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WeChat impact on social and economic in China

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Mengmeng Rong Bachelor's thesis Autumn 2016 Business Information Technology Oulu University of Applied Sciences

ABSTRACT

Oulu University of Applied Sciences Business Information Technology

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The purpose of the thesis is to analyse WeChat in China. On the hand, this thesis analyses the impact of WeChat on social and economic based on its features. WeChat changes Chinese way of life. Customers are directly taken part in economic activities in WeChat. On the other hand, this thesis is intended to help entrepreneurs and organizations to know more about WeChat B2B and B2C model in China. The thesis will be helpful for those entrepreneurs who are going to enter Chinese market.

The thesis will discuss how companies can benefit on WeChat. The thesis can be used by social media companies and to find more functions and benefits.

Source materials of the thesis are listed as references. Book (i.e. Clara Shih, The Social Business Imperative: Adapting Your Business Model to the Always-Connected Customer) played a significant role for the thesis.

Keywords:

Social media, WeChat, Feature

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1 INTRODUCTION

According to recent study, 51% of urban residents has become social media users in China. Compared with last year, there is an increase of 17 percentage points. The development of social media is accelerating, this phenomenon occurred in all cities and age groups. Despite the growth in the number of registered users of the social media has slowed down, the frequency of using social media has increased in China. (Kantar 2016, cited 13.11.2016)

Social media is based on user relationship to product contents and create exchange platforms on the Internet. Social media is a tool and platform for people to create, share opinions, insights, experiences and perspectives. Information from social media have become an important part of people browsing the Internet. It not only creates one hot topic after another in the social life, but also attract traditional media to scramble to follow. (Wikipedia 2016, cited 9.7.2016)

Social media marketing is not just to post an image, but it also needs enterprises to be interactive with customers. Depending on various of demands of customers, content needs to be diversified. Social media lets customers comment on products directly and give advices, so that companies and organizations are under public supervision. Social media make good products have more users and fans.

There are many useful social media in China. For example, WeChat, Weibo, Tencent QQ. All of them are very famous in China. Tencent developed WeChat, it develops rapidly in recent years. WeChat has a great influence in China.

The purpose of the thesis is to analysis WeChat in China. On the hand, this thesis analyses the impact of WeChat on social and economic based on its features. WeChat changes Chinese way of life. Customers are directly take part in economic activities in WeChat. On the other hand, this thesis is intended to help entrepreneurs and organizations to know more about WeChat B2B and B2C model in China. The thesis will be helpful for those entrepreneurs who are going to enter Chinese market.

The thesis can be continued by others to analysis that how WeChat could be developed to attract foreigner users. The thesis can be used by social media companies and to find more functions and benefits.

Source materials of the thesis are listed as references. Book (i.e. Clara Shih, The Social Business Imperative: Adapting Your Business Model to the Always-Connected Customer) played a significant role for the thesis.

2 SOCIAL MEDIA TOOLS IN CHINA

Chinese social media has changed the Chinese people's way of communication and thinking. More and more Chinese people are using social media, and spend more and more time on social media.

People follows friends, colleagues and relatives through social network. Business organizations dig the commercial value of social media, because social media can be used to make recommendations to people who have similar interests. There are many famous social media tools in China, such as WeChat, Weibo, and QQ.

2.1 WeChat

With the development of e-commerce, mobile commerce develops more and more rapid, especially in the mid-2000s. (Milnes 2015, cited 6.7.2016) WeChat is a mobile service, developed by Tencent in China. After WeChat released in January 2011, the development speed is far beyond the expectations of the team itself. WeChat users can text message, hold-to-talk voice message, group message, make video conference, play video games, share images and videos, and location to friends via smartphone. (Wikipedia 2016, cited 6.7.2016) WeChat is everywhere in China. Compared with QQ, Weibo and Alipay, it has so many features to make it so popular in China.

WeChat has social network timeline, branded accounts, games and more. (TechCrunch 2016, cited 15.7.2016) WeChat as one of the hottest social platforms, a large entrance to the mobile terminal, is becoming a major business transaction platform. It started to bring great changes to the marketing industry. With the growth of WeChat, WeChat mall is developed as a social e-commerce system. As long as consumers through the WeChat platform, they can achieve product inquiries, purchase, experience, interaction, order and payment of online and offline integration services model. With the emergence of WeChat mall and the growing users of WeChat, more and more people treat WeChat as marketing artefact and propaganda weapon.

WeChat wallet is a payment function of WeChat client. Users can complete the payment process quickly via smart phones. Users only need to add bank card to WeChat wallet and insert the information required, then WeChat wallet could be used whenever and wherever. (Quora 2016,

cited 3.8.2016) Nowadays, WeChat payment includes credit card payment, scan code payment and APP payment. It also supplies many marketing tools to meet different payment situations for users and businesses, like red packets and vouchers. WeChat wallet could be used in many ways, for example pay utility bills, split dinner bills, book and pay for movies and taxis. (Click Z 2016, cited 3.8.2016)

The thesis will introduce more information about WeChat in section 3 and 4.

2.2 Weibo

The figure 1 shows that the interface of Weibo, there are home, news, favourites and likes on the left. On the right part, it shows the user's name and numbers of following, followers and blogger. Users could write blog in the "What's new with you" section.

