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Creating a web store for URC

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<p>This Project based thesis demonstrates with the use of screenshots how to create a working web store and how to place it online. It also underlines considerations that need to be applied whilst building a web store and the background processes and theory that was applied. URC is a business that will be established in the near future and requires an online presence through a web store.</p> <p>The goal of the project was to establish a basic web store model to present to URC. Theories behind web store design and general theories that applied to the topic were utilized to better understand the background behind the practice. The problem presented was that the company had no experience on how to establish a web store and thus the thesis project idea was commissioned by the company.</p> <p>The benefits of the thesis project are that after reading the thesis a reader can understand how to create a web store or a website on their own via the use of an intermediary service provider, how to purchase a domain name, point services and some basic marketing tools and how to market the web store.</p>	
Keywords Web store, web design, online business, virtual business, building a web store.	

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1 Introduction

More and more companies have been turning to e-commerce over the years as a way to grow, reach a wider market and experience the benefits of a digital economy. Traditional business models have embraced the digital model, thus becoming more competitive by reaching many more customers in more personal and customised ways. The thesis project is about the establishment of a web store for a soon to be established enterprise called URC.

The topic was chosen out of personal interest, and as a founding member of the enterprise, the need to establish a web store for customers to purchase goods and services from the company. Other studies have been conducted regarding this particular topic, but none –in the author’s opinion- have satisfactorily included details on how to actually establish a domain name, web store, manage the sites, and explain the necessary steps to take in order to achieve this. However this thesis is project based and it significantly differs from other studies in that it is more specific with its outcome.

The benefits of this thesis project are; (i) that parties interested in starting a web store in the future can use this project as a reference and, (ii) the enterprise will have some ideas and templates on a web store before physical operations.

URC is a company based around a private entrepreneur representative. According to Bridge West, “A private entrepreneur, or sole proprietorship, is an individual who forms a company and is free to retain any profits, but is also responsible for the debts of the company and the losses occurred.” URC will operate in providing reliable and superior ICT infrastructure solutions. URC will facilitate the sale of PC hardware to both consumers and enterprises. The enterprise strides to create a PC brand of its own for both home and business markets to be available during time of establishment. The enterprise will have a subdivision that operates under the URC umbrella, but is not relevant to the topic. The focus of the study is the web store.

The purpose of this thesis is to create a web store for the enterprise and to show the reader how this was done with directions and screenshots of the process. The thesis is divided into three segments, planning, development and evaluation. The layout has been chosen as such because it

offers easier understanding and a clearer method of creating a web store than with using the traditional thesis guidelines for a project based thesis. The first draft of the thesis was written in this form and it was difficult to follow the plan, thus a different layout was required.

The planning phase includes considerations of multiple aspects such as consumer type and web store design. Theoretical framework is included as a wireframe for the aspects that need to be included in the design of the store.

The implementation phase includes theory and knowledge applied to design the store. Screenshots and explanations about the store and screenshots are also found in this section.

The evaluation and discussion phase includes the author's evaluation, discussion and feedback from users who have sampled the store and future topics and ideas.

1.1 Thesis Objectives

The purpose of the thesis is to produce a working web store for URC to use and maintain. This is achieved through investigation of other web stores, applying lessons learnt from sources, theory and practice and implementing the data. The outcome of this project is a web store that may be a new web store model for other companies and individuals to refer to and improve upon in the future.

Throughout the building of the web store, the author intends to apply personal knowledge and skills into building the web store model. Some of the knowledge and skills are applied from outside the International Business Degree parameters, such as web design books, sources, references and even web design websites.

1.2 Thesis Topic and Scope

The thesis topic is the construction of a web store for a future company. Included is information needed to build a web store. The degree programme that the author is studying is International Business; entrepreneurship being a major focus within the course. The importance of this topic is seen in daily business operations as businesses place more of their traditional service and business models online. An example of this is a case study about Marks & Spencer in the appendices. The case outlines how M&S came to the conclusion that their business model was facing stiff competition and had to implement e-solution system to stay competitive.

This thesis is classified as a product-orientated thesis and the resulting product is a web store. A vast quantity of information is available online and in books about the topic. The thesis will focus only on materials used and those which were considered, but later discarded, as directly relevant and/or applicable to the founding of the web store. One research method applied was qualitative desktop research. The author gained insight into building the web store by browsing other stores and interfacing with provided content. Data that was considered inefficient or time consuming for the customer was removed or improved for the interface of the URC web store. The main research conducted via this method was payment methods and options.

Theoretical background was implemented into the study and the building of the store, however more in practice than the thesis theory. Segments of research conducted were for the benefit of the author to understand how domains are managed and how to build certain elements of the web store. “The internet provides easy, fast access to vital information.” (Allen 2001, 22). This quote proved insightful as most information related to the designing of the store and research of relevant theoretical material originated from web sources.

It is important to have a website. Selling products or services becomes more manageable and cost effective with a online presence. A new survey reported by the Financial Times states that “The recession has prompted small and medium-sized enterprises (SMEs) to increase their online presence as they seek to cut running costs and use marketing budgets more efficiently.” The cost of outsourcing a design is expensive, but building it yourself is not. The builder must possess basic skills to proceed with the building process. However, there are implicit costs that the builder incurs. The time cost alone is significant. It required the author a total of 9 hours to design the web store alone in its most basic form. Furthermore, acquiring other skills would have cost more in terms of time and economic aspects.

The design of the store was basic and provides a base to work with in future. Designing a store /website works in a pyramid hierarchy where several people design the framework and pass it along to the next level where designers check functionality, payment methods and overall usability. It moves to the next level where the site is handed over to the site administrator who maintains the site according to requirements. In this process the store was designed, checked and maintained by one individual. The store may require further development; however the design is presumed to be user friendly and streamlined for efficient purchases. It is designed so there is no need to input personal details as these details are already with the payment intermediary – PayPal.

The target group for the thesis is home user customers. The web store was built for this segment. The store focuses primarily on sales of computer hardware components. The decisions that have been made about the theory used is thought to be the most accurate and most relevant to the topic. Other theories could have been applied, but the topic is specific thus theory requirements were accordingly specific. The domain could have been purchased from several providers but the

author chose to purchase the domain from Google. Google has an excellent reputation and the most user friendly domain management tools online. The store is meant as an example for the enterprise it is being designed for – URC, and for readers to view and have an example of how to design a basic web store.

1.3 International Aspect

The degree programme focuses on international business. The thesis topic must in turn be internationally orientated.

