

## *A Former Google Executive Takes Aim at His Old Company With a Start-Up*

Sridhar Ramaswamy once ran Google's \$115 billion advertising arm. But he grew disillusioned and worried that growth was too much of a priority.



By Daisuke Wakabayashi

Published June 19, 2020 Updated June 21, 2020

OAKLAND, Calif. — By the end of his 15 years at Google, Sridhar Ramaswamy, then the executive in charge of the company's \$115 billion advertising arm, had grown disillusioned with the business he had helped build.

The relentless pressure to maintain Google's growth, he said, had come at a heavy cost to the company's users. Useful search results were pushed down the page to squeeze in more advertisements, and privacy was sacrificed for online tracking tools to keep tabs on what ads people were seeing.

The final straw came in November 2017 when news reports found videos of scantily clad children on YouTube featuring ads from Deutsche Bank, Amazon, eBay and Adidas. The advertisements were served automatically by the technology systems overseen by Mr. Ramaswamy's team.

"I decided the following month that I needed to do something different with my life," Mr. Ramaswamy said in a recent interview. "I came to realize that an ad-supported model had limitations."

Nearly two years after he left Google, he is testing his newfound conviction by mounting a challenge against his former employer. His new company, Neeva, is a search engine that looks for information on the web as well as personal files like emails and other documents. It will not show any advertisements and it will not collect or profit from user data, he said. It plans to make money on subscriptions from users paying for the service.

As evidenced by the antitrust investigations into Google's businesses, challenging the company is no easy task. Google accounts for roughly 90 percent of all searches globally and competitors have tried unsuccessfully for years to make inroads.

Neeva faces the additional hurdle of getting people to pay for something that many have come to expect as free. While there is a growing awareness that free services from Google and Facebook come at the expense of personal data, many consumers — even those who express a concern about their privacy — are often unwilling to pay for an alternative.

Neeva recalls a notion raised, ironically, by the Google founders Larry Page and Sergey Brin in a 1998 research paper when they were doctoral students at Stanford University. They wrote, at the time, that "advertising income often provides an incentive to provide poor quality search results."

Search advertising has become much more sophisticated since the 1990s, but much of the same "conflicts of interest" remains, according to Mr. Ramaswamy. Companies are often torn between serving the interests of advertisers or the interests of users.

He pointed to how Google has devoted more space to ads at the top of search results with the results users are seeking pushed down the page — an issue more pronounced on smaller smartphone screens.

"It's a slow drift away from what is the best answer for the user and how do we surface it," he said. "As a consumer product, the more pressure there is to show ads, the less useful in the long term the product becomes."

Google said it did extensive user testing and concluded that people find "relevant ads and offers extremely useful."



Mr. Ramaswamy and his co-founder, Vivek Raghunathan, outside their new company's office in Mountain View, Calif. Jessica Chou for The New York Times

“There are many different vertical and general-purpose search options for people, and we regularly see new approaches. Ads make Google Search free for everyone, and we only show them on a very small fraction of overall queries,” said Chi Hea Cho, a Google spokeswoman.

One search competitor said ads did not have to come with privacy concerns, either. Gabriel Weinberg, chief executive of DuckDuckGo, a privacy-minded alternative to Google, said subscriptions turned privacy into a luxury. DuckDuckGo presents ads but it says it does not track user behavior.

“If you want the most impact to help the most people with privacy, you have to be free because Google will be free forever,” he said.

Neeva has not set a price for its subscription. It will be free for initial users until the end of the year. After that, Mr. Ramaswamy said he aimed to charge a monthly subscription of less than \$10 and he hopes to bring the price down over time as more users sign up.

In conversations, Mr. Ramaswamy, 53, is measured and cerebral, very much like the academic teaching computer science that he was before he joined Google in 2003.

But it’s still jarring to hear about the pitfalls of ads from someone who was once hailed “the most important figure in online advertising.”

He said that he was not anti-ad and that ad-supported businesses made sense in some instances. But once a company turns to advertising for its primary source of revenue, he said, it starts making small compromises — like adding more ads to the top of search results — that ultimately lead to an “outcome that you’re not particularly happy about.”

When asked why he, as one of Google’s most senior executives, did not intervene, he said there was an implicit understanding that his team’s job was to keep money flowing.

“The core idea that you have to help revenue grow and that was important to the company’s success were not things you questioned. I’m not defending this. I was very much a part of this,” he said.

As software engineer, Mr. Ramaswamy never imagined a career in advertising. In 1989, he came to the United States from his native India and earned a doctorate in computer science from Brown University. Before he joined Google, he did stints in academia; at Bell Labs, a research facility owned at the time by Lucent; and at another start-up.

He started with the unglamorous search advertising team where his job was to make sure the systems remained up. Even in those days, an outage could cost Google \$1,000 a second. His rise at Google mirrored a shift in how people bought ads. It was no longer the realm of art directors but something more akin to traders making automated bids on where ads would go and how much to pay.

In 2013, he became Google's senior vice president for advertising and commerce, overseeing all of the company's ad systems. His responsibilities included overseeing advertising at YouTube to take a video service replete with problematic content and turn it into something that could challenge television networks for advertising revenue.

He felt it was a no-win situation. If YouTube's automated systems held a high bar for what was suitable for advertising, the company risked angering some vocal creators upset at being ineligible for ad revenue. With a less restrictive approach, the chances of a troubling video running with ads was higher. This would anger advertisers and effectively create a financial incentive to keep making problematic content.

In 2017, when The Times of London published examples of videos that exploit young children and appeal to pedophiles carrying ads, Mr. Ramaswamy reached a breaking point.

"This is an impossible conflict and we kind of muddled our way through it," he said. "All of us have boundaries for what we will tolerate in our jobs. There comes a point where you say the environment I am working in has a situation that is not acceptable to me."

After he left Google, Mr. Ramaswamy appeared ready to follow the well-worn path of accomplished Silicon Valley executive to venture capitalist, joining Greylock Partners. But after a few months, he quietly started working on Neeva, recruiting former Google colleagues including his co-founder, Vivek Raghunathan, a former vice president at the company who worked with Mr. Ramaswamy on search ads and YouTube ads during his 11 years there.

Neeva, which is based in Google's hometown, Mountain View, Calif., has raised \$37.5 million with equal investments from Greylock, Sequoia Capital — an early investor in Google — and Mr. Ramaswamy himself. It has 25 employees.

Neeva is not an all-new search engine from the ground up. The search rankings are powered by Microsoft Bing, the weather information comes from weather.com, stock data from Intrinio, and the maps are from Apple. When users link their Google, Microsoft Office or Dropbox account, Neeva sifts through personal files as well as the public internet for the right answers.

And because it knows the people in your contacts, the retailers you ordered from, and news publications you received newsletters from, Neeva's search results will become more personalized over time.

"We felt very strongly that there needed to be alternatives, alternative viewpoints, and alternative business models," Mr. Ramaswamy said.