



Case Study: Competing in the AI Market – Google Gemini

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Abstract – The rapid evolution of artificial intelligence (AI) has intensified competition among major technology companies. This case study examines the strategic positioning of Google in the AI market through the development of Gemini. Introduced as a next-generation multimodal AI model, Gemini is designed to compete with leading systems such as GPT-4 and other large language models. The study explores Google's approach to integrating Gemini across its ecosystem, including search, cloud services, and productivity tools. It highlights key factors such as innovation in multimodal capabilities, scalability, ethical AI deployment, and market competition. Furthermore, the analysis evaluates the challenges Google faces, including regulatory scrutiny, data privacy concerns, and intense rivalry from companies like OpenAI and Microsoft. The case study concludes that while Gemini strengthens Google's competitive edge, sustained success depends on continuous innovation, responsible AI practices, and effective market adaptation.

Keywords – Artificial Intelligence (AI), Google Gemini, Large Language Models (LLMs), Multimodal AI, AI Competition.

I. INTRODUCTION

The AI product market encompasses software, platforms, and services that leverage artificial intelligence to automate, enhance, or create value across industries. Its rapid growth is driven by adoption across business processes, consumer applications, and enterprise solutions. Key segments include generative AI platforms (e.g., ChatGPT, Google Gemini, Claude, Perplexity) for content creation; AI assistants (e.g., Siri, Alexa, Google Assistant, Gemini) for personal and enterprise use; enterprise AI solutions for analytics, automation, and decision-making (e.g., Salesforce Einstein, IBM Watson, Google Cloud AI); AI in consumer electronics for personalization and predictive services; AI in automotive and mobility for autonomous driving and EV systems; and AI in healthcare for diagnostics, predictive analysis, and virtual assistance. AI adoption spans multiple industries, serving both consumer and enterprise users, with emerging applications in legal tech, education, and sustainability-focused sectors.

In December 2023, Google launched Gemini, its next-generation AI model, marking a significant milestone in the company's AI evolution. Gemini is a natively multimodal model, capable of understanding and generating text, images, audio, video, and code. The launch aimed to consolidate Google's AI capabilities under a single brand and reinforce its leadership in the rapidly evolving AI landscape.

Google implemented a phased launch strategy, introducing Gemini Nano, Gemini Pro, and Gemini Ultra to cater to the diverse needs of users. Gemini Nano focuses on on-device functionalities such as smart replies and summarization on Pixel devices. Gemini Pro targets developers and business users through Google's AI platforms, while Gemini Ultra handles complex reasoning and premium tasks via Gemini Advanced. This tiered strategy enabled Google to serve consumers, enterprises, and developers simultaneously

while managing adoption and performance risks effectively.

Gemini operates in a competitive landscape alongside OpenAI's ChatGPT, Anthropic's Claude, and Perplexity AI. While ChatGPT emphasises conversational intelligence and developer integrations, Claude focuses on ethical and safe AI, and Perplexity specialises in real-time information retrieval. Google differentiates Gemini through deep integration across its ecosystem, multimodal capabilities, and productivity-focused solutions that scale from individual to enterprise use.

From a marketing perspective, Gemini exemplifies a technology-driven, market-oriented strategy. It is integrated across Google's ecosystem—including Search, Gmail, Docs, YouTube, Android, and Google Cloud—enhancing productivity, creativity, and decision-making. Google employs a freemium pricing model, offering basic features free, with advanced capabilities available through paid plans like Gemini Advanced or bundled with Google One. Enterprise pricing is value-based and embedded in Google Cloud AI services. Distribution is digital, via Google platforms, devices, cloud infrastructure, and APIs, while promotion focuses on thought leadership, product launches, developer events, blogs, and live demonstrations, prioritising credibility, transparency, and ecosystem integration over aggressive advertising.

In terms of positioning, Gemini is framed as a powerful, responsible, and integrated AI assistant. Unlike competitors emphasising novelty or real-time responsiveness, Google positions Gemini as a productivity-enhancing AI leveraging its strengths in data, search, and infrastructure.

Despite its promise, Gemini faces challenges such as data privacy, ethical AI use, algorithmic bias, regulatory scrutiny, reliability, and high computational costs. Sustaining growth in the AI ecosystem requires balancing innovation with responsibility, transparency, and



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compliance, especially as competition from ChatGPT, Claude, and Perplexity intensifies.

Questions:

Q.1. Identify the AI products discussed in the case. Determine the current stage of Google Gemini in the Product Life Cycle (PLC), plot its PLC curve, and suggest appropriate strategies for this stage.

Q.2. Analyse how the STP model can be applied to AI products to identify segments, target audiences, and position offerings effectively

Q.3. Evaluate the marketing mix adopted by a leading AI product, such as Google Gemini, in achieving and sustaining a competitive advantage in the AI product segment.

Teaching Objectives:

1. Understand AI product market segmentation and competitive dynamics.
2. Apply marketing concepts such as PLC, STP, and marketing mix in a tech-driven context.
3. Evaluate strategic marketing decisions for emerging AI products.
4. Discuss challenges and ethical considerations in AI product management.

Teaching Plan / Approach:

1. Pre-class Preparation: Students read the case and research AI competitors.
2. Class Discussion:
 - Discuss AI market segmentation and emerging trends.
 - Compare PLC stages of Gemini vs. competitors.
3. Group Activity:
 - Plot PLC for Gemini.
 - Propose STP strategies and marketing mix adjustments.
4. Critical Thinking:
 - Debate ethical, privacy, and regulatory challenges in AI product marketing.
 - Discuss the sustainability of competitive advantage in fast-evolving AI markets.

5. Teaching Note – Google Gemini:

The AI product market is rapidly expanding across industries, with key segments including generative AI (ChatGPT, Google Gemini, Claude, Perplexity), AI assistants, enterprise AI solutions, consumer electronics, automotive, and healthcare. In December 2023, Google launched Gemini, a multimodal AI capable of generating and understanding text, images, audio, video, and code, consolidating its AI capabilities under a single brand. Gemini was introduced in three tiers—Nano (on-device tasks), Pro (for developers and businesses), and Ultra (for advanced reasoning and premium tasks)—allowing Google to target consumers, enterprises, and developers while managing adoption risks. Competing with ChatGPT, Claude, and Perplexity, Gemini differentiates through deep ecosystem integration, multimodal functionality, and productivity-focused solutions. Google employs a freemium pricing model, digital distribution via its

platforms and APIs, and promotional strategies emphasising thought leadership and credibility. Positioned as a responsible, powerful, and scalable AI assistant, Gemini faces challenges including data privacy, ethical AI use, algorithmic bias, regulatory compliance, and high computational costs, requiring a balance of innovation and responsibility to sustain growth in the competitive AI market.

II. CONCLUSION

The emergence of Gemini marks a significant milestone in Google's AI journey, reinforcing its position in an increasingly competitive landscape. By leveraging its vast data infrastructure and ecosystem integration, Google has positioned Gemini as a powerful and versatile AI solution. Its multimodal capabilities provide a distinct advantage, enabling applications across text, image, and code processing.

However, competition remains intense, particularly from OpenAI and Microsoft, who continue to innovate rapidly. Challenges such as ethical concerns, bias mitigation, and regulatory compliance must also be addressed to maintain trust and adoption.

Overall, Gemini represents not just a technological advancement but a strategic move in the global AI race. Future success will depend on Google's ability to balance innovation with responsibility while delivering real-world value to businesses and consumers.

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