Identifying Google's Gmail and Microsoft's Outlook's Usage Capabilities in Corporate Environment

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Gmail vs Outlook

Today technology and software has been at its top notch since technology boom in mid-nineties. Our life's and jobs almost fully transferred to computers and mobile phones and companies are trying their best to get some shares from this big piece of cake. According to eMarketer's research (2015) an average person who is over 18 years old spent 9.9 hours looking at screens which includes mobile phones, computers, tablets, TVs and other devices in USA (Chaffey, 2015) But while TV time decreased, time on spent on mobile phones and computers doubled between 2010 and 2015. That is why big companies such as Google, Microsoft and Apple are trying their best to get more users to their interfaces. Those two companies may not seem like a rival at first glance but competition between those two in terms of user interface offline and online going on very strong in the recent years (Kelly, 2015). If we give examples to those competition areas; Google search engine vs Bing, Google Docs vs Microsoft Office and Office 365, Google Drive vs Microsoft One Drive, Android OS vs Windows 10 Mobile, Gmail vs Hotmail and Outlook, Chrome OS vs Windows 10 OS, Google Hangout vs Skype, Chrome web browser vs Edge etc. There are even more online and offline software and interfaces that those two companies are working against each other. (Strickland & Crawford, 2009). Most important and closer competition is in the area providing free and paid email services for personal and business environment. At the bottom, Google is an advertising company with products such as AdWords and AdSense but recently revenue generated from those platforms are lowest in last seven years (Kelly, 2015). On the other hand, Microsoft is an operating system company with main product of Windows OS with PCs but as seen in graphic while internet access from pc drops dramatically, mobile and tablet access increases with same speed (Statcounter, 2016) (See Figure 1)

What makes those two different companies rival that the changing nature of people use email services and wants of consumers. It pushes Google and Microsoft to compete in the more flexible ways and demand for online softwares clearly starts a battle between them. There are areas that both companies are dominant for example MS office and Office 365 for Microsoft but Google Docs are rising its customers. Whereas Google is dominant with its Google Gmail, Microsoft trying to catch Google by its Outlook. This paper will have a critical look on two company's online email services in terms of e-business strategies.
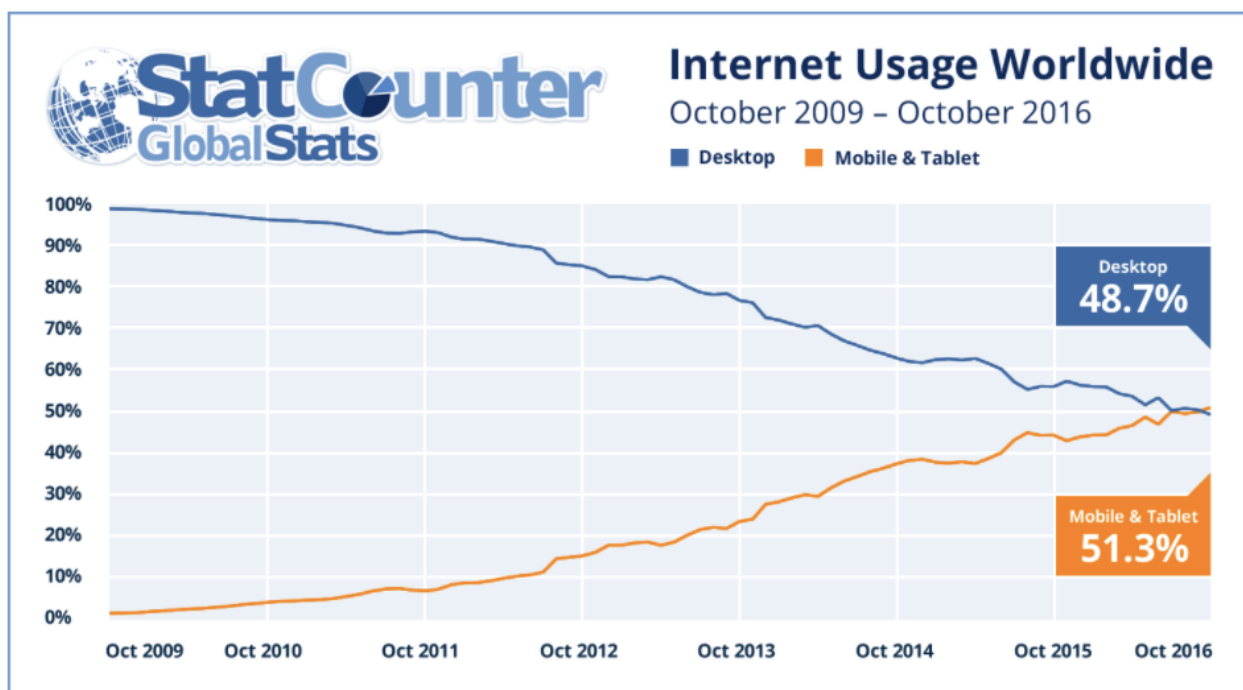

