



Routes to the Chinese markets

There are different trading methods for Chinese businesses (B2B) and Chinese consumers (B2C) in China and in your local market, either online or in person, with 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 recommend you correct this ASAP. Another Chinese or overseas company can undermine your Chinese marketing efforts by registering your business brand(s) in China and reproducing your products/services locally.

For more information on registering your trademarks in China, please see [the Chinese Intellectual Property section](#).

In addition, if you are selling goods inside China, your product(s) may require local certification. For example, a power supplier needs CCC certification. While it is the Chinese importer's responsibility to check for and apply for any required certificates, it may be appropriate for your business to be part of the certification process so that you own 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 the power rating: China's voltage is 220V/50Hz, which differs from that of many other countries, including the UK, the EU, and the USA.

Your local market: Chinese Internet sales and visitors

Many Chinese citizens study and work abroad. This is usually where your interest in local marketing begins.

Visitors to your local market can see your products firsthand, including how they are used, what they look like, and how they feel. This information is often shared on Chinese social media, which can increase interest.

Chinese people prefer to purchase from overseas suppliers because they believe the quality is superior and the branding is genuine.

Developing business relationships with Chinese social media users with large followers will significantly help sales in your local market. Engage with your local Chinese customers by providing them with links to your online content. Allow pictures to be taken. If your brand is registered in China, you will be protected in the long term.

Some products require a view/demonstration to help them understand; an online media presence is critical, e.g., video, online brochure, CGI (computer-generated imagery), etc., hosted in China so the Chinese market can see it.

Therefore, Access to China is developing WeTravel and B2B66 in mainland China and 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 significant advantage of this approach is that it enables you to build connections in the Chinese market from within your local market or country.

This is a cost-effective business method, and local government and national trade organisations often successfully support it.

Direct selling to the Chinese market

Proactive marketing and sales strategies for the Chinese market. At this stage, you still do not need to visit China. The internet lets you do much 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 a simple method for trading in the Chinese market, as the importer is responsible for ensuring compliance with all Chinese rules and regulations.

Appoint a local Chinese agent.

A Chinese agent becomes your local agent in Chinese markets.

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

A few essential points to consider

- Agents looking to make significant returns on a few simple transactions typically 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 you can about their network.
 - Person to person
 - Business to business
 - Social media
 - Chinese government contacts
- You should not appoint an agent for the whole of China or a region/market.
- A termination/cancellation agreement if the targets are not achieved. This agreement should be performance-based over an agreed-upon period.
- Ensure that the agent agreement allows B2C selling to continue in the Chinese e-Malls, where appropriate.
- The agreement should still allow Chinese customers to approach your business directly. Many Chinese companies will not do business with a local Chinese agent. This applies to overseas companies wishing to use your products/services in China. While this will need an agreement with the Chinese agent, you want to close any distribution channels immediately.
- Your business registers your trademarks in your company name. (You should do this before talking 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.

We recommend that all goods sent to China be paid for before arrival. If this is not the case, your business will, at best, be indirectly responsible for running the distribution channel; i.e., if the distribution channel is unsuccessful, 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 may be an exception to holding stock locally in China. We recommend an ongoing shipping relationship that includes spare parts and consumables from the outset. If this can be achieved, your business should not be responsible for stock in China.

To strengthen your relationship with potential Chinese distributors, consider exploring faster shipping methods, such as air freight or express train services. Reducing the lead time to China will help all parties manage order stock levels and working capital.

Chinese Representative Office

A local Chinese office is where a potential Chinese customer can make contact.

The local office must have a solid understanding of your products and services, or at least of your market.

This is a good place to start if you are not planning to establish a business presence in China.

It provides a local contact for businesses within the local time zone, including local language support.

A local office can also run local market campaigns, a help desk, first-line sales support, and other services.

It is usually a cost-effective way to start a presence in China.

Many of the country's trade organisations support local office representation and local trade organisations.

Chinese local licensing

Licensing your products or services to a Chinese business can be a cost-effective way into the Chinese market.

Many businesses have been very successful with this approach over the years.

Protecting your business interests is key to success, including branding, patents, software, and more.

When protecting your business interests, please ensure your company name appears on any Chinese branding certifications and similar documents, not on the Chinese business you are working with.

The same points apply to local licensing as with local Chinese agents. The key points are to ensure that any agreement is performance-related and licensed in the Chinese region/city.

Chinese Joint Ventures (JV)

In China, a JV typically involves establishing a Chinese entity in which all parties contribute funding and operate the business.

This was a very popular way for a business to establish an overseas company in China.

Today, since setting up an overseas company (WFORE) in China is much more straightforward, there is much less reason to create a JV.

The exception would be;

- A JV applying for Chinese government funding. Local and national governments can support Chinese businesses and JVs in their funding needs.
- Local licensing and trading agreements are not issued to overseas companies, e.g., internet ISP agreements.
- Large Chinese and overseas businesses have a track record of success.

As with many of these trading structures, when your business invests in China, control and funding management go hand in hand.

We recommend that the agreement between businesses clearly defines responsibilities and should be managed as a project until the JV generates a return.

Wholly foreign-owned Chinese enterprise

Starting your own business in China is much more straightforward than it used to be.

It creates a Chinese business, and you are investing in China.

This, along with JV, can be costly in terms of funding and business executive time.

We recommend waiting to do this until your business has considered and tried some of the other options above.

For more information about creating a business in China, please see [Creating a Chinese Business](#).