



Hezbollah Won Only The Information War

The veil is starting to lift on what really happened in Lebanon

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Can China Rise To the NBA's Hopes?

To match the marketing promise, its on-court game needs to pick up

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The Runway, Your Way

Making sense of the big shift in women's fashion this fall

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DOW JONES Newsires

Ripe for Change

Wine Sales Thrive As Old Barriers Start to Crumble

Prohibition-Era Rules a Target For Producers, Retailers; Middlemen Push Back

Costco Challenges 'Three Tiers'

By VANESSA O'CONNELL

The business of wine is breaking free of one of the world's most archaic and tangled retail systems. The result: a rise in sales, and an explosion of new ways to buy wine.

One of wine's new winners is Gary Vaynerchuk, a 30-year-old Belarus immigrant who recently dipped his nose into a glass, inhaled deeply, and stared into a video-camera. "Bell pepper, green pepper, red pepper," he declared. "This smells like a salad."

That observation helped ring up sales of 194 cases of 2003 Noblaie Chiron Rouge, an obscure French red, at \$14 a bottle, by the Wine Library in Springfield, N.J. It used to be a small store in a New York City suburb. Today, with a busy Web site, it's one of the highest-grossing independently owned wine and liquor retailers in the nation, with about \$45 million in annual revenue. Web sales—launched in 1997 and buoyed by Mr. Vaynerchuk's folksy online reviews—



Gary Vaynerchuk

What's News—

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Business and Finance

THE FDA APPROVED the sale of the emergency contraceptive Plan B to adults without a prescription. Plan B maker Barr said it expects use of the drug, also known as the "morning-after" pill, to grow. Access could become more expensive, though, since drugs that are switched to over-the-counter status typically lose insurance coverage.

(Articles on Pages A3, A8 and A11)

■ **Intesa and Sanpaolo** are weighing a possible merger. A deal would form Italy's largest retail bank by number of branches and may speed banking consolidation.

(Article on Page C1)

■ **Toyota is considering** slowing its growth plans and delaying some new-model launches as recalls due to quality problems rise.

(Article in Column 5)

■ **Apple is recalling** 1.8 million laptop-computer batteries. As in the case of Dell's recall, the battery cells were made by Sony.

(Article on Page A3)

■ **Sales of new homes tumbled** last month. But factory orders rose, suggesting the economy will continue to grow modestly.

(Article on Page A2)

■ **The Dow industrials edged up** 6.56 points to 11,304.46 as investors

World-Wide

■ **FRANCE RAISED** its contribution, ordering 2,000 Lebanon peacekeepers.

After an initial offer of 400 brought criticism, Chirac promised more soldiers and an aide said they might begin landing within days. Meanwhile, the U.S. rebuked Syria for opposing deployment of international troops on its border with Lebanon, warning it not to try to resupply Hezbollah. Olmert promised \$2 billion to rebuild Israel's north as a poll showed his handling of the war badly cut support. Israel's top general admitted "shortcomings" in a letter to troops. (Page A6)

The U.S. arrested a man for providing Hezbollah satellite broadcasts to customers in New York. Al Manar TV is designated a terrorist entity.

■ **U.S. generals say** Baghdad violence is down because of a security crackdown, but 16 Iraqis and two U.S. soldiers died. Rumsfeld is due in Alaska to meet families of troops whose deployments are involuntarily extended.

■ **The U.S. said it will wait** for a formal Aug. 31 U.N. deadline before it seeks sanctions as more nations rejected Iran's nuclear-talks response.

■ **U.S. troops said** they killed seven suspected al Qaeda men in an eastern Afghan raid, but local officials insist it is a case of mistaken identity.

■ **British police have freed** two suspects in the airline-bomb plot. They have charged 12 so far, while eight others remain in custody. (Page A6)

■ **Dutch police released** 12 air passengers, finding nothing sinister in an incident Wednesday in which suspicion about them aborted a Mumbai flight.

