

Title:

Comparing Google's Search Franchise To McCormick's Spice Franchise

Word Count:

1164

Summary:

Google has a competitive advantage. In fact, one might even say it has a franchise in web search.

Keywords:

Google, GOOG, Google (GOOG), (GOOG), Google's stock, stocks, McCormick

Article Body:

Google has a competitive advantage. In fact, one might even say it has a franchise in web search.

I'm not suggesting any of these services will be as successful as Google; I'm sure they won't.

Looking at McCormick's franchise is actually a pretty good way of evaluating Google's. Why do

McCormick has a 45% share of the U.S. retail spice market. Its closest competitor has a 12% market share.

The spice market is an upside down funnel. The few producers are at the top. They feed their products to a large number of retailers.

In search the story's a little different. There is still something of an upside down funnel structure.

What matters as far as the investor is concerned is that the ultimate consumer of McCormick's products is Google.

Finally, there is the matter of infrastructure. This consists of two parts: production and distribution.

Google's production infrastructure (the algorithm and the index) is easy to duplicate and will be.

So, the natural question is: in the world of search, if you build it will they come? Will they stay?

All of Google's revenues are ultimately dependant upon attracting searches. Getting those searches is the key.

That leaves the brand. True, when you think search, you think Google. But, is that brand worth the investment?

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