E Commerce & Business Strategy
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1. Introduction

E-commerce or electronic commerce refers to the selling and marketing of products through internet or through computer networks. In the process of ecommerce several technologies are grouped together for example electronic funds transfer, internet marketing, management of inventories, supply chain management etc. ecommerce helps companies to market or sell their products either B2B or B2C. With the advent of internet and broad band almost every house has a computer with internet connection and people use a lot of time surfing the internet thus it has become easy for companies to market their products on the several sites and also sell them through computer networks which saves time as well as provides the customer with a range of objects to choose from and also allow them to make payments through the electronic medium (Plant, 2001).

In B2B systems also ecommerce has proved to be of great help and efficiency when it comes to choice of products and competitive rates. When a number of products and their rates are available on the internet it becomes easy for the buyer to decide what they want and from where to get it. Presence of different companies on the internet also helps maintaining a competitive pricing so that every company stands a fair chance to sell their products. Ecommerce not only saves time and helps keeping a check on the pricing but it is also a very good tool to determine the supply and demand of products in the market.
2. Company Background

The company that would be discussed here is a fabric company that sells fashion fabrics and other fashion accessories. The company “Fashion fabric” was founded by Leslee Maples an entrepreneur in the fashion industry. She started the company with a view to provide the fashion industry with unstitched fabrics and accessories needed in the industry. Soon she learned the importance and efficiency of the ecommerce business strategy and introduced her website e fashion fabrics.com (May, 2004). When she started the ecommerce wing of her business it was mainly aimed to cater to women who love to sew but always does not get the right material at the right price. Thus she thought that her website would help them to go through the materials and accessories online and place order and make payments online from the comfort of their own home. The best part of her website fashion fabric.com is that besides marketing its products in the marketing and selling them it also does provide a number of tips for women on cleaning, sewing and ideas of different fabrics. The website provides its customers with a large number of designs and ideas on how to sew their fabrics. The owner thought it would be helpful if she could make the website interactive thus she has introduced a weekly newsletter which contains a number of details about fabrics and sewing. It helps her customers to wisely select their materials that would be suitable for them. The website also has an option for providing feedbacks or share stories which makes the website interactive and interesting for women who visits the website and who are the target segment for the company (Fazlollahi, 2006).
3. Competitors

The company Fashion Fabric.com markets and sells fashion fabrics and accessories in the market and their main target segment are women who love sewing but always does not get material without a lot of hassle. The main target of the company is to provide women with fashion materials and accessories that they could see and buy from the comfort of their home without having to go to different places. Since it is not the only company that deals with such products, there are various big fabric companies that could provide much wider range of fabrics than fashionfabrics.com, thus the company faces a big challenge from big companies. To cope up with the challenge and the competition the owner of the company introduced a number of activities in the website that would help it overcome challenges from competitors. The fashion tips and ideas, the newsletter, the sewing and cleaning tips come as an additional benefit for the customers. Fashion fabrics.com also uses the search engine optimization which helps the company site to come up in the first ten positions. According to the owner of the company the search engine optimization has helped the company a lot to keep up with the competition (Satterriee, 2004).

4. Types of e commerce

There are five types of ecommerce which are Business 2 business, Business 2 consumer, Business 2 business, Consumer 2 consumer, Peer 2 Peer.

5. Forces that drive the e commerce

In today’s world there are a number of forces driving the ecommerce business which are marketability, access, cost leadership, search engines, presence in social media sites, tie
up with other sites. These are the forces that drive the ecommerce in today’s world and determine the fate of a company on the internet. Companies selling their products online would always have to remember that they are not the only one to do so and that there are many more companies that offer similar products and services to the customers thus they have to pay more attention on their marketability or how they market their products on the electronic media. It is important for companies to give a visual description of their products so that it gives an everlasting impression on the customer’s mind. It is also necessary in ecommerce to provide customers with up to date information on each and every product available on the site. Feedback is also a good way of interacting with the customers and now about their demands and it also creates a bond with the customer (Daniel, 2003).

In ecommerce a company has to keep in mind that they use search engine optimization tool to bring their company in the first ten ranking which gives them a better chance to be visible to the customers. Cost is also another driving force behind the ecommerce business as it is the best and easy way to reach to a huge population and market and sell ones products and at the same time it is also cost effective. Other means of advertising and selling includes huge costs but in e commerce advertising and selling does not include so much cost. For example in a normal marketing printing of catalogues and advertisements in magazines incur a huge cost but in ecommerce catalogues can be sent through internet which is both time consuming as well as cost efficient.
6. Business strategy of Fashionfabrics.com

Fashion fabrics.com has a unique business strategy which helps the company to cope up with several challenges and add to its customer base huge number of customers. The company fashion fabrics was started by Leslee Maples who started with her entrepreneurial journey in the fashion industry by supplying unstitched fabrics and fashion accessories to different fashion houses in the city but with the growth of internet and a huge population of internet users ecommerce business started gaining pace and thus the owner of fashion fabrics introduced her ecommerce website with an outlook to offer fabrics to women who love sewing but due to unavailability of good fabrics cannot do so often. Thus the target group of the company was mainly women and it focused mainly on B2C marketing and selling.

