

GoDaddy - Where Should Airo Sit?

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Decision scope: Product architecture and priority for the next 12 months

Case convention: This is an author-created management decision exercise. The assignment and alternatives are hypothetical; company disclosures are historical. No private deliberations or undisclosed management decisions are represented.

The decision

GoDaddy's Airo product was expanding from AI-assisted website creation into a broader set of tools for small businesses. On July 30, 2026, the company reported a \$50 million annualized bookings run rate for Airo, five times the \$10 million figure it had reported one quarter earlier. The same release reported quarterly revenue of \$1.298 billion, with Applications and Commerce (A&C) revenue up 11% year over year and Core Platform revenue up 4%. [S1], release pp.1-2.

GoDaddy also launched a Developer Platform with APIs for developers and AI systems to search, purchase, configure and manage domains. The company said it intended to contribute its Agent Name Service to the Linux Foundation and was working with several technology companies on Agentic Resource Discovery. [S1], p.1.

These initiatives point in two directions. GoDaddy could use Airo to bring more of its domain, web, commerce and marketing services together in one guided experience. Or it could keep Airo modular, giving customers and outside developers more freedom to work across platforms while GoDaddy strengthens the underlying identity and domain services.

Assignment: Assume you are advising GoDaddy's leadership team on the next 12 months of product and go-to-market priorities. Recommend whether to prioritize (A) a more integrated, GoDaddy-controlled Airo experience or (B) a modular Airo approach built around APIs, customer choice and partner interoperability. You may propose a staged combination, but state which architecture receives priority and why. Specify two or three measurable decision gates that would justify continuing, expanding or changing course. Use only information available by July 31, 2026.

Classroom assumptions: This is a hypothetical choice, not a disclosed internal decision. Assume leadership can sequence product releases and prioritize available product, engineering and go-to-market capacity, but no specific budget, staffing level or product roadmap is supplied. The alternatives do not imply that GoDaddy can withdraw already released products or APIs.

GoDaddy and the small-business customer

GoDaddy describes its mission as empowering entrepreneurs. Its largest customer group, which it calls Independents, consists mostly of microbusinesses and noncommercial ventures. The company says most Independents have fewer than five employees and little technology or design skill. Their needs can range from an initial business idea to attracting customers, growing sales, taking payments, managing online presence and expanding operations. [S2], Item 1, “Our Customers,” pp.6-7.

GoDaddy serves other customer groups as well. WebPros-website designers, developers and agencies-often want greater technical flexibility and use WordPress and other third-party content management systems. Domain investors, registrars and corporate domain portfolio owners have different needs. GoDaddy says that customers across these groups use overlapping products but have distinct journeys and goals. [S2], pp.6-7.

The company organizes its reported results in two segments:

Segment	Main activities described by GoDaddy
Core Platform	Domain registrations and renewals, aftermarket domain sales, domain protection, website hosting and security, among other services
Applications and Commerce	Proprietary software products, including website building and commerce solutions, plus third-party email and productivity services

Source: [S3], MD&A, “Overview,” pp.21-22.

The product proposition is broader than software alone. GoDaddy reports that approximately 5,700 specialists, called GoDaddy Guides, provide customer care and business guidance. The company describes the combination of its integrated technology platform, products and personalized help as a way to serve entrepreneurs with varying capabilities. [S2], Item 1, “Our Customers” and “GoDaddy Guides,” pp.6-7, 10-11.

Airo's expanding role

GoDaddy describes Airo as an AI experience that can assist with domain search and naming, logos, websites, marketing and compliance. It also describes natural-language interfaces for building and publishing websites. In its Q2 filing, GoDaddy said it had introduced Airo AI Builder, an AI-native experience for building websites and applications, and had transformed Airo into an agentic solution for several customer tasks. These are company descriptions of product scope, not independent measures of quality or customer outcomes. [S2], Item 1, “GoDaddy Airo,” p.10; Part II, Item 1A, p.37.

In Q2 2026, GoDaddy said Airo’s annualized bookings run rate had reached \$50 million, compared with \$10 million reported one quarter earlier. The company described adoption and engagement as building. The release does not define the run-rate calculation or disclose Airo’s customer cohort, repeat usage, pricing mix, cancellations, costs or contribution to segment growth. **Bookings run rate is not recognized revenue, ARR or profit.** [S1], p.1; [S3], MD&A, pp.21-22.

The same quarter's financial and operating snapshot provides context, but does not attribute the results to Airo.

Exhibit 1. Selected Q2 2026 company results

USD unless otherwise indicated; quarter ended June 30, 2026.

Measure	Q2 2026	Year-over-year change
Total revenue	\$1,298.0 million	+6.6%
Applications and Commerce revenue	\$514.8 million	+11.0%
Core Platform revenue	\$783.2 million	+3.9%
Total bookings	\$1,422.1 million	+5.7%
Customers at period-end	20.457 million	+35,000 since December 31, 2025
Average revenue per user (ARPU)	\$250	+8.7%
Annualized recurring revenue (ARR)	\$4,421.4 million	+5.7%

Source: [S1], business highlights and metric tables, pp.1-3; [S3], MD&A, pp.21-25. ARPU, ARR and bookings are company-defined operating metrics. ARR is annualized quarterly recurring GAAP revenue, net of refunds, from new and renewed subscription services; it excludes nonrecurring revenue. [S3], MD&A, "Key Business Metrics," pp.21-22.

GoDaddy attributed A&C's Q2 revenue growth to continued customer adoption of subscription products. It attributed Core growth to domain registration and add-on revenue and aftermarket sales. It attributed higher total bookings to subscription A&C adoption and strength in domains and aftermarket. The filing does not disclose how much of any segment's growth came from Airo. [S3], MD&A, pp.24-25.

