

**Google Inc.
Marketing Case Study Analysis**

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Industry Background

Search engine companies haven't been around for very long with most of them coming into existence in the mid 1990's. Many of these companies are already gone or in a state of gobbling each other up to compete with the bigger companies. Yahoo seems to be the grandfather of the currently existing crop starting in 1994. The growth in Internet usage and the amount of data being made available has made accurately and quickly finding that data more important. The search companies and search engine strategies have become very important to webmasters and company marketing strategies due to the desire of companies to have their products and services appear at the top of the list and on the most used search sites. The methodologies that a company uses for searching is highly confidential. Some search companies get its search crawler data from Google, for instance Yahoo did this for a while and now AOLSearch is "enhanced" by Google. The companies earn their money in a variety of ways but primarily it is paid advertising that is the bread and butter of this industry.

Google, Inc. Background

Google Inc. has gone from literally a garage company started in 1998 by two Stanford University computer science graduate students, Sergey Brin and Larry Page, to a forward thinking firm that employs over 10,000 people today. The two actually met in 1995 and began formulating their initial ideas on searching which they tried to sell. When no interest was garnered for it, they decided to form Google and presented their search methods at a World Wide Web conference in 1998 and by 1999 had \$30 million in funding from a variety of means. Google went public in 2004 raising \$1.6 billion. Google is so "big" it has become a new word in the English language meaning; to search for information on the Internet, esp. using the Google search engine.

Google views the internet as a means for sharing all the world's data and to allow users an easy and fast mechanism to access this data is its primary function. They see data in any form and every form and if that data is not currently digitized, they are working to make it so. Data can be from satellite transmission, national archives, patent information, libraries, video, radio, images, telephone, and the internet. They have made data searchable from a website, from your computer, from an intranet, and on the internet. The internet is a geographically borderless environment to them.

They continually win awards and large scale recommendations for doing things the right way. They are also well known for keeping their sense of humor even as they grow large such as the website discussion of jobs available on Googlunaplex (http://www.google.com/jobs/lunar_job.html). They also use this sense of humor through some search results by displaying obvious joke data such as driving directions to England from USA include jump in Atlantic Ocean and swim across.

Google forms a lot of partnerships with companies outside of its core business area that are enhanced by its search engine algorithms. This gets them into a lot of hardware and software systems and provides many outlets for exposure of their revenue producing products. In addition to these numerous partnerships, it outright purchases a lot of companies also. It is currently a real power house making record breaking purchases of other companies such as YouTube in 2006 for \$1.65 billion.

Google earns its money from a variety of means. AdWords – search based advertising space, AdSense – a context based advertising service, customized searches for businesses, selling crawler data to Google network partners.

Marketing and Business Situation Assessment

Google sees information gathering with a perspective of it being; personal, large and small businesses, non-profit and educational. Google tends to make all its products and applications work for all segments appropriately as well as allowing non-profit and private use to usually be free. Some small business usage is free.

The company founders have a strong attachment to education and libraries and they foster a university like atmosphere as part of their company culture. The company itself definitely uses a marketing approach of implementation as an organizational culture. All things lead to better search methods and more information available through as many means as possible. All employees are encouraged to participate and are rewarded through massages, free meals, company laundry rooms and dry cleaning drop off, lap pools, team hockey games, volleyball, freedom with work hours, competitive pay. There is even a concierge desk.

A strong connection with students is fostered with summer job programming opportunities that are coordinated by Google through many companies. They have made free Wifi available in Mountain View and investigating doing this at other locations such as San Francisco. Google continues to try to technologically challenge software engineers in various areas of the country by holding speaking events that discuss high level technical futures and ideas. They hold programming contests offering large cash rewards and there is also an Annual Code Jam drawing international competition to solve mind racing problems amongst the best and brightest people again offering large amounts of money and prestige to participants. It is also a vehicle for them to find new employees.

Google offers advertising with AdWords, earning revenue from a company's website with AdSense, free local business listings and methods of using coupons through local Google Maps. Other offerings include webmaster tools, videos, books, analytics for websites, Google Talk instant messaging and GMail, Google Groups, Blogs and other personal online networking such as orkut and data searches from older bulletin boards such as Usenet. There is Google News, Google Calendar, Games, search methods for within a site or within an organization. They have a variety of hooks into modular phone businesses and searching done with voice and text messaging about local businesses. They have photographic organization and manipulation, Google Sketchup a 3D illustration program that works with Google Earth, spreadsheets and document systems, connections with browser companies like Firefox, partnerships with domain registry companies such as eNom and GoDaddy. They have a Google checkout that is tightly integrated with many websites as well as Google Product Search and Google Catalogs. They are integrating with Radio advertising. They are involved with language translations and spell checking. They also have a large R&D mechanism called Google Labs that is integrated within the company and coordinates with university systems and the international community.