Figure 1

1. **Business Model**

There is no doubt that Google's and Microsoft's email services are the most common used email service throughout the web for personal and business usage worldwide. In Google I/O conference (2016c), Google announced that more than one billion people uses Gmail services (Lardinois, 2016). Whereas MapiLab (2014) announced that in 2014 Outlook users

estimated between five hundred and six hundred million. Customer segments between these two are similar in many ways but Google leads the way with adapting its Gmail service with mobile phones which comes with Android OS. Moreover, Gmail services are being used by 66 of the top 100 universities and by government agencies in 45 states in USA (Lardinois, 2012). Microsoft has decades of experience over the software production and consumer research and that shines with Outlook services that they offer (Strickland & Crawford, 2009). For both company consumer targets are individuals for personal usage of internet and small to huge businesses. For personal usage, each company offers free email usage. However, Gmail scans emails to target users with their ads related to what is included in the emails (Epner, 2014). Microsoft directly targets this Google's approach and says Outlook is private and the user is in control of their data and their personal conversations aren't used for ads (Wohlsen, 2012). For business services both companies offer paid services for extra services they give such as extra storage space, business-named email addresses online office usage etc. We will criticize the revenue models deeper in the next section. Channels used by two companies to reach out costumers differentiate from each other. Google does not let users to use Google services, other than search, if they do not have a Gmail account on their Android smartphones or on web browser. To use Google services such as Docs and Hangout, user needs to create a Gmail account (Google, 2016a). Microsoft takes the same approach for online Office 365. However, Microsoft's 15 years old MSN services (see Figure 2) naturally forced millions of users to create Hotmail email addresses during its most popular times which is between 2008-2012 and because of this legendary messaging interface, many of the people has a sympathy towards Microsoft's email services and Microsoft successfully integrated MSN services to Skype which was a successful move towards keeping the existing users and gaining new ones (Passary, 2014)
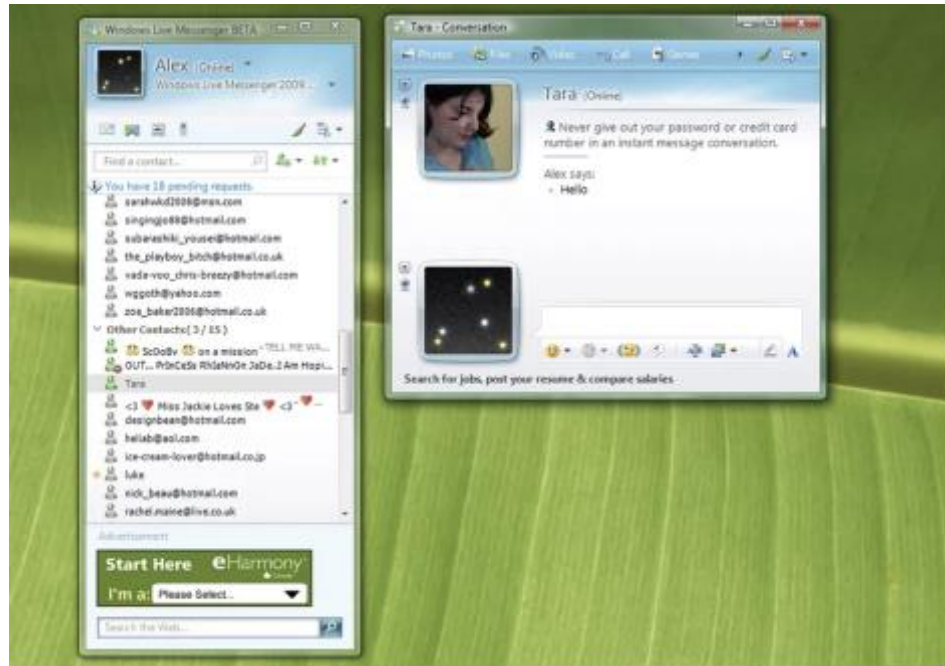
Figure 2

That's being said, value proposition in the eyes of consumer varies. Google has an advantage over Microsoft in terms of public value perception. One out of ten of Google's philosophy says "You can make money without doing evil" (Google, 1998). Customer service and innovation helped Google to build a good reputation. Microsoft used to have a similar reputation through the population but the bad criticism towards to company for its' software stability and security ruined their reputation and company even needed to release transparency reports to public (Dohnert, 2013).

