

# Tencent launches WeChat “Mini Program”

## - Key highlights and comments

January 2017

### Key highlights



On 9 January, 2017, Tencent launched its new keynote function “Mini program” on its WeChat platform. The “Mini program” is seen as a lite version of apps on the WeChat platform, allowing users to use them without having to download and install additional program.



Picture source: Fung Business Intelligence

## Features and functions of “Mini program”

The “Mini program” has four major in-app features and functions: users do not need to download additional app; they can access information or services immediately without the need to subscribe or download them; the functions and applications of the “Mini program” are scenario-based and users can delete them any time; last but not least, users do not need to uninstall applications that they do not want as no installation is needed in the first place. It is expected that the new in-app function of the “Mini program” can take the current whitespace by offering better viewing experience than websites and better users’ convenience than app.

## How to find a “Mini program”

There are several ways to locate a “Mini program” on WeChat:

- Scan the QR code. Long-pressed on the QR code picture on smartphones would not jump directly to the “Mini program”. User must scan it offline to launch the “Mini program”.
- Search from WeChat interface. Fuzzy search is not supported. User needs to enter the exact name of the “Mini program”.
- Link from WeChat public account. One WeChat public account can link with five “Mini programs”, but each “Mini program” can be linked with one WeChat public account only.
- Shared by friends within 1-1 chat or chat groups. Sharing on Wechat Moments is not allowed, but users can share it within 1-1 chat or chat groups.
- Retrieve from users’ previous usage of the “Mini programs”.

## Advantages and limitations of “Mini program”

### Advantages

#### To developers (brands and retailers)

- Lower developing costs than mobile apps
- Can create multiple “Mini programs”
- “Mini programs” are cloud-based, so the system would be more flexible and easily accessible

#### To users

- Direct authorization of WeChat account details is allowed; users do not need to register or login for every individual application
- Can send feedback (in the form of texts and photos) to administrator of the “Mini program”
- Location-based service (LBS) function is allowed, facilitating O2O services such as food delivery and taxi hailing
- Application package size of each “Mini program” must be less than 1MB; it only takes up limited space of the internal memory of users’ mobile phone
- Shorter loading time than mobile apps
- Ease of use with simple functions
- Push messages are banned so that users will not be disturbed frequently
- Able to use WeChat Payment to make purchases directly on the “Mini programs”

#### To Tencent

- Expand its ecosystem
- Further increase the utilization rate of WeChat Payment
- Extend Tencent’s lead in the market as an app vender

Source: Fung Business Intelligence

## Limitations

### To developers (brands and retailers)

- Unable to share the “Mini programs” on WeChat moments, affecting the distribution of the “Mini programs”
- Users must scan the QR code offline or know the exact name of a particular “Mini program” to locate and launch it; this may also affect the usage and traffic of the “Mini program”
- Subscription function is not available in the “Mini programs”
- No “Mini program” store (similar to Google Play) where users can find all the available “Mini programs”
- Brands and developers are unable to push messages such as advertisements via their “Mini program”
- WeChat imposes strict control on the launch of “Mini programs”. Some categories are prohibited (e.g. games).

### To users

- Limited functions of the “Mini programs”
- Unable to access if users do not know the exact name of the “Mini program”

Source: Fung Business Intelligence

# Examples of “Mini programs”

Many brands, retailers and service providers are eager to launch their own “Mini program”. On the first day of the official launch of the “Mini program” function, hundreds of brands, retailers and service providers have set up their own “Mini program”. Meituan Waimai (O2O catering and delivery), Dianping (local lifestyle information and group buying), Didi Chuxing (taxi hailing), Ctrip (travel booking), Qunar (travel booking), KFC (fast food chain) are some of the examples.

Below are some screenshots of “Mini programs”:



## Meituan Waimai (O2O catering and delivery)

Users can locate themselves using the LBS function, nearby restaurants will be displayed. They can make the orders and get the food delivered.



## Dianping (local lifestyle information and group buying)

Users can locate themselves using the LBS function, and they can search for nearby food and entertainment activities.



## Didi Chuxing (taxi hailing)

Users can hail taxi by using the “Mini program” of Didi Chuxing.



## KFC (fast food chain)

Members can use KFC’s “Mini program” to collect points, redeem coupons and order food.

## Comments

Tencent hopes to expand its ecosystem with the launch of the “Mini program” and leverage the huge user base of WeChat to monetize the “Mini program”. It is still too early to tell whether the “Mini program” will provide a major income stream for Tencent or a huge boost to its business. Brands, retailers and service providers are still testing the water, and the results are yet to realize.

For brands and retailers, the “Mini program” presents a new channel for them to reach out to their customers. But surely there are some limitations that companies need to consider. For example, companies cannot push messages to users via the “Mini program”, and users cannot share the program in WeChat moments; these may affect the usage and traffic of the “Mini program”. Moreover, WeChat payment is the only payment method supported in the “Mini program”.

Since the rollout of the “Mini program” for internal testing in September 2016, there have been heated discussions about whether the “Mini programs” will replace standalone mobile apps. We believe the answer is both yes and no. Mobile apps with limited and simple functions such as weather forecast, courier enquires, etc. and those rarely-used by users will likely be replaced by the “Mini programs”. However, the common and popular apps, and those professional apps with multiple functions will still maintain their edge, at least in the short run.

We believe the “Mini program” will largely be applied in the local lifestyle service O2O sector such as catering, home delivery, taxi hailing, travelling, etc. It will play a greater role in facilitating O2O integration as users need to scan the QR code offline in order to launch the program.

For users, the “Mini program” serves as another handy “application”. They no longer need to install multiple apps and can free up storage space and internal memory of their mobile phone. The “Mini program” can provide better service than the original WeChat service account and public account as users will no longer be bombarded with advertisements and notices when using the “Mini program”.

In the coming months, we expect more brands and retailers to launch and trial their own “Mini program”; at the same time, they will also review and revise their O2O strategies. New business models and practices may arise in the wake of the launch of the “Mini program”. There are speculations in the market that Tencent’s major competitors, such as Alibaba and Baidu may launch similar initiatives.

## Background information

Tencent rolled out the "Mini program" for internal testing in September 2016, and for public testing in November 2016. The official launch of the "Mini program" was on 9 January, 2017.

Tencent is one of the leading technology companies in China which is listed on the Hong Kong Stock Exchange since 2004. Its flagship social communication platforms QQ and WeChat have monthly active users (MAU) of 876.7 million and 846.1 million respectively as of September 2016.

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***“We hope the "Mini program" can provide more functions and better experience than a website, and at the same time provide more convenience than an app.”***

*Zhang, Xiaolong (Allen Zhang)  
President of Weixin Group, Senior Executive Vice President of Tencent*



Picture source: Sohu.com

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# CONTACTS

## Asia Distribution and Retail

### Teresa Lam

Vice President

[teresalam@fung1937.com](mailto:teresalam@fung1937.com)

(852) 2300 2466

### Christy Li

Senior Research Manager

[christyli@fung1937.com](mailto:christyli@fung1937.com)

(852) 2300 2476

### Fung Business Intelligence

10/F, LiFung Tower,

888 Cheung Sha Wan Road,

Kowloon, Hong Kong

Tel: (852) 2300 2470

Fax: (852) 2635 1598

Email: [fbicgroup@fung1937.com](mailto:fbicgroup@fung1937.com)

<http://www.fbicgroup.com/>



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