

Yahoo to Buy Rest of Right Media for \$680M

April 30 2007

The move is to boost the reach of Yahoo's advertising to social network sites, which marketers have struggled to reach.

Yahoo took a 20 percent stake last October in privately held, New York-based Right Media, which was founded in 2003.

Shareholders of Right Media will be paid in roughly equal parts in cash and stock, and employee stock options and other equity awards will be assumed by Yahoo, Yahoo said on Monday.

The Right Media Exchange is the industry's largest emerging online advertising exchange, which serve up banner ads and other ad formats to less-trafficked parts of Web sites than traditional premium ad networks, which target busy Web sites.

Yahoo, the market leader in display advertising used by big brand-name marketers, is seeking to boost its presence in the fast-growing market for advertising that can be targeted to small audiences such as individual social network profiles.

The move comes as Yahoo seeks to fend off rival Google Inc., the world leader in delivering pay-per-click advertisements that run alongside Web search results, after Google's recent deal to acquire premium ad network DoubleClick for \$3.1 billion.

DoubleClick gives Google a similar capacity to sell so-called remnant advertising on millions of less-trafficked Web pages. Advertising

exchanges work like electronic stock markets to connect buyers and sellers of ads more efficiently.

Right Media bolsters Yahoo's capacity to help advertisers reach customers both on the Internet at large as well as on Yahoo's own growing number of social-network properties. These include Yahoo Answers, where site users answer one another's questions, and its Flickr photo-sharing site.

Right Media has attracted around 20,000 advertisers, publishers and networks to its online advertising exchange. Yahoo said it planned to increase its participation in the exchange as both a buyer and seller to increase the liquidity of Right media as an advertising media marketplace.

Venture capital firm RedPoint Ventures of Menlo Park, California is another outside investor in Right Media.

Yahoo officials plan to hold a conference call with investors to discuss the deal at 11:00 a.m. EDT/1500 GMT.

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