Google LLC Strategy Formulation

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**Long-Term Goals and Objectives**

**Strategy Formulation**

The strategy of Google is different compared to that of the competitors as their first insight is to ensure that they thoroughly dominate the marketplace by offering new and unique products. The strategy of Google has been formulated in line with Porter's model of differentiation, which technically involves a wide market scope, thus by this Google can offer their products and services to everyone in the globe. With the strategy, the company is also able to differentiate from what the competitors are doing giving them an advantage over the competitors as well. Concerning growth, the company tries to compete directly and indirectly with other players while it focuses on product development.

**Markets**

The company pursues different markets for the diverse range of products they offer. The first market is the companies that require advertising services, and cloud-based services while the other category merely is individuals who are in need of internet services. They also have products like cable television services, driverless cars, and Google Fiber. All these products are for the different markets and segments across the globe (Durmaz & Ilhan, 2015). In their strategy, they have been able to ensure that each market segment has tailor-made products for the users. Google's philosophy is to provide that they can develop products for all manners of individuals in need while they focus on innovation and technology.

**Value Proposition of Products**

Google ensures that their products are inspired by innovation and that they can be of significant value to the users. For them, their products are of high quality, with most of them tailor-made for the situations or customers using them. Compared to the competitors in the market, the offerings of Google are affordable and have value for money and this is believed to be one of the primary reasons behind their success. Lastly, the company ensures that their products are useful and issues like customer data security are taken care of, this has enabled them to enjoy customers who are loyal.

**Resources and Capabilities**

The success of the company in offering the said products and services requires lots of resources to be invested in research and development, quality software, expertise and more so in acquiring the right patents and rights to the new products (Goldfarb, 2014). In a bid to ensure that the services are seamless, the company also requires to be conversant with new technologies emerging day in day out. For Google, this has been easy as they have been the trendsetters in the industry. Having the right team with the right skills would also be a requirement in ensuring that they provide the said products and services to the customers.

**Capturing Value and Sustaining Competitive Advantage**

Google will continually be required to invest in human resource, research and development, infrastructure and continuous product development to ensure that they keep capturing value and being at the top of the game. The company should also ensure that they offer the best value and quality to ensure that customers remain glued to their products. To stay as the market leaders, the company should also ensure that they focus on making their customers the priority and not always focusing on developing new products (Jacques & Kristensson, 2015). Developing new products for the new markets like Asia could also be instrumental in giving them the sustainability that they might require in the long run.

**Business Management Strategy**

**Cost and Differentiation Advantages**

The cost leadership strategy that the company uses aims and helps the company to be the leader regarding cost in the market it operates. In simple terms, Google Inc. has strived over the years to ensure that it gives IRS customers the best quality services at the lowest cost. There are some ways that Google Inc. has used to achieve the cost leadership strategy. One way is by way of increasing profits by reducing cost and ensuring that the product and service prices are falling under the average market prices. Secondly, Google believes in increasing its market share by way of charging lower prices. This is followed by reducing the cost incurred to run several operations such as advertisements. Investing in technology, having efficient logistics, and establishing a low-cost base have made the company to achieve the cost leadership strategy advantage.

Differentiation strategy is the other way that the company uses to achieve a competitive edge. By this, Google appreciates the importance of developing products and services uniquely. The Products and services offered by Google Inc. are different from and more attractive than of the competitors. It has more unique features, improved functionality, more durable products, and a recognized brand image that the customers value.

**Corporate Strategy**

Google is dedicated to ensuring the company stays in business for the most of their life. In this sense, it has developed a continuous process that requires a constant effort to engage investors in trusting the company with their money. One way is through the effective allocation of resources and taking advantage of technological advancement. The corporate strategy of Google is simple. Its revenue is based on advertising; therefore, the resources of the company are used in such a way to increase its revenue. To archive this, it has to expand its reach through AdSense. It has also acquired Double click. The company believes in adding new venues for displaying it ads and thereby making more revenue.

**Google's Competitive Advantage**

Because of its size, innovation, and its market position, the company has numerous competitive advantages over its competitors. However, these can be narrowed down to three main categories: well-established infrastructure, more innovative services, and a vast market share. Based on the amount of data centers, servers, and energy usage, Google boasts of an enormous and efficient technology infrastructure which has enabled it to edge its competitors in the market. Other than the efficient technology infrastructure, Google also boasts of a wide range of innovative services which include Google Search," Gmail, Blogger, Google Finance, Google Docs, Google Apps, AdSense, and Google Chrome. All this together with a vast market share has enabled the company to have a completive advantage.

**Vertical Integration**

For many years Google has been involved in the horizontal integration strategy. However, in the recent times, it is slowly moving in the vertical integration strategy. In this respect, Google has acquired most of its business operations within the same production vertical. It has used both types of vertical integration: forward and backward integrating based nylon the nature of business operations. With the use of this strategy, the company has reduced its costs significantly. It has also improved efficiencies through decreased transportation expenses and reduced turnaround time.

**Strategic Alliances**

Many companies have known the power of pooling resources to ensure growth and development is achieved with efficiency. Google is not an outlier to this. The company has had an arrangement with several companies with the aim of sharing resources to undertake a mutually beneficial project. In 2016, Google partnered with Intel, in their bid to support and adopt the cloud technology. The strategic alliance was aimed at helping its customers move from legacy infrastructure to an open, secure and future-proof cloud. The company is considering engaging in more alliances in the years to come.

Cross-Functional Organizational Structure Chart

**References**

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