A picture containing text, outdoor, building, ground

Description automatically generatedIn January 1994, Yang and Filo were electrical engineering graduate students at Stanford University, when they created a website named "Jerry and David's guide to the World Wide Web. The site was a directory of other websites, organized in a hierarchy, as opposed to a searchable index of pages. In March 1994, "Jerry and David's Guide to the World Wide Web" was renamed "Yahoo!"

Initially the founders were not into advertising market the search engine can offer. They were just two graduates who want to make internet a better place to make people’s life easier. But eventually they started selling advertisements and the search began to lose its purpose.

But over time the world outgrew the need for a single place to find useful websites, and one after another, Yahoo’s leaders failed to articulate an alternate enduring reason for the company’s being.

On the other end, google was built differently. Google's success originated in one simple insight from its founders, Larry Page and Sergey Brin. They realized in the late 1990s that the sprawling, chaotic mass of material that was cascading onto the world wide web could be tamed by ranking search results according to their popularity. The investors they approached were skeptical about how this model can be monetized at first but soon they realized it got potential by the confidence of the founder, Larry page.

A picture containing text, bin

Description automatically generatedLarry said that the company has the potential to reach 10 billion dollars in revenue but It was difficult to figure out way of creating it. After much of trouble, both the founders could not find way and then they saw a company called Overture.com. The model — pay-per-click advertising — was developed by this company. This business model drives more than a hundred billion dollars in revenue a year for Google and other big search engines — but few people have heard of Overture. Bill Gross may not be as famous as Larry Page and Sergey Brin, the founders of Google.com, but he is the man responsible for one of the most important models of the internet epoch. Yahoo acquired Overture for $1.63 billion in 2003 (Source). With this purchase, Yahoo aimed to make its position against rivals Microsoft and Google stronger. Even before Yahoo bought it, Overture had already filed infringement cases against Google. The suit against Google was filed by Overture.com in May 2002 before the Federal District Court in San Francisco. In its papers, Overture alleged that Google was infringing on its patent with its AdWords Select (Source). The then Overture spokesman, Al Duncan, said: “We’ve recently become aware that (Google is) infringing on our patent, and it’s our policy to protect our intellectual property,”

Graphical user interface, text, letter

Description automatically generatedGoogle was adamant that it did not infringe on the Overture patent. Google spokesperson, Cindy McCaffrey, is quoted saying, “Basically we’ve analyzed the patent and determined that we do not infringe on any valid claim that it contains,” (Source). Eventually, in an out of court settlement, Yahoo accepted an offer of a five percent stake in Google.

The company's proprietary advertising service, Google AdWords, continues to be a major business line and contributor to Google's revenue at 68%. The company's rapid growth since incorporation has triggered a chain of products, acquisitions, and partnerships beyond Google's core search engine (Google Search). They also offer web-based services, software and hardware.

Google realized in well advance the risks of being standstill in internet world. By comparing the way company began and where they are now, it is certainly going to move upward from here.