

WECHAT GUIDE

# WECHAT GUIDE: CHAT, SHOP, SHARE – THE MULTIPURPOSE APP WITH 1,000 FACES







**“Chat only” is a thing of the past.** Large digital corporations are converting their messaging apps into full-service platforms. In the United States, Facebook users can make payments via Messenger. Facebook’s subsidiary, WhatsApp, is also working on a payment function. But this does not impress users in China. The People’s Republic of China has had an online payments app for a long time now: WeChat. Paying invoices is just one of the many features of the messaging app. WeChat handles all its users’ everyday needs. The app combines chat, video telephony, voice messaging and photo editing and adds new ideas to the mix. Its users love the messaging app: WeChat has more than 963 million monthly active users. The majority of the Chinese population has outsourced their entire communication to the app.

**Brands therefore have the potential to reach a huge target group** via WeChat. However, the application is not only interesting to corporations that want to do business in the People’s Republic of China. WeChat shows in which direction mobile communication is developing.

**As an introduction** to this extensive WeChat guide, all the important information about WeChat has been summarized on a fact sheet.



WeChat users:  
(active monthly)  
**963**million

Launch:  
**2011**

WeChat users:  
(active daily)  
**768**million

Average number of  
contacts per user:

**194**

Largest WeChat account:  
**People's Daily (rmrbwx)**

**Top markets:**

China, Malaysia,  
Hong Kong,  
India, Taiwan

**10** million  
official company  
accounts

Gender distribution:



**67.5 %**  
male



**32.5 %**  
female

**5** million  
WeChat users  
in South Africa

WeChat Pay users:

**600** million

For **more than 80 percent**  
of users, WeChat is the most  
important **work-related**  
**communication tool**

Overseas users:

**100** million



WeChat is also available in:  
**Indonesia, Malaysia, Singapore,**  
**and the Philippines**

**More than 18 percent**  
of users follow companies,  
**36 percent**  
news offerings (media, blogs)

Main age group  
of users:

**26 to 35**

**73 percent** of users  
use WeChat for one hour  
or more per day

All users combined  
spend around  
**900 million** hours  
on WeChat per day

A company needs  
**100,000** followers  
in order to advertise

**More than**  
**75 percent**

of users add **only five or**  
**fewer new contacts** to their  
WeChat account per month

**More than**  
**57 percent**

of a user's new contacts  
are **work-related**

**66**

**minutes:** that is the time  
that each WeChat user  
spends on average **on the**  
**app per day**



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# // FOREWORD – FIRST-HAND EXPERTISE

**In China, WeChat is the most important channel** of communication for companies. Brands that want to succeed in the People's Republic of China must know how the app works. It also pays off for communication decision makers outside of China to take a closer look at it. WeChat is already showing us how mobile communication is set to change. Large Western tech companies will focus their offerings on these developments.

**Which functions does the app offer?** How can brands position themselves? What advertising opportunities are there? What content is successful?

**This comprehensive WeChat Guide**, published by Oliver Schrott Kommunikation in cooperation with the digital business magazine t3n, will give you the answer to these questions. OSK employees who work for the agency's Beijing office communicate via WeChat every day and have contributed their many years of experience with the app to this e-book. The Guide provides support for and information about the Chinese multipurpose app. You will find out how you can use WeChat to meet your objectives and whether the app is a suitable communication channel for your company.





# // INTRODUCTION

**Siyu chats with her friends before school** and makes arrangements to go to the movies that evening. The 16-year-old buys tickets and pays for them directly. Her mother talks to her work colleagues about the meeting that afternoon. She also makes a doctor's appointment for Siyu's father who is looking for new work shirts, paying the electricity account, and buying theater tickets – as a surprise for Siyu's mother.

**All this takes place while the family of three** is sitting around the breakfast table. They each have a smartphone in their hands and are using just one app: WeChat, or Wēixìn, as the multipurpose messaging app is called in China. They don't need any other applications. WeChat meets all their needs.

**This fictitious example illustrates the daily life** of many people in China. WeChat is their gateway to the mobile Internet. How did this messaging app become so irreplaceable?





# THE CHINESE DIGITAL REVOLUTION

**In most Western countries**, US corporations control the mobile Internet. Apple, Google, Facebook, etc. hold sway over what is always in our hands – our smartphones. However, the American tech giants do not control the mobile market everywhere in the world. In China, WeChat has fought its way to the top of messaging apps parallel to the development of mobile solutions in the West.

**The basis for this success** was the almost unnoticed development of a digital sphere in the People's Republic of China, which makes US competitors look outdated when it comes to speed and innovation. Despite Internet censure, a network economy providing 731 million Internet users with huge opportunities is alive and well in China.

**Baidu, Alibaba, and Tencent** – frequently abbreviated to BAT – are the pioneers of the Chinese digital revolution. These Internet companies were all established at roughly the same time at the turn of the century. Today, they are industry giants and reach hundreds of millions of people with their digital services.

# BAT



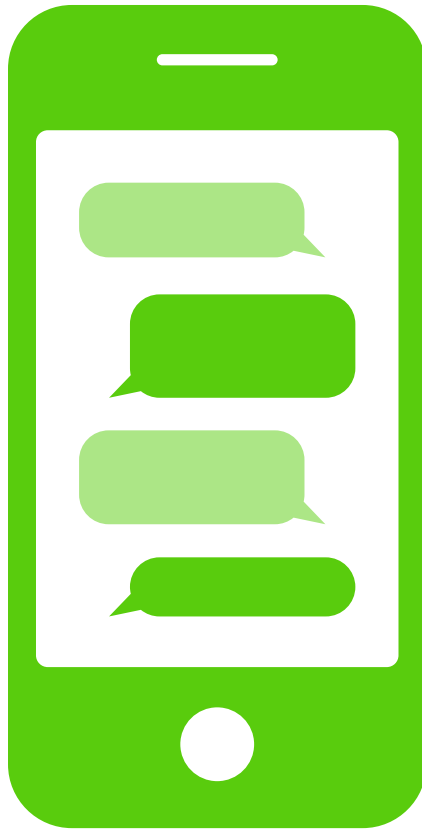


# SKIPPING AN ERA

**The fact that so many local companies** were able to establish themselves in China's digital market is also due to the specially protected environment of the Chinese Internet. Little by little, almost all the large Western network services – including Facebook, Google, Instagram, and Snapchat – became unavailable or went away voluntarily.

**For Chinese tech companies**, this isolationist policy is an advantage. Baidu, Alibaba, and Tencent have particularly benefited from it. They established their offerings without competitive pressure from outside. This gave them a significant head start but it is not the only reason for the successes of the Chinese digital giants. They have incomparable innovation insight.

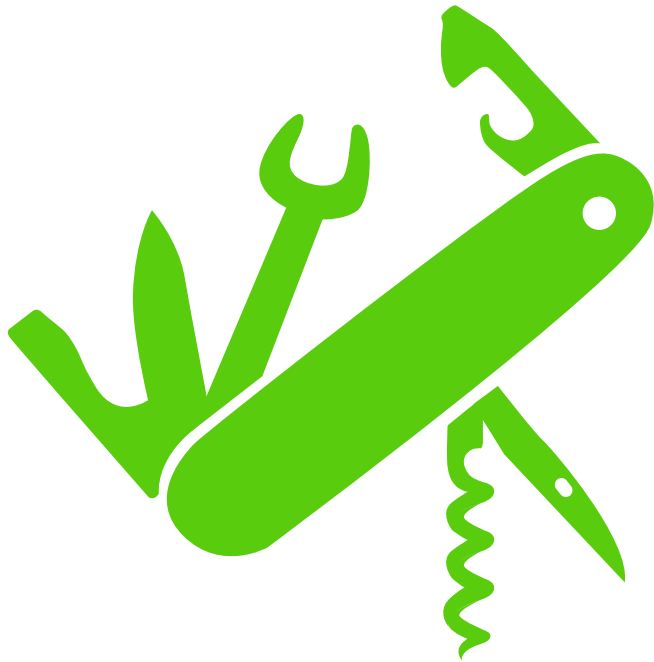
**Although Tencent was already highly successful** with QQ, a service similar to ICQ, the company recognized the imminent upswing of the mobile Internet and of messaging services. Compared to other countries, nationwide Internet coverage in China arrived at a late stage. The country therefore practically skipped the desktop/laptop era and went straight to mobile Internet. A related impact is that e-mails did not establish themselves as strongly in the People's Republic of China as they did in the West. A gap in the market for messaging apps.





# MILLIONS OF SERVICES IN ONE APP

**Tencent's second app** was designed to combine mobile services and messaging. It was also supposed to do more than its predecessor, QQ. One app for everything. And the idea for WeChat was born. Six years after its launch and with more than 963 million monthly active users, WeChat is one of the top messaging apps. In comparison: the market leader Facebook has two billion monthly active users and is present worldwide; WeChat is strongly focused on China and a few other Asian countries. The service has not yet significantly penetrated other parts of the world. But this could change as the app with the green and white logo is changing the rules of the messaging universe. Besides standard functions such as WhatsApp-like chat, video calls, and a social feed, the platform also has some mini programs. These are little apps in the app, which cannot be larger than one megabyte.



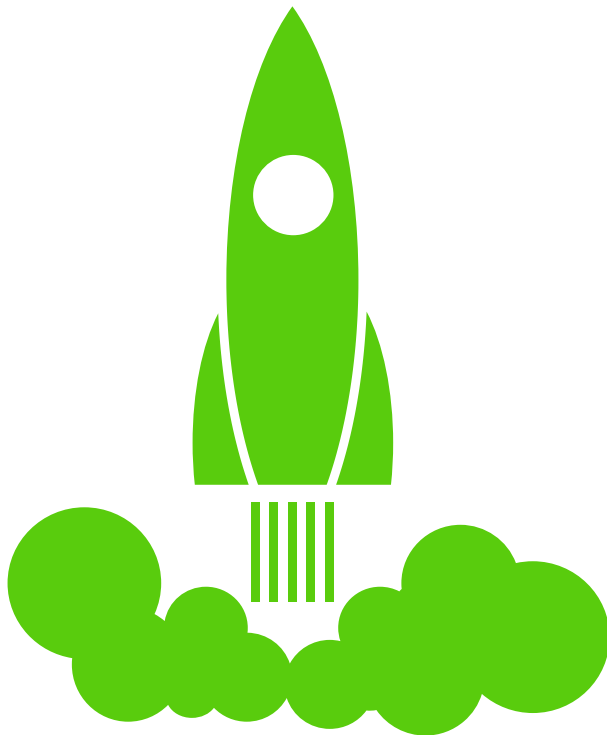


# EVERYONE IS ON WECHAT

**Companies have the option** of creating an “official account”. With these profiles, brands can send messages to their followers, interact with them, or offer them services. In addition, third-party providers can link their company websites to WeChat via an open API interface (more information on company accounts and the interfaces can be found in the chapter “Why the app is also mandatory for companies”).

