

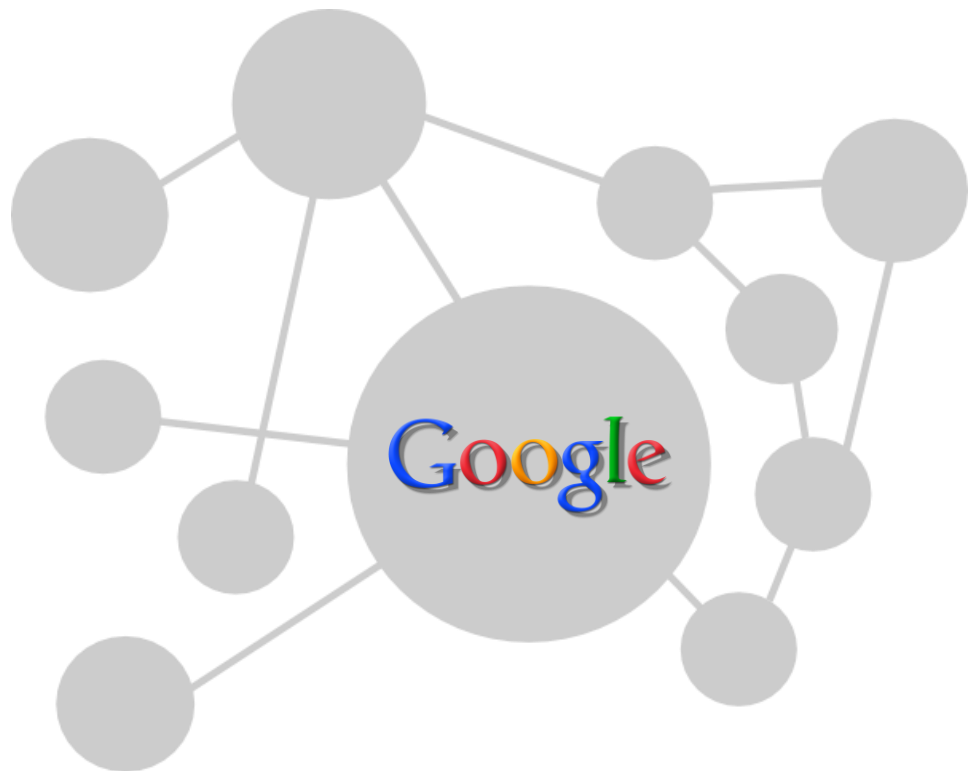


AN EXPLORATION OF GOOGLE'S ACQUISITIONS THROUGH INTEGRATING STRATEGIC BRAND MANAGEMENT AND NETWORK THEORY

MSc in International Marketing and Brand Management
Master Thesis

AUTHORS:
CARLOTTA ZORZI
RITA RAKAUSKAITE

SUPERVISOR:
MATS URDE



ABSTRACT

Title: An Exploration of Google's Acquisitions through Integrating Strategic Brand Management and Network Theory.

Authors: Carlotta Zorzi and Rita Rakauskaite

Supervisor: Mats Urde

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Purpose: To explore Google's network expansion through acquisitions by integrating two different perspectives - Strategic Brand Management and Network Theory - in order to fill the gap in the existing branding literature in relation to network theory.

Theoretical Perspective: In addition to Strategic Brand Management and Network Theory, the study also explores literature that is related to interrelatedness of networks and their impact on corporate brand identity and reputation as well as corporate and business strategy in relation to brand and market orientation. Furthermore, brand architecture helped us to identify the branding relationships between acquisitions and the acquiring company.

Methodology: The research method chosen to conduct this study involves the analysis of a case study with embedded cases which is supported by content analysis of secondary data. The reason for choosing Google for our case study is because of its strong corporate brand identity despite its constant radical network expansion through acquisitions. Additionally, Google's interrelated acquisitions increased the curiosity to understand their impact on Google's overall corporate brand strategy.

Findings: Through our analysis we identified Google as a market-driving and brand-oriented corporation in which the network expansion through acquisitions is key to help Google in the accomplishment of its corporate vision. Additionally, in order to understand better the reasons behind certain seemingly remote acquisitions, we developed a new framework through the integration of strategic brand management and network theory perspectives by incorporating the network dimension to the Corporate Brand Identity and Reputation Matrix (Urde and Greyser, 2014). By doing so it is possible to achieve a more comprehensive

understanding of network expansion through acquisitions as well as acquisitions' brand compatibility with the acquiring organisation.

Theoretical Implications: Our three main contributions in academic terms include the following; (1) the integration of two approaches in order to achieve a more comprehensive understanding of network expansion through acquisitions, (2) the identification of corporate brand identity as a key component to maintain consistency between the two perspectives for the integration process and (3) the determination that a synergistic relationship between corporate strategy and corporate brand strategy allows a network to undertake radical changes in the network without compromising its overall identity.

Managerial Implications: Our three main managerial implications are the following; (1) the explanation of the impact that the expansion of a network can have on corporate brand identity, (2) the development of a broader and more flexible framework that can be used to identify the compatibility between the acquisitions and the acquiring party's corporate brand identity and (3) the identification of four specific corporate brand identity elements that can particularly impact on the corporate brand level in a tech acquisition context.

Originality/Value: To our knowledge, this is the first time that these two theoretical perspectives are integrated with the purpose of exploring network expansion through acquisitions. As a result, the research led to the development of a new framework that aids the understanding of the role of acquisitions both in terms of a corporate brand – in relation to the strategic brand management perspective and corporate strategy in relation to the network theory. The conceptual approach to identification and revision of existing concepts contributed to the development of original ideas through creativity and analytical thinking. Additionally, the focus on the tech industry provides specific insights on acquisitions from a branding perspective and offers ideas to further the research in network- and brand related disciplines.

Keywords: Google, acquisitions, strategic brand management, network theory, corporate strategy, corporate brand strategy, corporate brand identity and reputation.

Paper type: Conceptual Paper

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The topic of this thesis was chosen on the basis of our interest in technologies and the dynamic environment in which they play.

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Carlotta Zorzi
zorzicarlotta@gmail.com

Rita Rakauskaite
personal.rrakauskaite@gmail.com

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1. Introduction

Over the past few years we have witnessed an intense growth in the tech sector, which has led many tech giants to expand into new fields through the acquisition of innovative start-ups to keep up with progress. Facebook investing in mobile apps and virtual reality and Apple expanding in wearable technology are only two of the many examples of this growing trend. Despite this expansion gives companies access to new and renowned resources, it is also true that expanding into unconventional business areas might not seem strictly coherent to their core business, which at times might create confusion in people's minds on where a company and its brand are going. Additionally, considering that extending a business through acquisitions implies the incorporation of different units, such units can either support or complicate a company's current corporate brand identity and its network (Öberg, Grundström and Jönsson, 2011). Therefore, our interest for this topic was raised when we first read the news of Google acquiring Boston Dynamics, a robotics company, at the end of 2013, which made us wonder what plan Google had for itself considering that its core business is mostly known for search engine services. Hence, Google is our main case study, which was observed along with seven specific acquisitions. However, acquisitions can be perceived as both new brands that become part of a stronger corporate brand portfolio or as new units that access an existing network of relationships (Ford *et al.*, 2011). This idea implies the observation of acquisitions from two different perspectives, one concerning the brand sphere of research and the other one focusing more on networks.

This study aims at exploring Google's network expansion through acquisitions by integrating two different perspectives, strategic brand management and network theory, in order to explore what impact acquisitions can have on a corporate brand identity, considering that most of the existing literature on acquisitions is largely about the financial implications that acquisitions have on an organisation (Capron, 1999; Hagedoorn and Duysters, 2002; Gaughan, 2010). According to Kay (2001:11), "corporate success is based on an effective match between the external relationships of the firm and its own distinctive capabilities", which suggests that it is important for companies to consider carefully the direction in which their network is expanding in order to secure corporate success. The reason for this is because all relationships and units within a network (Ford, Gadde, Håkansson and Snehota, 2011) can contribute to the development of a specific network identity (Öberg, Grundström and Jönsson, 2011). In fact, "corporate success derives from a competitive advantage which is based on distinctive capabilities, which is most often derived from the unique character of a firm's relationships [...]" (Kay, 2001:13), which underlines the importance of the environment, intended as network, in which a company develops.

Additionally, given that Kapferer (2012:33) asserts that a “branding strategy is the symbol of corporate strategy” we selected embedded cases that could help us explore this relationship given that two thirds of Google’s acquisitions are in fact successful (Lawee, 2012b). Therefore, Google was specifically selected for this empirical study due to its strong and consistent corporate identity despite constant radical network changes that it goes through due to on-going acquisitions. Operating in the tech industry, which Google does, requires the company to continuously innovate in order to survive (Christensen, 1997 in Steiber & Alänge, 2013), which poses challenges at both corporate brand and corporate strategy levels, because on-going acquisitions (as well as their dismissal) can have a considerable impact on an organisation’s overall corporate reputation. However, despite having focused the empirical study on seven specific acquisitions, we will not disregard all other acquisitions, as it is relevant to gauge a holistic view in order to draw conclusions based on observable trends.

1.1 Research Purpose

In light of the preceding discussion on Google’s network expansion through acquisitions, we have identified the integration of the two perspectives of strategic brand management and network theory as a relevant phenomenon to explore. In fact, when discussing the expansion of a network through acquisitions it is appropriate to investigate to what extent such acquisitions can impact the corporate brand identity itself considering that a branding strategy should serve as a symbol of the related corporate strategy (Kapferer, 2001).



Figure 1. Theoretical framework adopted to conduct the study

Therefore, the exploration of the impact that acquisitions can have on a network expansion can be relevant not only at a relationship level (network theory), but also at a corporate brand and reputation level (strategic brand management), which proves the importance of the purpose of this study (Fig. 1).

1.2. Outline and Disposition

The study is organised in the following way. First of all, we go over the methodology chosen to conduct the study. Secondly, we present a selection of previous studies around the topics of acquisitions, strategy, strategic brand management and network theory. Thirdly, we discuss the empirical data collected on the specific case of Google. Afterwards, the theoretical discussion moves towards the discussion of new ideas based on Google's acquisition strategies and in relation to both strategic brand management and network theory. Finally, we present conclusions, limitations and recommendations for future research in this field.

2.Methodology

This chapter will focus on the presentation and argumentation of our methodological approach and chosen research strategy which aims at achieving coherent and trustworthy results in order to contribute to the fields of branding and network theory.

In order to explore Google's network expansion through acquisitions, this chapter is dedicated to the detailed explanation of the methodology used to conduct such investigation. Given the objective to develop a conceptual paper, we adopted an inductive qualitative methodological approach which was based on a single-case study with embedded cases. The reason for choosing a conceptual approach to the research lies in the fact that "conceptual advancement in the field [of marketing] is slowing" (MacInnis, 2011:136). Therefore, in order to reach new conceptual conclusions, we first conducted a literature review to create a research path through the identification of specific focus areas to investigate in research findings, which were then used to create original arguments in the discussion section. The literature review served as a guide to define a clearer path in terms of theoretical orientation for the consequent contribution.

Finally, the reason for choosing Google lies in its constant network expansion through acquisitions as well as in its strong corporate brand identity. As a consequence, this makes it interesting in terms of Google's ability to maintain a consistent corporate identity despite the dynamic industry in which it plays as well as the continuous changes that the corporation goes through in terms of network.

2.1 Research Perspective

2.1.1 Research Philosophy

Considering the constructive nature of the concepts of strategy and networks (Curran, Jarvis, Blackburn and Black, 1993), we considered it appropriate to adopt a social constructivist ontological perspective as this is highly proper to develop an understanding of the theoretical relationships among those given constructs. Additionally, the fact that one of the theoretical perspectives taken to analyse Google's network expansion was Strategic Brand Management and that a brand itself is defined as a "social construction" (Blumer, 1969; Solomon, 1983; Silverman, 1993 in Urde, 2013) confirmed the appropriateness of this ontological perspective. According to Bryman and Bell (2007:23), this position implies that "social phenomena and categories are not only produced through social interaction but that they are in a constant state of revision", which offered us the ground to develop conceptualisations in

relation to an ever changing concepts that both brand and network are. Given the intangible nature of the topic researched and the ontological constructivist position taken, we adopted an interpretivist point of view. This connects to the epistemological approach to research that contemplates social action and phenomena as subjective and that therefore cannot be explained objectively in a general context, but rather on a specific social context (Bryman and Bell, 2007:19). The ability to collect and interpret the data gave us the opportunity to explore empirical findings in relation to existing theoretical concepts and also to develop new conceptual associations.

2.1.2 Conceptual Research Contributions

Despite the existing methodology literature underlines the single case study limitations as in the inability to produce generally applicable theories or results, given the conceptual approach adopted we still believed in the potential for achieving external validity through envisioning and relating concepts (MacInnis, 2011). Among the four types of conceptualisations, namely; envisioning, explicating, relating, and debating, that MacInnis (2011) outlined, we identified *envisioning* and *relating* as our two main approaches: the first one deals with the identification and the revision of something that is already existing in a new way, whereas the second one deals with the differentiation and integration of different concepts from different perspectives. In fact, our results suggested that by integrating existing concepts it is possible to achieve new theoretical conceptualisations.

2.2 Research Strategy

2.2.1 Qualitative Research

The decision to work with qualitative research lies in the related data collection method which is based on the analysis of words rather than on numbers (Bryman and Bell, 2007). The qualitative strategy emphasises the importance of in-depth data analysis and it was used instead of the quantification of data, which could have provided large-scale but more superficial results (Bryman and Bell, 2007:28). Additionally, this strategy is supported by both the interpretivist epistemological position as well as by the constructionist ontological position taken due to their conscious stand towards the subjectivity of interpretation of facts (Bryman and Bell, 2007:402). Clearly, the process of analysing qualitative data is the most difficult part of the whole research process, particularly because it is easy to run into issues concerning validity and reliability when interpreting non-quantitative data (Merriam, 2009). However, it is relevant mentioning that qualitative research may be better assessed through trustworthiness given that

its attributes of credibility, transferability, dependability and conformability are more appropriate in relation to qualitative research (Bryman and Bell, 2007:43).

2.2.2 Research Design

Considering our ontological and epistemological commitments to the purpose of this study, we decided to adopt a single-case study with embedded cases as a research design, which was supported by qualitative data analysis. Despite the adoption of just one single-case study is generally criticised in terms of the lack of ability to achieve external validity (Bryman and Bell, 2007; Easterby-Smith, 2012), we concur with Flyvbjerg's idea that "formal generalisation is overvalued as a source of scientific development, whereas the 'force of example' is underestimated" (Flyvbjerg, 2006:228), because only this way the research can give the basis for the development of concrete knowledge that goes beyond predictive theories. Additionally, by embedding "more than one unit of analysis" (Yin, 2009:50) within a single case study it is possible to go more into detail instead of conducting the research mostly on an abstract level and with a lack of sufficiently clear measures – which is typical of an holistic design. However, despite the sub-cases involved, the focus on a single-case study is still considered to be more appropriate and realistic than, for example, a multiple case design considering the time constraints and the limitations faced in terms of access to primary data. Finally, a conceptual achievement through a single-case design can be the starting point for the development of; new concepts and ideas, relating ideas, explicating ideas, or debating ideas (MacInnis, 2011:136), which is again consistent with the overall conceptual goal of this research.

In terms of ethics and politics, the research method adopted allowed us to conduct the qualitative research without having to deal with particular issues. However, it is still relevant mentioning the importance of reflexivity taken from our side for the interpretation of facts. Particularly, our understanding of secondary data became important in terms of ethics when using published judgements that involved; (1) behaviour and (2) official and concrete reasons for specific decisions (Cowton, 1998).

2.3 Data Collection

As already mentioned before, we based this research on the analysis of secondary data, meaning data that are already available i.e. data that have already been collected and possibly analysed by someone else (Kothari, 2004:111). The reason for choosing content analysis of secondary data lies in the given funds and time, as well as because of the accessibility of information based on the research purpose and the goal of developing a conceptual paper. Therefore, in order to collect relevant data for a single-case study with embedded cases we analysed both corporate information i.e. corporate websites, news releases and media

pieces containing official statements, as well as more specific information about the sub-cases considered e.g. data on the acquisitions selected. Given the extensive data available, we scrutinised selected sources in order to avoid collecting unsuitable or inadequate data by paying attention to; (1) the reliability of data e.g. background of the individuals quoted and the original sources of data, (2) the sustainability of data i.e. our ability to critically select the relevant piece of data collect and (3) the adequacy of data e.g. the level of accuracy of the data accessed (Kothari, 2004) – which support the four criteria that Scott (1990) proposed in terms of reliability of secondary data (authenticity, credibility, representativeness and meaning). Finally, according to Bryman and Bell (2007:599), secondary analysis offers good opportunities to gather valuable data that can be of inspiration to further the research given “the tendency for qualitative researchers to generate large [...] sets of data” which results in much material remaining underexplored and therefore offering opportunities to reinterpret the research in a given field.

2.4 Case Study

Using a single-case study with embedded cases as research design offers the opportunity to focus the efforts on one example to understand a phenomenon in its setting and through its communication (Daymon and Holloway, 2011), which was ideal for the purpose of our study. Particularly, considering that many elements contribute to the development of an organisation's network, the focus on one case study and on one specific part of its network (acquisitions) made the research more realistic in terms of both time and resources available.

2.4.1 The Case Represented

“Google is known for continuously creating new products and entering new business areas” (Steiber and Alänge, 2013:247), which made it relevant to analyse from both strategic brand management and network theory perspectives due to its ongoing radical network changes. Therefore, the choice of analysing Google as case study mainly lied in the constant expansion of its network through acquisitions, which is in general also a trend of the tech industry (Håkansson, 1987; Imai, 1987; von Hippel, 1982; Waluszewski, 1988 in Håkansson and Snehota, 2006). However, we focused on Google particularly because of the range of successful acquisitions through acquisition *diversification* (see: p. 17), which triggered our curiosity in terms of Google's ability to maintain both strong, coherent strategies and focused vision despite the constant network changes.

2.4.2 Data Analysis

The data analysis process was essential for the integration of both strategic brand management and network theory with empirical findings. Given the extensive secondary data collected initially, the use of a single-case study with embedded cases design allowed us to organise the research areas in a focused manner. Therefore, we organised the data into; (1) The Google Case, (2) focused data on the specific acquisitions selected and (3) corporate strategy and corporate brand strategy data. The selection of such acquisitions as sub-units for our single-case study with embedded cases was based on both the acquisitions' acknowledged level of popularity and their interrelatedness level to Google's core function, search. However, we also took into account the overall acquisition trends in terms of business areas in relation to the most recent acquisitions e.g. from 2010 to 2014.

2.5 Credibility of Research

2.5.1 Limitations

First of all, given the extensive amount of secondary information available and the time needed to analyse data qualitatively, we had to limit the scope of the research to a single-case study with embedded cases, whose results might be hard to generalise. Secondly, the inability to access primary sources due to Google's corporate policies added limits to the overall study in terms of originality of data. However, given the conceptual purpose of the study, primary data was not as essential as it could have been for other strictly research based studies. Finally, the loss of control over the original collection of secondary data might be considered as a disadvantage of this method given that "effort needs to be expended in understanding the nature of the data and how they have been assembled" (Cowton, 1998:428). Nevertheless, by being aware of these limitations we sought to maintain a critical attitude towards the data collected.

2.5.2 Criticality and Reflexivity

Considering our ontological constructivist position taken, it is important to remark that "what counts for truth can vary from place to place and time to time" (Easterby-Smith *et al.*, 2012:20), which confirms the challenge we faced in terms of data interpretation. However, criticality and awareness of this challenge allowed us to come to conclusions that consider different perspectives after researching and interpreting the data collected. Despite objectivity is not considered to be an option in this case based on the ontological position taken, we still maintained a conscious attitude during the analysis knowing that the

outcome could be influenced by both the secondary data considered and our role in interpreting and linking facts and theories.

Additionally, it must be mentioned that we are both enrolled in a master programme that focuses on the importance and relevance of brand management, which could have potentially influenced our conclusive thoughts. Hence, a risk lied in the potential bias of our own belief. However, this research aims at contributing to the identification of new theoretical perspectives based on already existing concepts through the use of strategic brand management and the network theory, which implies the potential for original outcomes. As stated by MacInnis (2011:148), “creative thinking results from ‘originality of thought, having the ability or power to create or produce, having or showing imagination and artistic or intellectual inventiveness, stimulating the imagination and inventive powers’”, which supports our purpose to identify new perspectives by relating already existing concepts and connecting them to empirical data. Additionally, this attitude connects to the analytical reasoning adopted in order to “examining resemblances based on similarities and differences” (MacInnis, 2011:19), which once again confirms our awareness in terms of the need to maintain a critical and reflexive attitude throughout the research. This humble stance allowed us to “extract knowledge from observations [...] and then transmit knowledge to an audience” (Bryman and Bell, 2007:712), which proves an attitude of openness to review the effectiveness of the methods used but hopes “that some notion of truth can be attained through consensus based on engagement with research subjects” (Bryman and Bell, 2007:714).

