

# Project proposal for e-commerce site essay sample

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



Ecommerce provides customers with the convenience to buy the products they need instantly from the convenience of their offices, homes and anywhere provided they can access a computer connected to the internet. Business competitive edge improves because they can trade on the global market place. It also gives businesses recurring revenues based on recommending products to customers, through goods previously brought by customers. This is what is called up selling and cross selling. However not all ecommerce solutions improve the experience customers wish to have while shopping online. Research shows that nearly 47% drop out when they get to the checkout due to various reasons as will be highlighted later on. The main aim of this project is to develop an online shopping system for Diversey East and Central Africa. I have to acknowledge the fact that developing an online store without trying to understand the reasons why many online stores fail without meeting their objectives is like also planning to be another failure statistic. I will therefore take you through the problems customers face while shopping and try to give probable and realistic solution. First a brief history of Diversey.

Diversey is a leading global provider of cleaning and hygiene solutions to institutional marketplace, serving customers in the lodging, food service, retail, health care, food and beverage sectors, as well as building service contractors. Diversey East and Central Africa does some of its business transaction online, customers place orders through mail, the orders are processed on the company's Enterprise Relational Planner (ERP) immediately after confirmation of payment by the customer. Several details are sent through the email and subsequently the same process has to be repeated

when entering the details of the customer on the ERP to process the order. During the process a lot of errors occur and some orders are not processed as a result of not having the required details or the company mail sending the mail in the spam box.

## Chapter 1: Introduction

### 1. 1 Introduction

In 1990 Tim Berners Lee a professor developed the World Wide Web server, and it opened for commercial use in 1991. In 1994 there were several advancements that took place such as online banking offered by Stanford Federal Credit Union to all its members and the online Pizza Shop by Pizza Hut. In the same year, Netscape introduced SSL encryption of data transmitted online, which has become essential for secure online shopping. This was the renaissance of new ways of doing business as a result developments in computing and information sharing through the World Wide Web. Some of the new ways of doing business that emerged were E-banking, E-commerce E-marketing among many others. The kind of information a site uses to do its core business operations depends critically on what the site does e. g. a site that does promotions and advertising do not require robust security features as an online banking system that has to be secure from the users browser to the network and lastly the server.

Suffice to say this security mechanisms need to be implemented both physically and logically. On the other hand an Ecommerce site requires medium security that is much stronger than that for advertising but less strong compared to E-banking. I must over emphasize security because it is

enhances client trust which is one of the fundamental ways of improving the online shopping experience. According to Wikipedia online shopping online shopping is a form of electronic commerce whereby consumers directly buy goods or services from a seller over the Internet without an intermediary service. The term ecommerce, online shop, online store will be used interchangeably throughout the document.

## 1. 2 Statement of the problem

Diversey is a leading global provider of cleaning and hygiene solutions to institutional marketplace, serving customers in the lodging, food service, retail, healthcare, food and beverage sectors as well as building service contractors. It has more than 200 years in offering these services to its customers. Here in Kenya these services are offered to Kenya Breweries Limited, chain stores (supermarkets) and Hoteliers. It can be categorized as a business to business form of entity. As seen from the brief history above Diversey has a global customer base that can be found all over the world. The global business environment is changing so fast due to improvement in technology and communication.

This has led to new ways of doing business among them being selling products and services online to match the new environmental dispensation so as get an additional market and remain competitive in a dynamic world. Since the company has all the ideal attributes for conducting their business activities online, developing an online store is a good strategy of getting the business in the new environmental dispensation. However doing business online has various pitfalls that have led many online shops to collapse. Some

of these pitfalls are unique to that particular business whereas some are common and tend to cut across all online stores. In order to develop an online store that gives users an improved shopping experience, I will highlight some of the problems that users encounter while doing business online. Problem #1: Security Concerns

Security has come a long way, with strong “ military grade” encryption becoming the norm. However, highly publicized security concerns of the early days of the commercial Internet still resonate with online consumers and these concerns are periodically reinforced with high profile news stories of identity theft at major Web sites. At the end of the day: if a site does not look secure to a consumer, the consumer will not trust it. Problem #2:

