

Association for Information Systems AIS Electronic Library (AISeL)

BLED 2007 Proceedings

BLED Proceedings

2007

Managing the Process of Multi Channel Alignment - The Case of a Large Multinational Corporation

Kai Wehmeyer

European Research Center for Information Systems (ERCIS) University of Münster, kai.wehmeyer@ercis.de

Alexander Kipp

European Research Center for Information Systems (ERCIS) University of Münster, alexander.kipp@ercis.de

Kai Riemer

European Research Center for Information Systems (ERCIS) University of Münster, kai.riemer@sydney.edu.au

Follow this and additional works at: <http://aisel.aisnet.org/bled2007>

Recommended Citation

Wehmeyer, Kai; Kipp, Alexander; and Riemer, Kai, "Managing the Process of Multi Channel Alignment - The Case of a Large Multinational Corporation" (2007). *BLED 2007 Proceedings*. 35.

<http://aisel.aisnet.org/bled2007/35>

This material is brought to you by the BLED Proceedings at AIS Electronic Library (AISeL). It has been accepted for inclusion in BLED 2007 Proceedings by an authorized administrator of AIS Electronic Library (AISeL). For more information, please contact elibrary@aisnet.org.

Managing the Process of Multi Channel Alignment - The Case of a Large Multinational Corporation

Kai Wehmeyer, Alexander Kipp, Kai Riemer

European Research Center for Information Systems (ERCIS) University of
Münster, Germany kai.wehmeyer@ercis.de alexander.kipp@ercis.de
kai.riemer@ercis.de

Abstract

Companies which operate multiple marketing channels face the challenge of properly aligning channel strategies and operations. The case of a large multinational corporation is used to describe the complex and situated nature of multi channel strategies. The case context is used to introduce a framework and a reference process for achieving channel alignment in strategic business units. We build upon the model of strategic channel alignment – a modification of the strategic alignment model – in the development of two instruments which are applied for information gathering and structuring during processes of channel alignment. Exemplary findings from the case are presented. This study concentrates on the development and shaping of a strategy process and supporting instruments which facilitate channel alignment but also reflects on strategic channel alignment as socially accomplished and situated activity. The instruments can be used to gather rich information in a structured way and to gain the required level of understanding necessary to facilitate communication and collaboration between managers to ultimately achieve alignment.

Keywords: multi channel management, strategic alignment, strategy process

1 Introduction

The extension of traditional channel activities into the online realm has evolved to be ‘business as usual’ after the dot-com bubble burst. ‘Click-and-mortar’ or ‘multi channel’ are buzzwords which often denote the vision of extensively integrated business across multiple channels (Steinfeld, Bouwman & Adelaar 2002). Many companies still struggle to design well coordinated activities across offline and online channels.

It has been recognized that companies need to design their multi channel strategies according to their individual situation (Gulati & Garino 2000) and not necessarily have to strive for the complete integration of online and offline

activities with equal service and product offerings at all customer touch points. In fact, there is a strong diversity in multi channel strategies even in single industries to be found that juxtaposes an often stated claim for a maximum of channel integration. Multi channel planning is highly contingent to the specific context of a company and linked to a company's general marketing strategy (Müller-Lankenau, Wehmeyer & Klein 2006b).

In this paper, we propose a reference process for the alignment of a firm's online and offline activities as well as two instruments for data collection and structuring that can be used during the process of alignment. As conceptual basis, we build on a strategic channel alignment model (Müller-Lankenau et al. 2006b) that is an adaptation of Henderson and Venkatraman's strategic alignment model (Henderson & Venkatraman 1993). The instruments and the reference process are a way of adapting and applying the model of strategic channel alignment and were developed in a project conducted with one of the world's leading logistics and transportation companies. The case will be described and its context will be explicated in order to show the relevance of the proposed method.

Our approach to multi channel management adds to research on strategic alignment processes and on the application and usefulness of models like the strategic channel alignment model (Avison et al. 2004; Luftman 1996). The main contribution of this paper is the development of a method and corresponding instruments for managing channel alignment and, thus, the proposition of a way to operationalize and apply the model of strategic channel alignment. The case description illustrates and contextualizes the research. The resulting reference process and instruments can be of value for companies that aim at gaining a better understanding of their current multi channel activities and want to initiate a process of channel alignment themselves. Furthermore, our work promotes the idea of strategy formulation as social process and positions multi channel strategies as contingent and complex areas of management concern. The questionnaire-based instruments can be used to gather rich information in a structured way and to gain the required level of understanding necessary to facilitate the discussions and decision making processes to ultimately achieve alignment.

In section 2, we review the notion of strategic channel alignment by briefly introducing the original model of strategic alignment as well as its adaptation to the alignment of traditional (marketing) strategy and online (marketing) strategy. Section 3 will describe the case context in which the model of strategic channel alignment is applied and enhanced. The two instruments which were developed to support channel alignment processes are presented in section 4. Section 5 explains the instruments' application in a reference process for the management of channel alignment in a single business unit of a large corporation. Section 6 provides a reflection of the use of models in processes of strategy implementation in organizations. In doing so, we will discuss the role of our model in the context of strategy process research and characterize strategic channel alignment as social process. The role and benefit of models and frameworks like the ones we developed in strategy processes is elaborated on before we end with a short conclusion in section 7.

2 Strategic Channel Alignment

A multi channel strategy includes the specification of operations in traditional offline channels and the online channel. The degree of integration, the scope of online activities, and the range of products and services offered online are exemplary issues of strategic concern in a multi channel system (Christiaanse & Zimmerman 1999). The concepts of strategic alignment and strategic fit (Henderson & Venkatraman 1993; Henderson, Venkatraman & Oldach 1996; Van de Ven & Drazin 1985) which underlie the strategic alignment model (Henderson & Venkatraman 1993) can be applied to the task of coordinating a firm's online and offline activities. We draw on the work of Müller-Lankenau et al. (Müller-Lankenau et al. 2006b) who introduced a model of strategic channel alignment in order to interpret multi channel strategies as a result of an alignment of general marketing strategy and online strategy. We use this model in the development of a reference process and instruments for strategically aligning a company's multi channel activities.

2.1 The Model of Strategic Channel Alignment

Henderson and Venkatraman (1993) developed the strategic alignment model (SAM) to describe the strategic choices managers face when aligning IT and business (Figure 1). It is based on the distinction between business and information technology as separate areas of management concern, and it includes an external view and an internal view on them. The basic assumption of the model is that the management's ability to achieve a "strategic fit" and "functional integration" (Venkatraman & Camillus 1984) between the model's domains has an impact on the overall business success (Henderson et al. 1996). The vertical linkage (strategic fit) is concerned with the external environment in which the firm competes and the internal environment in which the firm performs. The horizontal link denotes the functional integration between general business and IT (Papp 1999). The conceptual separation of business and IT appears artificial but is still reflected in the actual responsibilities of CIOs and the way many companies organise their IT/IS function (Campbell, Kay & Avison 2005).

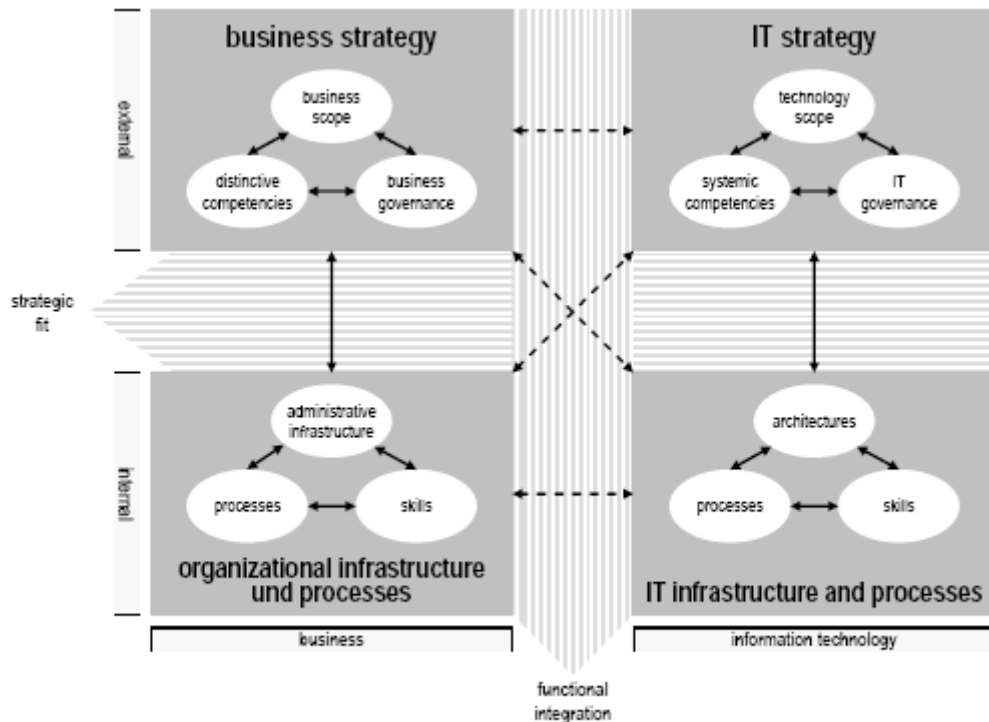


Figure 1: The original Strategic Alignment Model (SAM)

After much research on strategic alignment has been done and some time has passed since the development of the SAM, there are voices that call for an elimination of the conceptual divide between business and IT (Smaczny 2001). In any case, however, the notions of strategic fit and functional integration between two separate but interrelated areas of management concern are established concepts in strategic management and can be transferred to other areas of management.

