

Strategy
management google
flashcard



Strategic direction has many benefits to an organisation. A company's vision, mission and future ends are set from the strategic procedure. In add-on, strategic direction gives directors an advantage in apportioning resources expeditiously. Furthermore, these schemes help give the house a competitory advantage in the market. Statistics show that, on norm, companies utilizing strategic direction are more successful.

1. Introduction

Google has changed the manner people look at and portion information. This has made them a taking hunt engine on the web and a planetary engineering leader. Back in the mid 90's, Stanford University graduates, worked on developing this alone engineering. Since so, Google has grown to go one of the most accepted trade names in the universe every bit good as one of the top Internet finishes. As of 2013, Google has 16800 employees working in more than 70 offices in more than 40 states around the Earth. Their central office is located in Mountain View, California, USA. Google is the world's most popular hunt engine.

It began as a hunt undertaking in 1996 by Larry Page and Sergey Brin, who were two Ph. D. pupils at Stanford University. They developed a hunt engine algorithm that ranked Web pages by content and keywords and by how many other Web pages linked to each page. This scheme produced more utile consequences than other hunt engines and led to a rapid addition in Google's Web hunt market portion. The Google ranking algorithm was subsequently named " PageRank" and was patented in September of 2001.

In merely a short clip. Google became the figure one hunt engine in the universe.

2. Business Definition

Harmonizing to Google's web site. the company's mission is to " organize the world's information and do it universally accessible and utile. " While the Web hunt remains Google's primary tool for assisting users' entree information. the company offers several other services every bit good. Some of these include:

Image Search – hunt for images on the Web

Google Groups – on-line treatment forums
Google Answers – replies to inquiries based on a command system
Google Maps – maps and waies
Google Toolbar – a downloadable hunt tool
Blogger – a free blogging service
Gmail – Web-based electronic mail with several Gs of storage
AdWords – Advertising services for advertizers
AdSense – Advertising services for Web publishing houses

Google Inc. has a record of \$ 22. 9 billion in advertisement grosss in 2009 and is an incontestable leader in Internet hunt. In October 2013. Google's portions surged to a record high of more than \$ 1. 000 per portion. By comparing. it's initial public offering in August 2004 was at \$ 85 per portion.

3. Vision and Mission

4. PassageProduct Development Philosophy

Google divides its merchandise investments three ways, following an expression of “70-20-10”. Seventy percent marks its core hunt and advertisement merchandises. 20 per centum focal points on related merchandises, and 10 per centum centres on the most experimental products¹⁹⁰. These undertakings would include 1s where the company remains diffident if users will follow the service or if it would do money, but such experiments are critical for the long term. Merchandises can travel among the classes as good. For illustrations, Google News, a service for seeking intelligence articles, and Froogle, a merchandise hunt service, are both beta merchandises that fall into the class of next merchandises. The users frequently see some of products’ logo indicates that the merchandise is “beta” version and this is about Google’s beta policy which Google keeps merchandises and services in beta every bit long as its applied scientists expect to go on to do major alterations to them.

Google’s betas besides are cardinal to its individuality. Google itself was in beta for a really significant figure of old ages. Part of Google’s trade name is that we under-promise and we over-deliver, and being in beta is portion of that. It’s portion of our branding scheme. As Google provides more and more services, it can garner an increasing sum of information about users. Therefore, users are besides disquieted that Google tracks all of hunts, and it might so easy make a personal profile of a user and sell the consequences to the highest bidder. Indeed, when a user visits a Google web site or does a hunt in Google, Google servers record information about that visit, including the IP reference of the visitant, the URLs, and the day of the month and clip of petition.

The Classification of Products and Services

Based on available public information. Google has assorted merchandise categorizations for its merchandises. For illustration. in 2005 one-year study. Google described its merchandises and services by classs of “ Google. com” . “ Web and content search” . “ Communication and collaboration” . “ Downloadable applications” . “ Mobile” . “ Labs” . “ Google AdWords” . “ Google AdSense” . and “ Google Enterprise” .

