

# WECHAT EXCLUSIVE REPORT

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# ABOUT THIS REPORT

On 18 May 2020, Tencent's WeChat, Tsinghua University's Tsinghua China Data Centre, and the Tencent Social Research Institute released **"The 2020 Pandemic and the QR Code Economy Report"**. The 104 page long Chinese report revealed that the WeChat QR Code Economy has played an effective role in mitigating the negative impact of the COVID-19 pandemic.

In this report we bring you the key messages.

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## **What is the WeChat QR code economy?**

The WeChat Ecosystem

QR codes on WeChat

The value of the QR code economy

## **The QR Code Economy during COVID-19**

### **Connecting users**

Helping the nation shop online

Keeping students connected

### **Connecting enterprises**

Transforming business models

Financial support for businesses

Vouchers to stimulate the economy

### **Connecting services**

Digitalising healthcare

Digitalising public services

# WHAT IS THE WECHAT QR CODE ECONOMY?



# THE WECHAT ECOSYSTEM

More than  
**1.2 billion**  
monthly active users

More than  
**20 million**  
official accounts<sup>1</sup>

<sup>1</sup> Subscription accounts for followers

More than  
**1 million**  
Mini Programs

More than  
**400 million**  
daily active users  
of Mini Programs

More than  
**800 billion RMB**  
worth of transactions in 2019

More than  
**60 million**  
active users of  
Wechat Work

**2.5 million**  
companies used  
WeChat Work

More than  
**50 million**  
monthly active  
merchants on  
WeChat Pay

**1 billion**  
daily commercial  
transactions on  
WeChat Pay



# THE WECHAT ECOSYSTEM



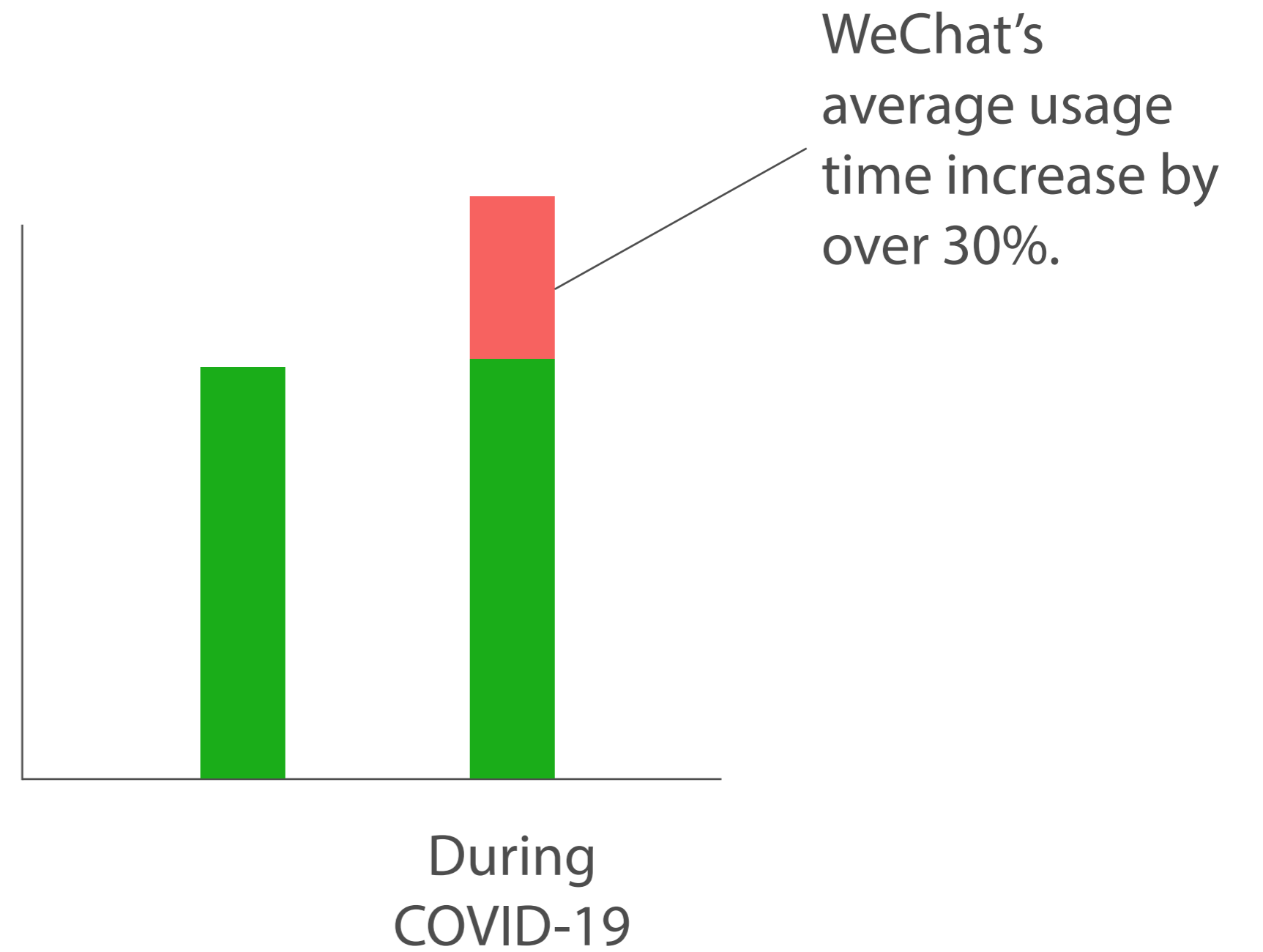
**63 million**  
monthly active users  
above the age of 55

The WeChat Ecosystem caters for the entire Chinese society.

In fact, as of September 2018, WeChat had 63 million monthly active users above the age of 55. Half of WeChat users aged over 60 are using WeChat Pay.

# THE WECHAT ECOSYSTEM

COVID-19 has forced the WeChat Ecosystem to rapidly expand and upgrade its software which has also led to WeChat's average usage time increase by over 30%.

