Issues Of Protecting Consumer Interests And Marketing Strategy – A Case Of Alphabet & Google In The Us

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Abstract:
Customer experience is an integral part of online and offline marketing and consumer protection is a related issue for caring clients, esp. in case of Google. The seamless and consistent user experience offered by google products and services sets it apart from its competitors in the market. Because today, online advertising is the solution that businesses are aiming for and it has blossomed in the era of digital marketing. Google is the easiest, most convenient way to find anything on the Internet. Today, businesses want to grow, they must build their own "ecosystem", not only multi-industry but also diverse in terms of people, views, cultural characteristics. After restructuring, Google manages Google Search, Maps, YouTube, Android and advertising.

Next, Google's Marketing strategies aim at the user experience with products that Google continuously improves in terms of quality and utility that it brings to individuals and businesses.

By data collection method through statistics, analysis, synthesis, comparison, quantitative analysis to generate qualitative comments and discussion; using econometric method to perform regression equation and evaluate quantitative results, the article analyzed and evaluated the impacts of micro and macroeconomic factors on stock price of Google in the US in the period of 2014-2019, Our study results show that: the suggestions will be: the government, Ministry of Finance and State Bank reduce inflation and GDP growth, and firm management need to increase costs to push stock price of Google.

Keywords: marketing strategy; Google stock price; consumer protection;

JEL: M21, N1

1. Introduction

Google is a giant and gain big achievements in the world. With a technology company, the user experience when using its products is of course the top priority. With Google, too, Google's search engine is not only user-friendly, but its algorithms are updated regularly to make it easy for programmers to deploy on this diverse platform. In Google's Marketing strategy, the
The company also offers the philosophy that "User convenience is the main focus of Google products and services". Google plans to automatically enable SafeSearch by default for current users under the age of 18, and will design this feature to be in the default settings for new accounts created in the future for users under 18 years old.

All products and features that will be changed under this new announcement by Google will include the Google Assistant virtual assistant, the Google Play app store, location history Location History and the Google Workspace for Education educational tool.

For example, with the Location History tool, this feature will soon be turned off by default, with no option to re-enable it for all Google accounts with profile information under the age of 18.

Meanwhile, the virtual assistant Google Assistant will soon have "new default protection features". According to Google, they will soon adjust some advertising guidelines to prevent content from showing interest, age, and gender to users under the age of 18.

Another notable change is that the YouTube video sharing social network will soon disable the autoplay feature for users under 18 years old. YouTube will also add filtering tools to help block content unsuitable for children.

The paper is organized as follows: after the introduction it is the research issues, literature review and methodology. Next, section 3 will cover methodology and data and section 4 presents main research findings/results. Section 5 gives us some discussion and conclusion.

2. Body of manuscript

2.1 Research issues
The scope of this study will cover:

Issue 1: What are marketing strategy that make Google success?

Issue 2: What are the impacts of micro and macro economic factors on Google stock price?

Issue 3: Discuss consumer interest protection issues?

2.2 Literature review
Benston (2000) examined six regulatory goals: (1) to maintain consumer confidence in the financial system, (2) to assure that a supplier on whom consumers rely does not fail, (3) to assure that consumers receive sufficient information to make “good” decisions and are dealt with fairly, (4) to assure fair pricing of financial services, (5) to protect consumers from fraud and
misrepresentation, and (6) to prevent invidious discrimination against individuals. In particular, I examine closely the rationale for the U.K. Financial Services Authority, created in 1998, because it might serve as a regulatory model. I conclude that capital regulation is useful for the second goal (failure), but regulations specific to financial services are neither necessary nor desirable for the other goals.

Manisha and Shikha (2014) stated that Exchange rate, Inflation, GDP growth rate affect banking index positively whereas Gold prices have negative impact on BSE Bankex but none of them have significant impact on Bankex. Then, Winhua and Meiling (2014) confirmed that macroeconomic do have a substantial influence to the earning power of commercial banks. Krishna (2015) investigated the nature of the causal relationships between stock prices and the key macro economic variables in BRIC countries. The empirical evidence shows that long-run and short-run relationship exists between macro economic variables and stock prices, but this relationship was not consistent for all of the BRIC countries. Ahmad and Ramzan (2016) stated the macroeconomic factors have important concerns with stocks traded in the stock market and these factors make investors to choose the stock because investors are interested to know about the factors affecting the working of stock to manage their portfolios. Abrupt variations and unusual movements of macroeconomic variables cause the stock returns to fluctuate due to uncertainty of future gains.


Within the scope of this paper, we measure impacts of both internal and external macro factors on Google stock price.

