

Understanding Social Media Marketing Platforms in China - Weibo and WeChat

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Weibo and WeChat are China's two largest social media platforms and key marketing tools for companies that wish to promote their presence in China, build brand awareness, engage their target customers, grow sales and gather valuable data and insights about consumer preferences, choices and expectations.

Without a good and well-executed social media marketing plan that includes Weibo and WeChat, it is very difficult for overseas companies to succeed in the highly competitive and crowded Chinese (cross-border) e-commerce market. But, understanding Chinese buying behaviour, building trust and generating sales in China does take time and should be considered a continuous effort and long-term investment.

Great Firewall of China

To fully appreciate the total dominance of Chinese-owned social media platforms in China, it is important to recognize the role played by the Chinese authorities in first restricting and then barring major Internet players like Google, Facebook, Twitter and Instagram from joining the Chinese social media landscape.

Moreover, China is providing limited Internet bandwidth to the outside world which can make it difficult to access or slow to load overseas websites. Overseas companies can instead host their websites in China, but this requires an Internet Content Provider (ICP) License that can only be obtained by a registered company in China.

Obtaining a non-commercial ICP License (information purposes) is a relatively easy process while securing a commercial ICP License (online sales) for overseas companies is in practice almost impossible.

Sina Weibo (www.sina.com and www.weibo.com)

Weibo is a microblogging website that was launched on 14 August 2009 and listed on NASDAQ in April 2014. As of February 2018, Weibo had a market value of USD 30.9 billion with its shares climbing 154.8% in 2017 due to strong sales growth.

Today, its two main owners are the technology & media company ‘Sina Corporation’ (46.0% share) founded by Wang Zhidong and the technology & e-commerce giant ‘Alibaba Group’ (31.5% share) founded by Ma Yun (Jack Ma). However, Sina retains 72% of the voting power.

Key Statistics

The below numbers have been collected from various online news articles including Weibo’s own reports.

Registered Users	Monthly Active Users	Daily Active Users	Active Mobile Users	Mobile Access
600 million	392 million (average)	159 million (average)	92%	90%

Posts per Minute	Daily Video Views	Male Users	Female Users	Online Shoppers
64,000	2 billion	55.50%	44.50%	82%

Tier 1 Cities	Tier 2 Cities	Tier 3 Cities	Tier 4 Cities	Outside Mainland
16%	25%	26%	30%	3%

Net Revenue (2017)	Net income (2017)	University or Above	High School	Elementary School
USD 1.15 billion	USD 352.6 million	77.8%	15.7%	6.5%

With a huge number of active users that are both urban, well-educated, mobile savvy and proficient online shoppers, overseas companies and brands in China are facing a very technology driven and demanding customer base that expect instant gratification and feedback from their online activities.

Most Popular Activities

Weibo is mostly used as a source of news and information, staying in touch with friends, interacting with like-minded people, spotting new trends, reading gossip and not least for entertainment where users can follow famous movie stars and singers, popular bloggers and Internet celebrities (“Wanghong”). It is an open social media platform where users post, share and talk about the latest and hottest topics.

Weibo allows overseas companies and brands with a verified official account to post updates, stories, photos, videos and links about new products and coming activities, connect with a wider audience, interact directly with existing and potential customers, receive instant user feedback, launch marketing campaigns, make surveys to gather market information, host live events and gain online followers.

Account Registration and Verification

To register an official company account on Weibo, the company needs to input an email or mobile number (either not previously used), password, username (company/brand name), location (Chinese province/city or foreign country) and verification code (shown). When signing up, the user also accepts Weibo's user agreement and privacy policy that are provided as links on the registration page. Everything is in Chinese.

After the official registration, the company needs to verify the account to prove its real identity. Verified official accounts have a blue "V" displayed next to their profile picture or logo authenticating the page. Moreover, the verified account holder is given special privileges like advanced page settings, more information display, own campaign management platform, and access to data analysis tools.

Overseas companies not registered in China need to provide a scanned copy of their business license with a certified Chinese translation, third party authorization letter (individual or agent), authorization application letter, purchase order form, official website URL, company introduction and contact information.

Preparing the required documents and handling the process requires a Chinese speaking individual or service agent. The application process takes 10-15 working days.

Attracting Followers

To attract and retain followers on Weibo, it is essential to develop, write and post high-quality contents such as brand and product-related information, regular news updates and captivating stories. Most users between 18-30 years old prefer watching videos and live streaming. Users expect companies to actively engage in online conversations and provide steady feedback on inquiries, questions and suggestions.

Many companies grow their Weibo following by launching online marketing campaigns to reach their target audience. They will offer followers special prizes, free trials and giveaways to promote their brands and product offerings by asking them to participate in competitions and lucky draws, repost campaign postings or post original contents.

Key Opinion Leaders (KOLs) are often hired to support online campaigns with sponsored posts, sharing free gifts with their fan base, posting product reviews or joining competitions.

Advertising Opportunities

Weibo also offers companies to advertise on its platform. This can be in the form of traditional banner ads linking to the company page, promoting selected posts to existing and potential followers that will appear

at the top of their personal account pages (Fan Headline), promoting single posts or the company Weibo account to a wider audience or specific target group (Fan Tunnel) and by buying keywords in the Weibo search bar that appear with a sponsored promotion tag in the search result.

