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THE STATE OF THE INFLUENCERS

CHINA 2023

The Present and Future:

An overview of China's influencer marketing industry featuring insights from brands, agencies, KOLs, KOCs and more

Foreword

Influencer marketing has long been a crucial tool for product promotion and facilitating sales conversions, so brands are increasingly focusing on KOLCs to promote their products on social media. At the same time, we are seeing a trend of convergence and integration among social media platforms in China, combined with a decentralisation of e-commerce platforms as social commerce gradually solidifies its presence in the marketplace.

There are several key factors that are important for brands engaging in influencer marketing in China. These include selecting the right influencers to partner with, developing effective and engaging content and using data and analytics to track and optimise campaign performance. Additionally, it is important for brands to be aware of and comply with industry regulations and guidelines, and to have a thorough understanding of the cultural and social context in which they are operating.

As costs continue to rise, it is more important than ever that brands find reliable, transparent ways to measure the impact of their influencer marketing investments. In particular, it is vital that brand marketing teams have a trusted platform at their disposal that enables them to visualise in real-time which strategies are working and which need modification to maximise return on investment (ROI).

Furthermore, informed, data-driven allocation of influencer marketing budgets is crucial to maintaining cost effective operations and effective brand building operations in China's vast market. As platforms develop and debut new proprietary promotion mechanisms, conversion models and content formats, brands are also trying to expand beyond current marketing patterns and reach new audiences by partnering with cross-industry and multi-category influencers.

2022 has been a challenging year for brands. In this complex and changing environment marked by anaemic economic cycles, fragmented consumer attention, increasing industry regulation and tighter budgets, how can brands maximise the impact of their KOL marketing campaigns at scale?

In this comprehensive report, we present the results of surveys conducted with 951 influencers across the KOL and KOC tiers, and 103 brands and agencies. These surveys were conducted from 19 October to 21 November 2022. Respondents were asked to evaluate changes in their influencer marketing practices from October 2021 to September 2022. All respondents were based in mainland China. This report highlights key findings from the surveys, and some statistics may be presented across multiple pages and include multiple-choice responses, which may not add up to 100% in all cases.

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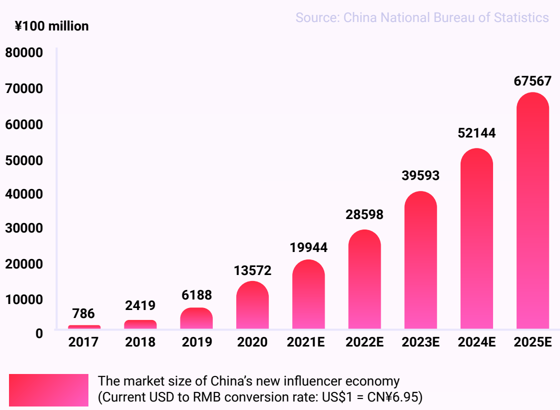
CHINA'S INFLUENCER MARKETING INDUSTRY

Introduction

China's influencer marketing industry is well ahead of the rest of the world. The advanced functionality and integration of social media, e-commerce and mobile payments has enabled the Chinese KOL and KOC economy to grow at a pace not seen anywhere else in the world. This growth has been accelerated by the Covid-19 pandemic and the consequent prevention measures that included closing physical stores, dining in, in-person events and sporadic district lockdowns. These measures have led to a significant increase in the amount of time Chinese consumers spend on the internet. In fact, the average Chinese consumer today spends over seven hours a day on the internet[1]. About two-thirds of those seven hours is spent using social or content apps, as users increasingly seek information about the world around them through social media, influencers and friends to help make purchase decisions.

According to the National Bureau of Statistics, China's influencer economy grew from CN¥241.9 billion (US$ 38.5 billion) in 2018 to CN¥1.3 trillion (US$210 billion) in 2020. It is estimated that by the year 2025, the total market size of China's influencer economy will reach CN¥6.7 trillion (US$1.035 trillion).

Chart: The Market Size of China's New Influencer Economy

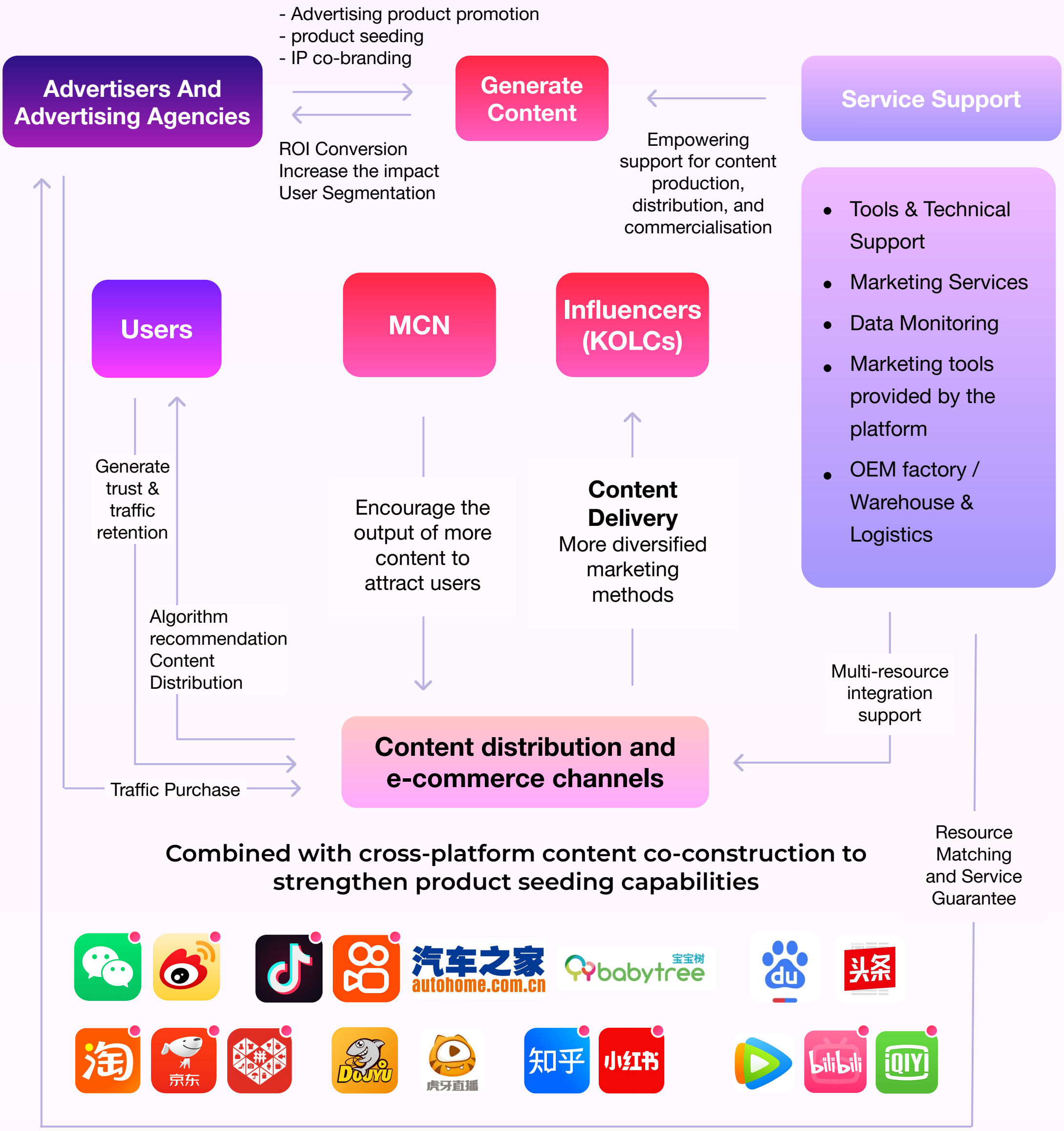


PJdaren's preliminary estimates suggest that from September 2021 to October 2022 there were more than 10.1 million KOLs and KOCs across China's social media ecosystem with a fan base of over 10,000 followers – a figure larger than anything seen elsewhere in the world. China's influencers published an average of 38.3 million posts on a daily basis.

