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[Spelling Monopoly for Google and Yahoo](#)

Courtesy of Microsoft



Microsoft is one of the most vocal opponents of an online advertising and search partnership between direct rivals Google and Yahoo. The no. 1 and no. 2 Internet search and advertising players worldwide announced in the first half of the past month a non-exclusive alliance in a move designed specifically to keep Yahoo out of Microsoft's reach. And while it was throwing nothing but repeated negative answers to the Redmond company, the Sunnyvale Internet giant was quick to make a common front with the Mountain View search firm. Microsoft is, of course, already crying foul and highlighting the monopoly that would be created via the partnership between the two main search and online advertising powerhouses. On July 15, the software giant produced a fact sheet detailing the Google - Yahoo monopoly with statistics. Citing data from various sources Microsoft indicated that "there were over 7.8 billion search queries conducted in the United States in May 2008. An estimated 65 percent of online shoppers conduct product research using search engines. Online advertising expenditures likely will exceed \$27 billion in the United States in 2008 and are expected to grow to about \$42 billion by 2011. Approximately \$8.6 billion was spent on search advertising in the United States in 2007. Google accounts for approximately 70 to 75 percent of search advertising revenue (and roughly the same number of search queries)". The Google and Yahoo deal is indeed under scrutiny by antitrust regulators in the U.S. Microsoft's very own senior vice president and general counsel, Brad Smith testified before the Senate Judiciary Committee Subcommittee on Antitrust and the House Judiciary Committee Antitrust Task Force. Smith indicated that Google plus Yahoo would be the death of innovation and choice and would result in higher prices for users and advertisers. At the same time, Smith warned that placing Google in a position of monopoly would also let it have discretionary powers over the user data it collects. "Google's market capitalization is as large as Coca-Cola and Boeing combined. The FTC deemed Google 'the dominant provider' in the search advertising market in December 2007. The FTC concluded that other forms of advertising (online or offline) should not serve as a basis to eliminate concerns about Google's dominance in search. Search advertising revenues reached \$8.6 billion in 2007 and are expected to jump to almost \$16.6 billion by 2011. That is comparable to both radio and cable advertising, whose revenues each totaled about \$20 billion in 2007, but search advertising is growing much faster," Microsoft added.