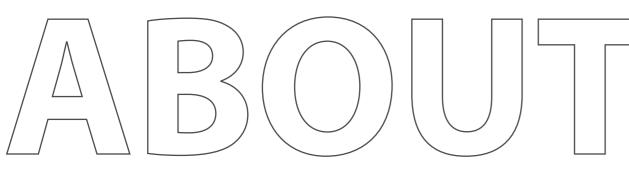
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On 18 May 2020, Tencent's WeChat, Tsinghua University's Tsinghua China Data Centre, and the Tencent Social Research Institute released "**The 2020 Pandemic and the QR Code Economy Report**". The 104 page long Chinese report revealed that the WeChat QR Code Economy has played an effective role in mitigating the negative impact of the COVID-19 pandemic.





In this report we bring you the key messages.

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What is the WeChat QR code economy? The WeChat Ecosystem QR codes on WeChat The value of the QR code economy

Connecting enterprises Transforming business models Financial support for businesses Vouchers to stimulate the economy

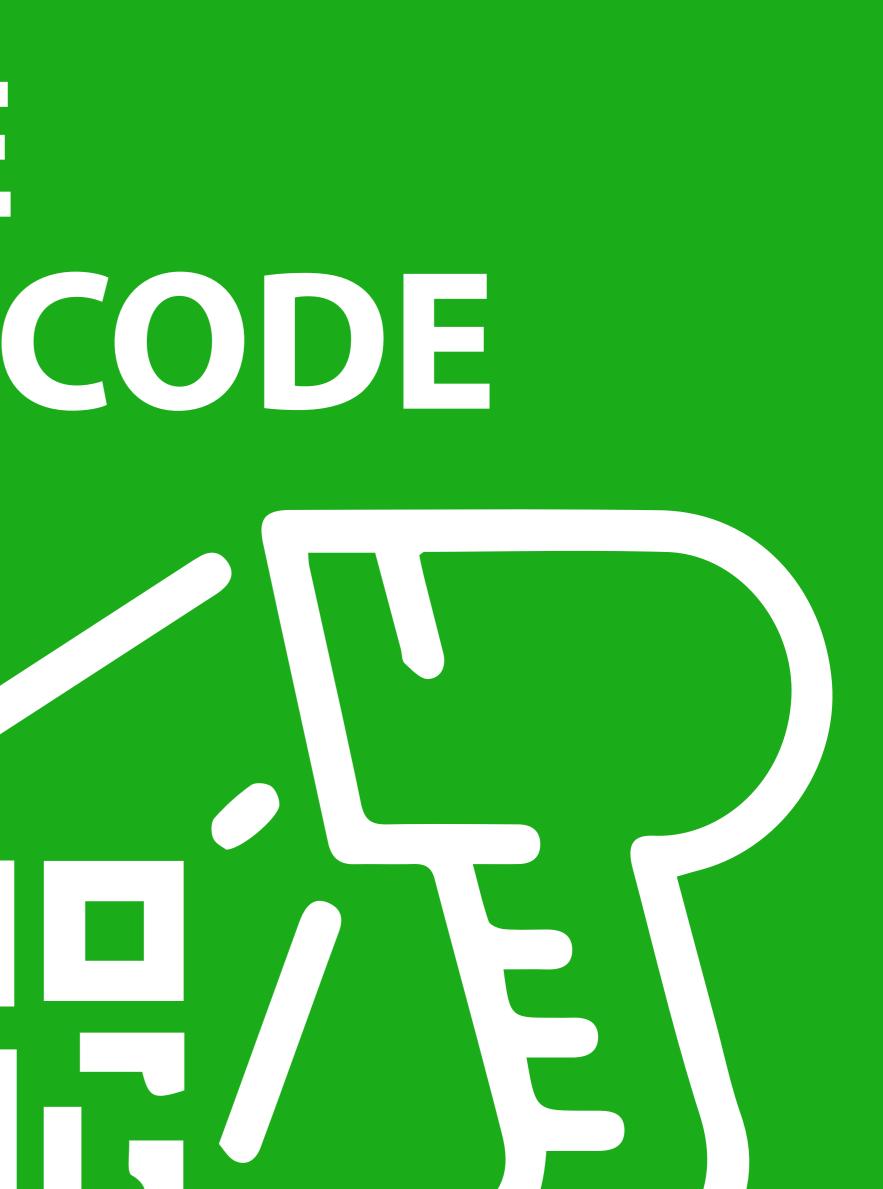
Connecting services Digitalising healthcare Digitalising public services

The QR Code Economy during COVID-19

Connecting users

Helping the nation shop online Keeping students connected

WHAT IS THE WECHAT QR CODE ECONOMY?