**The driver for the meteoric rise** of the messaging app is the payment function WeChat Pay, which every fifth user has activated. Users link their bank or credit card with the app and pay by means of a QR code scan without leaving WeChat.

**Due to the numerous functions** and the integrated payment option, there is generally no reason to leave the app. Users can find every service that they need directly in the app – from booking doctor’s appointments or making arrangements with the dog groomer to making restaurant reservations. Other apps are becoming superfluous – to the chagrin annoyance of Apple and Android.





# HOME PAGE FOR CHINA'S INTERNET

With “Moments”, the messaging app also has a social media component allowing users to share pictures, photos, and links with their contacts. And because some big players like Facebook, etc. are currently unavailable in China, WeChat does not have to worry much about competition. In the end, just about everyone in China is active on WeChat: private individuals, companies, celebrities, the media, and influencers.

**It is worth noting that,** as one of the first messaging apps, WeChat has succeeded in linking company and private communication in one app. People talk to their friends in the same app that they use to interact with brands. This represents an opportunity for companies and is the reason why the majority of them are active on WeChat. Overall, there are over ten million company profiles in the app. Regardless of whether one is a vehicle manufacturer, fashion label, hairdresser, or street vendor – if you don't have a WeChat account, you are invisible in China.





# // “ARE YOU ON WECHAT?”: HOW THE MULTIPURPOSE APP IS CONQUERING CHINA



**Chat, play, shop, network, pay:** the Chinese do it all on their smart-phone. WeChat is at the heart of this development. The service of the southern Chinese corporation, Tencent, bundles many functions and has created an ecosystem with more than 963 million users in the People’s Republic of China. However, WeChat is not the only one to have benefited – new business models have also been created for its users.

**Take Ying from Shanghai as an example.** She wakes up at the crack of dawn every day. Her aim is to set up her little pancake stand before the sun rises. You can buy the Chinese breakfast made of egg and herbs for the equivalent of 60 cents. Add a small sausage and pay a little more than one dollar. A small metal bowl stands on the side for the change that customers throw in when Ying pours the dough onto the hot plate. However, the bowl hardly gets full these days – not because her business isn’t making money, but because most of her customers now pay using their cell phone.



# THE CELL PHONE AS A WALLET



**WeChat users use a QR code to make payments.** This is a black-and-white, square barcode, printed on a piece of paper hanging next to the bowl for small change. When customers scan the code, they can enter the amount directly and pay. Ying then just briefly nods her head when her cell phone beeps. She then continues cooking.

**For small traders such as Ying to use digital payment methods** is unthinkable in Germany. Not enough people use their cell phone as a wallet. But things are different in China. Be it at a stall at one of the night markets, in a hotel on a business trip, or when buying a new motor scooter, the Chinese prefer to take out their smart-phone rather than search frantically for money. Payment services in the West cannot compete here. In 2016, approximately 6.1 billion transfers were made via PayPal. In China, more than one billion transfers were made via the payment service Alipay of online trader Alibaba on Guanggunjie on one day alone – a day for singles celebrated on November 11 with large discounts in many shops – not only for singles.



**9 out of 10**  
users go online with  
their smartphone.

# SMARTPHONE AS A CONSTANT COMPANION

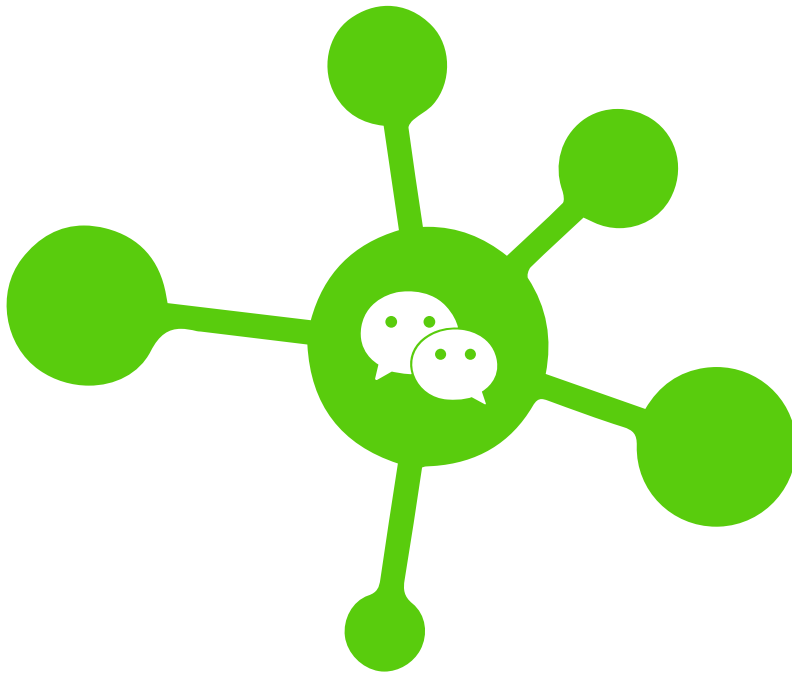
**The popularity of the new payment methods** is explained by how the Chinese handle the Internet. Pay, chat, play, shop, or network: everything is done on the cell phone. Nine out of ten users go online with their smartphone. Whereas Germans sometimes leave their cell phones at home, they have become a constant companion in China. It is difficult to say exactly how many people in China have a smartphone. Many of them own more than one cell phone. A 2016 government statistic, however, allows an estimate: 780 million smartphones were in circulation at that time. This is equivalent to just over 60 percent of the population.

**This has an impact on the network culture.** Because of the continuous use, the Chinese need simple solutions for their smartphones. Tencent and the like fill a vacuum that did not exist in other countries in this form. For example, due to the desktop culture, many digital solutions were created in Germany that initially did not exist in China as the country practically skipped the PC era.





**A third of the time** that the Chinese devote to their smartphone is spent in the universe of their WeChat account: on average, they read seven articles per day in the app and spend an hour on it daily. One reason for the success is that WeChat works more like a service platform than a messaging app today. Users' networks are smaller and more private. In contrast to Instagram and Twitter, they cannot follow other people but communicate in their private network. This results in a kind of confidentiality that many users like.

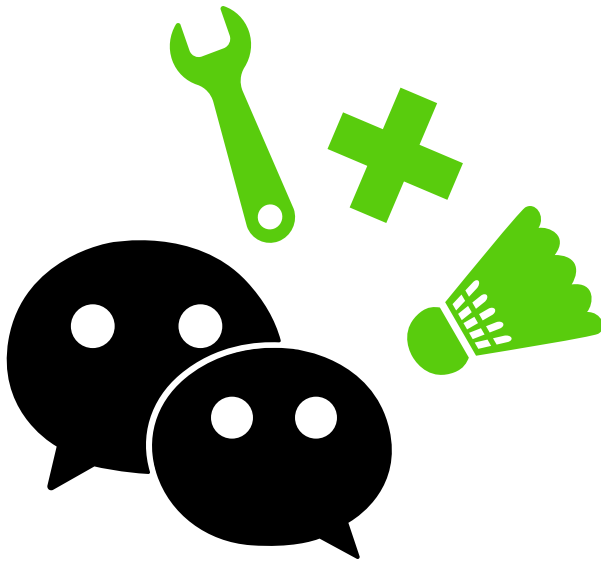




# OPEN INTERFACE

**The open interface has also contributed to** WeChat's success. It allows brands to link their services with the app in a simple way. This means that if you discover a pair of pants you like on a friend's timeline, you do not need to search for it on Google or go to a separate app to order. All you need to do is click on the linked picture and you will be redirected to the manufacturer's web page that is optimized for the app. You can then purchase the pants and pay directly. These pages are not like the Facebook profiles of companies. They look more like the company's own website pages with a linked online shop.

**Whether cell phone manufacturers,** major vehicle brands, sports companies, or doctor's practices, everyone in China has a WeChat account. And ever more services are linking to it. Making an appointment at the hospital, arranging for an installer to repair the washing machine, or renting a court at the badminton club: everything can be done in the app with just a few clicks.





# QR CODES AS A GUARANTEE FOR SUCCESS

**WeChat relies heavily on QR codes** in order to reach users. The black-and-white squares that still tend to lead a sporadic existence in Germany can be found everywhere in Chinese everyday life.

**The Chinese frequently only have one QR code** on their business cards linked directly to their WeChat account. In the underground train, you can find advertisements of companies advertising their products using small QR codes. Entire shelves of shampoos, groceries, and candy are depicted on them. If a user scans their code, they can buy directly. With a bit of luck, they will be delivered before the user gets home.

**If, for instance, you want to pay in the supermarket,** you can just scan the shop's QR code hanging next to the checkout. Alternatively, the payment function WeChat Pay generates a code for the user. Once the seller has entered the prices in the checkout, he imports this generated code to the customer's cell phone by means of a barcode reader. And the invoice is paid.





# UPDATE, OCTOBER 2017

**WeChat's data privacy terms** have recently been the focus of some online articles. [The blog technode](#), in particular, noticed an update to WeChat's data privacy terms where it states that it not only collects user data – such as name, telephone number, e-mail address, and credit card information.



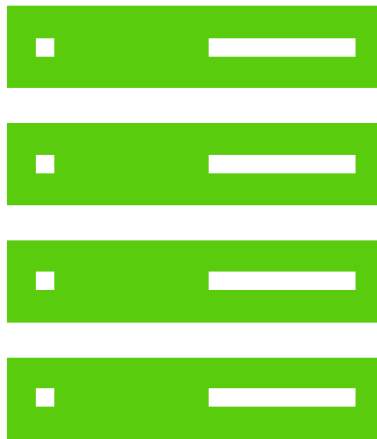




**According to the terms of service**, the majority of this data is mainly retained for marketing purposes, such as for more targeted advertising content or services. However, it may be necessary, under certain circumstances, to store the collected data for a longer period of time and pass them on, if necessary. The following scenarios are named:

- in order to comply with applicable laws or regulations;
- in order to comply with a court order, subpoena, or other legal process;
- in response to a request by a government authority, law enforcement agency, or similar body (whether situated in your jurisdiction or elsewhere);
- where it is believed to be reasonably necessary to comply with applicable laws or regulations; or
- in order to enforce the WeChat terms of service or privacy policy, protect WeChat's rights, property or safety, or the rights, property, or safety of affiliate companies or other users of WeChat.





**As the company** announced in a statement, the paragraph regarding the sharing of information with the Chinese government has already been included in their privacy policy for users outside of China since 2015. It is not part of the update to the new “privacy policy” that only relates to users in China. In principle, therefore, this information is not new, but it has only now entered the spotlight. Furthermore, the company stated that the reporting gave the impression that all user data were passed on to the government. This was, however, incorrect. The data servers were encrypted. In the event of criminal investigations, the criminal prosecution authorities were provided with particular information to the extent obligated to under law. This was in line with international standards.





**Besides the debate on WeChat's data privacy regulations,** The New York Times reports that the use of the messaging service WhatsApp is getting increasingly difficult in China. According to the article, the app still seems to be available but it appears as if WhatsApp is, simply put, being throttled. The sending of videos and pictures was already affected by this last July, and now even text messages are no longer going through.



