
DO TRADITIONAL STRATEGIC CONCEPTS APPLY IN THE E-MARKETING CONTEXT?

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Abstract

This paper explores generic marketing strategies and competitive market positioning in the context of the Australian online book industry. The key research question is the extent to which traditional strategic concepts, like competitive market position and sustainable competitive advantage (SCA), apply in the new world of e-marketing. The most important issue that emerges from the study is that the tools and concepts that are relevant for offline firms are equally applicable for online firms. Different generic strategies call for a different market position and this is borne out in our case study. Special attention is given to the importance of a channel management generic strategy in the e-marketing context. Firms contemplating this option need to have a high level of competency in relationship marketing skills.

Introduction

The diffusion of the Internet has revolutionized the business landscape. Not only has the Internet reconfigured the way companies do business and the way consumers buy goods and services, it has been instrumental in transforming the value chain from manufacturers to retailers to consumers, creating a new retail distribution channel (Donthu & Garcia, 1999). The initial wave of research has investigated piecemeal components of e-marketing, notably banner advertisements and consumer information search processes (Ducoffe, 1996; Hoffman & Novak, 1996; Novak, Hoffman & Yung, 2000; Rowley, 2000). What is missing from this research platform are papers that address the organizationally broader, more strategic aspect of e-marketing. From this point of view, the current special issue of the *Journal of Business Strategies* is very timely. The agenda of the current paper is deliberately broad. The emergence of a new marketing channel requires testing of the traditional strategic tools to see if they are still applicable.

There is now a well-established kit of concepts that can be used to evaluate and/or develop a marketing strategy for a firm. The tool-kit includes:

- Overall marketing strategy, with an emphasis on distinctiveness
- Generic marketing strategy
- Competitive market position
- Key strengths and weaknesses
- Sustainable competitive advantage (SCA)

- Supporting capabilities
- The marketing mix, including the Four-Ps and overall branding of the company.

Cravens, Merrilees and Walker (2000) provide an exposition of the importance of these components of a marketing strategy. Of course, it is essential that each component is coordinated and integrated in a holistic way. The central proposition in the current paper is that the same tools and concepts are equally applicable to online firms.

There is some urgency to test our central proposition because most of the recent papers in both the e-commerce and e-marketing literature seem to be relatively piecemeal and not strategic. This is not a criticism of the literature; far from it, there is a need to answer many detailed questions, such as the impact of banner advertisements and whether rich media banner advertisements are more effective. Relatively few of these papers have adopted an overall strategic framework. Strictly speaking, we are in an agnostic position as to whether firms have acted in a strategic way. However there is a superficial impression that many of the new e-retail sites have adopted a "me too" approach, in that they do not seem to be highly differentiated from competitive sites.

There are two research questions. Firstly, can the standard strategic marketing management concepts and tools be used as a framework to analyze online strategies? Secondly, to what extent have the three key firms in the Australian online book industry adopted a strategic approach in the way they have done business? These questions are important because there are now dozens of books about Internet marketing that emphasize that it is *different* to conventional marketing, suggesting that the answer to the first question is no. Alternatively, there is some tendency to use the conventional strategic tools, in part at least, without fully testing whether they are valid and useful in the Internet context (see Dann & Dann, 2001). The only way around this impasse is to conduct an in-depth study with the express purpose of examining how the strategic concepts work in the Internet environment.

