



## 5 CIO tips for web presence in China

Make the most of the unique internet operating environment in China

By Jeff Kim | Published: 15:57 GMT, 12 August 11 | [CIO UK](#)

The growth of China's economy and consumer markets has made it a "must have" destination for European companies seeking to expand their business as Western economies stagnate. Today, 19 different Chinese provinces have over 10 million internet users, with the total Chinese internet population exceeding 450 million users. At the same time, large European brands and e-commerce companies have multiple options for reaching those consumers. Some companies have successfully launched their own websites, leveraging their global brand recognition to tap into China's brand-conscious hipsters. Others have piggybacked on the massive customer bases of established Chinese destination websites, such as the incredibly popular Taobao Mall, with its 73 million online customers.



Regardless of a company's web entry point to Chinese consumers, it must back its Chinese online presence with a solid infrastructure strategy. Many of the early European movers into China's internet world have suffered through website and web application inaccessibility and performance lapses caused by poor networking capabilities within mainland China. These website performance lapses cost companies in terms of both real revenue and brand reputation. Just as with Western consumers, Chinese consumers quickly abandon poorly performing websites and seek out sites that consistently deliver the best end-user experience. To realize the full market potential of China, companies should take the following best practices to heart as they establish their China online strategy.

### 1. Actually Be in Mainland China

When it comes to China's internet, being close is nothing like being there. Many companies have attempted to reach Chinese consumers from datacentres in Hong Kong, Singapore, and other Asian nations. These efforts have proven ineffective. Content originating from outside of China must first pass through a filtering process, which can result in partial delivery of web pages or full-page delivery at reduced speed. In both cases, delivering content from abroad reduces the quality of the end-user experience.

After successfully passing through The Great Firewall, content frequently slows as it crosses mainland China. This is because datacentres located outside of mainland China lack the level of visibility and control needed to overcome the network peering issues within the mainland. Without enhanced BGP (improved peering) inside of mainland China, European businesses see lower-than-anticipated returns on the premium they pay for utilizing Hong Kong and Singapore datacentres. Datacentre operators in these locations fetch a hefty premium, because they offer support in English combined with performance improvements over European-based data centres. Nevertheless, SLAs tied to performance within mainland China are more difficult (sometimes not possible) and costlier to obtain.

### 2. Establish a Capabilities Profile

China's Internet is a fragmented network made up of multiple telecommunications networks, with no single network operator dominating in all regions. Additionally, Chinese networks peer poorly with one another relative to the network peering across Europe. The way a company decides to overcome these issues should be dictated by its capabilities profile. Should the company build out its own dedicated infrastructure, leverage a local managed hosting provider's services, or rely on a content delivery network (CDN) with a local China presence? The capabilities profile should answer questions, including and beyond the following, to help arrive at the optimal choice:

How strong is our depth of knowledge in website content and application delivery? How well do we understand the China-specific Internet infrastructure challenges? How available and knowledgeable is our local team of resources in China? If we choose a service provider, who can manage them? (A managed hosting provider will require a local China staff member, while a CDN can be managed from anywhere in the world). Do the service providers we are evaluating offer services across all of China? (Some service providers only offer regional coverage or regional performance-related SLAs within China) Which service providers can help us to understand the Internet-related laws and regulations? (Licensing is an important issue and appears as Tip #5 below)

These types of pragmatic questions can set a company on the right path toward navigating the challenging China Internet.

### 3. Demand Service Provider Evidence of Performance & Customer Success

Numerous European companies have launched their China websites over the past several years. Some have built out their own infrastructure, while many have leveraged managed hosting service providers and CDN services providers. The proof is in the pudding when it comes to the success of these websites. Thanks to third party site performance measurement tools such as those provided by [Gomez](#) and Keynote Systems, IT teams can gather reliable evidence to discover whose websites are performing well in China and whose have a drastic need to improve. Service providers with strong China capabilities should have no problem producing a list of satisfied customers that successfully utilize their China delivery infrastructure. If they cannot, then a CIO should remove them from the short list of vendors under consideration.

#### 4. Know Potential Business Partners and Their Standing in China

Many European companies entering China have knowledge of high-profile cases of Western websites becoming blocked (e.g. Google and Twitter) because they served content that does not adhere to government standards. However, blockages occur more frequently than some would imagine. These often occur with service providers that host numerous websites. Some do a better job than others of guiding their content provider customers to post only appropriate content. Those that do not experience blockages more frequently, as their content provider customers have a higher incidence rate of posting inappropriate content. Blockage of these service providers potentially affects all of their customers, not just the violator.

CIOs should familiarize themselves with the track record of each service providers under evaluation. If a service provider has experienced multiple outages in recent years, it is likely a high-risk candidate for inclusion in any China strategy.

#### 5. Identify the Required China Internet Licenses

China requires different types of internet licenses for different types of companies. Regardless of the license type, the back-and-forth required between a company and the Chinese government can be a lengthy and expensive process. Much of the interaction must take place in person. As a result, CIOs should identify as soon as possible the exact nature of the content to be served in China so that licensing process can begin early. Additionally, companies must check individual Chinese provinces' licensing requirements as well as those of the PRC central government. In some instances, each province requires its own license.

Unfortunately, licensing is not a one-time effort within China. Application procedures and policies change frequently. For example, in April 2011, the PRC government introduced a new agency tasked with patrolling the Internet, and it will likely introduce new rules and regulations soon. This highlights the need for companies to assign personnel (or to leverage a service provider) familiar with the various government agencies to continuously track changes in policies and regulations.

The ecosystem of internet infrastructure, service providers, and regulations surrounding China is evolving today in a manner similar to that of Western countries in the 1990s. As such, you will find great variability among service providers in such areas as pricing and SLAs as well as basic core capabilities. You should take almost nothing for granted and make certain to allow extra time for establishing your list of must-have criteria and carefully reviewing service contracts to make sure they address all criteria. If you have an extremely low tolerance for risk, consider trialing a global service provider that has professionals who are both local to you and local within mainland China. Otherwise, evaluate at least several different service providers to gain a complete understanding of what is operationally possible within certain timeframes and price ranges.

#### About the author:

Jeff Kim is COO of [CDNetworks](#)

<http://www.cio.co.uk/article/3296778/5-cio-tips-for-web-presence-in-china/>