THE SCANDAL OF BAIDU

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BACKGROUND

BACKGOUND OF BAIDU

HISTORY OF BAIDU

Baidu was co-founded in Jan 2000 by Yanhong Li and Yong XU.

In June 2000, Baidu launched the largest Chinese search engine around the world

In 2001, Baidu pioneered the "PPC" model in China.

In the same year, Baidu officially launched the search engine for ordinary customers

In 2002, Baidu surpassed Google in the Chinese market.

In 2005, Baidu was listed on the Nasdaq in the United States.

In 2010, Google withdrew from the Chinese market.

(Jizhuomi.com, 2018)

BACKGROUND OF PPC

PPC

definition

pay-per-click is a kind of **small advertisement** with specific keywords and is displayed in a specific location on the information search interface. Advertisers pay to the organization each time a visitor clicks on an ad (Mordkovich , 2007)

Google

ipad screen repair

All | Shopping | Videos | Maps | Images | More | Settings | Tools

About 3,580,000 results (0.71 seconds)

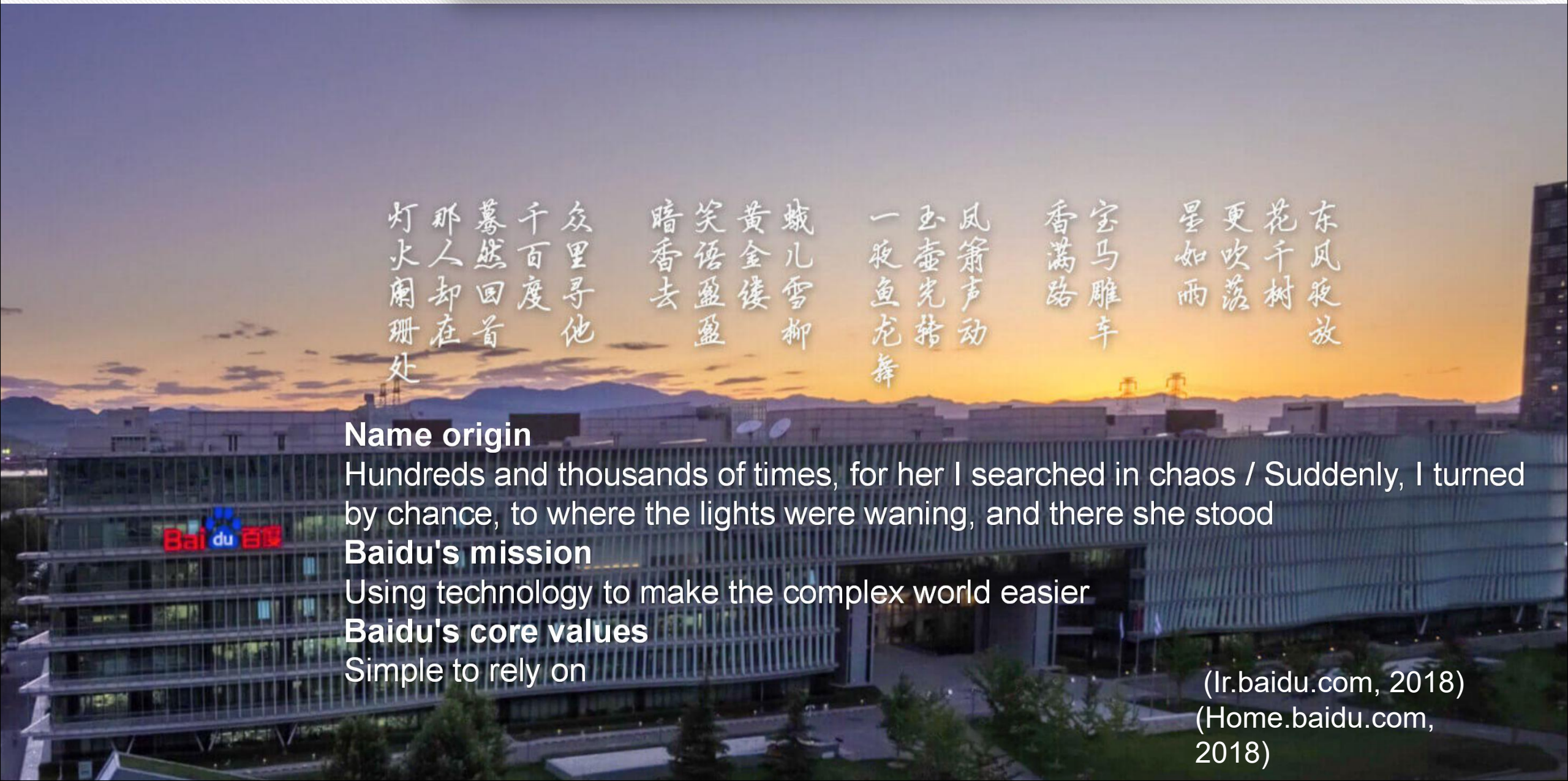
Quick iPad Screen Repairs | UK's Leading Repair Service
Ad www.quickmobilefix.com/iPad-Screen/Repairs
1 Year Warranty Included. Grade A Parts Used. No **Fix** No Fee. Book Now!
Free UK Postage Included · Best Prices Around · UK Wide Service