1. McKinsey & Company [China consumer report 2021]

China Influencer Industry Ecosystem

A robust and dynamic ecosystem supporting brand growth, social commerce, creative content, IP development and innovation.



represents platforms with proprietary, in-house e-commerce ecosystems

Insights from Brands

ABOUT THE SURVEY

Respondent Demographics:

Brands & Agencies

In order to gain a deeper understanding of the influencer marekting landscape in China, we sought expertise from 103 Brands and Agencies, including local emerging brands, foreign organisations operating in China via cross-border commerce, mature enterprises, as well as local and foreing marketing agencies.

DATA

ORGANISATION TYPE

Brands **69%**

Agencies **31%**

BRAND OWNERSHIP

Independent **72%**

Corporate **28%**

RESPONDENTS (BRANDS)

Executive **18%**

Mid-level manager **49%**

Associate **34%**

RESPONDENTS (AGENCIES)

Executive **24%**

Mid-level manager **39%**

Associate **36%**

MOST REPRESENTED VERTICALS

Beauty & Skincare
31%

Fragrance
9%

Food & Beverage
12%

Lifestyle
9%

Fashion
7%

Personal Care
15%

Mom & baby
8%

Fitness & Wellness
8%

Brand investments in influencer (KOL and KOC) marketing continue to rise.

Despite challenging macroeconomic conditions and the constrictive effects of China's zero Covid policy, influencer marketing remains the core marketing investment for most brands in China. 58% of brands surveyed claimed to spend more on influencer marketing from October 2021 to September 2022 than they did during the same period the previous year.

INFLUENCER MARKETING INVESTMENTS

22%	**43%**	**35%**
CN¥500k - 1M (US$70k - 140k)	CN¥1.1M - 3M (US$150k - 420k)	CN¥3M+ (US$420k+)

48% of brands reported that the headcount of influencer marketing teams at their organisations grew. In addition,

24% of brands reported having more than 5 dedicated team members for executing influencer marketing campaigns.

Dedicated Influencer Marketing Team (Headcount)

Measuring influencer marketing impact and recruiting new influencers are the top two priorities for brands in China

While the influencer economy continues to expand, brands in China still struggle to measure the overall impact of their influencer marketing investments. In addition, the surveyed brands indicated that it is becoming increasingly difficult to discover new KOLs and KOCs that match their brand DNA.

Most brands recognise the importance of measuring and reporting the long-term impact of their influencer marketing programmes, with 53% of respondents stating that measuring and reporting the impact of their Influencer marketing program as the most important aspect. Despite this, measurement is often complicated, with some brands reporting that they find it very challenging. Platforms may also obfuscate assessments, with each using a non-standard, non-universal metric to provide data.

Influencer Marketing Priorities

Influencer recruitment
57%
Seleced as primary or secondary priority

Measuring and reporting
61%
Seleced as primary or secondary priority

Minimise brand risk & fraud
46%
Seleced as primary or secondary priority

More effective influencer marketing strategy
31%
Seleced as primary or secondary priority

MOST USEFUL PERFORMANCE METRIC

Engagement Rate 31%
Seleced as most or second most useful

Conversions 46%
Seleced as most or second most useful

Reach 28%
Seleced as most or second most useful

CPE (Cost Per Engagement) 39%
Seleced as most or second most useful

Brands in China found that scaling their influencer marketing programme was their primary challenge.

While brands leverage influencer marketing greatly, most brands indicated that lack of knowledge, processes or budget continues to hinder the scope and reach of their influencer marketing initiatives.

Additionally, 45% of brands responded that content moderation as well as managing brand relationships with influencers are other major roadblocks they face. More specifically, most brands found content moderation to be resource consuming and most challenging when requesting content modifications from KOLs.

MOST CHALLENGING ASPECTS OF INFLUENCER MARKETING

Selected as primary or secondary priority

Influencer Relationship Management	Scalability	Content Moderation	Rising Costs
36%	52%	45%	29%

PLATFORMS AND TOOLS USAGE

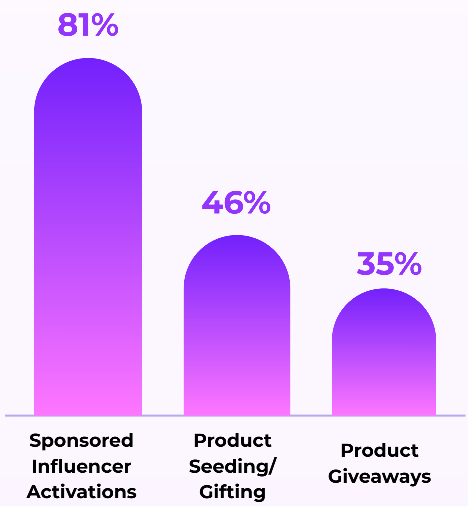
- 37% Of brands used **1-3** influencer marketing platfoms or tools.
- 69% **outsourced** the execution of their influencer marketing program (Fully or Partially).
- 47% of brands would like to **receive more detailed report** about the performnce of their influencer marketing campaigns.

Sponsored posts are the most popular and effective forms of KOL and KOC activations

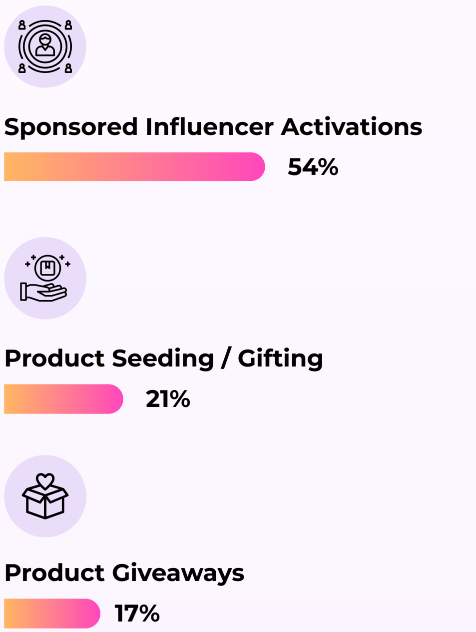
Despite, limited budget being one of the major roadblocks for most brands, the most common form of influencer activations was sponsored posts. Brands also incorporated product seeding/ gifting to creators into their strategy. For most brands sponsored post was also the most effective Influencer marketing strategy during 2022, as it provided more flexibility and control over the quality and direction of the content generated by KOLs and KOCs.

MOST POPULAR INFLUENCER MARKETING ACTIVATION

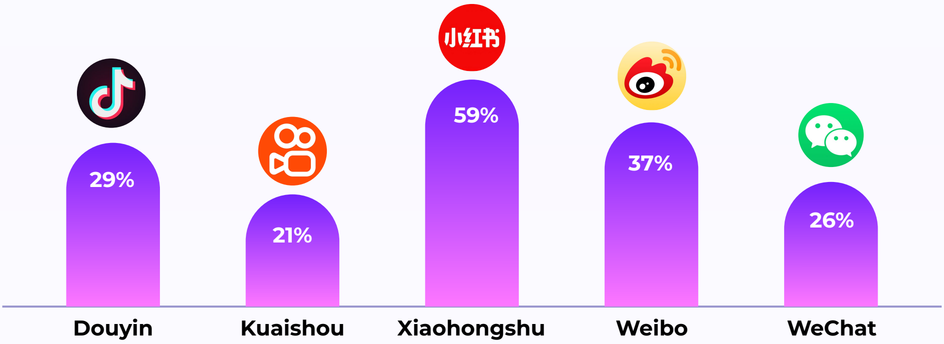
Seleced as primary or secondary form of activation



MOST EFFECTIVE INFLUENCER MARKETING STRATEGIES

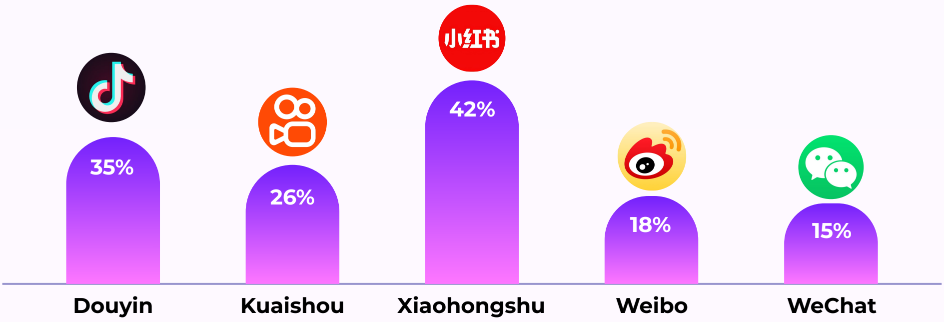


MOST EFFECTIVE PLATFORM FOR BRANDING PURPOSES VIA INFLUENCER MARKETING



When it comes to branding and awareness, Xiaohongshu delivers the best results. 59% of brands selected Xiaohongshu as the platforms on which they have seen greater impact in terms of brand building. Meanwhile, 37% of brands selected weibo as the second best platform for branding activities.

