

The cliptomania webstore reports examples

[Business](#), [Company](#)



Introduction

The creation of an e-commerce business operation can be challenging but yet the results, and returns are rewarding if the on-line business is able to perform well. For the purpose of this paper, the Cliptomania Web Store is analyzed, and different aspects will be covered. The areas that are analyzed will include the problem statement, key success factors of the company, SWOT analysis to analyze the internal business environment, the solution to the problems and the evaluation of the solution for business success. The Cliptomania is a well-established and well-organized web-store. The main owner of the brand is Santos, and both their children operate the web-store. The business operations are performed from Indiana, and it is a home based business operation. Cliptomania has had its ups and down in business operation but the owners have been capable enough to take proactive measures in order to keep the business operations and still viable and lucrative for the owners to operate (Cliptomania Casestudy, 2014).

The Current Situation

Cliptomania started as a general partnership business and then changed its business legal structure to Limited Liability Corporation (LLC). The company sells clip-on-earrings online through their web-store. The company is owned by the Santos family – Jim and Candy are the parents while Christy is their daughter. As discussed above, the business operation is done from their home in Indiana but they also sell non-pierced earrings throughout New Zealand, Ireland, Canada, United States of America, and Australia. Even though the percentage of customers who want to wear the clip-on earrings is

considerably small but the overall number of potential customers is huge, and the web traffic of customers who want to purchase clip-ons is commendable. Hence, the Santos has been able to serve the underserved niche market of jewelry (Cliptomania Casestudy, 2014).

The Santos mission statement is that the brand name Cliptomania should click to the mind of customers whenever they think of purchasing non-pierced earrings. The owners concentrate and have worked hard enough to provide quality product to their customers with exceptional customer service at price rates that is competitive and help the company gain competitive advantage. The competition level is low because even the high-end designers have rarely focused on this niche market. The team has worked meticulously to provide not only the quality product to their customers but also enhance the customer relationship through friendly atmosphere with honestly dealing through their web-store. For example, the Cliptomania company has considerably well exchange rate policy that allows the customers to return or exchange the products within 30 days of exchange without any questions or reasoning. Due to this policy intact, the customers rely on and trust the brand and less than one percent of the customers return any purchased products (Cliptomania Casestudy, 2014).

Problem Statement

The major problem that the owners of Cliptomania faced was to change the operational platform of the company during the business operations. Since the company was, home based and operated by owners that were not professional, they had a huge dearth of knowledge and management. It was required that accounts were established to account for details of

transactions, and appropriate web development tools were designed in order to set up a web business. This was a major challenge for the owners of the company (Sheilds, 2005).

Another problem was the marketing of the brand. The owners were not experienced in marketing and due to the dot-com bust that hit this century, the overall costs on the use of the website increased. This was based on the number of clicks on the site, which, of course, required marketing experience (Brown, 2012). The initial service provider took advantage of the new company and lack of the owner's knowledge and charged them hefty that resulted in rising operational costs for Cliptomania. Due to the rising operational costs, the company had to make a shift to the service provider that was providing lower costs and all the facilities and improved quality service (Sheilds, 2005). This was another major problem, since all the search engines were entrenched on a Yahoo platform. This meant that the company can face many issues in relevancy ratings and in directing their search engine into a new web hosting. This caused the company to lose its clientele since its relevancy rating dropped to below 100 companies. It was imperative to restore the lost reputation back and to regain the market and loss customers.

Keys Success Factors

One of the major reasons why Cliptomania has been thriving and performing well is due to their product. This niche market for clip-on earrings was still uncovered by the major brands as well and even though the number of customers was limited but there were repeated customers and the potential were high. The company was then able to establish a web presence

successfully and was able to develop a brand name for a product that was generally hard to find. Another key success factor was the customer service provided by Cliptomania (Cliptomania Casestudy, 2014).

Since the customers could not walk-in, a store to purchase their product, a good customer dealing was important. Third key success factor was their website operations, secure transaction system and speedy delivery of products. Most of the orders were shipped the same day they were received so that the customers do not have to wait for long to receive their orders. The fourth key success factor is the use of technological infrastructure – computers, internet connections, and internet. A small home based business has been converted into an integrated well-developed web store at minimal start-up cost. The initial investment for the business start-up came from the owner's personal savings, and the business operations have continued since then without any financial support from third party (Cliptomania Casestudy, 2014).

Internal Environment Analysis - SWOT Analysis

Strengths

The identification and development of the niche market of clip-on earrings is one of the major strengths of Cliptomania. The company was able to utilize the technological infrastructure effectively and launch a product for a niche market with little overhead and operational cost. Since the business was online, Cliptomania did not worry about the physical store and with no geographical boundaries, it could reach a wide array of market and customer segment (Awais & Samin, 2012).

Weaknesses

One weakness of Cliptomania is lack of qualified workforce. By qualified it is meant, the ones' having professional expertise in managing e-store. Even though the owners worked really hard to establish the brand but the lack of professional skills regarding technology indulged them in trial and error that costed the company both time and money but it helped them to eventually learn from their mistakes (Awais & Samin, 2012).