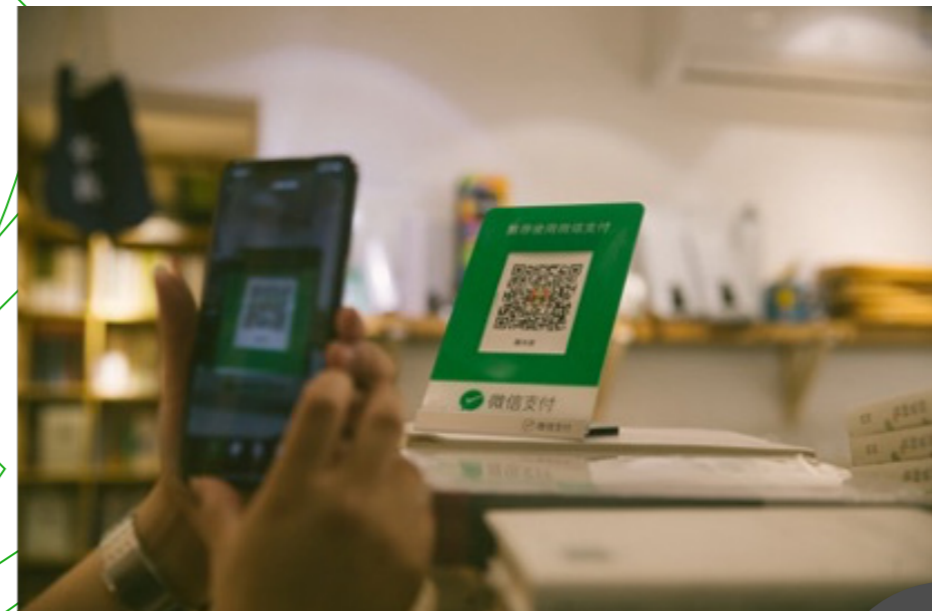


THE WECHAT ECOSYSTEM 2020





QR codes are multi-functional on WeChat and can be used to add friends, make payments, enter Mini Programs and access WeChat Work.



# QR CODES ON WECHAT

The 'QR Code Economy' describes a new economic model that stretches across the WeChat ecosystem.

In 2019 alone, it reached 8.58 trillion RMB and generated 29.63 million employment opportunities.

**8.58**  
**trillion RMB**

in 2019

**29.63**  
**million**

employment opportunities

# THE VALUE OF THE QR CODE ECONOMY

In Q1 of 2020, the value of the WeChat QR Code economy increased by 25.86% year on year, despite a Chinese GDP contraction amid COVID-19.

# THE QR CODE ECONOMY DURING COVID-19



QR CODE  
ECONOMY



# THE QR CODE ECONOMY DURING COVID-19

During the COVID-19 pandemic, QR codes have not only helped to ensure a smooth, 'contactless' flow of information and data but have also reduced the cost and time for pandemic prevention and optimised the allocation of resources.

**140 billion  
times**

used

Saved an average of  
**29.2 hours**  
per person

Between 23 January and 6 May 2020, governments, businesses, and individuals used WeChat QR codes over 140 billion times, leading to each person saving 29.2 hours on average.

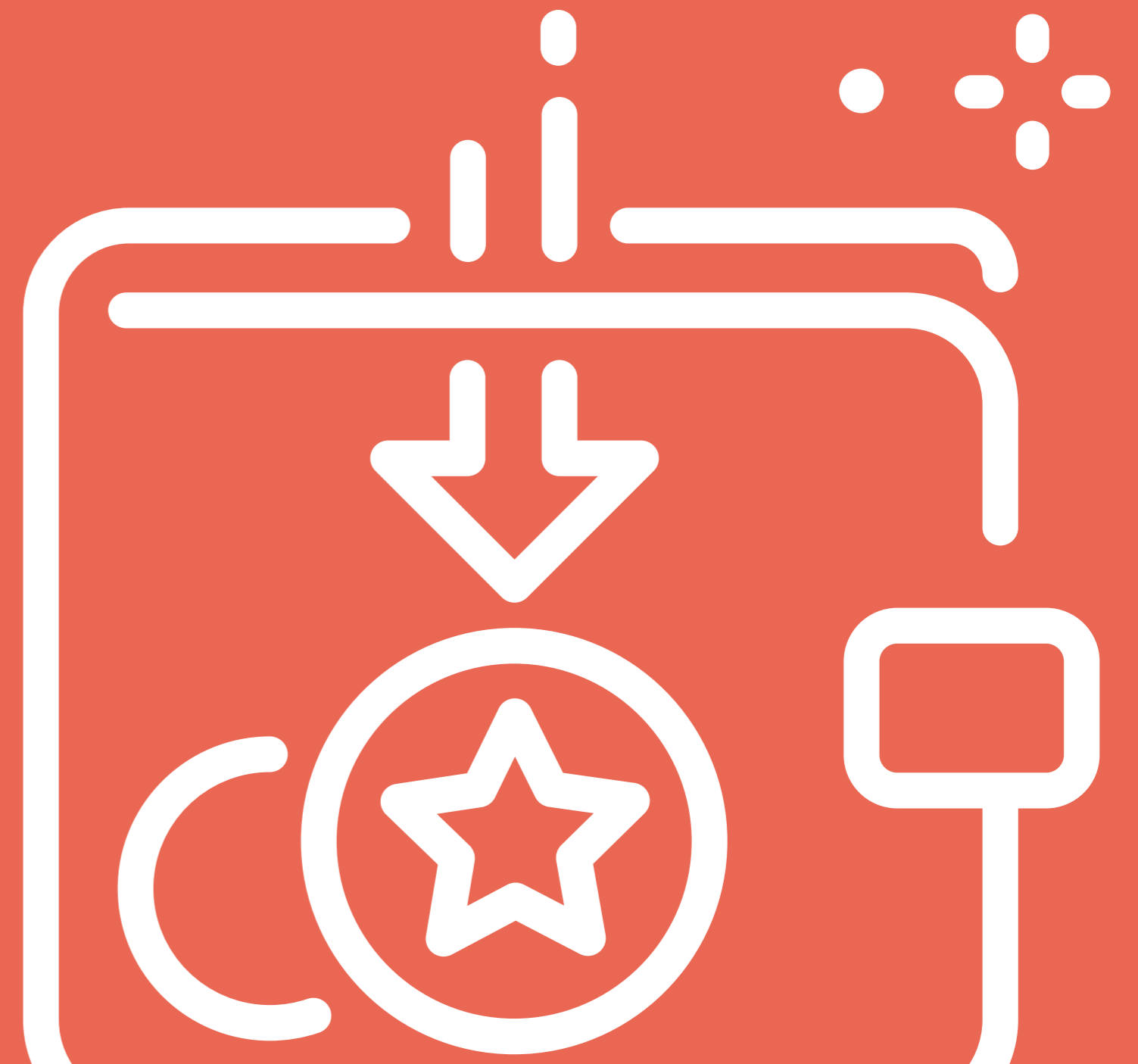
# THE QR CODE ECONOMY DURING COVID-19

COVID-19 has accelerated digitalisation processes within all areas of society and the QR Code Economy is set to grow in tandem with the demand for digital infrastructure.

It is seen as a much needed 'stabiliser' of the economy and society, enabling governments, enterprises, and the public to fight the epidemic and resume work.

# CONNECTING USERS

HELPING THE  
NATION SHOP  
ONLINE



Forcibly so, COVID-19 changed purchasing habits and lifestyles.

**As people could not leave their homes, they turned to e-commerce channels to buy groceries and other essential items and retailers had to find new platforms and ways to attract Chinese consumers.**

# CHALLENGES

BUY



# SOLUTIONS 1/2

WeChat Mini Programs and WeChat Groups became key channels to buy and sell food.