Building and having a web store on the internet means even small companies service a global consumer market. The internet is a global tool and being online means that businesses reach any internet user anywhere, anytime. Customers from any corner of the world can browse goods or services without the use of traditional internationalisation methods. A company instantly acquires the 'born global' status as was presented at the ASAC conference in 2004 with the following statement. “The Internet is particularly appealing for SMEs, removing or reducing some of the traditional barriers they faced in doing business overseas, such as communications costs, long distances and market entry risks.” (Chrysostome 2004, 2)

With internationalisation a web store may be required to be translated into other languages, starting with the most commonly spoken languages or further translations if the need arises. Internationalisation means increased shipping costs for the business, unless products and services are virtual. If operating via a local warehouse, then competitive shipping rates are required to keep customers purchasing from the store. If there is high demand from a certain area, building or renting a warehouse in the region will increase shipping efficiency and satisfy customers quicker. Some products may not be affordable to store either as they are slow sellers or they are too expensive to keep. Such products require the business to directly order the product from the supplier and ship straight to the customer.

1.4 Project Stages

The project is divided into 3 segments: planning, development and evaluation. This is shown in the chart below.

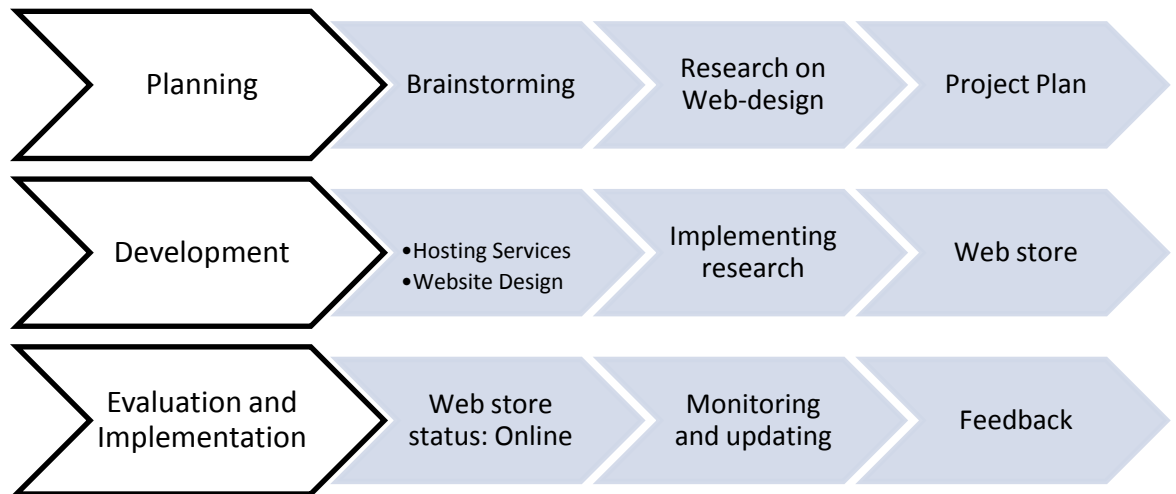


Chart 1. Chevron list of the project stages.

1.5 Action Plan

The thesis was planned using a Gantt chart. Challenges were present in abiding by the planned schedule, however all goals and objectives were met on the due date. The Gantt chart is located in the appendices.

2 Planning Stage

A planning tool that was utilised was the Website Creation Strategy form. This template is commonly used and can be found on Microsoft Office Templates website. A filled copy of this form is attached in the appendices. This form can be found at <http://office.microsoft.com/en-us/templates/web-site-creation-strategy-TC001144366.aspx>. The form allows the builder to input the most relevant and specific details into the form and allows a clearer image of what is required to the designing process. Additionally to this, a theoretical frame of reference is required to understand the concepts behind the store.

First, the theory behind the practice must be researched and applied to the study. Once researched the theories are applied to the overall design and concept behind the URC web store. Several of the theories used in this study were used to describe the overall situation and economy of digital economies and how they function.

2.1 Digital Economy and E-Commerce

A digital economy is “an economy that is based on digital technologies, including digital communication networks, computers, software and other related information technologies, and can also be called the internet economy, the new economy or the web economy.” (Turban 2004, 684).

URC will sell a vast variety of digitised products and services. The definition of the digital economy can be applied to the project as it includes digital product catalogue databases and news and information that is delivered in digital forms over a digital infrastructure. The company sells online signifying it is part of the digital economy in that it consists of a virtual store that consumers visit, view and purchase from. The process happens in the same manner as traditional brick and mortar purchases.

E-commerce or electronic commerce is defined as “the process of buying, selling, or exchanging products, services and information via computer networks.” (Turban 2004, 3). E-commerce is

the theoretical framework behind the process of building the web store and understanding the fundamentals behind the process of building an e-commerce platform. The psychological aspects behind the process are important as they provide background information to the considerations that need to be applied to different customer segments.

2.1.1 E-Business Models

All business models vary so as to remain competitive. Some models are spin offs from other bigger models to take advantage of market niches. These models are structured based on their industry, revenue models and other operational variables. Further, smaller business models have been created known as 'Atomic e-business models'. According to Weill and Vitale, “there are eight elementary , or “atomic, ” e-business models, ” (Turban 2004, 12). There are eight models overall and they are direct marketing, intermediary, content provider, full-service provider, shared infrastructure, value net integrator, virtual community and consolidator of services.

To illustrate further the use of these models, an example can be utilised. The Amazon.com business model combines direct marketing, intermediary services, virtual community and is a content provider.

All business models are required to specify revenue models and their value proposition. A revenue model by definition is the “Description of how the company or an EC project will earn revenue.” (Turban 2004, 12). There are several different types of revenue models, but for the URC web store the author uses the Sales Model and Advertising Fees model. The sales model is used as the company sells goods online to consumers in order to gain revenue. This is also the main source of income to the store. Advertising fees are a useful source of income to the web store as the URC web store would gain revenue from allowing other companies to advertise on the web store. The content though would have to be related to the products and services that can be found on the web store.

Value proposition is described as “The benefits a company can derive from using EC.” (Turban 2004, 13). “Amit and Zott identified four sets of values being created by e-business: *search and*

transaction cost efficiency, complementarities, lock-in and novelty.” (Turban 2004, 13). The current value that the URC web store creates is the complementarities value. “Complementarities involve bundling some goods and services together to provide more value than offering them separately.” (Turban 2004, 13).

2.2 E-Feedback and Social Media

“The internet has forever changed the way we do business. But what does that really mean to an entrepreneur?” (Allen 2001, 21).

Owning a big or small business means little or nothing unless it has an online presence. A recent article from *Pandecta* magazine reports that “Marketing on the Internet is not really a choice anymore, but has almost become a necessity in today's marketplace. No company can afford to ignore the fact that online marketing is now a multi-billion-dollar business. Those businesses without an online presence are missing out on a goldmine of potential customers.” It is accurate to say that there are businesses that are not online, but these businesses are not reaching their full potential nor the full target market potential.

