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For Some Technology Companies, 'Beta' Becomes a Long-Term Label

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Few people would fly on an airline that advertised its planes had untested engines, or swallow a pill from a drug company that admitted the side effects were unknown. Yet when it comes to software, it seems consumers are much more adventurous.

Technology companies like **Google Inc.** and **Microsoft Corp.** are changing the way they develop products by using the masses to identify problems in their unfinished programs, known as beta versions. For years, the term "beta" referred to a relatively short period of testing by a select group of outsiders. These days, beta editions are not only released to the public, but also stay in that mode for months, or even years. Google News, Google's news aggregator, has been in beta for three years. Microsoft's antispymware application has been in beta for nearly a year.

Betas also have become a marketing device in a fiercely competitive industry, allowing software and Internet firms to release new products or services sooner and cultivate early buzz. Betas, which once had been quietly distributed, are trumpeted in press releases and at news conferences.

"I deplore it as a consumer; I admire it as a marketing professional," said Peter Sealey, a marketing professor at the University of California at Berkeley and former chief marketing officer at Coca-Cola Co. "I can't come up with anything else in the entire marketing world where marketers knowingly introduce a flawed or inadequate product [and] it helps grow your user base."

Critics say the technology companies risk alienating users by broadly releasing products that sometimes are riddled with bugs, or by dragging their feet to complete their beta products. The companies say consumers benefit from the

practice because the widespread testing helps them make critical improvements and determine which extra features users want.

From IBM to Etsy

Beta, the second letter of the Greek alphabet, has been part of the lexicon of the computer industry for decades. At **International Business Machines Corp.** in the 1960s, software developers on mainframe computers worked through two phases, alpha and beta, said Burton Grad, a computer programmer for IBM at the time who now tracks software history for the nonprofit Computer History Museum. An alpha test was an internal review of the program's design. A beta test was an invitation-only review by a few customers. In the case of IBM, the customers included banking giants and oil companies.

"We depended on them to do the testing that we could not do in a real-life situation," said Mr. Grad. "This was not for the public."

Betas didn't change much with the advent of personal computers. Companies like Microsoft drafted small groups to beta-test software before it was sold to the masses. But the Internet has altered the landscape because companies can easily release software to thousands of consumers through their Web sites, enabling them to draft as many beta testers as they want. Early public betas included the Netscape Web browser in 1994 and the ICQ instant-messaging service launched in 1997 and sold a year later to America Online. These days, many public betas are Web-based applications that companies can update by changing code on their servers.

For Mr. Grad, 77 years old, the evolution of beta software is reflected in the business endeavor of Robert Kalin, his 25-year-old grandson. Mr. Kalin's Internet startup [Etsy.com](https://www.etsy.com)¹, a marketplace for handcrafted bags and jewelry, carries the beta label at the top of its site.

"It goes against the grain for me," Mr. Grad said. For his part, Mr. Kalin likens beta to a "philosophy." He said, "It's like letting the public in on your experiments." Although the site is open for business, he said, it remains in beta because features are still being added, such as an upcoming tool to let users

request custom-made products.

The Beta Excuse

Escalating competition among Google, Microsoft, **Yahoo Inc.** and **Time Warner Inc.**'s America Online has helped up the ante in the beta game, analysts said. Companies like Microsoft have long talked about products months before they launch, in part to create fear and uncertainty for competitors, said Joe Wilcox, a senior analyst at Jupiter Research. Now, they can release an unfinished product in beta, hold a press conference and attract a phalanx of users.

"Things can go wrong and [companies] can throw up their hands and say, 'Sorry, but, hey, it's in testing,'" Mr. Wilcox said. "You have what I call the beta excuse. It's bad for companies because it hurts perception of the quality of their products." Mr. Wilcox has [criticized](#)² Microsoft on his blog for releasing services in beta that were not up to snuff to get a marketing edge.

MSN's search engine was panned following its beta release. Consumers trying the beta version of the company's MSN Spaces service -- which lets users create personalized Web pages -- had trouble posting information and couldn't load certain pages. Some early users of Google Talk -- the search giant's instant-messenger service -- encountered connection problems.

Some technology analysts argue that companies with widespread software cannot adequately test how a program will perform without a public beta version. "There is virtually no testing process that will stress the product" other than a public beta, said Rob Enderle, principal analyst with technology research firm Enderle Group.

Many consumers will tolerate problems encountered with beta services because many are offered free of charge, he said. One exception is Flickr, the popular photo-sharing service. Yahoo acquired Flickr when it was still in beta in March, and it remains in beta. Users of Flickr's premium version, which includes unlimited storage, must pay about \$25 a year.

Kerry Parkins, director of product marketing at America Online, said public

betas mean consumers will get better products "in the end," but "we do need to step back and make sure we do a good job of explaining to consumers what they're getting themselves into... At AOL, we try to be very explicit." The company offers a Web site, [AOL Beta Central](#)³, that lets users test products.

King of Beta

Google releases many of its applications to the public with the beta label, and also keeps many of them in beta for a long time. Critics say the format gives Google an excuse to avoid responsibility for any flaws.

Google keeps a product in beta if it has not implemented all the features it wants to add, and "as long as there are some quality improvements we want to make," said Marissa Mayer, vice president of product development. Beta also allows Google "to launch products sooner," she said.

Google News has been in beta since 2002 because "there are issues around quality and the ability to find" particular content, said Ms. Mayer. The site, which features headlines and summaries of articles from scores of news organizations, may be revised to include information published on blogs, she said.

Before Google News was released in beta, the team working on it was divided about whether it should allow users to sort news items by date or by location. Google decided to release it without either feature. The first day, Google received 300 emails from users asking for a sort-by-date function, and only three from users wanting to search by location. Google quickly added a sort-by-date feature.

When it comes to beta releases, Google draws a distinction between services on its Web site and software its users must download to their machines. The two versions of its Google Desktop Search software, which lets users search for files on their hard drives, were each in beta for only two months, Ms. Mayer said. "Client software needs to be high quality," she said. "You can't put computers at risk. When you use a service on Google's site, I think people are more willing to take a chance on beta."

Long or Short Beta

Adam Sohn, director of global sales and marketing for Microsoft's MSN, said the company is sensitive to concerns about beta versions. "I can tell you, across the board, we're interested in getting that little [beta] logo as quickly off of products as possible without sacrificing the integrity and quality of the products," he said. "You don't want to drive a car that says 'Test model. Engine may or may not work.'"

Mr. Sohn said Microsoft's approach to beta has "had to evolve" because the distribution model for software has changed. The company has nearly 200 million world-wide users of its instant-messenger service, for example, and "when you test a new version you need to make sure when it's done it's going to run at that kind of scale."

The public's acceptance of beta releases has been a marketing coup for technology companies, said Mr. Sealey, the marketing professor. If Procter & Gamble Co. came up with a version of Tide "that turned everything blue pink, they wouldn't launch it," he said. "But a software guy can do that."

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