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Developing an e-commerce strategy for beverage industry professionals

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Developing an e-commerce strategy for beverage industry professionals

Abstract

A 278% increase in Internet traffic has moved providing a permanent ecommerce presence from an option to an imperative (Molitor, 2001). The Internet can generate new business if an effective e-commerce plan is a keystone component of an organization's overall business plan. This paper examines four roles an Internet professional can employ to match up with the appropriate stages a buyer is at in the buying process. The four roles include a) student; b) architect; c) counselor; and d) negotiator. With the dynamic support of e-commerce tools, these roles are important because they define how the Internet professional will help the buyer understand why the Internet professional's business is superior and worthy of the buyer's investment.

DEVELOPING AN E-COMMERCE STRATEGY FOR BEVERAGE INDUSTRY PROFESSIONALS

A Graduate Project

Submitted to the

Division of Communication and Training Technology

Department of Curriculum and Instruction

in Partial Fulfillment

of the Requirements for the Degree

Master of Arts

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By:

Keith D. Wendl

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Introduction

A 278% increase in Internet traffic has moved providing a permanent e-commerce presence from an option to an imperative (Molitor, 2001). The Internet can generate new business if an effective e-commerce plan is a keystone component of an organization's overall business plan. This paper examines four roles an Internet professional can employ to match up with the appropriate stages a buyer is at in the buying process. The four roles include a) student; b) architect; c) counselor; and d) negotiator. With the dynamic support of e-commerce tools, these roles are important because they define how the Internet professional will help the buyer understand why the Internet professional's business is superior and worthy of the buyer's investment.

This paper will begin with an overview of how important loyal customers are to generating needed revenue to finance dynamic e-commerce initiatives. The Internet is growing at an explosive pace. It is important for a company to get online and integrate the Internet into all facets of the Internet professional's business to maximize the Internet's value.

Then, this paper examines how four roles compliment each other to win new business for the Internet professional. In the first role, "student," the Internet professional finds potential buyers online, studies how change is affecting them and creates opportunities to add value. Then, in the second role of, "architect," the Internet professional designs an interactive web page to showcase the unique capabilities his or her organization can offer. As a "counselor," the Internet professional distributes personalized e-mail messages to key buyers, keeping the Internet professional's organization positioned at the top of the buyer's list of

potential organizations to buy from. Finally, in the fourth role, “negotiator,” the Internet professional closes business deals by providing the buyer exact information needed to overcome purchasing fear that is keeping the buyer from acquiring the Internet professional’s products.

Terms

Internet professional: The person in an organization who is responsible for generating new business through methods implemented on the Internet.

Buyer: Person who is buying products and receiving information to help determine which is the best product.

End user: Person who the buyer is buying products from the Internet professional for. This is the person who will actually be using the equipment.

Student: The first role -- the Internet professional who finds potential buyers online, studies how change is affecting them and creates opportunities to add value.

Architect: The second role -- the Internet professional who designs an interactive web page to showcase the unique capabilities his organization can offer.

Counselor: The third role -- the Internet professional who distributes personalized e-mail messages to key buyers to keep the Internet professional's organization positioned at the top of the buyer's list of potential organizations to buy from.

Negotiator: The fourth and final role -- the Internet professional who closes business by providing the buyer the exact information the buyer needs to resolve a critical fear that is keeping the buyer from acquiring the Internet professional's products.

Industry Outlook

Before examining, how the Internet can generate more revenues, it is important to develop a deeper understanding of the important cash flow benefits that exist beyond initially capturing new buyers online. The most significant reward is in converting new customers into loyal online buyers.

This industry outlook gives an overview of the financial importance of building a loyal client base, gives a glimpse of how fast the Internet has grown, and endorses the Internet as a viable source for not only the Internet professional's external marketing division, but is also a sound way for buyers to procure products beyond the marketing efforts. These three upcoming sections provide a foundation and rationale to make necessary investments for the four roles mentioned in the introduction.