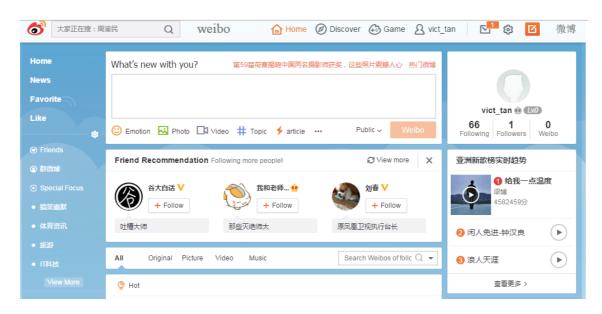


Figure 1 Weibo (Social Feed Manager 2016, cited 13.11.2016)

Sina Weibo had removed the "Sina" from its name on March 28th 2014, now it is just named "Weibo". (South China Morning Post 2016, cited 5.8.2016) Weibo is short for Microblog. It is one of the biggest social media platforms in China. (Wiki 2016, cited 4.8.2016) Users could post messages, photos and short videos on Weibo. Since March 3rd 2016, Weibo had enabled users to send and read 2000 character messages to share information so that clients do not need to worry about word limit.

Weibo is one of the best platform to release exclusive information in China. For example, a lot of stars release marriage news in Weibo. Weibo has become one of the most important sources of media monitoring and tracking of unexpected news.

The commercialization of Weibo platform mainly relies on advertising self-service and application value sharing. In advertising, Weibo has Sticky Post and Fensi Tong. In terms of application value, it encourages developers to develop games, group buying, online shopping and other services. Price is according to the position of the product, Weibo platform and developers use the 3:7 proportion of revenue sharing. (baike 2016, cited 4.8.2016)

2.3 QQ

The figure 2 shows that interface of QQ when user contact with others. It also shows users' QQ shows.



Figure 2 QQ (The China observer 2016, cited 13.11.2016)

Tencent launched QQ on February 11, 1999. Tencent QQ is a multi-platform instant messaging platform that supports text, voice and video chat, also comes with file-sharing, network drives, email, games, interest in tribes, even a wide range of residential and commercial services platform for online shopping, renting and looking for work, and so on. (Wiki 2016, cited 29.9.2016)

QQ can be connected to a variety of mobile communication terminal, IP telephone network, wireless paging, etc. (Baike 2016, cited 20.9.2016) Users can easily and seamlessly switch between computers, mobile phones and wireless terminals. QQ has covered Microsoft Windows, OS, Android, iOS, Windows Phone, and other mainstream platforms. (MBAlib 2016, cited 23.9.2016)

At the beginning, Tencent was a free and money-losing communication software. (MBAlib 2016, cited 23.9.2016) According the financial statement, Tencent's revenue was 30.441 billion yuan (\$4.688 billion) in Q4 2015, a 45 percent increase year on year. The total revenue was RMB 102.863 billion (\$15.841 billion) in 2015, up 30% from a year earlier. (Huxiu 2016, cited 23.9.2016)

Tencent launched a virtual currency that can be used to pay all of the QQ services and QQ game props, its name is Q coin. Usually 1 Q coin is equal to 1 RMB. (Wiki 2016, cited 29.9.2016)

QQ members, QQ show and Qzone

Tencent is a free, instant chat tool, it has a large number of user resources. But free strategy also makes Tencent could not get direct benefits from the instant messaging tool. Tencent obtains profits through the value-added business services, such as QQ members, QQ show and Qzone accessories.

QQ members have nearly 80 privileges, covering QQ show, games, shopping, etc. There are more than 50 million members. (Baidu 2016, cited 29.9.2016)



Figure 3 QQ show (QQ show 2016. Cited 31.10.2016)

The figure 3 that QQ show. There are many clothes to choose for user's QQ show. QQ show is a QQ virtual image design system. Users could choose virtual clothes, scenes and characters to dress up the virtual image in QQ, QQ chat rooms, Tencent community and so on. (Baidu 2016, cited 3.10.2016)

Qzone was developed by Tencent in 2005, it has functions of blog. Qzone has been many people's favourite. Users can write diaries, blogs, upload photos, listen to music and watch videos. Users could show themselves in many ways. In addition, users can set space background and widgets according to personal favourite, so that each space has its own characteristics.

Qzone is divided into the homepage, status, blog, background music, albums, personal information, shared documents, friend visits, friend show, video show, vote, show the word, and games. According to Tencent's revenue in the third quarter of 2013, there were 623.3 million active accounts in Qzone. It had 645 million users by 2014. (Wiki 2016, cited 3.10.2016)

2.4 Differences between China and Finland

Social media platforms in Finland

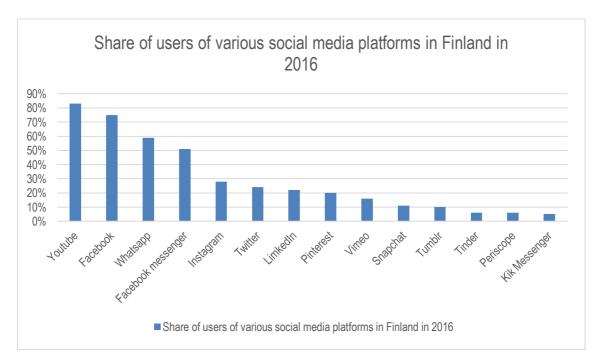


Figure 4 Share of users of various social media platforms in Finland in 2016, cited 31.10.2016

Facebook

Facebook is a social networking service site in the United States, it was founded on February 4, 2004. Facebook was launched by Harvard student Mark Zuckerberg and his roommates. Users could not only send messages, but also upload images and videos. Users can send documents and share users' locations. In Facebook, people can join different kinds of groups based on places, school, hobbies and so on. (Wiki 2016, cited 2.11.2016)