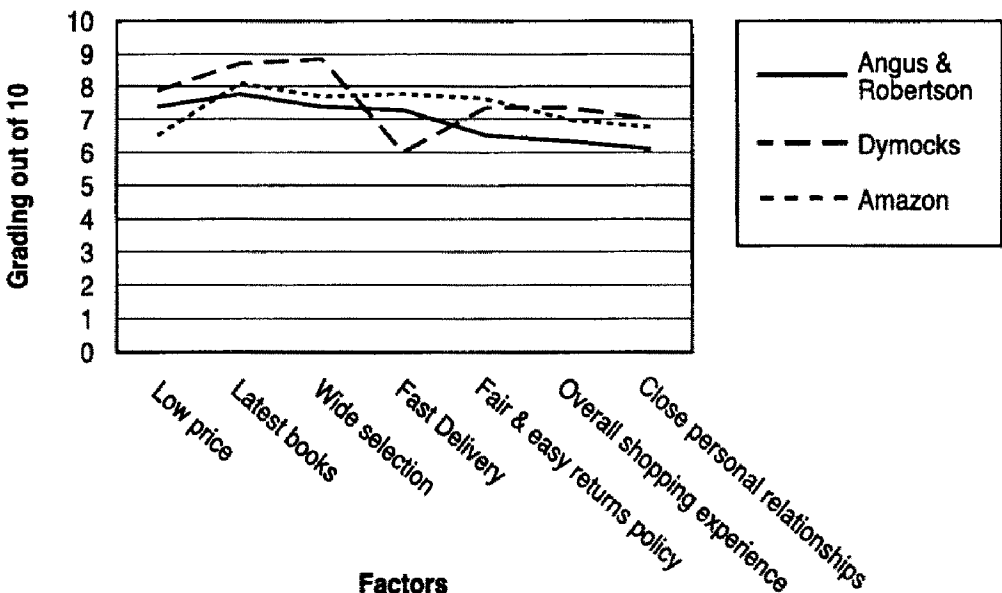
The evidence to be used is partly the monitoring of this industry over the past two years and partly the conduct of a consumer-user survey of the three sites. The latter is particularly useful in the development of competitive position maps. The strategic framework used is that of Cravens, Merrilees and Walker (2000). There are a number of slight differences used in the choice of strategic marketing framework. Cravens et al. (2000) strongly emphasize the importance of *distinctiveness* as a key characteristic of a marketing strategy. Other scholars, such as Kay (1993), do the same. Cravens et al. also emphasize the importance of competitive market positioning as a central feature of a marketing strategy, as does Porter (1996). In this respect the current paper aims to highlight the usefulness of the "snake diagram" as a preferred way of illustrating a multi-attribute competitive position. Cravens et al. (2000) also replace the classic Porter typology of *differentiation/low-cost/focus*, with an alternative four type

classification of generic strategy of *branding, innovation, channel management* and *low cost-price*. We will elaborate on these points of departure.

Distinctiveness: Surprisingly, few strategic marketing texts emphasize the critical need to develop a distinctive strategy, though papers in the resource-based theory of strategic management usually emphasize the distinctiveness of capabilities (Barney, 1991; Conant, Mokwa & Varadarajan, 1990; Grant, 1991; Hunt & Morgan, 1995; Snow & Hrebiniak, 1980). *Marketing strategy distinctiveness* could be related to any aspect of the marketing mix (that is, any one of the Four-Ps), with distribution having as much appeal as product as a way of achieving distinctiveness. Equally, distinctiveness could be based on any new *combination* of the Four Ps, or linked in some way to a loyal base of customers. Distinctiveness seems to be a potential area of neglect with some of the new e-retailers, in that firms seem obsessed by the need to develop a technological *presence* and may be giving less attention to the *marketing nuances* associated with these sites.

Snake Position Maps: The classic positioning map is an important tool to show how a firm is positioned against its competitors with respect to two key attributes. As such the map is an important way of depicting the nature of distinctiveness of a particular firm. But what if there are four or five key attributes to be compared across competitors? Multiple maps could be used, but this would represent a partial, rather than a holistic picture of comparative positions. A better approach is to use the snake diagram. Used in the past to compare the store image of different retailers (McGoldrick, 1990), it is equally relevant as a competitive position map. To illustrate, we use this tool in Figure 1.

