



**DIGIPANDA**™



**Social & Video  
Marketing in China  
for UK Inbound  
Businesses**



## Digital in China

Total  
Population



**1395**  
million

Internet  
Users



**829**  
million

Active Social  
Media Users



**1007**  
million

Mobile  
Subscriptions



**1543**  
million

Active Mobile  
Social Users



**1007**  
million

Urbanisation

**59.6%**

Penetration

**59.6%**

Penetration

**71%**

VS Population

**110%**

Penetration

**71%**

*Source: Chinese government statistics; 43<sup>rd</sup> CNNIC China Internet Survey; We are social Digital in 2019 China*

## The market and opportunities we are facing

- E-commerce, social Apps and digital contents are integrating with each other and the social e-commerce model has been extending the border of E-commerce.
- By end of June 2018, over 74% of China's 800 million netizens watch short videos.
- By end of June 2018, almost 570 million netizens (or about 71% of all netizens) use e-commerce, among them 557 million use mobile commerce.
- By end of June 2018, China has 393 million online travel booking users, an increase of 4.5% over that of 6 months ago.
- Among the 393 million users, 359 million use mobile phone to book travel and tourism products.
- By end of June 2018, mobile payment users reached 566 million, a 7.4% increase over that of 6 months ago.

*Source: The 42<sup>nd</sup> CNNIC China Internet Survey, published in 08/2018.*

- Douyin (Tik Tok), the App which is famous for its short videos, is quickly growing up, with its daily active user reaching 250 million and monthly active users 500 million (by end of 2018).
- 45% of Douyin users live in Tier 1 and Tier 2 cities and users aging 16-35 are the biggest group, taking up over 90% of all users.

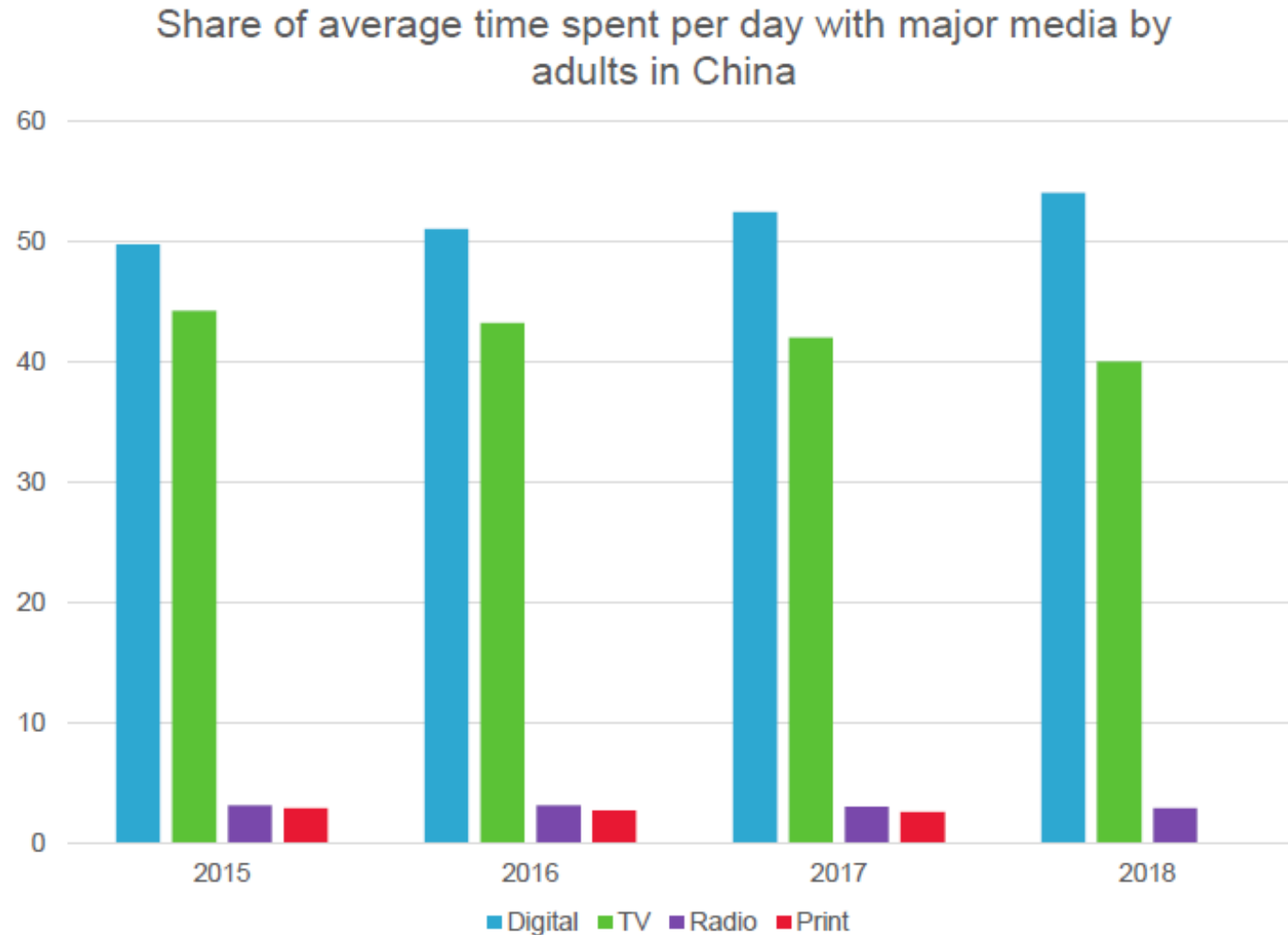
*Source: Douyin Statistical Data Research,  
[http://www.sohu.com/a/273050509\\_534679](http://www.sohu.com/a/273050509_534679)*

- Chinese visitors tend to be younger than the average visitor to the UK: **over 4-in-10 visits from China were made by people aged 16-34 years old in 2017**