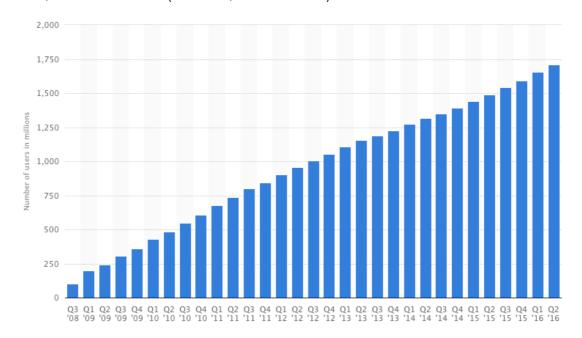


Figure 5 Number of monthly active Facebook users worldwide as of 2nd quarter 2016 (in millions), cited 2.11.2016

From the figure 5, it shows that the number of active users had 1 billion in the third quarter of 2012. And Facebook had 1.712 billion monthly active users in the second quarter of 2016. (Statista 2016, cited 2.11.2016) Facebook is popular not only in Finland, but also in the global.

Profit model

Advertising

Because of the majority of Facebook users are real identify, so Facebook can know each user's real information. This is very important for advertisers. Self-serve advertising makes buyers to choose Facebook users depending on users' age, gender, hobbies and consumption ability. (TheGuardian 2016, cited 2.11.2016)

The third-party applications

Facebook always invest in developing its platform, and open its data as far as possible. Facebook creates best ways of making money for application developers. Facebook does not make money from registered users directly, but from third-party apps. (9to5mac 2016, cited 2.11.2016)

Facebook's Credits

Facebook users can use Facebook's credits to buy virtual gifts directly in the Facebook gift shop. (SocialTimes 2016, cited 2.11.2016)

WhatsApp

WhatsApp is an application used for communications between smartphones. The application can receive messages from relatives, friends and colleagues instantly. It is free to text messages, users can send and receive information, pictures, audio and video. On February 19, Facebook announced that the company has a final agreement with WhatsApp. Facebook purchased \$19.3 billion to WhatsApp. (Wiki 2016, cited 4.11.2016) Facebook has cancelled WhatsApp annual fee of \$0.99 per year. (Investopedia 2016, cited 4.11.2016)

Instagram

Instagram is a free social application, users could share images and videos online. Instagram is released in October 2010. It allows users to use smart phone to photograph after add different filters to the pictures. Instagram could connect with a lot of other social networking platforms, like Facebook, Twitter, Tumblr, and Flickr. (Wiki 2016, cited 8.11.2016) Facebook purchased Instagram for \$1 billion on April 9, 2012. (Time 2013, cited 8.11.2016)

Twitter

Twitter is a social network, and it supplies microblogging service. It allows users to update no more than 140-character messages, these messages are known as "tweets". Users can release information through Twitter website, or use a variety of third-party software, or just in some countries and regions using text messages to release news. Although it is free to release by SMS message, the service provider maybe need to charge for certain text messages. (Wiki 2016, cited 8.11.2016)

Differences

There are big differences between Finland and China. From the introduction of these various of social medias, it shows that there still have some common features. The biggest difference is that Finnish and Chinese use different applications.

The figure 6 shows that Facebook is currently the biggest social media tool on global. And most of people use WhatsApp and Facebook messenger in Finland. But in China, people prefer QQ and WeChat to contact with each other. Finnish receive news from Facebook and twitter, instead of Weibo which is popular in China.

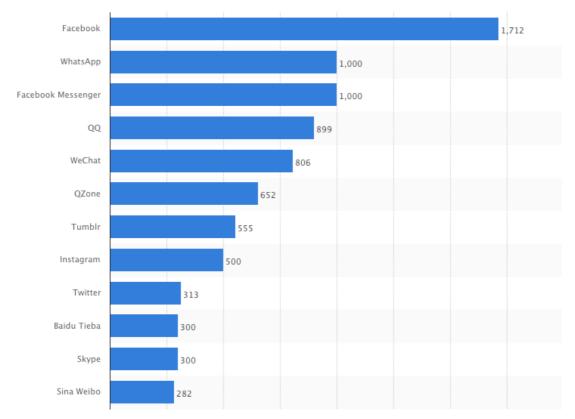


Figure 6 Most famous social network sites worldwide as of September 2016, ranked by number of active users (in millions), cited 8.11.2016

The table 1 shows that these applications have different kind of functions. From the image, it seems that WeChat is more similar with Facebook, Weibo is similar with Twitter.

Table 1 Functions of social media tools

	Text	Voice	Group	video/image	blogger	Payment	Game	Shake	Timeline	Events
Facebook	х	x	x	x	x	x	x		x	x
Whatsapp	х	x	x	x						
QQ	х	x	x	x	x		x			
WeChat	х	x	х	x	x	x	x	x		
Instagram				x	х					
Twitter	х			x	x					
Weibo	х	х		x	х					

The table 1 shows that Facebook has the most functions, only Facebook has timeline and events. Only WeChat has "Shake" function, and it has the second most functions. All of them have video and image functions.

3 WECHAT IMPACT ON SOCIAL LIFE

WeChat improve interpersonal relationship, and promote social employment, innovation of public management, establish a new way of life. WeChat enlarge library's influence, go ahead by setting up its known brand.

WeChat business is growing rapidly, expand the scope of friends, improve friends' interaction. From social acquaintances, to find nearby strangers through WeChat shake. From friends and classmates, to colleagues and business partners, to the activities of interest groups, application, platform. WeChat built huge interpersonal network.