Figure 1
Snake Position Maps for Three Online Booksellers



A New Typology of Generic Marketing Strategies: Porter (1985) is the classic reference in the marketing strategy literature. The Porter classification has received some criticisms. Studies have shown some firms are ambivalent about cost leadership and differentiation by emphasizing both. This is fatal to the original concepts, but could be salvaged if a mixture of low cost and differentiation were added to the theory. This would suit the total quality movement that advocates that both quality and cost can be simultaneously pursued. Another limitation of the Porter typology is that there is only room for one or two firms to be cost leaders. This places pressure on differentiation to be the most common strategy. If nearly all firms are using the same generic strategy (differentiation), then it is too broad or blunt to help shape or filter an individual firm's strategy. A further limitation of the Porter (1985) classification is that it is not as realistic as it could be. Actual firms generally do not talk of a "differentiation" strategy, but rather their "branding" or "innovation" or "relationship-marketing" strategy. Cravens et al. (2000) offers an alternative typology based on branding, innovation, channel management and low-cost. Thus the "low cost" strategy-type is retained, but Porter's "differentiation" strategy-type has been replaced by three others. It is argued in Cravens et al. (2000) that this new typology is closer to the vernacular of actual firms. Each of the new strategy types highlights one of the Four Ps as dominant. Branding highlights *promotion* or *communication*; innovation highlights *product*; channel-management highlights *distribution* and low-cost highlights *price*. Many fast-moving-consumer-goods (FMCG) are likely to have a predominantly branding strategy. However some FMCG firms have a *dual strategy*, combining branding and innovation in the example of Cadbury-Schweppes.

Overall, the typology affords a fresh look at how generic strategies guide the formulation and implementation of a firm's distinctive strategy and competitive market position. There are other, broader, strategic typologies that are more related to strategic management rather than strategic marketing. These typologies include Miles and Snow (1978) and Joyce and Woods (1996). Future work will develop the inter-relationships between the strategic marketing and the strategic management types.

Method

The study has a two-part design using qualitative and quantitative methods. The first part was a watching brief, to monitor and analyze the Australian online-book market over the two-year period, 1999-2000. Sites were monitored directly, as were the media for reports on the relevant firms. Key books and articles were reviewed; though these usually related to *Amazon.com* (Seybold, 1998; Spector, 2000).

The qualitative analysis of the generic marketing strategies used an expert panel of three academics who were expert in strategic marketing principles. All three were involved in teaching a subject called strategic marketing. The text for this subject was Cravens et al. (2000), which facilitated an understanding of the strategic concepts to be analyzed in the qualitative research. There was on-going debate as to the

most relevant generic marketing strategy for each e-retailer, with consensus the final arbiter. Debate does not mean that there were major disagreements between the panel members. Far from it, there was a high level of agreement in the attribution of generic marketing strategy to particular firms. The debate was stronger in classifying *Amazon.com* for reasons that will be explained below.

Following Yin (1994), it was deemed important to use a protocol to assist the qualitative research. A protocol is a tool akin to a questionnaire in a quantitative survey and ensures that the current team assesses the material in a consistent way. It would also facilitate a future research team arriving at the same conclusion. Table 1 outlines the key protocol in terms of the essential features that are associated with each of the four generic marketing strategies. For example, a *low price generic strategy* requires a heavy emphasis on low prices. It also requires a more limited range of product, limited services and no frills (low budget) operations. The use of a protocol relates to reliability, one of four criteria for judging the quality of research designs. Yin (1994, chapter 2) was also used as a guide to facilitate the implementation of the other three criteria, namely construct validity, internal validity and external validity.

Table 1
Protocol To Attribute Generic Marketing Strategy to a Firm

<i>Marketing activities associated with particular generic marketing strategies</i>	
<p><u>Low-Price Generic Strategy</u> <i>Very strong emphasis on low prices</i> Limited services Limited range of product No frills (low budget) operations</p>	<p><u>Channel Management Generic Strategy</u> <i>Very strong emphasis on distribution</i> Strong customer relationships Strong vendor relationships Database marketing Loyalty programs Key account management Category management</p>
<p><u>Branding Generic Strategy</u> <i>Very strong emphasis on promotion</i> Promotion features the brand High rate of advertising spending Integrated marketing communication Consistent image in all aspects of marketing</p>	<p><u>Innovation Generic Strategy</u> <i>Very strong emphasis on products</i> Constant flow of new products Constant flow of process changes Advertising features innovativeness More flexible work structures</p>

