GOOGLE CASE STUDY

Google was started as a research project by two Stanford PhD students named Sergey Brin and Larry page. They registered the domain name google.com in the year 1997 and in September 1998, it became a privately owned incorporate Google Inc. With its extensive research on search algorithms and use of state of the art technology, Google successfully established its brand name in internet search engines market. By the year 2004, Google came up covering over 75% of US web search market. Though Google is a dominating player in internet searching market, it has to compete with its rivals in this field where there is no long time entry barrier. Google can expand / change its business model to survive in this best search engine race.

Google SWOT Analysis (A)

STRENGTHS

1. Google – Already number one search engine has established a brand name, in which its users trust. It’s dependable, reliable and fast.

2. Google needs very little end user marketing as the name itself is getting word by mouth publicity.

3. Google has a simple interface and it gives comprehensive results without confusing its users.

4. Google has low operation cost as it uses low cost UNIX web servers for indexing millions of web pages across internet.

5. Google has hired PhDs who are continuously working hard in order to enhance search algorithms and make searching faster, efficient and relevant.

6. Google provides an interface to 88 languages to make it comfortable to search for its users in different countries.

7. Google uses state of the art search technology to index pages regularly in order to give most updated results to its users.

8. Google also weights the votes and ranks web pages with its Page Rank technology to give its user access to most important pages first.

9. Google is not biased towards advertisers. It clearly separates relevant advertisements and actual results by giving “Sponsored Links” tag to sponsored results when user searches to get information with some keyword. Moreover, it also ranks sponsored links to keep most relevant sponsored links on the top.

10. Google offers localized search called “search by location” where users can get results showing vendors, products and services nearby their areas.
11. Google also has a range of innovative additional services like Images, Groups, Directory, and News. Google didn’t complicate its website by making itself a portal; rather it kept tabs for these services on its homepage so users can easily navigate and that also keeps the website as simple as it was earlier.

12. Google has also come up with solutions for wireless handheld devices, personalized toolbars, catalogues which are added essence strengths.

13. Google quickly routes the user to the webpage and doesn’t linger for ad revenue.

WEAKNESSES

1. Many spammers manipulate Google’s ranking technology by creating dummy sites with thousands of links to pages that they wanted Google to rank highly.

2. Google’s link based ranking did not employ actual traffic analysis.

3. Google’s Cost Per Click advertising charging and ranking policy is confusing and makes it difficult for marketers to predict where their ads would be positioned and how much they would cost.

4. Google’s contextual advertising was perceived by marketers to be less effective in generating sales because visitors to web pages showing editorial content were less likely than searchers to be ready to buy.

5. Contextual search algorithms are not 100% perfect and many a times make mistakes.

6. Google’s localized search algorithms too sometimes result in errors due to automated indexing.

7. Google’s business model is complex, depending upon both google.com and mass market portals for its revenue.

8. Although Google is a dominating player among search engine websites, only 50% to 65% of web search queries are answered accurately by it.

9. Google doesn’t have “sticky” like Yahoo! And MSN have which can attract users.

10. Google doesn’t have highly personalized search by which it could charge users with switching cost if they decide to leave Google’s services.

11. Portal to lock in large number of users and advertisers.

12. Google can start giving fully fledged services on hand held mobile devices to capture market beyond conventional internet.
THREATS

1. Google partially depends upon some portals like AOL. Getting those contracts terminated, Google would lose considerable share of its revenue.

2. There is no long time entry barrier in this business. Many competitors can emerge in coming years with same services, better interface and names and can catch up Google's market.

3. Google’s confusing Cost Per Click ranking and charging policy could disappoint its advertisers and company would start losing many of them.

4. Competition and rivalry:
   - Portals like yahoo provide more services and solutions with conventional search than Google do. Google would start losing its users due to added attractions in such portals.
   - MSN is coming up with its new operating system called “Longhorn” which would be having “implicit query” feature. Longhorn search will be able to search the web, blogs, news sources, hard drive files, email plus attachments all from a keyword search without a browser. Users will be able to search directly from already established Microsoft programs like MS word. This would handcuff users and ultimately it would harm Google’s market.
   - Overture has been Google’s old competitor. Though Google has acquitted more advertisers than Overture, Google’s share of market revenue lags behind Overture by 20% and there is always competition for getting collaborated with well known mass-market portals like AOL, Yahoo and MSN.

5. Google’s scale might also become a liability in order to cop up with new and enhanced search techniques if company’s ability to modify its algorithms and database architecture was constrained by its server infrastructure and the size of its index.

6. If Google comes up becoming portal, it may lose its simplicity and comprehensiveness because of which it is a favorite among its users.

7. Google can get trapped in issues regarding privacy if it decides to go for highly personalized search for which it has to capture user’s personal information.

