STRATEGIC ANALYSIS OF GREEN PAGES DIRECTORY’S WEBSITE RE-LAUNCH PLAN

by

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ABSTRACT

This paper contains a comprehensive strategic analysis of the Green Pages Directory (GPD), an online service that provides a powerful and convenient portal, search tool, resource, and hub for information on sustainable products and services worldwide. GPD is a privately owned Canadian company incorporated in British Columbia on May 2, 2008. The founder of the company, Connie Linder, is an award-winning entrepreneur who was listed as one of the Canada’s most powerful women: Top 100 in 2011. After a series of business, external, internal, and strategy options analyses, seven website re-launch strategies are devised and recommended to the GPD management team (i.e., 2 offensive strategies, 2 defensive strategies, 1 adjustment strategy, and 2 survival strategies). A criteria option weighted score decision matrix analysis is performed to evaluate the proposed strategies based on the four criteria chosen by the GPD management team (i.e., ROI, Cost, Likelihood of Success, and Future Strategic Outcome). The winning strategy, which best aligned with GPD’s goals and values, is the offensive strategy to launch a social media marketing campaign. Subsequently, a social media marketing plan with a step by step suggested implementation strategies is developed and included in this paper.

Keywords: Sustainability, Green Directory, Search Engine, Social Media, Internet Advertising

Subject Terms: Green Page Directory; Social Media Marketing; Internet Advertising, Search Marketing
DEDICATION

To my wife Kathy and my son Mason, without your love and support all this will not be possible.
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TABLE OF CONTENTS

Approval ................................................................................................................ ii
Abstract .................................................................................................................. iii
Dedication .............................................................................................................. iv
Acknowledgements ............................................................................................... v
Table of Contents ................................................................................................. vi
List of Figures ....................................................................................................... viii
List of Tables ........................................................................................................ ix
Glossary .................................................................................................................. x

1: Introduction ........................................................................................................ 1
  1.1  The Company ................................................................................................. 1
  1.2  Purpose of Analysis ......................................................................................... 2

2: The Business ....................................................................................................... 3
  2.1  Three Tier Ranking System ........................................................................... 3
  2.2  GPD Core Business Functions ......................................................................... 5
      2.2.1  Search Engine Functionality ..................................................................... 6
      2.2.2  Green Products and Services Listing ......................................................... 7
      2.2.3  Community Blog Social Media ................................................................. 10
      2.2.4  Online Advertisement and Marketing .......................................................... 11
  2.3  Business Process Mapping ............................................................................. 13
  2.4  Target Market ................................................................................................. 14
  2.5  Revenue ......................................................................................................... 15
  2.6  Summary of the Business ............................................................................... 16

3: External Analysis ................................................................................................ 17
  3.1  Industry Attractiveness Analysis .................................................................. 17
      3.1.1  Bargaining Power of Suppliers ................................................................. 18
      3.1.2  Bargaining Power of Buyers ..................................................................... 19
      3.1.3  Threat of Substitutes ................................................................................ 20
      3.1.4  Threat of Entry .......................................................................................... 21
      3.1.5  Rivalry Amongst Existing Competitors ..................................................... 22
      3.1.6  Role of Government and Certification ....................................................... 22
      3.1.7  Summary of the Six Forces ....................................................................... 23
  3.2  Competitor Analysis ....................................................................................... 24
      3.2.1  Summary of Top Five Competitors .............................................................. 27
LIST OF FIGURES

Figure 1 GPD’s Three Tier Ranking System .......................................................... 5
Figure 2 GPD’s Four Core Business Functions ...................................................... 6
Figure 3 GPD Advance Search Function ................................................................. 7
Figure 4 GPD Home Page Screen .................................................................... 11
Figure 5 GPD Advertisement Space .................................................................. 13
Figure 6 GPD User Process .............................................................................. 14
Figure 7 GPD Porter’s 6 Forces Analysis .............................................................. 24
Figure 8 GPD’s Industry Relationship ................................................................. 31
Figure 9 Green Population .................................................................................. 38
Figure 10 LOHAS Consumer Spending ............................................................... 39
Figure 11 Recommended Strategies ................................................................... 61
LIST OF TABLES

Table 1 GPD Product and Services Listing Categories ................................................................. 9
Table 2 GPD Direct Competitors ................................................................................................. 26
Table 3 GPD Competitor’s Capabilities and Services ................................................................. 29
Table 4 GPD Competitor’s Source of Revenue ....................................................................... 30
Table 5 Green Industry’s Market Segments ............................................................................. 34
Table 6 LOHAS Consumer Profile ......................................................................................... 43
Table 7 Summary of SWOT Analysis ....................................................................................... 49
Table 8 Summary of Strategies ................................................................................................. 54
Table 9 Summary of Result of the COWS Analysis ................................................................. 59
Table 10 Social Media Strategy Implementation Plan ............................................................ 64
GLOSSARY

B2B  Business to Business
B2C  Business to Consumer
COWSCriteria Options Weighted Scores
GPD  Green Pages Directory
LOHAS Lifestyles of Health and Sustainability
NMI  Natural Market Institute
UGC  User Generated Content
1: INTRODUCTION

1.1 The Company

Green Pages Directory (GPD) is a privately owned Canadian company incorporated in British Columbia on May 2, 2008. The company was founded by an award-winning entrepreneur, Connie Linder, and is supported by a distinguished team of founding shareholders. The company’s proprietary Green Pages Directory website was launched in spring 2009. The goal of the website is to develop, implement and market a premiere online search tool that supports the production and purchasing of sustainable products and services, thereby lessening the environmental impact of commerce. The GPD website is designed to provide efficient access of information to its users in order to close the substantial gap between the willingness to buy sustainable products with the difficulty of doing so. Therefore, GPD’s intention is to foster a more socially and environmentally sustainable economy by making it easier and cheaper to buy and source sustainable products and services, and to provide access to information that enables more sustainable living, commerce, and investment. By doing so, GPD hopes to inspire an awareness-shift towards sustainability and eco-friendliness thereby revolutionizing online purchasing behaviour.
1.2 Purpose of Analysis

Since the launch of the GPD website in spring 2009, the company has enjoyed steady and increasing growth. Currently the company has signed and partnered with 250 local and national business owners, and the number is still growing. However, this growth is not enough to make GPD the “Google” of sustainability. The founder, Connie Linder, recently was awarded the 2011 BCIC-New Ventures Competition for her other co-founded business, Vancouver based-Polymer Research Technologies Ltd. She was also recognized as one of Canada’s most powerful women: Top 100 in 2011. With all the exposure and publicity, Ms. Linder would like to leverage her current success to promote the Green Pages Directory. She requested a comprehensive strategic analysis be completed on the green sustainability Internet search market and to provide her with a strategy recommendation on how to capture and establish the GPD website as the leader of online search engines for sustainable information, products and services. In this paper, I first provide a current situation analysis on the company and the market by conducting an external and internal analysis. This is followed by the solution analysis, which provides recommendations and an implementation plan for GPD’s new website re-launch strategy.
2: THE BUSINESS

This section begins with a description of what business GPD is in and its three tier ranking system. GPD’s four core business functions are then looked at which are: search engine functionality, green product and service listing, online advertisement and marketing, and community blog and social media. This is followed by a business process mapping analysis and the description of GPD’s target market. Finally, the section ends with a description of GPD’s current sources of revenue and a summary of the overall business.

2.1 Three Tier Ranking System

Green Pages Directory is in the business of providing a powerful and convenient portal, search tool, resource, and hub for sustainable information on products and services worldwide. GPD defines “sustainable products and services” as those which have a real, positive and greatly reduced impact on the environment compared to traditional merchandise. Based on the definition, GPD would like to build a consumer-driven market place by allowing users to provide feedback, both positive and negative, on the relative “greenness” of the sustainable product and services listed. To support this consumer-drive market, GPD utilizes a three-tier sustainability ranking formula on its web portal:
1. **Company Ranking System:**

Companies listing their products are prompted to detail the environmental benefits, awards and accolades attributed to their products or services in their product profiles. This ranking allows companies to self-identify their commitment to sustainability and provide a great opportunity for them to promote their products.

2. **Official Ranking System:**

Utilizing internationally respected environmental certifications (i.e., LEED, Canada Organic, USDA Organic, ISO14000, etc.), GPD allows listing companies to include the official certifications that their products and services currently hold.

