

Cliptomania essay



**ASSIGN
BUSTER**

The Kleptomania Is a little mom and pop company that was started In 1996 by the Santos family out of their necessity to find clip on earrings. They discovered that there were not any companies on the web that were offering these types of earrings. Essentially they discovered a little niche In the marker by accident and Like any entrepreneur decided to capitalize on this discovery. The Canton's gamble turned into a successful business venture for over ten years. The Santos family was the typical people that should take an idea, do a lot of research, create a business plan, and hen find an investor.

Instead they dove in head first with no real business experience and \$10,000 from their savings account. They really didn't have a plan or even perform any market research when potentially lowered their initial success. The sheer fact that their business was a success can be attributed to more luck than good strategic planning. Candy Santos was a development director for a nonprofit agency and Jim Santos was an Insurance salesman.

Major Strategic Issues There are many business started every day by Individuals with a lot more experience and background In running a business that still ended up falling.

Fortunately, the Santos stumbled on to an Idea that no one had thought of prior to them. They really faced two major strategic issues by creating a retail market that only offered web based sales to customers. The first being their lack of knowledge about the web and secondly their minimal experience in the retail business.

Web Naivety The Santos plan was to only sale their merchandise over the World Wide Web the problem was they didn't have any knowledge of creating web pages and all the associated things involved with the web.

The most important thing for any company that only has a web based sales market is to develop a good web based ordering platform. The web page needs to be more than just user friendly but it also has to be easy on the eyes. Consumers are picky and unpredictable when it comes to what makes them spend their money and a web site is a big consideration.

The Santos soon realized that they were not capable of developing their own website so they trusted a third party to handle all of the logistics of their web page. Since they laced their confidence in Yahoo to create something worthwhile for them.

Yahoo had templates that allowed them to design features they wanted but they couldn't fine tune it to exactly their specifications. The other problem with having Yahoo develop their page, they were at the mercy of the fees that Yahoo charged which would dictate their profit margin. The Santos made it work and they begin turning profits that it takes most business five years to see before they start making any money.

The only real recommendation I could suggest is for them to have done more search with web operations before jumping in head first.

Although it did work, they were still finding out new information along the way. Even nine years after starting the business they discovered profits were declining over a simple change concerning how Relevancy and Pageant

technology worked. Retail Naivety The second strategic issue with the Kleptomania business was their plan for the inventory they intended to market on their web site. In the beginning their stock was not very desirable for their customers and the only thing they found were overruns ND closeout earrings from a distributor in Virginia.

Eventually they found a supplier where they could purchase more of what they wanted and something that customers would be interested in buying.

This initial offering of earrings could have proved devastating because consumers get the idea that a retailer only provides undesirables and then they usually won't return back to the site. My recommendation for the Santos family would have been to find suppliers that were willing to offer earrings that consumers would be interested in before just putting NY items they could find to sale.

Conclusion The Santos found a niche in the market for clip on earrings and exploited it to their advantage with little or no experience. Ultimately they were a success but if they would have devoted more time to learning about how internet sales on the web work and waited until they found the best product for their customers.

I think it would have been possible for Kleptomania to have even more success initially and throughout the life of their business. References IPPP-320, " Kleptomania Web Store"