

**The Social Network Site:**  
**A new way to reach Chinese consumers!**  
**Marketing Communication suggestions for Radio Netherlands**  
**Worldwide promotion in China**



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## Abstract

Today, most Internet users across the world are familiar with Facebook, LinkedIn, and other social networking sites (SNS), and apply them in their daily lives. Everyone wants to benefit from SNS, including many companies, brands and organizations. This research provides marketing communication suggestions for a Dutch international broadcaster to promote itself in China through SNS. Radio Netherlands Worldwide (RNW) wishes to gain an understanding of SNS and whether these would be suitable as a marketing communication tool for the promotion of RNW in China.

This research consists of three components. The first considers the problem from a theoretical perspective investigating the various aspects of SNS. The second part consists of an in-depth interview with an expert providing an insight into SNS marketing in China. The final part is a questionnaire survey collecting background information from the target audience of RNW in China, and will be used to help validate the theoretical research findings.

The findings from this research show that SNS can provide a new approach for RNW to reach new potential Chinese consumers. However, there are certain rules regarding the use of SNS as a marketing communication tool in China as well as the Chinese cultural influence on SNS, all of which have to be taken into account in any future marketing strategy.

The recommendations from this research can be regarded as brief guidelines in the use of SNS for the promotion of a business or corporation in China, not only for Radio Netherlands, but for any other organizations that want to promote themselves in China.

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## Chapter 1 Introduction

### 1.1 Introduction

New communication methods are being rapidly developed, accompanied by improvements in internet technology. Whenever a communication tool is widely accepted and applied, it will bring a unique advantage for both the message sender and receiver. One of the current popular communication tools is the social network site (SNS), such as Facebook.com, LinkedIn.com or Hvyes.nl

SNSs have already been successful in the USA, and their popularity is quickly growing in the rest of the world. It seems that SNS is a challenge to the older existing communication channels, because not only does it make people better connected, but it also offers online users an advanced possibility of sharing everything that they would like to be shared. Nowadays, the effect of SNS is everywhere and is seen in everyone's life. Two examples showing how this researcher has been impressed by SNS are described below:

#### Example No.1:

In 2008, as a fan of the Dutch television show "Pop Star", you could not image how happy I was when I found my favourite pop star, Rebecca, and her fans group on Hvyes.nl. I even managed to have a direct conversation with her through the instant messaging service of Hvyes.

#### Example No.2:

As I remember, in 2009, a couple of tasks that my father undertook on the social network site Kaixin.com (a Facebook clone in China) really convinced me of the breadth of the coverage of SNS. Firstly, he found his high school classmate on Kaixin.com, a lady who was his first love.

Then later, he told me that he owned five BMW 750i cars. Of course, I knew those 5 BMW cars only existed on Kaixin.com as his virtual property, but nevertheless I could not believe that my father a 60 year old man would use SNS in this way.

I have been working for Radio Netherlands Worldwide (RNW) as a communication specialist since 2008. Identifying more effective means of marketing communication and promoting RNW products to Chinese consumers are the core components of my work. Nowadays, everyone can see that more and more online consumers, brands and organizations are involved with SNS; On the other hand, various forms of advertising shown on SNS represent changes to online marketing. Therefore, I am eager to discover whether SNS may help RNW to reach online Chinese consumers.

In order to answer these questions this research investigates how and why SNS works, and how SNS assists with marketing communication. The opinions of Chinese consumers regarding SNS, their responses to SNS marketing, and the current situation regarding SNS marketing in China will all be explored in this research.

## 1.2 Problem definition

Policy question: Can SNS help Radio Netherlands Worldwide to reach online Chinese consumers?

Research question: How can SNS serve as a marketing communication tool and what are the opinions of online Chinese consumers regarding the use of SNS and SNS marketing?

Sub questions:

SNS in general:

SQ-1: What are the characteristics of SNS?

SQ-2: How does SNS differ from other online media as a marketing communication tool?

The Chinese situation:

SQ-3: How do online Chinese consumers use SNS?

SQ-4: Why do online Chinese consumers use SNS?

SQ-5: What are their experiences and responses to SNS marketing?

SQ-6: What is the cultural landscape of SNS in China?

SQ-7: What is the current status of SNS marketing in China?

### 1.3 List of terms

**SNS:** social network service, is an online community for people who have the same interest or activities, these are used by people who have existing social relations such as colleagues, former classmates, family members etc.

**RNW:** Radio Netherlands Worldwide, is an independent international medium from The Netherlands. It broadcasts news, analysis, and background in 10 languages, worldwide, 24 hours a day on radio, television, and internet. The **RNWCW:** Radio Netherlands Worldwide Chinese website, is a web product made by RNW for its Chinese audience.

**Online Chinese consumers:** the target audience of RNWCW, these are people or businesses that live in mainland China (primary group) or are Chinese overseas (secondary group), who may link up with the Netherlands. The possible links are:

- a) Chinese people who have been to Holland before, are living in Holland now, or will be visiting Holland in the future as a result of travel, study, work, business, projects, family visits, etc.

- b) Chinese people who have never been to Holland, but who would like to get to know Holland better. Or have an interest in Dutch affairs as a result of personal interests, business cooperation, cultural interest or other reasons.
- c) Chinese people who like to receive information and news from international (western) media.

For a detailed description, see Appendix I.

**Marketing communication tool:** the method to accomplish objectives such as distributing information, promoting an image and reputation, creating and stabilizing a product and service demand, emphasizing features and benefits, providing competitive differentiation, generating sales leads, ensuring customer retention and loyalty, and motivating staff. This can include advertising, direct marketing and relationship marketing, sponsorship, event marketing, sales promotion, public relations, and other alternative strategies.<sup>1</sup>

**Online marketing:** The marketing of products and services and the building of customer relationships over the internet<sup>2</sup>.

**SNS marketing:** Marketing activities based on the platform of social network sites.

**Cultural landscape of SNS in China:** In order to help understand the situation that is found in China, a brief description describing the cultural background of Chinese cyberspace is necessary. This includes the most important cultural effects “GuanXi” on the social network, how it affects SNS, and how the Chinese government can control SNS.

#### 1.4 Methodology

This research will be undertaken based on the following three approaches:

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<sup>1</sup> Wolfgang Donsbach (2008) “The International Encyclopaedia of Communication”

<sup>2</sup> “Principles of marketing” 12<sup>th</sup> edition, Philip Kotler, Gary Armstrong 2008



- 1) Literature / theoretical research. Firstly, this research will help to reveal the current knowledge regarding SNS, secondly will provide an overall understanding regarding what SNS is, and how it works in terms of marketing communication and thirdly will investigate the current development of SNS in China and the Chinese cultural impact on SNS and the behaviour of its users.
- 2) Expert interview. One Chinese SNS expert will be interviewed through an international telephone call. This will provide a deeper insight into what makes SNS special, particularly when referring to marketing communication and this will help to support the findings of this research.
- 3) Questionnaire survey. The focus of this dissertation is to establish whether SNS can help RNWCW to promote itself in mainland China. Thus, consumer's opinions regarding SNS should be considered. Therefore a survey with approximately 600 respondents will be administered to a relevant target audience.

#### Matrix

The following matrix describes which sub questions will be answered by which methods in this research.

Sub-question	Desk/internet research (literature)	Expert interview	Questionnaire survey
SQ-1	√		
SQ-2	√	√	
SQ-3	√		√
SQ-4	√		√
SQ-5		√	√
SQ-6	√		√
SQ-7	√		

Table1-1 Matrix of research methods

## Chapter 2 Introduction and Background

This chapter will describe who this research is aimed at, what will be the focus of this research and which industries or fields will be studied.

### 2.1 Introduction to Radio Netherlands Worldwide (RNW)

Radio Netherlands Worldwide (RNW) is the Dutch world broadcaster and multimedia organization that has a Sixty-one year history. “Although government-funded, Radio Netherlands stands apart from official bureaucracy in word and in fact; the multilingual programming is protected by a charter of editorial independence. Through this independence RNW have gained a reputation for impartial and objective reporting and commentary.”<sup>3</sup>

As a worldwide public broadcasting service, RNW broadcasts through radio, television, and websites, and provides news, background information, and tourism, culture affairs etc. to millions of people around the world.

RNW is currently broadcast in Dutch, English, Spanish, French, Papiamentu, Portuguese, Sarnami, Indonesian, Arabic and Chinese. It takes into account the information needs of different target groups and the media situation in various regions around the world.

Currently, RNW has over 360 employees with over 40 different nationalities. The work environment and company culture atmosphere are quite open-mind and internationally oriented.

### 2.2 Introduction to RNWCW

China has been taking a more important role in the international arena since the beginning of the twenty first century. RNW has therefore realized

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<sup>3</sup> About Radio Netherlands Worldwide, by RNW corporate communication

that it is time to start their own Chinese project, and consequently this was the reason why Chinese was been chosen as the tenth language to be broadcast by RNW. Considering financial and personnel issues, the management decided to start with a website, followed later by a radio program. Following half a year of preparation, RNW launched its Chinese Website in February 2008.

The deputy editor in chief of RNW, Ardi Bouwers has reported that the RNWCW has five main objectives:

1. To provide the Chinese audience with news and background information about Dutch society, policies, economics, culture, education and tourism etc, as well as to support the interests of the Netherlands.
2. To build an international online platform for various themes which are important to the Netherlands and China, or China and Europe, or China and the World?
3. To serve as a source of information for Chinese people who are going to travel, study, work, live, or do business in the Netherlands.
4. To serve as a source of life style, ideas, opinions, and visions of people from the western country.
5. To cultivate the influence of the educated Chinese audience by providing facts especially in the area of Dutch/European developments, human rights, and democracy.

### 2.3 The target audience of RNWCW

Ardi Bouwers has described the target audience of RNWCW as highly educated individuals, curious Chinese internet users aged between 20 and 40 years old, who are interested in the Netherlands through cultural, economic or tourism reasons. The total target audience is estimated to be

3 million (source from Ardi Bouwers). For a more detailed description, see Appendix I.

## 2.4 The Internet

It is already 40 years since the Internet was invented. During those 40 years our lives have been shaped by the Internet from the way we communicate to methods for doing the shopping. Since the end of the last century, emailing and web surfing are no longer the only activities that are expected from the Internet, because we are now used to doing the shopping, playing games, or training etc, almost everything can be done online. People think that the Internet is the greatest invention up until now.

### Web 2.0

The term "Web 2.0" is commonly associated with web applications that facilitate interactive information sharing, interoperability, user-centred design and collaboration on the World Wide Web<sup>4</sup>. Web 2.0 provides online users with more possibilities to be interactive with each other, such as through instant message services and comments that may be provided that can be accessed by many users. This is in huge contrast to the one way communication during the Web 1.0 era.