6.1 Company and buyers

As discussed the company Fashion fabrics.com mainly focuses on women and thus the company has introduced a number of ideas and tips to attract the customers. The newsletter and the various tips that women get on the site are the USP of the company and help in maintain a bond with the customers. The various tips on cleaning, sewing, designing, choosing fabrics are of great help to the customers and they keep coming back to the site for more and more updates which help them with their projects. According to the owner of the company the website contains information and tips that are useful for women and not something that would frustrate women, who are the main target segment of fashionfabrics.com ((Robert, 2007).
6.2 Customer relationship

As has been discussed earlier the company maintains a good rapport with the customers through tips, information, feedbacks etc provided to them. The additional tips and information help in building a bond with the customers who can also share their feedbacks and stories with other customers through the site. The site thrives to maintain an interactive site so that people would again and again come back to the site for more. Once a customer visits the site of fashionfabrics.com she would be able to check out the materials visually and to help her decide the type of fabric and amount of fabric there are also additional tips and information available on the site and besides this there is an option wherein customers can feel free to send an email to the company for any further assistance. The company has employees who addresses the concern of the customers through emails and messages and if needed customers can also make phone calls for query on any product or tip (Goldstein, 2011).

6.3 Manufacturing integrated software system

Fashion fabrics.com uses an integrated software system which helps them to take online payments, inventory management, track order system, electronic funds transfer, supply chain management etc. the integrated software system in the company helps the company to take payments from the customers online so that they can shop from the comfort of their home. The track order system helps keep a track of the products being delivered and also the undelivered products, customers can also visit the website and track their orders using their unique transaction number. The site also has provision of automated fund transfer in case an order is cancelled thus providing the customers a hassle free shopping experience (Thomas, 2001). The system helps customers to choose a time for the
delivery of their products, flexible delivery timings also makes it an USP for the company. The integrated software system also helps to manage the inventory of the company and keep the stocks ready before they run out of stock. The software helps to determine the supply and demand of products in the market and stocks are stocked as per the demands in the market.

6.4 Value Chain

The value chain for the company takes into account the suppliers, the logistics and the e-commerce platform. For the success of the business it is extremely essential that the portal is well connected to the supplier chain and is well supported by logistics. Logistics ensures that the orders are delivered well within time and the supplier management ensures that the stock is replenished as and when required reducing the cost of storage (Singleton, 2004).

7. Development of Ecommerce

7.1 Own website of fashionfabrics.com

With the advent of internet, ecommerce has gained pace and more and more companies are opting for ecommerce so that their products can be accessed by a large population which is sometimes not possible due to geographic reasons. Fashionfabrics.com opted for ecommerce so that they could reach out to more and more people. The website was introduced with a view to provide fabrics to women who often do not get fabrics without much hassle. Thus it was decided by the company that they would create a website where women can chose their fabric and also get some tips and information handy (Epstein, 2005).
7.2 Introduction of online shopping by Fashionfabrics.com

Fashion fabrics was a company supplying fabrics and fashion accessories to different fashion houses in the city but soon they realized that they should expand their business but the since the owner of the company did not have much time to look after the expansion and marketing she choose to start the ecommerce wing of the business where she did not have to invest much time and money for the new venture. The website was created by Monster commerce web designing team and with the help of the search engine optimization tool the company gets listed in the first ten search results which helps it to get a better online visibility (Eddison, 2005).

7.3 Online shopping on fashionfabrics.com

The customer can choose from a variety of products which they can see visibly on the site and can also gather additional information through mails and phone calls. Since this is online shopping payments are made through credit cards and debit cards. In case of any cancellation of order funds are transferred to the customer’s account. There are a wide range of products and tips to help the customer chose the right product form the site. Customers can have a view of different materials and different colors and place their orders accordingly.

7.4 Price

All the product prices are listed just below the product on the site which helps the customer to check and compare the pricing with different sites. Fashion fabrics thrive to provide the most competitive prices in the market.
7.5 **Comparison with other websites**

The pricing are given clearly under each and every product and no prices are hidden so that customers can compare the prices of Fashion fabrics.com with other websites (Carat, 2004).

7.6 **Information**

The website has all the necessary information needed and the information is updated regularly. Fashionfabrics.com provides additional tips on sewing and cleaning which serves as the USP of the site (Ahern, 2007).

7.7 **How the company uses technology in customer relationship**

Fashion fabrics.com builds healthy relation with customers through the use of additional information online, feedbacks, newsletter etc. The company targets women and thus they try to interact with them on several issues related to fashion and women.