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REPOR

THE WECHAT ECOSYSTEM

More than 1.2 billion

monthly active users

More than 20 million

official accounts¹

1 Subscription accounts for followers

More than 1 million

Mini Programs

More than **400 million**

daily active users of Mini Programs

More than **800 billion RMB**

worth of transactions in 2019

More than 60 million

active users of Wechat Work

2.5 million

companies used WeChat Work

More than **50 million**

monthly active merchants on WeChat Pay

1 billion

daily commercial transactions on WeChat Pay



THE WECHAT ECOSYSTEM

63 m 10 n monthly active users above the age of 55

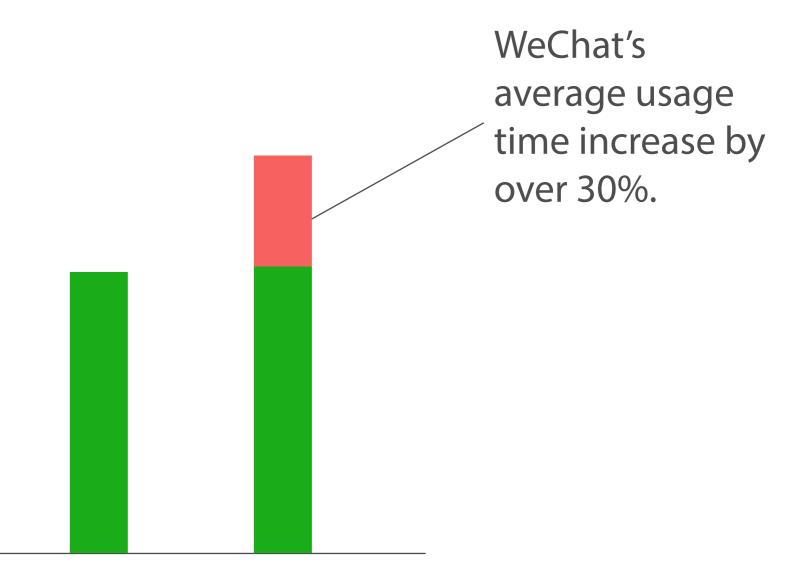
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The WeChat Ecosystem caters for the entire Chinese society.

In fact, as of September 2018, WeChat had 63 million monthly active users above the age of 55. Half of WeChat users aged over 60 are using WeChat Pay.

THE WECHAT ECOSYSTEM

COVID-19 has forced the WeChat Ecosystem to rapidly expand and upgrade its software which has also led to WeChat's average usage time increase by over 30%.



During COVID-19

For years, QR codes have played an essential role on WeChat, forming digital connections between people, things, and places with the convenient and costeffective scan of a code. QR codes provide extensive scope to develop the economy and employment opportunities.

OR CODES ON WECHAT



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QR codes are multi-functional on WeChat and can be used to add friends, make payments, enter Mini Programs and access WeChat Work.











The 'QR Code Economy' describes a new economic model that stretches across the WeChat ecosystem.

In 2019 alone, it reached 8.58 trillion RMB and generated 29.63 million employment opportunities.

THE VALUE OF THE CODE ECONOMY

In Q1 of 2020, the value of the WeChat QR Code economy increased by 25.86% year on year, despite a Chinese GDP contraction amid COVID-19.

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8.58 trillion RMB

in 2019

29.63 million

employment opportunities

THE ORCODE ECONOMY DURNG



THE ORCODE DURNG

140 billion times

used

Saved an average of

29.2 hours

per person

During the COVID-19 pandemic, QR codes have not only helped to ensure a smooth, 'contactless' flow of information and data but have also reduced the cost and time for pandemic prevention and optimised the allocation of resources.

Between 23 January and 6 May 2020, governments, businesses, and individuals used WeChat QR codes over 140 billion times, leading to each person saving 29.2 hours on average.

THE QR CODE ECONOMY DURNG COVID-19

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COVID-19 has accelerated digitalisation processes within all areas of society and the QR Code Economy is set to grow in tandem with the demand for digital infrastructure.

It is seen as a much needed 'stabiliser' of the economy and society, enabling governments, enterprises, and the public to fight the epidemic and resume work.

CONNECTING USERS HELPING THE NATION SHOP ONLINE



Forcibly so, COVID-19 changed purchasing habits and lifestyles.

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As people could not leave their homes, they turned to e-commerce channels to buy groceries and other essential items and retailers had to find new platforms and ways to attract Chinese consumers.



SOLUTIONS 1/2

WeChat Mini Programs and WeChat Groups became key channels to buy and sell food.

As of 14 February, visits to supermarket Mini Programs increased by 115% year on year. Mini Programs offered delivery services and an option where users could collect pre-ordered food by scanning a QR code. As China recovers from COVID-19, many companies are resuming offline business where the QR code economy remains important.





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Livestreaming on WeChat grew as a result of the growth in online retail and consumers being unable to see products in person. The feature allows merchants to display their products in situ while interacting with their audience in real time through their own WeChat Mini Program.

AT EXCLUSIVE REPORT// WECHAT EXCLUSIVE REPORT

7 merchants' Mini Programs recorded monthly sales of over



In February 2020, seven merchants recorded monthly sales of over 100 million RMB on their WeChat Mini Programs and some saw sales increases of 1100% compared to December 2019.

SUCCESSES 1/3

100 million RMB



SUCCESSES 2/3 In terms of live streaming, following women's clothing brand Eifini's first livestream on 6 February 2020, the number of visits to its Mini Program rocketed by 566% and sales increased by 372% (MOM).

// WECHAT EXCLUSIVE REPORT



SUCCESSES 3/3

WeChat Pay

Compared with February, WeChat Pay transactions at offline supermarkets increased by 68% in March and 14% in April.

Between March and the May Day holiday, offline transactions on WeChat increased by:

521.6% in the leisure and entertainment industry
216.25% in the catering industry
48.44% in the retail industry
64.48% in the travel industry

CONNECTINGUSERS KEEPING STUDENTS CONNECTED





WECHAT

With all levels of educational facilities closing due to the virus, educators and students were required to move online.

