



# **Pinpointing the Secrets to Must-Have Data for Directory and Database Publishers**

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# Starting at the Beginning

- What's a database?
  - Structured information, usually highly consistent in format, delivered electronically, and optimized for sorting, filtering and machine processing
- What's a directory?
  - A type of database, usually focused primarily on presenting basic contact information such as name and address
- What's a list?
  - A type of directory that provides minimal contact information, generally delivered in a fixed format not designed to be further selected, filtered or sorted

# Defining Characteristics

- **Comprehensiveness**
  - Tremendous value (often hidden) in being “reasonably comprehensive within its stated scope”
- **Structure**
  - Figuring out what goes where involves high-value decisions
- **Standardization**
  - Consistency is critical because you can’t sort and filter without it (think USPS state codes)
- **Categorization**
  - Adds value by providing market insight and filtering/targeting capabilities
- **Evaluation**
  - Adds value by providing market insight and filtering/targeting/selection capabilities
- **Normalization**
  - “Apples to apples” data results from market knowledge and sound editorial practices and judgments



# **An Industry Undergoing Rapid, Profound Transformation**

# The Good Old Days

- Leisurely publishing cycles
  - Tolerable data quality
  - Fairly high prices
  - Captive markets
  - Largely print-based delivery
  - Little innovation
  - Very attractive margins
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- This party ended about 1996

# The Dot Com Days

- Flood of new players, most with no content backgrounds
- Top-quality data (for a while)
- Usually offered for free
- Entirely Web-based delivery
- Badly disrupted existing players while not building much themselves
  
- This party ended in 2000

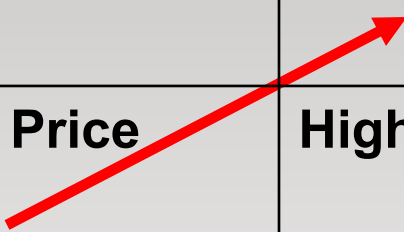
# The New Frontier Days

- Mostly traditional players; few dot com survivors
- Rapidly migrating from print to Web delivery
- Intense pressure to add value to traditional products in terms of data and functionality
- Ability to charge premium prices if they do improve value proposition
- The business is becoming more challenging
- We see this phase lasting until about 2010

# A Forced March to Success

Traditional database directory products are being forced to undergo a rapid and wrenching evolution. Those that survive the transition will be much more profitable products

<b>Low Value/High Price</b> Unsustainable	<b>High Value/High Price</b> Next Generation
<b>Low Value/Low Price</b> Traditional	<b>High Value/Low Price</b> Crowded



# The Web: Friend or Foe?

- The Web is perfectly suited to the development and delivery of value-added database content
- The Web makes it easy for users to access original sources of information, putting pressure on shallow database products
- The economics of Web publishing are excellent
- Your competitors are easier to find and there are more of them
- The Web largely eliminates competitive barriers to entry
  - Everyone is now a publisher

# Search Engines: Friend or Foe?


- In many respects, what users *think* search engines can do is more worrisome than what they actually can do
- Finding information on a specific company is becoming relatively easy
- Search engines lack most of the elements that make databases distinctive and valuable
- Search engines have opened up powerful new sales and marketing opportunities for database publishers through pay-for-performance advertising
- We are moving to a world of two-tier search
  - Search engines will be used to locate specialized databases when structured data or highly specific information is needed



# How About Them Users?

# The New Data User

- Is time-starved and attention-deprived
  - You must be front of mind or be forgotten
  - This is true for sales and product design
- Believes all information is available on the Web for free
  - Doesn't matter if they can't find it; they know it's there
- Will pay for productivity enhancement, unique data, opinion/advice and results
  - Product must get them to an answer/action/result in a quick, simple and dependable fashion
- Wants to buy exactly what's needed exactly when needed
  - Very few will buy against future needs



