

Japan net retailer Rakuten to buy Viber for \$900M (Update)

February 14 2014, by Yuri Kageyama



In this Oct. 3, 2011 photo, Rakuten Inc., Chief Executive Hiroshi Mikitani gives a pep talk in English, the standard language at Rakuten, at a welcoming ceremony for new hires at its headquarters in Tokyo. Rakuten is buying Cyprus-based Viber Media, which operates a popular Internet phone application, for \$900 million, fortifying the online retailer's social networking footprint. (AP Photo/Koji Sasahara, File)

Japan's Rakuten Inc. is buying Cyprus-based Viber Media, which operates a popular Internet phone application, for \$900 million, fortifying the online retailer's social networking footprint.

The Tokyo-based company said Friday it sees Viber, with 280 million global users, as a key platform as people are moving from TVs and computers to mobile devices to consume and enjoy content.

Rakuten, which competes with Amazon.com and Yahoo, has been successful with online shopping in Japan, where it is the top Internet retailer.

But it is eager to expand in scope as well as outside Japan.

Rakuten already has under its wing online scrapbook site Pinterest and Canadian e-book maker Kobo Inc.

Rakuten founder and president Hiroshi Mikitani said Viber could also become a platform for games and instant messaging. That may be appealing for Rakuten's online shoppers who want to communicate directly with online stores or other customers.

Serkan Toto, a game consultant in Tokyo, noted the intense competition in chat-based services such as Line, which dominates in Japan, as well as WhatsApp, Facebook's messenger and Kakao Talk.

"I'm doubtful," he said. "It will be an uphill battle."

Line, initially a hit with youngsters is becoming mainstream, increasingly used by teams within companies for its group-chat function, he said.

Rakuten also announced its earnings for the fiscal year ended Dec. 31.

Its profit doubled from 2012 to 43.5 billion yen (\$427 million). Sales of 518.6 billion yen (\$5.1 billion) were up nearly 30 percent from the previous year.

The company said its cloud services and call services for smartphones were strong last year.

Also boosting results were the Rakuten Ichiba shopping mall, its credit-card and travel services, as well as its professional baseball club Rakuten Eagles—the former team of pitcher Masahiro Tanaka, now a New York Yankee.

© 2014 The Associated Press. All rights reserved.

Citation: Japan net retailer Rakuten to buy Viber for \$900M (Update) (2014, February 14)
retrieved 25 June 2024 from <https://phys.org/news/2014-02-japan-net-retailer-rakuten-viber.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.