

The logo for Carnegie Mellon University is positioned on the left side of the slide. It features the university's name in a white, serif font, stacked in three lines: "Carnegie", "Mellon", and "University". The text is set against a dark blue background that is decorated with a complex pattern of intersecting diagonal lines in various colors, including red, green, and yellow, creating a grid-like effect.

**Carnegie
Mellon
University**

Baidu vs Google

Team 9

Internet landscape

- By 2008, China became the #1 internet market with a user base of **298 Million**
- In 2008, Internet coverage was only **25%** in China compared to more technologically developed countries like the U.S, which was **72.5%**.
- Chinese vs American user base varies.
 - Has specific language adaptations, technologies (mobile vs desktop), and demographic/behaviors (young/curious, credit cards).

Google

- Founded in 1998, quickly became the world's largest search engine.
- Goal: return relevant search results quickly and make money through mostly advertising.
- Completely changed the way searches are made using the PageRank algorithm and eventually expanded by becoming an information provider.

Baidu

- Founded in 2000, essentially the go-to search engine in China.
- Dominates the Chinese market at a **73.8%** market share (2008).
- Uses an “auction-based pay-for-performance paid search model” instead of traditional methods like banner advertising.
- Provided the Chinese user base with a tailored search engine and later other platforms such as Baidu Music and Baidu Zhidao.

Problem Statement

- China leads in internet usage growth under strict regulatory oversight.
- Google struggles to adapt its global strategy to China's unique cultural and regulatory landscape.
- Baidu's thrives by closely aligning with local practices and government policies.
- Mastery of local nuances is crucial for market success in China.

Local Adaptation

- Baidu tailored its platform to deeply integrate local culture, boosting market dominance
- Google struggled with a global-standard approach, failing to meet local preferences
- Baidu's success highlights the need for local adaptation over global uniformity

Navigating Regulatory Environments

- Baidu excelled by aligning operations with Chinese regulatory frameworks
- Google faced challenges with China's censorship laws, impacting service continuity
- Regulatory alignment helped Baidu maintain stability and growth

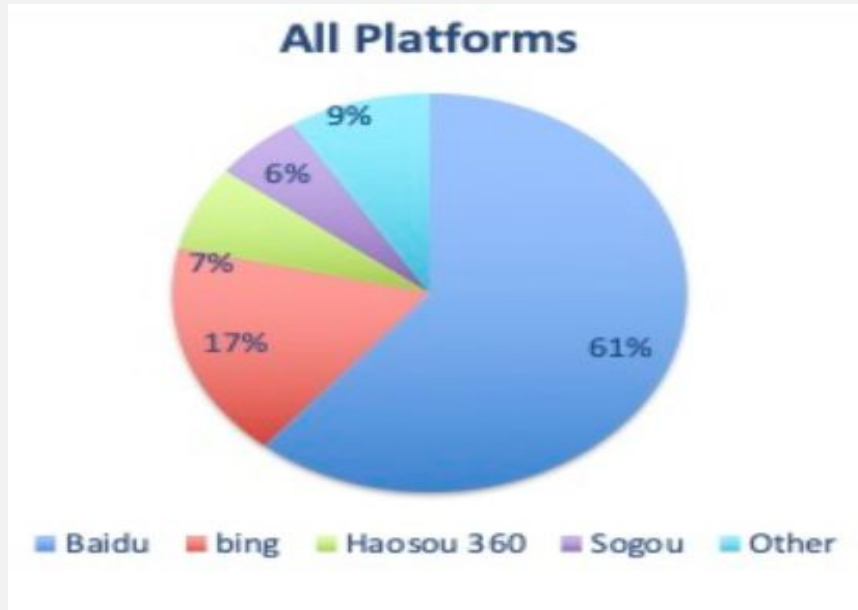
Leveraging Innovation

- Baidu launched innovative services like Baidu Post Bar, boosting user engagement
- Google adapted by introducing local products and partnerships for better market fit
- Baidu's innovations solidified market dominance, Google's strategies showed incremental gains

Globalisation strategy

- Global Management
- Strategic Partnerships
- Neighbouring countries

Baidu's Leadership in China



[Baidu search engine market share in China Jan 2024 - Market Me China®](#)

Localization as a Key to Success

- Outperforming Global Competitors
- Network Effects
- Baidu Music

Winner-Takes-All Market

- Sides
 - Users, Advertisers, Owners
- Strength of indirect/indirect network effects
- High multihoming costs
- Demand for differentiated services