



Google (GOOG) 2019 Q2 Earnings Summary

July 2019

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Google Is Gradually Moving Towards Transactional Products To Maintain The User Relationship Past Search

YOUTUBE

- **Responsibility remains the top priority and they will be vigilant about removing harmful content quickly and at scale**
 - Remain focused on taking the right steps and removal of content that violates their policies have virtually no impact on revenues
 - This quarter, YouTube was the second largest driver of revenue growth across Alphabet
- **Have put a lot of effort into developing YouTube Kids and it will continue to evolve as they add more curated content**
 - Looking for ways to reward trusted creators who produce content which is great for children

PRODUCTS

- **Clearly focused on the areas where they are differentiated and data management and analytics is a key area**
 - Will be customer-focused and to the extent there are gaps, they'll look at doing it in-house versus whether there's an attractive opportunity outside
- **Assistant is where they can really push their goal of helping users get things done, including things that matter in the real world**
 - Focused on making sure the user experience constantly gets better, and are investing to get there
 - If they get that right, just like with Search, there are many things which users want to get done which have commercial intent to them

PRIVACY

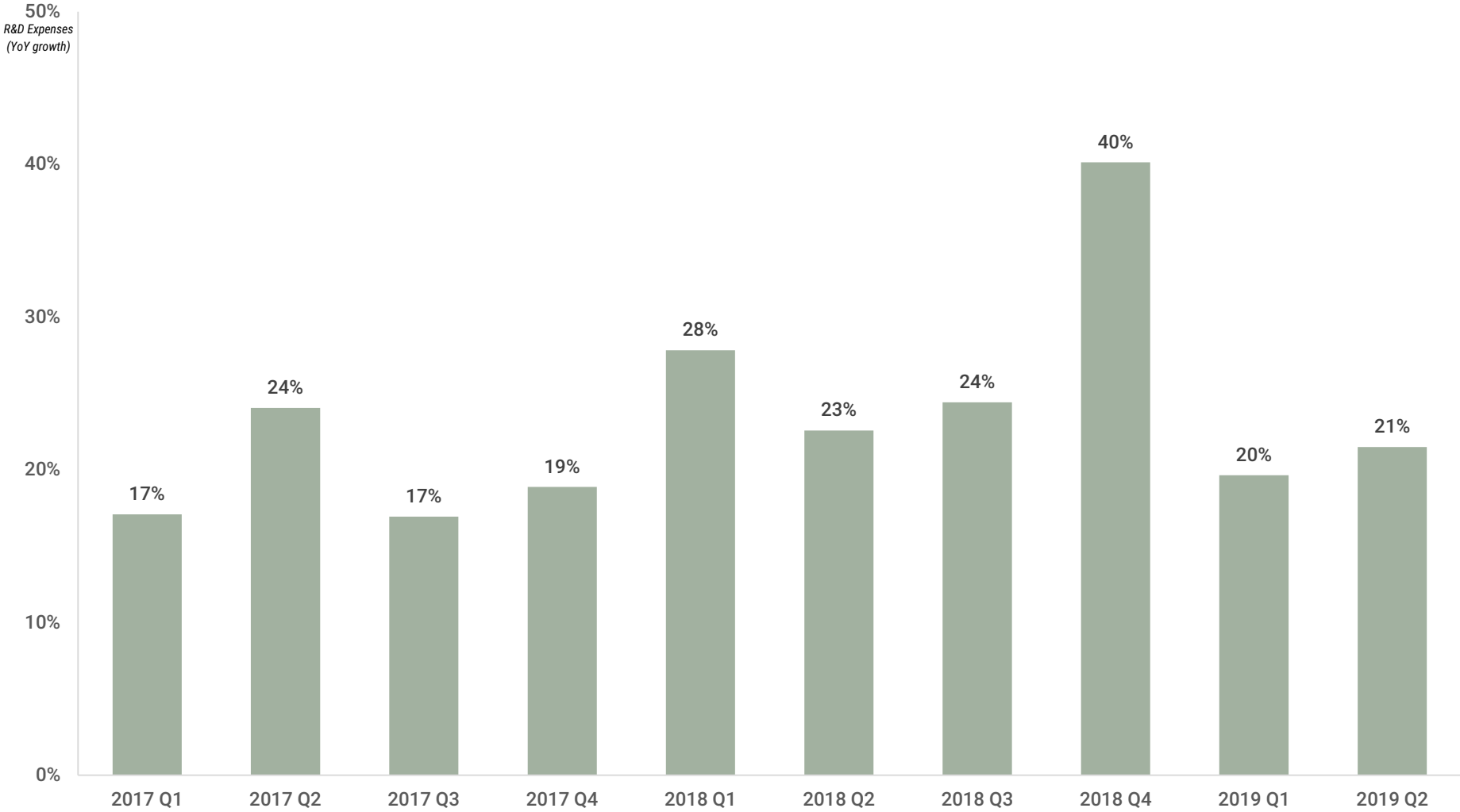
- **Currently operate under a lot of regulation, but the overall impact on consumers and businesses is still playing out**
 - Focused on making sure they are compliant with the law, not based on any potential revenue impact
 - It's important to stay focused on building helpful products to users because that's the value they ultimately provide
- **Working hard to simplify user understanding of how their data is used and giving them better controls**
 - With AI, they are excited about the possibility to give better experiences for users with less data over time

