

WESTERN SOCIAL MEDIA EFFORTS OF CHINA'S TOP TEN COMPANIES
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Western Social Media Efforts of China's Top Ten Companies

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ABSTRACT

The ten largest companies in China include Sinopec, PetroChina, State Grid, ICBC, Foxconn, China Construction Bank, Bank of China, Agricultural Bank of China, China Mobile and the Noble Group. Their industry sectors include banking, electronics, energy, raw materials and telecommunications. They are headquartered in mainland China, Hong Kong and Taiwan. Overall, the combined annual revenue of China's top ten companies exceeds \$5 trillion, about 17% of the Global 500 (Fortune, 2013). Both Sinopec and PetroChina had annual revenues in 2012 that exceeded \$400 billion respectively.

In terms of social media and technology, China has a higher level of adoption compared to other countries. The ease of use of these platforms can facilitate better levels of communication between corporations and their customers as well as create higher levels of trust. China has its own successful social media platforms including Sina Weibo, WeChat, QQ and RenRen. Many Western and English language social media platforms, such as Facebook and Twitter, are blocked by the Chinese government. Is it part of the corporate communication mix of these Chinese firms to include English language social media and, if so, how and why? Also, what effect is social media having on the relationships with shareholders and stakeholders of these companies?

This empirical research paper explores the Western social media efforts as part of the corporate communication and marketing strategies of these organizations. Social media platforms such as Facebook, Twitter, LinkedIn and YouTube are included in the research. The effects that these Western social media efforts have on both shareholders and stakeholders of these firms will be examined as China becomes a larger piece in the globalization puzzle.

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Introduction

China has the world's largest online community with nearly 600 million internet users, only 44% of their entire population. Nearly 83% of Chinese internet users access the internet via a mobile device and 39% via a tablet (GlobalWebIndex.com, 2014). By contrast, over 250 million Americans are online, which includes about 85% of the 18 and over population (DeSilver, 2013). Clearly, there is still a lot of room for growth in China. As the number of internet users globally approaches 3 billion, social media has clearly dwarfed traditional media in terms of total market value.

In order to be successful in China, you have to be everywhere, which poses an enormous challenge for digital marketers. The average Chinese online consumer follows only eight companies on their Weibo, compared to 15 companies for the average American (Woo, 2013). Online advertising in China is valued at 110 billion RMB and has increased 46% in 2013 (iResearch, 2014).

Despite the fact that China has its own social media platforms, such as Weibo, RenRen and WeChat, Western social media platforms, which are usually blocked by the Great China Firewall, have a large following in China. It is estimated that Facebook has 95 million users, Google + has 100 million users, Twitter has 80 million users and YouTube has 60 million users (Smith, 2013). LinkedIn, which is not blocked in China, has over 4 million users in China (Krishnan, 2014).

The use social media as a marketing tool has become a standard practice for business organizations, local and global, large and small. Based on the trend that many Chinese companies and brands are extending their reach beyond the Middle Kingdom into foreign markets, this paper examines the use of Western social media by these top 10 firms in China.

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Western Social Media Platforms

Facebook

Created in 1994 while an undergraduate at Harvard University, Mark Zuckerberg never dreamed that his social network application, originally intended to rate the attractiveness of female college students, would reach over 1.2 billion end users globally and become such a powerful and mission critical marketing tool for corporations and their brands (Kiss, 2014). With more than 1 million advertisers in total, Facebook generated \$7.87 billion in total advertising revenue in 2013, over \$1 billion of which was from mobile advertising (Edwards, 2014). Of the estimated 95 million users of Facebook in China, 55% of the users access the social platform via a proxy server and 27% via a virtual private network (VPN) (Global Web Index, 2013). Some of the most popular brands with Chinese Facebook users include Air France, Air China, Amazon, Pringles and Starbucks (SocialBakers.com, 2014).

Twitter

The social network and microblog launched in 2006 has over 200 million active users worldwide. With the enormous popularity of Sina Weibo, QQ and WeChat, it is surprising that China has nearly 80 million users of Twitter (Ma, 2013). Twitter generated \$665 million in advertising revenue in 2013.

YouTube

YouTube, now owned by Google, is the world's most popular video sharing website with over 1 billion users, where 80% of their traffic comes from outside of the U.S. Also, YouTube is available in 61 countries and languages (YouTube, 2014). Despite being blocked and having stiff competition from the Chinese video-sharing sites Youku and Tudou, China has 60 million users of YouTube (Ma, 2013).

