

Google's search defaults prey on power of habit, expert says in antitrust trial

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Antonio Rangel, a behavioral economist and professor at the California Institute of Technology, knows how to get you to grab a cereal box off a supermarket shelf using product placement and consumer habits. And he

said Google understands the same tricks, which is why the tech giant has fought so hard to keep itself as the default search engine on mobile phones.

"If I can move your eyes, if I can manipulate your fixations, I can manipulate your choices quite a bit," Rangel said as an expert witness called by the U.S. government in its landmark [antitrust trial](#) against Alphabet Inc.'s Google.

Rangel said in testimony Wednesday and Thursday that his research on the prime placement of cereal boxes in stores was relevant to his assessment of [search](#) engine defaults. He found that getting prominent real estate on a [web browser](#) or [mobile phone](#) discourages people from switching to rival search engines. Consumers are reluctant to change behaviors that have hardened into habit, he said.

"Search engine defaults generate a sizable and robust bias towards the default," Rangel said. "Defaults have a powerful impact on consumer decisions." Often consumers don't even realize they are making a choice by default and they don't know how to change it, he said.

Rangel's testimony addresses a key point in the government's biggest tech monopoly trial of the last two decades, which opened Tuesday in Washington. The U.S. Justice Department alleges that Google illegally maintains a monopoly in online search by paying more than \$10 billion a year to tech rivals, smartphone makers and wireless providers in exchange for being set as the preselected option, or default, on mobile phones and web browsers. Google argues the company has won market share because it has the best search engine, not because of a lack of competition.

The trial, which is expected to last 10 weeks, could have broad implications for the \$1.7 trillion company, which has remade

communications and information retrieval in the modern internet era. The Justice Department is seeking to establish, in this trial phase, that Google violated the law; if District Judge Amit Mehta rules that it did, he might seek a second proceeding that would include options for remedy. The government could push for the biggest forced breakup of a U.S. company since AT&T was dismantled in 1984, unwinding Google Search from its other businesses, like Maps or its Android operating software.

Rangel testified that Google showed, through its actions, that it believed in the power of default settings. Google employs a Behavioral Economics Team, which conducted experiments on the company's products to see how it would affect the behavior of people using them, he said.

In one, advertisers looking to spend money on Google were asked to enter a maximum daily budget into an interface with no default settings. The team tested adding a \$10 default to increase spending among low-budget advertisers—and it worked, Rangel said. The new default setting generated "hundreds of millions of dollars in revenue" for Google, he said.

Google has also felt the power of defaults on the losing end. Employees working to develop Google Podcasts complained internally about how defaults were preventing uptake of the product. A Google employee said in an email cited by Rangel that while the team felt that they offered "an equivalent or better user experience," Apple Podcasts have a significant advantage because the app is included on iPhones. "This goes to show the power of the default," the Google employee said.

Time and again, Google acted to remain the default search engine on mobile devices and browsers, Rangel said. In 2007, Google chief economist Hal Varian called the default home page a "powerful strategic

weapon in the search battle." In 2014, Google determined that Android users "rarely stray away from pre-loaded apps." And in 2015, Google described potentially losing the deal with Apple for it to remain the default search engine on Safari browsers as a "code red."

"Our brand is in good standing among iPhone users ... but our position is still very vulnerable if defaults were to change," one Google employee said in an email cited by Rangel.

Rangel also concluded the effect of a search engine default is stronger on mobile devices than on personal computers because of their size and user interface.

In 2012, Apple changed the mapping default on iPhone from Google Maps to its own new product, Apple Maps. Rangel said the impact of that switch was "immediate, very sizable and lasts quite awhile." The exact numbers were redacted from public view.

Apple Maps became the dominant map application on iPhone even though it had quality problems, he said.

In another instance in 2020, privacy-focused browser Brave Software Inc. switched its default search engine to DuckDuckGo in four countries: Germany, Ireland, Australia and New Zealand. The company found that a "sizable number" of users stuck with DuckDuckGo because of the switch, Rangel said.

In its defense, Google argued that superior product quality mattered the most.

When Google attorney John Schmitz asked Rangel if bias toward a default is greater than bias toward a superior product, Rangel gave a nuanced answer. "It's going to be dependent on the savviness of the

consumer and other experiences," he said. "All other things being equal, if they are not satisfied with the searches, they are more likely to enter the explicit mode" to switch to another product or browser down the line.

Schmidtlein then asked whether Rangel agreed that companies typically use consumer demand as a proxy for consumer preference.

"I think that companies are in the business of maximizing profits, and they will use consumers' demand to build models about what consumers would do," Rangel said. "And that's not the same thing as preferences."

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