

Russia's Yandex turns 15 hoping for iPhone deal

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Then-Russian President Dmitry Medvedev (2ndL) meets with Arkady Volozh (1stL), CEO of Yandex, a Russian search engine company, in Palo Alto, California in 2010. Yandex turned 15 on Sunday having staved off a challenge from Google and is now coveting the elusive prize of becoming the default map provider of Apple's iconic iPhones.

Russia's ambitious search engine Yandex turned 15 on Sunday having staved off a challenge from Google and is now coveting the elusive prize of becoming the default map provider of Apple's iconic iPhones.

The world's fifth-largest Internet index and Russia's answers provider of choice has the country's most popular website with more than 25 million visits per day.



It has also set out its global ambitions with a 2011 New York listing—the largest initial US placement of stock since <u>Google</u> went public in 2004—and plans to build on services that already range from e-mail to market reports.

"We are looking at growth wherever there is no competition. So everywhere outside the United States, China, Korea and Japan," company founder and <u>chief executive</u> Arkady Volozh said this summer.

"Europe, Latin America, Africa, the Arctic and Antarctic, the Moon, Mars—we are potentially interested in all that," the 48-year-year old said, with a mischievous sense of humour that belies his serious grounding in computer science.

One of the era's myriad of Internet startups did the smart thing quickly by picking up contextual advertising in 1998 and then turning a profit just as the dot-com bubble was bursting its <u>rivals</u> were leaving the market in tears.

But things began looking ominous again by the time Google opened its first Moscow office in 2006. It had launched its service five years earlier to poor reviews and a seeming inability to tackle the many <u>complexities</u> of Russian.

Google began conjugating its Russian verbs and localising services before winning recognition from some of the local Internet crowd.

The US giant has since managed to slowly drag up its Russian share to a quarter of all searches—a figure that still leaves <u>Yandex</u> unflinchingly holding on to at least 60 percent of all queries.

That leaves Volozh confident of continued success at home and a nagging feeling that much more could be done with a company based in



one of the world's main meccas of <u>computer science</u> and applied mathematics training.

One of the most promising and prestigious moves would be a broad partnership with Apple and its legion of loyal and upgrade-ready fans.

"We try to talk to all the big players and Apple is definitely one of them," Volozh said elusively in one of his last major Russian-language interviews in July.

"We might have a few technologies that could pique their interest."

The big rumour on the market and among users is that Yandex will pop open when clients search the new map service of Apple's latest iPhone—a piece of sleek equipment that ignores answers provided by its Google rival.

The reported tie-up works only in Russia and has not seen a formal agreement disclosed by either. Analysts said Apple has long preferred to keep its methods private and is urging Yandex not to talk about a possible deal.

But the Russian tech world is abuzz with anticipation.

"This is the first time that Apple has integrated the technology of a (private) Russian company," an excited market source told Gazeta.ru a few days before the new <u>iPhone</u> 5's release in New York.

Yandex's ability to build a better bond with the world's biggest IT darling may well depend on what it now does to move outside the Russian market and establish a presence in countries where Apple is expecting its best sales.



And that currently hinges on Turkey—an economically booming Eurasian nation that Volozh has designated as the place where Yandex will try to localise service and compete with both local and world firms.

"Until we prove that this is a working model, we are not even going to think about the rest," Volozh said firmly.

"Turkey is our testing range. And if it works, we will figure out what to do."

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