7.7.1 **Target segment**

The target segment of the company is women who loves sewing and stitching their own clothes.

7.7.2 **Customer relationship**

Fashion fabrics.com has a number of ways to build healthy customer relationship. The company has introduced newsletter and feedback systems which helps the company to interact with their customers and know how they feel about the company and its products.
7.7.3 Self service tools

The website has a self service tool for tracking orders wherein customers can visit the site and track orders using their transaction id.

7.7.4 Information on the site

Customers can avail the various information available on the site about the products and accessories. They can also make good use of the additional tips and ideas posted on the site for sewing, designing and choosing fabric.

7.7.5 Technical support

The company provides assistance to their customers in choosing their products. Customer care executives regularly check the company mails and if there is any query from any customer they are more than happy to help them with their queries. There are also executives who address customer queries over phone.

8. Security and privacy

Security and privacy is extremely essential for the success of the e-commerce site. The security and privacy is provided by the https protocol along with SSL socket level security. Along with these payment gateways are provided for secure and confidential transactions.

8.1 E-commerce Environment

The environment provided by the site makes the users comfortable, the browsing and the viewing of the site are comfortable and very user friendly. The provisioning of the security features enhances the experience. Features like add to cart etc are provided which makes it easy for the users.
8.2 Cost

The costs of developing the web site and the e-commerce portal have been initially high. The initial costs of the project have been projected and the benefits have been analyzed to provide the rationale for the project and also the viability of the project.

8.3 Lack of awareness & understanding

The lack of awareness about the website can be a major challenge for the e-commerce site to be successful. This has been taken care of by the company by promoting the site across social media and also through the print media (Montrioe, 2005).

8.4 Lack of knowledge & skills

This can be another area where the e-commerce sites can be un-successful. The target segment for which the site is meant should be knowledgeable enough to use the e-commerce site. The lack of knowledge within the target segment can cause the site to be unsuccessful (Baird, 2001).

8.5 Problem of Infrastructure

The infrastructure required for maintaining the web site is also important. In case the servers are slow and the up-time is not very good the site will not be much attractive to the users.

9. The role of government in the development of ecommerce

The role of the government in the development of ecommerce is very important as ecommerce is gaining pace and has the capacity to flourish further in future. In most developing countries there are hardly laws that govern ecommerce business. There are no laws for data protection, data privacy, ecommerce disputes etc. More and more governments should do their bit to develop laws that would govern ecommerce and
would help in flourishing ecommerce. In fact the government should encourage people to use internet for business purposes and they should also use internet for providing public services which would in turn encourage the people to use the internet for business purpose (Brian, 2008). There should be proper laws and protection provided by the government so that people would feel safe buying or selling online. In developing nations the government should also arrange for funds and loans and organize trainings for promoting ecommerce which has a potential for massive growth in the future.

10. E Payment

The site does not only allow the business to receive the payments online, it also allows the organisation to make online payments to its suppliers which ensures that the business saves time and energy in making the payments and also in invoicing etc.

10.1 Government Clearances and administration

The e-commerce site that is maintained by the company is a Management Information System and as such the administrative functions, that of taxation etc are also taken care of by the site itself. This ensures that the Government clearances and other formalities are taken care of by the site and also the payments regarding government formalities are done online saving both time and energy (Regrenus, 2003).

10.2 Licenses

The organisation needs to have licenses for running the e-commerce sites. These are required for receiving the online payments and also for other business needs.
11. E commerce is not for all business

Before starting any ecommerce business the owner of the company should be sure of the products of the company, whether they would be sold online or not and what could be the USP of the company etc (Basu, 2007). It would not be recommended for any start up business to start selling a variety of goods to the customer only those can afford to do so who have a brand name in the market. Startup companies should concentrate on specific products and try giving additional benefits to the customers which would become the USP of the company. While starting up an ecommerce business one should keep in mind the competition one would face in the sea of companies already present online. One should not venture into ecommerce if he/ she do not have a prior experience in retail sales and web technologies. Startup companies should also give their companies time to be recognized by people and flourish. Ecommerce business is a good and innovative business tool if used properly and with all precautionary measures.

12. Conclusion

Ecommerce is gaining pace in different countries and has the potential to grow in the coming years. Governments of different developing nations should make investments for infrastructure that would help in developing ecommerce. Governments should encourage people to invest in ecommerce and thus should implement proper laws and guidelines for ecommerce business so that people would be able to buy and sell online. Before starting up an ecommerce business companies should determine their strengths and weaknesses. Ecommerce business takes some time to flourish and thus it is important for companies to allow the ecommerce business to gain recognition before introducing a wide variety of products. If companies follow a few basic rules than ecommerce business has the potential to grow like any other business.
Reference