Book A Repair
Easy To Use Repair Service
Free UK Postage To & From

Repair With QMF
Get Your Device Repaired
Free UK Postage To And From

iPad Screen Repair £29.99 | Fast Sameday Repairs | screenfixers.co.uk
Ad www.screenfixers.co.uk/ipad/repair
Broken **iPad Screen**? We Can **Fix** It. Professional, Fast **Repairs**. 12 Month Warranty
Data Protected · 1 Year Warranty · Free Delivery
Contact Us · Courier Collection · Free Mail-In Pack · FAQs · Business & Education
Screen Repairs - from £29.99 - 12 Month Warranty · More

CULTURE OF BAIDU



Name origin

Hundreds and thousands of times, for her I searched in chaos / Suddenly, I turned by chance, to where the lights were waning, and there she stood

Baidu's mission

Using technology to make the complex world easier

Baidu's core values

Simple to rely on

(Ir.baidu.com, 2018)
(Home.baidu.com, 2018)

2

THE DESCRIPTION OF THE SCANDAL

THE STAR

April 2014
Chinese student Wei Zexi examines synovial sarcoma.

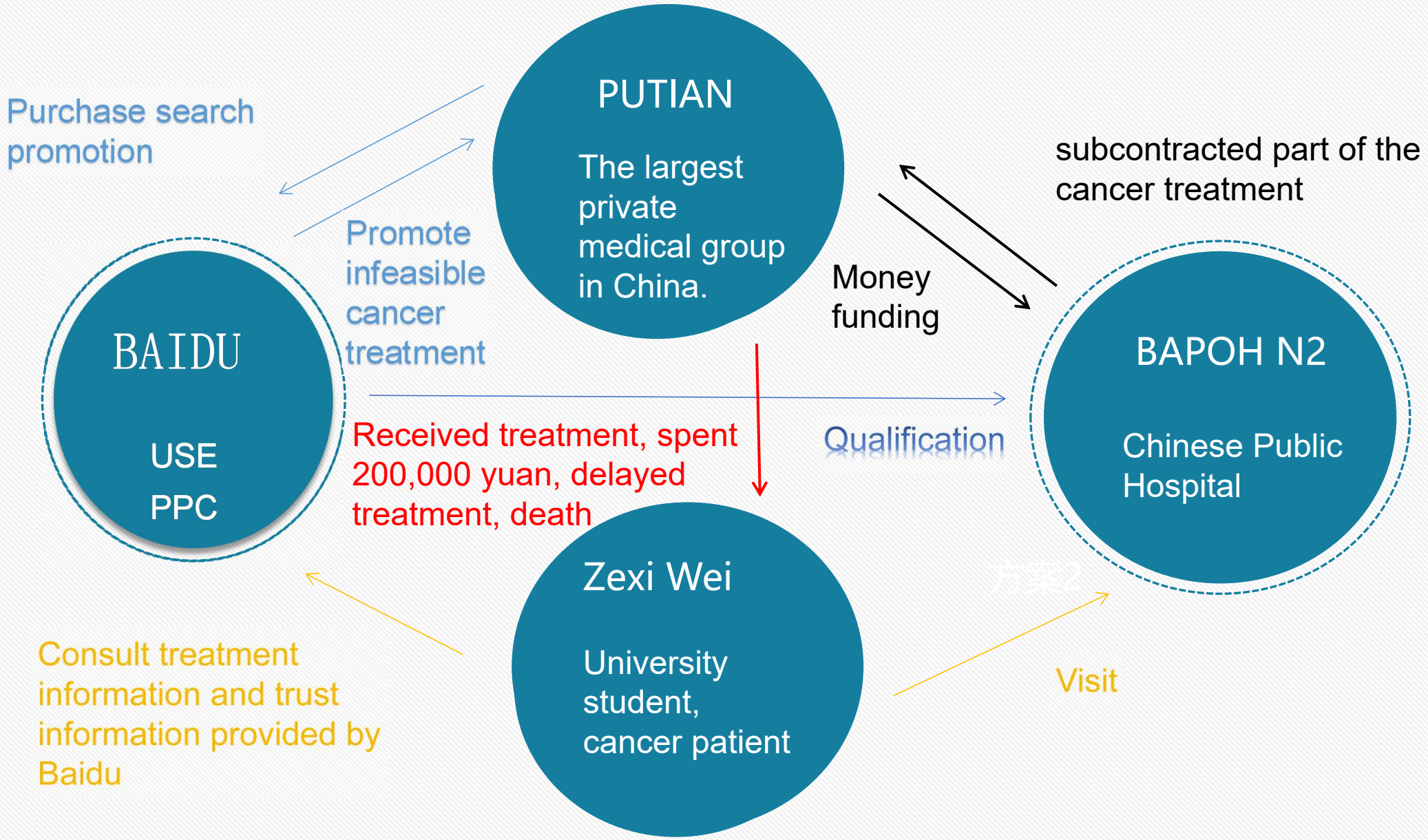
August 2015
Wei Zexi stated on social networking sites that he wanted to commit suicide. He received treatment at Beijing Armed Police Corps No. 2 Hospital but failed. This stage of treatment costs all his family’ s money.

February 2016
Wei Zexi told his story on social networking sites. And accuse it as the worst evil of human nature.

April 12, 2016
Wei Zexi died. On the same day, Wei Zexi’s father announced Wei Zexi’s death with Wei Zexi’s social account.

(Bing.com, 2016)

3 THE RELATIONSHIP OF THE PARTIES TO THE SCANDAL



THE BREAK OUT

Since the media continued to report the death of “Wei Zexi”, it caused netizens to anger.

The Chinese government set up an investigation team to investigate the Wei Zexi case.

(Bing.com, 2016)

THE END

The Chinese government has forced Baidu to make corrections.

A

Changing the ranking method, it cannot be only based on money . baidu should highlight of commercial promotion information and advertisements per page must not exceed 30%.

B

Comprehensive review of medical advertisements

C

Establish a sound protection way for consumers' rights and interests

Mai (2016)

THE END

- The operation of other cooperation projects in the hospital will be centralized and rectified.
- The two main managers of the hospital were dismissed and two suspects were arrested. There are 6 other people who have been imposed administrative penalties
- During the investigation, the hospital was completely suspended for rectification

(Li 2016)

THE REACTION OF THE ORGANIZATION

1.April 28,Baidu responded in an emergency that Baidu conducted a review of search results for the first time. The hospital is a public hospital with complete qualifications.

