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## **New Web Sites Seeking Profit in Wiki Model**

By [ROBERT LEVINE](#)

Every day, millions of people find answers on Wikipedia to questions both trivial and serious. Jack Herrick found his business model there.

In 2004, Mr. Herrick acquired the how-to guide [eHow.com](#), which featured articles written by paid freelance writers. Although the business made a profit, he realized that the revenue brought in by selling advertising would not support the extensive site he had in mind. “If the page were about how to get a mortgage, it would work,” he said. “But the idea was to be the how-to guide to everything.”

So in January 2005 he started wikiHow, a how-to guide built on the same open-source software as Wikipedia, which lets anyone write and edit entries in a collaborative system. To his surprise he found that many of the entries generated by Internet users — free — were more informative than those written by freelancers.

“Wikipedia proved you could get there with another method,” Mr. Herrick said. Several months ago he sold eHow to focus on the new site, which now has 10,000 entries in English, Spanish and German.

Mr. Herrick is hardly the only entrepreneur inspired by the efficiency and low cost of what has become known as the wiki model. Although Wikipedia is operated by a nonprofit foundation, ideas for advertising-based wiki sites are beginning to take their place alongside blogs and social networking sites as a staple of Silicon Valley business plans.

In addition to Wikia, a site devoted to topics judged too esoteric for the online encyclopedia, there is ShopWiki, for product reviews, and Wikitravel, for tourism advice. Several start-ups allow users to operate their own wiki sites.

“Wikipedia is an encyclopedia and this is about the other 999,000 books in the library,” said Ben Elowitz, chief executive of Wetpaint, a start-your-own wiki site.

Others wonder how big that library can get. All of the companies making consumer-oriented wikis are privately held and do not release revenue figures. But so far not one of them has come close to the popularity of Wikipedia, according to Nielsen/NetRatings. WikiHow had 1.1 million visitors in July, Wikia had just over 270,000, and several other wiki sites had too small an audience to be measured by the Nielsen/NetRatings methodology.

Andrew Frank, a research director at the Gartner Group, a technology consulting firm, said that all of this interest in wikis might rest on some naïve assumptions.

“The assertion that these sites are cheap to run is questionable,” he said. For example, to sell a substantial amount of advertising, wiki sites might have to filter for objectionable content. And he says he believes that ads on wikis

could be worth less per impression than those on sites that aim at a more specific audience.

“I think there’s going to be a lot of wikis,” Mr. Herrick said. “But I’m not sure how many of them will make money.”

Others are more optimistic. Last month John Gotts, an entrepreneur known for buying the rights to domain names, agreed to buy the site [Wiki.com](http://www.wiki.com) for \$2.86 million.

“I would never have paid this much for any other domain,” Mr. Gotts said. “I can’t think of one that would be worth more.” He pointed out that the site Wiki.com drew traffic before he bought it, even though it had little content.

The wiki concept was invented in 1994 by Ward Cunningham, a computer scientist who created a program called WikiWikiWeb as a way to share programming techniques. He named his creation after the Hawaiian word for fast.

“The subject I had in mind was the knowledge necessary to write good computer code,” Mr. Cunningham said, “but I realized it would have broader implications. It’s a medium that allows people to collaborate more easily than they could in systems that are modeled after the precomputer world, like e-mail.”

Over the last few years, wikis have gained traction as tools in the business world, where companies run them on internal networks to foster collaboration on complex projects. The Gartner Group has predicted that half of all companies will use them internally in some fashion by 2009. There has also been at least one failed experiment with wikis in journalism: The Los Angeles Times tried online “wikitorials” but quickly abandoned the idea.

Even Jimmy Wales, who founded Wikipedia, is looking for ways to broaden — and profit from — the wiki concept. With financing from technology luminaries like Marc Andreessen and Mitchell Kapor, he and Angela Beesley started Wikia, which includes 1,500 separate wikis, from the Star Wars-focused Wookieepedia to user-generated pages on depression. Although Wikia is a for-profit company, it was founded with some of the communitarian idealism of Wikipedia, and its business plan calls for it to donate money to that foundation.

“It’s never going to be a billion-dollar-revenue business,” said Gil Penchina, the company’s chief executive. He said that the site currently made less than a dollar a page per month, although the site’s growing number of pages could make that significant.

“It feels to me like Craigslist,” he said. “It’s a small business, but it’s a good business and it makes a lot of people happy.”

If wikis become a big business, some of that idealism may fade — and consumers may begin to resent contributing to the sites free. So far, though, the sites are growing fast, thanks to dedicated volunteers.

Sondra Crane, a 75-year-old retiree who lives in Altamonte Springs, Fla., has written scores of entries for wikiHow on subjects both practical (how to make pot roast) and profound (how to get old without feeling old). “I’ve been writing all my life and I always wanted to have my name known,” she said. “I’d like to get paid — I put a lot of hours in. But it’s nice to know that people are being helped.”

Wikia and wikiHow operate much like Wikipedia: they let all users contribute and stipulate that any content they generate may be used freely, much as open-source software is. Other start-ups, including Wiki.com, are departing from the traditional collaborative spirit of the wiki model, in that they will let users decide who has permission to contribute to the wikis they start.

Mr. Gotts, who has been paying for Wiki.com in \$10,000 installments with a final payment of about \$2.8 million due within six months, said that he intended to share revenue with those who used his site to start wikis. “The main way we’re going to make money,” he said, “is to lead the trend for users to make money.”

He said that he would let users register Wiki.com subdomains free on topics of their own choosing — he suggested that might be anything from [soccer.wiki.com](http://soccer.wiki.com) to [smokedsalmon.wiki.com](http://smokedsalmon.wiki.com) — in the hope they would attract advertising or e-commerce.

But Ramit Sethi, co-founder of PBwiki, another make-your-own wiki site, said that it was still too early to determine what model would turn wikis into money-makers.

“Nobody has found the de facto business model for wikis,” said “It’s kind of the Wild West.”

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