

## Holistica Inc. Case Study

John Doe is General Counsel (and in fact the only counsel) of Holistica Inc. Holistica is a chain of company-owned stores across the United States and Canada and is seeking to expand into Europe. It has 95 stores in the United States. It specializes in New Age esoterica B books, music, self-healing tapes, clothing, crystals, beads, and aromatherapy.

John Doe joined in early September, 2000. His background is in general corporate commercial and leasing. He is just beginning to understand the company's business when he is accosted by Jane Smith, Vice-President B Sales & Distribution.

Jane Smith casually mentions that that Sales & Distribution have been working on a plan to launch an internet site for Holistica. Jane has come to John really because she has run into a very small snag. She remarks, "Ordinarily, we wouldn't bother you with this, but would you believe it, someone is actually using the Holistica name on the net. ... Can't you do something about it?@"

John asks for a bit of information. Jane provides a short overview:

- \* Jane is very proud that she has managed things on a shoestring budget. She thinks she can bring her costs down because she has entered into an informal agreement (Ajust on the back of a napkin, really@) with a software developer. This developer is also working with Gardens & Herbs Inc. to build a similar web site. Jane also thinks there might be some useful cross-marketing opportunities between Gardens & Herbs and Holistica
- \* She's also had serious discussions with a company that she thinks will be able to Ahost@ the web site.
- \* The operational people believe that Holistica should use the on-line business to sell the same products that Holistica sells in its stores and build on Holistica's brand recognition in the market. Jane thinks that distribution should be handled through existing warehouse channels and stores. Jane casually mentions that it would be real "neat" if Holistica's fledging music offerings could be simply downloaded "on-line."
- \* Jane wants an interactive site where customers can browse and buy on-line using their credit cards.
- \* Sales & Distribution's grand vision is to use the web site as part of the customer profiling/analysis. Not only does Jane want to see Asurveys@ that customers can fill out and receive coupons or discounts in return, she wants Holistica to allow Aregistered@ visitors to see goods in three-dimensions or videos, instead of the regular two-dimensional picture. The software, however, will also Atrack@ customers browsing and purchasing habits to be used in Holistica's direct marketing efforts;
- \* Jane's market research leads her to believe that a web site will be particularly useful in Canada because there is a big demand that is now being fulfilled by cross-border shopping only

John is somewhat surprised, since no one had mentioned to John during his interview that Holistica would be undertaking a launch on the web. What should John do and consider?

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