E-commerce marketing strategies: an integrated framework and case analysis

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Keywords

Electronic commerce, Marketing strategy, Marketing mix, Consumer products, Internet, Grocery

Abstract

Demonstrates the usefulness of the traditional marketing model in developing e-commerce marketing strategies. Discusses four e-commerce frameworks and integrates them with the traditional marketing model (product, price, promotion, and distribution) to develop a complete framework. Discusses how the e-commerce strategies could be applied to a real company using the integrated model.

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Logistics Information Management
Volume 14 · Number 1/2 · 2001 · pp. 14–23
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Introduction

Numerous strategic frameworks have been proposed to help organizations market themselves on the Internet (Kalakota and Whinston, 1997; Rayport and Sviokla, 1994). Many of these strategic frameworks represent new versions of familiar themes in the marketing process. This paper will show that by integrating the new strategic frameworks with the traditional marketing model a more thorough framework can be developed. Then, the integrated framework will be applied in the analysis of e-commerce strategy for Nabisco, an established consumer products company that has begun to formulate its e-commerce strategy.

Framework integration

Zwass (1996) suggests that the established way to analyze and develop complex systems (such as e-commerce) is to organize them in a meaningful structure. As a means of comparing the frameworks presented, the major concepts of each article will be discussed as they apply to the traditional marketing mix model of product, place, price and promotion. In addition to the four Ps model, we will also discuss how each framework addresses shifting consumer expectations. Table I summarizes four articles that provide strategic frameworks for thinking about online relationships between manufacturers, retailers, and consumers. Table II shows how the major concepts of each framework map to the traditional marketing model.

Product

A product is anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need (Kotler, 1991). In an e-commerce marketing strategy it is important to remember that information is now its own viable product. Many of the frameworks reviewed addressed this area. Rayport and Sviokla (1994) discuss transactions where the actual product has been replaced by information about the product and Evans and Wurster (1999) discuss navigation as its own business. This

This research was supported by the New Jersey Center for Multimedia Research.

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Table I The e-commerce frameworks

Article	E-commerce business framework	Major consequences
Managing in marketspace (Rayport and Sviokla, 1994)	Technology has allowed the information about a product or service to be separated from the product or service itself. This new market space has three elements: (1) Content is what is being sold (i.e. what you take delivery of). This can be information, a service or a physical product (2) Context is how the content is presented for sale. Key to consumer loyalty, once the consumer is loyal to a particular context, there is a large potential for related transactions (3) Infrastructure describes how the buyer and seller are brought together Traditionally all three elements would be managed by a single player to develop a brand. Now the three elements will be segmented and can be managed separately to create brand value	Erosion of brand equity Physical products replaced with information based services Near-zero marginal costs of additional customers invalidates old concepts of pricing Companies must look to exploit the breadth of the electronic channel – develop context loyalty first, then exploit it with various content
The Internet and international marketing (Klein and Quelch, 1996)	E-commerce will develop along two paths: information to transaction (established companies) or transaction to information (start-ups) Web sites must be built to reduce costs for customers (e.g. customers' service, transactions) or to generate revenue from them (e.g. product information, promotions, market research, transactions) E-commerce should enable buyers and sellers to come together where they previously could not. This is a critical area of growth for international companies	Technology (connection to the network) will become more important than size for companies marketing on the Internet Standard pricing Changing role for intermediaries Companies dominating markets
Making business sense of the Internet (Gosh, 1998)	Four business opportunities that are provided by the Internet: (1) linking companies directly to customers, suppliers, and other interested parties (2) allowing companies to skip other players in the value chain (3) using the Internet as a tool for developing new products and services for customers (4) allowing companies to dominate the electronic channel of an entire industry or segment, control access to customers, and set business rules	Replace intermediaries and value chain members Increased customers' loyalty New competitors and customers The emergence of category killers
Getting real about virtual commerce (Evans and Wurster, 1999)	Navigation is now a separate business with three aspects: reach, affiliation, and richness Reach refers to the number of different categories and products a consumer interface (e.g. store, catalog, and Web site) can cover. Reach also refers to the number of customers a business can interact with Affiliation refers to whose interests are most important to the merchant: the customer's, the retailer's or the supplier's? Richness is how much information can be exchanged between a producer and consumer. Richness has two aspects: customer information and product information	Brands, as a source of rich information (particularly those based on fact based beliefs), will lose much of their value The value chain will break down in most industries Navigators will be able to capture most of the value in an industry as the other elements of the supply chain (e.g. physical retailers, distributors, and manufacturers) become commoditized

