



Doing Business in China: How Western Companies Develop their Strategy

Part 1 of 2





EXECUTIVE SUMMARY

As China's economic importance continues to grow, Western companies have come to regard the country as "the place to be." China is achieving an important milestone as its second generation of consumers arises, a target market numerically on par with all of Western Europe combined.

What do Western companies need to know about doing business in China? Where can they get reliable information? How must they accommodate their business strategies, products, and marketing to attract and retain Chinese customers?

This two-part paper is based on a December 2009 webinar presentation by Rebecca Ray, former Managing Editor for the Localization Industry Standards Association (LISA).¹ In this first part, we examine prominent characteristics of doing business in China. Part 2 outlines the business case for localizing Websites into Chinese, and points out the costly errors that smart companies avoid.

MAIN MESSAGES

1. The second generation of Chinese consumers stands out for its rapidly growing household consumption, its rising expectations, and its diverse tastes.
 2. While the increased consumption is extremely attractive to Western companies, the high expectations and diverse tastes mean that success in China requires agility in the market.
 3. Before thinking about the look or design of a Website aimed at Chinese consumers, Western companies need a business strategy that will support success in that market.
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¹ In January 2010, Ms. Ray was named a senior analyst at market research firm Common Sense Advisory, Inc.