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JINGDIGITAL

# WECHAT LUXURY INDEX.

2022

THE DEFINITIVE WECHAT BENCHMARK  
FOR LUXURY BRANDS



# FOREWORD

# WECHAT LUXURY INDEX.

As Shanghai emerges from the throes of a city-wide lockdown that took place over spring this year, the spotlight on the private domain – namely, WeChat – and the ability of brands to engage with consumers through its related digital properties has intensified. How are brands measuring up, and what are the relevant direct marketing and marketing automation tactics that brands should be using on this channel?

Launched in 2018, the WeChat Luxury Index is the **only luxury-specific industry report offering insights based on non-public data**, and allows brands to benchmark their performance in the industry against indicators that really matter.

In this latest edition of the report, we look at how brands can better capture, nurture and optimise their WeChat communities by putting the right frameworks in place and setting appropriate KPIs. The digital landscape in China is in constant flux, and moving at breakneck speed. Is your brand well-prepared for the road ahead?



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# WECHAT IN BRIEF.

WeChat is China's leading digital platform that offers a range of services including messaging, social media, payments, and e-commerce. It was launched in 2011 and now has over 1.268 billion monthly active users in China as of December 2021.

WeChat has become one of the most important marketing channels for brands in this market because it is one of the few online ecosystems that can effectively span the entire consumer journey.



## PENETRATION

More than 1.268 billion monthly active users (MAU) as of December 2021



## SERVICES

Messaging, payments, e-commerce, loyalty programmes, etc



## USER EXPERIENCE

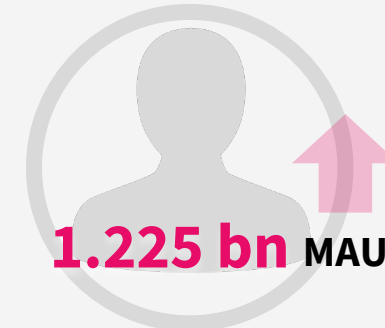
Integrated, seamless access to information and services within ecosystem



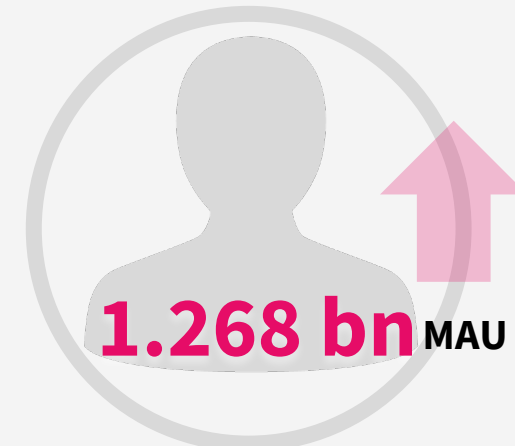
## ONLINE TO OFFLINE

QR codes help to bridge the gap between the online and offline worlds easily

2021

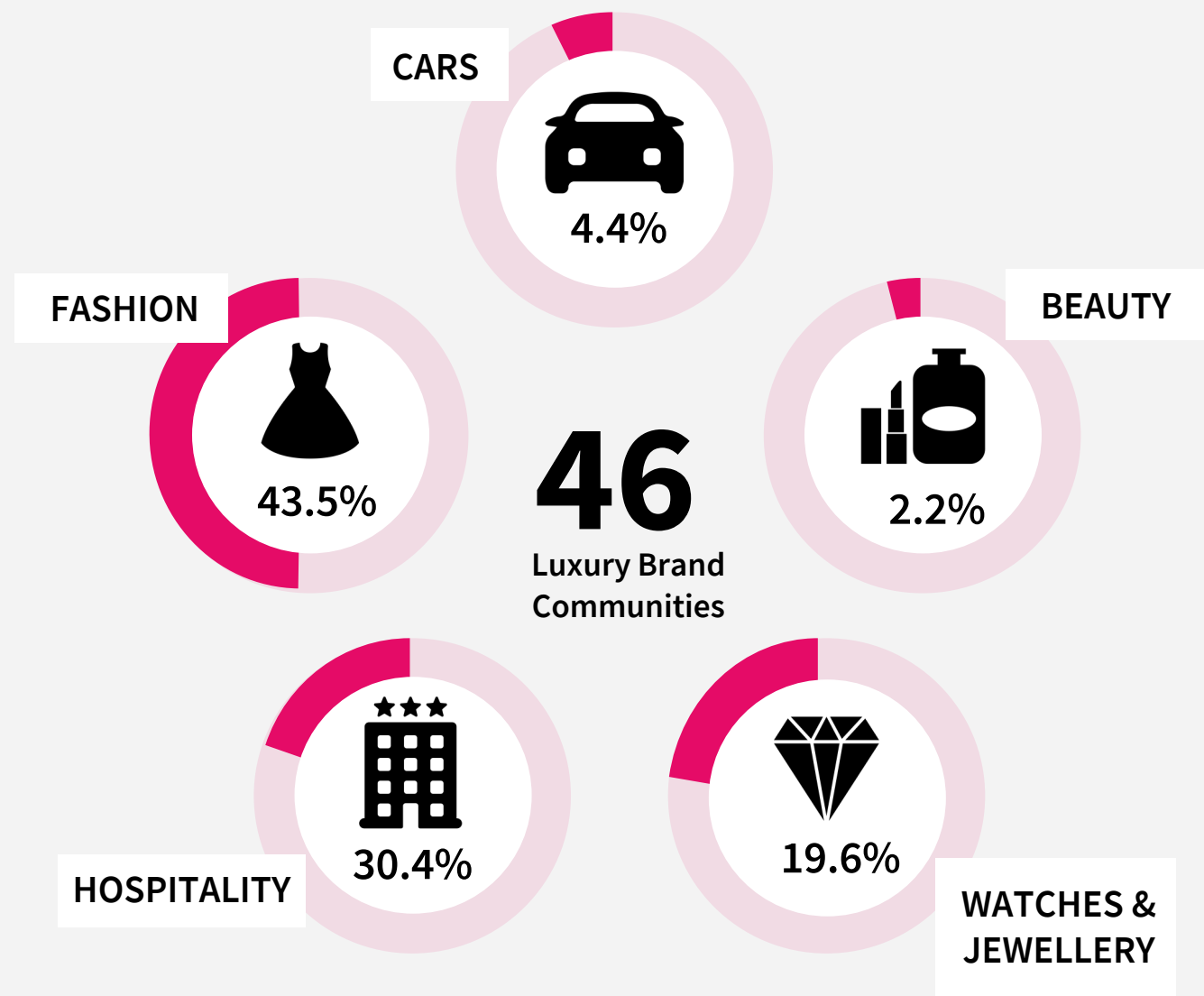


2022

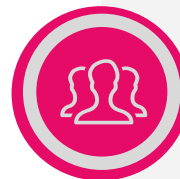


# METHODOLOGY SCOPE OF STUDY.

Community sizes of  
**7,500 to**  
**>9.5 million**



# REPORT STRUCTURE CHAPTERS.



## CAPTURE

This section covers all audience capture-related metrics, and how brands can better acquire new followers by examining these areas



## NURTURE

This section examines engagement-related metrics, and how brands can better nurture their audiences based on these indicators



## OPTIMISE

This section focuses on the indicators and frameworks that drive overall content performance

# CHAPTER 1

# **CAPTURE.**



## **CAPTURE**

This section covers all audience capture-related metrics, and how brands can better acquire new followers by examining these areas

- **1.1 OVERALL GROWTH**
- **1.2 RECRUITMENT CHANNELS**
- **1.3 SETTING KPIs**

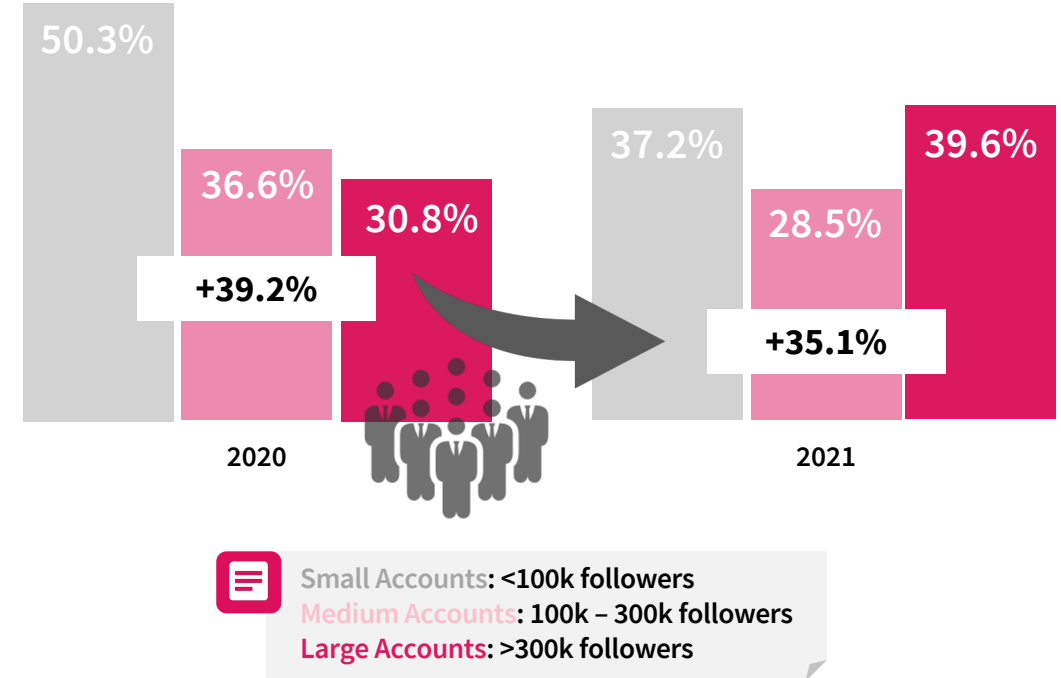
# OVERALL GROWTH GROWTH RATES.

Overall, the **growth rate of brands' WeChat communities slowed in 2021 compared to 2020**. While the growth rate of large accounts (>300,000 followers) grew from 30.8 per cent in 2020 to 39.6 per cent in 2021, the growth rate of small accounts (<100,000 followers) and medium-sized accounts (100k – 300k followers) fell from 50.3 per cent to 37.2 per cent and 36.6 per cent to 28.5 per cent respectively.

While the overall community growth in 2021 was lower than that of 2020, it was still a significant 35 per cent, indicating that **brand WeChat communities are still flourishing**. Back in early 2020, when the pandemic first hit, brands started accelerating their digital transformations in China and increasing investments on local digital platforms to better engage with and convert consumers in the absence of physical touch points. This continued growth is a likely consequence of that.

However, the **digital ecosystem in China is becoming more saturated**, with more emerging digital platforms such as RED and Douyin competing for consumer attention. This may result in the overall WeChat community growth rate slowing further in the coming years.

## COMMUNITY GROWTH RATE

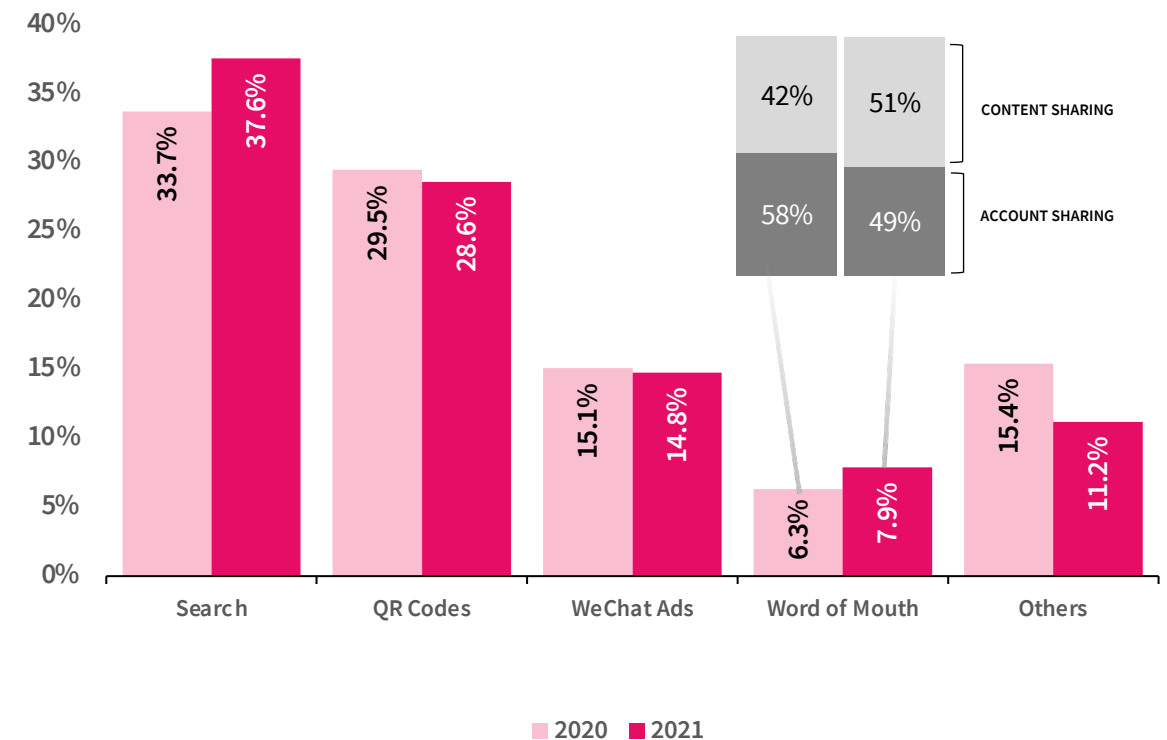


# RECRUITMENT CHANNELS ALL SOURCES.

**Search remained the most popular recruitment channel in 2021**, with a slight increase of recruitment share from **33.72 per cent in 2020 to 37.56 per cent in 2021**. While brands cannot influence customer search intentions because they are shaped by brand equity and top of mind recall, they can influence what appears on a consumer's keyword search by investing more in this channel, such as by creating a dedicated brand zone or making sure that their content is optimised for search within the WeChat environment.

**QR Codes come in a close second at 28.6 per cent, and continue to be a significant driver of follower recruitment** that brands can directly impact. By developing comprehensive QR Code recruitment strategies and including them in the offline sales ceremony, brands can effectively capture high quality followers. **Word-of-mouth channels remain limited in terms of their ability to recruit fans (approximately 7.90 per cent)** in 2021. This once again highlights that brands cannot rely on the notion of content sharing to build their communities on WeChat, as WeChat is not a traditional social media. The WeChat Official Account environment is a helpful platform for **nurturing consumers that are already interested in the brand, but it will not serve to drive awareness of the brand**.

