



# Chinese Internet

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*Chinese Internet*

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*There are many reasons why your internet presents are not being seen in Chinese market. This publication are lists of reasons and corrections for your consideration.*

*Many of the points raised apply to your internet presents been seen anywhere in the world and therefore changing your website for internet in China will help your business internet visibility world-wide.*

*If you need any further help on the points raised, found an error, or points not covered please contact as: [support@accesstochina.com](mailto:support@accesstochina.com).*

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## Forward

In working with businesses in North America, Asia and Europe I feel the importance of the internet has been lost on many companies trading locally and world-wide trading.

The internet is often seen as something your business needs a presence on and not the main point in which to start trading. Maybe we saw it as something that was important in the 90's but we have move on, that was yesterday idea!

This is not the case; the birth of the internet was as important as the birth of the printing press. Like the printing press, the internet is finding different uses very quickly given that the internet, like the printing press, enables faster commutation of information. If the printing press gave access to towns and cities to information, the internet gives us access to the world.

There has been a world-wide change in the use of the internet which has been developing over the last 10 years.

The USA has led the way, “if you are not online you not trading”. This is followed by China, not Europe, with number of users over 800 million and growing. The developing markets of Africa and South America will follow soon.

There has been a growing and changing use of the internet driven by the youth of the world over. 20 years ago, TV, books, newspapers were the main sources of information. Today the growing demands for information, educations and purchases is supplied by the internet.

There is now a generation which grew up with the internet and is now working in business. They are changing the way in which we trade locally and international. This change is so great that your local market now has direct access to the international market.

This change is not a “Big Bang” but the changes are happening daily and are often being missed by businesses.

Based on our company extensive knowledge we suggest the following key issues need to be considered;

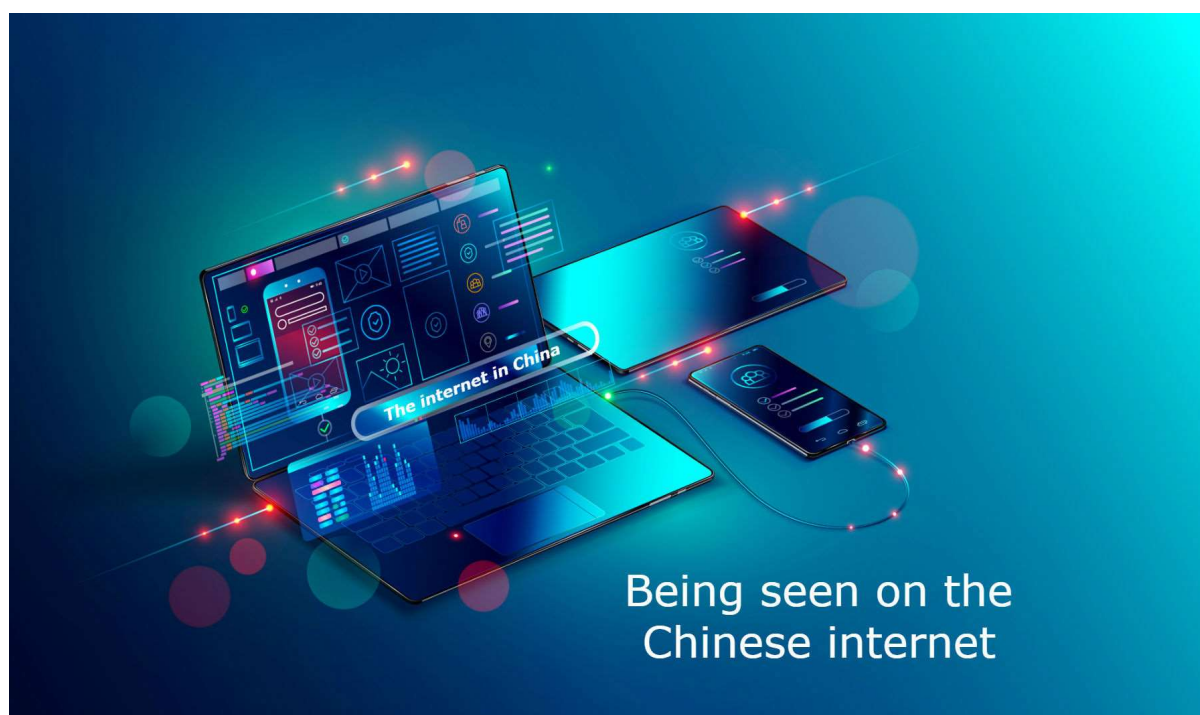
- Be seen on the internet world-wide. What services on the internet have been developed recently? Can new services help to grow your business or are they going to take control away from your business?
- The amount of information being collected has given birth to the term “Big Data”. How can you put this information to use for our business?
- With each passing generation the world-wide knowledge grows. The world-wide demand for education and training is growing fast along with the growing populations. Is your business seen as a source for information?
- The world-wide control of distribution channels. The use of the internet enables people to access products and services faster. New big businesses are keen to

manage and control access to products and services. Do these new businesses create new business opportunities or effect your current trading?

This is happening in China like the rest of the world. It is driven by many different suppliers and the internet users are far greater.

Our website and its supporting papers are not a definitive publication on trading on the internet in China. The subject is too big and is changing daily. This information is designed to creating a starting point in your business thinking and planning.

## Being seen on the internet in China



Your internet site; website, social media, e-Commerce, etc, in many ways is the simple to adapt for the Chinese internet market.

Check list we have ordered in priority for your consideration. The list starts with the basic question; is your internet site visible in China?

Correcting your Chinese internet site visibility can be performed by your technical staff or, please consider our Chinese internet platforms which enable your internet site to be seen and found in China without changing your existing internet site.

Access to China Chinese internet platforms;

B2B66 – for your company information: products and services descriptions

B2C66 – for your e-Commerce internet site

WiTravel – for the travel trade, tourist destinations and businesses

Secondly to being seen on the Chinese internet, is your internet site content.

We recommend keeping your internet site as foreign as is it currently.

Chinese business and consumers want to see overseas internet sites with a look and feel of your local country. They do not want see a Chinese looking internet site which will question the genuine source of product or service.

If you are reaching out to Chinese businesses and people, they will look for your internet site in the very early stages of developing business relationship. Given the difference in languages, etc, your internet site is key to creating an understanding about for business, products and services.

If your internet site has been getting out of date and time and resources does allow for major changes, we recommend simplifying your internet site content and removing out of date information.

If you are investing time and resources in looking been seen and found in the Chinese markets it is better to less correct information than more incorrect information on your internet site.



## Internet site visibility testing on the Chinese internet



problem is locating potential trading partners. Their starting point, like the rest the world, is a search on the internet. This is hampered from the outset as international internet sites; website, social media, video platforms, etc, often cannot be seen or not listed in the in the Chinese search engines correctly.

Access to China internet site page testing tool enables your business to see the performance of your internet site from inside China.

### Why use our internet site testing tools?



Most internet site test tools only test to see if your business domain can be seen from mainland China in the form of a simple “ping test”. A “ping test” is like poking your internet site to see if it exists.

All a “ping test” determines is whether your internet site IP address is not blocked in China. It does not start to explain your internet site performance in China or if parts of your internet site content are blocked.

This testing process helps you understand which parts of your business can be seen over the internet and the response times. The reality is that most international sites take over 30

seconds to load and due to international social media & Google content being blocked or slowed down which leaves your internet site with missing components or not working at all.

This testing tool report shows you how each of part of internet site is performing. Your internet site content performance is measured in how the end user can see of your business.

This testing process was created from open source software developed original by ALO and enhanced by Google.

In keeping with open source principles and Access to China policy to share information, the use of this testing tool and supporting information to help correct issues is free to use.



If you need help reviewing and correcting your internet site visibility on the Chinese internet please do not hesitate to get in contact; [support@accesstochina.com](mailto:support@accesstochina.com)

Start testing here; <https://webtest.accesstochina.com/>

## Test your internet site

Test Website Page

Traceroute

Enter a Website page URL

Test Location

China - China Telecom network

Browser

Chrome

Number of test you run today: 0, out daily maxuman of 20

Please login to start testing

<https://webtest.accesstochina.com/>

You can run up to 20 tests per day without any charge. This is limited to prevent robotic testing.

If you wish to run more than 20 tests in a day please contact [support@accesstochina.com](mailto:support@accesstochina.com)

[Login / Register](#)

To enable us to send your test results we need your email address.

Your email address is only used by Access to China. If you wish us to remove your details from our database please email us at [support@accesstochina.com](mailto:support@accesstochina.com).

We do use cookies only for delivering our services Any information collected using cookies it is not kept or used by Access to China.

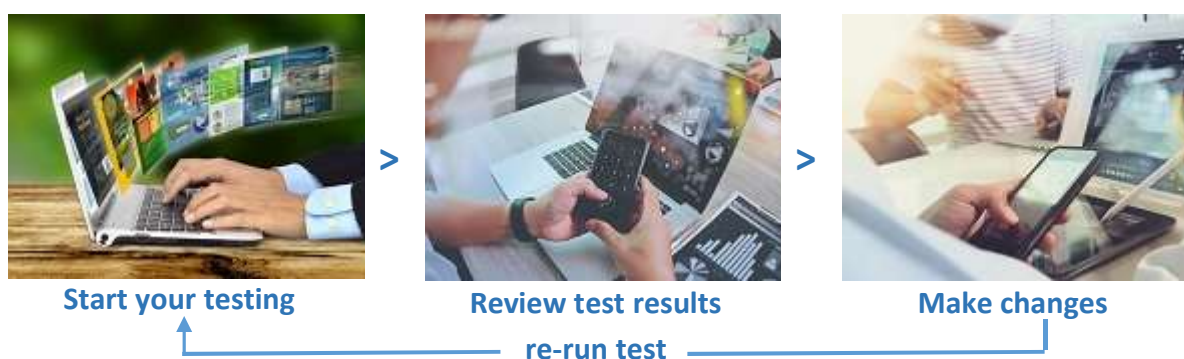
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No part of this website may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopying, recording or by any information storage and retrieval system, without written permission from the author.

By logging into to our test system we understand that you accept these points above.

## The testing processes



### Start your testing



Enter the URL for the page you wish to test:

this can be www, just the domain name, IP address or http / https. Any format that you currently use to access your web page.

Select the test location:

if you have not tested your web page before we recommend that you baseline the web page on location outside Asia. Any problem shown in the Asia region can be identified as an existing problem or new problem introduced when accessing the web page from China / Asia.

You will see that we offer testing from UK. If you wish to use a different location in the world for 'baseline' testing; please see <https://www.webpagetest.org>

Select browser:

In China Chrome is the most widely used.

Press start:

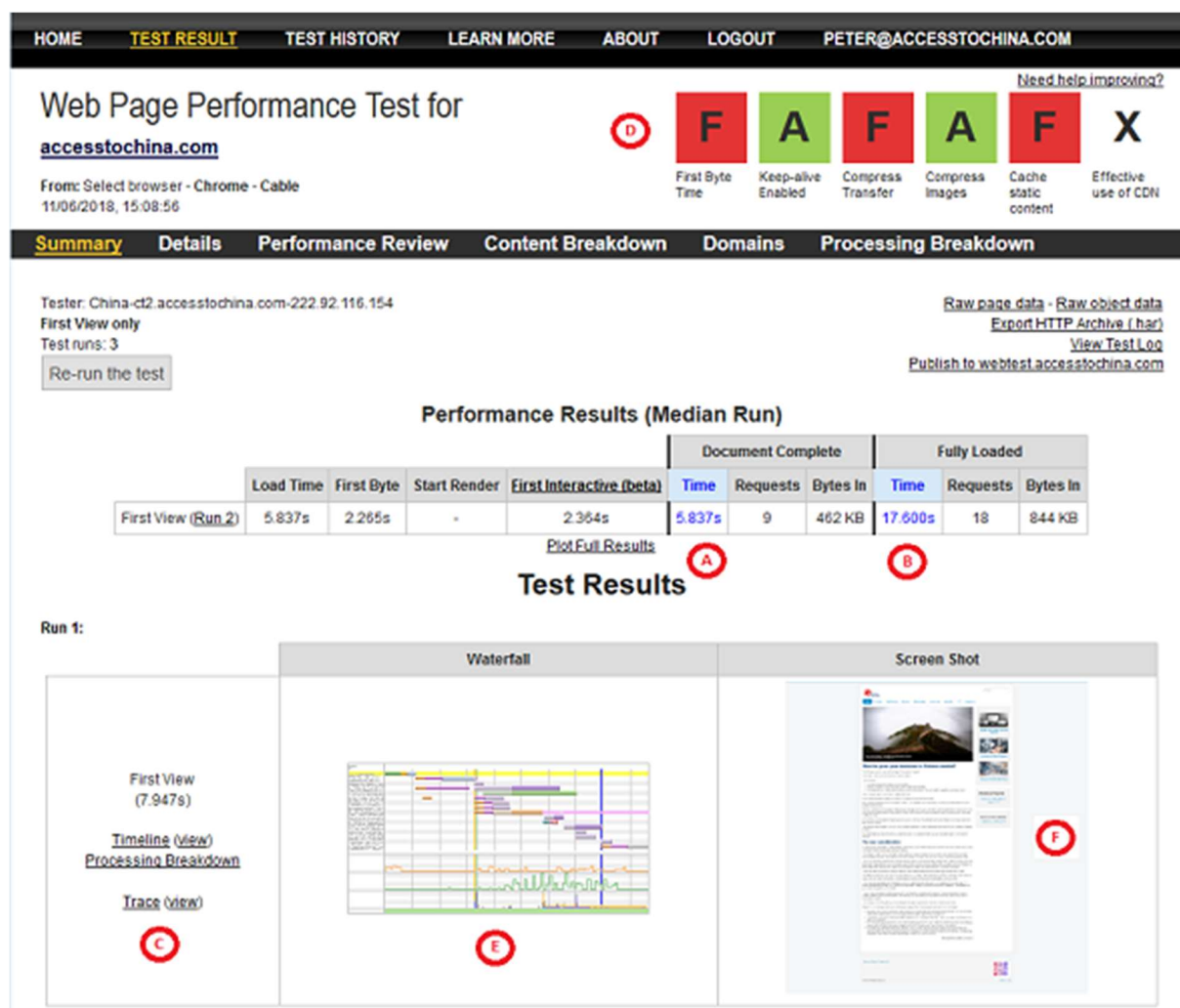
Test runs takes up to 10 minutes. Once the test will complete and you return to the results in the "Test History".

If you want to run more than one test, go back to the home page and start another once your original test has begun. The first test first will remain in the queue and will be processed as and when resources are available.

There is more than one test agent running on each network in China, so the wait should not be too long.

## Review test results

Once internet site page has been tested three times, you will see results like this:



(a) The average time over three tests it has taken to show first response in the user browser.

(b) The average time over three tests it has taken to load the full website page.

(c) The time it has taken to load the full internet site page content for each of the three tests.

(d) For tests where you have selected Chrome or Opera browser the website response time components are graded.

(e) Waterfall chart showing all the components of your website page and their individual response time. If you are new to internet Waterfall reports please see [webtest.accesstochina.com/learnmore.php](https://webtest.accesstochina.com/learnmore.php)

(f) An image of the website page as seen from the test location.

## Make corrections

Make changes to your website when response times are slow and/or missing. For ideas on changes that maybe required please see: <https://webtest.accesstochina.com/learnmore.php>

## Re-run test

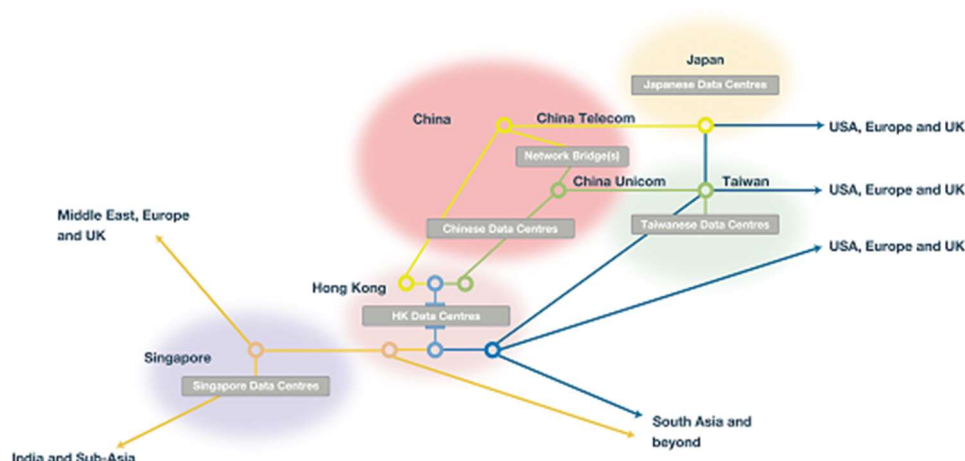
Retest website pages as required and confirm any changes have been successful.

We do recommend rerunning the test after each change you make to your internet site content to make sure that the change has worked in the Asia region and not to your exiting services.

- In China; to make sure the change was successfully.
- Baseline; to make sure you have not changed your exiting web page look and feel or functionality.



## Chinese Internet Structure



### Chinese internet user recommendations

- Internet presence in China is the best way to be seen in provided it has access to all three major networks;
  - China Telecom
  - China Unicom (merge with China Netcom)
  - China Mobile

This option is only available if you have a Chinese company and ICP certification.

Many Chinese companies offer platform services in China, e.g. TMall Global, these services are hosted in Hong Kong with listing links on their Chinese platforms. In TMall Global example, the list is call “Trading without borders”

- Only use a Hong Kong based internet presence if it has the connection directly to mainland China and to Europe through the Middle East.
- Use Japan and Taiwan to host internet presence to reduce costs. Useful for large data volumes.
- Singapore, for access to South Asia market. This is a poor option for China, as your internet traffic will often travel through Taiwan or Japan before entering China. Singapore does not have a direct link to mainland China.

## Chinese internet structure summary

The workings of Chinese internet can be better understood in the context of traffic flow around the internet in Asia and rest of the world.

The movement of internet traffic around the internet is call “Routing”. The Routing of traffic is simply the path the internet traffic following as it flows from point A to point B. Often the internet traffic does not flow by the most direct route. The Routing paths through the internet are often predetermine costs effective for internet supplier which is not necessary the fastest route for the internet traffic.

Selecting your internet provided, for hosting and internet correction, is key to overall internet content; website, social media, APP, etc., performance.

## Chinese internet to the rest of world

Public internet traffic traveling from China with a destination somewhere outside China, except for Hong Kong, is routed through Japan or Taiwan.

- Japan for traffic on China Telecom
- Taiwan for traffic on China Unicom

Public internet traffic to the rest of the world does not pass through Hong Kong. Hong Kong has no internet Routing to the rest of the world from China.

Once the traffic reaches Japan or Taiwan the internet traffic is split;

- Traffic for south Asia travel south normal through Taiwan, Hong Kong and around to Singapore, India, etc.
- Traffic for Austrasia follows the same path before splitting off in Hong Kong and travelling south.
- Traffic for the rest of world, including Russia, travels to the USA.

The problem issue for European countries is that the traffic is been routed the long way around the world through USA.

## Chinese traffic to Hong Kong

The internet costs between mainland China and Hong Kong are very high (\$us100 / 1 MB / PM) so a lot of the traffic from and to China to Hong Kong is Routed through Japan and Taiwan.

If you are using a Hong Kong internet hosting service make sure it is connecting to China directly else it is faster and more cost effective to host your internet services in Japan or Taiwan, or both – please see [GEO DNS](#).



Please note the Chinese platform services, e.g. QQ mail and Tmall Global, are hosted in Hong Kong and have a very fast connection to China and the rest of the world.

### **Hong Kong traffic to Rest of World**

There can be problems with the Routing from Hong Kong to the Rest of the World. The routing from Hong Kong often goes through USA in the same as the traffic traveling from China.

There are Hong Kong suppliers that Route traffic from to Europe through the Middle East which is the fastest path.

Before selecting a Hong Kong, internet hosting service check the network Routing by the fastest paths both for China and rest of world.

### **Chinese internet traffic from the rest of world**

You would think this is straightforward that the internet traffic is routed to China back in the same way it leaves China. This is often not the case.

We have seen some cases where the Routing travels from Hong Kong to USA back to Taiwan, Japan and then China.

As with Hong Kong Routing check your service provider's internet traffic routing before using their services.

### **Chinese internet performs within China**

With the above you would think this is straightforward. Like with many internet companies world-wide this is not the case.

Within China there mainly three internet providers. All government owner and controlled. These companies have been very successfully bringing China on-line over the last 10 years.

There are historical reasons for this. China Telecom was originally the only telecom company in China. It was split into 2 companies over 20 years ago. To start with China Telecom was north of the Yangtze River and China Unicom to the south of the river.

Then both companies were left to trade across each other regions. This enable China to have two telecom suppliers competing in the same marketing. This approach has been very successfully.

China Mobile was added later as the demand for mobile services grow over 10 years ago.

The problem with this approach is the internet connections between the three companies is very poor. When the internet is busy in China the bridges between the networks get

overloaded and between the traffic the three companies slows and corrections sometime fails.

The solution is to connect internet services to all three internet suppliers with the **GEO DNS** manging traffic between the internet networks.

## Chinese access of international internet sites



The Chinese internet structure is very large with very heavily used international connections which often leads to slow response times to international internet sites; website, social media, APP, etc.

Check your internet site pages as seen from China – [Internet site visibility testing on the Chinese internet](#)

To help speed up your internet sites, here are some pointers;

- **Size of your internet site page** - the larger the internet contents, the longer it will take to for your browser (Firefox, Chrome, IE, etc.) or APP to download internet content and fully display it on a screen. The Web Test Page report the size of component, focus on the large files.
- **Size of your internet page (mobile) in China** - The above point becomes even more important when your internet content is being accessed over a mobile network. Often a mobile network will have slower data download speeds than a Wi-Fi mobile connection.

Your internet content needs to be able to supply to a mobile; image, video, etc., in media sizes that fits the size of the mobile screen size.

