

## Sold-Out InfoCommerce 2004

by JEAN BEDORD

The sold-out InfoCommerce 2004 conference held in Philadelphia Sept. 26–28 attracted a diverse group of attendees seeking new ways to satisfy their customers (“the new power user”) and to monetize their content with a wide variety of business models. Billed as “the Working Conference for the Thinking Publisher,” this is the conference’s second year under the broadened InfoCommerce title, although it originated 13 years ago as the conference for database and directory publishers. Just as those publishers have broadened their business models in response to the Internet and changes in the industry, the conference has evolved to include search engine strategies, content delivery, and new approaches to competing for ad budgets.

The overall tone of the meeting was upbeat and optimistic, as presenters demonstrated the elements of their success stories and how they build value and attract an audience. As John Blossom of Shore Communications observed, “Database and directory publishers demonstrated a lot of significant progress in their services at InfoCommerce 2004, eagerly embracing changes in their industry that are moving many beyond worries of commoditization and more toward ways of maximizing profits in an increasingly rich environment for online professional content services.”

### The Three R’s

One highlight was a thought-provoking talk by Barry Schwartz, author of *The Paradox of Choice: Why More Is Less*. His research on the effects of simply having too



Hey, dudes, you’ve got mail. Though pen and paper may not be entirely out at conferences this fall, laptops and those increasingly ubiquitous, insidious BlackBerry devices are definitely in. These execs attending the 2004 InfoCommerce conference in Philadelphia were no doubt secretly multitasking. It’s like the techno pundits say: Get your data into a form that makes it useful on the fly.

many choices has profound implications for publishers, content providers, and the whole technology community. His studies found that more choices meant fewer sales, and a lower level of satisfaction with the final choice. In fact, “too many choices can lead to clinical depression” since it leads to an expectation of the perfect choice. The plethora of choices means opportunity for publishers who can reduce those choices to manageable dimensions. One example cited was *Consumer Reports*, which is finding that today’s products are quite good. So now consumers have to determine the functions they really need—again, the paradox of choice!

John Morrow of Healthcare Grades described that business as building a ratings database that provides decision-making tools for two constituencies, consumers and healthcare service providers. The com-

pany’s mission is to improve the quality of healthcare by improving “cost and quality” for the providers, while providing a “positive experience” for the consumer in making healthcare decisions. Healthcare Grades reaches its market through the media, particularly daily news such as newspapers and television, by providing informational lists (for example, the top 10 hospitals). In the business-to-business (B2B) area, innovative companies are providing objective information for decision making, providing high value in the process. This process was described by Produce Reporter’s Blue Book Online service, which provides descriptive ratings for the fresh vegetable and fruit industry. The produce industry has perishable products that don’t provide sufficient security for banks to finance, so the Blue Book provides value by saving time with

phone calls to find producers and then reducing credit losses by a ranking system.

## Automation Is Key

Applying new technology to classic business models creates new opportunities, not just for start-ups, but for established companies such as the venerable



Professor Barry Schwartz, author of the best-selling new book *The Paradox of Choice: Why More Is Less*

Thomas Register. Google has created a marvelous automated advertising system—advertisers can sign up automatically, create their own ads, and develop bids with ranking data. No ad sales people, no paperwork, no friction in implementation—and with great profit margins, as detailed in the IPO filings! However, the Google technology is optimized for research, not for connecting buyers and sellers, so go to ThomasB2B.com to apply the same technology in the business-to-business market and create an ad network for the very demanding business sector.

Another fascinating application of technology to classic business lists and business directories is Netvention. They use automatic Web-harvesting software to build a dynamic database to create an e-business profile for any company Web site. (By the way, that profile includes contact names, physical address, and telephone

number, which can then be used for classic telemarketing and direct mail.) There are no phone calls to verify information and no questionnaires to administer—just the creative use of technology and solutions packaging!

Yet another company which finds itself in the database business is LinkedIn, a social network company that is growing at the rate of a new registrant every 17 seconds. It's focused on professionals who want to find trustworthy partners, clients, and employees.

## The New Database Publishers

Work-flow integration is a buzzword in the industry today, and the concept really came alive with presentations by companies identified as "Models of Excellence" by the InfoCommerce Group. StarCite has developed an integrated approach for the corporate meeting planner; it created value beginning with a simple directory of hotels and their available conference facilities. Then it expanded to a process of submitting electronic RFPs, then managing the logistics of attendee registrations. With opportunities to monetize at each step through transaction fees, advertising, and management reporting, this is an attractive business model!

