

Speechwriting Sample

EVENT

2001 net.marketing Spring Conference, opening address

SPEAKER

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SUMMARY

How do you put a positive spin on an Internet conference amid daily dot-com closings and a down economy? The opening speech at The net.marketing Spring Conference took a realistic look at the Internet industry and put the recent dot.com crash into perspective by comparing the early days of the Internet to the early days of aviation. Crashes? disasters? There were definitely many as humans took to the air, but aviation continued to advance. The future of the Internet will no doubt be much the same. So while there's sure to be more turbulence ahead, we can also look forward to unthinkable developments as the industry moves towards the online equivalent of the jet engine and beyond.



Douglas B. Clark
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**H. ROBERT WIENTZEN
PRESIDENT & CEO
DIRECT MARKETING ASSOCIATION**

**THE DMA'S NET.MARKETING SPRING CONFERENCE & EXHIBITION
SEATTLE
TUESDAY, FEBRUARY 27, 2001**

Good morning! And welcome!

Well, there are numerous conferences out there that cover the Internet and new interactive technology. You name it...there's a conference. However, as Ben just mentioned...our conference and exhibition stands out from the rest...because our focus is exclusively on marketing.

We're here to look at how you can harness the Web and other technologies...as well as all of the related services and supplies...most of which are showcased in our Exhibition Hall...to market and to fuel your bottom line.

(The Shifting Commercial Landscape)

Now...speaking of the Web, marketing and bottom lines...as you know...over the last few months we've seen some pretty dramatic changes in the e-commerce world.

In fact...I think it would be quite an understatement to say the online landscape has shifted. We've seen a lot of bad news, and, I'm afraid, we're bound to see more. We've gone from a "shoot-for-the-stars" BOOM...to a "back-to-earth" CRASH...and ALL pretty much in the course of one year!

Just think...the year 2000 BEGAN with e-commerce super star Jeff Bezos...being hailed as Time Magazine's "Person of the Year." But by the year's end...? Well, Jeff was still alive and reportedly well...but a whole lot of his dot-com brothers and sisters were making names for themselves, too...though in less prestigious venues.

(E-Commerce/Aviation)

As a way of looking at recent events...and looking at where e-commerce is headed...I'd like to draw a parallel between e-commerce and aviation.

Now, think a moment about the early days of air travel. Modern aviation all began at Kitty Hawk in 1903...where the Wright brothers turned flight...which had been a dream for centuries...into a reality. In a few brief airborne moments...the distance between two points suddenly shrank and an entire world of new possibilities opened up. The world would NEVER be the same.

People were amazed at the news. Ground transportation...some of them might have thought...would be a thing of the past. The world surely would take to the skies! Every family would own a "flyer"...as the Wright Brothers' prototype was called.

From that time, of course, aviation steadily progressed. Success was no longer piloting over the hills and sandy shore of Kitty Hawk...but crossing the Atlantic.

Charles Lindburgh's first transatlantic flight in the Spirit of Saint Louis was met with great fanfare and celebration.

And as one achievement after the other made the newspapers...the excitement BUILT.

And THEN something happened that cast a dark shadow. The crash of the Hindenburg. A fiery disaster that shook the country and the world...a dark moment that even today...more than 60 years later...remains a powerful image.

Nonetheless...aviation most certainly has continued to progress. Engineers learned from the Hindenburg tragedy and put this knowledge to work...moving ahead in new ways.

Well, I think the story of aviation is similar to e-commerce's brief history. Every advancement over the past decade has generated more excitement...and heightened expectations. There was e-mail! Then the Web! People seemed to become rich cyber lords in the blink of an eye! Businesses all over the globe were "DOT-COMMED"!

And in the marketing arena...you could feel the BUZZ! At the pace we were moving...and with the advancements we were experiencing...it wouldn't be long before EVERYTHING imaginable would be just a click away...trouble-free. Conventional catalogs and advertising mail someday would go the way of the dinosaurs.

Stores would be boarded up. In fact...at the very first net.marketing conference in 1997...a keynote speaker prophesied that...and I quote... "within 10 years...we will have all of the technologies to close EVERY store in the country...and buy everything electronically."

In short, we were talking about a marketing REVOLUTION! We were NOT taking to the skies. No, we were shooting for the stars BEYOND.