#### Confusing Checkout Process

According to studies conducted by e-consultancy. com 48% of customers abandon the checkout process. According to surveys<sup>1</sup>, the top reasons customers abandon the check out process are:

1. Hidden charges at checkout (36%)
2. Having to register to buy (31%)
3. The customer was simply comparison shopping (30%)
4. Shipping charges were too high (27%)
5. The customer did not have time to complete the checkout (27%)
6. The product was out of stock (16%)

#### Problem #3: Customers Cannot Find the Store

If a merchant has an online shoe store, the hope is search engines like

Google will drive traffic to the site and increase organic /unpaid visitors to the site. A Google search on “ online shoe store” produces nearly 57, 400, 000 results, therefore the probability of not being found is very high or being found at the bottom of the pile due to search engine penalties. Search engine optimization techniques (SEO) to increase their site’s relevance and popularity and reduce the incurrence of penalties by search engines.

#### Problem #4: Customers Can’t Find Products

Customers can easily lose patience because of the inability to find the products they are looking for. Stores with poorly laid out categories or a lack of a search interface can cause a customer to abandon the site. Problem #5:

#### Achieving Good Design

Good design is a balance between looking professional and maintaining usability. A significant barrier to any online retailer is attaining both a professional look and achieving a good, useable layout. Poor layout is the equivalent of an unkempt brick-and-mortar store. It subtly cues the customer that goods and order fulfillment will be substandard. However, design can also be so professional that it frustrates the customer experience. Poor design or professional design that employs Flash and Java in its navigation and catalog structure can also confuse search engines and result in a poor search result ranking. Such design can also exclude users with disabilities and may ultimately bring the retailer into conflict with local laws governing equal access. Problem #6: Unable to Sell Products Under the “ Long Tail”

Traditional retailers with limited shelf space tend to focus on a narrow range of products that sell in high volumes. A retailer would much rather devote shelf space to items purchased ten times a day versus once a year. However as the figure below demonstrates low sales volume products can equal or exceed sales generated by the high volume products highlighted in yellow. This often ignored product range is known as the “ Long Tail”.

Figure 1. 0 selling products in the long tail.

Successful retailers such as Amazon. com and Apple’s iTunes tie their catalogs to their suppliers. If a book is not in Amazon. com’s warehouse but exists in a publisher’s catalog, Amazon. com can automatically redirect the order to the publisher to complete fulfillment. Ecommerce removes the shelf space barrier however it presents a technical and logistical challenge for smaller merchants. Problem #7: Customers Can’t Touch and Feel a Product

Products less suitable for e-commerce include products that have a low value-to-weight ratio, products that have a smell, taste, or touch component, products that need trial fittings—most notably clothing—and products where color integrity appears important. Books seemed a good fit. Customers don’t have to try on books. Despite adages to the contrary, book buyers generally judge a book by a cover. And books generally sell themselves via reviews and word of mouth. Problem #8: No Sales Staff Means No Chance of Up-Selling

“ Would you like Blue Band?” is a classic example of up-selling. Without a salesperson’s help alerting customers as to what products compliment or

enhance a purchase, online stores suffer an inability to up-sell. As well, customers sometimes rely on a sales person to inform them of additional required products. For example, a digital camera needs batteries and a memory card. Problem #9: Language Barrier

While English is the current lingua franca of business, there are a great number of consumers who speak economically important languages like Spanish or Arabic. Ignoring large pools of potential non-English speaking consumers can be a missed opportunity. Computers can't currently offer accurate translations and making a site multi-lingual invariably requires human translation services. Unless talent is in-house, this can mean contracting out at a very high hourly rate. Problem #10: Geographical Barrier

While a small brick-and-mortar store in say, Columbus, Ohio might never have to confront the possibility of fulfilling orders from other nations, an online store has the potential to vend to the world. In addition to the language problem discussed above, shipping, different weights and measures, and currencies all vary depending on geographic region. If the merchant's store suddenly became popular in Brazil (a nation of nearly 200 million consumers), the merchant needs to be able to handle shipping and will need to be able to price shipping properly. What if a merchant starts getting a large number of orders from another nation and finds a large percentage of orders are resulting in expensive charge backs because of credit card fraud? In a drop shipping arrangement it could be quite time



consuming as the merchant has to manually call vendors and cancel orders.

