

Strategy

Business



I. What makes Google a successful search engine? It is well-known that Google is the most widely used search engine in the world. From its search engine moniker “ BackRub” in 1996, it evolved into Google, as we know it today, and grew by leaps and bounds. It launched dozens of innovative products and services including online advertising services applications, such as Gmail, Google Map and Google Plus, among its innovative products. From small company with a few employees Google has now leapt to a gargantuan organization of 20, 000 plus employees (Google). But what makes Google exceptional as a search engine today is its ability to be “ integrated into a third party’s website or intranet” (The Economist, 182) that also allows corporate intranets to search company documents. Its search engine also offers services to advertisers to run large campaigns through its search engine, which contributes tremendously to its bottom line.

II. How would you know? How does it relate to Googles other business segments from a customer point-of-view?

Google’s AdSense and the ability of its search engine appliance to be integrated into a company’s intranet for a charge, synergizes with its basic search engine facility, thus, enhancing the revenue potential of the engine. Its acquisition of YouTube in 2006 also allowed it to receive advertising revenues for ads displayed during internet videos, while its 2008 acquisition of DoubleClick allowed the company to generate advertising revenues through banner ads. Its other business segments such as Gmail, GoogleMaps, Google scholar and several other products and services add to its search engine with each segment complementing the other services. Google’s introduction of the Android operating system also allowed the company to penetrate the growing market of the mobile internet industry.

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All these capabilities of Google products and services, which work in synergy and complement each other in terms of increased traffic and market reach, illuminate its success. While Google's basic services, such as its search engine and mail, are free, it is able to derive revenue from other revenue generating services attached to the free ones such as AdSense.

III. Google synergy from a revenue point-of-view

The synergy of Google's product and services increases the traffic and usage of its services, which allows it to reach and penetrate the market deeper. Google's deeper market reach and penetration translates to its wider market base, which ultimately redounds to enhanced revenue for the company.

IV. From internal skills and capabilities point-of-view

All these innovative products and services were a product of Google's talented workforce and its unorthodox corporate set-up. To maintain its innovativeness, Google always deliberately strove to ward off the conservatism that was seen as the sign of company's growing old. "We are actively trying to prevent middle-agedness," explains Eric Schmidt, Google's current chief executive (The Economist). And this youthfulness, which had brought in innovative products such as Google Maps, is best reflected in its corporate culture to reinforce the mindset that made it what it is today.

V. How does this fit with Google's business model?

It is accurate to contend that Google's business model is one of the most creative business models in the modern market. As a business model, it does not make money on its core service, which is its search engine, but instead on the services attached to it, such as AdSense and other advertising capabilities that generate revenue for the company.

This kind of creativity merely spawns on an already talented workforce which
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is nurtured by an enabling corporate culture under the environment of support.

Reference:

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