MOST EFFECTIVE PLATFORM FOR SOCIAL COMMERCE



In terms of social commerce, **Xiaohongshu** remains at the top of the list for most brands, in particular smaller, emerging brands with limited budgets. Xiaohongshu offers brands an unique blend of product discovery, post-purchase experience sharing and social shopping coupled with affordable influencers, this combination makes Xiaohongshu a premier source of traffic to other e-commerce platforms and a must have for many brands.

With its rapidly evolving e-commerce ecosystem and enormous user's base, **Douyin** comes in second place. The increasing cost of Douyin campaigns has proven to be an entry barrier for many brands; however, its ROI remains feasible and appealing to more mature brands with the necessary budget.

How Do You Plan To Adjust Total Influencer Investments by Channel in 2023?

	Increase	Decrease	
Xiaohongshu	69%	31%	↑
Douyin	63%	37%	↑
Kuaishou	52%	48%	↑
Bilibili	47%	53%	↓
Tmall Live	39%	61%	↓
Weibo	41%	59%	↓
WeChat	46%	54%	↓
Zhihu	51%	49%	↑

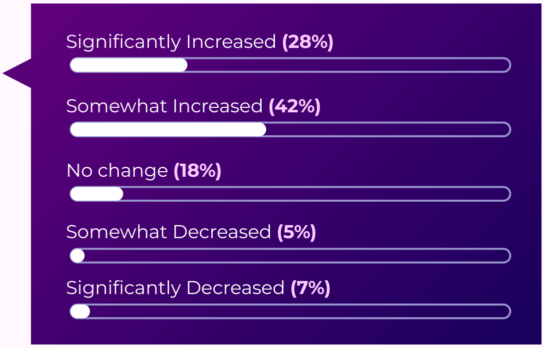
Xiaohongshu, Douyin and Kuaishou lead the way for potential new influencer campaigns by brands in 2023. As China's e-commerce continues to decentralise, brands are now more confident to explore less traditional platforms. On the other hand, mature platforms like Tmall Live, Weibo and WeChat are expected to face a challenging 2023. Suprisingly, 51% of the surveyed brands plan to increase their investment in Zhihu, making this a platform to watch closely in 2023.

Brands are relying on KOCs more than ever before.
Attracted by their relatabilty, affordabilty and performance, most brands increased the proportion of influencer marketing programs featuring KOCs in 2022.

The Role of KOCs

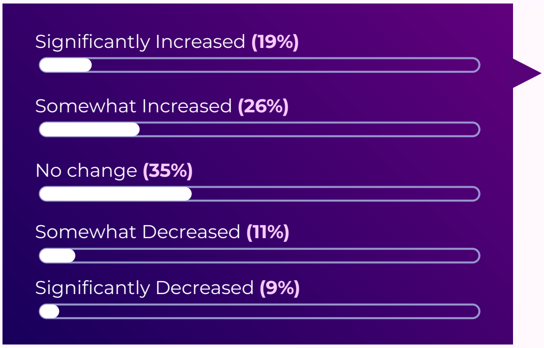
Q:

How has your percentage of campaigns leveraging KOCs (5k-50k followers) and Micro KOLs (50k-200k followers) changed?



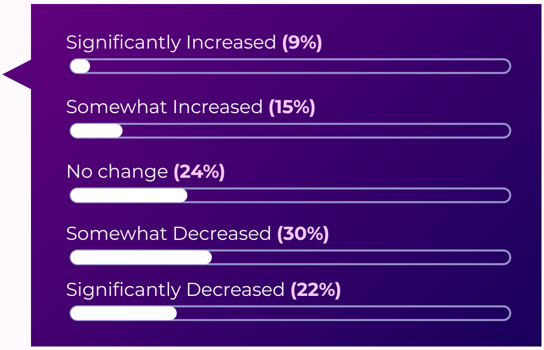
Q:

How has your percentage of campaigns leveraging mid-tier KOLs (200k-500k followers) changed?



Q:

How has your percentage of campaigns leveraging top-tier KOLs (500k-1M followers) changed?



Brands rely on *Brand Affinity* and *Engagement Rates* to determine which influencers to work with.

While most brands leverage past collaborations with KOLs for new activations, **94%** of brands responded that they actively seek to work with new KOLs. When it comes to KOCs, 71% of surveyed brands responded that they **integrate new KOCs with each campaign.** When selecting influencers to work with, most brands indicated a heavy reliance on brand affinity and audience engagement rates to assess influencer compatibility.

MOST POPULAR INFLUENCER DISCOVERY TACTICS

AGENCIES RECOMMENDATION
57%

MCN RECOMMENDATION
38%

MANUAL DISCOVERY
55%

PLATFORM OR SOFTWARE
41%

MOST IMPORTANT CONSIDERATIONS WHEN SELECTING AN INFLUENCER

Audience Engagement
69%

Brand Affinity
78%

Aesthetic aligment with your brand
53%

Cost
47%

AVERAGE COST FOR A SINGLE XIAOHONGSHU POST

Over 1M Followers	→ CN¥125k (US$17k) - CN¥380k (US$53k)
500k - 1M Followers	→ CN¥60k (US$8.5k) - CN¥190k (US$26k)
300k - 500k Followers	→ CN¥35k (US$4.5k) - CN¥120k (US$17k)
100k - 300k Followers	→ CN¥15k (US$2k) - CN¥35k (US$4.5k)
Under 100k Followers	→ CN¥3500 (US$500) - CN¥15k (US$2.5k)

Brands struggle to keep up with rising costs

Of the surveyed brands, 78% claimed to have paid for over eighty-five percent (85%) of their KOL and KOC collaborations in 2022. Fifty-two per-cent of brands paid higher fees for influencer activations this year than last. Additionally, 71% of brands reported that the majority of their influencer marketing budgets went towards paying KOL and platform fees.

BRANDS PAID FOR A SINGLE DOUYIN POST

Over 10M Followers	→ CN¥360k (US$50k) - CN¥800k (US$110k)
5M - 10M Followers	→ CN¥200k (US$28k) - CN¥700k (US$97k)
1M - 5M Followers	→ CN¥140k (US$20k) - CN¥650k (US$90k)
500k - 1M Followers	→ CN¥100k (US$13.5k) - CN¥450k (US$62.5k)
100k - 500k Followers	→ CN¥25k (US$3.5k) - CN¥280k (US$39k)
Under 100k Followers	→ CN¥4500 (US$625) - CN¥20k (US$2.7k)

Insights from Agencies

Agency Demographics

Agencies play a central role in China's influencer marketing industry. KOL and KOC marketing trends for agencies are complementary to trends among brands, who comprise the majority of these agencies' clients. However, there are distinctive aspects on the perspectives and priorities of agencies towards influencer marketing in China.

Agencies mostly serve brand clients

91%

of agencies serve a clientele of which >75% are brands

64%

have 0 creator (celebrity) clients

8%

have < 25% creator (celebrity) clients

Number of verticals represented

82% of agencies represent 4 verticals or more

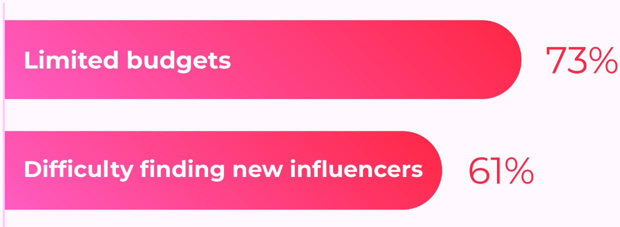
61% of agencies receive >25% of total revenue from influencer marketing

In terms of influencer marketing, ***streamlining workflow*** remained a primary priority for most agencies.

78%

of agencies found streamlining workflow when implementing influencer marketing campaigns to be somewhat or very challenging. Additionally, agencies also struggled to build robust influencer campaigns due to limited budgets.

