HUAWEI | **xda**developers

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gochina@huawei.com

or scan the following QR code to visit our website

White Paper for Global App Development in China

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EXPLORE IT ON
AppGallery

< CONTENTS >

< A huge number of mobile internet users in China >

According to the Statistical Report on Internet Development in China (April 2020) released by China Internet Network Information Center (CNNIC):

○ As of March 2020, China had 904 million netizens, up by 75.08 million from the end of 2018 and its Internet penetration had reached 64.5%, up by 4.9% over the end of 2018.

○ As of March 2020, the number of mobile Internet users was 897 million, up by 79.92 million from the end of 2018. The proportion of Internet users accessing the Internet through mobile phones in China had amounted to 99.3%, up by 0.7% over the end of 2018.
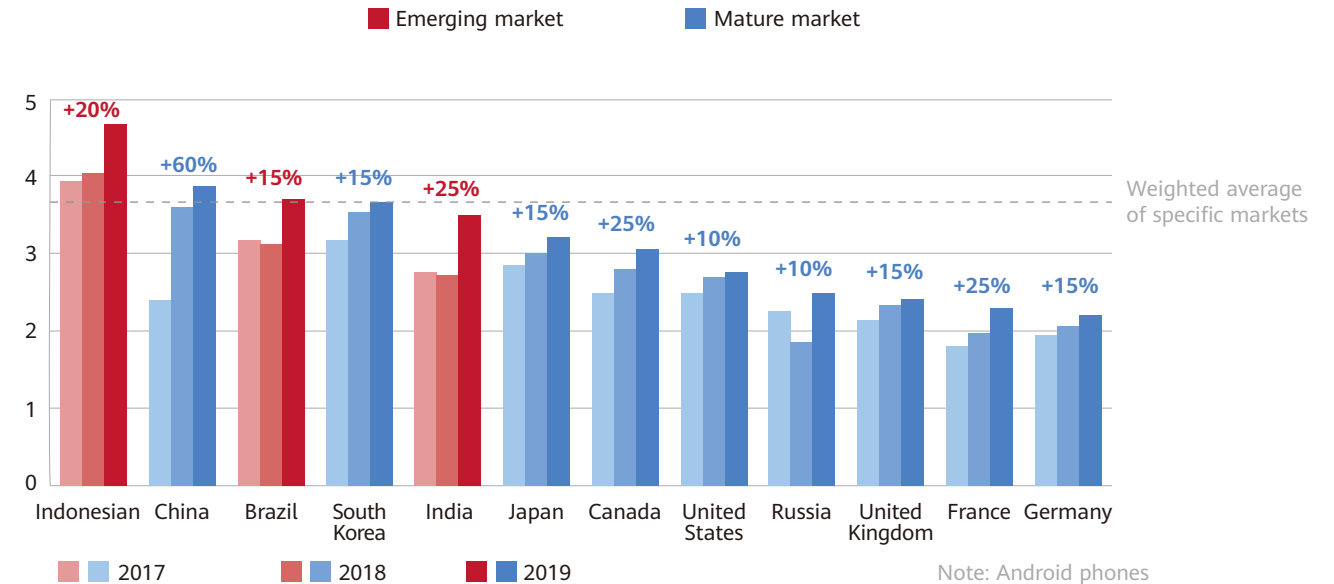
Android phones accounted for 83.8% of the Chinese mobile phone market, while iOS phones accounted for about 7.5%.

Other, 8.70%

iOS, 7.50%

Android, 83.80%
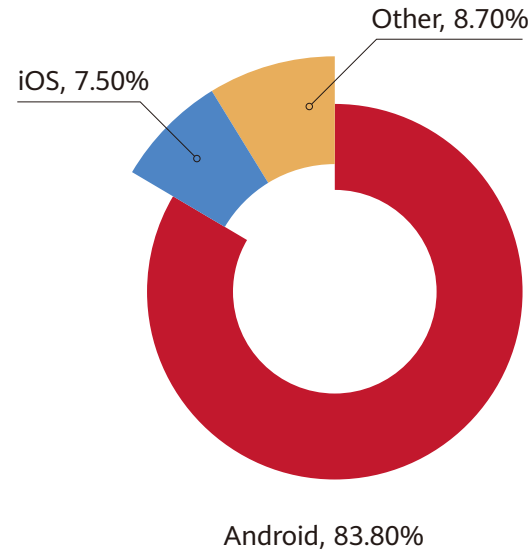
Data source: CNNIC, 2020, Cannals

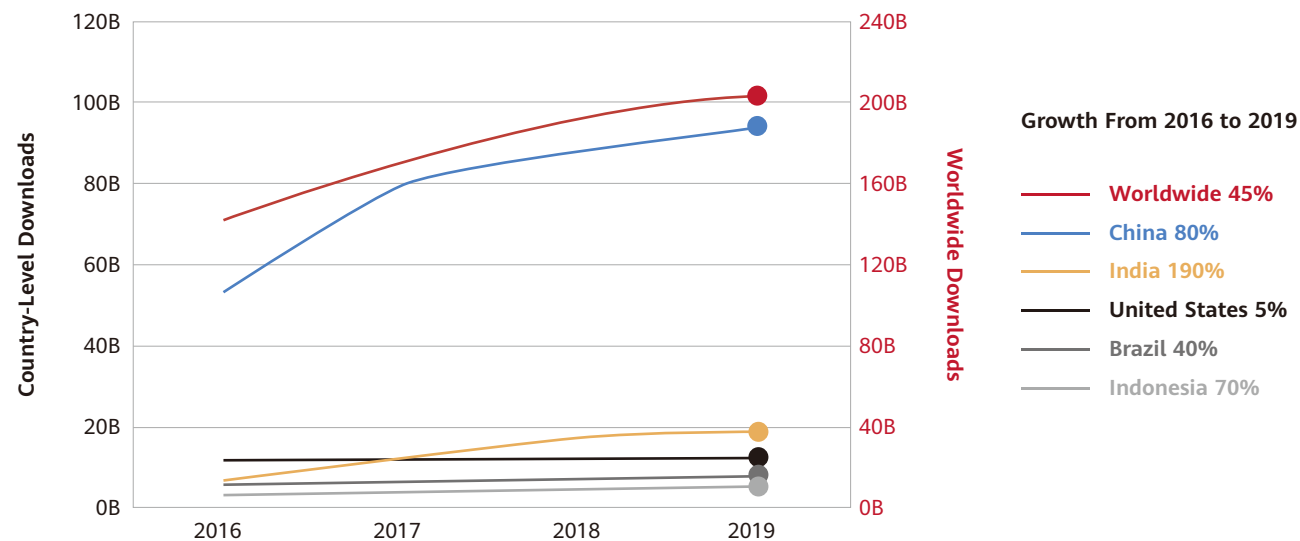# < The average daily usage duration of mobile devices is close to 4 hours, up by 60% over the past two years >

