Australian Government

Australian Grape and Wine Authority

THE UNIVERSITY of ADELAIDE

Harnessing Chinese social media and accelerating Australian wine exports



FINAL REPORT to

AUSTRALIAN GRAPE AND WINE AUTHORITY

Project Number: UA 1501

Principal Investigator: **Sally Rao Hill**

Research Organisation: **THE UNIVERSITY OF ADELAIDE**

Date: **30th of MARCH 2017**

1. Abstract

With unparalleled exponential growth in China, Sina Weibo and WeChat have become the two major social media platforms used by Chinese consumers. While many wine business actors including Chinese wine brands, wine retailers, wine distributors, and restaurant businesses are already taking advantage of these applications little evidence exists concerning the activity of foreign wine brands in this space. Aiming to enhance understanding of the current activities that take place on the two dominant social media platforms in the context of wine business in China, this project uses netnography and interviews to explore and identify new channels for Australian wines and new ways to educate Chinese consumers concerning Australian wine brands.

2. Executive summary

Australian wines businesses can, and should, capitalise on Chinese social media to both create a presence and a recognised brand in China. While some Australian businesses are operating in this space, many have not fully appreciated the enormous potential that these channels offer.

This report provides an outline that enhances current understanding of the activities that take place across two dominant social media platforms in the context of wine business in China, namely, WeChat and Sina Weibo. Furthermore, it also explores new channels for Australian wines and new ways to educate Chinese consumers concerning Australian wine brands.

While WeChat and Sina Weibo are presently being used by wineries in similar ways, they have key differences. WeChat accounts have the capability to offer built-in payment options, whereas Sina Weibo accounts do not have this capability.
The key reason behind wineries' use of these platforms is to enhance and strengthen engagement with consumers and other partners in the supply chain.

Potential benefits of these platforms include:

- opportunities for innovation that leads to stronger engagement with both consumers and business partners; both platforms offer the opportunities for 'Guanxii', that is, for replicating the unique Chinese network approach to doing business in online settings.

- advertising and promotion of products and services

- leveraging reputation to strengthen brands

- providing customers with assurance of product authenticity and combatting 'fake' brands.

While the uptake for Chinese social media by Australian wineries might be low, there is growing awareness of the role that these platforms can play for wine businesses that are keen to penetrate and increase trade with China.

There are opportunities for Australian wine businesses to develop innovative engagement strategies using both platforms. To do this well use of Chinese social media platforms needs to be integrated and aligned with the broader business strategy. In addition, since Chinese social media use Chinese as a medium of communication, adequate budgets and culturally-aware personnel with appropriate command of the Chinese language is needed for the use of these channels to deliver effective outcomes.

Specific guidelines in relation to account set up, communication of high quality content, consumer engagement, building network and converting them into communities are included later in this report.

3. Background

Social media are growing in popularity in China as consumers' use internet is on the rise, especially via mobile phones (Nguyen, Yu, Melewar & Chen 2015). In China over 464 million citizens access the Internet via smart-phones or other wireless devices (Nguyen, Yu, Melewar & Chen 2015) for communication purposes. Internet penetration in China is very much focused in urban areas with Beijing, Shanghai and Guangdong ranking as the top three regions with internet penetration at 75%, 71% and 66%, respectively (Xu 2014). Chinese consumers access the internet predominantly using devices such as mobiles phones (81%), desktop (70%) and laptops computers (44%) (Xu 2014). With the high popularity of mobile phones to go online, mobile friendly websites have become a key channel for engaging with consumers and even conducting commerce activity.

What is known is that many wine businesses including Chinese wine brands, wine retailers, wine distributors, and restaurant businesses are already using social media channels for various purposes. However, little is known concerning how these channels are being used by both Chinese and foreign wine brands. The answer to this question can provide important insight to the Australian wine industry about the ways in which they can take advantage of opportunities that social media presents to access the growing Chinese wine consumption market.

Indeed, China's use of social media is increasing faster than the rest of the world. Furthermore, there is evidence available indicating that Chinese consumers tend to consider products or services for purchase when they see them on social media sites. Taken together, these facts suggests that further research is needed to identify the ways in which social media potential can be tapped to better target the Chinese marks.

The adoption and use of social media in China has taken a different path to that of the rest of the world. Social media applications such as Facebook, Twitter, and YouTube that are popular in the rest of the world are blocked in China. Instead, their Chinese equivalents, WeChat and Sina Weibo, have grown to become extremely popular.

WeChat is a cross-platform instant messaging service app. It provides a number of services including simple instant text messaging, voice messaging, broadcast messaging, video conferencing, video games, photo and video sharing, and location sharing services. It is the Chinese vision of a combined Facebook and WhatsApp in

the same application. In China, users can also include bank account information in their WeChat accounts which they can subsequently use to pay their bills, order goods and services, transfer money to other WeChat users, and pay for goods and services in traditional stores that accept WeChat payment as an option. In 2016 there were over 864 million WeChat users with over 1 billion accounts. Unlike WeChat, Sina Weibo is a Chinese micro-blogging website similar to Twitter. As of 2015 Sina Weibo count approximately 222 million subscribers of whom approximately 100 million are daily users.

With a massive and steadily growing user base including all demographics, WeChat and Sina Weibo have become key platforms via which various merchants can reach and engage with consumers in China cost-effectively. Indeed, the exponential rise of these social media offers high network externalities and a way of network marketing which is characterised by both interactivity and precision.

China has experienced a surge of internet growth since 2002 (Mao, 2013). At the end of 2014, China has cultivated 649 million Internet users, which is the largest group of internet users in the world in any single country. In terms of penetration rate (as seen in Figure 1), China exceeds the world average with over 47.9% of its entire population (CNNIC, 2015a). Notably, mobile Internet users are tremendously important as they comprise 85.8% of the total numbers of netizens. The number of netizens, particularly mobile users, is estimated to grow in the next few years.

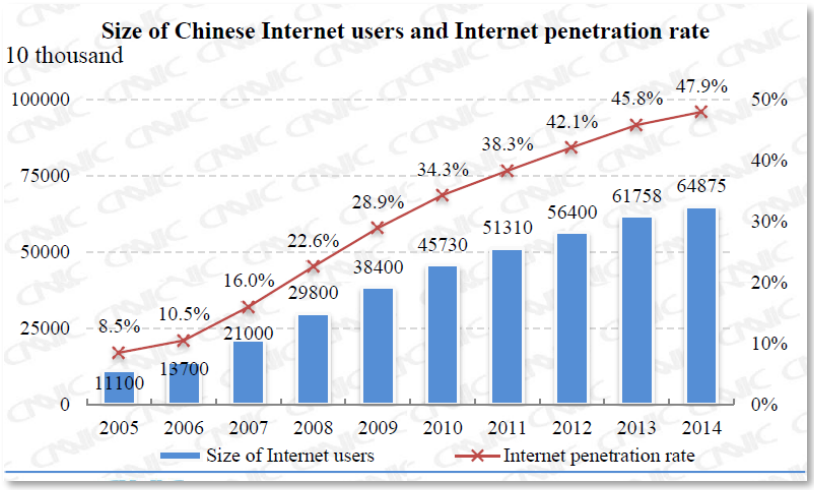


Figure 1 – Size of Chinese Internet Users and Internet Penetration Rate (Source: CNNIC 2015a)

The Chinese social media exhibits a unique path to grow. Although Facebook, Twitter and YouTube are not available in China, over 95 percent of Chinese residents in Tier 1, Tier 2 and Tier 3 cities possess registered accounts in Chinese social media (Mckinsey 2015). On average, the Chinese spend 37 minutes daily visiting social media websites. Furthermore, on average Chinese consumers spend 18 minutes on WeChat and 4.2 minutes on Weibo daily.

Wechat[1] is the dominant mobile social media channel in China which has recently become an all-encompassing marketplace including business-to-business (B2B) and business-to-consumers (B2C) operations.

WeChat is free to download, install, and use. It supports all smartphone platforms including iPhone, Android, and Windows Phone operating systems since its launch in 2011. Consequently, WeChat has rapidly diffused in China. It is widely adopted by both individuals and organisations, including companies and government. Any entity can freely establish official WeChat accounts thereby having access to an easy and fast information dissemination and marketing channel.

