

## **NI HAO – AND HOW!**

This is an article about China.

Forget everything you've heard or read about China.

It's already out of date.

We're currently helping three famous marketers based in Shanghai, and it's meant four trips to the commercial heart of the country in the last few months. (As an aside, if you really want to ruin your day, try the 'four hour red eye' overnight from South East Asia to Shanghai – not long enough to sleep, too late to stay awake, it feels like you've been woken up by a baby screaming and he's somehow still inside your head.)

I first went to China in 1994. The ride from the old Shanghai airport in those days averaged around 2 hours – through bicycles, goats, noodle shops, fake watch stalls and other assorted messes. Last week, I did it in 12 minutes.

China has now opened a newer airport at Pudong that makes KL airport seem close. But next month, a 350 km/h train will connect you in under 10 minutes.

We met with the top seven agencies on behalf of a large marketer moving into China. All of them are getting at least 3-4 'cold calls' a week – from local China marketers looking to be famous. Don't get me wrong - the agency scene is still very competitive – with 27,000 agencies in China (yes, not a typo), when they all turn up for the same pitch.....

Here are some observations of what all this means to us on this side of the world...

### **1. Watch and learn**

Whether you're agency or client side, look into what your China office is up to every six months. Learn from how they manage to deliver amazing growth rates. Learn from how they split their focus - in our compensation survey in China done this month, the split between Above the Line and Below the Line is 50/50. In the rest of Asia, it's 66/33. What do they know about the importance of higher contact / higher touch activities that we don't?

## **2. Invest and Grow**

If you can get them a passport, get your China people out for training. Some agencies arrange for their best junior people in China to work in other offices – it's possibly the best investment they could ever make. More importantly, China marketers and agencies alike are *hungry* for information. *Starving*, in fact. I met a local telco marketer who didn't speak a word of English – except for words like 'Orange', "churn", "Singtel", "Sony Ericsson" and others.

## **3. Go work there**

Well, China is not exactly waiting to be invaded from the south, but there are a number of Chinese and western expats doing well in the agencies we met. But beware – as one agency said "our fee proposal is often as much as it would cost them to staff a large manufacturing plant for a year". So forget about the country club memberships or other perks - the learning curve is so immense, it will be worth it.

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## **4. Remember branding again**

China is such a new market, that branding becomes essential to success. Markets like Singapore and Hong Kong are so mature that they have moved into the tactical and promotional phase. China is actually like marketing used to be / should be. Driving for the consumer insights, leveraging that into a strong strategy and brand platform, and communicating not just rationally, but emotionally as well. China certainly has a better handle on the balance between brand investment and tactical than we do. Because they have less of the short term financial pressures we do. Here, by running businesses to meet the 90 day demands of Wall Street, agencies and marketers are neglecting the role of 'non-call-to-action' brand communication.

We spoke at the Clio China brand summit in Shanghai, with senior players from BBH, Wieden and Kennedy, Dentsu and many others. One American on his first trip to Asia, remarked "How long do you think until Shanghai overtakes Hong Kong?" My reply was "I think the bigger question is how long until it overtakes New York".

*Greg Paull is Principal of R3 Asia Pacific ([www.rthree.com](http://www.rthree.com)), the Asian arm of a client-agency consulting group focused on agency compensation and relationships*