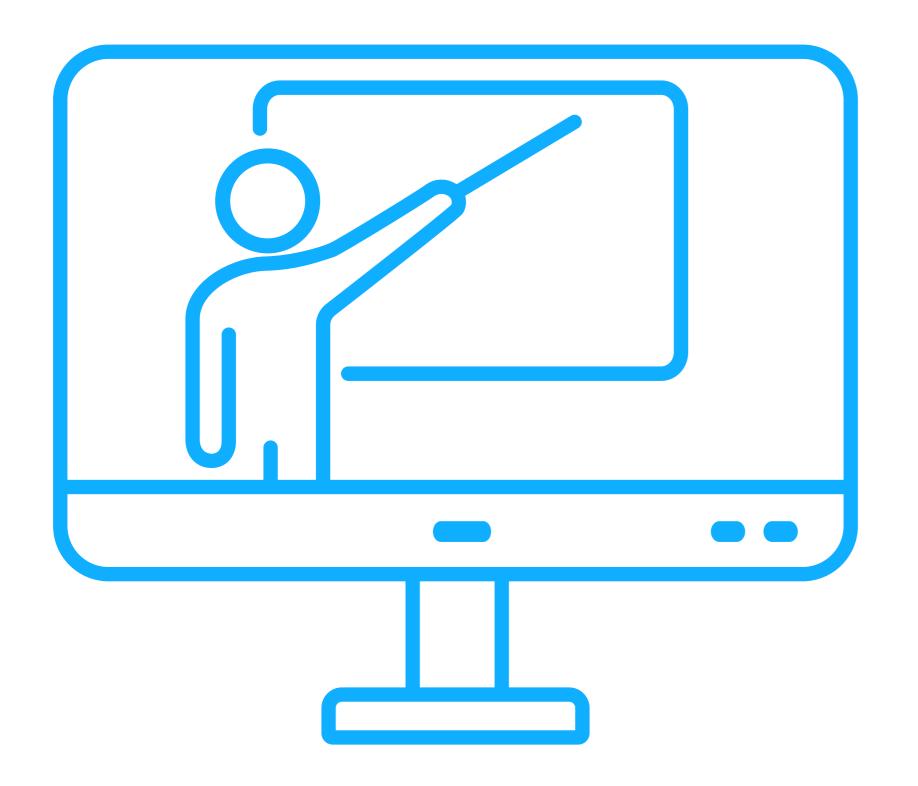
There was pressure on the government and schools to continue providing the same level and variety of

LUSIVE REPORT

CHALLENGES 2/2



As people were stuck at home looking to learn new skills and take up hobbies, the demand for online educational content surged.





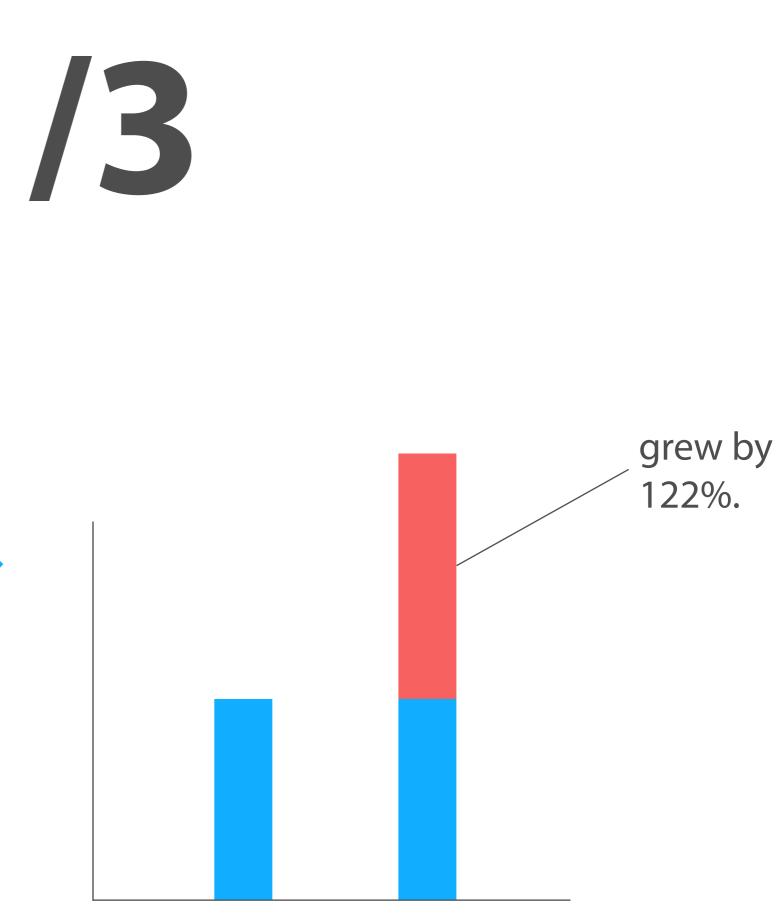
The QR code economy was vital in moving all stages of education online and helped 265 million students switch to online courses during the outbreak.

WeChat facilitated online lectures, classes, and homework, as well as communication with parents and payment of fees.

