

AlacraBlog

Newstex Bridges Alternative and Mainstream Media



Q&A With Newstex President Larry Schwartz

Continuing our ongoing series of interviews with premium content partners, Larry Schwartz of Newstex tells us about their business, their success and how horse-back riding inspired his blogging.

1. Tell me about the origin of Newstex.

The company was founded back in 2004, with my partner Steve Ellis. We had left a previous content aggregator and were getting out of the content business, when customers and publishers came to us and said, "There's a space here for you guys. you guys are pretty smart. Can you figure out how to put a company together that could feed news to us?" So we really started out trying to invent a better way to deliver syndicated news to business and financial markets in a real-time manner. It was very traditional, what is called an aggregation-model business.

Newstex started to evolve about 3 years ago as we started licensing and distributing full text premium blogs. Blogs? How did we get started with blogs? Well, it started with my daughter. She is a horseback rider. At the barn where she rides horses, they needed a website, because everybody was complaining that they didn't know the schedule or results of events at the barn. So I said, "Oh, I'll do one."

I had already been exposed to Moveable Type, so I set it up and created a little website and started doing other blogs for other horse shows and barns. So really I was doing it through the horse side, and then I got into blogging and started reading a lot more and getting more involved. That's when a light bulb went off, and I said, "You know, blogs are really commentary. And there's a real market here for news, and for the people who comment on the news." So we saw it as two separate products: the news product and the commentary.

That's when we started signing up bloggers as publishers, and attempting to syndicate the content as commentary. Now we are evolving this to user generated video. We still sell traditional news, but that has become a commodity sale unless you add value to it.

2. What makes your content unique?

The News we distribute is not unique, it is a complete commodity, but we do add unique metadata. The Blogs we license (The product is called Blogs On Demand) is very unique. The Blogs On Demand product is very unique, as far as we know, we are the only company to license full text blogs.

We license the blogs directly from the bloggers (ie publishers), we have an editorial team that reviews every blog we license, to make sure it's up to a standard we created including 54 metrics that we track on each blog. So you're not going to get junk, which is a real important point. On a lot of the blog search engines, like Google or Technorati, I could put "Newstex" in as a search term, and half the stuff I get is spam blogs or junk blogs. So it's really hard to find that needle in the haystack of information that you're looking for. Which is true of any content: news, reports, legal brief and of course blogs.

After the blogs are licensed and editorial approved, we ingest them into our system, and add metadata and tag as



much information as possible. We normalize it so the content appears the same and it makes it very easy to search. For financial markets, we actually stock-ticker the blog posts. So if you're looking to read news about Apple Computers, you type in the stock ticker "APPL" and up pops not only the news, but the blog posts about Apple.

The Blogs on Demand product has grown from a few hundred blogs to over 4,000 blogs in over 46 topics including Financial, Legal, Health and Newspaper Blogs from the leading newspapers

In summary, we now provide editorial selected full text blogs that we aggregate and make it much easier and quicker to find quality information.

3. What do customers like best about Newstex?

One stop shopping...can you imagine going out and finding several thousand blogs to license and bring into your system? This is what we call the "plumbing" and is very tedious and time consuming. Newstex is really good at this, and we make it easy for companies to license blogs and news from us in one format and one delivery pipe. We enjoy being the plumbing and staying in the background - we have no applications, we only deliver content and are focused on doing that as best we can. We keep it simple for our customers.

4. How has your business changed in recent years? What changes do you expect in the coming years?

As I've discussed we've moved from News to User Generated Content as News has become more of a commodity. We see Video as the next big product for our customers. We are launching a video product this fall that will include transcription of the video. We're trying to bridge the text world to Video.

For Newstex, we're adopting "Cloud Computing" as the next big thing for our own internal use. This will allow us greater flexibility and to continue to keep our costs in line as we grow.

5. Tell me about your editorial staff. What types of backgrounds do they have?

Newstex was started as a virtual company. We have no offices, all of our employees or contractors work out of their homes. We think of ourselves as a utility company and thus we need to be a low cost operator. Our Editorial Staff is composed of an editor and several editorial assistants, all of whom have journalist and editorial backgrounds. Our editorial team comes from newspaper, magazines and Graduate Journalism program.

6. The current economic environment can be rough for publishers but also provides opportunities. How is the economy impacting your market today?

We haven't seen any real change, but that is also because the content industry moves at a very slow pace. If we were only selling News, we would be in big trouble, but having a unique product like Blogs On Demand has contributed to our near term and long term growth.

7. What sorts of interesting or unexpected uses of your content have you seen?

Hmmm....Probably the most interesting use of our blog content is Amazon's Kindle. We supply blogs to the Kindle and it has been a good learning experience about how to work with an ebook type device.

8. Newstex has had an exciting and award-filled year! Tell us about winning the Codie Award, being named on the EContent Hot 100 list and Info Today's People's Choice Top new technology?

We have been big believers and supporters of the content industry by working with SIIA and Econtent on many levels, but the most gratify has been to help develop the SIIA Previews program, where we get to meet new content companies and hear many of the new ideas and concepts that are emerging.

To see recent content from Newstex, visit their specific database pages on the AlacraStore.com:

<http://www.alacrastore.com/publisher-rss/newstex>

If you are interested in contributing your content to [the Alacra Store \(www.alacrastore.com\)](http://www.alacrastore.com), please contact Ron Waksman at ron[dot]waksman[at]alacra[dot]com.

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