Other Key Challenges



When evaluating agency perceptions towards working with KOLs and KOCs, 58% of agencies found managing relation with KOLs to be somewhat or very challenging, whereas 63% of agencies considered "time spent" to be a major drawback when implementing influencer marketing campaigns with KOCs.

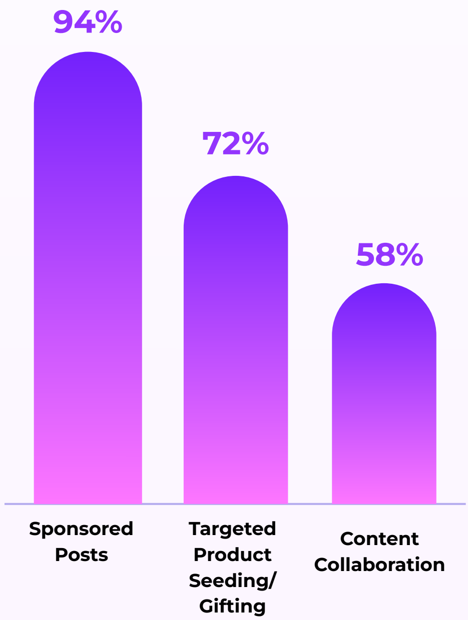
As was the case for brands,

Sponsored posts were the most common and effective form of influencer activations for agencies.

Targeted product seeding/gifting ranked as the second-most common form of influencer outreach whereas product giveaways through brand-owned media ranked as the second-most effective strategy for agencies. Only 58% of brands considered affiliate collaborations to be an effective activation strategy.

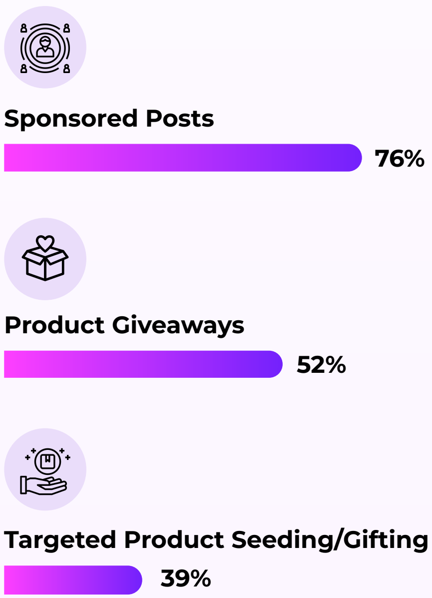
MOST POPULAR INFLUENCER MARKETING ACTIVATIONS

Selected as Top 1 or Top 2



MOST EFFECTIVE INFLUENCER MARKETING STRATEGIES

Selected as Top 1 or Top 2



49% of agencies considered incorporating UGC on brand-owned media as an effective strategy.

For agencies,

Aesthetic Aligment is the core criteria when identifying KOLs and KOCs to partner with.

Unlike brands, most agencies guide their influencer discovery process primarily by the aesthetic aligment between the influencers and the brand. Futhermore, agencies also tend to prioritise influencers with greater audience engagement rates.

91%

of agencies indicated to have paid higher fees to KOLs and KOCS in 2022 than in 2021.

In addition,

82%

of agencies incorporated more KOCs in their influencer marketing campaigns in 2022 than the previous year.

HOW HAS THE PERCENTAGE OF INFLUENCER CAMPAIGNS LEVERAGING KOCS CHANGED?

Significantly increased **(36%)**

Slightly increased **(55%)**

Remained constant **(9%)**

HOW HAS THE PERCENTAGE OF AGENCY CAMPAIGNS LEVERAGING MEGA KOLS (1M+) CHANGED?

Significantly increased **(12%)**

Remained constant **(27%)**

Slightly decreased **(33%)**

Significantly decreased **(28%)**

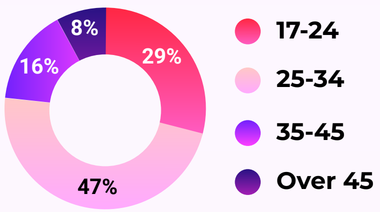
Insights from Influencers

ABOUT THE SURVEY

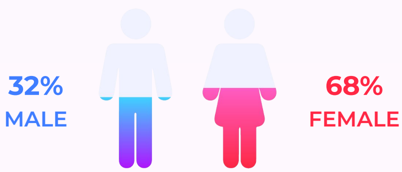
Influencer Demographics: The view of KOLs and KOCs towards the state of their industry is fundamental for any attempt to understand where the influencer industry stand at present and where it will go in the near future. With influencer posts outperforming traditional and even digital advertising, we surveyed 951 KOLs and KOCs from our network and compiled the following findings.

DATA

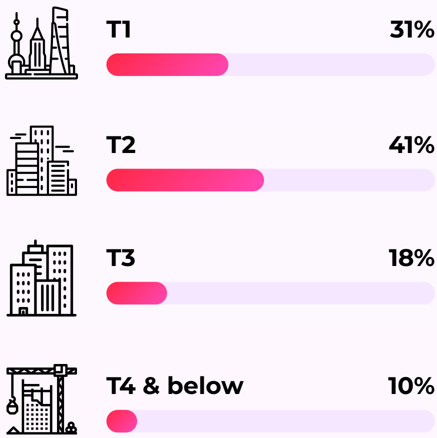
AGE DISTRIBUTION



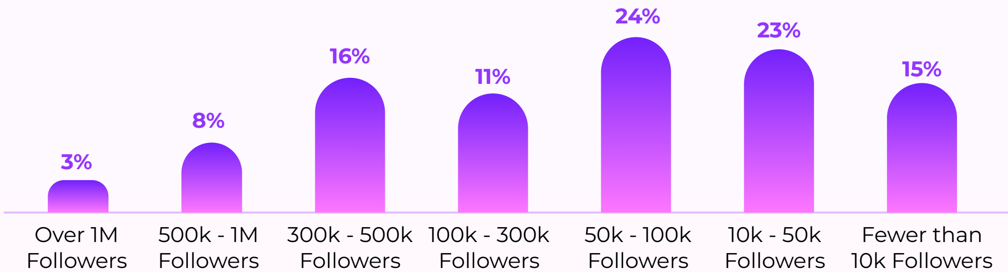
GENDER DISTRIBUTION



CITY TIER DISTRIBUTION



RESPONDENTS FOLLOWERS COUNT (MAIN ACCOUNT):



The majority of influencers worked **independently**

- Work alone **(54%)**
- Work with a team 2 + part-time freelancers **(15%)**
- Work with a team 2 + full-time employees **(10%)**
- I work for an MCN **(21%)**

Most influencers pursued content creation on a **part-time** basis

- Part-time influencer **(64%)**
- Full-time influencer **(36%)**

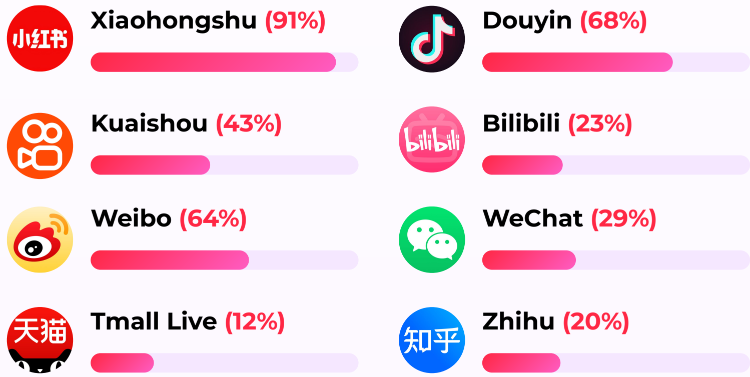
MOST POPULAR VERTICALS

- Skincare & Cosmetics 27%
- Fitness & Wellness 16%
- Travelling - Glamping 10%
- Makeup 20%
- Mom & Baby 11%
- Pets 14%
- Fashion 25%
- Daily Necessities 9%
- Others 19%
- Lifestyle 22%
- Food & Beverage 16%

The vast majority of influencers regularly create content on Xiaohongshu

Despite the recent regulations and strict content surveillance implemented by Xiaohongshu over the last couple of years, it has remained the main destination for most influencers. However, over half of those KOLs and KOCs regularly posting in Xiaohongshu indicated that they also share/create content in Douyin and Weibo.

