



SILICON VALLEY AMERICAN MARKETING ASSOCIATION

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Web Services - Ready for Prime Time?

by Kathy Stershic

While we wait on the “Next Big Thing” in a post-dotcom world, the somewhat amorphous web services phenomenon has been slowly searching for its legs to unlock what many believe is the true promise of the Internet. In the aftermath of the market bubble, companies are quietly beginning to demonstrate the power of web services as a legitimate business with bottom line benefits. Though just scratching the surface, companies like Amazon, Google, United Air Lines, AT&T, L’Oreal, and countless others are deploying applications that may forever change customer expectations and the role of marketing.

What exactly are web services? Hype has surrounded this term and has created some confusion, as many vendors with varying approaches hurried to jump on the bandwagon. A web service is an application function or

software module on a system that is exposed (set to accept requests) to other systems through the Internet. A kind of evo-

lutionary byproduct of object-oriented architectures, web services became the general term for functionality built by various vendors to enable easier connection between disparate software systems and data. The key is leveraging common web languages like XML to avoid the complexities and high labor costs associate with languages such as J2EE. Web services use several communication standards such as SOAP(Simple Object Access Protocol), UDDI(Universal Description Discovery Integration), and WSDL(Web Services Description Language) to work with each other. As with many previous technologies, the standards wars are currently raging, as the big guns of the industry seek a common framework while still positioning their own products for competitive advantage. Stay tuned for the fun.

Gun shy after the eMarketplace bust, companies seem cautious about touting their early adoption of web services until the benefits are clearly measurable. However, there is already an abundance of anecdotal evidence that web services are being developed and deployed in both small start-ups and in the biggest names in business. Web services initiatives are being given high priority on the development task list.

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“While we wait on the ‘Next Big Thing’ in a post-dotcom world, the somewhat amorphous web services phenomenon is slowly searching for its legs to unlock what many believe is the true promise of the internet.”

from the president:

The Role of Marketing in Business

by Melanie Meyer, President, SVAMA

What is the role of marketing? And, why is it important? When I have asked these questions of my students, colleagues or clients, I have gotten a variety of answers. The role of marketing in business can vary based on a wide range of factors – key leadership, value creation and the skills of the marketers on staff. What is marketing’s role in your organization? Does the management team have marketing experience? How is marketing viewed by other groups in the company? These are good questions to ask as we look at the reality of marketing’s role in business today. Let’s explore each of the key factors in more detail.

Leadership

Few Silicon Valley CEOs have come up from the marketing ranks, though this varies by company and by industry. In my current MBA Marketing Management class, one of my students, a Vice President of Manufacturing at a mid-size medical device company based on the east coast stated, “In my company, most of our seven division presidents and a number of corporate officers have marketing backgrounds. I think the reason for this comes from the fact that device companies must have close working relationships with their constituents – physicians, hospitals, nurses, and purchasing groups – in order to be successful.” (An excellent point – and don’t most

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Case Study: Making Product Decisions With Little or Suspect Research Is Fraught with Risk

by Bruce Ryon, www.ryongroup.com

Technology lore is replete with examples of entrepreneurs who have developed products based on a hunch or their intuition, and have gone on to fantastic success. We all know about them. Many products that are ground breaking by nature have to be inherently based on gut because little or no data exists on them and there may be no proxy markets to serve as a precedent or comparison. The personal computer and handheld computers are prime examples of these revolutionary products. But these great successes based on mere intuition are the exceptions to the rule. There is a substantially large graveyard of products based on the hunch/intuition approach that never made it out of infancy. The unfortunate irony is that for many of these products, market data existed or could have been acquired and proven influential in creating a successful product.

That is not to say there are few significant risks associated with relying solely on market research, especially research based on poor assumptions and sloppy sampling. Companies have used both flimsy market research data, or used good research data incorrectly, as foundations for critical product decisions and failed. Data for data’s sake is not the way to go, either.

An example of a product decision based on bad data that cost a company dearly occurred in the early days of multimedia computers in the early ‘90s. Disney was an early entrant in CD-ROM content development. About the time the PC market was transitioning from 8-bit to 16-bit sound technology, Disney was wrestling with the decision of incorporating 16-bit technology into a new CD-ROM, a title tied to a very popular Disney movie.