Pluto's Demotion Divides Astrologers, Troubles Scorpios

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The Minor-Planet Faction Takes the News in Stride; Astrolabe Adjusts Charts

By JANE SPENCER

The ruling by the world's top astronomers to boot Pluto from the planet category is sending shock waves through another set of dedicated stargazers: the world of astrologers, who are already mulling how this turn of events will affect our moods, our lucky numbers and our chances of getting a date on Saturday night.

For weeks, astrologers have been buzzing about the proposal approved yesterday at the International Astronomical Union general assembly in Prague that will recast the map of the solar system for the first time since 1930. After days of impassioned debate, the astronomers voted to demote Pluto, the smallest of the nine planets, to a new class of solar-system bodies called dwarf planets.

Astrologers believe that the positions of the moon, sun and stars affect human affairs and that people born under the 12 signs of the Zodiac tend to pick up qualities of the planets associated with those signs. Some astrologers, including leaders of the American Federation of Astrologers and the Astrological Association of Great Britain, are standing firmly by Pluto. They say they will continue to regard the icy orb as a full-blown planet with a powerful pull on our psyche, despite the astronomers' decision.

"Whether he's a planet, an asteroid, or a radioactive matzo ball, Pluto has proven himself worthy of a permanent place in all horoscopes," says Shelley

Lab Test

Hoping to Overtake Its Rivals, Yahoo Stocks Up on Academics

Economists and Search Gurus Fill New Research Team; Data-Rich Fantasy Land

By KEVIN J. DELANEY

Michael Schwarz earned an economics doctorate from Stanford University before spending five years as an assistant professor of microeconomics at Harvard University. His research papers include, "Synchronization Under Uncertainty."

These days, Mr. Schwarz is thinking about how to use economics to save attractive women from unwanted solicitations on an Internet dating site. One idea employs the concept of "scarcity," rationing the number of free messages each lothario can send. Another uses full disclosure, by displaying how many people a suitor has already approached.

The Russian-born theorist, 36 years old, is at the leading edge of a push by Internet giant Yahoo Inc. to beef up its business by hiring prominent academic economists and other researchers. The company, which offers consumer services ranging from email to fantasy sports, is betting that sponsoring fundamental research will help it tackle some of its biggest challenges, including battling the technological prowess of Google Inc.



Michael Schwarz

Numbers to Crunch

Yahoo users generate a huge amount of information for researchers. Global data, from July:

Unique visitors	482.1 million
Page views	116.0 billion
Average time spent per visitor	231.6 minutes
Average Yahoo pages viewed per visitor	241 pages
Average number of days consumers used the site	10.2 days
Amount of data recorded daily by Yahoo	Over 12 terabytes

Sources: comScore Networks Inc., the company

For economists, Web operations are data-rich fantasy lands where they can observe in real-time the behavior of millions of consumers in varied marketplaces far more effectively than ever before.

One potential obstacle to collecting and analyzing a vast amount of data is customer privacy, particularly in the wake of concerns stirred up by Time Warner Inc.'s AOL unit earlier this summer. It inadvertently released a slew of information relating to users' search queries.

In addition, tech companies have a mixed record of translating research into profit. Xerox Corp.'s Palo Alto Research Center is widely credited with inventing several key features of modern computing in the 1970s. But it was Apple Computer Inc. and others that capitalized. Google, with such cautionary tales in mind, sprinkles researchers through its product groups, supplementing a small, standalone research unit. Some Yahoo staffers question whether

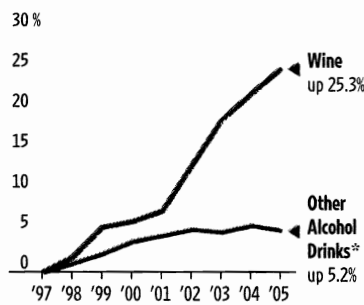
dependently owned wine and liquor retailers in the nation, with about \$45 million in annual revenue. Web sales—launched in 1997 and buoyed by Mr. Vaynerchuk's folksy online reviews—grew by about \$10 million in the past two years alone.