2.5.3 Trustworthiness

Finally, trustworthiness was necessary to assessing the quality of the research conducted in a qualitative context (Bryman and Bell, 2007:43). Based on the evaluative points in terms of trustworthiness, it is possible claiming that all four elements could be fulfilled through the method used: *credibility*, thanks to the researcher's awareness of potential for bias during the secondary interviews analysed and consequent critical analysis of the findings; *transferability* and *dependability*, thanks to the applicability of the suggested methods to other researches in the same field; *conformability*, by providing complete appendices of the data found in case of need to review the conclusions. Furthermore, in terms of reliability we believe that the results of the study would be possible to replicate given the flexible research methodology used. Finally, the replicability level is high and offers an opportunity to other researchers to pursue the similar studies on other companies to further the research in this field. By meeting such criteria we aimed at having our research identified as authentic and transparent.

3. Literature Review

In order to provide a relevant theoretical background in relation to our purpose, we reviewed literature on both network theory and strategic brand management in relation to acquisitions. Having identified corporate brand strategy as being part of the strategic brand management perspective and corporate strategy as having a strong relation with the network theory, we also conducted a review on such strategic concepts with the intent of identifying potential relations between the two.

The more the boundaries between the organisation and its environment are reduced, the more innovation is likely to occur. For example, for some high-technology businesses it is difficult to see quite what are their boundaries. They are networks rather than clearly bounded organisations (Johnson, Scholes and Whittington, 2008).

Considering the purpose of the research, which is to explore Google's network expansion through acquisitions by integrating two different perspectives – Strategic Brand Management and Network Theory – this statement frames the objective and its relevance. As acquisitions are defined as one company gaining ownership over another company or business unit, which eventually becomes a subsidiary to the acquiring party (Capron, 1999; Hagedoorn and Duysters, 2002), they can be considered to be the lifeblood of growth for companies. Particularly in a tech context, they often contribute to the development of innovation by giving companies access to new resources, ideas and enriched visions. However, acquisitions can be perceived as both business relationships (from a network theory perspective) and as new brands becoming part of the existing portfolio (from a strategic brand management perspective). Therefore, this literature review goes through the role of acquisitions in a network both from a strategic perspective in terms corporate strategy as well as from a branding perspective in terms of corporate brand strategy.

3.1. Acquisitions and Their Role in Strategic Network Expansion

Mergers and acquisitions (M&As) are often mentioned in the literature interchangeably (Weston, Mitchell and Mulherin, 2004). According to Öberg, Henneberg and Mouzas (2007), mergers can be defined as “an absorption of a company, that is, the complete transfer of assets and liabilities from one company to another, whereas the former company ceases to exist or the unification or consolidation of two companies into one economic unit”. However, we will focus specifically on the acquisitions side due to the purpose of the research. A common motive of acquisitions is expansion (Gaughan, 2010), especially in terms of technology development and technology diffusion. Moreover, acquiring a new company may provide some other synergistic benefits for the acquirer e.g. revenue-enhancing or cost-reduction operating

synergies, and financial synergy. However, by acquiring new companies, a corporation also buys their intangible assets such as their brands and the values that they carry with them, which may bring radical changes to the existing network as well as challenge the capability to maintain the acquiring company's own identity (Douglas, Craig and Nijssen, 2001). In fact, as stated by Knoblen, Oerlemans and Rutten (2006), companies are likely to incur into radical network changes when critical events like; shifts in organisational change, changes in marketing and purchasing strategies, mergers, acquisitions, changes in technology take place. Particularly, acquisitions that happen outside of a company's regular business context, which are categorised among acquisitions for *diversification* purposes, do not have a very impressive track record in terms of successfully succeeding (Gaughan, 2010). From a financial perspective, the influence of acquisitions on the acquiring company has already been widely discussed by scholars (Krug and Hegarty, 1997; Barkema and Schijven, 2008). However, the discussion regarding the radical impact that acquisitions can have on a company's network identity as well as on its corporate identity and brand has only recently started (Öberg, Henneberg and Mouzas, 2007; Öberg, Grundström and Jönsson, 2011). In regards to corporate identity and acquisitions, the literature has mostly focused on re-branding strategies and investigated their influence on corporate identities of both parties involved in the acquisition process (see e.g. Muzellec and Lambkin, 2006; Lambkin and Muzellec, 2008).

As mentioned before, acquiring new ventures – especially in the case of diversification – can be a challenging process for the acquirer and has a high potential to end up in failure. Both media (e.g. Rein, 2009; Rosoff, 2011) and previous research (e.g. Kitching, 1967; Schmidt and Fowler, 1990; Cartwright and Schoenberg, 2006; Barkema and Schijven, 2008) have widely discussed unsuccessful examples. Frequently, it is stated that the main reason of failure is the lack of integration within the existing network (Haspeslagh and Jemison, 1987 in Öberg *et al.*, 2011). Previously, researchers have focused on investigating the issues of integration related to employees (e.g. Schweiger and Denisi, 1991; Kennedy *et al.*, 2002), cultural differences (e.g. Bjursell, 2007) and managers (e.g. Krug and Hegarty, 1997; Choi, 2001). These researches mostly focus on internal problems that are caused by acquisitions e.g. employee anxiety, management turnover, and cultural clashes. As stated by Havila and Salmi (2000), acquisitions usually bring incremental or radical changes that sometimes result in losses or establishments of new connections within the expanded network. However, still little has been researched on how the change of ownership affects external network players that both acquiring and acquired companies have business relationships with, and the overall reputation and identity of the corporate brands (Öberg *et al.* 2011).

3.2. Network Theory Perspective and Corporate Strategy

As pointed out by Johnson *et al.* (2008:405), the success of an international corporation depends on its simultaneous ability to “achieve global competences, local responsiveness and organisation-wide innovation and learning”. This requires clarity in regards to the overall corporate strategy given that the corporate headquarters manages its global network by determining the role of each business unit, then sustaining the established systems, formed relationships and culture in order to make the network of separate business units to operate efficiently (Johnson *et al.*, 2008). Therefore, in our view, observing an organisation from a network theory perspective is highly beneficial when explaining the influence of a corporate strategy during network expansion. Both topics are going to be discussed.

3.2.1. Strategy as a Source of Corporate Success

The concept of ‘strategy’ has developed as “the competitiveness of Western companies has withered” (Hamel and Prahalad, 1989:63), moving away from a strictly military context in which it was initially forged. Nowadays, strategy is mostly a business-related concept that refers to the ability of a company to make actions that can lead to successful results for itself and, as a consequence, its extended network. However, it is important to mention the difference between business strategy and corporate strategy before moving forward due to the seemingly similar concepts. According to Johnson *et al.* (2008:7), the top level strategy refers to the corporate strategy, which is “concerned with the overall scope of an organisation and how value will be added to the different parts (business units) of the organisation” and it is usually expressed through a mission statements that determine strategic decisions. The second level strategy refers to the business strategy which concerns “how the various businesses included in the corporate strategy should compete in their particular markets” (Johnson *et al.*, 2008:7), meaning that each strategic business unit (SBU) would have its own strategy that reflects the overall corporate purpose. Particularly, as claimed by Johnson *et. al* (2008:7),

the corporate strategy with regard to the brand should support the SBUs, but at the same time the SBUs have to make sure their business-level strategies do not damage the corporate whole or other SBUs in the group,

which frames the importance of a coherent and mutually supportive relation between corporate brand strategy and its network units – in this case intended as acquisitions. According to Porter (1991), in order to understand the factor of success, it is inevitable to look for answers behind topics such as why organisations are different, how they choose their strategies and how they are managed – which are concepts that revolve around the idea of *strategy*. Given the extensive literature on the concept of strategy as a whole, for a more in-depth background of the concept of strategy in relation to business studies

please refer to researches that started appearing in the 1960s with Ansoff (1965) and Chandler (1962). Despite the large availability of sources, we agreed with the definition of strategy as “the pattern in the stream of decisions and activities.. (Mintzberg and McHugh, 1985:6 in Håkansson and Snehota, 2006:258).. that characterises the match an organisation achieves with its environment...and that is determinant for the attainment of its goals..” (Hofer and Schendel, 1978:25 in Håkansson and Snehota, 2006:258) – definition that can be interpreted as inclusive of business decisions from the within as well as in relation to an organisation’s wider environment – here considered as its network – and its exploitation of resources. Specifically in terms of resources, authors like Porter (1991), Grant (1991) and Mahoney and Pandian (1992) offer an alternative idea of business strategy that is ‘resource-based’ and focused on core competencies, which also highlights the importance of intangible assets e.g. skills and reputation. Porter (1991) explains how the uniqueness of a company lies in their access to resources and their ability to identify the potential in new acquisitions through their unique resources. In fact, through the successful identification of new resources an organisation has the potential to develop its current value proposition, which can impact on the overall corporate brand strategy which enables itself to create value on a new level and enact resources that might have been otherwise underused as “resources are only meaningful in the context of performing certain activities to achieve certain competitive advantages” (Porter, 1991:108). Thus, both the existing and expanding network of a corporation play an important role in the successful implementation of a strategy when acquiring new resources.

3.2.2. The Main Concepts of Network Theory

Considering the purpose of the study to explore Google’s network expansion through acquisitions, it is interesting noting how “the concept of network was coined outside the strategy field’ (Jarillo, 1988:31) to begin with, which shows that the network was not always considered as a strategic asset for organisations. In fact, during the last decade the discussion regarding networks has grown significantly among academics. However, there still is a certain amount of confusion in terms of the definition, distinctiveness of the network and its theoretical generalisation (Borgatti and Halgin, 2011). The concept of network is widely used in theory and can also have different metaphorical meanings depending on the area it is used in. As defined by Ford *et al.* (2011:182), a network is “a structure where a number of nodes are related to each other by specific threads” which underlines the interactive nature of networks. In terms of business network, the nodes refer to particular business units e. g. suppliers, customers, producers, and the threads are the relationships between those units. Fig. 2 presents this thought through a simplified network illustration

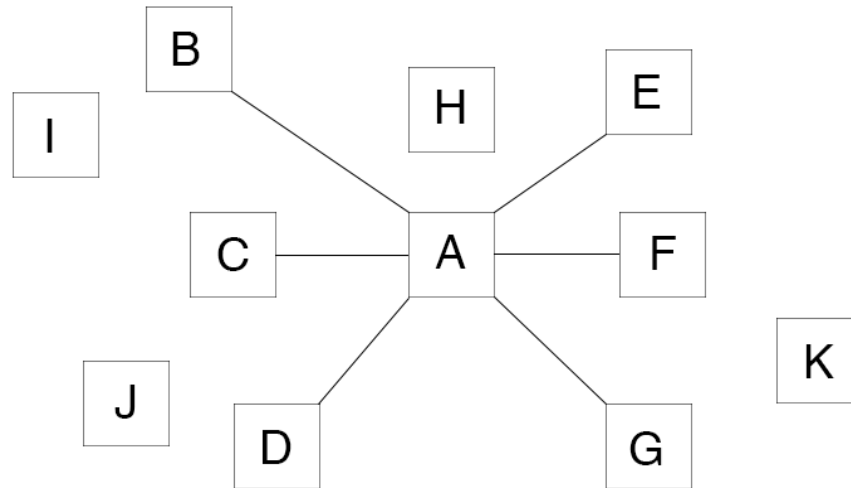


Figure 2. A Simplified Network Figure (Source: Ford *et al.*, 2011:166).

This perspective in relation to the concept of network is common in the Industrial Marketing and Purchasing (IMP) research tradition, which focuses on such terms as ‘network pictures’ and ‘network activities’ (networking) when defining the network theory (Öberg, Henneber and Mouzas, 2007). However, as stated by Ford *et al.* (2011), since there can be no single, objective network there is no single ‘correct’ or absolute description of it despite the definition previously given by Borgatti and Halgin (2011). In this case, ‘network pictures’ are considered to be a more accurate concept than simply network theory because no business unit owns a network and has just its own *picture* of it, as in its perception (Ramos and Ford, 2010). As stated by Ford *et al.* (2011), even though *network pictures* are important component in strategy development, they are never complete or accurate and, thus, should be analysed through different stakeholders’ perspectives. In addition, analysing the *network pictures* of other parties that are involved in the relationship is also important due to their potential effect on its interactions (see Fig. 3). *Networking* includes network activities which attempt to change and develop a company’s relationships and interaction within the network (Ford *et al.*, 2011). As a result of networking, some particular *network outcomes* (e.g. development of new relationships) are produced, which simultaneously have influence on three main dimensions; *actors* (e.g. single units), *activities* (e.g. networking) and *resources* (e.g. competences). In terms of actors, the network outcomes can have influence on a single actor, a single relationship or for a network as a whole. In the case of activities, network outcomes can cause; aggregation of other activities that were not undertaken before, dis-aggregation, disintermediation of two companies by eliminating an intermediary, and intermediation. Regarding resources, the outcomes

of a network can affect the utilisation and development of them. To conclude, Ford *et al.* (2011) claim that networks are broad and complex phenomenon which require strategic thinking and managerial decisions.

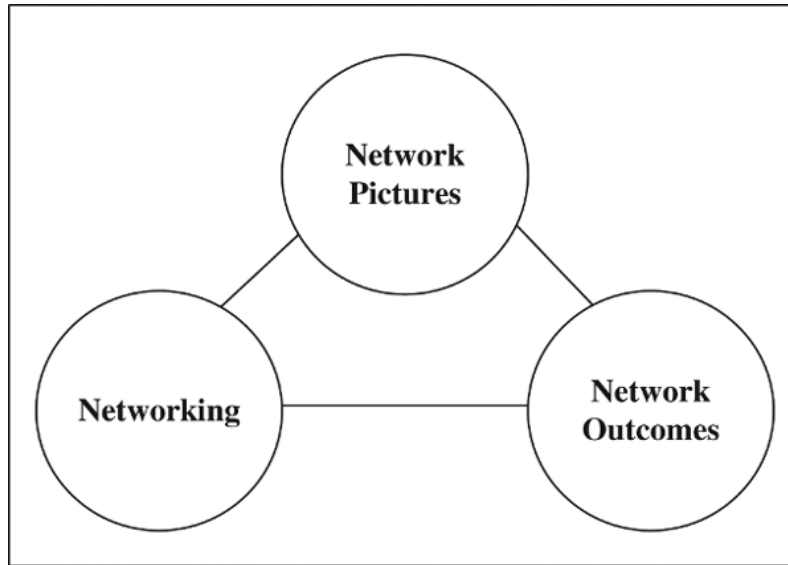


Figure 3. Network elements (Source: Ford *et al.*, 2011:193)

Johnson *et al.* (2008:589) discuss the internal role of networks and refer to it by viewing organisations as *social networks* “where the emphasis is not so much on hierarchies as on different interest groups that need to cooperate with each other and potentially learn from each other”. Additionally, they emphasise that creating context is more important than developing plans, because innovation cannot be achieved by determining ‘tight’ strategies and control systems. Innovation is more likely to be an outcome of creation of organisational forms and cultures which encourage variety and informal networking.

3.2.3 Strategic Management in the Network

The ability to manage strategically within a network does not come as ‘a rule of thumb’. In fact, there are three main assumptions that are made in relation to the Strategy Management Doctrine, which encompasses themes of; organisational boundaries, determinants of organisational effectiveness and the process of managing business strategy (Jemison and Sitkin, 1986; Håkansson and Snehota, 2006:258). First of all, “the environment of an organisation is faceless, atomistic and beyond influence or control of the organisation” (Håkansson and Snehota, 2006:258), which implies that an environment exists

independently of the organisation and that external forces impact on it without being able to control them directly. Secondly, the strategy directly relates to the way internal resources are allocated in order to benefit the organisation and its network, which can enhance the effectiveness within such non-controllable environment. Thirdly, the network conditions are continuously changing and it is the management's responsibility to deal with change and maintain a flexible but focused attitude towards such change to allow organisational effectiveness. Particularly, they focus on what they call 'network model of organisation-environment interface', which recognises every party (actor) involved in the network as having a considerable influence on the organisation taken into consideration. Therefore, it is important that all these active organisations act with goals that are mutually beneficial towards themselves and towards the other organisations involved (Ford *et al.*, 2011), particularly if the actors involved are of a distinctive nature as their interdependence would be further deepened because of the access to each others' resources (Cook and Emerson, 1978 in Håkansson and Snehota, 2006; Hultman, Johnsen, Johnsen, and Hertz, 2012). The meaning behind each relationship is unique to each actor based on the kind of benefit that it gets and give to and from that specific relation, creating a web of relationships that are identified as a network. "The (inter)dependence of an organisation on other entities makes it difficult to disconnect the organisation from its network, since a business organisation without its interactive environment loses its identity", meaning that the network is pre-existing but the context is enacted, determining the organisation itself (Håkansson and Snehota, 2006:261). Therefore, it is important for organisations to create a relevant environment, or context-relevant, in relation to the industry in which the company operates in (Douglas, Craig and Nijssen, 2001:102) and its future orientation in terms of business, brand and network. Finally, in addition to the tangible resource-based assets, intangible assets are also to be considered when developing a strategic network as part of the business strategy as they can be "the differentiating factor in performance that gives an organisation its distinctive identity" (Itami, 1987; Vicari, 1988 in Håkansson and Snehota, 2006:262). Such intangible assets are generally created through external relationships, which confirms that integrating two perspectives like network theory and strategic brand management can help understand better the context of acquisitions and their role in a network.

3.2.4. Context-relevant vs. Interrelatedness of Networks

Having just mentioned the concept of "relevant environment" when developing a network in order to maintain a coherent business, brand and network orientation, Håkansson and Snehota (2006:262) also discuss the relevance of *interrelatedness* as an opportunity to access resources and activities that are not traditionally associated to the boundaries of the organisation. In particular, this happens when it comes to

technology development and technology diffusion as an opportunity to grow (Håkansson, 1987; Imai, 1987; von Hippel, 1982; Waluszewski, 1988 in Håkansson and Snehota, 2006:263), at times through acquisitions of new ventures, which mirrors the concept of diversification previously mentioned. This idea of interrelatedness connects to the concept of accessing new resources which constitute the organisation itself and can, therefore, be influenced or not based on their level of controllability of acquisitions. This inevitably reflects on the company's organisational effectiveness because choices for acquisitions are made based on the corporate strategy adopted which employs activity patterns that are aimed at achieving goals effectively. Therefore, according to this view, "the effectiveness of a business organisation is [...] given by its capacity to acquire resources through exchange with other parties in this context" (Håkansson and Snehota, 2006:263). Another concept within such research area is the idea of "bargaining position", which is achieved by an organisation through its "capacity to influence the behaviour of related actors" and which translates into effective outputs through the exchange of resources. In order for a company's network to progress and develop, it is necessary that "the fit of the activities of the organisation with the characteristics of the environment is achieved by rearranging the activities and resources internal to the organisation", which connects to two other concepts: "network position" and "strategic identity" (Håkansson and Johanson, 1988; Johanson and Mattsson, 1985 in Håkansson and Snehota, 2006:264). Starting from the idea that the exchange of value in a business relationship is based on "the amount of resources that can be accessed and the activities which the organisation can perform for the focal party within the relationship" (Håkansson and Snehota, 2006:264), it is key for organisations looking into expanding their network to consider the perceived potential of new acquisitions in terms of creating links to other strategic parties as well as of determining the position within the environment. In terms of the difference between those two ideas, the *network position* is perceived to be a relative concept that is "enacted rather than given by the amount and type of resources directly controlled [and that] exists only if perceived and recognised by other parties in the context", whereas the *strategic identity* is a concept that explains that the "fitness [of a company within a network] is obtained largely by establishing and maintaining relationships with other parties" (Håkansson and Snehota, 2006:265). In both cases, it is clear that based on this idea it is more relevant to take into consideration the happenings between the organisation and other parties, rather than focusing on the activities within the organisation itself, because they "are the determinants of the bargaining position of the overall effectiveness of the organisation in achieving its goals" through the defined business strategy (Håkansson and Snehota, 2006:265). Finally, it is important for organisations to relate to the context in which they operate in order to create a distinctive identity, which is finally determined by the interactions between the actors involved and which themselves determine the business strategy effectiveness despite the dynamic nature of networks.

