

China's Massive Web Audience Turns To Social, Mobile, Video

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Advertisers put more emphasis on weibo sites as the networks gain users

China's internet population is massive, at 513 million people at the end of 2011, eMarketer estimates. Though growth will taper to the single-digit range by 2013, and the internet won't reach a majority of the population until 2015, China still has the largest online audience in the world, and it's only getting bigger.

This growing online population, as well as recent governmental restrictions on broadcast advertising are having an impact on online advertising. As of January 1, 2012, China's government made it harder for advertisers to buy their favorite time blocks from broadcasters like CCTV. It also ended commercial breaks during dramas and limited the number of entertainment shows local TV stations can air.

These changes have frustrated broadcasters, advertisers and media planners, but digital media owners in China are elated, envisioning more money heading their way, especially from advertising related to growth areas such as microblogging (known in China as "weibo"), online video viewing and smartphone usage.

And while China may not have Facebook, it's officially banned in the country, its absence hasn't hurt China's social networking population, which reached nearly 257 million in 2011. So far, half of internet users have been attracted by local weibo and other domestic social networking sites, with the proportion expected to rise to nearly two-thirds by 2014.

The social network leaders in China are Tencent QZone (with 536 million users), Tencent Weibo (310 million), Sina Weibo (250 million), Renren (137 million) and Kaixin001 (116 million), as reported by social marketing agency We Are Social. Douban, Tencent's Pengyou, 51.com, Tianji and Jiebang are important vertical social sites.

As advertisers look to spend more this year on mobile marketing and online video ads, social media across these platforms—especially weibo sites—will benefit from the increased marketing efforts.

Advertisers will look for ways to promote brands on Sina Weibo and Tencent Weibo as consumers continue flocking to microblogs, which will pull advertising away from traditional social networking sites like Renren.

The full report, "China Digital Media: Usage and Marketing Trends," also answers these key questions:

- What are the top media usage trends in China?
- How is the proliferation of smartphones altering the digital landscape?
- How is online ad spending shifting among platforms and formats?

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