

# Chinese brands excelling in the consumer sprint

Mobile advertising off to a good start with a solid cellphone user base, says **Mike Holmes**

**T**HE pace of consumerism in China is not the pace of the long-distance runner, but the frantic dash of the 100m sprinter. And the country is going mobile at world-record speed.

This time last year the number of cellphone users topped 500-million, reports international marketing and brand-development group Added Value. Since then — if official predictions are correct — the numbers have been growing at a whopping 5-million a month. That's 170,000 new handset users a day. Which means that by the end of this year, close to half this nation of 1.3-billion will be poised for the most monumental leap in mobile marketing and advertising the world has seen.

Long before the last fireworks of the Beijing Olympics had died away and the world began looking to the London Games of 2012, research houses were putting out staggering statistics on China's new mobile market. Granted, traditional media still take more than 95% of all advertising money, but the internet is beginning to make its mark with about 4%. At 0.4%, mobile advertising is still scarcely out of the starting blocks.

But from that teeny base, the growth being forecast is nevertheless significant: about 59% this year, 57% in 2009, 48% in 2010 and 40% in 2011. Since China is still little more than a "teenager" in marketing and adver-

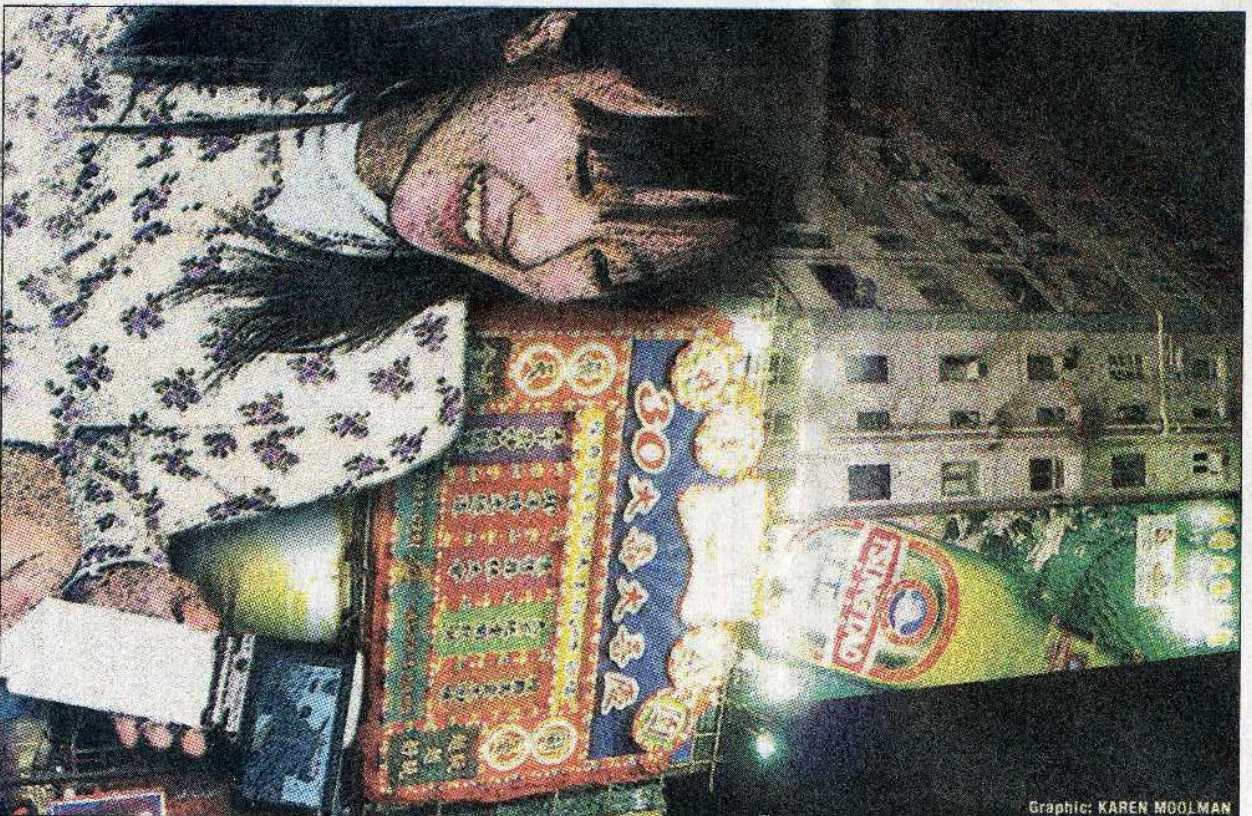
tising terms, it's not surprising that competition-hardened global giants are leading the mobile marketing race — powerful brands such as Audi, BMW, Citroën, VW, Nokia, HP, Dell, Apple, Pepsi, Nike, Adidas, Procter & Gamble (P&G), Gillette and Olay.

The one area where Chinese mobile marketing is up to speed is financial services, with the Bank of China (BOC) and Industrial & Commercial Bank of China in the lead.

During this year's Chinese New Year, 17-billion SMSes went out in one week — 31 per subscriber. BOC's Beijing branch went the SMS route with this promotion: "BOC Credit Card and New World department store offer you 25% discount on all merchandise to celebrate store opening. BOC credit card holders can sign up for a free VIP card and enjoy additional 30% discount and bonus gifts." The banks text customers frequently with investment product and credit card news, event invitations and contact updates on relationship managers.

Targeting young mothers in a sales and loyalty exercise, P&G tempted its Pampers Club members with this offer: "Now you can use this redemption coupon to buy three, get one free. See brochure for details and call RedBoy's hotline 010-88499999 to join this promotion."

But it's the upsurge in users of multimedia message services (MMS), from 178-million in 2007 to an esti-



Graphic: KAREN MOOLMAN

mated 300-million this year, and WAP (from 160-million to 230-million) that is compelling marketers and advertisers to revise their mobile budgets and campaign strategies. Predictably the MMS targets are mainly younger, trendier city folk with good salaries. Prominent on the WAP radar screens are better educated, middle-aged businesspeople with higher incomes.

## strategy

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