

BY JOHN GREENLEAF

WHAT'S A MEDIA COMPANY TO DO?

WITH NEW MEDIA rising, what is a traditional publishing powerhouse to do?

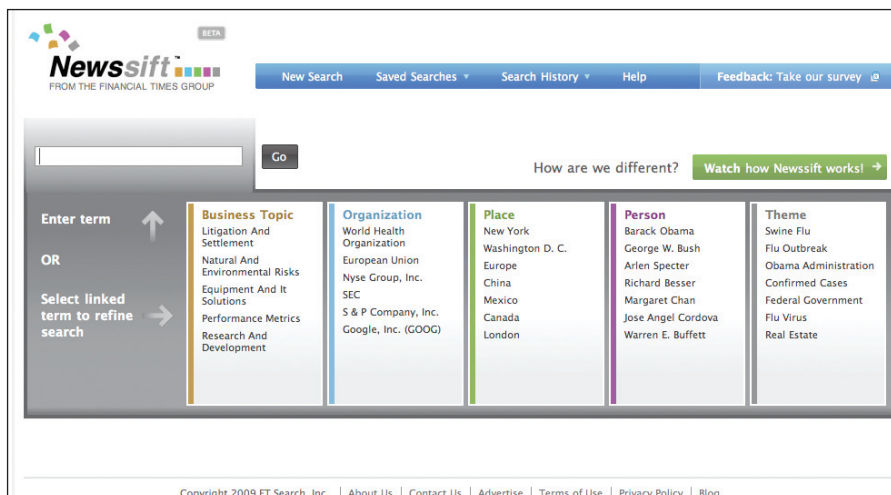
Many companies have approached answering this question in different ways, with an equally diverse profile of successes and failures. Whose content? Ad model? Charge for access? Subscription? Partnerships? New technology? All have been pushed to market as hopeful approaches, but there is no one right answer. There is no one answer because of the interference of one troublesome word: traditional. Traditional means there is a brand involved, and with that brand comes all the baggage, opportunity and consumer meaning that has resulted from its history with the consumer and the marketing community. So the question to ask is not “Do you invest?,” but rather, “How do you invest given the audience and market opportunities you own or create?”

The Financial Times Group, part of Pearson plc, is a long-standing media conglomerate with a history of outstanding performance. It does, however, reside in the domain of what can be characterized as “traditional media,” with its flagship newspaper being the *Financial Times*. The investment approach Pearson took to new media is unique but would be without meaning or result if some of the more basic tenets of new product development—all too often ignored in technology—were heeded. Pearson sought a burst of innovation to push it into new, more technologically driven and promising markets. It established an innovation fund and challenged management to develop new business plans and ideas for Pearson to fund.

The winner, now known as FT Search, recently introduced NewsSift.com into beta. NewsSift utilizes a proprietary search process to conduct business-focused queries that are based on relationships and context, not traditional keywords. The result is a tool that encourages discovery and exploration and that understands how critical companies, topics, locations, people and business themes are interrelated.

The first question that is fair to ask is, why this offering and why now? How can a strategy that jumps into such a market be successful, given the casualties to date? The answer is relatively simple though, surprisingly, often not followed by traditional media companies or even successful online businesses. Know what you do well; know what you and your brand mean to consumers and advertisers; seek out unoccupied territory in successful, growing and profitable markets or segments; and develop a meaningful, sustainable difference and a solid, targeted and efficient business plan to support and grow the effort. You need only travel down this list of criteria when examining new media successes and failures to quickly see where preparation was insufficient.

There were a few examples we looked at in our plan development that we found instructive.



NewsSift.com is currently operating in beta as a free search tool.

The site's revenue model is as an initial ad-supported site, designed to build high levels of awareness and traffic and to form the foundation from which other product offerings can be introduced. Greenleaf says a subscription product is on the short list of future options, stressing that the site would not, however, charge for something that is already free. Rather, a collection of differentiated content, functionality and customization would be designed that could not be obtained elsewhere.

The first involves sticking with or straying from what you're known for. EBay recently entered—and quickly left—the fixed-price retail business. I do not believe it was because it lacked a key skill or strength; it was because it was inconsistent with the core brand essence. It needed to show that it was at least as good as or, preferably, better than those who focused exclusively on retail. Google, on the other hand, has significant success with its AdWords business because it is consistent with the meaning of the brand and complements its keyword search business.

FT Search conducted a rigorous process to determine where an opening to leverage the Financial Times brand existed, known worldwide for more than 100 years as the preeminent source of business news and analysis, and where it could seize market opportunities online. This is the same structured process any media company, traditional or not, needs to follow to explore new business ideas. Contextually based, business-focused search met those criteria, complementing the brand and occupying what we view as an unfilled need for qualitative business discovery, providing both unique content exploration and a novel approach to advertising based on these results. The site is in beta as we continue to learn how to make it better for users and

the advertising community before initiating marketing support.

We've also gone to school on the successes and mistakes of others as we craft the plan we'll put in place to drive traffic. Two that are instructive are Cui.com, which appears to have made a promise—to be bigger and better than Google—it was unable to keep. Its point of difference, the number of indexed pages, may not have been that meaningful. SearchMe.com, in contrast, employs what seems to be a carefully crafted plan that has layered programs and tactics that have resulted in solid and exceptional growth.

Today's media landscape is filled with moving parts, innovation and uncertainty. So what's the answer? New brands? New technology? New content? Ad model? Charge for access? Subscription? Partnerships? The answer is clearly yes. Explore and experiment, but don't lose sight of what you own, what you can and should leverage, and where there's room in a strong market. At NewsSift, our plans and expectations point toward success. Because we know better than to simply hope the whole issue just goes away. **m**



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