

## Google Dominance

### Introduction

Assume that you have been appointed to a task force of 5 or 6 computing professionals within your organization. You have been asked to examine the current issue outlined in the article below. Your team has not been asked to make specific recommendations to solve the problem. Rather, you have been asked to make recommendations that will help the Government decide what next steps they should take.

### Prompts

1. What is/are the problem/problems here? Is there an underlying fundamental problem?
2. Who are the major stakeholders and what are their perspectives?
3. What are the major ethical, legal, and security aspects associated with the problem?
4. What are the intended and unintended consequences of existing computing solutions?  
Consider the consequences on individuals, organizations and society within local and global contexts.
5. What recommendations do you propose that may lead to potential solutions?

Google is undoubtedly a powerful giant; it's valued at \$400 billion and owns about 67% of the global search market. It has become so well known it has even entered the Oxford English Dictionary as a verb, and it's common to hear people say 'Google it'. Recently, the European Commission after a 5- year investigation has charged Google with being a monopoly and abusing European anti-trust laws.

The problem relates to the way Google gives favourable treatment to its own shopping product Google Shopping on search pages, and the way this dominance harms competition. Google products are displayed prominently on the screen, and Google products are ranked higher in the search results. This means consumers might get a result, which Google profits from rather than the best or cheapest result. This is considered to be 'systematic favourable treatment'.

The European Union has Anti-trust laws to regulate business, have fair competition in markets, to restrict monopolies and aim to create a consumerist and efficient market. A monopoly is created when one company has control of the market share of a product or service to the extent it effects how the others have access to this market. Anti-trust laws were created to promote an open, free market with competition, consumer choice, lower prices, higher quality and innovation. The theory is that good control of business leads to an economy where sellers have healthy competition to provide goods and services.

Google and the anti-trust laws have a history together. At one point Yahoo and Google proposed a joint deal whereby Yahoo wanted to use Google to sell ads on the search pages. This was found to be against the anti-trust laws as the Department of Justice decided it would restrict and monopolise trade. Google is now under further investigation for the Android system to see if they have restricted rival operating systems. Google gives away the Android operating system for free but makes money from the Google services that run on that platform. This is said to hurt the competition, as other companies could sell some of the functions for profit. The European Commission is worried that Google is monopolising the smartphone market, and if found guilty could face a fine of \$6 billion.

Google argues that there is no obvious sign their practices are hurting the competition. Their competitors have experienced market growth, such as Yelp with 350% revenue growth, Expedia 67% over the past four years. Expedia has even said they are happy and that they feel they can get a fair share of the market in the Google marketplace. Google said in response to the Android accusations that it has been a key player in the market to cause positive change. For example, it is now possible to buy a mobile for less than \$100, and the app market has increased, giving consumers more choice. What is obvious is that Google has whole buildings full of programmers, accountants and lawyers to deal with the Anti-trust issues.

Peter Thiel, co-founder of PayPal, argues that we don't have to be frightened of monopolies. Companies that are a monopoly can move beyond the struggle for survival and think beyond making money. Google perhaps has good intentions – their informal motto is 'don't be evil' which refers to their philosophy of making money without being evil. Some say that once a company has become as successful as Google it is no longer chasing market share, and so it can consider ethics and projects that might be beneficial to society. Google have invented smart glasses and a smart car, and created a self-learning artificial brain. They are even involved in research to develop anti-ageing products with their Calico project. "We're tackling ageing, one of life's greatest mysteries," says the website.

Google is certainly ambitious. There are a billion people using the Android operating system of the world, and everything truly smart such as TVs will run on it. Google's vision is aiming to get the next billion people to come online with smartphones. However technology is fast moving and Google doesn't want to be busy dealing with anti-trust issues and get left behind in the race for

more users. Microsoft faced long-running legal challenges in Europe about anti-trust issues and was damaged, and Google should take note not to make the same mistake. It is as much a public relations battle as a legal one.

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