3.1 Why people use WeChat

By the end of 2015, the number of monthly active users for WeChat was increased by 39% to 697 million, and improve the overseas market engagement continuously. The figure 7 shows that WeChat had 806 million monthly active users in 2nd quarter 2016 (Statista 2016, cited 31.10.2016) WeChat has support 20 kinds of foreign language version in more than 200 countries and regions. (Chatterbox 2016, cited 17.10.2016)

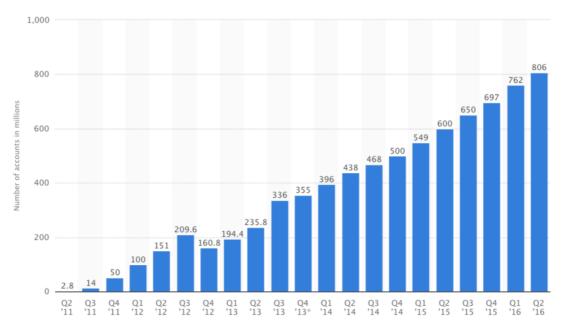


Figure 7 Number of monthly active WeChat users from 2nd quarter 2010 to 2nd quarter 2016 (Statista 2016, cited 31.10.2016)

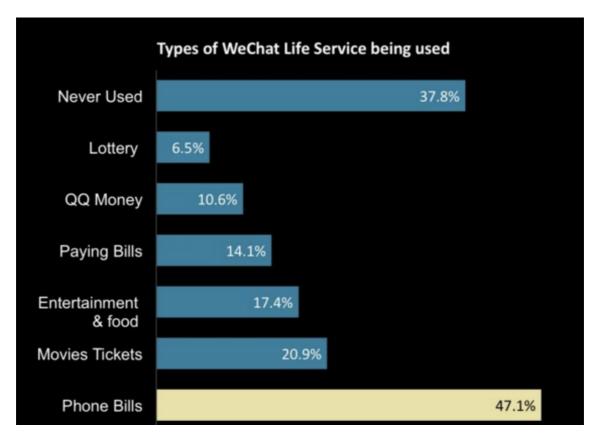


Figure 8 Types of WeChat life service being used (Walk the chat 2016, cited 13.11.2016)

The figure 8 shows that 47.1% of respondents used phone bills, and 37.8% of respondents never used WeChat life services. Users would like to buy movie tickets, entertainment and food through WeChat in China.

Users can go out without wallet, as long as have a smart phone. WeChat could pay for users in the supermarket, buy movie tickets in Taobao. And users can write public comments for restaurant on the payment of WeChat. The figure 9 shows that simple steps to pay on WeChat. Users just need to click some buttons to finish payment. First, users need to connect their own bank card with WeChat. Then, it shows that transfer, order taxi, QQ coins and Lucky money and so on. (Digital strategu consulting 2014, cited 8.11.2016)

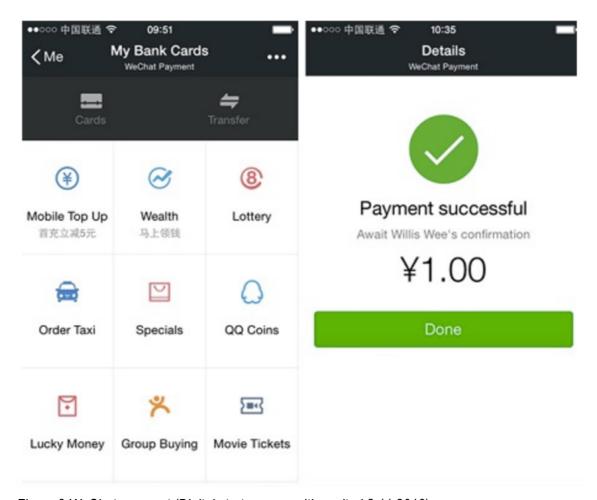


Figure 9 WeChat payment (Digital strategy consulting, cited 8.11.2016)

The figure 10 shows that users like to brows and post on moments, and they also share information on WeChat. Public accounts are very popular in WeChat; it has 39.8% users would read contents through public accounts. Red pocket, also named "lucky money", users like to use it more and more.

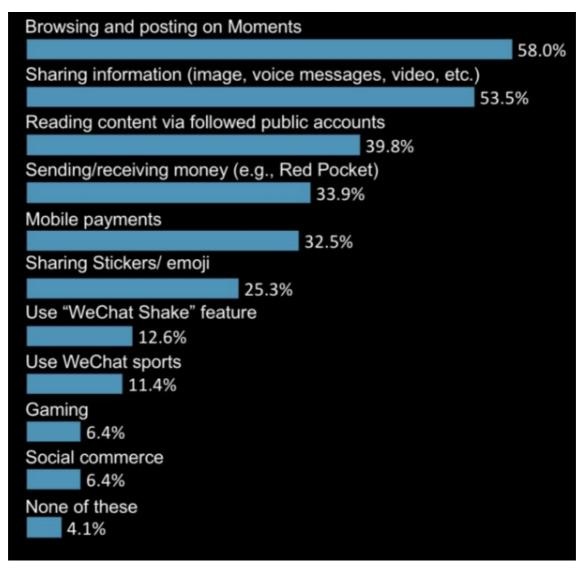


Figure 10 WeChat Activities conducted daily by WeChat users in China, March 2016 (Walk the chat 2016, cited 13.11.2016)

From the figure 11, it shows that 37% of users have 100-199 friends in WeChat. 12.2% of users have more than 200 friends.