As of 14 February, visits to supermarket Mini Programs increased by 115% year on year. Mini Programs offered delivery services and an option where users could collect pre-ordered food by scanning a QR code.

As China recovers from COVID-19, many companies are resuming offline business where the QR code economy remains important.





SOLUTIONS 2/2  
SOLUTIONS 2/2  
SOLUTIONS 2/2  
**SOLUTIONS 2/2**  
SOLUTIONS 2/2  
SOLUTIONS 2/2  
SOLUTIONS 2/2

Livestreaming on WeChat grew as a result of the growth in online retail and consumers being unable to see products in person. The feature allows merchants to display their products in situ while interacting with their audience in real time through their own WeChat Mini Program.



# SUCCESSSES 2/3

In terms of live streaming, following women's clothing brand Eifini's first livestream on 6 February 2020, the number of visits to its Mini Program rocketed by 566% and sales increased by 372% (MOM).

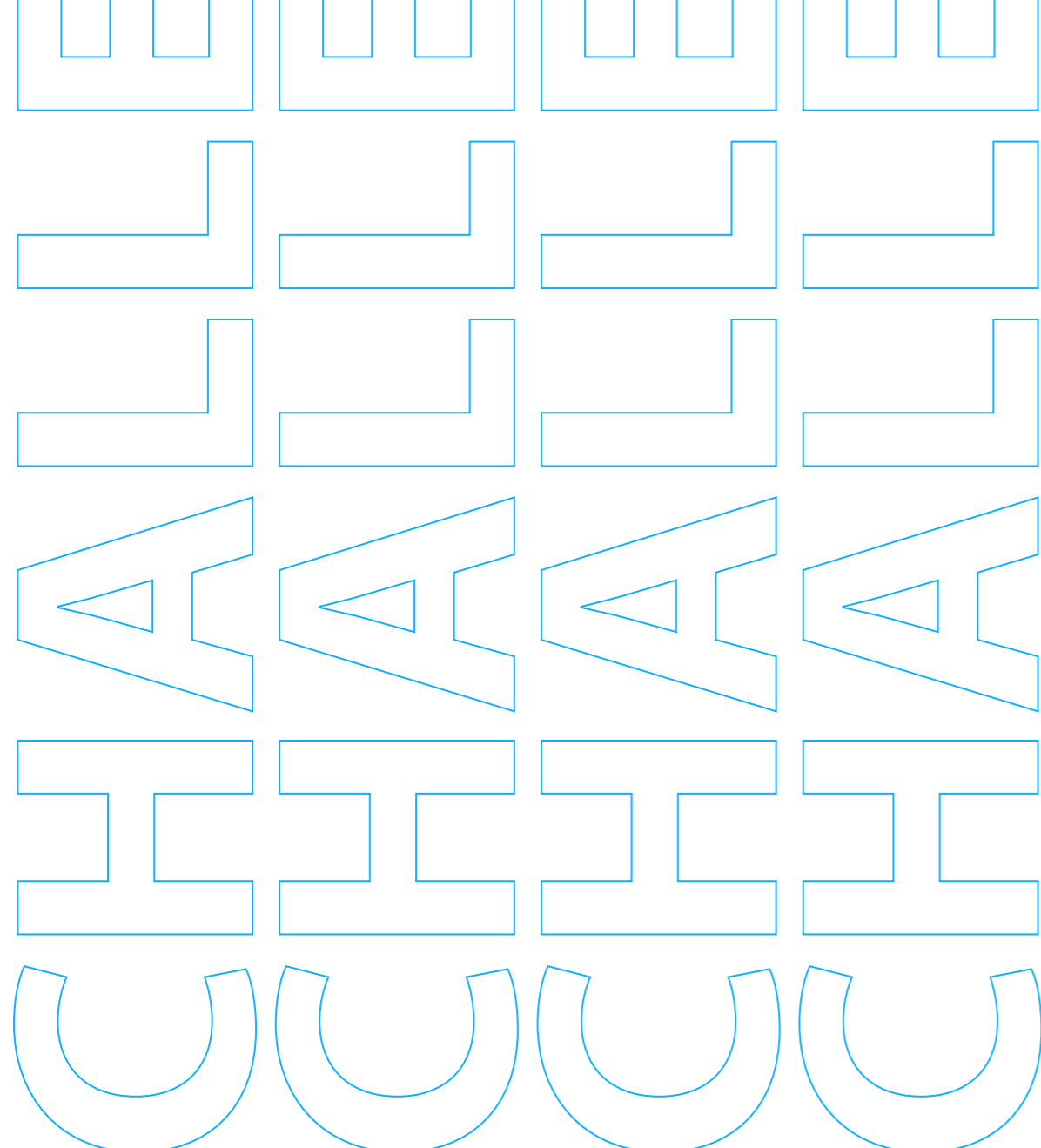




# CONNECTING USERS

KEEPING  
STUDENTS  
CONNECTED





With all levels of educational facilities closing due to the virus, educators and students were required to move online.

There was pressure on the government and schools to continue providing the same level and variety of education during the outbreak.

