OnetoOne eMarketing Strategy Alignment: Five Internet Case Studies

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Abstract

Despite widespread adoption of new online business models and the rise of online or eMarketing using the Internet (Net) and its current graphical face the World Wide Web (Web), there remains a need for empirical research into specific aspects of eMarketing strategy beyond clickthrough analysis, Web audience analysis and scrutiny of Websites properties to mention the most widely examined elements. This paper discusses Peppers and Rogers (1999) OnetoOne strategy matrix and synthesises their approach with a series of personal interviews with business managers, drawn from a broader empirical study. It does so in an endeavour to improve outcomes from eMarketing strategy and the use of individual Net technologies. The aim is to aid both business practitioner and academician alike in further improving the effectiveness and efficiency gained from using converging technologies in eBusiness.

Biographical details of author

Stewart Adam is co-author with Professors Philip Kotler (*Northwestern University*), Linden Brown (*University of Technology, Sydney*), and Gary Armstrong (*University of North Carolina*) of the third, fourth and fifth (2001) editions of *Marketing* as well as the 2001 edition of *Principles of Marketing*. Stewart is lead author with Eugene E. Clark, (*University of Canberra*), of the 2nd edition (2001) of *eMarketing@Internet:Connecting People and Business*. He is also co-author with Colin Baskin (*Griffith University*) of *Managing on the Internet*, now in its second edition. His other publications are in information technology, while his research and teaching interests are in eMarketing - particularly 'small-world' network phenomena in eMarketing communication. Stewart is Associate Professor in Electronic Marketing with the Bowater School of Management and Marketing, Faculty of Business and Law, Deakin University, Melbourne.

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Despite widespread adoption of new online business models and the rise of online or eMarketing using the Internet (Net) and its current graphical face the World Wide Web (Web), there remains a need for empirical research into specific aspects of eMarketing strategy beyond clickthrough analysis, Web audience analysis and scrutiny of Websites properties to mention the most widely examined elements. This paper discusses Peppers and Rogers (1999) OnetoOne strategy matrix and synthesises their approach with a series of personal interviews with business managers, drawn from a broader empirical study. It does so in an endeavour to improve outcomes from eMarketing strategy and the use of individual Net technologies. The aim is to aid both business practitioner and academician alike in further improving the effectiveness and efficiency gained from using converging technologies in eBusiness.

Introduction

Despite widespread adoption of new online business models and the rise of online or eMarketing using the Internet (Net) and its current graphical face the World Wide Web (Web), little empirical research has been undertaken into specific aspects of eMarketing beyond clickthrough analysis and Web audience analysis (Ho 1997; Hofacker and Murphy 1998; Sutherland 1999), investigations of Website elements and performance (Berthon, Pitt, Ewing and Boudville 2000; Adam and Deans 2000), examination of relationships in eMarketing logistics networks (Steinfeld, Kraut, and Plummer 1997; Adam, Mulye and Deans 2001) to cite a sample of such published research.

There remains a paucity of empirical research into effective eMarketing strategy, beyond popular press articles concerning companies spinning off Internet business units with the aim of floating these on the local stock exchange. With the advent of more realistic valuations of business, colloqualised as 'TechWreck 2' by the financial press in late 2000, media commentary on the transactional nature of Websites, the underlying technology and the fortunes to be made has abated, and in Australia at least, attention is returning to the search for sound online business models and eMarketing strategy (Davidson

2000; Rappa 2001). As Rayport (1999) pointed out and Porter (2001) elaborated on, eBusiness, is after all just business and the same financial rules apply to both business types. It is in the context of providing some further insight into both large and small business use of the Internet in eMarketing strategy that this paper is offered.

