

CS155a: E-Commerce

Lecture 21: November 29, 2001
Portals

Today's Class

- Course-evaluation forms
- Continue discussion of Google
- Portals
- End-of-term announcements

Yahoo: An Internet Portal

- Full Name: Yahoo!, Inc.
- Employees: 3,256 (worldwide, as of 9/30/2001)
- Stock Price (YHOO):
 - \$16.26 (at open 11/29/2001)
 - 52-week range: \$8.02 to \$44.00
- Earnings Per Share: **-\$0.04**
- A global Internet communications, commerce, and media company. "The only place anyone needs to go to find anything, communicate with anyone, or buy anything."

The image shows the classic Yahoo! logo, which consists of the word "YAHOO!" in a bold, red, sans-serif font. The letters are slightly shadowed, giving it a 3D appearance. A small registered trademark symbol (®) is located at the bottom right of the exclamation point.

Yahoo! Overview

- Founded by David Filo and Jerry Yang, two Stanford Ph.D. students, in 1994.
- Started as "Jerry's Guide to the WWW."
- First million-day hit in Fall 1994 from over 100,000 unique users.
- Incorporated in 1995 and funded by Sequoia Capital in 4/95 with an initial investment of nearly \$2 million.

Yahoo! Overview *(continued)*

- Second round of funding in Fall 1995 from Reuters Ltd. and Softbank.
- IPO: 4/12/1996 at \$1.08/share (adjusted for 3 stock splits).
49 employees.
- Today: Yahoo! serves over 200 million individuals each month. Yahoo! claims to be the No. 1 Internet brand globally.

Yahoo!, Inc.

Stock Quotes (YHOO)

Source: Quicken.com (11/29/2001)