2. Li Yanhong, released the company's internal letter, which stated that Baidu should be responsible for Wei's death and should reflect deeply.(Tech.sina.com.cn, 2016)However, Baidu has always insisted on the hospital and Putian should take full responsibility for the death of Wei Zexi.

3. Baidu also promised to completely rectify the search engine . The rectification content includes the **review of all medical institutions conducting the promotion service. Change the previous price-based sorting method** and **use credit as the sorting criteria**. At the same time, Baidu promises that the **advertisements** in each page should **not exceed 30%**, and **all advertisements** should be **clearly marked** (IFANR. 2016).

4.

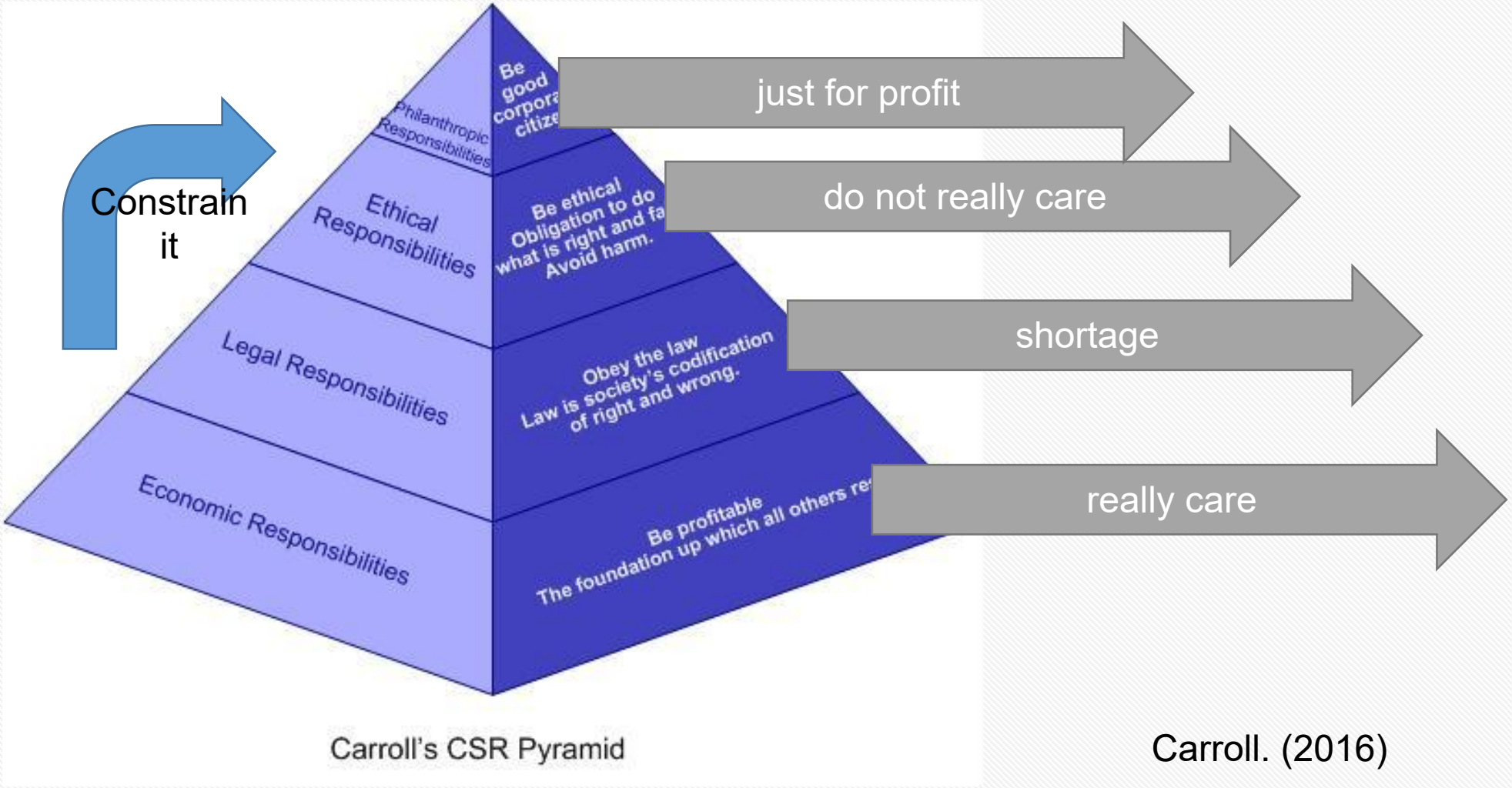
THE IMPACT OF THIS SCANDAL

1After the scandal erupted, Baidu stock fell sharply and Baidu's market value shrank nearly 35 billion yuan just one day . Baidu subsequently promised to rectify its search method, but did not save the stock price. Within a short period of two months, Baidu's market value has shrunk by more than 70 billion RMB. (Stock.qq.com. 2016)

2Baidu is forced to shift its strategic focus to artificial intelligence.

