

Redefining the Search Scenery

By Jim Hedger, StepForth News Editor, [StepForth Placement Inc.](#)

As expected, the roll out of change in the world of search is proving to be highly disruptive. Though the year is only three weeks old, noticeable shifts are occurring among the largest search entities and throughout the search marketing sector, making the scenery much different this month than it was just a few short weeks ago. These are among the most interesting times on the Internet as the largest players are positioning themselves to take their unique and collaborative runs through the year of global convergence.

For those interested in search marketing, a number of things will soon be different, most notably, our assumptions about the state of competition in the search sector. The three-way race between Google, Yahoo and MSN is, for all intents and purposes, over.

Yesterday, Yahoo's chief financial officer, Susan Decker, suffered the embarrassment of producing a poorly paraphrased quote. She made a simple, clear and brutally honest statement agreeing with a reality everybody else already perceived. It wasn't as much what she said.

Decker acknowledged in an [interview with Bloomberg News](#) that Google has a much larger share of the global search market than Yahoo does and that the gap is not likely to be bridged anytime soon.

"We don't think it's reasonable to assume we're going to gain a lot of share from Google," Decker said. "It's not our goal to be No. 1 in Internet search. We would be very happy to maintain our market share."

The comment left some questioning Yahoo's long-term commitment to excellence and innovative search technologies. The attendant controversy stems in part from the way she chose to state the obvious but also in part from a public perception that Yahoo has not fully defined its place in the search sector. That three-way race metaphor wasn't working anymore.

Google dominates today's versions of search and both Yahoo and MSN are prepared to admit it. In short, the recent past and the persistent present belong to Google. For its formal rivals, the only place to look is the future. Time is accelerated, often to the point of pointlessness in the tech world and that future is already functioning online. It is just waiting mass user adoption.

The interview was conducted last week, just after Yahoo released fourth quarter financial results that, while wildly profitable, were seen as mildly disappointing by investors. Wall St. appeared to be expecting Google-sized gains from Yahoo, results even Google will have a hard time matching when they release their Q4 numbers next week.

As for the search marketing community, Yahoo actually delivered good news that was buried beneath Decker's first quote. Yahoo's CFO was also quoted saying, "We have held our own, and we should gain revenue share in the industry as we roll out these new initiatives. Our goal has been to hold our share and to be a leading, if not the leading, total marketing platform, which would include both brand and search."

Yahoo is improving its Yahoo Publisher Network and is almost ready to bring it out of beta. The YPN is a live experiment in online publishing built on the idea that an increasing number of individual web users will help funnel large amounts traffic based on shared interests.

Meanwhile, Microsoft appears to have been badly affected by losing the AOL deal to Google. It is almost as if Galileo's law of inertia is applied in double doses in the Pacific Northwest. Very little search related has moved forward from Microsoft over the past year though they do maintain a relatively good search engine.

A year ago, Bill Gates told the world it hadn't seen anything when it came to search. MSN search had just introduced its own algorithmic search engine and was ready to challenge Google. Nine months ago, Steve Ballmer noted MSN search was going to produce much better results than Google.

Six months ago, Microsoft reorganized its management structure to streamline integration between its software and Internet services divisions, challenging Ray Ozzie to bring it all together. Three months ago, Ballmer was said to be throwing chairs in a fit over how badly Google was beating Microsoft, notably around hiring and retaining talent.

A year later, the search results at MSN are pretty much the same and they still haven't introduced a search-advertising product to compete with Google's. Again, Google virtually owns the space.

In the face of Google's dominance, Microsoft is looking inward both figuratively and literally. The reorganization of its management system in the autumn of 2005 was the first clue to how Microsoft is preparing to redefine itself in relation to the search sector. Gates' comments at the Consumer Electronics Show earlier this month mark the second.

Microsoft is retrenching behind the operating system right now. While it is working to release its paid advertising program adCenter by the summer, much of its efforts are said to be going towards finally shipping the new Vista OS, with a number of search and e-commerce tools included.

Google's dominance of today's version of search is absolute, a big problem for Yahoo and MSN even as they look forward to an expanded search environment. Search is the primary way to access information on the web and in order to stay in business, Google's rivals need to segment the concepts of search and find ways to excel in specific areas while Google overshadows general search.

The next few months are going to seem like a waiting game until the bevy of new products already introduced or soon to be introduced, (and user adoption of those products), begins to change the way searchers look for information and results are compiled. There is going to be a lot more stuff available to the common searcher and a lot more sources to draw from.

Yahoo is thinking outside the box by inviting users to create their own media environments in order to facilitate distribution of pay-per-use content (TV, music, movies) and pay-per-click advertising.

MSN is again looking inside the box with its newly revised focus on Vista. It hopes to erase the lines between the user, their computing device and the Internet by integrating search and search related products into commonly used software packages.



www.stepforth.com

Google will continue being Google. As long as it continues to build on its membership driven services and produce better than adequate search results, the general public is likely to continue using it more than any other search engine.

StepForth Placement Inc.

2-1358 Gladstone Avenue
Victoria, BC V8R 1S1 Canada

T 250 385-1190
F 250 385-1198

1 877 385-5526
info@stepforth.com

Search engine placement experts