

JUST MANAGING

IS IT METHOD
OR MADNESS
FOR TODAY'S IT
MANAGERS?

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FOR WHAT NEW IDEAS
WERE PRESENTED AT
THE SIM CONFERENCE.

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DRILL DOWN

Low-end clustering solutions are expected to foster Net applications.

Cyberspace Savors

BY RUSTY WESTON

FOR SHEER HAVOC IN CYBERSPACE, it's hard to top crashing intranet servers. Usually it's the software, but often it's PC servers that can't handle unpredictable spikes in demand. Apart from embarrassment, IT managers are frazzled by inadequate system management tools, unreliable servers and system software.

Forget fault tolerance: It's too expensive. In the near term, many IT shops will opt for Windows NT or Unix workstation servers with "high availability" features such as RAID. By January, however, a cadre of Intel and RISC system vendors will introduce low-end clustering solutions—call them cyberspace saviors—for intranets and electronic commerce applications, among others.

A web of cross-licensing deals concerning Tandem Computers Inc.'s ServerNet cluster interconnect PCI cards and Microsoft Corp.'s nascent Wolfpack APIs will drive the new Windows NT clusters. Wolfpack, expected to enter beta testing around the time of Comdex (mid-November), initially will tie together two NT servers with failover capability and basic system monitoring software. By January, look for Wolfpack-compliant servers from Tandem, Compaq Computer Corp., Digital Equipment Corp., IBM, Hewlett-Packard Co. and Dell Computer Corp. Also, look for system management software add-ons from Computer Associates International Inc. and from Microsoft itself to help manage these clustered servers.

"Within five years, I'll have NT clustered servers," predicts Allen Feryus, CIO of the New York Mercantile Exchange, the world's fifth-largest commodities marketplace. Feryus is still waiting for NT to become infallible before moving his production system to it. In the meantime, however, cy-

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NATURAL SELECTION



INTERNET

Adapting to the Web evolution is not always best. That's why traditional media is not extinct at some firms.

BY ESTHER SHEIN

tomers, according to the experts.

"There's been too many expectations set too high for Web sites that don't get met, and people back off," says Norm Rickeman, a managing partner with the Entertainment and Media Information Services Group at Andersen Consulting, in Minneapolis.

Instead of the Web, many large compa-

YOU REMEMBER DARWIN'S FIRST rule of evolution: Adapt or die. But when it comes to marketing your business over the Internet—or conducting electronic commerce, for that matter—does that old law of nature apply?

Not necessarily. In this year's mad rush to keep pace with the Internet revolution, many companies are now taking a step backward, questioning whether their hastily erected World Wide Web sites can really deliver the expected return on investment. It's not so much an issue of cost. Rather, many businesses—particularly in the retail arena—are fast discovering that Web sites are not the most natural fit due to concerns about bandwidth, the amount of traffic the sites can actually generate and the issue of how close companies can get to potential cus-

panies are turning to tried-and-true forms of multimedia to get their word out, including interactive kiosks, CD-ROMs, even laptop presentations. That's not to say these companies haven't put up Web sites—many have, especially the large corporations. But some of the smaller divisions are finding that more traditional multimedia marketing vehicles are not going the way of the dinosaur—rather, such vehicles often make better economic sense while the Web evolves.

"Bandwidth and targeting [customers] are two basic problems of the Web," notes Harry Fenik, vice president of technology at Zqna Research Inc., in Redwood City, Calif. "That's why people are turning to other technologies like CD-ROMs—not to avoid the Web, but to target people they want." CD-ROMs can accommodate richer material such as movies and sound, which is currently impractical on the

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SELECTION

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Web. Moreover, kiosks are sometimes a better vehicle for disseminating information to a wider, less technical audience than the Web, while an old standby—presentation software—can be the best way to custom-tailor marketing materials (see chart, Page E6).

BEST OF ALL WORLDS

Rather than choosing one medium over another, the most common sense marketing approach, according to the experts, is a combination that utilizes the Web with another proven form of multimedia. "We steer [clients] in a multipurpose direction because the Web isn't the end-all," says Burt Cummings, vice president of sales and marketing for Eagle River Interactive, a new media consulting company in Mountain View, Calif.

