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Making Brands

CHINA

Relevant

Message from the CEO

The first half of this year has been anything but normal. We have seen the global economy plunge; millions lose their jobs and markets as we know it irreversibly change.

Headline Story

In the past few years, livestreaming has exploded onto the online scene in China. Especially during the COVID-19 outbreak period, livestreaming has become somewhat of a marketers' savior.

Message from the Creative Director

The scope of design is extremely wide and has never been a single act. Instead, design involves the use of diversified thinking to influence people's choices. Today, we will discuss the usage of design in commercial advertising.

Campaign Spotlight

"Please surge, rising waves. We are all in the same surging river!"

Quarterly Trends

The breakout of COVID-19 caused alarm among Chinese meat lovers as consumers started to suspect animals of being virus carriers. This opened up a great opportunity for the plant-based meat market.

Partner Insights

Starting in recent years, groups have gradually realized that there is a need to establish not only brand awareness, but also group awareness. This awareness has to be built through a direct connection between the customers and the groups.

Colleague's Corner

When WeChat Mini Programs were first launched in January 2017, the new feature was heavily underestimated. Since then, this highly accessible APP inside the WeChat eco-system has become an extremely large part of the user experience on and has begun to shape the digital lifestyle.

Message from the Head of E-commerce

China is recognized as the world's largest e-commerce market. It accounts for more than 40% of global e-commerce transactions and is still growing at a rate of 27% per year.



The first half of this year has been anything but normal. We have seen the global economy plunge; millions lose their jobs and markets as we know it irreversibly change. Unfortunately, it is likely that viruses such as COVID-19 will play more of a role moving into the future and this will have a large impact on a number of industries and how they operate.

The first major change will be regarding the size and strength B2B plays for brands particularly in food service. Brands need to ensure that they have retail offerings that they can turn to in uncertain times and right now product innovation is becoming increasingly important in order to ensure that product offerings cover B2B and B2C.

At RedFern Digital we have been discussing the digitalization of markets for years and COVID-19 in our eyes has only sped up the inevitable. Entire generations in the 40+ range that never purchased online in China before have now changed their consumption patterns. Through convenience it has meant that this change in purchasing behavior has remained and online retailers have greatly benefited. Offline events and more traditional media that was often taken for granted has proved fruitless in the first half of 2020 and left many wondering of its place in advertising moving forward.

In their masses brands have moved from their offline retail stores to WeChat Mini Programs where they can list products freely and own their own traffic, develop loyalty programs and deliver directly to people's homes in more creative and personalized manners. Rotation of product through traditional offline outlets has continued to drop yet we are seeing categories as a whole on the rise. This is due to one simple reason. E-commerce.

What brands and agencies once saw as a fad, has now become a central part of the Chinese consumers journey; livestreaming. The only comparison we can draw in the west would be late night TV shopping but in China it has taken off and big names such as Austin Lee (李佳琦), have continued to sell hundreds of thousands of products within minutes. Although it may not be for an eternity, livestreaming is filling a void in the market that in-store promotion staff cannot.

The way in which brands are innovating, categories growing but more importantly how these products are selling will never be the same. Brands looking at China right need to understand that now more than ever is the perfect opportunity for them to enter. E-commerce is the least segmented channel in China. Unlike in most countries where 2-5 major supermarkets rule the offline, China's offline market is fragmented into hundreds of chains in which brands battle it out for shelf space in the hope that they will be noticed and purchased. As consumers of all ages, genders and geographies turn to e-commerce, it offers an opportunity for brands to digitalize their offering and for them to develop a more focused, effective strategy.

The time of entering China by finding a distributor to put your products in premium offline retail stores is over and brands must look to e-commerce and the Social Media platforms that drive this channel in order to prosper in this market.

In this issue we will dive into contemporary issues that brands in China are facing in the digital world and provide insight into some of the most recent changes that we are seeing in the market and how brands can adapt to these.

I hope everyone is able to gain some insight from this issue of the Red Edition and wish that you, your colleague and families are safe in these uncertain times.

- Ryan Molloy, CEO







The rise of livestreaming in China

In the past few years, livestreaming has exploded onto the online scene in China, taking over and combining entertainment and e-commerce. During the COVID-19 outbreak period, offline stores were forced to close due to quarantine, which caused many businesses to start pursuing online sales channels instead.

Fast facts:

- In February 2020, the number of new merchants that began to use Taobao Live saw an increase of 719% month-on-month.
- From February to March, the number of livestreaming sessions on Pinduoduo increased by over 5 times.
- According to data from iMedia, the number of people participating in the live streaming industry in China reached 504 million in 2019, and is estimated to reach 526 million in 2020, with the COVID-19 situation providing a boost to this trend.

Why use livestreaming for E-commerce?

The advantage of livestreaming as an e-commerce tool is that it provides an interactive and engaging method to allow the livestream host to display products, provide information, answer consumer questions, and ultimately encourage the viewers to purchase the product or service.

As hosts are talking in real-time and viewers can interact with them in real-time, livestreams are generally perceived as being authentic and credible for the audience. Therefore, advertisements or promotions in the stream are also perceived as being more relatable and natural.

The closest online version of an offline experience

Livestreams are the closest online method of replicating an offline experience when it comes to shopping. For livestreams centered around product promotions, the host can display the product in real-time, demonstrating its sizing, appearance and functionality. Although viewers cannot directly interact with the product being shown, they can interact with the host and ask questions, just as they would with a salesperson at an offline shop. Therefore, through livestreams, brands are able to create a more personal experience for potential consumers, especially in cities where the brand does not have an offline store.

Exposure not profit

Livestreams hosted by top KOLs are known for being able to sell large amounts of product in a short period of time. However, despite huge sales, these livestreams generally do not offer brands a very high ROI. The reason for this is a combination of the KOL's base fee, the high commission rate that KOLs ask for (sometimes reaching over 30%), and the large discounts that the KOLs require the brand to provide. Therefore, products sold during these types of livestreams are effective in creating widespread awareness, due to the large number of viewers watching the stream and buying the products, but are less effective at generating profit for the brand.



Types of Livestreams

There are two main types of livestreams that brands use for marketing or promotional purposes.

KOL livestreams.

The brand will cooperate with the KOL in promoting a product or service to the KOL's followers. These livestreams could be dedicated to a single product, include a range of different products, or simply include the products during an unboxing session. Livestreams that are hosted by KOLs tend to attract massive audiences and are effective at driving sales.

