Alibaba Cloud

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Alibaba Cloud

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INNOVATION BEYOND BORDERS

Accelerate Your Global Strategy

Alibaba Cloud

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Selina Yuan

General Manager, Alibaba Cloud
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01 Foreword

Chinese philosopher Sun Tzu famously quoted, “In the midst of chaos, there is also opportunity.” Like many of their global counterparts, Chinese enterprises are also experiencing fierce competition in today’s increasingly digital market. To gain a competitive edge, many are reinventing business models by injecting operational efficiency, accelerating digitization, and exploring internationalization.

As Chinese companies look to explore new growth opportunities abroad, they must have a robust technology infrastructure and a reliable global partner network, along with an in-depth understanding of the markets to succeed in foreign lands. As a global leader in cloud technology, Alibaba Cloud is committed to helping businesses of all sizes realize their dream of international expansion through our innovative technology solutions and robust partner ecosystem. We believe in the power of co-innovation and are constantly introducing breakthrough technologies to help businesses accelerate their digital transformation journey and achieve global service capabilities.

Alibaba Cloud customers can rapidly build and deploy solutions on our reliable cloud platform, as well as promote these solutions to customers worldwide through the Alibaba Cloud Marketplace. Our customers also significantly benefit from Alibaba Cloud’s extensive expertise across various industries, including media and entertainment, gaming, and retail.

Alibaba Cloud’s innovative solutions and cross-industry expertise help companies generate new revenue streams and accelerate international growth. Our live streaming solution - ApsaraVideo Live - combined with Alibaba Cloud CDN, provides customers with multi-disaster recovery management capabilities and Narrowband HD transcoding technology and enables businesses to deliver high-definition cross-border live broadcasting services with low latency. We also simplify the global expansion route for retail companies with our retail and e-commerce solutions that allow businesses to deliver an interactive online shopping experience to customers worldwide. Similarly, we provide a wide range of solutions like GameShield and Global Accelerator that help gaming companies overcome network security, availability, and cross-region deployment issues while expanding operations globally.

The organizers of the China Pavilion at Expo 2020 Dubai trusted Alibaba Cloud’s global live streaming solution to broadcast its opening ceremony to audiences worldwide. Likewise, the International Olympic Committee (IOC) leveraged our cloud and live streaming capabilities at the Olympic Winter Games Beijing 2022, providing journalists and fans around the world with an immersive experience of the Games virtually. Major e-commerce players such as Lazada are also using Alibaba Cloud to facilitate interactive shopping experiences for global users during the annual Double 11 shopping festival.

We are constantly coming up with new innovative ideas, strategies, and solutions to help companies overcome the globalization challenges as they tap into foreign markets. Let’s traverse this globalization journey together to accelerate business success beyond borders!

02 Cover Story

Innovation Beyond Borders: Accelerate Your Global Strategy with Alibaba Cloud

By Stephanie Gao, Global Head of Branding and Content, Alibaba Cloud Intelligence

Stephanie Gao

Global Head of Branding and Content, Alibaba Cloud Intelligence

Over the past few decades, China has continually demonstrated a solid appetite for the international market, where many enterprises have successfully established their business overseas. Disruptive technologies, growing local market competition, dynamic consumer demands, global market changes, and innovative business models have shifted globalization from a business agenda to a strategic imperative for most Chinese enterprises.

Entering foreign markets opens up a whole new world of possibilities in terms of increased revenue potential, global brand recognition, competitive advantage, and diversification of company markets. While there is no doubt that globalization serves as an important engine for growth, it also poses challenges. These include economic and cultural differences, a substantial investment of capital and resources, technical and operational constraints, language barriers, and compliance complexities. It is imperative for companies to carefully navigate the unknown and uncertain terrain of international business to successfully establish their presence in new growth markets.

Alibaba Cloud, the digital technology and intelligence arm of Alibaba Group, believes in making it easier for companies to carry out their business efficiently from anywhere. We empower businesses of all sizes and types to unlock a vast global advantage by harnessing the power of our robust partner ecosystem, technological innovations, and rich industry experience. In this issue of the Alibaba Cloud E-magazine, we will feature experts and partners from various industries to bring forth their insights around going global. We will showcase how Alibaba Cloud is helping these companies transform the way they engage with global customers and accelerate business success beyond borders.

Vast Industry Expertise & Innovative Solutions

Whether it is the robust technical solutions, a solid support system, or knowledge of customer trends in foreign lands, Alibaba Cloud gives you access to many new possibilities. Our global presence, expertise, innovative cloud products, and professional services enable seamless expansion and accelerated growth of Chinese companies in overseas markets.

Alibaba Cloud currently serves over 3 million customers in 200+ countries and regions. Partners can benefit significantly from our broad business expertise across various industries, including e-commerce, gaming, media and entertainment, FinTech, and logistics. Through products such as Cloud Enterprise Network (CEN) and Global Accelerator (GA), we enable businesses to go global with high-speed and secure global connectivity. Furthermore, Alibaba Cloud's Content Delivery Network (CDN) and ApsaraVideo Live played key roles in the Beijing 2022 Olympic Winter Games and the annual Double 11 Global Shopping Festival by providing immersive experiences to audiences all around the world.

