

Asia Pacific Social Media Trends:

Global Perspectives
and Local Realities



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Contents

- **Overview:** global developments and APAC-wide observations
- **Drilling down to five leading APAC countries:**
 - Japan
 - China
 - India
 - Korea
 - Australia
- **Summary observations:** when it comes to social media, do local realities trump global trends?

ESOMAR: Social Media in Asia

TRENDS

PETE BLACKSHAW

SOCIAL MEDIA IN ASIA



Pete Blackshaw looks at how the rising trends in social media challenge past thinking, but promise a greater understanding of consumers across Asia.

The fastest-growing media is that which consumers create and share themselves. It's DVR (Digital Video Recorder) resistant and creates long-lasting sources of influence. It's also reshaping the entire marketing and research landscape. It's known as social media, or from a more consumer-centric perspective: Consumer Generated Media (CGM).

While the US pioneered much of the early Web 2.0 and social media innovation, Asia is playing no small role in shaping – and in some cases, leading – the new social media landscape, punctuated by unique mobile, wireless, and broadband dynamics.

For starters, Asian social media adoption rates have surpassed Western adoption rates. As of December 2009, Nielsen CR reported that China had reached 221 million bloggers – more than twice the number in the US. South Korea has broadband adoption rates approaching 100%, which have skyrocketed use of online video, while in Japan, social media is mobile, active and (importantly) profitable. Some areas, such as China and India, still have internet penetration rates below 25%, while others, such as Hong Kong and Singapore, boast mobile penetration greater than 120%, and internet numbers rivalling anywhere in the world. By 2012, the region will account for nearly 50% of all internet users worldwide.

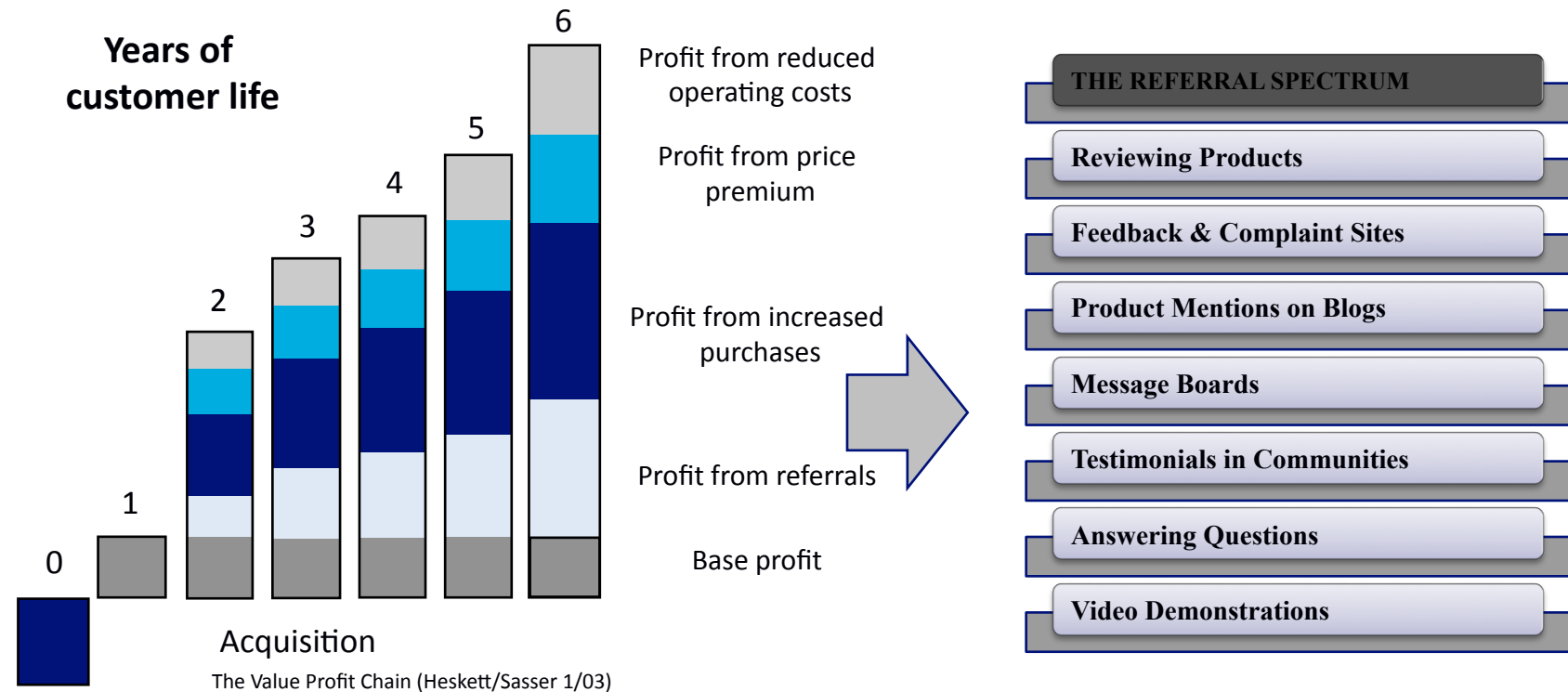
Key Observations

- Social media is globalizing rapidly
- Reshaping the entire Asian landscape
- Silos no longer exist in region
- Word of Mouth is mission critical

Disruptive Broadband and Mobile Learning



New Customer Value Framework Needed

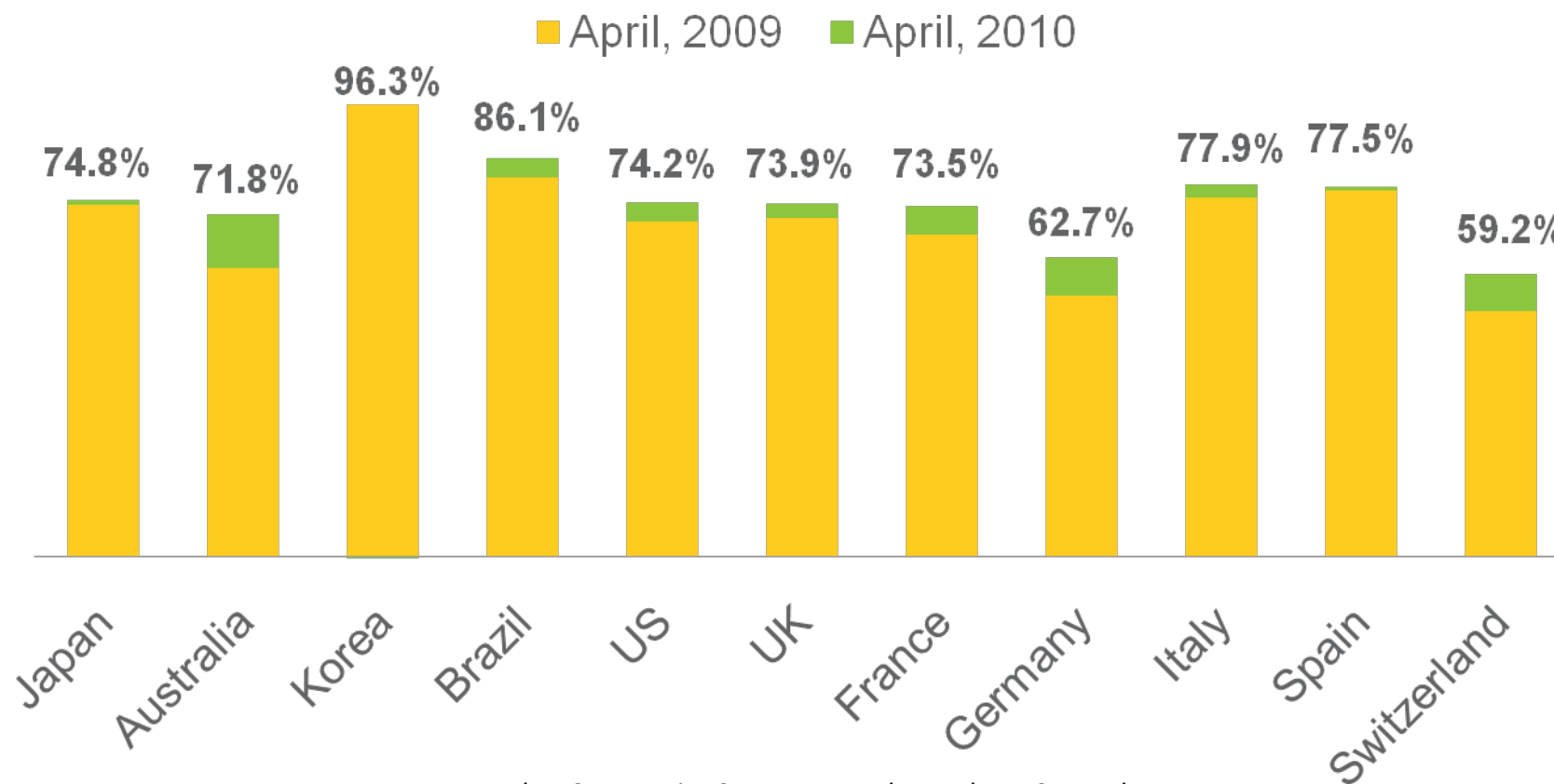


So is Social Media for Real?