# CHALLENGES 1/2

CHALLENGES 1/2

CHALLENGES 1/2

# CHALLENGES 2/2



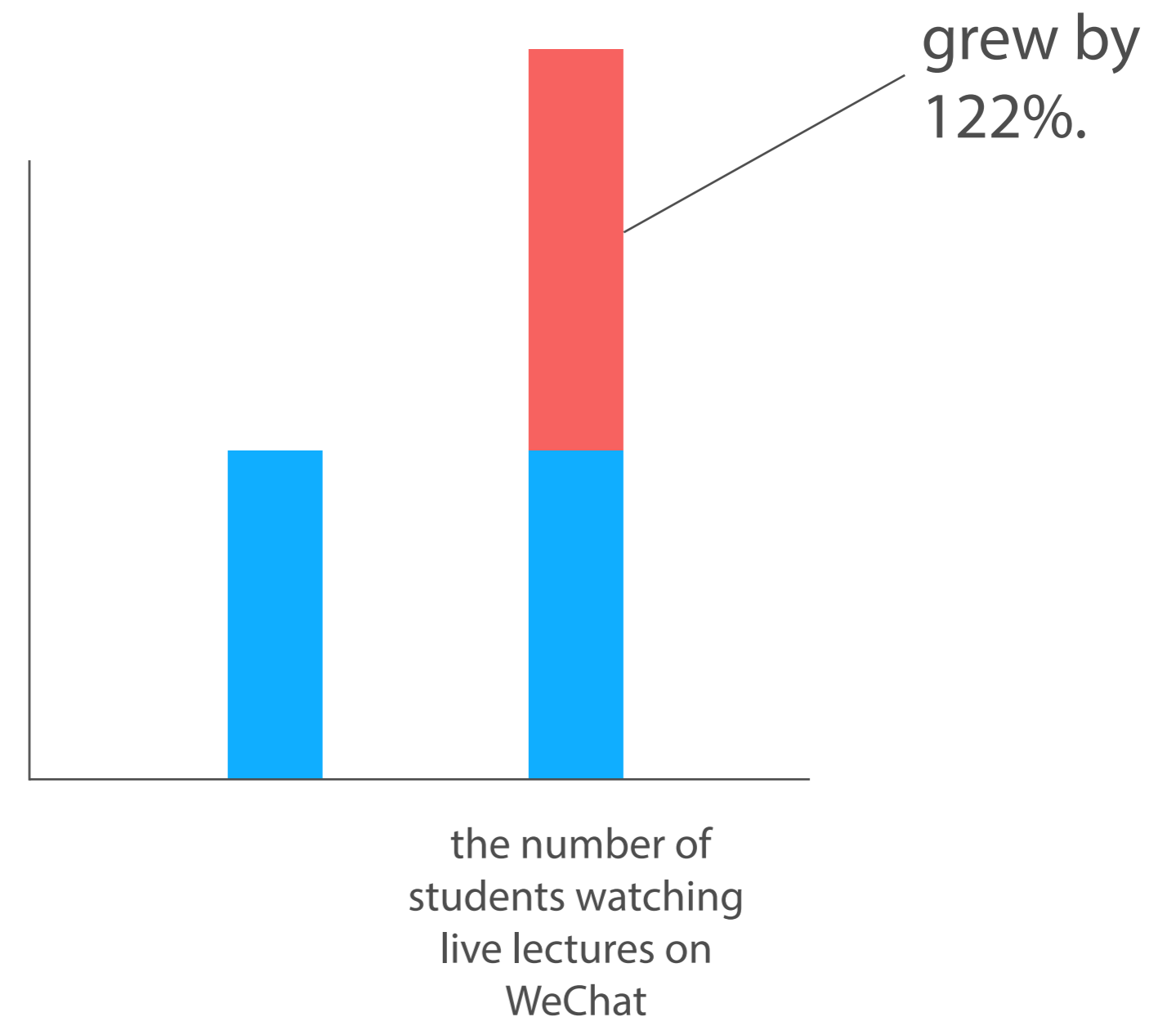
As people were stuck at home looking to learn new skills and take up hobbies, the demand for online educational content surged.





# SUCCESSSES 1/3

Between December 2019 and January 2020, the number of active users on WeChat's Mini Programs related to education increased by 485% and the number of students watching live lectures on WeChat grew by 122%.



WeChat Work serves more than

**100,000**  
schools

which it connects with

**50**  
million parents

accounting for

**18.8%**  
of the national total

**SUCCESSES 2/3**



**CONNECTING  
ENTERPRISES**

**TRANSFORMING**

**BUSINESS**

**MODELS**



# CHALLENGES 1/2

CHALLENGES

**COVID-19 forced companies and individuals to operate remotely.**

People had to switch to a new way of working, often, at home, with fewer resources and technology, and holding online meetings, events and conferences.

# CHALLENGES 2/2

The pandemic also created difficulties in connecting businesses with consumers or other businesses. Retailers or merchants who relied on offline means to make a living prior to the outbreak found that they had a reduced, or no source of revenue.

Roughly 70% of physical stores were closed during the Spring Festival, and so many enterprises needed to find a way to maintain sales through other channels.



SOLUTIONS FOR

# SOLUTIONS 1/2



The WeChat Ecosystem and QR code economy could facilitate working from home. WeChat reacted quickly to the heightened demand for online work and expanded capacity soon after the lockdown.



Smart data and “contactless” technology helped businesses resume operations and WeChat’s intelligent services provided analysis to optimise warehouse capacity, operation efficiency and improve delivery services.

# SOLUTIONS 2/2

800

billions RMB

billions RMB

billions RMB

Thanks to WeChat Mini Programs being low cost, low threshold and fast deployment, these Mini Programs, which recorded a transaction value of over 800 billion RMB in 2019, helped businesses find new online revenue during the pandemic.



**During COVID-19, WeChat Work supported  
group chats with**

**10,000 people**

**SUCCESSES 1/2**

**WeChat Work increased its capacity during COVID-19 to support group chats with up to 10,000 people, video-conferencing for up to 300 people and livestreaming with tens of millions of viewers.**

WeChat Work's conferencing tools were used by 220 million times during lockdown and daily users of work-related Mini Programs increased by 385% between 3 and 9 February 2020.

The number of new Mini Programs rose by 177% year on year in March, and 24% between March and April 2020.

Additionally, WeChat's QR codes enabled 3 million express delivery workers to resume work in March as they were able to operate contactless.