As a microblogging platform, Sina Weibo is also highly popular in China. For example, 65% of users in China use Sina Weibo after a meal; 62% before sleep; 39% at work or study and 38% while commuting (Xu 2014), suggesting that the timing of social posts might be important to maximise market reach. Sina Weibo users also tend to be young urban demographic aged between 18 and 30 year old. Popular tweets and trending posts are usually viral content such as jokes, images and videos (Yu, Asur & Huberman 2015).

In summary, WeChat and Sina Weibo are both communication tools with commercialised utility. What is attracting world's attention currently is the exponential growth of e-commerce activity in China that is taking advantage of these tools as conduits or enablers to create a ubiquitous market space where everyone with connected mobile device can be reached any time anywhere. Indeed, online shopping through social media has structurally changed China's business environment and social fabric. Nearly 40% of the e-tailers primarily choose social networking services (SNS) of WeChat and Sina Weibo as their advertising channels. It is therefore expected that these Chinese social media will be mainstream for marketing activities in the next decades.

This report focuses on how Australian wineries could capitalise both WeChat and Sina Weibo to directly and cost-effectively create market opportunities or grow their existing market share in China. In this report we provide an outline that enhances current understanding of the current activities that take place across two dominant social media platforms in the context of wine business in China. Furthermore, it also explores new channels for Australian wines and new ways to educate Chinese consumers concerning Australian wine brands.

The objectives of this project are to:

1. Identify the key wine supply chain businesses on Wechat and Sina Weibo;
2. Document how these firms, including Chinese wine supply chain businesses, Australian wine businesses (if any) and foreign wine brands are using Wechat and Sina Weibo;
3. Gain a better understanding of competitor activities in the Chinese market.

4. Project Aims and Performance Targets

In achieving the project aims, we will be able to generate the following for industry use:

[1] WeChat: Weixin in Chinese—for more detail see http://www.wechat.com/en/

1) A framework of how Wechat and Sina Weibo is used within the wine business context;
2) A database of the predominant gatekeepers and industry actors using Wechat and Sina Weibo and their roles; A database of 150 Weibo accounts and 100 Wechat accounts have been included in this database. It is the first step in continuing research as new players emerging constantly.
3) A clear picture of how competitors in the China market are using social media.

5. Method

In order to examine the nature of the interaction of wine business users of WeChat and Sina Weibo, we conducted qualitative netnographic research focusing on several categories of wines businesses which have active presence on these platforms.

Netnography is a novel qualitative and interpretive research method that enhances the ethnographic research techniques to study online communities (Kozinets 2010). A netnographic method enables researchers to access unfiltered and unbiased information from community discussion threads and posts and, thus, to contribute to a richer and deeper understanding of the process of interpersonal influences within online communities (Kozinets 2010).

Following the guidelines from Kozinets (2010), we selected a sample of wine importers, distributors and foreign wine brands (www.australianfrequentflyer.com.cn) as the targeted community for this study. Sample selection was based on key criteria including number of followers, number of posts as well as recency of posts. In particular, after a review of 200 accounts, the wine related accounts which had more than 1000 followers and were active with more than one weekly post on average in the last 12 months were chosen for inclusion in our sample.

Using non-participatory approach, the researchers collected information about 100 accounts on Weibo and 200 accounts on WeChat within a one-year period (October 2015 – October 2016) from eligible threads for further analysis. Collected data covers a series of interactions from different roles involved in wine businesses including wineries, wine distributors, importers, and on both Sina Weibo and Wechat.

In addition to the planned method discussed above, we conducted a small number of interviews with Australian Wineries to supplement the secondary information gathered with the netnographic research. The purpose is to further and better understand the motivation and barriers Australian wine businesses have in regards to using the Chinese social media to target wine consumers in China. The addition of this method to the original proposal provides us with richer and firsthand information regarding Australian wine businesses' views on and experiences of using Chinese social media.

6. Results/Discussion

An analysis of our sample of accounts on Weibo and WeChat suggest that there are a number of key players on these two Chinese social media. They can be categorised into four main groups as below. The predominant accounts have been listed in the brackets (business names are English translations followed by Chinese Business names):

Table 1: Categories of predominant Weibo and WeChat accounts.

Account name in Chinese	Account name in English translation	Social media type
Chinese distributors		
山西戎子酒庄有限公司	Shanxi Rongzi Wine Ltd	Weibo
重庆思德酒类销售有限公司	Chongqing Side Ltd	Weibo
北京莱恩堡葡萄酒业有限公司	Beijing Laienbao Ltd	Weibo
北京张裕爱斐堡国际酒庄有限公司	Chateau Changyu AFIP	Weibo
陕西张裕瑞那城堡酒庄有限公司	Changyu-Rena	Weibo and WeChat
澳洲豹国际酒庄（深圳）有限公司	Australia Leopard (Shenzhen)	Weibo
澳洲兄弟酒庄	Brothers in Arms Vineyards	Weibo
厦门澳地堡酒业有限公司	AUDIPO_WINES	WeChat
北京澳纽之窗商贸有限公司	AUNEW	Weibo and WeChat
Chinese retailers		
紅酒世界网	Wine World	WeChat
葡道商贸（上海）有限公司	Pudao Wine trading Shanghai Ltd	Weibo
安徽戈斯曼国际葡萄酒有限公司	Anhui Graceman Ltd.	Weibo and WeChat
深圳凯路思国际贸易有限公司	KairosTrading Ltd (Shenzhen)	Weibo
庆阳澳洲豹国际酒庄	azgj0934	WeChat
澳洲君叶酒庄	Royal Leaf	WeChat
澳洲法国进口红酒供应商	Australian and French Wine Distributor	Weibo
澳洲香奈思红酒长春代理	SA'NICE Wines distributor (Chang Chun district)	Weibo and WeChat
澳洲原瓶进口红酒	Australian Wine Importer	Weibo
上海赛乐酒业有限公司	CellarDoorWines Ltd (Shanghai)	Weibo and WeChat
北京玛莱特庄园葡萄酒有限公司	Malaite Wine Ltd (Beijing)	Weibo and WeChat
Foreign and Australian wine brands and trading companies		
弗朗索瓦戴恩酒庄	Domaine du Germain	Weibo and WeChat
法国乐朗葡萄酒庄	LAULAN DUCOS	Weibo and WeChat
欧菲堡酒庄	Opheburg	Weibo and WeChat
澳洲三只袋鼠	ThreeKangaroos_wine	Weibo and WeChat
澳大利亚布琅兄弟酒庄	Brown Brothers	Weibo and WeChat
澳洲德诺酒庄	TERREL-ESTATE	Weibo and WeChat
澳洲芬富酒庄	Fern Fortune winery	WeChat
澳洲菲玛仕酒庄有限公司	Freemax Wines	Weibo and WeChat
1847 澳洲酒庄	1847 and Yaldara winery	WeChat
澳洲 Camfield 家族酒业	Camfield Wines	Weibo
澳洲阳光酒庄	Sunshine Creek	WeChat

澳洲都度酒庄红酒直营	Dowie Doole	WeChat
澳洲威士顿酒庄	Winston wine	WeChat
澳大利亚切维特葡萄酒集团	CHEVIOT WINE GROUP	WeChat
澳洲五星酒庄红角庄	HELEN & JOEY winery	WeChat
澳酒国际线上红酒平台	Awine International Pty Ltd	Weibo
澳洲曼斯顿酒庄中国办事处	Mansinton	Weibo
Wine industry associations		
澳洲佳酒	Whatwine Pty Ltd	Weibo and WeChat
波尔多葡萄酒行业协会	Bordeaux Wines CIVB	Weibo

Many Chinese and foreign wine businesses are using either, and in many cases both of Sina Weibo and WeChat. Whilst they are using these platforms in similar ways (as discussed further below), the key differences concern payment options. Accounts on the WeChat platform have the capability to offer built-in payment options, whereas those on Sina Weibo do not have this capability. The main ways in which wineries use these platforms and their activities on both platforms are otherwise similar and are categorised and discussed below:

Engagement with consumers. Our evidence shows that ongoing consumer engagement is one of the key outcomes that wineries appear to expect to achieve through both WeChat and Sina Weibo. There are many strategies through which wineries are attempting to achieve engagement with consumers through these platforms. These strategies share the intent of maintaining engagement as an ongoing pursuit as opposed to isolated or limited encounters.

