



Search Engine Advertising **in China**

web republic



OPPORTUNITIES AND CHALLENGES IN CHINA



Access the world's biggest market for ecommerce



Meet the high demand for online shopping and western brands



Track results with measurable and monitorable performance data



Benefit from high flexibility on media spend and targeting



Comparatively complicated administrative documents and procedures

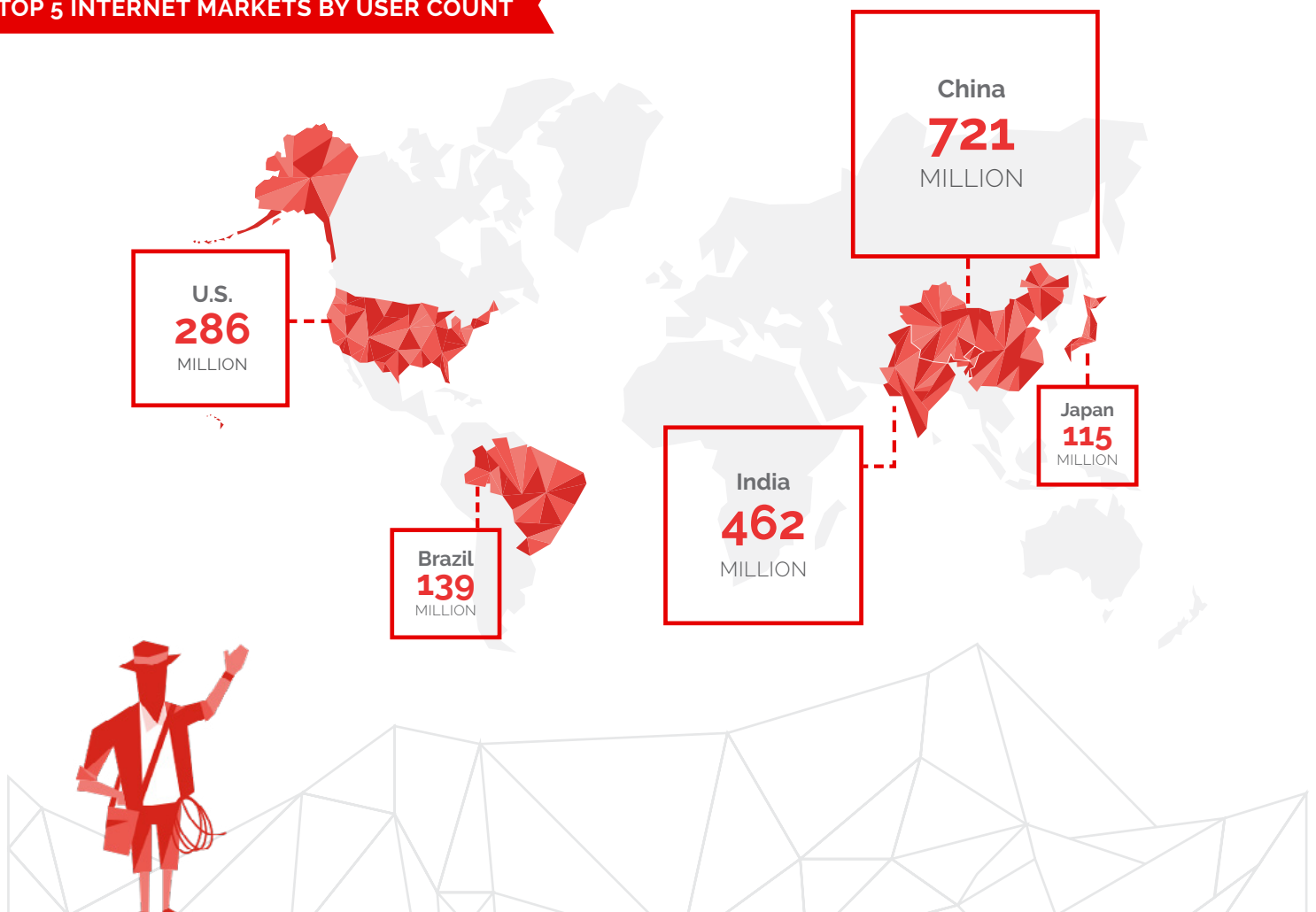


Continuous protection of trademarks and monitoring of markets necessary to assure advantage and stay competitive

CHINA | THE WORLD'S BIGGEST ONLINE POPULATION

The Chinese online population has been growing at a staggering rate. Today, one in four internet users lives in China, which translates into an online population two and half times bigger than the United States.

