



Giuliano Noci, Politecnico di Milano



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Developing brand equity through Social Media Marketing (SMM)



- The role of the digital world in the society
- Why Chinese people love social media
- Building brand equity through SMM
- Conclusions

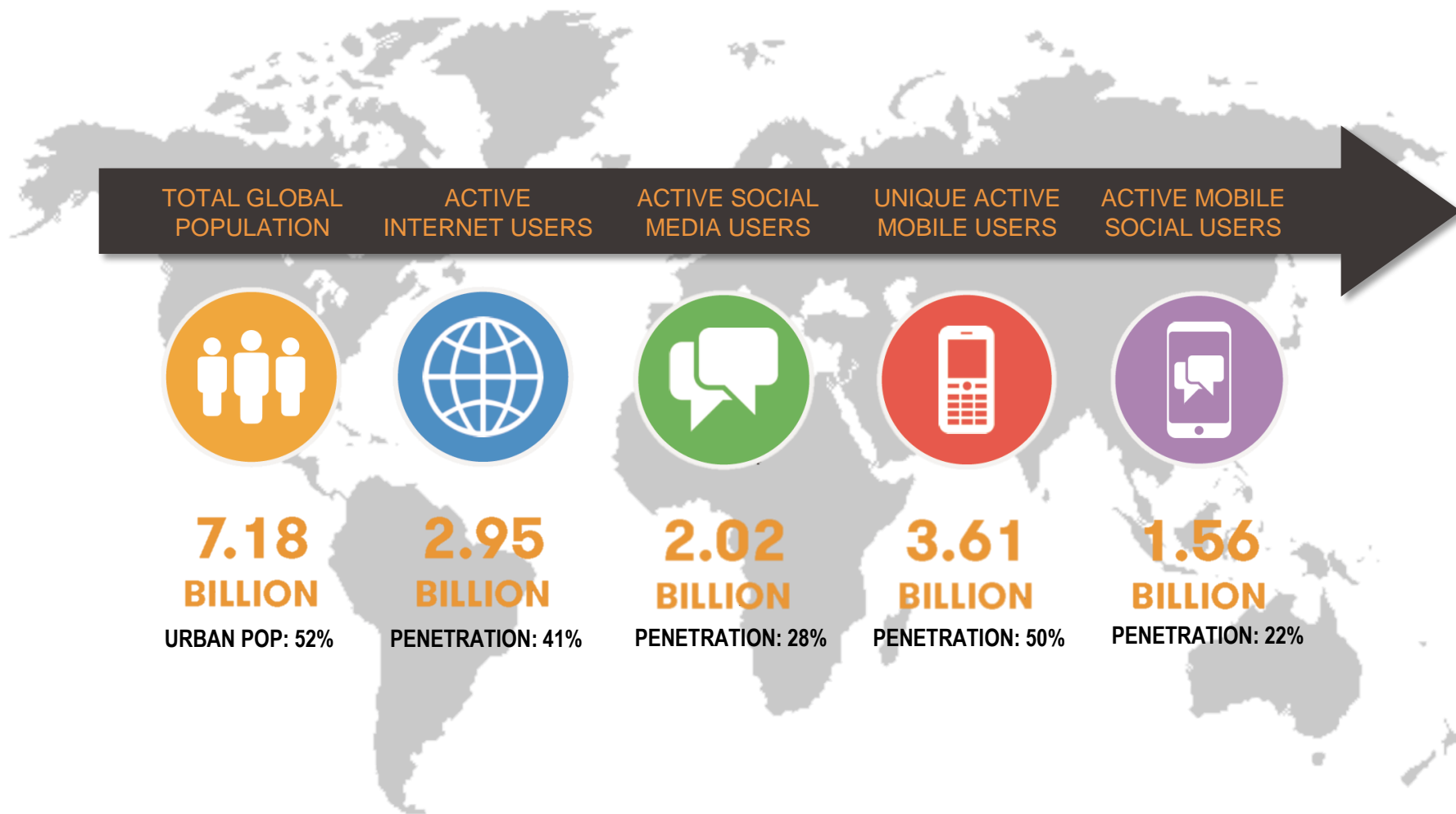


Developing brand equity through Social Media Marketing

THE ROLE OF THE DIGITAL WORLD IN THE SOCIETY

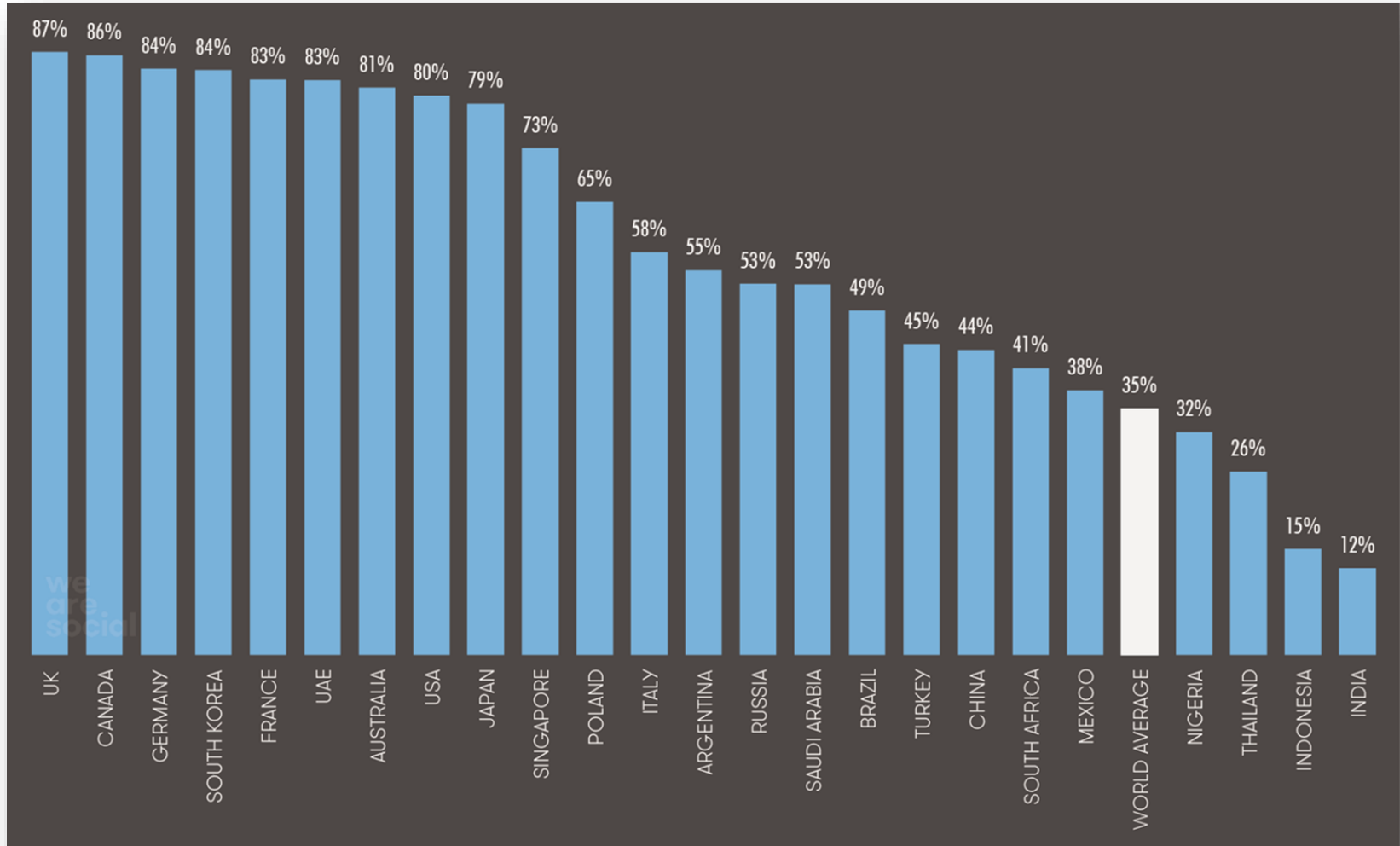


A global “digital” overview





