

EBOOK SERIES

REACHING CHINA

PART 1

THE CHINESE AUDIENCE IS **CLOSER** THAN YOU THINK

How global brands can connect with one of the largest markets in the world, from anywhere in the world.

KEY TAKEAWAYS

In this short ebook you'll find out:

- The size of the unprecedented China opportunity
- How programmatic has become a mainstay and now the norm for global brands in reaching the digitally savvy, mobile-first Chinese audience
- Reasons why marketers have been hesitant to invest - or invest more - through programmatic in China and what's caused these obstacles
- A new approach for reaching the Chinese audience, one that enables global brands to make their marketing decisions and activate their China programmatic strategy, from the same place, no matter where they might be in the world

KEY DATA POINTS

Before we dive in, here are some data points worth knowing:

59% of marketers at global brands make their decisions for how they advertise in China outside of China, mostly from their headquarters

16% Yet only 16% of marketers at global brands currently plan and manage programmatic for China outside of China, with or without an agency, although this is set to rise to 30% within the next 24-months

Despite this trend, there is a clear disconnect between Chinese advertising decision making and activation

42% This is exacerbated as 42% of marketers who currently plan and manage programmatic for China, from markets like the UK and US, will see their programmatic investment increase in the coming years

INTRODUCTION

For global brands, the question isn't whether or not to seize the unprecedented opportunity offered by China. It's simply a matter of 'when' and 'how quickly'.

But just because the chance to reach the world's largest online population and the growing middle class is impossible to ignore, doesn't mean taking it is easy.

And that's what this ebook series is all about - showing you how we make it as easy as possible for global brands to say 'yes' to China,

by showing you a new approach to reaching China from anywhere in the world. Showing you how you can bridge the disconnect between decision making and activation in China.

In this first part, we'll outline the size of the opportunity, the increasingly exciting programmatic market, the challenges that exist for global marketers, and how you can meet those challenges head on with a different approach.

EXPERT INSIGHTS

Reaching China

Programmatic in China is growing fast. Really fast. But, for global brands, knowing the best way to take the opportunities China offers is tough.

Why not book an **MiQ Unlocked session**, so our experts can take you through it?

FIND OUT MORE



MiQ UNLOCKED

01



THE OPPORTUNITY

Forgive us if we start by stating the obvious: China is a massive opportunity.

Just recently, P&G's Marc Pritchard stated 'If you want to see the future of marketing, look to China'. It is clear for global consumer brands the chance to reach the ever-increasing spending power of Chinese consumers is one of the biggest games in town.

In equal measure, global B2B brands' appetite to engage business-decision makers at some of the fastest growing companies in the world, is an opportunity like no other.

So, whether you're a global B2C or a B2B brand, the numbers are simply staggering.

Today the Chinese middle class is 400m people strong, forecast to grow to 550m in the coming years - that's more than one-and-a-half times the US population in China's middle class alone. And the number of

people connected to the internet in China is over 900m, the largest in the world and growing at pace.

Not only is the Chinese audience huge, consumers are buying online and almost exclusively on mobile. This year, for the first time, more retail sales will happen online than offline. Which is why it's no surprise to see that digital, particularly programmatic, is accelerating so rapidly.

This year, programmatic digital display ad spend will reach almost \$50bn, 3x larger than in 2017, and is now the second largest programmatic market in the world. Moreover, programmatic has continued to expand irrespective of the covid pandemic, with sophistication growing to the point that this year will see 78% of all digital display in China bought programmatically.

And again, not to state the obvious, but the numbers are massive. At MiQ, just one of the Chinese data partners we use for audience targeting across our campaigns sees over 2.5bn active unique devices in any given month - and that's just one partner of many.

That's why it's unsurprising to see that, in our survey, 42% of marketers who are already spending programmatically in China plan to spend more next year.