Literature synthesis and analysis

Peppers and Rogers (1999) suggest that customers have varying requirements of the businesses they deal with, and that they each represent different value to the business. They suggest that based on the answers to two questions, firms may find themselves in one of four quadrants in a OnetoOne differentiation strategy matrix. Depending on how differentiated the customers needs are, and how differentiated the customer valuations are to the firm, the business can establish its position in terms of the most appropriate strategy to adopt, be it mass marketing (quadrant I) through to OnetoOne marketing (quadrant IV). Peppers, Rogers and Dorf (1999) suggest the need to answer two further questions relating to how capable the business is in terms of identifying and interacting with individual customers, and lastly how capable the business is in tailoring its behaviour to the needs of small customer groups or individual customers. Figure 1 illustrates how a firm might seek to re-align its marketing strategy in the face of competitive positioning and how customers are positioned. In Figure 1, the customers have highly differentiated needs, and different customers represent different valuations to the business. Moreover, competitors A and B are more able to meet customers' requirements, albeit for different reasons. The company is in the situation where it is advisable that it re-align its marketing strategy. To do so, the company must be able to take advantage of the situation, and be capable of tailoring or customizing its offer and capable of interacting on a OnetoOne basis with customers. It is suggested in this paper that this represents a situation where the firm may wish to re-align by adopting a OnetoOne eMarketing strategy by using the Web.

A business that finds its customers have highly differentiated needs and who offer great variety in their returns to the business (eg. share of wallet in the financial services sector) might well consider OnetoOne eMarketing strategy, particularly if competitors are already some way further towards adoption of this strategy

than the firm in question. It is suggested that full use of the Net or Web involves such strategic knowledge and that businesses such as Napster—in this case using ubiquitous peer-to-peer eMarketing strategy—are indicative of those suited to employing OnetoOne eMarketing strategy. In effect, not all businesses necessarily benefit from using the Web, and many that are not using the Web might well benefit greatly from its adoption—provided they integrate customer interface Web technology with backoffice business processes and enterprise processes generally. In other words, it is not enough to simply mount a 'brochureware' Website that remains locked in a one-way mass-marketing communication paradigm, and that completely overlooks the nature of the learning customer and the learning organisation.

Figure 1. OnetoOne Enterprise Strategic Map
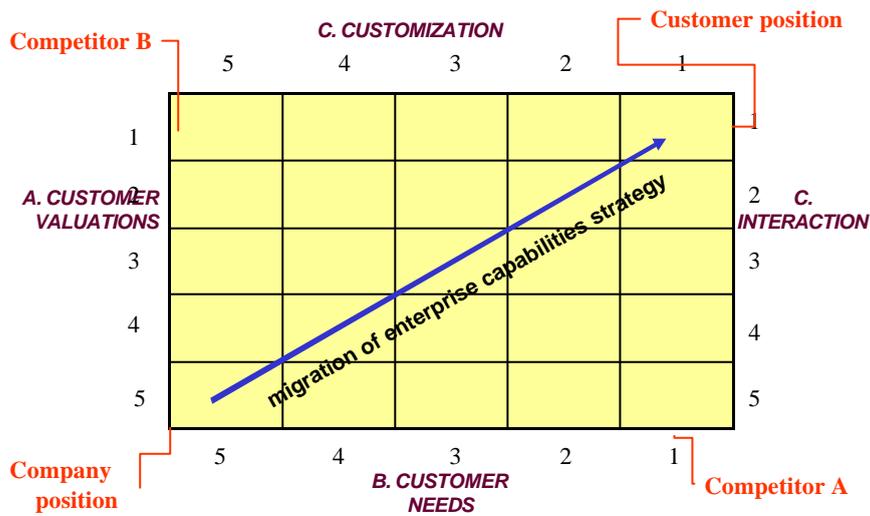
After Peppers and Rogers (1999), *Enterprise One to One.* Doubleday, N.Y. p.72; and Peppers, D. Rogers, M and Dorf, B. (1999), *The OnetoOne Fieldbook*. Doubleday, N.Y. p.168.

As may be seen from the reported discussions with respondents later in this paper, businesses using the Internet do so in the knowledge that the medium permits more than one-way communication and may be used for interactive communication, business processes such as order