change has resulted from technology that has brought down the cost of collecting and disseminating information about consumers and products. Evans and Wurster (1999) describe navigation as the process through which shoppers collect information about products. In the physical world, a shopper who wants to buy something has to manually sift through the millions of choices. This usually requires a shopper to travel to a store and inspect the products. Unless they want to travel to various stores, they are limited to the information at one particular store. A complete search of all offerings would be extremely expensive, time-consuming and practically impossible. Instead consumers rely on product suppliers and retailers to aid them in the search. This allows the suppliers and providers to use the consumers' cost-of-search as a competitive advantage. However, on the Internet, consumers can search much more comprehensively and at virtually no cost. Suppliers and retailers must realize that product information can be delivered to

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Table II The electronic commerce marketing framework

Framework	Product	Place	Price	Promotion	Customer centered
Managing in marketspace (Rayport and Sviokla, 1994)	Content – what is being sold (what do you take delivery of?)?	Infrastructure – how was the sale possible? Context – how is it presented for sale?	Pricing based on cost has no place		
The Internet and international marketing (Klein and Quelch, 1996)		Global reach Market makers	Standard pricing	Global branding	Understanding the global consumers
Making business sense of the Internet (Gosh, 1998)	Tool for developing and delivering new products and services to customers	Companies can skip other players in an industry value chain Companies are able to dominate the electronic channel of an entire industry or segment, control access to customers, and set business rules			Links companies directly to customers, suppliers, and other interested parties
Getting real about virtual commerce (Evans and Wurster, 1999)	Navigation as a separate business	Reach		Richness	Affiliation

consumers by a third party. Indeed, pure navigators such as Yahoo! have already become major players in this business (Evans and Wurster,1999).

The Internet can also serve as a platform for new product innovations. Companies can use the direct access to consumers to collect information that will help them better develop products to meet the consumers' needs. For international companies this can provide adaptations and customizations for local markets (Klein and Quelch, 1996) or create niche products. Companies can also leverage their reach to consumers to sell advertising during transactions (Gosh, 1998).

Place

For most companies the place aspects of the marketing mix involve marketing channels. Marketing channels can be defined as interdependent organizations involved in the process of making a product or service available for use or consumption (Kotler, 1991).

Due to the size of its marketplace, the Internet will have the most profound effect on place in the marketing mix. E-commerce puts the purchase decision anywhere a connection to the Internet exists. All of the frameworks reviewed addressed place. Klein and Quelch (1996) discuss the global reach of the Internet in creating a larger marketplace and the strong growth of a network's utility based on Metcalf's law. Evans and Wurster (1999) discuss reach, the number of eyeballs that view a Web site. They claim that reach is the most visible difference between e-commerce and the physical world.

The Internet will allow organizations to skip over parts of the value chain. Gosh (1998) discussed how the Internet could be used to pirate the value chain. Examples most often involve marketing the product on the Internet in order to bypass the retailer. Computer manufacturers such as Dell and Gateway 2000 do this. UPS has a program to set up e-commerce sites for businesses that ship with them (Gosh, 1998). According to Evans and Wurster (1999), the navigational Web sites will allow small niche producers easier access to the markets. They will be able to skip over parts of the value chain that traditional suppliers have historically relied on for competitive advantage. Traditional suppliers could respond to this by keeping their product out of navigational Web sites to block their development. However, this strategy would be technically difficult and would only be

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successful if other large producers acted similarly. Furthermore, it would be a tremendous advantage for a single producer to defect from the group and offer its product and the only defense available to other producers would be follow to suit (this is an example of the tragedy of the common economics principle). A more successful strategy would be to enter into joint ventures or expand a supplier's Web site to offer competitors' products (Evans and Wurster, 1999).

It is critical to quickly develop a large customer base in e-commerce. Rayport and Sviokla (1994) describe the place of e-commerce in terms of two aspects: context in which the transaction occurs (e.g. an electronic on-screen auction replaces a face-to-face auction) and the infrastructure that enables the transactions to occur (e.g. computers and communication lines replace car lots). Rayport and Sviokla (1994) claim that customer loyalty must be first gained in the context dimension. The first mover advantage is very important because Internet standards could make the competitive advantages of a particular context difficult to sustain. By their very nature, standards will allow organizations to duplicate the design and features of competitors' Web sites. However, the courts may provide some protection for e-commerce store designs (Reuters, 1999).

