

# Microhoo or Yasoft: how does it affect you?



By [Eve Dmochowska](#)

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Microsoft has made a bid to buy Yahoo. There is a lot of hoopla about it in the press, and there is grave concern as to “what happens now?”. Frankly, I do not share the excitement.



In my mind, all it means is that there will be some new strategy, and some people are going to get richer. Good on both counts. It seems that these days, if an online merger does not have the letter “b” in it, it hardly seems looking at twice.

The merger, should it be successful, poses three major questions:

- How is it going to change the Internet?
- How is it going to change online advertising?
- How is it going to change Google?

## Changing the Internet

You know that saying “the only certain thing is change”? Well, it applies to the Internet. The web today is different than it was yesterday, and the web tomorrow will be different from the one we have today. To be able to change is to be able to adapt, and that is the life force of online success.

The problem for large online companies is that they see “change” as interchangeable with “new”. So the launch of a new online service, a software upgrade or a new division might be mistaken for change, when in actual fact it is mere growth.

It is difficult to change the course of a launched rocket, unless you hit it with another force. The merger of Microsoft and Yahoo might be that force. Both companies will have the opportunity to reassess their game, identify their strengths, eliminate their weaknesses, set a new strategy, bring new energy and oomph to the game, and become bigger than the

sum of the parts.

## Changing advertising

Both Yahoo and Microsoft have flawed online advertising models, but between them they have the inventory and the sales team that could change the models into highly successful ones. Add to that the efforts of some of the world best brains, and you might come up with a winner that can take on Google.

Google's business model thrives on being able to tap into the content generated by others. It also indexes this content rather well, but certainly not perfectly. If Microhoo can find or create a better way to deliver, offer or sell advertising (and there are many possible models that spring even into my mind), the game will get interesting.

Of course, for us small people all it means is that we will have new opportunities to advertise, new price structures, and new models. A larger portion of the advertising pie will go to online, which will drive... you guessed it... change in the web.

## Changing Google

The question isn't so much how Google will change, but rather how Google will change **you**.

Google wants you to move the time you spend in front of the computer to time spent **online**. It wants you to be more productive using Google Docs, which allows for online, anywhere and anytime access, as well as collaboration. It is part of the **content = advertising opportunities** model that Google loves so much.

That is because Google understood sooner than anyone else that it can – and should – put advertising anywhere where the eye falls. Third party websites, YouTube videos, email, your corporate memo.

So Google isn't going to change as much as race ahead: it will anticipate that Microhoo will compete with Google Docs by taking Office online, and it will counter that with full force. It should be fun to keep tabs on.

Another thing to watch will be your cellphone. Google will go there while Microhoo is ironing out its new employee structure.

Google will also take the one obvious opportunity from the merger – the essence of uncertainty that it will bring to the online advertising market – to gain even more market share.

And it will fight to make sure that the only online behaviour change that occurs is that you spend more time clicking on its ads.

## ABOUT EVE DMOCHOWSKA

Eve Dmochowska is the idea facilitator at IdeaBank ([www.ideabank.co.za](http://www.ideabank.co.za)) and keeps her time busy strategising the Internet space, deciphering the world of Web 2.0, and publishing the Internet Guide magazine ([www.internetmagazine.co.za](http://www.internetmagazine.co.za)). She can be contacted at [eved@ideabank.co.za](mailto:eved@ideabank.co.za).

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