

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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2005.08.30**

- General Information on Search Engine Users in Beijing
- Market Dynamics
- Demographic Distinctions Between Users of Major Search Engines
- Summary of Survey Findings

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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

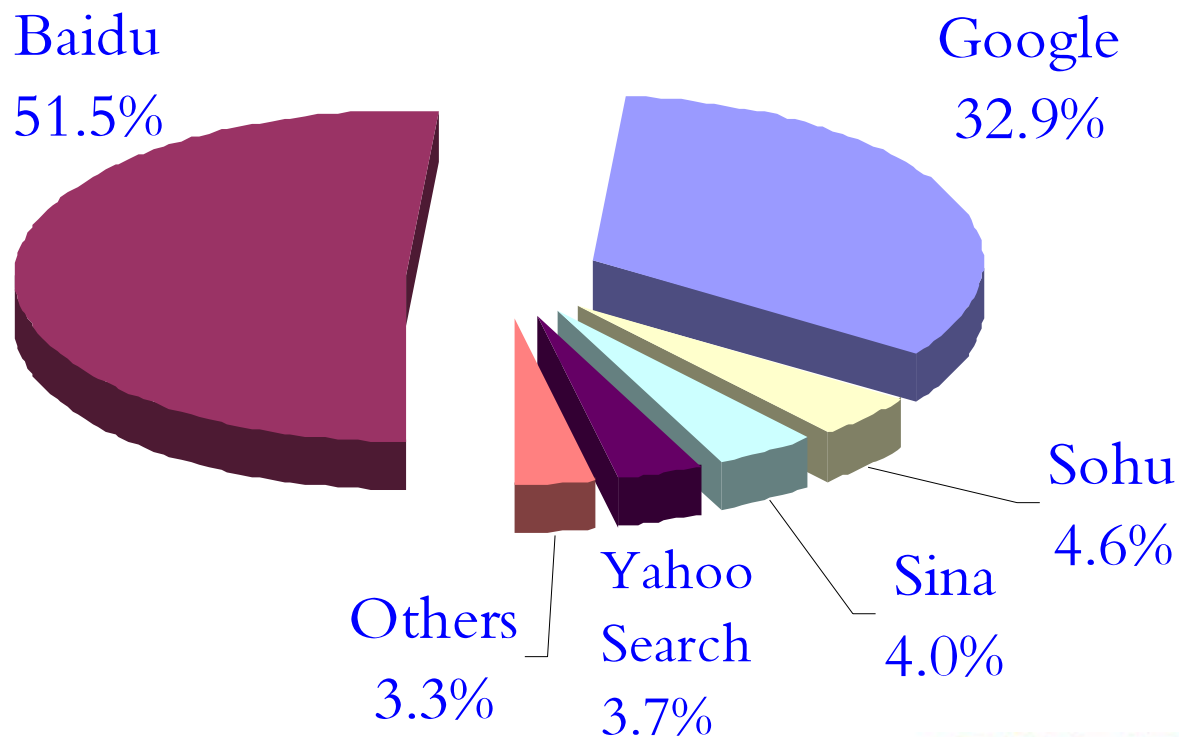
- ❖ Among users whose type of employers is businesses:
 - 34% from State-owned enterprises
 - 47% from private sector businesses
 - 19% from foreign-invested enterprises

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)



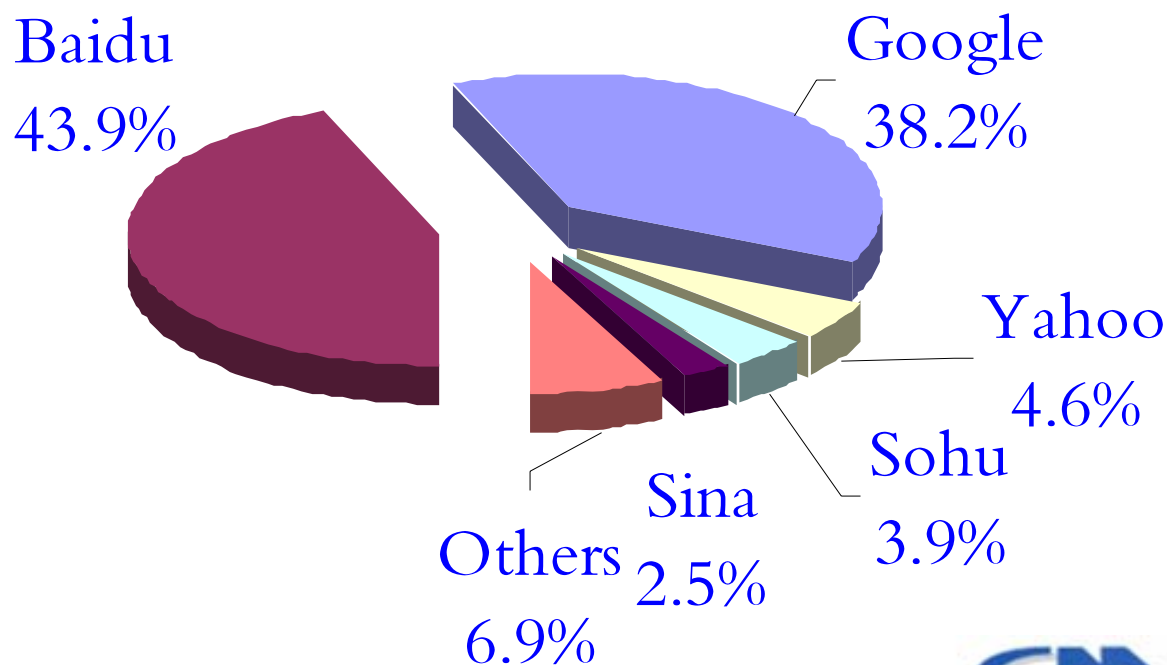
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* Yahoo search refers to 3721, Yisou, Yahoo China Search and Yahoo Global Search altogether.