Going with 16-bit technology would give a user a more enriching audio experience over the older 8-bit technology. Because of development costs, it would be an all or nothing decision to go with 16-bit technology for a very significant title. The question then became, “what was the installed base of 16-bit technology versus 8-bit technology?” If the 16-bit installed base was greater than 75 percent and moving rapidly towards 100 percent, the decision would be to go

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We hope you enjoy the first edition of the new SVAMA print newsletter, a quarterly publication. SVAMA has undergone a significant transformation in the last year in terms of branding, look and feel and the addition of new programs and resources to better serve its members' needs. Our goal is to inform, educate and provide career resources that aid members in their current roles and help them manage their future career opportunities.

The marketing environment over the past two years in the Valley has been tumultuous, and yet it is precisely because of this pace of rapid change that the role of marketing in the Silicon Valley is more important than ever. In spite of these challenges, the SVAMA and its members rose to the occasion to win the AMA Chapter Excellence Award for 2002 (see the inside story below). SVAMA celebrates this success because it is OUR success and is the reflection of the hard work, dedication and efforts of SVAMA's outstanding members. Because of your unwavering commitment to excellence, SVAMA continues to be THE Source for Silicon Valley Marketers.

Thanks to all of you for a wonderful year and we look forward to making 2003 another fantastic example of your commitment to excellence. We also welcome and encourage your feedback on our programs and publications (please visit www.svama.org).

I would also like to acknowledge and extend our appreciation to all those who helped make this newsletter possible: our content contributors and the newsletter team, Michelle Graham, SVAMA's VP of sponsorships, and her entire team for their hard work, and our production partners, Ah!Studio, Inc. and BR Printers. Finally, I would like to thank Ash Seddeek, VP of Newsletters, for helping me bring this from ideas to implementation.

Best,
Kathy Klotz-Guest
Editor in Chief, SVAMA Newsletter

The Role of Marketing in Business

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companies need a close working relationship with their customers?) The student continued, "With this said, it is my opinion that marketing has become a basis for competitive advantage within the medical device industry. In effect, the most successful companies tend to have the strongest marketing organizations and go to great lengths to protect and retain their people." Great insight from a student with no prior marketing experience and in the first week of class! Some companies in certain industries consider having marketing experience, the process of putting an organization's strategy and market plan together, a competitive advantage AND good preparation for the next level. Having a CEO or senior executives who come from marketing backgrounds helps build a strong marketing organization as well as impacts marketing's role in the business: leadership must come from the top.

Value Creation

Many people believe marketing is "making the company and its materials look better." Others believe marketing is the department that produces events and brochures. All of this points to most people, including many marketers, having very little understanding of what marketing really is and what value it may provide. Don Schultz, a professor at Northwestern University, published an article not too long ago in Marketing News entitled, "Time to Change Marketing's Name." The premise of the article was that there are too many people in the marketing profession who develop marketing programs for the sake of generating "buzz" instead of creating value for customers, channels, and shareholders. Schultz suggests that we bag marketing and start talking

“The ability to drive the business means generating sales and ROI as well as long-term value creation for the organization.”

about value creation and management; those terms are certainly more positive and really refocus what marketers are supposed to do. But most of all, it's something from which everyone in the system can benefit. Value creation is good and helps impact marketing's role in the business.

Business Skills

As we look at marketing's role in business, we have to ask ourselves, "what skills does it take for us as marketers to be seen as central to the business?" To further marketing's role in business, marketers must have strong business skills and the ability to drive the business. The ability to drive the business means generating sales and ROI as well as long-term value creation for the organization. Here is where marketers can learn something from the accountants – marketers need to set smart goals, execute, then track and measure performance, over and over again. It all goes back to basic management skills and every marketer these days must have them to be competitive. When marketers are seen delivering on business goals, it helps impact marketing's role in the business.

As the leading professional association for marketers in Silicon Valley, it is SVAMA's mission to advance marketing excellence in the local business community. Through the services SVAMA offers, the organization seeks to expand marketing leadership, help marketer's create value and offer ways for marketers to build solid business skills. Use SVAMA to your advantage and make sure you are advancing marketing excellence for your organization. 📌

Silicon Valley Chapter of American Marketing Association Wins "Chapter of the Year" Award

SVAMA Board of Directors Recognized for Organizational Management and Professional Chapter Excellence

The Silicon Valley chapter of the American Marketing Association (SVAMA) has received two AMA Chapter Excellence Awards for program year 2001-2002: The prestigious "Chapter of the Year Award" and a special merit award for exceptional chapter management. Vying among over 75 chapters across the United States and Canada, the SVAMA captured top honors based on achieving outstanding results in the areas of membership, programming, management, finance, communications, and community. "While there were significant accomplishments submitted by a record number of chapter entries past this year, Silicon Valley stood out as the best of the best," said Dennis Dunlap, CEO of AMA. "The SVAMA has raised the bar in professional chapter leadership."

