

# Yahoo! dumping products in turn-around plan

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File picture shows a worker moving a section of a Yahoo! billboard onto a truck in San Francisco, California. Yahoo! is dumping products along with workers in a quest to return the faded Internet star to glory.

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Yahoo! boss [Scott Thompson](#) announced the move on Tuesday while mapping out the company's turnaround on the heels of an unusually upbeat quarter in which [profit](#) climbed 28 percent.

It was the first time since 2008 that Yahoo! saw revenue rise in a year-over-year comparison of financial quarters.

"Yahoo! has been doing way too much for way too long and was only

doing a few things really well," Thompson said during an [earnings](#) call.

"We need to be clearer going forward about what we won't do."

Yahoo! will shut down or consolidate 50 products that don't "contribute meaningfully" to revenue, according to the [chief executive](#).

The company will focus on online venues such as News, Finance, Sports, and Yahoo! Mail that attract the most users and advertisers.

Yahoo! reported [net income](#) of \$286 million on revenue just shy of \$1.08 billion in the first three months of this year.

Yahoo! shares jumped more than two percent on the news, hitting \$15.44 a share in after-market trade.

"In the [first quarter](#), Yahoo!'s results... beat [consensus](#) on revenue and profits," Thompson said.

"We also made changes to resize the organization and establish a new leadership structure to quickly deliver the best user and [advertiser](#) experiences at scale."

Yahoo! this month said it would slash some 2,000 jobs in a purge aimed at transforming into a "smaller, nimbler, more profitable" company.

The 17-year-old company based in Sunnyvale, California, had more than 14,000 employees at the end of 2011.

Thompson who took the helm in January promising to turn the company around after a year of falling income.

"We had way too many people for the amount of output for this

business," Thompson said. "A streamlined Yahoo! will help us get things done at the pace required.



File picture shows a Yahoo! billboard in San Francisco, California. Yahoo! is dumping products along with workers in a quest to return the faded Internet star to glory.

Yahoo! has been trying to reinvent itself as a "premier digital media" company since the once-flourishing Internet search service found itself withering in Google's shadow.

As the company strived for a new identity it saw an exodus of talent that commenced during a failed bid by technology giant Microsoft to buy Yahoo! four years ago for about \$45 billion.

Yahoo! hasn't seen search ad revenue results envisioned when it subsequently struck a deal to have Microsoft power queries at its websites.

Yahoo! relies on Microsoft's Bing search engine at its websites, customizing results for users.

"The search alliance is not yet delivering what we expected and I am personally working with Microsoft to make sure that it does," Thompson said.

The Yahoo! share of US online ad revenues sank to 9.5 percent last year from 15.7 percent in 2009 and will drop further this year, according to eMarketer.

Social networking giant Facebook is becoming the preferred venue for display advertising key to Yahoo! revenue while Google's dominance in search advertising strengthens, eMarketer indicated.

Yahoo! has filed a US lawsuit accusing Facebook of infringing on 10 of its patents.

Facebook fired back at Yahoo! with a countersuit charging that the faded Internet star is violating the social network's patents -- not the other way around.

Thompson, formerly head of mobile payments firm PayPal, became chief executive after months of turmoil at Yahoo!, including deadlocked talks over possibly selling off the company's valuable assets in China and Japan.

Two weeks after Thompson was recruited, Yahoo! co-founder and former chief executive Jerry Yang resigned from the board of directors.

A few weeks later the chairman and three other directors said they would step down, opening the way for Thompson's agenda.

That agenda includes trying to "unlock value" of Yahoo! stakes in booming Chinese e-commerce site Alibaba and Yahoo! Japan.

Thompson also wanted to incorporate more online commerce into Yahoo! offerings in a move that would play into skills he honed at eBay-owned PayPal.

"It seems like (Thompson) will take the best parts of old Yahoo! and new [Yahoo!](#) and try to craft a company out of it," said independent Silicon Valley analyst Rob Enderle, noting specifics were still lacking.

"They are starting to look like there is light at the end of the tunnel that isn't a train."

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