

WARC News

Visa, Nokia spending wisely in China

*Data sourced from R3; additional content by Warc staff,
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BEIJING: Visa, Nokia and Nike are the companies most effectively deploying their media budgets to engage Chinese consumers, a study has found.

Consultancy R3 [drew on data](#) from 9,000 respondents in ten cities to measure brand favourability and recall, alongside establishing which advertisers had connected with customers in terms of values.

Telecoms giant China Mobile boasted the best combined score covering all of these metrics on 97.5 index points, and was most frequently described as a "favourite" brand by participants.

Handset manufacturer Nokia claimed second on 94, beating sporting goods titans Nike - one of the leaders regarding awareness - on 77 and Li Ning on 64.4, as well as electronics group Apple on 63.3.

Fast-food chain KFC posted 60.5, dairy specialist Mengniu hit 59.6 and electronics maker Sony delivered 58.5.

Lenovo and Coca-Cola both enjoyed high levels of familiarity, but only registered 55.7 and 52.9 respectively.

Sunny Chen, a senior researcher at R3, argued that although China Mobile appeared to occupy an enviable position, broader factors should be taken into account.

"China Mobile still dominates on the discussion of 'Favourite Brand', but despite the massive media spend, it is not making the brand connections and associations than Nike, Adidas, Li Ning and others are," she said.

Financial services firm Visa directed 12m yuan (\$1.8m; €1.4m; £1.2m) to advertising during the last three months and attained 31.3 index points among consumers.

This gave it an extremely efficient cost per engagement rating of 0.4, based on dividing the first of these numbers by the second.

Elsewhere, Nokia recorded a 61.8m yuan outlay and 94 in the survey, equating to an overall figure of 0.7.

Nike took third after allocating 63.4m yuan to advertising and receiving an index score of 94 from R3's sample, yielding a 0.8 total.

"Visa has used the small media investment it has made in the last three months effectively to build connections and brand impact," said Chen.

"And both Nokia and Nike have leveraged much larger media spends effectively to build brand love with consumers."

Adidas came some way further back, converting 76.7m yuan into a popular standing of 40.9, meaning its average cost per engagement was 1.9.

Lenovo, the IT group, possessed a communications budget reaching 122.3m yuan and 55.7 in the poll, providing a final score of 2.2.

Li Ning generated 4.3 on this measure, with an expenditure of 276.9m yuan and a barometer reading of 64.4 from interviewees.

White goods manufacturer Haier returned a cost per engagement of 5.6 while splashing out 238.3m yuan, figures coming in at 6.0 and 351m yuan concerning Sony.

HP's total of 6.1 was the result of a 92.6m yuan outlay, and the wider trend seemingly demonstrated multinationals were successfully utilising expertise originally gained overseas.

"Some global companies are bring global best practice brand management to China to leverage their brand image and positioning," said Chen.

"While local brands are doing very well on value for money and other values, they are losing out on some deeper brand values right now."

"One definite exception is Li Ning, which despite tough competition, continues to thrive on all our metrics."

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