As WeChat has become such a central communication tool, high quality content is highly valued. Being online is about sharing, virality and 'passing along'. When examining Chinese Social media, much the same results can be seen as when examining western social media. Content that is found to be 'useful' and 'entertaining' is shared more. Strategies vary and are often used in combination by wineries in either or both platforms. For example, many wineries are focusing on wine knowledge dissemination which is often provided as knowledge about wines in general, in relation to health benefits of wine, for example. In other cases, in-depth knowledge is also provided specifically focusing on wine appreciation and tasting including social drinking etiquette and even wine-making. Some wineries even offer wine accreditation seminars and courses including video lectures.

In some cases, wineries attempt to specifically engage consumers by offering participation in activities related to wine making such as grape picking, though this type of engagement appears to specifically target local consumers or tourists. Most of the surveyed WeChat accounts attempt to engage consumers with various online activities including online quizzes (often related to wine knowledge), online games, and even essay writing competitions where real prizes are often awarded to winners.

The most common form of engagement across both platforms is through online posting which typically covers a wide range of wine- and non-wine-related topics. For example, wine-related topics typically include wine knowledge and interesting wine

facts, wine-related events, food and wine, wine-products, wine production or area information, wine marketing campaigns. Other content likely to be found as useful' includes your availability on the shelf/wine list, if you are visiting an area or if your distributor has tastings or classes available.

Wineries observed on Chinese social media with growing and large networks are demonstrating not just their wine, but where it is produced and importantly where they fit in China. They are using examples of them being in country for shows, holidays, business trips.

Non-wine related topics typically include hot news, entertainment, general information about health, exercise and lifestyle, celebrity news, jokes, travel, charity, news about various festivals, marketing, and even recruitment.

Engagement with other wine businesses. Whilst researchers and consultants have for the past decade or so talked about the uniquely Chinese network approach to doing business, known as 'Guanxi' it might be simple to assume that new media rewrites the rules, in much the same way as it has in our own market. Quite the opposite is true though. Unlike Facebook, where networks of 'friends' are built, or 'followers', and 'likes', WeChat is almost an online representation of the centuries old approach to doing business and having social dealings in China. One needs to be invited into a conversation or a group. WeChat is about being able to introduce people to others, to companies and to services. It is about building a network, not just having your own channel and talking about what you want to.

Advertising and promotion. Wine advertising and promotion were other key outcomes that wineries hope to achieve in using the Chinese social media platforms. Almost all accounts, regardless of their role on the wine supply chain use WeChat as a marketing tool to promote certain types of wines or brands to end customers. Advertising and promotional strategies across these channels take make forms and were often being used by many of the surveyed wineries in combination with each other, rather individually.

For example, many wineries attempted to advertise and promote their wines through special day reminders and celebrations (e.g., Father's and Mother's Day, Christmas, Labour Day, Bastille Day, New Year's Day, Bar Mitzvah) and offering their wines for sale at discounted prices on these occasions. Often promotional offers (e.g., buy one-get one free) were also made randomly, while free wine- or non-wine-related products were often offered as part of various promotional campaigns (e.g., cheese offers, movie tickets, free tickets to wine-tasting events, free travel tickets).

Celebrity endorsement (e.g., by famous Chinese actors) was also used, though this form of advertising was often featured on those accounts owned by the more reputable and larger wineries. The wineries in this category also used promotion at events (e.g., marathons, wine expos and shows, wine tasting activities, poetry reading, international tours, international wine competition) and even organised their own events (e.g., Lantern Festival, Dragon Boat Festival, couples match-making

events, and mid-Autumn Festival), news of which were regularly and prominently disseminated in their social media accounts.

Leveraging reputation to strengthen brand. There were visible attempts by most wineries surveyed to establish and strengthen their brand by leveraging on reputation concerning various aspects of their operations. This appeared to be important as a mechanism of positioning themselves as being unique in some way. Information in social media accounts of these wineries was provided to highlight or emphasise strengths.

For example, some Chinese wineries emphasised established partnerships with reputable European wineries (mainly from Italy or France) while others provided information and photos about their modern wine production facilities, equipment and processes in attempts to shape their consumers' perceptions about the quality of their wines.

Some wineries which had won various awards showcased these as evidence of proven excellence while others emphasised as strengths having been recommended by local travel and tourist bureaus as tourist attractions or destination. Few of the surveyed wineries also advertised facts about having their winery site used in high profile events (e.g., blockbuster movies, popular TV shows, celebrity weddings) in attempts to stand out and impress consumers.

Orders and payments. The WeChat platform supports online orders and payment whereas Sina Weibo does not. Nevertheless, our evidence shows that not all WeChat accounts offer order and payment facilities. Those accounts that accept orders are characterised by simplicity of making the order and payment with the only condition for consumers of having to be WeChat account holders in China with a registered bank account. Many of the surveyed WeChat accounts that did not offer order and payment and some of the Sina Weibo accounts provided links directing consumers to their traditional websites for orders and payment.

Assurance of authenticity – combatting the 'fake' wine trade. Fake/Knock off products appear in China within days of a branded product becoming sought after. Chinese consumers seek assurance that the products they buy are genuine, 'Non-Fake'. We've seen a spike in powdered baby formula being sent from Australia to China, so much so that it has become a lucrative business. The Chinese consumers seek assurance from social media that products are 'Non-Fake'. The social media maybe used as an educational tool to teach Chinese consumers how to identify the authentic product.

Some wineries also assure Chinese consumers of your products genuineness via both social media. Wine businesses can demonstrate genuine distribution channels, network to include all retail outlets, even establishing direct sales.

Australian Wineries' use of WeChat. Interviews with stakeholders suggest that while the uptake might be low, there is growing awareness of the role WeChat can play for wine businesses wanting to penetrate and increase trade with China. The relative low uptake of WeChat among Australian wine businesses can be pinpointed to a number of factors.

a) The newness and the pace of uptake

The pace of uptake and the shift towards WeChat as the preferred social media platform in a short space of time since its introduction has not afforded wine businesses the time to fully and truly understand and incorporate this particular social media application into their business strategy.

b) Size of wine business

Small to medium sized wineries do not, when compared to large wine businesses such as Penfolds and Jacobs Creek, have the capital and necessary staff with not only social media expertise but also Chinese language skills to utilise WeChat.

c) Lack of know-how

Australian stakeholders feel that it is not a matter of unwillingness of wine businesses in embracing WeChat, rather it is the requirement of proficiency in the Chinese language and knowledge of how social media accounts are using in WeChat and Sina Weibo that are perceived to be key barriers.

1. Outcome/Conclusion

The project exceeded the scope of the original planned objectives by including additional method that provided insights of the motivation and barriers Australian wine businesses have in regards to using the Chinese social media to target wine consumers in China (albeit with a small sample size). Despite the clear benefits offered by using WeChat to wine business, there are some obstacles and inherent risks associated with the way in which it is currently used. Based on our results, we develop the users' guides to Sina Weibo and WeChat which are included in the appendix which provides a step-by-step guide for setting up accounts on these two dominant Chinese social media.

In conclusion, it is imperatively important to understand the nuances of Chinese social media. WeChat and Weibo are particularly important given the large and growing product adoption of smart-phones and internet usage by Chinese consumers. Australian wines businesses can take advantage of WeChat and Sina Weibo to create strong web presence and brand in the Chinese market. Businesses seeking to internationalize, penetrate and increase their overseas trade with China should understand the benefits of incorporating these two social media into their business strategies.

2. Recommendations

Below we discuss the key points to consider for wine businesses wish to incorporate these the Chinese social media strategically into their business.

1) *Setting up an account*. Take advantage of a simple feature on WeChat, the QR Code (available under the "profile" tab), to make connecting easier. Use your WeChat QR Code on your packaging, cartons, wine label, and point of sale material – anywhere a Chinese Consumer might come into contact with your wine so that they can quickly and easily join your network, your

conversation and even purchase. A “how to” guide of setting up accounts on both Sina Weibo and WeChat is included in the Appendix.