Source: Cravens, Merrilees & Walker (2000)

The qualitative approach was augmented by the conduct of a survey of the three sites to evaluate the user-consumer perspective quantitatively. A convenience sample of 151 university students (average age 23 years; 51 percent female) was used. We should emphasize that this was not simply just a “student sample”, but rather a group

of very well informed business students that had a good grasp of strategic concepts. Thus it was almost a type of large-scale expert panel. Participants were required to explore the three sites in a simulated buying context and then assess the sites in terms of standard user-relevant attributes. The attributes were selected from the retail choice literature and included low prices, quality of goods and fast delivery, (Chowdhury, Reardon & Srivastava, 1998; Dabholkar, Thorpe & Rentz, 1996). The surveys were implemented in 1999.

Analysis

The analysis will be presented in two parts. The first part focuses on the qualitative aspect that aimed to probe, analyze and determine what generic marketing strategies have been used by each of the three online bookstores. The second part quantitatively identifies the different competitive market positions of the three e-retailers.

Generic Marketing Strategies of the Three Online Book Retailers

The two Australian-based online bookstores, *Angus and Robertson* and *Dymocks*, were readily allocated into one of our four-type generic marketing strategies. Clearly, *Angus and Robertson* emphasized a *low-price strategy*. This was explicitly tagged throughout their site; with “ten percent off all books” being the dominant message. It was also implicit with respect to all of their other e-marketing activities that were very weak relative to competitors. There was limited online service and the site itself was not very streamlined or helpful. That is, a very “no frills” service was offered. The impression is almost a “me too” online store. Broadly, the online service is just an added activity, a type of brand extension, to supplement their already strong brick and mortar operation, where they are the largest book retail chain in Australia.

Dymocks, the second Australian-based online book retailer, closely fits the channel-management strategy type. In part, there is a similarity between the two Australian sites, in that both have strong bricks and mortar book stores, having the top two positions in market shares. However they differ markedly in terms of pricing strategies, with no discounts offered online by *Dymocks*. Additionally, in 1999 *Dymocks* had comparatively high delivery charges, which accentuated the price differential between the two online stores. The two e-retail sites also differed in terms of customer management. *Dymocks* have a book club that builds up a long-term relationship with customers. In the second half of 2000, book club members were asked to participate in an online customer survey. The findings of their survey can be used by the firm to further improve the service to its customers. The site is much better designed, being easier to move through, find information and make purchases. In short, the online search and transaction experience in *Dymocks* has been designed to take good account of consumer needs. The more consumer-friendly Web-site design, greater online service, better returns policy and use of a loyalty-club program fits *Dymocks* into the

channel-management strategy type. Moreover, *Dymocks* reduction of its delivery fees in 2000 as a response to customer criticism was another indicator of its strong channel management focus.

Both Australian sites have relatively vague branding. So while branding policies were used, they were not powerful enough to warrant the description of a branding generic strategy. Similarly, neither Australian site was especially innovative, so we can also rule out an innovation generic strategy.

Amazon.com is a more difficult online retailer to classify by generic marketing strategy type. Part of the problem in classifying *Amazon.com* into a strategy type is that they are very competent at all four activity-types. This is understandable because they are considered to be one of the best e-retailers in the world. Within Australia they have a *dot com* address and not a *dot com dot au* address (*au* denoting Australia). Despite this limitation they generate more e-tail sales than any other site, in Australia. *Amazon.com* do have *low prices*, with lots of discounts being offered. They have also been very *innovative*. This partly arises because they were one of the first *major* pioneers (there were a couple of smaller American online bookstores ahead of them). The innovation continues with site development to a certain degree, but also through extension into other retail categories, such as CDs. They have also been innovative in nurturing alliances with other online booksellers. *Branding* is clearly very important because they are one of the world's best-known e-brands. Channel management is very important because customization and personalization of the site are among their "trademarks". They have that familiar, "Hello [Name]" welcome when the customer revisits. Personalized customer profiles are generated to assist book selection. Prompt delivery within the USA is important and the entire site was designed on a basic five-step process that was meant to make the consumer shopping experience convenient and helpful. Increasingly they have built additional warehouses to further facilitate speedy delivery within the USA and have also built up excellent alliances with suppliers.

