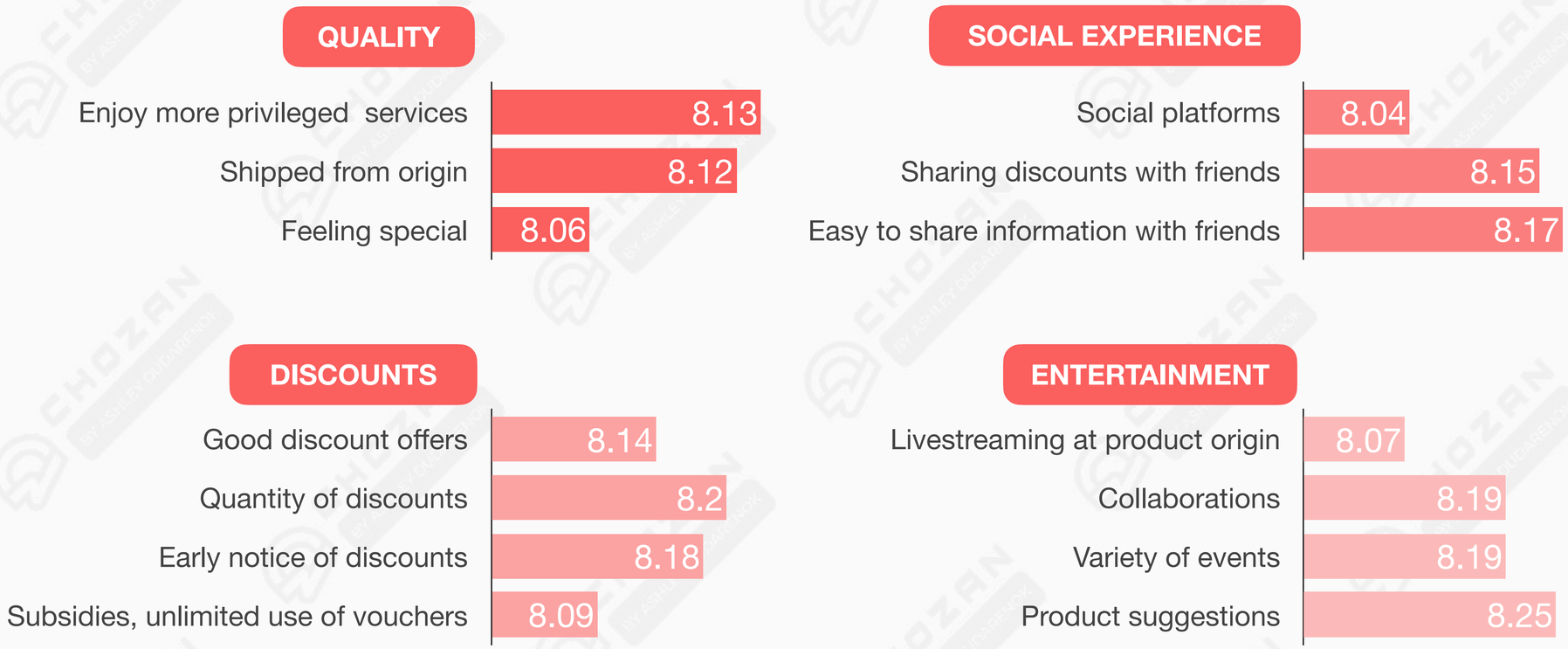


Source: EBRUN - 2020 XIACHEN cITY CONSUMING REPORT

CONSUMER INSIGHTS

XIACHEN CITY CONSUMER PREFERENCES

XIACHEN CITY CONSUMER PREFERENCES FOR E-COMMERCE SPENDING



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.

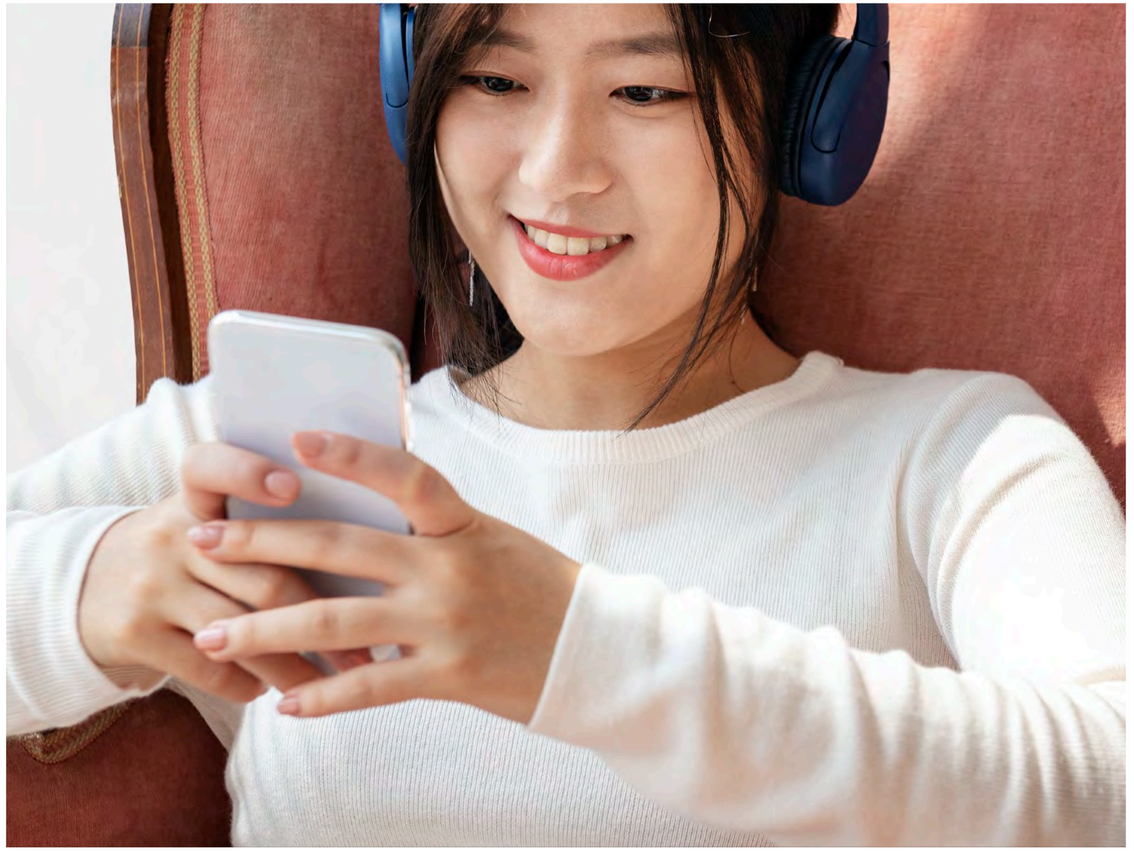


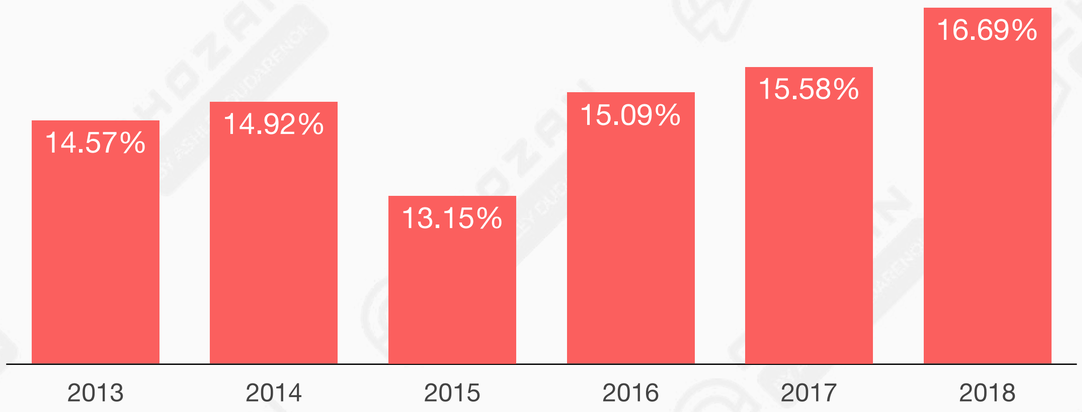
Photo: Freepik

CONSUMER INSIGHTS

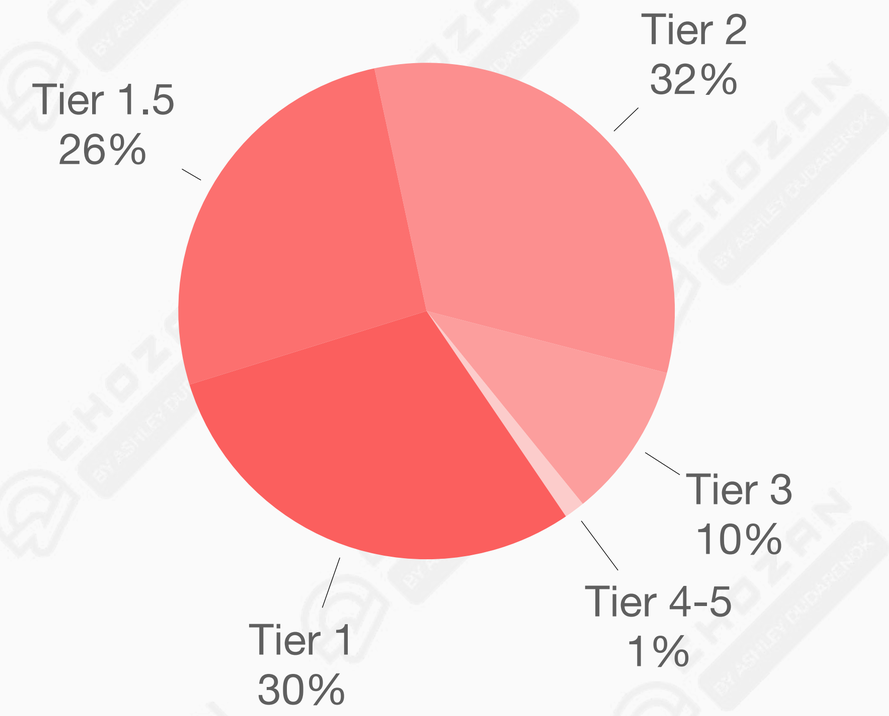
HAPPY SINGLES - INTRODUCTION

According to Sunning Finance findings, the rise of living alone is trending in China. Since the younger generation enjoys being single, they stay in higher tier cities to pursue better careers, finances and dreams.

CHINESE POPULATION IN ONE PERSON HOUSEHOLDS (2013-2018)



CHINESE SINGLES AMONG CITIES



Source: Sunning Finance, Singles Consumption Report

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

Source: 'Singles economy' to drive consumption, report says

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%

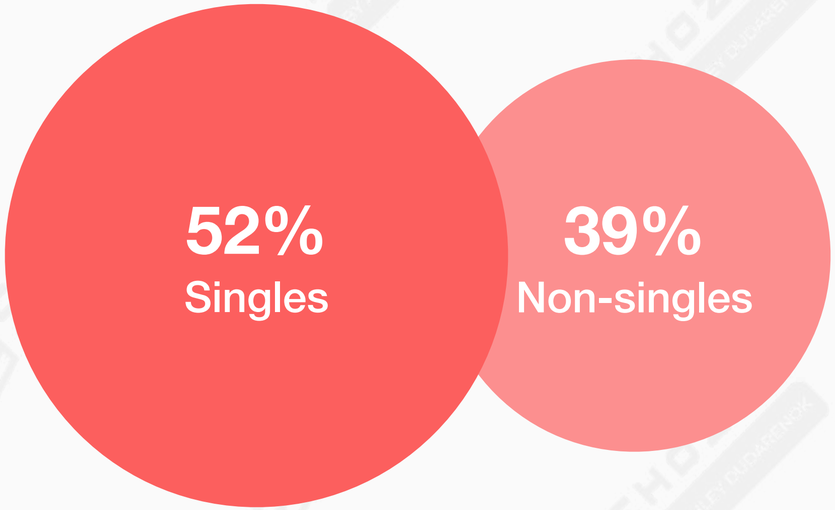
OF SINGLES ARE WILLING TO PURCHASE HIGH QUALITY ELECTRONICS

Source: 'Singles economy' to drive consumption, report says

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

Source: 'Singles economy' to drive consumption, report says

CONSUMER INSIGHTS

HAPPY SINGLES - NIGHTLIFE

Single people are big promotors 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

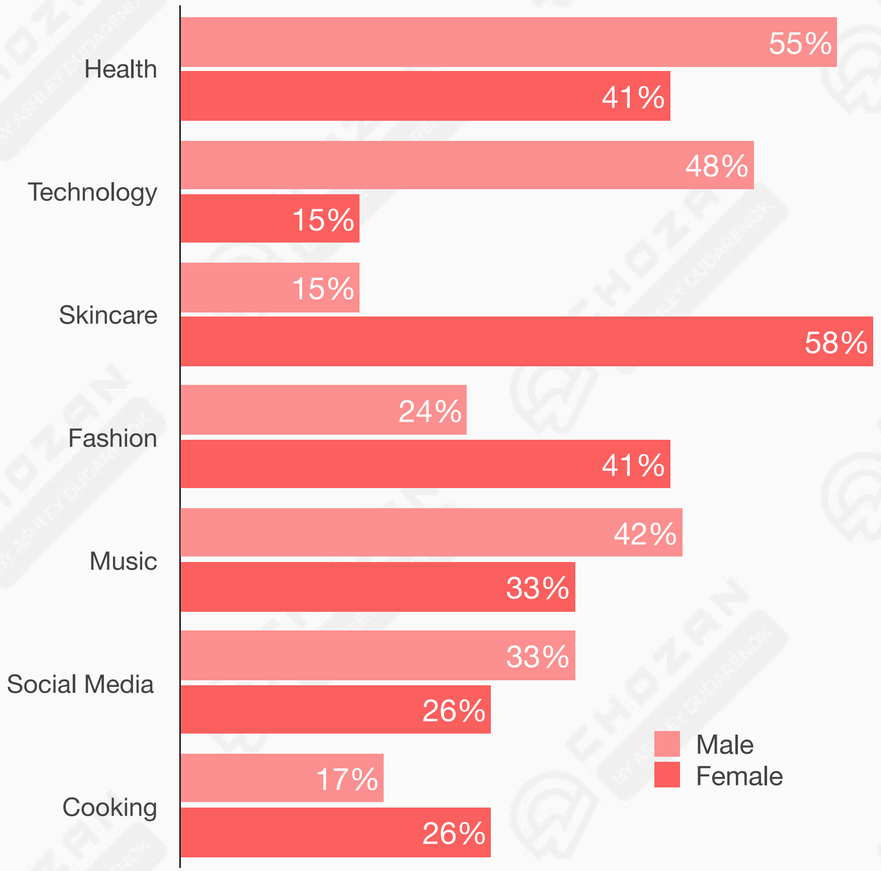
RECREATIONAL ACTIVITIES

CONSUMER INSIGHTS

HAPPY SINGLES - CONSUMPTION INTEREST

Single women like to spend on skincare while single men prefer to spend on health and fitness.

CONSUMPTION INTEREST BETWEEN MALE AND FEMALE SINGLES



Source: Sunning Finance, Singles Consumption Report

CONSUMER INSIGHTS

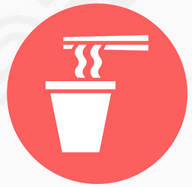
HAPPY SINGLES - INSTANT MEALS

Eating alone is common among singles in China and more meals of instant foods are released, with instant noodles, instant hot pot and snail noodles being the most popular categories.

MOST POPULAR INSTANT FOOD FLAVOUR AMONG SINGLES

1. HOT AND SOUR
2. SPICY
3. PORK BONE

MOST POPULAR INSTANT FOOD AMONG SINGLES



INSTANT RAMEN

INSTANT HOTPOT

SNAIL NOODLES

ZONGZI

NOODLES

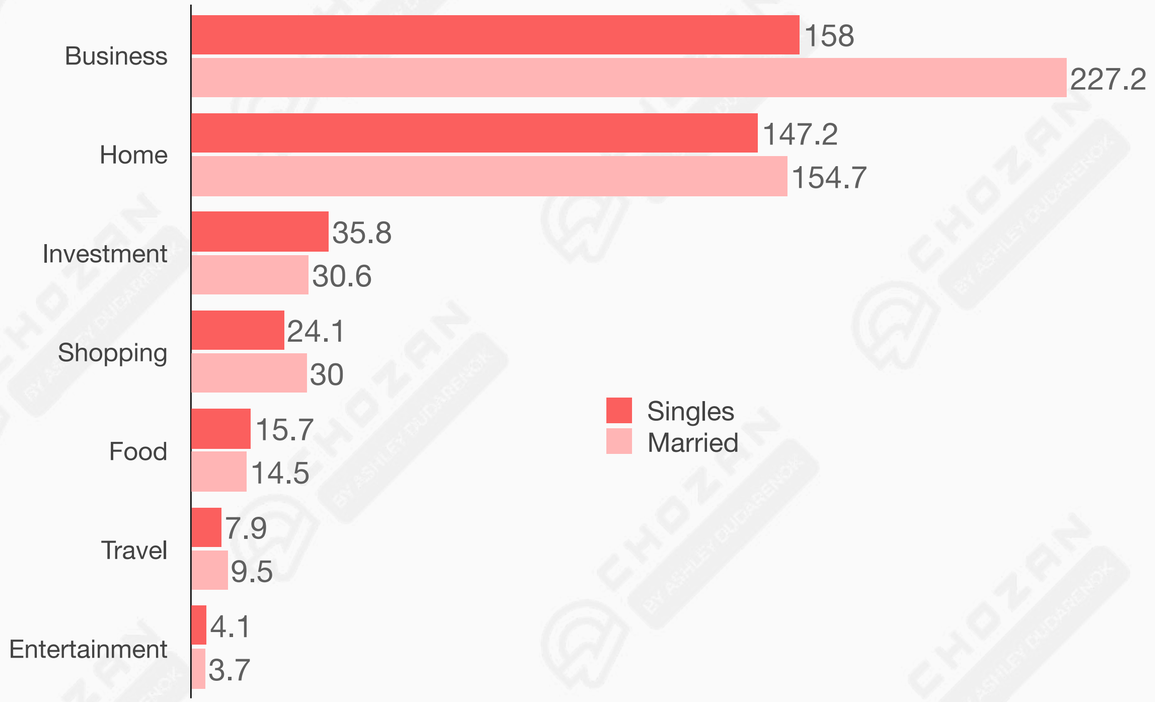
Source: CBNData, Instant Food Report 2021

CONSUMER INSIGHTS

HAPPY SINGLES - SPENDING FOCUS

Chinese singles at the age of 30 are willing to spend more on investments, food and entertainment.

EXPENDITURE BETWEEN SINGLES AND MARRIED CHINESE PEOPLE AT THE AGE OF 30 (THOUSANDS RMB)



Source: Wacai, 30s finance Report

EXPERT BITES

Q: WHAT EMERGING CONSUMER GROUPS DO YOU SEE IN CHINA RIGHT NOW?

The singles. There are over 200 million single persons and over 70 million are living alone in China - this number may keep increasing over the years. The singles are becoming the consumption engine in industries such as pet care, instant food, and dating apps.

MIRO LI

Founder of Double V Consulting & CHINAble Academy

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ABOUT YOUR CHINA PLAN

EMERGING CONSUMER GROUPS

UNDERSTANDING CHINESE CONSUMERS

EXPERT BITES

JACQUELINE CHAN
Project Director
at Alarice & ChoZan

Q: WHAT ARE SOME EMERGING CONSUMER GROUPS YOU SEE RIGHT NOW?

Blue collar workers are estimated to make up more than 175 million Internet users, making them one of the fastest growing groups of Internet users in the past year.

- **Spending power** - 41% of them spend between RMB 1,000 and RMB 3,000 per month
- **Consumer goods** - They are wllling to spend on houses, cars and children's education. 31% will focus on major purchases.
- **Consumption channels** - 58% purchase through livestreams. Interesting product reviews on Douyin effectively arouse their consumption appetite.

GOT A QUESTION? DROP JACQUELINE AN EMAIL BY SCANNING THE QR CODE

NIGHT OWLS

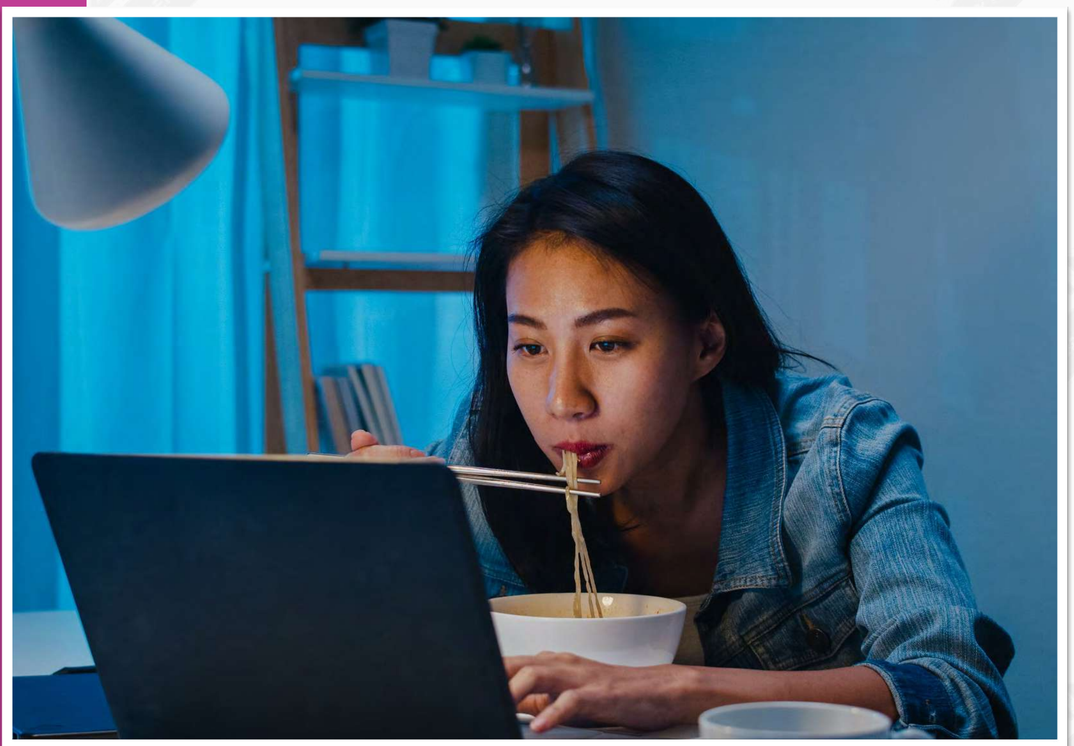


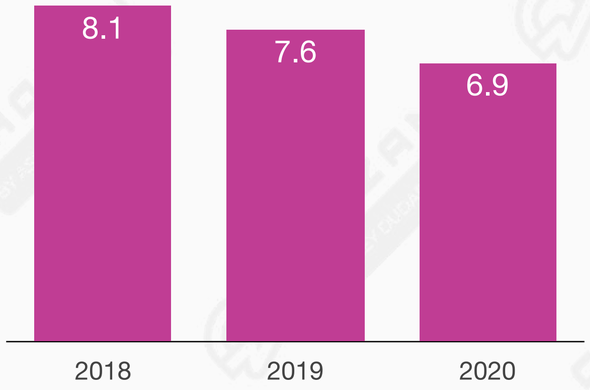
Photo: Freepik

EMERGING CONSUMER GROUPS

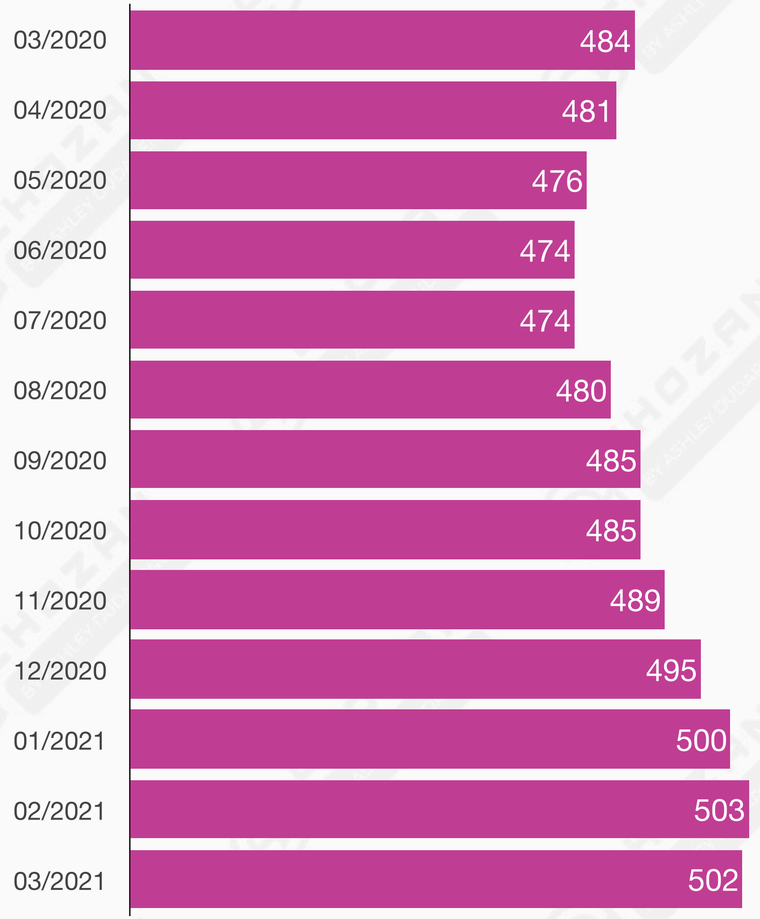
NIGHT OWL - INTRODUCTION

The number of night owls are growing in China reflected by people's average hours of sleep at only 6.9 daily.

CHINESE PEOPLE'S AVERAGE SLEEP (HOURS)



NIGHT OWL USER PORTRAIT (MILLION)



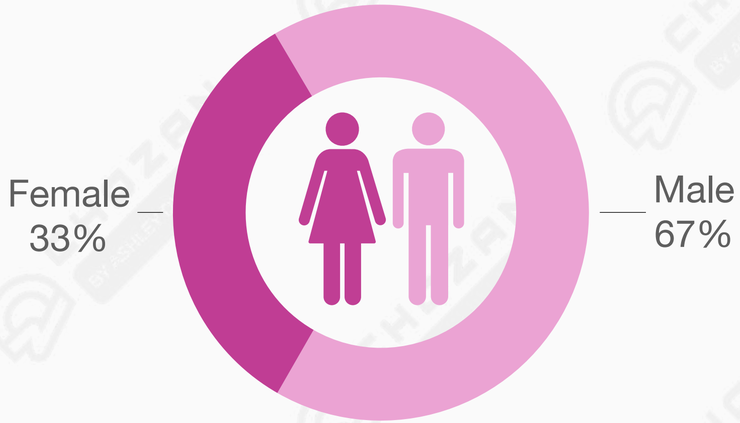
Source: CBNData, Night Owls Report 2021

EMERGING CONSUMER GROUPS

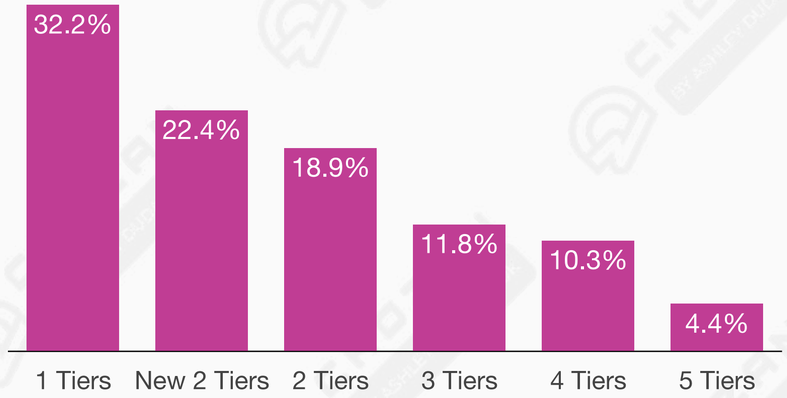
NIGHT OWL - USER PORTRAITS

Most night owls are male consumers, post-95s, and consumers who are located in the higher tier cities.

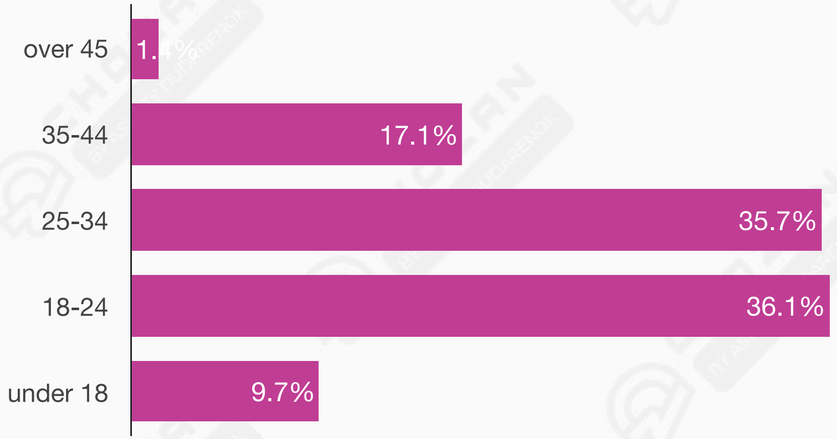
NIGHT OWLS AMONG GENDER



NIGHT OWLS AMONG CITIES



NIGHT OWLS AMONG DIFFERENT AGE GROUP



Source: CBNData, Night Owls Report 2021

EXPERT BITES

Q: WHAT CONSUMPTION TRENDS DO YOU SEE FOR SUMMER 2021?

I think there are two prominent consumption trends in the summer of 2021.
First, the booming tourism consumption. As of June 19, more than 1 billion doses of COVID-19 vaccine have been administered across China. This vaccination rate has provided desirable conditions for population mobility. Besides, July and August are students' summer vacations. Coastal places and sites connected to the revolution ("red tourism") are expected to be the most popular destinations. Specifically, the 100th anniversary of the founding of the Communist Party of China, which falls on July 1 this year, would further fuel this "red tourism" craze. Earlier this year, a popular TV drama series "Awakening Age" has already sparked off the trend.
As summer arrives, the night-time economy will sweep the whole country. Night markets, night festivals, night tours and other night themed activities will prevail. With the participation of bars, museums, bookstores, shopping malls, takeaway services and landmark commercial complexes, shopping and dining consumption will surely be boosted.

SHINE HU
Market Research Analyst at ChemLinked

MEDICAL BEAUTY DEVOTEES

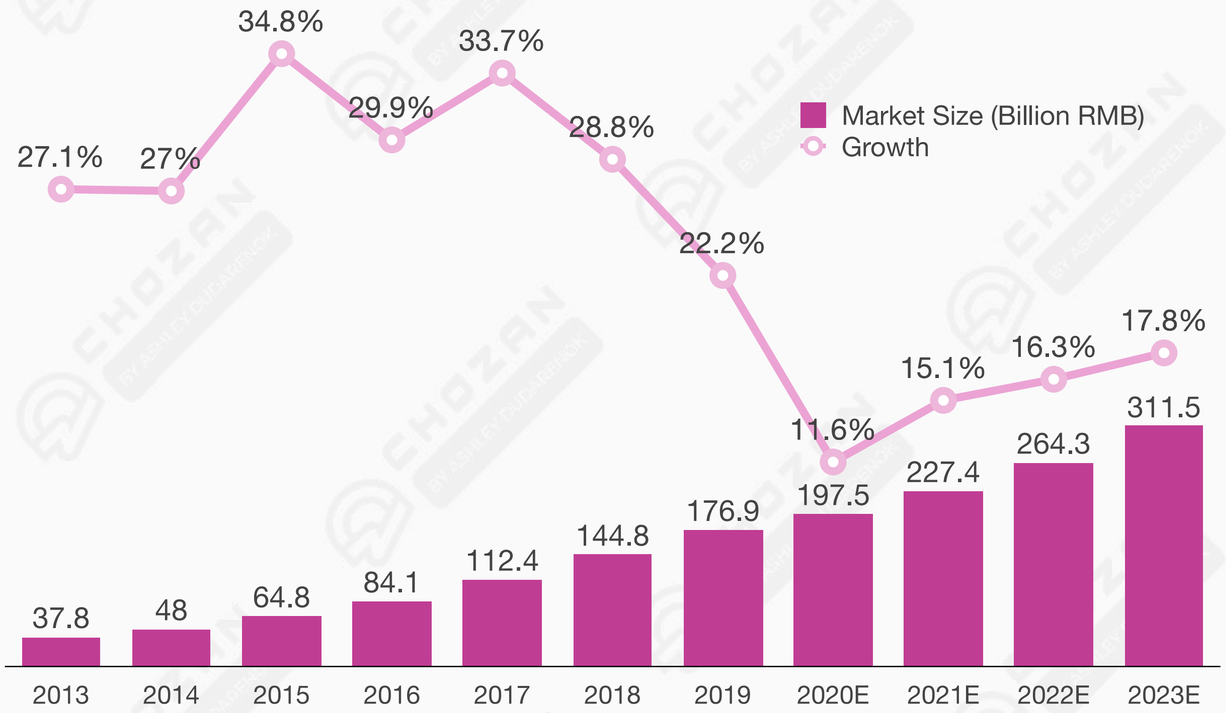
Photo: Freepik

EMERGING CONSUMER GROUPS

MEDICAL BEAUTY DEVOTEES - INTRODUCTION

The medical beauty industry in China is growing. The market size is expected to reach 311 billion RMB in 2023.

MEDICAL BEAUTY MARKET SCALE IN CHINA, 2012-2023

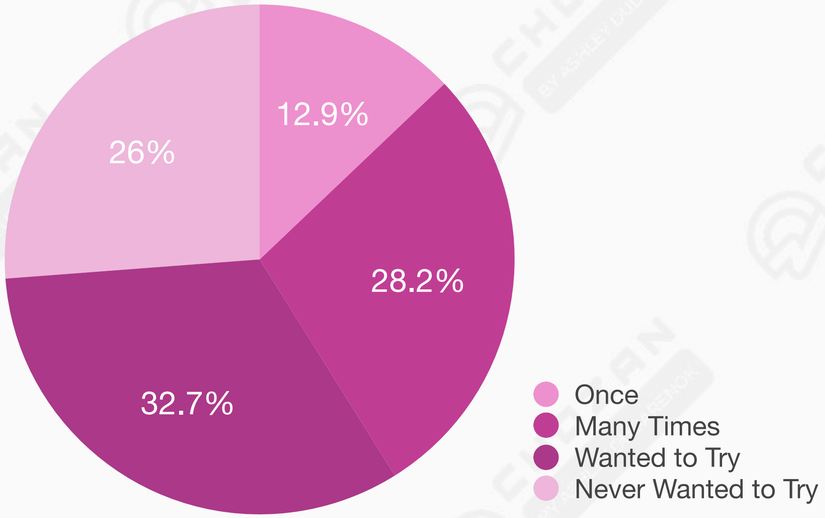


Source: CBNData, Medical Beauty Market in China

EMERGING CONSUMER GROUPS

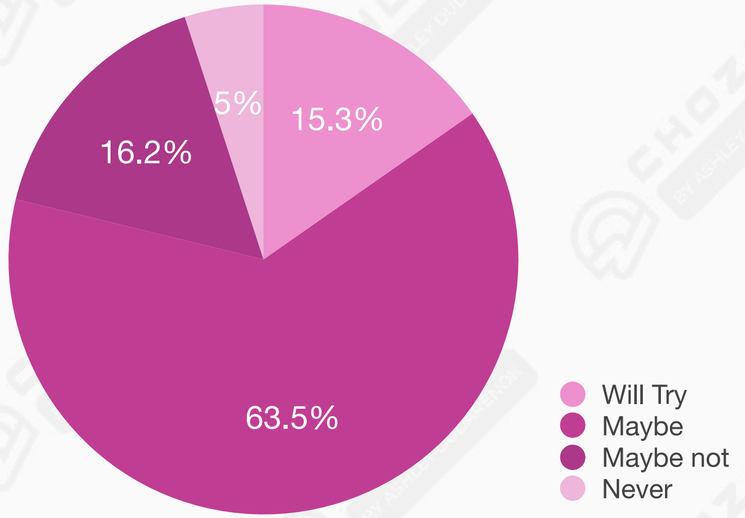
MEDICAL BEAUTY DEVOTEES - INTRODUCTION

CONSUMPTION OF MINOR COSMETIC SURGERY 2019



- *Faster recovery*
- *Lower risks and price*
- *Mature technology*
- *Changes of consumer attitude*

CONSUMPTION PREFERENCE FOR MINOR COSMETIC SURGERY IN THE FUTURE



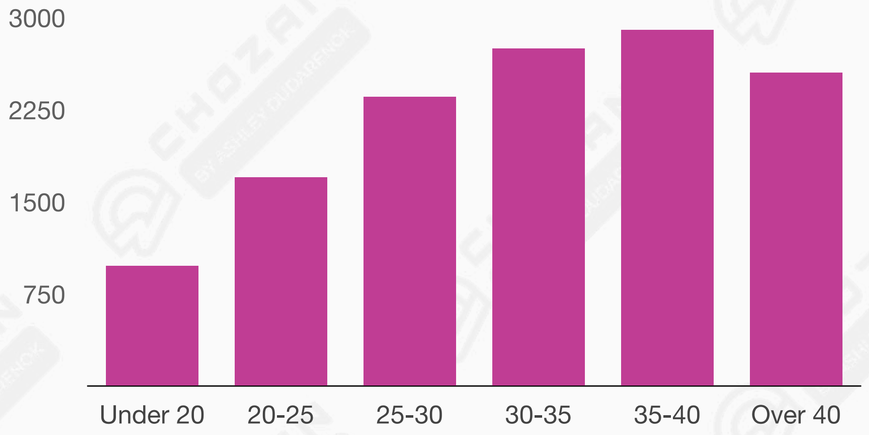
Source: CBNData, Medical Beauty Market in China

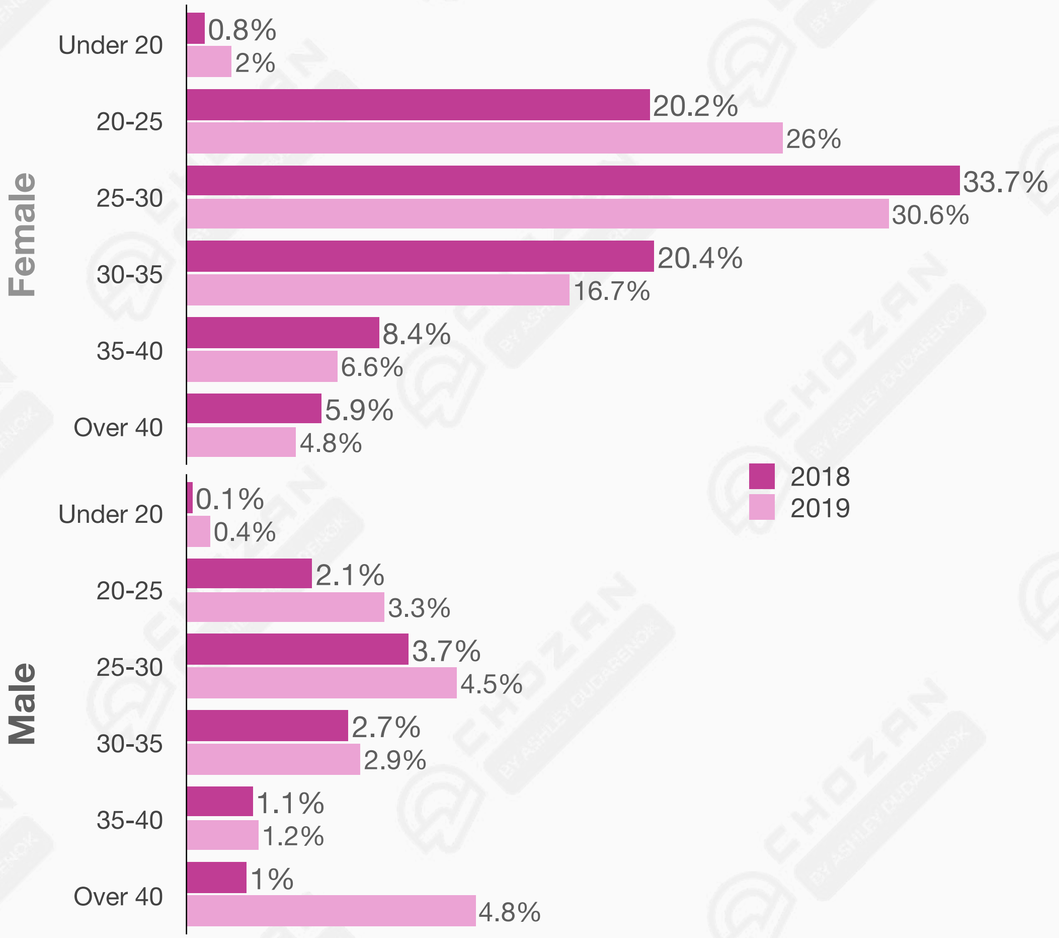
EMERGING CONSUMER GROUPS

MEDICAL BEAUTY DEVOTEES - CONSUMER PORTRAIT

The medical beauty industry is dominated by female consumers. These devotees aged between 35-40 are willing to spend more comparing to consumers from other age groups. Medical beauty devotees are becoming younger, and male devotees aged over 40 is growing.

AVERAGE SPENDING ON MEDICAL BEAUTY AMONG DIFFERENT AGE GROUP (RMB)





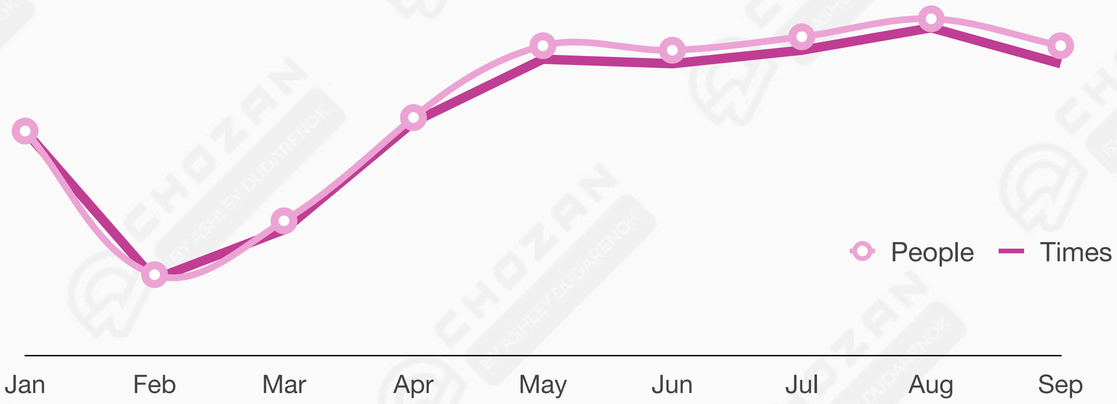
Source: CBNData, Medical Beauty Market in China

EMERGING CONSUMER GROUPS

MEDICAL BEAUTY DEVOTEES - CONSUMPTION

The medical beauty industry in the first quarter of 2020 was deeply affected by Covid-19 but recovered in Q2 and accelerated in Q3.

SEARCHES ON MEDICAL BEAUTY, Q1-Q3 2020



MEDICAL BEAUTY INDUSTRY CONSUMPTION, Q1-Q3 2020

2020 Q3

Orders YoY +98%
Price per Unit YoY +15%
Total Sales YoY +112%

2020 Q2

Orders YoY +39%
Price per Unit YoY +32%
Total Sales YoY +112%

2020 Q1

Orders YoY -15%
Price per Unit YoY +32%
Total Sales YoY +23%

Source: CBNData, Medical Beauty Market in China

HEALTH-FITNESS FAN

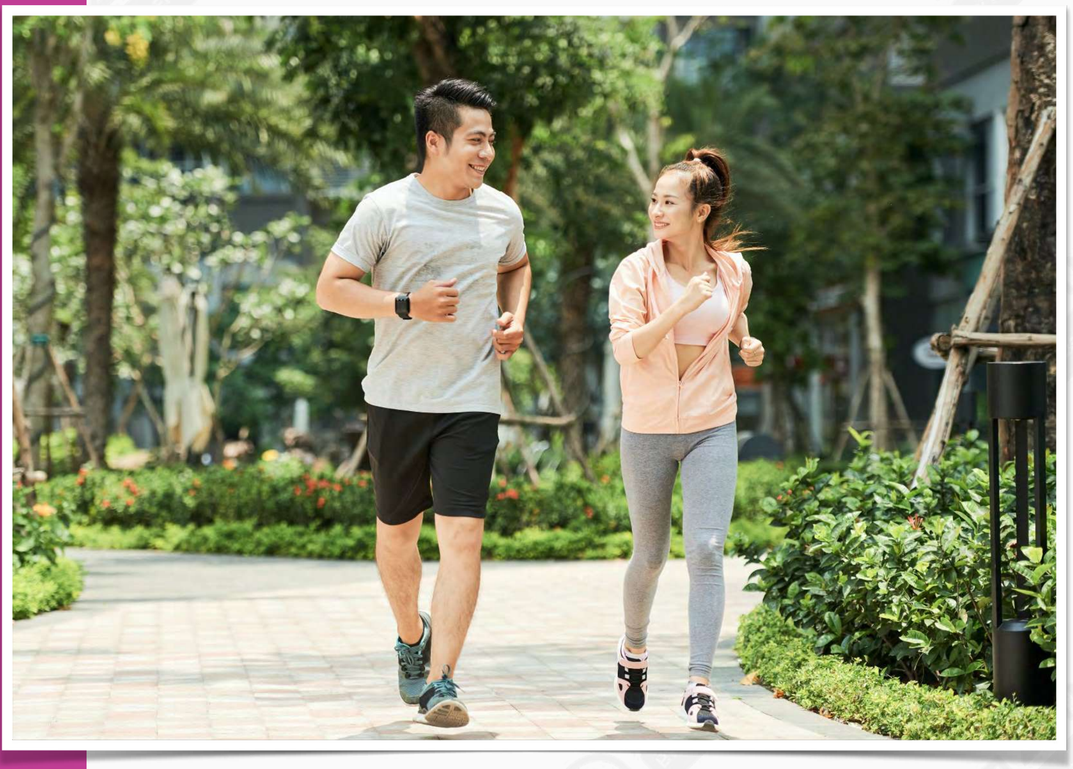


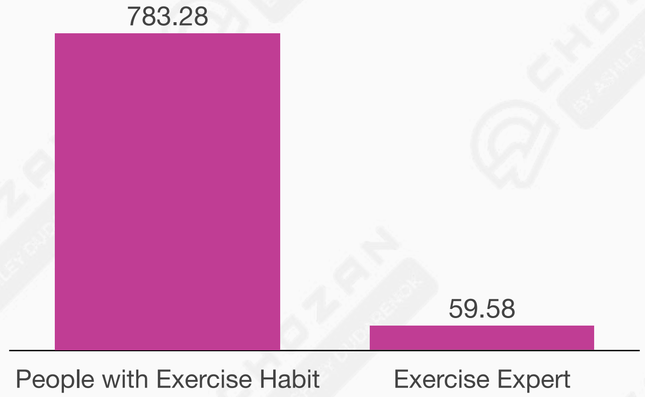
Photo: Freepik

EMERGING CONSUMER GROUPS
HEALTH-FITNESS FAN - INTRODUCTION

People are becoming more conscious about health due to the impact of Covid-19. Fitness is being intellectualised with more than 780 million people using fitness apps to exercise in 2021.

780+ MILLION
ONLINE EXERCISE USERS

FITNESS CONSUMERS PORTRAIT FEB2021 (IN MILLION)



FITNESS EXPERT AMONG GENDER

Source: CBNData, Fitness Consumers in China 2021

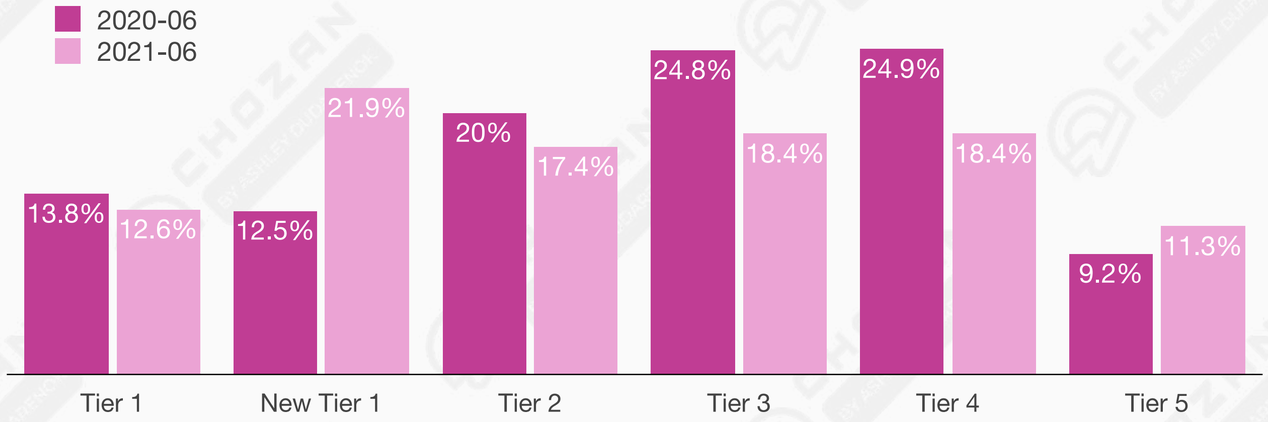
EMERGING CONSUMER GROUPS

HEALTH-FITNESS FAN - PREFERENCES

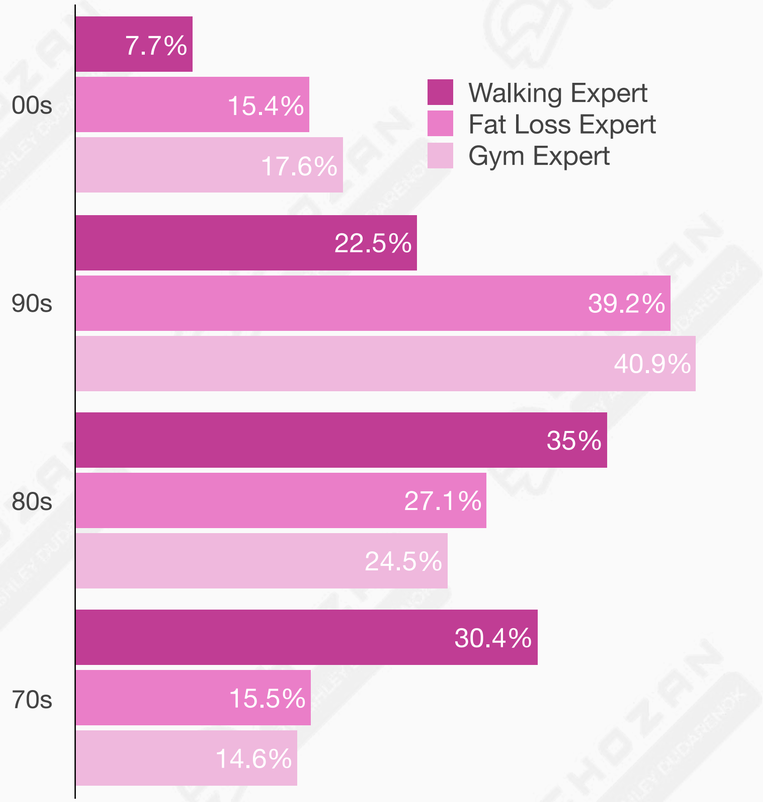
Younger generation consumers in China pay more attention to fat loss and gym-going while older people prefer walking to stay fit.

Consumers in new tier 1 cities are becoming more aware of fitness and the number of fitness fans increased by 9.4%.

FITNESS FANS ACROSS CITY TIERS, 2020-2021



WORKOUT EXPERTS BY AGE GROUP, FEB2021



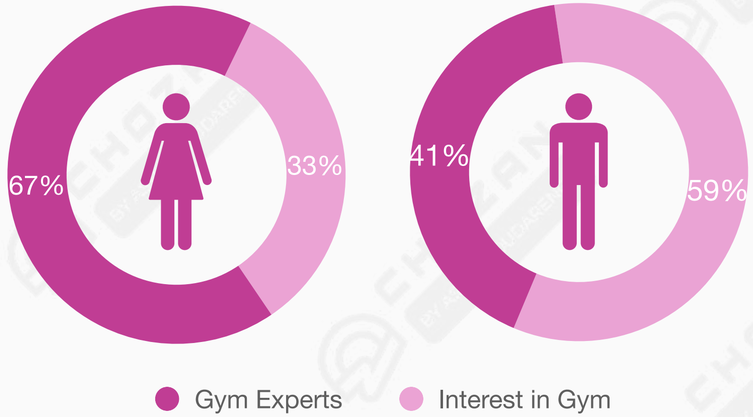
Source: CBNData, Fitness Consumers in China 2021 & MobTech, 2021 Chinese Internet Report

EMERGING CONSUMER GROUPS

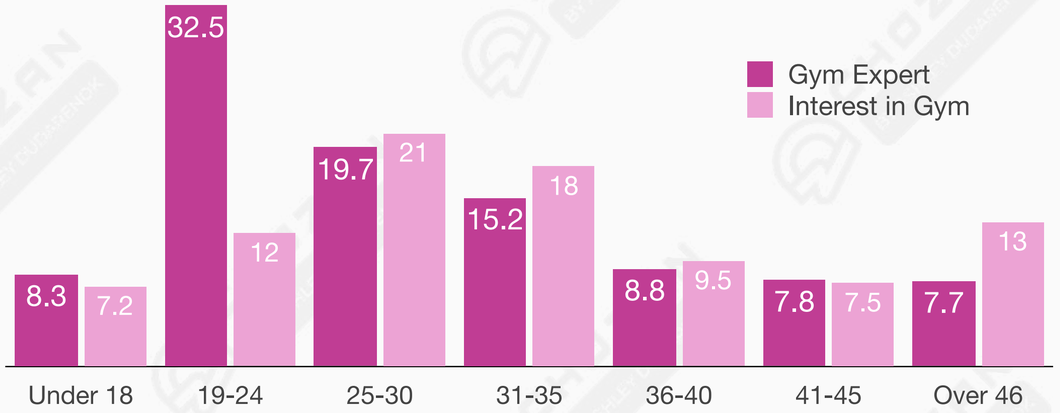
HEALTH-FITNESS FAN - GYM

People who are Interested in gym in China are mostly male consumers, located in lower-tier cities. Gym experts are mainly young female consumers.

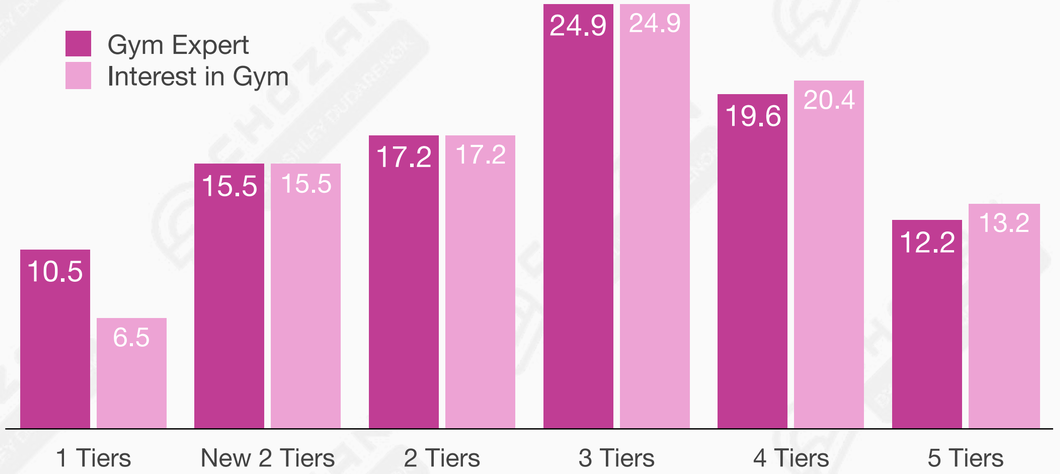
AMONG GENDER



AMONG AGE GROUP



AMONG CITY TIERS

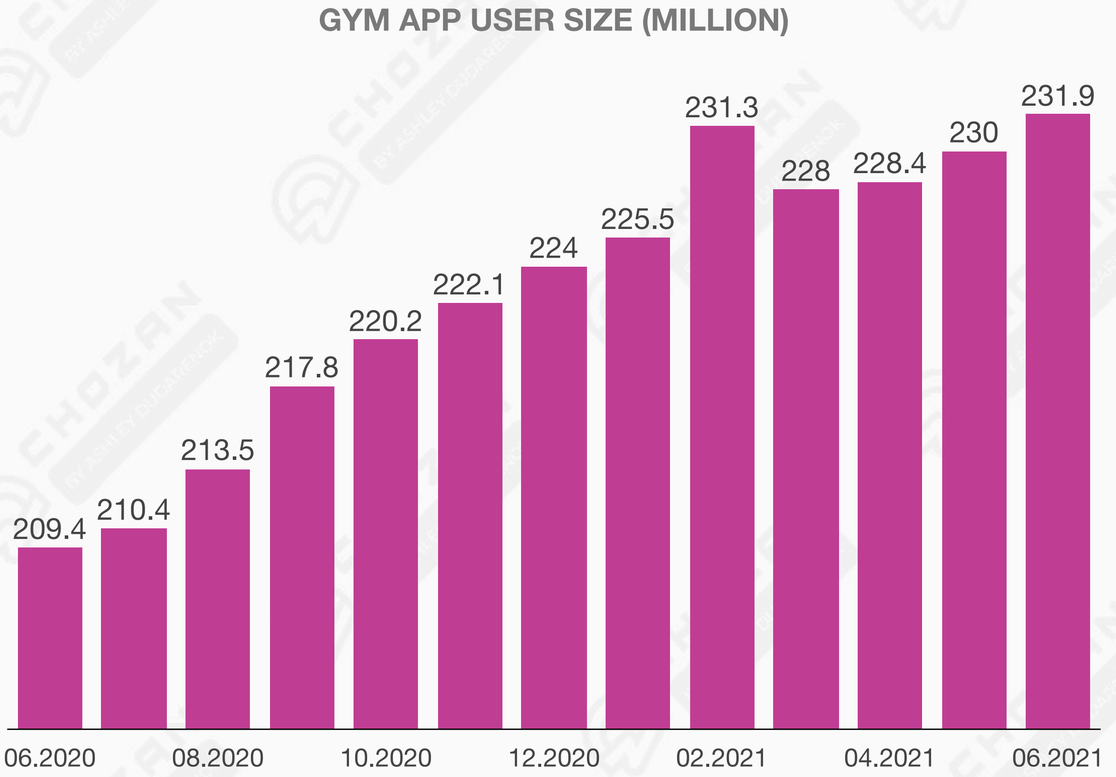


Source: CBNData, Fitness Consumers in China 2021

EMERGING CONSUMER GROUPS

HEALTH-FITNESS FAN - GYM

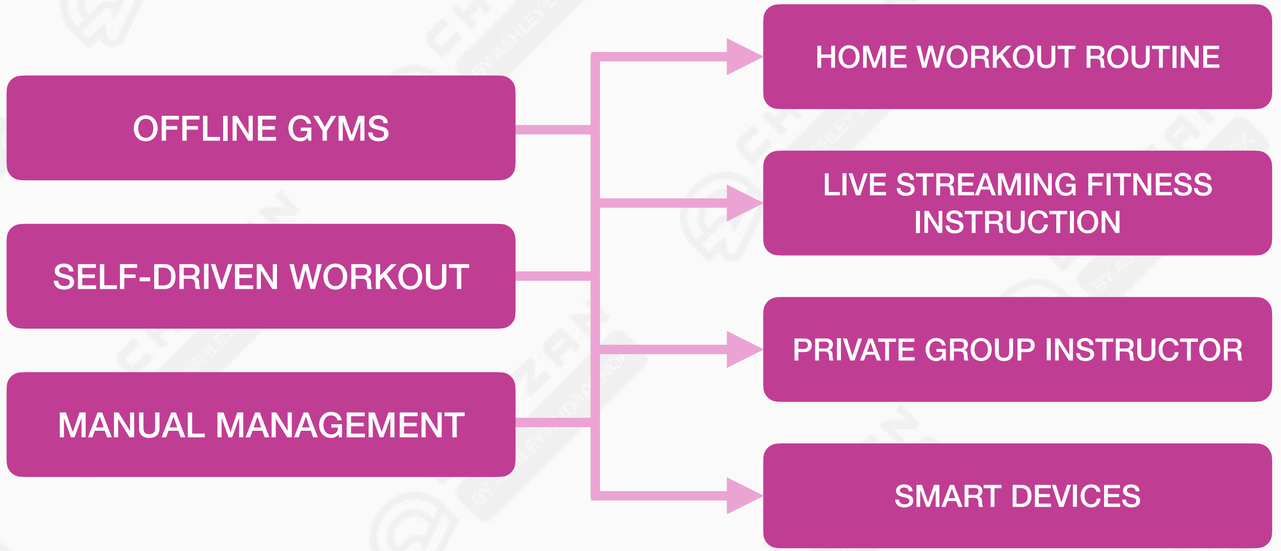
The gym app market size has reached over 230 million users and is expected to continue growing.



Source: MobTech, 2021 Chinese Internet Report

EMERGING CONSUMER GROUPS
FORWARD LOOKING - FITNESS MARKET

Chinese consumers are upgrading their fitness needs.



Source: MobTech, 2021 Chinese Internet Report

EXPERT BITES

Q: WHAT DO YOU EXPECT IN Q3 IN TERMS OF CONSUMER BEHAVIOUR, E-COMMERCE AND SOCIAL MEDIA DEVELOPMENTS?

In Q3, I expect marketers will be thinking about changing beauty standards, particularly around physique. China's gym-going population is increasing, although it still lags behind developed markets. We will see very clearly this summer that a cut, slightly muscular physique is, in many circles, the desired body shape for China's youth. For those who perhaps haven't been watching exercise and fitness closely, this may upend their understanding of local beauty standards.

MICHAEL NORRIS

Research and Strategy Manager
at AgencyChina

EXPERT BITES

Q: WHAT OPPORTUNITIES DO YOU SEE FOR FOREIGN BRANDS ENTERING CHINA?

I believe that health and nutrition products are on the rise, for example meal replacement or nutrition powder with organic ingredients.

Coffee is one of the most popular consumer goods in China in Q2, with a lot of investment activities happening around coffee brands created in China. On the other hand, Blue Bottle will be entering China and it will be a good time for other established coffee brands to attempt to make an impact here.

CHENYU ZHENG

Founder of
Apple Sister Creative Consultancy

EXPERT BITES

Q: WHAT WERE SOME BIG CONSUMPTION TRENDS IN CHINA IN Q3 2021?

JIMMY ROBINSON
Co-Founder & Director at PingPong Digital

China's consumer market continues to see a quick recovery from the pandemic-induced dip, achieving double-digit growth compared to last year. In Q3, it is widely believed the momentum will continue, with the following areas of particular interests.

Self-care and health

Although the pandemic is well contained in China and life has returned to normal for some time now, the public largely remains cautious as the pandemic is still some way from being contained globally. Reflecting on consumption preferences, health and self-care products, such as healthy food and beverages, skincare and cosmetics, and healthcare technology, have made impressive sales in the most recent 618 shopping festival and are expected to continue to perform in Q3. Additionally, the Chinese authorities removed the regulation on mandatory animal testing on skincare and beauty products from May 2021. As a result, we believe we will see a quick rise in the cruelty-free beauty products segment in China from Q3, which may spark some new interest in this highly competitive segment of the consumer market.

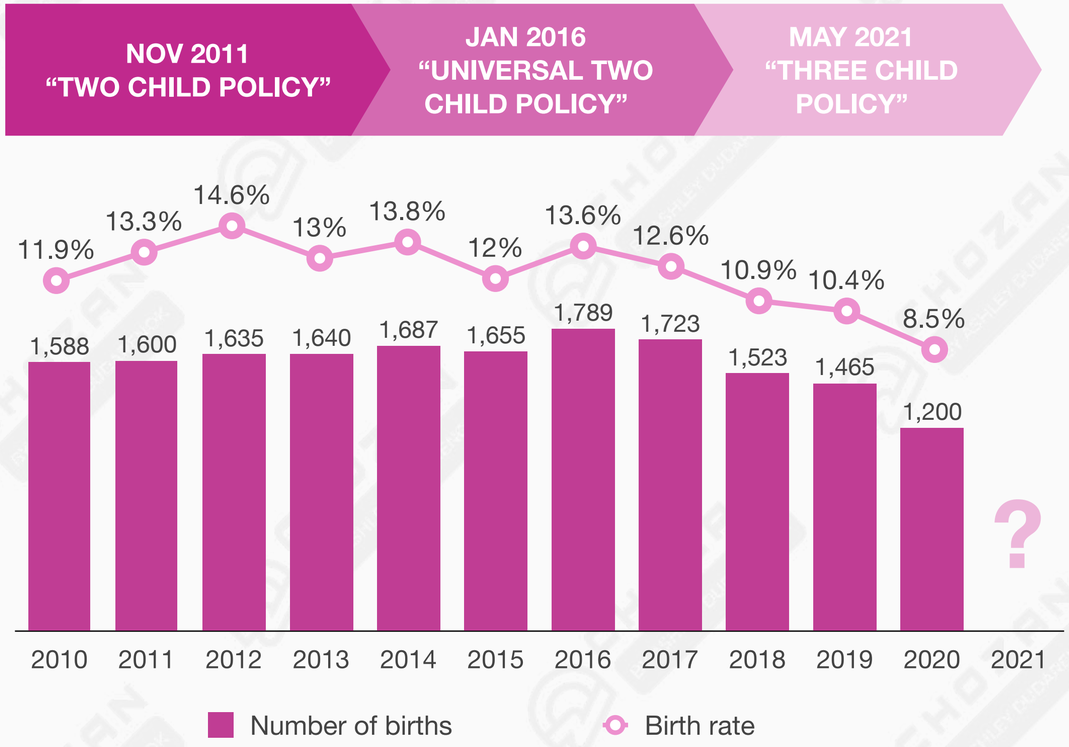
GEN-Z MOM

Photo: Freepik

EMERGING CONSUMER GROUPS
GEN-Z MOM - INTRODUCTION

The birth rate in China is expected to increase slightly after the announcement of the three child policy.

BIRTH RATE IN CHINA BETWEEN 2010 AND 2020



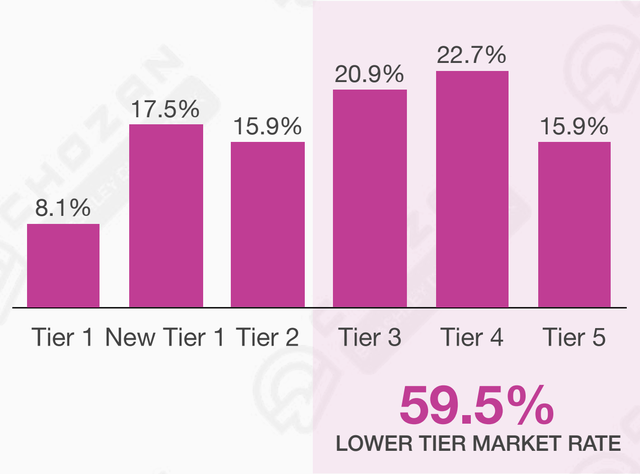
Source: CBNData, Gen-z Mom in China 2021

EMERGING CONSUMER GROUPS

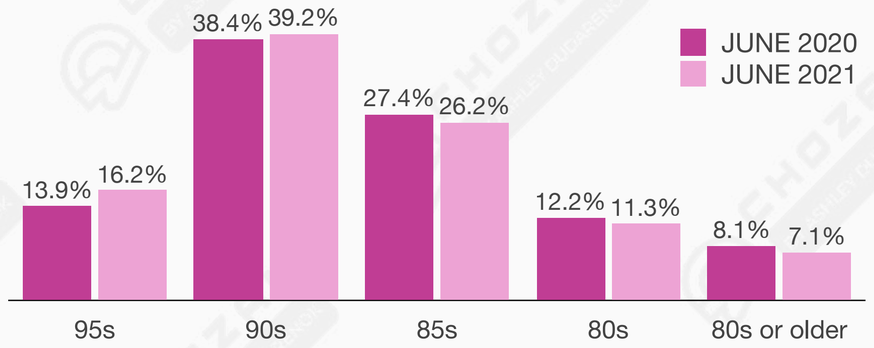
GEN-Z MOM - CONSUMER PORTRAIT

Most mothers in China are post-90 moms and they are located in lower tier cities.

PROPORTION OF 95S MOTHERS IN DIFFERENT CITY TIERS



AGE DISTRIBUTION OF MOTHERS IN CHINA (2020-2021)



Source: CBNData, Gen-z Mom in China 2021

EMERGING CONSUMER GROUPS

GEN-Z MOM - CONSUMER PORTRAIT

POST 95S MOMS' SOCIAL MEDIA PREFERENCES

TOP 1

PARENTING SERVICES

TOP 2

EXERCISE & FITNESS

TOP 3

PHOTOGRAPHY

Source: CBNData, Gen-z Mom in China 2021

EMERGING CONSUMER GROUPS

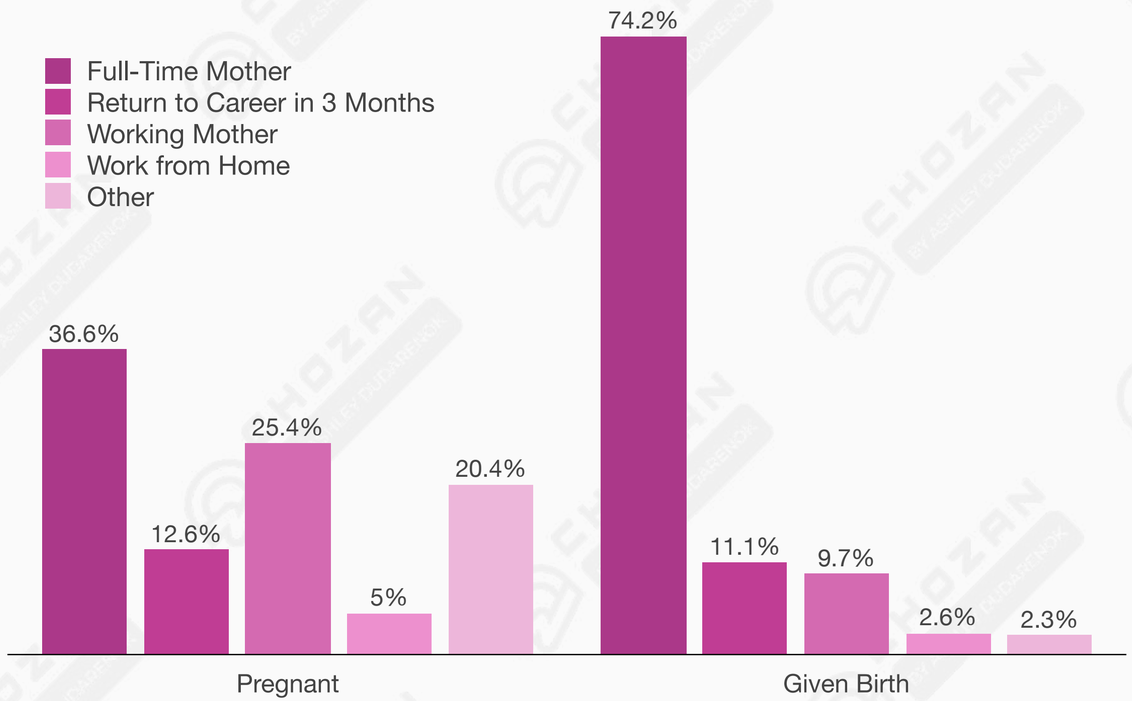
GEN-Z MOM - CONSUMER PORTRAIT

31%
RETURN TO CAREER WITHIN 3 MONTHS

42.9%
DO NOT WORK OVERTIME

37.5%
WORK OVERTIME BY 1-2 HOURS

WORKING STATUS OF 95S MOTHERS

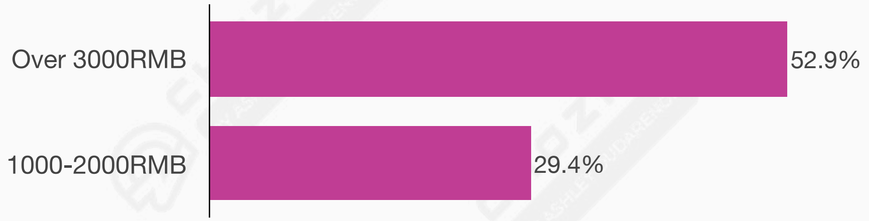


Source: CBNData, Gen-z Mom in China 2021

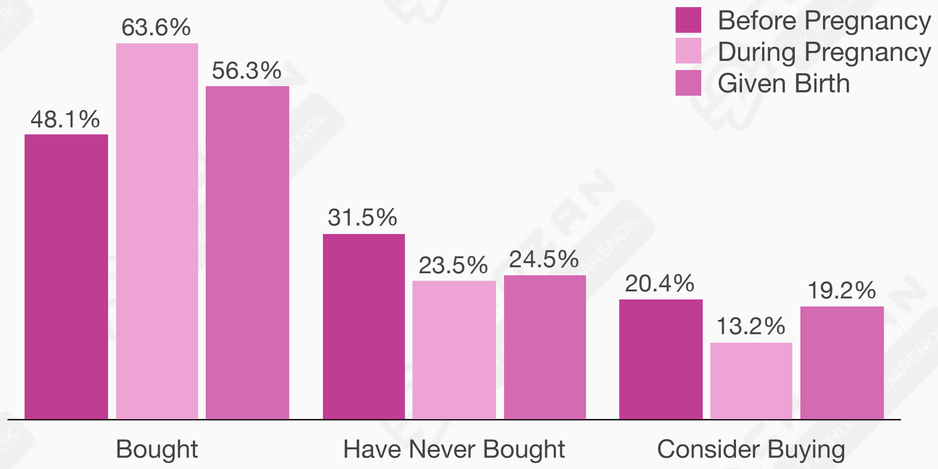
EMERGING CONSUMER GROUPS
GEN-Z MOM - CONSUMPTION HABITS

78.7% 95S MOTHERS
CONCERNED ABOUT CHILD EDUCATION

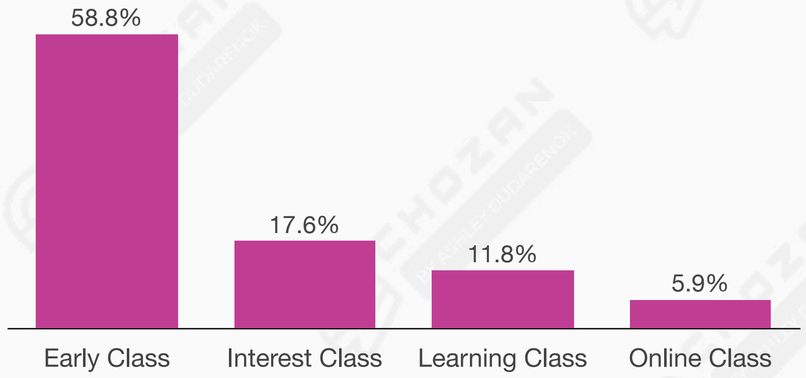
CHILDREN EDUCATION SPENDING OF 95S MOTHERS



95S MOTHER CONSUMPTION OF SUPPLEMENTS



CLASSES CATEGORY

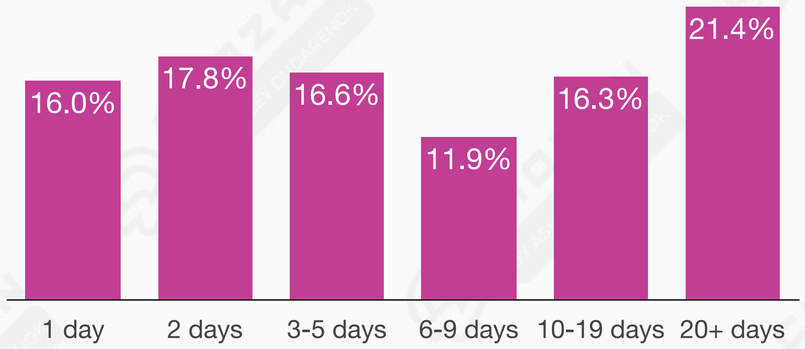


Source: CBNData, Gen-z Mom in China 2021

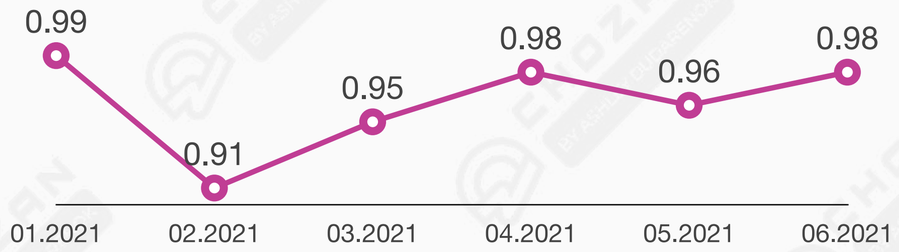
EMERGING CONSUMER GROUPS
GEN-Z MOM - CONSUMPTION HABITS

Post-95s moms are fans of sleeping aid apps.