ADVERTISING

- **Most ads product launches are introduced in phases as advertisers initially experiment with new formats**
 - Discovery ads offer a new visually rich mobile-first ad experience across Google properties
 - Unified shopping experience and universal shopping cart help to make all of Google more shoppable
- **Using machine learning to simplify things for advertisers and make campaigns easier and give them better insights**
 - Processing complex datasets and giving back sophisticated, real-time insights really helps make a difference

Cloud business is gaining importance as they build an ecosystem around it, similar to what they've done with Android

Innovation Is Crucial Across The Business, But New Products Are Only Released After Extensive Testing

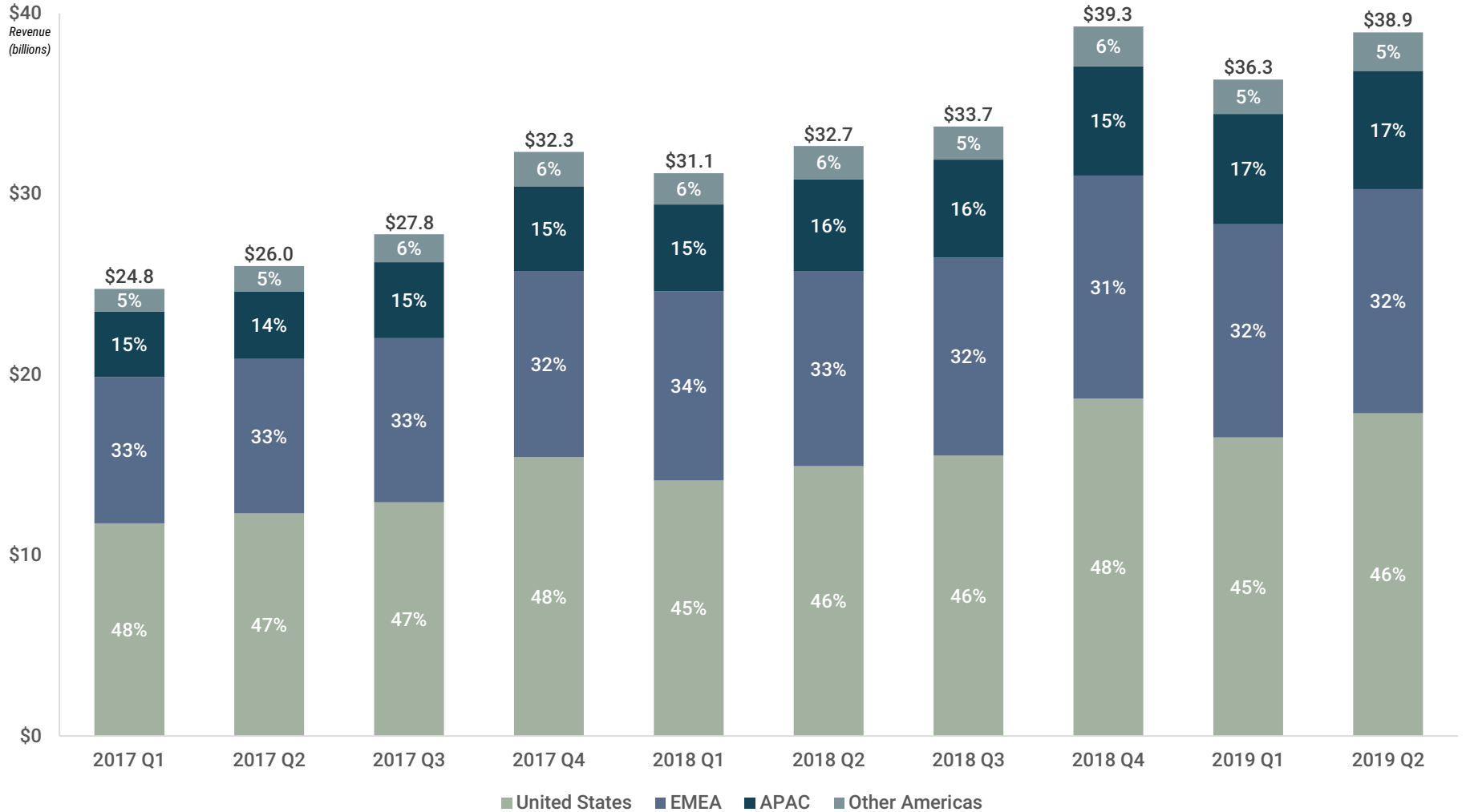


Machine learning investments will play a critical role in the development of consumer products, as well as ad formats