## RECRUITMENT SOURCES



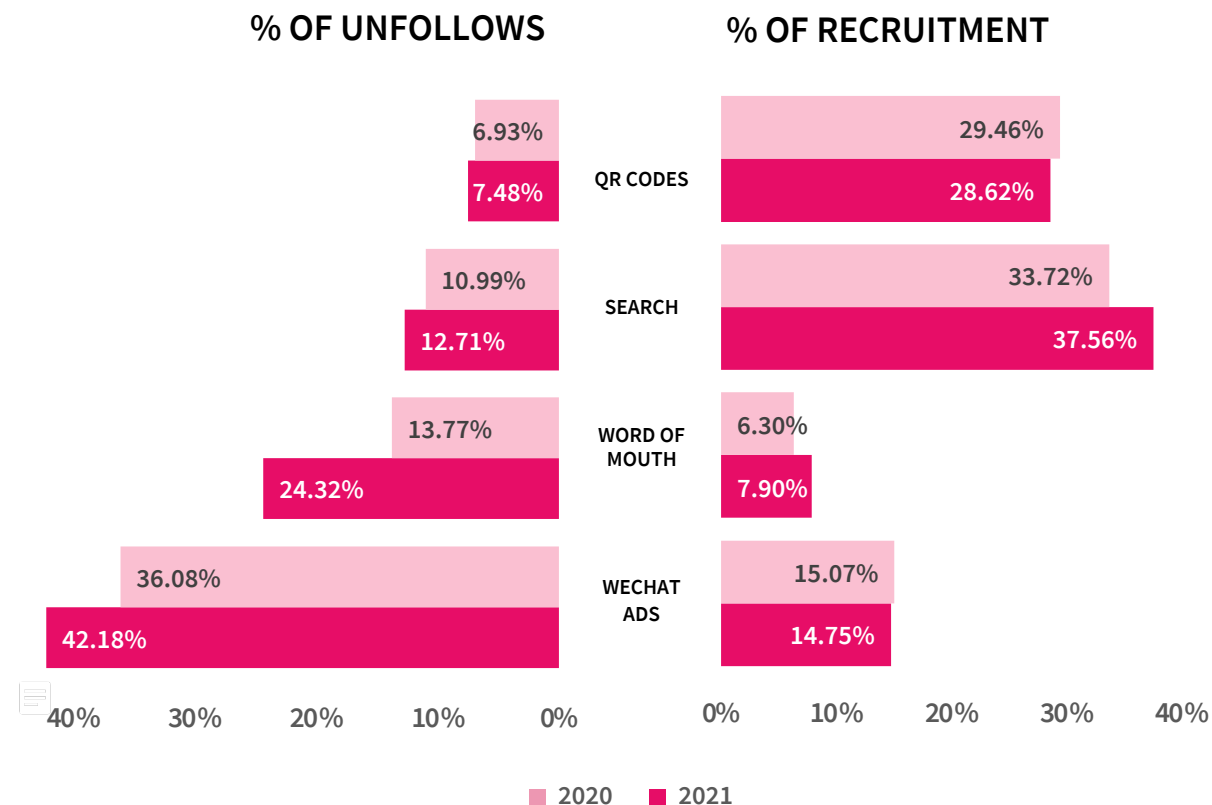


# RECRUITMENT CHANNELS UNFOLLOW RATE.

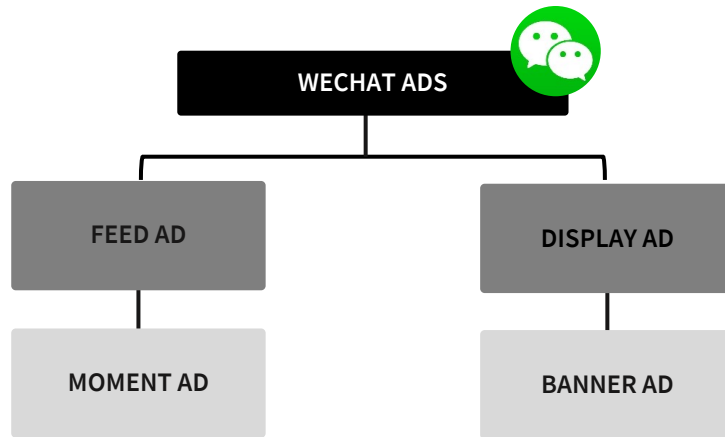
While the proportion of followers recruited through WeChat Ads is rather significant at 14.75 per cent, over 42 per cent of users recruited through this channel end up unfollowing the brand. This suggests that while paid advertising might help brands to get exposure and grow their communities quickly in the short term, this tends to be unsustainable. Consumers ultimately only stay as followers if they are truly interested in your brand.

In contrast, followers recruited through channels like Search and QR Codes tend to have a lower unfollow rate. The former accounted for 37.56 per cent of recruitment in 2021, and only 12.71 per cent of them ended up unfollowing the brand, while the latter channel made up 28.62 per cent of all fan recruitment and only had 7.48 per cent of these users unfollowing.

As such, it appears that **followers acquired through organic channels have a higher retention rate**. So while brands should continue to make use of paid advertising during key campaign periods for increased exposure, they should also pay closer attention to their fan recruitment initiatives through organic channels and continue to nurture these fans on the WeChat Official Account over extended periods of time.



# RECRUITMENT CHANNELS PAID ADS.



Moment Ads and Banner Ads are the two main ad types offered on WeChat. Moment Ads appear in a user's WeChat Moments feed, sandwiched between posts from the user's WeChat friends. Often used by brands for large scale campaigns, festivals or milestones, Moment Ads offer more exposure – but come at a high cost. Banner Ads typically appear at the end of a piece of content. Both ad types can redirect users to specific landing pages, both within and outside the WeChat ecosystem.

▶ **AVG. COST PER MILLE**  
~ ¥ 65

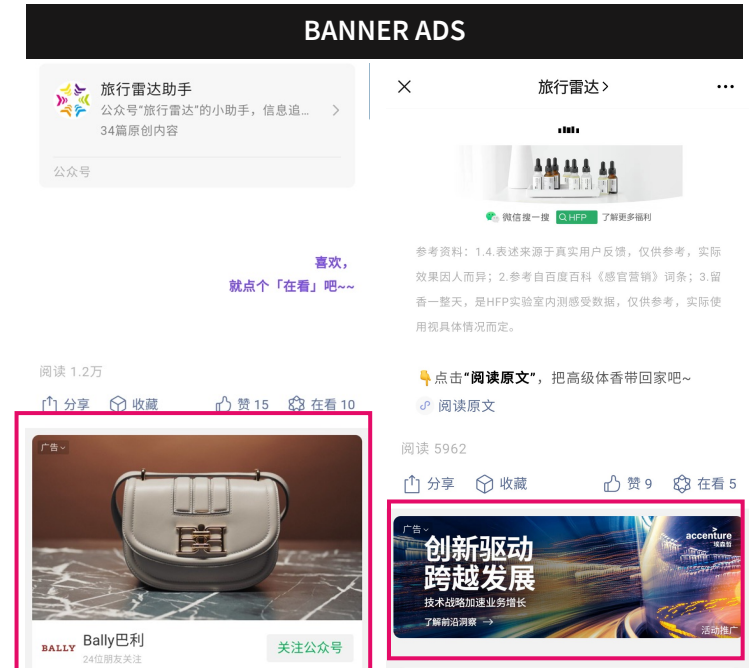
▶ **AVG. COST PER FOLLOWER**  
~ ¥390



Features either a key visual or video of the brand's choosing and is displayed on a user's Moments feed, reaching a wider audience range. Increases the exposure of brand activities for a short amount of time.

▶ **AVG. COST PER MILLE**  
~ ¥ 27

▶ **AVG. COST PER FOLLOWER**  
~ ¥ 15



Lists the name of brand Official Account and directs users to directly follow account. Appears at the end of WeChat articles based on parameters selected.

Small banner with key visual defined by the brand. Appears at the end of WeChat articles based on parameters selected.

# RECRUITMENT CHANNELS

## PAID ADS.

There are several ways brands can **enhance the performance** of their Moment Ads, one of which is through **lookalike targeting**. This method of targeting requires brands to feed the Tencent Advertising platform with the WeChat IDs of its existing followers. The platform then only shows these ads to other WeChat users in the Tencent database that **share similar characteristics with the brand's current fanbase**.

Data has shown that the **clickthrough rate of ads published via this method saw increases of up to 157 per cent**, depending on the product category. This method not only helps brands to grow their communities more efficiently, it also ensures that they are targeting and recruiting quality, like-minded followers that have a higher propensity of engaging with the brand and staying as followers over longer periods of time.

Brands can also choose to do **retargeting by leveraging SCRM data to re-engage consumers that interacted with the brand previously** but did not end up making a purchase. This can also help to drive conversions on a brand's WeChat Store.



### LOOKALIKE TARGETING

#### AD CLICKTHROUGH RATES

GAMING: +85%  
ONLINE SERVICES: +77%  
E-COMMERCE: +157%  
FINANCIAL SERVICES: +148%



### RETARGETING

#### CASE STUDY

Audience: Users that visited Fila's WeChat Store  $\geq 3x$  but did not make a purchase

ROI:  $\uparrow 1.46x$   
CONVERSION RATE:  $\uparrow 35x$

# SETTING KPIS RECRUITMENT TARGETS.

ORGANIC FOLLOWERS	PROSPECTS
Current Fanbase $\times$ Linear Organic Annual Growth	# POS in China $\times$ AVG Daily Foot Traffic $\times$ 365 days $\times$ Conversion Rate (%)
PAID FOLLOWERS	CLIENTS
Marketing Budget $\div$ AVG WeChat Advertising CPF (Moments or Post)	(Existing CRM Customers $\times$ Onboarding Rate) $+$ (New Customers $\times$ Onboarding Rate)

$$\Delta = \text{ORGANIC FOLLOWERS} + \text{PAID FOLLOWERS} + \text{PROSPECTS} + \text{CLIENTS}$$

- Instead of setting growth targets arbitrarily, brands can derive a **realistic growth target to work towards** based on the following formula (left).
- By breaking down potential followers into segment types, brands will be able to identify **key growth opportunities across segments** and develop specific strategies to target each consumer group as well.

# SETTING KPIS

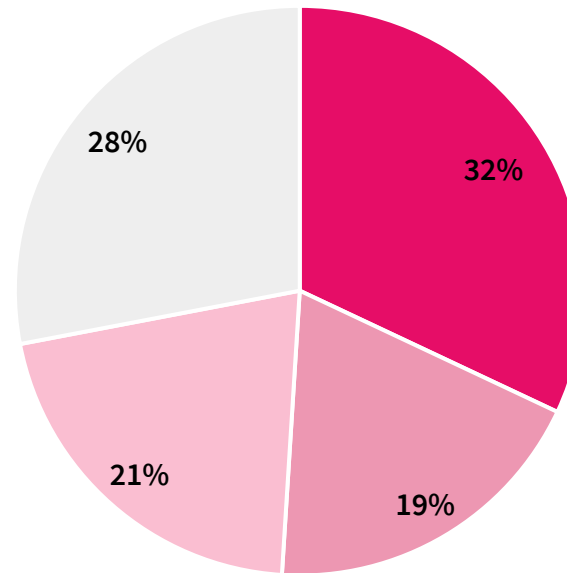
## EXAMPLE CASE STUDY.

### EXAMPLE

Brand X has been operating in China for a while, and is now looking to understand what would be a reasonable KPI to set in terms of community growth.

#### Current Situation:

- 400,000 followers
- 3 million RMB WeChat media budget for next year
- 60 stores across China, with an average of 40 visitors per day, 10 per cent captured on WeChat
- With the help of a WeChat loyalty programme, the brand will on-board 40 per cent of its current CRM database and 90 per cent of future customers



■ Clients  
■ Organic Followers  
■ Paid Followers  
■ Prospects

Organic Followers	60,000	19%
Current Fanbase	400,000	
Annual Organic Growth		15%

Paid Followers	65,385	21%
WeChat Media Budget	¥ 3,000,000	
% Allocated to Banner Ads		30%
AVG Banner Ad CPF	¥ 15.00	
% Allocated to Moment Ads		70%
AVG Moment Ad CPF	¥ 390.00	

Prospects	87,600	28%
# of Stores	60	
AVG Foot Traffic per year	876,000	
Onboarding Rate		10%

Clients	98,840	32%
Existing CRM contacts	50,000	
CRM Onboarding Rate		40%
Average New Customers per year	87,600	
Onboarding Rate		90%

Assets		
Sales Ceremony Onboarding		Yes
Loyalty Programme		Yes

<b>Current Followers</b>	400,000
<b>Δ</b>	311,825
<b>KPI</b>	711,825

# CHAPTER 2

## **NURTURE.**

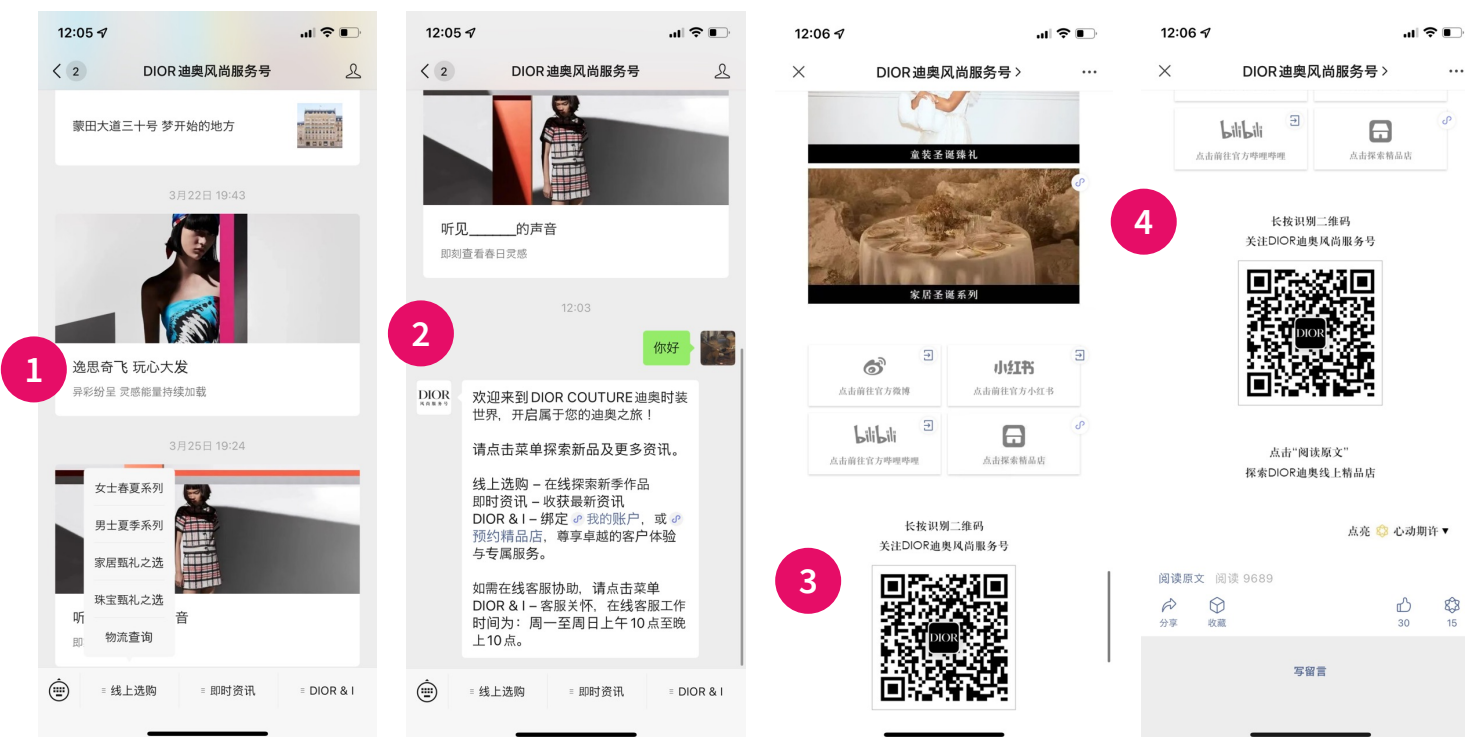


### NURTURE

This section examines engagement-related metrics, and how brands can better nurture their audiences based on these indicators

- 2.1 POST FREQUENCY
- 2.2 OPEN RATES
- 2.3 FOLLOWER ACTIVITY
- 2.4 ACTION TYPES
- 2.5 FOLLOWER RETENTION

# NURTURE METHODOLOGY.



## ENGAGEMENT ACTIONS

For the purposes of this study, only actions made within the Official Account environment have been tracked. Tracking such interactions is only possible with a social CRM back-end in place.

