

Microsoft® and Google® Search Engine Wars

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After reading an article this morning on the web in which the author suggested that Microsoft should hang up "Live Search" because they have lost to Google, I started thinking about the problem in general. Microsoft and a lot of other hopefuls would like a large piece of the lucrative web search market. Google truly is the dominant player in this space. But, will they be able to hold on to this lead and are there other technically advantageous products or business decisions which could change this? I have always found problems of this nature interesting. Often, these companies fall into a rut and find themselves responding to their competitor's superior product with their own "me-too" product. Google is still a climbing star while Microsoft is saddled with a number of entrenched products and I would guess a staff that is very defensive about those product roadmaps and the architectures of the products themselves.

Part of effective problem solving is the definition of the actual problem. This can actually be the harder than solving the problem itself. Is the problem "The lack of or loss of market share?", "An inferior product?", "A user perception problem?", "A declining revenue stream?", "The inability to effectively innovate new products which are superior to your competitors?", "Poor marketing of the product", "The limitation of only one primary search engine under most browsers", or perhaps something else not even identified here.

First I would like to say that Microsoft Live Search is not bad. The results are not bad nor the images from an image search. The Microsoft web crawlers on a daily basis does not index near as much as Google's crawlers do – at least from my observations of how often and how much bandwidth both use in hitting my own web sites. You can't type in $5+5=$ in the Microsoft search Window and get the answer 25. But I am not sure that is the big problem. What we really have is a corporate goal, the symptoms, and the actual problem being swilled together in a cloudy pool.

Lets break things down.

Perceived Goal: Microsoft would like a larger share of the search engine market

Current Symptom: They have a insignificant presence compared to Google

The Problem: Microsoft needs a way to allow users to experience their own search engine

If their search engine is superior in any way, they will see increased market share. If it is not, then they have failed to offer a competitive product.

Now that we have a "problem" defined, we can gather up information about the problem in question:

Microsoft controls the desktop. Microsoft has a very respectable browser market share with Internet Explorer. Microsoft has search engine technology. Microsoft has other technologies including their operating system, database and office applications which could be integrated with a solution. Microsoft has the staff and resources to develop, integrate and deploy new applications. Google has most users locked-in to doing Google searches.

So what's the problem? Well maybe the true problem is that Microsoft doesn't have the leadership to act. A half dozen solutions are already hitting me in the face and I have even started to enumerate them.

I will toss out three possible solutions on the table:

1. As in my previous blog on command line interfaces, Microsoft could introduce a new OS which integrates the command line everywhere (and not in a window). And that command line is both a command line interpreter and "search engine window". They eliminate the browser as a separate application. If the user wishes to do a google search... they type in ../google "whatever" I think everyone would find that users find it easier to simply type ../ "whatever" rather than ../google whatever. And if not all the time, at least part of the time. Since the command line interface is tied to the computers resources, they can closely integrate security and access to resources such as uploading, downloading, etc. Dedicated windows would still be possible by typing things like ../Google or ../iTunes. But things like ../iTunes Enya may also be entered for a specific selection.
2. The browser as it is today has one default search engine. If you are set as the default, you have a super advantage. By simply creating a version of IE that would allow multiple search engines to concurrently search and concurrently show results, Google Search and Live Search can both be selected. The results could be displayed side by side. This could be extended to multiple search engines. For instance: If we enter into the search field "360 Product Review", we see that the search Google returns: <http://www.360productreview.com/> as #1, video-games.pricegrabber.com/xbox-360.. as #2, and www.xboxsolutoin.com/2008/10/28/.. #3. On the other hand, Microsoft Live Search returns a sponsored link first: "360 Degree Feedback", followed by an Xbox review reviews.cnet.com/consoles.. #1, Norton 360 reviews reviews.cnet.com/.. #2, and <http://www.360productreview.com/> #3. Finally we see that Yahoo returns two sponsored links followed by <http://www.360productreview.com/> #1, Xbox pricing at www.nextag.com/x-box... #2, and Norton 360 Internet security review reviews.cnet.com #3. Imagine being able to simply select and display more than one search engine in the browser with two or three queries for each search. The

