

Internet Marketing - Two Steps Forward and One Step Back?

By Edward F. Nesta

Internet Marketing - a look back at the impact of the Internet Boom/Bust, did it result in two steps forward and one step back?

In the late 90's we dealt with the brick and mortar businesses trying to survive the onslaught of the Internet Boom; what we did not know at that time was that the Internet was the proverbial Fabergé Egg, it was all gold and diamonds on the outside, but hollow on the inside. In the end, the brick and mortar businesses survived, though a bit weary from the journey, and in many cases the business was a different entity at the end of the journey from what they were at the beginning, but that is what competition and a reactive business position have a tendency to do. What we learned is that the formal business model, business processes and attention to the bottom-line had not gone out of vogue to be successful, but we were forced to look at them in a different light with a very different set of filters on each. The Internet Boom/Bust moved the focus forward in many areas that businesses would never have entered into willingly; many had to be dragged into changes due to competition, as well as many charged along with an eye on the perceived pot of gold at the end of the Internet rainbow.

Though this period was tumultuous for many businesses, it has furthered the position of the consumer's control beyond their imagination. Consumers now have open access to an abundance of information which may be good, bad, or questionable, but we have open access to what we read, and when we read it. We have the ability to dictate the future of products by how we view a marketing promotion on-line, or how we blog about it. Websites whose business model relies on increasing their number of readers into buyers to meet ROI numbers are continually looking at methods to entice new readers/buyers, while retaining existing readers/buyers, and this is against a backdrop of expansive growth in business websites, blogs, new ecommerce concepts, and a fickle Internet audience who tends to be brand loyal to the next click.

With respect to businesses, what was the foundation for the brick and mortar business surviving the Internet Boom/Bust was their ability to manage [have] a bottom-line versus a hollow business model, but this may have created a two steps forward and one step back problem, while the driving force behind the change, the Internet, has grown in presence. The initial stages of the Internet caused a hyper-competitive response and a reactive spirit, which was good for moving the Internet, Internet marketing, and the digital era ahead, and which was bad for businesses that grew and disappeared on the vapors of the Internet movement. The post-mortem evaluations in many businesses could not definitively single out a time, person or place as the culprit for failure or unplanned change, though many people suffered, so the resultant reaction was a direction to an overly conservative financially prudent position.

With respect to the "two steps forward, one step back" reference, the two steps forward is the Internet and how it has and continues to create an evolving marketing position forcing businesses to take a fresh look at how they deal with their customer, from identifying, to engaging, to retaining. The one step back, is that we may have exhausted our competitive reactive spirit as viewed from a conservative financial perspective thus slowing our understanding and adoption of the current Internet trends and the power of the customer. So, though the Internet Boom/Bust moved us many steps forward, our business consciousness is just starting to become a bit friskier, though this is just a fraction of the spirited drive that was felt during the height of the Internet Boom.

Internet marketing requires a solid marketing plan and a continual focus towards your end goal, as well as a tolerance to try something new, the ability to quickly and concisely evaluate a marketing initiative and acknowledge what is working, and what is not working. The foundation

for success (i.e. solid operations, marketing and financial management and planning) has not changed, where as in the Internet Boom/Bust period the spirited thrust resulted in a poor operations focus, weak or no marketing plans, and a lack of attention to financial tracking. In this new area it is essential to have a solid foundation and understanding, thus as you move into executing on the Internet you can manage expectations and perception promptly, while still keeping an eye on the moving target - the customer. Even though we may have slowed down our 'tolerance' for the fast paced Internet world, you can feel that there is more energy being drawn and a lot less inertia to overcome. There is an influx of small start-up companies driven by many of the same people who spirited the Internet Boom period, though with a much stronger understanding of a business foundation. These are the same people who felt that sensation of satisfaction and euphoria from the dynamic interaction with their customer base. Their perseverance will help to usher in a more aggressive, within business parameters, mindset, which is essential for a company to maintain a similar pace as that of their dynamic customer.

We did take a giant step forward over the past few years, as well as dug some deep business trenches and filled them with a financial only focus, versus a marketing, and operations complementary focus, but I do feel that the unified cross-business unit contribution is coming back. The companies that embrace a cross-business contribution will be in the best position to develop, implement, execute, and evaluate their customers' trends and patterns, not in a reactive mode, but in a manner where they create a connection either emotionally or experientially with their customer.

Running an on-line marketing company, [Luxury Experience Company \(www.L-E-Company.com\)](http://www.L-E-Company.com), as well as Publishing Luxury Experience Magazine during this historical period regarding access to information, on-line marketing, customers, and readership reach is a lesson in Business 101 - Know Your Customer and Know Your Business. Do not worry about the step back, there is still time for us to catch up.

I thank you for your continued support of Luxury Experience Magazine, and as always, your comments are welcome, so please send comments to: Publisher@LuxuryExperience.com.

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