MAU OF 95S MOTHERS USING SLEEPING AID APPS



DAU OF 95S MOTHERS USING SLEEPING AID APPS (IN HOURS)



Source: CBNData, Gen-z Mom in China 2021

EMERGING CONSUMER GROUPS

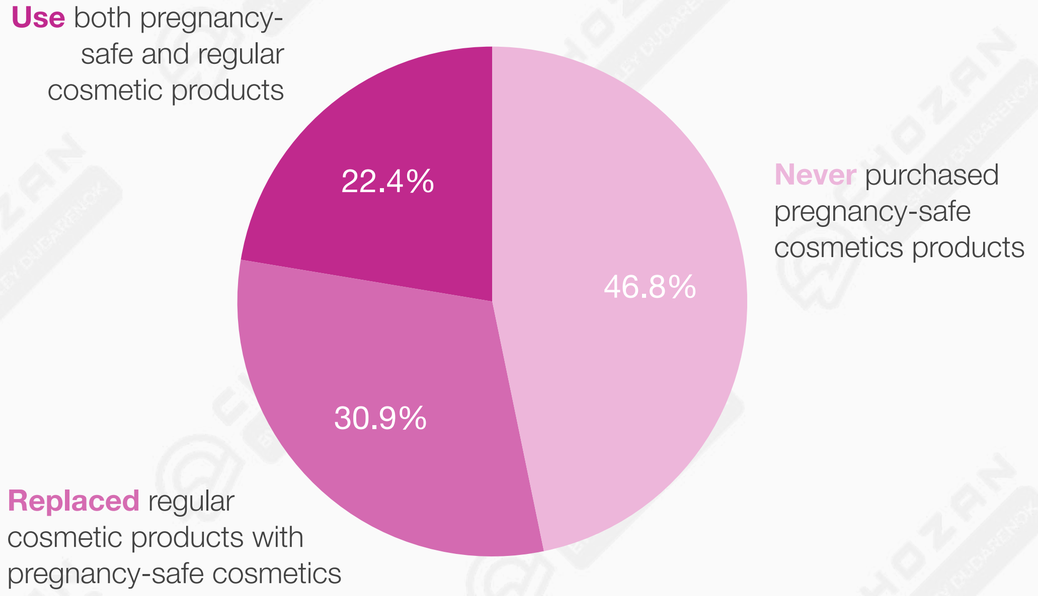
GEN-Z MOM - MAKEUP CONSUMPTION HABITS

Gen Z moms pay attention to their appearance due to their desire to look good all the time.

48.6%
USE COSMETICS DURING PREGNANCY

59.9%
ONLY USE MAKE UP WHEN NECESSARY

GEN Z MOMS USE OF PREGNANCY-SAFE COSMETICS



Source: CBNData, Gen-z Mom in China 2021

EXPERT BITES

Q: WHAT CONSUMPTION GROUPS DO YOU ADVISE MARKETERS TO MONITOR IN Q3 2021?

The focus should be set on categories such as the urban GenZ, new moms, and white-collars.

China has become the global benchmark for omni-channel retailing. Local and foreign brands should offer special deals, free gifts or coupons to tap into this potential and deliver state-of-the-art shopping experiences.

On-demand delivery services should focus on digital products, fresh groceries, medicines and beauty products, as well as luxury goods.

COVID-19 and climate change have largely increased Chinese consumers' awareness about health and sustainability issues in their purchasing decisions. Additionally, the rise of "China-chic" means that Chinese shoppers increasingly embrace products from domestic Chinese players.

MARTINA FUCHS

TV Anchor & Business Journalist, Event Moderator

DELICATE MEN

Photo: Unsplash

EMERGING CONSUMER GROUPS
DELICATE MEN - NEW MALE CONSUMPTION ATTITUDE

Beauty/ being trendy is no longer associated with just women but with men as well.

3 STEPS TO BECOMING A TRENDY MALE IN CHINA

STEP 1 : SKIN CARE & MAKE UP

STEP 2 : FASHION SENSE

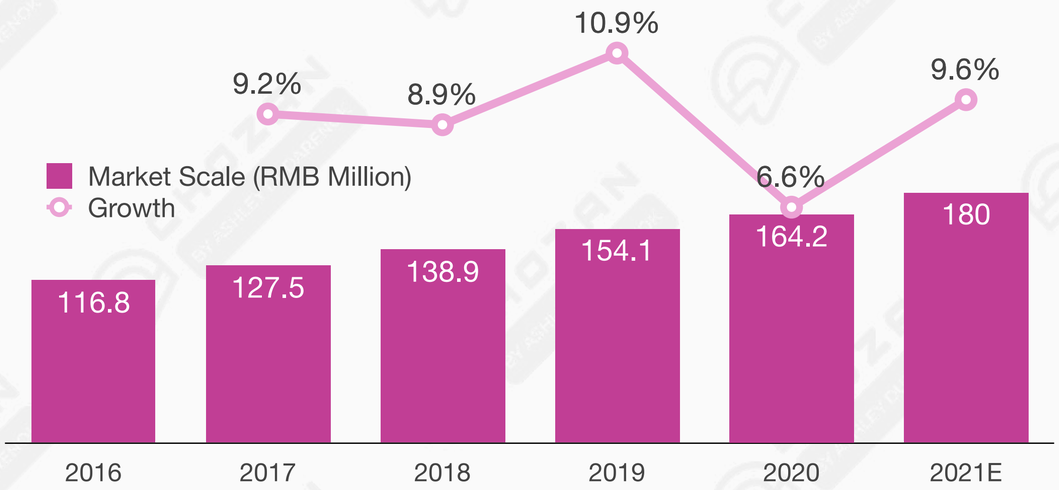
STEP 3 : FITNESS

Source: Chinamobile, "He Economy" in China 2021 & CBNData, Men Beauty Economy in China 2021

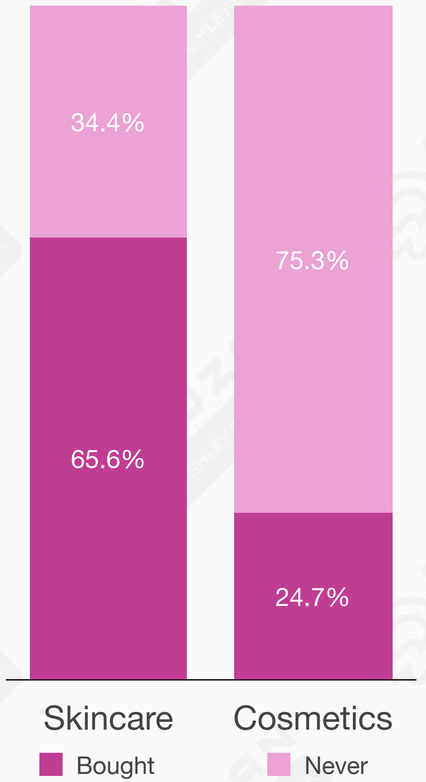
EMERGING CONSUMER GROUPS
DELICATE MEN - BEAUTY CONSUMPTION

The male beauty industry is growing. Chinese men prefer skincare to cosmetics.

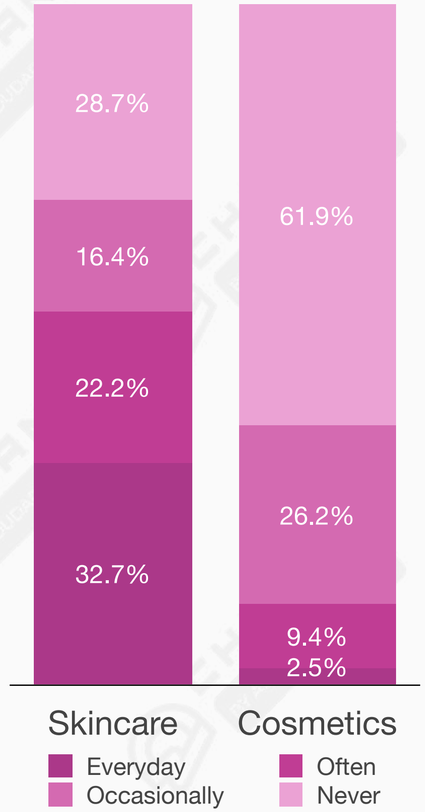
PROPORTION OF MALE BEAUTY INDUSTRY IN CHINA



MALE CONSUMPTION OF SKINCARE & COSMETICS



FREQUENCY OF USING SKINCARE & COSMETICS



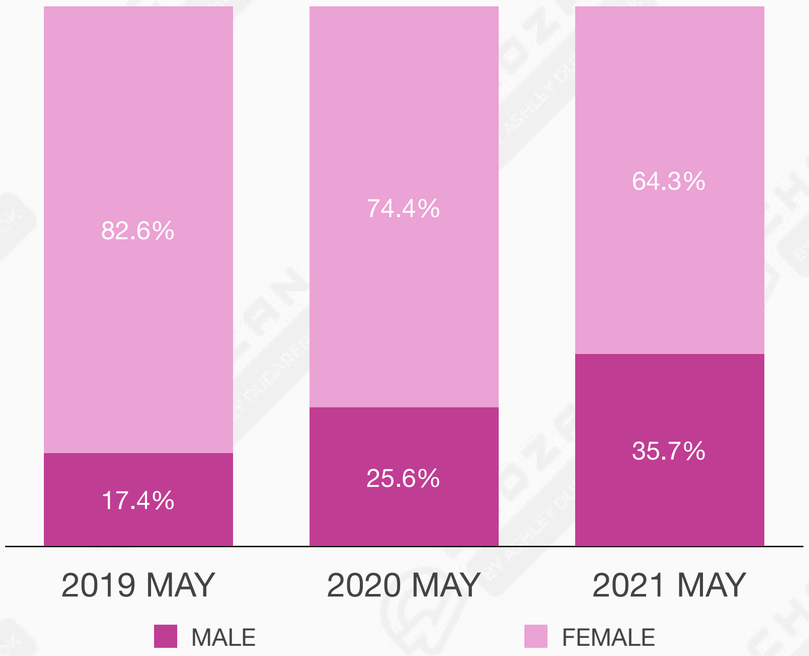
Source: CBNData, Men Beauty Economy in China 2021

EMERGING CONSUMER GROUPS
DELICATE MEN - BEAUTY CONSUMPTION

Chinese male interest in medical beauty is growing. They are willing to spend more per visit than female consumers.

MEN SPEND
275% MORE THAN
WOMEN ON MEDICAL BEAUTY PER VISIT

MEDICAL BEAUTY APP USERS BY GENDER



Source: CBNData, Men Beauty Economy in China 2021

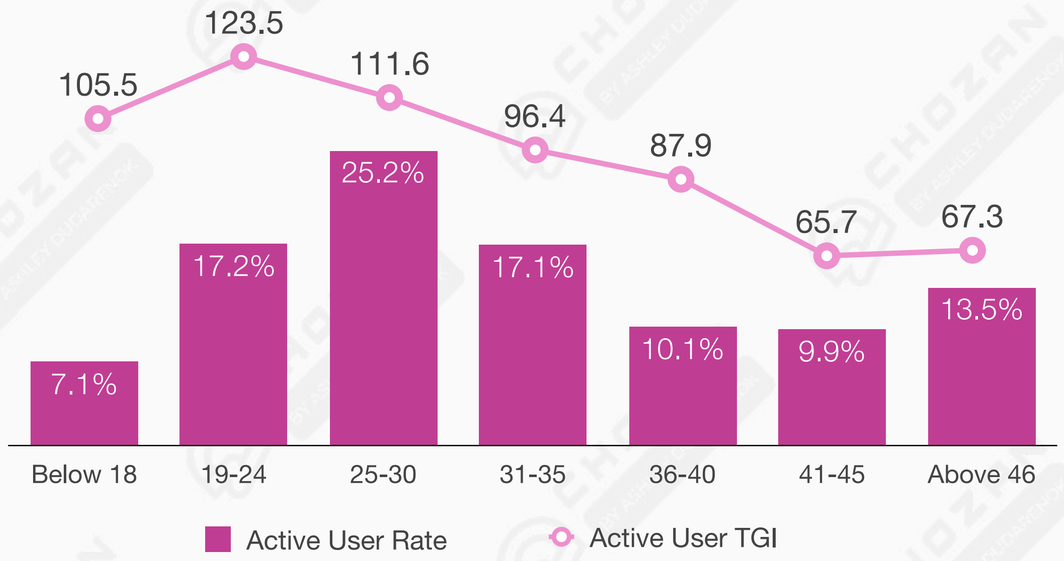
EMERGING CONSUMER GROUPS
DELICATE MEN - BEAUTY CONSUMPTION

To fulfil consumers' needs, short videos and live streaming developments are penetrating the male beauty market.

185 MILLION

DEDUPLICATED MONTHLY ACTIVE MALE USERS OF BEAUTY KOL INDUSTRY IN APRIL 2021

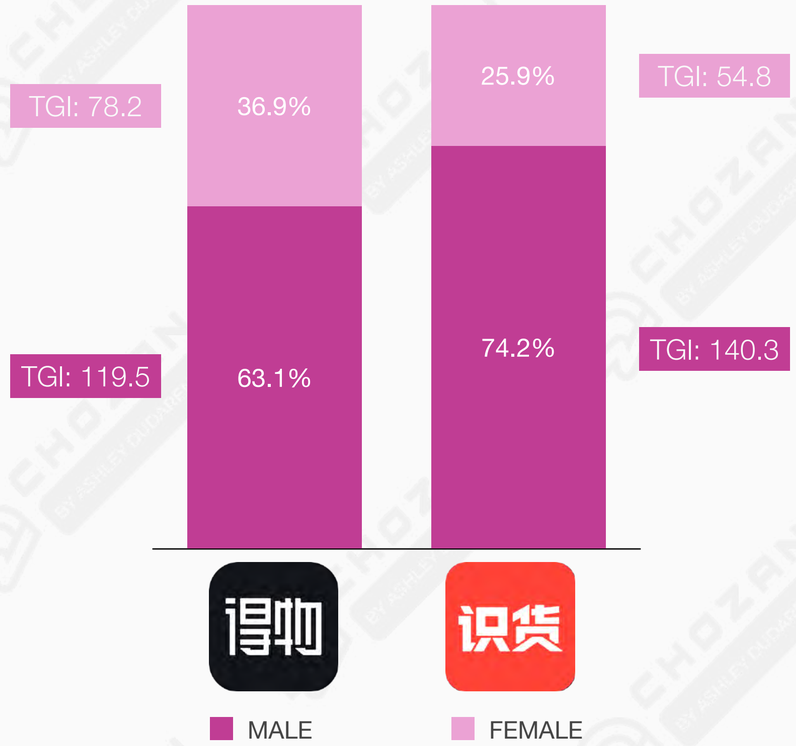
AGE DISTRIBUTION OF MALE USERS IN BEAUTY KOL INDUSTRY IN APRIL 2021



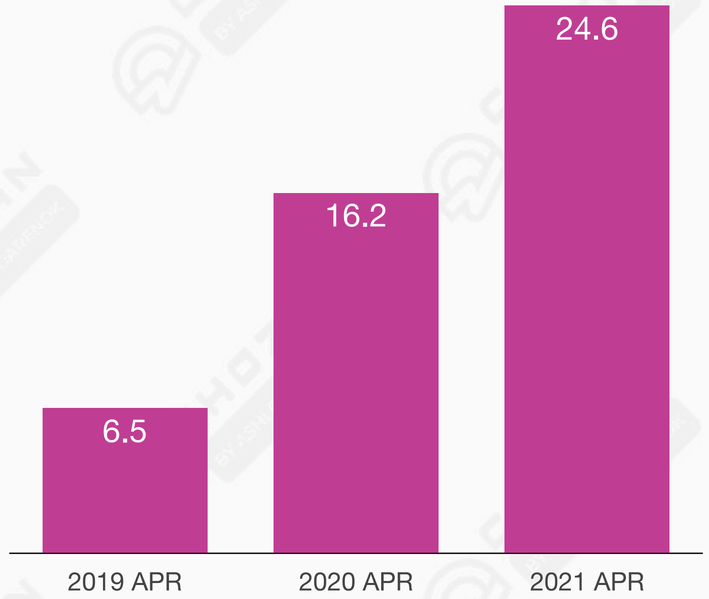
Source: QuestMobile, Male Consumers in China 2021

EMERGING CONSUMER GROUPS
DELICATE MEN - FASHION CONSUMPTION

GENDER DISTRIBUTION OF SPORT & FASHION APPS



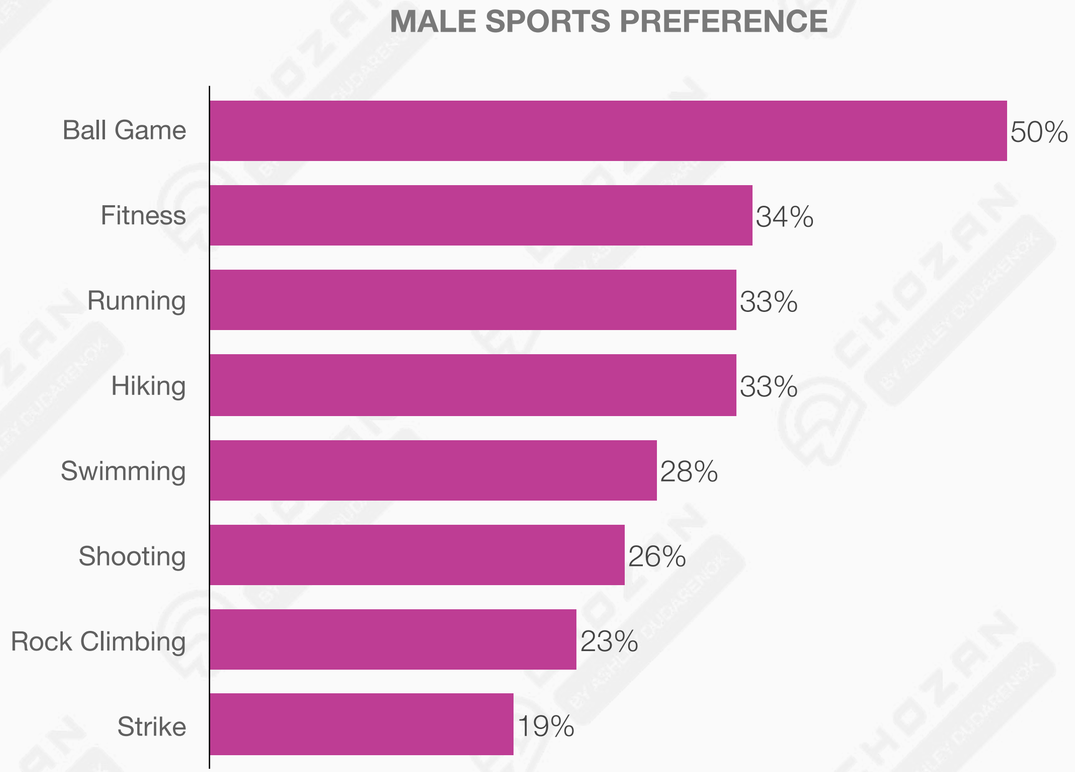
SCALE OF MALE USERS IN SPORTS & FASHION INDUSTRY (MILLIONS)



Source: CBNData, Men Beauty Economy in China 2021

EMERGING CONSUMER GROUPS

DELICATE MEN - FITNESS CONSUMPTION



70%

SPEND 1000+ RMB ON FITNESS ANNUALLY

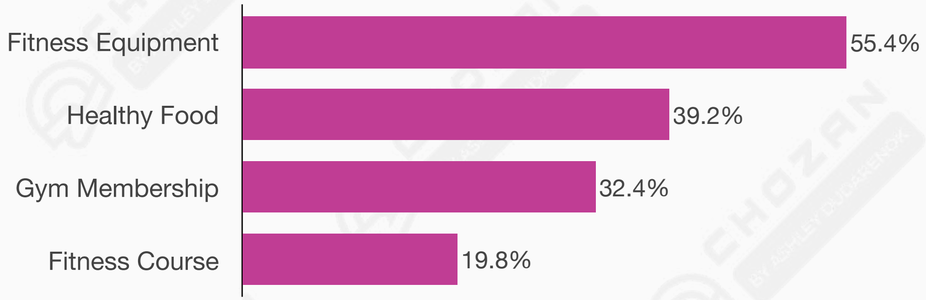
50%

EXERCISE 3+TIMES WEEKLY

Source: Chinamobile, "He Economy" in China 2021

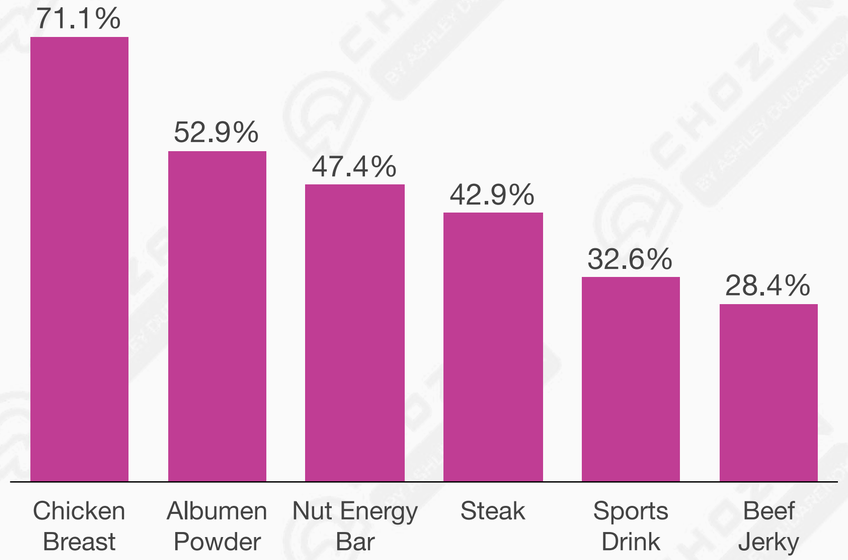
EMERGING CONSUMER GROUPS
DELICATE MEN - FITNESS CONSUMPTION

MALE FITNESS CONSUMPTION PREFERENCE



MORE THAN
100 MILLION MALE
USERS EXERCISED THROUGH APPS DURING COVID-19

MALE HEALTHY FOOD CONSUMPTION PREFERENCES



Source: CBNData, Men Beauty Economy in China 2021

NEW CONSUMPTION

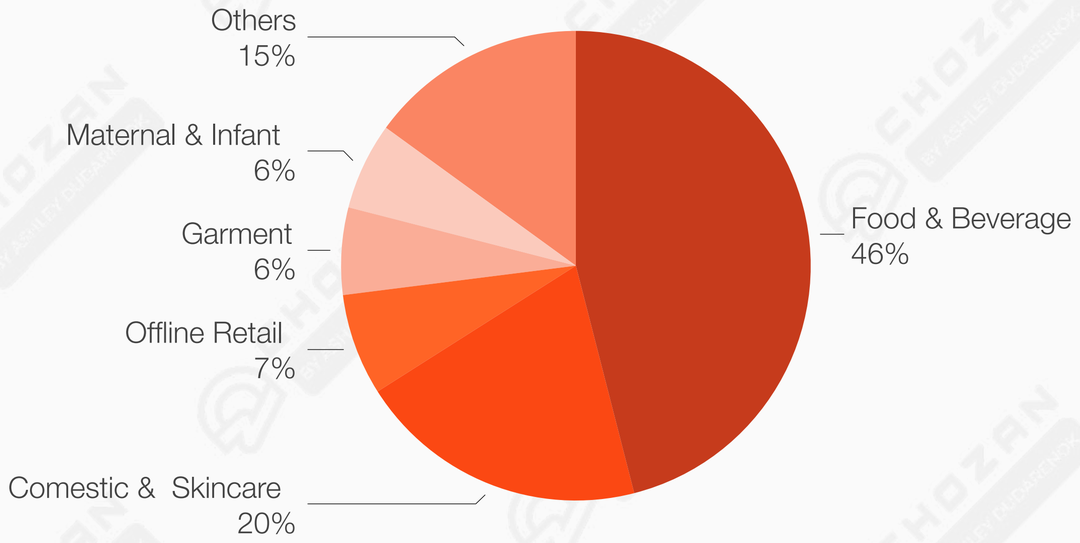
NEW CONSUMPTION

INTRODUCTION

The China New consumption trend emerged in 2018. In 2020, its penetration rate for Chinese brands reached 91.4%. Compared to consumption before 2017, changes of brands and consumers mainly focus on the three aspects of quality, category and brand.

	QUALITY	CATEGORY	BRAND
FOR BRAND	Quality Improvement as Standard	Niche Market	Focus on Brand Value
FOR CONSUMER	Self-satisfaction Consumption	Experience & Culture Consumption	Localization

NEW CONSUMPTION BRANDS POPULAR FIELDS



Source: Ebrun, New Consumption in China 2021

NEW CONSUMPTION

NEW TREND - SOCIAL CHANNEL FOCUSED

	TRADITIONAL MEDIA	SOCIAL MEDIA
COMMUNICATION STYLE	Centralizing, redirect, concentrated & low-density information	Decentralizing, direct, scattered & high-density information
MARKETING STRATEGY	Product and production-oriented Emphasize physiological needs of consumers	Customer-oriented Emphasize individual & psychological needs of consumers
TRAFFIC DISTRIBUTION	Linear structure High-traffic platform without consumer scene High-cost & limited traffic	Multi-channel structure Deep insight into consumer needs Efficient traffic
DATA USAGE	Scattered data with simple manual interpretation Fixed marketing process	Rich data with deep AI interpretation Dynamic marketing

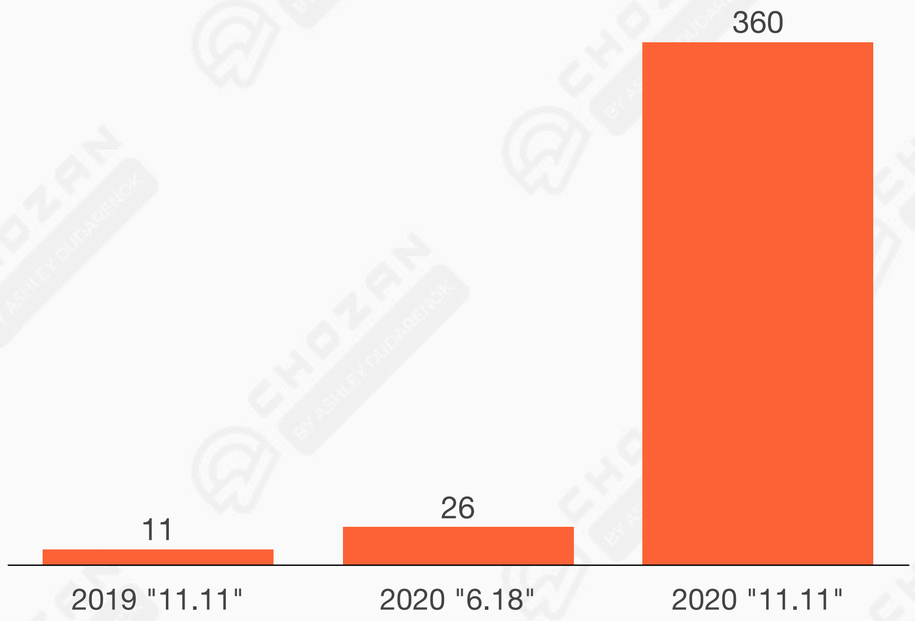
Source: CBNdata, New Consumption Social Media Marketing Report in China in 2021

NEW CONSUMPTION

NEW TREND - NICHE SEGMENTATION

In order to meet customers' personalized needs, new consumption brands tend to have niche market segmentation.

THE NUMBER OF NEW CONSUMPTION BRANDS THAT WON FIRST PLACE IN THE NICHE SEGMENTATION OF TMALL SHOPPING FESTIVALS



Source: Ebrun, New Consumption in China 2021

NEW CONSUMPTION

NEW TREND - DTC MARKETING

DTC marketing is marketing that brands can use to reach consumers directly by social media, e-commerce, and private traffic. Different from traditional methods, it is beneficial for establishing customer connection directly, developing brand story flexibly, and customizing marketing strategy continually.

Source: CBNdata, New Consumption Social Media Marketing Report in China in 2021

NEW CONSUMPTION

NEW TREND - NEW GROUP

Gen-Z, the new middle class and the small town youth are leading the consumer market with a large population base and strong consumption power.

GEN-Z

ACGN culture, Guochao, face-score economy, cosmetics & skincare, food & beverage, pet economy

NEW WOMEN

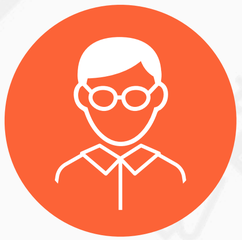
Cosmetics & skincare

NEW PARENTS

Maternal & infant industry, household cleaning products, education, home appliances

NEW WHITE-COLLAR

KOL, fashion, face-score economy



NEW ELITES

Luxury brands, wealth management products, digital products, fitness, fashion

SMALL TOWN YOUTH

Guochao, fashion, live streaming, innovative brands

Source: CBNdata, New Consumption Social Media Marketing Report in China in 2021

NEW CONSUMPTION

WHY IT GETS POPULAR

GEN-Z

The rise of Gen-Z brings new changes to the market with their strong willingness to try new things.

STRONG SPENDING POWER

3,501 RMB/MONTH
DISPOSABLE INCOME

LONELINESS

GOOD LIVING CONDITIONS BUT LONELY, THE PURSUIT OF BELONGING

MULTI-INTEREST

E-SPORTS, ACGM，CHINOISERIE, GARAGE KIT, TECHNOLOGY, ETC.

PLAYABLE

PERFER TAILORED OR PERSONALIZED PRODUCTS WITH A NEW EXPERIENCE

Source: Research Marketing & New Consumer Daily, New Consumption New Brand Report in China 2021

NEW CONSUMPTION

WHY IT GETS POPULAR

TIMELY CONSUMER UNDERSTANDING

Big data helps to observe the market and capture opportunities in a timely way; market research between platforms helps to get immediate feedback from consumers.

EFFICIENT PRODUCT DEVELOPMENT

The development of e-commerce promotes the digital upgrading of the commercial process and accelerates the incubation and circulation of new products.

MULTI-CHANNEL SHOPPING

China's advanced digital infrastructure enabled a rapid shift to online; various online and offline channels provide consumers with a wealth of information and consumption options.

COMPREHENSIVE MARKETING STRATEGY

With the support of e-commerce, social media and content platforms, brands can develop a comprehensive marketing strategy and consumers can receive omni-channel recommendations, making the decision-making process more efficient for both sides.

Source: CBNdata, New Consumption in China 2021

NEW CONSUMPTION

CASE STUDY - TSINGTAO BREWERY: CHEERS ACROSS THE AGES

CROSSOVER FOR A NEW TREND → Integrated China-chic design to New York Fashion Week in 2019

BUNDLING SALE WITH CLASSICAL FILMS → Launched a #Cheers across the ages# campaign to indicate its century-old culture in 2020

CELEBRITY EFFECT → Teamed up with GQ to shoot a fashion blockbuster with Hua Chenyu, triggering a heated discussion among fans

“6.18” TMALL SHOPPING FESTIVAL → Invited Hua Chenyu to Shanghai Film Museum for a live-streaming; achieved No. 1 in Tmall beverage sales

Source: CBNdata, Beer Industry in China 2021

NEW CONSUMPTION

CASE STUDY - TSINGTAO BREWERY: ARVR NIGHT AT MUSEUM

VR TECHNOLOGY → Leveraged VR to create 10 scenarios to provide customers with an immersive experience while remaining indoors

CELEBRITY EFFECT → Cooperated with Hua Chenyu, the “Chief Night Owl”

RICH CONTENT MARKETING → VR panorama museum, a 3D cat with intelligent voice to guide consumers around, museum treasure hunt challenge, lucky draw, etc.

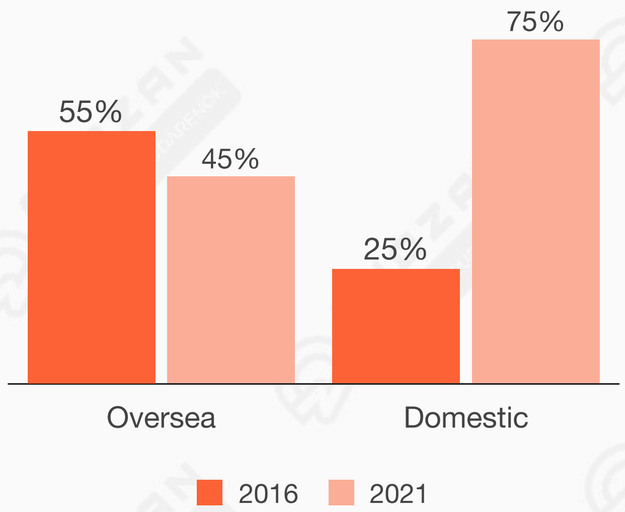
Source: CBNdata, Beer Industry in China 2021

NEW CONSUMPTION

GUOCHAO

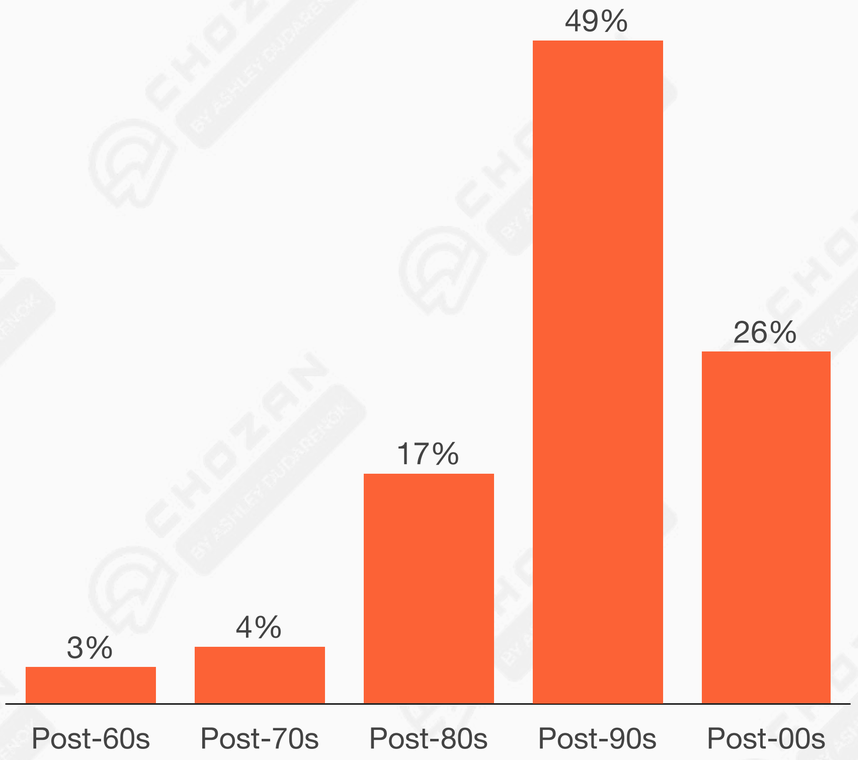
Chinese consumers are becoming more aware of domestic brands.

CHINESE DOMESTIC AND OVERSEAS BRAND ATTENTION CHANGE



Source: MobTech, 2021 Chinese Internet Report

WHO PAYS ATTENTION TO GUOCHAO BRANDS?



EXPERT BITES

Q: WHAT WERE SOME BIG CONSUMPTION TRENDS IN CHINA IN Q2 2020?

We continue to follow China's fragrance market with great interest. Local consumers, particularly China's youth, have really embraced fragrances as an accent of personal style in the past two years. We see two seemingly contradictory trends playing out at the same time. First, a desire to have access to niche fragrances from master perfumers overseas. Second, a fondness for local herbal culture elements, including local scents and a “Crafted in China" heritage.

MICHAEL NORRIS
Research and Strategy Manager
at AgencyChina

EXPERT BITES

Q: WHAT CONSUMPTION TRENDS DO YOU SEE FOR SUMMER 2021?

ARNOLD MA
CEO at
Qumin

An expansion of the online service industry

For example, during this year's 618 shopping festival, sales of JD's online real estate business increased 230% year-on-year. The online order number of car maintenance increased 285% year-on-year and sales of housekeeping and cleaning services online increased 6.3 times.

Outdoor activities, such as camping, will continue to be popular

More and more Chinese young people love going camping with their friends and the term "glamping" (glamorous camping) has become popular among Chinese young people. Glamping allows travellers to enjoy nature and outdoors with their home comforts and was successfully appealed to in a campaign by North Face and Gucci earlier this year.

As of 30 June 2021, there were more than 290,000 notes related to the keyword "camping" on RED, covering various topics such as campsite selection and camping kits recommendations. Some outdoor brands are no longer niche because of people's recommendations on RED, such as Nordisk from Demark, Chums from U.S., Snow Peak from Japan.

EXPERT BITES

Q: WHAT ARE THE MOST SIGNIFICANT CHANGES THAT HAPPENED IN YOUR VIEW IN CHINA IN Q3?

Most significant trends are the increasing use of ‘glamping’ (glamour camping) to connect with consumers.

Prada’s outdoor activation was the most significant amongst many glamping-based campaigns.

The reality this has moved from leading-edge to mass-consumers was reflected in the 618 data, that showed a 130% growth in camping-related sales.

Also on social media, the growth of the use of super foods in-home for salads, smoothie and deserts is growing rapidly.

JERRY CLODE

Founder at
The Solution Consultancy

KEY CONSUMPTION ECONOMIES

YOUR OPPORTUNITIES IN CHINA IN 2021

1

THE NIGHT ECONOMY

PEOPLE WORK LONG HOURS AND START THEIR CONSUMPTION LATE AT NIGHT. THIS TREND PROMOTES EVENING RELATED PRODUCTS AND EXTENDS BUSINESS HOURS.

2

THE FAN ECONOMY

FAN ECONOMY IS THE CONSUMPTION DRIVEN BY FANS AND FOLLOWERS OF CELEBRITIES AND INFLUENCERS.

3

THE PET ECONOMY

MORE PET OWNERS NOW CONSIDER PETS AS THEIR LIFE COMPANION DUE TO DELAYED MARRIAGE, ENCOURAGING THE GROWTH OF PET ECONOMY.

4

THE PERSONAL FINANCES AND INVESTMENT ECONOMY

YOUNG CHINESE CONSUMERS HAVE BEEN INCREASINGLY AWARE AND ACTIVE IN MANAGING THEIR PERSONAL FINANCES AND INVESTMENTS.

5

THE ACG ECONOMY

ACG (ANIME, COMICS AND GAMES) INDUSTRY HAS BEEN DEVELOPING RAPIDLY IN RECENT YEARS, REACHING YOUNG CONSUMERS WITH HIGH SPENDING POWER.

6

THE LAZY ECONOMY

A NEW TYPE OF CONSUMPTION DEMAND THAT IS TIME-SAVING, LABOR-SAVING AND CONVENIENT.

7

THE SLEEP ECONOMY

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

8

THE IP AND BLIND BOX ECONOMY

GEN Z LIKES TO BUY BLIND BOXES, WHICH COME WITH TRENDY TOYS. BLIND BOXES ARE POPULAR IN THE SECOND-HAND MARKET TOO.

9

THE GUOCHAO ECONOMY

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

10

THE FITNESS ECONOMY

AFTER THE PANDEMIC, CHINESE NATIONALS HAVE BECOME EVEN MORE KEEN ON FITNESS AS THEY BECOME MORE AWARE OF THEIR HEALTH.

11

THE SHE ECONOMY

WOMEN ARE BECOMING AN INCREASINGLY IMPORTANT CONSUMPTION FORCE IN E-COMMERCE.

12

THE SINGLES ECONOMY

CHINESE SINGLES HAVE A MORE SOLID CONCEPT OF WEALTH MANAGEMENT, AND ARE WILLING TO PAY FOR THEIR INTERESTS AND OTHER FINER THINGS IN LIFE.

13

THE HOME ECONOMY

THE HOME ECONOMY IN CHINA IS A WIDE RANGE OF CONSUMPTION AND COMMERCIAL ACTIVITIES CARRIED OUT BY PEOPLE WHO INCREASINGLY SPEND TIME AT HOME.

14

THE MEDICAL BEAUTY ECONOMY

WITH RISING DISPOSABLE INCOMES, MORE CHINESE CONSUMERS CAN AFFORD TO AND ARE WILLING TO SPEND ON MEDICAL BEAUTY TREATMENTS AND SURGERIES.

EXPERT BITES

WENDY CHEN

Sr. Marketing Manager
at Alarice & ChoZan

Q: WHAT CONSUMPTION TRENDS YOU CAN SEE IN CHINA RIGHT NOW?

The appearance economy（颜值经济）is big. We've talked about the he-economy and she-economy many times, but actually the appearance economy is the ultimate core of the younger generation's consumption trends. The popularity of the Meitu app was just the beginning. There are now four out of ten people who have got it installed. And then came the rise of cosmetics and skin care products - undeniably live streaming originated from this industry. After that, sports, fitness and health trended. People are finally entering a phase of more professional and higher consumption. The pursuit of expensive products such as medical beauty and beauty equipment has provided the market with more possibilities. People care not only about how they look but also about how the products look. This fixation on all things beautiful can all be attributed to the internet's influence. The peak in this appearance economy has yet to arrive.

GOT A QUESTION? DROP WENDY AN EMAIL BY SCANNING THE QR CODE

15

THE GUILT FREE ECONOMY

CONSUMER AWARENESS OF “DOING GOOD” FOR THE ENVIRONMENT, SOCIETY AND THEMSELVES TO MINIMISE THEIR SENSE OF GUILT FROM SPENDING.

EXPERT BITES

Q: WHAT CONSUMPTION TRENDS DO YOU SEE FOR SUMMER 2021?

MICHELLE LAU

Senior Strategic Partnership Manager at Alibaba Group

Since the pandemic, we have seen Chinese consumers becoming more and more conscious of health and sustainability-related issues, and an increasing interest towards overseas premium products specifically.

Our annual 6.18 Shopping Festival is a great example of the work we are doing to run our operations more sustainably and efficiently. Carbon emissions generated per order fell 18% on a daily basis compared with the event last year. This reduction is due partly to using less packaging in deliveries. We also ramped up our use of clean energy – including wind and solar power – at the data centers that house computer systems. Rooftop photovoltaic power stations also played their part in reducing the event's carbon footprint. In the coming months and years we plan to share our energy-efficient technology with customers and business partners to support the fight against global warming.

Another trend we expect to see over the next few months is the increasing demand for, and interest in, overseas premium products. Our new members-only supermarket chain "Store X", the big-box format of grocery retailer Freshippo, is designed to serve a growing class of affluent families in Chinese cities. A total of 11 new store openings is planned for this year, offering an upgraded consumer experience, including showrooms for imported products, which offer the latest and some of the most popular products on Tmall Global to Store X members, a wide selection of agricultural produce; and a slew of other benefits and peripheral services, such as free deliveries, VIP customer support, car wash and optician services. We expect this membership shopping model, combined with the merging of online and offline shopping experiences, to be a popular option for families and consumers across China this summer.

EXPERT BITES

Q: WHAT MARKETING ADVICE CAN YOU GIVE COMPANIES ENTERING CHINA?

Chinese consumers becoming more patriotic, there is a big “guochao” trend (national wave). Many of them prefer local brands or at least something mixed with Chinese culture. So if you are a foreign company, they still need to see respect and appreciation of China in your marketing strategy. A straightforward and “cheap” love for China won’t work, so you need to show a deep understanding of local culture and traditions, that’s how you prove your credibility to Chinese customers. This means cultural marketing and smart creative ideas related to the Chinese culture are getting super important at this moment.

ARTEM ZHDANOV

Founder of LaowaiMe

EXPERT BITES

Q: WHAT ARE YOUR RECOMMENDATIONS FOR FOREIGN BRANDS IN CHINA IN Q3?

My recommendation for foreign brands is to include Chinese cultural elements to capture attention. But try to avoid missteps! Foreign brands must cooperate with local Chinese creators to capture the modern Chinese spirit and avoid cultural misinterpretation. Remember: Chinese products are not necessarily Guochao, but Guochao products are 100% domestic products to the consumers!

ALBERTO ANTINUCCI

Digital Innovation Strategist and China Expert

EXPERT BITES

Q: WHAT'S YOUR RECOMMENDATION FOR BRANDS TO MARKET BETTER IN CHINA IN Q3?

As the consumer market becomes younger, brands should grasp the new demand. New demand stems from further segmentation and insight into consumer groups. For example, as the main force of future consumption, Gen Z also indicates future consumer trends, and precise positioning of target consumer groups is conducive to brand marketing.
Providing innovative ways to promote your brand is crucial. Consumers are becoming visual creatures, so the more attractive way you promote your brand, the more engagement rate you will get, especially in social media. Another factor to pay attention to is rising online traffic costs. High-cost customer acquisition has become the norm. Private traffic can enhance customer loyalty, improve customer stability and repurchase rate. The advantage of developing private traffic is that the brand can be used repeatedly, and can be reached by users in their own traffic pool at any time.

ELENA GATTI

Managing Director Europe at Azoya

E-COMMERCE

E-COMMERCE IN CHINA

OVERVIEW - 2021

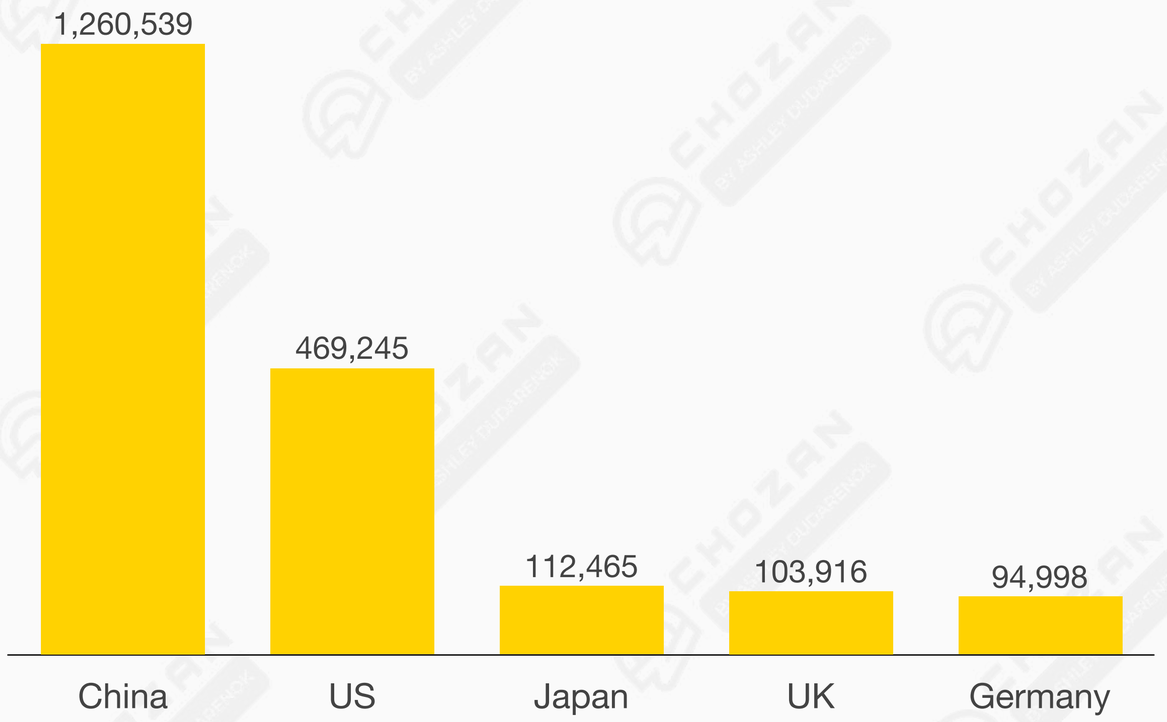
	TAOBAO	TMALL	JD.COM	PINDUODUO	RED
FOUNDED	2003	2012	2004	2015	2013
TYPE	C2C e-commerce platform	B2C e-commerce platform	Largest online retailer	Largest agriculture and interactive commerce platform	Social B2C e-commerce platform
FOCUSED INDUSTRIES	FASHION/ APPAREL	LUXURY/ GLOBAL BRANDS	ELECTRONICS	AGRICULTURE	BEAUTY/ COSMETICS
UNIQUE FEATURES	• Product diversity • Alibaba Ecosystem • Live-streaming commerce	• Quality assurance • Alibaba Ecosystem	• Fast logistics • Quality Assurance	• Valuable price • Group buying	• Female UGC • Celebrity seeding content
ACTIVE USERS	891 MILLION Annual active users (Mar 2021)		499 MILLION Annual active users (Mar 2021)	823 MILLION Annual active users (Mar 2021)	138 MILLION Monthly active users (Feb 2021)
REVENUE IN Q1 2021 (RMB)	187 Billion		203 Billion	22 Billion	30 Million beauty product sales during Spring Festival
AVERAGE ANNUAL SPENDING PER USER	9200 RMB		-	2115 RMB	-
USERS	All users	White collars	White collars	Lower-tier city users	Mainly female
USER SPENDING POWER	LOW MID HIGH	LOW MID HIGH	LOW MID HIGH	LOW MID HIGH	LOW MID HIGH

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)

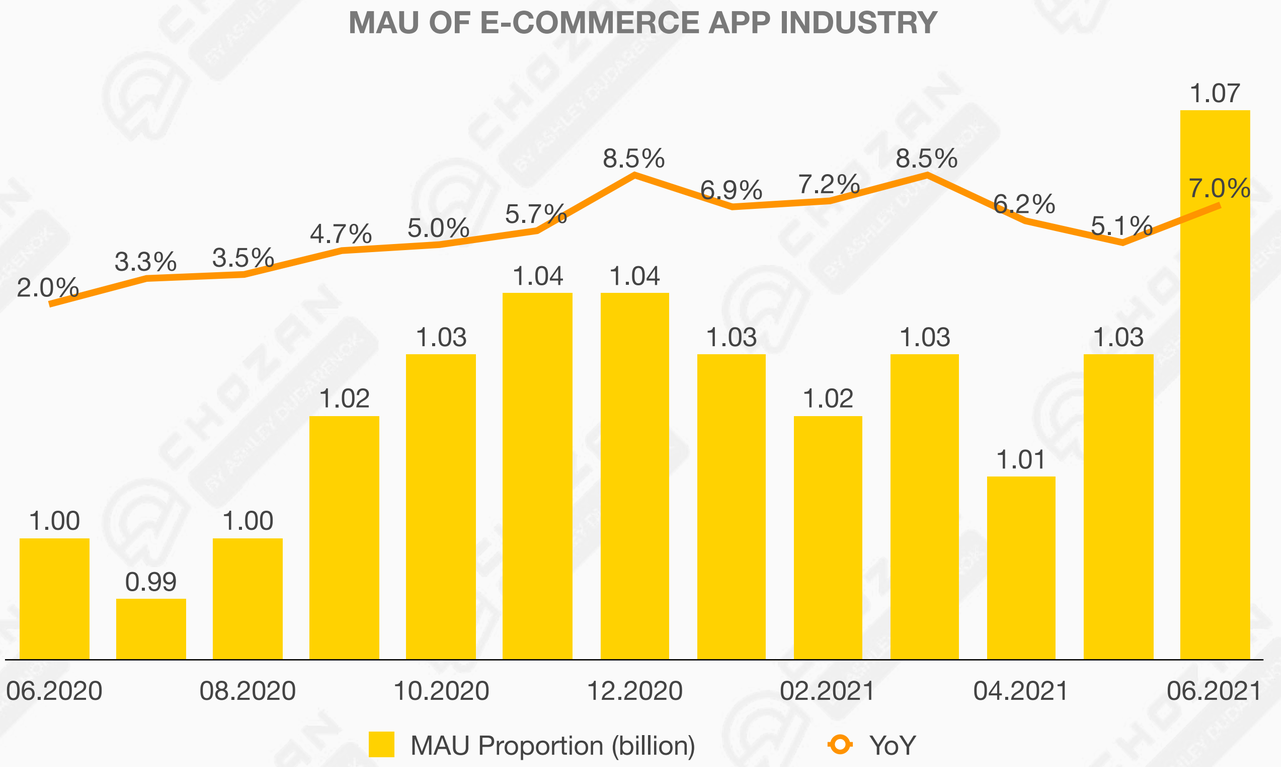


Source: Statistia, China Market Revenue

E-COMMERCE

OVERVIEW - 2021 PROJECTION REVENUE IN MILLION

The monthly active users of e-commerce apps has reached nearly 1.1 billion in June 2021. The number of active users are expected to grow continuously as marketers gain in-dept knowledge of different consumer groups.



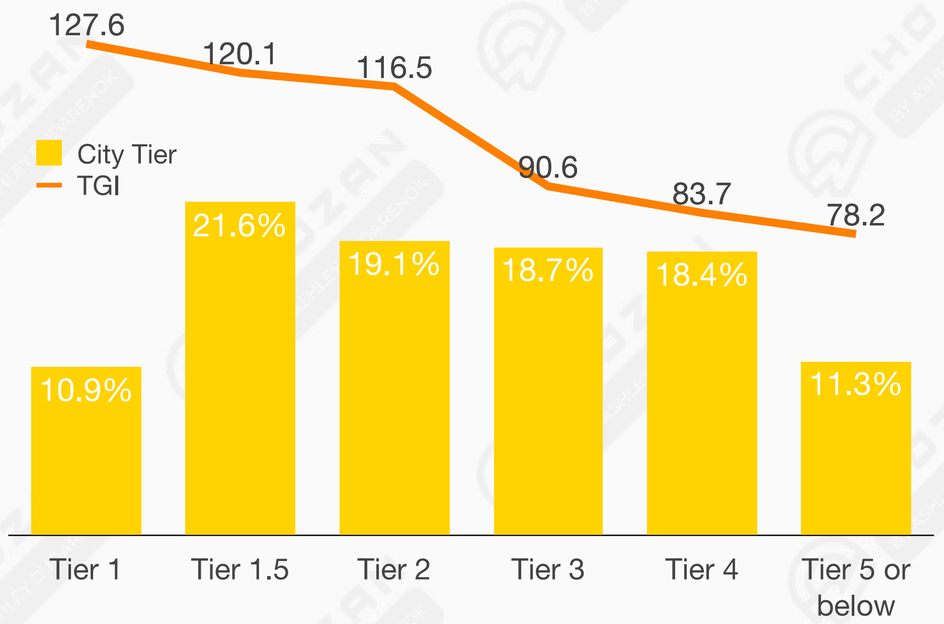
Source: Questmobile, Chinese Internet Semi-annual Report 2021

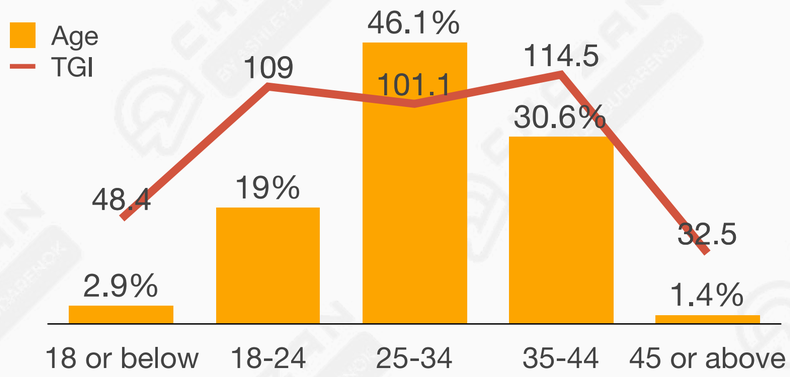
OVERVIEW

CROSS-BORDER E-COMMERCE USERS

Most cross-border e-commerce new users are aged 25-34 and located in higher-tier cities. This consumer group has income and consumption power.

NEW CROSS-BORDER E-COMMERCE USERS FROM JAN TO JUN, 2021



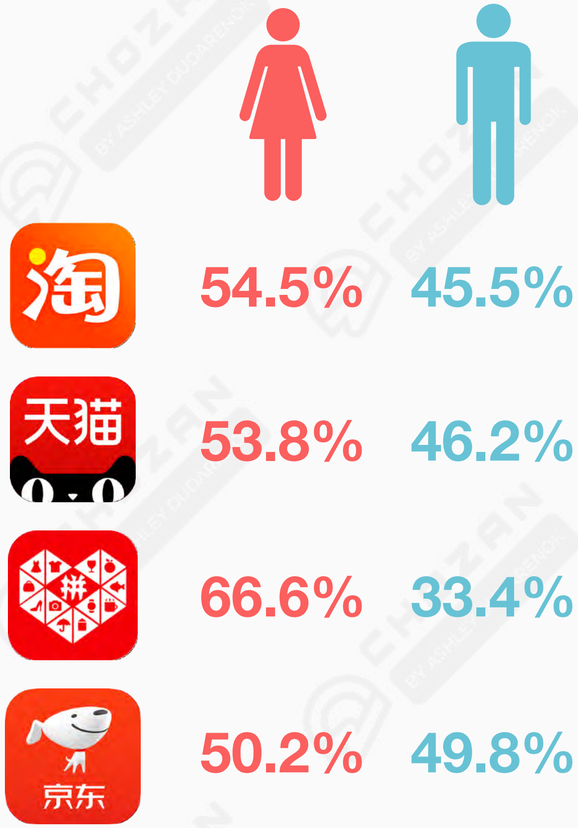


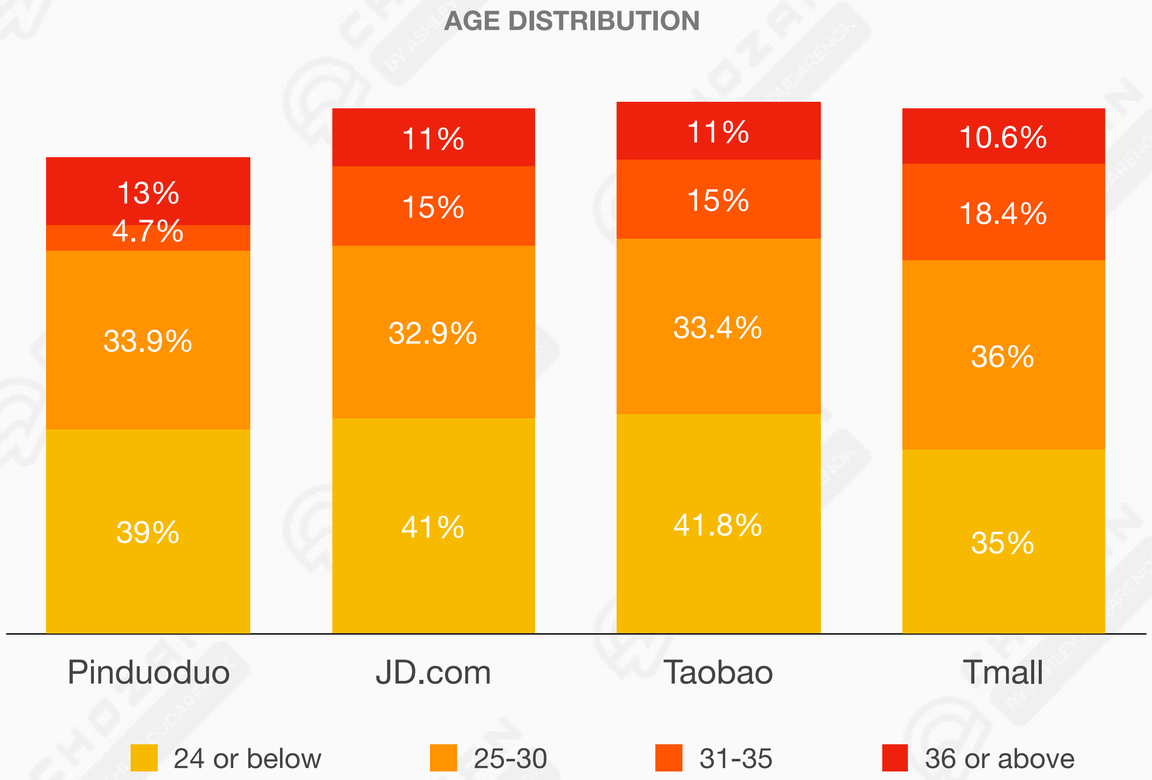
Source: MobTech, H1 2021 Internet Report

OVERVIEW

OVERVIEW - ECOMMERCE USER PORTRAIT

Female consumers remain to be the major consumption power in China.



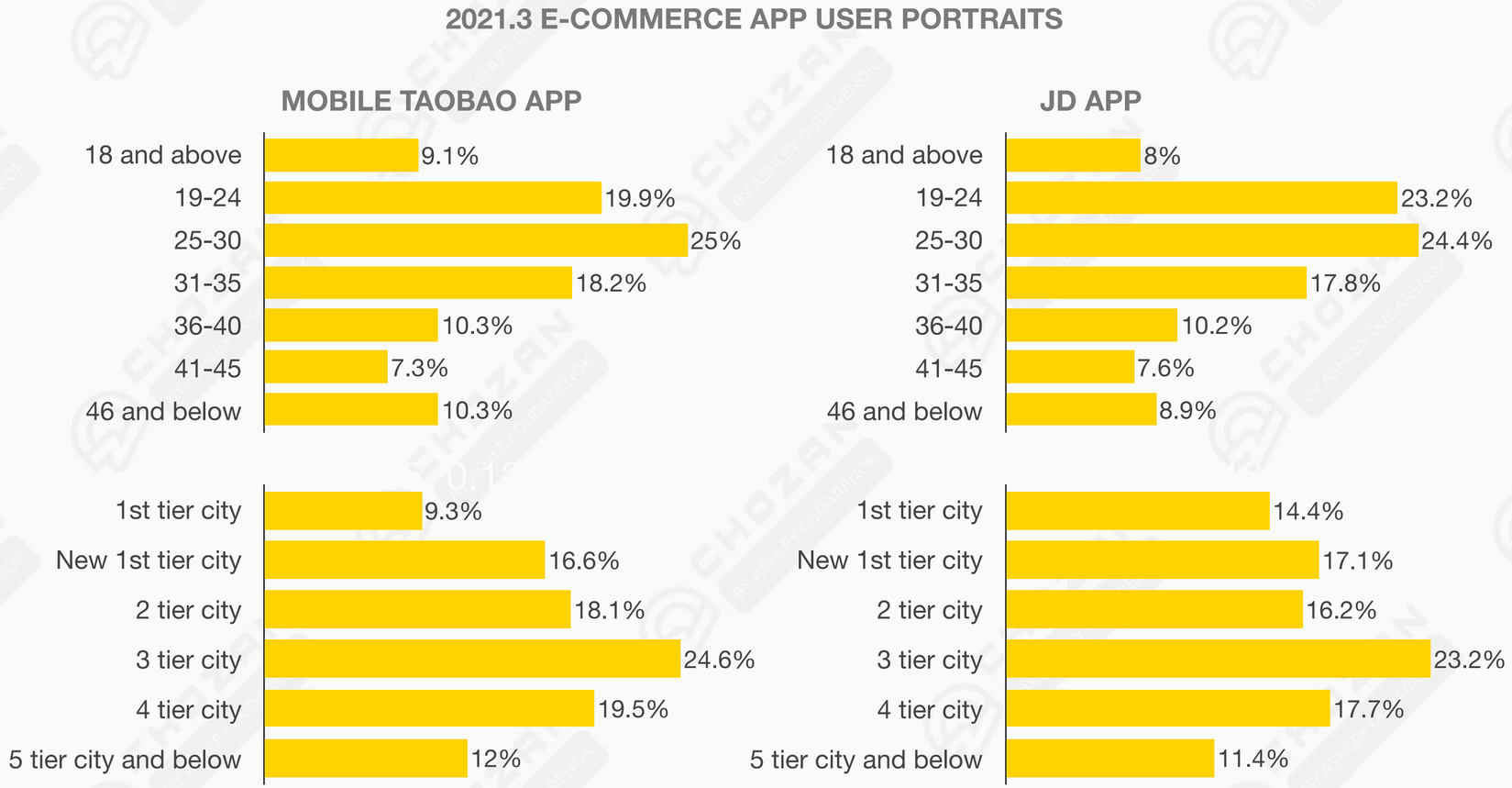


Source: Pinduoduo analysis 2021

E-COMMERCE

OVERVIEW - E-COMMERCE APP USER PORTRAIT

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



Source: Questmobile, 2020 China Mobile Internet Autumn Report

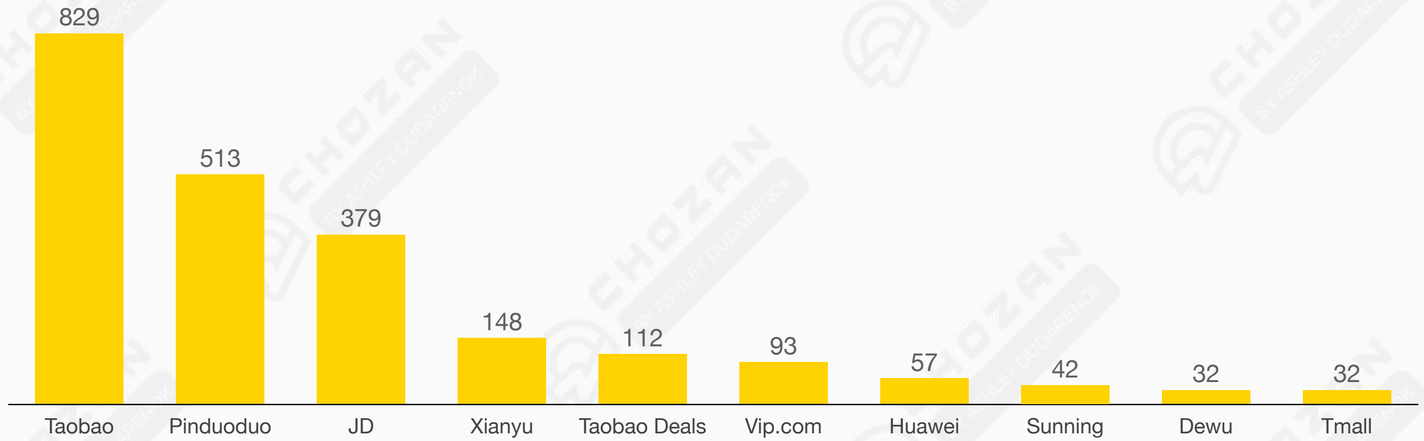
OVERVIEW

CHINA'S DIGITAL SPACE AT GLANCE

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.

TOP 10 E-COMMERCE APPS WITH MOST USERS, 06.2021 (MILLION)

	Taobao	Pinduoduo	JD	Xianyu	Taobao Deals	Vip.com	Huawei	Sunning	Dewu	Tmall
YOY GROWTH (%)	16.3	6.9	16.8	**59.7**	**225.4**	14.6	29.7	-22	**88.1**	-29.4

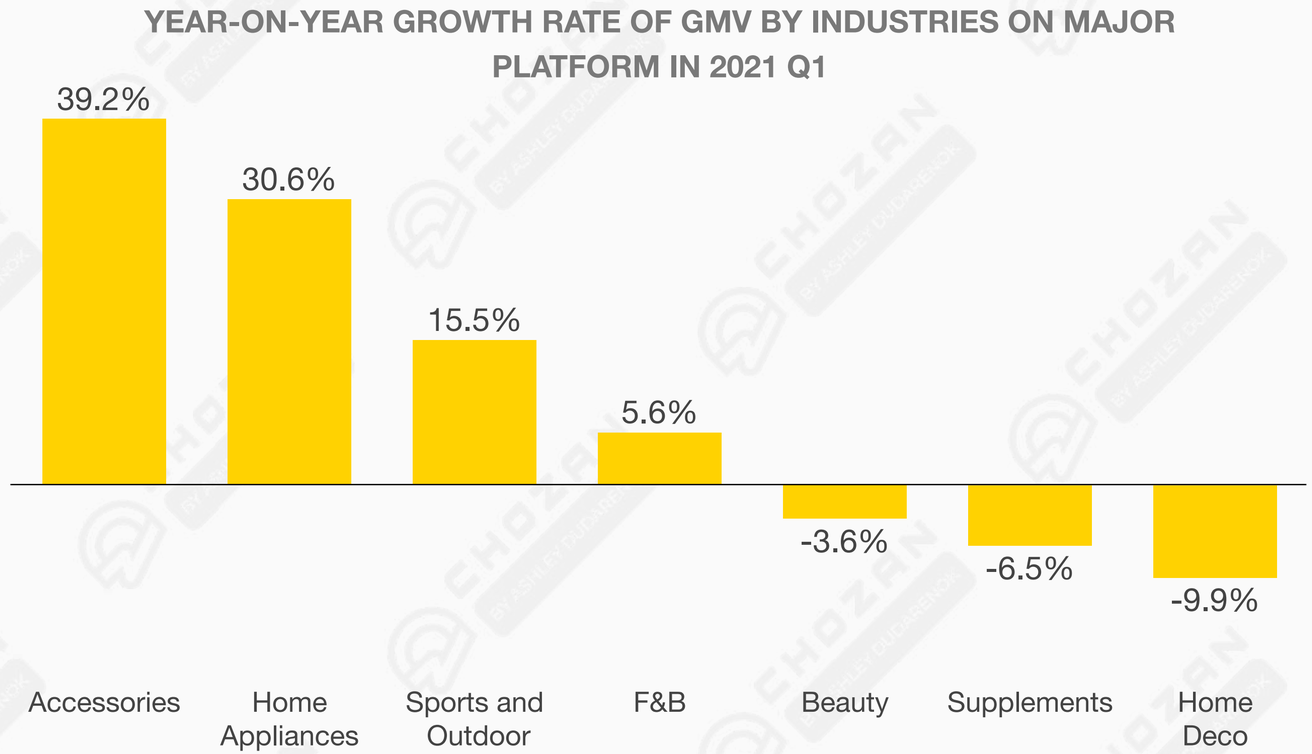


Source: Questmobile, Chinese Internet Semi-annual Report 2021

OVERVIEW

OVERVIEW - ONLINE RETAIL

Online consumption for Jewellery accessories and Home appliances are showing significant growth.



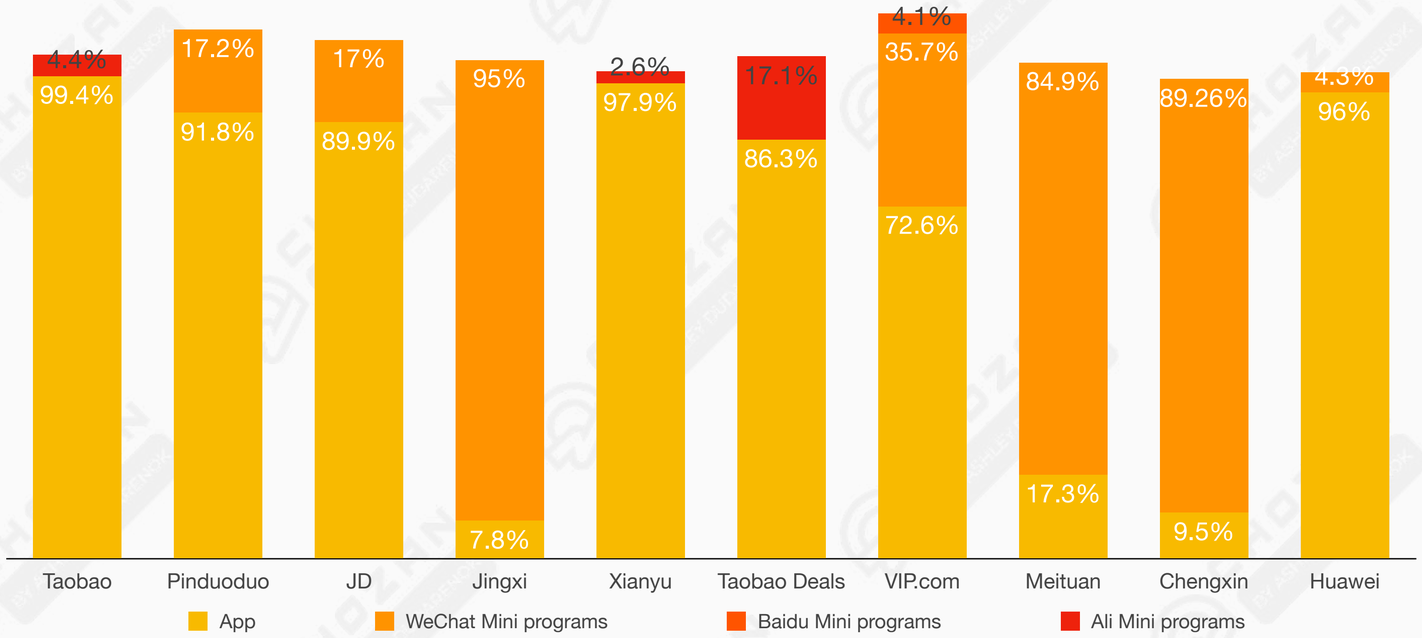
E-COMMERCE

OVERVIEW - CHINA'S NEW RETAIL

Top e-commerce platforms are releasing mini programs to gain traffic in short periods of time.

E-COMMERCE APPS TRAFFIC AMONG MINI PROGRAMS AND APPS, JUN 2021

	Taobao	Pinduoduo	JD	Jingxi	Xianyu	Taobao Deals	VIP.com	Meituan	Chengxin	Huawei
TOTAL USERS (MILLIONS)	834.2	558.8	421.2	**174.8**	150.9	129.9	127.5	**112.8**	**84.6**	59.2



Source: Questmobile, Chinese Internet Semi-annual Report 2021

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

Source: 2020 China Internet Consumption Big Data Report

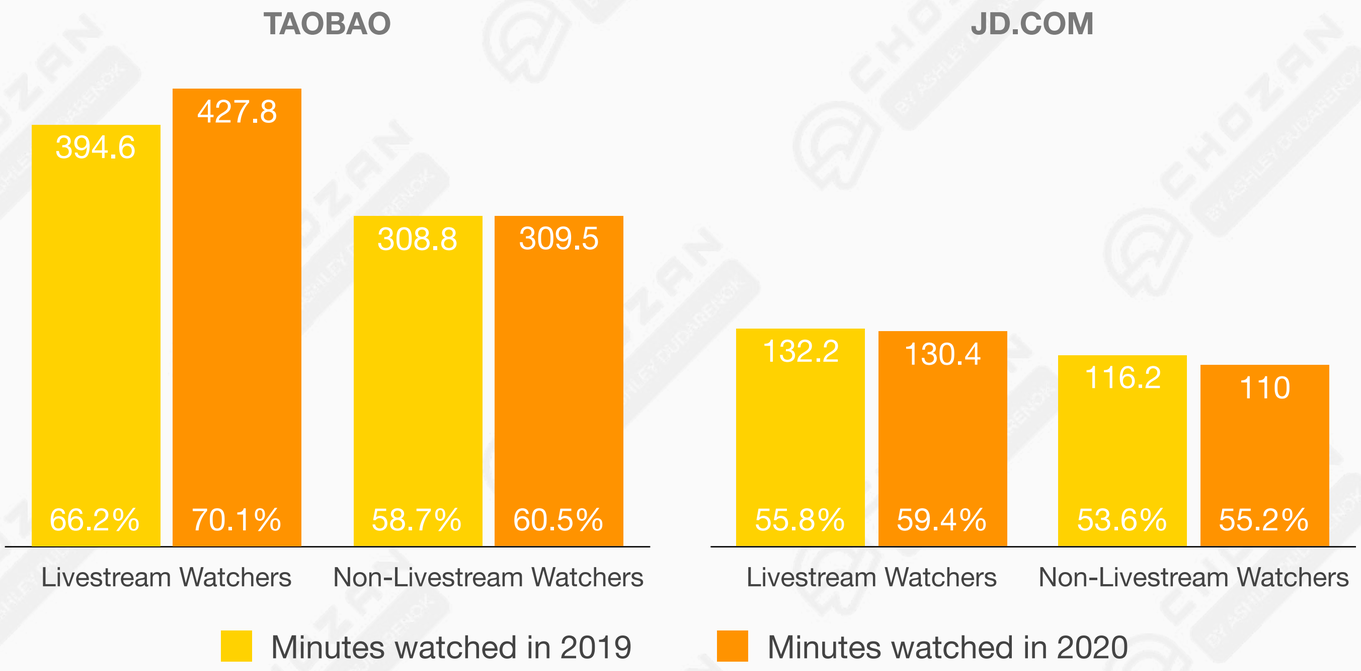
LIVE-STREAMING FEATURE INTRODUCTION ON EACH PLATFORM

E-COMMERCE

LIVESTREAMING

Live streaming continues to support the growth of e-commerce in China as the conversion rate from live streams to sales increases yearly.