2) Communicate with high quality content. Take advantage of the interest in Australia and the desire to adopt, learn about wine. Whilst the established wine consumption might have been built on a platform of ‘Bordeaux’, new to wine consumers are looking for information and knowledge they can understand. As an Australian Wine Business, the opportunity exists to provide high quality content that has an Australian setting and is aimed at assisting the Chinese consumer develop their wine knowledge.

3) Engage the consumers.

    a) While the focus on these social media seem to be on wine knowledge and education, they need to be in line with your own offering. Think about how the consumer can learn about wine using your specific varieties as examples? How can they understand tannin and acidity using your wines to see for themselves?

    b) Ensure that consumers can receive your communication and then be quickly able to locate where they can try or buy your wine. You can use vouchers and offers for consumers to redeem by then connecting with your resellers or walking into store with an offer to redeem.

    c) Also consider developing tasting notes and food matching suggestions for the Chinese markets. Previous research has shown the need for making food matching that matches the local market in China, where roast beef and slow cooked lamb dishes are not exactly prevalent nor known as well as using taste indicators that relate to Chinese knowledge and sensory experience. These can be done, in Chinese and shared. As they are more likely to be appreciated, relevant and useful they offer another path.

    d) Let followers know that you are a real wine business, with real vineyards and a real story.

4) Build your wine network. Australian wine businesses can build their network on WeChat. This is likely to involve having brand ambassadors, in Australia and in China. Without having a network, you don’t have people to talk with and communicate your brand to. One of the difficulties with any market, especially one the geographic size and complexity of China, is figuring out where to find products. In many cases, you won’t be available in a great deal of retail stores or restaurants, WeChat can assist in your supply chain marketing. Your resellers are also looking to make profitable business selling to consumers, they are part of your network – so make them part of your WeChat/Weibo network too. Make sure you have all your resellers as part of your social media network. As an App, WeChat has location built in. You can use location services so that someone in your network can quickly be steered toward an event, a tasting, where your wine is available for sale or restaurants that carry your wine. Work with retailers (On and Off-Premise) that carry your

wine to develop a co-marketing plan using the WeChat location services – even if you don't operate a WeChat account yourself.

5) Grow your wine community. Whilst it is an amount of work, consider a loyalty scheme that gives people incentives to not just purchase from you, but to introduce others to your brand and products. We're not talking about discounts merely for introducing new consumers, but tracking how those referred to your network purchase and then rewarding those who introduced them. Keep track of what consumers purchase and thank them for being part of your community. Points for introductions can be a 'badge' – people could get access to wines, a discount rate of 5-7.5-10-15% based on their involvement in your community.

6) A couple of overall approaches. The biggest difference (actually really, just the start of differences) between Chinese and Western social media is obvious. The language of WeChat and Weibo is Chinese. Okay there are a small percentage of westerners using them in English, but that is less than 1%. This makes it difficult for you to read, navigate or communicate. The answer is two-fold. Both require you to engage someone else.

    a) Use a Chinese speaker to operate the account on your behalf. Don't just leave them to it – they need to be trained, to understand what you are looking to achieve, to be guided by a plan and leadership. It is your business after all. We have seen Facebook get left to the younger staff members with very little guidance – that shouldn't happen, neither should the execution of your Chinese Social Media plan.

    b) The second approach involves engaging with Key Opinion Leaders (KOLs). Identify people that are opinion leaders in the Chinese market – in many cases they are living in Australia and running business exporting products to China, they might be actors and celebrities. Reach out to them to introduce your brand and products – it will most likely involve a fee, but in many cases having an Online Brand Ambassador that is a KOL means thousands of followers see your product and then go on to investigate it for themselves. One word of warning – all other activity needs to be in place first if you are to capitalise on consumer interest. No point 250,000 people being interested in your products if they can't find your products on a shelf or on WeChat.

Further research is needed that measures Chinese consumer perceptions of (a) winery presence on Chinese Social Media, (b) Australian Winery presence on Chinese Social Media and (c) what they expect or want to have access to.

3. Appendix 1: Communication:

The announcement at the start of the project has been published in an industry journal as following and is attached:
Rao Hill, S., Goodman, S, Troshani, I and Tan, G. (2016) 'Harnessing Chinese Social Media: a Pathway for Australian Wine Brands", *Australiana and New Zealand Grapegrower and Winemaker Journal*, July.

The full results will be submitted to the same journal for wider dissemination.

Harnessing Chinese Social Media: a Pathway for Australian Wine Brands

Drs Sally Rao Hill, Steve Goodman, Indrit Troshani and George Tan
The University of Adelaide

Social media is experiencing an unparalleled exponential growth across many of its applications and in the process becoming a key channel for firms to promote their brands. Social media such as Facebook and YouTube are blocked in China, the resulting vacuum has been filled by WeChat and Sina Weibo, two China based social media applications. These applications offer the potential to become effective channels that Australian marketers can use to directly communicate and engage with the Chinese audience.

Very little is known about the Chinese social media channels outside China, even though they are used prolifically for branding and commerce at all levels, including wholesale, distribution, and retail. Indeed, many wine business actors including Chinese wine brands, wine retailers, wine distributors, and restaurant businesses are already taking advantage of these applications. There is very little evidence concerning the activity of non-Chinese wine brands in this space. Yet, China's use of social media is increasing at a rate faster than the rest of the world. Chinese consumers are purchasing both products and services if they see them mentioned on their popular social media applications. The rise of these social media is offering novel ways of social network marketing activities which are characterised by both intense interactivity and precision of logistics.

Sina Weibo is a Chinese microblogging application, similar to Twitter, which has more than 556 million users, with over 50 million of them being active daily users. Meanwhile, WeChat has become the dominant mobile social media channel in China. More recently WeChat has also become an all-encompassing marketplace that is being effectively use for business and commerce including B2B and B2C operations. Similar to Facebook, WeChat provides offers services ranging from notification, text/audio/video message push to mobile payments, and order fulfilment. WeChat is free to download, install and use. Launched in 2011, it can be used in all types of smartphone platforms including iOs, Android and Windows Phone operating systems. Furthermore, any individual or entity both private and commercial can freely establish official WeChat accounts by which they can offer easy and fast information dissemination and marketing. WeChat has become a far-reaching and universal social media application in China market.

This presents an enormous opportunity for all players and stakeholders in the Australian Wine Industry that are exporting or attempting to export to the Chinese market. As the players along the wine channel in China have embraced social media to manage their businesses, innovative Australian wineries could achieve positive outcomes by using these unique to China media.

However, in order to capitalise on these opportunities the wider wine business community in Australia needs to better understand the potential that these applications can offer and manner how they can be properly leveraged to effectively communicate and engage with the Chinese market. Failure to do so may result in overall missed opportunities to reach a specific customer groups in China and potentially lost revenue for the all players including wine retailer, distributors, and importers.

Funded by AGWA, we, as a team of researchers from 3 schools at the University of Adelaide are undertaking research that will enhance current understanding of the activities that are taking place on the two dominant social media applications in the context of wine business in China. This research will

provide insight concerning the new channels for Australian wines and the ways to educate Chinese consumers concerning Australian wine brands. The results of the research will be available to industry early next year.

Further updates will be disseminated here in G&W, through www.facebook.com/AustralianWineandSocialMedia/ - or you can join our email list by emailing sally.raohill@adelaide.edu.au

4. Appendix 2: Intellectual Property:

There is no intellectual property developed from this research.

5. Appendix 3: References

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Xu, T. 2014, 'Social, Digital & Mobile in China 2014', We Are Social Ltd, United Kingdom, viewed 6 August 2016, <http://wearesocial.net/blog/2014/04/social-digital-mobile-china-2014/>.