Apart from cross-border live streaming scenarios, Alibaba Cloud also encompasses deep expertise in helping gaming companies overcome networking and security issues, scale operations worldwide, and roll out new games overseas. Alibaba Cloud also holds the practical experience and know-how of operating the world's leading retail business, which its partners can leverage to grow in the global online retail market.

Alibaba Cloud Marketplace

To further accelerate globalization for Chinese enterprises, Alibaba Cloud provides a secure, and convenient option for partners to reach businesses across the globe. Through the Alibaba Cloud Marketplace, partners can quickly deploy solutions on Alibaba Cloud and jointly offer "out-of-the-box" solutions to customers globally. By leveraging Alibaba Cloud's global reputation, success, and marketing expertise, its partners can uncover new opportunities and promote their solutions to customers globally.

Summing it up, global expansion is a powerful force for business growth. Alibaba Cloud offers its global network of partners the right tools, resources, and guidance to help them move beyond the common globalization roadblocks and foster business success as they tap into foreign markets. It continues to solidify relationships with its partners and offers transformation services that enable them to expand business anywhere in the world.

03 Insights by Alibaba Cloud

Insight Report on Chinese Enterprises Going Overseas

By Li Ning, International Ecosystem and Partner Sr. Manager, Alibaba Cloud Intelligence

For Chinese enterprises, being successful overseas often requires an in-depth understanding of the customers and acuity to the trends of the market. Despite experiencing successes domestically, Chinese enterprises are often unable to apply existing business models in overseas markets to promote their products and services. At the macro level, enterprises going overseas are encouraged by state policies and supported by technologies, such as the Internet and artificial intelligence. At the industry level, IT spending on cloud computing has increased among enterprises, and the market for cloud computing is growing year by year, providing market opportunities for cloud service providers.

China provides strong business support for enterprises going overseas by launching robust long-term policies that foster outward direct investment (ODI) and developing new cutting-edge technologies. The country is in the driver's seat of global innovation and excellence with its successfully built mobile internet empire evolving rapidly. It has also witnessed the accelerated development of emerging intelligent technologies such as artificial intelligence (AI), big data, cloud computing, and the Internet of Things (IoT). Moreover, the vertical applications developed by Chinese enterprises for niche industries and clientele are garnering massive global recognition.

Additionally, China has proposed a multitude of strategies for economic globalization that significantly refueled the conversation around the internationalization of its currency Renminbi (RMB). Thanks to the extensive support, Chinese enterprises entering foreign markets have been increasingly recognized by target countries and regions. As the world's largest trading nation, China's frequent international exchanges have further bridged the cultural gaps among various countries.

Unlock the Global Advantage by Migrating to the Cloud

According to a report by Gartner, **the cloud computing market (including SaaS, PaaS, and IaaS) is expected to reach a global cloud revenue of USD 474 Billion in 2022, up from $408 Billion in 2021**. Also, the global IT spending (including expenditure on data center systems, enterprise software, hardware facilities, IT services, and communications services) is projected to reach a total of USD 4.4 trillion in 2022, an increase of 4% from 2021. As evident from the statistics, there's an increase in the total IT spending on cloud computing, opening up many new opportunities for cloud service providers. Given the global rise in cloud computing, enterprises going overseas must migrate to the cloud to boost operational excellence and accelerate their business success.

Gaming and e-commerce are the primary industries where enterprises aim to go global. Out of more than 7,000 Chinese enterprises going overseas, 45.1% come from the gaming industry, such as 37 Interactive Entertainment, Kulemi, and Duoku Game. This trend can be attributed to China's fast-growing and world-leading mobile internet sector. Application development is another domain where enterprises desire to do business beyond borders. Many Chinese enterprises going overseas come from cities such as Beijing, Shanghai, Guangzhou, Shenzhen, and Hangzhou, owing to the ever-growing mobile Internet in these regions. Among them, most of the hardware manufacturing enterprises come from Guangdong, and the enterprises focusing on applications come from Beijing. On a global scale, most enterprises prefer entering Asian markets due to geographical and cultural reasons. Also, Latin America has increasingly become the fastest-growing destination choice for companies going overseas in recent years. Other popular options for enterprises going global include Hong Kong (China), the United States of America, and Singapore.

Through the study and deep analysis of the overall market, we have concluded that currently, the business of going overseas for Chinese enterprises is faced with both opportunities and challenges. For example, the market scale of enterprises migrating to the cloud, that go global, is expected to exceed CNY 16.6 billion, bringing huge growth opportunities. In particular, gaming and e-commerce companies are migrating to the cloud, with a market scale of CYN 5 billion and CNY 4 billion, respectively. On the other hand, enterprises going overseas also face many challenges. For example, gaming companies encounter complexities in terms of macro environments, compliance, technical constraints, diverse industry, and cultural integration. Similarly, e-commerce companies face challenges related to logistics, payment, and language. However, Chinese enterprises can gain key business insights by learning from the success stories of other companies that have established their business across borders.