Müller-Lankenau et al. (2006b) propose a model of strategic channel alignment (MSCA) in order to show that a strategic alignment perspective can lead to a more differentiated evaluation of multi channel strategies. Here, the fit rationale implies that there is no best way to organize a multi channel system. Channel strategies, scopes, and functions should rather be well aligned to leverage multi channel potentials.

The MSCA is based on the idea of alignment between marketing and online strategy (Figure 2). As such, the model differs from the original ideas of the SAM that focused on the general business and the IT side of organisational activities. However, the MSCA inherits the main structural properties of the original SAM in that it distinguishes between an external and an internal perspective (represented by strategy and infrastructure/processes) and is based on the notion of alignment as strategic fit and functional integration. The importance of achieving aligned general business and online (e-commerce) strategies is also stressed by Kearns (2005), who found differing degrees of alignment and online commitment in an analysis of case studies.

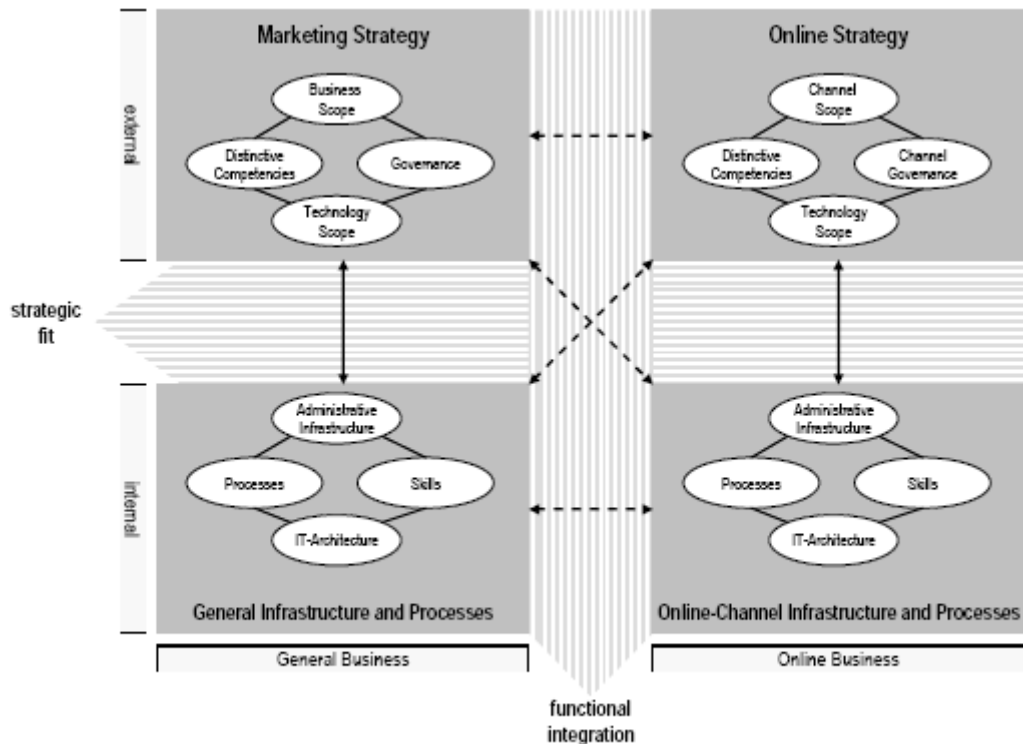


Figure 2: The model of strategic channel alignment (Müller-Lankenau et al. 2006b)

In the external domain, the challenging managerial task is the functional integration of marketing and online strategy. Marketing strategy refers to all strategic issues that are customer-oriented and part of the traditional “brick-and-mortar” business. It depends on the specific company and industry if one can speak of a distinct marketing strategy or a general business strategy that has to be aligned with online strategy. Some companies might formulate a marketing strategy as functional strategy; others might integrate strategic marketing issues in their general business strategy (Hax & Majluf 1996). Respectively, online strategy also addresses strategic marketing issues, but deals exclusively with customer-oriented activities in and over the online channel. Both, marketing and online strategy, are considered to be broad concepts which each include reflections on the “technology scope” or strategic use of IT. Hence, the model moves away from viewing business and IT as separate domains (Smaczny 2001). In contrast, IT and its potentials are understood to be an essential part of strategic considerations in online and general business.

Consequently, the internal domain is not based on Henderson and Venkatraman’s business/IT-duality either, but on a differentiation between traditional “brick-and-mortar” and online channel infrastructure and processes. Both domains include IT architecture and the already known sub domains of the SAM. A functional integration in the internal domain would therefore be not only a task of coordinating processes, administration, and human factors, but also of aligning the IT-architecture and information systems used in the offline and online channel. It is important to note that a high level of functional integration between online and general business infrastructure and processes is not imperative, even if online and offline activities were closely linked regarding managerial governance.

The model of strategic channel alignment offers a new perspective on the coordination of online and offline activities of a company or a network of

partners. Müller-Lankenau et al. (2006b) move away from the SAM's dictum to strive for a maximum of alignment and integration, and postulate a more flexible application of their model. Constellations of online/offline channel alignment should be examined with regard to a company's individual situation and the numerous constraints that emerge from the core business strategy, the limited financial, technical or human resources, and other factors of influence. This corresponds with a contingency perspective on multi channel strategy (Hofer 1975; Zeithaml, Varadarajan & Zeithaml 1988). As in the original SAM, a simultaneous fit between the four domains seems hard to achieve.

2.2 From analysis tool to management application of the model

So far, most of the research on strategic alignment has concentrated on the ex post assessment of a company's alignment status (Luftman 2003a) and on factors influencing alignment success (Luftman & Brier 1999). Depending on whether strategic alignment is as an outcome or process (Reich & Benbasat 2000), an application of the original SAM could be either descriptive or design oriented (Gregor 2006). While the SAM is predominantly used as an analytical tool (Luftman 2003a), several authors have called for more practical applications (Hussain, King & Cragg 2002; Avison et al. 2004). Sabherwal and Chan (2001) state that processes by which alignment is accomplished in organisations need to be better understood.

The same observation applies to the MSCA that is used in this study. The model was developed in order to analyse and compare existing online strategies and the channels' alignment. Müller-Lankenau et al. (2006a) examined the grocery industry and used the MSCA to point out different ways of aligning offline and online channels that are reflected in the design of European grocery retailers' multi channel systems. However, the contingent nature of the field in which business strategies evolve renders a mechanistic and prescriptive use of models such as SAM or MSCA in the form of management recipes unlikely or even inappropriate (Ciborra 1997).

This paper describes the operationalization and application of the MSCA model in a project context that aims at aligning offline and online channel activities. Thus, we take a different stance and propose applying the MSCA as a management tool to empower alignment processes and to act as a catalyst in facilitating channel alignment. To this end, the model has been slightly amended and instruments for collecting and analysing company data related to the model's domains have been developed. Based our understanding of strategic alignment as a process of strategy development and implementation, the MSCA should serve as an analytical and descriptive rather than predictive or normative model. By applying it in an also developed reference process of strategic channel alignment, it can help to foster communication and collaboration among managers and facilitates the development of shared knowledge (Campbell et al. 2005) on aspects of multi channel management.

The context for model and method development was a project in a large multinational logistics and transport company, which we named Mobility Corp for anonymity purposes. The case illustrates and empirically grounds the developed method. In the next section the case company, its online activities and the rationale for setting up the alignment project are introduced.

3 Case Description: Focussing on SBUs in a large Multinational Company

Mobility Corp. (MoCo) is a large multinational corporation with subsidiaries in fields such as logistics, public transportation, and tourism. MoCo's service portfolio has been growing constantly, e.g. by a range of acquisitions worldwide. More than 30 strategic business units (SBUs) are responsible for more than 100 different brands. MoCo as the holding company features a decentralized organization that is organised in three main divisions which represent distinct lines of business: logistics, public transport, and infrastructures. While two divisions concentrate on B2B activities, the public transport and tourism division has a strong focus on the B2C domain.