3. Methodology and data

This research paper establishes correlation among macro economic factors by using an econometric model to analyze impacts of many micro and macro economic factors on Google stock price.

We build a regression model with Eview software to measure impacts of factors.

Beside, this paper also uses analytical and general data analysis method to measure and generate comments on the results, then suggest policies based on these analyses.

3. Main results

4.1- Protecting interests of consumers - case of Google

http://www.webology.org
Technological developments, digitalization and platformization have provided consumers with new products and services, often provided free of charge, in exchange for personal data. Digital platforms have become powerful players in the digital economy and disrupted ways of doing business in many sectors. Online platforms provide a digital infrastructure for a variety of services, including e-commerce, Internet search engines, social networks and application stores. Digital platforms have become indispensable not only for consumers but also for businesses. Table 1 shows the impact of digitalization on the global economic landscape. With regard to specific sectors, Amazon held an over 90 per cent share in five different product markets in the first quarter of 2018, Facebook is the leading social networking website, with a 68.95 per cent share as at February 2019, and Google dominates the search engine market, with an 89.95 per cent share as at January 2019.

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Figure 1- Top 10 global listed firms till 2019 (trillion of dollars)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Company</th>
<th>Industry</th>
<th>Market value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Saudi Aramco</td>
<td>Oil</td>
<td>1.88</td>
</tr>
<tr>
<td>2</td>
<td>Apple</td>
<td>Technology</td>
<td>1.18</td>
</tr>
<tr>
<td>3</td>
<td>Microsoft</td>
<td>Technology</td>
<td>1.15</td>
</tr>
<tr>
<td>4</td>
<td>Alphabet*</td>
<td>Technology</td>
<td>0.93</td>
</tr>
<tr>
<td>5</td>
<td>Amazon.com</td>
<td>Consumer services</td>
<td>0.87</td>
</tr>
<tr>
<td>6</td>
<td>Facebook</td>
<td>Technology</td>
<td>0.57</td>
</tr>
<tr>
<td>7</td>
<td>Berkshire Hathaway</td>
<td>Financials</td>
<td>0.54</td>
</tr>
<tr>
<td>8</td>
<td>Alibaba</td>
<td>Consumer services</td>
<td>472</td>
</tr>
<tr>
<td>9</td>
<td>JPMorgan Chase</td>
<td>Financials</td>
<td>0.42</td>
</tr>
<tr>
<td>10</td>
<td>Tencent Holdings</td>
<td>Technology</td>
<td>0.41</td>
</tr>
</tbody>
</table>


* Alphabet has been the parent company of Google since 2015.

(source: author synthesis)

Consumer protection legislation should aim to be technology neutral, that is, its provisions should be effective regardless of the means of commerce. One of the key issues that is rapidly evolving is the liability of online platforms in consumer protection, that is, the level of legal responsibility of platforms in cases of breaches of consumer law by traders. The traditional approach followed by the United States is to apply safe harbour rules that limit the liability of platforms to the services they provide directly.(source: MW Carroll, 2016, Safe harbours from intermediary liability and social media, in JA Rothchild, ed., Research Handbook on Electronic Commerce Law (Edward Elgar Publishing, Camberley, United Kingdom:168–184).
This seems most appropriate when a platform’s business model is to host a list of suppliers and serve as a marketplace only, without adding value to the sellers’ products as such (such as by providing, among others, financing, logistics or customer services). However, platforms are increasingly taking a central role in e-commerce, in particular in the context of peer-to-peer markets, and can exert effective control in most operations between providers and consumers (source: Organization for Economic Cooperation and Development, 2017, Trust in peer platform markets, available at https://www.oecd-ilibrary.org/science-and-technology/trust-in-peer-platformmarkets_1a893b58-en).

So, Dolnicar & Jordaan (2006) conducted An empirical survey within the Australian context was conducted to investigate the general level of concern among Australians about information privacy. Furthermore, associations between privacy concern levels and behaviour, as well as prior experiences with information privacy violations, are examined. Results indicate that: general privacy concern levels are high; associations exist between privacy concerns and protective behaviour; people tend to protect themselves in active ways, such as requesting the removal of information, rather than in passive ways, such as changing the distribution channel to reduce risk of privacy violation exposure; reactions to violations are typically very emotional and include behavioural intentions to take the matter to court.

4.2 - Marketing strategy of Google

Product strategy:
Google is the fastest growing technology company in the market with a surprising number of users. Google's Marketing strategies aim at the user experience with products that Google continuously improves in terms of quality and utility that it brings to individuals and businesses.

