

Former Google CEO 'screwed up' on Facebook threat

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(AP) -- If he had an another chance, former Google CEO Eric Schmidt would have pressed the Internet search leader to focus more on mounting a challenge to Facebook while he was still running the company.

"I screwed up," Schmidt said late Tuesday during a 75-minute question-and-answer session at the D: All Things conference in Rancho Palos Verdes. The Associated Press watched a webcast of the conference.

Schmidt's admission comes nearly two months after he ended his decade-long stint as Google's CEO and became the company's executive chairman. He was replaced by [Google](#) co-founder [Larry Page](#), who is pushing the company's employees to develop more ways to connect people with their friends and family like [Facebook](#) already does

That was a priority that Schmidt said he started addressing in internal memos written about four years ago when Facebook had about 20 million active users.

But he acknowledged he and other executives didn't take Facebook seriously enough. Now, Facebook has more than 500 million users who shares billions of links, posts and photos each month.

Facebook's growing popularity is becoming more nettlesome for Google.

As Facebook's audience grows, it is attracting more online advertising and stunting Google's financial growth. Perhaps even more troubling to

Google, much of the information on Facebook's website can't be indexed by Google's search engine. That restriction threatens to make Google's less useful as more people form social circles online and could make it more difficult to get a handle on personal preferences so it can do a better job selling ads.

Schmidt said the company has been working hard to solve this "identity" problem. "I think the industry as a whole would benefit from an alternative" to Facebook's network, Schmidt said.

Google has tried to negotiate partnerships with Facebook, Schmidt said, only to be repeatedly rebuffed. He said Facebook has preferred teaming up with another Google rival, [Microsoft](#) Corp., which owns a 1.6 percent stake in Facebook. Google also has ties to Facebook; one of its former executives, Sheryl Sandberg, is Facebook's chief operating officer.

Just before Page became CEO, Google introduced its version of Facebook's ubiquitous "Like" button to enable Web surfers to endorse search results and ads. Google's recommendation button, called "+1," is expected to be expanded to other websites Wednesday, according to the Techcrunch blog and industry newsletter Search Engine Land. Schmidt didn't mention a timetable for expanding Google's +1 button.

Google used Tuesday's conference to announce the launch of another networking service that will offer discounts from restaurants and other merchants if enough people agree to buy the coupons. The service, called "Google Offers," is based on the daily deals offered by Groupon, which Google unsuccessfully tried to buy last year. Google's offers initially will be available only in Portland, Ore., before expanding to New York and the San Francisco Bay area later this year. The offers are part of a new mobile payment service Google unveiled last week.

Schmidt views Google and Facebook as part of a powerful "gang of

four" that's building influential platforms for selling a variety of products and services to consumers. The others, according to Schmidt, are iPhone and iPad maker Apple Inc. and the Web's biggest retailer, Amazon.com Inc.

Apple once had a close relationship with Google, but Schmidt said things have gotten "rough" between the companies since Google introduced its Android software for mobile phones in 2008. The intensifying competition prompted Schmidt to resign from Apple's board of directors in 2009.

Although he no longer is involved in day-to-operations, Schmidt said he remains a close adviser to Page and is consulted on all key decisions. He spends most of his time traveling to meet with customers, scouting potential acquisitions and meeting government regulators who have been scrutinizing the company's business practices and privacy policies

It's a role that Schmidt, 56, indicated he expects to fill for the rest of his career. He even joked he would like to still be working at Google after he dies if the company could develop the technology to make that possible.

By serving as Google's public ambassador, Schmidt said Page can concentrate on Facebook and other internal issues

"Larry is pretty busy sitting in his office from 9 a.m. to 10 p.m. going through product reviews," Schmidt said.

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