# WHAT'S NEXT?

**How does it feel to manage one's entire communications** using just one app? Janette and Alexander worked for OSK in Beijing for a long time. WeChat was part of their everyday life. In the next section, they explain what parts of their lives they outsourced to the app.





# // “YOU CAN’T DO WITHOUT WECHAT” OSK FIELD REPORT FROM CHINA



**“Vital!”** Janette summarizes the meaning of WeChat for communication in China with this short word. She lived in Beijing for several years and worked for OSK China there before she came back to Germany. Janette started there in 2009 and was a founding member of the Beijing office; five years later, Alexander followed and took over

the branch management from Janette. Beijing was home to Alexander for more than three years. When he moved to China in 2014, WeChat was already an essential part of life. In contrast, Janette observed the

how the messaging app has revolutionized work communications, and with what content brands stand out on WeChat.

## “ HUB OF ALL COMMUNICATION

messaging app’s phenomenal success from the beginning.

**Both experienced how WeChat** changed work processes, private conversations, and communication habits in the long term. Janette and Alexander became WeChat experts during their time in Beijing. In the interview, they explain, which companies would be interested in WeChat,

**To what extent was WeChat known to you when you went to China? What did you know?**

**Janette:** I moved to China in 2009; WeChat only began in 2011. When I arrived, the app didn’t exist. I only started to become aware of it at the beginning of 2012. At first, only a few people used the app, and then more and more began to do so.





Soon everyone exclusively used WeChat to communicate – both for business and privately. Western networks like Facebook are unavailable in China.. This was also a reason that WeChat was able to spread so rapidly.

**Alexander:** When I moved to our Beijing office, WeChat was already on the market. Before my relocation, I contacted my Chinese colleagues and did my research. It quickly became clear to me that I would have to add WeChat to my smartphone. The app is the hub of all communications.

### **Do people really connect on WeChat first when they get to know each other?**

**Alexander:** Yes, and with no filter. I exchanged WeChat data with a Tuk Tuk driver, among other things. He was cool, so I asked him whether he wanted to connect. From then on,

I sent him the location and time for fetching me and then he always arrived. What I want to say is this: not all your WeChat contacts are your friends or relatives.

### **How has WeChat influenced Chinese society?**

**Janette:** In Asia, everyone is always looking at their smartphone. When I go out to eat with friends in Germany and keep staring at my cell phone, it is regarded as impolite. In China, however, it's quite normal. WeChat has intensified this even more. You get countless WeChat messages every day. Everyone is familiar with this phenomenon from WhatsApp, but it's a poor comparison. How often do people check their Facebook Messenger every day?

I would say around ten times. For WhatsApp, it's probably twice as much. WeChat is opened 60 to 70

times on an average day. This illustrates the key role played by this app as a communication channel.

### **How does business communication work on WeChat?**

**Janette:** Via relevant groups. They're like WhatsApp groups, but with people from your work. The communication is directly work-related, such as for projects.

**Alexander:** In Germany, it is not yet commonplace to chat with customers or your boss in a WhatsApp group. I would say that most work-related written communication in this country is still carried out by e-mail. For me, this is a key difference to China.

Personally, I am quite conservative when it comes to social media. But you can't do without WeChat. I needed the app to develop and maintain personal contacts because







I didn't know anybody in Beijing in the beginning. On the other hand, the majority of the communications with our Chinese clients takes place on WeChat. Although important content and large files are still sent via e-mail, quick coordination happens via the messaging app. If I want to reach someone, I can either send an e-mail or write to them on WeChat. I can be fairly sure of receiving feedback much quicker that way.

### **So WeChat is influencing work processes?**

**Janette:** In any case, working hours are different in China compared to Germany. It is quite common to work in the office late at night and on weekends. WeChat makes it easier to work at any time. You might not be sitting at your desk, but you can quickly check a WeChat message.

**Alexander:** The boundaries between your private life and work become blurred. It is possible to still receive work messages at 10 p.m. Users cannot separate their messages according to "Private" and "Work", so that messages from work contacts can no longer be received after a certain time. Each message is delivered to your smartphone unfiltered. You can be reached at any time. This has significantly increased the pace. If you are not responding at comparably short notice, a discussion may have already developed further.

### **Which companies should consider a WeChat account?**

**Janette:** Companies that are on the Chinese market or wish to expand there have no alternative but to have a presence on WeChat. The messaging app is not used quite as extensively in other parts of the world.



Nevertheless, I think it is important that communications experts get to know the app. WeChat has completely disrupted the communications of a large country such as China in just a few years. If you want to have a say in the mobile market, you need to know how WeChat has managed to do this. The apps known to us here do not have the follower numbers that WeChat has.

### **How do companies stand out from the mass of content on WeChat?**

**Alexander:** WeChat has two user levels. On the one hand, there are personal contacts, like on WhatsApp. On the other hand, there is the “Moments” function. There, users have a type of social profile, like on Facebook where they can post pictures, links, videos, etc. For example, a user follows a shoe brand. The shoe brand posts a picture of a cool

shoe with a discount campaign. The user shares the post in his Moments, where his contacts see the shoe on the user’s timeline. They share the post and the process starts all over again. Content can be disseminated rapidly via Moments. The quality of the content is essential for this. Good content is shared and makes a channel known. Brands must therefore ask themselves what their customers need and want. If brands are clear about this, they will reach a disproportionately large number of contacts with little expense. It’s no use to steamroller your way through as advertising opportunities are limited and, above all, expensive. Even more importantly, WeChat must, in the first instance, be understood as a social circle with the emphasis on “social.” The app brings together a social and private circle of people with whom one has a relationship. Users accept brand content, yet the focus is

on personal interactions. Companies must understand that in order to be successful on WeChat.

**Janette:** The street vendor who sells her pancakes for a few cents would, for example, post a voucher for “two pancakes for one”. People would then beat a path to her door. Similarly, large companies must attract customers with added value, exciting content, or interesting services. A piece of advice: make your content quick to consume. When scrolling through their feed, users must be given a reason to stop scrolling – just like with Facebook.





# WHAT'S NEXT?

**New users of WeChat do not know** all the functions yet. Parts of the app work differently to the traditional messaging app norms. In the next section, we explain the individual functions in detail.





# // GETTING STARTED WITH WECHAT

## “CAN I SCAN YOUR WECHAT CODE QUICKLY?”

In China, WeChat is the star on the social media stage. For people from other regions, the interface may not be completely self-explanatory.

**WeChat is available free of charge** for all smartphone operating systems and, to date, in 19 operating languages. Users download the app to their smartphone and create an account with their cell phone number. The first steps are simple; the program takes you through the registration process and explains every step. If a user wants to log on, a confirmation code is first sent via text message, which must be entered in WeChat. The user then enters their user-name. As soon as the user has entered a password and has logged on, they can have the app access their contacts in order to search for friends who also use WeChat.



ios



 BlackBerry®

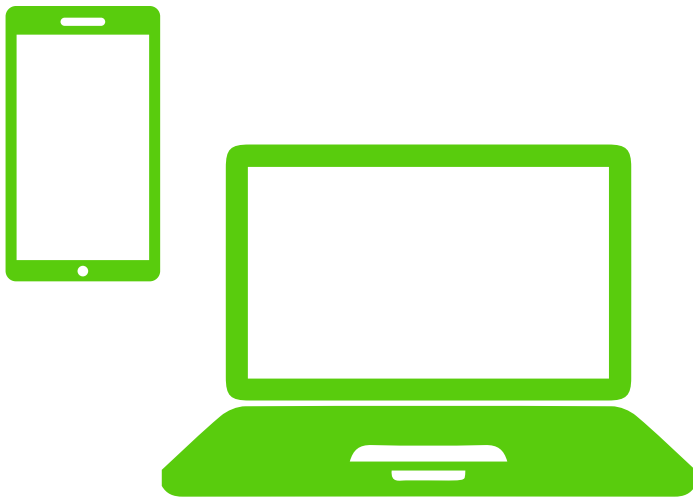




# MOBILE AND DESKTOP

**The messaging app is not only available for cell phones** but also for computers and tablets. Almost all the different versions have the same functions. If a user installs the mobile version and the PC version, they can use WeChat on both devices simultaneously. This is useful if a user does not want to type in long texts on their cell phone.

**In addition, they can send large data sets** between the devices via the app. If users do not want to install the program on their PC, the application can, as an alternative, be accessed via the Internet address [web.wechatapp.com](http://web.wechatapp.com). One thing is for certain: WeChat is primarily a mobile application.





# PRIVATE ENVIRONMENT

On average, each WeChat user has more than 200 contacts, most of them being friends. While users search for particular people on Facebook, this is only possible to a limited extent on WeChat. This gives the app a very exclusive character. Competitor platforms such as the blog portal, Weibo, are popular with famous personalities and organizations as it is easier for their fans to follow them there. On WeChat, maintaining their private contacts is important for users.

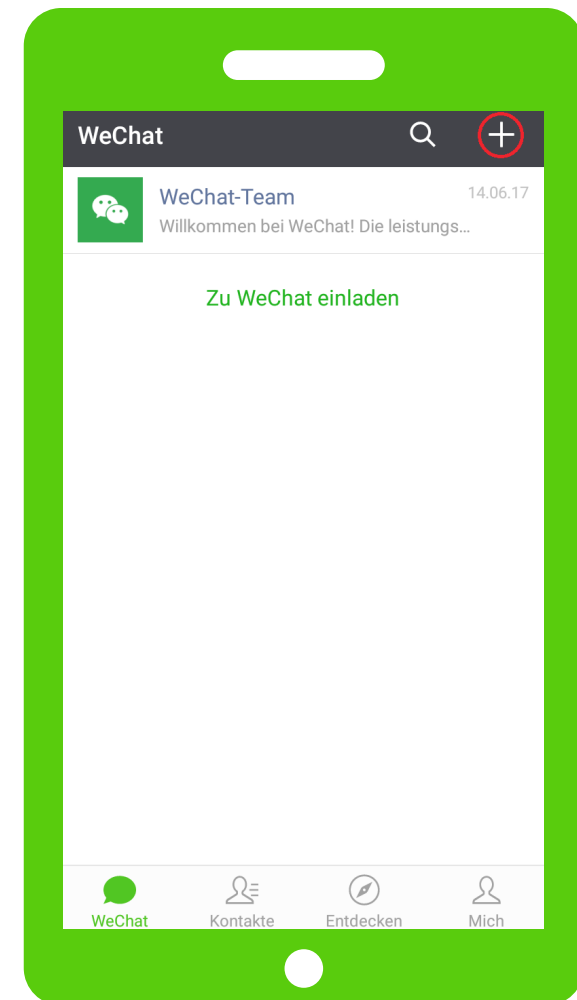
**In order to explain the individual functions** in more detail, we will go through WeChat's menu items from left to right as listed under the navigation bar:





# “WECHAT” MENU ITEM

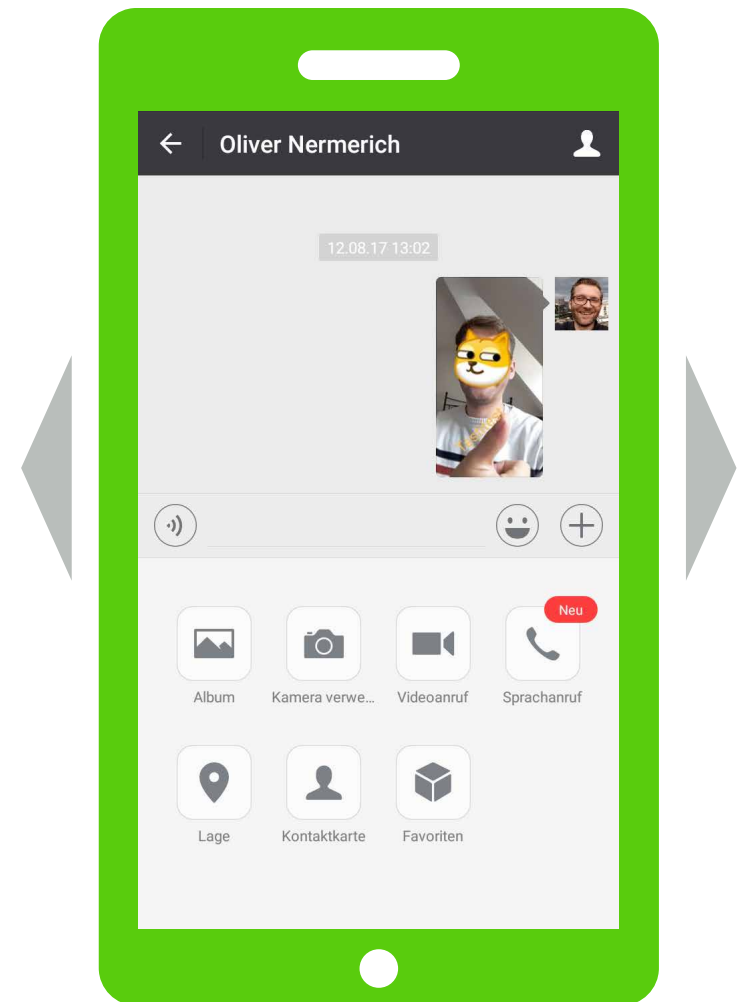
**This is the home screen.** Users see all the messages received here and invite other users to WeChat (picture on the right, red circle). They can then send a message to their contacts as an e-mail, text message, or WhatsApp message. In Germany, this additionally works via Twitter and Facebook. WeChat can also search the address book on the smartphone. The app then shows each contact that is also on WeChat.





# “WECHAT” MENU ITEM

Besides the usual sending of text messages, the app has additional functions in the actual chat. If a user clicks on the plus icon on the bottom right, a new menu opens. Here users can choose whether they want to send pictures or their current location in the chat. Video and voice calls can also be started here.

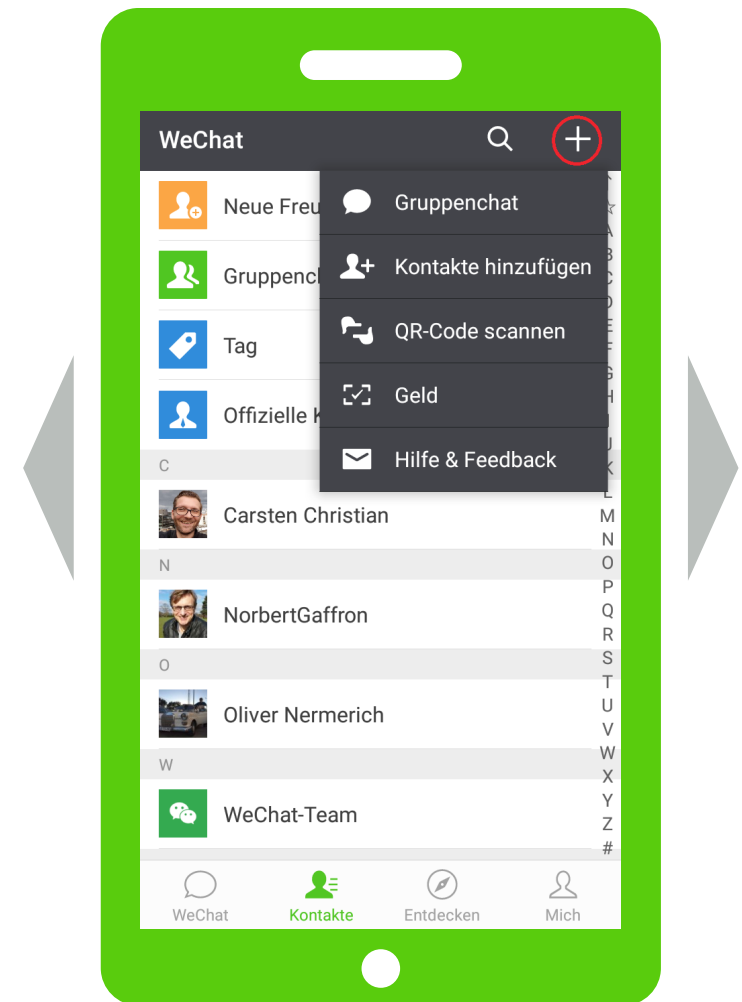




# “CONTACTS” MENU ITEM

**Similarly to WhatsApp**, all WeChat contacts are alphabetically sorted here. In order to add a new contact, the user enters either a username or a relevant telephone number in the search field. If a user wants to get to know new people, they can also ask for people nearby to be shown. The simplest way to add is to use the QR code unique to each user profile. You can find your own QR code in the “Me” submenu (more about this later). If you want to add a user to your contacts, just scan this code. The scanner can be found in the “Discover” menu item, or by pressing on the plus icon at the top right (picture on the right, red circle) and then “Scan QR code”. In China, it is not uncommon to end a conversation by asking: “Are you on WeChat? Can I scan your code quickly?”

**Under “Contacts”, group chats** can also be initiated and other users can be allocated to groups by means of tags such as “Work”, “Customer XY”, or “Sport”. The official company accounts that one is following are also included in this section.



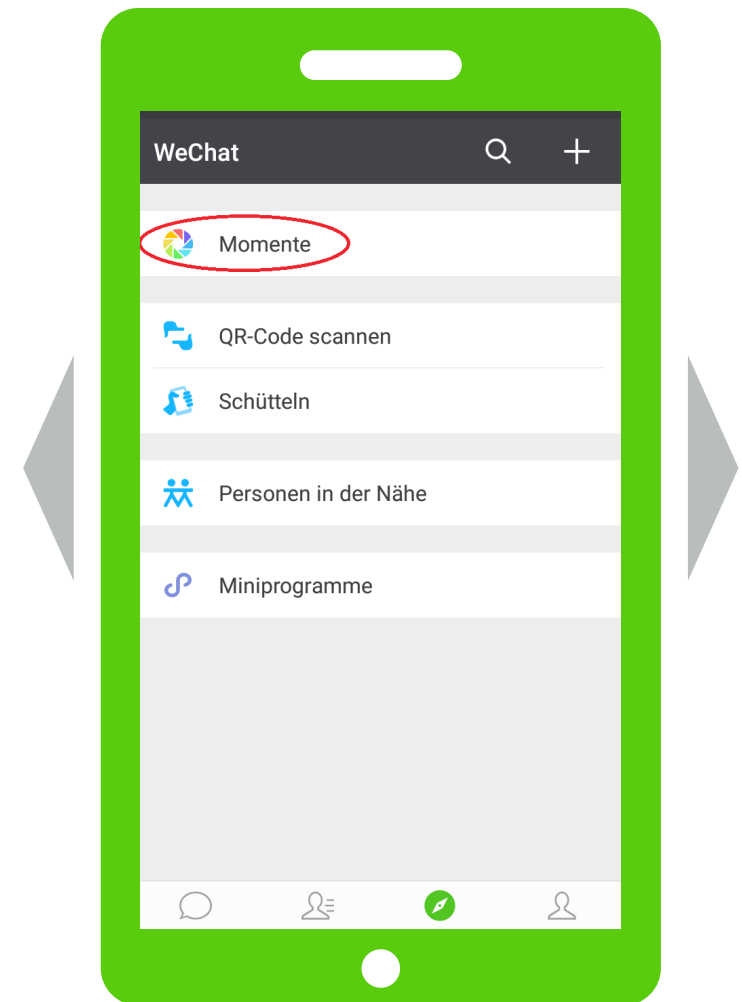


# “DISCOVER” MENU ITEM

**WeChat has a social function called “Moments”.** It can be found under the “Discover” menu item. Here, users can share status messages and photos that are shown to all contacts. By clicking (on the picture on the right, red circle) on the “Moments” submenu you can access your timeline with your pictures, videos and posts.

**Under this menu item,** people who are nearby and logged in can also be discovered. The mini apps that WeChat is famous for can also be found here. However, there are no German language programs as yet.

**An unusual but fun function** is the “Shake” function. When users shake their smartphone, the program looks for users who are also shaking their cell phone at the same time. The two users can be several thousand kilometers apart, but they can still connect with each other.



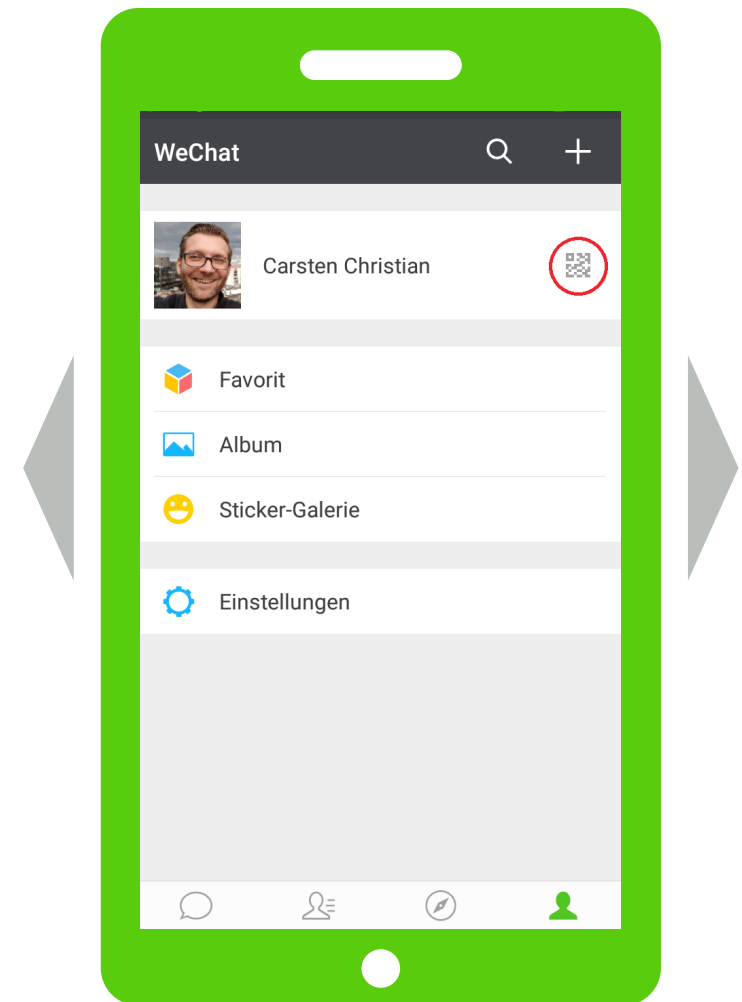


# “ME” MENU ITEM

**This is WeChat’s personal area.** Under the “Me” menu item, users can find their profile information and modify it. The profile photo shown in the “Moments” newsfeed can only be changed here.