Loyal Clients Finance E-commerce Initiatives

To fund e-commerce initiatives, Internet professionals will need to know where to look for financial resources.

In Deming's philosophy, real profits are generated by loyal customers – not just satisfied customers. Loyal customers brag about the goods or services they are receiving. They buy the company's new products with little sales effort. Profit from the sale to a loyal customer is six to eight times the profit from other customers" (Aguayo, 1991, p. 8).

Capturing and retaining loyalty from customers will need to involve sophisticated methods of communication beyond the face-to-face appointments or

typical phone calls. The Internet is a growing force for finding these potential clients and keeping them satisfied.

Internet Growth Changes Business Communication

The Internet is growing at an explosive pace. Only the use of electricity matches the speed and scale of the Internet's impact (Barwise & Hammond, 1998).

By 1999, e-mail volume exceeded regular mail by 10 to 1. Worldwide, there were about 130.6 million active internet users in 1999 and the number is expected to surge to 362 million by 2003 according to *eMarketer's 2000 eGlobal Report*. Estimated 1 billion by 2005, would dub the virtual world as the 8th continent (Molitor, 2001, p. 37).

In addition to the rocketing demand for consumers to shop online, the business to business potential cost savings are substantial:

Lehman Brothers finds that a financial transaction is \$1.27 for a teller, \$0.27 for an ATM and \$0.01 for an online transaction according to a study in the *The Economist* (as cited in Lucking-Reiley & Spulber, 2000).

The online transaction will change the way businesses operate from A-Z.

An Anderson study (as cited in Barwise & Hammond, 1998) proposed that E-business enables companies to transform not only their marketing operation, but the entire manner in which they do business, from procurement to communications to supply chain, massively improving their speed, global reach, efficiency and cost structure.

There is also research detailing the factors affecting the volume of E-commerce. In a Ward study (as cited in Barwise & Hammond, 1998) about 15,000

individuals in over eight different time periods answered questions for 17 product categories. The study found two key findings. The Ward study discovered the dollar volume of business to consumer E-commerce will nearly double each year for the next three to four years and buyers will select the channel that provides the Internet professional's lowest 'shadow price,' which includes product price, taxes, delivery costs, and non-pecuniary costs.

In a Bellman, Lohse & Johnson study (as cited in Barwise & Hammond, 1998) over 9,000 online users were surveyed. Logistic regression was used to identify factors that predicted whether an online user bought products online, and if so, how much they spent. The best predictors were 'time starvation' (how many hours a week the user worked) and the extent of their 'wired' lifestyle. They also found that the average annual spend per purchaser (average dollar amount each internet user spent per transaction) had increased over time.

Internet Entry Costs are Low, Presence is Essential

Companies can rent communications and computer facilities without incurring irreversible capital costs. Moreover, market entrants can outsource operation of their website to specialized service providers (Lucking-Reiley & Spoulber 2000).

Even though the entry cost is low, brand awareness needs to be high for the Internet to yield expected returns. Brands may be even more important in a world of buyers overloaded with information. As the volume of traffic accelerates, the stakes are increased. Old market share is not secure on the information super highway.

Adamic and Huberman (as cited in Barwise & Hammond, 1998) studied the distribution of web site visitors by examining usage logs covering 120,000 sites.

They found that a small number of sites command the traffic of a large segment of the Web population, which suggests that only a few winners will emerge in each market.

High brand awareness will be essential for an organization's survival.

Student: Find Buyers On-Line

The Internet professional's first role is "student." In this role, the Internet professional focuses on learning about change that is occurring in the buyer's environment. By identifying potential change occurring in the buyer's business, the Internet professional has an opportunity to impact the way the buyer conducts business (Davis, 1996). The Internet professional must focus on learning everything about the potential buyer's business and the ever-changing environment within which the buyer must survive. When the Internet professional finds potential buyers online, he or she will study how change is affecting the buyer and create opportunities to add value to the buyer's organization.