Average usage duration of mobile devices (hours)

■ Emerging market　　■ Mature market

Weighted average of specific markets

+20% Indonesian
+60% China
+15% Brazil
+15% South Korea
+25% India
+15% Japan
+25% Canada
+10% United States
+10% Russia
+15% United Kingdom
+25% France
+15% Germany

■ 2017　　■ 2018　　■ 2019

Note: Android phones

Data source: App Annie

❮ China app market: In 2019, app downloads in China approached 100 billion, up by 80% over the past three years ❯
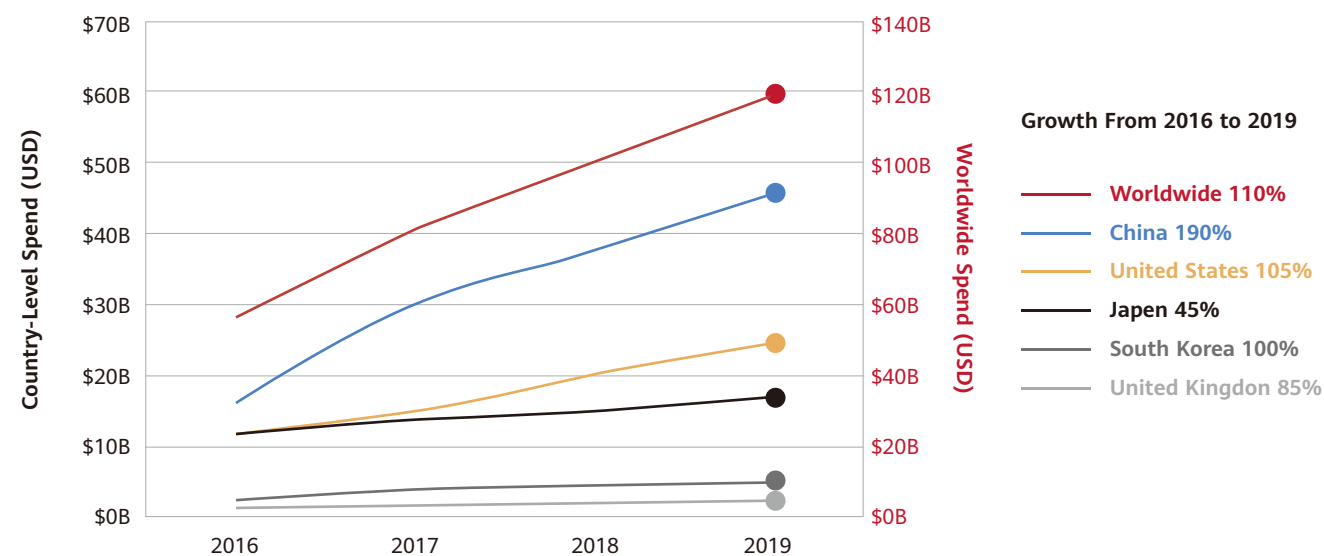
Top Countries by App Store Downloads

Growth From 2016 to 2019

- **Worldwide 45%**
- **China 80%**
- **India 190%**
- **United States 5%**
- **Brazil 40%**
- **Indonesia 70%**

Note: iOS, Google Play, Third-Party Android in China combined

Data source: App Annie

❮ China app market: In 2019, revenue in China approached US$50 billion, up by 190% over the past three years ❯

