



BloggerInsight.com

# Social Networking Apps

## Sample Report

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BloggerInsight conducts online focus groups with expert Chinese bloggers to give clients the necessary information to make smart decisions. Our network of bloggers spans a variety of industries and has been hand-picked to represent some of the top independent thinkers in their respective fields. BloggerInsight gives bloggers a new method for monetizing their knowledge while providing clients a cost-effective way to receive tailored, independent advice.

[www.bloggerinsight.com](http://www.bloggerinsight.com)

## Overview

The online social network and gaming space is extremely crowded in China. For simplicity, potential competitors were screened based on current demographics and product offering along with planned social gaming expansion. These companies have then been categorized into “Online Communities for Social Gaming” and “Online Communities for Teenagers”. Obviously these two fields have a lot of overlap so the categorizations were arbitrary. BloggerInsight has provided a short summary of each in the tables provided. Top competitors received detailed comments from the expert bloggers.

**To say that the online social networking market is evolving rapidly in China is an understatement.** As a developing country, everything in China changes quickly but the online space accelerates those changes. One of the top players, Kaixin001, had not yet entered the market a year ago. Users tastes and expectations are continuing to evolve. The Chinese market is unique, unlike any other place on earth, and must be treated as such. Too many foreign companies have entered China with the expectations that they will shape their industry. In most cases the Chinese industry shaped them and sent them packing.

MySpace China is a great example of this. When they officially entered China two years ago they seemed destined for greatness. The parent company News Corp already had strong China ties and they made the smart decision to allow a local team to manage the product. In the end they didn't localize enough though and have had limited success as a result. The follow companies showcase what is currently working in the market although this is constantly evolving. Copying is rampant and companies must have a long term vision with local manpower to compete.

## From Clones to Market Leaders

Currently the two top websites for social gaming are Xiaonei and Kaixin001. Xiaonei was originally a copy of Facebook and Kaixin001 a copy of Xiaonei. [To make matters more confusing, Xiaonei now has a separate network under the Kaixin domain (no 001) and Kaixin001 has the Xiaonei001 domain. As mentioned, competition is fierce.] Both networks are similar but Xiaonei has an open API while Kaixin001 develops all of their own applications. Other top competitors

include Tencent's online communities QQzone, QQclassmate and QQgames. 17173.com has the most traffic as an online game BBS. Mega game producer Shanda recently launched its game platform which allows third party application developers (mainly focused on games). Currently the networks compete on the game level, quickly copying each other's top games, but in the future competition is likely to move to the platform level.

"Xiaonei dominates the college market in the field of Webgames combined with SNS while Kaixin is popular among white-collar. Both possessed large user bases. In the world of Internet, user base resembles real gold. On one hand, a large enough user base can smooth other promotional activities for new services, like some web-games. On the other hand, the application of many small web-games can also attract more users, thus enlarging their user base. The promotions of these online web-games promote viral marketing, as one joined user can possibly get a series of users involved in the game."



Kaixin001



Xiaonei

"Xiaonei and Kaixin are alike in more and more ways. Even the UI looks the same. Their common shortcoming is that they sometimes make people feel a little mindless. After all games are mostly played for recreation and I think the meaning of the user experience should include functions providing useful information and data for a more convenient life. This is the most important thing a social community website can do."

## Xiaonei

“Xiaonei was founded in December 2005 and was the earliest campus SNS platform in China. In October, 2006, Oak Pacific Interactive acquired it. At the end of 2006, Oak merged 5Q Xiaoyuan with Xiaonei and officially named it Xiaonei.”  
Current investment is over US\$400 million.

“The prevalence of Xiaonei owes much to its extending network of alumni. It enables students to keep in contact with each other in spare time, playing the games, etc. and they are slowly graduating.”

### Xiaonei Personal Homepage

The image shows a screenshot of a Xiaonei personal homepage with several features highlighted by red boxes and arrows:

- Menu: Home, Profile, friends, Applications, Game, message**: Located at the top of the page.
- Customized Application list**: A vertical list of application icons on the left side.
- Personal photo, Word show & Friend's news**: A central area containing a profile picture, a word cloud, and a feed of news from friends.
- Search friends**: A search bar on the right side.
- Friends bar & Birthday reminder is popular**: A horizontal bar on the right side displaying friend avatars and birthday reminders.
- New & hot application**: A section on the right side featuring new and popular applications.
- Downloading IM tool**: A button on the right side for downloading an instant messaging tool.
- Ads**: Advertisement banners on the left side.
- Popular users**: A section at the bottom center displaying profiles of popular users.

“To mention some features of Xiaonei, it has a lot of web games such as Landlord, Cockfight and some leisure games like pet-keeping. There are some leisure games with high playability that enable all friends to interact with each other. Some of the

games are suitable for boys and girls to play with each other. The function of chatting is very necessary. Most Xiaonei users are registered with real names that provide a way to find old friends and classmates. It also has a mobile phone version like Twitter, which is convenient for accessing on the go.”

### Profile Page



“The most important characteristic is that it makes users feel very real, and it has a large user groups including some students who have already graduated. Games like Friend-Trade and Tales of Sanguo are widely played among friends. In fact, I think these web-games should consider different kinds of players. Different players have different tastes, some like a simulation game, others prefer more violent and even some with beautiful women. Many girls love games that allows them to chat, like Super Millionaire and Gold Miner which are popular in all kinds of SNS. As they are easy to get started they have become an indispensable recreation for many netizens.”