

CHINA GATEWAY: BUILDING A CHINA-READY BUSINESS

 Alibaba Cloud

Alibaba Cloud
China Gateway

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INTRODUCING CHINA GATEWAY

Are you looking at establishing a business presence in China, developing a go to market strategy there, or deciding how to deliver the best online experience for your customers in Mainland China?

As the leading cloud provider in the country, Alibaba Cloud knows what it takes for businesses to be successful in China, and has helped many international companies, such as Philips, Sinorbis and Strikingly, to grow.



**ALIBABA CLOUD WILL
HELP YOU DELIVER A
SECURE, STABLE AND
HIGH-PERFORMING
WEBSITE**

China Gateway is our dedicated channel that will support you on every step, as your business in China develops. Our solid computing technology and unrivalled expertise will guide you through compliance and regulatory issues that are specific to the country, such as applying for an ICP License and ensure that you know how to protect your website against malicious attacks. Our team can also explain how our comprehensive cloud infrastructure and services create efficiencies that will save time and provide a better online experience for your customers, such as integrating online payments and offline logistics.

Alibaba Cloud will help you deliver a secure, stable and high-performing website for your customers in China, and beyond. This means that dwell time, content discovery and – ultimately – conversions will all increase, so you can focus on growing your business and exceeding your KPIs.

ABOUT ALIBABA CLOUD

Alibaba Group, headquartered in Hangzhou, China, is on a mission to make it easy to do business anywhere. It has ambitious growth goals and aims to help to solve problems for billions of people as it expands.

Alibaba provides vital technology infrastructure and marketing capabilities to help businesses grow their products and services online. The group spans commerce, cloud computing, digital media and innovation.

Alibaba Cloud is China's largest public service cloud provider¹, offering cost-effective solutions that help businesses meet their networking and information needs, and provides them with an easy way to integrate with other products and services in our ecosystem.

Alibaba Cloud has an international network of over 19 data centers, including access to Mainland China, delivering cross-border connectivity through 52 Availability Zones, powered by over 1,500 CDN Nodes.²

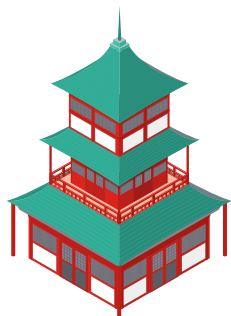
Users benefit from having one account that provides access to a suite of connected products that are flexible, scaling as their business grows, whether they are an international conglomerate working on retail innovation or a startup taking their first steps to launch the business in China.



**ALIBABA CLOUD IS
CHINA'S LARGEST
PUBLIC SERVICE
CLOUD PROVIDER**

THRIVING IN CHINA

China is an increasingly hot destination for multinational corporations and SMEs alike. And when they arrive, they find a highly digital and connected society. Chinese customers are travelling internationally more than ever before, with over 145 million trips abroad taken in 2017.³ Mobile is the go-to platform of choice, and China boasts the world's largest mobile payment market. This is driven by online shopping, especially festivals such as 11-11 or Singles' Day, and powered by mobile payment apps, including as Alibaba's Alipay.



A SURVEY FOUND THAT **64 PERCENT** OF COMPANIES WITH A PRESENCE IN CHINA HAVE REPORTED HIGHER REVENUES AND PROFITABILITY

Global businesses currently active in China are thriving: A survey of international companies with a presence in China by Bain and Company, found that 64 percent reported higher revenues and profitability, particularly in the industrial and consumer sectors.⁴

China is also a hotbed of innovation, from Smart Cities to Artificial Intelligence, Internet of Things to e-commerce. Chinese consumers have embraced digital technology, adopting facial recognition, cashless payments and self-service stores. This helps to make the country a great space for businesses to experiment and innovate. Over half of the executives that Bain surveyed said they were using more advanced digital technology in China than elsewhere in the world, with 90 percent planning to continue their investments.⁵ The Chinese marketplace isn't just a huge opportunity, it can make your business more competitive around the world.