The market is in upheaval because its many barriers are starting to crumble. Recently, a Seattle federal court struck down state rules forcing retailers to buy through wholesalers at pre-estab-

Battle of the Bottle

Sales of wine, which accounted for 8.9% of all U.S. alcohol retail sales last year, are outpacing beer and spirits in growth.

Percentage change in wine and other alcohol off-trade sales, by volume:



* Includes beer, spirits and flavored beverages

Note: Off-trade sales only at retail stores; doesn't include bar and restaurant sales.

Source: Euromonitor International

lished prices. Several states are lifting rules that prevent consumers from buying wine directly from out-of state producers and retailers.

At the same time, giant players like Costco Wholesale Corp.—today the biggest wine seller in the country—are pressing for reforms that would largely

Notice to Readers

Marketplace begins on A9 today.

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■ **The Dow industrials edged up** 6.56 points to 11304.46 as investors pondered the new economic data. Bonds rose; oil climbed to \$72.36.

■ **Big companies bought back** a record \$116 billion of shares in the second quarter, up 43% from a year ago, according to S&P.

(Articles on Pages C1 and C3)

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■ **The Justice Department said** it has ended a probe into Fannie Mae's accounting misdeeds. The firm's shares jumped 4.8%.

(Article on Page A3)

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■ **Federal investigators are looking** into how and why changes were made to a report that was critical of BP's Alaska operations.

(Article on Page A2)

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■ **China Construction Bank said** it would pay \$1.2 billion to buy the 17 branches Bank of America owns in Hong Kong and Macau.

(Article on Page A2)

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■ **Rite Aid confirmed a deal** to buy the Eckerd and Brooks drugstore chains from Jean Coudu for about \$3.4 billion.

(Article on Page A11)

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■ **The head of JC Bamford, a** British construction-machinery company, said he is interested in buying Jaguar from Ford.

(Article on Page A2)

* * *

■ **Three airlines called for** the breakup of airports operator BAA as part of an investigation into British airport ownership.

(Article on Page A8)

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■ **Hutchison said it doesn't** expect its 3G wireless business to break even on a key profitability measure for the full year.

(Article on Page A2)

—Markets—

Stocks: NYSE comp. vol. 1,968,704,716 shares, Nasdaq vol. 1,397,105,884. DJ industrials 11304.46, ▲ +6.56; Nasdaq composite 2137.11, ▲ +2.45; S&P 500 index 1296.06, ▲ +3.07.

Bonds (4 p.m.): 10-yr Treasury ▲ +4/32, yld 4.807%; 30-yr Treasury ▲ + 6/32, yld 4.941%.

Dollar: 116.52 yen, +0.16; euro \$1.2758, -0.34 cent against the dollar.

Commodities: Oil futures \$72.36 a barrel, ▲ +\$0.60; Gold (Comex) \$619.50 per troy ounce, ▼ -4.20; DJ-AIG Commod. 172.386, ▲ +0.674.

■ **Dutch police released 12** air passengers, finding nothing sinister in an incident Wednesday in which suspicion about them aborted a Mumbai flight.

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■ **China handed a blind rights** activist a 4¼-year prison term for chronic complaints of forced abortions under caps on family size. (Page A6)

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■ **Thailand's Thaksin escaped** assassination when police arrested a military officer whose car held a bomb outside the premier's Bangkok home.

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■ **Nigeria released 10,000** prisoners incarcerated for up to 10 years without trial, first step in clearing an embarrassing backlog of delayed justice.

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■ **An Austrian man committed** suicide after a girl he had kidnapped at age 10 and kept in a cellar for eight years escaped and ran to a neighbor.

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■ **A Vermont gunman killed** two people and wounded three in a shooting spree that extended from an elementary school to two Essex residences.

