

2006 Predictions

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It is that time of year again. Between the extra helpings of turkey soup and sandwiches, writers of every stripe are making lists of predictions for the coming twelve months. Last year, we got just over half our predictions correct. This year we hope to do as well or better but in an industry as dynamic and rapidly changing as the world of search, we couldn't expect to hit a home run on every prediction. The only thing that is certain is the idea 2006 will be as or more interesting than 2005.

Here is our perceptive look-ahead, a series of educated guesses that amount to little more than shots in the dark. Given the enormous growth and maturity of the search marketplace in 2005, some of these shots can't help but find their targets.

1. MSN + someone

Microsoft really wanted to kick the year off with an announcement of a paid-advertising partnership with AOL but that is obviously not going to happen. They got skunked at the last second by Google which is taking a 5% share of AOL in exchange for a billion dollars and a heck of a lot of AdWords purchasing power. That doesn't mean Microsoft isn't going to find a partner to work with however. After investing tens of millions in the development of MSN AdCenter, the senior-geek crew in Redmond is not inclined to give up on the most lucrative market on the Net.

Look for Microsoft to saddle up to Barry Diller, owner of Ask Jeeves. For our money, this appeared to be the most likely scenario as both need to find ways to enter the paid-advertising market with a band rather than a stifled whimper.

The biggest knock on this theory is a [blog posting](#) by MSN manager, Ian McAllister that Ross, the boss, found the other day. In it, Mr. McAllister states that Microsoft is in talks with another tier1 Internet company which he is "... 99% sure you're a customer of." That makes me think about companies like eBay, Amazon, or a major telco.

For the purposes of prediction, let's leave it with MSN + someone. This is a must happen for Microsoft.

2. Usability and Search Engine Optimization

Search Engine Optimization is going to continue to be the most important facet of search marketing however, the process of SEO is going to evolve enormously over the coming year. A large part of the focus will shift towards website functionality and usability for two reasons. First, search engine algorithms are increasingly taking user-experience into consideration when calculating ranking. Secondly, mainstream advertisers are moving back towards SEO but those advertisers will require something stronger than Top10 placements to justify spending money on the mysterious marketing miracle SEO represents. When an SEO can tell his or her clients they will not only get strong placements but will also get a website redeveloped specifically to

increase conversions, that SEO will make more sales. Look for most of us (SEOs) to start talking about usability and conversions as a standard part of our services.

3. SEO/SEM Community expands services to include specialties and features such as Google Base, MSN Fremont and Yahoo Shopping.

This prediction follows on the previous one. Most people continue to think "Google" when they think "search", but as we all know, the front face of Google is hardly the definitive limit of "search". As a matter of fact, the front face of Google and all the other major search entities is likely to be heavily influenced by the appearance and placement of online businesses in other, less known search-venues. This will move SEOs to offer services supporting Google Base, MSN Fremont and Yahoo Shopping, along with the slew of other "alternative" search arenas.

4. Yahoo moves aggressively into home entertainment.

This prediction is sort of a given, given the fact Yahoo is already flirting with facilitation of home entertainment services such as providing movies on demand, legal downloads of music and independent publishing. Gary Price from [Search Engine Watch](#) wrote a story earlier this week about Yahoo offering access to four CBS sitcoms. Look for Yahoo to leverage our love of home entertainment into the building of a business sector they are fully prepared to dominate. Someone has to do it and Yahoo looks like they are ready to do it right. If they do, not only will they differentiate themselves from rivals Google and MSN, they will be the first to fully open the brave new world of information provision Bill Gates seemed focused on a few years ago.

Yahoo had best move quickly as a report from [Garrett Rogers](#) over at ZDNet earlier this week says Google is about to enter the video rental market. The online home entertainment venue is currently Yahoo's to lose but as we all know, when working against Google, everything can shift on a dime.

5. Google's dominance remains practically unchallengeable.

Google will continue to be the most popular search entity. It dominates the organic search market and has nearly absolute power in the paid-advertising arena. Having beat Microsoft to the deal with AOL, Google enters 2006 even more powerful than it entered 2005. Nothing less than a major earthquake in the Valley will shift Google's dominance of search in 2006.

6. Google's reputation takes huge hits. Mainstream net-users begin to compare Google 2K6 with Microsoft circa 1995.

The closest thing to a non-physical disaster on Google's horizon is a major shift in public opinion. Google continues to be immensely popular and even continues to enjoy the "freshest" reputation of all major search engines however, their image took a number of major hits last year. The downward trend around Google's reputation is obviously going to continue well into 2006 as information from the AOL deal comes to light and Google itself continues to grow. Long gone are the days when the three word corporate ethics policy "Don't be evil" could possibly cover the range of choices available to Google executives and engineers. Search, as a multi-billion dollar business has not even approached its peak and will continue to grow. As it does, look for search-users to increasingly compare Google circa 2006 to Microsoft, circa 1996.

7. International conference planners tend to move away from US-based locations as increased security discourages or denies some non-US participants entry into the United States

This is the most unfortunate and darkest of my predictions for this year. While US citizens might not have noticed, many non-US citizens don't come over to visit as much any more as the result of increased security processes and measures. In reaction to this, I suspect conference planners will start to look for venues outside of the US, just to ensure a truly representative number of participants are able to attend. This is unfortunate because America is a wonderful place to visit even if you don't live there.

8. LookSmart revamps vertical search tools, re-issues press release and is stunned to find nobody really cares.

LookSmart? Since when? 'nuff said.

9. Google lights up its massive dark fiber network in a show of force reaction to US telco's threats to overcharge search engines for bandwidth. In essence, Google becomes the first cyber-telco.

We all know that Google has a lot of unused fiber under its hood. How much or exactly where might remain a mystery to us but knowing the [network already exists](#) leads us to believe they will eventually light it up. I suspect it will happen early this year for two major reasons. The first is the threat from US based telcos to overcharge search engines for their extreme bandwidth usage. I expect Google to light the network up in a well timed reaction to poorly thought out bluster from the old-boy's network represented by the telcos. (Anyone remember the scene in Crocodile Dundee when actor Paul Hogan looks at the mugger, pulls a machete from his coat and says "You call that a knife? That's not a knife, this, this is a knife".) The second is because they can. Look for Google to become the first major cyber-telco of the new century.

10. Jeeves is going to be fired, this time for good.

Actually, Jeeves is already quietly being phased out amid repeated death threats from Ask Jeeves owner Barry Diller. In France, the world's best known butler has already been suspended. He is expected to be suspended in Japan and Singapore in the next week. It is only a matter of time before Britons and their North American cousins awake to find the butler has left the building for good. He will be missed.

Here is a last prediction that is almost certain to come true. Search marketing is going to undergo a number of major changes over the coming twelve months. Search engines have become far more precise in finding, reading, sorting and ranking information found on web documents and websites. Search marketers are rapidly adapting but the biggest shifts in the sector remain to be seen. 2005 was an amazing year for our industry and 2006 will be even better as the business of search marketing will become less convoluted and increasingly specialized.

On behalf of the StepForth team, I would like to wish everyone a peaceful and prosperous New Year. Thanks for a wonderful 2005 and here's to a better 2006.