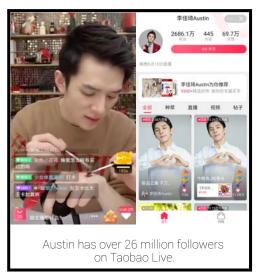
Examples of when this type of livestream is used include: Brand campaign promotions, product launches, brand introductions to market

Internal livestreams.

Many brands have also started holding employee livestreams as well. Occasionally, the livestream host is the founder or CEO of the brand, while other times, the brand builds up an internal livestreaming team, with the employees trained to become online equivalents of salespeople. As these teams are internal, the brand has a lot more control over what is said during the livestream and does not need to pay the commission or fee that KOLs ask for.

Examples of when this type of livestream is used include: Brand education, customer service, customer relationship management, frequent streams, brand announcements.





Viya (薇娅) and Austin Li (李佳琦) are two of the largest KOL livestreamers in China.

KOL Livestream Campaigns

On 1st April 2020, a rocket launch service was sold for 40 million RMB during a Taobao livestream hosted by Viya Huang, one of the biggest live streamers in China. The service will be provided by a subsidiary of the China Aerospace Science and Industry Corporation called ExPace.

In another livestreaming session, Viya's followers bought around 70,000 boxes of the spicy duck necks that she was selling. During the stream, she told the viewers that the duck necks were freshly prepared, and that part of the profits would go to a Wuhan recovery charity initiative to help with virus-related issues

Brand Efforts

During the COVID-19 outbreak period in China, Forest Cabin, a Chinese skincare brand, closed over half of its stores in the country. To combat their loss in sales, hundreds of the brands salespeople were brought online to host their own livestreams. As a result of this move, Forest Cabin's sales during the first half of February rose back up until they were 45% greater compared to the previous year.

Han Guang Bai Huo, a retail brand, conducted livestreams that caused sales to increase for a single item by 300% in one day. Each livestream received more than 10,000 views.

Many other brands launched livestreaming efforts through WeChat Mini Programs, some of these included:

- Eifini, a women's apparel brand that generated an increase in traffic to the Mini Program by 566% after livestreaming and a jump in sales of 372%, all within a month.
- Misifu, a beauty brand that received an increase in sales of 300% and an increase of average transaction value of 70% after livestreaming and when compared to the previous month.
- BBG, a retail brand that sold over 400,000 RMB within the first 30 minutes of its initial livestream and had a purchase conversion rate of 15.3% during the stream.



During this year's 6.18 shopping festival, a number of CEOs, Presidents, Chairmen and General Managers from major electronics companies will be hosting their own livestreams through JD. The image above lists several of the brands that will be hosting livestreams from June 1st to June 18th.

6.18.2020

Preparations for the upcoming 6.18 shopping holiday have already been in progress for the past month and the prewarm stage began to kick in towards the end of May. Livestreaming will be a huge part of the June 18th shopping holiday, with KOLs already booked and scheduled to hold livestreaming sessions to promote specific products and brands.

Preparation

10th May – 15th May

Start considering their activity plan, goals and budget for the upcoming 6.18 shopping holiday. Part of this is determining the products that will be promoted and the discounts that will be provided.

Build up excitement among fans

16th May – 24th May

Engage with fans before the shopping festival, building up hype for the event. Options for doing this include live streams conducted by brand employees, customer service chats, engagement through Mini Programs, etc.

Lock in the live streamers that will be doing promotions.

Warm-up sales

1st-15th June

Begin sales for the most popular products. Different categories will have different dates to focus on, with each day having its own theme for livestreaming.

4th June: Fresh produce

5th June: Beauty6th June: Fashion

• 7th June: Sports and exercise

8th June: Tmall Global

9th June: Household appliances

10th June: Electronics11th June: Mother & Baby12th June: Home improvement

13th – 15th: The last couple of days before 6.18.
 Warm-up videos by the brand can be released.

Shopping festival

16 - 18th June

The final sprint for sales. Livestreams during this time period will focus on discounts, lottery draws, and coupons. Live streamers will be energetic and try to create a sense of urgency among viewers to encourage immediate purchase.

Sometimes new products will be launched during the 618 shopping holiday as well.

Post-festival adjustments

19th June – 20th June

Complete final sales and take stock of leftover inventory from the event.

Review activities and performance during the event, such as analyzing brand exposure, viewer interaction, conversion rate, transaction volume, customer unit price, profit, etc.

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Shanghai Fashion Week

From March 24th to March 30th of this year, Shanghai Fashion Week became the first ever fashion week to be held entirely online. Showcases and runways were livestreamed online through Tmall and included more than 150 designers and brands. Showcases that were streamed on the first day received over 2.5 million views, which then increased to 11 million views by the end of fashion week. During this period, more than 20 million RMB worth of merchandise was purchased.

Shanghai Fashion Week heavily relied on livestreams to allow viewers to either view the 'rooms' of various designers or brands or watch closed runway shows. To increase interest and interactivity, designers and presenters also occasionally joined the livestreams to discuss inspirations or to provide more information on the collection. Pieces from the various collections that were showcased could then be purchased immediately as they were shown online through a 'See now, Buy now" system.

By holding Shanghai Fashion Week online, the importance of livestreaming is once again demonstrated on a large scale. During the week, Alibaba was able to show off their livestreaming capabilities and allow anyone with a Tmall customer account to gain access to the event.