Yet on its web site. classs are “ Search” . “ Explore and innovate” . “ Communicate. show & A ; share” . “ Go mobile” . and “ Make your computing machine work better” . In short. in order to let the readers of this research to easy understand. this research adapts the latter categorization. Besides. Google does non supply a direct-meaning nexus to a cardinal page that includes all of its merchandises. alternatively of the direct word “ products” Google uses “ more” and “ About Google” Accordingly. users know approximately Google as a web hunt tool. but do non easy to recognize there are abundant merchandises and services that can be applied. For illustration. users want to look into out the newest launch. a Web-based spreadsheet. Google Spreadsheets. users surely can non happen it anyplace through links on the index page of the Google’s web site. so if they type-in the keywords to hunt and seek several links which may supply a trial-out chances eventually. Yet it already costs clip and makes an feeling.

5. Beginning of Competitive Advantage

Google owe its success to the undermentioned facets. They have helped them keep a sustainable competitory advantage. over their rivals viz Yoke!! . Microsoft. eBay. Amazon.

Superior Infrastructure

Google operates in a really competitory environment. With its plentifulness of merchandises and services. Google faces competition from different industries. Google's sustained competitory advantage is apparent in its superior substructure. In the 3rd one-fourth of 2013. it was revealed that the Internet elephantine spent \$ 2. 3 billion on substructure. This is a blunt addition of about 50 % as compared to a twelvemonth ago.

Powerful Search Engine

Google's hunt engine received critical acclamation with PC Magazine calling it in its list of " Top 100 Web Sites and Search Engines for 1998" . Between the year-end 1998 boulder clay early 1999. the figure of questions increased from 10. 000 to 500. 000 questions daily. Since so. the hunt engine has been refined and enhanced with newer characteristics. In 2010. there were 516 betterments to seek such as Instant Search that provides dynamic consequences. It's the best hunt engine available that edges all its rivals. the biggest rivals being Microsoft's Bing and Yahoo Search. Google handles more than 3 billion hunts daily. which is a market portion of approximately 67 % in 2012. By comparing. Bing and Yahoo hunt holds a market portion of approximately 16 % and 13 % severally in 2012.

Extensive Portfolio of Products & A ; Servicess

Google's changeless chase to spread out its portfolio of services and tools is besides grounds of its sustained competitory advantage. Google has besides acquired over 100 companies to spread out its services. notably the popular

picture sharing web site. YouTube in October 2006 and Motorola Mobility in August 2011. YouTube serves more than 800 million alone visitants a month and holds a taking market portion of more than 40 % in on-line picture. This figure is 20 times greater than it's nearest rival. Youku in China. Google besides encourages its staff to exert their creativeness and invention. that can lend to the formation of new merchandises and thoughts.

Resource Based View (RBV) of Google

Based on Resource Based View (RBV) . an organisation is able to derive sustained competitory advantage if its resources fulfil the undermentioned standards of being valuable. rare. amiss imitable and non-substitutatable. This is normally known by the acronym “ VRIN” . Valuable Resources – Google is best known for its hunt engine. The hunt engine has been Google's most valuable resource. driving advertizements which histories for a 96 % of Google's \$ 37. 9 billion gross. Employees are besides one of Google's valuable resources. The lively and originative company civilization has been of import in the high-efficient operations. ensuing in the creative activity of the many advanced services and tools.

Rare Resources – Google has a big portfolio of patented engineering and the Numberss of patents held have been increased with the acquisition of Motorola Mobility in 2013. It is reported that the acquisition has provided Google with an excess 24. 000 patents. In-Imitable – Google's graduated table of its substructure can non be easy imitated. Substitutability – With its clean. minimalist user interface. Google Search offers an alone manner of recovering information rapidly that is hard to replace. Using RBV. it can be

determined that Google sustained competitive advantage is achieved through the resources that it has. These resources are inimitable and hard to replace.

