Editorial

Richard F. Beltramini

School of Business Administration,
Wayne State University, Detroit, MI 48202, USA
E-mail: R_Beltramini@wayne.edu

Kenneth R. Evans

College of Business, University of Missouri,
Columbia, MO 65211, USA
E-mail: Evansk@missouri.edu

Robert E. Kleine, III

Ohio Northern University,
Dicke Hall 215, Ada, OH 45810, USA
E-mail: R_Kleine@onu.edu

Biographical notes: Richard F. Beltramini is a Professor of Marketing in the School of Business Administration at the Wayne State University. He holds a BS and a MS from the University of Illinois and a PhD from the University of Texas. His research interests lie in advertising believability, business gifts, and advertising ethics. He has published papers in *Advances in Consumer Research*, *Journal of Advertising*, *Journal of Advertising Research*, *Journal of Advertising Education*, *Journal of Promotional Management*, among others.

Kenneth R. Evans is the Pinkney C. Walker Professor of Teaching Excellence and Associate Dean in the College of Business at the University of Missouri-Columbia. He holds a BA degree from the University of California, a MBA from California State University at Sacramento, and a PhD from the University of Colorado. His research interests include interpersonal influence, sales management, marketing management and marketing theory. He has published papers in *Journal of Marketing, Journal of the Academy of Marketing Science, Journal of Personal Selling and Sales Management, Journal of Advertising, Industrial Marketing Management and Distinguished Essays in Marketing Theory.* He is the Editor of the *Journal of Personal Selling and Sales Management* and serves on the editorial review boards of *Industrial Marketing Management, Marketing Education Review*, and *Journal of Marketing Theory and Practice.*

Robert E. Kleine, III is an Associate Professor of Marketing and George W. Patton Chair in the College of Business Administration at Ohio Northern University. He holds a BS from the University of New Hampshire and a PhD from the University of Cincinnati. He has published papers in *Journal of the Academy of Marketing Sciences*, *Journal of Consumer Psychology*, *Journal of Consumer Research*, *Journal of Personal Selling and Sales Management*, *Research in Consumer Behavior*, among others.

When the *International Journal of Internet Marketing and Advertising* decided to publish a special issue devoted to 'Future directions for digital business management', we were quite excited about serving as guest editors. With so much already written in this area, we decided to focus primarily on what lies ahead for both academic researchers and business practitioners alike.

The meteoric growth of internet business practices evidences both the allure of these new technologies and their efficiency and practicality. Information technologies enable streamlining of business operations. Marketers can now identify customer prospects for which mass customised value offerings are developed and delivered. Businesses have embraced the potential for enhanced customer relationship management afforded by interactive electronic communication, being able to anticipate customer needs and deliver innovative solutions with truly amazing consistency.

We also encouraged contributors to address the myriad of issues surrounding the need for new accountability metrics, industry standardisation, and the attendant policy issues associated with such revolutionary change. Analysing such challenges is particularly significant within a global context. Accordingly, we felt this special *Journal* issue represents a unique opportunity for collaboration and shared thought.

Below is a brief overview of the papers in the special issue and their contributions.

In 'Promises paradoxes, and firm adaptation in international e-commerce', John Story reinforces that the moment firms are on the web, they compete in a global context. Story examines critical issues pertaining to how international visitors to websites navigate these environments. The author suggests that firms must not only carefully plan internet adaptation; they must also incorporate mechanisms or processes to ensure that customers are directed to the correct online offerings. Differences in language, customer preferences, and legal environments mandate adaptation for firms to compete successfully in fragmented global markets. Ultimately firms that successfully customise their internet offerings for global markets are more likely to reap promised benefits of the web.

Janis Crow's, 'Factors influencing product customisation', explores how the internet provides a tool whereby buyers and sellers may interface in a context where the customer can determine the design of the product. With a growing portion of the domestic economy in the category of services, consumers increasingly have the opportunity to customise what service they receive. This study seeks to identify the extent to which customers customise products in an internet context. The findings reveal that customers are more likely to customise the product when there are a large number of attributes. Experience with the product category and/or indirect forms of shopping, demonstrated mixed results. The value of this study is in demonstrating the need to understand the how, why and with what degree of satisfaction customers engage in the customisation process in online contexts.

