



7 rules of WeChat marketing (with case studies)

By WalktheChat

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November 2018

Who am I?



Thomas Graziani

Co-founder at WalktheChat

- I lived in China for 7 years, worked for large MNCs in China (Schneider Electric) and of course can speak Mandarin (那当然！)
- Worked for 2 years as an agency helping large companies (Nestlé, Bosch, McLaren, Cisco, NFL, Transferwise, etc.) use WeChat in China
- Now operating a platform helping foreign businesses (big and small) create WeChat stores
- Before that, I worked in consulting (BCG) and studies engineering (Ecole Polytechnique) and business (University of Cambridge)

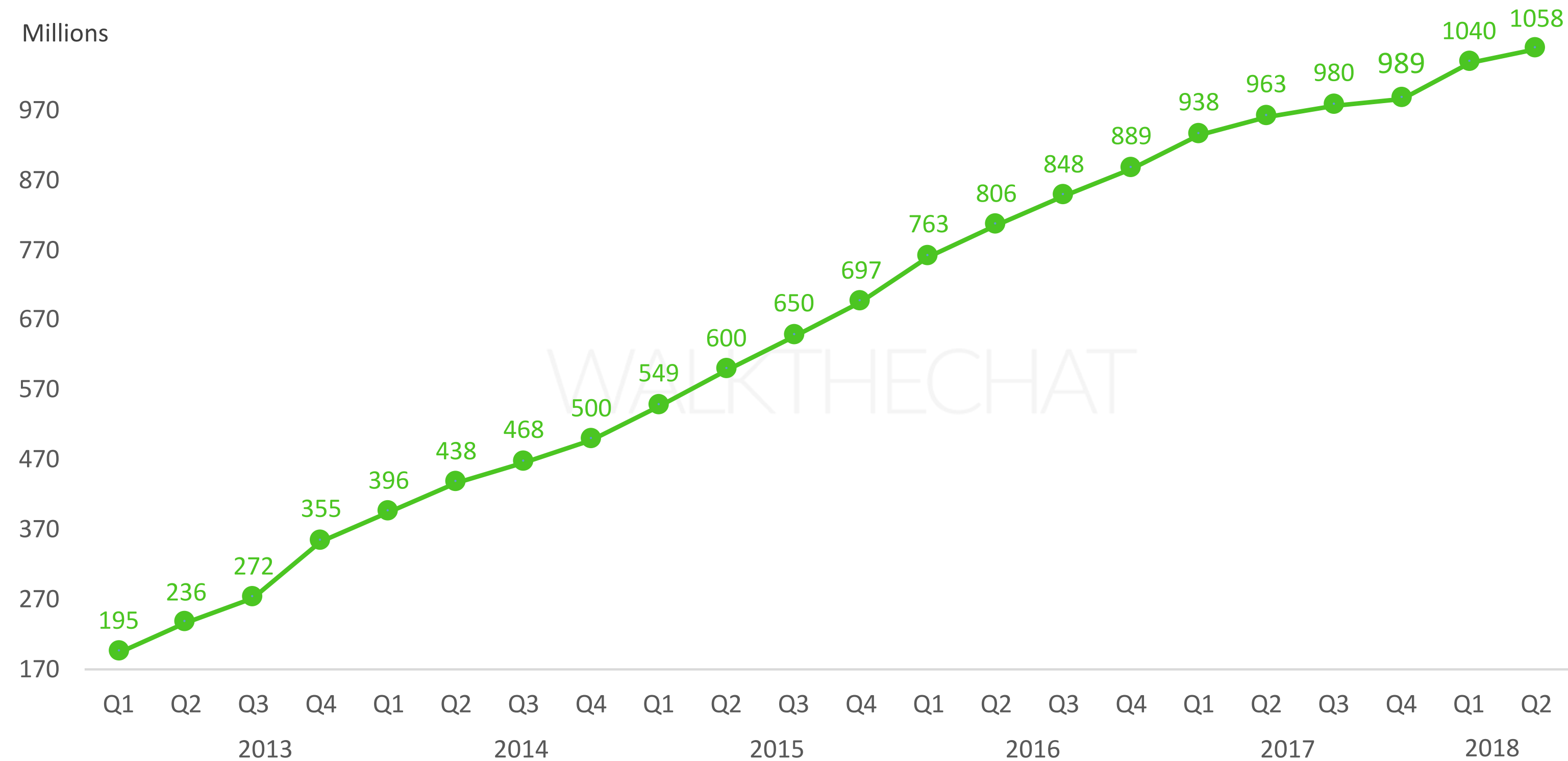
Introduction

WeChat already reached more than 1 billion users

4



WeChat Monthly Active Users (MAUs)

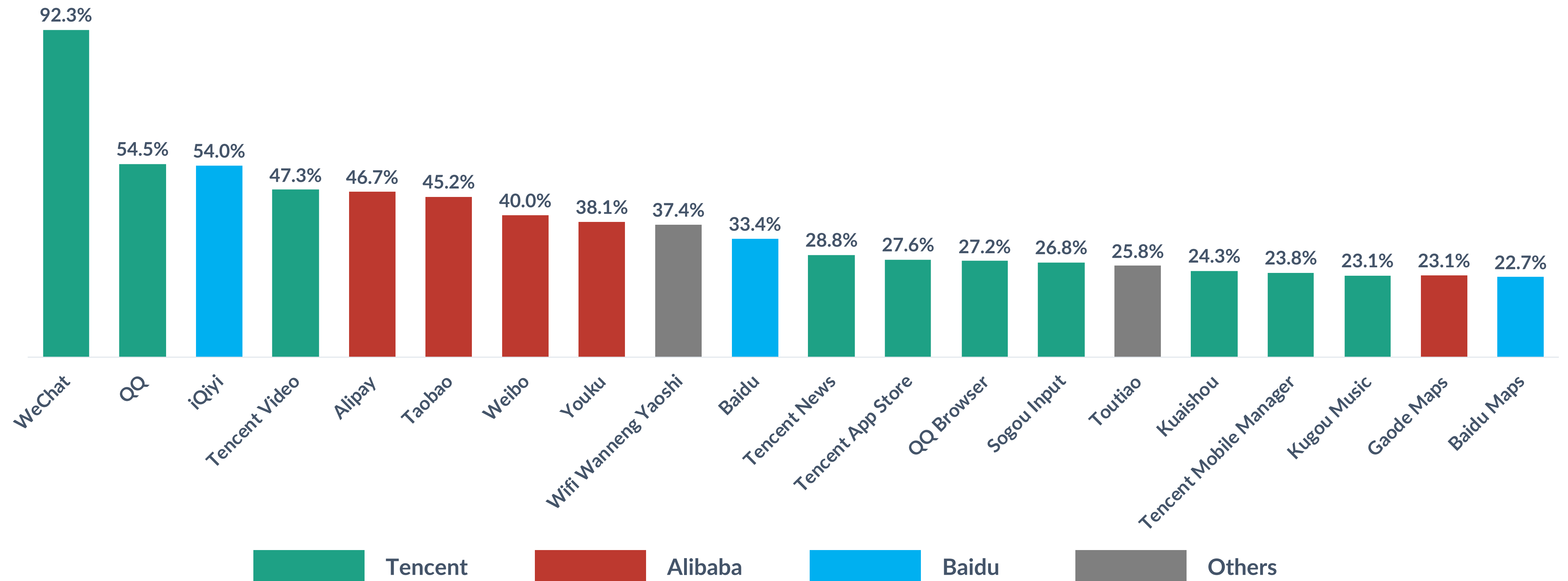


Data: Tencent

WeChat as by far the highest penetration rate of all Chinese mobile Apps

5

Penetration rate of top-20 Chinese mobile Apps
(Q2 2018)