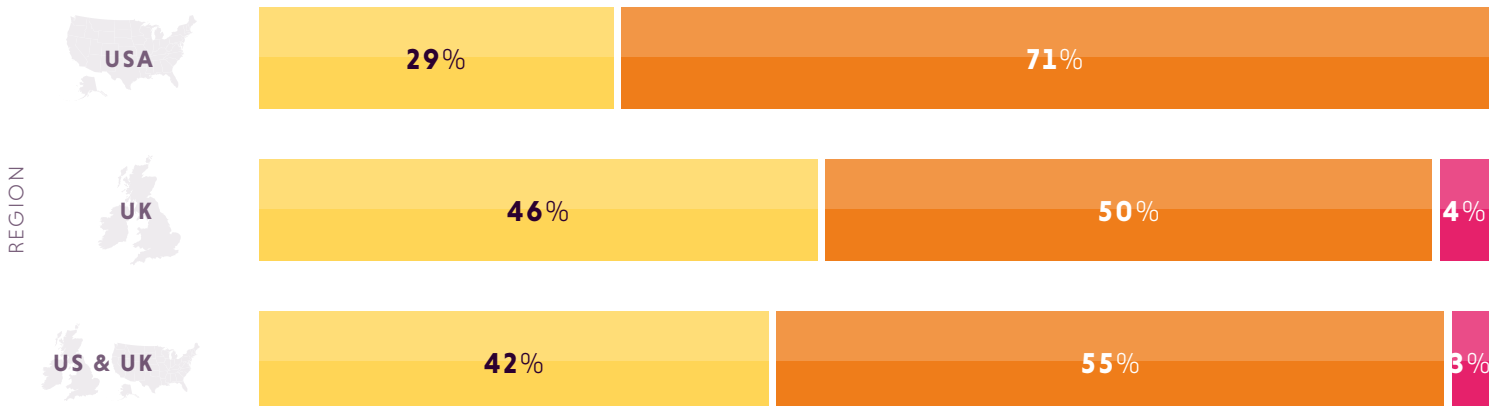
Or rather, just 3% of marketers stated they'd decrease their programmatic investment. Either way, you view the data: programmatic has become a mainstay and the norm for reaching audiences at scale in China. If there was any doubt, it shouldn't be, the programmatic opportunity is unprecedented, and now there for all to see.

THE PROGRAMMATIC MARKET IS GETTING BIGGER, 42% OF UK & US MARKETERS ARE PLANNING TO INCREASE THEIR PROGRAMMATIC INVESTMENT IN CHINA

■ INCREASE ■ STAY THE SAME ■ DECREASE

Source: MiQ Advertiser Perceptions Wave 5 study

ARE INTERNATIONAL MARKETERS PLANNING TO SPEND MORE OR LESS IN CHINA?



NOTHING WORTH HAVING COMES EASY

The thing about the word 'opportunities', as all good marketers know, is that the word 'challenges' is never far behind. And, in most cases, the bigger the opportunity, the bigger challenges you're going to have to tackle to grasp it.

Nothing worth having comes easy - and nowhere is that more true than with programmatic advertising in China.

The market is different and truly like no other, which can often be daunting to those unfamiliar with it or new to the market. There are a range of perceived obstacles that are holding back global brands from investing more in China - or investing there at all.

We surveyed a host of global brands based in the UK and US about their attitudes to China and the Chinese programmatic market, the results paint a clear picture.

i) MARKETERS DON'T FEEL LIKE THEY KNOW ENOUGH ABOUT CHINA

61% of the marketers who are making decisions about their brand entering the

Chinese programmatic space identify lack of knowledge of the market as a major roadblock. 52%, meanwhile, are worried about getting it wrong, with their reputation as global brand suffering if Chinese expansion doesn't work out.

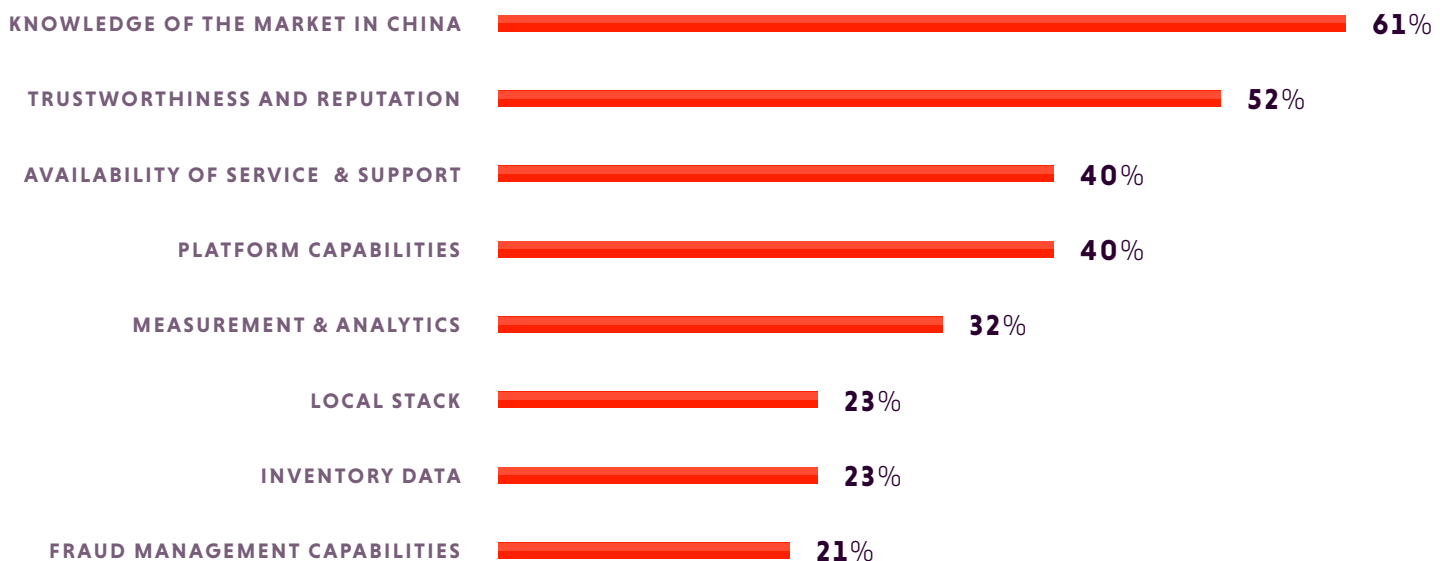
Beyond this, marketers based in the UK and US also have concerns that they can't access the right partners to offer them the service and support they need, from where they are, and they don't know which platforms to work with to meet their specific goals.



