

2004 SIIA Content Forum

by JEAN BEDORD

“Show Me the Money!” was the theme of the 2004 SIIA Content Forum, held May 17–18 at San Francisco’s Palace Hotel. This gathering attracted content industry leaders who met to make deals and grapple with the “disruptive technology” that’s impacting their businesses. Last year’s SIIA Annual Conference was an all-encompassing event, with keynote speakers from well-known corporations and separate tracks for software, content, and education. However, there was little attendee crossover between the three tracks.

In order to sharpen its focus, this year the Annual Conference was separated into three distinct events: the Content Forum, the Ed Tech Industry Summit, and the Enterprise Software Summit. From the content point of view, this approach worked better than last year’s rather schizophrenic gathering of software and content providers, although registration was a bit quirky, with separate desks and vendors in different areas of the hotel. As always, one of the highlights of SIIA events is the opportunity for face-to-face discussions with content-company executives. This year’s gathering was no exception.

New Content Distributors

A lively panel discussion between representatives from Yahoo!, HighBeam Research, and Northern Light kicked off the Content Forum. David Seuss, CEO of the revitalized Northern Light, places a high value on the editorial aspects of providing a search service that aggregates sources which meet business needs, including internal sources, free Web sources, and proprietary content. NL’s focus is on targeted slices of content, a model that’s more valuable to its customers than the general search-engine approach.

In contrast, Patrick Spain, CEO of HighBeam Research, targets individual business customers with a \$99.95 subscription fee that can be easily expensed. As a customer, there’s no differentiation between free and premium sources in the subscription price, so the buy decision doesn’t intrude on searching. Furthermore, this approach doesn’t differentiate between consumer or employee customer behaviors.

David Mandelbrot, vice president of search content at Yahoo!, faces different challenges as a major player in the search-engine market. With 800 searches per second and 2.1 billion searches per month, the user scale is overwhelming, and finding answers is frequently difficult. Yahoo!, along with Google, is attempting to integrate premium sources into search results to improve answers, but this requires a billing infrastructure and a differentiation

between premium and free search results. Neither task is easy, particularly on this scale. With 140 million registered users and paid content areas already in place, Yahoo! has a head start on Google in this area. Thus, the search-engine war continues in Sunnyvale, Calif.

A striking aspect of this panel discussion was that all three companies depend on traditional aggregators, such as ProQuest and Gale, to deliver content as the middleman, rather than dealing with the idiosyncrasies of thousands of individual publishers. The challenge is to institute the business models and market: Northern Light with organizations that have established information managers, HighBeam Research with the individual business/consumer, and Yahoo! with a new style of pay-per-view that’s embedded with free content.

Content-Chain Complexity

The leadoff panel for the second day of the conference represented the full spectrum of the content value chain. The underlying theme was the difficulty in sorting out the thorny contract, license, and copyright issues that plague the content chain for the end user, who may or may not be a paying customer.

Richard Geiger of the *San Francisco Chronicle* articulated the dilemma of a content creator whose content is free on SFGate.com but premium in other channels. Jeff Davis of CBS MarketWatch faces the issue of integrating and managing licenses from acquired companies Inlumen and Pinnacor (formerly Screaming Media), which requires several full-time in-house lawyers. Cory Johnson of RSiCopyright described the latest copyright-compliance offerings, which integrate into the Web browser.

The most intriguing discussion centered around the partnership between Factiva, represented by Alan Scott, and IBM WebFountain, represented by Bob Carlson. The basic premise is that corporations can no longer ignore what’s happening outside their walls. WebFountain provides an analytical framework to look at trends and patterns in both the open Web and premium content. One application is reputation management. For example, one company heard that its shampoo was being recommended for degreasing driveways. This was valuable information for managing its image.

Data-mining rights are murky, yet potentially lucrative. Factiva allows the mining of proprietary material only with payment of additional fees, which are then shared with publishers. But pricing the value of negative results and trends is difficult, since the actual articles are not read. The attendees’ general consensus was that the legal framework needs to be rearranged to make compliance with rights terms and conditions easy to understand. Otherwise,

rights will be ignored, particularly in the consumer space.

Technology Tools Matter

Content companies can benefit from implementing incremental changes in work flow, utilizing technology, and then carefully monitoring customer response. Barry Bealer of Really Strategies, Inc. moderated an intriguing panel that represented both the content and technology perspectives.

On the technology side, Bennett Zuker of Tacoda Systems described his company’s new audience-management approach to profiling users and identifying those of high value to advertisers and publishers. Using this behavioral-targeting technology, ads are delivered to users in multiple contexts. For example, women who were identified as being interested in health and fitness received Snapple ads as they went from channel to channel. The technology is intriguing, with initial results that were better than those for contextual advertising.

Chris Scudder, CEO of ECNext, described successes in the online pay-per-view arena, with market research reports that target department-level content buyers who use credit cards. His presentation

print costs, but found that it saved the company’s business after 9/11, when the paper couldn’t be delivered to subscribers. This situation forced a shift to even more electronic delivery, using Sealed Media for its DRM technology. CQ experiments with incremental technology, including the use of RSS for its free e-mail newsletter. This is the most effective means for selling high-priced subscriptions.

Changing Content Aggregation

Aggregators, both traditional and new, were featured at another panel moderated by Thomas Product News Network’s Paul Gerbino, who likens content to the maze of wires behind his computer. Skip Prichard of ProQuest Information and Learning described a traditional aggregation business that has heavy academic roots but is seeking new distribution via course packs and vertical partners. It’s also exploring limited advertising possibilities.