3. **User Ranking System:**

Users are able to rank, review, and comment upon products and services. This allows companies, with or without official certification, to essentially be certified by the market place.
2.2 GPD Core Business Functions

Using the three tier ranking system, GPD is organized into four core business functions: search engine functionality, green products and services listing, community blog/social
media, and online advertising and marketing.

**Figure 2 GPD’s Four Core Business Functions**

### 2.2.1 Search Engine Functionality

The search engine functionality allows users to search GPD’s directory and resources based on their search query. Users can search by key words and a geographical location to get results for their area (See Figure 3). This means users can make more informed decisions on where to buy the desired green products locally and make purchasing of green products and services easier. An advanced search function allows users to apply additional criteria to their search and limit their results to specific resources, products or companies. Users can also search for certified products, services, or companies using GPD’s certification knowledge base and then sort their results on the number of user reviews, comments and geographic location.
To provide better and more detailed information on green and sustainable products and services, GPD’s listing service is organized in six different categories, with each category...
having its own tab on the webpage (see Figure 3). The six categories are Resources, Products, Services, Services Providers, Retailers, and Business to Business. The founder and GPD’s management team devoted considerable time to develop the classifications for each category and ensure the comprehensiveness of the listings. Table 1 summarises the classifications listed in each of the categories.

<table>
<thead>
<tr>
<th>Category 1: Resources</th>
<th>Category 2: Products</th>
</tr>
</thead>
</table>
### Category 3: Services

### Category 4: Services Providers

### Category 5: Retailers

### Category 6: Business to Business

<table>
<thead>
<tr>
<th>Table 1 GPD Product and Services Listing Categories</th>
</tr>
</thead>
<tbody>
<tr>
<td>Source: GPD website</td>
</tr>
</tbody>
</table>
2.2.3 Community Blog Social Media

GPD users can choose to register for a free online profile using the traditional method of providing a name, and email address. Conversely, GPD allows users to link with their Facebook accounts to create GPD online profiles - a simple 2-click process if users are already logged in to their Facebook accounts. Once created, the GPD online profile allows user to write reviews on companies and products included in the directory. These reviews can be accessed from the product or company listing pages. Users can also comment on articles and information posted in the resources section or writes their own articles to share information and build up their reputation as green activists. They will also be able to send other members private messages and mark other community members as friends to build their own sustainability networks.

The resource category, found in the products and services listing section, includes a number of online articles and other user-generated content (UGC) which can facilitate the growth of the community. These GPD UGC resources are syndicated into RSS feeds so GPD’s headlines can be listed on other sites or users’ own RSS readers, and can direct users to the information located on GPD’s website. Community users can post comments on these articles to help build discussion around topics of sustainability. GPD’s goal is to build this category, much like a green “Wikipedia”, to create on-going content for sustainability and to link with other sustainability blogs.
2.2.4 Online Advertisement and Marketing

For business owner who wishes to advertise their brand and products on GPD, an appropriate amount of advertising space is available within the site (see Figure 5). These ads are displayed as banners with different pre-defined sizes (i.e., length and width) and...
locations (i.e., top, left or right, bottom of the page) throughout the webpages. The GPD staffs upload the new ads and specify their location on the site. These ads are not self-managed by listing companies, however, companies listed on the directory are asked to self-manage their company’s own listing and product information. This allows them to make changes and additions on their own without GPD’s interference.

Currently, the GPD management team is considering participation in Google’s AdSense revenue sharing program. AdSense is a program that allows publishers in the Google Network of content sites to serve automatic text, image, video and rich media advertisements that are targeted to site’s content and audience (Google, 2012). These ads are administered, sorted, and maintained by Google, and they can generate revenue on either a per-click or per-impression basis. Upon receiving the revenue generated for these ads, Google shares a percentage of it with the partner site. Depending on the amount of vacant ad space on GPD’s site, GPD can utilize this partnership with Google to earn additional revenue.
Table 1: GPD Advertisement Space

<table>
<thead>
<tr>
<th>Products</th>
<th>Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, Horticulture &amp; Viticulture</td>
<td>Apparel &amp; Accessories</td>
</tr>
<tr>
<td>Farming &amp; farm equipment, viticulture, staples</td>
<td>Footwear, jewelry, clothing, hats, baby wear, dry cleaners, consignment</td>
</tr>
<tr>
<td>Automotive &amp; Personal Transportation</td>
<td>Books &amp; Publications</td>
</tr>
<tr>
<td>Autos, carpooling, car-sharing, bikes, taxi, rentals, scooters, motorcycles, service, repair, driver education</td>
<td>Books, magazines, newsletters, postcards, greeting cards</td>
</tr>
<tr>
<td>Computers &amp; Electronics</td>
<td>Construction</td>
</tr>
<tr>
<td>IT &amp; computer consultants, programmers, hardware, software, personal, home, commercial &amp; industrial electronic equipment</td>
<td>Architecture, design, inspectors, surveys, building materials &amp; equipment, concrete, piling, paving, fencing, electrical, lighting, painting, roofs, chimneys, painting, plastering, tools, consultants</td>
</tr>
<tr>
<td>Energy &amp; Environment</td>
<td>Finance</td>
</tr>
<tr>
<td>Energy, efficiency &amp; conservation, remediation, site decontamination, renewables energy, cogeneration (CHP), pollution control, ecosystem, equipment suppliers, green collar professionals, consulting, manufacturer</td>
<td>Banks, credit unions, mortgage, insurance, indexes, funds, financial planners, advisors, consultants, brokerages, intermediaries</td>
</tr>
<tr>
<td>Fisheries &amp; Aquaculture</td>
<td>Fitness, Sports &amp; Recreation</td>
</tr>
<tr>
<td>Fish farms, tackle, hatcheries, consultants</td>
<td>Fitness, health clubs, gyms, equipment, martial arts, yoga, amusement &amp; theme parks, sporting goods, consultants, instruction, studios</td>
</tr>
</tbody>
</table>

**Figure 5 GPD Advertisement Space**

*Source: GPD website*

### 2.3 Business Process Mapping

A user with a registered GPD account can search the directory to return a list of companies or products and services. The user can then select the company that they wish to view and go to the company’s profile page to see further details about the company and its products and services. The user can then make a decision to purchase the product...
or not base on the company, product review by others and the certifications that the company and its product currently hold. Registered users can leave feedback on the product and service.

Figure 6 shows a business process map from a user’s perspective:

![Business Process Map](image)

**Figure 6 GPD User Process**

### 2.4 Target Market

According to GPD, 61% of Western consumers consider themselves as partially green, but often do not want to go too much out of their way, or spend too much money, on ecological products (GPD, 2009). Therefore, GPD aims to make these consumers’ lives easier by offering the GPD website as the platform to obtain or exchange information needed to locate desirable product and services. With this goal in mind, GPD believes that all consumers linked to a computer are potential users of the site. According to GPD, their initial target users are the consumers traditionally associated with the LOHAS
(Lifestyles of Health and Sustainability) market. At the time of the original website launch, they represented approximately 16% of the adults in North America, or about 40 million people (GPD, 2009). At the time, Natural Market Institute (NMI) estimated that the US LOHAS sector was worth US$ 209 billion (GPD, 2009).

2.5 Revenue

GPD’s source of revenue comes from the following four categories: Listing Fees, Advertising, Eco-Flyers, and News Stream.

Listing Fees:

Companies that wish to be listed on the GPD directory need to pay a listing fee to ensure the company name, address, description and any other relevant information will be available to the public for a particular length of time. Payments are automatically charged to the customer’s credit card account.

Advertising:

Advertisers can purchase ad spaces on the GPD website. These are separate from directory listings and include a variety of spaces including main and side banners of different sizes and locations.

Eco-Flyers:

GPD also earns revenue through their unique online flyer services. These Eco-Flyers allow listed companies to highlight and promote their product when they are on sale. The
GPD search engine identifies and recommends highlighted product to users searching for similar product.

**News Stream:**

Another stream of revenue identified by GPD is the presentation of sustainability-related news article on the GPD homepage. News companies can pay to have their articles listed on a ticker bar that moves across the main portal page - similar to what is on TV news channels.

### 2.6 Summary of the Business

GPD is in the business of providing sustainable information of green products and services to the online population. It’s goal is to create a consumer-driven market using its three tier ranking system to facilitate two way communications between buyers and sellers and ultimately to start a green revolution and change consumer behaviour.

