Google marketing case study

Business

Googlewas founded by Sergey Bring and Larry Page in 1998.

In mid-sass the Internet was emerging and the quest for getting relevant data from the Internet had begun. The solutions provided by Yahoo and AltaVista were not adequate to fill this requirement. In 1996, Larry Page and Bring who were at that time PhD students at Stanford, got together to answer this question. They developed a ranking based Internet search algorithm which prioritize results based on relevance. In 1997 they made it available to the students and faculty of Stanford.

By 1 998 they had indexed ore than 24 million pages, but their growth was limited by capital.

They soon found an investor in Andy Biochemist who left them a check for $100, 000. The company was intended to be called Googol (100100) but since the check was made in the name of Google they registered their company as we know it today. In 1999 they raised another $25 million from two venture capital firms. Google soon realized that advertising would fetch more profits than licensing. In 2001, they hired Eric Schmidt as the new CEO of the company.

Google was going public In 2004 and an initial price angel of $108-$135 was envisioned. By this time Google employees had already been given two Installments of stock options at 30 cents and $4 which were exercisable at $35. This sudden Increase In the value (due to the PIP) made many employees millionaires overnight. And many employees started quitting Google with their money. Google has had a wonderful run till date.

But it is facing some tough times with a cut throat competition fromMicrosoftand other Software giants. Analysis: 1) Being innovators is the starting point of an entrepreneurial venture.) Creativity, Technologically adept and the ability to convert an innovation into a profitable product are the qualities of a successful business model. 3) Strategic windows exist when a traditional way of doing business prevails in the industry for a long time. 4) Creating a caring workplace which focuses on individual innovation and creativity often leads to new and profitable businesses.

5) Building a monarchy within an organization doesn’t contribute to the overall success. 6) Customer awareness and quality of service should be the mantra of a service oriented business.

Human touch should not be lost along the path to success. Marketing Caveats: From 2008 to 2009 Google registered a 9% growth in revenue while its operating costs have been constant at around 40%. Comparatively Microsoft registered a 14% increase in revenue (from its web services) while it reduced its costs (due to heavy recession). With stiff competition from global giants like Microsoft, Google is forced to branch out into other markets and take Microsoft head on In more product lines.

Recently Google launched its Android mobile platform to challenge MS SO for mobile.

Product diversification seems to be the new mantra for Google. Its flagship product continues to be its search engine but it is flanked by a variety of other products. Not all Innovations have been successful (for e. G. Google Voice).

Also Google Is learning to listen to It’s customers and designing products accordingly. Their phase of Insular Ignorance seems to be over with Google desperately trying to promote Its brand as sensitive to people’s needs. Having said that, Google has also been generating emerging leader but for now it certainly appears to be headed in the right way.