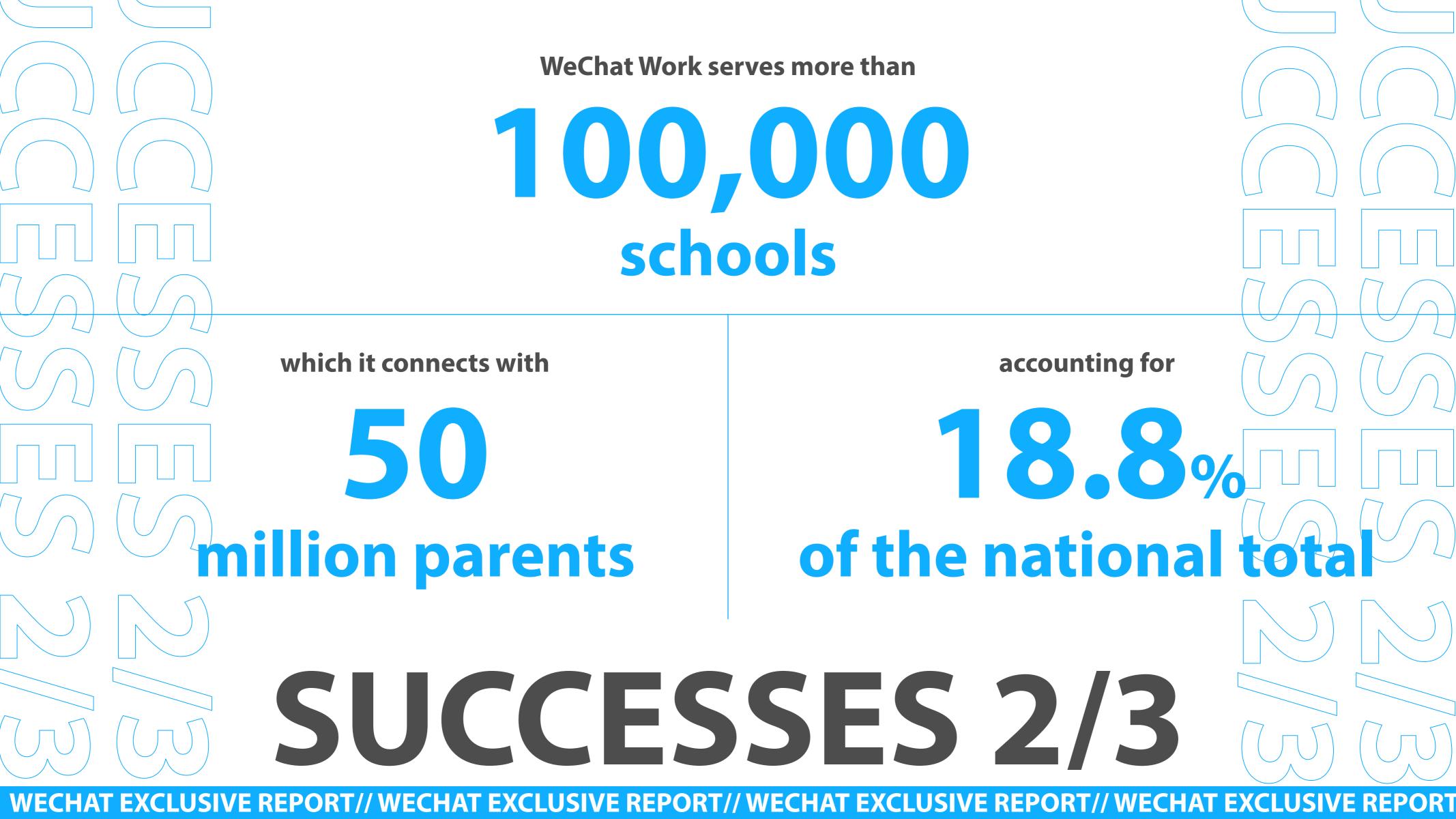
SOLUTIONS

SUCCESSES 1/3

Between December 2019 and January 2020, the number of active users on WeChat's Mini Programs related to education increased by 485% and the number of students watching live lectures on WeChat grew by 122%.



the number of students watching live lectures on WeChat



SUCCESSES 3/3

Over



institutions have received online payments through WeChat Pay

More than

students have used the QR code feature for contactless registration.

ENTERPRSES TRANSFORMING BUSINESS MODELS







COVID-19 forced companies and individuals to operate remotely.

People had to switch to a new way of working, often, at home, with fewer resources and technology, and holding online meetings, events and conferences.

CHALLENGES 242

The pandemic also created difficulties in connecting businesses with consumers or other businesses. Retailers or merchants who relied on offline means to make a living prior to the outbreak found that they had a reduced, or no source of revenue.

Roughly 70% of physical stores were closed during the Spring Festival, and so many enterprises needed to find a way to maintain sales through other channels.

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The WeChat Ecosystem and QR code economy could facilitate working from home. WeChat reacted quickly to the heightened demand for online work and expanded capacity soon after the lockdown.



Smart data and "contactless" technology helped businesses resume operations and WeChat's intelligent services provided analysis to optimise warehouse capacity, operation efficiency and improve delivery services.

SOLUTIONS 2/2

WECHAT



Thanks to WeChat Mini Programs being low cost, low threshold and fast deployment, these Mini Programs, which recorded a transaction value of over 800 billion RMB in 2019, helped businesses find new online revenue during the pandemic.

During COVID-19, WeChat Work supported group chats with

10,000 people

SUCCESSES 1/2

WeChat Work increased its capacity during **COVID-19 to support** group chats with up to 10,000 people, videoconferencing for up to 300 people and livestreaming with tens of millions of viewers.

WeChat Work's conferencing tools were used by 220 million times during lockdown and daily users of work-related Mini Programs increased by 385% between 3 and 9 February 2020.

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The number of new Mini Programs rose by 177% year on year in March, and 24% between March and April 2020. Additionally, WeChat's QR codes enabled 3 million express delivery workers to resume work in March as they were able to operate contactless.