*Source: Visit Britain <https://www.visitbritain.org/markets/china>*

## What's happening in China?

### Digital leading the way, mobile in particular

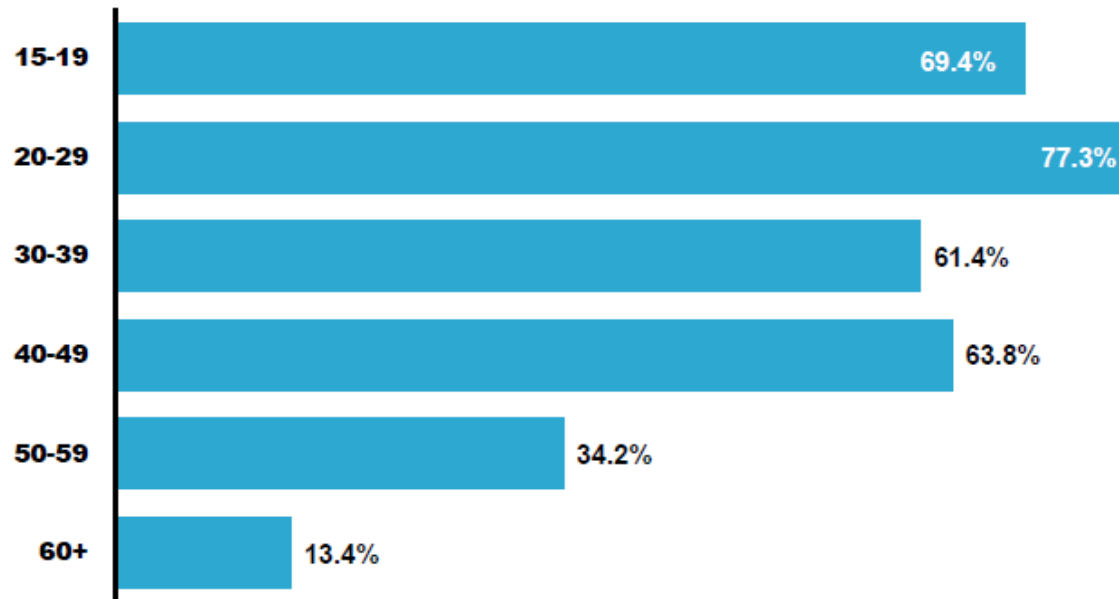


Source: eMarketer

# What's happening in China?

## Social media get more popular.

Social Media User Penetration Among Urban Consumers in China, by Age



### Top 5 motivations for using social media

- 36%** Because a lot of my friends are on them
- 36%** To stay up-to-date with news and current events
- 34%** To stay in touch with what my friends are doing
- 33%** To share my opinion
- 33%** General networking with other people

### Social Media User in Each User Group

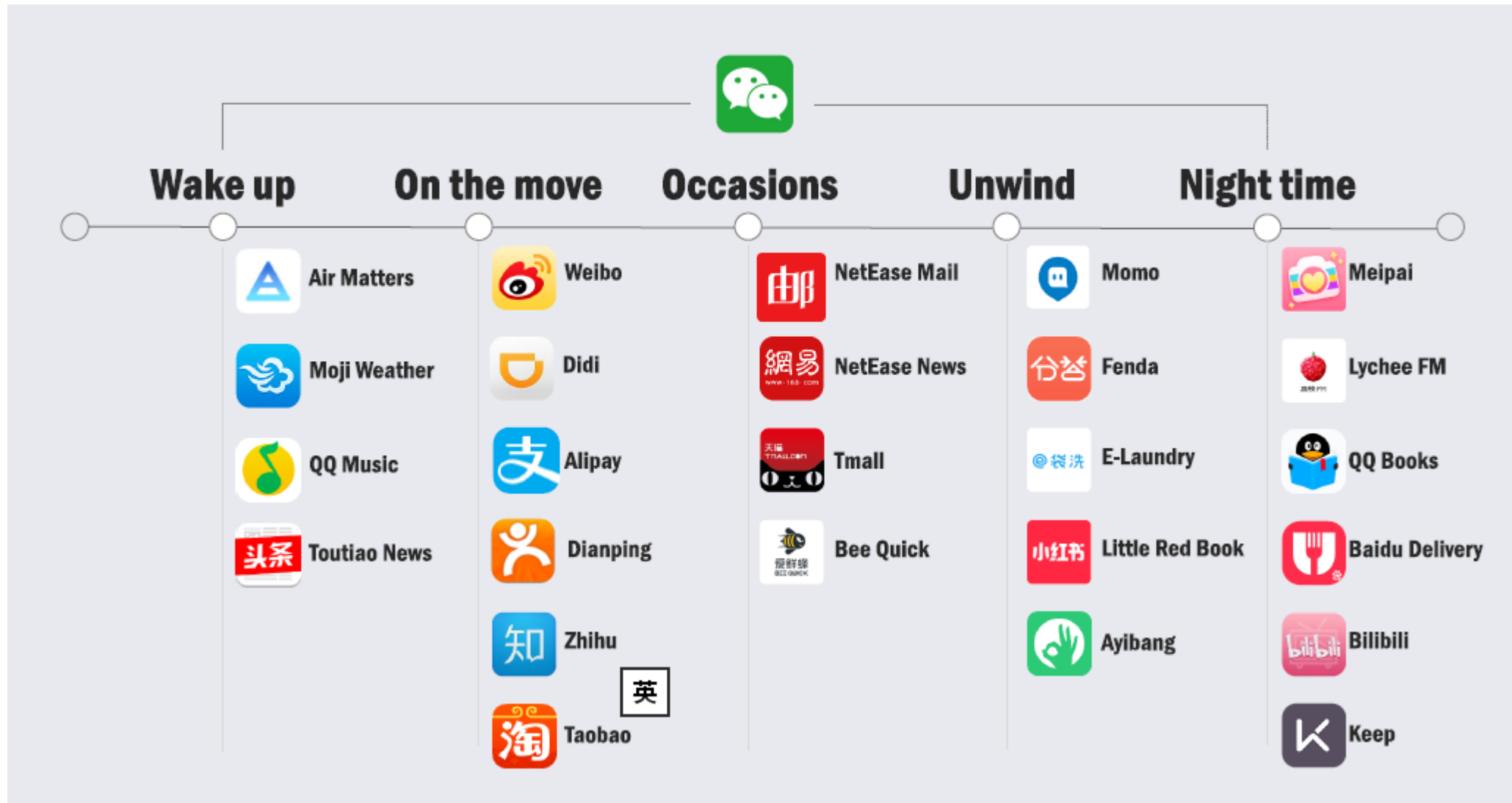
Age Groups	2016 %	2017 %	Percentage of User increase
15-19	66.9	69.4	3.7%
20-29	75.8	77.3	1.9%
30-39	57.7	61.4	6.3%
40-49	56.9	63.8	12.1%
50-59	26.7	34.2	28.3%
60+	9.7	13.4	38.2%