People get know more about Web 2.0 through some of the news concepts that have been introduced, such as TAG, BLOG, etc. But how does Web 2.0 differ with Web 1.0? This is shown in the following figure:

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<sup>4</sup> Web 2.0 by Wikipedia [http://en.wikipedia.org/wiki/Web\\_2.0](http://en.wikipedia.org/wiki/Web_2.0) 1-10-2009

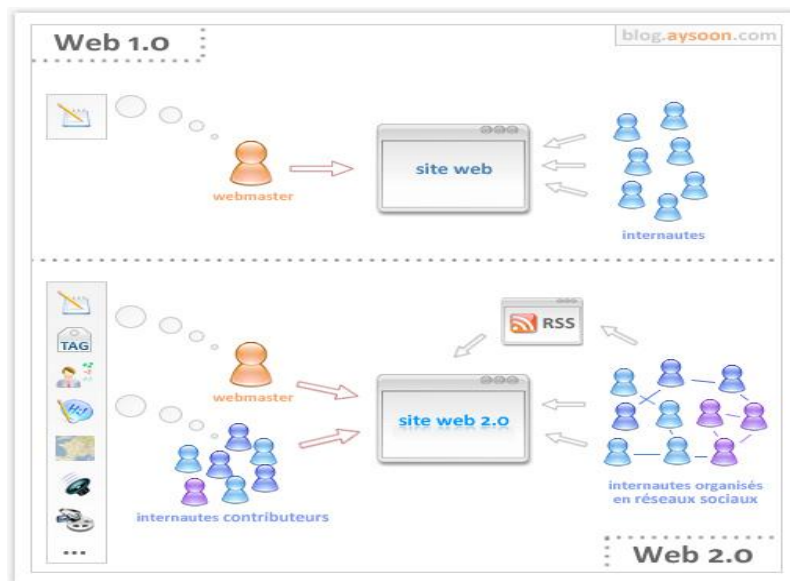


Figure 2-1: A comparison between Web 1.0 and Web 2.0<sup>5</sup>

### Web 3.0

In principle, we are still currently at the Web 2.0 phase. However, it has been suggested by some internet industry leaders that “Web 3.0 is on the way!” What exactly is Web 3.0? There has been a lack of a recognized concept regarding Web 3.0. However, the experts in the field give us some clues as to what to expect from Web 3.0.

*“Web 3.0 is defined as the creation of high-quality content and services produced by gifted individuals using Web 2.0 technology as an enabling platform.”* As reported by Jason Calacanis<sup>6</sup>, an American Internet entrepreneur and blogger. His first company was part of the dot-com era in New York, and his second venture capitalized on the growth of blogs before being sold to AOL.

As reported by Google CEO Eric Schmidt: *“While Web 2.0 was based on Ajax, Web 3.0 will be ‘applications that are pieced together’ - with the characteristics that the apps are relatively small, the data is in the cloud,*

<sup>5</sup> Figure 1, <http://blog.aysoon.com/Le-Web20-illustre-en-une-seule-image> (accessed 14-10-2009)

<sup>6</sup> <http://calacanis.com/2007/10/03/web-3-0-the-official-definition/> (accessed 1-11-2009)

*the apps can run on any device (PC or mobile), the apps are very fast and very customizable, and are distributed virally (social networks, email, etc).<sup>7</sup>*

## 2.5 Internet usage in China

This dissertation will consider how SNS can be used as a new way to reach Chinese online consumers. The general impact of internet usage in China must first be considered.

According to the annual report from CNNIC (China Internet Network Information Centre) in 2009<sup>8</sup> these are the current facts:

- By the end of June 2009, the total number of Chinese Internet users has increased to 338 million, with a 13.4% rapid growth from the end of 2008.
- The internet user groups aged younger than 18-years-old and older than 30-years-old have showed relatively fast growth. Users who have had a secondary school education background have grown relatively fast, while lower-income user groups in China have begun to increasingly accept the Internet.
- Access to the Internet in rural areas has grown relatively quickly.
- Currently China's Internet penetration rate is 16% which is lower than the 19.1% average globally.
- In terms of the internet access method, cable/ISDN users have reached 163 million; mobile internet users have reached 50.4 million. Both are growing fast.
- In terms of the regions in China, Beijing has an internet penetration rate at 46.6%, in Shanghai this is 45.8%. These are the top two in China. Additional information regarding Chinese internet development states, are described in Appendix II.

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<sup>7</sup> [http://www.readwriteweb.com/archives/eric\\_schmidt\\_defines\\_web\\_30.php](http://www.readwriteweb.com/archives/eric_schmidt_defines_web_30.php) (accessed 1-11-2009)

<sup>8</sup> <http://www.cnnic.cn/en/index/00/02/uploadfiles/pdf/2009/10/13/94556.pdf> (accessed 10-3-2010)

## Chapter 3 Theoretical Framework

The previous Chapter has described the background to this research. In this chapter an analysis of SNS by combined with the relevant communication and marketing theories will be described. This will include describing what SNS is, what its characteristics are, what special aspects it has regarding the online media, and what its advantages in terms of marketing communication are. These findings will provide the theoretical basis when designing the questionnaire and the question list for the expert interview later in this research.

### 3.1 SNS and its characteristics

SNS focuses on building online communities of people who share interests and/or activities, or who are interested in exploring the interests and activities of others. Most social network services are web based and provide a variety of ways for users to interact, such as e-mail, and instant messaging services.<sup>9</sup>

In practice, SNS is defined as a “Social Networking Site” or “Social network software”, and examples include Facebook, LinkedIn (in USA and EU mostly), Kaixin001, RenRen (in China), and Hyves (in Holland).

### SNS Characteristics

SNS was created based on Stanley Milgram’s (1934-1984) “Six degrees of separation” theory.

*Six degrees of separation: (also referred to as the "Human Web") refers to the idea that, if a person is one step away from each person they know and two steps away from each person who is known by one of the people they know, then everyone is at most six steps away from any other person on*

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<sup>9</sup> Wikipedia, [http://en.wikipedia.org/wiki/Social\\_network\\_service](http://en.wikipedia.org/wiki/Social_network_service) (accessed 1-11-2009)

*Earth.*<sup>10</sup>

According to the theory of the six degrees of separation, everyone's social network can be extended, when this reaches a certain level, one social cycle will connect another and finally the entire world will be connected. This idea was based on the early understanding of social networking. Later, together with developments in the internet and computer applications, social networks found a medium to accelerate their growth and maximize their value, thus SNS was born in the early years of the 21st century. SNS is a one of the advanced applications of Web 2.0. Being interactive, creative and offering sharing are its essences. "People" and "relationships" are two key factors that decide the future of SNS. In practice, how does SNS work? SNS itself is a platform to keep people online or satisfy people's online needs; people are attracted to certain SNS by specialized themed events or how they are positioned, such as a portal site or vertical site<sup>11</sup>. Then, by offering various online services, SNS can try to help everyone to have or build relationships with others, because as the "relationships" increase, the connection between the user and SNS increases as well.

In short, there are three main characteristics of SNS:

- (1) SNS is built on a common interest or a strong interest for certain people, and the relationships between each other are based on mutual trust.
- (2) In SNS, your real human relationship network exists together with virtual (cyber) human relationships.
- (3) SNS provides a unique connection with people, while at the same time there are rich possibilities to extend connections with other people.

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<sup>10</sup> Six degrees of separation, [http://en.wikipedia.org/wiki/Six\\_degrees\\_of\\_separation](http://en.wikipedia.org/wiki/Six_degrees_of_separation) (accessed 12-11-2009)

<sup>11</sup> Vertical site basically means within the same category. (by Yahoo Answers)



### 3.2 SNS is a communication channel

Claude Elwood Shannon's (1940) communication model consisted of a sender (a source of information), a transmission medium (with noise and distortion), and a receiver (whose goal is to reconstruct the sender's messages), and was one of the oldest communication models. However, in the case of this research, it can be seen that RNW is the sender, SNS is the transmission medium, and the Chinese consumers are the receivers, and vice versa. Later communication theory has said that the communication channel is one of the basic elements of the communication process. This refers to the medium used to convey information from a sender (or transmitter) to a receiver<sup>12</sup>. In the case of the mediums being used, these usually refer to the methods of completion of communication, such as newspapers, radio, television, and the Internet.

Traditionally, people thought that whether a message was successful or not simply depended on the chosen words and the way these were interpreted. However, in the early of the 1960s, Marshall McLuhan along with many others started to believe that the medium decides the quality of the message. Today, the Media Richness Theory (Lengel and Daft 1998)<sup>13</sup> has helped people to realize that the success of a message depends upon the appropriate medium choice (communication channel chosen), along with the correct words being used. Appropriate medium and word choices help to make communication clear and effective, and reduce the senders' costs in terms of time and money. Therefore, analyzing different communication

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<sup>12</sup> Miller, K., Communication Theories: Perspectives, processes, and contexts. 2nd edition. New York: McGraw-Hill, 2005.

<sup>13</sup> "Information richness" is defined by Daft and Lengel as "the ability of information to change understanding within a time interval"[2]. Communications that can overcome different frames of reference and clarify ambiguous issues to promote understanding in a timely manner are considered richer. Communications that take a longer time to convey understanding are less rich.

channels and becoming aware of their appropriate use will to make good choices regarding communication assignments<sup>14</sup>.

### **What is special about SNS as a web-based medium?**

In earlier section of this chapter, it was shown that SNS itself is a website and online media. This is why advertising experts call SNS “social media”. However, this medium is not completely the same as the one that is perceived under traditional media theories, despite the online media or so-called new media.

#### **1) Content is no longer a key factor of media.**

According to traditional media theory, content is the central factor of a media. Content decides the level of competition among the media. However, building networks and developing relationships are more important than the content that is produced in each social networking site. In other words, connecting people has become the central focus of these types of social media.

#### **2) Everyone is a web editor**

In traditional websites, unaccountable editors and writers produce the online content. However, in SNS, there is no need to have such large numbers of content producers. This because everyone, every user of SNS can be a web editor or writer, with SNS offering all kinds of new tools to make it more convenient to produce content, such as message walls and weblogs etc. People are also encouraged to publish anything that they like, with everyone being free to access the work of other people. The model

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<sup>14</sup> Lengel, Robert H., and Daft, Richard L. (1988). "The Selection of Communication Media as an Executive Skill." *The Academy of Management EXECUTIVE* 2(3):236.  
McLuhan, Marshall, and Fiore, Quentin. (1967). *The Medium is the Message*. New York: Random House.

has shifted from the “site talks to me” to “we talk to each other”.

3) Still a BBS, but more than a BBS

*“A Bulletin Board System, or BBS, is a computer system running software that allows users to connect and log in to the system using a terminal program. Once logged in, a user can perform functions such as uploading and downloading software and data, reading news and bulletins, and exchanging messages with other users, either through electronic mail or in public message boards. Many BBSs also offer on-line games in which users can compete with each other, while BBSs with multiple phone lines often provide chat rooms, allowing users to interact with each other.”<sup>15</sup>*

According to the above definition of BBS, it is obvious that BBSs offer the same facilities as SNS. It is likely that the activities that people are now undertaking using a SNS are just the same as what they used to be doing on a BBS before. In fact, they are not precisely same, because SNS can be seen as an advanced version of BBS. It includes all the perceived benefits of BBS, as well as adding some Web 2.0 applications, such as blogging, instant messaging and other applications. However, the essential difference between BBS and SNS is that the latter is devoted to connecting people and trying to create relationships with other people. In other words, the user is no longer as individual as when using BBS.

### 3.3 SNS marketing advantages

SNS is a pure cyber world. Therefore we need to use the theory of online marketing to discover what kinds of marketing strategies may be applied to SNS and how and why they work.

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<sup>15</sup> BBS [http://en.wikipedia.org/wiki/Bulletin\\_board\\_system](http://en.wikipedia.org/wiki/Bulletin_board_system) (accessed on 13-11-2009) BBS is same as online forum.

Since the internet has changed everyone's lives, marketing activities through the internet are no longer a new concept.

What is the definition of online marketing?

*"The application of the internet and related digital technologies in conjunction with traditional communications to achieve marketing objectives. In practice, Internet marketing will include the use of a company website in conjunction with online promotional techniques such as search engine marketing, interactive advertising, e-mail marketing and partnership arrangements with other websites; an alternative term is online marketing."*<sup>16</sup>

SNS began in America and received a boost through the success of Facebook. Nowadays, there is no doubt that SNS is also widely used online by people in China. A recent China Internet Network Information Centre (CNNIC) SNS usage survey showed that Chinese SNS users have reached 124 million<sup>17</sup>. Many well known global organizations such as Coca-cola and KLM, as well as local Chinese business enterprises have already started to use SNS as one of their marketing communication tools. Online marketers call this "social marketing". In these circumstances, there are perceived to be many marketing advantages, which we may see on SNSs.

