

## Which Brands Are Loved by Chinese Consumers?

Survey by R3 and CSM in Beijing Shows Strong Ties to Stars Like Liu Xiang  
and Savvy Use of Social Networking Sites Matter More Than Big Media Budgets

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BEIJING (AdAgeChina.com) – Mobile phone service provider China Mobile  
and American sportswear marketer Nike currently outperform other advertisers  
in China, in terms of brand engagement and aspiration.

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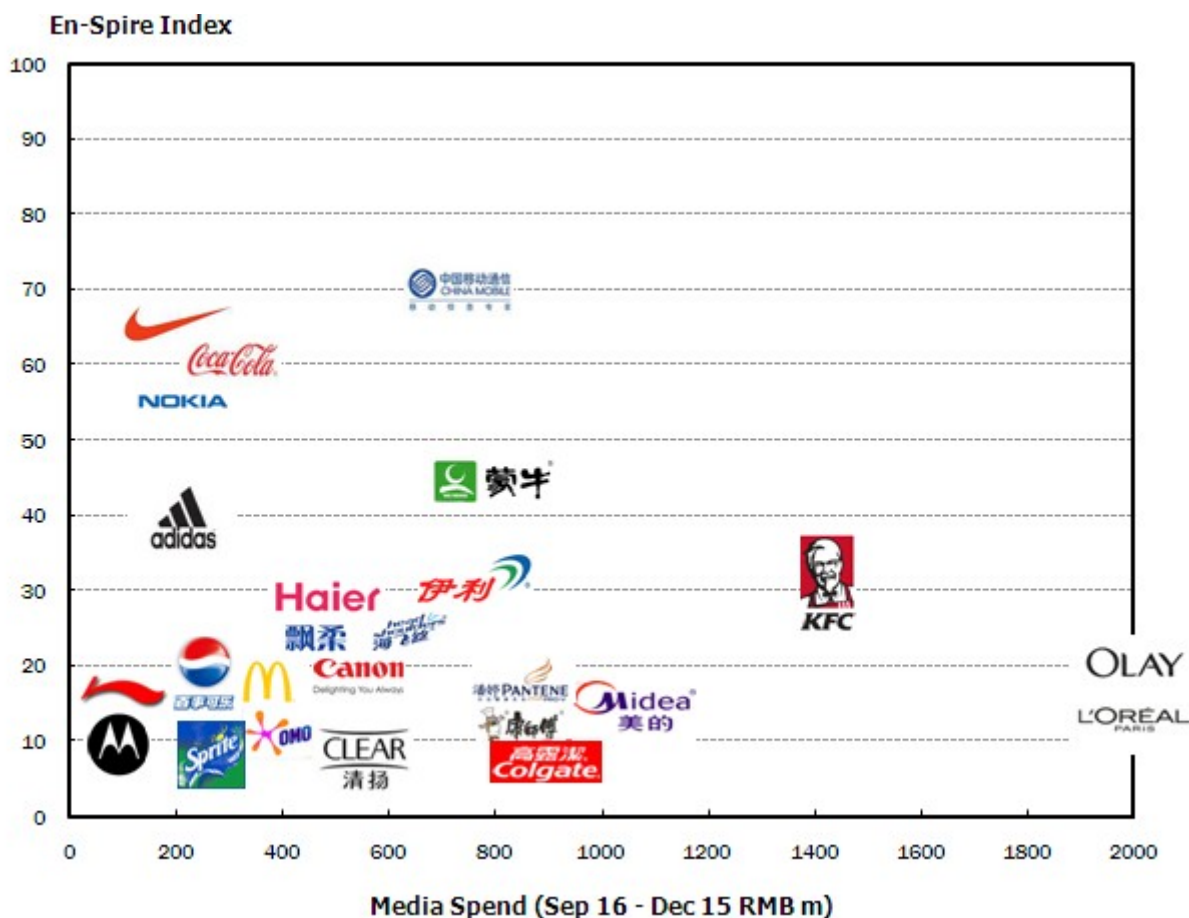
Those two brands are followed by Coca-Cola in third place, then Nokia, Mengniu dairy, Adidas, Lenovo, Sony, Samsung and KFC in tenth place, according to the fourth wave of En-Spire, an ongoing study conducted by Beijing-based consultancy R3 and media research firm CSM.