### Top 5 types of accounts followed on social media

- 38%** Brands you like
- 32%** Actors
- 29%** Contacts relevant to your work
- 28%** News / media organizations
- 26%** Brands you are thinking of buying from

# What's happening in China?

## WeChat is still dominating.



## What's happening in China? WeChat is still dominating.



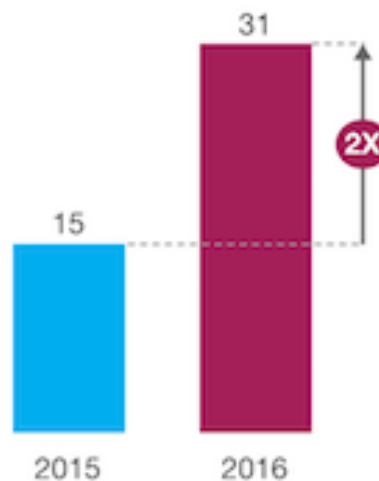
1.1 Billion accounts  
600 million MAU

**39.8%** of WeChat users spent 1-4 hours every day on it, while **34.6%** spent over 4 hours daily on it in 2016.

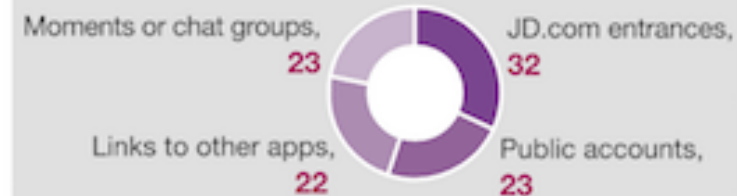
Exhibit 4

Purchases initiated from WeChat doubled in a year.

WeChat users who have shopped from WeChat,<sup>1</sup>  
n = 525, %



### Top channels, %



### Top categories



<sup>1</sup>Referring to those who have ever made purchases through WeChat's JD.com entrance, public accounts, Moments, group chats, or links to other apps.

## What's happening in China? Toutiao is quickly catching up.



- The traditionally BATS-led market (abbreviated from Baidu, Alibaba, Tencent, Sina –four of China's largest social networks) has been shaken up by ByteDance, with its Direct Push technology (sending interest-based content to users) supported by algorithms and machine learning.
- The technology has achieved quick penetration, with short video platform Douyin (Tik Tok) and headline news platform Toutiao quickly gaining popularity.
- ByteDance's model of "interest-based information streams" completely subverts the model of "using a search engine to find content" adopted by users during the web page era. In the process, when content is recommended to users, some previously undefined needs can be discovered.

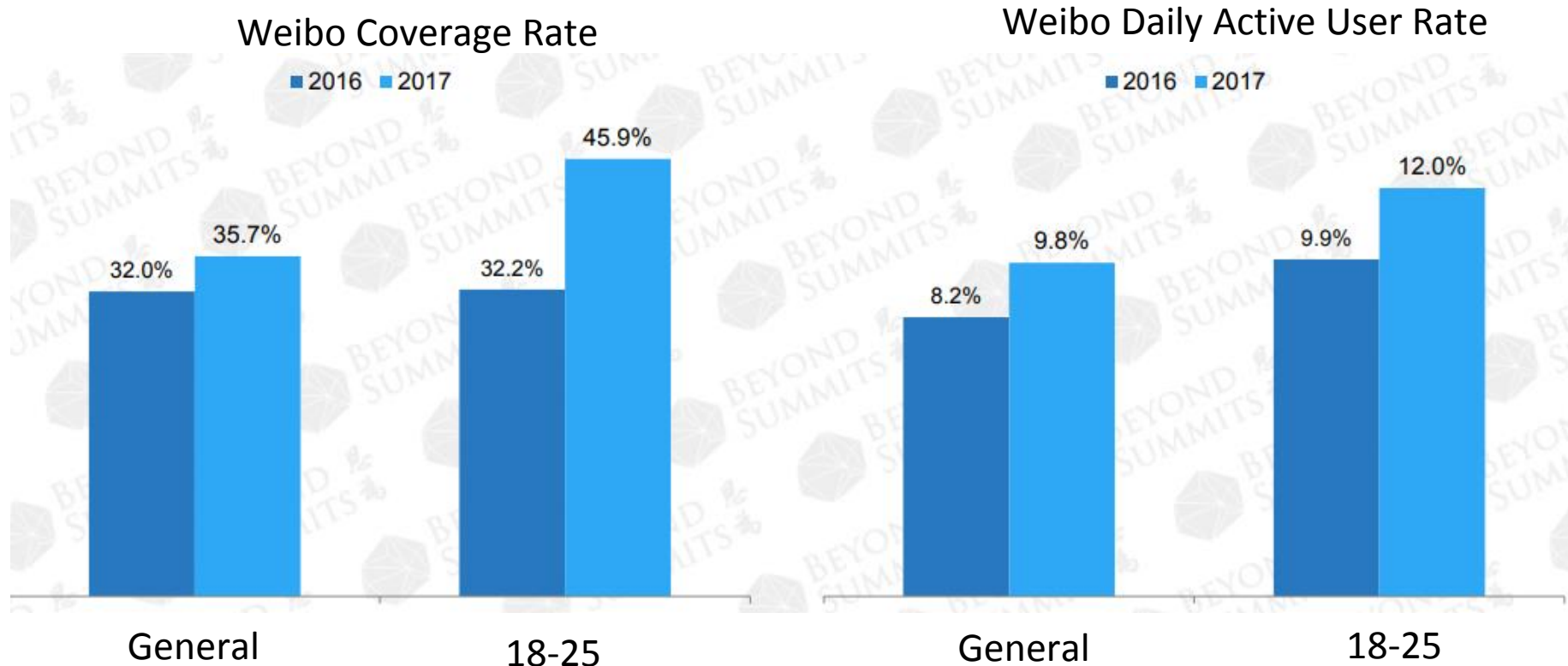
## What's happening in China? Toutiao is quickly catching up.

