MANAGING CHANGE AND COMPLEXITY

NAVIGATING THE EVOLVING ADVERTISING LANDSCAPE OF CHINA

CONTENT VARIATION HELPS OVERCOME MARKET COMPLEXITY

Mainland China continues to be the largest contributor to global advertising growth. However, recent years have seen some dramatic changes in the advertising landscape. The rebalancing of the Chinese economy entailing softer GDP growth, regulated and rationed TV advertising, aggressive attempts by local Chinese brands to stretch their budget – have all contributed to an unprecedented growth of the digital ecosystem.

The Internet industry has doubled its spending, while more than 150 Application (APP) based brands are now advertising their products.

Yes, content is still King! However, in this super connected age, attention is at a premium – an average Chinese consumer flirts with multiple screens and spends 56 percent of their leisure time on a smartphone. This is more than double the time spent on TV in a normal day. A creative that is well branded and engaging is critical to grabbing their attention in a small time window of 3 seconds.

The infectious excitement of this frenetic digital growth rubs-off on marketers, with many eager to be first in the market with their communication. But an absence of optimal content or targeting could be a recipe for failure.

The recent performance of the most expensive ad (5m USD for a 60 second spot) is testimony to this. Despite the use of ten celebrities and repetition of its advertising message 20 times, the “Youxin” second hand car ad could not entice consumers.

Where did it go wrong? The absence of a compelling benefit and irritation with the style of engagement meant it simply did not resonate. To avoid such disappointment, here are some essential truths to bear in mind when seeking to create advertising content that is effective and efficient:

THERE IS NO MAGIC BULLET

China is complex. Analysis of our Ad database reveals that only one in two ads perform successfully across the country (a difficulty level similar to Europe). The variations in ad performance are driven by cultural variations, stage of category development, stature (how big or well know the brand is) and ad literacy. For example, the Eastern consumers demand advertising that is stylish, more creative, with an aspirational mood and tone. Emotional warmth – family bond, nationalism and optimism resonate strongly with Northerners. Meanwhile, pragmatic culture rules in the South, so it is no surprise that a simple and straightforward storyline is more suitable for consumers in this region. In the lower tiers, providing information (vs. entertainment) and a strong “reason to believe” is critical.

Time schedules and budgets do not often allow creation of multiple ads. Our learnings suggest that universal truths around family values, optimism or children travel well. Giving these themes a different perspective or dramatizing benefits through creative formats that are new to the category are some of the ways to make ads travel across the country.

THE RIGHT MEDIA GIVES YOUR CREATIVE WINGS

Chinese audiences seek different payoffs and have different behaviors across TV vs. online video. TV and mobile is more about overcoming boredom and offering stimulation, less about gratification. Online viewing is goal oriented, where consumers are actively seeking information and hence have less patience to watch ads that do not capture their imagination (most even press mute while watching them). This means we need to engage with our audience differently. From our studies, we see there is low transference of TV copy when tested in online pre-roll environment. Analysis of TV ads successfully re-purposed for online gives us some helpful insights, for example, make the brand stand out by ensuring branding is present in most of the frames and through close up shots of the brand. Single minded messaging is paramount in this 3-second time window. For mobile ads, making it humorous greatly increases its acceptance.
MANAGING CHANGE AND COMPLEXITY

EXPLOIT THE FORMAT TO MAKE YOUR BUDGETS WORK HARDER

Increasingly marketers are experimenting with different ad lengths to convey their brand proposition across categories. The ubiquitous 30-second creative is on the decline. Success depends on using the format in sync with the advertising and brand objective. A 30-sec creative is well suited for a new product or a new campaign and supports transmission of complex or multiple messages while a 15-sec works well in tandem as a cut down to communicate basic ideas and act as a reminder. The longest video ads can of course deliver multiple and complex messages. They have been found to work as a reward for the fans and provide an opportunity for enjoyable engagement.

MARKETING TO LAZY BRAINS

Our brain, despite being extremely powerful and capable of complex processing, avoids ‘thinking’ wherever possible. It does this by finding mental shortcuts to achieve decisions and actions. These shortcuts form a dual system of ‘thinking’. System 1 denotes fast thinking and also that which is heavily intuitive or emotional. System 2 – reflective or slow thinking – is more cumbersome and effortful and hence avoided. Just as we aren’t motivated to think hard in many brand decisions, we are rarely motivated to expend time and energy deliberately reflecting on the advertising we see. Effective ads need to access our System 1 by being instantly meaningful. Measuring these non-reflective take-outs requires methods that go beyond direct questioning. Cutting edge neuroscience techniques are being used along with survey based responses, with great success. Facial expression analysis (Millward Brown’s Facial Coding technique) is one of the tools that allow marketers to gauge spontaneous emotional response to their ads and provide guidance in optimizing it. Moreover, brands in sensitive categories (such as sexual well-being, female products) are using this tool exceptionally well to reveal intuitive reaction where it is difficult for consumers to describe intimate or personal scenes.

ESSENTIAL INSIGHTS TO MAKE YOUR ADVERTISING BUDGET WORK HARDER

01 /

ACHIEVING PAN-CHINA ADVERTISING SUCCESS THROUGH ONE CREATIVE IS HIGHLY UNLIKELY:

Overcome this hurdle by delivering a universal truth with a twist, bring “new” news to the category or dramatize benefits to appeal to your audience.

02 /

THE RIGHT CREATIVE FOR THE RIGHT MEDIA WILL GIVE YOU MAXIMUM RETURNS:

Aim to incorporate easy fixes to your TVC to make it suitable for online airing.

03 /

AD LENGTH PLAYS A CRITICAL ROLE IN ACHIEVING OBJECTIVES:

Use a combination of formats to make the best use of your budgets.

04 /

DELIVER “INSTANT MEANING” TO YOUR AUDIENCE:

Use neuroscience techniques to develop powerful creative that excite, engage and resonate with your audience without making them work to understand it.