

# A Historical Examination of the Introduction of the Web as a Direct Marketing Channel

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## Abstract

With the existence of the Internet, manufacturers of goods and services can bypass channel intermediaries and sell directly to the final consumer. Since the mid-1990s, the Web has continued to play a greater role in channel management strategy. The purpose of this longitudinal study is to document usage of websites in terms of channel member support and vertical competition over time. We examined the websites of 251 *Fortune* 500 companies that produce goods and services in business-to-consumer industries. Data was collected in 1996, 2000, and 2004. The results of the study show good industries lagged behind service industries in initiating disintermediation. Overtime, however, disintermediation was equally prevalent in both industry segments. In terms of channel member support, both in initiating and overtime, firms using their websites to refer and/or connect end users to intermediaries for product purchase were equally prevalent for both industries. Finally, during the 1996 to 2000 period, the number of firms engaged in disintermediation grew faster than the number of firms providing channel member support.

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