By March 2018, the Toutiao App has got over **700 million** users. Its DAU (Daily Active Users) reached over **200 million**, with an average opening it **9 times** per day and using it **76 minutes** per day. Known as the No. 1 intelligent content distribution platform in China, it has got over **1.1 million** accounts, which update over **380,000** pieces of contents and achieve **4.2 billion** views per day.



## What's happening in China? Weibo is becoming "younger" .

- According to Weibo 2017 User Growth Report, by 09/2017, Weibo has MAU of 376 million, an increase of 27% over that of 2016, DAU of 165 million, an increase of 25% over 2016. The 43<sup>rd</sup> CNNIC China Internet Survey put Weibo's usage rate for 2018 at 42.3%, a 1.4% increase over 2017.
- The year 2017 saw an obvious increase in Weibo's coverage rate. Weibo became more influential among youngsters.

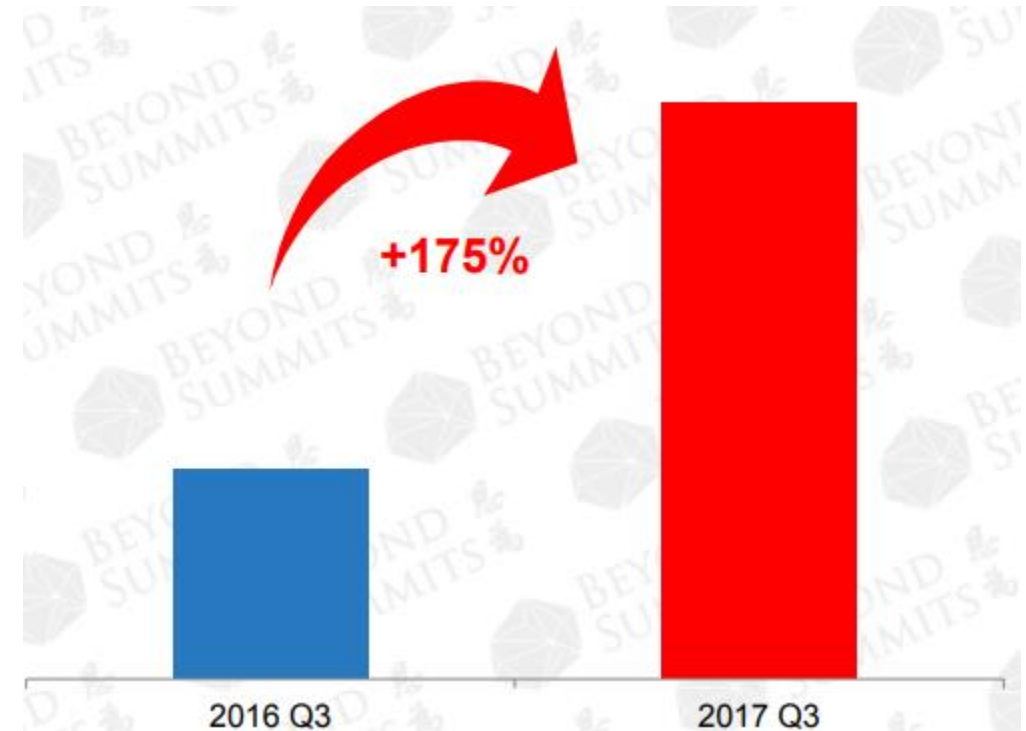


## What's happening in China? Weibo is becoming "younger" .

- Another evidence that Weibo is becoming younger is that most Weibo users are 23-30 years old (28.6%), and users aging 18-22 take up 27.6%.
- The latest fact that Weibo has enhanced its development in short video sector also proves that Weibo has been focusing more on young audiences.

*Source: Weibo 2017 User Development Report*

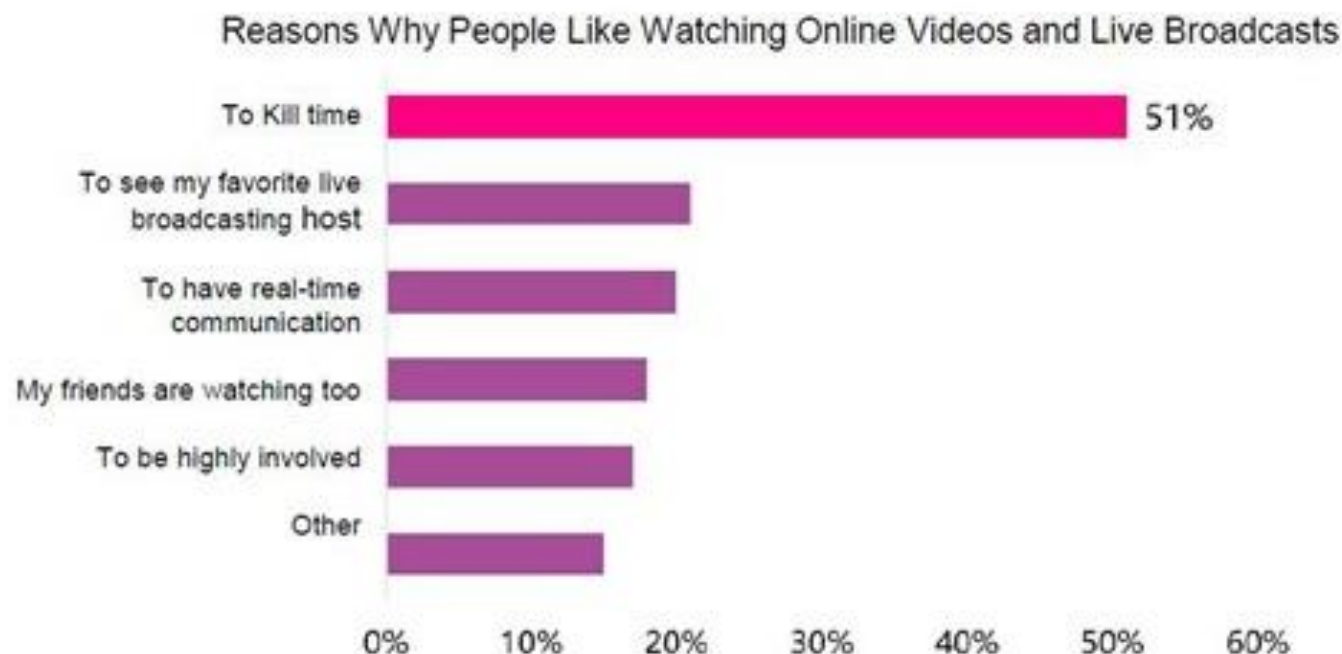
### Growth of Weibo Video Play Times



## What's happening in China? Visual content is King!

- By December 2018, China has 612 million online video platform users, an increase of 33 million on that of 2017, representing 73.9% of total netizens. Among these users, 590 million are mobile users, taking up 72.2% of all mobile netizens.
- By December 2018, short video platform users have reached 648 million, 78.2% of all netizens.

