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Blogs, Bulletin Boards, and Business

To succeed in China, businesses must understand China's social media environment

Kaiser Kuo

By now it is clear that the social media revolution—which includes the emergence of blogs, YouTube, wikis (websites in which users can edit content), and social networking websites—has put digitally empowered consumers in the driver's seat and changed the game for marketers and media alike. It is also clear that the revolution has spread beyond the developed world. The same upending of the traditional relationships between marketer and consumer, professional and amateur, and authority and the average person on the street is happening in China, too.

In China, however, the revolution has followed a somewhat different trajectory than in the developed world.

Some of the major topographic features of the social media landscape—such as the challenge to mainstream news from web-based media—may feel familiar at first blush, but a closer examination reveals contours shaped by a distinct Chinese Internet culture. As the Internet assumes a more central role in Chinese cultural and commercial life, understanding this landscape—with all of its perils, pitfalls, and possibilities—is vital to running almost any business in China today.

China's Internet culture

Observers have noted that China's Internet is more “entertainment superhighway” than “information superhighway”—

a fair characterization, given the time Chinese Internet users typically devote to MP3 downloads, chatting with friends, playing online games, and watching online videos (see p.32). Perhaps their focus on entertainment is attributable in part to the PRC government's well-known censorship policies, which often render news and political reporting formulaic, staid, and not reliably objective. And yet, for all the frivolous distraction and political redaction, the Internet has developed into China's first real public sphere—a space, in this case virtual, where a huge range of ideas can be and are openly expressed. China's legions of Internet users, now numbering over a quarter-billion and growing fast, are also growing more vocal, strident, and conscious of the power they wield. Though censors may limit what is said online, anyone who “listens in” on Chinese cyberspace will likely be moved by the heated debates, candid criticism, and bold attempts to “push the envelope.” (Visitors to Chinese cyberspace will also likely be struck by the often vicious and puerile tone of the invective and by the utter lack of self-restraint exhibited by Chinese netizens.)

For all its shortcomings, China's Internet has become the crucible of the nation's contemporary culture, where new language is created, new literary talent finds voice, and new musical phenomena are born. It is the place where a brand may be elevated to greatness by the web's marvelous power to amplify good word-of-mouth. But it is also the place where a brand may encounter the destructive force that China's netizens seem to unleash so capriciously.

Weighing Internet tools

The surging popularity of social media is at the heart of the consumer revolution in China, just as it has been in the United States. That does not, however, mean that US brands should engage social media in the same way when in the China market.

Blogs

When companies begin to devise social media strategies, they often first consider monitoring or setting up blogs. Generally, companies want to learn what is being said about their brands in cyberspace, perhaps to identify the real influencers for outreach or to allay the concerns of dissatisfied customers. More ambitious companies want to do more than monitor blogs. They want to start blogs of their own, believing a blog would be a good way to connect with customers, encourage their feedback and engagement, and give the company a human face. Though these are excellent motivations, blogs are often the wrong place for companies in China to learn what China's netizens are saying about a

brand (see p.30). For example, at the time of this writing, the most popular blog in China was from a stock market analyst with a stock-picking algorithm and a book to sell. The next most popular blogs were from “blogging celebrities,” such as movie stars, writers, and singers. China does not have many bloggers who have gained fame as bloggers: no one like Markos Moulitsas Zúniga, founder of the left-wing *Daily Kos* blog, or even like celebrity-gossip blogger Perez Hilton (the pen name of Mario Armando Lavandeira,

Jr.). Most Chinese blogs are little more than online diaries, and of these, the vast majority do not have enough of a regular readership to be of much concern to most companies.

That does not mean that crises for foreign-invested enterprises (FIEs) never originate with blogs. For example, in 2007 a Chinese Central Television English-language news reporter named Rui Chengang launched a personal, and ultimately successful, blog-based crusade to oust Starbucks from the Forbidden City in Beijing. But this case is an exception, and

tracking blogs for mentions of a company is simple enough using free tools, such as Google Alerts. A company can easily set up that service to deliver daily, or more frequent, e-mail alerts for any mention of the company, its brand, or its top officers in mainstream online media and in most blogs. Companies that have not been using such a service should start using one now.