Influencers mostly posted on...



Primary Platform for KOLs and KOCs

67% of influencers selected Xiaohongshu as their primary platform

22% of influencers selected Douyin as their primary platform

43% used Xiaohongshu more frequently than the previous year

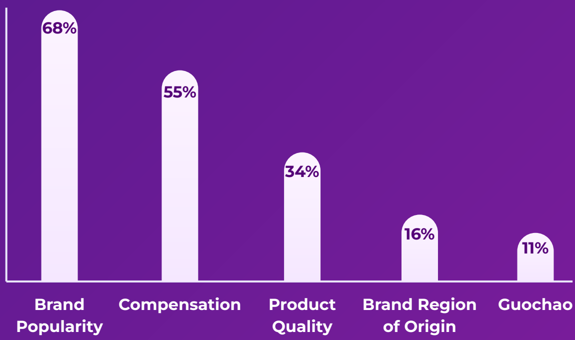
56% used Douyin more frequently than the previous year

While Xiaohongshu stood as the most popular platform amongst influencers, **Douyin, Kuaishou** and **BiliBili** were selected as the most profitable platforms, with **32%**, **21%** and **18%** of influencers selecting them as most lucrative, respectively.

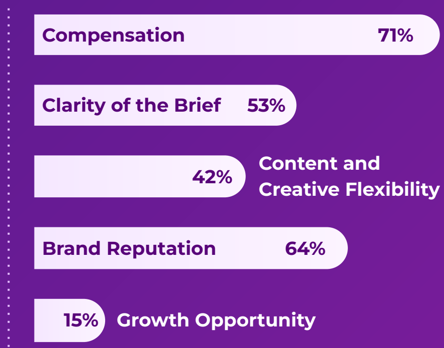
Brand Popularity Determines Whether Influencers Will Work With Brands – But Compensation is Also a Key Driver

When deciding which brands to work with, influencers prioritise both brand popularity and compensation. However, another important determining factor of whether an influencer will work with a brand is the popularity of the brand, either in China or abroad. For most influencers, the popularity of a brand is defined by the number of posts the brand accumulated across major social platforms along with the sentiment and number of reviews a brand has in its flagship store(s). Posting about a brand on their social media profiles not only reflects on the brand itself, but also on the influencer's stature and personal style.

Most important factors when considering whether to work with a brand



Biggest Contributors to Satisfaction When Working with a Brand



Top Reasons KOLs and KOCs Stop Collaborating with a Brand

Poor or no compensation from the brand **96%**

71% Brand has been in the middle of a recent scandal

The reputation of the product is poor **56%**

INFLUENCER COMPENSATION

While receiving a fair compensation for their content is very important for most influencers, a proportion of our respondents indicated willingness to post unpaid content under certain circumstances. The most common reasons given for posting unpaid content included brand authority and product price.

BRAND AUTHORITY INSPIRES KOLs & KOCs TO POST UNPAID (ORGANIC) CONTENT

57%

posted organic content about well-known brands, specially luxury brands.

16%

posted organic content about "expensive" products

SPONSORED POSTS

41%

of influencers reported that paid content accounts for > 25% of their total output

33%

of influencers reported that paid content accounts for > 50% of their total output

GREATEST AMOUNT OF COMPENSATION FOR A SINGLE POST

UNDER CN¥3k (US$415)	24%
CN¥3k (US$415) – CN¥15k (US$2k)	51%
CN¥15k (US$2k) – CN¥60k (US$8.3k)	22%
CN¥60k (US$8.3k) – CN¥300k (US$42k)	2%
CN¥300k (US$42k) – CN¥700k (US$100k)	1%

Market Observations & Best Practices

Weak economic growth and lockdowns in 2022 has shifted most consumer activity online

Growth of advertising spending relative to the service sector is expected to **slow down from 19.1% in 2021 to 3.2% in 2022** due to the impact of the zero-Covid policy, frequent lockdowns and other restrictions, which have severely impacted economic rehabilitation.

Chinese consumers are making more mature and rational consumption choices, most clearly seen in their increasing demand for product quality. Consumers tend to make purchase decisions after a thorough review of product evaluations on social media, carefully assessing the experience and value that the product or service provides, as well as how the product will improve their quality of life. Consumers no longer gain product information through e-commerce pages, instead seeking live-streams, videos and overviews from influencers. Unlike traditional e-commerce, social commerce is centred about professional, interesting and authentic content, transforming passive browsing into active consumption.

The epidemic has accelerated consumers' shifting from offline consumption and entertainment to online, but their attention is more dispersed. Consumption perceptions and expectations have become more restrained, with consumers being more likely to seek out content out of their own interests, while having higher expectations towards the quality of content. Furthermore, social commerce is growing rapidly, leading to a new trend of decentralisation among China's e-commerce platforms. This year's Double Eleven shopping festival serves as a prime example of this, with social commerce platforms showing an 146.1% increase over last year, accounting for CN¥181 billion of the total GMV for Double Eleven 2022, compared to CN¥73.76 billion for the same period in 2021. This demonstrates the importance and efficacy of social commerce and KOC marketing.

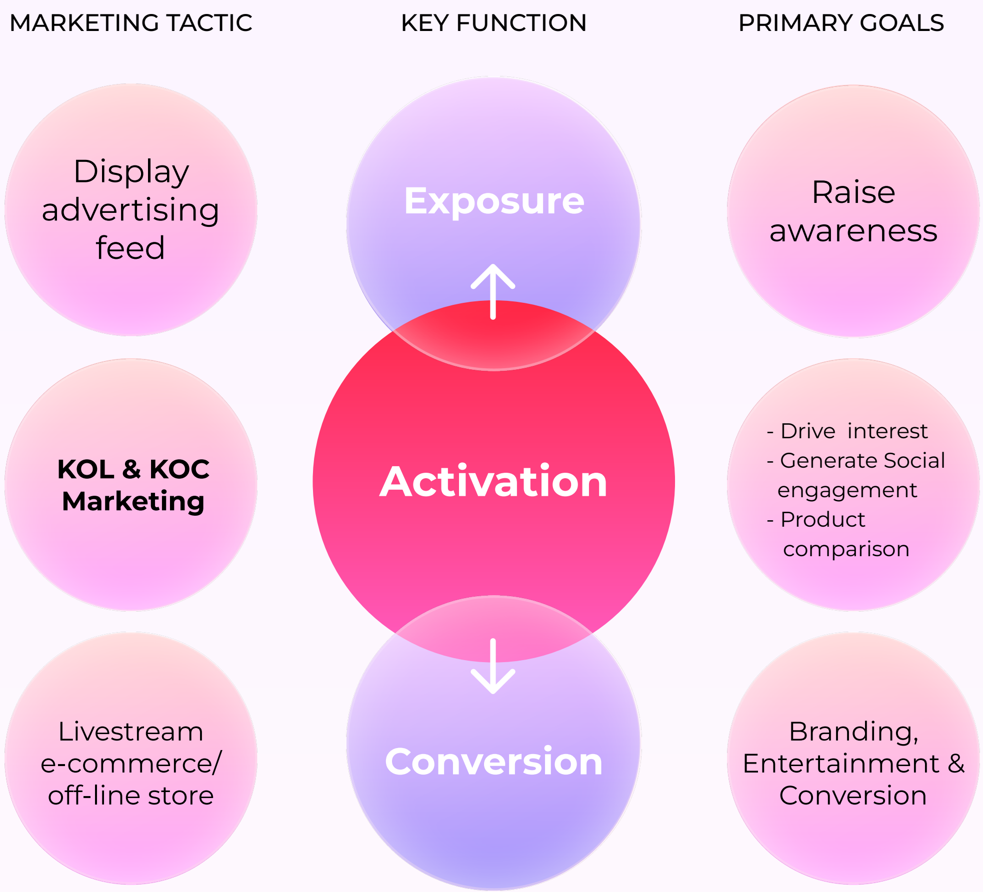
MARKET OBSERVATION 1

2022 brought about a new wave of influencers, with brands shifting their focus towards **KOCs, Micro and Mid-tier KOLs.**

Observing industry trends, we can see that brand investments in China influencer marketing tend to be more refined and efficient than before, with brands primarily concerned with maximising the efficacy of influencer communications and accurately measuring the impact of influencer marketing campaigns. Furthermore, in an effort to de-risk and optimise their influencer marketing investments, brands and agencies are shifting their focus away from celebrities and top-tier KOLs to authentic, high quality mid-tier KOLs and KOCs. In response to this trend, platforms are strengthening their content management capabilities and are providing more resources to emerging KOLs and KOCs in a move to meet the increasing demand for high quality and diverse content.