Source: 43<sup>rd</sup> CNNIC China Internet Survey



Source: 41<sup>st</sup> CNNIC China Internet Survey

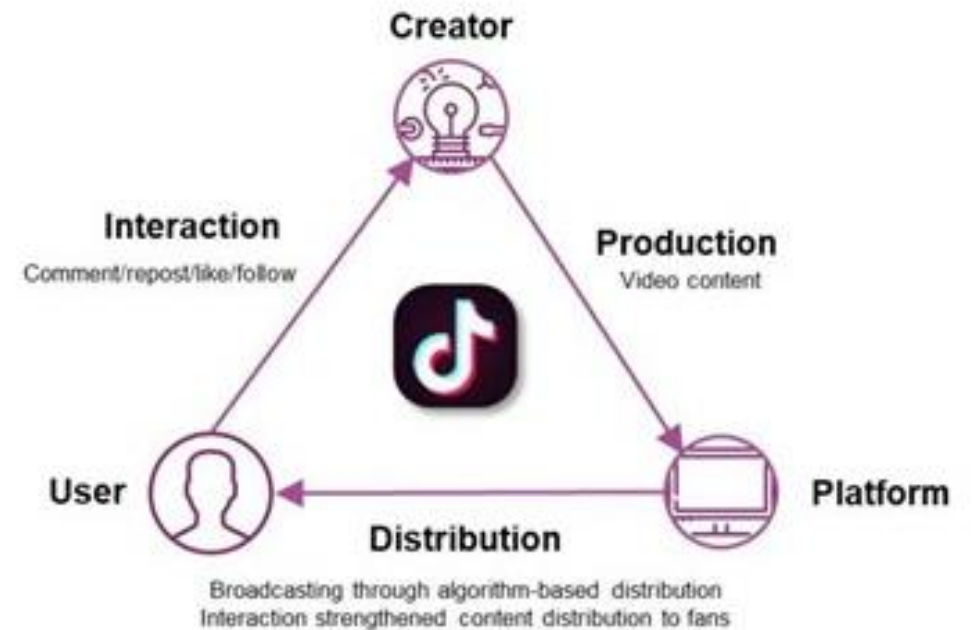
## What's happening in China? Visual content is King!



DouYin (Tik Tok) is a platform beloved by Chinese youngsters. It allows users to watch and produce funny music videos. These 15 seconds clips make it easy to catch user attention. Users can lip sync or dance to the music, while the app provides special effects or filters for editing.

Douyin has built a content-based ecosystem and using algorithms to assist push messaging, it enables users with similar interests to expand their social networks via content sharing.

Douyin Content Distribution Mechanisms



## What's happening in China?

### Case Study: Hong Yadong

During the three-day-long May Day holiday in 2018, an attraction called Hongyadong, in Southwestern China's Chongqing Municipality, suddenly became a ceWebriety.

- On the league table of the “Top Ten Hottest Attractions in China”, Hongyadong ranked second, only after the extremely famous Forbidden City in Beijing.
- It received over 80,000 visitors on 29/04/2018 and during the three-day May Day holiday
- It received altogether 142,000 visitors, a 120% increase over that of 2017, while its suggested capacity is only around 52,000!

The 3 short videos on Tik Tok played a decisive role in Hongyadong's success.



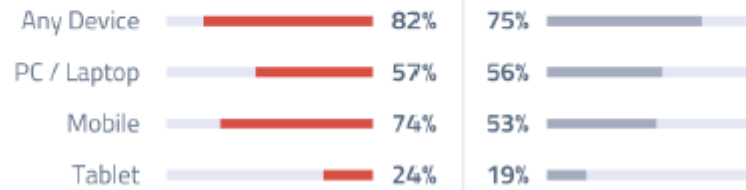
# What's happening in China?

## Lead the world in mobile payment

### COMMERCE

CHINA GLOBAL

Buying Products Online | % who purchased an item last month via the following



### Mobile Payments

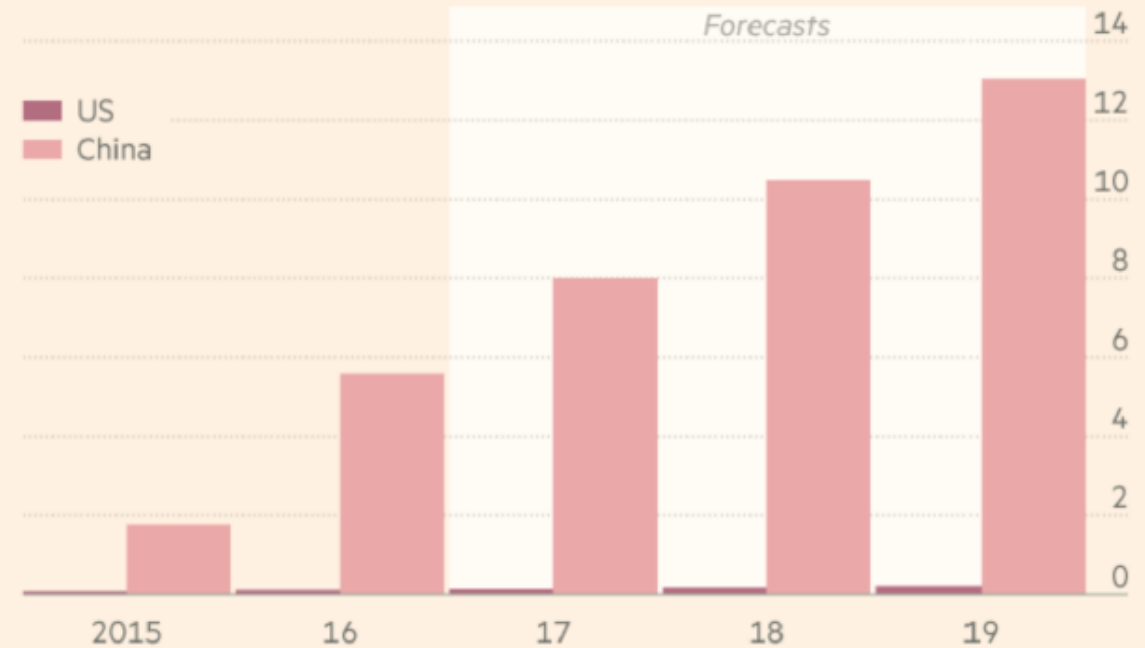
% who used a mobile payments service in the last month