# Moving from “Nice to have” to “Must have”

# “Must Have” Database Essentials

- Deep Data
  - The “directional days” are gone
  - Combining lots of commodity data does not create high value
  - Intelligent aggregation does still add value
- Integration
  - Get yourself into the user’s workflow and processes
  - The time for standalone references has passed
  - Bundling content with software can create incredible value
- Distinctiveness
  - In a multi-source world, you need something that is yours alone
- Accuracy/Currency
- Digital Delivery

# Think Deep

- Goal is to move from information waypoint to information destination
  - This will cost more, but you can charge more
  - Need to build regular usage in a short attention span world
- Not all data are created equal
  - Company data is becoming commoditized, but people data carries a premium
  - Your customers will happily tell you what they value -- if you ask
- Aggregation enhances base data, but doesn't substitute for it
  - If you can get it from a third-party, so can your customers
  - You must have some “proprietary content glue”

# Integration

- Customers no longer value data that “just sits there”
  - Becomes a resource of last resort, reducing usage
  - Reduces productivity in a time-starved world
  - Pure reference products are increasingly problematic in the business environment
- “Must have” data is integral to the user’s work
  - Convenient and/or valuable information when used regularly creates dependency
  - Content that powers software (yours or user’s) is indispensable
- If you can’t embed your content, find other ways to be useful and stay visible
  - It’s a push world

# A Product of Distinction


- There's no room in the market for “me too” products
  - Having some content and/or features that are clearly yours alone is the only way to cut through the clutter and focus prospects
- Some of your content must be yours alone
  - Percentage of unique content can go as low as 20%
  - Must be visible and valuable
  - Think of it as glue that holds together the readily available data that may form the balance of the record
- If it's too easy, it's not valuable
  - The marketplace no longer supports exercises in data packaging

# Accuracy/Currency

- User expectations are through the roof; almost unrealistically so
- Primary publisher response to date: tap dancing
- The Web raises expectations, but also provides ways to meet them
  - Online research
  - Self-updating
  - Data mining
- Publishers must address these issues within a few years
  - Noise and confusion in the marketplace is masking this issue right now, but not forever

# Digital Delivery

- This business is moving rapidly to Web delivery
  - Databases are perfectly suited to Web delivery
  - Publishers shed manufacturing costs while increasing value
  - It's just a better way of doing business
- Migration from print is not always smooth
  - Different markets migrate at different speeds and with different incentives
  - Print will not vanish; we believe it will remain the ongoing format of choice for 20% of customers in most markets
- PDF is not a compromise between print and online delivery
- Be smart, be media-neutral



# Thinking Big Picture

# The Big Issues

- A brave new world
  - Publishers are being forced to re-invent their products, their processes and value propositions in a demanding and uncertain environment
  - Marginalization risk
- Moving up the value chain
  - Embedded content is best
  - Ready access to “one stop” content is next best
- Customer Expectations
  - “Why not? Google has it.”
- Print to online migration
  - There’s no dependable formula

# The Big Trends

- Data-text integration
  - Linking data records to full text
- The 3 R's
  - Ratings, rankings and recommendations offer incredible value in a time-starved world
- XML
  - The future is in feeds
  - Mix-and-match databases
- Computer-aided editing
  - Tools are just starting to emerge

# Do You Have a Special Edge?

- Data-text integration
  - Linking related articles adds significant value
  - Press releases regularly disappear off the Web
- Intimate market knowledge
  - The key to good categorization and data normalization
  - The basis for a 3 R system
- Existing Databases
  - Mine your customer and prospect files
- Leveraged marketing opportunities
  - If they buy business news, they'll buy business data

# Summing It Up

- Is there still a business here?
  - Every characteristic that defines these products provides real value and is generally unavailable elsewhere
- What's the biggest challenge right now?
  - Re-inventing our products to move them up the value chain
- How do I get to “must have” data?
  - Make it richer and deeper, and find ways to help integrate it into the daily work (if not the computer systems) of your customers
- What does the future look like?
  - Those who find the right product formula will find themselves in a much larger, more important and more profitable business