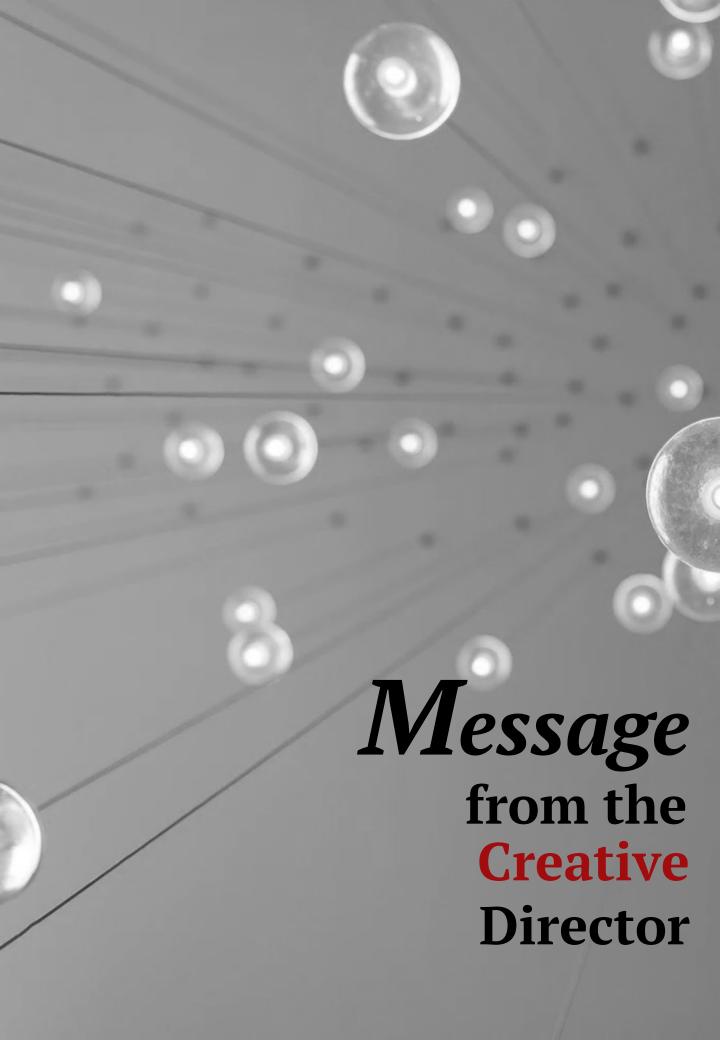


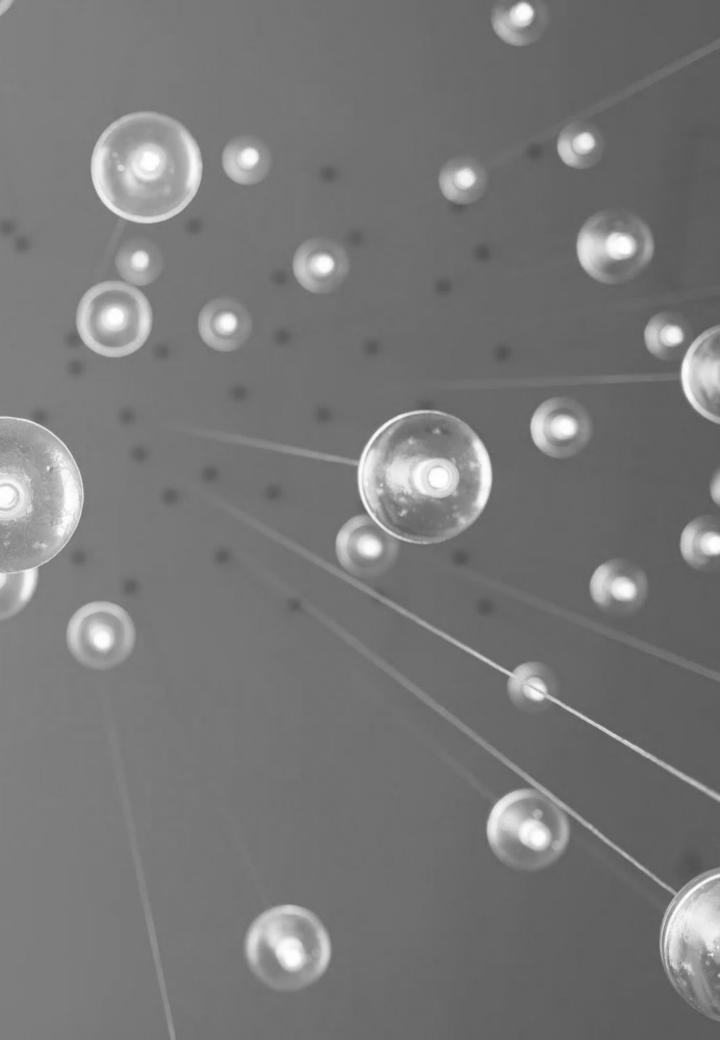




Livestreamed fashion shows from Shanghai Fashion Week 2020.

Although livestreaming has become an extremely successful and effective method of promotion for brands and organizations, it is not a standalone marketing tool. Instead, livestreams should just be one of several touchpoints that brands use to interact with and increase purchase intent among consumers.





When we look at Design

The scope of design is extremely wide and has never been a single act. Instead, design involves the use of diversified thinking to influence people's choices. Today, we will discuss the usage of design in commercial advertising.

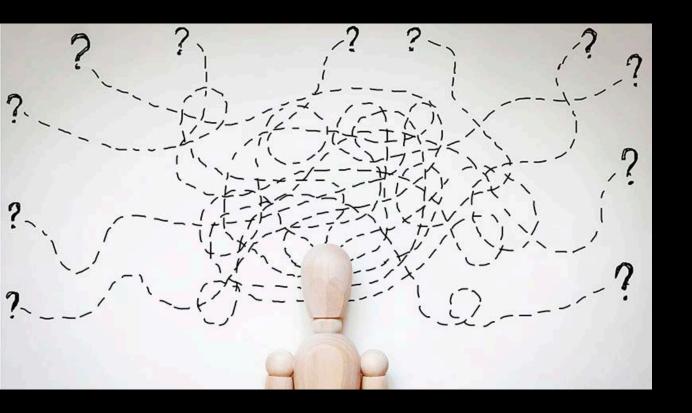
The purpose of design in advertising is to deliver information.

In this era of information overload, the designer's primary task is to transmit brand information logically and clearly. To do so, we must first understand that the human brain has a limited ability to process information. In cognitive psychology, the term cognitive load is used to describe the amount of working memory that the brain is processing.

When consumers receive an overly complex design, they are likely to become overwhelmed by the amount of information being processed, which may result in confusion, resistance or avoidance.

To enhance the consumer's experience when viewing an advertisement and to build up the brand image, several key points in design should be considered.

Cognitive load should be reduced in the era of information.



You have a brilliant idea, but is it easy to understand?

If the advertisement you designed is very creative and original, but the general public cannot understand the idea you are trying to convey, then your advertisement will not be successful. Instead, well-designed advertisements usually stem from a simple idea that is explored using multiple different perspectives. As the idea itself speaks to a common experience or interest that everyone can understand, the advertisement will then be able to inspire or create positive associations among viewers.



KFC'S "HOT & SPICY" POSTER TAKES ADVANTAGE OF THE POPULARITY OF "GAME OF THRONES"

BURGER KING'S ADVERTISEMENT FOR THEIR FLAME GRILLED PRODUCTS, USING PHOTOGRAPHS OF REAL BURGER KING RESTAURANTS THAT HAVE CAUGHT ON FIRE IN THE PAST.

Why are most advertisements highly visual and well-illustrated?

Viewers generally have a short attention span and don't spend very long reading advertisements. Therefore, the advertisement should have an effective design and layout that emphasizes the key points the designer is trying to convey. If the visuals and catchphrases stand out and are easy to digest, then the advertisement will be more memorable and compelling.

