



# INNOVATING E-COMMERCE

## VIDEO TRANSCRIPT

### **SNOW BEER AND ACCENTURE INTERACTIVE GREATER CHINA DISCUSS CREATING A CULTURAL E-COMMERCE HUB**

**INNOVATING E-COMMERCE. GOING THE CHINESE WAY: BLENDING CULTURE, CREATIVITY AND E-COMMERCE.**

**Speaker1: Outside China, when regular folks think of China advertising, this is the perception:**

#### PERCEPTION

Posters of Shanghai ladies in the 1930s. They were possibly the first KILs (influencers).

#### REALITY

The reality seems closer to sci-fi.

When you take a stroll through at the Bund in Shanghai, you can see drones ads animating in the sky forming QR codes that you can scan to download games.

Hi, my name is Mark Shan, I am the Experience Creative Lead at Accenture Interactive Greater China. Our team is called Let's Twinkle.

We come up with many "non-advertising" solutions to advertising briefs. There are 2 main reasons:

First, we treat each ad brief and a business brief. The brief is not limited to providing advertising creative ideas. We examine the essence of the business and provide assets for clients to solve their business issues.

Second, we use creative thinking to invent new business models. Culture plays a powerful role in creating distinct advertising strengths.

#### CULTURE IS POWER

Thais are famous for their wacky TV ads. Japanese are strong in design. People say we Chinese are good with money. Just kidding!

E-commerce and digital advancements are a way of life in China. Nobody carries cash nowadays. Even beggars have gone digital. This is the concept of new retail. Physical commerce and e-commerce enhancing each other.

In the west, there's a clear segregation on platforms such as e-commerce, video and search. In China, each platform has a complete ecosystem from e-commerce to social media to gaming, to influencers, to banking, to mobile wallet, to couriers.

These make e-commerce and digital highly competitive and complex. But these also open fresh creative playgrounds. I'll share some of our learnings so far.

#### MAKE THINGS HAPPEN AND FIX THINGS AS WE GO

China's marketplace and digital transformations are evolving at a super speed. We cannot afford to hesitate. We don't have time to create a perfect plan to react to this transformation. Just jump in the water. Paddle crazy like a duck. Then learn how to swim.

Here's one example of "Fix it as we go". It's a project for China's biggest homegrown beer, Snow Beer. I'll let our clients talk about their digital transformation.

Xiaohai Hou, General Manager, China Resources Snow Breweries (China) Co, LTD

Chaojiao Bi, General Manager of Marketing, China Resources Snow Breweries (China) Co, LTD



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Xiaohai Hou: In recent years, the trend is about the consumer getting more discerning. The country's economic has transitioned to producing higher quality goods. The beer industry is undergoing fundamental changes. We are on a journey to developing more sophisticated brands. The decision-making power has shifted from brands to consumers.

This is a significant change: from focusing on business objectives to focusing on consumer satisfaction. The interaction between consumers and brands has entered a new era. So we needed to reinvent our communications strategy, for a more relevant and holistic consumer experience.

Chaojiao Bi: Snow Beer has a sub-brand called superX beer. Ultimately, our goal is to create a culture that is distinctly superX. This is our long-term plan. In order to boost brand loyalty, superX needed a more innovative and holistic consumer experience.

So we approached Let's Twinkle. They proposed to do a street culture hub. This platform is meant to enhance both the physical and virtual consumer experiences. I see the digital transformation as a means, not as an end in itself.

But after Covid 19 in China, there was a ban on private gatherings beyond 10 persons. Everything that worked before, is gone. From our annual festivals, traditional sales channels to PR.

Mark Shan: We had to rethink our solution: "Who can we engage within those 10 persons?". You know, in our friends circle, there is always that one friend who loves to organize activities, right? They are nano-influencers. But it was a hassle to plan any meet up. You need to keep getting updated on which restaurants have not closed. Which public spaces are safe. So we revamped the existing superX WeChat mini programme. To become a platform to easily and safely organize nano festivals in their locales.