TOP FACTORS PREVENTING MARKETERS INVESTING MORE IN PROGRAMMATIC IN CHINA

■ PERCENTAGE OF RESPONDANTS

Source: MiQ Advertiser Perceptions Wave 5 study





ii) MARKETERS HAVE CONCERNS ABOUT BRAND SAFETY AND AD FRAUD

Brand safety and ad fraud are the biggest concerns for UK and US marketers when considering programmatically advertising in China. This is consistent with research undertaken by GroupM which cites China may be home to 83% of the worlds ad fraud. While local advertising and measurement company; Miaozen Systems

own independent studies indicate almost one-third of online ad traffic in China could be invalid.

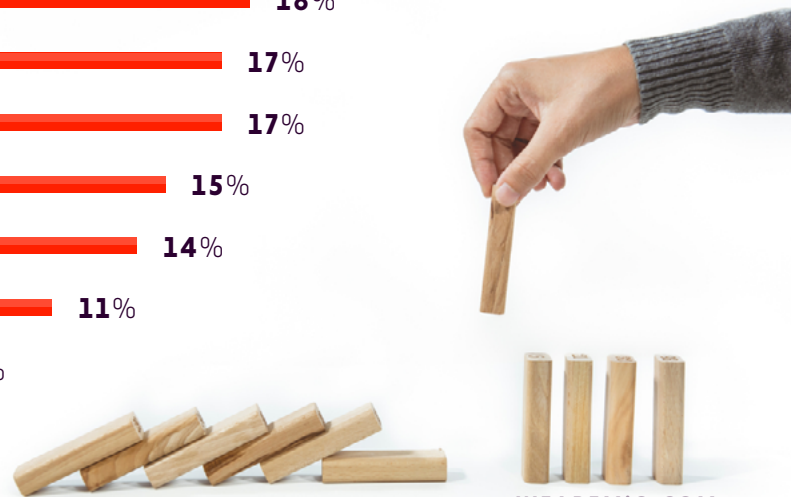
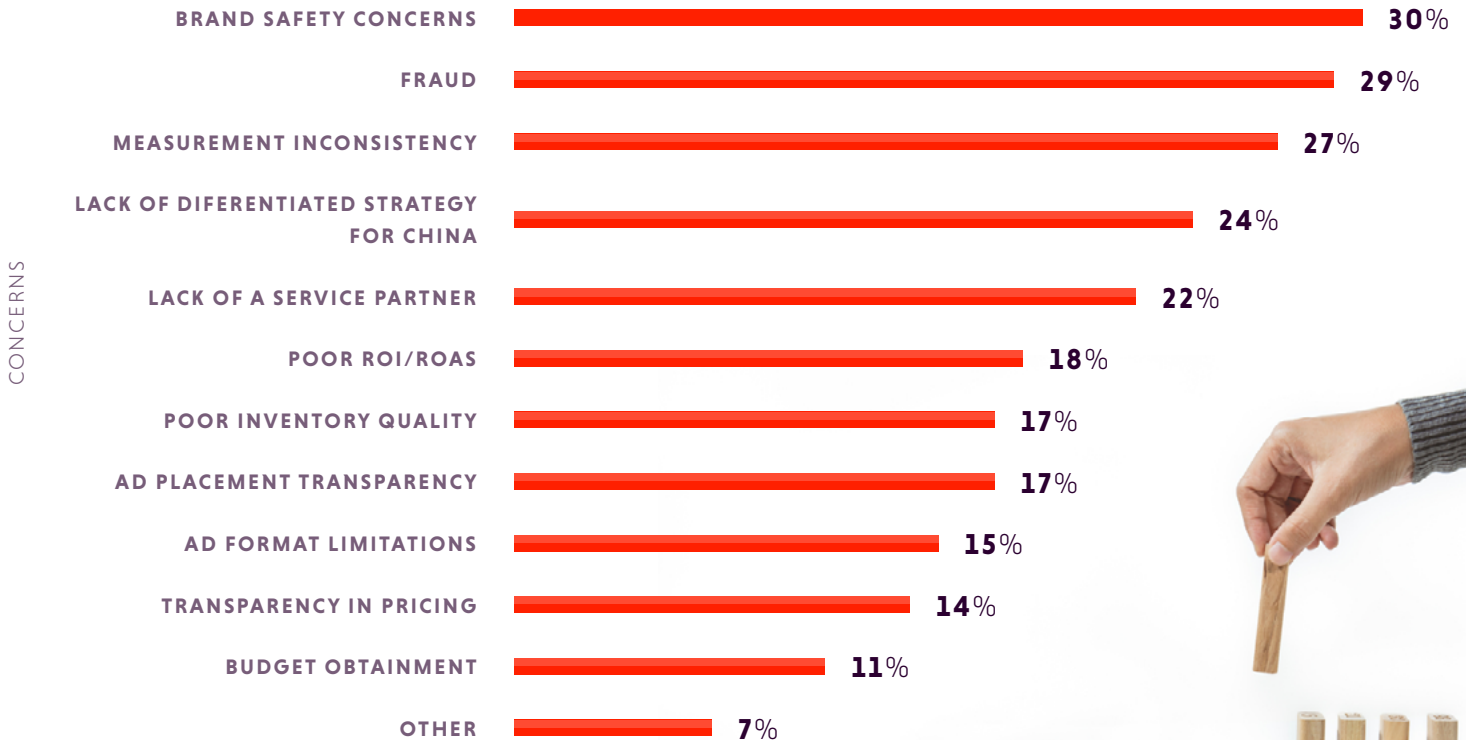
MiQ have solutions to tackle and mitigate ad fraud risk, but it's a concern, and rightly so without the right methods to prevent it. Additional challenges regarding the

complexity of measurement frameworks, or the measurement differences in the Chinese market are also key issues for marketers, often exacerbated by the absence of a trusted partner to help them walk through the landscape.