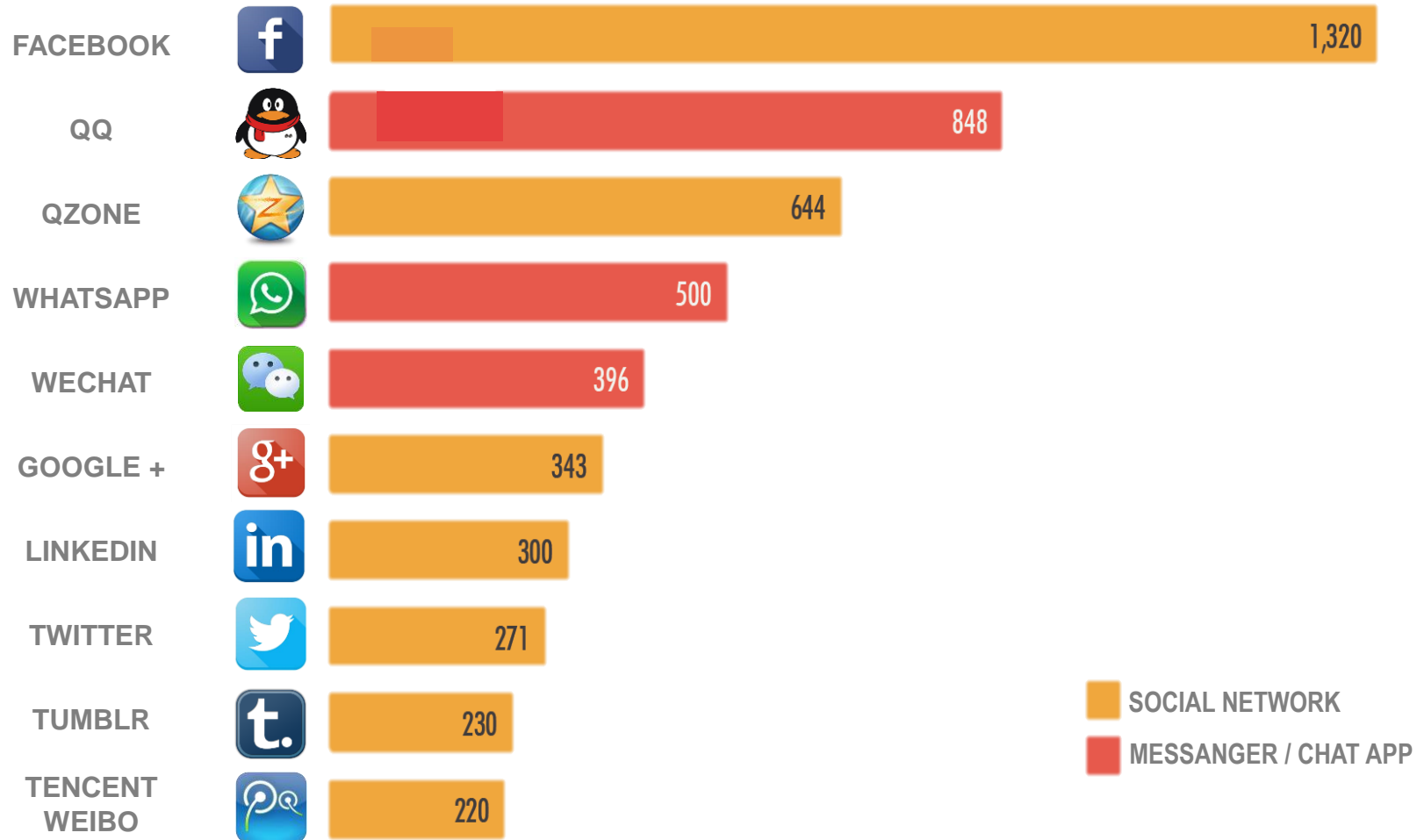
Internet penetration by country





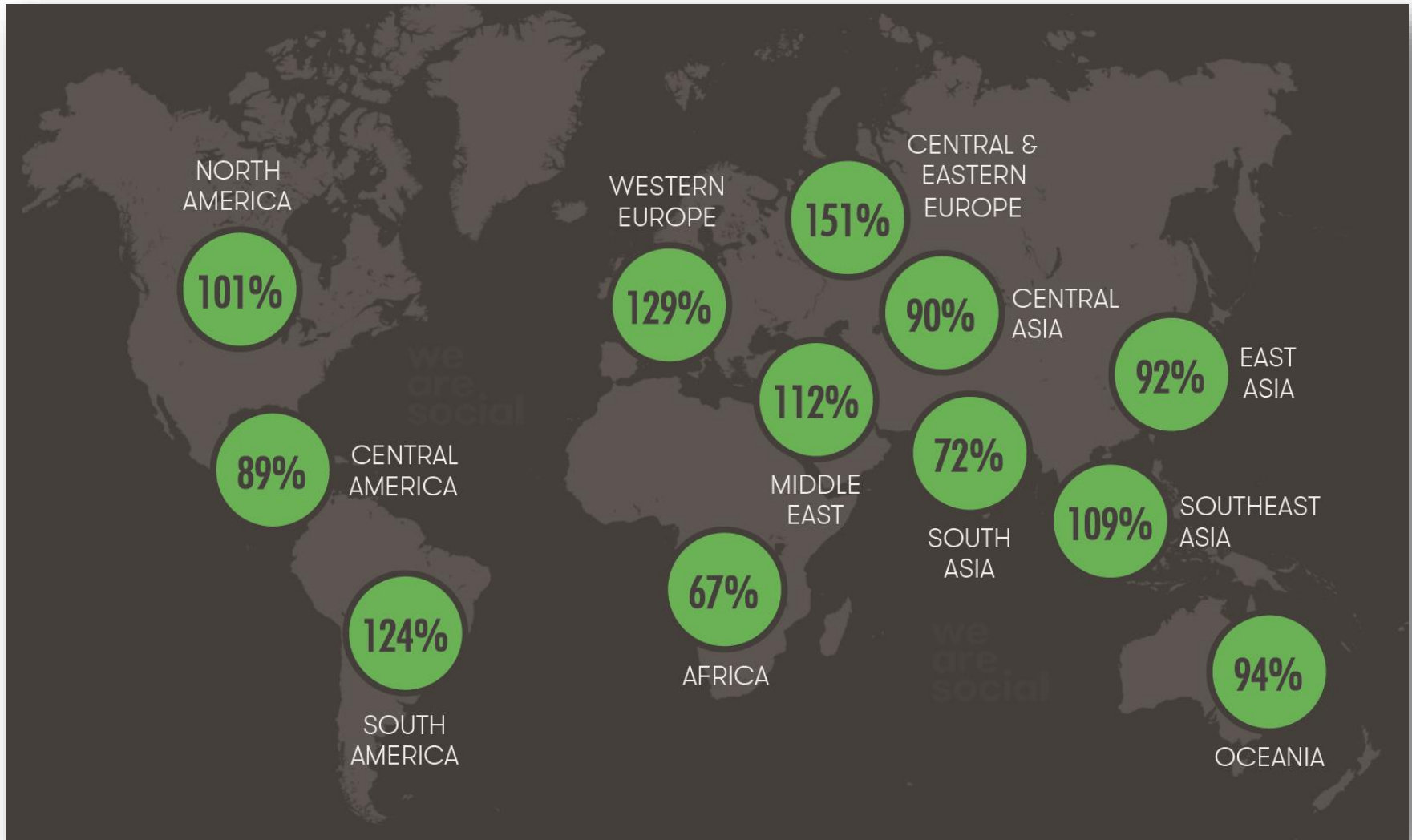
The proliferation of social media

- ✓ Based on accounts that have logged in at least once in the past 30 days, in millions:



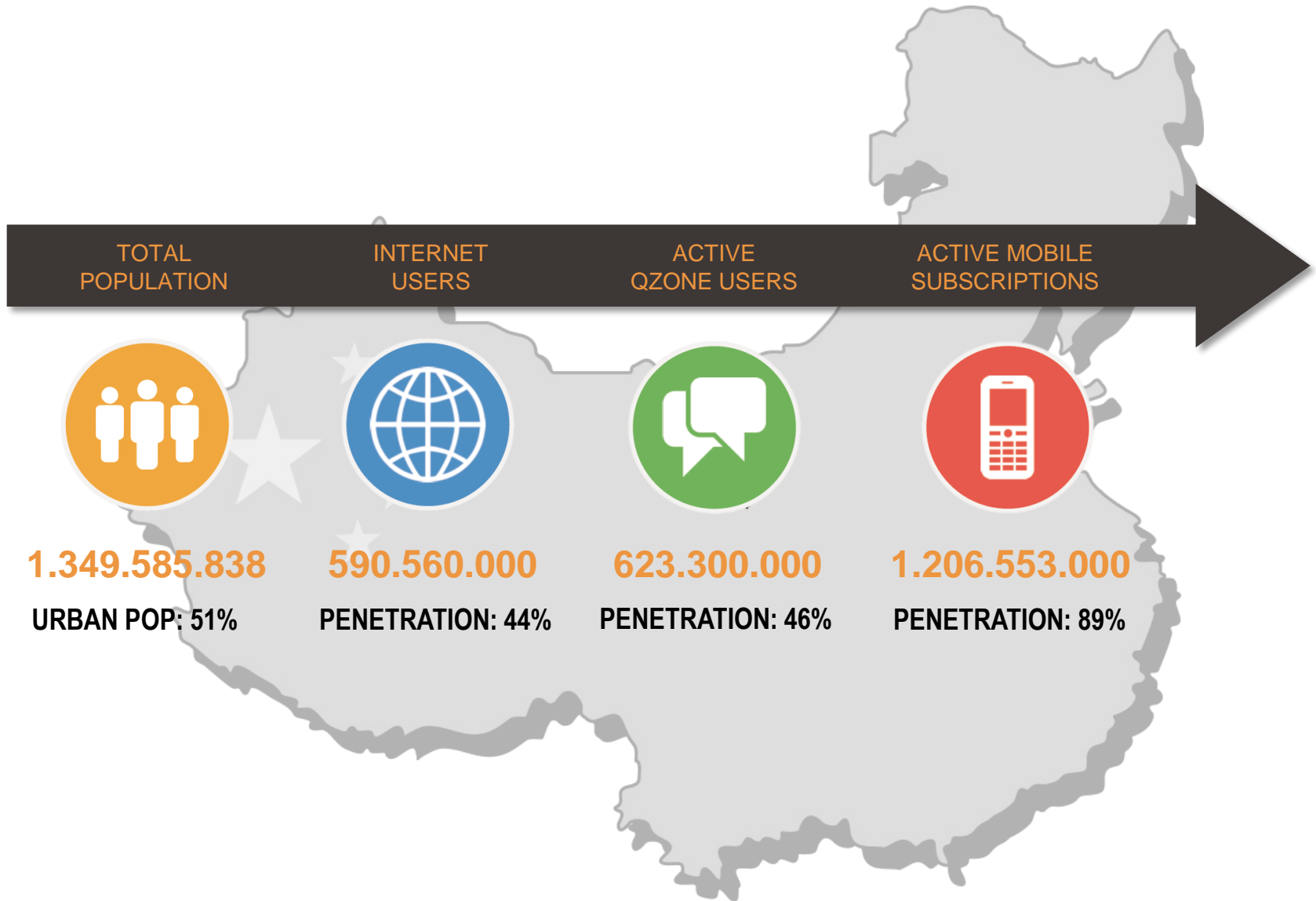


Mobile penetration by region



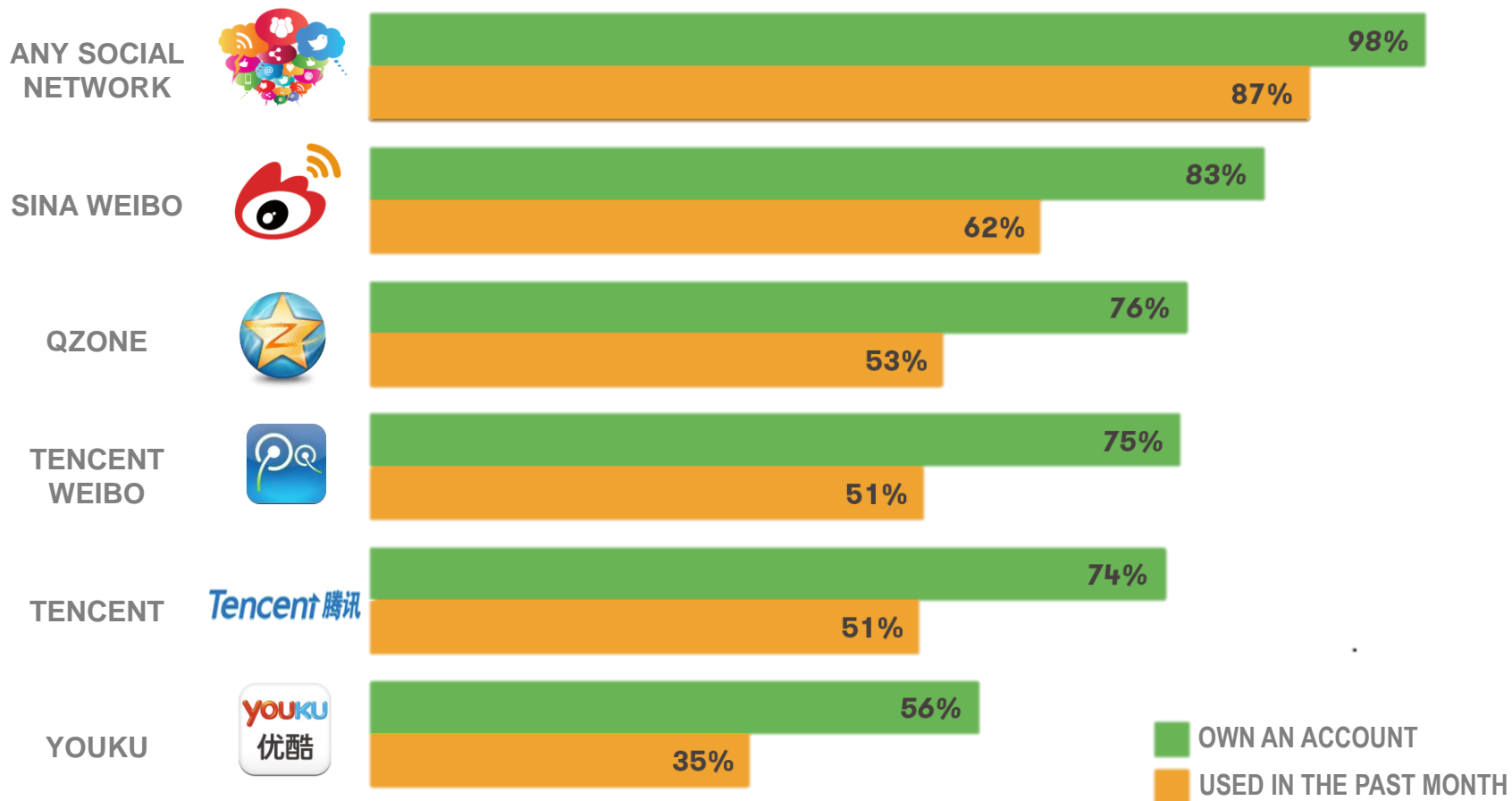


About China...