Learning About the Buyer

The Internet professional needs to learn as much about the buyer as he or she can. In an Evans and Wurster study (as cited in Barwise & Hammond, 1998) they argued that electronic commerce was no longer about 'grabbing land.' Instead they suggested that the battle for competitive advantage in this arena will be waged along two dimensions: a) reach; and b) richness. "Reach" means access and connection – how many customers a business can connect with and how many products it can offer to those customers. "Richness" is the depth and detail of information it collects about the customer. "Reach" or how many people an Internet professional contacts is not the lone benchmark, the quality of the information obtained is also important for designing future marketing campaigns.

To integrate e-commerce into the sales strategy, the "student" or Internet professional will need to "reach" all e-mail addresses for buyers in key markets.

These key markets will be defined by the Internet professional. For example, Darrin Walter, a sales account representative for Iowa Rotocast Plastics, said that (D. Walter, personal communication, Nov. 12, 2001) if a vendor (Internet professional) was trying to market ice merchandisers to buyers at stadiums throughout the country, he or she would begin by collecting e-mail addresses in the following leagues: Major League Baseball and affiliates, National Football League, National Basketball Association, National Hockey League, NCAA College Division I and II and all NASCAR Tracks.

Once key markets have been identified, the Internet professional could work on increasing the “richness” of the information obtained. Steve Rolfs, IRP VP of sales, (S. Rolfs, personal communication, February 12, 2002) recommended that the “student” contact key markets and ask a series of questions including: a) What changes in their profession that needed to be addressed before opening day of the stadium’s designated athletic season; b) What publications or web sites do the buyers trust for current industry news?; c) Who is the benchmark supplier for the stadium being contacted? d) What does that supplier do to earn the stadium buyer’s business revenues?; and e) How the Internet professional could measure his or her current market share in each category as well as overall market share. This information collected by phone would provide a strong foundation for future e-mails.

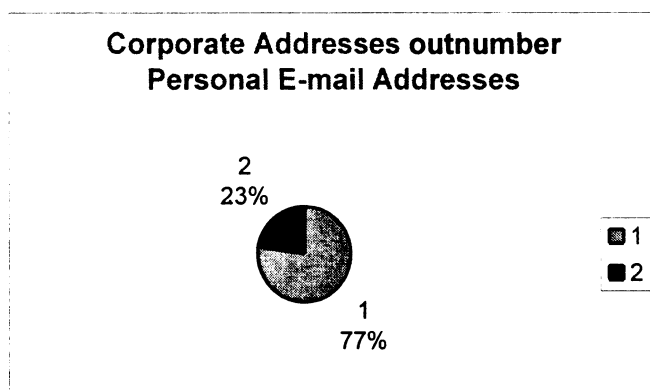
Phone Survey Identifies E-mail Addresses

Before an e-commerce strategy can generate sales results, the Internet professional must collect e-mail addresses of the key buyers in the Internet professional’s territory. Beginning Feb. 5, 2002, this author called 70 key buyers for

stadiums within the United States seating over 30,000 people. The goal was to learn about change occurring at each buyer's stadium. The key buyers were directly responsible for determining the type of beverage coolers purchased for their stadiums. Two noteworthy statistics were identified that indicate buyers are willing to give out their e-mail addresses and are willing to receive information on personal e-mail accounts if a corporate account does not exist.

1. Corporate e-mail addresses outnumber personal e-mail accounts (See Figure 1).
2. Most professionals will volunteer an e-mail address (See Figure 2).

Figure 1. Corporate vs. personal e-mail addresses.

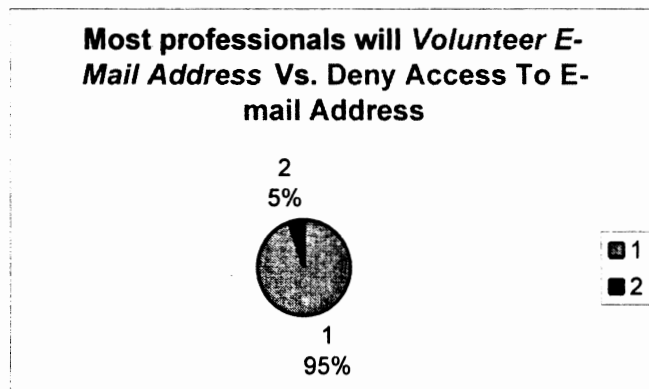


Seventy-seven percent of the key buyers provided a corporate e-mail account, while the remaining 23 percent provided a personal e-mail address.