LIVESTREAMING WATCHERS AND NON-WATCHERS PURCHASE RATE AND WATCH TIME (MINUTES)



EXPERT BITES

Q: WHAT DO YOU EXPECT IN Q3 IN TERMS OF CONSUMER BEHAVIOUR, E-COMMERCE AND SOCIAL MEDIA DEVELOPMENTS?

Following the results of 6.18 – the second largest e-commerce festival of the year on June 18th we can expect the following for the next quarter: the vast majority of new online shoppers will continue to come from lower tier cities. Continued consumer demand will grow in domestic Chinese brands – especially among the Gen Z target audience. Top categories include personal care, cosmetics and beauty, pet products, sports related categories such as for example yoga accessories or golf equipment. Along these lines all healthy lifestyle related categories will remain hot in Q3. The newly announced 3 child policy will additionally increase consumption in the mom and baby category. One additional trend we are increasingly seeing is for example plant-based meat substitutes – a category that is exploding with both foreign and domestic brands heavily investing in the category in Q3 and for the remainder of the year. Male grooming and beauty products will continue to enjoy significant growth. In terms of social media and e-commerce the most exciting development to follow in Q3 will be the fall of the “walled garden ecosystems” between e.g. Wechat and Tmall, as announced by Tencent and Alibaba recently – this will have significant impact on cross-marketing and CRM. The two largest campaigns in Q3 will be Qixi Festival in August – the Chinese Valentine’s day – specifically for gifting related items and the Mid-Autum Festival in September. Needless to say live streaming, short videos, KOL’s, KOC’s and an omnichannel “New Retail” approach continue to be must-haves for every brand and retailer throughout the year. Just like in other parts of the world we are experiencing an extremely warm summer and autumn, combined with partially heavy rainfalls – respective products in air conditioning and cooling, fashion as well as rain related footwear and apparel products such as boots continue to be on the rise.

GEORGE GODULA

Chairman at
Web2Asia

EXPERT BITES

Q: HOW DO YOU THINK TECH GIANTS WILL RESHAPE ECOMMERCE IN Q3?

I think we're starting to see some major disruption in the tech industry and e-commerce sector due to the Government's desire to encourage new technology platforms to emerge in competition with the tech giants of Alibaba (TMall and Taobao) and JD.com. Expect to see the emergence of new ecommerce platforms (eg CTSMall in the Greater Bay Area which includes the full weight of China Travel's mammoth network of offices, agents and customers) who will start competing with the established players in selected geographical locations and amongst target consumer groups. The e-commerce space is due for a major shake up with a dazzling array of new choices, offerings and platforms in the pipeline. Watch this space!

DAVID THOMAS

China Expert And Author Of China Bites

EXPERT BITES

Q: WHAT DO YOU EXPECT IN Q3 IN TERMS OF CONSUMER BEHAVIOUR, E-COMMERCE AND SOCIAL MEDIA DEVELOPMENTS?

We might see a slowdown because we just finished 618 in Q2, while Double 11 will only take place in Q4. People like to stock up on things during these huge shopping fests especially FMCGs like tissues, face masks and laundry detergent. In terms of e-commerce, except for those top live streamers such as Austin Li and Viya, I think some of them might get a good rest and start preparing for the upcoming Double 11

KEJIE YI
Content Manager at
China Marketing Insights

EXPERT BITES

Q: WHAT DO YOU EXPECT IN Q3 IN TERMS OF CONSUMER BEHAVIOUR, E-COMMERCE AND SOCIAL MEDIA DEVELOPMENTS?

I expect Q3 to set records across the board for consumer spending: for the quarter, for livestream sales, for social commerce sales and for the National Day, 11-11 and 12-12 festivals. Consumer confidence is high and polls show across the board satisfaction with the direction the country is headed in. Covid-19 is behind them, the economy is growing, employment is growing and GDP is growing. The 6-18 festival set the tone, with Alibaba and JD reporting a combined $136 billion USD in sales for the event.

Q3 will mark China's full recovery and act as a springboard for years of economic growth and consumer confidence.

For Social, the big story is the continued blending of eCommerce and social commerce into a single entity that is just "commerce." It's the logical extension of the New Retail Model into the "Unified Commerce" model. The beautiful thing about China is that there are no set rules, anything is possible, and any tech, platform or tool can be blended to create a Unified Commerce experience for the consumer. Of course, I also expect standalone livestream and social commerce numbers to grow while this blending is taking place.

MICHAEL ZAKKOUR

Founder of
5 New Digital & China Brightstar

EXPERT BITES

Q: WHAT IS YOUR ASSESSMENT OF ECOMMERCE PLATFORMS DEVELOPMENTS IN Q3?

We will continue to see a larger gravitation towards video-based content in the platform to replace still photos for product images. Also, livestreaming will continue to dominate as a trend to sell products. Currently 90% of merchants have already began livestreaming from their own livestream rooms.

SHARON GAI

Director of Global Key Accounts,
Alibaba Group

EXPERT BITES

Q: WHAT ARE YOUR ASSESSMENTS OF ECOMMERCE PLATFORMS DEVELOPMENTS IN Q2?

E-commerce platforms in China are not only faced with competing with each other anymore, but new entrants like short-video and grocery delivery apps are joining the club. With the new anti-trust laws in place now, brands and retailers can now work with any platform they wish. E-commerce platforms are now developing smarter loyalty, partnering, tracking and delivery solutions to deal with more players and rules.

PASCAL COPPENS

Partner at nexxworks, author of China's New Normal

EXPERT BITES

Q: HOW DO YOU THINK TECH GIANTS WILL RESHAPE ECOMMERCE IN Q3?

Tech giants have so far been mostly focused building feature-rich online platforms, mostly looking at the demand side – B2C. But as competition is getting fiercer, tech giants will want to control and focus more on the supply side - B2B. It means investing in factories and farmers as we see with the Consumer-to-Manufacturing model, but also innovation in the whole supply chain and logistics. Blockchain implementations should reshape ecommerce in Q3.

PASCAL COPPENS

Partner at nexxworks, author of China's New Normal

EXPERT BITES

Q: WHAT IS YOUR ASSESSMENT OF ECOMMERCE PLATFORMS DEVELOPMENTS IN Q3?

Ecommerce platforms will continue to replicate and incorporate social media attributes, while social media platforms are venturing into eCommerce. Q3, we will see more development and integration for both ecommerce and social platforms as they continue seeking new traffic and customer stickiness while boosting their bottom-line, transforming themselves more and more into 'social commerce' platforms. Each of the platforms are vying for customer attention, with a one-stop ecosystem solution. Cross-border heavy-weights (TMG, JDWW, Kaola, VIP, RED) will continue to flex and push ahead, while newcomers Douyin, Kuaishou and PDD will be nipping at their heels, as they expand their cross-border offerings. This provides a lot of potential opportunities for foreign brands, however, with these new channels bring additional challenges for the brands and new platforms as they face growing pains while expanding their solution offerings.

RON WARDLE

Founder & CEO,
Incredible Media

EXPERT BITES

Q: WHAT IS YOUR ASSESSMENT OF ECOMMERCE PLATFORMS DEVELOPMENTS IN Q3?

Aggressive investment in short videos and live streaming services (e.g. Taobao app's latest upgrade focused on short videos and content)
Brands will rely less on KOLs to drive sales, but invest more time and resources to grow the live broadcast team in-house.

- Top beauty brands such as Estee Lauder, L'Oreal achieved over 300M RMB on May 24, 2021 (the first day of the 618 pre-sale) JUST through in-store live streaming.
- Among the top 20 Douyin flagship stores in April 2021, 5 stores saw 90%+ of its total sales coming from self broadcasts.

With more short video platforms entering the field of "eCommerce," the existing players like Tmall/JD will continue to ease entry restrictions, strengthen merchant supports and roll out aggressive sales to lure new brands

JOSH GARDNER
CEO of Kung Fu Data

EXPERT BITES

Q: WHICH SECTORS HAVE THE MOST POTENTIAL IN Q3 ON TMALL/JD/ PINDUODUO?

For me, it is all about natural products. Chinese consumers are engaging in ‘scientific eating’ routines, with a key focus on quality over quantity.

That means accessing products that are directly derived from natural, without compromise. The key to winning in this space, is to create product portfolio that allow consumers to ‘mix and match’.

JERRY CLODE
Founder at
The Solution Consultancy

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.

Alibaba Group
阿里巴巴集团

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

Pingtouge
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

Source: Data from: ALI ANNUAL REPORT

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

Source: Data from: ALI ANNUAL REPORT

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.

Source: Data from: ALI ANNUAL REPORT

E-COMMERCE

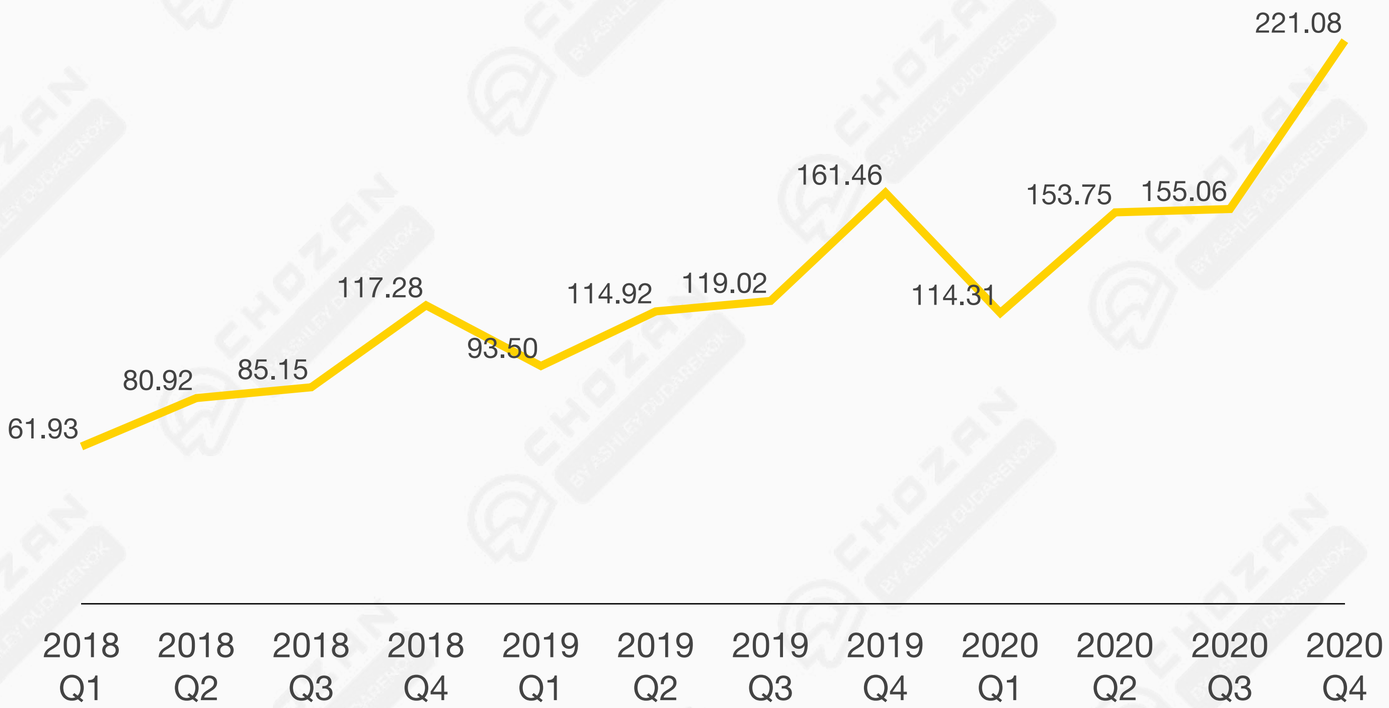
ALIBABA - REVENUE

Alibaba Group's revenue continues to grow despite the hit of Covid-19. Their total revenue in 2020 Q4 exceeded 221.08 billion yuan.

221.08 BILLION

RMB REVENUE IN 2020 Q4, 37% YOY

CONSOLIDATED REVENUE OF THE ALIBABA GROUP, 2018-2020 (IN MILLION RMB)



Source:Statista, Alibaba Revenue 2014-2020

E-COMMERCE

ALIBABA - IS GROWING 2020

GMV REACHED

7053 BILLION

780 MILLION

CONSUMERS IN CHINA

180 MILLION+

CONSUMERS IN OUTSIDE CHINA

China Retail Marketplace
GMV
6589 BILLION

China Retail Marketplace
MOBILE MAUs
902 MILLION

Total Revenue (2020)
509.7 BILLION

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%

Source: Data from: ALI ANNUAL REPORT
Alibaba Group Press

E-COMMERCE

ALIBABA - IS GROWING

Alibaba continues to grow its business in all aspects.

11.36 BILLION RMB

CAINIAO NETWORK REVENUE IN Q4 2020, 51% YOY

16.16 BILLION RMB

ALIBABA CLOUD REVENUE IN Q4 2020, 50% YOY

400 BILLION RMB

GMV FROM TAOBAO LIVE IN 2020

Source: Alibaba Group Press

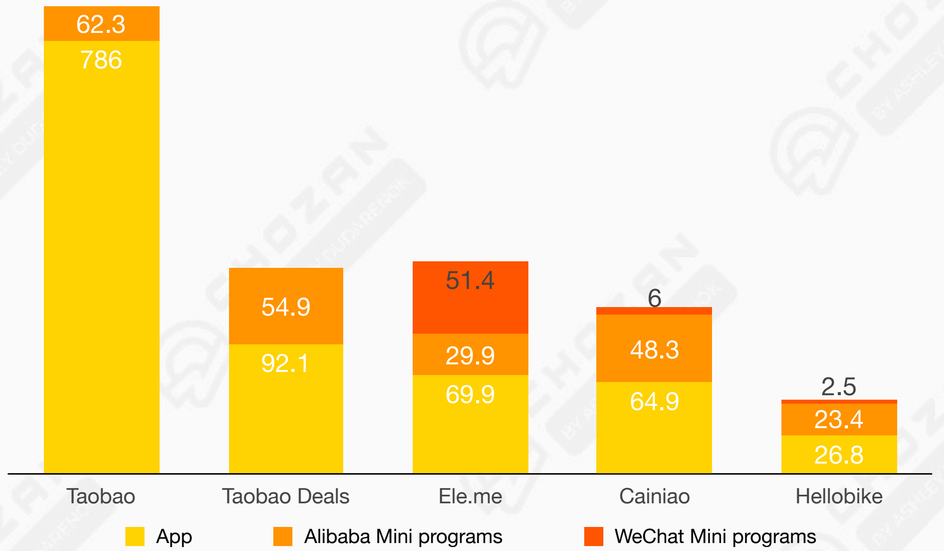
E-COMMERCE

ALIBABA - MINI PROGRAMS

The Alibaba ecosystem is surrounded by Ali mini programs, most Alibaba apps traffic comes from the app itself, followed by Alibaba mini programs.

OVERALL TRAFFIC OF ALIBABA APPS, JAN 2021

TOTAL USERS (MILLIONS)	793.7	659.9	398.1	1571	135



Source: Quest Mobile, Chinese Internet Traffic Report, 2021

E-COMMERCE

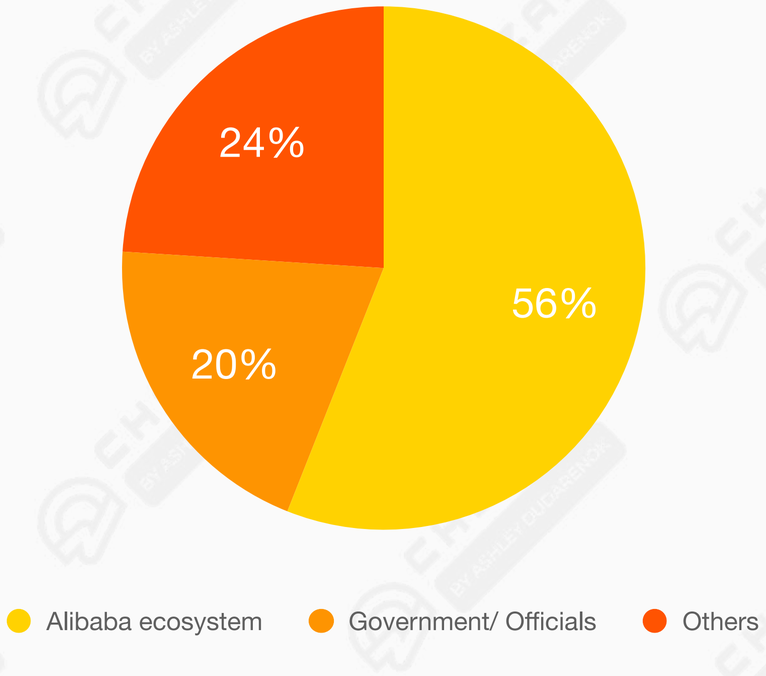
ALIBABA - MINI PROGRAMS

Number of Ali mini programs has increased to more than 200 million and the main source of traffic comes from Alibaba apps.

200+ MILLION

ALI MINI PROGRAMS

ALI MINI PROGRAM'S SOURCE OF TRAFFIC, JAN 2021



Source: Quest Mobile, Chinese Internet Traffic Report, 2021

EXPERT BITES

Q: WHAT IMPORTANT CHANGES WOULD THERE BE WITH ALIBABA?

We continue to be focused on using our technology to deliver green initiatives across our eco-system. Our Idle Fish app, encourages users to shop, rent and recycle pre-owned items. Over the past three years, it has helped recycle an estimated 50,000 tons of used clothes, 23.7 million books, 3.7 million mobile phones and 1.4 million home appliances. We anticipate this will continue to grow as China's resale market grows. Other initiatives include using algorithms to reduce packing and incentivizing customers with 'green energy' points when they opt out on single-use cutlery and chopsticks by ordering from Ele.me.

MICHELLE LAU

Senior Strategic Partnership Manager
at Alibaba Group

EXPERT BITES

Q: WHAT IMPORTANT CHANGES WILL THERE BE WITH TMALL?

It will be much easier for new brands to enter the Tmall ecosystem whether it is a Tmall Classic brand or a Tmall Global brand. Tmall has already lowered its service fees as well as commission percentages as part of their effort to increase the number of brands on its platform.

SHARON GAI

Director of Global Key Accounts,
Alibaba Group

EXPERT BITES

Q: WHAT'S YOUR RECOMMENDATION FOR BRANDS DOING LIVESTREAMING IN CHINA?

I would suggest brands to have more brand-run streams. First, it's authentic as it comes from brands. Second, those streams are more targeted. Brand-run streams often appear after Taobao users click on the store. The click already means they are interested in the brand and its products.

KEJIE YI

Content Manager at
China Marketing Insights

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

OVERVIEW

JD.COM Q1 2021 HIGHLIGHTS

JD.com reached 500 million active users in Q1 2021. Other JD.com highlights includes launching medical related services such as the **Rare Diseases Care Project** and establishing **JD Pharmacy Rare Diseases Care Centre**.

27.9 BILLION

RMB NET SERVICE REVENUE

203.2 BILLION

RMB NET REVENUE

1000+

WAREHOUSES

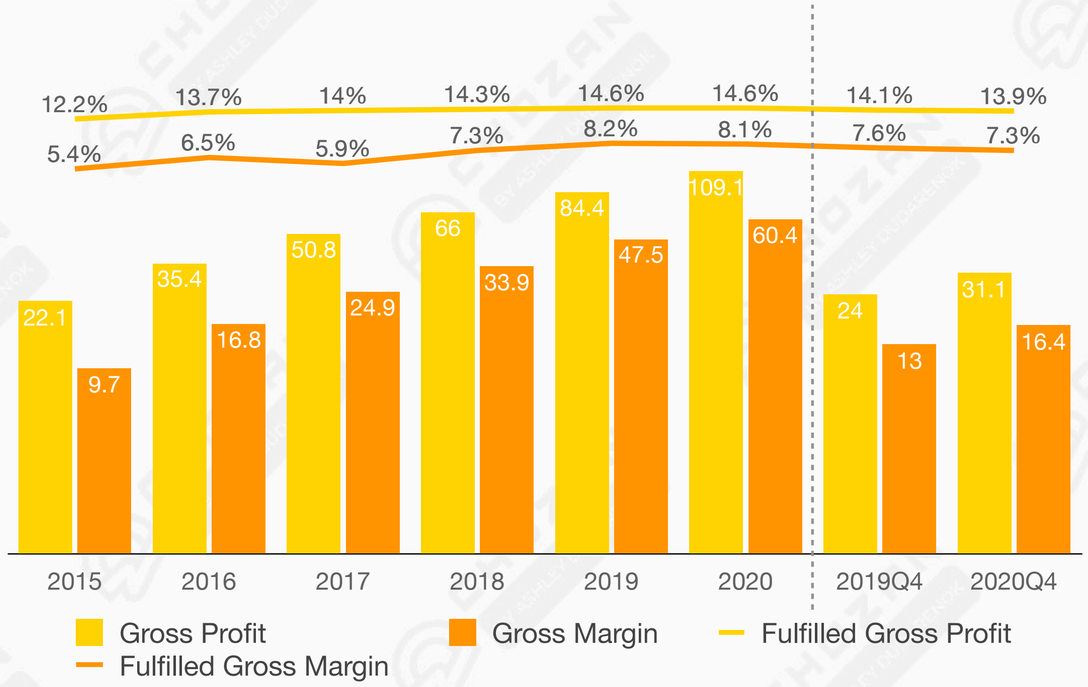
500 MILLION

ANNUAL ACTIVE CUSTOMERS

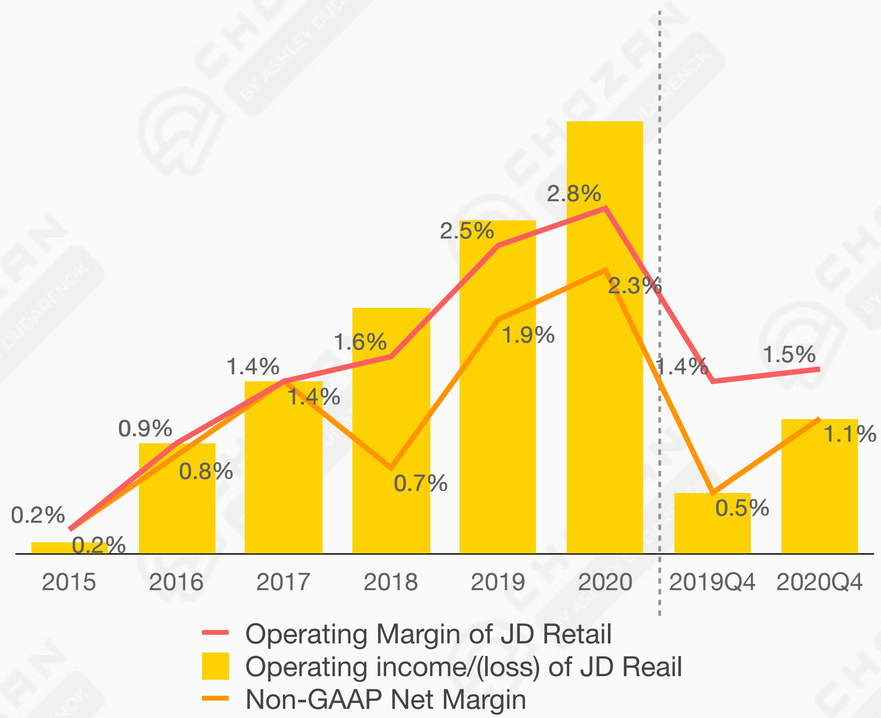
E-COMMERCE

JD.COM - OVERVIEW

GAAP GROSS PROFIT / FULFILLED GROSS PROFIT



SEGMENT OPERATING PROFIT AND MARGINS



Source: JD 2020 Fourth Quarter Results

E-COMMERCE

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

	Jun 30, 2020	Dec 31, 2020
FULFILMENT CENTRES	7 cities	
WAREHOUSES	750+	900+
GFA	~18 million sq.m	~21 million sq.m
MEGA WAREHOUSE	28 projects in 18 cities	32 projects in 22 cities
GEOGRAPHIC COVERAGE	Almost all countries and district in China	

Source: Data from JD.com Financial & Operation Highlights (Aug 2020)

EXPERT BITES

Q: IN YOUR VIEW, WHAT SECTORS HAVE THE MOST POTENTIAL IN Q3 ON TMALL/JD/ PDD? WHY?

Pet supplies, sun protection, outdoor and travel are firmly underpinned by better weather, a break from school and summer activities.

Also, Qixi (Chinese Valentines Day) is expected to increase demand for jewelry, perfume and fashion accessories.

JOSH GARDNER

CEO of Kung Fu Data

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

Pinduoduo reached 788 million active users in 2020, being the top e-commerce platform with most active users in China.

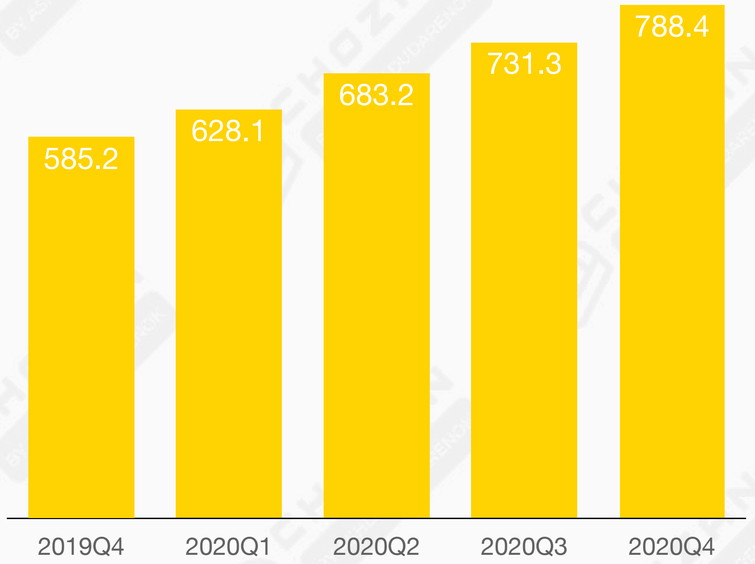
719.9 MILLION

MONTHLY ACTIVE USERS, +50% YOY

788.4 MILLION

2020 ACTIVE USERS, +35% YOY

ANNUAL ACTIVE CONSUMERS (IN MILLION)



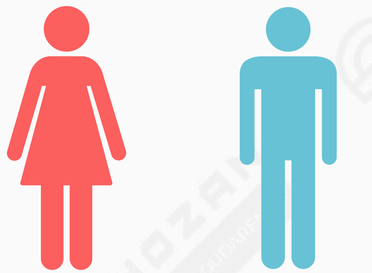
Source: Wechat

E-COMMERCE

PINDUODUO - USER PORTRAIT

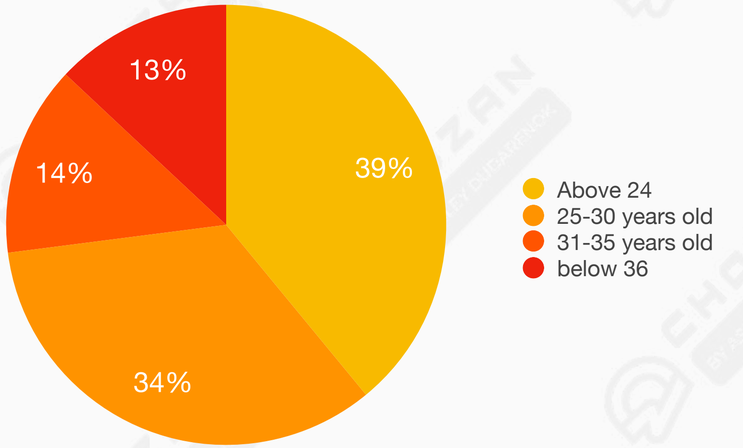
Most of the Pinduoduo users are female

GENDER DISTRIBUTION

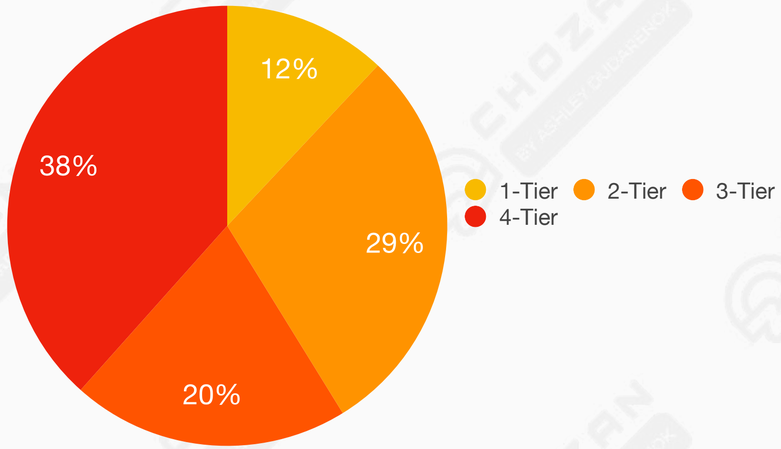


66.6% 33.4%

AGE DISTRIBUTION



CITY DISTRIBUTION



Source: Pinduoduo analysis 2021

E-COMMERCE

PINDUODUO - CONSUMER SPENDING AND REVENUE

Pinduoduo users's increase in spending and number of orders helped growth in GMV and revenue.

2115.2 RMB
AVERAGE YEARLY SPENDING PER USER

+23%
YEAR OVER YEAR INCREASE

38.3 BILLION
ORDERS IN 2020, +94% YOY

1.66 TRILLION
GMV IN 2020, +66% YOY

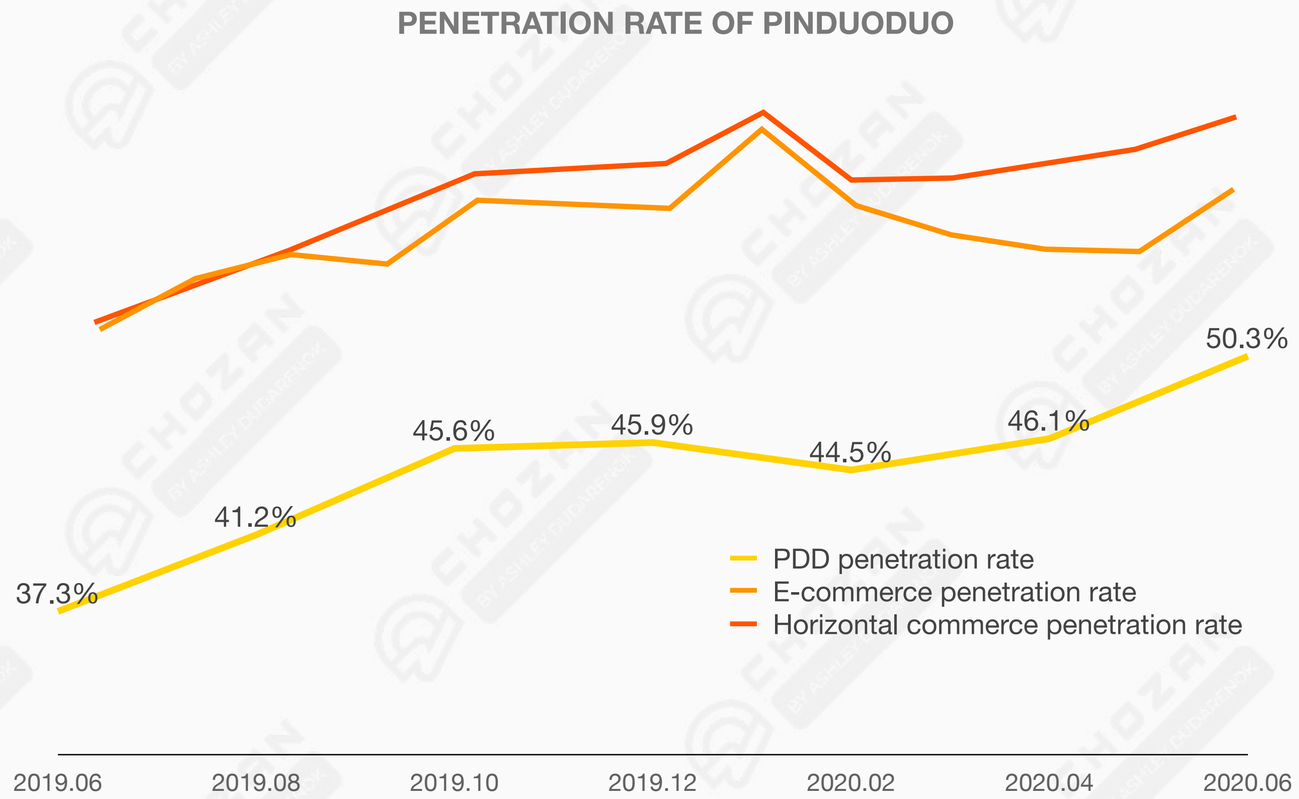
59.4 BILLION
REVENUE IN 2020

Source: Wechat
21 Jingji

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.



Source: Aurora, Pinduoduo Report, 2020

E-COMMERCE

PINDUODUO - DUO DUO FARM

Last year in 2020, the revenue of agricultural products bought on PDD has doubled since 2019, which was a 270 billion RMB increase and 16.2% of PDD's yearly turnover.

Pinduoduo is estimated to be China's largest agricultural platform by analyst and they are setting the goal to become the world's top grocer.

+270 BILLION

RMB IN AGRICULTURAL PRODUCTS SALES

16.2%

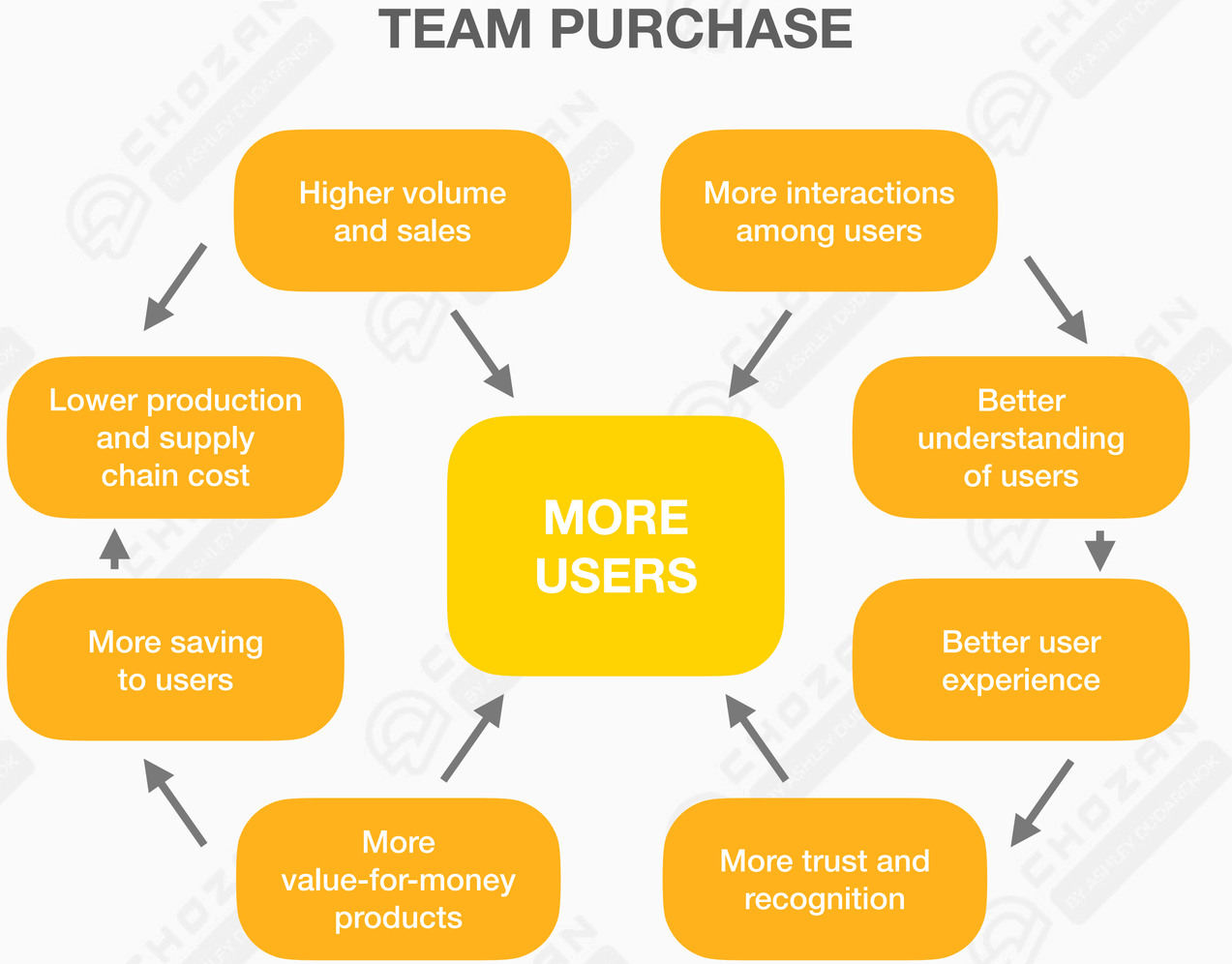
OF YEARLY TURNOVER

Source: Pinduoduo Stories
21 Jingji

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.



Source: China Channel, Defining interactive Ecommerce

EXPERT BITES

Q: HOW DO YOU THINK COMMUNITY GROUP BUYING WILL BE DEVELOPING IN Q3?

We continue to be cautious with our premium Western brands in terms of group buying platforms such as Pinduoduo. For unbranded products or commodities such as e.g. in food produce however these channels will continue to be able to drive massive GMV at lowest prices. At the same time Chinese regulators continue to monitor and restrict community group buying with additional clarifications on fines released in May this year to prevent price dumping practices.

GEORGE GODULA

Chairman at
Web2Asia

EXPERT BITES

Q: WHAT WERE SOME BIG CONSUMPTION TRENDS IN CHINA IN Q3 2020?

Community group buying is a hot topic, especially in remote Chinese towns. While purchasing takes place on platforms like Pinduoduo or Meituan Youxuan, it's interesting how WeChat is used to pool together residents from the same community into one WeChat group for all the purchase process and pickup details.

KRISTINA KNUT

Marketing Director at KAWO

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

Kuaishou user increases in spending and number of orders helped growth in GMV and revenue.

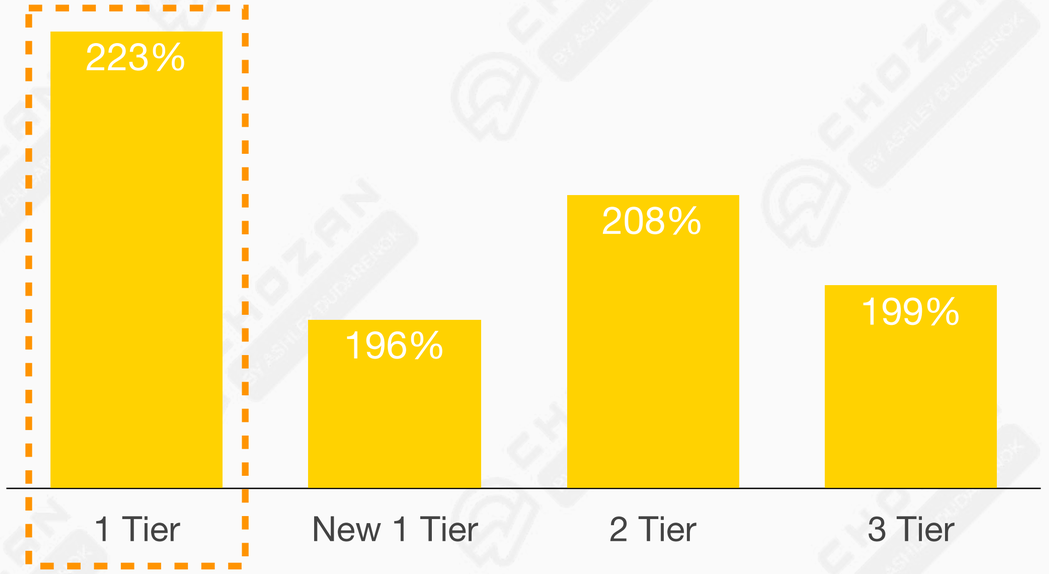
118.6 BILLION RMB

ONLINE STORE GMV AT 2021Q1

+219.8%

YEAR OVER YEAR INCREASE

GMV GROWTH IN DIFFERENT TIER CITIES, MAR 2021



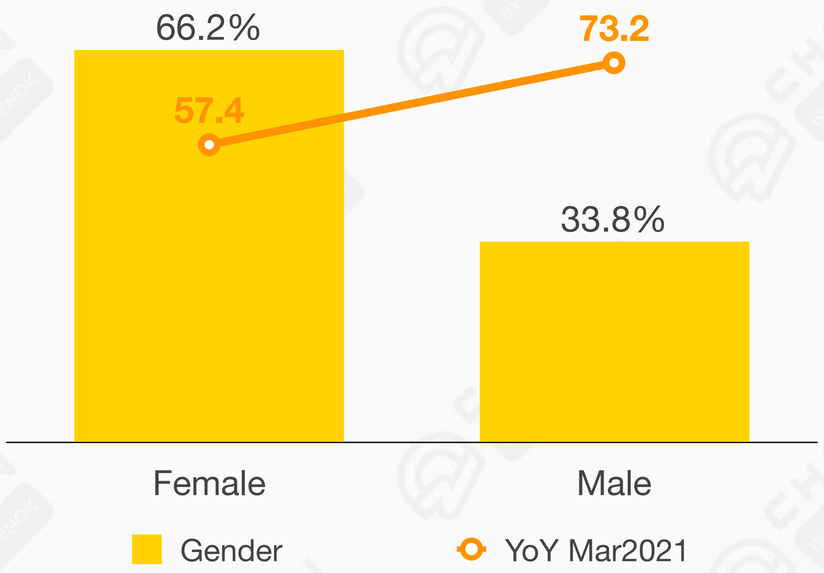
Source: 2021 Kuaishou E-commerce Report

For Cody

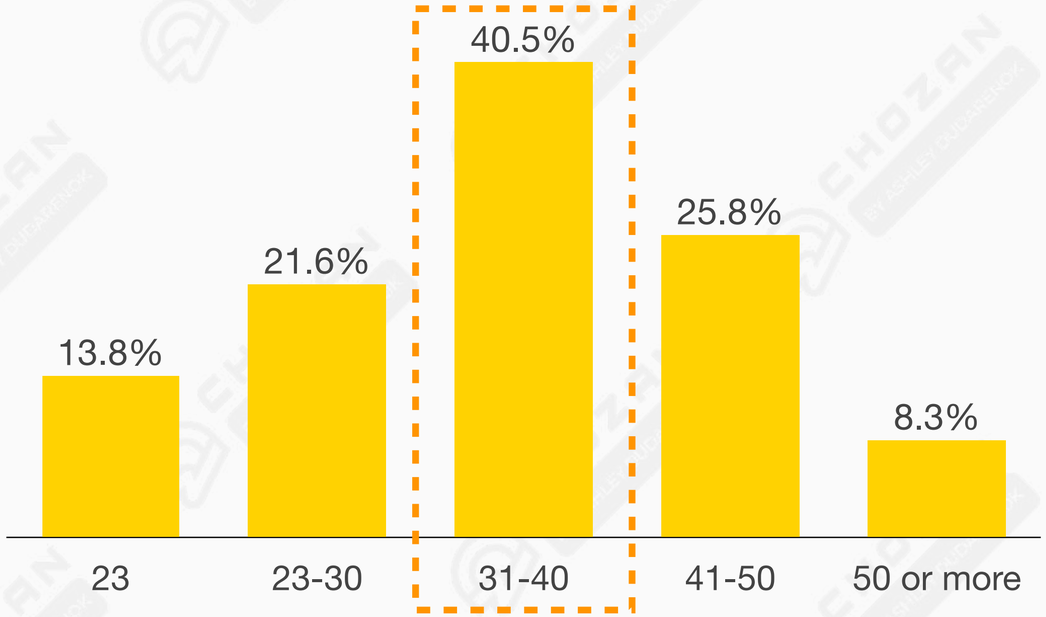
E-COMMERCE

KUAISHOU E-COMMERCE— USER OVERVIEW

The main consumers of Kuaishou e-commerce are post 80s and female.



USER DEMOGRAPHIC OF KUAISHOU BY AGE



Source: 2021 Kuaishou E-commerce Report

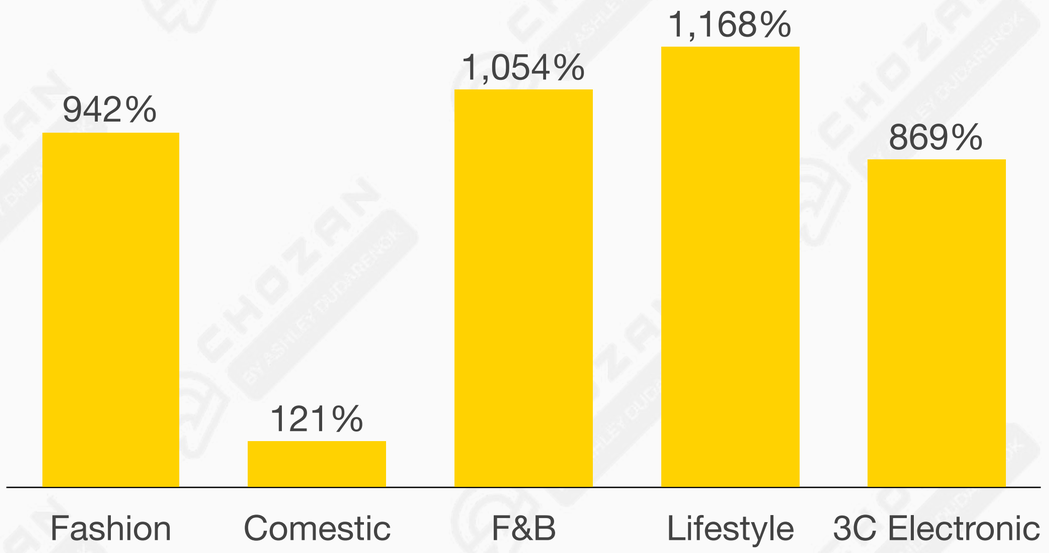
For Cody

E-COMMERCE

KUAISHOU - NEW BRANDS

Brands from various industries are settling into the Kuaishou e-commerce ecosystem.

YOY GROWTH OF CATEGORY ON KUAISHOU, MAR 2021



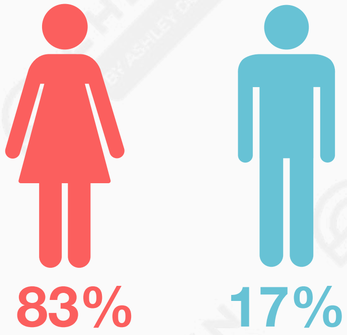
Source: 2021 Kuaishou E-commerce Report

For Cody

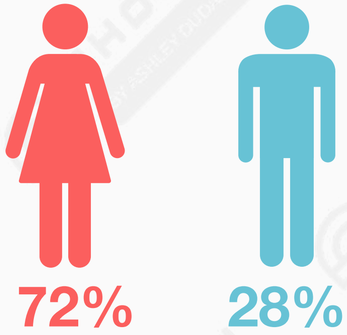
E-COMMERCE

KUAISHOU - USER OVERVIEW

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

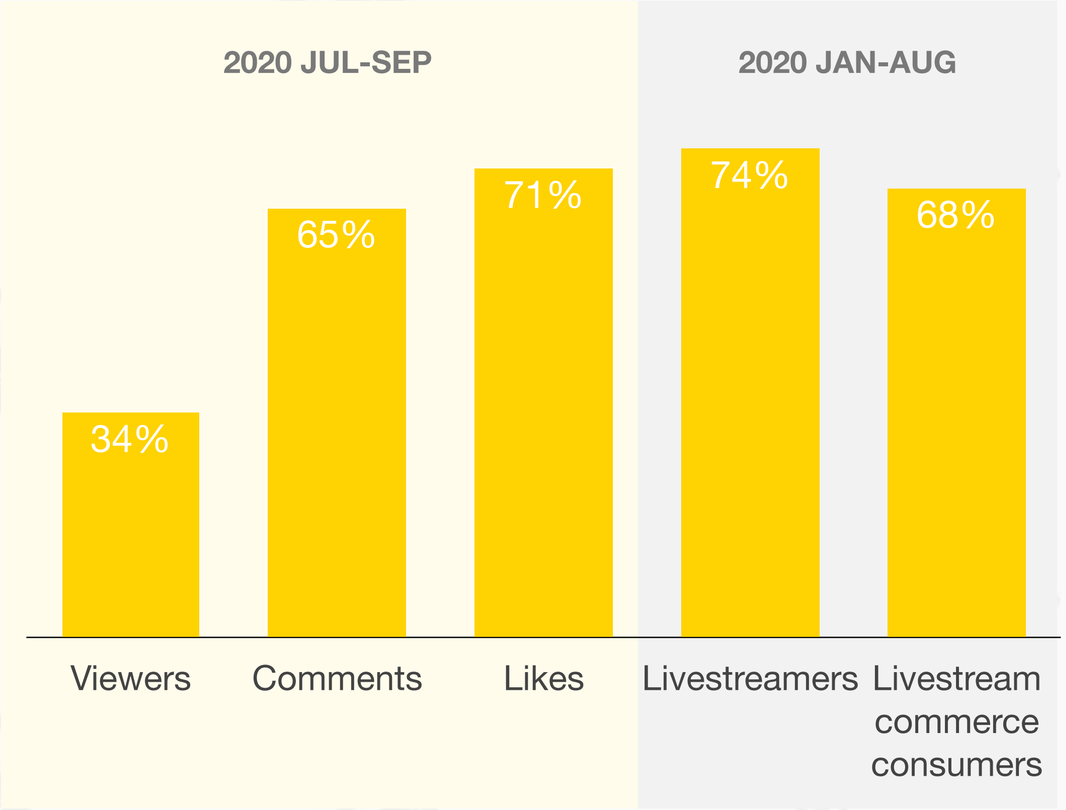


NUMBER OF ORDERS



GMV (GROSS MERCHANDISE VALUE)

GROWTH IN KUAISHOU LIVE-STREAMING, 2020



Source: 2020 Kuaishou E-commerce Report

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)

Source: CBNdata, Kuaishou Value Report

EXPERT BITES

Q: WHAT'S YOUR RECOMMENDATION FOR BRANDS DOING LIVESTREAMING IN CHINA?

Livestream is going to be the new customer service. Brands should think about not only working with KOS's but start live-streaming to browsing customers. However, don't expect any new customers to click in if you aren't also pulling them in by promoting via video or other means.

WILLIAM AUGUST

Creative Director of
Outlandish Studios

MEGA ONLINE SHOPPING FESTIVALS

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.

Source: China Internet Watch

MAJOR ONLINE SHOPPING FESTIVALS

OVERVIEW

CHINESE NEW YEAR 2021	SINGLES DAY 2020	JD 618 FESTIVAL 2021
Shipment volume increased 4 times during CNY in 2021 As this year people were encouraged to not return home during CNY. **delivery for one rose by 100%** in top cities like Beijing, Shanghai, Hangzhou, Wuhan. Local tour reservation has **increased by 600%**	**JD** 32% YoY and 271.5 billion RMB in GMV **Tmall** 26% YoY and 498.2 billion RMB in GMV **220% increase** number of live-streaming merchants on Taobao Live **250,000 brands** participated in Double 11 in 2020	**578.4 BILLION RMB** YoY 26.5% internet GMV **64.5 BILLION RMB** total livestreaming commerce sales **17.8 BILLION RMB** New Retail sales

Source:
1) Walk the Chat
2) Kr Asia, Splashing 1482 billion in one day, China successfully overwrites “Singles’ Day” with “Double eleven”

EXPERT BITES

Q: WHAT'S YOUR MARKETING RECOMMENDATION FOR THE LUXURY INDUSTRY IN CHINA RIGHT NOW?

As major consumption milestones in China are increasingly shaped by shopping events and cultural festivals specific to the market, brands typically don't have the right kind of global assets to support the marketing and activations surrounding them. In addition to producing locally relevant assets, brands also need to take into account the roles different social platforms play along the consumer journey, their tone and style, as well as type of audience, so as to create content that resonates.

PABLO MAURON

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

DOUBLE 5

Double Five is the newest shopping festival in Shanghai featuring both online and offline events and activities supported by e-commerce platforms such as Alibaba, JD, Pinduoduo etc. This is a sale season for Shanghainese, great for brands (especially luxury) who are targeting higher tiered city consumers.

Photo: CBNData

MAJOR ONLINE SHOPPING FESTIVALS

DOUBLE FIVE - 2021

The goal of having Double 5 shopping festival is to upgrade consumption, the 5 main measures include:

- EXPAND LUXURY CONSUMPTION
- BOOST LARGE QUANTITY CONSUMPTION
- MAKE SHANGHAI WORLD PREMIERE LOCATION FOR NEW PRODUCTS
- RAISE LOCAL BRAND IP
- CROSS-INDUSTRY CONSUMPTION

120+ BILLION RMB

ONLINE SALES, 11.3% YOY

19+ BILLION RMB

OFFLINE SALES, 30.4% YOY IN SHANGHAI

1900 NEW EVENTS

2800+ NEW PRODUCT DEBUT IN SHANGHAI

Source: CBNData
Tencent News

MAJOR ONLINE SHOPPING FESTIVALS

FRESH FOOD AND AGRICULTURAL PRODUCTS

Double five festival in 2020 has boosted agricultural and fresh food sales. There were more than 100 live streaming e-commerce held by Pinduoduo to support the local agricultural industry in China.

FRESH FOOD COMMERCE SALES

400 MILLION

SUBSIDY BY DING DONG RAISED 50% SALES IN 2021

+120% YoY

HEMA IN 2020

PINDUODUO LIVESTREAMING E-COMMERCE DURING DOUBLE FIVE, 2020

5 BILLION RMB

WORTH OF DISCOUNT COUPONS GIFTED

100 AGRICULTURAL

LIVE STREAMING E-COMMERCE

8 THOUSAND

WATERMELONS, RICE, FARMED PRODUCTS GIFTED

Source: Xinhuanet

MAJOR ONLINE SHOPPING FESTIVALS

DOUBLE 5 - DOUYIN

Douyin has held their Double 5 festival this year from April 30th to May 9th. Due to the event period marking the beginning of summer, summer apparel items became best sellers during 2021 Double 5 on Douyin.

22.8 MILLION+

LIVE-STREAMING HOURS ON DOUYIN

TOP SALES DURING DOUBLE 5 BY CATEGORIES

	ALL PRODUCT	PET CATEGORY
TOP 1	T-shirts	Cat food
TOP 2	Dresses	Dog food
TOP 3	Trousers	Pet bed
TOP 4	Hair Accessories	Scratching board
TOP 5	Blouses	Cat litter

TOP PRODUCT SALES DURING DOUBLE 5 BY GENDER

	FEMALE	MALE
TOP 1	Boat socks	UV protecting sleeve
TOP 2	Shoe protector	Supplement
TOP 3	Make up puff	Dried yam snacks

Source: China Daily, Double 5 on Douyin

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 somehwat unexpected e-commerce success and potential.

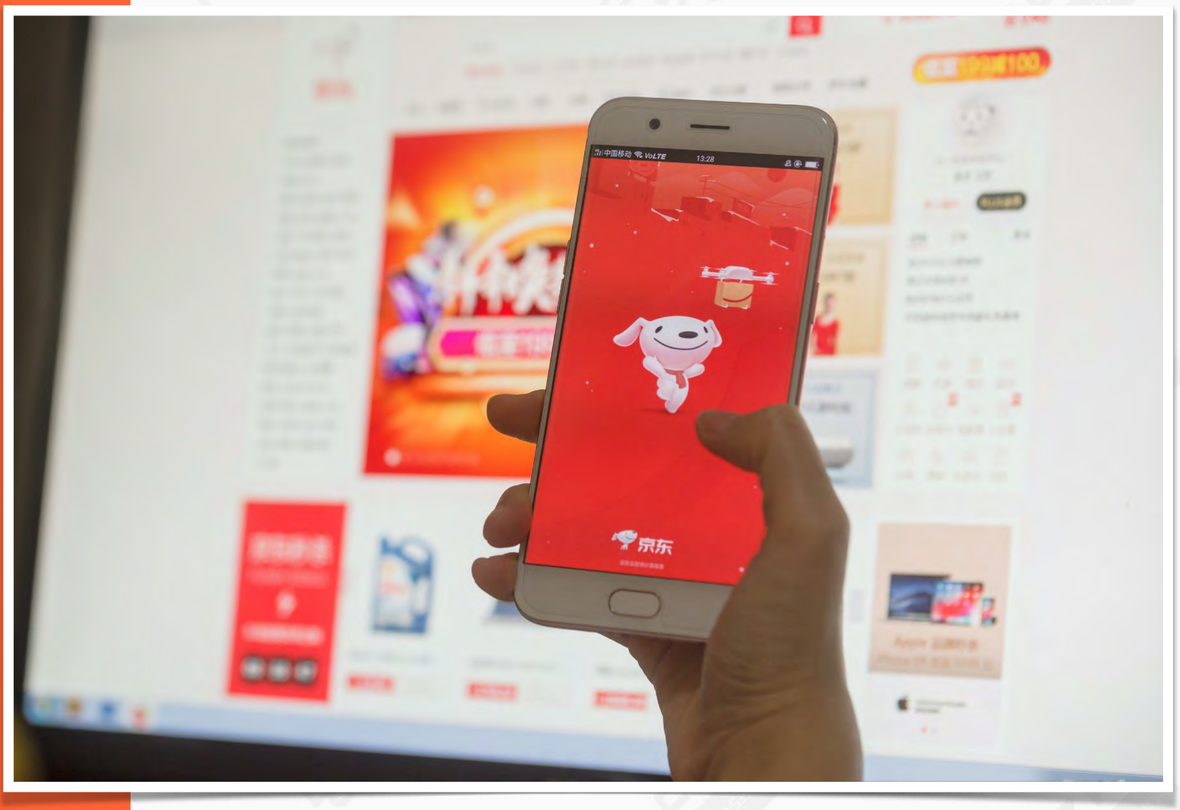


Photo: 上海图虫网络科技有限公司

MAJOR ONLINE SHOPPING FESTIVALS

618 - IMPROVED CONVERSION EFFICIENCY

1 **The rules become simpler and the preferential measures are more direct**

Tmall removed the complex discount calculations in previous years. The cross-store full reduction has also been upgraded from last year's "300 minus 40" to "200 minus 30".

2 **Intensified competition in the e-commerce industry, Douyin and Kuaishou join the competition**

Douyin and Kuaishou joined 618 for the first time this year.

3 **The low-price strategy is still effective, and live-streaming e-commerce has truly become the standard model for all companies.**

Each platform has its own live-streaming e-commerce section.

4 **In the post-"choose one out of two" era, platforms provide discounts to grab merchants**

In order to consolidate the basic market of its own brand merchants, Ali has repeatedly tilted its merchant policies in recent months. JD.com has also cut merchant entry fees and reduced transaction deductions. The Douyin tilt is more obvious. During the 618 period, all Douyin merchants gave 15%-30% subsidies and free shipping insurance.

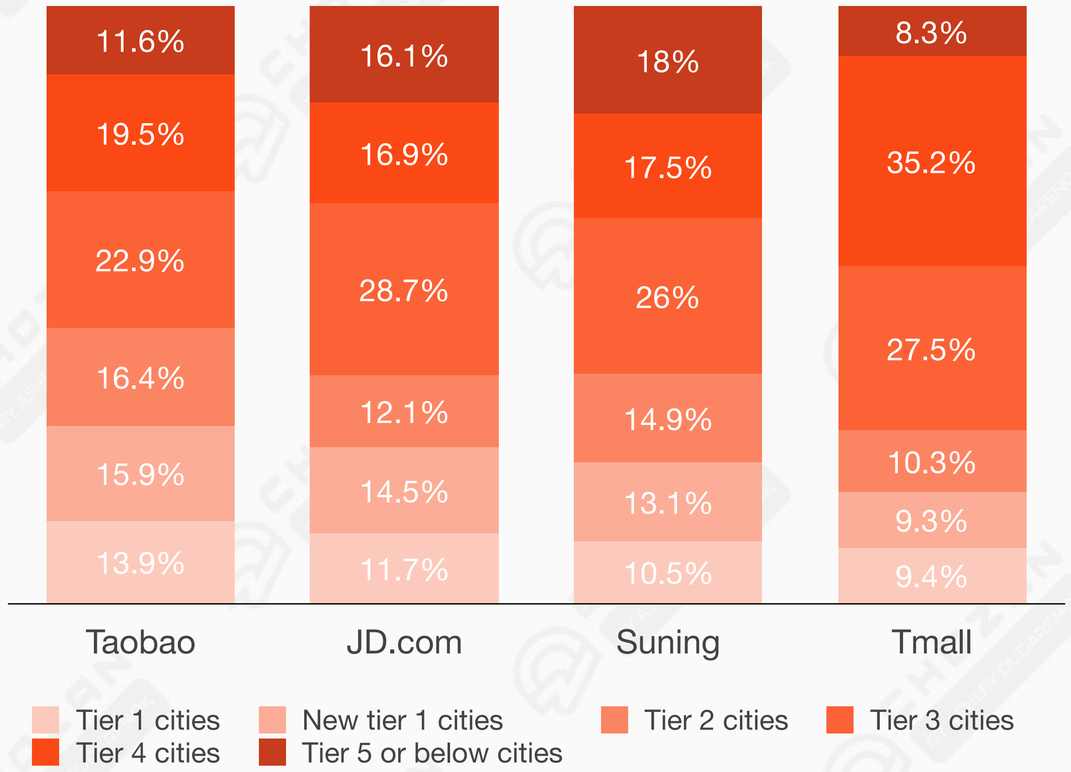
Source: 知乎

MAJOR ONLINE SHOPPING FESTIVALS

618 - CITY NEW APP ADOPTION

Lower tier cities (sinking market consumers) 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.

NEW APPS INSTALLED BY DIFFERENCE TIERED-CITY USERS DURING 618 (2021.05.24-2021.06.03)



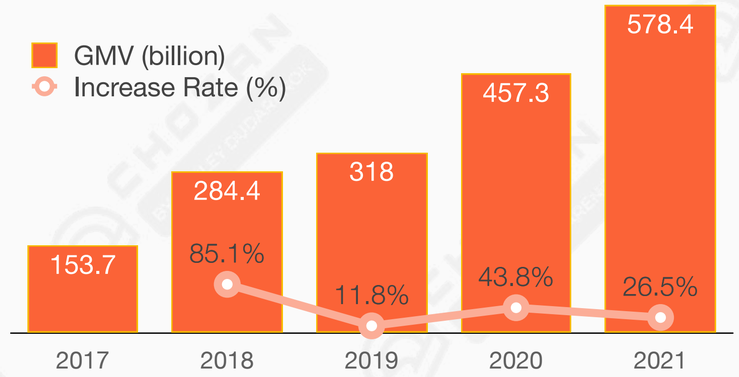
Source: QuestMobile 2021, 618 Report

MAJOR ONLINE SHOPPING FESTIVALS

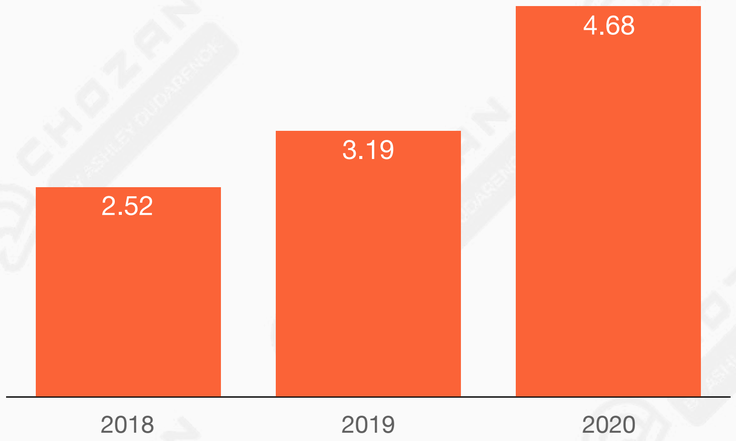
618 - SCALE GROWTH

The scale of the 618 shopping festival is growing. The internet GMV during 618 is continuing to grow with an increase of 26.5% YoY this year with the main product category sold being electronics, apparel and cosmetics.

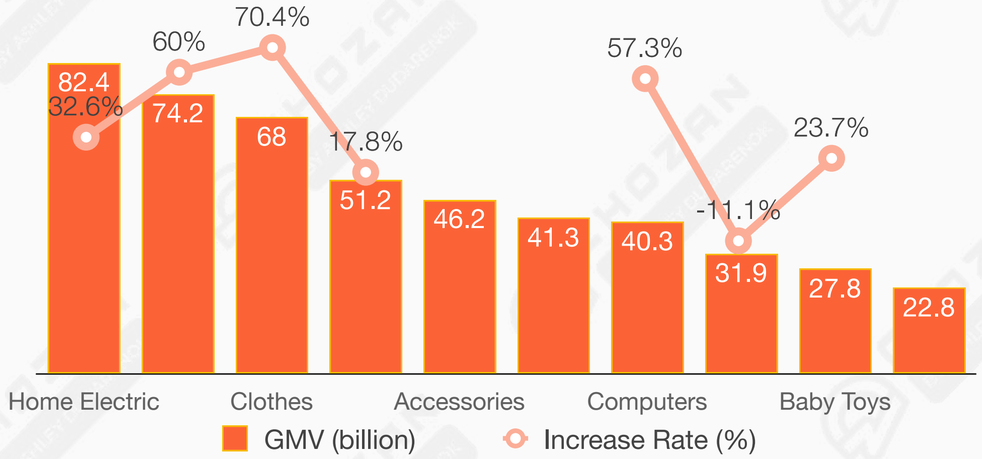
GMV OF THE WHOLE NETWORK FROM 2017-2021



NUMBER DELIVERY DURING 618 (1/6-18/6) IN BILLION



GMV OF DIFFERENT CATEGORIES DURING 618

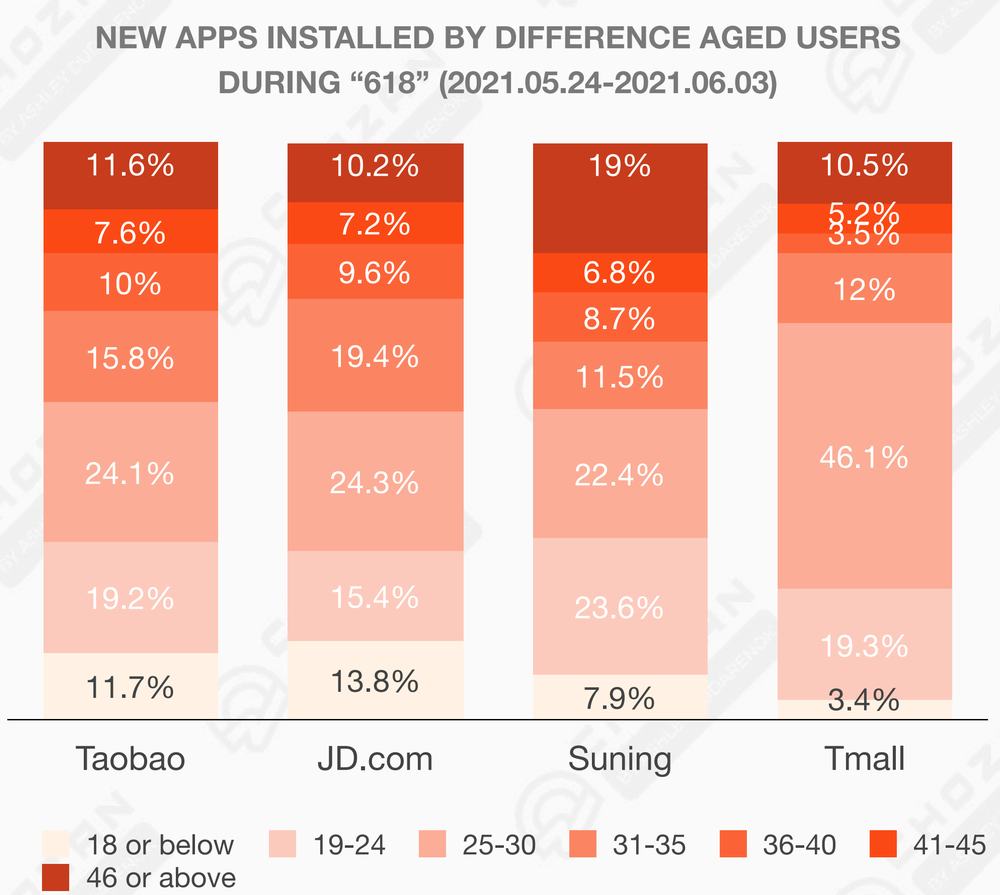


Source: Pingan, 618 Report

MAJOR ONLINE SHOPPING FESTIVALS

618 - 'SINKER MARKET' NEW APP ADOPTION

Industries dig into the young adult market of millennials. At least 22% of new app users from popular e-commerce platforms are millennials while figures reach almost 50% for Tmall.

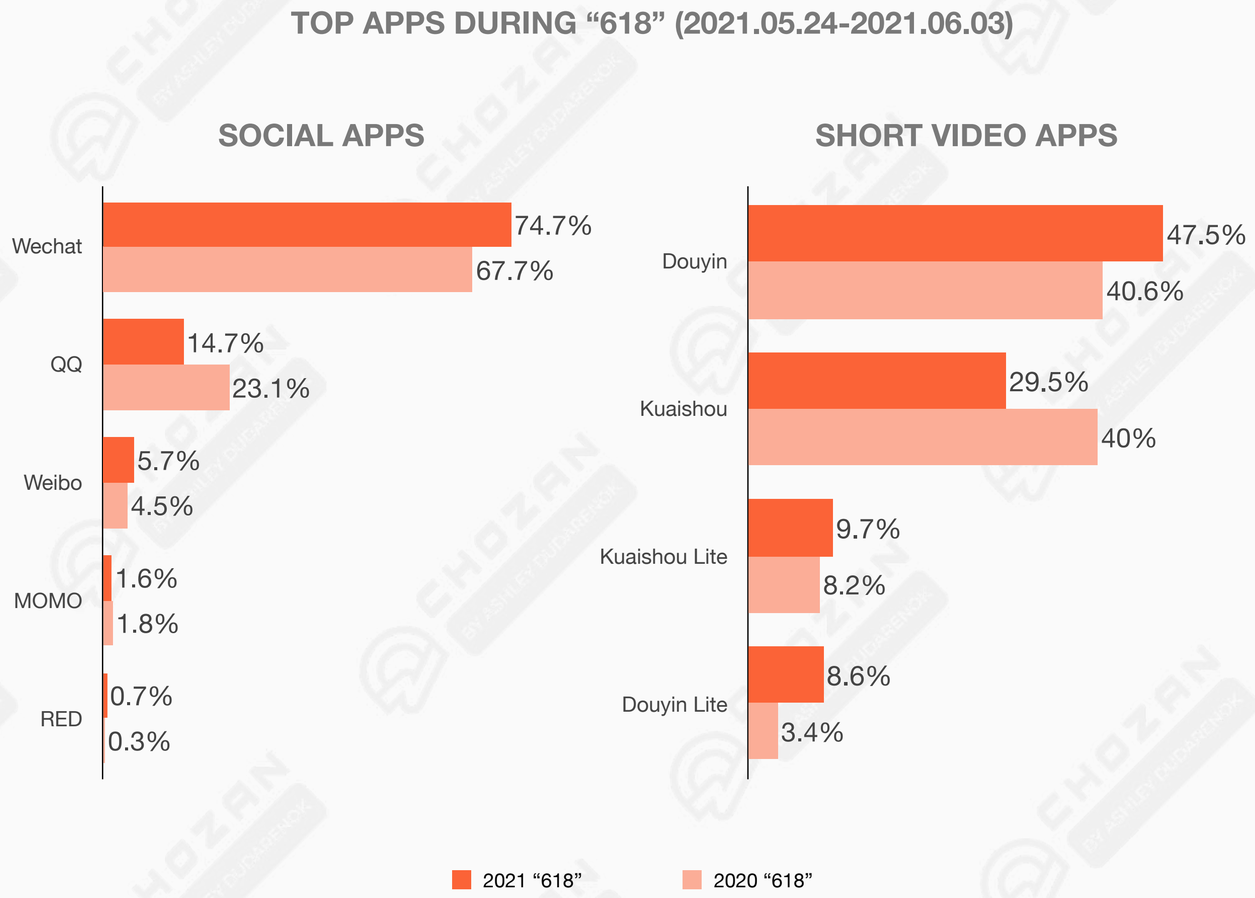


Source: QuestMobile 2021, 618 Report

MAJOR ONLINE SHOPPING FESTIVALS

618 - LIVE-STREAMING: SHORT-VIDEO SHARING

Social recommendations and Short Video have become the key to raising the efficiency of the shopping experience.

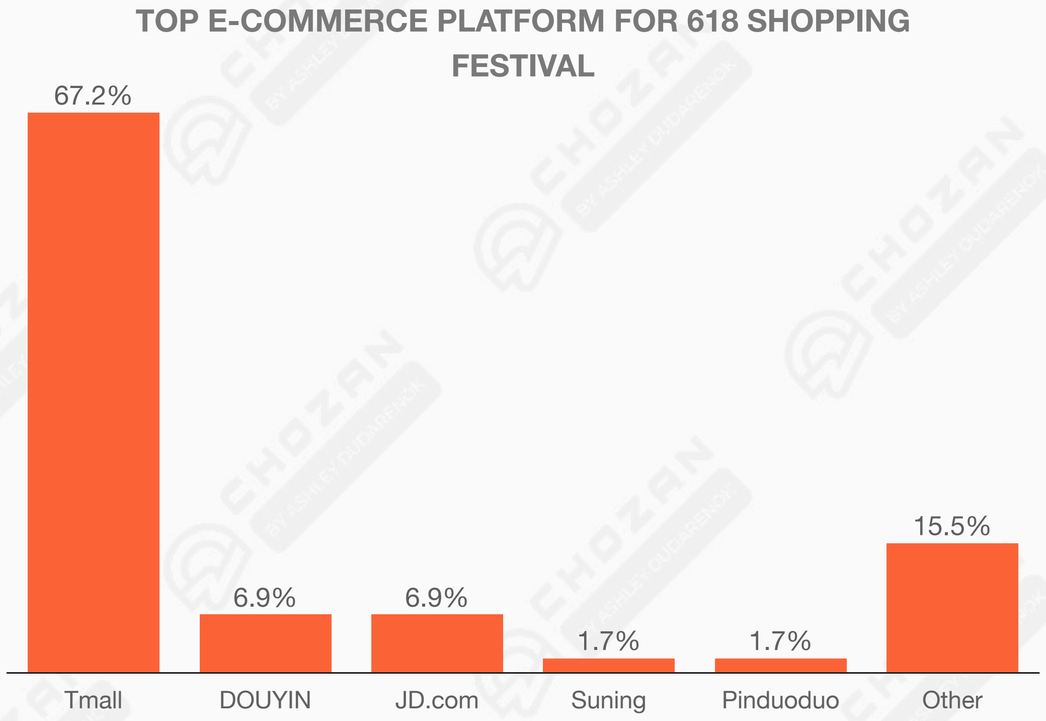


Source: QuestMobile 2021, 618 Report

MAJOR ONLINE SHOPPING FESTIVALS

618 - TOP CATEGORY SALES FROM LIVE-STREAMING COMMERCE

The most popular e-commerce platform for 618 Shopping Festival in 2021 is Tmall with more than 60% of users.



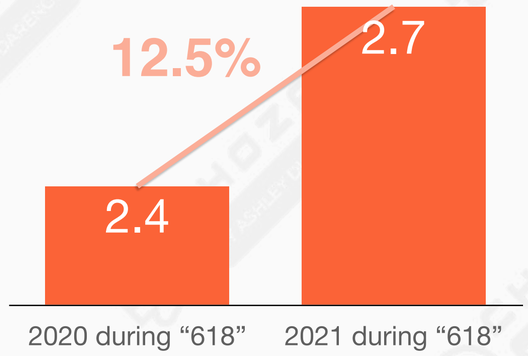
Source:CHINA INTERNET WATCH

MAJOR ONLINE SHOPPING FESTIVALS

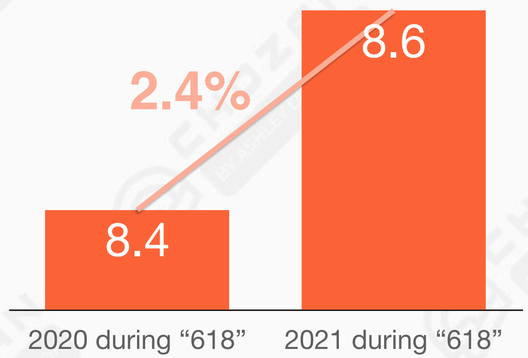
618 - LIVE-STREAMING E-COMMERCE VIA MOBILE

Due to shopping on e-commerce becoming habitual, platforms are releasing more games and discounts events on these apps to attract consumers to spend more time on different e-commerce platforms.