**Actions tracked include:**

1. Menu Clicks
2. Messaging
3. QR Codes
4. Post Interactions
  - Link Clicks
  - Comments
  - Shares
  - Favourites
  - Read More

# NURTURE EXTENDED WECHAT TRACKING.



## OTHER ENGAGEMENT INDICATORS

On top tracking actions within the Official Account, brands also have the option of tracking behaviours on **Mini Programs and other web assets** using the WeChat JS SDK. These actions are not included in this study.

Examples of other trackable actions include:

1. Mini Program activity
2. Follower data collected via forms
3. Product preferences based on interactions
4. Conversions on Mini Programs



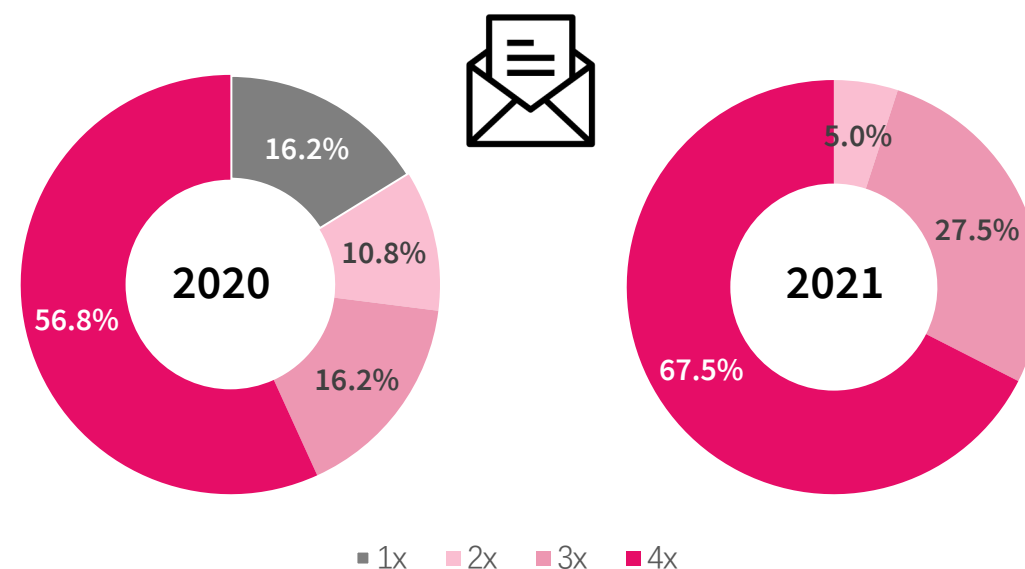
# POST FREQUENCY NUMBER OF PUSHES.

Over 95 per cent of the WeChat Official Accounts in the study made **three or more content pushes per month on average**, indicating that luxury brands are no longer at the stage where they are present on WeChat simply for the sake of being present, and have **reached a level of maturity where they are frequently posting content to actively nurture followers** on the Official Account.

However, it should be noted that increasing the frequency of content pushes does not necessarily bring brands meaningful return on investment (ROI). Content comes at a cost, and **brands should consider the stage at which their business is at in the market, the size of their WeChat audience and their ability to produce valuable content** before ramping up investment on this front.

For instance, if a brand is at the awareness building stage, then producing more content on WeChat will not help to address its goal of growing its community. However, if the brand already has a sizeable audience on WeChat, increasing the frequency of quality content pushes can help to nurture leads and move them to the next stage of the consumer journey.

NO. OF PUSHES PER MONTH



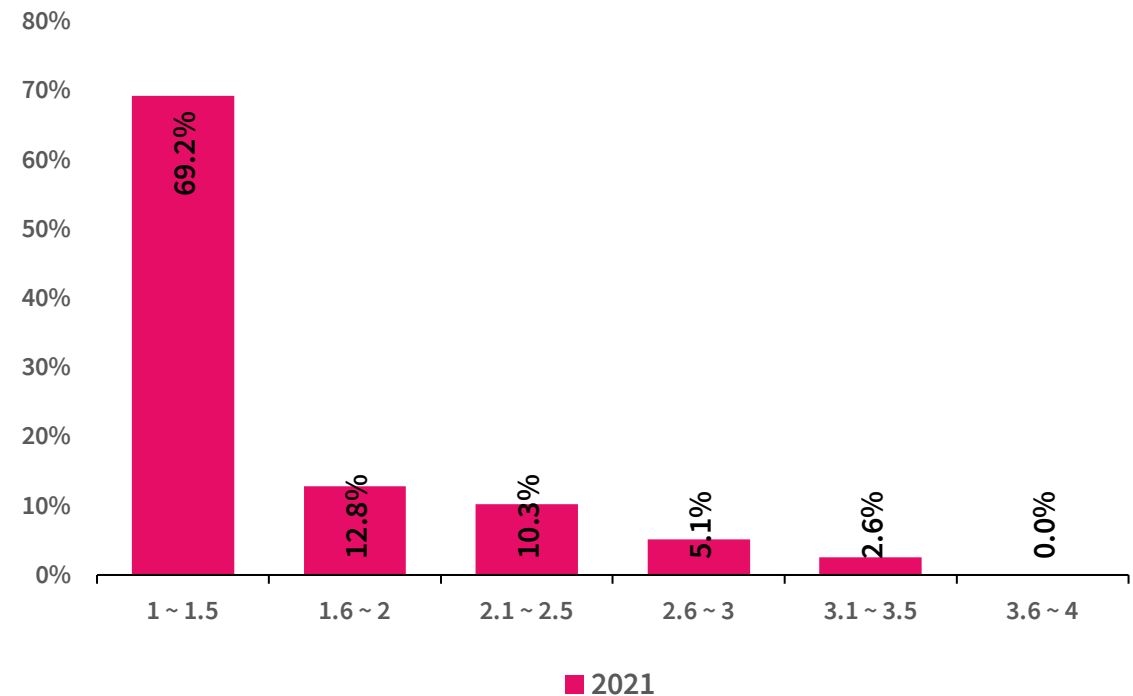
## POST FREQUENCY NUMBER OF ARTICLES.

In 2021, **about 82 per cent of brands chose to publish fewer than two articles per push.** This indicates that although brands are publishing content at a higher frequency in 2021, they seem to be more focused on quality instead of quantity and are only channelling their efforts into developing around one piece of content per push.

Creating a piece of content on WeChat is a resource-intensive exercise and as a result, it is likely that brands have started to settle for only one piece of content per push. At the same time, the “less is more” approach is also becoming increasingly popular as the WeChat Official Account environment becomes more and more crowded, and consumers are inundated by brands and content on a daily basis.

However, there is a huge missed opportunity here in the form of sub-articles. Instead of creating additional marketing messages for the sake of adding more content to each push, **brands can create a pool of sub-articles that consist of evergreen and reusable content, such as CRM-related communications,** that can be pushed to consumers based on relevant segmentation.

ARTICLES PER PUSH

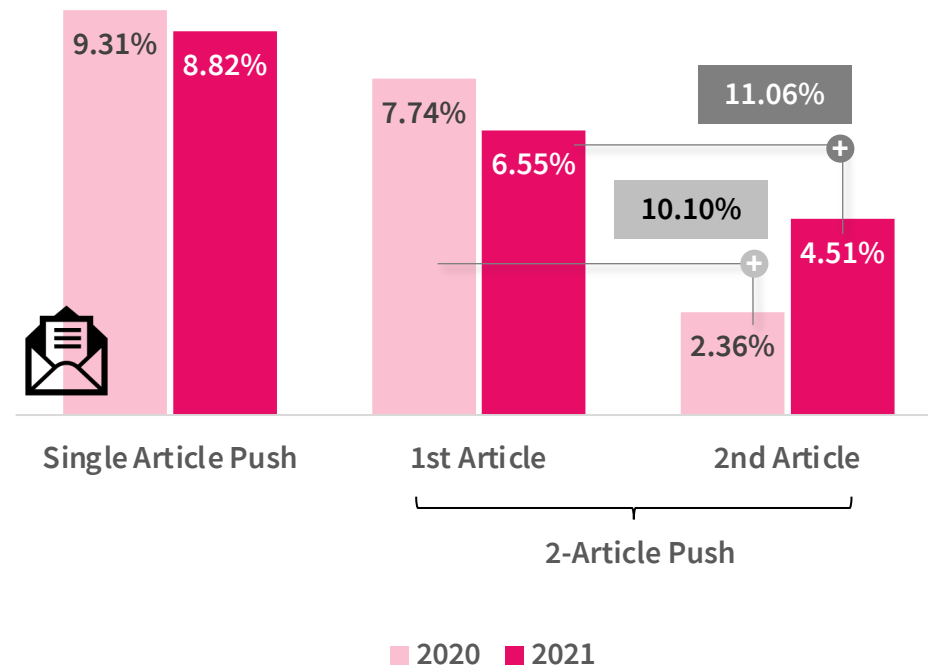


# OPEN RATES NUMBER OF ARTICLES.

A downward trend has been observed for the open rate of articles from brand Official Accounts. Single article pushes in 2021 saw an open rate of about 8.82 per cent, which was lower than the average open rate of 9.31 per cent recorded in 2020, indicating that it is **getting increasingly difficult to capture the attention of WeChat audiences**. This is likely linked to both market saturation, and the fact that brands are pushing content more frequently in general. At the same time, **it is also natural that open rates will decrease as communities grow larger**.

Content pushes with two articles in 2021 saw a 6.55 per cent open rate for the first article, and a 4.51 per cent open rate for the second article. This amounts to a **cumulative open rate of 11.06 per cent**, which is significantly higher than the open rate for single article pushes. As such, secondary articles can be interesting for brands to consider when they are not pushing a key, strategic piece of content as the headline piece. However, as the additional costs required in creating additional articles for each push are significant, brands should consider creating sub-article pools with reusable pieces of evergreen content that can be attached to pushes as a second article, while focusing resources on the first (headline) article.

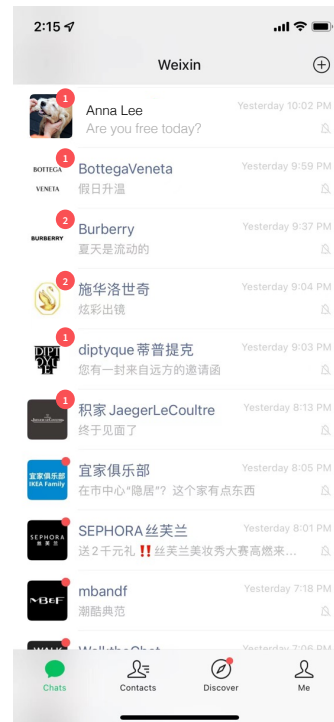
## ARTICLE OPEN RATES



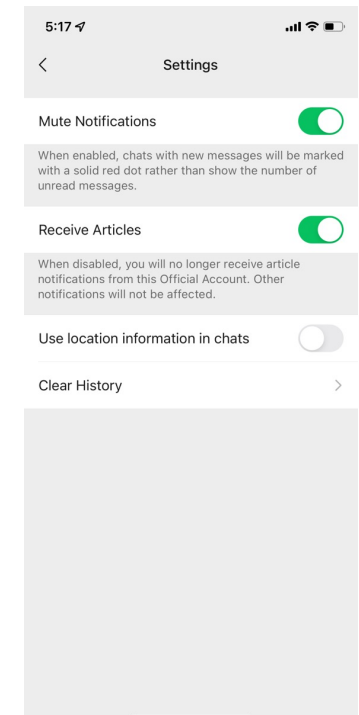
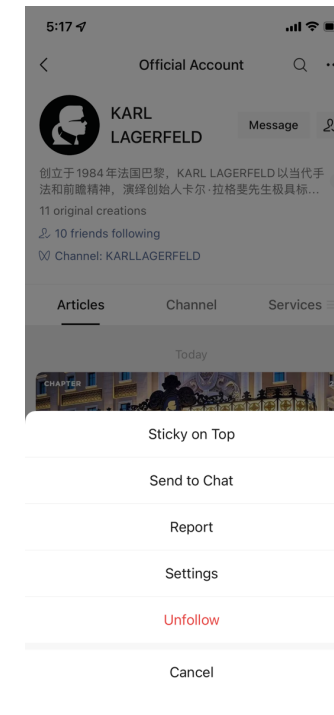
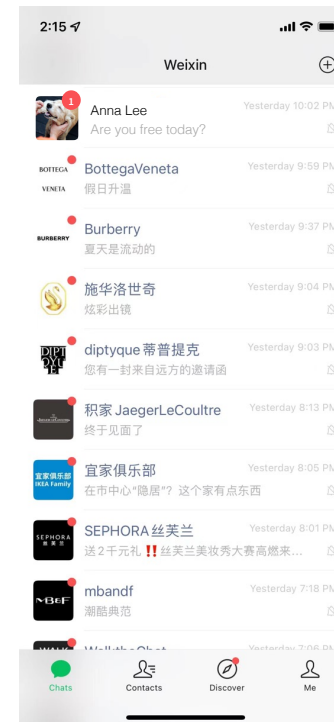
# OPEN RATES PUSH NOTIFICATIONS.

- ▶ As of mid-2022, WeChat has changed the default setting for all brand Service Account notifications to be on “Mute”
- ▶ This means that all push messages from brand Service Accounts will no longer display badges showing the number of unread messages from the brand account, unlike text messages from a user’s WeChat contacts
- ▶ Notification badges now have to be manually enabled by the user, which makes it even more difficult for brands to capture the attention of users with their weekly content pushes

## PREVIOUSLY

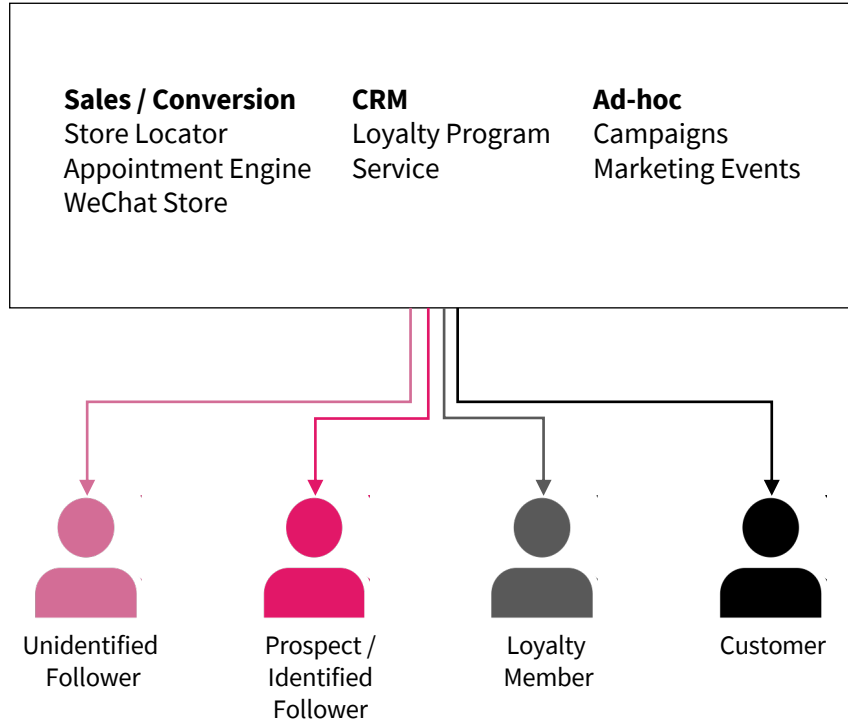


## NOW



# OPEN RATES SUB-ARTICLES.

CUSTOMISABLE SUB-ARTICLE POOL  
(BASED ON USER SEGMENTS)



Creating a sub-article pool allows brands to make the most of WeChat's multiple article push function to communicate key topics with followers without significantly increasing the workload. Sub-articles can be customised based on specific user segments.