3.2.5. Strategy and Acquisitions: the Challenge of Network Integration

As already mentioned, the external environment surrounding a company can act as a limitation for the organisation itself, which therefore can be considered as a non-free and independent unit (Håkansson and Snehota, 2006:257). However, studies on strategy management emphasise that an organisation within a network has a certain degree of freedom when it comes to making choices. Regardless of the degree of freedom, every organisation is likely to be tied to some sort of network which generally enables its reason for being and it enhances its effectiveness, which relates to the given definition of strategy with a certain degree of opportunism (Håkansson and Snehota, 2006:258) considering that the access to resources becomes of key importance. However, despite accessing new resources through acquisitions, there is always a risk that the merging parties will not necessarily act as a part of the same network creating a challenging situation for integration (Anderson, Andersson, Havila and Salmi, 2000), which eventually impacts on the nodes with the other actors and activities within the network. In fact, the ability for an organisation to “fit” within a wider network connects to the potential for accumulating resources and the matching of characteristics of the network with the capabilities of the organisation, which are central themes in the Strategy Management Doctrine (Jemison and Sitkin, 1986; Håkansson and Snehota, 2006:258). This doctrine is perceived to be a continuous process as the network is a continuously evolving setting which requires adaptation and flexibility to ensure that activities are carried out on a regular base (Håkansson and Snehota, 2006). Having discussed this topic from a network theory perspective, we will now explore it from a strategic brand management perspective in order to complete the theoretical overview for this study.

3.3 Strategic Brand Management Perspective and Corporate Brand Strategy

For many decades the value of a company was mostly measured by the amount of its estates, land and other tangible assets. However, since the end of 20th century the valuation system of companies has been rethought and more attention has been drawn upon intangible assets such as brands due to their power to secure a position in consumers' minds and, thus, generate cash flows long term (Kapferer, 2012). Therefore, since then the importance of managing brands strategically has been taken into account and has entailed many discussions around the topic. As the idea of corporate brands is more recent than the one of product brands we find it relevant to explain the differences between the former and the latter. In addition, it can be quite challenging to maintain consistency of corporate brands when the corporate network constantly expands through acquisitions. Therefore, we focus on corporate brand identity and reputation as key concepts to identify the effect that acquisitions can have on the overall corporate brand. Since the acquired companies also have to be integrated within the existing brand portfolio, strategic

decisions concerning brand architecture have to be made. Hence, the discussion starts from the strategic orientation that the corporation can adopt.

3.3.1 Market and Brand Orientations

Having already reviewed the role of strategy from a network theory perspective, focal points are different when discussing the role of strategy in strategic brand management context. Therefore, we consider Urde, Baumgart and Merrilees' (2013) approach to strategy as having either brand or market orientation is a good starting point to introduce the relevance of managing brands within a network. Market and brand orientations (see Fig. 4) can be perceived as two different strategic orientations for companies (Urde *et al.*, 2013). As defined by Urde (1999:117), brand orientation is "an approach in which the processes of the organisation revolve around the creation, development and protection of brand identity in an ongoing interaction with target customers with the aim of achieving lasting competitive advantages in the form of brands". As discussed by scholars (e.g. Hills and Sarin, 2003; O'Cass and Ngo, 2007), the orientation to an organisational and innovative culture cultivates a market-driving approach which Urde *et al.* (2013) refer to as an inside-out orientation. Additionally, Kapferer (2012) refers to it as managing *by* brand when the brand has the power to sustain the demand by re-creating the desire of it and mobilise its internal human resources. In contrast to brand orientation, market orientation focuses on the satisfaction of consumers' needs and wants (Urde, 2013). In other words, this approach advocates the notion of the consumer being the 'king' and suggests an outside-in approach in which brand image is the fundamental concept (Urde *et al.*, 2013). The concept of market orientation has already become a classic perspective with pioneers such as Drucker (1954), Kohli and Jaworski (1990), Narver and Slater (1990), and Shapiro (1988) in the front. O'Cass and Ngo (2007) refer to market orientation as a market-driven business behaviour which for quite a while was considered to be the ground of organisations' success. However, recently there has been a significant shift towards the development of brand-oriented approach and its implementation in organisations (for an overview of the evolution of 'brand orientation' concept, see Urde *et al.*, 2013).

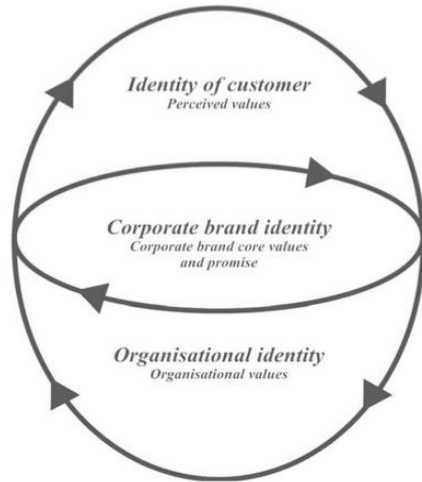


Figure 4. Brand and Market Orientation Matrix (Source: Urde *et al.*, 2013:16).

Urde *et al.* (2013) define four basic approaches to market and brand orientations; market orientation, brand orientation, market and brand orientation, and brand and market orientation (see Fig.5). On one polar, as previously mentioned, market orientation focuses on the satisfaction of consumers' needs and wants whereas brand orientation puts emphasis on the significance of corporate brand identity as an outline of corporate behaviour, culture and strategy. The other two orientations are hybrid and admit the importance of finding a right balance between the opposites. Market and brand orientation approach relates more to market orientation, but admits the importance of brand identity and inner part of the brand, whereas the brand and market orientation states the opposite. Even though these paradigms are different, they are also in a way synergistic and offer an initial standpoint when defining an organisation's strategic orientation (Urde *et al.*, 2013).

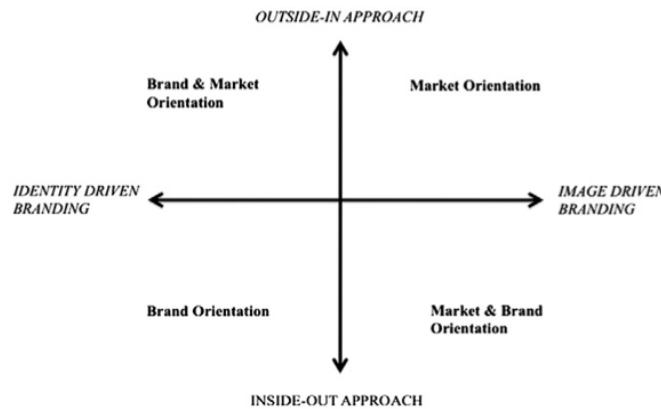


Figure 5. The brand- and market-orientation matrix (Source: Urde *et al.*, 2013:16)

3.3.2 Leveraging the Corporate Brand

As pointed out by Kapferer (2012), brands such as Sony and Coca-Cola are both product and corporate brands. He also states that the term ‘corporate brand’ determines the profile that the corporation wants to promote among different stakeholders. According to Balmer and Gray (2003) a corporate brand is just one element of much broader tableaux which also include other concepts such as corporate reputation and image, corporate communications, and corporate and organisational identity. As stated by Knox and Bickerton (2003:1013), “a corporate brand is the visual, verbal and behavioural expression of an organisation’s unique business model”. Among others, Hatch and Schultz (2001) claim that a corporate brand not only contributes to the formation of the organisation's image on customers’ minds, but also to the images formed and held by all its stakeholders. Additionally, as claimed by Aaker (2004:7), a corporate brand potentially has a “rich heritage, assets and capabilities, people, values and priorities, a local or global frame of reference, citizenship programs and a performance record”. From Abratt and Kleyn’s (2012:1053) point of view, a corporate brand stands for “expressions and images of an organisation’s identity”. Gyrd-Jones, Merrilees and Miller (2013) sum up and divide the evolution of the concept of corporate brand into four themes; corporate branding as differentiation (discussed by authors such as Knox and Maklan, 1998; Balmer and Gray, 2003; Bick *et al.*, 2003), corporate branding as corporate communication, corporate branding as a values-based approach and corporate branding as an internal branding (see Table 1).

Phase	Authors	Keywords	Approach	Key challenges
Corporate brand as differentiation	King (1991); Markwick and Fill (1997); Ind (2001); Dowling (1993)	Differentiation and corporate reputation	Marketing campaigns and differentiation, managing corporate image	Positioning, communicating positive corporate personality and corporate brand image. Visual cohesion
Corporate brand as corporate communication	Balmer and Greyser (2002); Schultz and de Chernatony (2002); Cheney and Christensen (2001)	IMC, alignment, one voice and multiple voices	Focus on communication and communication gaps	Minimising misalignments between top management vision and internal and external perception of the brand
Values-based approach	Urde (2003); Hatch and Schultz (2001, 2003)	Corporate values, corporate identity and vision	Focus on company values	Overcoming organisational inertia and internal resistance
Internal branding	Burmann and Zeplin (2005); Vallaster and De Chernatony (2006); Schultz and Hatch (2006)	Organisational culture and staff as brand builders	Focus on internal processes, living the brand, leadership	Fulfilling the advertising promises, institutionalising brand management. Converting brand awareness into brand commitment

Table 1. Defining corporate brand (Source: Merrilees and Miller, 2013:577)

Even though the same brand can refer to both a product and a corporation, there are significant differences between them. Urde (2013) claims that the difference between them firstly lies in the language, as a company refers to itself as 'we' and a product brand is always referred to as 'it'. As argued by Balmer (2001a,b; Balmer and Gray, 2003; Balmer, 2011), the differentiation between corporate and product brands lies in such dimensions as management, functional and general responsibilities, disciplinary roots, brand gestation, stakeholder focus, values and communication channels. According to them, the responsibility for the corporate brand belongs to each and every member of the organisation with the chief executive being the leading power and main brand ambassador. In addition to this, there is a growing consensus among the academics that the corporate brand can be closely related and symbiotic with the corporate identity (Balmer, 1995; Harris and de Chernatony, 2001; Hullberg, 2006). Thus, it can be stated that the corporate brand has a greater influence on shaping the overall identity of a corporation than a product brand. On the other hand, the vision and perception of the management consequently also shape the identity of the corporate brand which results in a biogenesis between the corporate identity and the corporate brand identity (Balmer, 2011).

Urde (2009) argues that every established corporate brand has a track record in which the core values are its backbone regardless of the definition of the values. He also states that the ability to develop and protect a corporate brand as a strategic asset uncovers the competence and mindset of an organisation. Kox and Maklan (1998) add that in corporate branding the corporation is the differentiating element and the ground of values and promises. Furthermore, a corporate brand can be called a "cluster of values" (De Chernatony, 2001:33) where the promise "gathers the core values together as a meaningful whole" (Urde, 2013:752). In other words, it can also be described as simple as 'rules of life' in the organisation (Gad, 2001) with questions such as "who we are, how we work, and what it is that makes us who we are as an organization" (Urde, 2009:620) being central to the definition of corporate brand identity.

3.3.3. Managing Corporate Brand Identity and Reputation

According to Kapferer (2012), one of the reasons why corporate brands and their identity have become a trending managerial topic relates to their influence on corporate reputations. He also adds that the term 'image' (perception), which was more frequently used, has now lost its glamour yielding the ground to 'reputation' which appears to be a deeper and more inclusive concept. As stated by Roper and Fill (2012), from an academic perspective corporate reputation is a cross sectional concept which can be explored with many different approaches. These include; marketing, strategic management, organisational theory, communications, economics, accounting and finance (Roper and Fill, 2012; Fombrun and van Riel, 1997;

Balmer, 1998). Most of the scholars agree that a corporate reputation is all about the stakeholders' views of the organisation, including its identity and image (Fombrun, 1996; Hatch and Schultz, 1997; Balmer, 1998; Davies and Miles, 1998). Among other useful definitions, we consider that the definition provided by Fombrun (1996:25) sums up the multi-disciplinary concept of corporate reputation:

A corporate reputation is a collective representation of a firm's past actions and results that describes the firm's ability to deliver valued outcomes to multiple stakeholders. It gauges a firm's relative standing both internally with employees and externally with its stakeholders, in both its competitive and institutional environments.

Thus, it can be stated that the track record is of high importance when building a reputable brand given that past actions are likely to reflect on an organisation's current state. In addition to the definition of corporate reputation, van Riel and Fombrun (2007) argue that there are four main factors, namely credibility, reliability, trustworthiness, and responsibility, that help organisations build and manage a strong reputation, which was further elaborated by Urde and Greyser (2014). According to Roper and Fill (2012), investments in reputation bring similar results as investments in branding – an organisation with a better reputation is perceived to be producing a higher quality production or service and, thus, can charge a premium price. Furthermore, they also argue that branding is central to reputation management even though a strong brand does not always correlate with good reputation.

As stated by Argenti and Druckenmiller (2004), corporate reputation is strengthened when the track record of a corporate brand witnesses a commitment to its core promise. In order for the management to keep the promise of the brand in a consistent manner, a clear definition of corporate brand identity and its values becomes the base of the brand strategy (Aaker, 2004; Kapferer, 2012; Roper and Fill, 2012; Urde, 2013). In addition to convincing the company's employees about the direction and the purpose of the corporation, the strategic brand management process is also concerned with the understanding of how a company is perceived by its external stakeholders which reflects on corporate image and reputation (Roper and Fill, 2012). As pointed out by Urde (2013), there was a lack of a general theoretical framework to define corporate brand identity. Thus, he developed and suggested a new sustainable model, the Corporate Brand Identity Matrix, which then gained an additional dimension of reputation and became the Corporate Brand Identity and Reputation Matrix (CBIRM, see Fig.6) (Urde and Greyser, 2014). The main goal of the framework is to generate logical linkages between the main elements of brand identity and reputation. From a managerial perspective it aims at providing guidelines when identifying areas that need to be improved in order to strengthen the corporate reputation as well as align with the corporate identity and core values (Urde and Greyser, 2014).

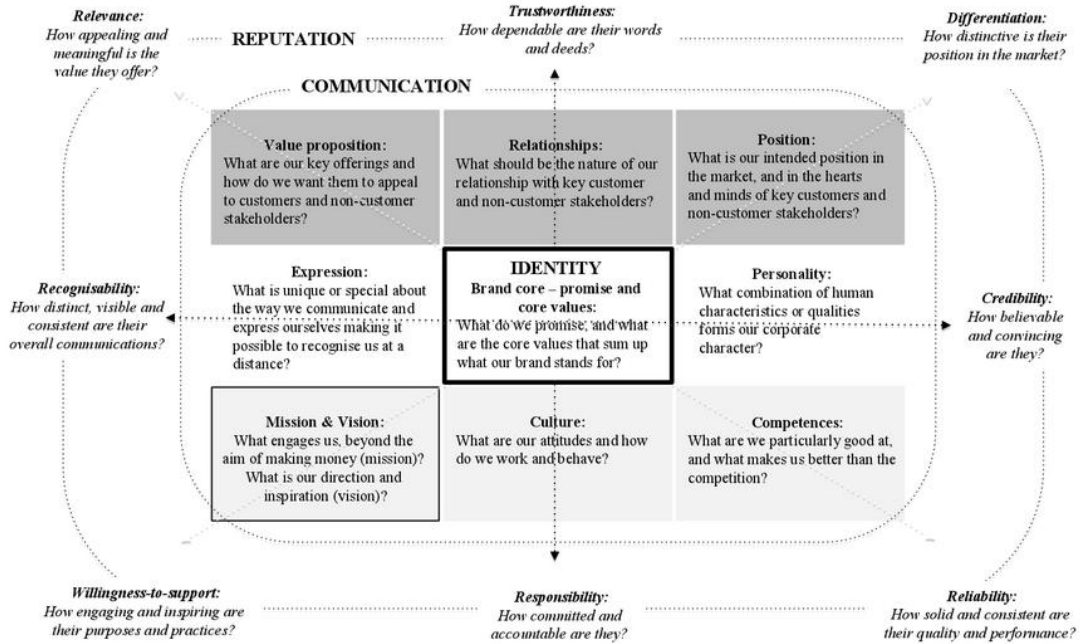


Figure 6. Corporate Brand Identity and Reputations Matrix (Urde and Greyser, 2014)

There are four dotted arrows – two diagonals, one core vertical and one horizontal – which portray logical linkages between the elements of the matrix. *The strategy diagonal* starts with *willingness-to-support*, goes through the *mission & vision*, *identity*, *position* and ends up with the *differentiation* element. As stated by Urde and Greyser (2014), this diagonal is basic since it relates the purpose and the wanted position of the corporate brand. *The competitive diagonal* starts with the *reliability* and ends with *relevance* which reflects the stakeholders' point of view about the strength and clarity of company's *competences* and *value proposition*. *The communication horizontal* is stretched between two reputational elements; *recognisability* and *credibility*. It also includes corporate brand identity elements such as *personality*, which demonstrates the characteristics or qualities that form the corporate character, and *expression* through advertising, design and choice of media. *The interaction vertical* connects reputational elements such as *responsibility* and *trustworthiness* through the internal *culture* element and external *relationships* element. Most importantly, the relation between brand core values and the brand promise form the central element of identity which connects each and every element into one unit.

3.3.4. Brand Architecture: Managing Brand Portfolios and Growing Through Brand Extensions

As stated by Kapferer (2012:310), “a brand has only one need: to grow, while maintaining its reputation and profits”. A classical way of growing a brand is through brand extensions which happen when an established brand is used to launch new products or categories (Bhat and Reddy, 2001; Völckner and Sattler, 2006; Kapferer, 2012). The success of brand extension usually relies on the creation of a competitive advantage by leveraging the reputation which is attached to the parent-brand meaning the brand from which the extension has been initiated (Petromilli, Morrison and Million, 2002). Milewicz and Paul (1994) proposed a model of reputation building designed for evaluating the brand extension decisions. Some of other authors e.g. Broniarczyk and Alba (1994) and Völckner and Sattler (2006) name factors such as the fit between parent-brand and extension product, parent-brand knowledge and marketing support as the most important determinants for a brand extension to succeed. It is worth noting that an extensive number of brand extension failures has been registered most often due to the lack of such determinants (Kapferer, 2012). Despite brand extensions are not a synonym of acquisitions, they share similarities in the sense that they both become part of the existing brand portfolio and can either succeed and contribute to the overall organisation or just generate confusion around it. Therefore, another way of growing the corporate brand is by acquiring new brands through acquisitions (Barwise and Robertson, 1992; Petromilli *et al.*, 2002). However, strategic decisions regarding brand portfolio development have to be made because very often “acquisitions add to brand proliferation and market confusion instead of achieving new brand synergies and brand value creation” (Petromilli *et al.*, 2002:26). In any case, most of the scholars agree with the necessity to invest in brand portfolio building as an essential intangible asset of a corporation (Barwise and Robertson, 1992; Petromilli *et al.*, 2002; Kapferer, 2012)

Recently there has been a growing interest in the relation between brand architecture and corporate reputation (e.g. Laforet and Saunders, 2005; Dacin and Brown, 2006; Uggla, 2006). According to Muzellec and Lambkin (2009:39) this trend became more dominant due to “the large number of high-profile corporate rebrandings that have occurred, as a result of the recent boom in mergers and acquisitions and the drive towards industry consolidation”. The consolidation in any given industry can entail coherency issues in the brand portfolio which can result in the need of rebranding (Muzellec and Lambkin, 2006). In that case, it is relevant to consider the changes in brand architecture terms due to their potential impact on the overall corporate brand. The concept of brand architecture is very useful when mapping an often complex collection of brands in large corporations. Brand architecture can be defined as a static framework which provides an overview of a corporation's brand structure (Muzellec and

Lambkin, 2009; Kapferer, 2012). The level of synergy between a corporate brand and its product brands depends on the brand architecture which can be illustrated along a spectrum that goes from 'branded house' to 'house of brands' which include 'endorsed brands' and 'sub-brands' (Aaker and Joachimsthaler, 2000; Kapferer, 2012). The 'branded house' declares the "desire to give coherence to the whole under the auspices of a brand with central values that find embodiment at the market and product level" (Kapferer, 2012:314). This brand architecture is often also referred to as 'umbrella brand' in which the company has a single brand for the whole and gives descriptive names for the products and services or divisions and branches (Kapferer, 2012). In this case sub-brands are created. Conversely, 'house of brands' refers to a brand architecture in which the separate product brands stand alone in the market and the branding decisions are made downstream without aiming for coherence as a whole at the image level.

However, as stated by Muzellec and Lambkin (2009) brand architecture does not help to understand the vertical relationships among different levels within the brand hierarchy and it also lacks in capturing the basic variations in the nature of a corporate brand emerging from those relationships. As a consequence, a corporate brand is likely to integrate the product brands' values (Brown and Dacin, 1997) in addition to the corporation's culture and heritage (Aaker, 2004). Thus, it can be claimed that the reputation of product brands in a brand portfolio can have influence on the overall corporate brand identity and reputation – especially in a branded house situation (Aaker and Joachimsthaler, 2000; Fombrun, Gardberg and Sever, 2000).

