

BRIEFS

64-bit ProLiant Ships

Compaq Computer Corp. said it has started shipping the ProLiant DL590/64, its first 64-bit industry-standard server based on Intel Corp.'s Itanium processor. Pricing starts at \$23,000 for a dual-processor 1GB system. The ProLiant DL590/64 is being marketed to customers with Internet and business-critical applications.

Calif. Moves Toward Privacy Standard

California lawmakers last week moved closer to overriding the financial privacy provisions set in federal law with a stricter state statute. Unlike the federal law, the Financial Information Privacy Act gives consumers the ability to opt out of confidential data sharing. It also requires an "opt-in" option for firms that want to sell customer data or share it with third parties. The bill has already won state Senate approval but still faces more committee reviews and approvals.

Toshiba Unveils Windows-Based PDA

Tokyo-based Toshiba Corp. entered the competitive market for personal digital assistants (PDA) last week, unveiling what it claims to be the world's smallest and lightest Pocket PC device. The Genio e550 is due to hit U.S. shelves by the end of the year. Pricing for the product is expected to be about \$561 in Japan, where it's scheduled for release next month.

Short Takes

Ottawa-based software vendor COREL CORP. is acquiring Dallas-based business graphics software vendor MICROGRAFX INC. in a \$32 million stock swap. . . . SPOT-FIRE INC. in Somerville, Mass., today will announce DecisionSite 6.2, its data analytics software, which has added XML-based configuration tools and other features.

Cost, Integration Top Analytical CRM Issues

Projects are challenging, but still increase

BY MARC L. SONGINI

FINDING themselves sweating in the current gloomy economic climate, companies are especially eager to harness their wild customer relationship management (CRM) data to maximize their marketing dollars. But there are plenty of obstacles, say users and analysts.

Although advances in Web, storage and business intelligence technologies make analytic CRM systems more attractive than ever, users still face a big upfront investment, as well as scalability and data integration issues.

IDC in Framingham, Mass., predicts that spending on CRM analytic applications will surpass \$2.3 billion by 2004, a 51% increase since 1999. But users and analysts agree that the devil is in the data.

"The biggest challenge is that data is in silos, so it takes a lot of effort to take all that and get a single 360-degree view of the customer," said Bill Lepler, vice president of CRM at The Limited Inc., a clothing retailer in Columbus, Ohio.

The company, whose stores include Express and Victoria's Secret, has started doing marketing pilot tests using analytical software from Cary, N.C.-based SAS Institute Inc. The application helped The Limited target 100,000 of the best potential customers for a recent upselling and cross-selling campaign, resulting in a 400% return on investment in the marketing campaign.

Fighting over the question of who owns the data is another issue, said Kaenan Hertz, director of CRM and digital intelligence at the Reston, Va.-based Student Loan Marketing Association, or Sallie Mae. The firm uses a mixed set of applications

from vendors such as E.piphany Inc., in Santa Clara, Calif., to cross-sell to customers. "People who are responsible for certain databases don't want other people accessing data from them," said Hertz.

The cost of the applications keeps some users on the fence. According to SAS, \$500,000 is about average for a

full analytical CRM package.

"One of the biggest fears is that it is a very expensive proposition, and you have to prove there is a return on that kind of expenditure," said Jim Sofranko, the executive director of marketing and new business development at Chicago Blackhawks Hockey Team Inc. It's hard to craft a return on investment on analytical CRM, he said, but the franchise is interested in pursuing it anyway. The Internet has



LEPLER: Data silos present the biggest hurdle in CRM.

Oracle Boosts Content Management

Added Oracle9i features focus on data accessibility

BY DAN VERTON

Oracle Corp. last week announced a new consulting group and enhancements to its Oracle9i database and application server software aimed at improving users' ability to search for and manage a vast assortment of data types stored throughout their enterprises.

The company's Collaborative Content Management services will provide Oracle9i users with support for XML data and file-based network protocols such as Web Distributed Authoring and Versioning. Oracle database rivals IBM and Microsoft Corp. also offer XML and content management software with their database products.

The new services also include an enhanced version of the Oracle Internet File System (IFS), which provides sophisticated XML tagging and improves customers' ability to

search for and manage data in productivity applications like Word documents, spreadsheets and presentations.

The company will begin rolling out the content management services later this year through its trading partners and its online store, said Bob Shimp, an Oracle marketing executive.

Users lauded the addition of XML support and the expanded content management features but said they aren't sure how quickly those features would be adopted. The addition of XML and other technologies "shows the innovation of Oracle to adapt the product to customer needs," according to Rich Niemiec, president of the International Oracle Users Group-Americas, a Chicago-based organization that represents Oracle database users.

However, as with any new

made it relatively cheap to run marketing campaigns via e-mail and to leverage disparate pieces of CRM data gathered through the Internet and other channels into one place for analysis, said Jeff Hunter, a CRM director at General Mills Inc., a food producer in Golden Valley, Minn.

But he said there are limitations. "We have to approach this in a particular way, as we're a consumer packaged food goods company and no database covers all customers," Hunter said.

General Mills this year plans to run analytical CRM pilots using its SAS business intelligence application. ▀

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JUST THE FACTS

Got Data?

Oracle9i content management improvements include:

■ Enhanced Oracle IFS for sophisticated XML tagging of data

■ Oracle Text for advanced content-based queries on 150-plus file formats in more than 57 languages

■ XML file search capability based on content subject

technology, "this is an area that is still not mature and will probably change somewhat before it is accepted industry-wide," he said.

"Being able to handle all data types is essential to the Oracle database story," said James Governor, an analyst at Illuminata Inc. in Nashua, N.H. "If

you buy into Oracle's [application] consolidation message [purchasing all of your software from Oracle], then this is just something that they have to do."

However, there have been performance issues with IFS and its search and indexing capabilities, Governor said.

A new IFS feature called Ultra-

Search will boost its search and indexing functionality, Shimp said.

"We have been working on all fronts to improve management, storage and searching capabilities," he said. ▀