

Google Posts \$14B in 1Q Revenue, Struggles with Mobile

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Google's first quarter revenue was up 31 percent annually to \$14 billion, while net income reached \$3.9 billion, but the company is still trying to sort out how best to capitalize on mobile.

Shares of Google were up nearly 3 percent immediately following Thursday's earnings call. That trend continued, with the stock up 2.5 percent to \$785.43 in early trading Friday morning.

In an earnings call Thursday afternoon, Google CEO Larry Page referenced recent changes to the company's GOogle Play store, saying that improvements to the digital storefront should also translate to improvements in advertising.

"We need to make advertising across devices really simple for our customers," Page said. "Online advertising has developed in a very device specific ways with separate campaigns for desktop and mobile. This makes arduous work for advertisers and agencies, and means mobile opportunities often get missed."

Page said the company's "Enhanced Campaigns", an upgrade to the upgrade to AdWords, was aimed at doing just that.

"Our goal [with AdWords] is simple; to enable advertisers to focus on their audience and their message while we dynamically adapt their campaigns across multiple devices," Page said.

Also of concern on the mobile front is the possibility that mobile users will start turning to third-party apps instead of Google for search on their devices.

Page said he wasn't concerned about the issue and noted that the company has dealt with the same issue on the Web over the years.

"I think in general the information wants to be found and we're working hard to make sure that the user experience is great and that we are delivering people into the right places," Page said.

The company's ailing Motorola Mobility business continued to be a drag on earnings, where total non-GAAP operating expenses including cost to revenues were \$1.2 billion, with total gross revenues for the segment hitting just \$1 billion.

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Published on Wireless Week (<http://www.wirelessweek.com>)

Patrick Pichette, senior vice president and CEO, [said](#) [1] that Google has been pleased with the transformation happening at Motorola, but added that "that results from that segment will continue to be variable."

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