Therefore, their three tier ranking system is tightly integrated into GPD’s four core business functions (i.e., search engine functionality, green products and service listing, community blog/social media, and online advertising and marketing). To better understand GPD’s business, a business process mapping analysis is presented. This section ends with the discussion on GPD’s proposed target market and a description of its sources of revenue.
3: EXTERNAL ANALYSIS

This section first utilizes Michael Porter’s five forces analysis of industry attractiveness to look at the competitive forces that are driving the industry’s profits (Porter, 2008). The five forces model with the additional sixth force (i.e., role of government) are applied to look at the overall attractiveness of the industry. This is followed by a detailed competitor analysis to look at the major competitors in the market and what they are currently doing. This will set the stage for an industry analysis to define and look at what industry GPD is in. We will first look at the overall green industry and examine its industry growth and size. This will be followed by an examination of the online search directory and advertising industry. We will then focus on the previously mentioned LOHAS market segment to understand who they are and what characteristic they possess. This section will end with a summary of the external analysis and a discussion of how GPD can position itself within the market to better differentiate against its competitors.

3.1 Industry Attractiveness Analysis

The Porter’s five forces model with the additional sixth force (i.e., government) was applied to examine the industry attractiveness and the competitive forces of GPD. According to Michael Porter (2008), although a lot of factors can affect industry profitability in the short run (i.e., weather conditions, business cycles etc.), the industry
structure is the key drivers for competition and profitability in the medium and long run. Therefore, understanding the competitive forces and their underlying causes will reveal the roots of the industry’s profitability and, at the same time, help formulate the strategy needed to anticipate and influence competition over time.

3.1.1 Bargaining Power of Suppliers

There are two types of suppliers for GPD. The first type supplies the backend (i.e., hardware) and frontend (i.e., software) technology that host GPD’s website. For this type of supplier, their bargaining power is moderate. These technology solution and hardware storage data centre service providers are typically less concentrated and competition within their industry is fairly intense. The services that they provide are less differentiated and thus making switching between suppliers possible. There are, however, costs associated with switching between suppliers. The suppliers who recognize their bargaining power is low tend to use the contract method to lock in their client in exchange for providing competitive prices and services. Since GPD ultimately owns their website and all the information stored within it, switching from one data centre service provider to another is just as simple as completing a backup and restore. This can be carried out using a cut over process in which no website downtime is required and, thus, does not impact business. Furthermore, because of the nature of Internet business and the fast advancement of technology, it is possible to look for data centre service providers outside of BC. Overall, the bargaining power of this type of supplier is decreasing over time as technology advances.
The second type of GDP supplier is the website content provider. These include the general users who joined GPD’s community and the businesses that decided to participate and get their company listed on the GPD website. The bargaining power of this type of supplier is high. These suppliers are not paid to have their UGC published on the GPD’s website, so they have no direct monetary incentives to do so. There are, however, indirect monetary incentives obtained through reputation, brand awareness, or advertising value to these suppliers, if GPD is a credible and widely used social platform. Therefore, the engagements from these suppliers are not voluntary and depend on the supplier’s decision to publish or create content on GPD’s website instead of other similar websites. The initial switching cost for this type of supplier is almost negligible. However, once the supplier establishes their reputation within the GPD user community, their switching cost would be very high due to the loss of their channels for engagement with their followers. Therefore, the bargaining power of the supplier is initially high. However, as GPD becomes more established and gains industry dominance the supplier power should tend to decrease.

3.1.2 Bargaining Power of Buyers

There is only one type of buyer for GPD - the online listing and advertisement purchasers. They purchase the display space (i.e., listings and ads banners) on the GPD’s website and launch online promotions such as online coupons, eco-flyers, or email distribution advertisements. These buyers are usually not sensitive to price if they can
achieve their goal by purchasing the listing and advertisement. They typically have their own matrix for measuring success and price is usually not as important as their other priorities. However, competition in online advertisement is pretty high since there are millions of Internet web pages and, ultimately, it is the buyer’s decision to pick the website sites for advertising their products or services. Furthermore, competitors like Google, which currently controls 83 percent of the US online advertisement market, have a lot more bargaining power over their buyers (IAB, 2012). Therefore, GPD needs to differentiate itself from competitors either by gaining market share or providing other value added incentives to attract buyers. Since these buyers account for most of the GPD revenue, they tend to have more bargaining power as GPD needs to protect its buyer relationships and, thus, limits what GPD can charge. Therefore, to maximize GDP’s profits, the overall bargaining power of buyers needs to be mediated by strategies that ensure buyer’s purchases are constant.

3.1.3 Threat of Substitutes

The overall threat of substitutes is currently low. Users can obtain similar information from offline sources such as traditional paper bonded directories (i.e., Yellow Page) or other local business directories. Users can also get products and service information directly from visiting retail stores such as Whole Foods or Wal-Mart. Newspapers and other classification media sometimes provide similar information as well. Online, big players such as Google, Yahoo, or Microsoft Bing, although not specifically targeted for green consumer or business, can also provide similar results. It may, however, require
users to use more advanced customized searches to return meaningful results, but the
overall information is still available. Switching from GPD to its substitutes will have
some costs and, therefore, the current threat of substitutes is low. However, as
technology progresses, other substitutes will have the potential ability to outperform
GPD. Therefore, GPD should constantly monitor and mediate this situation.

3.1.4 Threat of Entry

The threat of new entrants in the online green search directory and advertising industry is
moderate to high. The nature of the online Internet business significantly lowers barriers
of entry when compared to the traditional brick and mortar business. The required capital
to start an online search website is mostly for a few servers, additional hardware, and
technical personnel to support it. The cost for providing the service to an additional user
or client is almost negligible until a certain amount capacity is used. At that point, a step
cost to increase capacity will be incurred. Therefore, low entry barrier is a result of a
combination of low upfront costs and low marginal costs. Furthermore, the ability for the
market incumbent to retaliate and punish new entrants is limited. There is not much a
company can do to deter new entrants other than purchasing new servers to build up
excess capacity to ensure the speed and quality of the searches. At the same time, the
switching cost for users is just a few clicks and thus almost negligible. However, new
entrants will have to spend time and money to gain the same qualitative and quantitative
information that GPD has garnered from four years in the field. Nevertheless, there is
also the threat of potential non-direct competitors, such as Google or Yahoo, that can
enter the green search market and leverage their existing core capabilities in search engines and its enormous cash flow to shake up the competition. Therefore, all things being equal the threat of new entrants is high and requires GPD to pay careful attention in formulating strategies to defend itself.

3.1.5 Rivalry Amongst Existing Competitors

The rivalry amongst existing competitors in the online green search directory and advertising industry is moderate. There are both enhancing and dampening factors that influence this force. The green search industry is currently in the growth stage of its life cycle. This stage is characterized by increasing demand from the consumer side, market growth and plenty of space for competitors to co-exist. Since the industry is not in a mature state, there is room for competitors to differentiate their services and develop their niches to suite the different needs within the consumer segment. However, the potential for competition is growing stranger as more competitors recognize the market potential for the green and sustainability industry and enter the market. The competitive force among industry rivalry remains moderate, but requires attention from GPD when formulating their strategy to pre-empt the competition.

3.1.6 Role of Government and Certification

The role of government in influencing the industry is generally positive. Government regulations and policies regulate or provide incentives (i.e., hybrid car cash back or government rebate for energy efficient appliances) for both buyers and suppliers to seek
green and sustainable products and services, thus enhancing the overall industry growth. However, as discussed in the competitor analysis section, several provincial government agencies have created their own not-for-profit online green search directory webpage and have become one of the GPD competitors in the market.