8. If Google decides to merge with some already established mass-market portal, it will start losing its well earned brand name.
Google SWOT Analysis (B)

STRENGTHS

1. It has established a brand name for itself and is considered to be the number one search engine on the web.

2. The speed and simplicity of its search engine is quite reliable and user friendly.

3. It has a ‘market cap’ of $185.61 billion according to ‘Yahoo Finance’, Dec 5, 2009.

4. It has a ‘war chest’ of $22 billion according to Adam Ostrow, Oct 15, 2009.

5. It is considered to be among the top 10 brands in the U.S.

6. It gets reputation by its popularity which proceeds by its word of mouth publicity, so it doesn’t need to put much effort in marketing its search engine.

7. It offers many products and services i.e.; Desktop products, Mobile products, Web products, Hardware products.

8. It has a low operation cost regarding its products and services.

9. It has hired PhDs specially to work for enhancing the search engine algorithms which will render the search faster, relevant and more efficient.

10. It provides its search engine interface to 88 languages which is quite helpful for the locals of the countries.

11. It uses state-of-the-art technology to catalog the pages to give the most updated outcomes to its users.

12. It ranks the WebPages with its Page-Rank technology that gives the users access to the important pages first.

13. It specializes in marking the results in differential scale i.e. it separates the sponsored links from the regular links that are provided.

14. The search engine also provides localized searching where the users get results according to their regions such as http://www.google.ps, www.google.my, etc.

15. It provides innovative services such as Tashkeel for Arabic characters and websites (http://tashkeel.googlelabs.com)

16. It provides services such as Groups, Email, News, Directory, Citation, etc.

17. It has come-up with ideas regarding solutions to wireless hand-held (Android) devices, personalized toolbars, and indexes.
18. It directly routes its users to the webpage without lingering on another site for ad. Revenue.

19. It has also acquired YouTube which provides video services to users across the web, and which is regarded to be the number-one online video portal users.

20. It has AdWords and AdSense programs working as the main mechanism.

21. It has a strong professional networking space present.

WEAKNESSES

1. It is dependent mostly on its search based advertising.

2. There is the risk of facing dead ends for the users, who find the citation but not the whole text.

3. It has lack of focus regarding the service of search engine.

4. Spammers usually take advantage of Google’s ranking technology by creating sites that contain a lot of links by which they end up getting higher ranks.

5. Its link-based ranking tech. mostly didn’t work on actual traffic analysis.

6. Its cost-per-click advertising charge & ranking policy makes it difficult for the clients to predict the positioning of their ads and their costing as per se.

7. Its contextual advertising is considered less effective regarding sales generation, and the algorithms behind the search are erroneous.

8. Its localized search also results in errors at times.

9. It is the top player regarding the search engines yet it answers search queries with 50% to 60% accuracy.

10. Its inability regarding YouTube to be monetized.

11. It has weak presence regarding the social-networking space.

12. The products and services integration is quite heterogeneous.

13. It does not hold any strategy for contraction.

14. The cost for the data-center getting higher and higher.
OPPORTUNITIES

1. It has vast opportunities for reaching new groups/segments and reaching for new contents.
2. Easy expert search, which can be integrated using open-url.
3. Using higher value content on the web.
4. It can relive the trend like Yahoo! and MSN and become a mass market portal for users that will increase switching costs for its potential users.
5. It can add localized vendors paid advertisements on the localized search.
6. It can merge with an already existing mass market portal to cover more ground regarding its users.
7. It can provide more services to the hand-held devices to capture more market that goes past the conventional internet.
8. It can increase its overall ads. spending online.
9. Its can enhance by having new acquisitions.
10. It can increase the internet usage which will render the usage of google.com to be increased as well.

THREATS

1. It can lose control over the indexing policy.
2. The censorship will be imposed which will render many services to be less effective.
3. Library services becoming less visible.
4. Users ending up not getting to the institutional subscription.
5. The disappearance of informational skills.
6. Competition from firms like Yahoo, MSN.
7. Legal trials.
8. Federal lawsuit regarding the collection of search habits of the consumers, which erodes public perception.
9. It will lose a considerable amount of revenue if its contacts with portals like AOL.
10. There is no time constraint regarding the business, competitors can emerge with better interface and new ideas regarding the search mechanism that will make Google lose its market share.

11. Confusing cost-per-click policy can disappoint the clients and the firm may start losing them.

12. It can lose its simple and user-friendly interface if it decides to become a portal, for which it is favorite among its users.

13. It can get stuck in issues if it decides to acquire information regarding its users’ personal information.

14. Merging with another already establish mass market portal will be a good step, but Google will start losing its well-earned brand-name.

15. Its service relies highly on its network members.

16. Privacy issues regarding the content ownership.