#### **Four marketing advantages:**

- Precise marketing

Comparing the coverage focused traditional advertising methods; SNS

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<sup>16</sup> "internet marketing" P8-9, By Dave Chaffey ; Fiona Ellis-Chadwick ; Kevin Johnston ;3rd edition, 2006

<sup>17</sup> CNNIC published on 11-11-2009

advertisements are more pointed and individually based. In order to fully participate in all online service applications, SNS requires that every single user provide their personal information which includes general data such as their gender, age, location, etc. and additional data such as consuming preferences or the user's favourite brands, etc. SNS also encourages you to reveal your data to everyone by reason of "finding your match buddies". This is the reason why people who have the same preferences can easily find like minded individuals who may then later become a group. And the more data that is exposed, the easier that it becomes for advertisers to find the users and then deliver the right message, or advertisements. Precise marketing can help the advertisers to avoid spending their marketing budgets on irrelevant people, thus minimizing costs and maximizing the effect of their advertising.

➤ Viral marketing

Dr. Ralph F. Wilson<sup>18</sup> had given the definition of Viral marketing as "any strategy that encourages individuals to pass on a marketing message to others, creating the potential for exponential growth in the message's exposure and influence."

Compared with other mediums, SNS is perfectly suitable for applying viral marketing. It is an old marketing strategy, but has been reborn in the SNS world. Because SNS is all about networking, this brings viral marketing a nutrient-rich soil with the moisture of high accessibility to communicate with each other. The message is easily spread from one person to another, from one friend's cycle to another. Another activator that helps the message grow is the network of SNS which is built up among friends or at least people who already know each other, this trait of SNS makes buzz (message) more trustworthy compared to when you hear something from

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<sup>18</sup> Wilson "web marketing today" 2005

the street. There is no doubt that SNS can help spread a buzz, however the success of viral marketing depends on whether the message is valuable. In other words, the quality of the message decides whether people are willing to spread it or not. Here are some good examples of viral marketing campaigns implemented through SNS.

#### Example of Kaixin.com



Kaixin.com is a clone of Facebook in China. In 2005, when kaixin.com just started their business, they had cooperation with MSN messenger. Programmers designed an application which could connect Kaixin.com and MSN messenger. In practice, when any MSN user became a Kaixin user, the system would send an invitation email on behalf of this user to all his MSN listed friends. Although many people thought they received a viral letter and just deleted it straight away, they at least had started to hear the name of “Kaixin.com”. Still some of them opened the email and clicked the links the important reason for this being that they knew the email came from their friends making it more trustworthy. The result of this viral marketing was a fast increase in the numbers of Kaixin.com active users.

#### ➤ Interactive marketing

This is not new for everyone. Since the birth of the Internet age, interactive marketing has been treated as a new and dominant approach among other marketing methods. Accompanied with the development of this industry,

there have been some perceived changes to interactive marketing. Before the introduction of SNS, “interactive” was between people and the machine, people and websites, and then later usually seen as a reaction between the viewer and banner ads or flash applications. Nowadays, in SNS, “interactive” is focused on reactions between people, and between people and the corporation itself. By building up a fans group, for example the Coca-Cola fans group on Facebook, corporations can directly communicate with their consumers, or collect quick feedback within SNS or more detailed feedback through regular methods, such as a research company. This really helps to avoid other lengthy procedures to reach or hear from your audience. Directly interacting with your consumers through SNS and finding out about your audience will definitely help to prevent a brand crisis occurring, or else earning a timing advantage if the corporation unfortunately does meet with a crisis.

For example, MySpace is the second largest SNS in the world. It is famous because of its global platform for music fans. Millions of singers and bands have created their fans groups through MySpace, including Madonna, Backstreet Boys, etc. These super stars maintain close and direct communication with their fans through certain SNSs just to increase their loyalty and affinity. They may even release some samples of new songs there in order to collect valuable information and feedback before their new albums are launched. If we were back in 2005, these tasks would require much more effort than they do now.

#### ➤ Product Placement

Product placement is a form of advertisement, so-called recessive advertisement or blind advertising. This sort of advertisement often appears in television shows, news programs and movies or films.

In SNS, product placement is also popular, almost all SNS companies

regard it as their main advertising income, and therefore the real brand logo, corporate name, real product image, etc. should appear through all their online activities. This results in the phenomenon of users often seeing advertising for brands and products when using certain applications or playing games. By bringing real life materials to peoples' online activities, advertisers have become smarter in providing ads on SNS. For example, you can send some branded virtual gifts to your friends such as a "Burger king burger", "Beyonce's new album", or else you can click an energy drink advertisement so that your virtual energy may get recharged, or just clicking in sponsored ads in order to earn some coins. Product placement performs smoothly in most SNS platforms, because sometimes it satisfies people's needs such as being able to buy a virtual BMW car online, which may not yet happen in their real lives.

### Summery

In general, a complete chain of marketing communication activities can be executed in a SNS platform.

#### ➤ Touch

By using precise marketing methods, a corporation can easily and precisely approach their target audience.

#### ➤ Interest

A well designed viral application (buzz) or updates from online friends, along with SNS applications with built-in product placement advertisements may cause a certain interest for a brand among the audience.

#### ➤ Interactive

People get satisfaction and have fun when they participate in an interactive game provided by a brand or corporation, and this will also create interest for a brand or product through the interaction.



➤ Action

An audience may receive rich information about a brand or corporation during the course of an interaction, and this may help to increase the brand awareness and loyalty. Therefore this definitely affects an audience's buying behaviour whether this is online or offline.

➤ Share

All those experiences of interaction between the corporation and the audience can easily and quickly be shared within the networks, because every single person is connected, every step a user makes will be shared with friends. This is one of the basic characteristics of SNS.

## Chapter 4 SNS in China

In the previous chapter, based on some related theories, how SNS works and why it is special was discussed. Now the Chinese situation regarding SNS will be considered. Firstly, the overall development of SNS in China will be explored. Secondly, the cultural landscape of SNS in China will be reviewed, which may explain those developments. Thirdly, the findings from the expert interview will prove whether our analysis in the previous chapter is matched with the realities in China. Through this section, we will consider a large number of data. These facts will help us to observe the development of SNS in China in a practical way, and establish whether the SNS marketing advantages are real. This practice-oriented evidence is very important in helping to draw a final conclusion based on this research.

### 4.1 Overall SNS developments in China

The Nielsen (China) reported that “the development of SNS in China is beyond people’s imagination.”<sup>19</sup> Their data has shown that SNS internet business has been rapidly growing since 2008. A well-known example is Kaixin001.com that became popular soon after its introduction. From March 2008 when Kaixin001.com was launched until end of 2008, Kaixin001.com had successfully recruited 3 million active users within 8 months<sup>20</sup>. However, there have also been some surprises for western marketers. For instance the famous and worldwide popular SNSs such as Facebook and Twitter have not been well received in China. Why is this so? The reasons for this will be explained below.

#### 4.1.1 General developments

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<sup>19</sup> Nielsen China, SNS research report 2009

<sup>20</sup> “China venture” Ms liu, 12-11-2009

<http://news.chinaventure.com.cn/3/20091211/29505.shtml> accessed 10-05-2010

A statistical report<sup>21</sup> provided on Caopeng.net (Chinese IT observer) has shown that there are over 140 million SNS users in China. CNNIC has also reported (2009, June) that “30.4% Chinese internet user use SNS”, meaning that this is approximately 124 million users. Due to the limited resources, it is not possible to judge whether either of these numbers represent the reality. However, despite the margin between these two statistical results, it can be concluded that China has a huge number of SNS users. How is the SNS market in China shared? Another statistical report (CIIS, 2009 April, China Internet Information Statistic) has revealed the top five SNS market leaders:

Current market share of SNS providers (Top 5)

Rank	Name	Monthly Visits (millions)	Market share%
1	RenRen.com	204.15	27.98%
2	Kaixin001.com	202.25	27.72%
3	51.com	98.73	13.53%
4	Kaixin.com	60.63	8.31%
5	Cyworld.com.cn	50.75	6.95%

Data source from CIIS reported 04-2009, Chinalabs.com

Table 4-1 Current market share of SNS providers

#### 4.1.2 SNS providers in China

To obtain a general image of SNS sites in China, a list of the various major SNS in China, their name, the URL, and the business focus is described in Appendix 3.

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<sup>21</sup> “Chinese SNS report 2009”

<http://www.caopeng.net/2010/04/statistics-says-124-million-chinese-sns-users-visit-third-day/> accessed 15-04-2010

## 4.2 The Cultural landscape of SNS in China

To understand the development of SNS in China, such as why SNS is popular in China, their cultural and historical roots, the temperament and values of Chinese people, as well as the social norms of communication must be considered. During our communication study, some of the theories of intercultural management were considered. Geert Hofstede's five cultural dimensions<sup>22</sup> are the guidelines when implementing a project which relates to cultural aspects. This theory may be helpful when understanding the cultural landscape of SNS in China.

There may already be many successful stories from the Internet about a brand or company that has been successful outside China using Facebook to promote themselves. But this might not be applicable for the Chinese market, because the Chinese market is complicated and huge, and has many uncertain and cultural factors. What does "guanxi" (the word "relationship" in Chinese) mean for the Chinese? What is the Internet content censorship policy in China? How does collectivism affect the online community? The answers to these questions are very important to the success of this research. Otherwise, the conclusions and suggestions obtained from this research will be meaningless for RNWCW.

### 4.2.1 The rise of SNS in China

#### Guanxi

Many scholars have already mentioned that one of the key elements of Chinese culture is "Guanxi". "Guanxi" means "relationships" or "connections". It is not exactly the same as the idea of networking in the Western World. Instead "Guanxi" goes much further in terms of developing

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<sup>22</sup> Hofstede, five dimensions are: power distance; individualism vs. collectivism; uncertainty avoidance; long term orientation vs. short orientation; and masculinity vs. femininity.

and nurturing relationships through social exchanges and favours which must be repaid at greater value in time<sup>23</sup>. “Guanxi” has a very important role in people’s daily lives in China. On some occasions, “Guanxi” can decide on effectiveness and precedence. A very often seen example is seen when going to a bank to withdraw some cash. Typically in China you need to pick up a number and wait to be called, but if you have a “Guanxi” there, you may go straight to the VIP service counter and do your business, regardless of whether you are a real VIP or not.

Thus, in order to receive this special treatment or benefits, most Chinese people are eager to build up their “Guanxi” networks and extend their social connections. Building up wide and valuable social networks is one of the cultural roots of Chinese traditions. This idea also affects people online, especially with the advent of SNS. SNS is all about networking and when it arrived in China, internet users quickly discovered that SNS is an ideal place where they can maintain and extend their networks. This helps us to understand why Chinese SNS has gained so many users within such a short period of time. Facebook spent 7 years developing in the West to reach its current success.

### **Group involvement**

Hofstede (1980) in his research claimed that China is a collectivistic country. In collectivistic cultures the views, needs, and goals of the group are more important than any individual views, needs, or goals (Triandis, 1995). In Holland, when you eat your own food or snacks, you don’t need to share with classmates or colleagues, or even offer it to them. But in China, people always ask their associates whether they want to share as eating food alone is regarded as selfish. In Chinese social society, when an

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<sup>23</sup> David - a British technologist, writer, designer and amateur anthropologist. “Chinese Culture 101”, Part 6 <http://www.randomwire.com/chinese-culture-101-part-6-core-concepts> accessed 10-04-2010

individual has a problem, they often expect help from their family, social group, or even from the nation. This kind of temperament and the values of Chinese people are represented distinctly in the face of disaster, such as during a flood or earthquake. This is also reflected on SNS where single Chinese individuals frequently ask a group of people to give their opinions on certain things and matters, or else to help make a decision.

