Big Tech's big downgrade

In recent years, Google users have developed one very specific complaint about the ubiquitous search engine: They can't find any answers. A simple search for "best pc for gaming" leads to a page dominated by sponsored links rather than helpful advice on which computer to buy. Meanwhile, the actual results are chock-full of low-quality, search-engine-optimized affiliate content designed to generate money for the publisher rather than provide high-quality answers. As a result, users have resorted to work-arounds and hacks to try and find useful information among the ads and low-quality chum. In short, Google's flagship service now sucks.

And Google isn't the only tech giant with a slowly deteriorating core product. Facebook, a website ostensibly for finding and connecting with your friends, constantly floods users' feeds with sponsored (or "recommended") content, and seems to bury the things people want to see under what Facebook decides is relevant. And as journalist John Herrman wrote earlier this year, the "junkification of Amazon" has made it nearly impossible for users to find a high-quality product they want — instead diverting people to ad-riddled result pages filled with low-quality products from sellers who know how to game the system.

All of these miserable online experiences are symptoms of an insidious underlying disease: In Silicon Valley, the user's experience has become subordinate to the company's stock price. Google, Amazon, Meta, and other tech companies have monetized confusion, constantly testing how much they can interfere with and manipulate users. And instead of trying to meaningfully innovate and improve the useful services they provide, these companies have instead chased short-term fads or attempted to totally overhaul their businesses in a desperate attempt to win the favor of Wall Street investors. As a result, our collective online experience is getting worse — it's harder to buy the things you want to buy, more convoluted to search for information, and more difficult to socialize with people.

Abandoning the core product

In the 2000s and early 2010s, tech companies actually produced new, interesting products. They made our lives easier, turning our phones from simple two-way communication devices into ways to learn more, connect with our friends, and chronicle our own lives. This fueled Silicon Valley's explosive growth: Companies saw their valuations soar, revenue growth was exponential, and new users were joining by the boatload. In recent years, simple math has dictated a slowdown as the number of people joining the ranks of the newly online decreases. This slowdown triggered a crisis in the Valley. Tech companies have spent the past few years flailing around trying to find a second magical growth engine that will replicate the explosive growth of those early years. In the process, many of these companies have totally abandoned their original mission and have resorted to hyper-monetizing every customer interaction in an attempt to squeeze revenues from their legacy products and appeal to Wall Street.

In some of the most extreme cases, tech titans have decided to completely abandon the ideas that made them famous in the first place in a desperate bid for renewed relevance. The best example of this disastrous search for a second act is Meta, the company formerly known as Facebook. Meta became the most successful social-media company because it was a relatively straightforward and attractive way to catch up with your friends. But over the years, the company has obfuscated much of the experience behind exhausting sponsored content and jumbled auxiliary features. As a result, the number of people using Facebook's apps has slowed and its once explosive revenue growth is faltering. But instead of trying to make people actually want to use its products again, the company decided to pivot wholesale to the metaverse (hence the name change). CEO Mark Zuckerberg's intent is clearly to own a kind of "second internet," the next place where users socialize — except the virtual-worlds concept is bordering on dead on arrival, with a tiny number of people signing on, because, frankly, it *sucks.* Yet the company managed to burn over $13 billion on the idea last year to try and make it happen. And as for its core product, well, that's suffered mightily. Both Facebook itself and Instagram, arguably the company's most important product nowadays, are stuck in an endless push-pull between users who just want to see content from friends and people they actually follow and the app's developers, who are trying to force-feed people sponsored TikTok-esque reels and revenue-generating content that even celebrities have complained about.

This isn't the first time in history that a company has tried to abandon its core business only to have it blow up in its face. Take General Electric, the once mighty titan of American manufacturing. In its first 100 years, GE focused on doing what it did best: building things. Whether it was airplane parts or light bulbs, GE was a manufacturing powerhouse. But when former CEO Jack Welch took over in the 1980s, GE's focus began to shift away from making the best products. Welch gobbled up random businesses like NBCUniversal and poured money into noncore businesses like its financial-services arm, GE Capital. This pivot to financial wheeling and dealing ended up almost sinking the company. During the financial crisis, GE Capital became a huge liability for the company, and it was forced to sell off many of its business units to survive. In the years since, GE has dwindled to a shell of its former self and seen its valuation fall by 80%. Instead of innovating on core products and delivering the goods that customers wanted, GE cast about for a second act and killed its main business in the process. While Meta has not seen the same kind of blowup, GE's slide into irrelevance should serve as a warning for Zuckerberg and his fellow executives.