NUMBER OF MOBILE SHOPPING APPS OPENED PER CAPITA



PER CAPITA USAGE OF MOBILE SHOPPING APP

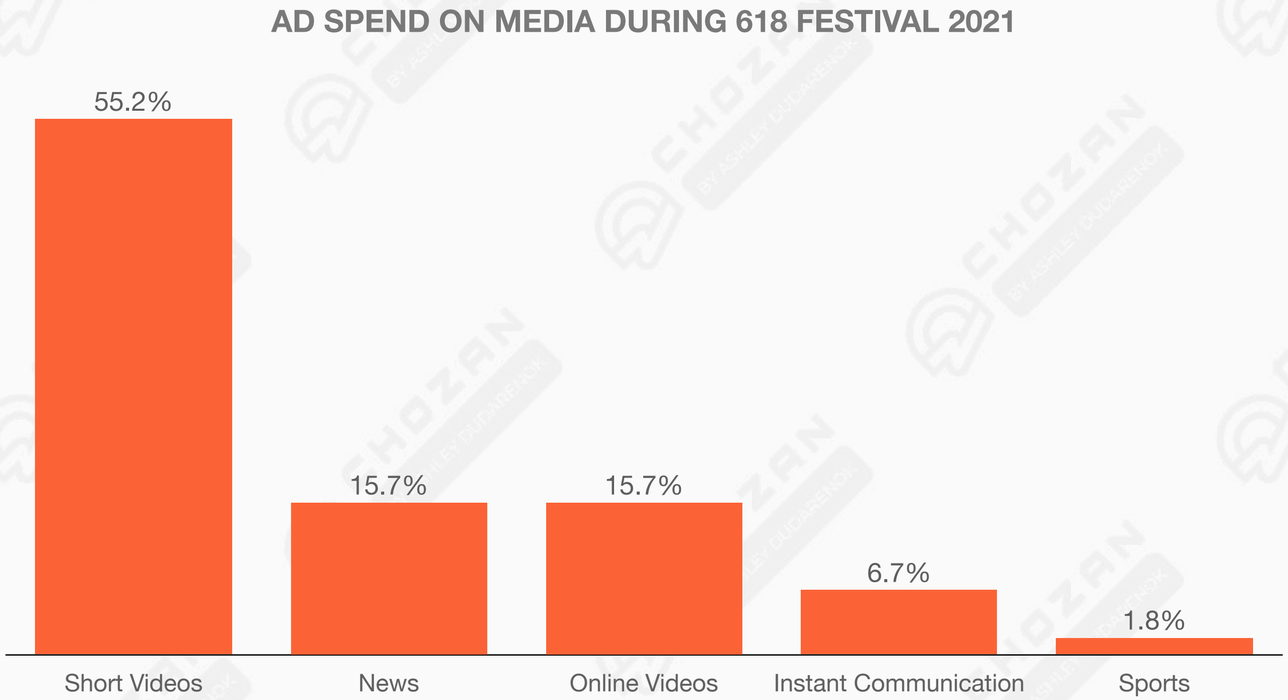


Source: QuestMobile 2021, 618 Report

MAJOR ONLINE SHOPPING FESTIVALS

618 - TOP CATEGORY SALES FROM LIVE-STREAMING COMMERCE

Brands spend the most on short video platforms for advertisements during 618 in 2021 due to the high traffic and rich content short videos can provide.



Source:QuestMobile 2021, 618 Report

MAJOR ONLINE SHOPPING FESTIVALS

618 - SALES FIGURES

According to Syntun, the total transaction volume from all platforms during 618 shopping festival reached more then 578 billion RMB, which is a 26.5% YoY increase.

578.4 BILLION
RMB, YOY 26.5%, GMV

64.5 BILLION
RMB, LIVE-STREAMING SALES

17.8 BILLION
RMB, NEW RETAIL SALES DURING 618

Source: 星图数据, 618 Report 2021

MAJOR ONLINE SHOPPING FESTIVALS

618 - SALES PERIOD FOR E-COMMERCE PLATFORMS

5.20 | 5.23 | 5.24 | 5.26 | 5.29 | 6.1 | 6.4 | 6.14 | 6.16 | 6.19 | 6.20

Compared with 2020

天猫

PRESALE | PREHEAT | GRAND OPENING | CATEGORY CARNIVAL | PREHEAT | PEAK PERIOD | ENCORE

Preferential rules: ¥200-¥30 allowance, 618 Super Red Packet, "Stacking Cats" game (PK game cancelled)

- Pre-sale period brought forward to 5.24, lengthening the cycle time
- More discount and simplified play

JD.COM

PRESALE | GRAND OPENING | CATEGORY CARNIVAL | PEAK PERIOD | ENCORE

Preferential rules: Full ¥200-¥30/¥1000-¥60 allowances, low price sales, coupons, red packets, etc.

- Simplify gameplay and ensured user experience

拼多多

LUXURY BRAND SALE | WARM UP PERIOD (Warm up → Add to cart) | PEAK PERIOD | ENCORE

Preferential rules：¥200-¥30 allowance, $10 billion subsidy, limited time sales, golden egg game

- Not much change

TikTok

EVENT PREHEAT | FINAL PAYMENT | THREE LIVE-STREAMING ROOMS (Key, Brand, Anchor)

Preferential rules: Goodies Festival, Interactive City, Ranking Tournament, Video Challenge, etc.

- Not much change

唯品会

SPECIAL SALE SESSIONS (Fans, Domestic brand) | CATEGORY CARNIVAL, ANCHOR COMPETITION | 616 NIGHT | CARNIVAL PERIOD

Preferential rules：Super V Live Day, Super "Star Anchor", Top 5 Brands, etc.

- Longer cycle time and earlier event warm-up
- More variety in the way you play

Source: 知乎

MAJOR ONLINE SHOPPING FESTIVALS

618 - LIVE-STREAMING: SHORT-VIDEO SHARING

LIVE-STREAMING BROUGHT AMAZING RESULTS TO SHORT VIDEOS PLATFORMS DURING 618

1.3 MILLION+
number of Taobao live-streams

65,000+
number of brands contributed

343 BILLION+
RMB worth of transactions made

6.59 BILLION
parcels sent

4 MILLION+
number of Douyin live-streams

110,000+
number of brands contributed

1.7 MILLION+
number of Kuaishou live-streams

47,000+
number of brands contributed

1.1 BILLION+
number of orders

+300%
GMV increased YoY

Source: CBNData, 618 Live-streaming commerce report, 2020

MAJOR ONLINE SHOPPING FESTIVALS

618 - SALES FROM JD.COM

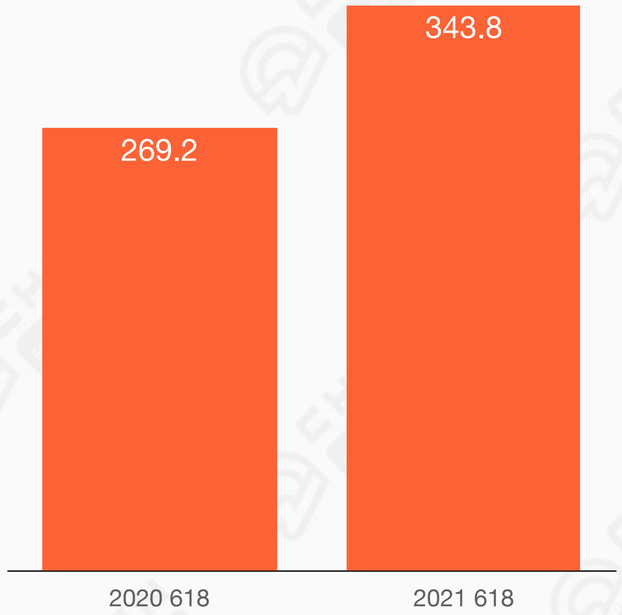
JD.com broke their total transaction volume during the 618 shopping festival in 2021.

343.8 BILLION
RMB TOTAL TRANSACTION VOLUME

11.5 MILLION
TIMES RECYCLABLE PACKAGING USE

326 BRANDS MADE OVER RMB
100 MILLION

TOTAL TRANSACTION VOLUME DURING 618 SHOPPING FESTIVAL ON JD.COM IN 2020-2021 (IN RMB BILLIONS)



Source: JD.com

MAJOR ONLINE SHOPPING FESTIVALS

618 - TOP SALES FROM TAOBAO/TMALL

Taobao live sales broke last year's 618 record in the first hour reaching 2 billion RMB sales within 1.5 hours.

30 MILLION+
CUSTOMERS, 30% YOY GROWTH

80%
OF CUSTOMERS ARE FEMALE

TOP CATEGORIES DURING 618 TAOBAO/ TMALL SALE, 2021

TOP 1
BEAUTY AND COSMETICS

TOP 2
FASHION AND ACCESSORIES

TOP 3
JEWELLERY

Source: China Z, Taobao 618 Results

MAJOR ONLINE SHOPPING FESTIVALS

618 - TOP SALES FROM DOUYIN

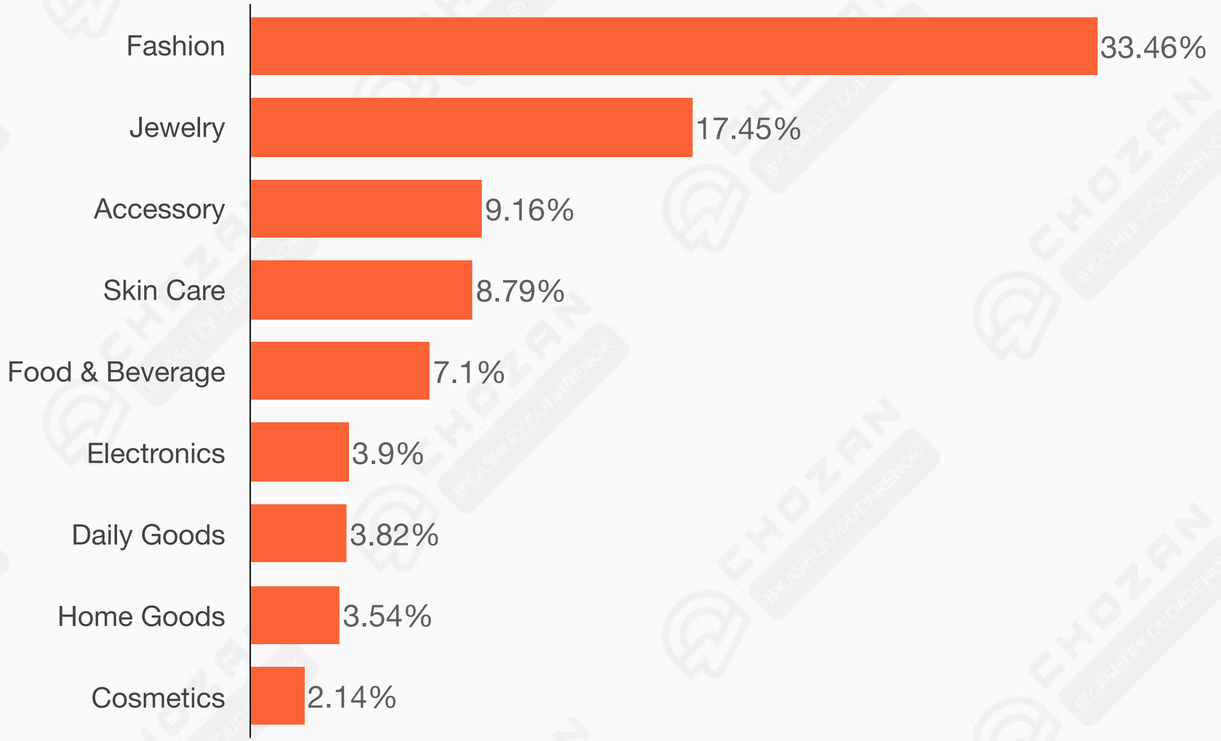
Fashion items were most popular during this years 618 live-streaming commerce sale on Douyin.

10.8 BILLION
LIVE-STREAMING COMMERCE GMV

285+ MILLION
HOURS OF LIVE-STREAMING WATCHED

37.2 BILLION
LIVE-STREAMING AUDIENCE

TOP CATEGORIES DURING 618 DOUYIN LIVE-STREAMING COMMERCE (14.06.2021-20.06.2021)



Source: 199it & Feigua 618 Report

MAJOR ONLINE SHOPPING FESTIVALS

618 - CONTENT ON RED

Chinese female consumers are paying more attention to lifestyle and education. The major ‘seeding’ categories from RED during this year’s 618 shopping festival is F&B and education while the most produced content is skincare and fragrance.

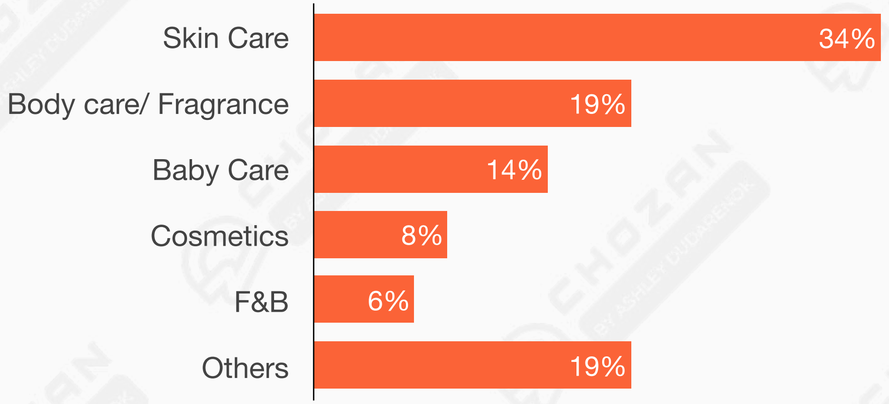
NEW CONTENT POSTS OF DIFFERENT INDUSTRIES ON RED DURING 618

2.6 MILLION
FOOD AND BEVERAGE

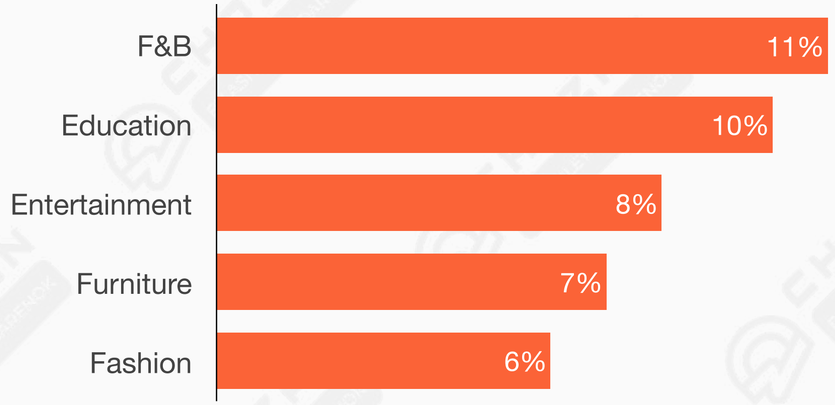
703 THOUSAND
COSMETICS

767 THOUSAND
SKIN CARE

NEW CONTENT OF DIFFERENT INDUSTRIES ON RED DURING 618



SEEDING OF DIFFERENT INDUSTRIES ON RED DURING 618



Source: Qiangua, 618 Shopping Festival on RED

EXPERT BITES

Q: WHAT'S ARE YOUR INSIGHTS ON 618?

ELLA KIDRON
Global Corporate Affairs
at JD.com

The 618 Grand Promotion saw strong growth momentum overall this year. An early pre-sales kick off at the end of May provided good insights into demand and the increasing awareness of 618 among consumers and partners, not just on JD, but across all online platforms as well as offline. With deeper consumer insights, more potential demands are being discovered, and through tailoring to these demands, JD is helping more goods become hit products. Furthermore, there are a slew of different services and privileges such as price protection for 90% of products deemed as hot sellers. All of these services further boost consumer confidence, in addition to our steadfast guarantee of high-quality, authentic products and nationwide same- and next-day delivery.

A few observations from 618 include, for one, the fact that online grocery retail is here to stay. Niche products which have been rapidly rising in popularity such as bottled coffee beverages, oat milk and fruit wine were up 15x in pre-sales. Another thing worth noting is the rise of the proximity economy. The limitation of movement during the pandemic helped to promote the proximity economy, especially online-to-offline models. Finally, individualized consumer demand is seeing sales in the pet market, as well as the services market, boom this year.

EXPERT BITES

Q: WHAT ARE THE CHALLENGES BRANDS NEED TO FACE IN 618-SHOPPING FESTIVAL?

The annual 618 shopping festival kept marketers busy. Since the promotions started nearly a month before the actual sales day, the biggest challenge for brands was to keep consumers excited and engaged through this entire period. As more brands joined this year's promotions, the competition for consumer attention was fierce. That required a lot of effort from marketers with planning out strategic content leading up to the 618 culmination.

KRISTINA KNUT

Marketing Director at KAWO

EXPERT BITES

Q: DID THE 618-SHOPPING FESTIVAL MEET EXPECTATIONS?

Overall revenue numbers did meet or exceed most brands expectations during the 4-week festival, The eCommerce platforms recorded record GMV and healthy YoY growth. However, customer acquisition costs, festival participation fees along with continual platform pressure to drive external traffic back to the stores to boost conversions all contributed to lower NET profits for most brands. The 6.18 shopping festival is the ‘audition’ for the 11.11 big show, meaning, if you performed well, had proper inventory levels and invested in both platform and external traffic to rise to the top as a category leader, all these elements would contribute to improved support and opportunities for a successful Q4.

RON WARDLE

Founder & CEO,
Incredible Media

EXPERT BITES

Q: WHAT DO YOU EXPECT FROM THE 618 SHOPPING FESTIVAL?

JOSH GARDNER
CEO of Kung Fu Data

- PDD has been pretty 'low key' during this year's 618 while Douyin and Kuaishou showed active participation. A combination of short videos + streaming commerce will be the main trends… Taobao has also upgraded its app functionality to support an “always on” broadcast model.
- This year's 618 was the first 618 since the 'anti-monopoly' law took effect. Merchants no longer had to “choose one over the other”. Brands are rolling out multi-channel strategies, opening flagships on Tmall, Douyin, Kuaishou, Pinduoduo, and Xiaohongshu... without having to worry about blowback.
- This also led to a new trend... brands with traffic anxiety are willing to go to short video platforms to tap into new growth initiatives. According to Douyin, the number of merchants participating in 618 on the Douyin platform was 2.9x that of the same period last year.
- Live streaming: low price is no longer the main sales driver. Brand strength and quality are becoming more and more important.
- Event rules have become simplified compared to last year's Singles Day.

EXPERT BITES

Q: WHAT DO YOU EXPECT FROM THE 618 SHOPPING FESTIVAL?

This year we had a record 250,000 merchants and brands, from across the globe, participate in 618 – which is a more than 50% increase on last year's event.

Luxury was a big focus this time, with more than 200 luxury brands participating, including the likes of Saint Laurent and Van Cleef & Arpels. In total, Chinese consumers were able to shop and explore more than 13 million products, with 1.4 million of those newly-launched at the Festival.

Livestreaming played a huge part in this year's festival. Sales generated through merchant-led livestreams grew 100% year over year, while the number of stores that achieved RMB10 million in livestream sales doubled. On the first day of sales, GMV generated from the first-hour of livestreaming exceeded the full day livestream GMV in 2020.

According to the Ebrun survey ahead of the promotion, two-thirds of businesses said Alibaba's Tmall marketplace would be their main platform for 6.18, and 40% of the surveyed brands expected half of their sales would come from Tmall. For this year's promotion, there were more customer benefits from loyalty programs and rewards. Brands on Alibaba's platforms added a combined total of more than 60 million new members during the festival. We also offered special perks for our own loyalty-program members, known as "88VIP." In the first hour of the campaign, 88VIP consumers' spending increased by 221% compared to the same period last year.

6.18 is considered a testing ground for brands to pilot and fine-tune their strategies ahead of our 11.11 Global Shopping Festival. We expect brands who participated in 6.18 to have cumulated key insights that could help them to prepare their offer and operational plan for the next big promotion.

MICHELLE LAU

Senior Strategic Partnership Manager at Alibaba Group

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 envolvement 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-steaming will continue to contribute greatly to the market.

Photo: 上海图虫网络科技有限公司

MAJOR ONLINE SHOPPING FESTIVALS

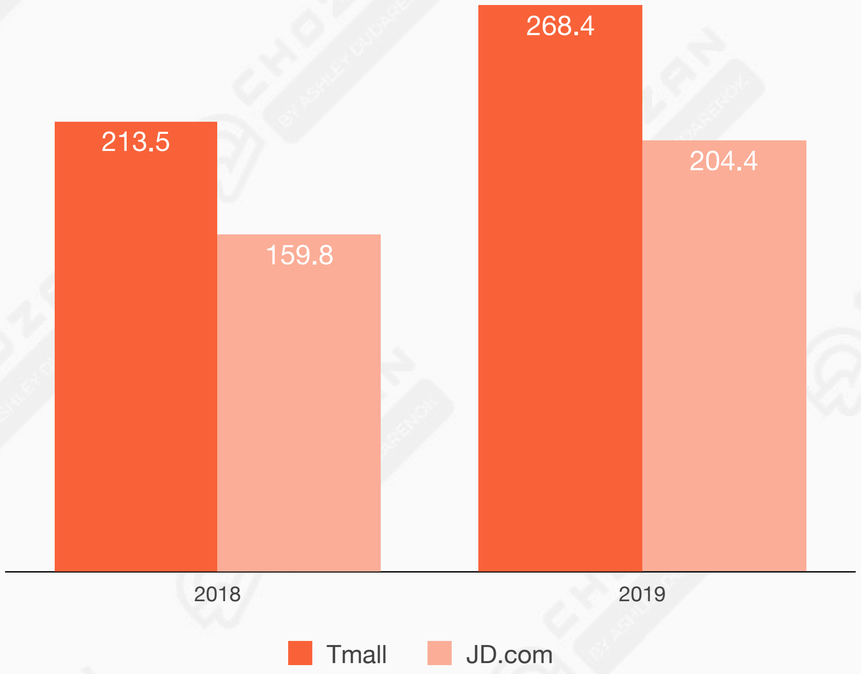
DOUBLE 11 - TURNOVER DURING 2020 SINGLES' DAY FESTIVAL

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)



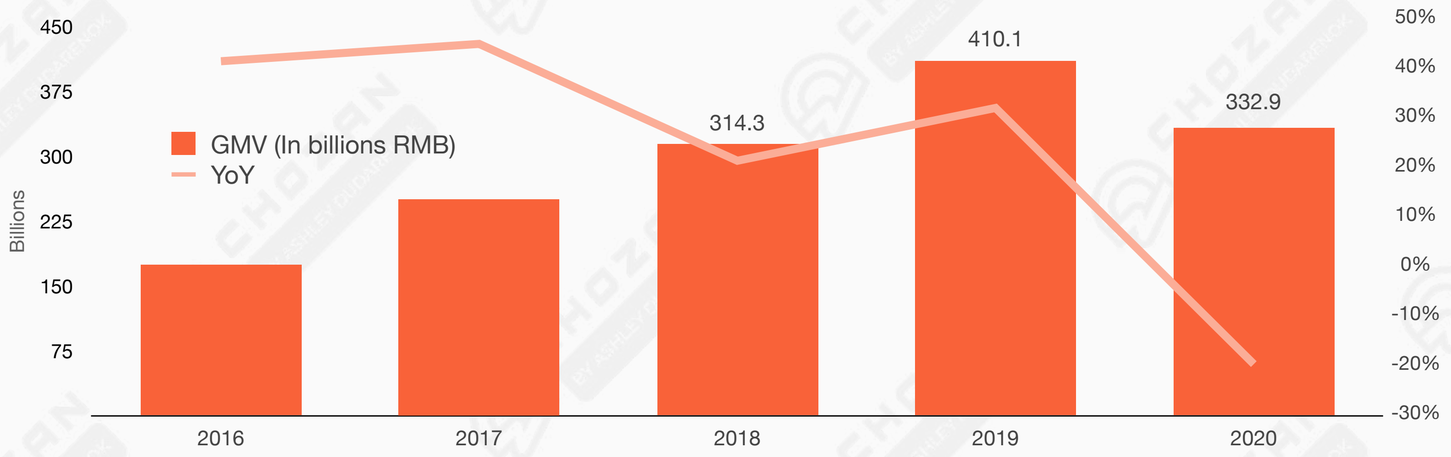
Source: 1) CBNData, 2020 Double 11 Report
2) 991IT, 2020 Double 11 Report

MAJOR ONLINE SHOPPING FESTIVALS

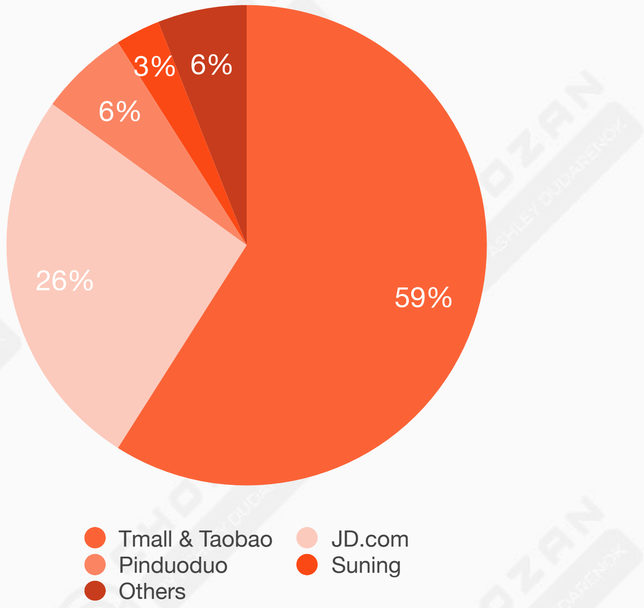
DOUBLE 11 - TURNOVER DURING 2020 SINGLES' DAY FESTIVAL

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



Source: 991IT, 2020 Double 11 Report

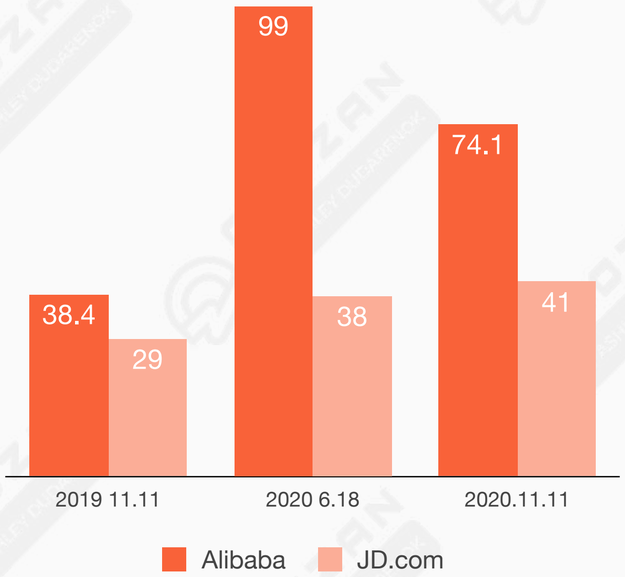
MAJOR ONLINE SHOPPING FESTIVALS

DOUBLE 11 - SALES DURING 2020 SINGLES' DAY FESTIVAL

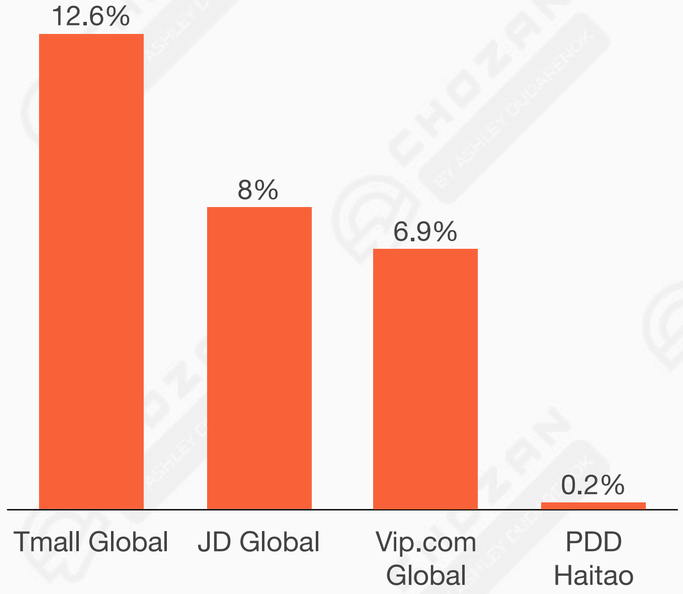
840 MILLION
RMB TOTAL SALES

+29%
YOY GROWTH

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



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

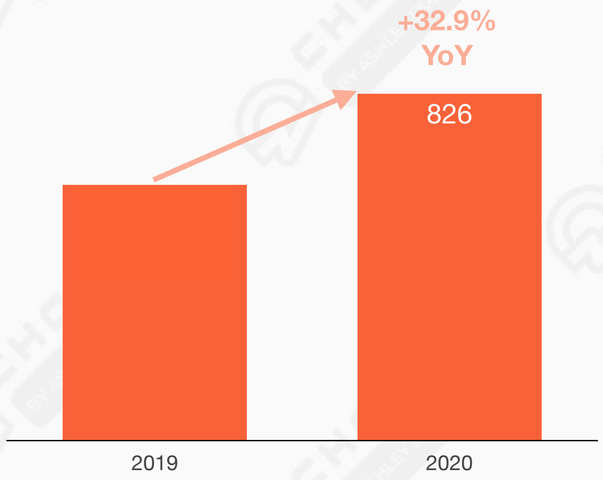


Source: 1) Syntun, 2020 Double 11 Report
2) Kr Asia

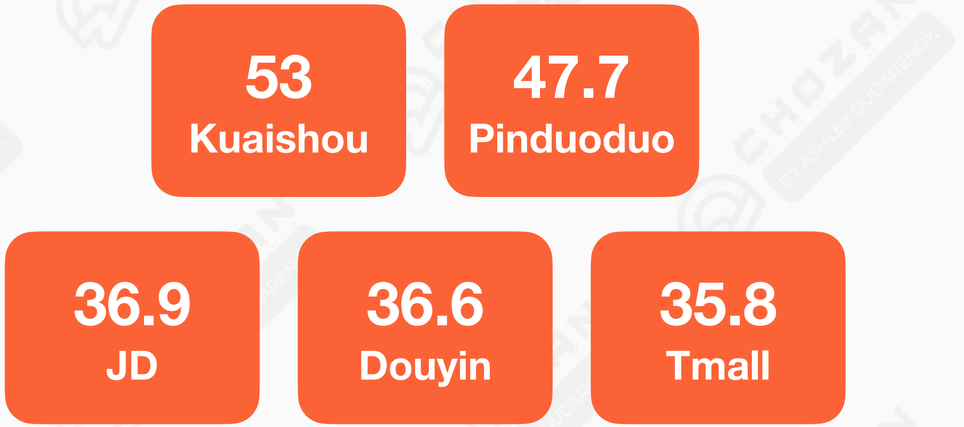
MAJOR ONLINE SHOPPING FESTIVALS

DOUBLE 11 - PARTICIPATION

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



POSITIVE SENTIMENT TOWARD BIG PLATFORM PROMOTIONS 11.11 2020



Index from 1-100 Above 50 = positive sentiment Below 45 = negative sentiment

Source: Trust Data, China's Double 11 E-commerce Report 2020

MAJOR ONLINE SHOPPING FESTIVALS

DOUBLE 11 - SALES PERIOD FOR E-COMMERCE PLATFORMS

	10.21 - 10.31	11.01 - 11.03	11.04 - 11.10	11.11
淘 天猫	ROUND 1 PRESALE (Posting ads → Add to cart)	SNAP UP (Placing orders)	ROUND 2 PRESALE (Warm up → Add to cart)	FINAL SNAP UP (Purchasing)

	10.21 - 10.31	11.01 - 11.03	11.04 - 11.08	11.09 - 11.11
京东	PRESALE (Posting ads → Add to cart)	START (Placing orders)	SPECIAL EVENT PERIOD (Presale in different categories)	PEAK PERIOD (Purchasing)

	10.20 - 10.31	11.01 - 11.10	11.11
拼多多	PRESALE (Posting ads → Add to cart)	WARM UP PERIOD (Warm up → Add to cart)	SALE PERIOD (Purchasing)

	10.21 - 10.30	10.31 - 11.03	11.04 - 11.10	11.11
苏宁易购	ROUND 1 PRESALE (Posting ads → Add to cart)	START (Placing orders)	ROUND 2 PRESALE (Warm up → Add to cart)	SALE (Purchasing)

	10.19 - 10.30	10.31 - 11.04	11.04 - 11.10	11.11
唯品会 vip.com	GETTING DISCOUNTS IN RED PACKETS (Posting ads → Add to cart)	GRAND OPENING (Placing orders)	BRAND FESTIVAL ROTATION (Warm up → Add to cart)	FINAL SALE (Purchasing)

Source: QuestMobile, 2020 Double 11 Sales Report

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

Source: 1)CBNData, 2020 Double 11 Report
2) China Internet Watch
3) Analysys

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

TOP 4 INDUSTRIES FOR SALES GROWTH

1. PERSONAL CARE

2. MAKEUP AND COSMETICS

3. COOKING OIL AND SEASONING

4. ALCOHOL

Source: Syntun, 2020 Double 11 Report

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

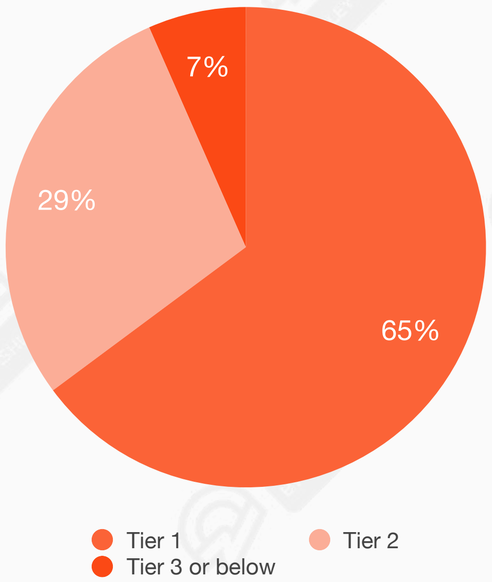
Source: CBNData

MAJOR ONLINE SHOPPING FESTIVALS

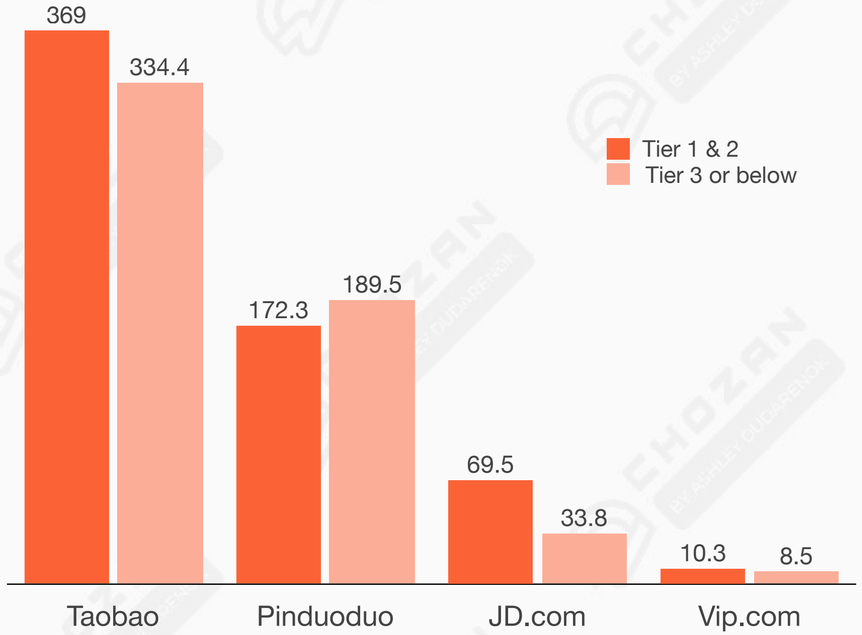
DOUBLE 11 - CONSUMPTION RECOVERY - THE LOWER-TIER MARKET AS A DRIVING FORCE

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)

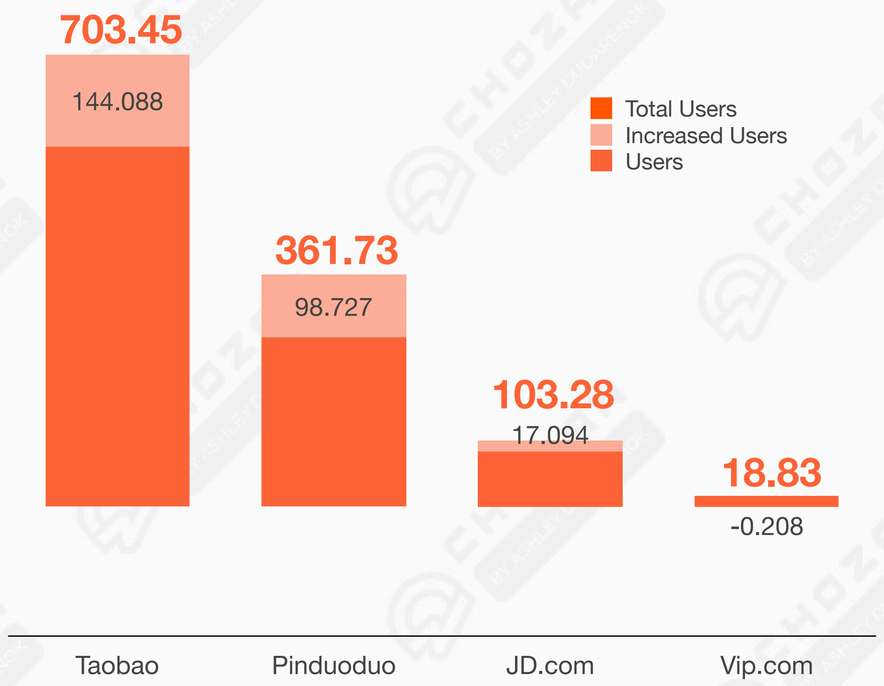


Source: Trust Data, China's Double 11 E-commerce Report 2020

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.

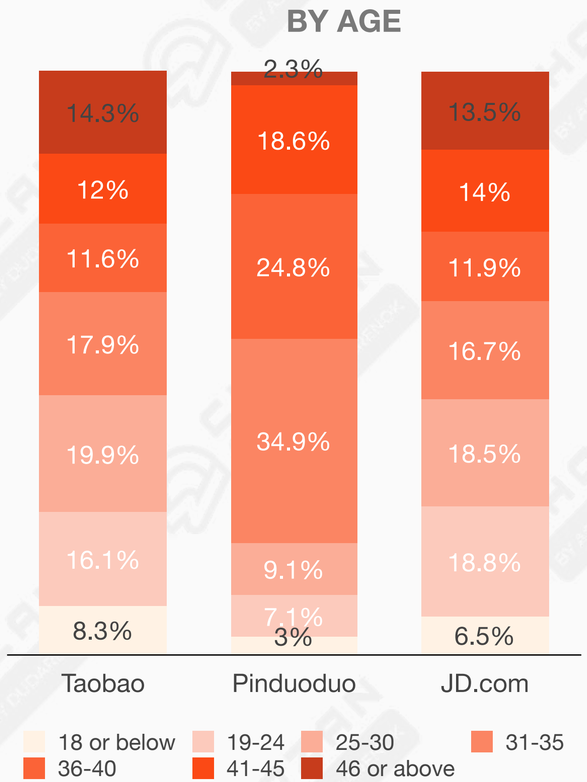
Source: 1) Trust Data, China's Double 11 E-commerce Report 2020
2) Questmobile

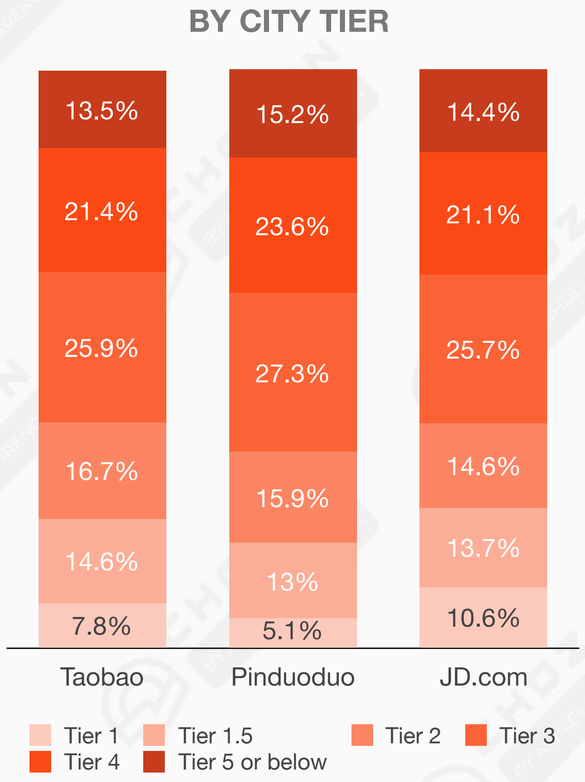
MAJOR ONLINE SHOPPING FESTIVALS

DOUBLE 11 - CONSUMPTION RECOVERY - USER BEHAVIOUR DURING 11.11

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

NEW APP USERS DURING DOUBLE 11





Source: 1) Trust Data, China's Double 11 E-commerce Report 2020
2) Questmobile

CNY

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

Photo: 上海图虫网络科技有限公司

CHINESE NEW YEAR

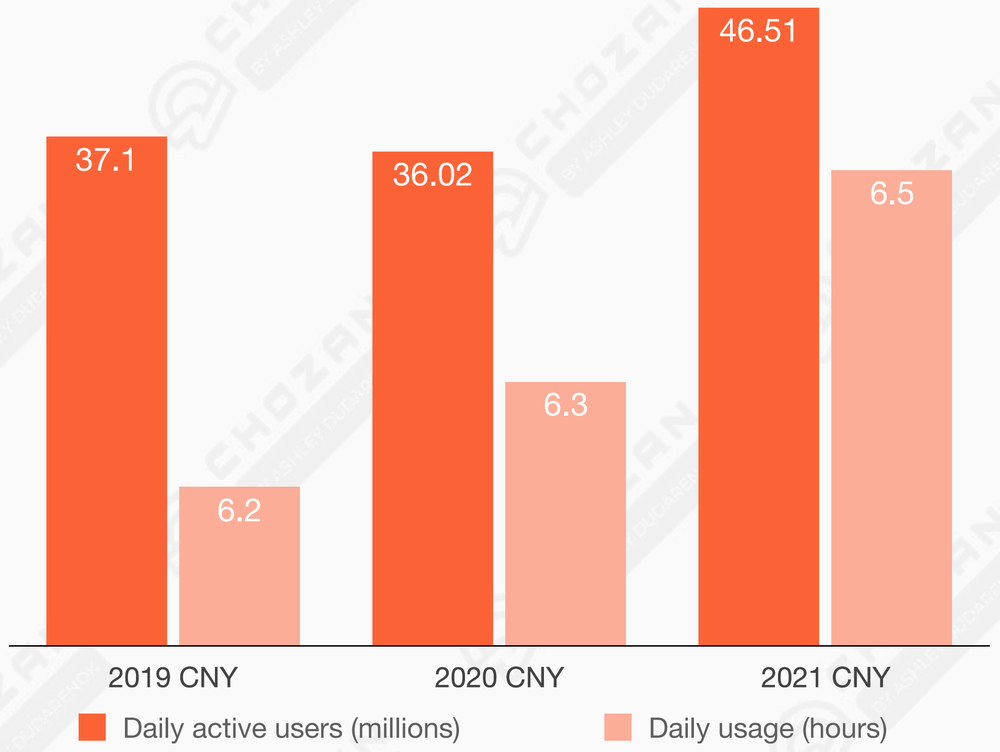
INCREASED USERS AND ACTIVITIES

Number of users during CNY in tier 1 cities continued to rise as the majority of Chinese decides to stay put during this CNY. Therefore platforms are producing more festive content, services and discounts to support the demand of online entertainment and online shopping.

E-COMMERCE ACTIVITIES DURING CNY 2021

	HONGBAO LUCKY DRAW	PREHEAT SALE	DELIVERIES DURING NEW YEAR
TAOBAO		✔	✔
JD.COM		✔	✔
PDD	✔		

TIER 1 CITIES USER PORTRAITS DURING CNY



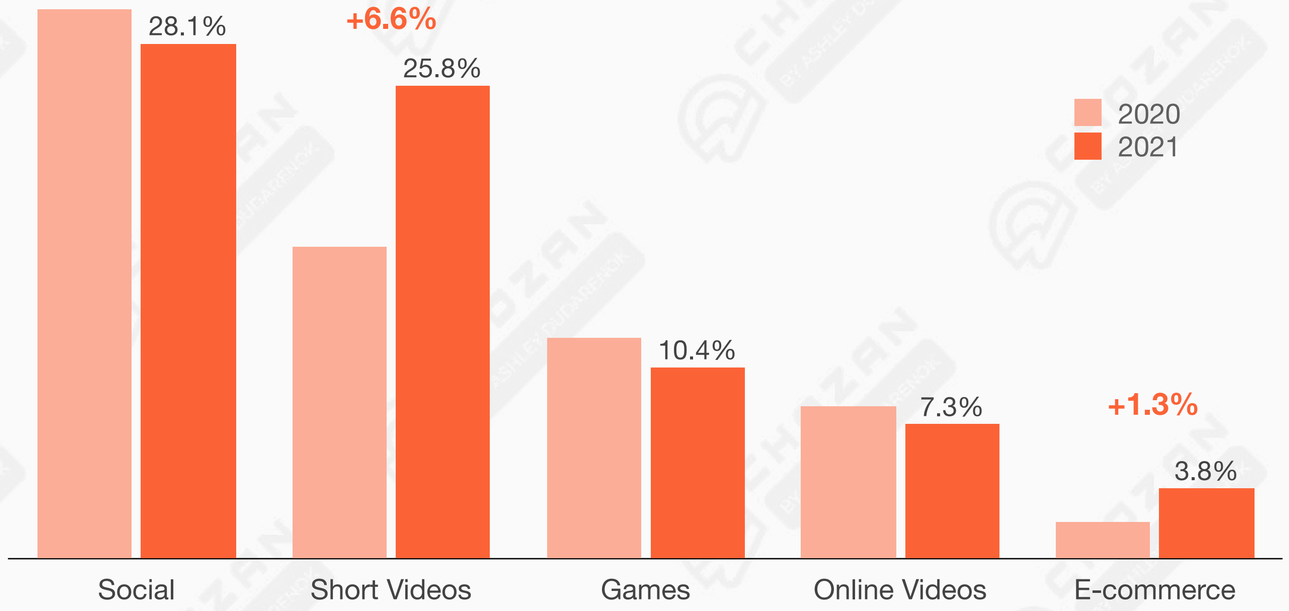
Source: Quest Mobile, 2021 CNY Report

CHINESE NEW YEAR

INCREASED MOBILE ENTERTAINMENT

The major increase in mobile entertainment usage during CNY are short videos and e-commerce by 6.6% and 1.3% respectively.

INDUSTRIES MOBILE ENTERTAINMENT USAGE DURING CNY



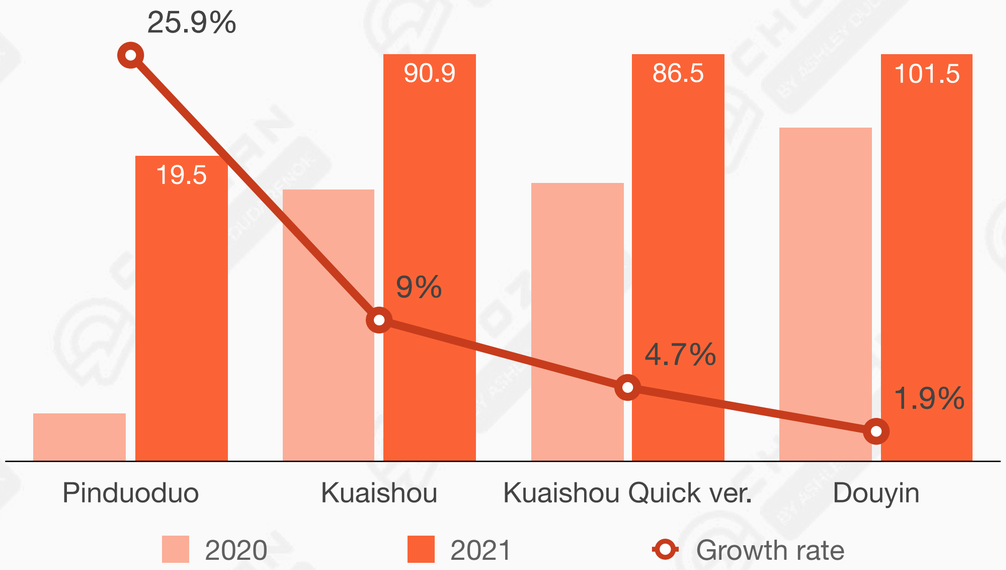
Source: Quest Mobile, 2021 CNY Report

CHINESE NEW YEAR

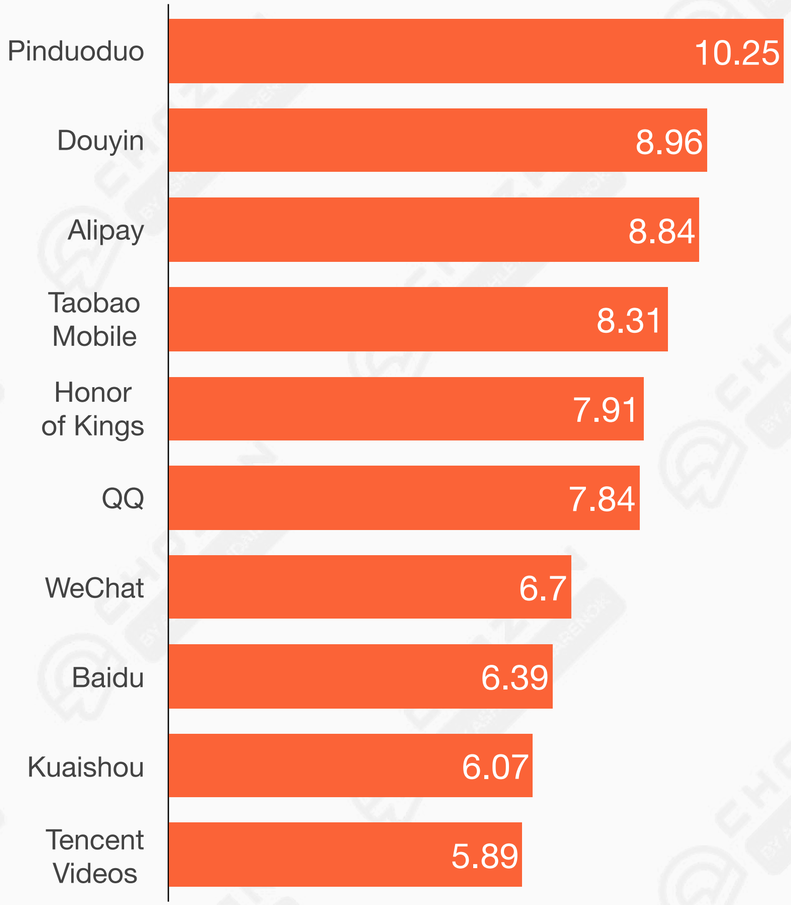
INCREASED MOBILE ENTERTAINMENT

Pinduoduo gained the most new users and increase in app usage during Chinese New Year in 2021, followed by short video apps such as Kuaishou and Douyin.

TOP APPS DAILY USAGE PER USER DURING CNY (MINUTES)



TOP APPS WITH MOST NEW USERS DURING CNY 2021 (IN MILLIONS)



Source: Mob, 2021 CNY Report

CHINESE NEW YEAR

LESS TRAVELLERS DURING SPRING FESTIVAL

There were 34.8% less travellers during Chinese New Year 2021 compared to 2020 and more than 60% of respondents to a survey decided to stay put this year. Therefore, more Chinese are sending greetings online, increasing number of online Hongbaos being sent.

	MOST HONGBAOS SENT	MOST SHORT VIDEOS CREATED
1	Guangdong	Henan
2	Jiangsu	Jiangsu
3	Zhejiang	Shandong

100 MILLION

CHINESE STAY PUT

98 MILLION

CHINESE TRAVELLED

30 MILLION

WECHAT HONGBAOS SENT

Source: Mob, 2021 CNY Report

CHINESE NEW YEAR

LOCAL TOURISM

Local tourism is trending this CNY, higher tier cities are becoming hot locations to travel due to more people staying local with travelling.

	TOP TRAVEL LOCATION
1	Hangzhou
2	Shanghai
3	Shenzhen
4	Beijing
5	Chengdu

+660%

LOCAL TOUR RESERVATIONS

+180%

LOCAL CAR RENTAL RESERVATIONS

+180%

LOCAL HOTEL RESERVATIONS

Source: Mob, 2021 CNY Report

CHINESE NEW YEAR

FOOD FOR ONE

Meal for one orders on Meituan has increased 66% YoY during Chinese New Year Eve, more people decides to eat alone at home rather than outside.

+66%

YOY IN MEAL FOR ONE

MOST POPULAR "MEAL FOR ONE" DURING NEW YEAR EVE

- 1 CRAYFISH
- 2 DUMPLINGS
- 3 KUNG PAO CHICKEN
- 4 STINKY MANDARIN FISH
- 5 BRAISED PORK KNUCKLES

Source: Mob, 2021 CNY Report

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MY FREE BI-WEEKLY NEWSLETTER
FOR LATEST CHINA INSIGHTS

WANT TO TALK TO MY TEAM?

SCAN THE QR CODE TO
ARRANGE A FREE CONSULTATION
ABOUT YOUR CHINA PLAN

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 SOME IMPORTANT BUZZWORDS IN THE DIGITAL SPACE OF CHINA, REFLECTING CHANGES OF CONSUMERS' BEHAVIOUR?

There are always new buzzwords emerging in China's social media space. In the last couple of months, we saw 内卷 (nei juan - involution), 躺平 (tang ping - lying flat), yyds (永远的神 yongyuandeshen - eternal god), 干饭人 (gan fan ren - do nothing, eat first), and 凡尔赛 (fan er sai - literally "Versaille", meaning showing off). The buzzword "tang ping" (躺平) has been making the rounds in China, reflecting a certain new mindset shift. The term refers to a lifestyle choice in which Chinese youth increasingly refuse to fulfill the culturally embedded expectations of finding a good job, buying a house or getting married.

GOT A QUESTION? DROP ASHLEY AN EMAIL BY SCANNING THE QR CODE

EXPERT BITES

ASHLEY DUDARENOK
Founder of Alarice and ChoZan
LinkedIn Top Voice & 3x best-selling author

Q: WHAT DO YOU THINK IS THE SECRET OF VIRAL MARKETING CAMPAIGNS IN CHINA?

There's nothing more important in China right now in terms of marketing than social media marketing. At the core of are content and context. Brands need to stay on top of hot topics and consumer sentiments for their specific category. A good example of the latest viral marketing campaign is Chinese ice cream and bubble tea brand Mi Xue Bing Cheng. They definitely know their target audience well and came up with an online slogan "I don't mind you're poor, you shall not mind that I'm cheap." This summer they achieved huge success online due to the combination of a fun and annoying piece of content and a song linked to an offline activation (asking people to sing the songs to get free ice cream). Most importantly it was well suited to their audience, who enjoyed the content so much that sharing with friends became automatic - the power of word of mouth. Ultimately you can't predict or guarantee a campaign's virality - you can only try to be relevant, and often, injecting a bit of fun helps in beefing up your chances for success.

GOT A QUESTION? DROP ASHLEY AN EMAIL BY SCANNING THE QR CODE

EXPERT BITES

Q: WHAT'S THE WINNING FORMULA FOR SMM IN CHINA IN 2021?

- **Social e-Commerce:** Consumers increasingly rely on social media platforms to make purchases. According to the survey, one in four consumers relied on social advertising and product recommendations to approach new brands and products. This year, Weibo, WeChat, Douyin, Kuaishou and other top media platforms are building closed-loop eco-systems hoping to convert the traffic into sales in-house. For example, Douyin products entered Douyin store, Weibo launched "Weibo Store", and Xiaohongshu Redren broadcast trialed out the inclusion of third party Taobao chain, etc. All these show that boundaries are blurring between social, short video and e-commerce platforms.
- **Live streaming** will no longer be synonymous with goods selling but also an effective way for long-term brand building and brand concept conveyance. Acquiring new customers and building private domain are all functions that can be carried by future live streaming.

JACQUELINE CHAN
Project Director
at Alarice & ChoZan

GOT A QUESTION? DROP JACQUELINE AN EMAIL BY SCANNING THE QR CODE

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
Strong content categories	Entertainment, stars, social intelligence information	Knowledge and life

Source: CBNData, Content Development for Short Videos, 2020

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	600 million +	377 million +
Strong content categories	Strong media attributes	Strong community attributes

Source: CBNData, Content Development for Short Videos, 2020 & Guoji, H1 2021 Social Commerce Report

SOCIAL MEDIA

OVERVIEW - PLATFORMS AT A GLANCE

	BILIBILI	XIGUA
Platform type	Comprehensive video community	PUCG 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
Strong content categories	Two-dimensional, knowledge	Beachcombing, film and television variety shows

Source: CBNData, Content Development for Short Videos, 2020

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
Strong content categories	Knowledge, positive energy	Beauty, fashion

Source: CBNData, Content Development for Short Videos, 2020

SOCIAL MEDIA

OVERVIEW - DEVELOPMENT OF MINI PROGRAMS

TENCENT +

989 MILLION
MARCH 2021 MAU

647 MILLION
MARCH 2021 MAU

ALIBABA

792 MILLION
MARCH 2021 MAU

777 MILLION
MARCH 2021 MAU

BAIDU

558 MILLION
MARCH 2021 MAU

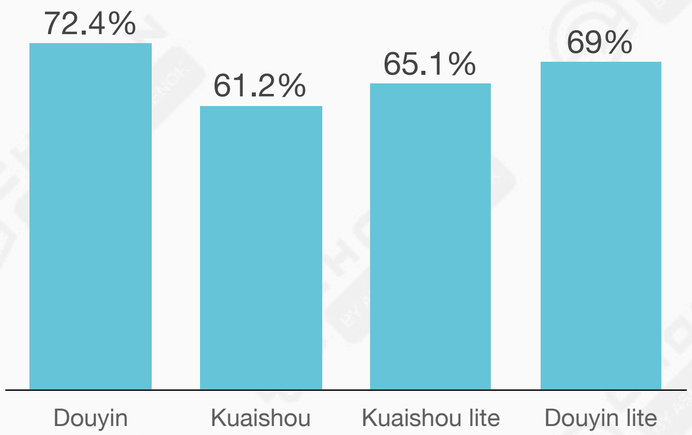
Source: Quest Mobile, Chinese Internet Report, Spring 2021

SOCIAL MEDIA

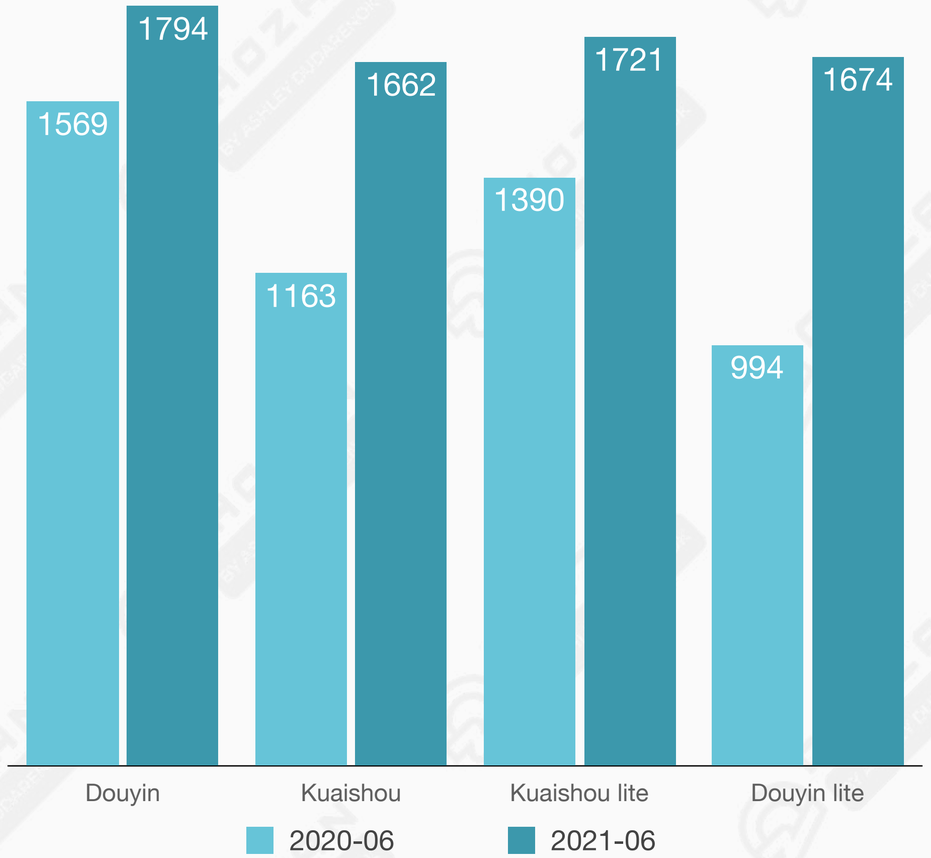
SHORT VIDEO PLATFORMS

Short video apps usage has increased compared to 2020 due to an evolving variety of new video content and live-streaming commerce.

PROPORTION OF USERS WHO USE SHORT VIDEO APPS FOR MORE THAN 30 MINUTES PER DAY, JUNE 2021



SHORT VIDEO APPS MONTHLY USAGE (IN MINUTES)



Source: Questmobile, Chinese Internet Semi-annual Report 2021

SOCIAL MEDIA

OVERVIEW - DEVELOPMENT OF MINI PROGRAMS

Growing platform functions allow further commercialisation of Mini Programs.

	PLATFORM FEATURES	BUSINESS EMPOWERMENT UPGRADE
WECHAT MINI PROGRAMS	1. Various entrance methods 2. Social fission 3. Diverse types	• 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	1. Consumption + Finance 2. New retail expansion to enrich offline scenarios	• Open Taobao livestreaming capabilities • Two revisions of Alipay. Home page displays life service applications • Open application centre and upgrade coupons
BAIDU SMART MINI PROGRAMS	1. Search + information flow 2. Open source	• 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

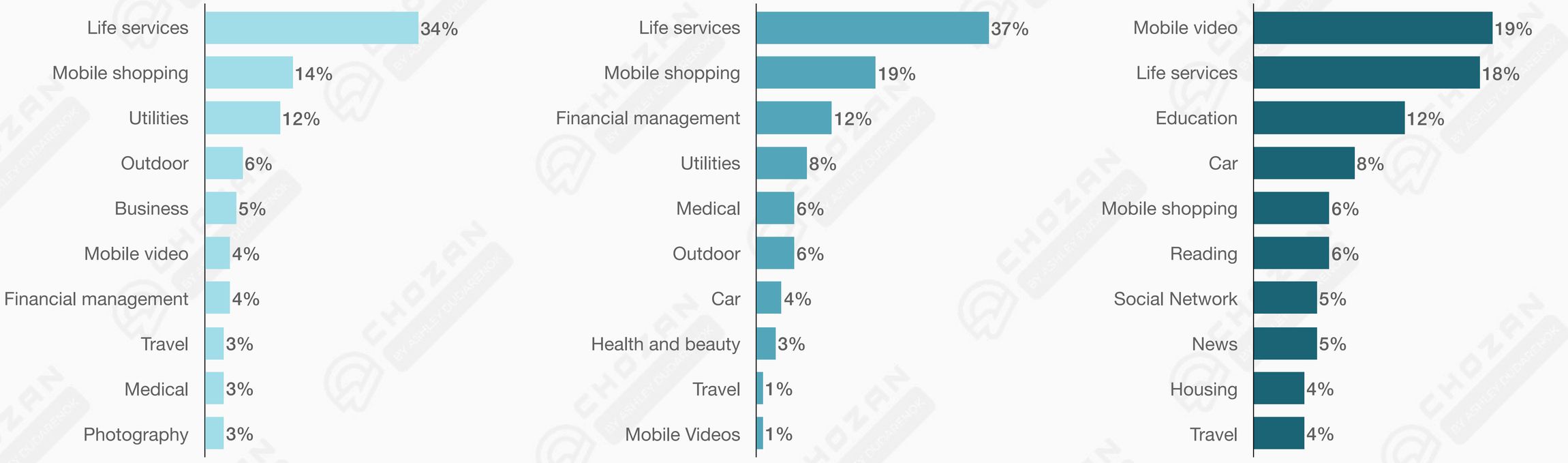
Source: QuestMobile, Wechat Mini Programs report, 2020

SOCIAL MEDIA

OVERVIEW - DEVELOPMENT OF MINI PROGRAMS

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

DISTRIBUTION OF TYPICAL APPLICATION INDUSTRIES OF BAT MINI PROGRAMS IN MARCH 2021



Source: Questmobile, Chinese Internet Semi-annual Report 2021

WHAT PLATFORM IS RIGHT FOR YOU?

CHECK OUT KAWO'S CHEATSHEET ON DIFFERENT SMM PLATFORMS

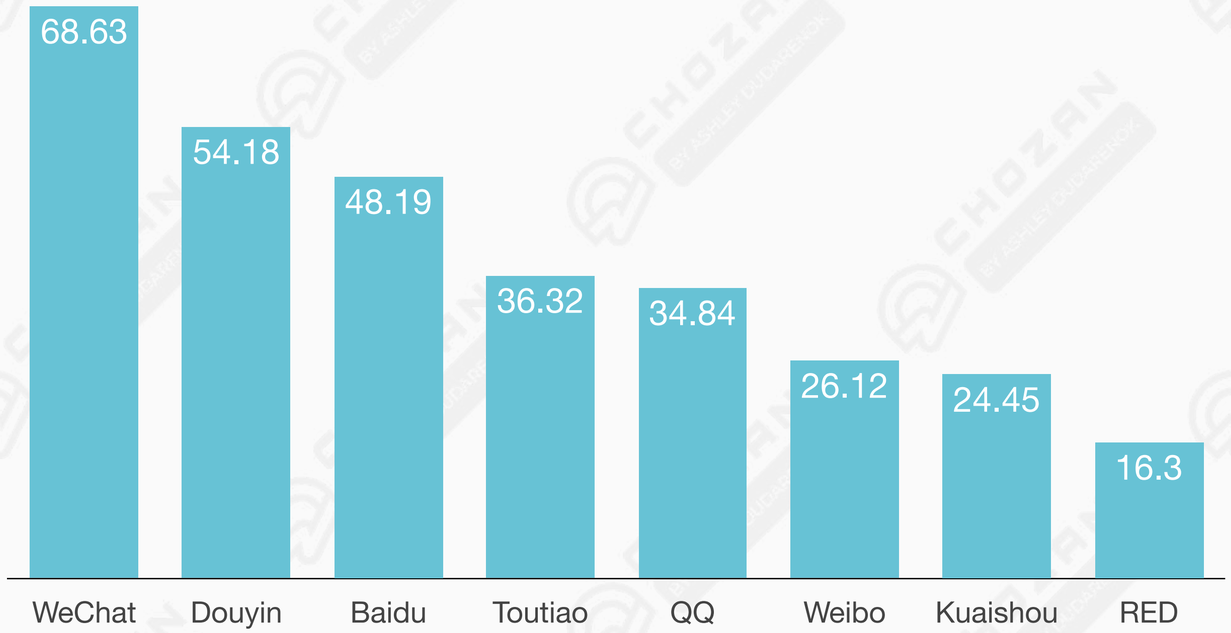
Source: Download this full resolution cheatsheet from KAWO here

CHINESE SOCIAL MEDIA

USER TRAFFIC VALUE

Reflecting the variety of reasons for WeChats leadership in many user metrics, including innovation and adaptation, it holds the highest traffic value share, followed by Douyin.

2021 JUNE CHINESE SOCIAL MEDIA USER TRAFFIC VALUE (RMB BILLIONS)



EXPERT BITES

Q: WHAT ARE YOUR ASSESSMENTS OF SOCIAL MEDIA DEVELOPMENTS IN 2021 Q3 ?

While JD and TMall are the standard reference in the Chinese eCommerce landscape, Gen-Z is widely using the integrated eCommerce functionality of every other social platform available, from WeChat to DouYin, XiaoHongShu, Bilibili and more. If any foreign brand wants to have or maintain their impact on trend-sensitive consumers, they need to think out of the box, adopt new social platforms for communication and convert the CTA into orders through these minor eCommerce solutions.

ALBERTO ANTINUCCI

Digital Innovation Strategist
and China Expert

EXPERT BITES

Q: WHAT DO YOU EXPECT IN Q3 IN TERMS OF CONSUMER BEHAVIOUR, E-COMMERCE AND SOCIAL MEDIA DEVELOPMENTS?

A couple of thoughts on this one …

1. I think that overall, things will continue on the optimistic trend they have been on for the last couple of quarters since China's early rebound from Covid. Consumer confidence should remain positive.

2. From a social media POV, I expect that new channels in China will start to gain some more attention. The anti-trust moves in China (while not really stopping the big players from making moves), are likely to dull consumer enthusiasm (somewhat) for the big guys and open up a bit more space for newer apps.

CHRIS BAKER

Founder at
Totem

EXPERT BITES

Q: WHAT'S YOUR RECOMMENDATION FOR BUILDING MINI PROGRAMS IN CHINA IN Q3?

Brands need to clearly set goals for their Private Traffic Funnels (WeChat OA and Mini Programs) and understand the key role the MP will play in achieving those goals. MP should be set to evolve and become real ecosystems enabling Awareness, ECommerce, Loyalty, Drive to Store, Data Capture and retargeting. Combining a full headless approach and a perfect UX will mean MP will play a key role in brand strategies.

AURELIEN RIGART

Co-founder & VP at
IT Consultis

PLATFORM

WECHAT

EXPERT BITES

JACQUELINE CHAN
Project Director
at Alarice & ChoZan

Q: HOW TO CREATE ENGAGING CONTENT ON WECHAT?

1. Make good use of the "menu bar" function of WeChat official account. In WeChat marketing, 73% of the interactions take place in the "menu bar" function, and users hope to obtain corresponding information and services through interacting with the "menu bar". As a result, It is very important for WeChat Engagement to create a well-structured Menu Bar. What's more, now we can provide customized Menu bars to different fan groups by accessing third-party tools in order to better enhance the user experience and the user interaction rate.
2. Ten percent of the interactions of WeChat users come from WeChat articles, so how to improve user engagement within the articles is also very important. Through SVG Design, articles can be interactive and user participation rate can be improved. A variety of mini-games can also be added to encourage user participation, or UGC campaigns can be used to allow users to express their opinions, enhance interaction and to deepen user understanding.

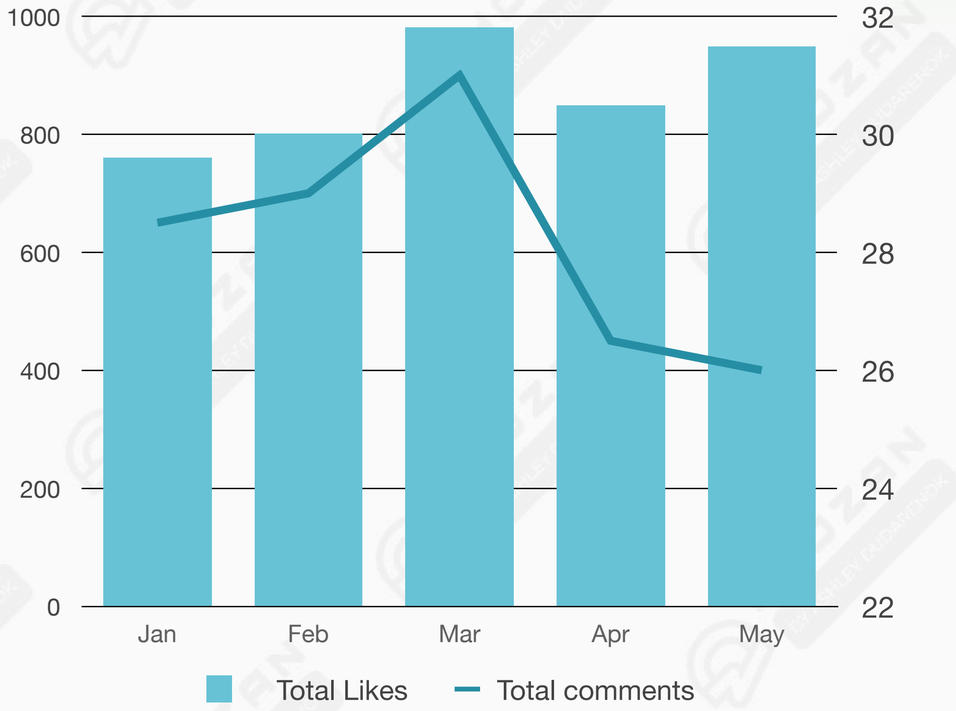
GOT A QUESTION? DROP JACQUELINE AN EMAIL BY SCANNING THE QR CODE

SOCIAL MEDIA

WECHAT PLATFORM - AT A GLANCE

Although the total interactions on WeChat channels dropped after the increase in March, number of interactions began to rise again in May due to the optimisation of content and new personalised updates.

2021 TOTAL NUMBER OF LIKES AND COMMENTS ON WECHAT CHANNELS (IN MILLIONS)

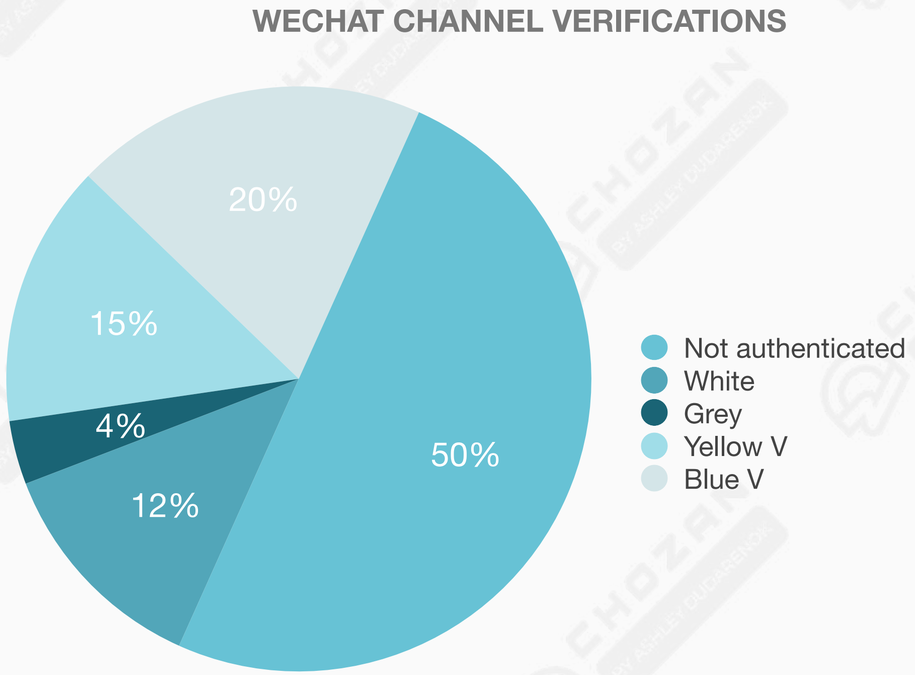


Source: Youwant Data, 2021 H1 WeChat Channels Report

SOCIAL MEDIA

WECHAT PLATFORM - AT A GLANCE

There is still room for growth in WeChat channels as more than 49% of channels are still not verified.



