Fair Competition in the market of web search engines

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Ecosia - the largest European search engine

- 15M users (young audience: 75% below age 30)

- 80 employees, mostly based in Berlin, €M19 revenue in 2019

- A non-profit or “purpose owned” company
  - We cannot be sold or pay dividends
  - Profits entirely used for planting trees or green investments
  - We even pay regular taxes...

- A truly regenerative company
  - 200% renewable energy - every search crowds out dirty power plants
  - Carbon green - every search sequesters 1kg of CO2
Ecosia - our product

- Search engine (desktop) and browser (mobile)
- Search results based on Bing enriched with own technology
  - First tests: green leaf, dirty coal power plant
  - Vision: “a green search engine”. Joint research program with Beuth University and Einstein Centre for Artificial Intelligence
- Privacy friendly: same arrangement with Bing as other privacy friendly partners
What is required for competition to emerge?

1) Equal access to users

2) Equal treatment by suppliers who compete with their customers
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Google seized almost all entry points into the web

Google owns >60% of all entry points into the web via Chrome and Android.

For the remainder, they pay whatever it takes to strike exclusive deals and to prevent the rise of a competitor:

- Safari: $12b/year
- Samsung: $3.5b/year
- Firefox: $500M/year

Source: Statcounter
Platforms use “alerts” to discourage remaining users from switching
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Why is ad quality so different? Why results so ugly?
Why is ad quality so different?
Issues of advertisement platforms

Advertiser launches campaign

1. Mandatory advertisement on platform’s own service?
2. Ease of syndication partner (de-)selection?
3. Intransparent algorithm splits both budget and ads of different quality between own business and that of customers?
4. Higher prices charged?
5. Pricing and rev share?
6. Protection from junk ads?
We need a free search market for algorithmic results

- The search market can only be entered **gradually**
  - Enormous fixed costs of web indexing
  - Chicken/egg problem for training ranking algorithm
  - But, gradually, it can indeed be entered!

- Both the demand for **exclusivity** & the **denial** of supply prevent new companies to emerge

- We need the ability to **source from multiple providers** in order to compose a distinct product

- We need ability to **re-arrange, delete, add and highlight**, according to our target group

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**Graph:**
- **Top 100 Keywords**
- **Top 500 Keywords**
- **Top 1K Keywords**
- **Top 10K Keywords**

**Keywords Distribution:**
- **Fat Head**: 18.5%
- **Chunky Middle**: 11.5%
- **Long Tail**: 70%
- **Regional Accent**
- **Physics**
- **Regen. Agriculture**

**Suppliers:**
- **Supplier A**: best long-tail results
- **Supplier B**: cheapest results
- **Niche player**: regional accent
- **Niche player**: sports
- **Niche player**: physics
- **Niche player**: regen. agriculture

**Own results, gradually growing**
What to ask from politicians?

- The EU (DG Competition/EVP Vestager) needs to follow through and drastically speed up
  - After several years, Google Shopping and Android cases lead absolutely nowhere
  - Prevent exclusive deals for remaining open pockets of market share

- Next opportunity: Digital Services Act
  - True ex ante regulation, like e.g. telecom
  - Split OS, browsers, App Stores, search*
  - Regulate dominant advertising platforms like stock exchanges

* Previous administrations in the 1990s boldly split energy conglomerates into separate entities for generation, grids and retail. The results for improved competition and innovation were enormous.