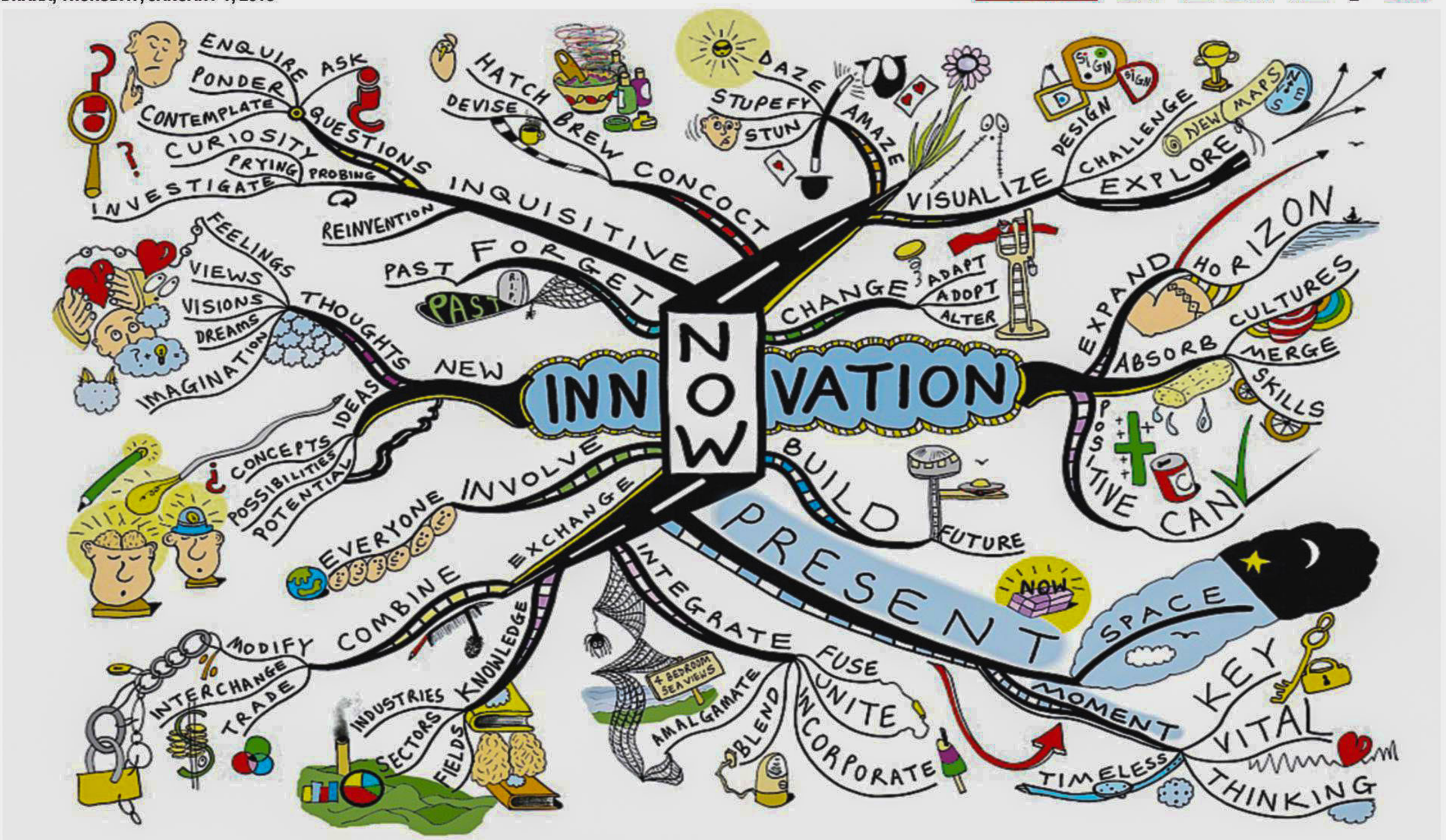

EXCLUSIVE INTERNATIONAL COLUMN

The tinkerer's apprentice

ERIC SCHMIDT

THE best inventions are never finished. When the German engineer Karl Benz invented the first petroleum-powered automobile, he did not just create an engine with wheels; he set in motion an industry that revolutionized the way society was structured. Similarly, the English computer scientist Tim BernersLee did not only build the world's first Web site. He laid the groundwork for the World Wide Web. Neither could have anticipated the impact of what he was doing.

