

URL: <https://stvp.stanford.edu/blog/videos/the-great-software-giveaway>

Why does Google hand out Google Analytics for free? Because there's more money to be made in ad spending, and because it's an altruistic solution for the digital ecosystem, says Brett Crosby, Group Product Marketing Manager. After careful consideration at the time of Urchin's acquisition by Google, all parties agreed that keeping the web-based tools accessible to all would be the right strategy.



Transcript

After Google made Google Analytics free, what was the business model behind it? The question actually was making Urchin free.. The truth is we made Urchin on demand free but the software version actually is just coming out in beta.. It's actually available again as an installable beta, and that is going to be a paid product, so just to be clear about that.. But we don't anticipate a huge amount of adoption there.. Maybe there will be a huge amount of adoption.. We have so much demand still from the original Urchin customers.. A lot of these guys are still using it.. These guys all want us to address this side too.. They all want us to come out with this version so we are coming out with that again.. Many Urchin enthusiasts are very happy about it..

As far as the cracks to the question, why did Google make Google Analytics free? Why not make it a paid model? The simple answer is that anything we could have charged for the product, Google has the opportunity to make a lot more money if a lot of people use it to improve the way they're spending their ads.. So that's, again, the non-altruistic reason why Google did.. There's a very clear incentive.. It'd be better for us at scale if we can get a ton of advertisers using this or even non-advertisers and get them advertising because you can show them how well the whole ad system works or people coming from search into your website and then you make improvements.. It just made a lot of sense.. If everyone spends a little bit more on search, it justifies the whole thing many times over.. Then, for the altruistic reason, as I said, it really helps the entire ecosystem, and we really believe it does.. You talk to people all the time.. I see them at trade shows and they say, "My site has gotten so much better.. It really helps me do all these things." I personally think it was one of the smartest things we did with the acquisition..

That's something that we debated for a long time...