MARKET OBSERVATION 2

Influencer Marketing: Driving Trust, Loyalty and Conversion for Brands



KOL and KOC marketing function as a crucial link for brand activations, driving impact on both exposure and conversion.

On the exposure side, KOL and KOC marketing help to generate brand awareness and brand authority, while also driving traffic and conversions, boosting sales volume.

MARKET OBSERVATION 3

From the consumers point of view, influencer marketing functions as a medium for sparking interest and building trust

Communication Roles:
Forming perceptions - Deepening connections - Expanding understanding - Driving interest - Fostering loyalty - Generating social engagement - Comparing prices and selecting the most reasonable - Building trust

The Importance of Influencer Marketing in the Eight Communication Types by Key Categories

Note: This is an indexed ranking of the importance of various media roles of consumers who learn about information through KOLs/KOCs/Celebrities/Expert recommendations

MARKET OBSERVATION 4

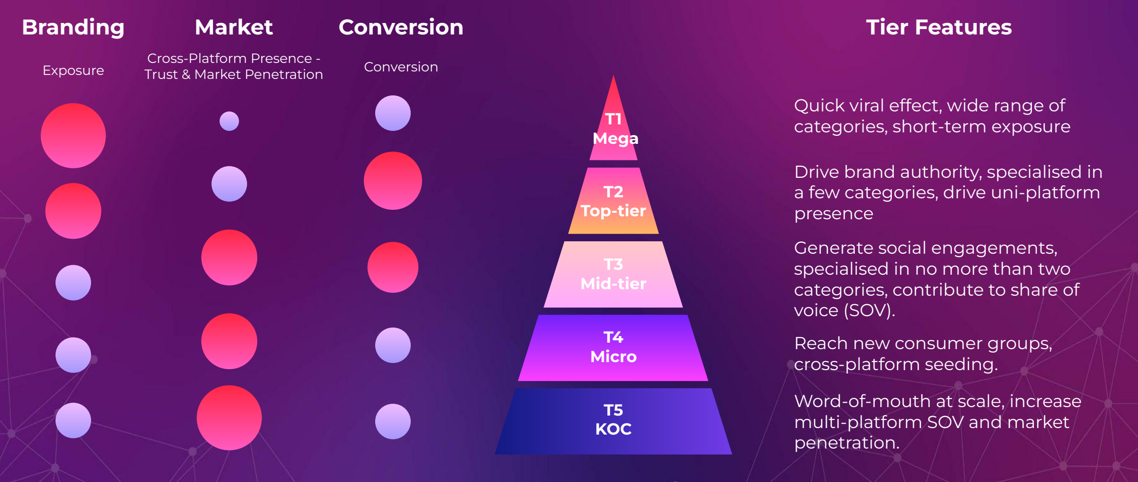
Different industries have their respective preferences and goals when developing influencer marketing campaigns

Industry	Primary Marketing Goals	Common Activations
Automobile, Luxury, Parenting	Strengthening brand Image on consumer's top-of-mind	New products launch
Beauty & Personal care, , F&B, 3C, Home Appliances	Build trust, drive awareness, increase SOV, generate sales conversion	Regular content seeding, new products launch, sales events, offline events promotion
Games, apps, finance	Generate conversion	Product promotion

MARKET OBSERVATION 5

Different influencer tiers serve different functions

Mega and top-tier KOLs are more suitable for enhancing exposure, top- and mid-tier KOLs are more suitable for short-term sales conversion, while micro KOLs and KOCs are ideal for building cross-platfom awareness, tapping into new consumer groups ("breaking the circle") and building sustainable brand growth.



*The size of the circle represents the efficiency of different influencer tiers per function; it does not represent a specific value

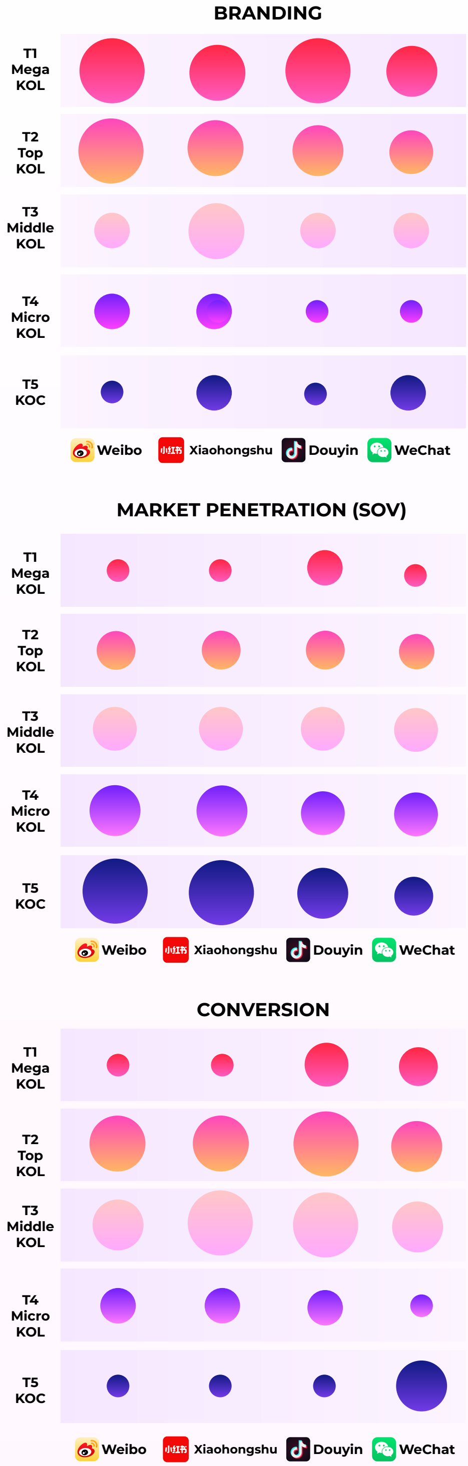
— MARKET OBSERVATION 6 —

Each Influencer Tier is More Effiicient at a Different Range of Functions Across Different Platforms...

Successful brand campaigns everaging the effectiveness of different influencer tiers in terms of branding, market development and conversion, all of which are critical in order to achieve a given campaign goal.

*The size of the circle only represents the ranking of the engagement/conversion efficiency of the platform, and does not represent a specific value

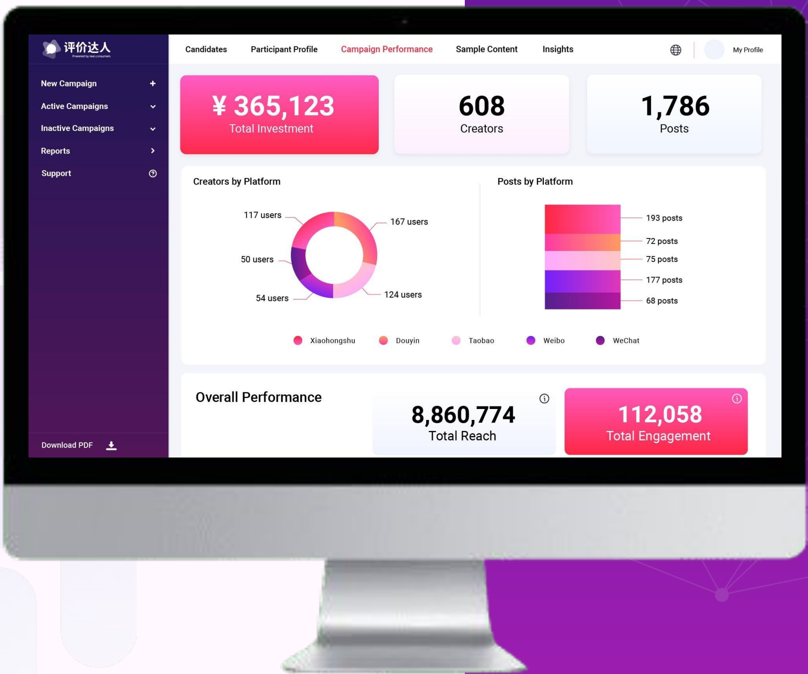
Influencer Efficiency by Function & Platform