Source: eMarketer

### China mobile payments dwarf US

Transaction value of third-party payments (\$tn)



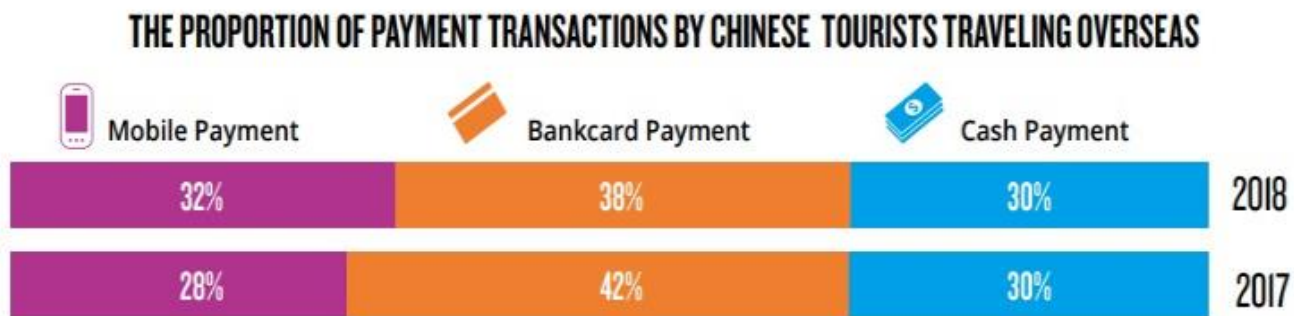
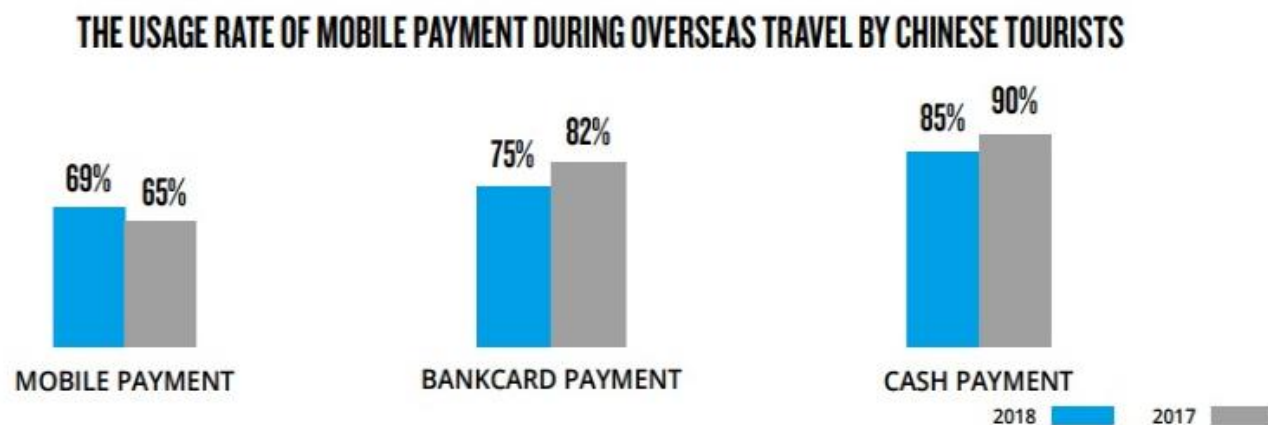
Post-2015 figures are forecasts; renminbi values converted to US\$ at current exchange rate  
Sources: Forrester Research (US); iResearch (China)

FT

## What's happening in China?

### Lead the world in mobile payment

WeChat Pay and Alipay are the two dominant mobile payment systems in China. In 2016, their combined transaction volume reached 3000 billion USD. As outbound Chinese tourists are making more overseas trips and spending more in foreign countries, both WeChat Pay and Alipay are expanding quickly globally.



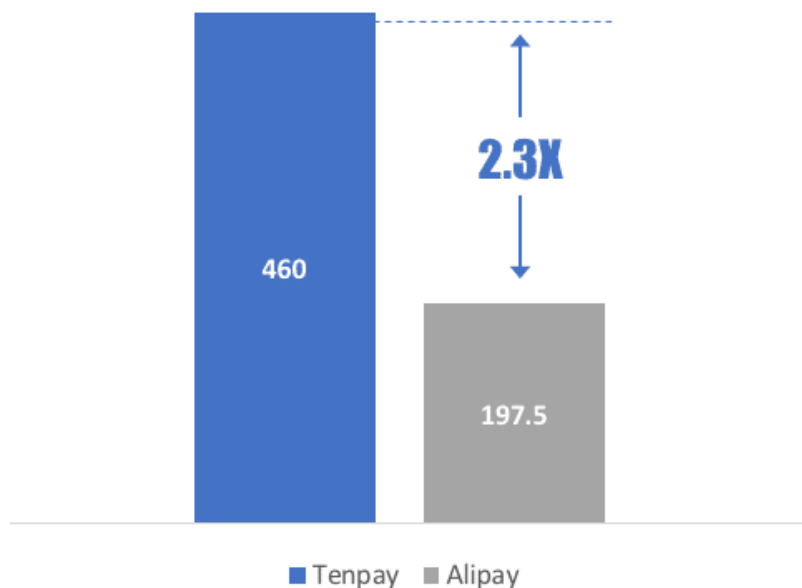
- **over 90% Chinese tourists would use mobile payment overseas given the option.**
- **Chinese mobile payment methods also help to boost business for overseas merchants with 58% stating that after adopting Alipay, their foot traffic increased, while 56% claimed their sales improved.**