Source: analysys.com data report, WalktheChat Analysis

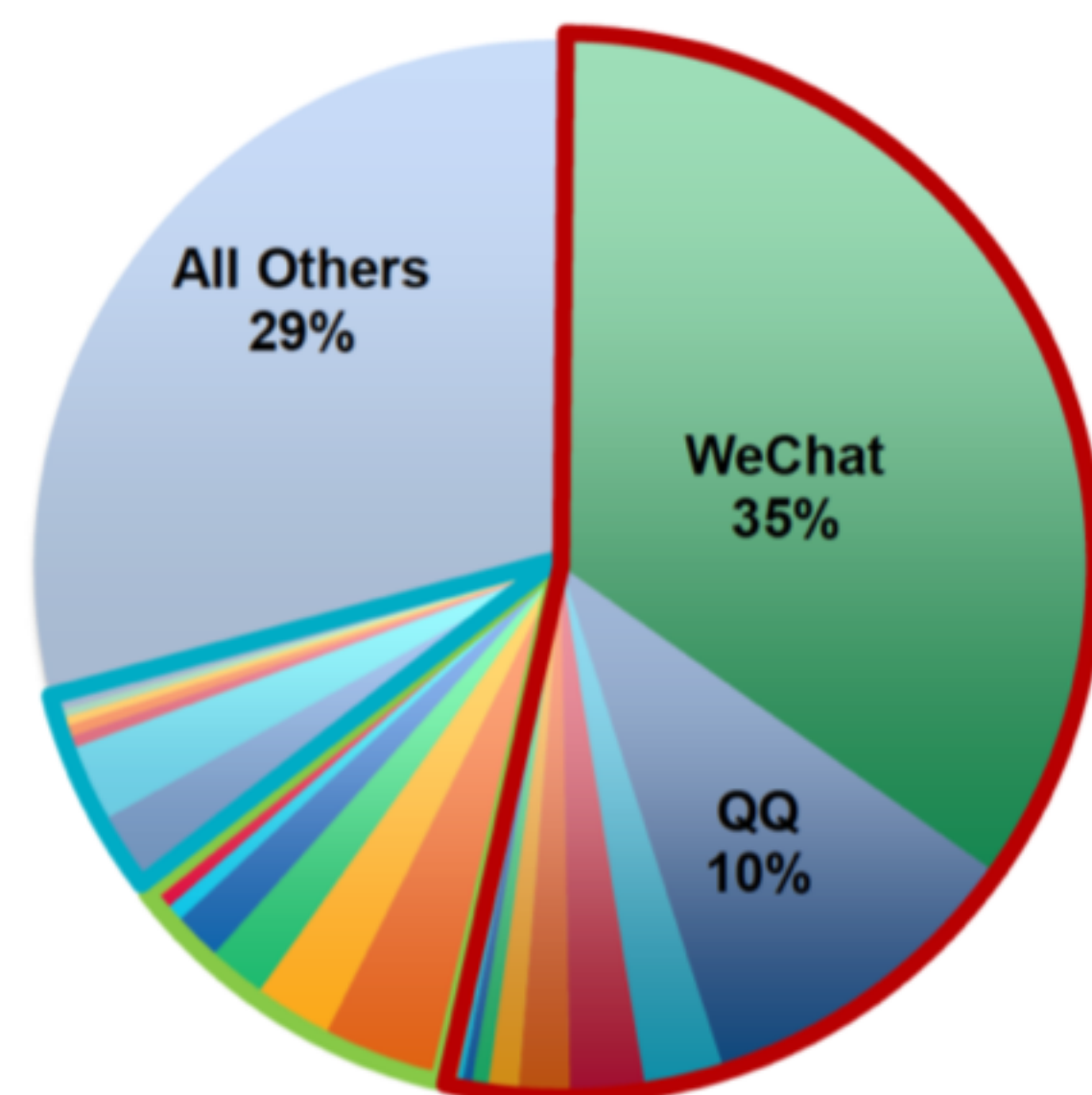
www.walkthechat.com

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All eyes are on WeChat: it makes up for 35% of Chinese users daily usage

China Mobile Internet Usage Leaders... Tencent + Alibaba + Baidu = 71% of Mobile Time Spent

Share of Mobile Time Spent, April 2016
Daily Mobile Time Spent = ~200 Minutes per User, Average



Tencent

- WeChat
- QQ
- QQ Browser
- Tencent Video
- Tencent News
- Tencent Games
- QQ Music
- JD.com
- QQ Reading

Alibaba

- UCWeb Browser
- Taobao
- Weibo
- YouKu Video
- Momo
- Shuqi Novel
- AliPay
- AutoNavi

Baidu

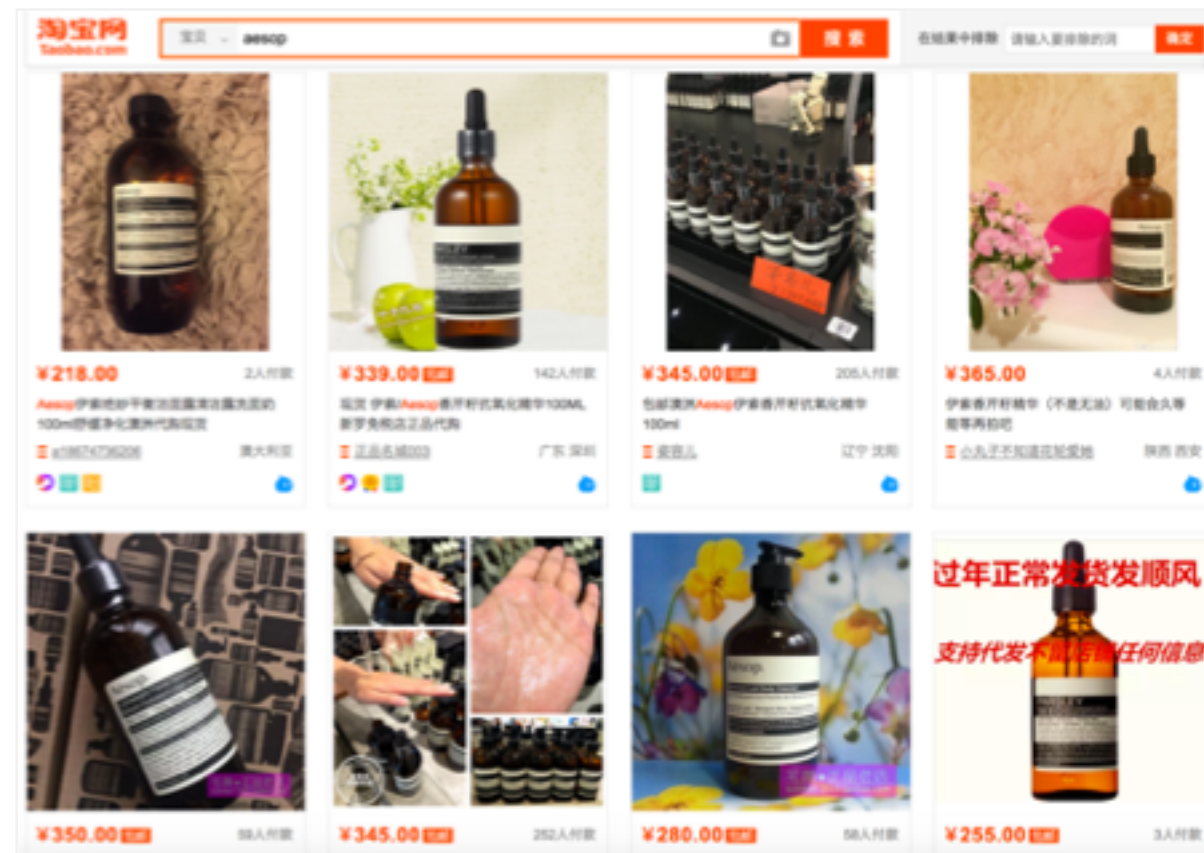
- Mobile Baidu
- iQiyi / PPS Video
- Baidu Browser
- Baidu Tieba
- 91 Desktop
- Baidu Maps
- All Other

#1

Set-up your presence

How to tell if your product is ready for Chinese e-commerce platforms?