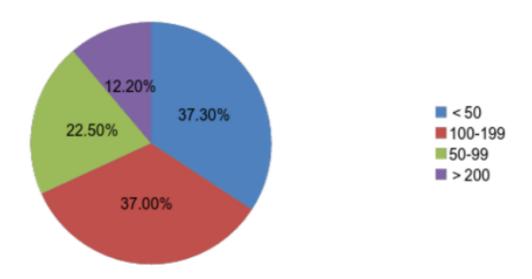


Figure 11 WeChat users' number of friends distribution (Yiva 2016, cited 31.10.2016)

WeChat becomes mobile users' first choice to get information. WeChat built a network of information transmission structure, speed up the transmission to reduce the loss of time, users can get information quickly.

There is a large number of people connect with each other via WeChat. WeChat helps to improve the frequency of interaction. Users make new friends through WeChat. And most of them use WeChat for browsing and posting on moments, sharing information.

3.2 WeChat social impact

WeChat brings convenience for people's life, but it also brings some troubles for people in China. This section will analysis advantages and disadvantages of WeChat.

3.2.1 Advantages

There are many advantages of WeChat. One of the most important is that WeChat change the way of people's life in China.

Change the way of life

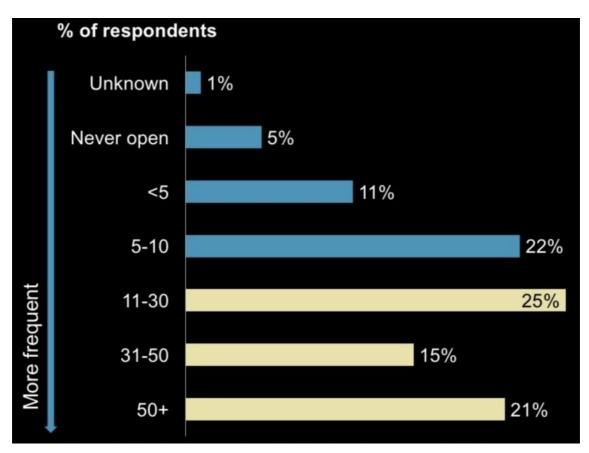


Figure 12 Number of times per day that WeChat users in China open WeChat (WalkTheChat, 2016, cited 13.11.2016)

The figure 12 shows that 61% of users open WeChat over 10 times per day, 21% of users open WeChat more than 50 times each day. Only 5% of users never open it. (WalkTheChat, 2016, cited 13.11.2016)

Before WeChat is developed, Chinese people contacted with each other mainly through phone calls. In China, telephone communication expenses are very expensive so that most people only make a phone call when necessary. WeChat makes people to contact with each other at a low price whenever and wherever. (Baidu 2016, cited 13.11.2016)

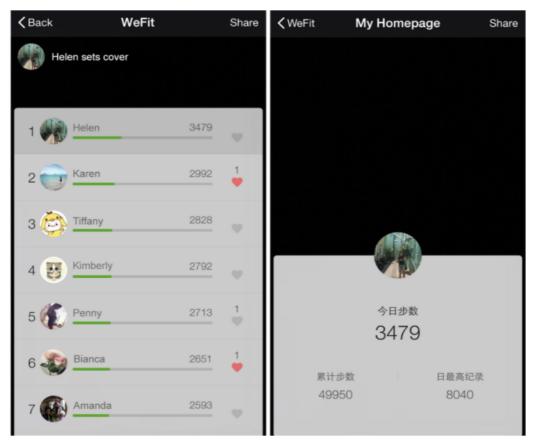


Figure 13 WeChat sports (VentureBeat 2016, cited 13.11.2016)

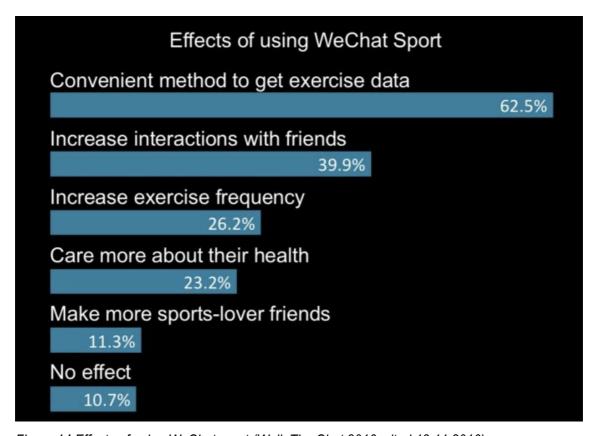


Figure 14 Effects of using WeChat sport (Walk The Chat 2016, cited 13.11.2016)

The figure 13 shows that WeChat's new WeRun fitness tracker as users followed the official account, and let WeChat to read the data. (VentureBeat 2016, cited 13.11.2016) The figure 14 shows that 62.5% of the WeChat sports users think that they could get exercise data daily conveniently, which incentivize users to work more and more. 39.9% of users think that it could increase interactions with friends because users can see friends' data which shows in figure 13. 26.2% of users would increase exercise frequency.

WeChat has many useful functions. Except the WeChat sports, it provides various services for users, such as messaging, shopping, making payments and entertainment. For example, users can buy train tickets with WeChat immediately. People used cash a lot before WeChat is invented, now Chinese people prefer to pay with their phones. (Bloomberg 2016, cited 13.11.2016)

WeChat changed the ways of communication and consumption. People can buy what they want easily by WeChat, and people's payment is more convenient.

