

Google strategy plan

[Business](#), [Company](#)



Abstract Google is the most recognized search engine on the internet in the world. They are a global technology company focused on improving the ways people connect with information. Google's revenue primarily comes from delivering online advertising. Google's is focused on areas such as search, advertising, operating systems and platforms and enterprise. AdWords is Google program used by businesses to promote their products and services with targeted advertising. Also, third parties that make up the Google Network use another Google program, AdSense, to deliver relevant advertisements that generate revenue (Lennihan, 2012).

As Google has grown, they have added several new services for its users. Some make Web searches more efficient and relevant, while others seem to have little in common with search engines. The many services have entered Google into direct competition with other companies (Strickland, 2012). Google has expanded their company beyond just search and advertising and are looking for new ways technology can expand their business. They want to be technological innovators that people want to work for to be the leader in technology research and development.

The Google culture encourages their people to explore new ideas that may lead to a breakthrough not yet discovered. The Global Strategy Plan covers from where Google first started by two Stanford PhD students back in 1998 into what it is today, a multi-billion dollar corporation that strives to be the leader in technology. They are continuously looking for ways to improve the search for users and the speed and information they receive. Google is a technology leader and continue to expand into more technology fields. Google

Google provides a variety of tools to help businesses of all kinds succeed on and off the web (Google Company, 2012). They are a global technology leader focused on improving the ways people connect with information. Innovations in web search and advertising have made Google's web site a top internet property and their brand one of the most recognized in the world (Grant, 2010, p. 350). Google's advertising programs, with range from simple text ads to rich media ads, help businesses find customers, and help publishers make money off of their content.

They also provide cloud computing tools for businesses that save money and help organizations become more productive (Google Company, 2012). Google's mission is to organize the world's information and make it universally accessible and useful (Grant, 2010, p. 350). Firm Analysis Google Inc. was established in September 1998 in a friend's garage in Menlo Park, California by Larry Page and Sergey Brin, PhD students at Stanford University. In January 1996, Page's search for a dissertation topic led him to examine the linkage structure of the World Wide Web.

Page and Brin developed a page-ranking algorithm that used backlink data (references by a Web page to other Web pages) to measure the importance of any Web page. They called their search engine "Google" and on September 15, 1997 registered the domain name google.com. They incorporated Google Inc. and Google's "Page Rank" algorithm was granted a patent on September 4, 2001 (Grant, 2010, p. 340). The Google search engine attracted a rapidly growing following because of its superior page ranking and its simple design.

In 2000, Google began selling advertisements – paid web links associated with search keywords. After 2000, Google experienced explosive growth and was boosted in May 2002 by AOL's decision to adopt Google's search engine and its paid listings service (Grant, 2010, p. 341). Page and Brin's initial funding for Google was a \$100, 000 contribution from Andy Bechtolsheim, co-founder of Sun Microsystems. In June 1999, larger funding was obtained from venture capital firms Kleiner Perkins Caufield & Byers and Sequoia Capital. On August 19, 2004 an initial public offering of about 7% of Google's shares raised \$1. 7 billion, giving Google a market capitalization of \$23 billion, which fueled even more rapid development of its business (Grant, 2010, p. 341). Google is best known for their search engine on the internet, but they have been acquiring, on average, more than one company per week since 2010 (Wikipedia, 2012). Two of the major purchases made by Google have been YouTube on October 9, 2006 and Motorola Mobility on August 15, 2011 (Wikipedia, 2012). They have also purchased various other companies to build on their search engine, help improve their website and their advertisement business.

