

China Advertising Year in Review: Trends from 2019 that Are Here to Stay

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China has proven to be a hotbed for digital innovations, especially in the past few years. During this time, marketers worldwide have observed the latest trends coming out of the country, applying what they learn to their own markets.

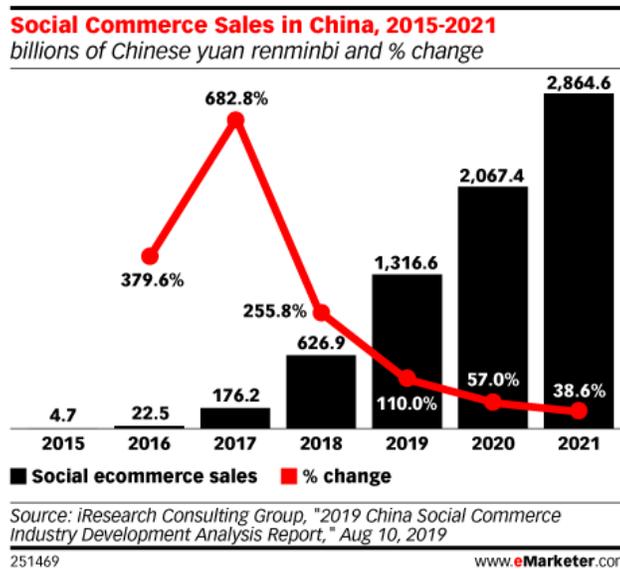
Here are some trends that took off in China in 2019 and should stay on marketers' radar in 2020.

Short-form video was hot.

Any concerns from the beginning of 2019 about the staying power of short-form video apps—led by market leader Douyin (known as TikTok outside of China)—have been erased. Short-form video users in China continued to show strong growth. We forecast that the number of Douyin users grew 27.8% in 2019 to reach 442.6 million. In addition, research from [Trustdata](#) shows that daily time spent on Douyin grew to 27 minutes in September 2019, compared with 17 minutes during the same period in 2018.

Key opinion leaders (KOLs) wield their influence in social commerce.

It's an understatement to say that China's KOLs—known as influencers in other parts of the world—play a critical role in the success of product launches. On platforms like Alibaba's consumer-to-consumer (C2C) site Taobao and social commerce upstart Xiaohongshu, brands are tapping the acumen of KOLs to connect with digital shoppers and sell products. According to [iResearch Consulting Group](#), sales on social commerce platforms grew 110.0% in 2019 to reach RMB1.317 trillion (\$199.04 billion).



Unlimited possibilities in this area have opened up, which can be attributed partially to social messaging app WeChat and its versatile miniprograms—lightweight apps within the messenger that have minimal functionality and have proven to be a hit among users.

Lower-tier cities drive ecommerce consumption.

Brands and marketers are paying attention to lower-tier cities in China because of the areas' **fast-growing retail sales** and **higher consumer confidence**. On top of that, urban households are seeing **rising debt levels**, which have driven ecommerce players to seek new growth opportunities. Following the success of group-buying site Pinduoduo in lower-tier cities, ecommerce giants Alibaba and JD.com are

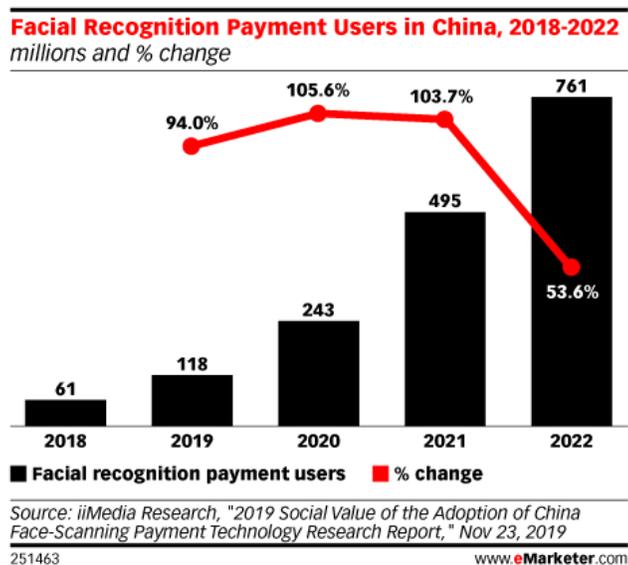
aggressively promoting their own services in the group-buying category—named **Juhasuan** and **Jingxi**, respectively.

Brisk sales of smart speakers.

According to **GfK** in October, the number of smart speakers sold in China reached 19.0 million in 2019, compared with 11.3 million units sold in 2018. Reaching critical mass was crucial for the smart speaker industry to prosper. But the next step is more important and arguably more difficult to pull off: monetization of smart speakers, which first requires understanding how consumers use these devices.

Facial recognition payment adoption is taking hold.

While China's digital giants have been successful in integrating mobile payments throughout consumers' shopping journeys, the search for the next technology to bring consumers greater convenience has led to facial recognition payments, with both **Alibaba** and **Tencent** having launched their own point-of-sale (POS) devices at retail locations. According to **iiMedia Research**, facial recognition payment users in China grew 94.0% in 2019 to 118 million and are projected to rise rapidly in the next few years.



According to a recent [report by Nandu Personal Information Protection Research Center](#), 60% to 70% of the consumers surveyed acknowledged that facial recognition technology provides convenience and safety, but 80% still expressed concerns over data leaks due to a lack of security. In addition, 83% wanted a way to access their collected data or delete it.

To address the growing privacy concerns, a group of companies in China—led by AI company SenseTime—has been [tasked](#) with drafting a set of national standards pertaining to technicalities and ethics for facial recognition.