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Yahoo! Shopping Licenses ChoiceStream® Personalization Platform

Proven Technology to Power Personalized Recommendations for New Yahoo! Shopping Gift Finder, Just in Time for Mother's Day

Cambridge, Mass., April 21, 2005 – ChoiceStream®, Inc., the leading provider of personalization solutions for online consumer services, today announced that Yahoo! Shopping has licensed the ChoiceStream Personalization Platform to deliver personalized gift recommendations for its new Gift Finder, currently in Beta. Based on ChoiceStream's personalized merchandising technology, the Yahoo! Shopping Gift Finder is an innovative online gift buying service that makes a retailer's entire inventory available for purchase, intelligently matching each recipient with gifts they're likely to enjoy.

Consumers can access this new service by visiting Yahoo! Shopping (<http://shopping.yahoo.com/giftfinder>). To find great gift ideas, users describe recipients providing characteristics such as a recipient's age, gender, relationship to the user, lifestyle (e.g., fashion trendsetter, tech-savvy, active/outdoors) as well as the occasion for the gift. The resulting personalized recommendations dig deep into inventory – going beyond the short, editorialized lists of flowers, chocolate and wine offered by traditional gift services – to provide Yahoo! users with useful, relevant product recommendations across a wide range of categories, such as apparel, toys, video/DVDs, CDs, consumer electronics and more.

"Online gift buying has seen a huge surge in activity over the past couple of years as consumers increasingly turn to the Internet to save time and money when buying gifts. The best way for retailers to take advantage of this multi-billion dollar market is to build intelligence into their sites that automatically surfaces great, personalized gift choices from their inventory," said Steve Johnson, CEO of ChoiceStream. "The Yahoo! Shopping Gift Finder, powered by ChoiceStream, is a truly unique solution in the retailing industry. By making Yahoo! Shopping's robust platform of 60 million products from 200,000+ merchants available for gift buying, instead of just a short list of essentially hand-picked gifts, the Gift Finder helps Yahoo! Shopping and its merchants derive the greatest value from every customer visit."

"We're very excited about the upcoming launch of the Yahoo! Shopping Gift Finder service," said Rob Solomon, general manager and vice president, Yahoo! Shopping. "It's a great example of Yahoo!'s commitment to personalizing the online experience for our users, and it provides a truly unique shopping experience that leverages the incredible breadth and depth of our platform."

Proven to Increase Clickthrough and Sales Conversion

The ChoiceStream Personalization Platform has been proven in some of the world's largest sites and services, with clients reporting 600% increases in clickthrough, 300% increases in traffic and 30% higher sales conversions, among other significant results.¹ ChoiceStream's ability to deliver these results is a function of its fundamentally unique approach to personalization.

This approach goes beyond simple pattern-matching techniques that are commonly in use today – such as ‘people who like X also tend to like Y’. Instead, ChoiceStream offers a deep understanding of the factors that really drive consumers’ retail choices as well as proven methods for accurately discovering consumers’ preferences.

ChoiceStream’s intelligent recommendation models learn across multiple sites and millions of users, continually improving in accuracy and relevance over time. This gives ChoiceStream models deep insight into how different product attributes drive user choices, which ultimately enables ChoiceStream to uniquely deliver:

- **Automated personalized merchandising.** ChoiceStream’s data-driven merchandising accurately predicts consumers’ preferences and makes relevant product recommendations proven to drive clickthroughs, sales conversions and up-sells.
- **Significantly greater product variety, accurately targeting profitable non-mainstream inventory.** Often the most profitable merchandise for a retailer, ‘long tail’ inventory is overlooked by other retail recommendation solutions. Because ChoiceStream goes beyond just recognizing patterns and user ratings to understand *why* consumers make the product choices that they do, ChoiceStream personalization can reach much deeper into inventory and surface many times the breadth of products as other personalization technologies.
- **Accurate recommendations – even with limited profile information.** ChoiceStream’s intelligent preference models can make highly informed recommendations based on very limited input. Often, just 3 or 4 data points are enough, making ChoiceStream’s solution an ideal choice for a gift recommender where retailers have limited information about a recipient’s preferences.
- **Relevant recommendations across virtually any type of content.** ChoiceStream personalization can be applied across virtually any type of content, such as apparel, games, CDs, DVDs, household items, etc., enabling customers to invest in one core personalization technology for all of their merchandizing efforts.

About Yahoo! Shopping

Powered by Yahoo! Product Search, Yahoo! Shopping provides consumers with a comprehensive, relevant online comparison shopping experience. Yahoo! Shopping, a leading comparison shopping destination on the Web, boasts a variety of tools designed to empower consumers with the information they need to make an informed purchase, including the new Yahoo! Shopping Gift Finder, our Save and Share feature, side-by-side product comparisons,

¹ Sources: ChoiceStream clients and benchmarking of client deployments.

detailed buyer's guides, consumer product and merchant ratings, unbiased expert product reviews, and more.

About ChoiceStream

ChoiceStream develops personalization solutions for online consumer services, search services, e-retailers and iTV providers. Relied on by the world's largest online services providers, including Yahoo! and AOL, ChoiceStream's patent-pending technology helps companies increase customer retention and drive sales by automatically delivering the most relevant content and products to each consumer. For more information, please visit our Web site at www.choicestream.com.