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Market Share (Shanghai)



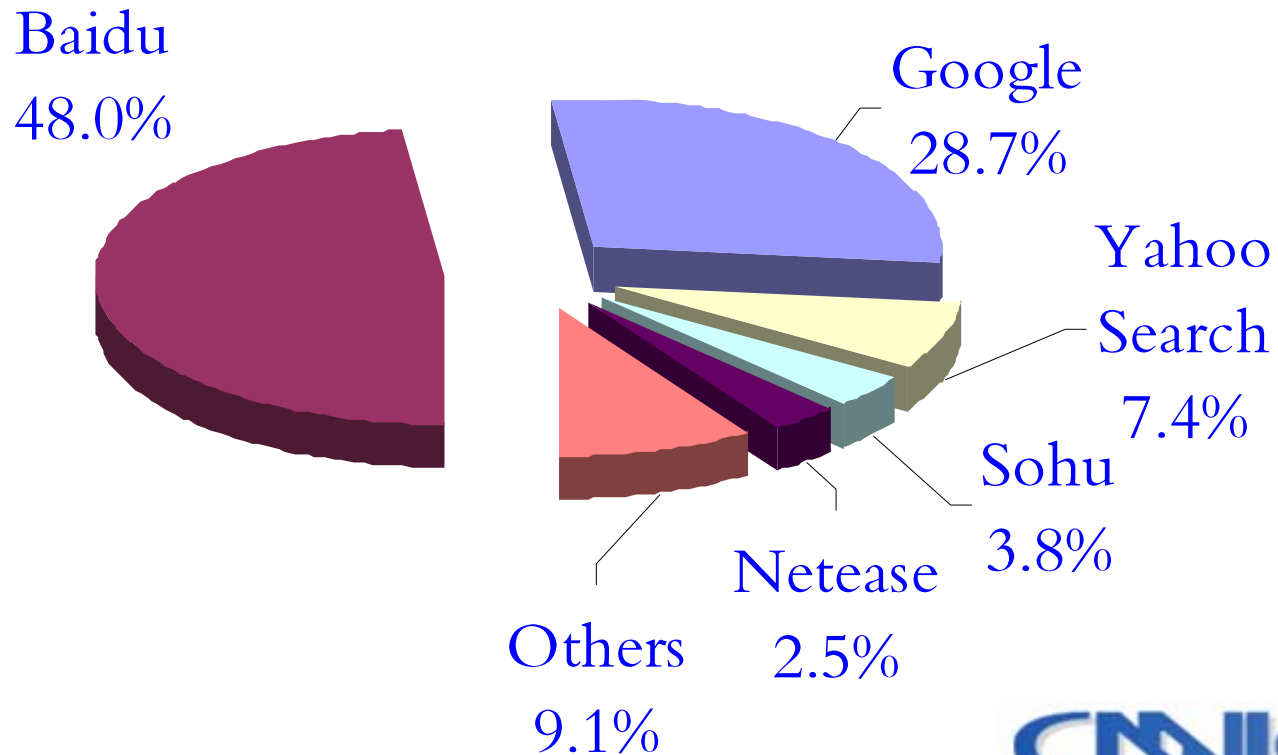
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Market Share (Guangzhou)



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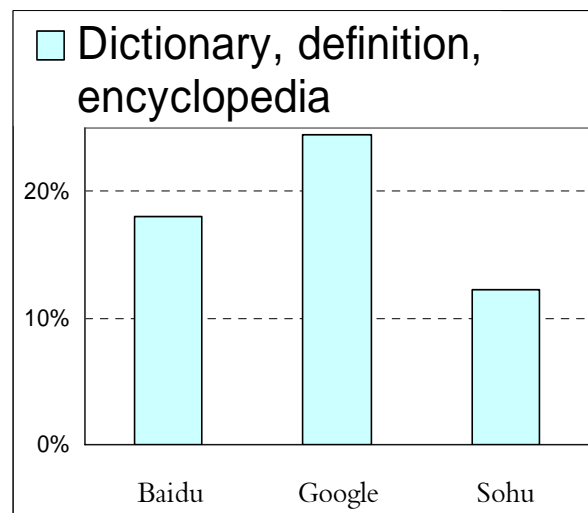
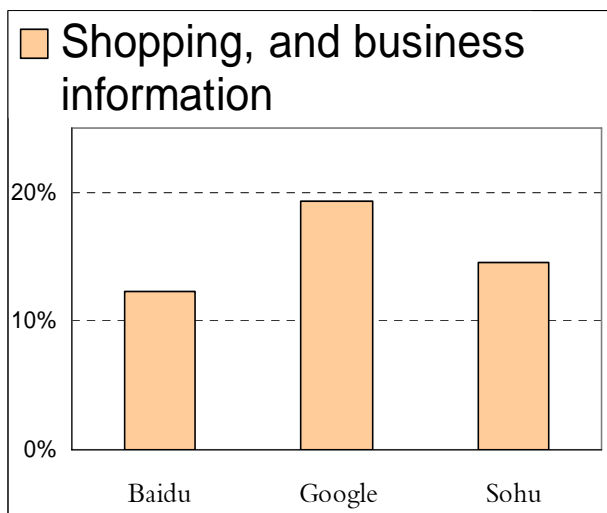
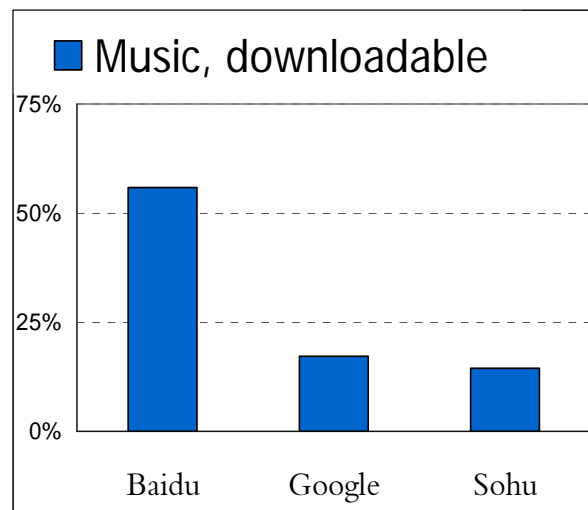
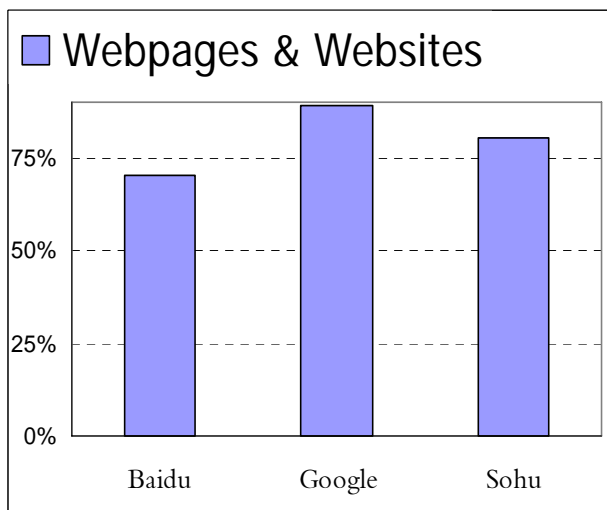
For users who never used search 6 months ago, now use as their only or primary search engine:

Baidu	48.2%
Sohu	19.6%
Google	12.5%
Sina	7.1%
*3721	3.6%

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* 3721, a local search engine company, was acquired by Yahoo! In 2003.

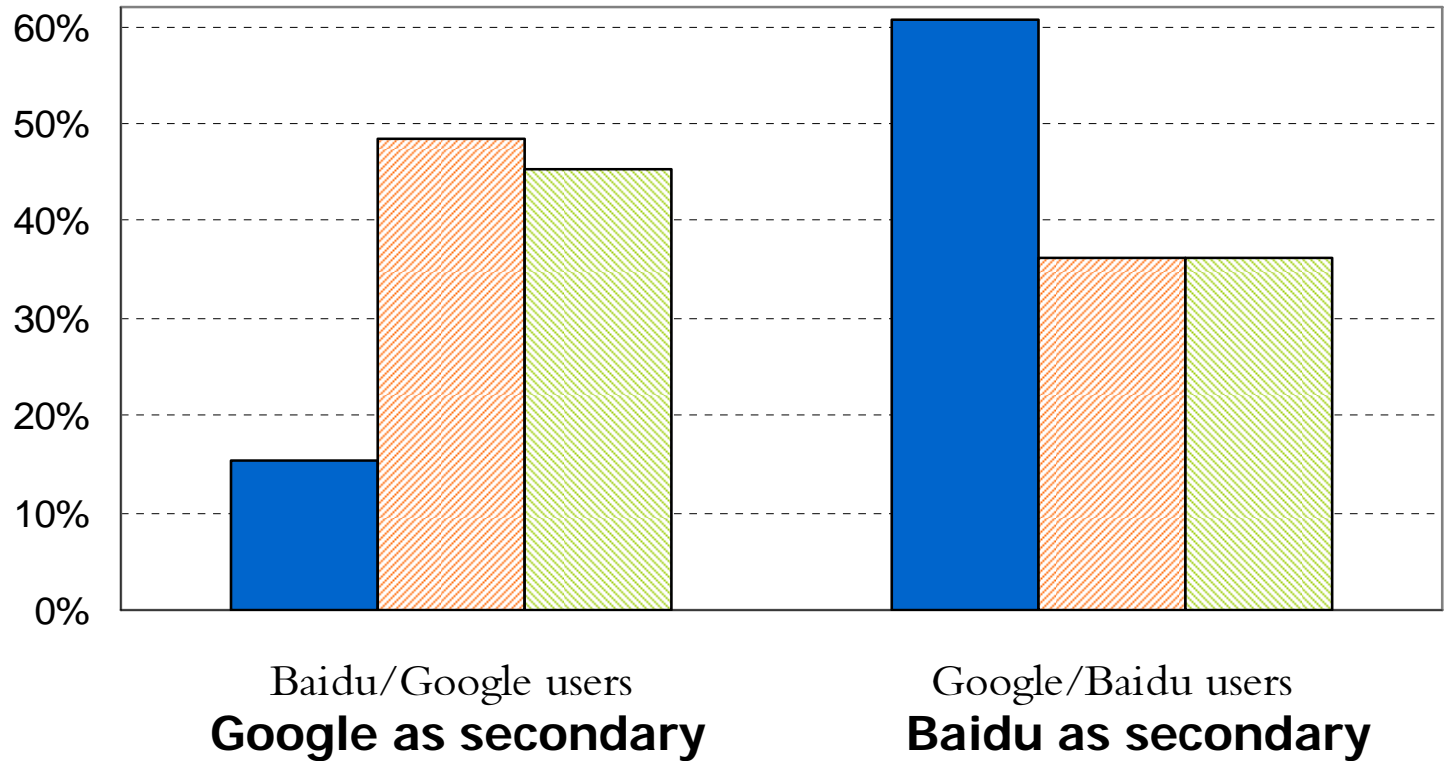
What users search for, using their primary search engine:



👉 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

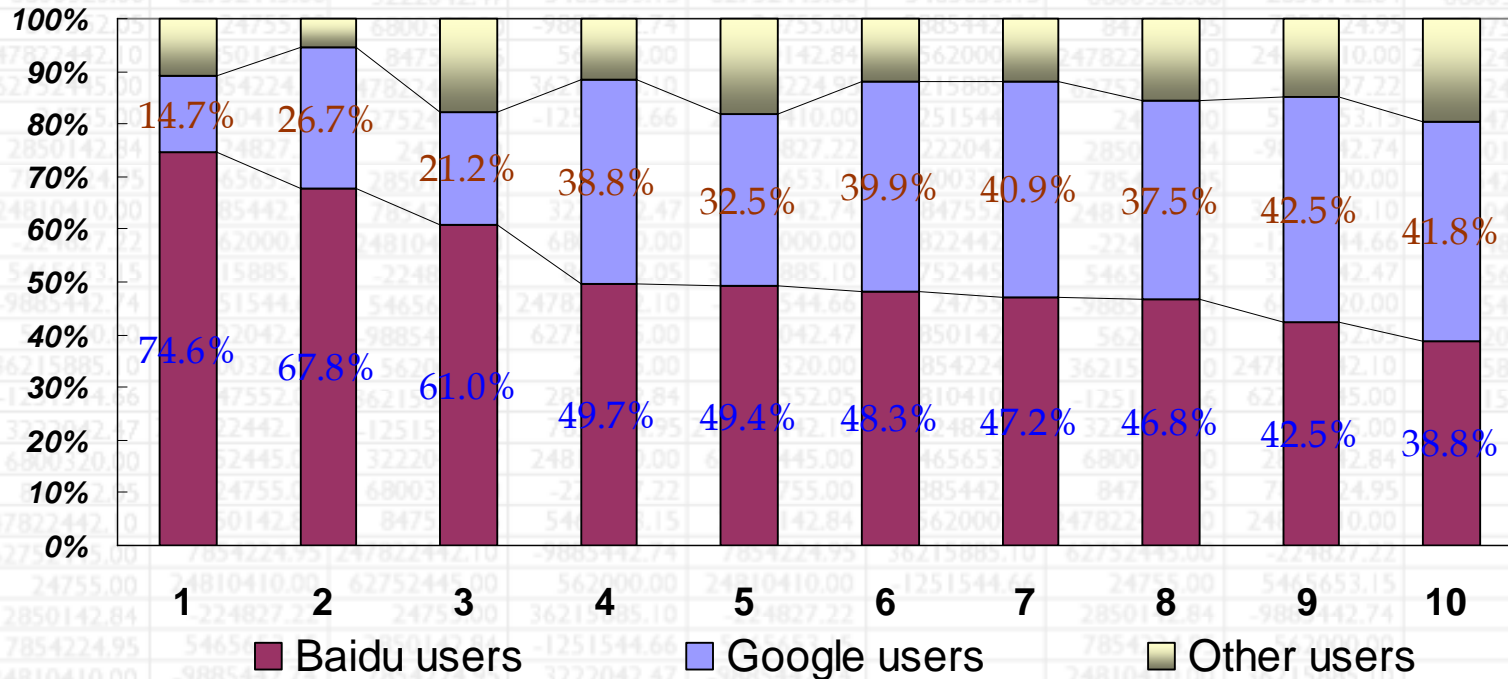
Main purposes for using secondary search engine:



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

Baidu vs. Google

Market Shares in Main Search Contents



- 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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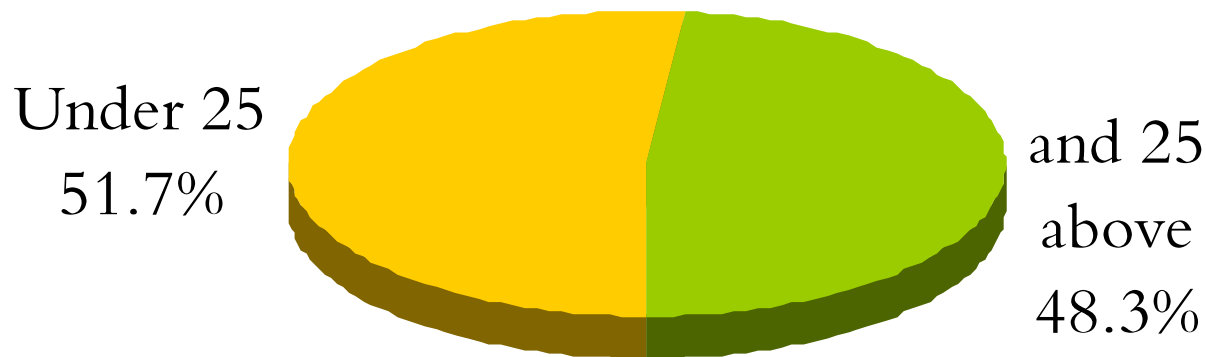
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Demographic Distinctions Between Different Search Engine Users

Gender

	Google	Baidu	Sina	Sohu	3721	Total
Male	52%	57%	56%	44%	65%	55%
female	48%	43%	44%	56%	35%	45%
	100%	100%	100%	100%	100%	100%

