

Google opens Web store for business applications

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Google Inc. will sell the online services of other business software makers in an effort to fill its own product gaps and persuade more companies to rely on applications piped over the Internet.

The online store that was announced late Tuesday marks another step in Google's crusade to convert the world to "cloud computing," the idea of running applications in Web browsers instead of installing them on individual hard drives. The information entered in the programs also is stored in data centers run by third parties such as Google.

More than 50 software makers have agreed to sell their Internet programs through Google, which will keep 20 percent of the sales. The prices are expected to range from \$50 annually to several hundred dollars annually per user.

Intuit Inc., a maker of business accounting software, and Concur Technologies Inc., a maker of expense reimbursement software, are among the best-known vendors peddling their wares in Google's store.

All the applications sold in Google's store can be melded with Google's own cloud-computing services, said Vic Gundotra, the company's vice president of engineering.

Google views cloud computing as a way to deepen people's dependence on its services and generate more revenue beyond the Internet search advertising that provides virtually all its income.

Cloud computing also provides Google with a weapon that could weaken one of its biggest rivals, Microsoft Corp.

Although it's introducing more online alternatives, Microsoft still makes most of its money from individual computer licenses of its Windows operating system and software programs.

The applications store could also provide fodder for the low-cost computers that will run on a Google operating system named after its Chrome Web browser. The first computers using Chrome OS won't have a hard drive, meaning they will need Internet access and cloud-computing services to perform the tasks routinely done on Windows-powered machines.

Google began offering a free online suite of e-mail, word processing, spreadsheet and calendar applications in 2006. It has been selling a more sophisticated package of online services for \$50 per user for the past three years.

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Cloud computing can be a tough sell to corporate decision makers worried about security risks and business disruptions if a technology glitch or major meltdown blocks access to vital applications and data stored on external servers.

Google has invested billions of dollars during the past five years to keep its systems up and running. Nevertheless, Google's applications users occasionally have been cut off from their e-mail accounts and other services.

About 25 million people working for more than 2 million businesses, government agencies and schools use Google's online applications, according to the company.

Google won't say how many users pay for the service, but the number is growing rapidly. The company's revenue from software licensing and other non-advertising sources totaled \$762 million last year, more than quadrupling from \$181 million in 2007.

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