In terms of key activities and resources both companies are working towards improving quality of their email services such as flexibility, anti-spam, personalization and virus protection (Saga, 2015). Both email provider Gmail (Shields,2016) and Outlook (Phillips, 2013) uses CSS and JavaScript in email services. These two coding languages are most important key resources of these email services. As an important asset to keep all personal emails Gmail provides 10 gigabytes of space and Microsoft gives unlimited space. One of the strengths that Microsoft has here is that Outlook service lets users to integrated with social media sites while Gmail only gives access to its own social platform which is Google+. So, this limits usage capability of Gmail across other websites. While Google offers a cross platform Gmail, calendar events, reminders,

contacts, maps, cloud (all connected to one Gmail address) synchronization thanks to its Android based devices with %88 market share (Bhattacharya,2016), Microsoft falls behind in this perspective since mobile platforms of Windows are not found to be successful and in 2016 market share fell under %2 (NetMarketShare, 2016).

2. Revenue Model

Google is the world's biggest internet advertising company and makes most of its revenue by selling advertising opportunities to businesses in its partner websites and dynamic search places by AdWords (Cellan-Jones, 2016). Whereas Microsoft earn most of its revenue from variety of softwares that company develops, licence and supports such as Windows OS and Office programs (Miglani, 2015). When it comes to emailing services, both companies provide paid and free versions of email services along with the other softwares (Wohlsen, 2012). Paid versions of email services usually used by small to big business, they are ad free and comes with a bunch of features such as Docs for Google and MS Office for Microsoft (Babeni, 2016). Both company typically use subscription revenue model, monthly and yearly in their email services for businesses. Google's service for businesses called G Suite and it simply offers two different plans (Google, 2016b). These are one; $5 