### 1. 3 Proposed solution

Studies show that as customers move closer to the purchasing stage they drop off and although this is natural and expected, improving the user experience can reduce this loss by eliminating barriers your customers may be experiencing with the website. Since we know that not only creating an online shop will create more customers but I will try to solve some of the problems that have made some of the major ecommerce site fail. Some of the ways we use to improve the experience new Diversey Online Shop. \*

Promoting and marketing the presence of the Diversey's Online Shop \*

Instilling confidence and trust in customers

- \* Enhancing product fundability
- \* Reducing cart abandonment
- \* Keeping registration brief and optional
- \* Sell Products Under the “ Long Tail”
- \* Good design
- \* Touch and Feel
- \* Language barrier
- \* Demographics

#### i. Instilling confidence and trust in customers

This refers to problem one which takes a look at security issues that affect a customer adversely. Securing the client instills confidence on the client and builds trust. Security can be implemented using Secure Socket Layer (SSL)

on the client side to encrypt credit card information. The site will display clear and concise policies, trust certificates, security badges and contact information. Customers are cautious when asked about personal information because of mistrust and the possibility that it may be used to their discredit. If the merchant is using an online third party credit card processor, the merchant also needs to ensure the payment processor is secure.

#### ii. Reducing cart abandonment

According to surveys, the top reasons customers abandon the check out process are:

1. Hidden charges at checkout (36%)
2. Having to register to buy (31%)
3. The customer was simply comparison shopping (30%)
4. Shipping charges were too high (27%)
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To help prevent “ sticker shock”, (problem 1) an ecommerce platform should always have a visible running total of purchases prominently displayed during the customer experience. Problem 2 and problem 5 are both problems related to customer time constraints. Some customers simply don’t want to register but want to make a purchase. While for marketing purposes the merchant wants to retain this customer data via a registration process, the merchant should weigh the cost of losing a sale today. It is likely a customer who does not register is far less likely to be a return customer.

Hence any future marketing efforts will have little effect on that customer. So, the ecommerce platform should provide a way for the customer to purchase without going through a registration process. For registered customers, the ecommerce platform needs to make maximum use of stored data during the checkout process. The ecommerce platform should auto complete the customer's shipping information and credit card and, of course, give the customer the opportunity to override. Problem 3 is a problem faced by all merchants, online or offline. How to turn a visitor into a customer?

An ecommerce platform that allows the merchant to display both the suggested retail price and the online store's price can help a comparison shopper. As well, the ecommerce system should have a good promotions engine, allowing the merchant to offer everything from volume discounts to creating "razor and blades" type promotions (that is to say, the customer gets the razor at a good price if the customer buys x number of regularly price blades). Also, instead of forcing a customer to commit an item to a basket, the ecommerce system should have a "Wish List" alternative. This way a customer can add a list of items and come back later to compare. The problem of "shipping shock" (problem 4) can be handled by matching shipping as accurately as possible with the product being shipped. Too many online merchants pad out the shipping, charging more to make up any possible loss on another product.

Amazon.com, for example, has a rather generous shipping and handling rate it pays to used book and CD merchants. It's so generous that it has created the interesting phenomenon of being able to buy any number of books for a

mere penny. The small time used book merchant simply sells the book for a token amount to profit from the padding Amazon. com adds to its shipping charge. To wit, an ecommerce platform should allow highly granular control over shipping charges. The merchant should be able to create a general shipping tier along with product specific overrides. Selling out of stock items (problem 6) can easily be prevented if the ecommerce platform tracks stock and matches sales to stock. If the ecommerce platform's stock tracking function detects a product has sold out, the online store can flag the item as out of stock for the consumer. iii. Customers Cannot Find the Store

The site will implement Search Engine Optimization to increase visibility of the site by search engines iv. Enhancing product fundability

The site will have a product searching feature, which will help visitors find the product they are looking for. The data tier will implement the MySQL FULL TEXT search. A page link function to enable the client navigate the catalogue backward or forward. The online platform will also support the ability to present the customer with nested categories (via a "bread crumb trail" like Shoes > Women's > Jogging). Hence, the e-Commerce platform will to be able support products belonging to multiple categories as well as the ability to generate nearly an unlimited number of categories. v. Good Design

A good design and ease of usability will attract the visitors to the site.

