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[Eric Schmidt: the Economy Is on the Rebound](#)



Google's CEO told the audience at the Cannes Advertising Festival

Google CEO Eric Schmidt spoke at the Cannes Lions International Advertising Festival, saying that the worst part of the economic downturn was over and that the economy was set to recover shortly, perhaps as soon as in the fall.

Google CEO Eric Schmidt believes the worst is over Google

The company has been hit by the economic conditions Schmidt said and, while the searches are still coming, people are spending less and less often, which means the advertisers are also spending less. However, he doesn't believe that the downturn has changed the way the American public spend their money. "Americans love their credit cards," he said. "If people are concerned, Americans will stop spending, you do not understand the American psyche."

It was the first time Schmidt came to the advertising festival, but the visit shows that the company is trying to have even better relations with the advertising business on which it relies for 98 percent of its revenue. "I'm here because it's very, very important for us to have good relationships with advertising agencies, especially the creative groups that are trying to learn how this new medium will work," he added. "The new medium was pretty creatively challenged. Now, we have many more creative formats."

Google is trying to move from the search ads that made its fortune and is experimenting with other forms of advertising. Its venture into print and radio ads was cut short after unsatisfactory results, but the company is still open to new revenue streams.

Schmidt also spoke about YouTube, the world's largest video-sharing site, which Google acquired several years ago, but has thus far failed to make a profit by. While Google may be happy with the site, even if it isn't, apparently, making any money from it, Schmidt pointed out that the site might be headed for profitability soon, as it was experiencing with a number of new ad strategies.

"We're much happier now than we were a year ago," he explained. "We have some ad formats that are beginning to bring in revenue. These new ad formats we've brought out look like they're going to be a good opportunity for brand advertisers. People will watch them, and it really will result in sales."