On the whole, Chinese enterprises, especially Internet companies expanding their international footprints, are embracing the power of the cloud given the state policies, emergence of new technologies, and the improvement of corporate efficiency. Faced with the COVID-19 situation, the trend of enterprises moving to the cloud will further witness a rise. The proportion of China's IT spending globally and China's share of global GDP has a large gap - meaning the expenditure for enterprises to move to the cloud has great potential in the future. In the face of opportunities and challenges, enterprises can choose the overseas market according to local conditions at the level of business of going overseas. At the level of business of going overseas, the study and exploration of localization is a link that cannot be ignored. In the future, the focus for Chinese enterprises will shift to strengthening the ecological construction of localization for successful expansion into the Southeast Asian markets, especially Malaysia, Indonesia, and Thailand.

04 Tech for Innovation

Trends and Challenges in the Development of Live Streaming in Overseas Markets

By Sue Zhou, International Industry Solutions Marketing Sr. Manager, Alibaba Cloud Intelligence

In recent years, more and more sports, media, and entertainment events are being aired on the Internet and live TV. Given the significant rise in demand for live broadcasting, streaming platform owners are compelled to address the technical challenges in order to provide viewers with a superior and uninterrupted experience. Buffering, out-of-sync audio, delayed starting, and poor video quality, are some of the major issues faced by today's live streaming users.

In China, the domestic live streaming business has also developed rapidly across various industries. The adoption of live streaming technology has extended from the modern pan-Internet industries, such as e-commerce, to traditional industries such as online education, video security, and medical services. This swift expansion has made "Live Streaming +" a big trend in China.

The market for live streaming technology is huge with fierce competition, and the rapid development of the live streaming business has also inspired growth abroad. Pioneering businesses have shifted their attention from the domestic market, exploring the potential of overseas markets with live streaming technology and short videos. Many are hoping to replicate the success of the Chinese live streaming business model in other countries. However, although live streaming has gained massive momentum abroad, enterprises will inevitably face challenges if they choose to build their own live streaming platforms. Here are some common challenges:

Heavy Investment in Resources

To build a live streaming platform, enterprises need to invest a lot in hardware, broadband, and self-built systems, but the results are often unsatisfactory. Instead, they can save money, time, and resources by focusing on their core businesses and working with professional live streaming services providers.

Cross-Border Live Streaming Constraints

It can be challenging to implement a high-quality, low-latency, and speedy network and guarantee the availability of technology and services when going overseas. Security and compliance-related risks are also major concerns.

High Technical Barriers

Establishing live streaming platforms involves multiple technology stacks such as distributed storage, distributed computing, video codec technology, video encryption, and content delivery network (CDN). The labor, cost of development, and O&M pose significant challenges.

High Operating Costs

The live streaming industry often features unexpected peaks in demand. Self-built solutions are often unable to meet the requirements for broadband elasticity. Moreover, manual content monitoring and filtering on live streaming platforms result in high operating costs.

An Application Scenario of Live Streaming: Large-Scale Sports Events

Outlined below is a detailed breakdown of key live streaming parameters during large-scale events:

Applicable Scenarios

Live streaming is leveraged extensively at the Olympics, World Cup, e-sports, and other popular sporting events.

Live Streaming Security

The Digital Rights Management (DRM) of live streaming guarantees the content security to facilitate a smooth experience of concurrent live streaming and interaction of live content for tens of millions of users through emergency plans and disaster recovery.

Scenario Requirements

To efficiently meet the strict requirements, high-reliability, high-quality, and low-latency live streaming services are required. These services should encompass support for tens-of-millions-level high concurrency, stable cinema-like immersive viewing, contingency plans, and disaster recovery.

Absolute Stability

For an ultimate stable experience, multiple solutions, including active and standby streaming, remote dual-center disaster recovery, multi-bitrate alignment, and intelligent scheduling, are required.

Upgraded Content

Producing edited highlights of events and playback in a timely manner is crucial to ensure viewers do not resort to alternate streaming platforms. Video ads that are relevant to the customer's interests are also inserted to help with brand marketing and monetization amid huge traffic.

Extremely Smooth Viewing Experience

Narrowband HD™ 2.0 and similar technologies offer cinema-like picture quality and clarity, ensuring an uninterrupted and engaging viewing experience for the audience. The confluence scheme optimizes and converges multiple streams in the cloud and dynamically generates one stream output with the best frame rate.