3.1.7 Summary of the Six Forces

The online green search directory and advertising industry is characterized by high bargaining power for buyers, moderate to high threat of entry moderate bargaining power of supplier, a low threat of substitutes, and a moderate but increasing threat of rivalry from competitors. The role of government in influencing the industry is generally positive and enhancing. The overall attractiveness of the industry is moderate to high as the industry is growing and there is room for companies to realize profit. GPD will have to carefully evaluate each of the moderate to high forces to formulate its strategy and decide what type of core capabilities are required to develop to excel in the industry.
Figure 7 GPD Porter’s 6 Forces Analysis

Source: Porter (2008)

3.2 Competitor Analysis

To identify the direct competitors of GPD and what they are currently doing, an online research was conducted using Google to search for the key words: “green directory”, “sustainability directory”, and “Green Page directory”. The result of the search generated a list of 15 other Green product and services directories in North America. Table 2 shows the list of direct GDP competitors ranked by the Alexa Global Traffic Rank:
<table>
<thead>
<tr>
<th>Company/Website Name</th>
<th>Website URL</th>
<th>Alexa Traffic Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>SustainLane</td>
<td><a href="http://www.sustainlane.com/">http://www.sustainlane.com/</a></td>
<td>Global Rank: 137,949 Rank in US: 40,323 Reputation: 1,495</td>
</tr>
<tr>
<td>Our Green Directory</td>
<td><a href="http://ourgreendirectory.com/">http://ourgreendirectory.com/</a></td>
<td>Global Rank: 2,408,085 Reputation: 90</td>
</tr>
<tr>
<td>The Only Green Directory</td>
<td><a href="http://theonlygreendirectory.com/">http://theonlygreendirectory.com/</a></td>
<td>Global Rank: 3,192,005 Reputation: 32</td>
</tr>
<tr>
<td>Saskatchewan Green Directory</td>
<td><a href="http://www.saskatchewangreendirectory.org/">http://www.saskatchewangreendirectory.org/</a></td>
<td>Global Rank: 15,656,525 Reputation: 22</td>
</tr>
<tr>
<td>Reputation: 6</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Reputation: 1 |

| Reputation: 3 |

| Table 2 GPD Direct Competitors |

Alexa.com is a California based subsidiary of Amazon.com that specializes in Internet website traffic data monitoring (i.e., search analytics, demographics), global website traffic ranking, and providing Internet business intelligence. A smaller ranking number means the website receives more traffic than websites with higher ranking numbers. For example, Google.com is currently ranked by Alexa as the number one global website while Facebook, YouTube, and Yahoo are ranked second, third, and fourth, respectively. Currently, the leading Chinese search engine, Baidu.com with 457 million Internet users, occupies fifth place.

Reputation is another ranking parameter measured by Alexa. It is defined as the number of links to the website from other sites, and measures the popularity and the number of references from other websites. A higher reputation number means a site is linked more by other sites than the sites with a lower reputation number.
Alexa utilizes automatic web crawlers to gather information from all publicly available website and create snapshots of the web. According to the Alexa website (2012), they are currently gathering approximately 1.6 terabytes of web content per day from 4.5 billion pages on over 16 million sites.

3.2.1 Summary of Top Five Competitors

The five sites listed in Table 3 are the top US-based green directories. Almost all of them offer free listings except National Green Pages which charges $40 a year for entry-level listings. All five sites have been around for at least 7 years and the oldest, EcoMall, has been around for approximately 17 years. The core and basic functions for all five websites are: Listing, Search, and Advertisement. All five sites offer some degree of integration with social media such as Facebook, Twitter, or Blog but none of them seems to be gaining momentum from social media. National Green Page and EcoMall have IPhone and Android applications that allows mobile user to access their green directories on their smart phones. However, none of the sites are using the latest search marketing technology and some of the sites (i.e., EcoMall, EcoBusinessLink) are using older technologies thus would benefit from a frontend website upgrade. Table 3 shows the different capabilities and services for the top five sites.
<table>
<thead>
<tr>
<th>Website Name</th>
<th>Capabilities and Services</th>
<th>Comparison with GPD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Green People</td>
<td>• Coupon – Offer coupon for stores listed</td>
<td>• World’s largest green directory with over 29,000 listing</td>
</tr>
<tr>
<td></td>
<td>• List Purchase – Advertiser can buy categories list data</td>
<td>• Allows user to purchase listing for research</td>
</tr>
<tr>
<td></td>
<td>• Event – Allows user to purchase an event page</td>
<td>• Utilize older technology and no advance search function</td>
</tr>
<tr>
<td></td>
<td>• Facebook and Twitter Linkage</td>
<td></td>
</tr>
<tr>
<td>SustainLane</td>
<td>• Community – Allow user to join the community</td>
<td>• SustainLane focus mostly on US Cities</td>
</tr>
<tr>
<td></td>
<td>• Blogs – Allow users to have their own blogs</td>
<td>• Integration with green and sustainability Blogs</td>
</tr>
<tr>
<td></td>
<td>• Reviews – Allow users to write and post reviews</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Green Job posting – Allow companies to post job postings</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Localized search – Allow keywords search with city name</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 2008 Green City Ranking</td>
<td></td>
</tr>
<tr>
<td>EcoBusinessLink</td>
<td>• Solar panel price information posting</td>
<td>• EcoBusiness Link focus on the renewable energy</td>
</tr>
<tr>
<td></td>
<td>• Linkage with Social Media such as Google+ and Facebook and all different other platforms</td>
<td></td>
</tr>
<tr>
<td>EcoMall</td>
<td>• Website launched since 1994</td>
<td>• EcoMall’s website was originally built in 1994 and utilize older design and technology</td>
</tr>
<tr>
<td></td>
<td>• Green Magazine – Publishes its own magazine</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Social Media Page: can be followed for twitter and Facebook</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• IPhone and Android Apps</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Website is very old in design</td>
<td></td>
</tr>
<tr>
<td>National Green Pages</td>
<td>• Events – Allow users to purchase event page</td>
<td>• National Green Pages is a sub site of Green America</td>
</tr>
<tr>
<td></td>
<td>• Classifieds – Allow users to post in classifieds</td>
<td>• Mostly focus on the US.</td>
</tr>
<tr>
<td></td>
<td>• Stories - Allow users to publish green stories</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Coupons – Offer coupons for</td>
<td></td>
</tr>
</tbody>
</table>
companies listed

- Gift Guide – Provide info on green gift
- Blog – Allow user to have their own blog
- Android and IPhone app
- Facebook linkage
- Reviews - User rate on service and product
- Green Gain tool to help you assess and get Green Approval

Table 3 GPD Competitor’s Capabilities and Services

3.2.2 Non-Profit Green Directories

The Saskatchewan Green Directory and the Great Green Directory are both non-profit green directories supported by some Canadian provincial governments. The Saskatchewan Green Directory was initiated by the Saskatchewan Eco Network with the support from the Saskatchewan Research Council and Ministry of Environment. The Great Green Directory was initiated and supported by the Conservation Council of Ontario.

3.2.3 Summary of Competitors’ Sources of Revenue

Below is a summary of the different sources of revenue from the competitors:
<table>
<thead>
<tr>
<th>Revenue Source</th>
<th>Cost and Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Listing</td>
<td>• Free listing</td>
</tr>
<tr>
<td></td>
<td>• Paid listing</td>
</tr>
<tr>
<td>Banners ads</td>
<td>• Fixed amount for period of time (i.e., month/year)</td>
</tr>
<tr>
<td></td>
<td>• Fixed amount for a given number of impressions</td>
</tr>
<tr>
<td></td>
<td>• Can be placed on top, bottom, left, or right of the pages</td>
</tr>
<tr>
<td></td>
<td>• Can be placed on different types of pages (i.e., home page, event page, member page)</td>
</tr>
<tr>
<td></td>
<td>• Banner price differs depending on size and banner location</td>
</tr>
<tr>
<td>Community Member Page (Blog, Community)</td>
<td>• Individual member pages can be free or small fee</td>
</tr>
<tr>
<td></td>
<td>• Company pages cost more</td>
</tr>
<tr>
<td>Green Spotlight (i.e., the running headlight on home page)</td>
<td>• Monthly fixed amount</td>
</tr>
<tr>
<td>Listing purchase</td>
<td>• Sell the listing info by categories to advertisers or people who want to do market research</td>
</tr>
<tr>
<td>Donation</td>
<td>• Ask for donation from members</td>
</tr>
<tr>
<td>Flyers and Coupon</td>
<td>• Fixed cost per flyer and coupon</td>
</tr>
</tbody>
</table>

Table 4 GPD Competitor’s Source of Revenue

3.3 Industry Analysis

GPD is in the search engine industry that provides search results to users seeking green industry product and services. Its initial target market is the LOHAS consumers segment,
which is a business to consumer market (B2C) within the green industry. GPD also
wants to provide its services to the business to business (B2B) industry market, but this is
a secondary focus. GPD earns its revenue primarily on their online advertisement
services that it provides to its clients. Therefore, it is also in the online advertisement
industry. Figure 8 shows the relationship between the green industry, the LOHAS
market, the Internet search and listing industry, and GPD’s green search, marketing and
online advertising services.

Figure 8 GPD’s Industry Relationship

3.3.1 Green Industry

In a 2008 United Nations Environmental Program (UNEP) report, the green economy is
defined as made up of green jobs that are designed to reduce the environmental impact of
enterprises and economic sectors to a “sustainable level”. The green jobs were further defined as work in agriculture, industry, services, and administration that contributes to preserving or restoring the quality of environment (UNEP, 2008).