### **Trust**

In collectivistic cultures, the self is defined in relation to others, not as distinct from others (Triandis, 1995). In China, when people meet each other, they like to ask two questions. The first question is “where are you from?” because in Chinese culture knowing where a person comes from is the same as knowing who that person is. And the second question is “who are you related to?” This can help people to judge the value of connections. On certain SNS like RenRen.com, you are requested to provide your real identity, such as your name, age, and location. At the same time, your friends list, the groups you belong to etc. can be seen by others. On the one hand, this makes you reliable in the virtual cyber world, while on the other hand, this makes SNS a preferable way to make friends.

The following diagram expresses the essence of “Guanxi”. It shows us that the most trusted people within your life cycle are the people who connect your family, friends, and business. Anything and anyone outside this web of trust will be regarded as a stranger and treated differently.

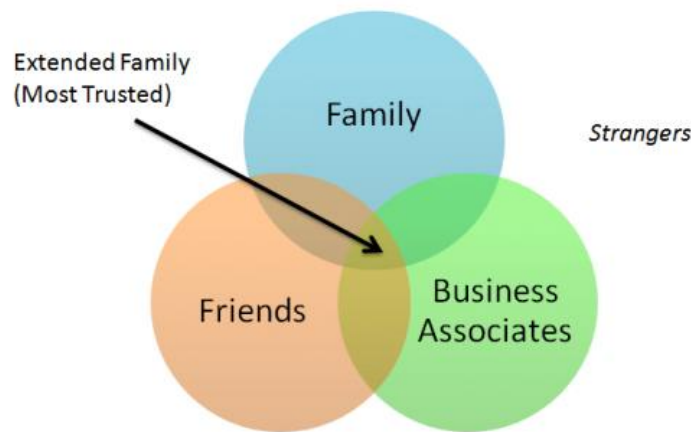


Figure 4-1 Trust in Chinese social relation cycles

The diagram is easy to understand, but the question is where can such people be found? One of the answers is on SNS, because SNS is the place where you may put together your family members, friends and business contacts, with SNS being a reliable form of communication.

#### **4.2.2 Uncertainty Avoidance: Chinese internet censorship policy**

“People within a culture are made nervous by situations which they perceive as unstructured, unclear, or unpredictable” (Hofstede, 1986, p.308). Cultures that seek to avoid ambiguity are known as high uncertainty avoidance cultures. Hofstede has claimed that Chinese culture is a high uncertainty avoidance culture that maintains strict codes of behaviour, and supports a belief in absolute truths (Hofstede, 1986). The well known Chinese internet content censorship policy is a perfect example of this culture.

#### **Chinese internet content censorship policy**

After a series of sophisticated cyber attacks aimed at the Gmail user accounts of Chinese human rights activists in China, Google made the decision to redirect its mainland China customers to an uncensored Hong Kong-based site in April of this year (2010).

"We launched Google.cn in January 2006 in the belief that the benefits of a more open Internet outweighed our discomfort in agreeing to censor some results," However as reported by Google's top policy lawyer, Drummond, "the search giant simply can't continue working in China under the present circumstances" (Gustin, 2010).

The Chinese government has acknowledged that the Internet provides major economic benefits for China, but at the same time the government fears that free speech combined with the free flow of information could harm both its political legitimacy and control over society. Nowadays, the Chinese censorship of the internet is widely considered to be one of the strictest in the world. At present (2010), the BBC and Deutsche Welle websites are both consistently unreachable in China. While popular websites such as Facebook, Youtube and Twitter are also unreachable in China since Chinese authorities claim that these websites contain harmful information.

### **The Great Firewall**

One of China's most successful censorship tools is "The Golden Shield Project". In reference both to its role as an internet filtering software and to the ancient Great Wall of China, it is also known as the Great Firewall of China. The system effectively blocks content by preventing IP addresses from being routed through and consists of standard firewalls and proxy servers at the internet gateways<sup>24</sup>.

### **Self-censorship**

Although most websites in China are independent of the government, they

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<sup>24</sup> Internet censorship in the PR, China

[http://en.wikipedia.org/wiki/Internet\\_censorship\\_in\\_the\\_People's\\_Republic\\_of\\_China](http://en.wikipedia.org/wiki/Internet_censorship_in_the_People's_Republic_of_China)

accessed 8-04-2010



are obliged to practice self-censorship and remove so-called sensitive issues such as the independence of Tibet or Taiwan which are considered unacceptable, or else remove all critical comments about the political system or government performance etc. Failure to implement these actions can result in a website being shut down by Chinese authorities.

### **Jing Jing, Cha Cha and the 50-Cent Party**

In 2007 the Chinese government launched a new tool to monitor all Chinese internet chat rooms and forums. These are a pair of cartoon characters called Jing Jing and Cha Cha which represent a policeman and a woman respectively. Their duties are to maintain the order of the Internet and to help extend the image of the virtual police. The pair of cartoons is spread over the Chinese Internet to remind Internet users that they are being monitored. They will show up on computer screens to stop people uploading illegal and harmful information and will also remove unhealthy information or comments automatically.

More recently, China has been using an increasing number of paid "Internet commentators" in a sophisticated attempt to control public opinion online<sup>25</sup> (Bristow, 2008). These commentators have been named the "50-cent party" because for each pro-government posting they make, they get paid 50 Chinese cents equal to 0.055 euro. They have been specially trained and are used by government departments to negate bad news on the internet. They post positive comments on websites and forums in an attempt to reshape public opinion in favour of the government.

As a worldwide news broadcaster, the mission of RNW is to make a

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<sup>25</sup> Bristow, M. (2008, December 16). China's Internet 'spin doctors'. accessed 10-04-2010, from BBC News: <http://news.bbc.co.uk/1/hi/7783640.stm>

contribution on behalf of the Netherlands to a better-informed world through a combination of independent journalism and services (Communicatie RNW, 2009). However, governmental censorship and self-censorship in China may block official websites in China if they report something that is counter to the interests of the Chinese government. When this situation occurs, SNS will be the remaining channel where new products can continue to be delivered to Chinese audiences. But it should be taken into account that these Chinese SNSs will practice self-censorship and may remove information from the webpage if they feel that it may cause trouble.

#### 4.3 Expert interview

To supplement the findings of this research an interview with an expert to seek his opinions regarding SNS marketing in China was also undertaken:

*“The value of SNS has created a new model of Internet business, but also represents a breakthrough in traditional online advertising models.”*

(Mr. Pang)



Mr. S.D. Pang

Mr. Pang is CEO of 51.com which is one of the leading Chinese SNSs. This interview with him was conducted through an international telephone call in the early part of the winter 2009. The complete question list of this interview is reproduced in Appendix IV. However due to a lack of equipment this telephone interview was unfortunately not recorded.

From the point of view of Mr Pang, SNS is a new model of Internet business as is SNS marketing. Even though many individuals from many professions have already been thoroughly initiated into the secret of SNS, the available knowledge and findings are still limited. However, based on his experience of over 20 years in the Internet business and over 5 years involvement with SNS, he felt that he was qualified to answer my questions. Mr. Tang told me, that the question that should be considered is: "Why should they view your ads?" ("They" meaning your online consumers).

#### **4.3.1 Consumer's motivation versus online advertising**

Mr. Pang thought that for both the traditional forms of advertisement and the new online forms of advertisement, Marketers have always wanted their advertisements to gain more attention and a higher degree of focus. Rich media and video adverts that are based on the integration of sound, animation, and interactive design have been created utilising improvements in technology. Later on, by tracking user's Web browsing behaviour, precision advertising has emerged. These improvements have made online advertising more effective than ever. However, these improvements have only solved the problem of "How can the users see the advertisements better?" It is a technical improvement, not a fundamental revolution. This does not solve the key problem which is why should the users view your ads?" In fact, it depends on whether the user likes the product or not! As the Internet is open and free for everyone, users are absolutely free to choose what they would like to view. If they like the information or it is interesting, they will pay closer attention, if not, they will choose to ignore it, by closing the page, blocking the Ads, or simply not clicking on them at all.

"Whatever they like" is an individual's inner emotional feeling. There are two ways to exert influence on this feeling:

- I) By impacting on an individual's personal perceptions, such as their favourite things.
- II) Impacting on the influence from others. For example, you might be interested in something after your friends have recommended it to you, or you may have heard a nice story about it.

Social networking can be very effective when adopting the second approach. There are over 500 thousand self-managed groups on 51.com, with the largest group having over 10 million group members. Most of them have gathered together because of a common preference, background, or interest, etc. For example, the “Pepsi” group has more than one million members; they are all young and have an affinity for Pepsi. Between the members and friends, there are many interactions and communications regarding shopping experience, product usage, price reviews etc. In short, by spreading messages through a social network site this can make ads more acceptable.

#### **4.3.2 “SNS marketing is cheaper than other advertising platforms!”**

Users are more willing to take the initiative to access information and the sharing of information since users’ online behaviours are becoming more mature than before. SNS community users are becoming more active in participation, sharing and interaction, which can shape the form of online advertising from the earlier banner and keywords ads to the current high degree interactive ads such as Facebook marketing.

SNS has become the main online platform where internet users can express their opinions, ideas, and provide advice since it has become accepted and recommended by the mass audience. Comments and reviews can often generate a strong “voice” for certain businesses, products and brands, and this can affect consumer choices. In the case of the advertisers, SNSs can

undoubtedly become the main platform for word of mouth marketing. At the same time, the community “opinion leaders” are showing a rapid growth in their influence within certain networks. This means there are changes to the traditional voices. When advertisers deliver message to the audience, the more the “opinion leaders” are involved, the more efficiency that is acquired. As we know, SNSs are formed with many sub-groups. Users based on their hobbies, interests, etc gather into groups of different sizes; each group has a core of concerns and a propensity to consume. Obviously the marketing approach based on topics, events and themed activities on SNS are more targeted than other approaches such as the above mentioned “Pepsi” group. Lastly, the medium of communication for SNS marketing is the user; the method is mainly “word of mouth”. Therefore, it has a lower cost when compared with more traditional forms of advertising. With a small investment, viral marketing is a proper and recommended marketing method using SNSs.

#### **4.3.3 Interaction is an essential component of SNS marketing**

Mr. Pang believes that the greatest advantage of SNS is the interactivities between people which are precisely the foundation of all marketing.

Mr Pang reported that Every SNS user knows that if you have done something on SNS, your friends (members of network) will immediately receive an update describing this dynamic information, this is called being “interactive”. He also provided the following example:

“There is one class in a primary school; every student has a web-blog on 51.com, homework distribution and completion are all conducted using 51.com online. Although unusual, this is in fact a very successful example of interactive marketing.” As Pang explained, the teacher assigns students’ homework by updating the group (class) blog, students receive an update in a minute; after completing their assignments the teacher receives an update straight away. They like this new method of study, because of the high degree of interaction

that takes place.

For every advertiser, it's not hard to understand that if you have a group or webpage on SNS, everyone who follows you will be kept posted regarding whatever you have done, and of course in the meantime you can receive the response from whoever reacts. This is exactly the advantage that SNS is able to bring to marketing.

## Chapter 5 Questionnaire survey

Many questions have been answered in the previous chapters, however, the most important item; the opinions regarding SNS of the target audience of RNW have not yet been obtained. At this stage it is not clear whether their opinions will be matched with the findings of the theoretical research. Therefore, a questionnaire survey is required, the results from which will directly affect the conclusions and recommendations of this thesis.