We called this nano-influencer commerce.

### NEW BUSINESS MODEL: NANO-INFLUENCER COMMERCE

#### *News report*

Post-Covid 19 in China. New strict protocols were implemented. This means zero festivals. Zero PR value. Zero beer sales. How did homegrown beer superX survive? They sold four million more beers! Every year, they host a superX festival and tour in key cities. Instead of breaking off its commitment, they broke down the event into nano festivals. Introducing superX beer nano festival. The biggest smallest youth festival. To rely less on traditional restaurant sales channels, they created a new business model: nano-influencer commerce. There's a nano-influencer in every friend circle. SuperX beer transformed its Wechat social account into a one-stop nano festival organizer and e-commerce platform to empower nano influencers to organize and promote events. Pick safe spots for meet ups. Set a date with 10 friends or less. Equally as important, they can pre-order superX beer party packages from certified "safe" restaurants nearby. Every beer earns X metal rewards. Each activity earns points. The higher the ranking, the more perks are unlocked. Nothing nano about the results. Over 34% leap in followers. 700 000 new active users. Online to offline foot traffic rose by 46%. Four million more beers were sold through the new business model.

The biggest smallest youth festival. SuperX beer nanoX festival.

### TREAT CUSTOMERS AS BUSINESS OWNERS

Mark Shan: What does this mean? Business always say "the customer is the boss". IN KFC we literally made them the boss. People's social media is valuable real estate. What is there's an opportunity to let people earn real cash from this asset?



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We created a new business model: Social Gaming Commerce.

For China's youth, eating out used to mean KFC. The rise of food delivery giants on social expanded meal choices and changed dining habits to ordering in.

How do we attract today's youth to eat out at KFC? Instead of launching social ads, we launched a new business model: social gaming commerce. KFC Pocket Franchise.

Your social media is valuable real estate, build your KFC store on it. Friends can buy exclusive deals directly from your WeChat social feed. Claim at any KFC. And your franchise earns real cash. Customers can leave virtual tips to unlock sweet deals, and raise your social ranking.

From 0 stores on social to 2.5 million ++ stores in 120 days.

CNY 42 million direct sales.

Even celebrities built KFCs on their social estate.

Social gaming commerce is now a KFC business model.

**OBSESSING OVER A BIG IDEA IS NOT ALWAYS A GOOD IDEA**

Mark Shan: Since our team is not all "classically trained" in advertising, we don't necessarily ask "Where's the BIG IDEA?" As of June 2020, Chinese netizens spend 2 hours daily on average on short video platforms such as TikTok. Our client KFC had to be there. Everyone says great content is key. But what's considered great content on TikTok? Nobody knows. So we just made it happen and fixed it as we go. We created a TikTok channel. We keep adjusting based on insights we learn from the dynamic ecosystem.

Our original idea, it was the love story of a fictitious KFC store manager. Wow, it was a great case study...

**ON WHAT NOT TO DO ON TIKTOK.**

After one month of experimenting, it was not working. If viewers wanted TVC like content, they would not go on to TikTok. We need to leverage on the whole ecosystem and the consumer journey: from browsing, selecting music, shopping, co-creating, sharing. What else can we try?

When I eat KFC I enjoy people watching. It's fun to see only a snippet of their lives imagining their conversations, their stories. What if we brought the KFC people watching experience to TikTok?

We dropped the old thinking.

Now we share funny, touching, interesting moments in KFC stores. The content is less advertising world, more real world. More relevant. Followers even post their own stories, which we shoot.

What's cool about building a channel is it does not die with a campaign. It can evolve. This may not have a BIG IDEA in the traditional ad sense, but this creativity works.

When clients come to us, we don't offer perfect solutions. We offer to work together as a team. To explore this rapidly changing world. To find solutions as we go.

Fall fast. Rise faster.

Because months of planning and FGDs may come up with a perfect solution, for a world that has ceased to exist.

Accenture Interactive.

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