per month called G Suite basic and second; $10 called G Suite Business. These plans include business named email addresses and other variety of features by Google such as Google Docs, online Calendar, unlimited storage for G Suite Business, audit and report insights and unlimited phone/email support. On the other hand, packages offered by Microsoft are much complicated with the number of seven. Prices varies from $5 Business Essentials package to $35 Enterprise E5 package (Microsoft, 2016a). Microsoft's options also come with enhanced business softwares but much importantly with option to download MS Office programs up to 5 devices and use them offline. The ease, offline usability and professionality of MS Office programs gives an edge to Microsoft's business plans for big corporations (Kapko, 2015). But again, cross platform sync of Google with Android smartphones, tablets, computers and even with Android TVs gives an extra push for younger and tech-savvy businesses to choose it.
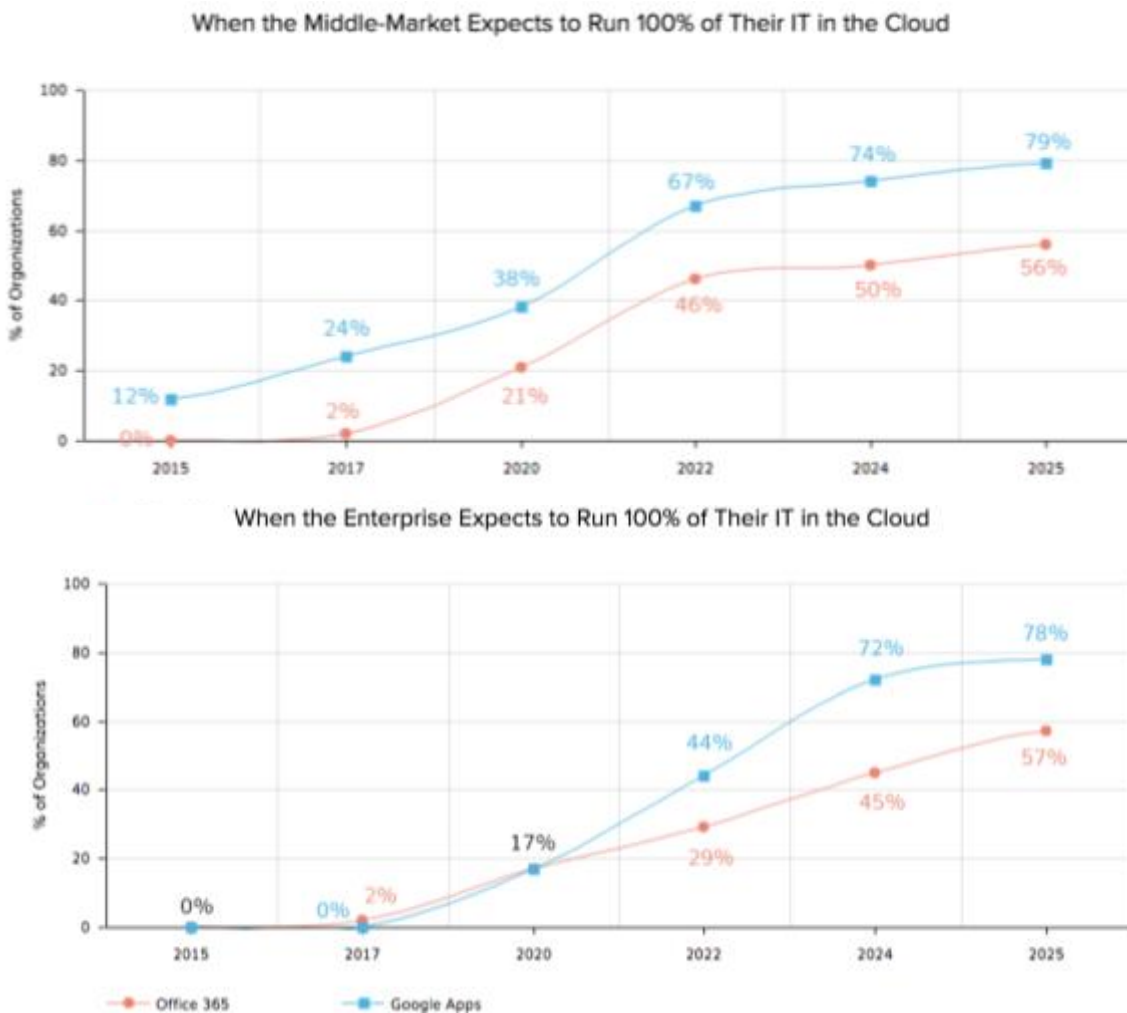
Personal and non-business email service is free to use with both companies. Google and Microsoft adapts to advertising revenue model when it comes to free emailing service. Although both companies earn money by showing ads to email users, there are significant differences in terms of type of ads, collecting data from users and how each company targets the ads (Zara, 2013) Google scans user's emails to target the ads according the data collected which raises privacy issues (Gibbs, 2014) but Google earns from AdWords advertisers that target Gmail users with the targeted data. Google also generates revenue by letting companies send newsletters to Gmail users depending on his/her email data (Google, 2016c; ComputerWorld, 2013). Microsoft does not send newsletters nor scans data from email. The company generates revenue by showing ads depends on the data collected from other websites and applications (Microsoft, 2016b). Microsoft emphasizes that none of email data is used when targeting ads which comforts people to depend on Outlook services slightly more.
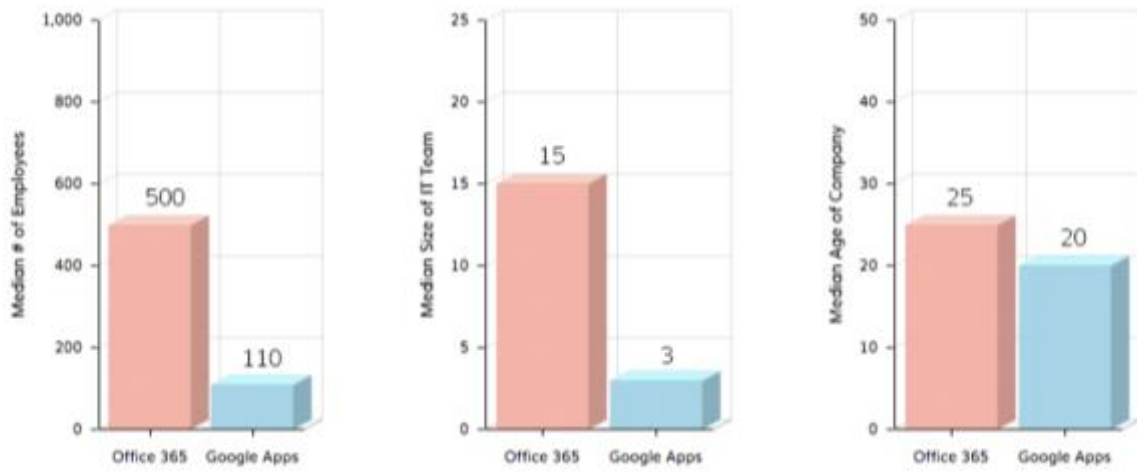
3. E-Marketing Model