The number of new Mini Programs rose by 1777%

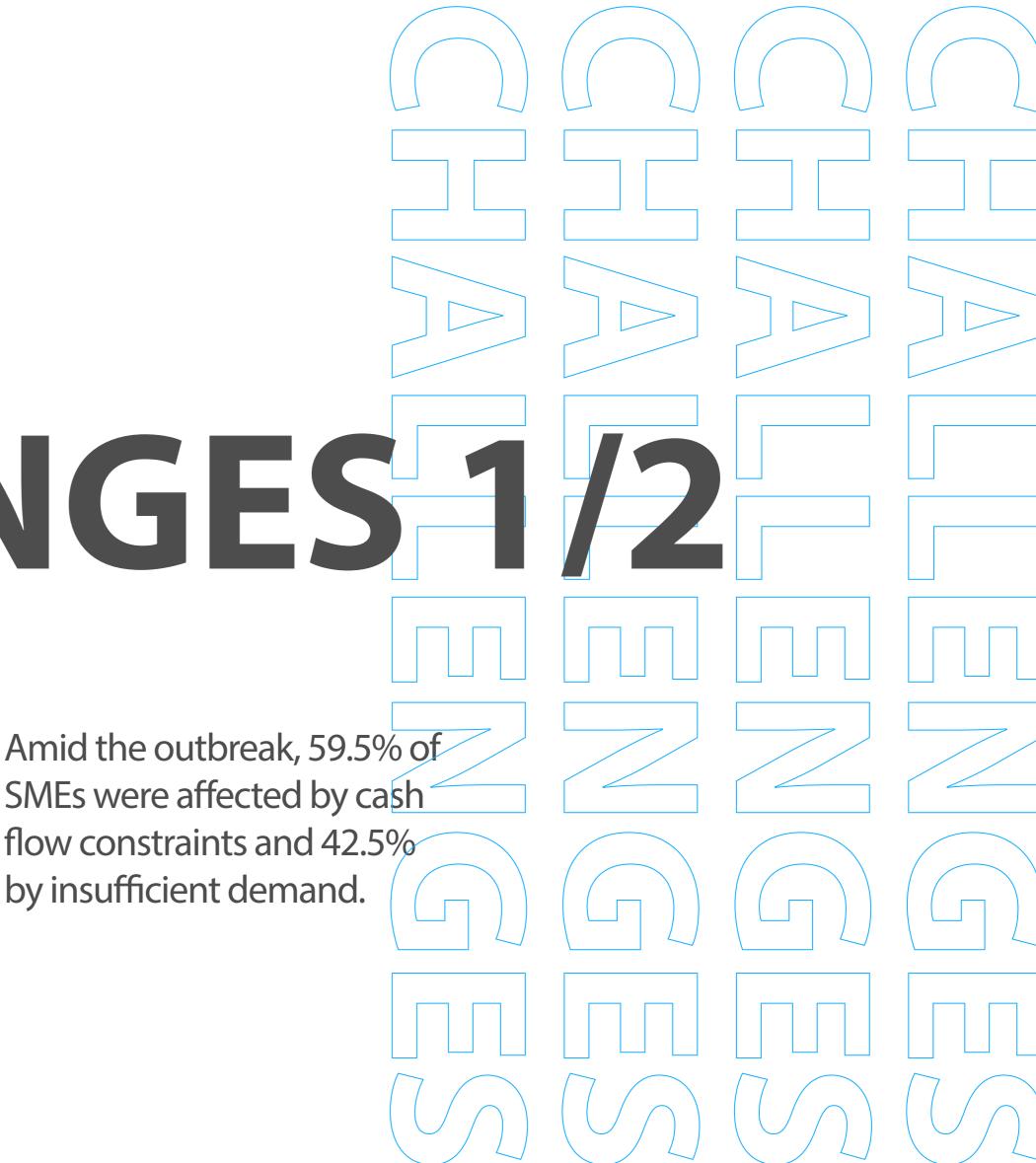


CONNECTING ENTERPRSES FINANCIAL SUPPORT FOR BUSINESSES



CHALLENGES 1/2

Due to the reduction in offline retail, labour shortages and supply chain disruptions, many enterprises faced a decline in revenue.



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75.3% of small and medium-sized enterprises are expected to reduce annual revenue by more than 20%.

LENGES 2/2

As such, for many, this has meant insufficient funds to invest into adapting their business to the changing situation and concerns about their future.

75.3%

of small and mediumsized enterprises are expected to reduce annual revenue by more than 20%

SOLUTIONS



WeChat has provided resources and funds to help businesses digitalise and understand the WeChat ecosystem in order to adapt to changing demand. They have:

WECHAT EXCLUSIVE REPORT// WECHAT EXCLUSIVE REPORT// WECHAT EXCLUSIVE REPORT// WECHAT EXCLUSIVE REPORT

• Reduced service fees • Granted interest-free loans • Provided free training • Launched a feature on WeChat Pay to help individual merchants and enterprises apply for settlements

WeChat Pay offered subsidies of up to 500,000 RMB for enterprises facing financial difficulties. WeChat also set up a 200 million RMB fund to provide service providers and developers with the support to rapidly develop Mini Programs for epidemic services.

