



B U S I N E S S

AT YOUR SERVICE

Really Simple Syndication software automatically delivers customized news directly to your desktop. Can it deliver profits to content providers, too?

By **MATTHEW YEOMANS**

ROBERT ANDREWS HAS BEEN PUBLISHING a blog about technology and the media from his home in Cardiff, Wales, since 2001. When he started out, Andrews, 26, would spend a couple of hours each morning trawling the Web in search of subjects for his opinion pieces. Now, thanks to a humble Web format called Really Simple Syndication (RSS), most of what he needs

is ready and waiting for him on his desktop when he logs on. Andrews uses a downloadable software called a news reader to subscribe to feeds from RSS-enabled websites that match his interests in new technology. Whenever those feeds are updated, an outline of each new story appears automatically in his reader along with a link back to the full content on the originating page. It's kind of like customized, one-stop information shopping. "RSS means stories from all my favorite sources

just pop into my news reader as soon as they're published," he says. "I no longer have to spend ages scrabbling around lots of different sites every morning."

Andrews is one of a growing legion of Web users who've embraced Really Simple Syndication, and this burgeoning movement has convinced a new breed of online entrepreneur that RSS might also turn out to spell really stunning success. As the Web grows ever more labyrinthine and unwieldy, an increasing number of sites

are turning to RSS to make the quest for content—whether it's stock tips, headlines, sports news or even the latest iTunes—fast and easy. Given that RSS users are easily identifiable and telegraph their specific interests, it's no surprise that advertisers are salivating, too. "We think the future of news delivery is going to be a mixture of specific brands [like CNN or the New York Times] and aggregated RSS feeds," says Jim Pitkow, CEO of Moreover, an Anglo-U.S. firm that's been deploying RSS for corporate clients for over five years. As evidence, Pitkow points to the fact that Yahoo.com, which assembles much of its news content into RSS feeds, attracted more visitors in July 2004 than CNN and MSNBC, the two largest online news brands in the U.S. Traditional media firms that have migrated to RSS are more circumspect. "We are embracing RSS, but we don't know yet if it makes people come to our site more or less often," says Simon Waldman, director of digital publishing for Guardian Newspapers.

Though RSS has been around since the late 1990s, it has only recently gone mainstream as the popularity of blogging has

surged. But RSS is not just for bloggers anymore. Big media players are paying attention, too. The New York Times, Wall Street Journal, Britain's Guardian and Daily Telegraph and, yes, TIME.COM all now offer some content via RSS feed.

Back in the mid-'90s, a similar idea called "push technology" briefly wore the buzzword crown. The notion was that, instead of having to reach out to a plethora of newspapers, TV channels and websites, news consumers could customize information that would be "pushed" across their computer screens all day. But the early push advocates stumbled, victims of poor management, clunky technology and their own hype. With RSS, though, it seems like the push dream has finally arrived. "We're seeing the TiVo-ization of news," says Dave Sifry, referring to the recordable TV service that allows viewers to pick and choose what programs they want to watch and when they want to watch them. As founder and CEO of Technorati, a site that tracks more

than 4 million blogs and countless RSS feeds each day, Sifry has seen firsthand how Web users are running their own virtual newsrooms. "There will be a big shake-up of what are considered established brands," Sifry says, with people supplementing established names like the New York Times and BBC News Online with blogs and other nontraditional sources of information. Perhaps, but it is just as likely that the current news leaders will use RSS to further augment their position. Says Bill Grueskin, managing editor of WSJ.com: "I think our RSS headlines have value because the Wall Street Journal is such a respected brand."

Not surprisingly, RSS companies are starting to attract venture capital financing. Recently, Technorati secured a reported \$6.5 million in funding. (Technorati acknowledges the investment but won't confirm figures.) NewsGator Technologies, a company that integrates RSS feeds into the Outlook e-mail program, also recently won funding.

But is RSS a real business or just another tech flash in the pan? Moreover insists it's making money by offering RSS news services to subscribing corporate clients like Citigroup, Hill & Knowlton and the U.S.

Department of Energy. Moreover mines the Web for the subjects requested by the customer, and then develops RSS news feeds with the desired content. Hill & Knowlton, for example, could use Moreover to track information published about its many clients.

The great hope of most RSS feed producers, however, is advertising. Since RSS identifies consumers who've already declared their interests, it makes sense that advertisers would then want to target them, in the same way that Google offers specific ads in response to the type of search a user enters. RSS suppliers would include either graphic or text ads in individual RSS feeds, much as e-mail newsletters currently feature ads. But many remain wary of muddying RSS with advertising. "I think there's the potential for a backlash against ads in feeds," says Eric Peterson, an analyst for Jupiter Research, because they might alienate users by destroying the flow of clutter-free information. The danger, RSS proponents realize, is that RSS ads could become just like Web pop-ups or e-mail ads—another form of spam. But Peterson doubts whether either subscription or advertising can sustain stand-alone RSS firms. Acquisition, he suggests, might be the best business strategy.

"I think there's more potential for larger companies to buy these smaller RSS services," he says.

Others argue that RSS will have to become easier for the less-tech savvy to use if it's ever going to hit the big time. Right now, users must download and install software onto their PCs before they can read RSS feeds. Yahoo! may already be working on a fix. Although it has not confirmed its plans, Yahoo! acquired Oddpost, a San Francisco RSS company, in July, and could use the firm's technology to integrate RSS into the popular Yahoo! Mail service. Early next year, Apple plans to release a new version of its Safari Web browser, complete with a built-in RSS news reader. Still, mass-market adoption of RSS will probably depend on Microsoft incorporating a news reader into its next Internet Explorer or Outlook e-mail program. So far, the company has given no indication of any such plans. But if RSS numbers continue to grow, the phenomenon will become too big for Microsoft to ignore. And that could give bloggers like Robert Andrews as large a potential audience as CNN or BBC. ■



Listen up: RSS now comes with sound. RSS's ability to handle enclosures, or attached files, has led to "podcasting," a way to capture the latest audio Webcasts on an iPod or other MP3 player. Net-radio stations and traditional broadcasters have been streaming live and archived content for a while. But without the time and software to capture, compress and offload the stream, you're tied to a terminal. RSS software such as iPodder lets you subscribe to, say, a weekly jazz podcast, an MP3 of which is downloaded every seven days and then dumped on your player next time you sync it. Bloggers have been keen, but the appeal is also strong for public radio stations like Boston's WGBH, which posted its first podcast last month. "We're doing it to learn more," says Robert Lyons, head of new media initiatives at WGBH. Stations with advertisers to satisfy have been slower to react, but don't rule out a future featuring radio with promo videos attached.

—By Michael Brunton

NOVEMBER 22, 2004

TIME

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