### 5.1 Survey introduction

#### ➤ Objective of the survey

The objective of the survey is to gain a better understanding of how RNW can use Chinese SNSs to maximise its effectiveness. This social network site questionnaire survey was conducted in April 2010.

#### ➤ Survey Implementation

This survey was given to the target audience of RNWCW, and was therefore not open to everyone who doesn't know RNWCW yet. The questionnaire was distributed through three main RNW owned channels, the RNW Chinese website, the RNW's promotional event site ([www.rnwchina.com](http://www.rnwchina.com)) and through an email invitation to RNW Chinese newsletter subscribers. This ensured that most of the respondents were our target audience. Every respondent must have registered before they were able submit their answers; this helped to avoid the situation of one person submitting more than response. This questionnaire did not involve the issue of the privacy of the respondents, or any taboo subjects for Chinese people, such as income, political criticism, etc. Therefore, all the respondents were given the opportunity to fill out the questionnaire exactly in the manner that they wanted. However, only in question No.14 did I not give a possible answer as "no comments", because

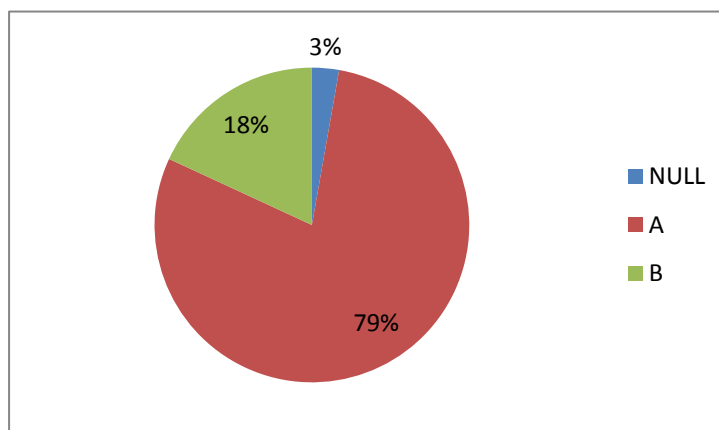
that would be a socially expected answer. As previously described, the population of the RNWCW target group is 3 million and by using a Sample Size Calculator<sup>26</sup> we obtained the ideal size of the sample group as 600. Therefore the goal for the total number of respondents in this study was 600 people, and this took a month to achieve. Indeed, a total of 607 participants completed the questionnaire. These were geographically distributed all over China, but the majority being concentrated in major cities such as Beijing and Shanghai. 33% of respondents were female and 67% were male. Their occupations were various and were qualified to represent online communities.

## 5.2 Questions and answers

### 1. Do you use any SNS (Social Network site), such as kaixin.com or Renren.com?

- a. Yes ---Please go to question 2. (485 participants)
- b. No ---Please go to question 11. (111 participants)

Remark: 17 participants didn't make a choice.



### 2. On which Social Networking site do you have a profile? (More than one answer possible)

- a. Renren.com
- b. Kaixin001.com
- c. 51.com
- d. kaixin.com
- e. Douban
- f. t.sina.com (Chinese Twitter)

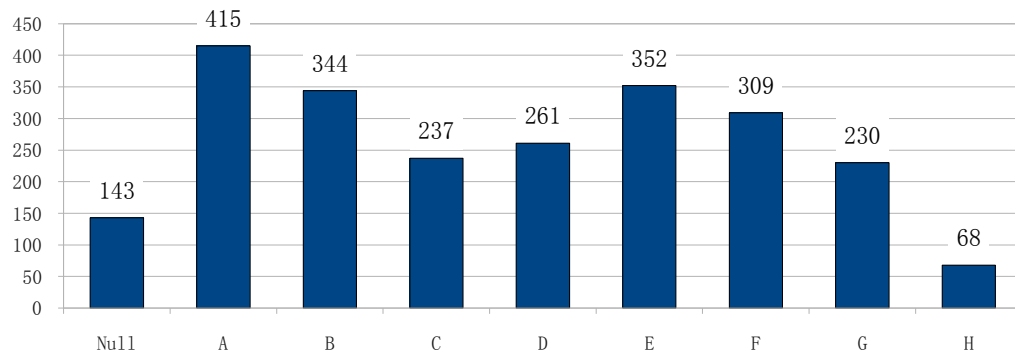
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<sup>26</sup> Creative Research Systems <http://www.surveysystem.com/>



- g. Cyworld.com.cn  
h. Other (Please specify)

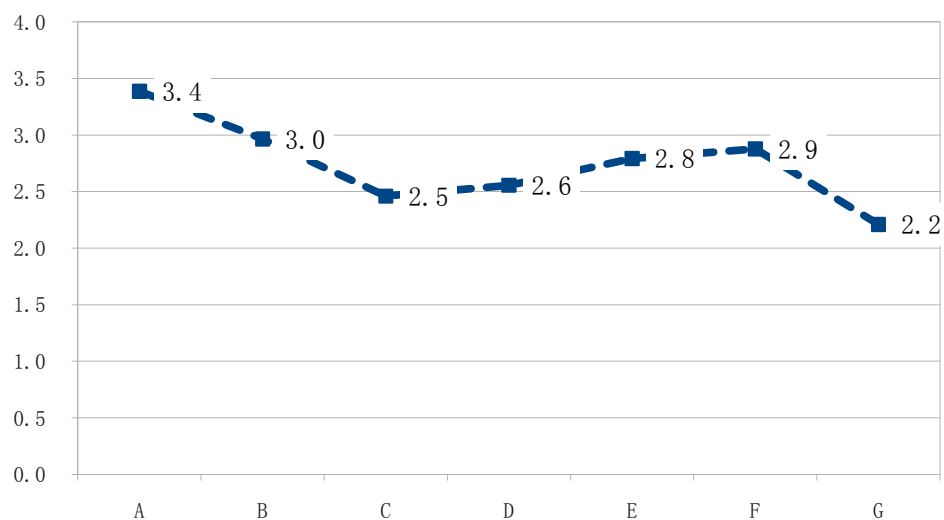
Q2



3. On which of these sites are you most active?

	Rarely active (1)	(2)	(3)	(4)	Very active (5)
a. Renren.com					
b. Kaixin001.com					
c. 51.com					
d. kaixin.com					
e. t.sina.com (Chinese Twitter)					
f. Cyworld.com.cn					
g. Other (Please specify)					

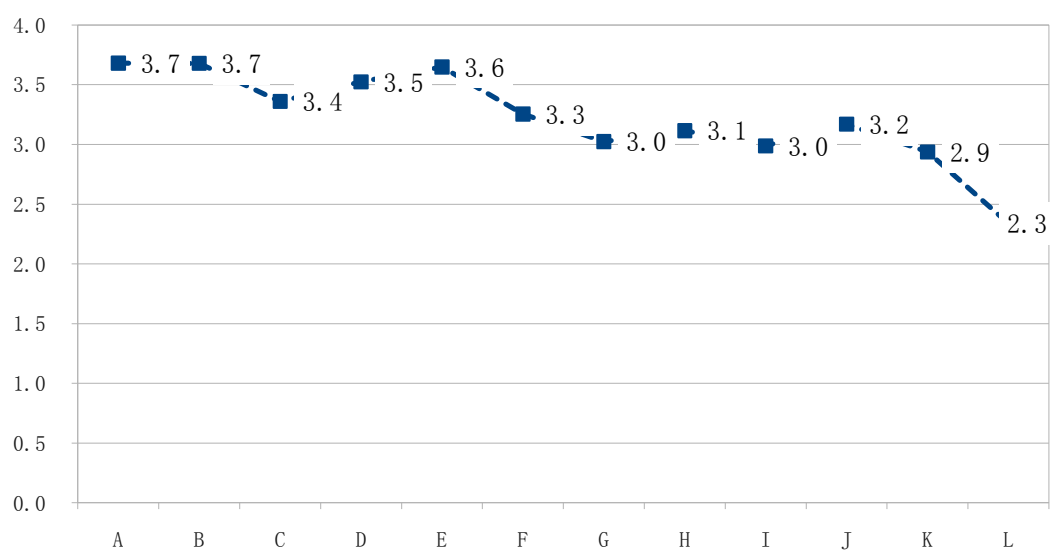
Q3



#### 4. Why are you using these SNSs?

	Completely Irrelevant (1)	(2)	(3)	(4)	Very relevant (5)
a. look for old friends					
b. easy to reach friends					
c. extend human network					
d. Find relevant information					
e. Sharing information/interest					
f. play applications					
g. Entertainment (games)					
h. follow the trends					
i. having personal blog					
j. killing time					
k. Friends use it					
l. opportunities for business					
m. Other (Please specify)					

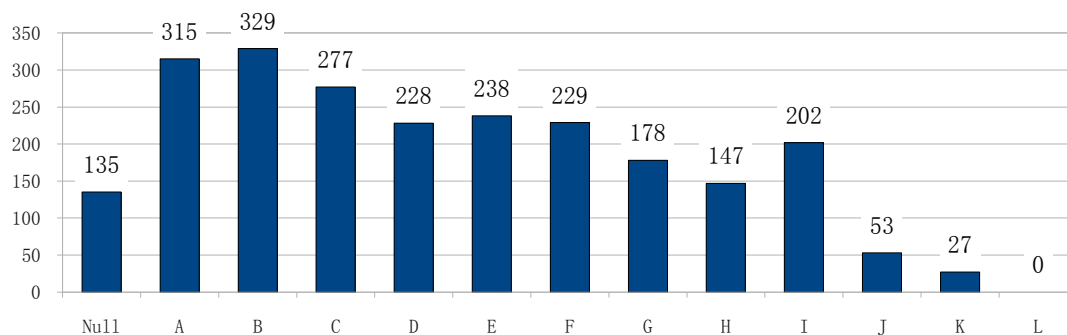
Q4



**5. What are you doing on SNSs? (more than one answers possible)**

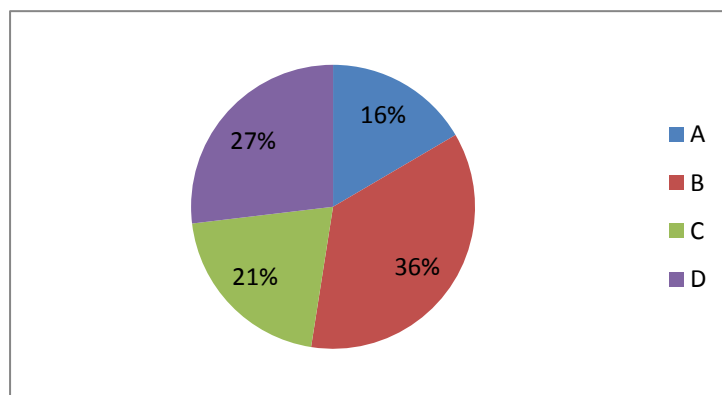
- a. I try to find out what friends are doing
- b. communicate with friends
- c. look for old friends
- d. make new friends
- e. write blog or updates
- f. view friends recommended info
- g. play entertainment applications
- h. join fun clubs or groups
- i. sharing info with friends
- j. promoting own business
- k. doing nothing, but keep it online
- l. other