Google Search knows what you're looking for
Gmail, Hangouts know what you're talking about
Google Map knows where you are
YouTube knows what you watch
Google Music knows what you listen to
Google+ knows your relationships

This is a wise strategy of google because they chose free to gain loyal customers. If apple has a high-priced product or microsoft has a reasonable price, then google chooses free.

In addition to the google search engine, there are also google chrome browsers, google plus, google maps, ... and all are free. Customers can use almost all the utilities they need from their products. And since then, google's marketing strategy has gone without a hitch and attracted millions of customers to use their products.
**Price strategy:**

By providing the platform for free to users and being able to let them use most of the benefits from its products. Google's Marketing strategy attracts customers without any hindrance. It is because customers try and everything is free that customers become "abusive" of the company's tools. This is considered an extremely smart campaign and it is clear that the company has been very successful with this strategy.

**Place:**

Google distribute its products through online channels and increase customer experience.

**4.3 - General data analysis**

First of all, The below chart 1 shows us that Y has a positive correlation with Cost:

Chart 1 – Stock price (Y) vs. Cost (C)

![Chart 1](chart1.png)

Chart 2 – Google stock price (Y) vs. Inflation (CPI)

Next we find out that, based on the below scatter chart, Y (Google stock price) has slightly negative correlation with inflation (CPI).
Looking at the below chart 3, we also recognize that Google stock price (Y) and G have positive correlation.

Chart 3 – Y vs. GDP Growth

4.2 Regression model and main findings
In this section, we will find out the relationship between micro and macro economic factors and stock price of Google.

4.2.1 Scenario 1 - regression model with 4 macro and micro variables: adding sale into the above model:

Eviews presents the below results:

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>CPI</td>
<td>-2.860304</td>
<td>3.547480</td>
<td>-0.806292</td>
<td>0.4567</td>
</tr>
<tr>
<td>COST</td>
<td>2.137499</td>
<td>1.464427</td>
<td>1.459614</td>
<td>0.2042</td>
</tr>
<tr>
<td>G</td>
<td>-2.565194</td>
<td>4.717794</td>
<td>-0.543727</td>
<td>0.5100</td>
</tr>
<tr>
<td>NETSALE</td>
<td>-0.789720</td>
<td>0.665218</td>
<td>-1.197160</td>
<td>0.2885</td>
</tr>
<tr>
<td>C</td>
<td>21.51523</td>
<td>19.36820</td>
<td>1.110853</td>
<td>0.3172</td>
</tr>
</tbody>
</table>

R-squared  0.879433  Mean dependent var 16.50000
Adjusted R-squared 0.782980  S.D. dependent var 8.809717
S.E. of regression 4.104044  Akaike info criterion 5.968676
Sum squared resid 84.21590  Schwarz criterion 6.119968
Log likelihood -24.84338  F-statistic 9.117697
Durbin-Watson stat 2.928031  Prob(F-statistic) 0.016145

We find out impacts of 4 macro variables, with the new factor: net sales, shown in the above equation, Google stock price (Y) has negative correlation with GDP growth and inflation and net sales, whereas it has positive correlation with cost.

5. Discussion and further researches
Through the regression equation with above 4 micro and macroeconomic variables, this research paper used updated data from 2014-2019 to analyze the regression equation via Eview in order to show that Google stock price (Y) has negative correlation with GDP growth and inflation and net sales, whereas it has positive correlation with cost.

Beside, we can analyze impact of another macro factor, for example, deposit rate when we add this variable into our regression model of public debt. Furthermore, we can add unemployment rate or public debt increase into our econometric model to measure the impact of these factors.
6. Conclusion and policy suggestion
Based on the above data analysis from our regression model, we would suggest the government, Ministry of Finance and State Bank reduce inflation and GDP growth, and firm management need to increase costs to push stock price of Google.

We are in the midst of the Fourth Industrial Revolution that builds on the electronic and information technology of the Third Industrial Revolution in a way that combines technologies and blurs the distinctions between the physical, digital, and biological (Schwab 2016). The results are often positive. Products are being replaced by digital content: Vinyl records were loved by many and even retain a (growing) niche market, but most consumers take advantage of subscriptions to cloud services offering access to catalogues of music on demand on a scale that they could never afford to purchase.

Finally, this research paper also helps to direct further future researches, for instance, we could add deposit rate and unemployment rate into our above econometric model to measure impacts of them.

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Conflicts of interest
There is no conflict of interest

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Exhibit

Exhibit 1 – GDP growth rate past 10 years (2007-2018) in Vietnam