

FINANCIAL SERVICES

## Alipay, WeChat Pay now compatible with Givenchy, Porsche for North American sales

July 21, 2017



WeChat Pay will soon be usable with a variety of luxury brands in North America. Image credit: WeChat

By DANNY PARISI

China's largest mobile payment providers, Alipay and WeChat Pay, are now connected to North American retailers thanks to the launch of a new platform.

Subscribe to **Luxury Daily**  
Plus: Just released  
State of Luxury 2019 **Save \$246 ▶**

Chinese travelers abroad are some of the highest luxury spenders in the world, making this connection a huge opportunity for luxury retailers in North America, particularly in the United States. Mobile payment providers are very popular in China, and the easier it is for Chinese consumers to use the solution abroad, the more luxury goods they will be able to purchase.

"We are thrilled to partner with Alipay and WeChat Pay and bring the power of China's mobile payment services to North America," said Jason Luo, head of partnerships at RiverPay, Mississauga, Ontario. "Merchants now have a simple solution available that a large market segment trusts and uses daily for acquiring goods and services."

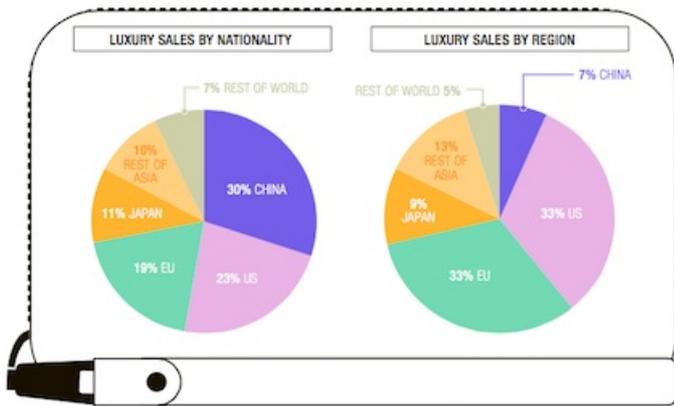
### Mobile payment

Over the last few years, the affluent class in China has grown exponentially. This has led to a growing demand for luxury goods in China that is only now beginning to be satiated.

Brands such as Burberry have been making China-focused campaigns to tap into this market, but significant value comes from when Chinese consumers are abroad because the demographic is more likely to purchase luxury goods. This is especially true for luxury goods unavailable in China.

One of the main differences between China's market and the rest of the world is the use of uniquely Chinese digital platforms, with two of the largest being the social network WeChat and ecommerce retailer Alibaba.

Both companies offer their own exclusive mobile payment solutions, which are widely used by Chinese travelers.



Source: L2 analysis of Bain & Co. data, October 2016.

*China is the largest luxury consumer base. Image credit: L2*

Now, Riverpay, a newly launched platform, is helping those travelers get even more use out of their mobile payment options when traveling to North America.

Riverpay will automatically handle transactions from a Chinese mobile payment account on Alipay or WeChat Pay and a North American retailer, simplifying a formerly complicated process.

Together, these two platforms make up about 90 percent of all Chinese mobile pay revenue, and between the two of them are projected to account for billions of dollars of sales in the next few years.

Brands such as Givenchy, Bottega Veneta and Dolce & Gabbana are all on board, as are automakers Audi and Porsche, with Riverpay's solution. Those participants are now ready to begin receiving payment from Chinese travelers abroad.

East and west

The distance between China and the West is growing smaller each year thanks to partnerships between Chinese and Western companies that make those insurmountable divides much more surmountable.

Chinese consumers will now have better access to online retailer Farfetch's curated offerings thanks to a \$397 million investment from Chinese ecommerce marketplace JD.com.



*Burberry's recent China campaign. Image credit: Burberry*

JD.com's investment into Farfetch will help the retailer to further develop its presence in the \$80 billion Chinese market. Farfetch already operates in China and is the ecommerce partner of 200 luxury brands and more than 500 multi-brand boutiques, but JD.com's local knowledge will ensure Farfetch's continued success in the market ([see story](#)).

These types of partnerships are expected to grow, especially any that concern WeChat.

Luxury brands experimenting with WeChat's commerce model rose from 3 percent to 10 percent from the year-ago, suggesting that the sector is beginning to have better understanding of the Chinese commercial ecosystem ([see story](#)).

With the ability to more easily make mobile payments, Chinese customers will now have even more reason to travel to the U.S. and purchase the luxury goods that they desire.

"Merchants recognize that giving all consumers an all-around enjoyable experience including an easy payment transaction is critical," Mr. Luo said. "If they can do that, the consumers will tell others and keep coming back."

---

© 2020 Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your [feedback](#) is welcome.