

Livestream & Short Video Plays into China's Social Media Scene

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In 1999, China's first social media platform was born with QQ instant messaging. It was not disrupted until the launch of Sina Weibo in 2009, followed by WeChat in 2011 who quickly became and still remains the no.1 social APP in China.

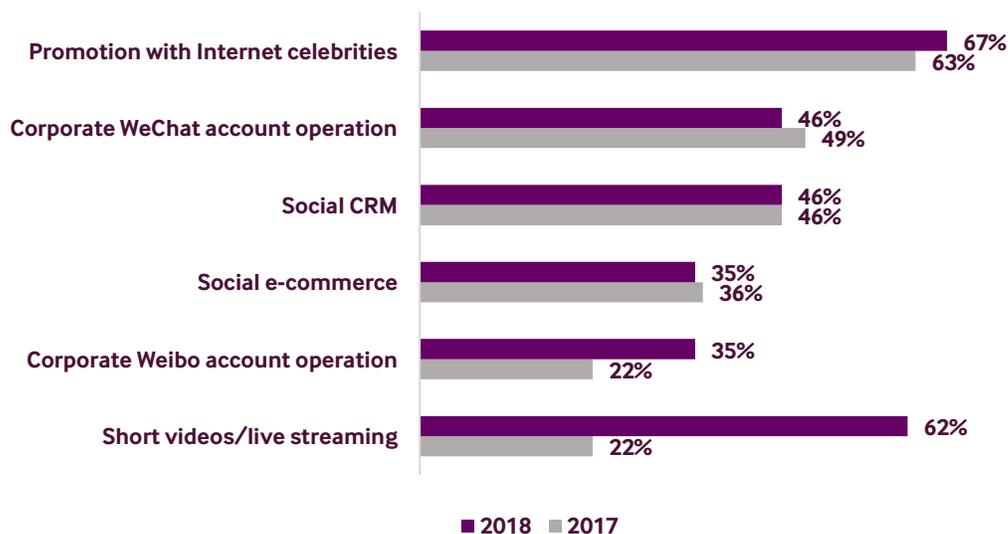
Within the span of almost 20 years, information has never been shared as quickly and easily, and communication has grown beyond text and images. In recent years, social media has also evolved into social livestreaming and short video, providing a different social engagement for its users, and new opportunities for brands and businesses.

What is short video? How has short video usage and preference increased in the past year?

Short video signifies video content that is generally longer than 15 seconds up to as long as 5-10 minutes, although the definition is flexible dependent on the platform or channel.

In recent years, marketers in China have been tapping into livestreaming and short video APPs, as a social media tactic to promote with internet celebrities and key opinion leaders. According to the survey by AdMaster and Top Marketing published in January 2018, only 22% of marketers and media agency professionals in China said livestreaming and short video were used in 2017; however, as of 2018, 62% of respondents said they are using it this year.

Leading social media marketing tactics among marketers/media agency professionals in China, 2017 & 2018



The livestreaming industry started in 2015 and has grown to a current monthly active user base of 148 million, with a market value of RMB 24 billion

With the birth of APPs like Momo, YY Live, Inke and Yizhibo, livestreaming platforms tend to focus on celebrity and KOL driven, long form content. Livestreaming shows vary from 10-30 minutes, some even last up to several hours, and heavily rely on users to engage with the live broadcasters through commenting and virtual gift-giving. A report by Quest Mobile indicated that 80% of livestreaming users are from tier 2 to 4 cities and villages in China, while 82% of livestreaming users are post 90's and 00's. Advertising and e-commerce opportunities also paved a path for brands, as they found a way to leverage these livestream platforms to have their endorsed celebrities or KOLs promote its brand or product through real time conversations.

Maybelline sold over 10,000 lipsticks in China in two hours, utilizing celebrity Angelababy livestreaming on Taobao to about 6 million people. Livestreaming with top influences has also shown direct sales influence on luxury products; Tod's has worked with leading handbag KOL, Mr. Bags to launch 200 custom pieces. The campaign involved interaction with Mr. Bags' fans to develop the design of the bags, through a series of live streaming, video content and images; and all 200 custom designed bags sold out at a total value of RMB 3.4 million.