Social media is becoming more popular thus being present on a social platform such as Facebook or Twitter is beneficial to the business. Social media platforms increase visibility and are a crucial tool for receiving feedback. Feedback is given and applied instantly. New businesses are more likely to implement new technology over longer operating businesses. Older businesses are used to their systems and feel that new systems cost too much or are not required. Older businesses that are not learning organisations will eventually fail because they do not adapt and learn from society and their consumers. The Fifth Discipline acquaints readers about learning organisations with a term known as systems thinking. Systems thinking is the ability to perceive interrelationships and patterns rather than a single view point. “Organisations break down, despite individual brilliance and innovative products, because they are unable to put their diverse functions and talents into a productive whole.” (Senge 1999, 69).

Embracing new technology costs more but will reap more benefits in long term operations than keeping old systems. Usage of the internet and its tools is vital for the success of a business,

starting with a web store and moving to e-procurement. Harnessing technology becomes a competitive advantage to the business. Allen states that “companies that attach technology to their processes achieve quantum leaps in productivity, leaps that are hard for competitors to match. That's why we're seeing huge differences in the performance levels of businesses that use technology and those that don't.” (Allen 2001, 24)

2.3 Web Design Strategies

“One of the key balancing acts you as a web designer must do is reconcile what clients think they want and what their customers actually need.” (Lopuck, 2001, 37). Before creating a web store a market analysis study is required to fully understand who store customers are. If there are two segments, consumer and enterprise markets, then web store design must be made for both segments. This is a difficult task because the requirements for each segment are different.

Online stores create two or more stores that are designed to a specific segment making it simpler to sort products and services to that segment. Consumer stores are more complicated by design as it usually contains more products, services and information. They are designed that a person who is not computer literate can use the store. Enterprise stores are more basic as it is assumed that businesses know their requirements thus the complexity is decreased and purchasing efficiency is increased to streamline purchasing from the store. It is assumed that businesses do not spend much time purchasing from online stores. Making the purchasing process simple is advantageous and a competitive advantage. This is referenced more by professional web store designers who in various articles comment about layout of stores.

(<http://www.webdesign.org/web-design-basics/website-usability/simplicity-or-complexity.1179.html>)

The most important feature of designing a web store is the value it offers to the targeted customer. The creator needs to understand how to create value to the customer. Offering a product or service is not enough especially with retail. A customer may be in the position to purchase the same goods and services from other web stores. Offering value for money and value for being a customer at the store is essential since the business gains customers who may make repeat purchases. Furthermore a web store can help increase value by helping its customers

zero in on what they require. A customer may require a product or service that the store does not offer and having a feature or features where custom needs can be satisfied will add value to the customer.

Joel states that “When it comes to design tips, your overall goal is always to provide an easy and clear experience for your customers to interact with you. If your store fits the needs of your buyers they'll consider shopping from you, and if you serve them with good products at a good price with excellent customer service you'll hopefully retain them as repeat customers.” (Joel 2008, 351). The main designing aspect for any designer is to keep the web store simple and professional, but again varies on the target market.

2.4 Technology Strategy

“The internet provides easy, fast access to vital information.” (Allen 2001, 22). The first phrase that comes to mind when asked a question that cannot be answered is 'Google it'. This is a common occurrence in modern society. From stock market share prices to the most ridiculous questions conceivable, the internet is the source of all information. Placing a business or products online makes them visible to the online community. A high level of visibility will lead more customers to the site and web store.

“The internet lets you build sustainable size quickly.” (Allen 2001, 22). As mentioned earlier, the internet makes the business a born global from its inception. The internet allows the business to sustain this size and grow quicker than traditionally. Cheaper start-up costs enable businesses to achieve profits faster and allow more resources to be invested into growth and expansion.

“Businesses are getting smaller in terms of infrastructure and physical assets.” (Allen 2001, 23). Having an online presence greatly increases the business's chance of success and becomes a major competitive advantage in becoming more dominant over competitors. A e-business solution means a business requires less capital requirements at start-up level and that the business may start showing profits sooner rather than later.

One of the main technology that will be implemented into the URC web store is the use of digital newsletters to promote the store, business and products. This service will be implemented to stay in touch, keep informed and encouraging purchases from the target customers. “One of the most popular ways for Web stores to accomplish this is to publish their own newsletter, which combines information and product announcements to remind people about the business and give them useful information in exchange for their time and attention.” (Joel 2008, 285)

2.5 Virtual Organisation

A virtual organisation is “An organisation design that consists of a small core organisation that outsources many of its major business functions.” (Coulter 1997, 379). Including a web store doesn't require the business to own transport services. Outsourcing is a business practice that web stores incorporate because of increased efficiency and shared resources. Linking the business to other businesses means shared costs, skills and possible access to each other's markets.

Linking the web store to sites such as Amazon.com or Google marketplace means more visibility in markets that were not accessible previously. Additionally it may increase local visibility further increasing sales and revenue. Virtual organisations tend to have more competitive advantages as it outsources most major business functions allowing the organisation to focus more on its key strengths. A competitive advantage is what sets an enterprise apart from its competitors. Companies are constantly battling each other for customers or market share for resources. Enterprises implement competitive intelligence to gather information concerning what and how the competition is doing.

A virtual organisation uses fewer resources and requires less capital to start. Virtual organisations are more efficient as they minimise usage of resources in achieving goals and objectives to maximise revenue. A virtual organisation becomes more competitive than a traditional business when it offers more customer value. Customers get value from products in three main ways; product uniqueness or differentiation, product price and the after sale services offered after making a purchase. Enterprises are required to define their target market. This is aspecific group of potential customers which fall into the parameters the enterprise requires. When the enterprise has defined its market, being home or business users, it can focus on marketing to create

awareness. Marketing to needs and wants of the target market by offering products of value increases the image of the enterprise and eventually creates brand loyalty.

2.6 Online Payment Methods

Online payment methods are paramount as this is how the business receives income. A desktop research was conducted into the different payment methods that different web stores use. The matrix below is results from the research:

Payment Type	Web store
Cash on delivery	verkkokauppa.com gigantti.com netantilla.fi
Bank Transfer	verkkokauppa.com gigantti.com netantilla.fi amazon.com Google marketplace
Online Banking Payment	verkkokauppa.com gigantti.com netantilla.fi amazon.com Google marketplace
Credit Card	verkkokauppa.com gigantti.com netantilla.fi amazon.com Google marketplace
Invoice / E-Invoice	verkkokauppa.com gigantti.com netantilla.fi

	amazon.com Google marketplace
PayPal	Amazon.com Google marketplace

Table 1. Payment Methods

The research information was useful to the development of the web store. It provides insight as to what payment options can be considered for the store. In reference to the above matrix, local web stores use more common payment methods and an additional service called cash on delivery. This is a service the post office provides to online businesses where the customer orders goods or services and they get delivered to the local post office. When the customer collects the goods they are required to pay the bill at the post office before collecting the shipment. These common payment methods will be applied to the URC web store at a later time, but emphasis will be placed on PayPal at the current time because this service is the most secure for both parties.

