SHORE

RESEARCH

The New Aggregation: Models for Success in Creating Content Value

by

John Blossom

President, Senior Analyst

Shore Communications Inc.

SCI200404 - VERSION 1.0

7 August 2004

TABLE OF CONTENTS

1. REPORT PROFILE

FOCUS

The New Aggregation is an evolving model for commercial electronic content aggregation services that requires content and technology suppliers to focus product and service development on those specific attributes of content aggregation that best suit the needs of audiences participating aggressively in the content production, aggregation and distribution process. With today's institutions and individuals equipped with powerful content technologies and universal network connectivity, commercial content aggregators face an array of new challenges and opportunities that require aggregators, publishers and the institutions that they serve to rethink how they can face the future of content monetization effectively.

AUDIENCE

Senior executives, strategists and marketing managers of content aggregation and content technology providers seeking to position their firms for higher profits and margins in the face of challenging technologies and business models, most especially those reliant on institutional sales; **senior executives, strategists and marketing managers of publishing companies** trying to maximize profits and market penetration through online distribution while maintaining revenues from traditional sources; **senior information technology managers and information professionals at major institutions** trying to maximize the value of their commercial content investments across a wide and sophisticated array of content platforms and technologies.

CONTENT

A detailed analysis of how changes in content technologies have rendered many aspects of commercial electronic content aggregation obsolete. Numerous diagrams and tables provide clear illustrations of how technology has impacted business models and how new business models are filling in the gaps where aggregators and publishers have failed to provide value. A diagnostic checklist provides executives an opportunity to consider how their own operations are impacted by these trends. Recommendations for clear actions to take in the light of these trends to produce successful business models are provided for commercial aggregators, publishers and the major institutions that they serve.

Vendors of products and services mentioned or discussed in this paper include: AOL, Apple, Bloomberg, L.P., Connotate, Content Directions, Copyright Clearance Center, ECNext, Eliyon, EMC/Documentum, eMeta, Endeca, Factiva, Google, Groove Networks, IBM, Inside Scoop, ISYS, Kanoodle, KaZaa, LexisNexis, MarkLogic, Microsoft, Movable Type, MSN, OpenText, PHP Nuke, Sealed Media, Shared Media Licensing (Weed), Stellant, Thomson Dialog, Verity, Vignette and Yahoo!

USE

An assessment that can be used to stimulate market research, product planning and market positioning that will improve the operational and financial performance of commercial aggregators, publishers, content technology providers and the institutions that they serve. Those responsible for marketing strategies will find this paper to be useful in considering how to position products and services by focusing on those attributes of content aggregation most likely to yield high value in their marketplaces. Implementers at major institutions will learn how to manage vendor relationships in a changing content marketplace.

2. EXECUTIVE SUMMARY

Traditional business models for commercial electronic content aggregation are now challenged by individuals and institutions equipped with powerful content technologies that see commercial content as one component of a wide array of valuable resources at their disposal. Today's leading corporate, academic and public institutions purchase content from aggregators with increasing reluctance. They see aggregators' business models and operations methods being largely out of touch with their needs for sophisticated content integration and much more efficient management of commercial terms and payments.

Modern networking, search engines and more decentralized content publication and sharing techniques have rendered many of these database-driven content aggregator "factories" obsolete by reducing or eliminating the benefits a vendor-provided central database. Content oftentimes can be collected from individual publishers more effectively in a client's computer directly from publishers via Web-based technologies. This has turned the vertical "content factory" aggregation model on its side, exposing specific attributes of content aggregation such as indexing and retrieval to exploitation by suppliers who can service specific needs without collecting commercial content in an aggregator's database. Some aggregators have responded to technology threats by developing their own increasingly sophisticated interfaces and tools to integrate content from their databases into institutional workflows more effectively. But better interfaces from aggregators cover up the more basic issue of whether today's underlying business models for commercial content aggregation are viable in the long run. New technologies and content consumptions patterns challenge these business models as never before.

The New Aggregation is the process of focusing product and service development on those specific attributes of the content aggregation model that best suit the needs of specific audiences participating aggressively in the content production, aggregation and distribution process. In the New Aggregation model profits flow to those suppliers that can optimize specific attributes of the content aggregation model most effectively, allowing clients equipped with powerful technology to select them at will. In reaction to the New Aggregation some aggregators will focus on engineering more exclusive content redistribution rights. This will be too expensive a proposition for both publishers and aggregators to consider in most instances and ignores the ability of clients to be highly effective commercial content redistributors when equipped with appropriate technologies. Most aggregators will wind up having to select those portions of the aggregation model that will allow them to survive most effectively. Most that insist on trying to make the old aggregation model more efficient will fail unless they provide truly unique content that has little competition.

The onus is on institutions and publishers to demand significant changes that align with the New Aggregation, but aggregators should consider major adjustments to their marketing and product strategies that will allow them to transition to the New Aggregation model profitably. This paper provides specific recommendations on methods and strategies for aggregators to consider in that transition and models for success that already exist in the marketplace.

SHORE COMMUNICATIONS INC.
ORDER FORM
VERSION 1.1

Thank you for your interest in our products. We look forward to serving you. You may order this report online or complete and fax this form to us for offline order processing.

Please provide the following information and **fax this form to: (IN USA) 203.226.0690**

Questions or problems? Please contact us at 203.226.9488 or via email at custservice@shore.com

Personal Title:	❑ Mr.	❑ Ms.	❑ Mrs.	❑ Miss
Name:				
Business Title:				
Business or Institution Name:				
Mailing Address:				
Mailing City/Town:		**State/Province:**		
Zip/Postal Code:		**Country:**		
Business Telephone:		**Email:**		
Name of Report/Product:	SCI200404 - The New Aggregation: Models for Success in Creating Content Value			
Licensing Option (Select One):	❑ Workgroup/Individual License - Report Only			**$397.00**
	❑ Enterprise License - Report Only			**$797.00**
NOTE: All listed fees are payable in US Dollars to Shore Communications Inc. 4 Merritt Lane Westport, CT 06880-14221	❑ Workgroup/Individual License - Report, PLUS One (1) On-Phone Private Advisory Services Session			**$1197.00**
	❑ Enterprise License - Report, 1-Year Update and Supplement Subscription, Report, PLUS One (1) On-Phone Private Advisory Services Session			**$1997.00**
Billing Option (Select One):	❑ Credit Card	❑ Purchase Order	**PO #:**	
Credit Card Number:		**Expiration Date:**		
Card Type:	❑ MasterCard	❑ Visa	❑ American Express	
Name on Card:		**Expiration Date:**		
Billing Address:				
Billing City:		**State/Prov.:**		**Zip/Postal:**

Billing and Licensing Agreement Authorization

I hereby certify that I am the person named on this order form and that I am authorizing Shore Communications Inc. to process my order using the information provided in this document. I agree that by signing this order form I accept the terms and conditions for the use of the product(s) ordered on this form as specified in the document available at the following Internet Web URL Address: **http://www.shore.com/files/Shore_T_and_C_V_1_0.pdf**

Signed: ____ Date: ________________