

Facebook, Google and Apple: partners and rivals, too

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In war, the saying goes, the enemy of your enemy is your friend. But in the tech industry, sometimes your enemy is also an important business partner.

[Facebook](#) underscored that point this week by unveiling a major upgrade for people who use the social network on [Android smart phones](#), as a key element in its strategy for reaching the millions of consumers who use phones based on the [operating software](#) created by one of Facebook's biggest business rivals: [Google](#).

Both companies could benefit from Facebook's new Android app, analysts say, but it's also bound to intensify their competition, as the two Internet giants vie for consumers' attention and [mobile advertising](#) dollars. Their competing interests are reminiscent of the complex relationship between Google and Apple - sometime-partners who mutually profit from Apple's decision to feature Google's services on its popular iPhones and iPads, even though they're increasingly butting heads.

Here in [Silicon Valley](#), "co-op-etition" is a long-standing tradition. Each company knows "they have to be on each other's platforms" if they want to reach as many consumers as they can, said Daniel Matte, a tech analyst at the Canalys research firm.

Facebook CEO [Mark Zuckerberg](#) acknowledged that point Thursday

when he explained why his company decided to build the new Home interface for Google's best-selling Android platform. Facebook has also worked closely with Apple to embed Facebook services into the newest [iPhone](#).

Rather than try to build a unique Facebook phone and [operating system](#) from scratch, Zuckerberg explained, "we want to build the best experience for every person on every phone."

But even though Zuckerberg went out of his way to praise the Android operating system, which powers a majority of the world's smartphones, analysts noted the irony in Facebook's effort to piggy-back on its rival's software.

Google has built a huge [mobile business](#) by letting other companies use Android, without charge, as an open-source software platform. Android's open design makes it easier for Facebook to create an interface that puts its own services, including photos and messages from the social network, on the home screen of Android phones - to an extent that Apple might not allow on its tightly controlled operating system.

But with the Home interface, Facebook is essentially taking over the user experience on Android phones, said mobile tech analyst Jack Gold of J. Gold Associates. "To the extent that Facebook has my eyes," he said, "Google doesn't."

Internet companies like Facebook and Google provide online services to consumers for free because they can gather data on users' habits and show them targeted ads. By emphasizing its own services, said Tim Bajarin, a veteran industry analyst at Creative Strategies, Facebook gets "the opportunity to put ads in front of people, for which Google gets no cut."

He added: "Anything that takes away from Google's revenue potential is going to be something Google will cringe at."

While the Facebook interface won't show ads for now, Zuckerberg confirmed Thursday that it may eventually do so.

Some analysts speculated Google could hinder Facebook by modifying Android or restricting its use in the future. Although Zuckerberg downplayed that possibility, he told Fortune magazine, "I'm not sure how they're going to react."

Some analysts suggested Facebook's new interface could be an attractive addition to Android, since it's not available for devices running Apple or Microsoft operating systems. Google issued a statement that welcomed Facebook's new software while pointedly mentioning some of Google's own apps.

"It's a win for users who want a customized Facebook experience from Google Play - the heart of the Android ecosystem - along with their favorite Google services like Gmail, Search and Google Maps," a Google spokesman said. Google Play is the online store for Android apps.

Still, the two companies' relationship increasingly resembles Apple's competition with Google. Those two tech giants were once close partners, and Apple's decision to feature Google programs for navigation, watching videos and searching the Internet helped make the early iPhones and iPads a success.

But after Google's Android emerged as a strong competitor in the mobile gadget world, Apple replaced Google Maps with its own navigation app. Apple also built the voice-activated Siri, which competes with Google's search engine. Google began selling music and other digital entertainment, in competition with Apple's iTunes store.

"Their relationship has fallen apart. They definitely see each other as enemies," said Jan Dawson, a telecommunications analyst for the Ovum research firm.

Even so, Google pays Apple a rich slice of its advertising revenue - as much as \$1 billion a year, according to an estimate by Morgan Stanley - from Google searches conducted on iPhones and iPads.

"In this world of interconnectivity and inter-platform apps, there's no way you can turn your back on your competitor," said Bjarin.

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