

RETAIL

Is social selling China's next big marketing trend?

December 23, 2019



Consumers in China are experiencing "influencer fatigue," which means brands will need a new way to market their products. That is where social selling comes in. Image credit: SmartShanghai.

By [Adina-Laura Achim](#)

Subscribe to **Luxury Daily**
Plus: Just released
State of Luxury 2019 **Save \$246 ▶**

According to [The Influencer Marketing](#) research report from Business Insider Intelligence, [influencer](#) marketing is on track to be worth up to \$15 billion by 2022.

But given the high earning potential of the market, competition has become much tougher in recent years.

Not every brand will secure a perfect influencer partnership. Therefore, insurgent brands need to find new strategies to gain the attention of consumers.

It has also been widely reported that younger consumers are now feeling [influencer fatigue](#). These consumers are looking for [authentic engagement](#) with brands, and in the process, they are learning how to eliminate middlemen [KOLs and influencers](#) by going straight to the source.

As stated by [Forbes](#), younger consumers are looking for "organic grassroots communities where their like-minded peers are sharing content and commentary about brands and products they actually love" instead of trusting influencers and brand testimonials.

This adjustment implies that brands that want to boost engagement and sales have to become more creative and come up with new, innovative ideas.

How savvy brands sell on social media without influencers will it work in China?

The social media ecosystems in China and the West are currently quite different.

In fact, [Luxury Society](#) highlights that China's influencer marketing industry is about three to five years ahead of its foreign competition, stating that "the advanced functionality and integration of social media, ecommerce, and digital payment in China has enabled business models that are yet to be explored in other countries."

But China is now feeling influencer fatigue. That might come as a surprise since influencer marketing in China is currently the driving force behind online sales.

In 2016, China's KOL economy was valued at about \$8.6 billion (58 billion yuan), and more than 70 percent of marketers in China announced an increase in their digital marketing budgets in 2019. But the situation isn't as rosy as it seems.

In a country where more than 1 million influencers with 10,000-plus social media followers are registered and 54 percent of young people born after 1995 said "influencer" was their most desired occupation, buyers have become increasingly exhausted by KOLs and influencers and are turning away from them.

So going forward, how exactly can brands sell their products on Chinese social media channels without the help of influencers?

1. Hashtag marketing

"Hashtag" was declared 2012's word of the year by the American Dialect Society and Twitter users generated over 125 million hashtags a day in 2017, so hashtag marketing should have incredible potential.

Furthermore, hashtags are a way of telling an engaging story with just a few characters, and this resonates with younger consumers who have shorter attention spans. Gen Zers have an average attention span of 8 seconds as compared to millennials' 12-second attention spans.

But what is equally important is how hashtags boost social media engagement and brand awareness (branded hashtags), while also helping social media users identify the strengths of a product.

Weibo is all about hashtags, and luxury brands wanting to engage with Weibo users must create engaging hashtags.

Tiffany & Co. and Coach (#whatisinyourcoachbag) are boosting their brands while marketing their products through catchy hashtags on Weibo.

But hashtags have also become a powerful tool with the ability to cancel a brand's legacy in a matter of hours.

According to Latin Fashion Week, the Weibo hashtag #DGTTheGreatShowCancelled, which appeared after luxury brand Dolce & Gabbana canceled a planned fashion show due to criticism over an ad campaign that many Chinese perceived as racist, has been read 540 million times and mentioned in 74,000 discussions.

2. Live chat for marketing

Live chat is a big sales booster. As stated by Intercom, "live chat is a prime example of a contextual marketing method" because potential customers chat with the brand's representative on their Web site while thinking about their next purchase.

"Prospects who chat are 82 percent more likely to convert than non-chatters," said Daniel Harris, senior product marketing manager at Intercom.

Alibaba is ahead of the game in live chat for marketing, and its customer-service bot was upgraded ahead of the 11.11 holiday.

According to Alizila, Alibaba is now providing "24/7 automated customer support, stronger predictive analytics to forecast what users might ask next, greater scalability for peak demand, and small nudges to facilitate shopping decisions, such as reminders about discount vouchers on offer to consumers."

Alibaba highlights how this service helps brands cut up to 50 percent of their previous call-center costs.

Additionally, the upgraded customer-service bot helps online stores deal with the staggering volume of customer requests during major sales campaigns such as 11.11.

During 2017's 11.11 shopping extravaganza, "AliMe Shop Assistants had 100 million conversations with customers, leading to sales that made up 15 percent of the event's record-shattering gross merchandise volume."

3. Being image-conscious

For younger consumers, visual content beats out text by a big margin, unsurprising considering that images convey emotions and feelings more accurately.

Ragan.com points out how individuals process visuals 600,000 times faster than text and retain 80 percent of what they see, but only 20 percent of what they read. In essence, we are visual creatures.

Celine's mini-site on WeChat Mini Program is a great example of engaging visual social media content. The images

convey the history, craftsmanship, and other selling points of the storied brand and its products.

4. Sales hysteria

It is common knowledge that sales funnel traffic to Web sites and boost social media engagement. However, not every brand thinks a discount pricing strategy convenient.

Using social advertising to promote big sales and deals is a no-brainer, yet some luxury retailers feel that their products lose their luster when advertised on social media during a sale.

In fact, it is still hard to find luxury brands such as Louis Vuitton or Chanel at discounted prices, and finding their sales periods advertised on social media is unthinkable because even when these brands have promotions, they do not advertise them, and instead, reserve them for an elite group of buyers.

5. Collaborating with influencers instead of hiring them as brand ambassadors

Givenchy and Tao Liang (a.k.a. Mr. Bags) is a perfect example of a successful collaboration between a luxury brand and an influencer. The partners launched a limited edition Mini Horizon handbag in pink that sold for \$2,173 (15,000 RMB). The bag sold out in 12 minutes.

SOCIAL SELLING is changing the face of influencer marketing, and we predict that soon an increasing number of brands will turn away from influencers and forge a new path, making them more relatable and authentic to their consumers in the process.

*Reproduced with permission from **Jing Daily**. Edited for clarity and style.*

© 2020 Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your **feedback** is welcome.