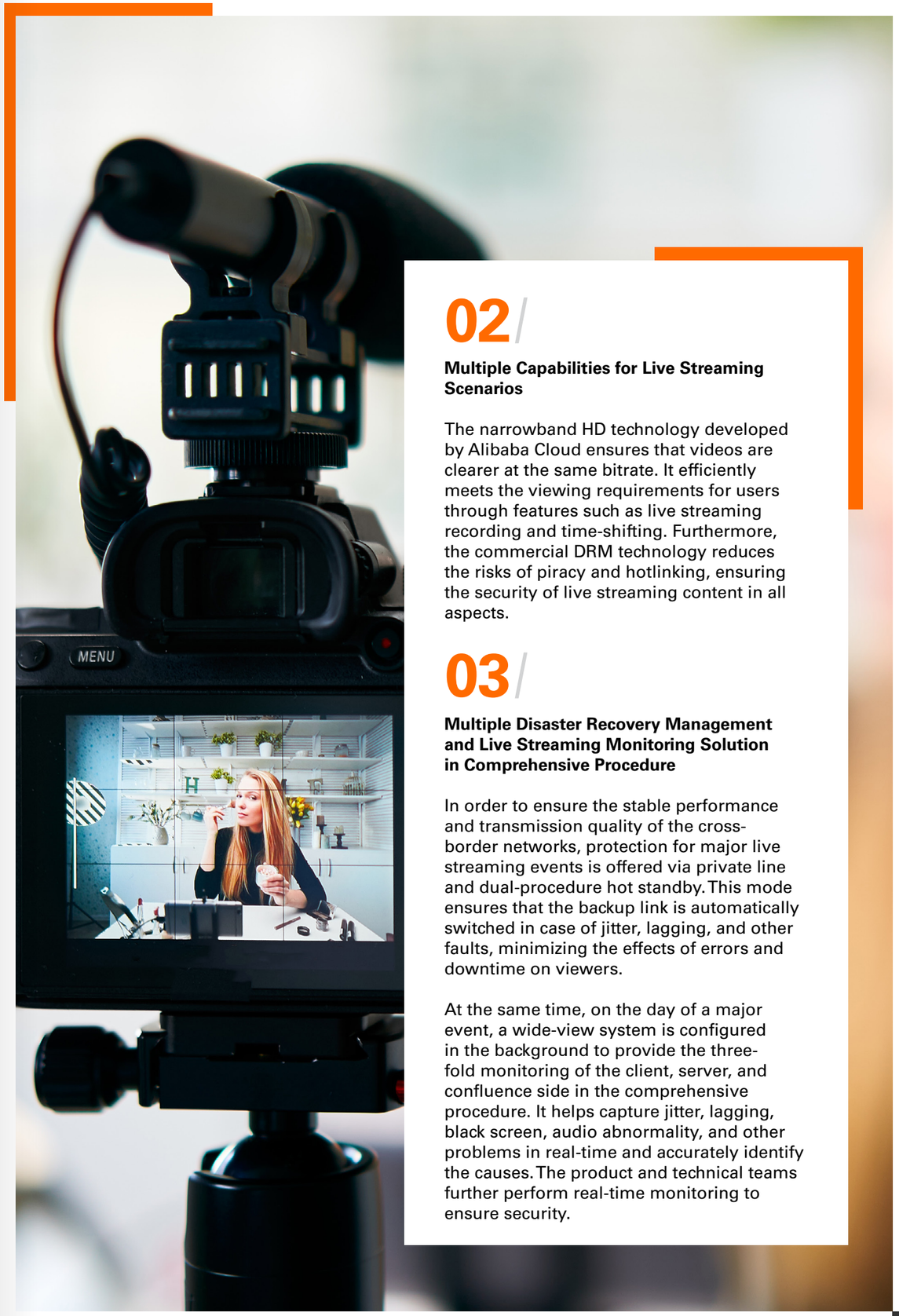
How Alibaba Cloud Powers Cross-Border Live Streaming Experiences

The following are several key solutions developed by Alibaba Cloud that enable seamless cross-border network scheduling:

01/

Global Real-Time CDN Acceleration

Alibaba Cloud Content Delivery Network (CDN) has built a powerful cross-regional network supported by operators with more than 2,800 nodes. Users of various networks around the world can enjoy a blazing-fast video experience. At the same time, the video latency is further reduced based on the transmission optimizing technology of the contract issuing protocol. Alibaba Cloud also provides multiple video bitrate levels to automatically match client network conditions through bitrate self-adaptation technology, solving high latency and lagging problems for users with unstable networks.



02/

Multiple Capabilities for Live Streaming Scenarios

The narrowband HD technology developed by Alibaba Cloud ensures that videos are clearer at the same bitrate. It efficiently meets the viewing requirements for users through features such as live streaming recording and time-shifting. Furthermore, the commercial DRM technology reduces the risks of piracy and hotlinking, ensuring the security of live streaming content in all aspects.

03/

Multiple Disaster Recovery Management and Live Streaming Monitoring Solution in Comprehensive Procedure

In order to ensure the stable performance and transmission quality of the cross-border networks, protection for major live streaming events is offered via private line and dual-procedure hot standby. This mode ensures that the backup link is automatically switched in case of jitter, lagging, and other faults, minimizing the effects of errors and downtime on viewers.

At the same time, on the day of a major event, a wide-view system is configured in the background to provide the three-fold monitoring of the client, server, and confluence side in the comprehensive procedure. It helps capture jitter, lagging, black screen, audio abnormality, and other problems in real-time and accurately identify the causes. The product and technical teams further perform real-time monitoring to ensure security.

05 Tech for Innovation

Global Accelerator: Alibaba Cloud Network Acceleration Service

By Ying Chen, Product Marketing Sr. Specialist, Alibaba Cloud Intelligence and Simon Shang, Network Product Operation Sr. Manager, Alibaba Cloud Intelligence

Global Accelerator is a network acceleration service that leverages Alibaba Cloud's global network to help multinational businesses with uninterrupted services and cross-border deployment of applications ensuring high reliability and high-quality BGP bandwidth. Global Accelerator works by assigning an accelerated IP address to each accelerated region to make it easier for businesses to connect to the closest IP address. This ensures stable network transmission, low network congestion, low packet loss, and low network latency ultimately improving the end-user experience.