Revenue by Geography



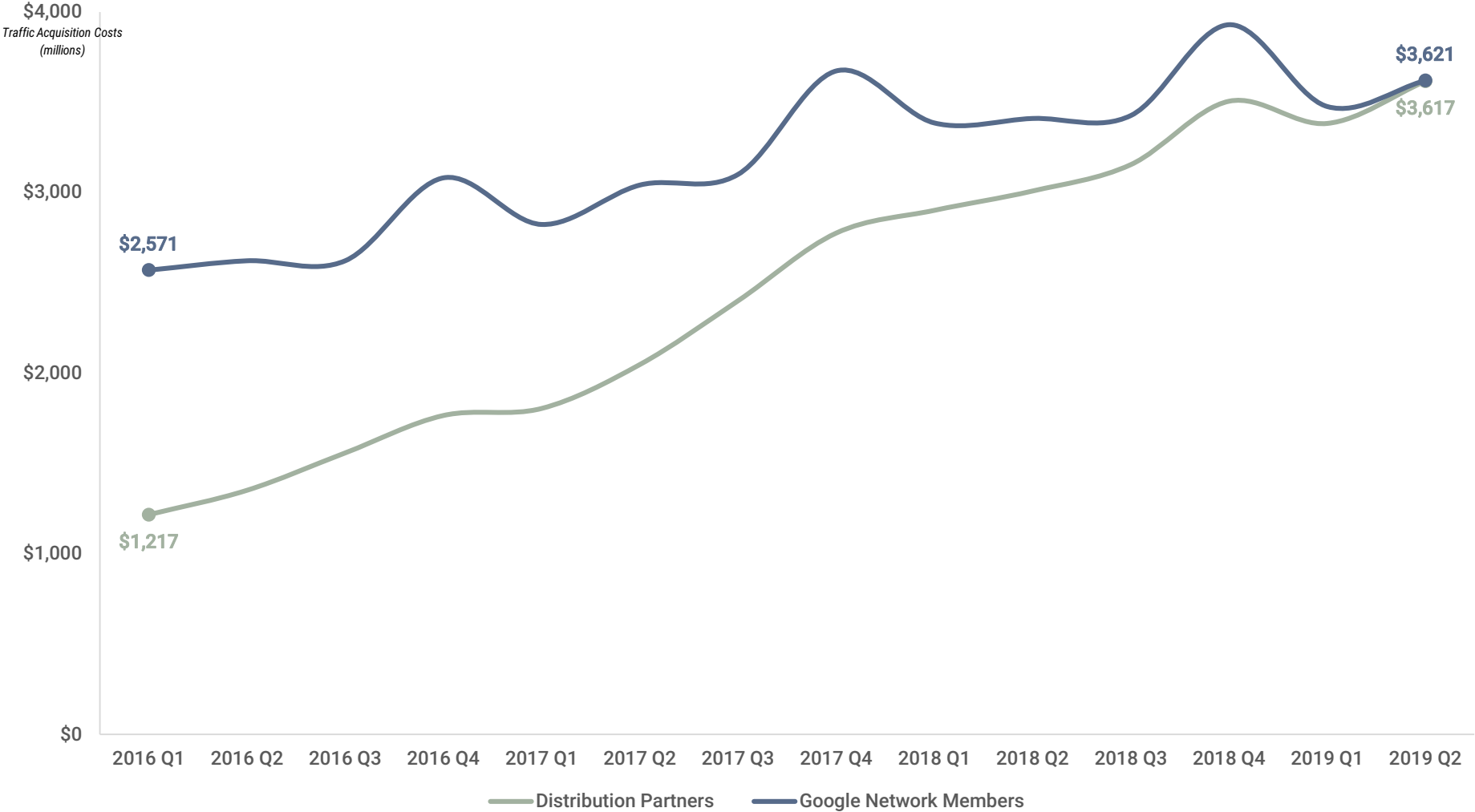
There Is A Focus On Lowering The Barriers For The Next Billion Users To Participate In The Digital Economy



They can take advantage of their leading software capabilities to provide premium hardware devices at lower prices



Traffic Acquisition Costs Remain A Unique Driver Of The Business, But The Mix Is Shifting Away From Ads



There is a greater emphasis on incorporating services, such as maps or Assistant, to deepen user engagement