Each professional AMA chapter operates independently and is run by elected AMA members in the local area. Chapters vary in size and scope of activities, but all promote an understanding of marketing to the local community, educate members and non-members about marketing and its impact, and offer its members professional development, networking, and events.

"We are both honored and thrilled to win "Chapter of the Year" and the special award for overall chapter management," said Cynthia Holladay, chairman, Board of Advisors and immediate past president of SVAMA. "This distinction recognizes some of the nation's best marketing talent, and at a time when our industries are facing tough challenges. By focusing on marketing fundamentals, we overcame these challenges and achieved our mission to raise awareness of the true value of marketing in Silicon Valley."

The SVAMA would like to thank its members for making the SVAMA the excellent chapter it is. This award is a celebration of your success and dedication to excellence.

Sponsored by the Professional Chapters Council, the Chapter Excellence Awards (CEA) program recognizes and rewards excellence in chapter management and operations. Evaluations are conducted by a committee of past chapter presidents and prior CEA winners. Winners receive cash awards, collateral designating award status, and special recognition at the AMA's annual spring Leadership Summit in Chicago. 📌

Designing in a Down Economy: Save Marketing Dollars Without Compromising Design Quality

by Angela Hum, Ah!Studio, Inc.

In a sluggish economy, marketing budgets are being slashed left and right. But the best time to market your company is now—when your competition may not be. Here are 10 tips that can help you save some marketing dollars without compromising design.

- 1 Get it all together.** If you're redesigning your logo and need business cards printed, it's cost effective to "gang up" your cards with another marketing piece like a brochure, postcard, or greeting card. It's a one-time set-up charge from the printer, thus saving you money.
- 2 Be creative with fewer colors.** If you can't afford to print multiple colors for your stationery system or brochure, you can still achieve a professional looking identity by using one or two Pantone ink colors. Choose your paper and ink color(s) carefully; a good designer will pick a combination that works best together.
- 3 Repurpose, Repurpose, Repurpose.** If you want to reach your customers with an attractive, interactive, Flash-animated demo or presentation, consider creating one demo that can be repurposed. Not only can this demo link from your site's home page, you can take it to trade shows, sales meetings, presentations, or link to it from an email campaign. That's what I call getting mileage out of a marketing piece.
- 4 Templatize it!** Are you looking for a professional web site design but can't afford to have someone design and build an entire web site for you? Consider hiring a designer to design & build a home-page and a lower level template for you to complete yourself.
- 5 Work with experienced professionals.** You've heard the phrase, "You get what you pay for." If you want to pay practically nothing, that's what you may end up getting back. Your time to market could be delayed and some money could go down the drain. Qualify your designer or agency by looking at their portfolio to see what level of experience and design you could be getting. If you work with a seasoned design professional, he or she can help you resolve your marketing communication problems more quickly, efficiently, and reliably. Thus, saving you money in the long run.
- 6 Load Balancing.** When you approach a design studio or designer and they're too busy to take on your project, consider asking if they could give you a reduced price in return for your flexibility in putting your project on hold until their load lightens up. Most design studios wouldn't mind reducing their prices for flexible schedules.
- 7 Barter.** If you have a service or product that can be of use or value to someone that can help you market your business, consider doing an exchange for services.
- 8 Go digital.** Although it's nice to give someone something they can hold on to like a printed brochure or data sheet, consider emailing your prospect a well-designed PDF instead. You'll save on printing costs and stamps.
- 9 Get HTML rich!** Leverage HTML-rich emails, newsletters, or greetings. Design an email campaign that is visually appealing with graphics. If your audience knows who you are, these recipients won't think it's spam.
- 10 Small is beautiful.** You may have been used to the red-carpet treatment from large 50+ persons agencies that wined and dined you, teamed you up with more resources than you actually needed, and padded your proposals to cover their high overhead expenses. Well, times have changed. There are plenty of talented designers and consultants out there now working lean with small teams and a lot less overhead. That means you'll still get your marketing pieces without sacrificing quality and may even end up with money leftover! Now wouldn't that be nice for a change! 📧

About the Author: Angela Hum founded Ah!Studio, Inc. in 1998. Ah!Studio provides a full range of graphic design services, from web design to print collateral design. Contact her at angela@ahstudio.com or visit www.ahstudio.com.

book review:

by Sarah Autrand

Brandwarfare: 10 Rules for Building the Killer Brand

by David D'Alessandro

Once in a while you come across a good marketing book. No, I'm not talking about the ones you pick up at your local copy store that read like a Tony Robbins infomercial. I'm talking about real marketing, the real meat of the stuff we do day in and day out in the Valley. Books written for us, ones that speak our language.

