

MARKETING

## China's KOL bubble, and how brands can prepare

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*KOLs, or key opinion leaders, have become a silver bullet for many marketers looking to crack the Chinese luxury market. Image credit: The Luxury Conversation*

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Yes, I said it: China's KOL bubble.

**KOLs have become a solid part** of any brand's checklist when operating in China.

To be frank, if that needs further explanation then you are already a few years behind the curve: KOLs [key opinion leaders] in China are examples of many aspects of modern society here when a concept is taken from the West (influencers, in this case) and is super-charged into massive earning and income potential. You might even say enhanced capitalism, but now is not the time to go into that.

KOLs are more influential on both **consumption behavior and social trends** than celebrity movie stars and singers.

There are Chinese KOLs for any type of field you can imagine not only fashion and sports, but there are travel KOLs, pet KOLs, even "**park & garden KOLs.**" With a population this big and country this diverse, there is something for everyone.

Yet, is there now over-reliance on the KOL as a silver bullet?

More than that, are certain "China marketing/business experts" guilty of reducing KOL marketing to a mere advertising of budget = views theorem?

I should state a clear disclaimer that these are questions worth posing. This is not hating on the influencer industry, but openly asking what does the future hold for the KOL boom?

Capitalize, but via collaboration, not ads

While brands of all sorts are still able to capitalize on KOL collaboration and in 2018, they still should the world of the KOL is still in boom mode, with the numbers quoted becoming noticeably more extravagant.

Some agencies, which solely specialize in "KOL marketing" and nothing else, now boast that they have more than 30,000 KOLs on their books. That number alone should sound alarm bells.

Others have founded their entire business model on robotically connecting hopeful brands with alleged KOLs, conjuring an image of brands who are unaware of China's society and digital world going cap-in-hand to someone who quotes two figures: a follower number and a fee for a post on Weibo.

It is realistic to consider that certain KOLs do have ultra-loyal followings, are household names at least in the virtual millennial household and are followed in the true sense of the word.

But while the Chinese leading consumer is millennial, does live digitally and is obsessed with trends, there is a limit to the number of KOLs in one particular area that they are willing to follow, and to the quantity of commercial posts that they can tolerate.

For those who do have a loyal following, how can brands work with them other than a budget-to-view model?

Can you afford to go for the splatter-gun effect?

If you are Nike or the like, then you can afford to splash out on KOLs with big numbers. The world is fully aware of your wares.

The next piece of very obvious advice that gets published these days is "don't spend a lot on a big KOL but spread your budget over smaller micro-influencers." This is a reasonable theory, but still overly simplistic.

Finding these smaller influencers on a Budget X = View Y' is un-imaginative.

My [recent conversation with Michelle Ye](#) revealed how collaboration supercedes mere KOL marketing.

Still falling under the umbrella term KOL, it is these Chinese creatives such as Michelle who have grown a true follower-base, based on not their facial features or tabloid history, but on creativity itself design, concepts and opinions which have made young Chinese elect them as their leader, of sorts.

[Read the thoughts of Michelle and Tera Feng](#) for examples of what brand loyalty means.



*Nick Withycombe*

A trend is just that

Booming trends are described by these two exact words for a reason. They are not called trustworthy sustainables.

Brands need to prepare for when, not if, the KOL bubble bursts and the digital world is saturated with too many each with millions of claimed followers KOLs, and consumers begin to get bored of A. N. Other person being paid to prance around their Weibo feed in a particular brand's garb.

What should businesses look at as the next evolution in Chinese digital culture?

Sorry to be basic, but it all comes back to quality content.

I spoke with very many Chinese millennials living in Shanghai that was not particularly difficult and their interest was in the rise, or even the return, of bloggers: those that are not KOLs, that are not paid to promote, but create honest, frank content and opinions based on genuine passion. Not just a photo pose with photoshopped, elf-like facial features, but written thought and ideas, short videos that amuse.

#### Takeaways

- The other, more meaningful way to work with thought-leaders and those that inspire is to look at the creative world. Instead of your checklist KOL face with N' followers, seek out classical artists, designers and talented Chinese leaders and emerging young talents. Engender trust for your brand by taking the time and care to seek out the true local Chinese voice who can tell a genuine and passionate story.
- Go incredibly deep into the local playing field to intimately understand who are the people affecting the industry, who are the students of the subject provoking thought, and how can you support them?
- The above particularly pertains to luxury brands, the point being that the affluent demographic is not "influenced" only by "who" is wearing/using the product, but by exactly "what" it is, "how" it was created and "why" it is in sync with their global lifestyle.
- With your quarterly/annual plan ahead, what is your company's methodology for selecting the right KOL? What true affinity do they have for your brand, and, crucially, how willing are they to partner on a more long-term basis with your product creation, to meet with the people in your factory/office/workshop?
- Is your branding/communications/media partner in China actually in China? Do they have the track-record expertise for going further than a "budget x views = marketing" model?
- What short videos can the KOLs create? **Chinese society is quickly moving from images to short videos.**
- When the KOL or relevant agency is presented with your product, what ideas and intrigue do they create? What holistic, integrated campaign is conceived, and how is it specifically relevant to your Chinese audience?

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