**Users can also adjust the app’s settings** for notifications, display, and account security in this section of the app. In addition, the account can be deleted here. It is also possible to store favorite photographs or articles under “Favorites” and download many different stickers

**The personalized QR code for connecting** to other users is shown on the top right (picture on the right, red circle) next to the username.





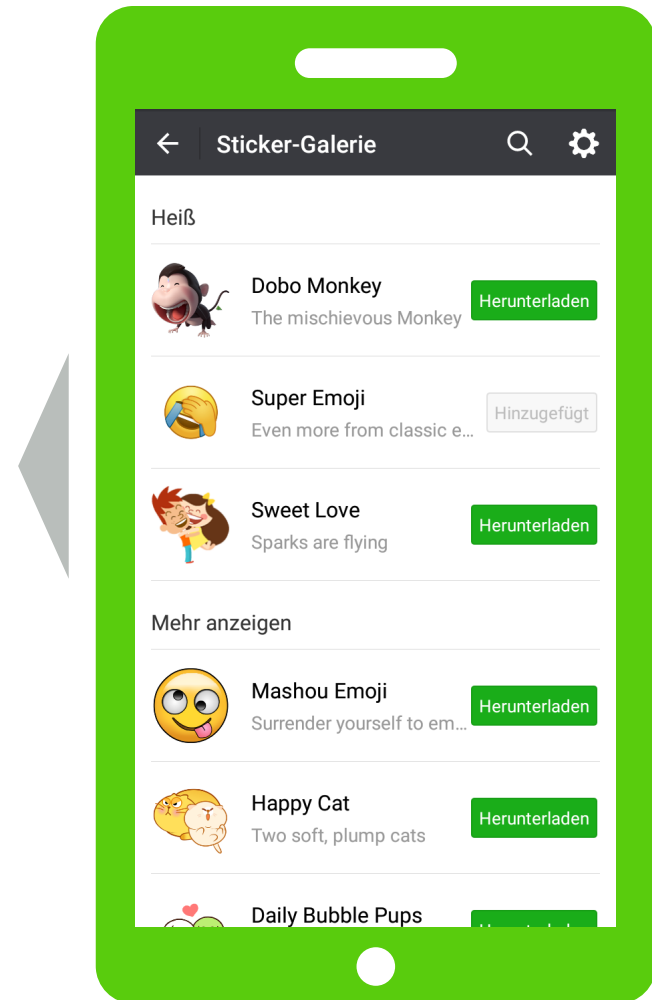
# STICKERS AND PICTURE EDITING

**WeChat users love the app** because of its many stickers, which they can decorate their photos with. Many of the sticker packages are free of charge but users can also pay to expand their sticker gallery. Photos that are sent to friends in the chat or that are uploaded to the “Moments” gallery can be edited with text and a pen tool, similarly to Snapchat.

**In order to, for example, send a decorated photo** to a friend, the user goes to the relevant chat and clicks on the plus icon on the bottom right. A new menu opens in which the user can choose to either take a new photo with the camera or use a picture from their cell phone memory.

**To take a photo with the camera:** select the item “Use camera”, take the photograph, and click on the three bars on the top right to decorate it. Once you are satisfied with the result, click on “Done” and confirm.

**To use a photo from the gallery:** select the item “Album”; the cell phone gallery will open. Click on the desired photograph so that it opens and click on “Edit”. Once you are satisfied with the result, click on “Done” and confirm.





# QR CODE AT THE CHECKOUT



**QR codes also exist in Germany.** However, the small black-and-white squares have never really penetrated the market there. In China, they are very popular. Thanks to the square boxes, many things go quicker as they act like little data repositories. If you want to pay for a purchase with WeChat, you have two options: the cashier can enter the amount to be paid in the till and then read out the customer's QR code using a barcode reader. The amount is then shown to the customer on their cell phone, and the customer confirms with their password.

**In other shops, the customer scans the shop's QR code** after the shop assistant has entered the price in the till. The code and the till are linked. This saves the customer from searching for the shop's account. It pops up immediately, and the user can simply type in the purchase price and transfer the funds. Searching for small change – long outdated in China.



# WHAT'S NEXT?

**WeChat** has been known beyond the borders of China and Asia for a long time. Section 4 describes how the app is used in other countries by non-Chinese.



# // FROM CHINA TO THE WORLD – HOW WECHAT IS USED IN OTHER COUNTRIES

The “China app” is a **synonym** that is used for WeChat time and again. And it’s true: the messaging app is most successful in China. Nevertheless, it transcended the country’s boundaries long ago and is also used outside of the People’s Republic of China.

**How do users from and in other regions of the earth** use WeChat? In which countries is the app also popular? And how do foreigners use the messaging app in China?





# CHINESE ABROAD

**There are many reasons for leaving one's home country** for several weeks, months, or even years. A trend is becoming evident, particularly in the Chinese market: according to a 2016 report by the Chinese Ministry of Education, the number of Chinese students abroad increased from 2014 to 2015 about 63,900 people to 523,700 in total – in other words, an increase of 13.9 percent. In total, more than 500,000 Chinese studied abroad in 2015.

**Not only students**, professionals are also drawn to places far away from China. According to the Federal Institute for Population Research (Bundesinstitut für Bevölkerungsforschung, BiB), approximately 210,000 Chinese traveled to Germany between 2005 and 2015 alone.

**They always have WeChat on their smartphone with them.** The app assists Chinese travelers who are overseas on longer stays or a short holiday.





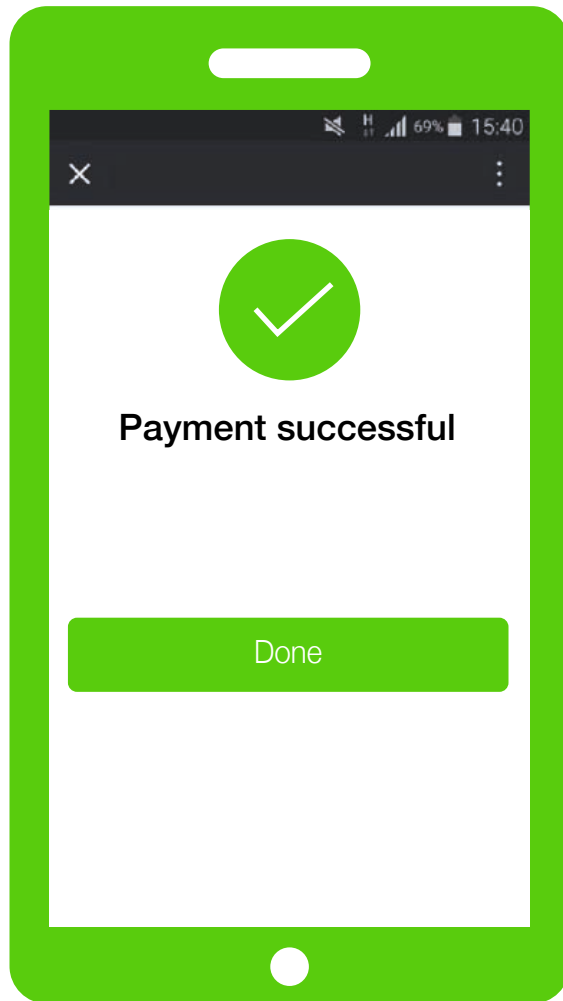


**A Berchtesgaden pilot project shows** how WeChat can help them in their everyday life. The Berchtesgadener Land region recently recorded increasing numbers of Chinese tourists. In order to provide the best possible service to guests and offer them guidance, the Tourism Association placed signs at key points. These include traffic nodes such as the railway station and bus terminal, popular destinations, and guest houses frequented by many Chinese tourists. The signs provide a short explanation in Chinese and a QR code. As soon as the user scans the QR code with WeChat, it is transmitted to the Tourism Association's WeChat profile. The page provides all of the important information on the region, destination tips, and a translation guide.

**For most Chinese people,** WeChat is the most important tool for communicating with home. Family members, friends, and colleagues can be contacted easily and across borders. But it is not only the Chinese who use WeChat while overseas – the service is also popular with foreign tourists, students, and employees in China. The website of the Chinese language school, MandaLingua, headquartered in Shanghai, even advises that it is essential to install WeChat on one's smartphone before arrival.



# WECHAT USE BY FOREIGNERS



**According to a 2017 WeChat report**, six out of ten expats (i.e. foreigners living in China) use the payment function WeChat Pay. In addition, they are reported to send 60 percent more text messages via WeChat than Chinese users. Under “expats”, the study, however, included all users who use a non-Chinese app interface. The numbers may therefore not be 100 percent meaningful, but correctly reflect the trend of increased WeChat use by foreigners. Besides WeChat, there are no other major social channels that are available in English and other foreign languages such as Facebook or Twitter, and the messaging app has become an important communication tool for many expats.

**In particular, WeChat is popular** due to its functions that are largely unknown in the West. The sending of digital hongbaos is very fashionable. This is a tradition in China, where red envelopes containing money are given as a gift. WeChat makes that possible with just a few clicks. This tradition is also used by foreigners in China. According to the WeChat report, expats send ten hongbaos per month on average.



# SLOWER IN OTHER COUNTRIES



**In contrast, the service is not so well known in Germany.** This is not surprising as many of the official channels that one can follow are entirely in Chinese. In addition, it's the same everywhere: people go where their friends are. And in Germany as well as elsewhere in Europe, they prefer to be on Instagram, Facebook, and Snapchat.

**WeChat is currently trying to establish itself** on the African market and particularly in South Africa. Here, Tencent is cooperating with Africa's largest media corporation, Naspers. In 2001, the company bought 46.5 percent of the shares in the Chinese start-up; today the share is around 35 percent. According to Reuters, five million people in South Africa were already using the highly versatile messaging app in 2015. However, WeChat has not yet succeeded in the final breakthrough as its direct competitor WhatsApp had twice as many users in 2015, according to a study by the South African market research company World Wide Worx.





**100** MILLION  
users outside of China

**On the whole, WeChat is not finding it easy** in the international arena. Users in the United States and Europe tend to handle the topic of data privacy with greater sensitivity than in China. Many are concerned that their data will get into the wrong hands or not be protected properly.