A recent survey conducted by Millennium Productions Inc., an interactive marketing and design company, supports this. Interviews with 1,000 companies of varying sizes showed that half wanted to become more educated about the possibilities of the Web, but were not sure whether the investment in a Web page would be worthwhile, according to V.A. Shiva, Millennium's president and CEO, in Cambridge, Mass. "Some people are not not meant for the Web if they don't know how to incorporate it as part of their marketing strategy," Shiva says.

With that advice, here are the stories of four companies, or divisions within companies, that have chosen to emphasize sales and marketing efforts outside of the wild and woolly world of the Web.

For Sony Retail Entertainment, a division of Sony Corp. of America, selling merchandise is a touchy-feely experience. That's why the company, which peddles electron-



ic components, music and videos at the Sony Style store, in New York, opted for kiosks instead of a Web site to present its wares and the entire Sony label of 2,600 titles.

"Our charter is physical retailing, not virtual," says Dave Spencer, vice president of SRE's Entertainment Technology Group, which designed the kiosks. "Selling over the Net makes sense when you're home, but when you're out shopping, it doesn't make much sense to have a Web site in a physical environment. We're still a bricks-and-mortar presence."

Twenty-four kiosks have been set up since November 1995, each composed of an Intel Corp.-based PC sporting a 1G-byte hard drive, 32M bytes of RAM, a sound card, a 15-inch Sony monitor and a touch screen. The front end, designed using Macromind Director from Macromedia Inc., links to a Microsoft Corp. Access database, letting users listen to music before they buy or sample the features of particular electronic equipment.

"People like to touch the product. They like to pick things up and look at them"

before they buy, says Spencer, in Burbank, Calif. "That's impossible to do on the Web, no matter how clever you get."

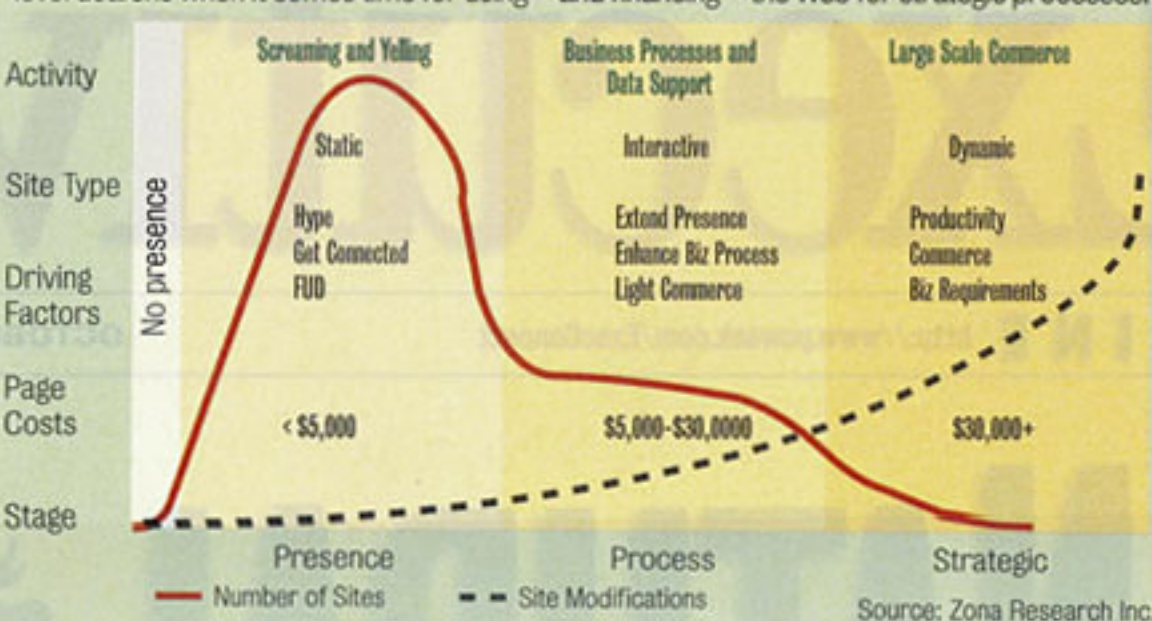
Conceivably, a Web site could show a picture of a recording artist, let users click on it to sample the music and, if satisfactory, eventually order, pay for and download the CD, Spencer explains. However, SRE is not interested in this approach—for now. Spencer believes the sound quality would likely be on par with what you'd hear on AM radio, and there would be legal implications over royalties associated with electronic distribution.