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■ **A Kentucky judge dropped** charges against Gov. Fletcher in a plea deal in which he acknowledged failure to follow the state's merit-hiring rules.

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■ **Medicare providers complain** of a Bush plan to stop checks nine days before this budget year ends, shifting \$5.2 billion in costs to fiscal 2007.

* * *

■ **Four Katrina contractors** were indicted for taking \$700,000 for no work. A House report says 70% of contracts were let with little or no competition.

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■ **Tropical Storm Debby isn't** likely to pose any menace to land, forecasters said, but Ernesto is threatening to form north of Venezuela by today.

* * *

■ **The solar system shrank** to eight planets as Pluto, the furthestmost object, was demoted to dwarf status by the International Astronomical Union.

■ **NASA commenced** the countdown for Sunday's scheduled launching of shuttle Atlantis, which is to install solar-power arrays on the space station.

* * *

■ **Died: Maynard Ferguson, 78,** high-voltage jazz trumpeter whose bands schooled many players, in California.

—Online Today—
WSJ.com/OnlineToday

Econoblog: What is behind rising U.S. obesity rates? Two economists debate the roles of poverty, social pressures and a sedentary work force.

* * *

■ **Readback:** Graham Greene's 1958 novel "Our Man in Havana" captures Cuba on the cusp of sweeping change.

* * *

■ **Numbers Guy:** How a group of astronomers decided that diorama you built in grade school has one too many planets.

cision. "Whether he's a planet, an asteroid, or a radioactive matzo ball, Pluto has proven himself worthy of a permanent place in all horoscopes," says Shelley Ackerman, columnist for the spirituality Web site Beliefnet.com. Ms. Ackerman criticized the IAU for not including astrologers in its decision.

Others warned that Scorpios—people born between Oct. 23 and Nov. 21—should be especially cautious in the coming days because the sign is closely associated with Pluto.

"Scorpios can be extremely explosive, and very direct, and this could be the trigger that makes them explode," says Milton Black, an Australian astrologer who claims to have more than 580,000 clients. Laura Bush, Hillary Clinton and Condoleezza Rice, take note. All three are Scorpios.

Yesterday's ruling in Prague brought good news to some. The astronomers indicated that several planet-like bodies—including the asteroid Ceres and the newly discovered UB313, sometimes known as Xena—will also be classified as dwarf planets. That has generated excitement among a small group of practitioners known as "minor-planet astrologers" who have long contended that outer-lying asteroids and ice balls exert a powerful tug on our psychological makeup. Some astrologers believe that officially introducing new dwarf planets to the charts might give astrologers additional information about people, by providing more planetary bodies and forces to study in the charts.

"This is a moment that I've been waiting for for a long time," says Eric Francis, a minor-planet astrologer who edits the Web site Planetwaves.net. "People are finally talking about Charon." Charon is Pluto's largest moon, which astronomers briefly considered granting official planet status at

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from child to fantasy sports, is getting that sponsoring fundamental research will help it tackle some of its biggest challenges, including battling the technological prowess of Google Inc.

Yahoo was blindsided by Google's sophisticated Web search. One of Yahoo's advertising-sales techniques also underperforms its rival's, and when Yahoo said last month that a revamp would be delayed, the company's stock fell 22%, its largest-ever one-day drop. Despite having one of the world's biggest user bases, Yahoo hasn't fully benefited from hot phenomena such as online video and social networking, a service offered by sites such as MySpace.com.

The research push, "has huge consequences for the business if we do things right," says Usama Fayyad, Yahoo's chief data officer.

Central to Yahoo's goal is its ability to record what millions of consumers do every day, and to study how changes to the company's Web services affect their behavior. Internet companies in the past have largely lacked the systems and focus to mine data for research, but now they're viewing it as a key competitive pursuit.

any tales in mind, sprinkles researchers through its product groups, supplementing a small, standalone research unit. Some Yahoo staffers question whether the company's engineers have the time or inclination to implement ideas from the research team.