Government steps in, tech companies practice “self-censorship” and volunteer to clean up content

As livestreaming grew as an industry with wider access and audience, it also gained the attention of government regulatory bodies, such as China's Ministry of Culture and Tourism and the State Administration of Radio Film and Television (SARFT). Significant amount of content and discussions broadcasted through livestream platforms lacked regulatory guidelines and protocol, resulting in the growth of inappropriate, indecent and untruthful content. Since late 2016, various inspections of over 4,900 live streaming APPs were conducted by government bodies, resulting in the removal of over 370 livestreaming APPs, the blacklist of 14 companies operating under fraudulent licenses, and the shutdown of 57 live streaming apps developed by these blacklisted businesses. Censorship and regulatory checks are now the responsibilities of the APP owners and registered technology companies, with regulations stipulated by the authorities to prevent the share of any news disrupting social harmony.

The evolution of live streaming has led to the growth of short video APPs

The short video industry has now reached a total of 64 million monthly active users (MAUs), with a market value of RMB 11 billion, as indicated by iResearch data. Short videos, in contrast to live stream content, typically last from only 15 seconds to no more than a few minutes. Because of its quick, snackable, bite sized content, users are easily entertained on the go or have a few fragmented moments to spare. It also requires less expertise, experience and equipment to shoot a short video, leading to a quick adoption of UGC participation on these APPs.

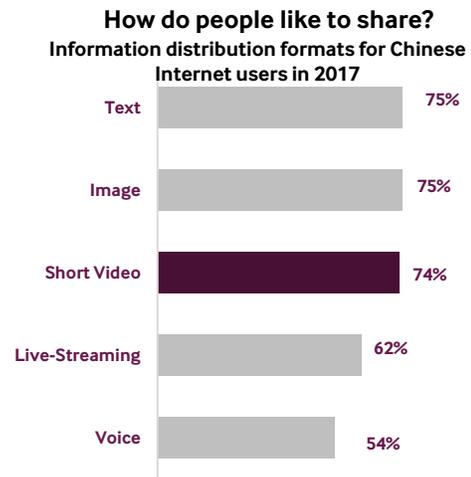
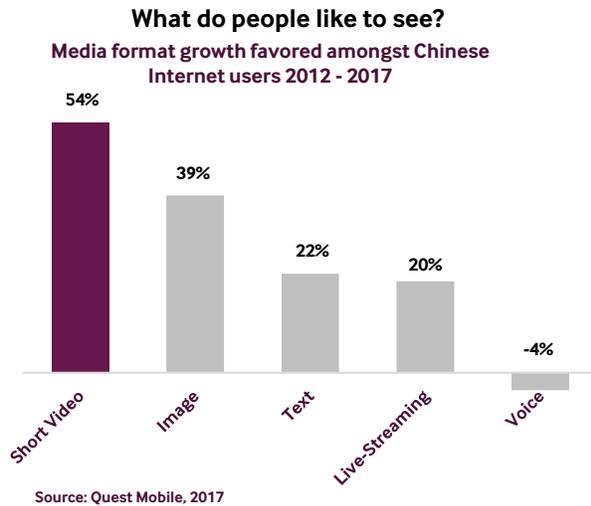
Leading short video APPs such as Kuaishou, Douyin (also known as Tiktok outside China) and Xigua video have created a new form of social communication, by letting not only celebrities and KOLs, but also post-90's Chinese participate and show off their life through a series of short videos, curated independently and uniquely.

Similar to the “growing pains” experienced by livestream APPs, short video APPs have also recently been under microscopic review by government regulatory bodies. In early June 2018, video ads promoted by Douyin on internet search engines were found to have contained defamatory information of war hero Qiu Shaoyun, leading to a legal investigation led by the State Administration for Market Regulation and a voluntary two week suspension of Douyin's commercial business.