Over the last year or so, I've run across three excellent marketing books. One of my favorites is David D'Alessandro's *Brandwarfare: 10 Rules for Building the Killer Brand*. (For those who don't know— D'Alessandro, is the current CEO of John Hancock.) Overall, the author's perspective is unique and he uses anecdotes from a broad spectrum of industries and even politics. In *Brandwarfare*, he shares with readers his practical real-world rules on branding as he advises on positioning, sports marketing (and other sponsorships), public relations, and on how to make sales channel players slaves to your brand. One of his most salient points is that branding needs to be driven from the top of the organization, the CEO, and included as part of every decision the company makes. "How does this, or will this, affect our brand?," according to D'Alessandro is a question that should not only run off the tongue of the marketing staff, but also be heard from the lips of the folks in Operations, Customer Service and Sales.

Brandwarfare is full of humorous, yet accurate, quips and here's one of my favorites: "If you make consumers suspect that you'd sacrifice their well-being for your bottom line, your brand is finished." Certainly a few finished brands come to our minds! If you want to read more quips or advice from the author, though, you'll have to pull yourself away from your email and just read the book. Order your self a copy, and well...just do it. 📧

David D'Alessandro, *Brandwarfare: 10 Rules for Building the Killer Brand*, McGraw-Hill (\$24.95)

About the Author: Sarah Autrand is the CEO of Market4Demand and President-Elect of the Silicon Valley American Marketing Association (SVAMA). You can contact her at sarah@market4demand.com.

Sponsor Recognition

Sterling Communications becomes a platinum sponsor of the Silicon Valley Chapter of the American Marketing Association. Sterling Communications provides strategic communications expertise to SVAMA and supports the SVAMA's drive to increase attendance at SVAMA-sponsored events, attract new members, and expand the organization's visibility.

Sterling Communications, Inc. — the Inside AgencySM — is an independent, full service public relations agency that provides industry-leading technology companies with strategic communications counsel and tactical expertise. The agency's client roster includes providers of Internet infrastructure software, e-commerce and e-business platforms, telecommunications, wireless, mobile and networking solutions, digital video, interactive media, consumer technology and healthcare technologies. For more information, visit <http://www.sterlingpr.com>.

SVAMA calendar of events:

Nov 6th - VP/CMO Forum

Nov 7th - SVAMA's First Online Education Webinar: Effective Product Launch Planning

Nov 13th - Monthly Program - The Sales & Marketing Psyche - How Marketing Can Thrive In A Sales Driven Organization

Nov 21st - Workshop - Corporate vs Marketing Strategy

Dec 3rd - Webinar: The Media Spotlight - What To Do When All Eyes Are On You

Dec 11th - Monthly Program - Igniting a Successful Product Launch: New Strategies for Tough Times

SVAMA Presents a Half-Day Seminar on November 21- Marketing and Corporate Strategy: Maximizing the Relationship

November 21, 2002

As the old saying goes, "What if we had a war and nobody came?" Someone might humorously respond, "Then, we would know that marketing had done a lousy job of promoting the event." But, indeed, if the war were fought, we know from thousands of years of history that it would be won or lost as a result of strategy – not marketing.

The parallel applies quite well to business. As Joseph Bower related so well in the July-August 1990 issue of the Harvard Business Review:

"In business as in war, defeat is deeply rooted in the organizational dimensions of the loser's strategy."

Our presenter, Pete DeLisi, relates that when he was a senior marketing executive at IBM and Digital Equipment Corporation, he always thought that marketing was the strategy. Now, after 15 years of strategy consulting, he realizes how wrong he had been. Marketing can indeed have a big impact on the corporate strategy, but it is only one piece of the corporate strategy – just like the pieces of sales, engineering, HR, IT, and other corporate groups.

Who Should Attend:

Managers, Directors and VPs in the following areas: Strategic Planning, Brand/Product Management, Product Marketing, Business/ Market Development, Market Research and Analysis.

