Ecommerce and E-business paper solution (May 18)

Q1. Develop a complete business plan for startup to sell fresh vegetables online.
It should include the business model, strategic plan, marketing plan, SCM and CRM plan, revenue models, mission, vision, objectives, security concerns, payment mode.

Q2a. **Probable security threats in e-commerce environment and suggest tools to achieve security**.

E-commerce security is protection the various e-commerce assets from unauthorized access, its use, or modification.

Some are accidental, some are purposeful, and some of them are due to human error.

The most common security threats are phishing attacks, money thefts, data misuse, hacking, credit card frauds and unprotected services.

main concerns

privacy – information exchanged must be kept from unauthorized parties

integrity – the exchanged information must not be altered or tampered with

authentication – both sender and recipient must prove their identities to each other and

non-repudiation – proof is required that the exchanged information was indeed received

Threats

One of the main reason to e-commerce threats is poor management. When security is not up to the mark it poses a very dangerous threat to the networks and systems.

Stealing is the most common intention of price manipulation. It allows an intruder to slide or install a lower price into the URL and get away with all the data.

Spam

Malicious code threats-These code threats typically involve viruses, worms, Trojan horses.

Hacking activity of users.

Wi-Fi Eavesdropping

Some other threats which include are data packet sniffing, IP spoofing, and port scanning.

Security measures

Encryption and passwords

Digital certificate

Regular Security audit

Awareness

Server, PG security

Antivirus and Antimalware

Firewall

Backup

Q2b. Discuss the CRM strategy adopted by Dell inc to acquire, convert, retain, and growth of customer worldwide.

CRM (Customer Relationship Management) is the successful blend of a business strategy and technology that enables a company to achieve their goals. The technology provides companies with ways to keep contact with existing customers, manage leads more effectively, measure results more often and standardize business processes. However, software can not do this on its own. The software is actually only there to help enabling the CRM-strategy that a company designed before the implementation of their CRM-software.

Dell computer manfacturing company
43 sales office, 170 sales presence, 6 manufacturing sites

Mission “to be the most successful computer company in the world at delivering the best customer experience”
Based on segmentation, company takes its positioning and modifies its offerings for each segment’s customers.
Dell serves online, cost cutting by eliminating retail stores and spend those money on customer service
Dell contacts customer directly elliminating middleman
Dell builds computer as per customer need

CRM strategy make segmentation, identify and listen to customer, learn from customers
Dell uses CRM software Hotlink to autmate marketing, Premier pages to custom designed webpages, ProClarity for data mining
Dell uses multichannel promoting

Dell provides
pre sale customer support: chat, talk
Customer education
expert opinions
financing options
post sale customer support

Q3a. Explain any 2 e-payment modes in detail.

e-cash
e-check/ internet banking
card

along with characterstics

Q3b. Explain the SOSTAC framework to promote product.

SOSTAC is a planning model, originally developed in the 1990s to help with marketing planning by PR Smith. It stands for

Situation – where are we now?
Who are your digital customers right now?
Which digital channels are they using?
Who are your competitors and what are their key differentiators?

Objectives – where do we want to be?
SMART:' specific, measurable, actionable, relevant and time-bound.
An example of a SMART objective is 'to increase the number of website visitors who request more information by 3% over the next six months.'

Strategy – how do we get there?
Which segments are you going to target?
What activities are your competitors engaged in that relate to your objectives?
What is your online value proposition? In other words, how are you going to differentiate yourself online? This applies whether a sale is online, offline, or you don't makes sales at all – if you're a charity, for example.

Tactics – how exactly do we get there?
how will your choice of tools allow you to target the intended audience?
How will you convey your online value proposition?
What content do you need to develop (emails, posts, ads, landing pages, etc.)

Action – what is our plan?
what needs to be done, who will do it, and when will they do it? Also, does anything need to be outsourced, or do you have the skills in-house?

Control – did we get there?
What are the Key Performance Indicators and which monitoring and reporting tools will you use?

Explain with any example

Q4a. Buy side SCM.
In commerce, supply chain management (SCM), the management of the flow of goods and services, involves the movement and storage of raw materials, of work-in-process inventory, and of finished goods from point of origin to point of consumption.

Buy side(B) is where the organisation purchases from suppliers, sell side(S) is when that organisation sells it on to its customers

The key supply chain processes
Customer relationship & service management(S)
Demand management style(B)
Order fulfillment(B)
Manufacturing flow management(B)
Supplier relationship management(B)
Product development and commercialization(S)
Returns management(S)

Q4b. Discuss any 2 combinations of revenue models that can help in generating more revenue.
describe different techniques for generation of income. Income via selling or reselling product. (main, traditional)

other revenue models
web catlog: online information delivering and order-payment via online
combine web catlog (mailed) + website or physical store + website
digital content:
advertising: **in app purchase (digital content)+ads (google play)**
subscription
fee based

Q4c. 7 P's of e-marketing.