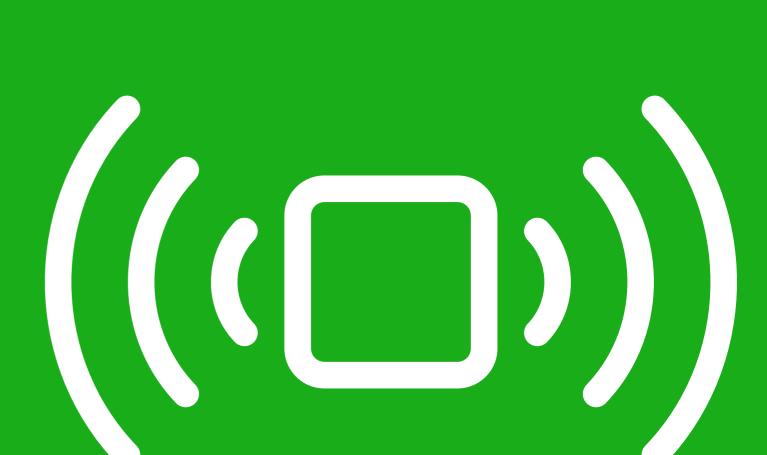
 SUCCESSES

 WeChat Pay offered subsidies for merchants of up to
 WeChat set up a fund of

 5000,000 RMB
 200 million RMB

CONNECTING ENTERPRSES VOUCHERS TO STIMULATE THE FCONOMY

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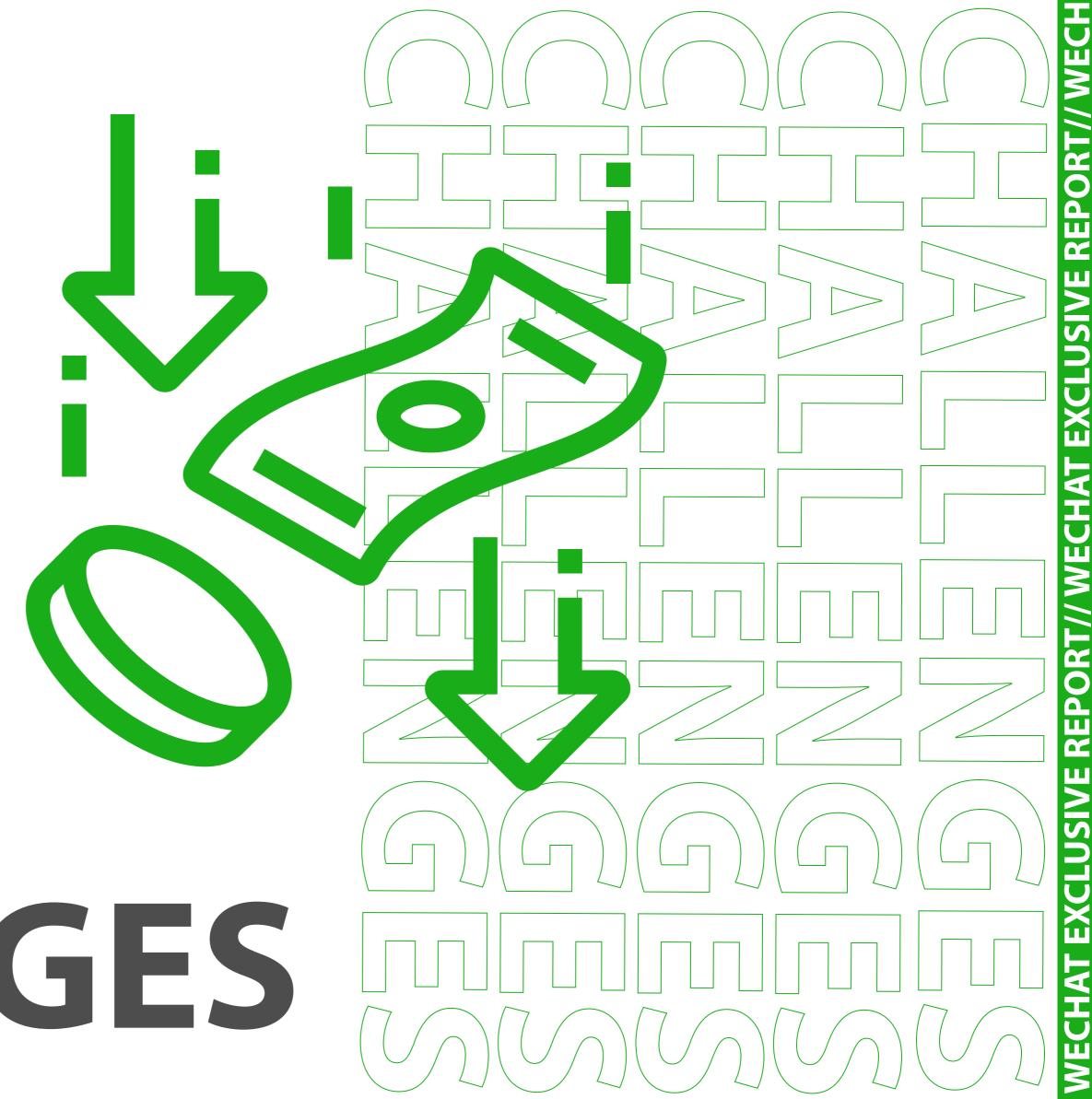
YOY drop in Jan-Feb 2020¹

1 According to the National Bureau of Statistics

Chinese Economy



Contraction in Q1



CHALLENGES



SOLUTIONS 2

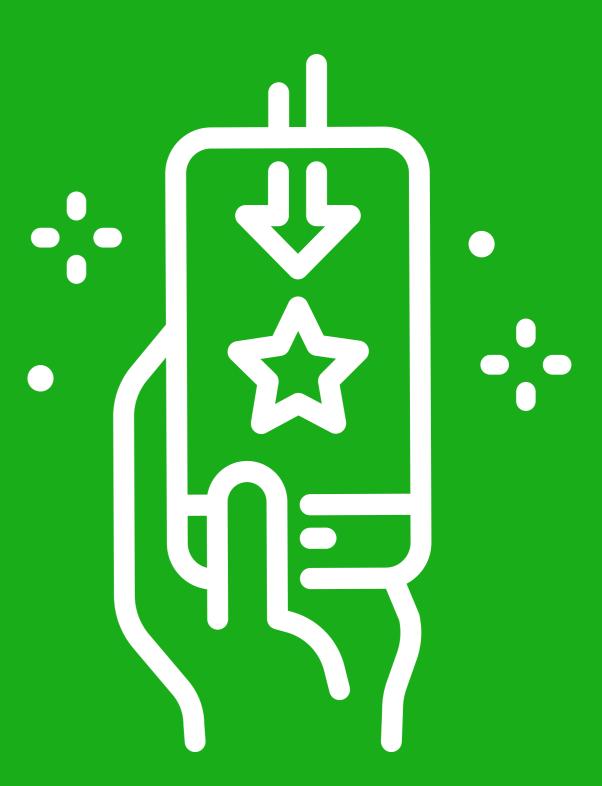


The WeChat Ecosystem ensured the smooth implementation of the voucher policy.

