Frequent shopper program essay

Business, E-Commerce

The electronic commerce components of the Frequent Shopper Program are aspects of the Sales and Marketing Department's strategic objectives to increase the loyalty and profitability of its consumers. Under this program, customer shopping trends are identified and rewarded. This in turn can support the objectives providing an inventory selection of specialty foods that their customers' desire increasing the favorable of repeat shoppers to the Kudler name. In order for the program to be effective, customers are given a swipe card that contains their information in a bar-code format. The swipe card enables Kudler stores to electronically record the frequency of purchases made by the consumer refiguring the points accumulated during time of checkout. The point system can be explained as so for every one dollar spent with the store one point is accumulated for that transaction.

The existing information technology (IT) database the company utilizes is identified as a " customer table" that has each customer's mailing information regarding the demographics for birthdays and anniversaries. This will need to be revamped to include the points accrued per capita for Frequent Shopper's cumulative transactions. When the frequent shopper has accumulated the specified range of points determined by Kudler, the reward(s) of their choosing can be redeemed at the nearest store location. The IT department is solely responsible for the e-commerce (EC) expansion of the website that needs to include the customers' purchases. Implementing the development of this expansion will require the installation of any hardware or software required for the integration process of the program. Security, Ethical, and Legal ConsiderationsSecurity considerations that need to be addressed are the use of tracking software that enables data storage.

The software provides intelligence about buying patterns that are similar or even exact to the objectives of what Kudler's new program supports. " By using tracking software, companies can track individuals' movements on the Internet. Programs, such as cookies raise privacy concerns" (Turban et al, 2010). In order to manage this Kudler can use a formal electronic-Customer Relationship Management (e-CRM) system to encourage consumer empowerment when accessing the corporate database. Customers are known to be happier when conducting self-service activities that include configuration, tracking, and obtaining immediate feedback to queries. Ethical considerations correlate with any existing and subsequent security challenges that may arise. Privacy and web tracking are among the two mentioned in the security section that also falls under ethical considerations. Another subject that can raise an eyebrow is the loss of jobs.

The desire to push forward with EC may cause the elimination of various company employees and possibly the brokers and agents linked to these companies. Ethical issues that can pose controversial are the undesired needs for workers when EC is implemented. The questions companies and their employees may ask is how do we handle the displacement of our workers and will there be retraining programs offered to compensate for the loss? " Intermediaries provide two types of services: (1) matching and providing information, and (2) value-added services such as consulting" (Turban et al, 2010). Disintermediation and reintermediation are types of effects to services. Disintermediation deals with the removal of the middleman or intermediary. Reintermediation is the opposite of disintermediation; this generally means the reintroduction or re-emergence

of the middlemen or intermediaries that had previously been removed from a process or industry. The issues of legality all refer to the protection of customers, sellers, and intellectual property. Fact of the matter is with the internet easy accessibility fraudulent activities have been occurring and is on the rise with inefficient support for security measures.

Many legal issues are related to e-commerce. When buyers and sellers do not know each other and cannot even see each other (they may even be in different countries), there is a chance of fraud and other crimes over the Internet. During the first few years of EC, the public witnessed many of these, ranging from the creation of a virtual bank that disappeared along with the investors' deposits, to manipulation of stock prices on the Internet" (Turban et al. , 2010).

Financial Analysis. Marketing, sales, and service are three major areas that e-CRM's should put most focus and value to for the total business package. Kudler needs to establish a formal business plan for the Frequent Shopper Program before inception of the e-CRM project. The plan requires a detailed outline that brings forth these elements pertaining to the compiled projected costs, tangible financial benefits, and intangible strategic benefits, also risk assessments for the project.

Tangible financial benefits are the key metrics for finances that are comprised of clear precise analysis of cost benefits. Specialized software applications for this field of e-CRM can be used to assist with obtaining this goal. Net Present Value (NPV), Return of Investments, and Internal Rate of Return (IRR) are all elements of the software that are critical for assessing

the key financial metrics required to be clear and precise for analysis of cost-benefits. Intangible strategic benefits are the plans of expected intangible benefits in detail.

This includes a listing and measurement of the company's successes and subsequent shortfalls it may encounter. The main goal for the e-CRM solution is to refine the relationship and enhance customer satisfaction by implementing the Frequent Shopper Program. The customer satisfaction aspect of the solution is much often overlooked so this should be a primary instinct for business to improve. Risk assessments are the components of the unaccounted or underlying problems that will hinder the success of e-CRM solutions for Kudler. When assessing the potential risk Kudler should consider making a list that includes possible pitfalls related to the people, processes, and technology that are involved in the e-CRM project (Turban et al. , 2010). Marketing strategies that can benefit the e-CRM process are Online Events, Promotions, Attractions, Electronic payments and Web Advertising that promote custumer relations by keeping them informed with the latest sales and promotions the company has to offer. Conclusion A thoroughly executed plan for the implementation of the Frequent Shopper Program is a must for Kudler Foods.

The company shows incentive to create an outlet for repeat customers by providing this type of e-commerce. However, if Kudler fails to procure a detailed business plan that does not cover the basics for legal, ethical and security measurements for its consumers the program will fail at succeeding.