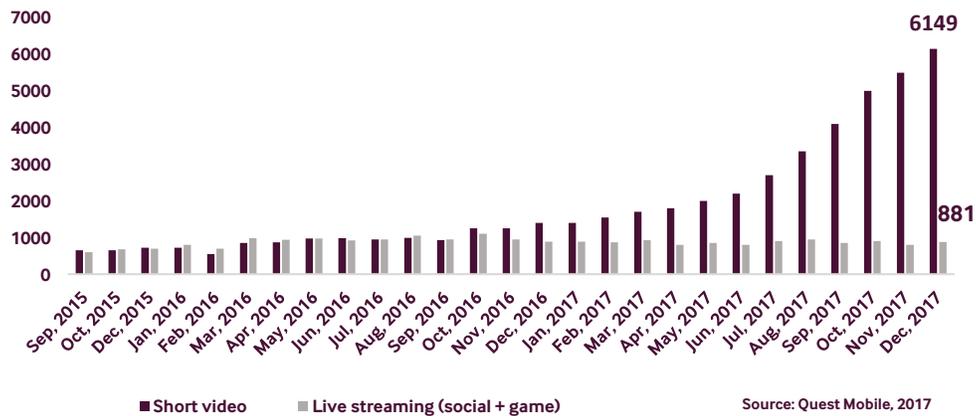
Livestream and short video platforms are the “new” social media

The development of new social media channels beyond instant messaging is happening in China. A report by Quest Mobile indicates that the total monthly time spent on short video is on the rise, exceeding the time spent on livestream APPs. 54% of Chinese netizens prefer to get their information through short video, compared to 39% who

prefer images, or 22% who favor text. With the attention on livestreamed content cooling down, short videos, both as a format and as a channel, are quickly capturing the minds and eyeballs of today's younger Chinese.



Total average monthly time Chinese users spent on short video and live streaming apps (Sep, 2015 – Dec, 2017, unit: min)



The 15 seconds that are short enough to keep people's attention, and long enough to make a point

Chinese celebrities and online KOLs have been quick to adopt using short videos to engage with their fans, while many young consumers have adopted the format to express themselves. Developers of these apps have made it easy for anyone to use the filters and editing tools for posting video clips online. The enthusiasm is even shared by retirees and people in China's rural areas, who find short videos a pleasant pastime. Short video APPs like Douyin or Kuaishou have made it easier for people to connect with one another, to see how others live their real – or show off their virtual – lives. The most popular videos on Douyin feature snippets of travel, lifestyle, animals, or the moments with friends and family, from dancing like no one is watching to simply doing silly gestures together.

Quest Mobile data indicates a 44% increase in daily time spent on short video APPs, from 45 minutes in 2016 to 69 minutes a day in 2017. In April 2018, Douyin launched an "anti-addiction" feature as a push reminder after 90 minutes of continuous usage, and if accessed for over 120 minutes, the APP will be automatically locked. Those who wish to continue must enter a password to continue usage.

What does this mean for brands?

As short video is becoming both an inevitable format and social media channel, there are a few considerations brands can prepare for:

- Be adaptable when preparing video assets. Can the existing TVC be curated into a short video? Create for small screen, adapt to big screen. You may also need multiple variations, compared to what is normally needed a standard video asset TVC.
- Be flexible when exploring campaign opportunities. What is the brand's marketing objective, and can the short video platform help deliver towards it compared to other options?
- Be involved with multiple experts – from social media, to KOL to e-commerce professionals. Who can assist your brand to maximize opportunities on the short video APP's platform, and deliver the right user experiences that brings your brand closer to young Chinese? Short video APP platforms are towards the path to build a social ecosystem that ties in KOL/celebrity with user engagement, and potentially link to sales (e-commerce).
- Be aware when trying new short video platforms. Do they comply with internal marketing and media requirements? Government regulations can change quickly and each change of events may disrupt normal activity on these platforms.

Livestream and short videos have introduced a new form of social engagement – beyond text, images or audio – but another form of self-expression to social connection. As all forms of social media serve to initiate, strengthen or expand the conversation between people, there is no one-size-fit-all formula and requires an adaptive and flexible approach to work out the winning approach for brands and businesses.

In conclusion, short video offers a real opportunity for brands to engage with consumers, but thoughtful application and creative approaches are needed to break through the current clutter.

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