When placing an order the customer will have to transfer the required funds before goods are shipped. However if the goods are not delivered as promised the customer contacts PayPal and informs the company of the fraudulent sale. The customer receives his or her money back and PayPal informs the local authorities and the sellers' bank of the fraudulent behaviour. A safety feature provided for customers is they can purchase or transfer funds to their PayPal account as credit and pay through this system. This system is for customers who are wary of giving their credit card details to online stores.

2.6.1 PayPal Addendum

PayPal is a commonly used payment method for online purchases, but for the readers who don't know what PayPal is, a brief introduction about PayPal is included.

“PayPal allows any business or consumer with an email address to securely, conveniently and cost-effectively send and receive payments online. Our network builds on the existing financial

infrastructure of bank accounts and credit cards to create a global, real-time payment solution. We deliver a product ideally suited for small businesses, online merchants, individuals and others currently underserved by traditional payment mechanisms. ” (PayPal.com)

2.7 Logistics

Logistics is defined as “systems and infrastructure which transport and deliver goods and supplies for the value chain of a particular product.”

(www.wmep.org/Articles/suppchainterms.aspx). Logistics presents a challenge to web stores as it requires resources that are usually expensive to maintain. Most web stores outsource logistics services because this is the most effective solution overall. Outsourcing services may be the cheapest solution for a newly established web store because of cost sharing and the services the business requires is handled by professionals with experience. In Finland these services are outsourced to companies such as Posti and Itella logistics. The URC web store will use the services provided by these logistics companies.

For a start-up a warehouse is not essential. A start-up can cut costs by outsourcing storage space from storage companies or own a small storage for smaller or fast selling goods. A 50m² space is enough for a start-up to store goods efficiently. Item storage should be efficient and inventory management should be up to date at all times. Implementing a system whereby the customer can view current stock levels in real time on the web store is beneficial. Furthermore, implementing this system and including the reorder point formula based on sales and predicted sales will increase efficiency and reduce costs further. The longer business operates the more accurate the formula becomes. The system increases in efficiency as there is historical data collected on sales.

3 Development Stage

The main goal was to design a functioning, basic web store model to showcase to URC. If there were more members designing the web store, then each would have their own set of goals. In this case, URC had the goals that it required. Additionally, the author had goals that were required to be completed for this project. Both parties need to know their goals, and both parties need to set a plan that they will follow throughout. URC needs to provide the information and the requirements of the web store and the builder needs to design the store according to the requirements. Goals need to be set early in the planning stage and these goals need to be followed through.

URC would like to increase in house experience and felt that this project would be beneficial to the company as it would show newly hired staff what kind of web store they require and are looking for. This need also comes at a later time of store operation as the need to maintain the web store arises. If the company does not learn from the experience, then the maintenance will be difficult and may result in termination of the web store. If internal staff are responsible for the web store, further development and content management will go much faster. Outsourcing the web store construction has benefits and disadvantages. The main advantage to this is that the outsourced company can provide experience and reliability. The main disadvantage is that the service is extremely costly, especially for a start up business, and if there is no in-house experts, then there is a locked-in situation where the company becomes dependant on the outsourced company in order to operate its business model.

The URC has in-house experienced staff, but the knowledge is limited. More training is required, but if a basic model web store was created, then simply maintaining it and managing the content from the store would not be too much of a problem and would be more cost effective.

3.1 Creating the Web Store Introduction

The following table indicates basic steps to be undertaken to build a web store. These are the basics and more detail is provided in chapter 3.2.

Step	Description
Find a domain name	Find the right domain name. If engaged in selling cloths it could be cloths.com or .net. Select an appropriate name.
Find a domain host	There are thousands of companies that sell domains. Find a company that has a good reputation. The URC store used Google as the company offers user friendly domain management tools. Once the selection is made, purchase the domain. At Google sites it costs approx. 10€ a year.
Making the website	Make the website with the desired programme. Microsoft offers useful tools with the Office package such as FrontPage or Publisher. However these are basic and limited. Use of Dreamweaver or Adobe Flash allows more multimedia, but these are programmes for advanced users. A third option is to use online web site builders like was used with the URC Web store.
Redirecting site to the domain	Once the web store is designed, a redirect of domain to the DNS address that was provided must be implemented. There are two options to use; point the domain to the address provided or upload the web store files to the domain. Pointing is simpler and less hassle for users with little ICT knowledge.
Finishing Touches	Once the steps have been completed visit the web store and make a purchase to ensure

	everything functions as it should. Find friends and family who can make ghost purchases to ensure the store functions as it should.
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Table 2. Matrix of Steps followed (summary)

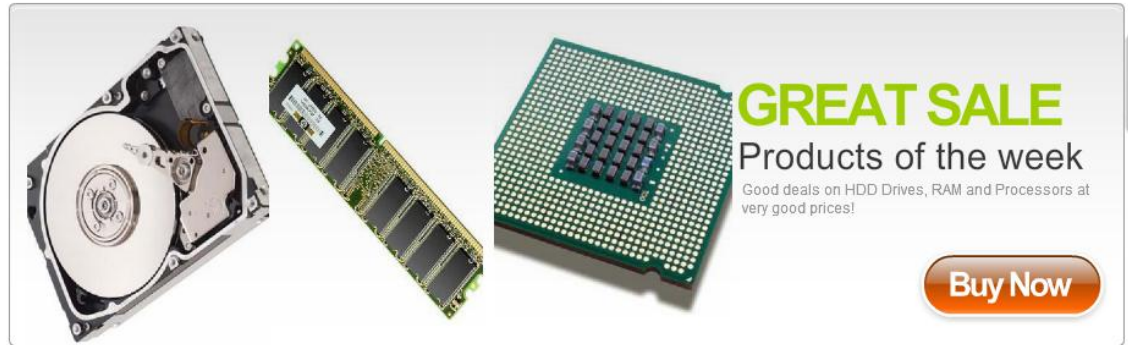
With the above matrix in mind it should be stated that this was the method the author thought was the most logical way to progress. This was not based on any model. The order that was applied was the base needed to be created first. Secondly a wireframe of the web store was created and later filled with details and finally the finalisation of the store.

3.2 Creating the Web Store

As mentioned in the matrix above an intermediary programme was used to build the web store. The intermediary provided features and options that cannot be found on other programmes and they are simple to use. When considering how to design the store, this was the most viable solution as no programming skills are required, but some knowledge with networking is required. This is explained shortly.

3.2.1 Start with a blank page or a template

Visit www.wix.com and create a new account. After this, locate the button that begins the creation process called 'start creating'. Click this and select the next option - blank web site or use a template. Using templates is easier for the inexperienced user because all the links and effects are ready made and just require editing.




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Worried about the data on your PC? Buy external storage and back-up all your data!

Intel Processors new
New intel processors available in the store! We also store the Intel i7 980XT Extreme, the only 6 core processor!










Nvidia Graphics new
Delivering cutting edge graphics for games, CAD applications and more!

Figure 1. The first page of the store.