A bigger size will just waste internet resources and time downloading content that will be used. The mobile processing power will also be required to changing the size of the media to fit on the mobile screen.

- **Internet content on different parts of the internet from China** - In today's "Cloud" services it is hard to know what is happening to your internet components. Often the parts (files) that go to create your internet content come from different parts of the internet.

On fast local internet connection, you do not see what is happening as internet page appears on your screen.

A simple example of this is social media contents. Your internet content will ask the social media company, e.g., Facebook, send the contents to your internet page. This will be coming from a different source on the internet, mostly likely in a different location in the world.

Most internet pages contents come from many locations from all over the world. Taking this approach your internet developer can create a content quickly. The downside, when you are accessing a data from China where the international performance can be very slow or blocked leaving missing information on your internet page.

Check the location of internet content – **Internet site visibility testing on the Chinese internet**

- **Slow / busy Chinese internet** - The internet to and from China often runs slow including Hong Kong.

Within China historically the internet runs fast. The internet in China is beginning to slow down during peak usage e.g. during the working day, early evening when children come home from school, bad weather, etc.

To understand how the internet works - **Chinese Internet Structure**

Please remember to testing your internet content in China do it during peak usage – **Internet site visibility testing on the Chinese internet**

**Chinese DNS lookup** - Offer your internet content cannot be found at all from China without having to ask your browser a few times (press enter three or four times)

When looking for your internet content on the internet, the PC / tablet / mobile lookups the domain name(s) to find the location of your all your page contents i.e. where your internet content in hosted along with any third services used e.g. social media. This is like looking up a Post Code / Zip Code to see where someone lives.

In China, a local record where your domain can be found will most likely not existed. As request to the to the international internet is required. While this only takes a few seconds, it can result in your internet content not been displayed at all with “domain not found”.

For more information please see - [Chinese domain](#)

- **Chinese blocked internet content** - Some internet content is blocked in China, mainly overseas third-party suppliers; social media, video channels, security routines, etc.

While this is a problem and makes a mess of your content display, the bigger problem it is where your internet content is not blocked just slowed down to so that your contents does not load at all. This can lock your internet page of data. This is offered the case with Google content.

A good example of content slowed down; Google fonts, Google analytics. The Chinese authorities will turn on and off these slowing down blocks from time to time, i.e. work one day not the next.

To see what is happening to your internet site, please test your internet in China - [Internet site visibility testing on the Chinese internet](#)

## Chinese Internet Firewall



The Chinese authority manage the contents of internet; websites, social media, APP, etc., in China. This is often called the Great Chinese Firewall by the overseas press and businesses.

Many of Chinese internet rules and regulation protect the users and consumers.

While there are many views of weather this is a good or bad thing we recommend if wish to do business with another part of the world you need to respect local rules and regulations.

When Chinese authorities block internet contents it is performed by blocking your public IP address. This can be used to block the internet site completely or just part of your internet site contents, e.g. international social media embedded into your internet site.

Most internet sites run on shared public IP addresses. Sometimes the shared public IP address is blocked due to another internet site sharing your public IP address. If this is the case, ask your internet site hosting provider to change your public IP address.

If you change your public IP address for contents inappropriate for the Chinese internet, the Chinese authorities will block your new public IP address.

Generally, these are the areas not available in China

- Political commits - some political commits are not allowed. This not as regulated as in the pass. Increasingly Chinese social media is used for news information and not overseas internet content. Most international news is available in China but not read
- Social Media - most of the international social media is blocked in China. The exception to this is LinkedIn which is business social media.
- Pornographic - not allow on the internet in China.
- Gaming – any gambling, marketing of gambling, etc.

- Google - Most products and services from Google while not blocked they are so slow to access in makes them unusable.

In the business world, which Access to China focuses on, the restrictions on overseas Social Media and Google can slow /stop your internet contents from being seen.

Overseas internet content is blocked by IP address. While this allows for to control access to specific internet content it does allow control of contents within an internet page. Therefore, Social Media site are blocked full.

In the case of overseas Social Media most is not accessible from China.



These at the time of writing are examples of international social media accessible / not accessible from China in changes from time to time.

Another example is where a Social Media is not accessible in China but there is replacement like product available.



While YouTube is not available in China. There is many “like” services available in China. The biggest of which is YouKu. In this example you can take your business videos and load them to YouKu.

YouKu is like YouTube with adverts often interrupting the screening of your video.

In business, YouTube / YouKu while a quick method of loading a video, embedding the video inside your internet content will require more work normally but will gives better results.

This is example of where the Chinese "Like" product is better than the oversea products due to local performance issues in mainland China.

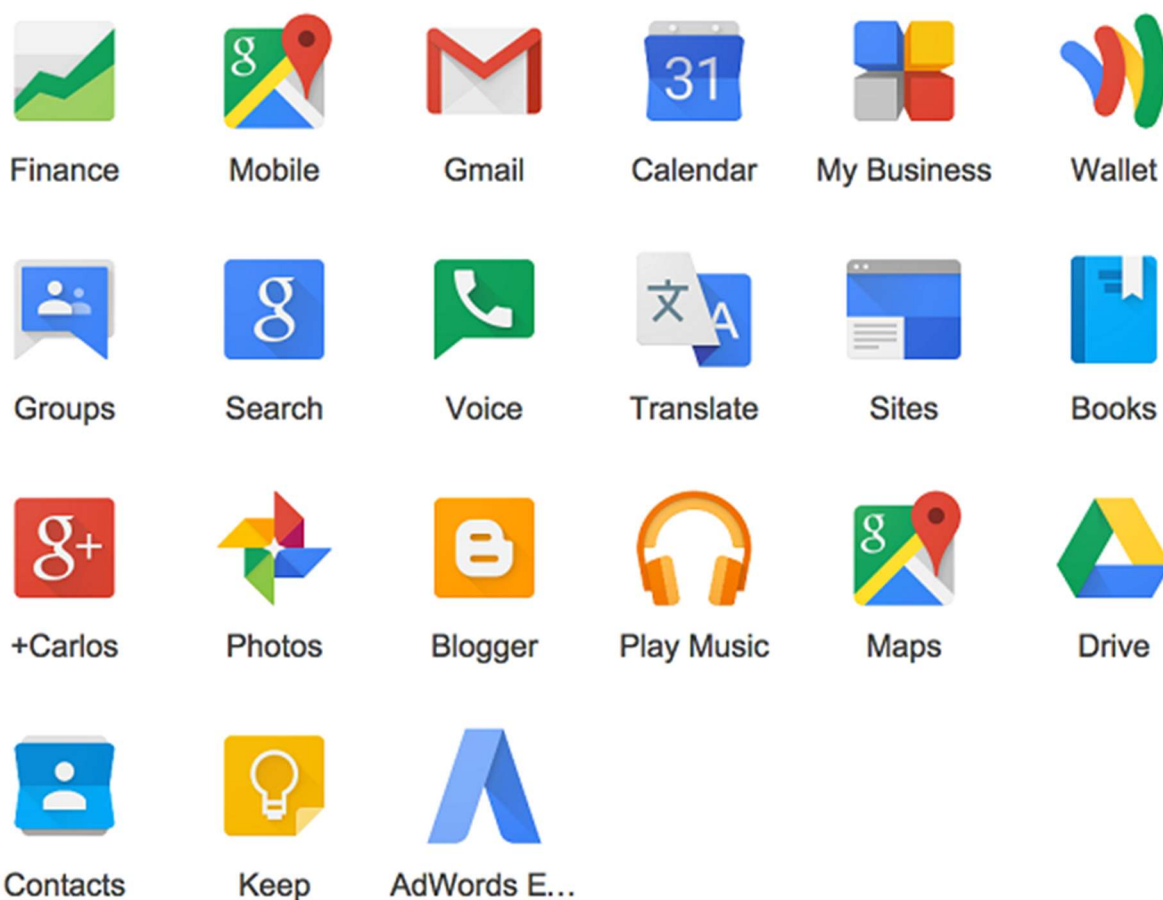


Dropbox is available in mainland China. The download speed of the data from Dropbox is very slow in China. The better solution is Baidu Pan, which is now part of Baidu Cloud services.

While the loading of the data be Baidu Pan maybe be slower from outside China, the access speed in China is fast.

In China while many of the overseas Social Media not available there are many local Chinese replacements.

This bring me to the last and most important group of services not available in China: internet contents / tools services supplied by Google.





Above are examples of Google not available in China. This statement is technical not correct. Google services are available in China but they are slow down to response time of minutes. This results in internet content using Google service take 5 to 10 minutes to load. To confuse things a little more sometimes they work and some days they do not work.

Example: Google Fonts – internet content often uses Google fonts for formatting the text etc. If you are using Google Fonts, loaded from a Google server, on some days your internet content will not load under 5 minutes!

This applies to all Google services; email, maps, photos, website analysis, etc.

Our services can help to resolve these issues. We recommend testing your internet contents from China - [Web Page Test](#)

## Look and feel of your business on the Chinese internet



### Look and feel of your business on the Chinese internet overview

Chinese business and consumers want to see overseas internet sites with a look and feel of your local country. They do not want see a Chinese looking internet site which will question the genuine source of product or service.

Creditability of information, products, services, etc, on the internet has been an issue for many years, “How do you know what you are reading is correct or are you purchasing genuine product?”.

As reported in press and multi media inside and outside China the issues of creditability and genuine within China internet is large issue for internal and external information and products.

Chinese through publicating rules and regulations have some controls over the creditability of information. This has not been so successful for products and services.

Products have two main issues; brand creditability and where brand is not known, quality.

With Chinese consumer “boom” are increasingly purchasing overseas products as they are looking for creditability, quality and branded goods.

The best example in recent years; international consumer brands, baby food, and international travel.

Our recommendation, is to keep your internet site / internet present look and feel unchanged for the Chinese market, provided responsive design: display clearly on mobiles and tablets.

### **Look and feel of your business on the Chinese internet mobile and tablets**

Most internet sites; website, social media, etc, in China are viewed using mobiles or tablets.

This is being confirmed by Shenma. Shenma is the first major Chinese search engine which has been written for mobile / tablet user only. In the last year, Shenma is the fastest growing search engine in China: <https://m.sm.cn/>

Desk-top screens are still used in businesses along with laptops.

Most internet sites in China are viewed using mobiles or tablets. Desk-top screens are still used in businesses along with laptops. Chinese internet content, like the rest of the world, is designed as dynamic internet site or APPs.

A dynamic internet sites is when the presentation of your content changes with the size of screen being used to view your data, multi-media, etc. This is often referred to as a "Responsive internet site Design".

A non-Dynamic internet sites is hard to read on smaller screens and therefore not viewed on mobile successfully. In some cases, tablet as well.

If your company internet site does not have a responsive design, we recommend this is change before entering into Chinese market.

When an internet site is shown on a smaller screen the media contents, i.e. pictures, videos, etc., are still sent to mobile screen at the same size as the desk top full screen. This creates problem with mobile internet site response times. We recommend as part of creating a dynamic internet site this issue is addressed by having internet site developer.

Once you have a dynamic internet site please remember you can submit the mobile and tablet format to the search engines. This should generate further interest in your internet site contents.

If you wish to test your internet site to see if it is mobile friendly: Please follow this Google link:

<https://search.google.com/test/mobile-friendly>

### **The Changes in Chinese internet content**

Historical traditionally Chinese internet sites are full of information using all space available on a desktop screen; <http://sina.com> – Chinese news website.



This combined with Chinese written works is about 30% less text than English and in main, Chinese does not use space as punctuation. One-page Chinese data contains 50% to 60% more information than English page of data.

Chinese internet sites design has undergone major changes over the last 5 years. This is not to make the contents look "Western" in style.

This is due to the use of internet sites on mobiles and tablets. The design for these display formats demands mainly that the information is show in column(s) with many links between and down the pages.



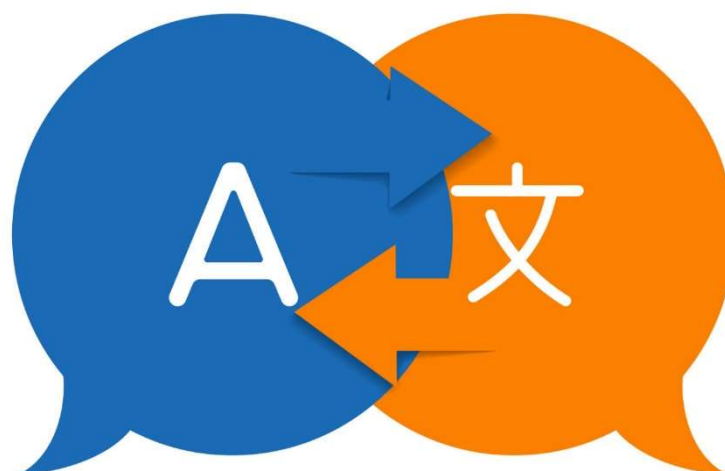
## **Look and feel of your business on the Chinese internet our recommendations**

- Give that China internet users are mostly mobile / tablet, make sure your internet sites in mobile / tablet friendly.
- Other than any changes required for mobiles / tablets, keeping your internet site in your local format will help keep a “genuine” look and feel of the brands, products and services.
- Local hosting of your internet site in China / Hong Kong; increase response time.
- Local language for SEO data; each key web page description and tittle
- Menu translation as required to strengthen Chinese search engines SEO
- Heading translation as required to strengthen Chinese search engines SEO

If you developing an internet site for the Chinese market, we recommended keeping the look and feel “overseas”. Your internet site to look and feel does not to follow the Chinese look and feel. There is a problem in China with the Chinese knowing if the product you are looking to purchase is a “copy” product or not. By having your internet site keep the “overseas” look and feel will help give confidence that your internet site is genuine.

Note: beware of large images on international internet sites. They can take a long time to load inside China. Given the heavy use of the public international internet correction between China and rest of world.

## Chinese language on the internet



### Summary of Options

For your company website, the following should be considered;

Option	Performance Improvement	Resources
Do Nothing	No change	None
Add / update Chinese search engines webmasters	Start your ranking in the Chinese search engines	A few days' work and on-going maintenance
Create Chinese additional information page	Gives the Chinese an insight to business	A few days' work
SEO data transaction	Increase your Chinese search engine ranking	A few days' work and on-going maintenance
Add Search engines results page (SERP) to webmasters in Chinese	Increase your Chinese search engine ranking	A few days' work and on-going maintenance
Multi-media transaction e.g. Sub titles etc.	Allows overseas people to review your media content	A few days' work
Key products and services transaction	Increase your Chinese search engine ranking	A few days' work and on-going maintenance
Create marketing website and point it back to your local internet content	Good feed for the Chinese search	One week's work and on-going maintenance
Fully translate your website	Greatly increases your Chinese search engine ranking	One month's work and high on-going maintenance

The exception to the above options, Chinese social media.

Chinese social media content is normally entered in Chinese. You can enter your contents in your local language. There is no method in Chinese social media platforms for Chinese user to automatically translate contents from your local language into Chinese. Using your language in the Chinese social media will greatly reduce the opportunity for your content being followed.

Our recommendation, Chinese social media contents is entered and maintain in Chinese.

## Chinese language Background

The Chinese language is the one of the most confusing subjects to resolve in publishing / selling on the Chinese market.

### Chinese different language types

For the basis of trading in China, there are three groups of languages:

- Local language - most cities / regions have their own language. In most cases this is not a local dialect. They are languages in their own right. Whilst the characters are common between the languages in most cases, simplified Chinese, in the same way we share the Latin characters between most of European language.

People between cities / regions will not understand each other's languages.

- Mandarin is the main language of China. This was started by the emperors of China and fully implemented by Chairman Mao. "One country needs one common language".

Mandarin was used as it was already the language of government.

- Hong Kong, Taiwan and many areas of southern Asia use the traditional Chinese for their local language; e.g. Cantonese and Taiwanese. These two languages share a common written language but is spoken differently in Hong Kong and Taiwan.

This also includes areas of the world where Chinese people emigrated to prior to 1950's e.g. California, USA.

Most people in China speak Mandarin, often their local language and increasing numbers speak English as part of their international language education at school and college. It is estimated that there are more than 100 million people learning English in any given year.

There are three forms of written Chinese language, partly covered in the above:

- Traditional Chinese – The original written language of China. The traditional writing of this language is an art and takes many years to perfect. It is still used in Cantonese and Taiwanese languages.
- Simplified Chinese – is the written language of China.
- Romanisation systems – There have been many ways developed for writing Chinese in Latin (European) characters. It is not practical to have a key board for Chinese characters, there are too many of them.

Pinyin is the standard which has been adopted by the internet. Most Chinese people under the age of 40 years use Pinyin. If you were schooled over 25 years ago you would have been taught one of the other systems (like Pingyin).

Pinyin enables you to type in Latin characters and then select on your PCs, mobiles, etc, the appropriate Chinese character from a drop-down list. While this may sound like a slow way of typing, it is very fast, possibly faster than typing English. To learn more about Pinyin, there is a very good summary on the [BBC website](#)

### **Automatic translation to Chinese**

Most browsers for the last 5 years, have a built in APP to translate internet content.

Chinese people are not put off by internet content in a foreign language. The translation software used in China, in browsers, mobiles, etc, has been developed to translate Chinese to and from most foreign languages.

Whatever languages is on your internet site, do not use automatic translation. The Chinese reader will not know that they are reading an automatic translation. Your Chinese reader will see a poorly translated content which will reflect badly on your company.

The Chinese reader will use an automatic translation as when needed, e.g. Baidu automatic translation. In doing so, the Chinese reader will know that the Chinese language presented has been automatically translated and does not reflect badly on your company.

If time and resources allow, have a Chinese speaker read your internet content in Chinese using Baidu automatic translation. Check for any major issues in automatic translation Chinese language. Where major translation issues are identified in the Chinese language, look at changing your local language content.

Automatic translation will not help your ranking in the Chinese search engines.

### **Who do use to translate?**

Chinese translation can be very technical. A word for word translation can leave you with a translation which is technically correct and a meaningless description of your business, products and services.



Many Chinese people will not necessary understand your business. When translating will do a word for word description and guest what your business is about.

We recommend using a translator from your own country. Many colleges and universities are producing good Chinese translators who will have a far better understanding of your business.

Once you have a translation, ask a few Chinese people what they understand about your business, products, etc. Do not ask if it is correct as it will not be a word for word translation.

## Chinese language translation options

- **Do nothing** – No Chinese translation

Leave your internet content in your local language. The two internet languages of the Chinese internet are Chinese and English. If your internet content is not in English or Chinese except very little internet traffic from China.

If your internet content is in English then except, provided your Chinese search SEO is setup, to receive internet traffic from China.

For more information, please see Chinese SEO.

- **Create Chinese page** – An additional page of Chinese data

An additional page to your internet content, a “Welcome Page” in Chinese with the key elements of your business explained.

Provided the Chinese SEO data has been created, this will help your website be indexed in Chinese search engines.

- **Translate your SEO data into Chinese**

Create a copy of your website and translate the SEO data.

Combine with a Chinese domain and your internet contents hosted in China / Asia this should increase your Chinese internet traffic speed in China.

For more information, please see Chinese SEO.

- **Chinese search engine SERP**

Baidu Search Engine Result Page (SERP), like Google Rich text, greatly supports your search engine ranking.

- **Multi-media translation**

If your business has multi-media, add Chinese subtext etc.

Whilst automatic Chinese translation will work on your internet content text, it does work on spoken words and in the main not on multi-media content.

- **Key product and service translation**

The translation of your key internet products and services.

Very useful approach when promoting a key business activity. This is also required if you are using Chinese Tmall.

For more information, please see Chinese SEO.

- **Chinese marketing website**

Creating an internet marketing / brochure in Chinese and point the key products and services in the Chinese contents back to your overseas pricing / on-line cart.

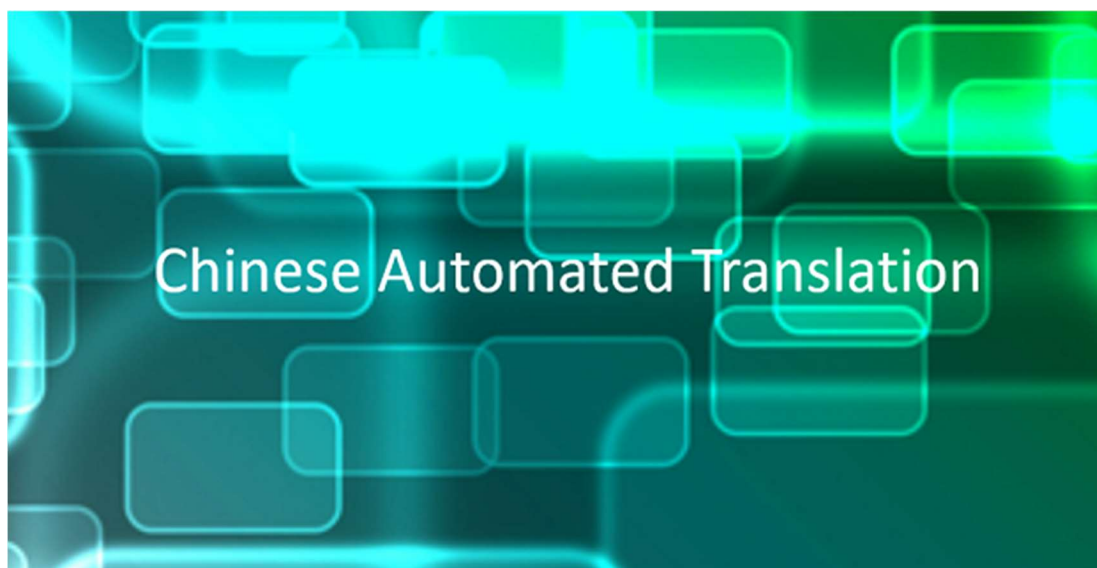
This approach is far better than creating full translation of internet content provided you keep the descriptions to the minimum so not creating a large overhead in translation maintenance.

- **Full translation of your internet content**

This option is not recommended unless you have an existing customer base in China who demand a site in Chinese.

Remember, that the Chinese have the automatic translation option in their browser.

