

Yahoo revamps email in bid to catch up with Gmail

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Yahoo is spiffing up and expanding its email service in an attempt to regain some of the ground lost to a Google alternative that lured away millions of users.

The changes unveiled Tuesday are meant to make Yahoo's email faster and easier to use on the Web. To cater to the growing audience checking their email on smartphones and tablet computers, Yahoo also introduced mobile apps for the iPhone, iPad and devices powered by Microsoft Corp.'s recently released Windows 8 system.

The company, which is based in Sunnyvale, California, also updated its email app designed for Google Inc.'s Android operating system.

The email overhaul is part of Yahoo CEO Marissa Mayer's crusade to give people more reasons to visit the company's online services and stick around longer. In doing so, Mayer hopes to sell more advertising and accelerate Yahoo's revenue growth after years of financial malaise. The stagnation has kept the company's stock price below \$20 for more than four years. Yahoo shares were hovering near \$30 before the company squandered an opportunity to sell itself to Microsoft for \$33 per share in May 2008.

Yahoo's stock rose 9 cents to close at \$19.52 on Tuesday. The stock has surged 25 percent since Yahoo hired Mayer from Google nearly five months ago.

During her 13 years as a top Google executive, Mayer played a key role in building the company's Gmail. The service was a novelty when it began in 2004 and with Mayer's help it transformed into a trend-setting service that surpassed the early leads of rival offerings from Yahoo and Microsoft.

Through October, Gmail had more than 295 million active users to eclipse Microsoft's Hotmail at nearly 284 million users and Yahoo email at 282 million, according to the most recent data from the research firm comScore. At the same time last year, Hotmail led the pack with 335 million users, followed by Yahoo at 303 million and Gmail at more than 245 million.

With more people gravitating to Gmail, Microsoft also recently redesigned Hotmail and rebranded the service as Outlook.com — a reference to the communications channel built into the software maker's widely used Office suite of programs.

In a sign Google isn't taking its lead for granted, the company is the in process of phasing in changes to Gmail that will give it a slightly different look and add more features.

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All the retooling underscores the ongoing importance of traditional email, even as people increasingly rely on text messages sent on phones and thoughts shared on Facebook and Twitter. Despite its shrinking market share, Yahoo says it still processes about 30 billion emails each day and estimates its users collectively check their inboxes about 190 million times per day.

Although none of the major email providers charge to set up an account on the Web, the services are valuable because they encourage repeat visits and require people to log in. Internet companies covet activities occurring under a logged-in identity because they can more easily track people's preferences and tailor ads more likely to appeal to users' tastes.

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