

Update from the USA

The infocommerce revolution

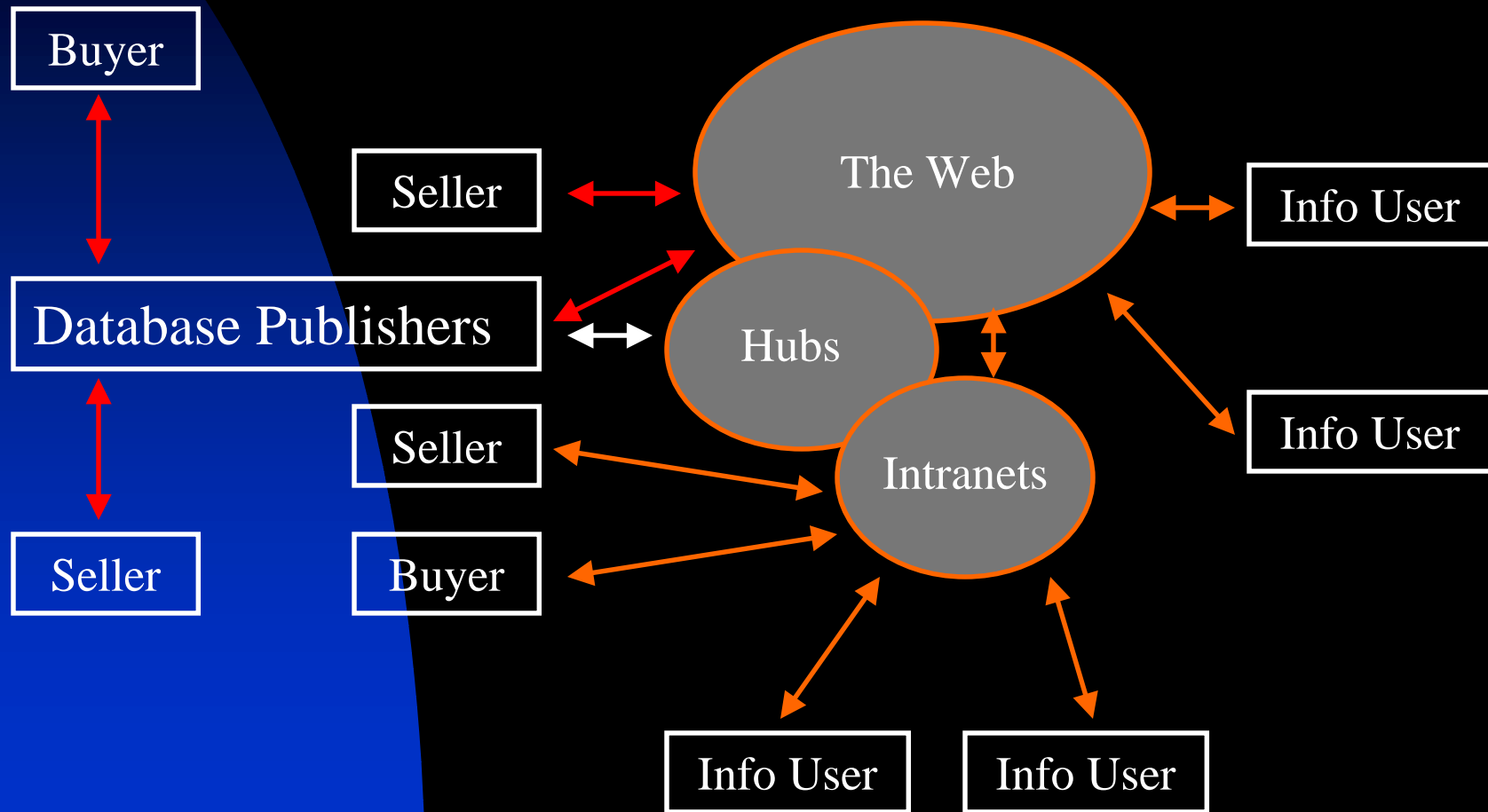
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From the perspective of the database publisher, there is no more important trend than infocommerce, the accelerating convergence of content and e-commerce

Infocommerce is about the automated connection of buyers and sellers as well as the online vending of content



General U.S. Internet Trends

- A new period of “dot calm”
 - The April 18 reality check
 - New focus on viability and profitability
 - Tougher investor scrutiny
 - Some weaker sites have failed
- Site proliferation continues
 - Impossible to know every available resource, even in narrow fields
 - Impossible to know all Web competitors with certainty
- Clutter continues
 - Vast sums being dumped into site promotion make it extremely difficult for smaller sites to get attention
 - Irony of old media being used to drive Web site traffic
- BTB frenzy starting to cool
 - Growing realization that BTB is no less risky than BTC
 - Growing interest in BTBTC
- Consumer privacy issues

