

Notes from an ad hoc anthropologist: Marketing in China

By Teresa Lin, Draftfcb Chicago Senior Strategist

Notes from an ad hoc anthropologist: Marketing in China

By Teresa Lin, Draftfcb Chicago Senior Strategist

The numbers in and of themselves are staggering: mainland China has more than 13 cities with over 5 million people. In a country with 1.3 billion inhabitants, its measured ad spend alone this year totals \$20 billion. Ninety-two percent of China's broadband users contribute to social media while its beer market leads the world in volume with 1.35 billion gallons consumed. Growing a brand's presence in China is no longer a competitive advantage but an exigent demand.

China is a contradictory landscape: it can leapfrog technology and manufacture a fifth of the world's goods yet remain completely wild and underdeveloped at the same time. We can salivate at the Wild East but to wrangle, understand and market to such an enormously diverse culture is an extremely difficult and complex challenge.

Starting in November 2008, I have had the opportunity to work with Draftfcb Shanghai on a handful of accounts, both for global CPGs and new business research. What follows is my attempt to capture and share the many unexpected (but often delightful) experiences, insights and observations from working as a strategist in an emerging market.

Explore the marketplace and go native.

In truth, we are more than marketers—we're enterprising anthropologists, social scientists, and ad hoc psychologists. The worst thing we can do is sit around and expect research to uncover itself. Here's an example, gained from meeting people, not reading reports: When mixing milk, why would a Chinese mother use almost twice the amount of prescribed formula for each feeding? Because Asian mothers view formula not as an artificial dietary supplement but as critical food for her child, more enriching than regular food or mother's milk.

You can't observe patterns, habits and traditions without stepping outside of your comfort zone and into the centrifugal force of consumers' lives and homes.

That said, data and research will not acculturate you. Do not limit consumer understanding to focus groups or ethnographies. Make a conscious effort to fully embrace the country and make it your home. It's all about eating with the locals, dressing like the locals, shopping where they shop, and dealing with the same day-to-day problems.

Until you begin to do this it will be much harder to understand the deep-seated drivers and (oftentimes puzzling) thought processes behind Chinese consumer behavior. This kind of personal research enables you to pinpoint your immediate business challenges—i.e.; Why would anyone want to pay the equivalent of \$9 for “cardboard” cereal when they can have the warmth and convenience of \$0.75 breakfast “bao zhi” right outside their front door? Forget about other multinationals, your competition in China is tradition, heritage, and grandmother's dumpling cart.

We work in Hollywood.

Whereas we in the West are jaded by television and quick to dismiss overt advertising, most Chinese consumers liken our field to Hollywood. As TV is tightly controlled by government CCTV, the quality and depth of programming are limited. As a result, consumers are more likely and open to look at your :15 or :30 spots as not only very-welcome spectacles, but for creative leadership and bold humor. The millennial pendulum has swung from the somber pragmatism of China's 1990s towards incorrigible consumerism. And like any good bourgeois society, the need to be entertained.

Media is dead, long live media.

Don't expect the marketplace to follow the traditional trajectory from newspaper, TV and radio to online. The challenge (and opportunity) with China is the way in which it has leapfrogged familiar technologies and platforms. No doubt television will continue to play a critical role, but between the web and CCTV, its immediate influence and potential has become severely impacted by mobile and social media usage. The implication? Re-think media and channel planning upfront. Enterprising brands treat integrated marketing not as an afterthought but as a requisite foundation of business architecture.

Creativity is more critical than ever.

In China, between economies of scale and the aftermath of the cultural revolution, a new generation is coming out of the woodwork to not only innovate but to take risks and create something entirely new. Whereas the Cultural Revolution of China's yesteryear was oppressive, the Cultural Revolution of today is expressive. The nation is challenging itself to move from a culture of duplication and innovation to imagination. And what might happen is that the rise of China's middle class will be tied to or subsumed by the cultural leadership of an emergent "creative class," rooted less in the advancement of capital goods but in service and creative intellect.

This disruption carries substantial implications for our industry. The recent global economic crisis notwithstanding, one of the key patrons of this creative movement has historically been the advertising and marketing sector. Multinational clients with thicker wallets seek hot young local designers or hot shop talent to boost their "glocal" credibility and brand awareness. In time, with accumulated experiences and networks, these new talents are the very same people who in the near future will easily become our competitor or collaborator. Therefore the call for sharp, accountable creativity is more important than ever.

What does this mean for marketers?

Here are three suggestions:

Live your research.

Seed relationships with other offices. Organic growth opportunities with many clients are not limited by geography.

Understand the outside world.

Think globally on an everyday basis. Begin to look at international trends and advertising best practices that relate to your clients. Some of the craftiest work comes out of the most limited markets and though we may export many of our own trends, the reverse is inevitably near.

Don't just share toys, share the thinking.

Sometimes tools and processes can be far ahead of the curve. Strategy is king. So while we should look for ways to share our capabilities in localized, miniaturized forms, it's the thinking behind what we do that matters. Be persistent and share those ideas. Change is incremental.

Is China in a recession? Between government involvement and lack of comprehensive, official data, it's hard to say. Further clouding the conundrum is China's size and city-tier complexity. However, we do see segment-specific recession: migrant workers and "hai quei" ("sea turtles" or Western-educated workers returning home) have been amongst those first hit, contributing to the quick rise in the unemployment rate.