



De La Salle University – Dasmariñas
GRADUATE PROGRAM

Key Influencing Factors Affecting the Development of ISP Business
Sub-sector in China for the Period 2002-2003

A Thesis

Presented to

the Faculty of the Graduate School of Business

DE LA SALLE UNIVERSITY-DASMARIÑAS

In Partial Fulfillment

of the Requirements for the Degree of

Techno - Master of Business Administration

By

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February 2004



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ABSTRACT

Title: Key Influencing Factors Affecting the Development of ISP Business Sub-sector in China for the Period 2002-2003

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Year Completed: 2004

Type of Document: Masteral Thesis

No. of Pages: 164

Summary

Internet revolution in China has been phenomenal in recent few years. This descriptive study sought to provide the reader a clear picture of telecommunications infrastructure and Internet development in China, evaluate the competition of Internet Service Provider (ISP) industry using Michael Porter's 5 forces model to help the author determine the key factors affecting ISP business growth, which is the main objective of this research study, and then trace the developmental trends of ISP business growth behind the facts. Eventually the author gave some concrete and instructive recommendations on ISP market standardization and the development strategy of ISP firms in China.



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The author concluded that the driving factors in ISP business development are a) the continuing growth of the domestic economy brought about stronger competition bolstered by entry to the WTO; b) expanding broadband access networks; c) great potential of mobile Internet; d) favorable government policy. And the restricting factors are a) obvious economic and infrastructural imbalances at both regional and urban-rural areas; b) insufficient competition at national backbone level; c) limited affordability and availability of broadband access; d) incomplete deregulation of telecom industry; e) delay in policy and relevant law formulation; and f) restricted geographical competition. Recommendations to operators are a) strengthen market research and tailor promotion strategies to market needs; b) ally with content service providers to create a win-win model. Recommendations to foreign players are a) collaborate positively with telecommunication authorities; b) seek strategic partners in China. Recommendations to government authorities are a) support market development and nurture sound market environment; b) put the market in order and avoid irrational competition through merging and acquisition; c) develop a comprehensive legal framework for the effective implementation of telecommunications policies; d) drive forward competition in the supply of broadband infrastructure and services.



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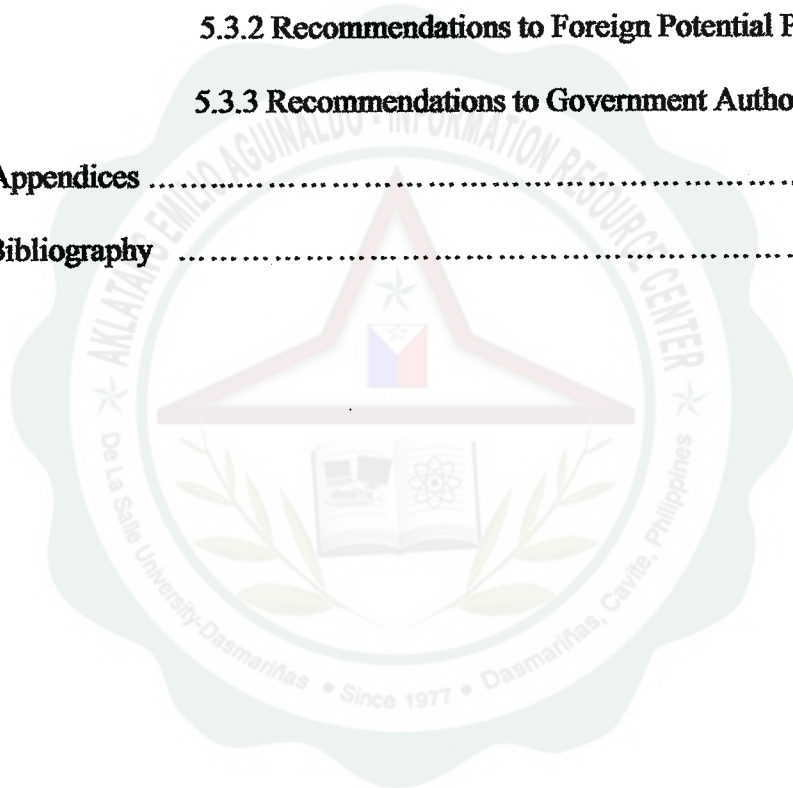
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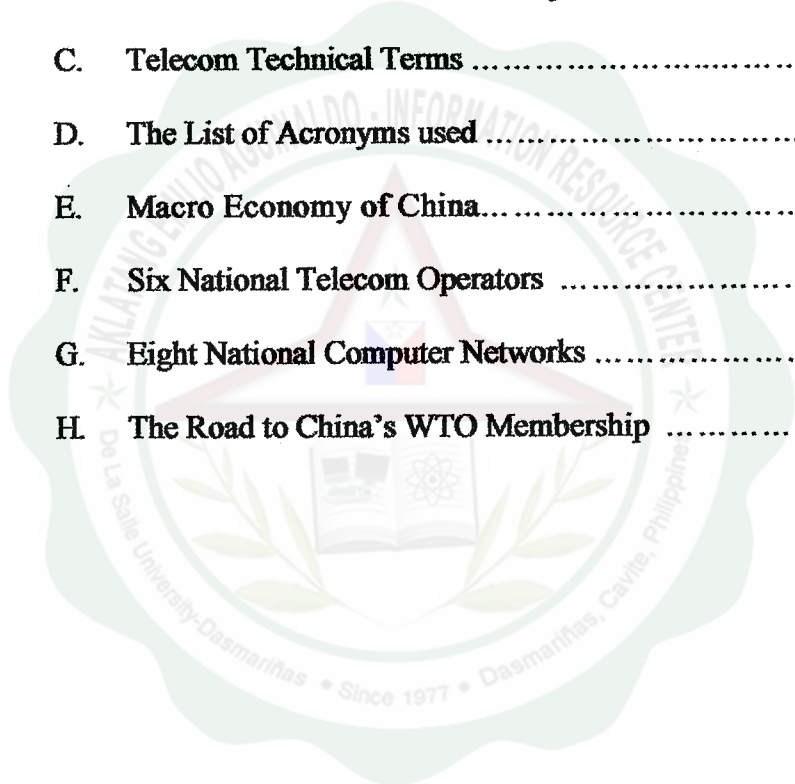
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