UNEP (2008) sub-divided the green industry into 8 major segments of the economy: energy supply, transportation, manufacturing, building, materials management, retail, agriculture, and forestry. See Table 4 for a more detailed breakdown:
| Energy Supply                                      | • Integrated gasification/ carbon sequestration  
|                                                 | • Co-generation (combined heat and power)  
|                                                 | • Renewables (wind, solar, biofuels, geothermal, small-scale hydro); fuel cells |
| Transport                                        | • More fuel-efficient vehicles  
|                                                 | • Hybrid-electric, electric, and fuel-cell vehicles  
|                                                 | • Car-sharing  
|                                                 | • Public transport  
|                                                 | • Non-motorized transport (biking, walking), and changes in land-use policies and settlement patterns (reducing distance and dependence on motorized transport) |
| Manufacturing                                    | • Pollution control (scrubbers and other tailpipe technologies)  
|                                                 | • Energy and materials efficiency  
|                                                 | • Clean production techniques (toxics avoidance)  
|                                                 | • Cradle-to-cradle (closed-loop systems) |
| Building                                         | • Lighting, energy-efficient appliances and office equipment  
|                                                 | • Solar heating and cooling, solar panels  
|                                                 | • Retrofitting  
|                                                 | • Green buildings (energy-efficient windows, insulation, building materials, heating, ventilation and air-conditioning)  
|                                                 | • Passive-solar houses, zero-emissions buildings |
| Material                                         | • Recycling |
| Management | • Extended producer responsibility, product take-back and remanufacturing  
|           | • De-materialization  
|           | • Durability and reparability of products  
| Retail    | • Promotion of efficient products and use of eco-labels  
|           | • Store locations closer to residential areas  
|           | • Minimization of shipping distances (from origin of products to store location)  
|           | • New service economy (selling services, not products)  
| Agriculture | • Soil conservation  
|           | • Water efficiency  
|           | • Organic growing methods  
|           | • Reducing farm-to-market distance  
| Forestry  | • Reforestation and forestation projects  
|           | • Agro forestry  
|           | • Sustainable forestry management and certification schemes  
|           | • Halting deforestation  

**Table 5 Green Industry’s Market Segments**

*Source: Green Jobs - Towards Decent Work in a Sustainable, Low-Carbon World, UNEP/ILD/OE/ITUC, September 2008*
Accordingly to the UNEP report (2008), the global market for environmental products and services is estimated to be $1,370 billion per year and is projected to double to $2,740 billion by 2020. Of the number estimated, half of this market is based in energy efficiency and the balance in sustainable transport, water supply, sanitation and waste management (UNEP, 2008).

A reliable early indicator for this promising green industry growth is evident in the flow of venture capital into clean technologies. In the United States, clean technology now constitutes the third largest industry behind information technology and biotechnology. It is estimated that the clean-tech start-ups will generate 400,000 to 500,000 jobs in the next few years (UNEP, 2008).

### 3.3.2 Internet Industry

In a recent report released by Econsultancy Digital Marketing Limited (2012), the Internet reaches 30 percent of the world’s population which translates into more than 2 billion users. North America leads the world for Internet penetration at 77 percent. According to the same report, conversation with friends and family on social networking or social media remains the most valuable and trusted information source for consumers. In fact, social networking accounts for 19 percent of the total time spent online (Econsultancy, 2012).
Another report prepared by PricewaterhouseCoopers for the Interactive Advertising Bureau (IAB, 2012) stated that US Internet advertising revenue increased by 22 percent in 2011 to reach $31 billion US. The fourth quarter of 2011 was the best quarter with $9 billion in revenue.

According to the IAB report (IAB, 2011), the search market remains the main category of advertising with 44.8 percent of the revenue. Google remained the dominant leader in this area garnering 83 percent of US spend share and 82 percent of US click share, while controlling 65.5 percent of the overall US search volume (Marketing Charts, 2011). Since it was first tracked in 2010, mobile advertising has increased by 167 and now accounts for 5 percent of US Internet advertising revenue. Digital video such as YouTube, which is a component of display-related advertising, saw a 29 percent of annual growth at $1.8 billion. Finally, display-related advertising (i.e., banners) revenues were at $11.1 billion US, which accounts for 35 percent of the 2011 Internet advertising revenue (IAB, 2011).

In a February 2012 forecast from eMarketer, the US Internet advertising is expected to grow 23.3 percent this year. Digital video is forecast to have the fastest growth rate at 54.7 percent per year. Online sponsorship and search marketing are both expect to grow annually at about 27 percent. Display-related advertising is also forecast to have a yearly growth rate of 19.8 percent. Despite a 31 percent decline in 2011, email advertising is expected to grow 3.1 percent in 2012.
3.4 Target Market

3.4.1 LOHAS

As previously mentioned, LOHAS is an acronym for Lifestyles of Health & Sustainability which is a term used to describe a type of consumer and the market place that these particular consumer chose to participate in. The term was originally coined by Conscious Media, the founders of the LOHAS journal in United States (Moxie design group, 2008). The term was then transformed by the market research institute Natural Market Institute (NMI) to refer to a consumer group rather than a cultural group.

The NMI further estimated that the LOHAS market was worth $219 billion in 2005 and represented about 16% of adults in the North America, or roughly 40 million people. In a 2012 report by the LOHAS journal (2012), about 83 percent of consumers are partially green (see Figure 9) and the LOHAS market is now estimated to be worth more than $300 billion and growing.
In another report published by the LOHAS journal on the LOHAS market size, US consumer spending on LOHAS related product and service in 2008 was almost $300 billion. This is a total growth of 36 percent and 16 percent annualized growth when compared to the 2005’s $219 billion spending (LOHAS, 2010).

According to the LOHAS Journal, the LOHAS consumer market can be further broken down into six main market sectors: green building, personal health, eco-tourism, alternative transportation, natural lifestyle, and alternative energy. The majority of the
spending is on the green building and personal health sectors which together account for 76 percent of the total consumer spending in the LOHAS market (LOHAS, 2010). The total sales figures are divided by sector in Figure 10. In the next section we will go into detailed descriptions of each of the six main market sectors to look at their industry value and growth.

![2008 Consumer Spending (in billions)](image)

**Figure 10 LOHAS Consumer Spending**

*Source: LOHAS Journal*


**Personal Health**

The personal health sector includes natural and organic foods, dietary supplements, personal care products, integrative health care, and mind/body/spirit products and
services. This sector is the largest in the LOHAS market place with a value of $117 billion (LOHAS, 2010). The growth of this market is also impressive. For example, the organic foods category nearly doubled in size to $23 billion in just 3 years – 2005 to 2008 (LOHAS, 2010).

Green building

The green building sector includes home certification, energy star certified appliance, solar panel systems, and other green home materials and product. This sector is valued at $100 billion. Due to the recent housing market crash in the United States, this sector of the market was negatively impacted. In 2008, the housing market decreased by 31 percent and the home certification segment of this market was reduced to one-third of its 2005 value (LOHAS, 2010).

Eco-Tourism

The International Eco-Tourism Society (TIES) defines this market sector as “responsible travel to natural areas that conserves the environment and improves the welfare of local people (TIES, 2012).” The market was valued at $42 billion in 2008, is growing at rate of about 20 percent annually, and is forecast to double by 2020 (TIES, 2012).

Alternative Transportation

The alternative transportation market includes rideshare programs, biodiesel fuel, hybrid electric vehicles, and diesel vehicle sales. This market was estimated to be valued about $20 billion in 2010 (LOHAS, 2010). The hybrid and diesel vehicle sales constitute 90
percent of the value in this sector with Toyota being the market dominant player with its Prius and Camry models. The number of hybrid vehicle sold in April 2012 was 39,901, which was 3.4 percent of total North American sales. With the raising gasoline price, this market is expected to continue its growth.

**Natural Lifestyles**

The natural lifestyles category includes natural and organic pet foods and supplements, eco-friendly cleaning supplies, organic cut flowers, environmentally friendly tissue products, natural and organic gardening product and supplies, and organic cotton clothing and linens. This category is estimated to be worth about $10 billion and is expected to have an annual market growth of 3 percent (LOHAS, 2010).

**Alternative Energy**

The alternative energy market is defined as clean and renewable energy based on wind, hydroelectricity, solar, bio-power, and geothermal sources. The value of the global market for renewable energy was $66 billion in 2007, but is expected to increase to $343 billion in 2020 and almost double again by 2020 to $630 billion (UNEP, 2008).

