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[Listing Scandal Causes Baidu's Revenues to Drop](#)

Inefficient medicines and unlicensed clinics to bring down Baidu



Baidu revenue goes
down by 10-15%
Baidu

Baidu, China's greatest Internet Search Engine, was recently involved in a scandal due to paid listings of unlicensed clinics and drug producers. The company controlled around 60% of China's search engine market, but things are about to change, as Baidu stands now accused of increasing the search engine ranks of four unlicensed clients from the medical field. It is not only the image of the company that has to suffer from this, but also its revenues, which have already dropped by up to 15%. Baidu Chief Executive Officer Robin Li declared, "We have already fired people who helped fabricate documents for unlicensed suppliers," adding that other employees might be fired in the future. According to Li, the keywords supplied by the four unlicensed clients have been deleted. "We have removed the keywords of all four clients mentioned in the report and have begun to double-check the licences of all other hospitals and pharmacies on our client list." As it is stated in a report made by China Central Television, the high search rankings of the unlicensed clinics determined people to spend significant amounts of money. Some even mentioned that, after paying for ineffective treatments in such clinics, they resolved their issues at public hospitals for as little as 1% of the previous amount. The consequences of this scandal are already reflected in Baidu's revenues. More precisely, the search ad revenues dropped by 10 to 15 percent, while the stock fell by 60% soon after people learned about the unlicensed medical advertisements. The unlicensed hospitals and medicine producers that managed to rank higher by paying for the search ads represent only one facet of the problem. It is believed that some of the companies that do not use Baidu's Pay for Performance (P4P) search platform were neglected from the search results. However, representatives of the company declared that "Baidu has never excluded websites of any customers because they did not pay for keywords, and Baidu does not tolerate such practices."