

Aging Yahoo! faces new Tumblr generation

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Yahoo! is just under two decades old and already showing signs of age. Tumblr, the cool blogging platform, represents a new generation. This split marks both a challenge and an opportunity for the firms, after the announcement that Yahoo! is buying the six-year-old startup for \$1.1 billion, mainly in cash.

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billion, mainly in cash.

"Yahoo users are behind the curve, Tumblr users too cool for school," said Arvind Narayanan, a Princeton University computer scientist, in a tweet.

"From this POV (point of view) the acquisition seems ironically appropriate."

Tumblr could be key to Yahoo! because of its popularity with younger [Internet users](#). A survey this year conducted by the online data group Survata found Tumblr more popular than [Facebook](#) among those aged 13 to 25.

"Yahoo skews toward older demographics. Tumblr is ridiculously strong among Millennials," said a [tweet](#) from Brian Solis, analyst with Altimeter Group.

Some comments posted on Tumblr as the news broke highlighted this generation gap, as if their parents were intervening to spoil the party.

"YAHOO, CLOSE TUMBLR AND YOU'LL DIE!" one Tumblr user wrote.

Another wrote: "Dear Yahoo ... If you change anything, we will show up at your headquarters with fire and pitchforks. Don't try us."

Still another posted: "Please leave Tumblr alone. You acquired it for the cool factor... Don't tinker with it; don't change it ... Leave it alone."

Yahoo! chief executive Marissa Mayer, in announcing the deal, pledged to allow Tumblr to remain independent, while integrating technology and advertising opportunities.

"Per the agreement and our promise not to screw it up, Tumblr will be independently operated as a separate business," Mayer said in a statement.

"David Karp will remain CEO. The product, service and brand will continue to be defined and developed separately with the same Tumblr irreverence, wit, and commitment to empower creators."

Karp echoed those comments, saying in his own blog post: "We're not turning purple," in reference to the Yahoo! portal's signature color.

But some analysts it could be hard for Mayer to keep her promise of keeping Tumblr independent while seeking ways to make the deal pay off.

"If I'm the CEO of Tumblr I would be concerned," said Daniel Odio, senior vice president of California-based Internet firm Share This, who has been involved in a number of technology startups.

"Marissa is promising to keep it independent, but I just don't buy it. Just looking at history, I would say that the culture that makes Tumblr special is going to change," Odio told AFP.

Roger Kay, analyst with Endpoint Technologies Associates, also was skeptical about integrating the two different firms.

"There's a particular thing in the hacker culture, and it is difficult for a large bureaucratic company like Yahoo! to keep that alive," Kay said,

"[Yahoo!](#) once upon a time was an entrepreneurial company with all the spirit that Tumblr has, but they have been through a number of retreats. The best programmers have long since gone to other places."

Kay said the deal also could prompt some of the staff at [Tumblr](#), many of whom will get a big windfall from the deal, to cash out and move elsewhere.

"Marissa Mayer might have thought that she was buying a staff, but this is a place where you can least expect people to stick around," Kay said.

"What they are buying is a bunch of code, and the customers and maybe the revenue stream," he said.

"You can't assume you're buying the talent. The talent likes to decide which master they want to serve."

Internet old-timer Yahoo! and youngster Tumblr

Pioneering Internet firm Yahoo! rose to stardom in the personal computer era while blogging platform Tumblr has won fans in a world of smartphones, tablets and social networking.

The following is a brief breakdown of the companies following Monday's news that Yahoo! will acquire Tumblr for \$1.1 billion.

- Yahoo! was founded in 1994 by Stanford University graduate students David Filo and Jerry Yang and incorporated the following year.
- Yahoo! was originally a website referred to as "Jerry's guide to the worldwide web" and was designed as a searchable index of online offerings.
- Yahoo! reports that more than a half-billion people visit its websites, which include a free web-based email service, each month.
- Microsoft Corporation in early 2008 tried to buy California-based

Yahoo! with an offer valued about \$44.6 billion, but it was rejected.

- Yahoo! began using Microsoft search engine Bing to power queries at its websites in 2009 and focused on tailoring digital content, including original news and entertainment shows, to the tastes of visitors.

- Former Google executive Marissa Mayer became chief of Yahoo! in July of 2012.

- Tumblr.com is an online platform for posting short snippets or images to blogs referred to as "tumblelogs."

- David Karp and lead developer Marco Arment launched Tumblr in 2007 and the company is based in New York City.

- Karp is chief executive of Tumblr. Arment left Tumblr two years ago for another start-up.

- Tumblr reportedly hosts more than 100 million blogs.

- Tumblr has been criticized for the amount of adult content shared at the website.

- Tumblr has received about \$125 million in backing from Union Square Ventures, Spark Capital, Sequoia Capital and other investors.

- Yahoo! announced on May 20, 2013 that it will buy Tumblr in a deal valued at \$1.1 billion.

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