## SUB-ARTICLE SEGMENTS



### SALES/ CONVERSIONS

Designed to drive conversions and generate sales, such articles typically contain elements such as store locators or e-commerce links.



### CRM

These articles are focused on reactivation and point customers towards services or a loyalty programme.



### AD-HOC

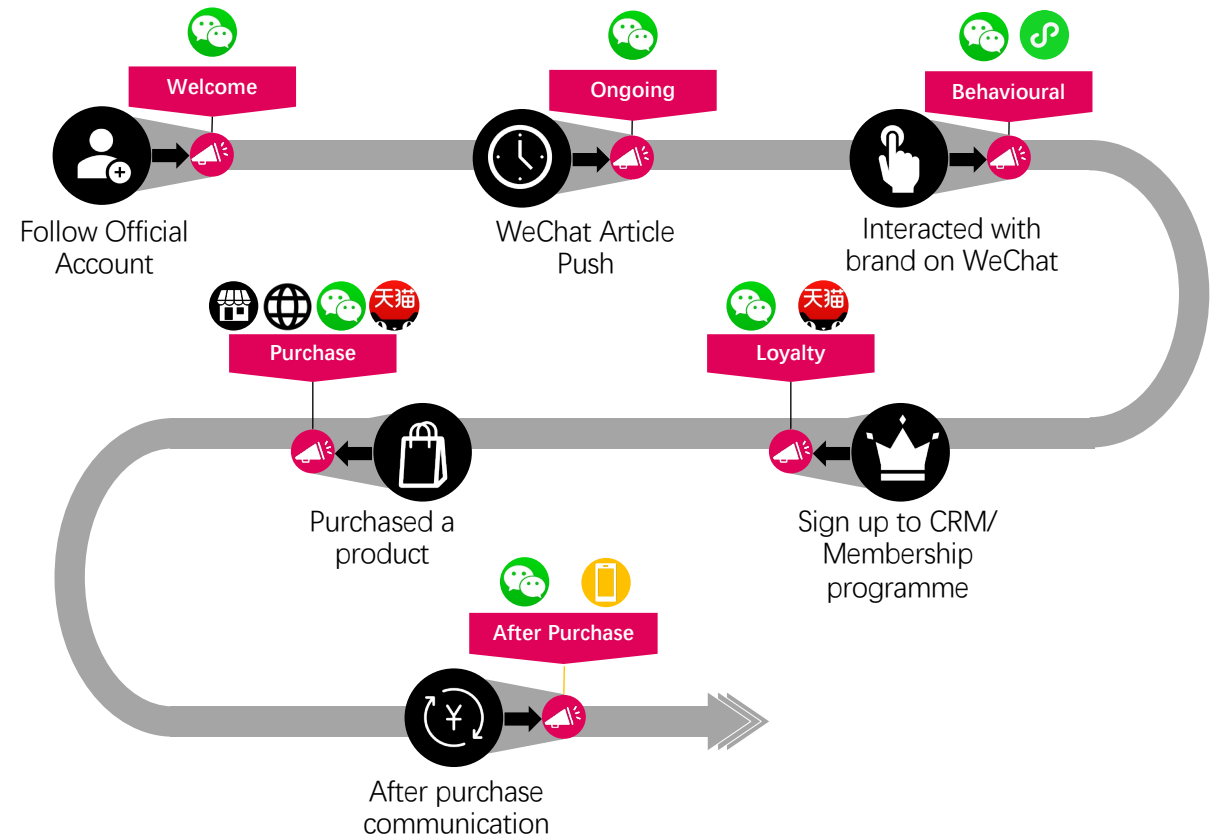
Such articles are formulated as and when the brand has a new launch or event to communicate.

# OPEN RATES

## LIFE CYCLE COMMUNICATIONS.

To better engage with consumers across the different stages of their journey, brands should develop life cycle communications, sending information and messages to consumers based on the stage at which they are at. This can be realised with the help of a social CRM backend, which offers brands both consumer transactional data as well as behavioural alerts.

- ▶ WeChat provides the highest CRM conversion rate, compared to traditional communication channels like mobile messaging and email
- ▶ WeChat is the only channel which allows brands to identify and establish a one-to-one communication channel with prospects before they are identified as members or customers (via their phone numbers)
- ▶ Communication opportunities can be extended through a Customer Identification Centre, which can provide extended services to prospects and customers

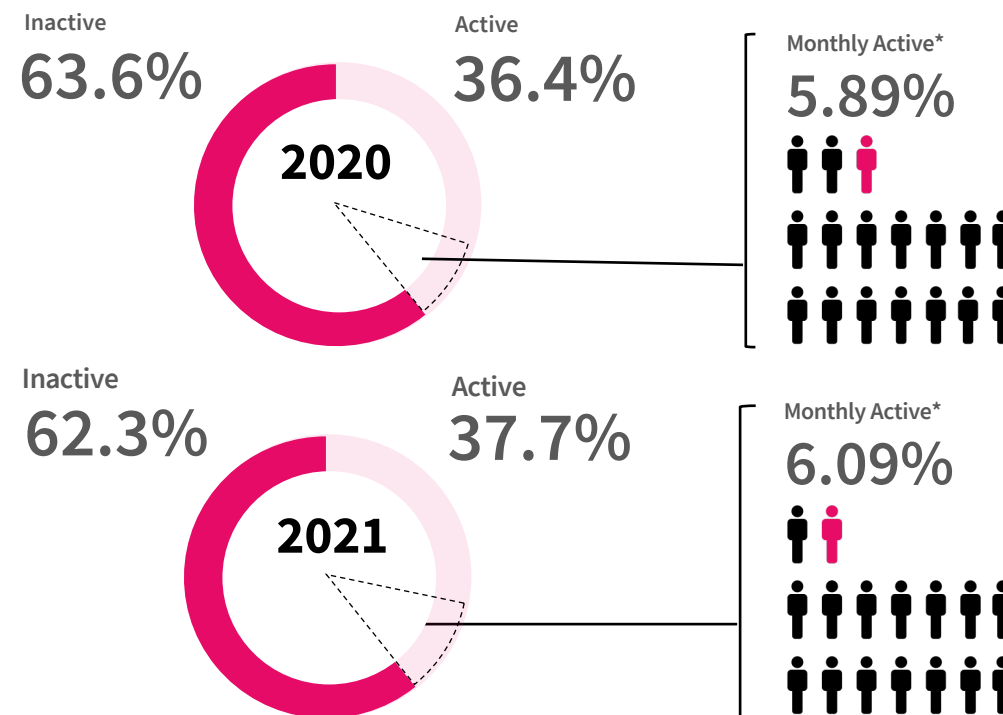


# FOLLOWER ACTIVITY OVERALL ACTIVITY.

On average, the lifetime active fans of brands accounted for 37.7 per cent of their total community in 2021, slightly up from 36.4 per cent the previous year. The share of monthly active fans increased slightly from 5.89 per cent to 6.09 per cent, indicating that one in every 16 of a brand's followers are active on a monthly basis.

Overall, the **level of follower activity on brand WeChat Official Accounts does not appear to have changed significantly year-on-year**. However, this is likely due to the evolution of the WeChat ecosystem, with related digital properties outside the Official Account, such as Mini Programs and WeCom, capturing an increasing share of consumer actions.

The cost of acquiring a fan on WeChat remains high, and brands should be focused on maximising the level of engagement of its audience within the ecosystem, whether it is within or without the Official Account. As such, brands should also think about **the role of the Official Account in its WeChat ecosystem**, and how to make better use of it to generate these actions and ultimately, drive conversions.



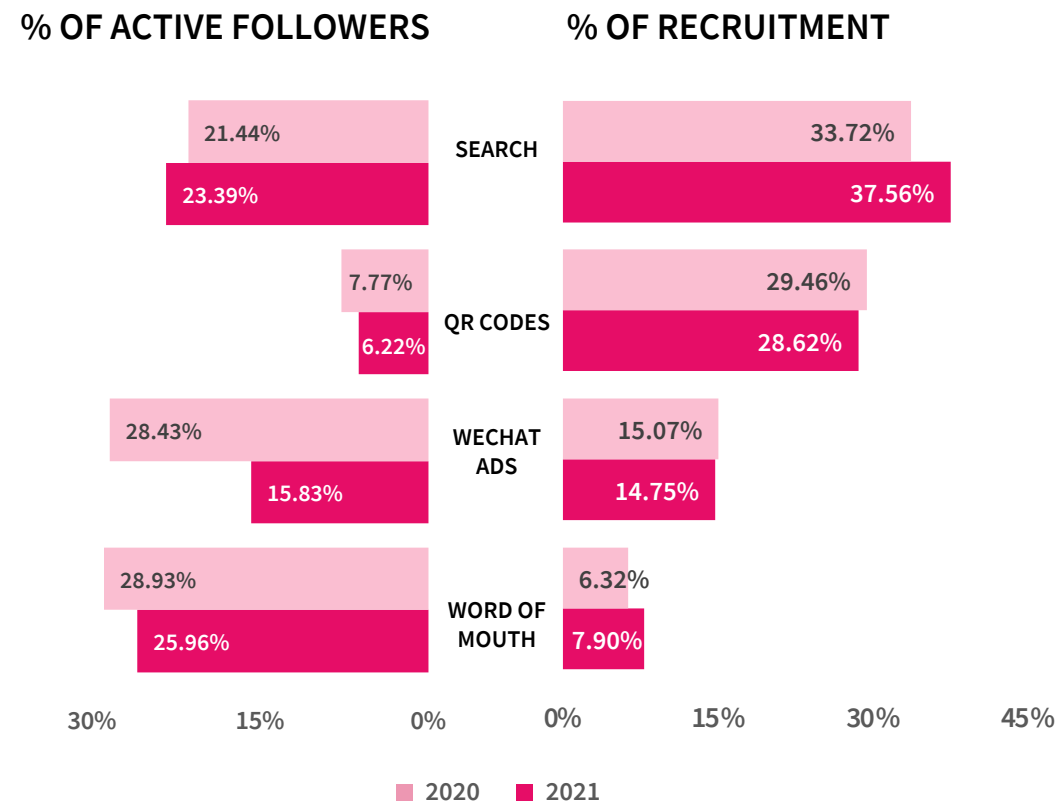
# FOLLOWER ACTIVITY

## CHANNEL OF RECRUITMENT.

In 2021, followers acquired through Search accounted for over 37.56 per cent of all recruitment, with 23.39 per cent of them being active followers. This reiterates the fact that consumers recruited through this channel, which is largely impacted by brand equity, remain the most highly qualified and active.

While **QR Codes account for 28.62 per cent of recruitment**, the proportion of active fans recruited through this channel is **fairly low at 6.22 per cent in 2021**. Due to the nature of where QR Codes are placed (e.g. in offline stores) consumers that follow a brand through a QR Code are likely to already be at a later stage of their journey with the brand. As a result, they might be less focused on the act of browsing and exploring on the brand's Official Account – but are less likely to unfollow the brand as well.

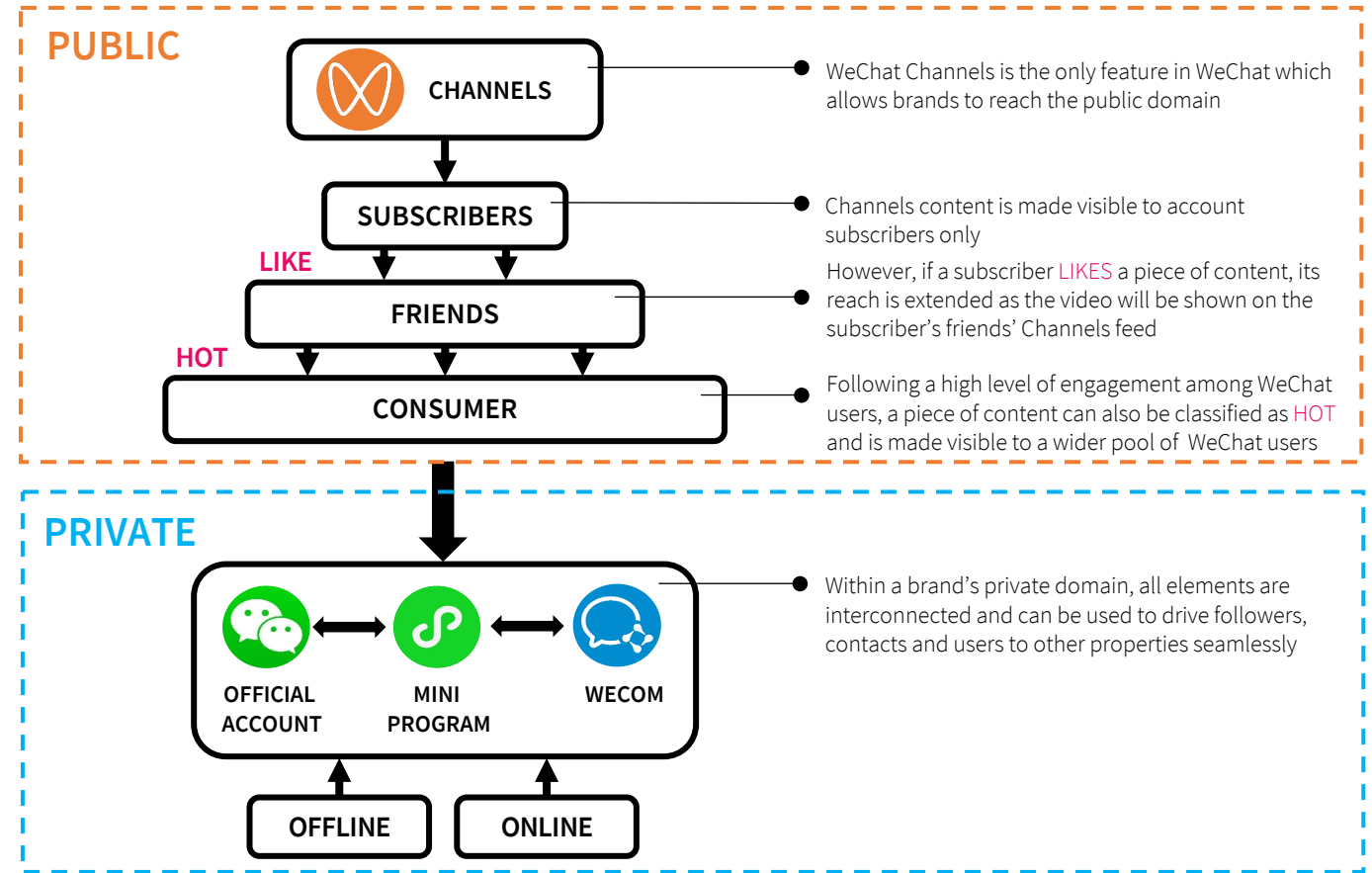
While a large proportion of followers recruited through word of mouth (i.e. Account Name Card, Article Byline and Menu in Post) are active, they account for a small proportion of total follower recruitment (7.90 per cent). As such, brands should not be overly caught up with generating follows through these channels.





# FOLLOWER ACTIVITY WECHAT ECOSYSTEM.

- ▶ Brands can also think about generating follower activity **outside the OA, but still within the WeChat ecosystem** – on Mini Programs or Channels.
- ▶ Being a pure video platform, Channels offers brands options in terms of livestreaming and short videos for brand building, and the ability to link these videos to either their OA or even a Mini Program.
- ▶ Mini Programs are much broader in terms of the spectrum of functions and services they offer, and brands can develop everything from e-commerce to experience-driven Mini Programs on WeChat. In order to better generate user engagement, these **Mini Programs should be designed with the stage of the consumer journey in mind**, and outfitted with appropriate functions and related content.



