

Go To Market Strategies: Online-Offline Competition

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Frictions in the Real World

o Friction Number 1: Search Friction

- o 1987 Rugby World Cup ... where do I buy a TV?
- Who will have the best price and assortment?
- o 2013 ... go to http://milo.com/



Frictions in the Real World

- o Friction Number 2: Geographic Friction
 - New York City versus Iowa City
 - The location that you live in imposes certain costs and delivers particular benefits
 - The Internet can deliver you from the "tyranny" of your local options