Benefits of Global Accelerator

Let's have a look at some of the key benefits of Global Accelerator

Easy Deployment

Global Accelerator is easy to configure, deploy, and execute. With Alibaba Cloud's fast deployment services, unified monitoring, and maintenance system, GA can be deployed within a few minutes and implemented without changing the entire architecture.

High Performance

Backed by Alibaba's global transmission network, GA significantly reduces network issues and increases data transfer efficiency by ten times. It leverages a global network infrastructure of 100+ points of presence (PoPs) to enhance the user experience for Internet-facing services.

High Availability

Global Accelerator, with its automatic scheduling features, cloud-native technologies, and tons of international ISPs across 27 regions and 83 zones, helps businesses to distribute requests intelligently to different endpoints. This allows businesses to prevent single-region and single-line failures and, at the same time, ensures service continuity up to 99.95%. Besides, it also helps to monitor the health of global applications and endpoints via top-quality cross-region leased lines.

Robust Security

Global accelerator uses Alibaba Cloud security products, such as Anti-DDoS and WAF, to help businesses safeguard applications and endpoints against attacks and quickly switch to secure connections. It also offers fine-grained access control policies to control user access and manage authorizations for global applications.

Business Scenarios for GA

Global Accelerator uses Alibaba Cloud international ISPs to provide multiple access points worldwide and seamlessly accelerate the transmission of network traffic. Businesses can utilize this service based on their specific requirements and for various scenarios, such as online gaming globalization, enterprise VPN acceleration, cross-office collaboration, and more. Let's look at different scenarios where GA can play a critical role.

Accelerating Globalization for Online Games

Global gaming companies face critical network-related challenges like high network latency and high disconnection rate, specifically in scenarios, such as multiplayer online games. Delivering exceptional user experience across multiple regions in such a scenario is a constant challenge for gaming companies. Leveraging Alibaba's Global Accelerator, online gaming companies can gain access to global gaming servers, dramatically accelerate data transmission, and allow players to enjoy online games without high latency or jitters. GA service also integrates cloud security services to protect game servers against network attacks. Compared to the transmission over a public network, GA offers a consistent and seamless gaming experience. GA offers:

- **Smooth gaming experience**
- **Easy application development**
- **Easy management**

Speeding Up Cross-border Collaborations

For multinational corporations, managing the office system and enterprise resource planning (ERP) system in an efficient and cost-effective manner is always a challenge. The information technology (IT) department needs a solution that is reliable, but at the same time, provides the flexibility it needs to cope with the growth and fluctuations in the business. Global Accelerator allows businesses to quickly access office systems across different regions and provides high availability of end-to-end services. GA helps to:

- **Improve office efficiency**
- **Improve collaboration efficiency**
- **Improve cost-efficiency**

Fast-pacing Data Synchronization Across Global Applications

Many online trading businesses lack synchronization and face application connectivity issues due to high network latency and packet loss. These issues may affect the overall user experience if overlooked for a longer time. Global Accelerator, an all-in-one network acceleration service, provides a global network to global applications with optimal cross-border connections and high-quality Border Gateway Protocol (BGP) bandwidth. This helps businesses create a dynamic, secure, and highly-reliable network to access online trading systems, applications, websites, and platforms within minutes. GA offers:

- **Secured stability for equal opportunity**
- **Cost-effective payment plans**
- **Heightened security and protection**

Conclusion

Businesses looking forward to significantly improving their user experience, internally or externally can leverage Alibaba's Global Accelerator services, known for high-quality bandwidth and global transmission networks. It features high availability, low latency, superior network quality, and security protections. Additionally, the service can be activated and deployed in a fraction of the time, making service deployment more agile. GA also offers upgraded support, including 1 on 1 consultation and 24/7 technical support.

06 Case Study

Pimax: A Case Study of Entering Overseas Markets with Innovative Products

By Pimax Team

In recent years, entering overseas markets has been a hot topic among enterprises in China. After years of rapid domestic growth, it has now become vital for Chinese enterprises to seize the growth of emerging markets to remain competitive. The rise in leading enterprises going global has also led to a positive sentiment toward Chinese brands in foreign markets.

Pimax, a technology company specializing in advanced virtual reality (VR) hardware, is a prominent example of a Chinese company that successfully expanded its international footprint. For Pimax, the decision to expand its business beyond borders has long been a top business objective, driven by distinct product attributes and the high ecological niche of its team. Throughout seven years of seizing international markets, the series of overseas strategies have contributed significantly to the growth of the enterprise.

Pimax was founded in 2015 in Shanghai by a group of VR enthusiasts from the fields of optics, display, wearable technology, and intelligent hardware development, aiming to create high-performance VR equipment. At that time, the maturity of PC VR games in China was still in a relatively early stage, and the acceptance of high-priced products by domestic users was relatively low. Therefore, Pimax decided to target overseas markets with higher spending power and increased consumption and acceptance of VR products.

