

# Twitter buys TweetDeck for reported \$40M to \$50M

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Twitter announced Wednesday that it had bought TweetDeck and pledged to continue to invest in the popular application for using the micro-blogging service.

Twitter has bought TweetDeck, a London-based startup that helps people read, write and organize the short messages posted on the online network - and will keep the service going.

Twitter is not giving financial terms, though published reports have pegged the price at around \$40 million to \$50 million. The San Francisco company said in a blog post Wednesday that the TweetDeck team of 15 has joined Twitter. TweetDeck will continue to be based in London and its users, many of whom are Twitter's so-called "power-users," will continue to be able to use the application.

Founded in 2008, TweetDeck lets Twitter users organize the brands, celebrities, news feeds and people they "follow" on the short messaging platform. Users can also monitor their Facebook, LinkedIn and other social media accounts.

Analysts said the deal makes sense. TweetDeck has "some great technology" and a lot of loyal users, said Wedbush Morgan's Lou Kerner. It's not just the quantity, though, but the quality of those users that matters. Twitter's most elite, most frequent contributors are on TweetDeck, said Debra Aho Williamson, principal analyst at research firm eMarketer. These include celebrities as well as companies.

"Twitter needed to make sure that its strongest, most loyal, most dedicated users are staying in the fold," she said. "And seeing things that Twitter wanted them to see, such as ads."

TweetDeck users don't typically see Twitter's ads, but with the acquisition this will likely change.

In a blog post, TweetDeck said its focus will continue to be "providing high-quality tools and services for the Twitter-centric power-user."

"The mainstream Twitter user-base is well catered for by twitter.com and the official mobile clients," TweetDeck founder and CEO Iain Dodsworth said in a blog post. "And by becoming part of the official platform, TweetDeck will now fill that role for brands, influencers, the highly active and anyone that just needs `more power.'"

Twitter, meanwhile, said it will "continue to invest in the TweetDeck that users know and love," though it didn't give more specific plans.

Buying smaller companies for the people who work there and then dismantling the actual product is common in the tech world, where talent

is scarce and valuable. But it seems that Twitter values TweetDeck for its product too, not just its people.

"TweetDeck provides brands, publishers, marketers and others with a powerful platform to track all the real-time conversations they care about," wrote Twitter's CEO, Dick Costolo, in its blog post.

With the acquisition, Twitter now has 505 employees. EMarketer estimates that the company earned \$45 million in worldwide advertising revenue in 2010. This year, that's expected to grow to \$150 million.

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