## Chinese Automated Translation



### Automatic translation

When reading information, you will make the assumption that the contents has been created by the author and not an automatic translation program. Given that automatic translation is poor, this will reflect poorly on the internet site author.

Most browsers for the last 5 years, have a built into browsers an option to translate internet site content.

Chinese people often use an automatic translation software to read foreign internet contents, reports, etc. In doing so, they know that the translation will not be 100% correct and therefore errors are not attributed to the author.

Not having your internet site content translated into Chinese is not issue provided;

- Do not use automatic translation
- Avoid complex language and structure
- Images with text are not automatically translated

We recommend, do not use automatic translation in your internet site content. The Chinese reader will use an automatic translation as when needed, e.g. Baidu automatic translation.

### Complex language and structure

Your local language internet site content structure is very important if you are not fully translating your internet site contents;

Based on Chinese reader of your internet site content using translation software, please consider the following;

- Short sentences that are to the point, like in a Power Point presentation.
- Not too much detail, detail can always be supplied on a fact sheet later or as a download.
- Do not use complex words or words out of their normal context
- Good punctuation
- Avoid abbreviations e.g. min / max should be written Minimum / maximum

The above will help automated language translation greatly.

We recommend, if resources allow, to have a Chinese language person check the automatic translation for major errors. Where errors are found, make changes to your internet site content to help the automatic translation software.

### **SEO Data**

Search engines do not automatically translate SEO data into the local language.

Search engine regardless of country, only list the text as found in your internet site SEO data.

If you wish your internet site to be listed in the search engines in Chinese and SEO data will need to be in Chinese.

For more information, please see: [Chinese SEO](#)

## Translation of complex words and abbreviations



Within your internet content, use words and combinations of words which are commonly used in international business. Avoid using combinations of words which have multiple meanings, are colloquial or do not have a direct translation, e.g.

Farm produce – “produce” is not a word that will translate in conjunction with “farm”. In the case, farm food is a better option.

This problem is also made worse by the automate language translation software. These tools are current only able to handle simplified language structure.

Many Chinese business / staff used Chinese translation software on their PC and mobiles.

The other set of words to avoid is abbreviation e.g. min / max. Translation software will be able to correctly translate many of the abbreviations.

While these points are very basic and straight forward. Please do not see this as a “dummying down” your written language, you are creating an opportunity to describe your business to an overseas market.

## QR codes on the Chinese internet



QR (quick response) codes, an abbreviation of Quick Response codes, have been around since 1994. In 2000, QR codes international standards were published and codes became widely available.



QR code is a method of "bar coding" a string of data. It can be used for website, email address, APP address, WeChat information, etc.

QR code is a method of "bar coding" a string of data. It can be used for website, email address, APP address, WeChat information, etc.

In the Western countries at the outset QR codes were not used widely. Just sharing small amount of data by voice, email, text, etc was simpler, "Our website is [www.accesstochina.com](http://www.accesstochina.com)", My email address is [support@accesstochina.com](mailto:support@accesstochina.com) and so on.

As normally, there is a simple assumption, that we speak English and / or use a Latin alphabet!

This is not the case;

مرحبا, γεια σας, 你好, Привет

In the first part of this century China started growing its technology. As this technology became widely available to the public the use of Latin character was issues. Small Latin character words, like used in Pingyin, was not a problem. Strings of Latin character making long meaningless words in different language are very much harder to understand, spell or transcribe.

A greater problem was passwords. Given the problem with using Latin characters, a lot of Chinese passwords were short and not changed very often.

Chinese social media solution overcame the password issue by using QR codes to supply links, with embedded long and complex passwords, to access their services. As result QR scans are available in the Chinese social media and all users are trained in there use so that they access the social media services.

Given that Chinese social media users, which is most of the internet users in China, have to know how to use QR codes their services, and therefore QR codes became widely used in China.

Today we see QR codes every where in China. They have replaced the use of domain names in marketing and sales. Businesses and people have replaced the writing of their internet URL with QR code.

[www.accesstochina.com](http://www.accesstochina.com)



Today you see QR code everywhere in China;

- On the internet
- Internet login / passwords
- At the supermarket
- Bill board adverts
- On information displays

QR codes have also replaced URLs, email and social media addresses on business cards.

Here are a few examples:





A QR codes can be in different colours, styles, and with or without logos embedded in the centre.

The big advanced of QR code over a Bar code is its flexible to store different types and volumes of data.

Given that end user no longer has to type the URL, you can add additional information in the URL to track the enquiry source, e.g. use different URL on brochure, website, promotion, etc. Just as importantly, you can track if your QR codes been used.

At this point in China you are seeing QR throughout China and increasing used world-wide.

Are there any problems;

- Outside China, not everyone use, knows or have QR scan on their Mobile Phone. This mean URL, email address, social median link still needs to printed on brochures, business cards, etc.
- Longer the URL, passwords, etc the large the QR code. This can result in the QR code becoming too large to enable the QR code to be read successfully.
- QR code colour contrast with background colour. For a QR code to be successfully read there must be a strong contrast in Colour, e.g. Access to China home page ( <https://www.accesstochina.com> ) image has a black QR code in the top righthand corner. This is not the our normal QR code, see above, the change was necessary to allow the QR code to be successful read.
- Not tested. Many of the problems with QR codes is where the QR code has not been fully tested.

### **Access to China QR code recommendations**

- Create QR codes and publish them on all marketing materials and business cards, etc.
- Add your QR code(s) to your home page of your company website. In China often readers / users transfer web content from desk top to mobiles. A QR code makes this straight forward.
- Use different URL codes for tracking sources of business, e.g. Brochure, Business card, website.
- Always check and test QR codes are working both for seeing the website and tracking system
- Do not use a long URL, email address as the QR code becomes too complex and becomes harder for the QR scanners to read.

If looking to create a QR code you find many free tools for doing this on the internet. Our recommendation is



There are companies who will design and create very good QR codes for your business.

We still would recommend starting using a free tool so you get good understanding of what activated and standards / restrictions QR codes format demands, e.g. there is a limited space for your company logo in the middle of the QR code.

**Please note:** when creating QR code add <http://> or <https://> to the front of the website name, e.g. <http://www.accesstochina.com> or for email, <mailto:support@accesstochina.com> . This will enable WeChat and other social media scanner to link directly to your website / email.

## Your Chinese multi media



Access to China strongly recommend your business takes notices of the importance of multi-media for trading in China. On-line multi-media is viewed on mobiles and tablets at home, while travelling and in the offices / schools. Viewing multi-media on mobile and tablets has overtaken watching TV.

Multi-media for information, promotions, selling, training, etc, are successfully bridging the gap between language, cultures and the understanding of business and products.

Here are a few examples ....

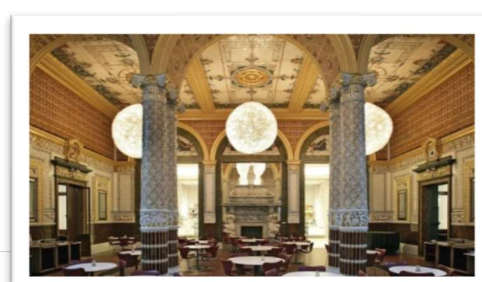


This is a promotional video in English with heading and subtitles in Chinese. The issue of a Chinese actress shopping is nice touch.

Many people watch films with subtitles from many different countries and languages. Subtitles seem to be preferred way of watch overseas media contents instead of dubbing spoken Chinese.

[View this video](#)

This is a promotional video, for the Victoria and Albert Museum (V&M).



This video is in Chinese with a Chinese presenter. It is very good. It is more expensive option and while it is a good investment the subtitle option should not be under estimated.

[View this video](#)



This example here uses animation. If the animation is kept to presentation format it can be the cheapest of the three video formats.

Normally with these videos there is an option to click through to your website and / or social media. This “Click through” for Chinese user is recorded between 2% to 3% which in some of the highest in the world.

[View this video](#)

Multi-media publications have rules and regulations regarding what can and can be published in China. Please take advise before you sign-off any script.

Chinese people often watch multi-media with sub-titles. Adding sub-titles to your multi-media will help in the understanding of your business, products and services.

These videos can also be loaded to local social media in China e.g. YouKu, to further your business exposure.

## Emailing in China



The approach to email addresses has been different in China. Historically many people use their private email account for business not a company email address.

This often means verifying who works for which company is confusing.

This has been changing in recent years;

- Chinese business has started using their own domain name
- New email providers are now available, e.g. Microsoft 360, QQ mail, etc.

In China today there is no reason for a company not to run their own email system.

Please remember if using your overseas company email system for your Chinese business it may be slow to use and staff will start creating their own Email address to work around the problem.

We recommend using a local Chinese email service to get around response time problems.

If you are running an office in China, we recommend that email all staff system only use the company email system. Make sure this is reflected on all company publications.

When visiting China please you remember not all overseas email systems can be seen from China. This normally applies to email services run by Google.

If you require an email system for your Chinese office or while you are visiting China, we recommend QQ mail – <https://en.mail.qq.com>

Going forward, the use of email, while will not be replaced, should see WeChat messaging as the preferred communication tool for business and the public. WeChat has all the tools that

you find in an Email system plus messaging and file transfer service (like skype and drop box).

In China people will ask for your WeChat account before your email address. We recommend that you open a WeChat account for your business before start trading in China.

## Up to date internet site contents



Many businesses have out of date internet contents, e.g.

- Website
- LinkedIn
- Social media
- Email addresses
- Supporting media: brochure, business cards, etc.

Keeping your internet content up to date with your product and service information will support you when trading in China and overseas in general.

Chinese businesses will often check your company internet content to get a better understanding of your business before and after meetings.

Overseas business is often conducted in a second language which will have misunderstanding where ideas and products are new to an overseas company. This is where your company internet content is the key to understanding what your company is offering.

In the Chinese market your company internet content is often used for;

- As reference point to check your business existence
- Business look and feel
- To share information with bosses and colleagues
- Where Chinese government funding is involved both the Chinese and UK government will check your business details.

Most large companies in China will be government owned or will have government agreements to delivery key components of the Chinese 5-year plan. In these cases, your business will be checked by different levels of the Chinese authorities and references can be asked of the British embassy.

Please remember the best person to update the content of your company internet content is the business day to day owner not the IT staff. You may need assistance from IT staff with the design and coding. The good internet content is the responsible of the business.

### **Up to date internet content Access to China recommendations**

Stating that your internet content should have the up to date information could be considered that we are “stating the obvious”. Doing business international is both exceptive in time, commitment and costs. Spending a little time and cost on bring your internet content up to date will give you a better support in achieving success overseas.

Note: - Dating your internet pages will help the search engines. If your company internet content is kept updated the Search Engine give preference to your content.



## Chinese local DNS records



International DNS (Domain Name Server) records can take two to three attempts from a browser in China to locate your internet site.

Often the Chinese user stops trying and give up. It does not help that the local ISP often displays their internet site instead of your company website when they cannot find DNS in under 20ms.

The issue is caused by the master Name Service (NS) for domain is reposing too slow from outside China. After two to three attempts the Chinese internet has found your DNS records and all works as normally until the DNS record timeout and the processes starts look over again.

The solution is to purchase Chinese domain; i.e. .cn. com.cn. The Chinese domains NS records are held inside China.

We recommend;

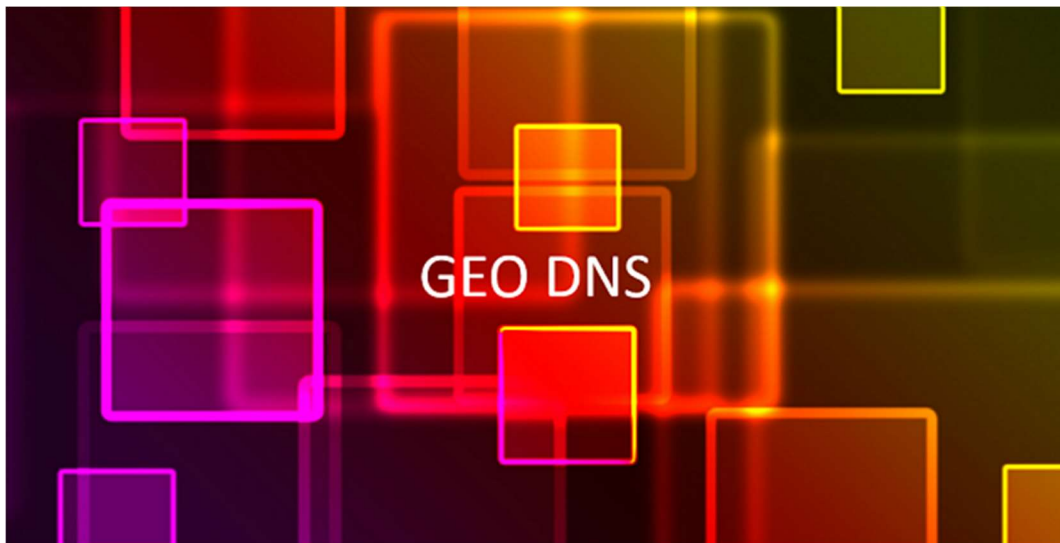
- use a local Chinese DNS supplied by Domain supplier. This means you will be using local NS and DNS services for your Chinese domain name.
- Do not set the TLL parameter too low for your DNS records ... 24 hours plus is preferable

Please notes:

- The Google public DNSs servers (8.8.8.8. and 8.8.4.4) often do not response at all in China. This is due to many Google services been blocked in China.
- Our recommendation for Chinese public DNS: 114.114.114.114. This is the China railway public DNS and very fast on all Chinese networks.

To operate a public DNS in China requires a licence from the internet authorities.

## Chinese GEO DNS



A Geo DNS is key to unlocking a high-performance internet service in China.

When an internet user request access to your internet site, a Geo DNS will locate the fastest access point to respond to the internet user request. This normally performed by location.

This turns a Cloud Service into a Distributed Data Service which meets better the demands of today's internet user for fast response with increasing amount of international data.

For this to work, your cloud service supplier will need to able to distribute your internet site through the major networks in China.

The Geo DNS in China will need to be able to locate the fastest response by network and not location. China internet response fastest by internet supplier and not location. i.e. if you accessing the internet from China Telecom internet connection, then the fastest repose will be from a server located on China Telcom network.

Often this approach is used by CDN (content delivery network) for internet sites multi-media.

The approach of Geo DNS is cost effective as it enables you to operate world-wide without having to purchase costly private network correction in the same way as a major international business.

Access to China are developing GEO DNS service which incorporating into Chinese platform servers.

For more information please contact: [support@accesstochina.com](mailto:support@accesstochina.com)

## Being found on the Chinese internet



There are many tools and services on the Chinese internet to help internet sites be found by Chinese business and people in China.

The structure of the Chinese internet has the same components as rest of the world e.g. search engines, social media, etc. Like the rest of the world, you can invest time and resources in promoting your business on Chinese internet.

This information is the basic need to start get your business found on the Chinese internet.

Using the analogy of a score of 1 to 12 to measure your visibility on the Chinese internet where a score of 12 is where you proactively promoting your business in many channels on the Chinese internet.

Having your internet site visible on the Chinese internet get you score of 3.

Having a good Chinese internet identity, being in correctly listed in the Chinese search engines, etc (see below) will increase your score to 6.

Going from 1 to 6, maybe using Access to China platforms, should be low cost and risk.

Going from 7 to 12 can be very costly and high risk. If you can score of 6, then you can see what interest you are receiving from the Chinese internet and determine your next level of investment.

None of points cover below will work unless you first make sure your internet site can be seen in China. Please do not invest time and money until access to your company information on the Chinese internet has been resolved.

## Chinese internet identity



Your Chinese online identity, while offering no major solution by itself, success the is greatly helped by your good management.

Prior to trademark registration you need to decide and create, a Chinese online identity.

The simplest solution is to use your existing business / brand online identity.

This will work;

- Your trademark(s), brand in this case, is available in China. i.e. A Chinese / international business has not already registered your trademark in China
- Your trademarks, i.e. brand, product names, etc are know in the international / Chinese market.
- Appropriate domain, social media, etc, names are available.
- Your brand / product name, etc does not have an appropriate meaning / translation in spoken or written Chinese. e.g. Google had this problem in China; The English pronouncement of Google in Chinese means “rice framer”

If you having problems in any of these areas above, or you wish to create a new identity for the Chinese market, here are a few points for your consideration;

### Brand not known in China

Internet search functions in search engines, social media, e-Malls while complex, the data they are processing is straight forward. A search will only compare the words your given with words in the search. If you are using a brand name that is not know in China then the brand name will not be enter in a search.

The way around this is to connect your brand name to words which are searched e.g.

Baby food by Access to China - English only

婴儿食品 Access to China - keeping your brand in English and the rest in China

Keeping the brand in your local language is recommended, provided it is not missing leading and pronounceable in Chinese, an international company / product is expected to have overseas name.

If you use a Chinese name you may be confusing the local Chinese market leading local people to think you are selling “copy” products. When using a Chinese make sure you reference back to our international credential.

*Note: - If you are using a translation of brand name please make you register your Chinese mark as a trademark.*

### **Brand is known in China**

This is a great starting point if you own your brand in China.

Make sure your brand is registered as a trademark in Chinese in your company name. Having your trademarks registered directly in China gives you far better protection, otherwise you will have to fall back on international copyright protection which is very hard to enforce in China.

Once you have legal control your trademarks in China you can start taking control of your business identity on the internet in China.

Under Chinese law, you can stop the use of your trademarks; brand names, logos, etc., This must be done proactively.

### **Need a new Brand for the Chinese market**

This is often the case, if you have lost control of your brand in China.

If you are exporting an overseas brand / product to China, an overseas name is always appropriate.

If you need to use a Chinese name there two written languages available; Madeiran and Pingyin. Most of the strong internet identity's use Pinyin e.g. Baidu, Taobao, Shenma, Dangdang

Another group of Chinese with strong internet identity use know words / saying in England; Tmall, JD Buy, VIP, WeChat.

The other important thing, Chinese words that end on an upward tone at the end. All the above Chinese names have a downward followed by upward tone. Words that follow this format are concerned positive words.

### **Chinese domains names**

When typing in a domain name into a browser, Chinese people will use Pingyin or QR code (scanned on a mobile). Therefore, I simple overseas / Chinese name which can remembered is preferable.

Domain names with many words become harder to spell correctly. Maximin of two words we recommended.

Do not use hyphens and dashes. They just lead to confusion. The Chinese language does use these characters.

Having a Chinese name spelt in Chinese characters in not normally used by Chinese people in browsers. Having a secondary domain name in Chinese characters can help with search engine SEO.

### **Chinese Social media**

Your company identity inside Chinese social media is greatly help my setting meaning account name.

The general rule we have found through testing is that many social media searches are firstly performed on the account name and then contents; e.g. a travel business without have the word travel, in Chinese in the account name, will not come back in results a social media search.

Each social media searching tools works differently, please read up / take advice, test, before creating your business social media accounts. Often, they are not simple to change the name once they have been created.

### **More information available**

Please look at the following cover in more detail the points raised above;

- **Chinese intellectual property rights**
- **Chinese domains**
- **Chinese SEO, local and international**

## Chinese Local domains



### Chinese domain name structures

There are two main issues relating to a domain you need to consider when dealing in the Chinese internet marketing: -

- TLD (Top Level Domain) is the part domain that comes after the “DOT” e.g. .com, .net, etc.
- The name is the part domain that comes before the “DOT” e.g. “mydomain” in mydomain.com

For a while now, you have been able to register International Domain Name (IDN), in different languages characters e.g. Russian, Arabic, Simplified Chinese, and Traditional Chinese, etc.

In the case of Chinese characters, these are Chinese TLDs are available;

- .中国 is .CN in Simplified Chinese
- .中國 is .CN in Traditional Chinese (Cantonese / Taiwanese)
- .公司 is .COM in Simplified Chinese
- .网络 is .NET in Simplified Chinese

Examples;

- mydomain.com (normally domain format)
- mydomain.cn (normally domain format)
- 我的域名.com (domain format in the Chinese language)
- 我的域名.cn (domain format in the Chinese language)
- mydomain.中国 (DTL in the Chinese language)
- 我的域名.中国 (DTL and name in the Chinese language)



The management of the Chinese domains is the responsibility of the Chinese authorities.

Chinese authorities fully automated the Chinese domain the purchasing processes in 2013. While many international domain suppliers offer .CN. To purchase of Chinese language TLD you may require a Chinese supplier.

An overseas company or person can own a Chinese domain. You may be required to supplier ownership identity: Password ID and Picture.

The Chinese authorities apply the Chinese internet contents provider (ICP) rules and regulations if you use the domain to publish inside China. The ICP rules and regulations, at time of writing, does not apply if you are using the Chinese domains outside China.

The Chinese authorities could stop the use of a Chinese domain if they wished. We would recommend that you do not publish inappropriate materials for the Chinese market. Please remember they have your personal details on record from when you purchased the domain name.

### **Sub Domain Names**

Many of the businesses in China run on sub-domains. One of the biggest users of sub-domains is in the Alibaba B2B trade engine and Chinese e-Commerce e-mail platforms.

Example;

- <https://sdzhongcha.en.alibaba.com> - Shandong Zhonghu Heavy Industry (Alibaba)
- <https://uk1147254256gmmp.trustpass.alibaba.com> - J&D Gold Ltd (Alibaba)
- <https://uk1005252631.trustpass.alibaba.com> - Ancient Wisdom Marketing Limited (Alibaba)
- <https://ellaskitchen.tmall.hk> - Ella baby food (TMall)
- <https://domojj.world.tmall.com> - Domo (TMall)

The use of sub domains has allowed business to publish on the internet in mainland Chinese by using the Chinese platform and therefore are using the ICP of the internet service provider. The internet service provider runs the checks on the internet contents and therefore applies the ICP rules.

For more inform please see;

- Internet Contents Provider (ICP)
- Chinese platforms

### **Brand registration checks**

We always recommend that your registers the company trademarks, brand name(s) in this case, in China.

For more information please see Chinese intellectual property.