Organizations that are first to offer a large breadth of products to consumers will have an advantage. The marketplace on the Internet could consolidate quickly as many e-retailers will attempt to become category killers, places where consumers can go for all their shopping needs. The success of category killers can be seen in the bricks and mortar world (e.g. Wal-Mart). Category killers on the Internet would have the following advantages: physical space is less of a constraint, expansion would be easier on the Internet, and stores can customize offerings to consumers. Instead of navigating hundreds of sites to find what they need, consumers will stay with the sites they find convenient. Magnet stores or category killers can be expected to form around a number of dimensions such as product, service, customer segment, and industry (Gosh, 1998). For example, the largest physical Barnes & Noble bookstore in the USA still carries only 200,000 titles. Amazon.com offers 4.5 million volumes and is "located" on some 25 million computer screens. With the success of category killers, some are starting to move outside their categories. Amazon.com now sells CDs and toys among other things (Evans and Wurster, 1999). Gosh (1998) further suggests that manufacturers need to figure out how to embed their products in these magnet stores. This may be a key for the long-term survivors over the next few years.

Price

Price is the only element of the marketing mix to generate revenues. As Kotler (1991) suggests, all other elements of a business operation represent costs. Internet pricing decisions will be just as important as they traditionally have been; however, most of the frameworks did not discuss price.

The Internet will lead to increased price competition and the standardization of prices. Klein and Quelch (1996) point out two counteracting effects of the Internet on price. First, a supplier can use the technology to discriminate pricing between consumers, for example, in different countries. However, if they do not take precautions the consumers may be able to quickly find out about the price discrimination and object to it. Klein and Quelch (1996) suggest that taken together these factors would lead to increased standardization of prices across borders. Also, the ability to compare prices across all suppliers using the Internet and online shopping services will lead to increased price competition. Finally, the price of providing Internet-based services often contains little or no marginal costs. Economic theory predicts that the price of a product or service will approach its marginal cost as competition intensifies.

Organizations will have to employ new pricing models when selling over the Internet. Rayport and Sviokla (1994) point out that the ability of technology to offer services at a cheaper cost would make it difficult to determine the appropriate price for a consumer. Voicemail, for example, is solely an information-based service, which provides the consumers with a replacement for the traditional answering machine. However, consumers are willing to pay even more for the service than they would for an answering machine due to the convenience and added features (Rayport and Sviokla, 1994).

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Promotion

Promotion encompasses all the various ways an organization undertakes to communicate its products' merits and to persuade target customers to buy from them (Kotler, 1991). Incumbent retailers and manufacturers have certain advantages when promoting products and services on the Internet. Evans and Wurster (1999) discuss these advantages in relation to the richness of information they can provide consumers. The Internet provides a low cost way for the manufacturer to build a direct link with the consumer. Incumbents can use their traditional sources of consumer information (e.g. product testing, focus groups) in addition to the information that is easily collected from e-commerce sites (e.g. sales information, customer demographics). Using data mining they can build customer profiles that allow them to offer distinct promotions that are tailored to their customers. This advantage is at its greatest when the consumer is interested in detailed product information or the product is marketed as state-of-the-art. Such rich product information is most useful when the consumer is evangelistic, enthusiastic and the product has a strong connotative context (Evans and Wurster, 1999).

Branding will continue to play an important role in Internet marketing. As Klein and Quelch (1996) point out, new users tend to explore sites with familiar brands first. Recent surveys have shown that 46 per cent of new online shoppers prefer to buy from merchants they had previously bought from off-line. Even 34 per cent of repeat online shoppers preferred the familiar off-line store sites (Kane, 1999). Brands that equate their products with an experience (e.g. feelings, associations, and memories) will likely be more effective than brands based on facts about a product. Belief-based brands associate themselves with attributes such as high quality or reliability. These attributes can be easily proven by an impartial display of the facts on a navigator's Web site. Even if the facts confirm the brand, it may only be rendering the brand redundant. Brands that are associated with a mixture of beliefs and experiences should play up the experiential side of the brand (Evans and Wurster, 1999).

There are important limitations to promoting on the Internet. Privacy concerns may make consumers unwilling to give up information. Technologies such as privacy programs allow consumers to prevent data from being collected. In addition, consumers may realize the value of this information and demand a premium for it (Evans and Wurster, 1999). However, Web marketers can use consumer information to create substantial value for the consumer. As consumers recognize this value they will be more likely to share their information. In addition, when detachment, objectivity, and comprehensiveness characterize the purchase decision, the richness of product information provided does not provide as strong an advantage. Other problems for manufacturers presenting rich product information include the reach of their Web sites and the lack of credibility in a single product Web site versus an independent site that compares multiple products (Evans and Wurster, 1999).

