

## Getting Vertical: Ken Gullicksen

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I've been catching up with some of the vertical search companies, as well as the VCs who support them, and I'll post the interviews as a series over the next couple of weeks.

Today: Ken Gullicksen, Morgenthaler Ventures

I asked Ken Gullicksen of Morgenthaler Ventures about the prospects for vertical search. His bottom-line analysis: It's a feature, not a destination.

Morgenthaler has invested in NextTag, the shopping search site, and Gullicksen loves the company. But he's still looking for the business model for other verticals.

One thing is clear to him, however: technology isn't enough. "Popular verticals like finance, health and travel have multiple players in them, and I'm skeptical of their ability to be a destination site based purely on having some great search functionality," he says.

Gullicksen admits that commercial searches such as travel on the main search sites don't always work so well. "Trying to do a travel search in Google works very poorly; you can't find what you looking for. There definitely are examples like that."

But while there may be an opportunity to do a vertical search better, he doesn't think that better search will build enough traffic and momentum to support a new search site.

The other barrier to standalone vertical search sites is that large portals and destination sites are incorporating search, he says. For example, MySpace reportedly is talking to the search giants providing search — and the extremely lucrative ads to go with it.

"Sites that are a destination and have their own constituencies and organic traffic base are in a good position to have embedded search features," Gullicksen says. "That's where the model is more likely to end up than a bunch of niche search sites."

When it comes to the sizzling video and media search category, Gullicksen likes the social networking features that often go along with them. "The social recommendation and tagging mechanism seems to be working quite well in user-generated video services," he says. As more and more TV and video content moves onto the web, he says media search sites must continue to evolve their search and recommendation systems. "But I don't think it's a separate business.

But Gullicksen has some encouraging words for niche players: "It's an area that has the capacity to surprise guys like me," he says. "Google is not the last word on search

innovation. People's brains have been rewired to think in terms of search, yet the technology is still, relatively, in its early infancy.