

MARKETING

Why are top luxury brands flocking to WeChat Channels?

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Gucci on WeChat Channels. Image credit: Gucci, Luxury Society, WeChat Channels

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In the annual conference of the General Association of Sichuan Entrepreneurs at the end of last year, **Yu Zhang, vice president at Douyin parent company ByteDance, opined** that short videos will reach more than 1 billion people in China by 2020.

According to **a report released by Fastdata** in February this year, monthly active users of short video platforms in China has hit a high of 800 million, with each user "liking" more than 80 videos, on average.

Compared to long videos on platforms such as Tencent Videos and iQiyi, short videos tend to have a higher interaction rate and social attribution as well.

Luxury brands accelerating their digital activities in China have been keen to explore this opportunity.

On April 29 this year, Gucci launched an account on Douyin, dropping a series of short videos for its Tennis 1977 sneaker's #AccidentalInfluencer campaign. Its first video attracted more than 400,000 likes and 10,000 reposts.

Dior, which made its entrance on Douyin in 2018, leveraged the platform's Hashtag Challenge function and launched a "520 Confession Balloon" challenge in May this year, inviting users to create and share videos made using the brand's custom Augmented Reality filter. As of recently, Dior's Hashtag Challenge has received more than 1 billion views.

Riding the wave, WeChat unveiled its short video contender in China earlier this year. Often compared to Instagram for its feed-like interface, WeChat Channels was in official beta testing as of Jan. 21 and many active KOLs, institutions and companies were invited to join the platform.

As a component within the WeChat ecosystem, Channels can only be accessed via the Discover section on WeChat. Users are able to post videos under one minute, or nine images at maximum, with a text description under 1,000 characters.

Tabs at the top of the Channels page show users the video accounts they follow, videos their friends recommended

and "Hot" videos curated by an algorithm, as well as videos nearby using a location-based service.

Louis Vuitton was the first luxury brand to make a debut on WeChat Channels. Brands such as Burberry, Prada and Piaget soon followed suit.

Chanel, which has yet to establish an official presence on any video platform in China, launched its Channels account in June.

WeChat Channels currently has about 200 million daily active users, leaving much room for growth compared to existing short video giants Douyin and Kuaishou. Yet, more luxury brands are getting on board. Why?

Expanding reach

WeChat founder **Allen Zhang said during the 2020 WeChat Open Class Pro** that as a content distribution platform, WeChat welcomes all types of content.

But when Official Accounts became the primary channel for articles, other short content formats were neglected.

WeChat Channels was thus introduced to address the demand for short video content. It is not only the last piece of the puzzle within the WeChat content ecosystem, but also a new conversion channel for brands.

Traditionally, WeChat Official Accounts are limited in terms of reach due to the closed nature of the WeChat ecosystem users are only able to view content from accounts they choose to follow.

Channels, however, suggests content to users based on a social recommendation algorithm, which helps to broaden the reach of content from brands.

Content consolidation

In the past, brands had to rely on different platforms to push out different types of content.

WeChat was known to be a channel focused on text-heavy brand content articles pushed via Official Accounts to followers would be peppered with animations and images but would primarily contain in-depth brand content.

Image-heavy and celebrity-influenced posts would be shared on Weibo, and short brand video clips would be posted on Douyin.

Channels provides brands with a platform to consolidate their short videos and images, and this has been well leveraged: Chanel posted behind-the-scenes videos of its Haute Couture fall-winter 2020 collection and Louis Vuitton recently updated its account with sci-fi-inspired images from its pre-fall 2020 collection.

Instead of spreading their resources across different platforms and diverting the attention of their audiences to other content avenues, brands are now able to contain all of that within a single ecosystem.

Driving conversions

In addition, brands are able to include links to articles within WeChat within the post caption. This allows users to be redirected instantly to product presentations in articles on Official Accounts, where items can be purchased instantly through Mini Programs. This results in a seamless consumer journey from awareness to purchase all within the WeChat ecosystem.

After that act of purchase, brands are also able to further develop the consumer relationship by capturing their profiles within their loyalty programs, many of which are now built on WeChat.

So while Channels may still be lacking in terms of traffic compared to bigger short video players such as Douyin and Kuaishou, it offers a level of integration that they do not.

Both aforementioned platforms do offer ecommerce integration the former to Alibaba's Taobao Tmall and the latter to JD.com but users have to leave the video platform's ecosystem to make the actual purchase.

Upon payment on these ecommerce platforms, users will then have to leverage yet another external payment gateway WeChat Pay or Alipay to make the purchase, at which point, the consumer journey ends abruptly.

There is no one-size-fits-all short video strategy

That said, WeChat Channels is not the magical solution to digital marketing in China.

The type of content brands release on Channels or any other short video platform matters as well.

Every video platform in China is unique in its style, tone and audience. Brands need to master the platform's playbook, distribution rules and user base to create highly engaging video content.

In late June, Dior became the first luxury brand to launch a Bilibili account. While it may have been an early adopter, it made some missteps in grasping the tone of the platform.

The brand's 13-second campaign video for the Air Dior capsule collection on the platform met with lackluster results: 3,000 views and 182 likes.

Users on Bilibili look for in-depth, long videos with a strong narrative and the short promotional clip from Dior was not it.

In contrast, that same video on Dior's WeChat Channels account has received over 10,000 likes.

Luxury brands should realize that there is no one-size-fits-all short video content, and that distributing the same campaign video on various platforms is pointless.

"The synergy between short video and media outreach allows brands to reach more prospects from third- and fourth-tier cities where they do not have a physical presence," said Sandrine Jin, Associate Account Director at **DLG (Digital Luxury Group)**.

"But at the same time, brands need to create varied content based on the characteristics of different platforms in order to appeal to the users on them," she said.

"Given the increased demand for short videos, brands should accelerate the production of promotional material at the global level, which forms the foundation of short video strategies, or consider working with a local partner that will be able to help translate existing brand assets into something that resonates with the intended audience."

The short video war in China is only just starting, and brands need to be on top of digital trends and user preferences to stay in the game. Because there is only one way that consumers vote: with their wallets.

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