Another Model of Excellence was GuideStar, which provides information about the nonprofit sector, an underserved area. They obtain copies of IRS financial filings for nonprofit organizations and build a

On the surface, IT research would not appear to be a promising area for growth, yet Wendover Corp., another Model of Excellence, is prospering by providing IT sales leads for B2B technology companies. They do this by making more than a million phone calls a year to determine what companies will really be buying (technical platforms as well as contact names of decision makers). This database can then be analyzed to provide market research reports of buying trends in the large-ticket technology sector. Interestingly, the challenge to the technology customers is the actual follow-up by sales reps, so Wendover is expanding into providing appointment services for the reps. Work-flow integration does indeed provide new opportunities to provide high-value content and value-added services!

Portals may be yesterday's news, but EuroInfoPool has successfully developed the concept in aggregating access to the company filing agencies of nine major European countries. The U.K. has its Companies House, but this extends the concept of a common access point using a single login. This approach avoids the costs of physically aggregating all the data, yet it provides convenience to the searcher.

HighBeam Research is the comeback kid in the content aggregation space. Patrick Spain bought the fading eLibrary product, then repositioned, rebranded, and redesigned the product. Originally designed for the K-12 market, HighBeam has found its focus in targeting individuals, not

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database for different markets: grant seekers for funding sources, vendors to market goods and services, researchers to analyze the dynamics of the nonprofit sector, and donors for discovery and due diligence. Financial institutions may become significant customers with the rise in donor-advised funds. Questions from the audience made us realize how little we knew about the finances of this sector, in contrast to the readily available wealth of public company information.

institutions, specifically professionals who are either self-employed or who work in companies without corporate research services. Secondary markets are working students, full-time students, and families. Prices were raised in conjunction with A/B market testing to find optimal levels. HighBeam sells convenience to the individual researcher who needs to find, organize, and publish answers—a winning formula for the new power user!

## Whither Technology for Publishers

Technology can be a disruptive force, but gauging the impact on publishers and their audiences is a balancing act. Taxonomies are a recurring topic at information industry conferences, and this was no exception. While improving navigation and context are laudable goals, the actual implementation isn't impressive, and, frankly, Google and print remain more satisfying alternatives to the content buyer. Stay tuned for these to mature into products that can actually be incorporated into the publisher work flow! Perhaps Thomas Register will lead the way with its product taxonomies, which also have the value of being translated into nine other languages, a significant advantage to international companies.

With regard to hardware, Directory Downloads highlighted opportunities in moving contacts information to mobile platforms, particularly with the significant increase in PDA sales in the institutional market. bGlobal, Inc. demonstrated a real estate application, with different pricing and structure for agents versus the desktop version, for market research. The key is defining the needs of the "mobile worker" who doesn't have a fixed desk and typically accesses Web content through a cell phone and so needs small downloads. In addition, the limited screen size means advertising doesn't work, so reliance is on a content-subscription model. Expect to see this develop in the next 2 to 4 years—it's not there yet.

## Voice of the Library Buyer

The relative unfamiliarity of this audience with institutional library customers was apparent in hallway and lunchtime conversations. The session on Subscription Data presented the different market segments emphasizing the different funding, buying, and usage patterns. Public libraries have to meet the needs of their communities and academic libraries build collections for their students and faculty, but corporate libraries have to consis-



tently prove value to their businesses. All face the problem of getting adequate funding, though for different reasons. Jean Bedord, Shore Communications, an adjunct faculty member in the Library School at San José State University, described the unique King Library, which combines both the main branch of the San José public library and the academic library for the university, with heavy emphasis on distance learning. Valerie Ryder represented Air Products, a manufacturer, and Denise Dodd represented Independence Blue Cross, a service provider for healthcare claims. All organizations are buying more electronic content than they did in the past, but they face a multitude of licensing and access issues in addition to the plethora of different publisher pricing models. Buying electronic is more complex than buying print!

## Print Is Not Dead

Libraries aren't the only ones still interested in print—other buyer guides and database producers continue to produce print products that work for their busi-

nesses. Morningstar has its print mutual fund guides; BizBash distributed copies of its slick New York event buying guide to all attendees; the Vault has books, in both e-book and print format, sold through traditional booksellers (surprisingly, one of their 800-page books is the most popular e-book download); and Library Yellow Pages is alive and well. As Russell Perkins, president of the InfoCommerce Group, observed at the conference close, "The industry has returned to traditional publishing measures, and that is reassuring from a business standpoint." The new technologies may give publishers more options for advertising and subscriptions, but providing value to an audience is still fundamental to a successful publishing business.

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