3.1 History of online marketing activities at MoCo

Owing to its decentralized structure, MoCo presents itself rather heterogeneously on the Internet. Although a corporate portal exists as a main entry point, hundreds of Web sites have mushroomed representing MoCo subsidiaries, their brands, and various activities in the online channel. The responsibilities for these Web sites lie mainly with the IT and marketing personnel within the respective subsidiaries and/or SBUs. In 2005, the authors were involved in a project at MoCo aiming at the assessment of particular Web sites' quality. Initial actions to regulate the scope and content of particular Web sites by corporate rules were part of the outcome. First steps were the implementation of a content management system (CMS) and the distribution of corporate design guidelines, both of which have not been made mandatory to use so far. However, all these actions remained mainly on the level of web site design and layout.

Despite these first activities, there has been little discussion at MoCo's corporate top level management about the strategic role of the Internet as a marketing, sales, and communication channel.

3.2 New initiatives to harmonise online activities

A recent major consolidation of MoCo's brand portfolio sets the context for new corporate initiatives to harmonise online activities. The main goals of the brand consolidation were (1) streamlining and focussing the portfolio for better customer orientation, (2) increasing corporate coherence by implementing stronger linkages in brand communication and design between subsidiaries and the corporate holding.

Corporate marketing wanted to implement measures for a coordinated strategic planning of Internet activities at MoCo. This soon proved to be a challenging task because of the decentralized organization and historically grown governance structures at MoCo. In a first step, management decided to focus the activities on a set of SBUs for means of complexity reduction.

Figure 3 sketches the three organizational levels that are concerned with strategic management at MoCo: corporate, divisional, and SBU. The idea was to ultimately develop a corporate online strategy that frames MoCo-wide Internet activities in all subsidiaries. Strategic channel alignment can apply at each level with different emphases on the external or internal domain of the MSCA.

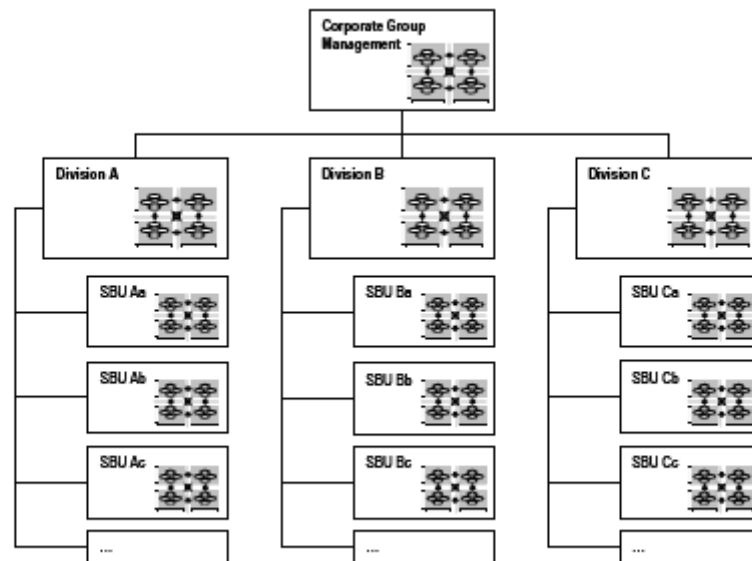


Figure 3: MoCo organizational levels on which strategic channel alignment can apply

3.3 The alignment project

MoCo set up a new project that aimed at developing and implementing a process of strategic planning and alignment for achieving a concerted and more coordinated use of the Internet as communication and marketing channel. As academic project partner, the authors proposed a conceptual approach that drew on findings from literature on multi channel management (see section 2). Based on the MSCA, a management framework was developed and translated into methods and processes for strategic planning. They facilitate the comprehensive analysis of SBUs' current offline and online activities and thereby help to coordinate Internet activities on higher organizational levels and with higher-order strategic planning at later stages.

Therefore, the findings presented below focus on single SBUs as the level of analysis and will describe a methodology for facilitating the channel alignment of a single organizational entity, albeit as part of the larger corporate context. The methods and logics can be easily altered and applied to other levels in the organizational hierarchy. The integration of this methodology into a corporate online management framework is a logical next step in the alignment project, but out of this paper's focus.

4 Managing online channel alignment at MoCo

MoCo's representatives explicitly demanded the customer perspective to be especially considered during the conceptual steps of this project. The idea of customer-centricity pervades all activities and goals related to the case. The fact that it is also inherent to the MSCA was a main reason for selecting the model for application in this case.

4.1 Applying and enhancing the MSCA

At MoCo, a predominant concern was to gain a better and more comprehensive understanding of the online activities of the 30+ major SBUs. Furthermore, it was of interest, how the online activities are related to the traditional offline business

of these SBUs. Thus, a first and foremost challenge was to develop a procedure and a set of methods for assessing online and offline activities of the SBUs in a structured and comparable way. In a first step, the MSCA was used as a framework for the gathering of information within the SBUs. At a later stage, its alignment logic (in terms of fit and functional integration) was used to derive key findings for the redesign, realignment, or initial alignment of the SBUs' multi channel activities.

Following the idea of customer orientation as one central demand from the management of MoCo and, in addition to this, for the assessment of SBU online activities and their interplay with the traditional offline business, we decided to introduce an additional perspective to the MSCA - the online customer perspective (see Figure 4).

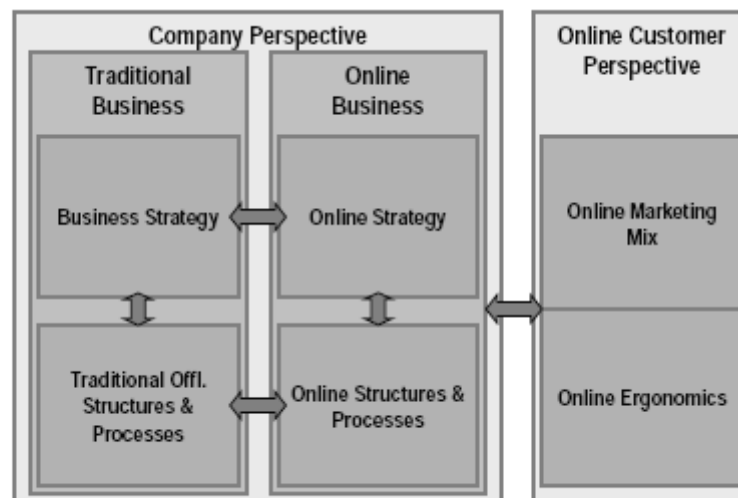


Figure 4: MSCA-based framework for the assessment of multi channel activities

While the company perspective reflects the strategic intention based on decisions of the SBU management and implementation on the operational level (both in general and online business), the online customer perspective focuses on the perceptions and interpretations of Web site visitors and customers.

The additional perspective takes into account that the strategically intended online activities might be perceived in a significantly different way by the visitors of the Web site. It corresponds with the so called implementation gap in the service quality gap model by Zeithaml et al. (1988). In the case of online business, this gap occurs when Web channel setup and operations do not meet the strategically intended specifications for channel design and scope of functionalities (Müller-Lankenau & Wehmeyer 2005). By introducing the online customer perspective we go beyond a mere internal planning view as described by the MSCA. Thus, we analyse how an SBU's online strategy has been translated into Web site design and functionalities and is perceived by potential users. This can be seen as a further step in assessing an SBU's multi channel design by extending the notion of fit to issues of strategy implementation and the resulting customer perception.

MoCo officials desired to learn more about the SBUs' use of the online channel and its relation to traditional business. Hence, we developed instruments for assessing SBU multi channel activities on the basis of the MSCA-based framework. Consequently, the assessment requires two different instruments: one

for the evaluation of the company perspective (the core MSCA) and one for the evaluation of the online customer perspective (Figure 5).

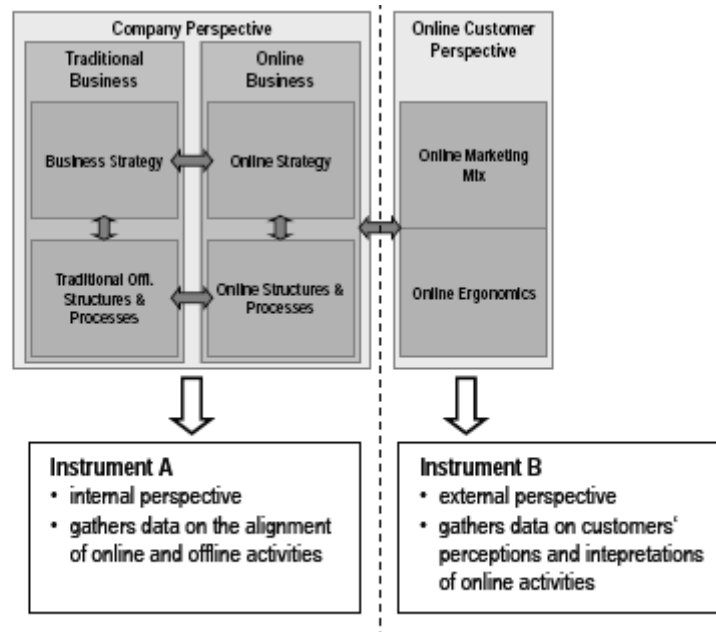


Figure 5: The instruments and their conceptual origins

Based on the MSCA, the analysis of the *company perspective* mainly considers issues related to traditional and online strategy and the resulting processes and structures. Questionnaires and interviews with SBU representatives are used to gather relevant data on this perspective and make up the first instrument.

