

E-commerce – will and co.

Business, E-Commerce



Introduction

This report demonstrates the main lessons learned from the practical activity that included the start-up of an online business. First, a description of the online business concept is given, including an analysis of its trial, covering the main advantages and disadvantages of the system. This is followed by an analysis of lessons learnt during this process. Subsequently, the main marketing and selling strategies are covered. Finally, online strategies are discussed. Additionally, the report aims to show how the manager is able to address issues discussed, and will also consider ethical considerations of the issues

Overview of Online Business: Will & Co

The online business developed for this project was Will & Co. The organisation are involved in the marketing and distribution of bath and body care products online. The main target market for the products is tech savvy middle income (social classification B, C1) (IPSOS 2013 [online]) consumers, both male and female, who look for high quality bath and body care products. The main influence behind the concept has been Amazon. com, the online retailer which distributes a variety of products via online channels, and which is known for high quality of service. Online business models allow companies to distribute their products at lower prices, which is especially significant in the current times of economic recession. This reduction in price is due to lower costs, for example there is no need to pay for high-street shops and hence rent and business rates are lower (Weltevreden and Atzema (2007). While it might seem that this model is successful because

consumer spending power is quite low, in fact the relationship between consumer and online supplier is more complex because the consumers are seeking a way to acquire what they perceive as high value products at a lower cost. Given the increasing use of online platforms, Will and Co aim to capitalize on changing customer behaviours and expectations

Recent trends have also included an increasing consumer interest in environmentally friendly retailers, and ethical sourcing of products and ingredients, particularly amongst online consumers (Chatzidakis and Mitussis 2002). In line with this, Will and CO delivers ethical products and services,. However, the organisation embrace ethical principles not because they are a useful marketing tool, but because the board are passionately committed to ensuring products are not tested on animals, and that suppliers are paid fairly for their products

com

Salesforce is a web service platform providing consumers (retail businesses) with customer relationship software. Founded in 1999 by Mark Benioff, it offers cloud services for customer database management, marketing and sales, and customer support. Additionally it offers maintenance of enterprise software. The current project revealed several advantages and disadvantages of the Salesforce system. The group used Salesforce. com as a means of administrating Will & Co marketing and sales processes during the trial. While the system proved to be overall efficient, it also revealed some flaws. One advantage was that Salesforce makes use of ‘ Cloud’ technologies, allowing computing functions to be carried out on servers

hosted away from user's locations (Jamska 2012). This meant that Salesforce did not have to be installed on Will & Co computers, which in turn meant no problems with compatibility (for example there was no need to install on PCs or laptops). Additionally, Salesforce proved to be inexpensive to start using, compared to some other brands of customer relationship software. With Salesforce, the upfront cost is quite small, although over the long term monthly payments mean the overall cost is likely to be considerably higher than other solutions. Being able to spread the cost was initially advantageous to Will & Co, but may be less so in the longer term. Further, the system was efficient and user-friendly. The reports produced during the trial were quite comprehensive. The system also allows users to communicate with each other. Security is also relatively high.

Salesforce reports are quick and detailed. Additionally, the program automatically saves reports which haven't been manually saved. The platform is also strong on integrating contacts. Another advantage is that the programme is very easy to use, with a dashboard that allows users to view historical data. As this feature is new, not all organizations use it, and early adopters might achieve competitive advantage, as it allows users to view a summary of previous and current processes without the need for extensive searching.

Salesforce is also compatible with mobile devices, which is useful for Will & Co, as their staff are encouraged to use mobile phones and other portable devices like tablets to work away from the office. That Salesforce utilizes mobile technology is also reassuring, as Will & Co are firmly committed to

marketing using social media (particularly those accessed by mobile phones). It has been estimated that the majority of consumers tend to utilize mobile devices in order to access the Internet (New Media Trends, 2012). It has been further estimated that an average consumer has at least two devices; which is set to increase up to four devices per person in the nearest future (New Media Trends, 2012). It will be important to develop a robust ethics surrounding marketing practices which break new ground in terms of new media, however.

