

Apple rumored to want to buy Twitter

May 7 2009, By Elise Ackerman and Troy Wolverton

As the media appearances of Twitter co-founders Biz Stone and Evan Williams have multiplied, so have rumors that the company is for sale and about to be bought.

TechCrunch, a technology blog, reported late Tuesday that Apple was in talks to buy the hot microblogging platform for \$700 million. But Wednesday, during an appearance on "The View," Stone told Barbara Walters, "We are not for sale."

Apple spokesman Steve Dowling declined to comment, either, on the report about Apple being interested in [Twitter](#) or a separate report that Apple might buy computer-game maker [Electronic Arts](#).

Rob Conway, an investor in Twitter, said he had no knowledge of any talks with Apple. "My gut says no, but I'm not privy," he said in an [e-mail](#).

A month ago, TechCrunch reported that Twitter was in "late-stage" talks with [Google](#). In his post Tuesday, TechCrunch founder Michael Arrington wrote, "Google tried to buy it but was rebuffed by Twitter CEO Evan Williams."

Brad Feld, a well-connected venture capitalist who is co-founder of the Foundry Group, called the reports "highly entertaining." Others simply dismissed them.

Tim Bajarin, a principal analyst at consulting firm Creative Strategies

who has long followed Apple, said it was "ludicrous" to think Apple would buy Twitter.

He said Apple has no track record of making big acquisitions and noted that Twitter is not making any money. Nor is it clear that joining Apple would improve Twitter's prospects, he added.

"It doesn't fit Apple's M.O. in any way, shape or form," Bjarin said.

Analysts said Apple's cash hoard of \$25 billion might be prompting some of the rumors.

"Electronic Arts makes more sense than Twitter," said Rob Enderle, principal analyst with the Enderle Group, a technology consulting firm.

Enderle and others said it would be logical for Google, Microsoft or [Facebook](#) to bid for Twitter, which right now appears to represent the future of social interaction on the Web.

"It's a very, very interesting technology, and because they built it as a platform, it has a lot of legs to it," said Charlene Li of the Altimeter Group.

Enderle said Google also might be interested in having Apple buy Twitter to keep it out of the hands of Microsoft or Facebook. In return, Google might agree to keep its Android operating system out of the MP3 market or avoid something else that might be a competitive threat to Apple, Enderle suggested.

[Apple](#) struck a similar deal with Hewlett-Packard earlier this decade, when it persuaded HP to stay out of the MP3 market by allowing HP to sell Apple's iPods, Enderle noted.

"Apple's used to these kinds of deals," he said. Google "is one of the few companies that might be able to come in and do damage in "... (the MP3 player) space."

But such an arrangement could attract the interest of antitrust regulators who recently opened an informal inquiry into the ties between the two companies.

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