

Critics blast Google's antitrust offer

The Associated Press

Details of Google's offer to resolve an investigation by European regulators into the company's alleged abuse of its dominant position in the search market have emerged. Here's a look at what's at stake.

IT'S ALL ABOUT THE MONEY

At the center of the debate is Google's tendency to "artificially" promote its own services in search results. Competitors are especially frustrated when Google comes out on top in searches where the most money is at stake, such as searches for hotels, restaurants, plane tickets or consumer electronics goods. Google says its curated results offer the quick-hit information customers want. Competitors such as Yelp and Expedia say Google is trying to eat their lunch. They say it should follow the dictates of its own "natural" search algorithm and just let the most popular results for any given search term rise to the top.

WHAT GOOGLE IS WILLING TO GIVE

Google's solution works like this: when someone searches for "iPad" the top result would be a paid, labeled advertisement. Next would be a box containing results from Google Shopping, labeled as "sponsored" results. Below that, there would be a chance for three competitors such as Amazon or Priceline to advertise their results and logos, also labeled as "sponsored." Finally come the familiar plain-text Google results just that turn up "naturally." In the iPad example, the first natural result is the website of Apple Inc., which makes iPads.

ADS, MORE ADS AND SPONSORED RESULTS

The European Commission's investigation centers on the kind of results Google delivers when it thinks users have a commercial intent. A search on the word "kittens," for instance, would yield the Wikipedia entry on kittens as the top result.

EVERYBODY'S A CRITIC

Opponents of the plan say the proposed "solution" would enshrine Google's spot at the top of its own results — and force competitors to pay up just to stay in the game. They argue Google stands to benefit not only if users click on Google services, but also if they click on competitors' links. Because Google has a market share of 80 percent across Europe — more than 10 percent higher than its market share in the US — being visible near the top of Google's search results is even more vital for companies here.

WHAT GOOGLE SAYS

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Google doesn't necessarily have to articulate a new defense. The Federal Trade Commission has examined similar issues and concluded in January there was no problem. Dominance in a market by itself is not a violation of antitrust rules. Google's strategy may harm its competitors, but the company has argued successfully its real goal is simply to offer users the most useful results possible. If that includes culling information and putting it front and center ahead in results, so be it.

Google said Wednesday it has made "significant changes" to address regulators' concerns. "Our competitors seem less interested in resolving things than in entangling us in a never-ending dispute," the company said.

WHAT'S NEXT

Google competitors, consumer groups and other interested parties have two more weeks to comment on Google's proposed settlement. Then the European Commission's competition experts will retreat to consider their decision. Top regulator Joaquin Almunia has said he prefers a negotiated settlement, which he wants to have in place by early 2014. But if he decides to charge Google with abusing its market position, that could be the beginning of a long legal battle and would raise the prospect of multibillion dollar fines such as those levied against Microsoft in the 2000s.

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