When publishing a domain in China the local authorities will check the Chinese brand registration database a make sure that your domain name is not same name as a registered brand. If it is,



regardless of your domain ownership, you will not be allowed to this domain name in mainland China. You can still use the domain outside mainland China.

The brand registration rule does not apply outside mainland China at the time of publishing this paper. China could implement this ruling for Chinese TLDs world-wide in the future.

### Our Chinese domain recommendations

Meaningful domains are useful for social media and search engines optimisation (SEO). In addition, a local domain will be priorities in search engines in China.

On the negative side, there are many different types of domain and TLD available and in Chinese most domain names on business cards, websites, etc, have been replaced with QR codes. Therefore, people do not need to remember the domain name. The brand name is far more important in China.

The most successful domain name in China are names which have a cross meaning between Pingyin and English.

Here is our recommendation on the Chinese domain name importance.

Domain Name and TLD	Priority
CN - English	<i>High</i>
CN – Chinese language	<i>Medium</i>
中国 CN - Chinese	<i>Low</i>
中國 CN – Cantonese / Taiwanese	<i>Low</i>
公司 COM - Chinese	<i>Low</i>
网络 NET - Chinese	<i>Low</i>
HK - English	<i>Medium</i>
TW - English	<i>Medium</i>

For more information please see please see;

- [Chinese language on the internet](#)
- [Chinese internet identity](#)
- [QR codes in China](#)

## Chinese Intellectual property rights



### Management summary

There has been a lot said and written about the problems with intellectual property rights in China by politicians, press and businesses world-wide.

China has many issues with international intellectual property rights and their enforcement.

It is estimated to be between 100,000 to 150,000 outstanding international copyright / trademark cases with Chinese businesses. Given the costs and time in raising a case, we expect this number could be a lot higher given many companies do not have the resources to enter the Chinese legal processes.

If you have your trademark / copyright agreed and registered in China, then a dispute over trademark, etc, can be often resolved with a local Chinese solicitor letter. No business or Chinese person wishes to be seen to be breaking Chinese rules and regulations.

If you do not register your trademark in China you potentially will spend years in the Chinese legal system trying to block use of your trademark. If you have registered your trademark and there is an infringement, it is normally resolved after a letter from a Chinese based solicitor.

We strongly recommend you protect your trademark, in China using the local Chinese rules and regulations.

## Background

In reviewing intellectual property law with our Chinese legal firm, they point out that China only started developing Commercial and Civil law in the last 40 years. This is the first time China has had Commercial and Civil law in 4,000 years while the England, as an example, started developing these laws over 900 years.

Given this historical lack of Commercial and Civil law in China local business has and still take advantage of this saturation creating many copies of Chinese and international products and brands.

While China is a member of world-wide trading agreements which protects your IP sense 1979, given the size of the IP right infringements Chinese authorities do not have the resources for enforcement.

By having the IP registered in China the enforcement becomes a local not an international IP rights enforcement. This allows enforcement between Chinese companies and Chinese legal firms without often involving Chinese authorities. Chinese people / businesses understand that if you have the correct paper work then the IP can be enforced and therefore the rules and regulations are followed. No company or person in China (or world-wide) wants to involve local authorities in legal conflicts.

Chinese IP laws is split into three areas

- Trademark
- Copyright
- Patent

*Note: Trademark law is often referred as brand registration in China which is the processes of registering your Trademark.*

The Chinese are developing the Commercial law which includes intellectual property rights. The laws being developed are independent to international law,

e.g. Trademark registered in the EU, USA, etc. is not generally protected in China and therefore will need registering in China.

If you are manufacturing in China, you will be training and creating a production line for products and brands. If you do not protect the trademarks, patent, etc, the factory will be able to sell your products and use your brand name throughout China legally.

Once your IP rights have been correctly registered in China they can be successfully enforced.

All IP registrations will need renewing every 10 to 15 years depending on type of registration, i.e. trademarks vs patents.

Please take advice in your local country. We recommend starting with trade organisations. In the UK this would be Chinese British Business Council (CBBC) and British Chamber of Commerce. They should have list of local businesses that specialise in Chinese IP.

If your business has products / services which would be of interest to Chinese / international market protecting your IP, specifically trademarks, in China is strongly recommended.

### Chinese trademark registration

Chinese trademark registration, is often called brand registration; logos, company, brands, products names, etc.

Having your interest protected outside China, including Hong Kong, will not protect your interest in China.

*Note: Please check,*

- *if your IP is registered in mainland China does this cover Hong Kong?*
- *if your IP registered in Hong Kong does this cover mainland China?*

*At the time of writing this paper this was the case.*

Any business / person inside or outside China can register a trademark inside China. There is some protection for the major international trademarks. We understand that the Chinese authorities when reviewing a trademark application will check their international trademark registration database. This database is limited to major trademarks and offers very limited protection for SME

In recent years the Chinese authorities have encouraged Chinese companies to register their trademarks. This has resulted in many trademarks being registered in China by Chinese companies which are copying existing overseas brand names. This has been causing problems for overseas businesses that have registered trademarks in China.

Once you have registered a trademark in China it is then illegal to copy and trade using the trademark in China regardless of any registration outside China.

Make sure your trademarks are in your company name regardless if you own a Chinese company. Do not allow a third partly company own your trademark regardless of any agreement. The best solution is to register your brand names, logos product names, etc, at the outset before you involve any parties inside / outside China.

If you wish to allow an organisation in China to use your trademark you can give written permission but make sure you include detailed terms and conditions in an MOU format (Memorandum of Understanding).

## Trademark registration process

- **Appoint a local agent in your country to handle your trademark registration**

Appoint an agent from your own country, with a successful track record of Chinese trademark registration. They in turn, will appoint a Chinese agent; only a Chinese licensed agent can make the application to the Chinese authorities.

By using a local agent from your own country means you will be working in your local language and under the trading terms of your country.

Your local agent, should also have access to the trademark registration database in China and therefore will be able to make checks on what is already registered. This will save time and money with trademark submission for trademarks already registered in China.

You can appoint a local Chinese agent directly. This is only recommended if you know the Chinese agent directly and have a successfully trading relationship.

The trademark registration is straightforward processes in China. Get the trademark ownership wrong and it can stop you trading in China and the loss of any investment you made in China.

- **Submit the papers to Chinese authorities**

Your local agent will handle this matter. Please make sure all the information is correct including the spelling, fonts, etc.

Before submitting make sure you are not using words in the trademark name that are not allowed or will need further supporting documentation. E.g. country names, "British".

You will be required to select international trademark class(es) for your submission. There is a cost per code. Your registration will be protected within these class(es). Another company can use the same registration with difference trademark classes.

e.g. Access to China class 38 (Telecoms) and 42 (IT Services); Another organisation could Access to China class 43 (hotels). Both organisations can use the trade make Access to China only its classes stated in the registration.

This submission must be accurate. Being 99% right is not enforceable in Chinese trademark law. Get the papers checked thoroughly before submission.

- **Paper are reviewed by the Chinese authorities**

The information submitted will be reviewed by the Chinese authorities. This is comprehensive and takes up to three months to complete.

- **Chinese trademark registration rejected**

The Chinese authorities can reject the registration request. They will give their reasoning.

If it is for missing information this can often be corrected.

If a change to the brand name spelling, etc, is required then a new submission / money is often required.

- **Chinese trademark registration acceptance**

You can start using the trademark in China knowing it is protected as soon as you have agreement and the paper work from the Chinese authorities.

Once a trademark registration is accepted there is a two year “cooling off period”. During this period any party can challenge your registration. While it would be unlikely that the challenge would be successful, there are no guarantee and it could result in time and money to resolve.

Once the two years has been past the trademark can no longer be challenged unless you stop using the trademark in China for over three years.

- **Renewal processes**

Depending on the type of registration you may be required to renew every 10 to 15 years.

If you do not use / trade your trademark in China for three years an application by another business / person (Chinese or international) to take over your trademark can be accepted by the Chinese registration authorities.

Please make sure you have a full understanding of the renewal process, rule and regulations, etc, before you completing your trademark registration with your local agent.

## **Trademark registration enables**

Stop Chinese and international companies and people using the registered trademark in China.

Use of your trademark on the internet, e.g. e-Malls, social media, etc. On request, the Chinese platform must take down any use of your trademark who do not have your written consent. You may have done the research of use of your trademark as part of your submission to the Chinese platforms.

Request domains using you registered trademark to be closed.

Stop / control factories reproducing your trademark.

Please note: - This has to be performed proactivity. This will not happen by default.

At this stage of the processes we recommended, if enforcement is needed, use a local Chinese legal firm. In most countries, a local legal contact is far more successful than an international firm. Chinese vs Chinese works faster. In most cases a simple letter for the Chinese legal.

## Chinese internet publishing options



The rules and regulations of publishing internet site content in mainland China are the governance of the PR China. This paper is our understanding as at the date of publication

Publishing internet site, e.g. website, APP, etc, in mainland China is subject to national government rules and regulations which are enforced locally in China by city / region.

These rules and regulations require your business, before publishing on the Chinese internet, to have access to an Internet content publishing (ICP) license. There are different levels of ICP license allowing you to publish different types of internet site content and on-line trading.

However, there are ways of publishing on the internet in China without your business needing its own ICP. These are Chinese platforms and services; Chinese e-Malls, Social media, search engines, etc. In these cases, the Chinese publishing rules and regulation must be adhered to. It is the responsibility of the platform / service provider to monitor, correct and close internet site content as required.

Under some conditions, i.e. Access to China, will help international businesses establish their internet site content in China by acting as an agent for your Chinese publication. There are many ways of publishing your internet site content in China. We recommend you consider all of them before selecting options.

These options are in three groups;



- International and Chinese platforms
- International and Chinese System as a Service (SaaS)
- Your own internet presence.

*Note: “International” in the contexts of this paper means “any platform or service running outside mainland China”. This includes Hong Kong and Taiwan.*

A full management summary of these groups is on the next page.

No ICP is needed for internet site content published outside China. This includes Hong Kong and Taiwan. Access to your internet site content outside China maybe blocked, (e.g. YouTube, Facebook, etc.), or slowed down so making your internet site content unusable (e.g. Google).

We recommend you perform two activities, regardless of your trading intention.

- 1) Test your internet site content accessibility from mainland China. Review what can and cannot be seen, [webtest.accesstochina.com](http://webtest.accesstochina.com)
- 2) Register your company brands in China, [Chinese Intellectual property rights](#)

If you need any further information please contact as at us at [support@accesstochina.com](mailto:support@accesstochina.com)

## Management summary of Chinese internet publication options

### International and Chinese Service Delivery Platforms (SDP)

SDPs are a third party supplier with the infrastructure for a business and / or consumer services, e.g. mobile telephone services, internet connection, search engines, e-Commerce sites (Amazon, eBay), etc.

In mainland China, SDP's are very popular. The service providers have the Chinese government approval to publish on the Chinese internet and therefore you do not need *Internet Contents Provider* (ICP) license to use providers services.

The SDP supplier is responsible for making sure their customers follow the Chinese publication and trading rules and regulations.

If you are selling from inside mainland China you will require a Chinese business to process payments, tax return, etc. Most SDP have an International service which enable you to sell to mainland China without having a local Chinese business.

Option	Short Description	Our View
<b>International search engines (a)</b>	<ul style="list-style-type: none"> <li>- Google is slowed down so it becomes unusable.</li> <li>- Bing is usable in China.</li> <li>- Most Chinese people use Chinese search engines.</li> </ul> <b>Recommendation:</b> Needed for Chinese regions outside mainland China.	<b>Poor Option for mainland China</b>
<b>Chinese search engine (b)</b>	Baidu ( <a href="http://www.baidu.com">www.baidu.com</a> ), 360 / Haosou ( <a href="http://www.so.com">www.so.com</a> ), Shenma ( <a href="http://www.sm.cn">www.sm.cn</a> ), etc <b>Recommendation:</b> Setup webmaster for each of the above search engines with your SEO data in Chinese.	<b>Good Option</b>
<b>International retail e-Malls (c)</b>	<ul style="list-style-type: none"> <li>- Amazon (international)</li> </ul> International e-Mall purchases count for approx. 20% of the annual e-Mall retail market.	<b>Option for consideration</b>
<b>International retail e-Malls (d)</b>	Many of the large Chinese e-malls have an international service. This includes <ul style="list-style-type: none"> <li>- Tmall global</li> <li>- JDBuy international</li> </ul> There is also dedicated created Chinese international e-Malls e.g. Koala <b>Recommendation:</b> Listing in Chinese e-Malls can be expensive. Make sure you have a good business case before doing so	<b>Option for consideration</b>
<b>Chinese local retail e-Malls (e)</b>	There are many local Chinese e-Malls. You will need a Chinese company / person to be able to sell in these e-Malls. Chinese people / companies often sell international products in the local Chinese e-Malls. <b>Recommendation:</b> The Chinese e-Malls are very good places to research your company and products and services.	<b>Good place for research</b>

<b>Option</b>	<b>Short Description</b>	<b>Our View</b>
<b>Chinese business platforms (f)</b>	Alibaba (B2B platform) is the largest and most widely used business platform in China and internationally. This has been very successful for both Chinese and overseas companies marketing not just in China but throughout the world. In listing in Alibaba, you will be placing your product and services alongside Chinese and international businesses. <b>Recommendation:</b> Very good place to research the world market. In listing, you will open your company to a potential 60% of the world market	<b>Option for strong consideration</b>
<b>Access to China platforms (g)</b>	Make you existing website seen and found in China. These platforms have been developed by Access to China to enable your business in have a present on the Chinese internet, at low risk and cost. Platforms; WiTravel, B2B66 and B2C66	<b>Good Option</b>
<b>International media channels (h)</b>	The international media channels are blocked in China. e.g. YouTube, Vimeo, Instagram, etc. Therefore, do not use international media to communicate to the Chinese market. They do not work in China even if they are embedded into your internet site content. <b>Recommendation:</b> Check what can be seen in China: <a href="https://webtest.accesstochina.com">https://webtest.accesstochina.com</a>	<b>Very poor option</b>
<b>Chinese media channels (i)</b>	China has very strong media channels. These included; Tudou, YouKu, QIY. There must be over 100 media channels in China. They are tightly regulated. Overseas companies can upload their business media content on these services provided the Chinese regulations are followed. <b>Recommendation:</b> Create an account in YouKu as an overseas user and load your business content.	<b>Good option</b>
<b>International Social media (j)</b>	Apart from LinkedIn, all international social media is blocked in China. <b>Recommendation:</b> Check what can be seen in China: <a href="https://webtest.accesstochina.com">https://webtest.accesstochina.com</a>	<b>Poor option</b>
<b>Chinese social media (k)</b>	Chinese social media is very successful with 100s of millions of users and contents to match. The problem is being noticed / building followers within the Chinese social media. There are many Chinese businesses which can help you be noticed in Chinese social media. While there are many social media platforms in China the two most used platforms are; WeChat and Weibo.	<b>Good option</b>
<b>International Internet of things (l)</b>	With the on-going development of the Internet of Things Chinese rules & regulation are still to be developed for across border activity.	<b>Option to monitor</b>
<b>Chinese internet of things (m)</b>	China is quickly developing and rolling out the Internet of Things (millions of devices per months). Again, Chinese rules & regulation are still to be developed.	<b>Option to monitor</b>

## International and Chinese Server as a Service (SaaS)

Software as a service (SaaS) is software licensing. It is delivered on a subscription basis and centrally hosted and managed. It is sometimes referred to as "on-demand software" and was formerly referred to as "software plus services" by Microsoft.

It is possible for an overseas company to offer SaaS to a business / consumer in mainland China provided the service is running outside China.

If you have SaaS already, please check that your software components are accessible from China: <https://webtest.accesstochina.com> (including the help desk / support systems).

Option	Short Description	Our View
<i>International public network (n)</i>	Your SaaS is running on a local / international outside China. <b>Recommendation:</b> Check that you service can be seen and used in China: <a href="https://webtest.accesstochina.com">https://webtest.accesstochina.com</a>	<b>Poor option</b>
<i>Chinese enclosed network (o)</i>	Your SaaS is hosted locally in China accessed by Chinese offices over a local VPN. Note: International VPNs are not allowed in China.	<b>Good option</b>
<i>Chinese white Label (p)</i>	Your SaaS is running in China White labelled to a Chinese business. The ICP will be the responsibility of the Chinese company. This way the software can remain under control.	<b>Good option</b>
<i>Chinese public (q)</i>	Local Chinese hosting, ICP certification and a Chinese business will be required. Locally hosted software.	<b>Option for consideration</b>
<i>Split services between Chinese and international SaaS (r)</i>	Local Chinese hosting, ICP certification and a Chinese business will be required.  <b>Recommendation:</b> "Frontend" of your software hosted in China and your backend software hosted away from China. This will go a long way to protect your IPR.	<b>Good option</b>

## Your own internet presents

Publishing your own internet site content on the internet international or within China using hosting service, server, etc.

Option	Short Description	Our View
<i>Your own internet presence running international (s)</i>	<p>Locally or international hosted service outside China.</p> <p><b>Recommendation:</b> Please run through the Check List and test your services from inside China.</p> <p><a href="https://www.accesstochina.com/check-list">https://www.accesstochina.com/check-list</a></p> <p><a href="https://webtest.accesstochina.com">https://webtest.accesstochina.com</a></p>	Option for consideration
<i>Your own internet presence running in China (t)</i>	<p>Before you can publish your internet site content in mainland China you will require an ICP certificate. To achieve this, you will need to create a Chinese business.</p> <p><b>Recommendation:</b> More information on ICP and publishing on the internet in China is contained in the detail of this paper.</p>	Option for consideration

## Chinese internet monitoring

The internet in mainland China is monitored for inappropriate use.

Your internet site content is monitored inside China regardless of where it is published and on what platform / service. The monitoring of internet site content is prioritised based on the use in mainland China and throughout the world. Internet site content with only few visitors will not normally attract attention.

If you have an ICP license, in addition to ongoing reviews, all your internet site content will be reviewed each time new domains / IP addresses are added your license.

The rule and regulations are updated regularly to take account of the changing use of the internet and the new services offered. Most of the updates are there to protect the internet users from poor / misleading internet practices.

To that end, internet site content published in mainland China is subject to review by local and national monitoring. This review includes but not exclusive to;

- Publishing misinformed information. e.g. the reporting an earthquake when it has not happened.
- Reporting false information
- On-line gaming which includes gambling
- Pornographic material
- Incorrect use / missing ICP certification.
- National security issues. (The same as the rest of the world)
- Internet security issues.
- Inappropriate political comments

While many overseas commentators believe the Chinese monitoring of the internet is suppressive, most of the controls are there to protect the internet user. Many political comments are allowed, e.g. green issues, local corruption.

The overseas internet site content will be reviewed from time to time and if not appropriate for the Chinese internet then the IP address will be closed.

Most / all international platforms do not allow Chinese authorities to request content to be removed and therefore one inappropriate posting means the overseas platform access in China is blocked.

Overseas companies not agreeing to this censorship has resulted in platform services being developed in the China which has allowed Baidu, Alibaba and Tencent to dominate the Chinese internet.

## Internet contents provider (ICP) licensing and certification

An ICP license is issued to the company. The ICP certification is issued for the internet site content, e.g. Domain name, APP, IP address, etc.

What types of ICP certification you can request will depend on your Chinese company ICP license.

The certification process is for public internet site only. If internet site is for a company's internal use and not accessible to the public then certification is not required. If a domain name is being used to access the company's information over the internet then the domain name may need ICP certification even if it is only login screen.

There are different types of ICP depending if you are just publishing internet site content, trading on-line or a data centre.

Here are examples of the different certification types;

Business internet site content (this covers most internet content with some exceptions below).

Business on-line trading (this covers most product / services with some exceptions below).

A summary of areas that need addition ICP agreement

- Electronic bulletins
- Medicine / drugs
- Medical
- Broadcasting; TV, Radio, etc
- News
- Videos
- Banking, stock trading, auctions, payment, etc.
- Electronic data interchange (EDI) telecommunications, data centre, call centres

A full listing is available on the ICP website:

[www.miitbeian.gov.cn](http://www.miitbeian.gov.cn)

This website is only in Chinese. It can be viewed by using Chrome browser with the translate option switch on.

Only a Chinese business can apply for ICP incense.

In the main, the Chinese authorities monitor internet site content based around

- Domain names published on Chinese IP addresses
- Public internet ports: 80, 8080, 443

A port number is a way to identify a specific process to which an internet or other network message is to be forwarded when it arrives at a server. The default for a domain name is port 80.

To that end, you can test your internet site content in mainland China on a different Port before you open the public Ports. This is what we call Port mapping. Many internet services in China, including Access to China, offer this service through our firewall.

Once you open the public Ports you will need an ICP certification;

The certification is by domain name, APP, etc and Chinese IP address.

Once certification has been issued you will need to add the certification number into the internet site footer. The ICP information should have an active link to the Chinese government ICP website, e.g.

[苏ICP备10037052号-2](#)

The main number is your company ICP number. The end number is an individual number for each domain used by your Chinese company.

If using sub domains, you only need one ICP certification for the main domain. This is how Alibaba and Tencent operate their B2B, B2C websites and social media using multiple sub domain.

If there is a problem with the internet site content the Chinese authorities will close the IP address. Therefore, shared IP address hosting in China is not recommended. To avoid your business internet presence being closed due to another company's ICP problem if you are sharing an IP address.

The first few times you add a domain to your Chinese company profile it is best to inform the ICP authorities first. They will normally respond with "let us know when the public ports are open and we will review". Building up trust with the ICP authorities overtime helps greatly.

ICP certification authorities in addition to the main points above will also confirm that your domain name is not in conflict with any brand names registered. If it is, you will be required to use a different domain in China. Another good reason to register your company brand in China at the outset.



Another check the authorities will make is to ensure your internet site content matches the terms of your companies set up, e.g. if you have building material in your internet site content then the “terms of the company” must say “Building Material”. If not, the Chinese authorities will ask for it to be removed or request a change in the “terms of company” trading.

