

Google's current strategy



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Google's business model is mainly based on advertising. Any market that attracts advertising is a target for Google. Google is in a situation in which it can resist the economic crisis and find new revenue sources, both advertising and non advertising. Google's ability is to attract users in the sole basis of its services quality and without turning to advertising. That's why Google largely buys traffic from different providers.

Google has financial power to buy traffic from partners so that they can access massive audiences. Google has alliances with Firefox (browser), Dell (computers), Apple (iPhone), Sun (Java packages), AOL to have the Google search engine appear by default. So by doing alliances with different organizations, Google expands its advertising network reach. (All-About-Google presentation, Paris, December 2008)

Apart from increasing market share of current performance advertising, Google is looking advertising opportunities in Internet mobile. At present time, mobile advertising market is growing very fast. So Google's current strategy is to capture mobile advertising market.

But current mobile industry is not suited for the Google's development model which is based on openness, interoperability and network effects. If we consider current mobile world, maximum cell phones manufacturers are using Symbian or Windows operating system and terminals assigned to a unique operator. All operators provide different services through their own portals and these portals and services favored over other portals. Because of

closed operating systems, Access restricted to services/ contents and to their improvements.

As part of their strategy to go in mobile internet advertising, Google is trying to change the mobile world according to their business model and it is using following vehicles to implement its strategy.

1- Open Source Operating System: Android

Google has developed ' Android' Open source operating system for mobile device. It is a free, mobile software platform. It allows developers to create new mobile device applications and manufacturers to install it in their handsets. Android is being developed with the Open Handset Alliance, a group of more than 45 technology and mobile companies, with the goal of providing consumers a less expensive, richer and more powerful mobile experience. As per Google corporate report (October 2008), T-Mobile has already announced the G1, the first phone built on the Android operating system.

2- Partnerships with different telecom companies

Google is trying to do partnerships with telecom companies' to offer its applications as default options. Advertising revenue will be share between Google and operators.

(All-About-Google presentation, Paris, December 2008)

Google had already entered in telecom domain. It announced a partnership with China Mobile, the world's largest mobile telecommunications carrier to provide mobile and Internet search services in China. These deals are continuation of deal making among network operators, internet providers

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and makers of telecom equipments around the world. They have introduced AdSense for Mobile; giving sites optimized for mobile browsers the ability to host the same ads as standard websites. New beta version of AdSense allows developers to display text and image ads in iPhone and Android applications.

(Google Interface for iPhone, Alex Chitu, 2008)

Google's interface for iPhone gives users the option for Search, Gmail, Calendar, Docs, Reader, Web, Notebook and News. This interface is available in 16 languages. In this, Google shows search suggestions, auto-complete for Gmail contacts, slideshows in Picasa Web and includes a presentation viewer in Google Docs. (Alex Chitu, 2008)

Google strategy is to change the mobile industry to create an environment that will be fit according to the distribution of its products and monetization model. Google's strong brand and image as a technological leader are its key differentiators for this strategy, because it gives a great confidence to their investors and customer, who give their advertisements on Google's websites.