

2005 – The Year of the Goog

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The Yule season, which offers a brief lull in the general rush (except for us, of course) is a good time to take a look back on the year that has almost passed. For search engine marketers, 2005 was a tumultuous year full of contradictions. Search marketing became more challenging, even as the search engines became better at finding and sorting data.

The business of search marketing became more competitive, even as newer SEO firms dropped by the wayside over the past twelve months. The user-popularity of the major search engines has not changed that much but the playing field they compete on has shifted enormously. The one constant throughout 2005 was the meteoric rise of Google. While the year was full of activity, invention and innovation, 2005 was the year of the Goog.

A brief glance at a year of publishing weekly newsletters shows how much has changed in the world of search marketing and the business of search. The links in this piece all lead to the StepForth newsletter the topic was drawn from. It has been a long and very interesting year. Knowing a little bit of what is coming in the first few months of 2006, I strongly suggest next year will be even more interesting for search watchers.

January

In January, [MSNsearch](#) released its own algorithmic search results, making it the third major stand-alone search engine. Previously, MSN had imported results from the Yahoo owned Inktomi database. Of all three major search engines, MSN is the most "old-school", relying heavily on on-page factors to produce ranking results. SEOs learn one of the major tricks to the MSN search engine is finding ways to drive the new MSNbot spider through the page as frequently as possible.

The relationship between [Google and Firefox](#) continued to fuel speculation that a Google branded browser was going to be introduced to the market. In late January, Google hired Ben Goodger, the lead Firefox developer away from the Mozilla Foundation and then registered the domain, Gbrowser.com. While Google and Firefox worked closely together in 2005, a Google branded browser remains elusive.

At the end of January, [Bill Gates](#) made the single largest private charitable commitment of all time when the Bill and Melinda Gates Foundation announced a \$1.5 billion donation to the [Global Alliance for Vaccines and Immunizations](#)

In the last week of January, [Google released](#) its fourth quarter results from 2004 showing a 101% increase in revenues over the previous year. The results marked the first time a search engine had seen billion dollar revenues in one, three-month period.

Search Engine [Market Share](#) January 2005: (source: Nielsen Net Ratings via [Search Engine Watch](#))
Google 47%, Yahoo 21.2%, MSN 12.8%, AOL 4.7%, Ask Jeeves 1.8%

February

The head of the Yahoo Media Group, [Lloyd Braun](#), made waves in early February with the announcement Yahoo was ramping up its efforts to serve home-entertainment content via the Internet. Yahoo was not the first search engine to seriously speak of offering TV and movie files to subscribed users but it was the first to actually do it. As the year progressed, Yahoo introduced several TV related features.

[Ask Jeeves](#) entered the blogosphere with its purchase of Bloglines. Long known as the all too quiet fourth in the search engine hierarchy, users thought the purchase of Bloglines marked a stepping-stone for Jeeves to get into the PPC market however a paid advertising program from Ask has not fully materialized. Ask Jeeves also embarked on a major advertising and promotion campaign with the release of the six thirty-second TV commercials [seen here](#).

Google had a year of public relations issues, starting with the way they treated one of their new employees, [Mark Jen](#). A former Microsoft employee, Jen was hired in mid-January, only to be fired in mid-February for writing about work at Google in his personal blog. Topics that got him in hot water included the Google benefits plan and how Google tries to entice workers to stay on campus as long as possible by providing essential life-services such as dentistry, dry-cleaning and state-of-the-art street-hockey equipment. When Jen wrote, a Google obsessed blogosphere read, creating a minor conundrum for Google. One thing blog readers love even more than Google is controversy and Google created a few months worth by firing Jen.

In February, [Google purchased Answers.com](#), one of the largest expert-reference sources on the Internet. It has since incorporated responses from Answers.com into its search results.

A [minor algo shift](#) marked the first of several Google algorithm updates in early February. In all, Google's organic algorithm underwent at least seven significant updates over the course of 2005.

Towards mid-February, Google was hit with its [second major public relations disaster](#) with the release of the third version of their popular toolbar. A feature included in the toolbar known as Autolinks was designed to highlight text found on documents relating to specific topics, referring users to Google advertisers. For example, if a book's ISBN number was included on a web document, that ISBN would be underlined with a link leading to Amazon.com. The toolbar continues to have Autolinks built in but it is now disabled by default.

