Google goes Global with Apps

Alexei Oreskovic

SAN FRANCISCO (Reuters) - Google Inc said more than 2 million businesses now use its online office software, and the Web search leader is going global on Monday with an advertising campaign to lure customers away from Microsoft Corp and IBM products.

The campaign, which starts Monday in countries including France, Japan and Britain, represents a rare foray by Google into mass-market advertising and underscores increasing competition to provide businesses with email and other office software.

While Microsoft and International Business Machines Corp dominate the market for enterprise email, Google is trying to convince businesses to switch to its so-called cloud-based services, in which software is accessed over the Internet and maintained at Google's data centers instead of on a company's computers.

Cloud-based services can provide cost and maintenance savings over traditional software, though recent high-profile outages -- including an outage of Google's Gmail last month -- have raised questions about the reliability of online software for business users.

Gartner analyst Tom Austin said most businesses will eventually switch to cloud-based email, but the process may take years. He noted IBM and Microsoft have introduced cloud products recently, and that Cisco Systems Inc appears to be preparing to offer its own cloud-based software.

On Thursday, Google CEO Eric Schmidt told investors during the company's quarterly earnings conference call he intended to boost investments in new business initiatives.

Google's Apps business -- which the company has said is profitable and generates hundreds of millions of dollars in revenue a year -- is a tiny portion of Google's overall business, which yielded almost $22 billion revenue last year.

According to spokesman Andrew Kovacs, its Apps team has doubled over the past year to more than 1,000 employees.

Google said Apps is used by 2 million businesses, up from 1.75 million in June. Those include both larger businesses that pay $50 a year per user for Apps, as well

as firms with fewer than 50 employees that get the software for free.

The company also said there are now 20 million active users of Google Apps, up from 15 million in June, although that number included students who use the free version Google provides to universities.

Google's marketing campaign, which it first rolled out in the United States in August, will feature ads in publications such as The New York Times, Forbes and The Economist, as well as on billboards at airports and train stations in various cities.

Google Enterprise Product Marketing Director Tom Oliveri would not say how much Google is spending on the campaign, which runs through 2009. He said the creative part of the campaign was designed in-house by the Google Creative Lab team led by former Ogilvy & Mather executive Andy Berndt.

Source URL (retrieved on *03/30/2015 - 5:26am*):
http://www.ecnmag.com/news/2009/10/google-goes-global-apps?qt-recent_content=0