In addition to this, the *online customer perspective* examines the existing Web site regarding what we termed the “online marketing mix” and “online ergonomics”. The online marketing mix refers to scope of functions provided, the information provision, customer service offerings, etc. The ergonomics perspective covers web site design and usability aspects and corresponds with the infrastructure notion. The online customer perspective comprises the interpretations and evaluations of the SBU online activities by an outsider to the company. An evaluation questionnaire has been developed to support the analysis.

The following sections will introduce the two instruments starting with instrument A which relates to the company perspective (section 4.2) and addresses the traditional (4.2.1) and online (4.2.2) business of a SBU from an internal perspective. Section 4.3 describes instrument B for the evaluation of SBU online activities from an external perspective of an online customer.

4.2 Company perspective – development of instrument A

The company perspective comprises the analysis of the MSCA’s four domains of management concern. It aims at deriving a deep understanding of how a SBU’s online activities are linked to its traditional business strategy, infrastructure, and processes. The strategic role and positioning of the online channel (Müller-Lankenau, Klein & Wehmeyer 2004) in the SBU’s multi channel system is examined alongside with several further possible interdependencies between online and offline business activities.

In order to gain a comprehensive picture of a multi channel strategy from the company perspective, the respective data gathering instrument should focus on the specifications of both the traditional offline business and the online business of a SBU. Linkages and interdependencies between both realms should be revealed and analysed. The instrument should be flexible and deliver rich data, which can be used for further interpretation and planning.

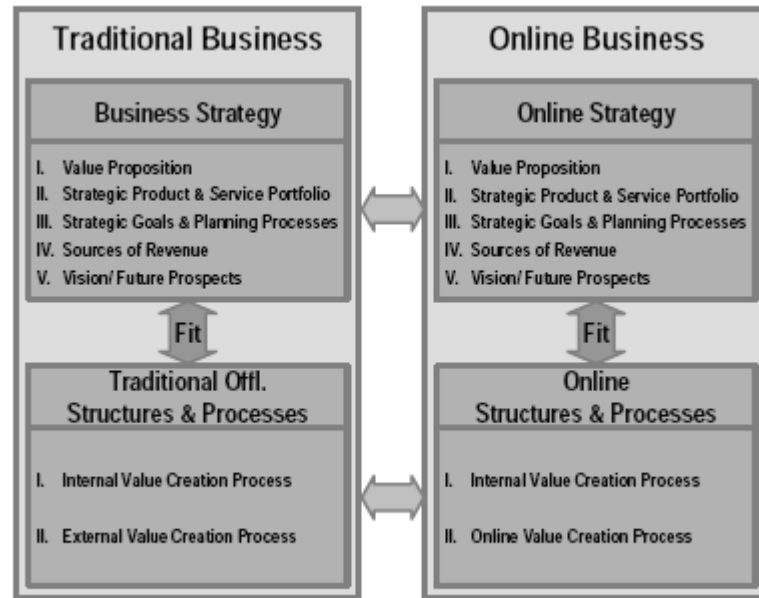


Figure 6: More detailed overview of instrument A for evaluation of the company perspective

Thus, we excluded instruments like scoring models from the set of possible tools because a quantification of a multi channel strategy's attributes did not correspond with the project's aims and would not be suitable for grasping a multi channel strategy's complexity and situatedness. Considering this, we designed a questionnaire which contains 30+ well described, open-format questions. This questionnaire can be used as a guideline for interviews or group discussions as well as for self-assessment in a paper-and-pencil fashion.

In order to use the MSCA as framework for the analysis (Figure 4), the four domains had to be properly described and operationalized. In the development of the questionnaire, we drew on literature on business models since a business model is often used to describe the key elements of a business with a focus on strategy, markets, and value creation (Hedman & Kalling 2003; Timmers 1998). Generic elements of a business model, like those identified by Alt & Zimmermann (2001) (mission, sources of revenues, structure, and processes), were used to structure the questionnaire's content.

The instrument designed for assessing the multi channel strategy from a company perspective addresses both traditional and online business activities. Therefore, it comprises two parts relating to traditional and online business respectively. Figure 6 shows a more detailed view on the internal perspective part of the framework that was presented in Figure 4. The domains contain an outline of the corresponding parts of the questionnaire. Aspects of strategic fit and functional integration pervade the instrument and its application. Their assessment should integrate all information gathered in an interpretive act.

The following sections elaborate on the contents of instrument A. The traditional business domain part is explained in section 4.2.1; the online business part follows in section 4.2.2.

4.2.1 Gathering data on the traditional business dimension

The assessment of the traditional business strategy and the offline structures and processes is done by analysing the two leftmost domains in Figure 6.

Business Strategy	
Value Proposition	The idea in this domain is to elicit the core competencies of the SBU. Basic statements regarding the added-value for customers, potential competitors and also relevant market segments are considered here.
Strategic Product & Service Portfolio	This area is concerned with the services and product portfolio. The current portfolio as well as future developments are addressed.
Strategic Goals and Planning Processes	Strategic goals and the related planning process are analyzed. Different types of goals (market-related, customer-related, etc.) are looked at. Furthermore, management roles and governance structures within the strategic planning process are of interest. Internal SBU planning practices and the constraints and interdependencies with corporate planning are revealed.
Sources of Revenue	The main sources of revenue are analyzed here. Often, many different (complementary or even conflicting) sources contribute to the overall revenue. Existing interdependencies are of special interest here.
Vision/ Future Prospects	As the process of channel alignment should not only consider the current situation, but also take the future developments into account, the vision and future prospects are significant for understanding the strategic SBU context.
Traditional Offline Structures and Processes	
Internal Value Creation	The core competencies and the resulting competitive advantage are addressed here from an SBU-internal perspective. Typical questions deal with the design of the value creation processes inside the SBU. Players in the value chain and possible interorganizational cooperation (inside/outside MoCo) are of relevance.
External Value Creation	This part addresses issues targeted at the SBU's online marketing operations comprising product development, pricing policies, and distribution and communication channels. The structures and processes of SBU marketing including CRM and retention measures are subsumed under this aspect.

Table 1: Instrument content for the analysis of the traditional business domains

Following the MSCA's logic, organizations should establish a strategic fit between the two domains. Table 1 describes the topics which are addressed in this part of the questionnaire. This part of instrument A contains 13 items which cover the traditional offline business domains and are grouped according to the structure given in Figure 6. In the actual instrument each item consists of a main opening question, which is briefly described and put in context, and a set of supplementary questions that allow for a deeper and more customized application according to the particularities of an SBU. An example item and its corresponding questions and description are shown in Table 6 of the appendix.

Gathering data by using this instrument provides a rich and comprehensive picture of an SBU's traditional business strategy and operations. The MSCA's domains and their above operationalization provide for a focused and structured assessment.

4.2.2 Gathering data on the online business dimension

Corresponding to the previous section, online business strategy and online structures and processes are analysed by focusing on the two rightmost domains in Figure 6. Again, the aim is to assess and ultimately establish or enhance a strategic fit between these two domains. A description of the topics included in this part of the questionnaire is given in Table 2.

Online Strategy	
Value Proposition	The idea in this domain is to elicit the core competencies of the SBU in regards to online activities. It contains basic statements regarding the added-value for customers and potential competitors in the online channel, as well as the relevant online market segments.
Strategic Product & Service Portfolio	As for the online value proposition, the specific capabilities and constraints of the Internet should influence the strategic product and service portfolio. Which role does the online channel take up in the SBU's multi channel system? The information here covers not only the current portfolio, but should also include an outlook on future developments.
Strategic Goals and Planning Processes	Do specific goals for the online-channel exist and how are they identified? Also the responsibilities of planning and fulfilment are targeted here. Who is involved in the online strategy formulation?
Sources of Revenue	Do specific sources of revenue exist for the online channel? The sources of revenue in the online channel might differ from the traditional business and could be a potential source of channel conflicts.
Vision/ Future Prospects	As the process of channel alignment should not only consider the current situation, but also take the future developments into account, the vision and future prospects are significant for understanding the strategic SBU context.
Online Structures and Processes	
Internal Value Creation	The core competencies and the resulting competitive advantage in the online channel are addressed here. Typical questions deal with the design of the online value creation processes. Players in the value chain and possible interorganizational cooperation (inside/outside MoCo) are of relevance.
Online Value Creation	In addition to the strategic issue of the online service and product portfolio, decisions regarding online marketing operations shape channel positioning. Issues regarding the specific online product development, pricing policies, communications, processes, and further value added services give an indication of the potential topics in this area.

