

This is How The Public Has Joined Hands To Kill Google

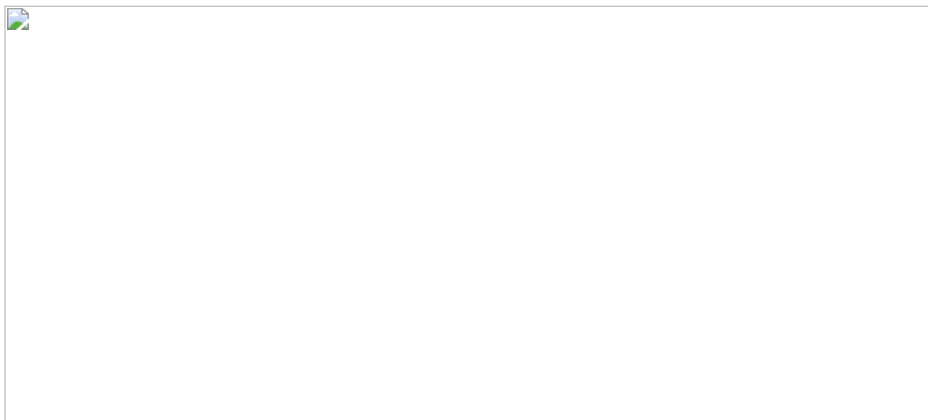
Reporting from the very near, post-Google future, after the abusive, privacy-rape, political psy-ops known as 'Google' has finally been killed

Google made almost all its money from ads. It was a booming business—until it wasn't. Here's how things looked right before the most spectacular crash the technology industry had ever seen.

The crumbling of Google's cornerstone

Search was Google's only unambiguous win, as well as its primary source of revenue, so when Amazon rapidly surpassed Google as the top product search destination, Google's foundations began to falter. As many noted at the time, the online advertising industry experienced a major shift from search to discovery in the mid-2010s.

While Google protected its monopoly on the dying search advertising market, Facebook—Google's biggest competitor in the online advertising space—got on the right side of the trend and dominated online advertising with its in-feed native display advertising.



The people who turned to Amazon over Google? The 18–29 crowd led the way.

In late 2015, Apple—Google's main competitor in the mobile space—added a feature to their phones and tablets that allowed users to block ads.

Devices running iOS were responsible for an estimated 75% of Google's revenue from mobile search ads, so by making this move, Apple was simultaneously weighing in decisively on the great ad blocking debate of the 2010s and dealing a substantial blow to the future of online advertising.



The rising number of users blocking ads on mobile showed no signs of slowing down

A year later, as the internet went mobile, so too did ad blocking. The number of people blocking ads on a mobile device grew 102% from 2015 to 2016; by the end of 2016, an estimated 16% of smartphone users globally were blocking ads when browsing the internet on a mobile device. The number was as high as 25% for desktop and laptop users in the United States, a country that accounted for 47% of Google's revenue.

The people most likely to block ads were also the most valuable demographic: *millennials and high earners*.




Young users are a good indicator for the future of technology, and they were heavy users of ad blocking software

Internet users had spoken, and they hated ads.

In early 2017, Google announced its plans to build an ad blocker into its popular Google Chrome browser. Google's ad blocker would only block ads that were deemed unacceptable by the Coalition For Better Ads, effectively allowing the company to use its dominant web browser to strengthen its already dominant advertising business.

Even after making this desperate and legally questionable move, it would quickly become clear to Google that even though ads were getting better, ad blocking numbers would continue to rise. Google had given even more people a small taste of what an ad-free internet experience could look like.

The company discovered that it wasn't just annoying ads that people didn't like; it was ads in general.



The advertising industry trying to figure out why people hated ads so much

A key platform where Google served ads was YouTube, which it bought in 2006 and quickly turned into one of its biggest entities. But even with a sixth of the world visiting this video-sharing behemoth every month, YouTube never became profitable. In an attempt to combat the effect of ad blockers, YouTube launched an ad-free subscription model in late 2015, but the subscription numbers were underwhelming.

YouTube's already insurmountable problems multiplied in early 2017 as advertisers began to pull out amid ad placement controversies, and huge revenue generators began to leave the site.

Even those who weren't blocking ads had trained themselves to ignore them entirely. Researchers dubbed this phenomenon "banner blindness". The average banner ad was clicked on by a dismal 0.06% of viewers, and of those clicks, roughly 50% were accidental.

Research showed that 54% of users reported a lack of trust as their reason for not clicking banner ads and 33% found them completely intolerable. These figures painted a pretty grim picture for the sustainability of online advertising, but especially for Google's position within the industry.

Google's mighty engine had started to sputter.