6. Environment Analysis

6.1 Internal Environment

Its comparatively short life as a company. Google rapidly became a function theoretical account for its civilization of invention. Software authors and applied scientists were attracted to Google not merely for its celebrated fringe benefits such as free repasts and wash installations but besides for a climate in which they were encouraged to allow their imaginativeness to roam free. Woolgathering up thoughts merely might be the following large thing on the Internet. During a long-running concern roar, that civilization served Google good. The best applied scientists were thrilled to work for a company that let them pass fifth part of their clip on new undertakings of their own choosing. But when the economic system slowed and the stock market nosedived. Google's directors had to get by with a new world in which money was tight. Google could no longer afford its free-spending civilization.

Directors had to calculate out how to keep the best of the civilization while introducing it at a more prudent gait. Google's modified civilization now values putting precedences. New thoughts are still welcome if they are focused on nucleus concerns of hunt, advertisement, and Web-based package applications. Directors are transferring employees off from squads working on unrelated undertakings and utilizing them to staff squads working on profitable thoughts in the nucleus countries. Employees who have an

<https://assignbuster.com/strategy-management-google-flashcard/>

thought that can better the computing machine user's experience are asked to see besides what impact that thought might hold on Google's bottom line. Similarly, hiring has slowed, because directors must not merely warrant the endowment of a campaigner but besides aim engaging to peculiar concern demands.

The challenge will be to maintain employees as excited about targeted invention as they have been about drifting invention. Google's IPO prospectus announced dual-class equity, giving 10 ballots per portion to holders of Class B stock versus one ballot per Class A portion. Assuming that the laminitiss retained their Class B portions, Google's top direction three would have approximately tierce of the portions but control over 80 % of the ballots. This prevented hostile coup d'états and speedy determination devising.

6. 2 External Environment

Google's rivals are invariably introducing in web hunt, on-line advertisement, radio nomadic devices, and web-based merchandises and services. To counter that, in 2011, the company spent \$ 6. 8 billion in R & A ; D attempts.

Demographic Tendencies

Google. com reaches over 195 million people every month. Harmonizing to a Gallup survey conducted in 2011, 60 per centum of Americans visit Google in a given hebdomad. The demographics, based on this survey, skews towards immature, flush and college educated Americans, with more than half of

those under 50. Since the rise in smartphones, one can merely anticipate the figure of users to lift.

Socio-cultural influences

Google's primary cultural influence has been in footings of doing information accessible. It has empowered its users to inquire a inquiry, normally in the signifier of keyword-based hunts and have a assorted possible replies. With merchandises like Google Books and Google Translate, information that would usually non be available to each person has become more accessible. Google is a leader of society that is more and more planetary because its mission is to form the world's information and do it universally accessible and utile to everyone. Socio-cultural factors include traditions, values, social tendencies, and society outlook of concerns. These society outlooks can be grouped into: population demographic, income distribution, lifestyle alteration and degree of instruction.

Google is non limited to a certain demographic population, it is a planetary company that offers planetary users with planetary services and planetary cognition for free with merely one status of being connected to the Internet. Therefore there is no limitation on any specific demographic, civilization or specific income distribution. This gives Google a really strong advantage in the market. Its tools are offered to everyone and therefore anyone, anyplace in the universe can publicize on Google and increase their net incomes.

Technological developments

Google was not the first to invent search or electronic mail or advertisements. But its market leading was due to the fact that it did all of those things better than others. Google pioneered cloud computing for the general public. Google is a pioneer and was in fact old ages in front of any other company in that country. With Android and Chrome OS. Google has branched out to running systems and browser. In analysing the technological factors impacting Google, the cardinal facets to see are the degree of basic substructure, rate of technological alteration, new finds and development, authorities disbursement on research, entry to newest engineering, engineering inducements and engineering statute laws. Google's IT substructure is a closely guarded secret because it is one of the company's competitive advantages. Google has up to 450,000 workers spread over at least 25 locations and it uses a customized version of Linux running systems to give them command and flexibility in happening new finds.

The success of Google is chiefly due to its advanced constructs and engineering such as PageRank in their search engine, AdWords as advertisement system, AdSense plan, Gmail, Google Spreadsheets & A ; Docs, Google Map, Google Froogle, Google Analytics, Google Desktop, Google Earth, Google Gear, Google Page Godhead, Google groups, Google talk, Picasa and more. In order to stay the best in the field of engineering, Google has bought a great figure of start-up companies (131) that allows it to profit from the dynamism and creativeness that these companies bring. These companies range in assortment of fields such as security, advertisement, picture, file sharing, shopping, nomadic engineering and many more.