4. Empirical Data

In order to explore network expansion through acquisitions by integrating network theory and strategic brand management perspectives, we decided to collect specific information on; Google as a whole, seven selected acquisitions and Google's corporate and corporate brand strategies. The complete data collected is available in the Appendices.

4.1 The Case of Google

Google was founded as a search engine in 1998 by two Stanford students Larry Page and Sergey Brin in the heart of Silicon Valley and since then its mission has been “to organise the world’s information and make it universally accessible and useful” (Google Corporate Website, n.d., b) through the development of innovative technologies. The company was initially called BackRub which eventually was renamed as Google by playing on the word “googol” which refers to the mathematical term for a 1 followed by 100 zeros. In the year 2000 Google introduced AdWords, a self-service programme for creating online advertising campaigns which, in addition to offering search technology services to businesses, also became Google’s main source of revenue. In order to drive ad sales, Google aims at keeping consumers online by offering them free products and services such as; email, searchable maps, video sharing, mobile platform, an internet browser, social networking and others that during the years were added to the growing Google’s product portfolio. Despite Google is still mainly known as a search engine company, they are not new to expanding into new technology business areas by both developing new products within the company and acquiring new ventures that already offer other unconventional competences and technology. Particularly, it is possible noting an increasing trend of Google in terms of number of acquisitions as well as in terms of the tech areas explored. Google started acquiring companies in 2001 and since then it has acquired around 140 ventures. 61% of those acquisitions took place between the year 2010 and 2014. During this period Google acquired companies in business areas such as mobile software (13 acquisitions), social networking software (11), shopping and payment software (11), robotics (7), data security (5), artificial intelligence (4), cloud computing (3) and others. The detailed table with all data is available in Appendix 4.

According to Google, “the acquisition group’s goal is to find key companies with strong engineering power and succeeding where [Google is] not” (Steiber and Alänge, 2013:251). Additionally, David Lawee (2012), VP in Corporate Development at Google, claimed that the difference between Google’s and other companies’ acquisitions lies in the fact that they “try and find entrepreneurs who have a vision which is [...] something consistent, [something] what [they] are not doing today, but big, [something they]

can get behind". Moreover, he underlined that "two thirds of acquisitions succeed at Google which is extraordinary" (Lawee, 2012b). When defining Google's acquisitions strategy, David Lawee (2012c) pointed out that "it's hard to project forward, because you are always being opportunistic around [...] the landscape". Eric Schmidt, Google's former CEO, discussed the core elements at Google and claimed that "The technology has to be right. The regulation has to be right. The partnerships have to be right" (Baker, 2013). In addition, Larry Page emphasised that "it's about setting goals" (Lashinsky, 2012) and David Lawee (2012b) added that "every acquisition has its own goals. [...] There would be [...] six months goals one year goals, three year goals. [...] So you can pretty much tell how these things are doing all the way along". Finally, Lawee (2012b) also stated that "when you acquire those companies and you have visionary founders, you either believe in them or you don't. [If you believe in their vision] you want to put all the resources that you can behind their vision".

4.1.1. YouTube Acquisition

YouTube, a consumer media company, was established in 2005 and it has quickly become one of the most popular websites on the Internet. Google acquired YouTube in 2006 with the goal to "focus on providing a better, more comprehensive experience for users interested in uploading, watching and sharing videos, and [offering] new opportunities for professional content owners to distribute their work to reach a vast new audience" (Google Official Blog, 2006). As stated by Eric Schmidt, "the YouTube team has built an exciting and powerful media platform that complements Google's mission "to organize the world's information and make it universally accessible and useful" (Google Official Blog, 2006). The decision made was that "YouTube [would] operate independently to preserve its successful brand and passionate community" (Google Official Blog, 2006). To date, YouTube is a stand-alone brand in the eyes of end-consumers. However, consumers access their personal YouTube profiles through signing-up with their Google accounts. Additionally, YouTube employees still "work with people across all of Google to find solutions to [...] challenges on-screen and behind the scenes" (YouTube Corporate Website, n.d.). Moreover, as stated by Steve Chen, YouTube co-founder, it was "hard for [him] to imagine a better fit for two companies," (Sorkin and Peters, 2006) both in terms of technology and company culture. Furthermore, YouTube has "a vision to improve entertainment and people's access to entertainment [...] to make the world a better place [...] not only make money [...] but make the change" (Page, 2012) and it has "never lost [their] start-up spirit" (Youtube Corporate Website, n.d.).

4.1.2. DoubleClick Acquisition

DoubleClick is a subsidiary of Google that was acquired in 2007. It offers technology products and services that are primarily aimed at advertising agencies and media companies to allow clients to target consumers, create leads and deliver and report on their interactive advertising campaigns. Before acquiring DoubleClick, Google was not the leader in display ads, but had a strong position in text advertising. After acquiring DoubleClick, the so-called “global leader in digital marketing technology and services” (Google Official Blog, 2007), Sergey Brin stated that “it has been [Google’s] vision to make Internet advertising better – less intrusive, more effective, and more useful. Together with DoubleClick, Google will make the Internet more efficient for end users, advertisers, and publishers” (Google Official Blog, 2007). David Rosenblatt, DoubleClick’s former CEO, added that “combining DoubleClick’s cutting edge digital solutions for both media buyers and sellers with Google’s scale and innovative resources [would] bring tremendous value to both [their] employees and clients” (Google Official Blog, 2007). DoubleClick has maintained its product name with Google as its endorser and now it generates a big part of Google’s revenue. However, David Lawee admitted that “it took [them] years to understand that business” (Lawee, 2012c).

4.1.3. DNNresearch, Inc. Acquisition

DNNresearch was incorporated in 2012 by Geoffrey Hinton, Professor at University of Toronto, and two of his graduate students, Alex Krizhevsky and Ilya Sutskever. The ‘DNN’ stands for ‘Deep Neural Networks’ which is “a contemporary approach to designing artificially intelligent systems which requires less work to ‘train’ the systems” (Thomas, 2013). Geoffrey Hinton is acknowledged worldwide for his work with neural nets which has significant implications for fields such as speech recognition, computer vision and language understanding. DNNresearch developed a system based on deep learning and convolutional neural networks which won the ImageNet computer vision competition designed to test image understanding. Google acquired DNNresearch in March 2013 and quickly improved its system of Image Search over web images and helped to make it much more precise and easier. Additionally, this acquisition is supposed to make a huge difference in products such as Google Glass and Google Now (Thomas, 2013). As Stated by Hilton, he was “extremely excited about this fantastic opportunity to [...] help Google apply new developments in deep learning to make systems that help people” (Franca, 2013). After the acquisition, Alex Krizhevsky and Ilya Sutskever became full-time Google employees whereas Geoffrey Hinton combined his work at Google with lecturing at University of Toronto.

4.1.4. Bot & Dolly Acquisition

Bot & Dolly is a design and engineering company that specialises in automation, robotics, and filmmaking. As stated in their corporate website, the mission of the company is “to advance motion control and automation as a creative medium, and build world-class tools that enable others to do the same” (Bot & Dolly Corporate Website, n.d.). As stated by Tobias Kinnebrew, Bot & Dolly’s director for product strategy, “[they are] a culture of makers, of creators with open minds [and they] work on things that don’t seem possible and try to make them possible” (Pescovitz, 2014). In 2012 Google commissioned Bot & Dolly to create an attractive way to promote Google’s Nexus Q media-streaming device at the Google I/O Conference by using robot arms. The project was successful and eventually Google acquired Bot & Dolly in the end of the year 2013. According to Kinnebrew, only when people become comfortable with robots, “the imagination will take over, applications will reveal themselves, and the real magic will emerge” (Pescovitz, 2014). Apart from media attention that the company attracted after being acquired by Google, yet there are no other records in its website stating the ownership of Google.

4.1.5. Boston Dynamics Acquisition

Boston Dynamics was founded in 1992 and it is an engineering company that specialises in building dynamic robots that are animal-looking as well as software for human simulation. Most of funding came from military sources including the US Defence Advanced Research Project Agency (Darpa) and the US army, navy and marine corps. Nor Google or Boston Dynamics have released much information about this acquisition (Boston Dynamics Corporate Website, n.d.). Andy Rubin, previously Google’s head of Android, has been put in charge of Boston Dynamics (Hof, 2014). However, Boston Dynamics still holds its own identity and their website does not refer to the Google acquisition.

4.1.6. Nest Labs, Inc. Acquisition

Nest Labs (or ‘Nest’) was founded in 2010 in Palo Alto, CA by former Apple engineers Tony Fadell and Matt Rogers with the goal of “creating a conscious home. A home that is more thoughtful, intuitive – and nice to look at” (Nest Official Blog, 2014). Nest has been working on both softwares and hardwares and since Google’s acquisition in 2014 they have merged their vision to improve lives with innovative household appliances and, as Fadell stated, “have a positive impact in the world” (Google Corporate Website, 2014). Nest’s network was already well developed before Google’s acquisition with

partnerships with some of the largest energy companies in the country to help people save energy and money [and] a huge team of 25,000+ certified professionals who help install Nest in the US and Canada and [...] more than 300 employees spread across three countries (Nest Official Blog, 2014).

Nest claimed that Google would have helped achieving their vision in a faster way thanks to the access to resources, global scale and platform reach. Additionally, Nest stated that

[Nest's and Google's] visions are well aligned – [they] both believe in letting technology do the hard work behind the scenes so people can get on with the things that matter in life. Google is committed to helping Nest make a difference and together, [they] can help save more energy and keep people safe in their homes (Nest Official Blog, 2014).

Finally, the transition under the Google's umbrella was smooth as Nest defined Googlers as “incredibly like-minded, supportive and as big of dreamers as [they] are” (Nest Official Blog, 2014). Google's acquisition of Nest Labs has been widely acknowledged but Nest's website does not present a clear relationship with Google, if not on their blog. Tony Fadell is carrying on with his role as Nest leader while the brand maintains its own distinct brand identity.

4.1.7. Titan Aerospace (Project Loon) Acquisition

Titan Aerospace was founded in 2012 in New Mexico and since then it has been working on high altitude solar atmospheric satellites with the goal to reach a global audience. Its goal has been since then to deliver high quality photos, which aim at contributing to disaster relief and issues like deforestation, as well as to deliver groundbreaking data driven services. Google's acquisition of Titan Aerospace in 2014 supports Google's Project Loon, which is aimed at delivering internet connection to hard-to-reach locations in order to increase accessibility on a worldwide base. On Titan's Aerospace official webpage, they state that “at Titan Aerospace, [they're] passionate believers in the potential for technology (and in particular, atmospheric satellites) to improve people's lives” (Titan Aerospace Official Webpage, n.d.). In the same way, a Google's spokesman claimed that

“Titan Aerospace and Google share a profound optimism about the potential for technology to improve the world. It's still early days, but atmospheric satellites could help bring internet access to millions of people, and help solve other problems, including disaster relief and environmental damage like deforestation. It's why we're so excited to welcome Titan Aerospace to the Google family” (Mack, 2014).

Additionally, despite Titan Aerospace CEO asserted that “[he's] not Titan anymore, [he's] Google” (Mayfield, 2014), the company has maintained its individuality, employees and it is still based in New Mexico. However, their relationship is clearly defined on Titan Aerospace official webpage.

4.2 Corporate Strategy Data

Global reach has been Google's aim since the establishment of the company. To date, Google has more than 70 offices in more than 40 countries around the globe. As stated by Larry Page, "the scale and scope of [their] services, and the opportunities they offer users, are phenomenal" (Google Corporate Website, 2009). Having established their presence almost everywhere in the world, Google reached global recognisability and "everyone knows Google is big. But the truth is that it's huge" (McMillan, 2013). In addition to increasing its impact in the search engine business, starting with the acquisition of YouTube in 2006, Google has been expanding its area of influence within the whole Internet environment and beyond. As stated by Larry Page, "for [him], it was always unsatisfying [to] look at companies that get very big, and [are] just doing one thing" (Dickey, 2014). Thus, in addition to the search engine business, Google has been expanding in other fields i.e. mobile hardware with the acquisition of Motorola Mobile, home automation with the acquisition of Nest Labs, artificial intelligence with the acquisition of DeepMind Technologies, atmospheric satellites with the acquisition of Titan Aerospace, and others. Please refer to Appendix 4 for the full data of the most important and recent acquisitions of Google temporally organised. As previously mentioned, since 2001 Google has acquired around 140 companies in total. In addition, Google is about to open the first retail-store ever and keeps developing ideas on, for example, automated transportation. According to Larry Page, Google is "at a certain scale now, but [he does not] see any particular reason why [they] shouldn't be much bigger, more impactful than [they] are now" (Helft, 2012).

As stated by Google's executives, the corporation has always had big goals, vision and innovative mindset. Larry Page (2013a) emphasised that "artificial intelligence would be the ultimate version of Google". He also underlined that his "goal is for Google to lead, not follow" (Lashinsky, 2012) and the aim is to "use technology to positively impact on the community" (Page, 2014). Google's focus on consumers can be expressed by the statement that their "goal is to serve users" (Page, 2012) and "[with] technology [they] can help make [the consumers'] life better" (Page, 2013c). However, "the risk of listening to customers too much is that you only make incremental innovations" (Steiber and Alänge, 2013:252) and Google seeks to "think of the thing [consumers] haven't thought of yet that [they] really need" (Helft, 2012). When discussing future technologies, Larry Page claimed that:

Many of the problems that we call artificial intelligence today will become accepted as standard computational capabilities, including image processing, speech recognition, and natural language processing. New and amazing computational capabilities will be born that we cannot even imagine today (Google Corporate Website, 2008).

On a different note, as stated by one of Google's representatives, "the kind of people you recruit matters for innovation" (Steiber and Alänge, 2013:251). The focus on organisational structure and culture is considered to be a very important part of Google's corporate strategy. Furthermore, Eric Schmidt, stated that "Google is run by its culture and not by [him]" (Carlson, 2009). In addition, Google's "corporate culture is one of the reasons it is consistently ranked a great place to work" (Vorhauser-Smith, 2013). Google's organisational structure can be defined as "very open and flat" (Steiber and Alänge, 2013:250). Employees are not required to wear official outfits and they are surrounded by a playground-looking environment which is supposed to entail the creative potential of each and every member of the organisation. Moreover, Eric Schmidt stated that:

The new phase is of course network-based organization. And we think that Google is probably the best example of a network-based organization. Very flat, very non-hierarchical, very much informal in culture and ideas – ideas come from everywhere. [...] Part of the job of being a CEO in a company like Google is to have an environment where people are constantly throwing you their best ideas as opposed to being afraid to talk to you (Carlson, 2009).

In addition to taking care of the employees, as part of Google's corporate strategy it is also relevant mentioning the company's special attention to its corporate social responsibility (CSR). Google launched initiatives concerning diversity issues, education, renewable energy projects, carbon footprint reduction, cultural heritage digital preservation and other areas. Moreover, the Google Impact Challenge travels to different regions, asking local non-profits how they would use innovation to make a better world, and invites the public to vote for the projects that would have the greatest impact potential. Furthermore, "advancing the study of Computer Science (CS) and increasing the number of students – particularly women and underserved minorities – is vital to [their] core mission" (Google CSR Website, n.d., c). According to Google, its CSR initiatives strategically support its brand values and drive the change it is aiming for.

4.3 Corporate Brand Strategy Data

As mentioned before, Google is among the top brands in the world. Since 1998 the Google's logo had a few different variations and now it consists of simple 2D four colour word Google. The company also publishes various modifications or humorous features of the logo e.g. cartoon modifications of the logo for use on holidays, birthdays of famous people and major events e.g. the Olympics. These special logos are known as GoogleDoodles and, in addition to professional teams, they can also be created by people around the world. As stated by Larry Page, they "want to be a different kind of company. [They would] like to have more of a social component in what [they] do" (Helft, 2012). Additionally, their main focus is drawn upon "improving the ways people connect with information" (Google Corporate Website, n.d., a).

Even though initially the corporate brand was mostly associated only with search engine, nowadays their “hope is to bring the power of search to previously unexplored areas, and to help people access and use even more of the ever-expanding information in their lives” (Google Corporate Website, n.d., h). To fulfill this purpose, Google has developed brands such as; Gmail, Google Analytics, Google Books, Google Maps, Google Earth and others within its portfolio. On the other hand, throughout the years Google endorsed several acquisitions e.g. ITA Software, Blogger, Picasa and DoubleClick. Finally, there are a few brands that have strong linkages with the Google brand, but their relation is not clearly visible at a first glance e.g. YouTube and Android.

In order to understand Google's corporate brand strategy we collected data according to Urde's (2013) suggested elements for corporate brand identity which include; corporate brand promise and values, culture, competences, personality, communicative expression, value proposition, relationships, and position in the market. Additionally, reputation-related statements of internal and external stakeholders were collected in order to analyse the relationship between Google's corporate strategic actions and its overall corporate brand strategy (see Appendices). The main statement regarding Google's corporate values is the ‘ten things [they] know to be true’ manifesto (Google Corporate Website, n.d., h) that was written by its founders Larry Page and Sergey Brin when the company was just a few years old. It has been reviewed and revised ever since, but it has maintained the same core statements:

1. Focus on the user and all else will follow.
2. It's best to do one thing really, really well.
3. Fast is better than slow.
4. Democracy on the web works.
5. You don't need to be at your desk to need an answer.
6. You can make money without doing evil.
7. There's always more information out there.
8. The need for information crosses all borders.
9. You can be serious without a suit.
10. Great just isn't good enough.

In addition to the core brand values, generally speaking culture plays a significant role in corporate brand strategy. In the case of Google, “the culture is a very important factor [as they share] beliefs such as ‘do no evil,’ ‘large impact’, and ‘we can change the world’” (Steiber and Alänge, 2013:247). Moreover, David Lawee (2012a), VP in Corporate Development, underlined that “Google is about entrepreneurs” and its offices around the world shares the entrepreneurial spirit as well:

Though no two Google offices are the same, visitors to any office can expect to find a few common features: murals and decorations expressing local personality; Googlers sharing cubes, yurts and "huddles"; video games, pool tables

and pianos; cafes and "microkitchens" stocked with healthy food; and good old fashioned whiteboards for spur-of-the-moment brainstorming (Google Corporate Website, n.d., g).

Furthermore, "[they] put great stock in [their] employees—energetic, passionate people from diverse backgrounds with creative approaches to work, play and life" (Google Corporate Website, n.d., h). Additionally, as stated by Larry Page, they "should continue to innovate in [their] relationship with [their] employees and figure out the best things [they] can do for them" (Lashinsky, 2012). Regarding the competences that brand delivers, the main 'thing' of Google still remains search technologies which they refer to as doing "one thing really, really well". In addition, talented people are the main source of competence e.g. "[talented] researchers continue looking into ways to bring all the world's information to people seeking answers" (Google Corporate Website, n.d., h).

On another note, in general corporate brand strategies aim at creating strong brand personalities with consistent forms of expression (Urde, 2013). As stated in the Google Corporate Website (n.d., h), the "founders built [Google] around the idea that work should be challenging, and the challenge should be fun". In addition to this, the so-called Googliness or Googley – "a mashup of passion and drive that's hard to define but easy to spot" (Finn, 2011) – is considered to be an important trait of the brand. Google also constantly experiments with creation of Google Doodles as well as facilitation of inspirational office interiors. In addition, storytelling is underlined by the fact that "we all love stories. We're born for them" (Google YouTube Channel, 2014). However, simplicity is also emphasised by their "homepage interface [being] clear and simple, and pages load[ing] instantly" (Google Corporate Website, n.d., h).

Regarding the value that Google's corporate brand offers, the executives of the company often talk about the constant development of products and services that have impact on consumers' lives. In addition, "when [they] build new tools and applications, [they] believe [the tools] should work so well you don't have to consider how they might have been designed differently" (Google Corporate Website, n.d., h). Moreover, Larry Page states that "engaging with users, really deeply understanding who they are, and delivering things that make sense for them is really, really important" (Bosker, 2012) which is considered to be essential for the brand strategy. Additionally, in an organisation where people are the greatest asset, one "must default to open" (Bock, 2011). Finally, Larry Page believes that:

[Their] dedication to improving search helps [them] apply what [they've] learned to new products, like Gmail and Google Maps. [Their] hope is to bring the power of search to previously unexplored areas, and to help people access and use even more of the ever-expanding information in their lives (Helft, 2012).

5. Analysis

This chapter presents the analysis of empirical data in relation to the theoretical perspectives adopted. First of all, we used the CBIRM (Urde and Greysen, 2014) to define Google's corporate brand identity in order to determine its strategic brand orientation. Second of all, we explored its corporate brand strategy in relation to the seven acquisitions selected by mapping the brand architecture. Thirdly, we designed a simplified network picture of Google's acquisitions that explains their interrelatedness or context-relevant relationship to Google. Consequently, we developed a new framework that integrates the concepts of strategic brand management and network theory perspectives which helped us to achieve a more comprehensive understanding of how the expansion of network can affect corporate brand identity and reputation.