## Do you need to arrange an ICP certificate?

If you need an ICP certificate you will need to create a Chinese company and apply for an ICP license and request an ICP certification for each web site you publish.

Alternatively, arrange an agreement with a Chinese company with ICP licence and use their ICP certification.

The issue with this approach is that the Chinese company with the ICP license is legally responsible for all internet site content you publish within China.

On-line trading running inside mainland China requires; Chinese payment system, local sales tax, company returns and company tax. If you are using a third part company in China for your ICP certificate they will need be responsible for these tasks.

<b>Option</b>	<b>ICP Required?</b>	<b>ICP Trading required?</b>	<b>Chinese Business required?</b>
<b>Platforms</b>			
<a href="#">International search engines (a)</a>	No	No	No
<a href="#">Chinese search engine (b)</a>	No	No	No
<a href="#">International retail e-Malls (c)</a>	No	No	No
<a href="#">Chinese international retail e-Malls (d)</a>	No	No	No
<a href="#">Chinese Local retail e-Malls (e)</a>	No	No	Yes *
<a href="#">Chinese business platforms (f)</a>	No	No	No
<a href="#">Access to China platforms (g)</a>	No	No	No
<a href="#">International media channels (h)</a>	No	No	No
<a href="#">Chinese media channels (i)</a>	No	No	Yes
<a href="#">International Social media (j)</a>	No	No	No
<a href="#">Chinese social media (k)</a>	No	No	Yes **
<a href="#">International internet of things (l)</a>	No	No	No
<a href="#">Chinese internet of things (m)</a>	TBD	TBD	TBD
<b>SaaS</b>			
<a href="#">International public network (n)</a>	No	No	No
<a href="#">Chinese enclosed network (o)</a>	No	No	No
<a href="#">Chinese white Label (p)</a>	Yes *** (customer)	Yes *** (customer)	Yes *** (customer)
<a href="#">Chinese public (q)</a>	yes	Yes	Yes
<a href="#">A split service between Chinese and international SaaS (r)</a>	Yes	Yes / No ****	Yes
<b>Your own internet present</b>			
<a href="#">International (s)</a>	No	No	No
<a href="#">Inside mainland China (t)</a>	Yes	Yes / No ****	Yes

Notes:

\* If you are using a Chinese e-Mall service inside mainland China you will need a Chinese business. The Chinese e-Mall providers get around this problem by having overseas customers use their services in Hong Kong and then display the overseas products in the search results inside China. TMall call these products “trading without borders”.

\*\* Chinese social media accounts can often be created from outside China. i.e. WeChat account. An overseas account has limitation inside mainland China. If you wish to create a business social media account inside mainland you will require a Chinese business.

\*\*\* Running software for a Chinese business within China will require the Chinese customer to obtain ICP certification.

\*\*\*\* Only required if your software is trading on-line.

## Chinese internet publication options

### Platforms

A platform is where you load your internet site content to an existing service.

#### International search engines (a)



The two main global search engines are not used in mainland China.

Google access has slowed down so it takes over 60 seconds to open the home page. Bing, Microsoft search engines, while available in China, have less than 2% usage. Yahoo, again owned by Microsoft, is not used in mainland China.

These search engines are used wildly around Asia.

- Hong Kong – Google (80%) Yahoo (20%) – (Cantonese / Mandarin)
- Taiwan – Google (50%) Yahoo (50%) – (Taiwanese / Mandarin)
- Singapore – Google (95+%) (English / Mandarin)
- LA – Google (95+%) – Largest Chinese community outside Asia (Cantonese / English)

We recommend that you have Chinese SEO for these markets.

For more information please see [Chinese search engine](#).

## Chinese search engines (b)



China has developed its own search engines over the last 20 years. The market is dominated by;

- Baidu – 77.73%
- Shenma – 9.35%
- 360 Search – 6.37%
- Sogou – 3.59%
- Google – 1.67%
- Bing / Yahoo – 1.14%

Date: April 2018

Historically, Google is accessed from China using VPNs. International VPNs are now being closed in China and therefore it is expected the Google traffic will be lower as 2018 progresses.

Most Chinese search engines support the main functionality you can find in Google.

Examples; webmaster, advertising, etc.

The monitoring of the internet site content of the websites is the responsibility owner of the Chinese search engine when the search engine accepts marketing payments

If you using a Chinese search engine for advertising, you will need to supply a lot of information including company and product certification / registration details. It is the responsibility of the search engine to validate all companies before they accept advertisements.

Your business does not require ICP certification to use this type of internet platform.

We strongly recommend that you set up SEO for these search engines otherwise you will only be listed in your internet site content language not Cantonese or Mandarin.

For more information please see [Chinese search engine](#).

Note: Shenma only started in 2017. It's taken up has been formidable. Shenma brings together e-Mall and e-Commerce content into a single search engine; "all the products" in one place.

## International retail e-Malls (c)



China on-line retail market is estimated to be worth \$500bn in 2018. Of which 15% to 20% comes from purchases of international goods on-line. A market worth up to \$100bn in 2018.

Most of China (90%+) on-line retail sells comes from the e-Malls; on-line department store, e.g. Amazon, Tmall, JDBuy.

There are three types of platforms;

- International e-Malls
- Chinese international e-Malls
- Chinese local e-Malls.

*International goods are available in all these types of platforms.*

The international e-Malls can be seen in China with acceptable response times.

Amazon has the biggest share of the international e-Malls in China. eBay is often used by Chinese companies to sell internationally. eBay is not used in Chinese for international purchases in any volume.

There is a local Chinese version of Amazon; China Amazon. For international and local business China Amazon has a very low percentage of the market.

The general issues with overseas e-Commerce sites are the shipping to China. This includes, posting, tracing, returns, customer clearance, etc. Many products in international retail e-Malls are not setup for the Chinese market, e.g. postage.

A starting point could be to setup your products in Amazon for shipment to China?

There are Chinese shipping agents that will handle the end to end postage and delivery. It is only a matter of time before the postage costs and processes for shipping to China are as cost-effective sending goods from China.

It has been reported in April 2019, in the Chinese press; Amazon is pulling out of China Amazon and restricting the number of Chinese companies using Amazon in USA due to poor quality of products and service.

What impact this will have on international sales in China remains to be seen. While Chinese people, like most parts of the world, do not like been excluded, there will be a general understanding why Amazon are making these changes.

Source of data: [www.statista.com](http://www.statista.com) - China

For more information please see **Business to Consumer (B2C)**

#### Chinese International retail e-Malls (d)



The share of the international e-Mall business from main China;

- TMall global – 27.6%%
- Kaolo – 20.5%
- JD International – 13.8%
- YIP International – 9.8%
- Amazon (international not China Amazon) – 9.1%
- Sunning – 2.5%
- Jumei – 2.4%

Annual stats: 2017

Estimate value for international retail business – 2018 - \$120bn

Apart from Amazon, all these retail e-Mall platforms are Chinese owned.

To enable international companies to trade inside mainland China these platforms operate in Hong Kong. Hong Kong trading is based on: one country two systems. As far as mainland China is concerned, trading with Hong Kong an international country.

Therefore, international businesses can list their product on the internet in Hong Kong without needing a China business to trade or ICP license. E.g. Tmall Global.

The retail e-Mall platforms then list the international products in search results inside their China e-Mal platforms under the sub heading “trading without borders”. This way of marketing and trading in China has been very successful.

Trading on these Platforms can be very expensive. Please review all costs before embarking on the use of Chinese e-Malls

Please visit “[Being seen on the Chinese internet](#)” for more information.

## Chinese local retail e-Malls (e)



There are many the Chinese local retail e-Mall platform. They have been very successful. Today Chinese on-line retail market has overtaken USA in size and is now the biggest in the world.

The protected value of the on-line retail market for 2018: \$500 (including \$100bn plus from international sales)

The market share in 2017 is as follows;

Tmall and Taobao – 60.99%

JDBuy – 25.6%

Sunning – 4.5%

VIP.com – 3.8%

Gome – 1.2%

Dangdang – 0.73%

China Amazon – 0.7%

Yihaodian – 0.5%

Jumei – 0.3%

*Please Note: Missing from the above statistics is WeChat. WeChat is a Platform which enables many internet activities including on-line shops. It has been very success.*

To market and sell in the Chinese local retail e-Malls you will require a Chinese company or a Chinese agent selling your products on your behalf.

In addition, your will have to meet many appropriate local Chinese testing standards, e.g. electrical product “ccc” certificate.

These platforms are a good place to research your products and your competitors. You may find your products are already being sold or there is a copy. It is very important to register your brand in China.

Please visit “[Being seen on the Chinese internet](#)” for more information.



## Chinese business platforms (f)



This Chinese business platform was the first major presence on the Chinese internet.

The best-known business platform in mainland China is Alibaba

This platform, like other Chinese business platforms, enables companies to market their product and services within mainland China and world-wide.

If you are using a Chinese business platform, where you paying for services, you will need to supply information including company and product certification / registration details.

As these are not e-commerce platforms you do not need a Chinese business and as it is a platform your company does not need an ICP license.

Please visit “[Being seen on the Chinese internet](#)” for more information.

## Access to China platforms (g)



These platforms have been redeveloped my Access to China to enable your internet site to be seen and found on the Chinese internet.

- WiTravel - Opening the Chinese market to your tourist destination
- B2B66 - Enabling your business to be seen and found on the internet in China
- B2C66 - Giving your business access to the Chinese consumer

Therefore, there is a very high probability that your business internet site cannot be seen in China

For Chinese businesses there is no simple way to find overseas products and services;

Chinese businesses, like most businesses world-wide, start their search for products and services on the internet.

Only 25% of foreign internet sites can be seen in China, 20% take over 20 seconds to be open and 55% cannot be seen at all.

There is a very high probability that your business internet site content; website, social media, etc, cannot be seen in China.

### **Fast to implement, at 10% of costs to create a new website;**

Our platforms “front ends” your exiting business internet site content removing the need for a second website for the Chinese market;

- sufficiently reduces costs in developing a new website for Chinese market: \$400 to \$600 not \$4,000 to \$6,000.
- sufficiently reduces implementation time: days not weeks or months.
- Your Chinese internet enquiries and orders are processed by your existing systems and therefore removing the need to monitor and maintain a different system for the Chinese market.
- No need to maintain two databases: product, prices, etc.
- No need to maintain two systems: lowest operational costs.

**Make your internet site content be seen and be found on the Chinese internet;**

Our platforms allow you to use your existing internet site content and enable;

- Your business internet site content to be seen in China
  - Replace blocked internet site content
  - Speed up your website response in China
  - Locally re-host multi-media allowing access in China
- Allow your internet site content to be seen in China
  - Local hosting and domain name
  - Translate SEO data into Chinese
  - Chinese search engines submission

**Access to China platforms are ready to give your business access to Chinese internet;**

Access to China has developed 3 platforms to effectively enable your business internet site content; e.g. website, videos, to be seen on the internet in China at less cost than an economy plane ticket to China per year.

- WiTravel - Opening the Chinese market to your tourist destination
- B2B66 - Enabling your business to be seen and found on the China internet
- B2C66 - Giving your business access to the Chinese consumer

## International media channels (h)



All the international social media platforms are blocked in mainland China.

If you are using international social media content inside your website you will find that it will not be shown.

Using international social media content inside China is not an option.

Please see [website.accesstochina.com](http://website.accesstochina.com) to learn more.

## Chinese media channels (h)



There are over a 100 social media channels in mainland China. It is very popular and an effective way to communicate with the Chinese consumer.

Some of these platforms allow businesses and members of the public to load video content e.g. YouKu.

Most of these video platforms are looking for media content.

For some of these social media platforms you will need to be a Chinese business to open an account.

There are China agents that can help you load social media content to these platforms. In doing so they will be taking responsibility for the social media content in mainland China.

Again; the monitoring of the social media content is the responsibility of the owner of the social media platform.

No Internet Chinese publishing certification is needed to use social media platforms.

### International social media (j)



Most international social media are blocked. The exception to this in the past has been LinkedIn. We now seeing LinkedIn blocked on some of the Chinese internet network.

Before changes this year, many Chinese people accessed the Chinese internet over VPNs. Many of Chinese VPNs have been closed and therefore the use of the international social media from China will be reduced.

If your internet site contains content from International social media, e.g. Instagram, the images will be blank on the website.

Please see [website.accesstochina.com](http://website.accesstochina.com) to learn more.

### Chinese social media (k)



There are many social media platforms in China. The most popular platforms are owned / trading partnerships with Tencent or Alibaba.

The most popular social media platform today (June 2018) is WeChat. This could be changing given the growth in Shenma as a search engine which is a partnership with Alibaba. Alibaba social media platform is Weibo.

Overseas people can join these platforms from outside mainland China.

Company membership of the social media platforms often requires a Chinese business. The rules for using Chinese social media often changes as they try to go global with the products and services on the platform.

The monitoring of the internet site content of the platform is the responsibility owner of the media platform.

No Internet ICP licences are needed to use these internet platforms.

## International internet of things(I)

The International internet of things to operate in China needs local infrastructure to collect the data.

A company to do this will need an ICP licensee and a Chinese business.

We would recommend that you work with businesses in China already developing and / or using the internet of things.

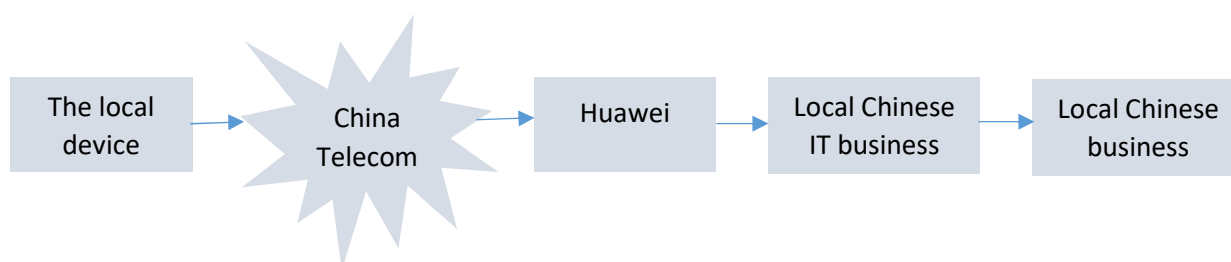
The more interesting opportunity is where an international company is developing products and services that use the internet of things. Large companies in China. e.g. China Telecom, are looking for opportunities to further develop the use of the Chinese Internet of Things.

Please contact Access to China for more information .... [support@accesstochina.com](mailto:support@accesstochina.com)

## Chinese internet of things(m)

The Chinese internet of things is developing very quickly in China.

This example is where China Telecom and Huawei are working in partnership to developed the services.



The internet of things needs internet backend local connection, i.e. sim cards. To create these networks, you need telecom ICP license. This type of license is not available to international businesses.

International business looking to enter this market should look for a business partner in China.

## System as a service

### International public network (n)

Supplying international services to the Chinese market will not require an ICP license as the service is being run outside China and any trading agreement will also be outside China.

The service fees can be paid from China on Chinese an international credit card. If your credit card processing company can process UniPAY credit cards.

A formal agreement with payment terms, etc, will be required for larger amounts of money that require a bank transfer from China. The Chinese business will have to register the agreement at the bank to make payments.

There are two major inhibitors that will stop the development of international Chinese business.

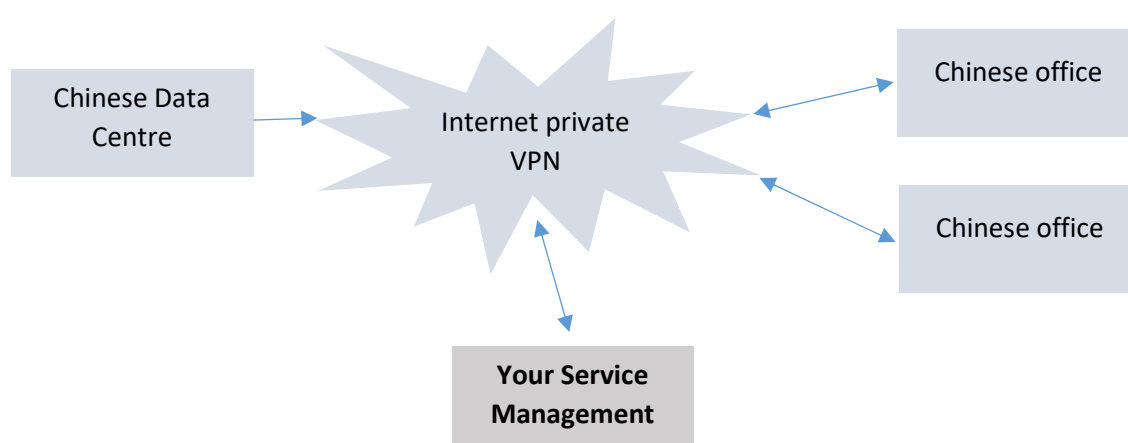
- 1) Not finding your business on the internet from China: [More information](#)
- 2) Cannot access your internet presence from Chin: [More information](#)

### Chinese enclosed network (o)

An enclosed network is where the Chinese company access your services over an enclosed network within mainland China.

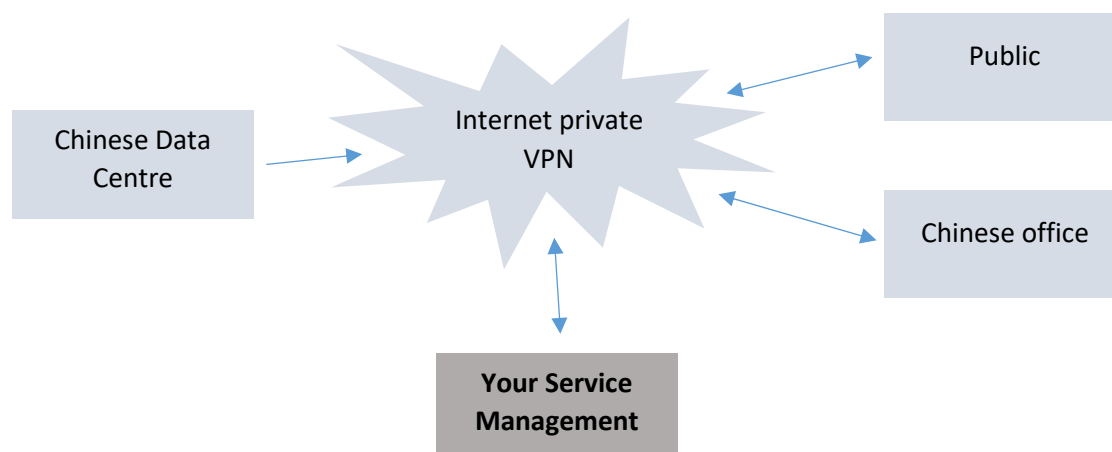
In this scenario the public cannot see the service and therefore an ICP license is not required.

We recommend that you run service from a Chinese data centre to give good local response time and performance.



### Chinese white network (p)

White label is where you are running a service on behalf on another business. In this case a Chinese business. In the example the white labelled service brand name is owned by the Chinese business.

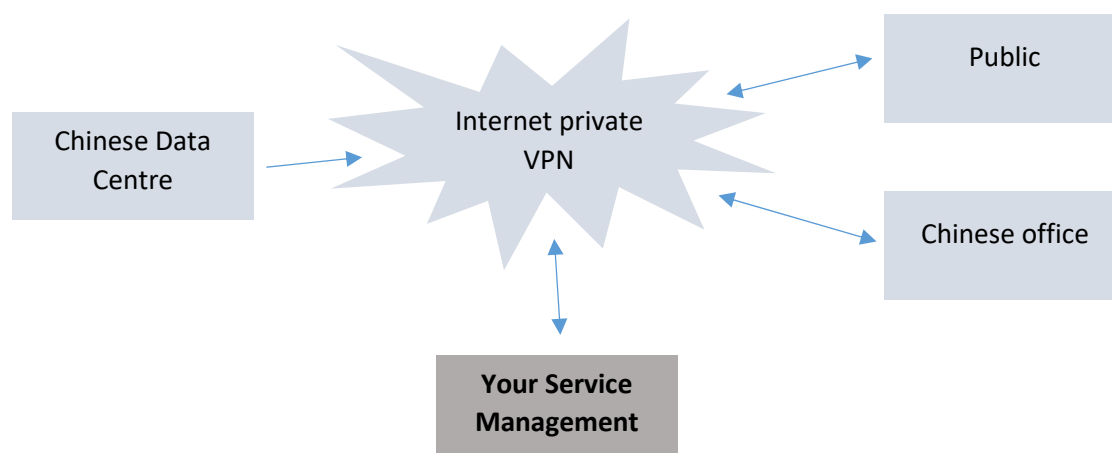


You will require an ICP licence and it is the responsibility of the Chinese company to obtain this.

In the case of on-line trading inside mainland China you will need to add Chinese payment gateways to your system. Please ensure that the Chinese company arranges for the Chinese payment gateways for testing and trading. Please visit "[Chinese Internet](#)" for more information.

### Chinese public service (q)

This is the same as white label with the major difference being that you are responsible for the ICP license, Chinese trading company.



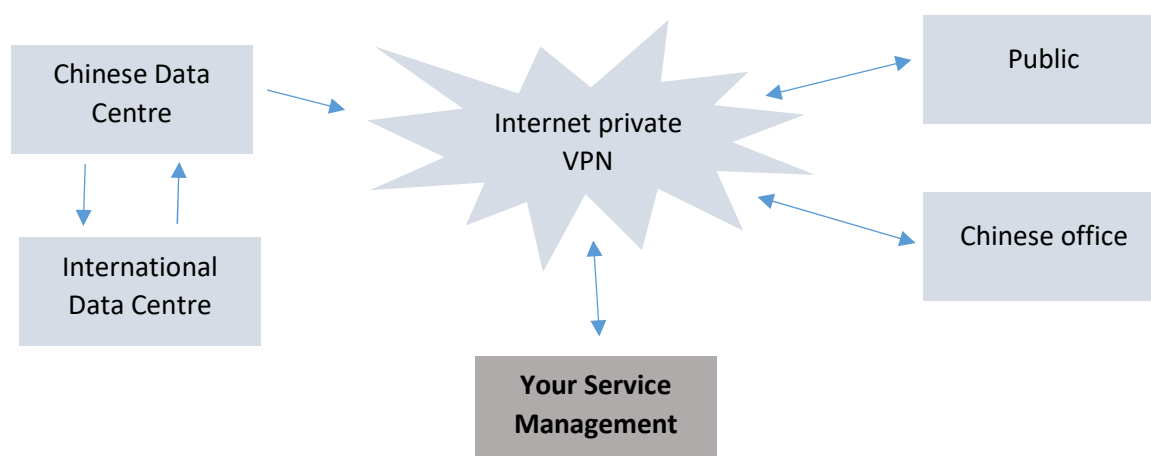
We recommend you only through the cost of creative Chinese service if you have customers ready to use service as soon as it is implemented.