Check “Daigou” sales on Taobao



Check WeChat mentions on <http://weixin.sogou.com/>

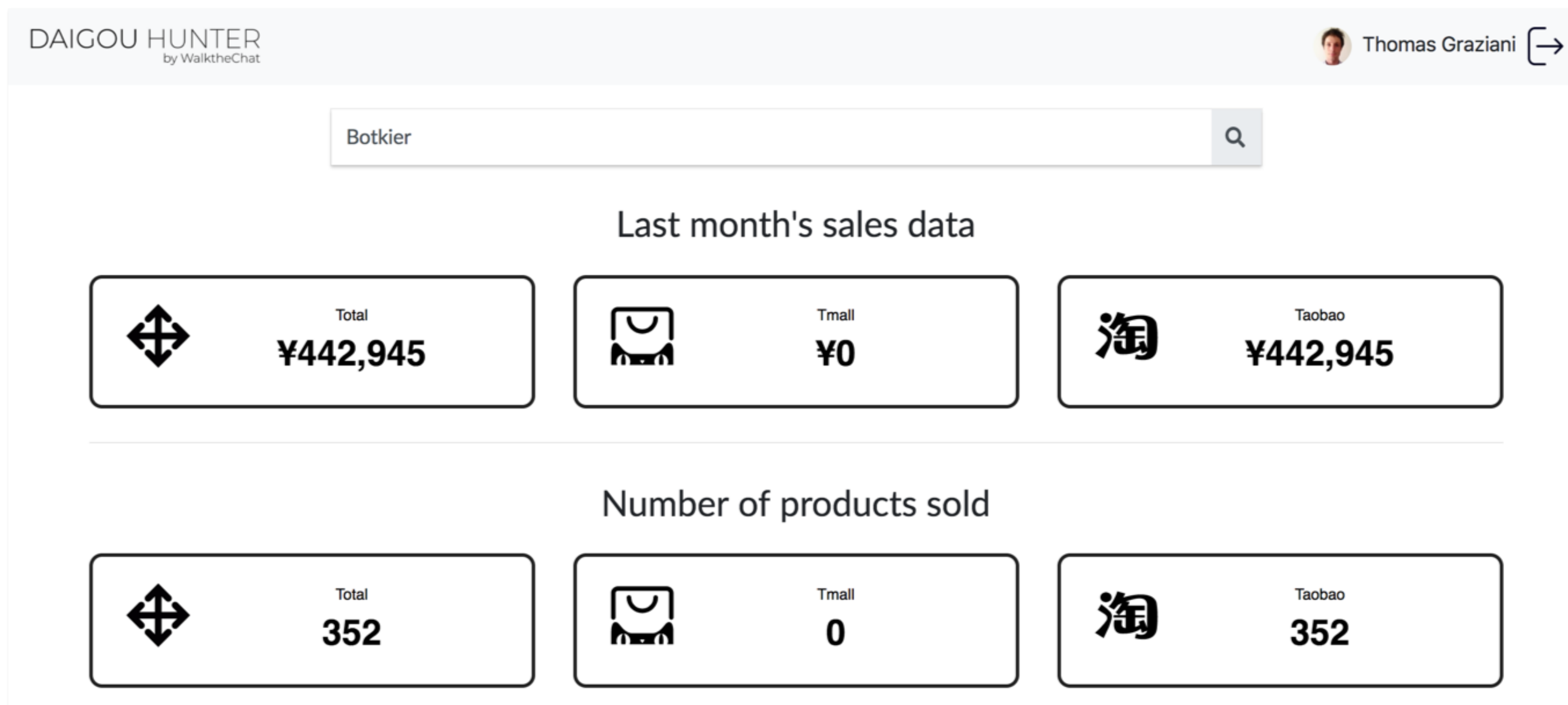


Check the popularity of your brand on Baidu Index



If these indexes are low, better start via social media to maximize ROI

Daigou sales are a strong predictor of social media success



<https://daigou.walkthechat.com/>

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4 type of WeChat Official accounts enable to do marketing on WeChat



Subscription account

1 push notification / day
Low visibility
Everyone can follow

Used by medias for daily notifications



Service account

1 push notification / week
High visibility
Everyone can follow

Used by brands for e-commerce



Enterprise account

Unlimited notifications
High visibility
Needs approval to follow
CRM feature

Used for internal company operations



WeChat mini-program & mini games

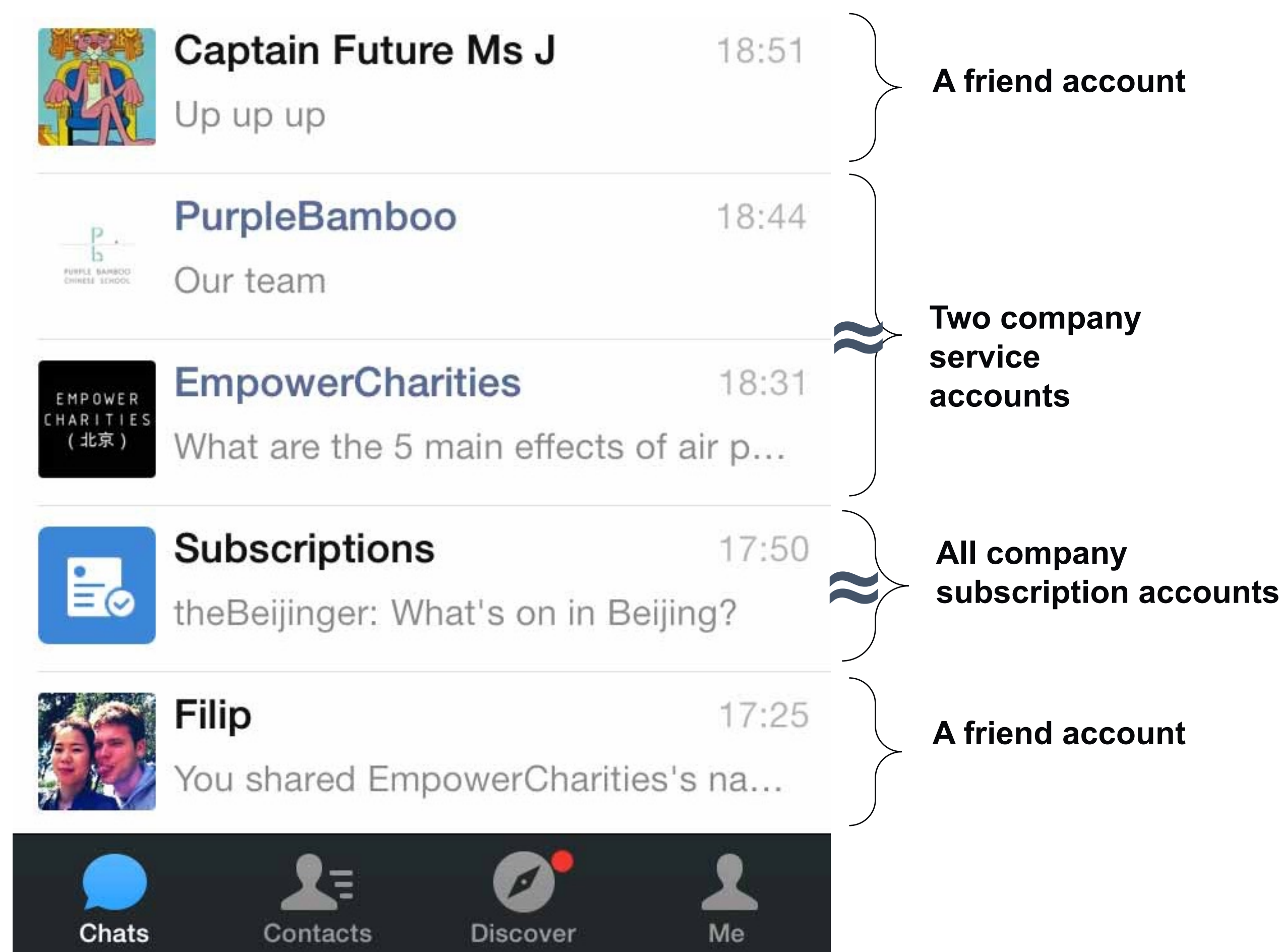
No notifications
Can't be followed
Providing a service

