

Information systems



Jencos, a small supermarket chain based in the south of Wales is looking to expand its business and move throughout the UK within the next few years. The following essay will discuss why it is essential for Jencos to become an electronic business, the technology or systems that could support good customer and supplier relations, what considerations there should be in relation to business continuity planning, the policies and procedures that need to be executed to ensure Jencos employees follow ethical guidelines and what emerging technologies could Jencos consider.

An electronic business (e-business) can be defined as “ the use of internet and digital technology to execute all the business processes in the enterprise. Includes e-commerce as well as the processes for the internal management of the firm and for coordination with suppliers and other business partners. ” 1 Becoming an e-business Jencos can benefit from the use of the internet, intranet to communicate internally throughout the supermarket chains, extranets to make e-commerce transactions with customers or suppliers and managing internal processes.

E-commerce is “ the process of buying and selling goods and services electronically involving transaction using the internet, networks, and other digital technologies. If Jencos is wishing to compete with the likes of Sainsburys and Tescos and have various outlets around the UK then it is essential from them to become an e-business in order to communicate fast and efficiently between outlets. This would improve the speed in which decisions are made and therefore less time wasting when ideas and plans can be looked at.

By becoming an e-business Jencos could also appeal to online shoppers with a website whereby customers can purchase products on the internet. In the 21st century that we live in today more and more people are tending to purchase via the internet rather than in actual shops, this is because many people work long hours and find it hard to fit in shopping time, especially non-essential purchasing, with enough time to themselves, with their families and or socialising.

And with online purchasing becoming faster, cheaper and generally more efficient the public are choosing to make their purchases on the internet and therefore it is the electronic businesses that are taking full advantage of the new internet era. Many supermarket chains offer loyalty cards for their customers for example, Sainsbury's offer the 'nectar card' and tesco's offers the 'club card'. These cards work on an information system in which customers who own such cards make purchases at their stores they gain points on their personal cards.

Once a personal card reaches, for example the nectar card, 1000 points then the customer who has been using the card gets i?? 5 to spend on any of organisations involved outlets with the nectar card. Jencos are looking to introduce a loyalty card for customers purchasing of their web site, in-stores and in their petrol stations. The directors of Jencos feel they are not retaining their customers or attracting new ones. Introducing and loyalty card system could help retain customers and perhaps attract new customers.

With the introduction on loyalty cards into the business Jencos would have a database on how many loyalty cards they have issued out and therefore

giving them a ruff idea on the amount of customers they have. Loyalty cards are also used to track customer behaviours and to track customer purchases, giving Jencos more efficient customer relations. Jencos are known for and built their success in the south of Wales on their good customer relations. To maintain their good customer relations, with the loyalty cards, they could send out discount vouchers to spend at their outlets across the UK on customer's birthdays.

This could be done again with an online system that gathers customer details from the loyalty cards and informs employees about customer's date of births. Jencos have no automatic links for stock replenishments or any integrated suite of office software programmes, this could slow down decisions made through the hierarchy between office staff and floor staff and create more unnecessary work for employees. It would be recommended that Jencos consider investing in such systems.

The introduction in the extranet Jencos will be able to communicate cheaper, more efficiently and quicker with its suppliers. Jencos would be able to contact suppliers electronically and avoid use of mail, telephone or fax. This is an advantage because extranet has the ability for both parties to make certain that their transmitted messages have not been altered in any way. A customer help line system could be brought forward in order to improve and enhance Jencos customer relations. The system could be set up with well-trained employees to solve and answer any problem consumers may have.

Jencos should take high consideration into its continuity planning. Continuity planning can be defined as: “ an interdisciplinary peer mentoring

methodology used to create and validate a practiced logistical plan for how an organization will recover and restore partially or completely interrupted critical function(s) within a predetermined time after a disaster or extended disruption. ” (www. wikipedia. org) Jencos should take high consideration into its continuity planning because they are planning large investments in expanding throughout the UK.

Expanding into an unknown environment is a high-risk move as their market is highly competitive and dominated by, for example, Tesco’s and Sainsbury’s. A continuity plan would consider and take into account future events such as the possibility of natural disasters, fires, illnesses and theft. The ethical guidelines of Jencos supermarkets must be clear to all employees and enforced and carried out. “ Consumers, for example, are demanding higher standards of ethical behaviour from organisations and increasingly will consider a company’s track record on issues such as the environment and human rights before making purchase decisions.

” (Brassington and Pettitt 2006) If any of Jencos employees break any ethical guidelines it could cause real problems for them as they would more than likely lose important customers and reputation which could cause the downfall of Jencos. “ The reputation of the organisation plays a key role in encouraging and reassuring investors and retaining employees”.

(Brassington and Pettitt 2006) All Jencos employees contribute to the businesses reputation so it is therefore very important for them to keep to the ethical guidelines. Some general ethical guidelines in a business are race discriminations, age, sex, etc.

There are many emerging technologies that could become very useful and beneficial to supermarkets. One emerging technology that is becoming more and more used throughout the retail market and is thought to move into supermarket businesses is Radio Frequency Identification (RFID). RFID consists of a transponder which is a small electronic chip that is attached to the product and a transceiver that is able to read the chips. It is thought that this technology will succeed and eventually take over the bar code technology. In food stores, the RFID technology could also be used for recording over-temperature of certain food products.

The benefits for Jencos adopting this technology would be that Radio frequency Identification would be time and effort saving, it would improve many of Jencos operations including replenishments, sales forecasting and stock control that would generate cost reductions. It would also enhance consumer understanding by more efficiently measuring their purchases. On the other hand, the down side of RFID is that the technology is still a fairly new technology that is not 100% proven. It would also largely increase Jencos Implementation costs because of the need for expensive equipment.

As for the online side of Jencos business new technologies that can monitor information that is beneficial in survey and keeping up to date with other rival supermarket chains such as 'Booths' are becoming easier to obtain and use. Booths is a small supermarket chain in the north of England, a mainly family run business. They have maintained their survival in a highly competitive market by concentrating on stocking local produce; creating a friendly ambience in their stores and offering a range of specialist foods and ingredients that cannot easily be found elsewhere.

Booths cannot compete on in price battle with the likes of Tesco's but what they do do well is advertise well to there target population who are consumers who feel for local businesses and consumers who are after quality local produce. For Jencos to service they may wish to introduce some of the ideas previously stated and or look into other small supermarket chains such as Booths for ideas on survival and ideas.