

Why Markets Produce “a Race to the Top”

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Many Americans trust the market to some extent but worry that capitalism will create a race to the bottom without government intervention. In their mind, companies will cut corners and outsource labor in the pursuit of profit, creating shoddier and shoddier products.

The true free market, however, creates exactly the opposite: a race to the top. And the SEO industry, one of the few completely non-regulated industries in the US, proves it. As a professional SEO, I've seen first-hand how it continues to evolve in prosocial ways without government intervention.

SEO refers to “search engine optimization,” or helping companies to rank higher on search engines like Google to drive more organic traffic. Google's algorithm to determine which sites rank highly for search queries is complex, but primarily boils down to two factors: relevant content and links. If you want to rank highly for the search query, “book a hotel,” you need a website that's relevant to booking a hotel. And you also need other people to link to your site because Google's algorithm sees links as votes of confidence: the more links to your site, the more valuable other people online say it is.

When Google first came out, SEO was all about helping clients spam their way to the top of the search engine listings. Instead of waiting for real websites like mashable.com to link to your website, SEOs would set up private blog networks (PBNs) consisting of thousands of fake websites, and direct links from the PBN to your site. Instead of writing great content relevant to the user, SEOs would help clients stuff keywords on to their sites. For instance, a search for “book a hotel” might have turned up a site that just repeated variations of the search term (“book a hotel,” “book hotels,” “book your hotel,” “hotel bookings,”) instead of offering valuable information to the searcher.

Unethical SEOs made a lot of money essentially hacking their way to the top of Google, which meant Google's results didn't serve their users. In the beginning, the SEO industry seemed to embody the worst fears of an unregulated market: big players who could pay the best SEOs got ahead, unethical behavior was rewarded, and consumers suffered as a result.

But the story doesn't stop there, because in the market, the major players have a constant economic incentive to improve their services.

In the last five years, Google has cracked down on spam. They released two algorithm updates, Penguin and Panda, that penalized what's called “black-hat SEO.” They improved

their core algorithm to reward high-quality websites and good content that users would actually want to see.

Why did Google spend millions of dollars building complex new algorithms to improve their search results? Because they were greedy. As a search engine whose business is built on ads, Google only makes money if lots of people keep using them to search for what they need. These users wouldn't come back if Google didn't provide good listings.

As a result of Google's investment in its algorithms, black-hat SEO became unprofitable. Google penalized sites that used private blog networks and keyword-stuffing, so that they dropped out of the search results completely (RapGenius.com was penalized by a Google algorithm, and stopped ranking even for its own name!).

This change fueled a pivot in the SEO industry, from black-hat SEO to "white-hat SEO" that helps companies rank highly by creating content that benefits users. The latter became profitable.

At the same time, top SEOs began publicly condemning black-hat SEO. In 2011, Rand Fishkin, co-founder of SEO giant Moz, argued that ethical SEO agencies needed to help clients produce great content, not waste time spamming. Today, some white-hat SEO agencies even publish guides to help consumers avoid spammers.

As SEOs, we warn consumers about the worst offenders, essentially blowing the whistle on our own industry, out of a desire for profit. If a company worked with a black-hat SEO that landed them in a penalty, there is a good chance they'll never hire a SEO again, even a legitimate one. If a potential client believes SEO is full of spammers, he's probably going to invest his marketing dollars elsewhere. In either case, legitimate SEOs lose out on potential clients.

As ethical agencies, we have a vested interest in punishing the worst offenders in our industry in order to restore faith in SEO among the general public.

Profit-maximization on the part of Google and the SEO industry overall has led to prosocial results. In 2016, Google has become a modern-day Library of Alexandria. Millions of searchers use it every day to answer questions or find products that could help them. Most SEOs help clients create amazing content that users want to read.

Even many former black-hat SEOs have become white-hat in their quest for profit, because the latter delivers real results that keep clients satisfied. There are still some black-hat SEOs out there, but they're a dying breed.

An unregulated industry may not start out perfect. But the profit incentive creates a constant evolution toward better products and services. Rather than a race to the bottom,

the drive for profit pushes companies to serve their customers in ever-better ways, producing a race to the top.

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