

## Re-thinking Business in the New Media Market

Some say the online media world is turning mainstream media upside down. Technology advancements, the explosion of user-generated content and the ability to self-filter information is changing the way media operates. Seattle-based Pet Holdings, Inc., the profitable 2007 start-up company run by CEO Ben Huh, sits at an important intersection of this change. Their hugely popular blogs: I Can Has Cheezburger?; FAIL blog; and others, reach 9 ½ million users each month.

What's interesting is that Pet Holdings success isn't based on ideas it invented. The company's sites are based on internet research showing which memes—catchphrases, or concepts that spread quickly from person to person like an inside joke, possess universal appeal. The websites leverage these memes by providing a venue for self expression. Their success can be attributed to Huh's knowledge of how to leverage memes, viral content and crowd-sourcing, which involves outsourcing a task to a community using an open call.

At a recent Northwest Entrepreneur Network Breakfast meeting Huh explained his theories about the new media market, why content filters are critical, and what this means for businesses and consumers alike.

### Power to the People

If there's one critical takeaway from the reframing of mainstream media it's this: It used to be that traditional media controlled all the content and determined what was relevant to its readers/viewers. In the new world of online media, the traditional editor/producer has been replaced by active, everyday consumers who now filter through content and pass along recommendations about what is

relevant. Huh calls this filtering process the birth of an efficient marketplace. Today you and I determine what is good, useful, and relevant content. Not an editor.

### Executive Insights



Cheryl Isen

▼ This was a natural evolution. When analyzed and dissected, a case can be made that the media's real asset was never writing. It was "filtering" the content for us. However, consumers have also been practicing filtering for years. We filter information whenever we decide it's worthy to communicate or pass along. Word-of-mouth and forwarding emails are examples.

Once the concept and value of filtering is understood, the issue relative to choosing content becomes which filters do you trust? In the new media market anyone can be a filter and the best ones become known brands. Traditional media understands this and they're leveraging the value of their online brands as content creators and filters. But so are others. Content aggregators, bloggers and experts in specific niches are all staking out a claim and trying to earn your trust. This is good news. The role of a filter today is more important and helpful than ever because content is exploding and we need natural filters we can trust.

### Enabling Technology

With the flood of information, technology also plays a critical role in shaping what we see. Technology makes it possible to quickly sift and filter content, separating the good from the

bad, based on what people want more of, and less of. This is a great improvement over the old days when guess work and personal opinion was used to determine what we consumed.

Huh's blogs leverage this technology. They use crowd-sourcing to filter out what people want, in near real time. Here's how it works: Users create content, which is then tested with an audience using filtering technology. Audiences love filtering because it provides them an opportunity to tell you what they think. The result is a "sample test" that provides content aggregators a deeper understanding of what their audiences want. This continually churning knowledge in turn enables the ongoing creation of better content. And, once a website has mastered the art of providing great content, word-of-mouth builds, and the site's brand reputation grows. The viral pass along brings in even more visitors. The great news for businesses like Pet Holdings is that all this knowledge is provided by the audience *for free*.

This cycle creates the foundation for a highly efficient marketplace. In the new media world, audience opinion matters a lot. It enables nimbleness. The compelling truth is that this new form of engagement with the audience has the power to transform more than just the world of media. With the technology available today, social media tools can be leveraged to transform how many companies think, operate and act. In this new era, people are engaged with and actively influence the brand. The smart brands will capitalize on this knowledge by being nimble and responsive to their market needs.

These “Executive Insights” are based on monthly presentations provided by leading entrepreneurs at the Northwest Entrepreneur Network (NWEN.org), a non-profit organization dedicated to helping entrepreneurs succeed. The column is written by Cheryl Isen, founder of Isen & Company, a strategic marketing and public relations firm that helps emerging companies increase corporate

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