- 74% of the world's Internet population visit a social networking/bloggging site
- Social Media site visits average almost 6 hours monthly
- 3 of the 7 biggest brands online globally are social media: Facebook, Wikipedia and YouTube



Social Media's Global Reach is Rising



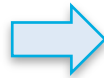
Member Community Category Reach over last 12 months

Source: Nielsen Online Audience Measurement Services, Home & Work except Switzerland which is Home only



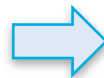
facebook by the numbers ...

500 million



- Facebook's "population"
- Larger than North America

175 billion



- Number of display ads Facebook served in Q1 2010
- More than any other site
- Expected 2010 ad revenue: \$2 billion

20 thousand



- Number of business "fan pages" on Facebook in US alone
- Over 8 feet: height of 20,000 sheets of paper

Sources: Nielsen Online, State of the Facebook Analysis, Bloomberg Businessweek, 2 June 2010, Fortune, 24 May 2010

Across Asia Pacific, the Most Common Access Location for Engaging with Social Media is in the Workplace

| Most common access locations | Asia Pacific Average |
|------------------------------|----------------------|
| In my office or at work | 32% |
| In my bedroom | 31% |
| I do not use Social Media | 16% |
| Other | 6% |
| At school | 5% |
| In a car | 4% |
| On a bus | 3% |
| On a train | 2% |
| In the kitchen | 1% |

Top Workplace access countries

Thailand – 57%
Vietnam – 50%

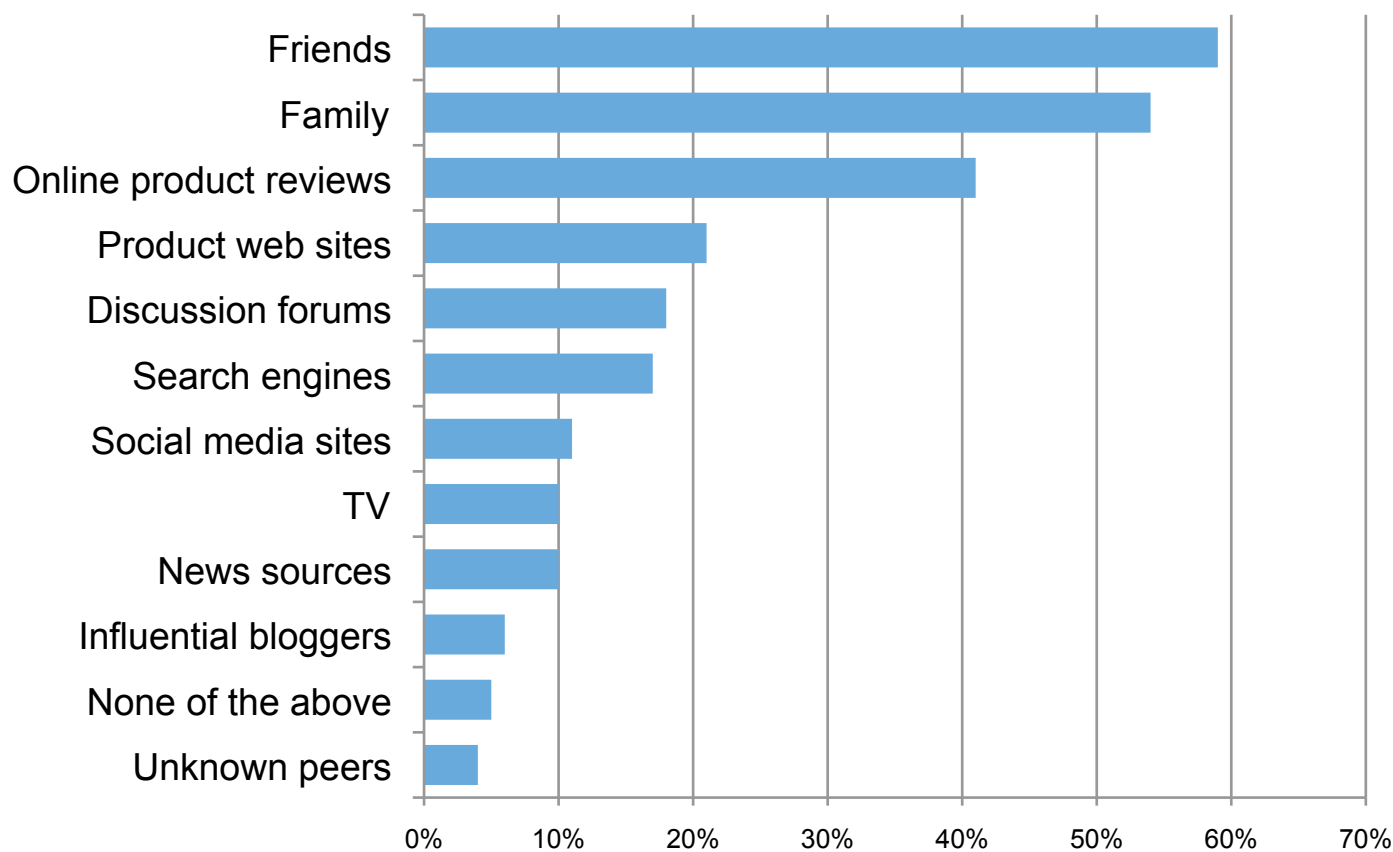
Lowest Workplace access countries

Japan – 5%
New Zealand – 16%



Source: Nielsen Global Online Survey, April 2010 Base all respondents n=7,063

Online Product Reviews Are the Third Most Trusted Source When Making a Purchase Decision