CLOUD INFRASTRUCTURE AND SERVICES FOR ORGANIZATIONS



CHINA GATEWAY WILL
HELP ENSURE THAT
THE DIGITAL ASPECTS
OF YOUR BUSINESS
ARE ONLINE IN CHINA
AS QUICKLY AS
POSSIBLE

China Gateway helps international businesses of all sizes and at different levels of commitment to adapt their operations for China. Whether companies are dipping their toe into the Chinese market by launching a lean operation with no office, or are partially committed to bringing the business to China by establishing an office with a few members of staff – right through to companies launching a full operation there, even going all in, acting as native players and thinking in a local way – Alibaba Cloud can help.

China is a huge, fragmented market, geographically, socially and economically. Whatever the size of your business, it is important that it not only has the capacity to cope with these demands, but also provides a cross-border connection that seamlessly links your business in China to your headquarters, anywhere in the world.

China Gateway will help ensure that the digital aspects of your business are online in China as quickly as possible, that your business is equipped for e-commerce, is fully secure and provides a great experience for its users.



China Gateway helps international businesses of all sizes and at different levels of commitment to adapt their operations for China.

Let's explore what Alibaba Cloud's comprehensive cloud solution could mean for businesses with different levels of commitment and various sized-companies, and what products could be useful in different scenarios, to see how China Gateway can support your business now and help it grow in the future.

LEAN OPERATIONS

Companies that are just starting to dabble in doing business with China often have to overcome issues around latency and creating a stable connection, particularly if they are offering a digital service based in a home country.

Businesses in this phase are often concerned about speeding up web-browsing, apps and access to information, such as its HQ's systems. To get off to a good start, they must ensure that their digital products and services are providing a great experience for users and their teams can access the information that they need.



To get off to a good start, businesses must ensure that their digital products and services are providing a great experience for users and their teams can access the information that they need.

Website load speed is crucial anywhere in the world, but particularly vital in a mobile-centric market like China. The best option to minimize latency, improve SEO visibility, and provide high availability is to host in Mainland China. Key supporting services that China Gateway can guide you through include whether it is necessary to apply for an [ICP License](#), establishing a VPN for reliable and secure data connections and introducing [Express Connect](#) – a dedicated connection between different cloud environments – to ensure that connections between networks are high-speed, stable and secure.

PARTIALLY COMMITTED OPERATIONS

A partially committed operation will likely have more people on the ground in China and be starting to ramp up its business in China – such as establishing an R&D branch or outsourcing team in Mainland China that works closely with an international business and operations team. For this kind of company, establishing robust cross border operations that enable remote employee access, remote DevOps, remote data transfer and secure access to branch offices, is vital to the entire international business.

China Gateway can guide this company through key supporting services including Express Connect and VPN, whether it might need a NAT Gateway, providing a public network gateway for a VPC, and setting up Infrastructure as a Service (IaaS) that will provide the backbone for cross-border DevOps.



**MOVING DATA CLOSER
TO CUSTOMERS
CAN DRAMATICALLY
IMPROVE THE USER
EXPERIENCE**

Other partially committed companies might be ramping up their business in China by looking into local storage and consumer web access. By moving data closer to their customers and looking into content distribution in China, they can dramatically improve the user experience of their digital services. To host your website on a server in China, your company will need to do ICP filing, described in more detail below. China Gateway can provide you with vital consulting support around compliance issues as well as guide you through services such as Elastic Compute, VPN, NAT Gateway and [Cloud Enterprise Network](#) – to build a scalable business system in the cloud.

Another scenario for a partially committed operation could involve a traditional big enterprise with a China branch looking to create a Cloud Exchange Connection. China Gateway could advise them on whether they need to apply for an ICP.

China Gateway also helps companies discover how to establish a Dedicated Line connection and Service Level Agreement. Cloud Exchange Integration is one of a number of Alibaba Cloud products that could have a positive effect on the business by helping Customer VPCs in China and the business' HQ to connect with its enterprise system.

