Digital Marketing 3.0:
DeEP Brand Power Tool – Growth of Share of Mind
*Disclaimer:* The content of this report is based on big data analysis of brands provided by Tmall. BCG’s insight and findings are based on Tmall’s analysis. BCG does not own figures and data for any individual brand.
Bo Liu
Vice President of Alibaba Group, General Manager of Tmall and Taobao Marketing & Operation Division and General Manager of Alimama Customer Marketing Division

We have fully entered the era of digital world. 200 thousands global brands are building their minds on Tmall, expanding their business and building deeper relationship between brands and consumers. When the brands launch a marketing campaign, it has completely transformed from just reaching GMV target into a super event involving large numbers of brand users and creating huge brand influence. Therefore, we release the DeEP brand asset tool to make the brand more effectively to observe the direction, engagement level, effect and potential of the digital operation. This methodology emphasizes the depth of the relationship between consumers and brands, and can provide digitalized brand diagnosis to match the right “people”, “product” and “place” strategies that drive the growth of the share of mind, and make the digital operation more scientific and transparent.

Weixiong Hu
Vice President of Alibaba Group, Tmall Business Group-TM FMCG & Fashion

Business scale and share of mind are both important to help brands achieve sustainable growth. Tmall previously was defined as an important driver of brand business growth, while today, Tmall is also the key lever for brand digital marketing and operations. In the past two years, Tmall has established a business growth methodology -FAST & GROW, which help brands grow in terms of driving high-value user growth and improving sales efficiency. Regarding how to build brand’s share of mind, we are also very delighted to see the new launch of DeEP brand asset tool. Through building the relationships between brands and consumers, we hope that DeEP and FAST / GROW can work together, helping the brand obtain both business and mind share growth on the Tmall platform.
Lijun Shi  
General Manager of Tmall Brand Marketing Department  

In the field of digital marketing innovation, Tmall Innovation Center (TMIC) and our core clients co-create and innovate continuously. At present, we have created many marketing IPs with high influence, such as Tmall Super Brand Day and Tmall Hey Box, covering core marketing scenarios including brand events, new product launches, etc. Leveraging these marketing IPs, brands can often achieve the benefits of both business and consumers’ mind share growth. Today we are also considering what else can we do to help the brand to achieve more value in Tmall marketing scenarios? Thus, the DeEP brand asset tool is established. We hope that the brand will use DeEP to conduct a real-time assessment of its current position and drive the brand asset growth as the key objective to formulate a more comprehensive, systematic, and precise marketing plan.

Vincent Lui  
Managing Director and Senior Partner, Boston Consulting Group  

An objective, quantitative measure of brand value has always been a dream and also nightmare for CEOs, marketers and media companies. Tremendous amount of money and resources are devoted to driving brand building; however, it is probably one of the least measured, scrutinized use of resources. Armed with data from 7x24 consumer engagement, we are now within striking distance of implementing robust assessment in brand value creation. The COVID-19 situation only further catalyzes the transition. The DeEP methodology, combining the Alibaba’s data assets and BCG marketing & analytical expertise, is a first of its kind approach towards the ultimate goal of understanding impact of spend and brand equity.
Nicolas De Bellefonds
Managing Director and Partner, Boston Consulting Group

Over the past decade, digital touchpoints have established themselves as superior levers to drive sales impact and performance, across all sectors – but often advertisers question the relevance of digital for longer term brand building. For the past five years, BCG and its Digital Marketing Accelerator have been supporting global brand advertisers in Consumer Goods, Automotive, Fashion & Luxury to leverage digital for higher impact, deeper consumer connections and advocacy building. But as the digitalization of consumer journeys accelerates and branding moves even more online, its measurement toolkit needs to evolve as well. We are proud of making the partnership with Alibaba to build DeEP, a first-of-its-kind, leading-edge tool to measure Brand Equity in a digital and data-driven world. We believe that the combination of Alibaba’s unique data capabilities and BCG’s strategic leadership will help major advertisers better understand and radically improve the impact digital can have on their brand’s long-term health.

Josh Ding
Managing Director and Partner, Boston Consulting Group

“In BCG’s experience of working with consumer goods companies, one pain point that comes up a lot is that, although China has become a global digital benchmark, it has always been difficult for companies to evaluate their digital branding efforts effectively, and this can create conflict between departments.” DeEP is a quick and effective brand asset evaluation system that has gained industry recognition. It combines BCG’s industry experience and resources from the Alibaba ecosystem. DeEP provides significant value to the industry and brands in China because it is an evaluation across four measurement: “horizontal measurement” across touch points, “vertical measurement” of branding and sales performance, “industry measurement” of competitors, and “model measurement” of different growth strategies.
Acknowledgments

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Brands that contributed case studies (in no particular order).
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1. Trends in Digital and Marketing

1.1 Trends in Digital

China’s consumer market is the largest in the world. According to our 2019 survey, consumption scenarios in China are already highly digitalized, from clothing and food to home life and travel. Specific consumption cases include takeout delivery services, online clothes shopping, online retail, home services, rental platforms, OTA transport booking, hotels and flight tickets. (See Exhibit 1.) More than 50% of air ticket and clothing purcha-
es now take place digitally, however digital penetration in food and home life scenarios is still limited.

Digital channels have matured and become more diverse, and mobile devices have risen rapidly in popularity. They are able to meet a whole range of entertainment, interaction and search needs, such as online gaming, music, video, news, search services and social media.

As digital penetration in China grows, consumers’ mindsets and behaviors are gradually changing. The seven main trends are need for speed, demand for autonomy, growing importance of micro-influencers, joining interest communities, social interaction, consumption value of digital content and polarization of consumer behavior. (See Exhibit 2.)

