

**THE SEARCH**  
**How Google And Its Rivals Rewrote The Rules Of Buiness  
And Transformed Our Culture**

**John Battelle**

Business Books that Matter...Discussion Points  
Mark Cameron White – March 2006

**One: why google is different**

- **The database of the world**
  - The web, books...and now content
  - The interlinking of data?...niche and depth with general and broad
  - Its a small world after all
  - You've got to be published to exist....
  
- **Objective search..or is it**
  - Page rank misses intentions?!
  - Search patterns and behavior...should we protect this?
  - Objective for the masses...what about me?
  - Maybe search creates us...a vanilla world
  
- **Do no evil...brilliant or a mistake**
  - A mixed bag....we'll never know
  - The culture comes first, then the tag line...
  - Aren't some elements of search inherently evil?
  - But...the bold statement creates the brand
  - Social responsibilitiy...its all the rage
  - You want controversy...even if you know its not true!
  - Money can't buy this kind of thinking...why pay for pr?
  
- **Technolgy vs. Personalization**
  - Six of one, half dozen of another
  - Maybe we should all invest in yahoo...the pioneer of intentions
  - First the portal..then search...back to portals
  - Content demands personalization
  - Advertising bidding ruins everything...but enables it!
  - Cottage industries to game the system....just need to know the rules...
  
- **Power without accountability**
  - Search is more powerful than the media....which is more powerful than the government
  - Does the "patriot act" make search accountable?
  - Does the gov't "own" anything?
  - Once personal information is out...can we get it back?

- Is the 1<sup>st</sup> amendment enough?...
- States rights?!
  - Think of the microsoft lawsuits.....
- Anti-trust law... like the old “ma bell”...
  - If that’s the paradigm, should we break it down?
  - Trust-busting...it worked 100 years ago...
- If i volunteer my personal info...isn’t this my problem and not the government’s?!
  - **Reflection of culture...or is culture formed by search**
    - Example...movie’s create reality
    - Example...people create their own “digital identity”
      - Dating
      - Businesses
      - We control what we post
      - Soes.....
    - Maybe search “should” control us...so we won’t cheat!
  - **Google is an intelligent machine**
    - Jeff hawkins idea...
    - Data, storage, connection and prediction all rolled into one!!!
    - Is numenta wasting its time?...search is the closest we’ll ever come to intelligence
    - Need more data...behavior...and predictions
    - But..this is massive intelligence....how do we create “brilliance” in specific fields?

**Two: the early years...lessons learned**

- **Tesla never made money...**
  - But, he is the inspiration...why?
  - Does money or instinct drive innovation?
  - Look at bill gates....andrew carnegie
    - Instinct...money....inspiration – the path
- **Go with your instinct...bill gross**
  - Arbitrage of information...the new “currency”
  - Larry page...”peer review”
  - You are your environment
- **There is always a better mousetrap**
  - Debunks the idea of blue ocean strategy?
  - Seach has converted non-customers
  - Search has created a new industry...the “digital universe”

- **Technology can create the market**
  - The “field of dreams” works?
    - But...the basic need for relevance was there
  - But...technology now drives search
  - Order is: tech...platform...visitors...advertisers
- **Simple is beautiful**
  - Page rank is a simple idea
  - Adrank is a simple idea
  - Click fraud is a simple idea
  - Relevance...now that’s hard!
- **You can make real money from pennies**
  - Volume is more important than margin
  - Need staying power to get the volume
  - Search is now an expensive business to build!
  - Can this be done again, or is the window closed?
- **Knowledge is power**
  - We are google....equals power
  - The eco-system covers everything!

**Three: lessons on growth**

- **Focus, focus, focus**
  - Even for big problems...start small
  - Attack the “core issue”...not all issues
  - Google was contrarian...refused to be a portal
  - The mission...”better search”...drove the effort
- **Culture, product and market timing**
  - Did page really think about this?
  - Like fed ex...an academic study
  - Solving a problem...that wasn’t one then
- **Build dependence and money will come**
  - A “must have”...can be created
  - Free?...starbucks didn’t do that...
  - Maybe start with people...how we behave
- **Be quiet and carry a big stick**
  - Stealth and buzz...it still works

- But flys in the face of revenue
- Timing and launch is an art...or luck!
- But...is secrecy still working for google?
  - Aura of dishonesty....
- **Breaking rules to make new ones**
  - Going into red oceans
  - Focusing on search, not content
  - Getting “rid” of the customer
  - Copying the best ideas (adrank...from bill gross)
  - Stealth...forever!
  - Focus on the technology...not the business
  - Distributed management...3 is better than 1
  - Mission over tradition...
  - Messianic culture...”your lucky to be here”
  - The founders run the place...the students know more than the teachers

**Four: the business model...can it sustain itself?!**

- **“targeted advertising” is the holy grail**
  - Here to stay...movement to the web
  - Impulse buys on the web
  - No sales tax
  
