

E business case study archiesonline marketing essay



**ASSIGN
BUSTER**

Archies is the head in the Indian social expression business. Archies gift shops and gallery is an idea of Delhi-based Anil Moolchandani, with a family business of selling saris. In the late 1970s, he decided to buy and sell good-quality posters through mail-order catalogs, advertised in one of the popular magazines in those days, Sun.

In the late-1990s, e-cards became very popular. Archies launched its own e-greetings website, archiesonline. com. Archiesonline. com is a website providing services all over India and sending gifts & cards at customers' home address.

However, by end of 2001, the company made archiesonline. com a paid service. Youhan Darrab Aria, Chief Officer (Logistics and Finance) of the portal commented, " E-commerce was not happening from our site as expected and ads were also not forthcoming. We wanted to increase our revenue and charging users was the solution." As anticipated, a large number of the 0. 6 million registered users stopped using the service.

Organization structure:

Chairman & Managing Director

Anil Moolchandani

Executive Director

Jagdish Moolchandani

Vijayant Chhabra

Joint Managing Director

Pramod Arora

Company Secretary

Manish Jain

Company Head Quarter

A-17 Naraina Industrial Area,

Phase - II,

New Delhi,

New Delhi-110028

Phone : 91-011-41412425

Fax : 91-011-41410060

E-mail : archies@archiesonline. com

Web : <http://www. archiesonline. com>

Registrars

Link Intime India Pvt Ltd

A-40 II Flr Phase-II

Naraina Indl Area

Near Batra Banquet

New Delhi - 110 028

Business model:

Business to customer model comprises of providing products and services to customers. In E-business business to customer will refers to online model of traditional model. Archies gifts and greetings Ltd. is an example of a b2c venture. Archies also has physical stores located in various prime locations all over the country; besides this it has its chain of online cards and gift distribution channels. This concept is known as click and mortar business model.

Archiesonline. com had three major sections -

meet,

greet

gift.

Under ' meet,' Archies presented services such as free e-mail, chat, reminder services, and a greetings scheduler. The ' greet' section was a consumer

interaction area where registered customers could send and receive a variety of animated e-cards/greetings online for free. Over 700 e-cards are available which were very different from the usual e-cards available on other sites. These were programmed with an typical eight second long storyline with animation and background sounds built-in in them. In the gift section, consumers could purchase gifts and set them delivered at the required address. (Refer fig. 1)

Competitors:

Vintage cards, creations and Hallmark are the top competitors for Archies. Vintage Cards and Creations was the idea of Anil Kapur and Vaishnav. Firstly, a few cards made by them were appreciated by the customers for quality and design. Initially it was a part time business, but soon became a full time occupation with local artists to create new designs and distributors and retail outlets expansion for future growth. Archies got its competitive advantage over its competitors with the introduction of e-cards and electronic greetings in the Indian market. Archies proactively responded to technology changes in form of e-cards, SMS and MMS, which were taking the market away from traditional greeting card by diversifying into presents as they were another means of expressing emotions. Vintage cards and creations, did not respond to change and found itself burdened with a huge inventory of cards with no market for them.

Competitive advantage:

People sentiments and feelings have been at the heart of the Archies brand for the past 25 years. The company believes that so long as there are human

emotions, Archies' brand positioning will be strong. The brand is committed to providing its customers with means and methods

to express their emotions. Archies is a medium through which they can say to their loved ones, they care. Besides this there are few strengths at Archies end like fewer competitors, people in India are associated well with the brand image of Archies as it has developed a strong corporate image. There is a lot of scope of variety in merchandise industry, so a new opportunity every day.

Revenue model:

The site archiesonline. com takes online payment by use of credit cards or debit cards. For delivery and shipment Archies has tied up with couriers with Elbee and Blue Dart for delivering of cards and gifts purchased by consumers. The company has also tied up with Easy Net Com for payments.

Payment options:

It accepts:

Credit Cards - MASTER Card / VISA / Amex / JCB / Diners / Citibank.

Net Banking/Debit Cards - ABN AMRO Bank, Axis Bank, Bank of India, Canara Bank, Corporation Bank, Citibank, Centurion Bank, Federal Bank, HDFC Bank, ICICI Bank, IndusInd Bank, IDBI Bank, J & K Bank, Karur Vysya Bank Limited, Kotak Mahindra Bank, Oriental Bank of Commerce, Punjab National Bank, Bank of Rajasthan, State Bank Of India, Union Bank Of India and Yes Bank.