# FOLLOWER ACTIVITY WECHAT ECOSYSTEM.

## CHALLENGE

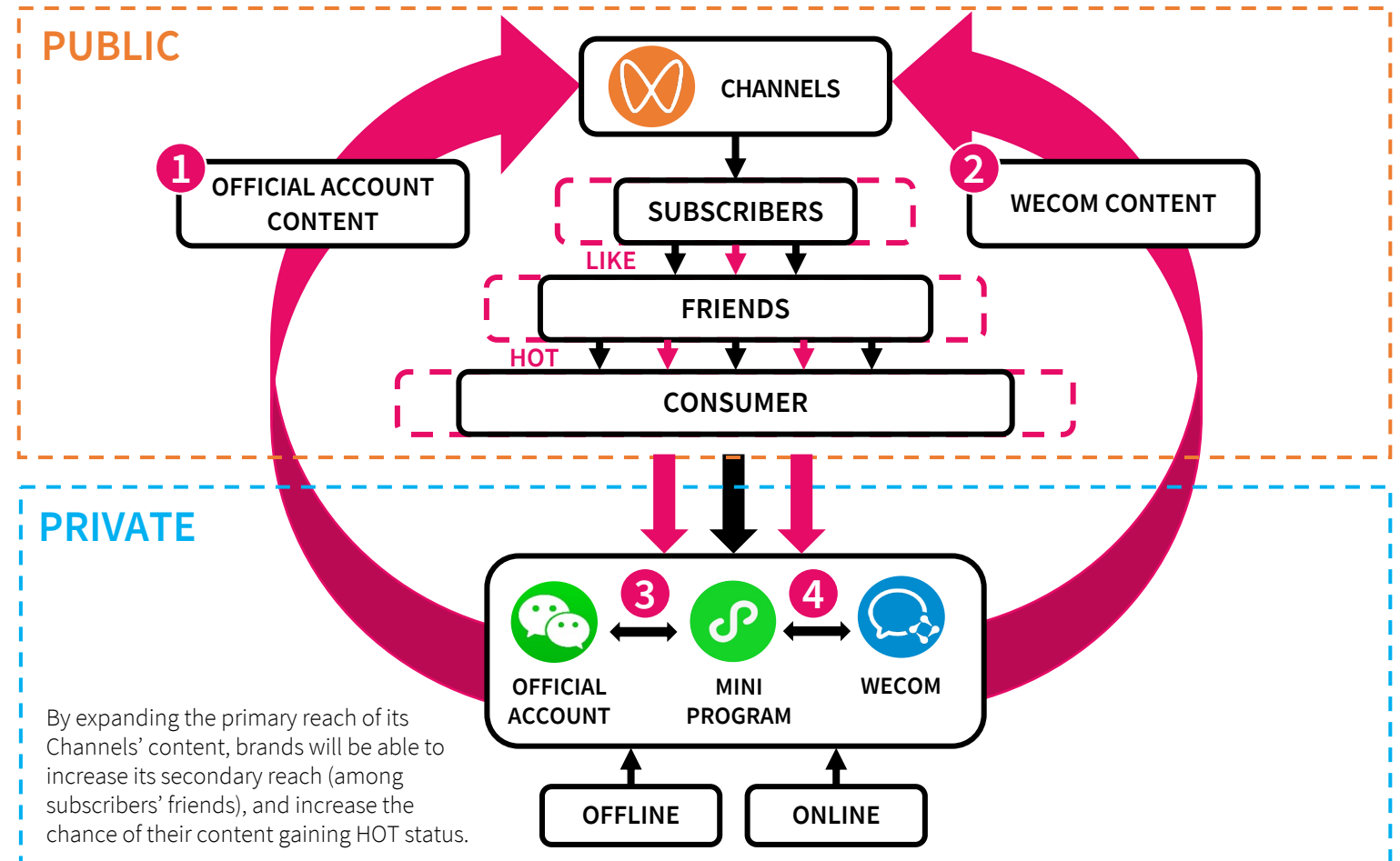
Channels content relies on the subscribers to engage with the content for it to increase its reach

## OPPORTUNITY

Expand the pool of consumers exposed to the Channels content by driving Followers & Contacts to the Channels content

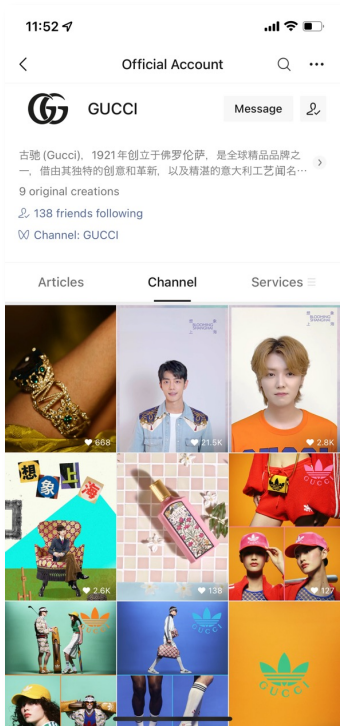
## CROSS-PROPERTY OPPORTUNITIES

1. Official Account to Channels
2. WeCom to Channels
3. Official Account to Mini Program
4. WeCom to Mini Program

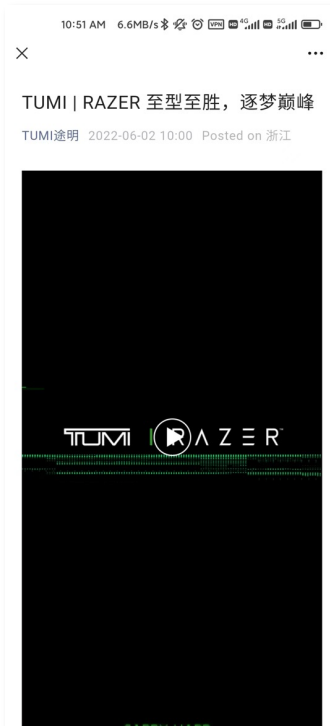


# FOLLOWER ACTIVITY WECHAT ECOSYSTEM.

## 1. Drive Traffic from Official Account to Channels



Amplify Channels content by driving traffic directly from the Official Account page



Enrich WeChat content with Channels videos, which allows redirection to Channels

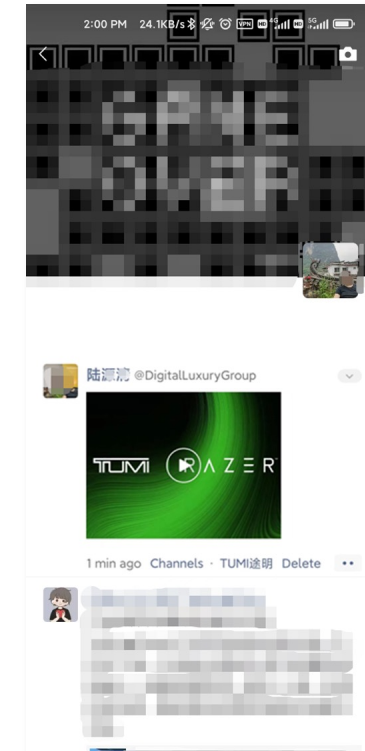


Drive traffic to Channels on an ongoing basis by including a link in content

## 2. Drive Traffic from WeCom to Channels



Introduce Channels content to the one-on-one WeCom chat



Leverage sales associates moments to post WeChat Channels content

# FOLLOWER ACTIVITY WECHAT ECOSYSTEM.

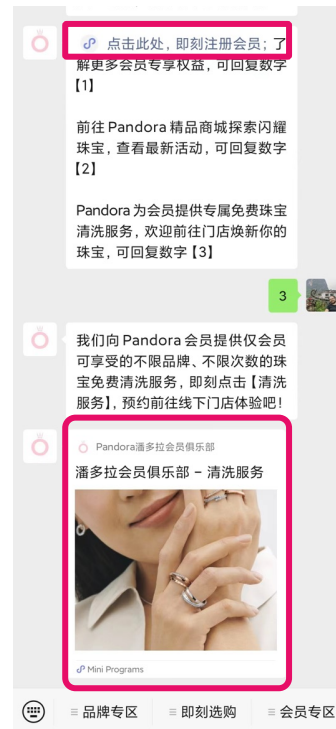
## 3. Drive Traffic from Official Account to Mini Programs



Incorporate Mini Programs in WeChat OA menu

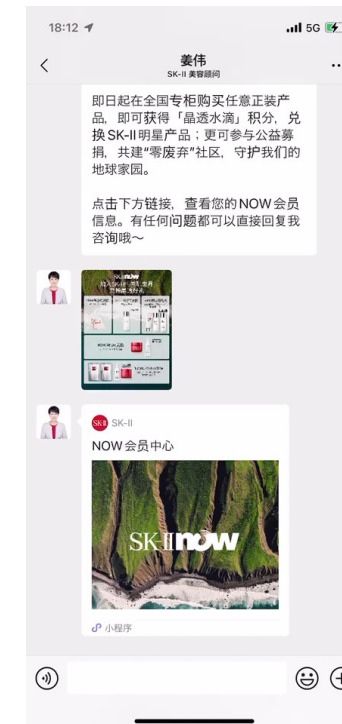


Redirect readers to Mini Program through CTA on published content

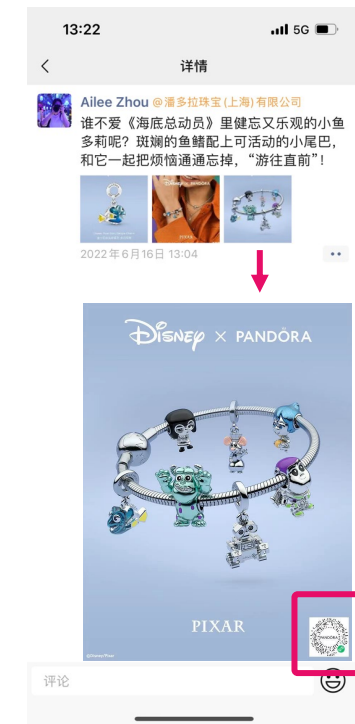


Incorporate Mini Program links in automated responses on the OA

## 4. Drive Traffic from WeCom to Mini Programs



Redirect consumers to Mini Program through chats with SAs on WeCom



Redirect consumers to Mini Program through SA's Moments by including QR Code in image

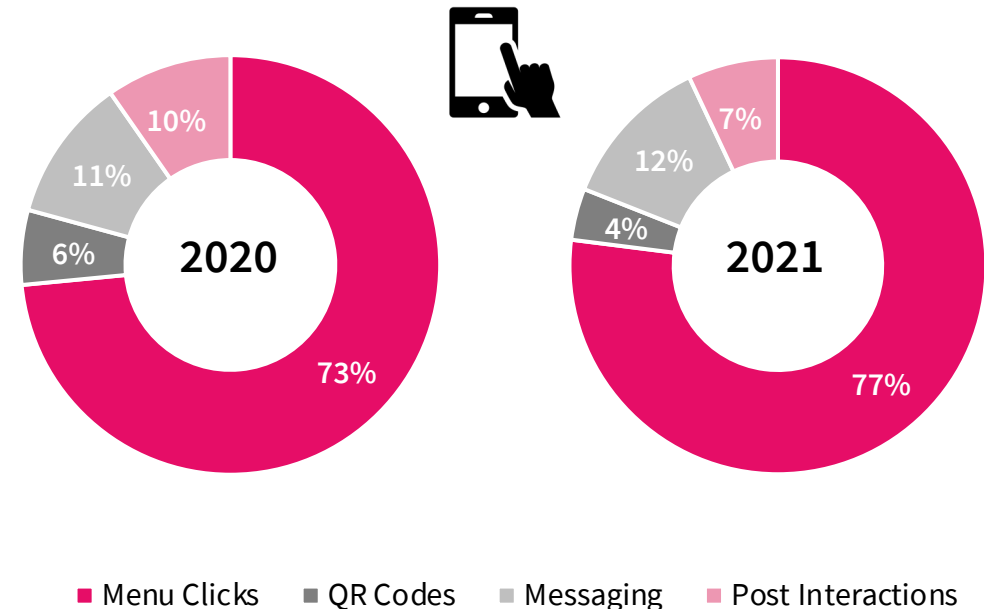
# ACTION TYPES

## OFFICIAL ACCOUNT ACTIONS.

WeChat users interact with a brand's WeChat Official Account (OA) in a variety of ways, with menu clicks being the most popular. This action accounted for **77 per cent of the total actions made on a brand's WeChat OA on average**, a proportion that has increased for three years in a row. At the same time, **post interactions accounted for only 7 per cent of engagement actions in 2021, down from 10 per cent in 2020**. This further suggests that users are interacting less with content on brand OAs, and are instead, increasingly visiting these brand accounts to look for specific types of information – from membership information to e-commerce. As such, brands need to develop comprehensive, well-structured menu options accordingly to address this.

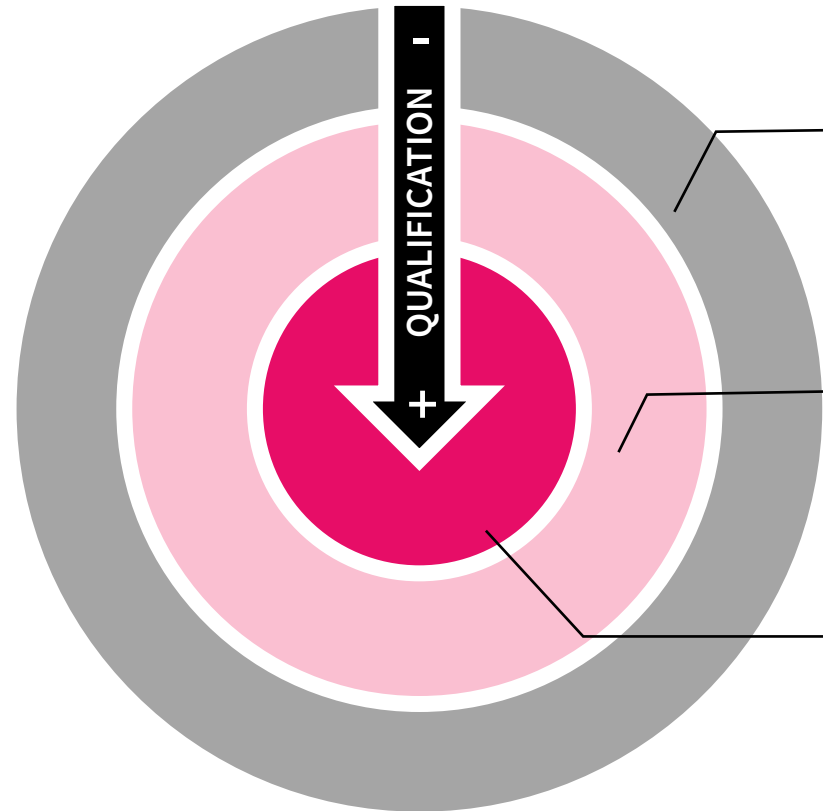
**Messages account for 12 per cent of all actions made on OAs** in 2021, making it the second most popular engagement action. In order to address consumer needs on this level, brands can consider using chatbots or set keyword auto-responses in the backend for quicker replies. Some brands are starting to integrate WeCom chats with their offline sales associates into its messaging function on the OA as well, creating an even more seamless experience for consumers.