Table 2: Instrument content for the analysis of the online business domains

The online business part of instrument A uses 17 items to cover the topics that are outlined in Table 2. The detailed descriptions and additional guiding questions enable a comprehensive assessment. As for the traditional business domain, the appendix also provides an example item for this part of the instrument (Table 7).

4.3 Online customer perspective – development of instrument B

The online customer perspective is concerned with how an SBU's online strategy is translated into Web site design and functionalities. A company's Web site represents the actual manifestation of online (strategic) planning activities (Müller-Lankenau et al. 2006a). It is the definite result of online strategy formulation and implementation processes. Unlike in the traditional business domain, the Web site represents the one dominant customer touch point at which perceptions, attitudes, and brand images towards the company are formed, altered,

or confirmed (Totz, Riemer & Klein 2001). The easy access to a Web site for a large number of customers implies large potentials, but also significant risks (Doherty, Ellis-Chadwick & Hart 1999). Thus, a company must aim for a fit between its online strategic intentions and the way the Web site is perceived by its customers and stakeholders outside the organization (see Figure 4). Consequently, we developed an additional questionnaire that can be used for the evaluation of the SBU-Web site by customers or outside experts (instrument B). It covers the online marketing mix (which corresponds to online strategy) and the online ergonomics section (relating to online processes and infrastructures). Figure 7 shows a more detailed view on the online customer perspective.

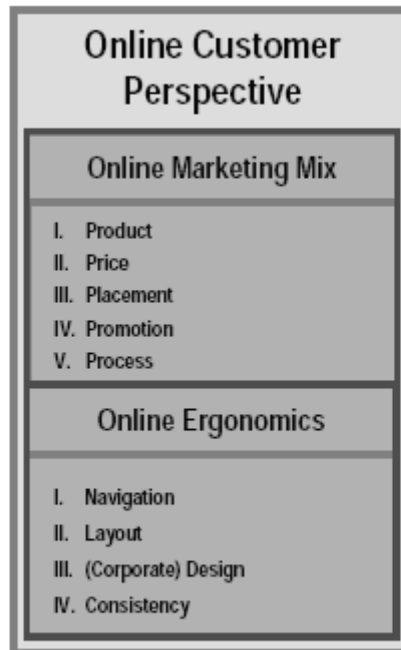


Figure 7: More detailed overview of instrument B for evaluation of the online customer perspective

The online marketing mix essentially evaluates the achieved level of strategy implementation. The items of the instrument are divided according to the five P-dimensions of the online marketing mix: product, price, placement, promotion, and process (Riemer & Totz 2003). Each aspect is further described in Table 3.

Online Marketing Mix	
Product	This area deals with the questions on the range of online products and services, information on services/products, and the way they are presented online (consistency, scope, ...)
Price	Perceived pricing measures are addressed here. The way prices are communicated and possibly related to pricing in traditional channels is evaluated next to measures of flexible pricing.
Placement	Placement includes the scope of information on the multi-channel system and online channel specific offerings. Furthermore, the possibilities of channel switching are of interest.
Promotion	Promotion entails information and communication on the services/products as well as on the company. Online channel specific customer-oriented communication and its implementation are addressed. Topics include personalization, customer support, cross-/upselling, and CRM measures.
Process	This area evaluates the implementation of crucial online processes which contribute to the online value creation. It is hybrid because of close relations to online strategy and online processes and structures as well. The evaluation also includes process transparency and perceived efficiency.

Table 3: Instrument content for the assessment of the online marketing mix

The online ergonomics section addresses usability and design aspects. It comprises navigation, layout, (corporate) design, and consistency issues (see Table 4). Usability and design issues in the online channel reflect a specific type of online strategy implementation. In particular, online design and branding should well comply with online and traditional business strategies whenever a homogeneous and coordinated multi channel system is the desired goal. Thus, the evaluation of usability and design gathers valuable input for channel alignment regarding such specific parts of strategy implementation. Furthermore, a quality assessment of some ‘hygiene factors’ for successful online channel operation can be carried out and round off the online customer perspective.

Online Ergonomics	
Navigation	Quality and ease of use of the navigation structure is assessed.
Layout	Page layout, aesthetics, typography, and graphics.
(Corporate) Design	Design elements might need to be compliant to corporate guidelines in order to fulfil corporate communication goals. Channel specific design and branding should be explained and transparent to the outsider. Design issues frame Web site visitors' impressions and to a large part make up the perception of an online channel's integration in a SBU's multi-channel system.
Consistency	Consistency of design elements and layout are an important hygiene factor for successful online channel implementation.

Table 4: Instrument content for the assessment of online ergonomics

Instrument B for evaluation of the online customer perspective consists of 40 items for each of which a five point scale is used for easier application. Short descriptions of Web site features that correspond to scores of 1, 3, and 5 are provided. The evaluation form is applied by assigning a score for each item, but more importantly, the evaluator should also describe the underlying Web site features and explain why a certain score is given. The qualitative data gained provides for a deeper understanding and a comprehensive information base for

subsequent channel alignment activities. An exemplary item is provided in the appendix (Table 8).

5 A reference process of channel alignment

The previous sections introduced two instruments each consisting of a set of questions which facilitate data collection for the assessment of an SBU's multi channel system. As such, they are methods to be used in the process of strategic planning that were derived from the MSCA and SAM and thereby build on a sound conceptual basis. However, the instruments themselves are not built to achieve a coordination of online and offline channels by their mere application. Rather, they have to be embedded in a larger management process. To this end, we also described a generic reference process for channel alignment (Figure 8) that can be used by MoCo on different levels of organizational hierarchy (Figure 3). It is well suited for single companies as level of analysis and has been applied to three SBUs of MoCo by the authors.

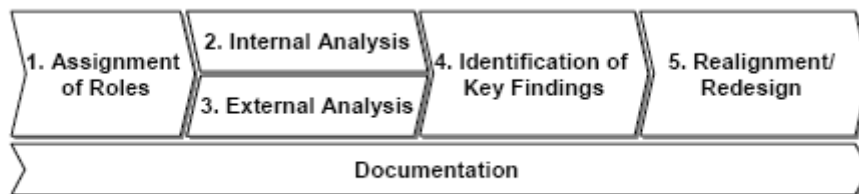


Figure 8: Reference process of channel alignment

The process consists of five phases and a continuous documentation task. In a first step, the process/project initiators need to assign roles for the upcoming tasks. Decisions have to be made on who should evaluate the SBU's multi channel system from the internal (company) and from the external (online customer) perspective. The internal analysis can be carried out by SBU representatives as a self-assessment task or by external analysts like consultants or MoCo corporate marketing staff. In any case, the analyst is dependent on the SBU's willingness to provide information on traditional and online strategy and processes. The data gathering in steps 2 and 3 should involve direct interaction with SBU managers who are involved in traditional and online marketing strategy formulation. Thus, the assignment of adequate contact partners in the SBUs is a necessary task in step 1 of the reference process of channel alignment. The external analysis can be conducted by external experts or corporate marketing personnel who are not familiar with the SBU's strategy. In addition, actual customers and visitors of the Web site could be used as evaluators here.

Steps 2 and 3 involve the application of the above introduced instruments for data collection. Depending on who conducts the analyses, the phases can run as parallel activities. If the same analysts evaluate from both perspectives, the external analysis would have to precede the internal because findings from the latter would bias the analyst's perceptions from an online customer perspective.

Step 4 comprises the identification of key findings and the overall assessment of the SBU's channel system after the information has been gathered. The nature of our object of analysis, a multi channel system and strategy, makes it impossible to mechanistically derive normative recommendations from the data. We propose this step to be an interpretive and collaborative task of the analysts which might involve responsible SBU representatives. A dialogue approach can be chosen for

the identification of key findings and the description of the current status of channel alignment at the SBU. Such a qualitative and interpretive set-up measures up to the complexity of multi channel management as described above. The analysis should focus on the strategic fit and functional integration between the domains of the MSCA and the extended framework (Figure 4). For example, it should be assessed if the online strategy fits to the SBU's offline business strategy and if the SBU Web site adequately reflects the strategic intentions for the online channel. Misfits and gaps can be identified and explained more easily and accurately with reference to the comprehensive data that has been gathered on either of the domains during the phases 2 and 3. Step 4 includes the application of MSCA logic. We define it as a subjective, interpretive process. This approach is in line with previous applications of the SAM which often ground on subjective evaluations (Avison et al. 2004; Peak, Guynes & Kroon 2005; Luftman 2003b).

