

By Bambi Francisco, CBS.MarketWatch.com Last Update: Feb 8, 2005

This week is a good time to reconsider how eBay and Google knock heads.

A couple of years ago, I wrote that Google ([GOOG](#)) and eBay ([EBAY](#)) competed more than we knew. It was too early to contemplate a collision course back then. But with the combined companies now worth more than \$100 billion in market cap, it is worth revisiting.

Believe it or not, **10-year-old eBay is worth \$50 billion while seven-year-old Google is worth \$54 billion.** eBay's worth \$4 billion less because by the end of this year, for the first time, Google's cash flow is projected to trump that of eBay's.

Last year, eBay delivered slightly more cash flow. Google delivered cash flow of \$1.2 billion last year while eBay's was \$1.3 billion, as estimated by Goldman Sachs.

Will search advertising ultimately become a better mousetrap for sellers? Or to what extent will search advertising take away the potential dollars that were once expected to flow onto eBay's marketplace? Search engine marketing is beginning to look like a compelling, alternative mousetrap to capture buyers. (2004) fourth-quarter results (Indeed) speak to higher advertising search dollars.

Life outside of eBay

Customers are able to entertain new avenues like Google today...they're **far savvier about the resources on the Internet.**

As one eBay seller said to me via e-mail: **"Most sellers are like me and didn't really think there was life outside of eBay, but we are getting educated fast." Another seller said he's decided to put up his own Web site...and buy keywords on Google and Yahoo's Overture.**

In Google's pocket...the advent of search as an alternative will take away the potential eBay once had...eBay relying on traffic through its keyword purchase from search engines for years.

EDITOR'S COMMENT: And the new pet rock in the mix of things...can it be ring tone...whose sales will hit half a billion this year, up from \$245 million in 2004?

What about next year's new pet rock? Will it be Netword, whose Natural Language Navigation patent technology resolves web sites along-side search results and whose retail sales have jumped 10 fold from its having "gone private" in January 2003...now aiming to go public again?

All this said, the Internet is a great leveler...Isn't it? And who'd of thought?