uses can then decide who provides the most useful search results to them. The vendors can then try to create the best interface for the user. One of the most frustrating things to me as a user is when I do a search and I get search results which are completely outdated. I recently did a search recently on whether Firewire was going to be completely obsolete. The results included articles from five to ten years ago. Articles that had no relevance to me. Allowing a user to sort results by date or by other filtering options easily would be a help. Having the ability to have only one result per primary domain name would also be useful... I may not want to see 25 results from the same company. Show me one occurrence of xyzcompany.com and not xyzcompany.com/1.. , xyzcompany.com/2... etc. There are many improvement that both Microsoft, Google and Yahoo could make.

3. Finally, there is a business solution that comes to mind. If a company, such as Microsoft, would acquire a major online retailer such as (for example) "Amazon" then they would have an advantage over any competitor. People often go directly to such sites to shop. Whether it is books, computers or shoes, such a site is often directly accessed for ecommerce. If they owned such a site, their focus could turn to creating the best in class search and display tools for ecommerce that would run under that site and not as a vehicle to get to the site. They could provide tools to allow affiliate web sites to direct traffic to them. And, in essence, completely circumvent the battle they are currently trying to solve by bumping their heads against a wall. Of course, Google could do this too and in that case we would have major ecommerce vendors challenging each other on the web. It is a different solution, but it seems like it would yield much better results than spending billions on Yahoo which would only give them a small increase in market share. Besides, would Microsoft really want to buy a company whose management refused to be purchased when they had a great opportunity in front of them for their investors?

Which solution is best? Well I am not going to answer that question. The point of this article was to show that sometimes companies can't see solutions because their existing products, organizations, and culture won't let them. There seems to often be the sentiment of large companies to buy themselves into market share. There is also always an eager face that wants to be the person behind a big merger. On the other hand, that is the beauty of new companies. They are approaching, perhaps the same old problems, but with a new vantage point. They don't take the view of we can't do it so lets buy it.

Throughout the last three decades of my career, I have witnessed sort of a "King of the mountain" game going on in the technology sector. The King of the mountain never seems to stay on top. The top position is always being challenged. This seems to be true no matter which segment of the marketplace is put under the microscope. When I was learning about computers and programming, there was only one company on top -

International Business Machines. IBM was the leader. And no matter how many companies claim they invented the personal computer first, it was IBM that made the PC a tool for business. And for many engineers and programmers in the early 1980s, the thought of owning an “IBM” computer was irresistible. It was a couple of companies that came along with niche parts of that computer that helped unseat IBM from that top spot. Those companies were, of course, Microsoft and Intel. In the years to follow, both companies became giants. And for the last several decades Microsoft has been chased by IBM, Apple, Digital Research (oh yes remember DR DOS) and Intel has been chased by IBM/Motorola, DEC, AMD and others. But from the flood of new technology companies that emerged from the PC market, the next big wave didn’t come until after the Internet started to take shape and concurrently Microsoft introduced Windows 3.0. Then we saw network players like Cisco emerge and new handset manufactures like RIM appear on the marketplace. With each technology revolution, we have seen a number of players come and go. And this will continue to happen. There is no guarantee that Microsoft or Google will remain at the top of their respective games.

Sometimes companies need to fail and sometimes companies need to realize they are not going to compete in a certain space. But competition is good. We need new competition in many sectors of our economy. Sometimes, we simply need to look at things differently. If a company is going to fail we should let it. Hopefully, out of the ashes will come a new company with a new vision and superior products and services. But for now I will leave you with the thought of US tax dollars helping pay for those stupid Chevy, Ford, and Chrysler Truck TV ads talking about heated steering wheel covers, cargo bay steps, HEMI and V8 engines. As I said, some companies just don’t get it.