Register:

To register please visit:
<http://www.svama.org/events/11-21-02.html>

About the Workshop:

Never has strategy been more important to industrial success. Strategy is all about making choices, and never has there been such a confusing array of choices facing modern leaders. Added to this is the need to let people and groups within the company know where the corporation is headed, so that all stakeholders can help the corporation reach its destination.

This workshop will examine:

1. The role of corporate strategy in an organization;
2. The relationship between marketing and corporate strategy and how marketing can maximize its contribution to the corporate strategy;
3. The difference between corporate and marketing strategy and how to integrate the two;
4. The role of marketing in new initiatives including e-commerce and CRM

Details:

Thursday, November 21, 2002
8:00 - 8:30 AM: Registration and Continental Breakfast (tentative)
8:30 -12:00 PM: Workshop (tentative)


Location:

Capital Club Athletics (Corinthian Room)
196 North Third Street, San Jose 95112
For directions, please visit: <http://www.sanjoseclub.com>
*Within walking distance of Light rail (St. James Station)
*Caltrain (Tamien Station and switch to Tamien Light rail Station North a several stops to St. James Station)
*Parking \$1.00/hr (St. John St. and 3rd St)

Pricing (Refreshments Included):

Managers, Directors and VPs in the following areas: Strategic
SVAMA Members: \$50; Non-members: \$100
Board Members: \$37; Committee Members: \$45
Student Member (with ID): \$30; Student Nonmember (with ID): \$50

About the Speaker:

Pete DeLisi, Academic Dean of Information Technology Leadership Program – Santa Clara University. Pete has spent 27 years in senior sales and marketing capacities with IBM and Digital Equipment Corporation. More recently, Pete has spent 15 years as a strategy and marketing consultant to major corporations that include Intel, Sun, Microsoft, Motorola, Lockheed-Martin, Wells Fargo Bank, Chevron and the Stanford Graduate School of Business. In addition, Pete is a staff member of the Executive Development Center at Santa Clara University, where he heads up the Information Technology Leadership Program (ITLP), a program on strategy, and a Sales Leadership Program. 

The Silicon Valley American Marketing Association is the Source for Silicon Valley marketers, delivering career development, education and networking opportunities to advance marketing excellence in the local business community.

Regular Programming Discount Packages

Student Member Discount Package (1 Year Pass): \$100.00
Member Discount Package (1 Year Pass): \$195.00
Volunteer Appreciation Package (1 Year Pass): \$175.00
Board Member Package – VP ELECTs (1 Year Pass): \$155.00
Board Member Package – VPs (1 Year Pass): \$75.00

Members must RSVP in advance for subsequent programs (NO LATER THAN 4 P.M. one (1) week prior to the program) otherwise there is an additional \$10 charge. There are NO REFUNDS or SUBSTITUTIONS permitted. Members may apply this to ANY monthly program during current fiscal year (July 1, 2002 to June 30, 2003), excluding the Annual Marketing Awards Dinner or other special programs. Monthly programs, held ten times per year, are currently scheduled for August through May.

Board members are eligible for an additional 25% discount and volunteers are eligible for an additional 10% discount on any special program other than regular monthly events and Marketing Boot Camp. This includes full and half-day seminars and workshops.

SVAMA Holds Successful Events in September: First New Member Orientation and Best Practices in Market Research



Left: The evening started out with our first New Member Orientation – VP Membership Retention, Lorrie Lefevre, presents to a crowd of 30 new SVAMA members.



Right: Volunteers Diane Katzman and Lisa Bush network prior to the event.



Left: Member Andy Westbom visits during the networking hour.



Right: The large crowd kept the membership table hopping.



Left: Dr. James Forcier, moderator and presenter, kicks off the September seminar.



Right: Dr. Forcier presents on Best Practices in Market Research in the Technological Age.



Left: Members Menaka Shroff and Giovanni Tripodi tune in to a lively panel discussion.



Right: Gary Waymire, President of Point Forward, presents the latest in ethnography, the practice of using data on ethnicity to study market opportunities.



Left: Panelists at the September event included:

Gary Waymire, President, Point Forward

Dr. James R. Forcier, Managing Director, Bay Analytics

Jeffrey Stanley, Executive Director, Market Research, Key3Media

Brian Smith, Research Director, GartnerG2



Right: SVAMA's VP of Programs, Inga Bredehoeft, takes a quick break as the show starts.