Advertisements that use humor and appeal to emotions are often more engaging to viewers.

Brand advertising should be people-oriented. And appeal to the viewers' emotions, for example through humor or emotional appeal. Doing so allows the 'simple' advertisements to become a much more interactive and interesting experience.



IKEA'S ADVERTISEMENT



OCA-COLA'S OUTDOOR PUBLIC SERVICE ADVERTISEMENT



Last, but not least...

The importance of maintaining a consistent tone in branding and design.

Why do brands need to conduct 'Branding'?

A brand can be compared to a person and should have a 'personality' that is consistent for each interaction. If the branding becomes erratic, viewers will not be able to make sense of the brand, just as you wouldn't be able to understand a person whose personality keeps changing. Therefore, maintaining a consistent style and design that represents the brand is important for building up brand image.

The impact of an increase in consumption on the use of emotions in design.

The Chinese phrase "消费升级" (rise in consumption) has been thrown around for the past ten years, but what exactly does it mean and what role does it play when it comes to design?

How can we explain "消费升级"? To put it simply, when income increases, people are able to increase their expenditure by purchasing more types of products at higher price points. As a result, consumers have changed their habits from making purchases out of necessity, to making purchases out of pure desire.

This reflects the following sentiment: "I don't think it's a necessity, but I want it."

Therefore, demand for mid to high-end consumer goods has grown. The growth in demand initially focused on products with different functions and features, but has now evolved into a demand for products that bring materialist or sensory joy.

We can look at this from three different levels.





UNIONPAY ADVERTISEMENT FOR "62 CARNIVAL"

When you buy a product, its quality is great, it provides a good user experience, etc. These factors are part of the first level.

The product has become a symbol of your identity and an expression of your lifestyle or personality. These factors encompass the second level.

When the brand of the product becomes a symbol and has an effect on cultural and individual identity. This is the final level.

With the rise in consumption, the use of emotions in design can help brands better reach the second and third level.







ADVERTISEMENT FOR BAIDU. TEXT IS TELLING VIEWERS TO SEARCH THROUGH BAIDU IN TIMES OF STRESS OR DIFFICULTY.

Consumers are more likely to resonate and connect with designs that appeal to emotions. A brand may come up with thousands of concepts, but when it comes to design, credibility and an appeal to appropriate values will always be the basis in which the brand can entice and impress consumers.



"Please surge, rising waves.
We are all in the same surging river!"

奔涌吧,后浪。 我们同在一条奔涌的河流!

'Rising Waves': Getting out of the circle

"Please surge, rising waves. We are all in the same surging river!"

Ending in a passionate entreaty, Rising Waves, a speech posted by Bilibili on the Fourth of May, received over 1 million views within 3 hours of release. It has become one of the most widely viewed and discussed campaigns in China after the COVID-19 outbreak and has received a mixture of different reactions.

Actor He Bing, well known by different age groups, presented this motivational speech that empowers the younger generation by calling them 'rising waves', a phrase adapted from an ancient Chinese idiom, 'the rising waves overthrow the old (长江后浪推前浪)'.

The video shows He Bing standing in a spotlight in the dark and includes a montage of video footage taken from different Bilibili KOLs, showcasing them trying out new technology, traveling, studying, expressing or exploring new interests, etc.

"What you possess is what we used to yearn for — the freedom of choice; what grasps your passion is your life."

The speech conveyed manifesto-like messages to compliment the younger generation's creativity and courage, and to assert that they all have the right to pursue their own paths.

After Bilibili posted this commercial across major social platforms on Youth Day in China (4th May 2020), the video went viral. Many young users shared the commercial on social media, and discussed how its message resonated with them.

The video streaming platform Bilibili has long been known as a platform mostly used by the younger generation, with over 80% of users aged under 24 years old. The content on Bilibili is mostly separated into niche topics such as animation, comics, games, etc. Although the campaign also received criticism online, including comments on its 'lack of true empathy' or 'ignorance of the reality of pressure', it was still a success in terms of building awareness and helping Bilibili reach a wider audience. After the campaign was released, Bilibili's stocks went up 4% and became valued at RMB 3.4 billion overnight.

Through the campaign, Bilibili has finally come 'out of the circle' (in Chinese: 出圈) — a phrase that describes a niche culture or person becoming well known by the mass market.

In reflection of the younger generation becoming more impactful and noisier online, Bilibili has also shown its ambition in taking the company to the next level. For instance, the Chinese New Year Gala hosted by Bilibili at the beginning of 2020 was highly recognized for its adoption of nostalgic elements that resonate with large user groups.

The phrase, the 'rising wave', refers to the Gen Z population in China. The campaign and its use of this phrase has allowed Bilibili to spread the following message to 'decision makes' and the mass market: Bilibili is no longer just a subculture community, but has become a lifestyle, an attitude and a powerful channel that speaks to the younger generation.

The success of Bilibili's campaign is not a coincidence. Rather, it is the outcome of understanding the 'pain points of emotion', finding the proper tone of speaking, and strategically and selectively selling 'empowerment' with a clearly commercial purpose. Even though the campaign became controversial and received mixed reactions, in the era of a constant flow of information, Bilibili was able to break out and give themselves more widespread recognition and opportunities.









Plant-based 'meat': an opportunity or a flash in the pan?

The breakout of COVID-19 caused alarm among Chinese meat lovers as consumers started to suspect animals of being virus carriers. This opened up a great opportunity for the vegan meat market. On 20th April, KFC first announced the launch of their plant-based chicken nuggets. One day after, Starbucks introduced their 5 vegan meat products and chose the Chinese celebrity Li Yu Chun as their vegan meat brand ambassador.

Currently, KFC has over 6,000 restaurants in China and Starbucks has over 4,000 coffee shops. In total, there are over 10,000 restaurants selling vegan meat nationwide. This has provided the category overall with a major push in the China market.

Plant-based meat 1.0 vs. plant-based meat 2.0

China has a long history of eating plant-based foods, with local businesses producing plant-based dishes for over 10 years. In 2019, vegetarians accounted for 3.6% of the entire population.

In recent years, a few start-ups and foreign brands have begun to realize the opportunity in this niche and have entered the market, bringing with them new technologies and product innovation.



Rice Dumpling



Cold dishes (Vegetarian chicken/ duck/goose)



Vegetarian Dong Po pork



Konjak crisps



Plant-based sausage



Plant-based Jerky



Plant-based patty



Plant-based nuggets



Plant-based burger

Traditional Dishes

Snacks & Bites

Western Style

Expanding fast through restaurants

The 'new' vegetarian meat has been spreading through western-style channels and is the most exciting for the younger generations. This younger generation are the key consumers of fast foods and are often early adopters of novelties. They live a healthy lifestyle and wish to nourish their lives with interesting new products.