March

March marked the [first decade of search](#) as an application as Yahoo, one of the original search engines, turned 10. As part of their birthday celebrations, Yahoo fired a shot across Google's bow with the introduction of Yahoo Search Marketing, the paid-search advertising arm of Yahoo. Yahoo Search Marketing emerged from the combining of various Yahoo properties under one roof. Previously, Yahoo had run Overture, AltaVista and AlltheWeb as separate web properties.

The brewing [backlash against Google](#) started in earnest in March with webmasters furious about Autolinks, SEOs angry with Google for violating their own webmaster guidelines, and Wall St. puzzled by Google's lack of investor guidance documents. In a March 7th column for The Street, Kevin Kelleher blasted Google for its coy silence while Charlene Li of Forrester Research famously labeled Google a "one trick pony".

The brewing backlash against Google is expressed in many creative ways including the eight-minute film [Epic2014](#).

MSN released the beta version of its [paid-advertising program](#) but limited the test areas to France and Singapore. MSN is expected to make its paid-ad program available somewhere around June 2006 when its current deal with Yahoo expires.

In mid-March, Yahoo made its [biggest acquisition](#) of 2005 when it purchased Vancouver BC based Flickr, an online photo-sharing package known for its major feature, social tagging. It also upgraded Yahoo email accounts from 250-megs to 1-gig in competition with Google's Gmail.

Google made its own [interesting acquisition](#) in March when it purchased analytics service Urchin in mid-March. "If Google opens Urchin up for both AdWords and Organic placement advertisers, chances are it will become a standard tool for measuring and analysing user behaviours, at least for SEO and SEM practitioners."

[Jeff Raskin](#), lead developer of Apple's Grapical User Interface (GUI), dies at age 63.

April

By far, the [biggest story in April](#) was actually filed fifteen months earlier. On March 31, the US Patent and Trademark Office granted a patent application to Google that would redefine the way we understand Google's algorithms. The patent, "[Information retrieval based on historical data](#)", explains how Google collects and interprets historic data associated with a document or domain. Today, we believe many ideas expressed in the patent have been incorporated into the recent Jagger algo update.

The first major [click-fraud class action](#) suit gets underway. "Led by Texarkana, Arkansas Retailer Lane's Gifts and Collectibles LLC, the plaintiffs contend that the search engines knowingly charged for fraudulent clicks, at an average rate of \$0.50 per click. The group hopes to have their suit certified as a class-action lawsuit which would allow other advertisers to join."

[Google opened Keyhole](#), the satellite mapping service they purchased in 2004 to the public by incorporating satellite maps into the Google Maps feature. Keyhole has since been re-branded Google Earth.

Canadian meta-search engine Mamma.com was placed under [SEC investigation](#) in mid-April. "An informal probe of Canadian search engine company [Mamma.com](#), by the US Securities Exchange Commission (SEC) has become a formal investigation according to a press release sent out earlier this week."

[Yahoo released](#) its first quarter results of 2005 showing better than expected returns of \$1.17 billion. Much of the revenue came from paid-search advertising.

A week later, [Google released](#) its first quarter results for 2005. As expected, they beat expectations with a 93% increase in revenues over the same period in 2004.

Google releases "[My Search History](#)" feature. "My Search History will record everything a searcher does while using Google. Users will note the amount of time they spend on Google, where they went, the amount of time they spend on each document found through Google, the last time they visited a web document, and where they went after visiting a web document."

[The Economist reported](#) that revenues for Google and Yahoo will likely exceed those of the Big-3 US Television Networks; ABC, CBS, and NBC by the end of 2005.

May

Another round of [search engine algo updates](#) happened with both Google and Yahoo updating their indexes in the first weeks of May.

The Open Directory Project experienced a great deal of difficulty in 2005 but it suffered its worse period of public perception in May when a [series of scandals](#) broke.

Barry Diller makes the first of several death [threats against Jeeves](#), the jovial butler loved by millions of Ask Jeeves users. Diller has been eyeing Jeeves for some time now but has not actually canned the character.

Nokia unveiled a handheld [Internet Display Tablet](#), its first non-phone mobile device that can access the Internet via WiFi, signalling the first net-capable mico-device designed for the commercial market.

