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## Google Sees Pickup in Paid Enterprise Business

### Firm Tries to Take on Market Leaders Like Microsoft

By SHIBANI MAHTANI  
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SINGAPORE — Google Inc. is starting to record a pickup in its paid enterprise business across Asia, an executive said, as it tries to take on market leaders such as Microsoft Corp. in one of the few sectors where traditional technology companies still dominate.

In the U.S., Google's enterprise software — versions of Gmail, Google Maps and other applications tailored for businesses rather than consumers — is gaining popularity. It is now used by big corporations such as General Electric Co. and Roche Holding AG, rather than just the small businesses and startups that traditionally flocked to the Internet company's inexpensive tools. Nine years after the inception of Google's enterprise wing, 58% of Fortune 500 companies use some paid form of the software across their business, according to the company.

Now some of Asia's largest companies, including Madras Cements Ltd. in India, South Korean steelmaker Posco and Japanese airline operator ANA Holdings Inc., are starting to incorporate Google software in their businesses — a phenomenon that is occurring much faster than it did in the U.S., said Amit Singh, Google's head of enterprise. He declined to provide specific figures.

"Asian companies don't have as much legacy to worry about," Mr. Singh said. "There's less to overcome and less to migrate over" when switching to Google tools from traditional business software.

Microsoft still dominates the consumer and enterprise markets for office suites, with 93% of the combined market and more than 80% of the corporate-email segment, according to research company Gartner Inc.

And challenges remain for Google.

Analysts say corporations — particularly financial-services companies — continue to worry about security and privacy issues when using Google's tools. Some say the company's Android operating system, for example, is prone to security flaws and potential software breaches that would allow malware to steal data from calls and other applications. That is particularly worrisome for companies that deal with the secure data of thousands of people.

Mr. Singh said security is becoming much less of a concern, particularly in the past year. Companies are susceptible to an array of security breaches, for example, from lost laptops or people taking photos of secure data, he said. Google said it is stepping up investments in data security, storing information in different servers, providing better encryption of data and protecting its data centers, allowing the company's tools to be tailored to businesses according to industry privacy standards.

Google enterprise tools also allow business software to be used on a variety of devices, Mr. Singh said, an important consideration in Asia, where many people access the Internet primarily through mobile devices because of poor landline infrastructure. Mr. Singh said applications such as Google Maps are "built inherently to be platform agnostic" rather than desktop-focused technology used by the company's competitors. That helps explain the popularity of enterprise tools in the region, he said.

For companies such as Madras Cements, the biggest cement maker in South India, "traditional means of reporting using Microsoft Excel sheets were complex and time-consuming," said Chief Executive A.V. Dharmakrishnan. The company now uses paid enterprise versions of Google Maps that it has integrated with its own systems. Company executives said the tools, running on tablet computers, help employees access reports and transactions across their plants in real time.

Yum Brands Inc.'s KFC in the Philippines, Woolworths Ltd. in Australia and ANA are among those in the region using enterprise versions of Google's document-sharing functions, replacing traditional tools such as Microsoft Word.

Google said its market share in the enterprise sphere, particularly in the Asia-Pacific region, is still small compared with that of Microsoft, without elaborating on specifics.

Microsoft said its system is "without a doubt the largest" in the information-technology industry. The company said it expected to continue to lead the sector, with its cloud services, including Office 365, growing more than 150% a year in the Asian-Pacific region.

Still, there are signs that Microsoft is feeling the pressure. It has been forced to cut prices and has boosted its commissions to resellers as Google has muscled in on its turf.

Mr. Singh acknowledged the challenges in expanding into the enterprise market but said there are some "beacons" for the industry to follow. He cited Spanish banking company Banco Bilbao Vizcaya Argentaria SA, which has switched more than 110,000 employees to Google's enterprise software.

— Shira Ovide in San Francisco contributed to this article.