Top Countries by App Store Consumer Spend

Growth From 2016 to 2019

- **Worldwide 110%**
- **China 190%**
- **United States 105%**
- **Japen 45%**
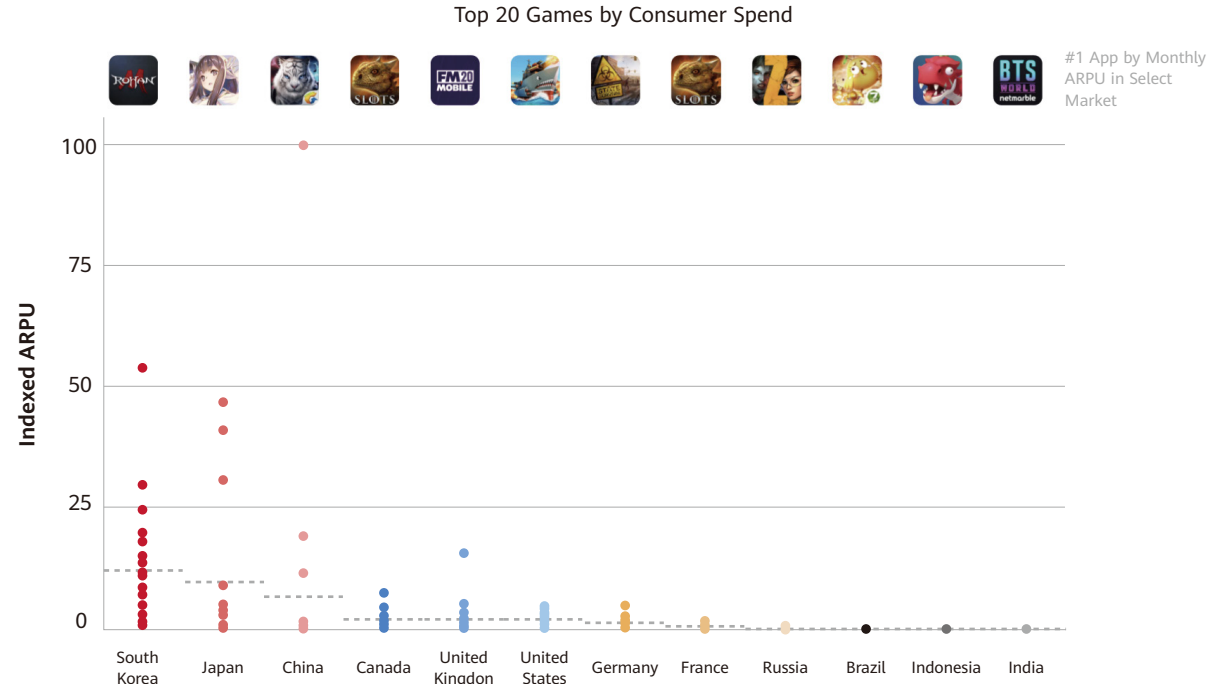- **South Korea 100%**
- **United Kingdon 85%**

Note: Spend is gross - inclusive of any percent taken by the app stores; iOS, Google Play, Third-Party Android in China combined

Data source: App Annie

< The ARPU of game users in China ranks No.3 >

Distribution of ARPU Among 2019 Releases

Top 20 Games by Consumer Spend

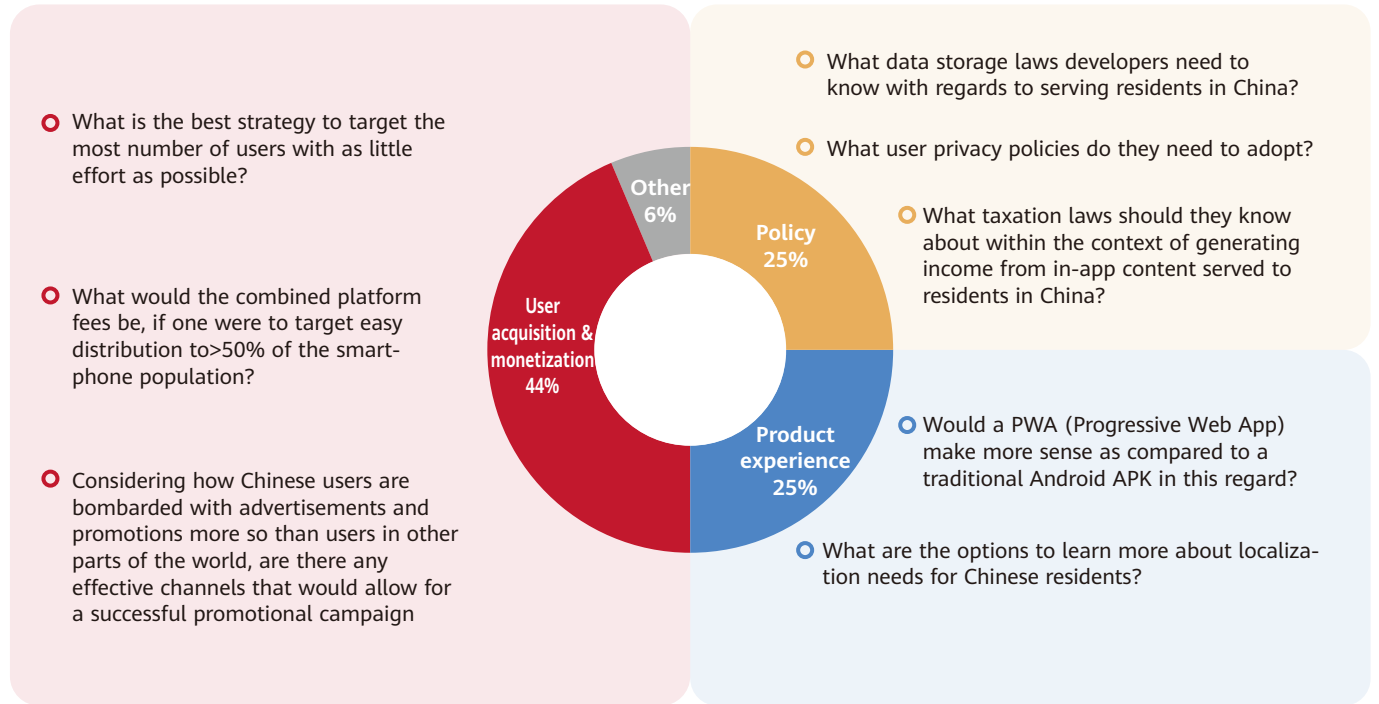#1 App by Monthly ARPU in Select Market

Note: iPhone only for China. Top games made up of top 20 Games that were first released within 2019 by Combined iOS and Google Play Consumer Spend

Data source: App Annie

< Market access and revenue are the major concerns of global developers >

Statistics of XDA Developers, the world's famous developer community, shows that user acquisition, monetization, market entry policies, and product localization are the major concerns of global developers intending to enter the Chinese market.

○ What is the best strategy to target the most number of users with as little effort as possible?

○ What would the combined platform fees be, if one were to target easy distribution to>50% of the smart-phone population?

○ Considering how Chinese users are bombarded with advertisements and promotions more so than users in other parts of the world, are there any effective channels that would allow for a successful promotional campaign

○ What data storage laws developers need to know with regards to serving residents in China?

○ What user privacy policies do they need to adopt?