taking and processing (marketing logistics network tasks generally,) and customer relationship management (Adam and Deans 2001). Berthon et al (2000) ascribe the growth rate in Web usage to the characteristics of the medium, yet as KPMG (1999) pointed out, "five of the top six business functions [in Australia and New Zealand] performed electronically via the Internet relate to communication, namely company information (50 percent), customer communication (49 percent), supplier communication (45 percent), marketing (42 percent), customer service (34 percent) and public relations/advertising (31 percent) ... very few are using the channel for transactional services such as order-taking, procurement, product delivery and payment" (1999, p.5). Poon and Swatman (1997a) noted during a longitudinal study of Australian small businesses engaged in eMarketing (or Internet Commerce / eCommerce / eBusiness as many interchangeably describe online marketing activities) carried out between 1995 and 1997 that most were using the Net for communication purposes in a similar way to using telephone and fax. The longitudinal study by Adam and Deans (2000) similarly found that businesses in Australia and New Zealand (84%) mainly used the Web for marketing communication-most preferring one-way communication with only 31% of respondents using the medium to interact with specific customers. Cisco System's Walsh agreed by commenting "most medium and large Australian businesses connected to the Internet use it to publish product information, what we call a vanity page" (2000, p.44). Similar results were found when examining small business (Adam and Deans 2001) as defined by the Australian Bureau of Statistics and used by Poon and Swatman (1997a; 1997b; 1999). Moreover, Adam and Deans (2000) reported that only 17.8 percent of all WebQUAL respondents indicated that they were trying to 'counter competitor initiatives' leaving the authors to conclude that alignment of eMarketing strategy to use the Net and/or Web was yet to occur.

Comments to the effect that small and micro-sized businesses are seeking access to world markets using the Net as is often claimed, are not the case in Australia and New Zealand (Adam and Deans 2000). WebQUAL survey results show that most are communicating and maintaining relationships, mostly in support of offline sales, in local markets. Furthermore, content analysis of said Websites shows a remarkable absence of features that are required for either transactions (eg. currency convertor) or

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customer relationship management (eg. multilingual communications choice) purposes with other than local markets (Adam and Deans 2000).

Overall, results from the WebQUAL Audit survey and content analysis rating stages indicate that little thought has been given to any OnetoOne eMarketing alignment strategies of the type alluded to in the literature synthesis and analysis section of this paper. Individual cases reported later in the paper present situations where eMarketing strategy has been adopted, often quite successfully.

eMarketing case studies: origins and methodology

The five Australian business interviews presented in this paper, as listed in Table 1, were derived from a multi-stage, longitudinal, probabilistic study of business and government use of the Web initially carried out in Australia and New Zealand and known as the WebQUAL Audit. The first stage of the study involved an email invitation to a sampling frame of 2,976 Websites drawn from the early 1999 population of 81,563 Australian and 17,888 New Zealand domain names (com/co; asn; edu; org; and gov). The study achieved a response rate of over 17%, with an overall useable response of 399 (13.4%) (Adam and Deans 2000).

There were three phases to the study: 1) the already mentioned online email and Web form survey of a random sample of Australian and New Zealand organisations with registered domain names <144.132.42.242/webqual/webqual.htm> , 2) content analysis of respondent Websites <144.132.42.242/webqual/WebQualConceptualModel.htm> and 3) personal interviews with selected respondents. The respondent business case studies summarised in Table 1, and detailed in the following section, are based on five personal interviews drawn from a total of fifteen Australian business interviews carried out in May / June 2000 in Sydney, Melbourne, Brisbane and Cairns.

It is of note that many eMarketing firms are small or even micro-sized businesses and are service-based industries, thus explaining in part the choice of respondents for personal interview in the Australian stage of the WebQUAL Audit (Poon and Swatman 1999). Moreover, they differ in terms of their size, as indicated by employee numbers and turnover, in terms of how they use the Web (Adam, Mulye and Deans 2000). In addition, they differ in the amount they spend on their Websites.   Small businesses in Australia

Table 1: Summary of Australian eMarketing businesses interviewed

Case number	Business classification(s)	Employee Numbers
1	Online liquor retailer	30
2	Personal services: wagering	600
3	Food and beverage ingredients supplier	8
4	Retailing (specialist equipment)	36
5	Tourism and hospitality services	4

are defined as those that employ fewer than 20 people or in the case of agriculture have an estimated Value of Agricultural Operations (EVO) of between A$22,500 and A$400,000 (ABS 2000). Small businesses as defined represent over 95% of all private sector businesses in Australia and account for 48% of all private sector employment (ABS 2000). As Poon and Swatman observed, there is an "obvious absence of the heavy and manufacturing sectors" in recent empirical studies of what is termed eMarketing in this paper (1999, p.21).