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6. Appendix 4: Staff

Project Supervisor: Associate Professor, Sally Rao Hill, The University of Adelaide

Chief Investigators: Dr Steve Goodman, The University of Adelaide

Associate Professor Indrit Troshani, The University of Adelaide

7. **Appendix 5 : Budget Reconciliation**

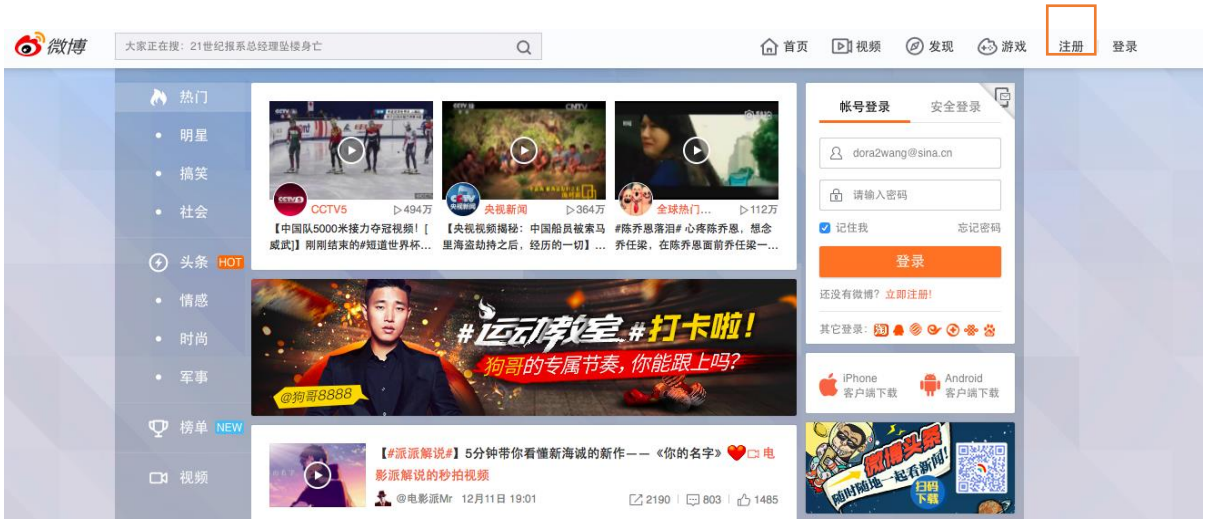
Attached

8. **Appendix 6 : Users' guides to Sina Weibo and WeChat**

Weibo Guide

Setting up and using a Weibo account is very similar to using other social media sites such as Twitter. Although the process is intuitive, there are some minor differences in terms of functionality of this platform. This guide aims to provide a step-by-step instruction by using screen shots to illustrate how to set up and use a Weibo account.

- **Step 1: Registration**
  1. Go to the website: www.weibo.com



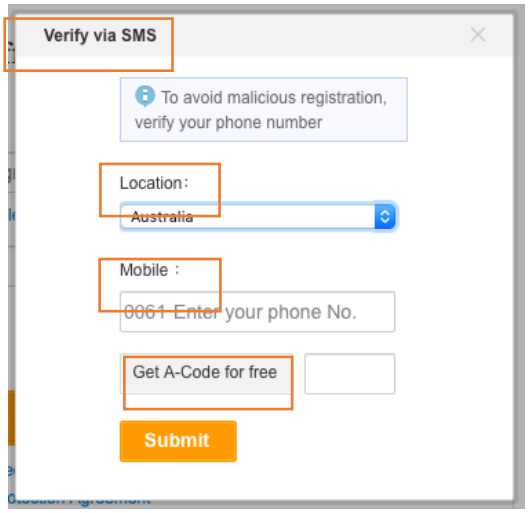
The word in the circle means ‘Register’, click on it will go the next interface. There are two ways to register: one is via an email address, and the other is via a mobile phone number.

Only the registration information is compulsory. All other fields are optional.

2. Register via an email address:
    - Personal account



Input ‘Email, Password and Verification code’ and then click ‘Sign Up Now’ the next interface is below:

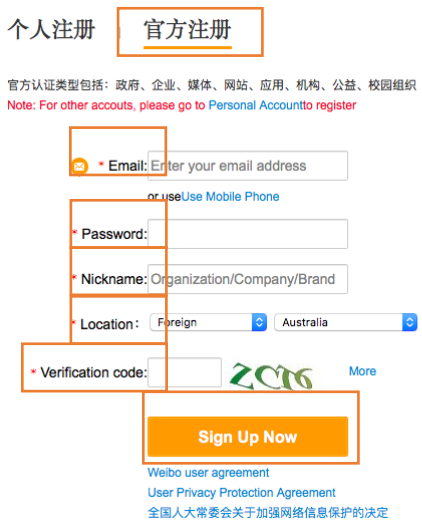


This step is to verify via SMS, so input ‘Location’ and ‘Mobile’, then click ‘Get A-Code for free’, you will get a code through SMS, then input the code and click ‘Submit’ you will go to the next interface.



Input ‘Nickname’, ‘Birthday’, ‘Gender’ and ‘Location’, then click ‘Enter interests recommendations’, the registration process is done.

- Official account



Choose ‘Official registration’ – 官方注册， then input ‘Email, ‘Password’, ‘Nickname’, ‘Location’ and ‘Verification code’, and then click ‘Sign Up Now’.

It is free to have an official account, but if you want to be verified, you need to upload the relevant verified certificate and information through the next interface.





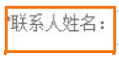
- verification type: official business verification



- business type



- nickname



- contact name



- business full-name



- contact mobile phone



- business license



- business license registration number



- business official letter



- official website



- other materials 1



- other materials 2



- submit verification / cancel

3. Register via a mobile phone number



Input ‘Mobile, Password and A-Code(send through mobile)’, and then click ‘Sign Up Now’ the next step is the next interface.



Input ‘Nickname’, ‘Birthday’, ‘Gender’ and ‘Location’, then click ‘Enter interests recommendations’, the registration process is done.

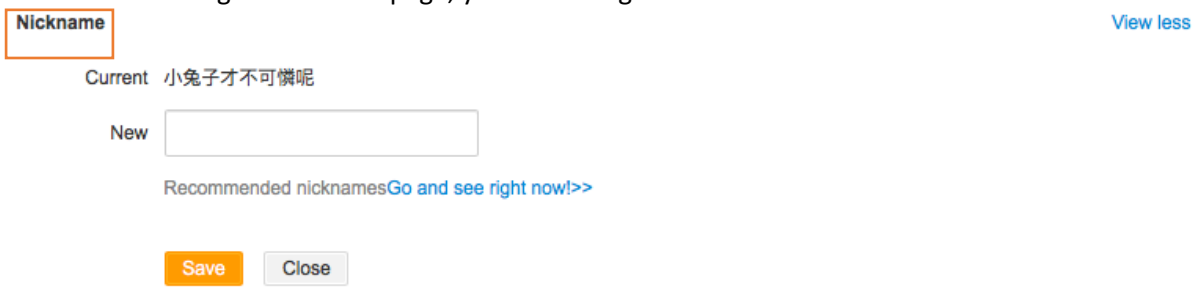
Step 2: Fill in basic information and set up your account



