

What marketers need to know about the Google Search antitrust trial

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As the DOJ's antitrust trial over Google Search continues, the ad giant could be at real risk of having to alter its search business. "The DOJ has a really strong case here," said our analyst Evelyn Mitchell-Wolf on our "[Behind the Numbers](#)" podcast. "It's not looking great for Google."

Key stat: US Google Search ad revenues will hit \$57.49 billion in 2023, accounting for 52.2% of total search ad spending in the US, according to our forecast.

There aren't a lot of search sellers to begin with, while the buy side is crowded.

- Amazon will have 21.7% share in 2023, followed by Microsoft at 5.3% and Apple at 4.7%, per our forecast.
- "One seller has enough market share to dictate prices," said Mitchel.

The DOJ's argument hinges on four pillars.

1. Defaults influence consumer behavior

Google is the default search engine on iOS and Android mobile devices, as well as in Chrome, Firefox, and Safari. Microsoft Edge uses Bing, but Google Search is the default for the lion's share of internet users, thanks to billions of dollars paid by Google to remain the default.

2. Network effects make Google's product stronger

Google accounts for the majority of search queries globally, according to SimilarWeb. "There's kind of a cycle here," said Mitchell-Wolf. "The more data, the better the search results. And then better search results lead to greater adoption, which leads to more queries, more data, and the cycle continues."

3. Google has prevented competitors from becoming a threat

This pillar is the natural result of Google's role as a default search engine and the networking effects improving search outcomes. "Google didn't just stumble into a monopoly. It's strong-arming the rest of the ecosystem to make conditions very unfavorable for new entrants," said Mitchell-Wolf.

4. Google is using its dominance to inflate ad prices

Google admitted to raising ad prices to boost its search revenues. "The problem is that Google can raise ad prices substantially without any corresponding increase in ad quality or performance, and advertisers will pony up because what are they going to do," said Mitchell-Wolf.

Is Google Search really superior?

That's Google's argument: It dominates the search ad business because its product is just that good.

But Mitchell-Wolf is less than convinced. "The obvious question is, why would Google pay so much money for default status if consumers would pick its product regardless?"

What are the potential outcomes?

There are too many possible outcomes of this lawsuit to list, but here are three big ones, said Mitchell-Wolf.

- Google could be broken up into smaller businesses, the way **AT&T was in 1984**. This seems highly unlikely considering how much change it would require.
- Google could be forced to share its user data with other search engines. This outcome is possible, but it probably wouldn't change much for Google, especially if it remains a default.
- Google could be prohibited from renewing or making any new default deals. This outcome seems more likely than the other two. Without default deal money coming in from Google, Apple or another competitor may invest in developing its own search engine.

In the meantime: Google could face challenges as it delays new innovations to stay on the DOJ's good side. That said, **Google has moved right along in partnering with TikTok**, which could raise more regulatory eyebrows.

Consumers probably won't turn away from Google as long as it remains the default. "I'm not sure how many consumers are actually paying attention [to the suit]," said Mitchell-Wolf.

But consumers probably should be watching, because their data drives Google's business. "We're about to transition into a new tech era where data is a currency," said Mitchell-Wolf. "Data has always been a currency at least since Google started its ascent. So that should be taken into account in how antitrust law is also configured in the US and everywhere."

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