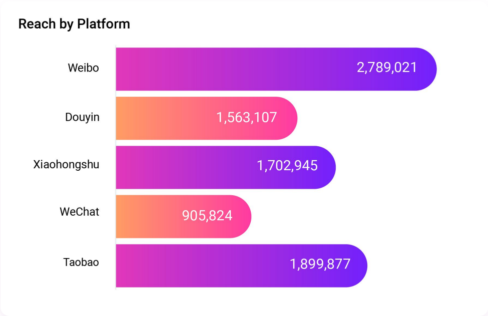


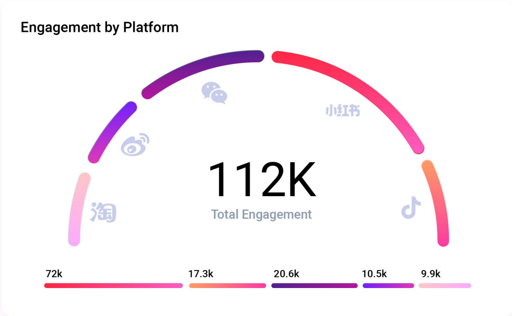
Implement a systematic influencer evaluation approach

Every year, global brands spend hundreds of millions on word-of-mouth marketing and content seeding campaigns. Similarly, mid-size and emerging brands also utilise influencer strategies to connect with target consumers, investing tens of millions on average.

According to the "2022 China Marketing & Media Review" by TOTEM Media, 75% of advertisers planned to increase or maintain their influencer marketing investments in 2022. However, for most brands, it remains a challenge to accurately assess the value that their influencer marketing investments add to their overall brand and business growth.

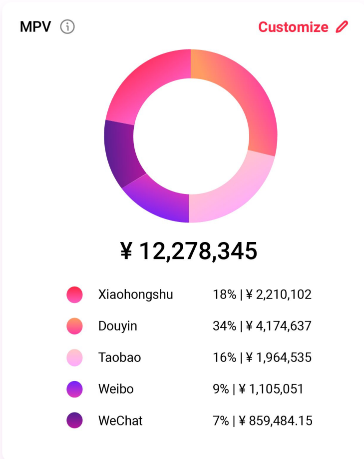






To help brands address the current challenges related to recruiting, selecting, and measuring the performance of KOLs and KOCs, PJdaren has been committed to developing a set of instructive metrics and tools to evaluate the overall impact of influencer marketing investments and to optimise the influencer selection process.

Our approach revolves around a multi-dimensional social ROI attribution framework for KOL and KOC selection. To help brands visualise campaign and brand performance, our platform focuses on providing a holistic understanding of any given influencer marketing program at both the micro and macro levels. It identifies the best-performing angles, influencer subgroups and levels, among other things. Additionally, it measures the value derived from influencer campaigns through the lens of paid social media costs.



Media Performance Value™ (MPV®) is PJdaren's proprietary metric that represents the monetary value of the performance of Word-of-Mouth (WOM) campaigns based on native advertising cost per social platform. MPV® eliminates biases towards social accounts with larger followings and focuses on the popularity and resonance of every social media post. This universal metric is aligned with the standard algorithms employed by social media in China which are designed to drive greater exposure (user traffic) to content that scores greater engagements. By taking into account the hierarchy of social media interactions, MPV® empowers brands to evaluate the returns on all influencer marketing investments with transparency.

The optimal influencer matrix takes into account the communication, resonance and seeding power of each subject

Communication Power

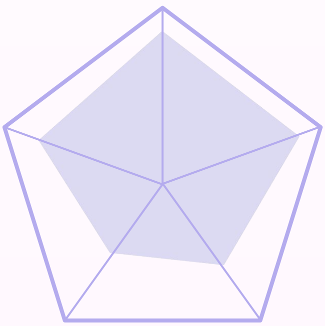
Product Seeding Power

Resonance Power

The Matrix of Influencer Evaluations

Communication Indicators

- Reads/views
- Engagements: shares, comments and likes



Resonance Indicators

- % of hot posts
- % reach (reads/views) /followers

Follower Indicators

- Follower Volume / follower Growth Rate
- Follower Demographics
- Follower Activity
- Follower Affinity

Business Indicators

- Brand collaboration outreach
- Collaboration performance (exposure, engagements and seeding)

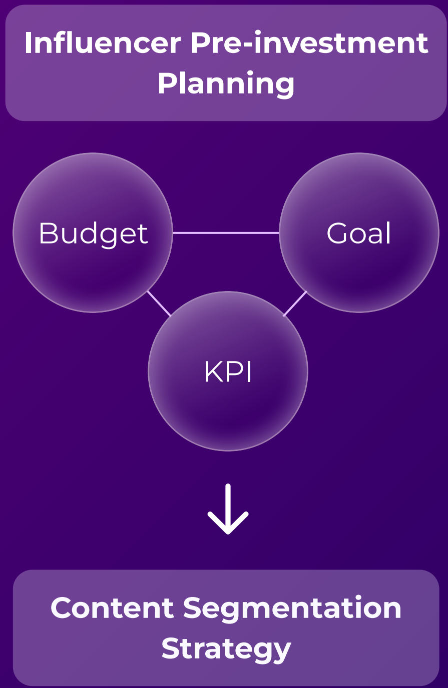
Content Indicators

- Number of posts
- User sentiment, comment keywords (positive or negative)
- Most liked comments, relevance of comments

Content Segmentation = *Optimal Output*

As the social media ecosystem becomes more fragmented and consumer attention more dispersed, content segmentation is becoming a must for brands.

To maximise the performance of influencer marketing, content created by KOLs and KOCs needs to be vertically segmented. Through content segmentation, brands can optimise their influencer pool and increase resonance among targeted consumer groups.



An Example of Content Segmentation in the Beauty and Skincare Sector:

By skin type

- Dry skin
- Oily skin
- Combination skin
- Sensitive skin

...

By ingredient

- Salicylic acid
- Niacinamide
- Astaxanthin
- Hexapeptide
- Arbutin

...

By scenario

- Work
- School
- Dating
- Travelling
- Meeting with parents
- ...

By style

- Chinese makeup style
- Western makeup style
- Japanese makeup style
- Cover makeup
- “Rich girl style”
- ...

By content type

- Beginner tutorials
- New produt unboxings
- Multiple product collections
- Multiple product usage
- Product recommendations
- ...

Different platforms have **distinctive focuses, user characteristics, content format** and **commercialisation support**. Therefore, comprehensive consideration is needed when defining influencer marketing goals and building an influencer pool.

XIAOHONGSHU — The meeting spot for urban females

User Volume: 200 million+ MAU

User characteristics:
- Significant "her" attributes
- Young users account for a significant proportion
- Most users are located in upper-tier cities

Key Industries:
Beauty, Fashion, Lifestyle, Parenting, Personal Care

WHAT'S NEW

Launched the Dandelion Platform (a business service platform for high-quality creators), released the Community Business Convention to guide merchants through regulating transactions and marketing.

DOUYIN — The centre stage for all people

User Volume: 700 million+ MAU

User characteristics:
- More male users
- Younger users
- More users in lower-tier cities

Key Industries:
Gaming, F&B, Sports, Fashion

WHAT'S NEW

Jointly launched "Middle Video Partner Program" with Watermelon Video and Today's Headline; "Douyin and Sohu reached cooperation on second creation copyright"

KUAISHOU — The hinterland of the "he economy"

User Volume: 500 million+ MAU

User characteristics:
- More male users
- Younger users
- Most users in lower tier cities

Key Industries:
F&B, Daily Necesities

WHAT'S NEW

Kuaishou's influencer marketing platform launched the Star Ocean Plan, giving bonus traffic to select creators and agencies

BILIBILI — The long-form video community for young people

User Volume: 200 million+ MAU

User characteristics:
- More male users
- The highest percentage of young users
- Most users in upper tier cities

Key Insustries:
3C, Lifestyle, Gaming & Anime.

