

CHINA MOBILE, NIKE LEAD FOR ENGAGEMENT, ASPIRATION

MARCH 2010, BEIJING - Mobile giant China Mobile and sports leader Nike are currently outperforming all others in China in terms of brand engagement and aspiration, according to a joint study by China based R3 and media research firm CSM.

“China Mobile is winning the 3G war through web-centricity, strong brand values and solid customer base” says Greg Paull, Principal of R3. “Their latest marketing initiatives featuring Ge You and other approachable stars continues to drive strong connections” he added. China has only recently diversified its mobile network structure immediately prior to the Olympics and the three competitors China Mobile, China Telecom and China Unicom have been amongst the country’s most aggressive advertisers in the last twelve months.

Nike, ranked second in the study, continues to perform well in China. “While six sports brands are associated with the NBA right now, Nike is the most engaging with 35% of mentions” said Mr. Paull. “On top of this, they have strong celebrity recall for their associations with Kobe Bryant, Yi Jian Lian and others” he added. Other sports brands associated with the NBA included adidas, along with local players Li Ning, Anta, Peak and 361 degrees.

The study has already interviewed 6,000 Chinese consumers aged 15-40 across China’s top ten cities and will continue to the end of 2011, with 18,000 interviews in total. “We are trying to go beyond what people are doing and understand why they are doing it, and which brands they love, not just consume” said Matt Brosenne, Business Development Director of CSM.

TOP TEN BRANDS – ENGAGEMENT + ASPIRATION

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1. China Mobile	85
2. Nike	63
3. Coca-Cola	59
4. Nokia	57
5. Mengniu	44
6. adidas	39
7. Lenovo	38
8. Sony	35
9. Samsung	34
10.KFC	33

COCA-COLA BEST FOR BRAND RECALL

While China Mobile and Nike lead overall, Coca-Cola is performing the best of any brand in China in leveraging their assets – from Yao Ming, Liu Xiang, the NBA and TV sponsorship. “Coke is the only non-sports brand with a strong NBA association, and they are also getting positive recall of some of their TV and digital investments” said Mr. Brosenne.

HUNAN SATELLITE SHOWS PROVE MORE ENGAGING

The NBA also continues to enjoy extreme popularity in China, ranking as one of the top five most engaging TV programs out of more than 760 programs in ten cities. “NBA always does well during the season, and we should see a peak coming up to the playoffs, particularly if The New Jersey Nets with Yi Jian Lian can make the playoffs” added Mr. Brosenne. “But it’s really some of the Hunan Satellite TV shows, such as “Happy Camp” and “Day Day Up” that consumers love – these are the shows they tell us they will make as “appointment viewing”.

For marketers, this type of program love and interest is something akin to a holy grail – “it means there’s far less likelihood of channel surfing and a far stronger change of engagement” he added. “We seen that Yili, China Mobile and others have gained a lot of traction through their association and media placement, and it flows through into their overall brand engagement” he said.

CONSISTENCY WITH STARS MATTERS

Companies using stars consistently are the ones getting the benefit - “One of the key learnings so far is that brands that have a long term association asset are getting more benefits than those who keep changing. Coca-Cola now has a six year history with Liu Xiang and five years with Yao Ming, and they are getting the ongoing benefit of brand association as a result” said Mr. Paull. “What they are doing is using proven stars as a base, and then adding “hot hits” like pop group Fahrenheit for Chinese New Year and other occasions. This is where they lead other companies” he added.

TOP FIVE STAR-BRAND ASSOCIATIONS

- 1. Yao Ming - Coca-Cola**
- 2. Jackie Chan - Ba Wang (a local shampoo)**
- 3. Liu Xiang - Coca-Cola**
- 4. Liu Xiang - Amway**
- 5. Jay Chou - Sprite**

Despite his now-famous withdrawal from the Olympics, Liu Xiang is now back in the hearts and minds of consumers. “He’s already China’s second most popular celebrity again behind Yao Ming – against over 500 others we tested” said Mr. Paull. “The brands such as Nike and Coke that have stuck by him are going to get a reward from consumers” he added.

SOCIAL MEDIA LEADS PORTALS IN ONLINE ENGAGEMENT

Despite the obvious traffic advantages of the portals, online consumers are far more passionate right now with new social media and other online forums. Tencent's "Q-Zone" (a bulletin board / forum) ranked highest for engagement, ahead of tieba.baidu and kaixin001. "Consumers want more than just news and entertainment online – they want connections, they want friendships – and this is a reflection of this result" said Mr. Paull.

TOP FIVE DIGITAL – ENGAGEMENT + ASPIRATION

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1. Q-Zone	83
2. Tieba.baidu	69
3. Kaixin001	64
4. Tencent forum	59
5. Sina	45

"We've seen marketers already invest in the social media space in China, but in the next year, it will really come of age. Already, five of the top ten most engaging brand recall online comes from kaixin001, not the portals – covering brands such as Minute Maid, Yili and Coca-Cola. More and more marketers will need to treat social media as a viable marketing platform, not just something for a short term experiment" he added.

ADSPEND NOT LINKED TO ENGAGEMENT , RESULTS

Although China Mobile was a major media spender during this period, it was not amongst the top ten spenders in China. In fact, only local dairy giant Mengniu finished in the top ten in both top ten spenders and top ten most engaged brands. "The days are over where media budgets mean everything" said Mr. Brosenne. Today's consumers are far more selective in their TV consumption, and brands need to activate the right passion points, not just push for mass exposure" he added.

The next wave goes into field in March