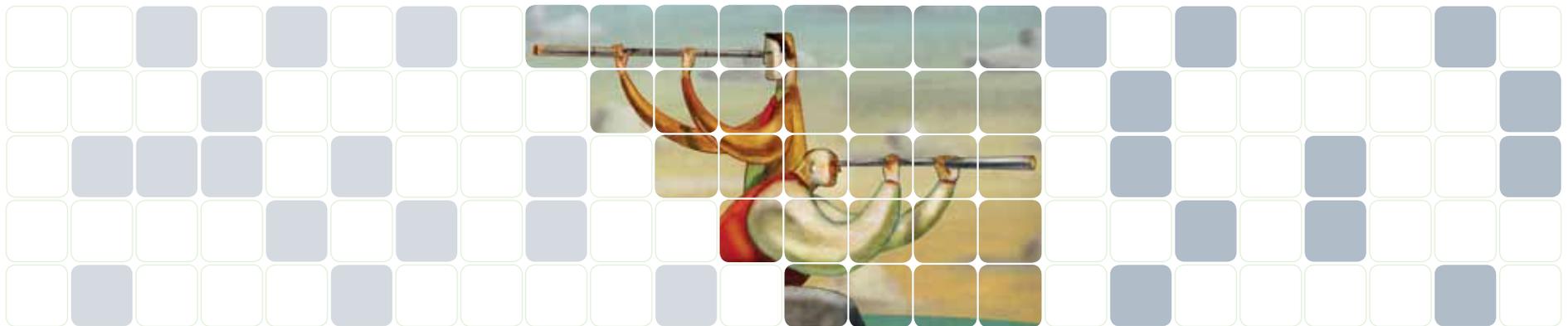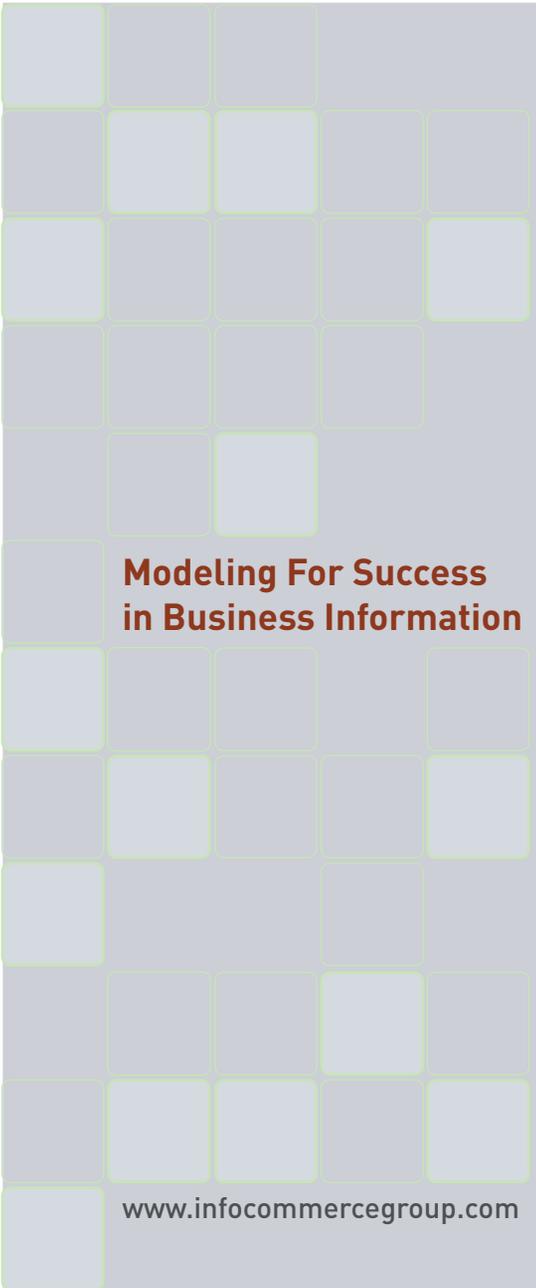# InfoCommerce Group

Modeling for Success
in Business Information

Modeling For Success in Business Information

www.infocommercegroup.com

Few would deny the power of business information products to deliver results for publishers of all kinds. But there's a gaping chasm to cross to get from concept to clear roadmap. For many it's just a question of getting started. For others, it's a blurred vision that somehow running a business information operation is a sinecure – a license to print money with little or no work.

