

# The Future of Asian Online Communities

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Asia-Pacific  
**Information Technology**  
Summit



# Creating Value in China's Internet Marketplace

Kevin Cookman  
Chief Operating Officer

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# Background

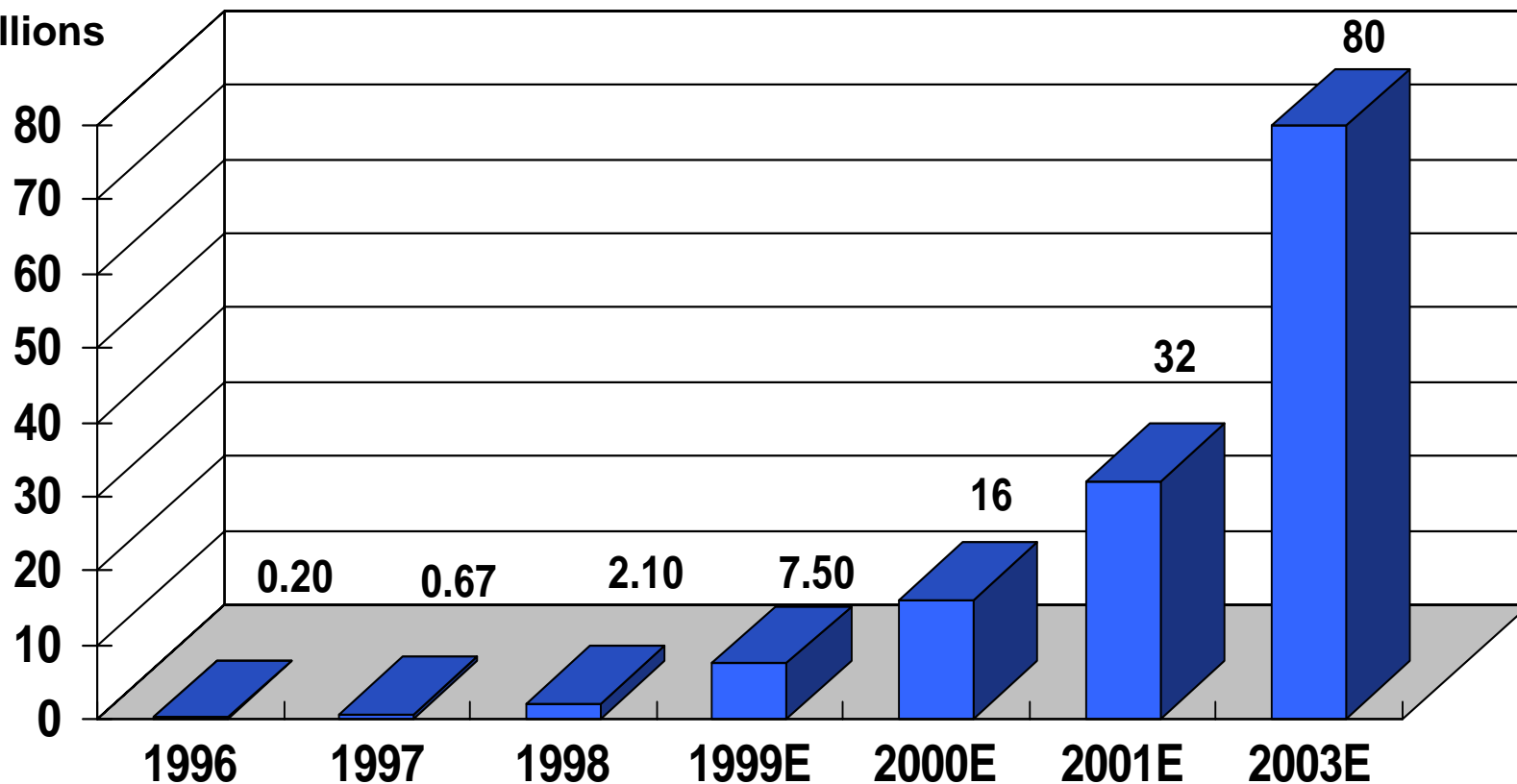
- First E-commerce player in China
- Strategic Shift to portal  
June 98, Zhaodaola!
- Launch February 99