Google and Microsoft have both different strategies when it comes to marketing their email services. For both companies, marketing divides into two; B2C and B2B. In the business to business side, Google scans and collect data from email in its servers and markets this data to companies to shape their ads and newsletters which targets the Gmail users (Hachman, 2015). Basically, offers more targeted advertising data which is a huge trend between the companies which spend big amounts of money for advertising (Ganguly, 2015). Microsoft does not collect data from personal emails and promises to keep email private. But, in the same way, Microsoft admits that it is collecting information to personalize users experience from other platforms such as Windows Pcs, Windows apps or Windows mobile and markets this information to other businesses to place banner ads on Outlook email service (Microsoft, 2016c). Both company simply create and market their advertising network. On the other hand, business to customer marketing is done with bundles. Google relies on its simplicity and low cost for new-businesses which wants to enhance their business activities with Google's G Suit. The most important feature of G Suit is that it features business-named email addresses (Google, 2016b) and cloud

office adoption. Cloud Office adoption is an important feature both offered by Google and Microsoft but Google seems to be leading in terms of online office adoption shown in graph (Politis, 2015)
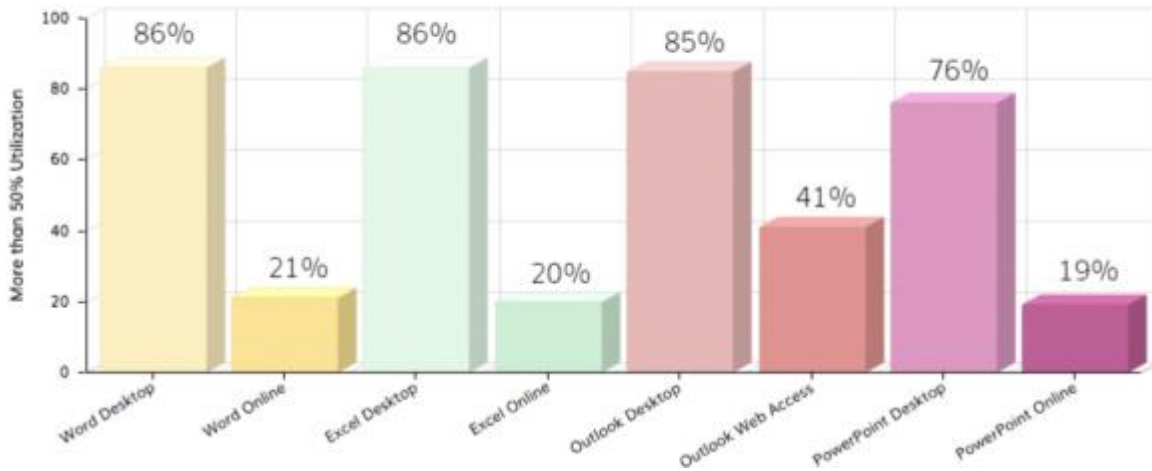
Also like mentioned before, Google's cross platform sync is a strong aspect to be marketed on for Google. Microsoft use professionalism and functionality as marketing terms when it comes to marketing Outlook services to businesses to use (Strickland & Crawford, 2009). It also offers Microsoft Office Programs to be downloaded offline and cloud space to online. Microsoft mostly relies on power of its Office programs to promote paid Outlook services because corporations are mainly going after IT solutions that proved to be successful over the years and easy for every single employee to know and use efficiently.

