

AOL to Lay Off 10% of Its Work Force.

By Emily Steel
The Wall Street Journal

Time Warner Inc.'s AOL unit is laying off around 700 employees, or 10% of its work force, as a sharp decline in ad spending continues to pressure its transition from an Internet-service provider to an advertising business.

The layoffs will occur during the next several quarters, with most of the U.S. layoffs finished by March, AOL Chief Executive Randy Falco wrote in a memo to staff Wednesday. AOL also is scrapping merit pay increases this year, consolidating facilities and reviewing its services and international operations.



"The deepening economic recession has affected every corner of the economy, including our own. Online marketers have tightened their ad buying across the board, reducing their spend by hundreds of millions of dollars," Mr. Falco wrote. AOL declined comment.

Since it decided to switch its business to an advertising model in 2006, AOL has faced considerable challenges. The company has been hit hard by the tough economic climate and, slim advertising gains have failed to make up for subscriber declines. AOL posted a 6% decline in ad revenue for the third quarter, its worst performance of the year. Display advertising, long a sore spot, tumbled 15%.

Time Warner, which reports fourth-quarter earnings Wednesday, has also been cutting payroll elsewhere, including 800 jobs in its movie division and more than 500 jobs at Time Inc.

The company recently announced a \$25 billion write-down for the tumbling value of AOL and other businesses. Time Warner also scaled back its advertising outlook, saying the economic climate had proved more challenging than anticipated at AOL and Time Inc. Google Inc., which owns a 5% stake in AOL, wrote down the value of its holding last week, indicating a current value for AOL of around \$5.5 billion. That's down from \$20 billion when Google acquired its stake in 2005.

In his memo, Mr. Falco wrote that AOL is "aligning resources and expenses against the real revenue opportunities in this difficult market." AOL has laid off a significant number of people in recent years.

News of the layoffs first was reported by AllThingsD.com, which is owned by Dow Jones & Co., publisher of The Wall Street Journal.

[Learn more about Search Engine Optimization, the most effective form of online advertising.](#)

Search Engine Marketing is the fastest growing advertising medium in the world, projected to become 10x more powerful and influential than traditional media outlets such as: network television, cable television, local television, network radio, local radio, satellite radio, national newspapers, local newspapers, magazines, billboards, direct mail, telemarketing and more.

Discover the most powerful and effective form of advertising, Search Engine Optimization.

An aside for consideration are the the distinct segments within the field of Search Engine Optimization. Clarification and separation

are required in terms of paid search marketing, sponsored search advertising, pay per click, email marketing (spam), and the foundation of strategic internet marketing: Organic Search Engine Optimization (Organic SEO) are also referred to as Natural Search Engine Optimization (Natural SEO).

Key Organic Search Engine Optimization Facts:

- Keyword search is the 2nd most popular online activity, rapidly approaching the popularity of email retrieval.
- 90% of all new website visitors are delivered by a major search engine and/or directory.
- 98% of all keyword search activity results are powered by the big 4 search engines: Google, Yahoo, MSN and AOL.
- Keyword search results on Google, Yahoo, MSN and AOL are determined by search engine spiders and/or robot crawlers.
- Recent internet marketing studies confirm that keyword searchers prefer the organic results at a 6 to 1 ratio vs. pay-per-click sponsored search advertising listings.

Is your corporate website being found early and often on the keywords and keyword phrases that best describe your products, services and industry? Harness the power that our proven organic search engine optimization technologies provide...

[Contact Peak Positions](#)

Learn more about our client roster, one of the strongest in the SEO industry, and more importantly discover why our client-focused Organic Search Engine Optimization company maintains the highest client retention rate in the SEO industry.

***"Our year over year revenues are climbing rapidly in a timid economy.
If you are looking for an excellent SEO Company, contact Peak Positions"***

[Home](#) | [Organic Search Marketing](#) | [Organic Website Optimization Company](#) | [Natural Website Optimization](#) | [Google SEO Consulting](#)
[Organic Optimization](#) | [Organic SEO Case Study](#) | [Google Search Engine Optimization](#) | [Search Engine Placement](#)
[Organic SEO Testimonials](#) | [SEO News](#) | [Organic SEO Blog](#) | [Contact Us](#) | [SEO Site Map](#)



© 1999-2008 Organic SEO Company Peak Positions, LLC
118 A Cass Street | Mailing Address: P.O. Box 2438 | Traverse City, Michigan (MI) USA 49685-2438
Tel: 231-922-9460 | Toll: 866-536-8614 | Fax: 231-929-3398
Office Hours: M-F 8AM-9PM EST* | Email: Info@peakpositions.com