The above figure is the first page of the web store that was created after editing. There are animations present that cannot be shown on figure 1.

With the editing, the author created pages for every article that is going to be sold by the company. One example of this is the CPU (Central Processing Unit) page below.

Processors Motherboards RAM HDDs Graphics

 AMD Phenom 955 €140 ADD TO CART	 AMD Phenom 965 €154 ADD TO CART	 AMD Phenom 970 €187 ADD TO CART
 AMD Phenom 1075t €205 ADD TO CART	 AMD Phenom 1090t €250 €210 ADD TO CART	 AMD Phenom 1100t €310 €260 ADD TO CART
 Intel i5 680 €295 ADD TO CART	 Intel i5 750s €315 €298 ADD TO CART	 Intel i5 760 €204 ADD TO CART

1/2

Your Cart **Checkout**

Add or remove products from your cart

Item	Price	Qty	Total
------	-------	-----	-------

Price in Euros Total: €0

By default, the cart is linked to Paypal. If you wish to change your payment type, make your order and change the payment and delivery type.

Figure 2. The CPU page of the store.

If the customer wishes to make a purchase, they simply just have to click on the 'Add to cart' button. The cart remembers all the items selected by the customer. When the customer is done shopping, they simply click the 'checkout' button. This takes the customer to the checkout page. Since this checkout is designed for PayPal, clicking 'checkout' will redirect the customer to PayPal's website where the customer fills in their details and the order is placed. If the customer does not have a PayPal account, they can create the account on the main page of the site.

Visit this site at <http://www.wix.com/urcorp/urstore>. Please note that this is an example web store; not all the features are available and the overall web store is limited.

3.3 Redirecting to the domain

Once the website is designed and tested, and the domain name has been purchased, link the domain and the web store. The author used Google sites, so the description will be for this service; however the concept is similar with other services.

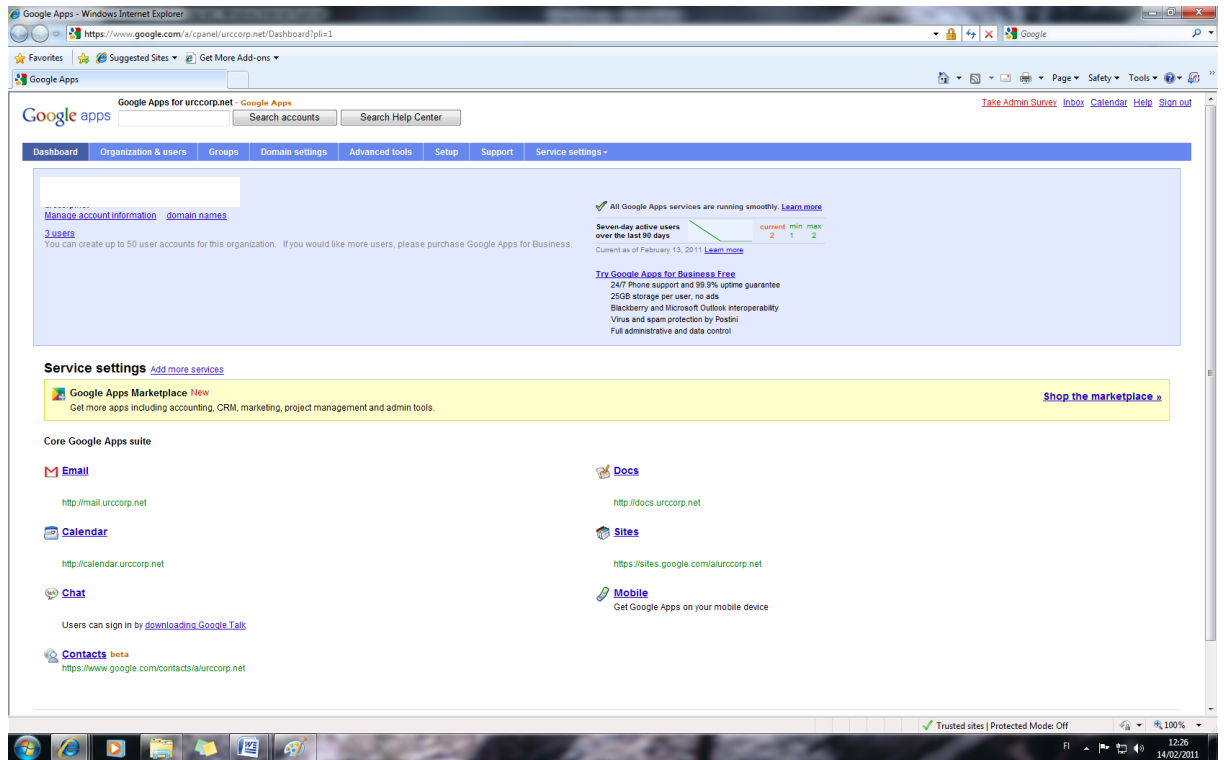


Figure 3. Google domain management tool

Figure 3. shows the management tool for the domain. The tool shows how many people are visiting the website at any given time and other data collected from the site. Note that certain features have been censored for the security of the domain. To redirect or 'point' users to the newly designed web store from an intermediary, locate and select domain settings and click on advanced DNS settings. The screenshot below shows this screen.