Global Pressures

Google faces assorted types of political and legal force per unit areas. most noteworthy among them being the ability to turn to privateness concerns while equilibrating petitions from authorities establishments. Google besides faces hazard of fluctuations in foreign currency exchange rates every bit good as increased regulative examination particularly with the EU.

Political Factors

Government stableness is one of the major facets in Google's scheme. If the market is stable. authorities help concerns and so these concerns advertise more on Google. hence. profiting Google. In add-on. most of the authorities do non hold identified Torahs for on-line information sharing. therefore. giving Google the chance to pull strings Torahs. However. China has created a barrier for Google by adding ordinances that forbid Google from runing on their footings. For illustration. Chinese Government launched a surveillance system called Golden Shield for supervising civilian usage of Internet. On a positive note. most of the political factors affect Google negligibly. Some of these factors are taxation constabularies. employment Torahs and environment protection Torahs.

Economic Factors

Gross domestic merchandises (GDP) have been on the rise since a really long clip. They are increasing yearly at the mean rate of 3. 20 % making a high degree of 17. 20 % at times. States like South Africa. India. China and United Kingdom have had additions in their GDP each twelvemonth since the

70's and this is a positive factor on Google. With the stable and continued growing of those states. Google's internal and external investments will ever be high in Numberss. Users search more ; therefore more advertizements are put on Google's hunt engines. The sum of users around those counters can impact on Google positively and take them to set up better services and more merchandises for their users. beef uping Google economically. Interest rate can hold a positive or negative impact on any organisation.

These impacts are distinct depending on a company's traffics. Google is a company that relies on investings. this means when involvement rates increase bit by bit in a state. Google benefits. In UK. the rate norm is set to about 8. 2 % . in USA it stands at 6. 1 % . in South Africa at 13. 3 % . in India at 6. 6 % and in China at 6. 4 % . These Numberss mean that companies in that part of the universe will be able to take out loans and invest or back up their company. The more companies have money. the more they will be willing to pass on advertizements ; hence making that through Google. This increases chances for Google in these markets. Inflation rate is a job for the clients or purchasers.

However. companies benefit from it and it increases their overall income. In the past few old ages. USA. UK. India. China and South Africa have all recorded an mean addition in rising prices rate of 2. 5-9. 5 % yearly. This means that natural stuffs in these states are going more expensive every twelvemonth. This causes the companies to increase the monetary values of their merchandises and acquiring more hard currency out of it. This causes Google's advertizements to increase every bit good as the figure of chinks

for each ad. The consequence is more net incomes for Google from these states.

7. SWOT Analysis

8. Cosmopolitan Growth Path- The 4 E's of Google scheme

The company's new merchandises and streamlining of old 1s reveals an implicit in logic. subject. and construction. 1. Earn – 95 % of Google's gross comes from advertisement. Other than its minimalist ads. Google's true nature is smartly hidden from users. It's truly a B2B web that lets a “ closed loop” of concern clients target Google users through ads. Google's ad service pages waste no clip separating between users and clients clear. Adwords support is loaded with phone Numberss to name. You'd have to commandeer a truck full of Google Glasses to acquire person from Google to assist you retrieve a Gmail watchword. Google has ne'er stopped seeking to diversify its gross watercourses by bear downing for storage. concern apps. and even YouTube channels. But none have made more than a 5 % dent so far.

2. Entice & A ; Defend – Google's geeky thaumaturgy comes from its non-stop ingeniousness. Every Google service is a exciting and habit-forming mix of free (or cheap) public-service corporations that make our lives easier or more productive. These public-service corporations must carry through one chief end – to make the biggest possible market to present ads. That means increasing the figure of users. frequency of visits. or continuance of stay on a Google belongings.

