Chapter 6

Positioning in Cyberspace: Evaluating Telecom Web Sites Using Correspondence Analysis

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The growth of presence in the marketspace of the Web has been exponential, both in general and within specific industries. While the academic literature on the phenomena is still in its infancy, there exists a pressing need to establish methodologies to evaluate and map Web sites within and between industries. With the exception of a few notable papers little or no theoretical, descriptive, or normative research has been conducted into the evaluation of Web site market positioning. This chapter goes a little towards addressing this lacuna. Specifically, Web sites from the telecom industry are evaluated and mapped using correspondence analysis. The technique of correspondence analysis and the interpretation of the maps produced are described in detail. The implications for management are discussed.

INTRODUCTION

The Internet is possibly the most prominent manifestation of what Rayport and Sviokla (1994) term the marketspace—the virtual equivalent of the traditional physical marketplace. Web sites have seen explosive growth in the last few years (e.g., Kehoe, 1996). Amongst most major and minor organisations (both for profit, not-for-profit, and governmental), there has been some experimenting with Web sites ranging from simple presence to sophisticated virtual organisations. While the academic literature on the phenomenon is still inchoate, there exists an exigent need to develop methodologies to map and evaluate the marketing impact of Web sites in and between industries (Jayaratna 1999). With the exception of a few papers (e.g., Berthon, Pitt and Watson, 1996; Berthon, Pitt and Prendergast, 1997; Peterson, Balasubramanian and Bronnenberg, 1997), little or no theoretical, descriptive, or normative research has been conducted on the evaluation of Web sites. This chapter is offered as a step towards addressing this deficiency. The technique of correspondence analysis and the interpretation of the maps produced are described in detail, with the international telecommunications industry as a focus. The implications for management are discussed.

WEBBING THE NET

The Internet is the name given to a vast global collection of interconnected computer networks. It comprises many separate networks, belonging to disparate organisations such as universities, business and Internet service providers, joined together in a haphazard way. The Web or World Wide Web can be thought of as a platform that rides on the Internet: a hypermedia information system that links computer-based resources around the world. Browser software allows hyperlinked words or icons to display a multitude of spatially dispersed media sources—comprising text, video, graphics, and sound - on a local computer screen. Characteristics of the Web that are important from a strategic marketing perspective include:

- **Interactivity:** the ability to interact both with and through the medium.
- **Availability:** 24-hour-a-day presence.
- **Facilitation and flexibility:** advertising, informing, full-colour virtual catalogues, on-line transactions, on-line customer support, distribution of certain products and services, and the eliciting of customer feedback.
- **Non-intrusiveness:** The customer generally has to find the marketer rather than vice versa, to a greater extent than is the case with most other media (e.g., Anderson, 1995). This renders the medium unique from a marketing perspective.
- **Cost:** (In most cases) initial presence on the medium is relatively easy and inexpensive to establish.
- **International reach:** Any business or organization that has a Web presence is international by definition.
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