○ What taxation laws should they know about within the context of generating income from in-app content served to residents in China?

○ Would a PWA (Progressive Web App) make more sense as compared to a traditional Android APK in this regard?

○ What are the options to learn more about localiza-tion needs for Chinese residents?

‹ Policy: Requirements for apps of different categories vary ›

Data Privacy

1. Cyber Security Law of the People's Republic of China
2. Personal Information Security Specification
3. Measures for the Determination of the Collection and Use of Personal Information by Apps in Violation of Laws and Regulations

Category-based admission

1. Finance - Measures for the Administration of Financial Licenses
2. Medical - Regulation on the Administration of Medical Institutions
3. Media and entertainment - Provisions for the Administration of Internet Audio-Visual Program Services
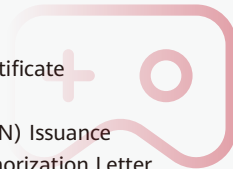4. News - Provisions for the Administration of Internet News Information Services
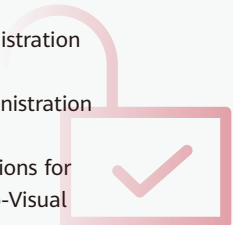
Taxation

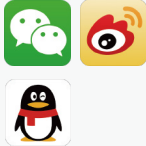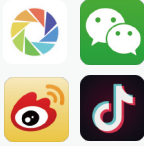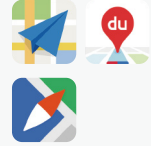Provisional Regulations of the People's Republic of China on Value-added Tax

Game

1. Computer Software Copyright Certificate
2. Copyright Authorization Letter
3. Online Game Publication No. (ISBN) Issuance
4. Publication approval number Authorization Letter

‹ Product: an array of mature local counterparts in China's internet market ›
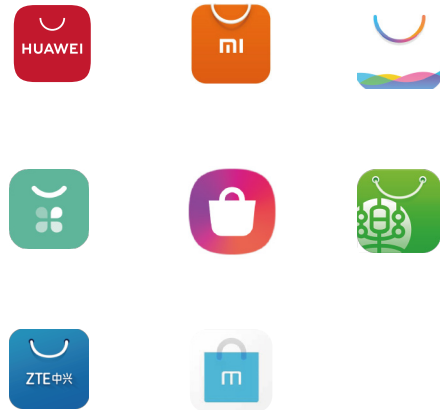
	Account	Payment	Sharing	Map	Email
China					
Global					

< User acquisition: a highly fragmented market for Android app distribution >

App stores of mobile brands

Third-party app stores
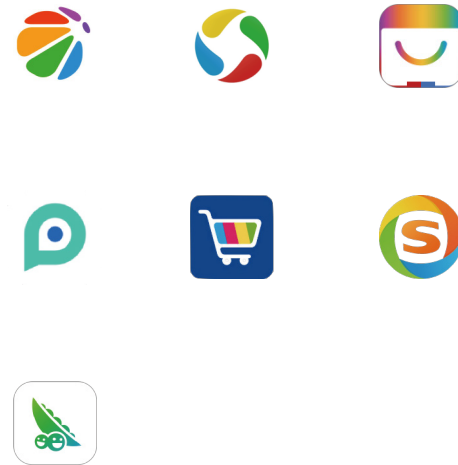
< User acquisition: obvious Matthew effect in the Chinese media market >

The Chinese media market is dominated by a handful of giants. ByteDance, Baidu, Alibaba, and Tencent, their apps contribute nearly 80% of the usage duration of mobile Internet users in China.

				others
Tencent 腾讯 48.2%	ByteDance 字节跳动 12.9%	Alibaba Group 阿里巴巴集团 10.6%	Baidu 百度 7.4%	20.9%

Nativex

"Top apps have a strong presence in China's media landscape. Those from Baidu, Alibaba, Tencent, and ByteDance (BATT) can be found in all vertical markets. In this sense, the ability to harness the media platforms of these giants is the key for foreign developers to achieve stable growth and long-term success in the Chinese market. "

Jake Li
Vice President of Nativex

< Team: Ongoing efforts of local teams are indispensable for achieving success in the Chinese market >

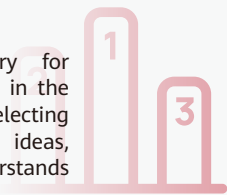### Ads launch team

Proper advertising is necessary for extending the product's influence in the Chinese market. Whether it's selecting the proper media or generating ideas, developers need a team that understands the Chinese users and media.

Product team

The team can help adapt app functions to suit the Chinese users' habits and fit in the Chinese context.

Operations team

The team understands the Chinese market well and can maintain dialog with users in the market. It can help developers adjust operation strategies as necessary and plays a vital role in helping developers localize their apps.

Market development team

The team has in-depth understanding about the local market and industry and can help developers identify high-quality partners and increase the influence of products in the local market.

< AppGallery: stable growth of MAU and rapidly increasing app distribution volume >

AppGallery MAU (million)

2019 Q1	2019 Q2	2019 Q3	2019 Q4	2020 Q1	2020 Q2
300	350	390	400	420	460
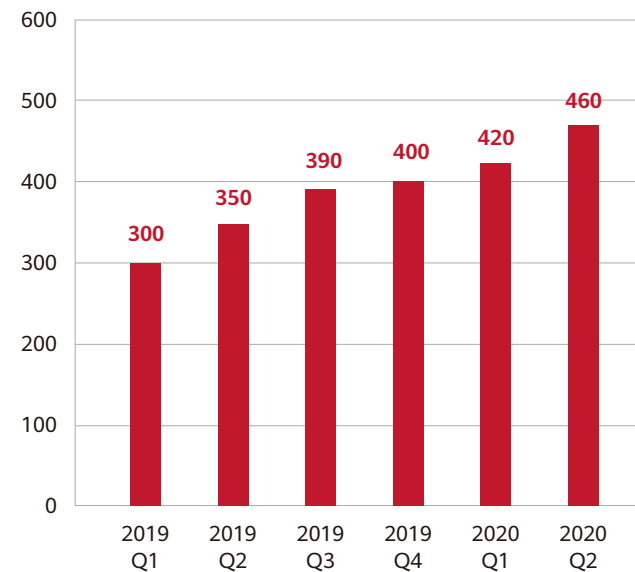
Annual distribution via AppGallery (100 million)

