

Tumblr deal sparks talk on next big tech target

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Yahoo!'s blockbuster deal for the popular blogging platform comes amid

a battle for eyeballs on the Internet among big tech firms such as Facebook, Google, Amazon and Apple.

"All the big internet companies that have money are potential buyers," said Michael Pachter, analyst at Wedbush Securities.

"Then it depends on what they want to be and how much they are willing to pay."

Each of these firms is trying to get more users into their ecosystem to be able to gather data and "monetize" their user base, mainly by targeting them with ads tailored to their usage patterns, analysts say.

Yahoo! is believed to have outmaneuvered Facebook and Microsoft to get Tumblr, as the major tech giants look past the static Internet boxes to "streams" of content.

"We're all shifting our attention to mobile devices, and we've adopted the 'stream' as our preferred method of content discovery and consumption," says John Battelle, an entrepreneur who founded Wired and Federated Media Publishing.

"Yahoo! is already shifting its home page and other content sections to a stream like interface... And Tumblr was built from the ground up as an activity stream."

The price tag paid by Yahoo! means "the bar now has been set high in terms of valuation," said Allen Weiner at the research firm Gartner.

"It raises the question of what is a company like [Twitter](#) is worth."

Perhaps the most prominent of the social media startups to remain private, Twitter "has yet to show an inclination to go public," said

Weiner, and it remains unclear whether Twitter will remain independent or be acquired.

Pinterest, which allows users to decorate virtual bulletin boards with pictures showcasing interests in anything from food to sports, fashion or travel, is clearly one of the new companies expected to be a target.

Weiner said, however, that Pinterest, seen last year as one of the rising starts in social media, "has not evolved quickly enough."

"The ability to replicate the idea is pretty easy," he said. "That said, I think someone will probably buy them."

Trip Chowdhry at Global Equities Research said the hefty price for [Tumblr](#) could discourage buyouts, because the return on the investment is less clear.

"You may have engagement (at new social media sites) but maybe not the possibility to grab ad dollars," he said.

"I just wonder if the acquisition that we see prices a lot of companies out of the market."

Several other startups are likely still being courted, but the landscape has shifted in recent weeks, say analysts.

Dailymotion, the popular video-sharing site, was among those, but the French government's move to block Yahoo!'s acquisition probably dampened enthusiasm for the unit of France Telecom.

That leaves Hulu, which is trying to catch Netflix in the streaming video space. Some reports suggested that Yahoo!, Amazon and others could be interested.

Foursquare, the location-based social media app, "was a prime target two years ago, I don't think as much today," said Weiner, because it is "struggling to monetize" its platform.

Shazam, an application allowing users to find music, is "interesting," Weiner said, making it a possible target for a hardware maker.

Weiner said that "my favorite company to be acquired" is now Storify, a social network which allows users to create stories or timelines using [social media](#).

"It is just in the right place at the right time," he said, and could generate interest from companies like [Google](#), Yahoo! or [Facebook](#).

"It all depends on the price," he said.

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