THE TOP FACTORS THAT CONCERN MARKETERS WHEN ADVERTISING IN CHINA

■ PERCENTAGE OF RESPONDENTS

Source: MiQ Advertiser Perceptions Wave 5 study,





iii) MOST GLOBAL BRANDS ARE STILL LOOKING FOR MORE FROM THEIR PROGRAMMATIC STRATEGIES IN CHINA

Perhaps as a result of the two challenges above, the results from our survey show that even the global brands already 'established' in China are perhaps not that established with their programmatic strategies after all.

18% of the marketers are still in the early stages of aligning internal resources and

selecting a programmatic partner of choice for China, and a mere 27% would describe their programmatic capabilities as advanced.

In other words, 73% of marketers from the UK and US who are already involved in the programmatic space in China still have a

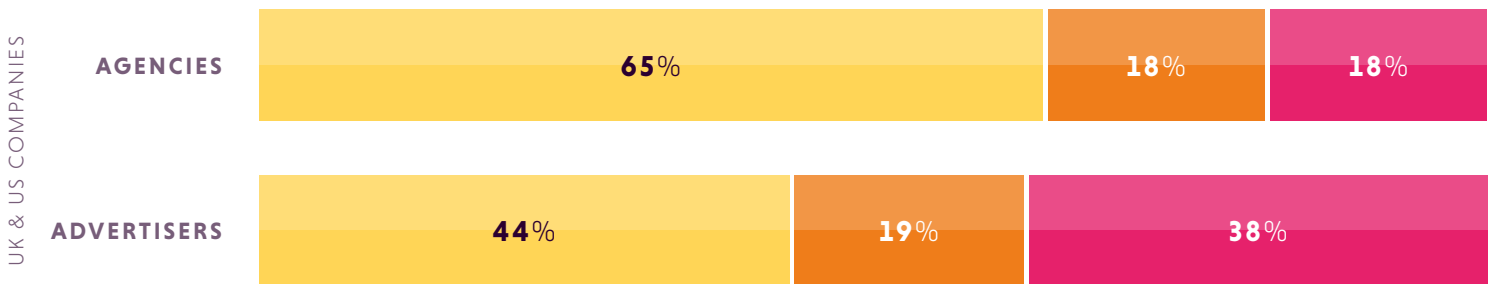
long way to go in finding good answers to questions around identifying the right partners, the right platforms and the right ways to measure success.

