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RSS ad programs feed needs

Some see strong potential; others predict little impact

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Search engine companies and marketers are beginning to explore the marketing opportunities presented by Really Simple Syndication (RSS) despite industry studies that disagree as to the viability of RSS as an effective advertising medium.

The technology allows users to pull aggregated content-in the form of headlines, summaries or articles- from around the Web into one consistently updated "feed" to users.

Google, Yahoo! offer programs

Google and Yahoo! are offering RSS advertising programs, which they see as an extension of their search engine advertising models. Yahoo!'s Overture, now called Yahoo! Search Marketing, led the way when it began testing RSS ads in November 2004. Google has said it is currently beta-testing AdSense for feeds, a program that lets content publishers monetize feeds through contextually targeted advertising.

Kanoodle, another search engine company, has been serving ads into RSS feeds "for well over a year," said CMO Mark Josephson. "We saw early on it was an opportunity for advertisers to extend their reach."

RSS has Microsoft's attention, too, and like Oprah's Book Club, an endorsement from Microsoft itself can be enough to propel a technology into fast-forward mode. Microsoft has said it plans to incorporate RSS into its next version of Windows, known as Longhorn.

Among RSS' biggest user benefits, according to Open Source Technology Group's Slashdot.org RSS survey published in April, are the ability to "get just the headlines," "automated updates" and its perception as being "faster than the Web." Seventy-three percent of those surveyed said the number of sites they would read via RSS will increase over the next year; only 1% said that number will decrease. Almost half (49%) use a Web-based RSS syndication service.

But other observers take a more sober view. In March, Jupiter Research wrote in a report: "RSS will not likely have significant impact as a supplemental alternative to e-mail marketing, with only 20% of marketers having plans to deploy it during the next 12 months."

While reports differ about the rate of growth, advertisers and publishers seem excited about RSS' potential.

"We've started using it as a traditional marketing channel," said Caitlin Pitcher, senior marketing manager at Citrix Online, a division of Citrix Systems, an on-demand remote access technology company for enterprises. Pitcher has been using RSS to promote its GoToMeeting Web conferencing product to small and midsize businesses. "We're putting our ads in places that are network-specific," she said.

Part of the appeal is economic, Pitcher said, noting that the medium is very affordable right now and compares favorably with other interactive marketing tools such as e-mail and search marketing. "We break it down to a cost per acquisition or cost per lead," she said. "It compares to a really targeted e-mail campaign in 1998. It's much more affordable, and companies are much more willing to work with advertisers to get this going."

Prior to using RSS for marketing, Citrix used it to feed content to other aggregators using Pheedo, one of the technology companies that distributes Web logs and content feeds and handles RSS ad management and

serving.

Another advertiser, Sun Microsystems, has been running text advertising in RSS since April 2004, said Pheedo CMO Bill Flitter. Pheedo is also working with Verizon, which is advertising on RSS feeds based on ZIP codes. "It's a new product they're advertising, and it's only available in certain areas," Flitter said. Verizon is targeting 160 ZIP codes in cities such as Exton, Pa.; Falls Church, Va., and Keller, Texas.

Pheedo currently has 8,000 publishers in its network and more than 100 advertisers.

Publishers have found RSS to be an attractive revenue stream. Along with major publications such as *Newsweek*, *The New York Times* and the *Washington Post*, b-to-b publishers are having early success with RSS.

"It's one of the most exciting new technologies for publishing because it allows you to reach the marketplace in the way the user wants," said Paul Gerbino, publisher of ThomasNet Industrial Newsroom, which launched RSS feeds 18 months ago. The search engine for industrial buyers publishes news under 50 major industrial product categories. "We have one RSS feed for each one," Gerbino said. ThomasNet also has an all-news RSS feed that covers all the news it publishes each day and an RSS feed for the company's blog.

Advertisers on ThomasNet Industrial Newsroom buy monthly sponsorships that guarantee them a minimum of 50,000 ad impressions a month. "An advertiser can sponsor a news category, and have their ads appear on the news site and have those ads delivered out via RSS as well," Gerbino said. He added that ThomasNet also includes ads in its category-specific newsletters.

FedEx Corp. is among ThomasNet's advertisers. The logistics and shipping company ran a six-category program with ThomasNet in April and May.

Budnick Converting is the latest ThomasNet advertiser to embrace RSS. The marketer of industrial adhesive tape just signed a full-year program to run advertising in ThomasNet's "adhesives and seal-ants" RSS category.

While proponents of RSS and its advertising applications agree the game is still in its early stages, they say its growth is accelerating as an attractive alternative to other online ad media.

"Yahoo! started it with adding RSS feeds to the My Yahoo! page," Gerbino said. "That really started to move this thing very quickly."

While acknowledging "the volume isn't there yet," Pitcher has high hopes for RSS. "Within the next five years ... RSS will become a core pillar of advertising," she said.

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