Outlined below are some key insights that we can learn from Pimax's successful and accelerated global expansion:

01/

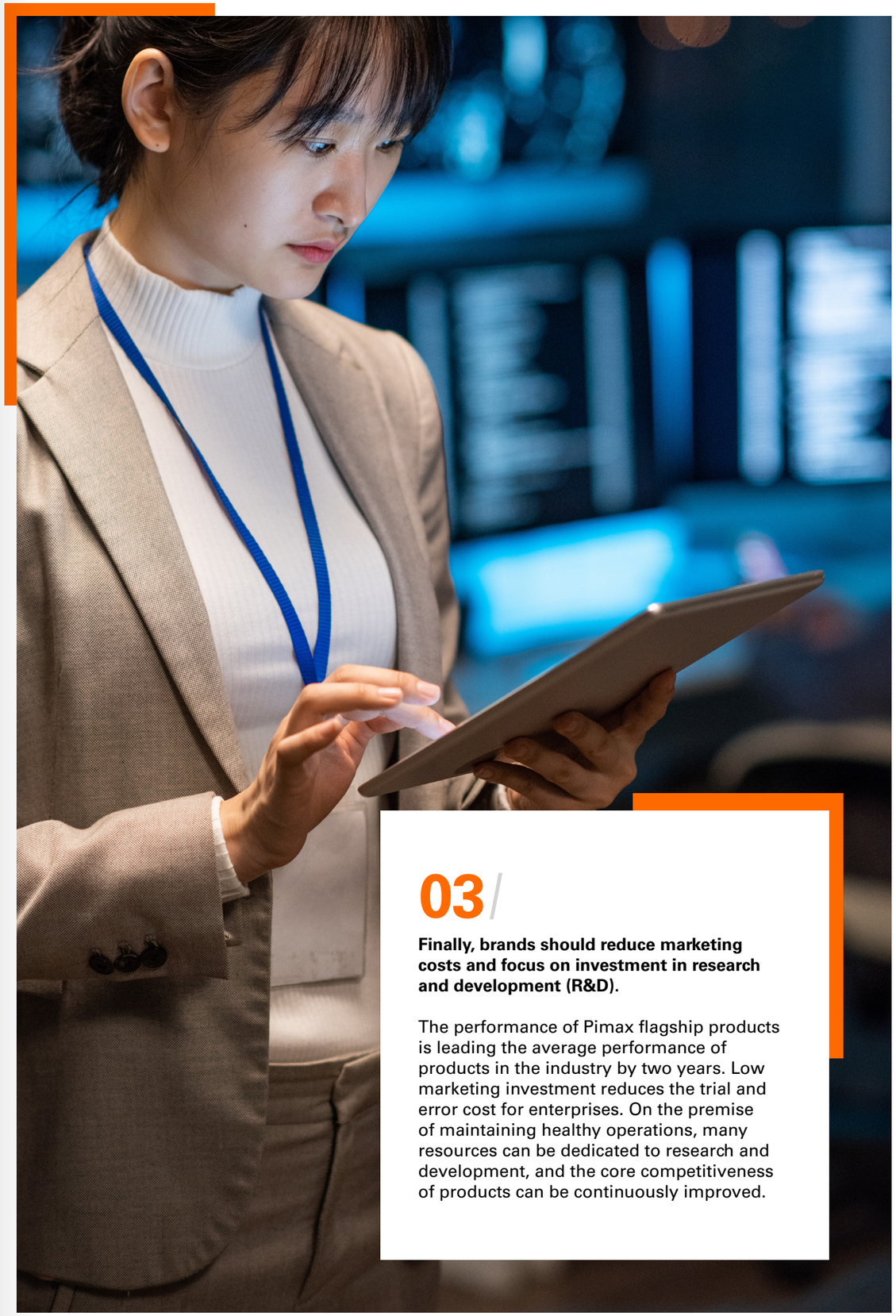
Brands must conduct benchmarking to compare their key product performance metrics and distinct characteristics with competitors in the international market.

High-performance devices always bring their own unique attributes, appealing to the end-user. For example, companies such as Tesla and Alienware are reputed for their innovative product features and outstanding performance. Similarly, the top quality and high-performing Pimax products have become highly recognized in the mid-to-high-end VR market and attracted immense attention when it first entered the overseas markets. At the beginning of its establishment, Pimax created the world's first 4K VR headset that was recognized as the best VR product in 2016 at CES Asia, an annual premier event showcasing the latest innovations and products in the consumer technology segment.

02/

Brands should establish an 'influence value network' to foster a robust community.

Years of deep cultivation in overseas markets have enabled Pimax to gain a strong following and build a global influence value network. This value network is built jointly by hardware developers, software developers, key opinion leaders (KOLs), game enthusiasts, and professional players. It acts as an active community that boosts brand awareness and improve Primax products. Pimax products are always reviewed or referenced by KOLs over competitors. Pimax fans have made more than 5,000 review videos on YouTube. In 2017, it held the Guinness World Record for the most successful crowd-funded VR project of all time, raising a total of $4,236,618 on the Kickstarter platform for its "8K" high field-of-view (FOV) virtual-reality headset.



03/

Finally, brands should reduce marketing costs and focus on investment in research and development (R&D).

The performance of Pimax flagship products is leading the average performance of products in the industry by two years. Low marketing investment reduces the trial and error cost for enterprises. On the premise of maintaining healthy operations, many resources can be dedicated to research and development, and the core competitiveness of products can be continuously improved.