Therefore, to seize the interest of young foodies, brands like KFC markets their meatless products, such as the meatless 'chicken nuggets', through claims that include "quality protein" and "free from cholesterol".

Working with big fast food chains is a quick pathway for a new category to open up in the market. However, as consumers are currently still lacking in education on cooking and eating plant-based 'meats' at home, working with larger catering chains could help to raise product acceptance among Chinese consumers.

November, 2019

Wagas Green Monday (Omni pork)

December, 2019

Taco Bell Green Monday (Omni pork)

April, 2020

Papa Johns Starfield

Starbucks
Beyond meat & Green Monday (Omni Pork)

KFC Cargill

May, 2020

Heytea Starfield

Storming CBEC stores

Omnipork launched their first retail product during the 2019 Black Friday Shopping Festival and operated under a cold-chain cross-border shopping model. They sold 4000 plant-based pork products in 2 days and 1500 plant-based chicken products on the day of the launch.

Shan Xi, head of Tmall Global's food sector, explained that:

"The consumers are mainly post-90s and -95s who live in first-tier cities. These people show strong purchase intention for new trends and product concepts, and they appreciate low fat & low-calorie diets."

According to Tmall, 54% of plant-based meat purchases came from post-90s consumers and 26% from post-95s. This means that consumers living in Shanghai, Beijing, Hangzhou, Shenzhen and Guangzhou purchased over half of the products.

What about the Chinese officials?

Generally, the Chinese government has shown strong support for NPD in the plant-based meat industry. They are proactively working on specific regulations & enforcements to regulate the industry and pave the way for new innovations and potential commercialization opportunities. More specifically:

In 2019, the government started to develop the project of 'National standard for plant-based protein meats' (植物蛋白肉国家标准制定)

In 2020, the project received final approval and was put into place.

The Chinese Academy of Engineering launched the project, "Strategic consulting project of the Chinese Academy of Engineering on the developmental strategy of biological meat cultivation", which will formulate the agenda of "meat cultivation" from a strategic standpoint.

What do *people* say about it?

A big issue for plant-based meat is its pricing. Plant-based meat is even more expensive than normal meat products, which is a factor preventing more people from purchasing. Aside from that, although plant-based meat is an environmentally friendly alternative to meat, when it comes to food purchases, the top concern lies in taste and not environmental friendliness.

今天冲动并豁着尝鲜的勇气买了星巴克的"人造肉" 千层面, 新贵和新宠的感觉不大, 新出的比较贵还 是更明显感觉(各种豆的蛋白替换,逼近肉本身的 口感,本人对此项新技术可能无感,不过能解决食 物危机还是持支持态度的,对素食主义食者是个不 错的选择吧)口感怎么说呢……因人而异吧还是能 感觉到差异,有点点苦? (我的味觉怎么了

3)。另外配的餐具很好看挺有质感的,但是怎么 感觉不环保呢?

优缺点,配比总体价格...呃.. 控制...控制...冲动消费





"I tried Starbucks' vegetarian lasagna today. My only feelings towards it is that it is so expensive. I don't have any comment towards the production technology, but I would like to put my hands up if it is friendly for the environment and can help with the food crisis. In regard to taste...it does offer a meaty feeling. Overall, I feel it does not provide enough value for its price.""

坐了半个小时的地铁来肯德基绿店打卡,我是真爱 了,鸡块还真有你的,味道可,看来没白抢!#肯 德基新能源#



"Spent half an hour at this KFC just to try the new launch. Worthy of the name KFC! It tastes really good."

#星善食主义##星巴克#

最近尝试了两款星膳食系列的饭饭 蘑菇谷物碗

浓郁的奶油蘑菇酱,酱中混合着人造肉,但是会给 人以真实的肉的愉悦,配上软硬恰到好处的藜麦 饭,让本来觉得应该是很难入口的健身餐,硬生生 地吃出了幸福的味道!一道口满满的幸福! 上层蔬菜格子里,烤的甜甜的彩椒,脆脆的芦笋, 还有恰到好处的南瓜片,在满足了维生素的无数的 同时,难得的让我满足的主动去吃蔬菜!土豆中混 合着奶油的醇香,这是什么神仙啊 🖎



"Recently, I tried two of Starbucks' new plant-based offerings. Really creamy sauce, mixed with plantbased meats, it gives you the joy of eating meat. It also pairs well with cooked quinoa. It's a great way to upgrade your workout meal. So satisfying!"

#肯德基新能源#植培黄金鸡块卡/差一点直肉的口 咸#麦食#



"Still pretty far away from real meat."



第一次尝试人造肉包的素馅的馄饨也可以这么好吃、鸡 块也不错, 发货快



"Using plant-based meats to make dumplings. Delicious! Plant-based nuggets are nice too."



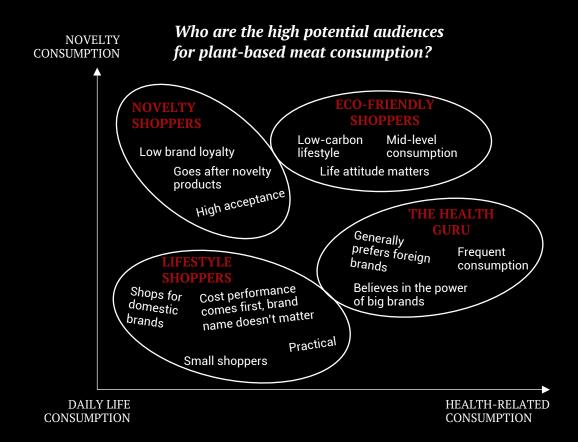
1、性价比:分量比较少、有点贵、性价比不高。2. 口 感: ①一打开就很大一股香精的味道。 ②如果烹饪调料 调得比较好那还能吃,调得一般那就不行。 ③ 吃的时候 有很明显的香菇的味道,咀嚼时也是香菇的口感。 综

浏览 4 次 ⊕ 评论 △ 有用 …

"1. Cost performance: Very small servings, a bit expensive, low cost performance. 2. Taste and feeling in the mouth: really strong artificial smell when I first opened the package. It is consumable if you have really good cooking sauces. 3. Really strong taste and texture of mushrooms. Overall, not delicious "

Key takeaways

- 1. At the current stage, plant-based meat consumption is still dominated by the younger generations based in higher-tier cities.
- 2. The main motivations for buying and eating meat still lies in pricing, flavor, availability and health. The technology or environmental-friendliness behind plant-based alternatives it not yet strong enough to drive sales in the long-term.
- 3. Pricing is a major barrier to the popularization of plant-based meats. It is doubtful that plant-based meats will 100% replace real meat. However, as technology advances, plant-based meats may still find their own popularized niche, especially as the products are further developed to better resemble real meat.
- 4. With the government putting regulations in place and diversifying demand for food varieties, plant-based meats may shift from being a novelty to becoming a daily necessity.





