Marketing Doctor

Marketing Check-up

Yahoo

As of May 7, 2024

Condition: Under treatment

The front door it gave away

Yahoo began in 1994 as a web directory built by two Stanford graduate students. For a time it was the front door to the internet: the place people started when they wanted to find something. It still has a large audience, but not that role. This check-up looks at the marketing decisions that gave the front door away, the trust it lost and what its new owner is changing.

Key takeaways

- Yahoo hired Google to power its search in 2000 and agreed in 2009 to run search on Microsoft's Bing, giving others the core job people came to it for.
- It tried to cover search, mail, content and advertising technology at once, which left people without a single reason to come back.
- A 2013 attack affected about three billion accounts, every Yahoo account that existed at the time. For a mail service, that goes to the heart of the promise.
- Under Apollo, Yahoo has narrowed its focus and bought the AI news app Artifact. It still needs a plain answer to why anyone should choose it over their phone's default apps.

Marketing health check

Area	Finding
Core job	Outsourced. Its search has run on Bing since a 2009 deal.
Focus	Improving. Fewer products and a push into news under Apollo.
Trust	Damaged. A breach touched every account in 2013.
Audience	Large. About 900 million monthly users across its brands in 2021.
Reason to choose	Unclear. No plain answer to “why Yahoo?”

Timeline

When	What happened
1994	Jerry Yang and David Filo start Yahoo as a web directory.
2000	Yahoo hires Google to power its search results.
Feb 2008	Yahoo’s board rejects an offer from Microsoft.
Jul 2009	Yahoo agrees to run its search on Microsoft’s Bing for 10 years.
2016	Yahoo reports more than 1 billion monthly users and agrees to sell to Verizon.
Oct 2017	A 2013 attack is found to have affected about three billion accounts.
Sep 2021	Apollo funds complete their purchase of Yahoo and AOL.
2023	Yahoo cuts more than 1,600 jobs and narrows its advertising business.
Apr 2024	Yahoo buys Artifact, the AI news app from Instagram’s co-founders.

What happened: the front door was run by others

Yahoo’s first job was helping people find things online. In 2000 it hired Google to power its search results, introducing its future rival to millions of Yahoo users. In 2009 it agreed to run search on Microsoft’s Bing and keep 88% of search ad revenue on its own sites. At the time Google already held 65% of U.S. search. Each deal traded the brand’s core job for near-term money.

Meanwhile Yahoo tried to be everything: search, mail, news, finance, communities and advertising technology. After Verizon bought the business, it was merged with AOL into a unit

called Oath, and in 2018 Verizon wrote down its value by $4.6 billion, citing competitive pressure.

The diagnosis: three marketing problems

- **It gave away its core job.** When the reason people come to you runs on a rival's technology, your brand becomes a wrapper.
- **No single reason to return.** A brand that tries to be the whole internet gives people no specific reason to come back.
- **Trust broke in the product people relied on most.** In 2017 Yahoo's owner said a 2013 attack had affected about three billion accounts. People judge the whole name by its weakest product.

The treatment: fewer jobs, done better

Since September 2021 Yahoo has been a standalone company owned by Apollo funds. The new owner has narrowed the business. In 2022 Yahoo formed a 30-year advertising partnership with Taboola, and in 2023 it cut more than 1,600 jobs, including more than half of its advertising technology unit.

It is investing in what people still come to Yahoo for. In April 2024 it bought Artifact, the AI news app created by Instagram's co-founders, and said Yahoo News ranked as the top U.S. news and information property in 2023.

The result so far: a big audience, a smaller role

Yahoo and its sister brands had about 900 million monthly users when Apollo's purchase closed, against more than 1 billion for Yahoo alone in early 2016. The audience is still large. The role that made Yahoo famous is gone.

What we do not yet see is a plain answer to one question: why choose Yahoo over the default app on your phone? We would watch whether Artifact makes Yahoo News a daily habit and whether direct visits grow. Branded numbers need care, because branded search inflation can make paid results look stronger than they are.

Lessons for your marketing

1. Know the one job customers come to you for, and don't hand it to a rival, even for good money.
2. Do fewer things well. A brand that does everything gives people no reason to choose it for anything.
3. Treat security and reliability as brand work. People judge the whole name by its weakest product.
4. Use a regular marketing audit to see which product brings people in on purpose and which ones ride along.
5. Measure habit, not just reach. Daily return visits tell you more than monthly totals.

The doctor will see you now.

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