Search Engine Market Share - May 2005

Google 48%, Yahoo 21.2%, MSN 12.4%, Ask Jeeves 5%, AOL 4.5%

June

Search marketing as a sector continued to receive increasing recognition as a [disruptive but mainstream advertising](#) channel. A report issued by Safa Rashtcy a senior analyst at investment bank Piper Jaffray stated search revenues will increase by a staggering \$18 billion by 2010. Search industry research and analysis firm Outsell issued another report saying the growth comes at the direct expense of the largest traditional media firms - Reed Elsevier, Thomson, Gannett, Pearson, Tribune, Reuters, McGraw-Hill, VNU, Wolters Kluwer, and the Daily Mail and General Trust.

Minor [Google and Yahoo algo updates](#) continue into June.

[AOL announces](#) it will broadcast the Live8 concerts.

The minor Google updates turn into a major algorithm change as Google unleashes what would come to be known as the [Bourbon Update](#). The entire June 8th newsletter was devoted to Bourbon.

While the Bourbon Update was underway at one end of the Googleplex, marketing demons were seen to be working evil at the other end of the campus. In mid June, Google announced it was going to [bundle its controversial toolbar](#) and desktop search applications into downloads of the popular WinZip application.

[Jack Kirby](#), co-inventor of the microchip dies at age 81.

Google stock [soared past \\$300](#) per share in June. It is now trading in the \$440 range.

July

The SEO and SEM community comes together in an amazing show of unity and concern when [UK SEO Ian Turner went missing](#) for a few days after attending a Webmasterworld conference in New Orleans. "Last

Tuesday, Threadwatch moderator Nick Wilson posted a frantic missing person report about Ian who had failed to return to Britain after the WebmasterWorld conference in New Orleans. Within hours, hundreds of search marketing blogs picked up the story. By the end of the day, literally thousands of blogs, many of which are written by people from outside the SEM sector, were carrying the story, making Ian Turner the most well known name in search, for a short time at least."

The most interesting story of July was the case of [Dr. Kai-Fu Lee](#), part the ongoing battle between Microsoft and Google. Dr. Lee is one of the most respected computer scientists in the world and is considered a leading expert on search in the Chinese market. Google hired him away from Microsoft and that set off a month's worth of legal fireworks and disclosures of anger-management issues in Redmond.

[James Doohan](#), the actor who played Scottie on the original Star Trek TV show died at age 85.

August

The [Yahoo Publisher Network](#) opens to a limited beta test. "Yahoo! has developed many highly successful relationships with web publishers around the world, and is building on those experiences to bring new revenue sources and compelling content to even more high quality sites," said Bill Demas, senior vice president, Yahoo! Partner Solutions group. "By helping the broader publishing community maximize the value of their sites, we aim to create an even more rewarding Internet experience for publishers, advertisers and users."

[Jupiter Media sold](#) Search Engine Watch, the Search Engine Strategies Shows and ClickZ Magazine. "Search marketers were surprised yesterday by the announcement that three of the most influential publications in the search marketing sector had quietly been sold to new owners. Jupitermedia, publisher of [Search Engine Watch](#) and [ClickZ](#) Magazine, announced plans to sell its research, publishing and trade show divisions to UK-based publisher [Incisive Media PLC](#) for approximately \$43million in cash."

Google [introduces GoogleTalk](#), their entry into the Instant Messaging service sector.

Hurricane Katrina hit the Gulf Coast causing the largest natural disaster in US history.

September

[Google turned seven](#). To celebrate, it installs the first phase of what would come to be known as the Jagger Update.

Microsoft CEO Steve [Ballmer blew a gasket](#) when he learned of the pending defection of .Net guru Marc Luconsky to Google. "In written testimony given in the lawsuit Microsoft filed over Dr. Kai-Fu Lee's hiring in June, Lucovsky stated that Ballmer swore, jumped and threw a chair across the room upon learning Lucovsky was leaving for Google. Ballmer then started to rail against Google CEO and long term personal rival Eric Schmidt eventually questioning Google's long-term existence."

The [Internet community](#) aids in Katrina relief efforts.