Bulletin board systems

The real place where conversations about brands occur on the Chinese Internet is in bulletin board systems (BBSs), which are online forums where people can post, usually anonymously, threaded messages about any topic. Sam Flemming, an expatriate American who is the co-founder and CEO of CIC Data, LLC, an Internet word-of-mouth research and consulting firm in Shanghai, has preached the value of tracking consumer opinions on BBSs for years. Used less frequently in the English-language Internet, BBSs are extremely popular in China, where they have attained a surprising level of sophistication.

Of China's roughly 1.5 million commercial websites, about 80 percent have a BBS attached to them, and ordinarily these are among the liveliest and most frequently visited parts of a site. Tens of millions of messages are posted to them daily, and about one third of Chinese netizens routinely post on a BBS, according to the China Internet Network Information Center. Some BBSs, like the influential forum Tianya, are regarded as more highbrow—the place to go if your tastes run to politics or literature. Other BBSs are rowdy free-for-alls with no semblance of civility. And on the million

Quick Glance

Companies should

- Use the Internet to monitor relevant discussions and engage consumers;
- Be aware that creating and maintaining a blog takes enormous time and resources—and comes with risks; and
- Engage consumers transparently.

or more other forums, companies can find conversations about their company, brand, and competitors. Ordinary Chinese consumers air grievances every day about shoddy construction by cheap real estate developers or poor service by some appliance manufacturer, while others sing praises of the car, smart phone, or athletic shoes they just bought.

Social media has made life difficult for many compa-

its melamine-tainted infant formula, broke publicly after a September 11 posting on the Tianya forum.

Tips for foreign companies

Address public relations problems swiftly

News about FIEs in China spreads fast. As Jim McGregor described in his book *One Billion Customers*, for-

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nies regardless of geography. Mistakes made by anyone in any organization—a surly customer service representative or an errant employee caught in some misdeed—can rebound with disproportionate vehemence. Though it is said that in space no one can hear you scream, in cyberspace the screams of an unhappy customer are heard and can be amplified, widely and quickly disseminated, and instantly brought to the attention of traditional media. Everything breaks online these days. Last year's scandal surrounding Chinese dairy company Sanlu Group, with

eign companies in China are operating in a “free fire zone,” where local media, new or traditional, often feel little compunction about targeting FIEs. Quick reaction is absolutely essential. Flemming points out two cases in which difference in response time mattered a lot.

In 2006, a customer discovered that the personal computer he had ordered was shipped with a slightly different processor than the one advertised. Because the foreign computer company moved slowly to address his grievance, the customer's one negative post snowballed into a colossal

To Blog or Not to Blog?

A corporate blog, done well, can be a valuable resource for improving visibility, engaging customers, and building good will for the corporation. But companies should carefully consider the risks and responsibilities of creating and maintaining a blog—it is not something to be undertaken lightly. Some useful points to consider:

■ **Set goals** First, each company needs a clear idea of what it wants to get out of blogging. Keeping up with the Joneses is not an acceptable goal. Jeremiah Owyang, San Francisco-based senior analyst in social computing for Forrester Research, Inc., recently told of a company that wanted to begin blogging because their competitors had begun doing so. “What’s your goal?” Owyang asked them. “Thought leadership,” they replied, the irony apparently lost on them.

■ **Be sure that the company is ready** Take a good, hard look at the company. Is

it ready to brave the waters of social media, Chinese or otherwise? If the company cannot confidently say that it has an internal culture of transparency and is sufficiently thick-skinned to take public criticism, it should not bother with a blog but should stick to listening.

■ **Staff the blog appropriately** Senior management must understand the level of talent and commitment required to make a corporate blog a success. Someone needs to take editorial ownership of the blog, and that individual should be a good, natural writer in a position senior enough to have a credible voice and responsible enough to adhere to the company's code of conduct for its blog, which must be spelled out clearly. Recognize that quality blogging takes time—not just the time it takes to post, but also the time to read voraciously and stay current with other blogs on the topic the company intends to address. The company will not

help its brand image if it cannot spare the time to read up and tap out a few good, engaging blog posts a week.