  - Sme’s can compete here....an equal playing field
  - Can’t afford not to be on the web
- **Let the market price itself**
  - Perfect balance of supply and demand
  - New demand if price lowers
  - Price really set by ecommerce sales
- **Brand leverage allows growth**
  - Like p&g or sony...diverse products under house brand
  - Money is in search...not storage, maps, etc.. All are loss leaders – not true for classic companies
- **Don’t sell...let customers buy**
  - Active customer rather than passive
  - Brick and mortar element
  - Cost is the bid...not the ad itself
- **Broad search vs niche search**
  - Comes down to relevance
  - Should be room for niche search

- Like traditional media...fractured market
- **Does adwords trump subscription...sponsorship?**
  - Sponsorship to be on all pages?
  - Subscription for specialized search
  - Fees for customized search?..tynax
  - Transaction fees...ebay
  - Adwords won't work for smaller platforms

**Five: problems on the horizon**

- **Do no evil...is the standard too high?**
  - Branding and culture...needed early on
  - Even mistakes bring attention....china, ads
  - Everyone knows the std is too high...so no big deal
  - The more outrageous...the better?
- **Click fraud**
  - Big issue...rqrs constant attention
  - Cat and mouse game...
  - Will drive down price...so advertisers won't be hurt
- **Seos**
  - Is this cheating...or common sense
  - Seos might be the new "ad agencies"...more important
  - Seos have own problems with conflicts...can't be waived in the same product categories
- **Will the government step in?!**
  - No...search does the dirty work!
  - Too controversial if the gov't is involved
  - People think the gov't is the greater evil...
  - It already has...the patriot act!
  - Better not to regulate...search much better at getting information
- **Can users opt out?**
  - No...the info is always out there.....
  - ...but you can spin and manipulate it
  - You can control the info you give out...but at a high cost
    - With no behavior...no relevance
    - With no financial info...no ecommerce convenience
- **Can advertisers opt out?**
  - Nope....

- **Intent...do we really want to give this up?**
  - There will be an adoption curve...
  - Convenience is more important than privacy
- **Potential lawsuits...**
  - Click fraud....truth in advertising
  - Anti-trust
  - Privacy and content suits
  - The patriot act
  - Discriminatory business practises...

**Six: google and yahoo...which horse will win**

- Google 48%...yahoo 22%....microsoft 11%
- Page rank vs shortcut
- The human factor
- Content search...the next frontier
- A9, amazon, google and yahoo...why reinvent the same thing?
- The semantic web...a meta tag in every pot

**Seven: google and microsoft**

- G-drive...takes data from the desktop...direct hit?
- Windows live search...a windows approach:
  - Multiple search panes in same window
  - Search slider bar...previews of data
  - Smart scroll...all results on a single page
  - Sizing of pictures
  - Save search parameters as macros...publish for viewers of similar interests
- A desk-top approach – display rather than relevance?

**Eight: the best way to compete..**

- **Relevance**...get away from key-words
- **Keys are**
  - Behavior
  - More data
- **Google**...data, storage, objectivity
  - Trust issue...all eggs in one basket
  - Can page rank show relevance?

- **Yahoo**...relevance, diverse content, connections between content
  - The behavior privacy issue
  - A juggernaut that can't be stopped
  
- **Microsoft**...display...integration on desktop?
  - Is display really search?
  - What does the engine look like?
  
- **Execution** – what does this mean in search...
  - Can't mean sales...visitors and advertisers have no choice
  - More product design...roadmap...relevance
  - Communication of philosophy?....or should the product speak for itself?
  
- **Niche search....**
  - Amazon...content
  - Ebay...buyers/sellers...merchandise
  - Linked in....people and relationships
  - Tynax...technology
  - Maybe this is relevance...specific engines for specific search
  - The big 3 are too general to be relevant?!
  
- **Competing on the model**
  - Google's adword
    - Buy the space...and objective relevance
    - The market sets the price
    - Gaming the system
  - Tynax...
    - Customized search inbound
    - Packaged and branded offerings outbound
  - Yahoo subscriptions and promotions
  - Maybe the model doesn't matter...advertisers will go to the most relevant platform

**Nine: too much power or not enough?**

- **To be really scary its got to be bigger...**
  - More data is more relevance
  - But then you lose your soul
  - Maybe there are some things we will never put on the web.....
    - Who we really are? ... but how do we hide this if we use the web?!

- **If uncle george is involved...we'll never know**
  - Comfort in not knowing how our info is used
  - Terrorism...maybe we want and need this
  
- **We are all co-conspirators**
  - Ecommerce requires information
  - Search just grabs whats out there, it doesn't create content
  - We create relevance by exposing ourselves
  - Google and all search is a reflection of us!

**Ten: are we finding or losing ourselves**

- **The thrill is the journey...not the destination**
  - Battelle's searches...the detours are important
  - Not finding the answer gives new alternatives
  
- **Are we going to forget how to think?**
  - No...but its like an airplane ride...we'll miss what we'd see in a car
  - But...more intelligence brings better decisions
  
- **If intelligence is experience, we are doomed**
  - But...can learn from the experience of others
  - Search is like books...
  - The thrill of the game might be gone though...search can never help with the meaning of things.