Promote social employment

WeChat opens platforms, connects economic society in various fields and speeds up the industry development. WeChat increases new jobs and employment opportunities. For example, enterprises need to operate information systems, so they need more and more maintenance workers, developers and managers.

3.2.2 Disadvantages

On the surface, WeChat expanded people's friends. But to be honest, people does not know these so-called "friends" so much, maybe only know their names.

Through the comparison with last year, the emotional content became especially popular. Emotional articles reading share rose to 34% from 21% last year. Entertainment content has 41% share of the total page views. Health content is 14%, which is same with last year. Emotional content has exploded, more and more users need to find comfort. (Kantar 2016, cited 13.11.2016)

The number of people who think that social media brings positive impact to their life is still reducing, from 65%(2015) to 61% (2016). 15% of respondents think that social media make their life worse,

2 points more than last year. 24% of respondents said that social media did not let the life become better or worse. In this year, China social media influence satisfaction score is 67.0, down from 68.0 last year, and it (73.4) was the highest in 2014. (Kantar 2016, cited 13.11.2016)

4 WECHAT IMPACT ON ECONOMY

4.1 WeChat marketing

Compare Chinese social media users with users in the United States, Britain, France and Brazil, the Chinese people's enthusiasm ranked third. In all these countries, women are more active than men in social media. In China, women (58%) is higher than men (54%). Obviously, no matter in which country, women prefer to share things, and social media provides an ideal platform. If a brand's main target audience is female consumers, it should make hot topics in social media for advertising. (Kantar 2016, cited 13.11.2016)

WeChat marketing is everywhere. For example, restaurant, cosmetic, real estate agents, hotel and bank, all of them have their own public platform. Their QR code is plastered in their own stores and various promotional materials.

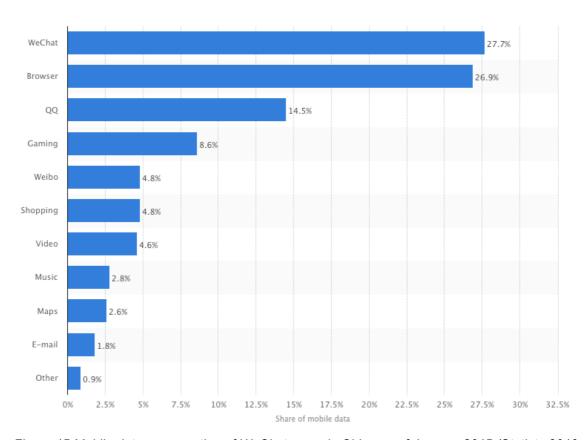


Figure 15 Mobile data consumption of WeChat users in China as of January 2015 (Statista 2016, cited 15.11.2016)

From figure 15, it shows that WeChat had the largest mobile data consumption in China in January 2015, it was 27.7% whereas 26.9% of data consumption in browsing with mobile. The popularization of WeChat promotes the user consumption of data, it becomes an engine to increase the consumption of mobile data.

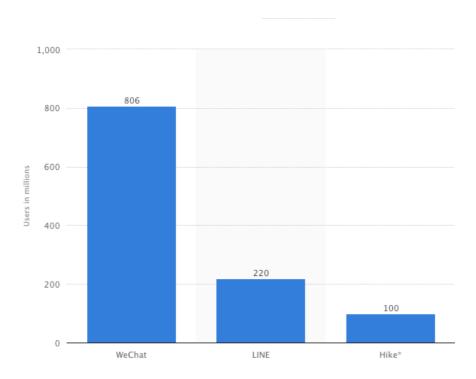


Figure 16 Most popular Asia-based mobile messenger apps as of 2nd quarter 2016, based on number of monthly active users (in millions) (Statista 2016, cited 14.11.2016)

Figure 16 shows that WeChat had a big marketing in Asia compare with Line and Hike. WeChat has so many users, because it could rely on active users of QQ. Now Tencent pay more attention to WeChat development.

4.2 Business uses WeChat

4.2.1 Advantages

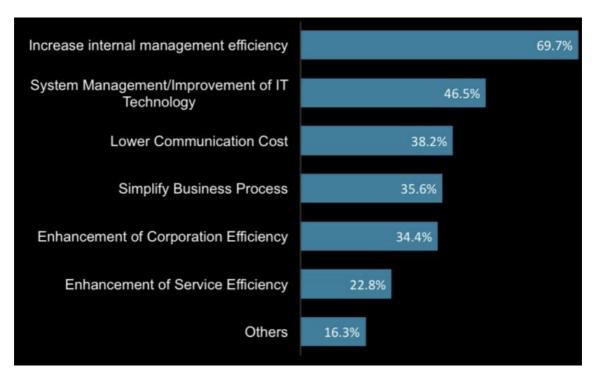


Figure 17 Main usage and influence of WeChat enterprise accounts (Walk the chat 2016, cited 13.11.2016)

The figure 17 shows that 69.7% enterprise account users think that WeChat could increase internal management efficiency. WeChat is also helpful for system management of IT technology, communication, and simplify business process.

Nowadays, the function of WeChat starts from social communication to social and economic development. Employees contact with each other quicker and easier. WeChat makes corporation and service more efficient. Especially for business enterprises, they could know the latest news and business processes immediately. At last, WeChat reduce the cost of communication very much.

Companies add friends with users who follow the public accounts, so that companies can spread advertisements to them. Sales also could look for customers' WeChat moments, and interact with them in moments. The most important thing is that sales could know more target strangers, let

customers recommend more and more accurate target strangers. The enterprise marketing need it very much.