### ENGAGEMENT ACTIONS



# ACTION TYPES CHAT FUNCTIONS.

- ▶ Brands can develop different types of chat functions with the WeChat ecosystem, based on consumer qualification
- ▶ More detailed chat functionalities can be rolled out the further along the consumer journey they progress
- ▶ This will help to move leads further down the consumer funnel, driving them closer to the act of purchase



## Marketing Automation

Automated responses triggered by specific actions or keywords, and chatbots on the Official Account

## Service Sessions

Live customer service through Official Account & Mini Program service chat

## Clienteling

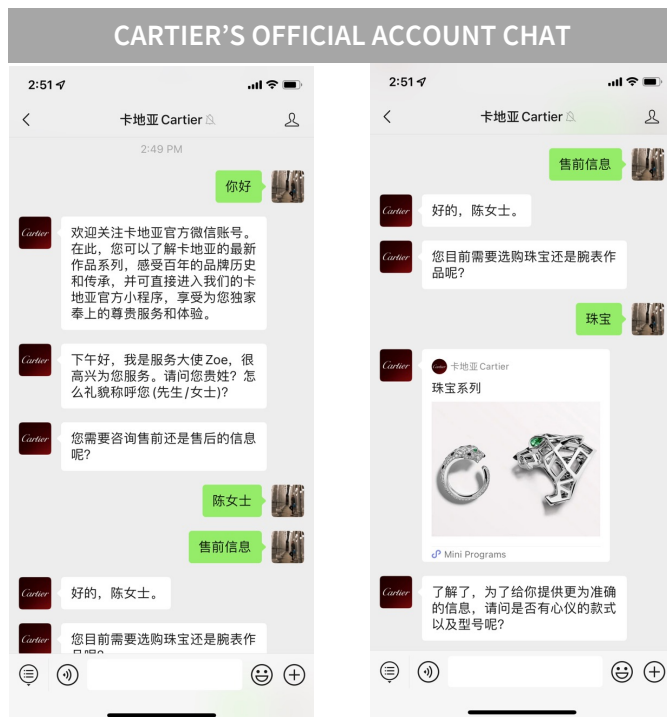
WeCom one-to-one relationship

# ACTION TYPES

## CHAT FUNCTIONS.

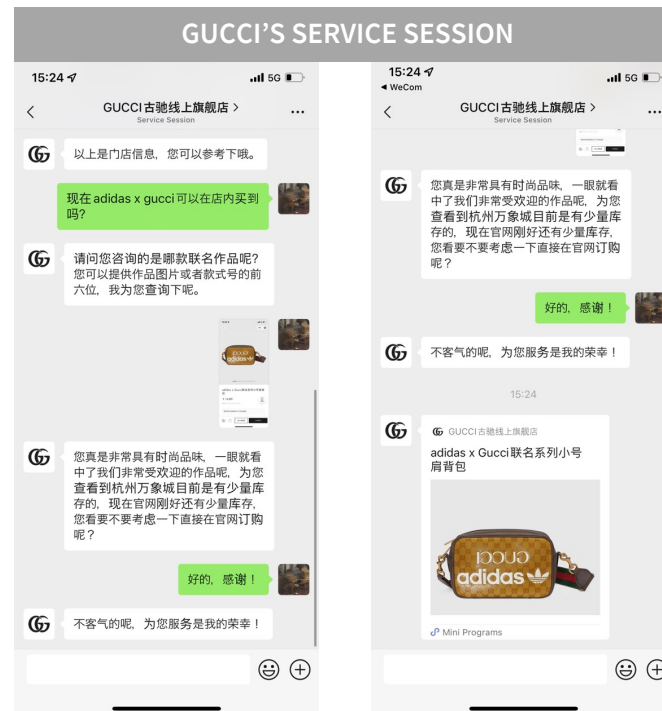
### OA Chats (Marketing Automation)

More general in nature, these chats give consumers access to key information when required, and are mostly automated with chatbots and keyword trigger responses.



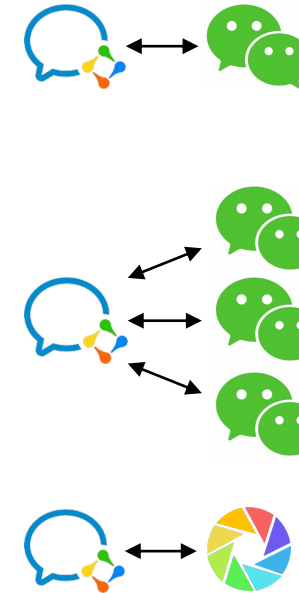
### Service Sessions

Typically activated to answer consumer queries during the shopping session and are normally operated by a customer service team. Can be triggered within the OA or accessed on the brand's e-commerce Mini Program.



### WeCom (Clienteling)

Direct connection with sales associate (SA), with SA being able to broadcast messages or chat with consumers one-on-one, and have their updates shown on the consumer's Moments feed.



#### 1-ON-1 COMMUNICATION

SA identified as official brand representative on WeChat

Unlimited communication with customer

#### BROADCAST

SA can send a broadcast message (Text + Image)

Each customer can receive up to one broadcast message per day

#### WECHAT MOMENTS

SA can post directly on the Moments feed of a client through WeCom

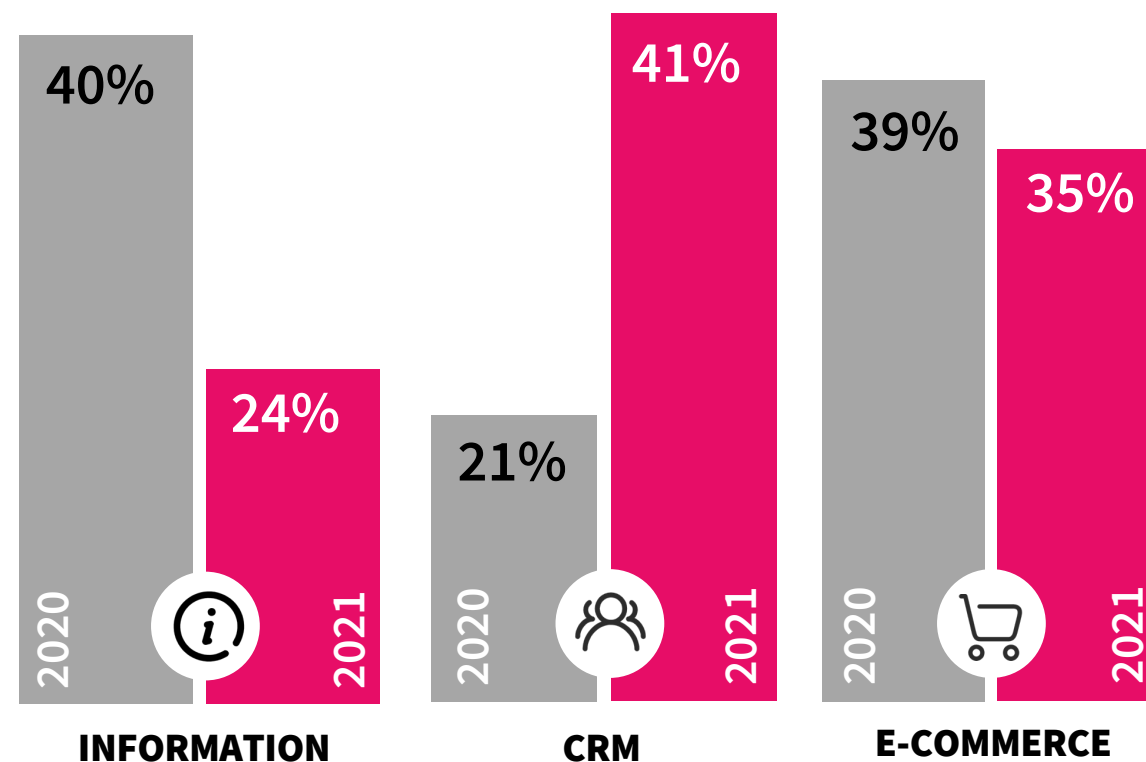


## ACTION TYPES MENU CLICKS.

Menu items available on a brand OA can largely be classified into three types: Information, CRM, and e-commerce related. **Over 40 per cent of user engagements with menu buttons on the OA were CRM-related, up from 21 per cent in 2020.** This is likely due to the fact that brands have been increasingly developing their CRM programmes on WeChat, giving users more opportunities to interact with such items within the WeChat Official Account environment.

While the share of e-commerce related menu clicks **fell from 39 per cent in 2020 to 35 per cent in 2021**, it remains a significant user engagement action. This is likely a result of brands' continued efforts to grow their DTC e-commerce efforts, especially within the WeChat ecosystem.

Interestingly, engagement with menu items related to brand information almost halved in 2021, falling from 40 per cent in 2020 to 24 per cent in 2021. This is a further indication that while users still turn to WeChat OAs as a brand information hub, it is no longer the primary function. Instead, **users are more focused on accessing services on the platform**, such as membership and e-commerce related functions.





# ACTION TYPES

## WECHAT OA MENU SEGMENTATION.

- ▶ With the help of a SCRM backend, brands can also develop varied consumer segments and display different content based on these segments
- ▶ Brands can offer customers different menu options on the WeChat Official Account, based on their segment
- ▶ For example, Jewellery Brand A displays different menu options to its male and female segments on the Official Account

### BRAND EXAMPLE: JEWELLERY BRAND A



SEGMENT 1:  
**Female Followers**

#### Angle – Self Purchase

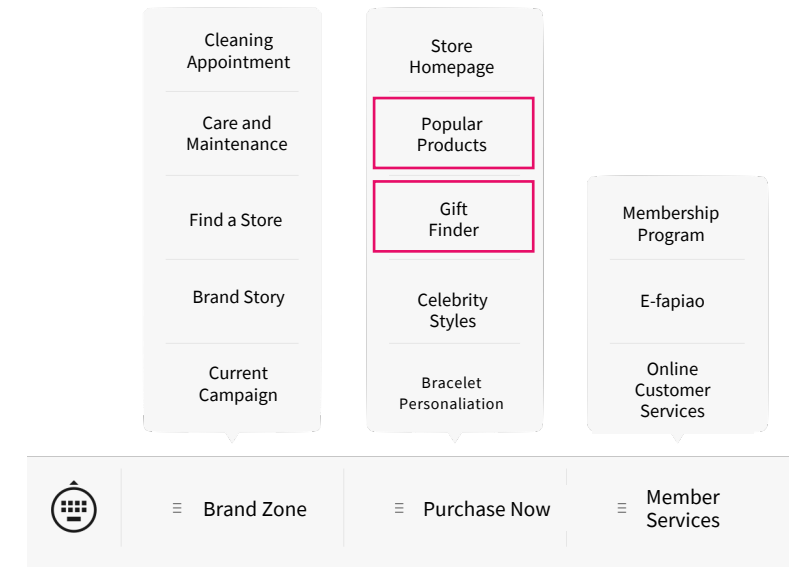
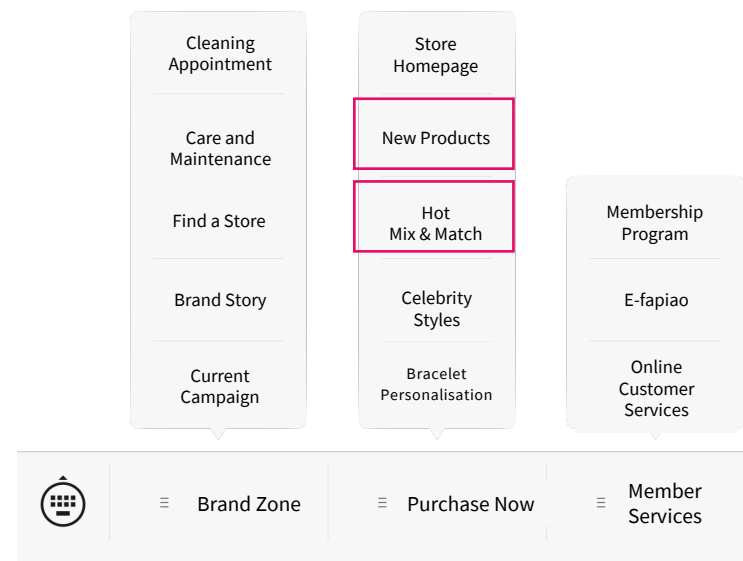
- Product focus
- New and hot products



SEGMENT 2:  
**Male Followers**

#### Angle - Gifting

- Occasions
- Popular Products



## ACTION TYPES

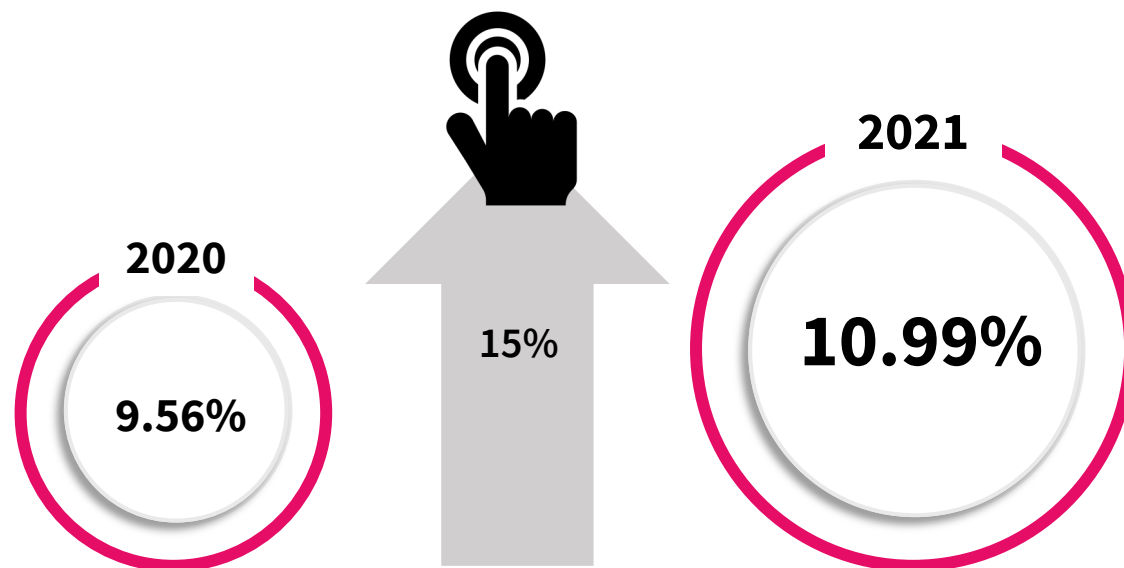
# POST ENGAGEMENT.

The average in-article engagement rate of users per push was at 10.99 per cent in 2021, marking a 15 per cent increase from the previous year's average engagement rate of 9.56 per cent.

It should be noted that, however, as brands gradually develop more digital assets within WeChat, users interactions with content pushes from brands are no longer limited to traditional social media platform behaviours such as shares, comments, and likes. **A significant proportion of actions now come from link clicks within a piece of content.** Outgoing link clicks can direct consumers to external websites, other pieces of content within the WeChat ecosystem, as well as Mini Programs.

As more brands develop e-commerce functions, loyalty programmes and other related consumer services on WeChat Mini Programs, engagement with these links within WeChat articles appears to be on the rise. As such, brands should develop a robust in-article linking strategy to better capture consumer intentions, effectively redirecting them to the appropriate touch points and bringing them closer to the act of purchase.