Social media use in China



Different way of using internet

	 China	 United States	
Consumer side	Internet usage		
	▪ Users	632 million ²	277 million
	▪ Penetration	46%	87%
	E-tailing		
	▪ Size	\$295 billion	\$270 billion
	▪ Share of retail	7–8%	6%
E-commerce platforms	Taobao/Tmall	eBay	
▪ Items	800 million	550 million	
▪ Active buyers	231 million	128 million	
Smartphone penetration (share of installed base)	54%	69%	
Social networking among Internet users	60%	73%	
Enterprise side			
Enterprise cloud adoption rate	21% ³	55–63% ⁴	
SMEs Internet adoption ratio¹	20–25%	72–85%	

CHINA'S INTERNET IS
CUSTOMER-DRIVEN

RATHER THAN
ENTERPRISE-DRIVEN

1 Positive survey responses for Internet use in procurement, sales, and marketing.

2 As of July 2014.

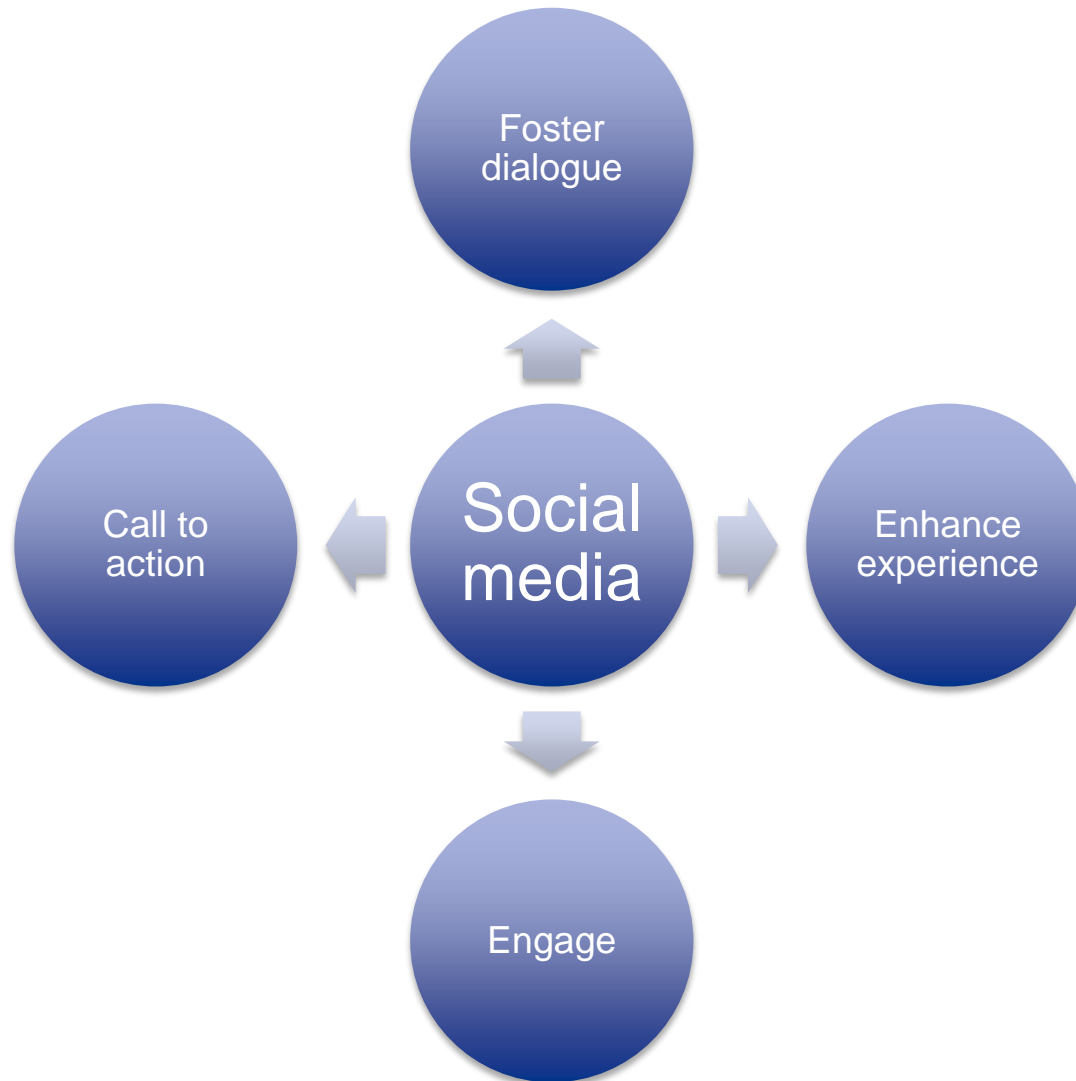
3 McKinsey China CIO survey, 2012.