1) **Need for speed.** The digital economy offers consumers all kinds of convenient consumption possibilities. They can enjoy efficient and simple mobile applications, complete and easy-to-read product lists, quick home delivery and 24-hour service. Digital scenarios narrow the gaps between “people”, “product” and “place”, making products and services more accessible.

2) **Demand for autonomy.** Digital consumption highlights consumers’ desire to act independently and autonomously. Consumers have an increased desire for personalization and customization. They want to be able to choose products that suit their own style from a rich line of products.

3) **Growing importance of micro-influencers in decentralize networks.** Key opinion leaders (KOLs) are having an increased impact on consumers’ decisions. Digital

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**EXHIBIT 2 | Digital Highly Penetrated in Chinese Consumer’s Life and Transformed Consumer’s Behavior**

Demand for Autonomy  
Joining interest communities  
Consumption of digital content  

Need for speed  
Growing importance of micro-influencers  
Increased social interaction  
Polarization of consumer behavior
platforms allow KOLs to interact more closely and deeply with consumers, for example during live streams. KOLs often act as “interpreters” and “brand advocates” for consumers. They share information with consumers based on their understanding of brands and product features in interesting ways that are more familiar to consumers and easier for them to accept.

4) **Joining interest communities.** Digital platforms narrow the distance between consumers and makes it easier to find other people with common interests. Online learning communities are emerging for running enthusiasts, mothers, beauty lovers and many other interest groups. It is easy for consumers to find interest overlaps, for brands to build deeper dialogues with consumers.

5) **Increased social interaction.** Digital applications fully meet consumers’ needs to interact, from following influencers they are interested in, to commenting, liking, and re-posting content or posting bullet comments on creators’ videos and live streams. In addition, in the last few years we have seen extended forms of interaction such as social e-commerce, group buying, and group challenge activities (such as the Big Building Challenge during the November 11 shopping festival in 2019).

6) **Consumption value of digital content.** Consumers now browse a lot of digital content, and recognize digital formats. They are used to browsing product information pages and reading posts written by influencers and Key Opinion Leaders (KOLs). Thanks to the popularity of mobile devices, consumers have all the content they are interested in at their fingertips.

7) **Polarization of consumer behavior.** As well as the consumer “trading-up” we have witnessed in recent years, in some categories, consumers are “downgrading” — they are more inclined to buy cost-effective products, rather than paying extra for a brand premium. Whether consumers “upgrade” or “downgrade” depends on how much value they are willing to pay for. If they think that they bought expensive products in the past but didn’t get value for money, they are likely to go back to a more inexpensive product. If they think that “it’s worth having something better”, they will be more likely to move towards high-end products with better quality and a better brand reputation.

These changes in consumer behavior also impact purchase decisions. As the industry trends towards omni-channels, multiple touchpoints and more detailed applications, the stages of the purchase process, from “Aware” to “Interest” and “Purchase” are increasingly interconnected. Consumers can move directly from discovering a need to making a purchase. (See Exhibit 3.)
For example, in the past a consumer would find that they need to buy a bottle of shampoo, enter the keyword into a search, enter a Tmall flagship store then browse the product information page. After reading the product features and description, they would compare it to other products, and read reviews across sites before making a final purchase decision.

Now, influencers recommend shampoo products during live streams. Consumers find out about product features through recommendations and demonstrations, and can see the results in real-time (in the case of beauty products and clothes etc). They can place an order at the touch of a button.

1.2 Digital Marketing

Major brands in all categories are grappling with the issue of branding to consumers across channels in the digital era.

In digital marketing 1.0, brands moved their traditional marketing spend online, and began to focus on digital media. However, although they adopted digital formats, they still marketed their products in traditional ways.

With digitalization, the number of online and offline consumer touchpoints has gradually increased. Consumers’ time has become more fragmented. At the same time, results track-
ing for digital advertising has also improved. Therefore, in the 2.0 era, brands have begun
to focus more on tracking results. Unlike the traditional marketing era, brands can now
easily track their reach, the characteristics of their audience, consumer interest, purchases
and repurchases, which has led brands to focus much more on the ROI of digital market-
ing. In the transition to digital marketing 2.0, many brands have lurched towards an op-
posite extreme. They have gone from not measuring conversion rates at all to being too
focused on ROI and short-term investments, thus ignoring long-term brand asset building
and not investing for the future.

As brands have become more aware of digital marketing and new ways of reaching con-
sumers online have emerged, we have witnessed digital marketing, characterized by an
“integration of branding-focused and performance-driven marketing.” (See Exhibit 4.) A
brand’s digital marketing not only focuses on its reach, consumer behavior and conversion
rates, it is also concerned with deepening the brand’s relationship between consumers, so
that consumers can continue to interact with the brand, find out more about it and even
communicate the brand to others.

### EXHIBIT 4 | Digital Marketing Evolving into 3.0, Emphasizing Integrated Performance and
Marketing Effectiveness

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<thead>
<tr>
<th>Digital marketing 1.0</th>
<th>Digital marketing 2.0</th>
<th>Digital marketing 3.0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offline to online</td>
<td>Performance trackable</td>
<td>Marketing effectiveness</td>
</tr>
<tr>
<td>Mktg. budget shifting to digital, but still managed in offline approach</td>
<td>Start to track marketing performance • # of reach, TA profile • Behaviors across consumer journey (e.g. AIPL)</td>
<td>More digital marketing tools emerge, to strike the balance between branding and performance marketing</td>
</tr>
<tr>
<td>Start to separate performance marketing (conversion driven) and brand marketing (grab consumer share of mind)</td>
<td>Emphasize digital marketing ROI (# of clicks, conversion, etc.)</td>
<td>Tracking transforms from single time conversion to long-lasting impact on consumers</td>
</tr>
</tbody>
</table>

Below, we have summarized some of the major challenges of digital branding as we move
from digital branding 1.0 to 2.0 and 3.0 (see Exhibit 5):

1. **It is difficult to balance “branding-focused” and “performance-driven” ads.** It is
all too easy for ad placements to swing towards one of two extremes — either they
focus overly on front-end reach in a return to traditional marketing methodologies, or
they put too much emphasis on short-term “results” (driving traffic, acquiring leads,
sales conversions or driving repeat purchases), without building long-term brand assets. Brands do not have an approach that integrates branding-focused and result-focused advertising, and are able to balance the two.