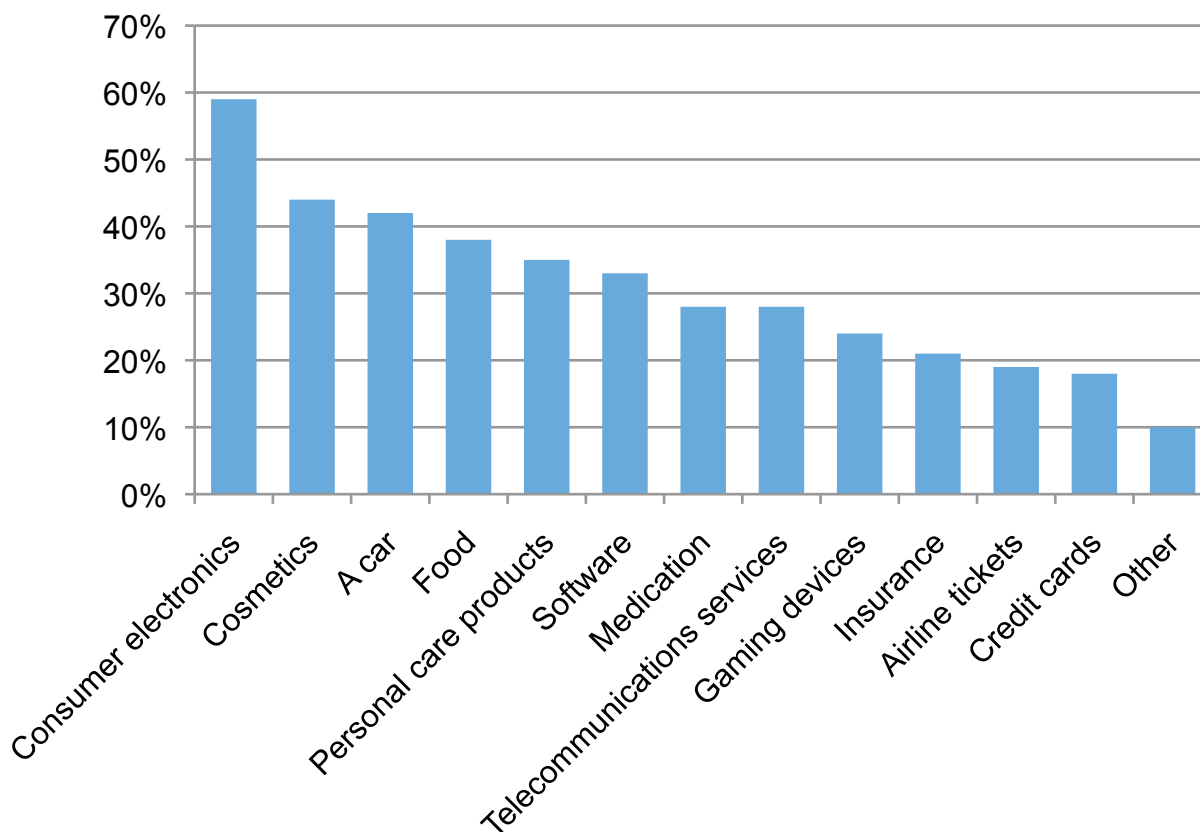


I trust recommendations from these sources most when making a purchase decision

Source: Nielsen Global Online Survey, April 2010 Base all respondents n=7,063



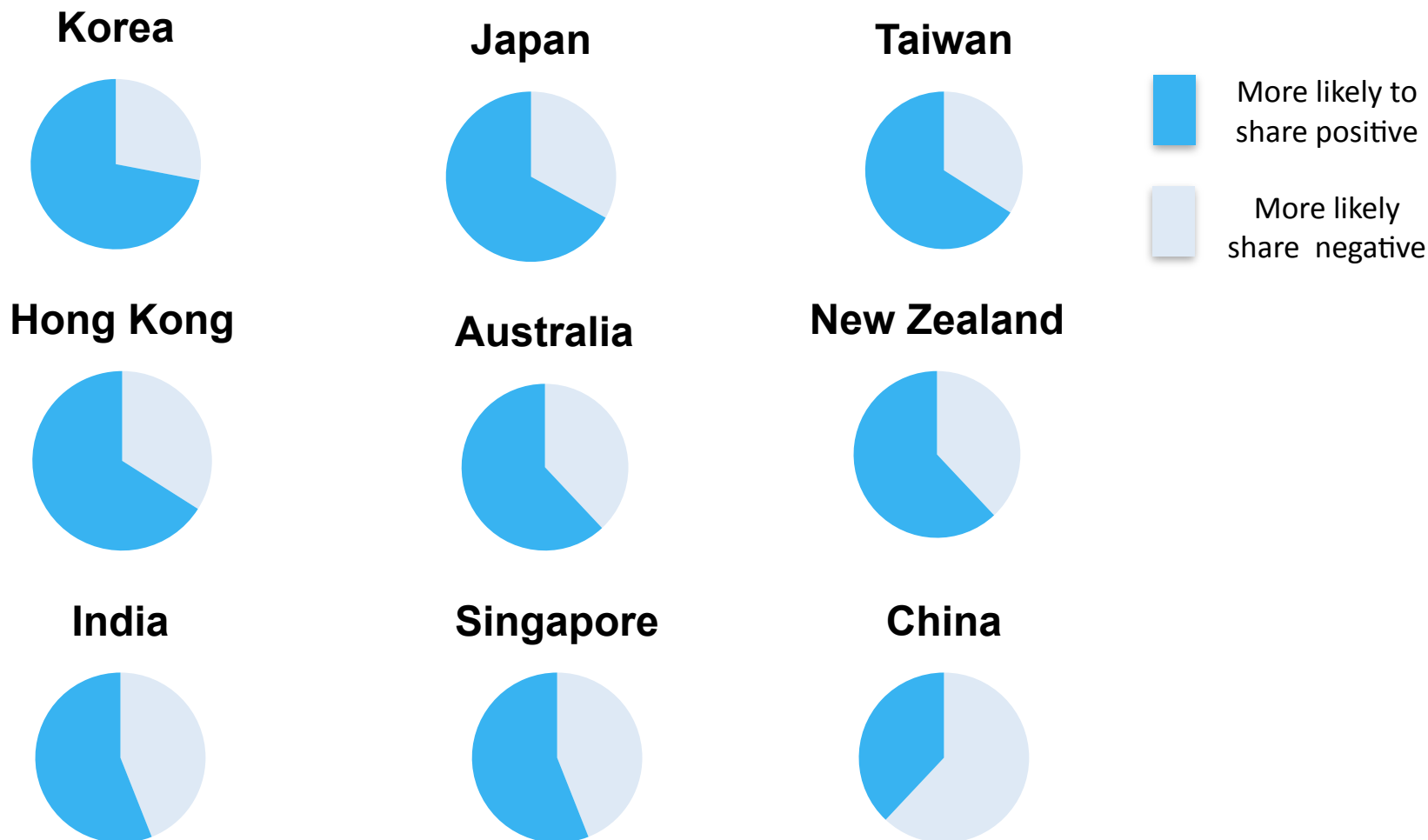
Consumer Electronics, Cosmetics, Car and Food Reviews Being Relied on Most for Purchase Decisions Across APAC



Which online reviews and opinions are important when buying products?

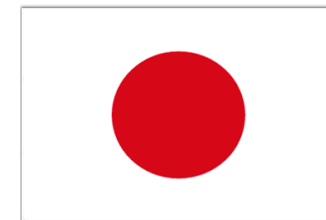
Source: Nielsen Global Online Survey, April 2010 Base all respondents n=7,063

When Writing Reviews, Koreans Most Likely to Share Positive Product Experiences and China Most Likely to Share Negative



Source: Nielsen Global Online Survey, April 2010 Base all respondents n=7,063

Japan is Second to None with Blogs



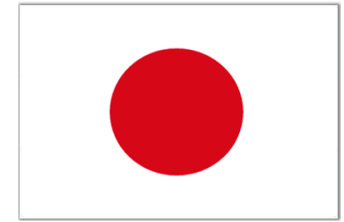
Over 7 million consumers and 6,000 celebrities have their own blog on Ameba Blog (ameblo.jp)

Japanese top social media sites

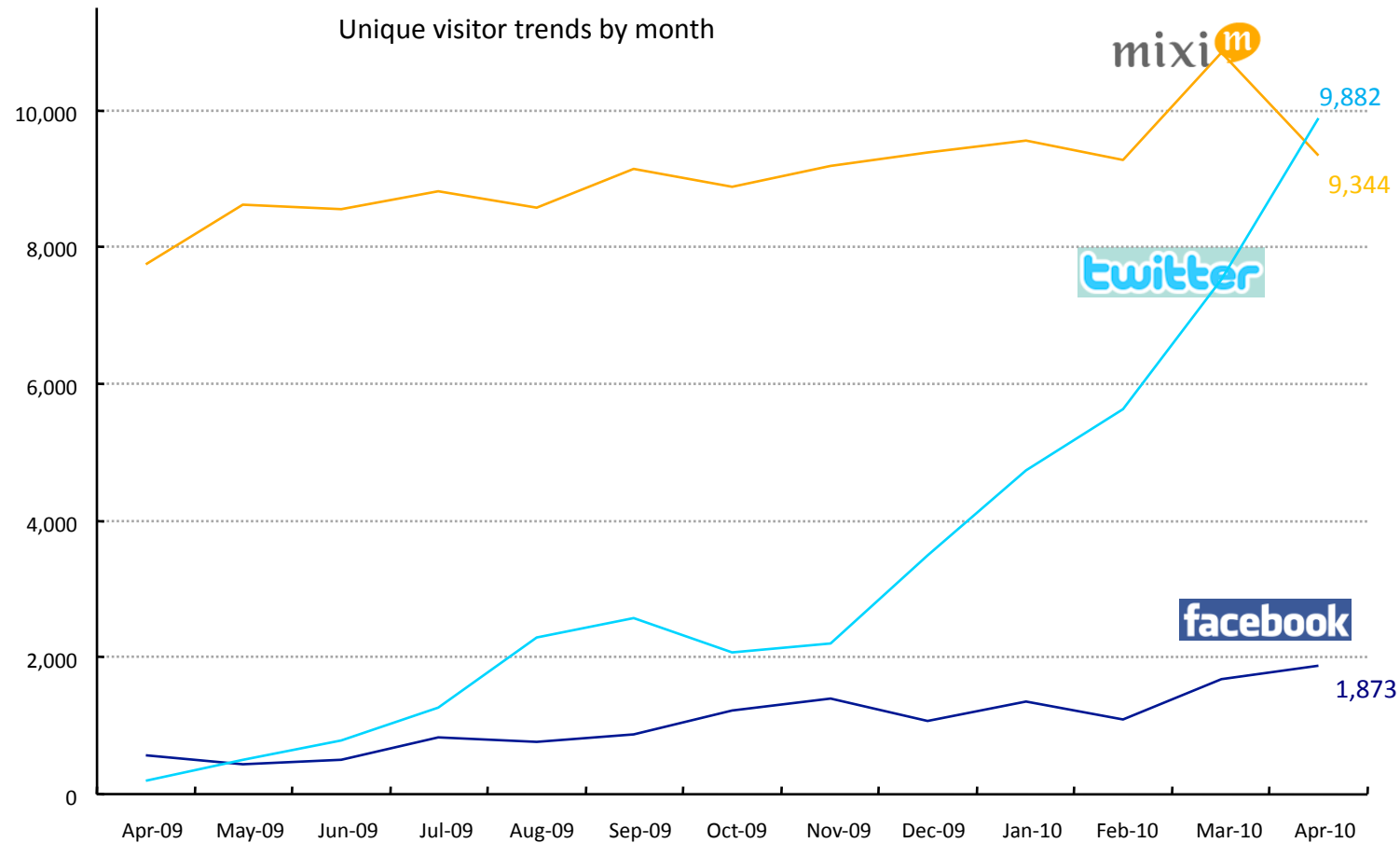
| URL | # of UV ' 000s | # of Posts | Category |
|---|-------------------|------------|-------------------|
| http://chiebukuro.yahoo.co.jp | 26,079 | 145,214 | Q&A Site |
| http://ameblo.jp | 22,029 | 1,25,9928 | Blog Portal |
| http://blog.livedoor.com/ | 17,718 | 225,742 | Blog Portal |
| http://blogs.yahoo.co.jp/ | 12,302 | 495,570 | Blog Portal |
| http://blog.goo.ne.jp | 11,990 | 806,640 | Blog Portal |
| http://colog-nifty.com/blog | 11,758 | 119,962 | Blog Portal |
| http://2ch.net | 11,553 | N/A | Boards |
| http://twitter.com | 9,882 | 11,807,842 | Micro Blog |
| http://mixi.jp | 9,334 | N/A | Social Networking |
| http://exblog.jp | 9,383 | 998,197 | Blog Portal |