4 Rates vary depending on types of cloud computing solutions.

SOURCE: Kable ICT Customer Insight survey, 2013; National Small Business Association survey, 2013; iResearch; China Internet Network Information Center; International Data Corporation; Strategy Analytics; US Census Bureau; Pew Research Center; National Small Business Association; McKinsey Global Institute analysis



The role of social media in contemporary markets





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WHY CHINESE PEOPLE LOVE SOCIAL MEDIA

Social Networking (SN) is a cornerstone of Chinese society

- ✓ The China's offline world has peculiar characteristics:
 - People are continuously on the move
 - Offline social networks are a fundamental interest and ingredient in Chinese society
 - Kids and adults experience loneliness in their offline existence more than in other parts of the world

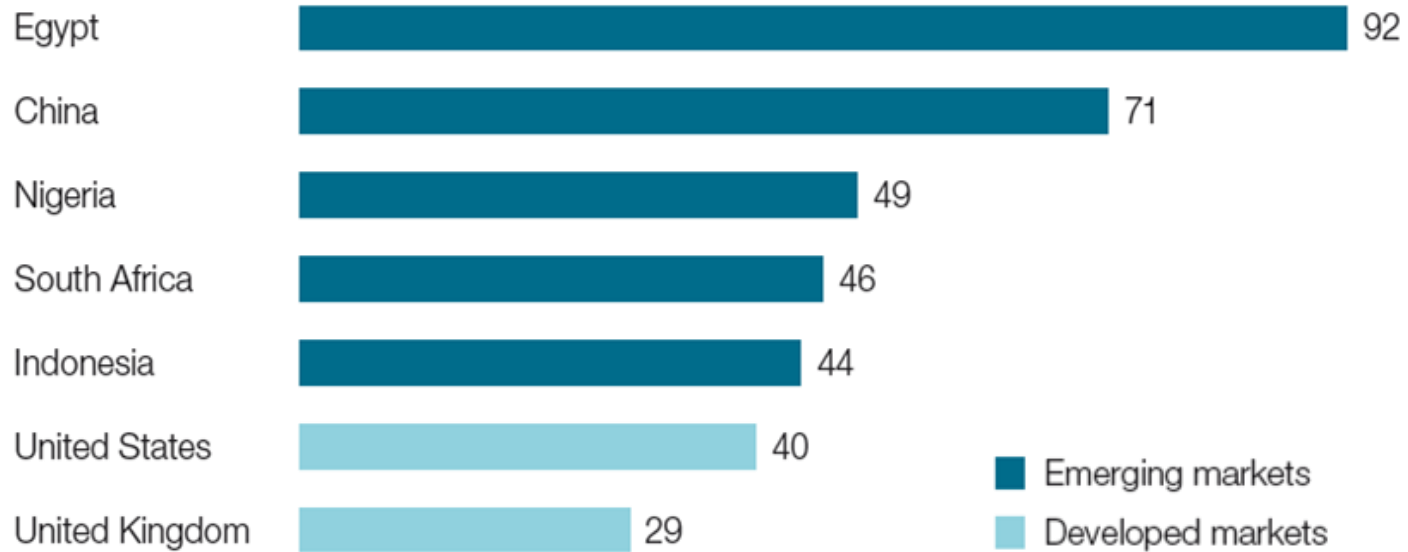
→ Chinese users of SM are more likely to create original content and curate them compared to the West

→ China is 10 years ahead of the rest of the world in Social Media (SM)





SM-influenced consumption

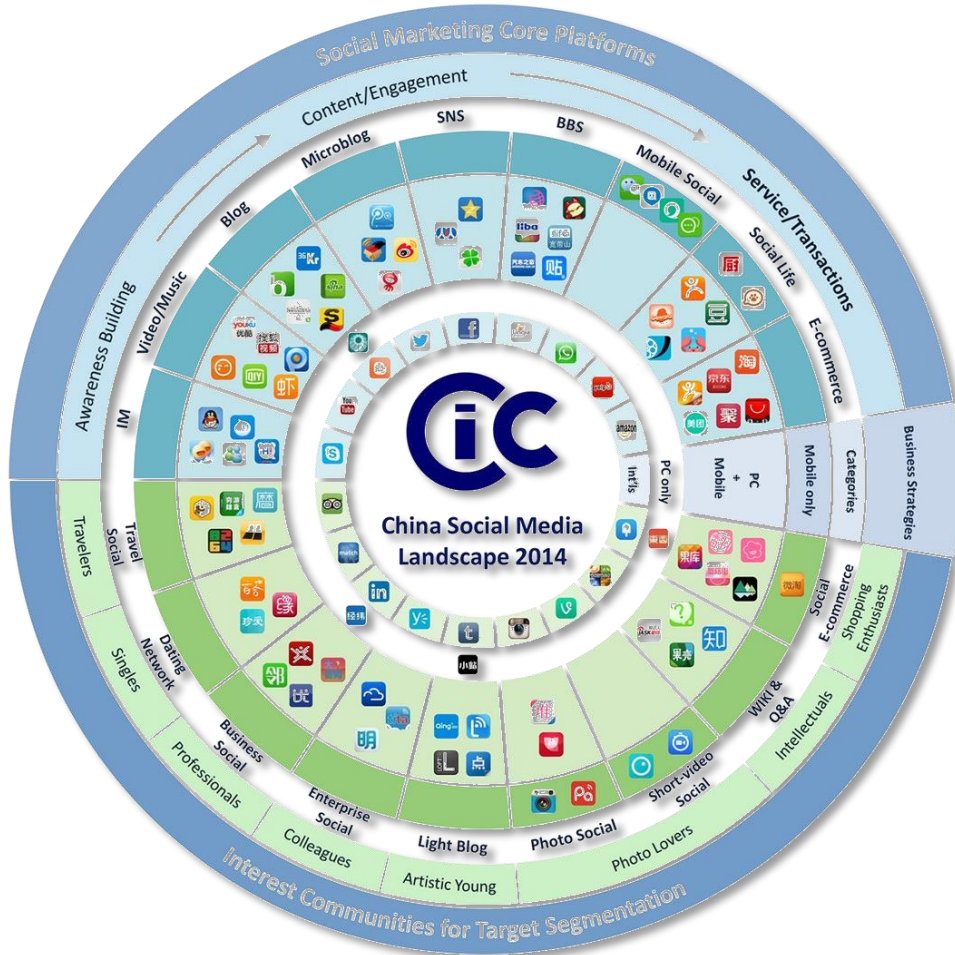


(% of respondents who have received recommendations on food and beverage products from family and/or friends before purchasing.)