WHAT'S NEW

Launched one-stop advertising management platform Sanlian Promotion; launched a new content creator support project

---

WECHAT VIDEO CHANNELS — The video arm of the super app

User Volume: 400 million+ DAU

User characteristics:
- More male users
- More users in lower tier cities

Key Industries:
Automobiles, Education

WHAT'S NEW

Launched the "Creators Incentive Programme" to boost traffic to original content

---

WEIBO — The national social platform

User Volume: 500 million+ MAU

User characteristics:
- More female users
- Younger users
- Most users in upper tier cities

Key Industries:
Beauty, F&B and Daily Necesities

WHAT'S NEW

Recently launched the "Gradually to the Future" programme to motivate business partners and improve Weibo's overall ecosystem

---

ZHIHU — The largest Q&A platform

User Volume: 80 million+ MAU

User characteristics:
- More male users
- More mature users

Industry characteristics:
Professional services, Parenting, 3C.

WHAT'S NEW

Launched the "Product Recommendation" component to help draw traffic to Jingdong e-commerce; launched "Zhihu Livestream" to build a livestream platform featuring knowledge and Q&A

A QUICK GUIDE

to Successful Brand Marketing Influencer Strategies

PRODUCT

Exposure and Awareness

Key Target
Low CPM & CPE

Recommended KOL and KOC Combination:

TOP- & MID-TIER KOLs —— 10% ~ 20%
Focus on maximising reach and establishing brand authority

MICRO KOLs —— 15% ~ 25%
Focus on product awareness and USP dissemination.

KOCs —— 75% ~ 55%
Focus on authentic word-of-mouth, market penetration, enheasing consumers' interest and purchase intent.

EFFECT

Activation and Seeding

Key Target
SEM & SEO - Long-term search ranking optimisation.

Recommended KOL and KOC Combination:

MID-TIER & MICRO KOLs —— 30% ~ 50%
Focus on targeting different segments of the addressable market.

KOCs —— 50% ~ 70%
Focus on deepening seeding on sub-segments of target consumers while ensuring sustainable ROI.

SALES

Sales Conversion

Key Target
Net GMV

Recommended KOL and KOC Combination:

TOP-TIER KOLs —— 10% ~ 25%
Focus on building momentum during warm-up periods, drive traffic to e-commerce for pre-payment and boosting search ranking.

MID-TIER KOLs —— 40% ~ 60%
Focus on spreading promotion information across sub-segments of your target consumer's group.

KOCs —— 15% ~ 30%
Focus amplifying promotion information + product USP while securing relatability and authenticity.

Explosive Push
Cooperate with livestreamers to promote products on e-commerce.

Key Takeaways

1 China's social media landscape has undergone significant changes in recent years, and influencers have adapted accordingly. Many influencers now primarily use Xiaohongshu and Douyin for sharing content and collaborating with brands. In 2023, it is expected that the influencer economy in China will be largely concentrated on these two platforms.

2 As Douyin's ecommerce ecosystem matures and consumers become more accustomed to making purchases on the platform, Douyin is expected to become an increasingly important channel for brands. However, the rising cost of activating campaigns on the platform may prevent smaller brands from participating in its ecosystem. In 2023, it is likely that well-established, financially robust brands will allocate more resources to Douyin.

3 In order to counteract the effects of the current economic downturn, marketers in China will need to make the most of potentially limited influencer marketing budgets. This will require the implementation of more systematic evaluation approaches and the use of more comprehensive metrics to measure influencer marketing performance and inform future investment decisions. By adopting these strategies, marketers in China can continue to make effective use of influencer marketing despite financial constraints.

4 Brands will continue to use KOCs, Micro and Mid-tier KOLs in their influencer marketing campaigns. This will allow for the creation of hyper-targeted content and more effective use of marketing budgets. By leveraging the expertise and influence of these individuals, brands can develop more concrete influencer marketing strategies that maximise their impact.

5 Influencers' pay rates are on the rise, as marketers gain a better understanding of how to forecast the cost and measure the effectiveness of influencer marketing campaigns. This increased knowledge is expected to lead to the standardisation of pay rates by level and vertical, allowing for more consistent and fair compensation for influencers.

6 China's influencer economy is expanding rapidly and gaining momentum, evolving into a dynamic ecosystem centred on influencer marketing. This form of marketing is a crucial tool for generating consumer interest, trust, and loyalty in brands, as well as promoting brand exposure and sales. Despite weak economic growth and the ongoing COVID-19 pandemic, the development of the influencer market has not been slowed, and brands continue to invest more financial and human resources into influencer marketing.

Key Takeaways

7 Chinese consumers are becoming increasingly sophisticated in their consumption habits, paying closer attention to product quality and brand image. They are accustomed to using social media platforms to search for product introductions and evaluations from influencers to help them make more informed purchasing decisions. Additionally, consumers have higher demands for the professionalism, entertainment value, and authenticity of influencers and their content. As a result, the use of influencer marketing and social e-commerce on social media platforms is essential for the success of brands in China.

8 Xiaohongshu is known for its authentic user-generated content, which provides brands with valuable insights into the market. Many influencers have chosen to use Xiaohongshu as their primary platform, making it a rich source of high-quality influencer resources for influencer marketing campaigns. Due to its strong promotion capabilities, Xiaohongshu is often selected as the most effective platform for these campaigns, and it is an integral part of brands' social e-commerce strategies.

9 In recent years, many brands and marketing agencies have shifted their focus to small and medium-sized content creators, increasing their investment in KOCs and micro KOLs and reducing their investment in mega and top KOLs. Additionally, brands and agencies are also increasing their demand for KOCs, incorporating new candidates in each campaign. Platforms are responding to this trend by providing more resources to support emerging KOLs and KOCs. This shift towards smaller influencers reflects the growing recognition of their value and influence.

10 The majority of influencers operate independent accounts and create content on a part-time basis. This makes it difficult for brands and agencies to effectively communicate with these influencers, raise requests, review and modify content, and maintain relationships. To facilitate smooth cooperation between brands and influencers, it may be beneficial for a third party to act as a mediator. This can help to streamline the process and make it easier for brands and influencers to work together.

11 Choosing the right influencer candidates and evaluating their performance are two key considerations for brands when planning and executing influencer marketing campaigns. The attribution model of PJdaren can help brands to select influencers in a scientific way and evaluate the results of their campaigns, providing detailed reports on each activation. This can help brands to make more informed decisions and ensure that their influencer marketing efforts are successful.

评价达人
Powered by real consumers

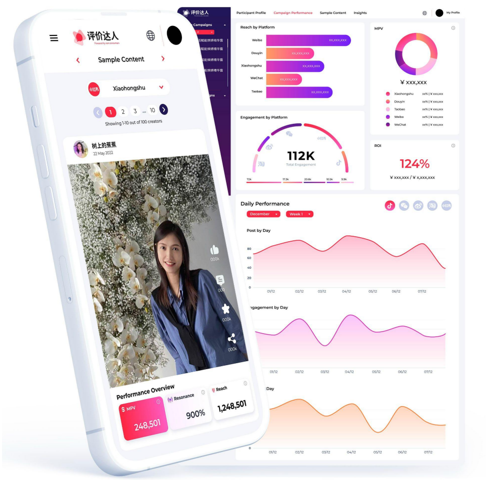
We Know China.

The Largest **KOL + KOC Network** in China for Any Industry

Providing your brand the tools & services to establish brand authority, build trust and drive sales

PJdaren is a data and influencer platform that believes in the evolution of the marketplace through technology, creative content and inspirational campaigns.

In a time when digital has transformed the pace, expectations and capabilities of the market, we develop tailored solutions to empower global brands, helping them to increase their market penetration and eliminate redundancies in the process.



More than 1,000 brands in 100+ countries use PJdaren's end-to-end solutions every day.
Here's how we do it:

Unique Voices:

An influencer community with over 4 million KOLs and KOCs in every consumer industry to help brands get their message across to the consumers that matter most.

Real-Time Brand Performance Data:

Our platforms provide brand and campaign performance data capable of detecting microscopic changes in market trends, enabling you and your team to make the right decisions to maximise the success of your campaigns.

Valuable Industry Insights:

From market research to campaign data, our platforms and specialists deliver fresh insights to inform your campaign and product launch strategies, analyse market sentiment towards your brand and products, and optimise your marketing output to improve decision-making and increase ROI.

Find out how our KOLC platform can help you

LEARN MORE

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Let's talk

Contact Us

If you have any questions about this study or influencer solutions at PJdaren, please reach out to us.

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