5.1. Strategic Brand Management Perspective

5.1.1 Defining the Identity of Google

It is necessary to define Google's identity because our goal was to observe Google's network expansion through acquisitions from a strategic brand management perspective. To do so, we based the analysis on the CBIRM (Urde and Greysen, 2014). The CBIRM is key to interpret the corporate brand strategy because it aids with the identification of internal elements that can impact on Google's brand identity.

In addition, the CBIRM provides us with an outline of the key identity and reputation elements and essential connections among them. Based on the findings, we identified that Google's brand core revolves around three main values, namely; sustainability, innovation and accessibility based on their CSR initiatives, innovative culture and technological advancement, and large scale vision. Particularly, this is supported by the fact that "the culture is a very important factor. Shared beliefs such as 'do no evil,' 'large impact', and 'we can change the world'" (Steiber and Alänge, 2013:247) are common language for Googlers. In relation to this, improving the access to information for everyone in the world can be identified as Google's brand promise. Argenti and Druckenmiller (2004) assert that a brand promise requires a strong commitment to an organisation's core values which in the case of Google can be witnessed in the relationship not only between both brand core values and promise, but also among all CBIRM elements (Fig. 7).

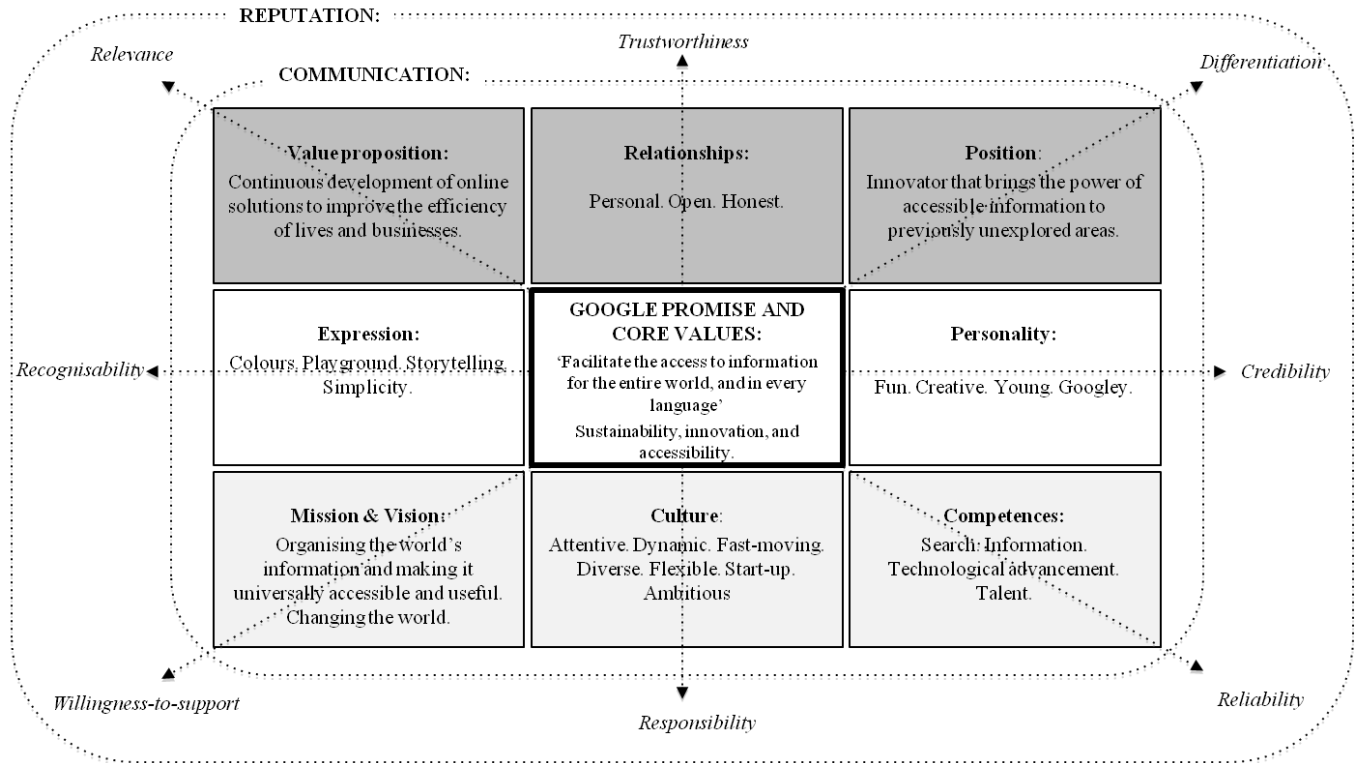


Figure 7. The CBIRM Applied to Google (based on Urde and Greyser (2014))

The strategic diagonal (from the lower left corner towards the upper right corner), which relates the purpose and the wanted *position* in the market, illustrates that Google's goal is not only to organise the world's information and make it accessible worldwide, but it also reveals Google's ambition to change the world with its innovative technology. Even though the Google brand is mostly associated with the search engine function, its recent diversification into different business areas within the technology sector demonstrates Google's ambition to be positioned as a provider of information in fields that it had not previously explored, which proves coherency between *mission & vision* and current *position* in terms of being forward looking. Considering that this diagonal connects directly to the elements of a *willingness-to-support* and *differentiation*, our findings confirmed that Google finds advocacy and support from various stakeholder groups in addition to standing out from the competition in which scale and daring ambitions can make a distinctive difference. For example, as found in Interbrand (2014), "[...] big bets on innovations that will change how the world lives with technology will continue set Google apart from its competitors".

The competitive diagonal (from lower right corner towards the upper left corner) differentiates the brand from the competition and defines its *relevance* and *reliability*. In the case of Google, the *competences*

element is of extreme importance, because innovation cannot be achieved without high quality internal resources and capabilities. In fact, as stated on Google Corporate Website (n.d., h), one of its main goals is to do things great i.e. “with one of the world’s largest research groups focused exclusively on solving search problems, [they] know what [they] do well, and how [they] could do it better”. However, both qualified and talented employees as well as the latest technologies are essential for the brand in order to deliver the *promise* and *value proposition* which is based on the strive to constantly develop Google’s online services in order to improve its stakeholders’ lives. The weight and consistency of both *competences* and *value proposition* – in addition to the *brand core* – reflect on the *reliability* and *relevance* at a reputational level. In fact, as claimed by Interbrand (2014), Google “is constantly assessing its products, phasing out services and offerings that are no longer relevant or are simply unprofitable, and introducing new ones” which leads to maintaining an innovative spirit and successful delivery of its *value proposition*. In addition, the corporation “figured out the secret to attracting the best talent in the world” (Groth, 2013) which creates a reliable base for the brand to perform in a solid and consistent manner. As reported by Steiber and Alänge (2013:251), “the kind of people you recruit matters for innovation”, which proves once again how important *competences* are for Google, both in terms of talent acquisition and in terms of access to new resources because, as Schmidt observes, “the technology has to be right” (Baker, 2013).

The communication horizontal stretches between the brand identity elements of *expression* and *personality*, and extends to *recognisability* and *credibility* at a reputational level. We identified Google’s personality as fun, creative, young and ‘Googley’. These characteristics are best reflected through the *expression* element which makes the brand stand out among other competitors. In the case of Google, its colourful logo, standout design of local offices and easy-to-understand communication are just a few examples through which its brand’s *personality* traits are expressed. Additionally, we realised that the uniqueness of Google’s communication lies in its consistent usage of colours, imitation of a playground setting, storytelling fashion and ability to ‘keep it simple’, which confirms the attention put into developing a strong corporate brand identity. As a result of a strong *personality* and bold *expression*, Google holds the second position among the world’s most valuable brands according to Brandirectory (2014), and the second place among the best global brands in 2013 according to Interbrand (2014). In addition, considering that “everyone [who uses the Internet] knows Google” (McMillan, 2013) and that there are around 3 billion Internet users worldwide (International Telecommunication Union, 2014), it is plausible to assert that Google is a distinctively recognisable brand due to its extensive global reach. In addition, Google’s fun and creative brand *personality* is communicated through “an environment of

playfulness from whimsical doodles to April Fool's Day jokes" (Vorhauser-Smith, 2013), which makes Google appealing and attractive to the best talents in the world (Groth, 2013).

The interaction vertical arrow relates the identity elements of *culture* and *relationships*. The uniqueness of Google's corporate culture is considered to be the driving ingredient of its corporate brand and strategy (Steiber and Alänge, 2013). Moreover, Eric Schmidt claimed that during his managing period "Google [was] run by its culture and not by [him]" (Carlson, 2009). Schmidt's claim can be discerned from our findings which revealed that Google's corporate culture can be described as attentive, dynamic, fast-moving, diverse, flexible and ambitious while still holding on to the initial start-up spirit – which accounts for Google's attitude towards failure being a pure learning experience (Google Corporate Website, 2010) as well as its tendency to expand into unconventional technology areas in order to strive for innovation (Google Corporate Website, 2011). Additionally, the open and flat organisational structure "allows people to get their ideas out" (Steiber and Alänge, 2013:250) and make their own mistakes, because the "ability to take [all] kinds of risks has been crucial to Google's overall success and [its] aim to maintain this pioneering culture going forward" (Google Corporate Website, 2011). As a consequence, and as proven by the CBIRM, the *culture* element relates and reflects the element of *relationships*. Based on that, we identified Google's *relationships* as personal, open and honest. Additionally, despite its international scale, Google still manages to maintain a glocalised image and service due to the determination to provide products and services in local languages. In addition, as claimed by Larry Page, "people [want to] get honest, accurate, well-ranked information from us. That's our job one" (Helft, 2012) which is supported by one of Google's beliefs expressed by the motto "Don't do evil" (Google Corporate Website, n.d., h). However, this challenges the claims against Google's privacy policy which was largely discussed by media all over the world during the past couple of years because of Google's controversial way of gathering users' information. Despite this challenge, the synergy between the elements in *the interaction vertical* and the *brand core* reflects on *trustworthiness* and *responsibility* at a reputational level: as stated in Google Corporate Website (n.d., h), "even if you don't know exactly what you're looking for, finding an answer on the web is our problem, not yours" which underlines the responsible nature of Google towards its main corporate promise. In addition, Lee Yohn (2014) claimed that "Google's ever growing footprint is the logical outcome – and ultimate manifestation — of its brand mission" which proves Google's commitment to its mission (to organise the world's information and make it universally accessible and useful) and its *brand promise* (to facilitate the access to information for the entire world, and in every language).

5.1.2. Google's Corporate Brand Strategy as the Driver of Corporate Strategy

Having defined and discussed Google's corporate brand identity and explored its impact on reputation, it is now important to define the relationship between its corporate brand strategy and its corporate strategy given that we previously reasoned on the correlation between our two main perspectives – strategic brand management and network theory. If we accept that incongruent strategies make it challenging for a company to succeed with its network expansion, particularly if the company is aiming to expand into new or unconventional business areas, we used the approach of Urde *et al.* (2013) to understand Google's strategic orientation. The matrix that they provide suggests that it is possible to perceive a corporate strategic orientation as either market or brand-oriented (please refer to section 3.3.1.). Based on this matrix and on findings such as Google's goal being "to lead, not follow" (Lashinsky, 2012) we came to the conclusion that Google has adopted a brand-oriented approach due to its established corporate brand identity as an outline of corporate behaviour, culture and strategy. Furthermore, the most intrinsic part of Google's brand identity, namely; *mission & vision, culture* and *competences*, has been the departure point for its brand identity development since it was founded in 1998, which demonstrates Google's brand-oriented approach. The focus on the corporate brand as 'the hub' of the corporate development is reinforced by Google's market-driving position, which remarks its goal to move towards a reality in which consumers are intrinsically connected thanks to Google products. For example, this is proven by the successful YouTube acquisition which, despite YouTube remaining a self-standing and independent unit, contributed to Google's corporate brand by denoting its interest in exploring new tech areas while reinforcing its corporate mission. In addition, as stated by Sirin and Hill (2003:18), "the distinctive nature of high technology markets creates conditions under which the market driving approach is particularly applicable". Since Google appears to benefit from these conditions, it can be claimed that Google is a brand that radically shapes not only the corporation itself, but also the whole tech industry due to its significant brand strength and deeply rooted core values. Another strength of Google comes from the fact that it has adopted a strategy that is strongly brand-oriented and mostly focuses on internal competences and capabilities viewing its competitors' actions as a less important factor for the strategy formulation. As stated by one of Steiber and Alänge's (2013:252) Google interviewees, "[they] don't care what others do. [They] never talk about competitors. The risk of listening to customers too much is that you only make incremental innovations", which is not the main goal in the case of Google which seeks for radical changes instead, which is also characteristic of a market-driving approach. However, Google still maintains an exceptional focus on consumers' needs as "engaging with users, really deeply understanding who they are, and delivering things that make sense for them is really, really important" (Bosker, 2012). Thus, it can be stated that Google adopts a brand-oriented approach to its corporate strategy, without

neglecting the importance of listening to the consumers, despite it has been evidenced that such an approach does not have an impact on the way Google shapes its corporate brand.

In order to explore the corporate brand strategy as the driver for corporate strategy, it is now relevant to remind that business-level strategy has a significant influence on the corporate-level strategy (Johnson, Scholes and Whittington, 2008). Given that, the alignment and integration of separate businesses' strategies are essential to the overall corporate strategy in order to maintain a consistent strategic orientation. As stated by David Lawee (2012b), "every acquisition has its own goals. [...] There would be [...] six months goals, one year goals, three year goals" which are incorporated within Google's corporate vision – which is more and more often referred to as 'changing the world'. According to Lawee (n.d.), Google is often opportunistic in terms of acquiring companies since the main goal is not to acquire already profitable ventures, but those having a potential to strive in the business areas that Google is not good at yet, but sees it as an essential field for the fulfilment of its bigger corporate vision. Even though the recent acquisitions in business fields such as robotics, atmospheric satellites or home automation at first glance seem to be remote from Google's mission to organise the world's information and make it universally accessible and useful, it can be explained by the fact that the founders are advocates for the idea of seeing 'the big picture'. As stated by Larry Page (2012), at Google "[they] are discovering things that [people] don't know yet, [but their] life will be changed by that". This suggests that Google is going beyond its current mission and aims at transforming the whole industry by promoting radical changes with disruptive innovations. In addition to the alignment between its own corporate objective and separate business units' goals, the compatibility of corporate cultures and missions are other criteria when making strategic decisions to acquire a company. According to Larry Page (2013b), "once you get other people interested in your mission (and so interested in cooperating) it's easier to get access to other resources" which underlines the importance of previously mentioned criteria to the realisation of the bigger vision that is Google is aiming for.

All things considered, we perceive Google's strategic corporate brand orientation as a unifying and driving factor for the development and implementation of its corporate strategy. Google's deeply rooted brand values and its strong corporate brand identity drive the company to push "beyond the boundaries, [because] you never know where you're going to end up with technology" (Page, 2013c). Furthermore, Google's corporate brand is the unifying attribute that allows all acquired companies to feel part of a bigger global vision, because they all seek to "have tremendous positive impact on the world" (Page, 2012). Even though these goals can sound vague and just resemble 'fine words', our findings revealed that Google managed to create a technology giant which is the no. 2 brand worldwide (Interbrand, 2014) by successfully embedding its goals into its corporate culture as well as into its expanding network.

5.1.3. Acquisitions: Mapping Google Brand Architecture

As mentioned previously, acquisitions often bring a lot of confusion to brand portfolios instead of bringing brand value (Petromilli *et al.*, 2002). The fact that two thirds of Google's acquisitions are considered to be successful (Lawee, 2012b) suggests that most of the times the company manages to effectively integrate and align the new acquired resources including the brands. In terms of brand architecture, Google is an umbrella brand with several stand-alone and endorsed brands. In order to get a deeper understanding of Google's success when managing its brand portfolio as well as to fulfil the research purpose, we mapped Google's brand architecture in regards to the seven acquisitions presented in the findings (Fig. 8). Among the analysed acquisitions, only one of them, namely, DNNresearch, was taken completely under Google's umbrella. Among the reasons for that we can identify; the freshness and low recognisability of the brand, and DNNresearch's technical and human resources full integration into the development of other Google products e.g. Image Search and potentially Google Now and Google Glass. In regards to DoubleClick, the main reason of this acquisition was to integrate Google text ads with DoubleClick display ads in order to create more effective products. Since DoubleClick was already a "global leader in digital marketing technology and services" (Google Official Blog, 2007) and had its own brand identity, Google became the endorser of the brand instead of putting it under its umbrella. However, the relationship between these two brands is still very strong due to the close integration of the products and services.

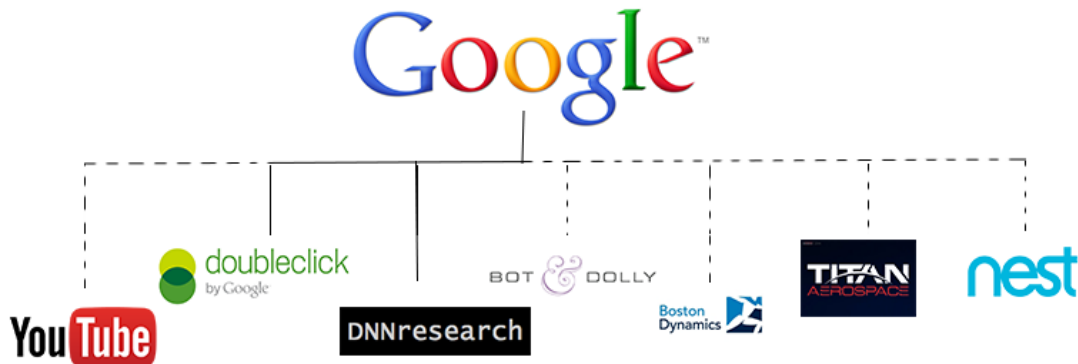


Fig 8. Google Brand Architecture (based on the seven acquisitions analysed).

On a different note, there are five acquisitions that maintained their own brand names. Since the moment of acquisition in 2006 it was clearly declared that YouTube "[would] operate independently to preserve its successful brand and passionate community" (Google Official Blog, 2006) which has remained true to date. During the years, YouTube managed to grow and strengthen its own brand but also kept close

relationship with Google behind the scenes. Additionally, both brands stand for similar values and have a mutual goal to “make the change” (Page, 2012). Therefore, even though the brands are managed separately, they still complement each other in multiple ways. In terms of Bot & Dolly, the brand has also been left as a stand-alone entity with no clear references to Google on their website. Given that Google is just taking its very first steps into the business of robotics, it can be assumed that the role of this quite recently acquired brand will be disclosed in near future. Boston Dynamics was also among Google's seven robotics acquisitions in 2013. Similarly to Bot & Dolly, Boston Dynamics is still a stand-alone brand with no references to Google's ownership or brand absorption. However, the fact that previously Google's head of Android has been put in charge of Boston Dynamics suggests the possibility of upcoming changes within Google's brand portfolio. Another acquisition that attracted an extensive amount of media attention was Nest Labs which also continues managing its own brand even after being acquired by Google. Similarly to YouTube, Nest and Google share a similar vision “to have a positive impact in the world” (Google Corporate Website, 2014) which brings both companies together without merging the brands. In addition, Nest as a stand-alone brand brings less confusion to consumers given that before acquiring Nest Google had never been associated with home automation technologies. Regarding the acquisition of Titan Aerospace, it is intended to become a part Google's Project Loon, which involves the development of hot air balloons that travel around the world to improve internet coverage. Despite the fact that the brand has not yet been fully consolidated within Google it seems as though the Titans' CEO is inclined to have the company assimilated within Google's umbrella brand based on his statement “I'm not Titan anymore. I'm Google” (Mayfield, 2014).