Q5



**6. How long do you spend on the Social Networking site everyday?**

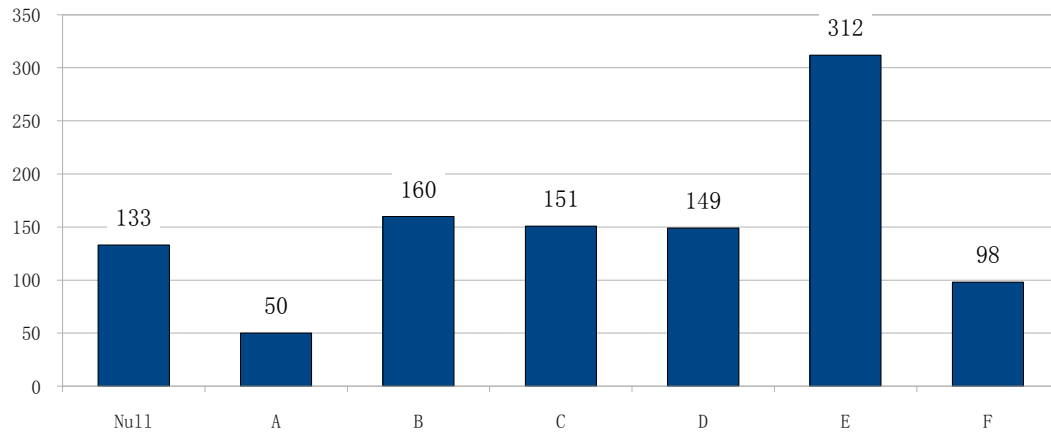
- a. Less than 10 minutes per day
- b. 10-30 minutes per day
- c. 31-60 minutes per day
- d. more than an hour per day



**7. What time do you spend on your social networking sites? (More than one answer possible)**

- a. 6.00-9.00AM
- b. 9.01-12.00AM
- c. 12.01-14.00PM
- d. 14.01-18.00PM
- e. 18.01- 22.00PM
- f. 22.01 - 6.00AM

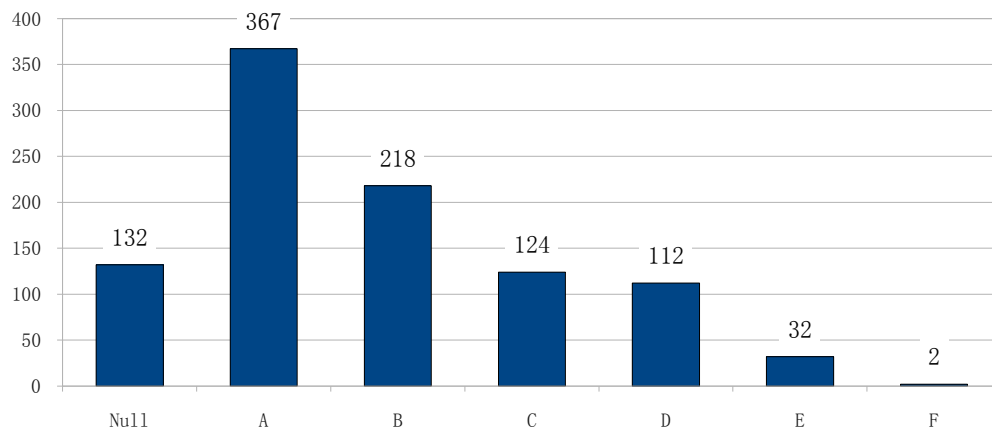
Q7



**8. Where do you use Social Networking site? (More than one answer possible)**

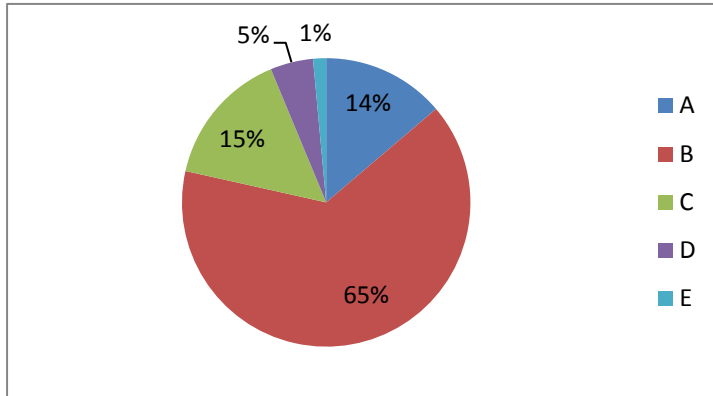
- a. Home
- b. office
- c. School
- d. Mobile Phone
- e. Internet café
- f. Other (Please specify)

Q8



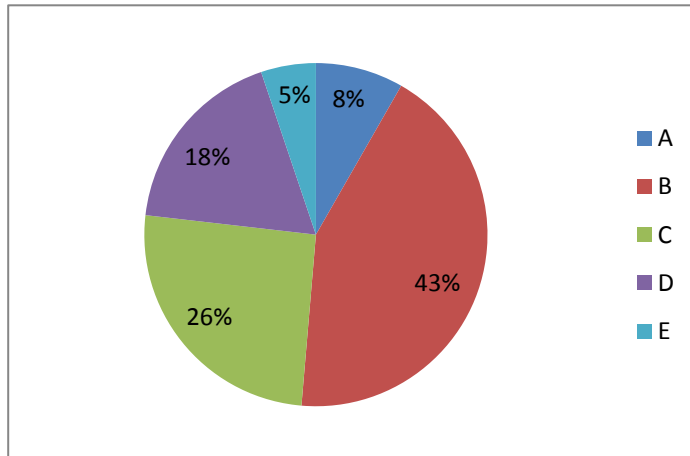
**9. what is your attitude towards the ads on SNSs?**

- a. Totally fine, I accept ads on SNS
- b. It is okay, but not too many
- c. The less, the better
- d. Don't care, not my business
- e. No comments



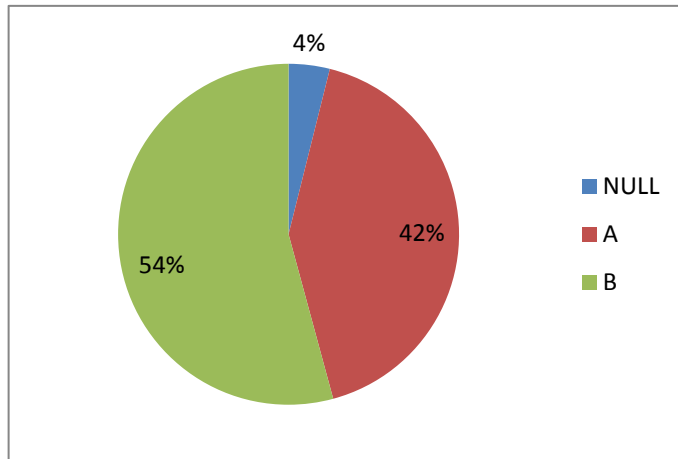
**10. Which of the following situations are most related to you?**

- a. I often click ads on SNS.
- b. I only click my interested ads on SNS.
- c. I click ads occasionally.
- d. I almost never click any ads on SNS.
- e. I always click them away as soon as possible



**11. Did you ever use any application from a public news service broadcaster on SNS?**

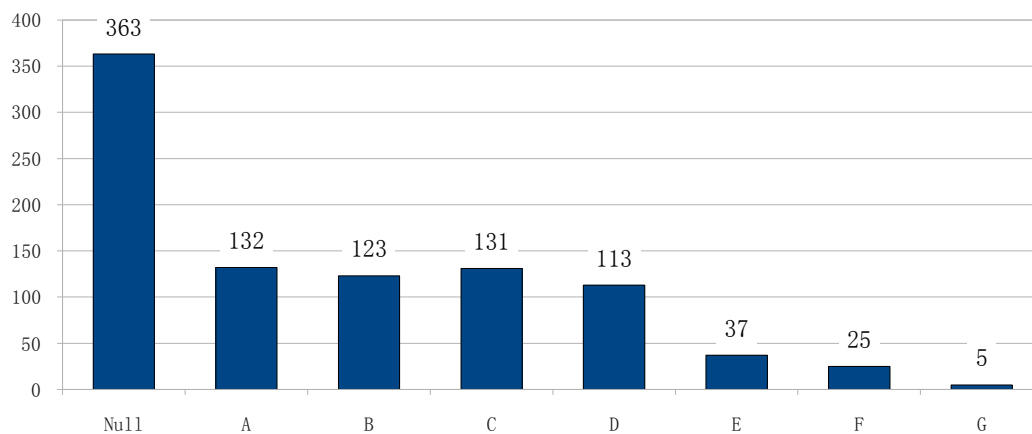
- a. Yes --- Please go to question 11.1.
- b. No --- Please go to question 12.



**11.1 If you did, which application did you use? (more than one answers possible)**

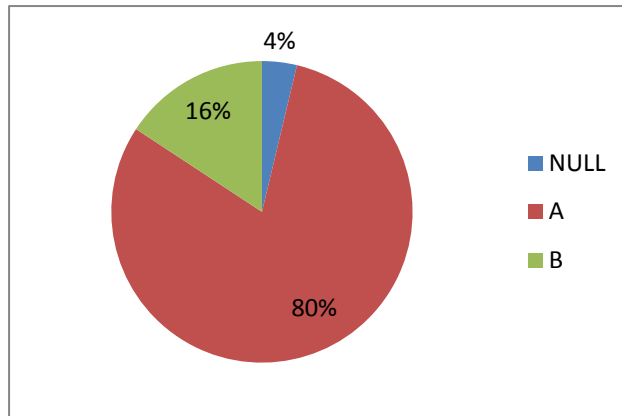
- a. Handy tool
- b. user club
- c. discussion group
- d. Twitter followers
- e. Instant message service
- f. Podcast
- g. Other (Please specify)

Q11. 1



**12. Do you think that a public broadcaster should have an official profile on those social network sites?**

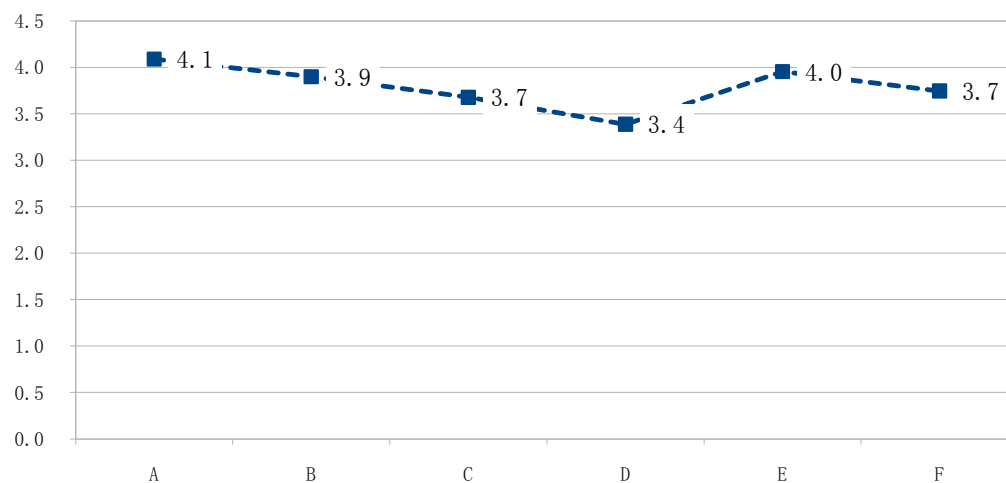
- a. Yes – please go to question 13
- b. No – (Please specify the reasons)