Source: Nielsen NetView & BuzzMetrics, April 2010

Twitter Growth 1900% YOY



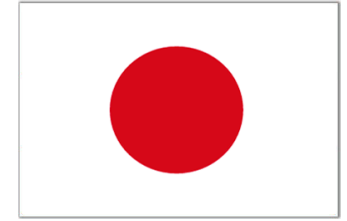
Twitter's unique visitors increasing from under 200,000 to 10 million.



Source: Nielsen NetView , Home & Work



Japan Social Media Trends of Interest



- **Blogs rule in Japan**

We collect over 1 million active blogs per month in Japan, significantly more than any other country. Many companies reach out to bloggers and hold blogger meetings to introduce their products

- **Japan's Twitter reach surpasses the US!**

Twitter's reach was 16% of the active internet audience in Japan and 10% in US, in April 2010

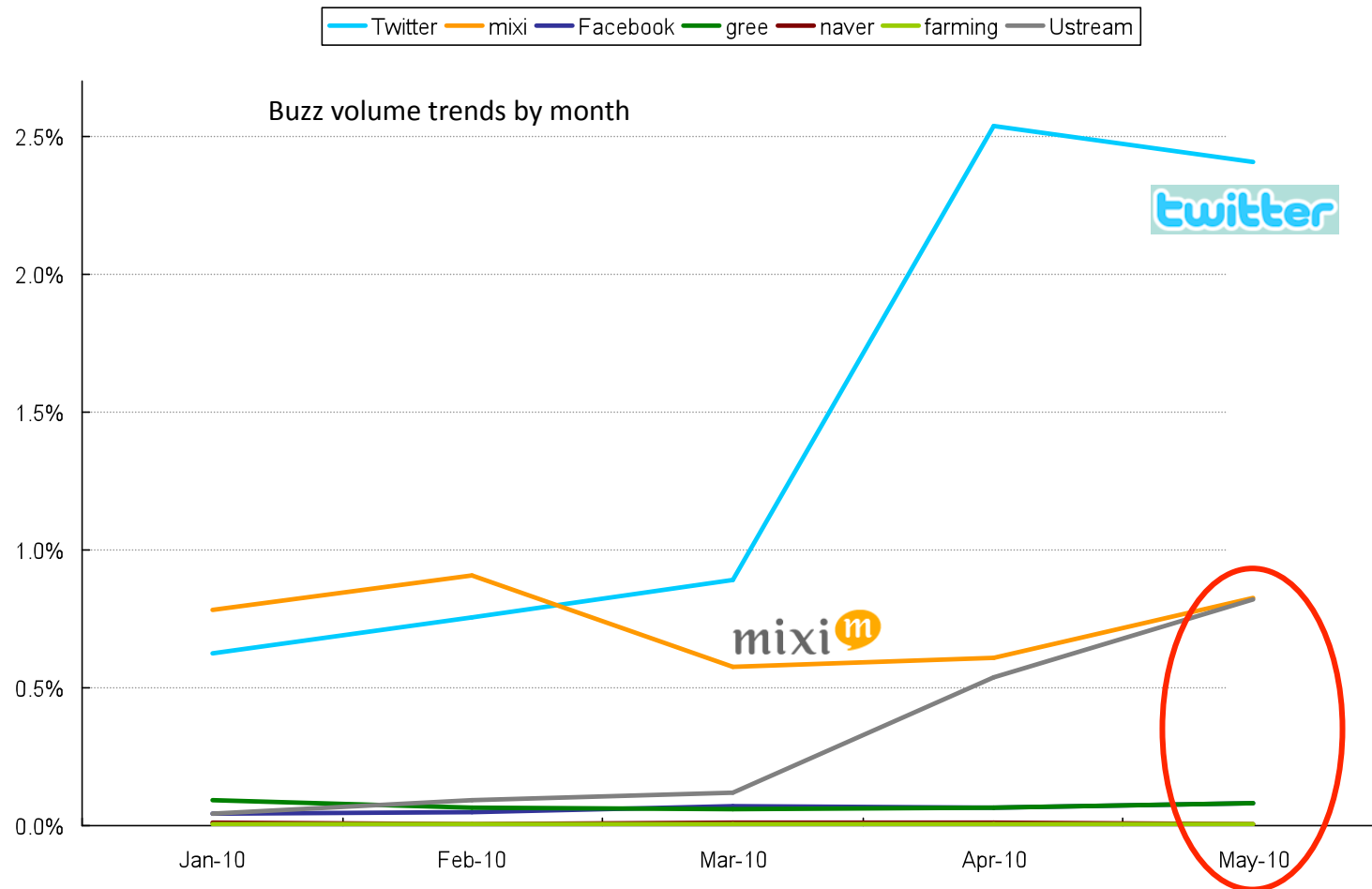
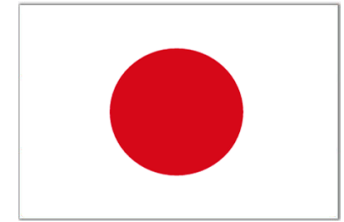
Companies start using Twitter and often open official accounts to support PR activities

- **True customer engagement via social media is on a learning curve**

Companies find social media a natural way to reach many consumers. However, it is still a one way, "push" communication. Interactive communication or customer support in social media is still in the early stages in Japan

What Comes Next?

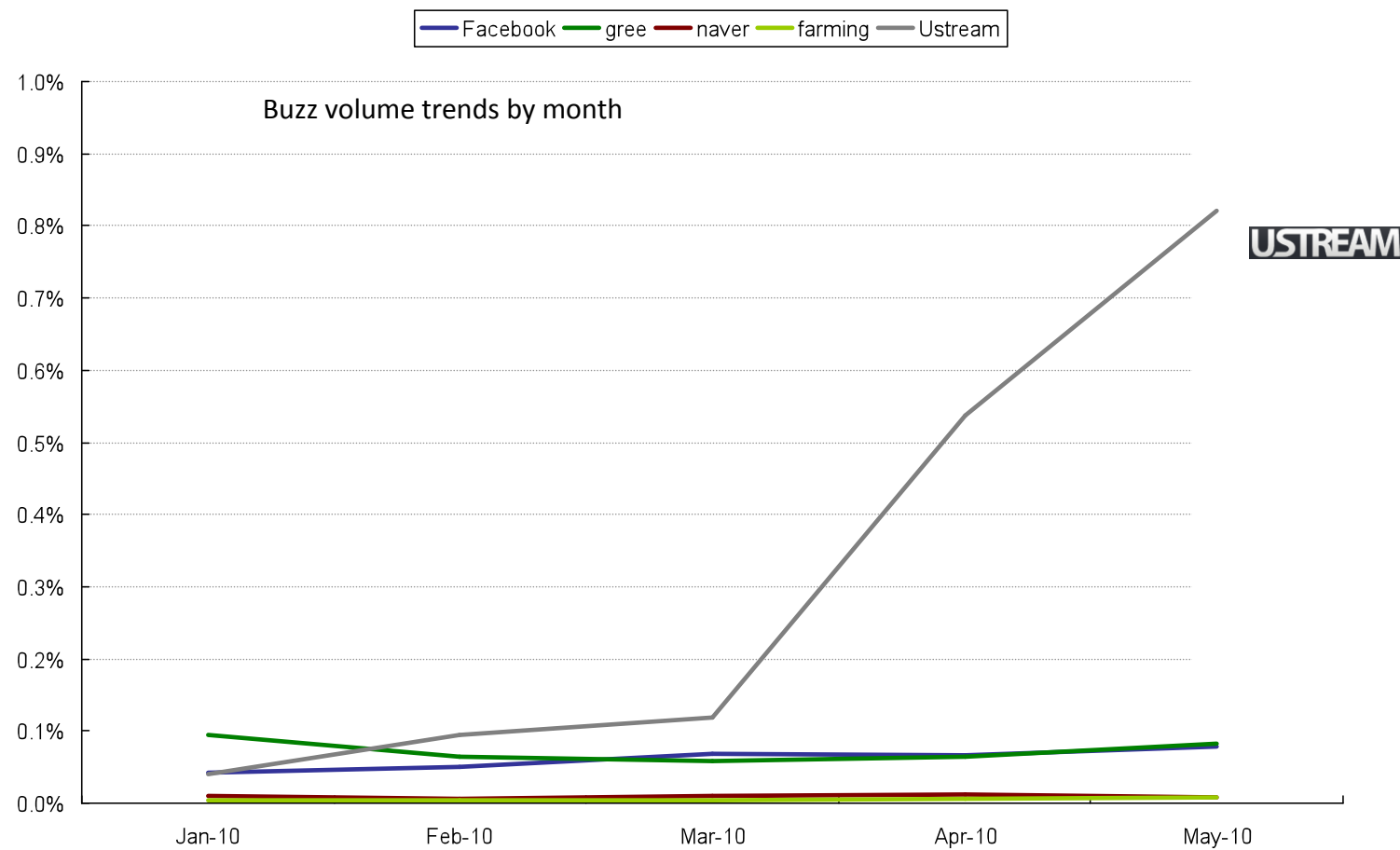
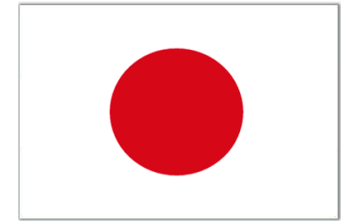
What sites have been talked among consumers?
Is it Facebook, Naver, gree, Ustream, or farming?