A chance to pivot, and how Google missed it

If losing a major portion of their audience and annoying the rest wasn't bad enough, Google also failed to get ahead of one of the biggest shifts in technology's history. They recognized the importance of artificial intelligence but their approach missed the mark. Since Google's search pillar had become unstable, a lot was riding on the company's strategy for artificial intelligence.

“We will move from mobile first to an AI first world.”

Google’s then-CEO Sundar Pichai famously predicted in 2016 that *“the next big step will be for the very concept of the ‘device’ to fade away”* and that *“over time, the computer itself—whatever its form factor—will be an intelligent assistant helping you through your day. We will move from mobile first to an AI first world.”*

Google’s ability to acknowledge the coming trend and still fail to land in front of it reminded many observers of its catastrophic failures in the booming industries of social media and instant messaging.



Sundar Pichai wondering how to monetize a virtual assistant

Google vs. Amazon

Meanwhile, in 2014, Amazon released a product called Amazon Echo, a small speaker that could sit in your home and answer questions, perform tasks, and buy things online for you. The Echo was a smash success. Google released its copycat product, Google Home, two years later, but it was already too late to catch up, and had no clear revenue strategy.

Alexa —the assistant that lived inside the Echo—on the other hand, was quickly integrated into several products and services, and its monetization model was clear, viable, and most importantly future-friendly. The Echo made it easy to

order products through Amazon, and every time someone used an Echo to purchase something, Amazon made money.

Google extended the reach of their virtual assistant by building it into Android, but doing so still didn't provide an answer for how the technology would generate enough revenue to sustain Google's expanding repertoire of expensive innovations.

Google's ads relied on screens, yet voice interaction subverted screens entirely. Google briefly tried playing audio ads with the Google Home, but consumers were far from receptive. Investors started to voice their concerns in 2017, but Sundar Pichai told them not to worry, leaving them to assume that Google would use their age-old strategy and analyze users' voice searches so that users could be shown more suitable ads on devices with screens.



Alexa celebrating its victory over Google

Headlines in early 2017 proclaimed that "Alexa Just Conquered CES. The World is Next." Amazon then made their technology available to third party manufacturers, putting even more distance between the two companies. Amazon had already beaten Google once before, holding 54% of the cloud computing market (compared to Google's 3%) in 2016, and they were just getting started.

By early 2017, Amazon had begun closing in on the entire retail industry.

Ads weren't forever

At its peak, Google had a massive and loyal user-base across a staggering number of products, but advertising revenue was the glue that held everything together. As the numbers waned, Google's core began to buckle under the weight of its vast empire.

Google was a driving force in the technology industry ever since its disruptive entry in 1998. But in a world where people despised ads, Google's business model was not innovation-friendly, and they missed several opportunities to pivot, ultimately rendering their numerous grand and ambitious projects unsustainable. Innovation costs money, and Google's main stream of revenue had started to dry up.

In a few short years, Google had gone from a fun, commonplace verb to a reminder of how quickly a giant can fall.

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14.5K

262

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Write a response...

Applause from Daniel Colin James (author)

[Go to the profile of Joel Strellner](#)
 Joel Strellner
 Apr 29, 2017

While I agree that Google needs more than ads to survive forever, Google's ad revenue in 2017 is expected to grow an additional 16%. 16% growth YoY and \$28.6 billion in estimated 2017 revenue from *search only*, is hardly dying.

I also disagree with your comments on the Amazon Echo vs Google Home. The Echo works, but it's a...

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1.4K

11 responses

Applause from Daniel Colin James (author)

 [Go to Mike Van Horn](#) Mike Van Horn
Apr 28, 2017

“Banner blindness.” Great term! I’ve been saying for years, I just don’t see ads any more. If I do see them, it’s with a moment of annoyance. If I do click on them, it’s an accident.

I’m currently training my eye to skip over ads embedded in the feeds of Facebook, Twitter, Pinterest, and news articles.

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275

4 responses 

Conversation between [Daniel Colin James](#) and [Jon Westenberg](#) 🌈.


 [Go to Michiel van der Blonk](#) Michiel van der Blonk
Apr 28, 2017

Did nobody notice this is a cleverly disguised Amazon ad?



1K

11 responses 

 [Go to Shingai Samudzi](#) Shingai Samudzi
Apr 28, 2017

Yes. This kind of insidious shilling is starting to become common on Medium.



200

2 responses 


 [Go to Daniel Colin James](#) Daniel Colin James
Apr 28, 2017

Sorry for insidiously shilling my observations and opinions. You dropped your tinfoil hat by the way.



437

3 responses 

 [Go to Shingai Samudzi](#) Shingai Samudzi
Apr 28, 2017

Tinfoil hat is saying 9/11 was an inside job.