Given the strength of *Amazon.com* in all four areas, how do we allocate them to a particular strategy type? Having strengths in all four areas of marketing does not preclude the need for tight focus on one or two areas. No organization can run full steam in four different directions at the same time. Tradeoffs and priorities are needed to effectively manage the organization's scarce resources (Porter 1996). Nonetheless, we did note in the introduction that some companies have successfully employed a *combination* of two generic marketing strategies, as argued by Cravens et al. (2000).

An innovation generic strategy was certainly critical to *Amazon.com* in their initial years of business. The concept of Internet selection and online purchase of books was novel in the early 1990s and *Amazon.com* designed and implemented a new way of doing business. However, after 2-3 years of business, once it was better known, the company moved to a *combined branding and channel management generic strategy*. We cannot separate being one of the world's best-known e-brands from its generic strategy. However the channel management aspect is *equally*

important. The emphasis on simplicity, helpfulness, convenience, reliability, trust, memory of past habits and customer-relationships generally evoke a powerful image of a customer-driven organization. Indeed, there is a sense in which the customer-driven (channel management) aspect *is* the e-brand. If the channel management side did not work as well as it does then the brand of *Amazon.com* would have a lot lower brand equity. The low price aspect is important, but not enough to make it a generic marketing strategy compared to competitors.

The *Amazon.com* experience highlights the dynamic nature of competitive strategy. It is important that firms adapt to new marketing environments, as well as developing their own growth trajectory. Pioneer firms in particular are likely to enter markets with an innovative strategy, but this can evolve into some other generic strategy as conditions change.

Snake Position Maps for the Three Online Booksellers

We have alluded to the usefulness of snake diagrams as a more effective way of depicting the multi-attribute competitive market position of different competitors. The source of the ratings of the three online booksellers was the survey of 151 users. It is emphasized that a convenience sample has been used and therefore we cannot readily generalize the results to the population of all users of the sites. However, although there may be *some* discrepancies between the sample and the true population, our view based on our own perceptions is that the sample ratings have a high level of content validity and objectivity.

The snake diagrams for seven of the key attributes, as shown in Figure 1, demonstrates the general superiority of *Amazon.com*, except on one attribute (fast delivery). The geographic distance between the USA and Australia explains this exception. The snake diagram also shows the general inferiority of *Angus and Robertson* relative to the other local competitor (*Dymocks*), except on low prices. The snake diagram suggests that *Dymocks* have been broadly modeled on the *Amazon.com* prototype, especially in relation to channel management features.

Table 2 provides the numerical spreadsheet that underlies Figure 1. It also shows the various ANOVA tests comparing each attribute across the three sites. Most of the mean differences across the sites were significant, usually at the one-percent level. Table 3 shows the strength of the firms in terms of *capabilities* needed for successful channel management strategies. The high level of competence of channel management strength of *Amazon.com* is supported by appropriate capabilities. These capabilities include good two-way communication, interactivity, responsiveness and provision of information to customers. *Dymocks* was ranked as second in such capabilities and *Angus and Robertson* a distant third. The ANOVA tests show that most of the mean differences across the three sites were significant, usually at the one-percent level.

In general we see that the snake plots, as expected, reflect the three different generic marketing strategies. *Angus and Robertson* have a narrowly scoped

Table 2
Average Ratings of the Three Online Booksellers
Across Key Buying Attributes

(10 point scale used for ratings, 10 high)

Site Image Attribute	Angus & Robertson	Dymocks	Amazon.com
Low prices	7.41	6.50	7.90 ^{b,c}
Latest books	7.86	8.13 ^a	8.71 ^{b,c}
Wide selection of books	7.43	7.75 ^a	8.85 ^{b,c}
Fast delivery	7.26	7.66 ^a	5.96 ^b
Fair & easy returns policy	6.58	7.60 ^a	7.33 ^b
Overall shopping experience	6.29	7.03 ^a	7.32 ^{b,d}
Close, personalized relationship	6.08	6.68 ^a	7.02 ^{b,d}

Notes:

- a. Denotes that rating for *Dymocks* was significantly greater than Angus & Robertson at the 0.01 level
- b. Denotes that Amazon was significantly greater than Angus & Robertson, 0.01 level
- c. Denotes that Amazon was significantly greater than *Dymocks*, 0.01 level
- d. Denotes that Amazon was significantly greater than *Dymocks*, 0.05 level.