In the case of the personal interviews, respondents were provided a hard copy of their response to the survey stage as well as a copy of the rating sheet from the content analysis stage. The interviews were structured according to the content analysis rating sheets, with prompting to discuss eMarketing strategy where appropriate. The average ratings as well as the ratings relating to the respondent in question are shown in the next section.

eMarketing strategy case studies

So as to enable a comparison between interviewed respondents' Website performance and the mean of both business and government, Table 2 presents mean scores for the latter groups.

Table 2: WebQUAL Audit Content analysis rating comparison

	a.	b.	c.	d.
WebQUAL Government respondents (Australia only) n=7				
Mean	12	1	3	16
WebQUAL Business respondents (Australia only) n=228				
Mean	10	2	2	14
Maximum possible score				
Mean	26	14	10	50

[a.] New Media Marketing Communication Rating; [b.] Marketing Channel Rating; [c.] Relationship Enhancement Rating; [d.] Total Rating

1. Online liquor retailer: The newly appointed marketing manager in this firm described the business as 'pure bricks and mortar' because the firm still had licensing requirements for at least one physical outlet in each Australian State, and still had to deliver product in the physical world. Adam and Clark (2001) describe this business as 'almost pure dot.com' using their spectrum of online business, since there are minimal physical trappings and the business processes are mostly online. By way of contrast, eBay.com is a 'pure dot.com' since every aspect of the firm's operation is in marketspace, and it is eBay.com's customers (buyers and sellers) who are left to effect fulfilment in the physical world. Despite indicating in the survey that the firm was not using the Net to counter competitor initiatives, the firm illustrated at the interview stage that its eMarketing strategy was highly tuned and that it uses Web technology to make the product choice as convenient as possible for its customers; for example by interlinking information to products displayed in the catalogue. The firm was strategically using the Web to expand its local market coverage and to generate online orders. Moreover, the Website employed interactive technologies such as opt-in/opt-out messaging and a chat room. This online liquour retailer achieved scores as shown in Table 3.

Table 3: Online liquor retailer WebQUAL Audit Content analysis rating

	a.	b.	c.	d.
Mean (after interview)	17	9	8	34

a. New Media Marketing Communication Rating; b. Marketing Channel Rating; c. Relationship Enhancement Rating; d. Total Rating

It was clear that the rating given for relationship enhancement understated the firm's online endeavours in this regard. It was not obvious to the researcher that the firm used an online newsletter to maintain relationships with customers. Moreover information on the financial status of the firm was set out under Media Releases rather than accessible in its own right. Other aspects such as provision of an online helpdesk were not initially obvious.

Significantly, wine is not simply purchased on price but rather presents opportunities for the eMarketing firm to differentiate its range to meet the needs of highly differentiated customers. Moreover, the customers represent differentiated valuations to the business. A further point is the fact that the value of individual physical drops to customers is high given that a case of wine is of the order of $A100 and that delivery costs relative to total purchase price for each order are therefore minimal.

2. Personal services—wagering: This firm is involved in providing offline and online wagering and other services to consumers. Owing to the small number of competitors in this highly lucrative market, it is not possible to describe the operations as fully as the author would like and still provide the agreed anonymity to the firm. This firm is in much the same situation as banks, for while it maintains High Street branches with concomitant transaction costs, it is in the situation where it could deliver its services entirely over the Internet. Like the banks it could become a 'pure dot.com' if it were not for the fact that most of its customers are of an age where they are oblivious to the convenience of the Net, and many more still crave the social interaction available on the High Street. As before, the person who had completed the survey was no longer available and new managers were charged with responsibility for this area. A multi-discipline eBusiness team had the responsibility for developing eMarketing strategy as well as the operational side of the firm's Net

infrastructure. Once again, the survey respondent had claimed the firm was not using the Web to counter competitor initiatives. Yet, the firm illustrated at the interview stage that the Web was a centrepiece in its eMarketing strategy with daily and more frequent updates proving testimony to its reliance on this medium. The researcher allowed the new managers to complete the questionnaire with the result that the strategic use of the Web came to the fore. This firm was rare among eBusiness users of the Internet in that its number one reason for using the Web, for over three years, was to enable customer transactions. It also stood out in that it was satisifed with its Website performance. The firm claimed that it expected a 600 percent return on its Website investment in the financial year of the study. The firm spent up to $A500,000 on its public Website and a smaller amount on an Intranet.

