

“The Whole Nine Yards”

NEW CONTENT – NEW USERS – NEW TECHNOLOGIES

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Assessing the Fundamentals

- Our industry is being rapidly and inexorably transformed
 - New competitors
 - New modes of delivery
 - Changing user expectations
- There are several key drivers of this change
 - Commoditization
 - Disintermediation
 - Reduced barriers to entry
- The need for our information remains, but our future depends on adding value to stay viable and competitive

Commoditization

- Basic name and address information is now a commodity
 - Too many sources of company contact information, much of it free
- Search engines: a poor but popular directory substitute
- Information value is being re-defined with value now accorded to:
 - Depth
 - Currency
 - Completeness
 - Commerce

Disintermediation

- Intuitive direct access
 - Ford Motor Company = www.ford.com
- Source maintenance of data
 - Information originator is now the preferred source for current, reliable information
 - Greatest incentives to keep data current, accurate and complete
- Advertisers as competitors
 - Advertisers prefer that prospects come directly to their sites
 - Greater control over experience and relationship
 - Inability of most directory publishers to direct significant traffic to advertiser
- Marketplaces and hubs
 - Usurping traditional role of buying guides and yellow pages

Reduced Barriers to Entry

- It's cheap and easy to create a Web site with database searching and commerce capabilities
 - Everyone can now be a publisher
 - Your advertisers are effectively publishers as well
 - Database content is being widely used as a free site attraction
- Proliferation of well-funded Web start-ups is distorting the information business
 - Much free content is being distributed, often as part of economically flawed ventures
- Global marketplace; global competition
 - Many publishers can no longer say confidently that they know all their competitors

The New Competitors

- Search engines as “virtual directories”
 - Imperfect, but fast, easy and free
- Transactional marketplaces and hubs
 - Transaction revenue model favors free access to product and company information
 - Less need for advertising as markets achieve “perfect information”
 - Greater incentives for companies to provide detailed and current product data
- Web further blurring distinctions between directory publishers and list compilers
 - Ability to offer horizontal market coverage may give them a “one stop shopping” advantage with unsophisticated data users

The New Data User

- Expects to pay less for information than in the past
 - But doesn't necessarily expect it for free
- Wants information to be easily accessible
 - Accessibility of information more important than quantity of information
- Is suffering from information overload
 - There is value in thoughtfully edited data
- Wants answers, not raw data
 - Human or automated processes that analyze, filter or refine data are highly desirable
- Makes giant assumptions about data currency
 - Real-time, all the time
- Generally unable to assess data quality

There Are Significant New Opportunities

- Search engines are imperfect
 - Only 19% of all Web pages are indexed
 - Most are de-emphasizing indexing as they seek to become consumer portals
- Huge vertical portal opportunity
 - Concept fell out of favor before it was fully developed – now showing new signs of life
- Too much information is as big a problem as too little information
 - Tremendous need to organize information to make it accessible, manageable and useful

There Are Significant New Opportunities

- Content and commerce are converging
 - Marketplaces and hubs are simply the marriage of buying guides with e-commerce
- Corporate intranets are still in their infancy
 - Major new market for enterprise-wide data licensing
- Business process integration is now very viable
 - Internet provides communications standards to allow computers to communicate with each other

But Directory Publishers Must Change

- Directory publishers must make a fundamental shift from collecting information to organizing information
 - Primary data collection is no longer properly valued
 - Search engines have devalued traditional finding tools
- The traditional directory provides only data; users now want data coupled with functionality that allows them to act on data
- Traditional directories are free-standing and static; the new directory must be interactive and real-time

Beginning Your Evolution

- Reference Directories
 - Don't fight the Web – leverage it
 - Become a continuous information feed
- Buying Guides
 - E-procurement opportunities
 - Don't just list – assist
- Vertical Portals
 - A significant opportunity area for all directory publishers
- Always: find ways to leverage the networked, interactive nature of the Web

Don't Fight the Web – Leverage It

Tomorrow's directory:
complete, current, compelling

Today's directory:
limited, often dated
information

ABC Company
123 Main Street
Anywhere, AA 12345
TeL: (201) 555-1212
Fax: (201) 555-1213
Email:
info@abc.com
Web: www.abc.com
Mfr. Toys and games
John Smith,
President

Here is full contact information for ABC Company, maker of toys, whose president is John Smith.