[Google hires Vint Cerf](#), co-inventor of TCP/IP as "chief Internet evangelist".

Yahoo announces it has [hired veteran war correspondent](#) Kevin Sites to broadcast via the web from some of the world's most brutal war zones. "Using a backpack and a notebook as his production studio, Sites

plans to carry up to 40lb of computer and satellite gear into conflict zones. He wants to show the human side of armed conflicts by speaking to the people most affected by war, innocent civilians. One episode will be based on the destruction seen by a family in war-ravaged Somalia."

Industry watchers speculate that Google plans to build an [alternative, private-Internet](#). "Google is working on its most ambitious project to date, the creation of a global data transfer network that could effectively serve as a private Internet."

[Microsoft appoints Ray Ozzie](#) as executive responsible to bring it all together. "Microsoft announced it is reorganizing its corporate structure in reaction to competition posed by Google and Yahoo. A restructured Microsoft will see the merging of seven business units into three new divisions. It will also see the elevation of new Microsoft exec. Ray Ozzie to oversee coordination between the Internet arms of the various divisions."

Barry Diller continued to make [threats against jovial butler](#) Jeeves.

Google and Yahoo get themselves embroiled in a [size war](#), each ending up looking like adolescents.

[Global Search Stats](#) from OneStat:

Google 56.9%, Yahoo 21.2%, MSN 8.9%, AOL 3.2%

October

Google and Sun Microsystems announce a [distribution partnership deal](#) between the two companies. "The news out of the press conference at first glance seemed simple and anti-climatic. Under the terms of the deal, the Google Toolbar will be bundled into downloads of the Java Runtime Environment. Java will be used to power new software developed and released by Google, effectively endorsing Java and nailing Microsoft's .Net as an emerging development platform."

Bloggers around the world unite to try to [save Jeeves](#). (Thus far, their efforts have worked)

RustyBrick (aka Barry Schawtz) uses [Ask Jeeves to ask his girlfriend](#), Yisha, to become fiancée. The entire search marketing community collectively sighs.

The search marketing world notices the [Google Jagger Update](#) is well underway. "In case you haven't noticed, there is a fairly significant update happening at Google right now. As with all other major updates, Brett Tabke from [WebmasterWorld](#) has given it a name, Jagger."

[Google Base is released](#). "Google is rumoured to be developing a tool so powerful it could dominate the online auction and classified advertising sectors. Known as [Google Base](#), what appears to be the Alpha-phase or first development stage of the program has been featured on Google focused blogs for the past 24 hours."

November

[AOL confirms it is in discussions](#) with other search engines. These discussions would lead to this week's major deal that, if accepted by the Time Warner board will give Google 5% of AOL and shut MSN out of the picture.

[Yahoo commences](#) another algorithm update.

The now famous [MSN memos](#) exchanged between Bill Gates and Ray Ozzie are leaked from Microsoft. Part of the Gate's memo read, "The next sea change is upon us. We must recognize this change as an opportunity to take our offerings to the next level, compete in a manner commensurate with our industry responsibilities, and utilize our assets and our broad reach to reshape our business for the benefit of the users of our products, our customers, our partners and ourselves."

Microsoft releases a beta version of [something called Fremont](#), which looks an awful lot like Google Base.

December

The Wall St. Journal announces AOL is about to [sign a deal with Microsoft](#). Six days later, the Wall St. Journal reports Google pushed Microsoft out of the picture. The Time Warner board which meets Tuesday is expected to ratify the deal with Google.

[NYTimes re-launches About.com](#). "In the coming months, About.com CEO Scott Meyer said quality control and monitoring of content is going to be a high priority, one of five major steps to be taken to relaunch and rebrand About as an information destination and advertising distributor."

[StepForth Blog Nominated](#) for SEO Blog of the Year by Search Engine Journal readers. "Readers of popular search engine news site, [Search Engine Journal](#), have nominated StepForth News as one of the best SEO focused blogs. This is the first time our contributions to covering the complicated, interesting, challenging and often absurd world of search have received such recognition. It is also a tremendous vote of confidence from our peers, one we are humbly thankful for."

As I said in the first paragraph, 2005 has been a long year. We would like to send special thanks out to our clients, readers, supports and friends for making 2005 such a good year. Best to all of you and thanks again.