### ENGAGEMENT RATE



# ACTION TYPES

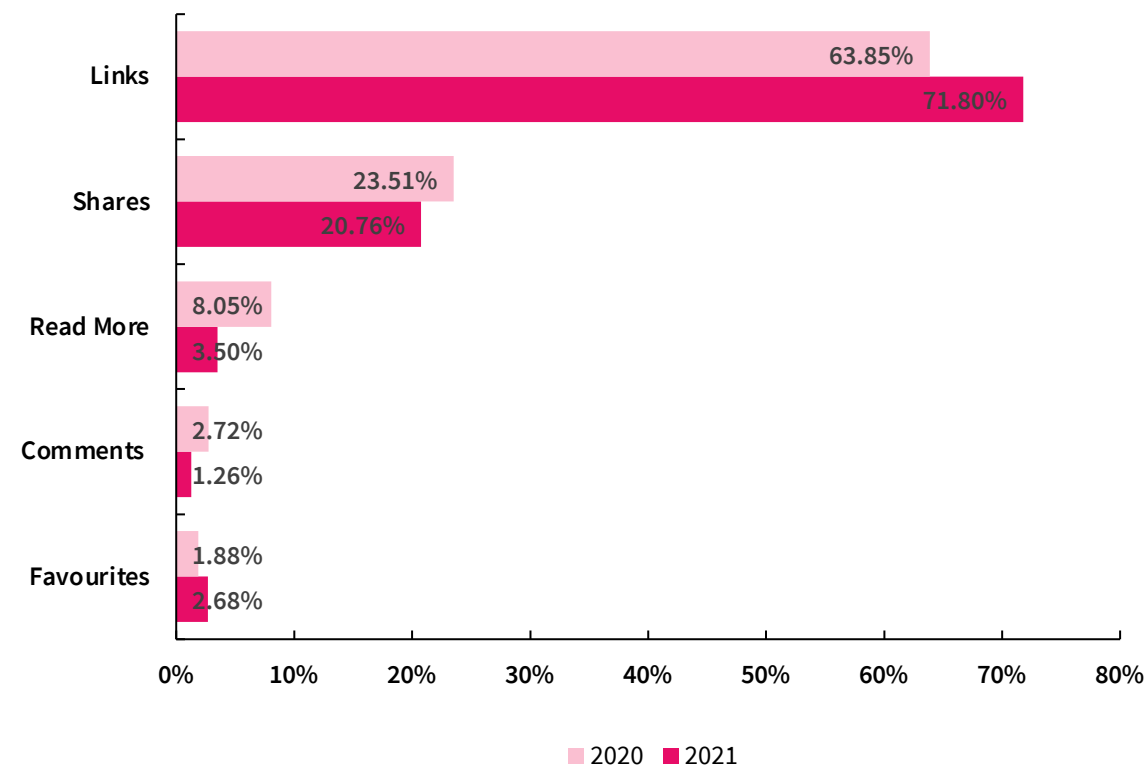
## POST ENGAGEMENT.

**Link clicks remain the most popular engagement type within articles in 2021, accounting for over 71.8 per cent of all engagement actions** made within a WeChat post. This marks a significant increase from last year's 63.85 per cent, suggesting that not only are brands likely including more links in their articles, but consumers are also increasingly engaging with these links while consuming content.

Brands can include external links in their articles, but they can also include links to other pieces of content they have published on WeChat, as well as links to Mini Programs. To maximise the clickthrough rate, brands can set up a social CRM backend and deploy advanced tracking in order to better understand what their consumers are looking for.

The proportion of total engagement for other action types, such as comments, favourites, shares, and read more, are largely unchanged from last year. This suggests that **WeChat continues to have little influence on word-of-mouth metrics and that brands should not place too much emphasis on them.**

POST ENGAGEMENT ACTIONS

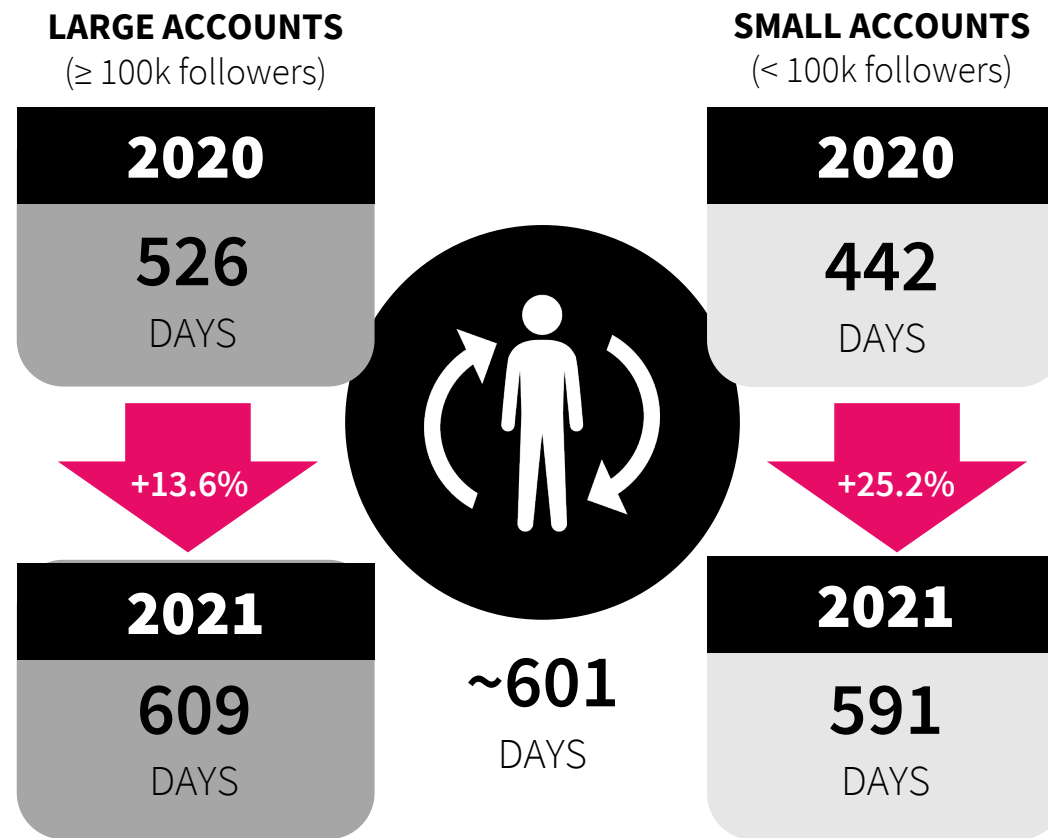


# FOLLOWER RETENTION LIFE CYCLE.

The average number of days a user stays a follower of a brand OA has been on the rise, with **large accounts seeing their follower life cycles increase by about 13.6 per cent in 2021**, while **smaller accounts saw theirs rising by more than 25 per cent over the same period**. On average, users follow a brand account for about 601 days (a little over one and a half years), before unfollowing it.

While this upward trend appears positive, it could also be the result of brands increasingly making use of **tailored solutions** to ensure that the right members of their community are targeted with the right messages, at the right time.

As consumers grow more sophisticated and discerning, **brands need to start focusing more on delivering specific content and services, along different stages of the consumer journey**. This will not only help brands to improve conversion rates at the end of the day, but also increase user stickiness – giving brands more time and opportunities to engage with and nurture these followers, moving them closer to that eventual act of purchase.

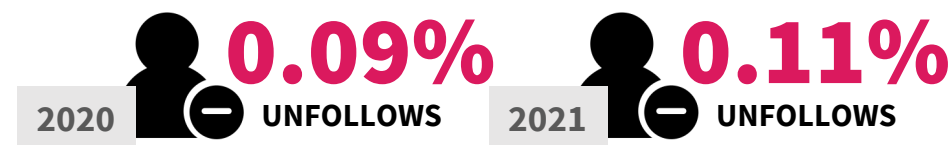


# FOLLOWER RETENTION UNFOLLOW RATE.

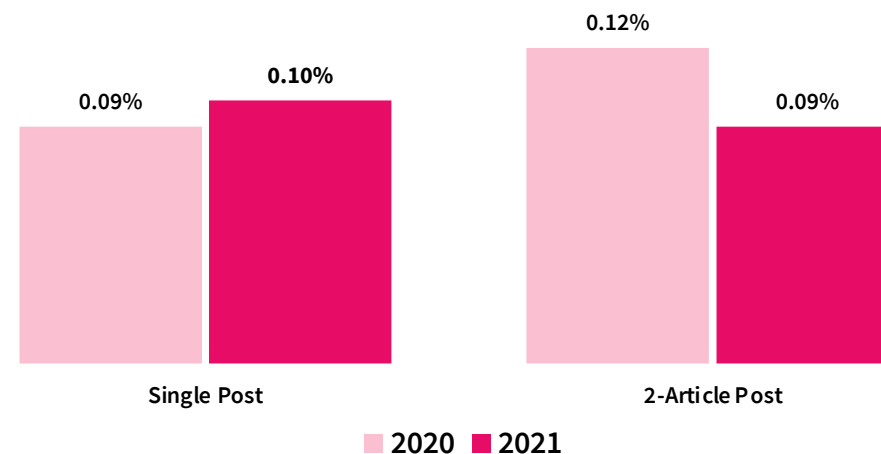
In 2021, the average unfollow rate within 48 hours of a brand's content push rose from 0.09 per cent to 0.11 per cent, indicating that **users are increasingly difficult to retain – especially as the WeChat ecosystem grows increasingly saturated with brands and content.**

Single article posts saw their unfollow rate increase from 0.09 per cent in 2020 to 0.10 per cent in 2021. Interestingly, however, the unfollow rate for pushes with two pieces of content in a post improved from 0.12 per cent in 2020 to 0.09 per cent in 2021.

This could be the result of brands better leveraging secondary articles and building sub-article pools, allowing them to better target audiences with relevant, additional pieces of content. These pieces of content can be customised in accordance with the stage of the consumer at which the user is at, enabling brands to carry out life cycle communications.



UNFOLLOW RATE BY PUSH TYPES



# CHAPTER 3

## **OPTIMISE.**



### OPTIMISE

This section focuses on the indicators and frameworks that drive overall content performance

- **3.1 AUDIENCE SEGMENTATION**
- **3.2 CONTENT PERFORMANCE**
- **3.3 DATA SOURCES**

# AUDIENCE SEGMENTATION BEST PRACTICE.

STAGE	1 NOT CUSTOMER		CUSTOMER	
	LEAD	PROSPECT	NEW	RECURRING
DEFINITION	Follower	+ Purchase Intention	+ Purchase	+ Recurring Purchase
GOAL	Drive Engagement	Drive First Purchase	Drive Recurring Purchase	Reward

In order to efficiently segment followers and maximise the value derived from the data collected, brands need to (1) clearly **define the stages and goals** along the consumer journey and (2) identify what **information is required from consumers to communicate effectively**. After clearly outlining all of this, brands will be able to draw up clear parameters and consumer behaviours to track.

## 2 FOLLOWER INFORMATION



### IDENTITY

Who are our followers?



### TASTE

What do they like?



### PURCHASE INTEREST

Are they looking to buy?



### PURCHASE TRIGGER

Why did they buy?



### BENEFITS

Why do they keep buying from me?

# AUDIENCE SEGMENTATION CATEGORIES.

	NOT CUSTOMER		CUSTOMER	
	LEAD	PROSPECT	NEW	RECURRING
Why do we communicate?	Drive Engagement	Drive First Purchase	Drive Recurring Purchase	Reward
Who are they?	IDENTITY Location Source			
What do we communicate about?	TASTE Asset Interests Content Products Campaigns			
When do we communicate with them?		PURCHASE INTEREST Occasion Budget Channel Interest Loyalty Programme		
How do we communicate with them?			PURCHASE TRIGGER Personal Occasions Novelty Promotion Gift	
				BENEFITS Tangible Emotional



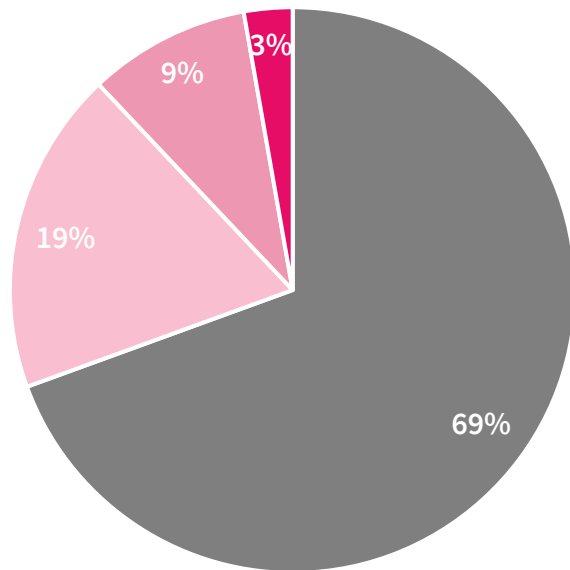
# AUDIENCE SEGMENTATION SEGMENT VALUES.

	NOT CUSTOMER		CUSTOMER	
	LEAD	PROSPECT	NEW	RECURRING
Segment Value	$\begin{aligned} &\text{Leads} \\ &\times \\ &\text{Lead Conversion Rate (\%)} \\ &\times \\ &\text{Prospect Conversion Rate (\%)} \\ &\times \\ &\text{First Purchase ATV} \end{aligned}$	$\begin{aligned} &\text{Prospects} \\ &\times \\ &\text{Prospect Conversion Rate (\%)} \\ &\times \\ &\text{First Purchase ATV} \end{aligned}$	$\begin{aligned} &\text{New Customers} \\ &\times \\ &\text{New Customer Conversion Rate (\%)} \\ &\times \\ &\text{ATV} \end{aligned}$	$\begin{aligned} &\text{Recurring Customers} \\ &\times \\ &\text{Recurring Customer Conversion Rate (\%)} \\ &\times \\ &\text{ATV} \end{aligned}$
EXAMPLE				
Followers in Stage	75,000	20,000	10,000	3,000
Conversion Rate	15%	1%	2%	3%
First Purchase ATV	5,000	5,000	-	-
ATV	-	-	4500	4,500
Formula	$(75,000) \times (15\%) \times (1\%) \times (5,000)$	$(20,000) \times (1\%) \times (5,000)$	$(10,000) \times (2\%) \times (4,500)$	$(3,000) \times (3\%) \times (4,500)$
Segment Value	<b>562,500</b>	<b>1,000,000</b>	<b>900,000</b>	<b>405,000</b>

- By tracking user behaviours, brands can also calculate the **value of a stage** along the consumer journey, or a particular consumer segment.
- Through this, brands will be able to **assign values** to and have a clear and more concrete idea of their **sales pipeline and the segments they can focus on to make a bigger impact.**

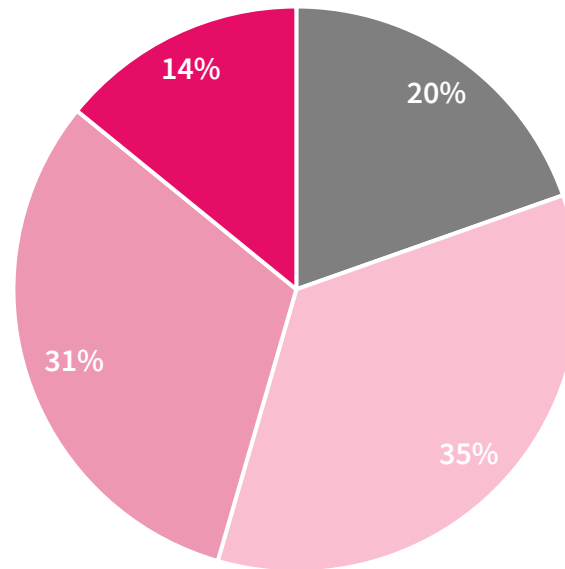
# AUDIENCE SEGMENTATION SEGMENT VALUES.