Source: Youwant Data, 2021 H1 WeChat Channels Report

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

Each day, more than 120 million users post in Moments, 360 million users read Official Accounts articles (Q4 2020)

1.2 BILLION+
MONTHLY ACTIVE USERS

20 MILLION+
OFFICIAL ACCOUNTS

3+ MILLION+
MINI PROGRAMS

450 MILLION+
DAILY ACTIVE USERS OF MINI PROGRAMS

60 MILLION+
ACTIVE USERS OF WECHAT WORK

2.5 MILLION
COMPANIES USED WECHAT WORK

50 MILLION+
MONTHLY ACTIVE MERCHANTS ON WECHAT PAY

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

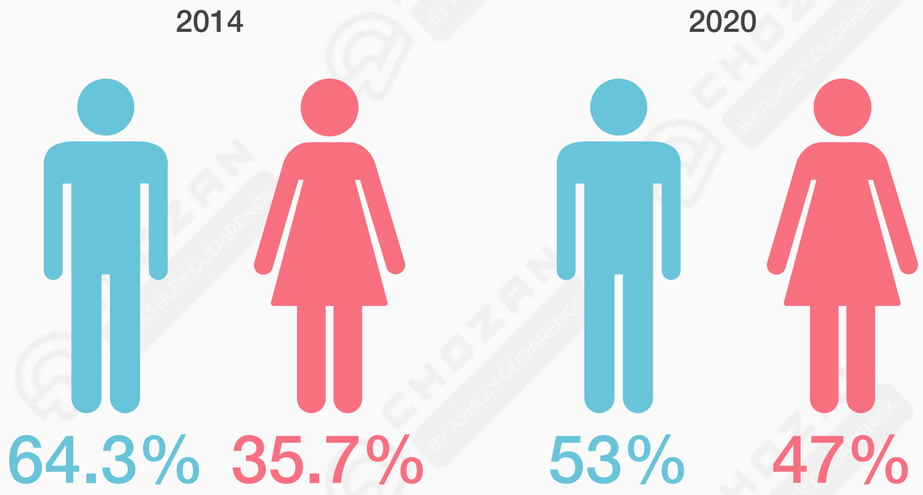
A multi-purpose platform with ranging features. **Public Accounts**, which push feeds to subscribers, interact with subscribers and provide them with services. **Mini Program** is an app within an app. Business owners can do their business through a Mini Program, while users can enjoy other functions.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

SOCIAL MEDIA

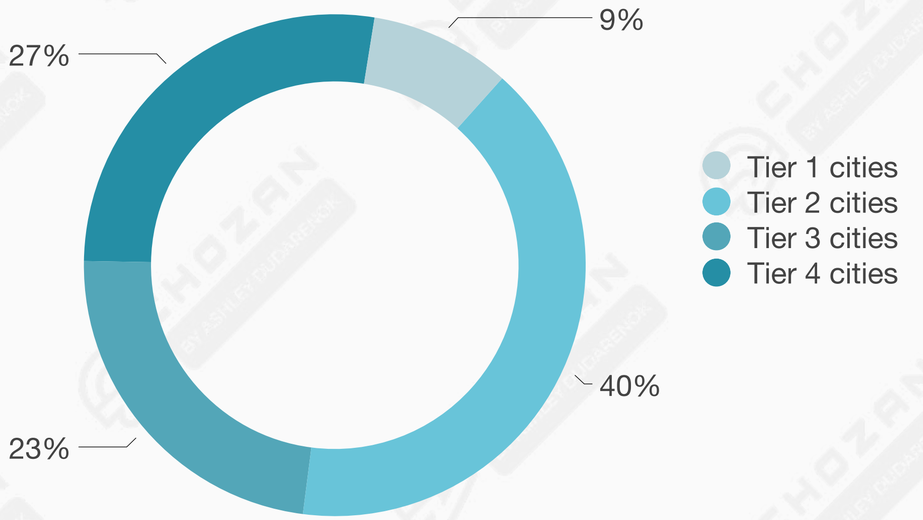
WECHAT PLATFORM - USER DEMOGRAPHICS

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



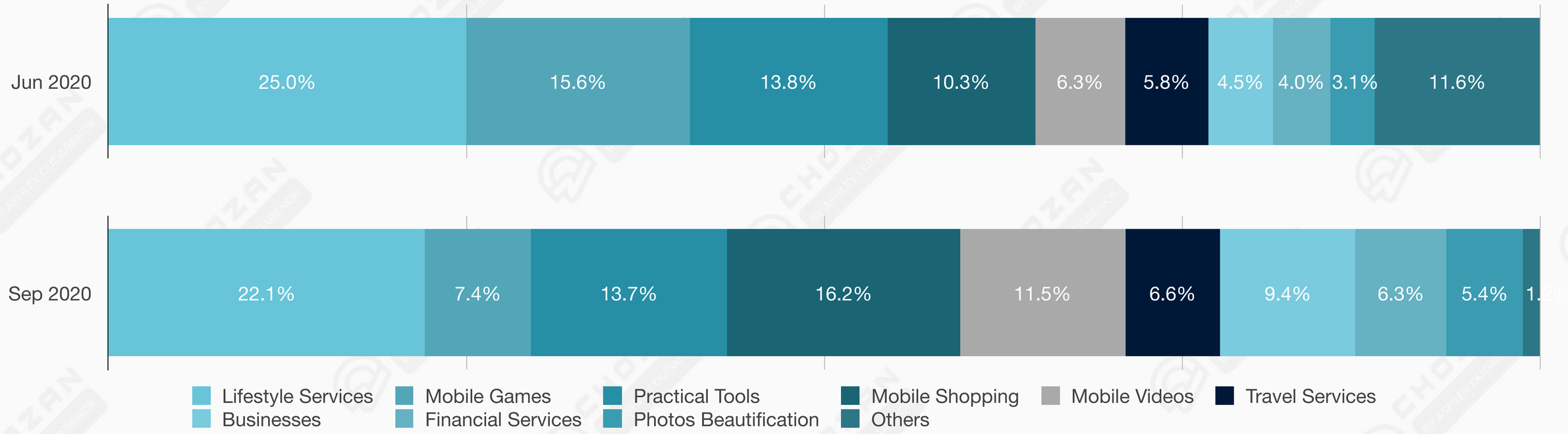
Source: QuestMibile GROWTH 用户画像标签数据库 Feb, 2019

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



Source: QuestMobile TRUTH 中国移动互联网数据库 Sep, 2020

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

Source: QuestMobile TRUTH 中国移动互联网数据库 Sep, 2020

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.

Source: Chatly, WeChat Initial Touchpoints: How to Optimise the Next User Experience

SOCIAL MEDIA

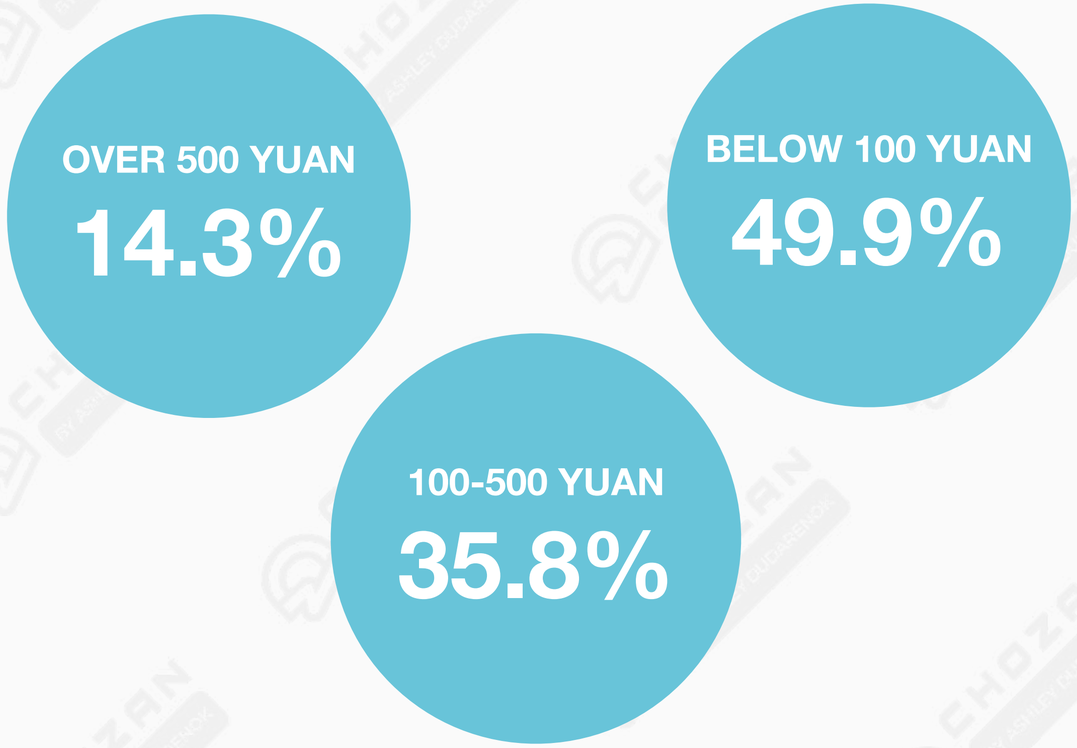
WECHAT PLATFORM - CONTENT BEST PRACTICES

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



Source: 阿拉丁指数，2020年上半年小程序互联网发展白皮书

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.

Source: 西瓜数据，2020年公众号生态趋势调查报告

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

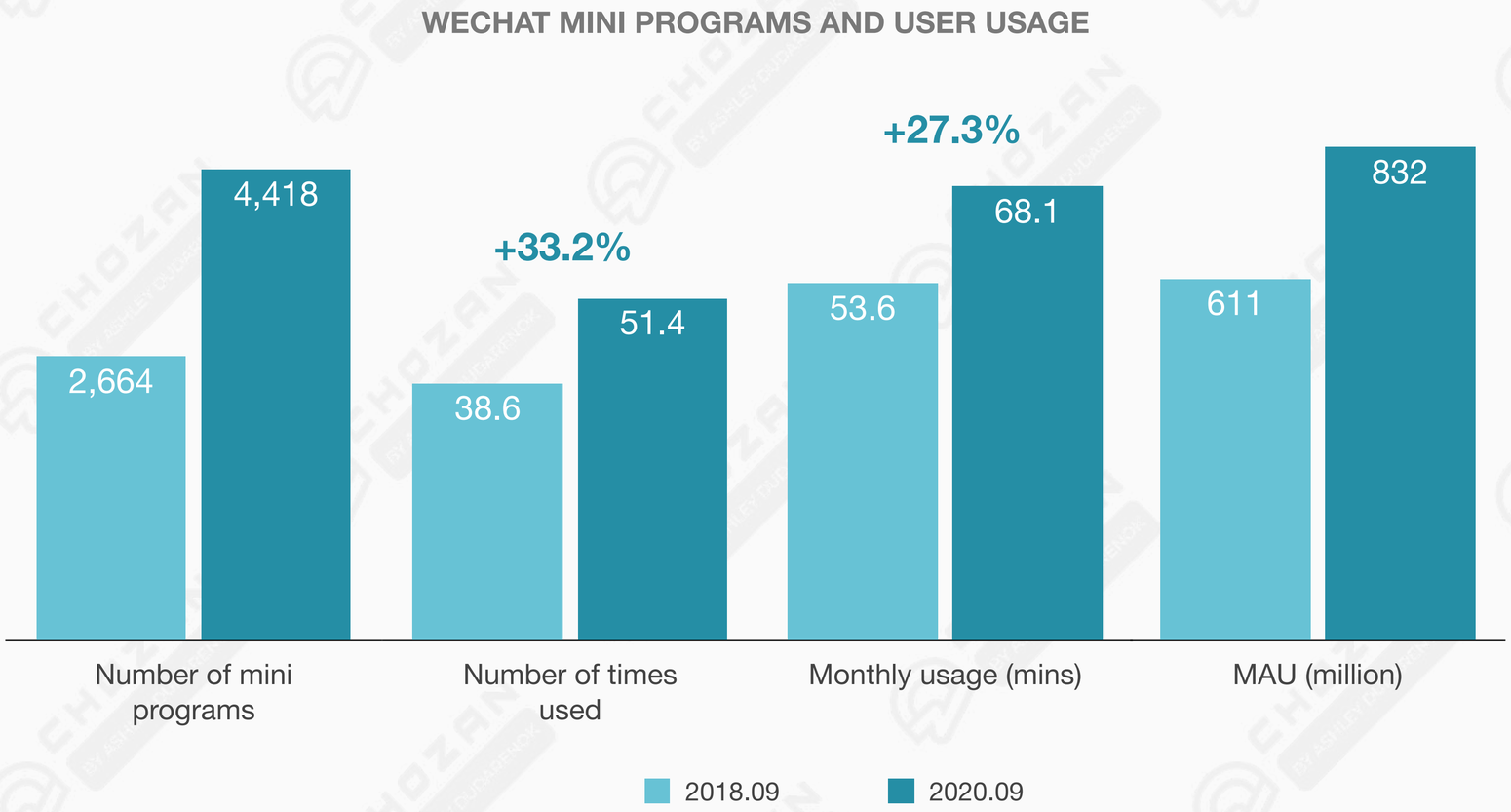
- System Access
- QR code
- Search
- LBS
- Sharing
- Public Account
- Enterprise WeChat
- Advertisements

Source: WeChat Wiki, eCommerce SaaS solution by WeChat: A complete Guide

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.



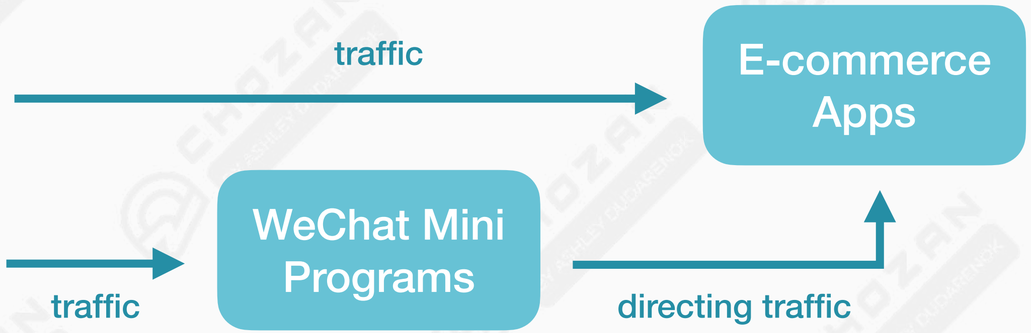
Source: Quest Mobile, 2020 WeChat Mini programs report

SOCIAL MEDIA

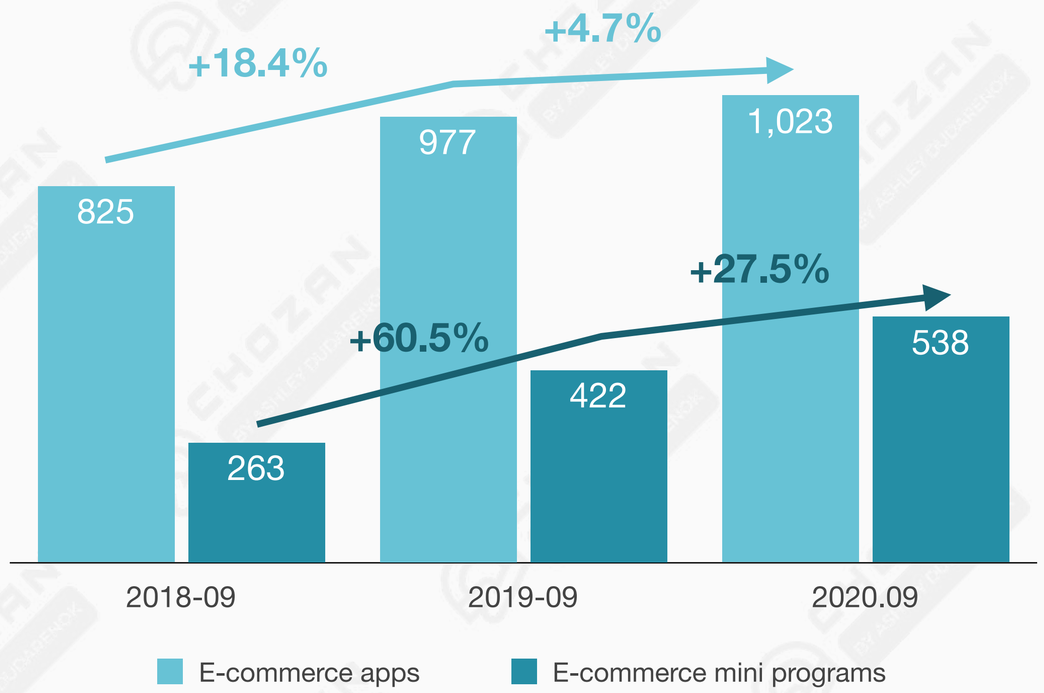
WECHAT PLATFORM - WECHAT MINI PROGRAMS

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



Source: Quest Mobile, 2020 WeChat Mini programs report

EXPERT BITES

Q: WHAT MARKETING CHANNELS CAN YOU RECOMMEND BRANDS TO PAY ATTENTION TO IN Q3?

WeChat Channels are going to play a key role in the WeChat closed ecosystem to drive users to the OAs and MPs. Building viral Video Content will enable brands to accelerate their growth outside of the organic growth and paid media of the moments.

AURELIEN RIGART

Co-founder & VP at
IT Consultis

EXPERT BITES

Q: WHAT'S YOUR MARKETING RECOMMENDATIONS FOR WECHAT ?

Looking back at the big shopping festivals, much of the WeChat content tends to be very sales driven. Sure, all brands care about sales, but how many brands think of what happens to the consumers after the transaction has been made? The costs involved in retaining a customer are much lower than acquiring new leads and taking them through the entire sales funnel again. WeChat is the prime private traffic channel, brands should put more effort in utilizing this platform to produce more brand building and after-sales content.

KRISTINA KNUT

Marketing Director at KAWO

PLATFORM

WEIBO

EXPERT BITES

WENDY CHEN
Sr. Marketing Manager
at Alarice & ChoZan

Q: HOW TO CREATE ENGAGING CONTENT ON WEIBO?

The conventional way is to make use of UGC content, which encourages consistent content generation through benefits dissemination e.g. lucky draws. After that, the brand will invite UGC a second time to drive further user engagement in the brand content like video or product. There are also some features like the voting function designed to pull participation very quickly. With one click, users become more actively engaged with your content. At the same time, the hashtag labelling is essential. Although this is not a new feature, only Weibo has made innovations in hashtag labelling - from the collection of a content album to Celebrity's Super Talk, it is a good way to increase users' interaction rate.

GOT A QUESTION? DROP WENDY AN EMAIL BY SCANNING THE QR CODE

SOCIAL MEDIA

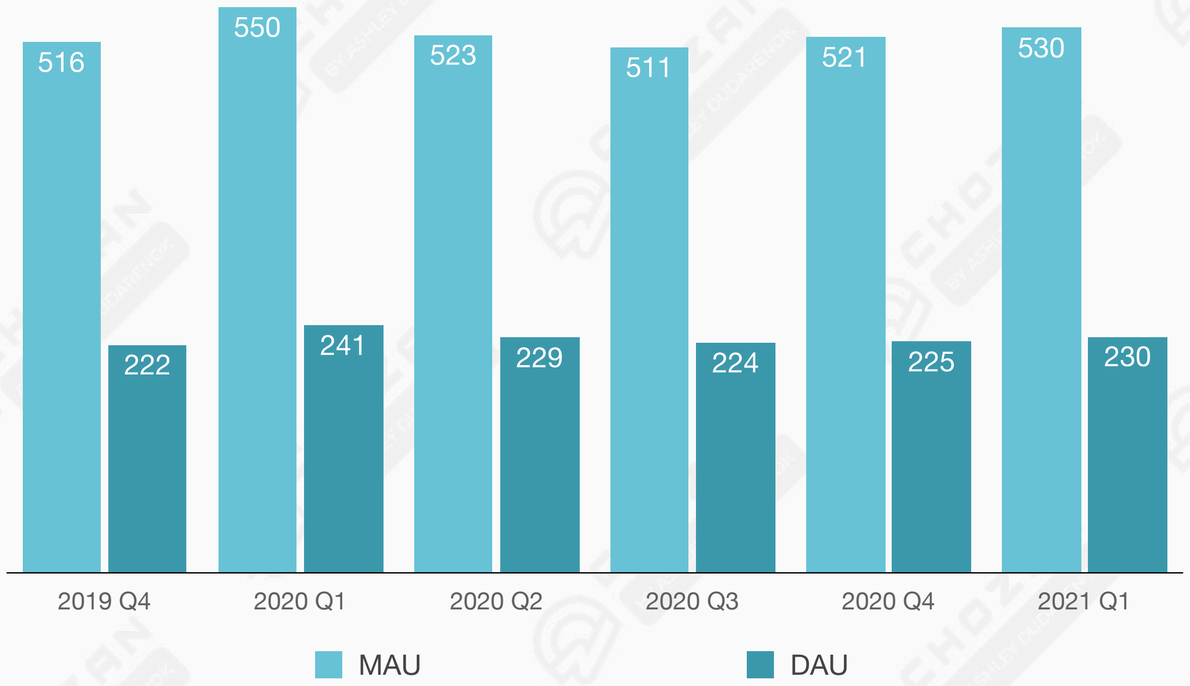
WEIBO PLATFORM - INTRODUCTION

"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 scenes 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.

94%
MOBILE USERS

12-10PM
USERS ARE MOST ACTIVE

WEIBO DAILY AND MONTHLY ACTIVE USERS (IN MILLIONS)



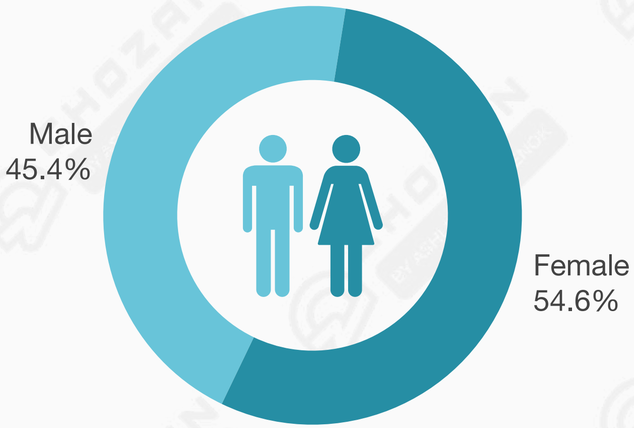
Source: 2020 Weibo Report, May 2020

SOCIAL MEDIA

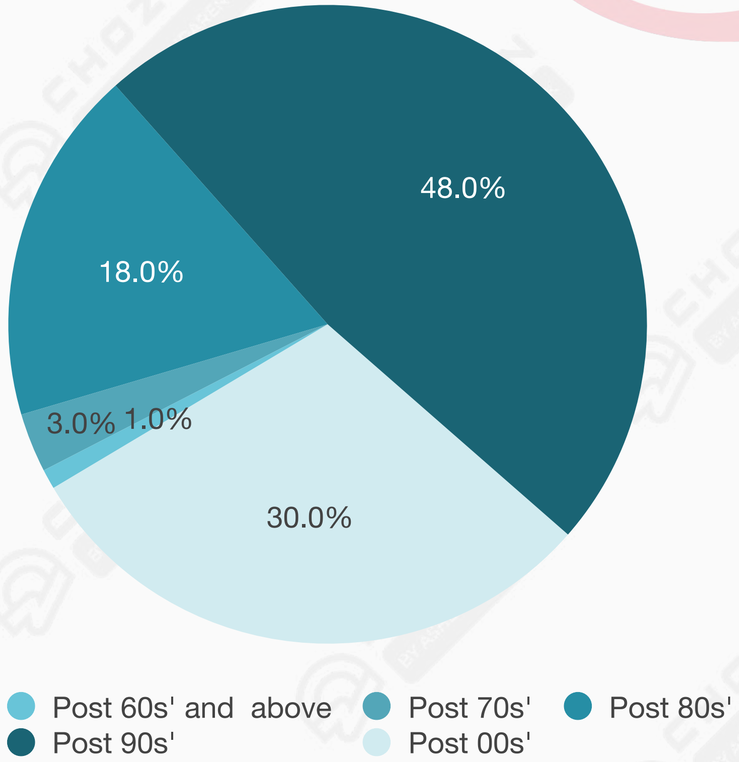
WEIBO PLATFORM - USER CLUSTERS

User clusters continue to show a trend gravitating towards youngsters: close to half are post-90s, followed by Millennials and post-80s, in that order. Females still dominate, just slightly, at 54.6%, and there we find Millennials in the top spot.

WEIBO USERS BY GENDER



WEIBO USERS BY AGE



Source: Weibo Data Report

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.

Source: xiguaji.com, May 2020

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.

REFINE YOUR SLOGAN

According to data, when people are on Weibo and swiping the screen to get information, they only read each piece of post for 2 seconds. So you must refine your ads words very precisely and eye-catching.

SOCIAL MEDIA

WEIBO PLATFORM - CASE STUDY - DUREX

IN-DEPTH LOCALIZATION MARKETING

“Due to a relatively conservative culture surrounding sex, Durex’s marketing in China is often indirect and subtle, often involving lighthearted humor. Marketing is done almost exclusively on social media. Durex has operated an account on the microblogging site Sina Weibo in 2011, which had 2.65 million followers and more than 20,000 posts as of 2018.”

FREQUENT AND HIGH-QUALITY INTERACTION WITH ITS AUDIENCE THROUGH HASHTAG TOPIC

The topic #杜绝胡说# is an interactive topic released by Durex’s official account. And every night around 10 o’clock, there will be a question issued to interact with its audience. As of July 2021, the topic has already been read 1.9 billion.

Source: Wikipedia

EXPERT BITES

Q: WHAT'S YOUR MARKETING RECOMMENDATION FOR WEIBO?

As of November 2020, Weibo has had over 520 million monthly active users (MAU), and 230 million daily active users (DAU). At present, Weibo has more than one million recognised content creators, covering topics in 55 categories. Brands need to explore new social gameplay on Weibo, such as livestreaming, for brand renewal and marketing upgrades. Use abundant KOL resources to help brands spread. Weibo has unique advantages of celebrities, top KOLs, hot IPs, and a large number of industry professional media resources, which can help brands achieve efficient breakthroughs. In addition, brands can use Weibo to create topics, stimulate social hot spots, content dissemination, and product seeding for the brand to achieve long-term effects.

ELENA GATTI

Managing Director Europe
at Azoya

EXPERT BITES

Q: WHAT'S YOUR MARKETING RECOMMENDATION FOR WEIBO?

JIMMY ROBINSON

Co-Founder & Director at PingPong Digital

Contrary to the belief that Weibo's influence is declining, the platform registered a 42% jump in marketing revenue in Q1 this year, implying that Weibo not only is relevant but very much still is one of the most important social platforms for brands to reach their audience.

Or product-based brands, our recommendation is to take advantage of the complete ecosystem between Weibo and e-commerce. Weibo is one of the most e-commerce-friendly platforms in China, offering various functions to shorten a user's journey from exposure to purchase. Combining Weibo's advanced paid advertising algorithm, these functions will greatly boost the conversions rate and hence ROI.

For service-based brands, it is important to get close to your customers and we find live-streaming is an ideal tool to achieve this goal on Weibo. The live-streaming function allows brands' representatives to directly interact with your customers and to put your services in context. Most importantly, by giving your brand a voice and a face you are building immediate trust with your potential customers.

PLATFORM

DOUYIN

EXPERT BITES

ESTELLE SUEN

Social Media Marketing Researcher
at Alarice & ChoZan

Q: HOW TO CREATE ENGAGING CONTENT ON DOUYIN?

1. Use content arousing emotional resonance. For example, sitcoms related to family and love are most likely to resonate and attract attention.
2. **Contrasting notions -** unexpected reversals on hot topics can double their effect. For example, more and more adults now celebrate Children's Day. The trend of Adult Children's Day populated the cute notion of “I am not a kid”.
3. **Interactive and co-production** - Large and small co-productions can attract higher traffic, oftening yielding a "1+1>2" effect. For example, many celebrities are interacting with each other to sing, receiving a huge number of likes and causing fans to imitate.

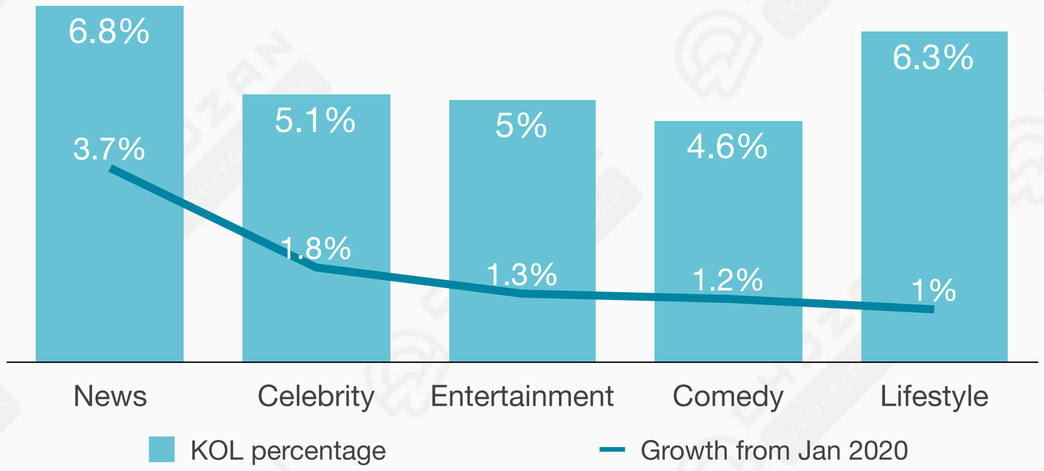
GOT A QUESTION? DROP ESTELLE AN EMAIL BY SCANNING THE QR CODE

SOCIAL MEDIA

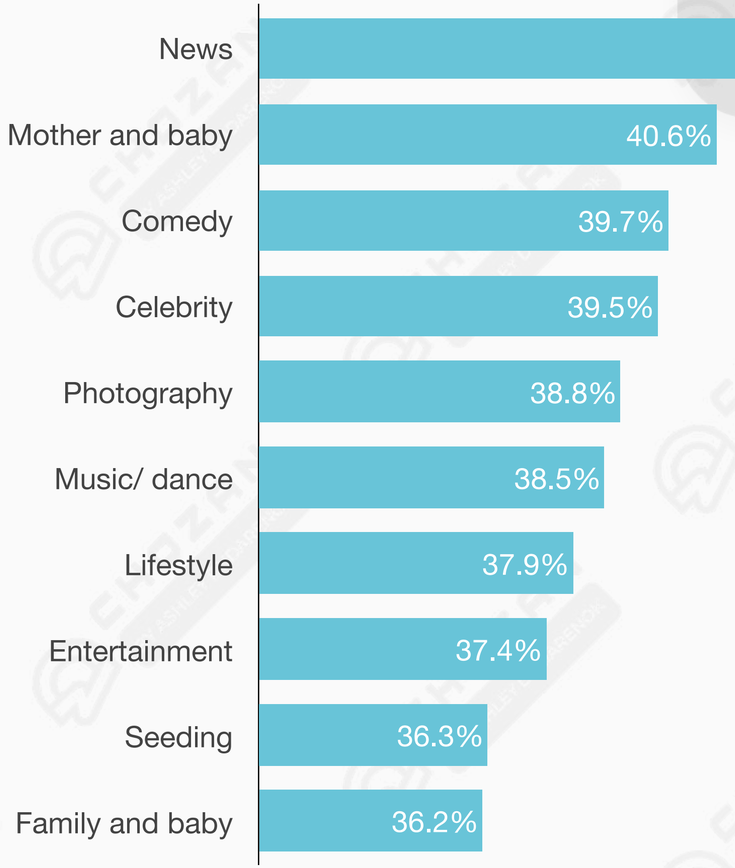
DOUYIN PLATFORM - INTRODUCTION

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



Source: Quest Mobile, 2020 China Mobile Internet Autumn Report

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

JUN — Developed e-commerce department

JUL — Collaborated closely with Sunning

AUG-SEP — Took over Yibao Technology Co. and obtained 3rd payment license

OCT — Cut off direct links to other 3rd party platforms

Source: Quest Mobile, China Internet Q3 Report, 2020

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

Source: Douyin, 2020 Douyin Report

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

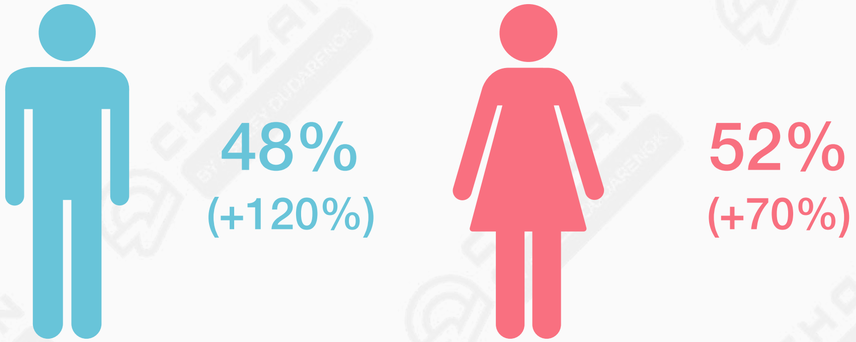
Source: Douyin, 2020 Douyin Report

SOCIAL MEDIA

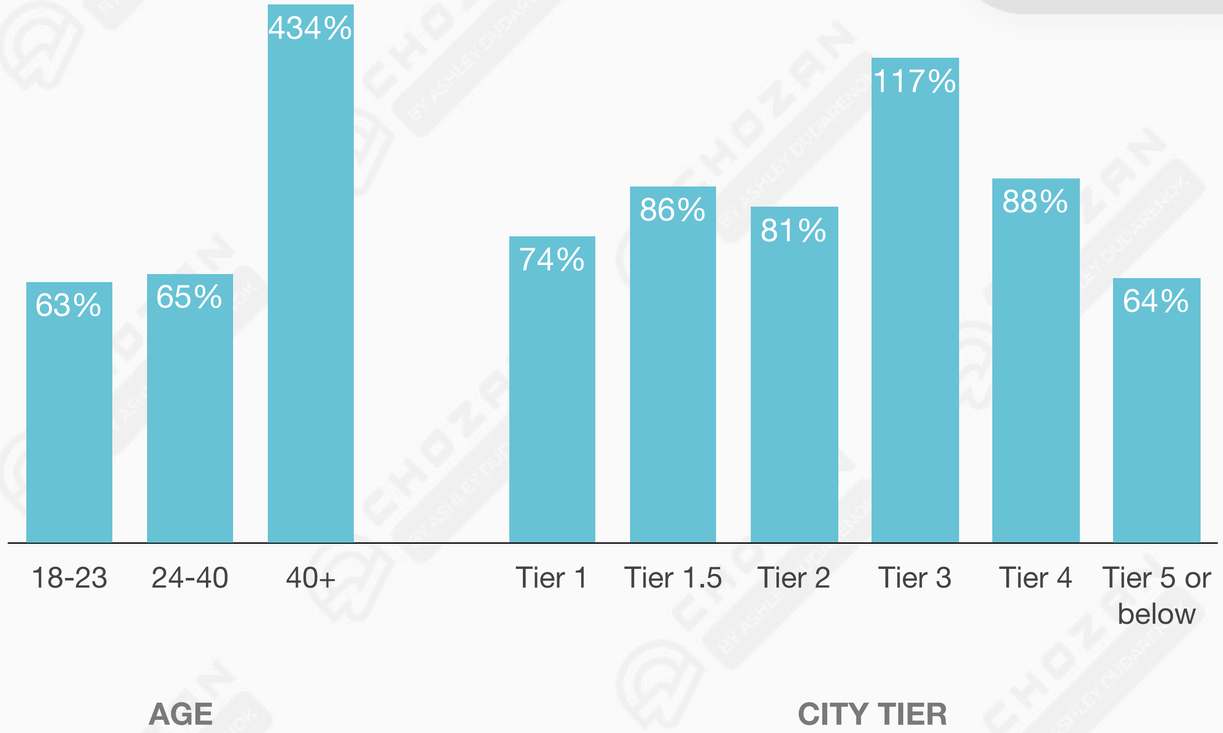
DOUYIN PLATFORM - CONTENT CREATORS

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



INCREASED PERCENTAGE OF DOUYIN CONTENT CREATORS, 2018-2020



Source: CBNData, 2020 Douyin Creators Report

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

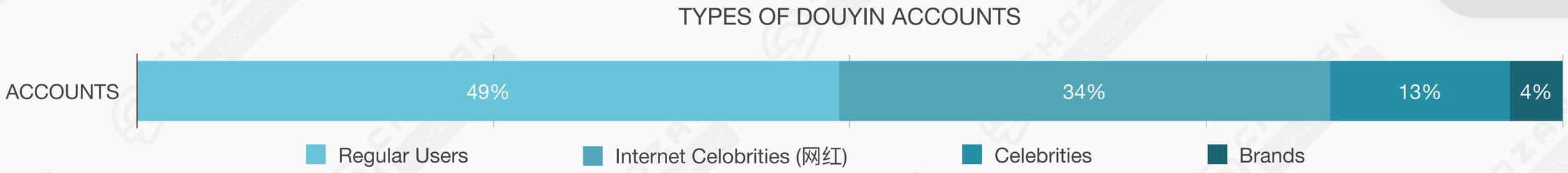
57.5%
Active rate

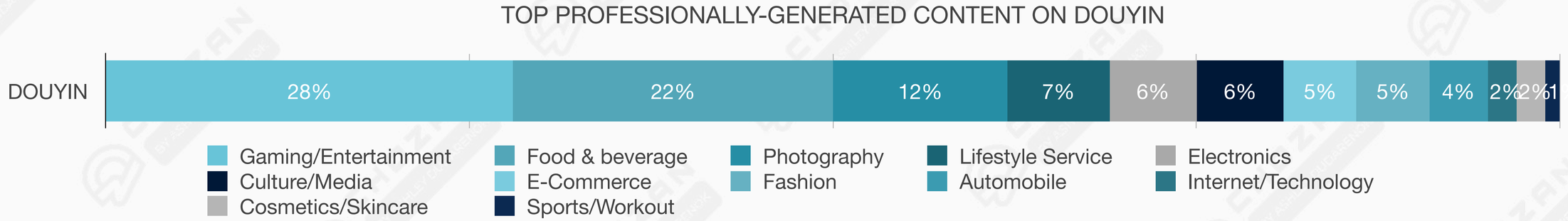
26.2 HOURS
Monthly average usage

Source: QuestMobile GROWTH 用户画像标签数据库2020年6月

SOCIAL MEDIA

DOUYIN PLATFORM - TYPES OF ACCOUNTS





Source: Miaozhen “2018 · 抖音研究报告”, 2018

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 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.

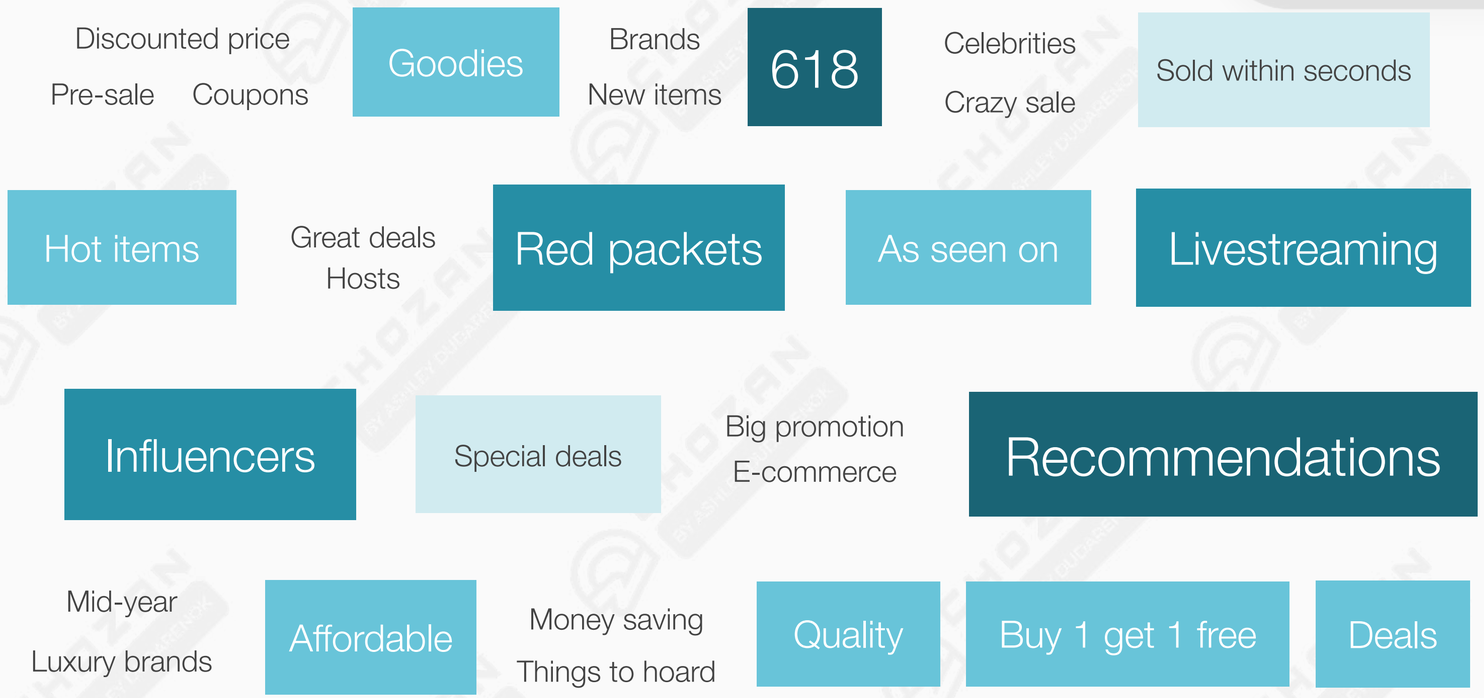
SOCIAL MEDIA

DOUYIN PLATFORM - TOP MARKETING METHODS

LIVE-STREAMING ON DOUYIN

Live-streaming 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



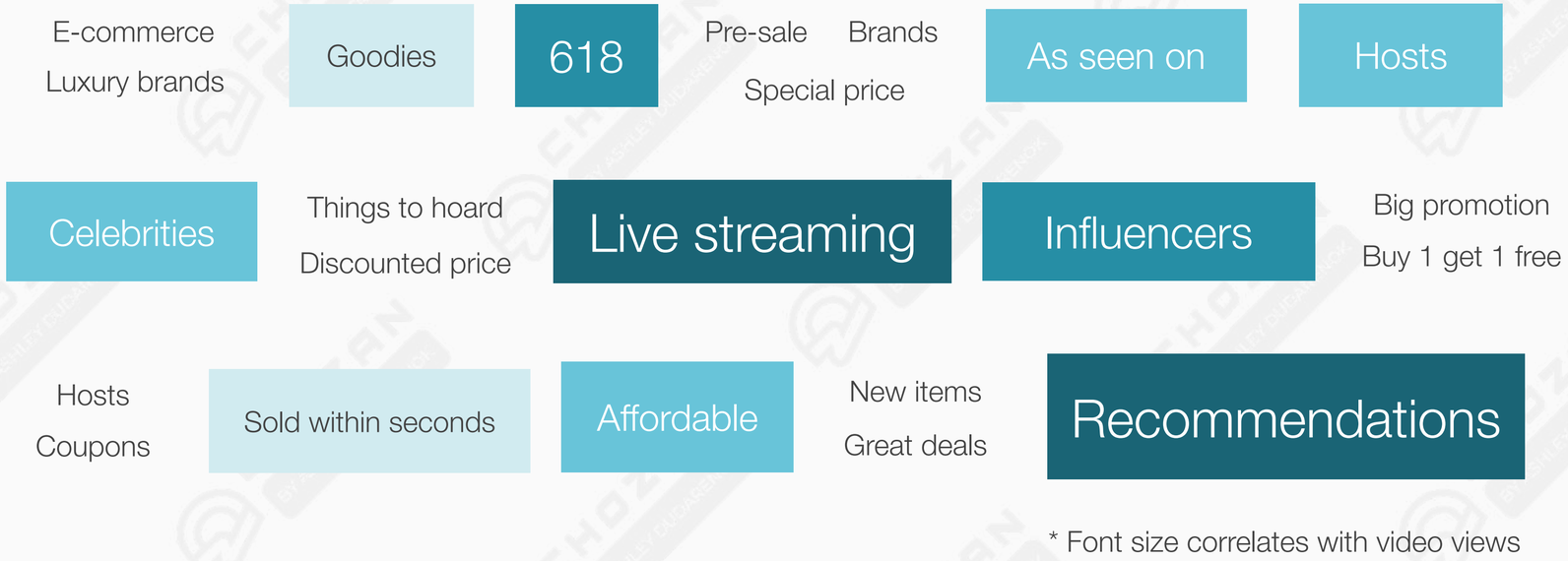
* Font size correlates with the number of videos

Source: Ocean Insights, July 2020

SOCIAL MEDIA

DOUYIN PLATFORM - TOP MARKETING METHODS

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



* Font size correlates with video views

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

Source of data: Ocean Insights, July 2020

SOCIAL MEDIA

DOUYIN PLATFORM - TOP MARKETING METHODS

LIVE-STREAMING 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.

Source: Ocean Insights, July 2020

SOCIAL MEDIA

DOUYIN PLATFORM - TOP MARKETING METHODS

LIVE-STREAMING 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.

Source: Ocean Insights, July 2020

SOCIAL MEDIA

DOUTIN PLATFORM - TOP MARKETING METHODS

Douyin revealed its 618 Goodie Shopping Festival data on June 19: The total watched hours from May 25 to June 18 was 28.52 million, with cumulative views at 37.2 billion.

SOCIAL MEDIA

DOUTIN PLATFORM - TOP MARKETING METHODS

INTERESTS E-COMMERCE

Compared with search engine based e-commerce and social e-commerce, in April this year, Douyin announced that it is going to do “interests e-commerce”, in Chinese it’s called “兴趣电商”.

Based on its powerful algorithm recommendation system, Douyin can combine high-quality content (usually marketing-oriented) with user interests to bring out their demands for goods, and further increase merchants GMV

PRODUCT CATEGORY

Visualize a user story to bring out audience interests in the products.

PLATFORM TO SELL

The platform connects consumer interests with product content through its decentralized interest recommendation algorithm.

EXPLORING CONSUMERS

Goods are recommended to users through content. In this way, some latent pain points of consumers were discovered and consumer demands for goods are brought out.

Source: 2021抖音电商商家经营方法论白皮书

SOCIAL MEDIA

DOUYIN PLATFORM - TOP MARKETING METHODS

SELF-RUNNING LIVE-STREAMING

Daily, controllable, and direct method to interact with the brands' audience.

ADVANTAGES

- Consistent brand image building
- Guaranteed product quality
- Good service for the whole purchase journey
- Key metrics inspection and analysis

KOL LIVE-STREAMING

Daily, controllable, and direct method to interact with the brands' audience.

ADVANTAGES

- Consistent brand image building
- Guaranteed product quality
- Good service for the whole purchase journey
- Key metrics inspection and analysis

EXPERT BITES

Q: WHAT DO YOU EXPECT IN Q3 IN TERMS OF CONSUMER BEHAVIOUR, E-COMMERCE AND SOCIAL MEDIA DEVELOPMENTS?

GEORGE GODULA

Chairman at
Web2Asia

The Chinese version of TikTok, Douyin, just recently announced e-commerce flagship store functionalities and we will see increasing amounts of brands expanding their e-commerce sales channels to this platform in Q3 putting both JD and Tmall under pressure – especially when it comes to the younger target audience.

Q3 also marks a period during which the new Chinese Cybersecurity Law will fully get enforced, requiring both cross-border e-commerce and domestic online retailers to make significant upgrades to their IT and data structure in regards to transfer and storage of consumer information. Likewise the digital Yuan can give brands and retailers opportunities to jump on the roll-out early and benefit from related PR activities.

Speaking of regulations, it has also become clear that private Chinese e-commerce, new retail and delivery companies will fully switch to domestic or Hong Kong based IPO's to bring their businesses public.

Lastly it remains to be seen if the Tokyo Olympics will have any impact on Chinese consumers' interest in specific Japanese and summer sports related goods.

EXPERT BITES

Q: WHAT'S YOUR RECOMMENDATION FOR BRANDS DOING LIVESTREAMING IN CHINA?

If it seems too good to be true, it probably is. There are a lot of potential gotchas when it comes to livestreaming e-commerce in China. Understanding the ROI, doing proper due diligence, and understanding the long-term impact on your brand, are all essential. So then, if you have decided to go ahead, start with a foundational question, "what are we going to do to persuade the influx of new customers to buy a second time?"

ELIJAH WHALEY

Marketing Vp APAC,
PARKLU

PLATFORM

RED

EXPERT BITES

Q: HOW TO CREATE ENGAGING CONTENT ON RED?

1. Take an attractive title, extract keywords from the seven perspectives of crowd, cost, effect, region, scene, composition, and brand, and apply it to the title to get more traffic.
2. The first picture: The cover picture of the notes on RED is very important. Beautiful pictures can increase readership. The cover picture concisely introduces the content of the notes and can also help the reading flow quickly and attract clicks.
3. Output integrated content and collect related content to help readers organize relevant information. This type of content is very popular, with a high rate of interaction and collection.

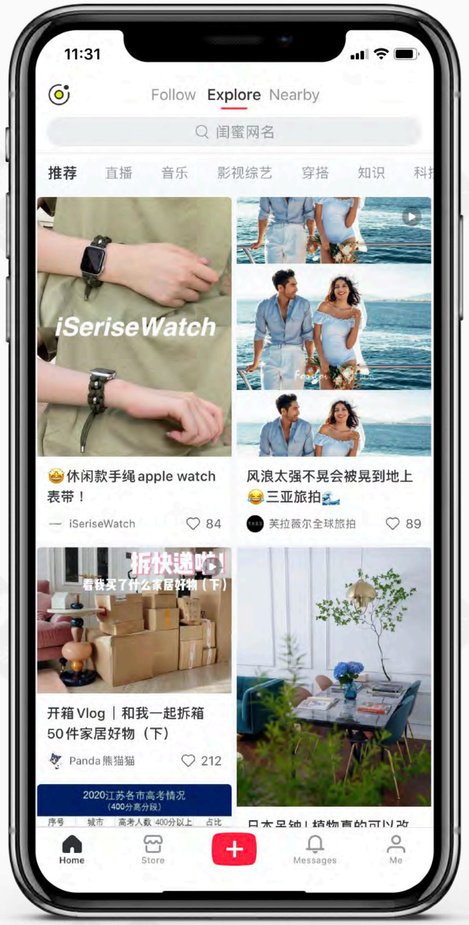
ESTELLE SUEN

Social Media Marketing Researcher
at Alarice & ChoZan

GOT A QUESTION? DROP ESTELLE AN EMAIL BY SCANNING THE QR CODE

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

小红书

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)

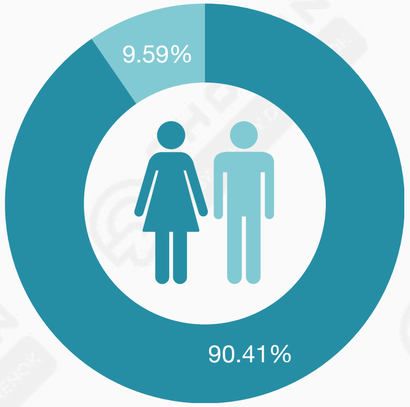
Source: 小红书商业化生态, March 2020

SOCIAL MEDIA

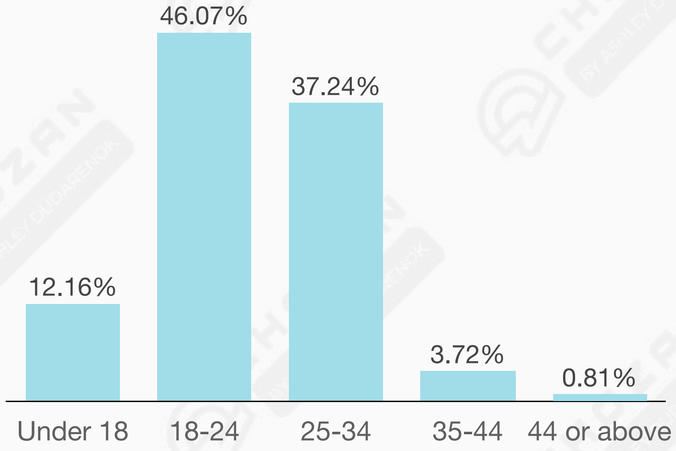
RED PLATFORM - USER DEMOGRAPHICS

The majority of RED users are young females, aged 18-34 and located in higher-tier cities.

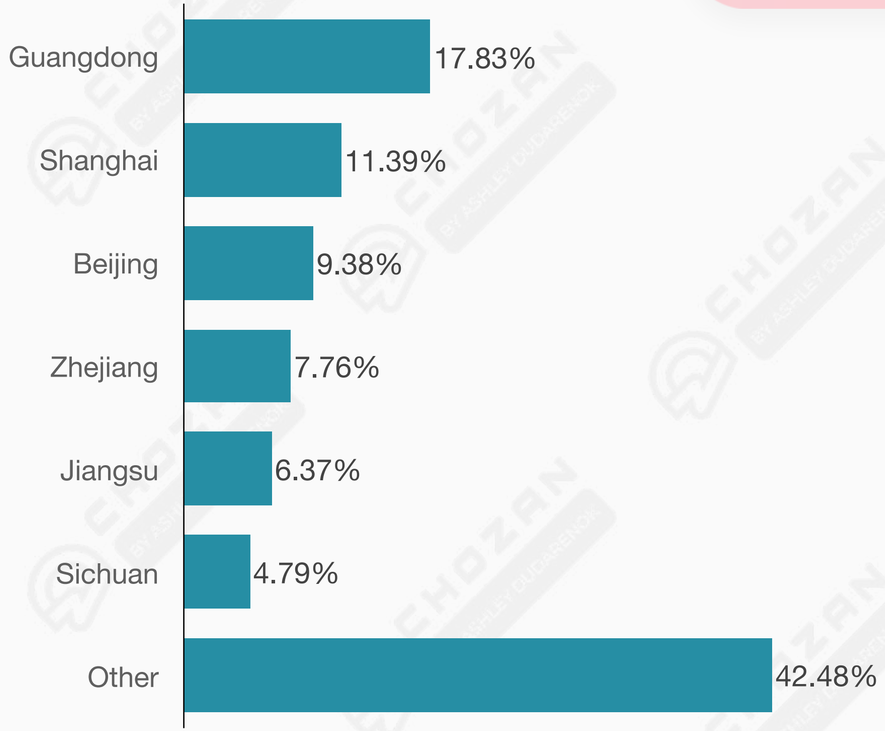
BY GENDER



BY AGE



BY CITY



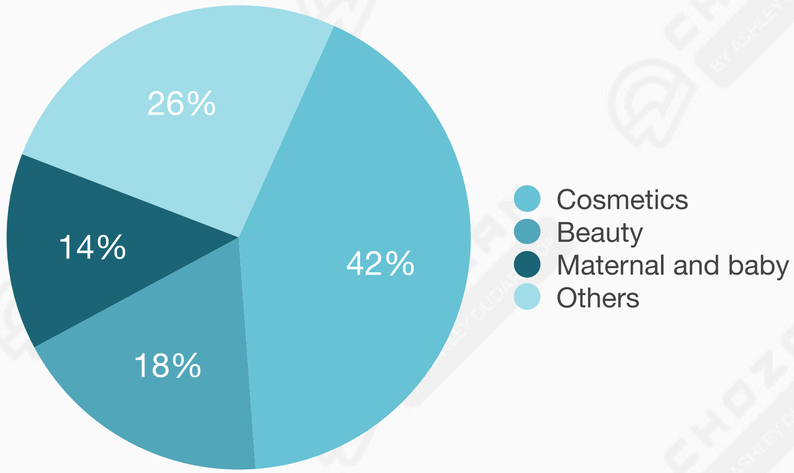
Source: 2021千瓜活跃用户画像趋势报告（小红书平台）

SOCIAL MEDIA

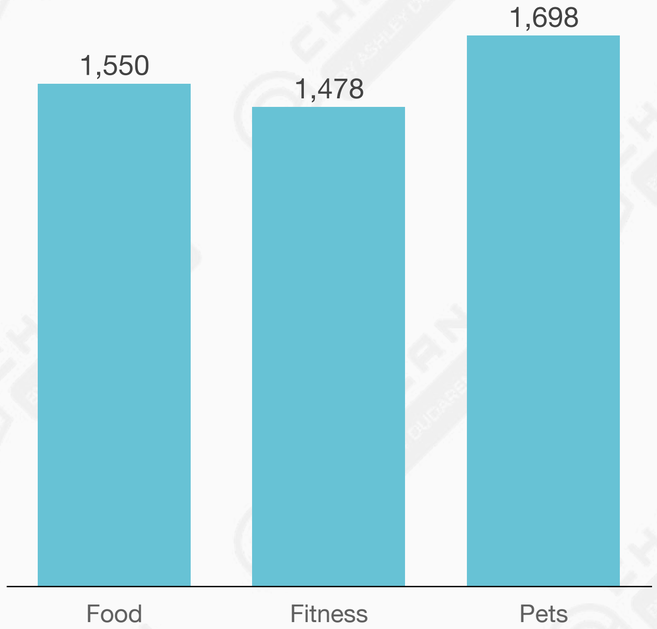
RED PLATFORM - POPULAR CONTENT CATEGORIES

The content posted most in the first half of 2021 on RED was beauty and cosmetic content while the posts with the most interactions were pet/ fitness related.

POSTS BY CATEGORY



NUMBER OF INTERACTIONS WITHIN POSTS



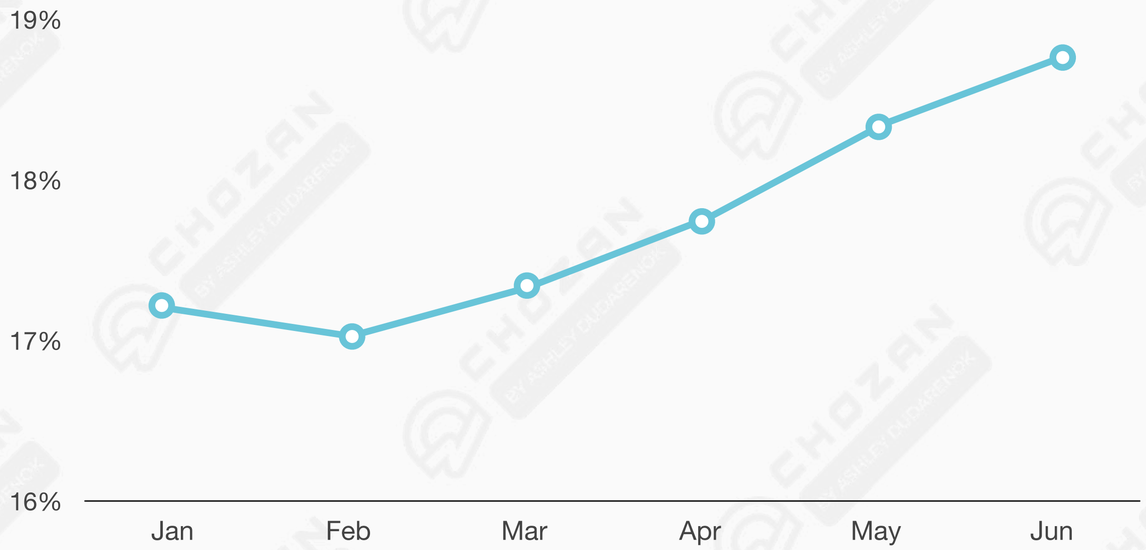
Source: Xinhong Newrank, RED 2021 Semi Annual Report

SOCIAL MEDIA

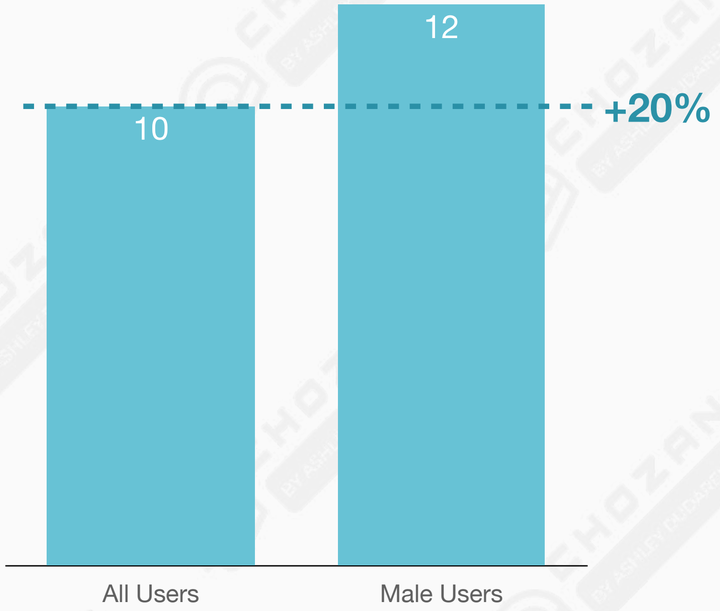
RED PLATFORM - RISING MALE USER CONTENT

The number of male generated content is growing in the first half of 2021.

GROWTH OF MALE USER POSTS ON RED IN 2021



POSTS PER MONTH BY MALE USERS



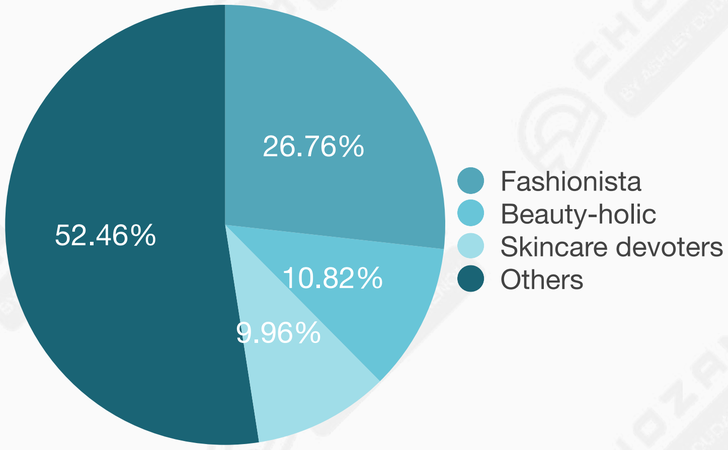
Source: Xinhong Newrank, RED 2021 Semi Annual Report

SOCIAL MEDIA

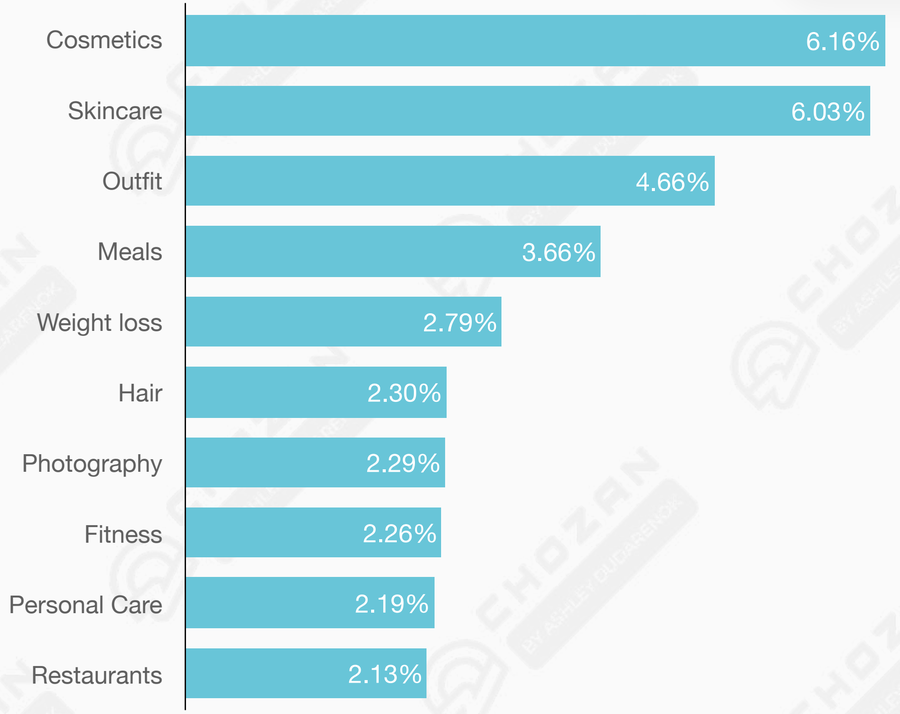
RED PLATFORM - POPULAR CONTENT CATEGORIES

The top user tags and user groups are both beauty/fashion focused.

TOP ACTIVE USERS GROUP ON RED



TOP USER TAGS



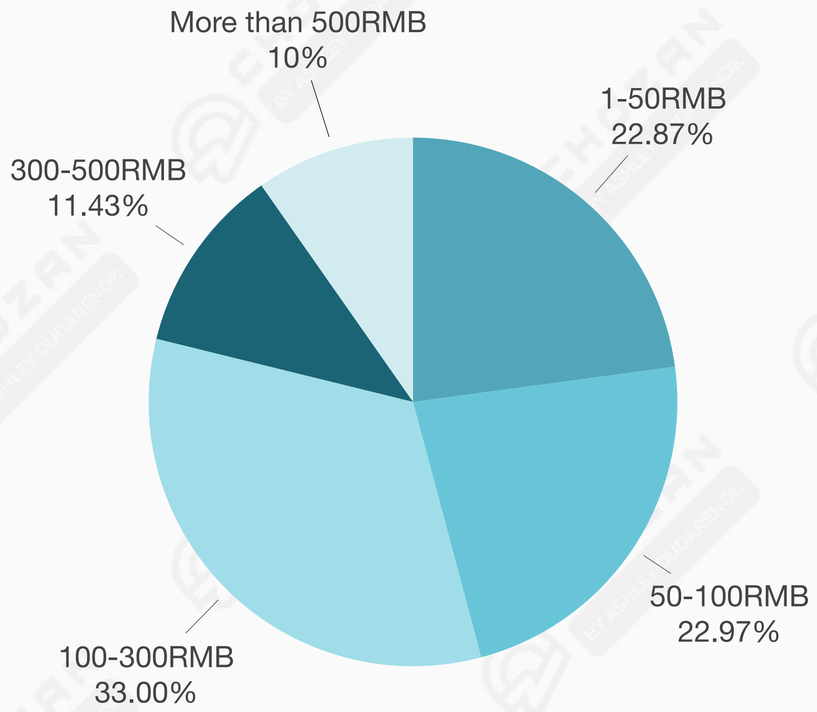
Source: 2021千瓜活跃用户画像趋势报告（小红书平台）

SOCIAL MEDIA

RED PLATFORM - POPULAR CONTENT CATEGORIES

The majority RED users are young females and are more willing to spend on themselves/ their children for a better lifestyle.

SPENDING PREFERENCE ON RED



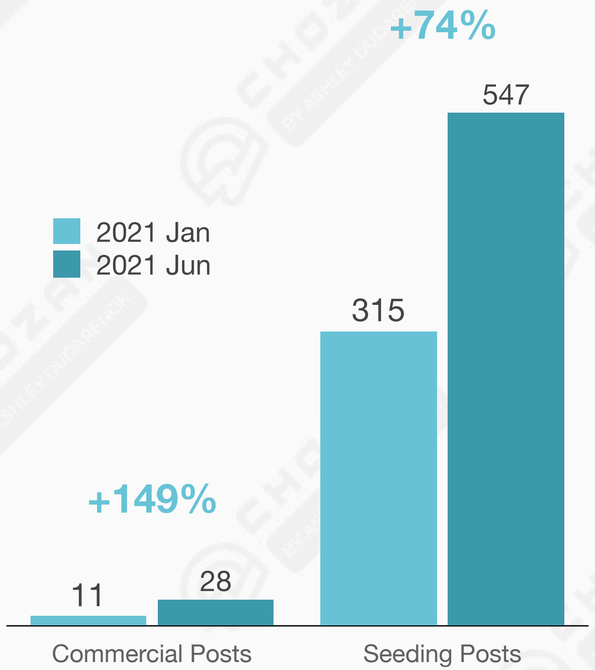
Source: 2021千瓜活跃用户画像趋势报告（小红书平台）

SOCIAL MEDIA

RED PLATFORM - POPULAR CONTENT CATEGORIES

Posts on RED are growing, especially commercial content related posts, which increased 149% in the first half of 2021.

NUMBER OF COMMERCIAL/ SEEDING POSTS ON RED

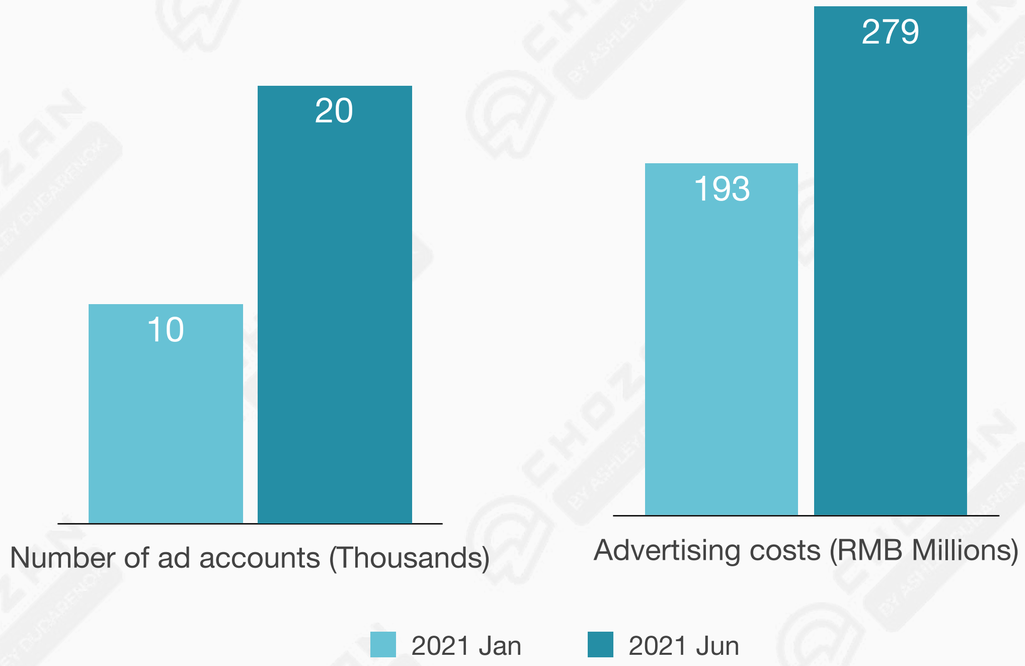


Source: CBNData

SOCIAL MEDIA

RED PLATFORM - POPULAR CONTENT CATEGORIES

The number of advertising placements is increasing and is expected to grow.



Source: CBNData

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

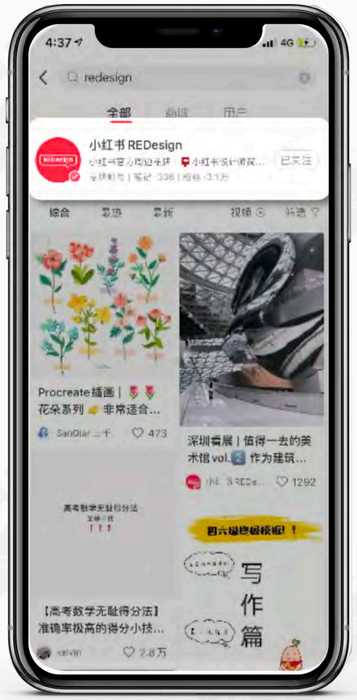
SOCIAL MEDIA

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

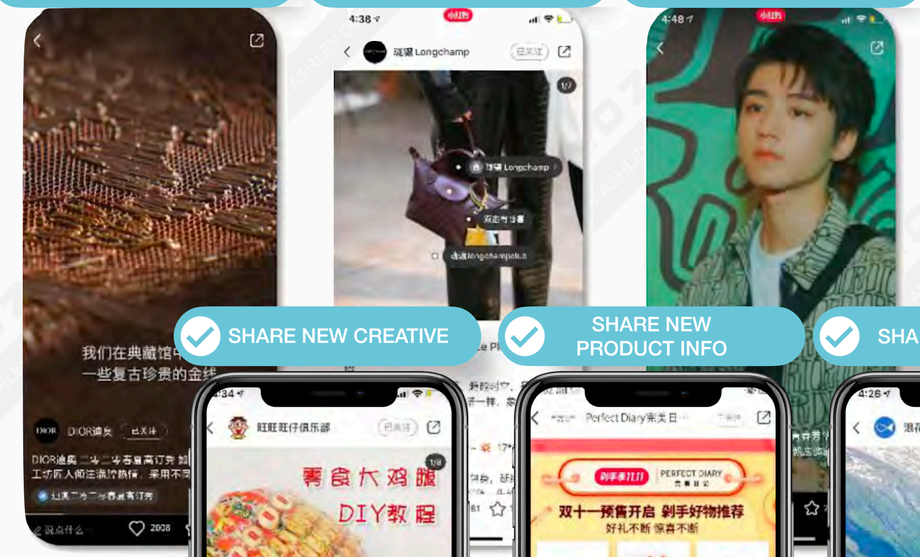
Content promotion and commercial cooperation

DOUBLE ROW POSTS FEEDS

SHARE BRAND STORY

SHARE NEW PRODUCT INFO

SHARE LATEST NEWS



SHARE NEW CREATIVE

SHARE NEW PRODUCT INFO

SHARE LIFESTYLE

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

小红书

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

TOTAL FANS	FANS INCREASE (WEEKLY)	AVERAGE READING	CLICK RATE
31,137	746	1,869.3	2.6%
+680 last week	**-62.6%** last week	**-58.8%** overall	**-52.7%** overall

Fan Trend

Account Post

Cooperation post

Hashtag Topic

SOCIAL MEDIA

RED PLATFORM - TOP MARKETING METHODS

小红书

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

Main page to online store

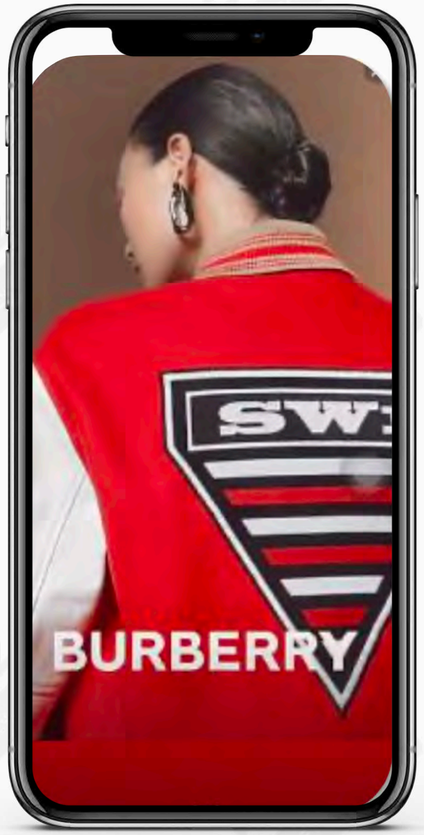
POI drainage offline stores and check-in notes

SOCIAL MEDIA

RED PLATFORM - REGULATIONS / UPDATES

1. LIVE-STREAMING

2. WOW CARD



3. LUCKY DRAW TOOL

SOCIAL MEDIA

RED - REGULATIONS / UPDATES

小红书

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

SOCIAL MEDIA

RED PLATFORM - REGULATIONS / UPDATES

Marketing flow livestreaming

	Step 1	Step 2	Step 3
STAGE	**Livestreaming preheating attracts attention**	**Livestreaming and sell**	**Secondary propagation**
VALUE	Warms up and gathers target fans	Share selling	Content asset reuse
METHOD	Release notice to warm up livestreaming	Enterprise account starts interactive livestreaming, product detail sharing + one-click purchase	The second broadcast of live material editing
MEDIA	POST/VLOG + Appointment H5	Enterprise account livestreaming + online store page	VLOG + Short video
RESOURCES	Information flow + Hot topic	Hot topic + Brand topic	Information flow

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

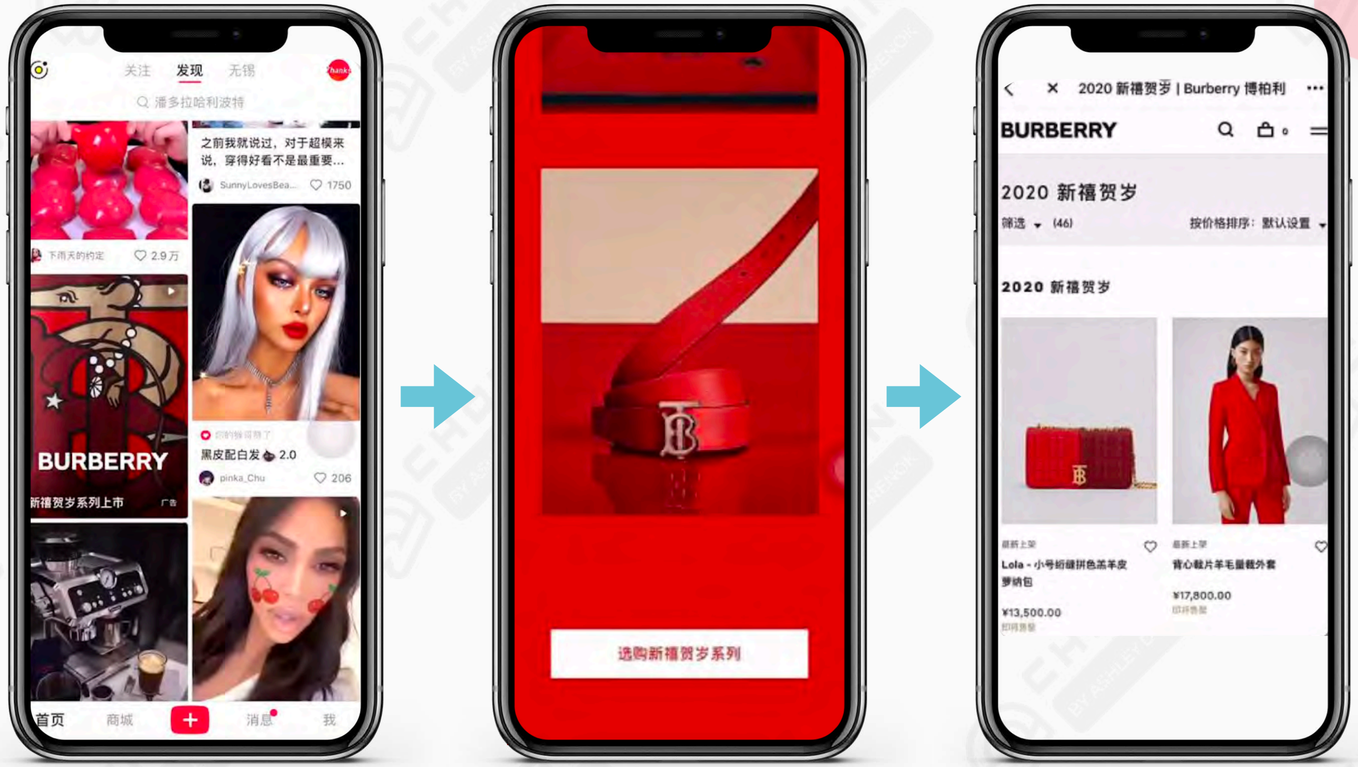
SOCIAL MEDIA

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



SOCIAL MEDIA

RED PLATFORM - REGULATIONS / UPDATES

小红书

LUCKY DRAW - Invite attention, post, and participate in activities

EXPERT BITES

Q: WHAT'S YOUR MARKETING RECOMMENDATION FOR RED?