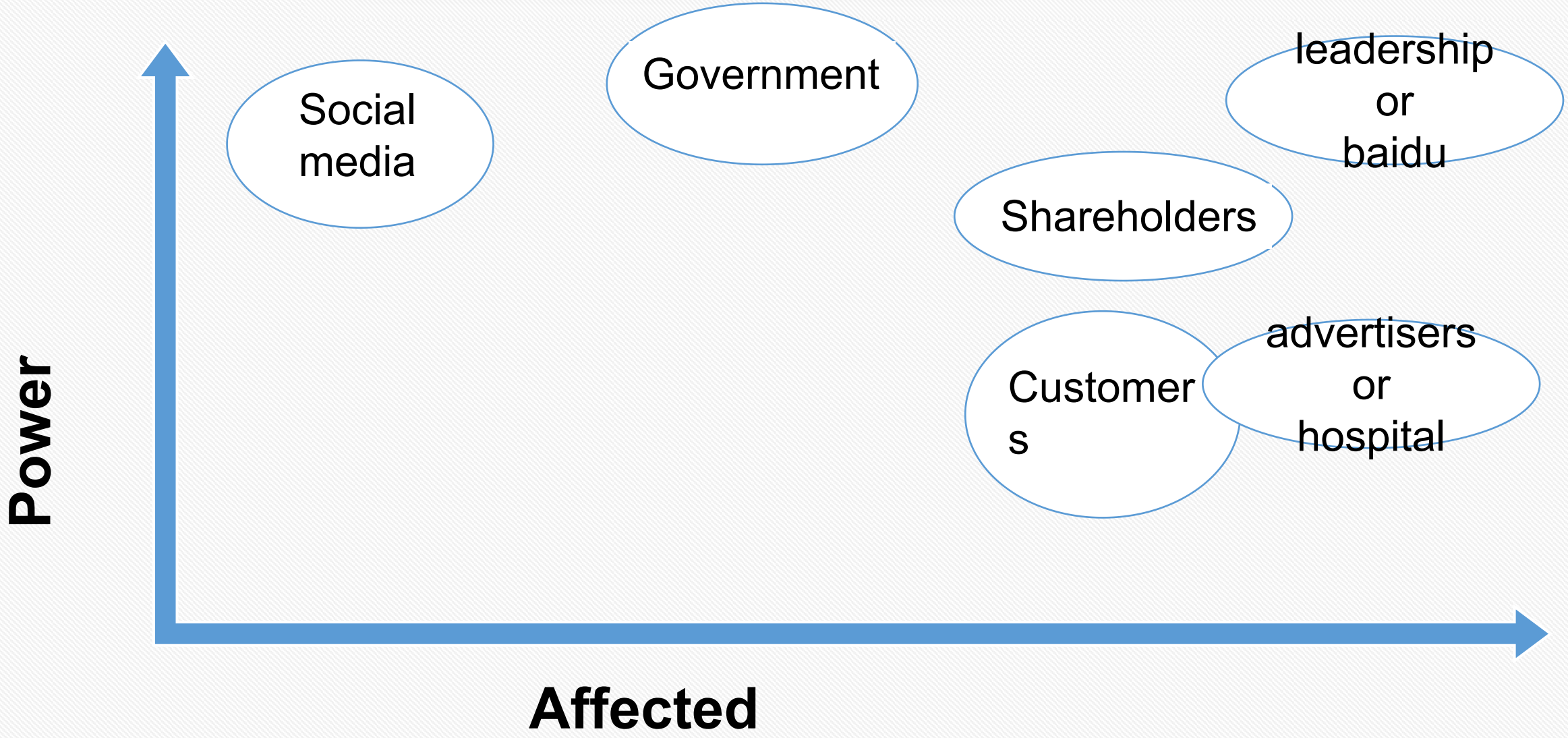
CSR ANALYZE

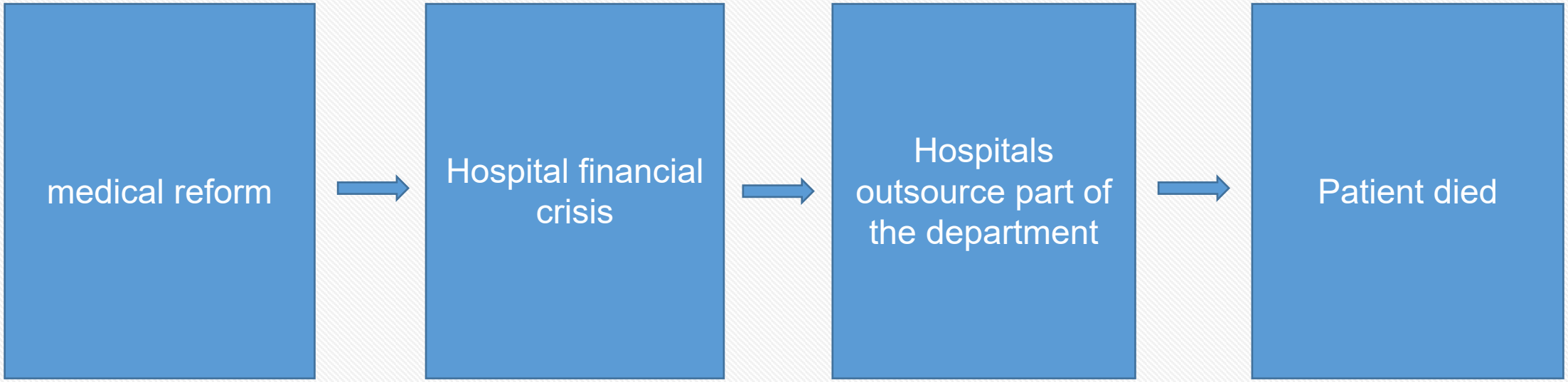
Carroll's CSR Pyramid



Carroll. (2016)

main stakeholder




medical reform
Hospital financial crisis
Hospitals outsource part of the department
Patient died

(Dai,2016)

CONCLUSION

- Baidu recognized his mistake and promised to rectify it, but Baidu insisted that the main responsibility lies with the hospital.
- The main responsibility of Baidu is that it does not clearly indicate that the relevant information is advertising.
- When relevant laws and regulations are scarce, the company pays more attention to economic benefits. So it needs legal restrictions
- In this scandal, Baidu, hospitals, and government should all be accused. The fundamental reason for the scandal is the irregularity of the system.

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