

Critically evaluate a b2b organisation of your choice

Business



In this report it is my aim to critically evaluate a B2B organisation in order to gain a sound knowledge of the business, the area it operates in and also to be able to make recommendations in how the organisation can improve.

Typically B2B organisations tend to be out of the spotlight of customers, as it is their nature to operate business to business. Examples of these kinds of organisations include IBM, EMAP and obviously more well known Microsoft. They operate on a grand scale within the B2B sector and are obvious choices when discussing B2B organisations.

However within the current e-climate, which sees more online B2B organisations arise I decided to evaluate a less obvious choice. On the Internet, B2B also known as e-biz, is the exchange of products, services, or information between businesses rather than between businesses and consumers. There are many B2B websites such as Company Web sites, Brokering sites, Information sites and portals.

The organisation that I have chosen to critically evaluate is Yahoo! which is a search engine that is not often seen as a B2B. Yahoo! is an Internet service provider that serves both users and business globally. The company was founded in 1994 by David Filo and Jerry Yang who were attending Stanford University's PhD program. Yahoo! Inc. began as a hobby for Filo and Yang and has now evolved into a multifaceted brand that serves internet users worldwide. Yahoo! Inc. has become the world's largest global online network of integrated services. According to the Yahoo! Inc. website, they have become one of the leading search engines on the World Wide Web. Yahoo!

Currently has 500 million users worldwide that visit the site each month and is provided to users in more than twenty different languages. The company also has office locations in Europe, the Asia Pacific, Latin America, Canada and the United States. The headquarters can be found in Sunnyvale, California. Yahoo! Inc. was incorporated in California in March of 1995 and it first went public on NASDAQ in April of 1996. At this time Yahoo! 's stock opened for \$13. 00 per share.

At the close of its first day of the IPO, Yahoo! stock had reached a closing price of \$33. 0 per share. At this time the company only had 49 employees which saw the company reincorporated in Delaware in May of 1999. In 1996, Yahoo! Inc. began entering into joint ventures with SOFTBANK, through this initial joint venture, Yahoo! Inc. was able to create Yahoo! Japan.

Subsequently Yahoo! Inc. has teamed with SOFTBANK to create markets in Germany, United Kingdom, France, and Korea Yahoo! Inc. and SOFTBANK have also created GeoCities Japan Corporation to create and manage a Japanese version of the GeoCities website. Yahoo!

Inc. has also teamed in a joint venture with VISA to establish Yahoo!

Marketplace. This joint venture occurred in August of 1996 and has since then created a navigational service focused on information and resources for the purchase of consumer products and services over the internet. This joint venture alone created a new market for Yahoo! Inc. Most recently, in January 2006, Yahoo! Inc. and Seven Network Limited, also known as SEVEN, have teamed in a joint venture. The Australian media firm, signed an agreement with Yahoo!

Inc where Yahoo! contributed its Australian internet business, Yahoo! Australia and New Zealand, and SEVEN contributed its online assets, television and magazine content. Yahoo! Inc. has a fifty percent equity ownership in the joint venture which will operate under the name Yahoo7. Yahoo! Inc. also operates Flickr, a photo sharing and storing website. The company also provides its users with web mail, instant messaging, music, video, personals, and much more. Yahoo is a master of portals, but they have let their search product suffer.

They have long built out their offering in such a way to add value to their users through functionality while they hoped that revenue would be made in the process. There was no clear attempt to either target those users with advertising or extend any real value added services. Search is a product of users making their way through the Internet, rather than the core of their business. Yahoo sees their core business as being Yahoo News, Finance and Mail. They have made acquisitions such as MyBlogLog and Flickr to extend functionality and to increase revenue.

And whilst the brand Yahoo! is well known, this statement by Philip Kotler shows that it is not about the reliance on just the brand but also that the organisation is targeting all of their consumers; 'An important aspect of B2B branding is that brands do not just reach your customers but all stakeholders - investors, employees, partners, suppliers, competitors, regulators, or members of your local community. Through a well-managed brand, a company receives greater coverage and profile within the broker community' Philip Kotler (2006)

The all inclusive Yahoo is counting on the traffic to be monetised through private advertising deals and partnerships. Their business is based around other organisations paying to have their service included in the Yahoo Directory in one form or another, thus making it a B2B transaction. Private advertising is such that a company may put their banner in a prominent location of the Yahoo network. For example, play. com, a well known online retailer, might put a banner ad on the Yahoo home page for i?? 50, 000 a month. This banner ad is then targeted to each and every user who enters the Yahoo home page.

The Yahoo! 10 K report (2007) states, Yahoo promote their marketing services in a highly competitive and rapidly changing global Internet market. The Yahoo! brand is a highly recognized service on the Internet both in marketing and search services. The marketing strategy to retain customer loyalty and to continue to build brand recognition is to provide top quality customized marketing services through three primary channels of communication: direct, online, and telemarketing. The direct sales team's focal point is selling Yahoo! s marketing services and solutions to large advertisers.

Online sales are directed toward self-service programs which enable advertisers to tailor their websites to specific target markets by attaching links to the websites which directs customers to advertisers' products. Telemarketing's focal point is providing marketing services to medium and small advertisers. Yahoo! 's fundamental marketing approach is the continuance of product development and properly managing each market

segment to ensure the Internet user is experiencing the best services Yahoo! can offer.

Yahoo! ascertains their marketing sector is involved in each step of product development, management to understand our services, and the best method to convey the services to the advertisers and the Internet user. Yahoo! 's marketing program utilizes all forms of media to convey their products to the geographical audiences of existing and potential users. One interesting marketing tool that Yahoo uses on their website is the " Yahoo! ? Buzz Index. " The Buzz Index gives a daily update of what's hot and what's not.

This data is gathered by data drawn by what people have been searching for that day. This allows not only the internet user see what's hot, but from a marketing point of view, allows us to see what changes can be made to advertise particular products. Therefore the advertisers are able to make critical marketing amendments to adapt quickly to the changes taking place in their particular market share. By informing advertisers to the website visiting habits of their customers, Yahoo! continues to market their services to the Internet users.

Yahoo! Are very clever in the way that they learn about the world and what their users are looking for. Yahoo! requires their users to register for their search services. This allows Yahoo to track movements made by the user (adhering to privacy laws wherein). By doing this the user in the registration process gives their " demographic DNA" away to the information data bank. Allowing, Yahoo! to aid the advertisers with additional data and get

information such as target audiences for their products and the success of current adverts.

In any organisation it is essential that all business areas are analysed to ensure that the business is running at its optimum and that any problems can be spotted and resolved before they affect the success of the organisation. This can be done easily by using the swot analysis tool. I have created the matrix which consists of the strengths, weaknesses opportunities and threats which will help when making recommendations of how Yahoo! Inc can progress into the future.