## Split services between Chinese and international SaaS (r)

In this example, it can apply to any of the above SaaS's.

We do recommend splitting front line services from backend services. In doing this you can move the backend services outside China. You may be able to keep your USP coding directly under your control on your existing platform.



The options you could consider;

- 1) Create a bespoke configured proxy server
- 2) Frontend website and local data for the collection of user data.
- 3) Local held data for all static information, e.g. Media

The solution will be a balance between local response times and overall user appearance vs protection of your software and service.

## **Your own internet presence**

### **Your own internet presence running internationally (s)**

Your service / internet site content is running on the international internet before you look at trading in China.

The first point to look at is your response times from China

Please see [website.accesstochina.com](http://website.accesstochina.com) to learn more.

We also recommend working through the Chinese internet **Check List**

### **Your own internet presence running in China (t)**

You want to set up your own services in China.

You will need a Chinese business and ICP license.

We recommend reviewing the Chinese internet **Check List** as a starting point.

If it the first time you have created your own business in China, we recommend bring in a mentor who has done this before, e.g. trade organisation; CBBC.

## International software recommendations

Software companies supplying Chinese businesses need to make sure the Chinese company applies for an ICP license. Our recommendation is that ICP application is part of any agreement between the businesses.

Our other recommendation to overseas software companies selling into the Chinese market is to register their software with the Chinese authorities. This is like “brand registration” for software. It will protect your software from direct copying but not from reverse engineering.

If the option exists, we recommend only implementing your frontend software in China. Leave the backend processing at your current location. This option is only available for systems where there are only small amounts of data to be transferred or the customer is prepared to wait as data moves around the world.

## Chinese search engines



Lead by Baidu, the Chinese search engines have been very successful in domination of the internet in China.

This has been helped many years ago, when Google and Chinese authorities could not fine away of working on the internet in China. Today, Google search engine, applications, files, etc have very limited access from the internet in China.

The latest Chinese search engine, Shenma, is mobile based and indexes consumer products. This enables searching of local and international consumer products from one application. If your sell consumer products on internet, we recommend checking Shenma to see if your products are listed.

These are the main Search Engines used in China and their current market share.



Baidu: 54%  
<https://www.baidu.com>



Shenma: 9.35%  
<https://m.sm.cn>



360 Search: 6.37%  
<https://www.360.cn>



Sogou: 3.59%  
<https://www.sogou.com>



Google: 1.67%  
<https://www.google.com>



Bing: 1.14%  
<https://www.bing.com>

The other and small Chinese search engines have a market share of approx. 2.00% between them.



Baidu was the Google replacement in China. It filled the gap left in the market by a “blocked”. In China. The issue with Baidu, if there is, you cannot determine in the results which are Ad placements and which listing which best matches your results. This is different to Google where Ads are clearly marked.



Shenma will believe is the most interesting development in search engine in the last year. Shenma, part of the Alibaba family, is trying to bridge the gap between a traditional search engine and e-Commerce site; Tmall, JDBuy, Amazon, etc. and more interesting independent on-line store. Their growth of the Chinese search engine market, 10% (April 2018), in just over year. With fast market growth, Shenma is finding traction market.



QiHoo360 started in PC security. In part, it could be compared to Norton 360. The major difference, is it is free of cost it and has access to you PC software data which is uses to make recommendation and display adverts. Many Chinese PC install 360 to protect their PCs / mobiles from hacking which it is has been successful in preventing. In doing so, when 360 Search Engine installed on PC their search engine in promoted, like Microsoft used to automatically install their IE browser.



Sogou is part of the Tencent software collection. Sogou links to the rest of Tencent software product range e.g. QQ and WeChat. Given this integration with WeChat and QQ the Sogou growth in the Chinese Search Engine has not happen. This we believe is due the growth in use of Tencent WeChat platform which contains its own search engine.



Google while have over 80% of the world-wide search engine market. In China they less than 2% of the market.



Bing, Microsoft search engine, is not blocked. Bing is an international with its advance search engine software cannot get any traction in China. A reasoning for this could be explained by their luck of partner in China i.e. Alibaba, Tencent, etc.

### Chinese search engine webmaster

Chinese search engines all have Webmaster like Google or Bing.

In Chinese Pingyin is Webmaster is known as “Zhanzhang”.

The webmaster links are as follows;

- Baidu - <https://ziyuan.baidu.com/>
- Sogou - <http://zhanzhang.sogou.com/>
- 360 search - <http://zhanzhang.so.com/>
- Shenma - <http://zhanzhang.sm.cn/>

## What is an internet search?

If you ask; what is a Search Engine or how do you Search in China (or in the ROW) most of the time you will get an answer like this: -



The problem is the question you are asking, "where do you go to search" allows people to think a long traditional line. Search must mean Search Engine.

If you ask the "Search" question more specifically you start getting different answers.

- Where do you go and search for music?
- Where do you go and search for shoes?
- Where do you search for new forklift truck?

You start seeing different answers...



B2B Trade Search



Social Media



Social Media



e-Mall - B2C e-Commerce



e-Mall - B2C e-Commerce



e-Mall - B2C e-Commerce

If we ask the same question outside China, Amazon is the most used consumer search engine in the market currently.

In China you do have the advantage of Shenma which trying to bridge the gap between the search engines and retail e-Commerce site.

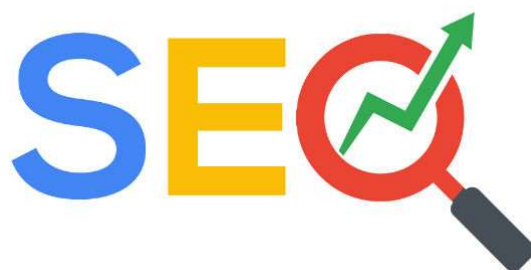
WeChat platform has its own built in search engine. Opening WeChat account and linking your internet contents will give your business exposure in WeChat.

### Chinese search engine recommendations

1. Make sure your website contents can be seen in China
2. Check to see if your internet contents can be seen in Chinese search engine
3. Check to see if your products can be seen in Chinese e-malls
4. List your internet contents in Chinese search engines webmaster - "Zhanzhang"
5. Open a WeChat account and link your internet contents.

# Chinese SEO (Search Engine Optimisation)

## Chinese SEO, local and international



Chinese SEO is, for the most part, the same as Google or Bing.

- Chinese language content
- Chinese SEO components
  - Page title
  - Page description
  - Heading tags (H1, H2, H3, etc)
- Sitemaps
- Robots
- Webmasters (call Zhanzhang in Chinese)
- Fast access to your internet content
- Local / dedicated domain name
- Local / dedicated IP address

The main differences are;

- All Chinese webmaster systems are only in the local Chinese language
- Local / dedicated IP address
- Political correctness
- Blocked internet content
- Baidu SERP (Search engines results page) e.g. Google Rich Cards
- Search engine tools, services and add-ons

The purpose of this paper is a beginner's guide to Chinese search engines SEO. As you learn more and want to move your internet content up the ranking you may require local Chinese support.

There are four Chinese search engines, at the time of writing (September 2018) and two overseas search engines you should aim to get a high Chinese ranking in for the Chinese market.



Baidu: 75.88%  
<https://www.baidu.com>



Shenma: 9.35%  
<https://m.sm.cn>



360 Search: 6.37%  
<https://www.360.cn>



Sogou: 3.59%  
<https://www.sogou.com>



Google: 1.67%  
<https://www.google.com>



Bing: 1.14%  
<https://www.bing.com>

*Other search engines 2.00%*

*Date: April 2018*

The biggest Chinese search engine is Baidu. The newest is Shenma, its growth is very strong taking almost 10% Chinese search engine market in 18 months.

For more information on each search engine please see: [Chinese search engines](#).

### Chinese language Meta data

All search engine will only rank your content in the language it is written. If your content is in English only, the Chinese search engine will rank your internet content in English.

A search engine;

- does not translate your internet content.
- only indexes the information it finds from your internet content.
- multi language content will be indexed for each language.

e.g. If you are searching for “baby food”, the results will only contain the words “baby food” and not 婴儿食品. (baby food in Chinese). If you have multi-language ready in your internet content, try searching in both languages in Google or Bing.

When you are asking the Chinese search engines to index your internet content think as you would with Google / Bing, what words will the Chinese user be searching for when looking for your product or service.

In the “baby food” example, the Chinese consumer is likely to be looking for overseas baby food brands and could try searching for “baby food”. In this example, your SEO data will



need the Chinese and English words for “baby food” to achieve a good ranking in the any of the search engine used in Chinese.

Type your “key search words” in a Chinese search engine. What, if any, is your ranking?

#### **Please note:**

- Chinese language for search engine is Mandarin / simplified Chinese.
- English is the first international language for China. It is the foreign language taught in schools and colleges. This means there are over 100 million Chinese people being taught English any one year. For the Chinese internet market, we recommend both Chinese and English language site. Please note; use English with American spelling, nouns and written grammar.

Here are the language options for your web site;

- Do nothing – leave your web site in your local language
- Add additional page(s) to your site in Chinese containing the key information and words
- Translate the key SEO data into Chinese on a copy of your internet content; Page titles, description, heading tags, etc.
- Create SERP (Search Engine Result Page) in Chinese where available in Chinese search engine
- Translate your multimedia content
- Fully translate your internet content
- Create a new website for the Chinese market

For more information on there options, please see [Chinese language on the internet](#)

#### **Chinese SEO components**

Chinese search engines SEO data, i.e. meta tags, title, description, and headings, etc, are the same as in is in Google or Bing.

Remember to change the language, region, etc, meta tag data on a page data if you have translated it or have a copy of your internet pages for the local Chinese market.

#### **Chinese search engine sitemaps**

The information is in the same format. If you have translated any of the information make sure the language information parameter in the sitemap is correctly set up.

#### **Robots file**

The information is in the same format. Again, do not forget to update any localisation changes

## Chinese search engine Webmasters

Chinese search engines all have Webmaster like Google or Bing.

In China Pingyin is the Webmaster is known as “Zhanzhang”.

The webmaster links are as follows;

- Baidu - <https://ziyuan.baidu.com/>
- Sogou - <http://zhanzhang.sogou.com/>
- 360 search - <http://zhanzhang.so.com/>
- Shenma - <http://zhanzhang.sm.cn/>

Please note; All the webmasters are in Chinese. Use the Chrome browser translate option and work through the parameters. A lot of the options are the same as Google or Bing.

## Fast access to your internet contents

The search engines will prioritise websites with a fast access from China. This means locating your website in the Asia region or within China.

## Chinese domain name

Please consider the following points

- Meaningful – creating a domain with the product or brand name
- Local – local domain name .CN /COM.CN .We believe that COM / NET work just as well.
- Language – the domain can be a Chinese name in simplified Chinese or Pingyin.

For more information. Please see Chinese domain names

## Local / dedicated IP address

China uses the IP address in determining the location and reliability of your website.

The Chinese search engines do not recommend sharing IP addresses in case the reliability of your internet contents is confused with other contents. I dedicated IP address show stability to your present on the internet. I don't understand what this means

Please note; Chinese search engines, like the international search engines, are trying to distinguish between good and poor sources of information. Knowing your website has a fixed location helps greatly.

A local IP address will be allocated to your website when you host in Asia or China.

## Political correctness

China has rules and regulations regarding content. Content is blocked in China and or by the Chinese search engines if politically incorrect. Make sure your website content is politically correct from the outset. Unblocking websites / IP addresses once blocked is very hard to do.

For more information, [Internet contents provider \(ICP\) licensing and certification](#)

### **Blocked website**

Some international website content is blocked / access time slowed down. This includes international social media, Google, YouTube, etc. If you have blocked embedded content your Chinese search engine ranking will be seriously affected.

### **Baidu SERP (Search engines results page) e.g. Google Rich Cards**

The Chinese search engines SERP creates an opportunity to add Chinese language to your SEO.

Review each Chinese search to see what options are available. Baidu is recommend given its market share, and Shenma if you are selling consumer products.

### **Search engine tools, services and add-ons**

All Chinese search engines have additional functionality or services, e.g. Baidu Maps. Adding these services to your website will help with search engine ranking.

Have a look at each Chinese search engine offering and again start with Baidu and Shenma in your review.



### **WeChat a search engine?**

WeChat is a social media platform and therefore belongs in a different paper?

WeChat calls itself an IT platform containing all the services you require to host your website. This includes its own search engine for WeChat users.

Whilst WeChat is not called a search engine, given its business content, a lot of Chinese consumers start their internet searches with WeChat.

WeChat, rank your WeChat account in the following sequences;

- WeChat account tittle
- Page headings
- Page contents

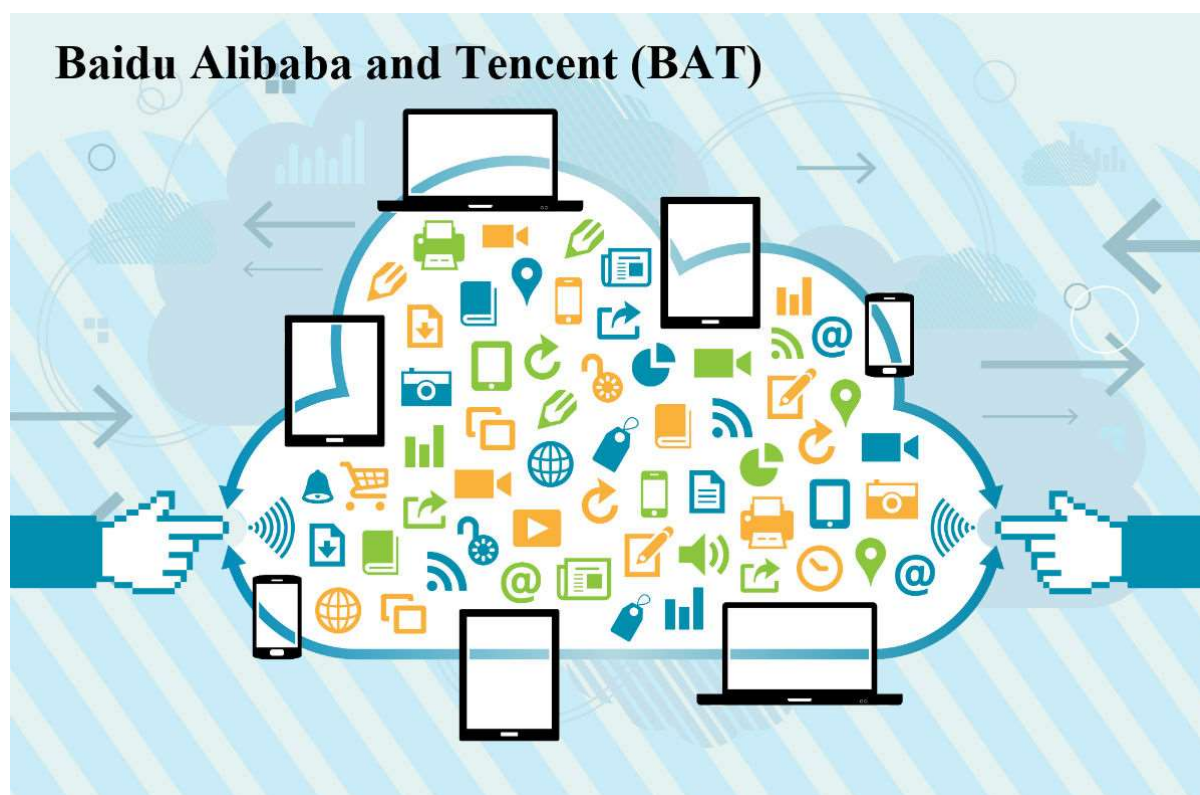
E.g. WeChat: Searching for "Travel / 旅行", which is a very common word, WeChat will only show results with "Travel / 旅行" in the account title. If you search for "London Tower

Bridge" you will see results first with "London Tower Bridge" in the Account Title and then results containing these words in the page headings / contents.

Therefore, account name is very important.

Create a private WeChat account and try it for yourself in your local country.

## Baidu, Alibaba & Tencent (BAT)



The BAT is the Chinese name given to the following IT companies giants in mainland China.



The BAT companies work along the same lines as Google, Microsoft, Amazon, etc.

They have controlled over 80% of the internet market in China.

There is a major difference between China and the rest of the world in the way business approaches the Chinese internet. Most Chinese business want to be part of an existing distribution channel and not create their own internet presence.

This is in part due to

- The histrionic concerns in publishing internet contents in China. By using Chinese platforms does not need ICP certification.
- Speed of implementation
- The cost of developing a website in China are 100% to 200% higher than USA or Europa.
- The lack of experience IT skills inside Chinese businesses.

- BAT overall control of the markets.
- The integration of the services: website, messaging, social media, payment processing, etc, all integrated

The BAT companies supply platforms for IT services, e.g. e-Commerce. The e-Mall services have been very successful as they bring together the on-line stores with the end to end payment and shipping of the goods.

All the companies started with a big success in the Chinese Platforms.

- Baidu search engine
- Alibaba B2B services
- Tencent Messaging

This gave each of these businesses very large user base with growth new services






- Baidu - marketing and IT services
- Alibaba – B2C services (Taobao, Tmall, etc)
- Tencent – Social media (WeChat)

Now each business now operates in each other market as their market share and success changes annually.

On the next page is a summary, not a complete list, of the key services supplied offer by the BAT companies.

When you look at this list you may concluded that Tencent is the stronger business or the business with the greatest potential. This was the case until Alibaba joint venture with UCweb to create Shenma. Shenma brings together traditional search engine with consumer products Tmall. Historically if you are looking for a consumer product you would have to search each Tmall indivisible; Tmall, Taobao, Amazon, etc. Shenma goal is to index all consumer products, including oversea websites, and create a simple point to search for consumer products.

Please note; Not all the businesses in this list are owner by the BAT companies some of them are JVs, partners, etc. The BAT companies are been clever by creating groups of services which can make the best use their very large user base.

	<b><u>Baidu</u></b>	<b><u>Alibaba</u></b>	<b><u>Tencent</u></b>
Search Engine			
Messaging			
Social Media			
Payment			 TenPay  WeChat Pay
e-Commerce		  	  WeChat
B2B Marketing and Trading			
Email			
Maps			
Cloud Services		 Alibaba Cloud aliyun.com	 Tencent Cloud
Platform			

In some cases, they have created new services e.g. Taxis booking service like Uber. This resulted in only been able to get a taxi on-line for a while in Shanghai. In turn the software companies purchased the taxi companies. Many new companies were created using venture capital raised in the Chinese markets. Now there are many on-line taxi applications and too many taxis.

Form this example there are a few points of interest;

- The BAT companies have a great power in the China. If they move into a market, change will quickly follow
- If taking an IT service to China, do not enter into a market area in China where the BAT companies already have control of the market
- The BAT companies have great financial resources like and Google or Microsoft. These resources are used to purchase businesses when a company is taking / creating on-line market share

In histrionic rest of world about 75% of on-line purchases are performed directly on supplier websites. This is changing with growth of Amazon where one company is supplying the end to end purchasing, payment and shipping service. Amazon opening their third-party shopping platform suppliers has enabled greater growth.

This is the case in China. The BAT companies have created these store platforms from the outset which enabled Chinese business to sell to the end consumer and international business to sell the Chinese market. Somewhere between 60% to 70% of on-line business is traded through the BAT Company's platforms.

18 months I made the following statement; "An opportunity exists currently for new platform entering into the Chinese on-line market. As a general point the costs selling in the BAT distribution channels is a lot higher than it is in European for the suppliers" Creation of Shenma, while I did not see platform working in the way in was implemented, it has taking this opportunity.

Often people see European products been sold on-line in China at 100% plus higher price. This may look like a good opportunity for overseas suppliers. In the on-line e-Mall stores in China is the net price show which includes, but limited to

- All local and international shipping
- Import duties
- Sales tax
- Bonded warehousing storage
- e-Mall transaction fees
- e-Mall listing fees

Also, the costs of the BAT companies store cost are high. The effect of this is to push price higher.



Our view, there is not a large margin to be made in the Chinese market. There is a large market return based around volume of sales.

The exception to this point, is where your business is the wholesalers or manufacture of the overseas product. As many overseas products in the Chinese e-Mall stores are purchased from overseas retail shops that is where additional margin is available.

We are now seeing a change in China. More businesses in the consumer market are to operate outside Tmall through the Weixin platform (The name given to the WeChat platform). Weixin platform enable businesses to open an on-line store. This has seen high growth in last three years.

Access to China view, given the strong competitive nature between the BAT companies and large number Chinese consumers with their drive to look for new product and services, is creating a far better competitive on-line services in China then we see from Google, Microsoft, Amazon, etc.

## Publishing your internet site outside China

**Only 25% of foreign internet sites can be seen in China, 20% take over 20 seconds to be open and 55% cannot be seen at all.**

**There is a very high probability that your internet site cannot be seen in China**



For Chinese businesses there is no simple way to find overseas products and services;

Chinese businesses, like most businesses world-wide, start their search for products and services on the internet.

Chinese people searching the internet, will see about 25% of foreign business internet sites given the slow responses times and blocked content.

There is a very high probability that your business internet site contents; website, social media, etc, cannot be seen in China.