Accelerating VR 3.0 Industry Adoption with Pimax

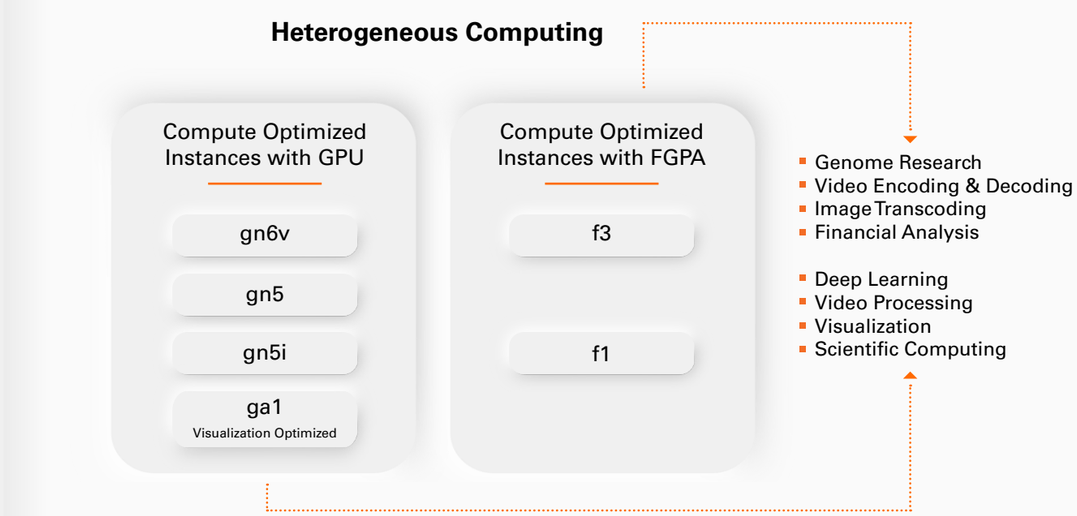
The VR market grabbed a lot of attention last year. **Products in the industry are in a critical period of entering the VR 3.0 stage. Products need to meet the performance standards in three primary aspects: visual immersion, physical immersion, and cognitive immersion.** This involves many parameters and features, including product resolution, refresh rate, the field of view, the use of wireless technology, eye tracking, and hand tracking.

In the upgrade of VR 3.0, VR hardware and cloud processing have converged.

Take, for instance, the visual performance of VR content. It is not only limited by the performance of VR hardware but also highly dependent on the performance and computing power of GPU, let alone PC VR devices.

For powerful hardware devices such as Pimax 8K X, even 3090 graphics cards may not be able to boost product performance to the extreme. Similarly, when streaming VR content with high-performance requirements on an all-in-one appliance, the difference in computing power between the mobile chip and the PC leads to processing images with the PC's GPU computing power. Therefore, GPU computing power has become one of the technical difficulties limiting the immersive and ultra-engaging virtual reality experience.

Existing VR game rendering applications on the market are highly dependent on local hardware processing. They are limited by the high price, complex structure, and lack of GPU mobility. This is why the "cloud rendering" process has gained massive momentum in the VR industry. It leverages a robust cloud computing system to handle the pressure of graphics cards efficiently, speed up the rendering speed, improve rendering efficiency, and reduce hardware computing power requirements of user terminals. While lowering the threshold for user hardware, it ensures terminal mobility and high-quality output of VR content. If the transmission rate is sufficient, the experience gap between an all-in-one appliance using cloud rendering and PC VR will be narrowed.

