Xmarks is a really good service that I have used since it first came out. What it does is synchronize your browser bookmarks. Add a bookmark on your laptop and boom, it will be added to your desktop browser. Great feature.

Which is the problem.

Many companies start out with what they think is a great product because it adds a valuable feature to an existing product. Or it is a standalone product that differentiates itself from a competitor by a couple unique features. Xmarks was conceived as both.

The problem for Xmarks and for any product that merely adds a few features to an incumbent product is that the incumbent product, in this case every browser on the market usually isn't deaf, dumb and blind. They see the value in the features of the competitive product and they realize they have to add the feature to their own product. And they do.

In this case, all of the browsers have added bookmark synchronization to their newest versions.

Today, XMarks announced they were closing their doors after 4 years in business.

Before you ever release any product or service and try to build a business around it, you always have to ask yourself:

"Is this a real, stand alone product, or can the competition add my differentiated features to their own product and put me out business?"