Used for offline integrations

Two type of accounts enable to promote your brand via WeChat

Two types of accounts

- **Subscription accounts** can send one message each day and are less visible
- **Service accounts** are more visible, have advanced features but can only send four messages each month



The screenshot shows a WeChat chat list with five entries. Brackets on the right side group the accounts into three categories: 'A friend account' (top), 'Two company service accounts' (middle), and 'All company subscription accounts' (bottom). The bottom navigation bar is visible at the bottom of the screen.

| Account Name | Time | Account Type |
|---------------------|-------|-----------------------------------|
| Captain Future Ms J | 18:51 | A friend account |
| PurpleBamboo | 18:44 | Two company service accounts |
| EmpowerCharities | 18:31 | |
| Subscriptions | 17:50 | All company subscription accounts |
| Filip | 17:25 | A friend account |

Bottom navigation bar: Chats, Contacts, Discover, Me

#2

Work with influencers

1.2 Million Sold within 12 minutes - Givenchy + Mr Bag



1.2 million RMB of sales within 12 minutes

Key:

- **Close cooperation** between brand & influencer
- Brand developed a **specific limited edition product** for the sole purpose of this campaign
- **Special date**: Valentine's day

Becky Li (黎贝卡的异想世界)

WeChat ID: Miss_shopping_li

WeChat Followers: 1,600,000

Followers demographic: 90% female, mostly mothers of 0 to 6-year-old child

Remarkable campaigns:

- Sold 100 mini-coopers within 5 minutes
- Forbidden City campaign sold 400 pieces within 20 min
- Minkoff bag sold 1,200 limited edition bags were sold within 1 week

Products: special edition products sold in collaboration with the brands

Secret Methods: pre-signup to participate to the campaign, user-generated content, clear separation between native content and ads



MINI x 黎贝卡

只有**100**人
才有机会驾驭的蓝

7月13日 敬请期待

Qing Life (轻生活)

Market positioning: Female hygiene product is super competitive market. 50% of market share is taken by overseas brands P&G, KAO Group, Kimberly-Clark, etc.

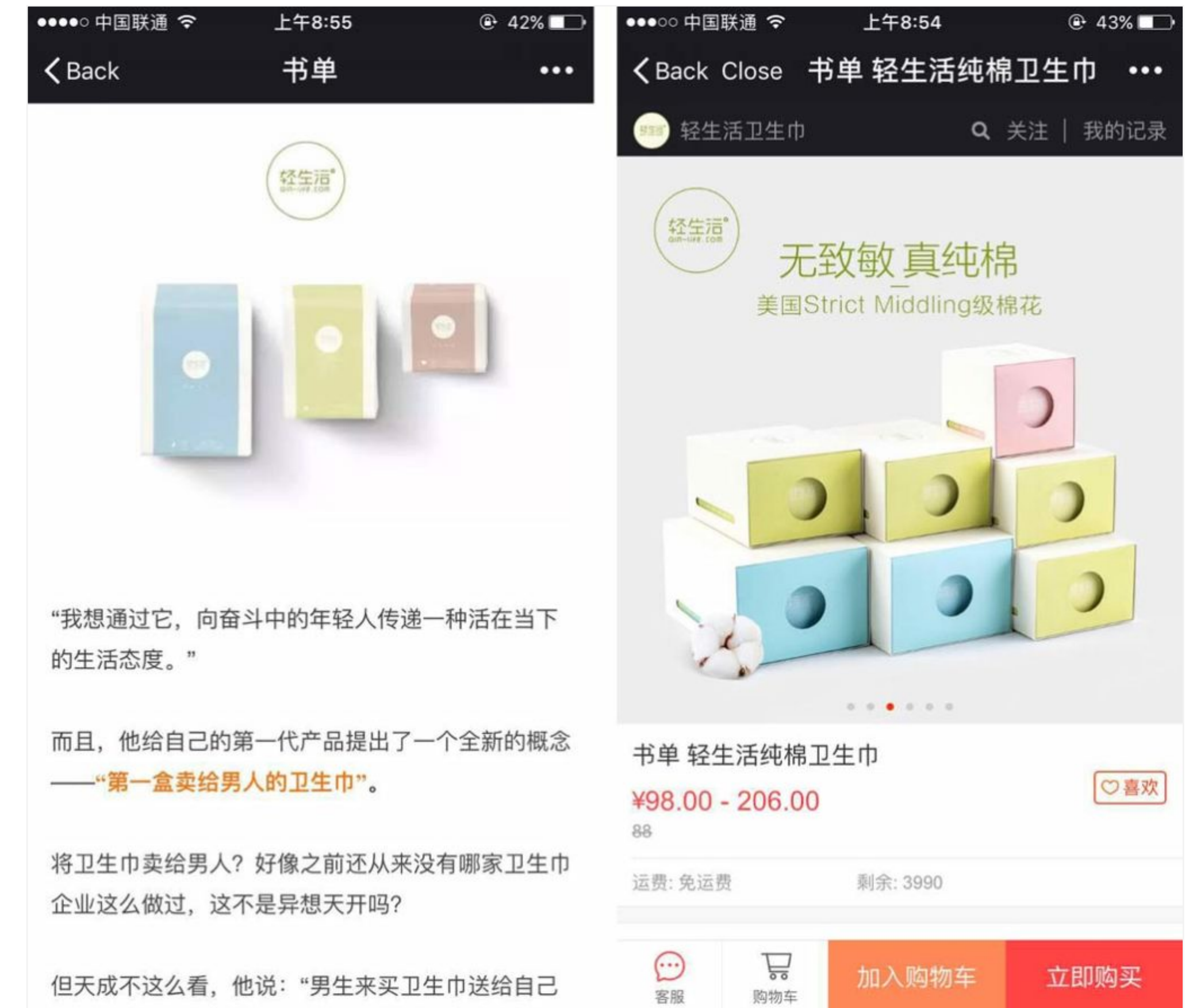
Strategy: aggressive promotion via Key Opinion Leaders on WeChat and Weibo

Results:

- 112 Key Opinion Leader campaigns
- 1.2 million RMB investment
- 6.1 million RMB sales
- 80 RMB average order
- Cost per read: 0.3-0.5 RMB

Worst performing campaigns (Renrencong 人人从):

- 10,000 views
- 80 unique visitor
- 8 made purchases



#3

Use limited-time offers, group buys & set time promotions

Xiaoxiaobao Mama

WeChat ID: xxbmm123

Content: review articles of baby products

WeChat Followers: 2,000,000

Followers demographic: 90% female, mostly mothers of 0 to 6-year-old child

WeChat Shop Revenue: 70,000,000 RMB per month, 90% from mini-program

Products: baby related products (toys, books, food and other consumer goods)

