

Google opens the hood on search for Wall Street

September 10 2009, By John Letzing

Google Inc. sought to demonstrate for Wall Street analysts on Wednesday why it continues to pour money into an established Internet search business that already accounts for a majority of its sales every quarter.

However, Google managers failed provide many concrete details about progress in areas such as mobile phone search, and plans for a wide rollout of its revamped search engine, dubbed "Caffeine."

Google [Chief Financial Officer](#) Patrick Pichette said the company was holding the event for analysts to make clear that, "Search is a space that's still in its early days, and why you should expect us to invest more in our core business."

Unlike many technology giants, Google refrains from providing Wall Street with financial updates, or regular forecasts for upcoming quarters.

When asked what "levers" the company could pull in order to improve the prices advertisers are paying for activity on Google's [search service](#), Pichette responded that many want to spend more with the company, it's just a matter of making clear to them the variety of options.

Nick Fox, Google's director of business product management for ads quality, demonstrated several recently-added features to the company's advertisements, including attached links that can take users directly to an advertiser's video _ "a chargeable event," Fox said.

But Fox added that often, increasing advertisers' costs per click on a Google advertisement "isn't necessarily a goal" behind various product launches.

"It may be that there's an ad that's very high quality that's only worth a penny to advertisers," Fox said, such as the promotion of a song download.

An analyst's question about when searches done on mobile phones would provide a "material" part of Google's total number of queries was largely deflected.

"We see an opportunity for this to become an important part of our monetization story," said Susan Wojcicki, Google's vice president of product management for monetization.

Google last month unveiled Caffeine, a significant re-working of the company's search architecture that it promises will improve speed and accuracy.

Asked when the revamped service might become widely available, Google director of product management for search Johanna Wright said only that, "We're going to roll this out when we're ready."

Google, which dominates the online search market in the U.S. and many foreign markets, nonetheless faces a brewing challenge from rivals Microsoft Corp. and Yahoo Inc.

Microsoft and Yahoo announced a partnership in July to effectively combine search and advertising capabilities to better compete with [Google](#).

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