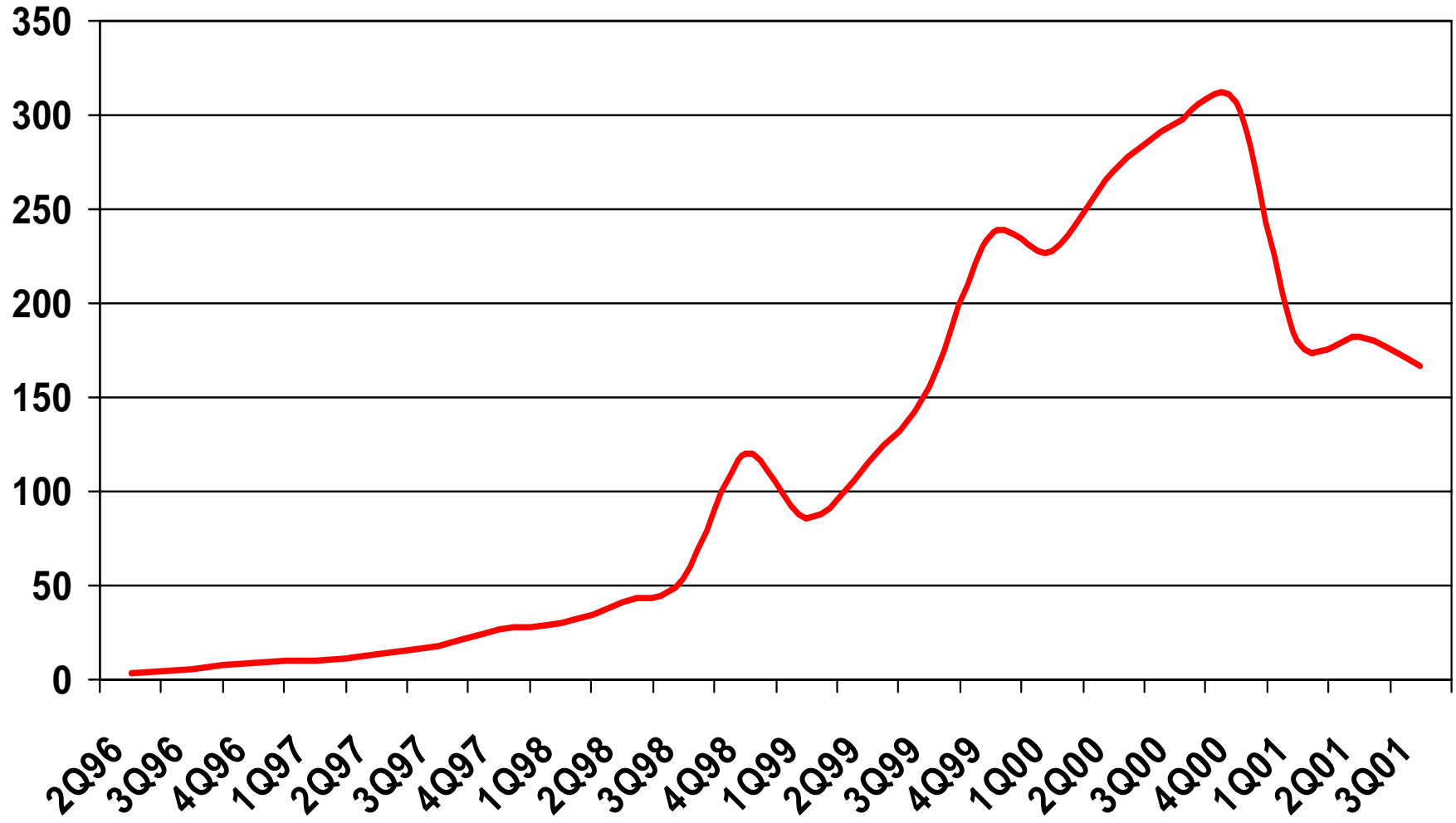


Period : Nov-28-1996 - Nov-28-2001

[S] = Stock Split

Yahoo! Quarterly Revenues

Source: SEC Filings



Main Sources of Revenue

- **Advertising:**
 - Banner advertising
 - Sponsorships and Key Words
- **Business Services:**
 - Extra mail storage for Yahoo! Mail customers
 - Yahoo! Bill Pay
 - Yahoo! Auctions
 - Yahoo! Photos
 - Corporate Yahoo! services

Global Expansion

Launches of Yahoo! global sites:

- 1995: Yahoo! is incorporated.
- 1996: Japan, France, Germany, UK
- 1997: Singapore, Korea, Denmark, Norway, Sweden
- 1998: Italy, China, Spain
- 1999: Taiwan, Hong Kong, Brazil, Mexico
- 2000: India, Argentina, Canada

Feature Expansion

- 1995: Launches as web directory and search engine; starts serving ads.
- 1996: Yahoooligans!, children's website
- 1997: Chat, Mail, Travel, and Sports
- 1998:
 - Specialized Sites: Computers, Movies, Games, Small Business, Clubs
 - Portal Consumer Services: Auctions, Calendar, Employment, Real Estate, Shopping

Feature Expansion (*continued*)

- 1999:
 - Specialized Sites: Health, Entertainment, Pets, Radio
 - Services: Messenger, Greetings, Companion (Browser plug-in), Briefcase (Internet storage), Corporate Yahoo!
- 2000-01: Invites, Groups, Photos, FinanceVision, PayDirect, Education

Important Partnerships

- **Web Searching:** Searches on Yahoo! first go through its own human-maintained directory and then go to Google. Adds Google's index to Yahoo!
- **Internet Services:** Provides co-branded DSL service with SBC communications. Yahoo! already partners with ISPs to provide start pages and with computer manufacturers to have Yahoo! shortcuts and browser plug-ins installed on machines.

The Yahoo! "Portal"

- Started as "the bookmarks of Filo and Yang," who wanted "a single place to find useful web sites."
- Launched commercially as an advertiser-supported "comprehensive, hand-built directory."
- Now, it is
 - "A comprehensive branded network of consumer services"
 - ✓ content delivery
 - ✓ commerce (shopping, auctions, bill paying, *etc.*)
 - ✓ communications (mail, messenger, photos, clubs, *etc.*)
 - Provider of online-business and enterprise services and tools
 - ✓ Corporate-Yahoo!
 - ✓ Portal Builder

The MSN Portal

- Started by Microsoft as an alternative to AOL. These were then called “online services.”
- Now best known as a network of branded consumer services
 - Hotmail
 - classmates.com
 - .net Messenger services
 - encarta online
 - Slate

Discussion Point: What exactly is a “portal”?
Is there something analogous in the offline world?

Evolution of Business Model

- Pre-"portal": Speculation about "online services," "pay-per-click," and other fee models.
- Original Yahoo: Purely advertiser-supported, focused on content for individual users
- Current: Advertiser-supported "comprehensive services" for individual users and tools, customized portals, and services for businesses. (Note similarity to Google's business model.)
- Next: ?

End-of-Term Announcements

- Tuesday, 12/4/01 office hours cancelled
- Homework 4 due in class 12/4/01
- Missed Homework or Hour Exam
 - Should have received email from Ms. Paige
 - Schedule make-up and bring in Dean's excuse ASAP!
- Final Exam, 12/18/01, 2 p.m., DL 220
- Graded 2nd Hour Exam will be returned next week
- Solution sets for Homework 4 and Hour Exam 2 will be posted next week
- Professor and TA will hold office hours during reading week.