This is our third update to this presentation since we originally published it in 2013. WeChat has matured quickly and is the clear-cut leader of China’s social media scene. Its lead over Weibo is beyond recall.

During Chinese New Year 2015 (in Feb), WeChat hit 547 million monthly active users (MAU) and now has 400 million people signed up for its mobile payments function.

For brands, it has become a reliable platform for customer engagement, posting regular updates, stories, videos. WeChat has tested advertising through its “moments” feature but results have not been enthusiastic.

Therefore, the link between content and ecommerce is becoming the focus for brands in the months ahead.
WHAT IS WECHAT
WeChat is China's mobile social network with 600 million users. (WeChat Internal Report, Jan, 2014)
WeChat has taken over as China's primary social network.

- WeChat: 600m users (Jan 2014)
- Weibo: 556m users (Apr 2014)
- WeChat: 549m monthly active users (Mar 2015)
- Weibo: 198m monthly active users (Mar 2015)
600m
Total number of global users, including 100m outside of China.

547m
Monthly Active Users (MAU) claimed by WeChat.

400m
Number of users registered for the mobile payments system (Claimed by WeChat).
Growth Trajectory
Total users inside of China

CNNIC February 2015: China mobile internet users total 557 million. Are they really all on WeChat???
Access to WeChat

Linked to all of Tencent's social media - QQzone - 600m+ active users:
- QQ (IM)
- Tencent Weibo
- Email

Available in over 200 countries in over 20 languages

Accessible on all mobile OS:
- iOS
- Android
- Symbian
- BlackBerry
- Windows
WeChat is more than just a social app. It's a complete ecosystem.
messaging - content - commerce
WeChat Key Functions

**Messaging - Content - Commerce**

**Discover**

QR Code: Offline-to-online
Look around: New friends in area
Shake: contact exchange (intro)
Drift Bottle: ‘discover’ a message
Games: Mobile social games

**Ecommerce**

Shopping, group-purchase, gifts, movie tickets, bill-split, taxi reservations...
China Online Ecosystem

Fragmented, complex user journeys

Display (Sina, Sohu)
Online video (Youku/Tudou)
Social (Weibo)
Search (Baidu)
Ecommerce (Taobao)

Challenges Online

Weibo - users have moved on
Ecommerce - most sales flow through Taobao
Display - limited RTB, poor quality data
Baidu - effectiveness in decline
WeChat Ecosystem

- **DISPLAY** (Instream Ads)
- **Online Video** (Tencent/Weishi)
- **Social** (Moments)
- **Search** (Sogou/WeChat)
- **Ecommerce** (Tenpay/WePay)

**WeChat Advantages**
- Self-contained ecosystem
- A cleaner environment (fewer ads)
- Social first - quality content
- Ecommerce linked

**Interaction Modules**
- Ecommerce
- Customer Service
- Loyalty Management
- Reservations
- O2O
It's a very tight link between content and commerce.
We first established an account on WeChat in June 2013 and have had really good traction so far. Our WeChat fanbase grew very rapidly and it drives really good traffic to our ecommerce site as well. **It’s actually one of the first times that we’ve seen a social site driving a large number of ecommerce sales.**

Julien Chiavassa, Digital Head APAC for Clarins
WHO uses IT
Who Uses WeChat
And How Often They Use It

Registered Users
600m

Male: 64
Female: 36

Mobile Payment Users
400m

Daily Active Users
Number of Times Used Per Day

- <5: 17%
- Daily: 7%
- 5-10: 21%
- 10-30: 30%
- >30: 25%
Friend Focused

Tighter connections than Weibo

**Sharing: 1-to-1, one-to-many**

Private “Groups” built around social/interests.

“Moments” Personal photo album & timeline shared openly to all connections.

Where Weibo is more focused on a top-down stream of messaging, WeChat is more focused on sharing between closer (private) connections.

As a friend focused social network, WeChat offers less “reach” for marketers at the moment. However, if brands can build a following on WeChat, the quality of “members” is likely to be better.

The tight link between content, service and ecommerce makes WeChat a very strong CRM system for brands.
Celebrities & KOLs

Key players in Content x Audiences

Celebrities and KOLs are playing an increasingly important role for brands. KOLs are now pivotal in helping branded accounts build follower numbers.

