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Data Lion - Boosting Chinese AI Industry Go Abroad

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Abstract: As China's Internet market saturates, domestic Artificial Intelligence (AI) firms are expanding globally. However, they are facing challenges in data acquisition, compliance, and competition. This paper takes B2B (Business to Business) company Data Lion as an example and examines its branding and marketing strategies. Using PEST (political, economic, social, and technological) analysis, this paper evaluates China's AI data landscape and proposes a market gap-filling strategy. Additionally, the 4P (product, price, place, and promotion) framework is applied to develop targeted marketing approaches, including product differentiation, pricing models, promotional strategies, and distribution channels. It highlights the role of customized data solutions, digital and offline marketing, and strategic partnerships in facilitating global expansion. This paper finds that there are some suitable ways to Data Lion insights for Chinese AI companies seeking sustainable international growth.

Keywords: Data Lion, Big Data, Brand Positioning, Brand Promotion

1. Introduction

As China's internet user growth approaches saturation, domestic companies are increasingly targeting overseas markets to seek new growth opportunities. International expansion has become imperative, especially given higher payment willingness in certain regions where solutions driven by AI (Artificial Intelligence) can establish stable revenue streams [1]. While transnational business models have long been debated, China's current expansion differs fundamentally as it combines knowledge creation with applied technology in AI, a transformation force reshaping global industries [2].

Despite governmental support and rapid AI sector growth, Chinese firms face unique internationalization challenges: limited overseas data accessibility, high acquisition costs, legal-security risks, and geopolitical tensions amplified by the China-US tech rivalry [3]. To address these barriers, Shanghai Huishuo Technology launched Data Lion, China's premier overseas data provider offering OCR (Optical character recognition), biometric, and voice data solutions to empower AI companies' global expansion.

This study adopts a case study methodology to examine B2B (Business to Business) marketing strategies through Data Lion's operations [4]. Combining PEST (political, economic, social, and technological) analysis of China's AI data ecosystem with 4P (product, price, place, and promotion) framework, this paper proposes a market-gap strategy emphasizing database construction and data barrier establishment. The research contributes to B2B marketing theory by revealing how technology providers can leverage data resource advantages, while practically guiding Chinese AI firms in branding and strategic internationalization [5]. Findings provide actionable insights for navigating geopolitical complexities and securing competitive edges in global markets.

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2. Market analysis

2.1. Economic environment

2.1.1. Promising prospects: booming investments in the big data market

AI has become a critical driver of the new wave of technological innovation and industrial transformation. Benefiting from the support of national policies and driven by capital and talent, China's AI industry is booming and has stepped into the forefront of the world. According to data released by the CAICT (China Academy of Information and Communications Technology), the scale of China's AI industry will start to grow rapidly in 2019, with year-on-year growth reaching 33.3% in 2021, and the scale of the industry reaching 508 billion Yuan in 2022, with a year-on-year increase of 18% [6]. Preliminary statistics show that the scale will reach 578.4 billion RMB in 2023, with the growth rate slowing down to 13.9%.

From the perspective of the overall AI landscape, China's AI market is large, and enterprises demonstrate high investment enthusiasm. According to data from iiMedia Research in 2021, the scale of financing in China's AI industry has expanded continuously since 2014, peaking in 2018 [7]. In 2020, the industry's financing scale reached 140.2 billion Yuan. Data from Qianzhan shows that, as of October 9, 2022, China's AI industry had recorded a total of 6,486 investment and financing events, with a cumulative financing amount of 999.4 billion RMB [8]. Between 2014 and 2018, both the number of financing events and the total financing amount showed sustained growth, with 1,049 events and 136.6 billion Yuan in 2018. However, from 2019 to 2020, the market cooled slightly, with fewer financing events but an increase in financing scale. In 2021, China's AI capital market experienced a new wave of growth, with the number and scale of investment and financing events reaching all-time highs of 1,066 events and 306.2 billion Chinese Yuan, respectively. By October 9, 2022, the AI industry recorded 532 financing events, totaling 100.8 billion Yuan.

Machine learning, a core AI technology, relies on analyzing data to uncover patterns and make predictions, emphasizing the importance of large, analyzable datasets. The rise of PCs, the internet, and mobile devices has fueled the big data era. According to IDC, global data production surged from 16.1 ZB in 2016 to an estimated 163 ZB by 2025 [9]. In China, millions of hours of speech data and billions of images require annotation annually, highlighting the need for high-quality data to train AI models effectively. The AI foundational data service market includes crowd-sourcing platforms and integrated outsourcing providers, with the latter enhancing efficiency through professional management and flexibility. Data Lion, an integrated provider, supports Chinese AI companies' global expansion by offering overseas data collection, enabling them to focus on innovation and market opportunities.

