

Facebook in challenge to Google crown

December 13 2010, by Charlotte Raab

Facebook is challenging Google's supremacy on the Internet with a radically different approach to how people live, work, play and search online.

While [Google](#) delivers search results selected by algorithms that take into account a user's Web history, [Facebook](#) boasts a richer level of personalisation based on one's own "likes" and the recommendations of Facebook friends.

[Mark Zuckerberg](#), who founded Facebook in his Harvard University dorm room six years ago and is now worth an estimated 6.9 billion dollars, refers to it as the "social graph".

"I think what we've found is that when you can use products with your friends and your family and the people you care about they tend to be more engaging," Zuckerberg said in an interview with the CBS show "60 Minutes."

"The social graph is incredibly broad," said Wedbush Securities social media analyst Lou Kerner, picking up on Zuckerberg's favorite phrase. "It includes not only what you do and what you like but people you know and what they like and the companies you interact with."

For some Internet watchers like Kerner, Facebook is building a parallel network built around the interactions of its more than 500 million members.

"I refer to Facebook as the second Internet, maybe more valuable than the first because we're all interconnected on it," Kerner told AFP.

"Social media is an increasingly important part of how you reach people and it's a growing part of every marketer's budget," he said.

"The idea is you do not want to fight Facebook, you want to embrace Facebook and leverage Facebook because this is where people are going to spend increasing amounts of time," he said.

According to online tracking firm comScore, Google receives more unique monthly visitors than Facebook but visitors to Facebook spend more time at the site than they do on Google properties.

Since this spring, Facebook has been rolling out features which put it on a collision course with Google -- an @facebook.com email service which competes with Google's Gmail and "Facebook Questions," a search engine of sorts which lets Facebook members ask questions and get answers from other members.

Facebook has also been facing off with Google on the hiring front, forcing the Mountain View, California-based Google to recently raise salaries by 10 percent across the board.

"They've become competitive in some areas, but it's not that Facebook has grown at Google's expense or that Facebook is growing and Google is shrinking," said Danny Sullivan, editor of technology blog SearchEngineLand.com.

"Google is not going away," agreed Kerner. "Google, in fact, I think is going to benefit from the emergence of social media.

"Because what it's doing is it's driving people to spend more time online

and when you're spending more time online, you end up doing more searches," he said.

"Where they've really been encroaching on each other more is in the display space," Sullivan said. "Facebook has a lot of people who buy display advertising. Google wants to sell more display advertising."

Sullivan also said Google "has been trying to encroach on their social area, but they haven't been very successful."

Zuckerberg, in the "60 Minutes" interview, acknowledged "there are areas where the companies compete." "But then, there are all these areas where we just don't compete at all," he said.

Facebook's growth is not necessarily a bad thing for Google, which has been coming under increased scrutiny from anti-trust authorities in both the United States and Europe.

"Some of it plays very well for Google," Sullivan said. "Google is able to say 'You know, we have this stiff competition out there.'"

"It's not necessarily to Google's disadvantage that Facebook is growing."

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Citation: Facebook in challenge to Google crown (2010, December 13) retrieved 10 May 2024 from <https://phys.org/news/2010-12-facebook-google-crown.html>

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