Google's quest to meet the information needs of society caused it to continually seek opportunities for accessing new information and provide it through additional media channels. Google's quest to provide accessibility to the world's information had taken it into new communication media (notably wireless telephony, but also radio, TV and video games) and sources of information beyond third-party web sites. These new sources of information included images, maps, academic articles, books, satellite imagery, news, patents, video, finance, and Web logs (Grant, 2010, p. 343-344). Google

purchased YouTube in October 2006 for \$1.5 billion. Many writers thought since Google made a majority of its revenue from advertising, it would profit from placing video ads next to the 100 million video streams that YouTube claims users view there each month. Google, instead, kept YouTube as an independent company. Google was attempting to break into TV and radio advertising and testing the waters on the internet with YouTube seemed like a good idea that would be a cheap alternative to actually placing ads on TV. At the time of the purchase, TV advertising was the biggest ad market of all totaling \$61 billion in the U. S. compared to the Net's \$8 billion. Google executives confirmed the company bought YouTube, in part, to better position itself for getting into the business of selling traditional television advertising (Kirkpatrick, 2006). The purchase of Motorola Mobility – the spun-off phone-making wing of the original Motorola, cost Google \$12.5 billion, which is about a third of their cash reserves, as of when the purchase was made. The most obvious reason the deal was made was to give Google access to Motorola's ability to manufacture hardware in massive numbers, something Google is painfully naive about.

Google now gets access to Motorola's design and engineering process, and this will allow it to carefully tailor both future smartphone hardware and its own Android OS software together. Making phones in-house means a Google Droid phone will likely have better battery life, slicker performance, greater reliability and fewer bugs, which is exactly what Google needed to rival Apple, with its iron-fist control over seamless integration of software into custom-crafted hardware.

Also, Motorola is already so huge, and long-established, it has extensive and very strong links to manufacturing partners around the world. Those relationships are now owned by Google, which means it can hone and refine them to meet future Android phone and tablet needs, which puts Google in the hardware business (Eaton, 2011). Google's growth and capacity for innovation rested upon a management system that was unique, even by the unorthodox standards of Silicon Valley.

Gary Hamel identified in the book, *The Future of Management*, several key features of the management system built by founders Larry Page (President of Products) and Sergey Brin (President of Technology), and their “adult supervisor” Eric Schmidt (Chairman and CEO): their hiring policy, a dramatically flat, radically decentralized organization, small, self-managing teams and rapid, low-cost experimentation. The result was a constant impetus towards creativity, innovation and entrepreneurial initiative. Google is organized around the ability to attract and leverage the talent of exceptional technologists and business people (Grant, 2010, p. 45-346). Google keeps lines of communication open between the top people in the organization and the workers, referred to as Googlers. This open communication allows the workers to question the decision-makers about the happenings in the company and gives them a sense of ownership of the products. Google AdWords and AdSense is a pair of Web advertising services that generate revenue. AdWords allows advertisers to submit ads to Google that include a list of keywords relating to the product, service or business. When a Google user searches the Web with one of the keywords, the ad appears on the sidebar.

Google gets paid by the advertiser every time the user clicks on the ad. AdSense is similar, except instead of displaying ads on the sidebar, a webmaster can choose to integrate ads into their own site. Every time someone clicks on an ad on the webmaster's site, the webmaster receives a portion of the ad revenue (Google gets the rest). With both AdWords and AdSense, Google's strategy is to provide targeted advertising to users (Strickland, 2012). In 2011, 96% of Google's \$37.9 billion in revenue comes from advertising (Miller, 2012).

Google's International Markets is one of the most used search engines in the world, offered in approximately 144 countries. The search engine holds around a 60% market share in the world's search engine requests. Google holds a 10% higher market share in Europe than in the U. S. Google, Inc. has approximately twenty American based offices, thirteen offices in the Asia - Pacific region, twenty-six in Europe, three in Canada, three in Latin America and five in the Middle East. Sergey Brin, Google, Inc. 's co-founder, stated, "Google plans to quickly expand into a wide variety of new markets.

The simplicity of our user interface and the scalability of our back-end systems enables us to expand very quickly" (Bailey, Gilmore, Hrones, Mendea, Peal). Google, Inc. is swiftly becoming a noticeable global brand with approximately 70 office locations as of April 2010 in the U. S. and around the world (Bailey, Gilmore, Hrones, Mendea, Peal). Google believes it is possible to organize all the information on earth and provide it to users when needed. Google started out as a search engine and later collaborated with its various products (Kumar, 2011). SWOT Analysis

