

Google Business Model	
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The Google search engine offers a unique opportunity to understand how does it work a bilateral market.

Most people think Google is just a search engine, but they don't realize Google is also the biggest advertising agency.

They did not invent the search engine, in fact Altavista was the first, Yahoo the second and they are the third ones. It is true, they have improved significantly the algorithm that performs the search.

However the greatest invention of Google is the "pay per click" (Google adwords) generating a completely new business model in the advertisement world.

The search engine is free, that means we are the product.

They need us in order to have a critical mass of clients to offer to the payers through "pay per click"

Another point is each customer segment has a different business model, this is very important because most of the time when you define your customer segment there is tendency to list many different profiles attached to one single business model.

Both the free and the pay per click customer segment can't exist without each other. No clients no adverts, that is the main reason is free. Adverts without clients no business.

Task:

Watch the video to understand the importance of a bilateral market.

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