A Yahoo spokeswoman won't say how many economists or researchers the company plans to hire. A person familiar with the matter says Yahoo aims to build a team of more than a dozen economists. In the past year, the company has snagged leading talents in microeconomics, Web search and artificial intelligence from universities such as Cornell and Carnegie Mellon, and industrial labs including those of Microsoft Corp. and International Business Machines Corp. It has opened lab facilities in Berkeley, Calif., New York, Barcelona, and Santiago, Chile, and has begun scouting locations for a lab in Asia.

Until now, university economists typically have had to rely on limited sets of historical data to test their theories. At Yahoo, they can tweak market conditions and watch what happens to the compa-

Please Turn to Page A8, Column 1

Toyota May Delay New Models To Address Rising Quality Issues

By NORIHIKO SHIROUZU

Toyota Motor Corp., jarred by a surge of recalls and quality problems, is considering tapping the brakes on its ambitious growth plans, delaying introductions of some new models by as much as half a year, people familiar with the matter say.

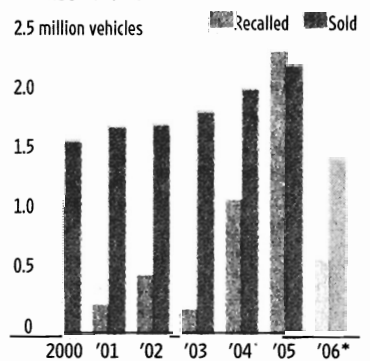
Toyota has been accelerating its growth world-wide and moving to overtake General Motors Corp. as the world's No. 1 auto maker. In May, the company said capital expenditures in the current fiscal year would reach a record of roughly \$14 billion. But the fast-paced expansion has come with a cost: an increasing number of quality problems in North America, Japan and elsewhere that threaten to dent its quality image.

According to senior executives and engineers familiar with the move, the company is considering adding as much as three to six more months to projects that normally call for roughly two to three years of development lead time, in order to stem the growing tide of quality problems. Those individuals say that while some programs would be spared, delays likely would affect a relatively wide range of projects. Among the high-volume models that could be affected are the next Sienna minivan, Solara sports coupe and Avalon sedan.

Toyota's chief spokesman, Shigeru Hayakawa, declined to comment, saying product-development lead times and the specific timing of product launches are "competitive" information. "It's our basic stance that we introduce products in a timely manner while meeting changing needs of the market," he said. "That general direction remains unchanged."

Not So Fast

The number of vehicles Toyota sells in the U.S. has grown, but the number recalled has risen more.



*Recalls are to date; sales are as of July 31

Sources: the company; U.S. National Highway Traffic Safety Administration

Toyota's rethinking of its fast-paced new-model strategy comes as the Japanese auto giant's sales around the world, and in the U.S., are increasing rapidly. So is the number of Toyota vehicles being recalled for quality problems.

Last year in the U.S.—its largest market by volume—Toyota recalled 2.38 million vehicles, according to the National Highway Traffic Safety Administration. That's more than the 2.26 million it sold. Overall, the company sold nearly eight million vehicles world-wide.

This year, the company has recalled 628,000 vehicles in the U.S., and people familiar with the matter say it may soon

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To Overtake Rivals, Yahoo Stocks Up on Academics

Continued From First Page

ny's roughly 500 million monthly visitors. The result is faster, and probably more useful than traditional methods such as surveys. Researchers inside and outside these companies also believe collating Web activity can be used to predict future events, such as box-office openings and home sales.

"It's an amazing opportunity to validate theories that have been floating around for a couple of decades," says Cornell University Computer Science Professor Jon Kleinberg, who cites as an example ideas about how innovations spread throughout society. Prof. Kleinberg has collaborated with Yahoo's researchers.

