

How Managers Perceive Strengths, Weaknesses, Opportunities, and Threats (SWOT) of Internet Marketing: An Exploratory Content Analysis

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In retrospect, the rise and fall of the first wave of e-commerce is no surprise considering the uncertainty as well as insecurity perceived by managers who were responsible for Internet marketing. An exploratory content analysis was applied to scripts of ten groups of managers who enrolled in an Internet Marketing Seminar in December 1999. Approximately sixty managers of various sectors participated in the Seminar, all of whom were strongly motivated to learn about and/or interested in improving their Internet marketing practices. At the end of the two-day seminar, managers were grouped into an industry of their interests. A total of ten groups were formed. Each of the ten groups were then asked to engage in an in-depth discussion of factors that contribute to Strengths, Weaknesses, Opportunities and Threats (SWOT) when it comes to Internet marketing. Each team was responsible for producing a list of SWOT factors at the end of the session.

This study investigated how managers viewed strategic opportunities/threats and strengths/weaknesses of Internet marketing. About forty-five managers of various sectors were asked to offer their assessments. Roughly eighty percent of them were involved in direct and interactive marketing. Respondents also showed high level of interests in learning more about ways to improve marketing effectiveness through Internet.

An informal content analysis was applied to ten lists of SWOT produced by ten groups of managers. The analysis revealed an interesting contradiction in some aspects of Internet such as speed, flexibility, customization, technology, information, and cost. In most cases, these factors were identified in all four areas of opportunities, threats, strengths, and weaknesses. This implies that managers were not only unsure about how to benefit from the enabling characteristics of Internet but also unable to identify key factors that are unique strengths to the company. It is conceivable that the potential benefits of speed, technology, and rich information can be realized only if the firm is ready, has the know-how of satisfying their e-customers, better than competition. In other words, the managers felt uncertain about their practices relative to customer expectation and to competitors' practices. Such conditional perception may be reflected in the mixed positioning of these factors as shown in all four areas of SWOT. A summary of this qualitative analysis is presented in the following:

Internet Marketing: Perceived Strength, Weakness, Opportunity, and Threat

Summary of Factors Mentioned By Managers

	B to C	B to B	
Factors Mentioned			Interpretation
Market Expansion	O	O	Positive
Global Coverage	S	S	Positive
New Segment	S, O		Positive
Growth of Net Users	S, O		Positive
Convenience	S	S	Positive
Cross-Sell	O		Positive
Service	O	S, O	Positive
Communication	O	S, O	Positive
Research	S, O	S, O	Positive
Information	S, O, W	SWOT	Mixed
Cost	SOW	SWT	Mixed
Technology	WT, S, O	WT, O	Mixed
Speed	SW	ST	Mixed
Customization	O	S, O, W	P/Mixed
Flexibility	WS	WS	Mixed
Privacy	S, W, T	T	Negative
Talent	W		Negative
Government	T	T	Negative
Customer Education	W	WT	Negative
Customer Expectation	WT	W T	Negative
Competition (Internal)	WT	W,	Negative
Competition (External)	WT	T	Negative
Fraudulence	WT	T	Negative
Transparency	W, T	T	Negative
Impersonal	W	W	Negative

The factors that were identified as strengths of Internet marketing include global expansion, growth of Internet users, convenience (both in time and location), speed, serviceability, technology, customization, flexibility, communication, cost, research, and information. Weakness factors were privacy, lack of talent, customer education, speed, customer expectation, competition, technology, customization, flexibility, fraudulence, information, cost, transparency, impersonal nature of internet. Among opportunity factors, there were global expansion, growth of net users, service, technology, communication, research, information, cost, cross-sell, affinity, and affiliation. Threats include concerns for privacy, government regulations, speed, customer education, customer expectation, competition, technology, fraudulence, information, cost, and transparency.

The study revealed that while managers were well aware of potential benefits of Internet marketing to their firms, they seemed to be unsure about how to outperform competitors in an environment, where well-informed customers constantly expect better Internet shopping experiences. For example, while managers appreciate the potential benefit of research through Internet, they were not so sure about their ability to use information in their Internet marketing practice.

Furthermore, managers were very concerned with competition and with customers. On one hand they perceived external competition as unavoidable threats, they also believed that internal competition is a weakness. Managers in the B to C environment tended to be more conscious of internal competition. On the other hand, managers invariably perceived customers as weakness and/or threat. Specifically, managers seemed to share the view that customer education through Internet experience was needed but not necessarily positive to the company in the long run. It may be due to the fact that educated customers demand more. The analysis also revealed that managers were concerned about customer expectations in Internet marketing. It is conceivable that managers felt limited in their ability to serve and to compete in an environment where everything is moving so quickly to change the competitive platform.

Last but not least the investigation revealed that managers perceived the lack of talent as a weakness factor. This reinforces the pressing needs to educate students of direct/interactive marketing with relevant knowledge and skills that enable firms to differentiate through strategic Internet marketing management. The investigation offers an insight into the felt need of the industry in improving internet marketing as well as the direct/interactive marketing curriculum that would meet the demand of the industry.