**Our platforms, available and working today, at 10% of costs to create an internet site**

Our platforms “front ends” your existing internet site removing the need for a second site for the Chinese market;

- Sufficiently reduces costs in developing a new internet for Chinese market: \$400 to \$600 not \$4,000 to \$6,000.
- Sufficiently reduces implementation time: days not weeks or months.
- Your Chinese internet enquiries and orders are processed by your existing internet systems and therefore removing the need to monitor and maintain a different system for the Chinese market.
- No need to maintain two databases: product, prices, etc.
- No need to maintain two systems: lowest operational costs.



## Make your internet site be seen and be found on the Chinese internet



Our platforms allow you to use your existing internet site as we take a dynamic copy which enables;

- Your business internet site to be seen in China
  - Replace blocked internet content
  - Speed up your website response in China
  - Locally re-host multi-media allowing access in China
- Allow your internet site to be found in China
  - Local hosting and domain name
  - Translate SEO data into Chinese
  - Chinese search engines submission

## Access to China platforms are ready to give your business access to the internet in China

We have developed three platforms to drive down the costs of entering the internet market in China;

- B2B66 platform – enabling your business to be seen and found on the internet in China
- B2C66 platform – open your e-Commerce site to the Chinese internet market
- WiTravel platform – open your tourist and business destinations to be viewed on the Chinese internet by millions of people.



60% of the world population lives in Asia. If you are marketing to the Chinese market you will be marketing to Asia as well.

## Chinese Telephones and Mobiles



Most Chinese S&E businesses office desk telephones are no longer used. Most S&M businesses use mobiles.

Its large companies still use desk telephone system.

The mobile calls are increasingly made over social media e.g. WeChat. This is supported by good internet connection and local Wi-Fi. International internet can slow down during peak loading.

This can create issues with the Chinese email addresses and mobile / telephone numbers. You often cannot validate which company a person works for using the telephone or email address.

Historically many old buildings have telephone systems already installed. If renting Chinese office, we recommend making sure you have good understanding of any commitment to using the building telephone systems and costs for installing / using an internet connection. The Chinese commercial buildings often have rights to supply telephone services.

Voice over IP (VOIP) is popular and cost effective in China. Chinese VOIP often will allow calls to and from overseas, mobiles, etc. While an overseas VOIP system sometimes works in China. Our international internet for inbound traffic runs erratically. The connection will work well one day and then poorly for the next week.

There are many telephone support services available in China. These include;

- Telephone translation support – call centre to help translation for your business or when you are traveling
- Customer support – first line support for your customers

- Sales lines
- Reception services
- Almost all the service you can purchase overseas can be found in China

We recommend that you review your telecoms requirements in China directly with China Telecom or China Unicom. **China Mobile services**

Chinese mobile services are leading the world in quantity, coverage and usage.

Most people have a modern mobile, many of them local Chinese brands.

Most offices, shops, hotels, restaurants, etc, have Wi-Fi which you can log into with your social media account or by text message.

The costs for using internet is very cheaper, approximately \$0.50 GB.

Many shops, hotels, restaurants, etc, will offer promotions if you share your telephone number or social media account. The most effective marketing in China is by social media and text messages.

### **Using an Overseas mobile in China**

Having internet access in China on your mobile is useful, both for travel information and help when you do not understand something. A lot of China people are keen to help and are very friendly. Having the support of the internet will help with translation, maps, etc.

Using an overseas SIM card is not recommended. It can be very costly depending on terms of your overseas mobile company.

We recommend you invest in an international SIM card that allows low rates in China for data and international telephone calls. You can then forward your overseas telephone to your international SIM card while you are in China.

## Reach out to the Chinese market



In the first two sections, Being Seen and Being Found, you are using your existing internet site and the free tools of the internet e.g. Chinese Search Engines. We would expect your business to have spent about \$1,500 / £1,000 depending on the size of your internet site, getting to this point.

Reaching out to the Chinese internet is where the investment gets higher.

We recommend you review your existing internet traffic from China and review your competitors both international trading in China and local Chinese businesses.

A good starting point for competitors review is the Chinese search engines and the Chinese e-Mall e.g. Tmall Global, JDbuy, etc.

The topics below do not cover all matter in reaching out to the Chinese internet markets.

These are subjects that Access to China have working practical experience.

Note: Chinese social media and APPs are currently being updated and will be added soon.

## Routes to the Chinese markets



There are different trading methods for Chinese businesses (B2B) and Chinese consumers (B2C) within both China and in your local market either over the internet or visitors from China.

Before you start, look at your business and product / service branding in China. If your business branding is not registered in China, we recommended you correct this ASAP. All your Chinese marketing can be undermined by another company; either Chinese or overseas, by registering your business brand(s) in China and reproducing your products /services locally.

For more information on registration of your trademarks in China, please see, [Chinese Intellectual property rights](#)

In addition, if you are selling goods inside China your product(s) may require local certification, e.g. power supplier need CCC certification. While it the responsibility of the Chinese importer to check and apply for any required certificate it may be appropriate for your business to be part of the certification process so that you have ownership of the final documentation.

Generally, this does not apply to products purchased from outside China and posted to a consumer in China. The major exception to this rule is power rating; China voltage is 220V/50HZ. This is different to the many countries, including UK, EU, USA.

### **Your local market; Chinese internet sales and visitors**

There are many Chinese citizens visiting and been educational world-wide. This is normally where an interest in your locally marketed starts.



People visiting your local market can see your products in the context of use, look and feel. Often this will be shared on Chinese social media and interest can grow.

Chinese people like purchasing from overseas suppliers as they feel the quality is better and the branding is genuine.

Developing business relationships with Chinese social media users with large followers will greatly help with sales in your local market. Engage with your local Chinese customers and supply them with your internet contents links. Allow pictures to be taken. If you have your brand registered in China, you are protected long term.

Some products require a view / demonstration helps understanding; an internet media presence is critical e.g. video, on line brochure, CGI (computer-generated imagery), etc. hosted where the Chinese market can see it in China.

Therefore, Access to China is developing WiTravel and B2B66 in mainland China. Taking your product information into the heart of China.

### **Your local market; direct Chinese sales**

Chinese visitors to your local market can be supported by;

- Internet presence locally and accessibility presence in China with a few words in Chinese introducing your business and key products / services.
- Meetings at trade shows
- Local trade organisations

The big advantage in this approach is you are looking for the Chinese market connections in your local market / country.

This is very cost-effective method of doing business and is often support successfully by local government and national trade organisation.

### **Direct selling to the Chinese market**

Proactivity marketing / selling to the Chinese market in China. You still not need to visit China at this stage. The internet enables you to do much of the early stage work without leaving your office.

- Chinese B2B marketing e.g. Alibaba
- Chinese B2C distribution channels. i.e. e-Malls
- Chinese social media e.g. WeChat
- New overseas channels: b2b66 project.

This is the simple method of trading with Chinese market as it is the importers responsibility to make sure all the Chinese rules and regulations are followed.

### **Appoint a local Chinese agent**



A Chinese agent becomes your local agent in Chinese markets.

Often if you have services or products that maybe of interest to the Chinese market a local Chinese agent will approach your business.

A few important points to consider

- Agents looking to make large returns on a few simple transactions normally only have a few contacts within the Chinese market.
- Successful marketing and selling to the Chinese market is networking based. Find out as much as can about their network;
  - Person to person
  - Business to business
  - Social media
  - Chinese government contacts
- You should not you appoint an agent for the whole of China or a region / market.
- Termination / cancellation agreement if the targets are not achieved. This agreement should be performance based over an agreed period.
- Make sure that agent agreement allows, where appropriate, for B2C selling to continue in the Chinese e-Malls.
- The agreement should allow Chinese customers to still directly approach your business. Many Chinese business will not do business with a Chinese local agent. This will also apply to overseas companies wishing to use your product / services in China. While this will need agreeing with the Chinese agent., you do want to close any distribution channels at the outset.
- Your business registers your trademarks in your company name. (you should do this before talk to a Chinese agent)

### **Appointment of a Chinese distributor**

While all the above points apply to a Chinese agent, a Chinese distributor will handle your goods.

This will include importing, storage, local shipping, returns, servicing and repair, bookkeeping, payment etc.

Our recommendation is that all goods sent to China must to paid for before they arrive in China. If this is not the case, your business, at best, will be indirectly for running the distribution channel, i.e. if distribution channel is not successful you will not be paid.

Chinese businesses generally do not hold stock. Most goods are made and shipped to order. The exception is a wholesaler. This only works if there is ongoing demand for your products.

Spare parts and consumables maybe an exception to holding stock locally in China. We recommend an ongoing shipping relationship could include spare parts and consumables as

part of the overall purchase from the outset. If this can be achieved, your business should not be responsible for stock in China.

To help in your relationship with potential Chinese distributors investigate the use of faster shipping methods to China; flying, train, etc. Reducing the leads time to China will help all parties manage order stock levels and working capital.

## Chinese Product Licensing



The points below are general and can be changed by the local authorities at any time.

Outside China we call this “Product Certification” which is enforced by “Trading Standard” office. This is call “Product Licensing” in its English translations.

For products sold directly to a consumer from overseas a Chinese product license is normally not required as these are “one-off” product sales. An example of an exception to this rule is electrical goods. The certification standard is electrical goods is CCC. Most international electrical goods already have this this certification.

In the same way as any country Customs, China will inspect and seize goods which do not meet local standards. This does not happen often to goods sold directly to consumers from an overseas company.

The major point to consider is if the product is being sold directly by a Chinese business; e.g. wholesaler, retailer, Chinese on-line store. Local Product Licensing must be in place.

Many products will not require a Product Licencing in China. To help the Chinese authorities and local commers understand your products make available on the internet your testing certification, e.g. EU certification.

As covered already in, Business to Business (B2B), it is the responsibility of the Chinese importer to arrange the correct paper work of Chinese Custom. They may need to arrange of Chinese Product Licencing before you start exporting to China.

If you wish to use many distribution channels you may need to arrange for the product to license in China. Once you have the licensing agreed, Customs will have access to the information and products should move freely through Chinese Customs.

The product licensing process can take a while it will all depend on the testing documentation you can supply to the Chinese authorities and if the testing has been performed by a recognised international testing organisation.

If the testing papers are not acceptable to the Chinese authorities then local Chinese testing may be required which will cost time and money.

## Business to Business (B2B)



Face to face trading is the traditional way of doing business in China for the last 50 years. Today, the internet is important in identifying of potential supplier. The key issue is that, not many foreign internet sites can be seen in China.

The normal process is to price for the export to China as FOB (Fright on Board). This means your business covers the costs (including insurance) to place the good on to the ship / train\*\*.

The shipping costs and the costs and management of importing goods in China is the responsibility of the Chinese business. This will include the shipping costs, import duties, shipping insurance, local Chinese transport costs, etc. and local certification (if required).

Final payment for goods is normally made on presentation of the FOB certification to a bank who is holding the payment in banks escrow waiting for the shipping paper and any prearranged testing and certifications papers.

Imported goods to China may require Chinese product licensing is required for some products in China, e.g. Power: CCC certification, beauty products: Chinese animal testing, etc.

Importing goods made in China to your local country we recommend you check;

- Compliance to your local trading standards
- Chinese company meets foreign trading standard ask to see the certification
- Re-test goods independently in China before goods leave China
- Infringement of property right

It is important that import processes are managed by the Chinese company. The export system works very well from China. This is due in the main that an exporter can claim the tax on goods back from the government. This is in the same way a UK can claim back the VAT on exports outside the EU.

The import process to China does have the same “cash back” incentive for Chinese export agent. The only money that can be received is from their import fees.

We do not recommend been involved in importing the goods into China directly. Make sure the Chinese purchaser is responsible.

This approach can become more complex when you are moving from B2C trading in China to supplying wholesalers. Our recommendation is you must take note of the notes above and that while you did not need product certification for B2C sales, you will need it if the products are been resold within China.

If you are exporting to China you must make sure that your band is registered in China. This is practically important if the Chinese are having to test the products in China. The certification can then be cross reference to band registration which will give you access to the certification for further exports to China.

Additional, please make sure your internet site can be seen in China and that is up to date before you start trading in China. Chinese businesses will always check your internet site as a point of reference.

Exporting within China maybe a strange thing to say. Original many major cities had export manufacturing areas. This allows the goods to be manufacture for export only. The product made are not subject to the rules and regulations of Chinese market;

e.g. you can make a kettle for the EU market with EU power certification. Chinese CCC power certification is not required as the product is being exported.

If oversea companies are selling goods in China made in China please make sure you are able to do so.

Goods manufactured in these export areas do allow the goods to be sold in the Chinese market. To overcome this, relocating manufacturing maybe be required or exporting and reimporting the goods often occurs.

\*\* Please note: freight trains are now running once a week plus to and from China to Europe . This is a more exceptive service than shipping by sea. It only takes three weeks.

## Business to Consumer (B2C)



The internet has allowed the development of the Business to Consumer market in China.

### **Historical: before the internet**

In the past most of the consumer products were purchased at local department store. The local stores selling consumer products had a very limited range and not part of a chain of stores.

Store Chains do exist in China but limited to large cities and shopping malls. Chain stores in the past, Chinese or overseas, have not always been welcome by local retailers and consumers as local retailers can be forced out of the market by the chain store. Local retail can create pressure and forced the chain store to close!

Given the lack of chain stores purchasing power and local competitor's most Chinese made product where available outside China at a cheaper price.

Overseas goods were sold in licensed overseas stores at greatly marked up prices.

### **Historical: the development B2C internet trading**

The consumer market changed greatly with start of the local e-Mall department stores.

Before China had access to local websites the overseas e-Malls have always been available. Some of them were accessible from China, not because they were blocked, just they too slow or not accessible at all.

The other key issue was door to door delivery. The international delivery was very high and returning the goods was too expensive.

One of the first local e-Malls was Amazon China, a local Chinese JV between China Company and international company Amazon.

This was followed by Taobao, created by Alibaba.

Taobao was a greater success;

- Market penetration – Alibaba had access to most the suppliers on the internet
- They resolve the end to end processing issues;
  - Payment processing, Alipay
  - Delivery systems
  - Returns processing
  - Social Media - Weibo
  - etc.
- They welcome Chinese made products at the low prices and accessible to all.

Later Tmall (Alibaba) was added for “up market” products and Tmall Global for overseas companies

360Buy, which now know JDBuy, is the major competitor to Alibaba e-Malls.

The advantage JDBuy has over Alibaba is there trading / commercial relationship to WeChat (Tencent). We expect given this relationship JDBuy market share will grow greatly in the next few years (see BATs for more information).

Amazon China has a very low percentage of the Chinese market. They lost their market share to Taobao had a created end to end solution and there greater marketing reach.

### **A summary of the rules and regulations**

- Selling on-line on a Chinese hosted internet site requires certification which only available to a Chinese business
- Any product sold on a Chinese internet site is subject to Chinese rules and regulations
- Products sold on internet sites outside China to a Chinese consumer are not subject to Chinese rules and regulations e.g. your internet site, Tmall global, etc.
- Products imported to China are subject to duty and taxes
- B2C purchased from foreign internet are not subject to Chinese product certification rules (i.e. overseas cosmetic products sold directly to a consumer do not require Chinese product certification)

### **Today's e-Mall market**

The good news today is all these e-Mall department stores help the suppliers to trade end to end; selling, payment, importing, shipping, taxes, etc.



These services come at higher cost than trading on Amazon or eBay outside China.

Many Chinese businesses feel that trading in the e-Malls is very expensive and that only the e-Malls make a high profit.

There are many problems in these e-Malls with counterfeit products being sold (or copy products as they are called in China).

The biggest trading day on-line in China is 11 November: Bachelor's Day.

### **Overseas companies B2C trading**

Many overseas businesses look at their products being sold in at higher price thinking that are high margins to be made in China. The prices often include;

- International shipping costs
- The local shipping costs
- Custom fees
- Import taxes
- Sales taxes

i.e. what you see often on the internet in China is the net price for end consumer.

There is a very large consumer market in China.

First you must own your brand in China. If you do own your brand registration in China you can take control of who can sell your products on-line from a Chinese website. This is something which is generally not available in the rest of the world!

After taking control of your company's brand in China you start work reducing the distribution costs, e.g. shipping in bulk, creating a Chinese company and reducing transaction fees.

Transaction fees are often higher for overseas companies

- E-Mall membership fees
- Deposits
- Transaction fee
- Payment fees
- etc.

If you have the business case, make sure you have, if your overseas company name, brand ownership in China and Chinese product certification (as required)

The good news you can start your business case today without travelling to China. Just start searching the Chinese e-Malls for your products / like products and see if there is a market for your business in China.

## e-Commerce from outside China



There are great success stories of overseas companies selling directly to the end consumer.

We offer the following approach for SME wishing to enter the Chinese consumer market.

Our recommendation is based on a business which wishes to enter the Chinese consumer without high costs / risk. The offset to this is your margins will be lower but could match the margins you achieve in your local market. The opportunity is increased turnover in the world's largest market at low risk.

This approach is for overseas that own the products and therefore can supply the Chinese e-mall reseller at wholesale prices.

- Complete your company brand and product registration (page **Error! Bookmark not defined.**)
- Check on the major Chinese e-Mall services to see if your / like product is being sold already.
  - JDBuy
  - Taobao
  - TMall
  - Tmall global

Once you have your brands successfully registered you can control the selling of your products in the Chinese e-Malls.

- Find local Chinese e-Mall resellers in the major Chinese e-Mall
  - Selling like products
  - Selling to your targeted market place
  - High number of follows

- Successful and high turnover
  - Good feedback
  - Have a track record of selling goods from overseas
- Make contact with the Chinese resellers interesting. Maybe you offer your wholesale prices?
- Agree the shipping costs to e-Mall central clearing centre.
- Goods clearance is the responsible of the Reseller as it's is their account with the Chinese e-Mall. This will should be straight forward for the Reseller as they already importing good from overseas through the Chinese e-Malls
- The Reseller should pay for the goods before they leave the UK. Remember you could be offering wholesale prices.
- Make sure your supply marketing information. This will speed up the process of listing your products
  - Media information (pictures, video, etc.)
  - Product descriptions
  - Testing papers
- Do not sign an exclusive deal with a Chinese reseller under less it is performance based.
- If you cannot get the right deal for your business move on to the next Reseller.
- Do not pay any listing e-Mall fees. That is the responsibility of the Reseller. The e-Mall fees are a lot lower for a Chinese business than an overseas company.
- SME should not open their own Chinese e-Mall store unless you can see very high demand from the Chinese market. It is very costly for an overseas company.

## Shipping to the Chinese consumer



The shipping times to China are around;

- Airmail – 5 to 7 days
- Air freight – 5 to 7 days
- Train (EU) – 3 weeks
- Sea freight EU – 5 weeks

Shipment to Chinese consumers is by airmail / air freight.

Shipping of goods to China is not as well established as shipping goods from China. The exception to this is the services offered by the Chinese e-Malls; i.e. TMall, Taobao, JDBuy, etc.

The Chinese e-Malls have the following procedures for overseas purchases;

- Goods are ordered / purchased from the overseas
- Goods are dispatched to China to a central clearing centre e.g. Hangzhou for Taobao / Tmall.
- The goods clear customs and duties and local taxes paid
- Goods are despatched to the consumer in China
- If goods are returned, they are sent back the central clearing centre. Forwarding from there will depend on instructions from the seller.

Once the goods have arrived at the clearing centre in China the consumer can track the shipment process on their mobile APPs.

When purchasing international goods, the normally delivery time on the e-Mall sites is 15 days.

The central clearing centres are in specific zones within major cities. Within these zones the Chinese Customs offer fast clearing service for imported goods by having the goods pre-registered with Customs. Customs issue you with “yellow” clearing labels for each product line so they can scan each package and record the import against your Custom account.

In this way Customs can quickly track and control the import process and collection of duty and local taxes

Most products in the Chinese e-Malls are the net price to the consumer. Given the processes above the net costs of supplier is straight forward to calculate.

Anyone can send a package to a Chinese consumer from outside and Chinese consumer will often purchase goods from overseas websites.

There will be issues of postage, custom clearance, fees, etc. These are normally paid directly by the Chinese consumer.

The Chinese consumer, we believe, will not be purchasing less from overseas websites as Chinese e-Malls “net pricing” is preferable.

Our recommendation is to talk to your local shipping / postal services companies. Use the Chinese e-Mall process above as your check list.

As new shipping services are available to the market, we will update this web page / report with more information.

Our other recommendation is do not store your stock overseas. If the goods do not sell you will have to arrange for the goods to be returned. Often this results in damaged goods and additional time and costs.

## Trade inside the Chinese market



Access to China and its staff having been trading in China for over 20 years running both local and international businesses.

The topics below do not cover all matters in trading inside China on the Chinese internet.

These are subjects that Access to China has working practical experience.

Our recommendation: There are many options available when trading inside China. Please make your goals clear before making the large investment needed, e.g.

Running a business inside China vs remaining as foreign business

## Creating a Chinese company



Before you create a Chinese company in mainland China make sure you fully understand whether you need to do this.

Examples of why you might need a Chinese business:

- 1) Production costs cheaper in China
- 2) Chinese government grants available
- 3) Local Chinese investment available
- 4) Local Chinese overseas branded services – e.g. coffee shop chain
- 5) You wish to sell directly to businesses / consumers from within China
- 6) Chinese government licensing is only available if you have a Chinese company; e.g. ICP certification

You do not need a Chinese business if you are selling into China from business / e-Commerce site located outside mainland China. i.e. Hong Kong, USA, UK, etc.

We would only recommend you consider creating a Chinese business if you have looked at all the other options first – see Routes to the Chinese market.

The business rules and regulations are changing and evolving in China, so must always take local legal advice. Access to China has setup several businesses in China. We listed a few points from our experience to help start the planning process to create a Chinese business.

- 1) Find a local agent in your country who can advise and help setup your Chinese business or local trading organisation and who can advise your business on the right approach to trading in China.
- 2) Be very clear what trading rights you are looking for in China. There is some restriction on overseas own business trading in China.

