



How WeChat redefined rituals in a digital multiplatform age

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3 interactive marketing insights from WeChat's Lunar New Year campaign

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Giving money in a red envelope to relatives and close friends is an ancient tradition that represents best wishes during the Chinese Lunar New Year. As traditional rituals are encountering new technology and digitalization, the Chinese messaging app WeChat redefined the “red envelope” by inventing a virtual red envelope feature that can be used in chat rooms. On the Lunar New Year’s Eve, WeChat recorded 1 billion virtual red envelope transactions and 11 billion real-time interactions with its appearance in the gift giving section on the Chinese New Year Gala.

WeChat introduced the virtual red envelope feature during the 2014 Lunar New Year, which attracted 8 million users to exchange 40 million red envelopes. The feature allows users, both individuals and businesses, to send a link of a virtual red envelope to their 1:1 chat with friends, group chat, or even post the envelope on their feeds. When opened, the envelope offers a small cash coupon that

can be either cashed out or used in small scale purchases, such as paying for a taxi ride or online shopping on WeChat. The quantity of red envelopes in each link is usually limited, which means that users need to open the link as soon as possible or the red envelope will be “grabbed” by others who see the link.

Another reason for WeChat’s success is its partnership with the Chinese New Year Gala, the most watched prime time TV program on the night of Chinese New Year’s Eve. The TV program distributed sponsored gift and cash rewards through a real-time interactive “shake” function that allowed users to participate in a reward lottery by shaking their smartphone and red envelope “grabbing.” For the majority who didn’t receive huge rewards, they also gained good wishes, such as “all the best in year of sheep,” by shaking their phones to participate in the real-time interaction. WeChat sent out 120 million red envelopes and recorded 11 billion “shake” interactions throughout the show. WeChat’s remarkable success in interactive marketing reveals three trends that marketers should apply.

1. Keeping the incentives relevant to the users

As an instant messaging app, WeChat understands its brand essence as being the connection for people anywhere and anytime. There is no a better time to leverage people’s social network than the Lunar New Year, a period of reaching out to family and friends to send good wishes. Integrating its core value with the cultural ritual and holiday not only charms the users, but also resonates with its core value of connecting people to share exciting moments.

When it comes to engaging users on social media platforms, [Medill IMC Spiegel Digital & Database Research Center](#) found that small but relevant incentives can trigger more reflection on the brand’s meaning in social media contests settings than larger prizes unrelated to the brand’s core values. Our

researchers [recently analyzed](#) the relationship between the Air Miles Reward Program, a coalition loyalty program where members earn points by spending on consumer goods, and members' participation in social media contests. [The research](#) found that rewarding the social media participants with a small number of miles, increased their spending more than the chance to win a cruise. Although the WeChat red envelope was not a contest, the act of sending money in red envelopes had a strong relevance to the holiday as it significantly enhanced the number of participants and user engagement on the new feature.

2. Understanding the unique functions of different functions and how they can engage the audience.

With the high penetration of smartphone use, marketers are finding both benefits from the increased customer spending on mobile devices and challenges of keeping communication messages fully integrated on multiple platforms. Carefully selecting products and service categories based on the platform's function makes the engagement more effective.

[A recent study](#) about multiplatform engagement by Medill IMC Spiegel Digital & Database Research Center also reveals that mobile platform increases the frequency and velocity of purchase. However, marketers should carefully tailor the categories by platforms because the research also found that people are more likely to use mobile device for simple, routine and habitual purchases but use other platforms for products that require more consideration. In the era of multi-device marketing, brands should leverage different communication channels to extend the trust on the brand. WeChat wisely provided some suggestions on the usage of the rewards collected from the red envelope, including paying for taxi rides or small scale online shopping, which perfectly fits with people's smartphone purchase behavior.

3. Mobile shopping and transaction is a big deal

The red envelope marketing strategy serves the long-term strategic direction of the company. With data collected from the red envelope event, WeChat now has the bank account information of millions of users which will ease future transactions. The messaging app is continuously developing new functions, such as online shopping and advertising placement, based on increasing user engagement. WeChat is entering the e-commerce market dominated by Alibaba (taobao.com) in China. People can open an online store and shop on WeChat and pay by the WePay payment function.

This is a logical step because mobile shopping is the future of marketing. According to Medill IMC Spiegel Digital & Database Research Center's [mobile apps study](#) on the Air Miles Reward Program, people who adopted the AMRP mobile app had 16.2% greater purchase frequency and 20.1% greater mile accumulation. The study also found that these people have higher engagement, which means that they log in to the app multiple times a day, which also increases their purchase frequency and mile accumulation volume. The shopping function on a mobile device is important for the revenue and awareness of the brand. In China, with an existing high engagement and prevalent platform like WeChat, smaller brands should see the benefits of partnering with WeChat to approach its 440 million active user base.

Good job WeChat!