

Microsoft secures Verizon mobile search deal

January 8 2009, By John Letzing

Microsoft Corp. has bested rivals Google Inc. and Yahoo Inc. by securing an agreement to become the default provider of Internet search service to mobile phone customers of Verizon Wireless, a Verizon executive said Wednesday.

Speaking at the annual Citigroup entertainment, media and telecommunications conference, Verizon Communications Inc. Chief Executive Ivan Seidenberg said that "Microsoft's (Chief Executive) Steve Ballmer will announce a mobile search deal with Verizon" at the Consumer Electronics Show in Las Vegas.

Ballmer was scheduled to deliver a keynote address at CES Wednesday evening.

Seidenberg said Ballmer's announcement will focus on ways the deal will be "generating lots of new revenue growth in the short term," though he did not offer specific details.

Speculation about which Internet giant would secure the search deal with Verizon has been ongoing for months.

In November, The Wall Street Journal reported that Microsoft was nearing a deal with Verizon that would have Microsoft guaranteeing payments to the carrier of roughly \$550 million to \$650 million over five years, "or roughly twice what Google offered."

A Microsoft spokesman did not respond to a request for comment.

Internet companies including Microsoft, Google and Yahoo see the mobile phone market as essential for expanding the use of their respective services in the future, as more customers are expected to start browsing the Web through a cell phone rather than a desktop or notebook computer.

Winning the contract to provide default search services for Verizon customers was seen as key, because Verizon is poised to surpass AT&T Inc. to become the U.S.'s largest wireless carrier in terms of subscribers following its \$28 billion purchase of Alltel Corp. That acquisition is expected to close Friday.

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Citation: Microsoft secures Verizon mobile search deal (2009, January 8) retrieved 25 April 2024 from <https://phys.org/news/2009-01-microsoft-verizon-mobile.html>

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