The 7 Ps are a set of recognized marketing tactics, which you can use in any combination to satisfy customers in your target market.

Product refers to what you are selling, including all of the features, advantages and benefits that your customers can enjoy from buying your goods or services. When marketing your product, you need to think about the key features and benefits your customers want or need, including (but not limited to) styling, quality, repairs, and accessories.

Price this refers to your pricing strategy for your products and services and how it will affect your customers. You should identify how much your customers are prepared to pay, how much mark-up you need to cater for overheads, your profit margins and payment methods, and other costs. To attract customers and retain your competitive advantage, you may also wish to consider the possibility of discounts and seasonal pricing.

Promotion these are the promotional activities you use to make your customers aware of your products and services, including advertising, sales tactics, promotions and direct marketing. Generally these are referred to as marketing tactics.

Place is where your products and services are seen, made, sold or distributed. Access for customers to your products is key and it is important to ensure that customers can find you.

People refer to the staff and salespeople who work for your business, including yourself. When you provide excellent customer service, you create a positive experience for your customers, and in doing so market your brand to them. In turn, existing customers may spread the word about your excellent service and you can win referrals.

Process refers to the processes involved in delivering your products and services to the customer. It is also about being 'easy to do business with'.

Physical evidence refers to everything your customers see when interacting with your business. This includes:
the physical environment where you provide the product or service the layout or interior design, your packaging, your branding.
Physical evidence can also refer to your staff and how they dress and act.

Q4d. SLEPT framework.
SLEPT analysis is a framework to assess an organization's external environmental influence on it. It considers five factors affecting the macro-environment - Social, Legal, Economic, Political and Technological.

Social Factors: Includes health consciousness, education level, population growth rate, gender distribution, social classes etc.

Legal Factors: Includes laws such as anti-trust law, discrimination law, intellectual property laws, consumer protection laws, employment laws, regulatory mechanism etc.

Economic Factors: Includes growth rates, inflation rates, interest rates, exchange rates, fiscal policies, monetary policies, credit availability etc.

Political Factors: includes government policies and intervention in the economy such as corruption level, government stability, trade control, competition regulation, involvement in Trade Unions, consumer protection laws, employment laws etc.

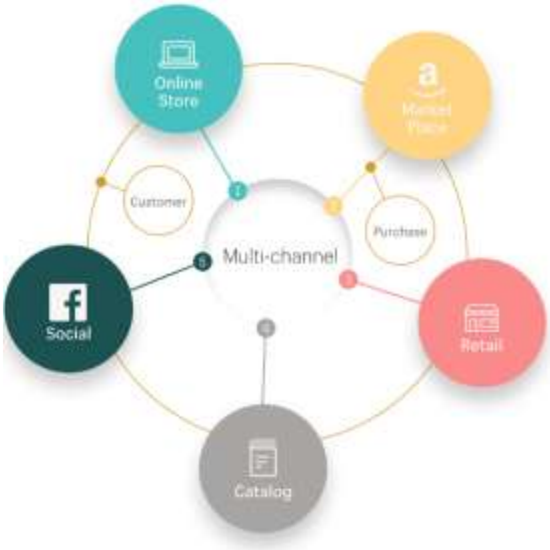
Technological Factors: includes technological aspects such as R&D activity, technology incentives, rate of technological change, infrastructure level, access to technology etc.

Q4e How ethical issues affect e-marketing.
E-marketing has its ability to show the presence of the product dynamically. Marketing has its own meaning to say creating a
desire and awareness about the product in the mind of people to purchase the product.

Ethical Issues in E-Marketing
concerned with values and practices followed by professionals
Web Tracking
Privacy Preserve
owenership & use of data
freedom of expression
terms and conditions

Legal Issues in E-Marketing
Fraud on the Internet
Intellectual Property
Email Correspondence
Legal Issues in Website

Q5a. Explain the multi channel marketplace model.



multi-channel marketing is promoting and selling anywhere your customers buy. Beyond advertising, it brings commerce to various channels — namely, marketplaces, social media, messaging apps, and online communities — where your target market already spends their time.
Most online sellers begin their journey from one sales channel, setting up shop through a website or marketplace. Multi-channel retailing is the practice of selling merchandise on more than one sales channel.

how to?
Target consumers at different stages of the buyer's journey.
Leverage the power of marketplaces and search engines

challenges?
Selling on the wrong channels.
An infrastructure required to maintain multi-channel retailing.

platforms?
Social media channels.
Your website and shopping cart.
Comparison shopping engines.
Marketplaces.