Secret Methods: Group buy, limited time offer

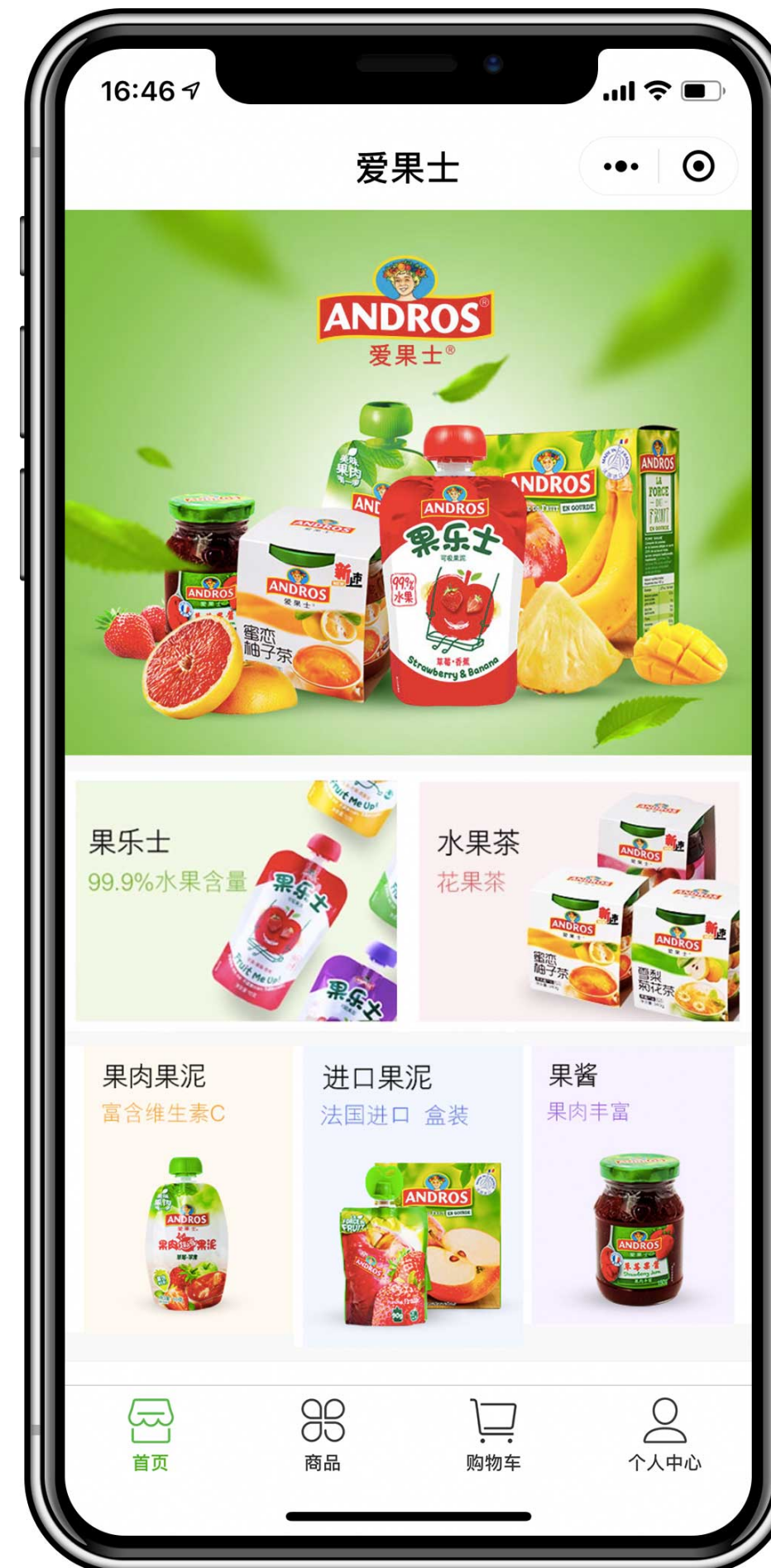


#4

Leverage mini-programs

WeChat mini-programs are “Apps within the App”

