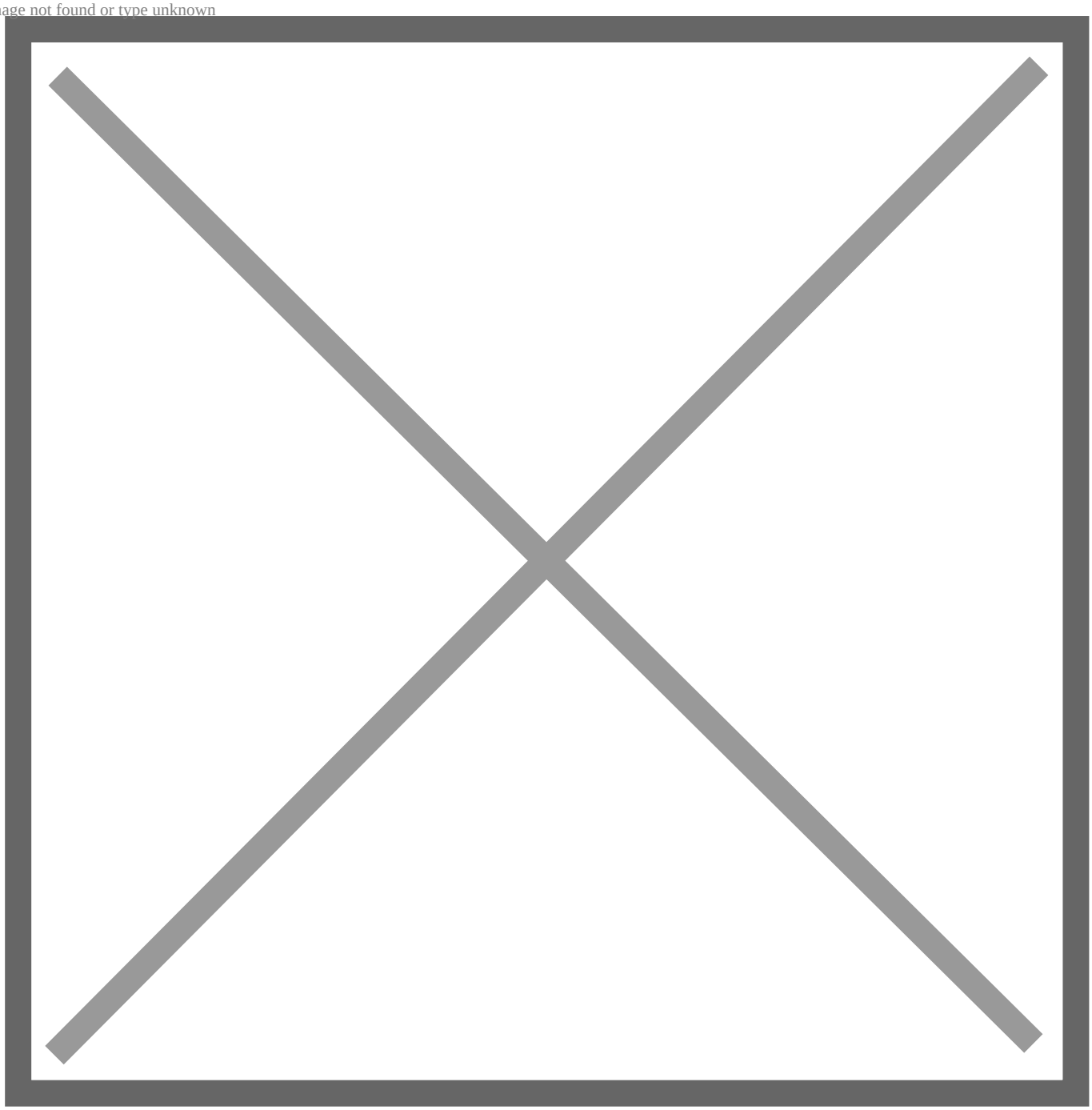
China Digital Landscape: Challenges and Advice for EU SMEs

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China Online Market Place

China's 9.6 million square kilometers is home to 1.38 billion people, 89% of which uses a mobile phone with access to internet. The progressive shift to mobile that we are facing worldwide, has been already done in China. It happened at such a fast pace, on such a wide scale, that European small and medium companies do not grasp the effects of the mobile landscape in its entirety yet. Although the EU has had an extraordinary performance in its exports to Chinese consumers, new concerns were taking shape in our analysis in the last two years.

Digital Marketing is an umbrella term for doing marketing using digital technologies. If there is a country full of enthusiasm in implementing this data-driven marketing with all types of new touch points, it is China. From scanning a QR code in order to purchase a product in a live streaming session of a key-opinion leader to raising money for charity via e-payments, the fast adoption pace of technology by Chinese consumers makes digital marketing and its techniques a 'must-know' for EU SMEs wanting to sell their products and/or services in China.

Digital marketing allows interacting directly with consumers at an unprecedented scale. In the incipient era of big data, EU SMEs might be excluded of knowing trends, patterns and preferences of the Chinese consumers. While Chinese companies feel comfortable in the local digital landscape and the accompanying marketing tools, it is the opposite for EU SMEs, who miss out on the opportunities that big data has to offer.

The Power of New Data and Market Insights

Looking at a popular Chinese search engine shows that on a particular day a search for the keyword Italy was first done at 6 AM, with the number of searches steadily increasing before peaking at 3 PM. The same tool indicates that people from Beijing, Shanghai and the Guangdong province seem to be the most interested in Italy. If you know how to use the available tools it is possible to gather user characteristics such as gender, age, related searches and, in case you find it useful for your marketing campaign, even the zodiac sign of the users.



In the same test, conducted by the authors along with the Centre's short-term experts, we concluded that more than half of the searches for the keyword Italy were performed by females, of an age between 19 and 34 years old, mostly interested in food and tourism.

To satisfy our curiosity, not that we think it is of any use, most users had the zodiac sign of Capricorn.

Challenges for EU SMEs

Is it that easy for an EU SME to make its way through China's mobile landscape? We think it is not, as European SMEs:

- Are often not familiar with China's unique digital landscape;
- Do not have the budget to use digital agencies;
- And thus, miss out on important local knowledge to reach and know your customer.

Key Advice

To solve such contingency, we spent time talking with many existing agencies executing digital marketing campaigns in China. All of them agreed on the needs of EU SMEs, to understand the Chinese consumers, who am I talking to and what do they look like?

Some agencies expressed quite frankly their doubts. It would not be easy at all to draft a document on digital marketing in China aimed at small and medium companies with limited budgets. However, together we collected the following key advice for EU SMEs:

- Adapt to the Chinese market, by name adaptation, marketing or mindset;
- Comprehend China's digital landscape, its digital trends and touch-points;
- Being able to use China's digital tools but also its analytics;
- Understand the costs involved in a marketing campaign in China.

This guideline on digital marketing in China answers some useful questions for EU SMEs, such as; how to find a digital marketing partner in China? Who's who in the social media and digital marketing world? Whom are the KOLs in China? Which live-streaming platforms are of importance? But also, what is possible with a smaller budget?

It took many meetings and efforts, but finally, we produced, with full focus on EU small and medium enterprises, the most useful guideline on digital marketing in China.