

# E-BUSINESS & E-COMMERCE

Session #6

Digital Business Strategy

[Part 1 of 2]

# Learning Objectives

Students able to *follow* an appropriate strategy process model for digital business

# The imperative for digital business strategy

If digital business strategy is not clearly defined the following may result:

1. **Missed opportunities** from lack of evaluation of opportunities or insufficient resourcing of digital business initiatives
2. **Inappropriate direction** of digital business strategy
3. **Limited integration** of digital business at a technical level
4. **Resource wastage** through duplication of digital business development in different functions and limited sharing of best practice

Digital business strategy should not only support corporates

# Relationship Between Digital Business Strategy and Other Strategies



## Note:

Digital business should not only support corporate strategy, but should also influence it.

Source: Chaffey, D. 2015

# Digital channel strategies

- Overarching digital channel or multichannel strategy with specific channel strategies
- Mobile channel strategy
- Social media strategy
- Social CRM strategy
- Supply chain or ERP strategy
- e-procurement strategy

Note:

Those strategies may be buy-side, sell-side or internal infrastructure related

# Multichannel (omnichannel) digital business strategy

- Defines how different marketing and supply chain channels should integrate and support each other to drive business efficiency and effectiveness.
- Defines how an organization gain value internally from using electronic networks, such as sharing employee knowledge and improving process efficiencies through internet.
- Channel strategy is the main characteristic of a multichannel digital business strategy.

# Decisions required about multichannel marketing

- Specific digital business objectives need to be set
- Digital business strategy defines how we should:
  - Communicate the benefits of using e-channels
  - Prioritize audiences or partners targeted for e-channel adoption
  - Prioritize products sold or purchased through e-channels
  - Achieve the e-channel targets
- Digital channel strategies thrive on creating differential value
- Digital channel do not exist in isolation. Channel integration will be needed
- The selective adoption of e-channels is referred to as 'right-channeling'.  
Right-channeling can be summarized as:
  - Reaching the right customer
  - Using the right channel
  - With the right message or offering
  - At the right time

# Strategy process models for digital business

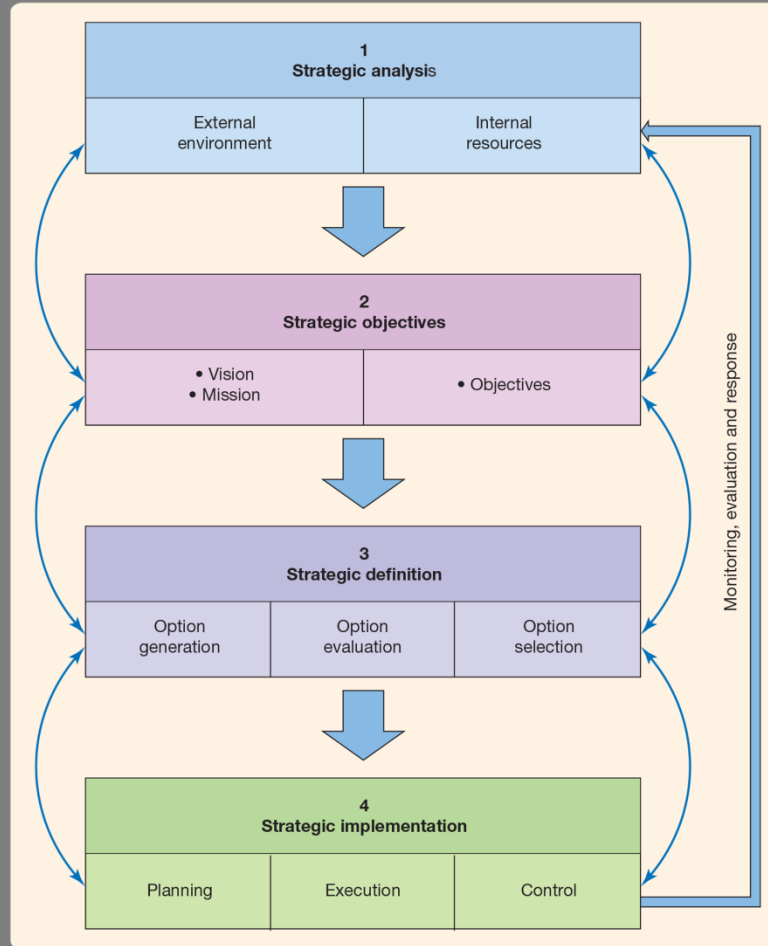
- First of all management team needs to agree the process they will follow for generating and then implement the strategy
- A strategy process model provides a framework that gives a logical sequence to follow to ensure inclusion of all key activities of digital business strategy development
- It ensures that digital business strategy can be evolved as part of process of continuous improvement.



**Prescriptive strategy approach**, strategic analysis is used to develop a strategy. And it is then implemented. The strategy is prescribed in advance.

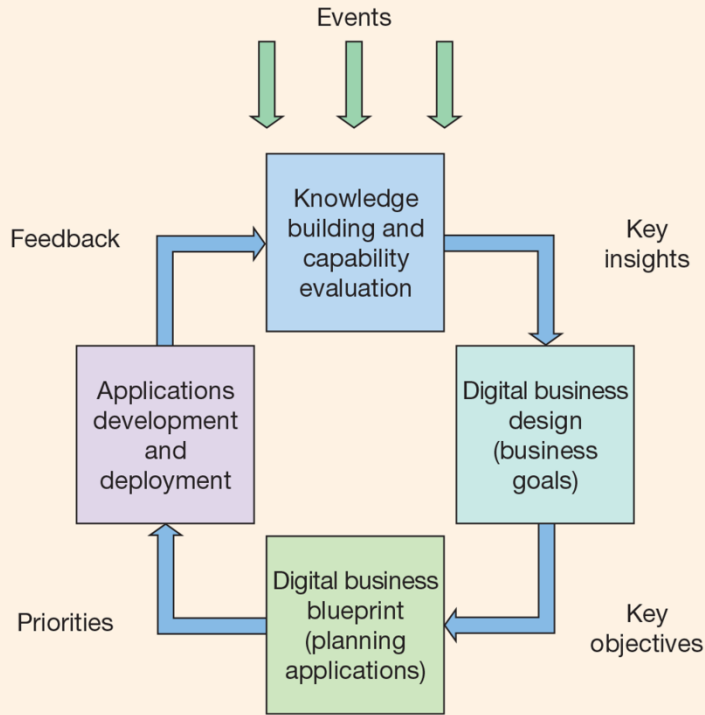
**Emergent strategy approach**, strategic analysis, strategic development and strategy implementation are inter-related.

Most organizational strategy Development and planning process have elements of **Prescriptive** and **emergent strategy**.



A generic strategy process model

Based on interviews with e-commerce practitioners, E-consultancy's reported (2008a) most of them encourage **emergent strategies** or **strategic agility**.



Dynamic Digital Business Strategy Model

Kalakota and Robinson (2000) Recommend a dynamic **emergent strategy process** specific to digital business. It is emphasis on reponsiveness with continous review and prioritation of investment in new Application.

# Main source

1. Chaffey, D. (2015) E-Business and E-Commerce Management: Strategy, Implementation and Practice, 6th Edition. Pearson Education Limited, Harlow, UK.

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