

AOL – The Greased Pig of Search is about to get caught.
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The greased pig of the search world is about to get caught. Apparently the pig is a prized ham after all.

Have you ever been to a greased pig catching contest? Almost twenty years ago, while hitchhiking my way across the vast Canadian prairies one youthful summer, I saw one and let me tell ya, it was better than watching donkey baseball. (another bizarre Canadian pastime. It's best not to ask too many questions at this point eh?). Ok, here's what happens. A bunch of piglets are covered in cooking oil or some other organic slippery substance. They are then put in a holding pen that opens onto a large ring. A number of young people, mostly in their late teens or early twenties gather at one end of ring and wait for the chute doors to open. By the time contest begins, many of the participants, like most of the spectators, will tend towards the drunken end of the sobriety scale having spent the summer afternoon participating in that most Canadian of pastimes, drinking down a few 24s of beer. When the chute opens and the greased pigs are released, the crowd is treated to a spectacle that can only be described as absolute mayhem. He or she who catches the most greased pigs wins.

Now, there are variations on the game, one of which was used in the filming of a lottery commercial earlier this year. In one of the more literate variations, letters are either painted on, or otherwise affixed to the pigs. The contestants then try to spell words based on the letters on their caught greased pig. That brings us to today's special game, which is brought to us by the letters, A, O, and L.

For the past three months, AOL has been acting like the greased pig of the search engine world. Each of the other major players has been trying to capture a piece of AOL but according to the breathless reporting in publications such as the Wall St. Journal, Search Engine Watch, CNet News and WebProNews, AOL has been playing each against the other. It is much easier to understand the motivation of the four-legged greased pigs than it is to figure out the game of negotiated brinksmanship AOL is playing. In the traditional country fair version of the game, the greased pigs do not wish to be caught. When such sport takes place in a boardroom owned by the greased pig however, it is somewhat reasonable for participants to assume said greased pig actually wishes to be caught. In the case of AOL's game of greased pig, appearances have often been deceiving and experiences will change during actual game play. Nevertheless, the greased pig is about to be caught and when it does, a series of events will eventually affect nearly 80% of US Internet users.

Of all the major search entities, AOL has one of the longest, most interesting and convoluted stories. It still has one of the biggest membership bases of any entity on the Internet with an estimated 97 million. It is owned and operated by the board of the Time Warner publishing empire. AOL purchased Time Warner in early 2000 in a legendary stock transfer that took place weeks before the dot-com crash removed much of the value of those shares.

The major search engines wanted AOL outright but eventually found it wasn't for sale as an entity. In late October and early November, [reports surfaced](#) suggesting Yahoo, Microsoft and Google were each trying to buy AOL away from Time Warner. Observers might have thought themselves safe in assuming the Time Warner board might approve the outright sale of the AOL arm, which has been a drag on overall

operations since the firms merged in 2000. In September 2003, the company officially known as AOL Time Warner moved to distance itself from its underperforming partner by dropping the name AOL from its corporate identity.

At the time of the transfer, AOL was the largest Internet Service Provider in the United States but a series of mistakes, combined with the sudden downturn in the Internet economy pushed AOL to near obscurity in the eyes of Time Warner and most long-term Internet users. Remember the days when AOL sent hundreds of millions of unsolicited free AOL CDs to homes around the world promising a month of FREE AOL access. Many, if not most, of those CDs ended up as drink coasters, Christmas tree ornaments, unpredictable Frisbees, or, home fashioned ninja throwing stars.

Like many of the geniuses that coded before them, some of most important contributions AOL's Netscape team has made to the Internet can never be balanced in a profit and loss ledger. Before it bought Time Warner, AOL purchased the beleaguered Netscape web browser but ended up alienating loyal Netscape users by redesigning the browser in its own image in the disastrous Netscape 6.0 release in November 2000. While the 6.0 version was a resounding flop, it stands out as the first major public open-source application and is considered the predecessor of the massively popular [Firefox](#) browser. One of the least appreciated assets owned by AOL was the group of open-source programmers who developed Netscape and moved on to form the independent [Mozilla Foundation](#).

Again, like many of those that coded before them, the power of AOL's reach was grievously underappreciated because the conditions to exercise that power had not been realized. America had not gone broadband as quickly as expected and the massive migration towards digital convergence has until this year been treated as a dot-bomb pipe dream by mainstream corporate investors. Now that over 75% of US Internet users are accessing via big-pipes, video and audio content (stuff folks will pay for) is now easily served. In short, investors see a way to easily and inexpensively get products to consumers. As anyone with a sense of history will tell ya, those who invest in transportation of goods or people tend to make a heck of a lot of money.

Sensing the major shifts taking place in today's publishing sector, billionaire corporate raider Carl Ichan who currently controls 2.8% of Time Warner's shares has set his sights on Time Warner chief Richard Parsons. He wants Parsons out and is expected to be planning the break-up of the empire if he can mount a successful hostile challenge against the Board of Directors. The pending shareholders fight might be the biggest reason Time Warner's board seems to have backed down from selling AOL or even allowing another firm to purchase a stake in it, even after months of negotiations with MSN, Google and Yahoo. The Board was acting like a greased pig, not in reaction to the competitive bids from the Big3 but in reaction to the competitive challenge Ichan is mounting against Parsons. AOL is simply worth too much in the near future to sell off or compromise today, even if it would have provided a massive return for investors.

Earlier this month, Ichan warned the Time Warner board he would hold them personally responsible if AOL was sold at too low a price. Shortly thereafter, AOL changed its tune and took itself off the open market, later saying that it would not even sell a stake in the company.

At the end of the day however, all greased pigs must be caught and AOL, no matter how wily is no exception. The Wall Street Journal reported today that AOL and Microsoft are about to sign a deal that will remove Google from AOL's search page in mid-2006 and replace it with MSN generated results and paid advertising.

AOL and Google have been partners in search since 2002 when Google provided the vast majority of search results seen on almost every search engine, including rival Yahoo. Under the present arrangement, AOL retains approximately 80% of ad revenue generated by AdWords advertising displayed across the AOL network. That agreement, set to expire in mid-2006, was good for about \$300 million in revenues for AOL last year.

A deal between AOL and MSN will give the two firms access to over 140 million subscribed members, making it the largest online content and advertising alliance in the world. Yahoo has approximately 122 million registered users per month and Google has about 86 million. Though discussions about selling a stake in AOL are no longer on the table, chairperson Richard Parsons applied a bit more grease as he told a Tuesday news conference that AOL remained in talks with "multiple parties".

That reminds me of something my grand-pappy used to say. "Never fight with a pig Jim, never fight with a pig." To this day I have no idea what he meant but the expression is stuck in my head. Perhaps he simply had the family trait of foresight as he died years before the public even considered personal computers. You see; AOL's Board of Directors might have actually initiated the greased pig contest as a front in another fight they are facing with Ichan while, at the same time, playing Google, Microsoft and Yahoo off against each other in order to force a stronger settlement from one or more of them. Pigs are said to be one of the brightest four legged animals and, at the end of the day, this one has behaved beyond expectations and provided a captive audience with the greatest greased pig catching contest of all time. Yee Haw.