Customer centered

Companies are changing how they market their products in order to better satisfy consumers' needs. Traditional marketing has become more expensive and less effective over time. The concept of brand management, which was developed just after the Second World War, was the last major advancement in marketing practices. However, brand management has become part of the problem. Rival products differ so little that brands have become hard to promote. Various attempts to re-organize companies or motivate sales forces have not solved the problem. Now companies can use the Internet to enter into a dialogue with their customers. They can replace the salesperson while increasing the level of service. In doing so they can use one medium for the customer and exploit and discover customers' individual interests (Sealy, 1999).

With the Internet it is possible to gain permission to discuss your products, as opposed to interruption marketing, such as television commercials. Advertising, research, sales, promotions, coupon distribution, and customer support can all be done on the Internet. Eventually companies can develop relationships with customers that will allow them to continuously re-supply after initial permission is obtained. Retailers will weaken in power and trade-marketing expenses for manufacturers will start to go away in favor of improving products and promoting brands (Sealy, 1999). The frameworks reviewed only touched on this important factor.

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The shifting importance of marketing mix elements

Besides changing the elements of the traditional marketing mix in isolation, some of the most profound effects of the Internet will come in how the trade-off between elements of the marketing mix operates. Evans and Wurster (1999) point out that traditionally the amount of products a retailer could carry in one place (their reach) was inversely proportional to the amount of information they could present about the product in their promotions (richness). The Internet has eliminated that tradeoff. Internet retailers can offer many more products than the largest bricks and mortar retailer and provide detailed product information at the same time (Evans and Wurster, 1999). Warehousing and distribution are no longer part of navigation and selection. Therefore manufacturers are no longer limited in the size of their market and the amount of information they can present to consumers through promotions.

Nabisco: a case analysis

Background

Almost every company has to rethink its strategies due to the changes that the Internet brings. For some, the implications are obvious, but for others they are not. As a traditional manufacturer of packaged consumer goods, Nabisco falls into the latter category. Nabisco, a multi-billion dollar snack food company, has major competitive advantages in the traditional supermarket distribution channels. Its Biscuit division currently spends 10 per cent of sales in trade (retail) marketing for items such as special promotions and in-store displays. In addition, the Biscuit division maintains a fleet of trucks that provide direct store delivery, which is an advantage that few competitors can afford. Direct store delivery and Nabisco's dominant market share in the biscuit category ensure that Nabisco's products receive the most shelf space in stores and cross shoppers' paths more than competitor products. However, these competitive advantages will diminish in a market dominated by online grocery shopping. Advantages critical for a bricks and mortar grocery manufacturer such as in-store displays, product presentation and shelf space do not directly transfer to an online environment. Strategies will have to be developed to replace these competitive advantages with new ones.

For established companies, doing business online risks damage to brands and distribution relationships that currently represent key competitive advantages. New strategies will often require a company's new businesses to compete against old ones (Evans and Wurster, 1999). For example, many conventional retailers have hesitated to embrace electronic commerce because they fear that when consumers shop online, they will make fewer impulse purchases and become more price-sensitive (Maruca, 1999). Resistance to change in these areas will be great. The larger the organization, the greater trouble it may have. The Internet will reduce the competitive advantage of scale in a number of ways and global companies will have to coordinate the Internet strategies of all their subsidiaries to preserve their brands and prevent confusion across markets (Klein and Quelch, 1996).

Established companies must face up to the challenge and determine the opportunities the Internet creates and how their traditional business models are threatened (Gosh, 1998). The value chain for incumbent manufacturers and retailers is being deconstructed because the value to consumers derived from entire segments of that chain can be achieved more efficiently and effectively through the use of the Internet (Evans and Wurster, 1999). Even if the overall percentage of sales on the Internet averages just 5 per cent across all categories, that shift will still create tremendous pressure on physical retailers, particularly in the USA (Maruca, 1999).

To date Nabisco has established a significant presence during the land grab phase of the Internet referred to by Evans and Wurster (1999). For the US market, the company currently has a number of Web sites:

- a corporate information site;
- a recipe site that provides consumers with recipes that feature Nabisco products;
- each of its two domestic operating units has Web sites that contain games and promote the units brands;
- online shopping for Nabisco brand merchandise (e.g. mugs, dolls, and trains), along with specially packaged food products;
- various brand specific sites.