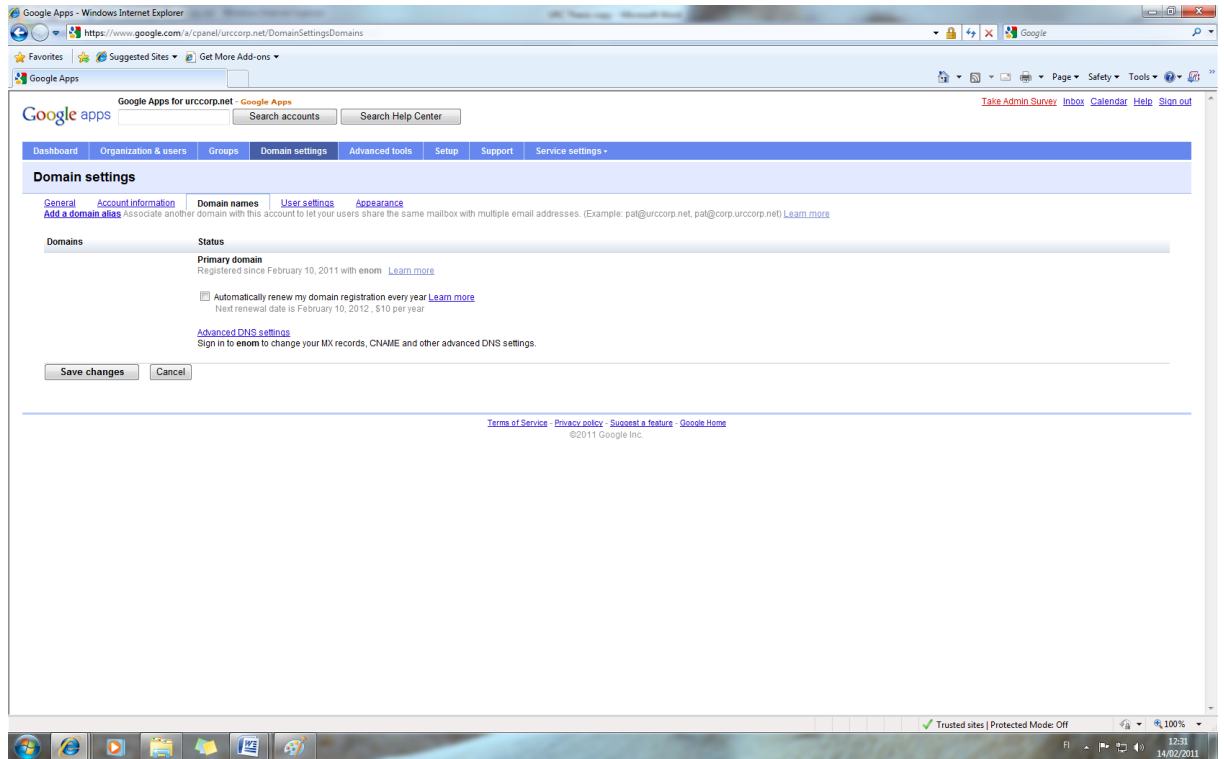


Figure 4. Settings Page

Note some parts have been censored for the security of the domain.

Once selected, a new window will open showing a user name and password that allows obtaining settings of the domain. If unsure about this contact the domain provider and request them to make the necessary changes. If using an intermediary like www.wix.com, www.wix.com can send an email to the domain provider with all the settings required to point the domain.

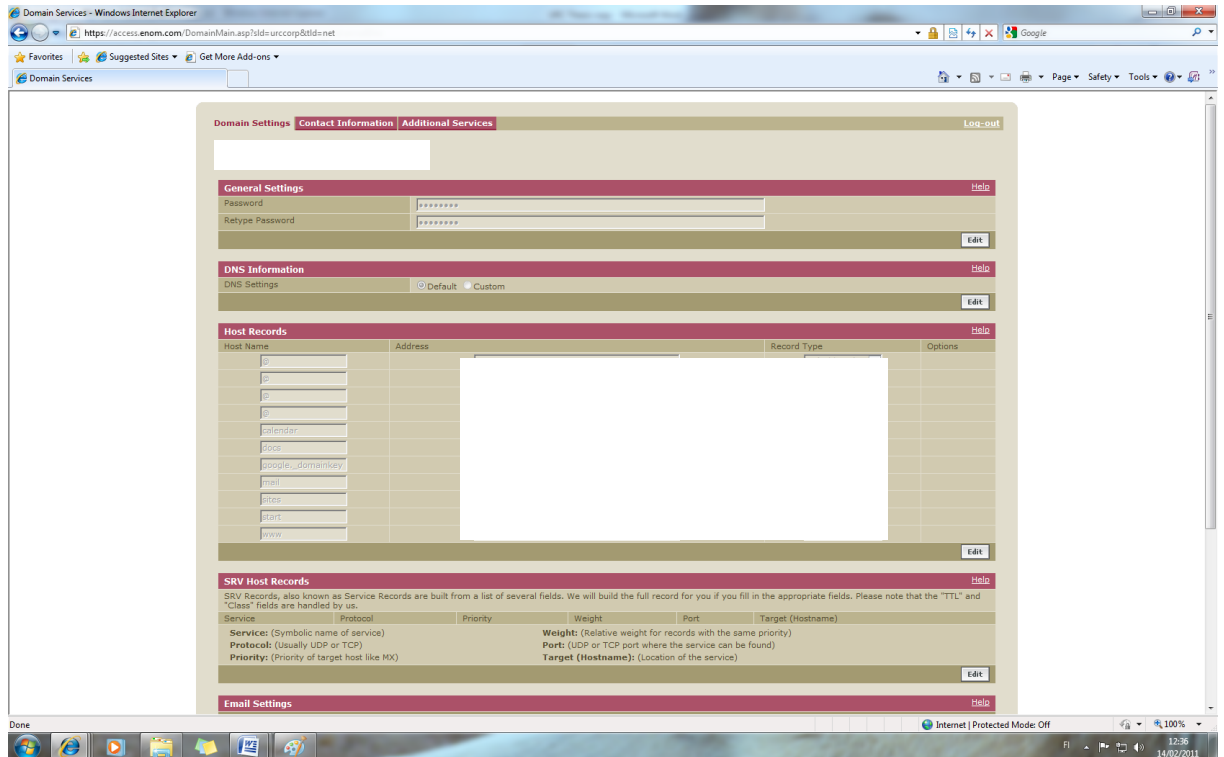


Figure 5. Enom Admin Web Console.

Note this screenshot has been censored so as not to compromise the security of the domain.

Figure 5 represents the domain name console and here one can access and change all the settings on the site. Locate the feature 'host records' and under this column search for the 'www' field. In this field input the `www.wix.com` site address which was provided by `www.wix.com` when the site was published. This is usually an IP address and looks as follows: `123.456.78.90`. Save the settings and log out. The changes will not be applied immediately, but after an hour the settings should be applied.

3.4 Finishing Touches

Once the site has been completed updating the site can be done from `wix.com`. At this point marketing for the site can be implemented using Google Ad sense, a service from Google that increases site visibility. This service requires a premium. When a user on Google searches a keyword related to the company, e.g. computer components, the website is first to appear on the

list. The price varies as popular names have a bidding process where companies pay Google a premium per click. While this is expensive, visibility is drastically increased and payment only occurs when the link to the web store is selected. The domain name is imperative from a marketing perspective. Easy to remember sites gain more traffic than long named websites. If the domain has a long name, abbreviating it is far more effective. Considering the domain ending is important as it is perceived as a status symbol.

.com and .net are the most common and can indicate a status. Domain names like .info and .biz can indicate an informative website or a business, however .biz has been unpopular as .biz domain name can be free meaning that fraudsters can easily create websites offering fake goods or services. One requirement is site feedback. With the purchased domain several email accounts are also included. Google sites offer a total of 50 accounts. This is a functional utility because email accounts can be created where feedback from store customers can be received.

4 Evaluation and Discussion

At the current stage the web store is at its most basic form and only supports PayPal payments. Consumers of local web stores do not pay with PayPal, so payment services should include localised payment methods. As the web store is targeted mainly for Finnish consumers the language should be changed. This is a major consideration that should be applied to all web stores. When targeting a market consider the language the market speaks. Localise content and products rather than having one version of the store and use a geocentric approach. An example of this is amazon.com. Amazon.com has a web store localised in most languages and countries however customers can still purchase from their main store in English.

