The rise of vertical search engines

30-second summary:

- Google’s rise as the dominant search engine has left the industry undisrupted for 20 years.
- The number of use cases for search are infinite meaning Google’s information lacks depth in some cases.
- Vertical search engines support unique workflows and provide domain expertise.
- Specialized search for consumers is well established but B2B search is rapidly growing due to a “digital exhaust” effect.
- B2B search helps fuel SMB’s and the mid-market because more businesses get found.

On October 20, 2020, the Justice Department sued Google, an Alphabet subsidiary, claiming the company’s internet search platform is an illegal monopoly that is harmful to both competition and consumers. The case aims to prove that Google’s position as a dominant search provider limits consumer choice and partnerships with companies like Apple suppresses competition. Taking on Big Tech has been a mainstay in the national conversation ever since the 2016 Presidential election, but this is the first antitrust action taken against Google. While we might not reach the end of this story for years, the DOJ’s suit signals a larger shift in the search industry, which hasn’t been disrupted in over 20 years. The unintended consequence of Google’s conquest to broaden search is limited depth for some. Businesses tend to be affected more than consumers because of how results are ranked. Therefore,

in the wake of Google's antitrust suit, a new market for specialized information has emerged.

Shifting dynamics

In 1998 Google processed 10,000 search queries per day – roughly 3.65 million annually. The official Google Zeitgeist reported 1.2 trillion searches in 2012, the year it was published. That trend would eventually stabilize to an estimated 2.3 trillion searches per year in 2020.

Despite its size and tremendous growth, web search dynamics have begun to shift. Google has taken a super-aggregator and partnership approach to many growing verticals. Google Maps, for example, aggregate Booking.com, TripAdvisor, and Yelp. Google Shopping and Google Finance are aggregators for ecommerce and financial information, respectively. Vertical search has always been at odds with aggregators, wanting to be found but also wanting direct traffic. Vertical search engines have built their own mobile apps to lure users away from the Google search bar.

Defining a vertical search engine

A vertical search engine is a search engine that focuses on a specific domain, or vertical. Think of LinkedIn for people search, Zillow for housing search, or Kayak for travel search. The benefits of using a vertical search engine are:

1. More precise information due to narrowed scope
2. Calibrated systems for providing users with vertical expertise
3. Purposefully designed to facilitate a specific task or workflow

The third point is particularly noteworthy, especially when comparing vertical search engines to Google. It's unlikely that you're searching for car prices and inventory for fun.

The price tells you if you can afford it; location information tells you where the nearest dealership is. Search is part of a workflow. Google, in most cases, acts as a middle man, guiding users from point A to point B.

Like web search, vertical search also supports various workflows. Where they differ is providing users with both the pathway and tools to complete an intended action. Here's an example: Zillow users start by searching for homes, weighing data on home prices and taxes against other factors like school districts and proximity to work. The user's workflow ends with an appointment for an open house with the listing agent. Workflows differ greatly depending on someone's need, which is why the market for vertical search engines is so vast.

In recent years Google has attempted to compete with certain consumer search workflows. Google Flights, a Kayak competitor, brings users closer to booking travel all within one platform. Interestingly enough, Google's purchase of ITA Travel in 2011 (which became Google Flights) was reviewed and cleared with the DOJ. If history is any lesson, Google is surely capable of competing with certain vertical search engines and capturing market share for consumer-based search. Business to business search, however, is a different ballgame.

The need for B2B search tools

There is a gap in the B2B search market. The gap exists, in part, by the design of Google's search algorithm, which ranks websites based on five key factors. You'll find the most popular business websites, but not every business website. More importantly, results might not provide the *right* business.

B2B search is beginning to transform, however. The amount of digital exhaust has increased drastically over the last few years. The emergence of Shopify, Squarespace, and others have

decreased the barrier to entry for businesses on the internet. In 2014 the internet surpassed one billion websites and two billion is within reach. Having a website is one thing, but getting found is another. Companies must invest in website tools and resources and consistently optimize website content. Not to mention, it takes time to accumulate domain authority. If you're a small business in a constrained economy, this looks like a tall order.

Google's ranking algorithms, limited workflows, and surface-level information create an opportunity for B2B search engines across multiple functions. For example, ThomasNet (www.thomasnet.com) is an industrial sourcing platform connecting procurement professionals and industrial manufacturers. Drugdu (www.drugdu.com) operates medical device databases citing access to over 1,000,000 products.

With so much focus on small businesses this year due to COVID-19, it should be noted that B2B search products are good for SMBs, thus good for the economy. Tools like ThomasNet and Drugdu even the playing field, allowing small businesses to be found. Information also tends to be more trustworthy because of the general absence of advertising and crowdsourced information reduces reliance on individual company databases.

The big picture

The last antitrust case presented against a large technology company was in 1998 when Microsoft was, ultimately, found guilty of abusing monopoly power. Over the last two decades, Google has emerged as the clear leader in consumer search, but they've failed to extend their reach into vertical search engines. That void has since been filled with dozens of specialized search engines, platforms that mostly benefit small to mid-sized businesses. The advantages for users are clear: focusing on a limited set of data accelerates workflows and supplies better information. As the Google saga unfolds,

vertical search engines are well-positioned to grow by facilitating business-to-business commerce.

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More about:

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