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Google +

A social network created by the search engine juggernaut, Google+ launched in 2011. With over 540 million users worldwide, it is estimated that there are 100 million users in China, despite being blocked by the Chinese government (Ma, 2013). Currently, Google+ has no advertising on the site but this may change in the near future. Using Google+ requires users to sign in to their Google accounts. This practice allows Google will to acquire large chunks of data about individual users' search habits and the websites they visit with their activities on Google+.

LinkedIn

LinkedIn is a social networking site for business professionals launched in 2003. Currently, it has about 277 million users worldwide and in 2013 generated \$1.52 billion in revenue (Google Finance, 2013). There are currently 4 million members in China on the English language site, which is not blocked in China by the government (Krishnan, 2014). The recently launched Chinese language version of LinkedIn, known as *Ling Ying*, is hoping to attract 140 million new users (Ma, 2014). In China, LinkedIn faces competition from Tianji.com and Dajie.com.

Top Ten Companies in China

Sinopec

There is no Facebook or Twitter presence for Sinopec, however, they do have a somewhat anemic LinkedIn page with nearly 7,000 followers. Ideally, this page could be better utilized by Sinopec to recruit talented new employees and post press releases in English about their business movements and strategies. This is a great social media marketing opportunity for China's largest corporation. By way of their Addax Petroleum subsidiary, they have a small YouTube presence. Recently, Sinopec acquired a 9% stake in a Canadian crude oil venture called

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SynCrude, which may give them the opportunity to use Western social media marketing platforms more vigorously.

PetroChina

China's second largest company has no Facebook or Twitter presence. On LinkedIn, a search for PetroChina produces the following pages in the Companies section of the site: PetroChina (no images or content), PetroChina International, PetroChina Tarim Oilfield Company (a subsidiary), CNPC USA (the most developed of the PetroChina pages), CNPC Chuanqing Drilling Engineering Company Limited (Brazil), China Petroleum Technology & Development Corporation (a subsidiary) and China Petroleum Engineering & Construction Corporation (a subsidiary). Essentially, the subsidiaries, many in foreign countries, have a more developed presence on LinkedIn and have been managed by a social media practitioner.

State Grid

China's electricity giant has no Twitter presence. Their Facebook entry is under the Organization category and is linked to the Wikipedia entry. They do have a Brazilian subsidiary on LinkedIn, State Grid Brasil Transmissões, which has information in Portuguese.

ICBC

Since June of 2010, ICBC has a Facebook page under the Product/Service category but has a small following of less than 50 "likes". Their LinkedIn page has a very professional appearance with over 7,000 followers, however, there is room for enhancement and improvement. Additionally, there is an entry for ICBC Europe in Luxembourg as well as ICBC Asia and ICBC International. Overall, ICBC's LinkedIn image could benefit from the designs of a talented social media expert.

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Foxconn

The Taiwan-based electronics manufacturer, officially known as Hon Hai Precision Industry Co., Ltd., has a Facebook presence via the Organization section, which is generated from Wikipedia, and has over 12,000 “likes”. On Twitter, there is an official FoxConn page and a very unofficial FoxConn PR Dept. page. The former has no activity and about 600 followers. The latter has a lot of disparaging Tweets about FoxConn’s employee issues and over 500 followers. Clearly, this is an opportunity for FoxConn’s strategic communications people to step in and control the message of the firm. Their LinkedIn presence is professional-looking and they use the site to post job opportunities.

China Construction Bank

China Construction Bank (CCB) has an Interest page on Facebook with about 600 “likes” and they have no Twitter presence. On LinkedIn, CCB has three separate entries under Corporations: China Construction Bank, China Construction Bank (Asia) as Corporation and China Construction Bank (London) Limited. The CCB (Asia) Corporation page is the most developed and serves their Hong Kong business. The CCB (Asia) page has over 1,100 followers while the bank’s main entry, which could benefit from an update, has over 2,100 followers. CCB has no official YouTube channel in English.

Agricultural Bank of China

Agricultural Bank of China (ABC) has a basic Facebook page in the Bank/Financial Institution section that was launched in April of 2012. They have one post on the page and less than 50 “Likes”. Their LinkedIn page is in the Corporations section of the site with over 1,600

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followers and about 700 employee profiles listed on the site. ABC has no official Twitter presence nor do they have an official YouTube channel.

Bank of China

Bank of China (BOC) has a Facebook entry under the Interest section of the site with over 1,500 “likes”. There are six Bank of China entries on Twitter, one of which is in Russian, but none of them appear to be officially sanctioned by the Bank of China. BOC’s LinkedIn entry under Corporations is fairly robust and has over 10,000 followers. There are over 3,000 BOC employees with profiles on LinkedIn.