**Nevertheless, WeChat is being used** by more than 100 million users overseas. According to a 2015 graphic by GlobalWebIndex, WeChat is being used the most in Malaysia, Hong Kong, India, Taiwan, and Singapore.

**In Germany, WeChat is not used widely yet.** However, Tencent is trying to change this. Wirecard, a company headquartered in Munich, is collaborating with WeChat's parent company Tencent to bring WeChat Pay to Germany. The company wants to first reach Chinese users but it is likely to also focus on German customers at a later stage.



# WHAT'S NEXT?

**WeChat's market potential is a huge opportunity** for companies that want to establish themselves on the Asian market. If a company wants to succeed in China, they cannot do without the app. In the next section, we explain how marketers can use WeChat correctly.



# // WHY THE APP IS ALSO MANDATORY FOR COMPANIES

**The WeChat bug has hit** and is affecting more than just private individuals. For companies, the app is a minor revolution. In China, almost every brand has a WeChat account to contact customers. In the past year, companies operated more than ten million official accounts.

**For brands located in China** or for those who want to position themselves on the Chinese market, WeChat offers huge communication potential. The same applies to companies whose customers are primarily Chinese. For example, the Cologne Cathedral is a popular destination for Chinese tourists. There are popular restaurants and souvenir shops nearby. It makes sense for these shops and restaurants to have a WeChat account, as they can offer their customers an added-value service and also address them in the communication environment they are comfortable in.

**10**  **MILLION**  
company accounts in 2016





# INTERACTION WITH SUBSCRIBERS

The “official accounts” are most useful for companies. They allow companies, organizations, and the media to send messages and articles to their followers, interact with their subscribers, and provide them with various services. There are two types of official accounts: service and subscription accounts.

**Subscription accounts are perceived** to be less present by users. They are collected in a subfolder for a user’s subscription accounts that a user must deliberately open and search. Vendors may, however, send a message to all their subscribers once a day. These accounts are, for instance, used by media companies and blogs to advertise their articles. The focus is clearly on advertising content.







**Service accounts are far more visible** as new content and updates appear in users' newsfeeds. In addition, they can send push messages that also appear in the contact list as do messages from friends. However, only four push messages may be sent per month. Furthermore, WeChat Pay is integrated in service accounts, but not subscription accounts. Service accounts are suitable for services such as e-commerce and customer service.

**Before launching themselves on WeChat,** companies must decide what type of official account best meets their needs and those of their target group. Once the account has been created, this decision is not easy to reverse.

**Creating an official WeChat account** is somewhat more complicated than for private users. While private users only need their cell phone to create an account, companies need to go to the website <http://apply.wechat.com> to create an official count. Instructions for registration can be found there in English as well as the application form, in which companies enter their company information and are asked to confirm the terms and conditions of business. If there are no queries by WeChat, the support team confirms the registration a few days later.



# GATEWAY TO THE INTERNET



**Companies address their customers directly with videos,** pictures, and interactive graphics and win them with targeted campaigns. In turn, media gain an output platform like Facebook with WeChat. Only here they are less dependent on an algorithm. Irrespective of how popular a text is, the text is reliably displayed for readers in their subscription. For this reason, some online publications in China will now only use WeChat.

**Thanks to the various functions,** WeChat has now almost become a second Internet browser – a gateway to the Chinese Internet. For example, if a shoe retailer in Germany wants to sell their sneakers on the Internet, it/he will open an online shop. Customers must either go there directly or come across the retailer's offer via an advert.





**In contrast, WeChat allows companies** to link their promotion pages with the app via an open interface. The shoe retailer can create his own account and advertise his products there. If a user clicks on an offer, they seamlessly leave WeChat and arrive on a web page optimized specifically for mobile devices. Users do not notice that they have left WeChat. They can buy the shoes in the same app window and then move directly back to their contacts. Only the URL will indicate that it is a mini page outside of WeChat optimized for the app. These pages can be identified by the URL starting with mp.weixin.qq.

**This is how the open interface makes** the app attractive to companies and customers. Instead of jumping back and forth between offers, web browsers, and possibly even a payment service such as PayPal – as in other apps – everything can be accessed seamlessly in WeChat.



# THE INSIDE TRACK!

**WeChat is an impressive marketing tool** if you know how it works. The app sometimes comes across as too playful and not serious enough. Event organizers, for instance, plan competitions for conferences in which WeChat users can take part by vigorously shaking their cell phone. Via WeChat's "Shake" function (see section 3), they compete against other participants in the room. The function invites interaction but it may be something to get used to for somebody who doesn't know it. Suddenly thousands of conference participants shake their cell phone.

**Foreign companies will need to get used to** the little idiosyncrasies and the speed of the Chinese Internet. But once you know the ropes, you can achieve a lot without spending a lot of money.





# WHAT'S NEXT?

**For a detailed insight into the brand potential of WeChat,** we introduce two brands in the next section that are already communicating successfully with their customers via the app. What strategies do they use and how can companies implement them in the app?





# // BRAND SUCCESS WITH WECHAT: TWO COMPANIES SHOW HOW IT'S DONE

**WhatsApp is for friends!** In some cases, perhaps also for work colleagues. Some users have already registered for WhatsApp newsletters from brands. On the whole, however, the average European hesitates to include companies in their private communications.

**In WeChat this is already part of everyday life:** brands communicate directly with customers in a messaging environment. It is logical that this increases communication opportunities.





# ESSENTIAL FOR EVERYDAY LIFE



**Companies have recognized WeChat's key role** as a communication channel for China and use the service to bring messages to customers. One of the most famous international companies that has used WeChat for a long time and extensively in the B2C segment is Nike. The sports item giant has engaged with various campaigns on WeChat for many years.

**When the sports community grew on WeChat,** Nike used the opportunity and expanded its corporate presence. Those who follow Nike on WeChat receive access to athletic tips, events, running routes, training plans, and more. Nike uses fitness campaigns to provide added value and generate target group loyalty.



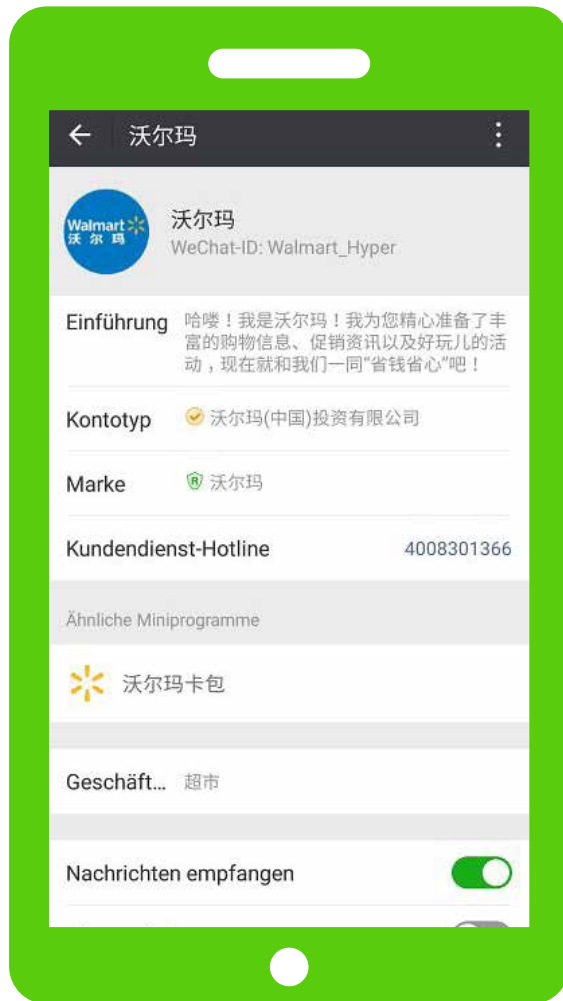


**An integrated shoe guide ensures that** its own collection is perfectly positioned. The Customizer is also an exciting innovation: users photograph any kind of motif, follow Nike on WeChat, send the picture to the company account, and can purchase their own shoe creation with the contrasting colors of the photographs and have them delivered. Short pathways, interaction, individualization: this makes the app an important sales channel for the manufacturer.

**WeChat is not only suitable for strengthening one's brand** via the subscription account and building customer loyalty; many companies have service accounts that they use to contact buyers, manufacturers, and users.



# SHOPPING WITH WECHAT IS SIMPLE AND CONVENIENT



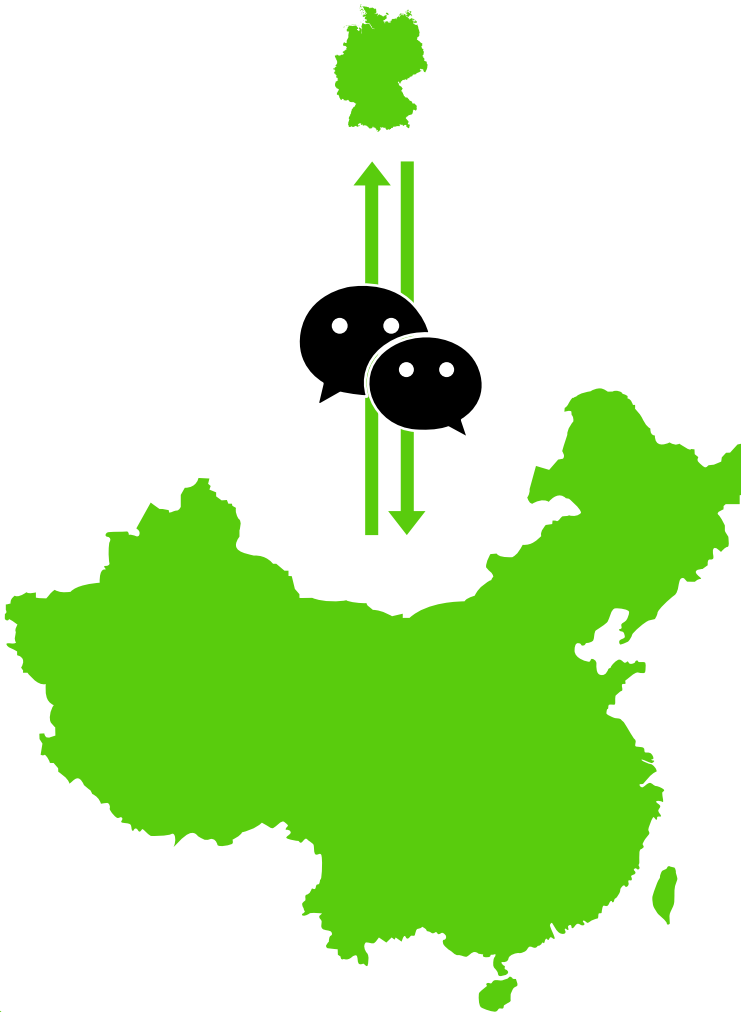
**Walmart is showing that the use of WeChat** also works in other industries as a lifestyle: using WeChat Pay, customers in China pay electronically at Walmart tills (see page 37).

