By Paul Belleflamme, 10 November 2013

Browser War: The Return

This is the fourth post adapted from term papers that my master students submitted in June 2013. This post (originally written by Fanny Avaux, Maxime Georgin, Marie-Laure Le Déodic & Sophie Naert) has been honed and complemented by [Olivier Simons](.)*.*

The first browser war took place in the late 1990s when Microsoft's *Internet Explorer* replaced Netscape's *Navigator* on computers. It seems old as nobody uses Netscape any longer. However, since 2003 *Internet Explorer*'s market share has been steadily decreasing because of emerging browsers like *Safari, Mozilla Firefox, Google Chrome,* and *Opera*. [Less than two months ago](.), *Google Chrome* was dominating more than half of the market while *Internet Explorer* only had 12.1% of the market.

A world increasingly mobile

Nowadays, the widespread use of mobile devices (i.e., smartphones and tablets) to browse the web has strengthened the competition between browsers, leading to the emergence of a new war: the **mobile browser war**. In this new world where platforms compete with integrated businesses and services, smartphones' operating systems (OS) have all developed their own app to browse the web. Hence, *Safari* is to Apple's devices what *Internet Explorer* is to Windows-operated devices or

Google Chrome is to Google's ones: the default browser. Since there are now [no more compatibility and interoperability issues](#) in using a certain browser on a certain OS, mobile users may download the browser they want regardless of the OS they use. This has been made possible mostly with the increasing number of [native apps](#) available from different "stores". For example, [*Firefox* has been developed to run on Android](#) (for smartphones and tablets) and [*Rockmelt*](#), a browser focusing on the "social web", has also been released in a native app for both tablets and smartphones during the last year.

Why competing for free?

Why is it that important to impose one's browser to web users? This question makes even more sense knowing that most browsers are free to download and that people care more about the content than about the browser itself. As professor [Yoffie says](#):

> *"No one is doing a browser to make money".*

So what is the rationale behind competing for browsers? One important reason has to do with the **standard establishment**. The browser is indeed the interface between websites and users, as it reads web pages. That supposes to establish standards so that sites can be decrypted correctly by the browser. Therefore, the leader of the market can impose its standards.

On top of this, the new browser war is also due to the growing importance of the [user-information-market](#) and the mobile world. Browsers indeed influence the control firms can have on **users' information**. Through the browser, people are navigating on the web and by doing so are revealing information about them. Such valuable data can in turn be used to improve services and products according to consumers' tastes, to refine the means to reach customers, and to increase revenues by informing advertisers as well. Moreover, browsers are steadily important because the world is increasingly mobile. Therefore, **browsers**

> *"**are now the entry point** not just to the Web but to everything stored online"* ([Article NY Times](#)).

This mobile world also entails that platform businesses are more dependent on each other. Browsers, like *Google Chrome*, are indeed important because *"entrenched businesses are at stake"*: applications are more and more "on the cloud". Those apps are indeed more online services than apps running on hardware (e.g., Google Docs instead of Microsoft Word). Consequently, the trend seems to be that in the long-term the principal software platform won't be Windows or OSX anymore, but the browser, which provides access to online services. [Pichai, VP of *Chrome*, says that](#)

> *"Chrome is a platform, the underlying layer on which all our cloud operations run".*

In this platform battle, where all businesses are interrelated, **each browser tends to promote its own products**: *Internet Explorer* has facilitated the access to Messenger (IM), Apple has designed the latest version of *Safari* like iTunes is, and Google has made *Chrome* in such a way to ease the access and use of Google Docs and Google Maps. In short, if a browser controls the market, users' habits will be formatted to use the apps related to this browser. Hence **the dominance of this market may be shifted on other markets** for compatibility and facility

reasons.

In other words, browsers strive to increase the **switching costs** consumers will face when considering using a competitor's service. The goal is to lock them in to increase the market share on the browser market and extend it on related markets. To achieve such ideal situation, firms have to take into account **the role of network effects** in this market. The latter are powerful when they create a positive spiral which is able to feed itself: the more users the browser has, the more websites' providers follow the browser's standards and the more developers develop apps for this browser, which in turn attracts more users, and so on so forth.

In a nutshell, browsers are fiercely competing to attract users for **strategic purposes**: the more users they have, the more they can hope becoming the dominant gateway of the future mobile world, the more users can be exposed to browsers' related-apps (and pay for additional services or functionalities) and the more eyeballs can be sold to advertisers.