



Faktor Google – Executive Summary

Since its first appearance in Germany in 2001, Google has become far more than a mere search engine to German firms. That is the key finding of a survey conducted by IW Consult in June 2011 amongst more than 11,000 German companies, registered for the use of Google Tools. Google Search is still the core product; 84 percent of Google customers use it. However, German firms also employ numerous other Google products strategically in order to improve their internal processes as well as their on- and offline business. Besides the search engine, the favourite tools amongst German firms are Google AdWords (75 percent) for online advertising, Google Analytics (60 percent), Google Translator (36 percent) and Google Alerts (27 percent).

Most Google customers mix and match Google tools into packages that fit their needs and support their strategic objectives. On average, Google customers use 4.4 products. More than a fourth of firms use six or more Google products simultaneously.

Within ten years, Google has become an integral part of the German economy. Google's customer base stretches throughout all sectors and industries. Depending on their individual needs, different sectors and industries show particular usage patterns. For instance, the export-oriented German automotive industry uses Google Translate more heavily than other sectors. Construction companies find Google Earth extremely helpful when planning projects. IT-experts use the web more intensively than others and prefer Google Chrome as well as Google Apps. Retailers present their products on the Google Merchant Center, so their customers can find them more easily.

Small and medium sized enterprises (SMEs) are most likely to use Google tools. The typical Google customer from manufacturing has a workforce of 100 employees. If the firm is in the service sector, the average number of employees is 27.

Google tools for marketing have, according to the firms in the survey, significantly improved key success indicators of their online strategies. On average, they gained 25 percent in customer contacts since they introduced the Google tools. Their revenues increased by 23 percent. In total, Google customers get 36 percent of their

customer contacts through Google marketing, and generate 35 percent of all online revenues by advertising their products and services with Google.

The majority of surveyed firms stated that they Google marketing enabled them to expand their businesses. More than 70 percent of German Google customers have gained new customers through Google marketing tools, whereas 28 percent were able access new markets. For instance, they achieved a foothold in a new country or a novel market.

IW Consult found that for each Euro invested in Google AdWords, a company's revenues increase by 11.94 Euro. On average, online revenues increase by 7.65 Euro. The remainder of the revenue increase stems from the firms offline business. Therefore, this study also supports the so-called ROPO effect (Research Online, Purchase Offline). Google Advertising's effect therefore is much higher than those effects registered for other types of advertising channels such as print media or TV.

Using Google Search makes employees daily businesses more effective. They find the information they search for more quickly, freeing up more time for productive tasks. This "Google Search Effect" saves the average German firm 6,84 Euro per day and employee.

Google Apps (cloud office applications) also have positive effects on productivity and innovativeness in German firms. Using Google Apps simplifies processes and communication amongst team members. This saves time and sets free individual innovation potential within project teams. For instance, 68 percent of Google Apps users said that information had become accessible more easily. For more than 40 percent of Google Apps users, collaboration with customers and amongst employees has improved significantly. Furthermore, 30 percent found that their employees had become more creative by using Google Apps.

Your Contact at IW Consult (www.iwconsult.de):

René C.G. Arnold
arnold@iwkoeln.de

Marleen Schiffer
schiffer@iwkoeln.de