Buongiorno in 2000

Just like MyAlert in Spain, Buongiorno in Italy was trying to benefit from the combination of Internet and the development of mobile phones, but laying greater stress on the web. Buongiorno, created with the hope of becoming the leading company in personalised electronic mail in the Italian market, reached a penetration of 80% of the total market of PC users in Italy in 2000. This allowed them to create a new advertising market for the advertising agencies through email marketing, while the rest of Europe was discarding it because of its small size and fragmented nature; and in 2000 they were considering expanding into mobile support. This was one of the reasons why they were amenable to a possible deal with MyAlert.

Buongiorno had become the leading European group specialising in permission marketing, developed via the tools of list management and newsletters, which helped to identify groups of people according to their interests, and the segmentation of the maximum number of consumers who fit the advertiser’s offer, the receivers themselves being the ones who asked to receive this information. Thus, through the planning of the programmed messages, Buongiorno designs and measures the precise effectiveness of its one-to-one marketing campaigns, and analyses the response processes and the behaviour of the receivers.

- In terms of the earnings, the high number of subscribers to its services and its coverage of practically the entire market allowed Buongiorno to create a new advertising support that was very attractive to the advertisers.
- The cost of sending an e-mail message is minimum and there are large economies of scale involved when there are so many users, without the need to pay operators.
- However, the advertising generated at that time still did not cover the costs of the operation. Even though the model appeared to have future earnings prospects, the immaturity of the medium, together with the recent crisis, made its viability as a company on its own questionable.

In Spain MyAlert’s market value went from 14.2 million euros in December 1999 to 163.8 million euros barely a year later. The company, which had become a major player in the market, appeared in analysts’ reports as “on the brink of becoming an international portal leader” and “a possible consolidator of the industry”, and the specialised European press picked it out as one of the twelve European high technology companies with most potential.

Nevertheless, the fall of Nasdaq in April 2000 had put an end to the “dot.com bubble”, created around the development of the Internet and the new communication technologies, and had filled the markets with gloom. The economy entered into a recession and the crisis was especially hard on the new technologies. It was the
moment for Buongiorno and MyAlert to judge whether their moment of glory could be prolonged in spite of these changes.

The fall of Microsoft brings down the Latin American stock exchanges

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Nasdaq, the main index on the United States Stock Exchange, which measures the shares of the most important companies in the new technologies, Internet and computers, fell 4.43%, due to the uncertainty that has gripped investors since the appearance of information in the North American newspapers The Washington Post and The Wall Street Journal indicating that the US Department of Justice was likely to recommend the disintegration of the company founded by Bill Gates.

This situation produced a massive sale of Microsoft shares, one of the most important on Wall Street. As a result the company’s share value plummeted by over 11.8 million dollars on this market and 12 on Nasdaq, which means a slump of 15.6% and 16% on the respective Exchanges.
It therefore seemed a good idea to combine these two factors:

- on the one hand, services to customer companies in the technological field and advertising services through mobiles developed by MyAlert;

- on the other, the interactive marketing services supplied by Buongiorno, with the important weight of their activity in electronic bulletins sent through the Internet.