The majority of key buyers have corporate e-mail addresses, making it easier to identify future e-mail addresses in the organization. Surprisingly, 23 percent of the key buyers contacted were willing to provide their personal e-mail addresses. This shows they were interested in getting product information sent to their personal e-mail addresses. For buyers to request information on their personal electronic addresses shows a significant willingness to communicate electronically.

This is great news for executives who are evaluating if buyers have access to electronic information and if it is desired. The answer is "yes" to both questions. Yes, the information is being requested and, "yes," buyers are finding ways to receive Internet professional's information even if the company they work for doesn't create organization-wide e-mail accessibility.

Figure 2. Most professionals volunteer e-mail addresses.



This author found it extremely rare to actually speak directly with someone on the phone who would not volunteer an e-mail address for the population segment addressed. Ninety-five percent of the people he talked with directly were willing to share a way to keep in touch electronically.

Even though the majority of key buyers did provide an e-mail address, it is important to correspond by phone and physical mail to the minority who do not want information electronically. For a complete business plan with e-commerce integrated seamlessly, it is important to not forget about the minority who still want tangible information in print.

Study How Change Can Add Value

Once the Internet professional defines the markets and obtains key buyer e-mail addresses, the Internet professional must determine how the change is affecting the buyer and then work to add value to the buyer's organization.

When real listening occurs, the customer is the focus. Mason C. Kauffman, founder and chairman of online logistics software Accuship in Germantown,

Tennessee said, “We don’t build technology and go sell it. We go to our customers, and when they say what they want, we build it” (Henricks, 2001, p.70).

A close working relationship with the buyer allows an Internet professional to predict what products will work best in the buyer’s environment because both the Internet professional and the buyer share the same understanding of current business needs.

The Internet needs to be utilized in a way that buyers feel supported by their Internet professional rather than being annoyed by what could be labeled as “junk mail.” If there is no relationship developed before e-mails are distributed, the e-mail may never get opened. To keep important marketing messages from being deleted, the Internet professional needs to know what information is of value today and in the future for the buyer. “Sterngold wanted something more from its application service provider; a close working relationship that would help deploy other applications down the road” (Leibs, 2001, p. 74).

Being able to build customer-driven solutions is what will separate the peak performing Internet professionals from the middle of the pack. Today’s buyers will demand Internet professionals’ personal attention to details. Finding buyers on-line, and studying the changes occurring are only initial steps in earning loyal on-line customers. Three roles remain to sustain long-term value.

Architect: Design an Interactive Website

Once a buyer's needs have been established, an effective website can showcase the unique capabilities an Internet professional's organization can offer. At this phase, the Internet professional engages in the "architect" role. The Internet professional has found a source of potential change for the buyer and now designs a web site that will influence the buyer to want to learn more about the Internet professional's products.

To inform buyers of future benefits, the Internet professional will design a website that is simple and easy to navigate. The website needs to be constantly updated with new information and employ consistent marketing efforts to increase traffic.

Keys for Websites to Generate Results

Chang's study (as cited in Barwise & Hammond, 1998) pointed out there are three major components to a buyer's online shopping experience: interface quality, encounter quality and fulfillment quality. Chang described these as process, experience and results. To build brand equity, it was suggested that firms need to ensure excellence on all three dimensions.

According to the Ghose and Dou study (as cited in Barwise & Hammond, 1998) the interface quality is measured by how easy it is to navigate the site and get to the needed information. Steve Schlaadt, president of Noble Care, said (S. Schlaadt, personal communication, August 8, 2002) with millions of sites to surf it is important to keep the distractions to a minimum, use uniform pages and be sure to outline on

the opening page if extra software is needed to read the graphics that will appear on the Internet professional's website.