**Chinese users benefit from discounts** when they buy at Walmart via WeChat. They create a shopping list or save coupons in the service account. Furthermore, in close cooperation with WeChat, Walmart offers an e-card with a credit balance that customers can send to their friends.



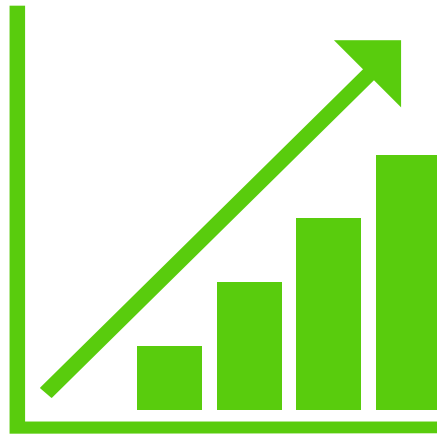
# GERMAN COMPANIES ARE IDENTIFYING THE TREND

**Even German companies have understood** that WeChat is essential for brand success in China. Siemens and Bayer have maintained WeChat accounts for some time now. The companies are active worldwide and have subsidiaries and companies in Asia. There, the messaging app offers a simple solution to reach as many people as possible. Many brands are adjusting to the fact that people are increasingly communicating via a messaging app. WeChat therefore offers the best interface to gain users and win their attention. In this way, campaigns reach potential customers, and companies are in direct contact with their target group.





# MODERN CUSTOMER LOYALTY VIA WECHAT



**5.8 BILLION  
USD**

sales forecast by 2020

**WeChat, more than USD 5.8 billion** in sales is forecast by 2020. Experts predict that WhatsApp will generate expected sales of USD 4.8 billion in the same period as soon as the messaging app has started monetization. These figures illustrate the market power of WeChat.

**Nike, Walmart, and some German players** have recognized this potential and know how to use it for themselves. It is mainly about three things: positioning the brand, customer loyalty, and increasing sales.





# WHAT'S NEXT?

**Besides the organic interaction with the user,** WeChat offers limited advertising opportunities. We explain the types of advertisements available in the next section.



# // HOW BRANDS ADVERTISE ON WECHAT

**Although WeChat's focus is not on traditional advertisements,** there are advertising opportunities. WeChat sells advertising space that is displayed in the “Moments” section for users in the social feed as on Facebook. These advertising spaces are, however, less frequent than on Facebook and therefore expensive.

**If a user is interested in advertising content,** they click on it and are taken directly to the advertiser's website optimized for the app. They can choose, which target group the advertisement will be addressed to in the timeline. Age, gender, education – as WeChat has all these data about its users, it is possible to target the advertising appropriately. As an alternative to timeline advertisements, brands can purchase banner ads. They are displayed below the messages that the company accounts send to their customers.





# MOMENTS ADS

The **Moments advertisements** are displayed to users in their newsfeeds showing the following elements:

1. brand name and logo
2. descriptive text with a length of up to 40 characters
3. link to a HTML5 website hosted on Tencent's servers
4. depending on the budget, up to six pictures or one video with a length of 6 to 15 seconds

**Targeting options according to** place, interest, age, gender, device, and network provider

**Cost:** campaign budget of at least 50,000 Chinese yuan (around 7,500 dollars)



Source: walkthechat.com



# BANNER ADS

**Banner advertisements are displayed below** messages that official accounts send to their subscribers. They consist of the following elements:

1. WeChat articles sent as a message from official accounts; the banner advertisements appear under these messages.
2. logo, account name, and heading; if a user clicks on these elements, he is taken to a landing page with further information.
3. call to action



Source: walkthechat.com

**Targeting options according to place,** interest, age, gender, device and network provider, as well as type of account below whose messages the advertisement will appear (a specific account cannot be chosen).

**Cost:** campaign budget of at least 50,000 Chinese yuan (around 7,500 dollars)



# COOPERATIONS AS A COST-EFFECTIVE ALTERNATIVE



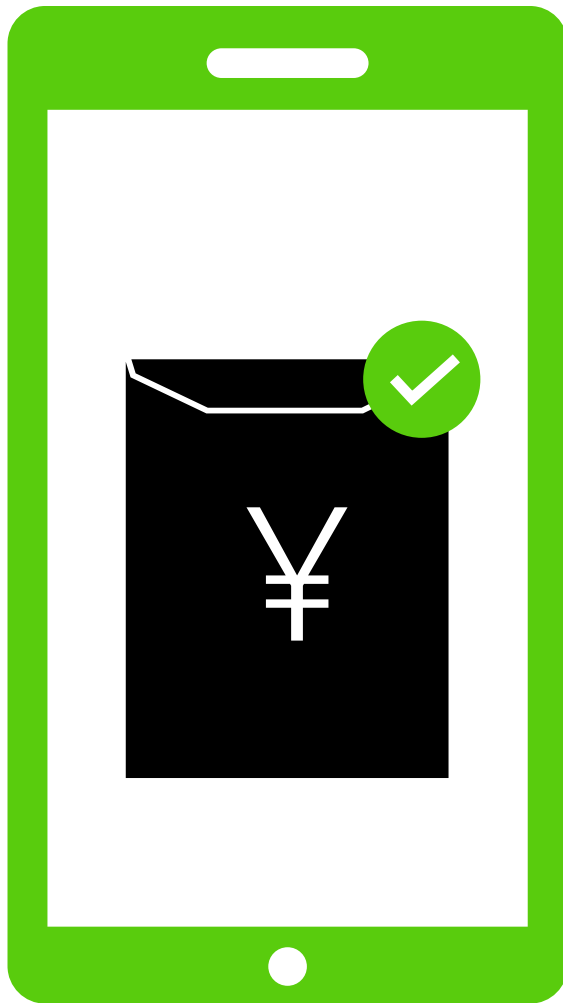
**Such advertising campaigns are extremely expensive;** brands must plan at least 50,000 Chinese yuan (around 7,500 dollars) for a campaign budget. Many companies prefer to use their subscription accounts (see section 5) to address customers. This costs less and can be far more efficient – provided that one has a good team and that the channels are filled with interesting content.

**Companies with a smaller budget frequently cooperate with** other actors on the platform. This is a cost-effective alternative particularly for start-ups. If, for instance, a restaurant wishes to generate attention, they can upload a sponsored contribution to a better known channel that reports about restaurants. The restaurant may attract potential new customers this way, but does not have to spend too much.





# INTERACTION AND GOOD STRATEGY



**Advertising on WeChat is not an all-purpose tool.** It is important to develop a good strategy for one's channel. WeChat lives primarily from interaction.

**The best example has to be the most popular marketing tool** on WeChat: the “red envelopes” that can be sent via the app and are called “hongbao” in Chinese. As real envelopes, these have a long tradition in China and are mainly used as gifts in the family and among employees for the Chinese New Year. In them, are sometimes just a few cents or sometimes many thousands of dollars. If one receives a digital red envelope, the money is directly added to the digital WeChat wallet.



In 2017, 14.2 billion such digital envelopes were sent via WeChat within a few days for the Chinese New Year in February. Many companies use them to gain attention. If a user takes part in a campaign, the company sends an envelope as a thank-you. As amounts in cents can also be sent, it does not cost much but motivates many people to take part.

**Advertising on WeChat works differently** than on other platforms. Up to now, brands have not had a large choice of advertising formats. But if companies can deal with the app's idiosyncrasies, the specific rhythm, and user patterns, their messages can reach a huge target group cost-effectively.





# WHAT'S NEXT?

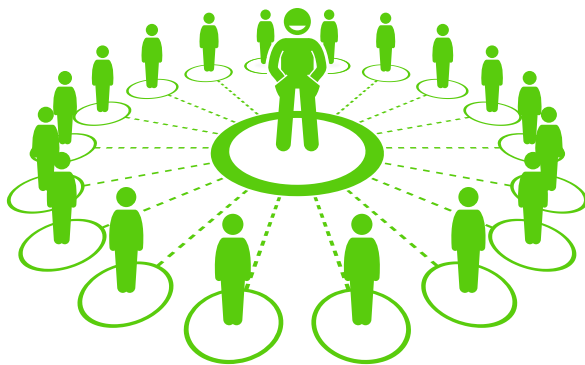
**WeChat offers limited advertising opportunities to date.**

However, with influencer marketing, an alternative to traditional advertising has been created. Does the principle also work on WeChat? Do WeChat influencers exist? We will answer this question in the next section.



# // INFLUENCERS: HOW DO THEY USE WECHAT?

**When Liang Tao writes something about bags**, millions heed his words. Three million fans follow the 25-year-old bag designer, with 1.2 million of them on WeChat alone. Here he is called Mr. Bag (Bao Xiansheng). On his WeChat account photo, he stands leaning relaxed against a wall, wearing a brown coat and a handbag on his right arm.



**This year, he grabbed a lot of attention on WeChat** with his designs: together with the French fashion brand, Givenchy, he designed a pink handbag and advertised it on his account. Within a few minutes, the model's picture flooded the app. In less than a quarter of an hour, the 80 limited editions were sold at a price of around 2,300 dollars each. At first, this is not entirely surprising: Givenchy is well known internationally. However, in the People's Republic of China, the luxury brand tends to be an insider tip. Many Chinese consumers do not have any experience with international brands and foreign fashion labels are often unknown to them.





**The use of influencers offers even greater chances.** Liang's fans trust the celebrity designer and buy what he recommends. Getting the commitment of a star such as Liang does not come cheap. WeChat influencers charge several thousands of dollars for a post on their account. More than on other social platforms in China. But they are still an alternative for companies. Compared to advertising on the "Moments" timeline, an influencer campaign is more cost-effective and reaches more people.

**Of course, brands can position their messages** on their own WeChat pages. According to an estimate by the Chinese social media analyst blog, WDTW, companies must invest around seven US dollars in order to regain one new user for their account. Users that influencers such as Liang already bring with them.





**Liang's post was well planned.** He published pictures of celebrities who also swear by the brand – including the former First Lady of the United States, Michelle Obama. The price of the bag cost as much as the amount that can be sent over WeChat per day. The date of the publication was Valentine's Day. Whoever shared the post on WeChat automatically added the following text: "If only there was someone who loved me enough to give me this bag." It is safe to assume that there were many friends and husbands among the buyers of the bag who saw the posts of their girlfriends and wives.