Two architecture paths

The alternatives below are created for classroom discussion. GoDaddy has not publicly announced this resource-allocation choice.

A. Prioritize an integrated Airo experience

Concentrate the next year's product and go-to-market attention on an end-to-end Airo journey that helps an Independent move from idea to a functioning digital business: identity and domain, site, content, commerce and marketing. Make the GoDaddy experience the primary path through those tasks, with GoDaddy products, agents and human Guides working together. Continue APIs where they support this experience, but prioritize integrated workflows, ease of use and cross-product activation.

The case for this path is that customers with little technical expertise may value a coordinated, guided solution. GoDaddy already supplies multiple pieces of the workflow and has customer-care resources. Airo's reported bookings run rate rose rapidly, and A&C was growing faster than Core. These facts suggest interest and strategic fit; they do not prove that integration caused growth or that the product is profitable.

B. Prioritize a modular Airo and API approach

Treat Airo as a set of interoperable capabilities that customers can use with GoDaddy products, WordPress, other software and third-party AI tools. Invest in clear APIs, portable customer assets and reliable domain and identity services. Let customers choose which parts of the workflow they use, and let outside developers connect complementary tools. Keep Airo's proprietary features focused where GoDaddy can show distinctive customer value.

The case for this path is that customers may value flexibility and ownership of their online presence, while developers may build uses GoDaddy cannot anticipate. GoDaddy's API and agent-identity announcements are consistent with such a role. They establish an announced direction, not API adoption, successful partnerships or developer economics.

C. Stage a combination

Students may argue for a limited integrated Airo path for clearly defined, repeatable customer jobs while preserving modular interfaces and expanding only after evidence gates are met. A staged strategy still requires explicit choices: which jobs are in the initial integrated experience, what remains interoperable, how much capacity each path receives, and which results trigger expansion or redesign.

The strategic uncertainty

GoDaddy's own filing names several ways customer behavior could change. AI tools, search, apps and closed platforms could make domains, websites and online stores less prominent; changes in internet navigation could reduce demand for domain names. The company also says that interoperability with third-party channels and applications matters to its customers. These are risks identified by GoDaddy, not predictions that domains or websites will disappear. [S3], Part II, Item 1A, "Strategic Risks," pp.37-39.

The company also says it competes with both niche point solutions and broader solution providers. It identifies the speed of product development, customer support, pricing, cybersecurity, data protection, service availability and reliance on third-party cloud infrastructure as relevant risks. The filing does not give Airo-specific rates for errors, outages, support contacts or privacy incidents. [S3], Part II, Item 1A, pp.34-44.

Students should consider at least four explanations for the reported evidence:

1. Airo may lower the effort required to start and grow a business, increasing customer activation or use of related GoDaddy services.
2. Airo bookings may reflect early interest without repeat usage, durable retention or incremental customer spend.
3. A&C growth may be driven by subscription products beyond Airo; Core growth may reflect domain and aftermarket performance.
4. An integrated Airo path may help GoDaddy adapt to AI-mediated customer journeys-or it may narrow customer choice, raise coordination costs or duplicate tools that customers already use.

Exhibit 2. Selected academic research

The following studies provide lenses for evaluating the decision; their results should not be treated as forecasts for GoDaddy.

- Kevin Boudreau, “Open Platform Strategies and Innovation: Granting Access versus Devolving Control,” *Management Science* 56(10), 1849-1872 (2010), [DOI](#). The article analyzes 21 handheld-computing systems from 1990-2004 and distinguishes opening access to complementary developers from giving up control of the platform. It is observational evidence in a different technological context.
- Fabrizio Dell’Acqua et al., “Navigating the Jagged Technological Frontier: Field Experimental Evidence of the Effects of Artificial Intelligence on Knowledge Worker Productivity and Quality,” *Organization Science*, published online March 11, 2026, [DOI](#). A preregistered randomized experiment with BCG knowledge workers found that GPT-4 helped on some tasks and reduced correctness on one complex recommendation task. It does not test GoDaddy, small-business customer economics or platform architecture.

Discussion questions

1. What customer jobs should Airo prioritize? How might the needs of Independents differ from those of WebPros?
2. Which architecture should receive priority for the next 12 months: integrated Airo or modular/API capabilities? What is the strongest case against your recommendation?
3. What does the \$50 million Airo bookings run rate tell you-and what can it not tell you? Which company metrics provide context without establishing causality?
4. What evidence would you require before scaling the chosen path? Specify customer, product-quality, financial-contribution and ecosystem measures where relevant.
5. How should GoDaddy preserve trust, customer control, reliability and interoperability as it adds AI features?

Sources and conventions

S1. GoDaddy, [Q2 2026 earnings release](#), July 30, 2026, Exhibit 99.1 to Form 8-K. See business highlights and tables, pp.1-3.

S2. GoDaddy, [2025 Form 10-K](#), filed February 24, 2026; year ended December 31, 2025. See Item 1, “Our Customers,” pp.6-7; “GoDaddy Airo,” “GoDaddy Guides” and “The Agentic Open Internet,” pp.10-11; Item 1A, pp.23-56.

S3. GoDaddy, [Q2 2026 Form 10-Q](#), filed July 31, 2026; quarter ended June 30, 2026. See Part I, Item 1, Note 14, p.18; Item 2, Overview and key business metrics, pp.21-22; revenue and bookings, pp.24-25; Part II, Item 1A, strategic risks, pp.34-44.

Company descriptions and forward-looking statements are attributed. All financial figures are company-reported. No post-cutoff results, later decisions or outcomes are included.