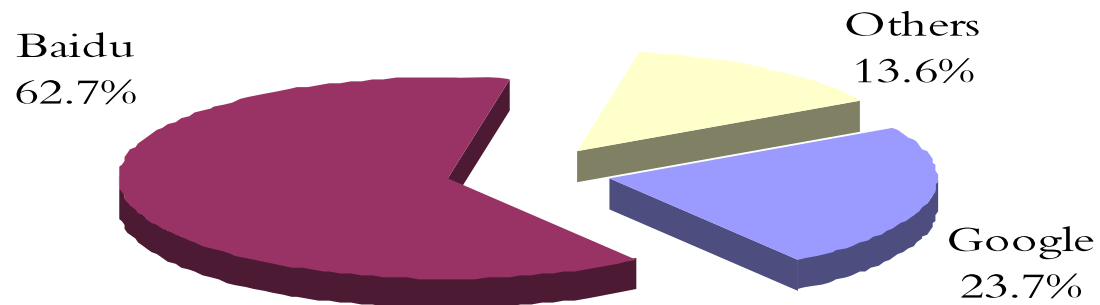
Market Segments by Age



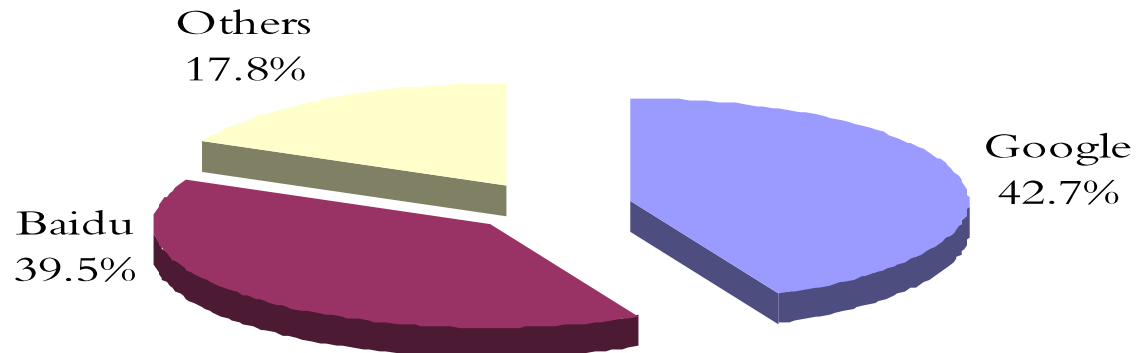
	Under 25	25—40	41 and above	Total
Student users	96.1%	3.9%	0.0%	100%
Non-student users	22.6%	62.3%	15.2%	100%