So each Google belonging must carry through at least one of three things: Deliver ads to as many users as possible (like Gmail or Search) Bolster the “earn” by heightening merchandises. typically through informations aggregation to better ad aiming. Merchandises like Google+ and Maps soak up user penchants. behaviours. and relationships. As this “ big data” engine grows. the potency for new gross watercourses and revelatory privateness frights multiplies. I’ll explore these in future articles. Defend Google and its belongings against rivals that might steal usagetime. Facebook. Spotify. Netflix. iPhone and Twitter have forced Android. Google+ . and Play into being to support Google’s its portion of cyberspace clip. Google accomplishes all this through a combination of organic merchandises. non-stop ascents. and acquisitions. Each one must make deep roots (electronic mail. contacts. smartphone) and painful shift costs. The intended consequence of all Google services is a batch like a casino.

Google wants to enfold you in its universe until you can’t happen the issues. Once indoors. you’ll tell the trader your life narrative as he takes your money... 3. Expand the Pie - This is likely the least understood portion of Google’s scheme. Google knows its difficult to happen new clients and compete with every new service. So it does something I spent a batch of clip advancing at MasterCard and American Express - expand the pie. In my instance. it meant. advancing transition from hard currency and cheques to digital minutess. regardless of platform. With a bigger pie. everyone’s slice gets bigger.

In Google’s instance. that means spread outing leisure clip. That’s right. Google wants to do clip. Google knows if you’re online and near a screen or <https://assignbuster.com/strategy-management-google-flashcard/>

smart device. they'll be doing money. The two best illustrations of this are Glass and self-driving autos. With Glass. Google wants to sit on your face – literally. Their spectacles can present digital stimulation at times antecedently wasted feigning to care about the people around you. Smart autos liberate you from your fright of oppressing rotters and voyaging New Jersey. Now you can research stocks. listen to Google music. and work on Google Docs.

4. Experiment – Google has a civilization that breeds experimentation. The experiments range from Google X labs. which incubates top-secret R & A ; D undertakings. to all employees who are encouraged to utilize 20 % of their clip to work on anything they like.

9. Decision

At present. Google is the most dominant hunt engine across the Earth holding a market portion of approximately 65 % . Keeping this competitory advantage in the dynamic hunt engine requires Google to develop advanced competitory schemes against its rival houses. The first recommended scheme for Google to keep its competitory advantage in the hunt engine industry is to endeavor ever to be a technological leader through changeless invention. The hunt engine industry is engineering understanding and cardinal participants strive to contrive merchandises that can invariably run into the altering demands of users (Sherman 2005) . However. if Google can pull off to place itself as a technological leader instead than a technological follower. Google will be capacitated to remain in front of its rivals in footings of invention.

Google should go on keeping its competitive advantage is through merchandise diversification. Diversifying its merchandise portfolio in the search engine industry will be instrumental in guaranteeing that Google reaches a wider audience. For case. Google offers various search engine tools for assorted applications such as Google Maps, Google Earth, Google Maps, Google toolbar among others. With a diversified merchandise portfolio, Google will go on to spread out its client base. An instance in point is that Google is the lone search engine company offering search applications for specific information types such as images, books, maps and physician. In order for Google to capitalise on its strategic enterprises, the company should be antiphonal to alter. It is evident that Google operates in a highly dynamic and disruptive industry and hence, being antiphonal to alterations taking topographic point in the industry is a critical success factor for Google's concern schemes to be effectual.

For case, the smartphone sector is typified by monetary value wars and cloud-computing sector is typified by changeless inventions by cardinal rivals such as Microsoft. This implies that Google should be antiphonal to these alterations in the industry. Google has been getting little venture capital corporations since 2001. For illustration, Google acquired Keyhole Inc, GrandCentral, and Aardvark. Apart from acquisitions, Google has collaborated with several corporations to heighten the bringing of their services. For case, Google collaborated with DoubleClick to heighten its Google analytics service. All in all, Google has won infinite awards, has maximized on net incomes, improved services, introduced new developments, eliminated most of the competition and dealt with their

failings. It is safe to state that Google's concern scheme is sophisticated but has come out with fruitful consequences. Although the universe is non perfect. Google has more strengths and chances than menaces and failings. This is even proven on the Internet as person has joked about Google by stating: " Only thing Google has failed to make. so far. is fail. "