

# Google, Apple rivalry heats up

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A shopper browses a display near a book called "Planet Google" in a book shop in Beijing. Google is the undisputed king when it comes to raking in advertising dollars on the Internet, but Apple wants the crown when it comes to ads on mobile devices.

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The mobile advertising space is shaping up as the latest battleground in an increasingly testy rivalry that led Google chief executive [Eric Schmidt](#) to step down from Apple's board of directors last year.

Schmidt may have been photographed recently chatting amiably with Apple's chief executive Steve Jobs at a Palo Alto, California, cafe but the technology giants are slugging it out on a growing number of fronts.

Google's Web browser, Chrome, competes with Apple's Safari and the Internet giant's computer operating system, also called Chrome, and its Android mobile phone operating system also pose competition to Apple products.

In a move that struck at Apple's core, Google launched a smartphone earlier this year, the Nexus One, as a rival to Apple's popular iPhone.

Apple struck back with a lawsuit against Taiwan's HTC, maker of the Nexus One, accusing it of infringing on iPhone patents.

Mobile advertising is the arena for their latest struggle and Apple's Jobs fired a few jabs at Google as he previewed a new mobile ad platform called "iAd" at an event Thursday to unveil the latest iPhone operating system.

Jobs said Google had "snatched" away AdMob, a mobile ad firm Apple had been seeking to buy last year, and made it clear he thinks the Internet search giant has it all wrong when it comes to mobile advertising.

Google has made its fortune from Web [search advertising](#), placing relevant ads next to search queries, and its purchase of AdMob was a bid to extend its reach into the booming world of mobile devices.

But Apple, which announced its purchase of AdMob rival Quattro Wireless on the same day that Google unveiled the [Nexus One](#), sees the future of mobile advertising in applications not search.

"On the desktop, search is where it's at, that's where the money is," Jobs said. "But on a mobile device search hasn't happened, search is not where it's at. People aren't searching on a mobile device like they do on a desktop.

"What's happening is they're spending all of their time on apps," Jobs said -- applications like the more than 185,000 that Apple currently offers for the iPhone and the iPod Touch through its App Store.

"They're using apps to get the data on the Internet rather than a generalized search," Jobs said. "This is where the opportunity to deliver advertising is. Not as part of search but as part of apps."

Apple's iAd platform allows software developers or ad agencies to embed ads directly into applications being offered for the [iPhone](#), the iPod Touch and now the iPad, Apple's new touchscreen tablet computer.

Jobs said Apple will sell and host the ads and give developers 60 percent of the revenue while keeping the remaining 40 percent.

Forrester technology analyst Julie Ask said Apple's iAds has "raised the bar on quality of mobile ads by keeping consumers within their existing application or experience."

Analyst Rob Enderle of Silicon Valley's Enderle Group said "iAds looks brilliant to me and solidly in Google's space.

"This is something that Google should have done," Enderle said. "It's funny to have [Google](#) chasing [Apple](#) on ad revenue."

"Because we're increasingly living on mobile devices this could actually be a better source of revenue than typical PC Web-based ads because often we find ourselves away from our desks and unwilling to open up a laptop," Enderle said.

"As we look at the future of advertising this kind of concept could be much more lucrative than what's come before it," he said.

Estimates of mobile advertising growth vary widely. A report by the Kelsey Group put the [mobile advertising](#) market at 3.1 billion dollars in 2013 while another report, by Juniper Research, put it at 5.7 billion dollars in 2014.

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