

# Google and Money



Google's problem

Mobile vs desktop  
Clicks on new devices must be monetised  
Avg. CPC -6% in 2012 vs 2011

Google's commercial plan

Google advertising in cars  
Google Wallet  
Better tracking and accountability on devices  
Relevant ads needed on multiple screens and devices

SEO vs PPC

PPC wins - near domination of results for commercial keyword searches, engaging ad formats drive high click rates and ROI  
SEO wins - dominant for low value informational searches

Google in the UK

Unusually dominant in UK  
97% of search budgets  
5 billion in ad sales during 2012

Google global revenues

Global take in 2012 - 44 billion \$ (99% from ads)  
USA 48%, UK 11%, ROW 43%  
Total revenue in 2012 - \$46,039  
Cost of revenue (data centres, content acquisition, etc) - \$17,576  
Total costs and expenses - \$16,781  
Income from ops - \$12,760  
Net income - \$10,737

What does it make \$\$\$ from?

Search ad spend  
94% of searchers click on organic results  
Highest search terms in 2012 were not commercial (i.e. 'Whitney Houston')  
High commercial intent phrases - 64.6% of clicks go to PPC  
Now have to pay for shopping results although sit in organic  
Google's plan - larger, more relevant and engaging formats for commercial search and content  
Shopping destination  
Advertising integrated into devices  
Remove and crowd out unnecessary organic results  
Even better tracking and accountability  
Do not have to be a Google Plus member to write reviews (listings)  
Trust Pilot, Review Centre, Feefo, etc  
Wants better targeting and better ad formats  
Placement, topic, contextual, demographic, interest and remarketing  
Launching Google Trusted Stores in Q3 2013 - free to consumers, shoppers sign up through Google, Google gets data