

# Verizon out to be more than 'dumb pipe' with Yahoo buy

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(From L) AOL Chairman and CEO Tim Armstrong, Executive Vice President and President of Innovation at Verizon and New Business Marni Walden and moderator Anthony Ha speak onstage during TechCrunch Disrupt, in San Francisco, on September 12, 2016

Verizon is focusing on synergies, not job cuts, with its multi-billion-dollar buy of faded internet star Yahoo, executives said at a TechCrunch Disrupt conference here.

AOL chief Tim Armstrong on Monday said that while there were likely to be "job changes" at Yahoo if the \$4.8 billion acquisition closes as expected early next year, the deal was about combining strengths in "a bold strategy for the future."

Armstrong did not lay out details, saying the strategy was still taking shape with input from Yahoo chief executive Marissa Mayer and her team.

While Verizon executive vice president and president of innovation and new business Marni Walden took part in the on-stage talk with Armstrong, regular Disrupt guest Mayer was noticeably absent.

Verizon bought AOL last year in a deal valued at \$4.4 billion, and the Yahoo acquisition is another move in building an online media platform on top of the US telecommunication firm's network.

"We do not want to be a dumb pipe," Walden said, playing off a question by the moderator at TechCrunch, which is owned by AOL.

"We also want to be a platform and a services company; our lead in mobile lets us take advantage of that."

Verizon on Monday ramped up its internet-of-things platform with the acquisition of Silicon Valley-based Sensity Systems, which specializes in LED light systems that connect online.

Financial details were not disclosed.



AOL chief executive Tim Armstrong leaves TechCrunch Disrupt at Pier 48 in San Francisco, on September 12, 2016, after an on-stage talk at the tech industry event about parent-company Verizon buying Yahoo

Armstrong said the Yahoo acquisition is on track, with "enthusiasm on both sides internally."

## **51 possible bidders**

Yahoo went with Verizon after a process involving 51 possible bidders, according to a recent filing with the US Securities and Exchange Commission.

Verizon commands about 35 percent of the US wireless market, according to data at industry tracker Statistica.com.

Armstrong has steered AOL since 2009—first when it was part of the Time Warner conglomerate, then as an independent company, and since last year under Verizon.

Both he and Yahoo chief Mayer were early employees at Google.

Armstrong's "Project Everest" strategy reorganized AOL and helped focus on digital media, investing in the Huffington Post and other news sites, while strengthening its ad-tech services.

Arianna Huffington, founder of the Huffington Post news site that has become a global phenomenon, announced last month that she was stepping down to launch a nonprofit group focused on health and wellness.



Executive Vice President and President of Innovation at Verizon and New Business Marni Walden speaks onstage during TechCrunch Disrupt SF 2016, at Pier 48 in San Francisco, California, on September 12

## **Show business**

Greek-born Huffington launched her original American website in 2005 and sold it to internet giant AOL in 2011.

She said she would be stepping down as editor-in-chief of the Huffington Post, which now operates in 10 languages and has a user base of over 200 million.

Armstrong, who heads the AOL unit that includes the Huffington Post and other news sites, called Arianna Huffington "a visionary who built the Huffington Post into a truly transformative news platform."

Armstrong on Monday sidestepped expanding on whether internal friction played a role in Huffington's departure, describing her as a "world class talent" and telling of a going away party held last week.

"People in the media love the drama," Armstrong said of her departure.

"It's not show friends, it's show business."

Armstrong said he believed combining Verizon's online media offerings will be a winning formula "if we have the high ground."

He also said he thinks of Google, Facebook, Apple, Amazon and other online titans as partners, not rivals.

"We are not planning on competing with Facebook and Google," Armstrong said of the media platform Verizon is building.

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