- **Lack of in-time feedback.** Digital marketing investment cycle is short and requires fast adaption and adjustment, while most brands still use traditional survey approach that yields results far lagging behind (quarterly or biannual). Thus it’s difficult for these brands to make quick and targeted adjustments in their digital marketing.

2) **No measurement benchmarks covering all touchpoints.** User touchpoints in the digital marketing era are fragmented, as there are more channels through which brands can interact with consumers. Touchpoints cover different applications and consumption scenarios. Brands that originally benefited from concentrating their ad spend are now having to diversify their resources, and differentiate between the needs of users across different touchpoints. In addition, forms of interaction are also becoming more complex and diversified. As well as simple text comments, new formats are emerging, such as videos and live streams. Marketing featuring multiple touchpoints and multiple forms of interaction makes it difficult for brands to use a
unified benchmark to compare the impact of their ads across platforms so they can optimize their impact.

3) **Difficult to collaborate across departments.** Digital brand building often involves communication and coordination between multiple departments (including Marketing, Sales, E-commerce and Supply Chain), which makes it difficult to allocate resources effectively and respond quickly to market changes. Cross-departmental communication is required to put together marketing plans, share output KPIs and allocate resources. Individual departments face their own KPI pressure, and they do not have a unified measurement benchmark that would help them to communicate and create better synergy with other departments.

In the digital marketing era, the biggest challenge that brands face is how to build a real-time brand impact evaluation system driven by big data that considers both “branding-focused” and “performance-driven” ads across multiple touchpoints. This was also the motivation behind our DeEP model — to establish a brand asset evaluation model that can instantly evaluate the depth of consumers’ relationships with the brand in a certain time period. This model is designed to complement existing digital marketing indicator systems.
2. DeEP — A Digital Brand Asset Evaluation Model

2.1 Why Are Digital Brand Assets Important?

The core issue for brands is how to remain present in the minds of consumers, which is only possible if the brand has built a deep relationship with the consumer. Traditionally, brands have used consumer surveys to measure brand asset, with indicators such as aided and unaided awareness, brand preference, NPC index, etc. Now in digital marketing era, most consumers’ touchpoints with brands are online and trackable, so that it’s now possible to evaluate brand-consumer relationships in a more comprehensive way through analyzing interaction between consumers and brands online.

Different types of interactions represent consumers’ engagement level/relationship with the brand, and digital brand asset is to measure consumers’ engagement with brands (sum of these relationships):

- When cultivating brand assets, brands should not just concentrate on how many users they have, but also how to maintain these relationships to generate the maximum value for the brand.

- Brand assets can be a measurement of continued, long-term value. If the user has only had one interaction with the brand, the relationship may not continue. Sometimes relationships can die out, and continued engagement may be required in order for the relationship to last.

We have created the DeEP model to quantify and visualize brands’ relationships with consumers and the impact of these relationships, to help brands discover more efficient ways of managing their brand assets.

2.2 The DeEP Index — A Digital Brand Asset Evaluation Model

The DeEP brand asset model evaluates total value of brands’ engagement/relationship with consumers by calculating the total potential value from all people who have interacted with a brand. The DeEP index is calculated as follows:

$$\text{Brand asset} = \sum \text{Consumer who has interacted with the brand} \times \text{Share of consumers’ mind}^{2} \times \text{Potential value of this consumer}^{3}$$
“Share of consumers’ mind” is by different engagement levels/relationships with brands*1

*1. Different engagement levels/relationships with brands: We divided the relationships between brands and consumers into three different levels, as follows:

- **Discover**—consumers interact with brands, showing their basic interests in the brand. It includes all the time consumers spent viewing and browsing the brand related contents, while the “value” of these behaviors are quantified based on each consumer’s total category spending potential.
  - Unlike the traditional model, this approach measures not only the reach %, but also the quality of reach (in other words, not only how many target consumers are reached, but also how much time they spent on the content).

- **Engage**—consumers proactively interact with brands to explore more than the “passive reception” of content. It includes behaviors by non-fans such as proactively searching for brand name, following the brand account, learning the content and adding products to cart, while the “value” of these behaviors are quantified based on each consumer’s total category spending potential.
  - Unlike the traditional measurement of funnel type of journey, the DeEP model includes different touchpoints beyond purchase, which is helpful to address the issues that consumers may skip contain touchpoints and jump around.

- **Enthuse**—consumers are loyal to a brand and actively promote the brand. It includes actively sharing content, leaving positive reviews, creating fan and membership assets, and all of the consumer’s active brand communication activities. While the “value” of these behaviors are quantified based on each consumer’s total category spending potential.
  - Compared with traditional model, DeEP has expanded the definition of “loyal users” from repurchase. It is a more effective reflection of the emotional connection between brands and members.

*2 Share of consumers’ mind: The DeEP model defines share of mind as the one brand’s share of consumers behavior within all brands’ in its category. This approach complements the traditional approach, which typically measure % of consumers. For example, two brands may reach same % of consumers, while consumers may spend more time/have more behaviors with one brand and this brand will have greater brand value.
3 Potential value of this consumer: The DeEP model calculates the spending potential of consumers in different categories based on the consumer’s total spending in the category and their income level—to get their potential value to brands. Brands’ engagement/relationship with consumers may seem similar, but they are of different values. If the consumer has a deeper relationship with the brand and greater purchasing power, the interaction will represent greater value for the brand.