The big push into research dates to March 2005, when Yahoo Chief Executive Terry Semel confided a concern to top lieutenants that the company risked missing long-term developments. Who in the company is considering what might happen in three to five years, he asked, according to one executive at the meeting.

Mr. Fayyad, 43, the company's head of data, is leading the effort to answer that question. In April 2005, he sold Mr. Semel on an ambitious plan to fund fundamental research.



Usama Fayyad

Mr. Fayyad recruited Prabhakar Raghavan, a former IBM Research veteran who was also wooed by Google and Microsoft, to head the push. Mr. Fayyad told Mr. Raghavan he would be disappointed if Yahoo's effort didn't produce a Nobel Prize.

Messrs. Fayyad and Raghavan agreed Yahoo Research would tackle just a handful of areas, including search, the interaction of users online and an artificial-intelligence field known as machine learning, which involves analyzing past data to learn about the future. "The intent isn't to gaze at the skies," says Mr. Raghavan, 45.

Instead, researchers are looking at the information Yahoo collects about its users' activities. That starts with nearly every click and includes what services consumers use in what sequence and which color of buttons they click on most. The company records over 12 terabytes of data daily—the equivalent of about half the information contained in all of the books in the Library of Congress, according to some estimates.

Yahoo and other Internet companies already use some of what they know about consumers' online habits to target Internet advertising: A user who searches for "Ford Explorer" might see an ad for a sports-utility vehicle when he looks at a news Web site.

Mr. Fayyad co-founded a startup in 2000 that became Revenue Science Inc., a firm that specializes in such behavioral-targeting technology. The technology ob-

Tapping the Academy

A sampling of the researchers hired by Yahoo:

RESEARCHER	AREA	SELECTED PAST AFFILIATIONS	PUBLICATIONS AND RESEARCH PAPERS
Ricardo Baeza-Yates	Web search technology	Univ. of Chile, Universitat Pompeu Fabra	"Modern Information Retrieval" (textbook)
Ron Brachman	Artificial Intelligence	Darpa, AT&T Labs	"Knowledge Representation and Reasoning" (textbook)
Andrei Broder	Web search technology	AltaVista, IBM Research	"A technique for measuring the relative size and overlap of public web search engines"
Marc Davis	Media experiences and design	University of California, Berkeley ²	"From pirates to patriots: fair use for digital media"
David Pennock	Micro-economics	Microsoft Research, NEC Research	"Naive filterbots for robust cold-start recommendations"
Prabhakar Raghavan	Web-search technology	Verity, IBM Research	"Query incentive networks"
Raghu Ramakrishnan	Web search technology	University of Wisconsin-Madison	"Toward a query language for network attack data"
Michael Schwarz¹	Micro-economics	Harvard, University of California, Berkeley	"Internet advertising and the generalized second price auction: selling billions of dollars worth of keywords"
Andrew Tomkins	Web search technology	IBM Research	"Trawling the Web for emerging cyber-communities"

¹Starts employment at Yahoo in September. ²Mr. Davis is on leave from the university.
Sources: the company; researchers' Web sites

serves what a consumer does on a site in order to decide which ads to display. One trick is to generate good matches—looking at an article about an ax murderer doesn't suggest the reader is interested in buying axes. Another challenge is not to creep out users with blatant matches that serve as a reminder they're being tracked, such as switching all the ads to those for credit cards if a user clicks on a card offer.

As the recent AOL firestorm highlighted, there are big privacy issues in this line of work. AOL apologized when its data, which were originally intended for use by outside researchers, were made available on a public Web site. While individuals searched weren't identified, the words they searched for—such as their names—allowed some to be tracked down without much effort.

Yahoo says it has multiple protections to guard against an AOL-type mistake. The company says it strips out any personal identifying attributes before handing the information over to researchers. In any case, it says, Yahoo's researchers are interested in the behavior of mass groups, not that of specific individuals.

Guarding against violations is a group that's known internally as the "Paranoids." T-shirts worn by Paranoids at one point read: "We worry so our users won't have to."