FULLY COMMITTED OPERATION

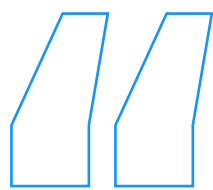
Fully committed operations are concerned with issues such as providing a high level of real time customer service and how best to carry out cross-border business. They might be looking into overseas shopping and relying on resources across different countries, as well as launching in multiple regions in China.

China Gateway provides a market-tested ICP consulting support for businesses, as well as advice on how best to provide real time access to services to customers and explore how connecting to the closest data center will balance the company's traffic.

Alibaba Cloud's complete security offering and products such as its Site Monitoring Service and Global Traffic Manager will help to detect and flag when a site is becoming overloaded, ensuring that damaging outages do not occur.

And, for all-in businesses, China Gateway can provide guidance about how Alibaba Cloud's full range of products, through partners and the wider Alibaba offering, can help them scale. This covers everything from logistics and marketing to e-commerce and entertainment and will be covered in more depth in our next section.





Moving data closer to customers and launching content distribution in China can help companies dramatically improve the user experience of their digital services.



COMPLIANCE GUIDELINES

Complying with Government regulations and being confident that you understand the relevant laws and how they apply to your business is a vital responsibility for business leaders.

For example, the Chinese government has introduced guidelines on cyber governance, in a similar style to GDPR in Europe, covering key information infrastructures and network operators. It takes into account network security risks, content security risks, personal information protection and cross-border data transfer and should improve safety and security for consumers, businesses and governments.



China Gateway's implementation consultants ensure that your business is on the right side of the law.

China Gateway's implementation consultants provide detailed advice on managing these features and ensuring that your business is on the right side of the law.



FAST TRACK YOUR ICP LICENSE

An Internet Content Provider (ICP) license is a mandatory legal requirement by the Chinese Government. It is a state-issued registration number that allows you to host your website on a server or Content Delivery Network (CDN) node located inside Mainland China. The application comes after selecting hosting and domain, but before a site can go live.

The requirements for acquiring a license are relatively high, and restricted in certain areas, but China Gateway can provide you with assistance throughout the application process. Once you have registered an Alibaba Cloud account and submitted your company details, we review your application within one day and confirm if the documents have been submitted successfully.

Fast tracking your digital entry makes a significant difference to how quickly your business is able to get its digital assets up and running. Application approval time can be cut from up to 24 months to as little as three months.

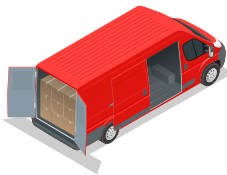


COMPREHENSIVE SOLUTION

In addition to exploring how our cloud solution can work best for your business, China Gateway can also guide you through how Alibaba Group's other business units can make it easier for your company to succeed in China. Here are how some of those elements, including online payments, e-commerce, logistics and digital marketing, can work for your business.

ONLINE PAYMENTS

[Alipay](#) facilitates online, mobile and in-store payments and has over 520 million users.⁶ Users have a digital wallet and make payments direct from their mobile phone, without the need for cash, facilitating fast and easy transactions, particularly online.



**CAINIAO NETWORK
HELPS TO IMPROVE
THE EFFICIENCY OF
DELIVERY SERVICES**

LOGISTICS

[Cainiao Network](#) is our logistics data platform that provides real-time access to information for both buyers and sellers, helping them to improve the efficiency of their delivery services. Its fulfilment network has grown by 170 percent year-on-year and enables 24-hour domestic delivery and 72-hour international delivery.⁷

E-COMMERCE

[Taobao](#) is an e-commerce and content app that is redefining the shopping experience through innovative content and smart, personalized recommendations. In the year ending 31 March 2018, the app had 552 million active annual consumers and approximately 1.5 million content creators produced short-form videos and live-broadcast events, encouraging dwell time and brand engagement on the app.⁸