The number of new Mini Programs rose by

**177%**

**SUCCESSSES 2/2**

# CONNECTING ENTERPRISES

FINANCIAL SUPPORT  
FOR BUSINESSES

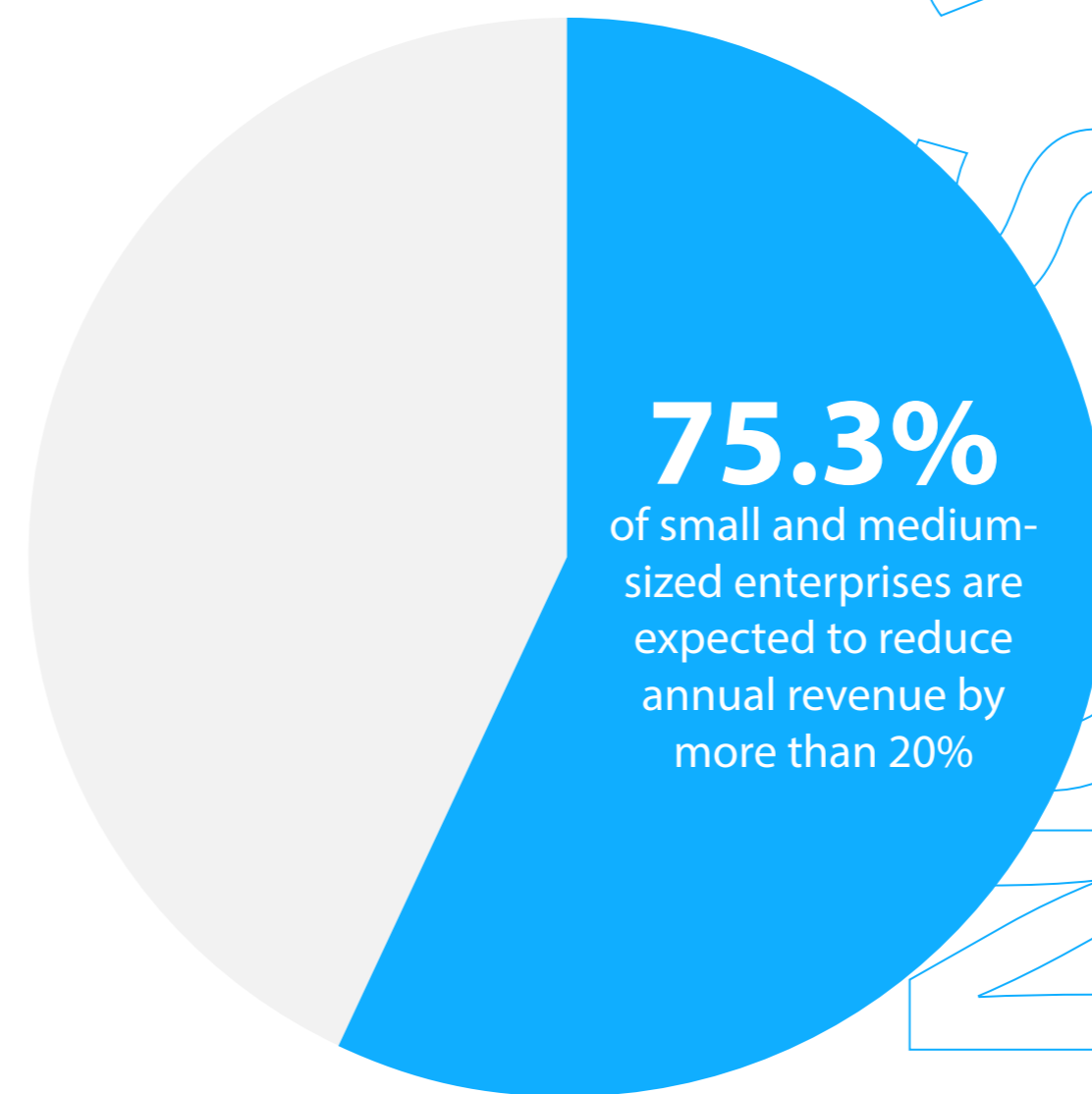




# CHALLENGES 2/2

75.3% of small and medium-sized enterprises are expected to reduce annual revenue by more than 20%.

As such, for many, this has meant insufficient funds to invest into adapting their business to the changing situation and concerns about their future.



# SOLUTIONS



WeChat has provided resources and funds to help businesses digitalise and understand the WeChat ecosystem in order to adapt to changing demand.

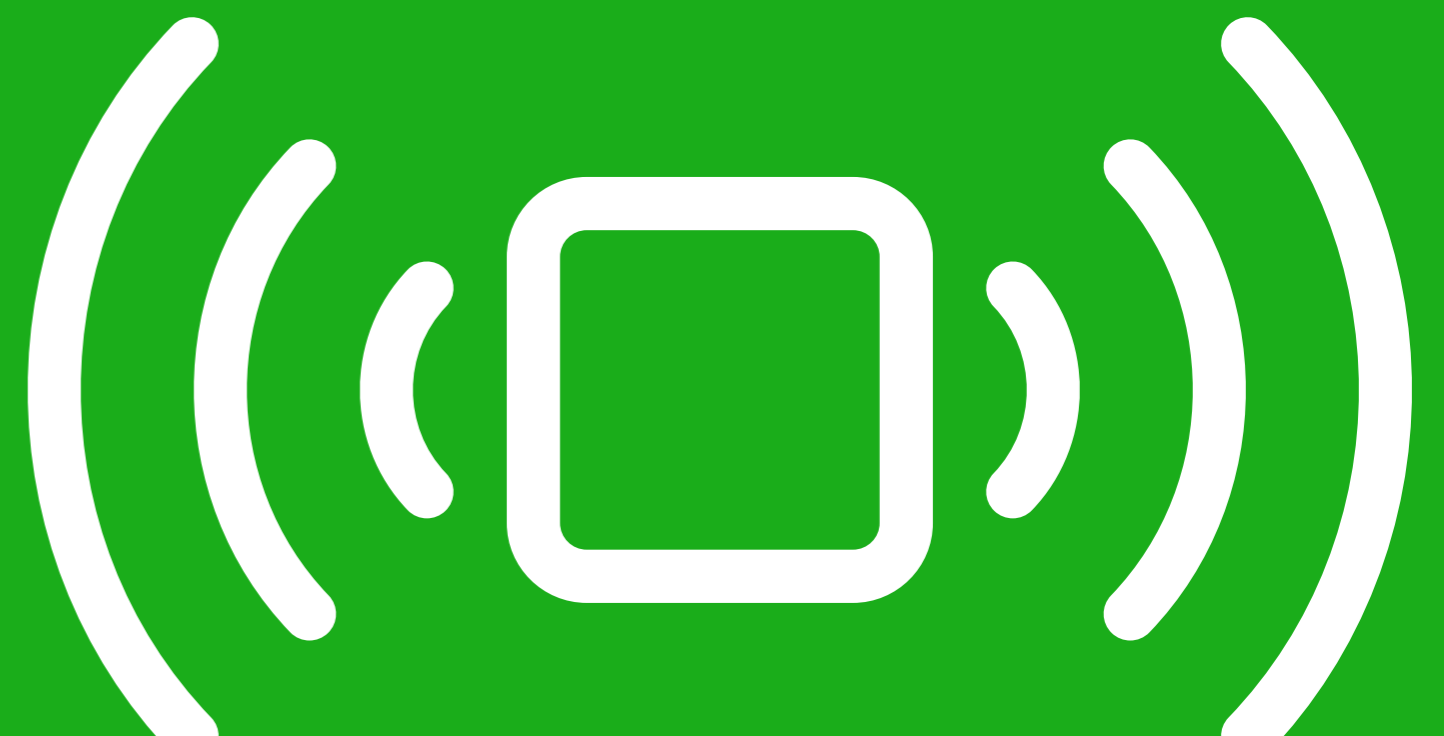
They have:

- Reduced service fees
- Granted interest-free loans
- Provided free training
- Launched a feature on WeChat Pay to help individual merchants and enterprises apply for settlements



