

Case Study on Google

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INTRODUCTION

Google is one of the most successful companies based on innovative solutions and approaches to business. Specifically, a decision-making approach followed by Google involves (1) concentration on profitable sales volume, (2) recognition that selling activity begins before products are manufactured, (3) an executive at the highest echelon to assure that customer consideration and customer orientation are in force, (4) designing and producing what the marketplace will need rather than selling what the corporation prefers to create, and (5) decentralization of decision-making to bring organizational units into line with marketplace forces.

GOOGLE CORPORATE STRATEGY

Google's corporate strategy is based on effective segmentation and product mix since the beginning of its market operation (Kotabe & Helsen 2001). Google established effective systems of market intelligence relying heavily on marketing research, and made an emphasis on market price rather than on cost in determining pricing and making related decisions. It creates programming innovations, so that new services meet market needs more adequately, and gives emphasis to both the psychological and physical dimensions of a product including packaging, design, styling and product image. Product expansion and market development were the main strategies followed by Google since 2001. For instance, in 2001, Non-English search involved ten languages and rapidly increased up to 120 languages in 2006. Google created directory organized by volunteer editors and created wireless search. Google created keyword-targeted advertising with pay-per-impression model, toolbar and browser plug-in. Google recognized the carry-over of marketing influence on other areas, such as finance, traffic, production, personnel, accounting, and recognized the fact that markets could be discovered, extended, developed and

created through the use of marketing tools and effective marketing programs (Paley 2006).

Planning and programming followed by Google are directly concerned with developing the marketing mix. Although planning and programming are rather fundamental activities, in most companies they remain in a relatively rudimentary state of development. Planning and programming are fundamental in adjusting an existing business system to future market patterns (Walker, et al. 2005). They are the basic instruments for designing marketing systems. Only recently created companies have developed marketing-planning departments (Boulton 2009). The marketing-management functions, market-opportunity assessment, marketing control, marketing planning and programming, marketing organization and leadership are inherent activities that are necessary to implement the philosophy (Johnson & Scholes 1998).

GOOGLE'S MAIN COMPETENCES

The key competences of Google are plug-and-play business, search engines, the Windows taskbar, the Personalized Homepage, the Web Accelerator, the Video Search, Online Maps, etc. To assure profitable growth, Google adds new products that are tied to different phases of market development. When some products are declining, others should enjoy the market growth. Sometimes this is achieved by a merger; sometimes it is done internally (Boulton 2009). The combination of the total product line, as it relates to markets, establishes a company's position. An opportunity assessment, therefore, must cover a span of time and continuously add growth opportunities to a company's present product assortment. Market opportunity is not automatically assured by either population growth or lower prices. Planned

market cultivation through such activities as product development, credit, advertising or personal selling has an impact on opportunities (Doyle & Stern 2006).

OPPORTUNITY ASSESSMENT

For Google, market opportunity interacts with the marketing mix. Market opportunity should determine the particular kind of mix to be offered. The major decisions on changing product lines or automating production, for example, imply risks and should be made only after assessing market opportunity. Thus, the choice of fundamental policies and strategies, hence, the company survival and growth depend on opportunities. Since company resources are limited, only selected opportunities can be effectively cultivated. Market opportunities stem from both external and internal forces. Technological developments and changing market environments are externally based, whereas research and development, modifications of products, packages, marketing channels and advertising campaigns are internally based (Boulton 2009).

The other activities of Google involve Urchin Software, the Personalized Search, the Boof Search, the local search, etc. Such developments accelerate a progress in such areas as electronics, miniaturization, power sources, high-temperature materials, rocket engines and controls, all of which will have a great economic impact. Some may even result in the establishment of totally new industries. The space frontier will expand the risk-taking and thinking of businessmen into vast investments, with greater potential long-time commitments in global and interplanetary space. Similarly, the concern with the pollution of environments will result in further development of 'the ecological industries', i.e. industries focused on the maintenance and improvement of environments quality (Hollensen 2007). In order to succeed and remain competitive on the market, Google has to take into

account competition and new market opportunities. The main competitors of Google are Yahoo!, Microsoft, eBay, PayPal. Thus, competition is dynamic responding to market shifts and competition forces. Its policies must be flexible and reviewed frequently to achieve a balance between the goals of servicing the markets and reducing distribution costs. To develop better flows of goods to customers and consumers, Google must achieve a balance of marketing components.

Uncoordinated decisions in logistics result in relatively high costs. Modern analytical tools, new technology (especially data processing), handling and moving equipment increase services and lower costs. The integration of Internet products and services results in the design of two-level and three-level railroad cars to transport autos, in the development of containerization and special loading and unloading terminals. Further, Google's competition is the area of marketing in which quantitative methods have been applied most successfully. For example, product and service innovations have been used to minimize costs of shipments and to locate facilities (Hollensen 2007).

CONCLUSION

In summary, Google's success and stable market position depends upon its tactics and influence of the market research and analysis. Product development and innovative solutions help Google to gain large market share and attract millions of customers around the globe. The use of the market research and innovations may be due to the accuracy of the factors, the availability of data and the approximate linearity of relationships, as contrasted with other marketing situations. Effectively organizing marketing activities is a difficult task because it involves such technical matters as transportation rates, materials handling and scheduling movements.

Thus, it has general relationships with marketing and purchasing functions. Market research and innovations do not lie exclusively within the jurisdiction of any one of these divisions; they are affected by and affect all of them. Organizationally, Google is more closely allied to marketing in most companies. Success strategy is determined by the marketing mix and core competences developed and followed by Google.

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