Over the past decades, the names of leading FMCG/F&B groups such as AB Inbev, Pernod Ricard, RB, etc. were not as likely to become well-known by end-customers as the brands that belong to each group. As a result of the effort in self-promotion and marketing that goes into the individual brands, the linkage between brand and group is relatively loose.

For a long time, this situation worked for the groups as their sales relied heavily on the traditional sales channels (distribution and retailers) and the results were seen to be very successful.

Starting in recent years, groups have gradually realized that there is a need to establish not only brand awareness, but also group awareness. This awareness has to be built through a direct connection between the customers and the groups.

Pernod Ricard was the pioneer of concept Drink & Co. offers online and offline activities to its customers/users. Online, a community based Mini Program grants users the opportunity to access Pernod Ricard's signature cocktail recipes, all the ingredients of which can be purchased directly from the same Mini Program without hesitation. Other than the Program also offers 'Friend & Family' discounts to users that have been invited to this Mini Program by others, giving a strong incentive sharing. This was a smart way for without having to spend a fortune.







Sinodis shared the same great idea. Sinodis is the leading dairy products distributor in China. While Chinese customers can easily find their various dairy products in any supermarket / online shop, only a few have heard of the name Sinodis. This lively Mini Program has been designed & built under these circumstances.

The Mini Program is an online community for dairy product lovers. On the Mini Program, users can not only find recipes uploaded by famous chefs hired by Sinodis, but can also share their own recipes and cooking stories. Aside from recipes liking/sharing/commenting, are encouraged with rewards. Points are generated for users through their engagements, and can be exchanged for free products.

Both Mini Programs showed tremendous success, especially during the quarantine period. In the future. I believe we will start seeing more and more activity from groups that once-used-to-have unfamiliar names. With the increase in competition, groups and brands selling. The connection between customers needs to be built and loyalty formed. The private data for 'who is who' and 'who likes what' needs to be carefully collected and curated to create a unique user experience that will bring the best ROL

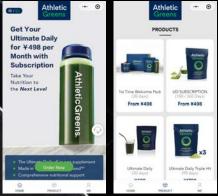




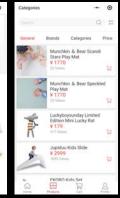




Different types of Mini Programs







Stores are one of the most popular types of WeChat Mini Programs. Above are two examples of Mini Program stores for the brands Athletic Greens and modern littles.

Mini Program dictionary: 网易有道词典



Mini Program to aid in falling asleep: 小睡眠



Mini Program to book travel plans: 去哪儿机票



Mini Program for reading books: QQ阅读



When WeChat Mini Programs were first launched in January 2017, the new feature was heavily underestimated. Since then, this highly accessible APP inside the WeChat eco-system has become an extremely large part of the user experience on WeChat and has begun to shape the digital lifestyle.

Although nearly all of the major digital or technology companies are marching towards developing their own Mini Program features, Tencent was the pioneer and has remained the largest player, especially with its constant optimizations and upgrades on user experience and developer empowerment. According to Tencent's latest released financial results in Q1 2020, the number of daily active users of WeChat Mini Programs has exceeded 400 million, within which the grocery shopping and public service categories have had the strongest presence. With the structure of user behavior gradually changing from offline to online, WeChat has become further integrated into our daily lives through Mini Programs.

According to aldzs.com, a 3rd party statistical platform that focuses on Mini Programs, tremendous growth was witnessed in the first two months of 2020, with 600,000 new Mini Programs created. Due to COVID-19, businesses in China have been forced to embrace new digital approaches to remain connected with their audience and customers. This is especially true for industries that have traditionally required a high cost to educate the market, such as in retail.

New features and trends for WeChat Mini Programs

The iOS 7.0.13 Beta version of WeChat added "大家在看" in the "Mini Programs" section under "Discover", which not only classifies the Mini Programs into different categories, but also enables users to see the most popular Mini Programs used by friends.

Tencent has been optimizing the search engine within WeChat since 2014, back when users could only search for chats and official accounts. With the rapid growth in the variety and number of Mini Programs, the ultimate goal for WeChat is to provide traffic towards Mini Programs with all kinds of functionalities, allowing users to search for what they need while remaining inside the WeChat eco-system.

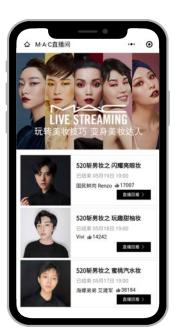
In order to join in on an extremely popular trend for 2020, WeChat Mini Programs launched beta testing for a new livestreaming feature in February. Many brands have been utilizing this new feature to drive traffic and sales, these have been predominantly in the fashion, beauty and retail industries.

- In February, with the help of WeChat Mini Program livestreaming, 26 WeChat Mini Programs experienced more than one million RMB in transactions in one day. Of those 26, 7 generated more than 100 million RMB in one month.
- On Women's Day this year, there were around 1,000 brands who conducted livestreams through their own Mini Programs. The most popular livestreams received over 20,000 shares on WeChat.

WeChat Livestreaming Example: M.A.C Cosmetics



Livestreams can be accessed through the search bar.



Past livestreams that M.A.C has conducted through WeChat Mini Program Livestreaming

Supported by WeChat, WeChat Mini Program livestreaming has the following characteristics when compared to the major players in the market:

Private traffic, a closed loop system.

Blended seamlessly into the WeChat eco-system, Mini Program livestreams can be accessed through personal chat, WeChat groups, Moments and official accounts, through which followers can subscribe to get future notifications. This gives the brand more chances to engage with existing followers.

It's more about the brand rather than the speaker.

A typical user journey on other platforms would be: a user stumbling across a KOL livestreamer through their feed, getting "seeded" and placing an order. This is all very dependent on the ability of and trust in the spokesperson.

On the other hand, most of the initial viewers of the WeChat Mini Program livestreams already know the brand and are subscribed, so they will enter the livestream to show their support or to further engage with the brand. In these cases, the brand has more control over the cost, quality and content of the livestream — often the host will be their own employee.

One Mini Program to do it all, a better user experience.

