

## China's influencers are the world's most effective marketing platforms, says Ivy Wong

The safest way into China for wary marketers, and the surest way to generate ROI, is through the country's rapidly growing online influencer market, the head of VS Media said at a conference yesterday.



L-r: Mashable Asia's Gwendolyn Regina moderates a panel with Ivy Wong from VS Media, Jenny Lee of CCV Capital, Miranda Tan of Robin8 and Maggie Zhou of CMC Holdings

Ivy Wong, who founded the multichannel network in which Discovery Communications acquired a stake last month, said at All That Matters in Singapore that brands still "don't get" the potential of the influencer – or 'Wang Hong' – market, and this explains why less than a third of the \$8 billion economy is driven by brands.

"People are talking about ROI all the time. But with influencers, you see sales right away," said the former Yahoo!, TVB.com and Next Mobile executive, referring to the phenomenon of viewers buying the products they see featured by influencers directly through their platforms.

"Brands know that China is a big market, but they're scared of it and think they're going to have to burn through a lot of money to build their brands and get a return," she said. But by engaging influencers, brands can go from marketing to sale immediately, Wong pointed out.

"It's disrupting the whole marketing cycle. E-commerce in China is so sophisticated. Whatever you see on screen you can buy in a single click on Tmall," she said.

Wong claimed that China's Wang Hong can deliver the highest ROI of any marketing platform in the world, referring to a recent case where an influencer's live stream sold 25 Maseratis in one hour.

"I don't understand why 30% of the whole economy is B2B driven. I just feel that brands don't get it. I think once they do, the market will be much bigger, especially on the B2B side," she said.

Maggie Zhou, co-president of China Media Capital Holdings, the company that has, like Discovery last month, invested in Wong's company VS Media, responded to a sceptical question from panel moderator Gwendolyn Regina, strategy head of Mashable Asia, about the sustainability of the market, saying: "It's definitely *not* a bubble."

Zhou noted that over the last 15 years, the influencer market has grown increasingly sophisticated, with influencers migrating from text-based blogging to video to live streaming.

Wang Hong are increasingly managed by agents and talent managers to hone their craft and build their businesses, with e-commerce supporting a market that is expected to hit \$12 billion by next year. At the same time, it has become easier for consumers to engage with their idols on a variety of platforms.

Miranda Tan, CEO of influencer big data company Robin8, said that brands are less likely to want to work with the top 10% of influencers these days, such as actress and fashion icon Fan Bingbing, and are looking to work with China's lower tier influencers. The 'Super Wang Hong' are increasingly demanding "outrageous prices," she said. For instance, GoGoBoy is paid around RMB130,000 (US\$19,500) for a single post.

There are 10,000 'Super Wang Hong' with more than 10m subscribers, but there is a long-tail of more than one million influencers with more than 10,000 subscribers, and a middle layer of around 100,000 with more than 1m followers.

Brands are best advised to try working with the middle and lower layers, and more specialised verticals, Wong suggested. "Many are very focused. I have a dog trainer and a mum who only cooks food for babies," she said about two of the stars on her books.

Of the Super Wang Hong, among the most popular is the son of China's richest man, who has 21m followers. His dog has its own platform which has 12m followers.



Fan Bingbing



Of the four types of Wang Hong, the are celebrities, who form the upper-class; live streamers, who are mainly attractive women playing games, dancing or eating food; models who wear clothes and other items that can be bought online; and creators, who make and post short-form videos.

The live streaming channels are mainly watched by men, but the hugely popular e-sports channels featuring mainly male gamers are watched mostly by women.

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