Chasing trends

Even when companies claim to be working on their core product, in many cases their attempts to "innovate" are just designed to hype up Wall Street by chasing meaningless trends that degrade user experience.

Take, for instance, Satya Nadella, the CEO of Microsoft. Nadella declared at the peak of the metaverse hype in 2021 that he "could not overstate the breakthrough of metaverse." But less than two years later, the company has fired almost the entire metaverse team and the future of its push into the tech is in doubt. Nadella — who has laid off thousands of people in the past few months — has now focused his attention on AI. These newfangled products were pitched as ways to make the core product offering of Microsoft better, but so far they've been riddled with problems and are more likely to make online search worse rather than improve it.

> "Instead of thinking about what's best for the user, the fad-chasing is creating Frankenstein tech that makes no sense."

Google delayed launching its own AI-based chatbot for years out of ethical concerns, but then rushed out an embarrassing, partially broken version in response to Microsoft's moves. And the two companies aren't the only ones trying to hop on the "generative AI era" bandwagon. Wall Street and venture capital has all of Silicon Valley trying to get in on the trend, pushing AI into confusing places like Snapchat or even the privacy-focused search engine DuckDuckGo. Even Meta announced that a new team would be building "AI tools and personas" — which helped give the company's stock a small bounce.

Billions of dollars have shifted toward an entirely new category of technology without any real consideration of whether they'll be good products that users will like — or whether said products might actually harm users — because these companies are not interested in useful innovation or what will actually make their products better at the things they're meant to do. Instead, they are interested in pumping stocks and showing the ability to grow their revenues every single quarter, even if doing so doesn't make the *actual purpose of the company stronger.*

There are ways to integrate new technology into a core product that doesn't end in disaster. For instance, Netflix successfully pivoted from mailing people DVDs to streaming and picked up hundreds of millions of users along the way. But the reason that this pivot succeeded was because the product, the experience, and the timing were right: The average speed of a consumer internet connection had grown to a point where it was possible to deliver the same service to more people with less effort. That, and Netflix already knew that people liked to watch movies at home. Netflix was able to iterate on their core product — letting people watch movies — in a way that actually made that experience better.

By contrast, the half-assed pivots from the likes of Microsoft, Meta, and Google are trying to graft unproven or nonsensical technology onto their products for the short-term stock boost. Instead of thinking about what's best for the user, the fad-chasing is creating Frankenstein tech that makes no sense.

The 'growth mindset' is killing tech

These companies have strayed from their core products — helping you find information, buy things, or connect with people — because their focus is no longer on innovation or providing a service, but finding a "good enough" service that they can then sell advertising around. Despite statements reiterating their commitment to users, workers, or the world, it's clear that tech companies and executives have become totally enthralled by one set of stakeholders: Wall Street. CEOs over hired and then laid off thousands of people or hyped new tech only to reverse course months later, all in an attempt to woo investors. This monomaniacal focus on market performance incentivizes a rot economy — a consistent yet unsustainable trajectory that favors the illusion of growth at the expense of actual development.

The biggest tech companies are encouraged to chase growth not as a way to have happy customers or become sustainable and profitable enterprises, but to have fancy-sounding numbers to send the stock price higher. It doesn't matter to investors that Mark Zuckerberg is burning billions of dollars a year and has absolutely nothing to show for it, or that the basic Facebook product experience has been getting worse for 10 years. Zuckerberg began "the year of efficiency" to show some newfound sense of discipline, but the mass firings are only going to make employees more miserable and the product worse.

Even these companies' internal evaluation and compensation systems push employees to develop shiny "new" projects that produce flash-in-the-pan customer interest over building or sustaining existing products for current users.

This mindset has even trickled down to early-stage startups, which are typically thought of as proving grounds for innovation. Venture capital and other investors have pushed for a growth-first model, prioritizing "line goes up" metrics rather than building a useful product and sustainable business. VCs also incentivize companies to appeal to whatever hot trend could get them the highest multiple on their initial investment, rather than doing what will make the best user experience.

The net result of these rotten economics is a genuine lack of innovation. When companies are incentivized to grow at any cost — even if that means degrading the user experience — they will never seek to change or improve the world. Innovation can be expensive, time-consuming, and unprofitable, which means that the only innovation we'll ever see is the short-term kind that leaves a smile on a VC's face but angers average users.

And that's why it's getting more exhausting to find the things you want or buy the things you need. That's why social media is chock-full of sponsored videos rather than pictures of friends. Why sales software seems to make it harder to sell or why accounting software doesn't really help you move your money — because a "successful" tech company only ever has to be good enough.