

# Google's forming a blockchain unit and looking to partner on crypto

Article

**The news:** Google is creating a new unit dedicated to "blockchain and other next-gen distributed computing and data storage technologies," according to a leaked email [obtained](#)

by Bloomberg.

The blockchain unit will be led by a longtime Google veteran Shivakumar Venkataraman, Bloomberg reports, and will sit in Google's relatively new Labs division, which is also home to the firm's research into virtual and augmented reality.

**Key context:** Global spending on blockchain is forecast to reach **nearly \$179 billion in 2024**, **growing at a five-year compound annual growth rate of 46.4%**. As interest in the technology grows, Big Tech is increasingly testing the water for payment use cases.

- **Meta** (previously Facebook) is attempting—and struggling—to get its cryptocurrency Diem off the ground. It launched its Novi-WhatsApp link in mid-December with the stablecoin PaxDollar instead of Diem.
- **Twitter** is experimenting with crypto tips and NFTs.
- **Amazon** operates its Managed Blockchain service, which helps clients interact with public blockchains like Bitcoin and Ethereum or scale their own private networks.

**Google waded slowly into crypto and blockchain:** Perhaps fearing regulatory blowback that it doesn't really need, Google banned ads for cryptocurrency wallets from its advertising network until August 2021 and has resisted accepting crypto payments for its products and services.

But this week, when discussing plans for the future of Google Pay, **Google president of commerce Bill Ready** told Bloomberg the company will team up with providers of “a wider range of financial services, including cryptocurrencies.” Over the past year, Google partnered with several crypto companies in payments.

- In April, Google Pay announced a partnership with **Gemini** that let the crypto exchange's users purchase Bitcoin through Google Pay using fiat currency on a debit or credit card.
- In June, the tech giant partnered with Coinbase, so customers of the exchange can use their Coinbase ZCard to pay for goods and services through Google Pay. Users could also earn crypto rebates of up to 4%.
- In October, a partnership with Bakkt let the exchange's customers purchase goods and services using select cryptocurrencies through their Google Pay wallet.

**Why this matters:** It's too early to tell whether Google's blockchain effort is more research-oriented—aimed at shoring up the infrastructure meeting its massive network and storage

needs—or if it just wants to boost Google Pay’s transaction volume.

But mention of “blockchain” inevitably conjures the scenario of Google developing its own crypto. Google could deploy a blockchain in direct competition with [JPMorgan’s Onyx](#) project. Or Google’s blockchain could run platforms for the [metaverse](#), such as decentralized projects like **Decentraland** and **The Sandbox** already in [use](#). All of these moves would be in line with our 2022 [prediction](#) that tech giants will be undeterred by Plex’s surprise unraveling and will continue to make big moves in financial services—and beyond.

# Business Potential of Blockchain Technologies According to Financial Services Executives Worldwide, April 2021

*% of respondents*

Blockchain technology is broadly scalable and has achieved mainstream adoption

81%

Our business partners, suppliers, customers, and/or competitors are discussing or working on blockchain, digital assets, and/or cryptocurrencies in context to solutions or strategies

80%

Our industry will see new revenue streams from blockchain, digital assets, and/or cryptocurrency solutions

80%

Our executive team believes there is a compelling business case for the use of blockchain, digital assets, and/or cryptocurrencies within my organization or project

78%

My organization will lose an opportunity for competitive advantage if we don't adopt blockchain and digital assets

73%

Note: n=1,280

Source: Deloitte, "2021 Global Blockchain Survey," Aug 19, 2021

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