# CONNECTING ENTERPRISES

VOUCHERS TO  
STIMULATE THE  
ECONOMY





# 20.5%

YOY drop in Jan-Feb 2020<sup>1</sup>

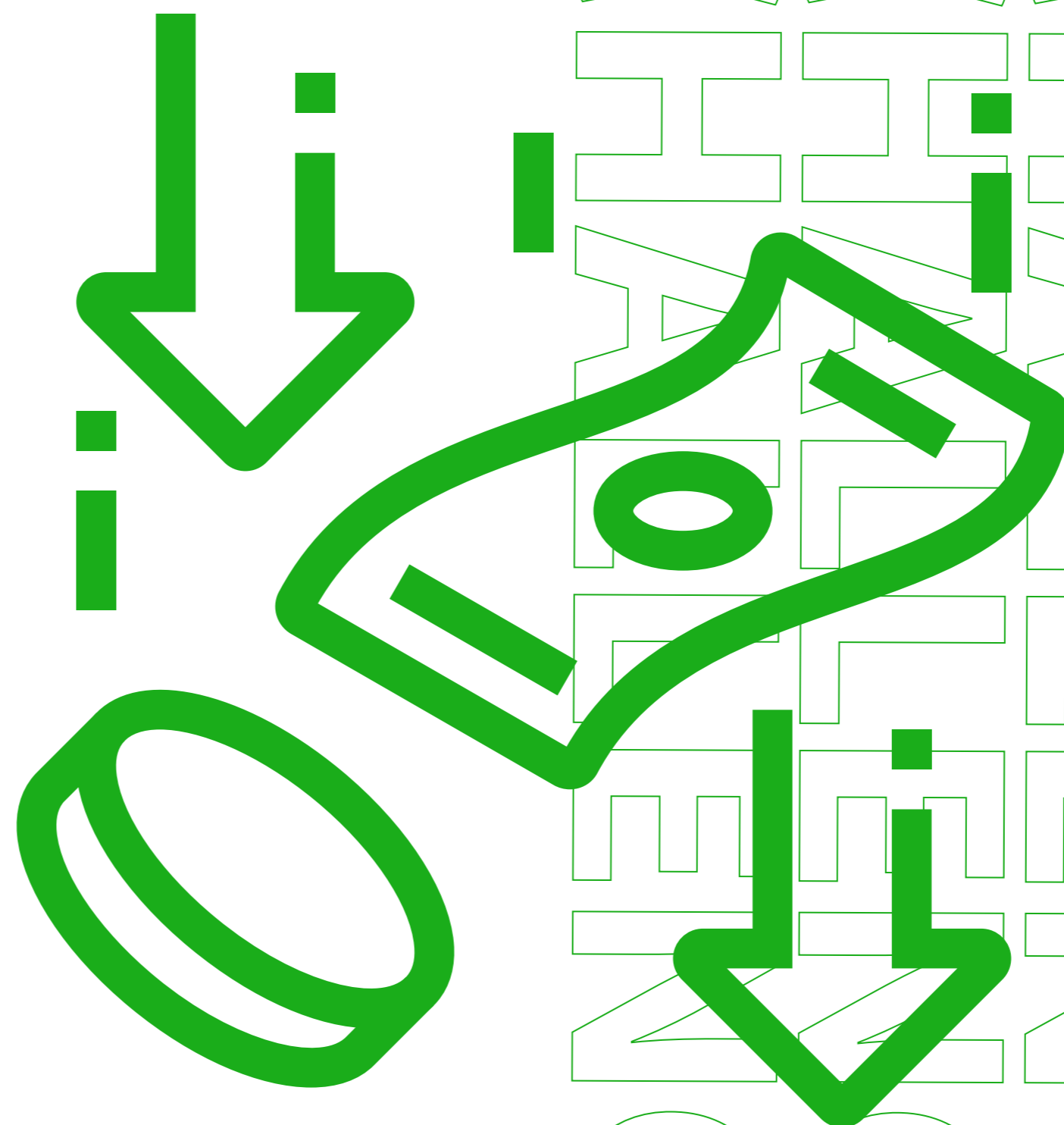
<sup>1</sup> According to the National Bureau of Statistics

Chinese Economy

# 6.8%

Contraction in Q1

# CHALLENGES



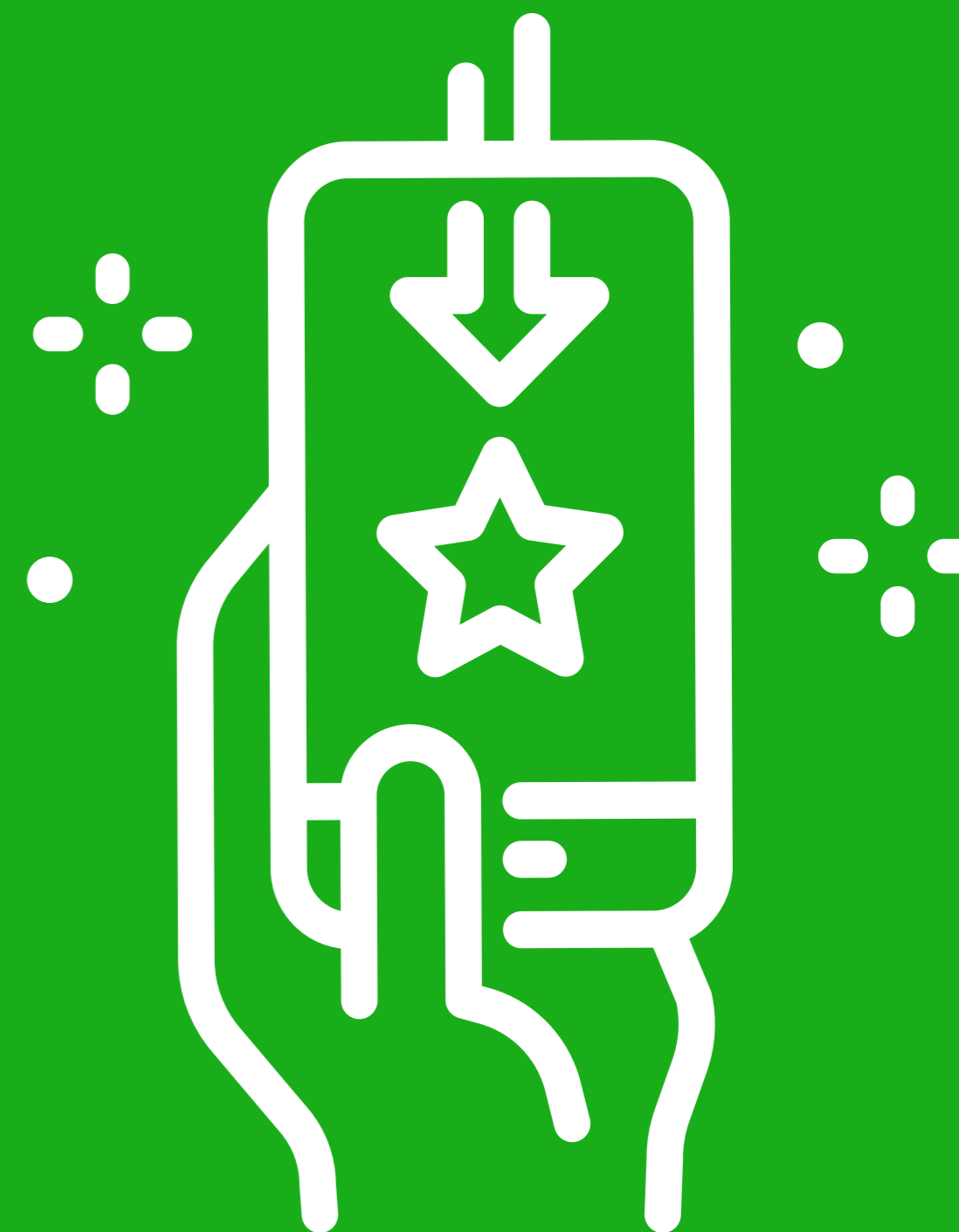


# SOLUTIONS 2/3



The WeChat Ecosystem ensured the smooth implementation of the voucher policy.

