

How social Networking can help your brand

By David Ketchum
February 25, 2009

HONG KONG (**AdAgeChina.com**) -- Imagine a population about the same size as the United States, with everyone online and 50% broadband penetration that is growing at 42% a year.

The screenshot shows the AdAgeChina.com website interface. At the top, there is a search bar with the text 'Search Advertising Age' and a 'SEARCH' button. Below the search bar, there is a navigation menu with 'Advanced Search' and 'Log Out' links. The main content area features a large banner for 'STAR WARS: THE CLONE WARS #1 WITH BOYS IN 2008!' and a section titled 'VIEWPOINT' with the article 'How Social Networking Can Help Your Brand' by David Ketchum. The article text begins with 'China's internet population is blogging, social networking and participating in online bulletin boards with a furious passion. That can be a giant magnet for marketers--if they know how to navigate China's online world, says Upstream Asia's David Ketchum in Hong Kong. ...'. There are also logos for 'C SQUARED', 'AdvertisingAge', and 'Headline Partners' including 'adconion' and 'Microsoft Advertising'.

Imagine a people who feel freer expressing themselves online than offline and 80% of whom believe that "digital technology is an essential part of how I live" (compared with 68 % of Americans). And for 91%, the web is the preferred medium to stay informed about a brand after purchase.

That's China's internet population, and it is blogging,

social networking and participating on bulletin board systems (BBS) with a frequency and an intensity that can be a giant magnet for advertisers.

China now offers a larger internet market than anywhere on earth. With just 22% of the total population online at this point, there is still plenty of room for it to grow.

Its netizens are not just participating in global trends, but creating new online communities and dynamics at a furious pace.

For example, mobile internet access is much more widespread than elsewhere, with 118 million people accessing the internet from their cell phones in 2008, up 133% year-on-year.

The pace of innovation is fast (as it is everywhere in the world) but it is developing in ways unique to China, with distinctive patterns of online behavior, and within the context of "socialism with Chinese characteristics."

All marketers crave engagement, and China offers abundant opportunities for positive brand building and sales promotion far beyond the clichés of potentially reaching 1.3 billion consumers.

Engagement comes with risks

As with many aspects of China, the law of large numbers means the web offers more of just about everything, including dangers. Engagement is not all positive and there are also risks of "enragement" from online consumers who either feel genuinely manipulated

and rebel, or have been incited by competitors or activist groups to try to damage a brand's reputation or boycott its sales, as Sharon Stone, Nike and Carrefour and others have discovered recently.

Here's a look at some of the dynamics that provide opportunities for and threats to global marketers:

When Xu Jinglei, the 28-year old Chinese female movie star, began to write her blog in October 2005 she never expected that she would attract 260 million page views and that even posts about her afternoon coffee breaks with friends could easily generate more than 100,000 hits.

Today, 46% of Chinese web users say they read blogs daily and 32% access them weekly. Chinese bloggers are generally considerably more open to commercial pitches and the participation of brands online than in the west.

According to internet word of mouth (IWOM) research and consulting firm CIC Data, 89% of "influencers" in key online communities want to interact with brands and 58% of Chinese netizens say user generated content influences purchase decisions.

For young Chinese, blogs increasingly are not only a tool for communications and information, but also a real time window into what is happening in the world that is richer and more comprehensive than other media.

Earlier this month, the Mandarin Oriental hotel, which is part of CCTV's new headquarters complex in Beijing, was consumed by fire. CCTV and most other Chinese media did not cover the event due to a government order restricting reporting of the disaster.

Cathy Fu, a 30-year-old professional, read about the fire in a blog and took a taxi to watch the blaze. She is one of thousands of young people who got the news from internet, not traditional media.

Public officials are also going online

Even the government is getting into the action. After President Hu and Premier Wen said they check online news and BBS sites regularly and read blogs to understand what's on the mind of Chinese netizens, many government officials have found the web to be a good medium to communicate with the public.

Some started blogs to discuss public issues, which triggered a discussion among local scholars and media about whether this approach will impair the objectivity and fairness of the decision making process.

For example, Liao Xinbo, the deputy director-general of Guangdong's public health and sanitation department, discusses one of the hottest and most sensitive topics in China today on his blog on Sina.com--the reform of China's health care system.

Over the past three years, 3.4 million people have visited his blog. He has received

support from many citizens and been also criticized by some academics, but the blog itself is a dramatic change in the way Chinese officials behave.

Another example is Chen Jun'an, the director-general of the price bureau of Zhengzhou in Henan province. Unlike Mr. Liao, who positions his blog as a personal pursuit, Mr. Chen maintains a work-oriented blog to explain price policies and answer inquiries from citizens.

In a poll conducted in April 2006, the price bureau received very low reviews. People thought it was ineffective, as commodity prices kept rising. Opinions have risen since Mr. Chen launched his blog.

Beware of astro turfing

Social networking sites such as Xiaonei, a simplified Chinese-language site similar to Facebook, have active users in the tens of millions, but the BBS forums are the most influential online platform at the moment.

BBS offer strong online communities with recognized cultures and leaders. They are also a significant source of information. Ninety-eight million users visit BBS forums and brands regularly join the conversation, posting product news, running consumer competitions and answering critics.

Increasingly, marketers and users must beware of "astro turfing," the process of creating fake grassroots movements. Although marketers rarely admit to the practice of hiring university students to make posts that are favorable to their brands or activities, it does happen. Users trace user IDs and when they discover the posts are part of an online PR campaign, the tactic backfires.

Despite the inherent risks of marketing through BBS forums and other social networks, the internet is a major opportunity for advertisers. While the ethics and techniques of engaging audiences online are still in an early stage, if you are serious about building your brand and business in China, you have to join the Chinese internet conversation.

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