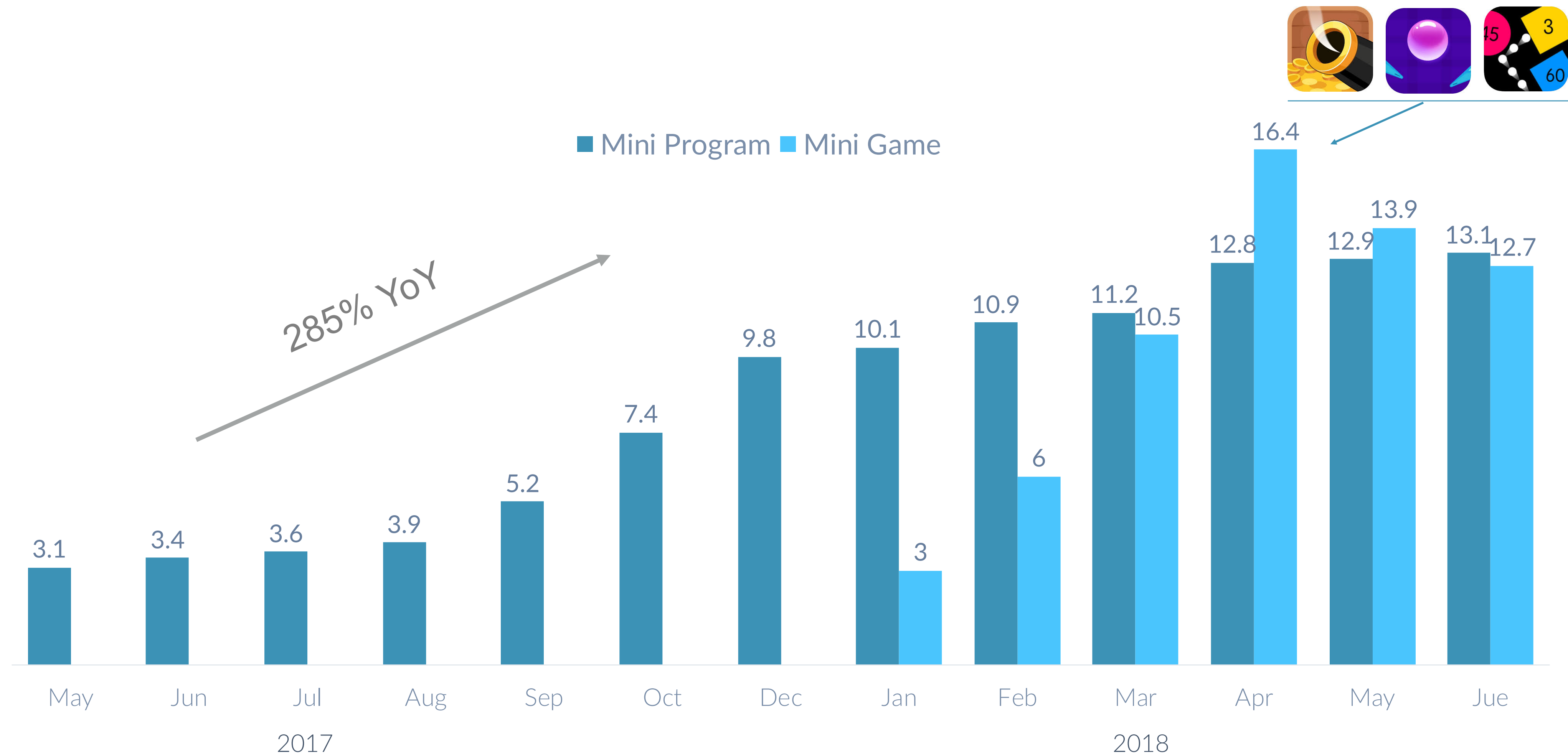
19



Users spend 13 minutes during a single visit on WeChat Mini Program

20

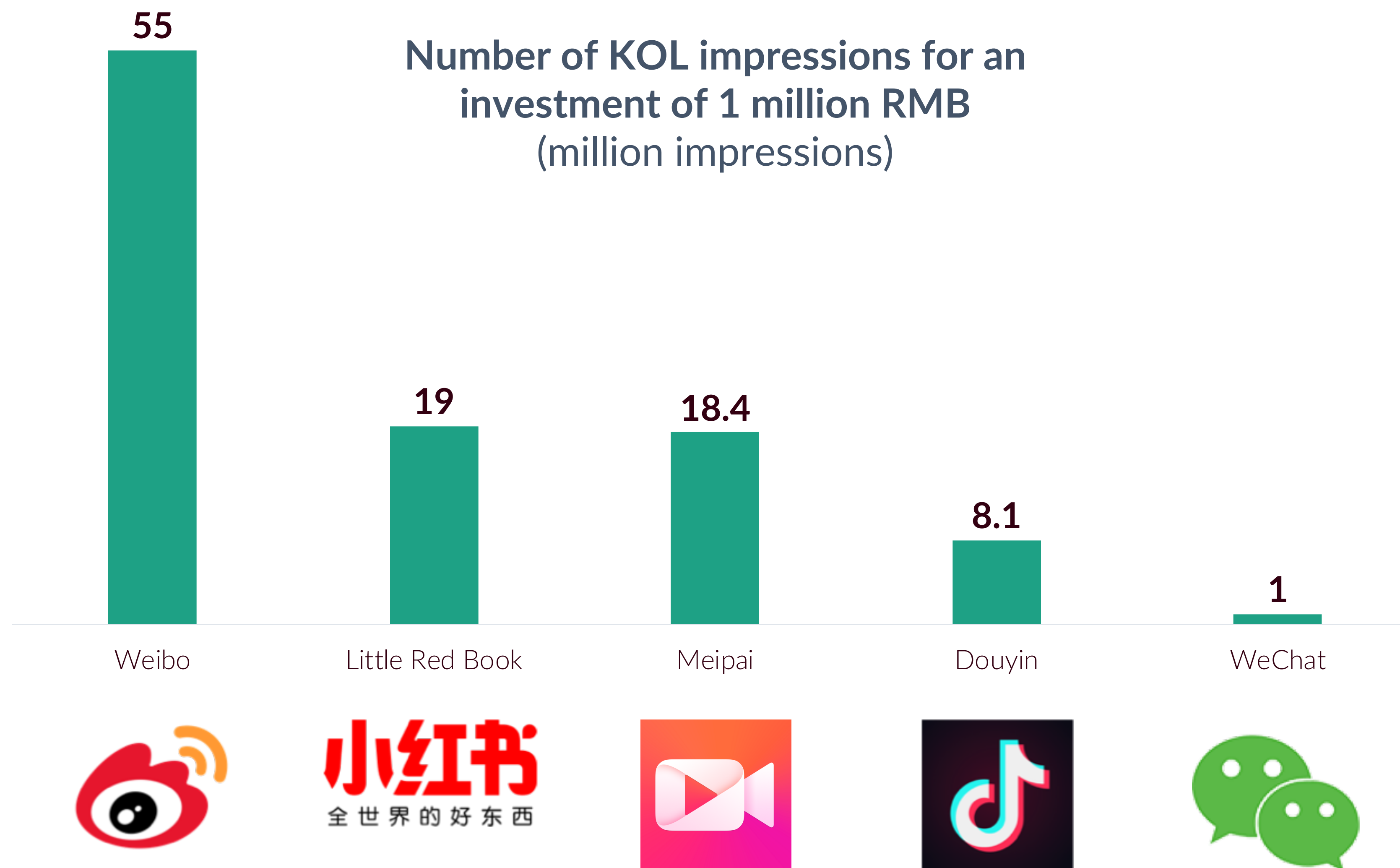
Average visit length of WeChat Mini Program & Mini Games (minutes)



#5

Use multiple marketing channels

WeChat is a powerful but expensive marketing channel



Jiu Tian from HiBetterMe

Speciality: cosmetics

Background: UX designer for Microsoft

Format used: articles

Growth: Grew to 50,000 WeChat followers in 4 months

Conversion: Launched a shop on her account selling thousands of items per month

Fundraising: raised 5,000,000 RMB after achieving this initial success



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举报

#6
User Weibo ads, but not WeChat ads

Similar to Facebook ads, WeChat ads appear on users' social timeline



- 1 **A friend's update:** WeChat advertising appear on the social timeline, in-between updates from friends
- 2 **WeChat ads:** WeChat advertising are displayed as a combination of text, pictures, videos and links (see next section) that the user can interact with
- 3 **WeChat ad comments:** If the same ad is displayed to several friends, they can see each-other's comments on the ad (unlike Facebook, comments from people you aren't friend with are hidden)

... targeting of WeChat ads remains imperfect ...



Location: supports province, city or district (based on location of user during previous month)



Gender & age: gender and age from 5 to 60 years old



Mobile phone: targeting by OS (iOS, Android) or type of network used



Marital status: single, married, newly married or raising a kid



Education level: PhD, master, bachelor, high school, primary school



Interests: 18 categories and 122 sub-categories. 18 core categories are education, travel, finance, cars, real estate, furniture, fashion, F&B, personal services, professional services, cosmetics, home electronics, sports, health, child education, bags, watches, shoes, jewelry, politics and law, luxury goods, drinks, Internet, entertainment



WeChat behavior: currently following your public account, already using your APP, collected a WeChat coupon from ads within the past year, showed interest in your previous ads during the past year, remove users who are not interested in your content

... and leads to high cost of acquisition



Good for branding but not for followers acquisition: this campaign has a cost of 84 RMB / followers