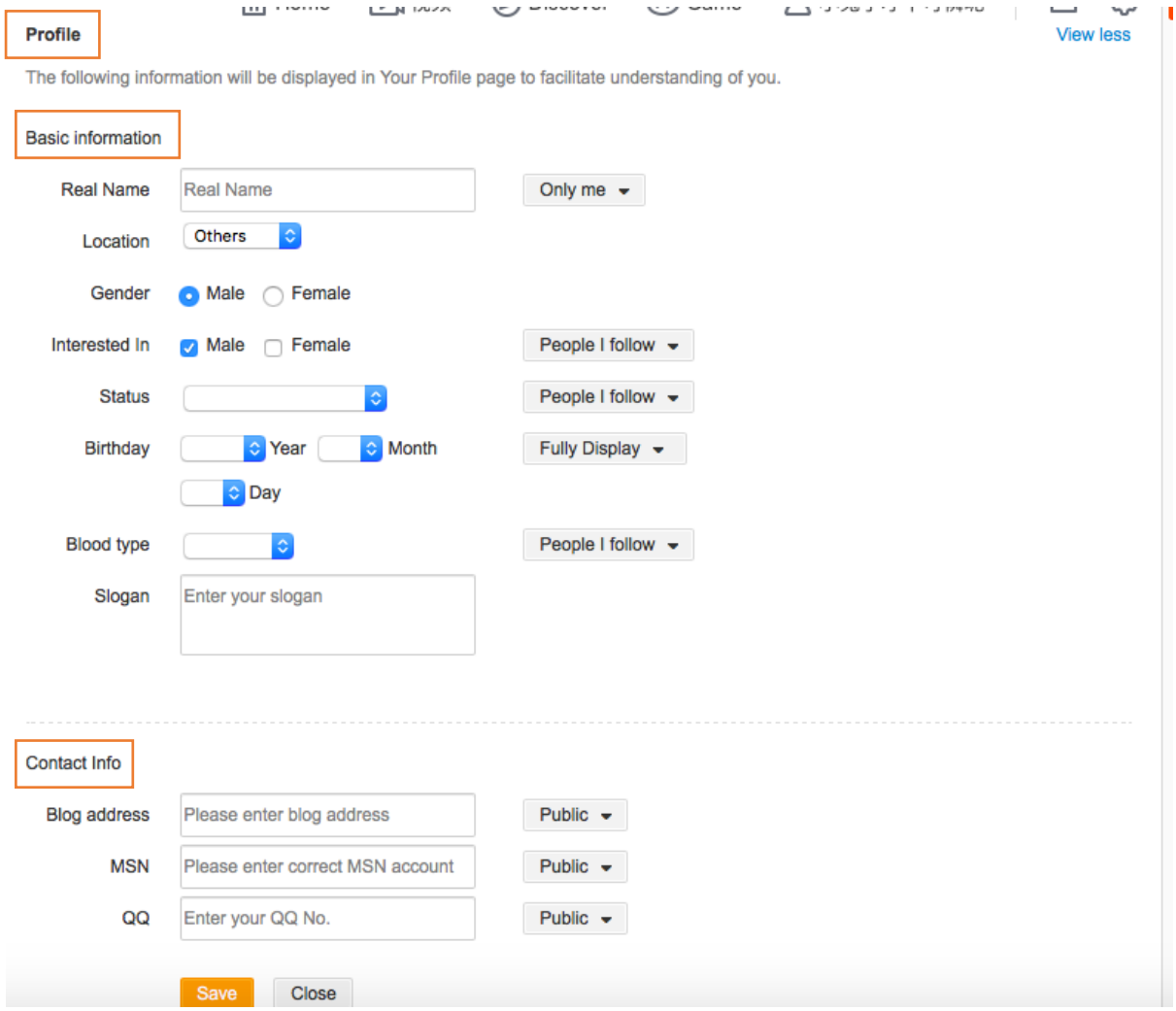
- Login name
  Means the name you need to input when you log in

- Mobile number
  The mobile number you used to register

- Nickname
  The name showing on the homepage, you can change it as well.



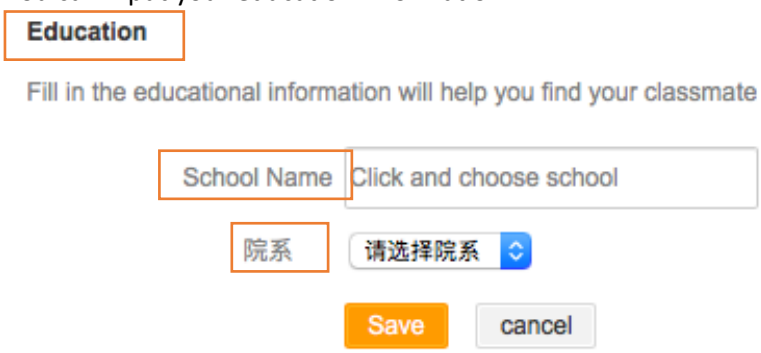
- Profile



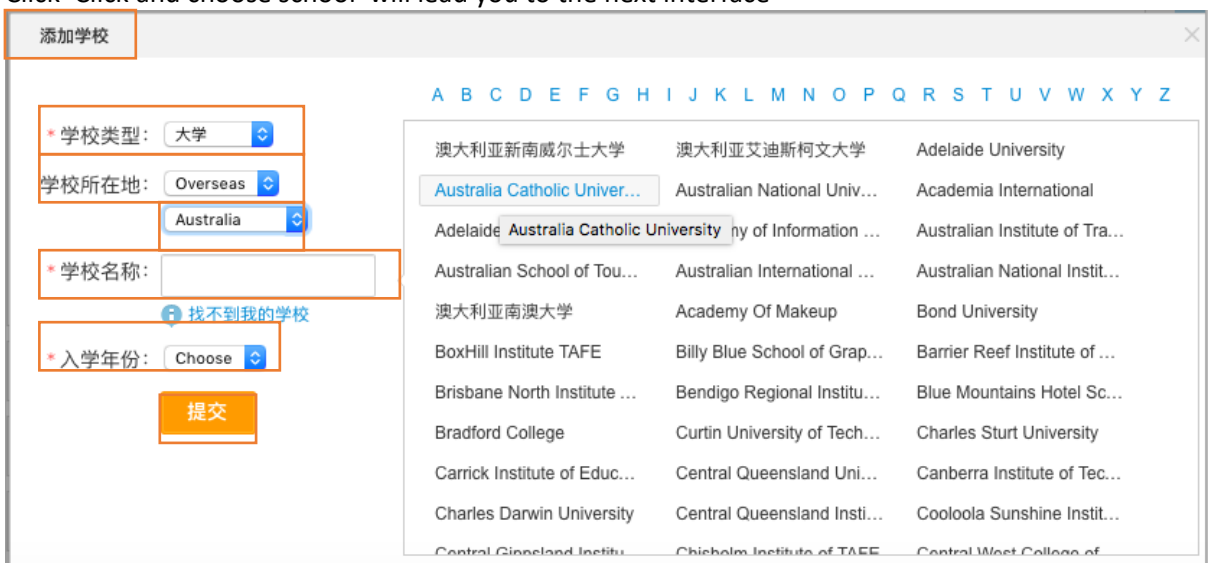
The profile information will be displayed in your profile page to facilitate understanding of you. There are two parts which include ‘Basic information’ and ‘Contact Info’. You can choose who can see the information such as ‘Public’, ‘Only you’ and ‘People I follow’

- Education

You can input your education information.



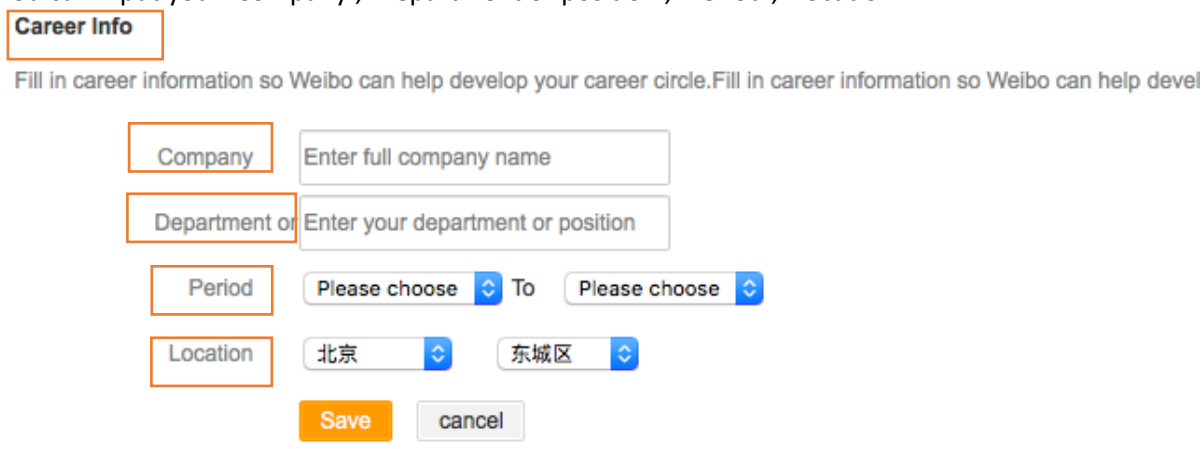
Click ‘Click and choose school’ will lead you to the next interface



‘添加学校’ – add school
‘学校类型：大学’ – school type: university
‘学校所在地’ - school location
‘学校名称’ – school name
‘入学年份’ – start year
‘提交’ – submit