Table 4: Personal services provider WebQUAL Audit Content analysis rating

	a.	b.	c.	d.
Mean (after interview)	14	7	2	23

[a.] New Media Marketing Communication Rating; [b.] Marketing Channel Rating; [c.] Relationship Enhancement Rating; [d.] Total Rating

An obvious question concerns the variance between the maximum possible score and the achieved score in the area of using the Web to enable customer transactions shown in Table 4—where the variance was greater before the interview at 2/14 than afterwards at 7/14. The reason came down to the fact that the the domain name randomly selected and analysed was not the main Website for the business. Many features were therefore missing from this subordinate site. This matter has since been remedied.

This firm illustrates the situation where the customers have many and varied requirements and expectations of the business if delivered offline and even moreso from a younger technically savvy market segment wanting such services online. Moreover, customers may subscribe to a range of services, and fall onto a spectrum between heavy users through to light users. They are mostly brand loyal and their subscription details are known to the firm.   In this scenario, the firm is ideally placed to use the

Internet and to spend more in the future to both enhance customer experiences and to improve customer tracking and interactivity on a one-to-one basis as further technological convergence occurs.

3. Food and beverage ingredients supplier: This small business had been established twenty years earlier in the business-to-business sector, and the original directors were still running the firm. As became evident in a number of firms, both large and small, the impetus to adopting the Internet was one person who had an interest in computers and Internet technology. He had convinced the others in the company that because competitors had Websites, then so should they. The company is an importer and wholesaler of food and beverage ingredients (eg. concentrates) to industry, and admitted that little additional business had been generated over the Net. They did not reveal prices to their customers over the public Internet, claiming that this would merely alert competitors. The respondent pointed out that instead of sending out expensive brochures that explained their products' technical details, they referred customers to their Website. In effect the company had transposed its brochures to the Web without much further thought.

The company had grown into computer use relatively quickly, and agreed that there had been productivity gains in terms of tracking customer orders and billing. The firm was not using the Net to contact customers, but rather waited for customers to contact them when their re-order point had been reached. Nor was the firm using the Internet for procurement tasks, even though this would have been of assistance given that the firm imported many items such as juice concentrates. They were aware of electronic data interchange (EDI), and that many still called this technology eCommerce. Their procurement was mostly handled by facsimile (fax).

In this instance the respondent was the national sales manager, and he stated that while he should spend as much time as possible in the field with customers, the reality was that much of his time was taken up in the office checking stock availability and like matters that he would like to be able to access remotely.

Table 5: Food and beverage ingredients WebQUAL Audit Content analysis rating

	a.	b.	c.	d.
Mean	12	2	1	15

a. New Media Marketing Communication Rating; b. Marketing Channel Rating; c. Relationship Enhancement Rating; d. Total Rating

The content analysis rating shown in Table 5 reflects the way in which this firm had adopted the Net from a technological standpoint rather than taking a business approach whereby marketing strategy was a primary consideration. Even though the main use of the firm's Website was for marketing communication, even here the firm was performing poorly.

In this industry, the respondent firm has customers with relatively differentiated requirements, given that the customers are producing many and varied food and beverage products, and have differing performance (eg. binding of coatings) and cost requirements depending on their own brand and market positions. For example, a customer producing food products for image fastfood chains has quite different requirements to a customer producing least-cost food products for another foodservice sector such as canteens. In addition, this firm's customers represent different valuations to the business. Also, there is greater dependency between buyer and seller in the business-to-business setting, meaning that the customers are subscribers whose transactions and value can be tracked using appropriate backoffice software interfaced with Web technology. In effect, the business might well consider OnetoOne eMarketing strategy alignment using an Extranet that only the firm and its customers can access on a secure basis. As was found in other business cases, the sales and marketing managers involved were not aware of the technological possibilities.

