Is Google Search Bias Consistent with Anticompetitive Foreclosure?
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In my series of three posts ([here](#), [here](#) and [here](#)) drawn from my [empirical study on search bias](#) I have examined whether search bias exists, and, if so, how frequently it occurs. This, the final post in the series, assesses the results of the study (as well as the Edelman & Lockwood (E&L) [study](#) to which it responds) to determine whether the own-content bias I've identified is in fact consistent with anticompetitive foreclosure or is otherwise sufficient to warrant antitrust intervention.

As I've repeatedly emphasized, while I refer to differences among search engines' rankings of their own or affiliated content as "bias," without more these differences do not imply anticompetitive conduct. It is wholly unsurprising and indeed consistent with vigorous competition among engines that differentiation emerges with respect to algorithms. However, it is especially important to note that the theories of anticompetitive foreclosure raised by Google's rivals involve very specific claims about these differences. Properly articulated vertical foreclosure theories proffer both that bias is (1) sufficient in magnitude to exclude Google's rivals from achieving efficient scale, and (2) actually directed at Google's rivals. Unfortunately for search engine critics, their theories fail on both counts. The observed own-content bias appears neither to be extensive enough to prevent rivals from gaining access to distribution nor does it appear to target Google's rivals; rather, it seems to be a natural result of intense competition between search engines and of significant benefit to consumers.

Vertical foreclosure arguments are premised upon the notion that rivals are excluded with sufficient frequency and intensity as to render their efforts to compete for distribution uneconomical. Yet the empirical results simply do not indicate that market conditions are in fact conducive to the types of harmful exclusion contemplated by application of the antitrust laws. Rather, the evidence indicates that (1) the absolute level of search engine "bias" is extremely low, and (2) "bias" is not a function of market power, but an effective strategy that has arisen as a result of serious competition and innovation between and by search engines. The first finding undermines competitive foreclosure arguments on their own terms, that is, even if there were no pro-consumer justifications for the integration of Google content with Google search results. The second finding, even more importantly, reveals that the evolution of consumer preferences for more sophisticated and useful search results has driven rival search engines to satisfy that demand. Both Bing and Google have shifted toward these results, rendering the complained-of conduct equivalent to satisfying the standard of care in the industry–not restraining competition.

A significant lack of search bias emerges in the representative sample of queries. This result is entirely unsurprising, given that bias is relatively infrequent even in E&L's sample of queries specifically designed to identify maximum bias. In the representative sample, the total percentage of queries for which Google references its own content when rivals do not is even lower—only about 8%—meaning that Google favors its own content far less often than critics have suggested. This fact is crucial and highly problematic for search engine critics, as their burden in articulating a cognizable antitrust harm includes not only demonstrating that bias exists, but further that it is actually competitively harmful. As I've discussed, bias alone is simply not sufficient to demonstrate any *prima facie* anticompetitive harm as it is far more often procompetitive or competitively neutral than actively harmful. Moreover, given that bias occurs in less than 10% of queries run on Google, anticompetitive exclusion arguments appear unsustainable.

Indeed, theories of vertical foreclosure find virtually zero empirical support in the data. Moreover, it appears that, rather than being a function of monopolistic abuse of power, search bias has emerged as an efficient competitive strategy, allowing search engines to differentiate their products in ways that benefit consumers. I find that when search engines do reference their own content on their search results pages, it is generally unlikely that another engine will reference this same content. However, the fact that both this percentage and the absolute level of own content inclusion is similar across engines indicates that this practice is not a function of market power (or its abuse), but is rather an industry standard. In fact, despite conducting a much smaller percentage of total consumer searches, Bing is consistently more biased than Google, illustrating that the benefits search engines enjoy from integrating their own content into results is not necessarily a function of search engine size or volume of queries. These results are consistent with a business practice that is efficient and at significant tension with arguments that such integration is designed to facilitate competitive foreclosure.

Inclusion of own content accordingly appears to be just one dimension upon which search engines have endeavored to satisfy and anticipate heterogeneous and dynamic consumer preferences. Consumers today likely make strategic decisions as to which engine to run their searches on, and certainly expect engines to return far more complex results than were available just a few years ago. For example, over the last few years, search engines have begun "personalizing" search results, tailoring results pages to individual searchers, and allowing users' preferences to be reflected over time. While the traditional "10 blue links" results page is simply not an effective competitive strategy today, it appears that own-content inclusion is. By developing and offering their own products in search results, engines are better able to directly satisfy consumer desires.

Moreover, the purported bias does not involve attempts to prominently display Google's own general or vertical search content over that of rivals. Consider the few queries in Edelman & Lockwood's small sample of terms for which Google returned Google content within the top three results but neither Bing nor Blekko referenced the same content anywhere on their first page of results. For the query "voicemail," for example, Google refers to both Google Voice and Google Talk; both instances appear unrelated to the grievances of general and vertical search rivals. The query "movie" results in a OneBox with the next 3 organic results including movie.com, fandango.com, and yahoo.movies.com. The single instance in Edelman & Lockwood's sample for which Google ranks its own content in the Top 3 positions but this content is not referred to at all on Bing's first page of results is a link to blogger.com in response to the query "blog." It is difficult to construct a story whereby this result impedes Bing's competitive position. In fact, none of these examples suggests that efforts to anticompetitively foreclose rivals are in play. To the contrary, each seems to be a result of simple and expected procompetitive product differentiation.

Overall, the evidence reveals very little search engine bias, and no overwhelming or systematic biasing by Google against search competitors. Indeed, the data simply do not support claims that own-content bias is of the nature, quality, or magnitude to generate plausible antitrust concerns. To the contrary, the results strongly suggest that own-content bias fosters natural and procompetitive product differentiation. Accordingly, search bias is likely beneficial to consumers—and is clearly not indicative of harm to consumer welfare.

Antitrust regulators should proceed with caution when evaluating such claims given the overwhelmingly consistent economic learning concerning the competitive benefits generally of vertical integration for consumers. Serious care must be taken in order not to deter vigorous competition between search engines and the natural competitive process between rivals constantly vying to best one another to serve consumers.

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