

Yahoo`s stragegy formulation and implementation article review examples

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Effective strategic planning not only carries a company toward an objective, it anticipates changes in the External Environment, and positions a company to adapt. What are some of the changes Yahoo! may be anticipating?

Strategic planning requires a company to consider not only their internal strengths and weaknesses, but also to address the changes in the in the external environment. Firstly, Yahoo! anticipates that buyers will demand more integrated solutions and require more localized information. That is why Yahoo! is attempting to go into additional areas and to expand its offering. Moreover, the company is predicting a change in user demographics, thus targeting more niche segments, such as the U. S. Hispanic population. The importance of technology in the segment and further spread of Internet into devices other than PCs has been anticipated by Yahoo! as the company enters alliances with technology companies. It is especially important in the mobile technology segment, where the growth is particularly rapid and more opportunities exist.

Moreover, further focus on advertising shows that Yahoo! is expecting industry maturity in the information sector. The fact is also addressed by the company through forming strategic alliances with the conventional information channels, as it helps to increase brand exposure, improve the content and enhance the ability to adjust to the local needs, thus acquiring partners' know-how and market knowledge.

Does this group of strategic alliances suggest that Yahoo! is focusing on the superior user experience objective, or is Yahoo! expanding at the cost of its stated vision?

The choice between offer extension and strategic focus is one of the most common dilemmas that companies have to face. Although strategic analysis helps to understand which direction the company should go in, the ultimate assessment of the effectiveness of the selected option can be done only in retrospect. Firstly, as the mission of Yahoo! is to create a “ deeply personal digital experiences” and to keep “ people connected”, the expansion into local content and the alliances with technological companies makes it easier to enhance user experience in a way consistent with the company vision (Yahoo! Inc.). Another way to assess the validity of Yahoo!’s strategic orientation is by evaluating the strategies chosen by their competitors. One of the key players in the industry, Google, actively tries to expand its offering and to enter nearly every aspect of our lives. As it is very hard for Yahoo! to enter a direct competition with Google in the global market, Yahoo! should remain visible but differentiate their offering from that of Google. Therefore, the choice to expand brand recognition through entering more aspects of people’s life is an important step to remain visible in the market. However, localization of the brand and a switch to information provision away from connecting people and pure search services differentiates Yahoo! from core competition and enhances customer experience without jeopardizing the vision of creating personal digital experience.

How can Yahoo!'s competitors benefit from all the attention Yahoo! has received regarding its strategic alliances?

The attention Yahoo! has received regarding its strategic alliances could definitely be a challenge for its competitors due to the increased brand

exposure of Yahoo! and the network the company is trying to create.

However, it also creates some opportunities for the rivals and it is important to take advantage of these possibilities.

Firstly, the attention drawn to the strategic alliances dilutes the perception of the Yahoo! brand to a certain extent. As customers do not have a clear idea about company activities, they do not perceive the full extent of the value added by its products.

Secondly, Yahoo!'s strategic alliances indicate the direction the company is heading towards. This fact makes it easier for the rivals to respond to Yahoo!'s moves and to prepare strategies to undermine the effectiveness of the company's strategic alliances. Moreover, full-disclosure of Yahoo!'s strategic orientation makes it vulnerable in case of failures. Should it

References

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