



# Amazon competitor deep dive

Apr. 2017

Discussed in 4/27 PBF, notes from discussion [here](#)

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## Need to focus on making Play user and developer loyalty a rational and attractive proposition

Context: Amazon JP lacks critical mass of users and developers today. If they can achieve either, we believe this will create a virtuous cycle drawing in more users and developers - increasing appeal of Fire devices and greatly increase the severity of the threat

	Current situation	What we worry about	What you would have to believe	Our goals
Users	<ul style="list-style-type: none"> <li>• [ ] of Play users using Amazon store, Amazon apks</li> <li>• For titles on Amazon store, [ ] of HVUs using Amazon apk</li> </ul>	<ul style="list-style-type: none"> <li>• Amazon can grow its reach to [ ] of Play users</li> </ul>	<ul style="list-style-type: none"> <li>• Massively increase Fire OS device sales or Amazon Prime discounted mobile devices</li> <li>• Amazon store pre-installation deal with major OEM, carrier</li> <li>• Increase discounts on IAPs</li> </ul>	<ul style="list-style-type: none"> <li>• Make it attractive for users to stay on Play</li> </ul>
Developers	<ul style="list-style-type: none"> <li>• [ ] of top 100 Play apps are available on Amazon apps store</li> <li>• For titles on Amazon store, [ ] of Android spend coming from Amazon</li> </ul>	<ul style="list-style-type: none"> <li>• Amazon can attract [ ] of top 100 Play apps or increase share of Android spend to [ ]</li> </ul>	<ul style="list-style-type: none"> <li>• Amazon offers even better incentives to developers</li> <li>• Amazon acquires major gaming company and publishes exclusively on their store</li> <li>• Developers become more pessimistic about growth</li> </ul>	<ul style="list-style-type: none"> <li>• Make it more compelling for developers to focus on Play</li> </ul>

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Play benefits from network effects.

Users come to Play because we have by far the most compelling catalogue of apps / games

Developers come to Play because that's where the users are.

Amazon will struggle to break those network effects.

Users won't go to Amazon, because their catalogue of apps / games is very limited

Developers won't focus on Amazon, because they don't have users.

For Amazon to become successful, they have 2 options:

Build a critical mass of users, without having many developers. Once they have a critical mass of users, developers will follow.

Build a critical mass of developers, without having many users. Once they have a critical mass of developers, users will follow.

Once they have their own critical mass of users and developers, they'll also benefit from network effects.

At that point, it'll become much harder for us to compete.

We need to be particularly concerned because Amazon thinks about gaming like all of Prime... as a loss leader to bring buyers to their ecommerce store. Realistically, they can sustain losses indefinitely.