The “new” Information User

- **Growing comfort with intangibility**
- **Broader, less sophisticated market**
- **Real-time all the time**
 - Continuous updating expectation
 - E-commerce transaction expectation
 - One-to-one communication; more vocal; more demanding
- **Why pay more?**
 - Strong user perception that virtually any information can be obtained free on the Web ... somewhere
 - Increasing pressure for “by the slice” access to databases
 - Good news is that philosophical objection to paying is disappearing
- **Enterprise access**
 - Growth of Intranets is spurring interest in enterprise-wide licensing at negotiated prices
- **The data quality time bomb**
 - The “average” user is still assuming that all information on the Web is of equivalent quality
- **Search engines as low-end buying guides**

U.S. Internet Data Publishing Trends

- Hubs are all the rage
 - Huge potential impact on buying guide publishers
- Search engines are merging and mutating
 - They fill a basic need, but don't know what they want to be
- Buying guides on the Web are functioning as structured vertical search engines
 - All print buying guide advertising issues exist on the Web
- Selling information on the Web is becoming commonplace
 - Deep data and strong brands will define success

Search Engines

- **BTB portals and vortals are slowly gaining acceptance**
 - There is a real need to organize vertical markets on the Web
 - Logical role for business database publishers
 - No clear model has yet emerged
 - Licensing and partnering are probably essential to success
- **Consumer portals still alive**
 - Want to become your home page
 - Will add any/all free features needed to maximize time spent on site to spur ad sales opportunities
 - Web indexing is still important, but increasingly secondary
- **Consolidation will continue**
 - Some suggest over 100 general search engines exist
 - Even search engines are being commoditized
- **The “accidental enemy”**
 - Increasing categorization of content should be watched
 - Many users are now accustomed to using search engines for company and product searching

Buying Guides on the Web

- Most effective sale now is as traffic enhancement for advertiser
 - “You’ve spent a lot building your site; now make sure everyone can find it”
- Advertiser value concerns are widespread
 - Nobody knows what’s working
 - Most site traffic claims (*usually* unintentionally) are false
 - Information overload is obscuring the reality
- Publishers find they are competing with advertiser’s own site
 - Relatively easy to find – generally
 - More current and accurate (source maintenance of data)
 - More detailed
 - Increasingly e-commerce enabled
- Growth of e-procurement
 - Increasing pressure on traditional format buying guides

Reference Directories on the Web

- Increasing user acceptance of paid Internet content
 - List compilers are finally embracing the Web
 - “by the slice” is showing popularity
 - Credit card security has faded as an issue
- Corporate Intranets will fuel growth
 - Enterprise licensing is a common requirement
 - Focus on measuring value through usage limits pricing opportunities
- Accuracy and currency expectations are very high
 - The myth of real-time updating
 - Depth of data increasingly defines value
- Transitional print/Web bundles seem effective for existing customers
- Interactive features of Web put a premium on responsiveness

Hubs

- The most evolved manifestation of e-procurement
 - Potential for totally automated sourcing and purchasing
 - The Web meets EDI
- An integrated buying guide is essential to every hub
 - Real-time updates
 - Product level data
 - Highly detailed
 - Comprehensive coverage
- As hubs come to dominate purchasing in vertical segments, traditional buying guides will be marginalized
 - Lack of depth (primarily product level data)
 - Lack of currency (if it has to be re-verified, it has low value)

In a networked world, it's as easy for users to bypass you as to access you.

Make sure they access you:

- Leverage your print business
- Add value

Promote interaction

Leveraging publisher advantages

- Leverage your brand
 - Move your brand equity to the Web
 - Sell trust and quality of content
 - Encourage licensing and partnering
- Leverage your subscriber base
 - Move existing customers to the Web first, not last
 - Develop a managed migration strategy
- Leverage your advertiser base
 - Much easier to sell Web ads when you've delivered results in print
- Leverage your data management skills
 - It's not "stuff"
 - Most Web site operators don't have data collection and management skills

Add Value

- Knowledge is more valuable than raw data
 - “give me answers, not information”
- Applications add value
 - Business process integration is the ideal
 - “Become one with your customer”
 - E-commerce is becoming e-business
 - E-marketing is not far off
- Transactional systems are more compelling and have better economics
 - Don’t just point the buyer to the store; take the order
- Real-time is the new information standard
- Add depth to your data
 - contact data have been commoditized
 - “one stop shopping” is compelling