At the same time, there are some incredibly interesting efforts being built around celebrities. Chen Kun, a famous Chinese actor, rolled out a premium service last year.

By subscribing to Chen's account fans get access to photos, songs, e-books and even “good night” voice messages from him. The RMB18/month subscription account reportedly collected RMB7 million on the day it went live.

Like all other social media in China, celebrities have been among the early adopters with WeChat. It’s widely acknowledged that Weibo’s early success was very much a result of celebrity contributions.

Unlike Weibo however, the rapid growth of WeChat has not been “top down” - it’s been more of a groundswell.
GETTING SET UP
Choosing an Account

Two main account types

**Subscription accounts**

Subscription Accounts are designed for brands to share updates with audiences, with a limit of one "push message" per day. Its purpose is to mirror the social awareness building activities that take place in Weibo. Very few additional functions can be added.

**Service accounts**

Service Accounts offer brands the opportunity to add many more features and functions, including customer response, sales/payments, bookings...etc. Service Accounts are more flexible but are limited in terms of content sharing to four “push messages” per month.
Attracting Followers

How Brands Build-up Accounts

1. Audiences scan QR from Offline (Shop) or from Online (Brand Site, Weibo...).

2. Searching for the Brand/Account name.

3. Via an LBS search for Loyalty (Branded) Account.

4. By referral/recommendation by friends, influencers and KOLs.
Using KOL/Influencers
To Build Brand Accounts

WeChat is quickly following a similar path as Weibo before it, in the use of KOLs (Key Opinion Leaders) to support the growth of branded accounts - helping brands to increase follower count.

There are two main ways to identify KOLs and evaluate them for endorsements and seeding of branded content:

1. Identify public accounts in different categories run by agencies.

2. Identify KOLs with large followings on Sina Weibo and/or Tencent Weibo. This provides a reasonable insight into the likely follower numbers in WeChat for accounts which are not public.

Typically, the second way is more effective, as personal accounts have more loyal and connected followers, who are more likely to share content to their “Moments.”
How brands use IT

(Case Studies)
01

Brand accounts

As with most other social media (Facebook, Weibo...), most efforts by brands have gone into creating branded spaces to share content and provide information.

Brands distribute stories, memes, infographics and audio...do Q&A with authorities and celebrities.
**Challenge:** Cadillac has had a consistent effort to create awareness about its American heritage, by sharing a multitude of stories about the classic “Route 66.” The effort has focused on story telling about the people, places and history of the route.

**Summary:** For its latest effort, Cadillac created a series of mini-documentaries featuring “Route 66” with a focus on the Cadillac “SRX.”

Online, there was a series of five 24 minute episodes covering the journey along “Route 66.” On WeChat, a special HTML5 page was setup featuring each stage of the journey, with director’s notes and special information about the locations.

*SRX “Route 66” Travel Journal - Day by day account of the trip across the historic motorway.*
Challenge: In 2014, Burberry held one of the largest events ever by a luxury brand in Shanghai, with a massive music performance representing its routes as a brand from London. While thousands of VIPs attended the event, Burberry wanted to give access to a larger group of people online, through WeChat.

Summary: Burberry setup a special interactive HTML5 page, to allow people following online the opportunity to view the entire performance on their mobile phones. It featured a full 360 degree (augmented reality) view of the show. With the approach, they dramatically amplified the attendance of the event.
Challenge: The Glico “Happy Box” campaign is an ongoing effort to build following with audiences through WeChat - and includes digital interactions and O2O links.

Summary: Glico built a special HTML5 site for users to create cartoon avatars and add funny voice messages. The customized messages/avatars could then be sent to friends in the form of a package (box), to be digitally unwrapped.

The campaign ran for 2 weeks during June (including special messages for “Father’s Day”). To encourage participation, Glico gave away 100 gift packs and invitations to offline events as prizes. It created a lot of social buzz as a fun way to get a laugh and make somebody “happy.”

1. DIY your avatar
2. Record message & choose template
3. Share to friends
4. Special edition for Fathers’ Day
customer service

After content, the second most applied strategy on WeChat is in providing customer service and support.