'Perceived effectiveness of recommendation agent routines: search vs. experience goods', by Praveen Aggarwal and Rajiv Vaidyanathan – with the increased amount of information and product offerings available on the web, consumers confront the daunting task of sifting through this information to arrive at a purchase decision. Online shopping environments have developed shopping agents to assist the consumer in sifting through the volumes of data. A notable shopping service would be Amazon.com's recommendation services. The authors compare two commonly used recommendation agents – rule-based filtering agents making recommendations based on preferences for product features vs. collaboration filtering agents that match users with other buyers who

have similar profiles and preferences making recommendations on shared likes and dislikes – and to determine which is most effective in assisting consumers in the online shopping environment. They find consumers evaluated recommendation agents more favourably for search goods than experience goods. By contrast, rule-based recommendations were preferred for search goods but *not* for experience goods. This finding suggests that marketers should choose a recommendation agent appropriate for the type of product they offer.

'A pricing model for a new product sold over the internet', by Salem Lakhal and Souad H'Mida – The authors address an interesting point regarding the possibility of aggressive price competition/downward pricing pressure on the internet. Their model indicates that "in order to maximise simultaneously, the value-added, the market share and the competitive advantage perceived by the client, the firm should share with the client the potential competitive advantage". This study is valuable as it calls critical attention to the need for buyers and sellers to collaborate in arriving at mutually agreeable prices in the internet context.

"Dynamic pricing using e-coupons', by Rajanish Dass – one of the values of the internet environment is the capacity to capture customer data. Further, since the environments in which these data are captured, and the transaction space, are one and the same, unique opportunities for segmenting customers relative to their receptivity to alternative price offerings via couponing are attractive to marketers. The author addresses ways to determine distinct groups and the identity of optimal values of discounts appropriate for each segment.

'Banners, e-mail, advertainment and sponsored search: proposing a value perspective for online advertising', by Andreina Mandelli – critical to the successes of internet marketing is the ability of marketers to effectively advertise. The author contends that the typical e-mail banner message approach (based on cognitive intrusion) does not fit the value expectations of the consumer and that permission marketing (basis of e-mail marketing) does not solve the need of online advertising because it does not address the needs of advertising in early stages of a relationship. The author proposes a new model of evaluation and management of online advertising based on the consumer value perspective.

'The use of e-metrics in strategic marketing decisions – a preliminary investigation', by Birgit Werschedel, Sheelah Matear and Kenneth Deans – with the growth of internet business activity, there is an increasing need to assess the nature of the measures of business performance. A preliminary investigation, interviews with web-based business units revealed that companies currently measure website performance and consumer behaviour online but they are uncertain how best to use those metrics to inform strategic marketing decisions. The findings suggest businesses are actively seeking appropriate metrics that increase comparability among companies as well as overcome current data limitations.

The papers in this special issue reveal how the research investigating the future implications of digital business management provides marketers an enhanced understanding of this critical exchange context and outlines areas for needed continued academic and practitioner attention. In addition to the fine collection of research papers included in this special issue, we also wanted to note a few additional areas identified in the process of developing this issue to further encourage potential research directions.

- tracking technologies, like radio frequency identification (RFID) tags, promise impressive increases in inventory management, customer convenience, and promotional effectiveness

- advances in multidimensional display of data mining results enhance marketer's customer intelligence, contributing to near individualised customisation of advertising messages and targeted promotions

- branding (and what is promised) will continue to grow in its importance to consumers; marketers in turn will continue to manage existing customer relationships with technologically automated precision, rather than constantly seeking to attract new prospects

- wi-fi hotspots will enable marketers to reach targeted prospects in the vicinity of retail outlets, suggesting additional shopping opportunities

- broadband growth continues to enhance streaming video opportunities, potentially providing a 'new television' type of delivery opportunity for advertisers

- escalating media costs will continue to fuel the integrated shift to unique (or at least less 'traditional') vehicles such as text messaging on cell phones, product placements, sponsorships, and specific special events

- demographic changes emphasising seniors and culturally diverse groups will redefine targeting, as well as the delivery of narrower advertising executions

- well-informed consumers will continue to shop, order, seek delivery, and consume at home, reducing reliance on salespersons

- sensitivity to social issues like privacy, obesity, prescription drugs, and unsolicited contacts will grow beyond legal concerns to a more widespread and genuine awareness of their importance

- advertisers will continue to seek diverse, techno-savvy talent disillusioned with the lack of accountability of an era of banner and pop-up ads, more frequently building in-house capabilities than relying on external specialists.

And, obviously the list could go on and on. But our goal in this initiative was to encourage research in this vital area, and we hope that in some small way we have succeeded in getting you, the *Journal* reader to think about these areas, and potentially initiate your own research. We appreciate this opportunity, and especially thank the contributors who so diligently revised their manuscripts to reflect reviewers' suggestions for improvement.