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## Twitter seeks tweet of the blue bird of profit

by Verne Kopytoff

In the span of a week, Twitter has transformed from a company that has seemed in no hurry to make money to one that is willing to at least experiment on a business model.

On Monday, the San Francisco messaging service unveiled an initiative for companies to become sponsors. A few days later, it revealed plans to offer souped-up Twitter accounts for a fee.

The ideas are hardly revolutionary. But they nevertheless mark a new chapter for Twitter, which offers users the ability to post messages, or tweets, of up to 140 characters.

So far, only the sponsorships are a reality.

Under the initiative, Federated Media, a San Francisco online ad firm, will create Web sites that showcase Twitter messages about a particular topic. Companies can sponsor the pages, with Federated Media sharing some of the proceeds with Twitter.

The first such page, ExecTweets, sponsored by Microsoft, went live Monday featuring tweets by various business leaders. A second page, MarchTweetness, focused on the NCAA basketball tournament, premiered Thursday under a sponsorship with AT&T.

A separate plan by Twitter to sell premium accounts to corporate users is under development. The idea is to give companies that use the service, of which there are many, including JetBlue, Comcast and Whole Foods, extras beyond what is available using Twitter's free version.

Twitter isn't saying when the premium accounts will be available, what features they will offer or the cost. Advertising executives have said that Twitter should make extra tools available so that companies can connect better with their customers and monitor what people are saying about their products.

Todd Chaffee, a venture capitalist with Institutional Venture Partners and an investor in Twitter, said the company is testing different ways to make money and is still formulating its business model. Many people, he said, are approaching Twitter with ideas, and management is evaluating many prospects.

In any case, Chaffee said, Twitter "is really focused on building a superior set of products."

Twitter is facing increased competition in some areas from Facebook, which is making its site more of a destination for real-time posts by its users.

There is still no word on Twitter selling advertising on its service, although many analysts suspect it will eventually do so. In particular, analysts say the company could display ads next to its search results, much like Google already does.

Twitter executives are trying to walk a fine line between making money and alienating their users by bombarding them with sales pitches. Last month, the company hired Anamitra Banerji, a former Yahoo advertising director, to focus on revenue-generating ideas.