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## GOOGLE EARNINGS: MOBILE AND SOCIAL ADS ARE RULING



If the earnings of Google published for Q1 2012 are anything to go by, the future is definitely in mobile and social media ads. Google's gross revenue for the first quarter was \$10.65 billion, up by 24% over that of last year. The cost-per-click of Google had dropped more than 10% due to its foray into mobile advertising and consequently, there was a 39% growth in aggregate paid for clicks. The trend in the growth of mobile ad revenues is expected to continue as Google concentrates on the next phase of mobile search advertising. Analysts are of the opinion that gradually mobile search advertising would displace traditional internet search advertising in Google's cash flow model. Though the average revenue per search is lower for mobile ads, the relatively much higher number of paid clicks and increasing access of the internet through mobile phones will see ad operators increase preference for mobiles. Of course, with greater interest from advertisers, the costs would also rise. The ubiquitous presence of Android gadgets and android powered phones also helps the continuance of Google's domination of mobile-based internet. According to Larry Page, more than 170 million users have signed for Google+ and he opined that Google+ is now the company's social spine. It connects all Google offerings with a social layer. As analyzed by Trefis, Google Mobile Search Ads already constitute towards 33 percent of Google's present stock price, while PC Search Ads top mobiles by a slim margin of 4% contributing only 37.3% of Google's stock price. The rapid growth of Google Mobile Search Ads in the company's published reports signal a change of internet advertising strategies for businesses. According to Forbes, if Google uses the social data gathered from Google+ to improve its search experience then Google+ can be used to generate more revenue by offering a greater range of granular targeting features.

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