Second weakness of Cliptomania is that since the owners had no idea of fashion, often the products purchased were out of fashion, the inventory was slow to reach or the cost was high. It was important that the owners should thoroughly perform the market survey before purchasing a product and book order in advance prior to the official launch. Third weakness was that the company was primarily selling to English speaking customers only. They launched a website in Japanese as Japan was considered a potential market for clip-on earrings but the website failed. It was important that they could have hired someone that could have helped in dealing with the foreign language. This could have helped increasing the company's sale (Awais & Samin, 2012).

Opportunities

There were several opportunities that existed for Cliptomania as the brand was established now. One such opportunity was expanding into different countries that have less fraudulent cases, and the e-transactions could be processed smoothly. Another opportunity was to sell through Facebook as many companies are doing sale through Facebook that requires even lesser cost and wider market share (Awais & Samin, 2012).

Threats

There were several major threat that were present to the company. One was the fraudulent credit card transaction, other company, or group copying the identity or use the brand name of Cliptomania and take forgery orders using their name. Second threat was that the owners did monthly backup only. If the computer was infected with malware or virus due to hacking system, the data would be lost immediately with no backup to recover (Awais & Samin, 2012). Third threat that exists is the hacking of the website or computer system. This can be dangerous for the owners because their business operations rely on these two major sources. It is important that significant security measures should be taken and which the owners have taken in order to protect their system and the website, but the threat still exists (Awais & Samin, 2012).

Solutions to the Problems

Since Cliptomania is presented with different problems, varied solutions exist for each problem. Since the owners of Cliptomania had no business knowledge and awareness of technological infrastructure, they required professional help. For this, there were several different options. First option was that they could take internet connection, purchase different software packages and design their own website through writing HTML codes. The main issue was the lack of IT knowledge that required ordering a professional web designer. This would be very costly for small business owners who were in the initial stages of launching their business. This also meant that the owners who wanted to keep the business operations limited will have little control over the business operations (Khosrow, 2006). Another option was

outsourcing the business web-store operations to a vendor who will assist in hosting the store. The vendor will charge a particular price and against that will provide a complete package of computer resources and the software; template for setting up a Web page. The vendor will provide a basic structure for web-store that can be customized according to the needs and requirements of the business owners. This was the best option for Cliptomania, and they chose Yahoo! as their primary vendor to establish Cliptomania Yahoo! store.

The second problem was that the initial service provider (Yahoo!) took advantage of the new company and lack of the owner's knowledge and charged them hefty that resulted in rising operational costs for Cliptomania. Due to the rising operational costs, the company had to make a shift to the service provider that was providing lower costs and all the facilities and improved quality service (Khosrow, 2006). They shifted to the service provider that was different from Yahoo domain and shifted from . com domain to . net domain. Instead, they should have shifted to a service provider that owned . com domain. This resulted in lower relevancy ratings, and eventually the company had to shift back to the . com domain. The decision to shift away from Yahoo! was taken because Yahoo! was chagrining 2. 5-3. 5 percent for processing of the payments, along with 3. 5 percent revenue that was the tax to sell on yahoo website and an individual processing fees for the sale of each item that was 0. 5 percent. This resulted in more operational cost and reduction in profit (Brown, 2012).

The Feasibility of the Solution

The lack of technological expertise and financial restrictions made it imperative that Cliptomania focused on outsourcing the web operations to Yahoo!. This was an excellent decision to chose Yahoo! as the vendor because of the experience and brand name that Yahoo has, no other choice could be better for a start-up business like Cliptomania. Yahoo! provided with templates that helped the owners set up home page and other pages that helped to display the pictures of products along with their description and prices. Since the owners wanted to keep the Webpage simpler and shorter, choosing Yahoo! was a great option. Yahoo! web page of Cliptomania not only made it easier for the customers to navigate the WebPages but also provided privilege rights to the owners to delete and add items as required and offer items on sale. The Webpage also offered shopping cart approach like many e-commerce websites to save the items that customer wish to place an order for, fill an order form online that provides detail description of the selected items (Cliptomania Casestudy, 2014).

The final step involved taking credit card number and other billing details from the customer. Yahoo! then sent the complete details to the owner of Cliptomania and provided the details to customers that order have been placed. Since Yahoo! was an established brand name, it was easier to make customer transactions through it. Paymentech is integrated with Yahoo! that helped in validation of credit card information ensuring the accuracy of the information the customer has provided and helped in collecting payment from the credit card vendors (Cliptomania Casestudy, 2014).

The second solution to the problem that has been presented is that the

company should not have shifted from the . com domain to . net domain because it lost its relevancy ratings and fell below 100 ratings. It is important that the web store managers should understand the significance of relevancy ratings and how they help in the success and customer retention. The lack of knowledge of this important concept made the owners suffer because they lost a lot of their potential clients, and the sales suffered. The shift back to the . com domain gradually will help improve the company relevancy ratings on the major search engines such as Yahoo and Google.

Conclusion

The Cliptomania is a well-established and well-organized web-store. The main owner of the brand is Santos, and both their children operate the web-store. The business operations are performed from Indiana, and it is a home based business operation. Cliptomania has had its ups and down in business operation, but the owners have been capable of taking proactive measures in order to keep the business operations and still viable and lucrative for the owners to operate.

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