During the start-up phase of web store operation, feedback and visibility are the most important aspects to the store. Customer feedback is important because improvements to the store can be applied according to the customers' wants and needs. This creates more ways to fulfil those needs. Applying feedback and communicating with customer's gains customer trust, support and most of all loyalty. Increasing visibility is important as the business needs customers to visit the store. Usage of marketing channels like advertising on traditional media is expensive and will only gain a certain amount of visibility. Utilising social media as a advertising tool is more convenient and cheaper for start-up web enterprises. Global visibility can be created by utilising social media tools like Facebook and Twitter. Additional services from Facebook or Twitter can greatly increase the success factors at a very low or no cost at all.

4.1 Feedback from Web Store

On the web store, there is a Feedback page. It was asked from several associates to interface with the web store and provide feedback. The author received a total of 28 emails at time of writing in response to the request. Below is a sample of the feedback.

User 1	Good visuals, but needs more payment methods and some more work overall.
User 2	Nice design, but store needs more work. It's simple to use and warm feeling.
User 3	Needs more work with the store side, but find it interesting and look forward to the actual release.
User 4	Interesting design and features. Never seen a more simpler store but in a positive way. Looks like no hassle with purchasing. Quick and efficient.
User 5	Good site. Liked it all, just needs more products to sell.

Table 3. Feedback from web store users.

According to the above sample, the overall site was good and simple, however it was expected that there is still work that needs to be done on the web store. The feedback provided will go a long way in the overall outcome of the final design and features of the store.

4.2 Further Development

As technology develops further and new ways of establishing a online business appear other topics could present themselves in relation to this thesis. HTML 5 coding allows new types of media to be placed on websites. Furthermore as web security becomes more secure, new payment methods may be introduced to the online community so as to further increase payment security.

As there is already other well established web stores in the country it may be difficult at first to gain visibility and customers. However as capital requirements are low, the capital can be invested into marketing and promoting the store and company. The theories chosen in this study were

applied to the creation of the web store. URC stated that the target market was medium level income earners who had some knowledge about computer components. However the customer can contact the business and ask for advice on what kind of components they should purchase and what was best for the customer.

A very important aspect to the store was feedback. Feedback is crucial to the survival of the store, and the enterprise wanted the users to understand that their input to the store means better quality products, services and overall product portfolio. The enterprise wants its customers to point out what is wrong or what can be improved so that the enterprise can make these improvements to better suit the customer. Additionally being a virtual organisation means that the business needs to keep technology at a high level to ensure the flow of information is efficient and that all services are being provided at the fastest pace. Virtual companies benefit in that they have access to more resources and can grow at a sustainable pace. They have the benefit that they are born global at inception so they reach more customers in the beginning than a traditional store.

Security plays a colossal role in virtual stores as customers are always worried that their information may be stolen or misused. Providing the customer with security of mind is vital because if a user feels comfortable with the store then they will make repeat purchases and use word of mouth to promote the enterprise. Technology and information sharing was key to the success of the project overall. The technology that was used was the latest Adobe Flash player and the technology behind the wix.com site. Information sharing was also crucial as the enterprise made clear what it required and how it was required. The web store was created to requirements and is a basic model that can be used to sell to customers.

4.3 Future Topics from the Thesis

Future outcomes from this thesis are that other students may decide to take this topic even further by introducing marketing of the web store. A possible thesis topic for consideration is how to market a web store on social media sites, logistics chain for the store or how to improve the web store further.

4.4 URC

With the current store that was provided, the company was satisfied with its needs as it had a template to work with and some background information about what considerations and aspects should be applied. The timeline for the establishment for the company is by December 2011 and plans have already been set in motion to achieve this goal. The company will need a more complete version of the web store, unfortunately not within the timeframe of the thesis project. A soft launch of a final web store is planned for mid October 2011 and will last until mid December when the company is fully operational. However these are all plans, and as one of the future enterprise founders stated “We constantly view the business as if it is months away from complete failure, thus it is imperative that we stay competitive and find tomorrows solutions and apply them today to keep customers satisfied and purchasing from the URC store.” (URC Founder, undisclosed.)