"The buying market is getting more and more sophisticated," Spencer says. "But we still have a 28.8K-bps [bandwidth] burden to deal with for some time to come. ... In the store, we have as much bandwidth as we need, and we can give as high resolution multimedia presentations as we need. We're not limited by the size of the pipe."

SRE does intend to add an intranet component to the setup, however, by networking the now stand-alone PC-based kiosks to a

Supply and Demand

Demand for Web sites is high for companies looking for a marketing presence. But the noise level deafens when it comes time for using—and financing—the Web for strategic processes.



Source: Zona Research Inc.

central server and adding a custom version of Microsoft's Explorer browser. This approach, planned for the end of next year, will allow any changes or updates to the system to be done more efficiently because all Sony ads, instructions or music clips can be downloaded from the server to each kiosk simultaneously, Spencer says.

The intranet will make changing CDs in the kiosks a less manually intensive process, for example. Currently, someone has to go through all the disk changers and physically remove CDs; in the future, store employees will be able to hit a button from the browser to make the change electronically on the file server, adding new CDs and removing outdated ones, Spencer says.

Despite this future emphasis on an intranet, kiosks will continue to be used at the Sony Style store for a long time to come. "People like to shop," says Spencer. "I think a bricks-and-mortar retailer is going to be around for a long time."

REAL-LIFE ROAD TEST

Given that real-life simulations of the rockiest road or the smoothest ride can often seal a deal on the purchase of a new luxury car or a four-wheel drive vehicle, it's no wonder Toyota Motor Sales USA Inc. opted for a CD-ROM marketing tool over use of a Web site. As part of the launch of the 1995 Toyota Tercel, Avalon and Tacoma product lines, Toyota marketing officials decided to test the use of a disk to see how receptive people would be to getting information in a digitally-based format. Of 30,000 respondents to a television infomercial that mentioned the disk, 60 percent requested them over brochures.

"We said, 'There has to be something to this,'" recalls

Greg Kitzens, national advertising manager for Toyota, in Torrance, Calif. The impressive response became the impetus for (See **SELECTION**, Page E6)



Net Takes a Backseat to Other Multimedia at Epcot

At Epcot's Innoventions, a hands-on showcase of future technology, the Internet is playing second fiddle to countless other advances such as virtual reality and interactive television.

Based on demographics that show that some 30 percent of Epcot's 1 million visitors per month do not own computers and 70 percent are strangers to the Internet, the showcase features some 13 or 14 exhibits that highlight alternative ways to get news, information and entertainment, says Mike Gomes, senior business development analyst at Innoventions, in Orlando, Fla. Right now, the primary cyberspace exhibit is an Internet classroom.

"People are excited about the Internet, but only a minority of people know what

width problem solved before the end of the century."

Speed is a critical factor when trying to download information from the Internet, notes Bob Vignec, a technology specialist at Innoventions. "The problem with the Internet is it's not an on-demand function. We live in an on-demand society, and people expect their information and entertainment to be instantaneous. We haven't gotten there yet" because of the time it takes to boot up a computer, load the browser, type in a URL and wait for any graphics to download.

In addition to CD-ROMs, Disney-esque stage presentations and three-screen video projection demonstrations, Innoventions displays technology that goes beyond what

active television network in 4,000 homes north of Orlando, via a fiber-optic and

coaxial cable network. The combination enables PSN to become a single-source provider of traditional cable, interactive television, telephone services and high-speed PC access to online services. By hitting the proper button on a remote control, visitors to the Innoventions exhibit can shop, do their banking, order food, watch news programs and movies on demand, or activate an Internet connection.

merge themselves in virtual reality," says Gomes. Developed for NASA, the HMDs

act like a periscope and allow the visitor to navigate through a virtual environment—in this case, St. Peter's Basilica.

Other exhibits include a display of General Motors Corp.'s electric motors, other forms of technology such as robotics and even unique materials that make a tennis racket lighter, Gomes says.

"Technology almost has that cold, hard feeling



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