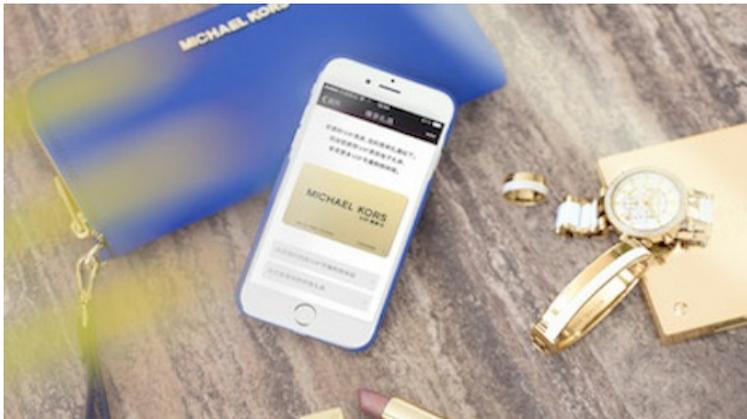


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## Luxury brands flock to WeChat for better control over consumer interaction: L2

December 27, 2016



*Michael Kors WeChat*

By BRIELLE JAEKEL

As Chinese consumers' main platform to control almost everything in their lives, WeChat is now seeing double adoption rates within two years, according to a new report from L2.

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Research shows that now all beauty brands, 96 percent of personal care brands and 90 percent of watch and jewelry manufacturers interact with consumers via WeChat. The platform is likely to exceed 900 million users in 2017, making it detrimental for brands to lack a presence on the mobile messaging application.

"While adoption of WeChat as reached ubiquity, adoption of its key features has not," said Danielle Bailey, research director at L2. "Despite the lack of reach provided by the platform, brands continue to focus on WeChat as a content publication vehicle rather than as the connective tissue between the phase's of the customer's journey."

Influence of WeChat

**L2's Insight Report China: WeChat** is proving to be much more effective than television advertising, with TV spots seeing 26 percent less engagement than WeChat initiatives. Social influencers prompt the best campaigns on WeChat, as those campaigns see four times the number of views than campaigns coming directly from brands.



### *Roger Dubuis Moments Excalibur WeChat*

The influencer campaign has similar affect on Chinese microblogging Web site Weibo, with celebrity posts seeing 6,000 times more engagement than the brand and reach a 1,800x greater fan base. is also extremely popular and sees four times the impact than television advertising does.

In 2014 about 71 percent of beauty brands in China had a presence on WeChat, but in 2016 that number hit max adoption with 100 percent of brands being on the mobile messaging app. Personal care brands jumped 35 percent in two years, with only 56 percent of brands interacting with consumers on WeChat in 2014.

Fashion brands saw the most growth within two years, with a 48 percent increase since 2014. Two years ago only 42 percent of fashion manufacturers were on WeChat, but this year that percentage reached 90.

### *Mobile messaging capability*

WeChat has now reached almost complete ubiquity with consumers using the app as their go-to source to complete any action. Any kind of communication is often accomplished through the app while also replacing credit cards, loyalty cards, customer service lines, email marketing, store locators, brand and retail apps and traditional digital advertising.

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### Mont Blanc WeChat

With bricks-and-mortar sales continuing to decline, social selling is poised to alter the current retail model by facilitating purchases seamlessly through branded communication.

French atelier Christian Dior recently tried its hand at social selling by offering its followers on Chinese messaging and social application WeChat the opportunity to purchase a limited-edition handbag directly through a post. While not alone in its WeChat efforts, Dior has become the first luxury house to sell a high-end handbag through the app, showing its potential for direct-to-consumer sales ([see more](#)).

Also, Richemont-owned watchmaker Roger Dubuis guided Chinese consumers to their ideal timepiece through an interactive WeChat campaign.

"Daring Partner" invited users to tap, swipe and shake their way to the Excalibur timepiece that is right for them. With more than 768 million users, WeChat offered luxury brands the opportunity to reach the digitally connected generation of Chinese consumers in an engaging way ([see more](#)).

"It has been most interesting to see luxury brands, that have been so against selling online in China (e.g. Chanel, Dior, Cartier, etc.) begin to experiment with WeChat's commerce capabilities," Ms. Bailey said. "They are attracted by the control that WeChat offers them that they typically can't find on other platforms, they also like that they don't have to make their entire collection available, but can focus on exclusive or one off products for the market."