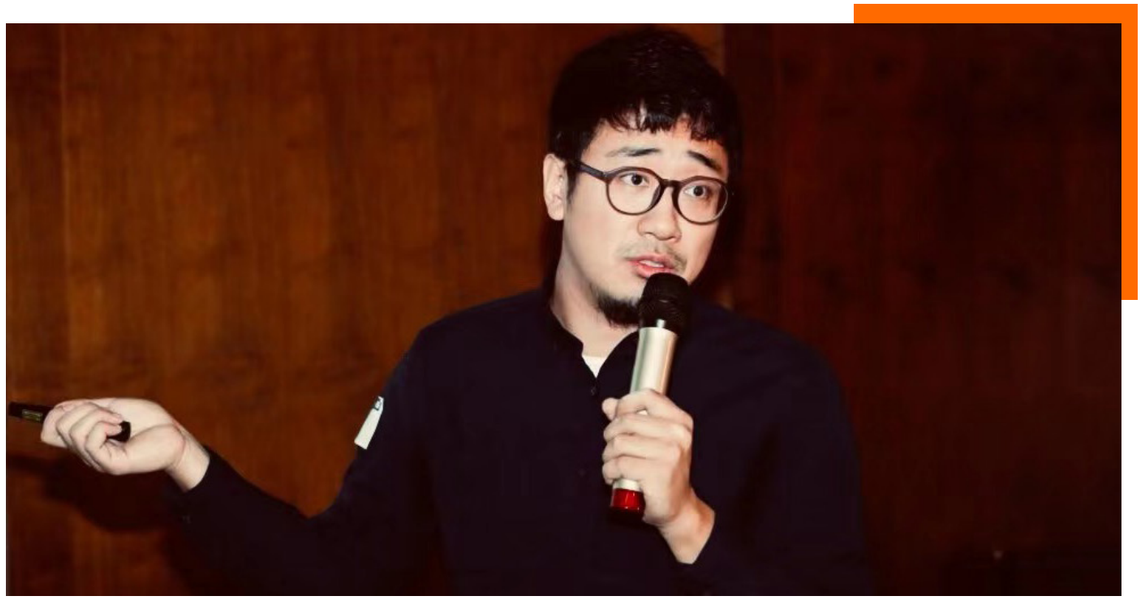


It is reported that Pimax Reality 12K QLED, a VR 3.0 benchmark product that will be launched in the fourth quarter of 2022, has been developed with all the top-notch VR features and high-quality configurations. We expect that Pimax, the outstanding Chinese VR hardware brand, will give us another surprise, take the VR experience to the next level, and catalyze our entry into a fully immersive Metaverse.

07 **Insights by Partner**

36Kr: Pioneers and Successors of Chinese Internet Enterprises Entering the Southeast Asian Market

By Max Ma, 36Kr Global CEO



Max Ma

36Kr Global CEO

In the past 20 years, Chinese Internet and technology enterprises have experienced numerous struggles – rapidly iterating products and exploring new models amid the fierce market competition. As a result, the nation has witnessed significant economic growth and has risen to be a leading innovator in the technology space. However, as the domestic market becomes saturated, overseas markets are becoming more and more attractive. roughly translating to "entering overseas markets", was once a privilege only for a select few but has now become the go-to development direction for many domestic enterprises.

Today, Southeast Asia has become a popular destination for Chinese businesses to go abroad, if not the most popular. With a population of 660 million and a large proportion who are curious about emerging technologies, Southeast Asia is a perfect breeding ground for innovation. In addition, the younger population in Southeast Asia is often associated with strong spending power, further supporting the rise of this emerging market. This is evident in the region's response to the COVID-19 pandemic, with much of the local economy expressing immense digital transformation in just a short time. The number of Internet users and the scale of the digital economy have continued to expand, laying a solid foundation for the technological transformation of many industries.

As early as 2014, many Chinese Internet enterprises had captured the growth potential of the Southeast Asian market and became pioneers after entering this market. While going abroad, these enterprises often focused more on creating their own products rather than emphasizing localized operations and markets. Although it is important to carry out a certain degree of localized operations before entering the overseas market, these enterprises didn't require a large number of local employees to participate in operations. Thanks to the continuous growth of mobile Internet users, these enterprises expanded rapidly and obtained a large number of users in many markets.

But as Chinese enterprises continue to cultivate in overseas markets, the importance of localization has become increasingly prominent. In terms of products and business, these enterprises are expanding their business scope, building an ecological closed-loop, and creating a product matrix that better meets the needs of local customers. In terms of organizational structure, many enterprises have set up local regional offices by recruiting a large number of local talents, thus formulating and practicing more localized business strategies. Some companies have even acquired or cooperated closely with local brands to speed up localization, such as Alibaba Group's acquisition of Singapore-based Lazada in 2016.

In fact, in recent years, the investments from Chinese tech enterprises in Southeast Asia apply not only to internet tools and

applications, but also to other fields such as entertainment, finance, and corporate services. This batch of successors going to Southeast Asia has been preparing by having a clearer and more detailed plan for their overseas businesses, combining the success of doing business in China for the past 20 years as well as their accumulated product development and innovation advantages. In addition to product development, these enterprises continue to explore localization in operations, deeply integrating into the local market and creating their own ecosystem. Regarding the organizational structure, these enterprises generally implement decision-making with the advice and insight of local teams. The integration of the core business in China with the Southeast Asian market is now critical for many to succeed in the overseas markets. Therefore, behind the successful Chinese enterprises in Southeast Asia, in-depth understanding and resolute implementation of localization strategy plays a crucial role. Alibaba Group, through its robust ecosystem, is one of the world's leading technology companies with an in-depth understanding of global compliances. For instance, Alibaba Cloud has established its advantages in information security and compliance by setting up local data centers in Malaysia, Singapore, Indonesia, and the Philippines. Ant Group has been working closely with local banks and financial services providers (FSI) to set up a safe, reliable digital banking and mobile payment ecosystem in the region. Cainiao, Alibaba's logistics arm, has set up regional transportation hubs for its smart warehouse network, accelerating the growth of e-commerce and retail businesses in Southeast Asia. For local talents, Alibaba has become one of the worthiest career choices for employees around the world, which provides a firm guarantee for the development of the brand around the world.

Warren Buffett once said at a shareholder meeting: "Never waste a serious crisis." Since 2020, the challenges that accompany the COVID-19 pandemic have not yet subsided, and the opportunities for digitization have not yet been fully realized. In the past 20 years, China has witnessed the booming development of the Internet as well as its difficulties and challenges. After facing fierce competition locally, Chinese businesses can learn from the valuable experience left behind, which is significant for reference in overseas markets. However, China as a market has its uniqueness, and so do other places worldwide. Therefore, localization research and exploration cannot be ignored. The successors who believe in globalization need to open up, work hard, and persist in order to gain the same level of success as their predecessors.