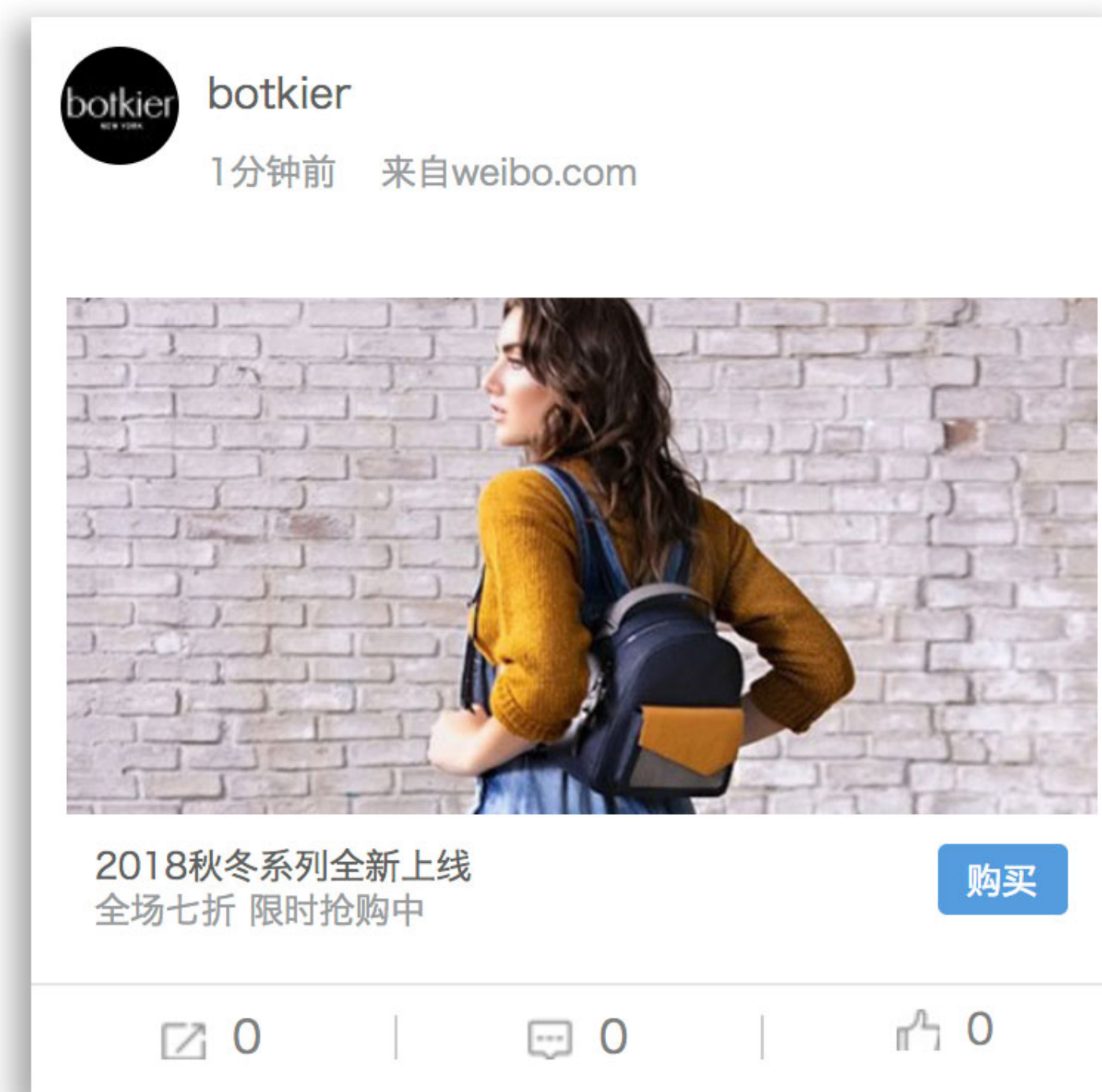


WeChat Moment Campaign for McLaren

- We worked with McLaren to target high purchasing power individuals via WeChat Moment Advertising, and drive offline traffic for test drives

Weibo ads actually lead to better returns

- Targeting followers of your competitors or likeminded brands
- Re-targeting users who have been interacting with your posts or posts of your competitors
- Weibo advertising can lead directly to e-commerce purchase action calls



#7

Consider WeChat cross-border

WePay and Alipay crossborder enable you to receive RMB payments abroad

31

| | WePay Cross-border | Alipay Cross-border |
|----------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| Requirement | Overseas business license | Overseas business license |
| Need Chinese bank? | No | No |
| Account creation fee | Free | 1,000 USD |
| Transaction fee | 3% | 3% (or less for transaction >1 million RMB) |
| Settlement | 1. Minimal 5000 USD Or 2. On demand with service charge | 1. Minimal 5000 USD Or 2. weekly, monthly, quarterly |
| Currency support | USD, EUR, JPY, GBP, AUD, SGD, HKD, KRW | USD, EUR, JPY, GBP, CAD, AUD, SGD, CHF, SEK, DKK, NOK, HKD |
| Accessible in WeChat | Yes | No |
| Application site | http://global.tenpay.com/ | http://global.alipay.com/ospay/home.htm |

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Products are shipped through a logistic partner in Hong Kong or Shanghai FTZ

32

Client sends product to our logistics partner, either per order or in bulk

**CLIENT
WAREHOUSE**



Logistics partner handles last-mile delivery to end customer

FINAL CUSTOMER



**LOGISTICS
PARTNER WAREHOUSE**

Product is shipped to a logistic partner warehouse in Hong Kong or in Shanghai Free Trade Zone

Logistic providers located in Hong Kong or Free Trade Zones support shipping

33

Overseas Inventory



Client/s sends
their goods

Hong Kong / FTZ Inventory

[no tax]



Packages now under 3PL care
[Pick & pack, storage, VAS]

China Customs



Ideal shipping
channel selected

Cross-border Import

Fixed tax (11.9%)

*HS Code pre-entered
on platform*

Personal Import

Tax free if under \$120 USD

Variable tax if inspected
15%/ 30%/ 60%

[depends on product type]



