



Newly launched WeChat Payment kicks off O2O competition in China

The most common terms around the water cooler recently must be "WeChat Payment". So, why is this important to marketing? WeChat has rolled out its payment service which is expected to compete directly against the Chinese Internet giants Alibaba and Baidu, and take China's online to offline (O2O) ecosystem to a new level.



WeChat's competitive edge lies in its huge user base - over 600 million potential customers and business accounts above the line. Below the line, WeChat is also working with offline strategies like vending machines to attract consumers through the WeChat QR codes. Tencent's next step is to launch a POS solution in addition to the WeChat Payment on March 22nd. Why this is significant is that the WeChat Payment creates a bridge between businesses and consumers - a complete closed-loop structure from online to offline.

WeChat Payment service is based on linking bank cards (debit card and credit card), equipped with technical support and payment license from TenPay. People can use it in the following three ways: Public Account Payment, QR Payment, and App Payment.

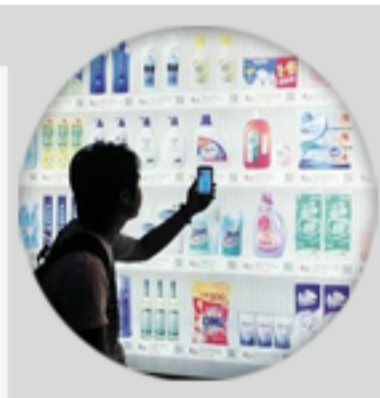
Public Account Payment

- Business dealer displays products or services on its Public Account
- Consumers select commodities, fill in delivery address, complete payment transaction, and submit order-all in WeChat Payment's one-stop service.



QR Payment

- Every product has a matching QR Code
- The QR Code can be placed both online and offline for promotion
- Scan QR Code to purchase product



App Payment

- Use WeChat Payment as a way to pay bills for any deals on mobile apps
- E.g. Buy a restaurant coupon on the Dianping mobile app through WeChat Payment



How to apply for the WeChat Payment service?

First of all, you should make sure your business is in one of the following categories.

- Shopping Mall / Supermarket
- Apparel / Shoes / Bags
- Sports
- Cosmetics
- Home Decoration / Flower & Gifts
- Automobile
- Electronics / Household Appliances
- Maternal and Baby Products
- Food and Drink
- Books / Newspaper / Magazine

To finish the application, there are still four steps to go.

Step 1

- Apply a Service Account (Subscription Account can be upgraded to SA)
- WeChat authentication

Step 2

- Submit required documents
- Verify and examine documents

Step 3

- Programming
- Sign a contract online

Step 4

- Pay security deposit (20,000 Yuan)
- Activate business mode

As people's shopping habits have changed from offline to online, China's three IT giants are craving to have their fingers in the pie of O2O commerce. In the past two years, the three corporations have made some strategic moves respectively, and the competition will be more intense and exciting in 2014. Who will get the biggest piece of the pie? Let's wait and see.