Step 5 concentrates on the management consequences that result from the key findings and the assessment of the channel alignment. Their identification is again situated in context and depending on the findings from previous stages. This step can either focus on a single SBU or include divisional or corporate goals. In that case, the reference process for channel alignment needs to be linked with a higher-order alignment process which is likely to run in iterations.

The authors have used the reference process and the instruments in three SBU analyses during the MoCo-project. Table 5 briefly summarizes the process of analyzing EuropTravel for channel alignment. EuropTravel is a MoCo subsidiary offering travel and tourism services mainly with a B2C focus.

The EuropTravel case is one of many MoCo-SBU's which are intended to be aligned not only on SBU-level, but more importantly on divisional and corporate level. Thus, the single SBU analyses do not lead to isolated alignment activities. Step 5 in the proposed reference process is embedded in a larger, currently ongoing management process that combines top-down planning of online marketing strategy (corporate and divisional) and bottom-up input from the SBU's present multi channel activities. These activities are addressed in later stages of the project.

Case Analysis: EuropTravel as one of MoCo's SBUs

EuropTravel is the main provider of tourism and travel services in MoCo's business portfolio. The distribution is organized via multiple channels (e.g. travel agencies [partly owned by MoCo], call-centres, and internet).

Assignment of roles:

The CIO and the Chief Marketing Officer were chosen as contact persons in order to gain access to relevant information regarding the traditional and the online business. Two of the authors took up the role of analysts for the company perspective.

The external analysis was conducted by experts on the basis of the questionnaire developed. By choosing experienced internet users, who are at the same time not familiar to the Web site of EuropTravel we tried to ensure high-quality data without a strong bias.

Internal analysis:

Based on the methodology presented, a semi-structured 1,5h-interview was conducted. Notes and a tape recording were taken constituting the data basis for the internal analysis. The interview data was documented by filling out the questionnaire afterwards.

External analysis:

Regarding the particular items of the online customer perspective, an analysis of the website was conducted, including qualitative and quantitative data for each item. The restriction to quantitative findings would limit the information needed in this interpretative process, whereas the restriction on qualitative findings would hinder potential benchmark analyses.

(continued)

Case Analysis: EuropTravel as one of MoCo's SBUs (continued)

Identification of key findings (extract):

Based upon the simultaneous consideration of internal and external analysis, a set of key findings has been identified. The findings are the result of group discussions and holistic evaluations of the external analysts. Findings have been discussed and refined with EuropTravel representatives.

The first key aspect deals with the value proposition. One main outcome of the internal analysis is strategically intended differences between on- and offline value propositions. EuropTravel positions itself online as provider of last minute trips. In contrast to this, the external analysis from an online customer perspective revealed no obvious, clearly communicated value proposition for the online channel. Customer confusion about the channel roles and the different scopes of services offered might result because EuropTravel acts as a full-fledged travel agent in offline channels. Furthermore, EuropTravel is likely to experience problems in differentiating itself from other online tourism service providers.

EuropTravel was found to offer different product ranges on- and offline which are not properly explained to Web site visitors. This again resulted in potential confusion of multi channel customers who compare EuropTravel's Web site with their traditional channel offerings.

Detailed information regarding the particular distribution channels showed more difficulties for the overall channel management. The direct distribution via the internet is economically attractive in terms of retained provision than indirect distribution. At the same time, the travel agencies account currently for more than 90% of the overall turnover. Intensifying the distribution via the Internet could lead to an increased distribution of competitors' products by the agencies. Sensitive channel management is therefore required to avoid potential conflicts. EuropTravel needs to refine their online activities either by clearly positioning them as last minute specialist with a focus on flexible service bundling or by adjusting them to their offline activities. The former case would require an improved communication of channel roles to the customers.

(Re)Alignment:

Building upon the key findings, the SBU is currently realigning its channel system. However, a redesign of EuropTravels online channel activities will also be influenced by divisional and corporate channel planning at MoCo. As MoCo owns more than one SBU offering partly similar travel services, the realignment incorporates a simultaneous analysis and subsequent coordination of other SBUs, too.

Table 5: Case description EuropTravel (MoCo SBU)

6 Reflections on the model-driven strategy process

Much has been written on the necessity of strategic alignment and the idea of fit between strategy and technology application (see discussion in section 2). In this paper, we faced the challenges of translating this strategic imperative into a strategy process in order for the company (here: MoCo) to achieve the much-discussed alignment in the domain of online channel activities. Our research stands in the tradition of strategy process research, which in contrast to strategy content research, is concerned with actions that lead to and support strategy (Huff & Reger 1987). Unlike the majority of studies in this field, which examine processes already existent in organisations, we took a design perspective and proposed a reference process and related methods for facilitating strategic channel alignment. Consequently, our study aimed both at developing and shaping a strategy process as well as learning about the nature of such processes in practice. In the following sections we spell out underlying assumptions and our view of strategic alignment as social process.

6.1 Strategic alignment as social process

The research presented in this paper is based on a constructivist notion of strategy (Klein 1992; Vignali & Zundel 2003). In such a view the strategy process “can be viewed as the cognitive and social development of common orientations, visions of the firm, and subsequent action programs” (Klein 1992, 179). This view acknowledges that knowledge creation in general and strategy formulation specifically is a social process in which the created knowledge is highly subject-dependent, relative, constructed in different ways and also situated (Klein 1992). This notion of strategy also follows the ‘strategy as practice’ perspective which regards strategizing as activities that are socially accomplished, situated, and arising from actions and interactions of multiple level actors (Paroutis & Pettigrew 2007; Jarzabkowski, Balogun & Seidl 2007).

In a large and multi-layered organisation such as MoCo it is most likely that different world views and islands of knowledge exist in the different parts of the organisation (here: SBUs). In such an environment and following the above notion, alignment first and foremost is the attempt to create a common understanding of the issues at hand and to start a social process of alignment-related discussions (Campbell et al. 2005). By developing the reference process and the respective instruments our project also aimed at facilitating an organisational (intra- and inter-SBU) process of joint sense-making (Weick 1995), which gives participants the opportunity to utter their viewpoints of channel strategies - both traditional and online-related - and to facilitate a comparison with the existing status quo. Strategy development in a process of alignment requires the development of a common strategy language for strategic discourse among managers in different organisational units (Wunder 2005). The process itself is a communicative process of a common construction of reality by interpreting data and evaluating information in the context of commonly accepted rules and patterns of interpretation (Klein 1992).

In this sense, our work follows a symbolic-interpretive perspective of organisations, which stresses cultural aspects and the importance of meaning and sense-making (Hatch 1997; Morgan 1986). Such a view stands in contrast to a more traditional view of organisations and the strategy process, predominantly

informed by economics and decision science, that has been criticised as being overly rationalized, too optimistic about the possibilities of rational analysis, and too far removed from the specific problems of the individual organization (Huff & Reger 1987, 215). Following a cultural view with emphasis on aspects such as sense-making, organisations can be viewed as negotiated order, with the development of strategy being seen as a social rather than a mere analytical process (Eden 1992). Such a view has certain implications for how one interprets the role of strategy concepts such as the models and instruments presented in this paper.

6.2 The role of models and instruments

As Eden notes, strategy development should not aim “to impose the ‘objective’ logic of analysis on the affairs of men” (1992, 802). To this end, our idea of instrument development and application was not to describe an objective way of reaching perfect (channel) alignment nor to provide ready-made solutions as outsiders to the organization, but to facilitate a strategy discourse in the organisation (Hendry 2000) that ultimately leads to achieving channel alignment. Strategy concepts, such as our alignment model, “should be useful because they should be capable of informing the process and practice of getting strategy into action” (Eden 1992, 799). Thus, the role of the MSCA and the reference process is to guide, structure, and support organisational alignment activities. For doing so it is mandatory to achieve a good understanding of the existing level of channel alignment. Or as Eden notes, “to understand organizations as negotiated order is non-trivial because it implies the need to explore and understand that order clearly” (1992, 800). To this end, our questionnaire-based instruments can be used to gather rich information in a structured way and to gain the required level of understanding necessary to facilitate the discussions and decision making processes to ultimately achieve alignment.

This is in line with more recent discussions on the usefulness of the SAM and the notion of strategic alignment for management practices. Strategic alignment activities are considered to include a social and an intellectual dimension. The social dimension refers to the development of a common understanding and commitment among managers involved; the intellectual dimension addresses the strategy content in forms of a good set of interrelated plans (Campbell et al. 2005; Reich & Benbasat 2000). Conceptual models like the MSCA will unfold their potential mainly in the social and process-oriented dimension of alignment. It can serve as an interpretive scheme (Klein 1992) that deliberately reduces complexity and enables the planners to communicate their particular mental models of strategy (Hinterhuber 2004). Effective communication and collaboration among managers and the development of a shared knowledge are considered to be potent means for achieving alignment (Campbell et al. 2005; Teo & Ang 1999). Based on our above given understanding of strategic alignment as contingent and social process, the proposed framework and the corresponding instruments were designed to structure and facilitate the many acts of negotiation and collaboration that constitute the process of strategic alignment.