At the moment, most of this service/support is automated (providing balances, bookings) but there clearly is an opportunity for brands to distinguish themselves with more hands-on, customized support.
Loyalty Cards: have become a low priority for WeChat. The focal point for brands on WeChat is through the master "Brand Account" and not thru supplemental accounts like this for Loyalty.
**Challenge:** Educating consumers about Tesla’s functions and design in an easy to understand way?

**Summary:** Using a series of immersive HTML5 pages in WeChat, Tesla gave “would be buyers” the opportunity to get a feel for what using the car would be like, helping to answer key questions about how things work (charging time, energy consumption...), together with very detailed journeys through the car.

The experiences created through the applications aim to simulate experiences and make answers more fun, more high-tech.
Brand: China Southern Airlines

Travel: Air ticketing and service at all stages of trip

Challenge: To provide attentive and detailed customer service through its WeChat interface - at right time, place - throughout a journey.

Summary: The interface includes functions for (a) booking flights, (b) check-ins, luggage service and hotel support, (c) related membership issues. They have found ways to support at all stages of the trip - pre, during and post. Users can even use the voice messaging function to get feedback.

China Southern has become one of the best service accounts in WeChat. Within 10 months after launch, it has attracted over 1 million followers.
**Brand:** Nuan Wo

**Pets Services:** A concierge for dogs ;)

**Challenge:** Available to pet owners in Shanghai, Nuan Wo, has started a service to help busy people in taking care of their favorite pets.

**Summary:** Nuan Wo uses WeChat as its key platform to provide "concierge services" for pets. They have created a special directory of pet trainers, groomers, etc, where interested "pet owners" can view a profile and contact them directly. The company is the first in the category to provide this service and has already attracted the interest of 10,000+ users/followers.

*Offline activities are often held as get-togethers for pets, pet owners for training and playing.*
Offline-to-online

As a mobile, social network, WeChat enables strong connections between online-to-offline (and reverse), at scale.

Location based (LBS) in WeChat offers the potential to: (1) Drive and track retail footfall, (2) Encourage attendance at events/locations, (3) Collect offline audiences to online (for online CRM).
Challenge: In order to improve the access to location-based search and drive more online to offline search, WeChat has made Dianping more accessible.

Summary: Tencent-invested "Dianping" (China's top LBS rating/review application) has been integrated into the main SEARCH function on WeChat, allowing customers to do location-specific searches for restaurants, entertainment and other venues nearby.

Some brands even optimize consumption experience by giving users some incentives (coupons, discount...).
Challenge: To celebrate women on Mother’s Day, Olay teamed up with “Didi Da Che” (call taxi app), to offer free skincare assessments at any Olay retail counters in Beijing, Shanghai and Guangzhou. Qualifying customers got a free ride to Olay’s counter by “Didi Da Che.”

Summary: By reserving through the co-branded application on WeChat, women in Beijing, Shanghai & Guangzhou were given a coupon for RMB100 free taxi ride by “Didi Call Taxi” to the nearest Olay location for a free skin test. It’s part of a larger effort by Olay to help celebrate beauty.
Challenge: In order to counteract the movement of customers from offline to online, luxury shopping mall, La Perle in Guangzhou, has developed a smart WeChat linked app.

Summary: Every month, La Perle features products from its tenants, helping to bring online audiences back to malls for offline purchase.

From the 8th to 18th every month, select products are featured on the La Perle’s WeChat account. During the monthly campaign, users find the products they want ...pre-order ...and then have 24 hours to go to the mall for pickup - enjoying discounts of up-to 50%. A flash sales element creates urgency to participate.

1. Follow official account and sign-in
2. Make reservation (order) of product
3. Pay in store within 24 hours after order
Payments (sales)

WeChat has embedded a robust payments function into its platform, allowing brands to drive ecommerce from "accounts", allowing consumers to pay for a multitude of products and services.

As of Feb 2015, WeChat has 400 million users who have signed up for its mobile payments system.
Payments (Sales)

Types of Payment

Group Sales
- QQ Tuangou

Pre-Order
- Pacific Coffee

Offline Payments
- Scan & Pay thru "Loyalty Card."