2.1.2. Caught in competition: domestic enterprises going overseas

Chinese domestic companies have strengthened their capabilities, leveraging multiple resources to expand globally, with globalization as a key goal. Amid China's AI industry boom, identifying clear development paths is crucial. Rising domestic investment and competition push AI firms to explore underdeveloped overseas markets. For mature enterprises, international expansion offers a second growth curve, while startups, facing saturated domestic markets, can seek opportunities in overseas blue ocean markets for breakthroughs.

In this context, Ubtech Robotics, recognized in CB Insights' "AI 100" list, has launched Lynx, the first Alexa-based humanoid robot with Amazon, and is testing a Star Wars-themed Stormtrooper robot with Disney. DeepBlue Technology, a globally top-ranked AI team, has expanded internationally with branches in multiple countries and R&D centers across China. SenseTime has provided computer vision technology to global apps and partnered with Huawei and Middle Eastern

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governments for smart city development. Meanwhile, DJI collaborates with top electronics retailers worldwide and established an exclusive retail partnership with Apple in China, solidifying its global presence. These companies exemplify the diverse strategies Chinese AI firms are employing to thrive in the global market.

2.2. Social environment

2.2.1. Scarcity of foreign resident resources

Chinese AI models require large, well-labeled datasets, but obtaining them is challenging due to China's limited and unevenly distributed foreign resident population (845,697 in 2021). Overseas data collection is further hindered by logistical inefficiencies and a lack of organized data communities. These barriers impede Chinese AI companies' global expansion. Data Lion addresses this by providing customized overseas audiovisual data resources and integration services, offering a one-stop platform to support their international growth.

2.2.2. Slowness in dataset development

As AI applications shift from general to specific scenarios, companies face increasing complexity in adapting to overseas contexts. Successful expansion requires not only language compatibility but also alignment with the habits and scenarios of target markets, such as sentiment, multi-user, and dialect data collection. This necessitates extensive cultural knowledge, data preparation, and training, significantly lengthening the dataset development cycle. Independent development further complicates this by requiring a diverse workforce, adding time and resource burdens.

2.2.3. Low data quality

Statistical learning-based facial recognition algorithms dominate the field but require extensive, high-quality training data. Limited access to diverse foreign facial datasets and over-reliance on databases featuring primarily Chinese individuals reduce model accuracy and hinder international expansion. Addressing small sample challenges and improving data recognition rates require further research.

2.2.4. High data collection costs

The scarcity of foreign residents and low resource density lead to high data collection costs. The expense of collecting data from foreign residents is 1.5 to 9 times higher than collecting data from Chinese dialect regions, driven by market imbalances and non-standardized pricing. These challenges highlight the need for efficient and cost-effective data solutions to support global AI expansion.

2.3. Political environment

In the digital era, innovations in cloud computing, AI, and machine learning are transforming industries, but stricter global data privacy laws, particularly in the U.S. and Europe, are increasing compliance challenges. Cross-border data access faces growing barriers as Western countries intensify data protection to maintain market leadership, leading to higher legal conflicts and costs. This complicates Chinese AI companies' efforts to acquire overseas data and expand globally, posing significant hurdles for international growth.

2.4. Technical environment

Quality data is vital for AI, but acquisition faces challenges like limited digitization and unreliable manual reporting. Real-world data is key for solving business problems, yet multi-source, time-series,

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and unstructured data complicate storage and processing. As AI advances into niche industries, annotation complexity and costs rise, requiring specialized knowledge and techniques for new data types like text and 3D images. Specialized scenarios demand precise, small-scale data under specific conditions, widening the gap between industry capabilities and business needs.

3. Marketing mix strategies

In B2B marketing, the purchasing behavior of customers tends to become more complex over time as they shift toward acquiring higher-value and more sophisticated products. In other words, understanding one's customers and clarifying the return on investment in marketing activities are major concerns for B2B marketing [10].

3.1. Product strategy

Data Lion, in its early stages, faces challenges like limited data scale and bargaining power, leading to highly customized solutions and individualized pricing, which hinder market expansion. However, the company has built substantial experience and a standardized database, positioning it to adopt a new product strategy. It is recommended that Data Lion implement a dual strategy of focusing on core, standardized data collections (e.g., language, facial recognition, speech) to create barriers through standardization, while also offering customized services tailored to client needs. Additionally, providing integrated smart overseas solutions will support international expansion, maximizing economic and social benefits. This approach will help transition from small-scale custom services to large-scale standardized offerings, enhancing brand development and service capacity. Customized services can remain as value-added options, strengthening relationships with B2B clients and opening new revenue streams. A unified brand strategy with certification for quality-compliant suppliers will further improve service quality, enhance capabilities, and build a strong market reputation.