13. Why do you think it should have?

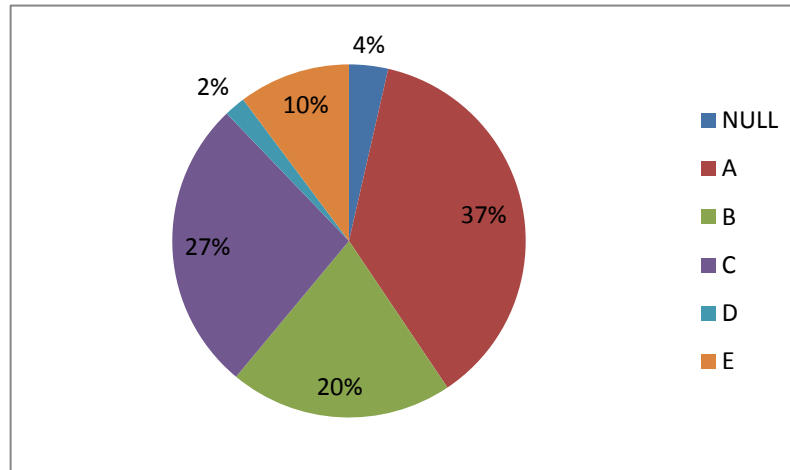
	Completely Irrelevant (1)	(2)	(3)	(4)	Very relevant (5)
a. because we can easily and quickly gain information and news					
b. because we can find some extra background information					
c. because we can easily share news with the network friends					
d. because we can direct communicate with journalists/editors					
e. because it can help us to keep following the trends					
f. because we can easily give comments to a broadcaster					
g. Other (Please specify)					

Q13



**14. What is your attitude towards the internet censorship policy in China?**

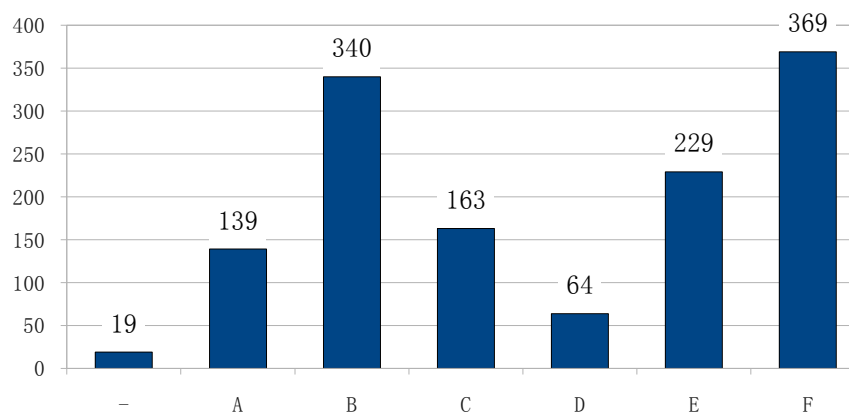
- a. Dislike, but can't do nothing.
- b. nothing special, because I am already used to it.
- c. Feel it's getting worse
- d. Feel it's getting more free
- e. I think it's good



**15. According to your own experience, which factor can affect you mostly when you are hesitant to make a decision of whether to consume any news and info service? (more than one answers possible)**

- a. Family members' opinions
- b. Friends recommendations
- c. Experts advices
- d. Advertisements
- e. Common opinions on SNS
- f. My own opinions

Q15





### 5.3 Findings

This research indicates that SNSs have gained popularity in Chinese public discourse. SNSs not only attract millions of users in China, but many of these have integrated SNSs into their daily practices.

- **SNSs are widely accepted and used by individuals in China.** 79.1% of participants who completed the questionnaire reported that they use at least one of the Chinese SNSs.
- **The average age of SNS users is moderately young.** 65.8% of the participants were aged from 18 to 30, while 22.4% were in the age range 31-40.
- **The most important reason for individuals to use SNSs is to communicate and interact with friends.** This most popular choice is followed by implementing all kinds of online applications and searching for relevant information. It is interesting to note that the participants reported using SNSs infrequently for their business activities.
- **SNSs are integrated into users' daily lives.** 36.5% of the survey respondents spend more than half an hour on SNSs each day. Additionally, more than half the participants prefer to use SNSs at home from 18.01-22.00 pm (China time). Nearly 76% of respondents are accustomed to using SNSs in their offices during working hours.
- **Half of the participants suggest that they agree with the appearance of ads on SNSs.** However, the number of the ads should be equitable. Moreover, more than 86% of users click ads occasionally on SNSs and a third of them report clicking the ads if the content corresponds to their interests.
- **40% of users have experienced the SNSs application service provided by a public news service broadcaster.** More importantly, more than 80% of participants think that it is important for a public broadcaster to launch an

official profile on those social network sites. These participants also suggest that obtaining the latest information, finding extra background information and following trends are all relevant for them.

- **When faced with internet censorship in China, 37% of participants indicated that they dislike it, but that they are incapable of changing anything.** An additional 27% of the participants reported that they think that the censorship is getting worse, although 20% of respondents think that they have gained more freedom on the internet.

- **Friends' recommendations and the users own opinions have played a vital role in their attitude towards consuming news and information services.**

- Amongst all the Chinese SNSs, this research shows that Renren.com (a Chinese clone of Facebook) attracts the most users. This data indicates that 68.3% of the respondents have a profile account on Renren.com. On the other hand "Douban" and "Kaixin001.com" generated 57.9% and 56.6% users respectively. "t.sina.com" (Chinese Twitter) also has more than 50% of survey respondents that have a profile account.

## **Chapter 6 Conclusions and recommendations**

Through the research and analysis described in the previous four chapters this has provided many arguments and facts. From these it is possible to draw a number of conclusions and recommendations.

### **6.1 Conclusions**

This dissertation has discussed the presence, advantage, and experience of SNS as a marketing communication method for brands and organizations. From theories to practice and based on currently available information, this research has tried to help RNW policy makers to fully understand what the characteristics of SNS are, how SNS can be used for marketing communication, what organizations can do with SNS, and how to do it, etc. It has been emphasized that people who have ambitions to use SNS as their marketing weapon should first correctly understand how SNS works, otherwise the wrong strategy or method may be implemented and a positive result might be harder to achieve. For example, this research has shown that word of mouth communication is an effective way to spread message on SNSs, instead of just hard advertising.

This research firstly obtained a general view regarding the development of SNS in China which is encouraging due to the total number of SNS users and the scale of the coverage of the Chinese SNSs. Later the differences in the Chinese SNS referring to the Chinese cultural background have been explained, such as how Chinese “Guanxi” affects people’s online behaviours and why the number of users of Chinese SNS has grown so quickly. This research has also described how due to the Chinese internet censorship policy Facebook and twitter are not available in China. These findings have convinced us that SNS has a good setting with which to grow in China. However, the cultural influence on the development of SNS has to be taken

into account when RNW creates their SNS policy for the Chinese market.

In order to gain a deeper insight into what makes SNS special and acquire further information, as part of this research Mr Pang, one of the SNS Chinese industry pioneers, and CEO of 51.com was interviewed. His point of view and firsthand experience provided a strong argument to prove that SNS is a valuable approach to marketing communication. “Unless you live on Mars, you cannot ignore the effects that SNS brings to your life” reported Mr Pang at the end of the interview. Obviously, there is no question that SNS is an effective method to spread a message from a single person to a larger group and thereby achieving a marketing goal. However, he also told us that the success of SNS marketing communication depends on whether marketers obey the rules of SNS or not. This means that the message needs to match the audience interest, and must be relevant and polite.

The questionnaire survey is core part of this research, and was used to discover whether the target audience’s opinions match with our findings from the theory and the expert interview. This survey has revealed a high acceptance and wide usage of SNS in the Chinese market, which confirmed what was found during the theoretical research. The statistical data has shown that the ads on SNS are highly accepted as Mr. Pang has suggested. Regarding Internet censorship and its collective influence on SNS, this survey has corroborated the findings reported in Chapter 4. According to the respondents’ answers regarding their online behaviours and motivations towards SNS, there is no doubt that SNS is already a part of internet users’ daily lives. This has confirmed Mr. Pang’s point of view, SNS does indeed provide a great opportunity to reach and communicate with your target audience. This survey has also showed us that most SNS users think of it as a public news broadcaster and it is therefore important to deliver news services

via SNS, because it is quick and interactive.

In the public broadcasting industry, some organizations have already started to use SNS as their alternative communication methods, although this is not yet the case for RNW. However, at least RNW has noticed that SNS has marketing potential; otherwise there would be no need to undertake this research.

However I do believe that RNW will implement something with SNS soon since this research concludes that SNS can help RNW to reach online Chinese consumers!

## 6.2 Recommendations

During the course of completing this research, I have considered and studied the rich experience of other users; this has helped to provide a clear understanding regarding the working principles of SNS and its marketing values. Based on these findings, I am able to provide the following recommendations to RNW.

First of all, it is necessary to provide recommendations based on what SNS can and cannot do.

- What can be done with SNS?
  - Improve brand awareness
  - Improve customer service
  - Improve the degree of customer care
  - Relationship building, mostly with early and middle stage customers
  - Listen to your customer's comments, both good and bad
  - Impress your customers when the opportunity arises

If the above list represents what you want to achieve, then it is better to attempt this with SNS communication.

- What cannot be done with SNS?

- High key brand exposure
- Generate huge traffic overnight
- Control customer comments
- Influence late-stage customers

Secondly, as a policy maker, you need to:

**Be Patient:** SNS is a new choice for you to undertake communication and customer engagement. Be patient when you are implementing SNS, remember you cannot earn a trust overnight, offer more and request less.

**Be Updated:** SNS is still quite a new phenomenon for the marketing communication industry, and lacks long-term oriented research and experienced analysis. Thus, marketers should always update their knowledge regarding SNS development and the experience of SNS marketing.

Finally this research will provide four recommendations when using the leading Chinese SNS, RenRen.com for RNW as a marketing communication channel and to promote its brand, product, and services. For an international public broadcasting company, RenRen.com provides a great opportunity to promote business in China:

1) Create a public profile

The success and strength of RenRen.com is due to networking. Having a public profile means having an opportunity to connect and develop social networks for all RenRen.com members. It is easy to build a profile. RNW can post photos, stories, videos, polls and discussions on its public profile pages. This would help to generate an interest group for RNW business. It also has a range of options with which to communicate with the group members. This can help to create a public profile on RenRen.com at no cost.

As an example, the figure below shows the famous public profile for an international broadcasting organization on RenRen.com, this being “The Wall Street Journal” profile, which is a very successful example which RNW can learn from.



## 2) Hosting an event

If RNW wants to launch a new product or service, hosting an event on RenRen.com is a smart choice. Conducting an event is quite simple on RenRen.com. You can invite fans, group members, and friends by sending them invitation, or leaving message on the wall etc. Without question, one network can cross another with the possibility of many guests coming to your event. Hosting an event on RenRen.com makes it possible to create a buzz for your business.

## 3) Combine marketing activities

After RNW has created a public profile on RenRen.com, it is important to mention its RenRen.com link to other marketing information, such as email marketing campaigns, event websites, or printings. This will help to identify potential consumers and create opportunities to communicate with them

through RenRen.com.

4) Ethics of social media marketing

The communities on RenRen.com are real and live. Everyone has a true identity, and most of them even use their real name on RenRen.com. It therefore makes sense that you will be kicked out if you are false. When RNW uses RenRen.com for marketing communication purposes, RNW has to always be careful about its message. Does the message offend Chinese culture? Does the corporate behaviour on RenRen.com disturb others? People like to use RenRen.com because it is a network built up on common sense and trust among Chinese citizens. If RNW wants to achieve any success on RenRen.com, then it should respect Chinese culture and the reality.



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## Appendix

### Appendix I

#### The description of RNW Chinese target group

---by Bo Xiao, RNWCW MarCom Plan, 2009

Chinese Internet users, *people and businesses*, who live in mainland China (primary group), or Chinese overseas (secondary group), who may link up with the Netherlands.