Well...what can I say...? It was SO new... and looked SO promising! What could go wrong...?!

Actually, technology DOES allow us to buy almost anything online. HOWEVER, it's NOT just a question of technology, is it? There are other "MINOR" factors...like customer behavior...simple practicality and...of course...profitability.

Look at it this way...the Hindenburg was quite capable of flying...the technology was there. Remember...it DID cross the Atlantic. However, it wasn't perfect...or necessarily practical for all occasions and purposes. For example...off the top of my head...I'd say it would have served best if used strictly for NON-smoking flights.

It boils down to using the Net WISELY...taking advantage of its strengths...and NOT looking to it as some sort of technological panacea. So...e-commerce also has had a bit of crash...on Wall Street. And while a lot of the excitement seems to have gone up in smoke...this is still nothing but the BEGINNING for us. Just as aviation didn't stop with the Hindenburg...e-commerce is certainly NOT stopping because of the dot-carnage that's littered the commercial landscape in the past few months.

No, the Web won't overpower all other means of commerce. BUT it will COEXIST with other channels and continue to progress...in the same fashion that airplanes exist alongside cars and trains...each doing what it does best.

As I was preparing this speech...I saw an article in The Wall Street Journal that, I think, put it perfectly. It said, in short, that the recent crash was not the END of the road. Rather, it was just a bump in the road...albeit a BIG one.

The article went on to point out that the overly optimistic view that e-commerce would COMPLETELY change the world and supplant all other forms of commerce was just as UNREALISTIC as the pessimism that abounds today.

I couldn't agree more. We really DO have a lot ahead of us to be excited about. The Web will NO DOUBT end up being one of the greatest...most powerful...marketing tools EVER. But we must realize...and I think we have...that it can't do everything. It has its limits.

We also need to keep in mind that there's a lot of trial and error involved in using a new medium...so it's going to take a little while to get it exactly right.

(The Webbing of Direct Marketing)

Although, I am delighted to report, "traditional" direct marketers are off to an excellent start.

According to the member survey that we did last year...of those doing online sales...68 percent were doing so at a PROFIT...a 19-point increase from the year before.

By the way...The DMA will be fielding the 2001 membership survey this April. We'll then announce the results at our net.marketing conference in September, which will be in Denver. So, be on the lookout for the questionnaire and please give us your feedback.

Now...as for revenue...in 1995, direct marketers' Web sites drove \$170 million dollars in sales. Last year...industry's sales were projected to hit \$24 billion dollars...this year \$40 billion...and in four years...they're forecast to hit \$136 billion dollars.

Now...when you look at these numbers...it's clear that direct marketers are doing something right as they enter the e-marketplace. This becomes even more pronounced when you compare their performance to all the "dot-disasters" we've seen over the past six months.

And I think it's pretty clear why direct marketers have been doing so well. It's because we have a strong foundation in the basic principles of marketing. In short, we know how to sell...and deliver.

Some of the new guys...while producing incredible technology with all the "bells-and-whistles"...didn't always know the "ABC's" of marketing.

Which is too bad. Because there have been so many great ideas that...in the end...fell victim to poor execution.

In my mind...it's a lot like painting. Take Pablo Picasso, for example. He did some pretty innovative work that revolutionized the world of art...but he couldn't have carried out his ideas without CLASSICAL training...the BASICS...so to speak. In other words...Picasso could paint a woman that actually LOOKED like a woman.

Well...I think it's the same with online marketing. When you're marketing...regardless of the medium...you MUST have training in the classics...the BASICS.

Direct marketers...unlike so many of the companies that have gone under or are floundering...have just that. We've been refining at-distance marketing for DECADES. We have a leg up on others when it comes to...

- Database capabilities,
- Sophisticated order-taking,
- Fulfillment systems that get the job done,
- And customer service "know-how" that aims to develop lifetime relationships.

Now...for those who have the basics down...there are a lot of very exciting things on the horizon.

E-mail marketing continues to prove itself a very powerful tool...when used wisely. Certainly interactive television...an idea that was kicking around even a couple decades ago...is finally about to take off. I think that has enormous possibilities for targeted marketing.

And then there's a lot of talk about the wireless Web and other wireless technologies. I'm not sure. It, too, has some interesting marketing applications. But I think it's too early to say what will happen.