Source: Nielsen BuzzMetrics



Ustream is Taking Off in Japan

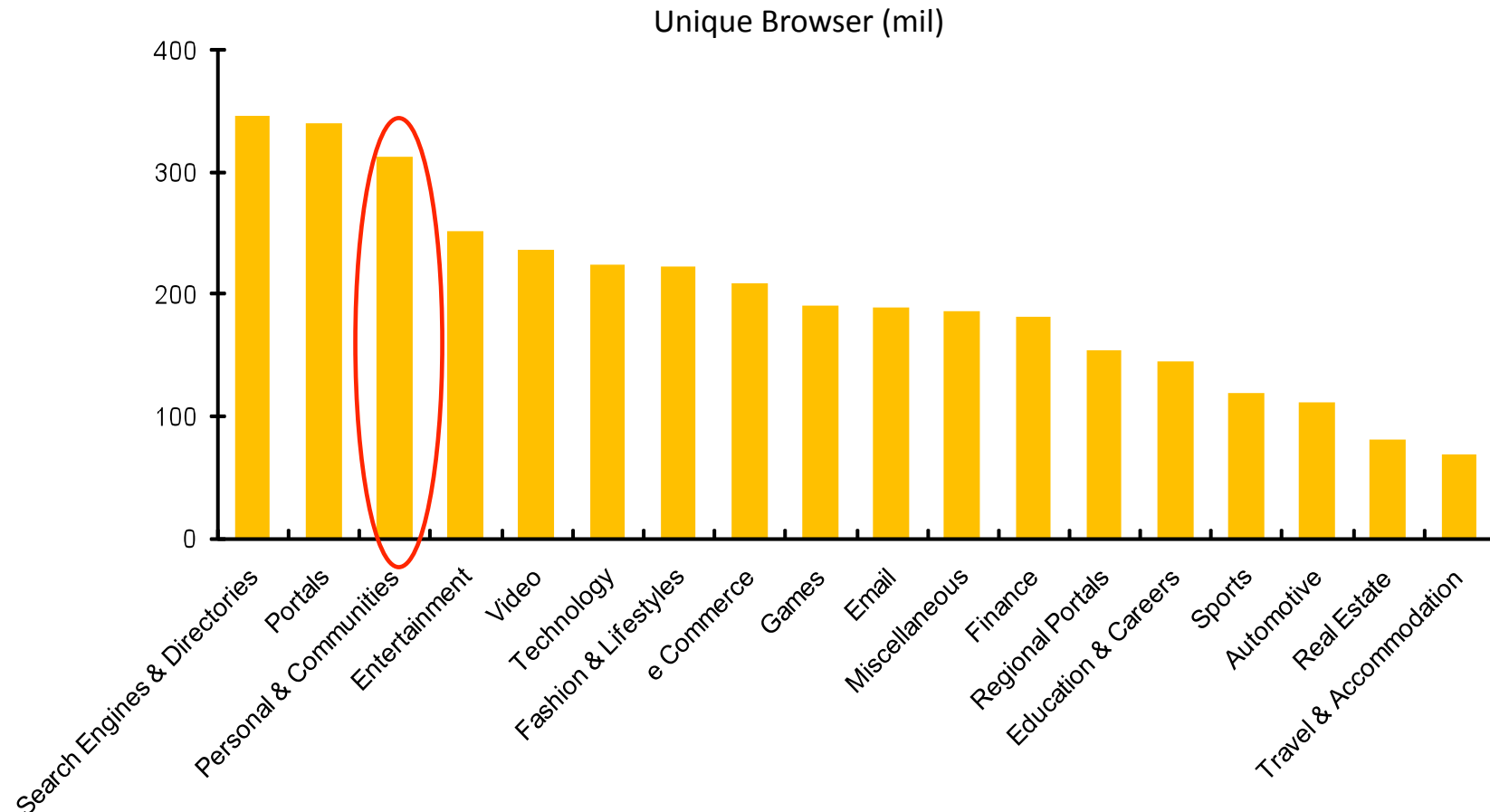


Source: Nielsen BuzzMetrics

Strong Traffic Benchmark for Overall Social Media Category



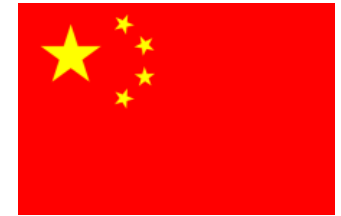
Category Traffic--2010 Weekly Average



Source: CR - NetRatings



China's Social Media Landscape



China Social Media Trends of Interest



- Local players dominating the market
- Market still under-monetized...
- Bulletin board systems the most popular social behavior, over 80% of social media content are bulletin board systems
- Games are main traffic driver among beginners, while posts forwarding/reading is more popular among the experienced
- “Grass roots” celebrity tracking dominates online conversations in China
- More likely to share negative reviews



Tips for Effective Brand Marketing on Social Media

- User experience comes first, engaging your audience ...



Brand/product survey increases social media interaction and consistently performs above ROI expectations

Virtual product placement within social networking sites games boosts awareness and reach. It is becoming one of the most profitable methods of revenue for social networking sites

Advertisers buy virtual currency to implement promotion. Creating virtual user loyalty programs

E-Commerce + social networking sites platform generates direct sales from social networking sites platform

能坐 能靠 能午睡 能抱抱！超可爱的花瓣舒压记忆棉靠垫，办公室必备，仅68元，2折开抢！（全国包邮）

The image shows a collage of screenshots from the Chinese social networking site 'Kaixin001' (开心网). The top left screenshot features a Lancôme 'Hydra Zen' product survey with statistics: 18038 participants, 263092 fans, and 1597025 votes. The top right screenshot shows a virtual car game interface with a leaderboard. The bottom left screenshot displays a virtual currency balance of 187911. The bottom right screenshot shows a virtual car game interface with a leaderboard. The bottom center screenshot shows a virtual car game interface with a leaderboard.

Tips for Effective Brand Marketing on Social Media

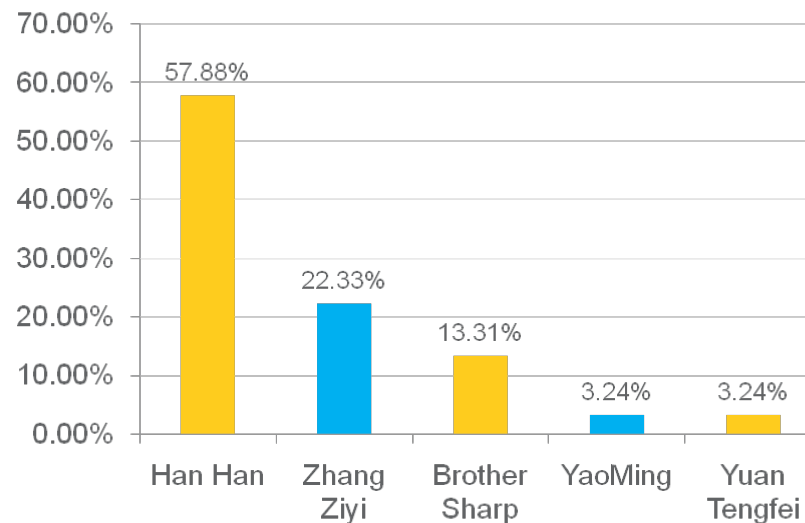
- Being relevant - speak their language, leverage their celebrities...



| "Grass Roots" catch words | In Chinese | Original Meaning | Social media Meaning |
|---------------------------|------------|------------------|------------------------|
| | 小黑 | Little black | ThinkPad Notebook |
| | 烤土豆 | Toasted potato | Intel Duo Core II chip |

