

Google China confident despite loss of Lee

September 7 2009



New managers of Google Inc.'s China arm, Vice President of Greater China Sales and Operations John Liu, left, and Boon-Lock Yeo, director of Google's Shanghai engineering office, attend a press conference in Beijing, China, Monday, Sept. 7, 2009. Liu and Yeo expressed confidence the company can grow despite the departure of the high-profile executive credited with expanding its market share. Kai-Fu Lee, who led Google China for four years, announced his resignation last week to launch a venture to finance Chinese tech startups. His departure had prompted questions about how Google will fare in a market dominated by local rival Baidu Corp. (AP Photo/Elizabeth Dalziel)

(AP) -- The new managers of Google Inc.'s China arm expressed confidence Monday the business can grow despite the departure of the high-profile executive credited with expanding its share of the competitive Chinese market.

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resignation last week to launch a venture to finance Chinese tech startups. His departure had prompted questions about how Google will fare in a market dominated by local rival Baidu Corp.

"We have prepared well to improve our sales, do things better and continue to serve our users and clients," said John Liu, a former chief of China sales who is taking over Lee's business duties, at a hastily arranged news conference.

A second executive, Boon-Lock Yeo, director of Google's Shanghai engineering office, is to take over Lee's engineering responsibilities.

Lee oversaw the launch of Google's China-based service in 2005 and development of services that helped to boost its market share to 29 percent. But the Mountainview, California-based company remains a distant second place behind Baidu, which has more than 60 percent of the market.

China has the world's largest population of Internet users, with 338 million people online as of June, but foreign services have struggled to gain a foothold here.

Google announced an initiative Monday to attract more small Chinese companies to its paid search services by offering new advertisers free registration and a 500 yuan (\$73) credit to pay its fees.

"Google remains extremely committed to this market. It is the most vibrant Internet market, perhaps in the entire world," said Daniel Alegre, the company's Asia-Pacific vice president for sales and operations.

Asked whether Google can draw users away from Baidu, Alegre said, "We are going to focus on innovation, provide the best products out there. The products will speak for themselves."



Lee joined Google in 2004 from Microsoft, where he helped develop its MSN <u>Internet search</u> technology, including desktop search software rivaling Google's. His hiring led to a court battle between the two companies that ended in a confidential settlement.

On Monday, Lee announced that his new \$115 million fund, Innovation Works, will find and finance development of promising technologies, focusing on the Internet, mobile Internet and cloud computing.

Its lead investor will be WI Harper group. Others include Legend Group, the parent of Chinese personal computer maker Lenovo Group.

More information:

Google China (in Chinese): http://www.google.cn

Innovation Works (in Chinese): http://www.innovation-works.com

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Citation: Google China confident despite loss of Lee (2009, September 7) retrieved 26 April 2024 from https://phys.org/news/2009-09-google-china-confident-loss-lee.html

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