Source: "2018 trends of Chinese mobile payment in outbound tourism" and "Outbound Chinese Tourism and Consumption Trend: 2017 Survey" by Nielsen

# What's happening in China?

## WeChat Pay VS Alipay

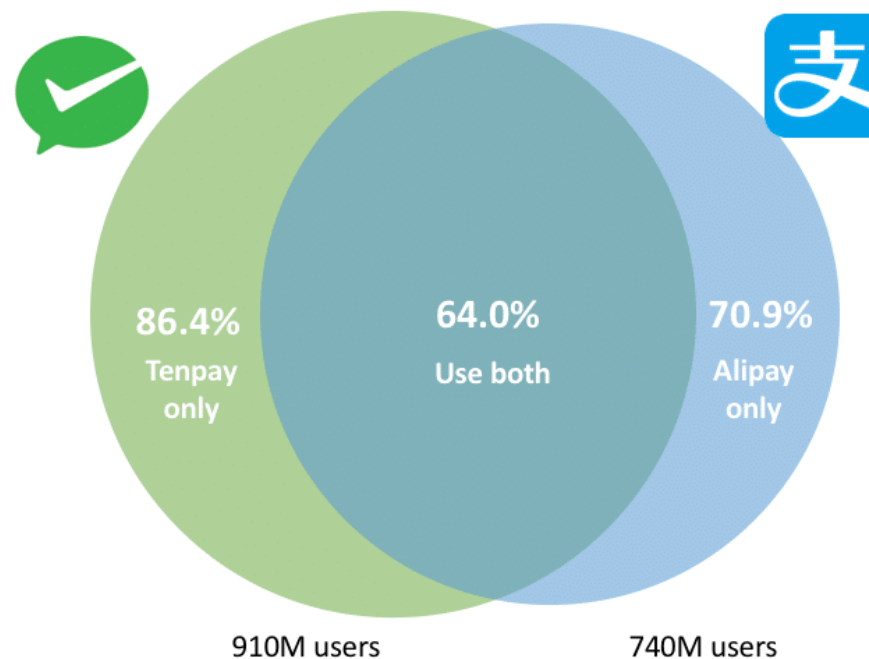
### Transaction amount in 2018 Tenpay vs. Alipay (billion)



Source: Ipsos 2018 Q4 Third-Party  
Mobile Payment User Report

WALKTHECHAT

### Tenpay and Alipay's market penetration 2018 Q4



Source: Ipsos 2018 Q4 Third-Party Mobile Payment  
User Report; sample population 13,148

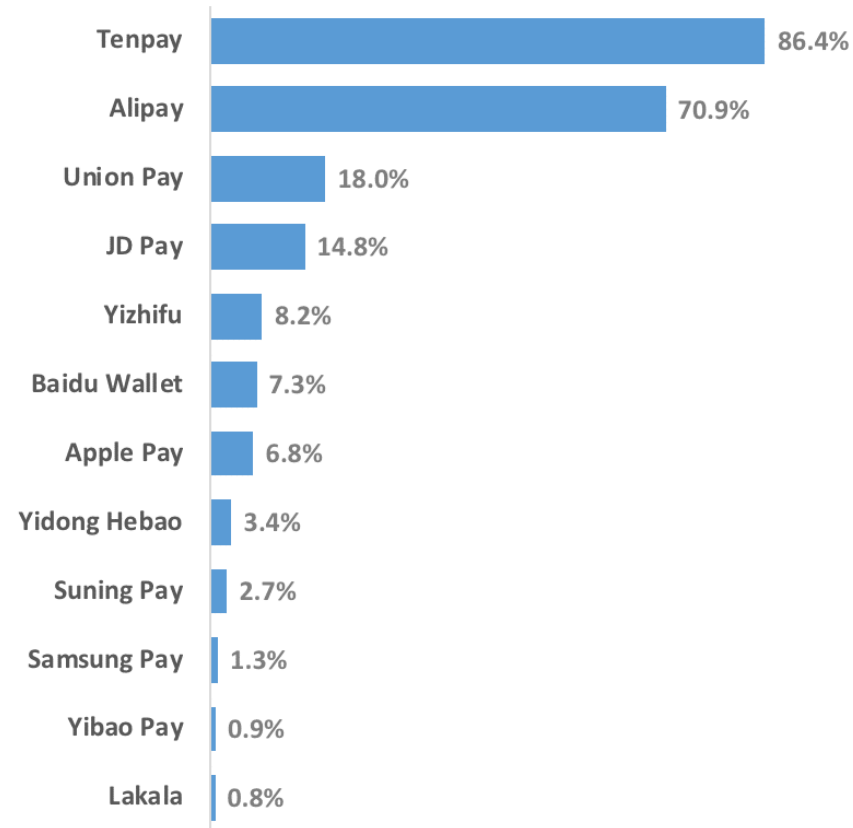
WALKTHECHAT

Source: <https://walkthechat.com/the-cross-border-payment-war-of-wechat-pay-and-alipay/>