As well as calculating the value of brand assets, the DeEP model also includes “Perform” indicator, which evaluates the relationship between brand assets and sales performance. Brand assets represent a potential future business opportunity for brands, reflected in actual sales conversions. (See Exhibit 6.)


2.3 Three Core Indicators in the DeEP Model and Their Applications

We focus on three major indicators in the DeEP model (see Exhibit 7):

- **Brand asset size**: Measure the potential value for future. By comparing with category average and key competitors, brands can assess their positioning and strengths/weaknesses.
• **Brand asset structure:** Measure brands’ awareness, preference and loyalty, by looking at % discover, % engage, % enthuse and comparing this structure with category average and key competitors, to help brands adjust marketing and branding strategies.

• **Effectiveness:** measures the effectiveness of brand marketing and sales conversions, as well as how well the brand is capturing potential revenue. It analyzes sales conversion rates for a brand’s existing brand, comparing them against the category average and competitors’ products, in order to forecast the potential revenue improvement for the brand, and help it to optimize its operations.

When applying the DeEP model, brands should pay attention to all three of the core indicators. The DeEP model indicates the average index for each category so that brands can compare categories easily and plan their digital marketing accordingly.

### 2.4 Measures to Grow Brand Assets

Marketing should be focused on the brand’s target consumer segment. We have summarized three main marketing focus points based on successful brand cases (see Exhibit 8):

1) Expand the brand’s new user base, grow Discover brand assets: increase brand recog-
nition by expanding to new customer segments. Prioritize building “Discover” brand assets.

2) Deepen relationships with the target customer segment, drive growth of “Engage and Enthuse” assets: improve the brand’s reputation and customer loyalty through deepening relationships with existing customer segments. Prioritize building “Engage and Enthuse” brand assets.

3) Increase branding effectiveness to generate the overall assets growth more effectively and increase both branding and sales performance.

Therefore, Tmall launched a complete brand business growth system. FAST and GROW models provided clear guidance to brands from the growth of crowd assets and sales efficiency respectively, and effectively improved GMV. In terms of brand’s mindset growth, the DeEP model is used to improve the intimacy between brands and consumers and accumulate brand relationship assets.

The brand adopts FAST model to recruit new users and high-quality users. Through the DeEP model, the relationship between the brand and each user is continuously improved to form a high-value connection and establish sales transformation. Through the GROW model, the transformation of assets is realized and the GMV is finally increased. Therefore, FAST+DeEP+GROW is effectively used to bring a new solution for brands to seek brand value growth in Alibaba.
In the text below, we will outline successful branding case studies based on these three major focuses.

3. Brand Case Studies

Topic 1: Growing User Base by Reaching New Customer Segments

3.1 A Condiment Brand Expanded into New Customer Segments and Acquired New Younger Customers

Middle-aged and elderly customers are still the main buyers of condiments. Penetration of condiment products is low among young people, representing huge potential. However, it is still difficult for brands to open up this part of the market. As the pace of life speeds up, and digital Apps and home services become more popular, young people’s diets have also changed. Therefore, condiment brands need to focus more on consumer education and scenario marketing in order to activate the youth market.

We observed three types of players in the condiment market: Haitian, a leading nationwide brand; a regional leader, which is prominent in regional market; and Funye, a new emerging brand which has adopted a different marketing strategy. It has built interaction with consumers on different levels in order to grow its brand value rapidly. (See Exhibit 9.)
Each brand’s brand assets are proportional to its market share. The brands also have different strengths, in brand awareness, communications and customer loyalty.

As the leading brand, Haitian has a huge sales volume and nationwide sales channels. It enjoys the highest market share and brand recognition. In terms of brand asset structure, more than 70% of its brand assets are in the outer “Discover” ring, a reflection of its high brand awareness. Therefore, Haitian has adopted a “mass exposure” strategy to expand into new customer segments and markets, leveraging its scale advantages in the industry. It reaches young consumers through frequent brand exposure to rapidly increase its mindset share.

For the regional leader, although it has more brand assets than Haitian, 90% of them are “Engage” assets, a much higher proportion than the other brands. Rather than putting its ad spend into ordinary ad placements, posters and other large-scale forms of marketing, it has increased word of mouth by focusing on the strengths of its products and putting consumer experience first. It uses its online presence to amplify the consumer experience further. According to the DeEP model, its “Engage” assets, accounting for more than 40%, are mainly a result of consumers interacting with the brand.

Funye is an example of a new emerging condiment brand. It chose to avoid direct competition with the major mature brands by focusing on young consumers and a strategy of “attracting fans.” 20% of Funye’s brand assets are “Enthuse” assets. Funye was founded by Allen Lin, a famous singer and food connoisseur. It has expanded its brand recognition among young people using live stream interactions and scenario-based content marketing, capitalizing on its founder’s fans. It has built a base of loyal brand fans, who are willing to share content and boost the brand’s assets.

The three brands have expanded their popularity with young customers based on their brand assets. In the case of Haitian, an analysis of eight major customer segments on Tmall shows that the brand’s strongest assets are quality-conscious mothers, urban blue-collar workers and young white-collar professionals. It has good potential to develop in the Gen Z and small-town youth segments. (See Exhibit 10.)

