



Stanford eCorner

Partnerships: Google and AOL

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Video URL: <http://ecorner.stanford.edu/videos/1082/Partnerships-Google-and-AOL>

Google competed with several other companies, including Overture, for the AOL deal. Though Overture offered more money because they are a public company, Google offered more ideas about additional services for AOL customers. The AOL CEO decided to make the decision that was best for the customers and went with Google, recalls co-founder Larry Page.



Transcript

One of the most wonderful things about being a private company is we don't have to answer any of those questions. You know, I have been a public company CEO and this is so delightful to have such an important question and I can just say, "It is a private matter." But I will do my best. Larry and Sergei identified that this notion of revenue associated with clicks and search, was sort of a key monetizable space. And so we did a deal with AOL and with Earthlink and hopefully with others going forward, where it is a revenue share, and the revenue share, they do some work and they get their part of revenue, we do some work and get our part of the revenue. In our particular case we were competing with a couple of companies including Overture. And as best we can tell, Overture had offered a lot more money, because they are a public company, and they have a lot of cash and so forth. However, our position to AOL was that this was not just a revenue-for-clicks deal, that we have lots and lots of ideas about additional services for AOL customers, which are both to expand their search, information, more content, that kind of stuff, as well as modernization opportunities that we would share. And so to me, it was an amazing thing because normally the situation when a public company is under pressure, the CEO says, "I want the revenue and I want it now." And in this particular case, the AOL leadership which included the new CEO Rob Pittman said, "We want to do the right thing for our customers." So it is one of those amazingly good things that happened.