

Directory & Database Publishing

Newsletter & Electronic Publishers
Association June 2, 2002

Directory Publishing: The Way It Was

- Leisurely publishing cycle
 - Typically annual
- Limited Data Sets
 - Often not much more than name and address
- Decent but not outstanding quality
 - Pre-Internet data collection was also spotty
 - Nobody else had anything better
- Large books
 - 600+ pages possible; largest ran to over 20,000 pages
- Large prices
 - “Average” price of about \$400; a few sold for over \$10,000
- Large profits
 - 25% - 40%

Directory Publishing Today

- The leisurely world that was directory publishing has been radically altered
 - Increased competition
 - Strong competitive offerings
 - Increased user expectations
 - **Data quality**
 - **Data currency**
 - **Data depth**
 - Commoditization
 - Disintermediation
- The traditional directory product is losing relevance in a networked, digital world

But It's Still A Good Business

- Provided you understand and address changing user needs
 - It's no longer a print world
 - It's no longer a name and address business
- Provided you have an existing brand and customer base to leverage
 - It's not a kitchen table start-up business anymore
- Provided you make a commitment to the product
 - It wasn't book publishing ten years ago; it's certainly not book publishing now

Newsletter/Directory Synergy

- The right customers – consumers of high-priced information
 - Newsletter lists have always been the best directory lists
- The right market position
 - Respected knowledge leader in a tight vertical
- Established information flows
 - Don't underestimate this advantage
- Established editorial/marketing infrastructure
 - Cheaper to make; cheaper to sell
- Solid evolutionary path for your newsletter products
 - Integrated text and data offerings are “next generation” products