Businesses and governments issue vouchers through their WeChat official account, which users can collect and use directly through WeChat Pay.

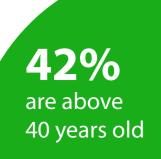
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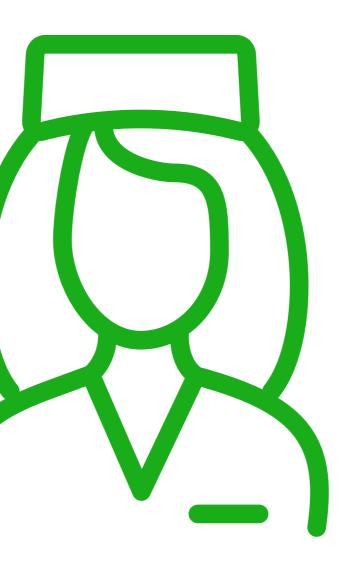


As millions of consumers and merchants already use WeChat Pay, the integration of the spending vouchers has been seamless and easy. As a result, they are

accessible to different ages and groups within Chinese society. Vouchers can also be issued to target specific groups using WeChat's data.







200 RMB

spending vouchers were sent to frontline medical staff by **Chengyang District**

900 million RMB

consumption driven by the vouchers between 1 and 3 May

So far, leisure, entertainment, catering, hotels, and transportation sectors experienced the largest rebound under the stimulation of spending vouchers.

SUCCESSES 1/2



CALCA ESSES 2

In Wuhan alone, 1.36 million people had visited the Mini Program with 2.93 million attempts to grab the coupons within an hour of their release.

The vouchers, which were worth 28 million RMB, generated 320 million RMB worth of consumption in Wuhan from 19 April to 13 May, that is 11.4 times the value of the vouchers.

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Vouchers worth 28 million RMB

generated 320 million RMB

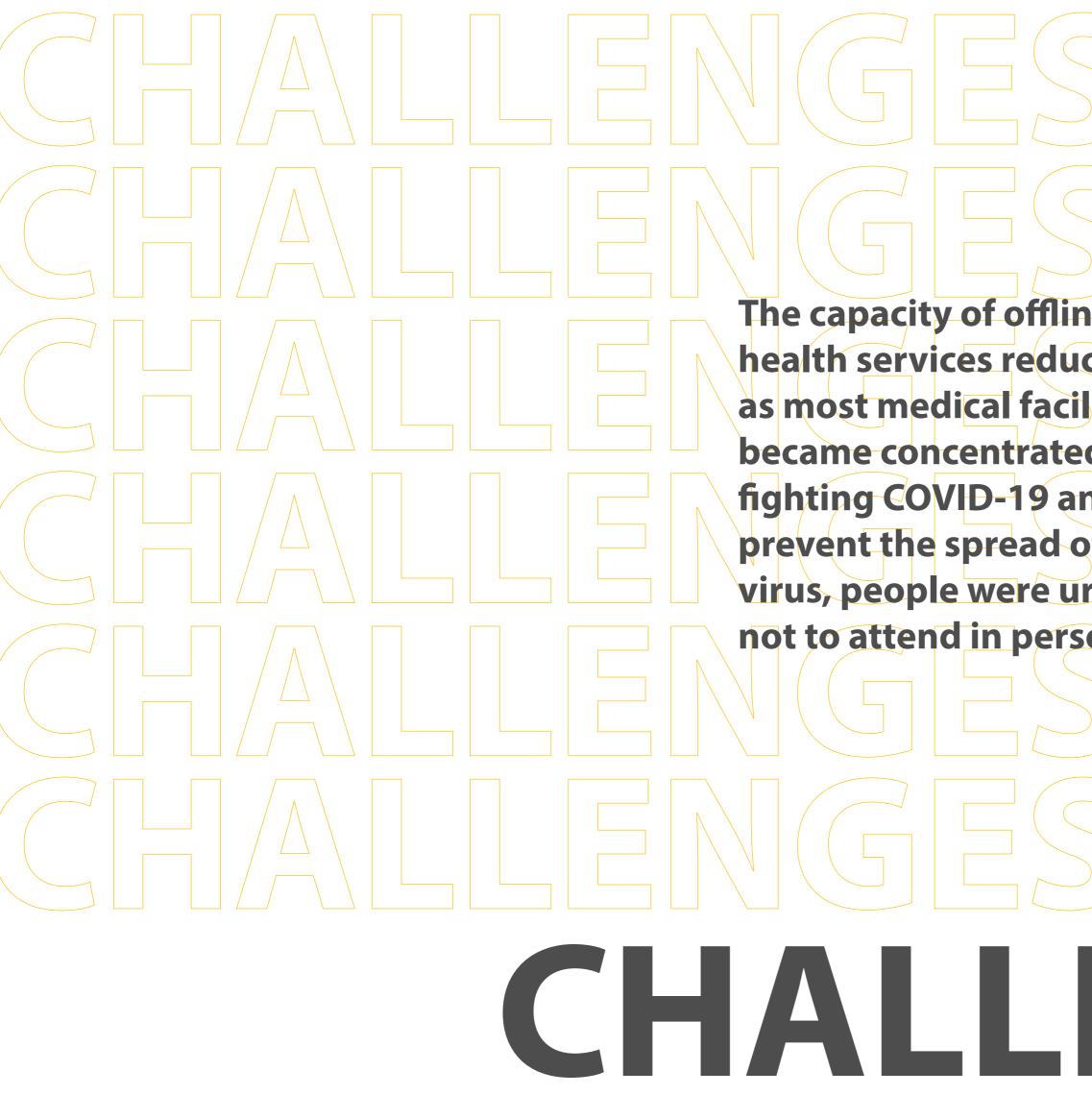
SERVICES DIGITALISING HEALTHCARE





CHALLENGES

As China was the first country to experience an outbreak of COVID-19, there were many unknowns about the virus and misinformation was spread among the public on social platforms.