Offering such products is not a new notion, but over the last twenty years business information publishing has fundamentally reinvented itself. There's a lot of confusion about just what business information is and how to make it work.

Business information cuts a very wide swath of form and content. Unlike traditional magazine publishing or newsletter publishing, there is no one formula for producing a business information product. Each product arises in response to particular and often highly specialized business needs. Thus it can be difficult to grasp the underlying similarities, particularly for the uninitiated.

There are not a few but many ways to make money; not a few but many ways information is used by customers. It's sold by direct response, on the web, by face-to-face sales, through third party channels. Even the same product can employ this whole array of channels.

One thing we do know about business information is that it's a rare situation where use of business information is a passive activity. It's usually a step in the process. People come to business information to help them figure out what the next step should be: answer a question, find a company, judge a resource, find a like person. Business information is used not just to become smarter but to inform well enough to take action.

There are so many different approaches to business information products, we began to see a keen need to develop some organizing principles, a way to keep track of who's doing what and a way to bring the whole picture into focus. We found that people frequently ask us at Infocommerce Group about business information and it all really boils down to four key questions:

- How will we make money? Who pays for it; for what privilege will they pay?
- How will we build it? What are the sources of information/data and how is the process managed?
- How will we take it to the market? How will we engage buyers? Will we sell it face to face, off the page or let someone else take it to the user?
- How will it be used? What's the next step for the user and how does the data inform the decisions required in the next step?

Taking a step back and looking at the broader landscape, there are certain key building blocks for a business information product. These building blocks define the four key dimensions of business information, each driven by a specific model of operation.

These four dimensions circumscribe the four models we define: applications, business, content and distribution – as we say the ABCDs of business information.

Business Information Framework Overview

Application Models

LOCATE

- Buying Guides
- Central Catalog
- Marketplace
- Market Ownership Records & Schedules

BUY/SELL

- Lead Gen
- Opportunity Finder
- List Services
- Networking

EVALUATE

- Credit & Risk Analysis
- Performance Ratings
- Reference & Intelligence

BENCHMARK

- Industry Benchmark

ORGANIZE

- Market Registries & Organizational Schemes
- Root/Master Dataset

Business Models

SUBSCRIPTION

- Subscription
- Membership
- By the Slice
- One-shot Purchase

ADVERTISING/SPONSORSHIP

- Advertising
- Paid Participation
- Free Listings with Paid Enhancements
- Piece of the Action
- Sponsorship
- Editorially Driven Sales Opportunities

MIXED MODELS

- Limited Free

THIRD PARTY

- Syndicated Content
- Multi-Client Funding
- OEM Licenses
- Data Exchange

Content Models

ORIGINAL COMPILATION

- Primary Research: Manual
- Primary Research: Harvested
- Advertiser-Supplied
- Advertising Enhanced Primary Research
- Statistical