They offer a wide variety of educational materials for its products through the internet, with online seminars, video presentations and well organized and easy to read data on web pages. It is interesting to note that the Google website itself has no advertisements.

They plan on continuing to make acquisitions internationally and domestic to continue to add its products to every means of communications and data interaction available. On April 14th 2007, Google announced and agreement to purchase DoubleClick for \$3.1 billion in cash. They are also looking at purchasing SimplyHired to coordinate their Myspace job finding software.

SWOT Analysis

Strengths

- Innovator and leader in search engine industry
- Seemingly open minded and modern executive management
- Large cash flow
- Immensely loyal and satisfied employees
- Loyal customers
- Translations allow international data to use products
- International community internally and externally
- Products are very adaptable to a variety of data environments and hardware platforms

- Strong support from and to educational community
- Considered very hip
- Relationships with partners such as Apple where it's CEO is on the Board of Directors and Sun which intermingles Google features with java runtime library
- Setting up a variety of channels for the telephone market
- Supporting free wifi and making fast internet access available for entire cities is good public relations and may gain more customers and loyalty
- Partnership with Myspace

Weakness

- Potential purchase of DoubleClick and it's history of privacy issues problems could caused much public concern over privacy issues and connect that with Google
- The public perception of Google's practices of saving key word data and no opt-out feature.
- Federal Trade Commission and the consumer privacy groups Junkbusters have increased public concern.
- CDT, a Washington based watchdog company, started a campaign against DoubleClick's profiling activities and this could impact Google also.
- The Justice Department request for records for millions of searches made on Google, AOL and other popular search engines in an effort to bolster its case for an online pornography law
- Continued insistence by some foreign governments to censor the information
- Employees coming from other companies and the legacy of future restrictions imposed on them by current employers

Opportunities

- Browser options through Firefox and Safari and the relationships with these companies
- Creation of their own browser to speed up download times
- Upgrade systems offering real-time feedback to clients
- Readdress privacy issue – set industry standards on privacy and become a leader in privacy protection.
- Assure consumers that their personal information is secure and will not be sold to other companies
- Genealogy databases and products
- FBI and CIA and other large USA Federal government data access and products
- USA - State and town records
- Chinese market with recent mobile phone company purchase
- Other foreign government records access
- Growing relationship with government organizations
- Development of artificial intelligence products
- Development of new hardware solutions for server architecture
- Relationship with Microsoft via Google Microsoft search
- Browsers and search sites targeted toward specific markets such as children with protections or senior citizens with limited computer knowledge and visual impairments
- Google to have it's own database software – organizing databases for better searches or working with current database software developers to do this
- Future expansion into television aspects of multimedia
- Continued expansion into 3D with 3D messaging market and 3D gaming
- Continued wireless network expansions
- Local news portals and support for small town news through Google News

Threats

- Size of Google before more National or International regulation interferes with company organizational structure and functions
- Foreign exchange rates could become a major problem - International revenues account for 44% of total revenues fourth quarter – the exchange rates could have caused \$18 million to \$81 million loss if they had not changed
- Copyright lawsuits and issues for music, books and movies
- Legal troubles of YouTube
- Public perception of data stored by Google
- Loss of business if stringent privacy policies and regulations are put in place.
- Anti-Spyware programs such as XoftSpySE and NoAdware that can block cookies to monitor users Web activities
- Anti-artificial intelligence sentiment – these things scare some people, is this HAL?
- Public perception of Google and how big it has become – is this Big Brother?
- Servers that Google has and their security
- Continuation of so many free services to non-profit organizations, local small businesses and private users may become too expensive
- Microsoft's growing dislike of Google
- Continued insistence by some foreign governments to censor the information
- International data server location and the legal issues related to the privacy and usage and ownership issues of the data by foreign governments
- Microsoft and Yahoo possible partnership

Assumptions and Missing Information

The following is a list of some information that is missing and some things that will be assumed for the case:

- What will be the outcome of the cases with YouTube, Viacom and the publishing industry and what will this mean for copyrights and Google's use of this data?
- How long and how much money will it take to pursue all these legal cases?
- Will some of these and other legal cases impact the search algorithm by limiting words to be searched on?
- Will individuals get total control of their private data?
- Where does the "world wide footprint" Google is trying to make stop?
- What would be the ultimate effect of government regulations and the FTC case be for Google?
- What are future products especially if cookie data and web beacons becomes regulated or eliminated?
- Although DoubleClick has signed an agreement with Google, the sale does not completely take place till the end of the year. Can this deal fall apart and will Microsoft or Yahoo attempt a purchase?
- The strategic partnership with Yahoo and Performics may be an issue for the sale of Doubleclick to Google
- Google may become the scapegoat for the privacy problem DoubleClicks reintroduced that is just beginning to rear it's ugly head
- Google and DoubleClick have already addressed the privacy issues they are being issued complaints with the FTC for. They seem comfortable with issuing a joint statement about their intentions.
- Does Google get to "own" DoubleClick cookies or the cookies from any of the companies it purchases or partners with?
- How does Google deal with current customer relationships?
- Google's relationship with Microsoft will continue to deteriorate even though they are in agreement over "net neutrality" issues
- Google will continue to make a lot of money from it's current products and methods
- Google will follow their Privacy Policies today
- Google could become a champion of privacy rights and help get laws passed to protect the data and these will also protect the company's future
- Google will continue to partner with the worlds largest data bases and help resolve access issues
- Just how many locations does Google have servers in and how does it manage these systems?

The Problem (s)

- Google has quickly grown incredibly large due to its ability to efficiently resolve needs for data access to a large and growing customer base. Is a monopoly ever a good thing? If there is one best way to search for data, should the search industry be allowed to fall into this growth pattern or should it become a regulated industry?
- The exponential growth of the internet and computer databases have forged the search industry to grow quickly not giving current laws or issues time to develop
- Google has a relationship with the federal US government for data access how will this impact possible legislation and the public perception of fair practices
- The US government is already trying to wield its mighty sword and request data searching for pornographic usage this could expand into interference, whether legal or not, with what Google data is stored from other countries
- Privacy over the Internet is a serious industry issue
- The issue is worldwide and firms in the USA are held accountable to not only US laws but must consider the laws in other countries.
- There are no industry standards for privacy issue, although the P3P initiative from W3 consortium exists
- There are no laws governing these issues nor requirements for following P3P initiative, which is also being criticized as making consumers feel safe and may cause deterioration of support for privacy legislation.
- Current laws are gearing for the protection of illegal access to data, i.e. hackers and others who take information and use it for identity theft or define for consumers how a business will use their financial, health and banking information that they have given a company (HIPPA and Children Privacy act these laws have nothing to do with companies that take your personal information for marketing purposes store and retrieve it on your computer)
- The latest lawsuit against Yahoo filed by the World Organization for Human Rights USA in California might drag Perfomics.com and eventually DoubleClick and Google into the controversy.
- DoubleClick is already known for not following its own published privacy practices when it had a product that did "intelligent targeting" after the last FTC case when they were fined then stopped this practice. Google is also accused of saving search data inappropriately.
- The FTC suit requests that all cookie data that DoubleClick has be deleted prior to final sale to Google unless the user has given explicit permission for the data to "rollover" into Google products and that the relationship of cookie data amongst companies be defined.
- Google keeps search data and doesn't give users an opt-out option
- The FTC case and the issues it discusses will not be going away and this could cause a huge financial burden for legal expenses
- The YouTube case, the Viacom and the publishing industry case could also become too huge a financial burden and the outcome of copyright issues may work against Google's existing strategies
- The bad press brought about by the many lawsuits will not be investigated by many laypeople and the public's perception of Google could be severely tarnished and come to mean something done illegal or inappropriately
- Storage capacity and server access and hardware will become an issue in a variety of forms
- They don't have their own browser software and this could become a performance and controlling issue
- It is felt advertising revenue will not continue to spiral upward as the internet matures

Alternatives & Recommendations

The following are alternatives/recommendations for Google:

- Development of a Google browser or closer and more partnerships with browser companies
- Development of Google database software or partnerships with database companies
- Development of server hardware and software to continue technological advancements and security for Google data systems
- Continued R&D in phones, music, television, computer, telecommunications, gaming
- Development of artificial intelligence and applications that would use this. Analysis of what these systems can or can not do.
- R&D into 3D messaging products and image recognition
- Create search systems and products with interfaces geared toward specific markets such as children, visually impaired or new users such as many senior citizens and rural foreign markets
- Analyze future possibilities of regulation and prepare for various scenarios
- Hire a lobbyist or get more involved politically to determine where the government currently has issues with Google and any of its practices
- Continue to advertise and publicly state that cookie data is removed after a certain period of time as current policies state
- Determine areas that continue to plague Google with lawsuits, such as privacy and copyright issues
- Become a watchdog organization for privacy issues that the US and other governments wish to violate
- Emphasize privacy policies for public relations. Company should be viewed as a privacy rights leader that respects the individual and their concerns while using the internet.
- Become the defacto standard in managing the online advertising market by providing real time information to online advertisers about current usage of every ad.
- Develop a public relations plan for all the lawsuits to ensure the public stays informed on where Google stands (this will remove questions of ethic issues the public may be unsure of)
- Provide more software for the next level after searching, in areas such as Genealogy, Scientific research, government data uses, medical data
- Determine if hardware can do the search algorithms and sell this for imbedded systems
- Evaluate Technology and continue to stay on the cutting edge of all new multimedia products
- Continue to develop new technology and creative ways to encourage internet users to register on web sites for specific content

Evaluation of Alternatives & Recommendations

- The development of browsers, databases and efficient hardware for servers will continue to increase customer satisfaction of Google's search methods. These are the areas that may bottleneck speeds. Many of the browsers and database algorithms have been developed during a different time and modern issues may not be properly or speedily addressed. With all the technology guru's at Google and changes in the physical market of the internet changing from phones to wifi and data storage systems and access methods changing, a coordinated modernization effort may yield tremendous advancements in speed, throughput and security.
- The market for phones, TV, computers, handheld gaming, and music is continuing to merge into one product. All with digital data and more of it needing to be organized and accessed. Research and development in these areas of technology is needed to be the market leaders with continued online advertising technology usage and implementation. This is important since most of the revenues are earned this way. Being the trend setters on the use of new technology will give them the ability to present additional options to online advertisers.
- Maintaining a positive public perception to consumers and consumer advocacy groups will maintain a stable environment for the company's investors and employees. Investment in strong public relations by showing respect for personal privacy will increase the possibility that more customers and advertisers will be willing to make use of or take advantage of their services. If and when possible the company should support the creation of new privacy laws assuming they do not conflict with the current business model.
- Implement systems and procedures for real time statistics and feedback on internet ads to their customers will give their customers confidence and allow them to augment their marketing campaign constantly.
- Investing in and expanding upon the opt-in registration method of obtaining additional information about consumers who make use of a particular piece of media will act as an advantage for advertisers in future sales and marketing initiatives.
- Continuing to make free wifi and broadband internet usage available will stimulate increased desire for products that can use this such as music, conferencing and video
- The market for children and teenagers is expanding. Many of whom have had computers their whole lives and mp3 music and cell phone are the norm. This market will have many protections and regulations but will be the customers of the future in other markets. To be an industry leader here could gain a lot of good publicity and customer loyalty. As the senior population grows many of who also have computer skills although some do not, there will be many services that will need to be viewed by visually impaired. They will have particular things they will be searching on and using the computer for as a demographic unit.
- The company must figure out what is going to be the straw that will break the camels back as far as what it will be that causes the government to attempt to regulate them. Any close ties to the telecommunication business may be this introductory hook as well as issues pertaining to shared usage of internet. This is why scenarios of what could happen should be analyzed so the company will be well prepared for future successes existing in a different environment than they currently have.
- As hardware systems continue to advance and develop many software algorithms will continue to become hardware components. Google should stay on top of these developments as well as usage of this type of hardware in systems for rockets and satellites.

Implementation

- Have R&D of browsers, databases and servers continue along with evaluation of purchasing or partnering with companies that offer what is needed
- Hire more high tech people to fulfill many R&D ideas
- Design demographic search sites
- Have a lobbyist in Washington, DC and California or any high technology state that has many technology issues percolating into laws and regulations for the new breed of digital technology issues. Become involved with all watchdog privacy issue organizations.
- Do as complete as possible study of international data issues along with cultural taboos or sensitivities to help the company stay out of the hot seat with more legal issues
- Re-evaluate goals – how far does Google want to go on the privacy front especially now that the merger with DoubleClick is raising serious questions about competition and regulations?
- Emphasize the usage of data containing information with permission and have open discussion on how to protect people as well as their own business.
- Create and promote an image of an ethically and socially responsible company that believes in respecting people's privacy.
- Implement enhanced operational and management systems that will provide the real time results clients.
- Continued focus on enhanced advertising targeting
- Expansion of opt-in registration methods and requiring consumers to provide a certain level of information they will be able to build a very detailed database about individuals with particular interests from various demographics.
- Continue expansion of free wifi in key cities
- Develop software for large data gathering systems or purchase companies that do this. Determine which areas to pursue...Genealogy software, scientific research, weather, space
- Expand multimedia product offerings
- Create hardware for imbedded search systems
- Keep an eye competitors

