



AppGallery

# Grow in China eBook





# Find New Growth in China

China is the world's largest app market with 1.6 billion mobile subscriptions<sup>1</sup> that contribute to 40% of global consumer app spending.<sup>2</sup> As China is projected to account for more than a third of global mobile growth through 2025,<sup>3</sup> now is the optimal time for mobile app and game developers worldwide to tap into China's booming market.

Prepare to learn why China is a critical market for mobile app and game developers, how to launch and grow in this market, and the opportunities available with Huawei as your partner.

## 01. Welcome to the World's Leading Mobile Marketplace

China is the frontrunner in 5G rollout and adoption that will transform the world of mobile app development. By 2025, China is projected to reach 1.7 billion mobile connections, of which 460 million will be 5G, greater than North America and Europe combined.<sup>3</sup> With the country's large number of users and fast 5G adoption, mobile developers entering the market have untapped opportunities not only for user growth, but also for innovation from new app experiences enabled by 5G speed and performance.

## 02. The Unique Challenges of Entering China

Mobile app and game developers entering China face a market with different policies, cultures, and experiences. Discover what you need to know to launch and grow your apps and games in China.

## 03. Growing in China with Huawei

Whether you're a start-up or an established business entering China, a local partner is essential for effective launches and growth. As a trusted leader in the fragmented Chinese market, Huawei offers end-to-end solutions to developers across all verticals and company sizes.

<sup>1</sup> <https://www.statista.com/statistics/278204/china-mobile-users-by-month/>

<sup>2</sup> <https://www.riskiq.com/2020-mobile-threat-landscape-report-thank-you/>

<sup>3</sup> <https://data.gsmaintelligence.com/api-web/v2/research-file-download?id=39256228&file=2730-200319-ME-China-2019.pdf>



# 01. Welcome to the World's Leading Mobile Marketplace

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China accounts for more than one-fifth of the total global mobile internet population.<sup>4,5</sup> To enter the world's largest mobile marketplace, apps and games must be positioned as global brands, and there is no better time than now for foreign companies to expand into China.

## Unparalleled Market Scale

Of the 1.6 billion mobile subscriptions in China, approximately 1.2 billion are unique subscribers owning on average 1.3 SIM cards.<sup>2,3</sup> This mobile-first economy represents unprecedented opportunities.

- Total app downloads among Chinese consumers reached more than 96 billion in 2020, the highest globally and 4X the second highest, India, at around 24 billion.<sup>6</sup>
- Chinese consumers spent more than \$48 billion across all app stores in 2020, the highest globally and 1.5X the second highest, US, at around \$32 billion.<sup>6</sup>
- Chinese consumers spent more than 1,153 billion hours on various apps accounting for more than 30% of total hours spent globally.<sup>6</sup>

## Disruption-defying Growth

In the midst of global challenges, China has shown positive and steady growth in various industries, exhibiting incredible strength and potential. For mobile developers seeking continuous growth, there is no better time than now to enter the market.

- **Gaming:** Mobile game actual sales revenue in 2020 was over \$32 billion with a 32.6% year-over-year (YoY) growth.<sup>7</sup>
- **Ecommerce:** Retail e-commerce sales value in 2020 amounted to around \$2.3 trillion with a 28% YoY growth.<sup>8</sup>
- **Finance:** By December 2020, the total number of mobile payment users reached 852 million with 11.4% growth from March. The total gross merchandise value (GMV) of third-party mobile payment reached \$9 trillion in Q2 2020 with a 21.6% YoY growth.<sup>9</sup>

<sup>4</sup> <https://www.statista.com/statistics/617136/digital-population-worldwide/>

<sup>5</sup> [http://www.cac.gov.cn/2021-02/03/c\\_1613923423079314.htm](http://www.cac.gov.cn/2021-02/03/c_1613923423079314.htm)

<sup>6</sup> <https://www.appannie.com/en/go/state-of-mobile-2021/>

<sup>7</sup> <https://www.statista.com/statistics/445403/mobile-game-revenue-in-china/>

<sup>8</sup> <https://www.statista.com/statistics/289734/china-retail-e-commerce-sales/>

<sup>9</sup> <https://www.statista.com/statistics/490207/total-mobile-payment-transactions-in-china/>

## 02. The Unique Challenges of Entering China

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For mobile app and game developers, vast policy and cultural differences can make entering the Chinese market feel daunting. Establishing a baseline understanding of local policies, localization, and monetization are crucial for success.

