

## Welcome to IF Consulting's weekly e-mail newsletter

February 20, 2004

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.

### The pros and cons of a borderless channel

The international market for e-business continues to expand. Firstly, the world population is growing – China, for example is expected to have a population of 1.48 billion by 2050. Europe, on the other hand, although experiencing negative population growth has more and more people going online and discovering resources beyond their national borders.

As a result, governments and global organizations are encouraging e-commerce between wealthier and less developed nations. Last year, UN Secretary General Kofi Annan told members of the United Nations, "E-commerce and e-business are ... capable of offering new ways to participate in global markets, new possibilities for diversifying national economies, and new and better jobs for young people".

However, many e-businesses have also encountered the challenges that selling overseas involves. A spokesperson for leading e-commerce provider, Digital River, said, "There are quite a few hurdles, including high shipping costs, data protection, language barriers, taxation, local currencies and payment options and personalization. High shipping costs will always be a deterrent. Companies need to subsidize these to make the total cost to the consumer attractive."

<http://www.ecommercetimes.com/perl/story/32827.html>

### IF Comment

E-commerce has grown up and gone global. Reaching an unprecedented number of markets, and generating more sales than ever, e-commerce is now a sales channel expected by potential customers. The larger pot of gold attracts more attempts at e-commerce related fraud, such as "phishing"- these and similar attempts require channel principals to upgrade their systems and process frequently. Customers have come to expect a higher level of functionality and personalisation from merchant sites. Add in the complications of cross-border transactions (including customs and taxation), and it becomes clear that only the largest e-commerce pioneers can manage the challenge and the expense of maintaining a top-quality in-house e-commerce channel.

Thus, channel principals are turning to third-party providers to provide leading-edge transaction security, payment, customer data management, product fulfilment and other services. The channel principal then must develop the processes for selecting, monitoring and managing these service providers. Sound familiar? A fully-fledged e-commerce sales channel presents a channel principal with challenges that are similar to those of decades-old bricks and mortar sales channels. An approach that integrates the e-commerce sales channel into the overall channel management strategy is essential for optimal development.



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

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## Snippets

ABS Bodyshop Services, the largest UK vehicle repair network with 220 outlets, has indicated that it will invite franchised car dealers into its network to provide bodyshop services. Vehicle manufacturers have required their franchised dealer networks to invest significant amounts in the latest technology in order to maintain and service their vehicles. Dealer networks are now enjoying the benefits of these investments as the sector becomes more competitive, and aftermarket players such as ABS Bodyshop are hoping to get in on the act.

<http://www.datamonitor.com/~5b11d781b42a489c87209630c7233a95~/all/news/product.asp?pid=A2BFF3E8-E948-45A1-AA1C-C5BD767CDE83>

It was reported this week that shopkeepers embroiled in the battle for UK retail group Londis have been offered a £30,000 incentive to switch ranks. The approach to shopkeepers, who each own a single share in the wholesaling and distribution business of Londis, came from rival business Costcutter. Twelve hundred of the operation's 2,000 franchise owners have been offered an initial £10,000, plus two annual instalments of £10,000, in return for signing a four-year trading contract.

[http://icwales.icnetwork.co.uk/0300business/0100news/content\\_objectid=13958443\\_method=full\\_siteid=50082\\_headline=Offer%2Dfor%2DLondis%2Downers-name\\_page.html](http://icwales.icnetwork.co.uk/0300business/0100news/content_objectid=13958443_method=full_siteid=50082_headline=Offer%2Dfor%2DLondis%2Downers-name_page.html)

A new United Arab Emirates (UAE) Franchise Association has been launched in Dubai to further strengthen the country's franchise sector. It is considered that the franchise sector has strong prospects in terms of employment, entrepreneurship and growth.

[http://www.menafn.com/qn\\_news\\_story\\_s.asp?StoryId=41861](http://www.menafn.com/qn_news_story_s.asp?StoryId=41861)

## Share the Knowledge.

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IF Consulting publishes "Our View", a quarterly review of topical marketing channel issues. Samples are available on our website. To receive "Our View", please return this email with your address details.

To unsubscribe, please reply with "unsubscribe" AND a copy of the email address to be removed.

IF Consulting is a leading international marketing channel strategy consulting firm with over 30 years experience in a vast number of industry sectors. See our website for further information.

<http://www.i-f.com>