

GOOGLE'S FOURTH QUARTER LETDOWN



The Google Incorporation is currently dealing with one of the biggest letdowns that the company has ever faced. Google was expecting its fourth quarter reports to be something to celebrate over, as it was predicted to be one of the best quarters in Google's history. The company has been in existence for over a decade. However, this quarter was not what Google was expecting at all. On Thursday, Google received its earnings reports for the fourth quarter which showed that the company, known for being the leader of search engines, received far less money per click on its appearing online advertisements. This was not a good surprise for the company, especially since many investors were assuming that the surge in online shopping during the holiday seas would actually help Google, allowing them to charge more for their advertisements. Instead of Google being able to charge more, the price has actually decreased by 8 percent, a major let down for the company. Executive at Google realized that some of the decline was partly due to a number of technical changes that were made to help target specific audiences for certain advertisements that would be more attractive to the consumers. These changes may have paid off in the long run because the number of clicks on Google advertisements had increased by 34 percent from the year before. A lot of the trouble seems to come from Europe, especially since Europe is currently dealing with a serious debt crisis. The debt crisis is hurting the economy in other areas. An analyst at Benchmark Co., Clayton Moran, has said, "I think everyone underestimated how quickly the European online ad market would suffer." With all of the different things going on, there was slowdown in the amount of earnings that Google managed to receive, which was very alarming to investors. Google shares have even plunged by 9 percent since these results were first announced. Things definitely do not seem to be looking great for Google right now. In fact, if the stock for Google falls Friday as much as it had done on Thursday, the shares will not be worth as much as they were when Page first became the CEO. However, Page, who is 38 years old, believes that there is not much reason to make changes to what he has already done since becoming CEO. Page says, "I am very happy with our results overall in the quarter." However, Google was expecting to reach extreme financial heights during the months of October through December because of people who would be online shopping during the holiday season. Unfortunately, Google actually made significantly less in the fourth quarter than it did in the quarter directly before that.

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