Market shares in segments defined by age

Under Age 25

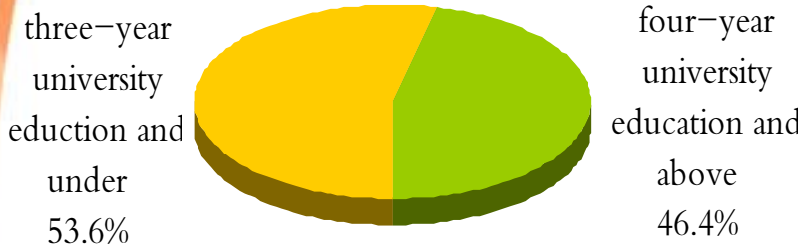


Age 25 and Above

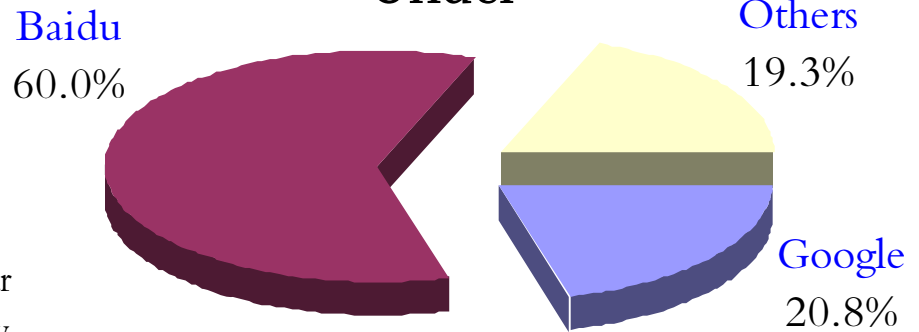


Market shares in segments defined by education

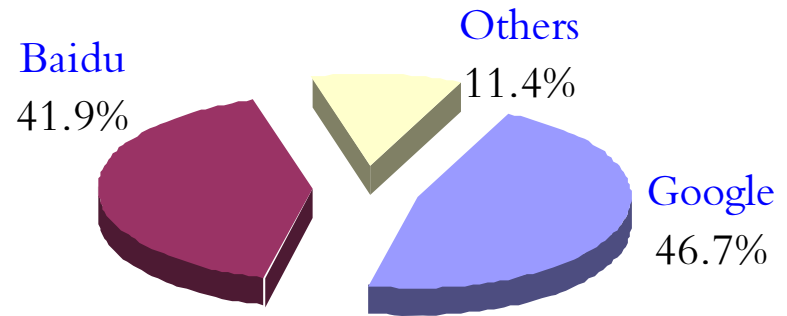
Market Segments by Education



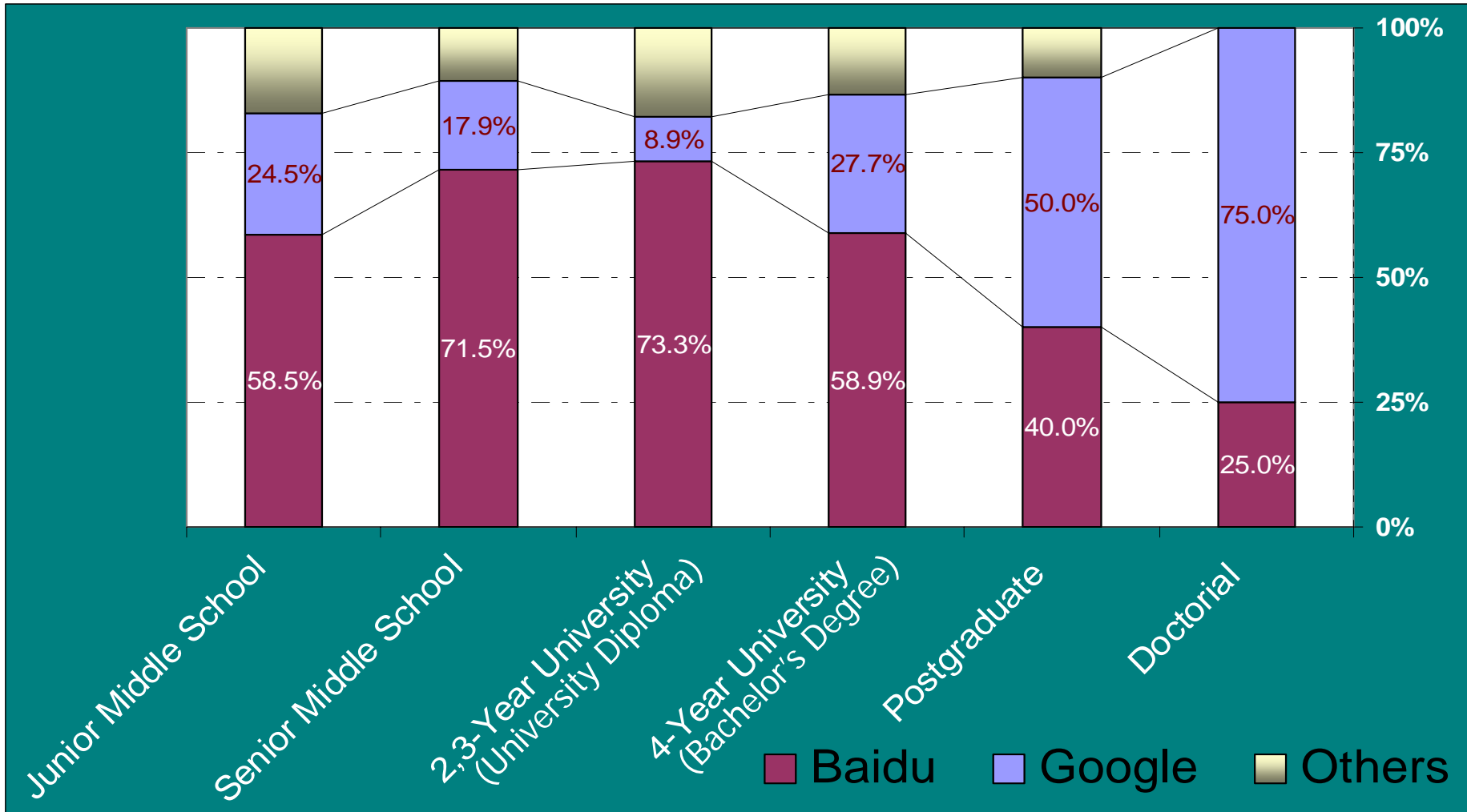
3-Year University Education and Under



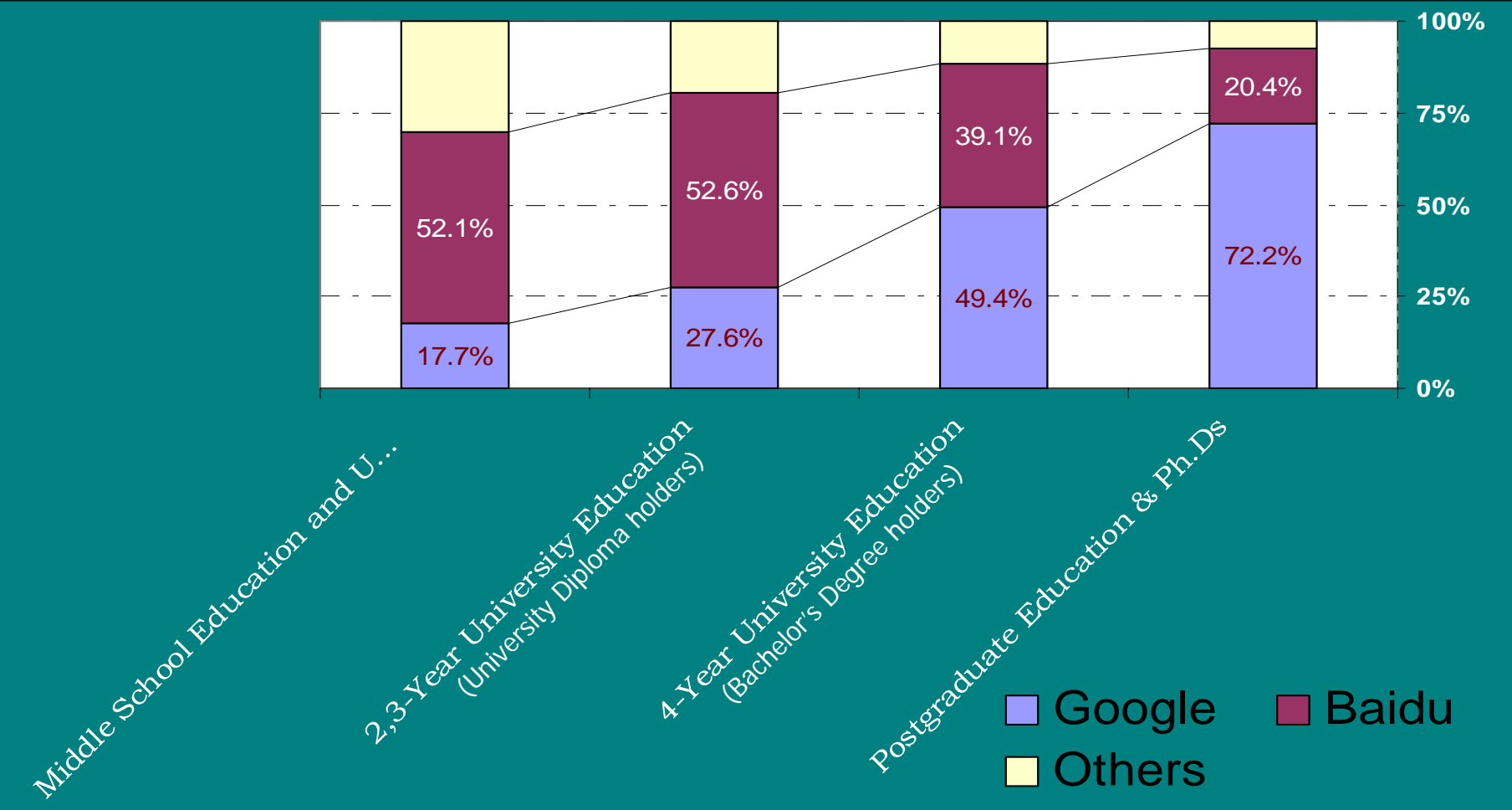
4-Year University Education and Above



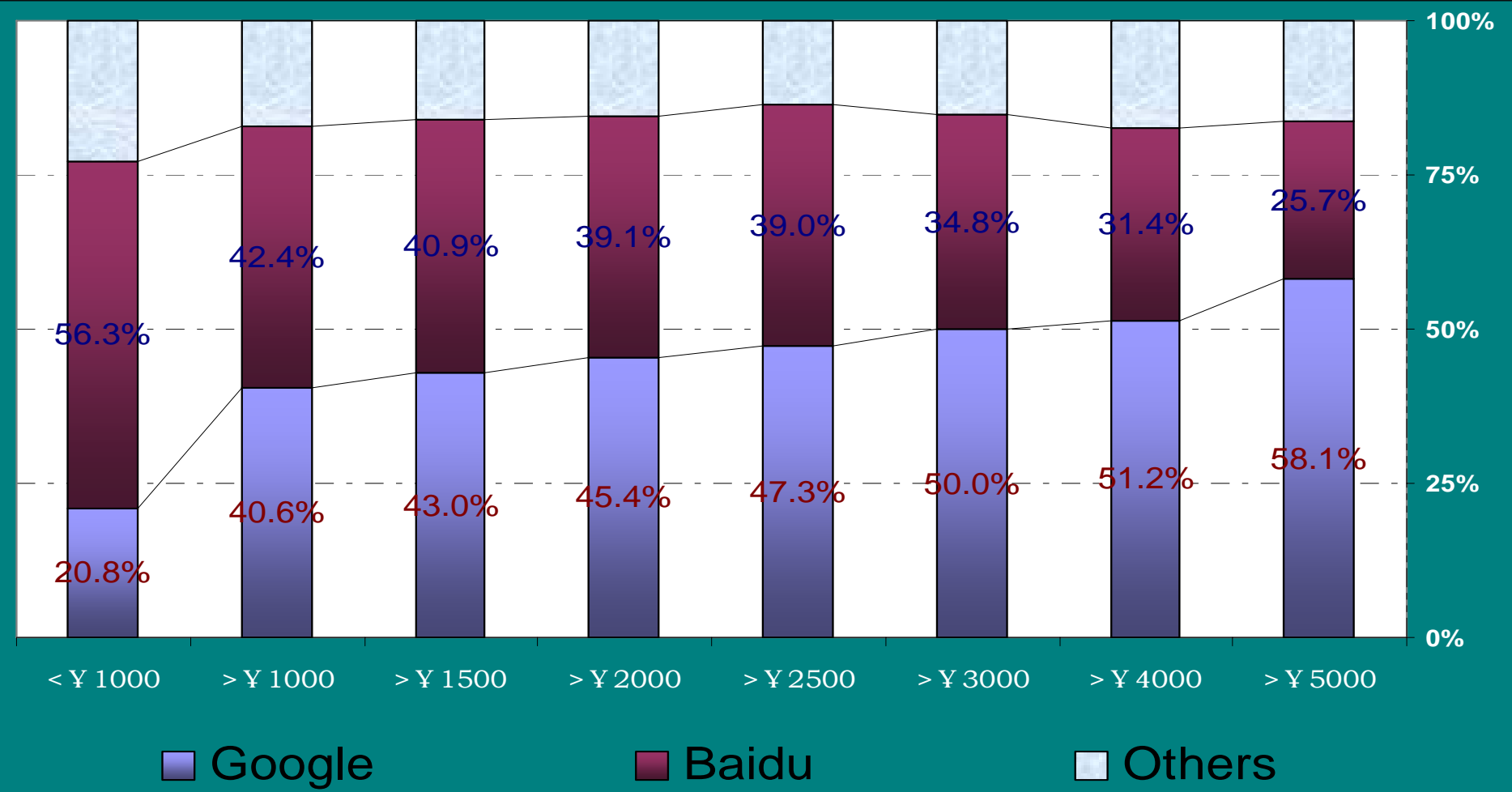
Market shares in student users