As a closed circle, WeChat does not have the public social feature. So WeChat is more suitable for member marketing. Customers can share the photos, comments, answer questionnaires and so on. The way is efficiency and convenient for enterprises.

4.2.2 Disadvantages

Overseas market development strategy is not reasonable

WeChat explores foreign markets. It hopes to have influence in overseas markets. Chinese enterprises, especially the Internet companies do not understand Finnish market, do not understand Finnish users' habits. If WeChat wants to enter overseas markets, it needs to change some functions to attract foreigners.

User experience

WeChat marketing is based on the strong relationship network. If WeChat regardless of the users' feeling, push all kinds of unattractive advertisements to users, it will make users offensive. Enterprises should make good use of WeChat, let merchants and customers could communicate sincerely.

4.3 B2B

Without WeChat, B2B communication model is affected by hardware conditions and it cannot attract user participation with its boring contents. In terms of timeliness and interaction, mobile client is better than it.

First of all, WeChat platform absorbs industry experts, experts could communicate and solve problems for enterprises timely. Second, WeChat provides more opportunities to enhance communication for enterprises. At last, WeChat could help to collect information timely and effectively. So WeChat can promote cooperation and improve the efficiency of cooperation.

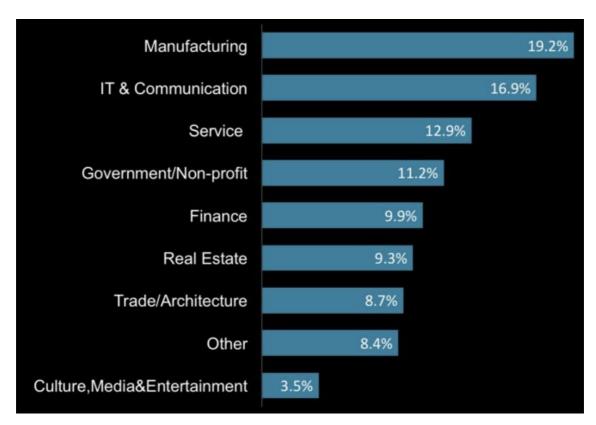


Figure 18 Industry distribution of enterprise account (Walk the chat 2016, cited 13.11.2016)

The figure 18 shows that 19.2% of companies in traditional manufacturing industry has WeChat enterprise account. There is only 3.5% of companies in culture, media and entertainment has enterprise account.

4.3.1 Build WeChat channel

For B2B new media marketing, WeChat account can help to find more and more business opportunities and improve sales. WeChat channel also could convert business opportunities with lower cost and set up enterprises' brands to improve their image.

The figure 19 below shows that 79.3% of WeChat users followed official accounts and 18.9% of WeChat users followed brand channels as of January 2015. Now build B2B public account is so important for enterprises.

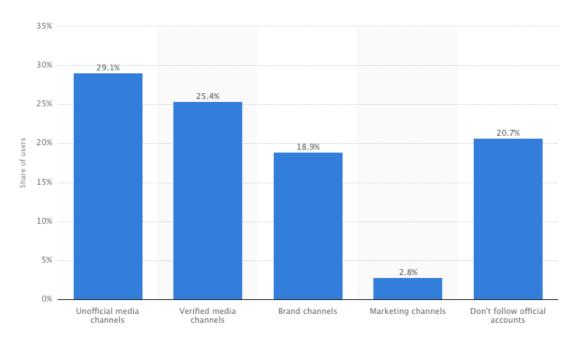


Figure 19 Share of WeChat users in China who follow official brand accounts as of January 2015 (Statista 2016, cited 16.11.2016)

Build a WeChat official account steps



Figure 20 Create WeChat account (Weixin 2016, cited 21.11.2016)

Step 1

Fill in email, password, confirm password, and captcha. Then check and accept terms of service.



Figure 21 Verify email address (Grata 2016, cited 21.11.2016)

Step 2 As you received the email, click the link in the email to active the account.



Figure 22 Account types (Weiweixiao 2016, cited 21.11.2016)

Step 3

The figure 22 shows that you need to select an account type. As you choose a type, you cannot change it any more. There are three accounts, include subscription account, service account and enterprise account.

From the figure 22, the first one is the subscription account. It is suitable for individuals and enterprises. The account could send a group message per day. It does not have payment function. The second one is the service account. It is not suitable for individuals. It could send four group messages per month. And it also can apply for payment function. The last one is enterprise account. It is helpful for companies' internal communication. It does not have limitation on group messages.



Figure 23 Account details (Weiweixiao 2016, cited 21.11.2016)

Step 4

Figure 23 shows that you need to upload your business licence, Chinese ID, and WeChat application form. All documents need to be saved as .jpg, .jpeg, .bmp, or .gif.



Figure 24 Account information (Weiweixiao 2016, cited 21.11.2016)

Step 5

The figure 24 shows the last step, you need to enter account name, account description and select location.

4.4 B2C

B2C e-commerce refers to achieve a variety of business activities, trading activities, financial activities and comprehensive service activities through the information network and electronic data between businesses and consumers or business organizations.

4.4.1 Ways to attract customers and advertise on WeChat

WeChat official account should have a clear positioning: target customers and products' uses. As everyone knows, not all products and brands are suitable for marketing in the WeChat. Before making marketing in WeChat, companies need to make sure products' features to enlarge the characteristics of the brand.

Weibo is a public platform so that it has widespread effect, but WeChat is different. WeChat is a closed loop, so WeChat needs to attract fans through other social medias, like Weibo. Compared with Weibo, customer service of WeChat is more humanization. WeChat fans are more accurate.