Instead of getting redirected to other APPs and Mini Programs, visits, engagements and transactions will all happen within the brands' own WeChat Mini Program. This allows the brand more control over decisions such as when to launch the livestream, what content to include in the livestream or what types of promotional activity will be involved (e.g. lucky draws, coupons and discounts).

Get invited and get prepared.

There are certain requirements that a brand needs to meet in order to get invited to start WeChat Mini Program livestreaming. These requirements include category fit, transactions in the last 90 days, number of followers on the official account and daily active users (DAU).

Brands invited to conduct beta testing can apply for the plug-in function from the Mini Program backend, which adds livestreaming to the coding package. 20% of the brands who have utilized the WeChat Mini Program livestreaming feature spend less than 24 hours going from preparation to kick-off.



In a way, COVID-19 has facilitated the digital integration of brands because it has irreversibly changed consumer behavior in several industries. Mini Programs, with their combability and accessibility within the Tencent eco-system, have become key touchpoints for connecting the brand with consumers

We believe huge potential lies in the future of WeChat Mini Programs, especially with the constant optimizations on functionality and user experiences that Tencent carries out.

Message from the Head of E-commerce





Discussing the State of E-commerce

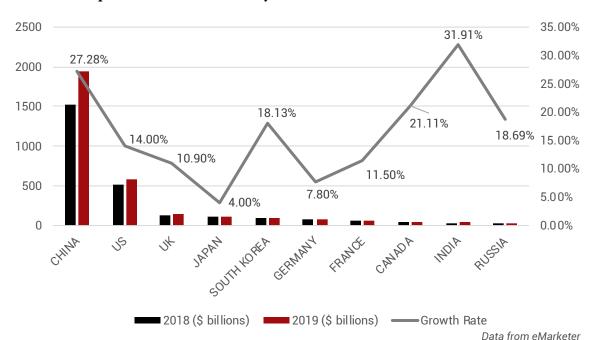
China is recognized as the world's largest e-commerce market. It accounts for more than 40% of global e-commerce transactions and is still growing at a rate of 27% per year.

According to data from iMedia Research, in the first half of 2019, China's total online retail sales reached 19520.97 billion RMB and accounted for 24.7% of total retail sales in the country (online and offline). In 2019, the number of people making use of mobile ecommerce in China is estimated to have exceeded 700 million.

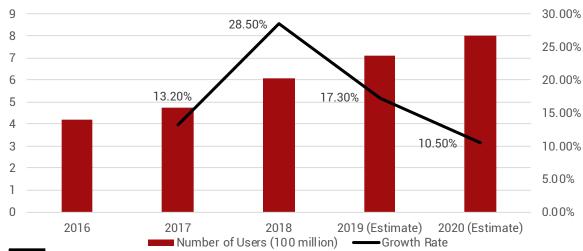
Economic development in China has also led to the prioritization of infrastructure development in first and second-tier cities, such as the construction of roads, of communication equipment and facilities, and of network logistics. This has helped to facilitate the rapid development of e-commerce, allowing the platforms Tmall and JD to become the two giants of integrated

e-commerce in China.

Top 10 countries ranked by E-commerce sales from 2018-2019



Estimated number of mobile E-commerce users from 2016-2020



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Data from iMedia Research

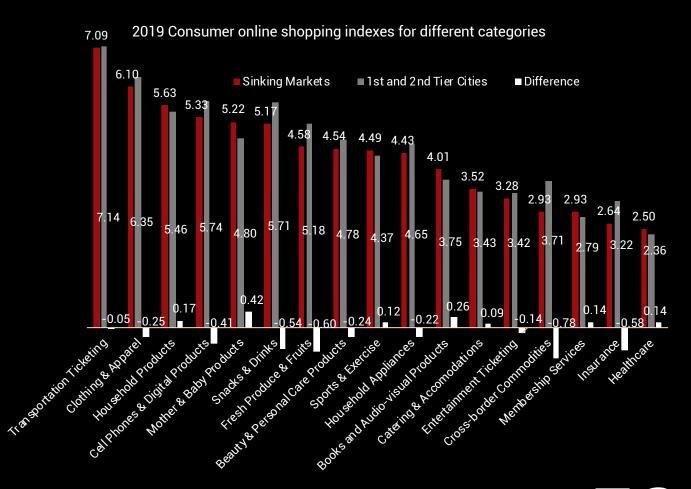
The **Sinking** Market

As mobile technology and internet access has developed rapidly in the past decade, user groups in first and second tier cities are reaching saturation in terms of usage. As a result, the considerable traffic and commercial value contained in sinking markets represented by third, fourth and fifth-tier cities and rural township areas are becoming increasingly prominent. The rise of Pinduoduo kicked off the appearance of the sinking market, after which the massive surge in popularity of Kuaishou and Toutiao led to the true awakening of this market. Thus, many brands and platforms in China have begun to shift the focus their attention.

The huge consumption potential in the sinking market is gradually being realized. Compared to the long work hours and high pressure environment that white-collar worker in first-tier cities experience, the main consumer groups in the sinking markets live a relatively more slow-paced lifestyle that gives them more time to upgrade their consumption. These consumer groups include the older and younger generations living in smaller townships, along with the more invisible new middle class.

They have money and leisure, value family and friends, love to share, and are price-sensitive. Young people in small townships are the main force of consumption in the sinking market.

The demand for online shopping in the sinking market converges with that of first and second-tier cities, thus showing a trend of diversified development across categories. The online consumer shopping index for different categories in the sinking market is not significantly different from that of first and second-tier cities in the same category. For categories including Household Products, Mother & Baby Products, Sports & Exercise, the online shopping index in the sinking market is even higher than that in first and second-tier cities. The rise of the post-90s and post-00s groups is also a major factor driving the rise in consumption that can be seen in third and fourth-tier cities.



Economic and technological developments have contributed to the rise in consumption across multiple different industries and categories. Income levels have increased and expenditure on lifestyle, education, and cultural needs will also increase correspondingly. Under these circumstances, opportunities will arise in fields such as e-commerce, education, beauty, community group purchases, entertainment and content. The widespread popularity and increasing penetration of the internet can be seen in all aspects of social life. Thus, an era of omni-channel new retail has arrived.

For e-commerce, especially retail e-commerce, omni-channel developments are inevitable. To succeed, brands must take advantage of both online and offline commerce, using digital methods to connect and build a community with past and potential consumers.

Alibaba has contributed to this development by bringing more than 1 million offline merchants online, and assisting with digital integration for these merchants. By doing this, Alibaba has helped these offline entities achieve an online presence and create a variety of new marketing models that include online interactions, live broadcasts, entertainment consumption, and domestic and overseas connectivity. By using these methods, merchants can create new shopping experiences for their customers, while also building up a consumercentric ecosystem and supply chain.