Businesses and governments issue vouchers through their WeChat official account, which users can collect and use directly through WeChat Pay.





**900  
million  
RMB**

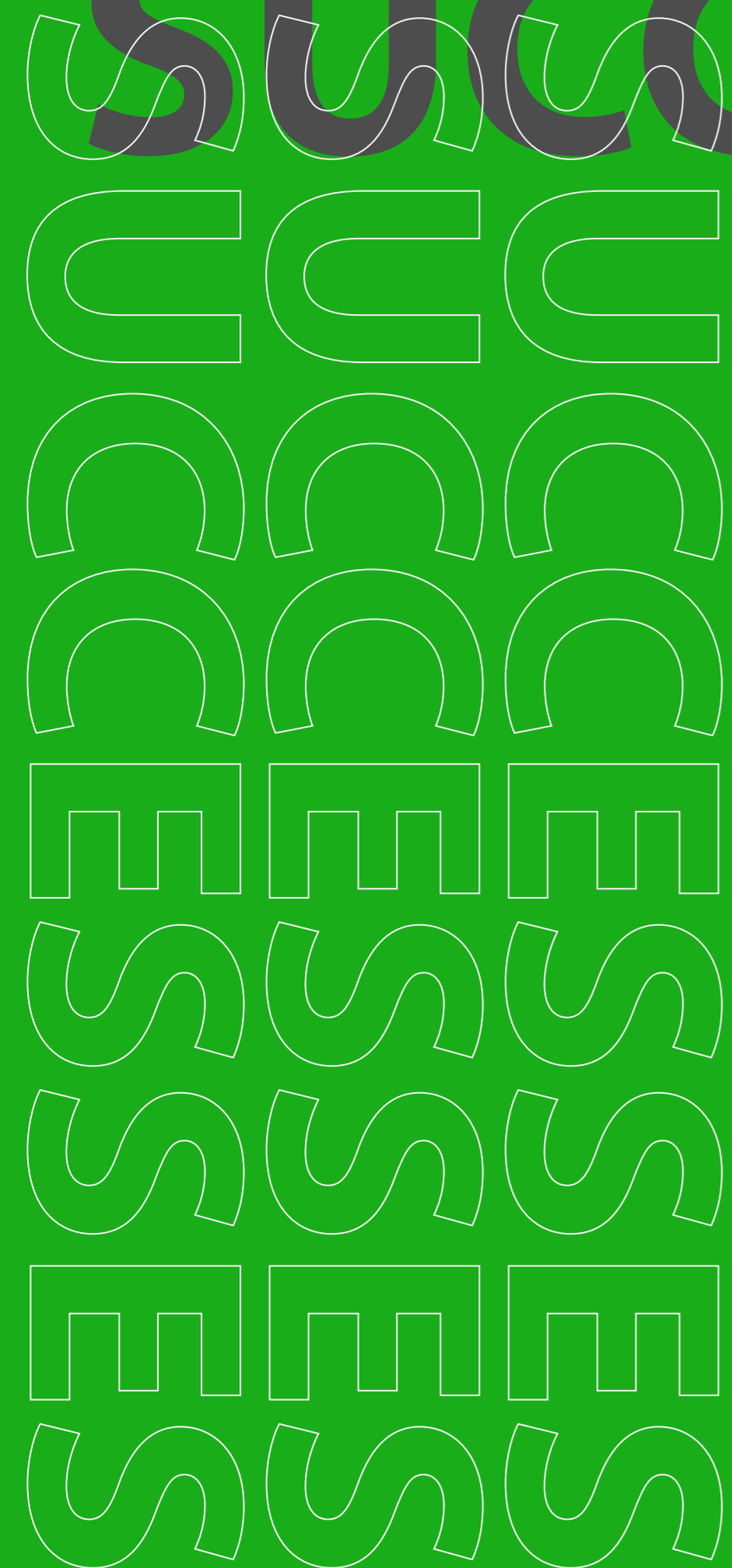
consumption driven by the  
vouchers between  
1 and 3 May

So far, leisure, entertainment, catering, hotels, and transportation sectors experienced the largest rebound under the stimulation of spending vouchers.

**SUCCESSSES 1/2**



# SUCCESSES 2/2



In Wuhan alone, 1.36 million people had visited the Mini Program with 2.93 million attempts to grab the coupons within an hour of their release.

The vouchers, which were worth 28 million RMB, generated 320 million RMB worth of consumption in Wuhan from 19 April to 13 May, that is 11.4 times the value of the vouchers.



Vouchers worth  
**28 million RMB**

generated  
**320 million RMB**

# CONNECTING SERVICES DIGITALISING HEALTHCARE









**The WeChat ecosystem made health services more accessible, with 31 provinces, autonomous regions and municipalities (except Hong Kong, Macao and Taiwan) launching special platforms on WeChat.**

They answered public queries about the virus and provided accurate information about symptoms, treatments, and case numbers, as well as being a channel to communicate with professionals about other health-related problems.







# CHALLENGES

CHALLENGES

CHALLENGES

CHALLENGES

**In a country of over 1 billion people, Chinese authorities faced the challenge of ensuring that all citizens continued to have access to government services, as well as relevant information about the virus.**

The rapid and wide-scale response needed to fight the virus required efficient communication and coordination between different departments, regions, and levels of government.