Mobile Payments - PayMate Mobile Payments

Cash Cards - Itz Cash Pay seal and CcAvenue payment gateway security procedures guarantee that your credit card/bank details are kept secure while transacting online, also preventing illegal usage. (Refer fig. 2, fig. 3, fig. 4, fig. 5)

Shipping and Delivery:

For online orders the company provides shipping services. It takes minimum 3-4 days to deliver any product (excluding Sundays and other Holidays), after the payment made by the customers clear. Company provides delivery throughout India for all online products, also in rural interior areas through speed post or registered post. It will take 8-10days to deliver any product in rural interior areas.

Orders can be delayed due to product un-availability for immediate dispatch. Wherein the stocks are still getting ready with packaging and pricing being done on the whole lot or in transit from the Warehouse to the Head office. This could put a delay in the dispatch of the online order. In certain circumstances company will try to arrange the product from the nearest gallery to fulfill the customer's order by delivering the ordered product at the earliest.

The company will not cover delivery delays due to customer unavailability or if the given address is not valid.. During festival time Delivery within 3-4 days is not possible, example if we are placing your order for valentine on 11th Feb. it will reach before or on 14th Feb. but in case if we have placed order after 11th Feb. company won't be able to provide the delivery on 14th Feb., but they guarantee to deliver the exact product which we have

selected. In case we have received a different product, or if the product was damaged in shipment, we are required to contact the company within the specific time period through mail or customer care service and they will ensure that it will be replaced as soon as possible.

Market strategy:

Greetings card maker Archies Ltd is adopting a two-sided strategy to increase its profitability.

Besides expanding its retail outlets,

The company is also looking to achieve operational efficiencies through its new warehouse in Manesar near Gurgaon.

“ Our new facility in Manesar has been set up to cater to our future growth. Our retail presence is growing and this facility will help in boosting our operational efficiencies including the supply chain,” Mr Pramod Arora, Joint Managing Director, Archies Ltd quoted.

The factory, built with an investment of Rs 20 crore, will act as a warehousing for company’s imported goods, raw material and can also be used for production and printing activities.

The company has renewed its expansions. For the current fiscal, they will be setting up 30-40 stores both in malls and high streets. As predicted by the market the next decade has a huge potential in terms of retail. Archies currently operates in 170 plus company stores in 44 cities with each store costing Rs. 20-30 lacks. In addition, there are 350 franchise outlets. From a

cards-only outfit, the company has moved to a complete social expression company with over 5, 000 stock keeping units which includes gift items, photo frames, soft toys, stationery besides among others.

Greeting card biz

Considering the greeting card business, seasonal greeting card business has been eyewitnessing a dip due to the invasion of SMS form of greeting.

However, non seasonal which includes birthday and corporate greeting has managed to survive the blitz of e-greeting.

Alliance with retailers

Archies is also forging alliances with major retailers Shoppers Stop and Central Mall to set up shop-in -shops because almost 60% of the company's revenue is coming from retail business.

Archies has a number of tie-ups with international brands such as Carlton Cards, Expressions Gifts Co, Russberrie, Fizzy Moon and Carte Blanche Greetings. It has also produced MTV Roadies merchandise.

Conclusions and Findings:

Conclusion:

With the help of Archies Gallery website, Archies has added onto its brand value and has become more accessible to the masses. The innovative ideas on the website help people design, buy and gift products according to their requirements thus winning the customer's trust and satisfaction. On the other hand, the company has also added on considerably to its revenues by online sales without any high running cost that might have occurred in the

case of a physical store. Thus the benefits of e-business are clearly visible in the organization.

Findings:

Archies has promoted its brand through its website increasing its brand presence in the Indian market

The website has added onto its revenues considerably by providing a totally new platform for selling of its products.

Customer satisfaction has increased tremendously as they now eliminate the effort to physically walk into a store and buy products thereby making it an easier and convenient method.

It has also helped the company to advertize its new products and ideas and observe the customers response.

Appendix:

– Fig. 1

archies. jpg

– Fig. 2

s 1. jpg

– Fig. 3

s 2. jpg

– Fig. 4

s 3. jpg

– **Fig. 5**

s 4. jpg