There are some disadvantages with Salesforce which were revealed in the trial. One concern with Salesforce was that there was only one password, which raises questions of security, as there is only one password to hack. A possible solution management might investigate is liaising with Salesforce to see if they can provide a more secure system. A similar issue can be raised about the visibility of private data. Currently private data can be seen by other users. Again, management might raise this with Salesforce and see if higher levels of privacy can be written into the software. Another concern relates to software compatibility. For the trial, only Microsoft Outlook was utilized, no testing has been made on other e-mail domains.

A further flaw is that Salesforce is operated only over the internet. Without Internet connection it does not function. This is the nature of cloud computing. (Jamsa, 2012). This might lead to problems in cases where the organization loses connectivity to the internet, although it might further be argued that this possibility becomes less likely over time as systems become more robust.

Lessons Learnt

The exercise revealed that while the mechanics of developing an online business are straightforward, it is also time-consuming and requires a lot of dedication. It was clear that taking advantage of one of the numerous customer relationship software platforms and/or web-hosting domains (Phan, 2003) makes the process easier. However, the exercise has also shown that it is very important to be very clear before development regarding the purpose and concept of the business. In other words, a comprehensive business plan is necessary. This will involve researching the market in order to identify the major trends and possible changes on the market (Phan, 2003). There is also a need for an overarching vision for the longer term future, to aid in the achievement of organizational objectives (Filion, 1991). In terms of the actual platform, the project showed that it is important to have a user-friendly platform. Considering the fact that the majority of users may not be technically expert, any platform needs to be simple and straightforward to use (Srinivasan and Anderson, 2002). Issues raised about security and privacy of the data made it clear that ethical considerations have to be considered. If information about consumers is managed online, not only do people have to be informed that data is held about them, but also steps should be taken to ensure the data is kept securely (Data Protection Act 1998)

Parasuraman and Zeithaml, (2005) suggest a framework to evaluate the quality of online services, particularly the efficiency of the website. Their model suggests that there are certain gaps in expectations based on the

evaluation of online services. There are several main variables which are utilized in order to measure the quality of online services, namely efficiency (how quickly and easily the website can be accessed), fulfillment (whether what is promised is delivered), system availability (the technical specifications of the system), privacy (confidentiality of data), responsiveness (the way in which problems are handled and enquiries responded to), compensation (whether recompense is made for problems and contact (how easy it is to get information about who to contact). The experiences during this exercise highlight the importance of such a framework in order to quantify, monitor and control all the activities on the website. It was easy, though time consuming, to set up an online presence for Will & Co, but this framework allowed participants to evaluate the website's performance in terms of aspects important to users. Additionally, it was revealed that it will be necessary to update the website constantly in relation to customer requests and expectations. Amazon. com offers a workable example of good practice, its CEO was focused on the delivery of a best service quality possible through these means (Markey and Hopton, 2002).

One of the most important lessons learnt during this process was that the business should be ethical and sustainable. For Will & Co, ethics therefore should determine the whole organizational culture. In addition to the concerns of the directors that business be conducted ethically, it has been suggested that consumers tend to demand ethical services (Kracher and Corritore, 2009), going alongside an increasing trend for environmental concern among consumers. This concern with ethics should be reflected not

only in terms of relationships with consumers but also in the organizational culture itself and in the relationships with the suppliers (Kracher and Corritore, 2009).

Marketing and Sales

In order for any online business to be successful, it is important to consider marketing and promotional techniques. Will and Co's business model is based on the integration of a Web Catalogue Revenue Model. This model is a traditional model, but one which is often utilized for marketing online retailing websites (Rappa, 2004). Under this model, orders are made via the website and then shipped to the consumer. Revenue is generated from orders made through the website. This is the most suitable revenue model for marketing the bath and body care products (Rappa, 2004), as it is simple to integrate and does not require a high level of technical knowledge.

Alternative online revenue models include digital content revenue models, fee-for-transaction revenue models, and fee-for-service revenue models (Schneider 2011). Other models are unsuitable, as they are designed for different types of product, for example digital products or services, not physical goods.