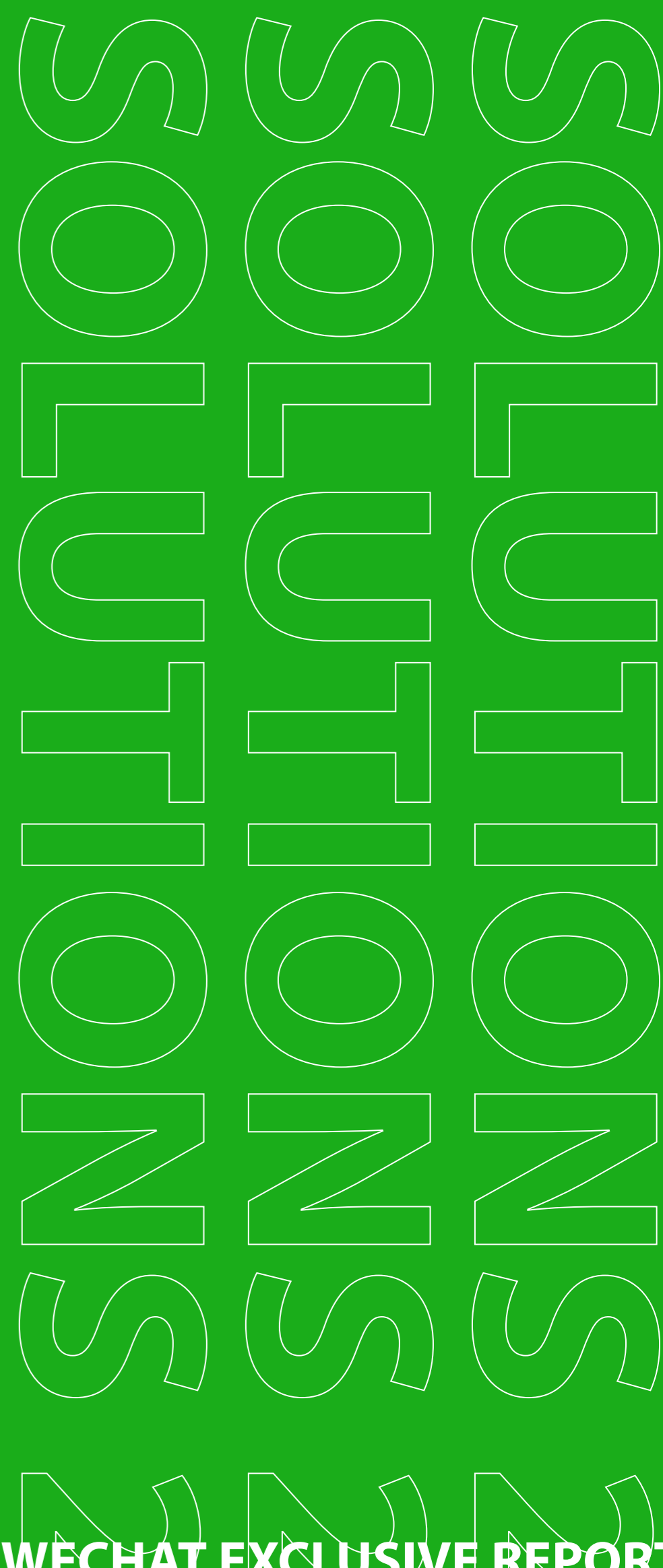
# SOLUTIONS 2/2

# SOLUTIONS 2/2

# SOLUTIONS 2/2



WeChat's epidemic reporting feature provided a practical communication channel between the public and government as virus-related updates were communicated to the public through WeChat's Public Accounts and Mini Programs.



# SUCCESSSES

In 2019, pre-pandemic,  
over

**45,000**

municipal service Mini  
Programs were visited

**5.4**

**billion**

times

## Mini Program

In 2019, pre-pandemic, over 45,000 municipal service Mini Programs were visited 5.4 billion times.

During the outbreak, 100 new government-related Mini Programs were added, and users increased by nearly 60% month on month.

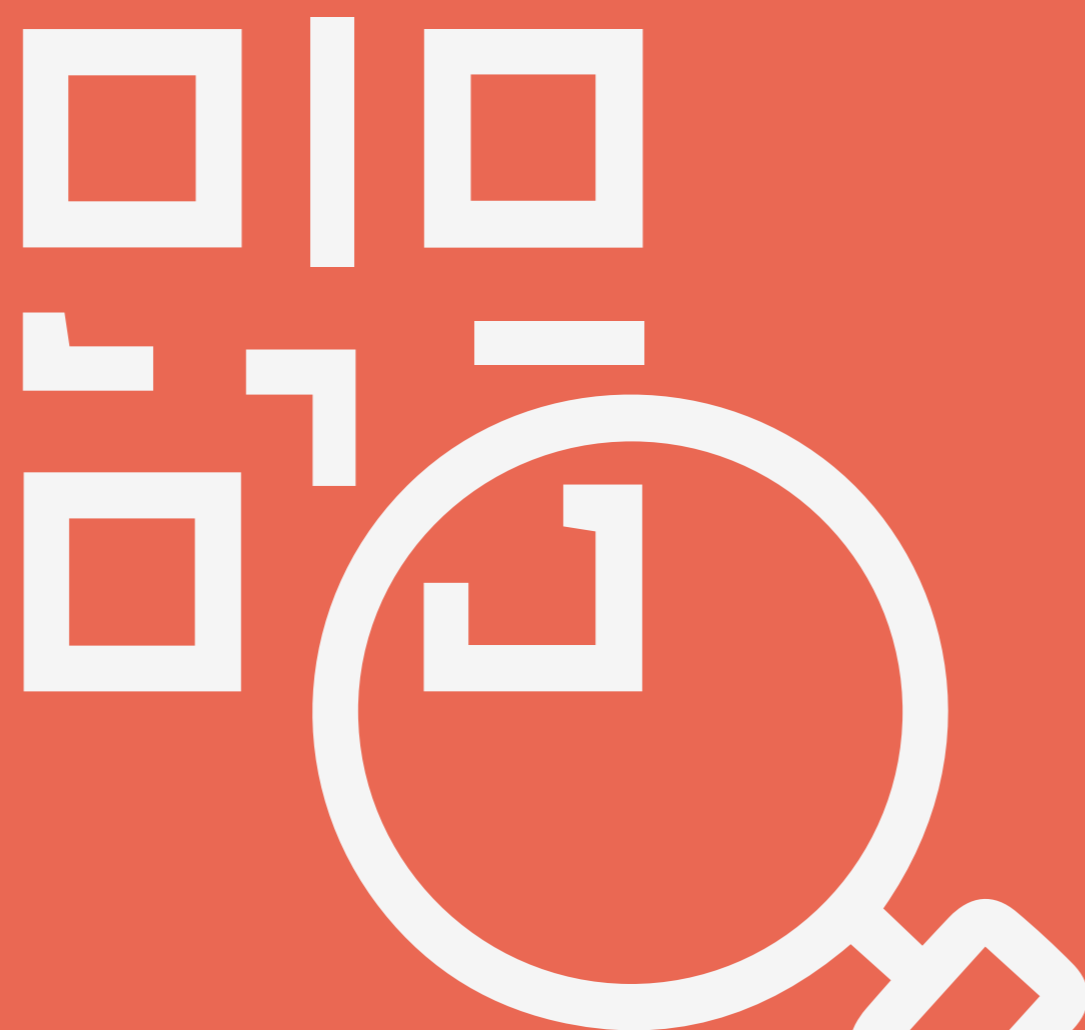






# THE FUTURE OF THE QR CODE ECONOMY

## 2/2



After the outbreak, the QR code economy will continue to become more diverse and penetrate into all areas of the society and economy and promote the overall digital transformation of living, production and governance methods.

Indeed, this year, WeChat launched its new infrastructure investment plan worth several trillion RMB to promote the prosperity of the digital economy.

