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Realizing the value of Online Content

Businesses have always faced the problem of making money from digital content. Companies today publish articles, product information and commentary on Web sites, primarily to attract and retain visitors and provide information. What they may not realize is the content they're creating for their sites has potential relevance for business partners, customers and other sites. With the development of industry standards, the ability to exchange content with multiple partners becomes automatic. And today's "content" is not limited to news and stock quotes, but includes anything on the Internet that can be shared with other businesses — products, weather information, catalog information, presentations, video, music, applications and more.

There are three key Internet trends that are allowing content providers to realize and increase the value of their online content.

The leading trend is online syndication, facilitated by the advent of standards-based technology for enabling the wide distribution of information. Syndication — the simultaneous publication of content to multiple outlets — is not a new business model. For

decades, newspapers have purchased and published content — like crossword puzzles and Dilbert cartoons — from outside sources. This model has been extended to companies seeking to build and maintain strong Web presence by aggregating outside content.

Internet content providers are not just traditional media publishers; they are any business that creates and distributes information in a digital format — in essence, almost every company doing business on the Net today. Syndication models can be used to dramatically increase the market reach of a content provider's brand, to significantly reduce the costs of acquiring new customers, or to generate incremental revenue through subscription fees or advertising revenue share.

The Internet also gives content providers access to a wider audience for their products. Internet content providers have millions of distribution outlets to personalize and package their content in more granular ways. It is inexpensive to repurpose content, because the primary costs lie in its creation, not in the copying or distribution. The challenge is to classify and categorize con-

tent into smaller, more granular packages that meet specific niches or customer needs.

A content provider with information on technology can break that content into smaller pieces, such as hardware or software. This can be further broken down to focus on different types of hardware, such as PCs or mainframes. The content created is the same, but it is packaged differently for different audiences.

The ability to make content more granular, combined with the ability to easily move and manage content, means potential placement on more sites and the opportunity to sell to more varied market sectors and at higher prices for specialized and relevant content.

The third trend enabled by the Internet is the ability to provide context or relevance by integrating all types of content. Web sites

are combining pieces of content from different sources and publishing them on a single page. The blending of these related content pieces creates greater value when combined than each does when published alone. For example, Yahoo! publishes company news stories from Reuters and other content providers and combines this with a stock-ticker listing of companies discussed in the article. This makes the Web site more relevant to the user and supplies the consumer's information needs.

The goal is to make content actionable — users need to take action when visiting your site. If they read a story and there's a link to product information on the same page, they may purchase something. The reverse of this is also true — merchant and retail-oriented sites will introduce syndicated editorial content to help drive sales. By blending news content with commerce content, merchant sites are able to make their Web pages actionable and more interesting. Content providers then share in the revenue through affiliate referral fees or commissions. Merchants acting also as content providers, can use syndication to deliver the "buy" button and product teasers to third-party sites to enhance product offerings and increase the likelihood of a purchase from those sites.

What these trends demonstrate is the key to realizing value for online content. By understanding the targeted audience, content providers and Web sites can deliver the information their customers need to make their site actionable — whether it's having a user make a purchase, request more information or subscribe to a newsletter. The ability to automatically and easily build and maintain content distribution relationships on the Internet makes this all possible.

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