How Directories Deliver Value

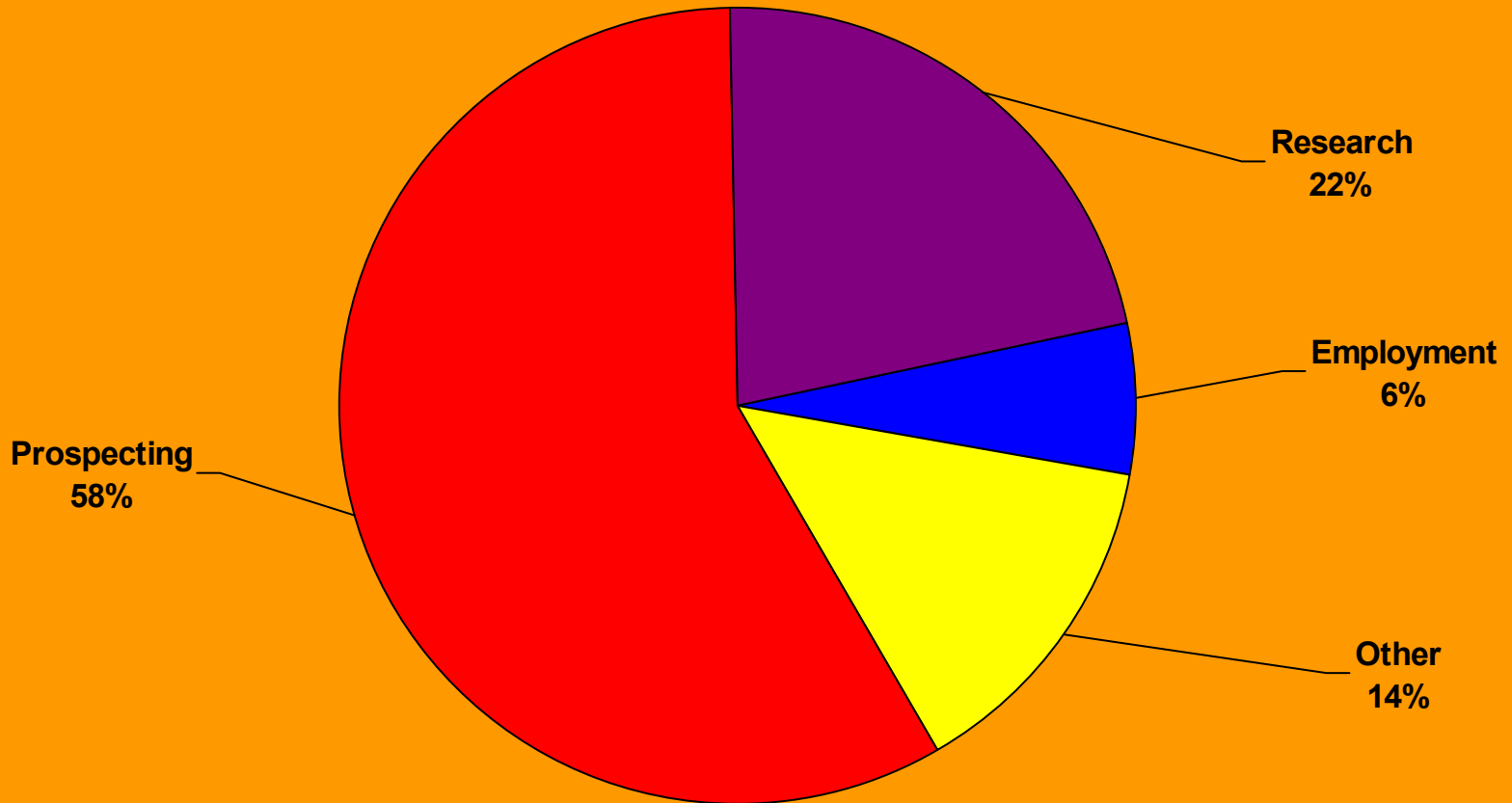
For Subscribers --

- **Organization** – classifying into logical groups adds value
- **Accuracy & Comprehensiveness** – required to make product a starting point
- **Timeliness** – critical for premium pricing
- **“Must have”** – integrate with newsletter content for depth; move beyond names and addresses

For Advertisers

- **Reach** – You may hit a defined niche better than anyone else
- **Positioning** – You are a respected, year-round reference
- **Access** – subscribers are often surprisingly senior executives
- **“Go to” source** – nature of product supports frequent usage, often as the first place to turn

How Directories Are Used



Product Development Goals

Revenue

- **Subscription** – Many models, but flat annual pricing is most common
- **Ad revenue** – can be substantial but not a panacea
- **Sponsorships** – great opportunity if you are a significant force in your market
- Site licenses – increasingly critical component of business

Database/list enhancement & development

- still a very good business

Positioning

- **Competitive** – Sell on value and exclusivity, not price
- **Online** – A robust online offering is essential
- **“The source”** – Think “information destination;” doesn’t need to be all your content, but all in one place

Product line extensions

- spin-off slices of database
- Real-time alerts
- Analysis/answers

Opportunities Still Exist

- Unique position
 - Editorial
 - Marketing
 - Systems
 - Existing product line
 - Relationships
 - Intimate understanding of your customers

Editorial/Research

- Sources
 - Subscribers
 - Prospects
 - Vendors
 - Associations
 - Trade events
- Process
 - Database
 - Questionnaires
 - Update schedule
 - Quality control

Deliverables

- Print version
 - Organization
 - **Intuitive**
 - **Easy-to-use**
 - Indexing
 - **Logical**
 - **Useful**
- Online version
 - Search engine
 - Additional content
 - Additional functionality

Operations

- Page layout/design
- Indexing
- Printing
- Fulfillment
- Renewals
- Online

Marketing

- Subscription
 - Direct marketing
 - **Postal & email**
 - Inserts
 - Telemarketing
 - **Inbound & outbound**
 - Web site
 - Strategic alliances

Sales

- Advertising
 - Listings
 - Premium positions
 - Sponsorships
 - Space ads
 - Online options
- Content
 - Site licenses
 - Licensing

Final Thoughts

- This is still a very good business
 - But recognize it is evolving rapidly
- It's a very logical opportunity for newsletter publishers
 - You've got the customers
 - You've got most of the data
 - You've got the brand
 - You've got the infrastructure
- It may be a key element of the “newsletter of tomorrow”
 - Actionable analysis and data content
 - A higher value, higher priced product
 - Platform for a true market intelligence offering

Questions & Answers

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