**LOHAS Consumer Profile**

LOHAS consumers share a common set of individual, social and environmental values. These values are based on a fundamental concern about health and sustainability at an individual, social and environmental level. They are mostly female, and highly educated, and have above average household incomes. The age group is typically associated with
trendy young adults, but there is increasing spending coming from the 55+ age group.

Accordingly to GPD, LOHAS consumers are typically interested in:

- Personal finance and socially responsible investing
- Personal development movies, books, DVDs
- Alternative health care
- Yoga and other fitness services and products
- Organic clothing and food
- Eco-tourism
- Green building supplies and appliances
- Alternative energy sources and vehicles
<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Education</strong></td>
<td>84% Bachelor’s Degree, 25% Postgraduate Degree (Masters or PhD)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>26% earn $30,000-$60,000</td>
</tr>
<tr>
<td><strong>Household</strong></td>
<td>25% earn $60,000-$100,000</td>
</tr>
<tr>
<td><strong>Income</strong></td>
<td>31% earn $100,000-$250,000</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td>All Age group</td>
</tr>
<tr>
<td><strong>Geography</strong></td>
<td>International Group</td>
</tr>
<tr>
<td><strong>Lifestyle</strong></td>
<td>Raid internet user. Communication with global peer group through social networks and social medias on the internet on sites such as Facebook, MySpace, or Twitter.</td>
</tr>
</tbody>
</table>

Table 6 LOHAS Consumer Profile

*Source: GPD website*

### 3.5 Summary of External Analysis

Porte’s five force analysis shows that the industry attractiveness is moderate to high and profit earning is possible if the high bargaining power of buyers and the moderate to high threat of entry is mediated by GPD’s strategies. The competitor analysis shows, although there are several competitors that have been around for some time, there is currently no dominant market leader with established green search directories and unique features. Therefore, there are opportunities in the market for GPD to differentiate itself and to gain market share and a leadership position. The industry analysis further demonstrates that
both the green industry and the online search and advertising industry are growing, especially the LOHAS market segment that GPD is targeting.
4: INTERNAL ANALYSIS

This chapter examines the internal characteristic of GPD. The core capability of GPD and its resources is analysed to determine how the company fits in the industry. GPD’s four dimensions of core capabilities are examined, namely: employee knowledge and skill, physical technical systems, managerial systems, and values and norms. This is followed by a SWOT analysis to understand the strengths, weaknesses, opportunities, and threats that GPD is facing. The outcome of the SWOT analysis helps GPD formulate its website re-launch strategy.

4.1 Core Capability Analysis

4.1.1 Employee Knowledge and Skill

As an Internet start-up Company, GPD currently does not have any employees other than the management group. GPD’s skill and knowledge base comes from its core management team, which is composed of 14 board members. These members come from different backgrounds and possess unique skill sets that provide GPD with an advantage over its competitors. For example, the founder, Connie Linder, has a finance industry background and is an award-winning entrepreneur. GPD’s chief technology officer, Jarrod Goddard, is the founder of Net Shift Media, which is a full-service Internet marking, design, and application development firm. Another co-founder of GPD, Jack Boyle, is
the managing director of Cooler Skies Company, which provides green energy project
development and consulting services to businesses. The valuable experiences and vast
personal network connections of the GPD management team provides unique opportunity
and advantage for GPD to compete within the industry. See Appendix for a complete list
of GPD’s management team profiles.

4.1.2 Physical Technical Systems

GPD’s website is designed using the principle of simplicity and intuition which allows
the site to be highly accessible and navigable for all users, including those with little or
no computer skills or those with older browsers and computers. The website’s content
follows the Web Content Accessibility Guidelines and W3C Web Standards to ensure the
site is compatible with multiple computer operating systems, such as Microsoft
Windows, Macintosh OS, and Linux and popular web browsers such as Internet Explorer,
Firefox, Opera, and Safari. As discussed in the competitor analysis section, GPD’s
website infrastructure is more up-to-date when compared to its competitors so it provides
an advantage. However, this advantage can be easily overtaken by others and thus is not
considered sustainable. GPD needs to develop other sustainable competitive advantages
that others cannot imitate.
4.1.3 Managerial Systems

GPD’s managerial system is a partnership between the members of its management team. Its horizontal structure means GPD is open to creative ideas and, thus, fosters and promotes the idea of creative abrasion.

4.1.4 Values and Norms

According to its founder, GPD’s core values are based on their intention to be good to the planet. Hence, the sustainability of our planet is at the forefront of every decision GPD makes. GPD management has strived to establish a strong culture based upon the following four core values:

1. Education: GPD is committed to educating both business and consumers on sustainability, and spreading awareness about the environmental and social effects of their consumption.
2. Service: GPD aim to always offer the best customer service and will ensure that all GPD representatives are up-to-date and educated in order to serve their clients, no matter what their needs.
3. Quality: GPD is committed to always providing its customers and users with the best and most current information available using the most technologically advanced platform and search engine tools.
4. Integrity: GPD will conduct business with the highest degree of responsibility, honesty and accountability.
4.1.5 Summary of Core Capability Analysis

The core capabilities that can give GPD competitive advantages are its strong management team and its core values that emphasize its good intentions for planet sustainability. These core capabilities, when sustained, can help GPD build a company culture that attracts similarly minded talented people. The company’s physical technical system is an enabling capability that allows GPD to compete within the industry. Since GPD is in the online green search and advertising industry, the more data it acquires the more valuable its physical and technical system will be. Therefore, the opportunity for transforming this enabling capability to core capability is presented and hence is one of the key focus when developing its website re-launch strategies in our strategy option analysis below.

4.2 SWOT Analysis

Table 6 shows the summary of the SWOT analysis for GPD. In this section each component is analysed carefully.
<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>• GPD’s strong management team</td>
<td>• Limited financial resources</td>
</tr>
<tr>
<td>• Good publicity and relationship with</td>
<td>• Lack of staff</td>
</tr>
<tr>
<td>its partners</td>
<td>• Technology dependent</td>
</tr>
<tr>
<td>• Good technology platform</td>
<td>• Heavily reliant on consultants</td>
</tr>
<tr>
<td></td>
<td>• High bargaining power for the buyers</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Threats</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Growing industry</td>
<td>• Medium to high threat of entry</td>
</tr>
<tr>
<td>• Value creation for users</td>
<td>• Growing competitors</td>
</tr>
<tr>
<td>• Social media campaign</td>
<td>• Low switching cost for buyers</td>
</tr>
<tr>
<td>• Service differentiation</td>
<td>• Search industry giants</td>
</tr>
</tbody>
</table>

Table 7 Summary of SWOT Analysis

4.2.1 Strengths

As previously mentioned in the core capability analysis section, GPD’s greatest strength is its strong management team. The founder’s recent award winning entrepreneurial experiences and her financial industry background provides GPD with a further advantage. Connie Linder’s recent business success gives GPD a great reputation boost and gives it extra leverage when it engages other local or multinational businesses such, as London Drugs, Wal-Mart and Toyota, to become potential partners with GPD.

Furthermore, as previously stated in the external competitive analysis, the nature of the
Internet business allows GPD to operate with relatively low capital and marginal costs. GPD also maintains great relationships with its current partners already listed on its website. Finally, the competitor analysis in the previous sections shows that GPD’s website is built with newer technologies than those used by most of its competitors - even those that have been established longer in the LOHAS market.

4.2.2 Weaknesses

GPD’s major weakness is its limited financial resources. The company is in the start-up stage and is relying on the money gathered from its first round of financing. The nature of the Internet business means GPD does not have any valuable assets (i.e., building, equipment etc.). Even though the current cost of operating is low, GPD does not have any additional funding to put aside for extensive sales and marketing campaigns. Furthermore, GPD’s business relies heavily on its IT system to operate, and therefore fits into the strategic section on the McFarlane’s strategic grid analysis. This suggests that GPD needs to be extra careful with using consultants to develop its IT system.

GPD’s lack of staff for support and implementation is also a weakness. The founder was able to find UBC and SFU business school students to volunteer for internships. However, their knowledge is generally not well retained by the company once the internship is over. GPD also faces buyers with high bargaining power since businesses advertising with GPD have almost no switching costs. Finally, the biggest challenge GPD faces is on how to capitalize on its current assets and translate that into stable and
sustainable revenue that can be used for growth. These issues should be considered when GPD formulates its strategic plans.