Evaluation & Control

- Examine the long term costs of the browser, databases and server technologies along with evaluation of what it financially will bring to the bottom line. Keep in mind many databases and browsers are offered free.
- Continuing to hold contests and other creative means to evaluate a potential future employee's skill set will enable hiring managers to get people that can hit the ground running. Continued relationships with many universities may help cater educational programs to be configured to Google's future needs.
- Determine costs to implement demographic search sites and study the long term maturity issues involved when the children users are older and use to the Google way of doing things. Also for older users, determine the increased development costs verses income for things such as visually enhanced sites. Sound and voice could become easily integrated into this type of site.
- Stay abreast with the rules and regulations regarding privacy and all legal technology issues. Take a moral high ground as to how they will define and handle these issues and apply that to all customers and users world-wide no matter what the laws are. If they can help define these usage issues at the national and international level it will enable them to base their business on a known rather than an unknown.
- Analyze market strategy for all the evolving technology areas.
- Ensure opt-in and opt-out is visible and easy to find.
- Keeping a track of its client base and their preferences will help Google serve their interests in an efficient manner. Google will have to clearly identify what they can and cannot do with the information they gather.

- Google should do follow up compliance checks of all privacy standards and policies on customers' sites and offer public disclosure to those sites that don't adhere.
- Determine, costs, roadblocks and benefits in cities determined important for free wifi
- Determine costs verses revenues earned for software systems outside of core business
- Follow the multimedia market and look at product offerings
- Follow costs and needs for imbedded hardware systems

Conclusion

Google will continue to develop its worldwide domination of all aspects of the internet, search, multimedia and telecommunications industries. As the industries and the market decides what will happen with televisions, computers, telephones, gaming devices, musical equipment and data transmission, Google will be ready on all fronts with the products and services that are needed to be successful. They will continue to enhance news, mail, chatting, voice messages, blogs, forums and information sharing of any kind with seamless integration of the products and services.

The problems it will face seem to all be coming from external sources of copyright issues, US government regulation, foreign government intervention, international cultural issues and privacy issues. If the corporate culture remains open and free flowing with strong connections to youth, well versed Information Technology veterans in the industry and educational resources, they should not have a problem with their intentions to the outside world and their customer base. The size of the company may eventually make it seem too powerful and make it more difficult to manage. The search engine companies are in a different category than most industries and because the core business touches and manipulates a growing amount of personal information along with government data in the USA and internationally. This new ground of storage, manipulation and usage of possibly sensitive or personal data over the internet to a variety of output sources is continuing to grow into something to not trust and to evaluate continually. The fact that it is more than a simple data base but a search engine that seemingly may become a device of artificial intelligence is nothing to ignore.

Google will have to continue to address the privacy issues from all aspects and be strong supporters of standards for privacy. They will need to get to the bottom of all the copyright issues. They will need to address more cultural issues and they continue to grow into the international community. These cultural issues are as important as privacy issues because the end result is the customer base needs to feel loyal to them and if they feel violated in any way, they may lose large markets.

Google's approach of making fast internet services available to the general public and also bring archival data to the forefront of our society is an incredible long reaching enterprise. It is interesting that historical research will greatly benefit from the undertakings of a high technology company.

Google seems to simply want to share and make available all relevant data for anyone who wants it and without restriction or censorship. To do this, they must continue to make money of course and feel no qualms about the parts of everyone's lives that they store in cookies and through other means to make advertising more meaningful and worthy of purchase to their customers. The issue of personal data coupled with the potential artificial intelligence aspects of the search engines and federal and international government intrusions is something that will require continued extremely close scrutiny. Hopefully Google will continue to get it all right and also protect us all from any problems. (For some reason I feel Google has our best interests in mind more than the US government does!)

As Google continues to grow it will be hard for other companies to compete with them. The company seems to be well prepared and solid in all areas of data use and have the staunch support of many organizations and individuals who want to use their services.

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