### FOLLOWERS IN SEGMENT



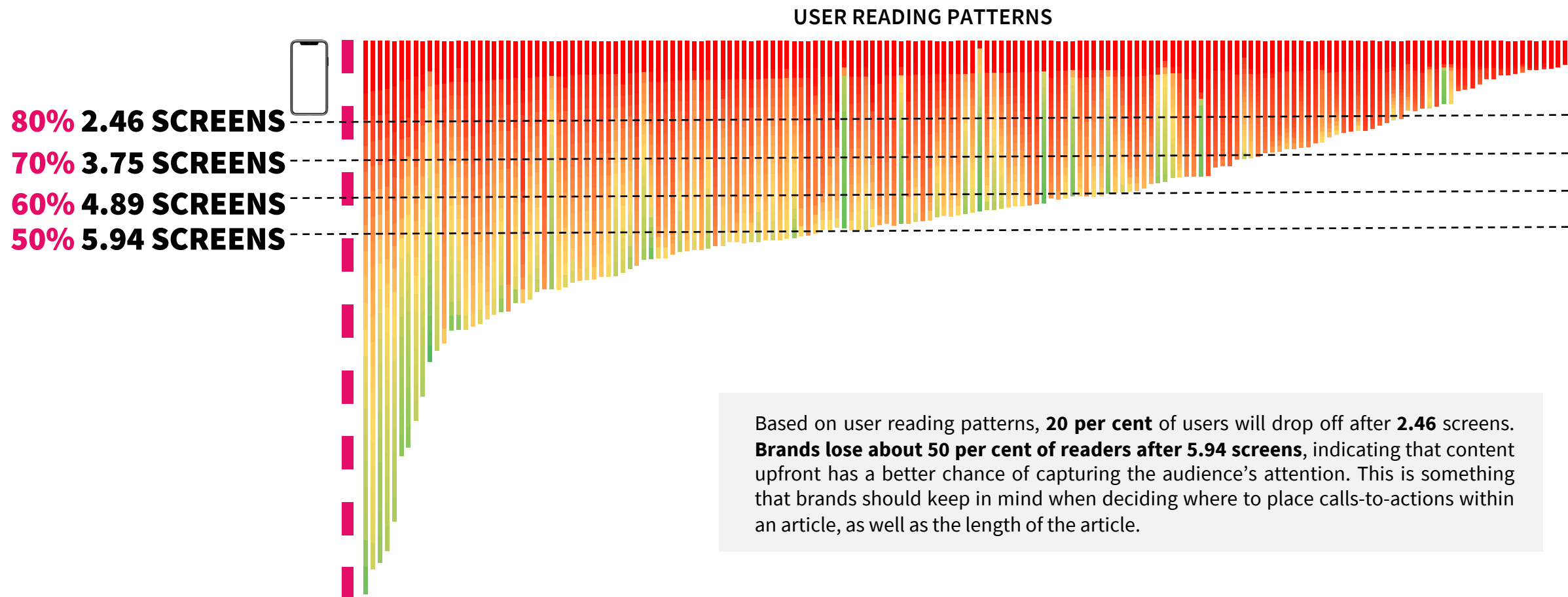
■ Leads ■ Prospects ■ New Customers ■ Recurring Customers

### VALUE BY SEGMENT



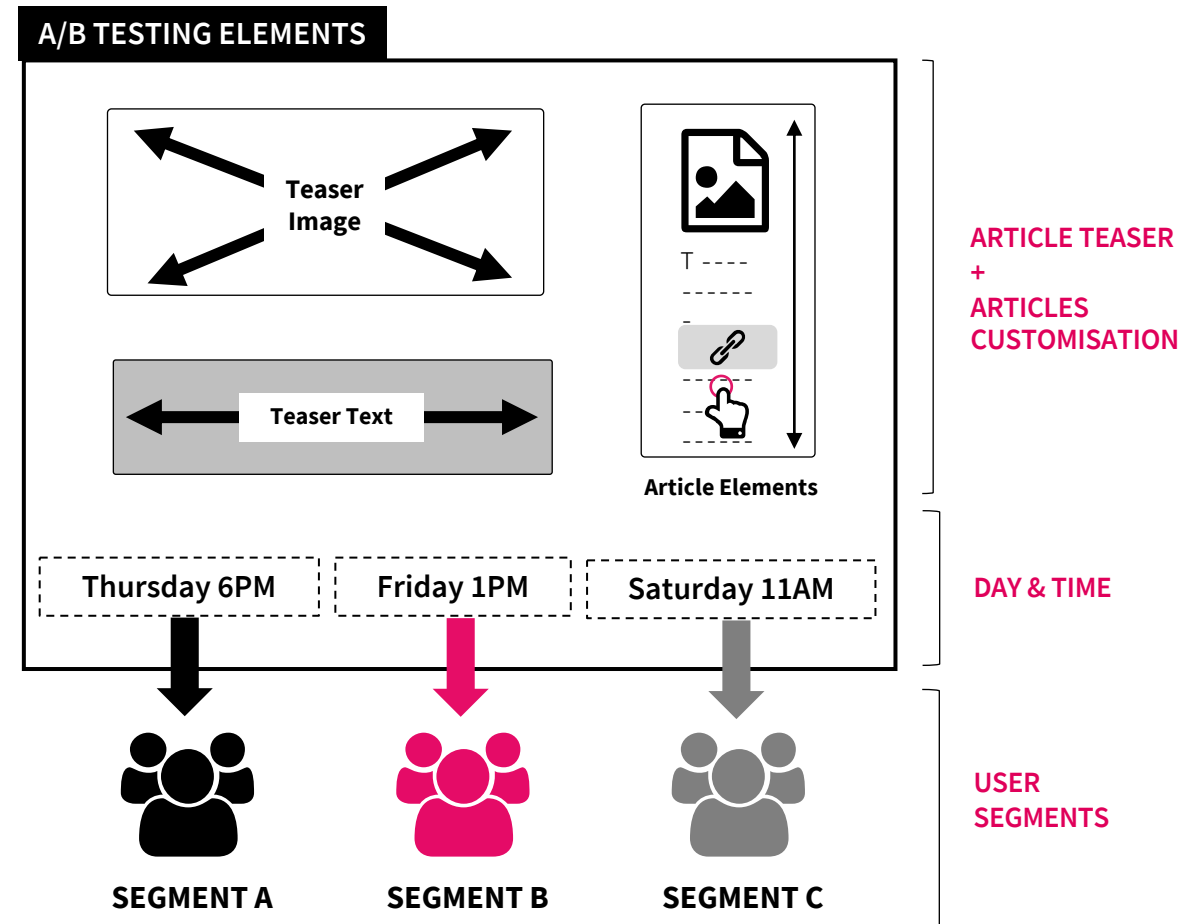
- ▶ While Leads are the most relevant segment in terms of numbers, the segment with the **highest potential monetary value is actually the Prospect segment.**
- ▶ Brands should not be purely focused on quantitative growth, but also consider the qualitative growth of key segments. While Clients and Prospects might present a smaller opportunity in terms of absolute numbers, they are **likely to have far higher conversion potential** than Leads.
- ▶ Brands need to have appropriate assets and content that target the different segments, with the purpose of **driving conversions along different stages of the consumer journey.**

# CONTENT PERFORMANCE ARTICLE HEATMAP.



# CONTENT PERFORMANCE A/B TESTING.

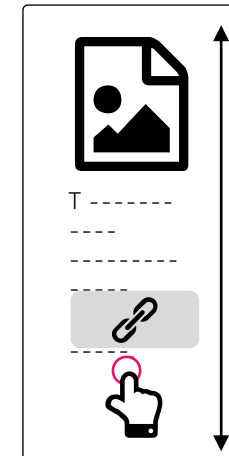
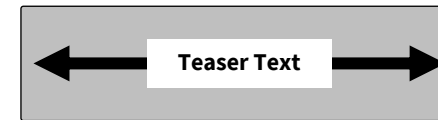
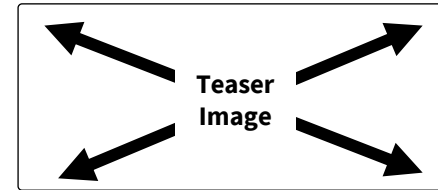
- ▶ By developing a robust A/B Testing framework, a brand can narrow down what works and what doesn't for its WeChat community and **adapt its WeChat content development and publishing practices accordingly**. This will help to **improve open rates and engagement rates** in the long run
- ▶ After breaking consumers down into different segments based on their preferences, brands tweak various parameters to see what works best for their audience, including:
  - Teaser image
  - Teaser text used in the article cover
  - Day and time of publication
  - Article layouts
  - Calls-to-action within article



# CONTENT PERFORMANCE CASE STUDY.

## A/B Testing Framework

- ▶ Jewellery Brand A singled out the elements it wanted to experiment with, and created an A/B Testing framework to test out different permutations of it within its WeChat community
- ▶ **Open Rate**  
The elements tested here have a direct impact on open rates, including the article's Teaser Image and Teaser Text
- ▶ **Engagement Rate**  
The elements tested affect the engagement rate within articles, and included the position of Buttons or Calls-to-Actions within the piece of content



### Normal Post

Celebrity and product Images performed 15% better than images with a logo or model

### Promotional Post

Articles with Promotion information performed 27% better than the ones featuring product, models or celebrities

### Short Titles

Titles with 6 or less characters performed over 23% better than longer titles

### Button Placement

Articles with buttons placed on product links to Mini Programs performed 140% better than articles without buttons on product links

### Standalone Buttons

Buttons that had no animated design elements around them performed 38% better

### The Higher the Better

Articles in which calls-to-action were placed within the first three screens performed 49% better than articles that placed them on the within the fifth to eighth screen

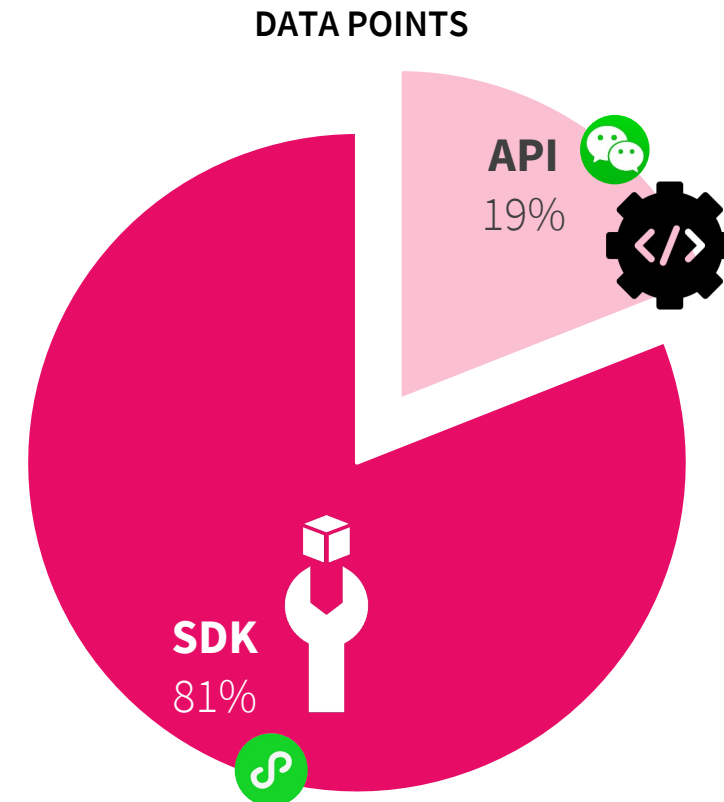
# DATA SOURCES

## CONSUMER DATA CAPTURE.

Brands can capture behavioural data within the WeChat ecosystem in a variety of ways, with a range of tools at their disposal to help in the collection of different types of consumer data.

**Over 81 per cent of the behavioural data** collected on a regular basis by the brands in this study **come from Mini Program actions, which are collected via a software development kit (SDK).** In contrast, **only 19 per cent of them are from Official Account activities, which is extracted with the help of the WeChat API.**

This indicates that brands need to go the extra mile with their Mini-Programs to actually implement the SDK tracking, associated to specific actions. Only with this data will brands be able to identify prospects, develop more comprehensive user profiles, and in turn, design better user journeys and life cycle communications that will help them target consumers at different stages of their journey, driving them closer to the act of purchase or inspire repurchases.



# DATA SOURCES

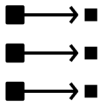
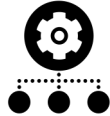

## TAGGING METHODOLOGY.

- ▶ WeChat followers and Mini Program users are tagged based on their interactions with the brand within the WeChat ecosystem
- ▶ Tags can be issued directly, manually and through the marketing automation engine
- ▶ The tagging framework is completely customisable, some of the ongoing tag types are:
  - Activity Level
  - Product
  - Content
  - Campaigns

### TAGGED ACTIONS

				
Menu Clicks	QR Code Scans	Link Clicks	Keywords	Mini Program Events
Official Account Menu, custom or generic	Scans of parametric QR codes	Click on tracked links or links with UTM	Specific keywords sent to official Account	SDK Events, Opens, Visits, Page Views & Custom Events

### TAG ATTRIBUTION

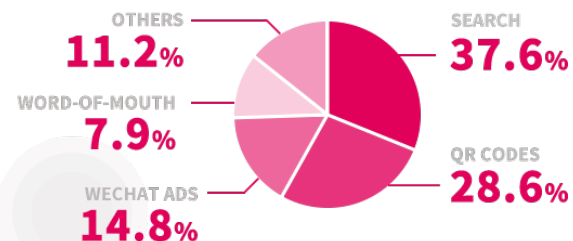
		
Direct	Marketing Automation	Manual
Tags triggered along the selected event, these tags can be issued by the SCRM or from an external source e.g. Mini Program custom event	Tags issued within the SCRM system based on limited parameters within an event, new or existing.	Tags issued by the system operator based on external data or retroactively tagged

# AT A GLANCE KEY INDICATORS.

## CAPTURE

BRAND WECHAT COMMUNITIES GREW BY **35%** IN 2021

### FOLLOWER RECRUITMENT CHANNELS

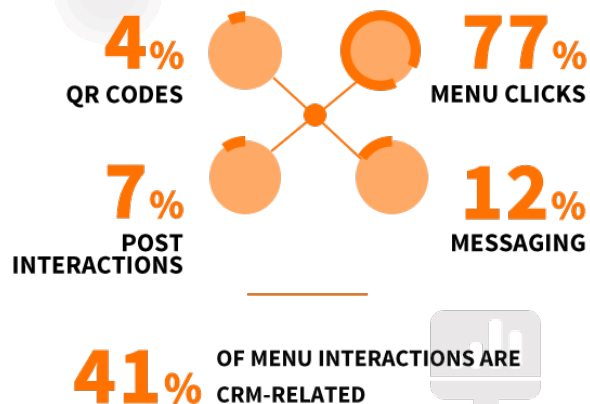


ONLY **7.48%** OF USERS RECRUITED FROM QR CODES UNFOLLOW THE BRAND WITHIN 48H OF A CONTENT PUSH

## NURTURE



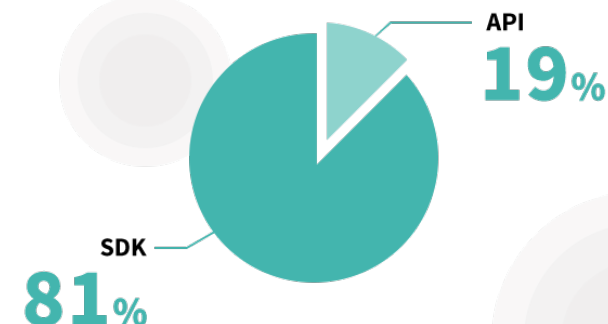
### TOP ENGAGEMENT ACTION TYPES



## OPTIMISE

**50%** OF USERS WILL NOT READ PAST **5.94** SCREENS

**81%** OF DATA POINTS REQUIRES THE USE OF A SDK





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## INTERESTED IN LEARNING MORE?

Connect with us for more insights on digital marketing strategies and how to better engage your audiences.

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**KUN HSU**

President

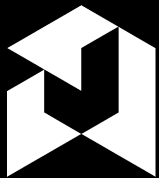
[kunhsu@jingdigital.com](mailto:kunhsu@jingdigital.com)



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THANK YOU.

