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# MICROSOFT'S ATTEMPT TO ACQUIRE YAHOO



# INTRODUCTION

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In an early 2008, Microsoft initiating a bold try for an Acquisition Yahoo proposing a good \$44.6 billion offer. Its strategy was to strengthen Microsoft in the sphere of search engines and advertising, which Google dominated. However, due to Yahoo's rejection of Microsoft's offer, the creation of a multifaceted case that is instrumental in understanding the principles of corporate strategy, negotiation strategies, as well as market trends.

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# BACKGROUND

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Yahoo was at a time in a very bad position as it was fighting to regain its position in the market and also make profits. They knew that Internet was the future communication medium and Microsoft thought that the right thing was to team up and use Yahoo for intensify the competition against Google. Microsoft bid had \$31 per share which was 62% above Yahoo's current share price, to show its seriousness.

# OUTCOME AND ANALYSIS

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The tug of acquisition battle put both organizations on the precipice of crossroads. Yahoo failed to execute its strategy, and it went through many managerial changes resulting to new strategies and finally was bought by Verizon in 2017. Microsoft on the other hand decided to shift its attention towards other core activities and later they have been able to make significant returns by introducing Bing search engine and Azure computing technology.

# Conclusion

The Microsoft-Yahoo acquisition case raises the issues of M&As and how it plays out, especially in the technological sector. It underlines the reasoning about valuation and bargaining as well as stressing such factors as the strategic direction and its correlation with the platform marketplace. There [at Laker] gentlemen's preference became a theater of lessons for business people and students alike about high-stake strategic activities in large organizations.

# RESOURCE

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