DuckDuckGo Business Model

Idea In Short

DuckDuckGo (also abbreviated as DDG) is an internet search engine that emphasizes protecting searchers' privacy and avoiding the filter bubble of personalized search results. Since its founding in 2014, DuckDuckGo has been a profitable company. This is a feat considering DuckDuckGo does not store or share any personal information on people using this search engine. As the company claims, searches on DuckDuckGo are private, even from them. The company is proud to have a business model that's profitable without making searchers' personal information the product.

If you're unfamiliar with DuckDuckGo, it's the Internet privacy company for everyone who's had enough of hidden online tracking and wants to take back their privacy now. Every day, millions of people rely on our DuckDuckGo's all-in-one app (private search engine, tracker blocker, mobile browser) to stay private online. In one word, DuckDuckGo maintains your privacy during your online searches.

> We invested in it because there is a need for a private search engine. We did it for the Internet anarchists, people that hang out on Reddit and Hacker News. (Fred Wilson, 2012 TechCrunch Disrupt Conference in New York)

The Big Myth

It's actually a big myth that search engines need to track your personal search history to make money or deliver quality search results. Almost all of the money search engines make (including Google) is based on the keywords you type in. In fact, search engines knowing nothing about you, your search history or the endless amounts of data they have collected about registered and non-registered users. Search advertisers buy search ads by bidding on keywords, not people. It makes intuitive sense, too. If you search for ‘car', you are more likely to respond to a car ad than something you searched for last week.

DuckDuckGo's model

Keyword-based advertising is DuckDuckGo's primary business model. When you search on DuckDuckGo, your search shows advertisements based on the keywords you type in. That's it. In a nutshell, their privacy policy is to not collect or share any personal information. Every search on DuckDuckGo is anonymous. For example, if you type in ‘dishwasher', you will get a dishwasher advertisement. Google also makes most of its money through the same approach - keyword-based advertising. This approach does not require any search-history tracking.

Google's model

So, why does Google track your searches? That's because Google is not really a search company. It's an advertising company. On Google, your searches are tracked, mined, and packaged up into a data profile. Then, advertisers present banner ads using Google's massive ad networks that embedded across millions of sites and apps across the Internet. This is why if you search for something on Google, you may start seeing ads for it everywhere. **Google, Facebook, and The Creepy Line** https://www.youtube.com/watch?v=o-rvER6YTss Eric Schmidt, former Google CEO and Chairman, famously said:

> Google's policy on a lot of these things is to get right up to the creepy line, but not cross it.

Why DuckDuckGo?

For most people, Google, Facebook, and others crossed that line long ago. They feel that using the internet doesn't have to feel like you're being watched, listened to, and monitored. According to the Princeton Web Transparency & Accountability Project, Google now deploys hidden trackers on 76% of websites across the web to monitor your behavior. Likewise, Facebook has hidden trackers on about 25% of websites. As a result, these two companies have amassed huge data profiles on individuals. These include your interests, past purchases, search, browsing and location history, and much more. This personal data is stored indefinitely and used for targeted advertising, which many find invasive. These advertisements can follow you around the Internet. Such advertising system is designed to

enable hyper-targeting. This has led to several unintended consequences that have dominated the headlines in recent years. For example, bad actors can use the system to influence elections. Or, these actors can exclude groups in a way that facilitates discrimination. Furthermore, in the worst case, your personal data is exposed to companies that you've never even heard of.

Is tracking required?

In short, no. The fact is Google and Facebook will still be wildly profitable if they dropped tracking across the web and limited the amount of data they collect. Tracking probably helps them compete with each other and add some incremental revenue. Google and Facebook are the undisputed champions of audience and reach across the Internet. And, advertisers will always pay for such platforms.

Anonymous Affiliates

DuckDuckGo is profitable based mostly on keyword-based search advertisements. DuckDuckGo also has non-tracking affiliate partnerships with Amazon and eBay. These currently account for a much smaller portion of its revenue. Bangs are shortcuts that quickly take you to search results on other sites. For example, when you know you want to search on another site like Wikipedia or Amazon, DuckDuckGo's bangs get you there fastest. When you visit those sites through DuckDuckGo, including when using !bangs, and subsequently make a purchase, DuckDuckGo receives a small commission. This mechanism operates anonymously and there is no personally identifiable information exchanged between us and Amazon or eBay. Moreover, these partnerships also don't affect the ranking of search results. Amazon and eBay run their own affiliate networks. Hence, DuckDuckGo can do this in an anonymous way with Amazon and eBay, though not with other retailers.

Summary

Companies using an advertising business model could follow a similar path to DuckDuckGo. There are quite a few approaches for companies can to remain profitable without infringing on consumers' privacy. You can favor interest-based advertising instead of hyper-targeted advertising. That is basing advertisements just on the keywords people type in. For others,

that could mean basing advertisementss on the content on the page and not on the individual viewing the page. You can sell advertising directly based on such interests and avoiding hyper-targeted approaches as Google and Facebook. The boomline is Internet shouldn't feel so creepy and getting the privacy you deserve online should be simple.