- 3) In creating the company, you will need to declare what areas of business you are trading in. You will need to trade in China within your declared trading area or have it changed / updated as your Chinese business develops.
- 4) Make sure that your brands can be registered in China. Your brand / trading name may already be registered to another company.
- 5) Check the import requirements of any products you are planning to sell in China. Test the import requirements by sending samples of products through Chinese customers.
- 6) Find and appoint a Chinese General Manager. The General Manager is legally responsible for the Chinese business which included all monies in China. If the business breaks any of the Chinese rules and regulations the General Manager is legally responsible. It is not an easy role for a Chinese person as lot of the overseas business trading methods will need to be adapted for the Chinese business.
- 7) The Chinese business must set up with declared capital. You can create a Chinese with one \$US dollar capital.
- 8) Capital can be paid into a company over five years.
- 9) Businesses are mainly measured in China based on their registered capital and the number of staff employed.
- 10) A local Chinese bank account will be required deposit the monies need to run the business. This can be an international bank name; e.g. HSBC. All international branded banks in China will operate to the Chinese banking rules and regulations, so for the purposes of day to day trading in China a local HSBC is a local Chinese bank. You will not be able to control your Chinese bank account from your local country bank branch.  
  
Please note: - Chinese on-line internet banking can help in overseas Chinese bank management.
- 11) Capital can be transferred into China in stage payments over two years. If the capital is not put into the Chinese company to the agreed payment schedule, which has been filed at the Chinese bank at the outset, your Chinese company can be closed by the Chinese authorities on the advice of the Chinese bank.
- 12) Different tax rates apply to different types of business.



- 13) If you are creating a factory in China make sure you understand the local trading rules. Some factories are built for exporting only. You cannot sell your goods to the Chinese market unless you send the goods out of China first and then reimport them.
- 14) Land is only leased- 50 years for a business and 75 years for private apartment or house. Chinese government companies own's the land. When a Chinese government company passes from public ownership to private ownership the 50-year lease rule applies.

The minimum running costs for a shell company in China is about \$1,500 per month which should include local monthly and annual filing of papers and tax returns.

## Transfer money to and from China



Monies cannot to freely transferred between mainland China to overseas people and companies.

There are rules and regulations on monies transferred, in the same way there is for many countries. These rules and regulations will depend on the person / company and contracts registered with the Chinese banks.

Note: - Hong Kong rules and regulations are very different to mainland China.

### **Can a Chinese citizens take / transfer money overseas?**

Chinese citizen has a limitation on the amount of monies they can transfer overseas. It is approximately \$40,000 per year per person: this was at the time of writing October 2017.

A Chinese person can take monies in cash or hold monies in overseas currencies in bank Chinese account and credit cards. This enables a Chinese citizen to make overseas purchases on Chinese credit cards when overseas. Normally using as credit card processed by Union Pay; not Master Card or Visa.

Using these credit cards also enables Chinese citizens to purchase goods from overseas websites provided they can process a Union Pay transaction.

This arrangement enables Chinese people to travel world-wide or put their child through overseas education, etc.

Chinese citizen is required to register any overseas interest, monies, property, etc. This is same for most countries where overseas interests need to be declared for taxation, etc.

In general, it stops large sums of monies been moved overseas form China without local Chinese authorities' agreement.

### **Business transferring monies to / from China.**

Businesses, in the main, can freely trade with Chinese business. A main part of China success story over the last 50 years is China world-wide trading. To that end, if the rules and regulations are followed then the transfer of monies in and out of China will be successful.

#### **a) Purchasing of goods from China.**

When purchasing goods from China the agreement is arranged and processed in China by a Chinese export agent. Therefore, you often see two businesses involved on a Chinese trade show stand; the supplier / manufacture and the Chinese export agent.

Payment terms will always be in overseas currency; normally \$us. If the payment is made in Chinese RMB the Chinese export agent will not be able to claim back the sales tax from the government.

The Chinese export agent will raise the papers with authorities which includes submitting the sales agreement to the bank. The bank will then be able to accept overseas payment and pass it on to the Chinese business in Chinese RMB.

#### **b) Purchasing goods from overseas counties.**

This in the main is the same process as purchasing goods from China. A Chinese export agent is appointed by the Chinese business making the purchase.

The Chinese export agent will raise the necessary papers to enable the import which includes registration of the purchase agreement with the Chinese bank. Once the bank has accepted the agreement overseas payments can be made provided the terms of the agreement have been met with supporting papers.

When trading goods to / from China all counties involved have an audit trail of the transaction through customers and therefore monitoring and controls are straight forward.

This becomes more complex with trading in services where no goods physically move.

#### **c) Purchasing of service from China.**

This is most underdeveloped market currently. Most examples of services purchases from China will be relating to travel or Chinese information technology services.

Most of the purchases from China is for goods and therefore any service fee e.g. export agents, shipping insurance, etc. are charge as part of the cost of purchase.

If services are purchased from China the Chinese business will register the agreement with the Chinese bank. The payment can them be received by the Chinese bank / Chinese business.

#### **d) Purchasing of services from overseas.**

The purchasing of services from overseas between businesses is straight forward.

The service agreement is registered with the Chinese bank. If the agreement is accepted by the Chinese bank payments can be made on confirmation that the services have been provided and the invoices are submitted to the bank for payment.

If large sums of monies are involved, we recommend taking advice from a large Chinese export agent and local Chinese legal business. Make a local legal appointment to look after your Chinese interests.

The purchase of overseas services by a Chinese citizen e.g. school fees, is again straight forward provided the purchase value for the year stays within their \$40,000 pa. By using their credit card to pay the transaction is straight forward provided the overseas business can process Union Pay.

#### **Transferring monies between businesses that owned / partly owned by overseas company**

You can transfer monies in and out for China provided that the correct papers have been created and agreed by authorities and bank at outset of your Chinese business.

Our recommendation when setup an investment in a Chinese business that you appoint someone you trust with good local Chinese trading knowledge and experience. Keeping up with the rules and regulations takes time and money.

Most of the problems in transferring monies between companies is due to papers not being correct or misunderstanding in the rules and regulations.

#### **Please note;**

Some overseas banks will hold Chinese RMB currency account. While there may be a currency conversion reason for doing this, it has limited commercial use as you can only spend Chinese RMB in China and the Chinese export agent do not like trading in Chinese RMB.

The RMB exchange rate is fixed by the China authorities to \$us. This rate is changed from time to time normally only by few percent. Therefore, the amount of monies you receive in your local currency will depend on the \$us exchange rate.

## Chinese payment gateways



Having a payment gateway that processes local payment methods, including local credit cards, is needed for successful trading on the internet.

All countries have rules and regulations on which payment method can be used and when. To that end, China has its rules and regulations and will not allow a Chinese business to operate payment processes on non-Chinese approved systems. This applies to all internet transactions processed on server / cloud / data centres located in China. All payment made in China must be to a Chinese bank account.

An overseas business needs to have access to some parts of these payment gateways if you want to trade widely and successfully with Chinese people and businesses. “If you cannot take a payment you cannot process an order”.

China have their own very successful payment processing systems and gateway for day to day trading.

Historically China has used cash and bank money transfer. The transfer for monies between account and bank has always been fast. A few minutes between accounts and only a few hours between banks.

Today, like in the rest of eastern Asia, touch payment system from your mobile is replacing cash. In China we are seeing increasing number of stores no longer taking cash.

## Chinese Credit Cards



Historical Chinese citizens the business credit card processing system is Union Pay. Today, some Chinese credit cards will support Visa and MasterCard processing. Union Pay is still the majority supplier for credit card processing in China.

We recommend that you speak with your business credit card processing company to ensure you can take a payment from a Union Pay credit card.

When processing a Chinese credit card, the monies are taken from the Chinese bank account in your local currency. The purchaser has already exchanged the monies into your local currencies at the Chinese bank.

When using a Chinese credit card overseas it operates like a Debit Card as the funds are taken from the Chinese account to successful complete the credit card processing transaction. Normally within a few seconds confirm on their Chinese mobile.

Please note: currently most Chinese cards will need “swiping” as the “chip and pin” / “contactless” processing is not compatible between countries.

### **Chinese On-line payment processing.**

The roll out of payment system in China is happening very fast and many people and business prefer these systems as no cash is required.

#### **a) Local charge cards.**

A local charge card is where you have put small amounts money into on to the card at the outset.

Then stores, etc. take touch card payment. There are different operators in different cities / areas in China.

Often you will find these systems used in food halls where you purchase a prepay card before you purchase and pay for the food with your card. This allows the food halls to process many orders very quickly and unclean money is not handled by the staff serving food.

These systems have been used widely in China for the last 10 years as they remove the need to carry cash, visited banks, etc.

Today these cards have been replaced with APPs on smart telephones. The processing is the same as with the Charge Cards. Just the need for the card has been removed.

**b) On-line payment gateways.**

There are two main on-line Chinese payment gateways;



These are the main on-line line payment processing gateways used on the internet in China.

Alipay, owned by Alibaba, was the first of the major on-line payment processing systems.

WePay, owned by Tencent, is a new system and with its full integration with WeChat is becoming very popular in China.

Both gateways system supports on-line payments, touch payment APPs (therefore replacing local Charge cards) and increasingly bank services.

These systems are cheap are to used, 50% to 75% cheaper payment system we use in Europe.

You can open Alipay and WePay as an overseas citizen or business.

The trading rights you have with these payment gateways within China is changing monthly.

We recommend that you contact the payment gateways directly and find out their terms and conditions.

Ask the specific questions:

Will your payment gateway allow a Chinese citizen or business to make a payment in my on-line store in local Chinese RMB currency and have the monies available to an overseas bank account?

What are the costs in achieving this? (setup, running costs, transaction fees, etc.)

Please remember;

- 1) If your internet presence is being processed in mainland China, regardless of what the payment gateways say, you must have a Chinese bank account and business.
- 2) The work-around is to have your Chinese on-line store operate outside China. Have a local marketing presence in China point at the overseas Chinese store. Tmall Global operate this way for overseas businesses (based in Hong Kong).

- 3) The Chinese government limit the amount of money Chinese citizens can spend overseas each year (\$40,000)
- 4) Many Chinese citizen often have an overseas bank accounts, which is legal, so they have access to overseas payment gateways and credit cards. Therefore, your existing payment system will support some Chinese business in your local market.

#### Our recommendations

- 1) Make sure you credit card processing payment system can process Union Pay.
- 2) Monitor the international progress of Alipay and WePay. Once they can process Chinese citizens paying in Chinese RMB directly into your bank account outside China then it would be a good time to install them as a payment option for the Chinese market.



## Chinese dedicated system presence



There is large difference in the way the Chinese approach internet services.

Outside China internet services have grown by businesses publishing their own internet site. Today working alongside the business websites there is a growing use of e-Mall department stores websites i.e. Amazon, eBay, etc.

Inside China business use of e-Mall department stores came first starting with Alibaba (B2B marketing) and then China Amazon, Taobao, JDBuy (360buy), TMall, etc. (B2C).

If you have a band or range of products which are already known to the Chinese market then approaching the Chinese market with a dedicated internet site you should be considered.

If new to the Chinese market then been part of the e-Mall stores is a good place to start backed up with your own business marketing internet site accessible and available on the Chinese internet.

The below is few pointers and thoughts on creating your own Chinese eCommerce site vs using the Chinese platforms.

	<b>Your business Chinese e-Commerce site</b>	<b>e-Mall Department Stores (TMall, JDBuy, etc.)</b>
<b>Platform</b>	Individual and dedicated internet service	Shared internet service
<b>In-side China</b>	10% of business traded on-line	90% of business traded on-line
<b>Out-side China</b>	65% of business traded on-line	35% of business traded on-line
<b>Estimated set up costs and deposits (SME)**</b>	£10k	£50k+
<b>Running costs**</b>	less than 20% of turnover	high than 30% of turnover
<b>Marketing platform assistance**</b>	No existing Customer	e-Mall existing customers
<b>Marketing investment effect on computer products**</b>	Only marketing your products and site	Marketing yours and other similar products
<b>Marketing costs**</b>	Very high	Manageable
<b>Chinese perception of products***</b>	Genuine products	Maybe copy products
<b>Product storage</b>	Arrangements will have to be made****	Often included in the service
<b>Product shipment</b>	Arrangements will have to be made****	Often included in the service
<b>Product returns</b>	Arrangements will have to be made****	Often included in the service

\*\* The estimated cost of an overseas business doing business on internet in mainland China

\*\*\* This only works if you own your Band in China ... please start your approach to China by registering band / products trademarks in China

\*\*\*\* Arrangements can be made to ship the goods directly from your overseas company directly to the Chinese consumer

## Internet contents provider (ICP) licensing and certification



An ICP license is issued to the company. The ICP certification is issued for the internet content, e.g. Domain name, APP, IP address, etc.

What types of ICP certification you can request will depend on your Chinese company ICP license.

The certification process is for public internet content only. If content is for a company's internal use and not accessible to the public then certification is not required. If a domain name is being used to access the company's information over the internet then the domain name may need ICP certification even if it is only login screen.

There are different types of ICP depending if you are just publishing content, trading on-line or a data centre.

Here are examples of the different certification types;

Business internet content (this covers most content with some exceptions below).

Business on-line trading (this covers most product / services with some exceptions below).

A summary of areas that need additional ICP agreement

- Electronic bulletins
- Medicine / drugs
- Medical
- Broadcasting; TV, Radio, etc
- News

- Videos
- Banking, stock trading, auctions, payment, etc.
- Electronic data interchange (EDI) telecommunications, data centre, call centres

A full listing is available on the ICP website:

[www.miitbeian.gov.cn](http://www.miitbeian.gov.cn)

This website is only in Chinese. It can be viewed by using Chrome browser with the translate option switch on.

Only a Chinese business can apply for ICP incense.

In the main, the Chinese authorities monitor internet content based around

- Domain names published on Chinese IP addresses
- Public internet ports: 80, 8080, 443

*A port number is a way to identify a specific process to which an internet or other network message is to be forwarded when it arrives at a server. The default for a domain name is port 80.*

To that end, you can test your internet content in mainland China on a different Port before you open the public Ports. This is what we call Port mapping. Many internet services in China, including Access to China, offer this server through our firewall.

Once you open the public Ports you will need an ICP certification;

The certification is by domain name, APP, etc and Chinese IP address.

Once certification has been issued you will need to add the certification number into the internet contents footer. The ICP information should have an active link to the Chinese government ICP website, e.g.

[苏ICP备10037052号-2](#)

The main number is your company ICP number. The end number is an individual number for each domain used by your Chinese company.

If using sub domains, you only need one ICP certification for the main domain. This is how Alibaba and Tencent operate their B2B, B2C websites and social media using multiple sub domain.

If there is a problem with the internet content the Chinese authorities will close the IP address. Therefore, shared IP address hosting in China is not recommended. To avoid your

business internet presence being closed due to another company's ICP problem if you are sharing an IP address.

The first few times you add a domain to your Chinese company profile it is best to inform the ICP authorities first. They will normally respond with "let us know when the public ports are open and we will review". Building up trust with the ICP authorities overtime helps greatly.

ICP certification authorities in addition to the main points above will also confirm that your domain name is not in conflict with any brand names registered. If it is, you will be required to use a different domain in China. Another good reason to register your company brand in China at the outset.

Another check the authorities will make is to ensure your internet content matches the terms of your companies set up, e.g. if you have building material in your internet content then the "terms of the company" must say "Building Material". If not, the Chinese authorities will ask for it to be removed or request a change in the "terms of company" trading.

## Do you need to arrange an ICP certificate?

If you need an ICP certificate you will need to create a Chinese company and apply for an ICP license and request an ICP certification for each web site you publish.

Alternatively, arrange an agreement with a Chinese company with ICP licence and use their ICP certification.

The issue with this approach is that the Chinese company with the ICP license is legally responsible for any and all internet content you publish within China.

On-line trading running inside mainland China requires; Chinese payment system, local sales tax, company returns and company tax. If you are using a third part company in China for your ICP certificate they will need be responsible for these tasks.

<b>Option</b>	<b>ICP Required?</b>	<b>ICP Trading required?</b>	<b>Chinese Business required?</b>
<b>Platforms</b>			
<a href="#">International search engines (a)</a>	No	No	No
<a href="#">Chinese search engine (b)</a>	No	No	No
<a href="#">International retail e-Malls (c)</a>	No	No	No
<a href="#">Chinese international retail e-Malls (d)</a>	No	No	No
<a href="#">Chinese Local retail e-Malls (e)</a>	No	No	Yes *
<a href="#">Chinese business platforms (f)</a>	No	No	No
<a href="#">Access to China Platforms (g)</a>	No	No	No
<a href="#">International media channels (h)</a>	No	No	No
<a href="#">Chinese media channels (i)</a>	No	No	Yes
<a href="#">International Social media (j)</a>	No	No	No
<a href="#">Chinese social media (k)</a>	No	No	Yes **
<a href="#">International internet of things (l)</a>	No	No	No
<a href="#">Chinese internet of things (m)</a>	TBD	TBD	TBD
<b>SaaS</b>			
<a href="#">International public network (n)</a>	No	No	No
<a href="#">Chinese enclosed network (o)</a>	No	No	No
<a href="#">Chinese white Label (p)</a>	Yes *** (customer)	Yes *** (customer)	Yes *** (customer)
<a href="#">Chinese public (q)</a>	yes	Yes	Yes
<a href="#">A split service between Chinese and international SaaS (r)</a>	Yes	Yes / No ****	Yes
<b>Your own internet present</b>			
<a href="#">International (s)</a>	No	No	No
<a href="#">Inside mainland China (t)</a>	Yes	Yes / No ****	Yes

## Notes:

\* If you are using a Chinese e-Mall service inside mainland China you will need a Chinese business. The Chinese e-Mall providers get around this problem by having overseas customers use their services in Hong Kong and then display the overseas products in the search results inside China. TMall call these products “trading without borders”.

\*\* Chinese social media accounts can often be created from outside China. i.e. WeChat account. An overseas account has limitation inside mainland China. If you wish to create a business social media account inside mainland you will require a Chinese business.

\*\*\* Running software for a Chinese business within China will require the Chinese customer to obtain ICP certification.

\*\*\*\* Only required if your software is trading on-line.

## Chinese ICP monitoring

The internet in mainland China is monitored for inappropriate use.

Your internet content is monitored inside China regardless of where it is published and on what platform / service. The monitoring of content is prioritised based on the use in mainland China and throughout the world. Internet content with only few visitors will not normally attract attention.

If you have an ICP license, in addition to ongoing reviews, all your internet content will be reviewed each time new domains / IP addresses are added your license.

The rule and regulations are updated regularly to take account of the changing use of the internet and the new services offered. Most of the updates are there to protect the internet users from poor / misleading internet practices.

To that end, internet content published in mainland China is subject to review by local and national monitoring. This review includes but not exclusive to;

- Publishing misinformed information. e.g. the reporting an earthquake when it has not happened.
- Reporting false information
- On-line gaming which includes gambling
- Pornographic material
- Incorrect use / missing ICP certification.
- National security issues. (The same as the rest of the world)
- Internet security issues.
- Inappropriate political comments

While many overseas commentators believe the Chinese monitoring of the internet is suppressive, most of the controls are there to protect the internet user. Many political comments are allowed, e.g. green issues, local corruption.

The overseas internet contents will be reviewed from time to time and if not appropriate for the Chinese internet then the IP address will be closed.

Most / all international platforms do not allow Chinese authorities to request content to be removed and therefore one inappropriate posting means the overseas platform access in China is blocked.

Overseas companies not agreeing to this censorship has resulted in platform services being developed in the China which has allowed Baidu, Alibaba and Tencent to dominate the Chinese internet.



## Success in China



Access to china and its directors have been working and trading in China for over 20 years. In this time, we have manufactured, imported and exported to China. While Access to China mainly focuses on IT services, we still help Chinese source products and service from overseas companies.

There are many books and websites dedicated to the subject of successfully trading with / within China.

We wish to add a few pointers to the process of trading with the Chinese markets.

- Brand ownership – generally there is little brand protection between China and the rest of the world;  
  
i.e. your brand registered in the UK / EU / USA it does not give protection in mainland China. Your brand can be registered in China by Chinese or international company and in doing so will remove all your trading right to use your band in China.  
  
Our recommendation is to register your band(s), trademarks and logos in mainland China and will give you power to develop your market in China without having to travel to China.
- IPO - Intellectual Property rights – as with branding ownership it is important to make sure your company's right are protected. There are also additional benefits for new and leading ideas and technical with protected IPO there are organisation in Asia which will fund part / all for the development costs.
- Research your products and band in China – Your research can start without traveling to China. Have a look for your products / bands on the Asia websites and search engines. You may find your Asia market is already be been develop for you;

e.g. Baby food products in Tesco in the UK been resold in China

- Central and regional government funding – The Chinese government has been very successful at growing China GNP through investment in Chinese business and infrastructure. One key to this success is the creation and publishing of the five-year Chinese development plan.

If you are planning trade with China start with a review of the five-year Chinese development plan.

Most large Chinese businesses are government owned. The success of the government company will be measured in achievement against the five-plan. Each government company has to report back to regional and national government annually on 1<sup>st</sup> October each year.

Many SME receive funding if they can demonstrate they can add to the progress of the five-year plan.

This often leads to new Chinese asking for JV with overseas companies to meet the goals of releasing government funding e.g.

Moving overseas manufacturing to China

Having access to new technologies

Creating local employment

While planning trading with a new company in China planning to raise government funding is not a bad thing you need to have a clear understanding of where the funding is coming from before your business make any interest in time and monies.

- Chinese contact – This is the hardest thing to do in any country. Who are you talking and in what role are they working in?

Use the internet to look up as much information you can find out about their business.

Often you will have multi business cards with different company names and details. Check all the information and relationship between the companies.

It is very difficult to know where the power base is in a meeting. It is normally the person in the room who has nothing to prove and therefore ask the fewest questions.

Please note, Government staff can no longer receive expensive gifts or be taken for expensive meals etc. We recommend keeping things simple and to the point.

Always walk away if it does not feel right. If it is really needed, they will come and fine you.

Most importantly ask for help. International trading organisations, references, etc.

We started creating a page on this website with “[useful link](#)” to help you find more information.