Previous applications of the SAM take up a similar stance and chose comparable approaches. Luftman (2003a) proposes a tool for assessing the status of IT/business alignment in discussions and interviews with managers. Avison et al. (2004) developed a method for the identification and monitoring of a firm’s

alignment status by referring to the SAM's alignment perspectives. These two examples are both positioned in the process paradigm of strategic alignment (Reich & Benbasat 2000) and demonstrate the SAM's conceptual and practical value (Avison et al. 2004). This insight gained in applications of the SAM can be transferred to the here utilized MSCA.

Hence, the aim of this project was not to develop a model that provides an objective academic solution to a relevant practical problem (a view that can rightly be criticised as being arrogant (Numagami 1998)), but to facilitate discussions, processes of joint sense-making in order to achieve channel alignment. In the view of Galliers and Newell, strategy in this sense can be described as "data plus sense-making"; models and strategy frameworks are important instruments in this process, because "...frameworks do help with respect to sense making, and are useful in providing some sort of grounding against which informed debate and communication might take place" (Galliers & Newell 2003, 192).

6.3 Case reflections and future steps in the project

While there is good reason to believe that strategic (channel) alignment in terms of fit and functional integration is a desirable goal, as organisational outsiders, we cannot prescribe or even determine the right (optimal) level of alignment required for the organisation. But in a project like the one described in this paper, we can hope to make an impact in facilitating and structuring discourse processes that identify appropriate means of achieving the right levels of strategic alignment on various levels of the organisation.

Ultimately, the success of a strategy process can "only be measured by the extent to which it influences the thinking and action of other people" (Eden 1992, 799). The gathering of information on SBU online activities and their existing strategies, which was carried out by the authors in three SBUs, already acted as a catalyst for strategic thinking at the SBU level. In two SBUs, online activities had never been discussed on a strategic level before. Coordination with offline activities developed cumbersome or did not take place at all. Thus, the mere act of asking questions and gathering information made SBU representatives think about issues of multi channel management they had not thought about before. We received positive feedback on the contents of our questionnaires. SBU managers regarded the topics and specific questions as highly relevant and pinpointing some prevailing issues in coordinating offline and online activities in the SBUs. Since the interaction with SBU personnel in charge of the coordination and planning of online and offline marketing is central to our approach, the project pilot already yielded important results in that awareness for alignment issues was raised and a process of alignment thinking and discussion is now in place. In addition to the positive feedback on the SBU level, some recommendations for the inter-SBU alignment have been taken into account on the division level; e. g. when some of the Web sites were repositioned.

The ultimate idea of providing the above described instruments is for the people on both MoCo holding and SBU levels to adopt a form of alignment thinking and to appropriate our instruments in their own social practices of strategy formulation (Paroutis & Pettigrew 2007). As a future step in the project, we hope to be able to observe and further learn about the role of our models and instruments in the

social processes of strategy formulation, implementation, and alignment in the complex social setting of this multinational corporation.

In relation to further activities it is worth mentioning that the application of strategic alignment logic at MoCo will induce change which is likely to cause opposition and resistance in some parts (SBUs) of the organisation. Or as Eden states, “a potential disturbance to order creates ambiguity, ambiguity creates discomfort, and individuals will seek to reduce the ambiguity.” (1992, 802) Here, it is up to the people using the alignment instruments to interpret alignment as a way of channelling arising concerns and facilitating discussions rather than trying to impose solutions that might cause the manifestation of internal boundaries and a lasting conflict. The fact that the instruments have been developed by neutral outsiders might lend the alignment process a degree of credibility necessary to mediate in such a politicized environment (Campbell et al. 2005).

7 Conclusions

In this paper we faced the challenges of translating analytical strategic (channel) alignment ideas and models into a process and instruments for achieving strategic channel alignment in an organisational context. In our case the organisation presented itself as multi-layered and complex. The organisational structure of MoCo - being a large multi-national company with several divisions - can be regarded typical for a modern, international, and diversified organisation. Consequently, we not only had to deal with the operationalization of the alignment ideas, represented here by the MSCA, but also with their application and embedding into a rich organisational context. Hence, we not only developed and presented methods and instruments for gathering data on the various model dimensions in order to ensure fit and functional integration of offline and online strategy and operations, but we also derived a reference process for applying our instruments in single SBUs with a subsequent analysis.

These results contribute to research on strategic alignment processes. The usefulness of the MSCA content and logic as a framework for managerial action has been shown. Furthermore, the MoCo case revealed the complexity inherent to multi channel strategies which lead to a characterization of channel alignment as social process. We positioned our results as a means to facilitate sense-making, discussions, and informed decisions within this process.

References

- Alt, R., Zimmermann, H.-D. (2001): Preface: Introduction to Special Section - Business Models., *Electronic Markets*, Vol. 11, pp. 3-9.
- Avison, D., Jones, J., Powell, P., Wilson, D. (2004): Using and validating the strategic alignment model, *Journal of Strategic Information Systems*, Vol. 13, No. 3, pp. 223-246.
- Campbell, B., Kay, R., Avison, D. (2005): Strategic alignment: a practitioner's perspective, *Journal of Enterprise Information Management*, Vol. 18, No. 6, pp. 653-664.
- Christiaanse, E., Zimmerman, R.-J. (1999): Managing electronic channels: the KLM cargo cyberpets case, *Journal of Information Technology*, Vol. 14, No. 2, pp. 123-135.

- Ciborra, C. U. (1997): De Profundis? Deconstructing the concept of strategic alignment, *Scandinavian Journal of Information Systems*, Vol. 9, No. 1, pp. 67-82.
- Doherty, N. F., Ellis-Chadwick, F., Hart, C. A. (1999): Cyber retailing in the UK: the potential of the Internet as a retail channel, *International Journal of Retail & Distribution Management*, Vol. 27, No. 1, pp. 22-36.
- Eden, C. (1992): Strategy Development as a Social Process, *Journal of Management Studies*, Vol. 29, No. 6, pp. 799-811.
- Galliers, B., Newell, S. (2003): Strategy as Data Plus Sense-Making, in "Images of Strategy", S. Cummings & D. Wilson, (eds.), Blackwell Publishing, Malden, MA, pp. 164-196.
- Gregor, S. (2006): The Nature of Theory in Information Systems, *MIS Quarterly*, Vol. 30, No. 3, pp. 611-642.
- Gulati, R., Garino, J. (2000): Get the Right Mix of Bricks & Clicks, *Harvard Business Review*, Vol. 78, No. 3, pp. 107-114.
- Hatch, M. J. (1997): "Organization Theory: Modern Symbolic and Postmodern Perspectives", Oxford University Press, Oxford.
- Hax, A. C., Majluf, N. S. (1996): "The strategy concept and process: a pragmatic approach", 2. edn, Prentice-Hall, Upper Saddle River.
- Hedman, J., Kalling, T. (2003): The business model concept: theoretical underpinnings and empirical illustrations, *European Journal of Information Systems*, Vol. 12, No. 1, pp. 49-59.
- Henderson, J. C., Venkatraman, N. (1993): Strategic Alignment: Leveraging information technology for transforming organizations, *IBM Systems Journal*, Vol. 32, No. 1, pp. 4-16.
- Henderson, J. C., Venkatraman, N., Oldach, S. (1996): Aligning Business and IT Strategies, in "Competing in the Information Age: Strategic Alignment in Practice", J. N. Luftman, (ed.), Oxford University Press, Oxford, pp. 21-42.
- Hendry, J. (2000): Strategic Decision Making, Discourse, and Strategy as Social Practice, *Journal of Management Studies*, Vol. 37, No. 7, pp. 956-977.
- Hinterhuber, H. H. (2004): "Strategische Unternehmensführung", 7. edn, de Gruyter, Berlin.
- Hofer, C. W. (1975): Toward a Contingency Theory of Business Strategy, *Academy of Management Journal*, Vol. 18, No. 4, pp. 784-810.
- Huff, A. S., Reger, R. K. (1987): A Review of Strategic Process Research, *Journal of Management*, Vol. 13, No. 2, pp. 211-236.
- Hussain, H., King, M., Cragg, P. (2002): IT Alignment in Small Firms, *European Journal of Information Systems*, Vol. 11, pp. 108-127.
- Jarzabkowski, P., Balogun, J., Seidl, D. (2007): Strategizing: The challenges of a practice perspective, *Human Relations*, Vol. 60, No. 1, pp. 5-27.
- Kearns, G. S. (2005): An electronic commerce strategic typology: insights from case studies, *Information & Management*, Vol. 42, No. 7, pp. 1023-1036.
- Klein, S. (1992): Hermeneutics and Epistemology - A Constructivist Perspective of Strategic Planning and Intelligence, *Journal of Economic and Social Intelligence*, Vol. 2, No. 3, pp. 173-192.
- Luftman, J. N. (1996): Applying the Strategic Alignment Model, in "Competing in the Information Age: Strategic Alignment in Practice", J. N. Luftman, (ed.), Oxford University Press, Oxford, pp. 43-69.