Nike is the second-most popular brand in China, partly because of its relationship with track-and-field star Liu Xiang, featured in this 2009 ad by Wieden+Kennedy, Shanghai

The survey attempts to understand which brands are loved by consumers in China, not just consumed, said Matt Brosenne, CSM's business development director in Beijing.

Some of China's most advertised brands, like Procter & Gamble Co.'s Olay, L'Oreal and Yum Brands' KFC chain registered the lowest brand engagement.



This chart compares the level of brand engagement vs. total media spending in China, according to the fourth wave of the En-Spire study

In the first four waves of the study, the researchers have interviewed 6,000 Chinese consumers aged 15-40 in the country's top ten cities. The survey will continue to the end of 2011, with a total of 18,000 interviews. The next wave of the survey, which was launched in 2008, begins this month.

China diversified its mobile network structure just before the 2008 Olympic Games in Beijing. Three competitors, China Mobile, China Telecom and China Unicom, turned into three of the country's most aggressive advertisers in the last twelve months, since 3G services were launched in January 2009.

"China Mobile is winning the 3G war through web-centricity, strong brand values and solid customer base," said Greg Paull, principal of R3. The company's latest marketing initiatives featuring Ge You and other "approachable" stars continues to drive strong connections.

### **Nike ranks second among all brands**

Nike, ranked second in the study, also performed well in China last year, even though the U.S. company reduced its ad spending in China compared to 2008, when the Olympic Games were held in Beijing.

"While six sports brands are associated with the National Basketball Association right now, Nike is the most engaging with 35% of mentions," Mr. Paull said. "On top of this, they have strong celebrity recall for their associations with Kobe Bryant, Yi Jian Lian and others."

Germany's Adidas and four local sportswear brands, Li-Ning, Anta, Peak and 361 degrees, are also associated with the NBA.



Matt Brosenne

While China Mobile and Nike lead overall, the survey suggests that Coca-Cola is the strongest marketer in terms of leveraging assets such as basketball star Yao Ming, the NBA and the track-and-field star Liu Xiang.

Coke is the only non-sports brand in China with a strong NBA association. The NBA 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 games "always do well" during basketball season, Mr. Brosenne said, but there is also strong interest in basketball reality programs airing on Hunan Satellite TV, such as "Happy Camp" and "Day Day Up."

"These are the shows [consumers] tell us they will make as appointment viewing," Mr. Brosenne said, suggesting "there's far less likelihood of channel surfing and a far stronger chance of engagement for marketers."

### **Coke's long-term sponsorships have paid off**

Companies benefit most from using stars if they use them consistently, rather than switching frequently from one star to another, according to the study. Coca-Cola, for example, now has a six-year history with Liu Xiang and a five-year relationship.

with Yao Ming.

"They are getting the ongoing benefit of brand association as a result. What they are doing is using proven stars as a base and then adding 'hot hits' like the Chinese boy band Fahrenheit for Chinese New Year and other occasions. This is where they lead other companies," Mr. Paull said.

Despite his well-publicized withdrawal from the 2008 Olympic Games due to injury, Liu Xiang is now back in the hearts and minds of consumers. He has regained his status as China's secondmost popular celebrity behind Yao Ming, against over 500 athletes tested in the survey.



Greg Paull

Despite the obvious traffic advantages of online portals, online consumers currently feel more passionate about new social media and other online forums offering connections and friendships, not just news and entertainment.

Tencent's bulletin board and online forum, Q-Zone, ranked highest for engagement, ahead of Tieba.baidu, a social platform provided by the Chinese search engine Baidu, and the social networking site Kaixin001.

### **The top-spending brands aren't the most popular**

Half of the ten brands with the highest brand engagement and recall in online media, including Minute Maid, Yili and Coca-Cola, engaged consumers through marketing programs on Kaixin001, not portals.

"We've seen marketers already invest in the social media space in China, but in the next year, it will really come of age. More and more marketers will need to treat social media as a viable marketing platform, not just something for a short term experiment," Mr. Paull said.

Spending wisely, rather than spending more, may also be a key to success. Although China Mobile was a major media spender during this period, it was not among the top ten advertisers in China. In fact, only local dairy giant Mengniu\_4.

ranked among both the top-ten advertisers and the top-ten most engaged brands .

"The days are over where media budgets mean everything," Mr. Brosenne said. "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."

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