- Career info

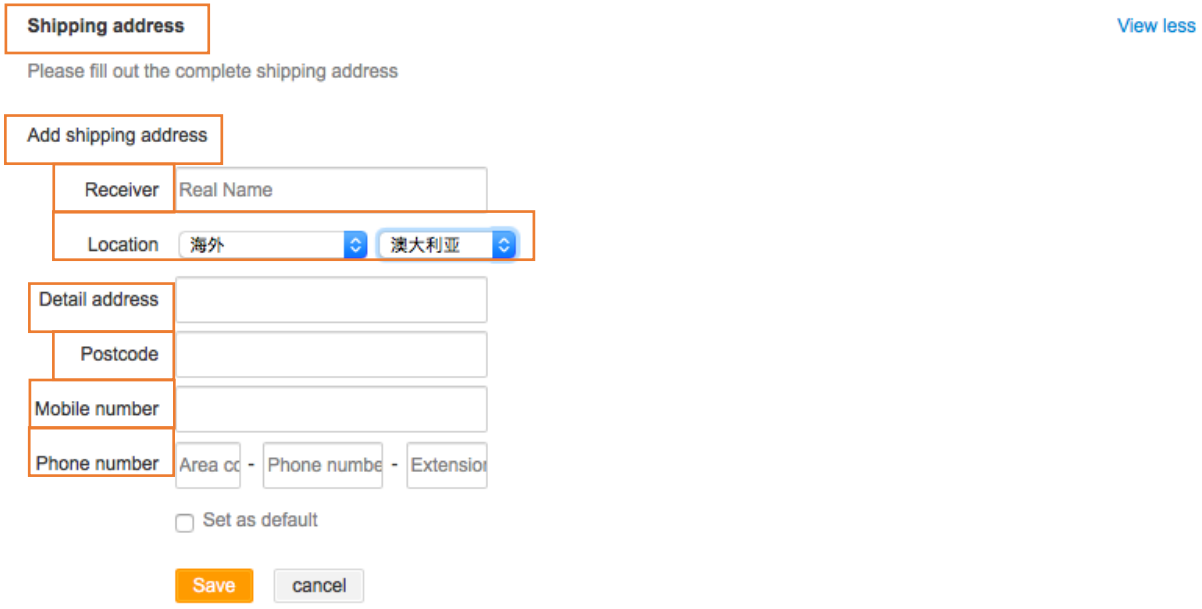
You can input your ‘Company’, ‘Department or position’, ‘Period’, ‘Location’.



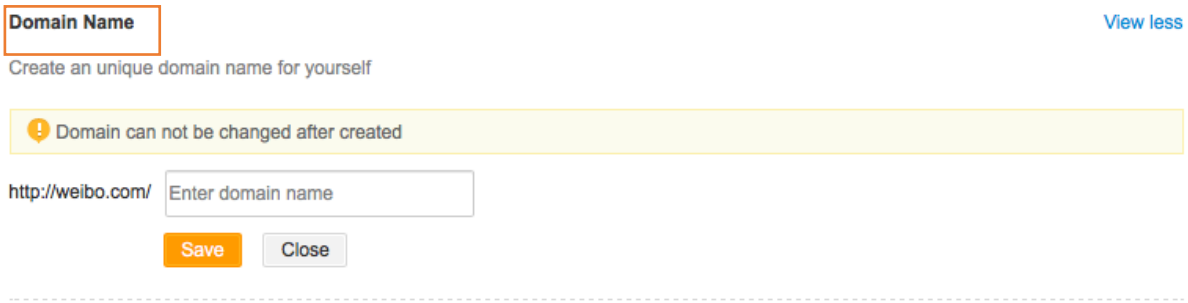
- Tags
  Add tags to describe your occupation and hobbies. Find people with similar interests and allow them to find you. All in Chinese.



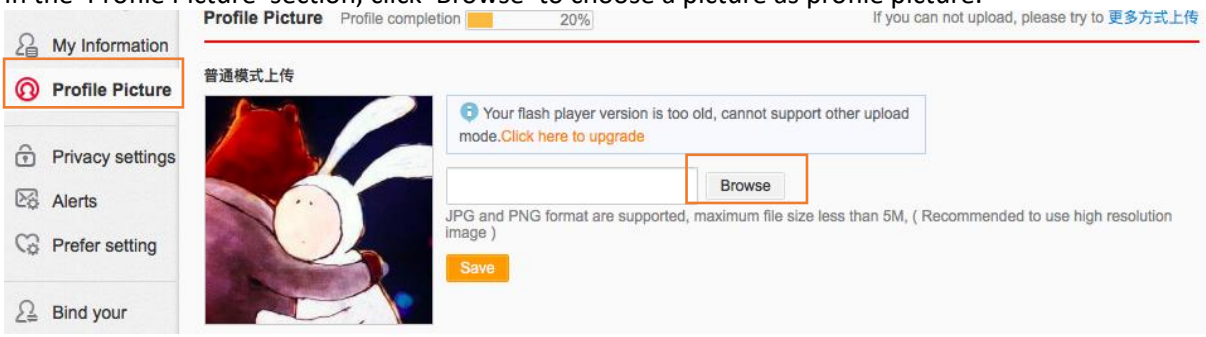
- Shipping address
  Add address can make people know where are you from.
  'Location, 海外，澳大利亚' – location, overseas, Australia



- Domain name
  Create a unique domain name for yourself.



- Profile picture
  In the 'Profile Picture' section, click 'Browse' to choose a picture as profile picture.



Step 3: to add new post, comment, forward and add to favourites

Weibo allow you to add new posts, to comments on others' posts, forward a post to others , to add the post to your favourite list, and to comment on others' posts. The following illustrate how to use these functions.

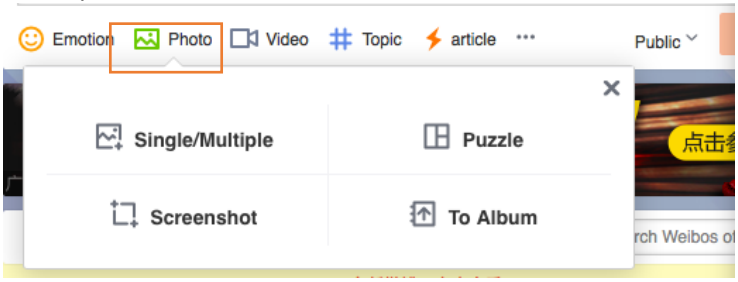
- **To add new post**
  After you log in, you can see this interface



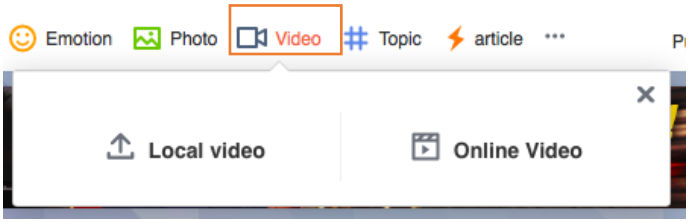
Input the words. During the process, you can click 'Emotion' to insert emotions (Emoji).