Social Media Celebrities vs. Real World Celebrities

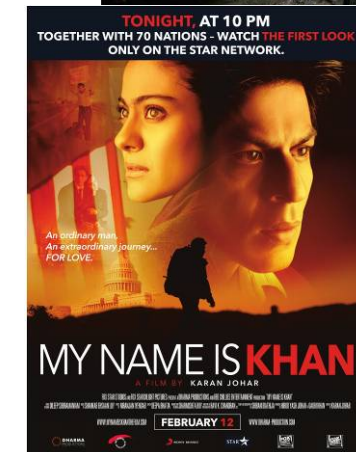
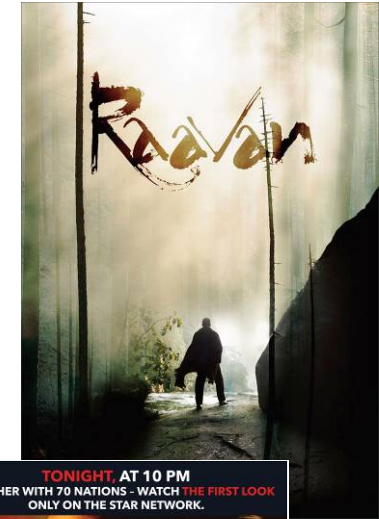
Grass roots celebrities outperform real life celebrities in popularity ...



Bollywood and Entertainment Forums Are Attracting the Most Discussions in India



| Notable boards | Posts in the last year | Demographic/Site Description |
|---------------------------|------------------------|---|
| forum.santabanta.com | 760,901 | Bollywood celebrities and entertainment |
| india-forums.com | 399,209 | Hub for Indian TV and movie news and gossip |
| in.answers.yahoo.com | 350,110 | General Q&A site |
| pagalguy.com | 280,161 | MBA admission/Business school prep forum |
| apnicommunity.com | 271,364 | General interest forum with high volume of entertainment and humour posts |
| funonthenet.in | 216,008 | Celebrity and entertainment forum |
| indiamike.com | 191,052 | Travel and tourism site popular with foreigners living in India |
| forums.bharat-rakshak.com | 179,771 | Indian defence and military affairs-interest |
| bollywoodhungama.com | 168,788 | Bollywood interest forum |
| bcmtouring.com | 142,848 | Indian travel and auto enthusiast website |



Source: Nielsen BuzzMetrics, June 2010

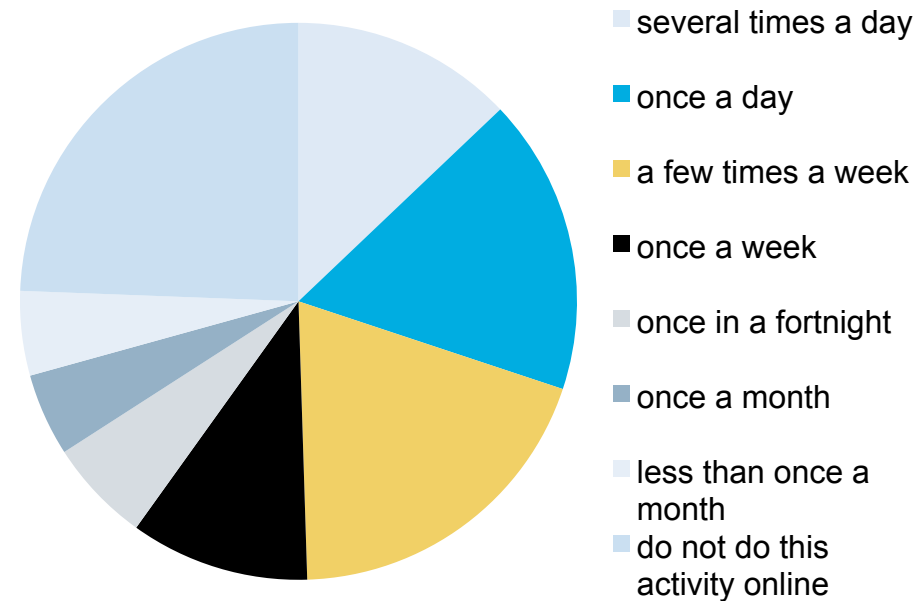


Twitter is Gaining Momentum Over the Last Year



- 57% of Twitter users in India have only started using the site in the last year
- 32% of India's Social Media users use Twitter at least once a day
- Twitter's deal with local telecom operator Airtel enabling tweets through SMS/texting is expected to bolster growth
- Celebrity twitter accounts are regularly written about in mainstream media – the new “Press Conference”

How often do you access Twitter?



Source: Nielsen India Consumer Generated Media Report, June 2010

Social Media Trends in India



1. Facebook is starting to gain market share from Orkut*

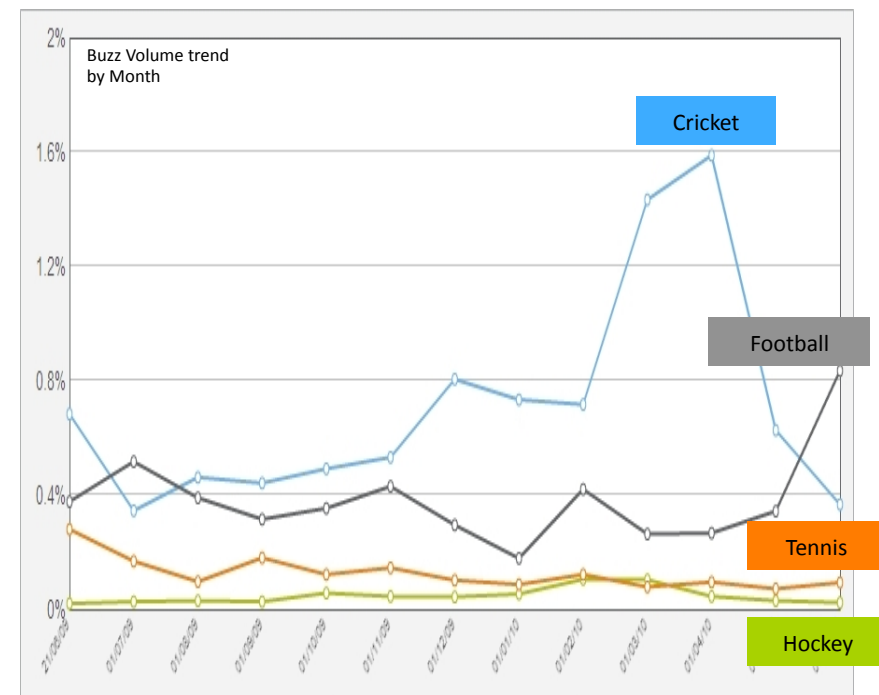
- Although 70% of Social Media users identified Orkut as their first social media site, 50% claimed to now use Facebook most often vs 38% for Orkut
- Most common reasons for switching include friends moving sites, preferring the look and feel of the site, and offering more features

2. Online product reviews are increasing their influence on purchases particularly for consumer electronics*

- 55% of Indians that read online product reviews have purchased products based on feedback
- Consumer durables/electronics are the most common products purchased based on reviews (64% of purchases)

3. Football is the most buzzed sport in India currently **

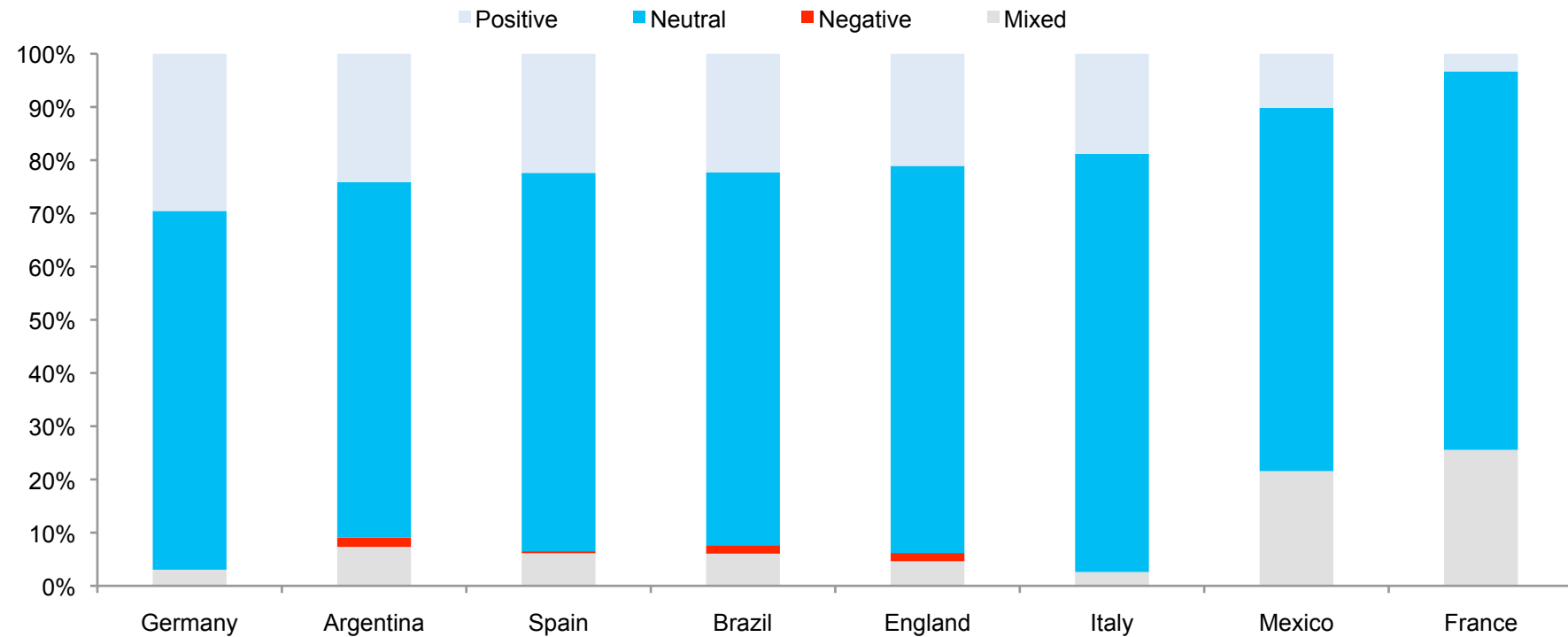
- The sport has taken over Cricket in the last month
- Hockey – the national sport continues to be the least buzzed among the four



