



## **Why Google must expand into mobile, and why it will succeed**

*Mobile expansion is crucial for Google to maximise its power base in online advertising*

**London 27th November 2008:** According to research just published in Screen Digest's report ([www.screendigest.com](http://www.screendigest.com)), '*Why Google has to expand into mobile, and why it will succeed*', Google's move into mobile will deliver major growth over the next five years. Screen Digest believes a push towards mobile is a crucial for the company, especially in the current economic climate.

Although a strong brand for any internet user worldwide, Google is still very much tied to traditional internet connections. As mobile becomes a stand-alone primary connected device for many consumers, Google is perfectly placed to establish itself as a mobile player in its own right.

### **Local search holds the key**

At first mobile advertising's value will lie in Google's ability to target ads rather than the revenue that will be generated. Local search will be key to market growth: innovations in mobile search and advertising will allow for improved local search, directly competing with 'yellow pages' type proximity marketing services. The challenge for Google is to encourage consumers to start performing functions on their mobile browser that they would previously have done on their PC in already established markets.

There is also a huge opportunity for mobile advertising and mobile search in emerging markets, where more people have mobile phones than PCs; for instance, Screen Digest forecasts that the cumulative mobile ownership in India and China will outstrip the PC by seven to one by 2012 with 1.3 billion mobile subscriptions compared to only 185 million online households.

### **Operating system rivalry**

On the upside, Google's mobile operating system Android won't have to achieve a market-leading position to reach Google's primary objective: an open mobile internet allowing for a successful roll-out of its search and advertising services. Accordingly, Screen Digest forecasts Android OS will take 3% of the global smartphone market in 2009 with eight million handsets shipped. Julien Theys, Analyst and author of the report says "The mobile OS market is going to play an important role in the next two years. We also believe Microsoft will compete more aggressively in mobile by acquiring other mobile specialists or even launching their own consumer-focused handset."

Theys adds "Google still considers Microsoft and Yahoo! as its primary competition in search and advertising; so far, both have failed in their efforts to secure a stranglehold in mobile search and advertising, leaving for the path clear for Google."

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**About this research**

The research in this press release is taken from Screen Digest's company report 'Why Google has to expand into mobile, and why it will succeed'. Published in November 2008, it includes an analysis of Google's mobile strategy as well as its main competitors. The report also includes a roundup of Google's acquisitions in the field of mobile and an overview of the mobile smartphone operating system market.

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