[Tmall](#) is a business-to-consumer e-commerce platform that allows merchants to reach new customers and gain data insights. It hosts 70,000 online brand stores, including H&M, Nike and Samsung, serving 400 million online customers.⁹

DIGITAL MARKETING AND VIDEO

[Alimama](#) is Alibaba Group's marketing technology and big data platform. It combines demographic attributes, consumption data, physical location, browsing behavior, payment method and social data, along with other data points for 630 million users.¹⁰ You can create personas and develop an unrivaled understanding of your customers and potential customers in Mainland China. Sellers using Alibaba's e-commerce platforms, such as Taobao and Tmall, are able to tailor product recommendations, and personalize storefronts, based on customers and their buying habits.

[Youku](#) is China's leading online video and streaming service, hosting user-generated content, licensed movies, TV shows and original content. It also offers live streaming, including showing all of the FIFA World Cup matches in China. Developing original content, such as reality shows and drama series, helped drive daily average subscribers by over 160 percent year-on-year.¹¹



CASE STUDIES

PHILIPS¹²



Royal Philips Electronics – one of the world’s largest electronics manufacturers – used China Gateway to help launch its cloud-based healthcare solution in Mainland China. Its HealthSuite Digital Platform helps people to cope with challenges related to population growth and urbanization and needed to combine mobile, cloud computing and big data technologies.

Owners of the Philips Smart Air Purifier – a key part of the platform’s offering – could use HealthSuite to monitor their city’s air quality index and air quality in the home. Based on that information, they could operate the connected air purifier from their mobile or receive a notification when the air quality hit unhealthy levels. To bring this technology to market, Philips required cloud computing and local technical service capabilities in China, as well as a flexible IT infrastructure to cope with varying numbers of user requests.

Philips utilizes Alibaba Cloud Elastic Compute Service (ECS), Object Storage Service (OSS), ApsaraDB for RDS, and other security services to deliver these services to its customers. This has enabled the brand to focus on providing a high-quality service to its customers, rather than spending time and resources building and installing an IT infrastructure.

“Alibaba Cloud provides outstanding local technical service capabilities in China. More importantly, it qualifies the Philips global vendors’ specifications for finance, legal compliance, risk control and security,” Philips says. “Alibaba Cloud has also provided substantial assistance in terms of tech support and which has enabled us to expand our business.”

SINORBIS¹³

Sinorbis is a cloud-based digital marketing startup based in Sydney, with offices in Shanghai, China, and Colombo, Sri Lanka. It launched in 2016, providing international businesses with an all-in-one affordable platform to make digital marketing in China easy, by creating, measuring and optimizing their Chinese digital presence.

Sinorbis needed a sophisticated cloud hosting provider, based in Mainland China but with an international outlook. “Alibaba Cloud ticked all the boxes for us”, says Sinorbis’ VP of Technology, Dhruv Parashar.¹⁴ “There is no doubt that they are one of the leading players for international companies looking for a reliable hosting solution for mainland China.”

The interface meets Sinorbis’ global requirements and is easy for its development team to manage. Plus, having access to a local China Gateway Alibaba Cloud team in Australia meant that Sinorbis could resolve any potential issues quickly and efficiently.

Sinorbis uses Alibaba Cloud Elastic Compute Service for deploying and running client websites and is currently using two deployment regions: Beijing (China North 2) and Hong Kong.

“It’s really exciting to be able to facilitate businesses growth in China,” shares Parashar. “While many of our clients already had a website in simplified Chinese before they started using our solution, these websites could simply not be accessed from within Mainland China due to local Internet regulations.” Through a combination of clever coding and a hosting environment optimized for China, Sinorbis’ clients are now achieving fast loading time for their websites in China from the moment they first publish their pages.

BORDERX LAB¹⁵

BorderX Lab aims to expand international e-commerce by helping consumers discover and buy authentic, high-quality and affordable products from global brands through its mobile marketplace. Its platform, known as 5th Avenue In Your Pocket, uses big data and Artificial Intelligence to power a one-stop shopping experience.