5.2 Network Theory Perspective

5.2.1 Radical vs. Incremental Network Change

Having identified acquisitions as a source for diversification of resources, our interpretation of Larry Page's words “if you have more people and more resources, you can do more things, get more things solved” (TIME Staff, 2013) led to the idea that radical network change is typical of the Google attitude. The discussion on the concepts of radical and incremental change in networks already exists in the literature; this terminology is also specifically used in technology and innovation contexts (Elfring and Hulsink, 2002; Knoben, Oerlemans and Rutten, 2006). In fact, as claimed by Elfring and Hulsink (2002:409), “the value of networks as an integral part of the explanation of entrepreneurial success is widely acknowledged”, which can be considered as in the case of Google given its still constant start-up attitude and that depending on the degree of innovation brought to the corporation through acquisitions

these can affect “the way firms approach their network relationships and seek to benefit from them” (Elfring and Hulsink, 2002:410). Google’s radical network growth is key for both its business and brand development in terms of the assets and attributes that the acquired companies carry with them at the moment of acquisition, which supports Elfring and Hulsin’s idea (2002) about radical network changes being typical of the tech industry because of the innovation that they can engender in a company. Specifically, “technology and strategy at Google are inseparable and mutually permeable—making it hard to say whether technology is the DNA of its strategy or the other way around” (Iyer and Davenport, 2008:1), which underlines the necessity for Google to keep expanding through new acquisitions in order to keep up with the innovation value. In relation to this, another point worth exploring is the strategy adopted by Google in terms of trends in its acquisitions which, in order to ‘change the world’, appear to be of a more interrelated nature. In fact, by observing the trends in Google’s acquisitions (Appendix 4), it is possible identifying some trends that confirm Google’s tendency over the past few years to engage in radical network changes. For example, the fact that 61% of the overall acquisitions have taken place between 2010 and 2014 proves Google’s willingness to risk and invest in radical network change. For instance, despite Google’s initial acquisition of several search, mobile and advertising softwares, what stands out is that included in that 61% there are seven very recent acquisitions that are robotics-related, as well as four artificial-intelligence ones. As Google is mainly known for its search and advertising services, such acquisitions can easily be classified as radical changes within the network, especially if we consider the fast pace with which Google acquired them. Google’s rapid acquisitions relate to the theoretical discussion around the challenge for integration of acquisitions, which however in this case does not find an optimal ground for development considering that Google’s innovativeness and strong corporate brand identity pose solid bases for dealing with radical network changes without running into particularly damaging integration challenges. An example of Google’s ability to cope with integrating its radical network changes is the fact that two thirds of Google’s acquisitions are actually successful (Lawee, 2012b), which is an incredibly high proportion. Based on these examples, we were led to the identification of an increasing tendency of Google to expand into interrelated technologies instead of solely into context-relevant fields, which we interpret as a way for Google to pursue its extended mission to change the world.

5.2.2 Google Network Expansion through Acquisitions: Interrelatedness for Tech Development

Despite claiming that radical network change does not appear to be as challenging for Google as it could be for other organisations thanks to its innovative aspirations and strong corporate brand identity, it is

important to note the interrelatedness factor in relation to acquisitions. As already found in the literature review, interrelatedness of networks gives an opportunity to companies to access resources and activities that are not traditionally associated to the boundaries of the organisation giving the opportunity, especially in a tech context, to develop and innovate (Håkansson, 1987; Imai, 1987; von Hippel, 1982; Waluszewski, 1988 in Håkansson and Snehota, 2006:263). Therefore, based on the empirical data collected we found interrelatedness to be characteristic of Google's latest network expansion which enables it to access unconventional resources. Fig. 9 provides our perception of Google's *network picture* of acquisitions. Given the intrinsic nature of correlations within a network, it is possible to argue that such acquisitions could potentially have a positive or negative impact on Google's reputation due to their diverse natures. Despite the fact that we have mentioned that Google is a strong self-standing institution, the impact that unconventional units can have on its overall corporate reputation is considerable e.g. how can a search-based business invest \$3.2b in a household appliances organisation as well as undisclosed sums for other robotics companies? What are the goals behind such choices? However, the kind of impact that such acquisitions can have on Google is mostly related to their technological expertise (see: *competences*) and access to their extended network, rather than to their brand attributes. For example, the brand of Nest Labs in isolation does not add much to the overall corporate brand of Google due to its relatively low recognisability. However, if the general public were to learn that a search engine organisation had started investing in household appliances it might lead one to think that the company is moving away from its initial mission, which in the case of Google is to organise the world's information and making it universally accessible and useful. Additionally, by acquiring Nest Google also gained access to Nest's extended network of "a huge team of 25,000+ certified professionals who help install Nest in the US and Canada and [...] more than 300 employees spread across three countries (Nest Official Blog, 2014). A similar thought might be discerned in regards to Google moving into retail, robotics and, ultimately, artificial intelligence. However, both context-relevant and interrelated acquisitions find their place in the Google network and they contribute to defining Google's strategic identity and network position within it, which can be identified as a bargaining position given its ability "to influence the behaviour of related actors" (Håkansson and Snehota, 2006:263).

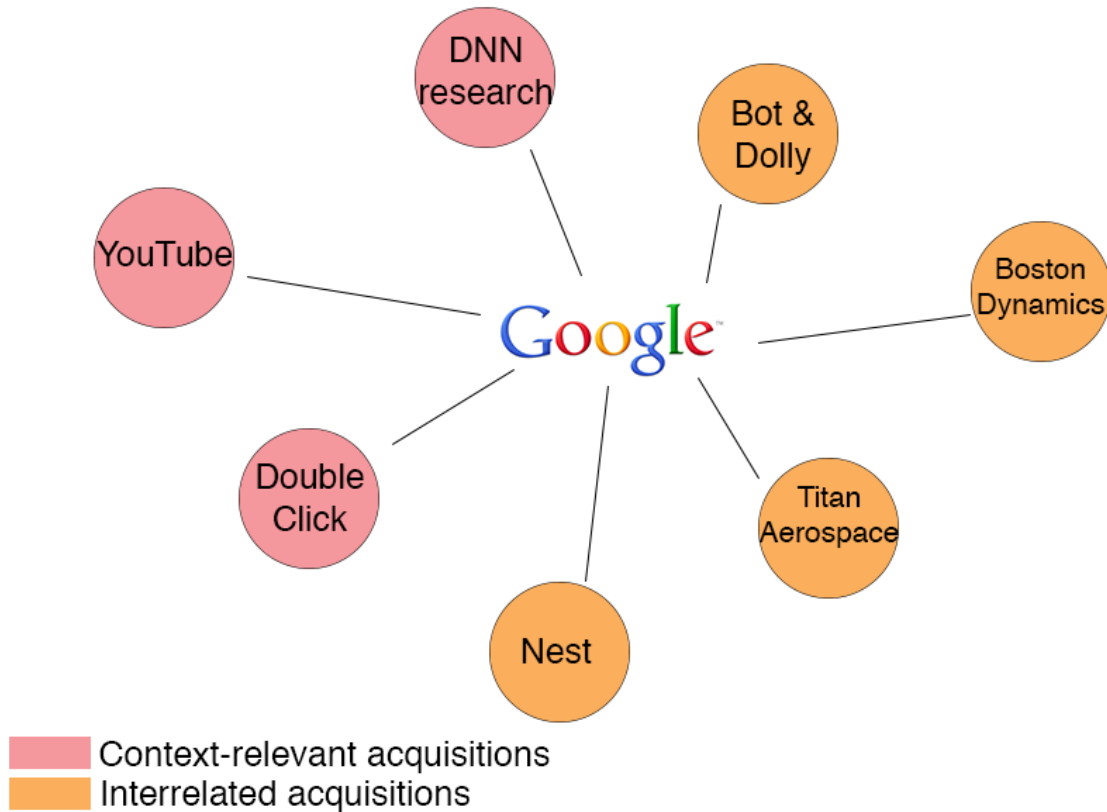


Figure 9. Simplified Google's Network (based on Ford *et al.*, 2011)

As Håkansson and Snehota (2006:261) observe, “an organisation’s performance is [...] largely dependent on whom it interacts with”, which confirms the correlation among all network acquisitions in relation to the overall corporate success of Google. This is confirmed by the *network model of organisation-environment interface*, which recognises every party (acquisition, in this case) involved in the network as having a considerable influence on the organisation taken into consideration, particularly at a competences level in the case of Google. Therefore, as mentioned before, “[Google is] discovering things that you don’t know yet” (Page, 2012), which affirms Google’s position as an innovative and entrepreneurial organisation. Additionally, it illustrates the point that Google is a brand-oriented and market-driving corporation – a fact which was touched upon in this paper. Nevertheless, Google’s attention to maintaining a strategic brand-oriented approach does not take anything away from Google’s purpose to serve the user as claimed in their corporate website and because “[Google’s] job is to think of the thing [consumers] haven't thought of yet that [consumers] really need”, which also affirms Google’s attention to its market’s needs.

5.3 Towards the Corporate Brand Identity, Reputation and Network Matrix (CBIRNM)

Having discussed network expansion through acquisitions from both a strategic brand management and network theory perspective, we believe that their integration is necessary in order to achieve a more comprehensive understanding of such expansion. As explored in the literature review, Muzellec and Lambkin (2009) stated that brand architecture lacks in capturing the basic variations in the nature of a corporate brand emerging from the relationships with each acquisition. In the same way, the network theory has never been used to explore the branding context extensively before; however, Urde and Greyser (2014) have just recently started to investigate the field. As a result of this, we identified the CBIRM to be the central to develop a framework that could unify both brand architecture and the network (Fig. 10).

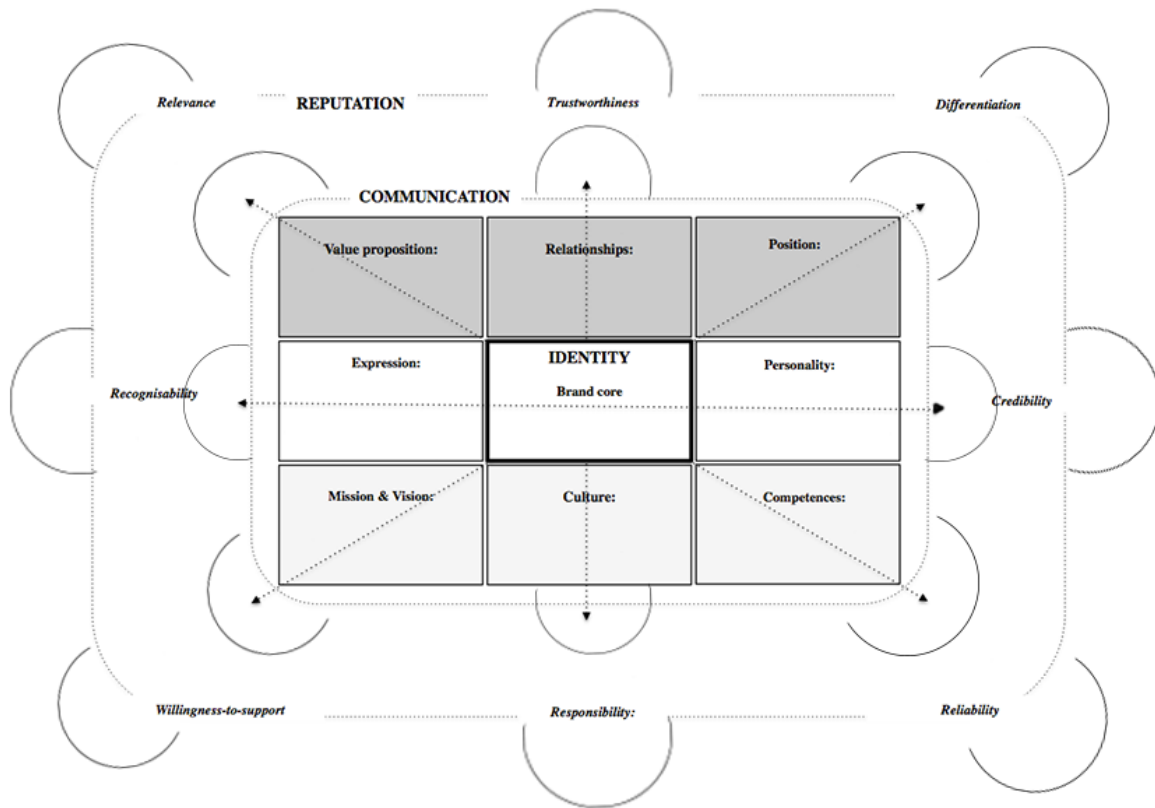


Figure 10. The Corporate Brand Identity, Reputation and Network Matrix.

The new CBIRNM framework presents the corporate brand identity in the network hub. While evaluating network expansion through acquisitions, each acquisition can be placed in relation to one or more elements of the identity depending on the specific contribution to the parent-brand. In this framework we

illustrate the acquisitions as incorporated circles that are attached to specific elements they are identified to contribute to. At a reputational level, it is possible to identify both an inside and an outside layer. The inside layer includes acquisitions that have been either incorporated under the acquiring company's name or have been endorsed by it because they have direct impact on the reputation of the parent-brand due to their clear association. Conversely, the outside layer includes acquisitions that impact on the reputation in a less direct way because they maintain their own separate corporate identities despite becoming a part of the acquiring company.

In order to apply this model to Google, we evaluated each acquisition based on the corporate identity elements that best reflected their core business in relation to Google's corporate brand identity (Fig. 11).

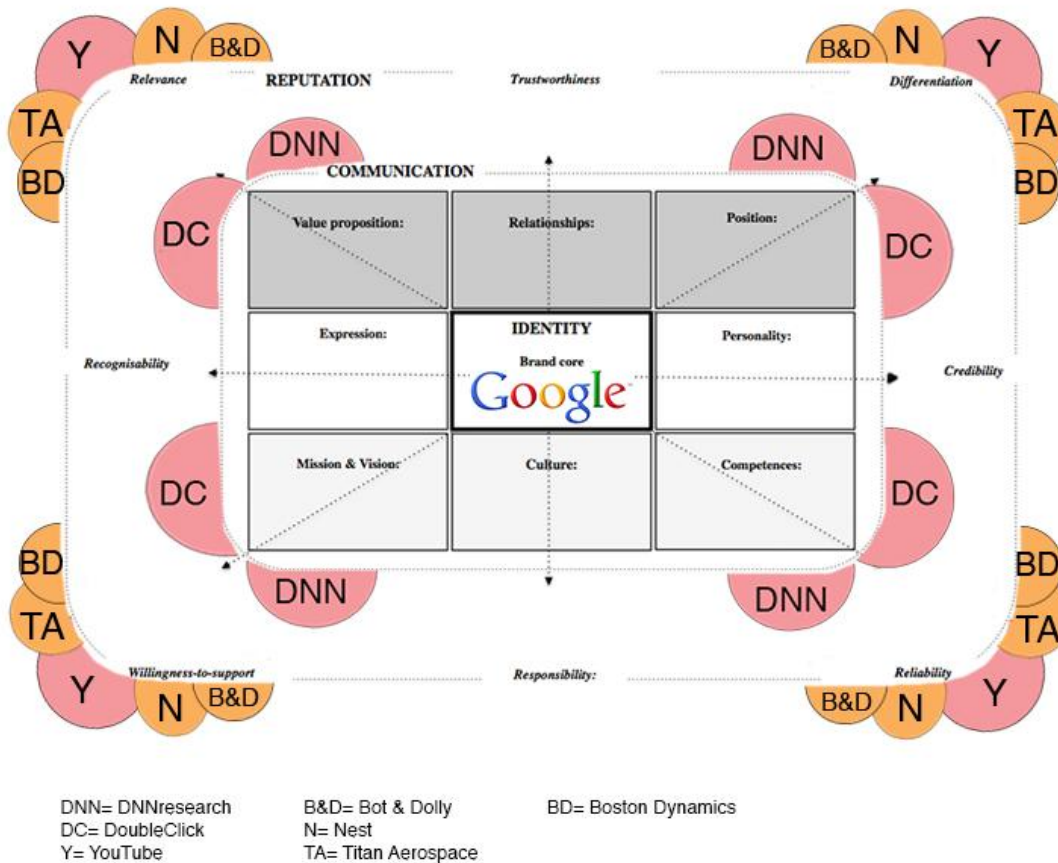


Figure 11. The CBIRNM Model applied to Google.

We determined DNNresearch to be in the inside reputation layer as well as contributing to the elements of *mission & vision, position, competences* and *value proposition*. As stated by Hilton, they were to “help Google apply new developments in deep learning to make systems that help people” (Franca, 2013) which relates to Google's vision of changing the world. Additionally, by revolutionising Google's Image

Search it contributed to strengthening Google's *position* in the market and improving its *value proposition* by acquiring talented people and technology. Similarly, DoubleClick can be identified to have the same position in the CBIRNM as DNNresearch. As previously mentioned, the main reason to acquire DoubleClick was its expertise in display ads which after the integration with Google boosted its *value proposition*, improved *competences* and reinforced its *position* in the online advertising business. In addition, DoubleClick and Google shared the same vision "to make Internet advertising better – less intrusive, more effective, and more useful" (Google Official Blog, 2007). Since both acquisitions have been placed in the internal layer of the reputation, they have been found to have a direct influence on various stakeholders' views on Google's corporate brand as a whole.

Conversely, five other acquisitions, namely; Bot & Dolly, Nest Labs, Titan Aerospace, YouTube and Boston Dynamics are in the outside layer of reputation due to their indirect association with Google's corporate brand based on the previously discussed brand architecture. As it can be observed by applying the CBIRNM to Google, all these five acquisitions contribute to the corporate brand identity elements of *mission & vision*, *position*, *competences* and *value proposition*. In the case of Bot & Dolly, their goal is to "work on things that don't seem possible and try to make them possible" (Pescovitz, 2014) which correlates to Google's idea of 'thinking big' and driving the change. Even though Google is just taking its first steps into robotics-related markets, the acquisitions of; Bot & Dolly, Titan Aerospace and Boston Dynamics, show its intentions to gain a dominant *position* in this emerging sector. Moreover, these three companies facilitate Google with advanced technologies that it was unfamiliar with beforehand. As claimed by Google, "if you have more people and more resources, you can do more things, get more things solved" and they have "kind of always had that philosophy" (TIME Staff, 2013) which explains the reason for investing in new *competences*. This type of acquisition also leads to the *value proposition* which at a later stage will enable expansion in the sectors that were previously mentioned. In regards to Nest Labs, their *mission & vision* are perfectly aligned with Google's intentions to "[let] technology do the hard work behind the scenes [and] make a difference" particularly in the area of home automation. Furthermore, the innovative Nest technology provided Google with valuable *competences* in order to extend its *value proposition* even more and start taking its *position* in the emerging home automation market. In the case of YouTube, "[it] complements Google's mission to organize the world's information and make it universally accessible and useful" (Google Official Blog, 2006) which confirms their brand synergy. Furthermore, both companies have a vision "to make the world a better place" (Page, 2012) and it would be "hard [...] to imagine a better fit for two companies" (Sorkin and Peters, 2006) thanks to their start-up and entrepreneurial spirits. Additionally, YouTube and Google's employees team up in order to

“find solutions to [their] challenges on-screen and behind the scenes (YouTube Corporate Website, n.d.), which greatly upgrade Google's *competences* and adds to its *value proposition*.”

6. Discussion and Conclusions

In this chapter, we elaborate on the main themes explored in the analysis and examine their usefulness in the fields of network and branding. Finally, we draw the conclusions of our study.

Based on the analysis of Google through the CBIRNM, it is possible to identify a few trends on network expansion through acquisitions. In fact, after analysing each acquisition, we identified that their biggest impact is on both *the strategy-* and *the competitive diagonal* of the CBIRNM. First of all, we can confirm Google's resource-based and opportunistic attitude towards acquisitions through the identification of all seven acquisitions as adjacent to Google's corporate identity through *competences*. Regardless of the acquisitions' position within the internal or external layer of reputation in the CBIRNM, the *competitive diagonal* in fact resolves itself in the *value proposition*, both at a corporate brand level as well as at a network level because all acquisitions contribute to enhancing it by adding to the existing internal resources. In the same way, all acquisitions have been identified to concur with Google's *mission & vision* due to their aspiration to change the world through technology despite going beyond Google's current mission to organise world's information and make it accessible. This essential congruency is reflected in the *position* that Google is developing, which clearly impacts mutually on both Google's and its acquisitions' positions. Therefore, the congruency of the *strategic diagonal* is also compelling when analysing network expansion through acquisitions in order to secure a successful integration outcome. Finally, even though other corporate brand identity elements in both *communication horizontal* and *interaction vertical* are of significant importance to Google's overall corporate brand identity, we did not find the acquisitions to be as impactful on them as on both diagonals. However, it can be argued that acquisitions' own cultures and/or personalities might have to be aligned to the Google's corporate culture and/or personality in order to retain brand consistency, which leaves room for further research in this area.

Based on the integration of both strategic brand management and network theory, we also came to the conclusion that in order for a network to expand through acquisitions successfully, the company must have a synergistic relationship between its corporate strategy and its corporate brand strategy. By having congruent strategies a corporate brand gains a strength that allows it to go through the radical changes brought by interrelated acquisitions without incurring overwhelming challenges related to integration. However, this can be alleviated by the level of fitness of acquisitions within the acquiring company's vision. In the case of Google, being innovative and keen on investing in risky projects in order to progress secures the corporate brand with the pursuit of its corporate *mission & vision*, which reflect its *core brand values*. Therefore, if Google aims to 'change the world' it appears almost natural that it branches out into

tech fields that have yet to adopt a clear direction because it is by pushing beyond the boundaries that you discover new things as “you never know where you’re going to end up with technology” (Page, 2013c). It must be noted that as Google is a major force in the tech industry, it is typical that Google will frequently undertake seemingly inexplicable acquisitions and Google is not unique to this kind of exploratory expansion because other tech giants also follow a market driving approach e.g. Facebook. In fact, “market driving firms can proactively engage in developing inter-firm networks to support a specific technological format in an interdependent manner” (Hills and Sarin, 2003:21), which frames well the situation in which acquisitions are perceived as a new asset in terms of resource accessibility. Therefore, in a larger context Google not only has gained a strong network position that is widely acknowledged within its stakeholders’ groups, but also within the tech industry as a whole.

