

Describe the e-business strategy

[Business](#), [Marketing](#)



Coffee Exchange decided to enter unfamiliar territory by expanding the company through the Internet. In an already saturated coffee roasters market dominated by a handful of companies, an e-business strategy gave Coffee Exchange the comparative advantage needed to differentiate them from the relatively homogenous competition. Caffeine Rush, the sister operation, was started to expand the business through the franchising of mobile coffee-making units. These units are promoted through the company's online website where prospective franchisees can view the mobile units and learn more about the company.

Extensive online information enables these people to be '60% down the line before they talk to' the company directly. This not only keeps staff costs down but enables the company to keep information up to date meaning that they only attract interested franchisees that are beyond the enquiry stage. Prospective franchisees can download documents, brochures and look at photographs using a simple to navigate and humorous website. The style of the website and the mobile coffee units are targeted at part-time workers looking for additional income with flexible hours whilst maintaining ownership of a business.

People can quickly decide whether it is the right business opportunity for them and therefore acts as an efficient and cost effective pre-sales tool which in turn enables Coffee Exchange to remain competitive in the market. Awareness of the company website and franchise opportunities is further promoted through the coffee cups used by the company which contain the site address. The website also provides Coffee Exchange with a valuable communication line between the franchisee and the company itself in order

to maintain limited control over the running of the mobile units by the franchisee.

This is achieved through online support networks, continuous up dating of information, and management tools and techniques which can be downloaded by the franchisee community from the website. Regular emails sent by Coffee Exchange provide an indispensable link and encourages a relationship with the Coffee Rush franchisees. This e-business strategy can be followed beyond the boundaries of the UK market enabling the expansion of Coffee Exchange with low expansion costs through the promotion of its franchise operations with the online website.

Coffee Exchange's e-business approach provides a cost efficient method of expansion and enables the company to access a larger market whilst retaining competitive advantage differentiating them from the proliferation of traditional coffee roasters such as Starbucks, Coffee Republic and Costa Coffee to name but a few. An online extension of the company encourages more efficient methods of sharing information and updating franchisees of Coffee Rush as well as reinforcing low cost direct communication networks.

It offers a quick, efficient and simple way to maintain limited control and to monitor the franchise community dispersed over a large geographic area. Strong communication channels and continuous up to date information and reporting lines have enabled rapid expansion of the company. The website itself offers a cost effective way of increasing awareness of the company and encourages word of mouth advertising through prospective franchisees. The

website layout targets a specific segment of the market whom are regular internet users looking for part-time flexible work and additional income.

Extensive online information about the company and its franchise mobile coffee units ensures that only serious applicants enquire further by speaking directly with the management of Coffee Exchange. Regular email updates, additional information and tools to assist the management of a franchise encourage the motivation and loyalty of the franchisee developing a relationship between the franchisee and the company thus promoting effective word of mouth advertising as well as customer satisfaction. The Internet provides a powerful and supplementary marketing tool.