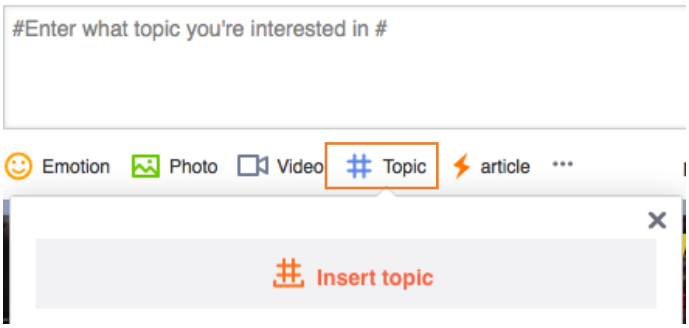
- Insert photos – click ‘Photo’ and follow the instruction



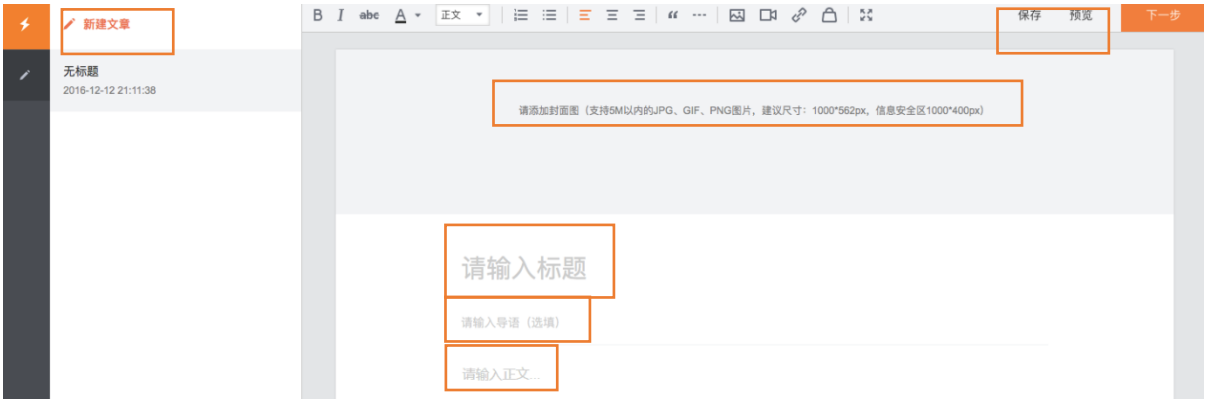
- Insert videos – click ‘Video’ and follow the instruction



- Insert topics - click ‘Topic’ and enter what topic you’re interested in.



- Insert articles - click ‘article’ and follow the instructions





- new article



- save; preview



- Please add cover page (within 5M, JPG, GIF, PNG format pictures, recommend size: 1000*562px, info safe zone 1000*400px)



- please input headline

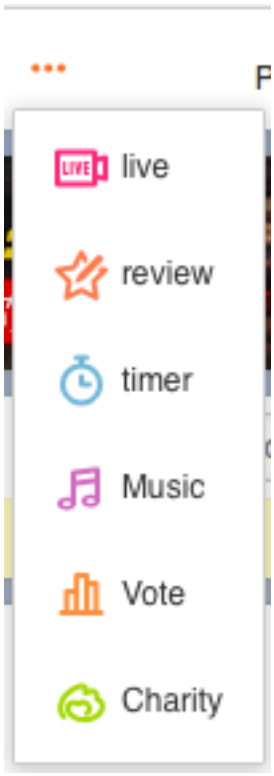


- please input introduction (optional)

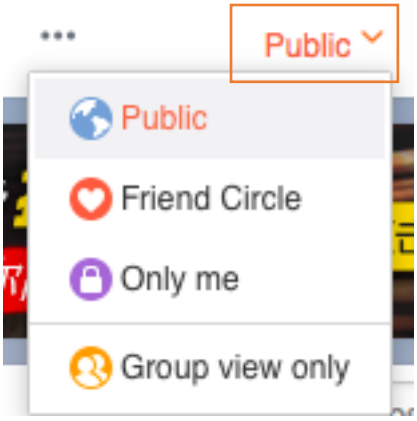


- please input the body





- The three dots mean you can add ‘Live’ (live show), ‘Review’, ‘Timer (schedule the publish time)’, ‘Music’, ‘Vote’ and ‘Charity’.



- This means you can show your posts to ‘Public’, ‘Friend Circle’, ‘Only me’ or ‘Group view only’.

- **To Comment**



Click ‘Comment’, you can also forward your comment to your own Weibo as a post as well.

- **To forward a post**
  Click ‘Forward’



When you forward, you can choose comment to the original post as well at the same time choose who to share with.

- Favorited
  Click favourite to save the post.



- How to follow others



Click people's profile picture to their homepage, then click 'Follow' to follow.

- How to communicate with other users



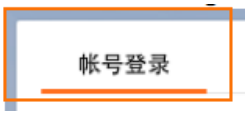
Click people's profile picture to their homepage, then click 'Message' to next interface



Input the message and then press ‘return’ to send the message.

- How to log in





- log in



- input your registered email or mobile phone



- input your password



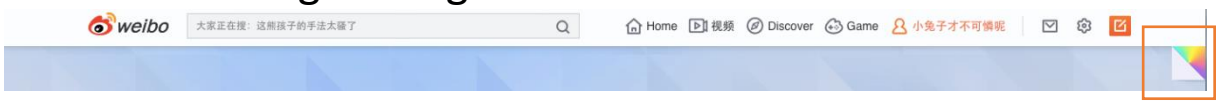
- log in

- How to log out



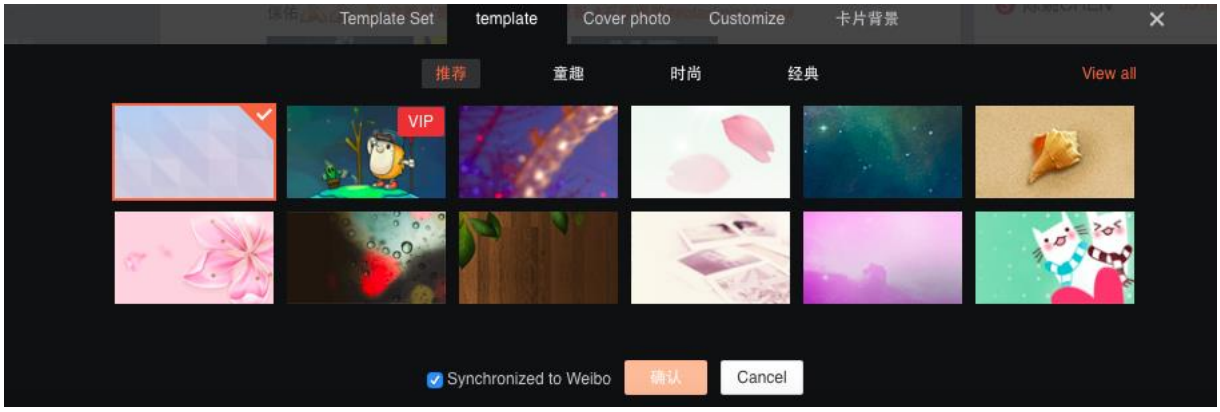
-  press
- log out

- How to change background



Firstly, press the triangle on the top right corner of the page once you log in.

Then, you can choose the background you like.



WeChat Guide

- ## Register a personal account

1. Download WeChat app from ITunes.

2. Open WeChat, the interface will be like below



3. Click 

- create a new account

4. The next interface





- nickname



- nation – choose ‘澳大利亚’（means Australia）



- input phone number



- input your password



- register


- profile picture

5. Confirm your mobile phone number to get ready to receive the verify code. Click ‘Confirm’.





- confirm mobile phone number



- confirm

6. The verify code will be sent to your mobile phone, input the code in the square section.





- please input the verify code



- next step

7. Registration process is finished.







- check messages



- contact



- discovery



- personal information

- **Register a business official account**
  1. Go to the website: http://qy.weixin.qq.com . The interface is below, click ‘Register now’





- register now

  2. Input email, password, and then click ‘Register’.

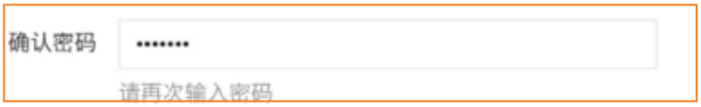




- email: use to log in and receive activate email to finish registration



- password: need include characters, numbers or English symbols, at least 6 digits, distinguish capital and small number



- confirm password



- verify code



- tick to agree with the agreement



- register

3. Log in email to activate WeChat account.





- log in email

4. Open the email, click the link receive in the email to activate.



https://mp.weixin.qq.com/cgi-bin/activateemail?email=YmVuc2MyMDE0
QHNpbmEuY[redacted] - link, click

5. Choose the detailed try of your WeChat account, after you choose, it can't be changed.





- for business purpose



- choose and continue

6. Confirm your choice.





- confirm

7. Choose your business type.





- government



- business



- other organisations



- next step

8. Provide certified information.





- business name, must be the same as it on the business license, can't change after verified.



- business license registration number



- scan of business license



- owner’s name on the ID