



Most investors know what the "FAANG" stocks are – Facebook, Apple, Amazon, Netflix, and Alphabet (parent of Google). These stocks have had big runs over the last few years, and they've struggled more than the market over the past few months. That's typical behavior for growth or glamor stocks – higher than the market when it goes up, and lower when it goes down.

Of these stocks, which one has the best long-term prospects? If you had to own one for the next 10 or 15 years, which one would it be? I think all of them, except for possibly Netflix, have strong business models, but I would pick Alphabet (Google). Here's why.

Although I'm not sure he means to, Jonathan Tepper lays out the case for owning Google in his recent book, [*The Myth of Capitalism: Monopolies and the Death of Competition*](#). When I was reading this book, I found myself enraged at how the tech giants have managed to become monopolies, but also wondering how much of my money I could stuff into their stocks. Google stood out to me as being a particularly bad actor, but also one whose future profits the selfish part of me wanted to own.

Tepper begins his story about Google by reciting what the search juggernaut did to a firm called "Foundem." Foundem gave users the ability to search for the best price on a desired product. Somehow, although Foundem enjoyed an initial wave of success with shoppers rushing to use the site, "suddenly, after the second day, users never came back," as Tepper tells it. It turned out that by the second day Foundem had dropped 170 pages down when shoppers searched for it after being at the top of the search list initially. Google removed Foundem from its organic search results and also prevented Foundem from purchasing ad placements via Google AdWords. Google "disappeared" Foundem, the way people get disappeared in totalitarian regimes. Google had its own product search service that it wanted to promote, and Foundem presented unwanted competition.

Google has done similar things to other companies in its ambition to grow its basic search business through ancillary "verticals" or searches in specialized areas – real estate listings, local business directories, legal filings, price comparisons, images, etc., according to Tepper. For example, Google noticed that searches like "where's the best nearby steakhouse?" were becoming popular, so it decided to appropriate Yelp's reviews. That meant Google users could see the Yelp reviews on Google, and bypass Yelp entirely. Yelp complained, eventually to the F.T.C., but Google's response was that Yelp's only alternative was to remove its content from Google altogether, according to [this NYTimes article](#).

Google did similar things to other review sites such as TripAdvisor, and Citysearch, and it also allegedly provided pressure on cellphone manufacturers Samsung and Motorola to prevent them from using a navigation system in their phones called Skyhook. Google also adjusted how it displayed images so that its users could see and download Getty Image's photographs without going to Getty's website. The Times article quoted Getty's attorney, Yoko Miyashita, saying he received a response from Google to Getty's complaint that basically argued, "Well, if you don't agree to these terms, we'll just exclude you." Miyashita said that wasn't really a choice because if you're not on Google, you basically don't exist.

Over the past decade, Tepper calculates that Google, Amazon, Apple, Facebook, and Microsoft have collectively purchased 436 companies, mostly without antitrust interference. • It's possible that

the tide is turning against Google, and that it won't be able to do to rivals in the future what it has done to them in the past ? buy them, appropriate their content, or prevent them from appearing in searches. But, according to Tepper, Google already controls nearly 90% of search advertising. Advertisers want to be there because that's where search is happening. Searchers want to be there because that's where they'll find what they're searching for.

So far, Google has managed the neat trick of censoring or manipulating what people search for without offending them or incurring the wrath of the Justice Department. At some point the firm gave up its 'Don't be Evil' motto, perhaps realizing it couldn't live up to that. But that means if you want to bet on one FAANG stock for the next decade, and you can swallow your moralism, Google probably has the best shot at continuing to deliver high returns.