Giving Shoppers a Reason to Return

Once the users are at the Internet professional's website, the encounter quality can be improved by posting information that gets updated on a weekly or monthly basis. Buyers can be invited to the website through an e-mail that pitches the key articles in a new e-newsletter at the Internet professional's website.

In the student role, the Internet professional obtained a list of e-mail addresses and verified these addresses as still valid. The next step would be entering the addresses into either a bulk mailing package or signing up with a list-management service.

William Malone, owner of Café Diem, said he would not send out the newsletter as an e-mail (W. Malone, personal communication, August 6, 2002). "If you send out the newsletter out as an e-mail, there is no reason for a buyer to visit the rest of the site," Malone said. "The key is to give a brief overview in an e-mail that drives traffic back to your site. This will encourage the buyer to visit the site and see all you have to offer."

After the e-mail messages are distributed, it is important to manage bounced messages and handle unsubscribe requests (Gutzman, 2001).

Show How to Impact Buyer's Bottom Line

It is important for the Internet professional to determine what content the buyers seek and how it impacts them. Jay Pudenz, E-golf manager said (J. Pudenz, personal communication, August 8, 2002) he wants his industry news to have real

live applications to his bottom line. If an Internet professional can teach him something about his business, he respects that. Too often Internet professionals are overly proud of their products and think the products will sell themselves. The product needs to be tethered to how it generates profits. It's not enough to flash up a graphic. Pudenz said he needs proof that the product works in the real world. It is very persuasive to read success stories of how the product actually helped solve a need.

According to Pudenz, it is important to show the buyer more than just information. The critical step is to show the buyer how the information can be of value to help him or her to make better decisions. These steps will improve the buyer's Internet experience and lead to results.

Measuring the Increased Traffic to your Website

There are several ways to increase traffic for your newsletters. Many links have a "related links" page. An enormous amount of traffic can be captured as people bounce from site to site. Internet traffic returning to your website will increase significantly if you partner with a site that is currently getting many hits or if you write a newsletter article for that high traffic site and direct hits back to your home page (E-Biz, 2002).

The architect can design an interactive website, but it will be up to the "counselor" in the next role to keep buyers returning to the website.

Counselor: Builds Trust and Commitment Through Strategic Use of E-mail

The third role, “counselor,” is the only role remaining before the negotiator closes the business deal. This is the role which begins when the buyer is aware of the benefits of the Internet professional’s website, but is not ready to sign any checks. The Internet professional needs to keep his or her organization positioned at the top of the buyer’s vendor list. The Internet professional can accomplish this through creative marketing efforts called “versioning” which are aimed at improving the buyer’s trust, commitment and satisfaction in the Internet professional’s organization.

Versioning Improves Marketing Reach and Impact

This is a way to build on the website’s impact by drawing more traffic back to the website by counseling the buyer with reasons to keep the Internet professional’s organization at the top of the buyer’s mind. A Shapiro and Varian study (as cited in Barwise & Hammond, 1998) defined this type of marketing versioning – as “offering the information in different versions targeted at different types of buyers.” (citation)

Versioning can help develop deeper levels of trust, commitment and satisfaction among the buyer, end user and the Internet professional before the buyer is ready to make a final decision. Under traditional buying patterns, a buyer might get equipment for the end-user without getting the end-user’s suggestions. This might be a faster process, but the end-user at the stadium feels neglected and will not get the most value out of the equipment once it is placed at the stadium.

An Information Resources Inc. study showed that only one-third of manufacturers are currently conducting e-mail marketing to consumers who are interested in receiving e-mail communications (Beverage Industry, 2001).

At stadium venues, the local bottler, i.e. Coke, buys ice merchandisers or coolers to place in stadiums. The local bottler is the buyer that writes the initial check, but the stadium personnel are the end users that will operate the equipment daily and live with the local bottler's decision. Kevin Tedesco, general manager for Aramark at Veteran's Stadium in Philadelphia (K. Tedesco, personal communication, August 5, 2002) is one of these types of end users who appreciates new information sent to him electronically.

