

### Google China partners cut ties, traffic plummets

Google China is finally starting to feel the impact of its departure from mainland China after many of its partners ended their relationships with the American search giant. Some of the search engine's R&D personnel have jumped ship and its traffic and market share have declined substantially.

Yesterday, Baidu, China's largest search engine, confirmed that Wang Jin, former vice director of Google China Engineering Research Institute, was named Baidu's vice president and will be in charge of the company's technology department.

Zhao Chenglong, chief analyst from Finder Hunter, said yesterday Google China's staff has remained relatively stable with little personnel changes in sales and marketing departments, but some competitors from the United States and the domestic market are intent on luring the R&D personnel of Google China to join their companies.

Google currently contributes around 15 percent of traffic for domestic small and medium-sized Web sites. The figure was 35 percent in January and February. By contrast, Baidu's share of the search market soared from 50 percent to 75 percent in the first two months of 2010, said Su Daode, head of VPSite.org.

"In the past two months, revenues from Google China's new customers had dropped by 20 percent year-on-year," an employee of Google China disclosed yesterday.

The employee also said that there has been no further information after Google's departure from China. He estimated that Google wanted to minimize its action's impact upon the market.

However, it appears Google can't have its cake and eat it too. Some of its partners severed ties with Google, and still more are planning to do so.

China Mobile, China Unicom, Alibaba.com, Sina, Tianya.com and Tom.com had been important partners for Google. China Unicom ceased its cooperation with Google right away. It is reported that Sina and Tianya.com have decided to terminate their relationship with Google.

Tom Group, Tom.com's parent company, announced that it has removed its search service powered by Google from the portal site after their contract expired.

"Cooperation partners contribute nearly 40 percent of total traffic for Google China," said Li Zhi, an analyst from Analysys International.

He pointed out that Google's recent traffic decline mainly came from its former partners breaking off their business relationships. However, the change in traffic will directly influence Google's revenue in China. Promotion revenue of small and medium sized enterprises (SMEs) should be the most affected.

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(Editor: 黄硕)