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Nabisco has also started an e-business group to address the larger strategic issues presented by the Internet.

Growth of the online grocery business

The online grocery shopping industry is positioned for tremendous growth in the coming years. Although current sales are estimated at $1.8 billion annually (Dykema, 1999), they are expected to reach $3.5 billion by 2002 (Munarriz, 1999) and $37 billion, 4 per cent of domestic sales, by 2004 (Dykema, 1999). Some projections call for 20 per cent of all grocery orders to be placed online by the year 2007 (Munarriz, 1999).

The incentive for grocers to go online is to establish relationships with customers that will allow them to automatically replenish homes regularly. This will result in a consistent cash flow (Dykema, 1999). Therefore, being the first to offer quality service through an expansive distribution system is critical to the industry. It will take some time for the industry to reach its potential because distribution centers will need to be established across the country. Online grocers will also have to develop ways to help consumers break their old habits of weekly shopping trips to local stores (Dykema, 1999).

Despite the obstacles and what could be seen as slow growth projections for the immediate future (from $1.8 billion to $3.5 billion by 2002), it is clear that online grocers will be a significant retail force in the industry within the next five years. Beyond five years, growth at a much greater rate cannot be ruled out. The growth of online grocery shopping will clearly have an impact on packaged consumer product suppliers by changing the business models they have operated under for decades.

Implications of the integrated framework

Nabisco's current corporate strategy is to build total brand value. Total brand value calls for satisfying customers faster and more completely than the competition. As online grocers become a significant force in the market this general strategy may still be useful, but the specifics of an Internet strategy will have to be developed. Using an Internet strategy framework that has been integrated around the traditional 4Ps marketing model, some of the implications for Nabisco's Internet strategy are discussed.

Product

Collected Internet information would provide Nabisco with the ability to spot entirely new markets. Nabisco may have to compete with niche shops over the Internet and should start a business unit designed to compete in niche markets. A niche business unit would be able to respond to the marketing information that indicates a new product is desired by a smaller segment of the market. A niche business unit would also help Nabisco respond better to international consumer needs. Finally, niche products would give the company's product development labs a chance to use promising developments that could not achieve the critical market mass required by today's cost structure.

Place

Strategies designed to halt or slow the deconstruction of the value chain are unlikely to work. The company could work with bricks and mortar retailers to try to preserve the current way of doing business. Most likely strategies would be to keep Nabisco products off online grocer sites or not support the online grocers. This strategy would only work if other consumer product manufacturers followed and also held out. However, none of them would take the risk of being left behind in the new channel. Nabisco would also find it difficult to compete by selling its product online because it would not have the reach consumers would want. Consumers typically do not purchase grocery items in isolation and they would be unlikely to pay the high shipping costs to deliver such a low priced product for on demand consumption.

Nabisco needs to quickly develop an online customer base and ensure that its products are offered on sites that have all the products consumers want. Nabisco could form alliances with other consumer products companies (e.g. Heinz, Campbell's, P&G). However, only one brand of each item would be offered unless the industry as a whole decided to open its own online grocery. A more useful alliance on the part of manufacturers would be to promote online retailing standards. To counteract the "sticky" technologies that online retailers would be developing to retain customers, consumer products manufacturers should develop standards for technologies that would allow consumers to switch online grocers easily. The industry would also want to

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encourage standards that would allow consumers to select products from manufacturers' sites even if the purchase and distribution occurred through the online grocer. In order to gain leverage in enforcing these standards, the manufacturers, or Nabisco in particular, should provide an online service that allows consumers to navigate their selection of online grocery providers. The site would provide information about online grocers that consumers would be interested in such as the price of the service, service quality measures and the geographic area the service is offered in. Sponsoring manufacturers could embed themselves in the online grocer's site by offering promotions through online grocers who are complying with industry standards.