Dawn Conway, vice president of content and business at LexisNexis, focused on delivering value to users. She suggested flipping the current search model to better meet users’ information needs. Because it deals with IT professionals and purchasing agents, the consultative sell is critical to the company’s enterprise market. The



Christine Mason, CEO of Open Road Technologies, and blogger Rafat Ali participated in “Where the Industry Is Headed,” the concluding session of the SIIA Content Forum. (Photo by Dick Kaser)

stood in sharp contrast to other commentary at the conference that questioned the viability of pay-per-view. Because technology by itself tends to be theoretical, the content providers on the panel described the reality of integrating technology with people to profit from content. Ken Doctor of Knight Ridder Digital described the challenges of getting electronic copy from curmudgeonly copy editors and overextended librarians at 30 Knight Ridder newspapers so his group could deliver a consistently formatted newsfeed by 6 a.m. every day.

Keith White of *Congressional Quarterly* shifted to Adobe PDF delivery to reduce

LexisNexis brand is not as established with these constituencies as it is with legal professionals and librarians.

New aggregators represented the individual buyer market, which is easier to penetrate than the enterprise market. In addition to promoting print subscriptions and utilizing advertising to try to monetize as many channels as possible, Doug Herrington, co-founder of KeepMedia, is using an online approach to selling magazine articles (for a subscription of \$4.95 a month). Other companies have tried this approach with limited success. The question is whether the environment has changed enough for this model to be successful.

Greg Reinacker, president of News-Gater Technologies, presented the software perspective on aggregation. His company provides a tool that allows users to choose RSS newsfeeds to read either in their business or consumer life. It's essentially a self-aggregating model that can include blogs that aren't otherwise readily accessible.

RSS feeds are proliferating on the Web but have yet to be fully embraced by SIIA Content Forum attendees. An indicator of growing acceptance is Thomas Product News Network's successful use of RSS feeds for its industrial products. Shore Communications also provides an RSS feed of its weekly newsletter so that articles become available as they're posted. I expect that the majority of e-zine publishers will offer RSS feeds by 2005, bypassing at least some of the e-mail muck and mire.

More Industry Optimism

The final panel, moderated by Ed Keating of Easton Consultants, elicited the most intriguing discussion. Michelle Horwitz of PR Newswire represented a traditional business that's being adapted to the Web world. PR Newswire is developing new products that can effectively monitor nontraditional publishing. Plaxo was cited as the prime example of a company that was ignorant of negative comments in blogs. It found that these comments filled the first three pages of Google's results, negating marketing efforts. David Myers of Ovid described moving into new technologies and integrating medical information with Office 2003 and patient records. These are challenging areas that require both credibility and new rights.

applications such as MS Office, Acrobat, and Internet Explorer—a sort of "Google local." This becomes the user's personal portal, a self-aggregating model, and an extension of the self-aggregation provided by RSS news readers. Watson has the potential to become the killer app for search and is capable of trumping the integration of traditional aggregators into Microsoft Office 2003. The open Web, with blogs and listservs, represents valued content for both users and their companies and is increasingly a factor in making money.

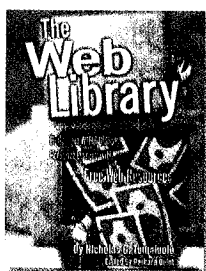
Overall, the tone of the 2004 SIIA Content Forum was cautiously optimistic, as the established companies and newcomers seek to understand changing customer needs and how to reach their markets. As usual, the makeup of the attendees provided an indication of trends. With search engines moving closer to premium content, Yahoo! and LookSmart both attended this year. Factiva, Lexis-Nexis, and Ovid were present once again, but Dialog was noticeably missing this year and last. The most promising aspect

of this year's event was the assortment of new technologies that have the potential of becoming established in the mainstream content business.

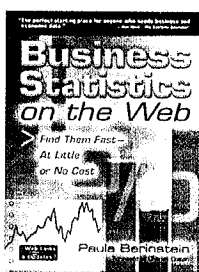
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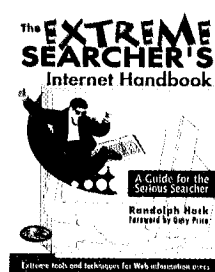
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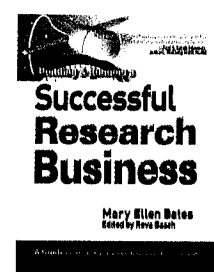
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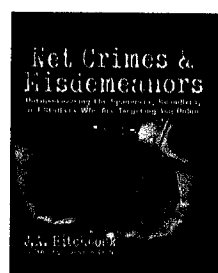
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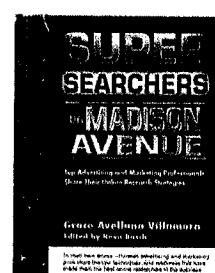
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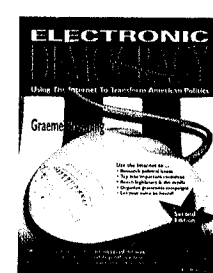
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Rafat Ali, editor and publisher of paidContent.org, a must-read e-zine for this industry, spoke as a proponent for blogs and RSS. Christine Mason, CEO of Open Road Technologies, described the artificial intelligence embedded in her company's Watson product, a desktop search environment that's present in

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