Overall, Google’s acquisition activity related to its corporate brand’s vision and mission. Having determined that interrelatedness has been characterising Google’s latest acquisitions it is possible to claim that it might be a good idea for the company to review its current philosophy as the ‘ten things [they] know to be true’ might no longer be applicable to its overall corporate identity. For example, Google can no longer legitimately claim that “It’s best to do one thing really, really well” (Google Corporate Website, n.d., h) considering the scale of interrelated acquisitions they have, as their more frequent claims of having a vision that aims at changing the world. In fact, it would be challenging to aspire to such a goal simply through organising and making the information accessible worldwide. Therefore, Google’s efforts in network expansion through acquisitions are likely to make it an affirmed entity within new business and tech fields such as; driverless cars, wearable technology, high-altitude Internet broadcasting balloons, contact lenses that monitor glucose in tears, human-like robotics “and even an efforts to potentially solve death” (Cohen, 2014).

By analysing the Google’s acquisition activity through an integrative approach of strategic brand management and network theory we contributed to both sides of the literature. In particular, the development of an integrated framework based on the CBIRM and the network theory that enables us to gain a more inclusive analysis of network expansion through acquisitions, led us to identify four key elements that can impact on the corporate brand identity of the acquiring brand. These four elements are as follows; *mission & vision*, *position*, *competences* and *value proposition* – elements that are evident in Google as an innovative and market-driving corporation as well as potentially other tech giants. Despite that, in the case of Google, this is also true due to its synergistic relationship between its corporate strategy and corporate brand strategy.

In conclusion, we can claim that our aim to fulfill our main purpose to explore Google’s network expansion through acquisitions by integrating two different perspectives – Strategic Brand Management

and Network Theory – in order to fill the gap in the existing branding literature in relation to network theory has been accomplished. In order to provide a more detailed explanation of the contribution of the paper, we now provide theoretical and managerial implications that arose from the study.

7. Implications

This section explains both theoretical and managerial implications which provide insights about the applicability of this study for both scholars and practitioners.

7.1. Theoretical Implications

First of all, to our knowledge this is the first study conducted which integrated strategic brand management and network theory perspectives in relation to acquisitions. Traditionally, acquisitions have mostly been explored in a financial context (Gaughan, 2010) which excluded the branding side of the phenomenon. This gap allowed us to observe acquisitions from different perspectives by integrating existing branding and network concepts and relating them in order to develop new interpretations. According to the categorisation of conceptual research, “knowledge advancement occurs not only by studying and developing constructs but also by conceptualising their relationship to other concepts” (MacInnis, 2011:141), which explains how this paper is contributing theoretically to knowledge.

Second of all, the framework developed helped us to identify corporate brand identity as a key component to maintain consistency between the two perspectives for the integration process through engaging with the CBIRM (Urde and Greyser, 2014). Considering that the research in the field of corporate brand and reputation has been increasing with authors such as Aaker (2004), Urde (2013), Roper and Fill (2012), this study confirms the relevance that this concept has not only on the development of a corporation itself but also on its network.

Finally, we determined that a synergistic relationship between corporate strategy and corporate brand strategy is essential to the achievement of corporate goals (Grant, 1991; Porter, 1991) in a network context. This synergy allows a network to undertake radical changes without compromising its overall identity or running into overwhelming integration challenges, which were identified by Anderson *et al.* (2000). These implications offer ideas for development in research fields such as mergers and acquisitions in a branding context.

7.2. Managerial Implications

Since no company is an island in the world of business (Ford *et al.*, 2011) organisations are largely created through interaction with other realities, factor that can also influence the corporate brand of a company due to the associations that every company carries with it. Therefore, we investigated and

provided an explanation of the impact that the expansion of a network can have on a corporate brand identity. This means that changes in network should be taken into consideration when evaluating a potential acquisition. Questions like; In addition to our corporate strategy, does this acquisition fit with our corporate brand strategy? How can this acquisition affect our reputation and brand identity? For managers, it is important to calculate what changes in corporate brand identity and relationships an acquisition may bring. Hence, we developed a broader and more flexible framework that can be used to identify the compatibility between the acquisitions and the acquiring party's corporate brand identity. The framework is based on; brand architecture, simplified network and CBIRM which include all main elements that should be considered when evaluating the fitness between a corporate brand and acquisition brand. It can also be considered as a tool for identifying potential needs to invest in acquisitions in order to strengthen the corporate brand identity. Moreover, we identified four specific corporate brand identity elements that can particularly impact on the corporate brand level in a tech acquisition context. These four elements, namely; *mission & vision*, *competences*, *position* and *value proposition*, have the biggest potential to be reinforced by acquisitions. However, other elements of the framework should not be disregarded when, for instance, analysing the fitness between corporate cultures of both the acquiring parties. Finally, given the specificity of the tech industry characteristics e.g. constant change and innovativeness (Elfring and Hulsin, 2002), it will be of specific interest for tech companies to understand that whilst they are expanding into new areas of expertise through acquisitions it is necessary to consider their compatibility within their existing network in order to achieve successful integration.

8. Limitations and Recommendations for Further Research

By highlighting the limitations of this study we reflected upon its general applicability and reliability. Additionally, we provide suggestions for further research in the fields of branding and network theory.

The first limitation to be mentioned revolves around the fact that we did not gain access to primary resources. However, given the conceptual purpose of the paper and extensive amount of secondary data collected we strongly believe that our inability to access primary sources have been mitigated by the ideas drawn in relation to the integration of two existing frameworks.

A second limitation lies in the fact that we focused on the tech industry due to the nature of our case study, which might have led to draw certain but limited conclusions due to the specific nature of the tech industry's characteristics i.e. disruptive technology and market-driving approaches. Additionally, the number of embedded cases selected as well as their nature might have led to specific results, which might have not occurred otherwise. However, this specific focus allowed to narrow down our overall research, making it more realistic based on the time and resources given.

Our reflection on network expansion through acquisitions by integrating the two perspectives of strategic brand management and network theory leaves room to further research how acquisitions impact on corporate brand identity. In addition to the overall impact that acquisitions can have on *strategy-* and *competitive diagonal* within the CBIRNM, the *communication horizontal* and the *interaction vertical* can also become focus areas for further research. What is more, further studies could focus on deeper investigation on the kind and scope of impact that network expansion through acquisitions can have on the overall reputation of the acquiring corporate brand.

Furthermore, it would be also useful to investigate further how the acquiring party's corporate brand impacts on the acquisitions' networks. Considering both that companies are part of bigger settings that include interrelated business partnerships and that organisations are developed through such interactions, further studies exploring how acquisitions' existing networks impact on the acquiring company's network and vice versa would be of interest. These further studies, for instance, could revolve around the research on structural changes in networks and how the acquirer's pre-existing network is affected by an acquisition.

Additionally, our limitations to the tech industry might be of further inspiration for future studies in relation to other sectors and cultural contexts. Finally, this study lays the foundation for research of a more in-depth nature in relation to branding and networks as a whole.

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9.2 Empirical Data

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10. Appendices

10.1. Appendix 1: Corporate Strategy

Theme	Data
<p>Vision and Mission</p>	<p>Google's mission is to organize the world's information and make it universally accessible and useful. (Google Corporate Website, n.d., b)</p> <p>In our experience, success is more likely if you concentrate on the long term. Technology products often require significant investment over many years to fulfill their potential (Google Corporate Website, 2011)</p> <p>We have always managed Google for the long term, investing heavily in the big bets we hope will make a significant difference in the world (Google Corporate Website, 2011)</p> <p>We're at a certain scale now, but I don't see any particular reason why we shouldn't be much bigger, more impactful than we are now (Helft, 2012)</p> <p>We try pretty hard to make our products be available as widely as we can (Helft, 2012)</p> <p>Pushing beyond the boundaries..you never know where you're going to end up with technology (Page, 2013c)</p> <p>Want to change the world, technology can show the way (Page, 2013a)</p> <p>The artificial intelligence would be the ultimate version of Google (Page, 2013a)</p> <p>Having computing understand you and understand [the] information [you are looking for] (Page, 2014)</p> <p>As a world, we're doing a better job of that. My goal is for Google to lead, not follow that (Lashinsky, 2012)</p>
<p>Cost and performance</p>	<p>The revenue we generate is derived from offering search technology to companies and from the sale of advertising displayed on our site and on other sites across the web (Google Corporate Website, n.d., h)</p> <p>97% of that revenue is generated by advertising (The Guardian, 2011)</p> <p>Finding important technological areas where progress is currently slow, but could be made fast, is what Google is all about (Google Corporate Website 2009)</p> <p>You never get enough time at Google – we focus 70% on big core, 20% on areas close to core and 10% on very different things (Steiber and Alänge, 2013:250)</p> <p>We don't care what others do. We never talk about competitors. The risk of listening to customers too much is that you only make incremental innovations (Steiber and Alänge, 2013:252)</p>
<p>Expansion</p>	<p>The scale and scope of our services, and the opportunities they offer users, are phenomenal, and we are very lucky to be a part of this business (Google Corporate Website, 2009)</p> <p>To organise the world's information and make it universally accessible..“Is that what you guys are still doing?” “Not quite sure” (Page, 2014)</p> <p>... most of those things are new opportunities (Page, 2012)</p> <p>...first-ever retail store. Until now, Google has relied on small stations inside retailers like Best buy to</p>

	<p>promote its Nexus and Chromebook products (Dickey, 2014).</p> <p>For me, it was always unsatisfying if you look at companies that get very big, and they're just doing one thing (Kuperberg, 2013).</p> <p>Ideas around developing automated cars (Page, 2014).</p> <p>There isn't anything that has operated at our scale before (Hardy, 2011).</p>
<p>Consumer Insights</p>	<p>We provide a variety of tools to help businesses of all kinds succeed on and off the web (Google Corporate Website, n.d., i).</p> <p>Use technology to positively impact on the community (Page, 2014).</p> <p>Our goal is to serve users (Page, 2012).</p> <p>Focus on the user and all else will follow (Google Corporate Website, n.d., h).</p> <p>Above all, it means making our products work better so that people can spend time on the stuff they're good at—like enjoying time with family, camping in the wilderness, painting a picture or throwing a party (Google Corporate Website, n.d., i)</p> <p>Innovation starts at home (Google CSR Website, n.d., b).</p> <p>[With] technology [we want to] can help make your life better (Page, 2013c).</p> <p>Our job is to think of the thing you haven't thought of yet that you really need (Helft, 2012)</p> <p>Whether we're designing a new Internet browser or a new tweak to the look of the homepage, we take great care to ensure that they will ultimately serve you, rather than our own internal goal or bottom line (Google Corporate Website, n.d., h).</p>
<p>Product development</p>	<p>We want to be good both in hardware and software (Page, 2012).</p> <p>Many of the problems that we call artificial intelligence today will become accepted as standard computational capabilities, including image processing, speech recognition, and natural language processing. New and amazing computational capabilities will be born that we cannot even imagine today (Google Corporate Website, 2008).</p> <p>We really focus on what's new, what's exciting and how can you win quickly with your new idea (Carlson, 2009).</p> <p>We're pioneering new technologies and offering new solutions for mobile services that help people all over the globe to do any number of tasks on their phone, from checking email and calendar events to watching videos, not to mention the several different ways to access Google search on a phone (Google Corporate Website, n.d., h)</p> <p>We are discovering things that you don't know yet, about [...] how your life will be changed by that (Page, 2012).</p> <p>It would be really nice to have a system that could basically vacation plan for you. It would know your preferences, it would know the weather, it would know the prices of airline tickets, the hotel prices, understand logistics, combine all those things into one experience. And that's kind of how we think about search (Helft, 2012).</p>
<p>Organisational structure</p>	<p>Very open and flat organizational structure [...] very thin layer of management and extremely productive workforce. Things are reasonably unstructured, which allows people to get their ideas out [...] (Steiber and Alänge, 2013:250).</p> <p>The kind of people you recruit matters for innovation (Steiber and Alänge, 2013:251).</p>

	<p>The new phase is of course network-based organization. And we think that Google is probably the best example of a network-based organization. Very flat, very non-hierarchical, very much informal in culture and ideas – ideas come from everywhere. ... Part of the job of being a CEO in a company like Google is to have an environment where people are constantly throwing you their best ideas as opposed to being afraid to talk to you.” (Carlson, 2009).</p> <p>Our intranet includes product roadmaps, launch plans, and employee snippets (weekly status reports), alongside employee and team OKRs (quarterly goals) so that everyone can see what everyone else is working on. We share everything, and trust Googlers to keep the information confidential (Bock, 2011).</p>
<p>Corporate Social Responsibility</p>	<p>The role of community is also fostered by Google encouraging its employees to contribute to charitable actions. Supports brand values (Google CSR Website, n.d., b).</p> <p>A better world, faster (Google CSR Website, n.d., a).</p> <p>Educating and empowering women and girls changes outlooks and outcomes for families, communities, and economies worldwide. Since 2005, we have donated \$40 million to make a real and lasting impact on two million girls (Google CSR Website, n.d., c).</p> <p>Advancing the study of Computer Science (CS) and increasing the number of students - particularly women and underserved minorities - is vital to our core mission (Google CSR Website, n.d., c).</p> <p>The Google Impact Challenge travels to different regions, asking local nonprofits how they would use innovation to make a better world, and inviting the public to vote for the projects with the greatest impact potential (Google Corporate Website, n.d., f).</p> <p>You're working because you want to change the world and make it better (Yarow, 2014a).</p>

10.2. Appendix 2: Corporate Brand Strategy

Theme	Quote
Brand promise	Google is a global technology leader focused on improving the ways people connect with information (Google Corporate Website, n.d., a).
Brand values	<p>We don't edit search results in Google (Brin, 2010).</p> <p>You can make money without doing evil (Google Corporate Website, n.d., h).</p> <p>We don't allow ads to be displayed on our results pages unless they are relevant where they are shown (Google Corporate Website, n.d., h).</p> <p>People are really trying to get some information and get honest, accurate, well-ranked information from us. That's our job one (Helft, 2012).</p> <p>Chris Grams from Red Hat defined defaulting to open as "...rather than starting from a point where you choose what to share, start[ing] from a point where you choose what not to share." Google didn't create this concept, but it's safe to say we ran with it (Bock, 2011).</p>
Culture	<p>The culture is a very important factor. Shared beliefs such as 'do no evil,' 'large impact', and 'we can change the world' (Steiber and Alänge, 2013:247).</p> <p>It's an environment with very few limitations based on where your mind can be during the day (Google YouTube Channel, 2013).</p> <p>Though no two Google offices are the same, visitors to any office can expect to find a few common features: murals and decorations expressing local personality; Googlers sharing cubes, yurts and "huddles"; video games, pool tables and pianos; cafes and "microkitchens" stocked with healthy food; and good old fashioned whiteboards for spur-of-the-moment brainstorming (Google Corporate Website, n.d., g).</p> <p>Google is about entrepreneurs (Lawee, 2012a).</p> <p>Google is run by its culture and not by me. ... We operate under the assumption that everyone including me is extremely dispensable, because ultimately Google is bigger than the individuals who make it. Google is about a mission (Carlson, 2009).</p> <p>We should continue to innovate in our relationship with our employees and figure out the best things we can do for them (Lashinsky, 2012).</p> <p>We put great stock in our employees—energetic, passionate people from diverse backgrounds with creative approaches to work, play and life (Google Corporate Website, n.d., h).</p> <p>As always, we learn as much from our failures as our successes, and are constantly reminded that execution and delivery matter as much as great ideas (Google Corporate Website, 2010).</p> <p>Obviously, you will have failures, but it is important to fail quickly (Brin, 2013).</p> <p>Some great advice is to not be afraid to fail [...]. Don't be afraid to succeed (Google YouTube Channel, 2013).</p>
Competences	<p>The development cycle is important. You need to flip quickly through things (Brin, 2013).</p> <p>You don't want to search for words. You want to search plus location. That's why we need high level of integration (Page, 2012).</p>

	<p>Other efforts required a bit more creativity, like adding the ability to search news archives, patents, academic journals, billions of images and millions of books. And our researchers continue looking into ways to bring all the world's information to people seeking answers (Google Corporate Website, n.d., h).</p> <p>The translation of our mission into something real and tangible has a huge effect on who decides to join Google, how much engagement and creativity they bring to this place, and even on how they feel and behave after leaving (Bock, 2011).</p> <p>While part of a huge organization, they think – and, crucially, act – like entrepreneurs. Such ‘intrapreneurs’ exist in many corporations, of course. But conditions at Google – where creatively benevolent impulses can be backed up by engineering resources and managerial support – seem to produce an unusually large crop of them (Finn, 2011).</p>
Personality	<p>We have tremendous positive impact on the world (Page, 2012).</p> <p>Our founders built Google around the idea that work should be challenging, and the challenge should be fun (Google Corporate Website, n.d., h).</p> <p>But Google also looks for ‘Googliness’ – a mashup of passion and drive that’s hard to define but easy to spot (Finn, 2011).</p>
Position	<p>Especially in tech, we need revolutionary change, not incremental change (Yarow, 2014a).</p> <p>Our dedication to improving search helps us apply what we’ve learned to new products, like Gmail and Google Maps. Our hope is to bring the power of search to previously unexplored areas, and to help people access and use even more of the ever-expanding information in their lives (Google Corporate Website, n.d., h).</p> <p>...and we’re always looking for new places where we can make a difference (Google Corporate Website, n.d., h).</p>
Value proposition	<p>I like it when we're picking problems like that: big things where technology can have a really big impact (Helft, 2012).</p> <p>And when we build new tools and applications, we believe they should work so well you don't have to consider how they might have been designed differently (Google Corporate Website, n.d., h).</p> <p>As we start up new things, as we're working on new areas, as change needs to happen (Helft, 2012).</p> <p>Other companies make similar products, and yet our employees tell us that they are drawn to Google because being here means something more than ‘just’ searching the internet or linking friends (Bock, 2011).</p>
Expression	<p>We believe that advertising can be effective without being flashy (Google Corporate Website, n.d., h).</p> <p>Doodles are the fun, surprising, and sometimes spontaneous changes that are made to the Google logo to celebrate holidays, anniversaries, and the lives of famous artists, pioneers, and scientists (Google Corporate Website, n.d., d).</p> <p>We all love stories. We're born for them (Google YouTube Channel, 2014).</p> <p>Our homepage interface is clear and simple, and pages load instantly (Google Corporate Website, n.d., h).</p>
Relationships	<p>Engaging with users, really deeply understanding who they are, and delivering things that make sense for them is really, really important (Bosker, 2012).</p> <p>Advertising on Google is always clearly identified as a “Sponsored Link,” so it does not compromise the integrity of our search results (Google Corporate Website, n.d., h).</p>

	<p>You can't have privacy without security - We need to provide people with choice (Page, 2014).</p> <p>And if you think about it, if you're an organization that says 'our people are our greatest asset,' you must default to open (Bock, 2011).</p>
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10.3. Appendix 3: Reputation