Brand Shop
- Xiaomi

3rd Party "Malls"
- Dangdang
Payments (Sales)

Mobile Wallet - Sales Channels

Access to Tencent sales channels conveniently located next to “Bank Cards”

Link Payments to:
- Chinese Bank Cards (Debit)
- Chinese Credit Cards
- Tenpay/WePay
- Int. Credit Cards (Visa, MC...)

WeChat Shopping Mall
Linked to www.yixun.com

Group Buy
LBS in various categories

Payment
Quick Pay, Transfer

Order Taxi
Cooperated with Didi Call Taxi

Red Pocket “Hong Bao”
Giving/exchanging money

Go Dutch
Split the cheque
Challenge: Xiaomi has a famous "online only" sales model using flash sales events for both marketing and sales purposes.

Summary: Xiaomi has made its online flash sales into big marketing events and fun experiences for consumers. Using WeChat for the sales events, Xiaomi creates a game of: (A)Waiting for alerts about the "Snap-up", (B)Getting reservations for time-sales slots, (C)Playing games for further discounts ...keeping audiences engaged at every step with fun content.

1. Products are available for one day only at select times (12:00 - 14:00 - 16:00...) with a quota at each time

2. Play games to win further discounts
Challenge: Encourage more users to use WeChat payment

Summary: On May 20th, WeChat payment held a campaign named "Transfer is message", calling on users to transfer money to those who you love instead just using words ...to share a sentiment.

On that day, RMB400m lucky money was transferred. The most popular transfer sums were “RMB5.20” & “RMB13.14” ...expressing the sentiments of “I love you” and “All my life, together with you.”

Proposed scenarios by WeChat ...to encourage users to share/send lucky money.
“Push” advertising

Early in 2015 WeChat launched its “push” advertising offering to brands with a select few, high-profile companies, including BMW, Coca-Cola, and others.

The ads were sent to targeted audience segments through its “moments” function, directly into audiences’ social stream (much like paid ads on Facebook).
“Push” Advertising
Ads into “Moments” Stream

Ad Details:
Detailed info will be shown here, usually it’s a H5 page.

Promoted:
All ads will be shown as promoted to WeChat users. Users can chose to hide those ads as “Uninterested” if they don’t like them.

Pictures
Supports at most 9 pictures. Click to zoom

Moments Ads: are pushed directly into users’ social stream. For the launch, 50 brands were selected for the trial. Ads in “moments” are charged on a CPM basis, with detailed audience targeting options.

Engagement
Comments & Likes of all your WeChat friends will be shown here.
"Push" advertising
Display Ads inside Public Posts

Text + Image
Image
Text link
“Follow” Card
“Download” Card

Display ads: are also offered, and at lower costs than the “moments” ads. The display ad units are presented at the bottom of popular, verified posts/accounts - with 7,000 participating accounts on offer. They are charged to advertisers on a CPM/CPC basis, and estimated, average click thru rates are 2%. 
OPPORTUNITIES FOR BRANDS

1. Content
Content remains the most important opportunity for brands. Creating a steady dialogue with customers (and would-be customers), brands can keep customers informed about new products, offers and rewards. More importantly, by creating quality content FOR audiences, brands can create a sense of “insider knowledge” and true loyalty. Accounts built on strong content are the fuel for all activities instigated from WeChat.

2. Research, Focus-Groups
Brands and agencies are using “Chat” and “Walkie Talkie” features to conduct focus groups and surveys with target customers...in real-time as audiences go thru regular routines. It’s a lot more powerful to ask someone a question at the right time and place. WeChat puts questions into context for brands.

3. O2O & LBS
WeChat is a great tool to link online & offline together and manage CRM. There are really interesting opportunities to do “popup” retail, flash sales and product trials ...alerting followers nearby to attend on a moment’s notice. And with payments inside WeChat, retail doesn’t need to be linked to a traditional retail location.

4. Selling thru WeChat
Payments systems have been set-up inside of WeChat and that makes it a (potentially) very powerful channel for sales - linking social, CRM and ecommerce together into one tight ecosystem. A friend’s purchase recommendation is only a couple clicks away from transaction point.
Contact Us

Chris Baker, Managing Director
Email: chris@totemmedia.net
Twitter/WeChat: Talktototem