BorderX Lab's Silicon Valley-based e-commerce business was growing rapidly, so it needed the right IT partner to succeed in the fiercely competitive mobile shopping space. Alibaba Cloud's global presence – particularly strong in China – was ideal to support BorderX Lab's rapid growth with a scalable and robust IT infrastructure.

The service connects consumers with merchants while managing different applications running in multiple data centers across countries, so flexibility and scalability were vital. The company explains why it chose Alibaba Cloud's services: "Alibaba Cloud is well established, reliable and they understood exactly our infrastructure needs as an e-commerce company."

BorderX Lab's infrastructure performs two main functionalities:

- » Running data-intense jobs on Alibaba Cloud VPC in Silicon Valley (US West) region.
- » Deploying user-facing services in another VPC, located in Beijing (North China 2) region.

A number of Alibaba Cloud's products supported the company's data processing, storage, backups and security, from Object Storage Service (OSS); ApsaraDB for RDS to PostgreSQL-based Relational Database. Alibaba Cloud's Content Delivery Network (CDN) accelerates content delivery and reduces overall latency, providing the best possible experience for 5th Avenue In Your Pocket's dedicated shoppers.

STRIKINGLY¹⁶***strikingly*****Global website building platform**

Strikingly chose Alibaba Cloud as a means of China market entry due to the breadth of products and services we offer. Thanks to the partnership, Strikingly was able to launch its digital operations, host its site in Mainland China, and gain an ICP license.

The company takes a mobile-first approach to enabling users – with little or no development experience – to create websites within minutes, and it planned to build a fully localized product in China. An initial requirement was obtaining an ICP license for China, which is provided as a service through China Gateway. “The actual process of obtaining an ICP license is quite complex. With Alibaba Cloud’s built-in and easy-to-follow ICP application process, our users all use this process to apply for ICP for their own domains,” said a spokesperson for Strikingly¹⁷.

Another key requirement was a robust and scalable local CDN (Content Delivery Network) to speed up user sites and provide the high level of service demanded by its users. Alibaba Cloud enabled essential automation improvements: “Alibaba Cloud wins on the number of edge servers, average response time, average download speed in all major ISPs and provinces. It also has developer-friendly API for us to automate our solution,” summarized the spokesperson.

Strikingly plans to investigate more integration with Alibaba Cloud in China and globally in the future.

TERIDION¹⁸**TERIDION**

Teridion specializes in cloud optimized routing for dynamic content delivery. Based in the US and Israel, it leverages the cloud, virtualization and automation to serve its global customer base. It optimizes its clients' end-user Internet experience, while removing the need for hardware and any server or client software changes.

China Gateway was vital to Teridion's Global Cloud Network's (GCN) offering, as the better the local presence provides around the world, the better its customers' sites and content will perform. China was strategically very important, and will be increasingly so as international business increases, meaning that the company needed to partner with a cloud service provider with a good local presence there.

"We were impressed when the full suite of Alibaba Cloud capabilities was presented to us for the first time, and I think in general very few in the US and other regions looking for cloud solutions are aware of Alibaba Cloud's capabilities. Going forward this could be a leverage point for us, where customers would wish to take advantage of other Alibaba Cloud services. As we move forward, services such as Big Data, Security, and Middleware will be appealing to our customers."

Not only is Alibaba Cloud now an integral part of GCN, Teridion can now offer on average a 20x performance improvement over the regular Internet for China users, thanks to Alibaba Cloud's presence in the different metropolitan areas.

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ABOUT

Established in September 2009, Alibaba Cloud is the cloud computing arm of Alibaba Group and develops highly scalable platforms for cloud computing and data management.

It provides a comprehensive suite of cloud computing services available from www.alibabacloud.com to support participants of Alibaba Group's online and mobile commerce ecosystem, including sellers and other third-party customers and businesses.

Alibaba Cloud is a business within Alibaba Group which is listed on the New York Stock Exchange (NYSE) under the symbol BABA.

www.alibabacloud.com/contact-sales