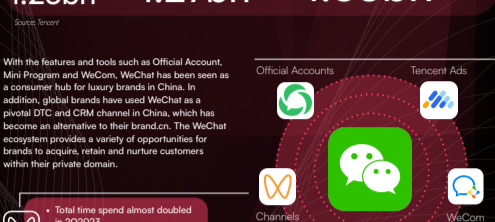


WeChat Luxury Index

2023

Introduction

WeChat, as the top social and messaging platform in China, now boasting 1.33 billion MAU (Monthly Active Users).



With the features and tools such as Official Account, Mini Program and WeCom, WeChat has been seen as a consumer hub for luxury brands in China. In addition, global brands have used WeChat as a pivotal DTC and CRM channel in China, which has become an alternative to their brand.cn. The WeChat ecosystem provides a variety of opportunities for brands to acquire, retain and nurture customers within their private domain.

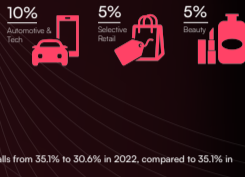
- Total time spend almost doubled in 2Q2023
 - DAU (Daily Active Users) experienced a double-digit growth year-over-year
 - Livestreaming e-commerce GMV increased by 150% in 2Q2023
- Source: Tencent



Methodology

In the 2023 edition of WeChat Luxury Index, DLG (Digital Luxury Group) and JINGdigital examined 21 WeChat communities of leading luxury brands to map trends as well as industry benchmarks in China's luxury landscape.

Community sizes of **28,000** to **1.3 million**



Recruitment

The overall growth rate of brands' WeChat communities falls from 35.1% to 30.6% in 2022, compared to 35.1% in 2021.



The overall growth rate of the luxury WeChat communities remains still above 30% today, reflecting the fact that China's luxury consumer base continues to expand rapidly, and brands are continuing reaching the audience in lower-tier cities via digital means, such as WeChat.

Communication

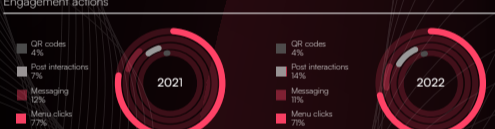
Posting frequency

Only 23.8% of brands push four times per month in 2022, which shows a substantial drop from 67.5% in 2021. The majority of brands (71.4%) chose to make two or three content pushes per month.



Open rate

The open rate of Official Account articles continues to show a downward trend over the years. The open rate of single-article pushes has fallen to 5.13% in 2022. The open rate for multiple-article pushes has also dropped compared to 2021, but the cumulative open rate for multiple-article pushes remains higher than that of single-article pushes, though the gap has narrowed.

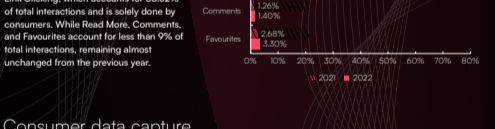


Why does the open rate keep dropping?

- The muted notification showed an impact.
- The brand communities built through WeChat Ads show less interest in content.
- WeChat is playing more functional roles for luxury consumers.

Account actions

The distribution of different account actions in our samples did not change drastically from the previous year. However, we observed that the proportion of Post Interactions increased significantly to 14%. Although the overall open rate has decreased, users are more likely to interact with an article. Furthermore, the percentage of Menu Clicks falls from 77% to 71%. While the proportions of Messaging and QR Code Scanning stay relatively the same as in 2021.



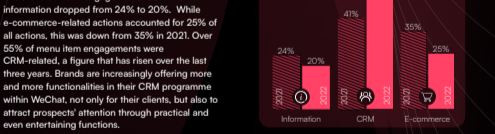
Engagement actions

Shares make up 32.91% of total post interactions, up from 20.76% in 2021. The increase in Share is due to a greater emphasis on clienteling on WeChat — brand SAs are sharing brand content on their Moments more frequently. The most popular in-article engagement action is Link Clicking, which accounts for 58.32% of total interactions and is solely done by consumers. While Read More, Comments, and Favourites account for less than 9% of total interactions, remaining almost unchanged from the previous year.



Consumer data capture

Data capture capability



Services

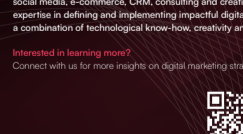
Menu services

The share of menu engagements related to information dropped from 24% to 20%. While e-commerce-related actions accounted for 25% of all actions, this was down from 35% in 2021. Over 55% of menu item engagements were CRM-related, a figure that has risen over the last three years. Brands are increasingly offering more and more functionalities in their CRM programme within WeChat, not only for their clients, but also to attract prospects' attention through practical and even entertaining functions.



Landing page

Share of landing page*



46.5% of active menu items would redirect visitors to Mini Programs, which would be their e-commerce store, loyalty programmes, or entertaining experiences like minigames. We also observed that 27.3% of menu items still linked to brand.com, despite the fact that the official site is not prevalent among Chinese consumers and has limitations in terms of behavioural data collection. Another 20.9% of items were linked to WeChat articles, and we discovered that a few brands have already integrated their Channel content into the OA menu. While the walled gardens of China's digital ecosystem have started coming down, brands can now link their menu items to external sites such as Tmall. 0.5% of menu items in our samples was linked to these e-commerce platforms.



DLG (Digital Luxury Group) is an international agency with offices in Geneva, Shanghai and New York that offers social media, e-commerce, CRM, consulting and creative services to luxury brands. It has developed a unique expertise in defining and implementing impactful strategies that targets sophisticated consumers through a combination of technological know-how, creativity and luxury savoir-faire.

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



Follow us on WeChat.

digitalluxurygroup.com



Targeting at enterprises providing high-value goods or services, JINGdigital is the leading MarTech platform in China, which always keeps revenue-driven and customer-nurturing purposes in mind.

Since our founding in 2014, JINGdigital has been providing brands with digital marketing optimization solutions. Our platform enables brands to better understand customers and empowers them to create valuable personal connections at scale.

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