Google an ally, not a threat, media exec says

David Eun calls the Web ad broker a strategic partner that won't compete in content.

By Chris Gaither, Times Staff Writer

January 8, 2007

MOUNTAIN VIEW, CALIF. — When some of the world's biggest media and advertising companies talk about Google Inc., they borrow a term from the teen flick "Mean Girls."

Google, as they see it, is a "frenemy" — an enemy who acts like a friend, or part friend, part enemy. Martin Sorrell, chairman and chief executive of advertising giant WPP Group, recently used the term. He is among the media executives who can't decide whether Google is trying to help their business or kill it.

That's where David Eun comes in. As vice president of content partnerships, the former NBC and Time Warner Inc. executive is Google's ambassador to the television, movie, publishing and local-media industries.

With its digital distribution power in high demand, Google has developed some goodwill in the media business. Whereas Yahoo Inc., Microsoft Corp. and AOL are developing original video programming, Google says it won't create content to compete with traditional media. Eun and his colleagues have struck deals to distribute MTV Networks clips on websites that run Google-brokered ads and with CBS, Universal Music Group and others to distribute video on YouTube, which Google bought in November for $1.65 billion.

Still, many media and advertising executives are wary of Google's expanding role in connecting audiences to digital content. The Internet company is defending against lawsuits brought by publishers and foreign news organizations alleging improper copying of their material. Record labels and TV networks are also upset about the unlicensed posting of their copyrighted works on YouTube.

In an interview at the company's campus in Mountain View, Calif., Eun reflected on a turbulent year for the media business and made his case for Google as friend, not foe.
Question: This fall, for the first time in the history of television, just about every prime-time show was available, legally, the next day, either for purchase on iTunes or free on the networks' websites. Is that a promising sign?

Answer: It is a good sign. I think it's just that, though — it's a sign, not necessarily a conclusion of a large strategic shift in the industry. What it signals to me is that, to their credit, content owners are willing to experiment.

No one knows exactly how it's going to shake out. But we believe that if you stay focused on the user and you respect the copyright of the content owners, then you can work together to try things — to learn and gather information. We think there will be a business one day, but you need everyone being very thoughtful about it and working together. It's not like you're going to flip on a switch and all of a sudden it's as large as the DVD business or the network television advertising business.

Q: In the evolution of the media, what do you think 2006 is going to be remembered for?

A: One is the fact that a lot of traditional media companies were very publicly aggressive about making their programming available on the Web.

Third is, you can't ignore YouTube.

Q: What are you learning from YouTube?

A: What we're finding is that there are huge similarities. They're very dedicated to the user experience. They're really focused on "What's the best thing we can do for our users?" They really are committed to working with content owners, as we are. They understand and respect copyrights, they truly do.

YouTube was doubling down on what we were doing before. They don't own the content, they're a platform. They're offering ... tools to people to upload their stuff.

Q: One of your jobs is to be the guy who says, "We're not the enemy" to media companies. What do you think when you hear people like Martin Sorrell call you a "frenemy"?

A: At the end of the day, I just point to actual data. [In the third quarter], we paid $780 million out to partners in our AdSense program. Clearly, we do best when our partners do well. Our whole business model is structured around partnering. As we think about our mission of connecting users with information — beyond Web pages, into what's printed on newspapers, magazines or a book, or what's on video — we think about it in a partner-centric way.

When people say we're to be feared, I never quite know what to make of that. You can always opt out: We never force you to work with us. We typically don't do exclusive deals, so you're never stuck working with us. And it's public that in most cases we still give the majority of every dollar we create from a partnership to the partners, so you still get the lion's share of the money. What about that sounds so unfriendly?

You have a company that's 8 years old, that's growing very quickly, that's created a new business. So there's a lot of questions, sometimes a lot of anxiety. Sometimes I think that it's displaced on us.

We represent the new way of doing things — the unknown. A lot of that is placed on us. We must have an agenda, we must be aspiring to be a media company, when in fact we have no such aspirations. We kind of like the way our business runs as it is. If anything, we have an incentive to make sure our media companies are as successful as possible so they continue to make great content because we don't do that, we don't know how to do it.

Q: These media companies see their business threatened, then see Google making so much money and think they're getting a raw deal. Is that part of it?

A: Of course. I don't know that it's warranted. No one is forcing anyone to do anything. I think the benefits flow in both directions. That's the only way a partnership works. What I hear a lot of times is people say, "Look what the record labels did for MTV. They gave [MTV] their content but the record labels didn't get a share of MTV." But when you think about it, the record labels got a huge benefit. They were getting promoted and selling their CDs, and at the time they couldn't get enough of their content on MTV.

It's not as if one is doing another a favor, that it's a charity or something. If we work with content partners going forward, the only way it's going to work is if there's mutual
Q: You're trying hard to convince them that you're a good partner. Then you acquire YouTube, a company that many media companies have to spend time trolling for pirated copies of their work. Did the acquisition hurt your outreach efforts?

A: It's not black or white. If content owners have concerns about what happens to their business or their content, they're also really impressed and attracted to the distribution and promotion YouTube can offer.

We know for a fact that there were some companies that were very vocal about the legal concerns, whose own marketing departments were uploading content to YouTube. It's a complicated thing. We think there's huge benefit, and we think there are ways that you can absolutely respect copyright.

Q: Do you have a professional New Year's resolution?

A: It's an extension of the whole we're-a-friend-not-a-foe line I've been out there publicly with. I'd like to get to a point where we're working with media companies and are gathering more information, where we can point to a larger body of information and success.

2007 is going to be the year of how, hopefully, we really work closely with a few content owners and absolutely prove how we are a fantastic technology partner for them.

chris.gaither@latimes.com