Table 3
Average Ratings of the Three Online Booksellers
Across Various Channel Management Capabilities

(10 point scale used for ratings, 10 high)

Channel Management Capability	Angus & Robertson	Dymocks	Amazon.com
Good two-way communication	6.48	6.81 ^a	7.30 ^{b,c}
Good interactivity between user and the firm	6.46	6.96 ^a	7.60 ^{b,c}
Queries or questions answered well	6.62	7.07 ^a	7.32 ^b
Privacy of customer information protected	7.51	7.74 ^a	7.96 ^{b,d}
Wealth of information & ideas	6.43	7.19 ^a	8.55 ^{b,c}

Notes:

- a. Denotes that rating for *Dymocks* was significantly greater than Angus & Robertson at the 0.01 level
- b. Denotes that Amazon was significantly greater than Angus & Robertson, 0.01 level
- c. Denotes that Amazon was significantly greater than *Dymocks*, 0.01 level
- d. Denotes that Amazon was significantly greater than *Dymocks*, 0.05 level.

generic strategy focused on low prices and this is shown graphically in the position map. The importance of channel management strategy to both *Amazon.com* and *Dymocks* is also mirrored in the snake plot. The additional and special significance of branding to *Amazon.com* is not explicitly represented on the snake plot, but can be interpreted as the *composite* of the attributes shown. In this respect the very strong performance of *Amazon.com* in six of the seven image attributes is a reflection of its overall e-brand strength.

Discussion

The *generic marketing strategy typology* used here provides a useful framework to interpret the respective *competitive market positions* of the three online booksellers. Both the strategy typology framework and the snake position map incorporate other elements of a marketing strategy. For example, the sustainable competitive advantage of *Amazon.com* is primarily related to superior relationship marketing. A similar conclusion applies to *Dymocks* in a comparison of the two local online booksellers. Although not reaching the heights of *Amazon.com*, *Dymocks* have been able to use customer-responsiveness, a convenient returns policy and their book club program to nurture *their own loyal base of customers*. We have also shown that the superior channel management strategies of both *Amazon.com* and *Dymocks* are soundly supported by appropriate capabilities. The overall model of strategic marketing management that we started with has been woven together by each of the firms. In the case of *Angus and Robertson*, the “weaving” has spun a “no frills” cloth, but it has nonetheless been woven in a consistent, harmonious way. This is not to say that their low price strategy offers them a *sustainable* competitive advantage. Far from it, it is an advantage that could be easily copied.

Our most important finding in this paper is that the traditional strategic marketing tools, including generic marketing strategy, competitive market position, SCA, and capabilities, *are readily usable in the e-marketing environment*. The approach shown in this paper has the potential to be applicable to most markets in most countries. These tools can be used by academics to study different markets or by practitioners researching their own market. It is critical that practitioners firstly determine their generic strategy as this provides an over-arching guide to the remaining components of a marketing strategy, including their SCA and competitive market position.

The other important lesson here is that the components of the marketing strategy need to be suitably integrated with each other. Different generic strategies require different integration tactics and capabilities. Some generic strategies, like low price, require a fairly straightforward set of integrating tasks, namely to vividly display low prices and to run all other operations on a no frills costing basis. Other generic strategies, like channel management, require more complex integration of tactics and capabilities. However the reward in the last cases is that a unique set of competencies are created that help *sustain* a competi-

tive advantage over a longer period of time.

