



Within the Great Firewall of China

China is experiencing a mass migration of its citizens to social media platforms. This has many implications for China, including for corporations doing business there. Centre Director **Wayne Burns** examines the social media landscape in the People's Republic of China, and what it means to corporations and their products, services, employees, and reputations.

The big switch is well and truly on in China. The state-directed and monolithic official media in the People's Republic is being substituted by online channels as the primary source of information by an increasing number of citizens, who are supporting 221 million blogs, 117 million Bulletin Board Systems (BBS), and joining 176 million users of dedicated social networking web sites.¹

And forget about a considered mixing of traditional media and online media information sources for China's 400 million online users.

Unlike their peers in Europe, North America, Hong Kong, Singapore or Australia, scores of millions of China's citizens with online access — most of them urban, and with the income and education to access mobile telephones or personal computers — are substituting traditional media and information channels for online platforms.

Substituting, not supplementing

For corporations competing to make their mark and establish high reputations for their products and services and employer brands in a commoditised marketplace, the implications of the world's largest ever, single media mass migration are profound.

While direct political comment about domestic affairs or criticism of the government remains out of bounds, hundreds of millions of consumers and stakeholders are making, reading or watching comments and perceptions about companies, products and services online.

My observations, conversations and discussions with colleagues and business associates in China over many years suggests that frequently, comment and views published on social media platforms — and the word of mouth communication this generates — is perceived to be more objective and trusted than other information channels. There is much research that supports this view.

Though the so-called 'Great Firewall of China' (operated by the national Ministry for Public Security since 2003), blocks social media websites deemed to pose a threat to the national interest (including Facebook, Twitter and some search engines), millions of Chinese netizens (internet citizens) engage daily with social media sites to exchange views and opinion.

As of mid-2010, the Chinese social networking site Qzone, for instance, was claimed to be the world's largest. It had 310 million users, equivalent to the population of the United States.

While Ministry for Public Security surveillance of websites seeks to restrict comment, opinion and viewpoints about most political matters in China not sanctioned by the government, comment and opinion about most corporations, products, services, and brands is robust, and unrestrained — and especially in the case of foreign entities.

The popularity of Bulletin Board Systems (117 million BBSs) — online bulletin boards on which photographs, videos and comment can be posted anonymously — suggests further citizen skepticism about the objectivity of mainstream media.

(Citizens in China who engage in social media and comment on issues can increasingly find themselves ahead of the capacity of Great Firewall guardians to understand the trickles of comment and opinion about corporations that swell to become a wave of urban public opinion.)

Online comment and angst in early 2010 about worker conditions and suicides at plants operated by electronics component manufacturer Foxconn International Holdings, spilled into the international sphere and into the political sphere in China, seemingly catching some Chinese officials off-guard.

Much of this online comment would have been posted and observed by social media users via their mobile phone. According to McKinsey & Co (McKinsey Quarterly, September 2010), 30 million citizens of China access social media by mobile phone only, and 200 million people via mobile phone and personal computer.

How are China's citizens using social media?

I have collated research from various sources to provide corporate public affairs practitioners with an overview of how social media is used by the citizens of China (note that McKinsey estimates that 55 per cent of the population of China will have access to the Internet by 2015).

According to Forrester Research (2009), users of online media in China are very social indeed, and engage in behaviors which see them connecting regularly with other citizens online. Of the 117 million citizens of China who use social media:

- 47 per cent are Creators — publish blogs, own web pages, upload videos, upload music, write and post articles or stories, use wikis (this compares to 21 per cent of US internet users who say they create content);
- 44 per cent are Critics — post ratings, reviews, comment on someone else's blog, contribute to online forums or wikis, comment on articles and stories;
- 34 per cent are Collectors — use RSS feeds, add tags to web comments or photos, or vote for websites, products or services;
- 23 per cent are Joiners — visit social networking sites, maintain a profile on a social networking site;
- 71 per cent are Spectators — read blogs, watch videos, listen to podcasts, read customer ratings, read online forums, stories and articles;
- 25 per cent are Inactives — involved in none of the behaviours noted above.

According to research from Millward Brown (adReaction, 2009), just over half of Internet users in China

Quick figures: Social media use in China

- 420 million Internet users in 2009 — 30 per cent of the population (McKinsey, September 2010)
- 740 million expected Internet users in 2015 — 55 per cent of the population (ibid, McKinsey)
- 220 million use online video (Ignite Social Media, 2010)
- 117 million Bulletin Board Systems (ibid, Tobin)
- 176 million social media users (ibid)
- 30 million people in China access social media via their mobile telephones (ibid)
- Most popular social media platforms: Tencent (484m active users); Qzone (310m); RenRen (230m) and; 51.com (160m) (Jim Tobin, Ignite Social Media, 2010)

'actively participate' in social networking online.

In the absence of a free and open media in China, social media vehicles offer users ready access, and good opportunity, to exchange views about products and services in particular.

According to TNS Research International (2009), 86 per cent of social media users in China have seen a positive comment about a brand on a social media site, and 90 per cent have seen a positive comment. This should be of interest to public affairs practitioners, as brand reputation is a component of corporate reputation.

The challenge for corporations managing reputation online in China

A strong characteristic of social media in China is that comment and opinion about corporations, and products and services is frequent and is unrestrained — similar to the social media environment in many other nations.

However, unlike many other nations, the absence of an objective mainstream media in China can make it more difficult for a corporation to influence or debate its corporate reputation using traditional media channels.

The very large number of social media channels in China (especially Bulletin Board Systems) and the number of users, make it challenging also for corporations to monitor and correct wrong information shared across social media platforms (powering with 21st Century rocket-fuel Winston Churchill's 20th Century comment that 'A lie gets halfway around the world before the truth has a chance to get its pants on').

According to many senior business executives working in China, managing corporate reputation online in China is extremely difficult. They list as their main challenges:

- monitoring social media comment and trends;
- assessing if and when to become involved in social media conversations about corporate reputation, issues and products and services;
- keeping abreast of the sheer number of social media and online websites and platforms;
- understanding how their employees are using social media, and what they may be publishing about their employer and workplace;
- engaging senior management with the reach and potential impact of social media in China, and internationally.

Of course, corporations trading in China face also the same conundrum as corporations internationally — is social media a threat or an opportunity for the organisation to engage and communicate with its stakeholders, including its employees, for issues management, and to manage its reputation?

Whatever the answer to this question, what is not questionable is that to effectively understand stake-

holders, manage issues and steward their reputations, companies in China need to keep up with trends and developments in social media in that nation, and be able to interpolate the impact these are having on the communities in which they operate. ■

NOTES

1 Jim Tobin, Ignite Social Media, 2010 — www.ignitesocialmedia.com