Photos courtesy of SVAMA volunteer photographer, Chuck Mondave. We appreciate his support!

Customer Relationship Management: Investment Justification in an Economic Downturn

The last twelve months have been difficult for most customer relationship management (CRM) software companies. Capital budgets have been scaled down with priorities placed on mission critical applications. As a result of the reduction in spending, many software companies rely on installed base support revenues for survival, and have been forced to make major cuts in expenses in order to minimize operating losses. Several innovative companies once valued in multiple billions of dollars are now valued at their approximate liquidation value. Is there an end in sight? One thing is clear: Today's CRM providers must focus on solutions that impact the bottom line based on incremental revenue generation or cost reduction. The days of selling solutions based on unmeasurable qualitative values are on hold for now.

Sales representatives face unprecedented challenges to drive new CRM solution sales to new businesses. You didn't compete directly against Siebel Systems, but you did compete for the same capital budget that was just cut in half. With many companies promising a return on investment in about 9 months, your ROI proposal quickly became the ROTI, or Return On This Investment, and was piled onto the stack of proposals from representatives all striving to close sales. If it wasn't tied to the core business, sales reps heard the kiss of death – "we've lived without it for 5 years, we can look at this again in 6 months." You just missed your numbers for the quarter.


What exactly does customer relationship management mean to a business, and why has it been such an important topic for so many companies? CRM often refers to any investment intended to strengthen the relationship between businesses and customers-- resulting in increased revenues, superior customer service, higher customer retention levels and ultimately maximum revenue capture over the life of the customer. This broad description has been confusing for many businesses as they hear similar messages from software companies all claiming their solution is an ROI silver bullet. The computer telephony integration (CTI) circus of the past has evolved into the CRM frenzy of the present.

Consider the investment decisions faced by a typical contact center executive. Siebel Systems has been successful positioning its front-office applications as the essence of true CRM. By empowering agents with detailed information about a customer in a rich user interface at the desktop, you offer the customer a more personalized experience. Businesses capture higher revenues by offering relevant products based on historical purchase patterns, and build effective long term relationships with the customers. Contact center providers, such as Avaya and Aspect, argue their ability to simultaneously prioritize all queued customer transactions enable a business to serve its most valuable customers in the most profitable manner possible. One thing is certain. Both front office and contact center vendors will continue to face significant challenges to drive revenue in the months to come. Recent workforce reductions, along with the departure of Siebel's top sales executives, suggest there are more difficulties ahead.

How can software solution providers convince businesses to spend money during these challenging periods? Recent studies indicate it is approximately 7 to 10 times more expensive to find new customers than it is to serve your existing customers. Thus, it is imperative to maximize the return on all transactions taking place in your current contact centers. One leading catalog sales company discovered there is a 17% probability of capturing incremental revenues by offering additional products to customers while you have them on the phone – far less than the

expense of initiating new outbound telemarketing campaigns to prospective or existing customers. By investing in data mining solutions that complemented their existing contact center systems, companies were able to identify purchasing patterns that lead to successful up-selling programs for agents.

Cost reduction remains a top priority for executives, as they attempt to get the most out of their investments. Consider the City of Laguna Beach's customer service expenditures for handling inquiries from citizens. They were incurring significant staffing costs, even though they had a robust electronic mapping website containing rich content. They discovered the problem: more than 50% of users were on dial-up connections. It could take 30 seconds for detailed maps to appear on the screen. Rather than waiting, they would pick up the phone and call the office. By incorporating website image compression software from AirZip Corporation, they have reduced the image download time from 30 seconds to only 4 seconds. They have found brokers, developers, planners and engineers now access the critical land information on their own without calling a the center. Enhancements to existing web self-service application have directly reduced staffing costs for telephone inquiries.

As we approach the end of the year, we'll observe many software sales representatives striving at all lengths possible to generate sales before year end. Darwin's survival of the fittest has truly met the world of the CRM industry, as we observe many companies being delisted from the NASDAQ or facing potential bankruptcy proceedings. As weaker companies with limited cash resources are consolidated or eliminated in the months to come, we may find the remaining software companies with quantifiable benefits will be in their strongest competitive position ever. 

Recent studies indicate it is approximately 7 to 10 times more expensive to find new customers than it is to serve your existing customers

Bernard Gutnick has been in the customer relationship management industry since 1990. Contact him at gutnick@yahoo.com.

Not a Member?...