- Luftman, J. N. (2003a): Assessing IT/Business Alignment, *Information Systems Management*, Vol. 20, No. 4, pp. 9-15.
- Luftman, J. N. (2003b): Assessing Strategic Alignment Maturity, in "Competing in the Information Age: Align in the sand", 2 edn, J. N. Luftman, (ed.), Oxford University Press, Oxford, pp. 15-48.
- Luftman, J. N., Brier, T. (1999): Achieving and Sustaining Business-IT Alignment, *California Management Review*, Vol. 42, No. 1, pp. 109-122.
- Morgan, G. (1986): "Images of Organization", Sage Publications, Newbury Park, CA.
- Müller-Lankenau, C., Klein, S., Wehmeyer, K. (2004): Developing a Framework for Multi Channel Strategies - An Analysis of Cases from the Grocery Retail Industry, in "Proceedings of the 17th Bled eCommerce Conference", Y.-H. Tan, D. R. Vogel, J. Gricar & G. Lenart, (eds.), Moderna organizacija, Kranj.
- Müller-Lankenau, C., Wehmeyer, K. (2005): e-Service Quality in a Multi Channel Environment: Quality Management and the Web Channel, in "Proceedings of the European Academy of Management Conference (EURAM 2005)", Munich, Germany.
- Müller-Lankenau, C., Wehmeyer, K., Klein, S. (2006a): Multi Channel Strategies: Capturing and Exploring Diversity in the European Grocery Retail Industry, *International Journal of Electronic Commerce*, Vol. 10, No. 2, pp. 85-122.
- Müller-Lankenau, C., Wehmeyer, K., Klein, S. (2006b): Strategic channel alignment: an analysis of the configuration of physical and virtual marketing channels, *Information Systems and e-Business Management*, Vol. 4, No. 2, pp. 187-216.
- Numagami, T. (1998): The infeasibility of invariant laws in management studies: A reflective dialogue in defense of case studies, *Organization Science*, Vol. 9, No. 1, pp. 2-15.
- Papp, R. (1999): Business-IT alignment: productivity paradox payoff? *Industrial Management & Data Services*, Vol. 99, No. 8, pp. 367-373.
- Paroutis, S., Pettigrew, A. M. (2007): Strategizing in the multi-business firm: Strategy teams at multiple levels and over time, *Human Relations*, Vol. 60, No. 1, pp. 99-135.
- Peak, D., Guynes, C. S., Kroon, V. (2005): Information technology Alignment Planning - a case study, *Information & Management*, Vol. 42, No. 4, pp. 619-633.
- Reich, B., Benbasat, I. (2000): Factors that Influence the Social Dimension of Alignment between Business and IT, *MIS Quarterly*, Vol. 24, No. 1, pp. 81-113.
- Riemer, K., Totz, C. (2003): The many faces of personalization - an integrative overview of mass customization and personalization, in "The Customer Centric Enterprise: Advances in Mass Customization and Personalization", M. M. Tseng & F. T. Piller, (eds.), Springer, New York, pp. 35-50.
- Sabherwal, R., Chan, Y. (2001): Alignment between Business and IS Strategies, *Information Systems Research*, Vol. 12, No. 1, pp. 11-33.

- Smaczny, T. (2001): Is an alignment between business and information technology the appropriate paradigm to manage IT in today's organisations? *Management Decision*, Vol. 39, No. 10, pp. 797-802.
- Steinfeld, C., Bouwman, H., Adelaar, T. (2002): The Dynamics of Click-and-Mortar Electronic Commerce: Opportunities and Management Strategies, *International Journal of Electronic Commerce*, Vol. 7, No. 1, pp. 93-119.
- Teo, T. S. H., Ang, J. S. K. (1999): Critical success factors in the alignment of IS plans with business plans, *International Journal of Information Management*, Vol. 19, No. 2, pp. 173-185.
- Timmers, P. (1998): Business Models for Electronic Markets, *Electronic Markets*, Vol. 8, No. 2, pp. 3-8.
- Totz, C., Riemer, K., Klein, S. (2001): Web-Evaluation, in "The E-Business Handbook", P. B. Lowry, J. O. Cherrington & R. R. Watson, (eds.), St. Lucie Press, Boca Raton, pp. 45-66.
- Van de Ven, A. H., Drazin, R. (1985): The Concept Of Fit In Contingency Theory, *Research in Organizational Behavior*, Vol. 7, pp. 333-365.
- Venkatraman, N., Camillus, J. C. (1984): Exploring the Concept of "Fit" in Strategic Management, *Academy of Management Review*, Vol. 9, No. 3, pp. 513-525.
- Vignali, C., Zundel, M. (2003): The marketing management process and heuristic devices: an action research investigation, *Marketing Intelligence & Planning*, Vol. 21, No. 4, pp. 205-219.
- Weick, K. E. (1995): "Sensemaking in Organizations", Sage, Thousand Oaks, CA.
- Wunder, T. (2005): New Strategy Alignment in Multinational Corporations, *Strategic Finance*, Vol. 2005, No. Nov, pp. 35-41.
- Zeithaml, V. A., Berry, L. L., Parasuraman, A. (1988): Communication and Control Processes in the Delivery of Service Processes, *Journal of Marketing*, Vol. 52, pp. 35-48.
- Zeithaml, V. A., Varadarajan, P. R., Zeithaml, C. P. (1988): The Contingency Approach: Its Foundations and Relevance to Theory Building and Research in Marketing, *European Journal of Marketing*, Vol. 22, No. 7, pp. 37-64.

Appendix

The following tables show exemplary items and questions from the instruments described in section 4. The complete list of items can be obtained from the authors.

<p>Category: Value Proposition</p> <p><i>What is the main customer benefit offered by the SBU?</i></p>
<p>Explanation:</p> <p>The value proposition is central to the business model of a company. It describes the benefits perceived by the customers, when their needs are fulfilled by the products or services offered by the company. If the particular company is part of a supply chain without direct access to end customers, the value proposition specifies the benefit for the partnering companies in the supply chain.</p> <p>The clear identification and statement of the value proposition is not limited to the definition of customers and supply chain partners, but also implies statements regarding the general product or service range, market positioning, potential customer segments, and competitors.</p> <p>Supplementary questions:</p> <ul style="list-style-type: none"> - Which benefit is perceived by the customers/supply chain partners by 'transacting' with the SBU? - Which specific demands are fulfilled by the products/ services offered by SBU? - What are the target customers and what is the relevant market? - Which companies are potential competitors? - What is the competitive advantage in comparison to other companies offering similar products/ services?
<p>Case description:</p>

Table 6: Sample item – company perspective – traditional business

<p>Category: Value Proposition</p> <p><i>What is the main customer benefit offered by the website of the SBU?</i></p>
<p>Explanation:</p> <p>While the value proposition of the traditional business comprises statements about the general product and services offered by the SBU and the benefits perceived by the customers, the online value proposition should incorporate the specific parameters characterizing the Internet.</p> <p>Ubiquitous availability, flexibility, and personalization are only some of the typical characteristics, which could influence the products and services offered via the Internet. As a consequence of the inherent opportunities and restrictions, the online value proposition could diverge significantly from the value proposition of the traditional business.</p> <p>Supplementary questions:</p> <ul style="list-style-type: none"> - Is there a specific value proposition for the online channel? What are the differences between the traditional and online value proposition? - Which specific needs of the customers/supply chain partners are fulfilled by the website of the SBU? - Are there specific customer segments targeted by the online channel? Does the relevant market, e.g. in terms of the main focus, differ from the traditional business? - Are the competitors the same as for the traditional business? - Is the website used to differentiate the SBU from competitors? - What is the relative advantage of the SBU's online activities in comparison to potential competitors?
<p>Case description:</p>

Table 7: Sample item – company perspective – online business

Category: Product

<i>Does the information presented on the website facilitate an 'expectation management' in terms of role and scope of the particular distribution channels?</i>				
1	2	3	4	5
The information presented on the website does not illustrate the different distribution channels of the SBU. It is not communicated, which products and services are offered to the customers in the particular channels.	Basic information regarding the different distribution channels is available. The roles of the particular channels in the context of the SBU are not explicitly illustrated. A clear and concise overview of the channels is missing.		Extensive and well compiled information is given regarding the scope and roles of the distribution channels. E.g. potential differences in the product portfolio between channels should be well communicated.	
Case description:				

Table 8: Sample item – online customer perspective – online marketing mix