ELEMENTS OF REPUTATION	GOOGLE REPUTATION: INTERNAL AND EXTERNAL STAKEHOLDERS' PERSPECTIVES
RELEVANCE: How appealing and meaningful is the value they offer?	<p>“We build products that we hope will make the web better—and therefore your experience on the web better” (Google Corporate Website, n.d., i)</p> <p>“When I looked at the technology we are going to need 5-10 years from now, who has that and who is building it, it is Google” (Tony Fadell in Yarow, 2014b)</p>
TRUSTWORTHINESS: How dependable are their words and deeds?	<p>“Google’s mission is to organize the world’s information and make it universally accessible and useful. (Google Corporate Website, n.d., b)</p> <p>“Google’s ever growing footprint is the logical outcome – and ultimate manifestation — of its brand mission”. (Lee Yohn, 2014)</p>
DIFFERENTIATION: How distinct is their position in the market?	<p>Our hope is to bring the power of search to previously unexplored areas, and to help people access and use even more of the ever-expanding information in their lives (Google Corporate Website, n.d., b).</p> <p>“We want to be a different kind of company. We'd like to have more of a social component in what we do” (Larry Page in Helft, 2012)</p> <p>“[...] big bets on innovations that will change how the world lives with technology will continue set Google apart from its competitors” (Interbrand, 2014)</p> <p>“Google is my go-to for just about anything. It’s no longer just a search engine. It’s like a quirky friend who knows everything you could possibly want to know” (Interbrand, 2014)</p>
CREDIBILITY: How believable and convincing are they?	<p>“It’s really the people that make Google the kind of company it is. [...] Although Googlers share common goals and visions for the company, <u>we hail from all walks of life and speak dozens of languages, reflecting the global audience that we serve.</u>” (Google Corporate Website, n.d., c)</p> <p>“[Google’s] corporate culture is one of the reasons it is consistently ranked a great place to work. [...] It communicates an environment of playfulness from whimsical doodles to <u>April Fool’s Day</u> jokes” (Vorhauser-Smith, 2013)</p>
RELIABILITY: How solid and consistent are their quality and performance?	<p>“The company is constantly assessing its products, phasing out services and offerings that are no longer relevant or are simply unprofitable, and introducing new ones. This responsive behavior suggests that Google pays attention to what consumers like and don’t like—a big reason why overall sentiment for the brand is positive” (Interbrand, 2014)</p> <p>The tech company has figured out the secret to attracting the best talent in the world, while also allowing people to truly enjoy their work. (Groth, 2013)</p>
RESPONSIBILITY: How committed and accountable are they?	<p>We’re also committed to the open web, so we’re involved in various projects to make it easier for developers to contribute to the online ecosystem and move the web forward. And we work hard to create a web that’s better for the <u>environment</u>, by using resources efficiently and supporting renewable power (Google Corporate Website, n.d., i).</p> <p>Even if you don’t know exactly what you’re looking for, finding an answer on the web is our problem, not yours (Google Corporate Website, n.d., h).</p>
WILLINGNESS TO SUPPORT: How engaging and inspiring are their purpose and practices?	<p>“If Google can put all the pieces together and keep innovating, they have a good chance. Whether they succeed or not, the road ahead will be exciting” (McFarland, 2014).</p>
RECOGNISABILITY: How distinct, visible and consistent are their overall communications?	<p>According to Brandirectory, Google is No.2 among the world’s most valuable brands (Brandirectory, 2014).</p> <p>Interbrand lists it as No 2. among the best global brands in 2013 (Interbrand, 2014).</p>

	<p>“Everyone knows Google is big. But the truth is that it's huge” (McMillan, 2013). “The world's No.1 Internet search company” (Baker, 2013).</p>
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10.4. Appendix 4: Acquisitions

Key acquisitions since 2001

Acquisition Date	Company Title	Business Area	Price	Used or integrated with
February 2003	Pyra Labs	Weblog software	n.d.	Blogger by Google
April, 2003	Applied Semantics	Online advertising	\$102,000,000	AdSense, AdWords
July 13, 2004	Picasa	Image organiser	n.d.	Picasa, Blogger
August 17, 2005	Android	Mobile software	\$50,000,000	Android
October 9, 2006	YouTube	Video sharing platform	\$1,650,000,000	YouTube
April 13, 2007	DoubleClick	Online advertising	\$3,100,000,000	DoubleClick by Google
July 9, 2007	Postini	Communications Security	\$625,000,000	Gmail
November 9, 2009	Admob	Mobile advertising	\$750,000,000	DoubleClick
July 1, 2010	ITA Software	Travel technology	\$676,000,000	ITA Software by Google
June 9, 2011	Admeld	Online advertising	\$400,000,000	DoubleClick
August 15, 2011	Motorola Mobility	Mobile device manufacturer	\$12,500,000,000	Motorola Mobility
August 1, 2012	Wildfire Interactive	Social media marketing	\$450,000,000	Wildfire by Google
February 6, 2013	Channel Intelligence	Shopping engine service	\$125,000,000	Channel Intelligence by Google
March 12, 2013	DNNresearch Inc.	Neural networks	n.d.	Google photo search
March 15, 2013	Talaria Technologies	Cloud computing	n.d.	Google Cloud Platform
April 12, 2013	Behavio	Social prediction	n.d.	Google Now
April 23, 2013	Wavii	Natural language processing	\$30,000,000	Google Now
May 23, 2013	Makani Power	Airborne wind turbines	n.d.	Makani - Google
June 11, 2013	Waze	GPS navigation software	\$966,000,000	Waze (Google Maps)
September 16, 2013	Bump	Mobile software	~\$35,000,000	Android
October 2,	Flutter	Gesture recognition technology	\$40,000,000	Flutter by Google

2013				
October 22, 2013	FlexyCore	Android performance boosting solution DroidBooster	\$23,000,000	Android
December 2, 2013	Schaft, Inc.	Robotics, humanoid robots	n.d.	Schaft (Google X)
December 3, 2013	Industrial Perception	Robotic arms, computer vision	n.d.	Industrial Perception (Google X)
December 4, 2013	Redwood Robotics	Robotic arms	n.d.	Redwood Robotics (Google X)
December 5, 2013	Meka Robotics	Robotic systems	n.d.	Google X
December 6, 2013	Holomni	Robotic wheels for omnidirectional motion	n.d.	Google X
December 7, 2013	Bot & Dolly	Automation, robotics, and filmmaking	n.d.	Bot & Dolly
December 8, 2013	Autofuss	Ads and Design	n.d.	Autofuss
December 10, 2013	Boston Dynamics	Robotics	n.d.	Boston Dynamics
January 4, 2014	Bitspin	Timely app for Android	n.d.	Android
January 13, 2014	Nest Labs, Inc	Home automation	\$3,200,000,000	Nest Labs
January 15, 2014	Impermium	Internet security	n.d.	Google
January 26, 2014	DeepMind Technologies	Artificial intelligence	\$650,000,000	Google DeepMind
February 16, 2014	SlickLogin	Internet security	n.d.	Google
February 21, 2014	spider.io	Anti ad-fraud	n.d.	DoubleClick, AdSense
March 12, 2014	GreenThrottle	Gadgets	n.d.	Android
April 14, 2014	Titan Aerospace (Project Loon)	Atmospheric satellites	n.d.	TitanGoogleSplash

Google's acquisitions from 2001 to 2014

Year	Business Area															Total
	Search	Blogging software	Mapping Software	Data Analytics Software	Mobile Software	Video Software	Advertising software	Cloud Computing	Social Networking Software	Data security	Shopping and payment software	Other software	Robotics	Artificial intelligence	Others	
2001	1										1				2	
2003	1	2					2				1				6	
2004			3								2				5	
2005	1			1	5				1		2				10	
2006	2		1	1		1	1	1			3				10	
2007			1	1	3		2	2		2	4				15	
2008		1				1									2	
2009					1	1	1	1		1	1				6	
2010	4				5	2	1	1	6		2	5			26	
2011	1		1	2	3	3	1		3	1	5	4		1	25	
2012					1			1	2	1	2	3		1	11	
2013			1		2		1	1			1	1	7	3	18	
2014 (until 5th May)					2					3	1			1	9	
Total	10	3	7	5	22	8	9	7	12	8	11	27	7	4	5	145

Data collection of embedded cases

Acquisition 1: YouTube		
Year	Business Area	Context-relevant/ Interrelated
2006	Video sharing platform	Context-relevant
<p>Steve Chen, also a YouTube co-founder, said, "It is hard for me to imagine a better fit for two companies," both in terms of technology and company culture (Sorkin and Peters, 2006).</p> <p>With YouTube we found tremendous leadership both of the founders and outsellers. They had a vision to improve entertainment and people's access to entertainment [...] to make the world a better place [...] not only make money [...] but make the change (Page, 2012).</p> <p>Since YouTube launched in 2005, and was acquired by Google in 2006, we've never lost our start-up spirit (YouTube Corporate</p>		

Website, n.d.).

We don't just exchange ideas within our own teams, but work with people across all of Google to find solutions to our challenges on-screen and behind the scenes (YouTube Corporate Website, n.d.).

Following the acquisition, YouTube will operate independently to preserve its successful brand and passionate community (Google Official Blog, 2006).

The way you managed Youtube acquisition which I think you could look at the most successful example of someone buying something and not screwing it up (Page, 2012).

Youtube was doing pretty well, but it was a small company when we acquired it. They had a lot of issues on the IP side, infrastructure side, they had no advertising model [...]. You had to make a number of gut decisions around that transaction. Can we solve the IP issues? Can we find a way to monetise it? [...] Needle-mover doesn't appear to be needle movers at the time (Lawee, 2011).

The two companies will continue to operate independently, Google said [...] (BBC News, 2006).

The combined companies will focus on providing a better, more comprehensive experience for users interested in uploading, watching and sharing videos, and will offer new opportunities for professional content owners to distribute their work to reach a vast new audience (Google Official Blog, 2006).

Acquisition 2: DoubleClick		
Year	Business Area	Context-relevant/ Interrelated
2007	Online advertising	Context-relevant
<p>Combining DoubleClick's cutting edge digital solutions for both media buyers and sellers with Google's scale and innovative resources will bring tremendous value to both our employees and clients (Google Official Blog, 2007).</p> <p>It has been our vision to make Internet advertising better – less intrusive, more effective, and more useful. Together with DoubleClick, Google will make the Internet more efficient for end users, advertisers, and publishers (Google Official Blog, 2007).</p> <p>On display ads, we have really benefited from a successful integration with DoubleClick. We launched new analytics and media planning in DART for Advertisers (DFA), and have made big strides in the Google Content Network—the extensive collection of partner sites on which we run ads from our network. In 2009, we sold display advertising on that network, which includes YouTube, to 94 of the Ad Age top 100 advertisers (Google Corporate Website, 2009).</p> <p>When I think about DoubleClick, it took us years to understand that business (Lawee, 2012c).</p> <p>The acquisition will combine DoubleClick's expertise in ad management technology for media buyers and sellers with Google's leading advertising platform and publisher monetization services (Google Official Blog, 2007)</p> <p>... the customers really liked the DoubleClick product, and in our surveys we concluded that in one of these--this was one of those cases where another company had simply built a better product, which is why we went forward with the acquisition (Schmidt, 2008).</p>		

Acquisition 3: DNNresearch, Inc.		
Year	Business Area	Context-relevant/ Interrelated
2013	Neural networks	Context-relevant
<p>The "DNN" in its name stands for "deep neural networks." That's a contemporary approach to designing artificially intelligent systems which requires less work to "train" the systems (Thomas, 2013).</p> <p>Where their technology, which delivers improved recognition of nearby objects and images, could come in handy is with Google Glass, the experimental Internet-connected headset, and Google Now, Google's predictive-assistance technology which attempts to deliver answers without forcing users to enter queries (Thomas, 2013).</p> <p>In other words, Google's already pretty smart—but deep-neural-network techniques could make it far, far smarter (Thomas, 2013).</p> <p>"I am extremely excited about this fantastic opportunity to keep my research here in Toronto and, at the same time, help Google apply new developments in deep learning to make systems that help people," said Professor Hinton. (Franca, 2013).</p>		

This past October the state of the art seemed to move things a bit closer to toddler performance. A system which used deep learning and convolutional neural networks easily beat out more traditional approaches in the ImageNet computer vision competition designed to test image understanding. The winning team was from Professor Geoffrey Hinton's group at the University of Toronto. We built and trained models similar to those from the winning team using software infrastructure for training large-scale neural networks developed at Google in a group started by Jeff Dean and Andrew Ng. When we evaluated these models, we were impressed; on our test set we saw double the average precision when compared to other approaches we had tried. We knew we had found what we needed to make photo searching easier for people using Google. We acquired the rights to the technology and went full speed ahead adapting it to run at large scale on Google's computers. We took cutting edge research straight out of an academic research lab and launched it, in just a little over six months. You can try it out at photos.google.com (Rosenberg, 2013).

Acquisition 4: Bot & Dolly

Year	Business Area	Context-relevant/ Interrelated
2013	Automation, robotics and filmmaking	Interrelated
<p>"It can't be done." This is what Alfonso Cuarón heard when speaking of his vision of weightlessness for the film Gravity. While these words discourage some, they kindle others. The making of Cuarón's Gravity was a formative project for Bot & Dolly (Bot & Dolly Corporate Website, n.d.).</p> <p>Bot & Dolly's creations look similar to Industrial Perception's but they specialise in filming, offering directors the chance to create shots that flow like liquid (Vincent, 2013).</p> <p>"We're a culture of makers, of creators with open minds," says Tobias Kinnebrew, Bot & Dolly's director for product strategy. "We work on things that don't seem possible and try to make them possible." (Pescovitz, 2014)</p> <p>Bot & Dolly is designing software to help creative people from a broad spectrum of disciplines program robots in intuitive ways (Pescovitz, 2014).</p> <p>Only when we're comfortable around robots "can we let the dots connect" between people and the machines, he says. Then the imagination will take over, applications will reveal themselves, and the real magic will emerge. "Computers have become a deeply valuable tool everywhere the creative process takes place in our world," he says. "I think we'll see the same thing happen with this technology as well." (Pescovitz, 2014)</p>		

Acquisition 5: Boston Dynamics

Year	Business Area	Context-relevant/ Interrelated
2013	Robotics	Interrelated
<p>Google is not saying how much money it paid for Boston Dynamics, and said that it does not plan to release financial information on any of the other eight robotics companies it has purchased in the last 6 months (Moss, 2013).</p> <p>"We're experimenting with what automation will lead to [...] Robots will become omnipresent in our lives in a good way." (Drake, 2014)</p> <p>Andy Rubin, former head of Android at Google, has been put in charge of overseeing the Boston Dynamic project (Hof, 2013).</p> <p>The main investors in Boston Robot go from DARPA, the US Army, Navy and Marine Corps to Sony Corporation (Boston Dynamics Corporate Website, n.d.).</p>		

Acquisition 6: Nest Labs, Inc.

Year	Business Area	Context-relevant/ Interrelated
2014	Home automation	Interrelated
<p>Nest's mission is to reinvent unloved but important devices in the home such as thermostats and smoke alarms (Google Corporate Website, 2014).</p> <p>"Nest's founders, Tony Fadell and Matt Rogers, have built a tremendous team that we are excited to welcome into the Google family. They're already delivering amazing products you can buy right now--thermostats that save energy and smoke/CO alarms that can help keep your family safe. We are excited to bring great experiences to more homes in more countries and fulfill their dreams!" (Google Corporate Website, 2014).</p>		

“We’re thrilled to join Google. With their support, Nest will be even better placed to build simple, thoughtful devices that make life easier at home, and that have a positive impact on the world.” (Google Corporate Website, 2014)

From the beginning, our vision was to create a conscious home. A home that is more thoughtful, intuitive – and nice to look at. Our products are loved by customers, best-sellers across major retailers and installed in homes around the world. We have partnerships with some of the largest energy companies in the country to help people save energy and money. We have a huge team of 25,000+ certified professionals who help install Nest in the US and Canada and our company has more than 300 employees spread across three countries.

Google will help us fully realize our vision of the conscious home and allow us to change the world faster than we ever could if we continued to go it alone. We’ve had great momentum, but this is a rocket ship.

Google has the business resources, global scale and platform reach to accelerate Nest growth across hardware, software and services for the home globally. And our company visions are well aligned – we both believe in letting technology do the hard work behind the scenes so people can get on with the things that matter in life. Google is committed to helping Nest make a difference and together, we can help save more energy and keep people safe in their homes

This decision wasn’t made on a whim – Google has been in the mix in some way or another for about three years of our almost four-year history. In fact, my first meeting with Google as a Nester was before we’d launched. At the 2011 TED Conference, Erik Charlton and I huddled in a corner with Sergey Brin to show him a video and an early model of the Nest Learning Thermostat – he instantly got what we were doing and so did the rest of the Google team when we showed them. In May 2011, Google Ventures led our Series B round of financing, and in 2012, Series C. Time and time again, Googlers have shown themselves to be incredibly like-minded, supportive and as big of dreamers as we are. I know that joining Google will be an easy transition because we’re partnering with a company that gets what we do and who we are at Nest –and wants us to stay that way.

Nest will continue to be Nest, with its own distinct brand identity. We will continue to reimagine and reinvent the unloved products that proliferate in our homes, just as we have since we started. We are simply going to get our products into the hands of people around the world – faster (Nest Official Blog, 2014).

In an interview, Mr. Fadell said Google appealed to Nest because it had financial resources and an internal support network— functions like human resources, customer service and law—that would help Nest grow, and expand overseas. [...] Mr. Fadell said he sees Nest fitting in Google’s vision of a connected world that spans from pocket devices to automobiles to homes (Winkler and Wakabayashi, 2014).

In January 2014, we entered into an agreement to acquire 100% of Nest Labs, Inc. (Nest), a company whose mission is to reinvent devices in the home such as thermostats and smoke alarms, for a total purchase price of \$3.2 billion in cash, subject to adjustments. Prior to this transaction, we had an approximately 12% ownership interest in Nest, which was net against the total consideration. We expect that the acquisition will enhance Google’s suite of products and services and allow Nest to continue to innovate upon devices in the home, making them more useful, intuitive, and thoughtful, and to reach more users in more countries (Whitney, 2014).

Acquisition 7: Titan Aerospace (Project Loon)

Year	Business Area	Context-relevant/ Interrelated
2014	Atmospheric satellites	Interrelated
At Titan Aerospace, we’re passionate believers in the potential for technology (and in particular, atmospheric satellites) to improve people’s lives (Titan Aerospace Official Webpage, n.d.).		
“Titan Aerospace and Google share a profound optimism about the potential for technology to improve the world. It’s still early days, but atmospheric satellites could help bring internet access to millions of people, and help solve other problems, including disaster relief and environmental damage like deforestation. It’s why we’re so excited to welcome Titan Aerospace to the Google family (Mack, 2014).		
I’m not Titan anymore. I’m Google (Mayfield, 2014).		

Reasoning, alignment and challenges of Google’s acquisitions

Theme	Quote
Reasoning	Once you get other people interested in your mission (and so interested in cooperating) it’s easier to get access to

	<p>other resources (Page, 2013b).</p> <p>When we think about what [the entrepreneurs] have created we expect that their 90% will be created after they come to Google. [They] have done a good start, but the real value is on the come (Lawee, 2012a).</p> <p>With the resources that Google has, we can make a huge difference (Brin and Page, 2014).</p> <p>The acquisition group's goal is to find key companies with strong engineering power and succeeding where we are not (Steiber and Alänge, 2013:251).</p> <p>Ideally, if you have more people and more resources, you can do more things, get more things solved. We've kind of always had that philosophy (TIME Staff, 2013).</p> <p>In order to meet our users' needs, the more accurate, the more detailed, the more structured the data we have, the better. That's why we bought ITA--to make sure we had better structured travel information (Helft, 2012).</p> <p>Google and Motorola Mobility together will accelerate innovation and choice in mobile computing. Consumers will get better phones at lower prices. Motorola Mobility's patent portfolio will help protect the Android ecosystem. Android, which is open-source software, is vital to competition in the mobile device space, ensuring hardware manufacturers, mobile phone carriers, applications developers and consumers all have choice (Google Corporate Website, n.d. e).</p>
<p>Alignment</p>	<p>I think what we do, which is different, is try and find entrepreneurs who have a vision which is [...] something consistent, [something] what we are not doing today, but big, [something] we can get behind (Lawee, 2012b).</p> <p>Two thirds of acquisitions succeed at Google which is extraordinary (Lawee, 2012b).</p> <p>Every acquisition has its own goals. [...] There would be [...] six months goals one year goals, three year goals. [...] So you can pretty much tell how these things are doing all the way along (Lawee, 2012b).</p> <p>When you acquire those companies and you have visionary founders, you either believe in them or you don't. [If you believe in their vision] you want to put all the resources that you can behind their vision (Lawee, 2012b).</p> <p>The technology has to be right. The regulation has to be right. The partnerships have to be right (Baker, 2013).</p> <p>We don't just exchange ideas within our own teams, but work with people across all of Google to find solutions to our challenges on-screen and behind the scenes (YouTube Corporate Website, n.d.).</p> <p>We are excited about joining forces with Google, and look forward to getting our teams together after close to start working on innovative new ways to make travel search easier (ITA Software Corporate Website, 2011).</p>
<p>Challenges</p>	<p>It's important that the company be a family, that people feel that they're part of the company, and that the company is like a family to them (Lashinsky, 2012).</p> <p>It's about setting goals. Making sure you are setting goals high enough so that people would want to come to work in the morning, and they believe in what the company is doing, and they believe that our ethics are sound and morals are right. We're also trying to make the world better in addition to making our business bigger and better (Page, 2012).</p> <p>It's hard to project forward, because you are always being opportunistic around [...] the landscape [...] and how your product strategy is shaping out (Lawee, 2012c).</p> <p>[Some of the risky bets] have been less successful. But the ability to take these kinds of risks has been crucial to Google's overall success and we aim to maintain this pioneering culture going forward (Google Corporate Website, 2011).</p> <p>If you take that mindset of 'oh we need to constantly change', then you are making strategic decisions every day (Lawee, 2012b).</p>