Looking at performance, Funye has grown its brand assets among young customers by almost three times in the last half year, due to its smaller asset base. Drawing on its core fans, it has expanded its “Discover” assets. Haitian has grown 2.4 times than Funye. It has expanded its “Discover” assets by increasing spending on entertainment shows, in order to reach more young people. The regional brand is still growing its young customer base organically through word of mouth; its asset growth has been relatively slow. (See Exhibit 11.)
EXHIBIT 10 | Haitian: Strong Asset Growth Potential in Young Segments Like Gen Z and Small Town Youths

<table>
<thead>
<tr>
<th>Target young groups</th>
<th>Gen Z</th>
<th>Small town youths</th>
<th>Young 'white collars'</th>
<th>Quality-conscious mothers</th>
</tr>
</thead>
<tbody>
<tr>
<td>share of brand assets (%)</td>
<td>5%</td>
<td>7%</td>
<td>15%</td>
<td>20%</td>
</tr>
<tr>
<td>Growth measures of brand asset</td>
<td>2019.06</td>
<td>2019.12</td>
<td>Growth</td>
<td></td>
</tr>
<tr>
<td>Discover</td>
<td>2.7x</td>
<td>2.4x</td>
<td>Engage</td>
<td>2.0x</td>
</tr>
<tr>
<td>Enthuse</td>
<td>1.8x</td>
<td>1.4x</td>
<td>Growth measures of brand asset</td>
<td>Build brand awareness among young consumers through strong marketing exposure in entertainment shows to boost “Discover” asset</td>
</tr>
<tr>
<td>Haitian</td>
<td>1.6x</td>
<td>1.4x</td>
<td>Penetrate young consumers through word-of-mouth, mainly from the posts and comments on social platforms</td>
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<tr>
<td>Funye</td>
<td>3.0x</td>
<td>2.8x</td>
<td>Start from core fans and leverage them to attract new fans, combined with live streams to convert “Discover” into “Enthuse”</td>
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1 Includes Gen Z, Small-town youths, young white-collars in Tmall’s eight segments.

EXHIBIT 11 | Different Roadmaps Selected to Acquire Young Consumers

2019.06 | 2019.12 | Growth | Discover | Engage | Enthuse | Discover | Engage | Enthuse | Discover | Engage | Enthuse |
<table>
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</thead>
<tbody>
<tr>
<td>Haitian</td>
<td>2.7x</td>
<td>2.4x</td>
<td>Engage</td>
<td>2.0x</td>
<td>1.6x</td>
<td>Regional leader</td>
<td></td>
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<td></td>
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<tr>
<td>Enthuse</td>
<td>1.8x</td>
<td>1.4x</td>
<td>Growth measures of brand asset</td>
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</table>

Includes Gen Z, Small-town youths, young white-collars in Tmall’s eight segments.
Haitian: Broad-reaching entertainment marketing to improve brand recognition among young customers

In recent years, Haitian has expanded its marketing to young people. It has integrated its flagship products into popular variety shows, so that it can continue to reach young consumers effectively, increase its brand awareness and attractiveness. It has sponsored a number of variety shows, including “The Brain”, “Familiar Taste”, “Crossover Singer”, “Qi Pa Shuo” and “Roast!”. By associating itself with shows that young people like to watch, Haitian has increased its brand exposure over a long period, and has been able to build relationships with new customers.

It has also integrated itself more closely and effectively into consumers’ lives through online channels. It launched a new sauce on its Tmall flagship store, and launched a special edition during an episode of “Qi Pa Shuo,” generating resonance with young viewers by connecting the characteristics of its product with the show’s catchphrase.

Regional leader: High quality product positioning to promote word-of-mouth marketing

The regional leader has higher quality requirements for its products than the industry standard and customizes its products for local markets. Its market positioning emphasizes zero additives, which appeals to health-conscious consumers.

Its brand marketing focuses on user experience, and offering a high-quality product, to encourage consumers to talk about the brand. It engages in light brand marketing, such as afternoon tea event collaborations with well-known companies, to help the brand understand consumers’ needs and increase its brand assets through interactive experiences.

Brands with high-quality products can accurately target customers and send them samples using “Tmall U-first”. This will help them reach new customers quickly, build word-of-mouth and broaden their reach quicker.
Funye: Brand marketing driven by livestreaming, “Enthuse” driven by high-quality products

Funye used Taobao livestreaming as a major channel to market to young fans. Since the spread of the COVID-19 virus, Funye started marketing using live streams to position itself as “meaningful” to consumers, allow them to discover the brand, understand it better and build a deeper relationship with it.

Funye previously marketed itself through a live stream collaboration with Viya, a top product advocate on Taobao Livestreaming. During the live stream Viya and Allen Lin cooked a hot pot using Funye’s tomato hot pot soup, its most popular product. On the evening of the live stream, many of Funye’s products sold out as soon as they went on sale.

Thanks to its quality product, Funye also built strong relationships with fans and mobilized them to talk about its products. Funye’s high proportion of “Enthuse” assets comes from consumers’ willingness to share. According to the DeEP analysis, 60% of Funye’s “Enthuse” assets have come from users sharing the product with friends. Acceptance by consumers has translated into effective word-of-mouth marketing, which is a strong lever for customer acquisition.


In recent years, China’s cosmetics market has experienced rapid growth. Consumers love trying out new products, and they no longer have to go through the traditional “awareness, interest and purchase” stages when making a purchase decision. In many cases, purchase decisions are heavily influenced by brand marketing. Consumers become aware of brands gradually, and try out a wider range of products before becoming loyal customers.

Brands in the cosmetics category launch new products very frequently, hoping to produce best-selling products. Analyzing beauty marketing using the DeEP model, we found that as well as relying on best-selling products to attract new customers, leading cosmetics brands are able to combine brand and result-focused advertising to build ongoing and more in-depth interactions with consumers and stay top of mind. M.A.C has applied this strategy very successfully in the past few years.

M.A.C drove user acquisition with top-selling Powder Kiss lipstick, built deeper relationships and boosted sales through holistic marketing

M.A.C launched its new Powder Kiss lipstick in July 2019, in collaboration with Tmall’s
Hey Box. It sold 360,000 units on the first day of the launch, and its total sales exceeded 90 million within 24 hours, a new record for the brand and its users. The campaign maximized reach and deepened the brand’s relationships with users.