# PRC Netizens

No. of Users /

millions

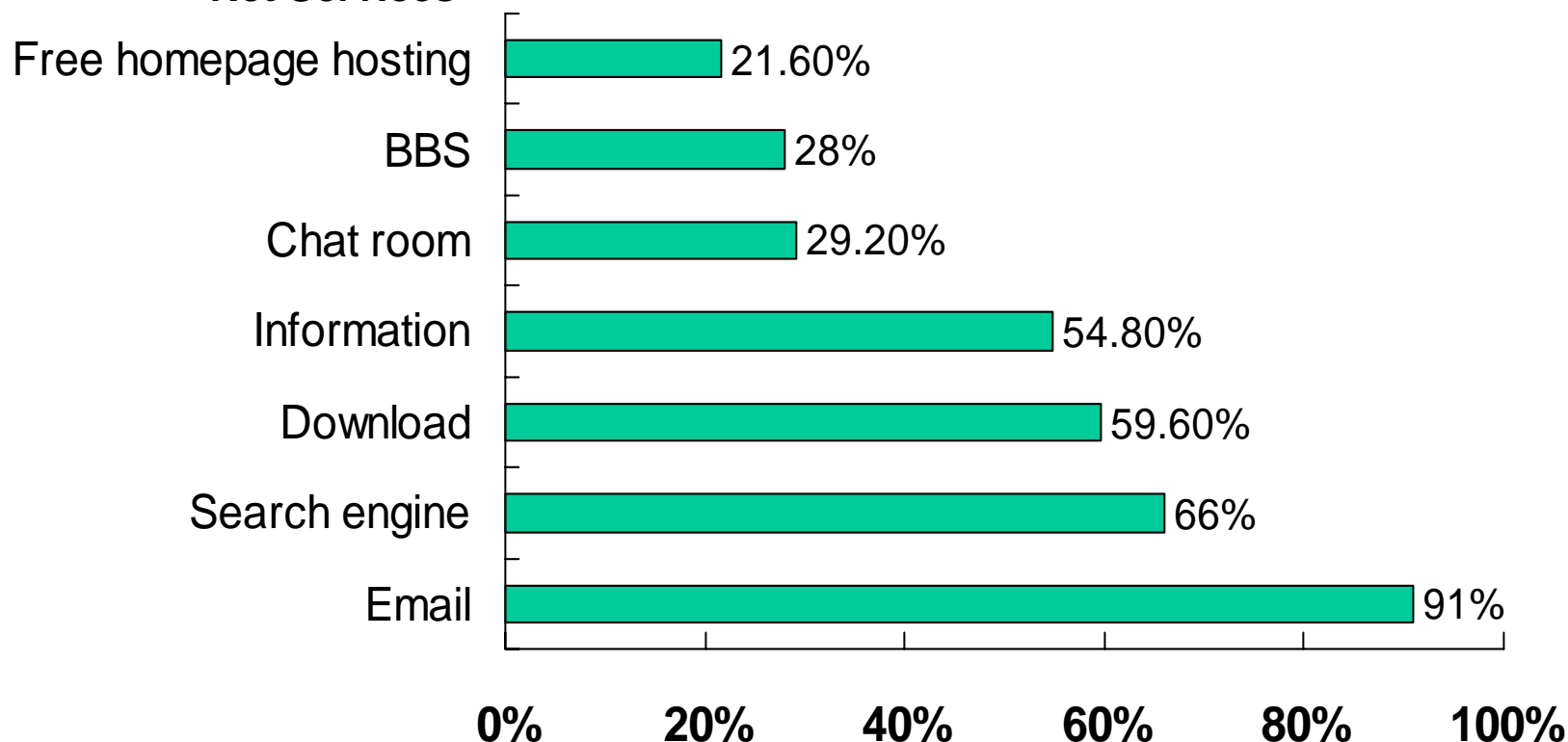


Source: Goldman Sachs, CNNIC report, July 1999



# Characteristics of China's Current Online Users

## Net Services



Source: CNNIC report, July 1999



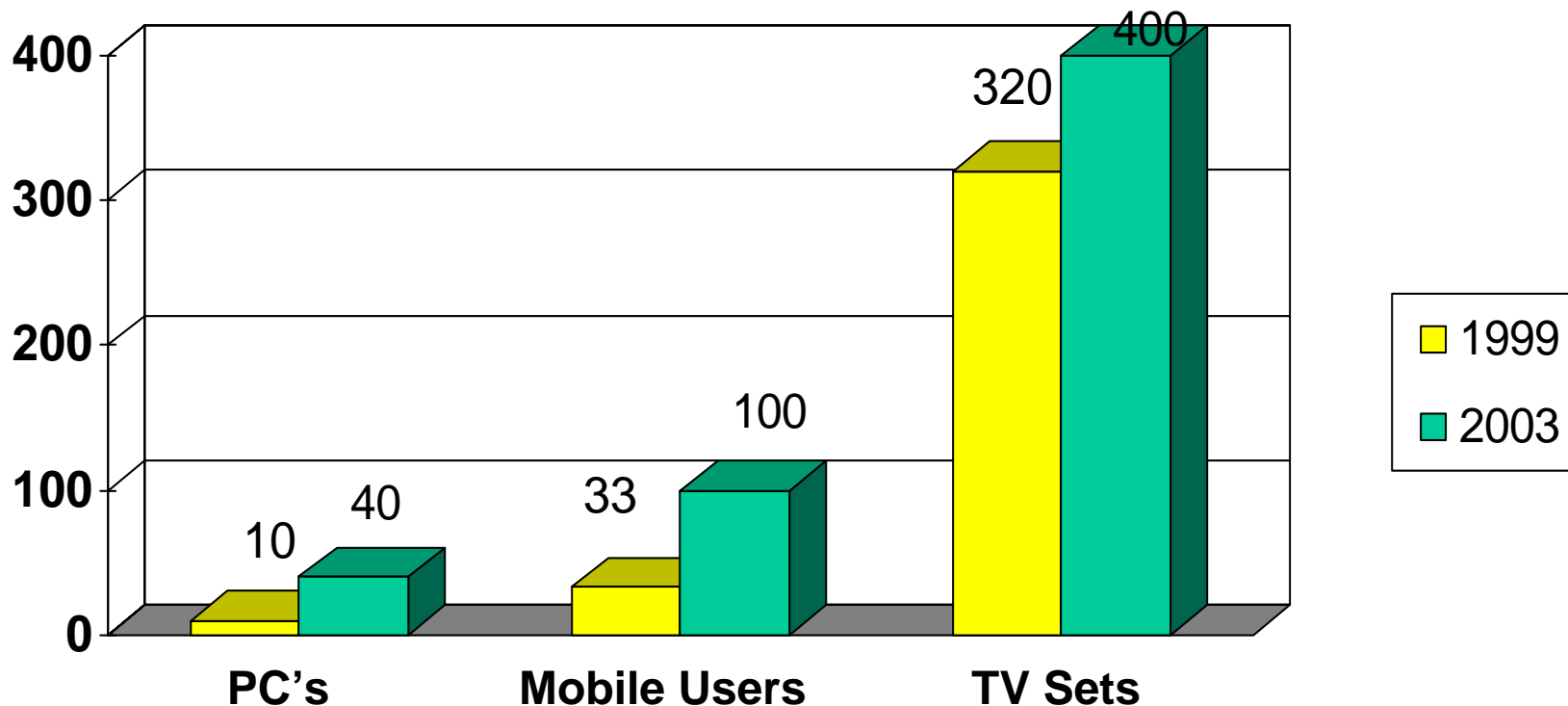
# China's Emerging Online Communities

- Localized Content that is engaging
- Lifestyle Content is King - Sports, Health, Games, Entertainment (Music, Movies)
- Specialty Sites - Auctions, Stocks



# Next Stage of China's Online Presence

Users (million)



Source: MII. GoldmanSachs



# E-commerce Challenges In China

- The obvious: Credit, Distribution methods
- The Not So Obvious:
  - Very few direct/tele-marketing companies who can make a fast dash to the net
  - Most Manufacturers optimized for bulk production and container/truckload deliveries
  - Very small penetration of ERP systems or Financial system with an Order Entry capability





# E-commerce Challenges for China

- Bringing in the Experienced Consulting necessary to succeed.
- Localizing good ideas, building new ideas.
- Realizing that owning it does not solve the problem.
- Building the trust.



# Zhaodaola China Internet Ltd.

