

# Chapter 5

## Web Strategy in the Digital Economy: An Organizational Perspective

**Mahesh S. Raisinghani**  
Texas Woman's University, USA

**Chih-Hung Chung**  
Texas Woman's University, USA

### ABSTRACT

*The Internet, for many businesses, has become as invaluable as human resources, equipment, and distribution channels. Continued current use and implementation of new Internet tools will further enhance business and continue to improve the business model and the return on investment. A good Web strategy works with an organizations' business strategy to design and implement a Website that meets the goals of its business strategy. After building a Web presence, the thought process is on continuous improvement of the business model and its value chain. The Web strategy, as explored in this chapter, includes enhancement of the online community, personalization, content, ecommerce, extranets, and intranets.*

### INTRODUCTION

New digital technologies like social media, mobile, cloud computing, and analytics are advancing rapidly on the economic landscape. From an organizational agility, intelligence and resilience perspective, executives in every industry – from media to electronics to paint manufacturing – face a bewildering array of new digital opportunities (Westerman et al., 2013). A strategic business plan is vital to the success of any organization.

An important part of that plan must include methodologies for the organization to reach the target customers. For years, organizations have hired marketing teams and marketing firms to help develop new innovative ways to reach the largest portion of the market possible. Traditional methods used to position a product or service, have included print media (newspaper and magazine articles), billboards, televisions and radio advertisement and direct mail. However one thing that holds true about marketing is that “what works today

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might not work tomorrow.” (Ferrell & Hartline, 2008). This statement has never been more true than with the introduction of the Internet in to the marketing mix.

As opposed to E-Commerce, E-businesses create strategic opportunities and competitive advantage by adding value for customers and improving efficiency through the use of Internet and information technologies. E-Commerce is a result of E-business, and deals with the technology-mediated physical transactions and exchanges between parties as well as electronically based intra- or inter-organizational activities that facilitate such exchanges. E-Commerce is constantly changing economies, markets and industry structures, products, services and their flow. This includes changing consumer segmentation, consumer values and consumer behavior.

Since its entrance into mainstream society, Internet, World Wide Web, or as it is often referred to as the “Web” has had an increasing role in the world of business strategy. Originally when the Internet was introduced in the 1980’s and through the 1990’s, companies used the Internet to promote themselves through a type of static colorful video brochure. Now, in 2014, the Internet has become a vital part of the day-to-day strategy for many corporations.

The Web’s impact, flexibility and expansion capability seems to be endless. The tools used for this type of marketing and strategic positioning are ever changing and offer companies the ability to reach customers on multiple levels and in a variety of methods. Some of these methods include pop-up advertisements, e-mail and social networking to name a few. A web site can be updated rather easily and can portray the company’s product, mission, vision and values. The web site can be used by customers or investors alike to research the company. The marketing aspects on the Internet are infinite. The Web is not limited to marketing but also provides support for many levels of the business operations.

Equipment purchases and staffing patterns have changed to ensure functionality of the Internet and the related technologies. Organizations use the Internet to reach markets but to also provide customer support and relations. However powerful the Internet is in the strategic process of an organization, it is not without issues and problems. These problems can be technical and found within some of the applications or use-related/with the human-computer interaction when people try to use the applications.

The rest of the chapter is structured as follows. First, we discuss the strategic role of technology and the necessary investments to maximize their presence on the Internet. Second, we discuss the web design and development with respect to some of the tools and applications used by organizations. Third, we discuss how the Internet is used in the business from a strategic perspective and its impact on the value chain. Fourth, we discuss the implications issues and challenges for management created from the utilization of the Internet in the business. Finally, we discuss the implications for research and future research directions before the conclusion.

## **STRATEGIC ROLE OF TECHNOLOGY**

Periodic change in a large organization is necessary to help the firm adapt to new times. Failure to make appropriate changes at the right time, endangers survival because the company may become competitively outdated in its products, services, and value to customers. Change requires an ability to anticipate the external dynamics of the environments in which a company operates markets, competition, innovation, government regulation, economic conditions, globalization, and so forth. Change also requires an ability to change a company’s directions in products, production, marketing, organization, personnel,

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