Market Shares in **Non-Student** Users – Segments by Education

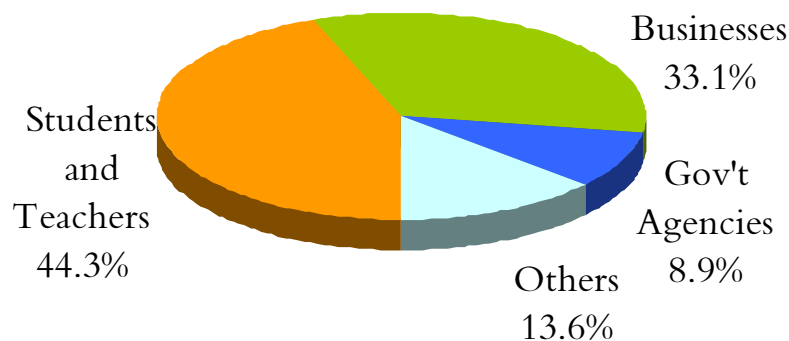


Market Shares in **Non-Student** Users – Segments by Monthly Income

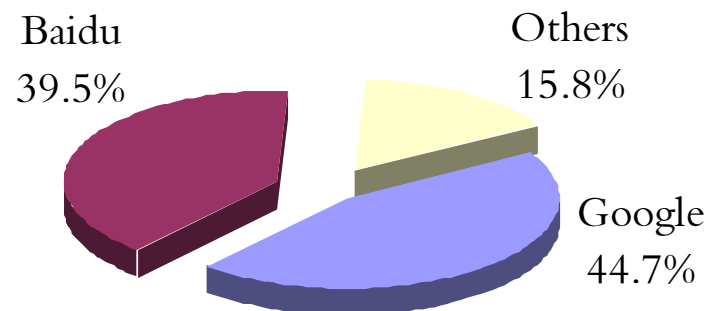


Market shares in types of employers

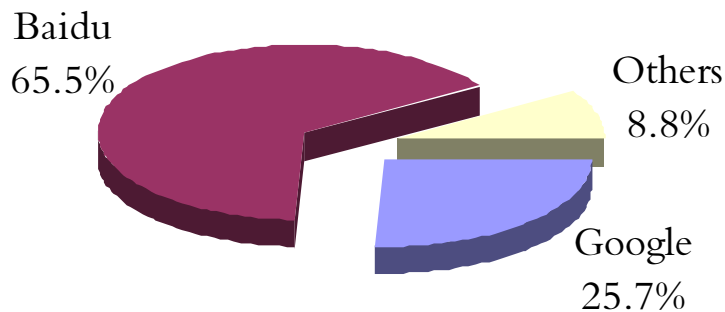
Segments Defined by Types of Employers



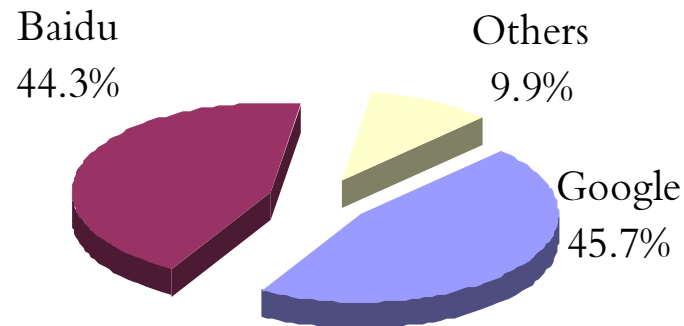
Market Shares in Businesses



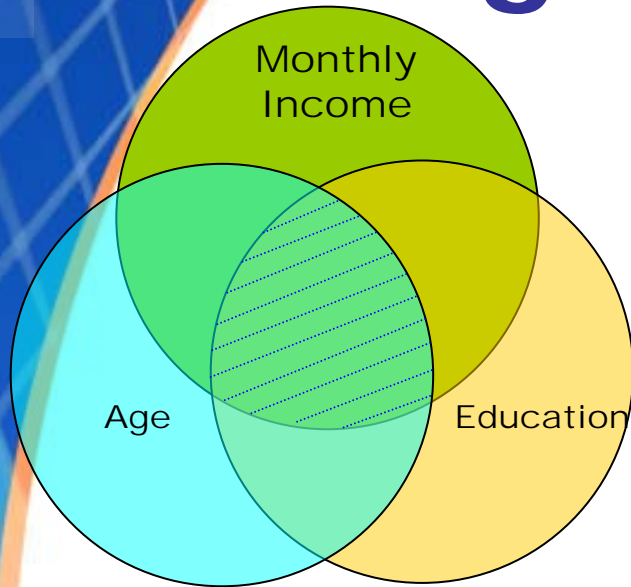
Market Shares on Campuses



