Microsoft adding staff, R&D in China mobile push

September 6 2012, by Joe Mcdonald

(AP)—Microsoft Corp. will hire more than 1,000 additional employees in China this year and boost research and development spending by 15 percent as it tries to catch up with Apple and Google in the fast-growing mobile Internet market, executives said Thursday.

The announcement adds to intensifying competition in wireless [Internet in China](#), where nearly 400 million people surf the Web using mobile phones and other devices. Microsoft is promoting its Windows 8 mobile operating system but came late to the market and trails Apple Inc. and [Google Inc](#)., whose Android system is widely used in China.

"We respect that we have two players in the market which have a strong role, and we feel ready to attack and have different offers to basically change the game plan on that one," said Microsoft's CEO for China, Ralph Haupter, at a news conference.

The new employees will be in addition to Microsoft's workforce of 4,500 in China and will be spread across research and development, marketing and customer service, Haupter said.

Research spending in China will rise by 15 percent over last year's $500 million, according to another executive, Ya-Qin Zhang, Microsoft's Asia-Pacific chairman for research and development. He said the current research staff of 3,000 would be expanded by about 15 percent.

Global technology companies and local rivals are spending heavily to

gain a foothold in mobile Internet in the world's most populous online market as Chinese users shift quickly to the new technology.

This week, Chinese search engine Baidu Inc. released its own new mobile browser to compete with Google and Apple and announced it will open a cloud computing center.

China had 538 million people online at the end of July, up 11 percent from a year earlier, according to the China Internet Network Information Center, an industry group. The share that uses wireless devices grew twice as fast, rising 22 percent to 388 million, or 70 percent of the total.

Android dominates the Chinese smartphone market, used on 76.7 percent of phones in the second quarter of this year, according to Analysys International, a research firm. Apple's iPhone dominates the higher end of the market.

Microsoft plans to recruit more local partners to develop mobile applications specifically for China, said Haupter. He said the company believes it has an advantage in doing that because developers can draw on their experience working on other Microsoft products.

Zhang said Microsoft's six development centers in China that now spend about 80 percent of their time working on products for global markets will focus more on creating offerings tailored to Chinese customers.

Microsoft also plans to expand its cloud computing business in China, the executives said. Zhang said about 100,000 commercial customers now use its private cloud computing service and a service for use by the public is being developed.

Citation: Microsoft adding staff, R&D in China mobile push (2012, September 6) retrieved 23 June 2024 from https://phys.org/news/2012-09-microsoft-adding-staff-china-mobile.html