Yahoo submits all outside requests to look at the data to a review committee. It says it has never provided search-related data to outside researchers. Information it has shared include data related to music preferences, based on millions of

anonymous ratings.

Technology companies have rarely before placed such a focus on fundamental economic research. Microsoft Research, which employs 700 researchers, says it has no economists on staff. Lucent Technologies Inc.'s Bell Labs has a team of about 30 economists, but their work mostly involves using theory to solve nuts-and-bolts industry problems.

"Right now we're at the golden age where there's a lot of work that's going on that is really lending insight into real-world problems," says Hal Varian, a University of California, Berkeley, economics professor, who is a consultant to Google.

In 2001, Yahoo started charging for its online dating service—which surprisingly resulted in an increase in membership. Mr. Raghavan thinks the switch increased the value of Yahoo Personals in the eyes of consumers and encouraged them to use it more. While the move predated Yahoo's recent research push, it's an outcome economists might have predicted: The fee deterred users who weren't serious about dating, making the service more efficient for those who were.

Mr. Fayyad says Yahoo Research has already more than covered its expense with a project to better target Yahoo's advertising for its own services, such as Yahoo Mail and Personals, on the Yahoo site. The team tweaked the algorithms that decide when to show such ads, which beefed up the response rate.

Yahoo believes research might help it with other Internet services whose design, and success, are currently determined by

intangible factors. With the help of the research team, Yahoo designed an incentive system for Yahoo Answers, a service where consumers post questions, to which other users respond. Under that system, users receive points for answering questions, and get more points for answering questions that are well received. The top-ranked answers are featured on a leaderboard and the ensuing competition has improved the service's quality.

Yahoo is continually tweaking the rules for points, such as by raising the penalty for people asking profane or abusive questions.

One of the team's biggest challenges is finding ways to improve Yahoo's ad-auction system, in which advertisers bid to have their ads shown to users who search for relevant keywords, such as "Orlando hotel." The advertisers pay each time consumers click on the ads.

Yahoo's ad system gives the most prominent placement to the advertiser that bids the most per click. By contrast, Google weighs additional factors, such as the frequency with which consumers click on each ad, to determine the order the ads are displayed.

Google's approach generates more revenue per search, since the most popular ads for any query appear more prominently, increasing the likelihood consumers will click on them. Compared with Yahoo, Google brings in roughly 45% more revenue on average for each search query it handles, according to Majestic Research Corp., a research firm based in New York. Yahoo executives concede the structure of its search-ad system has cost the company hundreds of millions of dollars in revenue.

Yahoo has consulted with economics professors and its own research staff for a project called "Panama," the company's ongoing attempt to revamp its search-ad system. Mr. Raghavan vows that economists will be involved alongside Yahoo computer programmers in building future services, so as to head off future mistakes.

The use of incentives is one of the research areas that interests Mr. Schwarz, the economist who begins at Yahoo next month. He's currently writing a research paper about economic markets where one side of a potential transaction is eager to profess its preference for the other side, as is often the case with hiring and online dating. The unequal relationship makes such markets complicated and unpredictable. The research has clear applications for Yahoo Personals.

Mr. Schwarz also co-wrote a paper examining search-ad auctions. It concluded that Yahoo's system doesn't encourage people to bid what they think the ad is worth to their business, something that caught the attention of Yahoo executives. They expect Mr. Schwarz to work on future versions of their ad systems, a task he has already embraced.

"This is the type of problem economists have been studying for the past 60 years," Mr. Schwarz says.

Pluto's Demotion Divides Astrologers, Troubles Scorpios

Continued From First Page

Mr. Francis and many other minor-planet enthusiasts are interested in raising awareness about Charon and the new dwarf planets, Ceres and UB313, in part because they consider them female planets that would symbolize a rush of new maternal energy into the cosmos.

