

By: September 2005 vschi, Editor In Chief

## [The Microsoft-AOL Alliance and the Impact on Google](#)

### *Will Google buy AOL?*

The rumor that Microsoft is planning to buy AOL has taken the Internet by storm and the rumor mill has started. If AOL is up for sale, why shouldn't it be bought by Google and Yahoo? Both companies have enough funds to close such a transaction. An alliance between MSN-AOL has slim chances of changing the balance of forces between the three Internet giants. Neither MSN, nor AOL is powerful enough to matter in the search engine equation and an alliance would only generate confusion. Both MSN and AOL depend on IM and e-mail services to generate traffic, which is not the case for Google, which gets its revenues from searching, or Yahoo, which is the biggest portal. MSN would become more powerful as portal and search engine, but the small percentages owned by AOL in both fields wouldn't matter too much in the battle with Yahoo and Google. For Google, the AOL acquisition would be chance to expand to new areas and although this is already happening, with America Online this would happen at a much faster rate. But the MSN-AOL alliance would significantly change the balance on the VoIP market. The mixture between MSN Messenger and AOL IM would give birth to a player that would leave Google Talk or Yahoo Messenger in the dust. Since Skype's future is in EBays' hands, a MSN-AOL client could become the leader in VoIP communications. It remains to be seen if the rumor on AOL being up for sale is really true.