WeChat is more suitable to maintain strong relationships, Weibo is more suitable for promotion marketing and the development of new customers. Enterprises can maintain Weibo and WeChat at the same time.

Both large enterprises, small and medium enterprises, or just sales, even beauty makeup blogger, user interaction is very important. Companies need to pay attention to each user, understand their basic information and personal preferences. In the process of communication with customers, the company sales should highlight the product performance and exceed customers' expectations. Through WeChat, staffs can mobilize users' curiosity to make them more positive and enhance customer participation.

Large enterprises

Big companies have a powerful media resources, funds and user base. Large enterprises need to advertise in various channels, let more and more people subscribe the WeChat official account. For example, company could make hot topic in Weibo to attract attention. It is a traditional promotion in China. Companies need to make strict maintenance requirements. The official account should public high quality articles.

Big companies could put target advertisements in WeChat. WeChat is a relatively social media tool, so big companies should control the amount of WeChat ads in case of popular discontent.

Based on the big company's profile, it is easy to cause public attention. Big companies need to make sure each detail is done perfectly. WeChat public service account reflects the details of the company. WeChat is helpful to improve after-sales services. For example, Coca-Cola is a big and global company, its WeChat official account is shown as the figure 25 below. The account always public activities and it includes the introduction of Coca-Cola products, activities' information and results, and "my dream" which connect Coca-Cola with customers.



Figure 25 WeChat official account of Coca-Cola in China

Small and medium enterprises (SMEs)

Small and medium enterprises share content to WeChat, or share WeChat content to the site. WeChat users have a more intimate relationship between each other, so when a good is shared by a user to friends, the action is an effective marketing. Although the approach is difficult to make the product to have high popularity in a short time, it is suitable for word-of-mouth marketing products.

WeChat public accounts recommend to each other

The company could find other companies, which have similar user groups, to recommend each other. It is popular to recommend several accounts at the same time. The way is simple and quick, the effect is good. But the premise is the number of fans need to reach a certain number. Companies can accumulate fans first, then cooperate with others.

Send gifts/red envelopes

Company can send gifts or red envelopes (lucky money) directly. Gifts can be trial products, vouchers, bookmarks, canvas bags and so on. Such as cosmetics can send samples to fans. General processes are make trial products, event promotion, attract registration, data analysis, cost statistics and effect analysis.

Ugou is a Germany's first B2C Chinese online Asian supermarket. The figure 26 shows its official account, it publishes activities and new goods. Customers could get 2 euros as they write a blog in Weibo or share moments in WeChat with a picture.



Figure 26 WeChat and Weibo official account of Ugou

Seller

Sales can share wonderful contents to moments as soon as possible by mobile and PC client. Users scan sales' QR codes. The active prove at least that users are interested in the products, so sales only need to recommend users to buy the suitable products. Sales managers can recruit agents to promote the products. Agents share moments in WeChat to attract new customers again and again.

The figure 27 shows that a sale's WeChat moments. Sale shared products' functions and features to attract customers, the far right picture shows that they trade through WeChat transfer function. It is very convenient.



Figure 27 Sale's moments in WeChat

Fees

WeChat public platform apply for WeChat certification. User need to pay audit fees for 300 Yuan per time. In order to support the development of e-government, it is free for government to apply for public account. (QQ 2016, cited 22.11.2016)

WeChat moments advertising fee is depending on regions and gender. For non-targeted area, it is 40 Yuan per one thousand exposures; For oriented cities (Beijing, Shanghai), it is 140 Yuan per one thousand exposures; For directional cities (Guangzhou, Shenzhen, Chengdu, Wuhan, Tianjin, Hangzhou, etc.), it is 90 Yuan per one thousand exposures. Oriented gender process were 1.1 times based on the original fee. (Baidu 2016, cited 22.11.2016)

5 CONCLUSION

With the improvement of people's attention to WeChat, WeChat has gradually become a marketing platform. Each WeChat user is a potential marketing object. Users, enterprises and institutions share moments, such as products' information, activities and experiences, to establish good corporate image and product's image. So they could achieve marketing purposes.

WeChat promotes China's economy very much, it increases many job opportunities. For example, housewives just need to share moments in their leisure time to get benefits, employees also can manage their small businesses in WeChat to increase income. WeChat provides a powerful platform for small and medium enterprises, small and medium companies do not need to pay high advertising expenses. They could develop more WeChat sales, and manage WeChat marketing better and better.

WeChat has many advantages. On the one hand, WeChat marketing is very accurate, it includes the precise location orientation and accurate crowd orientation. On the other hand, WeChat costs is lower than other social media tools.

Enterprises want to get success in WeChat marketing, first of all, they need to focus on a product. The second, enterprises need to make clear product position and target customers. The third, enterprises should have excellent customer service. At last, maintenance staffs of enterprises are good at operating WeChat groups and organize activities online.

The reason why I choose this topic is that I personally feel the huge influence of WeChat and its potential business benefits. Of course, challenge is everywhere. One challenge is users' preferences. Users may quickly turn to other communication tools. Another challenge may come from Alibaba. It is Tencent's competitor. Tencent has enjoyed more than a decade of crazy growth and development in the domestic market. Now, it is time for Tencent to reorganize its future development prospects.

I hope that the thesis is helpful for global enterprises to understand the impact of WeChat in China, and they could use WeChat to attract more and more customers. In the future, others could

continue with my thesis to find more ways to enter Chinese marketing, and to discuss WeChat's benefits for foreign companies. Others also could develop more functions of WeChat for foreigners.

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