# What's happening in China?

## WeChat Pay VS Alipay

### Payment Method User Penetration % 2018 Q4



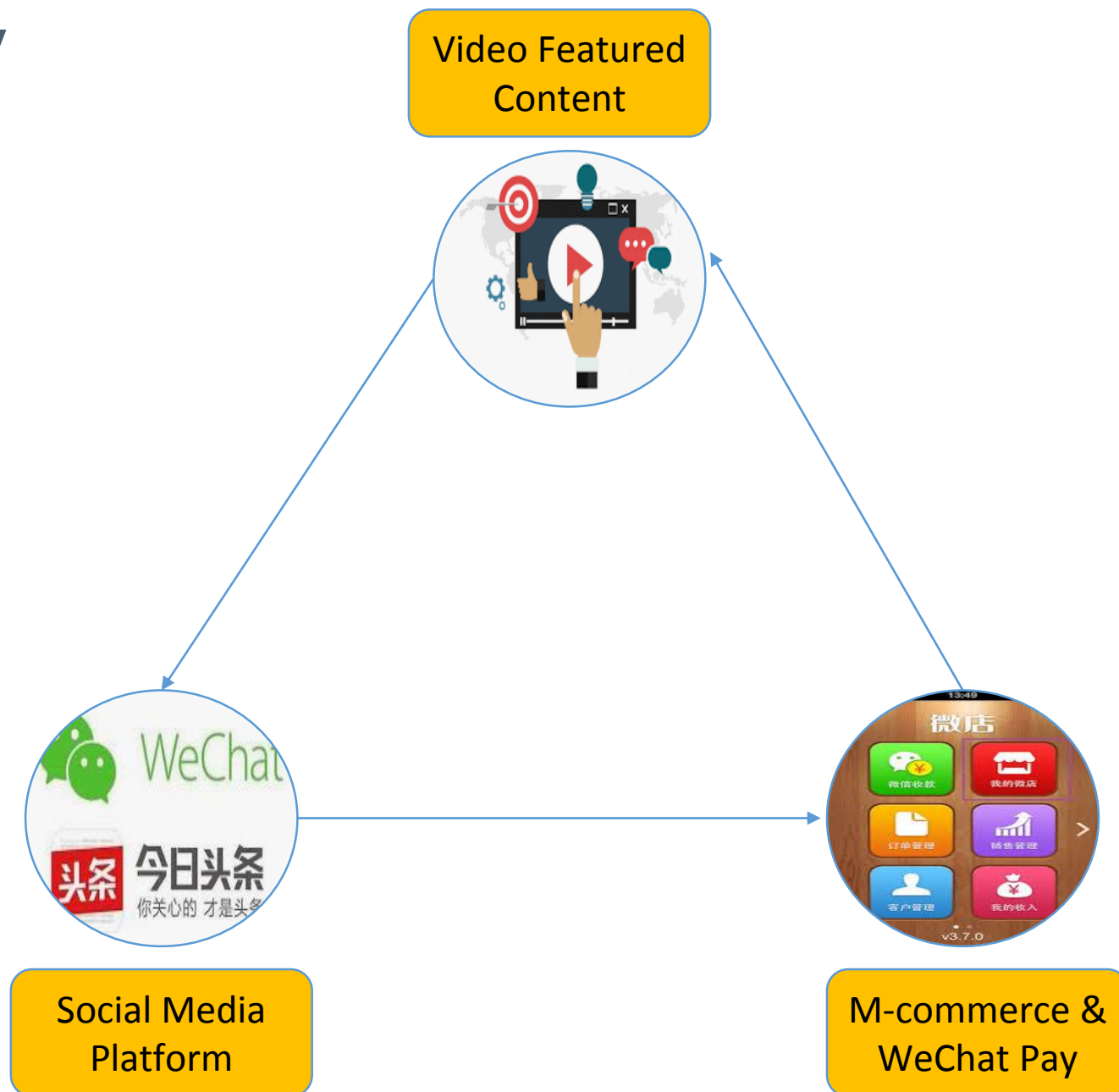
Source: Ipsos 2018 Q4 Third-Party Mobile Payment User Report; sample population 13,148

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- Alipay covers 54 countries and regions
- WeChat Pay covers 17 currencies in 49 countries and regions.



## Our Strategy



## Suggested Mainstream Social Media Platforms



### WeChat

WeChat is a multi-purpose messaging, social media and mobile payment app developed by Tencent. By 2018 it was one of the world's largest standalone mobile apps by monthly active users with over 1 billion monthly active users. Described as one of the world's most powerful apps by Forbes it is also known as China's "app for everything".



### Toutiao

A fast rising new social media platform in China. By Q2 2018, its daily active users surpassed 200 million. An average user stays with it for 76 minutes per day. Its advantages: 1) Personalised recommendations based on user interests, 2) High quality content recommended by cutting edge algorithm. 3) Continuously and actively pushes targeted content to the user.



### Douyin

Douyin is a short-video App with powerful editing capabilities. It enables users to add music and effects to their videos in order to make them more interesting/creative. It has become one of the first Chinese apps to successfully gain worldwide reach as it topped the iOS download charts for non-game apps for the first quarter of 2018.



### Sina Weibo

Weibo is known as China's equivalent of Twitter. Sina Weibo (NASDAQ: WB) is a Chinese microblogging website. It was launched by Sina Corporation on 14 August 2009 and one of the most popular social media platforms in China. As of Q2 2018, Sina Weibo has over 431 million monthly active users.

## Our Services: Video Featured Content

The USP of Digipanda's China social marketing solution for DMOs is the video featured content, which can visually reflect the most attractive places of a destination.

Digipanda's partner company CreativeQi will be responsible for the video content production. Our video production service include:

➤ **Prepare a shooting plan**

This service entails the development of a script through exciting concepts that are in alignment with the client's Demand. This will then be translated into a shooting script for a up to five minutes long video, ensuring the core message of the video is integrated.

➤ **Camera Shooting**

Our professional cameraman will irregularly go to the site for a one day camera shooting based on the shooting script, we will inform you the exact date before we come to the site

➤ **Video Editing**

Our professional editor will edit the footage based on the shooting script, produce videos of various length for you, in additional to this, we can translate the video into Chinese and provide Chinese subtitles and audio into the video

## Our Services: M-commerce & WeChat Pay

- Registration and verification of WeChat public account for client DMO, using its UK company certificate. The WeChat account belongs to the client DMO, instead of any third party agencies.
- Construction of WeChat Store and integrate this store with WeChat account.
- Connect with WeChat Pay
- Operating the WeChat store on behalf of client.

WeChat public account set-up and verification service, as well as WeChat Pay and Alipay connection services will be provided by Digipanda Partner GlobePay.

## Our Services: Social Media Operation

- Setup WeChat public account, Toutiao, Douyin and Weibo accounts
- Plan for automatic reply, welcome message, self-defined menu, content columns for WeChat account
- Regular update on all above social media account. The content will be translated and edited by Digipanda based on raw materials provided by client.
- Ongoing engagement with followers on all platforms.
- Collection and reuse of UGC (user generated contents).
- Monthly performance report

Other services of Digipanda that you might be interested in:

- 1) Panda Card: a collaborative marketing scheme featured by an online directory for inbound businesses
- 2) Marketing solution that helps our clients reach Chinese students in UK
- 3) Production of Chinese website, brochures and other marketing collateral.

## Contact



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# Thank You!



**DIGIPANDA**™