### Comprehensive Policy Compliance

To successfully operate apps and games in China, you must adhere to entrance policy, data privacy, tax laws, licensing, and many other unique policy compliances in China.

<b>Qualification</b>	Licenses and approvals vary by each app category. Apps in Finance, Health & Fitness, News & Reading, and Audio & Visual entertainment are strictly controlled by the Chinese government and require ICP license, Computer Software Copyright Certificate, and other relevant certificates. Game apps require software copyright, game operation records, and ISBN.
<b>Privacy</b>	Applications in China need to comply with local privacy requirements and standards, including those in the <b>Cybersecurity Law</b> and Information <b>Security Technology-Personal Information Security Specification</b> .
<b>Content Compliance</b>	Content compliance requires a notice and take-down process. For specific business types, real-name registration systems are often required. For the content management policy, there are “nine prohibitions”, <sup>10</sup> which include national security, discrimination, infringement, and so on.
<b>Consumer Protection</b>	Various legal requirements of consumer protection in China are derived from the <b>Consumer Protection Law</b> , <b>Advertisement Law</b> , <b>Minor Protection Law</b> , and more.

<sup>10</sup> <https://govt.chinadaily.com.cn/s/201903/27/WS5c9ad101498e079e6801be9e/administration-of-internet-information-services-procedures.html> - See Article 15



# Customized Localization Service

Chinese consumers have unique preferences and expectations when it comes to their mobile experiences. There are three key areas to pay attention to when launching your app or game in China: content adaptation, user experience, and monetization.



<b>Content Adaptation</b>	Adapting your app or game to geo-specific users requires a content update to reflect local consumer preferences. The Chinese language can contain multiple layers of meaning, both positive and negative depending upon the context, making it important to properly translate names. With Chinese characters taking up more visual space, the use of icons, tags, and category search can help compensate for the larger font size. Incorporating animations, cute characters, and vibrant colors are useful in creating a look and feel for your app or game that will better appeal to Chinese consumers.
<b>User Experience (UX)</b>	Additional user experience (UX) adaptations are highly recommended when entering China. For international app and game developers to attract and engage Chinese consumers, docking with local social media platforms is essential. Other equally important considerations for tailoring the user experience include employing different login and authorization flows using SMS, WeChat, or scannable QR codes (instead of email), and integrating mobile payment options.
<b>Monetization</b>	In 2020, 60% of total game revenue in China was generated from advertising. <sup>11,12</sup> While ad revenue continues to be a key source of monetization for application and game developers, certain categories such as games, education, and tools, that hold high value among the growing middle-class consumer might have even greater success implementing subscription and in-app purchase (IAP) monetization options as well.

<sup>11</sup> <https://www.statista.com/statistics/674332/mobile-games-usage-monetization-models/>

<sup>12</sup> [https://img06.en25.com/Web/Unity/%7B4645ad28-63a3-4348-bc5b-dc09f2811419%7D\\_Unity\\_2021-Gaming-Report.pdf?elqTrackId=b795db85e6924d669757d6f8ef3db1a7&elqaid=3200&elqat=2](https://img06.en25.com/Web/Unity/%7B4645ad28-63a3-4348-bc5b-dc09f2811419%7D_Unity_2021-Gaming-Report.pdf?elqTrackId=b795db85e6924d669757d6f8ef3db1a7&elqaid=3200&elqat=2)

## 03. Growing in China with Huawei

China's mobile market can feel impenetrable without proper guidance and partnership. With leading market share, innovation, and resources in China, Huawei has supported PicsArt and Facetune2, and many other apps in launching and growing in this vast mobile marketplace. As a powerful partner, Huawei is committed to welcoming worldwide developers to join the ecosystem.

### A Trusted Leader in China

While there are over 400 third-party app stores and smartphone suppliers in China,<sup>13</sup> Huawei leads the fragmented market as a trusted leader. By partnering with Huawei, developers gain a competitive advantage through:



#### Established Branding

Huawei is one of the most well-known technology brands in China with a local brand awareness as high as 98%.<sup>14</sup> As the only Chinese technology brand in Forbes' 2020 World's Most Valuable Brands,<sup>15</sup> Huawei is seen as the pride of Chinese brands in Chinese consumers' eyes.



