

Chapter 11

The Theory Behind the Role of Leverage and the Strategic Alignment of Organisations While Creating New Markets (Internet Marketing and E-Commerce)

S.I. Lubbe
Vista University, South Africa

The quality of “alignment” is like the well-timed swoop of a falcon that enables it to strike and destroy its victim (With acknowledgment to Sun Tzu).

Over the past decade the Internet has taken off and organizations will soon reap benefits on it, as they have never seen. E-commerce will therefore hopefully emerge as an efficient yet effective mode of creating new markets although most managers still doubt the impact and profitability it has. Enabled by global telecommunication networks and the convergence of computing, telecom, entertainment, and publishing industries, e-commerce is supplanting (maybe replacing) traditional commerce. In the process it is creating new opportunities and challenges for

today's businesses, creating new market structures, and changing the alignment of the organisation. Managers of tomorrow must therefore understand what e-commerce is; how the approach to this concept will be; and how it will affect the leverage of the organisation.

The questions could therefore be asked: What is the return on investment (ROI) on e-commerce? What is the effect of e-commerce on the strategic alignment of the organisation? and what is the leverage effect of the strategic alignment on the organisation? This research will be written explaining what leverage and e-commerce is and how this could be used to create new markets and to improve the strategic alignment of the organisation. Some factors that could be used to improve and affect e-commerce and the integration and development of business strategies are:

- *There is nothing absolute about Internet traffic measurement;*
- *The false claims to Internet traffic do not help to improve the marketing approach by organisations;*
- *There is no method that anyone can agree to that is the best way to measure Internet traffic;*
- *There are so many influencing factors and each one can influence the leverage on the e-commerce approach of any organisation;*
- *The off-line reading capacity of Internet browsers can affect e-commerce positively and should be kept in mind;*
- *Internal traffic can affect leverage badly.*

INTRODUCTION

Over the past decade the Internet has grown a lot and it is possible that organizations will soon reap benefits from using it, as they have never seen. E-commerce, as one of the 'products' of the Internet will therefore hopefully emerge as an efficient yet effective mode of conducting global commerce although most managers still doubt the impact and profitability it has. Enabled by global telecommunication networks and the convergence of computing, telecom, entertainment, and publishing industries, e-commerce is supplanting (maybe replacing) traditional commerce. In the process it is creating new opportunities and challenges for today's businesses, creating new market structures, and changing the alignment of the organisation. All organizations are challenged by an increasing focus on delivery speed and by an increasing degree of uncertainty. The question is: How do organizations keep up while still delivering business value?

The establishment of linkage between business and IT objectives has also consistently been reported as one of the key concerns of IS managers (Reich & Benbasat, 1996). They argued that there is firstly a need to clarify the nature of the linkage construct (socially and intellectually) and secondly to report on a project that was developed to test the social dimension of this linkage. It is important that all executives are involved during the establishment of the linkage because it could

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