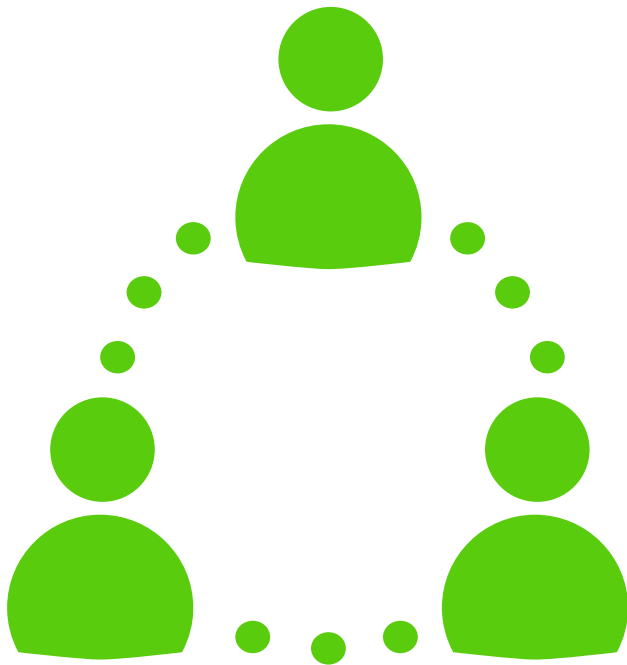
**The payment function WeChat Pay** is a decisive factor for the success of such campaigns. On YouTube, Instagram, the Chinese Weibo, and the live streaming app Inke, influencers hold products up to the camera and add a shop link below the content. They can integrate the purchase option directly in the post on WeChat. In Liang's post, it was integrated behind the "Find out more" link at the end of the text.

**Who are the most well-known influencers?** Newrank displays the most popular accounts. Whoever registers can find potential influencers according to budget and target group. We Index works in a similar way.



**Influential people such as Liang** are frequently connected to more than one platform. They move between WeChat, the blog platform Weibo, and live streaming services such as Inke. WeChat's advantage in this mix is the trust that users have. For many people, the app is a type of home. While platforms such as Instagram almost look like advertising boards now, WeChat still has something private for many users.

**In this regard, WeChat is not a pure influencer platform.** It should also not be understood as such. Users contact their stars there as they do with friends. Recommendations do not feel like an advertisement but like the advice of a trusted person. This is what makes the potential of influencer marketing on WeChat so great.





# WHAT'S NEXT?

The success of the messaging app lies in its specifications. These can lead one to make conclusions about the future of communication patterns. More on this on the next few pages.





# // WHAT WECHAT TEACHES US ABOUT THE FUTURE OF MOBILE COMMUNICATION

**The alarm rings.** Time to wake up. Check messages from friends and family. The first work e-mails are checked at the breakfast table. A project meeting is scheduled with colleagues. The train is delayed. Order a taxi. All done without closing WeChat.

**The messaging app is not just an app,** but a phenomenon that gives one a taste of the future of mobile communication. How will we interact with each other in the future? WeChat has the first answers.

**Networking is increasing,** which is indicating a longer-term trend: customers expect a personalized real-time service across all life situations. The related innovations will drastically change mobile communication as we know it today.





# UNIVERSAL PLATFORM

**WeChat already makes something possible** that is unthinkable for most Europeans: mixing private and business communication. It is completely normal to chat with friends, colleagues, and customers in the same app.

**For the Chinese, it's not an issue** as they inevitably spend several hours on WeChat every day. They order taxis and food, pay for their bus tickets, and follow their favorite accounts. At the same time, they agree their duty rosters and projects for the next few days.

**This high speed is the underlying feeling** of the younger Chinese generation. In a world of competition, they do not want to be left behind. Maximum networking with best possible efficiency is the logical step to a multipurpose app that sees mixing business and recreation as part of everyday life.

**Messaging apps will in future** be the all-rounders in everyday life.






# RETREAT TO THE PRIVATE SPHERE

If an app can do everything, users will go there. Why should they leave this convenient microcosm and be active on other platforms?

**Online communication is becoming** increasingly mobile and taking place in private chats, not only in China. Globally, 82 percent of content is shared in the dark social segment. Dark social includes messaging apps such as WhatsApp as the content that users exchange there cannot be verified. Companies cannot ignore this apparent high level of interaction in hidden spaces.

**The fact that mobile communication** plays such a key role is linked to a retreat into the private sphere, among other things. Users have become more careful with the content that they post. Not every party photo should be able to be found on the Internet forever. In addition, most messaging apps are free of charge, easy to use, and always accessible on a smartphone.

82%   
of content is shared  
in the **dark social segment**.





**Mobile communication promises the protection** of our private conversations, at the latest, since the standardized end-to-end encryption of WhatsApp. Encryption tells users: “Here you are safe and your communication is protected.” In the future, secure encryption will also play an important role in order to preserve privacy in mobile communications. WeChat would still have to significantly improve its data privacy policy here. Not to mention government censure and deletion of WeChat messages that contain politically unpopular words.

**Whether a full-service app** such as WeChat needs such extensive authorizations as today, or even more access rights to mobile devices, will be the question.





# THE FOCUS HAS BEEN ON MOBILE FOR A LONG TIME NOW

In October 2016, a significant turnaround took place: for the first time, more websites were accessed from cell phones than via PCs worldwide. Tencent adjusted WeChat to this development.

Altogether 95.1 percent of all Chinese surf the Internet from mobile devices, primarily smartphones. In Germany, the percentage is also high even if it is significantly lower than in China: in this country, 81 percent of the 62 million Internet users go online using their smartphones.

**For this reason,** messages must be optimized for mobile use. In particular, it is important to offer high quality, easily consumable content (keyword: microcontent). This will also not change in the future as the competition for attention is becoming more difficult during times of content shock.





**In the long term,** WeChat is bound to expand its advertising options. The combination of increased user retreat into the private sphere and a growing range of offerings for brands will change the world of mobile messaging. WeChat is leading the way. Mobile communication will then be more than just chatting, but a comprehensive interaction affecting every area of life. Communication professionals are already today learning from WeChat how the future of mobile communication will look like.





# WHAT'S NEXT?

**We have explained** what conclusions we can draw from WeChat for the future of communication in general. How will things go with the messaging app itself? Is the app in a position of reinventing itself again? We will answer this question in the next section.



# // THE FUTURE OF WECHAT – HOW WILL THE APP DEVELOP FURTHER?

**China is not enough!** WeChat wants to conquer the world. The parent company Tencent is investing in Europe and Africa, entering into cooperations with other companies, and smoothing the path for the future of the multitalented messaging app. What is the future for the app?





# MOBILE PAYMENT SIMPLIFIES LIFE



**899 million people** used WeChat monthly in the fourth quarter of 2016. Two quarters later, 963 million. Taking a look at WeChat's user report from 2017, it is clear that the service is serving the different lifeworlds of its users. 42.6 percent use WeChat for internal company communications, 34.2 percent for professional networks, and 32.4 percent for recreation as well as chatting with friends.

**The payment function**, WeChat Pay, plays an important role in the success of the messaging app. As it is integrated in the app interface and is easy to use, it offers significant advantages over competitors such as PayPal. WeChat Pay has a market share of around 40 percent in China's mobile payment market. In figures: more than 600 million people use and value this form of payment.



# EARLY INDICATIONS



**The future of text messages** lies in shopping and services, the trade magazine Handelszeitung Schweiz already wrote back in January 2016. This is also partly evident in this country – via the WhatsApp newsletter subscriptions. Online magazines and companies provide a telephone number for this purpose. Smartphone users can save this number and write a WhatsApp registration message to receive a newsletter via the WhatsApp chat function. This is only one channel for corporate communication – from customer service to personal marketing, a lot is possible, including with WeChat.

**With its intuitive payment function,** WeChat is leaving its major competitors far behind. Users always choose the most convenient way. Why log in to PayPal first to buy a pizza or a ticket while on the road if WeChat is already open?

**Nevertheless, cultural differences** could halt a global success for WeChat. In Asia, mobile surfing is far more common than in Western industrialized countries. In addition, not all countries are as open to innovations in the digital landscape as China. For around two thirds of Germans, mobile payment solutions are still not an alternative.



# RESTING ON YOUR LAURELS IS OUT



**The greatest challenge for WeChat** is likely gaining wide acceptance outside of China. Although the app's developers focus on innovations, which has rapidly made WeChat into a type of full-service platform, the wide-coverage Facebook competitor, WhatsApp, remains the most popular messaging app in Europe and the United States. Users in Western countries have been used to using different apps for many years. To get them to change their habits will require some convincing work.

**In addition, it depends on the willingness** of traders and companies to cooperate with WeChat. The first bridges are already being built. The IT magazine netzwoche reports that customers of the online payment service stripe have been able to integrate Alipay and WeChat Pay as payment methods in their online shops since July 2017.



# USER ACCEPTANCE WILL DECIDE



**In Germany and other European countries,** WeChat most certainly has opportunities to shake WhatsApp's power base. An important factor here is the app's suitability for everyday use. Without a doubt, mobile communication is a pioneering invention that can, however, be frustrating. There are countless apps that all meet a different need and bombard one with push notifications and continuous updates. With its all-in-one approach, WeChat is one step ahead of all other applications here.

**How WeChat further develops its service** will remain to be seen. The integration of an algorithm to assist users in their everyday life would be one conceivable idea. It could analyze the purchasing and usage patterns of users and create individual habit profiles. Then, on a Sunday evening, one could be asked whether WeChat should order a salami pizza or movie tickets. It would soon become a personal digital assistant.



**In addition, ads could be placed** in a more targeted way, which would be particularly interesting for companies. The messaging app is already today showing that the lines between communication and consumption are blurring. Tencent has already built the foundation for this by integrating e-commerce into an app that users also use privately.

**The future of WeChat remains exciting.** It is almost certain that the service will change the mobile Internet for everyone, in China and around the world. Even if Tencent does not succeed in establishing its flagship app in Western countries, the competition will be inspired by WeChat's power of innovation when developing their own products.





# WHAT'S NEXT?

**As most apps, WeChat also has its own vocabulary.** In order to make it easier for new users, we explain the most important terms in the following WeChat wiki.





**Hongbao:** “red envelopes” that one can send via the app. As real envelopes, these have a long tradition in China and are mainly used as gifts in the family and among employees for the Chinese New Year. If one receives a digital red envelope, the money is directly added to the digital WeChat wallet.

**Mini programs:** small programs in WeChat – or, simply put: apps in the app.

**Moments:** the social area in WeChat for sharing users’ pictures, links, videos, etc. with their contacts in the newsfeed.

**Shake:** an unusual option of connecting with other users. For this purpose, users shake their cell phone with the Shake function activated. WeChat checks if another user is also shaking their smartphone. If this is the case, WeChat suggests users to connect to irrespective of how far apart they are.

**Tencent:** the name of the company and operator behind WeChat.

**WeChat Pay:** the name of the app’s payment function that is the main reason for WeChat’s success.

**Wēixìn:** WeChat’s Chinese name, which stands for “short message”.



## // LEGAL NOTICE

### **Oliver Schrott Kommunikation GmbH**

An den Dominikanern 11-27 // 50668 Cologne, Germany  
+49 221 3390-0 // [blog@osk.de](mailto:blog@osk.de)

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### **t3n digital pioneers** (yeebase media GmbH)

Kriegerstraße 40 // 30161 Hannover, Germany  
+49 511 165944-0 // [support@yeebase.com](mailto:support@yeebase.com)

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