1) Exclusive joint launch with Tmall’s Hey Box, 80% of purchases were new customers

“Eight stars, eight lipsticks” — M.A.C invited eight celebrities to the product launch, including Mainland China Brand Ambassador Stephy Qi, and M.A.C brand ambassadors Seven Tan, Gina Jin, Janice Wu, Junchen Guo, Bambi Zhu, Lusi Zhao and Chenyi Wang. It created eight lipsticks for the eight celebrities, attracting beauty consumers with “one more lipstick” scenarios and gained new cosmetics fans by encouraging them to purchase.

2) Broad reach and brand education

M.A.C promoted its new lipsticks on mainstream video websites and App open screens, generating more than 1.8 billion ad exposures, to remain top of mind among consumers after they had purchased the product. (See Exhibit 12.)

3) Live streams by the brand’s professional makeup artists

M.A.C’s professional livestreaming team of makeup artists launched a special 35-day
livestreaming campaign on Tmall’s Hey Box to interact with consumers on a deeper level and create a professional brand image. M.A.C invited 20 professional make-up artists and around 30 top makeup stars to give live streams and teach consumers trending lipstick and makeup techniques. By doing so, it built an image of a “professional makeup brand.”

By continuing to attract new customers and engaging in all-round user operations, M.A.C increased its revenue from e-commerce as well as boosting its brand assets, placing it firmly in the top five in the cosmetics category. From June to December 2019, it grew its brand assets by about 1.9 times, especially among Gen Z and quality-conscious mothers. (See Exhibit 13.)

**EXHIBIT 13 | Brand Asset Size Nearly Doubled in The Past Half Year, Esp. Among Gen Z and Quality-Conscious Mothers**

**Topic 2: Deepening Relationships to Grow The Inner Core**

### 3.3 A Small Home Appliance Brand Found New Ways to Deepen Interactions with Consumers

Unlike their larger counterparts such as air conditioners and washing machines, small household appliances are inexpensive, do not need to be installed and are replaced often, therefore they are ideal products to sell online, and have helped to drive rapid development of e-commerce. In recent years, sales of small household appliances have grown further, as consumers have ‘traded-up’ and more product segments have emerged.
In general, such appliances share similar technology. There is a plurality of brands and competition is fierce. Consumers are not normally loyal to a certain brand. “Enthuse” assets only account for a 3% share of brand assets, which is lower than in other categories, a reflection of the difficulties small household appliance brands face in generating customer loyalty. (See Exhibit 14.)

| Source: TMAP Tmall brand marketing digital map. |

**Exhibit 14 | Less “Enthuse” Asset in Small Home Appliance Category than Others Due to Lower Customer Loyalty on Brands**

<table>
<thead>
<tr>
<th>Proportion of Enthuse assets by category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall loyalty remains low</td>
</tr>
<tr>
<td>Small home appliances</td>
</tr>
<tr>
<td>Large home appliances</td>
</tr>
<tr>
<td>Beauty</td>
</tr>
<tr>
<td>F&amp;B</td>
</tr>
<tr>
<td>Mother &amp; baby</td>
</tr>
<tr>
<td>Clothing</td>
</tr>
<tr>
<td>Sportswear</td>
</tr>
</tbody>
</table>

In light of this, small home appliance brands need to understand and adapt to changing consumer use cases, as well as maintain effective interaction with consumers. To break through the competition, they need to capture and convert loyal followers.

Bear is the leading example in the small home appliance space of how brands can interact with consumers and build deeper relationships with them.

Bear is an emerging brand in the industry, with fewer brand assets than the leading traditional brands, and it has significantly fewer “Discover” assets. Leading brands such as Midea, Jiuyang have generally adopted broad reach marketing strategies. They promote their products using TV ads, video ads, online live streams and influencer promotions, increasing awareness of their brands through broad exposure.

However, benchmarking performance across the category, Bear has higher than average brand equity and a higher proportion of “Engage” assets, which shows that it has been effective at getting consumers to interact, and has established good communication with its customers. (Exhibit 15.)
Bear’s key success factors can be summarized as follows: 1) It attracted young consumers with innovative products and designs; 2) It carried out interactive marketing to young consumers based on everyday life scenarios, to make young people feel that Bear “understands them,” and they are “living with the brand”; 3) It collected feedback on Tmall and used it to improve its marketing and products.

1) **Bear created resonance with young consumers by launching innovative products and designs**

Bear opened up completely new breakfast appliance categories, from its yogurt machine to its egg cooker, then expanded into other products, such as mother and baby care products, Western-style baking appliances and home personal care products. It expanded each individual function category to multiple models and created more advanced products to meet diverse consumer needs. For example, Bear sells at least eight SKUs in each category in its Tmall flagship store, apart from blenders — offering more than 400 SKUs in total.

Bear customized its product designs according to the latest consumer preferences and trends. Its products are smaller than similar appliances on the market. They are not only practical, but easy to move around — characteristics which appeal to young people living alone. At the same time, Bear has created designs and uses trending colors for its products to capture young people’s tastes.
2) Interactive marketing based on young people’s everyday lives, “living with” consumers

Bear likes to promote user generated content (UGC) to stimulate user participation and highlight its attitude towards life based on different use cases. Rather than making young people feel like they are buying an electrical appliance, they have built brand recognition based on “gaining a new lease of life.” In March 2019, Bear asked young actress Lyric Lan to collaborate on its project: “New lease of life, stay young.” She appeared in brand videos and in AWE live interactions to appeal to a young audience, creating a trend on media platforms popular with young people such as Weibo.