The study has additional practical importance in terms of its advocating a *snake position diagram*, rather the traditional two-attribute position map. The snake diagram should be particularly helpful for busy executives who often prefer a visual picture of where their business stands relative to competitors. A special benefit of the snake diagram is that it can potentially quickly reveal that a firm is a “me too” e-retailer, with very limited distinctiveness. This was the case of *Angus and Robertson*, where the snake diagram revealed that they had an inferior position in most areas. The snake diagram can guide firms to deliberately and purposefully redevelop their business so as to be better positioned against competitors.

The analysis has some broader implications in that selection of a *channel management generic strategy* in the e-marketing context has much merit. We have already discussed the notion that this type of generic strategy is more likely to create a *sustainable* competitive advantage. Importantly, the fact that a major competitor develops a competitive advantage using a channel management strategy does not preclude any other firm doing the same. The *Amazon.com* and *Dymocks* cases are testimony to this point. Indeed, the channel management strategy lends itself to the development of *distinctive* (unique) capabilities, often inextricably linked to a loyal and satisfied customer base.

In contrast, there is unlikely to be room for more than one or two low-price generic strategy firms and this may not be sustainable. Similarly, at any time, there is likely to be only one or two really innovative firms and these fads may not be sustainable either. From the consumer’s perspective, novelty may be fine for a short time, but in the long-term more practical aspects like reliability and time-saving convenience are likely to be more important. It is telling that our analysis provides some insight to the critical enduring qualities for e-marketing success. Reliability, flexibility and convenience would seem to be the hallmarks of the excellent channel management firms. *Convenience* rather than *low prices* is the most critical need of consumers in the new world of e-marketing and the more that the e-marketing strategies reflect this, the more successful they are likely to be.

Conclusions

The study has analyzed the marketing strategies of the three leading firms in the Australian online book retailing industry. The firm with the highest market share is American-based *Amazon.com*, reflecting the global nature of Internet markets. The other two firms are Australian-based, where the online business is an add-on to very strong bricks and mortar operations. The three sites have been monitored over a two-year period using qualitative research. Additionally, a quantitative component of the study used a convenience survey of 151 respondents, providing a user-consumer basis for the snake competitive position maps. Snake maps are essentially image maps, showing how different firms were perceived from a consumer point of view.

Amazon.com was found to have a dual generic marketing strategy, combining branding and channel management. They are in an extremely strong position worldwide. Their very strong position in the Australian online book market is reflected in the snake position map. It was also shown that *Amazon.com* support their market position with high performing, relevant capabilities, such as communication and technology. *Dymocks* was found to be performing very strongly as well, with an well-articulated channel management generic strategy. This broad generic strategy has similarities to that of *Amazon.com*, but *Dymocks* have refined it in a way to develop their own *distinctive competencies* linked to a loyal base of customers.

Angus and Robertson also have a clear image on the snake position map, namely that of a low-price online book retailer. We have argued that this is less likely to be a sustainable advantage in the long run, especially since their bricks and mortar outlets have a more upmarket position and therefore customers who accessed both received mixed messages from this inconsistency.

The critical finding is not simply about the different strategies of three competitors in a given market, but the potential of the methodology for the analysis of any online market. It now seems likely that the conventional tools and concepts of strategic marketing can be applied to other online markets. *In other words, strategic concepts such as generic marketing strategy, competitive market position, the snake position map and SCA, can be readily and productively applied to the e-marketing environment.* Evaluating this proposition was the central purpose of the current paper. Either academics or practitioners can use the concepts to give insight into how competitors compare. In particular, the *snake position map* might be seen as especially helpful as a visual aid to ensure that practitioners are not entrapped into inadequate “me too” e-positions.

The other main lesson for e-marketing strategy in general is the potentially important role of a *channel management generic strategy*. It was argued that a channel management generic strategy is more likely to create a *sustainable competitive advantage*. Through a program of relationship-management and technology management a firm can build their own distinctive competencies, linked to a loyal base of customers. At a more detailed level, quality relationships on the Web can be managed through a greater understanding of site-customer communication and interactivity (Merrilees, 2002).

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