

Yelp CEO reviews his own business after 10 years

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In this photo taken Friday, Aug. 1, 2014, Yelp CEO Jeremy Stoppelman poses at his company's headquarters in San Francisco. Stoppelman, 36, probably wouldn't be running Yelp Inc. if he had paid more attention to the opinions of outsiders than his own insights. (AP Photo/Eric Risberg)

After Yelp posted the first quarterly profit in its history last week, the online business review site got panned on Wall Street. The company's stock plummeted 11 percent the day after the results came out, wiping

out its gains for the year.

CEO Jeremy Stoppelman didn't seem disturbed as he sat down to discuss Yelp's evolution in the 10 years since he began working on a way for people to share recommendations about local merchants with Russ Simmons, a fellow engineer he met while working at PayPal.

Stoppelman, 36, probably wouldn't be running Yelp Inc. if he had paid more attention to the opinions of outsiders than his own insights.

Skeptics initially scoffed at the idea that people would feed Yelp free reviews of local businesses.

Today, Yelp packs more than 61 million reviews of merchants in 27 countries in a service that attracts nearly 140 million monthly visitors.

Many technology observers were incredulous back in late 2009 when Stoppelman and his backers rebuffed a buyout offer from Google Inc. for a reported \$500 million. Yelp now boasts a market value of about \$5 billion, even after the recent sell-off spurred by concerns about Yelp's slowing growth amid competition for online local advertising revenue from the Internet powerhouse such as Google and Facebook Inc.

Yelp's success has left Stoppelman, with company stock worth about \$400 million. Many other investors have profited too: Yelp's shares have more than quadrupled from their March 2012 initial public offering price of \$15.

Stoppelman mused about Yelp's past and present during an interview with The Associated Press as the San Francisco company prepared to celebrate its 10 anniversary. The remarks have been edited for clarity and brevity.

Q: What was it like when Google tried to buy you?

A: It was an emotional decision. Yelp is my baby, so I wanted it to be in a place where it was going to thrive. As it became more of an auction process where it felt like there was blood in the water and the sharks were attacking, it just felt like it wasn't going to end up with Yelp in a good spot.



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Q: You got a call from Steve Jobs during this process, right?

A: He was very anti-Google, as it turns out. He was pretty upset with Google. (Jobs had accused Google of stealing ideas from Apple's iPhone to build Android, a rival operating system for mobile devices). He felt that Yelp was a great company and wouldn't be a great company if it fell in the hands of Google.

Toward the end of our conversation, I had to go into complete 'fan boy' mode. For someone like me, who had spent a lot of time trying to build cool technology products, it was literally like talking to a God.

Q: You live and work in San Francisco. What do you think about the backlash against technology's impact on the city in terms of real estate prices?

A: Most cities would be falling over themselves to have the problems we have right now, which is like: "Oh my, we have too many jobs and people's compensation keeps going up, so therefore people can afford to pay more to obtain housing." It's not to say that we don't have very serious problems, but a lot of them are completely self-inflicted, which I find incredibly frustrating.

The other misperception is that everyone working in tech is a millionaire living in luxury condos and there is nothing left for anyone else. The reality is the vast majority of our employees are making anywhere from, you know, like \$40,000 to \$100,000. If you look at it, we are just like every other company. As rents go up, it hurts people here, too.



In this photo taken Friday, Aug. 1, 2014, Yelp CEO Jeremy Stoppelman looks over a wall signed by visiting employees from other cities at his company's headquarters in San Francisco. Stoppelman, 36, probably wouldn't be running Yelp Inc. if he had paid more attention to the opinions of outsiders than his own insights. (AP Photo/Eric Risberg)

Q: Where do you stand on another hot-button topic: the lack of diversity in Silicon Valley?

A: If we are focusing on technology jobs, meaning software engineering jobs primarily, by the time you are talking about a company, you are talking about the end of the funnel. The funnel begins in high school, really, or even earlier maybe. If you want women and minorities to succeed all the way at the end of the funnel in a tech job, you have to increase the numbers starting at the top of the funnel, at the earliest age, and then make sure they stay in the funnel and get all the way through.

Certainly, tech companies should feel bad about it, and all the tech companies have been aware of this problem. They have been trying to address it somewhat, but there is a bit of a limitation of what you can do because fundamentally you know if women aren't entering into software engineering programs in great numbers, there's not going to be great numbers working at Google or Yelp or any tech company.

So the most impactful thing is to work on math education and then hopefully try to steer more young people toward computer science. (Yelp hasn't released it's a breakdown on the diversity of its workforce of about 2,000 people, but Stoppelman says the company eventually will).

Q: Do you still write reviews yourself?

A: I do. I just did three or four today. I am at 1,214 reviews as of today. I was on a trip in Aspen, and I just gave a one-star review to this French restaurant. They gave us a hard time. We actually had to walk out. I didn't even get to the food.

Q: What do you use when Yelp isn't available?



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A: It's happens a decent amount. I was in Croatia last year and there is no Yelp. So, I think you end up in this pre-Yelp world of looking inside the business to see if it's busy, or you ask the hotel concierge.

Q: Clearly, you believe people are more likely to have a satisfying experience in a world with Yelp to help guide them.

A: No question. The beauty is when you go on a road trip. Prior to Yelp, you would never have the confidence to veer off the highway and go that extra two miles into town and try out a place. And now you can actually read all about it and understand why you might want to do that rather than just hit the McDonald's and keep on going up to Tahoe or what have you.

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