HOW ADVANCED ARE GLOBAL BRANDS PROGRAMMATIC STRATEGIES IN CHINA?

■ INTERMEDIATE ■ BEGINNING ■ ADVANCED

Source: Advertiser Perception Wave 5

■ PERCENTAGE OF MARKETERS



There's no denying that marketers at global brands based in the UK and US want more from programmatic in China, either because they're unsatisfied with what they're getting now or are just looking for ways to get better.

Perhaps given the pace of change in Chinese digital advertising, combined with the various issues caused by the pandemic, many global brands are taking a 'wait and see' approach to China.

But, in our opinion, the 'wait and see approach' is an opportunity missed. That's not to say we think marketer's concerns about doing so are misguided or misplaced. We just think, there's a different way. A new way. Our way...

03

HOW YOU CAN REACH CHINA FROM ANYWHERE

If you're a global brand, we think you should be spending more in China - and we think you should be spending through us.

That's because we've spent the last three years developing a new way for global brands to access China from anywhere in the world, in just the same way they do with all their other markets, addressing the perceived challenges of Chinese programmatic head on.

(We're pretty excited about it, can you tell?)

Our approach is based on three core things.

1

WE'VE BUILT DEEP PARTNERSHIPS WITH CHINESE TECH PARTNERS

The digital landscape in China is esoteric and sprawling. It can be tough to navigate. Your existing programmatic technology works well in many countries, but not China. That's why the temptation to outsource or to deviate away from your global strategy is so strong - it's perhaps the only option you've had available to date...

But we've forged partnerships with China's largest and best programmatic businesses to build a connected technology stack that can be accessed from anywhere in the world.

It's a new approach: using Chinese programmatic technology, but applying global programmatic principles, so you can access all the inventory partners, data sources, and ad verification and measurement capabilities you need to get the same levels of outcomes, insights and transparency you expect in all your other markets.

2

WE'VE MADE OUR CHINA TEAM A GLOBAL TEAM

We have people on the ground in China so we can provide you with the latest trends and regulations in market, and supply you with in-market insights to inform your strategies.

But our Chinese activation team isn't just in China - we have people all over the world. We know service and support is critical, so we make sure our full-service bilingual team trade service your China campaigns from your region, so you can monitor, measure, scale or rethink your tactics in exactly the same way you do with other regions.

WE MAKE CHINA ACCESSIBLE, IT DOESN'T HAVE TO BE SEPARATE

Our approach is based on the idea that treating programmatic in China entirely separate from other markets, means you may miss out on some of the biggest opportunities.

So, we don't ask 'what's your strategy for China?'. We ask, 'what's your global strategy?' - then use our global expertise to translate that into an approach that executes against that strategy in China in the most effective way for you.

We are confident that this approach means you'll start seeing better and more transparent results from your campaigns in China.

But, perhaps more importantly, this approach means you'll be able to judge performance in China by much of the same standards you apply to the rest of the world, making the case for investment and scaling more quickly much easier when you see the positive results.



04

SAYING YES TO CHINA

Our whole philosophy is about giving global brands the chance to say 'yes' to China.

Wherever you are in the world, whether you want to explore the Chinese opportunity for the first time or you want to try a different approach to the way you're currently working there, we want to make it as easy as possible to remove the barriers and just let you go for it.

In the next two ebooks in this series, we'll show you the practical details that make our philosophy work by showing you how we activate and measure in China from outside the market.

But if you can't wait and you want to have a chat now about how we can help your global brand take a new approach to China, there's nothing we'd love more.

GET IN TOUCH



MORE FROM OUR CONTENT

THE FUTURE, FASTER PODCAST

The future is
coming faster
than ever...

Thanks so much for making it to the end of the ebook. Who says long-form content is dead...?

If you enjoyed reading this, maybe you'd like to check out the Future, Faster podcast, a laid back look that the trends, topics and technologies shaping the future of advertising, with some of the smartest minds in our industry.

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