I know that as these technological developments occur...we will be keeping track...watching what works...and what does NOT.

(The Challenges)

Now...to keep our optimism in check...we should talk briefly about some of the challenges we face. Of course, there is the current downturn in the economy. Are we headed for a recession?

Depends on which economist you ask, I guess.

Well...whether this is a "recession" or not...certainly, most of us are feeling the pinch.

Another challenge...GROWING our customer base. Here in the U.S., nearly 60 percent of Americans now are online. That's excellent news.

However, let's be realistic...grabbing the next 20 percent will be more challenging. I suspect these are the folks whose VCRs still blink. And getting that LAST 20 percent of the people will be even more daunting. In other words, the people who don't even have a VCR. And once these folks do go online...getting them to make the leap into the e-marketplace will be an even bigger challenge for marketers.

BUT...you can bet The DMA, AIM and the Internet Alliance will be doing everything we can to help you grow your customer base as well as the industry's share of the marketing pie.

To that end...among other things...we're teaming up with Greenfield Online to offer our members a new Web site evaluation service called WebSuite. Beginning on March first...through a technology called "SCORE," you can receive visitors' feedback on site attribute rankings, loyalty, likelihood to revisit, likelihood to recommend, and overall satisfaction, among other things. If you'd like to see a demonstration or find out more about WebSuite, you'll find it in the Exhibition Hall.

(The Global Challenge)

And as more people around the globe go online...there are the challenges associated with "Going Global."

Yes, the Web IS creating a marketplace without boundaries. In fact...according to our member survey...93 percent of you with online sales now accept international orders...which was a big increase from the previous year's survey.

But taking orders is the easy part. Online marketers are still burdened by...

- Varying address standards;
- A lack of international customers lists;
- State infrastructures that are lacking;
- Fluctuating economies;
- Onerous tariffs;
- And diverse and incompatible payment methods.

Again...The DMA's working to help our members enter new markets...profitably...by developing programs and resources...and by identifying and eliminating... or, at least, mitigating...the barriers.

(The Privacy Challenge)

And then, of course, there are the political challenges that online marketers face. Unfortunately, there is a host of legislative and regulatory matters that's packing quite a wallop.

None more so than data privacy and security.

As you can see...it's caught the interest of the press. And where there is a headline... there is a politician.

In fact...we're not even two months into the new Congress...and already the online privacy and data usage legislation is flowing.

And as a general rule of thumb...for every bill in Congress...we've got a DOZEN similar ones in the state houses.

The regulatory agencies also are keeping us on our toes. For example, next month...The DMA will be participating at an FTC public workshop on marketing information practices. They'll be taking a look at the SHARING of data...the MERGING of online and offline information...and all SORTS of other industry practices. The FTC's aim is to build a public record which Congress could use to propose even MORE legislation.

Just how difficult is this political challenge? Well, I think the following...which was the opening sentence of a recent article...sums it up pretty concisely. It observed..."Arguing against privacy rights in the current congressional climate is about as politically savvy as arguing against PUPPIES!"

Well, I'm not going to preach. You've heard it before. Over and over. I just want you to know that...The DMA, AIM and the Internet Alliance continue to work hard...in policymaking circles as well as in the press...to address consumers' concerns.

However, the privacy and data security issue is a big industry threat. If your company is not doing EVERYTHING it can to be a good...make that, an "EXEMPLARY"... corporate citizen...then it's, really, part of the problem.

We can help. The DMA has an arsenal of tools and information available to help you "Do The Right Thing." Just visit our member booth outside the exhibition hall, call our Washington office, or visit our Web site.

Folks, remember this...we are only ONE "60 Minutes" segment AWAY from laws that could seriously... SERIOUSLY... impact the way YOU do business.

(Remote Sales Tax)

Another big political challenge...? Well, to paraphrase Shakespeare...

"To tax ...or not to tax remote sales..."that is one of the more pressing questions before the 107th Congress.

In a nutshell...the officials of some 76-hundred state and local tax jurisdictions argue that any company that sells to a person in that jurisdiction should collect and remit sales tax...EVEN IF the seller has no physical presence in that jurisdiction.

Not shockingly...those companies that have no physical presence...or "nexus"... DISAGREE.

However...sooner or later...it's politically likely that we'll have to collect and remit sales taxes on all remote sales.