If you're not currently an SVAMA member, this is the best time to join this award-winning organization. Increase your marketing expertise and enhance your career by joining the Silicon Valley Chapter of the American Marketing Association.

Be part of the largest worldwide marketing association! The AMA is the world's largest and most comprehensive professional society of marketers consisting of over 40,000 members. Silicon Valley is rich with marketing talent. Interact, collaborate, and make valuable contacts with the best and the brightest in the marketing field.

In addition to the benefits you will receive as a member of the national American Marketing Association, you will enjoy the following benefits from your local SVAMA chapter:

Educational Programs

Each month throughout the year SVAMA offers a series of educational programs. Monthly programs focus on timely strategic marketing issues, include key industry speakers and are held on the second Wednesday of each month. Both are offered to members at a substantial discount.

Chapter Publications

You'll also receive a monthly e-newsletter and a quarterly print newsletter. Both feature key articles for professional development as well as news on our upcoming programs and events. We are always looking for compelling content from our members and encourage our members to volunteer.

Discounted Career Development Services

These are offered through partnerships with local organizations.

An Enriching Online Experience

Our website features many useful resources for your professional development including articles, webinars and an Online Member Community via Yahoo Groups. To join, please go to our website <http://www.svama.org> and click on the JOIN US link. We look forward to your being part of the SVAMA.

Web Services - Ready for Prime Time?

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Santa Clara, CA, published a June 2002 study of direct feed back from 50 enterprise executives and 800 business and IT professionals on their adoption of web services. The study shows that, at least in North America, web services are being adopted at a much faster rate than anticipated, particularly by the Fortune 1000. About half of the study respondents indicated they are already piloting or deploying web-based services applications. They also consider web services to be a strategic technology for their businesses with direct impact on cost savings.

A March 2002 IDC report on IBM's Web Services Architecture (WSA) echoes this perspective. IDC interviewed IBM customers deploying WSA, all of whom considered developing and implementing web services to be a strategic effort. These customers project major benefits over a three year period, including savings at a rate of 20:1 on their web services investment, faster deployment of applications, and significant gains in efficiency and productivity.

In terms of the bottom line, web services are well on their way. Their wide deployment will markedly change the customer's experience, along with the processes for creating and maintaining it. Whether in B2B or B2C, benefits of greater convenience, disparate data on demand, and the broader distribution of information and services will cultivate a sense of customer entitlement, permanently raising the bar on customer expectations and on qualifications for vendors' competitive viability. While most agree that the mainstreaming of web services is still two or three years out, the time to prepare is now.

Expect web services' impact across the marketing mix. One major area of consequence is in partnering. If web services are all about easier cross-market blending of data and services, partnerships will be essential to fulfilling the vision. While exposed services can be accessed by any other service, the value of strategic alliances and stronger co-marketing will undoubtedly make a difference in visibility and customer purchase decisions.

The FactPoint/OCR research cites an interesting example with United Airlines. UAL Loyalty Services is using web services to meet the goal of a seamless customer travel experience, and gain competitive advantage. UAL is building a communication network for sharing and updating client information across multiple travel services, such as rental cars and hotels. A change to a flight reservation will automatically update other reservations connected to the United service. Alliances with United by other travel providers will be essential to ensuring a presence in this system and effectively leveraging associated opportunities.


Branding is another key marketing function that will feel the web services impact. For example, cosmetics giant L'Oreal is working with web services to maintain branding integrity through its various online distribution centers. A consistent L'Oreal experience will be quickly, seamlessly syndicated into the online storefronts of its key partners, just as it is in department stores, scaling marketing resources and preserving brand identity.

The customer interface will undergo substantial changes. Simple application integration that feeds data access is step 1 in burgeoning web services capability, and the thrust of most pilot initiatives. Data on demand from anywhere will come to drive customer expectations and branding preferences. Business processes exposed as web services will broaden the range of consumer and business interactions, and create a more personally relevant user experience.

Web services also represent new product development and revenue generating opportunities. Functions that had been locked internally can be sold as web services on a component basis to outside parties. Or, a company may launch into new businesses altogether, for instance as a service bureau or data aggregator. Extending web services capabilities to wireless and other smart devices creates even broader marketing opportunities.

When beginning web services initiatives, companies will face a new set of challenges across the marketing mix, from identifying unique and creative product opportunities to defining the right value proposition. As seen with UAL, selecting highly visible partners to cover an expanding range of customer requirements outside of one's core competence becomes a truly strategic consideration. And, new approaches to pricing,

licensing, packaging and distribution practices will have functional impact across the organization.