The Chinese way to SN (1/2)

The Chinese offer of social networking is very broad:



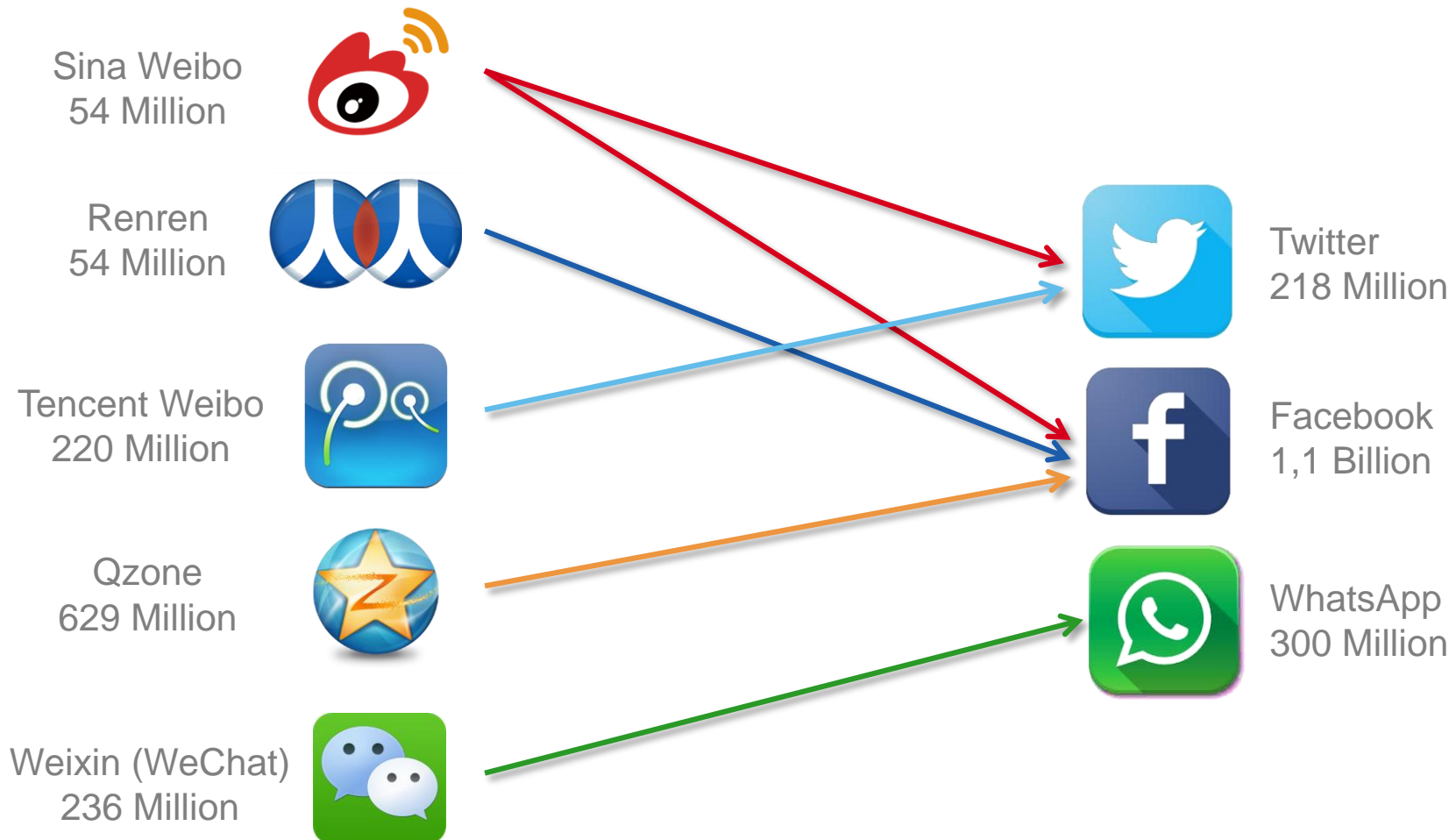
- ✓ There are equivalent Chinese social networks that have similar functionalities as their western counterparts
- ✓ Each of these networks within the same category targets a unique demographic within that category.



The Chinese way to SN (2/2)



✓ The top 5 social networks in China and their Western equivalents





China's unique social media landscape

- ✓ Chinese social-media sites are already nearly as important as portals as an entry point to obtain content:
 - 40 % of PC users said portals are their preferred sites
 - 36 % opted for social-media sites



- ✓ Chinese Internet users spend more time on social-media sites



46 minutes a day



7 minutes a day



36 minutes a day



Developing brand equity through Social Media Marketing

BUILDING BRAND EQUITY THROUGH SMM



The social funnel





The communication space



Building brand equity requires to be:

- Useful
- Usable
- Delightful

Guided by experience and engagement design...