2013	2014	2015	2016	2017	2018	2019
5.5	29.5	175	450	540	1200	2100
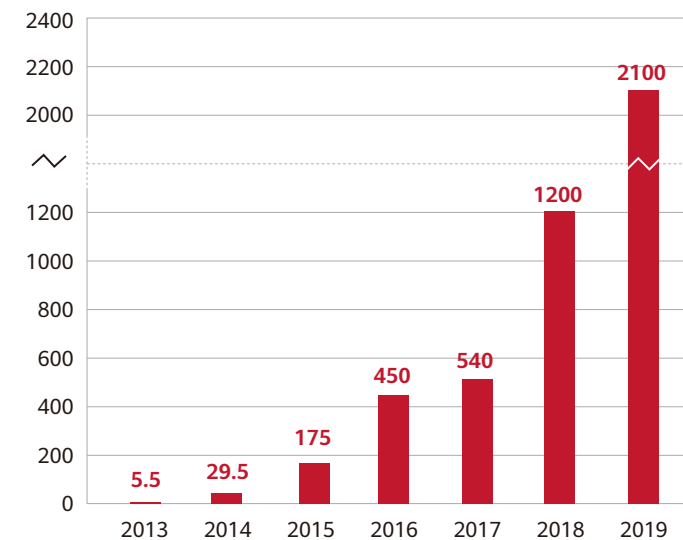
< Huawei offers crucial assistance for global developers in the Chinese market >

Policy consulting

- Admission qualification
- Data privacy
- Tax rules
- Game licensing

STEP 01

Product localization

- HMS integration support (e.g. account, payment, and ads services)
- Product availability test
- Quick release review

STEP 02

User acquisition & monetization

- Marketing resource support
- Joint branding/marketing
- Multiple monetization approaches (e.g. ads and joint operations)

STEP 03

< One-stop policy consultation for the Chinese market >

Developer

How to launch my game in China?

Huawei

Company

ICP---handling period: 180 days

Game

Software copyright---handling period: 2 weeks
Game licensing---handling period: 80 workdays

Licensing conditions

Precautions

Application materials
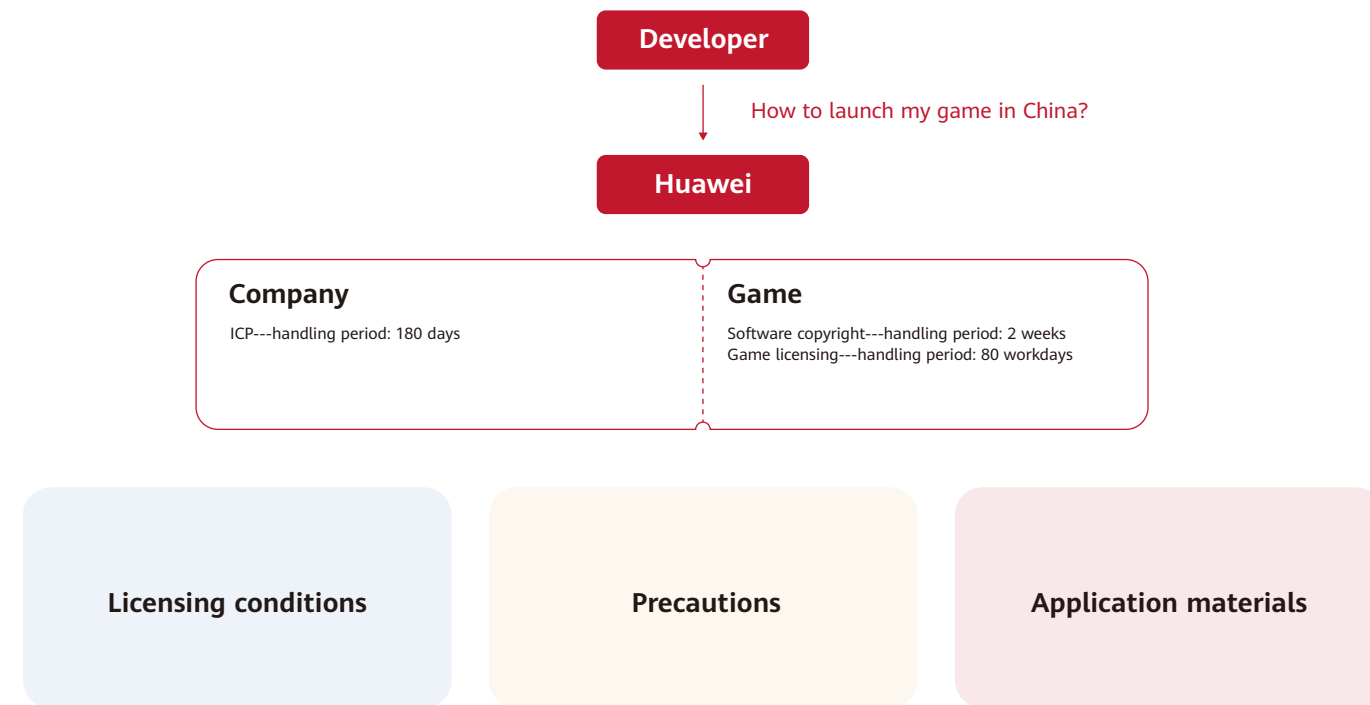
The information is provided for reference only. More details, please refer to the consultation.