### 4.2.3 Opportunities

The opportunities identified here based upon the conclusions from the external analysis of the industry and the internal analysis on GPD’s core capabilities. The green industry, especially the LOHAS consumer segments, is growing. The online search and advertisement industry is also growing. Therefore, there is definitely market space available for GPD to grow and capture rents. This, however, depends on several factors that will govern GPD’s success. First, GPD will have to come up with a service model that creates value for its customers and buyers, and differentiates GPD from its competitors. Once GPD’s service is more differentiated and better tuned to meet the consumer’s needs, GPD will be able to charge premium process for its services. Furthermore, the competitor analysis in the previous section also showed that GPD’s competitors are recognizing the potential power of using social media such as Facebook, Twitter, LinkedIn, or YouTube. The social media, if used correctly, can help GPD to market itself to massive online user groups with lower marketing expensive than traditional methods of marketing and advertising.

### 4.2.4 Threats

The threats that GPD faces are highlighted in our six forces analysis of industry attractiveness. The moderate to high threat of entry due to low entry barriers is
demonstrated by the industry’s low upfront cost and marginal cost. The inability for market incumbents to punish or retaliate against new entrants also contributes to this threat. Even though the new entrants will need to accumulate data and information over time in order to compete, there also exists the threat from search industry giants such as Google, or Yahoo will enter the market. Their entry would shake up the competition due to their enormous resources and online search expertise.

4.3 Summary of Internal Analysis

The core capability analysis examines the four dimensions: employee knowledge and skill, physical technical systems, managerial systems, and values and norms. The result shows that GPD’s strong management team and its core values have the greatest potential to become its core capabilities and provide competitive advantages. The SWOT analysis further confirms GPD’s strength in its management team and its utilization of advance technology in building the website. GPD’s weakness is its limited financial resource and lack of staff that can support its growth. The main threats GPD is facing is its low entry barrier for competitors and its low switching cost for its users. However, the continuing growth of the green market and the increasing popularity of social media and internet presents a significant opportunity for GPD.
5: STRATEGIC OPTIONS ANALYSIS

The SWOT analysis in the previous section, combined with the results from the external and internal analysis, provide a general framework for developing and evaluating GPD’s website re-launch strategy. Table 7 shows the confrontation matrix based upon the four types of strategies used for the SWOT analysis - offensive, defensive, adjustment, and survival (Businessballs, 2012).

Offensive strategies are aggressive strategies that utilize the strength of the firm and the opportunities of the market. A firm with stable and sustainable competitive advantages usually applies offensive strategies to enhance, growth and maintain a competitive position within the market.

Defensive strategies are those that leverage the opportunities within the market to overcome or mediate weaknesses. A company, when correctly reacting to an opportunity, can reduce its weakness and making the company less vulnerable to a competitor’s attack.

Adjustment strategies utilize the firm’s strength to mitigate the threat that the firm is currently facing and allows the company to deter competitors from entering. Survival
strategies require the firm to minimize its weakness to avoid the threats that are endangering the company.

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weakness</th>
</tr>
</thead>
</table>
| • GPD’s strong management team  
• Good publicity and relationship with its partners  
• Good technology platform | • Limited financial resources  
• Lack of staffs  
• Technology dependent  
• Heavily rely on consultants  
• High bargaining power for the buyers |

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Offensive (SO)</th>
<th>Defensive (WO)</th>
</tr>
</thead>
</table>
| • Growing industry  
• Value creation for users  
• Social media campaign  
• Service differentiation | • Be part of the solution campaign  
• Social media marketing plan | • Update business plan and prepare for another round of financing  
• Enhance core business |

<table>
<thead>
<tr>
<th>Threats</th>
<th>Adjustment (ST)</th>
<th>Survival (WT)</th>
</tr>
</thead>
</table>
| • Medium to high threat of entry  
• Growing competitors  
• Low switching cost for buyers  
• Search industry giants | • Strategic Partnership with green industry giants or competitors | • Knowledge retention  
• Avoid competition |

**Table 8 Summary of Strategies**

Based on the strategic analysis in Table 7, the following section describes the details of the general strategies GPD can consider moving forward.
5.1 Offensive Strategy: Gain Market Position

5.1.1 Be Part of the Solutions Campaign

An offensive strategy for GPD is to leverage the recent success of the founder, Connie Linder, and launch a full-scale “Be Part of the Solution” marketing campaign to reach out to giant businesses want to participate in green industry and link their brand name to sustainability. These companies include business from different industries ranging from retail giants like Wal-Mart and McDonald’s to automobile manufacturers like Toyota to energy and utility companies such as BC Hydro, and the oil companies. The advantages of this strategy is, if successful, will further enhance GPD’s reputation as a global leading green search directory and show that GPD’s commitment is supported by business giants. It can also have a potential network effect; GPD enters into partnerships with industry giants it will be easier for GPD to gather support from other giant businesses. However, the disadvantage and risk for this strategy is the likelihood that industry competitors attack GPD’s reputation by accusing GPD of green washing companies that are not truly green companies.

5.1.2 Social Media Campaign

Another offensive strategy for GPD is to create an online social media marketing campaign to leverage the GPD management team’s existing social network and broaden its reach to different users. As previously shown in the external analysis, social media has become popular and most of the direct competitors have some degree of integration.
with social media, but none has successfully tapped into the power of Facebook, Twitter, or YouTube. Its relatively lower cost and ability to reach out to Internet users makes it a great tool, if used effectively, to further increase the popularity and user base of GPD. Such a strategy carries the disadvantage that it requires GPD to dedicate valuable resources to form a dedicated social media strategy team to monitor the social media movement and retain the users’ strong willingness to be engaged.

5.2 Defensive Strategy: Protect Core Business

5.2.1 Update Business Plan: Prepare for Pitch

A defensive strategy for GPD is to update its 2008 business plan with current market information and business outlooks to demonstrate that the business opportunity is growing. This exercise will, in turn, prepare GPD to go through another round of financing to raise money for further growth and financial fitness. The advantage of this strategy is, of course, the potential for obtaining more funding and resources to support GPD’s development. The disadvantages and risks are related to finding unfit partners or even, potentially, lose control of the company in the future.

5.2.2 Enhance Core Business

Another defensive strategy is for GPD to devise a plan to strengthen its core business abilities related to search directories, advertisement, and the social media community. Therefore, GPD will need to consider how to create and maintain website content that can strengthen its core business abilities. One way of creating more content for its search
directories is to approach the green industry certification organizations and ask them to provide the list and data of companies that currently holds their certifications. GPD can then load these data into its search directory and boost its content. GPD can also purchase similar types of content from other search directories; however, data quality will be a big issue that needs to be addressed.

5.3 Adjustment Strategy: Strategic Partnership

An adjustment strategy that GPD can utilize, based on the strength of its good relationships with its current partners and its strong management team, is to look for opportunities to enter into strategic alliances with others in the green online community, or even other green search directories. As previously discussed in the competitor’s analysis, the top five competitors are all green directories based in the US. Therefore, GPD, as one of the biggest online green search directories in Canada, can negotiate for partnerships with the US green directories. The advantage of this strategy is the resources and content that GPD can gain access to. The disadvantage, however, is GPD will have to share its data and content with its partners.

5.4 Survival Strategy: Fix From Within

5.4.1 Knowledge Retention

GPD should continue to strengthen its core technology for search engine capabilities so that users can get meaningful and valuable result that they are looking for. To do that,
GPD will need to hire additional staff that are dedicated to website development for the search engine. GPD should also hire sales and marketing staffs for online advertisement, and create a social media team to further foster its online community. Furthermore, GPD should reduce the use of outside consultants so that valuable knowledge can be retained within the company. The only disadvantage for this strategy is the extra cost that GDP needs to finance. Therefore, a carefully planned out strategy needs to be devised to support this.

5.4.2 Avoid Competition

Due to its limited resources and capacity, GPD can apply a survival strategy by limiting its scope and geographic focus to certain services and areas only. For example, instead of being an all-inclusive green search directory, GPD can narrow its focus to the organic food sectors for the province of British Columbia. This specialization and differentiation tactic can help GPD to avoid competition with other competitors. However, the disadvantage is the target market will become smaller. Thus it is the least attractive option for GPD’s management group.

