China Online Search Market Survey Report’2005
(Part I – Beijing)
August 2005
Survey Findings and Analysis

China Internet Network Information Center (CNNIC)

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General Information on Search Engine Users in Beijing

Market Dynamics

Demographic Distinctions Between Users of Major Search Engines

Summary of Survey Findings
Information about Users in General
General Information

- 86% of Beijing’s Internet users have used online search
- On any given day, 38% of those online use search engines
- On days they go online:
  - 39% use search frequently each day
  - 55% use search at least once a day
  - Over 80% use search at least once a week
General Information

- 55% of online searchers are males
- 40% are students

- Among those student users:
  - Nearly half are secondary school students (49.5%)
  - Almost one third are 4-year university students (studying towards Bachelor’s degree) (31.5%)
General information

Among non-student users:

- 62% aged between 25-40
- 53% hold Bachelor’s degree or above
- 43% earn more than 3000 yuan (RMB) of monthly income
General Information

Type of Employers:

- Students and Teachers: 44%
- Businesses: 33%
- Government agencies and organizations: 9%
- Self-employed: 5%
General Information

- Among users whose type of employers is businesses:
  - 34% from State-owned enterprises
  - 47% from private sector businesses
  - 19% from foreign-invested enterprises
Market Dynamics
Numbers of Search Engines used:

- 34% of users use only one brand search engine
- 41% use two brand search engines
- 25% use three or more brand search engines

- A search engine’s market share is determined by the number of users who use that particular search engine as their only or primary one, divided by the number of total users.
- “Baidu users” refers to those who use Baidu as their only or primary search engine, and so on.
Market Share (Beijing)

- Baidu: 51.5%
- Google: 32.9%
- Sohu: 4.6%
- Sina: 4.0%
- Others: 3.3%
- Yahoo Search (3721, Yisou, Yahoo China Search, Yahoo Global Search): 3.7%

*Yahoo search refers to 3721, Yisou, Yahoo China Search and Yahoo Global Search altogether.*
Market Share (Shanghai)

- **Baidu**: 43.9%
- **Google**: 38.2%
- **Yahoo**: 4.6%
- **Sina**: 2.5%
- **Sohu**: 3.9%
- **Others**: 6.9%

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*Yahoo search refers to 3721, Yisou, Yahoo China Search and Yahoo Global Search altogether.*
Market Share (Guangzhou)

- Baidu: 48.0%
- Google: 28.7%
- Yahoo Search: 7.4%
- Sohu: 3.8%
- Netease: 2.5%
- Others: 9.1%

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* Yahoo search refers to 3721, Yisou, Yahoo China Search and Yahoo Global Search altogether.
For users who never used search 6 months ago, now use as their only or primary search engine:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Baidu</td>
<td>48.2%</td>
</tr>
<tr>
<td>Sohu</td>
<td>19.6%</td>
</tr>
<tr>
<td>Google</td>
<td>12.5%</td>
</tr>
<tr>
<td>Sina</td>
<td>7.1%</td>
</tr>
<tr>
<td>*3721</td>
<td>3.6%</td>
</tr>
</tbody>
</table>

* 3721, a local search engine company, was acquired by Yahoo! In 2003.
What users search for, using their primary search engine:

![Bar chart showing search trends for different categories such as Webpages & Websites, Music, downloadable, Shopping, and business information, and Dictionary, definition, encyclopedia. The chart compares Baidu, Google, and Sohu in percentages for each category.]
Typical combination of search engines for experienced searchers

- Baidu/Google (Users choose Baidu and Google as their primary and secondary search engines respectively)
- Google/Baidu

Baidu/Google and Google/Baidu users account for 55% of those who use two or more search engines for their search purposes
Main purposes for using secondary search engine:

- For Music (MP3) search
- Backup use when the primary search engine cannot satisfy their search needs
- Alternative use with the primary search engine

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Baidu vs. Google

Market Shares in Main Search Contents

<table>
<thead>
<tr>
<th></th>
<th>Baidu users</th>
<th>Google users</th>
<th>Other users</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>14.7%</td>
<td>26.7%</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>74.6%</td>
<td>67.8%</td>
<td>21.2%</td>
</tr>
<tr>
<td>3</td>
<td>21.2%</td>
<td>38.8%</td>
<td>61.0%</td>
</tr>
<tr>
<td>4</td>
<td>38.8%</td>
<td>32.5%</td>
<td>38.8%</td>
</tr>
<tr>
<td>5</td>
<td>49.7%</td>
<td>49.4%</td>
<td>40.9%</td>
</tr>
<tr>
<td>6</td>
<td>49.4%</td>
<td>43.3%</td>
<td>47.2%</td>
</tr>
<tr>
<td>7</td>
<td>43.3%</td>
<td>48.3%</td>
<td>46.8%</td>
</tr>
<tr>
<td>8</td>
<td>48.3%</td>
<td>42.5%</td>
<td>42.5%</td>
</tr>
<tr>
<td>9</td>
<td>39.9%</td>
<td>40.9%</td>
<td>37.5%</td>
</tr>
<tr>
<td>10</td>
<td>40.9%</td>
<td>46.8%</td>
<td>38.8%</td>
</tr>
</tbody>
</table>