Tedesco said if sales representatives just send the same information consistently to the bottler (buyer) and don't include him (end user) in the loop, that representative will never earn Tedesco's respect. He wants the same information the bottlers are getting. Tedesco knows ultimately Coke will select which coolers go in his stadium, but it is still his stadium and he deserves access to that information.

A Coke buyer will often buy directly from an Internet professional's company and then give the stadium the equipment without researching what type of equipment the end-user wants. In this process, the Coke buyer has all the information and makes an autocratic decision.

Dwight Jones, Iowa Rotocast Plastics public relations manager said, (D. Jones, personal communication, August 2, 2002) this a great process if the Coke buyer is buying from you, but if the Coke buyer isn't buying, the Internet professional needs to create new ways to influence the Coke buyer to purchase. Sending

information directly to the end-user at the stadium is an excellent way to generate support for the Internet professional's products. Jones said it's aggressive, but second place doesn't pay when there is only room for one company in the buyer's mind for the top company to work with.

Tim Champagne, Aramark concession manager for the Compaq Center in San Jose, CA (T. Champagne, personal communication, August 7, 2002) said if Coke doesn't ask his opinion when selecting beverage equipment, the sales will reflect it in a negative way. If he is involved in the selection process, he trusts the equipment and will feel satisfied in the decision and work to maximize Coke's profits, but if he is not involved in the selection process, he feels no personal commitment to breaking sales records for Coke.

Internet Strengthens Relationship Marketing

Research directed towards discovering more about buyer/end user relations through the Internet discovered important characteristics of the World Wide Web. A study found the Internet's interactive structure and constant availability can have a significant impact on central correcting variables of relationship marketing, i.e. trust, commitment, and satisfaction (Bauer, Grether & Leach, 2000). The overall study defines three central terms when developing relationships. Within the study, Jap & Weitz, (as cited in Bauer, Grether & Leach, 2000) define trust as the ability to reliably predict the actions of the other party in the relationship and the belief that the other partner will not act opportunistically if given the chance to do so. Or as the Morgan and Hunt study, (as cited in Bauer, Grether & Leach, 2000) defined trust as one party has confidence in an exchange partner's reliability and integrity.

In an Anderson & Weitz study (as cited in Bauer, Grether & Leach, 2000) commitment was defined as a desire to develop a stable relationship, a willingness to make short-term sacrifices to maintain the relationship and a confidence in the stability of the relationship. Finally, a Gruen study, (as cited in Bauer, Grether & Leach, 2000) described satisfaction as the extent to which benefits actually received meet or exceed the perceived equitable level of benefits.

The study of the impact electronic messages have on the interaction between trust, commitment and satisfaction is important to study because it helps measure how effective the Internet professional's efforts are with the buyer..

Steve Williams, manager of Coca-Cola distributing in Ames, IA said (S. Williams, personal communication, August 7, 2002) an Internet professional (Internet professional) can send out e-mails 24 hours a day, but if the buyer is not reading them or applying them, it doesn't matter. The e-mail the buyer gets at work better be something the buyer can use to sell more Coke or every future piece of e-mail the Internet professional sends gets blocked and never seen.

In a study of e-mail messages on the interaction of commitment, satisfaction trust for United States corporations listed on the stock exchange, the selection yielded a sample of 420 objects of study with net feedback resulting 22.4% of the population yielded the following results:

1. Buyer commitment to an Internet professional will improve when information can be obtained easily and clients know more about the Internet professional's business.
2. Trust, commitment and satisfaction will improve if the business partners

interact more (Bauer, Grether & Leach 2000).

To recap, the study found the buyer was more willing to commit financial resources towards the Internet professional's company if the buyer was able to obtain information easily. Trust, commitment and satisfaction will also develop at deeper levels between the buyer and the Internet professional as interaction increases.

