Google turns 20 and it’s (the same) business as usual

Despite its moonshot projects, the Internet titan’s dominance of the ad world is what stands out

Howard Yu

While Google turned 20 on Tuesday of this year, it still makes most of its money from advertising revenue. And it is this highly profitable advertising business that has been funding all the company’s moonshot ambitions: self-driving cars, high-altitude wind turbines, stratospheric balloons to blanket the world with internet connectivity, and robots that detect cancerous cells.

It is true that these early gambles are losing money. But to eventually turn them into profitable ventures, Google will have to look beyond its advertising scheme. It’s because almost everything in the world can be funded through ad clicks.

Every highly successful Google product has either been free, ad-driven or clearly related to the search engine: Maps, Gmail, Chrome, YouTube, Android, Photo, Translate etc. The more a product requires end users to pay directly, the less Google can dominate the competition.

For example, Google Cloud has about 5 per cent of the market share, whereas Amazon Web Services holds about 30 per cent. Google shipped 3.9 million Pixel phones last year, less than a typical week’s worth of iPhone sales.

Google’s fibre division shuttered after falling to popularity, its ultra-fast internet service against market giants AT&T and Verizon. Its Fiber Ocean brand, at Googleplex is detailing initiatives that do not fit its advertisement model. If you can’t sell ads on it, we’re not touching it.

Google may be facing obstacles, but it is in the same place Apple was before the launch of the first iPhone. Steve Jobs had no intentions to build a phone as late as 2005. As documented in The One Device, an Apple executive named Mike Bell, who foresaw the convergence of computers, music players and cellphones, is as an invisible hand at Googleplex is detailing initiatives that do not fit its advertisement model.

We all know this is the one we want to do. So let’s make it work.”

Page may not choose to do the leadership style the way Jobs did, and Google could still be massively successful just dominating the advertising world. It is just that the public needs to recognise that for all the fearless entrepreneurship at Google, for all the fearless innovations in the world, the public needs to recognise that for all the fearless entrepreneurship at Google, for all the fascinating technologies and science, ultimately, it’s still all about getting people to click on an ad banner, that sends them to H&M to buy an extra pair of jeans. That is what Google has become after 20 years.

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