

Google 'building social network rival to Facebook'

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A cyclist rides by a sign outside of the Google headquarters in Mountain View, California, in March. Google is holding talks with online game developers as part of its bid to build a social-networking service that could compete with Facebook, The Wall Street Journal reported.

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The newspaper, citing "people familiar with the matter," said the Internet giant is in discussions with Playdom, which was acquired by The Walt Disney Co. on Tuesday, Electronic Arts's Playfish and Zynga, in which [Google](#) has a stake.

The Journal said Google wants to offer their games as part of a broader social-networking initiative that is under development by the Mountain View, California-based search and advertising giant.

Google chief executive Eric Schmidt, in an interview with the newspaper, said "you can expect a partnership with Zynga."

Zynga is currently the leader in the fast-growing social gaming space with over 230 million monthly active users of its games, which include "FarmVille," "Mafia Wars" and "Treasure Isle."

Citing estimates from research firm ThinkEquity, the newspaper said [social gaming](#) was a 700-million-dollar market last year and the figure is supposed to triple by 2012.

Asked about the development of a social-networking service like Facebook's, Schmidt said, however, that "the world doesn't need a copy of the same thing."

Google added social-networking features to its popular email service, Gmail, in February.

The initiative called "Google Buzz" ran into criticism over privacy concerns after it automatically set up public social networks built from [Gmail](#) contacts people messaged often.

Citing a "person familiar with the matter," the Wall Street Journal said the social-networking service being considered by Google would incorporate and go beyond Buzz.

The Journal said Google's push into social games is an effort to capture users and advertising dollars that are increasingly flowing to social networks like [Facebook](#).

Google makes nearly all of its revenue from online text ads and Schmidt was asked by the Journal if the company is a "one-trick pony."

"I think that's probably true," he said. "But if you've got a one-trick pony, you want the one we have. We're in the ad business, and it's growing rapidly. We picked the right trick."

He also said Google is seeking a greater share of the online display advertising market. "This can be a powerful business, a 10-plus billion-dollar business" per year for Google, Schmidt said.

Google's Android mobile phone operating system could also bring in another 10 billion dollars or more per year for the company, Schmidt said.

Google gives Android software to handset makers for free but benefits from the use of Google search, maps and other ad-supported services on the devices.

"If we have a billion people using Android, you think we can't make money from that?" Schmidt asked, adding that all it would take is 10 dollars per user per year.

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