5.5 Strategy Evaluation

To evaluate the above strategies, a criteria option weighted scores (COWS) decision matrix analysis was performed. The criteria listed are the potential return on investment (ROI), the cost of execution, the likelihood of success, and future strategic outcomes.
The potential return of investment is the perceived immediate reward of executing the strategy. The cost of execution is the combination of time and resource needed to execute this strategy. The likelihood of success is the perceived chance of success for implementing the strategy. The future strategic outcome is the perceived future benefit of executing this strategy. Table 8 lists the criteria, its associated weight, and the result of the COWS analysis. Each option’s score ranges from 0 to 10.

<table>
<thead>
<tr>
<th></th>
<th>Weights</th>
<th>Be Part of the solution</th>
<th>Social Media Campaign</th>
<th>Update Business Plan</th>
<th>Enhance Core Business</th>
<th>Strategic Partner</th>
<th>Knowledge Retention</th>
<th>Avoid competition</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ROI</strong></td>
<td>30%</td>
<td>9</td>
<td>9</td>
<td>7</td>
<td>6</td>
<td>5</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td><strong>Cost</strong></td>
<td>30%</td>
<td>5</td>
<td>7</td>
<td>4</td>
<td>5</td>
<td>5</td>
<td>9</td>
<td>2</td>
</tr>
<tr>
<td><strong>Likelihood of success</strong></td>
<td>20%</td>
<td>6</td>
<td>6</td>
<td>7</td>
<td>8</td>
<td>4</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td><strong>Future Strategic Outcome</strong></td>
<td>20%</td>
<td>9</td>
<td>10</td>
<td>8</td>
<td>8</td>
<td>6</td>
<td>7</td>
<td>1</td>
</tr>
<tr>
<td><strong>Score</strong></td>
<td>100%</td>
<td>7.2</td>
<td>8</td>
<td>6.3</td>
<td>6.5</td>
<td>5</td>
<td>6.9</td>
<td>3.5</td>
</tr>
</tbody>
</table>

**Table 9 Summary of Result of the COWS Analysis**
6: RECOMMENDATIONS

A review of the outcome of the COWS decision analysis with the GPD management team revealed that a mixed strategy with stages should be applied to GPD’s website re-launch. The first stage of the mixed strategy will consist of the offensive strategies that include implementing the social media campaign and the “Be Part of The Solution” campaign. The outcome of the offensive strategy will provide GPD the basis for engaging the defensive strategy: enhance the core business and update its business plan for another round of financing. The results of that will allow GPD to have the resources to execute the survival strategy for knowledge retention and hiring dedicated resources to support its daily operations and future growth. With the retained knowledge and the dedicated staff, GPD will have a better structure to engage in another round of offensive strategies for continued growth.
6.1 Suggested Implementation

As suggested by the result of the COWS analysis, GPD should first focus its limited resources on implementing a successful social media campaign strategy for its website re-launch. To implement this strategy, GPD will need to put together a social media management team dedicated to this task. GPD will have to either hire a consultant for social media marketing or dedicate one of the management team members to help with the creation and implementation of the plan. With a dedicated leader and a team, GPD will need to perform an assessment to understand what message that it needs to spread, what types of media will the message take (i.e., Facebook Company profile, Twitter page,
YouTube Video, or LinkedIn), how often the message is delivered, how the different communities will respond to its messages, and when and what to respond to. Last, but not least, GPD will need to set a measureable goal and performance criteria to measure the success of its social media strategy and the momentum that it generates. Table 9 outlines the different stages and goals of the GPD social media campaign strategy.
Pre-requisite:

Make sure the upper level management team supports and believes in social media. This is a long term commitment and will require continuous support.

Stage 1 Determine Your Goals and Objectives

Define GPD’s social media goals and objectives and how they align to the company goals. Setup the criteria and matrix for measurements.

Stage 2 Research

Research the different social media sites to determine the relevant information.

Below are some information on the three major social media sites:

Facebook currently have 901 million monthly active users at the end March 2012 (Facebook, 2012). Therefore, tying social media characteristics to its website allows GPD to gain exposure and access to this enormous user group.

Twitter currently has over 465 million accounts. On average, there are 175 million TWEETS a day (Webanalyticsworld, 2012). Out of the 465 million users, there are about 7 Million users in Canada and 107.7 million users in United States. Currently 1 million Twitter accounts are created every day.

YouTube currently has more than 30,000 partners from 27 countries (YouTube, 2012). 500 years of YouTube video are watched every day on Facebook, and over 700 YouTube videos are shared on Twitter each minute. An auto-shared tweet results in an average of 6 new youtube.com
sessions, and more than 500 tweets per minute containing a YouTube link. More than 50% of videos on YouTube have been rated or include comments from the community.

**Stage 3 Identify and Create a Social Media Communication Plan**

Listen to what is out there to understand and identify the different communities that will be GPD’s target audience. For each target audience, develop a specific communication plan that include the type of message, the frequency of the message, the social media sites and the tools to send the message. Be specific and consistent.

**Stage 4 Join the Conversation to Develop Relationships**

Carefully execute the Social Media plan and start to participate in the conversation.

**Stage 5 Listen and Monitor and then Engage**

Listen and closely monitor the response from the online community. Keep the willingness of the target audience to engage high.

**Stage 6 Measure Results**

Schedule an evaluation session with the Social Media team 2-3 months after the start date. Review the performance matrix to determine what is working and what is not.

**Stage 7 Analyze, Adapt and Improve**

Analyze the results, adapt any new findings to the current process, and constantly improve GPD’s Social Media strategy.

Table 10 Social Media Strategy Implementation Plan
With a successful social media campaign, GPD can then move forward with its Be Part of the Solutions campaign to engage industry giants to participate and commit to GPD’s green directory cause. This further creates and maintains a network effect to provide incentives for both buyers and sellers to be locked in to the product and services offered by GPD.
7: CONCLUSIONS

This paper began with a brief introduction on Green Page Directory (GPD), a Canadian-owned Internet based company that provides a powerful and convenient portal, search tool, resource, and hub for information on worldwide sustainable products and services. The purpose of the paper was to perform a comprehensive strategic analysis on the business to provide recommendations and implementation plans for GPD’s website relaunch strategy.

To perform the analysis, we looked at the business and described its three-tier ranking system, four core business functions, mapping of its business process, initial target market, and its revenue sources. We then performed an external analysis to help understand the outside factors that are affecting GPD’s performance. The external analysis included: Porter’s five forces analysis, competitor analysis, industry analysis, and target market analysis. The result of the external analysis showed that the industry attractiveness is moderate to high and there are a few competitors, but none are established market leaders that dominate the industries.

This was followed by an internal analysis of core capability and SWOT analysis to understand the factors influencing GPD’s performance from within. According to the
core capability analysis, GPD’s strengths are its strong management team and its core values that emphasize its good intentions for planet sustainability. The SWOT analysis translated to 4 types of strategies (i.e., offensive, defensive, adjustment, and survival) that GPD could use for its website re-launch strategy.

A strategy option analysis was used to look at the different options that resulted from the SWOT analysis and the confrontation matrix. A criteria option weighted scores (COWS) decision matrix analysis was performed to select the winning strategy for GPD’s website re-launch. The results showed that an offensive strategy that utilizes social media marketing is best aligned with GPD current interests. A subsequent implementation plan was suggested in the paper.

In conclusion, GPD has great potential to be more successful in this current environment. With the booming green industry and the increasing awareness of environmental sustainability, GPD has an excellent window of opportunity to gain market share and dominance if it utilizes the power of social media correctly. The success of the social media marketing campaign will allow GPD to pursue its midterm strategy of enhancing its core business and prepare for another round of financing. This will then set the stage for GPD’s long-term strategy, which is to retain knowledge within the company and hire dedicated resources to support its future growth and success.
APPENDIX

GPD Management Team

Connie Linder, MBA  Founder and entrepreneur
Catherine Berg  Accomplished public company executive
Owen Davis, CA  Senior financial professional
Thomas Kineshanko  Award-winning innovator
Robert Drapala  Award-winning scientist
Jarrod Goddard  Founder of Net Shift Media
Ivan Idzan  Municipal councillor in Salmon Arm
Katie Pease  Founder of Synapse Consulting
Brian Moylan  Managing director of Rainmaker Visual Effects
JackBoyle  Managing director of Cooler Skies Company
Mark Teolis  Co-founders of Peer 1 IT infrastructure
Lesra Martin  Internationally respected lawyer
Nina Rhodes-Hughes  Executive VP of International Consulting Alliance
David R. Hughes  President of International Consulting Alliance
REFERENCES