TOP 5 INTERNET MARKETS BY USER COUNT



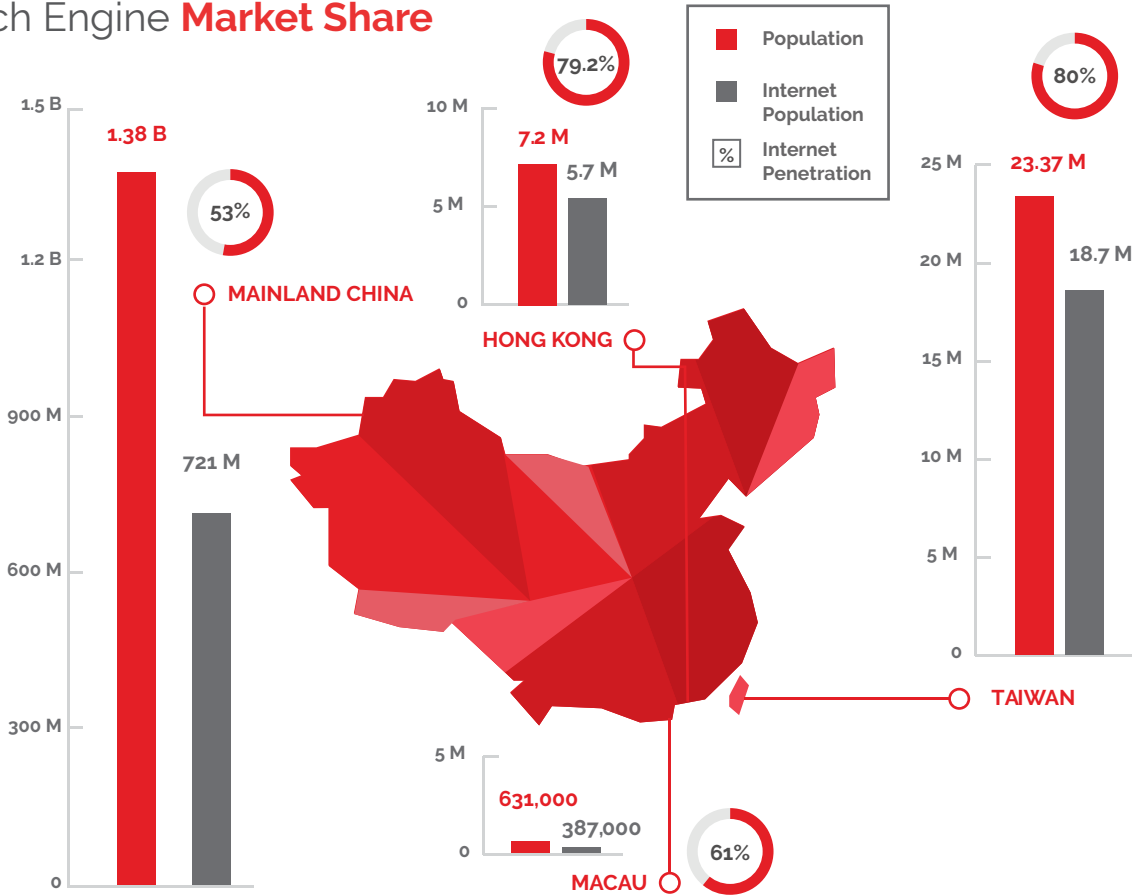
CHINA | THE LARGEST MARKET FOR E-COMMERCE

No wonder China is by far the world's biggest market for ecommerce. In 2015, online sales totaled USD 672 billion from 320 million users – these users account for just **44% of the online population**, so the potential for further growth is significant.



With the Chinese middle-class growing steadily, demand for high-quality foreign goods and prestigious brands is increasing. The opportunities for foreign brands in Chinese ecommerce seem almost limitless.

Search Engine Market Share



Category	Region	Search Engine Key	Market Share (%)
SEARCH ENGINES (DESKTOP)	MAINLAND CHINA	360搜索	21.9%
		百度	60%
	HONG KONG	Yahoo!	18%
		Google	79%
SEARCH ENGINES (MOBILE)	MAINLAND CHINA	神马	10%
		百度	85%
	HONG KONG	Yahoo!	18%
		Google	80%
SEARCH ENGINES (DESKTOP)	TAIWAN	Yahoo!	18%
		Google	79%
	MACAU	Yahoo!	23%
		Google	77%
SEARCH ENGINES (MOBILE)	TAIWAN	Yahoo!	15%
		Google	85%
	MACAU	Yahoo!	8%
		Google	88%

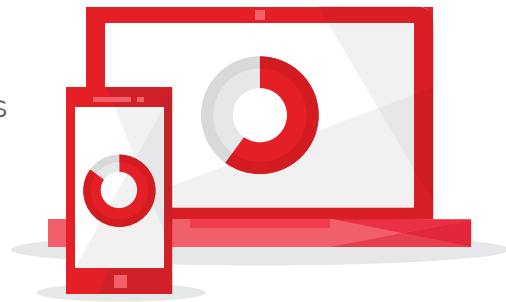


Source | StatCenter, May



MEET BAIDU | THE GOOGLE OF CHINA

Baidu is China's most successful search engine. It processes **85% of all search queries on mobile** and **60% on desktop**, while Google accounts for only 2%. For 721 million Chinese users, Baidu handles more than **5 billion search queries a day**; whereas Google only handles 3.5 billion worldwide.



Compared to other search engines, Baidu offers distinct advantages and specific features that raise brand awareness, increase online sales, and allow targeting of specific user groups for companies and brands entering the Chinese online market.