StrengthsWeaknesses -Ease of use by all users to retrieve information - Speed of the search engine -Integrate with various languages -Localized searching -Google's products -Development supports innovation-Difficult to differentiate between real good content, good content and average content - Business manipulate the system -Just a search engine that provides information to the user -Products are not well known OpportunitiesThreats - Technology and increase internet usage created a revolution for information and knowledge for the common man -Major revenues from advertising Constantly involved in acquisition programs -Huge user base causes any additions to immediately become more popular than even the original idea- Faces competition from other search engines like Yahoo and Bing -Baidu and Yandex in China and Russia are market winners -User preference changing - Possiblefailureor take time to migrate its existing technology -Don't lose its focus with competitors -Moving away from the search engine (Kumar, 2011) Recommendations Google is constantly acquiring new businesses and ideas that allow it to provide information the users want to them at a rapid pace.

One of their newest projects is Google Glasses which is in line to compete with Facebook for thesocial mediacrowd. These augmented reality glasses would bring smartphone computing straight to your eyeballs while allowing wearers to capture photos and videos of the world as they see it. Google glasses will have the ability to send text messages, take phone calls and give directions making it a competitor to Apple's iPhone. We're constantly being told these days that sitting is killing us, and that the amount of time we spend planted in a chair, glued to computers and tablets is dangerously unhealthy.

Technologies that allow mobility and engagement with the world, while still connected to the Internet are going to be attractive (Hill, 2012). As a company, Google aims high. Its ambition far exceeds Internet search and advertising. It has built a powerful network of data centers around the globe in hopes of connecting users instantly with high-resolution satellite pictures of every corner of the earth and sky; making the entire text of books available online; and becoming the leading distributor of online video through YouTube.

At the same time, Google has taken its advertising system offline, as it tries to capture portions of large ad markets in television, radio and newspapers, investing heavily in mobile phone technology to replicate its online success in the wireless world. The company continues to be dominate in its core business, search advertising, but Google faces fierce competition from social media sites like Facebook and Twitter. Information exchanged over the social network is walled off from search engines and lucrative territory for ads (Lennihan, 2012).

Google has had many inquiries from the Federal Communications Commission (FCC), the Federal Trade Commission (FTC) and the European Commission (EC). The FCC fined Google \$25, 000 for impeding an investigation into its data collection practices. The FTC escalated its antitrust investigation of Google by hiring a prominent litigator, sending a strong signal the agency is prepared to take the case to court. The EC warned Google it must move quickly to change four business practices or face formal charges for violating European antitrust law.

The EC found, after a two-year inquiry, that Google might have abused its dominance in Internet search and advertising, giving its own products an advantage over those of others, while maintaining it offers a neutral, best-for-the-customer result (Lennihan, 2012). Having such a large share of the search and advertising market around the globe is attracting the government agencies to look into the way Google is doing business to ensure they are legitimately looking out for the best interest of the customer.

The government wants to ensure Google is not giving any company an unfair advantage over any other company. Google's future is being imagined at the company's top-secret lab, called Google X, in an undisclosed Bay Area location. At the lab, Google is tackling a list of 100 ideas. Among them is a refrigerator that could be connected to the Internet, so it could order groceries when they ran low; a dinner plate that could post what you are eating to a social network; a robot that could go to the office while you stay home in your pajamas; or an elevator to outer space.

One of the ideas – the driverless cars – may turn into a new business. Even as Google has grown into a major corporation and tech start-ups are biting at its heels, the lab reflects the company's ambition to conduct groundbreaking research and development (Lennihan, 2012). Conclusion Google has come a long way since Sergey Brin and Larry Page networked a few computers together at Stanford. What started as a modest project is now a multibillion-dollar global organization that employs more than 19, 000 people around the world.

Brin and Page are still very much involved with Google's operations (Strickland, 2012). Hiring intelligent people that fit the Google way and <https://assignbuster.com/google-strategy-plan/>

keeping the teams to small groups are key ingredients to keep effective teams able to get things done without too many layers. Google's drive to remain on top of the search and advertising industry and drive to continuously improve their products through acquisition, research and development keeps them on top of the industry. References Bailey, Gilmore, Hrones, Mendea, Peal. Google, Inc. International Strategies.

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