3) Continuous feedback: Bear collects feedback from consumers and uses it to improve its marketing and products

Bear collects feedback from Taobao from touchpoints spanning all segments of the consumer cycle. After analyzing this feedback, it integrates it into its products and marketing, which increases its consumer stickiness, user activity and conversions.
3.4 An Infant Milk Formula Brand Built User Operations Across The User Life cycle, Enhancing Communication and Interaction

The consumption cycle for infant milk formula is shorter than for other product categories. Consumers select brands cautiously and are highly loyal to the brand they select. Continued interaction and communication with consumers are the keys to success in this category. Feihe and Aptamil are two brands in this category that have found success both online and offline and have built deep relationships with consumers.

Feihe is in the top three brands for brand assets, it has grown its online brand assets based on strong offline interaction

Foreign brands have dominated the high-end milk formula market for a long time, but they have mainly focused on Tier 1 and 2 cities and e-commerce channels. Feihe saw this as an opportunity, positioning itself as the brand “more suited to the physique of Chinese babies.” It grew its offline presence starting from Tier 3 and 4 cities, running large offline activities to build consumer recognition. (See Exhibit 16.)

By 2019, Feihe had a broad nationwide network of distributors with more than 1,800 clients. It entered stores, supermarkets and baby stores, penetrating its target customer group through brand awareness. Feihe organizes 300,000 family-themed activities nationwide every year, offering mothers and expectant mothers a full range of infant nutrition solutions. Feihe’s core consumer group is young mothers. The brand uses information Apps to connect its online and offline resources. It communicates with users through a range of interactive formats such as online lectures and care lines to cover each scenario in the consumers’ lives and increase brand awareness and trust.
Many years after it was established, Feihe now ranks in the top three infant milk powder brands in terms of brand assets. Looking by city tier, more than 56% of Feihe’s brand assets are from Tier 3 cities or below; only 11% are from Tier 1 cities. The brand plans to increase its customer base in Tier 1 and 2 cities in the future.

**Aptamil expanded its online operations, customized content and services**

Unlike Feihe, Aptamil does not have mature and large-scale offline operations, it focuses more on online activities. It tags and categorizes its customer group of mothers according to their behaviors and stage on the consumer life cycle, and uses different ad placements and communication strategies for each to interact with consumers more effectively. In Tmall Innovation Center’s “Mother Research Center,” Aptamil’s users are divided into categories such as savvy “stable mothers”, anxious and worry-prone “sweet mothers” and “fun-loving mothers” who put enjoyment first. Aptamil offers different products and services, as well as emotional support to types of mothers.

It also has increased service capacity during the periods of the day when mothers generally purchase products online. (See Exhibit 17.) For example, it has found that providing good service between 9:00 pm and 1:00 am is critical to building customer loyalty.

Aptamil does not have as many brand assets as its competitors, but by working with
Tmall, it has been able to market more precisely to mothers, and provide differentiated service to different user groups at different times. It also has a higher proportion of “Enthuse” assets than other brands in the mother and baby category. (See Exhibit 18.)

**Topic 3: Integrating “Branding-Focused” And “Performance-Driven” Marketing to Monetize Brand Assets**

**3.5 A Sports Brand Used “Integrated Branding & Performance” Marketing Approach to Create Closed Loop Digital Journey**

A high proportion of sports shoes and clothing purchases take place on e-commerce platforms. Major brands have already built mature traditional e-commerce channel operations, and stand to benefit from new models such as livestreaming. E-commerce is not just a sales channel, it is gradually becoming a platform through which brands can communicate with users, combining branding and sales operations.

COVID-19 pandemic in this year has had a major impact on all industries, but the impact on fashion shoes and clothing brands has been even greater. In response to these market changes, Adidas launched an “Online Livestreaming Week” to improve its online user operations. In collaboration with Tmall’s Super Brand Day, it launched 1) systematic live
stream marketing on different topics; 2) off-site (Weibo) hashtag marketing on social platforms; 3) deep engagement with brand fans with coupons being distributed, creating a closed loop digital journey for its Superstar 50th anniversary event, boosting its sales from e-commerce and brand assets at the same time.

1) **Themed live streams**

Adidas collaborated with different types of KOLs during its Super Livestreaming Week to communicate with different audiences. Fashion stars and pop-culture celebrities explained the history of the brand’s Superstar shoes and shared their experiences with consumers to help promote Adidas’s core brand values. One of the live streamers, Viya, sold 17 million units in just 10 minutes, setting a new record. Culture influencers also promoted limited edition shoes.

Adidas selected different types of KOLs to meet the needs of different consumers. The KOLs helped to drive both Adidas’s branding efforts and sales.

![Adidas Superstar Super Livestreaming Week](image)

Adidas also invited Viya for its live stream week for the launch of its new Superstar shoe. Jeffrey Tung joined the stream to promote the product, promoting the hashtag #Jeffrey Tung streams with Viya.

2) **Off-site trending hashtag marketing**

In collaboration with Tmall’s Super Brand Day, Adidas created a “Home fashion” topic on platforms such as Weibo and Douyin. It also launched the #appear with Jackson challenge for people stuck at home. Fans made their own Douyin videos with the campaign’s sticker, and Adidas offered prizes for the videos with the most likes. The Douyin campaign achieved 520 million video views.
Leverage outdoor giant posters, shoe sculptures to shape brand marketing attention.

Adidas Originals outdoor posters; giant walkable Superstar shoe sculptures as new landmark in Shanghai

3) In-depth interaction with fans, use of coupons to improve conversion rates

Tmall launched an “unlock the star cards” game, in which users could activate a coupon by collecting all of the celebrity ‘cards’, with prizes including coupons and Tmall/Adidas or ‘Blondey’ special edition Superstar shoes.

Thanks to the Super Livestreaming week, Adidas grew its brand assets by 14%, much quicker than its year-on-year sales growth on Tmall in the first quarter of 2020. (See Exhibit 19.) The campaign also gave Adidas’s branding a boost. Adidas increased its brand reach using new gamified online marketing techniques. By encouraging fans to interact, Adidas grew its brand recognition and improved its brand image.