#### #1 Market Share

Huawei is the top manufacturer of smartphone and wearable devices in the country. In 2020, Huawei shipped 124.9 million smartphones in China, leading the smartphone market with the No.1 market share position at 38.3%.<sup>16</sup> In the overall wearables market in China, Huawei also holds the No.1 spot with 29.2% market share in 2020.<sup>17</sup>



#### Leader of Innovation

As the biggest R&D investor in China and the third biggest in the world,<sup>18</sup> Huawei remains at the forefront of breakthrough technologies. For example, Huawei is leading 5G development with the most declared patents as well as the most technical contribution for 5G standards.<sup>19</sup>



#### Champion of Security

Huawei takes security and privacy protection as top priorities. HMS was one of the first to pass the ISO/IEC 27701 certification issued by British Standards Institution (BSI), making it a leader in security management, transparency, and privacy compliance for personal data.

<sup>13</sup> <https://www.forbes.com/sites/eladnatanson/2019/09/03/the-other-android-app-stores-a-new-frontier-for-app-discovery/?sh=70d1cc156774>

<sup>14</sup> Ipsos Global Brand Tracking 2020

<sup>15</sup> <https://www.forbes.com/the-worlds-most-valuable-brands/#48b54cca119c>

<sup>16</sup> <https://www.idc.com/getdoc.jsp?containerId=prAP47424421>

# Open Ecosystem for Infinite Opportunities

In the 5G era, consumers are embracing the all-scenario, multi-device, and cross-platform smart life experience. Huawei has opened its software, hardware, and cloud capabilities to developers worldwide, empowering partners to expand their global adoption and driving the development of a richer and seamless AI lifestyle for consumers.



## Multi-Channels Across Devices

Huawei launched a range of smart devices that have been globally well received, including smartphones, tablets, PCs, VR devices, wearables, smart screens, smart audio, smart speakers, and head units. Developers have native access to HMS on-device distributed capabilities. By integrating these capabilities, developers can use their hardware products and access Huawei's rich app ecosystem.



## Full Set of Capabilities

Launched globally in June 2020, **HMS Core 5.0** incorporates Huawei's chip, device, and cloud capabilities. HMS Core provides 56 core open capabilities such as Account Kit, Wallet Kit, Push Kit, Map Kit and nearly 13,000 APIs, making the development process straightforward and simple. HMS is the world's third largest mobile app ecosystem. By December 31, 2020, over 120,000 apps worldwide had been integrated with HMS Core, and the number of global registered developers exceeded 2.3 million, including 300,000 developers outside China.



## Life-Cycle Support

Through AppGallery Connect, Huawei offers full-spectrum support - from ideation, development, distribution, operation, and data analytics to global developers. In addition, Huawei continues to offer the **Shining-Star Program** and the **DigiX Lab**, empowering developers around the world and helping global industries digitize and introduce intelligent technologies.

<sup>17</sup> <https://www.idc.com/getdoc.jsp?containerId=prCHE46854120>

<sup>18</sup> [https://iri.jrc.ec.europa.eu/sites/default/files/2021-01/SB2020\\_final\\_16Dec2020\\_online.pdf](https://iri.jrc.ec.europa.eu/sites/default/files/2021-01/SB2020_final_16Dec2020_online.pdf)

<sup>19</sup> <https://www.iptyics.com/report/5g-patent-race-02-2021/>





## How Huawei Partners with You for Growth

In 2020, Huawei helped more than 700 apps and games enter the Chinese market through strong collaborative partnerships, enhanced development tools, and an ever-expanding ecosystem and user base. Huawei's commitment to an unwavering partner support is seen through:

<b>Policy Compliance</b>	Huawei provides a one-stop consultation on policies applicable to the Chinese market from qualification consultation to guided release. The online consultation platform can quickly identify additional licenses, certificates, publication approval, and other qualifications your app or game requires to obtain to enter the market. Enjoy access to a case library and 1:1 expert support from Huawei's dedicated legal team.
<b>Localization</b>	Huawei shares its in-depth knowledge of the local consumer behaviors and developer landscape, offers consultation on app localization ideation, and helps you realize various product improvements through HMS integration.
<b>User Acquisition and Monetization</b>	Huawei not only provides access to its vast consumer base but also offers extensive marketing solutions, including but not limited to <b>HUAWEI Ads</b> , <b>HUAWEI Video</b> , <b>HUAWEI Petal Search</b> , and <b>AppGallery promotions</b> .

## Are you interested in exploring the infinite opportunities in this growing market?

If you're ready to get started, contact our BD team at [GoChina@huawei.com](mailto:GoChina@huawei.com).

If you want to better understand the qualifications your app or game needs in China, request an online consultation [here](#).

If you want to learn more about how other apps and games have successfully launch and grow in AppGallery, read our partner stories [here](#).