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The WeChat ecosystem made health services more accessible, with 31 provinces, autonomous regions and municipalities (except Hong Kong, Macao and Taiwan) launching special platforms on WeChat.

They answered public queries about the virus and provided accurate information about symptoms, treatments, and case numbers, as well as being a channel to communicate with professionals about other health-related problems.



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SUCCESSES

Nearly 800 healthcarerelated Mini Programs were added during the pandemic and the number of new users increased by 347%.

Over 1,000 hospitals handled 130,000 health queries through WeChat Work. It also temporarily increased its meeting capacity to 300 people to support medical experts holding conferences and training.

On WeChat Work, over

handled



the number of new users increased by



Final Control of the second se



CONNECTING SERVICES DIGITALISING FRVIC



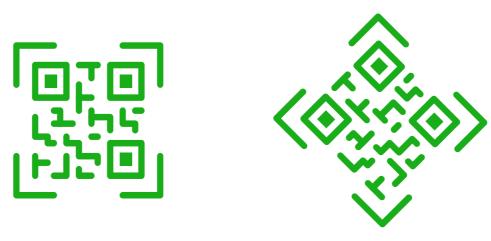


The rapid and wide-scale response needed to fight the virus required efficient communication and coordination between different departments, regions, and levels of government.

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SOLUTIONS 1/2



The QR code economy helped the government's fight against the epidemic by modernising its governance and, thus, making it more efficient.

In fact, digitalising resource scheduling, epidemic information queries, epidemic trend analyses, emergency responses and scientific



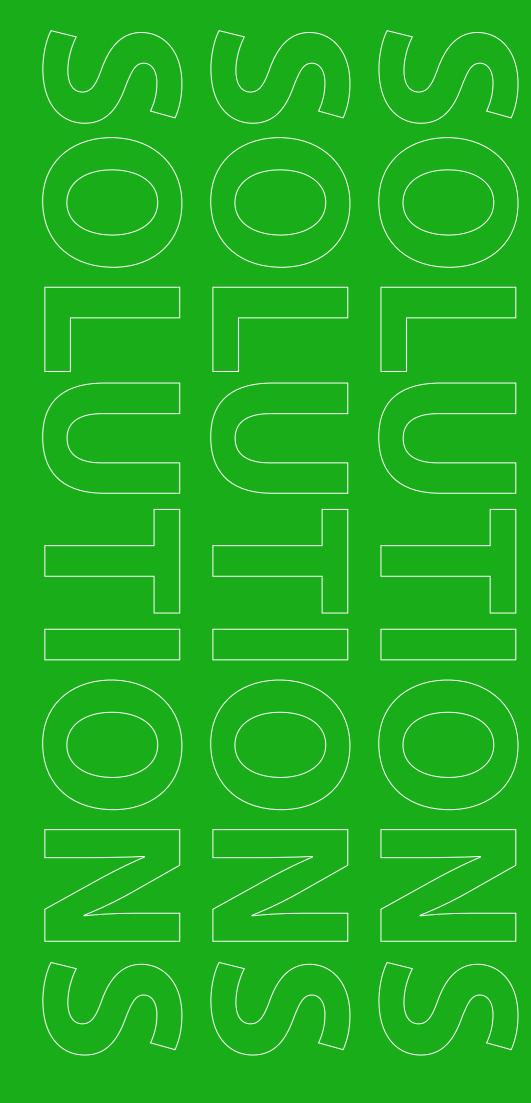
decision-making was an important part of the Chinese government's epidemic control and prevention plan.

SOLUTIONS 2/2



WeChat's epidemic reporting feature provided a practical communication channel between the public and government as virus-related updates were communicated to the public through WeChat's Public Accounts and Mini Programs.

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SUCCESSES

In 2019, pre-pandemic, over



municipal service Mini **Programs were visited**

5.4 bilion times

In 2019, pre-pandemic, over 45,000 municipal service Mini Programs were visited 5.4 billion times.

During the outbreak, 100 new government-related Mini Programs were added, and users increased by nearly 60% month on month.

Mini Program

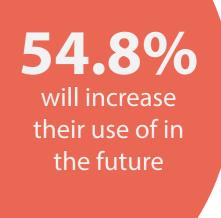
MEAT DOESTEE FUTURE HOLD FOR OR CODE ECONOMY?



THE FUTURE OF THE QR CODE ECONOMY 1/2

The QR code economy has been essential in helping China fight the virus, invigorate the economy, and aiding the transition to online retail, working and learning.

As a result of COVID-19, the QR code economy has expanded and stimulated a new demand for infrastructure, especially big data, which 54.8% of companies have said they will increase their use of in the future.



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THE EUTURE OF THE OR CODE ECONOMY transformation of living, production and governance methods. prosperity of the digital economy.

After the outbreak, the QR code economy will continue to become more diverse and penetrate into all areas of the society and economy and promote the overall digital

Indeed, this year, WeChat launched its new infrastructure investment plan worth several trillion RMB to promote the

