

Language



- Mandarin is the main spoken language in mainland China
- Simplified Chinese is the written language used across the country
- There are eight main dialects in China, but the written language is the same everywhere (in mainland China) which is simplified Chinese

	Mainland China	HongKong	Taiwan	Macao
Spoken language	Mandarin	Cantonese	Mandarin	Cantonese, Hakka dialects, Mandarin
Written language	Simplified Chinese	Traditional Chinese	Traditional Chinese	Traditional Chinese

Internet penetration



591 million internet users as of August 2013



464 million

Chinese citizens access the internet via smartphones and wireless devices

Ecommerce market

49% of the Chinese population made at least one online purchase in 2013. The global average is 40%.

- This is set to rise to 71% in 2017
- 11/11 is Singles Day in China, the world's biggest ecommerce day in online shopping. The Chinese retailer Alibaba alone took in \$5.7 billion in sales on this day in 2013
- China's ecommerce market has grown at 71% annually since 2009
- China's ecommerce market was worth \$190 billion in 2012. It is set to be worth \$541 billion in 2015
- China has surpassed the US as the world's biggest ecommerce market

The Chinese online shopper



Little gender bias. Online shoppers breakdown to 52% male, 48% female

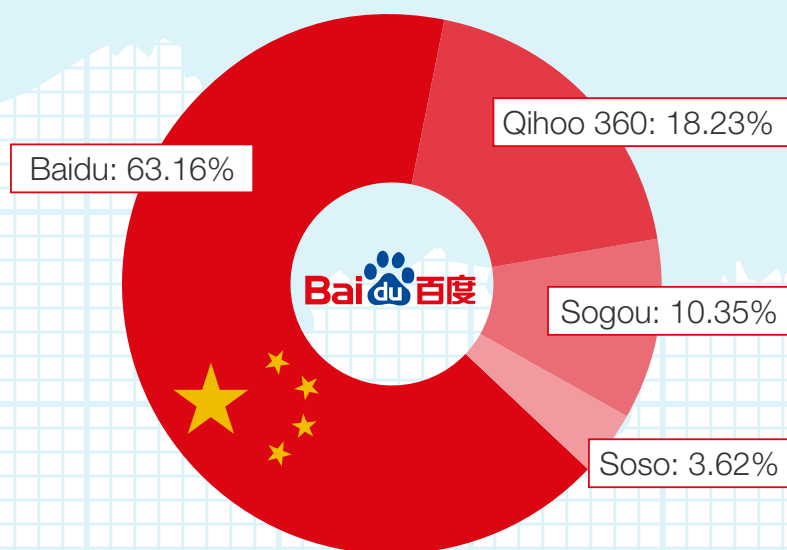
- Predominately young: 60% are below the age of 30
- People in the high income bracket (above 5,000 Yuan per month) are more likely to shop online
- Online shopping is more popular in coastal regions and spending higher in tier one cities (Beijing, Shanghai, Guangzhou, Chongqing and Shenzhen)
- Reviews play a big part in the online shopping process
- Buyers are motivated by price. Online shopping offers a better chance to compare prices
- Purchases from overseas online retailers have doubled annually in the last three years

Payment



- The Chinese online third-party payment market is led by Alipay and Tenpay, which both account for 67.8% of all electronic payments in China
- Cash on delivery still a popular method of payment

Search Engines



- Baidu's market share has declined from 79.6% in 2012
- Qihoo started out life as a software company specialising in antivirus products before offering a search service in 2012
- Google has just 2.88% market share, down from 15.7% in 2012
- Google no longer hosts its search engine within China and has instead rerouted its .cn domain to Hong Kong, where it collectively dominates 57% of the market

What Baidu likes

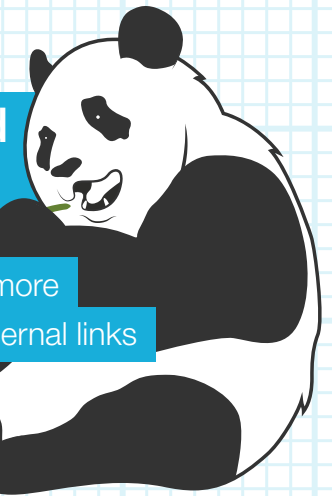
Sites that offer good user experience

High quality site content, this is more important than external links

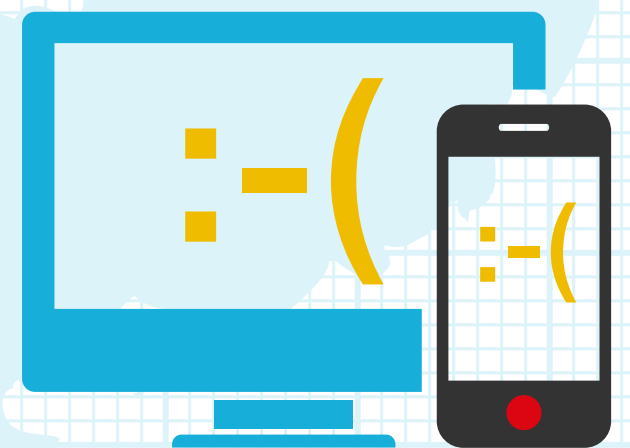
Original content

Sites that offer the user genuine, useful information

High click-through rates



What Baidu dislikes



- Any link purchasing behaviour or link trading
- Small websites with more than 40 outbound links. These sites will be degraded by Baidu
- Artificial ranking exercises. If a site which has poor quality content but ranks high for keywords Baidu will manually interfere with the ranking, either resulting in a demotion or exclusion from the SERP
- Inbound links from blogs, forums and forum signatures. These types of links have been devalued
- Black Hat behaviour. Baidu has updated its algorithm to identify sites that indulge in spammy behaviour
- Floating adverts that are detrimental to the user experience

Rankings matter

60-65%

of users click on websites which are listed in the top ten positions in the results

- 20%-25% of users click on websites which are listed in 11th-20th place in the search results
- 3%-4% of users click on websites listed in position 21-30