Distributing Articles Builds Trust

The Internet professional can benefit from this study by keeping in touch with buyers more frequently through the electronic distribution of related articles from publications the buyer is reading. This can help build a bridge by showing how the Internet professional can add value to the buyer's business. Summarizing and distributing these articles electronically to the correct buyer can make a huge difference in earning the buyer's trust in the Internet professional's reliability and integrity.

For example, Lou D'Ermilio, senior vice president of media relations for Fox Sports Networks recapped how important the 2002 Super Bowl TV Revenues were to his business. "Given the challenges that this economy has created, we're very happy with the revenue projection for the day. For whatever network that has the Super Bowl, it's the single highest revenue-generating day of the year by far" (Brockinton, 2002, p. 1).

The Internet professional could e-mail D'Ermilio's statement listed above to the NFL stadium buyers before the opening day of the upcoming season to provide a way to discover what day the buyer anticipates to be the biggest revenue generating day at their individual stadiums. What is the buyer's version Super Bowl in terms of

revenue? How can the Internet professional help the buyer prepare? This approach shows the Internet professional's concern for maximizing the buyer's home schedule.

Sharing information electronically on a consistent basis will build stability in the relationship and can develop communities. For example, forwarding the following quote to Major League Baseball stadiums where Pepsi is the sponsored soda would be of interest to those Pepsi sponsored stadium buyers. "Pepsi is not only renewing its sponsorship of Major League Baseball, it is putting at least \$80 million behind a five-year deal, which makes the soft-drink giant one of the largest of MLB's corporate supporters" (Lefton, 2002, p. 1).

In a Hoffman, Novak & Schlosser study (as cited in Barwise & Hammond, 1998) these Internet communities can expand an Internet professional's market, increase the brand's visibility and improve profitability. These messages will help the buyer make better decisions based on getting better information. People with an internal focus will use the Internet information in a more goal-directed manner as a supplement to other information gathering activities.

This interactive nature of the Internet frees the end user from a traditional passive role as receiver of whatever the buyer purchased, giving both the buyer and the end user access to greater amounts of dynamic information to support overall decision making for the stadium.

In a Reichhel and Schefter report study (as cited in Barwise & Hammond, 1998) loyalty is not won with technology. It is won through the delivery of a consistently superior experience. Improving the relations with electronic messages between the buyer, end user and the Internet professional will only improve the

experience. If this occurs, the buyer will be in a situation where negotiations can begin.

Negotiator: Sharing Key Information Electronically Helps Close Business

“Negotiator” is the final role. Win-win negotiating is the goal here.

Throughout this paper, a relationship has been described between the buyer and Internet professional built on mutual trust. The Internet professional has walked in the buyer’s shoes as a student and understands his or her needs and can exceed expectations with the proposed solution. At this phase, the Internet professional must show why his or her solution is worth every penny of the offer by again sharing closing examples of how a similar buyer is now experiencing the benefits of the Internet professional’s products/services (Davis, 1996).

In the counselor role, satisfaction is defined as ensuring the benefits which actually received, met or exceeded the perceived equitable level of benefits. For the negotiator to be effective, he or she needs to show the current buyer how past buyers are now enjoying benefits beyond their initial expectations.

At this point in the buying process, the buyer does fear he or she will make a wrong decision. All the logic in the world will not influence him or her. The Internet professional needs to explore the buyer’s feelings and directly address any questions that are preventing him/her from ordering (Davis, 1996).

A study by Ariely found (as cited in Barwise & Hammond, 1998) the Internet could inspire trust in future purchases. It found that controlling the flow of information could help consumers better match their preferences, have better memory and knowledge about the topics they are exploring and be more confident in their judgments. To inspire trust, the Internet professional can share information from satisfied buyers and/or industry journals.

E-mail Client Success Stories

Chad Wilkins, IRP account executive, said (C. Wilkins, personal communication, Feb. 26, 2002) a key step to influencing a buyer to make a buying decision is to give the buyer specific information from someone who has enjoyed great benefits from a working relationship with the Internet professional.