The possible links are:

- d) People who have been to Holland before, are living in Holland now, or will be visiting Holland in the future as a result of travel, study, work, business, project, family visit, etc.
- e) People who have never been to Holland, but who would like to get to know Holland better or get into certain Dutch aspects as a result of personal interest, business cooperation, cultural fancy or any other reason.
- f) People who like to receive information and news from international (western) media.

#### *Audience (Consumers)*

Age: generally from 15 to 50 (not as many 50+ people use the internet): the primary age group is 20 to 40 year olds.

Gender: Male and Female

Education level: from senior middle school up to university

Occupation: students, academics (teachers), artists, media workers, white collar workers (Dutch firms, internationally oriented companies, NGOs, etc), travel agency workers, officials, international businessmen (women), etc.

Status: single, young family without children, young family with children, family with teenagers.

Characters: well educated, open-minded, internationally oriented, like to learn new things via the internet, opinion leader, want a better life and future, always looking for opportunities to achieve personal ambitions, desire more freedom and human rights.

Internet facility: own computer and Internet, shared computer and Internet within a family, or shared with room mates.

Internet behaviour/activities: first of all, they have no problems with using computers (surfing, downloading, uploading); they know how to use Internet applications, like IE, chat rooms, etc. Secondly, they like to spend time in virtual communities where they can meet people who have a common interest; they have at some time made or have friends all over the world; they probably

contact their friends or relatives who are overseas by using email, QQ, MSN, or SKYPE etc... They look for information via (foreign) media websites (news, education, travel channel, etc); they visit their favourite blogs regularly; they look for specific information which concerns them, such as something about homosexuality liberation, human rights, immigration policy, or western democracy experiences; they sometimes join an online discussion about current hot issues e.g. Dalai Lama, Olympic torch relay, China milk scandal; they subscribe to at least one newsletter; they have at least one membership among the various online groups, e.g. orange fans group, Dutch language learning group. They sometimes like to do their shopping online too.

Offline activities: they go to see international exhibitions e.g. the Dutch education or tourism exhibitions, foreign artists (performance). They have at some point visited a Dutch consular, travel agencies and education agencies for relevant information. They join international parties, they visit pubs which are full of foreign culture and people and they like to share their experiences with others. They sometimes purchase an internationally oriented magazine.

Extra identities: possibly a current/potential Dutch products consumer, or loyal fans of Dutch brands. E.g. Philips, Shell, Unilever, Heineken, KLM, AEGON, ABN-AMRO, C&A, FC Ajax, FC Eindhoven.

#### *Businesses, organisations*

Media, websites, NGOs, universities, Dutch organisations' Chinese branches, etc.

Those organisations should be targeted too, because they will help us to promote RNW by using their places, networks or channels.

## Appendix II

### The summary of Chinese internet useage report, 2009, By CNNIC.

This recent published new survey report indicated below described trends of Chinese internet development in 2009.

#### (a) Gender

At present, the proportion of females among netizens in China has risen to 46.4%, increasing by 3.6 percentage points from that in late 2008, 42.8%. The netizens in China has been gradually tending toward gender equilibrium.

#### (b) Age

The majority of netizens in China are still young people of 30 and under, which account for 68.6% of netizens in China.

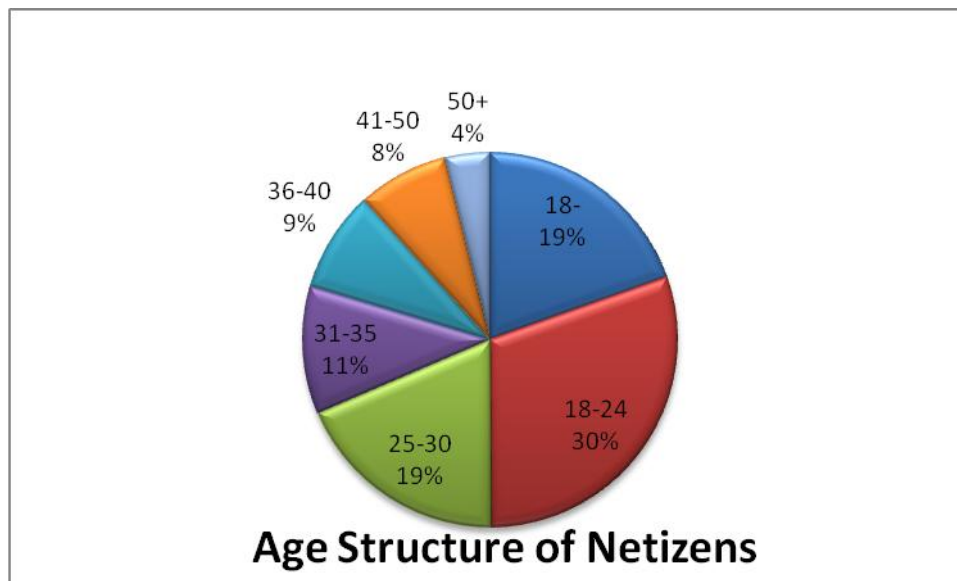


Figure 2.1 Age Structure of Netizens

From the observation of netizen increase of various age brackets with half a year, the increase amount of netizens of three age brackets of 30 and under has all surpassed 9 million compared with that in late 2008.

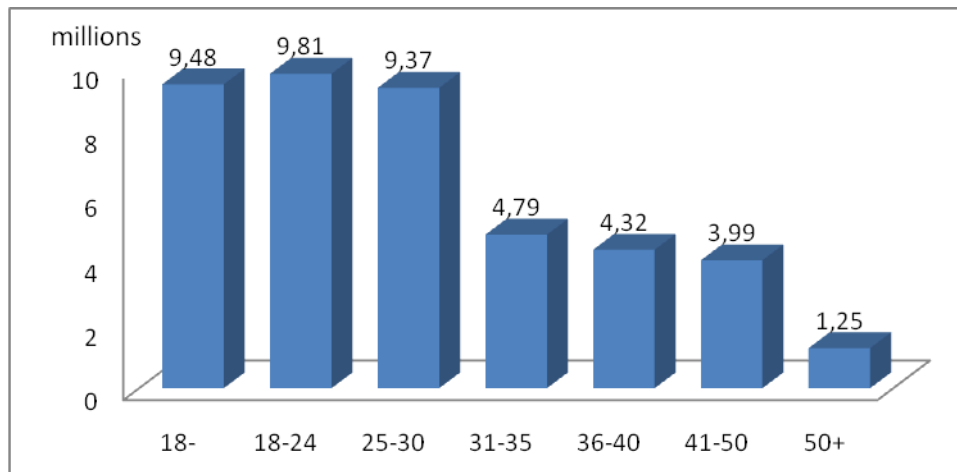
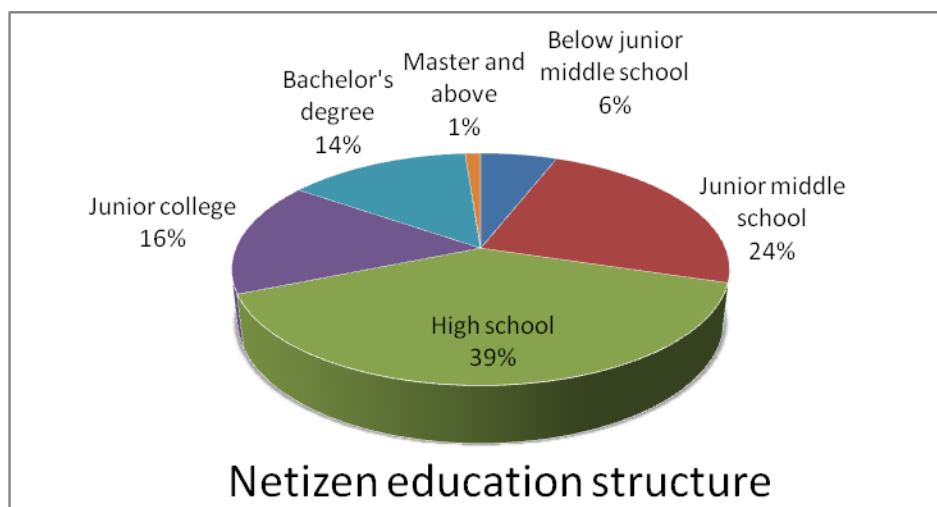


Figure 2.2 Increase amounts of netizens at various age groups in the first half of 2008

### (c) Education

The proportion of netizens with high school degree is the largest, accounting for 39%. The rest proportion sees Figure 2.3 Netizen education structure



It also showed the size of student netizens has reached 76 million, increasing by 15.52 million from that in late 2008.

### (d) Online activities

The size of users of online music is the largest at present, reaching 214 million. The ranking of online news has risen by two places to the second place, and the size of users has reached 206 million. The figure 2.4 shows the detail

about Chinese internet user's online activities.

Online activities		Proportion	Amount of users (million)
Basic Internet applications	Search engine	69.2%	175
	Email	62.6%	158
	Instant Message	77.2%	195
Network media	Online news	81.5%	206
	Blog/space	42.3%	107
	Updating blog	28.0%	71
Digital entertainment	Online game	58.3%	147
	Online music	84.5%	214
	Online video	71.0%	180
E-commerce	Online shopping	25.0%	63
	Online payment	22.5%	57
Online community	Forum/BBS access	38.8%	98
	Publishing Posts	23.4%	59
Others	Online banking	23.4%	59
	Online stock/fund transaction	16.9%	43
	Online job hunting	14.9%	38
	Online education	18.5%	47

### Appendix III

#### The list of SNS providers in China

Category: general platform

Name	URL	Business Focus
腾讯	qq.com	Instant message service
百度	Baidu.com	Search engine service
阿里巴巴	Alibaba.com	Business and trade
一起网	Yiqi.com	Social issues
阔地	Codyy.com	Resource share

Category: alumni and friends networking

Name	URL	Business Focus
校内	RenRen.com	School alumni/ copy facebook
51.com	51.com	Friends making, blogging
开心网	Kaixin001.com	Social network for friends
千橡互动开心	Kaixin.com	Friends making
赛我网	Cyworld.com.cn	Young people networking

Category: cultural

Name	URL	Business Focus
王家人	Wangjiaren.com	For people who have the family name "wang".
蜂巢网	Actcomb.com	Visionary and photographer
生日网	Shengri.com	All about birthdays
海内	Hainei.com	Intercultural
互联家	Hulianjia.com	Internet knowledge
核桃林	Hetaolin.com	Film reviews



大度网	Foface.com	Buddhism
音乐盒	Mymbox.com	Musical affairs

Category: tools and tips

Name	URL	Business Focus
广告人	Zhicity.com	For ads men and women
海报	Haibao.com	Ads, poster, gossips.

Category: local friends networking SNSs

Name	URL	Business Focus
京内网	Jingnei.com	Friends networking for Beijing people
萍乡交友	Wslz.com	Friends networking for pingxiang region
西屯儿网	Xitown.com	Friends networking for Xian
我们同城网	Facecity.com	Friends networking for Xiamen
川内网	Chuannei.com	Friends networking for Sichuan
8611 社区	Xj8611.cn	Friends networking for Xinjiang

Category: love and emotions

Name	URL	Business Focus
漂泊一族	Piaoboyizu.com	Expats network
天生一对	Perpair.com	Relationship management
宅内网	Zhainei.com	Housemen and house-women

Category: travel

Name	URL	Business Focus
驴友网	u.8264.com	Backpackers and road trips
穷游网	Go2eu.com	European trips

## Appendix IV

Question list of telephone interview with Mr. Pang

Q1, what make SNS special? Key values?

Q2, why does SNS get popular?

Q3, Why advertisement on SNS is getting more and more intensive?

Q4, what expectation do you have for Chinese SNS marketing?