Google is a monopoly — and it's crushing the internet

Ryan Cooper

Five to 10 years ago, independent bloggers used to be able to get by on internet advertising, like the broadsheets of yore. But that changed quite quickly, and for two big reasons: Facebook and Google. They now gobble up the vast majority of internet advertising dollars — about 85 percent, as my colleague Jeff Spross writes — and a great many media outlets have been forced to move to direct subscriptions or other business models.

Google and Facebook manage this because they are platform monopolists. They can exert tremendous influence through their control of how people use the internet — and crush productive businesses in the process. Like any monopoly, it is long since time that the government regulated them to serve the public interest.

The latest example of monopolist platform abuse comes from Adrianne Jeffries with the story of *CelebrityNetWorth.com*. This was a small business started by a man named Brian Warner, who found in 2008 that there was no good data on how much Larry David was worth. After some digging, he figured it out — and discovered that there was tremendous demand for information about celebrity wealth. He started a small media business, eventually hiring a staff of 12 to conduct detailed investigations — sometimes even corresponding with the celebrities themselves.

Not, perhaps, the most noble pursuit in the history of journalism. But it was manifestly serving a public demand, and keeping a dozen people productively employed. Entrepreneurship!

Then Google came up with an idea for "Featured Snippets," which places answers to search queries at the top of the search page. Instead of having to click through to find the answer to a question, it will simply tell you a summary of the top search results.

Before rolling it out, Google asked Warner if they could scrape his data and credit him. Warner declined, but Google did it anyway. The algorithm they use for the snippets is notoriously error-prone — and worse, the celebrity net worth ones often failed to credit his site. Many would scrape other sites that had themselves aggregated *CelebrityNetWorth.com*. The overall result was devastating:

> In February 2016, Google started displaying a Featured Snippet for each of the 25,000 celebrities in the *CelebrityNetWorth* database, Warner said. He knew this because he added a few fake listings for friends who were not celebrities to see if they would pop up as featured answers, and they did. "Our traffic immediately crumbled," Warner said.

> "Comparing January 2016 (a full month where they had not yet scraped our content) to January 2017, our traffic is down 65 percent." Warner said he had to lay off half his staff. [*The Outline*]

Now, it is true that Warner was getting most of his traffic from Google in the first place — which brings me right to the core of the case for regulation. Many would argue that it's Google's (or Alphabet's, as it were) search tool, and they have the right to do whatever they want with it, end of discussion. But this fails to understand the true roots of Google's position and strength.

Google is indeed a pretty nifty search tool. But it is not *that* much better than Yahoo or Bing — indeed, its algorithm is so present-biased that I find DuckDuckGo a superior tool when looking for less immediate material. What gives it roughly 80 percent of the online search traffic is *first mover advantage*.

Back in the mid-'90s when Sergey Brin and Larry Page started the company, there were many other search tools jostling for position. Google was just a little bit better than the others, and far more importantly, rolled out at crucial time when the internet was exploding in size and in popular consciousness. When people first learned about trying to find things on the internet, Google was generally where they were sent. With a single, unified internet, search is largely a winner-take-all service. Soon, "google" became a verb. That leg up gave them a huge advantage on other companies trying to compete in the search space. Microsoft has been flushing money away on Bing for years and years and barely made a dent, and Yahoo has been slowly killed off by all the ad money flooding into Google and Facebook.

Second, what makes Google's search dominance profitable is *network effects*. Without a large internet to index, and a huge number of people looking for things online, even the best imaginable search would be worthless.

The upshot here is that both Google's overwhelming search dominance and their profitable exploitation thereof are *almost wholly unmerited* in terms of their actual product. Google is a fine tool, but what defines the company is luck. Its profits come from a largely unearned strategic position within a socially-created communication medium. Devouring a small business that provided Google and the internet writ large with quality research simply to keep people fenced onto their own portion of the internet is just one particularly egregious example how this position can be abused.

How this might be prevented is an interesting question. It could be that careful anti-trust action could build a market with several search competitors, and thereby create some competition. But certainly all search platforms should be forced to follow something like a railroad's common carriage rules, where websites are not allowed to be ranked according to how much they might profit the platform itself, and get fair access to search traffic.

Only one thing is certain: All monopolies are regulated. The only choice is between private regulation on behalf of executives and shareholders, or democratic regulation on behalf of the public.

Every CIA and NSA tool to hack every device, car, server, phone, satellite, plane or any other communications or network system has been leaked to the world. Every file, voice-mail, spreadsheet, text and email is now in the hands of any 14 year old hacker that wants to sell your data to your enemy. Learn how to protect yourself with disinformation and blind-ends to bypass Google's tricks.

Google bribes the Obama and Clinton executives in order to maintain it's monopolistic position. Demand REAL anti-trust action against Google.