Of course, we'd prefer NO tax collection. But wrangling taxes for 50 states is A LOT more appealing...and affordable...than doing so for 76-hundred towns and municipalities nationwide!

And this is why we are supporting a proposal that was introduced earlier this month by Senator Ron Wyden of Oregon and Congressman Chris Cox of California. This bill would extend the current moratorium on Internet sales taxes...while...at the same time...open the door to the ultimate simplification of taxing inter-jurisdictional sales...including...

- One tax rate PER state.
- One tax form recognized by ALL of the 50 states.
- And adequate compensation for the cost of collecting and reporting.

Well, this is definitely one to watch closely...so stay tuned.

(Postal Challenges)

The last political challenge I want to touch on relates to postal matters.

Now...I know. The Postal Service isn't exactly the first thing that bounds to one's mind when discussing net.marketing. However, UNTIL we can digitize tangible goods...we need affordable, reliable and universal delivery services.

Which brings me to the Postal Service...or, more specifically, to postal rates and legislative reform, which go hand-in-hand.

As for rates...even though the post office hiked rates on January 7th, they're now preparing to file a rate case this summer...which means another hike in the summer of 2002. We're hearing it could be an overall hit of nine percent...or even higher...which would be completely unacceptable considering the projected rate of inflation for this 18-month period would be about TWO percent!

Well, The DMA...as always...will be fighting the fight. But, really, it's kind of like poor ol' Sisyphus...who, in mythology, was condemned forever to rolling a giant stone up the hill only to have it roll right back down. And this is because the Postal Service is handcuffed with a set of rules that were passed in 1970. As a result...

- The post office's costs...which DRIVE our postal rates...are going UP.
- Its mail volume is going DOWN.
- And its customers are going AWAY.

So, what do we do about this problem? Legislative reform...real, comprehensive reform...and NOW.

Five years ago...then-Speaker of the House Newt Gingrich told us that reform would be "easy." All we had to do...he advised...was to get the Postal Service's customers behind it. Gingrich was WRONG. It's NOT been "EASY." AND he was RIGHT. UNTIL the postal community...which includes online marketers...rallies behind a package of reforms...the postal system as we know it today is doomed to be ground into pulp by the Web and its private sector competitors.

The bottom line here is THIS...if you will need an affordable, universal postal system in the future...do NOT dismiss our call for postal reform.

(Conclusion)

Well...clearly, we're not without challenges...but IF we continue to apply the tried-and-true principles of direct marketing to the new and powerful medium that the Internet represents...the past few months...in hindsight...will soon be seen for the mere "bump in the road" that, I believe, they are.

There is truly so much more for marketers to do with e-commerce...as long as we can continue to be realistic about what the Internet can...and CANNOT...do. Like the engineers and aviators who continued to forge ahead in tough times ...learning from their successes... as well as from their mistakes...we can take e-commerce to new heights.

From here on out it's onward and upward...because there's a lot more ahead for us. After all...if the recent "crash" is the equivalent of the Hindenburg...we have YET to discover the e-commerce equivalent of the jet engine...and beyond.

As direct and online marketing continue to move forward, The DMA...along with AIM and the Internet Alliance...will be working:

- To help harness tomorrow's technologies.
- To keep you ahead of the technological curve.
- And to foster industry growth and profitability in the 21st century.

Ladies and gentlemen, thank you.

(Introduction of S. Murray Gaylord)

And now I have the privilege to introduce... S. Murray Gaylord...the vice president of marketing for Yahoo! Inc.

As head of marketing, Murray has focused on continuing to build and enhance Yahoo!'s global brand.

Among the teams that he leads are the creative department, trade and broadcast services marketing, and community relations.

A veteran of the advertising industry, Gaylord joined Yahoo! in March of last year to develop and lead the company's initiative to form comprehensive relationships with advertising agencies and represent Yahoo in the advertising community.

His lengthy advertising career began at Young & Rubicam.

He then spent ten years at Scali, McCabe, Sloves Advertising...which is today part of Lowe Lintas.

From there, he went to TBWA Advertising.

And prior to joining Yahoo, he was executive vice president and chief operating officer at the Advertising Council, where he spearheaded a major re-engineering of the organization and paved the way for new media partnerships, cause marketing partnerships, and new direct marketing models.

Ladies and gentlemen...please welcome...Murray Gaylord.