Market Shares in Gov't Agencies



High-End users



✓ Aged 25 and above

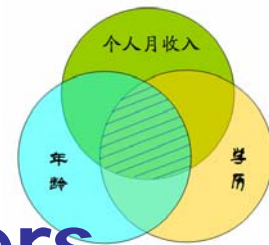
✓ Received 4-year university education and above

✓ With ¥ 3000 or more monthly income

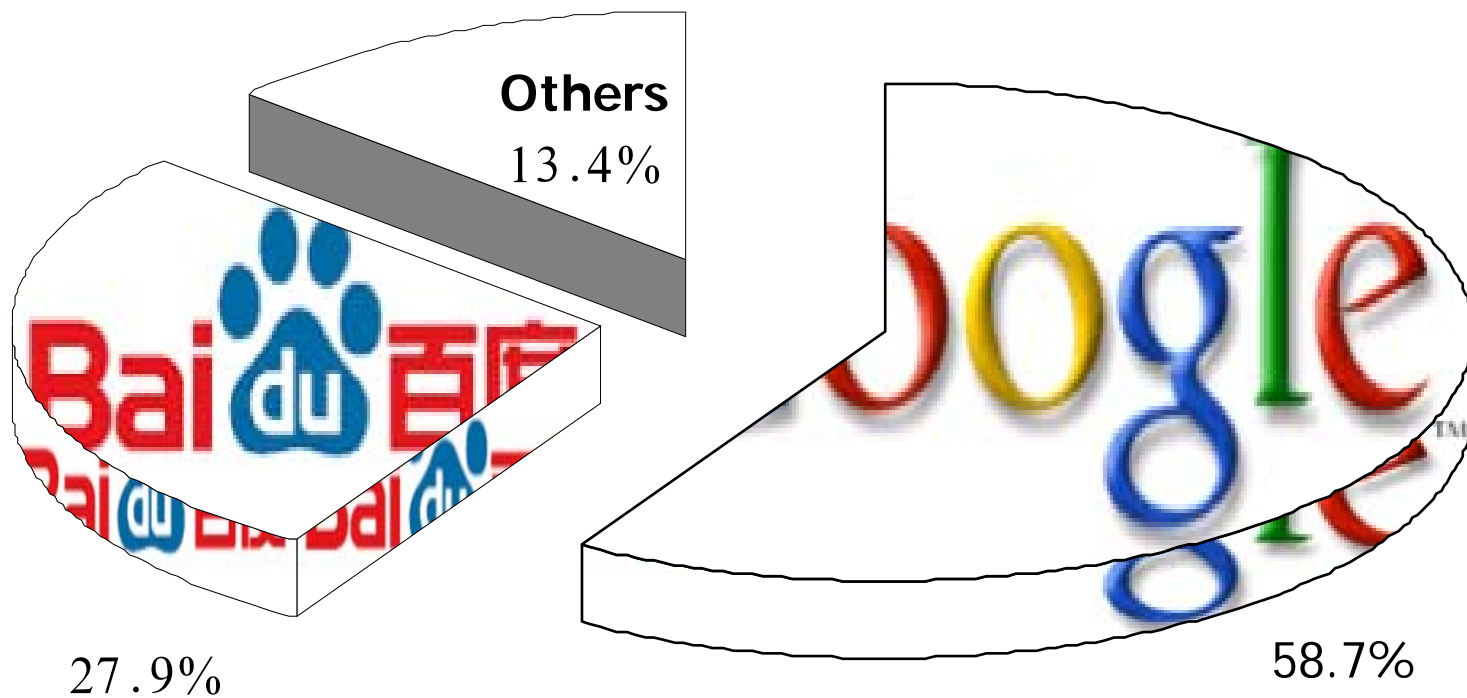
❖ Number of the users meeting the 3 conditions altogether

= **31.8%** of total non-student users

= **19.2%** of total users



Market Shares in high-end users



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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Thank You!