India Roots for Germany



- Sentiment analysis done on teams in the last 16, with the most buzz volume
- Analysis done on posts over the last 30 days



Source: Nielsen BuzzMetrics, June 2010

Notable Social Media Sites in Korea



The top 5 communities that created 74.3% of the buzz are from the major portals.
By population, Korea has very high discussion volumes compared to other countries

| Website | Posts in Last 1 Year | Segment | Demographic/Site Description |
|------------------|----------------------|---------------------|--|
| cafe.naver.com | 30,390,091 | Community by Portal | Forum-like community service from Naver, Korea's biggest portal owned by NHN Corporation. Naver users share their wide interests on these "cafes". |
| cafe.daum.net | 29,487,659 | Community by Portal | |
| blog.naver.com | 28,575,614 | Community by Portal | NHN's blogging service. Each Naver user can create a blog associated with the user's account. |
| kin.naver.com | 26,736,851 | Community by Portal | NHN's general Q&A service. |
| blog.daum.net | 11,179,792 | Community by Portal | Daum Communications' blogging service. Each Daum user can create a blog associated with the user's account. |
| twitter.com | 7,383,554 | Microblogs | Microblogging service (counting only Korean Twitter accounts) |
| me2day.net | 2,872,109 | Microblogs | Local microblogging service by NHN. |
| tistory.com | 2,793,798 | Blogs | Blogging service owned by Daum Communications. |
| blog.cyworld.com | 2,459,406 | Community by Portal | Blogging service owned by SK Communications. |
| ask.nate.com | 2,189,457 | Community by Portal | SK Communication's general Q&A service. Nate is a portal owned by SK Communications. |

- 1) Korean Twitter account defined as a Twitter account with more than 20% of tweets written in Korean.♪
- 2) Research Period : May 2009 to May 2010.♪



Naver, a Content Generating Search Portal



- **95% of Korean internet users visit Naver every month**
- **Naver alone produces over 50% of total CGM in Korea**
- **More than 6 millions Naver Cafés operate**
 - Some have more than 1.5 million members
 - These cafes generate more than 20,000 posts per day
 - Very important community both for consumers AND corporations
- **Naver Q&A service called “Knowledgeln”**
 - Produces around 60,000 questions and answers daily
 - Frequently used to measure consumer opinions and recommendations

Korean Social Media Trends of Interest



Portal community's continuous influence

- Social Media content is a key strategy of major portals to generate further growth
- Forums such as Agora by Daum are major force in social / political issues

Technology based communities constitute 2nd tier

- SLRClub – digital camera, ClieN – mobile review, DCInside – started as a digital camera review site, but now a major hub for discussing other topics as well, such as celebrity gossip and viral humor
- Over 1 million posts were generated from these three sites

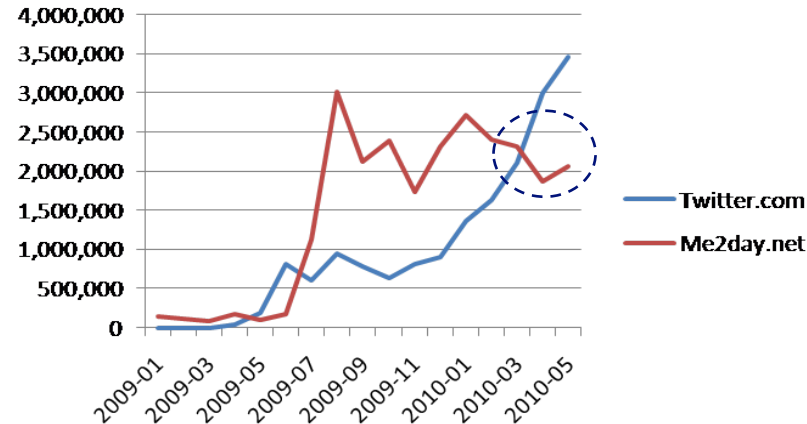
The growth of social media and microblogging services

- Twitter saw a big growth (1900% growth in the past year, May 2009 – May 2010)
 - In the beginning, many people joined Twitter to follow celebrities
 - Adoption was accelerated by discussion related to 2010 June election
- Smartphone usage is a key factor to Twitter and other social networking success

Korean Social Media Hot Charts

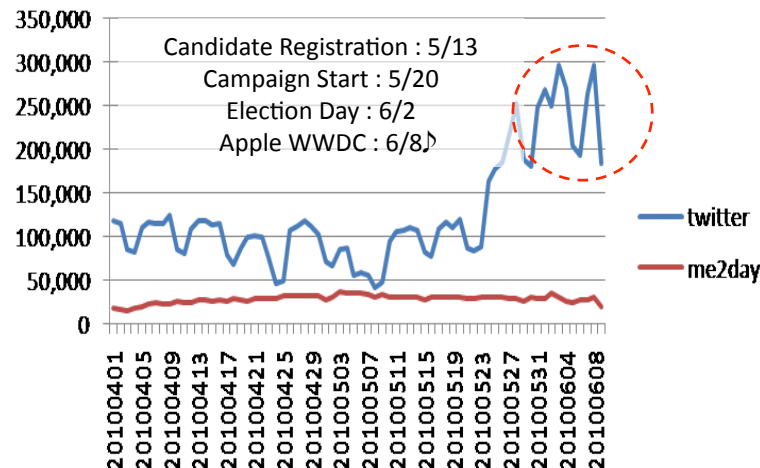


Monthly UV trend of Twitter and Me2day♪



- Twitter enjoyed 1,900% UV growth while Me2day, a local microblogging service,
- lost some of its users

Buzz volume trend of Twitter and Me2day♪



- Twitter is used as an active communication channel for discussing political issues and corporation events
- Twitter's "retweet" is a powerful tool for spreading Social Media