Q5b. Discuss about porter's five forces with an example.
Michael Porter's classic model of five main competitive forces that affect a company provides a valid framework for reviewing threats arising in the e-Business era. It is instructive to assess how the internet may change the competitive environment.

i. Bargaining power of buyers:
The power of online buyers is increased since they have a wider choice and prices are likely to be forced down through increased customer knowledge and price transparency i.e. switching behaviour is encouraged.
For a B2B organization, forming electronic links with customers may deepen a relationship and it may increase switching costs, leading to soft-lock-in.
The bargaining power of customers is also described as the market of outputs: the ability of customers to put the firm under pressure, which also affects the customer's sensitivity to price changes. Firms can take measures to reduce buyer power, such as implementing a loyalty program.

ii. Bargaining power of Suppliers:
When an organization purchases, the bargaining power of its suppliers is reduced since there is wider choice and increased commoditization due to e-procurement and e-marketplaces.
The reverse arguments also apply as for bargaining power of buyers.
The bargaining power of suppliers is also described as the market of inputs. Suppliers of raw materials, components, labour, and services (such as expertise) to the firm can be a source of power over the firm when there are few substitutes. If you are making biscuits and there is only one person who sells flour, you have alternative but to buy it from them. Suppliers may refuse to work with the firm or charge excessively high prices for unique resources.

iii. Threat of substitute products and services:
Substitution is a significant threat since new digital products or extended products can be more easily introduced.
The introduction of new substitute products and services should be carefully monitored to avoid erosion of market share.
Internet technology enables faster introduction of products and services.
The existence of products outside of the realm of the common product boundaries increases the propensity of customers to switch to alternatives. For example, tap water might be considered a substitute for Coke, whereas Pepsi is a competitor's similar product. Increased marketing for drinking tap water might "shrink the pie" for both Coke and Pepsi, whereas increased Pepsi advertising would likely "grow the pie" (increase consumption of all soft drinks), albeit while giving Pepsi a larger slice at Coke's expense. Another example is the substitute of traditional phone with VoIP phone.

iv. Barriers To Entry:
Barriers to entry are reduced, enabling new competitors, particularly for retailers or service organizations that have traditionally required a high-street presence or a mobile sales force.
New entrants must be carefully monitored to avoid erosion of market share.
Internet services are easier to imitate than traditional services, making it easy for 'fast followers'.

The most attractive segment is one in which entry barriers are high and exit barriers are low. Few new firms can enter and non-performing firms can exit easily.

v. Rivalry amongst existing competitors

The Internet encourages commoditization which makes it less easy to differentiate products.

Rivalry becomes more intense as product lifecycle shortens and lead time for new product development decrease.

The Internet facilitates the move to global market, increasing the number of competitors.

For most industries the intensity of competitive rivalry is the major determinant of the competitiveness of the industry.

Q6a. Explain 7 strategic frameworks for change management.

McKinsey 7s model is a tool that analyzes firm's organizational design by looking at 7 key internal elements: strategy, structure, systems, shared values, style, staff and skills, in order to identify if they are effectively aligned and allow organization to achieve its objectives.

In McKinsey model, the seven areas of organization are divided into the 'soft' and 'hard' areas. Strategy, structure and systems are hard elements that are much easier to identify and manage when compared to soft elements. On the other hand, soft areas, although harder to manage, are the foundation of the organization and are more likely to create the sustained competitive advantage.

Strategy is a plan developed by a firm to achieve sustained competitive advantage and successfully compete in the market.

Structure represents the way business divisions and units are organized and include the information of who is accountable to whom.

Systems are the processes and procedures of the company, which reveal business' daily activities and how decisions are made.

Skills are the abilities that firm's employees perform very well. They also include capabilities and competences.

Staff element is concerned with what type and how many employees an organization will need and how they will be recruited, trained, motivated and rewarded.

Style represents the way the company is managed by top-level managers, how they interact, what actions do they take and their symbolic value.

Shared Values are at the core of McKinsey 7s model. They are the norms and standards that guide employee behavior and company actions and thus, are the foundation of every organization.

Q6b. Drive, risks and impact of e-procurement.

E-procurement is the purchase and sale of supplies, work, and services through the Internet, EDI, ERP. It can be for B2B, B2C, B2G.

The e-procurement value chain consists of indent management, e-Informing, e-Tendering, e-Auctioning, vendor management, catalogue management, Purchase Order Integration, Order Status, Ship Notice, e-invoicing, e-payment, and contract management.

Driving factor

Reduced costs: saves you money by preventing duplicate spending, leveraging volume buying, and saving you costs associated with paper-based systems

Transparency: easier to write and analyze reports on your procurement systems

Less time consuming: writing, storing, searching, forwarding

increased transaction speed: transaction speed, procurement cycle time

Standard maintain throughout company

Reduced errors

Risks and impacts

Working hands (at least few) will be redundant or may be transferred

Explanation of introduction of e-procurment, deal with resistance

those who introduced e-procurement become important, may purchase item not necessary or at high cost

mapping technology to requirements and standards of company

skill required to handle new process

depends upon underlying hardware and software and data entry

smaller set of suppliers

Q6c. Draw a flow process chart of operations performed by users on e-commerce website.