AGGREGATION

- Indexed
- Licensed
- Public Domain
- Metadata

USER-GENERATED

- Community
- Survey
- Closed Data Pools

CLEARINGHOUSE/EXCHANGE

- Experiential
- Transactional
- Standardized
- Taxonomical

Distribution Models

DIRECT SALES

- Direct Sales – captive
- Direct Sales – rep firm

DIRECT RESPONSE

- Direct Response
- Web Based

THIRD PARTY

- Mandated Sales
- Channel Sales

Business Information Framework

Approach	Type	Definition	Exemplars
LOCATE	**Buying Guides**	Organize information by product/service categories to identify qualified vendors. Typically also includes some amount of basic contact information. **[Find a vendor]**	· Case Management Resource Guide, Access Intelligence · The Librarian's Yellow Pages, Library Resource Group · Supply Frame, Supply Frame Media
	Central Catalog	Present parametric search of detailed specs and data to locate the right product or service; the key to this resource locator is the depth and specificity of product descriptions, often including drawings and technical specifications. **[Find products or services that meet detailed specifications]**	· Big Hammer Data, Edgenet · Frames Catalog, Jobson · Infocomm IQ, Infocomm International
	Marketplace	List to sell or locate to purchase a specific item. Frequently, but not always involves previously owned items. Key is that it is generally a one-off transaction not tied to a continuous source of supply.	· Craigslist.org · Broker Forum, MediaGrif · Archability.com
	Market Ownership Records & Schedules	Organize data on who owns what or offers what service, such as schedules of flights or sailings. May also include information on current location of equipment or transport. **[Find out who owns what and where it is; find out who's going where when]**	· Lloyd's List Vessels, Informa · Official Airline Guide, UBM Aviation · Official Railway Equipment Register, UBM Global Trade
BUY/SELL	**Lead Generation:** *bring buyers to sellers* · Drive to checkout/purchase · Drive to trial · Drive to formal process (RFP) · Drive to request contact	Provide information that allows buyers to indicate purchase interest to a seller. In lead gen, the buyer is the user of the information. The nature of the connection is determined by the level of commitment of the purchaser. It could be a click through to a purchase, to request a trial or a proposal or to invite the sales process to begin. **[Find people who are ready to buy]**	· Knowledgestorm, Tech Target · Starcite, Inc. · Buyer Zone, Reed Business Information
	Opportunity Finder: *bring sellers to potential sales*	Identify likely transactions that represent business development opportunities for sellers. Here the information is used by the seller. The data identifies a set of specific circumstances that indicate an attractive sales environment is present. **[Find attractive potential sales events]**	· iisearches, Institutional Investor · Onvia · Wendover
	List Services	Provide prospect contact information identified by selection generally based on a limited set of demographics, firmographics, self-indicated or inferred topical interests or prior purchase/inquiry behavior. Generally contains basic info to make contact, nothing more. Commonly used in larger quantities for direct marketing. **[Find prospect universe]**	· Infogroup · Residential Construction Masterfile, Hanley Wood · Global Executive Masterfile, PennWell

Application Models

Business Information Framework

	Approach	Type	Definition	Exemplars
Application Models	BUY/SELL (con't)	Networking	Locate an individual with whom to connect; may include a variety of search, recommendation, or community query capabilities. Usually used to find business development connections on a person-to-person basis within a known organization. **[Find people to talk to]**	· LinkedIn · Execunet · Data.com, Salesforce.com
	EVALUATE	Credit & Risk Analysis	Provide information on creditworthiness or other business activities of potential partners, vendors or customers. Often these are specific to an industry and the type of business risk being managed. **[Find companies that are creditworthy customers or partners]**	· Lyon Redbook, Lyon Mercantile Group · Credit Scores and Days to Pay, TransCredit · Red Book Credit Services, Vance
		Performance Ratings	Offer performance ratings to determine the quality of the product or service offered. Ratings may be provided by peers, customers or through objective criteria. **[Find companies or organizations that have satisfied others]**	· Best Credit Ratings, A. M. Best · Martindale.com, LexisNexis · Weiss Ratings, Weiss Group LLC
		Reference & Intelligence	Provide content primarily to educate and inform the user and provide background detail or to aid in understanding markets and competitors; not intended to be specifically actionable. Often includes the details on companies, events, organizations and people. May be profile and news-based information; may also provide links to networking and contact tools. **[Find profiles, facts and comparative landscapes]**	· One Source, Infogroup · Hoovers, A D&B Company · Boardroom Insiders
	BENCHMARK	Industry Benchmarks	Assemble and present performance factors, including operating statistics, deal statistics, pricing, productivity and the like. **[Find out what's the standard]**	· Brightscope · Price Trac, Bev-Al Communications, Inc. · Verdict Search, ALM
	ORGANIZE	Market Registries/ Organizational Schemes	Be the keeper of an industry's registry of unique identifiers for all products or companies. **[Find the registry of my industry]**	· EasyNumber, Coface · D-U-N-S #, Dun & Bradstreet · National Drug Data File, Hearst
		Root/Master Dataset	Provide data from disparate sources that is unduplicated, cleaned and often screened to provide a dependable master-file file of companies, people or products used as a standard across the industry. **[Find the best core data]**	· TD Linx, Nielsen · Provider Master File, Health Market Science · Music Genome Project, Pandora