There is still time to plan. Web services is a young category that needs considerable improvement in security and functionality before it is widely deployed. As companies begin web services development, innovative thinking and creative uses of technology will be needed across the organization to successfully leverage today's corporate data and application assets into tomorrow's revenue. 

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Marketing Careers:

By Kathryn Ullrich

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Many people ask if I have suggestions for their resume or job search. I can't answer that question until I know what they want to be doing next, and in the future.


In business, we have company and marketing strategies. What business are we in? What markets do we target? What are our product offerings? We assess market position, opportunities, customers, strengths and weaknesses versus competition, and sales channels to come up with a comprehensive market strategy for the next product and longer term. And, this gets revised on a regular basis. Yet in careers, people often look at just getting the next job, the next marketing communications or product marketing position.

A job search should start with a personal assessment: what am I good at? What do I like/dislike? In what areas do I need more experience? What do I want to be doing in five years? The answer to the latter question guides the job search. Consider these responses: "I enjoy doing PR and want to ultimately be a corporate communications executive" versus "I enjoy PR but would ultimately like to be VP Marketing or CEO." One interactive ad agency executive I know is considering new alternatives after realizing she really wanted to be doing project management for a third world relief agency.

Determine a direction and then look at job descriptions for that role. What do you need to do to get there? You may need several transition jobs, or working for a good mentor to reach your goal. You may find objectives need to be filled between work and extra-curricular activities. And, you need to balance finding the perfect role with real needs such as timing, finances and market availability.

Next, people ask me about using headhunters in today's job market. Headhunters are valuable resources for networking beyond your contacts. Get to know good recruiters in your industry or functional space. Get face-to-face meetings when possible. A headhunter will best remember people who are helpful even when the search is not of interest; give names of good people to call. One VP Marketing sends me helpful e-mails every month to keep top-of-mind. He provides search leads, gives job search anecdotes, or introduces high level candidates. The key is he is not expecting a job from me. However, I'll remember him when I work on a search in his area. Most job opportunities come from networking; what are you doing to stay in front of contacts?

I have a hypothesis about marketing professionals in today's job market – many people will get "absorbed" into the market as the economy picks up. Many marketing professionals are consulting, some for little/no pay or for stock options. Some are writing white papers or offering to work without pay in "try and buy" situations. One woman wanted to make a transition from channel marketing to product marketing. She took a class in product marketing and volunteered to work for the instructor's company (in her target market segment) for three months without pay. If she produces and the company is hiring, she'll be picked up with extra options. Many executives and marketing professionals currently working in these non-traditional roles say that the companies will probably hire them as the market heats up.

During a job search period, take advantage of this time for personal discovery and for building your network. Both will pay off in the long run. 

Case Study

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The FactPoint Group, a Los Altos, CA-based research and consulting firm, together with Outsource Research Consulting of with the 16-bit technology.

After searching for information in the market, Disney found two data sources. One source was based purely on an analyst's estimate of growth rates, while the other was based on recent survey work on installed base data and information from vendors on their shipments of soundcards to the market.

While one would think Disney would have gone for the latter information source, it went for the former information source instead. The former source had a substantially higher installed based figure for 16-bit audio cards and the data was free. The latter source showed 8-bit audio cards in the majority of installed PCs, but the data was not free. Disney went ahead and developed a 16-bit audio version of the software. In the end, the latter data source was more accurate.

Disney's mistake cost it an untold amount of money in lost sales, returns, bad publicity, support time and related expenses for those customers with 8-bit audio cards who purchased the CD-ROM and found that the title's audio didn't work with their PCs.

What is to be learned from such cases? First, estimates based on analyst forecasts should be scrutinized thoroughly in terms of methodology. Ask the analyst what went into the estimates. If forecasts are derived without any actual field work, i.e., installed base primary surveys, then the data should be discounted accordingly. Sample sizes must also be factored in for statistical significance. Second, any potential purchaser of research must consider the analyst's background and expertise: is the analyst credible in a certain field and what is his or her "batting average?"

Finally, be suspicious of free data. Data that is often provided for free did not cost anything to develop. As in the parlance of the analyst community, the data is probably a WAG, a "wild-assed guess." You don't make product decisions on WAGs, so you should not be using data based on WAGs either. 📧

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We would like to thank our writers, Ah!Studio, Inc., and BR Printers.



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