

MARKETING

COVID-19 has hurt China's influencers or has it?

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Chinese influencer Austin Li playing himself on a TV show. Image credit: Austin Li Weibo

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- The COVID-19 has had a massive negative impact on the influencer marketing industry from a monetization standpoint. Income sources are gone, and a majority of brand deals have been canceled or delayed several months. For those influencers who run their own brands, manufacturing and logistics have been shut down or are moving very slowly.
- But this is all temporary, and it is highly likely that the industry will experience a massive rebound in late Q2 or early Q3. Influencers that do not solely rely on their career as an influencer or are large enough to have savings or investments will come out on top. MCNs that rely heavily on advertising income will struggle.
- Monetization is dramatically down, but from a content standpoint, this is a boom period for many influencers. Online traffic has increased dramatically, and consumers are bored and eager to explore and engage. Influencers focusing on fitness, cooking and comedy are experiencing the most growth.

While one would assume that the disruption caused by the **COVID-19** has hurt China's influencer **marketing** industry, it might be surprising to hear that it has actually helped influencers in some ways.

Below are some detailed reasons why the industry is hurting along with some reasons why it is thriving during this tense time.

Brand deals canceled or postponed

Influencers in China primarily monetize their work through brand campaigns or selling their own branded products, but both of those are difficult right now.

Several influencers have shared that their Q1 brand campaigns have all been postponed many until as late as May.

While this is a big blow to their earnings, they will likely make it all back later in the year if they can hold out until then. But the top influencers are not too concerned.

The popular WeChat account "GQ" says that there are even some positive aspects to this unfortunate moment.

For instance, publishing fewer commercial articles gives influencers a much-needed opportunity to create more and better editorial content.

According to several **Chinese marketing media outlets**, the advertising industry is expected to begin recovering in late Q2, but it likely will not be back to normal until June's 618 shopping festival.

Therefore, experts are predicting that Q3 will be a boom period for marketing companies.

With those businesses wanting to make up for lost time, top accounts might even find it hard to schedule all their ads.

Livestream viewership is booming, but issues exist

With consumers confined to their homes, commercial livestreaming has been booming.

Top Taobao livestreamer Austin Li took a break from streaming over the Spring Festival period, but his first stream upon his return on Feb. 10 **drew more than 16 million viewers**. Items were selling out before he could even finish. Followers complained that they could not purchase items fast enough, and even one of China's most famous actresses Zhang Ziyi (章子怡) watched the stream and left a comment under Mr. Li's Weibo post asking how to buy the products since they sold out so quickly.

However, while **livestreaming** viewership is booming and consumer purchasing power is still strong, streamers are facing two massive issues: a lack of stock and delayed logistics. They are selling whatever they can get their hands on, and even new or in-stock items are being sold as pre-sale with the caveat that they will be shipped as soon as possible.

For example, **Lancme** chose the first day back after the Spring Festival to launch several new products via top streamers such as Mr. Li and Viya. However, the products were not able to ship to many regions of the country.

Challenges with video content creation

With restrictions on gathering people together and many still working from home, influencers who work with teams or film out of doors are having a hard time with content creation.

And while it may surprise people, **ecommerce** livestreamers feel these issues as well.

To the average viewer, it may seem like livestreamers just need themselves and a smartphone to run their livestreams, but that is far from the truth.

Top streamers such as Mr. Li and Viya have teams of 50 to 200 people that work on product testing, brand communications, video production and more.

Elijah Whaley, who manages one of the top beauty influencers in China, shared his thoughts on the subject, saying, "We haven't yet observed this situation affecting high-end influencers' ability to create content. However, the longer the situation persists, the more it will undoubtedly affect content creators that rely on teams and studios. The immediate effects are more felt with the planned campaigns, which have already been canceled or delayed, especially offline events."

In the current situation, **WeChat** Official Accounts that rely heavily on written content are the real winners **for the simple reason that their teams can work at home** and do not have to physically gather together.

Inability to travel and missing out on fashion weeks

Due to travel restrictions imposed by the United States, United Kingdom, Italian and French governments to help prevent COVID-19 from spreading further, Chinese fashion influencers have been **unable to attend any recent Fall 2020 fashion weeks**.

While this is frustrating for influencers, it has had a greater impact on brands, many of which are losing out on this key time to generate buzz among Chinese consumers.

Some brands, however, are trying to make the best of the situation.

Dior, which livestreamed its fashion show, is a prime example. While this is not a novel idea, Dior excelled by collaborating with six celebrities, six KOLs, and 16 fashion WeMedia and media outlets to drive traffic and engagement with pre-stream promotions and viewer discussions during the stream.

Overall, the livestream received more than 10 million views, and the related Weibo topic reached 100 million views.

Increased viewership and followers, and high levels of engagement

Although many influencers are currently losing money, many are simultaneously experiencing huge gains in viewership and engagement.

Chinese New Year is typically a peak season for video apps as people have more free time to kill, but this year, viewership was magnified with people confined to their homes for weeks on end because of the virus.

One report found that 574 accounts on the popular video platforms Douyin and Kuaishou each gained between 100,000 to 500,000 new followers between Jan. 20 and Feb. 2.

The report shared that governmental organization and state-run media accounts experienced the most growth on both platforms because people were using these accounts to follow the latest virus updates. Following those were comedy, gaming, food and celebrity videos.

Food influencer @ claims that he sees increased Douyin traffic every Chinese New Year, and during the 2019 Spring Festival, he gained more than 1 million followers from a single video.

This year's follower growth is even crazier partly because people are staying at home and have more time to learn how to cook, but also because **Douyin itself is now supporting cooking-related content**.

On Feb. 9, Douyin started a challenge called "" (Tasty Food Challenge), and as of the end of February, the Challenge had more than 10.3 billion views, with most participants between the ages of 24 and 30.

Comedy content is also doing well on Bilibili, and **according to statistics** released by the platform, views of videos tagged with the word funny' grew by 905 percent between Jan. 23 and Feb. 5.

Meanwhile, influencers who have been able to appropriately incorporate virus-related content have also seen tremendous growth.

On Feb. 2, a **video by popular science KOL @PaperClip** educating people about the coronavirus went viral. Two days after it was posted on WeChat, the video had more than 32 million views and 490,000 'likes'. It was played more than 1.5 billion times on the Internet, and PaperClip's WeChat account gained 1.3 million followers, its Weibo account gained 1.8 million followers, and its Douyin account grew 1.6 million.

But even influencers with content completely unrelated to the virus have seen massive growth.

Mr. Whaley shared what their brand beauty influencer Melilim Fu has experienced, saying, "From personal observations, yes! Growth has been quite significant. Her fans have increased by 10 percent in the last two weeks, which is way above average, and those increases are across the board, including engagement and new private traffic followers. It's very noticeable that people are spending more time bored at home."

As Mr. Whaley mentioned, engagement levels have also been much higher, as consumers have more time to fully digest content and leave comments.

Sales associates at the Chinese department store INTIME have been using this to their advantage by livestreaming daily in an attempt to develop relationships with chattier-than-usual viewers, so they visit the offline store once the virus period has passed.

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