ARNOLD MA

CEO at
Qumin

Brands need to optimise the keywords and use eye-catching titles on RED.
This is more important than people realise, and much less important on other platforms.

Brands should do research about content with the highest engagement and top-performing post titles on RED. The most popular keywords and post titles can help brands to understand what the most popular content is among their target audience.

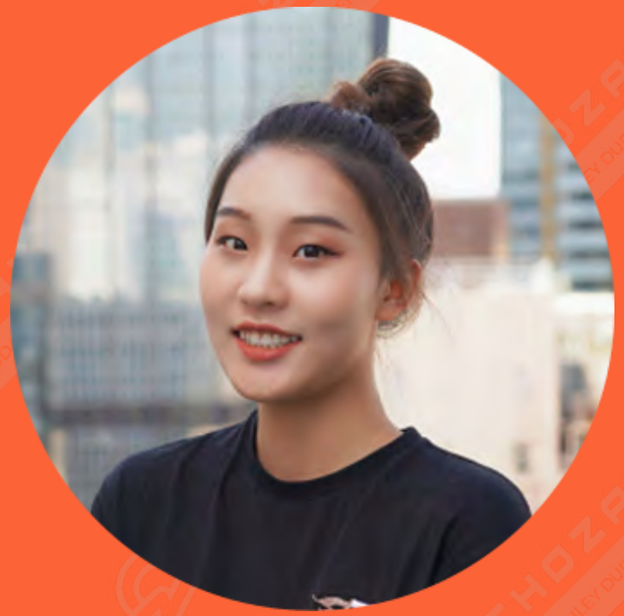
Making use of lucky draw on RED could help brands bring traffic.

Launching lucky draw is one of the best ways to bring traffic to business accounts. Lucky draw is when brands offer free gifts to their users who engage with the brand's post by following the account, liking and commenting on the post. Lucky draws can help a post go viral and reach the brand's target audience. Sony, Perfect Diary, Mercedes Benz and other brands have all done lucky draws on RED to attract a greater audience.

PLATFORM

BILIBILI

EXPERT BITES



EUREKA WEN

Marketing Executive
at Alarice & ChoZan

Q: HOW TO CREATE ENGAGING CONTENT ON BILIBILI?

The first step, and the most important step, is to define the video content field which requires our brand to come in with our own niche. Even if there will be a wide range of users under that vertical field, our brand will still stand out more than others.

To give you a representative example, which content creator comes to mind when you see these tags: "大胃王", "实在", "吃顿好的", "大蒜"? Definitely 徐大sao. Those content creators gaining followers quickly are all trying to find their own vertical fields. Only when a big category is subdivided finely enough will you find that you are the only content creator doing this on the whole Bilibili website, and users who want to watch videos of this genre will come to seek you out.

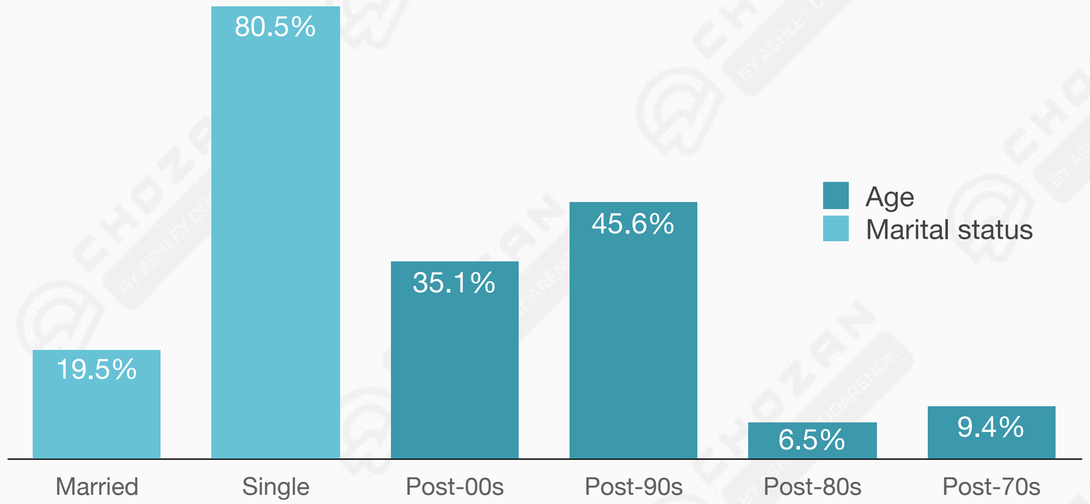
GOT A QUESTION? DROP EUREKA AN EMAIL BY SCANNING THE QR CODE

SOCIAL MEDIA

OVERVIEW - DEVELOPMENT OF MINI PROGRAMS

Majority of Bilibili users are young and single.

BILIBIILI APP USER PORTRAIT, MAR 2021

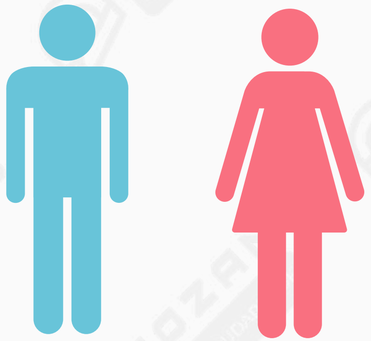


Source: Quest Mobile, Chinese Internet Report, Spring 2021

SOCIAL MEDIA

BILIBILI PLATFORM - USER DEMOGRAPHICS

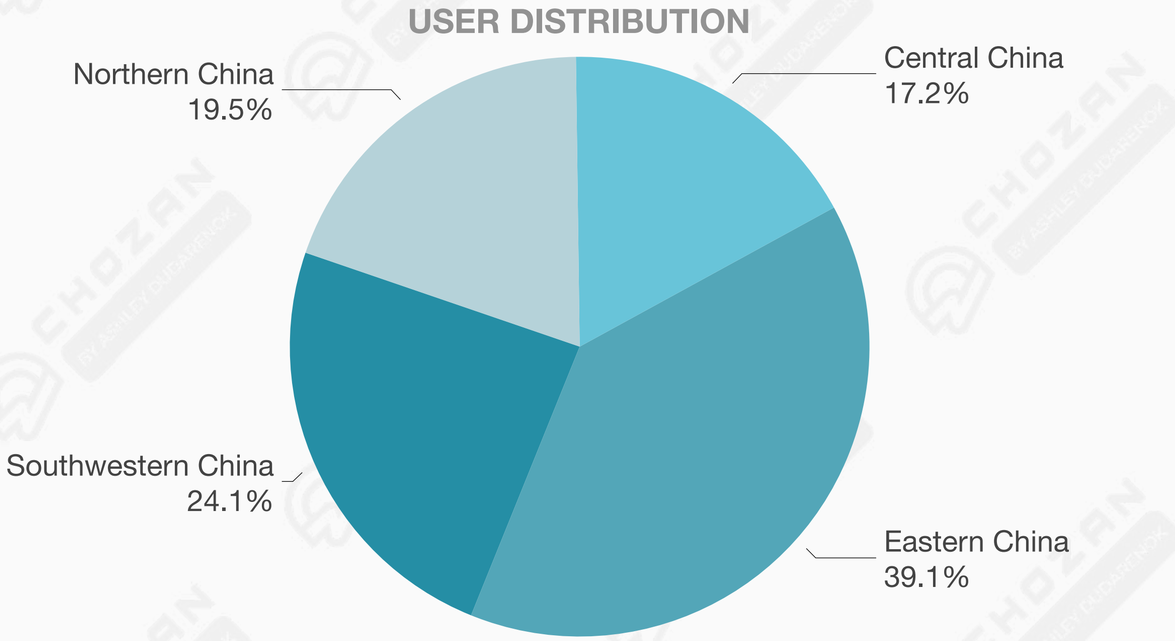
Users are typically high IQ, high knowledge base, and found in economically developed areas.
Ratio of male to female users:



57% 43%

78%
Proportion of users aged 18 to 35

The proportion of users with a bachelor's degree or higher is **10%** higher than that of the whole network.



Source: B站2020年营销通案

SOCIAL MEDIA

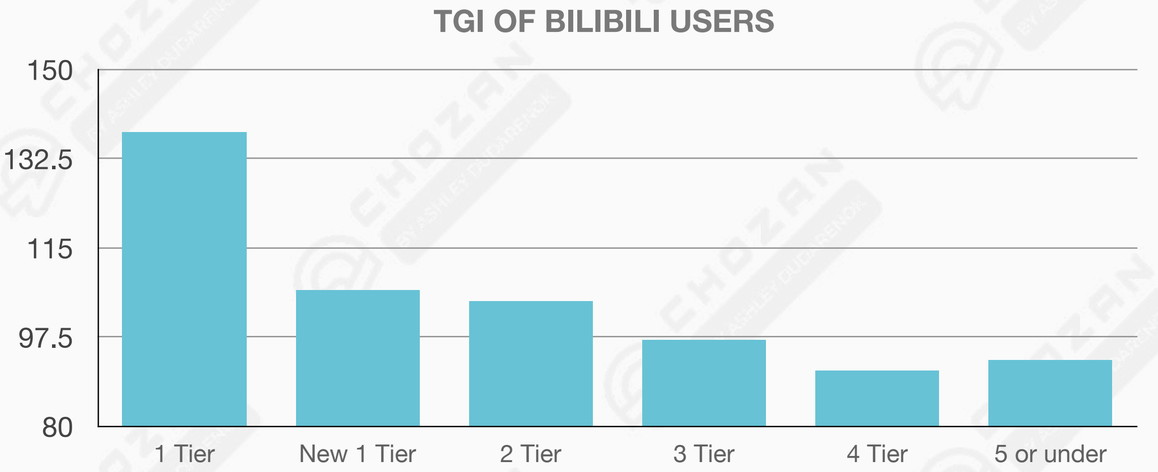
BILIBILI PLATFORM

BILIBILI USER CATEGORY

+330%
AGE 31-35

+310%
AGE 36 OR OVER

The user demographics expand to a very rich level with the growing up towards new chapters old users and widely distributed new users. According to QuestMobile, the proportion of users of 31-35 aging group increased 330% in the past three years and the proportion of users aging more than 36 increased 310%. Also, female users are expanding. And there are also more and more users from lower-tier cities. These all indicates that BiliBili is becoming a national platform.



Source: B站2021品牌营销手册

SOCIAL MEDIA

BILIBILI PLATFORM - UP-TO-DATE DATA

TOTAL NET REVENUE → **RMB 3,901.1 MILLION**
+68% YoY

AVERAGE MAUs → **223.3 MILLION** (+30% YoY (Monthly)) & **208.5 MILLION** (+33% YoY (Mobile))

AVERAGE DAUs → **60.1 MILLION**
+18% YoY

AVERAGE MPUs → **20.5 MILLION**
+53% YoY

Source: B站2021年营销通案

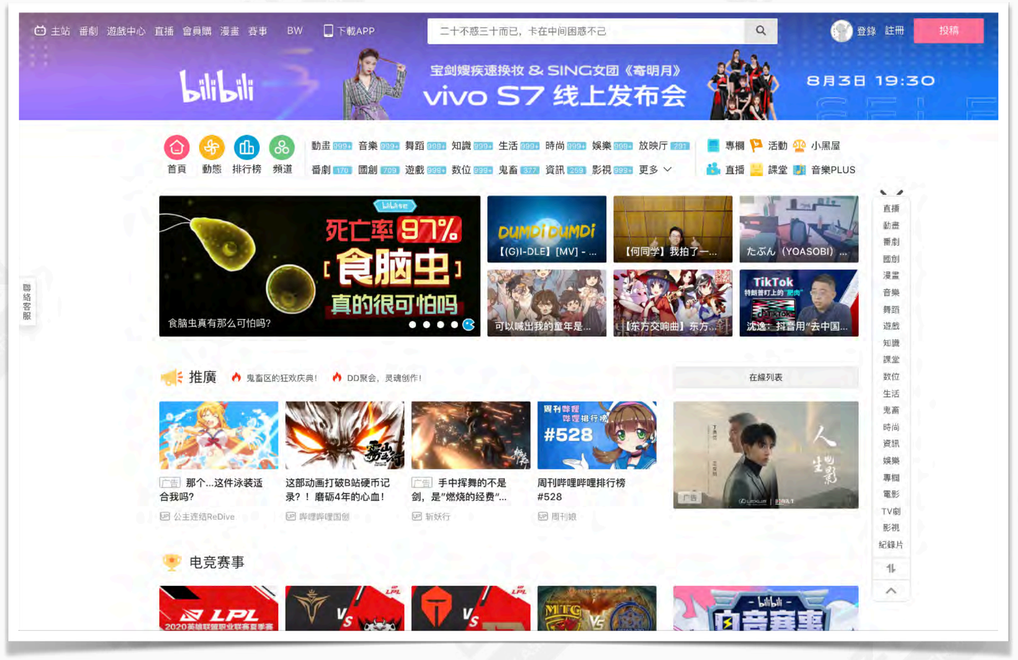
SOCIAL MEDIA

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 - UP TO THE DATE DATA

Starting from ACG (anime, comics and games) culture, Bilibili has grown into a cultural community for young people with 16 content zones and over 7,000 cultural circles, with an active user base of 202 million in Q4, 2020. Among them, 90% of the plays come from PUGV (Professional User Generated Video) content created by Ups (users who produce content).

Source: Bilibili营销中心, BiliBili 2021品牌营销手册

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

Source: B站2020Q1财报

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

Source: B站2020年营销通案

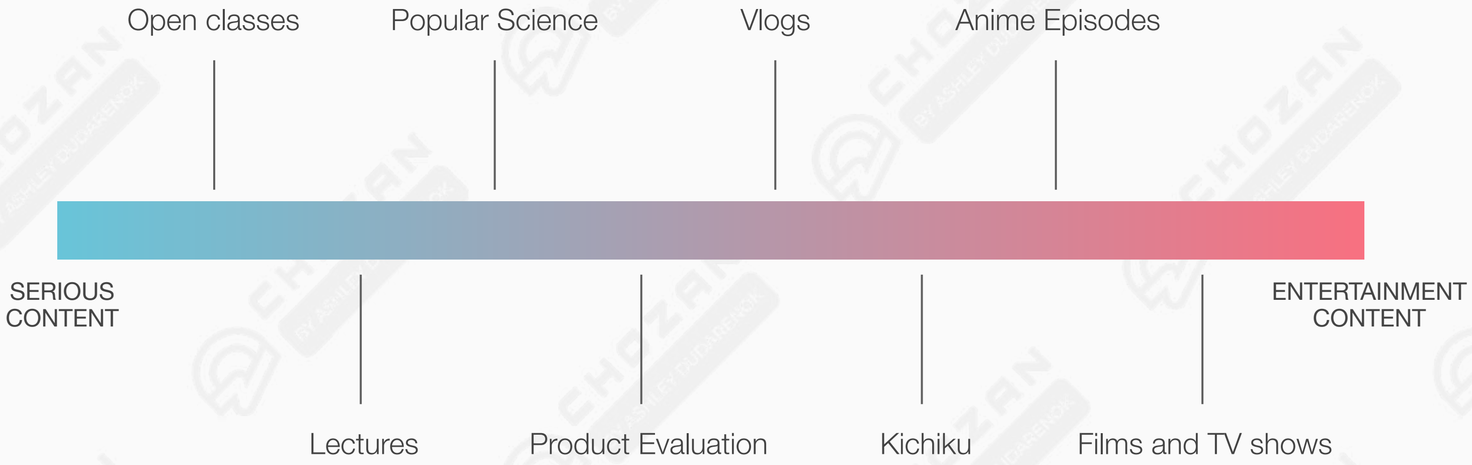
SOCIAL MEDIA

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



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.

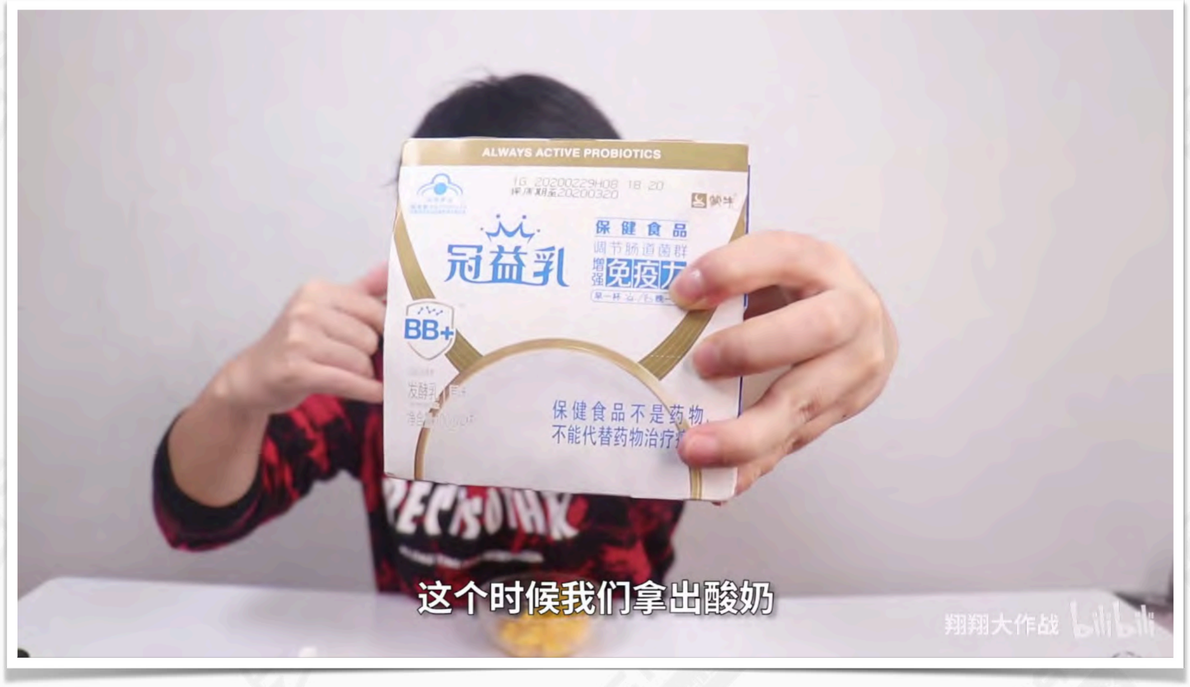
SOCIAL MEDIA

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

C

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

SOCIAL MEDIA

BILIBILI - TRENDS / CASE STUDY

ESTEE LAUDER, GRADUATION SEASON PROMOTION

1. Publish high-quality content by KOL, KOC or the brand itself to catch users' attention. And then usher them to the activity page.

2. Initiate the topic highly related to the graduation season to touch users interest.

3. Call for contribution from bloggers and users. With this coproduction to ignite the atmosphere.

Source: B站2021品牌营销手册

EXPERT BITES

Q: WHAT'S YOUR MARKETING RECOMMENDATION FOR BILIBILI?

Bilibili's extensive targeting options for advertisers make it one of the best platforms to market toward Gen Z, the largest growing consumer group in China. Bilibili's targeting options include over 7k core cultural circles and 2mil culture labels to reach younger consumers wherever and whenever they are most likely to purchase within the platform. With features such as "一起看" ("let's have a look together"), virtual hong bao can be delivered within an event inviting collective viewers to reveal coin rewards together on a massive scale. Advertisers can also use bullet comments and 3rd party links within Bilibili to streamline e-commerce. It's a wonder why the NASDAQ listed company isn't seeing more traction from Western brands looking to reach Gen Z consumers in China more effectively.

MICHELLE CASTILLO
Director of Marketing at
Neat and Collidescope.io

EXPERT BITES

Q: WHAT'S YOUR MARKETING RECOMMENDATION FOR BILIBILI?

For brands to take a more grassroots approach;

1. Creating less polished, but more 'authentic' content and;

2. Focusing on the use of smaller KOLs rather than larger ones. Among all the major channels in China, BiliBili has created the greatest sense of community 'ownership' amongst younger, more cynical audiences. Brands that go in too hot with salesy content (ads) are getting called out by audiences in BiliBili.

CHRIS BAKER

Founder at
Totem

PLATFORM

ZHIHU

知乎

EXPERT BITES

OSCAR LIN
Social Media Marketing Manager
at Alarice & ChoZan

Q: HOW TO CREATE ENGAGING CONTENT ON ZHIHU?

Individuals and brands posting in-depth articles relaying professional knowledge on Zhihu is the simplest way to receive engagement on the platform. Because users come to Zhihu for knowledge, this type of content will generating better traffic here than on any other platform. Layout is important and images are useful. Prompt interaction is necessary when users comment on your content too, showing that you are here to engage with them.

Here is a case from Audi:

Audi created an in-depth article for its new car Q7 last year. The content is very interesting, including the car's configuration, technologies etc, garnering 728 likes and 81 comments.

GOT A QUESTION? DROP OSCAR AN EMAIL BY SCANNING THE QR CODE

SOCIAL MEDIA

ZHIHU PLATFORM - INTRODUCTION

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.

As of February 2020, Zhihu has...

420 MILLION+
Registered users

45 MILLION+
Daily active users

1.3 BILLION+
Daily average page views

70 MINUTES
Daily average usage

560K+
Topics

44 MILLION+
Questions

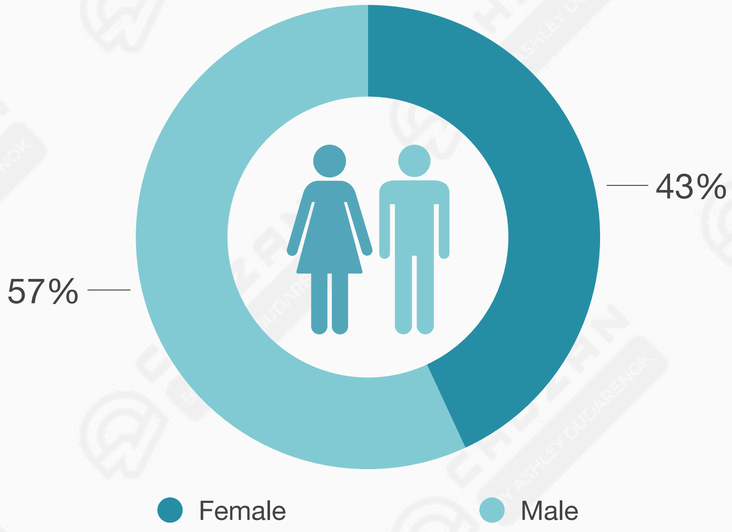
2.2 BILLION+
Answers

Source: Zhihu internal statistics, Feb 2020

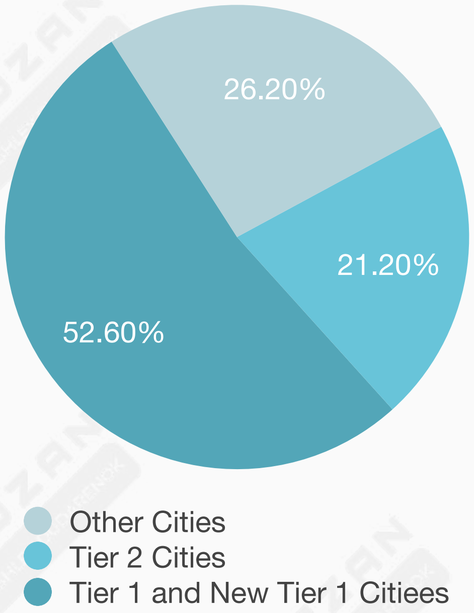
SOCIAL MEDIA

ZHIHU PLATFORM - DEMOGRAPHICS

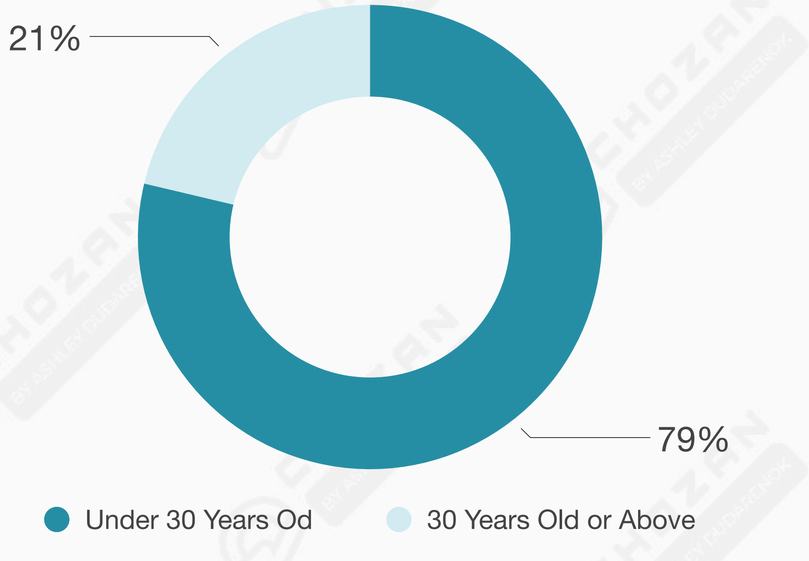
BY GENDER



BY GEOGRAPHY



BY AGE



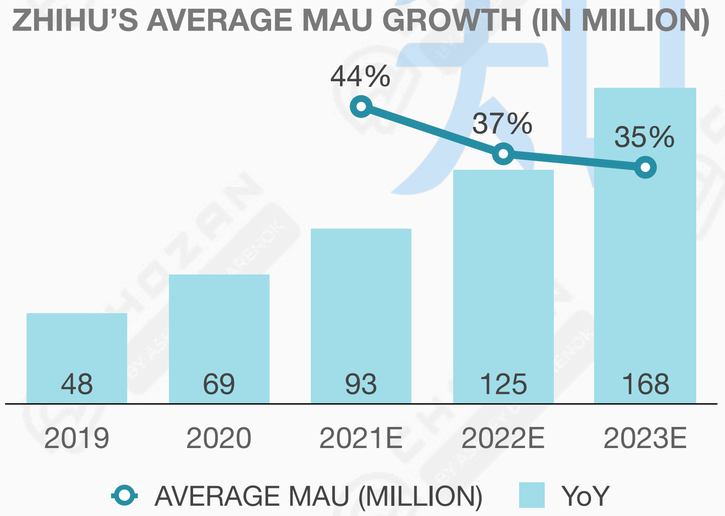
Source: Zhihu

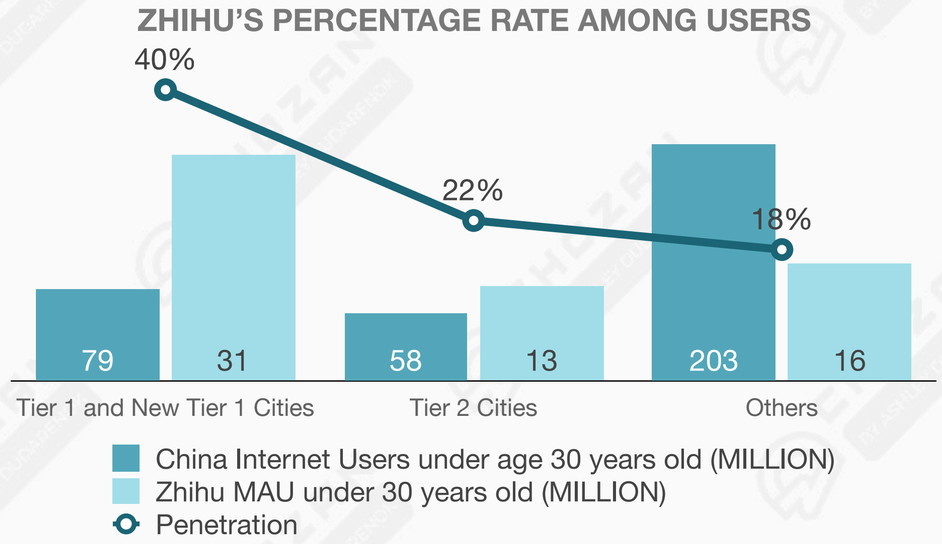
SOCIAL MEDIA

ZHIHU PLATFORM - MAU RATE

The MAU CAGR (compound annual growth rate) will be 35% from 2021 to 2023. The MAU will reach 168 million 2023, Credit Suisse estimates.

In addition, the consumption through video on Zhihu will penetrate 50% of its DAU, and will contribute 40% to the total users' time, far more than that of Q4 2020, which was only 10%.





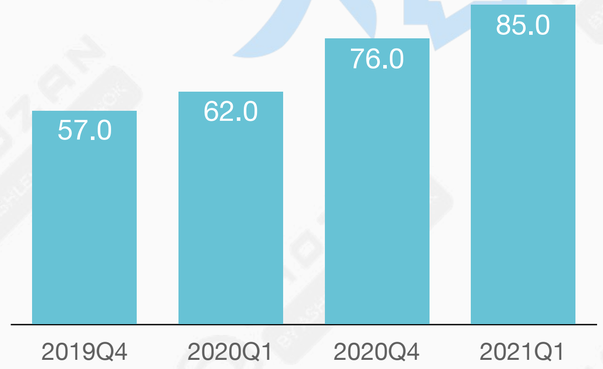
Source: 华尔街见闻

SOCIAL MEDIA

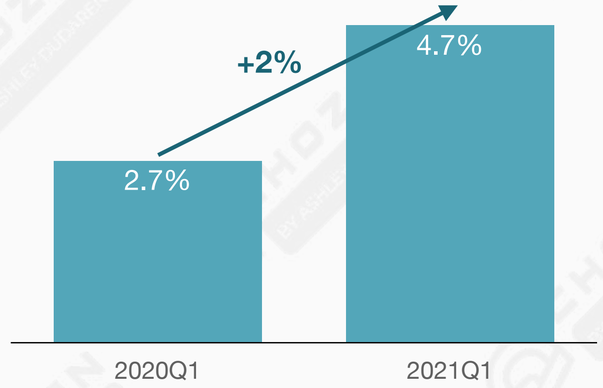
ZHIHU PLATFORM - MAU AND SPENDING

In 2021Q1, Zhihu MAU has reached 85 million people and has many high-quality pan-knowledge creators. After accelerating the promotion of the video strategy, it is expected to increase user usage time and increase content richness. At the same time, the paid content library continues to expand, and the number of paid content in 2021Q1 has increased by 190% year-on-year. With the quality of video and paid content improved, user's payment rate will continue to increase.

MAU OF ZHIHU AS OF 2021Q1 (IN MILLION)



SPENDING RATE ON ZHIHU AS OF 2021Q1



Source: 国泰君安证券 知乎2021年一季度财报点评《业绩超预期，知识类内容变现强势崛起》

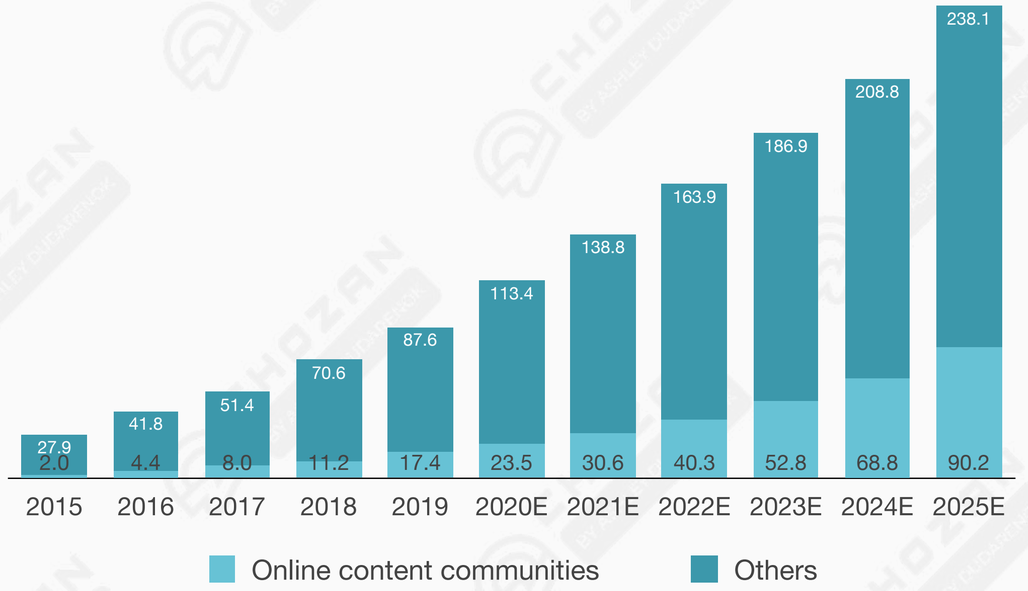
SOCIAL MEDIA

ZHIHU PLATFORM

The matching of content in the online content community improves content diversity and quality, higher disposable income, and the increasing recognition of premium content have made users more willing and accustomed to paying for quality content.

According to CIC, within China's paid membership market, online content communities are expected to outgrow other online content market players due to the higher potential of membership penetration and lower content costs inviting paid membership.

CHINA'S PAID MEMBERSHIP MARKET SIZE (IN TERMS OF REVENUE)



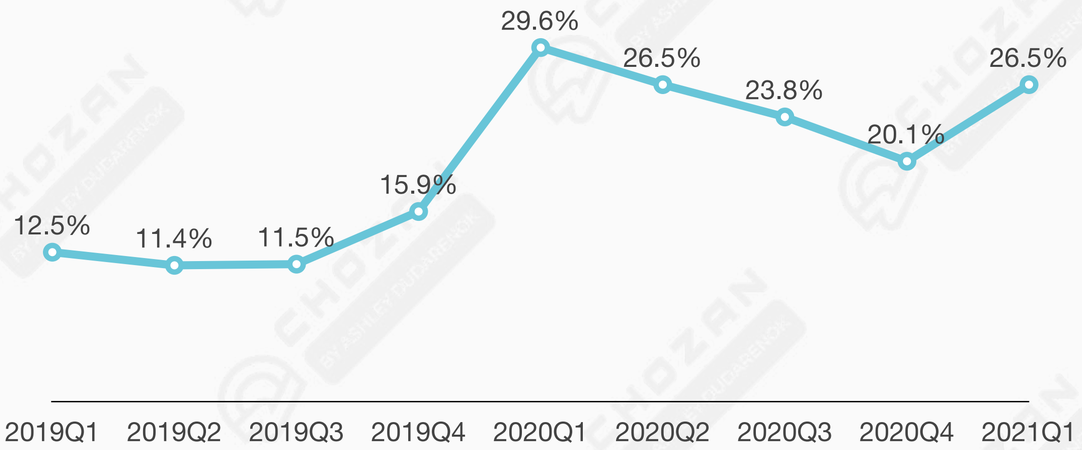
Source: Zhihu Q1 2021 Financial Statements

SOCIAL MEDIA

ZHIHU PLATFORM - INCOME

In 2019, Zhihu launched Yanxuan (盐选会员), its paid membership program. Financial report data shows that in the first quarter of 2021, Zhihu's paid membership income was 126.6 million yuan, an increase of 127% from 55.76 million in the same period last year, and an increase of 21.3% from 104 million in the previous quarter. During the reporting period, the income of paid members contributed 26.5% of revenue to Zhihu.

REVENUE FROM PAID MEMBERSHIP IS INCREASING



Source: 异观财经

SOCIAL MEDIA

ZHIHU PLATFORM

- It said that with the mobility development and consumption based on content, consumers in China now tend to leverage professional information to make consumption decisions.
- How to “**decrease noise**” becomes consensus between brands and consumers.
- Knowledge sharing platform, Zhihu, is a very important channel in the process of **making consumption decisions**.
- The mega online shopping festival 618 is coming. Many questions are raised on Zhihu like “which model of iPhone to choose?”, “how to select a stroller?”, etc.

KEY GROWTH DRIVERS OF CHINA’S ONLINE CONTENT COMMUNITIES IN THE NEAR FUTURE

- User base (content maker while user)
- The amount of content with high quality
- WTP for content with high quality
- Brand needs to adopt content-based marketing

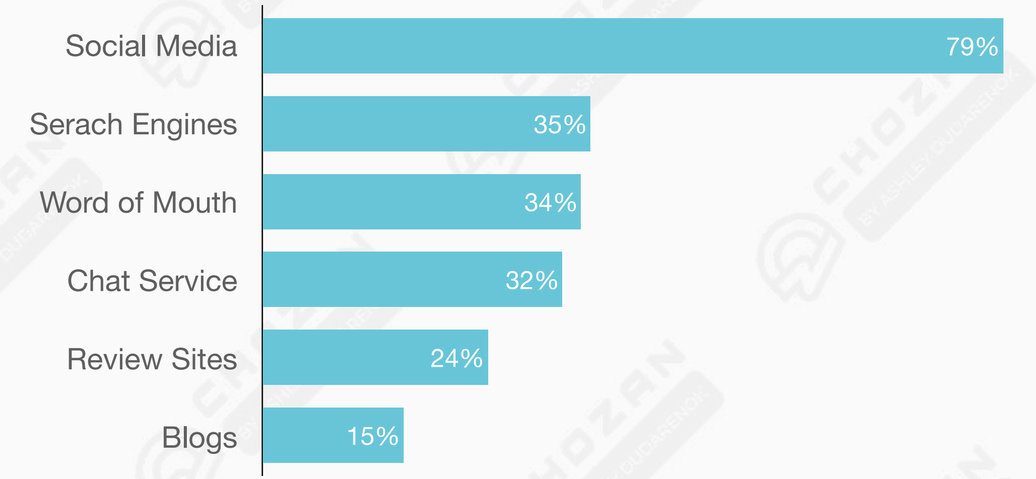
Source: 人民日报海外版 & Zhihu 2021Q1 Financial Statements

SOCIAL MEDIA

ZHIHU PLATFORM

Social media, word of mouth and reviews are important decision making channels for Chinese luxury consumers.

SHARES OF CHINESE CONSUMERS TO THEIR LUXURY PURCHASES

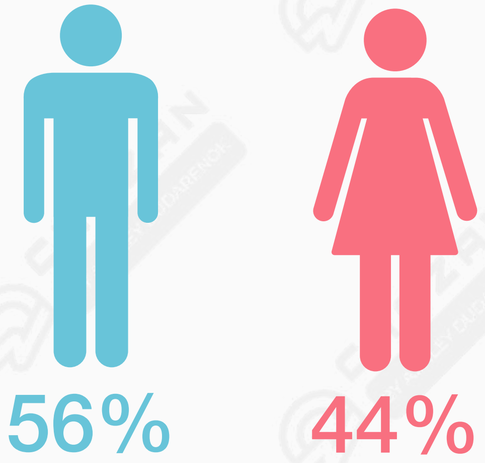


Source: VogueBusiness

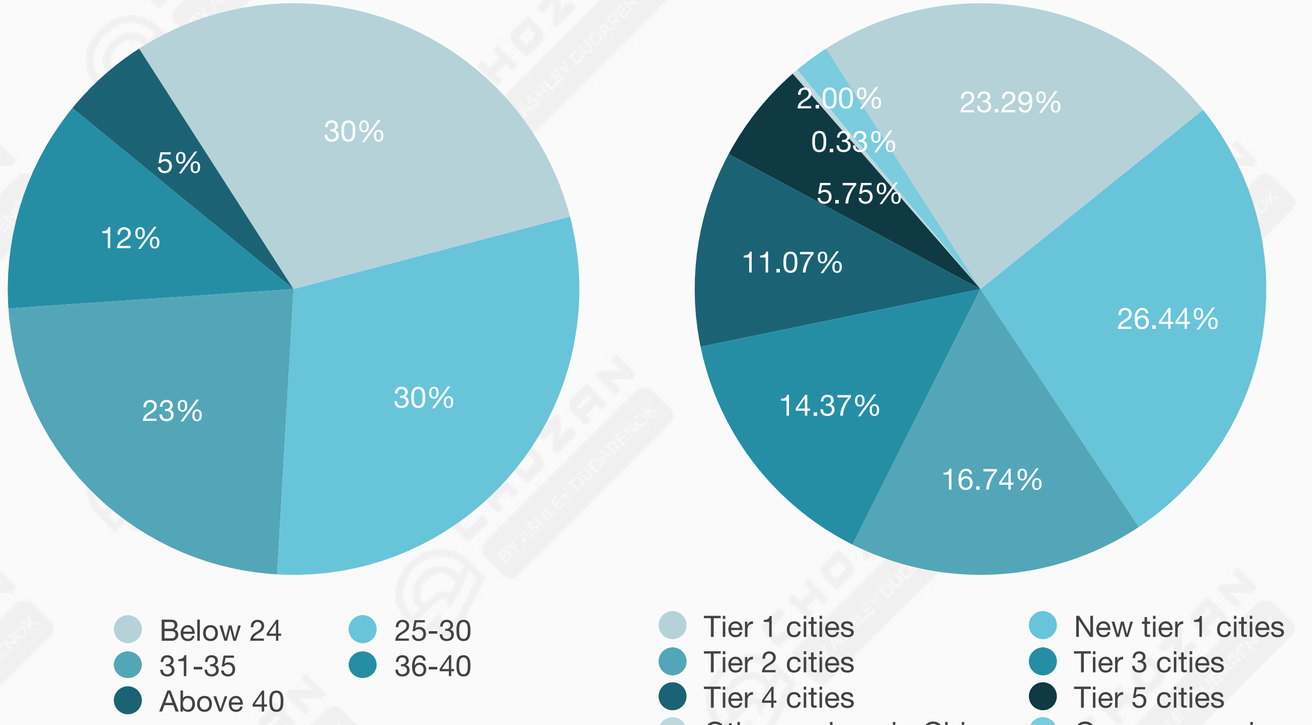
SOCIAL MEDIA

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



ZHIHU FOLLOWERS BY CITY TIER

Source: Zhihu internal statistics, Feb 2020

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.

SOCIAL MEDIA
ZHIHU PLATFORM

WHY DO PEOPLE USE ZHIHU?

On Zhihu, people **ask questions and answer questions**. The content creators will also be content users.

Users search keywords when they want to know about something. For example, if one person recently is obsessed with perfumes, he or she might search “香水” (perfume in Chinese), and there will be questions related to the topic showing up, like “第一次买香水，怎么避免踩雷？” (It is the first time for me to buy perfume. Is there something I need to know so that I do not make a terrible decision?)

MARKETING METHODS ON ZHIHU

Because users want to know about things from a comprehensive perspective, they search on Zhihu. It is not like Google or Baidu search. Users on **Zhihu like answers in interesting tones or story-telling ways**. So, it is a good opportunity for brands to show themselves to consumers with recessive advertisements.

Basically three channels: 1. Banner ads, which is not very effective on this platform; 2. KOLs, outstanding answerers in a specific area (特定领域/话题优秀答主), pay for them to talk about your brand or product; 3. Start your own institutional account or official account (知乎机构号)

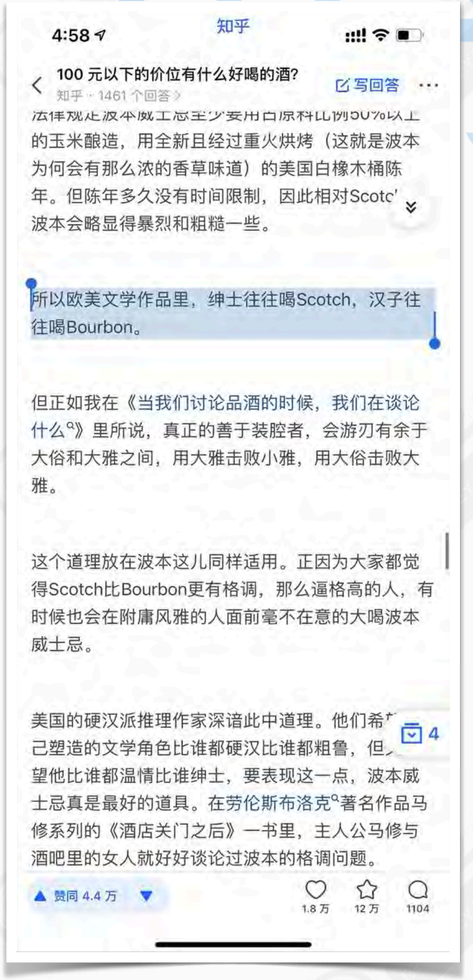
SOCIAL MEDIA
ZHIHU PLATFORM

AN EXAMPLE:
A KOL TALKS ABOUT JOHNNY WALKER

The answerer is a 'outstanding answerer for the liquor topic' （酒话题优秀答主）

When answering the question "any recommendation for alcohols under 100 yuan?"

He talks about Johnny Walker Red Label and quotes a scene from Mad Men to show its amiable brand personality. This answer was created in 2014, and he constantly updated the content. Even nowadays, there will still be many users watching and commenting under this answer. This shows Zhihu's good long-tail effect for brands.



Source: 《100 元以下的价位有什么好喝的酒？》

SOCIAL MEDIA
ZHIHU PLATFORM

知乎

INSTITUTIONAL ACCOUNTS

- For B2B marketing
- For brands to communicate with consumers in a sincere way

Reference:

Why Zhihu Is Valuable for B2B Marketing in China

Zhihu《知乎品牌机构号入驻指南》

Audi's institutional account: 奥迪（Audi）知乎官方账号

Pros: reach and talk to consumers directly, very effective to build brand equity

Cons: high cost, high requirement for the content team (1-3 people), long-term

Source: 奥迪（Audi）知乎官方账号

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.

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 a higher attention span and would appreciate reading longer-form articles.

This makes Zhihu a great marketing option for marketers.

Individuals who have high attention span, who appreciate reading longer-form articles.

These characteristics make Zhihu a great marketing option.

知乎

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.

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.

SOCIAL MEDIA

ZHIHU PLATFORM - CONTENT BEST PRACTICES

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

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 - SALES INTEGRATION

'Little Blue Star' (小蓝星) function

Example: perfume

Search ‘perfume’, there will be a ‘Little Blue Star Recommendation’.

The rank depends on how many questions or answers about your products are there and how many 知友 (Zhihu users) have recommended your products.

Hire outstanding answerers/KOLs to talk more about your brands and your products.

SOCIAL MEDIA

ZHIHU PLATFORM

知乎

6.18
Mega Shopping Festival

Every year during the 6.18 Mega Online Shopping Festival, there will be many discussions about goodies recommendations on Zhihu. Now there is a special column called Strategy for Storing Goodies on 6.18. Many KOLs and KOCs will share their shopping experience.

SOCIAL MEDIA

ZHIHU PLATFORM

知乎

GAOKAO (7 to 8 June)
The National College Entrance Examination

Every year from May to July, this is among the hottest topics in China. On Zhihu, there will be many discussions on what disciplines to choose, what city to choose, etc. These discussions are related to the consumer group of the Super Dad & Mom.

SOCIAL MEDIA

ZHIHU PLATFORM - REGULATIONS / UPDATES

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 MARKETING CHANNELS CAN YOU RECOMMEND BRANDS TO PAY ATTENTION TO IN Q3?

Post-lockdown, this past year has been a fierce fight for sales and social buzz with short video and e-commerce platforms as the core battlegrounds. Marketers need to now turn this momentum into sustainable growth by more deeply educating and engaging Chinese audiences.

I'm really excited about the potential for marketing innovation on multi-faceted, interest-oriented platforms like Zhihu, Douban and even relative newcomer Soul. As Chinese consumers of all ages are actively exploring their passions and increasing their knowledge online, these platforms can offer deep insights into consumers' interests and behaviors. What's more, marketers can tap into highly engaged contributors and diverse touchpoints to communicate their brand attributes in richer and more natural, conversational ways.

MEHA VERGHESE

Growth and Innovation Lead at MediaCom China

PLATFORM

KUAISHOU

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.

99+ MINUTES
USAGE PER DAY

295 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

Source: 百科百度
CBNData, 2020 Kuaishou Ecosystem Report

SOCIAL MEDIA

KUAISHOU PLATFORM - UP-TO-DATE DATA

HONG KONG, May 24, 2021 /PRNewswire/ -- Kuaishou Technology (HK:1024) (the "Company" or "Kuaishou"), a leading content community and social platform, today announced its unaudited consolidated results for the first quarter of 2021 ended March 31, 2021 ("1Q2021").

379.2 MILLION
AVERAGE DAUS ON APP & MINI PROGRAMS, YOY 26.4%

295.3 MILLION
AVERAGE DAUS ON KUAISHOU APP, YOY 16.6%

99.3 MINUTES
AVERAGE DAILY TIME SPENT PER DAU, YOY 16.5%

29 RMB
AVERAGE ONLINE MARKETING SERVICES REVENUE PER DAU

118.6 BILLION RMB
TOTAL GMV OF E-COMMERCE TRANSACTIONS FACILITATED, YOY 219.8%

17 BILLION RMB
TOTAL REVENUES, YOY 36.6%

7 BILLION RMB
GROSS PROFIT, YOY 64.1%

Source: KUAISHOU Technology

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
JUN-JUL: Kuaishou minishop increasing traffic and collaborated with JD.com **AUG-SEP**: Introduced “好物联盟” (like a membership program for better experience), optimising the supply chain	淘 京东 拼	快手小店

Source: Quest Mobile, China Internet Q3 Report, 2020

SOCIAL MEDIA

KUAISHOU PLATFORM - INTRODUCTION

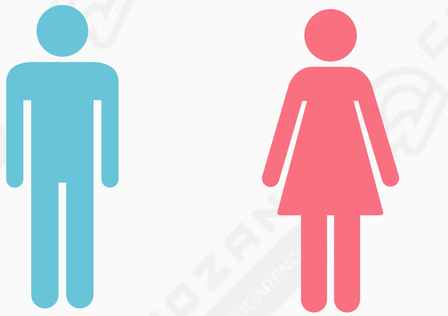
The similarities between Douyin and Kuaishou:

- 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.

SOCIAL MEDIA

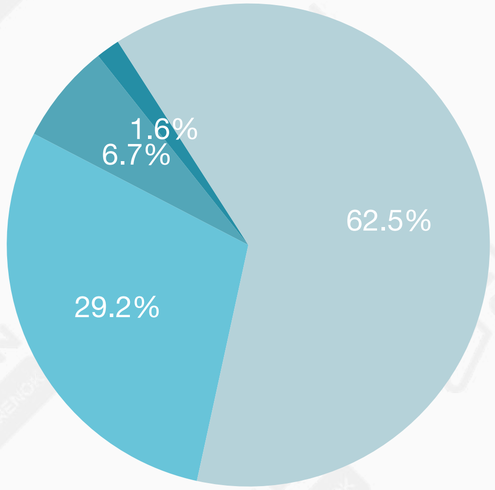
KUAISHOU PLATFORM - USER DEMOGRAPHICS

Gender ratio of Kuaishou users:

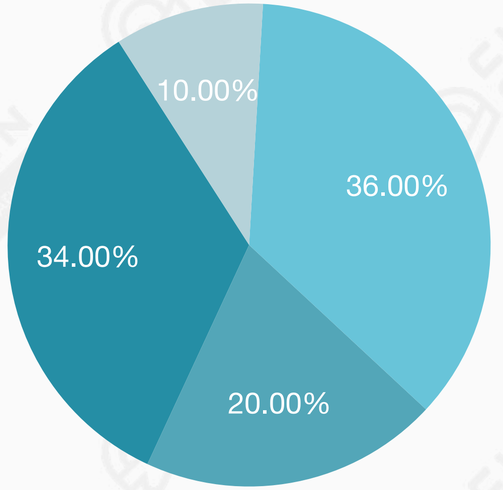


50.8% 49.2%

KUAISHOU FOLLOWERS AGE DISTRIBUTION



KUAISHOU FOLLOWERS BY CITY TIER



80%+

of the users are Post-90s

Source: 百科百度

SOCIAL MEDIA

KUAISHOU PLATFORM - INTRODUCTION

The differences between Douyin and Kuaishou:

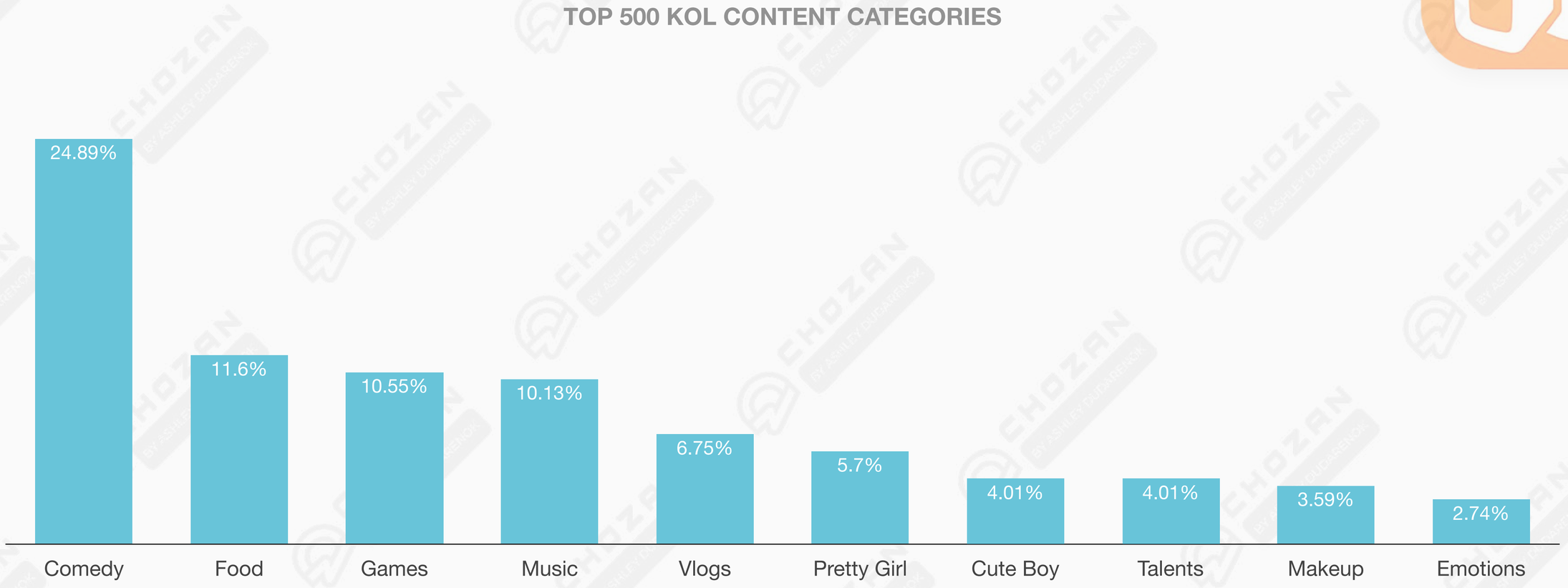
- **Kuaishou is not a "full-screen auto-play" type**
  Kuaishou displays 4 videos on one page. The video starts to play only after the user clicks to enter, while Douyin video is automatically played, and the user does not click to select. The Kuaishou style makes it easier for users to find the video 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 - POPULAR CONTENT CATEGORIES



Source: 百科百度

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 - DATA ABOUT E-COMMERCE PART

E-commerce infrastructure and introduced more tools and services for **Kuai Shop (快手小店)**, with these additions being well received by merchants. The contribution from **Kuai Shop** to the total e-commence GMV for the first quarter of 2021 increased to 85%, compared with 53% in the same period of 2020. As our marketplace matures, quality of products becomes increasingly important. With this in mind, we began to integrate the means of resources on the supply chain side and reinforced **Kuaishou Selection (好物聯盟)**. By doing so, we are able to improve quality of products through enhanced official product selection and foster partnerships between merchants with strong supply chain capabilities and hosts with a loyal following. Beyond this, **Kuaishou Selection** also empowers hosts with digital tools to analyze the performance of various products and behaviors of their fan bases, helping them to optimize their product selection. This is one of the initial successes we have achieved through building our closed-loop model, and it has greatly improved the overall efficiency of our ecosystem. For the first quarter of 2021, the e-commerce GMV generated on **Kuaishou Selection** to the total e-commerce GMV doubled on a quarter-over-quarter basis.

1.2 BILLION RMB

REVENUE FROM OTHER SERVICES (589.1% YOY

118.6 BILLION RMB

E-COMMERCE GMV (219.8% YOY

FROM 34.2% TO 41.1%

GROSS MARGIN IMPROVEMENT IN Q1 2021

Source: Kuaishou Technology Annual Report 2020

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 PECHOIN

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 LIVE-STREAMING

Kuaishou's live-streaming 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 SIAODIAN

'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#

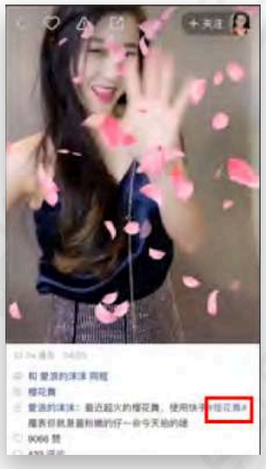
SOCIAL MEDIA

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 - ONLINE MARKETING SERVICE

In the first quarter of 2021, revenues increase by 161.5% on a YoY basis to RMB8.6 billion.

As of today, our **Star Magnet (磁力聚星)** has expanded partnerships with an increasing number of content creators, which more than doubled from the end of 2020. The video views of ad content produced by our partner content creators increased by over 100% sequentially in the first quarter of 2021.

Kuaishou Union (快手聯盟) was another area in which we achieved breakthrough in online marketing services in the first quarter of 2021.

Source: 快手达人生态营销平台磁力聚星

SOCIAL MEDIA

KUAISHOU PLATFORM - STAR MAGNET SERVICE (磁力聚星)

With the Star Magnet service, you can do live-stream or post short videos to :

PROMOTE APPLICATION

Once your Application be promoted by the streamer, the download page will show, and it can be downloaded instantly.

PROMOTE YOUR GOODS

Promote your goods and the goods can be ordered with one click.

COLLECT DATAS

Interact with audience through live-streaming.

Source: 快手达人生态营销

SOCIAL MEDIA

KUAISHOU PLATFORM - TRENDS/CASE STUDY

Source: 快手达人生态营销

P&G SHORT VIDEO COOPERATED WITH DAREN 丝丝

ntegrate the USP of the product into an interesting story daily happening in lower-tier cities. It points out common-seen problems in daily life, and shows the product's strength.

This short video gained 1.24 million broadcast, 101 thousand interaction and a click through rate of 4.8%.

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

Q: WHAT'S YOUR RECOMMENDATION FOR BRANDS DOING LIVESTREAMING IN CHINA?

Brands need to understand their consumers before proceeding to live-streaming, as many live streaming platforms attract different types of consumers and the one they choose may not be the right fit for them. Another thing they need to be aware of is the timing for the stream, they must align their brand with sales events in China. Step one is to have seeding done for at least 1-3 months before the event with KOCs from different platforms. Once this is done, they can then jump straight into launching live streaming.

DAVID GULASI

Ceo Of Davegulasi.Com
And China Kol

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PLATFORM

WEITAO

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.

Source: kknews

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:

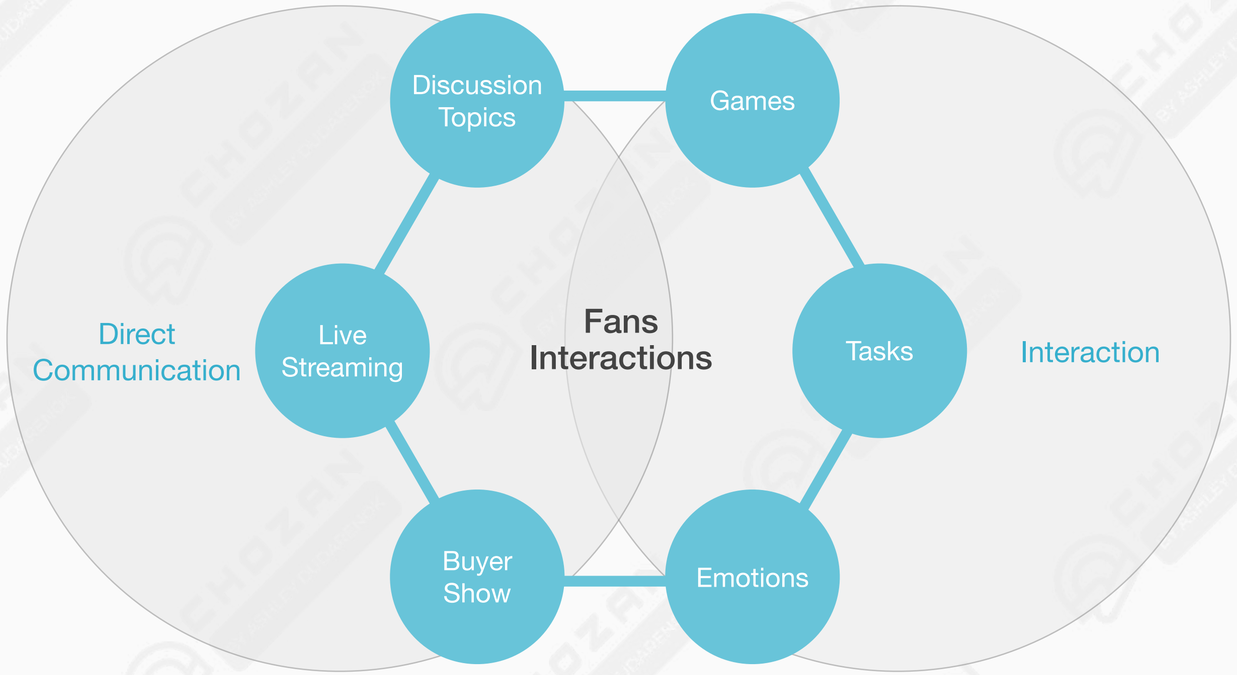
- Business Merchant Account (商家帳號)
- Master's Account (達人帳號)
- Official Account (官方帳號).

SOCIAL MEDIA

WEITAO PLATFORM - TOP MARKETING METHODS

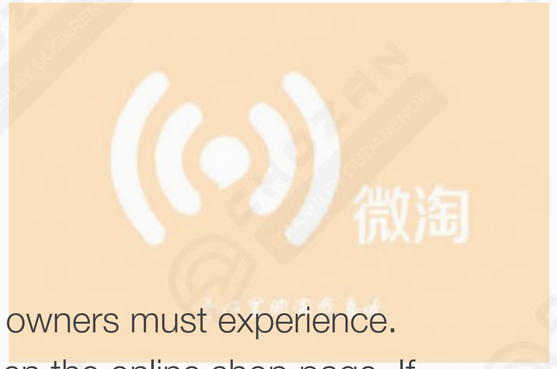
This model shows that fan interactions are achieved by direct communication and interaction.

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.

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

PLATFORM

TOUTIAO

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.

FEATURE

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

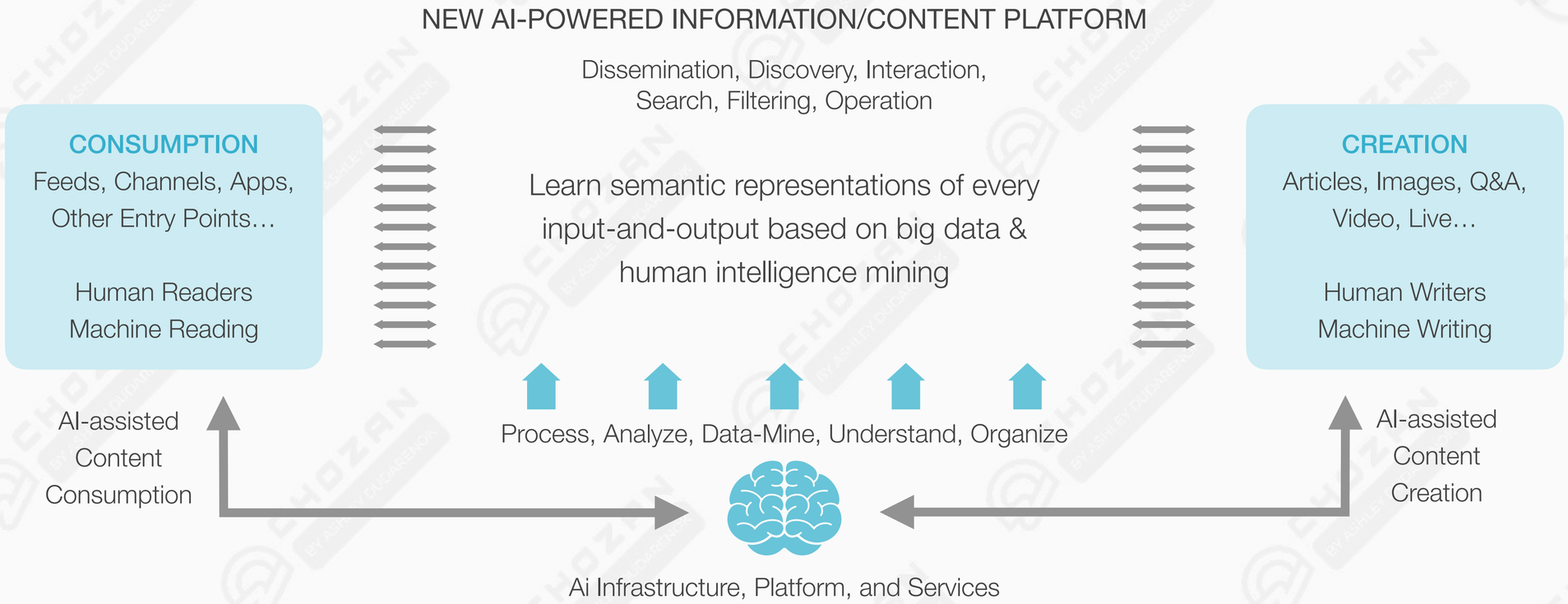
3. Writers can earn money, and grow with the platform.
How to earn money on Toutiao?
In 5 major ways: Ad Share (广告分成), Signed Authors (签约作者), Ad production, Toutiao E-commerce, Commission.

Source: xiguaji.com, May 2020

SOCIAL MEDIA

TOUTIAO PLATFORM - INTRODUCTION

An AI-powered platform surrounding consumption and creation.



Source: Marketing to China

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:

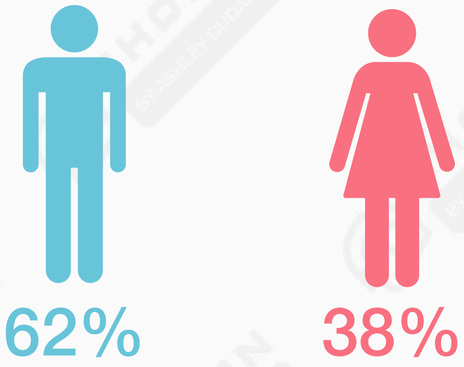
- 头条寻人
- 算数功能
- 头条号
- 头条搜索
- 头条百科

SOCIAL MEDIA

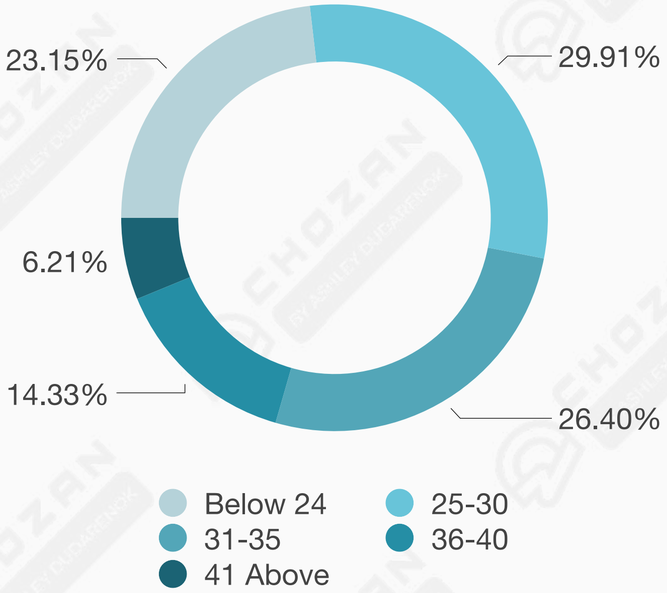
TOUTIAO PLATFORM - USER DEMOGRAPHICS

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.



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 11%	Jiangsu 6%	Sichuan 6%	
Shandong 6%	Henan 5%	Zhejiang 5%	
Hebei 5%	Hunan 4%	Guangxi 3%	Hubei 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

SOCIAL MEDIA

TOUTIAO PLATFORM - USER'S PERSONA

There are six statistically significant segments of Toutiao's users:

Source: 《谁在打开今日头条》，巨量引擎

SOCIAL MEDIA

TOUTIAO PLATFORM - TYPES OF ACCOUNTS

USERS OF TOUTIAO PLATFORM COVERS

Government Officials
Commentators
Field Experts
CEOs
Stars

RECOMMENDED INDUSTRIES ON TOUTIAO

Financial Management
Exhibition / Events (会展活动)
Game
App Industry
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

53% more than same period in 2018

77.8 BILLION+
Total Read Volume

94% more than same period in 2018

320 MILLION+
Total no. of Favourites

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.

Source: chinaz

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.

Source: chinaz

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.

2 Write Your Own Content

Authenticity is the foundation to uniquely express your brand and attract your targeted audience.

3 Write Stories

Customers loves stories, stories can help customers to understand your message and leave a deeper impression to you.

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.

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.)

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.

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.

Source: shenduwang

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

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.

IN 2020, WITH TOUTIAO AS THE CORE,
NEW MULTIDIMENSIONAL MARKETING WAYS ARE CREATED

Internal Collaborations	External Resonance
Creating Word-of-mouth for the product	Naming IP grounds to raise the noise of products
Discussion Topics + Reviews by KOLs + Articles	Toutiao + Xigua Videos
Thoughts for Brands Collaborations	Resonance on both ends Great Creation of Festival
Input by Advanced Intelligences and Management	Toutiao + Douyin
Golden Pairs bring exponential growth	Platform and Internet Cooperate Releasing IP Influential Power
Open Screen Ad + Mini Programs	Toutiao + Platform-Side Drama Series
All-round Livestreaming	Cross-platform volume combination creating new IPs
New Ways of Livestreaming	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.

Source: chinaz

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	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. 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	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.

Source: chinaz

SOCIAL MEDIA

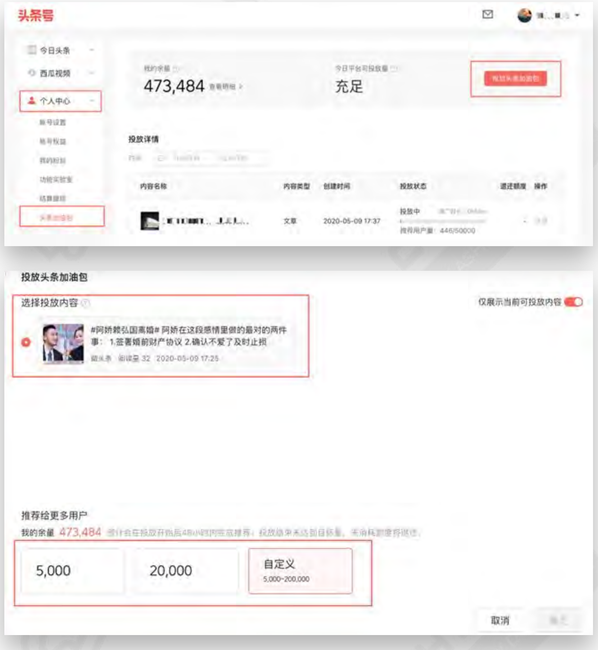
TOUTIAO PLATFORM - TOP MARKETING METHODS

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.



Source: chinaz

IF YOU LIKE THIS REPORT YOU'LL LOVE MY NEWSLETTER

SCAN THE QR CODE AND JOIN
MY FREE BI-WEEKLY NEWSLETTER
FOR LATEST CHINA INSIGHTS

WANT TO TALK TO MY TEAM?