< One-time integration of HMS Kit, universal compatibility in China >

+

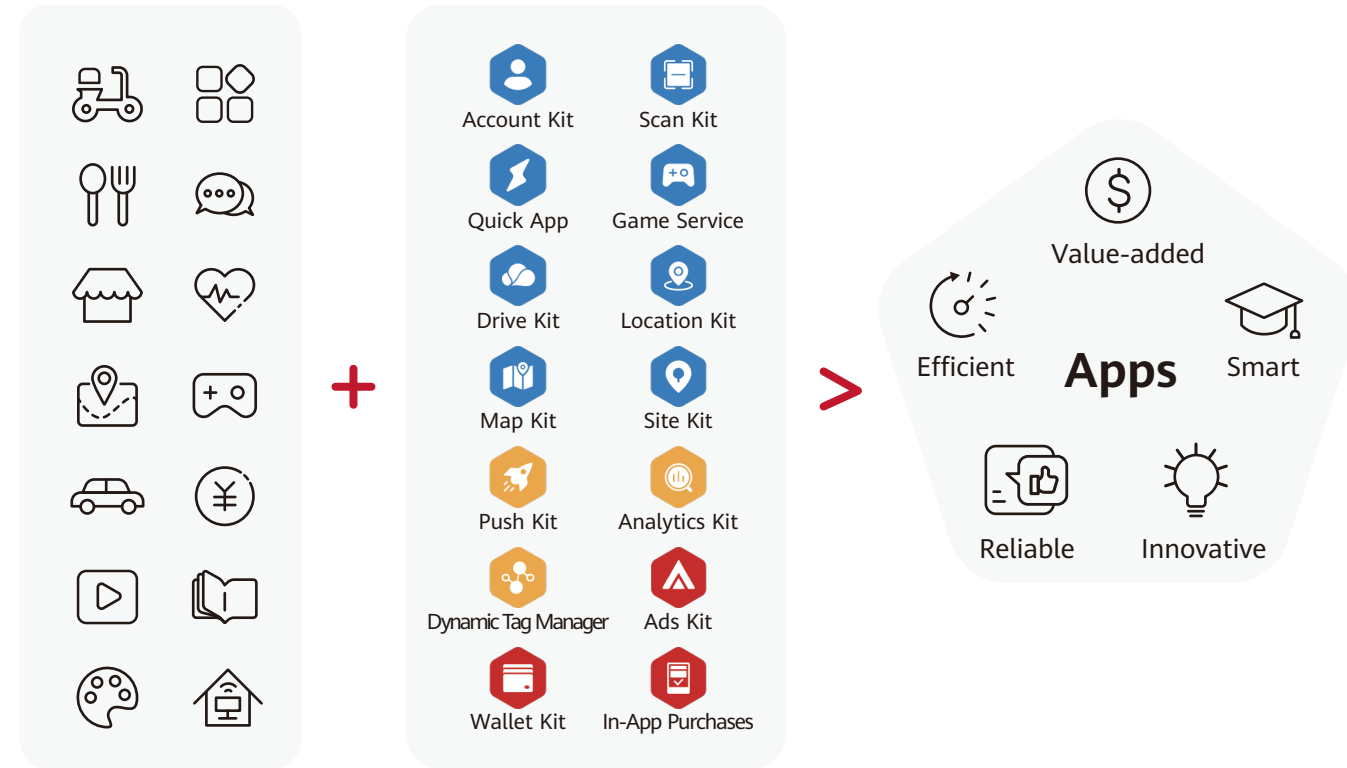- Account Kit
- Scan Kit
- Quick App
- Game Service
- Drive Kit
- Location Kit
- Map Kit
- Site Kit
- Push Kit
- Analytics Kit
- Dynamic Tag Manager
- Ads Kit
- Wallet Kit
- In-App Purchases

>

Apps

- Value-added
- Efficient
- Smart
- Reliable
- Innovative

< Product: a dedicated China market page for international developers created by Huawei Developers Forum >

- HUAWEI Developer Forum is a platform that enables global developers to share insights and address challenges with greater ease, as well as learn more about Huawei services, platforms, and recent developments.

- DevHub is a prominent forum page that shares the latest news, policies, and events relating to Huawei's ecosystem, with 1.4 million developers around the world. Huawei regularly publishes guides and news about releasing apps and games on AppGallery in China, under the "App GoChina" tag, including information on the release process and related policies, in addition to effective user acquisition and app monetization practices.
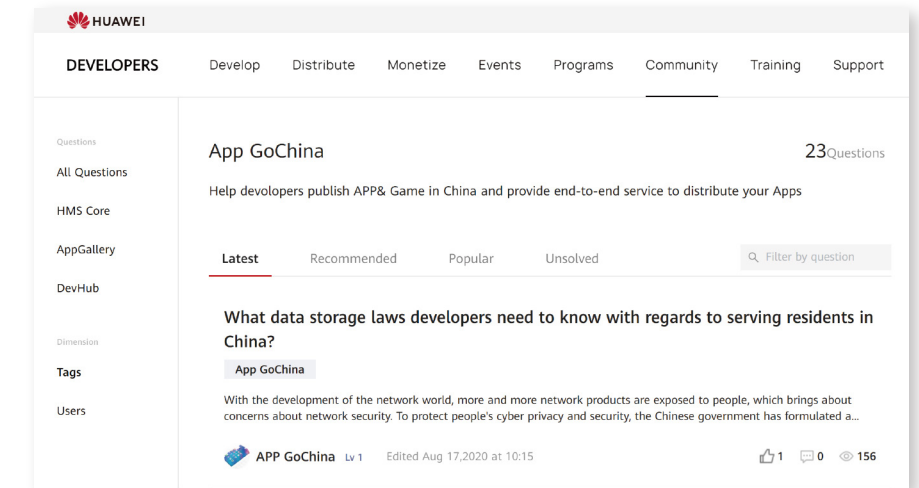
< User acquisition: Diverse promotional resources facilitate initial market entry >