Writing an article about the demise of Google because Amazon is shilling, whether you’ve been paid to do it or not.



114

3 responses 

 [Go to Jon Westenberg](#) Jon Westenberg 🌈
May 3, 2017

It’s literally not, though...



209

Applause from Daniel Colin James (author)

 [Go to LOVE EVERYTHING](#) LOVE EVERYTHING 🌐
Apr 25, 2017

It was an excellent read. Keep it up!



57

Applause from Daniel Colin James (author)

 [Go to Yvonne Feresu](#) Yvonne Feresu
Apr 28, 2017

Truly informative piece. What struck me the most about this piece is, it reminds you that the world is ever changing, and now much faster than ever before. What worked 10 years

ago definitely will not work now, not without innovation, strategy and effective execution. The business world is cutthroat, especially with technology and the internet...

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Conversation between [Daniel Colin James](#) and [jerlich](#).

[Go to the profile of Mischel van der Blonk](#)
Did nobody notice this is a cle

[Go to the profile of Daniel Colin James](#)
Apr 28, 2017

You're welcome to think that, but I must have missed the part where Amazon paid me.



1 response

[Go to the profile of jerlich](#)
Apr 29, 2017

Hi Daniel, I enjoyed the peice. I don't think you are a shill, but for full disclosure you may want to say if you have stock positions in google, Facebook and Amazon.



2 responses

[Go to the profile of Daniel Colin James](#)
Apr 29, 2017

I would have if I did, but I don't

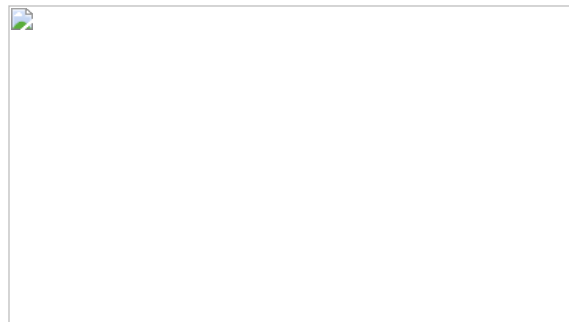


Applause from [Daniel Colin James](#) (author)

[Go to the profile of Chris Jones](#)
Apr 30, 2017

Google vs. Amazon: Showdown of Titans

Making money is key, but are banner ads fading? Here's hoping. And here's how



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2 responses

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[Go to the profile of David Aronchick](#)

 May 4, 2017

Full disclosure: I work at Google and am formerly an Amazon employee.

When would you expect to see this start to take shape? Nearly everything in your thesis was disproven by Google and Amazon's recent quarters. The date of this publication surprised me, because much of what you wrote here seems to go against evidence that...

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253

4 responses 

 [Daniel Colin James](#) Daniel Colin James
May 4, 2017

Edit: I decided to provide counter arguments to everything you said, since I apparently enjoy playing devil's advocate with this subject.

Google captured 78% of the search ads market, which is growing 24% y/y

Sure, but growth isn't an indicator of invincibility. BlackBerry's numbers were at their...

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177

8 responses 

Applause from Daniel Colin James (author)

 [Michael O'Brien](#) Michael O'Brien
Apr 27, 2017

A really cool read. Google's advertising dominated revenue is definitely much more vulnerable to changes in our viewing patterns. If I was them, I'd be most concerned about the loss of the 18-24 demographic.



12



Conversation with [Daniel Colin James](#).

 [Abhinav Dangwal](#) Abhinav Dangwal
May 2, 2017

Sundar Pichai wondering how to monetize a virtual assistant

How do you know about what he is wondering in this picture?



32

2 responses 

 [Daniel Colin James](#) Daniel Colin James
May 2, 2017

Deep Learning.



131



Applause from Daniel Colin James (author)

 [Jad Hindy](#) Jad Hindy
Apr 29, 2017

The company that forced the marketing world to change and turned the entire advertising industry into digital, is too much vested in the "world of display and search ads" and can't figure out how it will transform, while the world it created falls apart.

Well written article, great insights and thought provocative.



16



Applause from Daniel Colin James (author)

 [Go to the profile of Charlie Cattran](#) Charlie Cattran
Apr 28, 2017

Interesting perspective and impossible to know what will actually happen. A lot of variables in the mix, but a good way to start a healthy conversation.



Applause from Daniel Colin James (author)

 [Go to the profile of Victor Rotariu](#) Victor Rotariu
Apr 29, 2017

Great, imaginative read!



Applause from Daniel Colin James (author)

 [Go to the profile of Niall Duggan](#) Niall Duggan
May 3, 2017

Before I read the article the title had me thinking “no way will Google collapse”. But you’ve made some very interesting points and back them up with real data. Nice work!