SCAN THE QR CODE TO
ARRANGE A FREE CONSULTATION
ABOUT YOUR CHINA PLAN

SOCIAL MEDIA 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
Sina Weibo	Micro-blogging	Strong content diffusion and media attributes. A lot of pen-entertainment users	A high rate of users participate or interact with platform content, making it easy for secondary dissemination and topic creation	Topic discussion
WeChat	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
TikTok	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

Source: 2020 Strategies of New Media Marketing in China

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

Source: 2020 Strategies of New Media Marketing in China

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

Source: 2020 Strategies of New Media Marketing in China

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

Source: 2020 Strategies of New Media Marketing in China

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

Source: 2020 Strategies of New Media Marketing in China

BAIDU IN CHINA Q3

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

200 MILLION
DAILY ACTIVE USERS

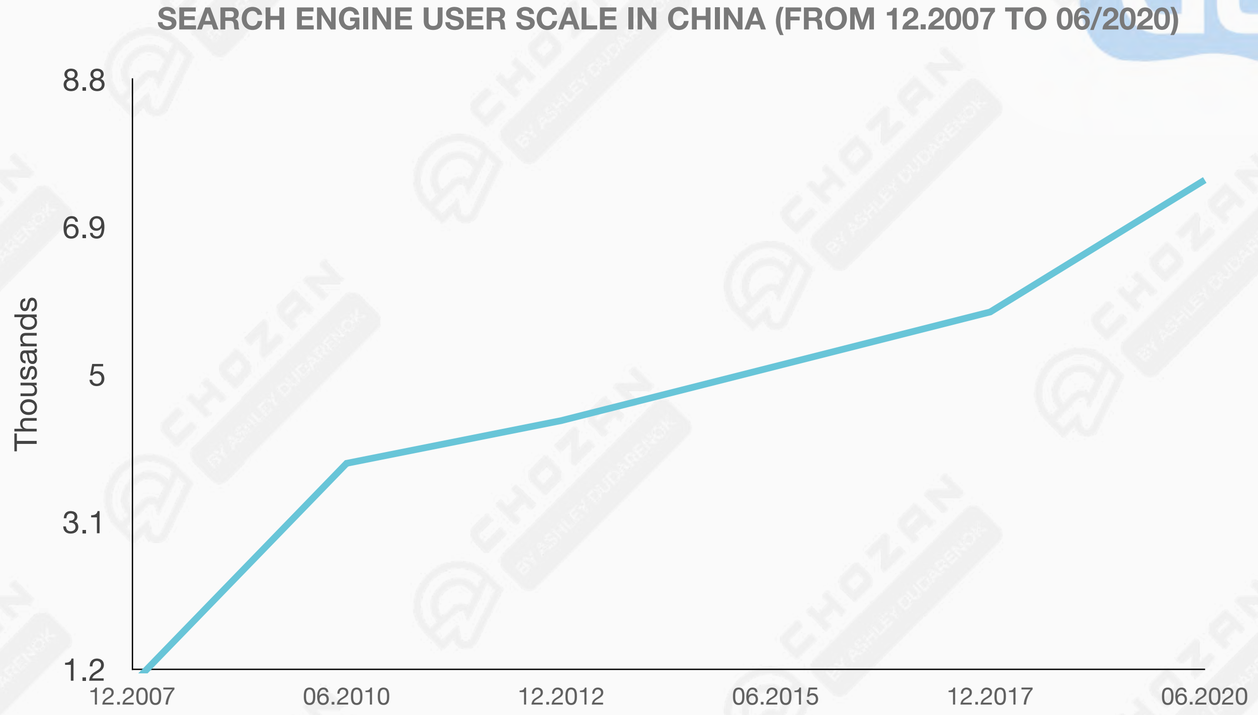
50+ MINUTES
DAILY USAGE

Source: iFeng Finance
Baidu

BAIDU IN CHINA

INTRODUCTION 2021

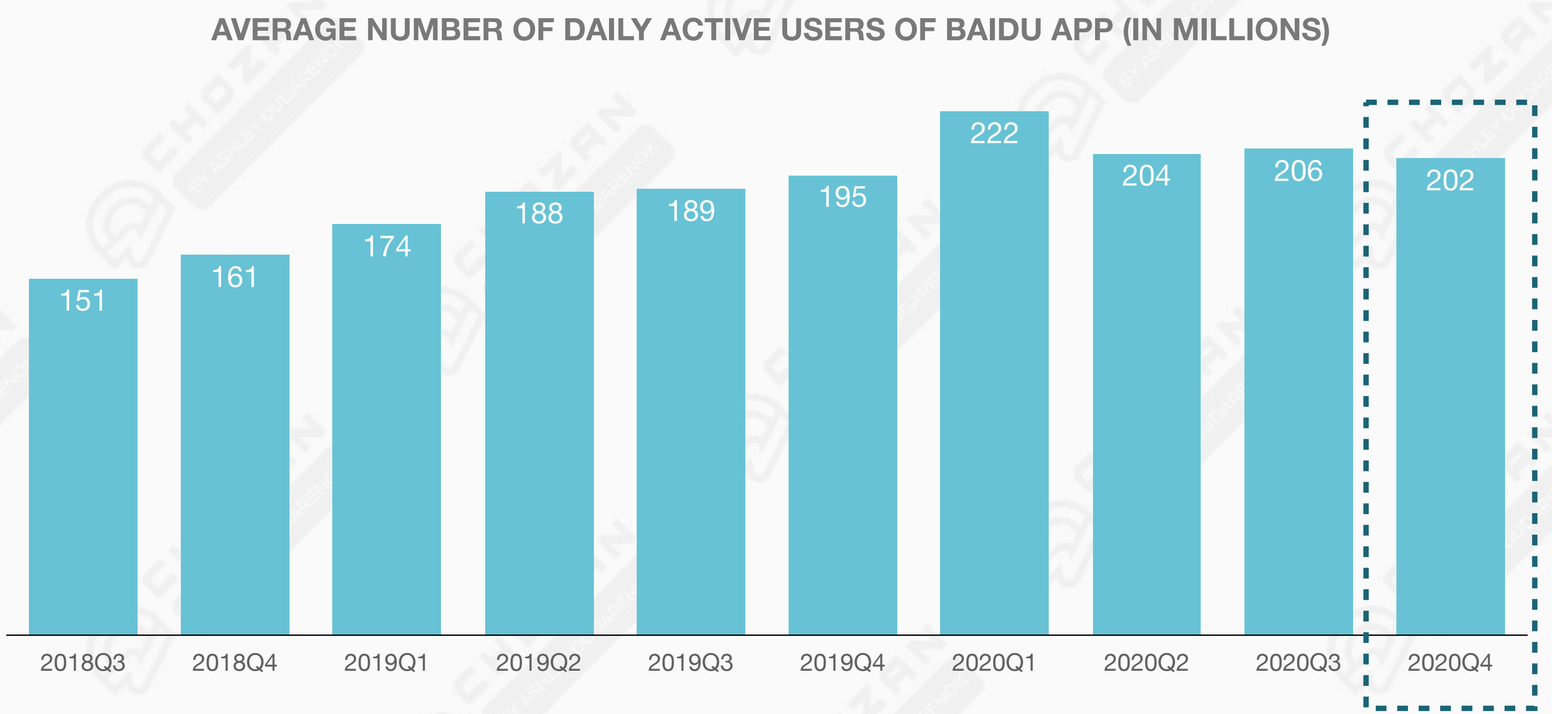
The search engine user scale in China is growing.



Source: 前瞻经济学人APP

BAIDU IN CHINA

DAU OF APPLICATION

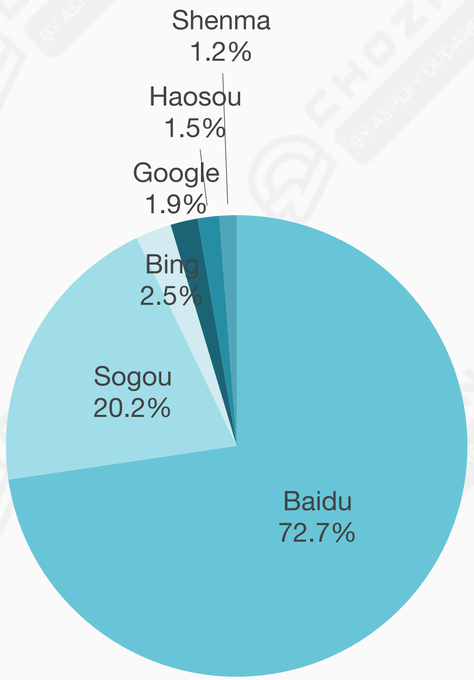


Source: Baidu 2020 Annual Financial Reports

BAIDU IN CHINA

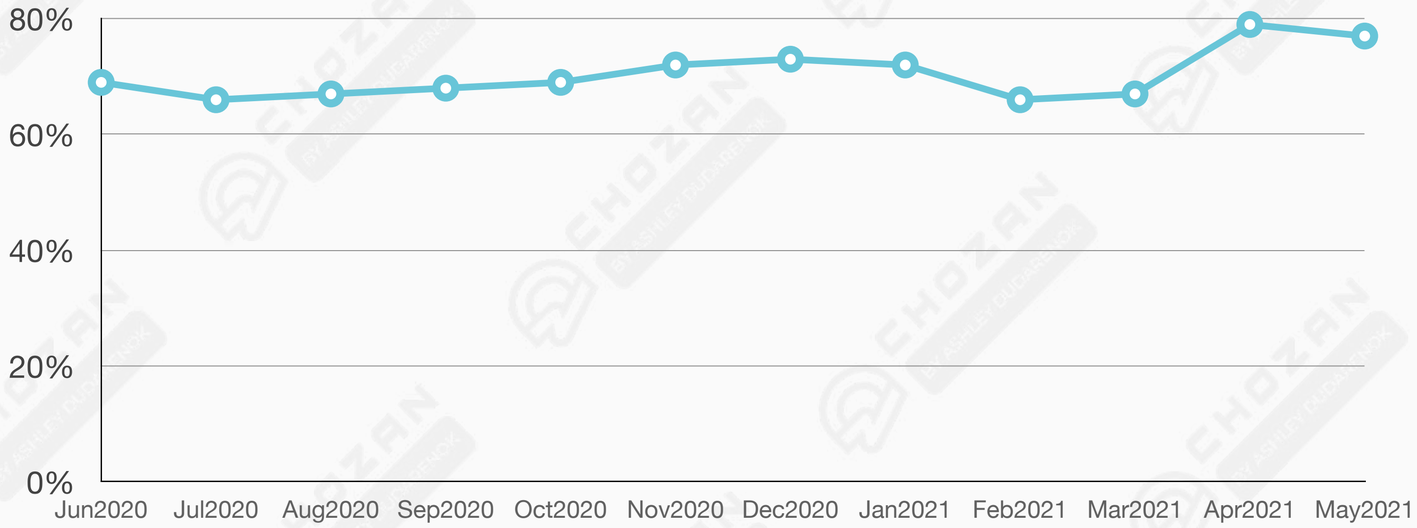
SEARCH ENGINE MARKET SHARE

SEARCH ENGINE MARKET SHARE IN CHINA BY MAY2021



72.37% MARKET SHARE
SEARCH ENGINE BY MAY2021

SEARCH ENGINE MARKET SHARE CHANGE OF BAIDU (MAY2020 - MAY2021)

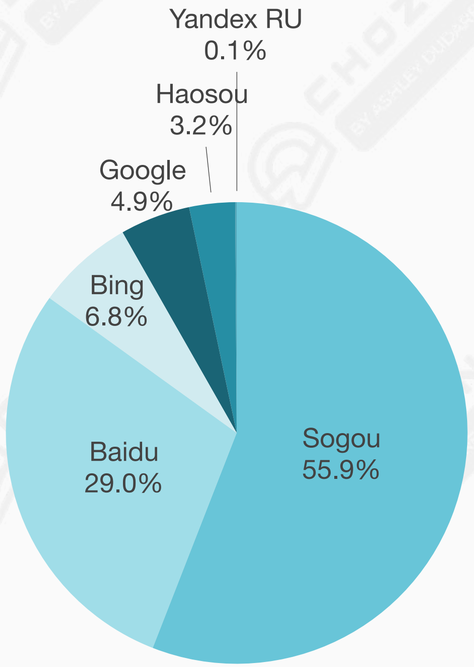


Source: StatCounter

BAIDU IN CHINA

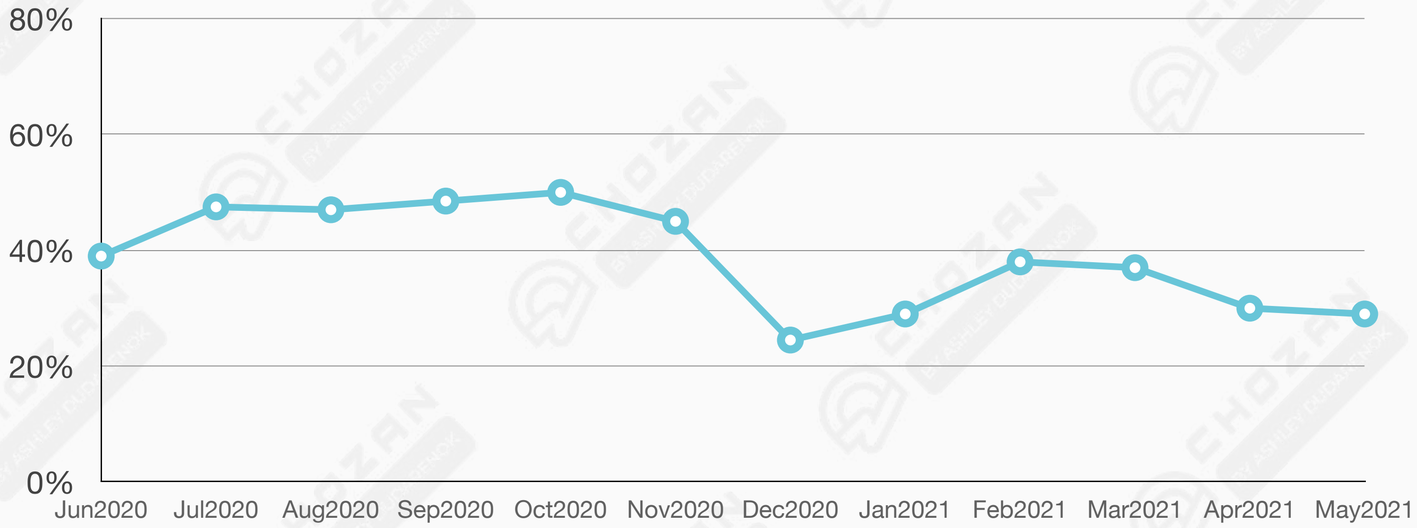
DESKTOP SEARCH ENGINE MARKET SHARE

DESKTOP SEARCH ENGINE MARKET SHARE IN CHINA BY MAY2021



28.99% MARKET SHARE
DESKTOP SEARCH ENGINE BY MAY2021

DESKTOP SEARCH ENGINE MARKET SHARE CHANGE OF BAIDU (MAY2020 - MAY2021)

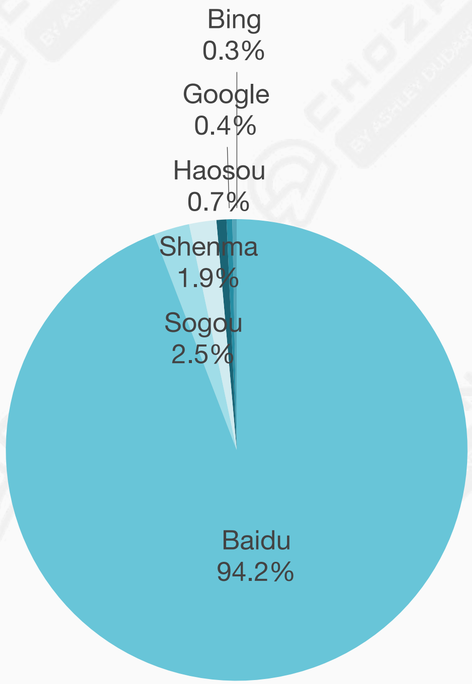


Source: StatCounter

BAIDU IN CHINA

DESKTOP SEARCH ENGINE MARKET SHARE

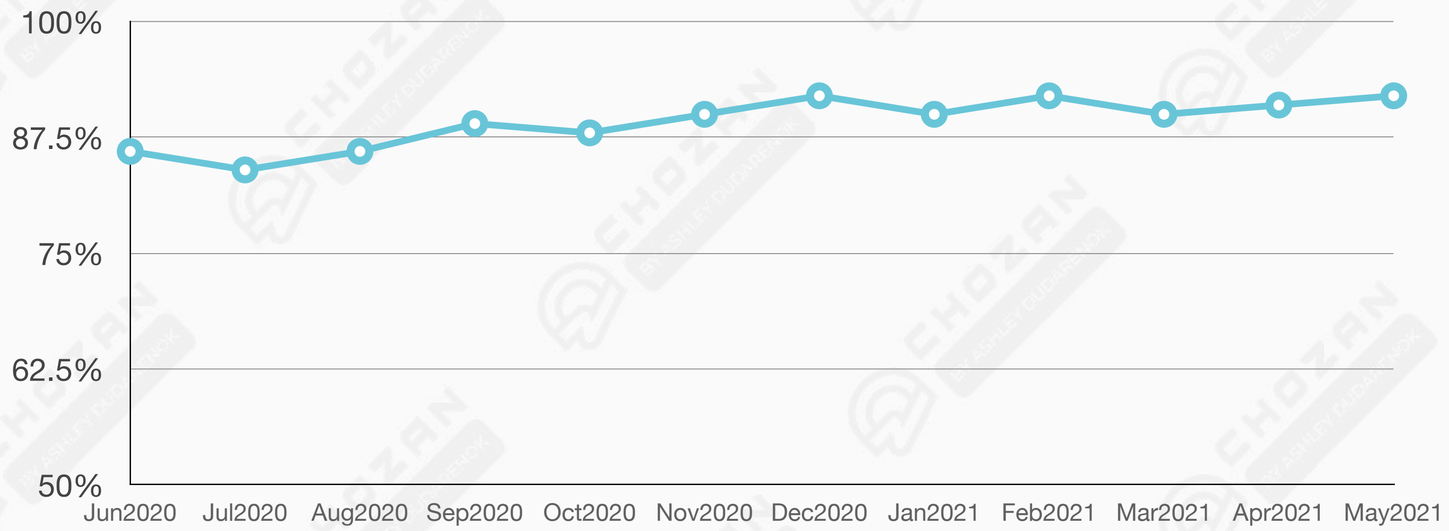
MOBILE SEARCH ENGINE MARKET SHARE IN CHINA BY MAY2021



93.84% MARKET SHARE

MOBILE SEARCH ENGINE BY MAY2021

DESKTOP SEARCH ENGINE MARKET SHARE CHANGE OF BAIDU (MAY2020 - MAY2021)



Source: StatCounter

BAIDU IN CHINA

ECOSYSTEM

USER PRODUCTS

Baidu

Haokan

Baidu Tieba

Aiqiyi

MAJOR SUPPORT

WEB HOSTING
-33% of revenue

SMART MINI PROGRAMS
-420 thousand apps

BAIDU ACCOUNTS
-3.6 million users

MAJOR VERTICAL CATEGORIES

MOAT

KNOWLEDGE
Baidu Knows, Baidu Wenan, Baidu Baike

VEHICLE
Youjia

FICTION
Qimiao

MAJOR SUPPORTING CATEGORIES

HEALTH
Yidianwen zhen

LIVESTREAM
Baidu livestream

E-COM
Baidu minishop

EDUCATION
Zhiliao haoxue

OTHERS

Baidu cloud, games….

2020 INVESTMENT

CONTENT
-iReader Technology Co.

E-COMMERCE
-Guiderank

LIVE-STREAMING
-YY Live-streaming

LIVE-STREAMING
-others…

MARKETING

- IP resources, smart marketing platform

INFRASTRUCTURE

- payment, CRM, accounts

Source: iFeng Finance

BAIDU IN CHINA

BAIDU ECOSYSTEM

BAIDU ECOSYSTEM

Including areas from traveling to knowledge sharing to news, all the apps together provide services for more than one billion Chinese people.

Travelling	
Knowledge	
Tools	
Informations	
Casual	
Shopping	
Social	

Source: 百度营销

BAIDU IN CHINA

AI INFRASTRUCTURE

With AI as infrastructure, Baidu marketing provides many types of services for brands.
Occasions include advertising on different devices and platforms, inferring consumer insights from user data, tracking the effects of campaigns, and sentiment analysis.

2.3 MILLION
OPERATORS AND PROGRAMMERS

OVER 270+
AI OUTPUTS

1,000 BILLION
日調動突破

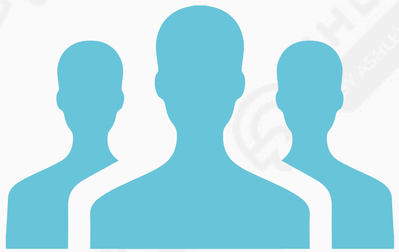
10,000 + PATENT
NO.1 OF MAINLAND CHINA

Source: 百度营销

BAIDU IN CHINA

LIVE-STREAMING

KNOWLEDGE, SERVICES, CONSUMPTION, ENTERTAINMENT



+317%

LIVE-STREAMERS

BAIDU LIVE-STREAMING ECOSYSTEM

900 MILLION

PLAYS MONTHLY

COMMENTS, LIKES, SHARES, SUBSCRIPTIONS, GIFTING

Source: Baidu Livestreaming Ecosystem Report

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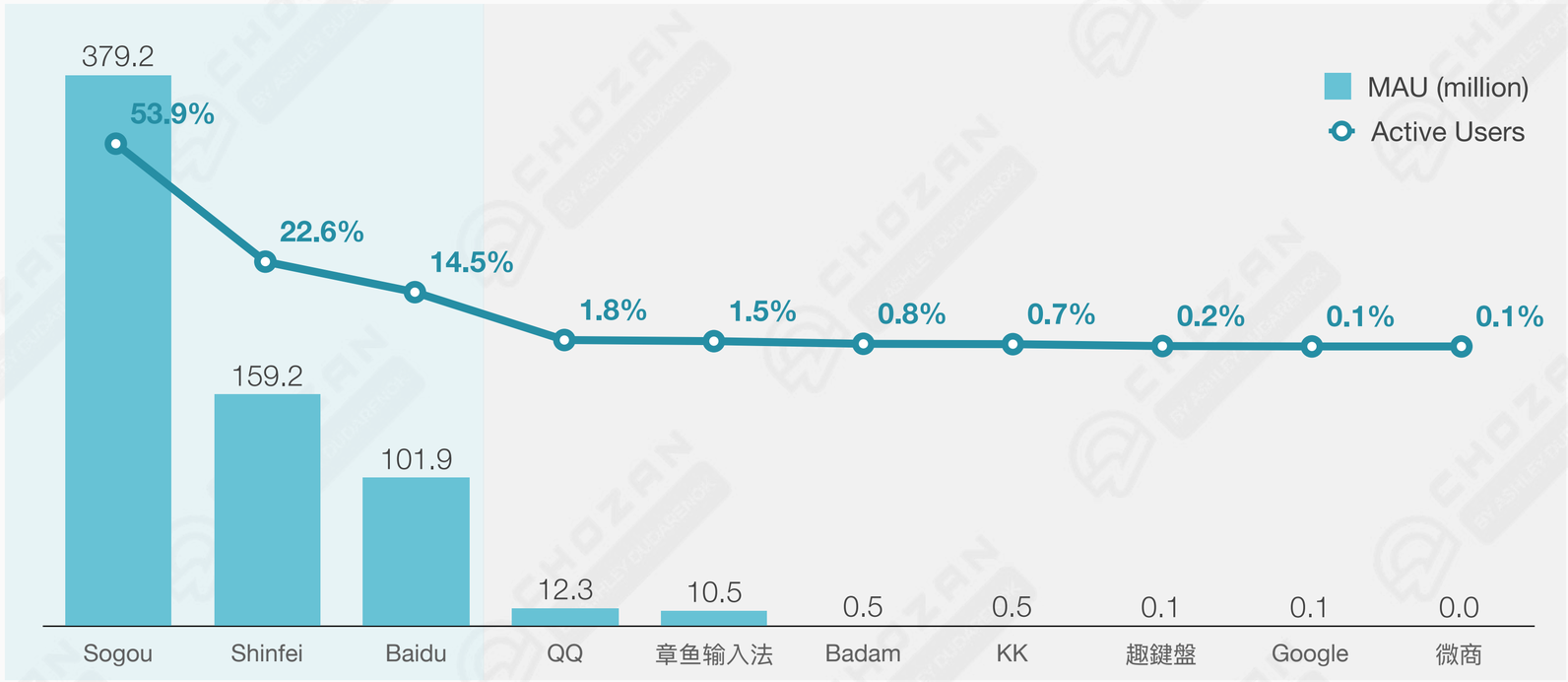
BAIDU IN CHINA

WECHAT



Source: MobTech, 2020.5

Founded in 2004, Sogou started in the search engine business, and then expanded to the input platform business. Its product Sogou Pinyin now has the highest market share in China's input platform market, and its search engine, following Baidu, has the second highest market share.

BAIDU IN CHINA

WECHAT

Three types of advertising:

SEARCH ENGINE ADVERTISING

INPUT ADVERTISING

NEWS FEED ADVERTISING

Source: 搜狗智能营销平台

BAIDU IN CHINA

WECHAT

AN EXAMPLE FOR INPUT ADVERTISING

When you are chatting with your friend on WeChat, and putting in some product's name, the information of the relevant product on connected e-commerce platforms like JD.com will display.

480 MILLION

DAU OF INPUT METHOD ON SMART PHONE

Source: 搜狗智能营销平台

EXPERT BITES

Q: WHAT'S THE BEST WAY TO MARKET YOUR B2B PRODUCT IN CHINA IN 2021?

Baidu ads remain a great way to start generating leads for B2B products and services. Buyers of high-ticket products tend to do a lot of research, so it's important to educate them. This can be done with plenty of useful and interesting content, which can be shared on Zhihu and WeChat.

TAIT LAWTON
Founder of
Nanjing Marketing Group

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MARKETING CALENDAR Q3 2021

EDITORIAL CALENDAR
Q2 2021

Buzzwords and key themes to pay attention to:

- **Labour Day:** Holiday, life, labour
- **5.5 Shopping Festival:** discounts
- **Mother's Day**: Mother, family, maternal love
- **Taobao Foodie Day**: Foodie, delicious food
- **Network Valentine's Day**: confession, love, I love you, gifts

MAY

S	M	T	W	T	F	S
						1 Labour Day
2	3	4	5 5.5 Shopping Festival	6	7	8
9 Mother's Day	10	11	12	13	14	15
16	17 Taobao Foodie Day	18	19	20 Network Valentine's Day	21	22
23	24	25	26	27	28	29
30	31					

EDITORIAL CALENDAR

CREATIVE REFERENCES

MAY

Network Valentine's Day Celebration

Screenshot of Rejoice's VR boyfriend campaign promotion during 520

Screenshot of Tiffany's 520 Special Edition necklace sold out on official mini program

EDITORIAL CALENDAR

Q2 2021

Buzzwords and key themes to pay attention to:

- **Children's Day:** nostalgic, toys, candies
- **RED Shopping Festival:** discounts, anniversary
- **Dragon Boat Festival:** Zongzi, dragon boat, green
- **6.18 Shopping Festival:** discounts, presale, livestreaming
- **Father's Day:** Dad, masculine,

JUNE

S	M	T	W	T	F	S
		1 Children's Day	2	3	4	5
6 RED Shopping Festival	7	8	9	10	11	12
13	14 Dragon Boat Festival	15	16	17	18 6.18 Shopping Festival	19
20 Father's Day	21	22	23	24	25	26
27	28	29	30			

EDITORIAL CALENDAR

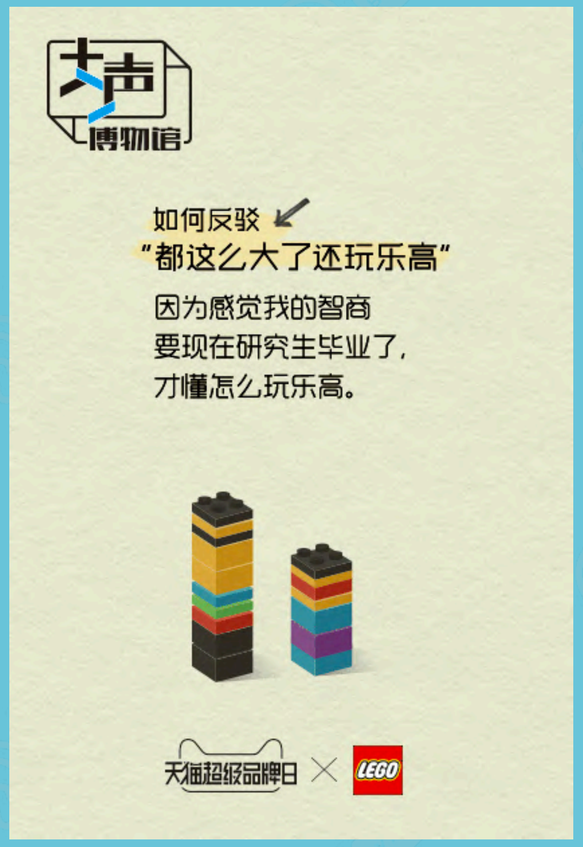
CREATIVE REFERENCES

JUNE

Children's Day Celebration

Screenshot of Tmall x LEGO Children's Day campaign

Showcasing people reacting to the phrase: "You're too old for LEGO"



EDITORIAL CALENDAR

Q3 2021

Buzzwords and key themes to pay attention to:

- **The CCP Anniversary:** love the party and the country, mainstream theme, red
- **The Moderate Heat and Great Heat — traditional Chinese solar terms:** scorching hot, cooler, summer holiday, traveling

JULY

S	M	T	W	T	F	S
				1 The Chinese Communist Party Anniversary	2	3
4	5	6	7 Moderate Heat	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22 Great Heat	23	24
25	26	27	28	29	30	31

EDITORIAL CALENDAR

CREATIVE REFERENCES

JULY

The CCP Anniversary

Screenshot of Dongfeng Fengxing promotion in 2018

Mengniu Just Pure poster in 2017

EDITORIAL CALENDAR

CREATIVE REFERENCES

JULY

Celebration of Great Heat

Screenshot of Pepsi Greater Heat Promotion

Macdonald’s limited edition cat grip blind box during Greater Heat

EDITORIAL CALENDAR

Q3 2021

Buzzwords and key themes to pay attention to:

- **Army Day:** respect, Bing Gege/Brother Soldier
- **Liqiu/Autumn Commences:** tie qiu biao/eat more and eat health
- **Qixi:** love, affection, romance

AUGUST

S	M	T	W	T	F	S
1 Army Day	2	3	4	5	6	7 Liqiu/Autumn Commences
8	9	10	11	12	13	18 Qixi (Chinese Valentines Day)
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

EDITORIAL CALENDAR

CREATIVE REFERENCES

AUGUST

Celebration of Chinese Valentine's Day

Limited edition lipstick by YSL during Qixi

Limited edition makeup gift box by Pechoin x Chow Tai Fook

EDITORIAL CALENDAR

Q3 2021

Buzzwords and key themes to pay attention to:

- **The First Day of School:** new device, ‘good good study, day day up’
- **Teachers’ Day:** respect
- **The Mid-autumn Festival:** moon cake, enjoy the glorious full moon
- **Qiufen/Autumnal Equinox:** crab

SEPTEMBER

S	M	T	W	T	F	S
				1	2	3
4	5 The First Day of School	6	7	8	9	10 Teachers’ Day
11	12	13	14	15	16	17
18	19	20	21 The Mid-autumn Festival	22 Qiufen/ Autumnal Equinox	23	24
25	26	27	28	29	30	31

MARKETING CALENDAR

SEPTEMBER

SCHOOL SEASON

MARKETING KEYWORDS / THEMES:

 # STUDENT

 # POSITIVE AND ENCOURAGING

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CHINA MARKETING CIRCLE

SEPTEMBER 1ST IS THE UNIVERSAL NEW SCHOOL YEAR START DAY FOR ALL STUDENTS IN CHINA. IT IS AN IMPORTANT TIME POINT FOR BRAND MARKETING.

FOR BRANDS WITH A STRONG RELATIONSHIP WITH STUDENT GROUPS, CLEVER MARKETING IS SOMETHING THE BRANDS MUST NOT LET GO. BRANDS THAT SEEM TO HAVE LITTLE RELATIONSHIP WITH THE STUDENT POPULATION ARE ALSO SECRETLY MAKING EFFORTS.

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CHINA MARKETING CIRCLE

1

NIPPON PAINT

NIPPON PAINT

MARKETING THEMES:

BRAND REJUVENATION

Logos © NIPPON PAINT
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CHINA MARKETING CIRCLE

MARKETING CALENDAR

SEPTEMBER

- NIPPON PAINT JOINED HANDS WITH BILIBILI TO LAUNCH THE "SCHOOL BIG BATTLE" EVENT, AND RELEASED THE PRODUCT VIDEOS OF NIPPON PAINT FROM FOUR REFRESHING ANGLES OF LIFE, ATTITUDE, EMOTIONS AND SKILLS.
- IT BROKE THE STEREOTYPED IMAGE OF THE PAINT BRAND IN THE MINDS OF CONSUMERS AND REBRANDED ITSELF WITH A YOUTHFUL IMAGE.

Source: sohu
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CHINA MARKETING CIRCLE

1 DELIVERING A YOUNG BRAND IMAGE

NIPPON WORKED WITH BILIBILI'S STREMAER "BREEZE KAZE", WHO IS POPULAR AMONG YOUNG PEOPLE, AND INVITED HIM TO SHARE INTERESTING THINGS ABOUT THE BEGINNING OF SCHOOL FOR THE STUDENT GROUP AND NATURALLY INSERT PRODUCTS IN.

Source: sohu
Screenshot via weibo
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CHINA MARKETING CIRCLE

2 BUILDS MOMENTUM ON WEIBO

NIPPON LAUNCHED ITS EVENT LAYOUT ON WEIBO HALF A MONTH IN ADVANCE, AND INVITED A NUMBER OF WEIBO CELEBRITIES WHO ARE VERY POPULAR WITH GEN Z TO WARM UP THE BILIBILI "SCHOOL OPENING CAMPAIGN" EVENT, CONDUCT LOTTERY ACTIVITIES, ETC.

Source: sohu
Screenshot via weibo
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CHINA MARKETING CIRCLE

MARKETING CALENDAR

SEPTEMBER

2

CHENGUANG STATIONERY: "VITALITY" NEW PRODUCTS

M&G 晨光文具

MARKETING THEMES:

SHOW A VIBRANT IMAGE AND BUILD EMOTIONAL CONNECTIONS

Logos © 晨光文具

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CHINA MARKETING CIRCLE

1

CROSS-BORDER COOPERATION TO LAUNCH NEW VITALITY PRODUCTS

AS A LEADER IN THE STATIONERY INDUSTRY, CHENGUANG STATIONERY JOINED HANDS WITH THE POPULAR TEA BRAND NAYUKI TO USE ITS MAIN DRINK'S FRUIT COLORS AS THE BASE COLORS OF THE STATIONERY, CHANGING THE PREVIOUS DULL COLOR SCHEME TO ATTRACT STUDENTS WITH NEW FUN COLORS.

Source: sohu

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CHINA MARKETING CIRCLE

IN LINE WITH THIS THEME, CHENGUANG HAS EXTENSIVELY DEPLOYED OFFLINE POP-UP STORES WITH THE THEME OF "VITALITY GAS STATIONS", CHEERING FOR THE STUDENTS WHO ARE ABOUT TO START SCHOOL, AND SHOWING THE BRAND'S FULL IMAGE OF VITALITY.

Source: sohu
Screenshot via https://3g.k.sohu.com/t/n478816818

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CHINA MARKETING CIRCLE

MARKETING CALENDAR

SEPTEMBER

2 BUILD EMOTIONAL CONNECTIONS WITH STUDENTS

AT THE SAME TIME, CHENGUANG ALSO PARTNERED WITH **NETEASE MUSIC** TO INVITE MEMBERS OF **FAMOUS IDOL GROUPS** TO SING THE SCHOOL OPENING SONG, WHICH CONNECTED WITH STUDENTS ON A MORE EMOTIONAL LEVEL.

Source: sohu
Screenshot via https://3g.k.sohu.com/t/n47891618
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CHINA MARKETING CIRCLE

TEACHERS' DAY

MARKETING KEYWORDS / THEMES:

 # ATMOSPHERE

 # EMOTIONAL RESONANCE

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CHINA MARKETING CIRCLE

1 XDF: "STORY" IS A PLUS

新东方 XDF.CN

MARKETING THEMES:

HIGH-PROFILE THANKSGIVING, ONLINE AND OFFLINE INTEGRATION

Logos © XDF
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CHINA MARKETING CIRCLE

MARKETING CALENDAR

SEPTEMBER

1 WARM VIDEO: CREATE AN EMOTIONAL ATMOSPHERE

XDF RELEASED A SHORT FILM ON TEACHER'S DAY IN ADVANCE, SHOWING THE GREATNESS OF TEACHERS WITH MULTIPLE STORIES. THE LAST SENTENCE "TIMES ARE CHANGING, GOOD TEACHERS ARE ALWAYS ONLINE" EXPRESSES THE CONCEPT OF XDF.

Source: soloseo
Screenshot via https://www.soloseo.com/gan-huo/detail-3414.html
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CHINA MARKETING CIRCLE

2 IMPROVE USER INTERACTION

- TO INCREASE THE INTERACTION WITH USERS, XDF IS STARTING THE INTERACTIVE ACTIVITY OF "WRITE TO YOU" ON SEPTEMBER 1ST.
- XDF ENCOURAGES STUDENTS TO WRITE AND SPREAD THEIR GRATITUDE TO THE TEACHER ON THE OFFICIAL WEBSITE, SO THAT GRATITUDE TO THE TEACHER BECOMES A COMMON PRACTICE IN SOCIETY.

Source: soloseo
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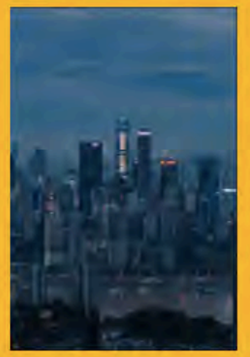
3 CITY LIGHT SHOW HIGH-PROFILE MARKETING



XDF CONTINUED TO HIGHLIGHT TEACHERS IN THE LIGHT SHOW LAST YEAR, PLACING LIGHT BOARD ADVERTISEMENTS IN SOME URBAN BUSINESS DISTRICTS, EXPRESSING HIGH-PROFILE RESPECT FOR GOOD TEACHERS.

Source: soloseo
Screenshot via https://www.soloseo.com/gan-huo/detail-3414.html
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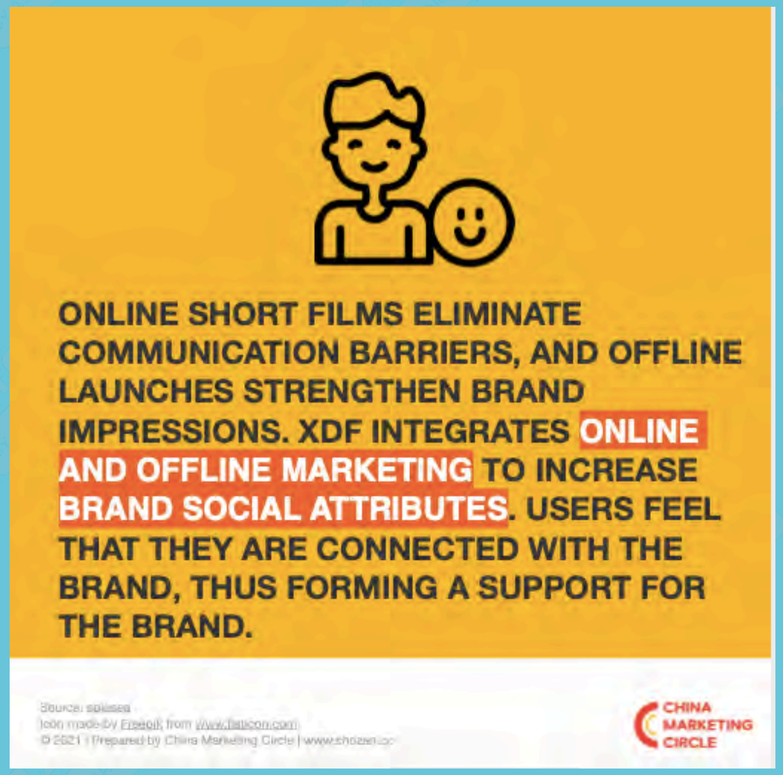
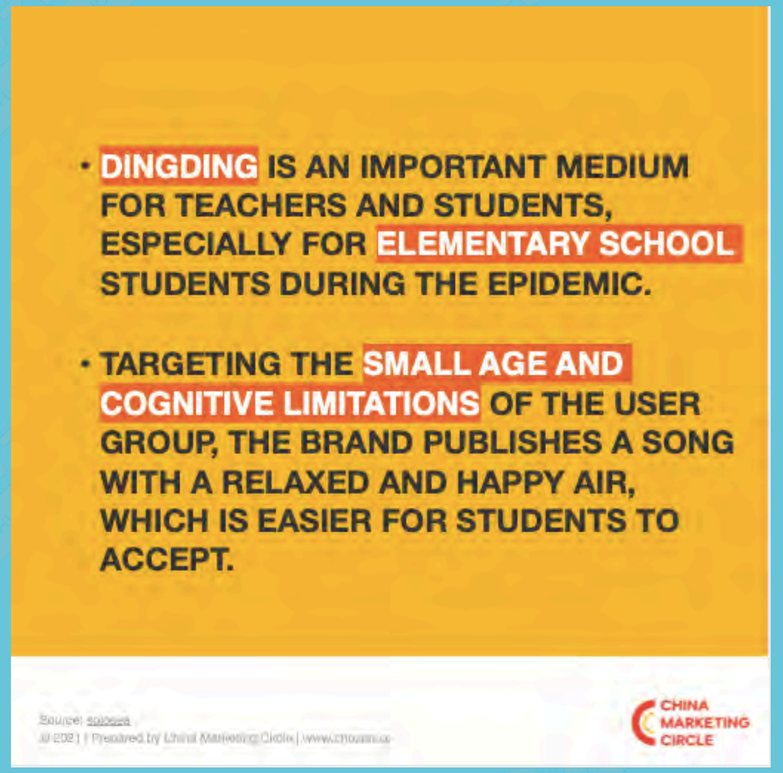
MARKETING CALENDAR

SEPTEMBER





MARKETING CALENDAR

SEPTEMBER

1 THE FUN BOOM BROUGHT BY THE SONG

ON SEPTEMBER 1ST, DINGDING'S "SCHOOL OPENING SONG" HAD A CATCHY MELODY AND FUNNY PICTURES, WHICH SUCCESSFULLY BROUGHT A WAVE OF CLOUD SCHOOL CRAZE EXCLUSIVELY DEDICATED TO DINGDING.

Source: weibo
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CHINA MARKETING CIRCLE

2 CREATE HOT TOPICS

DINGTALK'S RELAXED AND HAPPY "HELLO TEACHER" SONG ON TEACHER'S DAY IS SIGNIFICANTLY DIFFERENT FROM OTHER WARM ATMOSPHERES, WHICH ONCE AGAIN ATTRACTED USERS' ATTENTION.

Source: soloosa
Screenshot via https://www.soloosa.com/gan-huo/detail-9414.html
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CHINA MARKETING CIRCLE

DINGDING TEAMED UP WITH THE SMALL INTERNET CELEBRITY ZHONG MEIMEI (A CHILD WHO BECAME POPULAR FOR IMITATING TEACHERS) AND THE YOUNG ACTOR OF THE FAMOUS TV SERIES "IN THE NAME OF FAMILY", USING A WAVE OF FILM AND TELEVISION ENTHUSIASM TO PROMOTE THE BRAND.

Source: soloosa
Screenshot via https://www.soloosa.com/gan-huo/detail-9414.html
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CHINA MARKETING CIRCLE

MARKETING CALENDAR

SEPTEMBER

KOL INSIGHTS

UNDERSTANDING KOLS IN CHINA

EXPERT BITES

ASHLEY DUDARENOK
Founder of Alarice and ChoZan
LinkedIn Top Voice & 3x best-selling author

Q: WHAT'S YOUR RECOMMENDATION FOR WORKING WITH KOLS, KOCS AND MICRO INFLUENCERS?

For a couple of years in China's digital space, KOLs were a powerful bunch - Chinese consumers trusted their opinions. KOLs' ability to really sell products results in high KOL endorsement investments for brands. While big companies can afford it, for newcomers in China it's more important to first invest money into building their own credibility. That's why focusing on smaller KOLs and 'super fan' KOCs can usually pay off better. As KOCs have a finger on the pulse of your target audience, they can also comment on or even feed you ideas for campaign promotion concepts resulting in higher conversion rates.

Working with KOCs is also a great way for brands to build their own private pools. While in 2021 it's already become a marketing buzzword, many brands are still in the process of figuring out how to make it work in the right way.

GOT A QUESTION? DROP ASHLEY AN EMAIL BY SCANNING THE QR CODE

KOL INSIGHTS

MARKET SIZE

Being the top category of advertising spending, the KOL market size is significantly growing.

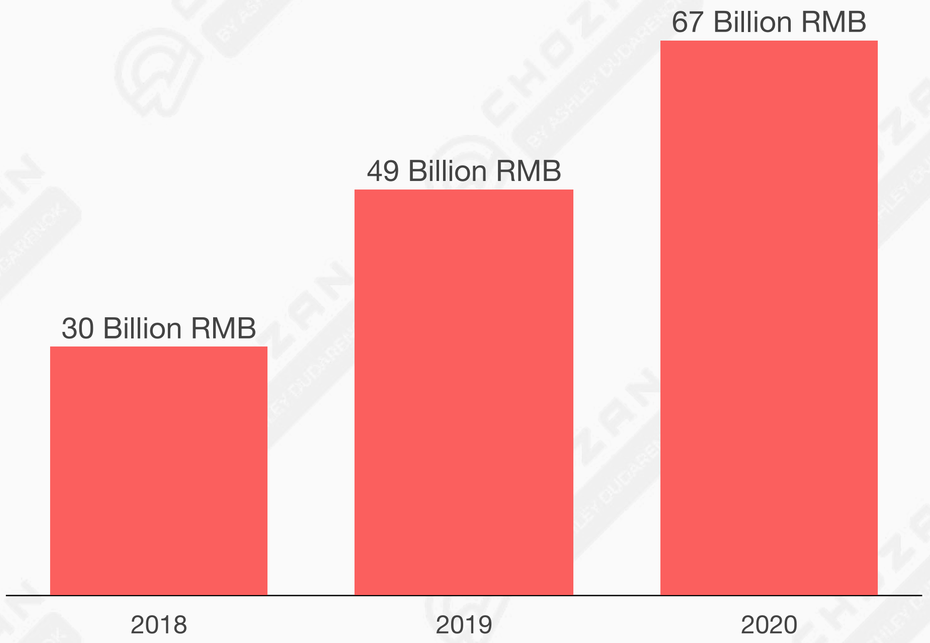
TOP 3 AD SPENT CATEGORIES IN 2020

TOP 1
KOL LIVE-STREAMING COMMERCE

TOP 2
SHORT VIDEO ADS

TOP 1
INFLUENCER MARKETING & CONTENT

KOL MARKET SIZE FROM 2018-2020 (IN RMB BILLION)



Source: Topklout, Commercial KOL Market

KOL INSIGHTS

KOL AND CREATORS IN 2020

WEIBO	DOUYIN	KUAISHOU	BILIBILI
1 MILLION LEADING KOLS (+25% YOY)	**+7109 CREATORS** MILLION FAN KOLS IN (+173%)	**+181.4%** STAR CREATORS (JAN-NOV 2020)	**+70%** MILLION FAN KOL
15 THOUSAND MILLION FANS KOLS (+99% YOY)	**+82% YOY** VIDEO CREATORS	**+18.9%** STAR MAGNET KOLS	**+88%** MONTHLY ACTIVE CREATORS
57% CREATORS ARE 1-5 MILLION FANS KOLS	**86% CREATORS** ARE 1-5 MILLION FANS KOLS	**75% CREATORS** ARE 1-5 MILLION FANS KOLS	**57% CREATORS** ARE 10K- 1 MILLION FANS KOLS

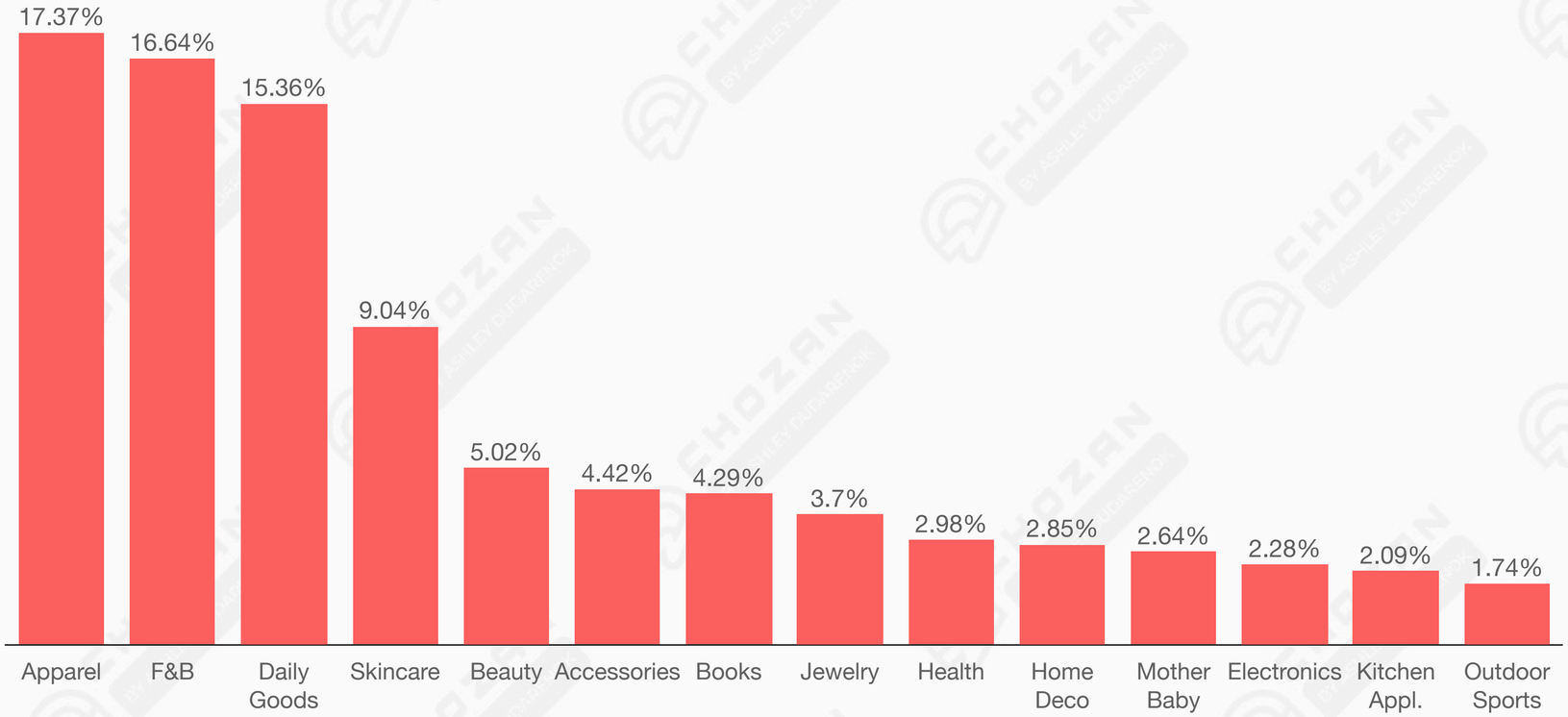
Source: Topklout, Commercial KOL Market & Topklout, KOL Fans Report

KOL INSIGHTS

KOL LIVE-STREAMING COMMERCE

Apparel, food and beverage and daily goods are the main categories in live-streaming commerce, making up to 49% among all categories.

MOST POPULAR PRODUCT CATEGORY DURING KOL LIVE-STREAMING COMMERCE (JAN-JUN 2021)



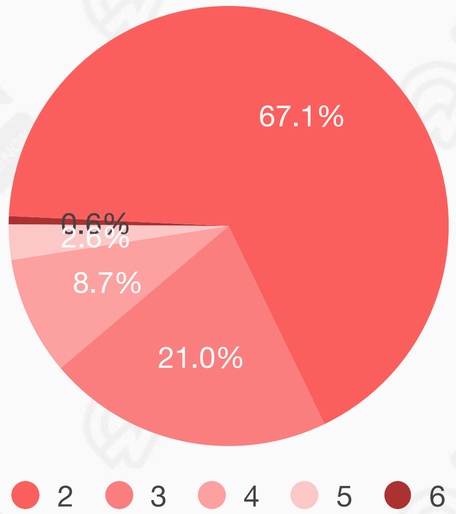
Source: Guoji, H1 2021 Social Commerce Report

KOL INSIGHTS

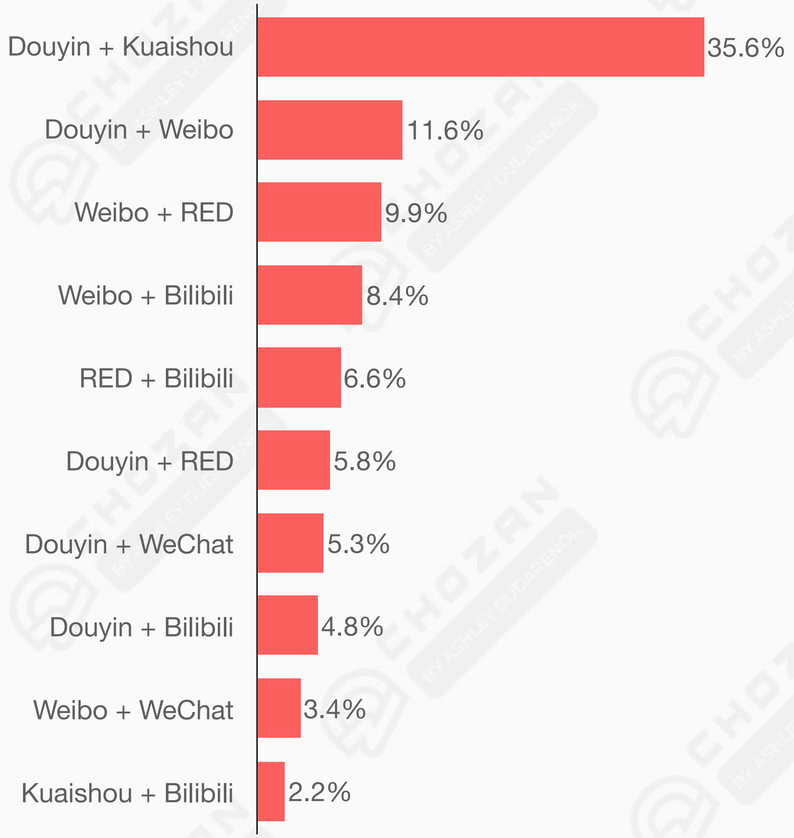
KOLS OPERATING ON MULTIPLE PLATFORMS

Cross-platform KOLs are now the trend. More than 67% of cross-platform KOLs operate on 2 platforms with the most popular combination being Douyin and Kuaishou.

KOL PORTRAIT AMONG NUMBER OF OPERATING PLATFORMS



KOL PORTRAIT AMONG CROSS-PLATFORMS COMBINATIONS



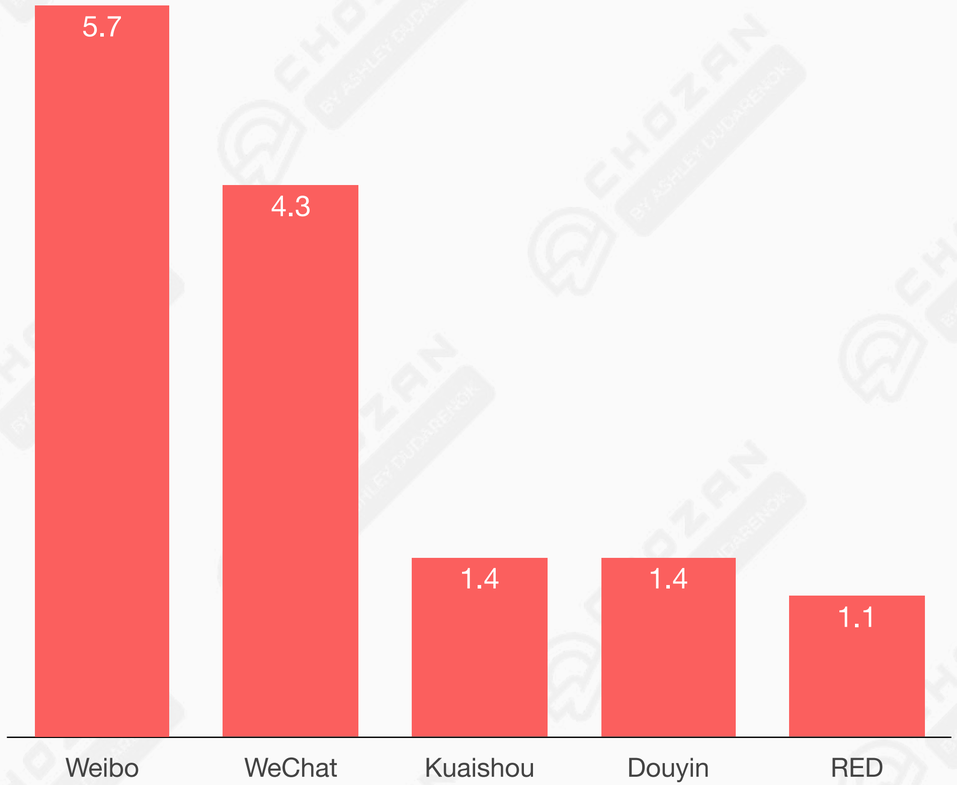
Source: QuestMobile, 2021 KOL Market Report

KOL INSIGHTS

NUMBER OF POSTS

KOLs on Weibo tend to post more among other platforms.

AVERAGE POSTS PER DAY AMONG KOLS FROM DIFFERENT PLATFORMS



Source: QuestMobile, 2021 KOL Market Report

KOL INSIGHTS

TOP 10 CHINESE KOLS IN JULY 2021

	KOL	PLATFORM	SALES (RMB)	PERCENTAGE
1	Viya (薇娅viya)	Taobao	2.18 billion	18.33%
2	Austin (李佳琦Austin)	Taobao	1.63 billion	13.71%
3	Cherie (雪梨_Cherie)	Taobao	880 million	7.4%
4	Dandan (蛋蛋)	Kuaishou	870 million	7.32%
5	Xin Youzhi Simba (辛有志辛巴)	Kuaishou	680 million	5.72%
6	Luo Yonghao (罗永浩)	Tiktok	420 million	3.53%
7	Lieer baby (烈儿宝贝)	Taobao	410 million	3.45%
8	Time is beautiful (时大漂亮)	Kuaishou	340 million	2.86%
9	Timor Little Crazy (Timor小小疯)	Taobao	250 million	2.1%
10	Mr. Dong Jewellery (董先生珠宝)	Tiktok	200 million	1.68%

EXPERT BITES

Q: WHAT TRENDS DO YOU SEE IN TERMS OF KOL AND KOC COLLABORATION?

The rise in popularity of brand-owned influencer channels, KOS (Key Opinion Sales), lets us know that brands finally get it - impactful social communication is a value exchange. The best brands are investing in building internal edutainment channels, which can reduce their reliance on KOLs. However, there will never be a replacement for the scalability or persuadability of word-of-mouth in the form of KOC.

ELIJAH WHALEY

Marketing Vp APAC,
PARK LU

EXPERT BITES

Q: WHAT TRENDS DO YOU SEE IN TERMS OF KOL AND KOC COLLABORATION?

There is an emerging type of KOL content - brands/products blacklist. KOLs share negative comments about certain brands to build a trustworthy reputation. Some may even ask brands to pay for deleting the negative posts.

MIRO LI

Founder of Double V Consulting & CHINAble Academy

EXPERT BITES

Q: WHAT TRENDS DO YOU SEE IN TERMS OF KOL AND KOC COLLABORATION?

The main trend I see is the order that brands enter the market. Between 2017-2019 brands would work with KOLs directly to enter the market, whereas now there is a 70/30 split where 70% of the marketing cost is spent on KOCs for seeding content and the remaining 30% is spent on KOLs. This is a much safer approach to enter the Chinese market for 2021.

DAVID GULASI

Ceo Of Davegulasi.Com
And China Kol

EXPERT BITES

Q: WHAT TRENDS DO YOU SEE IN TERMS OF KOL AND KOC COLLABORATION?

Growing KOC's will be the end goal of a KOL marketing campaign. Sure you can get KOCs to work for your brand through good positioning and great service, but to get your brand on their radar quickly you need to gain their attention and respect. Collaborating with a well targeted KOL with the right creative can give brands this opportunity to wow the KOC's for longer and more sustainable growth.

WILLIAM AUGUST

Creative Director of
Outlandish Studios

EXPERT BITES

Q: WHAT DO YOU THINK BRANDS NEED TO KNOW ABOUT WORKING WITH KOLS IN CHINA RIGHT NOW?

Look at the results rather than just fanbase, look at the authenticity and interactions of the influencers. Even a smaller influencer might be able to sell more than one with a large following and big burdens.

SANDER KOLE

Vlogger

EXPERT BITES

Q: WHAT ARE YOUR THOUGHTS ABOUT CONSUMER BEHAVIOUR AND SOCIAL MEDIA DEVELOPMENTS IN Q3 2021?

The use of Key Opinion Leaders (KOLs), social media influencers and live streaming events to promote brands and products will continue to gather steam.

By the same token, the influence of Key Opinion Consumer (KOCs), also known as micro-influencers, is also on the rise. This is mainly thanks to their strong connection with niche target groups and the high engagement rate.

MARTINA FUCHS

TV Anchor & Business Journalist,
Event Moderator

EXPERT BITES

Q: WHAT'S YOUR RECOMMENDATION FOR BRANDS DOING LIVESTREAMING IN CHINA?

With most brands now having adopted live streaming with celebrities and KOL's it is time to scale this to the next level. Brands equipping and training sales representatives to perform private livestreams to smaller groups of consumers, with which they can build a more intimate trusted relationships, will reap the benefits of a more continuous, highly converting sales channel.

MICHEL TJOENG

SVP Sales & Marketing at ChatLabs

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CHINA MARKET ENTRY IN 2021

EXPERT BITES

Q: WHAT OPPORTUNITIES DO YOU SEE FOR FOREIGN BRANDS ENTERING CHINA?

Since COVID restrictions are expected to remain until the end of early 2022, it continues to be difficult for foreign company representatives to enter China for e.g. the setup of domestic company incorporations or building personal relationships with local distributors. Thus we expect cross-border e-commerce to offer an excellent way to start selling to Chinese consumers directly and invest in marketing and brand building to prepare for a larger roll-out in 2022. We are seeing a significant uptick in cross-border e-commerce interest from European brands specifically, that have overcome COVID in their home countries and now have capacity again to expand internationally, with China being the first and most important target market.

GEORGE GODULA

Chairman at
Web2Asia

EXPERT BITES

Q: WHAT MARKETING ADVICE CAN YOU GIVE COMPANIES ENTERING CHINA?

Carrying on with the regional theme, I would suggest localising by city/region rather than taking a blanket approach across China. Tastes, behaviour, preferences, lifestyles and profiles can vary a lot - even between two neighbouring megacities. In a market as crowded as China, we need to do everything we can do to make our products, messaging, partnerships and promotions more relevant to our target markets' specific functional and emotional drivers.

MARK TANNER

Founder and Managing Director
at China Skinny

EXPERT BITES

Q: WHAT'S YOUR BUDGET RECOMMENDATION FOR BRANDS ENTERING CHINA IN Q3?

China has been attracting global players thanks to wonderful opportunities and exciting growth. Home-grown brands not only bring in new innovations but spice up the competition at all levels which raises the bar for foreign entries. Newcomers must be reminded that China is not an inexpensive market. In fact, it is more costly to enter the Chinese market than the US market. For brands that have just started eCommerce marketplace operations for instance, it is very tempting to allocate a bigger budget to compete in events like 11.11. However, organic, steady growth in both brand equity and consumer recognition is more strategic and brand margin should never be less of a priority compared to sales growth. I suggest brands evenly budget across owned channels and paid channels and continue investing in brand building, targeted KOL or cross-over collaborations.

JASMINE ZHU

Managing Director
at CI Brand Management

EXPERT BITES

Q: WHAT'S YOUR HR RECOMMENDATION FOR COMPANIES OPENING THEIR OFFICE IN CHINA IN Q3?

Shanghai, with preferential policies, variety of local government incentive schemes, fast and clear government responsiveness, the country's first and still expanding pilot Free Trade Zone, integrated transportation infrastructure including the world's largest port, leads all Chinese cities as the best location to open an office in China.

TOMAS KUCERA
Business Development Manager
at FSG

1

UNDERSTAND YOUR INDUSTRY

BRANDS NEED TO INVESTIGATE INDUSTRY TRENDS, PRODUCT TYPES AND INDUSTRY BEST PRACTICES

EXPERT BITES

SYCA JIANG
Marketing Executive
at Alarice & ChoZan

Q: WHAT ARE YOUR RECOMMENDATIONS FOR COMPANIES PLANNING THEIR CHINA ENTRY STRATEGY RIGHT NOW?

Before entry, companies need to decide whether to consider China as a long-term market since even though it is a very attractive market, it is also highly competitive and expensive to tap into.

Once the decision is made and before investing any money on branding and marketing, companies need to do comprehensive research to understand the market potential, the trends, the competitors, the consumers, the opportunities and the challenges.
Brands also need a tailor-made entry marketing strategy by working out in detail the brand's unique selling points and identifying the right platform partners etc.
There is also administration work to be done, like trademark registration, and like finding the right partner in law firms, in TPs (Tmall partners) and in marketing agencies.

GOT A QUESTION? DROP SYCA AN EMAIL BY SCANNING THE QR CODE

2

LEARN FROM CHINESE DOMESTIC COMPETITORS

FOLLOWING A RISE IN NATIONAL PRIDE, CHINESE CONSUMERS ARE MORE WILLING TO SUPPORT DOMESTIC BRANDS. LEARN THE MARKETING METHODS USED BY DOMESTIC BRANDS

3

GET CONSUMER INSIGHTS OF YOUR PRODUCTS

CHINA IS A HIGHLY COMPETITIVE MARKET AND CHINESE CONSUMERS ARE USED TO ATTENTION FROM BRANDS. IT'S CRUCIAL TO UNDERSTAND THEIR PERCEPTION OF PRODUCTS

EXPERT BITES

Q: WHAT OPPORTUNITIES DO YOU SEE FOR FOREIGN BRANDS ENTERING CHINA?

1. The younger consumer base - arguably true for all consumer categories, China provides western brands with a fantastic younger clientele to work with. Yesterday it was Millennials, today it is GenZ and Gen Alpha! Western brands must adapt their product lines, marketing strategy and channels to work with those extreme young buyers or users;
2. Digitization - China is the most innovative and digitized market. Brands from traditional B2B or B2C sectors must be completely aware of the digital competition in China, and integrate into China's digital business environment with sufficient localization;
3. Innovation - the consumer and business landscape in China is changing all the time, no advantage is a “given”. Companies must constantly look for ways to innovate, from sales and marketing, R&D and product, to business processes and management culture.

JASMINE ZHU

Managing Director
at CI Brand Management

4

DISPLAY UNDERSTANDING OF THE LOCAL CULTURE AND DO LOCALISATION

IT'S EXTREMELY IMPORTANT FOR FOREIGN BRANDS IN CHINA TO SHOW UNDERSTANDING OF THE CONSUMERS VALUES AND WHAT IS IMPORTANT FOR THEM

EXPERT BITES

Q: WHAT MARKETING CHANNELS CAN YOU RECOMMEND FOR B2B?

If you want to sell outside of China, try to attend new online trade shows or events where buyers seek products or services like yours. But, of course, here are some “must-do”:

- Make a localized website for China
- SEO on different search platforms, not only on Baidu
- Find a local content manager for creating a lot of content
- Find a local business development manager

SIMON ZAGAINOV

CEO of ExpoPromoter

move into China. It is better to put in more serious efforts than just having a distribution partner.

EXPERT BITES

Q: WHAT ARE THE MOST SIGNIFICANT CHANGES THAT HAPPENED IN YOUR VIEW IN CHINA IN Q2 THAT ARE IMPORTANT FOR FOREIGN BRANDS?

The rise of Chinese domestic brands is an area to look out for as foreign brands consider moving into China. It is better to put in more serious efforts than just having a distribution partner.

CHENYU ZHENG

Founder of
Apple Sister Creative Consultancy

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5

SET A REALISTIC MARKETING EXPECTATION

BE PREPARED TO SEE POSITIVE ROI AFTER 6-18 MONTHS OF YOUR WORK IN CHINA. INVEST IN MARKETING FOR REVENUE MAXIMISATION

EXPERT BITES

ASHLEY DUDARENOK
Founder of Alarice and ChoZan
LinkedIn Top Voice & 3x best-selling author

Q: WHAT ADVICE CAN YOU GIVE BRANDS AIMING TO SELL IN CHINA IN H2 2021?

Before even starting to invest money in any activities in China, brands need to set clear sales results expectations. China is not a cheap market, it's highly competitive and Chinese consumers are very spoilt for choice. Consumer's loyalty is won not through the product itself, but through your brand, so brands need to have local relevance, an interesting story, outstanding content, money to boost that content and an excellent marketing/e-commerce/supply chain team and partners. Being just an international brand is not enough anymore. This being said, companies need to be prepared for negative ROI during the first 12-18 months entering China. Also brands need to have a marketing budget inside the marketplace and outside, since organic search does not work. A typical brand budget is broken down into 50% inside the marketplace (e.g. Tmall) and 50% outside of it (e.g. social media).

GOT A QUESTION? DROP ASHLEY AN EMAIL BY SCANNING THE QR CODE

EXPERT BITES

Q: WHAT'S YOUR BUDGET RECOMMENDATION FOR BRANDS ENTERING CHINA IN Q3?

Unfortunately, there isn't one magic number as a budget recommendation for brands entering China. I would recommend that brands **consider these critical points** to set realistic budgets to sustain market presence in China. Here are a few considerations to get you started:

1. What's your brand maturity and what are the brand objectives needed to drive business objectives? Different brand objectives may require different levels of budget recommendation
2. Identify category benchmarks. How much are the key players spending? Is there an adjacent category to benchmark with?
3. Who are your key consumers and where are they located? This will have an impact on where your key geographical distribution should be and cost of media in different cities may vary, cost of online only vs. O2O2O requires different budget allocation as well.

SAW GIN TOH
Head Of Insights,
Mediacom China

6

BE PREPARED FOR PR CRISES

RECENTLY MANY FOREIGN BRANDS FELL INTO PR CRISES DUE TO NOT UNDERSTANDING THE LOCAL CULTURE AND CHANGES IN CONSUMERS MINDSET. COMPANIES NEED TO BE PREPARED TO KNOW HOW TO DEAL WITH PR CRISES

7

DEVELOP YOUR MARKETING STRATEGY BEFORE GOING TO ANY PLATFORM

GET CLARITY ON WHAT YOU ARE TRYING TO ACHIEVE ON DIFFERENT COMMUNICATION CHANNELS, AND HOW IT CONFORMS WITH YOUR CONSUMER JOURNEY

8

BE AWARE OF RECENT REGULATIONS

CHINA'S DIGITAL SPACE IS CHANGING EXTREMELY FAST, SO IT'S IMPORTANT TO STAY AWARE OF RECENT RELEVANT INDUSTRY REGULATIONS IN ORDER TO ADJUST YOUR STRATEGY

CHINA MARKETING INDUSTRY ADVICE

EXPERT BITES

Q: WHAT DO YOU THINK CHINESE CONSUMERS WILL FOCUS ON IN TERMS OF CONSUMPTION IN Q3?

Q3 is generally a slow season in China eCommerce, being caught in between the two major shopping festivals: (1) The 618 Mid-year Shopping Festival (June) and the (2) Singles day (Nov). Consumers will be spending less in Q3 compared to the previous quarter but focus on necessities for summer including seasonal fashion, F&B, travel-related accessories and sun protection.

JOSH GARDNER

CEO of Kung Fu Data

LUXURY INDUSTRY

EXPERT BITES

SYCA JIANG
Marketing Executive
at Alarice & ChoZan

Q: WHAT MARKETING CHANNELS YOU CAN RECOMMEND FOR LUXURY BRANDS ?

Young consumers are now the new primary luxury consumers. Chinese luxury consumers are heavily digitalized as more than 50% of their attention is focused online. Hence social media marketing is essential.

There is no fixed and unified marketing channel that works across all brands. Brands should develop social media marketing strategies based on their own brand values and audience. Take Xiaohongshu as an example. Users interested in purchasing luxury goods love browsing its social content. As of July 2021, it boasts over 100 million MAUs, 72% of them are trend-sensitive post-90s keen on not only researching luxury related information but also on sharing their shopping experience.

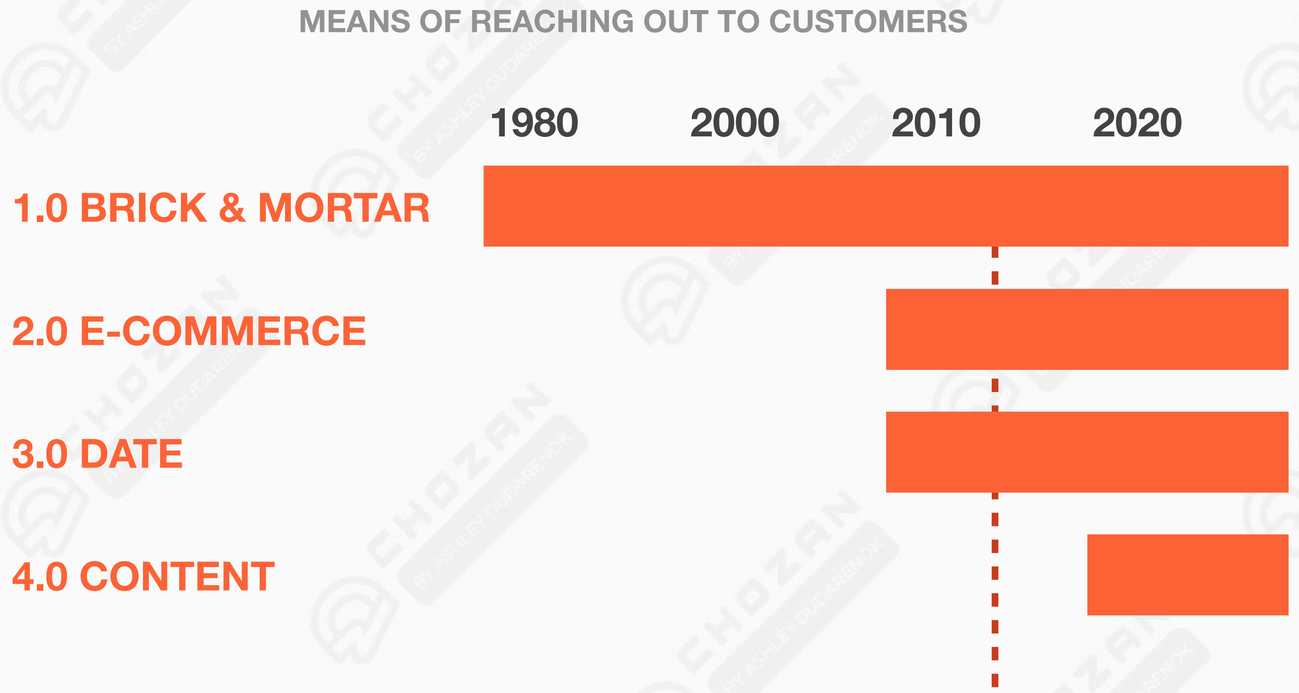
In 2020, many luxury brands such as Gucci, Tiffany, Givenchy, etc. approached young conusmers through Xiaohongshu, opened enterprise accounts, and published engagement-worthy content.

GOT A QUESTION? DROP SYCA AN EMAIL BY SCANNING THE QR CODE

LUXURY INDUSTRY INSIGHTS

COMMUNICATION CHANNEL UPTAKE

In China, luxury brands have evolved from being passively discovered by customers, to brands or customers actively initiating and managing dialog with them. The present-day multi-dimensional approach brings about a change in brand operational perspectives and their communication channels with customers.



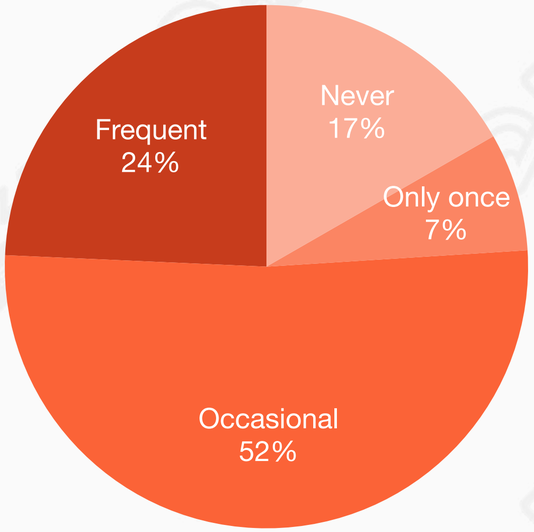
Source:Social +Mobile+ Marketing

LUXURY INDUSTRY INSIGHTS

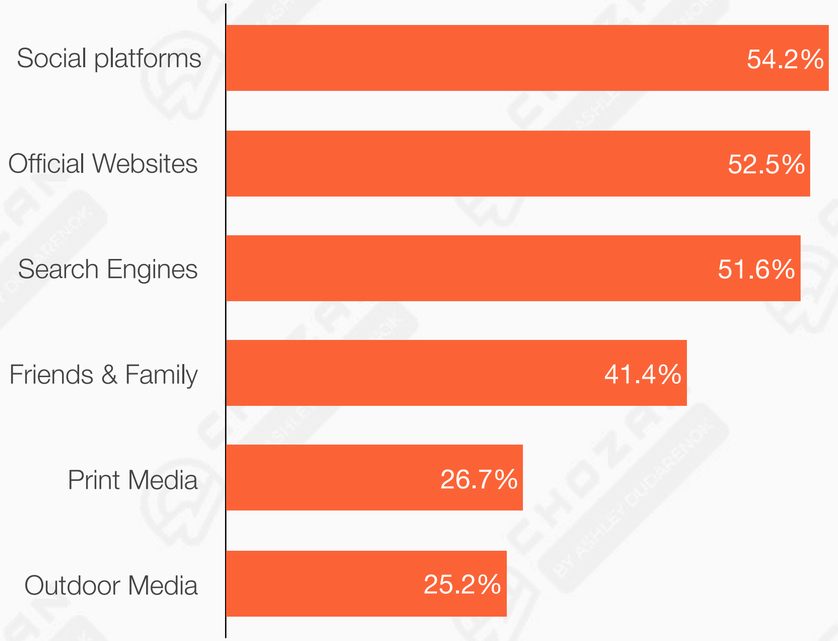
PURCHASING FREQUENCY

As e-commerce matures, the luxury selling focus will gradually move from offline to online, and both channels will continue to cross and complement each other.