Source: Nielsen KoreanClick Log Data and Nielsen Buzzword Log Data♪

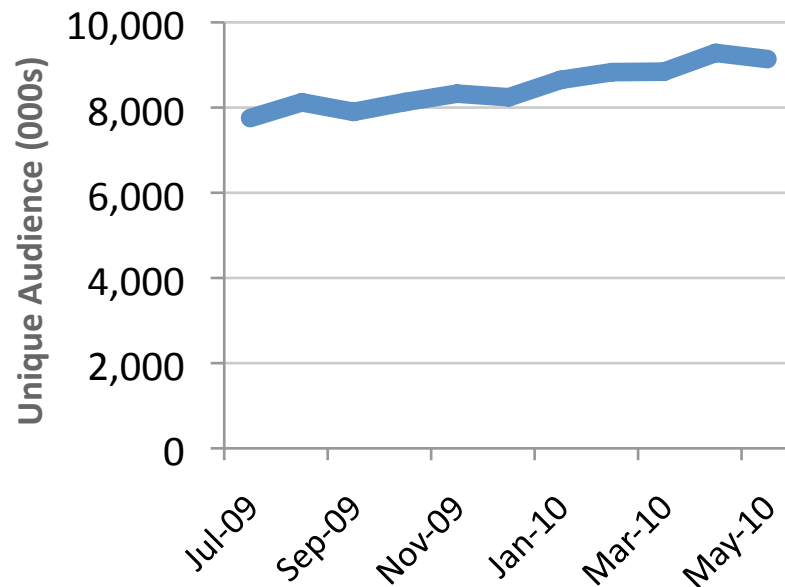


Notable Social Media Sites in Australia



+18%
UA

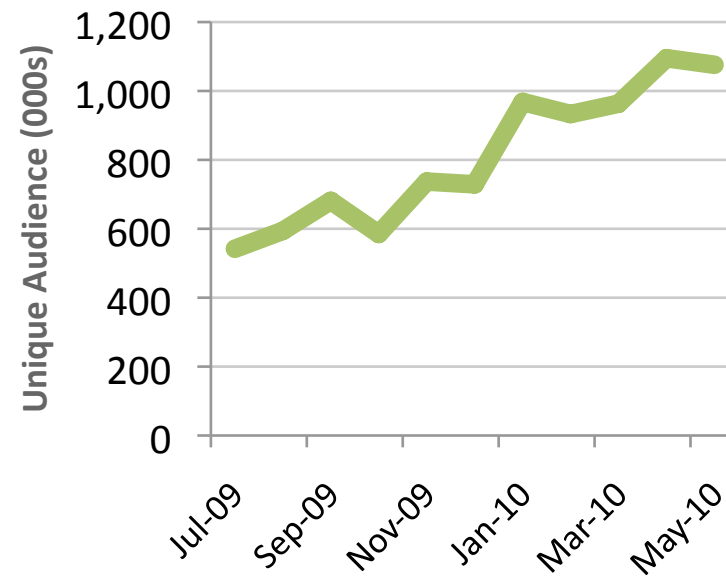
Jul 09 – May10



LinkedIn

+99%
UA

Jul 09 – May10







Source: Nielsen NetView



Notable Social Media sites - Australia



| Website | Posts in Last 1 Year | Site Description | April 2010 Demographics (where available) |
|--|----------------------|--|--|
|  | 2,216,045 | Aussie Rules Football forum; forum members also engage in non-football discussion topics | 55% Male, 45% Female; 54% Age 21-49 |
|  | 1,484,926 | Parenting board. Discussion varies across a wide variety of topics and fosters a strong community atmosphere | 47% Male, 53% Female; 41% Age 25-34 |
|  | 668,048 | Auto enthusiasts' community | |
|  | 630,314 | Portal community where people can post general questions for crowd sourced responses | 54% Male, 46% Female; 32% Age 35-49 |
| forums.leagueunlimited.com | 616,302 | Discussion board dedicated to National Rugby League | |

Source: Nielsen BuzzMetrics

BigFooty.com: A Look into Social Sports



BigFooty.com is a classic example of how Australian's love their sport and flock to the social media sites to discuss their favourite game. It is also a show case of how communities of friends form.

| Forum | Messages | Percentage of forum discussion |
|--------------------------------|----------|--------------------------------|
| bay 13 (trolling forum) | 335,152 | 22.09% |
| australian football league | 303,825 | 20.03% |
| carlton | 128,965 | 8.5% |
| hawthorn | 76,777 | 5.06% |
| collingwood magpies | 68,074 | 4.49% |
| society, religion and politics | 43,675 | 2.88% |
| cricket | 35,007 | 2.31% |
| basketball | 30,630 | 2.02% |

There are even forums on Lifestyle (food, wine, travel, home renovation) as well as Money (finance, investing, property, etc)

Source: Nielsen BuzzMetrics

Australian Social Media Trends



- **Boards not Blogs**

In Australia, being a blogger is not as core to our Social Media lives as it is in some other countries. Australians tend to be bigger contributors through Social Networks, and use communities of interest (eg forums) as an expressive platform

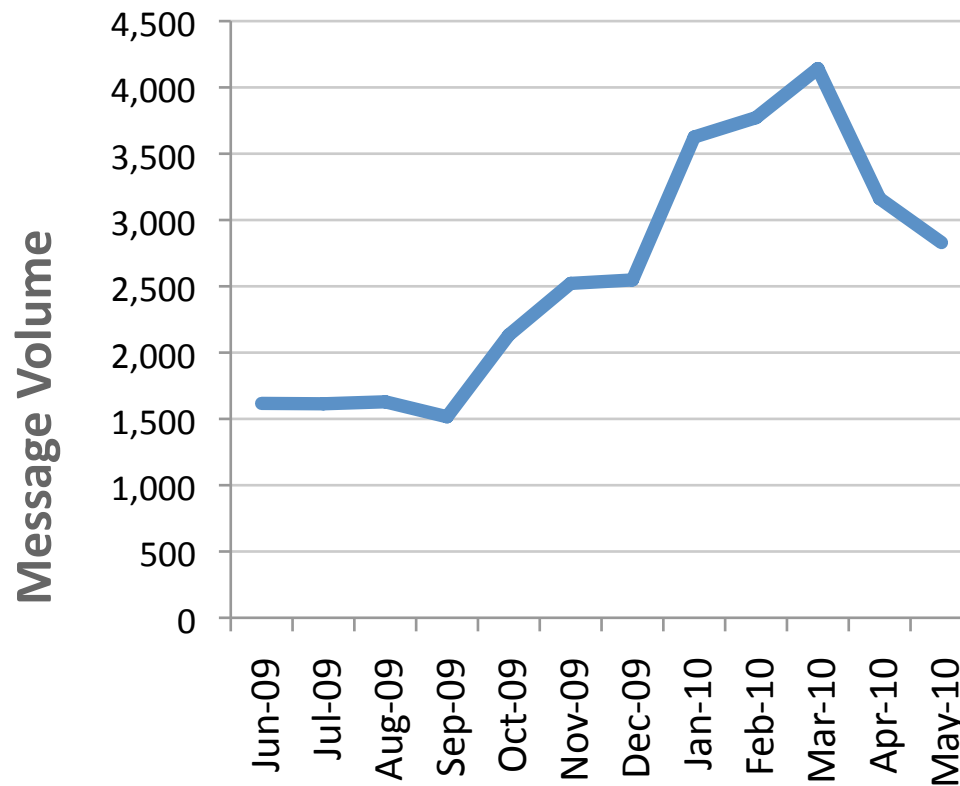
- **Engagement Levels**

Australia leads the world in the average amount of time spent engaging with Social Media, averaging over 7 hours per month

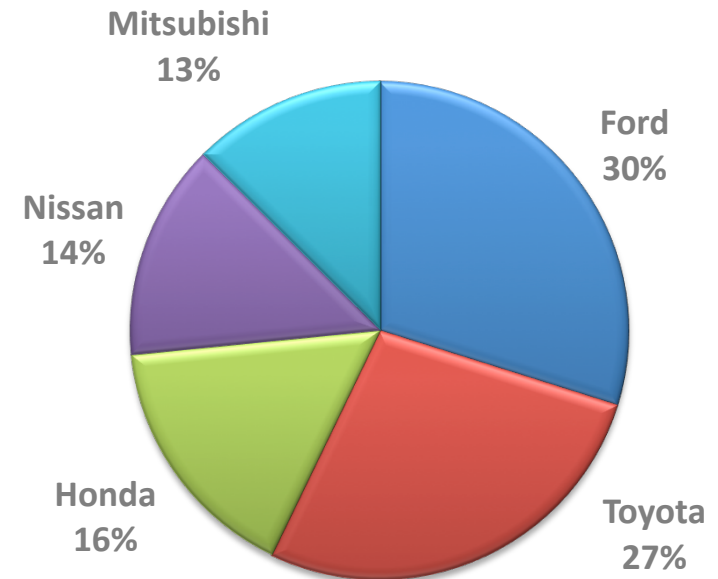
- **Caring and Sharing Parents**

One particularly strong “community of interest” is parenting – where we see new and experienced parents connecting and sharing their life experiences; not just on parenting matters, but also on general life matters, which results in a wide range of brand discussions taking place outside core parenting products

Cars on Essential Baby



Car Manufacturer SOV*



*Share of voice not inclusive of all car manufacturers; percentages cover only the 5 brands shown

Source: Nielsen BuzzMetrics

Summary: When it Comes to Social Media, Local Realities Trump Global Trends

| | China | Japan | Korea | India | Australia |
|--|---------------------------|------------------|-------------------------------|--------------------|---------------------------|
| Preferred Social Media site categories | Boards | Blogs | Blog Portals | Boards | Boards |
| Sites to watch over next year | Sina Microblog | Ustream | Twitter | Yahoo! Answers | LinkedIn |
| Social Media innovators | Kaixin | Nissan | Olleh KT | Unilever (Sunsilk) | Virgin Mobile |
| Strategic opportunities for marketers | Launch listening programs | Create fan sites | Social Media as brand channel | Build youth brands | Launch listening programs |

Key Data Sources for Today's Presentation

NM Incite/BuzzMetrics

Countries available:

- Australia
- New Zealand
- China
- Japan
- Korea
- India

Coming soon - Q3 2010:

- Singapore
- Malaysia
- Philippines

Online Audience Measurement – panel data

- Australia
- China

- Japan
- Korea

Social Media Research Reports:

Indian Consumer Generated Media Report June 2010
Australian Social Media Report 2010