"Most of our clients are women, and we need stories women can relate to," says Mr. Francis. (A planet's sex is determined largely by the name given to it by astronomers.)

StariQ.com astrologer Michael Wolfstar suggests that the asteroid Ceres is a humanitarian, compassionate force

"associated with relief operations, the food industry, and parent-child relationships." According to the site, she is currently pushing for "the return of refugees to southern Lebanon" and "reforms in the organic-milk industry."



Eric Francis

Even before the vote, some astrology Web sites were welcoming the potential new arrivals to the planetary fold and buzzing about how they might affect current world events, including the future of JonBenet Ramsey murder suspect John Mark Karr. "As Ceres goes on to oppose realistic Saturn, the astrologer might reasonably expect that the DNA evidence won't match," wrote Mr. Wolfstar earlier this week.

Mr. Wolfstar says Ceres's association with the parent-child relationship connects her to the Ramsey case. At the

time of Mr. Karr's arrest, Ceres was opposing Neptune, a planet involved with imagination and fantasy. Mr. Wolfstar says that opposition may imply that the confession wasn't reliable.

The IAU decision had less impact on some older branches of astrology that already ignore the influence of more recently discovered planets, such as Uranus (discovered in 1781) and Neptune (discovered in 1846). In the Indian tradition of Vedic astrology, for example, astrologers generally use only the first five planets. A small group of classical astrologers in the West use only the first seven. Modern astrologers, who account for an estimated 90% of American practitioners, have long worked with a nine-planet system.

This is also not the first time a new discovery has rocked the astrology world. In 1977, astronomer Charles Kowal discovered Chiron, a comet located between Saturn and Uranus. Some astrologers welcomed Chiron into the planetary fold, and many still use it today.

Companies that make chart-reading software for astrologers currently are adjusting their products to include more information on dwarf planets. Astrolabe, an astrology software company in Brewster, Mass., released a software patch this week for users that provides additional information on the asteroid Ceres.

"As soon as the orbital elements are released, we can incorporate new asteroids into the software," says Madalyn Hillis-Dineen, marketing director for the company. But, she adds, the company isn't about to turn its back on Pluto.

Horoscope columnists are wrestling with whether to incorporate the new crop of dwarf planets into their chart readings. Michael Lutin, columnist for Vanity Fair, says he will consider the newcomers. But he notes that they aren't likely to have massive impact on our personal lives because of their location at the outer reaches of the solar system: "UB313 is never going to tell you whether Wednesday is good for romance."

GLOBAL BUSINESS BRIEFS

Toronto-Dominion Bank

Profit Surged 94% in Year As Revenue Increased 6.1%

Toronto-Dominion Bank's fiscal third-quarter net income soared 94%, reflecting strength across the bank's main business lines. The Toronto bank reported net income of 796 million Canadian dollars (US\$715.3 million), or C\$1.09 a share for the period ended July 31, up from C\$411 million, or 58 cents a share, a year earlier. Revenue rose 6.1% to C\$3.29 billion. Toronto-Dominion said its Canadian retail- and commercial-banking arm generated a 21% increase in operating income to C\$524 million, driven by volume growth from most of its banking products, higher net-interest income, business deposits and credit-fee income. The

BenQ Corp.

Loss Is Posted for Quarter On Cellphone-Shipment Delay

Taiwan's BenQ Corp. posted a loss for the quarter ended in June, its third straight quarterly loss, citing a delay in a plan to increase mobile-phone shipments. BenQ posted an unaudited net loss of 2.51 billion New Taiwan dollars (US\$76.6 million) for the second quarter, reversing a year-earlier net profit of NTS\$480.6 million. Consolidated revenue rose 85% to NTS\$54.85 billion. Its flat-screen monitor revenue declined. BenQ was expected to post weak results as it continued to integrate the unprofitable mobile-phone division it bought from Siemens AG in 2005. Chairman K.Y. Lee said BenQ plans to separate its contract-manufacturing business from its