PURCHASE FREQUENCY (Q1 2021)



HOW CHINESE CONSUMERS OBTAIN INFO ABOUT LUXURY BRANDS, Q1 2021



Source:iiMedia research

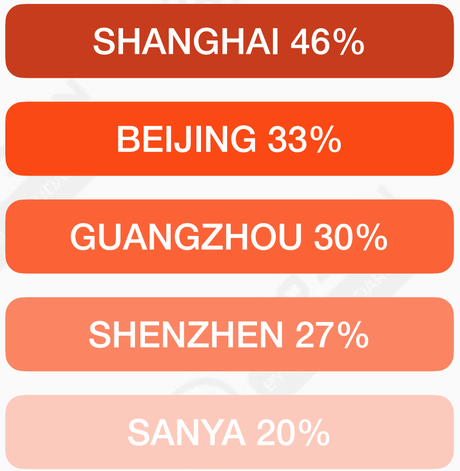
LUXURY INDUSTRY INSIGHTS

SHOPPING CHANNELS: ONLINE & OFFLINE

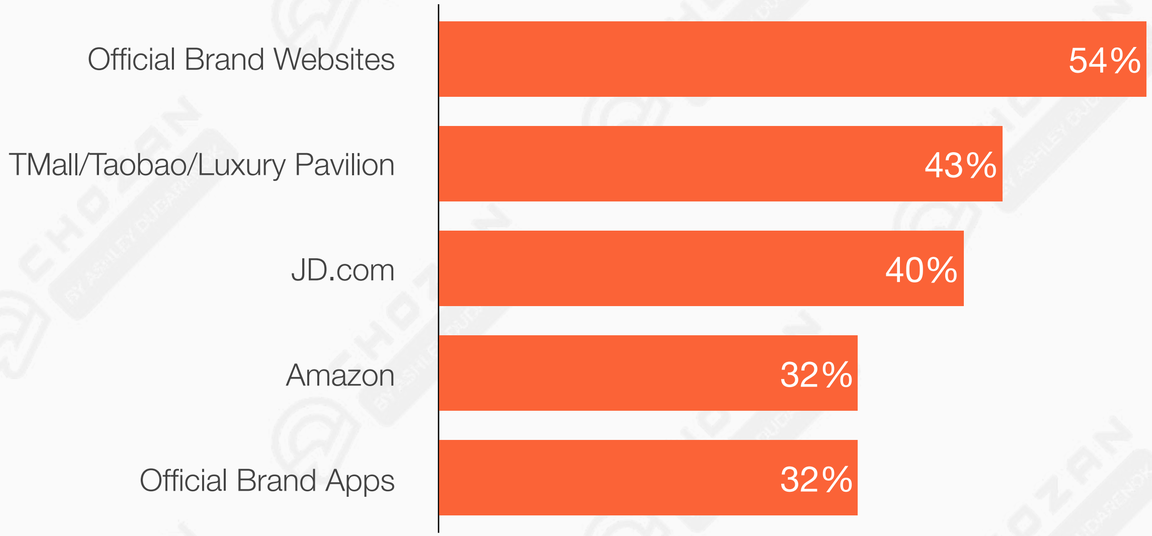
BLACK HORSE

Sanya surpasses all 2nd and 3rd tier cities to place 5th, thanks to its duty-free policies and efforts to reinforce it as a prime shopping holiday destination.

TOP 5 CITIES IN CHINA FOR LUXURY OFFLINE PURCHASES



TOP 5 ONLINE MARKETPLACES FOR LUXURY PURCHASES



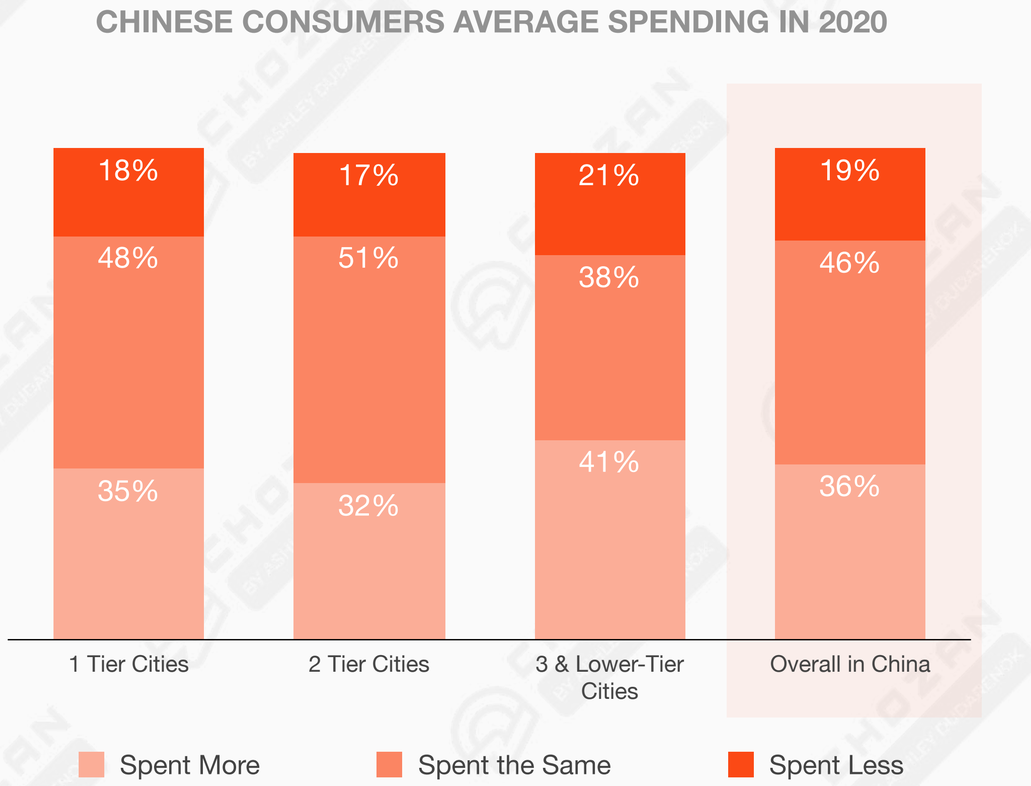
Source:Ruder Finn China Luxury Forecast 2021

LUXURY INDUSTRY INSIGHTS

CONSUMPTION AMID PANDEMIC: A SKETCH

Against the backdrop of COVID-19 that naturally caused consumer confidence to plunge in Q1 2020:

- 36% of those surveyed actually spent MORE on luxury goods than they have previously planned to.
- Mainland Chinese are more optimistic about the future than their HK counterparts.
- Third-tier cities ranked highest with 41% in the “spent more” category



Source:Ruder Finn China Luxury Forecast 2021

LUXURY INDUSTRY INSIGHTS

CONSUMPTION POST-PANDEMIC: CHANGING BEHAVIOURS

Chinese consumers will continue their purchasing desires regarding luxury consumption.

(Survey) TO WHAT EXTENT HAVE YOUR ACTIONS CHANGED SINCE COVID-19?

Source:Ruder Finn China Luxury Forecast 2021

EXPERT BITES

Q: WHAT'S YOUR MARKETING RECOMMENDATION FOR THE LUXURY INDUSTRY IN CHINA RIGHT NOW?

Digitalization in Luxury in China continues to evolve with ever changing consumer behavior. Short video, Livestreaming and particularly Douyin are driving brands to expand their ecommerce digitalization efforts further as new channels bring new opportunities. In particular Douyin KOL campaigns are enjoying success driving direct revenue to brand Douyin ecommerce stores so we can expect to see further investment and innovation in the short video space and more media investment as WeChat continues to fight back with WeChat Channels. Digital experience is also a continued area of focus as fan acquisition and engagement continues to decrease in WeChat official accounts. For many brands the recent maturation of private data digital platforms has come at a good time and is helping to fight that trend with ever more targeted and personalized engagement.

AARON CHANG

CEO & Founder of
Jing Daily

EXPERT BITES

Q: WHAT WERE SOME BIG CONSUMPTION TRENDS IN CHINA IN Q3 2020?

China saw its luxury market grow significantly in 2020, largely due to the repatriation of consumer spending as global travel remained at a standstill. Besides rolling out price harmonisation measures, brands also started looking into leveraging free-trade zones like Hainan and growing their duty-free offerings in the market to drive local consumption. We also noticed a growth in popularity of niche brands, with Chinese consumers being more and more interested in smaller, independent labels – even before they enter the Chinese market.

PABLO MAURON

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

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F&B INDUSTRY

EXPERT BITES

JACKIE CHEN

Digital Marketing & Project Manager
at Alarice & ChoZan

Q: WHAT MARKETING CHANNELS CAN YOU RECOMMEND FOR F&B?

- **RED**: a lifestyle content community platform featuring massive user-generated content. Many users on RED are foodies seeking for restaurant recommendations. It is common practice to partner with some well-known F&B KOLs or KOCs by inviting them to visit the restaurant and produce a tried-and-tested report or vlog afterwards.
- **Douyin**: restaurant tryout content presented as short videos and livestreams. Vloggers can be tapped for collaboration.
- **Dianping / Meituan**: O2O platforms. Usually there's a page created for the restaurant with address, phone number and menus. They can see ratings and comments from other users and also leave their own. They allow users to order food deliveries and purchase vouchers for some restaurants.
- **WeChat**: F&B operators can open a service account on WeChat to provide content and digital services such as queuing, ordering, payment and food takeaway or delivery. They can consider establishing a loyalty program system there. All these functions added up can create a seamless dining experience and retain consumers.

GOT A QUESTION? DROP JACKIE AN EMAIL BY SCANNING THE QR CODE

F&B INDUSTRY INSIGHTS

ATTITUDE TOWARDS FOOD & PROJECTED VOLUME

Chinese consumers are seeking new pleasures and experiences with food.

1970-80s

Struggle for a living/meals

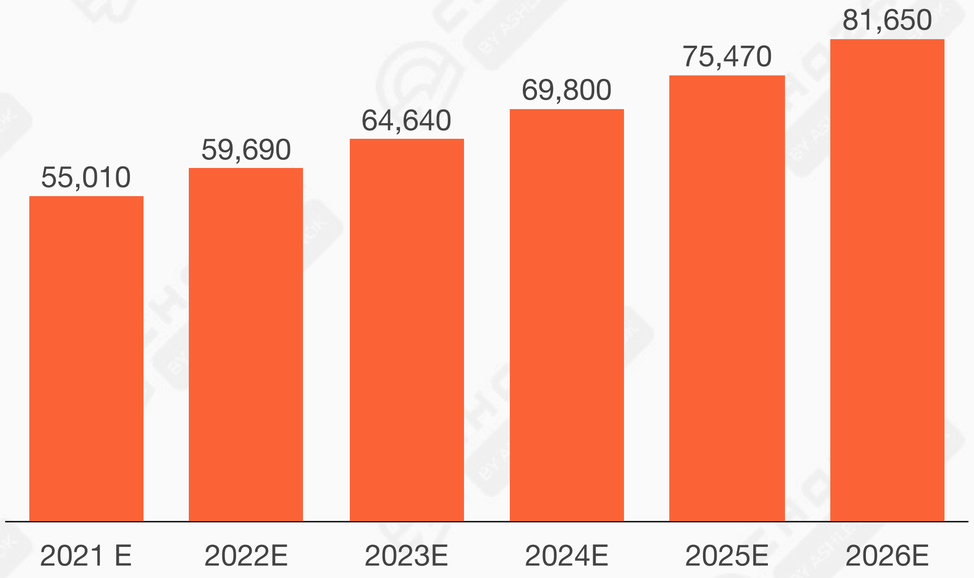
1990s

Satiation

2000s

Pursue the characteristic, the healthy, the nutritious, the convenient, the culture, and leisure elements in food

EXPECTED F&B INCOME PROJECTION IN CHINA (MILLION RMB)



Source:EastMoney.com

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F&B INDUSTRY INSIGHTS

2021 TRENDS

ONLINE-OFFLINE MARKETING

CHAIN NETWORK DEVELOPMENT

SHARED KITCHEN

RETAIL DEVELOPMENT

SMART INTELLIGENCE

F&B INDUSTRY INSIGHTS

2021 TRENDS - ONLINE-OFFLINE MARKETING

DRIVE TRAFFIC ONLINE

Public domain filters, convert to private domain

DRIVE TRAFFIC OFFLINE

Convert to operable assets

Unified member management from integrating both channels of acquisition

Source:EqualOcean,《2020-2021中国餐饮经营参数蓝皮书》

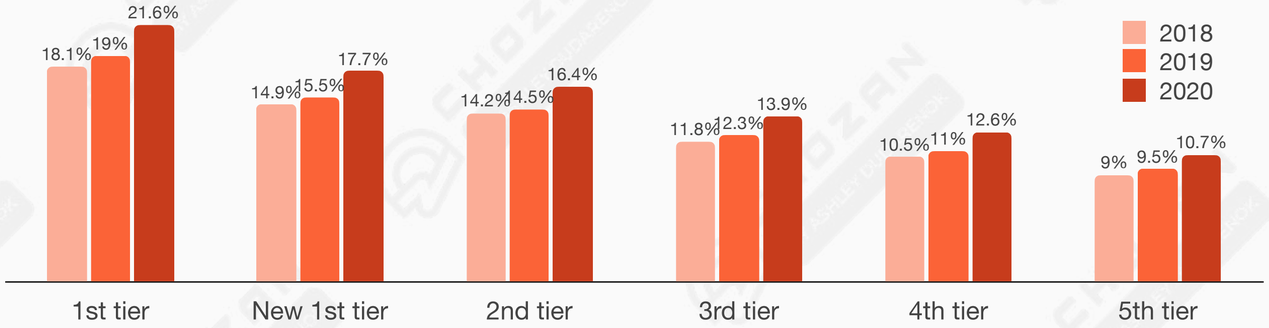
F&B INDUSTRY INSIGHTS

2021 TRENDS - CHAIN/FRANCHISING NETWORK DEVELOPMENT

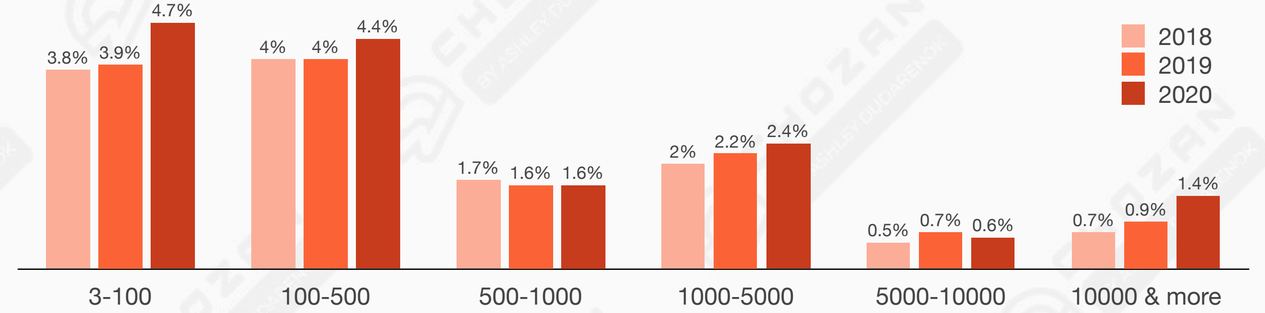
BASED ON THE LAST FIVE YEARS DATA, THE FUTURE OF CHAIN OPERATION LOOKS LIKE:

1. The speed will accelerate, supported by the maturation accumulated from years of branding, management and supply chain development.
2. Failing to weather the pandemic, mom & pop restaurants have receded, creating a void for scaled and fully backed up players to fill.
3. Chinese fast food chains will be more prevalent, after the saturation of mainly Western fast food chains to date. The market potential already exists (with urbanisation and the presence of a vast white collar class), it is only time for them to claim their spot alongside their Western counterparts. They will start penetrating big cities, whereas the Western fast food chains will expand their reach through “sinking” cities.

GROWTH OF CHAIN NETWORKS IN DIFFERENT TIER CITIES



NUMBER DISTRIBUTION OF RESTAURANT CHAIN



Source:HUXIU

F&B INDUSTRY INSIGHTS

2021 TRENDS - SHARED KITCHEN

ONE STOP SHOP

With back-end administration, operational supply chains, big data support, and proxy operations:

1. Provide restaurant space and service team
2. Provide kitchen space
3. License application
4. Centralised ingredient sourcing
5. Advertising & promotion / sales marketing
6. Better reputation with food delivery platforms (Meituan, ele.me) on rate negotiation

4-5 DAYS

OPEN A STORE FROM SCRATCH
(REDUCING OPENING CYCLE BY 90%)

80% REDUCTION

STORE OPENING COSTS

20% INCREASE

OPERATING EFFICIENCY

Source:ebrun

F&B INDUSTRY INSIGHTS

2021 TRENDS - RETAIL THE BRAND

PREMISE

The 3Rs: “ready to eat”, “ready to heat”, “ready to cook”. Semi-prepared food is achieving massive popularity.

SALES CHANNEL : SUPERMARKETS, E-COMMERCE

From sales data on 618: Categories enriched include hotpot soup bases, marinades, noodles, instant coffee, read-to-heat, fast food, and soup items. Old-time players continue to top charts, while new entrants show remarkable performance.

Source:EqualOcean

F&B INDUSTRY INSIGHTS

2021 TRENDS - SMART INTELLIGENCE

DIGITIZED ORDERING

Fully contactless ordering, payment, marketing

SMART EQUIPMENT

Standardised production, lower dependence on chef, steady meal delivery

UNMANNED BAR

Automated order taking, preparation, procurement

KDS DISPLAY SYSTEM

Smooth flow between front-of-house and kitchen, minimising unnecessary movements

KITCHEN SURVEILLANCE

Monitor staff body temperatures real time

Source:EqualOcean, 《2020-2021中国餐饮经营参数蓝皮书》

Cotton scandal, such as Urban Revivo, Peacebird and Li Ning.

EXPERT BITES

Q: WHAT CONSUMPTION TRENDS DO YOU SEE FOR SUMMER 2021?

Here are some of the industries that come to my mind. In terms of food and beverage, Chinese consumers are increasingly loving their bubble tea and new beverages such as Nayuki Tea or Hey Tea. They are embracing the trend of consuming light food as they believe it's a good start to either stay healthy or lose weight. In terms of fashion, domestic fashion brands such as Urban Revivo, Peacebird and Li Ning, are gradually winning love from Chinese consumers, especially after the Xinjiang Cotton scandal.

KEJIE YI

Content Manager at
China Marketing Insights

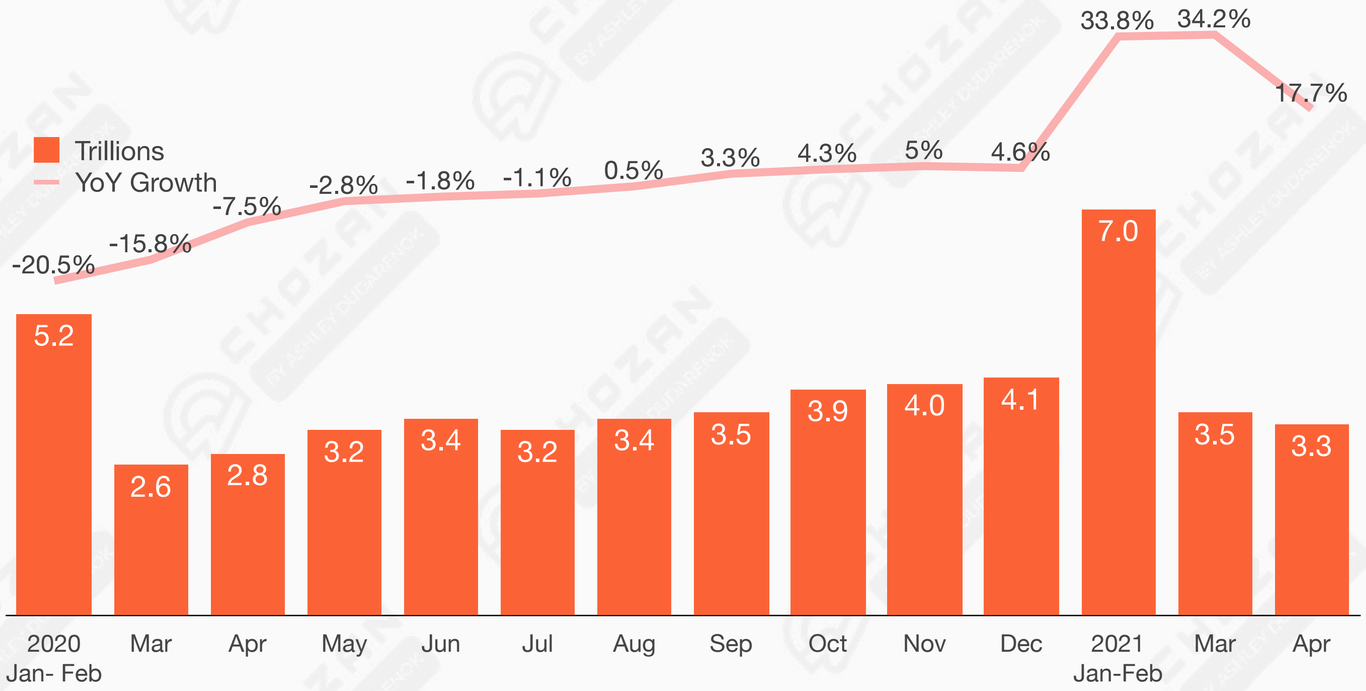
TRAVEL INDUSTRY

TRAVEL INDUSTRY INSIGHTS

CHINA'S DIGITAL SPACE AT GLANCE

The Chinese consumer market has fully recovered and is expected to continue growing.

2020-2021 TOTAL RETAIL SALES OF CHINESE CONSUMER GOODS



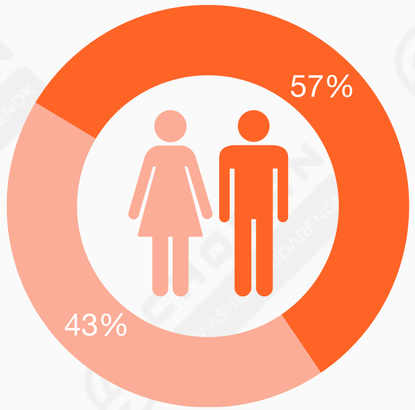
Source: iResearch, 2021 Online Travel Platform Report

TRAVEL INDUSTRY INSIGHTS

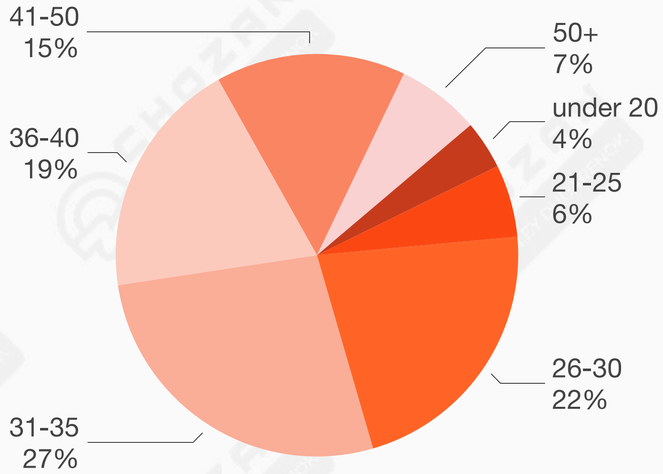
CHINESE TRAVELLERS PORTRAIT

Users of online travelling platforms are dominated by males, aged between 31-35 and are located in higher tier cities.

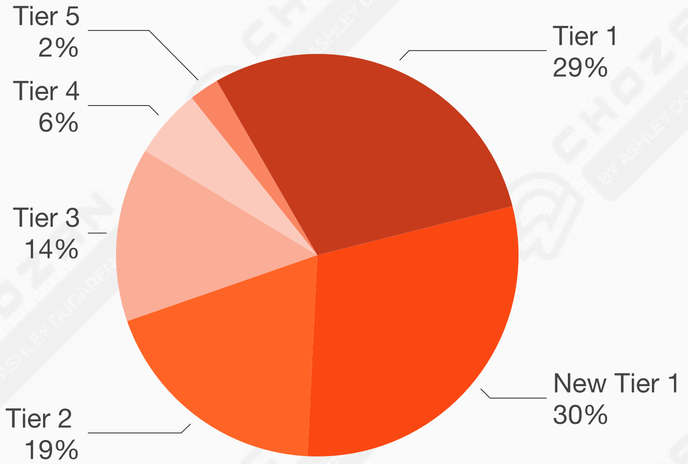
AMONG GENDER



AMONG AGE GROUP



AMONG CITY TIER



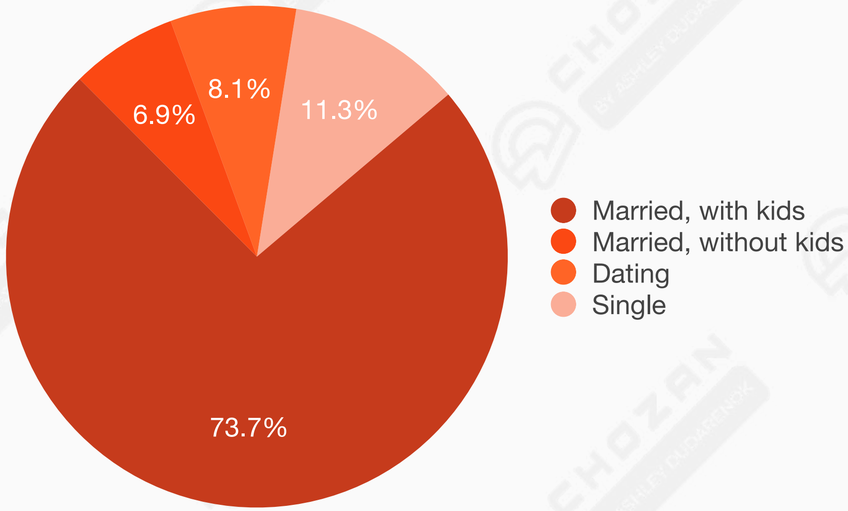
Source: iResearch, 2021 Online Travel Platform Report

TRAVEL INDUSTRY INSIGHTS

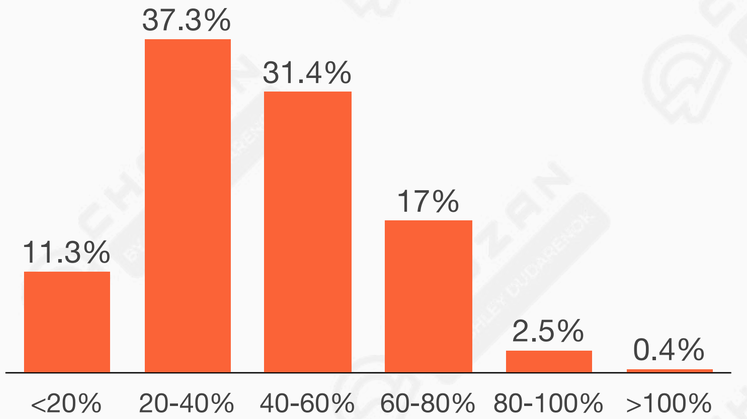
FAMILY TRAVEL

Most of the travellers in China are married couples who have children, they are likely to spend 20-60% of their monthly income for travelling.

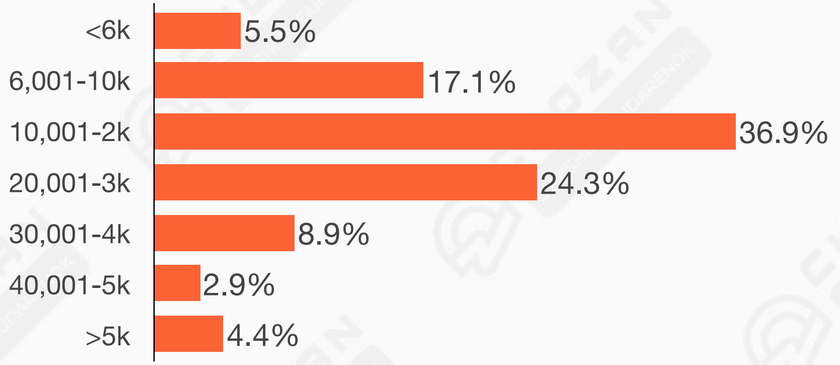
MARITAL STATUS



SPENDING OF MONTHLY INCOME



BY MONTHLY FAMILY INCOME (RMB)

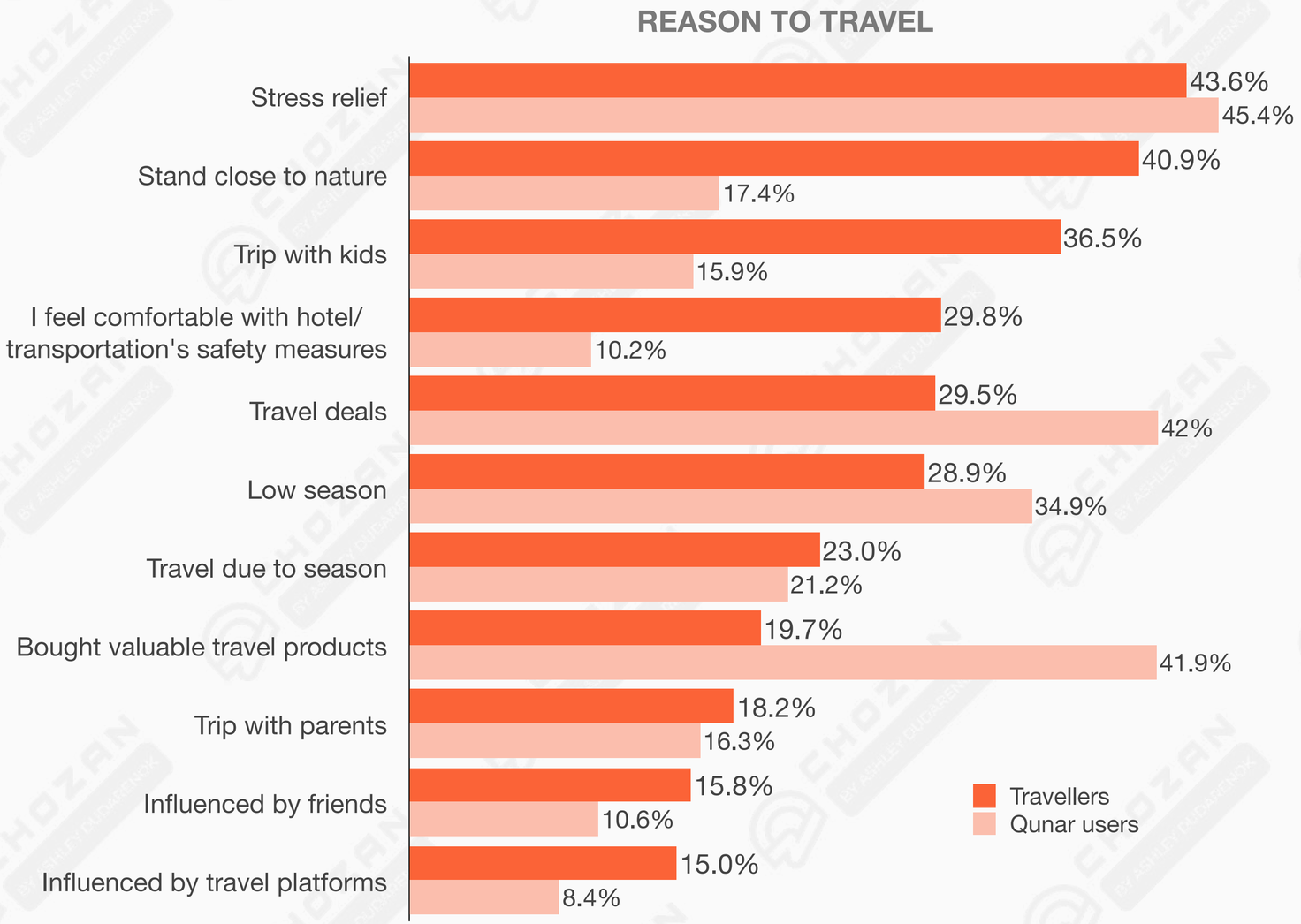


Source: iResearch, 2021 Online Travel Platform Report

TRAVEL INDUSTRY INSIGHTS

MOTIVATIONS

The main reason a majority of Chinese consumers travel is to relieve stress and to stand close to nature, while Qunar users are more likely to travel due to product/service lead reasons.



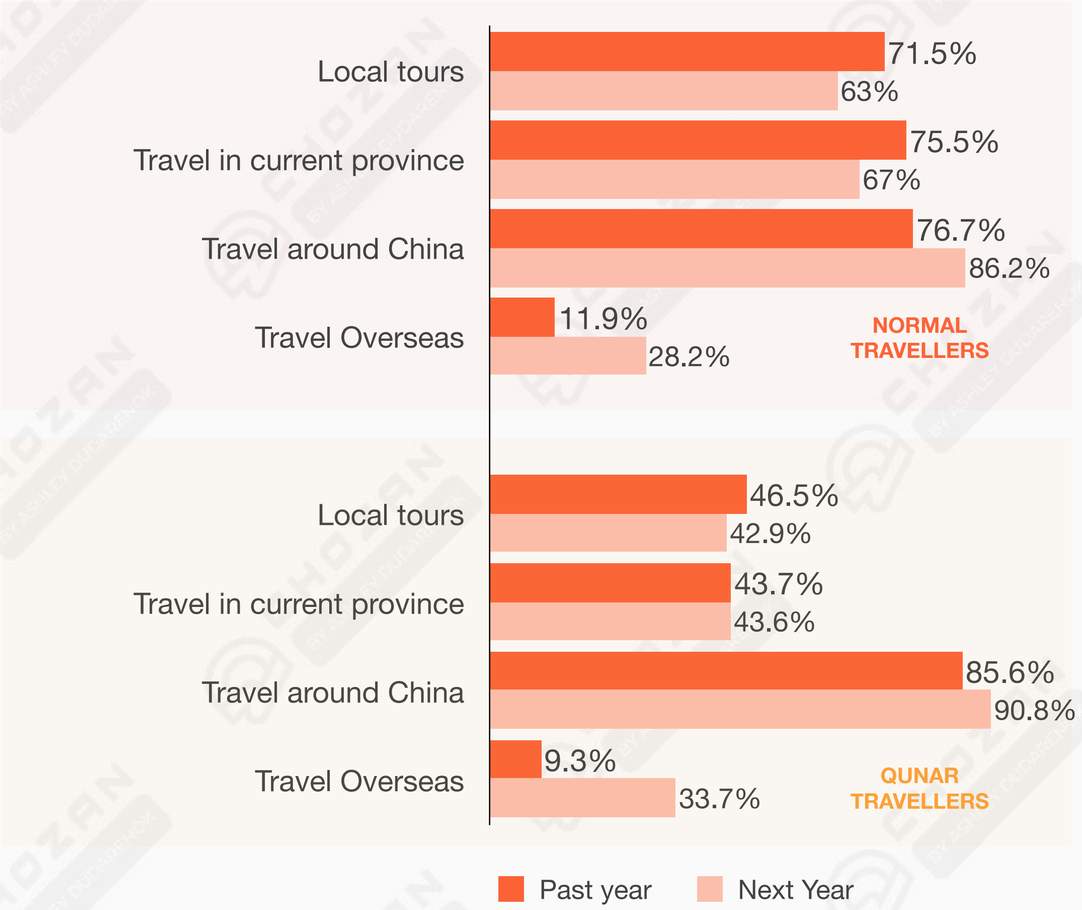
Source: iResearch, 2021 Online Travel Platform Report

TRAVEL INDUSTRY INSIGHTS

INTERNATIONAL TRAVEL PLANS

Due to COVID-19, Chinese were not able to travel overseas due to quarantine measures. Their overseas travel plans for the coming year shows significant increase.

TRAVEL PLANS FOR THE COMING YEAR AMONG NORMAL TRAVELLERS AND QUNAR USERS



Source: iResearch, 2021 Online Travel Platform Report

E : info@chozan.co W : www.chozan.co W : www.alarice.com.hk

TRAVEL INDUSTRY INSIGHTS

DUTY FREE IN CHINA

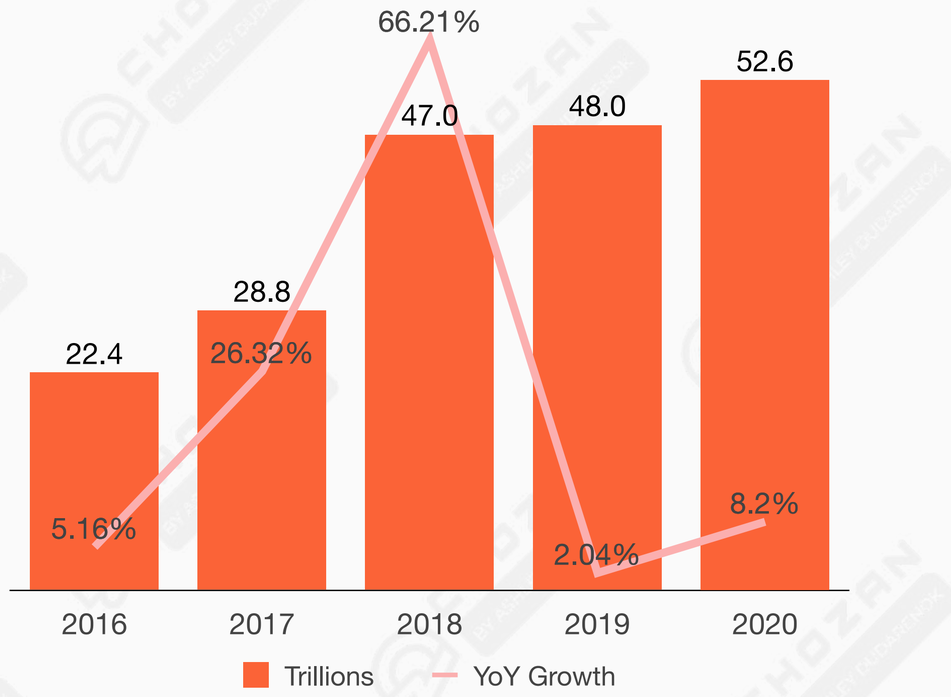
The Chinese Duty Free market was founded in 1980, with Shenzhen Duty Free being the first DF store in China. With the easing of duty free policies in China and expansion of the market in recent years, duty free stores started entering the online market, which also helped the market to grow.

IN 2019, CHINA MADE UP

40%

OF WORLD DUTY FREE CONSUMPTION

2016-2020 CHINESE DUTY FREE STORE REVENUE AND GROWTH



Source: Forward-the-Economist, 2021 Chinese Online Duty Free Market Report

TRAVEL INDUSTRY INSIGHTS

DUTY FREE IN CHINA

Duty free stores in China offer a variety of brands through e-commerce. The Sunrise Duty Free App offers the widest variety of brands among other duty free stores in e-commerce.

NUMBER OF BRANDS OFFERED BY DIFFERENT CHINESE DUTY FREE STORES THROUGH E-COMMERCE, 2021 APR

Source: Forward-the-Economist, 2021 Chinese Online Duty Free Market Report

TRAVEL INDUSTRY INSIGHTS

DUTY FREE IN CHINA

After releasing the offshore duty-free policy in July 2020, Hainan Duty Free stores continued to grow, reaching 120 million RMB daily revenue in 2020.

The revenue of Hainan duty free is expected to reach 60 billion RMB in 2021.

HAINAN DUTY FREE STORE SALES

120 MILLION RMB
DAILY REVENUE IN 2020 (+200% YoY)

15.39 BILLION RMB
REVENUE IN Q1 2021 (+416.6% YOY)

HAINAN DUTY FREE STORE SALES DURING LABOR WEEK (MAY 1-5, 2021)

121,000
PURCHASES MADE (5.1-5.5 2021)

1.34 MILLION
PRODUCTS SOLD (5.1-5.5 2021)

Source: JRJ.com, Chinese Duty Free Stores

EXPERT BITES

Q: WHAT CONSUMPTION TRENDS DO YOU SEE FOR SUMMER 2021?

With everyone keen to put the Covid crisis behind them, and with summer holidays coming up and nowhere to travel overseas (with many borders closed) I'm expecting to see consumers putting their full weight and wallets behind the local domestic tourism industry and sampling many of the new tourist destinations that have emerged in the past 12 months. Hainan island will be high on everyone's list, especially Sanya (known as "the Hawaii of China") and other coastal destinations including Zhuhai, Qingdao and Shenzhen. I expect tourists to spend up on colorful new holiday outfits, accessories and head to the beach!

DAVID THOMAS

China Expert And Author Of China Bites

EXPERT BITES

Q: WHAT CONSUMPTION TRENDS DO YOU SEE FOR SUMMER 2021?

Be on the lookout for travel equipment and all that comes with it!

With international travel still not a feasible option for most, and China's strong handle on the virus within its borders, domestic tourism has been on the rise. In particular, outdoor camping has become a popular trend among young Chinese. Automatic quick-open tents, light soft backpacks, portable outdoor folding stools and sleeping bags have become hot products on ecommerce sites like Tmall and Taobao, and can be found displayed all over popular social media platforms like Xiaohongshu.

In addition to gear, young female consumers are paying closer attention to sun protection during travel, including sunscreen lotions, makeup and skincare, as well as all kinds of clothes, hats, umbrellas, sleeves, masks and veils to protect the skin from sun exposure. Looking young is a priority!

OLIVIA PLOTNICK

Founder of
Wai Social

EXPERT BITES

Q: WHAT WERE SOME BIG CONSUMPTION TRENDS IN CHINA IN Q3 2021?

Domestic tourism and outdoor activities

Q3 overlaps with the Chinese schools' summer holidays, which is a key period for China's tourism industry. Last year, such demand was largely subdued for obvious reasons, while this Q3 we will likely see that the pent-up demand will fuel a sharp rise in domestic tourism, while international travel is still under many restrictions.
It is also worth noting that outdoor activities are quickly gaining popularity particularly among younger consumers (post-95s). We can see that hiking, cycling, camping, and trekking have been taken up by many urban consumers as a trendy and healthy way of traveling.

Technology

In the first 9 minutes of the recent 618 shopping festival, sales of gaming mobile phones grew 9 times compared to last year in the first 15 minutes. Such demand is a result of the rapidly growing gaming and digital entertainment industry and we will likely see this trend continue into the Q3.
Health-related tech products, such as air purifiers and healthy electric water heaters have also been gaining momentum in the first two quarters of the year and there is no reason to think otherwise entering Q3. This is driven by both the rise of awareness of personal health and a maturing technology market.

JIMMY ROBINSON

Co-Founder & Director at PingPong Digital

EXPERT BITES

Q: WHAT DO YOU EXPECT IN Q3 IN TERMS OF CONSUMER BEHAVIOUR, E-COMMERCE AND SOCIAL MEDIA DEVELOPMENTS?

I observe a lot of traction around sustainability, CSR and brands trying to show their commitment in that aspect. As for example, we have just launched a campaign for Clarins (beauty brand) Travel Retail targeting Chinese travelers in Sanya and the objective of the campaign on top of generating sales was also to plant a tree in Yunnan province for every product package purchased offline. Users could see the number of trees planted in real time with a counter displayed offline and online. All marketing teams should be looking at how their brand / organization could help the environment and make sure that the brand story is clear in portraying these values in order to improve the brand image and reputation.

As for the ecommerce part, most of the brands are focusing on omnichannel ecommerce to be able to easily manage all their ecommerce operations in one single back-end or middleware to be able to sell the same product catalog on all social platforms (WeChat / Web / Douyin / Red) as well as helping them to have a single customer view. This is why most of the brands are now trying to put in place their CDP / Data-lake in order to be able to better do data forecasting / modeling and adopt a more data-driven approach.

CLEMENT LEDORMEUR

General Manager Tech Division at 31TEN Part of Fabernovel

BEAUTY AND SKINCARE

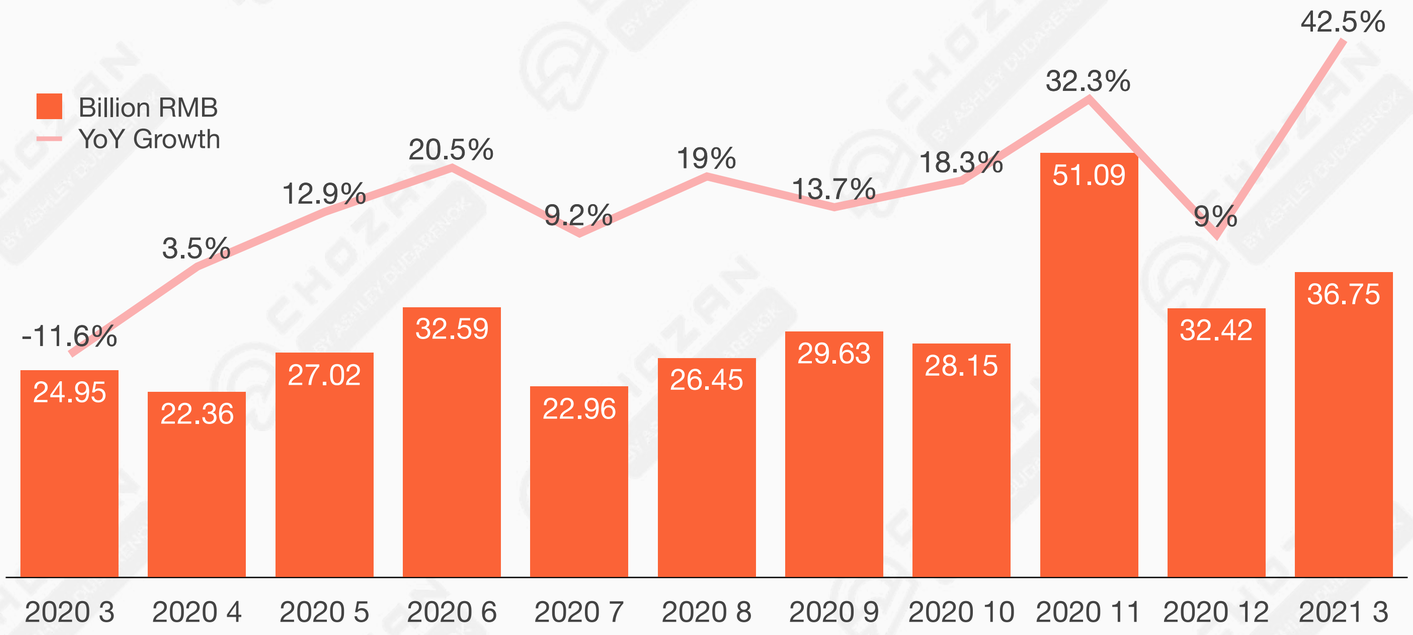
BEAUTY INDUSTRY INSIGHTS

FURTHER NORMALISATION OF BEAUTY

The Chinese cosmetic market is growing as consumers are improving their quality of life and getting into the habit of using cosmetics in their everyday routines.

The revenues are especially higher during shopping seasons such as 6.18 and 11.11 shopping festivals.

CHINESE COSMETICS RETAIL REVENUE AND YEAR-OVER-YEAR GROWTH, MAR 2020 - MAR 2021



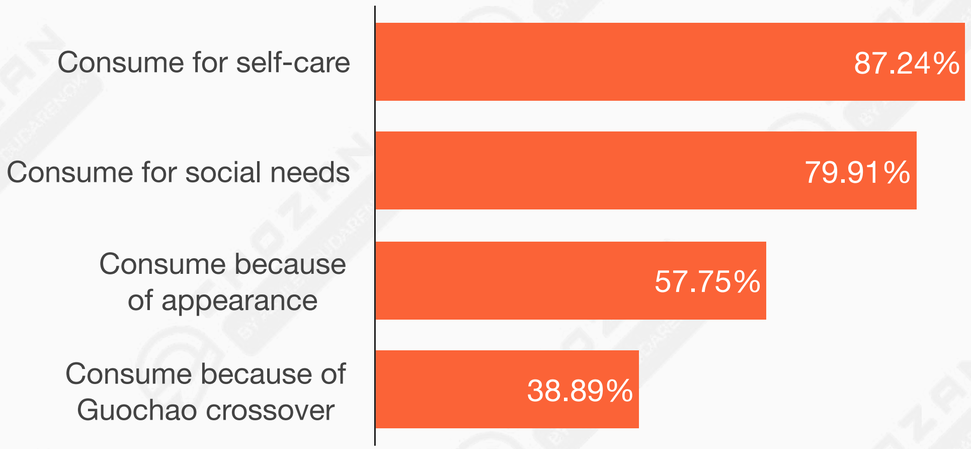
Source: CBNData, 2021 Chinese Cosmetics Industry Report

BEAUTY INDUSTRY INSIGHTS

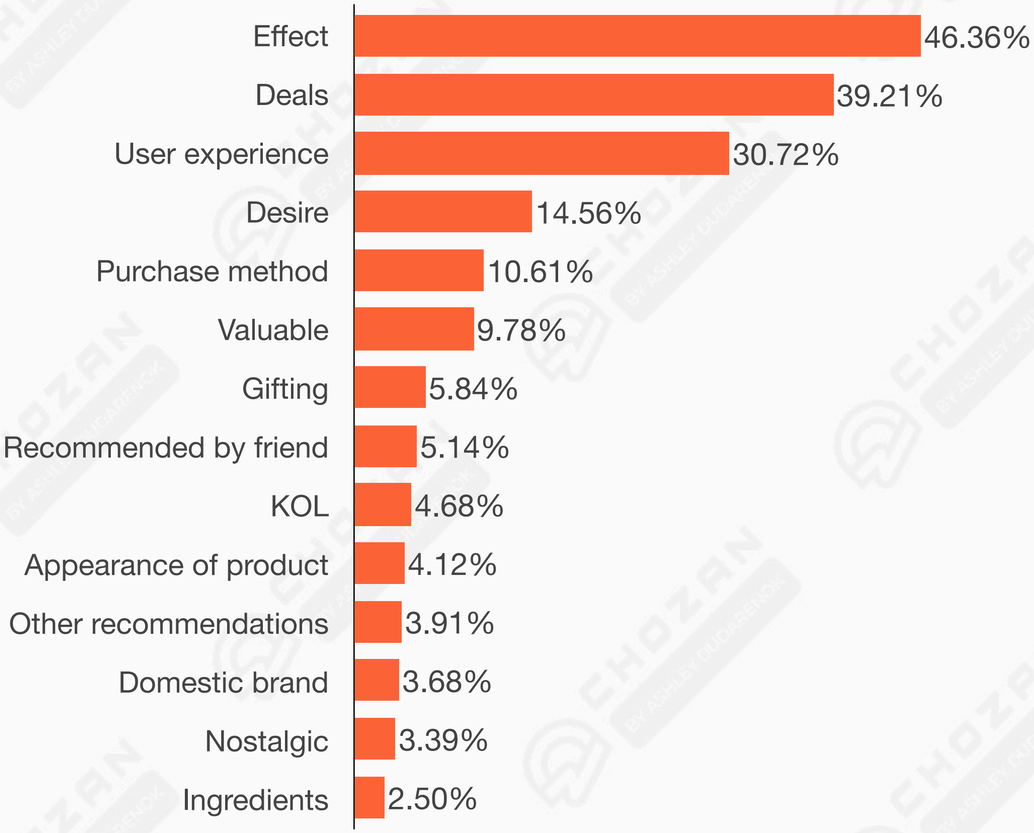
GEN Z

Skincare brands should target Gen Z according to their consumption values - they pay the most attention to effects and deals.

GEN Z'S CONSUMPTION VALUES



TOP SKINCARE CONSUMPTION REASON



Source: Leuctor, 2021 Gen Z Skincare Industry Report

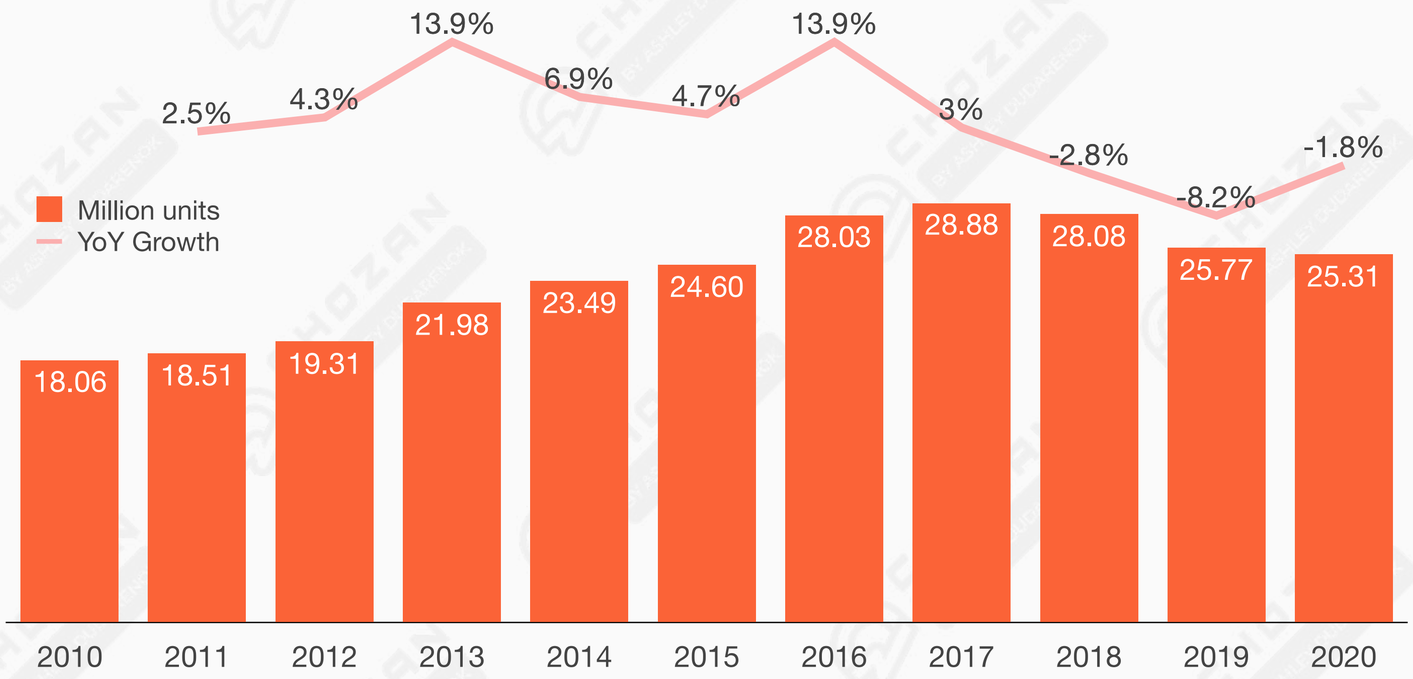
AUTOMOBILE

AUTOMOBILE INDUSTRY INSIGHTS

OVERVIEW AND FUTURE

The Chinese automobile market has dropped since 2018, and the competition between automobile companies has accelerated the industry's digital transformation.

2010- 2020 CHINESE AUTOMOBILE REVENUE AND GROWTH



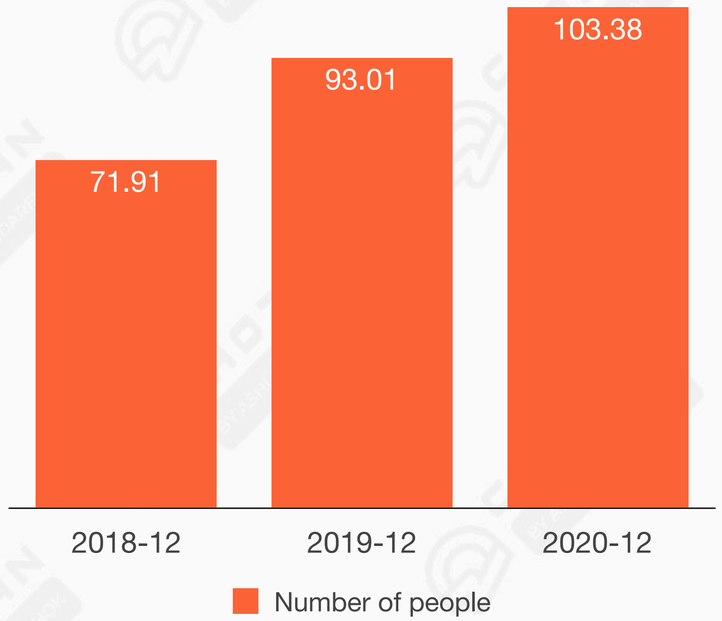
Source: iResearch, 2021 Automobile Market Report

AUTOMOBILE INDUSTRY INSIGHTS

RESTRICTION PUSHING DESIRE

Due to COVID-19 the number of people's desire to purchase automobiles has shown increase.

2018-2020 CHINESE CONSUMERS' PLAN TO PURCHASE AUTOMOBILE (IN MILLIONS)



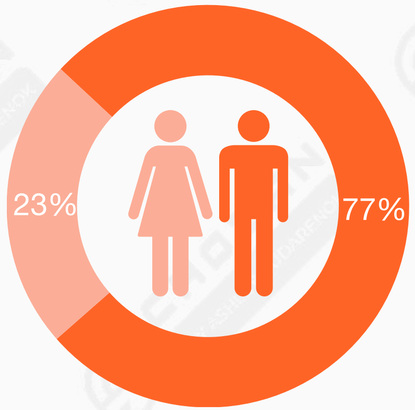
Source: QuestMobile, 2021 Chinese Automobile Market Report

AUTOMOBILE INDUSTRY INSIGHTS

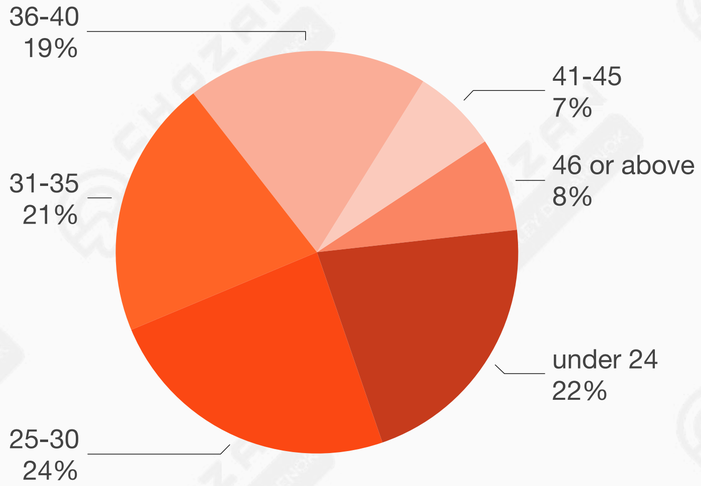
AUTOMOBILE OWNERS PORTRAIT

Automobile owners are mainly male, aged between 25-35 and are located in mid-tier cities.

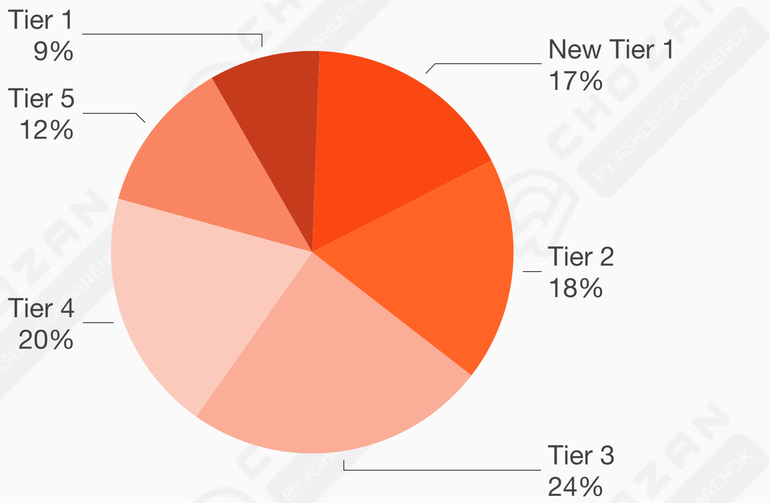
AMONG GENDER



AMONG AGE GROUP



AMONG CITY TIER



Source: QuestMobile, 2021 Chinese Automobile Market Report

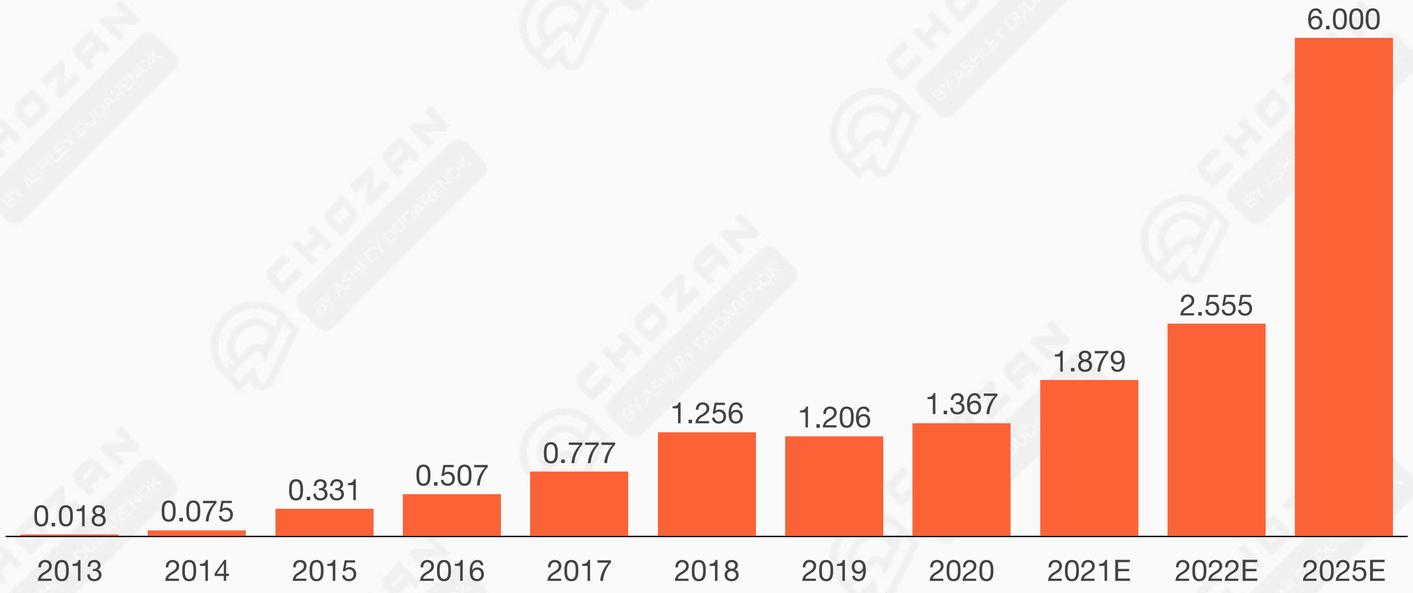
AUTOMOBILE INDUSTRY INSIGHTS

NEW ENERGY VEHICLE (NEV)

The Chinese automobile market has dropped since 2018, and the competition between automobile companies has accelerated the industry's digital transformation.

NEV are increasingly becoming more poplar which is reflected in sales growth and projections. Led by a variety of factors including government incentives and policies, environmental concern, falling prices and access restrictions, and consumer trends.

CHINESE NEW ENERGY VEHICLE SALES AND PREDICTION (MILLION UNITS)



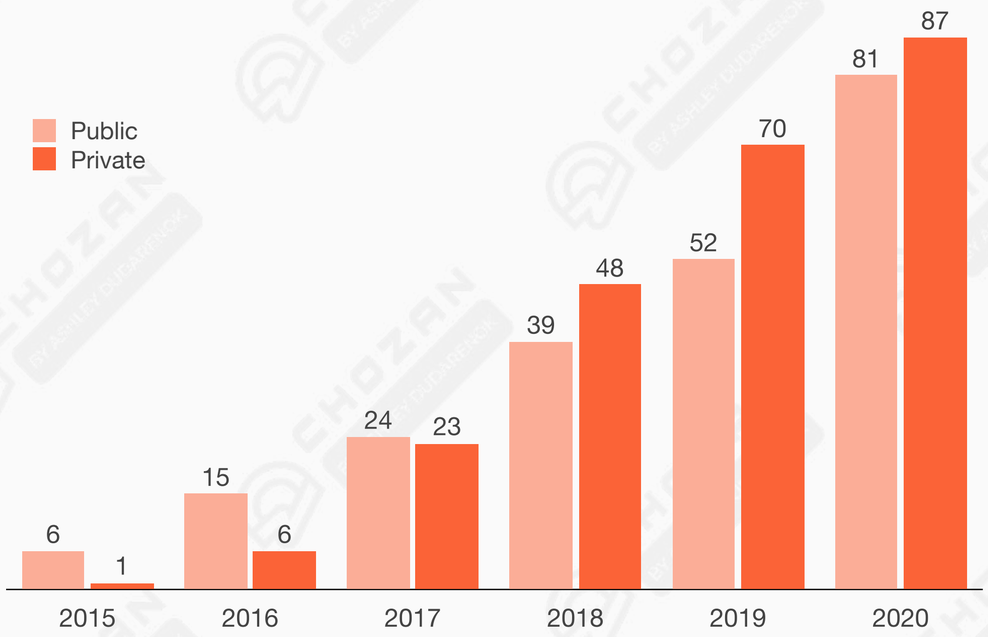
Source: MobTech, 2021 Energy Vehicle Industry Report

AUTOMOBILE INDUSTRY INSIGHTS

NEW ENERGY VEHICLE (NEV)

China will gradually move to new energy vehicles to achieve its carbon neutral goal.

NUMBER OF NEV CHARGERS IN CHINA (THOUSAND UNITS)



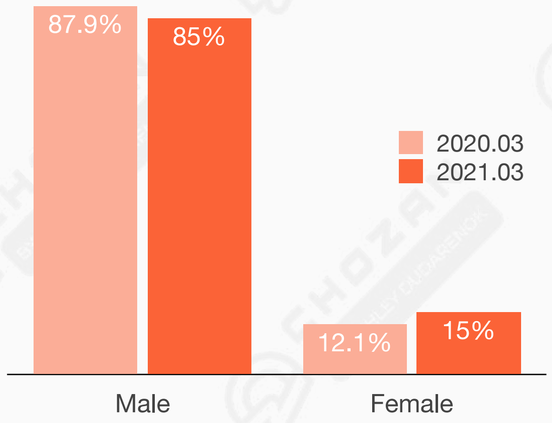
Source: MobTech, 2021 Energy Vehicle Industry Report

AUTOMOBILE INDUSTRY INSIGHTS

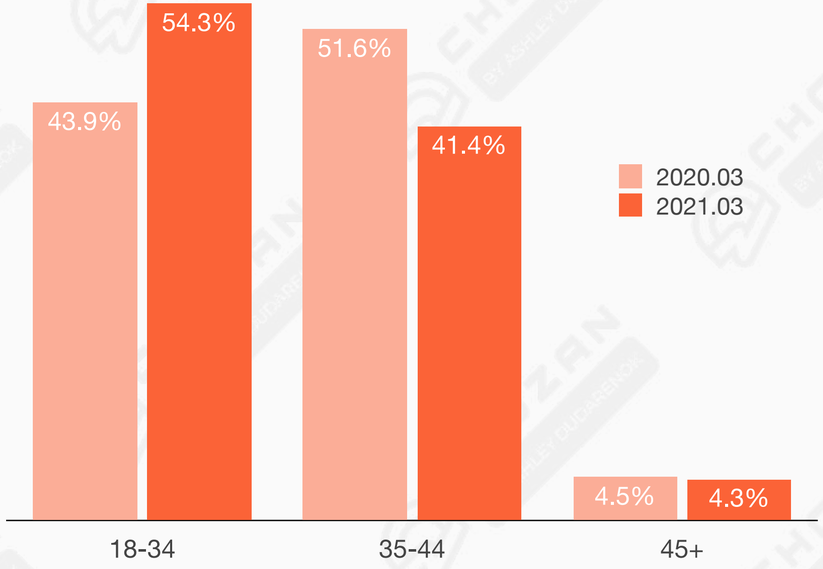
NEW ENERGY VEHICLE OWNERS

NEV owners are mainly men and there are more than 50% NEV owners aged below 35.

AMONG GENDER



AMONG AGE GROUPS



Source: MobTech, 2021 Energy Vehicle Industry Report

FMCG

EXPERT BITES

JACQUELINE CHAN
Project Director
at Alarice & ChoZan

Q: WHAT MARKETING CHANNELS CAN YOU RECOMMEND FOR FMCG?

Online variety show advertising:

First of all, multiple marketing methods give brands a variety of choices in accurately reaching target users. Secondly, full-chain integration unleashes infinite possibilities in variety shows' IP marketing value: product placement / star influence / in-depth interaction with young groups pre- and post-program / product spin-off, where brand values can be imperceptibly conveyed to consumers.

As one of the marketing tools, network variety show advertising has many gameplays such as voting with goods, activity exposure, product placement, IP building and so on. These techniques deepen the communication with the young generation of consumers.

GOT A QUESTION? DROP JACQUELINE AN EMAIL BY SCANNING THE QR CODE

EXPERT BITES

Q: WHAT'S YOUR MARKETING RECOMMENDATION FOR THE FMCG INDUSTRY IN CHINA RIGHT NOW?

In a recent thought leadership publication on the **"7 Business Strategies to Find Growth in China" published by Incite Consulting (the Growth Division at MediaCom China)**, we have identified the following key recommendations which may be relevant for the FMCG industry in China right now:

1. Re-evaluate brand power/ brand strength because that will help brands regain control in the market place for long term growth
2. Elevate the value proposition by introducing secondary lines (which maintains the value of the brand image for a relatively low price) to find relevance and consumption growth in lower tier, middle income segments
3. Product range/ platform features/ customer service catering to the silver generation
4. Consider offline brand experiences to maintain high premium and aspiration in physical retail stores

SAW GIN TOH

Head Of Insights,
Mediacom China

EXPERT BITES

Q: WHAT'S YOUR MARKETING RECOMMENDATION FOR THE FMCG INDUSTRY IN CHINA RIGHT NOW?

The FMCG industry should still give priority to live-streaming, short video, and social media platform content marketing. Chinese consumers, especially young people, have shorter attention spans, which means brands should draw long-term attention through various means, like creating word of mouth and building up hype around brands and products. Also, celebrity endorsement is an effective strategy because Chinese young people are willing to pay for their idols. For example, Russian pop idol Lelush, the most talked-about contestant on Produce Camp 2021, has cooperated with dozens of brands in recent months, including Luckin, BUFFX, Moody, HFP, covering food & beverage, beauty cosmetics, fashion and other areas.

SHINE HU

Market Research Analyst at ChemLinked

EXPERT BITES

Q: WHAT'S YOUR MARKETING RECOMMENDATION FOR THE FMCG INDUSTRY IN CHINA RIGHT NOW?

Many FMCG brands' initial growth has been fueled heavily by marketplaces such as Tmall and JD. In order to build a viable, profitable, long term strategy these brands need to now diversify their channel strategy and focus on their own direct to consumers channels such as: stores, ecommerce website and social commerce via WeChat, Xiaohongshu & Douyin. They need to build and own their own consumer data sources, that they can utilise freely and reduce their reliance on third parties.

MICHEL TJOENG

SVP Sales & Marketing at ChatLabs

EDUCATION

EXPERT BITES

STELLA ZHAN
Social Media Marketing Manager
at Alarice & ChoZan

Q: WHAT MARKETING CHANNELS CAN YOU RECOMMEND FOR THE EDUCATION INDUSTRY?

For the education industry, brands are suggested to adopt intelligent and accurate algorithm matching and word-of-mouth marketing.

Livestreaming sales on Douyin is one of the trendy marketing channels. All-day product recommendation and timely interaction help output bramd value and enhance brand influence due to the aggregation of huge traffic volume within several hours by the recommendation algorithm.

The WeChat ecosystem is pervasive here. Brands are supposed to expose high-quality content on WeChat accounts, WeChat mini programs and WeChat channels, guiding target audiences to take part in private groups for product experience and consumer management.

GOT A QUESTION? DROP STELLA AN EMAIL BY SCANNING THE QR CODE

EXPERT BITES

Q: WHAT'S YOUR MARKETING RECOMMENDATION FOR THE EDUCATION INDUSTRY IN CHINA RIGHT NOW?

Some higher education institutions that we talk to aren't doing any marketing at all. They just leave student recruitment up to agents and luck. A good way for them to get started is to create a Chinese minisite, WeChat account and Douyin account. Then they can transcreate their English source content and begin to build momentum organically. If they need to recruit students within a couple months, they could choose to use search and social advertising too.

TAIT LAWTON

Founder of
Nanjing Marketing Group

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ABOUT US

ALARICE AND CHOZAN

WORK WITH US

ALWAYS ON TOP OF CHINA'S DIGITAL HOT TOPICS

This is essential to provide the latest insights. You'll discover how different parts of China's digital landscape work separately and together. We have an unmatched ecosystem.

10 YEARS OF EXPERIENCE IN CHINA DIGITAL MARKETING

We have hands-on Chinese digital marketing execution experience and insights. Our strategies are based on real situations in the market and on platforms.

TAILOR-MADE CORPORATE CHINA DIGITAL TRAININGS

We can give your whole team the big picture, vision, clarity and motivation to unify your China strategy. We customize the training based on your industry and the outcomes desired.

OUR COMPANY TIMELINE

2011

Alarice was founded as a Hong Kong-based digital marketing agency with a focus on Chinese social media.

2016

ChoZan was established as a China Digital Marketing Academy to provide training and education to marketers working in/with China.

2017

Our founder Ashley became a China-focused global keynote speaker, media personality and blogger sharing her insights about China's consumers, digital marketing and new retail with global business community.

2018

Ashley published a book series “Digital China” and became a 3-time Amazon bestselling author.

2019

Ashley was recognized as a LinkedIn Top Voice in Marketing and a Holmes Report Asia-Pacific Top 25 Innovator. Ashley created the self-development program FIRE in 2019.

2020

Ashley was hailed as one of Adello magazine's Top 20 Visionaries of the Media and Technology Industry, and a digital marketing and China trend guru by Thinkers50.

OUR CHINA MARKETING SOLUTIONS

ALARICE BY ASHLEY DUDARENOK

MARKETING RESEARCH AND STRATEGY

Our China marketing research and strategy team gives you a detailed framework that will allow you to start and grow your business in mainland China.

SOCIAL MEDIA MARKETING

We help you to localize messages, strengthen your brand image and reach out to target audiences through Chinese social media.

INFLUENCER MARKETING AND CAMPAIGNS

We help you to establish goal-specific social marketing campaigns and fruitful collaboration with Chinese KOLs and influencers.

CHOZAN BY ASHLEY DUDARENOK

CORPORATE TRAINING

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.

CHINA INSIGHTS: CHINA MARKETING CRICLE

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.

KEYNOTE SPEECHES

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 MARKETING VIDEO 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.

BOOKS AND MARKETING GUIDES

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.

**GOT A QUESTION?
DROP US AN EMAIL BY
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REPORT CREATORS

CONNECT WITH US FOR MORE INSIGHTS

OUR TEAM

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Founder of Alarice and ChoZan

China marketing expert, serial entrepreneur, professional speaker, bestselling author, vlogger, podcaster and media contributor with 15 years in Greater China.

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Marketing Director

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Project Director

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WENDY CHEN

Head of Insights

Chinese social media editor, China trend watcher and digital marketing trainer. Familiar with niche e-commerce and social media platforms as well as China-style growth hacking.

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OUR DESIGN TEAM

STEPHANIE WONG
Digital Marketing Executive

Stephanie has been developing visual concepts for digital marketing and social media for the past 3 years.

PONY LEE
Marketing & Designer

Pony is a design guru who gave this report its style and flair.

WITH INVALUABLE CONTRIBUTIONS FROM:

MAUREEN LEA
STELLA ZHAN
OSCAR LIN
SEAN FAN
FIONA LU
DENISE SUN
JACKIE CHEN
SYCA JIANG
ESTELLE SUEN
EUREKA WEN
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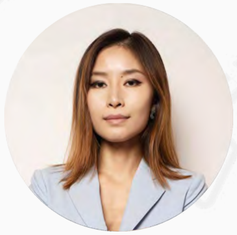

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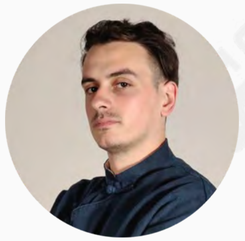

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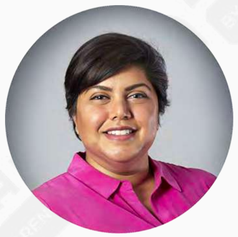

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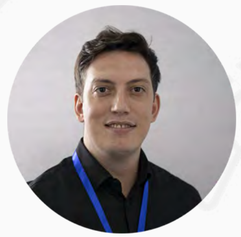

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CHINA E-COMMERCE AND DIGITAL MARKETING Q2 2021

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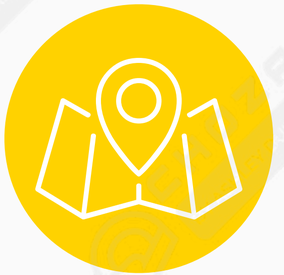

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