4. Speciality goods retailing: This firm markets specialist equipment through a number of independently owned and company owned stores. This business illustrated the nature of the issues that arise when eMarketing strategy is not considered, and a firm rushes to use the new medium. To protect the anonymity of this firm it has been given the alias of another industry—sporting goods—to illustrate the situation the firm faced. The business comprised two

groups: a) one Sydney-based, that managed independently owned stores trading under the same banner throughout Australia (with the exception of Victoria); b) the other a Melbourne-based and single company owned group of metropolitan and regional stores. In this case study, group (a) has been given the *Sports Action* banner or brand, while group (b) has been given the *Sports World* banner. The Sports Action group developed a Website to promote the name and promote its brand and store locations. The Sports World group put funds into the development of an interactive transaction Website. The email request to participate in the WebQUAL Audit survey was responded to by the Sports World (transacting online) group. The content analysis was unwittingly done on the Sports Action Website (not transacting online) with the result that the rating given to the site was much lower than that expected by the Sports World respondent (See Table 6). The situation was exacerbated by the fact that when making the appointment by email, the interviewer was dealing with the same person variously located in the Sydney offices of Sports Action and the Melbourne offices of Sports World.

The firm also found that it now had difficulties with its suppliers, not to mention the confusion that customers might encounter. The two groups had joined forces to act as a buying group. Rebates were expected from suppliers based on volume buys. The rebates would then be apportioned across the individual stores based on actual sales revenue. The Melbourne based transaction site was in effect cannabilising sales from regional stores and smaller stores in other metropolitan areas. This only came to light when analysing sales data for the apportionment of rebates. In effect the buying group was delivering both sales and rebates (lower costs) to the online transacting part of the banner group.

Table 6: Online specialty goods retailer WebQUAL Audit Content analysis rating

	a.	b.	c.	d
Mean (Sydney)	13	1	2	16
Mean (Melbourne)	19	10	6	35

[a.] New Media Marketing Communication Rating; [b.] Marketing Channel Rating; [c.] Relationship Enhancement Rating; [d.] Total Rating

The ratings given to the two groups in Table 6 illustrate the situation where the lack of eMarketing strategy led to implementation of two Websites within the one group of companies, each with different capabilities and functionality. In this instance, the Melbourne group were encroaching on the domain of other members with dire consequences for all parties—with the exception of the online consumer who presumably paid less by transacting online, or if paying more gained commensurate value from buying online. In the real situation, there were steps that could be taken to overcome the problem but these would not be available in the alias industry presented.

In the real industry, customers buying complex specialty goods have varied or differentiated expectations of the firm. In addition, customers represent different valuations to the business, particularly where customers are tracked and communicated with on a regular basis if they can be persuaded to opt-in. The company is well suited to adoption and implementation of OnetoOne eMarketing strategy realignment. However, the company group is not unlike KFC, Hungry Jacks / Burger King, or a similar image chain in Australia in that it is comprised of both company owned and franchised stores across a wide geographical domain. This structural issue still exists in that almost a year later the two Websites are still in existence, and the Melbourne based transaction site still differs markedly from the Flash-enabled 'vanity site' in Sydney.

5. Tourism and hospitality services: This micro service business is typical of those that have successfully migrated to the Net (Poon and Swatman 1999). The business is located in a high demand tourism area and can rely on the beauty and variety of the natural resources of the area to draw customers past its Website. In this regard, such establishments are similar to a boutique store in a shopping mall that can rely on those passers-by who are loyal to an adjacent supermarket or department store. Clearly, this is an 'almost pure bricks and mortar' business that delivers its experiences in the physical world, but one that enhances or augments the pre-purchase and post-purchase aspects of the service using the Web. Unlike some competitors, the company features on an electronic mall maintained by a local Internet Service Provider (ISP). The site was well coded and the managers knew to ensure that meta-tags were in place, even though they did not know the intricacies of how and why. They

knew that these were required for search engines to continually seek them out.

Moreover the firm has a subscription database of previous guests that it regularly, but not intrusively, communicates with online. Younger visitors often initiate the first of such communications because of their fondness for the owner-managers' pet. At the interview stage this pet was described as the marketing manager. While this comment is not too kind on marketing managers, the reality is that this pet is used to maintain relationships with existing customers long past the time when the experience of a holiday has passed, and without seeming to intrude.

Table 7: Tourism and hospitality services WebQUAL Audit Content analysis rating

	a.	b.	c.	d
Mean	13	1	3	17

[a.] New Media Marketing Communication Rating; [b.] Marketing Channel Rating; [c.] Relationship Enhancement Rating; [d.] Total Rating

The company responded at the survey stage that it used the Web for strategic reasons, and demonstrated this at the interview stage. The aesthetically pleasing design of the site and its simplicity are not reflected in the content analysis scores shown in Table 7. The site is not used as a stand-alone booking site, which explains its marketing channel rating. Moreover, their effective use of email to maintain contact is not reflected in the score achieved. Given it is in the 'people business', the firm can make better use of its Web expenditure and will no doubt do so in the future.

