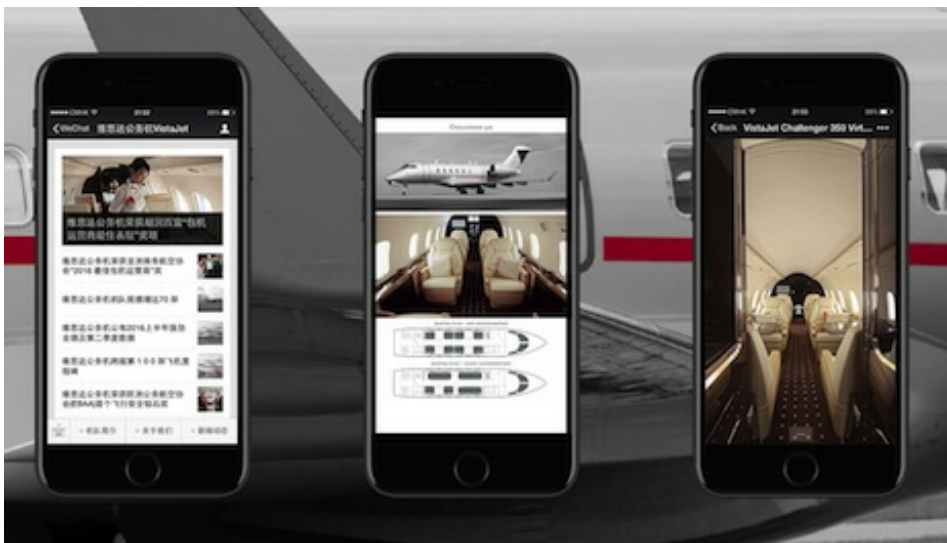


MARKETING

## China's progress with mobile payments likely to be replicated

April 24, 2017



*VistaJet leverages WeChat*

By BRIELLE JAEKEL

While mobile wallets in the West are focused primarily on payment, China's advanced consumer behavior with technology has led to sophisticated consumer-engagement tools, according to a new report from Forrester.

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WeChat's social gifting and augmented reality coupons on Alibaba's Alipay are a few of the tools consumers can leverage through mobile wallets that make the customer experience in China extremely advanced. Marketers should be prepared for this to be replicated throughout the world, as well as advancing beyond.

"Forrester predicts that the future of mobile wallets will go far beyond mobile payments," said Xiaofeng Wang, analyst at **Forrester**. "In the West, this vision is still a work in progress."

"However, Chinese digital juggernauts Alipay and WeChat have morphed their mobile

wallets into rich customer engagement platforms,” she said. “My latest report, Engage Customers With Mobile Wallet Marketing, tells what global players can learn from Asia’s digital leaders.

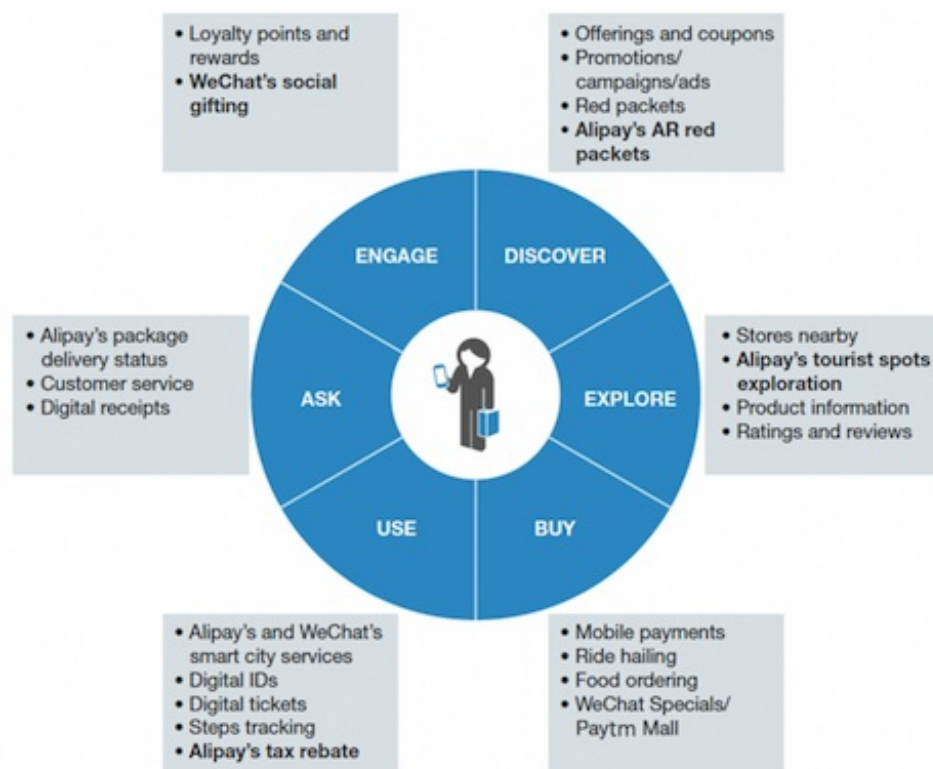
“Alipay and WeChat show marketers the future of mobile wallets.”

## China vs the West

A new report from Forrester is showing the advancements of mobile wallets and the differences in use around the world. The report alludes to the future of mobile wallets being sooner rather than later.

For instance, PayPal’s “order ahead” and “stores nearby” features are two of the few tools that consumers are likely to become comfortable with and will come to expect. Marketers need to prepare.

Popular applications in China, WeChat and Alipay, have already paved the way in creating payment platforms that accomplish much more than just commerce. PayPal is following suit.



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## Forrest's mobile wallet chart

The difference in the effectiveness with these platform strategies is clear. More than 76 percent of metro Chinese consumers are at least interested using mobile wallets or already do so.

However in the United States only 36 percent of the urban online population is interested in mobile wallets. This leaves a lot of potential on the table.

With both Alipay and WeChat, users are able to accomplish a wide array of tasks beyond just paying including messaging, group buying, travel agents, ride sharing and food

delivery.

It is likely upcoming mobile platforms in the United States and in the West will likely see more features similar to this. Third-party providers will most likely be a driving force.

### Alipay and WeChat

The majority of consumers in China are using mobile messaging app WeChat as their sole source for interaction with brands, daily tasks and communication with others, and marketers are learning how to leverage this to their advantage and recreate this tactic overseas.

WeChat is now seeing double adoption rates within two years, according to a new report from L2, also showing that now all beauty brands, 96 percent of personal care brands and 90 percent of watch and jewelry manufacturers interact with consumers. Brands in China are serving consumers' needs through the mobile messaging platform, a strategy that can be and should be recreated in the United States ([see more](#)).



### *Dior's use of WeChat*

LVMH-owned travel retailer DFS Group exemplified how marketers and retailers can take advantage of mobile pay and furthered its partnership with Ant Financial's Alipay by giving exclusive promotions to customers checking out with the mobile payment method.

A series of 2016 activations at DFS stores for Alipay's annual 12.12 shopping holiday allowed customers to access offers such as a 10 percent discount or coupons. For shoppers who have not yet adopted Alipay, this promotion provides prime incentive to start ([see more](#)).

"While mainstream Western mobile wallets primarily focus on payments, pioneer mobile wallets in China have taken aggressive steps and become powerful customer engagement tools with innovative features — such as WeChat's social gifting and Alipay's augmented reality (AR) coupons and red packets," Forrester's Ms. Wang said. "Their mobile wallet

innovations span the customer life cycle.”

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