- Here is a capsule profile of the company, written by our editors, that saves you hours wading through the ABC Company site to develop for yourself
- Here are “deep links” to product and personnel pages on the ABC Company Web site so you can quickly get the the exact information you want
- Here are links to recent news stories and press releases issued by ABC Company
- Here are links to public record filings for ABC Company
- Here is a list of ABC Company competitors organized by our proprietary classification system
- Here's a link to the credit report for ABC Company
- Here's a link to market research on the toy industry
- We can email you whenever we find new information on this company or this industry
- We can create a mailing list for you that you can download immediately, based on any criteria you require

Become a Continuous Information Source

- The Web makes it easy for you to integrate your data into customer business processes
 - Sales and marketing systems
 - Credit systems
 - Design systems
 - Purchasing systems
- Corporate Intranets need unlimited access to continuously updated databases
 - Integration of external and internal data is the next frontier
- Develop your own systems and applications users can access via the Web
 - ASP (application service provider) is a fast growing area

E-Procurement Is Just The Beginning

- Computer software can only work effectively with comparable and consistent product data
 - Nobody does this better than buying guide publishers
 - You can license your data to marketplaces and hubs or start your own
 - “Neutral hubs” have inherent advantages
- You can promote Web page content standards for product information that lets you consolidate all this information at your site
 - Extremely powerful industry buying guide
 - Leverages trend towards source maintenance of data
- Transaction revenue potential far exceeds revenue than can be achieved from sale of advertising

Provide Enhanced Value for Buyers

- Beyond consistency, buyers want assistance
 - Tell them what's best
 - Provide applications to rank, rate, compare
 - Help them determine what's in stock and where to buy locally
 - Help them painlessly issue RPFs and RFQs and obtain samples
 - Help them check the credit and history of a vendor
 - Help them arrange returns and warranty service
 - Help them with financing and transportation support
- All of these items can produce transactional or advertising revenue

Vertical Portals – A Significant Opportunity

Vertical Portal: A single Web site that serves as an information gateway to a vertical market.

- Search engine that indexes only sites relevant to the specific vertical – with more frequent indexing and updating
- Directory of all companies in vertical, searchable by category, name or geography with links
- Feed of news relevant to the vertical
- Industry resources, including conferences, associations, etc.
- Community discussion areas for industry professionals
- Free or paid access to vertical industry research, statistics, etc.
- Competitor watch and alert services

A comprehensive and organized entry point into a vertical market has information value (sell subscription access) and brings traffic (sell advertising)

Think “Network”

- The Web is a global, seamless network, real-time and interactive
- To succeed in the Internet Age, you must be fully integrated into the Internet
 - To receive data
 - To distribute data
 - To provide your own applications that act on your data
 - To feed your data into external applications
- You have unparalleled opportunities to partner with other vendors (and your own customers) to provide value-added services and applications
 - With the high rate of change on the Web, it's usually better to partner than go it alone

The Whole Nine Yards

- The directory industry will probably be unrecognizable to most of us within 3-5 years, but
- It will continue to be an industry, and most likely a useful and thriving industry
- But we need to re-invent our products ...

The Whole Nine Yards

- We must recognize our products need to quickly and radically change to remain viable
- We must find ways to add value to our information by integrating it more fully into the Web
- We must begin to bundle our information with software and systems that let our customers derive more benefits and value from it
 - These systems can be ones we own and our customers use
 - These systems can belong to our customers with us feeding our information into them
- The whole secret is to embrace, not fight, the Web

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