Business Information Framework

Approach	Type	Definition	Exemplars
SUBSCRIPTION	**Subscription** · Individual · Site/Enterprise	Revenue is generated primarily from sale of unlimited access to business information or a database for a fixed fee for a specified period of time; may provide for single or multi-user access and may be offered in various combinations of print or electronic versions.	· CoStar Property Professional, CoStar Group · Platts Dispatch, McGraw-Hill · RigData, Datawright Corporation
	Membership	A corollary to subscriptions, membership models can be either non-profit or for profit and provide access to information, community and privileges not available to non-members.	· Path to Purchase Institute, Hoyt Publishing · American Management Association · Corporate Executive Board
	By the Slice	Customers specify desired content based on selection criteria, then purchase access to it; includes online and offline delivery options.	· Doctor Ratings, Health Grades, Inc. · Who's Mailing What Archive, NAPCO · Demand Base
	One-shot Purchase	Revenue is derived from selling books, reports or other materials that are usually delivered in fixed format print or pdf. May also apply to purchase of one time access to a database search report.	· Guides and Resources, BV Resources · Benchmark Reports, Subscription Site Insider · Marketresearch.com
ADVERTISING & SPONSORSHIPS	**Advertising** · Flat fee for time period · CPM-based fee · CPC-based fee	Revenue comes from banner or contextual advertising not directly linked to business information content that is usually available for free access. Destination of click-through is typically to advertiser site.	· Flightstats, Conducive Technology, Inc. · Zillow.com · Bankrate.com
	Paid Participation	Revenue is generated from sales of participation in a database or business information product, along with different levels of enhancements. All content is paid content.	· Recommended Insurance Attorneys and Adjusters, A.M. Best · Agency Finder, Business Partnering Int'l · Paladin Registry, LLC
	Free Listings with Paid Enhancements	Revenue is produced primarily from sale of enhancements to free base listings—classic directory/buyer's guide approach.	· Capterra · MacRAE's Blue Book, Owen Media Partners · S&P Register of Corporations
	Piece of the Action	Fee for delivery of a qualified prospect or a completed transaction. Revenue comes from flat, per transaction or percent of sale fees for referral of buyer to seller. Distinct from Cost Per Click. Prospect must provide full contact information and at least indicate a specific interest.	· Global Spec · Fee Fighters · ServiceMagic

Business Information Framework

	Approach	Type	Definition	Exemplars
Business Models	ADVERTISING & SPONSORSHIPS	Sponsorship	Revenue is derived through sales of sponsorship of site sections or categories to a lead vendor. Generally sponsorship is offered on a largely exclusive, high priced basis and is displayed in a brand-oriented, logo-intensive format as leader board or text tied to categories or site location. Sponsorship is defined by time period and may include click through opportunities.	· Ebuild, Hanley Wood · Spiceworks · StudioDaily.com, Access Intelligence
		Editorial Driven Sales Opportunities · Ad-Based · Sponsored by · Co-produced	Generally associated with newsletters, videos, white papers, webinars, podcasts and other "self-contained" content. The key component is topic-driven, credibility-building content delivered in a variety of formats. Content may be developed by the publisher and ad-supported (e.g. newsletter), may be developed and sponsored by vendors (e.g. white papers) and or may be co-produced and sponsored (e.g. webinars.)	· Paid Content, GigaOM · Tech Target · CFO Publishing
	MIXED MODELS	Limited Free	Some amount of content is offered for free, with premium content offered on a by the slice or subscription basis. Free content area may contain banner or other advertising.	· The Internet Movie Database, Amazon · Guidestar · Lead411.com
	THIRD PARTY MODELS	Syndicated Content	Revenue comes from licensing some or all of the business information content to a third party that then makes the data available on its own Website.	· Image Atlas, Digital Globe · NewsRx · Books in Print, R. R. Bowker
		Multi-Client (Syndicated) Funding	Usually in the context of research, projects are paid for by a consortium that often is able to purchase proprietary slices of the data.	· Research Panels, Source Media LLC · Farm Progress · Multi-client Studies, IDC
		OEM Licenses	Content is licensed to developers and manufacturers to be incorporated into a third party product whose main function is not information delivery.	· Gracenote, Sony Corporation · New Vehicle Data, Chrome Systems, Inc. · Earthbooker, Rough Guides/Pearson PLC
		Data Exchange	Company re-distributes data supplied by its customers in some value-added fashion.	· Peer Monitor West/Thomson Reuters · Blue Book, Blue Book Services · SourceESB.com, Penton

