

INTERNET

Not addressing the “Chinese Firewall” can haunt luxury ecommerce

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Louis Vuitton ad featuring actress Fan Bingbing

By JOE MCCARTHY

Luxury brands occasionally struggle to present Chinese consumers with a seamless Web experience due to the country's tight Internet rules.

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Luxury Daily

Slower load times on brand Web sites, especially when concerning ecommerce, can quickly lead to abandoned pages and carts. For luxury brands that want to tap the immense ecommerce potential in China, shoring up fundamental Internet problems is the first step.

"Delivering content to Chinese eyeballs is very challenging due to the 'Chinese Firewall,' for any company looking to tap into the huge revenue potential of this region," said Mehdi Daoudi, co-founder and CEO of [Catchpoint Systems](#), New York.

"But it's particularly an issue for luxury brands," he said. "Imagine you are selling a fast car that claims it can go from zero to 100 kilometers in four seconds and costs \$100,000, and your Web site loads in 10 seconds. What kind of message does this send?"

"To get around this challenge, global companies need to leverage services that are physically located 'on the ground' in China, but this adds complexity. The more external

providers that a company uses to deliver web content, the more potential points of failure are introduced and the more risk for a performance problem."

More than the basics

Brands looking to set up shop in China are confronted with the onerous "Chinese Firewall" that impedes Web site availability and performance.

Many brands leverage Content Delivery Networks and Domain Name Systems to get around obstacles. Some companies get permission from the government to host, deliver and route content.

However, the welter of variables that accompany a Web site make it difficult to ensure that the entire Web site will run soundly.



Estée Lauder's Chinese home page

Catchpoint surveyed the performance of 26 luxury brands in May in China and found that 88 percent were hosted on servers located inside China. Ninety-two percent had a content delivery network inside China.

What this indicates is that the majority of brands perceive the value of avoiding cross-national services. The closer a brand's servers are to the customer, the better the Web experience.



User-generated content on Lancôme's Chinese Web site

The survey also found that 74 percent of brands did not have a China-based DNS service, which can lead to significantly slower load times.

"Brands can ensure a great web experience by enlisting CDNs and DNS services from inside China, and seeing and understanding how these services impact Web site availability and response time for end users," Mr. Daoudi said. "Brands need to keep a very close eye on other third-party services added to their sites [such as] tracking pixels, A/B Testing, analytics, ratings and reviews, etc., which may originate from outside of China and therefore be blocked or slow.

"One blocked third-party service on a site can make an entire Web page unavailable or slow it down," he said.

"So, companies really need to make sure their third-party services are served from within China or even allowed. To this end, companies delivering content need to ask their third-party providers what are their China strategies and plans. In addition, companies need to avoid Web site content and features that may require redirects back to servers outside of China, because this too can result in Web pages failing to render in China."

Full-fledged

International beauty brands are facing stancher competition from local players in the Chinese market, according to L2's latest beauty report.

Lancôme and Estée Lauder secured the top two spots, greatly outperforming the 61 percent of brands that ranked challenged or feeble. L2 argues that digital innovations offer a "moat" for brands that want to protect gains made in the country ([see story](#)).

The need for a strong digital presence may be greater in China than elsewhere.

A new report by Boston Consulting Group explores the online shopping tendencies of Chinese consumers such as a widely-held penchant for researching products at length.

"The Chinese Digital Consumer in a Multichannel World" report explains that the number of Chinese online shoppers is expected to reach 380 million by 2016, which presents brands with huge swaths of potential customers. Any giddiness marketers feel at such a prospect should be tempered by the fact that only .5 percent of online activity is conducted on brand or company Web sites ([see story](#)).

Although the protocol for ecommerce efficiency can seem daunting, brands are starting to find solutions.

"The most accurate way to gauge Web performance is to measure as close to actual end users as possible, which helps filter out extraneous noise and really pinpoint the source of issues," Mr. Daoudi said.

"Because China is a huge growth region for ecommerce, our customers have specifically been asking for more nodes to be strategically located there," he said.

"Earlier this month we added six more internet backbone performance monitoring nodes in China, and just this past week we made arrangements to bring an additional 13 nodes online, bringing our total in China to 31. We are making similar moves in other high-growth regions like Russia, as we have just brought online 26 nodes there in order to cover this huge geography."

Final Take

Joe McCarthy, editorial assistant on Luxury Daily, New York

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