

China Marketing: An Ignored Facet of the Country's Growth

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All visitors to China marvel at the overwhelming rate of growth the country is going through. It is one thing to read about the sustained growth of the Chinese economy, but altogether another to see it in the flesh.

The statistics are always staggering.

There are 300 cities of a million people or more. That's 300 Adelaides. Shanghai is many times larger than Manhattan. The Chinese new car market grew 46% last year. Advertising budgets in the billions of dollars are not uncommon.

And Chinese marketing is taking its great leap forward.

Up until recently a large sector of the Chinese economy had focussed on the manufacturing of local and international products. 80 percent of the world's socks are made in China. Little if any marketing was required.

But this is changing, and changing fast. The reason for this growing importance of marketing rests on a number of factors.

Many manufacturing companies have embarked on the development of their own brands, to be targeted to both the burgeoning Chinese middle-class and wealthy Western markets.

The Chinese government owns a number of fast moving consumer goods brands, which in the past have not been marketed at all as these brands completely dominated the market. With the freeing up of import restrictions these Chinese companies have realized that if they have to compete with foreign brands they will have to gain the learning and experience to do so. Further, IPOs are planned for many of these Government owned companies and standard marketing due-diligence will be required. Knowing brand share, for example, is a good start!

Advertising budgets have grown at a wild rate. While production costs may well be low by comparison to Australia's, the exposure each commercial receives when billions are spent means there is a growing need to employ the most advanced marketing techniques, especially in the area of research, media planning and the appropriate use of multi-media campaigns.

The Chinese Government is actively encouraging companies with marketing skills to export their services to local industry. Yes, partnership with a Chinese company is required by law, but then again one would be foolish not to enter into such an arrangement. Our Government has made it easier for businesses to expand into China, with export grants available, and Austrade on the ground to help. We are in the same time-zone as China and their telecommunications infrastructure is excellent. The internet has made working in China much easier than in the past.

Australian marketers are respected around the world. Our business schools are amongst the very best. The cauldron that is our small market requires marketing excellence in order for firms to survive, let alone flourish.

All the above represents a tremendous opportunity for the Australian marketing community, both in terms of the export of marketing expertise and also in terms of supporting the entry of new Chinese brands onto the Australian market. The launch of Great Wall cars is a case in point.

There will be many more.

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