Tencent WeChat (www.tencent.com and www.wechat.com)

WeChat (Weixin in Chinese) is a multi-purpose social media app that was released on 21 January 2011. The sole owner is the Chinese tech giant Tencent Holdings Ltd. that was founded by Ma Huateng (Pony Ma) on 11 November 1998 and listed on the Hong Kong Stock Exchange on 16 June 2004. As of January 2018, Tencent had a market value of USD 580 billion just surpassing Facebook. WeChat is not separately listed.

Most Popular Use

WeChat is a Chinese super-app or all-in-one app that has rapidly developed from a simple messaging app to a multi-function app that combines voice, text, photo, video, shopping and payment services.

WeChat Pay allow users to transfer money, pay utility bills, order taxis, book flights, order food delivery, play games, share red pockets, get legal invoices and much more.

70% of Chinese WeChat users rely more on WeChat than email when communicating and sharing information with colleagues, customers and suppliers at work.

The average Chinese user spends more than three hours per day on WeChat while the average American user only spends 20 minutes per day on Facebook.

Big Brother is Watching?

Due to its widespread use in China, a pilot program in the Nansha district of Guangzhou was announced in December 2017 in which residents can link their national identity cards to WeChat using facial recognition for limited low-security use.

To obtain the full-function digital ID version, residents must visit an offline terminal, scan their physical ID cards, log in their fingerprints and set an eight-digit password. The program is expected to be rolled out nation-wide in 2018. For better or worse, China is going full digital and mobile.

Key Statistics

The below numbers have been collected from various online news articles and official Tencent statements.

Registered Users	Official Accounts	Daily Sent Messages	Daily User Visits	Daily Usage
902 million	10 million companies	38.3 billion CNY	10 (average)	60 minutes (average)

Users Outside China	World Usage	Language Versions	20-29 Year-Old Users	Mini Apps
100 million	200 countries	20	50%	580,000

With an enormous active user base in China and beyond, WeChat has become indispensable to daily lives in China with WeChat Pay starting to spread overseas to serve Chinese travellers. People use it to scan QR codes to connect with people and pay for online/offline purchases.

In January 2017, WeChat introduced Mini-Apps (limited functionality) that give users direct access to mobile company services on WeChat without the need to download the full app from elsewhere.

Official Company Accounts

WeChat allows overseas companies and brands to register an official company account to reach out to their target audience and raise brand awareness by launching marketing campaigns and posting contents including text, photos and videos about the company and products. Companies can also set-up and manage their own (cross-border) WeChat Stores.

Subscription Accounts: For companies that wish to push more frequent contents to its subscribers (one message per day, 1-6 articles each time) with all updates sent to the user's subscription folder with no push notification. It supports no online shop and payment features.

Service Accounts: For companies that want access to more advanced functionality in which they can create custom menus, set-up a WeChat Store and register WeChat Pay. Only limited contents can be sent out (four messages per month, 1-6 articles each time) but users receive push notifications.

Registration

Until the end of May 2018, it was only possible for companies with a Chinese Business License to register a fully functioning official WeChat service account in China.

Although it was possible for foreign companies to register on the international platform of WeChat, users of the Chinese version could not access the official company accounts registered outside China.

On 1 June 2018, Tencent finally allowed foreign companies to register an official Chinese WeChat service account directly from overseas by providing a foreign business license, foreign phone number and foreign passport of the account administrator.

Collecting and preparing the required documents and handling the application process requires a Chinese speaking individual or service agent. The application process typically takes three weeks to complete with a registration fee of USD 99.

Building a Following

WeChat is a more enclosed social media platform where users first need to follow the company account before they can get access to any information such as articles, videos, animations and product promotions, and post their comments.

Getting an online following and generating leads on WeChat can be done by posting great content that will be shared by followers and launching marketing campaigns.

Many companies and brands will entice their followers with contests, games, special offers, prizes and gifts. KOLs are often used to review or promote new products on their own personal WeChat accounts and to sell these directly in their own WeChat Stores.

Since the current WeChat search function does not incorporate key words to locate an official company account or brand, users either need to know the exact WeChat ID or get the QR code from elsewhere to connect. As such, WeChat company accounts rely a lot on word-of-mouth and shared contents to build a following.

Despite its enormous popularity, it is important to emphasize that just having an official WeChat account is not enough for overseas companies and brands to attract Chinese consumers. Engaging users on WeChat is getting more difficult with more than half of official WeChat account holders losing followers in 2017.

Advertising Options

As previously stated, companies with an official company account can send out selected postings to their followers with or without push notifications depending on account type. WeChat also allows companies to post ads that are shown in the users' Moments feed with other shared postings or by placing account ads at the bottom of articles published by KOLs and others with many fan followers and large view rates.

How to Manage Social Media in China?

For overseas SMEs with limited or no physical presence in China, setting up official Weibo and WeChat accounts, posting unique content, launching marketing campaigns, and building a large online following may seem a daunting and costly task with a lot of uncertainty on the actual returns.

However, without an (active) Chinese social media presence, overseas companies will simply be cut off from their target market and potential customers. Selling in China is all about gaining trust and building long-term relations with Chinese consumers. They expect local customer service and instant feedback.

Fortunately, there are many professional agencies in China that offer support to overseas companies with or without a legal entity in China. They can register and manage the sites, write original contents, translate postings, engage the target audience, build an online following and provide customer service.

Overseas SMEs that plan to sell online/offline on the Chinese market should consult professionals who have the required know-how and experience in setting-up and managing Chinese social media platforms. They can provide a consistent, reliable and well executed marketing communication and customer service on the ground in China.

Identifying, choosing and cooperating with the right service provider in China is crucial for a successful social media presence and online marketing campaign to build sales.

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