China Mobile

On Facebook, China Mobile Limited has an Organization page that is generated from their Wikipedia entry and has over 2,000 “likes”. On Twitter, China Mobile Hong Kong has an official page with Tweets in Chinese but no English language presence. On LinkedIn there are three entries: China Mobile, China Mobile International and China Mobile Hong Kong. The China Mobile page appears without a logo and is very minimal. It has nearly 4,000 followers and over 2,300 China Mobile employees have profiles on LinkedIn. The China Mobile International page has the firm’s logo and appears to be professionally managed but has less than 800 followers. China Mobile Hong Kong’s entry on the site has no content and does not even include a web site link. This entry has about 130 followers.

Noble Group

On Facebook, the Noble Group has an Organization page that is generated by the firm’s Wikipedia entry. There are no images, such as a corporate logo, but there are over 1,500 “likes”. On Twitter, there are a few different Noble Group accounts, but none of them are affiliated with

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the Chinese holding company. On LinkedIn, the Noble Group has a very polished corporation page with the corporate logo, a nice corporate image and description of the company. They post job opportunities and have over 19,000 followers and over 1,800 employees have profiles on LinkedIn. Noble Americas Energy Solutions, LLC has a very professional page on LinkedIn with over 500 followers. Noble Brasil has an entry with less than 30 followers.

Other Chinese Companies that Use Western Social Media Successfully

Because many of the Chinese top 10 companies either offer products and that are not necessarily consumed in the Western world, you will not see much of a marketing presence in Western countries. However, there are some Chinese consumer brands that do have a strong presence. Let us examine some Chinese brands that have been successful on platforms such as Facebook, Twitter, LinkedIn and YouTube.

Air China

With over 24,000 followers on Facebook, Air China has the standard photographs and information on the airline and its services (Advertising Age, 2013). Their LinkedIn company profile has about 1,500 followers and nearly 650 employees. The profile has no images and offers no information on the company nor is there a link to their web site. Air China Cargo has a more robust presence on LinkedIn with a corporate logo, background information, a link to their web site and over 220 followers and over 50 employees are listed.

BYD

BYD's Facebook page has over 12,600 'Likes' and appears to be professionally managed with photos and a link to the corporate web site. LinkedIn, BYD's company profile is listed in the Automotive category with over 2,300 followers and over 800 employee profiles. The page

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features photos of BYD buses and news articles that feature the firm. In addition, there is a BYD America Corp. listing in the Electrical/Electronic Manufacturing category with 507 followers.

This profile features BYD's two businesses: IT manufacturing and automobiles.

Tsingtao

Part of their Tsingtao's foreign brand recognition comes from the fact that if there is a Chinese restaurant in a foreign country, they will probably serve Tsingtao beer. On Facebook, Tsingtao's presence is quite robust with over 67,300 "Likes" as well as a plethora of photos, videos and links to their Twitter and Instagram pages. Tsingtao Brewery has about 280 followers and 60 employees on LinkedIn. Their corporate page has some high quality photographs of their products and recent marketing efforts such as their motorcycle racing sponsorship efforts.

Tsingtao does not have an official YouTube channel.

Xiaomi Technology

The up-and-coming Chinese smart phone maker has over 530,000 likes on Facebook and links to their YouTube page. On Twitter, Xiaomi has 8,300 followers and uses a mix of news, jokes and clever tips for their Tweets, appealing to their younger demographic of customers. Their LinkedIn corporate profile has over 5,200 followers and over 300 employees are listed. Also, they feature two of their products, MIUI and Mi Talk Messenger. Xiaomi has an official YouTube channel in both Chinese and English.

Conclusion

Of the top 10 Chinese companies, Foxconn has the strongest Western social media presence with followers on Facebook, Twitter and LinkedIn. Moreover, of the "Big Four" banks, Bank of China has the strongest presence with followers on Facebook and LinkedIn. Xiaomi and Tsingtao are some of the savviest Chinese firms in terms of Western social media. Therefore,

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Chinese consumer products are the most visible brands on Western social media platforms.

As the top ten companies in China expand their corporate empires beyond Asia, digital marketers are starting to think more globally than locally. In addition to the use of organic social media platforms in China such as Sina Weibo, QQ and WeChat, companies are just beginning to market their brands on Western social media platforms such as Facebook, Twitter, YouTube, Google + and LinkedIn.

To be successful, many of these corporate marketing campaigns will have to be created in English and other foreign languages, which may require local expertise outside of the in-house marketing department. Building a global brand via traditional marketing methods takes time, but social media has proven itself in the 21st century and corporations should seize the opportunity to develop their global marketing efforts to include Western social media platforms. With the globalization of Chinese firms and consumers becoming more mobile oriented, consumer markets are in a continual state of migration (Exon, 2014). In essence, Chinese companies will have to develop their local *guanxi* into a more global form of *digital guanxi*.

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