

Google Tracks Traffic In Moscow, St. Pete

By Valery Kodachigov

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The Russian version of Google on Tuesday launched a test version of its new service allowing drivers to monitor traffic conditions in Moscow and St. Petersburg.

Alla Zabrovskaya, a spokeswoman for Google in Russia, said the service could be accessed from mobile phones by downloading a special application. She said Google would not seek to monetize the service and that it would receive information, in part, from users.

According to data from Liveinternet, Yandex had 64.5 percent of all Russian Internet searches in July, while Google had 22.1 percent. A year earlier, Yandex received 57.1 percent of all search requests, while Google had 23.4 percent, suggesting that the homegrown web portal is gaining on its U.S. competitor.

Yandex is currently Russia's most popular source for information on traffic. Google's new service is a breakthrough for the company, since not having information on road conditions

drove users to other services and cut Google's market share, said Ivan Nechayev, executive director of Russian Navigation Technologies.

But it won't be easy for Google to compete with Yandex, which has already built and developed a system for handling information about traffic jams, Nechayev said.

Yandex offers its traffic service in more than 30 Russian cities, whereas Google will initially only be in Moscow and St. Petersburg, but those two cities represent the bulk of interest in traffic searches, said Tatyana Tolmachyova, development director for consulting firm Frost & Sullivan in Russia.

In addition to Yandex, there are already several other traffic services, including Probki@mail.ru, Rambler-probki and Navitel. It's difficult to predict what market share a new major project could capture, Yandex marketing director Yelena Kolmanovskaya said, referring to Google's new service.

So far, Russian companies have been unable to generate revenue from their traffic services. Internet portals benefit from the added web traffic generated by geo-informational services, whereas content providers of traffic data gain added exposure for their software, said Viktor Lopatin, vice president of Vobis Computer, a navigational equipment retailer.

All Russian traffic service providers have quality problems with their data, and the Russian technology they use to handle the data remains imperfect, he said. There are still no specialized companies in Russia providing data on traffic jams to navigational services and web portals, meaning that they rely on drivers, traffic police, logistics companies and other independent sources for information.

U.S.-based Google is 70.6 percent controlled by management, including founders Larry Page (29.4 percent) and Sergey Brin (28.9 percent).

Yandex's management owns about 30 percent of the company, including options, while investment funds hold 60 percent, and 10 percent belongs to private investors and former employees. State-run Sberbank holds a golden share in Russia's largest search provider.

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