Key Findings

- Although social commerce app RED features extensive influencer content, brands also encourage user-generated posts through sampling and product giveaways.
- As consumers increasingly engage with social commerce on Tmall, brands can utilize Tmall/Taobao social platform Weitao to incentivize engagement and purchases.
- Brands should clearly promote loyalty programs and engagement incentives on all digital touchpoints, including Tmall, WeChat and brand site.

Executive Summary

Influencers, in the form of both celebrities and key opinion leaders (KOLs), are important drivers of brand awareness and consumer consideration across platforms in China. China’s influencer market was estimated to be worth $17.16 billion in 2018,1 a number predicted to increase nearly 2.5 times by 2020 to $43 billion.2

The influencer landscape, however, is not without its challenges. With exploding costs, declining consumer trust and risks of fake traffic,3 brands have been pushed further down the influencer hierarchy to key opinion consumers (KOCs) in search of more cost-effective, conversion-based influence mechanisms. Brands are tapping into both social and commerce channels to turn shoppers into not only loyal return customers, but also vocal advocates who contribute to social mention and review numbers. Unlike paid KOLs, KOCs are not regarded by their networks as having the “expertise” or polish of professional influencers, but their content is considered authentic and trustworthy, with influence over their individual private networks.

Key Recommendations

- **Transform Customers Into Advocates:** Convert regular consumers into KOCs through compelling digital user-generated content (UGC) campaigns, loyalty programs and referrals.
- **Incentivize Amplification:** Offer tangible incentives for UGC and product reviews during campaigns — typically with giveaways across e-tailer and social platforms — as well as referrals to maximize exposure to the consumer’s social circle and to increase overall participation.
- **Leverage Loyalty:** Promote loyalty program and engagement incentives clearly on all digital touchpoints (Tmall, WeChat, brand site), and mine loyalty program user data to identify potential KOCs for one-on-one engagement.

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