The integrated campaign not only grew Adidas’s brand assets, but also increased its conversion rates, as reflected in its GMV performance. Limited-edition products, intensive
Use of live streams and celebrity endorsements are all effective ways of increasing conversions. **During the Super Brand Day week, Adidas grew brand asset conversions by more than three times compared with the previous month.**
4. Implications of The DeEP Model for Brands

Based on the case studies outlined above, we have identified several key features of the DeEP model, which will help companies face the challenges of branding in the digital marketing era:

1) Integration of branding-focused and performance-focused marketing. The DeEP model reflects both brand assets and sales performance. Its brand asset monetization rate indicates the current balance of the brand’s marketing.

2) Real-time feedback. The case studies we have mentioned launched products on Tmall’s Hey Box, Super Brand Day and Livestreaming Week. They saw temporary marketing lifts. They were able to make decisions about their marketing based on real-time results reporting, and analyze changes in their overall brand equity and the three layers of relationships.

3) Measurement across touchpoints. Some of the brands, such as Feihe, have strong offline marketing, however there are a lot of connections between consumers’ online and offline consumer behaviors. The DeEP model takes into account multiple channels and marketing performance across touchpoints.

4) Quantified results based on big data. The DeEP model offers a unified benchmark to help brands improve communication between departments and marketing decision-making.

We recommend that brands use the model to systematically evaluate their brand value and develop targeted improvement measures. There are several major applications of the model:

1) **Review ROI of marketing efforts**
   - By evaluating a brand’s overall brand assets, and comparing them with the average value for the category and major competitors, we can determine whether an increased investment in branding is necessary.
   - The DeEP model makes it possible for brands to see the ROI of their branding spend in real time during regular marketing performance reviews.

2) **Analyze brand’s advantages in its market segment**
Brand assets can be divided according to dimensions such as the sub-category, customer segment, region, customer portrait or category purchasing power, which allows brands to benchmark their performance internally as well as with external competitors, in order to reveal their own advantages.

During planning, brands can develop differentiated and targeted marketing strategies based on their performance in different market segments.

3) **Validate and define marketing strategy**

Brands can discover the structure of their brand assets by analyzing assets across the three relationship tiers. They can determine whether their strength is in their reach, the depth of their consumer interactions or in their user operations, then analyze whether this strength matches their current branding strategy. If not, they can adjust their strategy or develop a new branding plan.

During annual or quarterly marketing planning, brands can define their overall relationship growth strategies based on their relationship structure.

4) **Evaluate the impact of marketing activities on brand value**

Brands can evaluate changes in their brand assets before and after implementing marketing campaigns, especially around key digital marketing events such as Super Brand Day, the 11.11 Shopping Festival and new product launches. Specifically, they can identify the tier of the relationship in which the change is occurring, and whether the campaign is achieving the desired impact. For example, “Discover” assets may have improved following the campaign, proving that the campaign has achieved a marked increase in exposure and reach from involving industry influencers and popular celebrities.

Brands can analyze their brand marketing performance, especially before and after major marketing campaigns (dividing brand assets by category).

5) **Evaluate value generated across the whole consumer life cycle**

Brands can track changes in consumers’ relationship level preference — “Discover, Engage and Enthuse” — according to the level of the relationship between brands and consumers.

Brands can track changes in the depth of their relationships on a regular basis, and verify feedback on brand marketing.
6) **Balance resource allocation between brand marketing and performance marketing**

   - Using the “Perform” asset indicator, brands can evaluate whether they are currently more marketing-oriented or more sales-oriented and thereby balance short-term sales conversions and long-term branding efforts.

   - This allows them to track branding and sales impact on a regular basis.
Authors, steering committee

Steering Committee:
Bo Liu, Vice President of Alibaba Group, General Manager of Tmall and Taobao Marketing & Operation Division, General Manager of Alamama Customer Marketing Division
Weixiong, Vice President of Alibaba Group, Tmall Business Group-TM FMCG & Fashion
Lijun Shi, General Manager of Tmall Brand Marketing Department.
Vincent Lui, Managing Director and Senior Partner, Boston Consulting Group.
Nicolas De Bellefonds, Managing Director and Partner, Boston Consulting Group.
Josh Ding, Managing Director and Partner, Boston Consulting Group.
Tianqi Song, General Manager, Tmall TMAP.
Allen Zhang, Partner, Boston Consulting Group.

Authors:
Louis Gong, Project Leader, Boston Consulting Group.
Lingmei Liu, Consumer & Category Expert, TMAP Operations.
Jianwen Liu, Marketing and Platform Operations Advisor.
Wendi Yan, Product Operations Specialist, TMAP Operations.
Tong Li, Data Expert, Tmall.
Weiyong Li, Senior Data Engineer, Tmall.
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**Tmall team members include:**
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About Tmall

Tmall.com is the world’s largest third-party platform for brands and retailers.

Launched in 2008, Tmall.com (www.tmall.com) is dedicated to providing a premium shopping experience for increasingly sophisticated Chinese consumers in search of top-quality branded merchandise. A large number of international and Chinese brands and retailers have established storefronts on Tmall. Statistics showed that Tmall was the largest third-party platform by gross merchandise volume (GMV) for brands and retailers in China in 2019.

About TMAP

TMAP (Tmap.tmall.com) is a data product that operates DeEP Brand Power Tool, which is used to measure, evaluate, analyze, attribute, orient and accumulate digital mental assets of a brand. It is the data center for the operation of consumer assets in Tmall brand marketing activities, and the data platform for service brand growth digital brand mental. TMAP is a subsidiary company of Tmall.

TMAP and BCG jointly launched the DeEP Brand Asset Tool.
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