The 6Cs of SMM for increasing brand equity



1. Conversation
2. Culture
3. Content
4. City needs
5. Cell phones
6. Communities





#1 Conversation



- ✓ Without conversations, SM aren't social
- ✓ Conversations allow us to understand people and exchange mutual value
- ✓ Successful communication isn't about what we say; it's about what other people understand



Listen to the way your audience speaks and adapt to their style



Lenovo connects with its audience through the concept of "Gap year"



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#2 Culture



- ✓ Culture in China may vary around different regions
- ✓ People have different values and buying behaviours



Build strategies for cultures and communities, not for platforms

Coach's way to increase "brand stickiness" via WeChat





#3 Content



- ✓ Most people use a variety of social media platforms in different settings
- ✓ Brands must be careful to avoid putting all their eggs into one basket

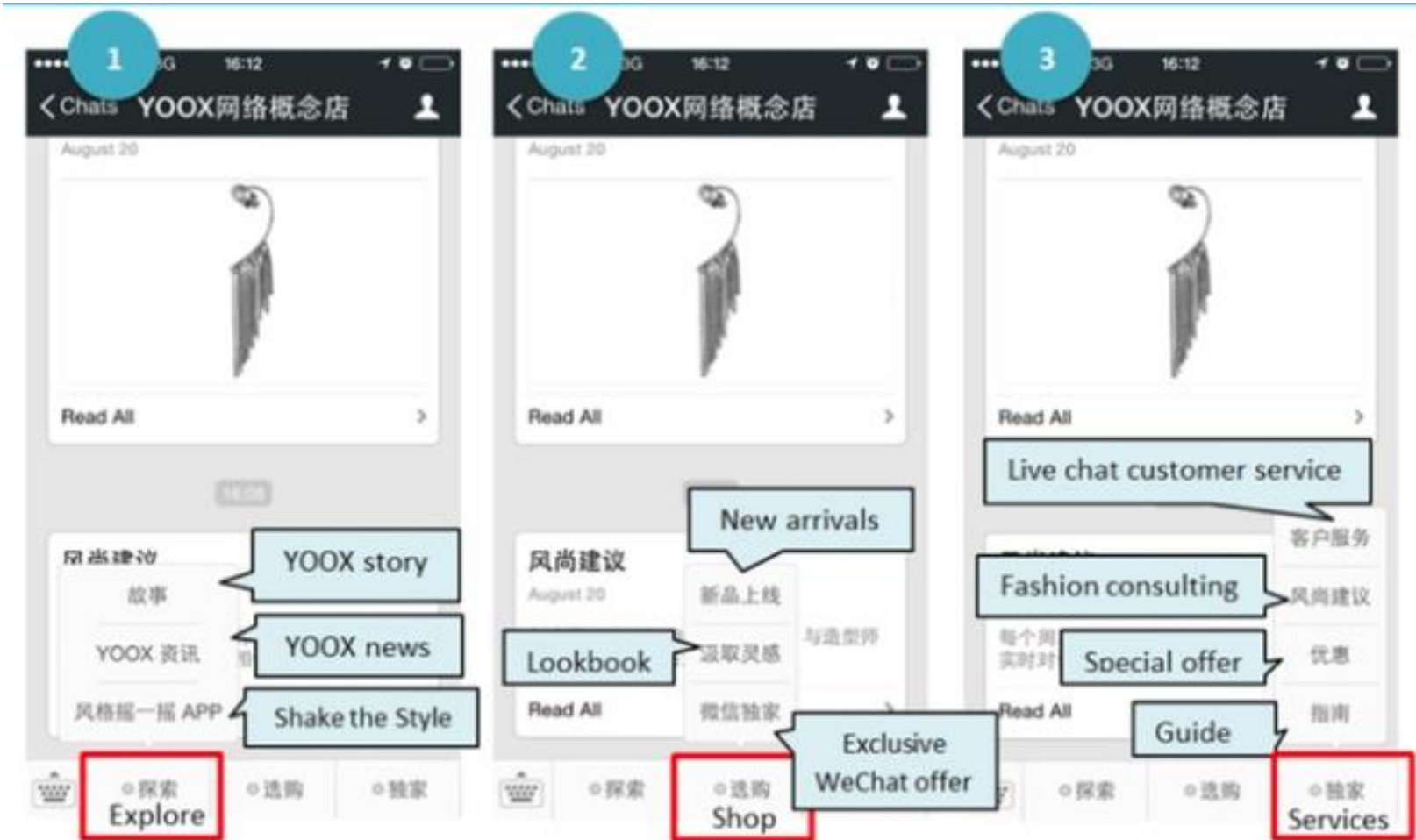


Build activities around people's interests, not around technology





Yoox online concept store





#4 City needs



- ✓ How much does your brand objectives vary across cities?
- ✓ How much do people's attitudes towards your brand vary across cities?
- ✓ Can you tell the same story in each city?



Develop a strategy that's flexible enough to meet varying country needs



#5 Cell phones



- ✓ Social media is increasingly mobile in China
- ✓ However the mobile experiences may vary in different cities



Tailor content for mobile-centric engagement and sharing



WeChat - LaRochePosay



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#6 Communities



- ✓ Social communities are defined by shared beliefs, not city and/or region borders
- ✓ Focus on what unites your audience



Define your strategy around passions





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CONCLUSIONS



Forget this attitude...!





Remember these guidelines!



- ✓ Provide content people care about
- ✓ Provide content that is consumable across all forms of media
- ✓ Provide on-the-go, useful content
- ✓ Neglect some common behaviors:
 - Oversharing on social
 - Jumping on bandwagons





Change is a MUST!



- ✓ A company must become an editor of contents (for storytelling)
- ✓ Marketing is becoming so important that can not be left only to the marketing function
- ✓ There is a talent gap





Suggested readings



- ✓ Engage!, Brian Solis, John Wiley
- ✓ Likeable social media, Dave Kerpen, Mc Graw Hill