The flow of information has become one of the main methods through which consumers discover new platforms and products. At the same time, there has been an ongoing shift from product recommendations to content recommendations.

Top 3 valued digital platforms or applications for each field in the sinking market.

Work/Life Apps

58同城 安居客 BOSS官聘 (58.com) (Anjuke) (zhipin.com) 安居客 BOSS直聘 anjuke.com 企业微信 赶集网 链家 (WeChat Work) (Ganji) (lianjia.com) ganji 赶集 百姓网 贝壳找房 钉钉 (dingtalk.com) (baixing.com) (ke.com) 💽 DingTal 百姓网

Travel/Consumption

- 1	rravely consumption					
	Vacation Travel	Online Shopping	Food & Drinks	Finance		
	携程旅行 (Ctrip)	拼多多 (Pinduoduo)	饿了吗 (Elema)	支付宝 (Alipay)		
	飞 棋程旅行	Pinduoduo Inc. Together More Savings More Fin	C: 打了	支支付宝		
)	12306 (12306 China Railway)	淘宝 (Taobao)	大宗点评 (Dianping)	中国建设银行 (China Construction Bank)		
	中国铁路12306 12306 CHINA RAILWAY	淘宝网	犬女点评 dianping.com	中国建设银行 China Construction Bank		
	去哪儿旅行 (qunar.com)	美团 (Meituan)	美团外卖 (Meituan	云内付		
ılk	去哪儿? Gunar.Com ^{最 明 你 的 旅 行}	美团 美团	Takeout)	Unicarby		

Knowledge/Reading Apps

Knowleage/Reaaing Apps								
Learning/	News/	Mother &						
Education	Information	Baby						
作业帮	今日头条	小豆苗						
(Homework help)	(Toutiao)	(yeemiao.com)						
作业帮	今日头条	🥳 小豆苗						
儿歌点点	腾讯新闻	宝宝树孕育						
(ergedd.com)	(Tencent News)	(babytree)						
<u>llado</u>	⑤ 腾讯新闻	⇔ babytree						
学习通	趣头条	蜜芽宝贝						
(chaoxing.com)	(qutoutiao.net)	(mia.com)						
超星学习通	■ 趣头条	数 密芽miacom						

Entertainment/Leisure

Mobile video	Music/	Mobile	Image/
	Audio	Games	Photography
快手 (Kuaishou) 쓽快手	酷狗音乐 (kugou.com) 酷狗音乐	迷你世界	B612 - B612
^{抖音}	QQ音乐	和平精英	美图秀秀
(Douyin)	(QQ Music)		(Meitu)
ひ 抖音	<mark>《 QQ音乐</mark>		meitU美图
影视大全	网易音乐	王者荣耀	激萌
(yingshidaquan)	(music.163.com)		(Faceu)

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Source: TalkingData.

Social Commerce

Taobao Live has enormous commercialization potential as it has become an important touchpoint for consumers to find recommendations. Since Alibaba purchased Youku in 2015, the video platform has undergone a comprehensive transformation. Externally, content is created on platforms such as Youku, UC browsers, Alibaba Pictures and Sina Weibo, etc. to drive traffic to Alibaba's core e-commerce platform. At the same time, content is also created internally through the Maker Festival, Weitao and Taobao Live. As a result, Taobao has transformed into a comprehensive lifestyle platform.

With the rapid rise of social networking and e-commerce platforms, social e-commerce has become increasingly popular through leveraging traffic on social networking sites, SNS, Weibo and other social media platforms to drive sales through social interaction and user-generated content

As the number of people using social media and the average amount of time spent on it increases, brands and companies are beginning to use social commerce as a part of brand marketing and product promotion. Doing so allows these companies to better reach the target audience and increase sales, while also helping the brand to build user communities. Examples of social commerce platforms include Pinduoduo and Yunji.



The chart above displays the social commerce landscape in China during the first half of 2018.

SocialCommerce

Compared to the bottleneck that exists in traditional e-commerce marketing, the variety in content format that makes up social commerce can effectively attract traffic. Visual content, short videos, or livestreams are examples of this.

The two platforms Douyin and Kuaishou are also able to create a closed loop in terms of sales by directly linking to external e-commerce platforms such as Taobao, Youzan and Pinduoduo. More and more platforms are implementing e-commerce or livestreaming features, two trends that have surged in popularity since 2019.

During the COVID-19 outbreak, as people were unable to go outside due to quarantine, user demand for livestreams surged. This surge has created an opportunity for developing e-commerce through live streams, opening up new sales channels for previously offline stores and to a certain extent, alleviating the drop in sales that resulted from people avoiding public spaces. As a result, e-commerce through livestreams has facilitated the digital transformation of traditional industries.



The chart above shows the different segments that make up China's short video market, one of the rising trends in the country.

Future trends in China's E-commerce industry

There will be innovations in new methods of traffic acquisition.

As traffic acquisition is a top priority for brands, e-commerce platforms will continue to explore new methods of engaging users and driving sales. These methods include social commerce and livestreaming. Competition on e-commerce platforms is likely to become extremely heated.

Group purchases are gaining momentum in the market.

At the present stage, major e-commerce platforms have started paying attention to the social aspect of purchasing products. This is because of the rise in popularity of group-buying and community purchases. Therefore, competition in this new field has also started to pick up, allowing brands to gain influence through the rapid development of group purchases.

5. Content marketing and video will become important for gaining new customers.

Consumers tend to obtain fragmented information online, which is where the content marketing model of e-commerce platforms comes into play. As the development of 5G technology will lead to faster data transfer speeds, content marketing based on video will become important for platforms when acquiring new customers. Through video, brands can more easily convey brand information and promote products visually.

Consumers will pay more attention to quality and personalization when shopping through e-commerce platforms.

Due to continued improvements to supply chains, consumers are able to satisfy their diversified consumption needs through e-commerce. This has allowed users attention to shift from product diversity and cost to product quality. With the rise of consumption, major e-commerce platforms are using quality assurances to attract new consumers. With the addition of Gen Z consumers, more personalized products are one method of gaining their attention and interest.

Competition in sinking markets will become more intense.

The COVID-19 outbreak has caused the international economic situation to become uncertain. The Chinese government has repeatedly emphasized their development of new infrastructure, such as 5G networks and data centers, which will become a new pillar of industry growth and innovative investments. As a result, the penetration of e-commerce platforms has increased to new regions in China, causing an influx of new users. In the future, as consumption gradually becomes saturated among consumers in first and second tier cities, developments in the sinking market will become a new area of focus for e-commerce platforms.



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