

Affiliate institute essay

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



IT Infrastructure Management WK8 - e-Commerce

Abstract

The case is a research document on two companies, one which is a pure-play company and the other which is a click and mortar type company. The research compares the two different types of companies on the basis of their advantages and disadvantages. To make it simpler to the reader, the author has chosen E-bay or Amazon as examples of Pure Play Company and Wall Mart as example of a click and mortar type firm.

Pureplay and Click and mortar type of ecommerce.

PurePlay companies are those which have dedicated presence only in the virtual world. These companies do not own any brickandmortar stores. In other words, they do not have any physical location. Simplest example is EBay or Amazon. Whereas ClickAndMortar Stores are those which have a virtual as well as a physical location. Largest example is Wal-Mart.

The pureplay companies do not have to buy or lease land or pay rent in a commercial place. They can easily rent or buy a huge warehouse somewhere on the outskirts of city where the land rates are pretty cheap. Logistics & distribution play a decisive role in location for the shop.

Clickandmortar stores have to buy or lease land in the commercial hubs, where land/place cost is phenomenal. The biggest advantages of a clickandmortar store are the touch and feel aspect and the physical interaction with sales people that pureplay companies simply cannot match. Furthermore, people feel it very easy to bring in their defective goods for replacement at clickandmortar stores even if they have bought it online on

its website, but the return policy many a times leaves a lot to be desired. Pureplay companies have to rely only on electronic commerce or in some cases cashondelivery, whereas, clickandmortar stores can cater through any way of payment. The people who are wary of paying online through credit card fearing fraud, can watch the product online & purchase the same at an offline store.

In case of pure play companies, demo of the product cannot be shown, whereas in case of click and mortar, demos, shows, exhibitions are far easier.

Click and mortar have to maintain minimum inventory of every product. Further, a lot of space is also utilized for display & promotion. The same is not applicable for pure play. Pure play companies need not maintain inventory themselves. They need to only advise the manufacturing companies to ship the goods directly from factory. Many a times, pure play companies completely outsource the entire logistics & distribution to third party, whereas at least some part of logistics & distribution has to be handled by the click and mortar stores themselves.

Click and mortar have to hire housekeeping, maintenance, security. Pay for electricity & other amenities. They also have to abide by local zoning laws. Such rules simply do not apply for pure-play companies.

In case of server-shutdown for some reason, click and mortar stores have a physical location to continue its sale. However, pure play businesses have to wait till the site is back up.

Inventory management for pure-play become very easy, There is no chance of duplication of inventory.

There's a possibility of picking up goods right from the store in case of click and mortar stores, whereas, one has to wait till the merchandise is shipped to your location.

Finally Pure-play businesses are product focused. They tend to lay emphasizes on introducing latest products quickly. Whereas click and mortar are more customer centric. Giving a better shopping experience to the customer through interaction with the goods or merchandise, quick return, complimentary service etc. On the spot changes or alterations & personalized attention through online customer capture is the way for the click and mortar companies.

References

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