3.2. Promotion strategy

The Data Lion project focuses on the domestic AI industry by building an overseas AI dataset platform to support the international expansion of Chinese businesses. Its primary target customers include domestic AI companies, internet firms, cloud service providers, big data companies, IT services, and telecom equipment businesses. These customers require varied promotional strategies to increase brand awareness and drive growth.

To attract clients, Data Lion should employ a mix of advertising, public events, product experiences, and direct visits from business representatives. As a tech company, digital marketing is essential. Online ads (image, short video) should be placed on high-traffic AI websites and social media platforms (e.g., Baidu, Sogou, WeChat, and Tik Tok). Digital tools like web data and cookies can target potential users, offering personalized services and improving ad efficiency.

Despite the emphasis on digital marketing, traditional methods, such as direct visits, remain important for larger clients. While less efficient, these methods demonstrate professionalism and sincerity, which are crucial for conversion. For startups, building relationships with major clients is not only about sales but also about fostering long-term investment partnerships. Traditional marketing helps establish trust and a proactive approach in seeking cooperation.

3.3. Price strategy

Due to varying levels of difficulty in collecting different data types, pricing varies significantly. For example, OCR data is relatively low-priced, while facial recognition data is more expensive, ranging

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from a few Yuan to tens of Yuan. This inconsistency makes uniform pricing difficult, so establishing consistent discount standards and pricing rules is a more reasonable approach.

Data Lion will adopt different pricing strategies based on product and service characteristics. For single-product services, a cost-plus method will be used, where service fees depend on costs and target profit margins. Discount strategies will apply for pre-set product bundles, adjusting service fees based on bundle size. For customized needs, an individual pricing strategy will be used. For example, OCR data priced at 1 Yuan per entry could offer a 10% discount for 250,000 entries, or 20% for the entire database.

Data Lion offers service bundles across data collection, hardware, and software. Combining products like facial recognition and lip-reading data can encourage clients to purchase both, with discounts applied. While data collection is the current focus, software and hardware development are vital for future growth. Proper product bundling can increase software and hardware sales.

Initially, Data Lion's invoiced revenue could reach 1 million RMB weekly, but significant revenue discrepancies hindered management. A standardized pricing strategy could increase project revenues to 1 to 1.5 million Yuan, improving efficiency and cash flow.

3.4. Place strategy

Currently, Data Lion is in a phase of rapid market development, with its business volume beginning to take off. The company is mainly promoting its products and services through partnerships with several established industry leaders. As product visibility and business volume increase, Data Lion has already established long-term collaborations with 17 top companies in China's AI sector, including Baidu, Alibaba, JD.com, iFLYTEK, and others. Its efficient and precise data services have earned the trust and praise of numerous enterprises.

3.5. Discussion

Data Lion should redesign its marketing mix by integrating both online and offline promotion strategies. For online promotion, B2B companies like Data Lion should focus on showcasing the company's introduction and case studies to attract interest, not just conversions. The goal is to guide users to inquire further after multiple rounds of communication. A structured online strategy should include live-streaming events, webinars, and app content marketing to keep users engaged. Digital ads on platforms like LinkedIn and industry forums, along with SEM and word-of-mouth marketing, will help broaden visibility. Offline strategies are crucial for building strong client relationships. Personalized door-to-door visits allow tailored discussions on how Data Lion's solutions meet client needs. Participating in industry events and hosting conferences provides networking opportunities and brand visibility. Thought leadership talks and public sharing sessions can further establish Data Lion's authority in the data industry. Organizing product experience events enables clients to interact with the offerings, enhancing their understanding of the value.

By combining these online and offline strategies, Data Lion can strengthen its market presence, engage clients, and drive conversions.

4. Conclusion

In conclusion, this paper explores the marketing strategies for B2B technology companies, particularly within the context of Chinese high-tech firms expanding globally. Using Data Lion as a case study, the paper outlines various marketing approaches aimed at offering valuable insights for companies with similar structures and challenges.

However, the study has certain limitations. Notably, it lacks empirical research and experimental validation of the proposed marketing strategies. Future research could benefit from incorporating

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surveys, case studies, and real-world testing to provide a more comprehensive and evidence-based understanding of these strategies.

Looking ahead, the field of B2B technology marketing holds significant potential for innovation and exploration. Data Lion, along with other industry players, is expected to continue experimenting with and adopting new marketing methodologies to stay competitive in a rapidly evolving landscape. As the global market for high-tech solutions grows, further research and strategies will be crucial for sustained success and market penetration.

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