3-7 days

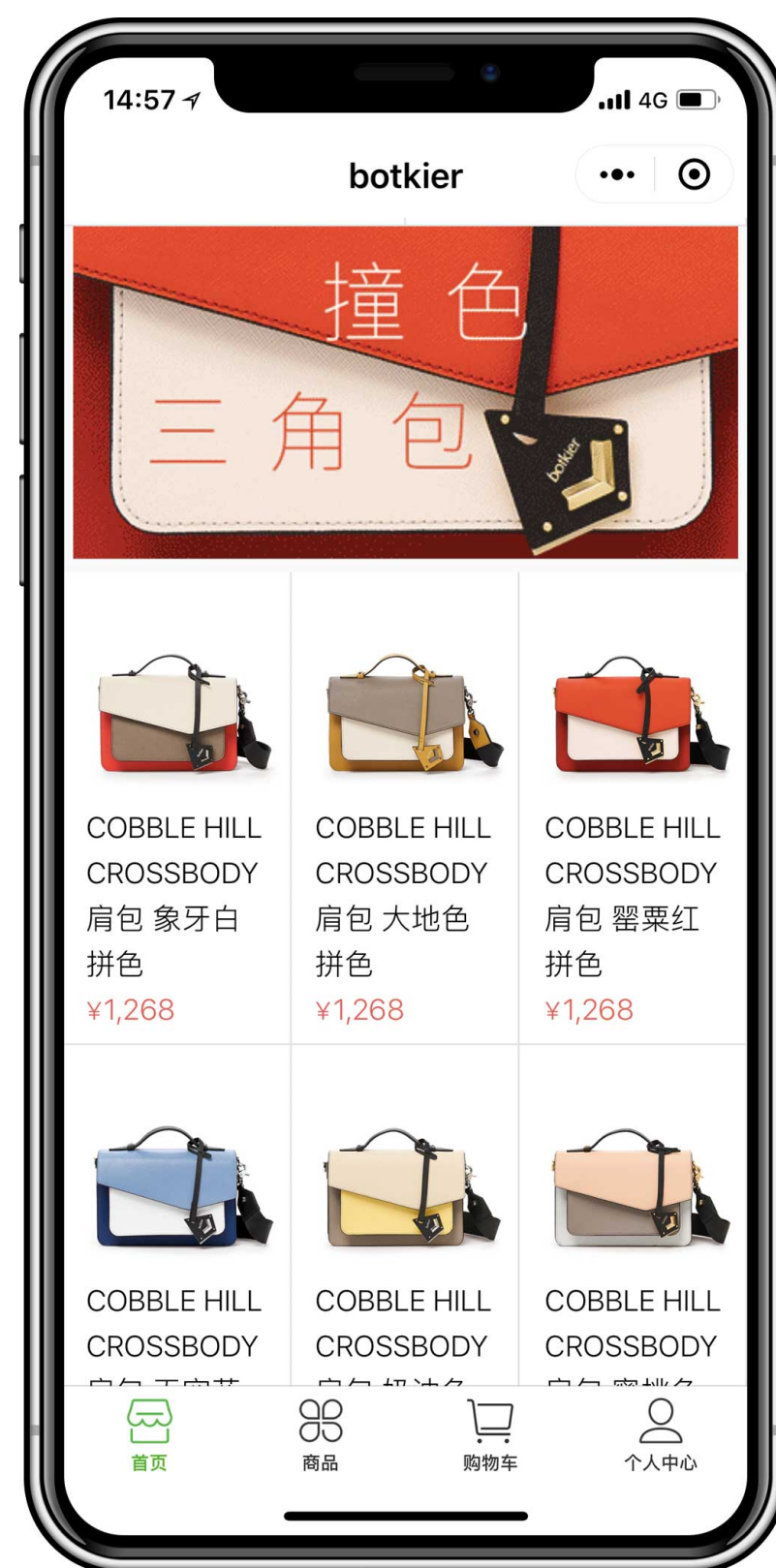


3-7 days

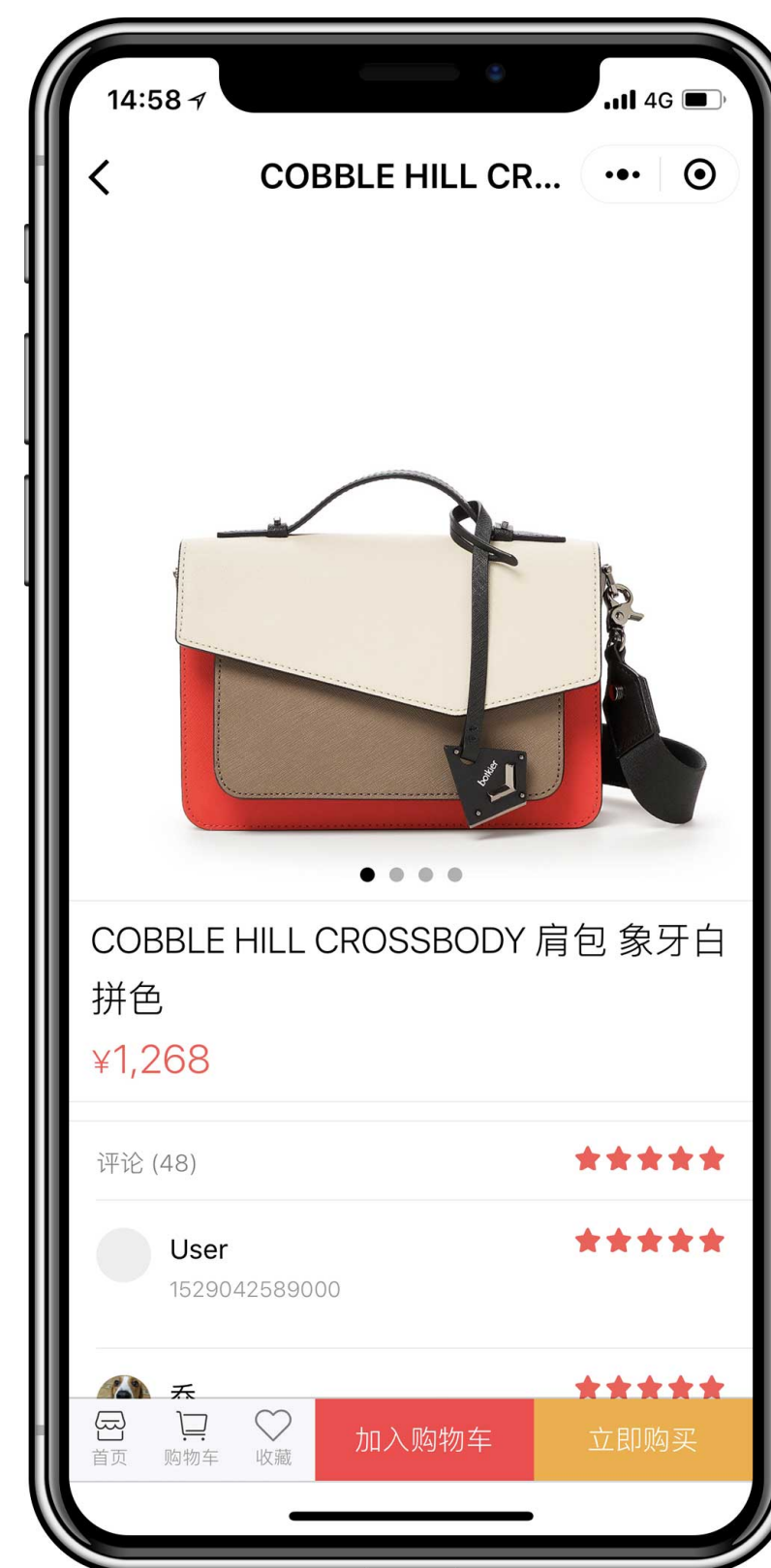
End clients



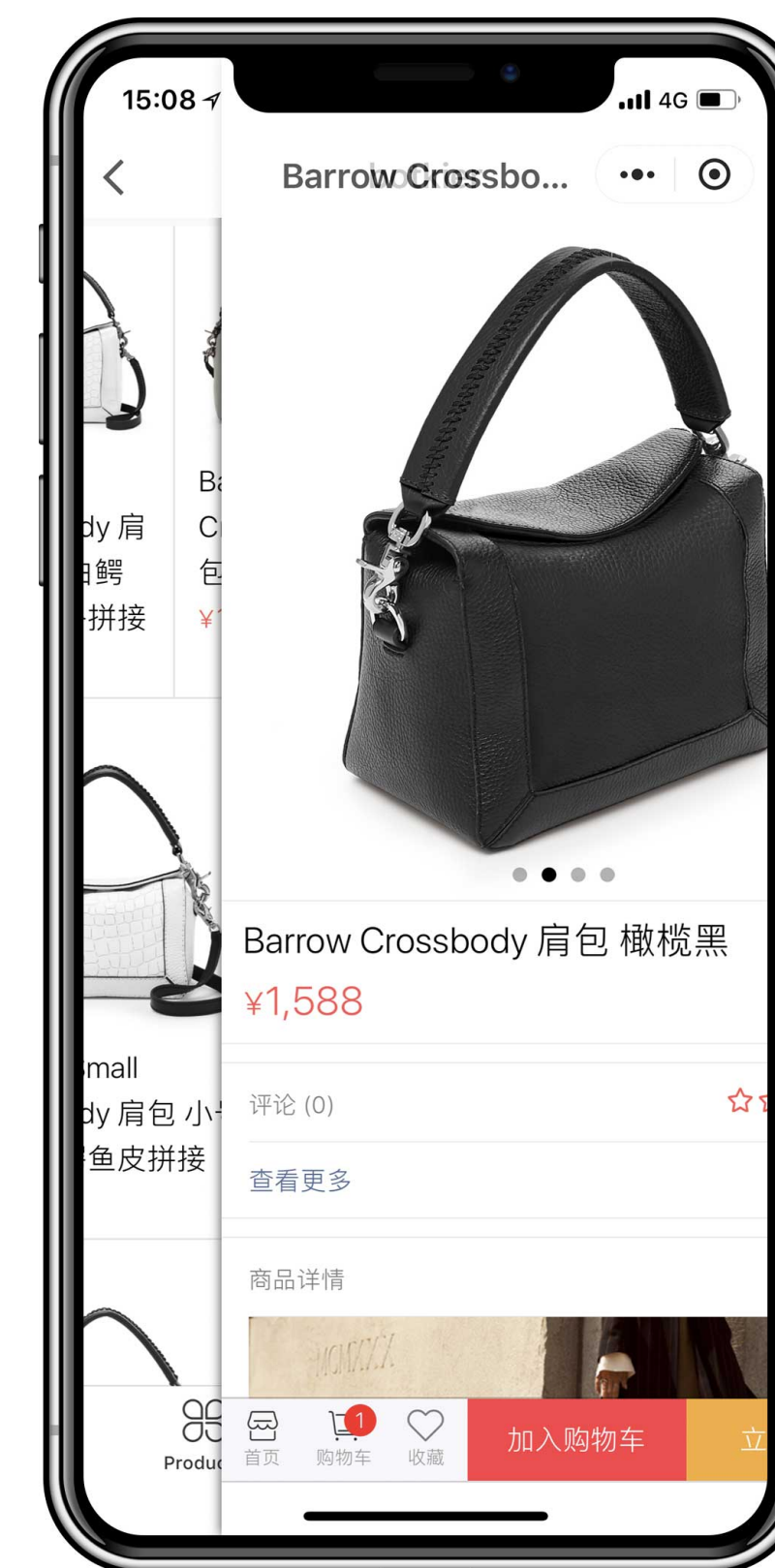
Clients can sell to China without any local presence



Modern display enables easy access to products



Fast speed via local files & images hosting



Native transitions enable smooth navigation

Conclusion

- WeChat is an essential platform for marketing, especially for brands that don't have visibility yet in China
- WeChat marketing must be taking into account the specificities of the platform, such as limited editions, scarcity marketing and impulse purchases
- Mini-programs are a rising trend which can't be neglected
- Think beyond WeChat: other networks can be used in combination, especially for user acquisition and advertising
- If you don't have a local presence, WeChat cross-border is a perfect way to start

WALK
THE
CHAT

40 Dong Zhong Street
Beijing China

Contact Us

We're here to help.



info@walkthechat.com



01-5625-7533



www.walkthechat.com

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