Nabisco will need to carefully manage changes in the industry's value chain. Nabisco, like other companies, will have to be careful not to damage its brands and its relationship with existing distributors and retailers. For a substantial part of the company's business it provides the distribution itself through direct store delivery. A business model where consumers buy groceries online, directly from large regional warehouses, would negate the value of direct store delivery. It would also cut into the volume of product carried by direct store delivery, which is crucial for offsetting fixed costs (e.g. trucks). The company will have to determine a divestment strategy for its direct store delivery assets as online grocery shopping grows in popularity. In addition, change management plans will have to be developed to help management and employees adapt to changes in business practices that have been competitive advantages for decades. Online grocers will do the navigation and distribution functions performed by supermarkets. Then online grocers will split into delivery services and grocery information sites. These sites could link directly to manufacturer sites to provide consumers with product information. The rationalized distribution networks would be able to respond to consumer requests from manufacturers within days, even if the product was not already in the distribution channel. This would allow Nabisco, in essence, to sell directly to its customers. Manufacturers will no longer need bricks and mortar retailers to provide their products to consumers.

Price

Nabisco should be prepared to respond to increased price pressures on the Internet. Services like priceline.com and the potential for the consolidation of online grocery services could bring the quick dissemination of competitive price information to consumers, increasing price pressures. Increased price pressures would play to the benefit of the traditional large producers like Nabisco. In physical products there are still tremendous benefits in economies of scale and incumbent companies have much more experience producing and selling their goods under the constraints of intense price pressures.

Nabisco should consider new pricing models for its products. For example, it could start programs with online retailers that would allow consumers to subscribe to a cookie or snack of the month. This would allow it to better service existing consumers by introducing new products. Also, the subscription process would also allow for identifying and establishing relationships with its best customers.

Promotion

Nabisco should continue to aggressively promote its brands on the Internet, particularly brands based on experience. Most Nabisco brands are based on experience. For example, many of the brands, such as Oreo, have a nostalgic appeal. In addition, it would be difficult for any online grocery store to represent taste, the most critical piece of information for consumers about Nabisco's products. The best approximation of this would be publishing consumers' taste satisfaction surveys. The most effective way to use brands to distinguish Nabisco's products in an online environment is to focus on presenting information about the experiences associated with its brands. However, some brands, such as SnackWell's, are belief driven. In that case, the belief is that SnackWell's products are healthier than other snacks. Consumers truly focused on health concerns could easily take advantage of information on an online grocer's site to determine which products are the healthiest. This would either destroy the credibility of the SnackWell's brand or make attempts to establish the brand as healthy redundant.

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Customer centered

An online service that allows consumers to navigate their selection of online grocery providers would give manufacturers the opportunity to collect additional consumer information. This would transfer informational power from online grocers to consumers and help in the deconstruction of the value chain, which would allow manufacturers such as Nabisco to become closer to consumers. Eventually the supply chain will break down in new ways. Consumers will no longer rely on grocery stores to help them narrow their choice of products and navigate through the selections. To operate successfully in this environment Nabisco will have to develop relationships directly with consumers. The opportunity exists for companies to know their customers' preferences so well that they can predict their needs accurately enough to ship directly to them before they place an order.

Conclusion

Although many of the e-commerce strategy frameworks offer a unique contribution to strategic planning, integrating these models into the traditional product, price, place and promotion framework can provide a more complete analysis of strategy. The conclusions from this combined analysis are summarized as follows:

Product

- Information has become its own product on the Internet.
- The Internet will serve as a platform for new product innovations.

Place

- The Internet has created the largest marketplace ever. It puts the purchase decision anywhere where a connection exists.
- The Internet allows organizations to skip over parts of the value chain.
- It is critical to quickly develop a large customer base in online commerce, because organizations that are first to offer a large breadth of products to consumers will have an advantage.

Price

- The Internet will lead to increased price competition and the standardization of prices.
- Organizations will employ new pricing models when selling over the Internet.

Positioning

- Incumbent retailers and manufacturers have certain advantages when promoting products and services on the Internet.
- Branding will continue to play an important role in Internet marketing.
- There are some important limitations to promoting on the Internet, including: privacy concerns, limits to the ability to promote certain brands and a potential lack of credibility from single product Web sites.

In addition, the Internet changes the trade-offs between elements of the marketing mix, for example the dependencies between place and promotion are not as strong on the Internet. Also, companies are changing how they market their products in order to better satisfy consumers' needs. With the Internet it is possible to gain permission to discuss your products, as opposed to interruption marketing, such as television commercials.

Based on an analysis that uses the traditional four Ps model and integrating other online strategy frameworks, Nabisco should pursue the following online marketing strategies:

- Use the Internet to develop new products and services.
- Help the consumer choose an online grocer by encouraging standards and disseminating information.
- Prepare itself to operate in an increasingly price competitive marketplace.
- Emphasize those brands that relate to experiences over facts.
- Develop customer centered marketing practices.

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