Many businesses attempt to capture this sense of satisfaction by communicating the achievement in the form of a reference letter. Davis (1996) suggests that mutual understanding of the Internet professional's benefits can be achieved through a reference letter that does three important things:

1. Restates the objection the customer had (second paragraph).
2. Recounts what helped the prospect overcome the concern during the sales process (third and fourth paragraphs).
3. Describes in specific detail the results being enjoyed now (fourth paragraph) (Davis, 1996, p. 258).

When an Internet professional is talking to a buyer, it is difficult to articulate exactly how happy a customer is with a product without a written letter of endorsement on the satisfied customer's organization letterhead. This letter provides a great piece of tangible evidence that the product is meeting company needs. A sound e-commerce strategy might involve scanning these letters into a databank of reference letters to deploy in negotiations where a good reference letter with the permission of the senders of the letters is critical to winning. Laurie McCabe, Vice President, Summit Strategies, has an opinion about references. "If an outsourcer can readily fork

over 10 customer references, that means something. If they can give you only one, that may mean something else” (Gibbons-Paul, 2001, p. 60).

These reference letters can help communicate long-term quality is more important than up-front price. Chris Yirksatimi, independent sales consultant, said (C. Yirksatimi, personal communication, Feb. 13, 2002) that an effective vendor will educate buyers of quality expert Edward Deming’s management philosophy that the equipment cost is only 10% of the purchase. The continuous labor, operating expense and lifespan of the product make up the remaining 90%. “In a corporate environment the most visible number is the price or initial cost. Accounting statements don’t reflect the fact that decreasing initial cost, if it means lower quality, will increase the total cost” (Aguayo, 1991, p. 150).

If this message is communicated at the time of the business close, Internet professionals will be able to hold more margins that might be lost if buyers surf the Internet. This type of marketing is needed as a buyer’s options increase daily. With increased access to information and pricing, many organizations fear price will be the deciding factor when comparing products. A study led by J. Alba (as cited in Barwise & Hammond, 1998) claimed that price is only one of many factors people consider. They noted that technological advances offered consumers unmatched opportunities to locate and compare product offerings, but that price competition may be mitigated by the ability of consumers to search for more differentiated products that better fit their needs. Internet professionals can counter price competition by providing unique products that prevent direct comparisons.

Share Media Highlighting Great Buys

Currently, soft drink manufacturers as a group could be a reference for the effectiveness of in-store advertising. When compared to nine other advertising venues, the soft drink manufacturers gave in-store display the highest rating of 3.9 on a five-point scale. They agreed it was the most effective, yet the amount they spend ranks fifth in the same comparison (Penn, 2001). This piece of evidence provided a strong foundation for Internet professionals to bring it to the attention of potential buyers that in-store display advertising ranked the highest in appeal, but lagged in execution. An e-mail campaign to a segment of one person about ready to buy could be a great move. The Internet professional detailing accessible in-store display advertising could produce significant sales.

Another e-mail to help close business could show how point-of-purchase advertising can also be increased when it is tied to entertainment. “Point-of-purchase advertising creates incremental sales of up to 65 percent when a sign was added that communicated the brand’s tie-in with a sport, movie or charity” (Beverage Industry, 2001a, p. 44). An e-commerce strategy to tie-in with this finding would show how flexible and simple theme-related, in-store advertising can be when compared to a return of 65 percent. When success stories like these are shared with potential buyers, they are more willing to purchase the Internet professional’s products.

Conclusion

A Rubini, Tarlton & White study (as cited in Barwise & Hammond 1998) argued that even with the arrival of new technology, the process of buying remains unchanged. The underlying basis for all business, whether physical or virtual, remains a problem solving process with a value-for-value exchange at its heart.

There is no one correct way to harness the power of the Internet's 278% growth factor. Financing dynamic e-commerce initiatives into all facets of the Internet professional's business is a great start, but the winners are the professionals who finish each day with increased market share. Employing the four roles of student, architect, counselor and negotiator will help the buyer understand why the Internet professional's business is superior and worthy of the buyer's investment.

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