Find out more by visiting <http://yingxiao.baidu.com>

SEARCH ENGINE ADVERTISING

A screenshot of the Baidu search engine interface. The search bar contains the text '女鞋' (Women's Shoes). Below the search bar, there are navigation tabs for '网页' (Web), '新闻' (News), '贴吧' (Tieba), '知道' (Zhidao), '音乐' (Music), '图片' (Images), '视频' (Videos), '地图' (Maps), '文库' (Library), and '更多' (More). The search results show approximately 68,100,000 results. The first three results are highlighted with a red border and are search engine advertisements. The first ad is for Taobao, the second for Gmarket, and the third for JD.com. Each ad includes a title, a brief description, and a link to the product page. The Taobao ad title is '淘 女式跑步鞋上淘宝网 淘, 我喜欢!' and the JD.com ad title is '1991女鞋, 京东1991女鞋, 畅享低价! 爽购不停歇!'.

To enter mainland China's online market, search engine advertising with Baidu is essential. Baidu, China's search engine giant, offers performance-based ad formats and search text ads that reach millions of users looking to shop. Be on the first search engine results page (SERP) when Chinese consumers search for your brand and products on Baidu. You only pay if consumers click on your ads (PPC).



IMAGE SEARCH ADVERTISING



One single image speaks more than two lines of copy. Users search for images that inspire, explain and excite. On Baidu there are **800 million image searches per day on desktops** and **1.5 billion on mobile devices**.

A unique and powerful advertising format, 'Baidu Image Search Ad' reaches users that search via image only. By booking a set of keywords, a company can get its brand images into the first line of image results. Automotive brands like Honda, Chrysler and Haval are using this format to advertise their newest models to users searching for 'cars' on Baidu.

BRAND ZONE



Today, a strong brand is a key success factor for companies – it helps promote quality and credibility, and demonstrates the history and mission of companies. Chinese consumers' affinity for trusted and prestigious brands is growing rapidly.

With Baidu's 'Brand Zone' a brand can own the real estate above the fold on respective SERP. Brand Zones work and look like simplified versions of the brand's regular website. By owning that space directly on the SERP, brands offer users a shortcut to the high-quality content they are actually interested in. User interest in Brand Zone pays dividends, reflected in the **high click through rate (CTR) of 40-60%**.



Miele's Brand Zone Ad, for example, displays the most popular products on top of the search results, while on the right is a banner that promotes Miele's latest sales, the store locator, as well as links to online shops.

OPENING AN ACCOUNT

Opening an account with Baidu usually takes three to four weeks for non-Chinese companies. Companies do not need to be registered as a legal entity in China to open an advertiser account on Baidu; however, to prevent internet fraud, companies applying for an account are required to provide documents to prove they are real businesses.

These documents include (*but are not necessarily limited to*):

- Business licenses
- Passport copy of a business representative



SUCCESS STORIES

A B2B company from the laboratory equipment industry wanted to increase its product's visibility on Baidu. Webrepublic's in-house Baidu expert helped the client set up and run a systematically structured account. Results exceeded expectations. After just eight weeks, campaigns running on Baidu created:

- 200% more sessions
- 270% more new users
- 150% more contact form submissions

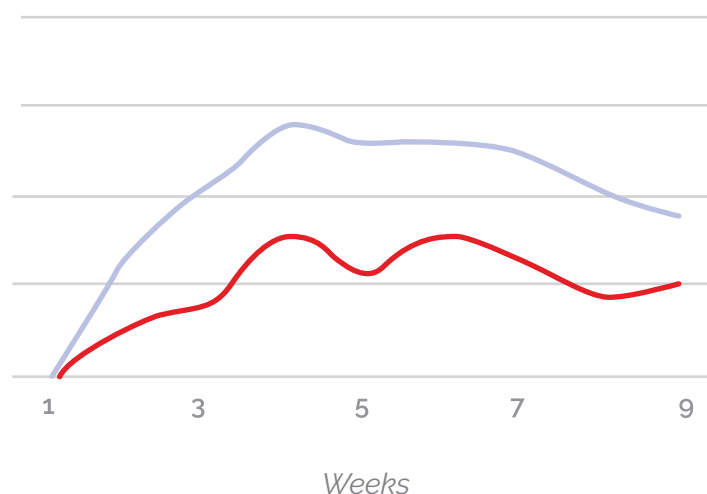


The Baidu campaign generated **73% of the traffic** to its Chinese website.



SESSIONS AND GOAL COMPLETIONS

— Sessions — Goal Completions



YOUR CHANCE

The Chinese online market accounts for **25% of the world's online population** and is still growing rapidly. Chinese consumers love prestigious brands and are very active online shoppers. Act now to promote your brand, enhance your visibility and maximize sales opportunities. Baidu offers unique and effective ad formats for companies wishing to increase brand awareness and boost online sales in China's fast evolving online market place.



GET STARTED

Do you want to conquer the Chinese market place before your competition? Get in touch with us. We will open your Baidu account, set up test campaigns, aggregate and analyze performance data, and conduct market analysis. Our certified Baidu experts are ready to help you write your success story in China.



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Meng-Chih is a Consultant for Chinese Search Engine Advertising at Webrepublic. As of July 2016 she is the only officially Baidu certified SEM specialist in Switzerland.

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