Once again, we witness a representative of an industry that is well-suited to adoption and implementation of eMarketing strategy realignment. Customers have the highly differentiated requirements of any tourism and hospitality service, and they often express the need to see what they are getting before they get there. In this regard the Web is an ideal tool. P&O's SkyCam <http://www.pocruises.com.au/psky/index.html> mounted on the bridge of the *Pacific Sky* is used for just such a purpose. Moreover, customers represent different valuations to the tourism and hospitality provider, not just in terms of the tariff paid for accommodation, but also in terms of their demands (and payments) for services

on offer. Knowing what is on offer beforehand often leads
to greater sales in such situations.

Academic and managerial implications

The OnetoOne alignment strategy proffered by Peppers and
Rogers (1999) is suggested as a means of examining which
industries might benefit most from adoption of the Internet
in marketing strategy. Of the cases examined, the firm to
gain least appeared to be the wholesaler of food and
beverage ingredients. This is not to say that this firm's
eMarketing strategy should not include the Net. Rather it
is suggested that of the three areas where the Net can be
used to good effect, relationship management might be the
main strategic element and that this would be best achieved
using an Extranet rather than the public Internet.
Moreover, business productivity could also be improved by
use of an Extranet and processing customer orders—an aspect
of marketing logistics network management.

The firm that appears to have gained most from employing
the Internet in its marketing strategy, and that appears to
gain even moreso as the convergence of the Net and
interactive (digital) television becomes a reality, is the
business involved in personal services—wagering. This is
due to the nature of the product. On one hand the person
placing the wager likes to experience both the race or
sport on existing media. On the other hand such people
also want to wager on the outcome of the event. Both are
'bits' rather than the 'atoms' involved in supplying
physical goods. Each of the respondent firms lies in a
different position on the earlier-mentioned 'Pure dot.com
to Pure bricks and mortar' spectrum, and each stands to
gain differently from employing the Net in OnetoOne
eMarketing strategy, and re-aligning their business to
match the expectations of the customer, and to successfully
counter competitors. The Personal services—wagering firm
can expect to continue to sell off, and initially lease
back, physical outlets as their customer base becomes more
online oriented.

It is clear from many of the observed cases that sales and
marketing management require knowledge and skill based
education and training into the advantages offered by
converging Internet and other technologies (eg. DoCoMo
iMode, WAP, and 3G cell phones). In particular they appear
to need to view converging technologies as but one of the

inputs to maintaining sustainable competitive advantage in the marketspace of the future.

One outcome that impacts on the marketing scientist is the reliability of studies that aim to predict the outcomes of business adoption of technologies such as the Net, wireless application protocol (iMode and WAP) phones—or m-Commerce as it its also known—based solely on surveys, particularly online surveys. There are a number of pitfalls, but the important point is that it is necessary to employ a number of methods so as to reduce the likelihood of bias (eg. self-selection bias) and ensure that such studies may be repeated over time (Deans and Adam 2000).

Closing remarks

There is a place for Internet use in the marketing strategy adopted by most businesses, though not all. Internet marketing is now firmly part of the arsenal of weapons of the direct and online marketer moreso than those appealing to a mass consumer market. However, even in the latter situation, there are elements which may be employed to supplement mass communication (eg. television) and targeted communication (eg. subscriber-TV).

It has been argued in this paper that rather than simply adopt the Internet and Web on a trial and error basis, as often appears to be the case, business should closely examine the applicability of elements of the OnetoOne alignment strategy put forward by Peppers and Rogers (1999). The case studies selected from the WebQUAL Audit in Australia illustrate that eMarketing strategy employing the Net and Web involves more than simple 'brochureware' and 'vanity sites'. The case studies illustrate many of the benefits of strategically aligning the firm's marketing effort to meet the requirements of online customers. In addition, some of the issues associated with poorly developed eMarketing strategy and incorrect implementation are highlighted. While the WebQUAL Audit survey and content analysis results indicate that overall business use of the Net in Australia and New Zealand is not based on strategically directed expenditure, individual case studies show that sound eMarketing strategy is being developed and implemented in many product categories and markets.

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