When the Middle-Market Expects to Run 100% of Their IT in the Cloud

When the Enterprise Expects to Run 100% of Their IT in the Cloud

Figures 3&4 (Politis, 2015)

Microsoft Utilization – Cloud vs On-premise

Figures 5&6 (Politis, 2015)

4. Recommendations

Microsoft and Google has their e-marking strategies sorted out very clear. But each one needs a couple of recommendations. Google should stop or decrease the rate that it reads and scans emails of Gmail users for advertising purposes. When we look at the numbers, even though we see that Gmail is winning over Outlook in terms of number of user (see Figure 5), quit reading emails can bring back the people who wants to experience Gmail with a more secure environment.
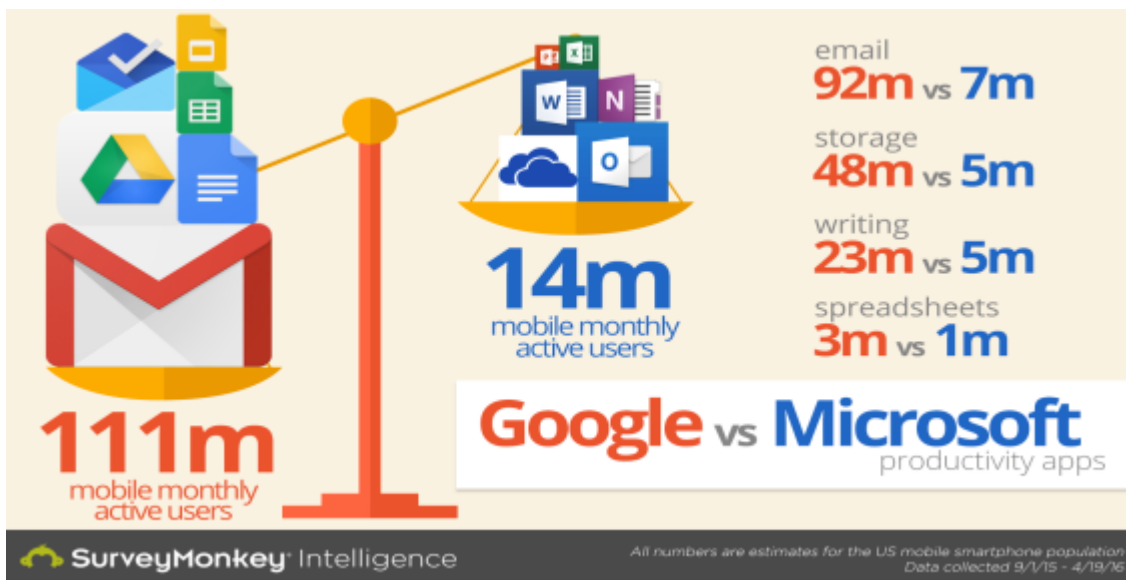

Figure 7

Also, Google's one of the revenue door, selling user data to enable businesses to send newsletter to Gmail users can be annoying from time to time (Profis, 2014). Ad block programs cannot block Google's newsletters. On the Microsoft side, Outlook.com generates revenue by placing an advertising banner on the right-hand side, but that ad banner can be blocked by a basic Ad Block program and Microsoft has made no improvement over consistency of its banner ads against ad block programs in the recent year. Microsoft needs to work on that. For the paid offers, Google's integration with many devices and strong online presence gives it an edge (Politis, 2015). That should push Microsoft to shifts its service to online more than before.

Portable, cheaper and less expensive devices are being popular day by day and portable devices usually has a limited processing power. If this trend continues Google would like to win because Google's services that comes with business named email addresses are web based. Users only need a web browser to access these services. So, Microsoft would fall short in that. In other case, Microsoft would have an edge, if people prefer machines with more processing power which are mainly desktops or laptops with full processors which are a lot heavier to carry around. Microsoft's paid version that gives access to ad free outlook and MS Office programs gives a lot of features to companies in terms of professional work and that naturally puts pressure on the devices processing power. Professionalism and efficient work what Google fails like mentioned before. Big corporations mostly rely on MS Office programs and need a professional work (Kapko, 2015). Google can catch up ninety percent but that ten percent remaining where makes the difference. However, Microsoft should mimic extra features from Gmail to raise its customer profile. For example, in Gmail if a user makes a typo, forgets to add a recipient or sends email to wrong person, there is an undo send feature that takes back the email from the server.

Prices are reasonable for what they offer for both email provider for paid users and companies but Google offers cheaper plans (Google, 2016b). By setting out competitive prices Google gets in front of Microsoft in the eye of fresh and budget-tight companies. Google's cross platform integration and access to Gmail app to write draft and read email when its offline clearly wins over Microsoft. Microsoft is a big company and is strong about software, If Microsoft can market and promote company's Surface and Windows laptops, tablets and smart phones, there is no doubt that outlook and integrated features will show company's ability to support cross platform sync just like Google.

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