It is important for a manager to integrate promotional targeting and segmentation techniques in order to categorize the consumers. In terms of online business, Schneider identifies three categories, namely browsers, buyers and shoppers (Schneider, 2009). The aim is to convert the browsers into the shoppers.. For this purpose it is important to develop a marketing plan, which is based on the marketing mix (Kotler and Armstrong, 2009). The

marketing mix includes the development of strategies related to pricing, product, distribution and promotion. In terms of Will & Co, although the overall aim is to offer the consumer high-quality product at an affordable price, there is a need to further differentiate the offer from those of other products in the sector. To address this the brand will focus on communicating messages of physical refreshment and unusual ingredients in their bath and body care products. The website will give consumers a wealth of detail of the provenance of ingredients, describing the people who make the products and the farmers who grow the raw ingredients.

The main distribution channel is the Internet, namely the official Will and Co website. Here it is important to deliver coherency between the brand image and the website design (Kotler and Armstrong, 2009). Therefore Will & Co's website design should reflect a sense of refreshment with clean lines, but also reflect concern and care for the people who make the products or grow their ingredients. This will help the company position the brand in the market. In addition to this, attention should be drawn to the reasonable prices of the products. The manager needs also to ensure that the writers of the website content highlight the fair business practices Will & Co subscribe to.

A currently popular promotional technique is the use of social media. It is important for Will and Co to subscribe to Twitter and Facebook in order to start promotion of the products. The company can use these media as a way of building a relationship with customers. It is increasingly important for customers to feel that they have a personal relationship with a brand. This is

especially significant at the start-up level of an online business. By using Twitter and Facebook, the organisation positions itself as a personality with whom customers can interact (Kaplan and Haenlein, 2010). Consumers can also leave reviews. Social media also serves as a platform for spreading word of new organizations, which is beneficial for Will and Co. It is also important to ensure that banner ads are integrated well with the site, promoting only organizations similar to Will and Co in product offering (Schneider, 2009).

With regards to search engine promotion, it is recommended that Will & Co integrate paid search engine inclusion and placement, seeking placement on the first page of Google for the main relevant searches. For example, when consumers look for bath and body care products through a search engine, Will & Co should be near the top of the list (Schneider, 2009). One of the major concerns is the cost of ensuring high rankings.

Finally, the company should focus on the customer, and their ability to deliver the best service quality possible. By delivering as high a quality service as possible (fast delivery of products, quick responses to queries) higher customer satisfaction is likely to result, and consequently also a higher customer retention rate. Customer relationship management has become important over the recent decade, and with it the need to develop stronger relationships with consumers through delivering on promised service quality (Gronroos, 1993). Additionally, Technique such as Clickstream might be useful in the beginning to monitor and control the level of clicks and visits to the website. This will allow the evaluation of website activity to

show which promotional strategies are the most beneficial in terms of sales and increase in visits

Online Strategies

Will & Co can utilize a number of online strategies to help them become successful. As mentioned above, social media should be a key advertising medium. This advertising method is inexpensive and at the same time effective in developing of conversations around the brands. For this purpose, it is recommended that Will & Co subscribe to Twitter and Facebook. These are the two of the leading social networking websites with the highest number of subscribers. Twitter has recently surpassed 500 million subscribers whereas Facebook has reached 1 billion subscribers (Telegraph, 2012). In order to start advertising through these mediums it is recommended that Will & Co gain followers through using special automated systems. These are targeting systems developed to promote products to customers who are particularly interested. It is also recommended that Will & Co develop conversations around their brand in order to increase its brand exposure. This should be supported by e-mail marketing, with regular newsletters and reminders about the availability of products and promotions in the company. This will be maintained on the regular basis in order to sustain the customer interest. However, in all these online activities Will & Co must bear in mind the need to proceed ethically. Their strategies should not be underhand or deceptive. Particular care needs to be taken when users of social networking sites are under the age of 18, as young people are considered particularly vulnerable to the impact of advertising and should be protected.

Conclusion

This paper has discussed the lessons learnt by taking part in an e-commerce exercise. It has identified key issues, which may affect the development of a new business. It has been shown that it is important to deliver high quality through the online business, as well as ensuring the ethical management of online business processes. This aids in the development of stronger relationships with the customers. With regard to marketing and promotion, it has been estimated that it is important to maintain a close match between the brand image, positioning and website design, particularly as the website is the main distribution channel. Finally, it is important to integrate social media techniques and strategies, since these are growing in popularity and likely to become more popular in the future.

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