

YouTube CEO steps down, severing longtime ties to Google

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YouTube CEO Susan Wojcicki speaks during the introduction of YouTube TV at YouTube Space LA on Feb. 28, 2017, in Los Angeles. Wojcicki announced Thursday, Feb. 16, 2023, that she is stepping down as CEO at YouTube after spending nine years as the head of the social media platform. Credit: AP Photo/Reed Saxon, File



Susan Wojcicki, a longtime Google executive who played a key role in the company's creation, is stepping down as YouTube's CEO after spending the past nine years running the video site that has reshaped entertainment, culture and politics.

In an email to YouTube employees that <u>was shared publicly</u> Thursday, the 54-year-old Wojcicki said she is leaving to "start a new chapter focused on my family, health, and personal projects I'm passionate about." She didn't elaborate on her plans.

Neal Mohan, who has worked closely with Wojcicki for years, will replace her as YouTube's CEO.

Although she became one of the most respected female executives in the male-dominated tech industry, Wojcicki will also be remembered as Google's first landlord.

Shortly after Google co-founders Larry Page and Sergey Brin incorporated their search engine into a business in 1998, Wojcicki rented the garage of her Menlo Park, California, home to them for \$1,700 a month.

Page and Brin—both 25 at the time—continued to refine their search engine in Wojcicki's garage for five months before moving Google into a more formal office and later persuaded their former landlord to come work for their company.

"It would be one of the best decisions of my life," Wojcicki wrote in the announcement of her departure.

In 2006, Google bought Wojcicki's home to serve as a monument to the roots of a company now valued at \$1.2 trillion. During Wojcicki's career at Google, Brin became her brother-in-law when he married her sister,



Anne, in 2007. Brin and Anne Wojcicki divorced in 2015.

Wojcicki's departure comes at a time when YouTube is facing one of its most challenging periods since Google bought what was then a quirky video site facing widespread complaints about copyright infringement in 2006 for an announced price of \$1.65 billion. The all-stock deal was valued at \$1.76 billion by the time the transaction closed.

Although Google was initially derided for paying so much for a video service whose future appeared to be in doubt, it turned out to be a bargain. Besides becoming a cultural phenomenon that attracts billions of viewers, YouTube also has become a financial success with ad revenue totaling \$29 billion last year. That was up from annual ad revenue of \$8 billion in 2017 when Google's corporate parent, Alphabet Inc., began to disclose YouTube's financial revenue.

But YouTube's ad revenue during the final six months of last year dropped 5% from the previous year—the first extended downturn that the video service has shown since Alphabet peeled back its financial curtain. Analysts are worried the slump will continue this year, one of the reasons Alphabet's stock price has fallen 11% since it released its most recent quarterly report two weeks ago.

Wojcicki is also leaving just days before the U.S. Supreme Court is scheduled to hear oral arguments in a case threatening the freewheeling style that has long been one of YouTube's biggest advantages.

The case stems from the 2015 death of an American woman killed in Paris during an attack by Islamic State in an incident that spurred the victim's family to file a lawsuit alleging YouTube's algorithms aided the terror group's recruitment. If the court decides that tech companies can be held liable for material posted on their sites, experts say the effects could not only destroy YouTube but shake up the entire internet.



That's because under the U.S. law, internet companies are generally exempt from liability for the material users post on their networks. Section 230 of the 1996 Communications Decency Act—itself part of a broader telecom law—provides a legal "safe harbor" for internet companies—a protection that YouTube co-founders Chad Hurley and Steve Chen seized upon as an opportunity to launch as video site to "broadcast yourself."

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