Top banner	Push messages	New releases	Global apps	Developer stories

< AppGallery paid promotions: Abundant media resources, for bolstered user acquisition and growth >

Media resources provided by AppGallery

Chart resources	Search resources	Brand promotional and sales resources
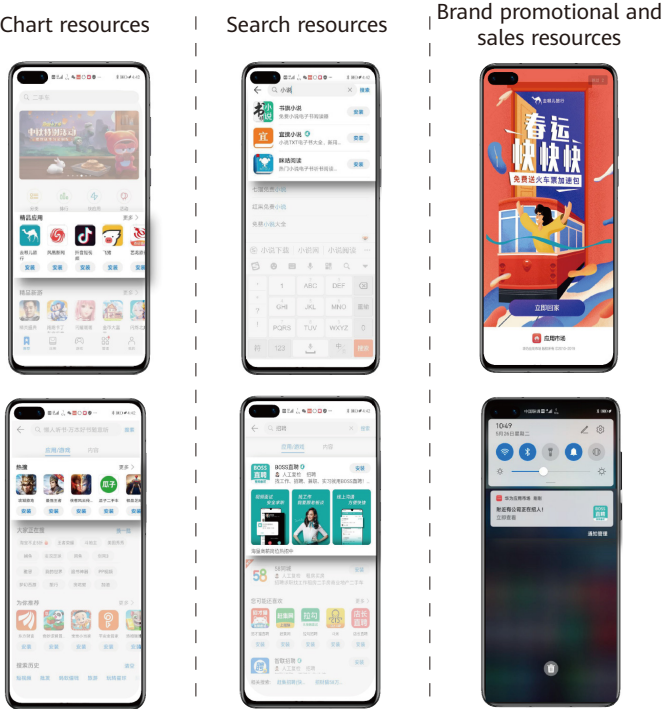
Search resources serve as the major source of traffic
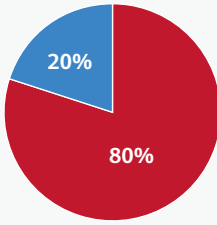
Over 80% of Huawei users download apps from AppGallery through searches

New downloads (search result vs. one-step search)

One-step search resources can help increase keyword-based downloads by 30%+

- One-step search
- Search result

The data is provided for reference only.
More details, please refer to the valid data and activity.

Paid promotion via AppGallery: various audience tags and accurate targeting help acquire users more efficiently >
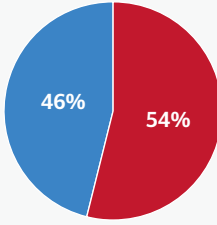
Custom audience creation
Create and modify audiences anytime in the system.

Various tags
Assign tags such as device, demographic attribute, and AppGallery user to target audiences.

Improved interactions
Save and use created audiences, estimate audience coverage, and import OAID files.

User data
Current location and permanent residence

Demographic attributes
Age, gender, and occupation

Device information
Internet access method, mobile phone model, carrier, and information about device use

User behavioron AppGallery
Active days/duration of users Whether the users are paid users on AppGallery

App behavior
Installs, activation status, and the types of apps that were active or had been used over the past 30 days

App preferences
App categories preferred by users and installs/activity degree

AppGallery: traffic by access period

Weekend
Workday

00   03   06   09   12   15   18   21
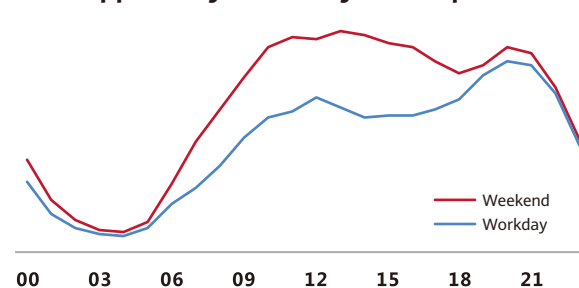
Peak hours of user access each day:
11:00-14:00 at noon and 19:00-22:00 at night

AppGallery: weekly traffic

Monday   Tuesday   Wednesday   Thursday   Friday   Saturday   Sunday
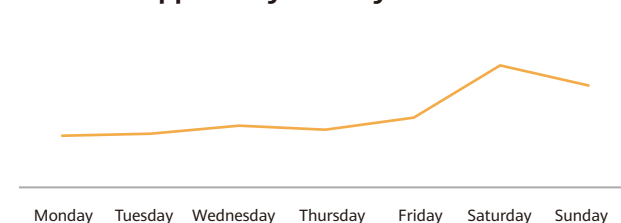
Peak hours of user access each week:
Friday, Saturday, and Sunday

Huawei Ads: diverse ad formats, attracting massive traffic >

Splash screen	News feed	Top banner	Pre-roll ads	Banner	HUAWEI Video (short video)
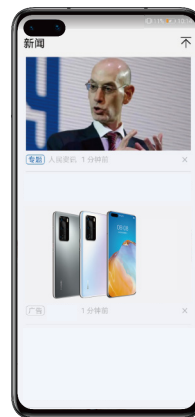
Huawei Ads: accurate targeting based on multi-faceted data, for presenting the right ads to users

Obtain seeds

- Obtain data provided by advertisers
- Deliver ads to tagged users and identify seed users