The site will try to achieve a balance between looking professional and maintaining usability.

#### vi. Sell Products Under the “ Long Tail”

The online shop platform should be able to automate the process of order fulfillment from a wholesaler or a manufacturer. When an order is taken by the e-Commerce software, the software needs to generate an order request for the wholesaler.

The Diversey’s online platform then will to have an import function. An Import function allows a retailer to get a delimited Microsoft Excel or Microsoft Access file from the wholesaler and quickly import dozens or hundreds of products at the click of a button.

#### vii. Touch and Feel

The Diversey’ online platform will to support product images. Images that fairly and accurately reflect the product. The platform will also support the ability to attach multiple pictures to a product catalog page, allowing the consumer to view the product from multiple angles. Products that have a smell, taste, or touch component, products that need trial fittings most notably clothing and products where color integrity appears important will require addition media to support the virtual reality. viii. Up-Selling

The platform will to be able to associate products with related and complimentary products. These associations will be displayed automatically on product pages. A robust promotional engine will be able to tie the purchase of one product to a discount on another product or even a category of products. For example, an online electronics store might want to create a

promotion where a purchase of a digital camera over \$200 triggers a 10% discount on the purchase of batteries or memory cards.

#### ix. Language

This will soon need to be looked into as the site grows in countries that do not use English as the lingua franca. Some of these countries are French speaking like Rwanda, DRC, etc.

#### x. Demographics

The platform will need to be able to work in either Metric or Imperial weights or measures. An ability to work in many different currencies is a customer-friendly feature, allowing customers to correctly price goods in their own currency. The platform will also need to be able to block out certain nations and simply reject orders from nations with high incidents of credit card fraud. As well, some sellers of advanced electronics cannot legally vend to certain nations. The system can beforehand reject orders from certain nations can save a merchant from having to make time-consuming overrides after the fact.

#### 1.5 Aim and objectives of the project

- \* Improve the online shopping experience.
- \* This is the top most priority of the project creating convenience for customers who find it hard to do their shopping online.
- \* Make money
- \* Generates sales and increase profit for the company.
- \* Promoting goods that can be purchased everywhere.

- \* Advertise on the site.
- \* Publish company information online brochures
- \* Cut costs on both the customer and the site.
- \* Save time.

#### 1. 6 Research Question

- \* Can the improvement of the shopping experience increase sales for Diversey and equally cut costs?

#### 1. 7 Hypothesis

- \* The implementation of the Diversey online Shopping System will increase sales by atleast 20%.

#### 1. 8 Justification of the study

For a business to go online one needs compelling, realistic, and specific reasons. Since Diversey has a global customer base it is only logical for business to be online, some of the reasons are listed below;

- \* Retain existing customers and get new customers

Addressing this issue is largely a question of making your site known. Aside from advertising, methods of getting more customers to visit include registering the web site with the popular search engines and directory listings, optimizing the site for search-engine ranking, creating forums, sending newsletters, and so on. \* Encourage existing customers to spend more

A quality e-commerce site can increase your Diversey's business revenue. The convenience of being online also means that people are more likely to choose you over other local suppliers. The mere fact that your site is online 24 hours a day, rather than the usual 9 to 5, your customers can shop with you outside of their working hours. People with Internet access will find placing an order online far easier than any other method \* Reduce the cost of fulfilling orders

A well-built e-commerce site will be much less expensive to run than a comparable offline business. Under conventional business models, a staff member must feed an order into the company's order-processing system. With e-commerce, the customer can do this for you, the gateway between the site and the order processing can be seamless.

### 1. 9 Scope of the study

The system will be given a test run amongst a few customers before it can fully implemented. The system will only feature products that are very popular with customers and do not require much of a hassle like machines.