1 - Music (MP3), downloadable
2 - Image and photos
3 - Online games
4 - Software, downloadable
5 - Video, downloadable
6 - Websites
7 - Dictionary, definitions and encyclopedia
8 - Webpages
9 - Shopping and business information
10 - Maps, city guides and travel information

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Demographic Distinctions Between Different Search Engine Users
## Gender

<table>
<thead>
<tr>
<th></th>
<th>Google</th>
<th>Baidu</th>
<th>Sina</th>
<th>Sohu</th>
<th>3721</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>52%</td>
<td>57%</td>
<td>56%</td>
<td>44%</td>
<td>65%</td>
<td>55%</td>
</tr>
<tr>
<td>female</td>
<td>48%</td>
<td>43%</td>
<td>44%</td>
<td>56%</td>
<td>35%</td>
<td>45%</td>
</tr>
<tr>
<td></td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>
Market Segments by Age

<table>
<thead>
<tr>
<th></th>
<th>Under 25</th>
<th>25—40</th>
<th>41 and above</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student users</td>
<td>96.1%</td>
<td>3.9%</td>
<td>0.0%</td>
<td>100%</td>
</tr>
<tr>
<td>Non-student users</td>
<td>22.6%</td>
<td>62.3%</td>
<td>15.2%</td>
<td>100%</td>
</tr>
</tbody>
</table>

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Market shares in segments defined by age

Under Age 25

- Baidu: 62.7%
- Google: 23.7%
- Others: 13.6%

Age 25 and Above

- Baidu: 39.5%
- Google: 42.7%
- Others: 17.8%
Market shares in segments defined by education

3-Year University Education and Under
- Baidu: 60.0%
- Others: 19.3%
- Google: 20.8%

4-Year University Education and Above
- Baidu: 41.9%
- Others: 11.4%
- Google: 46.7%

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Market shares in student users

- Junior Middle School: 24.5%
- Senior Middle School: 58.5%
- 2,3-Year University (University Diploma): 71.5%
- 4-Year University (Bachelor’s Degree): 73.3%
- Postgraduate: 27.7%
- Doctorial: 50.0%

- Baidu: 40.0%
- Google: 75.0%
- Others: 25.0%
Market Shares in Non-Student Users - Segments by Education

- Middle School Education and U...
  - 52.1%
  - 17.7%

- 2,3-Year University Education (University Diploma holders)
  - 52.6%
  - 27.6%

- 4-Year University Education (Bachelor's Degree holders)
  - 49.4%

- Postgraduate Education & Ph.Ds
  - 72.2%
  - 20.4%

- Others
  - Google
  - Baidu
Market Shares in Non-Student Users - Segments by Monthly Income

- Google
- Baidu
- Others

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Market shares in types of employers

Segments Defined by Types of Employers

- Businesses: 33.1%
- Gov't Agencies: 8.9%
- Others: 13.6%
- Students and Teachers: 44.3%

Market Shares on Campuses

- Baidu: 65.5%
- Google: 25.7%
- Others: 8.8%

Market Shares in Businesses

- Baidu: 39.5%
- Google: 44.7%
- Others: 15.8%

Market Shares in Gov't Agencies

- Baidu: 44.3%
- Google: 45.7%
- Others: 9.9%

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High-End users

✓ Aged 25 and above
✓ Received 4-year university education and above
✓ With ¥3000 or more monthly income

Number of the users meeting the 3 conditions altogether

= 31.8% of total non-student users

= 19.2% of total users
Market Shares in high-end users

- **Google**: 58.7%
- **Baidu**: 27.9%
- **Others**: 13.4%

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Summary of Some Survey Findings
Summary of survey findings

- Baidu is on the high growth track, currently holding the largest market share in Beijing, Shanghai and Guangzhou.
- MP3 search is the primary boosting factor for Baidu’s high growth.
- Baidu’s major user group is students, which account for nearly 50% of Baidu users in Beijing; middle school students, which are frequent MP3 searchers, account for more than 50% of Baidu’s student users in Beijing.
- Middle school students play a big role in Baidu’s market share enhancement in all the 3 cities surveyed.
Summary of survey findings

Google has maintained a strong user base in the 3 major cities surveyed, particularly in Shanghai, as Google users tend to be non-students, aged above 25, with higher education background, and higher monthly income.

Google’s loss in market share to Baidu can be attributed to Baidu’s popularity in the “generation of cool”.

Sina and Sohu lost ground to Baidu in Beijing. But with emphasized market campaign for its new search engine, Sohu has started to show upward trends.
"Google" Spelling Test

- About 60% of total interviewees accepted spelling test
- 23% mis-spelled Google
- Number of interviewees who spelled it right is 3% short of number of primary Google users
Questions & Inquires

Questions about the survey and survey findings please contact:
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Register your interest in the survey reports with:
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Information about CNNIC, please visit:
http://www.cnnic.cn
Thank You!