

**The New Economics of Information**  
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A fundamental shift in the economics of information is underway, we have moved from a "second wave" industrial economy to a "third wave" information based economy. Knowledge has become the principal raw material, and diverse teams empowered by technology have become the most potent means of production. We have now entered the informed age and information is our new commodity.

The shift is less about any specific new technology than about the fact that a new behaviour is reaching critical mass. Millions of people at home and at work are communicating electronically using universal, open standards like the Internet. This explosion in connectivity is the latest and the most important wave in the information revolution. In South Africa over a million people have access to the Internet.

The deconstruction of the value chain and the changing economics of information threaten to undermine established value chains such as Dialog and many other sectors of the economy, requiring virtually every company to rethink its strategy not incrementally but fundamentally,

The sheer amount of choices available to end-users / potential customers will create the need for third parties to play the role of navigator or facilitating agent. This role will be the function of online provider such as Dialog and information centres or libraries within organisations.

As it becomes easier for customers to switch from one supplier to another, the competitive value of one-stop shopping and established relationships will drop. Cross selling will become more difficult. Information about customers' needs or behaviour will be harder for companies to obtain. Competitive advantage will be determined product by product, and therefore providers with broad product lines will lose ground to focused specialists.

The online vendors will need to change their focus from a one-stop shop product offering such as Profound to specialised focused products offering such as Profound Pharmaceutical or tailor made solutions such as profiled content feeds. Please refer to The Dialog Corporation strategy.

Dialog predicts it will breakthrough the \$100 million Internet revenue barrier before year-end, this indicates the significance web based technology.

*End user access Vs Expert searching*

End user products are proliferating as the baffle for the desktop continues. New companies and services are increasingly promoting the pushing, broadcasting, and alerting of information straight to the end user - all under the guise of "clickability" - one click of the mouse and you have information straight to your desk.

This is due largely to the relatively low cost technology now available using Internet. Complex search engines are becoming easier to use in the face of point & click searching. Interfaces or search language, which previously prohibited end users from accessing databases, have been simplified and most information products are now

available on the web.

But what does this mean for a corporation already investing in information:

- Faster delivery of information to the end user?
- Increased awareness of information?
- Direct access to information by those who ultimately use it?
- Faster & better informed decision making?

However there are fundamental problems with this end user proliferation, who is determining the quality of the information being delivered to the desktop? The majority of end user information services are sold at a price that enables individuals or departments to purchase independently of budget held within an information centre or library. In many cases this is because the information delivered is either limited in the range and scope or sources, or because much of the information is in the format of an abstract.

The second fundamental problem is that it removes employees away from their main job function or core focus. A consideration should be what is the cost to the Organisation when an analyst spends a day surfing the internet when they could go straight to the information centre or Library, and the information specialist can provide the relevant data to them in a fast and cost effective manner. The analyst can then spend the day turning that information into knowledge. Is information your organisations core business?

Lastly, all the negotiating powers of centralised spending are negated. Companies could well end up paying a higher per unit cost for lower value information delivered to the desktop than they currently pay to utilise quality data centrally.

Intranets, with their reliance upon ease of access, can be utilised by the information centres as a means to delivering quality information to the desktop. It is then possible to stipulate which files and sources should be delivered and, in most cases, at a fixed price.

The expert searcher's roles will be slightly changed in the light of information proliferation. Expert mode on a number of search engines often produces different results to end user based products. Searches can be more specific, and often quicker and more cost effective in the advanced or expert mode.

An example of this is, an end user searching Dialogweb "guided search" will not obtain the same results as an expert searcher who is familiar with the content, and will select the relevant databases specific to the organisations requirements. A "guided search" would provide only the data from predefined databases and significant functionality is lost.

However as end users become more proficient with searching and have more training from the information professionals, they will be able to obtain similar search results on the basic searches. The number of searches to the library will therefore decrease, but the share of more complex queries will increase. This will require the expert searcher to provide, a high level focused searching.

The expert searcher will become a navigator or facilitating agent within her/ his organisation. Just as online products, will be navigators between the information users and the publishers. Similar to the online industry the information professional will no longer be able to provide a one-stop shop service but develop specialist skills and will be focus on vertically integrated market sectors. The expert searcher will therefore become an expert in a specific field not only knowing how to search the data but understanding the fundamentals of the chosen area.

The future is exciting for the expert searcher as they focus on specific aspects of

information requirements, providing value added services to the their information community and creating a competitive advantage for the information centre in relation to the "free information" available to the end user. Expert searching will not become extinct but become more focused.

Online databases have recognised this change in the Industry and will start to provide professional services to vertically integrated markets.

An example of information management within an Organisation:

*Siemens AG, Germany*

The library services operate three major specialised libraries with holdings of over 83,000 books and more than 1,200 journals. They service approximately 25,000 German customers annually.

- Online services is the departments own online host in the company's Intranet. It provides access to I comprehensive list of databases allowing end users to do their own online searching
- Business Information concentrates on providing information relating to industry, companies and markets
- Technology information is staffed by physicists and engineers, who have an expert knowledge of the technical and scientific information and are used to validate information and discuss technical problems.