## Chapter 2: Literature review

### Introduction

I did a comprehensive case study in three phases to establish the level of use in ecommerce in different parts of the world. I will begin from the global perspective, regional then local.

### Global View

### Case Study 1: Amazon



Amazon is one of the most popular online stores available. Let us take a look at the stages involved in its order process:

- \* Select products to purchase.
- \* Detailed basket displayed on one side of each page.
- \* Authentication:
  - \* Login
  - \* Register
  - \* Do nothing—already logged in
- \* Select delivery address.
- \* Select delivery method.
- \* Select gift wrapping.
- \* Enter payment details.
- \* Enter voucher code.
- \* Confirm details.
- \* Process payment.
- \* Order processed.
- \* Order dispatched.

Once the customer has selected the products they wish to purchase, they are displayed in great detail on the left-hand side of each page. When the customer clicks on the checkout button, they are either taken to the delivery-address page (if they are logged in) or they are taken to the login/sign-up page, where they can either log to the site, or begin the first stage of the authentication process. Once authenticated, the customer is taken to the delivery-method page. This page lists previously used delivery

addresses, allowing the customer to either select, edit one of them, or enter a new delivery address for this order. Next the customer selects their delivery method; this is generally a free method, a priority/first class method, or an express method.

The free method is not automatically selected, so by default an additional charge is applied to the customer's order. Also, on this page is the option for the customer to select if they wish to have their order gift wrapped, useful if the order is being sent direct to the recipient of a present. The next page allows the customer to enter their payment details, and the option to enter a voucher code. Finally, the customer can review their order, confirm they wish to purchase, and have their credit or debit card charged for the relevant amount. Once the payment is processed, Amazon processes the order and dispatches it, resulting in a happy customer!

## Regional View

### Case Study 2: Reggaes

Reggies is a South African based company specializing in children and baby items. It has an online shopping store. The catalog is organized according to the children age groups and gender. The checkout process is as follows:

#### \* Shopping Cart

Select the items from the catalog you wish to buy and then add it to the shopping cart. \* Address Book

Login, sign up, or register a new customer

#### \* Shipping Options

Provide delivery information, in case one is a registered customer this information is automatically filled for you unless you want to change it. Customers that are first registering will have to provide this information before they move to the next stage. \* Payment information

Provide mode of payment, PayPal or pay using ones credit card. \* Order confirmation

Place an order. An email is sent to the customer together with the item he/she has bought. Also an email is sent to customer to begin processing the order. \* Order complete

When the order has been completed an email is sent to the customer. The customer can track his or her through the email address

Reggies system won the award for the best online shop in 2011 for its outstanding service delivery and value addition. The site has very clear policies displayed e. g. return policies and policies regarding the use of credit card information. This increases customer confidence and trust.

### Summary

Reggies has all the ideal qualities of an online shop, I would to borrow the following to implement on the Diversey online shopping system; \* Sending email to the customer to show inform them that their order has been received or is completed. \* Allowing customers to track their orders through an email.

## Local View

### Case Study 3: Uchumi supermarket

Uchumi is a local based supermarket that was established in 1975 as a public utility company by three Kenyan parastatal companies as a public utility companies namely (a) Industrial Commercial and Development Corporation (ICDC) (b) Kenya Wine Agencies Limited (KWAL) and (c) Kenya National Trading Corporation (KNTC). Uchumi has branches all over Kenya and East Africa. Uchumi as supermarket sales all kind of items and services from electronics to kitchenware however on its online shop very few products are featured. They include books, drinking chocolate, East African Coffee and Maize Meal. It has a way a very efficient and elaborate way of keeping stock through the store keeping unit (sku). This basically informs the customer of the availability of a particular product before they make purchase and the number of units available. The stages involved in the Uchumi online order process are as follows; \* Select a product to purchase from a category

\* A cart/shopping basket is displayed on the side that shows the summary of the items the customer wishes to purchase.

\* Proceed to checkout

\* Visiting customer or returning

\* Give details and choose mode of payment

\* Give delivery and shipping details

\* Confirm payment

\* Process order