STEP 01

Optimize the user model

Build the user model leveraging AI algorithms and based on seed user behavior

STEP 02

Re-target and optimize delivery

Deliver ads to lookalike users

STEP 03
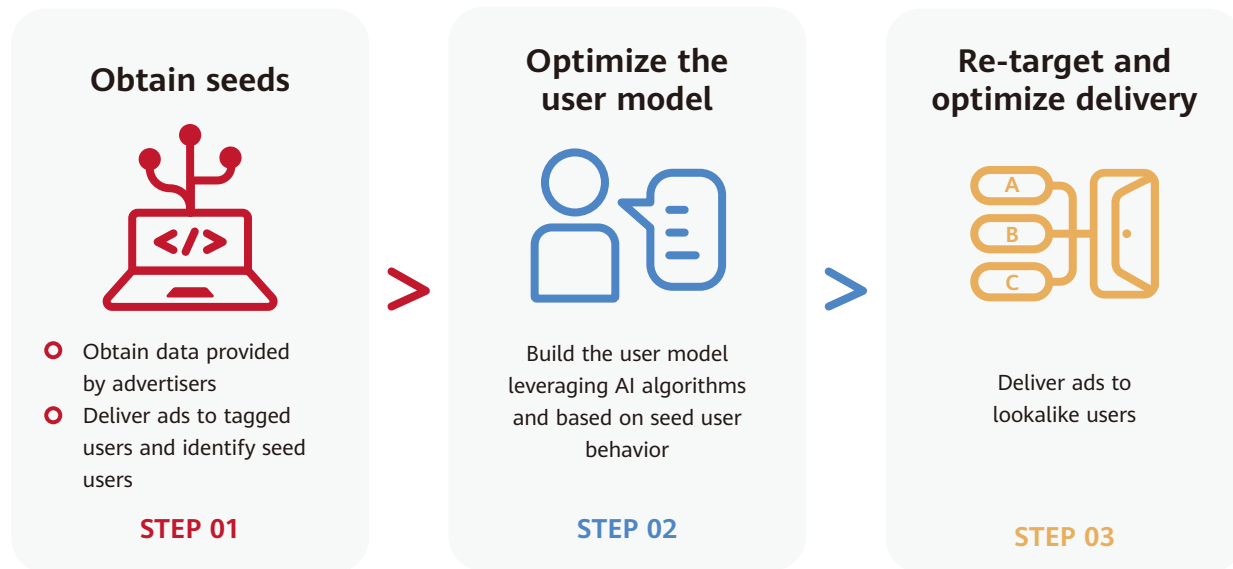
Huawei joint operations services help increase revenue from in-app purchases

Four operation strategies help acquire users, promote user engagement, and improve revenue

HUAWEI AppGallery cooperates with developers to operate apps and distribute them worldwide. It provides convenient development services and premium operations resources, and helps implement various marketing activities to drive the continuous growth of user base and revenue

Powerful resources

Recommendation-based new user acquisition

Enhanced revenue through joint operations

Coupons and incentives

Refined user operations

Targeted conversion rate testing

Collaborative cost savings

Refundable promotional expenses

Tools
News & reading
Photography
Personalized themes
Lifestyle

Kids
Education
Business
Vehicles
Food & drink
Travel

Media & entertainment
Finance
Health & fitness
Communications

< PicsArt: continuous joint marketing >

App Name	Category	Downloads	Banner	Push	Initial Release	Mobile Phone Cooperation	Brand Cooperation
PicsArt	Photography	200+ million	√	√	√	/	/

Introduction

PicsArt is a powerful photo editing app that provides users with rich functions, such as photo editing, stickers, collage, filters, and community sharing. As a globally popular photo beautification app, PicsArt has accumulated over 1 billion downloads around the world.
PicsArt has partnered with Huawei for a long time. Since its launch in the Chinese mainland via AppGallery, it has received over 200 million downloads.

China has always been an important market for PicsArt and it is a great pleasure to work with Huawei in this market. In terms of user acquisition, Huawei has provided us with great help to let more Chinese users get to know and use our app. We've been maintaining good communication with Huawei and look forward to more cooperation in the future.

Jennifer Liu
PicsArt General Manager for the China region

Source: AppGallery   *Statistics deadline: August, 2020

< Mondly: one-stop solution for entering the Chinese market >

App Name	Category	Downloads	Banner	Push	Initial Release	Mobile Phone Cooperation	Brand Cooperation
Mondly	Education	Newly released	√	√	√	/	/

Introduction

Mondly is a language learning app that helps users to explore the world of languages. Leveraging its dictionaries and advanced speech recognition technology, Mondly has been well received around the world since its launch. Through a partnership with AppGallery in 2020, Mondly has been successfully launched in the Chinese mainland.

We are glad to enter China through Huawei this year. Huawei's powerful and comprehensive HMS solution helps us quickly address our challenges in localizing the app for Chinese users. I believe this is a very good start and I hope Chinese users will like the app.

Alex Iliescu
Mondly CEO

Source: AppGallery   *Statistics deadline: August, 2020

< Facetune2: first launch in Android app stores in China >

App Name	Category	Downloads	Banner	Push	Initial Release	Mobile Phone Cooperation	Brand Cooperation
Facetune2	Photography	700,000	√	√	√	√	√

Introduction

Facetune2 is an easy-to-use selfie processing app with more than 150 million users worldwide. Since its release, it has won many prominent awards in the industry. Facetune2 partnered with Huawei in 2020 to complete its first launch in Android app stores in the Chinese mainland.

As we expand throughout the Chinese market and beyond, Huawei is a very strong partner for us, serving as an excellent distribution channel with the AppGallery that helps us bring Facetune2 to more users. Further, the well-functioning support team is quite attentive to our needs, providing very dedicated support and flexibility in terms of understanding our business goals - and creating added value. Beyond the results we see, the people we work with have been great and we look forward to our continued partnership with the Huawei team.

Nir Pochter
Lightricks, CMO

< Supercell: joint marketing with Huawei flagship stores >

App Name	Category	Downloads	Banner	Push	Initial Release	Mobile Phone Cooperation	Brand Cooperation
Brawl stars	Game	16,800,000+	/	/	/	/	√

Introduction

Supercell is a globally active mobile game company based in Finland. Supercell partnered up with Huawei in China for the grand opening of Huawei's largest flagship store in 2020. At the opening ceremony, visitors were treated to game merchandise, and two walls were set up to showcase Supercell's game characters.