■ **Promote the blog** Just building a blog is no assurance that an audience will come. Unless the company deliberately promotes the blog, it will be ignored and will serve no purpose. Companies should optimize the blog for search engines and link generously to other related blogs. The Internet provides heaps of literature that can give pointers on how to optimize and promote a blog.

Finally, companies should realize that they will not recognize an immediate payoff from blogging. Search engine optimization and link-swaps will carry a blog only so far. It will take time for the blog to gain a real readership. Companies should consider the blog as part of their long-term efforts in industry thought leadership, in profile-raising, or whatever other goals that have been set.

—Kaiser Kuo

headache for the company, earning the incident the nickname “Processorgate.” Bad publicity continued for weeks, until the company offered refunds under the threat of a class-action lawsuit. Eventually, the company’s reputation in China recovered, but a faster response to the problem would have prevented much of the negative publicity.

In contrast, Christian Dior reacted with admirable

what kind of vituperation they might encounter. A company rep should never assume that he or she can post anonymously.

Like too many other things in China, online forums are often adulterated for commercial gain. “Astroturfing”—a tactic used by some companies to create the appearance of grassroots consumer enthusiasm through BBS,

On the Chinese Internet, conversations about brands occur in bulletin board systems.

alacrity to a major potential crisis. Last spring, when company spokeswoman Sharon Stone suggested at the Cannes film festival that the May 2008 earthquake in Sichuan was karmic retribution for Beijing “not being nice” to her friend, the Dalai Lama, BBSs in China lit up instantly with righteous indignation. Dior was quick to drop Stone from all of its China marketing and issue a statement of apology from her. As a result, Dior escaped unscathed.

Monitor online discussions

Listening to online conversation is vital for companies. Tools to monitor relevant discussions offer a valuable barometer that no company operating in China should be without. Fortunately, a growing number of companies operating in China offer such tracking tools. Generally, the process involves “crawling” BBSs, blogs, and other social media with search spiders and processing relevant results with semantic algorithms of varying complexity. The algorithms assess individual posts and assign a value according to the intensity of the positive or negative sentiment expressed. Purveyors of these tools will then notify clients about actual or potential crises—either in real-time, via a dashboard (a set of read-outs that allow a client to monitor what the trackers are seeing), or in periodic reports—flag recurring issues in online posts, and offer possible ways to respond to problems and opportunities and to manage the client’s online reputation.

Engage consumers transparently

Many companies want to do more than track online comments about their brands. They want to engage real online communities of people who are fans of the company’s brand and who will offer honest, constructive advice. Though engaging with a commenter or a blogger is trickier than monitoring comments, the rules of engagement through social media, such as blogs, generally apply in any Internet market. The key is to engage transparently. Company representatives must always identify themselves and their corporate affiliation clearly, and treat the commenter with respect and professional courtesy no matter

blogs, or other social media—is common. Unscrupulous competitors will often use social media to launch smear campaigns. Companies should be careful about agencies that claim they can protect brands by handling negative comments. One common practice is to bury a negative comment about a client by flooding a BBS thread with mildly positive, neutral, or even totally unrelated comments using multiple identities that appear to come from different machines in different parts of the country. The negative comment moves so far down the thread that most people reading the thread will not find it. This dishonest practice does not address real problems; it only sweeps them under the rug. On the bright side, Internet users are growing more aware of this sort of dishonest practice, and smarter Internet users simply know to take it all with a grain of salt.

Keep up with trends—but be safe

The swift rise of the Internet in China in recent years has caught some companies by surprise. With news and rumor traveling fast in cyberspace, companies must monitor what commenters are saying about them and their products. Even more important, companies must be ready to respond quickly to any complaints or negative comments that appear, as failure to do so can seriously damage a company’s reputation.

Companies can also use the Internet to engage customers and market products in new ways, but they should be ready to commit the resources necessary to do the job well. Again, all such channels must be carefully monitored for signs of dissatisfaction among potential customers and the general public. Finally, companies must be as transparent as possible when engaging potential customers. In short, companies should take advantage of the opportunities this new medium offers but be on the sharp lookout for potential pitfalls. 完

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