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Appendices

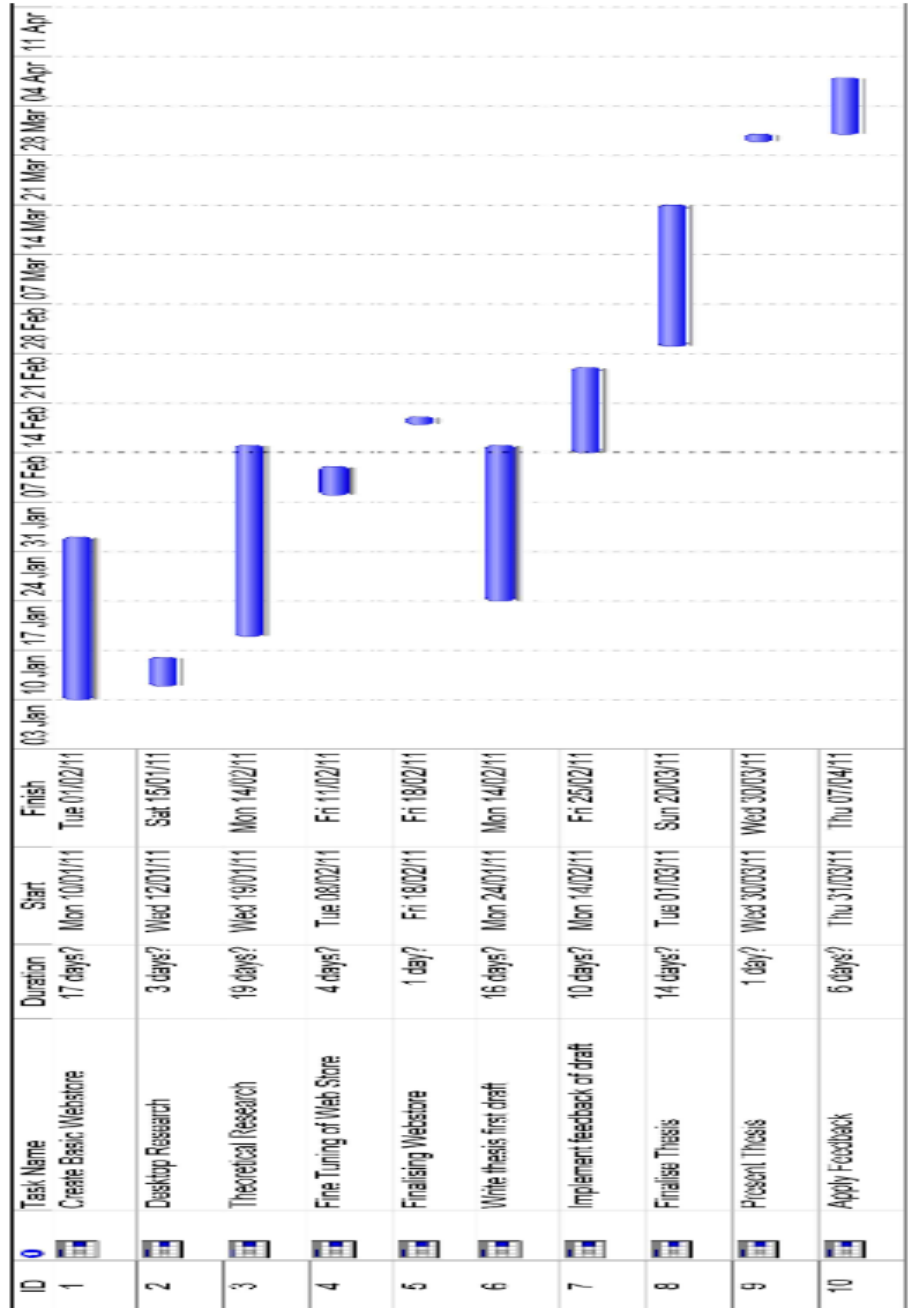


Figure A1. Gantt chart indicating Action Plan

Table A1. Responses from Web Store

User 1	Good visuals, but needs more payment methods and some more work overall.
User 2	Nice design, but store needs more work. It's simple to use and warm feeling.
User 3	Needs more work with the store side, but find it interesting and look forward to the actual release.
User 4	Interesting design and features. Never seen a more simpler store but in a positive way. Looks like no hassle with purchasing. Quick and efficient.
User 5	Good site. Liked it all, just needs more products to sell.
User 6	Was unable to view some of the products. Looks interesting.
User 7	Clean and basic. The content loading was a bit slow, maybe too much flash was used. Also this may create problems with browsers that do not use the latest version of flash player.
User 8	I thought it was too basic. In order to buy from this store, i would need much more products and services.
User 9	All good, but there needs to be a legal aspect... I did not find any kind of policies, but then again it is a beta.
User 10	Couldn't get the store to work. It was all greyed out. Looked kind of professional though and can see it going further.
User 11	Nice job. Can't wait to see the final copy.
User 12	Practical and user friendly. No hassle with any

	of the purchases. Really really basic. I think you are onto something.
User 13	I'll call you about development.
User 14	Interesting design, but i would personally like to see more features. For starters, a search engine.
User 15	Clear and precise. Final copy will be something to look forward to!
User 16	Needs a bigger product range. Also need to enable the site to get rid of the grey boxes.
User 17	P.S. I forgot to mention that the ads on the page don't look professional at all. Remove the ads and it will be more believable.
User 18	If you need help adding some HTML coding to this, I can help you out. Personally I would also add videos of the products individually, but then it does take up a lot of space. We can talk later about it if you want.
User 19	Looks promising. Keep up the good work.
Users 20-33	<Files were corrupted. Web store intermediary had experienced server issues and the files cannot be accessed.>

Figure A2. Marks & Spenser case study (page 3) (Turban 2004, 2)

MARKS & SPENCER—A NEW WAY TO COMPETE

The Problem

Marks & Spencer (*marksandspencer.com*) is a UK-based, upscale, global retailer known for its high-quality, high-priced merchandise. Operating in more than 30 countries, the company faces stiff competition, especially since the beginning of the economic slowdown that started in 1999. Customer service became a critical success factor for Marks & Spencer. Other critical success factors included an appropriate store inventory system and efficient supply chain activities. To attract shoppers, the company had to reduce prices at its stores, which drastically reduced profit. Several other big retailers were wrestling with similar problems, including Kmart, which had to file for bankruptcy. Will Marks & Spencer (M & S), a world-class retailer, be able to survive?

The Solution

M & S realized that in the digital era survival depends on the use of information technology in general and *electronic commerce* in particular. Electronic commerce (EC, e-commerce) is a process of buying, selling, transferring, or exchanging products, services, and/or information via electronic networks and computers. M & S initiated several EC initiatives, including the following.

- **Selling online.** Like many other retailers, M & S sells some of its merchandise online. Shoppers can collect their merchandise in a “shopping basket,” pay online, and receive the merchandise the next day (in the UK). Online shoppers are encouraged to provide a UPC code in order to get the same product they see at a physical store, frequently at a lower price.
- **Security.** A security system tracks transaction data in real time, looking for fraudulent events. If any fraudulent events are discovered, the system alerts the in-store security staff in the affected store by sending them a short text message via cell phone.
- **Warehouse management.** A mainframe-based warehouse management system, known as the Multi-User Warehouse System (MUWS), was installed first at M & S’s Hardwick distribution center near Birmingham, United Kingdom. Using Microsoft.Net infrastructure, store sales are reported to a *data warehouse* (a repository of corporate data), almost in real time. The data are then available for decision making on inventory replenishment (when and how much to ship to each store). The data are also available

to the company’s third-party logistics service providers, who run the warehouse operation and deliveries.

- **Merchandise receiving.** The process of matching orders and invoices is automated, making it faster and free of errors. Information about arriving goods is passed automatically to both the warehouse and the stores. This way MUWS can do a real-time check of arriving and available stock. Also, the system enables M & S to pay suppliers more quickly, which makes them happier and more cooperative.
- **Inventory control.** The warehouse management and the merchandise receiving system, in addition to the real-time data reporting, improve customer relationships. Customers can find what they want because replenishment is accomplished quickly (sometimes within one-half hour).
- **Speeding up the supply of fashion garments.** Using special software, merchandisers can access and change allocation plans from any computing device (PC, laptop, pocket PC) anywhere and at any time in response to changing demand patterns. This is especially important for fashion garments, where meeting ever-changing demand is critical for competitiveness.
- **Collaborative commerce.** M & S can now pass more accurate forecast demands to its suppliers for fast delivery of goods, often directly to the M & S retail stores. The new information system enables M & S to work with suppliers to reroute merchandise to different depots and change allocations to where they are needed.

The Results

M & S’s CEO, in a message to the shareholders (summer 2002), indicated that a turnaround is underway. He sees M & S as a leader and example setter in retailing, resulting in increased profitability and growth.

Sources: Compiled from *marksandspencer.com*; various news reports during 2002; Penelope (2002); and *Financial Times* news items, 2002.

WHAT WE CAN LEARN . . .

As the story about M & S demonstrates, *traditional brick-and-mortar* companies are facing increasing pressures in a competitive marketing environment. A possible response to these pressures is to introduce a variety of e-commerce initiatives that can reduce costs, improve the supply chain operation (the flow of materials, information, and money from raw materials through factories and warehouses to the end customer), increase customer service, and open up markets to more customers. The implementation of such e-commerce initiatives and the issues involved will be explored in this chapter and throughout this textbook.

Chapter 1 defines e-commerce and discusses the content of the field and the various business models used. It illustrates the benefits and limitations of e-commerce. It also describes the digital economy and the role EC plays in enabling companies to survive and even prosper in it. Finally, the chapter demonstrates the “drivers” of EC that make it so attractive.