

Welcome to IF Consulting's weekly e-mail newsletter

August 30, 2002

Our regular email tackles the topical issues that surround all marketing channels and their underlying strategies.

This newsletter is also available as a PDF on our Website (<http://www.i-f.com/E-comLinks02.htm>) if you want to download a version for your hard copy file.

Gifts on Target

The metamorphosis undergone by e-commerce has been significant since the advent of the Internet. Up until now, the Web has fulfilled the functions of a brochure, a billboard and a shopping mall. The Website of mass retailer Target has evolved to the next stage: the Web as a gift shop. The brains behind this move at Target believe that Web sites can provide superior service when customers are buying for someone else.

Target's customers are slightly wealthier and more computer-savvy than those of its rivals, making them a welcoming audience for the Web message. Despite the fact that competitor Wal-Mart has 2,790 domestic discount stores to Target's 1,100, last November Target had 6.1 million visitors online, versus 6.9 million for Wal-Mart.

In August, the reach of Target's site was expanded significantly. Target's online presence now includes its sister chains: midprice department store Mervyn's and the more upmarket Marshall Field's.

<http://www.forbes.com/forbes/2002/0902/076.html>

IF Comment

The Target Website succeeds on two levels. First of all, it effectively leverages the well-established logistics network supporting its retail outlets. One of the main reasons for the failure of many of the early-model virtual stores was the lack of logistical support for order fulfillment.

Target's site also presents the total range of products from Target, Mervyn's and Marshall Fields. This extensive offer saves the shopper from physically visiting all three stores and avoids customer disappointment as the Website is never out of stock.

The Registry service succeeds because it is designed as a shopping experience from the customer's point of view. Many customers are time-poor and often live significant distances from friends and family. As a result, it is difficult for them to gauge what sort of gift family members would like for birthdays and other special occasions. The online registry service solves these time and distance problems and enables customers to purchase a gift the recipient has preselected. The "Web-as-a-gift-shop" concept is a unique offering of the Internet marketing channel.



Marketing Channel
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Maximizing shareholder value
through creating the best routes
to market

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Snippets

Posten, Sweden's national post office is encouraging the use of an Internet mail delivery service that aims to make most physical mail redundant. The Swedish post office is urging large-volume mail senders such as banks, governments and housing agencies, to use the service.

<http://www.detnews.com/2002/technology/0205/20/technology-493978.htm>

According to a survey conducted by an online franchise information site, Franchise Opportunities.com, a growing number of investors are shunning stocks to invest in franchises. The report estimates that between 25% and 30% of new franchise owners are investors disillusioned with Wall Street.

<http://webreprints.djreprints.com/590950474779.html>

Fighting online fraud appears to be a losing battle. Despite a wide variety of groups attempting to keep tabs on online fraud, including the FBI and the Federal Trade Commission (FTC), no one is pinpointing fraudulent activities as they are actually committed.

http://www.ebusinessforum.com/index.asp?layout=rich_story&doc_id=5996