

Google sees growth coming from cloud services, emerging markets

Likely to open cloud data centre in India this year

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For Internet giant Google, the next phase of growth will come from cloud services and emerging markets such as India, a few South-East Asian nations and Japan, according to top officials.

The search engine, which has been working on its cloud platform for the last 16 years, is planning to expand into these markets by opening cloud data centres targeted at all kinds of businesses, especially start-ups and financial firms such as banks.

Market opportunity

The company, however, is considered to be a late entrant into the cloud services market, which, according to a Gartner study, has a market opportunity of \$20 billion and is likely to grow 35 per cent next year.

Google, which is a subsidiary of Alphabet Inc, is likely to open a cloud data centre in India this year itself, thus getting into competition with the already dominant players Amazon and Microsoft.

While Amazon Web Services (AWS) has announced that it will



Sunder Pichai, CEO, Google

build data centres in 2016, Microsoft, the leader in cloud business, has already set up three data centres in Pune, Chennai and Mumbai. IBM opened one centre in Mumbai last year.

Urs Holzle, Senior Vice-President for Technical Infrastructure, Google, said in emerging economies such as India adoption of cloud is faster. Traditional businesses and financial services companies are also moving to cloud.

Big announcements

Google, which hosted its first cloud user conference ever in the Silicon Valley on Wednesday, made some major announcements that could help it gain market share from Amazon Web Services and Microsoft.

The announcements include

machine learning tools with speech and image recognition features, enterprise features for audit logging, identity management, security and encryption keys for cloud storage and computing, a monitoring tool called Google Stackdriver, and addition of new customers such as Disney and Coca Cola.

The company already has successful start-ups such as Spotify and Snapchat as its clients.

The company's heightened focus on cloud services is underscored by the fact that it hired Diane Green, Founder of VMware, last December to drive the business. For Green, it is a serious business. "We would not be scaling so fast if it wasn't a serious business," she added.

More data centres

Addressing the Google Cloud Products conference, CEO Sunder Pichai said: "In future almost everything will be done in the cloud as there will be no better way of doing things." Under the Indian-born CEO, Google is prioritising the data-processing technique across all of its products, including cloud.

Despite all this, the Google cloud platform needs more data centres, applications and corporate accounts to gain market share and hence it plans to open 12 new cloud-focussed data centres in the next 12 months.