If there is one lesson that economic policymakers should heed in 2015 and beyond, it is this: Just as invention is dynamic, so are the industries it creates. As we learned in 2014, it is a lesson that has yet to sink in entirely.

When Google was launched, people were amazed that they were able to find out about almost anything by typing just a few words into a computer. The engineering behind it was technically complicated, but what you got was pretty rough: a page of text, broken up by ten blue links. It was better than anything else, but not great by today's standards.

So our co-founders Larry Page and Sergey Brin – like all other successful inventors – kept iterating. They started with images. After all, people wanted more than just text. This first became apparent after the 2000 Grammy Awards, where Jennifer Lopez wore a green dress that, well, caught the world's attention. At the time, it was the most popular search query we had ever seen. But we had no surefire way of getting users exactly what they wanted: JLo wearing that dress. Google Image Search was born.

Maps are another great example. When people search Google for an address, they do not want a link to Web sites that mention the street. They usually want to know how to get there. So we built a map that was clickable, draggable, and easy to explore. Maps have become such an integral part of Google that most users probably cannot imagine it without them.

It has been the same with many of our changes. Our searches have gotten better over time. Google the weather where you live and you will get the forecast for the next few days as the top result, saving you time and effort.

But Google's efforts to provide direct answers to questions have fueled complaints at the European Commission. Companies like Expedia, Yelp, and TripAdvisor argue that Google searches are depriving their Web sites of valuable traffic, putting their businesses at a disadvantage. Instead of us providing you with images, maps, the weather, news, or translated versions of foreign-language sites, they would rather go back to ten blue links.

A few years ago, a lawyer for one of our competitors drew a picture of a coastline with a little island offshore. He added a dotted line, explaining that this was the only ferry connecting the island to the mainland. His point was that Google was just like the ferry: the only way to navigate the Internet.

In reality, there are many ways to get around on the Web. For news, you might go directly to your favorite news service. If you want to buy something, you might go directly to Zalando or Amazon, where you can research models and prices, get reviews, and pay for your purchase all at once.

The real point is that the economic landscape in which we are operating is not only competitive; it is changing constantly. This year, our industry reached an important milestone. For the first time, people are spending more time on mobile devices than on their desktop computers. Time spent on desktops has now fallen to just 40%. And people use mobile devices very differently from the way they use desktops. Seven out of every eight minutes spent on a mobile phone is spent within an app, and the most popular app in the world is Facebook.

Many people look at Facebook, Google, Apple, and Amazon, among others, as companies that no competitor could ever beat. I am less certain. History is full of examples that show that size and past success guarantee nothing. Great companies can be surpassed swiftly. Just a few years ago, companies like Yahoo, Nokia, Microsoft, and Blackberry seemed unrivaled. They have all since been disrupted by a new wave of tech companies – Google among them.

Google works very differently from other companies that have been dubbed "gatekeepers" and that are regulated accordingly. We are not a ferry, a railroad, a telecommunications network, or an electricity grid with only one line serving you and no competitors allowed. No one is stuck using Google. People have choices, and they exercise them all the time. We know that if we cease to be useful, our users will leave. The barriers to entry are negligible, because competition is just one click away.

Someone in a garage somewhere is gunning for us, and 2015 could be the year that they make their move. I know, because not long ago we were in that garage. And I know that the next Google will not do what Google does, just as Google did not do what AOL did.

The upheavals resulting from momentous technological change are rarely expected. The telegraph disrupted the postal service. Radio and television shook up the newspaper industry. Airplanes ended the age of ocean liners. Inventions are always dynamic; that is why the future will always be as exciting as the past.

The writer is Executive Chairman of Google.
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