Business Information Framework

Approach	Type	Definition	Exemplars
ORIGINAL COMPILATION	Primary Research: Manual	A largely manual effort to collect and organize content that doesn't exist in any other single place in similar form.	· Congressional Yellow Book, Leadership Directories · Artlog · Directory of Major Malls, Jomurpa Publishing
	Primary Research: Harvested	A largely automated effort to collect and organize content from multiple sources with an emphasis on organization and normalization of the collected data.	· Noza, Blackbaud · ZoomInfo · The Hiring Scale, WANTED Technologies
	Advertiser-Supplied	A compilation of content that is entirely provided by those who pay to be included, typically advertisers.	· Sweets, McGraw Hill Construction Network · Green Book, New York AMA · Physician Desk Reference, PDRnet
	Advertising-Enhanced Primary Research	A base of primary research content that is significantly enhanced by information supplied on a paid basis, usually in the form of advertising.	· ThomasNet, Thomas Publishing Co. · Hotel Travel Index, Northstar · Product Market Guide, Vance Publishing
	Statistical	Gathering of publicly available data that is then normalized and presented in statistical format.	· Stallion Register, Blood Horse Publications · Last Bid, Equipment Watch, Penton Media · Black Book, National Auto Research, Hearst
AGGREGATION	Indexed	An automated index of publicly-available third-party data, where none of the indexed data is physically collected or otherwise modified or altered.	· Bing, Microsoft · Google · Search Hedge Funds, Institutional Investor
	Licensed	An offering based on information that is acquired on a flat fee or per transaction basis from one or more third-parties for resale or free distribution.	· Highbeam Research, Cengage · Alacra Book, Alacra, Inc. · Scopus, Elsevier B.V.
	Public Domain	A collection of content in the public domain, regardless of collection methodology.	· 10K Wizard, Morningstar · Piers, Commonwealth Business Media · EDA, Randall Reilly Publishing
	Metadata	Proprietary summarized or abstracted information describing third party content.	· BIOSIS, Thomson Reuters · Engineering Village, Elsevier · International Pharmaceutical Abstracts, Thomson Reuters

Business Information Framework

Content Models

Approach	Type	Definition	Exemplars
USER-GENERATED	Community	An organized collection of content largely composed of user interactions, with little if any content contributed by the publishers; contributions typically made on an anonymous basis. Includes "give to get" content models.	· IT Toolbox, Corporate Executive Board · Wikipedia · GlassDoor
	Survey	A collection of content developed through user surveys, polls and other 'rating, ranking and recommendations' (3R) systems.	· Zagat Survey, Google · Pharma Benefits Trends and Data, AIS · America's Top Doctors, Castle Connolly
	Closed Data Pools	Specialized databases developed and maintained largely or entirely through user contributions, but where user registration is required and substantial quality control processes are in use.	· Cortera · Angie's List · Sermo
CLEARINGHOUSE & EXCHANGE	Experiential	An information product developed from transactional data or constructed of ongoing data contributed by users reflecting actual business experiences.	· GF Data · Markit.com · Analytic Reporting for Annuities, DTCC
	Transactional	A content collection that drives a sale, offering specific goods or services for purchase, as opposed to general product or service information.	· eBay Business · ILSmart, Inventory Locator Service, LLC · Part Miner
	Standardized	A collection of information that seeks to provide a standardized numbering or other identification scheme to streamline commercial activity.	· ISBN, Bowker · Pantone Matching System, X-Rite, Inc. · CAS, American Chemical Society
	Taxonomical	A collection of information that seeks to provide a standardized set of naming and/or classification conventions to organizations, individuals, products or services.	· Morningstar Style Box, Morningstar · 1Synch.org (formerly UCCnet) · WAND Product and Service Taxonomy, Wand, Inc.

Business Information Framework

	Approach	Type	Definition	Exemplars
Distribution Models	**DIRECT SALES**	Captive	On staff sales professionals secure end-user purchase via tele-based or face-to-face contact.	· Widely used approach
		Rep Firm	Sales efforts are performed by outsourced sales professionals.	· Widely used approach
	DIRECT RESPONSE	Direct Response	Wide variety of media-based selling efforts where purchase is made directly by the end user.	· Email, telemarketing, direct mail, print and online advertising
		Web-based	Paid and organic search engine marketing drives traffic to e-commerce on the site.	· Google AdWords · Twitter · SEO
	THIRD PARTY	Mandated Sales	With mandated numbering schemes, purchase becomes a required basis for participation in the industry.	· CUSIP, American Bankers Association · ABA Routing Number Registration, Accuity/ Reed Elsevier · ASI Number, Advertising Specialty Institute
		Channel Sales	Third party distributes to actual end user. Revenues for publisher come from licensing and royalty arrangements by contract.	· Gale, Cengage · Ovid, Wolters Kluwer Health · OneSource Global Business Browser, OneSource

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